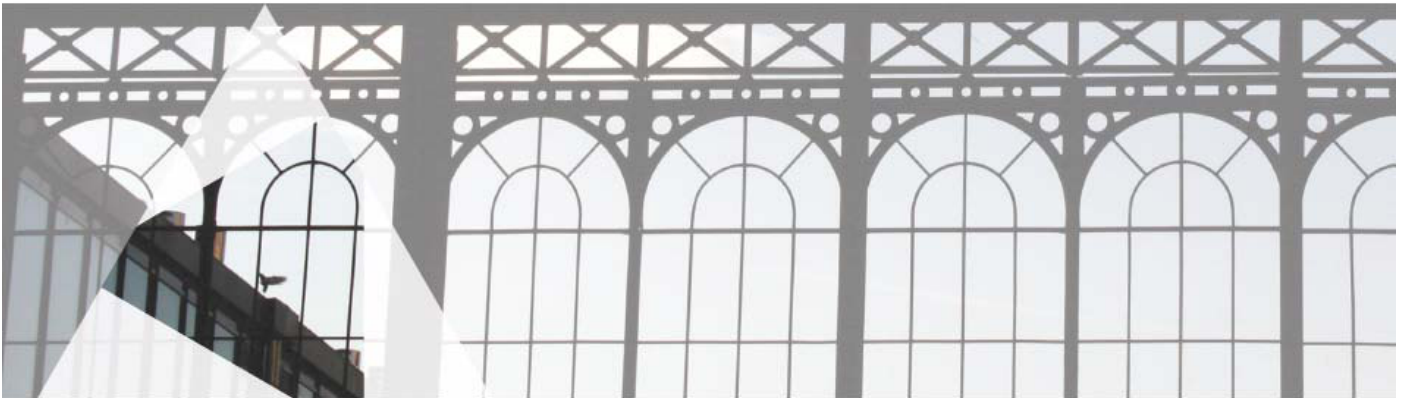


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**2nd QUARTER 2017
OPERATING SUPPLEMENT
(STATUTORY - BASIS)**



Syncora Guarantee Inc. Syncora Capital Assurance Inc.

Index

	Page Number
Certain Definitions	2
Syncora Legal Entity Structure	3
Assets, Liabilities, Surplus and Other Funds	4
Statement of Income	5
Claims Paying Resources & Leverage Ratio	6
Insured Portfolio - Net Par Outstanding	7
Insured Portfolio - Debt Service Amortization	8
Insured Portfolio - Composition & Loss Reserves	9
Insured Portfolio - Watch List	10
Insured Portfolio - Distribution by Rating	11
Insured Portfolio - Distribution By Internal Rating	12
Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures	13
Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures by Internal Rating	14
Insured Portfolio - 20 Largest Public Finance Credits	15
Insured Portfolio - Puerto Rico Net Principal and Interest Amortization	16
Insured Portfolio – RMBS Loss & LAE Roll Forward	17
Claims Variance Analysis	18
Insured Portfolio - Top 10 Structured Finance Servicer/Manager Exposures	19
Insured Portfolio - Profile by Geographic Distribution	20
Investment Portfolio	21

Notes:

All information herein is presented on a statutory basis unless otherwise specified.
Numbers throughout the document may not add due to rounding.

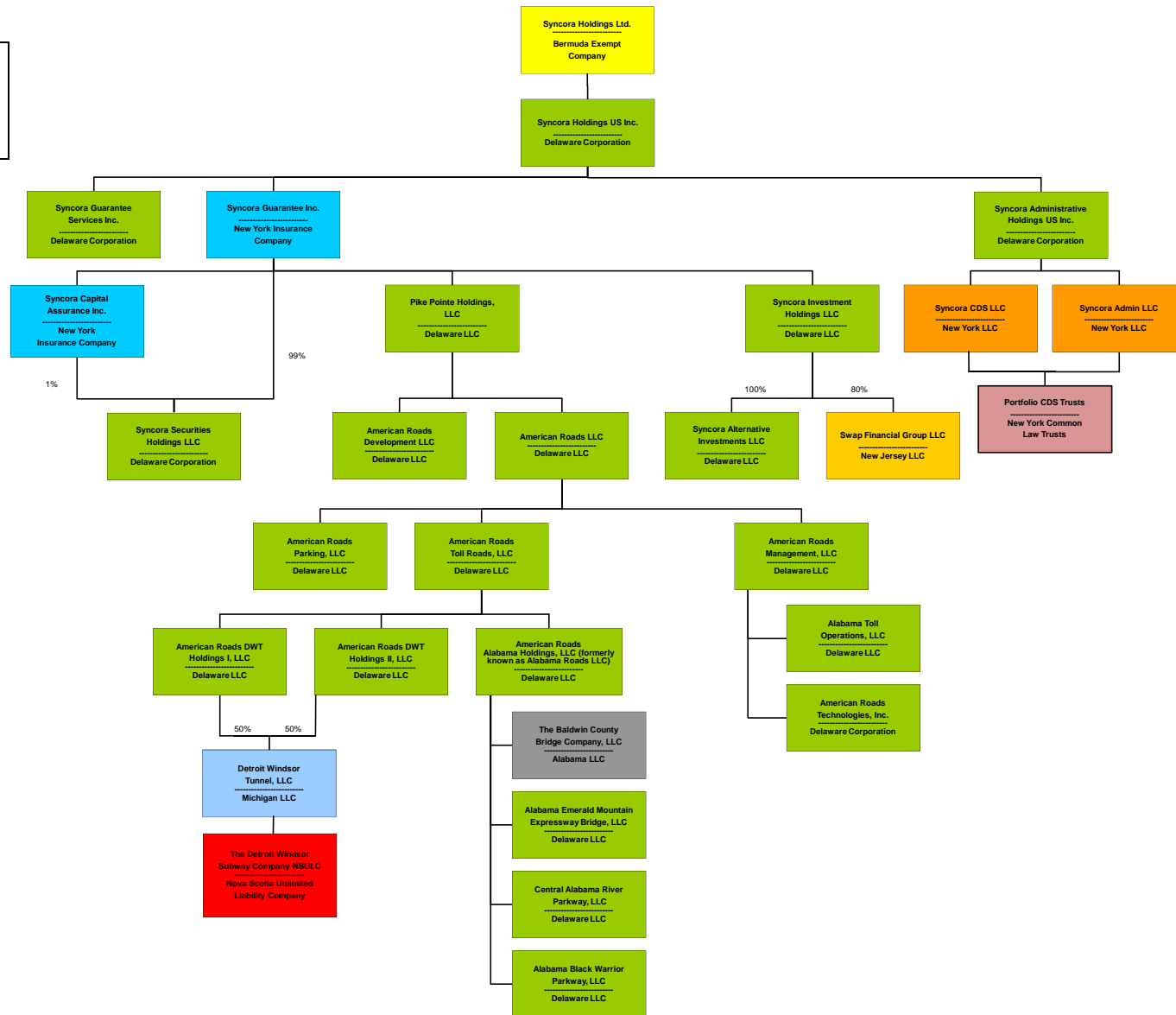
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

