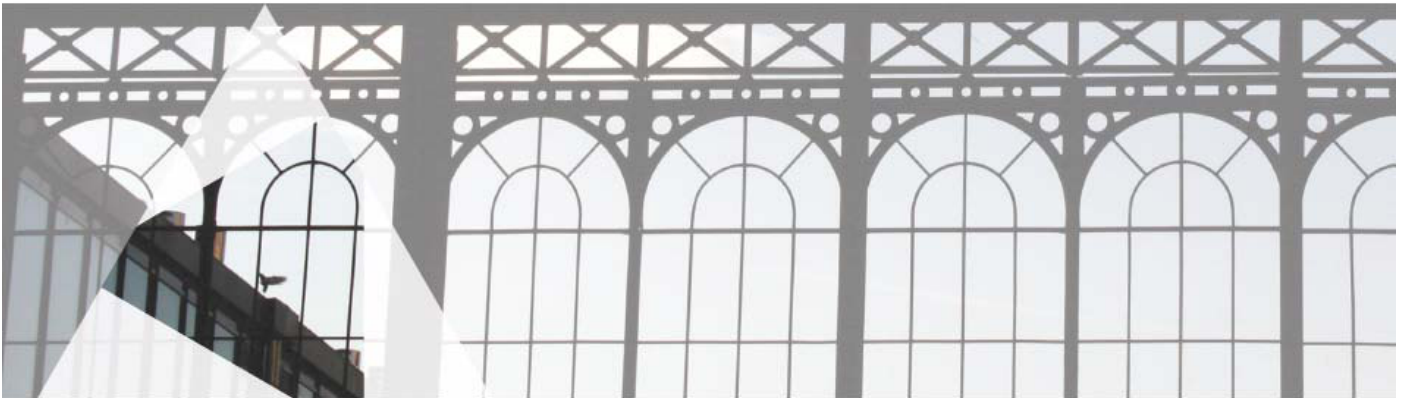


**Syncora Guarantee Inc.  
Syncora Capital Assurance Inc.**

**1st QUARTER 2016  
OPERATING SUPPLEMENT**



# Syncora Guarantee Inc. Syncora Capital Assurance Inc.

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### Notes:

All information herein is presented on a statutory basis unless otherwise specified.

Numbers throughout the document may not add due to rounding.

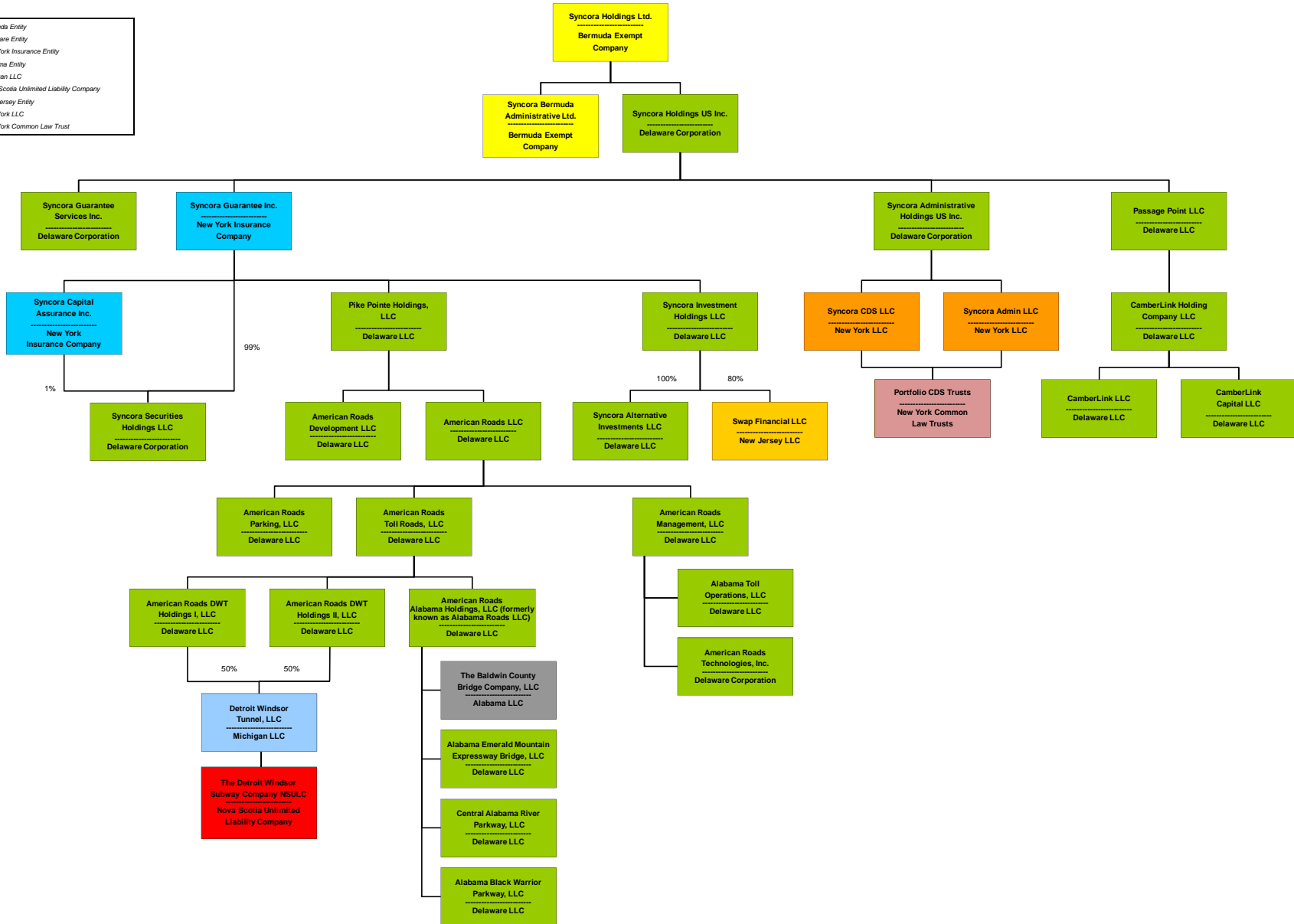
# Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

<b>Leverage ratio<sup>1</sup></b>	Net par outstanding divided by total claims paying resources.
<b>Net par outstanding</b>	Aggregate principal value of insurance policies and credit derivative contracts insured at the end of the reporting period, reduced by cessions to reinsurers.
<b>Net premiums written</b>	Direct premiums written plus assumed reinsurance premiums less ceded reinsurance premiums.
<b>Net present value of future installment premiums on insurance policies and credit derivative contracts (NPVFIP)<sup>1</sup></b>	Estimated installment premiums written on insurance policies and credit derivative contracts anticipated to be earned in future periods on policies in force, reduced by planned cessions to reinsurers, plus associated ceding commissions received from reinsurers, discounted at 7%. NPVFIP is a management estimate which can be negatively affected by prepayments, early terminations, credit losses or other factors.
<b>Net principal and interest outstanding</b>	Aggregate principal value of insurance policies and credit derivative contracts insured at the end of the reporting period including all future interest payable on obligations, reduced by cessions to reinsurers.

