

Assured Guaranty Re Ltd.

Consolidated Balance Sheets (Unaudited)
(in thousands of U.S. dollars, except share and per share amounts)

	September 30, 2009	December 31, 2008
ASSETS		
Investment portfolio, available-for-sale:		
Fixed maturity securities, at fair value (amortized cost of \$1,831,358 and \$1,640,501)	\$ 1,871,004	\$ 1,642,808
Short-term investments, at fair value, which approximates cost	210,603	346,791
Total investment portfolio	2,081,607	1,989,599
Cash	11,032	942
Premiums receivable, net	497,410	23,559
Ceded unearned premium reserve	577	594
Deferred acquisition costs	347,798	209,630
Reinsurance recoverable on paid and unpaid losses	1,066	3,474
Credit derivative assets	59,265	21,877
Deferred tax asset, net	8,780	19,553
Salvage recoverable	81,869	23,988
Other assets	36,597	24,452
TOTAL ASSETS	\$ 3,126,001	\$ 2,317,668
LIABILITIES AND SHAREHOLDER'S EQUITY		
Unearned premium reserves	\$ 1,336,968	\$ 713,947
Loss and loss adjustment expense reserve	105,825	90,752
Credit derivative liabilities	324,641	252,513
Funds held under reinsurance contracts	29,741	30,244
Reinsurance balances payable, net	13,432	16,602
Other liabilities	24,934	20,436
TOTAL LIABILITIES	1,835,541	1,124,494
COMMITMENTS AND CONTINGENCIES		
Preferred stock (\$0.01 par value, 2 shares authorized; none issued and outstanding in 2009 and 2008)	-	-
Common stock (\$1.00 par value, 1,377,587 shares authorized, issued and outstanding in 2009 and 2008)	1,378	1,378
Additional paid-in capital	856,604	856,604
Retained earnings	395,844	331,804
Accumulated other comprehensive income	36,634	3,388
TOTAL SHAREHOLDER'S EQUITY	1,290,460	1,193,174
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 3,126,001	\$ 2,317,668

Assured Guaranty Re Ltd.

Consolidated Statements of Operations (Unaudited)
(in thousands of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
REVENUES				
Net earned premiums	\$ 11,365	\$ 57,772	\$ 144,054	\$ 121,235
Net investment income	20,338	23,415	68,265	65,857
Net realized investment gains (losses)				
Other-than-temporary impairment (OTTI) losses	(10,914)	(14,040)	(58,154)	(14,040)
Less: portion of OTTI loss recognized in other comprehensive income	(3,702)	-	(21,932)	-
Other net realized investment gains (losses)	(250)	701	1,168	549
Net realized investment gains (losses)	(7,462)	(13,339)	(35,054)	(13,491)
Net change in fair value of credit derivatives				
Realized gains and other settlements	4,712	6,336	5,359	18,183
Unrealized gains (losses)	(56,522)	(24,616)	(35,349)	30,101
Net change in fair value of credit derivatives	(51,810)	(18,280)	(29,990)	48,284
Other income	30,751	16	30,762	16
TOTAL REVENUES	3,182	49,584	178,037	221,901
EXPENSES				
Loss and loss adjustment expenses	43,912	37,279	93,887	83,522
Profit commission expense	5,408	(1,444)	6,907	351
Amortization of deferred acquisition costs	(1,589)	13,990	35,624	30,884
Other operating expenses	3,973	4,277	13,690	11,690
TOTAL EXPENSES	51,704	54,102	150,108	126,447
INCOME (LOSS) BEFORE INCOME TAXES	(48,522)	(4,518)	27,929	95,454
Provision (benefit) for income taxes				
Current	819	590	(3,938)	644
Deferred	210	(696)	2,756	784
Total provision (benefit) for income taxes	1,029	(106)	(1,182)	1,428
NET INCOME (LOSS)	\$ (49,551)	\$ (4,412)	\$ 29,111	\$ 94,026