Leverage ratio¹	Net par outstanding divided by total claims paying resources.
Net par outstanding	Aggregate principal value of insurance policies and credit derivative contracts insured at the end of the reporting period, reduced by cessions to reinsurers.
Net premiums written	Direct premiums written plus assumed reinsurance premiums less ceded reinsurance premiums.
Net present value of future installment premiums on insurance policies and credit derivative contracts (NPVFIP)¹	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.
Net principal and interest outstanding	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:

¹Includes 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		
	6/30/2017	3/31/2017	12/31/2016
Assets			
Cash, cash equivalents and short-term investments	\$ 121,961	\$ 105,509	\$ 96,941
Bonds	764,076	778,379	790,474
Uninsured cash flow certificates	51,280	60,630	59,713
Interest rate derivatives	1	6	50
Common stock	43,419	57,301	46,673
Other invested assets	249,520	248,200	248,204
Receivables for securities	5,524	-	-
Subtotal, cash and invested assets	1,235,780	1,250,025	1,242,054
Investment income due and accrued	5,688	5,169	5,275
Uncollected premiums and reinsurance assets	795	523	724
Other assets	11,968	12,231	11,822
Total Assets	\$ 1,254,230	\$ 1,267,949	\$ 1,259,876
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ (109,892)	\$ (109,102)	\$ (123,047)
Unearned premiums	94,596	94,493	97,084
Borrowed money	27,500	-	-
Payable to parent, subsidiaries and affiliates	4,094	5,442	7,814
Mandatory contingency reserve	86,711	85,066	88,413
Payable for securities	33	5,991	-
Other liabilities	1,733	961	1,327
Total Liabilities	104,774	82,852	71,591
Surplus notes	552,276	556,158	556,158
Preferred capital stock	200,000	200,000	200,000
Common capital stock	15,000	15,000	15,000
Unassigned funds (surplus)	382,180	413,938	417,126
Surplus as regards policyholders	1,149,456	1,185,096	1,188,284
Total Liabilities, Surplus and Other Funds	\$ 1,254,230	\$ 1,267,949	\$ 1,259,876

Syncora Capital Assurance Inc.

	As of		
	6/30/2017	3/31/2017	12/31/2016
Assets			
Cash, cash equivalents and short-term investments	\$ 206,950	\$ 51,341	\$ 51,343
Preferred stocks	1,033	2,582	2,582
Common stocks	12,887	21,877	24,446
Bonds	140,720	293,492	292,467
Uninsured cash flow certificates	38,232	43,905	45,898
Other invested assets	3,803	3,809	3,924
Subtotal, cash and invested assets	403,624	417,006	420,659
Investment income due and accrued	1,297	4,507	3,743
Uncollected premiums	1,007	643	1,014
Net deferred tax asset	1,158	1,227	1,259
Receivable from parent, subsidiaries and affiliates	1,547	596	297
Other assets	85	253	260
Total Assets	\$ 408,718	\$ 424,234	\$ 427,232
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 88,515	\$ 62,005	\$ 57,547
Unearned premiums	100,613	113,766	121,567
Payable to parent, subsidiaries and affiliates	4,002	5,565	8,681
Mandatory contingency reserve	17,959	15,677	13,424
Payable for securities	14	539	-
Other liabilities	723	520	255
Total Liabilities	211,825	198,070	201,474
Surplus note	200,000	200,000	200,000
Common capital stock	2,500	2,500	2,500
Unassigned funds (surplus)	(5,607)	23,663	23,258
Surplus as regards policyholders	196,893	226,163	225,758
Total Liabilities, Surplus and Other Funds	\$ 408,718	\$ 424,234	\$ 427,232