**Note:**

<sup>1</sup>Includes certain management estimates.

# Syncora Legal Entity Structure



**Notes:**  
There are no voting rights preferences between the two members who share ownership of Detroit Windsor Tunnel LLC.

## Assets, Liabilities, Surplus and Other Funds (U.S. dollars in thousands)

### Syncora Guarantee Inc.

	As of		
	3/31/2016	12/31/2015	9/30/2015
<b>Assets</b>			
Cash, cash equivalents and short-term investments	\$ 78,640	\$ 138,547	\$ 146,772
Bonds	880,566	818,094	808,924
Uninsured cash flow certificates	59,004	54,156	62,862
Interest rate derivatives	96	521	504
Investment in subsidiary - Syncora Guarantee (UK)	-	-	-
Other invested assets	225,048	229,094	207,265
Receivables for securities	-	-	-
Subtotal, cash and invested assets	1,243,355	1,240,412	1,226,328
Investment income due and accrued	3,151	2,930	3,225
Uncollected premiums and reinsurance assets	844	1,461	1,013
Other assets	4,290	4,643	5,479
<b>Total Assets</b>	<b>\$ 1,251,641</b>	<b>\$ 1,249,446</b>	<b>\$ 1,236,044</b>
<b>Liabilities, Surplus and Other Funds</b>			
Losses and loss adjustment expenses	\$ (48,441)	\$ (45,406)	\$ 97,726
Unearned premiums	110,342	111,061	132,631
Payable to parent, subsidiaries and affiliates	4,561	7,485	5,191
Mandatory contingency reserve	86,776	85,147	100,569
Other liabilities	9,859	4,203	5,837
<b>Total Liabilities</b>	<b>163,097</b>	<b>162,489</b>	<b>341,954</b>
Surplus notes	584,334	584,334	584,334
Preferred capital stock	200,000	200,000	200,000
Common capital stock	15,000	15,000	15,000
Gross paid in and contributed surplus	2,046,972	2,046,972	2,046,972
Unassigned funds (surplus)	(1,757,763)	(1,759,349)	(1,952,216)
Surplus as regards policyholders	1,088,544	1,086,957	894,090
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$ 1,251,641</b>	<b>\$ 1,249,446</b>	<b>\$ 1,236,044</b>

### Syncora Capital Assurance Inc.

	As of		
	3/31/2016	12/31/2015	9/30/2015
<b>Assets</b>			
Cash, cash equivalents and short-term investments	\$ 71,986	\$ 72,960	\$ 54,653
Preferred stocks	2,629	2,599	3,564
Common stocks	21,388	18,390	18,239
Bonds	299,359	305,936	332,082
Uninsured cash flow certificates	55,266	57,405	53,620
Other invested assets	6,386	5,449	5,060
Receivables for securities	2,301	-	-
Subtotal, cash and invested assets	459,314	462,738	467,217
Investment income due and accrued	2,523	2,190	2,524
Uncollected premiums	995	1,134	1,238
Net deferred tax asset	2,692	2,793	2,769
Receivable from parent, subsidiaries and affiliates	-	-	-
Other assets	64	50	52
<b>Total Assets</b>	<b>\$ 465,588</b>	<b>\$ 468,905</b>	<b>\$ 473,800</b>
<b>Liabilities, Surplus and Other Funds</b>			
Losses and loss adjustment expenses	\$ 52,785	\$ 40,334	\$ 42,663
Unearned premiums	155,983	163,483	183,909
Payable to parent, subsidiaries and affiliates	9,443	10,155	8,547
Mandatory contingency reserve	57,612	62,253	71,841
Payable for securities	4,825	41	-
Other liabilities	428	532	494
<b>Total Liabilities</b>	<b>281,075</b>	<b>276,798</b>	<b>307,454</b>
Surplus notes	200,000	200,000	200,000
Common capital stock	2,500	2,500	2,500
Gross paid in and contributed surplus	219,000	219,000	219,000
Unassigned funds (surplus)	(236,986)	(229,392)	(255,154)
Surplus as regards policyholders	184,514	192,108	166,346
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$ 465,588</b>	<b>\$ 468,905</b>	<b>\$ 473,800</b>

# Statement of Income

## (U.S. dollars in thousands)

### Syncora Guarantee Inc.

	Three Months Ended		
	3/31/2016	12/31/2015	9/30/2015
Net premiums written	\$ 2,526	\$ 958	\$ 4,649
Underwriting Income			
Net premiums earned	\$ 3,246	\$ 22,528	\$ 4,611
Net losses/(releases) incurred	(2,796)	(132,531)	(29,569)
Loss adjustment expenses (benefit) incurred	2,044	(3,629)	4,586
Other underwriting expenses incurred	6,233	12,616	8,480
Net underwriting gain/(loss)	(2,236)	146,072	21,115
Investment Income			
Net investment income earned	7,032	13,105	7,188
Net realized gains/(losses)	732	(3,339)	17,055
Total net investment gain/(loss)	7,764	9,766	24,243
Other Income			
Other income	11	-	343
Net income/(loss) before taxes	5,539	155,838	45,701
Federal and foreign income taxes incurred/(benefit)	(2,887)	(4,963)	(2,388)
Net income/(loss)	\$ 8,426	\$ 160,802	\$ 48,088

### Syncora Capital Assurance Inc.

	Three Months Ended		
	3/31/2016	12/31/2015	9/30/2015
Net premiums written	\$ 3,712	\$ 1,570	\$ 4,184
Underwriting Income			
Net premiums earned	\$ 11,212	\$ 21,997	\$ 19,044
Net losses/(releases) incurred	13,585	(1,638)	830
Loss adjustment expenses incurred	78	100	4,808
Other underwriting expenses incurred	6,528	5,497	6,539
Net underwriting gain/(loss)	(8,979)	18,037	6,867
Investment Income			
Net investment income (expense) earned	4,182	(1,541)	4,196
Net realized capital gains/(losses)	(4,098)	3,937	(1,417)
Total net investment gain/(loss)	83	2,395	2,779
Other Income			
Other income	7	17	87
Net income/(loss) before taxes	(8,889)	20,450	9,733
Federal and foreign income taxes incurred/(benefit)	2,950	4,699	3,217
Net income/(loss)	\$ (11,839)	\$ 15,751	\$ 6,516

