

ASSURED GUARANTY LTD  
Form 10-Q  
August 09, 2013  
Table of Contents

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 June 30, 2013

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 August 1, 2013 was 182,986,125 (includes 48,273 unvested restricted shares).

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Table of Contents

ASSURED GUARANTY LTD.

## INDEX TO FORM 10-Q

	Page
<b><u>PART I</u></b>	
<b><u>Financial Information</u></b>	<b><u>1</u></b>
<b><u>Item 1. Financial Statements:</u></b>	<b><u>1</u></b>
<b><u>Consolidated Balance Sheets (unaudited) as of June 30, 2013 and December 31, 2012</u></b>	<b><u>1</u></b>
<b><u>Consolidated Statements of Operations (unaudited) for the Three and Six Months Ended June 30, 2013 and 2012</u></b>	<b><u>2</u></b>
<b><u>Consolidated Statements of Comprehensive Income (unaudited) for the Three and Six Months Ended June 30, 2013 and 2012</u></b>	<b><u>3</u></b>
<b><u>Consolidated Statement of Shareholders' Equity (unaudited) for the Six Months Ended June 30, 2013</u></b>	<b><u>4</u></b>
<b><u>Consolidated Statements of Cash Flows (unaudited) for the Six Months Ended June 30, 2013 and 2012</u></b>	<b><u>5</u></b>
<b><u>Notes to Consolidated Financial Statements (unaudited)</u></b>	<b><u>6</u></b>
<b><u>1. Business and Basis of Presentation</u></b>	<b><u>6</u></b>
<b><u>2. Business Changes and Accounting Developments</u></b>	<b><u>7</u></b>
<b><u>3. Outstanding Exposure</u></b>	<b><u>8</u></b>
<b><u>4. Financial Guaranty Insurance Premiums</u></b>	<b><u>14</u></b>
<b><u>5. Expected Loss to be Paid</u></b>	<b><u>17</u></b>
<b><u>6. Financial Guaranty Insurance Losses</u></b>	<b><u>42</u></b>
<b><u>7. Fair Value Measurement</u></b>	<b><u>48</u></b>
<b><u>8. Financial Guaranty Contracts Accounted for as Credit Derivatives</u></b>	<b><u>66</u></b>
<b><u>9. Consolidation of Variable Interest Entities</u></b>	<b><u>72</u></b>
<b><u>10. Investments and Cash</u></b>	<b><u>75</u></b>
<b><u>11. Insurance Company Regulatory Requirements</u></b>	<b><u>80</u></b>
<b><u>12. Income Taxes</u></b>	<b><u>81</u></b>
<b><u>13. Reinsurance and Other Monoline Exposures</u></b>	<b><u>83</u></b>
<b><u>14. Commitments and Contingencies</u></b>	<b><u>86</u></b>
<b><u>15. Long Term Debt and Credit Facilities</u></b>	<b><u>90</u></b>
<b><u>16. Earnings Per Share</u></b>	<b><u>93</u></b>
<b><u>17. Other Comprehensive Income</u></b>	<b><u>94</u></b>
<b><u>18. Subsidiary Information</u></b>	<b><u>96</u></b>
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	<b><u>104</u></b>
<b><u>Forward Looking Statements</u></b>	<b><u>104</u></b>
<b><u>Introduction</u></b>	<b><u>105</u></b>
<b><u>Available Information</u></b>	<b><u>105</u></b>
<b><u>Executive Summary</u></b>	<b><u>106</u></b>
<b><u>Results of Operations</u></b>	<b><u>111</u></b>
<b><u>Non-GAAP Financial Measures</u></b>	<b><u>126</u></b>
<b><u>Insured Portfolio</u></b>	<b><u>130</u></b>
<b><u>Exposure to Residential Mortgage Backed Securities</u></b>	<b><u>139</u></b>
<b><u>Liquidity and Capital Resources</u></b>	<b><u>142</u></b>
<b><u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u></b>	<b><u>155</u></b>
<b><u>Item 4. Controls and Procedures</u></b>	<b><u>155</u></b>
<b><u>PART II</u></b>	
<b><u>Other Information</u></b>	<b><u>156</u></b>

<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>156</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>157</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>157</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>157</u>

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Table of Contents

## 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 June 30, 2013	As of December 31, 2012
Assets		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost of \$9,267 and \$9,346)	\$9,564	\$10,056
Short term investments, at fair value	943	817
Other invested assets	130	212
Total investment portfolio	10,637	11,085
Cash	143	138
Premiums receivable, net of ceding commissions payable	915	1,005
Ceded unearned premium reserve	510	561
Deferred acquisition costs	125	116
Reinsurance recoverable on unpaid losses	60	58
Salvage and subrogation recoverable	331	456
Credit derivative assets	101	141
Deferred tax asset, net	850	721
Financial guaranty variable interest entities' assets, at fair value	2,674	2,688
Other assets	262	273
Total assets	\$16,608	\$17,242
Liabilities and shareholders' equity		
Unearned premium reserve	\$4,812	\$5,207
Loss and loss adjustment expense reserve	564	601
Reinsurance balances payable, net	188	219
Long-term debt	827	836
Credit derivative liabilities	2,349	1,934
Financial guaranty variable interest entities' liabilities with recourse, at fair value	1,940	2,090
Financial guaranty variable interest entities' liabilities without recourse, at fair value	134	1,051
Other liabilities	310	310
Total liabilities	12,124	12,248
Commitments and contingencies (See Note 14)		
Common stock (\$0.01 par value, 500,000,000 shares authorized; 182,901,083 and 194,003,297 shares issued and outstanding)	2	2
Additional paid-in capital	2,483	2,724
Retained earnings	1,786	1,749
Accumulated other comprehensive income, net of tax of \$83 and \$198	209	515
Deferred equity compensation (320,193 and 320,193 shares)	4	4
Total shareholders' equity	4,484	4,994

Total liabilities and shareholders' equity	\$16,608	\$17,242
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The accompanying notes are an integral part of these consolidated financial statements.

1

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Table of Contents

Assured Guaranty Ltd.

Consolidated Statements of Operations (unaudited)

(dollars in millions except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues				
Net earned premiums	\$163	\$219	\$411	\$413
Net investment income	93	101	187	199
Net realized investment gains (losses):				
Other-than-temporary impairment losses	(16	) (9	)	)