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	6/30/2017	3/31/2017	12/31/2016
Net premiums written	\$ 2,076	\$ 2,545	\$ 1,719
Underwriting Income			
Net premiums earned	\$ 1,973	\$ 5,135	\$ 3,774
Net losses/(releases) incurred	(379)	15,410	(1,667)
Loss adjustment expenses (benefit) incurred	1,939	1,194	4,072
Other underwriting expenses incurred	8,002	6,217	8,434
Net underwriting gain/(loss)	(7,589)	(17,686)	(7,065)
Investment Income			
Net investment income (expense) earned	(9,070)	8,146	13,708
Net realized gains/(losses)	4,806	1,219	(5,054)
Total net investment gain/(loss)	(4,264)	9,365	8,653
Other Income			
Other income	565	145	47
Net income/(loss) before taxes	(11,288)	(8,176)	1,635
Federal and foreign income taxes incurred/(benefit)	1,547	596	(2,457)
Net income/(loss)	\$ (12,835)	\$ (8,772)	\$ 4,093

Syncora Capital Assurance Inc.

	Three Months Ended		
	6/30/2017	3/31/2017	12/31/2016
Net premiums written	\$ 956	\$ 3,325	\$ 1,423
Underwriting Income			
Net premiums earned	\$ 14,109	\$ 11,127	\$ 24,536
Net losses/(releases) incurred	24,740	7,501	13,214
Loss adjustment expenses (benefit) incurred	874	(0)	(178)
Other underwriting expenses incurred	4,385	5,676	6,019
Net underwriting gain/(loss)	(15,889)	(2,050)	5,481
Investment Income			
Net investment income (expense) earned	(4,590)	4,689	(1,533)
Net realized capital gains/(losses)	(5,632)	(1,294)	(8,375)
Total net investment gain/(loss)	(10,222)	3,394	(9,908)
Other Income			
Other income	-	10	25
Net income/(loss) before taxes	(26,111)	1,355	(4,402)
Federal and foreign income taxes incurred/(benefit)	(1,547)	(596)	2,748
Net income/(loss)	\$ (24,564)	\$ 1,951	\$ (7,151)

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

Syncora Guarantee Inc.

	As of		
	6/30/2017	3/31/2017	12/31/2016
Claims paying resources			
Policyholders' surplus	\$ 1,149	\$ 1,185	\$ 1,187
Contingency reserve	87	85	88
Qualified statutory capital	1,236	1,270	1,276
Unearned premium revenue	95	94	97
Loss & loss adjustment expense reserves ^{1,2,3}	134	134	129
Total policyholders' surplus & reserves	1,464	1,499	1,502
NPVFIP	30	31	34
Total claims paying resources	\$ 1,495	\$ 1,530	\$ 1,536
Net par outstanding	\$ 5,189	\$ 5,148	\$ 5,341
Leverage ratio (Net par outstanding/Total claims paying resources)	3.5	3.4	3.5

Notes:

¹ For the three months ended 6/30/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of five structured single risk credits (\$243.5 million).

² For the three months ended 3/31/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of four structured single risk credits (\$243.4 million).

³ For the three months ended 12/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of five structured single risk credits (\$252.5 million).

Syncora Capital Assurance Inc.

	As of		
	6/30/2017	3/31/2017	12/31/2016
Claims paying resources			
Policyholders' surplus	\$ 197	\$ 226	\$ 226
Contingency reserve	18	16	13
Qualified statutory capital	215	242	239
Unearned premium revenue	101	114	122
Loss & loss adjustment expense reserves ^{1,2,3}	116	94	90
Total policyholders' surplus & reserves	432	451	451
NPVFIP	69	79	81
Total claims paying resources	\$ 501	\$ 529	\$ 532
Net par outstanding	\$ 11,826	\$ 12,869	\$ 15,026
Leverage ratio (Net par outstanding/Total claims paying resources)	23.6	24.3	28.3

Notes:

¹ For the three months ended 6/30/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$27.2 million).

² For the three months ended 3/31/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$32.4 million).

³ For the three months ended 12/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$32.0 million).