# Claims Paying Resources & Leverage Ratio (U.S. dollars in millions)

## Syncora Guarantee Inc.

	As of		
	3/31/2016	12/31/2015	9/30/2015
<b>Claims paying resources</b>			
Policyholders' surplus	\$ 1,089	\$ 1,087	\$ 894
Contingency reserve	87	85	101
Qualified statutory capital	1,175	1,172	995
Unearned premium revenue	110	111	133
Loss & loss adjustment expense reserves <sup>1,2,3</sup>	160	157	275
Total policyholders' surplus & reserves	1,445	1,440	1,402
NPVFIP	41	41	60
Total claims paying resources	\$ 1,487	\$ 1,481	\$ 1,462
Net par outstanding	\$ 6,577	\$ 6,634	\$ 9,050
Leverage ratio (Net par outstanding/Total claims paying resources)	4.4	4.5	6.2

**Notes:**

<sup>1</sup> For the three months ended 3/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of six structured single risk credits (\$208.2 million).

<sup>2</sup> For the three months ended 12/31/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of five structured single risk credits (\$202.7 million).

<sup>3</sup> For the three months ended 9/30/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of six structured single risk credits (\$177.1 million).

## Syncora Capital Assurance Inc.

	As of		
	3/31/2016	12/31/2015	9/30/2015
<b>Claims paying resources</b>			
Policyholders' surplus	\$ 185	\$ 192	\$ 166
Contingency reserve	58	62	72
Qualified statutory capital	242	254	238
Unearned premium revenue	156	163	184
Loss & loss adjustment expense reserves <sup>1,2,3</sup>	101	88	87
Total policyholders' surplus & reserves	499	506	509
NPVFIP	89	93	94
Total claims paying resources	\$ 588	\$ 599	\$ 603
Net par outstanding	\$ 20,599	\$ 21,735	\$ 24,481
Leverage ratio (Net par outstanding/Total claims paying resources)	35.0	36.3	40.6

**Notes:**

<sup>1</sup> For the three months ended 3/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$48.1 million).

<sup>2</sup> For the three months ended 12/31/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$47.7 million).

<sup>3</sup> For the three months ended 9/30/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$44.6 million).

## Insured Portfolio - Net Par Outstanding (U.S. dollars in millions)

### Syncora Guarantee Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
General Obligation	\$ 157		\$ 161		\$ 199	
Special Revenue	76		107		108	
Utility	61		61		62	
Appropriation	11		12		17	
Other	4		4		4	
Non Ad Valorem	-		-		17	
Total Public Finance	\$ 311	4.7%	\$ 346	5.2%	\$ 407	4.5%
Asset-Backed Securities						
RMBS	\$ 526		\$ 552		\$ 866	
Total Asset-Backed Securities	\$ 526	8.0%	\$ 552	8.3%	\$ 866	9.6%
Collateralized Debt Obligations						
Cashflow CDO	\$ 41		\$ 42		\$ 257	
Total Collateralized Debt Obligations	\$ 41	0.6%	\$ 42	0.6%	\$ 257	2.8%
Structured Single Risk						
Global Infrastructure	\$ 2,783		\$ 2,710		\$ 4,082	
Power & Utilities	2,503		2,560		2,841	
Specialized Risk	412		424		596	
Total Structured Single Risk	\$ 5,699	86.7%	\$ 5,694	85.8%	\$ 7,519	83.1%
Total Net Par Outstanding	\$ 6,577	100.0%	\$ 6,634	100.0%	\$ 9,050	100.0%

**Notes:**

Categories include domestic and international credits.

### Syncora Capital Assurance Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
Special Revenue	\$ 5,652		\$ 5,816		\$ 6,580	
General Obligation	3,859		4,218		5,224	
Utility	2,497		2,598		2,857	
Non Ad Valorem	1,604		1,721		1,928	
Appropriation	805		849		979	
Total Public Finance	\$ 14,418	70.0%	\$ 15,202	69.9%	\$ 17,568	71.8%
Asset-Backed Securities						
Commercial ABS	\$ 54		\$ 72		\$ 111	
Total Asset-Backed Securities	\$ 54	0.3%	\$ 72	0.3%	\$ 111	0.5%
Collateralized Debt Obligations						
Synthetic CDO	\$ 724		\$ 897		\$ 968	
Cashflow CDO	617		729		928	
Total Collateralized Debt Obligations	\$ 1,341	6.5%	\$ 1,626	7.5%	\$ 1,896	7.7%
Structured Single Risk						
Power & Utilities	\$ 3,199		\$ 3,220		\$ 3,252	
Global Infrastructure	1,537		1,565		1,604	
Specialized Risk	50		50		50	
Total Structured Single Risk	\$ 4,785	23.2%	\$ 4,835	22.2%	\$ 4,906	20.0%
Total Net Par Outstanding	\$ 20,599	100.0%	\$ 21,735	100.0%	\$ 24,481	100.0%

**Notes:**

Categories include domestic and international credits.



## Insured Portfolio - Debt Service Amortization

(U.S. dollars in millions)

### Syncora Guarantee Inc.

Q1 2016			Q4 2015			Q3 2015		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2015 Q4	\$ -	\$ 10,585	2015 Q3	\$ -	\$ 13,945
2016 Q1	\$ -	\$ 10,353	2016 Q1	216	10,369	2015 Q4	333	13,611
2016 Q2	334	10,019	2016 Q2	320	10,049	2016 Q1	238	13,374
2016 Q3	87	9,933	2016 Q3	87	9,962	2016 Q2	335	13,039
2016 Q4	140	9,793	2016 Q4	283	9,679	2016 Q3	124	12,914
Total 2016	\$ 560		Total 2016	\$ 906		2016 Q4	329	12,586
						Total	\$ 1,359	
2017	\$ 405	\$ 9,388	2017	\$ 400	\$ 9,279	2017	\$ 772	\$ 11,813
2018	608	8,780	2018	574	8,704	2018	812	11,002
2019	384	8,396	2019	222	8,482	2019	499	10,502
2020	406	7,990	2020	368	8,114	2020	497	10,006
Total 2017-2020	\$ 1,802		Total 2017-2020	\$ 1,565		Total 2017-2020	\$ 2,580	
2021-2025	\$ 1,867	\$ 6,123	2021-2025	\$ 1,748	\$ 6,366	2021-2025	\$ 2,276	\$ 7,730
2026-2030	644	5,479	2026-2030	639	5,728	2026-2030	944	6,785
2031-2035	1,152	4,327	2031-2035	1,179	4,549	2031-2035	1,578	5,207
2036 and thereafter	4,327	-	2036 and thereafter	4,549	-	2036 and thereafter	5,207	-
Total 2021-thereafter	\$ 7,990		Total 2021-thereafter	\$ 8,114		Total 2021-thereafter	\$ 10,006	
Total	\$ 10,353		Total	\$ 10,585		Total	\$ 13,945	

#### Notes:

NPIO represents Net Principal and Interest Outstanding.

