

ASSURED GUARANTY LTD  
Form 10-Q  
May 08, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2015

Or  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition Period from to

Commission File No. 001-32141

ASSURED GUARANTY LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State or other jurisdiction  
of incorporation)

98-0429991

(I.R.S. employer  
identification no.)

30 Woodbourne Avenue

Hamilton HM 08

Bermuda

(Address of principal executive offices)

(441) 279-5700

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The number of registrant's Common Shares (\$0.01 par value) outstanding as of May 7, 2015 was 150,902,096 (includes 47,517 unvested restricted shares).

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Assured Guaranty Ltd.

Consolidated Balance Sheets (unaudited)

(dollars in millions except per share and share amounts)

	As of March 31, 2015	As of December 31, 2014
Assets		
Investment portfolio:		
Fixed-maturity securities, available-for-sale, at fair value (amortized cost of \$9,310 and \$9,972)	\$9,833	\$10,491
Short-term investments, at fair value	349	767
Other invested assets	132	126
Total investment portfolio	10,314	11,384
Cash	885	75
Premiums receivable, net of commissions payable	700	729
Ceded unearned premium reserve	365	381
Deferred acquisition costs	120	121
Reinsurance recoverable on unpaid losses	77	78
Salvage and subrogation recoverable	128	151
Credit derivative assets	77	68
Deferred tax asset, net	218	260
Financial guaranty variable interest entities' assets, at fair value	1,499	1,402
Other assets	294	276
Total assets	\$14,677	\$14,925
Liabilities and shareholders' equity		
Unearned premium reserve	\$4,127	\$4,261
Loss and loss adjustment expense reserve	787	799
Reinsurance balances payable, net	74	107
Long-term debt	1,304	1,303
Credit derivative liabilities	859	963
Current income tax payable	—	5
Financial guaranty variable interest entities' liabilities with recourse, at fair value	1,278	1,277
Financial guaranty variable interest entities' liabilities without recourse, at fair value	45	142
Other liabilities	317	310
Total liabilities	8,891	9,167
Commitments and contingencies (See Note 14)		
Common stock (\$0.01 par value, 500,000,000 shares authorized; 152,835,331 and 158,306,661 shares issued and outstanding)	2	2
Additional paid-in capital	1,733	1,887
Retained earnings	3,676	3,494
Accumulated other comprehensive income, net of tax of \$149 and \$159	370	370
Deferred equity compensation (320,193 and 320,193 shares)	5	5
Total shareholders' equity	5,786	5,758

Total liabilities and shareholders' equity	\$14,677	\$14,925
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The accompanying notes are an integral part of these consolidated financial statements.

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Assured Guaranty Ltd.

Consolidated Statements of Operations (unaudited)

(dollars in millions except per share amounts)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Net earned premiums	\$142	\$132
Net investment income	101	103
Net realized investment gains (losses):		
Other-than-temporary impairment losses	(5	) (3
Less: portion of other-than-temporary impairment loss recognized in other comprehensive income	2	2
Net impairment loss	(7	) (5
Other net realized investment gains (losses)	23	7
Net realized investment gains (losses)	16	2