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

Syncora Guarantee Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
General Obligation	\$ 106		\$ 106		\$ 106	
Utility	53		53		53	
Special Revenue	37		37		37	
Other	<u>4</u>		<u>4</u>		<u>4</u>	
Total Public Finance	\$ 199	3.8%	\$ 200	3.9%	\$ 200	3.7%
Asset-Backed Securities						
RMBS	<u>\$ 410</u>		<u>\$ 428</u>		<u>\$ 445</u>	
Total Asset-Backed Securities	\$ 410	7.9%	\$ 428	8.3%	\$ 445	8.3%
Collateralized Debt Obligations						
Cashflow CDO	<u>\$ 25</u>		<u>\$ 26</u>		<u>\$ 26</u>	
Total Collateralized Debt Obligations	\$ 25	0.5%	\$ 26	0.5%	\$ 26	0.5%
Structured Single Risk						
Power & Utilities	\$ 2,178		\$ 2,153		\$ 2,181	
Global Infrastructure	2,171		2,134		2,098	
Specialized Risk	<u>206</u>		<u>208</u>		<u>391</u>	
Total Structured Single Risk	\$ 4,554	87.8%	\$ 4,495	87.3%	\$ 4,670	87.4%
Total Net Par Outstanding	<u>\$ 5,189</u>	<u>100.0%</u>	<u>\$ 5,148</u>	<u>100.0%</u>	<u>\$ 5,341</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
Special Revenue	\$ 3,558		\$ 4,031		\$ 4,368	
General Obligation	1,559		1,919		2,650	
Utility	996		1,151		1,661	
Non Ad Valorem	976		983		1,286	
Appropriation	<u>436</u>		<u>530</u>		<u>641</u>	
Total Public Finance	\$ 7,524	63.6%	\$ 8,613	66.9%	\$ 10,606	70.6%
Collateralized Debt Obligations						
Cashflow CDO	\$ 2		\$ 3		\$ 28	
Synthetic CDO	<u>-</u>		<u>-</u>		<u>150</u>	
Total Collateralized Debt Obligations	\$ 2	0.0%	\$ 3	0.0%	\$ 178	1.2%
Structured Single Risk						
Power & Utilities	\$ 2,899		\$ 2,895		\$ 2,869	
Global Infrastructure	1,351		1,308		1,322	
Specialized Risk	<u>50</u>		<u>50</u>		<u>50</u>	
Total Structured Single Risk	\$ 4,300	36.4%	\$ 4,253	33.0%	\$ 4,242	28.2%
Total Net Par Outstanding	<u>\$ 11,826</u>	<u>100.0%</u>	<u>\$ 12,869</u>	<u>100.0%</u>	<u>\$ 15,026</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Insured Portfolio - Debt Service Amortization

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q2 2017			Q1 2017			Q4 2016		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2017 Q1	\$ -	\$ 8,147	2016 Q4	\$ -	\$ 8,527
2017 Q2	\$ -	\$ 8,228	2017 Q2	51	8,096	2017 Q1	57	8,470
2017 Q3	67	8,161	2017 Q3	117	7,979	2017 Q2	44	8,426
2017 Q4	135	8,026	2017 Q4	132	7,847	2017 Q3	119	8,306
Total 2017	\$ 202		Total 2017	\$ 300		2017 Q4	142	8,164
						Total 2017	\$ 362	
2018	\$ 558	\$ 7,468	2018	\$ 556	\$ 7,291	2018	\$ 551	\$ 7,613
2019	352	7,116	2019	350	6,941	2019	351	7,262
2020	337	6,779	2020	331	6,610	2020	345	6,917
2021	355	6,424	2021	349	6,261	2021	358	6,559
Total 2018-2021	\$ 1,602		Total 2018-2021	\$ 1,586		Total 2018-2021	\$ 1,605	
2022-2026	\$ 1,416	\$ 5,008	2022-2026	\$ 1,372	\$ 4,889	2022-2026	\$ 1,410	\$ 5,149
2027-2031	333	4,675	2027-2031	331	4,559	2027-2031	338	4,811
2032-2036	939	3,736	2032-2036	924	3,635	2032-2036	1,035	3,776
2037 and thereafter	3,736	-	2037 and thereafter	3,635	-	2037 and thereafter	3,776	-
Total 2022-thereafter	\$ 6,424		Total 2022-thereafter	\$ 6,261		Total 2022-thereafter	\$ 6,559	
Total	\$ 8,228		Total	\$ 8,147		Total	\$ 8,527	

Notes:

NPIO represents Net Principal and Interest Outstanding.

Syncora Capital Assurance Inc.

Q2 2017			Q1 2017			Q4 2016		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2017 Q1	\$ -	\$ 21,126	2016 Q4	\$ -	\$ 24,329
2017 Q2	\$ -	\$ 19,517	2017 Q2	239	20,887	2017 Q1	511	23,818
2017 Q3	385	19,132	2017 Q3	399	20,488	2017 Q2	327	23,491
2017 Q4	375	18,757	2017 Q4	422	20,066	2017 Q3	466	23,025
Total 2017	\$ 760		Total 2017	\$ 1,060		2017 Q4	372	22,654
						Total 2017	\$ 1,675	
2018	\$ 843	\$ 17,914	2018	\$ 935	\$ 19,132	2018	\$ 1,115	\$ 21,539
2019	824	17,090	2019	917	18,214	2019	1,095	20,443
2020	961	16,128	2020	1,047	17,167	2020	1,240	19,204
2021	1,085	15,044	2021	1,159	16,008	2021	1,346	17,858
Total 2018-2021	\$ 3,714		Total 2018-2021	\$ 4,058		Total 2018-2021	\$ 4,795	
2022-2026	\$ 3,892	\$ 11,152	2022-2026	\$ 4,292	\$ 11,717	2022-2026	\$ 5,100	\$ 12,759
2027-2031	3,184	7,968	2027-2031	3,501	8,216	2027-2031	4,121	8,638
2032-2036	1,988	5,980	2032-2036	2,233	5,983	2032-2036	2,615	6,022
2037 and thereafter	5,980	-	2037 and thereafter	5,983	-	2037 and thereafter	6,022	-
Total 2022-thereafter	\$ 15,044		Total 2022-thereafter	\$ 16,008		Total 2022-thereafter	\$ 17,858	
Total	\$ 19,517		Total	\$ 21,126		Total	\$ 24,329	

Notes:

NPIO represents Net Principal and Interest Outstanding.