### Syncora Capital Assurance Inc.

Q1 2016			Q4 2015			Q3 2015		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2015 Q4	\$ -	\$ 34,426	2015 Q3	\$ -	\$ 38,457
2016 Q1	\$ -	\$ 32,648	2016 Q1	801	33,626	2015 Q4	844	37,613
2016 Q2	779	31,869	2016 Q2	759	32,866	2016 Q1	803	36,810
2016 Q3	840	31,029	2016 Q3	835	32,032	2016 Q2	799	36,012
2016 Q4	608	30,422	2016 Q4	617	31,415	2016 Q3	835	35,177
Total 2016	\$ 2,226		Total 2016	\$ 3,011		2016 Q4	671	34,505
						Total	\$ 3,952	
2017	\$ 2,190	\$ 28,231	2017	\$ 2,234	\$ 29,181	2017	\$ 2,447	\$ 32,059
2018	1,463	26,768	2018	1,521	27,660	2018	1,750	30,309
2019	1,433	25,335	2019	1,492	26,168	2019	1,719	28,590
2020	1,569	23,766	2020	1,627	24,541	2020	1,834	26,756
Total 2017-2020	\$ 6,656		Total 2017-2020	\$ 6,874		Total 2017-2020	\$ 7,749	
2021-2025	\$ 6,950	\$ 16,816	2021-2025	\$ 7,196	\$ 17,345	2021-2025	\$ 8,201	\$ 18,556
2026-2030	5,772	11,044	2026-2030	5,914	11,431	2026-2030	6,471	12,085
2031-2035	3,999	7,045	2031-2035	4,076	7,355	2031-2035	4,586	7,499
2036 and thereafter	7,045	-	2036 and thereafter	7,355	-	2036 and thereafter	7,499	-
Total 2021-thereafter	\$ 23,766		Total 2021-thereafter	\$ 24,541		Total 2021-thereafter	\$ 26,756	
Total	\$ 32,648		Total	\$ 34,426		Total	\$ 38,457	

#### Notes:

NPIO represents Net Principal and Interest Outstanding.

# Insured Portfolio - Composition & Loss Reserves (U.S. dollars in millions)

## Syncora Guarantee Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 311	16	\$ 346	16	\$ 407	17
Asset-Backed Securities	526	28	552	28	866	31
Collateralized Debt Obligations	41	3	42	3	257	5
Structured Single Risk	5,699	30	5,694	30	7,519	37
Total Net Par Outstanding	<u>\$ 6,577</u>	<u>77</u>	<u>\$ 6,634</u>	<u>77</u>	<u>\$ 9,050</u>	<u>90</u>
	<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>	
Public Finance	\$ 35		\$ 23		\$ 27	
Asset-Backed Securities	106		116		116	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	(208)		(203)		(72)	
Total Net Reserve	<u>\$ (66)</u>		<u>\$ (63)</u>		<u>\$ 72</u>	

**Note:**

Categories include domestic and international credits.

## Syncora Capital Assurance Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 14,418	1,001	\$ 15,202	1,084	\$ 17,568	1,220
Asset-Backed Securities	54	2	72	2	111	2
Collateralized Debt Obligations	1,341	12	1,626	13	1,896	15
Structured Single Risk	4,785	31	4,835	31	4,906	32
Total Net Par Outstanding	<u>\$ 20,599</u>	<u>1,046</u>	<u>\$ 21,735</u>	<u>1,130</u>	<u>\$ 24,481</u>	<u>1,269</u>
	<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>	
Public Finance	\$ 40		\$ 27		\$ 29	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	-		-		-	
Total Net Reserve	<u>\$ 40</u>		<u>\$ 27</u>		<u>\$ 29</u>	

**Note:**

Categories include domestic and international credits.

**Insured Portfolio - Watch List**  
**As of March 31, 2016**  
**(U.S. dollars in millions)**

**Syncora Guarantee Inc.**

	Q1 2016				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	3	3	6	24	36
Remaining weighted-average contract period (in years)	13.7	6.1	6.3	10.5	7.9
Insured contractual payments outstanding:					
Principal	\$ 255.5	\$ 628.2	\$ 1,003.7	\$ 528.8	\$ 2,416.2
Interest	132.1	32.9	246.0	164.2	575.1
Total	<u>\$ 387.6</u>	<u>\$ 661.1</u>	<u>\$ 1,249.7</u>	<u>\$ 692.9</u>	<u>\$ 2,991.3</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ (26.1)	\$ (26.1)
Net loss reserves	\$ -	\$ -	\$ -	\$ (65.6)	\$ (65.6)

**Syncora Capital Assurance Inc.**

	Q1 2016				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	16	12	1	4	33
Remaining weighted-average contract period (in years)	4.3	17.1	5.2	4.8	10.4
Insured contractual payments outstanding:					
Principal	\$ 899.2	\$ 1,056.1	\$ 2.9	\$ 278.9	\$ 2,237.2
Interest	185.3	854.2	0.7	76.5	1,116.7
Total	<u>\$ 1,084.5</u>	<u>\$ 1,910.3</u>	<u>\$ 3.6</u>	<u>\$ 355.4</u>	<u>\$ 3,353.9</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 39.5	\$ 39.5
Net loss reserves	\$ -	\$ -	\$ -	\$ 39.5	\$ 39.5

## Insured Portfolio - Distribution by Rating (U.S. dollars in millions)

### Syncora Guarantee Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 93	1.4%	\$ 95	1.4%	\$ 309	3.4%
AA	357	5.4	395	6.0	399	4.4
A	1,250	19.0	1,275	19.2	1,647	18.2
BBB	3,175	48.3	3,188	48.1	4,160	46.0
Below Investment Grade	1,701	25.9	1,680	25.3	2,535	28.0
Total Net Par Outstanding	\$ 6,577	100.0%	\$ 6,634	100.0%	\$ 9,050	100.0%

**Notes:**

Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

Historical NPO has been adjusted to reflect updated ratings from rating changes during prior quarters.