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

Syncora Guarantee Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 199	12	\$ 200	12	\$ 200	12
Asset-Backed Securities	410	27	428	27	445	27
Collateralized Debt Obligations	25	2	26	2	26	2
Structured Single Risk	4,554	26	4,495	26	4,670	28
Total Net Par Outstanding	<u>\$ 5,189</u>	<u>67</u>	<u>\$ 5,148</u>	<u>67</u>	<u>\$ 5,341</u>	<u>69</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 37		\$ 30		\$ 23	
Asset-Backed Securities	82		88		90	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	(244)		(243)		(253)	
Total Net Reserve	<u>\$ (123)</u>		<u>\$ (124)</u>		<u>\$ (139)</u>	

Note:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 7,524	\$ 547	\$ 8,613	\$ 619	\$ 10,606	\$ 725
Collateralized Debt Obligations	2	1	3	1	178	3
Structured Single Risk	4,300	27	4,253	27	4,242	27
Total Net Par Outstanding	<u>\$ 11,826</u>	<u>575</u>	<u>\$ 12,869</u>	<u>647</u>	<u>\$ 15,026</u>	<u>755</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 82		\$ 56		\$ 51	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	-		-		-	
Total Net Reserve	<u>\$ 82</u>		<u>\$ 56</u>		<u>\$ 51</u>	

Note:

Categories include domestic and international credits.

Insured Portfolio - Watch List
As of June 30, 2017
(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q2 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	23	4	2	1	30
Remaining weighted-average contract period (in years)	10.8	3.9	5.6	18.4	7.0
Insured contractual payments outstanding:					
Principal	\$ 426.7	\$ 865.5	\$ 272.3	\$ 125.3	\$ 1,689.9
Interest	130.5	148.3	8.4	63.1	350.3
Total	<u>\$ 557.2</u>	<u>\$ 1,013.8</u>	<u>\$ 280.8</u>	<u>\$ 188.4</u>	<u>\$ 2,040.2</u>
Gross loss reserves	\$ (41.4)	\$ -	\$ -	\$ -	\$ (41.4)
Net loss reserves	\$ (123.4)	\$ -	\$ -	\$ -	\$ (123.4)

Syncora Capital Assurance Inc.

	Q2 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	3	1	8	8	20
Remaining weighted-average contract period (in years)	3.8	4.6	16.2	18.1	13.8
Insured contractual payments outstanding:					
Principal	\$ 237.4	\$ 6.7	\$ 591.1	\$ 226.3	\$ 1,061.5
Interest	54.7	1.4	394.6	248.1	698.8
Total	<u>\$ 292.2</u>	<u>\$ 8.1</u>	<u>\$ 985.7</u>	<u>\$ 474.4</u>	<u>\$ 1,760.3</u>
Gross loss reserves	\$ 82.0	\$ -	\$ -	\$ -	\$ 82.0
Net loss reserves	\$ 82.0	\$ -	\$ -	\$ -	\$ 82.0

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

Syncora Guarantee Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 81	1.6%	\$ 83	1.6%	\$ 85	1.6%
AA	251	4.8	254	4.9	255	4.8
A	1,014	19.5	979	19.0	1,068	20.0
BBB	2,444	47.1	2,430	47.2	2,484	46.5
Below Investment Grade	1,398	26.9	1,403	27.2	1,448	27.1
Total Net Par Outstanding	\$ 5,189	100.0%	\$ 5,148	100.0%	\$ 5,341	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.

Syncora Capital Assurance Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 467	3.9%	\$ 472	3.7%	\$ 718	4.8%
AA	4,254	36.0	4,403	34.2	4,945	32.9
A	3,853	32.6	4,063	31.6	5,375	35.8
BBB	2,194	18.5	2,647	20.6	2,676	17.8
Below Investment Grade	1,059	9.0	1,285	10.0	1,313	8.7
Total Net Par Outstanding	\$ 11,826	100.0%	\$ 12,869	100.0%	\$ 15,026	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.

Insured Portfolio - Distribution By Internal Rating*

(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aa	\$ 115	2.2%	\$ 116	2.3%	\$ 117	2.2%
a	1,030	19.8	997	19.4	994	18.6
bbb	2,480	47.8	2,466	47.9	2,616	49.0
Below Investment Grade	1,565	30.2	1,568	30.5	1,613	30.2
Total Net Par Outstanding	\$ 5,189	100.0%	\$ 5,148	100.0%	\$ 5,341	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., aa- = AA- = Aa3, bbb = 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.

	Q2 2017		Q1 2017		Q4 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 2	-%	\$ 3	-%	\$ 178	1.2%
aa	1,465	12.4	1,581	12.3	2,085	13.9
a	6,235	52.7	6,584	51.2	7,671	51.1
bbb	3,289	27.8	3,491	27.1	3,882	25.8
Below Investment Grade	835	7.1	1,211	9.4	1,210	8.1
Total Net Par Outstanding	\$ 11,826	100.0%	\$ 12,869	100.0%	\$ 15,026	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., aa- = AA- = Aa3, bbb = 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 - Summary of Below Investment Grade (BIG) Exposures (U.S. dollars in millions)

Syncora Guarantee Inc.

	Q2 2017	Q1 2017	Q4 2016
	NPO	NPO	NPO
Public Finance	\$ 4	\$ 4	\$ 4
Asset-Backed Securities	334	345	356
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,058	1,052	1,086
Total Below Investment Grade	<u>\$ 1,398</u>	<u>\$ 1,403</u>	<u>\$ 1,448</u>
Total Net Par Outstanding	\$ 5,189	\$ 5,148	\$ 5,341
BIG as % of Net Par Outstanding	26.9%	27.2%	27.1%

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.

	Q2 2017	Q1 2017	Q4 2016
	NPO	NPO	NPO
Public Finance	\$ 770	\$ 1,008	\$ 1,038
Structured Single Risk	289	277	275
Total Below Investment Grade	<u>\$ 1,059</u>	<u>\$ 1,285</u>	<u>\$ 1,313</u>
Total Net Par Outstanding	\$ 11,826	\$ 12,869	\$ 15,026
BIG as % of Net Par Outstanding	9.0%	10.0%	8.7%

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.

	Q2 2017	Q1 2017	Q4 2016
	NPO	NPO	NPO
Public Finance	\$ 105	\$ 105	\$ 105
Asset-Backed Securities	353	364	376
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,105	1,097	1,129
Total Below Investment Grade	<u>\$ 1,565</u>	<u>\$ 1,568</u>	<u>\$ 1,613</u>
Total Net Par Outstanding	\$ 5,189	\$ 5,148	\$ 5,341
BIG as % of Net Par Outstanding	30.2%	30.5%	30.2%

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., aa- = AA- = Aa3, bbb = 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.

	Q2 2017	Q1 2017	Q4 2016
	NPO	NPO	NPO
Public Finance	\$ 546	\$ 934	\$ 935
Structured Single Risk	289	277	275
Total Below Investment Grade	<u>\$ 835</u>	<u>\$ 1,211</u>	<u>\$ 1,210</u>
Total Net Par Outstanding	\$ 11,826	\$ 12,869	\$ 15,026
BIG as % of Net Par Outstanding	7.1%	9.4%	8.1%

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., aa- = AA- = Aa3, bbb = 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.

		Q2 2017		
		NPO	S&P Rating	Internal Rating*
1	Commonwealth of Puerto Rico - GO	\$ 64	AA	d
2	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA	aa-
3	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	23	AA	c
4	Port of Portland, OR - Airport Revenue Bonds	20	AA-	aa-
5	Massachusetts (Commonwealth of) - GO	18	AA	aa-
6	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	17	AA	a
7	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	14	AA	d
8	Detroit (City of), MI (Full Loss)	4	D	d
9	Port Authority of New York and New Jersey, NY	1	AA	aa-
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 199		
Total Portfolio Net Par Outstanding		\$ 5,189		
% of Total SGI Portfolio		3.8%		
Total Public Finance Portfolio Net Par Outstanding		\$ 199		
% of Total Public Finance Portfolio		99.8%		

Notes:

Individual Obligor 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., aa- = AA- = Aa3, bbb = 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") credit (8) above covers one policy obligation: 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.

		Q2 2017		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a-
2	San Diego Family Housing LLC - Class I	407	AA	aa
3	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
4	Dodger Tickets LLC	270	BBB+	bbb+
5	City of San Jose, CA Redevelopment Agency - Tax Allocation	194	A	bbb
6	City of Houston, TX Airport System - Revenue Bonds	194	A+	a
7	Metropolitan Transportation Authority, NY - Lease Revenue Bonds	148	BBB+	bbb-
8	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	148	AA-	bbb-
9	San Diego County, CA - Pension Obligation Bonds	148	AA+	aa-
10	University System of Georgia, Board of Regents, GA	147	A	a+
11	New Jersey Economic Development Authority, NJ	147	BBB+	bbb
12	San Diego Family Housing LLC - Class II	141	AA	aa-
13	San Diego Family Housing LLC - Class III	141	AA	a+
14	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	127	D	d
15	Municipal Gas Authority of Georgia (MGAG) Gas Prepay	127	BBB+	a
16	Southern California Logistics Airport Authority, CA - Tax Allocation Bonds	126	BB	bb
17	San Bernardino County, CA - Pension Obligation Bonds	125	AA-	a-
18	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	123	AA-	a
19	St. Louis (City of), MO - Lease	123	A	bbb
20	Miami-Dade County, FL - Aviation Revenue Bonds	118	A	a-
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 3,860		
Total Portfolio Net Par Outstanding		\$ 11,826		
% of Total SCAI Portfolio		32.6%		
Total Public Finance Portfolio Net Par Outstanding		\$ 7,524		
% of Total Public Finance Portfolio		51.3%		

Notes:

Individual Obligor 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., aa- = AA- = Aa3, bbb = 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 Amortization

As of June 30, 2017^{1,2,3}

(U.S. dollars in millions)