### Syncora Capital Assurance Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 1,485	7.2%	\$ 1,613	7.4%	\$ 1,853	7.6%
AA	6,460	31.4	6,664	30.7	7,129	29.1
A	7,076	34.3	7,465	34.3	9,133	37.3
BBB	4,190	20.3	4,473	20.6	4,830	19.7
Below Investment Grade	1,389	6.7	1,520	7.0	1,535	6.3
Total Net Par Outstanding	\$ 20,599	100.0%	\$ 21,735	100.0%	\$ 24,481	100.0%

**Notes:**

Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

Historical NPO has been adjusted to reflect updated ratings from rating changes during prior quarters.

## Insured Portfolio - Distribution By Internal Rating\*

(U.S. dollars in millions)

### Syncora Guarantee Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 3	0.1%	\$ 3	0.1%	\$ 219	2.4%
aa	185	2.8	217	3.3	233	2.6
a	1,382	21.0	1,413	21.3	1,492	16.5
bbb	2,846	43.3	3,378	50.9	4,447	49.1
Below Investment Grade	2,161	32.9	1,622	24.5	2,659	29.4
Total Net Par Outstanding	\$ 6,577	100.0%	\$ 6,634	100.0%	\$ 9,050	100.0%

#### Notes:

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Historical NPO has been adjusted to reflect updated ratings from rating changes during prior quarters.

### Syncora Capital Assurance Inc.

	Q1 2016		Q4 2015		Q3 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 744	3.6%	\$ 855	3.9%	\$ 1,053	4.3%
aa	2,872	13.9	2,962	13.6	3,361	13.7
a	10,517	51.1	11,146	51.3	12,613	51.5
bbb	5,128	24.9	5,279	24.3	5,944	24.3
Below Investment Grade	1,338	6.5	1,493	6.9	1,511	6.2
Total Net Par Outstanding	\$ 20,599	100.0%	\$ 21,735	100.0%	\$ 24,481	100.0%

#### Notes:

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Historical NPO has been adjusted to reflect updated ratings from rating changes during prior quarters.

## Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures (U.S. dollars in millions)

### Syncora Guarantee Inc.

	Q1 2016	Q4 2015	Q3 2015
	NPO	NPO	NPO
Public Finance	\$ 4	\$ 4	\$ 21
Asset-Backed Securities	414	433	742
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,280	1,240	1,770
Total Below Investment Grade	<u>\$ 1,701</u>	<u>\$ 1,680</u>	<u>\$ 2,535</u>
Total Net Par Outstanding	\$ 6,577	\$ 6,634	\$ 9,050
BIG as % of Net Par Outstanding	25.9%	25.3%	28.0%

#### Notes:

Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

### Syncora Capital Assurance Inc.

	Q1 2016	Q4 2015	Q3 2015
	NPO	NPO	NPO
Public Finance	\$ 1,067	\$ 1,184	\$ 1,194
Structured Single Risk	322	336	341
Total Below Investment Grade	<u>\$ 1,389</u>	<u>\$ 1,520</u>	<u>\$ 1,535</u>
Total Net Par Outstanding	\$ 20,599	\$ 21,735	\$ 24,481
BIG as % of Net Par Outstanding	6.7%	7.0%	6.3%

#### Notes:

Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

## Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures by Internal Rating\*

(U.S. dollars in millions)

### Syncora Guarantee Inc.

	Q1 2016	Q4 2015	Q3 2015
	NPO	NPO	NPO
Public Finance	\$ 128	\$ 131	\$ 166
Asset-Backed Securities	451	471	780
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,579	1,018	1,711
Total Below Investment Grade	<u>\$ 2,161</u>	<u>\$ 1,622</u>	<u>\$ 2,659</u>
Total Net Par Outstanding	\$ 6,577	\$ 6,634	\$ 9,050
BIG as % of Net Par Outstanding	32.9%	24.5%	29.4%

#### Notes:

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

### Syncora Capital Assurance Inc.

	Q1 2016	Q4 2015	Q3 2015
	NPO	NPO	NPO
Public Finance	\$ 1,016	\$ 1,158	\$ 1,169
Structured Single Risk	322	336	341
Total Below Investment Grade	<u>\$ 1,338</u>	<u>\$ 1,493</u>	<u>\$ 1,511</u>
Total Net Par Outstanding	\$ 20,599	\$ 21,735	\$ 24,481
BIG as % of Net Par Outstanding	6.5%	6.9%	6.2%

#### Notes:

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

## Insured Portfolio - 20 Largest Public Finance Credits

(U.S. dollars in millions)

### Syncora Guarantee Inc.

		Q1 2016		
		NPO	S&P Rating	Internal Rating*
1	Commonwealth of Puerto Rico - GO	\$ 80	AA	c
2	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA	aa-
3	Bay Area Toll Authority, CA - Toll Revenue Bonds	30	AA+	aa-
4	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	29	AA	c
5	Detroit (City of), MI - GO (State Aid)	24	A-	bbb-
6	Massachusetts (Commonwealth of) - GO	24	AA+	aa-
7	Port of Portland, OR - Airport Revenue Bonds	22	AA-	aa-
8	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	17	AA	a-
9	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	14	AA	c
10	New Jersey (State of) - Annual Appropriation	11	AA	bbb+
11	JEA, FL Water & Sewer (Senior Lien)	8	AA-	aa
12	Port Authority of New York and New Jersey, NY	7	AA	aa-
13	Detroit (City of), MI (Full Loss)	4	D	d
14	Jackson Energy Authority, TN - Water Revenue Bonds	1	A	a
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 311		
Total Portfolio Net Par Outstanding		\$ 6,577		
% of Total SGI Portfolio		4.7%		
Total Public Finance Portfolio Net Par Outstanding		\$ 311		
% of Total Public Finance Portfolio		100.0%		

#### Notes:

Individual Obligors may have policies with different ratings. Net Par Outstanding shown is grouped by the Obligor's lowest rating.

S&P Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

The City of Detroit (the "City") credits above cover two separate policy obligations: 6) new general obligation debt of the City issued by the Michigan Finance Authority and guaranteed by Syncora Guarantee as provided by the City's bankruptcy plan, and 13) the "loss" portion of the City's original Unlimited Tax General Obligation bonds for which Syncora Guarantee is obligated to make payments under its original policy with no ability to recover those payments.

### Syncora Capital Assurance Inc.

		Q1 2016		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a-
2	San Diego Family Housing LLC - Class I	412	AA	aa
3	City of Denver Convention Center Hotel Project, CO	329	BBB-	bbb-
4	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
5	City of Syracuse Industrial Development Agency (Carousel Center), NY	324	BBB-	bbb-
6	Dodger Tickets LLC	283	BBB	bbb+
7	State of California - GO	249	AA-	a-
8	University System of Georgia, Board of Regents, GA	237	A	a+
9	Baltimore Development Corporation (Convention Center Headquarters Hotel Project)	237	BB	bb
10	City of Houston, TX Airport System - Revenue Bonds	201	A+	a
11	City of San Jose, CA Redevelopment Agency - Tax Allocation	197	BBB+	bbb
12	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	153	CC	c
13	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	152	AA-	a
14	New Jersey Economic Development Authority, NJ	151	A-	bbb
15	State of South Carolina Transportation Infrastructure Bank - Motor Vehicle Revenue	150	A	a
16	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	150	AA-	bb+
17	San Diego County, CA - Pension Obligation Bonds	148	AA+	aa-
18	Austin Convention Enterprises, TX	144	BBB-	bbb
19	San Diego Family Housing LLC - Class II	143	AA	aa-
20	San Diego Family Housing LLC - Class III	143	AA	a+
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 4,708		
Total Portfolio Net Par Outstanding		\$ 20,599		
% of Total SCAI Portfolio		22.9%		
Total Public Finance Portfolio Net Par Outstanding		\$ 14,418		
% of Total Public Finance Portfolio		32.7%		

#### Notes:

Individual Obligors may have policies with different ratings. Net Par Outstanding shown is grouped by the Obligor's lowest rating.

S&P Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

\*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.



# Insured Portfolio - Puerto Rico Net Principal and Interest<sup>1,2</sup> Amortization

## As of March 31, 2016

(U.S. dollars in millions)

Q1 2016										
Calendar Year	Commonwealth of Puerto Rico - Government Obligations		Commonwealth of Puerto Rico, Highway & Transportation Authority		Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds		Puerto Rico (Commonwealth) - Mixed State and Local Revenue		Total P&I	
	SGI	SCAI	SGI	SCAI	SGI	SCAI	SGI	SCAI	SGI	SCAI
2016	19.3	4.0	-	0.1	1.1	29.1	6.7	-	27.2	33.2
2017	10.4	83.1	-	0.3	0.7	36.3	5.5	-	16.6	119.8
2018	8.7	6.5	-	0.3	0.7	33.4	4.3	-	13.7	40.2
2019	4.3	8.7	-	0.3	1.5	3.5	5.0	-	10.8	12.5
2020	4.3	3.9	-	0.3	1.8	3.5	2.2	-	8.4	7.7
2021	7.8	1.8	-	0.3	1.0	3.5	2.1	-	10.9	5.6
2022	2.4	1.3	-	0.3	1.0	3.5	2.1	-	5.5	5.1
2023	20.1	6.4	-	0.3	1.6	3.5	0.3	-	22.0	10.2
2024	3.3	0.4	-	0.3	1.6	3.5	0.3	-	5.2	4.2
2025	2.1	6.4	-	0.3	1.6	24.7	0.3	-	4.0	31.4
2026	2.3	0.1	-	0.3	1.7	27.3	1.7	-	5.7	27.7
2027	3.7	0.1	-	0.3	1.6	25.1	1.9	-	7.3	25.5
2028	6.3	0.1	-	0.3	0.9	-	1.6	-	8.7	0.4
2029	4.1	0.1	-	0.8	0.9	-	0.9	-	5.9	0.9
2030	3.4	0.1	-	0.8	1.2	-	0.7	-	5.3	0.9
2031	3.1	0.1	-	0.8	1.5	-	-	-	4.6	0.9
2032	-	0.1	-	0.8	-	-	-	-	-	0.9
2033	-	0.1	-	0.8	-	-	-	-	-	0.9
2034	-	0.5	-	0.8	-	-	-	-	-	1.3
2035	-	0.5	-	0.8	-	-	-	-	-	1.3
2036	-	0.5	-	0.8	-	-	-	-	-	1.3
2037	-	-	-	0.8	-	-	-	-	-	0.8
2038	-	-	-	0.8	-	-	-	-	-	0.8
<b>Total</b>	<b>\$ 106.0</b>	<b>\$ 124.7</b>	<b>\$ -</b>	<b>\$ 11.8</b>	<b>\$ 20.4</b>	<b>\$ 197.0</b>	<b>\$ 35.5</b>	<b>\$ -</b>	<b>\$ 161.9</b>	<b>\$ 333.5</b>
<b>Total Net Principal</b>	<b>\$ 80.4</b>	<b>\$ 106.0</b>	<b>\$ -</b>	<b>\$ 6.3</b>	<b>\$ 14.1</b>	<b>\$ 153.1</b>	<b>\$ 28.7</b>	<b>\$ -</b>	<b>\$ 123.2</b>	<b>\$ 265.4</b>
<b>Total Net Interest</b>	<b>25.6</b>	<b>18.7</b>	<b>-</b>	<b>5.5</b>	<b>6.3</b>	<b>43.8</b>	<b>6.8</b>	<b>-</b>	<b>38.7</b>	<b>68.0</b>
<b>Total Net Principal and Interest</b>	<b>\$ 106.0</b>	<b>\$ 124.7</b>	<b>\$ -</b>	<b>\$ 11.8</b>	<b>\$ 20.4</b>	<b>\$ 197.0</b>	<b>\$ 35.5</b>	<b>\$ -</b>	<b>\$ 161.9</b>	<b>\$ 333.5</b>

**Notes:**

<sup>1</sup>Net of reinsurance.

<sup>2</sup>Excludes \$53.2 million of carrying value of Puerto Rico Government Obligations, Highway & Transportation Authority, and Electric Power Authority bonds purchased by SCAI.