Q2 2017										
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
2017	10.0	80.1	-	0.1	0.6	33.0	5.4	-	16.0	113.2
2018	8.4	6.6	-	0.3	0.7	33.1	4.2	-	13.3	40.0
2019	4.1	8.7	-	0.3	1.5	3.5	4.9	-	10.5	12.5
2020	4.1	3.9	-	0.3	1.8	3.5	2.2	-	8.1	7.7
2021	7.7	1.7	-	0.3	1.0	3.5	2.1	-	10.8	5.5
2022	2.3	1.2	-	0.3	1.0	3.5	2.1	-	5.4	5.0
2023	21.1	6.4	-	0.3	1.6	3.5	0.3	-	23.0	10.2
2024	3.2	0.4	-	0.3	1.6	3.4	0.3	-	5.1	4.1
2025	2.1	6.4	-	0.3	1.6	24.3	0.3	-	4.0	31.0
2026	2.2	0.1	-	0.3	1.7	27.0	1.7	-	5.6	27.4
2027	3.7	0.1	-	0.3	1.6	24.9	1.9	-	7.2	25.3
2028	6.2	0.1	-	0.3	0.9	-	1.5	-	8.6	0.4
2029	4.0	0.1	-	0.8	0.9	-	0.9	-	5.8	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
Total	\$ 85.8	\$ 117.7	\$ -	\$ 11.4	\$ 19.1	\$ 163.1	\$ 28.5	\$ -	\$ 133.3	\$ 292.1
Total Net Principal	\$ 64.4	\$ 104.2	\$ -	\$ 6.2	\$ 13.7	\$ 127.0	\$ 23.2	\$ -	\$ 101.2	\$ 237.4
Total Net Interest	21.4	13.5	-	5.2	5.4	36.1	5.3	-	32.1	54.7
Total Net Principal and Interest	\$ 85.8	\$ 117.7	\$ -	\$ 11.4	\$ 19.1	\$ 163.1	\$ 28.5	\$ -	\$ 133.3	\$ 292.1

Notes:

¹Net of reinsurance.

²Excludes \$61.4 million of carrying value of Puerto Rico Government Obligations, Highway & Transportation Authority, and Electric Power Authority bonds purchased by SCAI.

³Excludes \$0.7 million of carrying value of Puerto Rico Electric Power Authority bonds.

Insured Portfolio - RMBS Loss & LAE Reserve Roll Forward (U.S. dollars in millions)

Syncora Guarantee Inc.

Q2 2017						
Period End Date	RMBS Net Unpaid Loss and LAE Beginning ¹		Incurred Losses/(Recoveries)	Net Paid Claims	RMBS Net Unpaid Loss and LAE Ending ¹	
12/31/11	\$	80.7	\$	16.0	\$	39.1
12/31/12		39.1		(289.8)	320.5	69.7
12/31/13		69.7		(355.0)	51.4	(233.9)
12/31/14		(233.9)		(29.2)	405.6	142.4
12/31/15		142.4		(23.9)	3.4	121.9
12/31/16		121.9		(62.1)	36.3	96.2
3/31/17		96.2		(2.5)	(0.4)	93.3
6/30/17		93.3		(5.4)	(1.0)	86.8

Notes:

¹ Information provided in Note 25 of Syncora Guarantee Inc.'s Annual and Quarterly statutory financial statements.

Claims Variance Analysis

(U.S. dollars in millions)

Syncora Guarantee Inc.

	April 2017	May 2017	June 2017	2Q 2017
Net Claims Submitted¹				
HELOC	\$ (0.3)	\$ (0.3)	\$ (0.5)	\$ (1.1)
CES	0.0	0.0	0.0	0.1
First Lien	(0.1)	(0.0)	(0.1)	(0.3)
Other	0.4	-	(0.0)	0.4
Total Net Claims Submitted	0.1	(0.3)	(0.6)	(0.8)
Net Projected Claims¹				
HELOC	0.2	0.7	0.8	1.7
CES	0.1	0.1	0.1	0.3
First Lien	(0.1)	(0.1)	(0.1)	(0.2)
Other	-	-	(0.8)	(0.8)
Total Net Projected Claims	0.2	0.7	(0.1)	0.9
Difference - Favorable/(Unfavorable)				
HELOC	0.5	1.0	1.3	2.8
CES	0.1	0.1	0.1	0.2
First Lien	0.1	(0.1)	0.1	0.1
Other	(0.4)	-	(0.8)	(1.3)
Total Difference	\$ 0.1	\$ 1.0	\$ 0.6	1.7

Syncora Capital Assurance Inc.

	April 2017	May 2017	June 2017	2Q 2017
Net Claims Paid¹				
Other	\$ (0.5)	\$ -	\$ (0.9)	\$ (1.4)
Total Net Claims Paid	(0.5)	-	(0.9)	(1.4)
Net Projected Claims¹				
Other	-	-	(2.3)	(2.3)
Total Net Projected Claims	-	-	(2.3)	(2.3)
Difference - Favorable/(Unfavorable)				
Other	0.5	-	(1.4)	(0.9)
Total Difference	\$ 0.5	\$ -	\$ (1.4)	\$ (0.9)

Note:

¹ Net of expected round trip payments and reinsurance, and excluding commutation payments.

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

Syncora Guarantee Inc.