## Insured Portfolio - Top 10 Structured Finance Servicer/Manager Exposures (U.S. dollars in millions)

### Syncora Guarantee Inc.

		Q1 2016	
Servicer/Manager Name <sup>1,2</sup>		NPO	
1	Owen Loan Servicing <sup>3</sup>	\$	302
2	Bank of America		115
3	CLO Manager 1 <sup>4</sup>		39
4	Banco La Hipotecaria, S.A		26
5	Specialized Loan Servicing		25
6	Nationstar Mortgage		18
7	Countrywide Home Loans		17
8	Washington Mutual Bank		8
9	Countrywide		7
10	Chevy Chase Bank FSB		4
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	561
Total Portfolio Net Par Outstanding		\$	6,577
% of Total Portfolio			8.5%
Total Structured Finance Portfolio Net Par Outstanding		\$	6,266
% of Total Structured Finance Portfolio			9.0%

#### Notes:

<sup>1</sup>Information has been updated to reflect servicer/manager transfers.

<sup>2</sup>Servicer/manager may be an operating subsidiary or affiliate of the named entity.

<sup>3</sup>Includes Homeward Residential Inc.

<sup>4</sup>Servicer/manager not revealed due to confidentiality.

### Syncora Capital Assurance Inc.

		Q1 2016	
Servicer/Manager Name <sup>1</sup>		NPO	
1	CLO Manager 2 <sup>2</sup>	\$	306
2	CLO Manager 3 <sup>2</sup>		113
3	CLO Manager 4 <sup>2</sup>		52
4	CLO Manager 5 <sup>2</sup>		50
5	CLO Manager 6 <sup>2</sup>		45
6	Bombardier Services Corporation		27
7	Private Commercial ABS Transaction <sup>2</sup>		27
8	CLO Manager 1 <sup>2</sup>		24
9	CLO Manager 7 <sup>2</sup>		14
10	CLO Manager 8 <sup>2</sup>		8
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	665
Total Portfolio Net Par Outstanding		\$	20,599
% of Total Portfolio			3.2%
Total U.S. Structured Finance Portfolio Net Par Outstanding		\$	6,181
% of Total U.S. Structured Finance Portfolio			10.8%

#### Notes:

<sup>1</sup>Servicer/manager may be an operating subsidiary or affiliate of the named entity.

<sup>2</sup>Servicer/manager not revealed due to confidentiality.

# Insured Portfolio - Profile by Geographic Distribution

(U.S. dollars in millions)

## Syncora Guarantee Inc.

Q1 2016				Q4 2015				Q3 2015			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
<b>United States</b>				<b>United States</b>				<b>United States</b>			
Puerto Rico	\$ 389	\$ 123	1.9%	Puerto Rico	\$ 396	\$ 127	1.9%	Illinois	\$ 1,605	\$ 552	6.1%
Alabama	551	116	1.8	Alabama	570	116	1.7	Puerto Rico	436	162	1.8
Other <sup>1</sup>	13,970	187	2.8	New Jersey	419	67	1.0	Alabama	614	116	1.3
Non-PF Multi <sup>2,3</sup>	548	541	8.2	Other <sup>1</sup>	14,342	153	2.3	Other <sup>1</sup>	16,050	245	2.7
<b>Total United States</b>	<b>\$ 15,457</b>	<b>\$ 967</b>	<b>14.7%</b>	Non-PF Multi <sup>2</sup>	572	565	8.5	Non-PF Multi <sup>2</sup>	1,102	1,094	12.1
				<b>Total United States</b>	<b>\$ 16,299</b>	<b>\$ 1,027</b>	<b>15.5%</b>	<b>Total United States</b>	<b>\$ 19,807</b>	<b>\$ 2,169</b>	<b>24.0%</b>
<b>International</b>				<b>International</b>				<b>International</b>			
United Kingdom	\$ 4,108	\$ 3,193	48.5%	United Kingdom	\$ 4,223	\$ 3,267	49.2%	United Kingdom	\$ 4,546	\$ 4,155	45.9%
Australia	1,371	1,371	20.8	Australia	1,305	1,305	19.7	Australia	1,292	1,261	13.9
Chile	526	395	6.0	Chile	509	383	5.8	France	391	391	4.3
France	147	147	2.2	France	148	148	2.2	Chile	516	389	4.3
Italy	132	132	2.0	Italy	137	137	2.1	Italy	137	137	1.5
Canada	227	129	2.0	Canada	220	122	1.8	Canada	226	128	1.4
Portugal	100	100	1.5	Portugal	95	95	1.4	Portugal	99	99	1.1
Other <sup>1</sup>	392	50	0.8	Other <sup>1</sup>	395	56	0.8	Other <sup>1</sup>	385	61	0.7
Non-PF Multi <sup>2,4</sup>	93	93	1.4	Non-PF Multi <sup>2</sup>	93	93	1.4	Non-PF Multi <sup>2</sup>	259	259	2.9
<b>Total International</b>	<b>\$ 7,095</b>	<b>\$ 5,610</b>	<b>85.3%</b>	<b>Total International</b>	<b>\$ 7,126</b>	<b>\$ 5,607</b>	<b>84.5%</b>	<b>Total International</b>	<b>\$ 7,852</b>	<b>\$ 6,881</b>	<b>76.0%</b>
<b>Total Outstanding</b>	<b>\$ 22,552</b>	<b>\$ 6,577</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$ 23,425</b>	<b>\$ 6,634</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$ 27,658</b>	<b>\$ 9,050</b>	<b>100.0%</b>

**Notes:**  
<sup>1</sup> Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.  
<sup>2</sup> Non-Public Finance deals with underlying securities in multiple states/countries.  
<sup>3</sup> Consists of \$500 million in ABS and \$41 million in CDO net par.  
<sup>4</sup> Consists of \$93 million in SSR net par.

## Syncora Capital Assurance Inc.

Q1 2016				Q4 2015				Q3 2015			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
<b>United States</b>				<b>United States</b>				<b>United States</b>			
California	\$ 3,309	\$ 3,267	15.9%	California	\$ 3,497	\$ 3,454	15.9%	California	\$ 3,728	\$ 3,684	15.1%
New York	1,900	1,900	9.2	New York	1,916	1,916	8.8	New York	2,057	2,057	8.4
Texas	950	950	4.6	Texas	1,035	1,035	4.8	Texas	1,063	1,063	4.3
Florida	797	697	3.4	Florida	808	708	3.3	Illinois	1,053	1,053	4.3
Virginia	642	642	3.1	Virginia	643	643	3.0	Colorado	819	819	3.3
Colorado	554	554	2.7	Pennsylvania	582	582	2.7	Florida	886	786	3.2
Washington	509	509	2.5	Colorado	556	556	2.6	Pennsylvania	738	738	3.0
Georgia	475	475	2.3	Illinois	551	551	2.5	Virginia	643	643	2.6
District Of Columbia	462	462	2.2	Washington	510	510	2.3	Georgia	549	549	2.2
Illinois	444	444	2.2	Georgia	484	484	2.2	Ohio	541	541	2.2
Alabama	435	435	2.1	District Of Columbia	465	465	2.1	Washington	539	539	2.2
Pennsylvania	434	434	2.1	Alabama	455	455	2.1	Tennessee	513	513	2.1
Ohio	431	431	2.1	Ohio	452	452	2.1	Alabama	498	498	2.0
Tennessee	406	406	2.0	Tennessee	421	421	1.9	District Of Columbia	468	468	1.9
New Jersey	320	320	1.6	New Jersey	352	352	1.6	New Jersey	410	410	1.7
South Carolina	289	289	1.4	South Carolina	289	289	1.3	South Carolina	316	316	1.3
Massachusetts	269	269	1.3	Massachusetts	271	271	1.2	Massachusetts	298	298	1.2
Maryland	267	267	1.3	Puerto Rico	269	269	1.2	Puerto Rico	274	274	1.1
Puerto Rico	265	265	1.3	Maryland	267	267	1.2	Maryland	268	268	1.1
Missouri	229	229	1.1	Missouri	235	235	1.1	Minnesota	255	255	1.0
Arizona	214	214	1.0	Other <sup>1</sup>	2,753	2,753	12.7	Other <sup>1</sup>	3,268	3,268	13.3
Other <sup>1</sup>	2,421	2,421	11.8	Non-PF Multi <sup>2</sup>	1,401	1,401	6.4	Non-PF Multi <sup>2</sup>	1,689	1,689	6.9
Non-PF Multi <sup>2,3</sup>	1,090	1,090	5.3	<b>Total United States</b>	<b>\$ 18,211</b>	<b>\$ 18,067</b>	<b>83.1%</b>	<b>Total United States</b>	<b>\$ 20,874</b>	<b>\$ 20,730</b>	<b>84.7%</b>
<b>Total United States</b>	<b>\$ 17,113</b>	<b>\$ 16,971</b>	<b>82.4%</b>								
<b>International</b>				<b>International</b>				<b>International</b>			
United Kingdom	\$ 2,454	\$ 2,454	11.9%	United Kingdom	\$ 2,512	\$ 2,512	11.6%	United Kingdom	\$ 2,572	\$ 2,572	10.5%
New Zealand	491	491	2.4	New Zealand	485	485	2.2	New Zealand	454	454	1.9
Netherlands	306	306	1.5	Netherlands	298	298	1.4	Netherlands	318	318	1.3
Other <sup>1</sup>	378	378	1.8	Other <sup>1</sup>	374	374	1.7	Other <sup>1</sup>	406	406	1.7
<b>Total International</b>	<b>\$ 3,629</b>	<b>\$ 3,629</b>	<b>17.6%</b>	<b>Total International</b>	<b>\$ 3,668</b>	<b>\$ 3,668</b>	<b>16.9%</b>	<b>Total International</b>	<b>\$ 3,751</b>	<b>\$ 3,751</b>	<b>15.3%</b>
<b>Total Outstanding</b>	<b>\$ 20,742</b>	<b>\$ 20,599</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$ 21,879</b>	<b>\$ 21,735</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$ 24,624</b>	<b>\$ 24,481</b>	<b>100.0%</b>

**Notes:**  
<sup>1</sup> Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.  
<sup>2</sup> Non-Public Finance deals with underlying securities in multiple states/countries.  
<sup>3</sup> Consists of \$1,036 million in CDO and \$54 million in ABS net par.

# Investment Portfolio As of March 31, 2016 (U.S. dollars in millions)

## Syncora Guarantee Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value	Percentage			
Short-Term Investments			Within 1 Year	\$ 185.6	19.7%
Cash and Cash Equivalents	\$ 48.0	5.1%	1 to 5 Years	470.2	49.9%
Short-Term Investments	22.9	2.4%	5 to 10 Years	27.9	3.0%
Total Cash and Short-Term Investments	70.9	7.5%	Due after 10 Years	5.0	0.5%
Debt Securities			Mortgage and asset-backed securities	254.1	27.0%
MBS/ABS	254.1	27.0%	Total	\$ 942.8	100.0%
U.S. Government	299.0	31.7%	Yield to Maturity @ Book Value	1.8%	
Corporate	302.9	32.1%	Yield to Maturity @ Market Value	1.3%	
States & Political Subs	15.9	1.7%	Duration (years)	1.6	
Total Long-Term Fixed Maturity	871.9	92.5%			
Total	\$ 942.8	100.0%			

### Notes:

- Excludes \$59.0 million of uninsured cash flow ("UCF") securities.
- Excludes \$8.6 million of other remediation-related securities.
- Excludes \$7.8 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 246.5	26.1%
AA	400.5	42.5%
A	248.0	26.3%
BBB	43.9	4.7%
BB & below and Not Rated	3.9	0.4%
Total	\$ 942.8	100.0%
Average credit quality	AA-	

## Syncora Capital Assurance Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value	Percentage			
Short-Term Investments			Within 1 Year	\$ 70.1	19.2%
Cash and Cash Equivalents	\$ 60.7	16.6%	1 to 5 Years	34.2	9.4%
Short-Term Investments	6.7	1.8%	5 to 10 Years	88.4	24.2%
Total Cash and Short-Term Investments	67.4	18.5%	Due after 10 Years	28.4	7.8%
Debt Securities			Mortgage and asset-backed securities	144.2	39.5%
MBS/ABS	144.2	39.5%	Total	\$ 365.3	100.0%
U.S. Government	16.8	4.6%	Yield to Maturity @ Book Value	2.8%	
Corporate	120.3	32.9%	Yield to Maturity @ Market Value	2.5%	
States & Political Subs	16.6	4.5%	Duration (years)	3.9	
Total Long-Term Fixed Maturity	297.9	81.5%			
Total	\$ 365.3	100.0%			

### Notes:

- Excludes \$55.3 million of uninsured cash flow ("UCF") securities.
- Excludes \$1.5 million of other remediation-related securities.
- Excludes \$2.6 million of preferred stocks.
- Excludes \$27.8 million of common stocks and alternative investments.
- Excludes \$4.6 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 108.7	29.8%
AA	116.4	31.9%
A	44.3	12.1%
BBB	75.9	20.8%
BB & below and Not Rated	20.0	5.5%
Total	\$ 365.3	100.0%
Average credit quality	A	