		Q2 2017	
Servicer/Manager Name ^{1,3}		NPO	
1	Ocwen Loan Servicing, LLC	\$	252
2	Bank of America, N.A.		81
3	CLO Manager 1 ²		23
4	Specialized Loan Servicing		21
5	Banco La Hipotecaria, S.A		20
6	Countrywide Home Loans		17
7	Nationstar Mortgage		10
8	Washington Mutual Bank		5
9	Chevy Chase Bank FSB		3
10	JP Morgan Chase Bank NA		1
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	433
Total Portfolio Net Par Outstanding		\$	5,189
% of Total Portfolio			8.3%
Total Structured Finance Portfolio Net Par Outstanding		\$	4,990
% of Total Structured Finance Portfolio			8.7%

Notes:

¹ Servicer/manager may be an operating subsidiary of the named entity.

² Servicer/manager not revealed due to confidentiality.

³ Information has been updated to reflect servicer/manager transfers.

Syncora Capital Assurance Inc.

		Q2 2017	
Servicer/Manager Name ¹		NPO	
1	CLO Manager 2 ²	\$	2
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	2
Total Portfolio Net Par Outstanding		\$	11,826
% of Total Portfolio			0.0%
Total Structured Finance Portfolio Net Par Outstanding		\$	4,302
% of Total Structured Finance Portfolio			0.1%

Notes:

¹ Servicer/manager may be an operating subsidiary of the named entity.

² Servicer/manager not revealed due to confidentiality.

Insured Portfolio - Profile by Geographic Distribution

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q2 2017				Q1 2017				Q4 2016			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
Puerto Rico	\$ 339	\$ 101	2.0%	Puerto Rico	\$ 339	\$ 101	2.0%	Puerto Rico	\$ 339	\$ 101	1.9%
Other ¹	7,517	98	1.9	Other ¹	8,663	98	1.9	Other ¹	10,655	98	1.8
Non-PF Multi ^{2,3}	422	415	8.0	Non-PF Multi ²	440	433	8.4	Non-PF Multi ²	456	448	8.4
Total United States	\$ 8,278	\$ 614	11.8%	Total United States	\$ 9,441	\$ 632	12.3%	Total United States	\$ 11,450	\$ 648	12.1%
International				International				International			
United Kingdom	\$ 3,514	\$ 2,695	51.9%	United Kingdom	\$ 3,444	\$ 2,660	51.7%	United Kingdom	\$ 3,563	\$ 2,780	52.1%
Australia	1,105	1,105	21.3	Australia	1,097	1,097	21.3	Australia	1,037	1,037	19.4
Chile	491	366	7.1	Chile	495	370	7.2	Chile	501	374	7.0
France	144	144	2.8	France	143	143	2.8	France	149	149	2.8
Italy	125	125	2.4	Italy	124	124	2.4	Italy	134	134	2.5
Portugal	114	114	2.2	Portugal	93	93	1.8	Portugal	92	92	1.7
Other ¹	479	24	0.5	Other ¹	472	29	0.6	Other ¹	475	34	0.6
Total International	\$ 5,972	\$ 4,574	88.2%	Total International	\$ 5,868	\$ 4,516	87.7%	Total International	\$ 6,043	\$ 4,693	87.9%
Total Outstanding	\$ 14,250	\$ 5,189	100.0%	Total Outstanding	\$ 15,309	\$ 5,148	100.0%	Total Outstanding	\$ 17,492	\$ 5,341	100.0%

Notes:

¹ Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.

² Non-Public Finance deals with underlying securities in multiple states/countries.

³ Consists of \$390 million in ABS and \$25 million in CDO net par.

Syncora Capital Assurance Inc.

Q2 2017				Q1 2017				Q4 2016			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
California	\$ 2,586	\$ 2,545	21.5%	California	\$ 2,759	\$ 2,717	21.1%	California	\$ 2,833	\$ 2,790	18.6%
New York	1,188	1,188	10.0	New York	1,227	1,227	9.5	New York	1,289	1,289	8.6
Virginia	612	612	5.2	Virginia	619	619	4.8	Texas	659	659	4.4
District Of Columbia	439	439	3.7	Texas	485	485	3.8	Virginia	640	640	4.3
Florida	493	402	3.4	District Of Columbia	443	443	3.4	Florida	659	559	3.7
Texas	296	296	2.5	Florida	514	414	3.2	District Of Columbia	446	446	3.0
Georgia	291	291	2.5	Georgia	346	346	2.7	Georgia	445	445	3.0
Puerto Rico	237	237	2.0	Maryland	239	239	1.9	Tennessee	366	356	2.4
Washington	224	224	1.9	Puerto Rico	237	237	1.8	Alabama	317	317	2.1
New Jersey	218	218	1.8	Washington	230	230	1.8	Illinois	292	292	1.9
Illinois	208	208	1.8	New Jersey	227	227	1.8	New Jersey	271	271	1.8
Massachusetts	203	203	1.7	Pennsylvania	227	227	1.8	Pennsylvania	262	262	1.7
Tennessee	186	186	1.6	Illinois	214	214	1.7	South Carolina	252	252	1.7
Missouri	182	182	1.5	Massachusetts	212	212	1.6	Ohio	251	251	1.7
Ohio	166	166	1.4	Tennessee	204	204	1.6	Washington	240	240	1.6
Colorado	156	156	1.3	Missouri	189	189	1.5	Maryland	239	239	1.6
Alabama	146	146	1.2	Alabama	184	184	1.4	Puerto Rico	238	238	1.6
Pennsylvania	142	142	1.2	Ohio	174	174	1.4	Massachusetts	213	213	1.4
Nebraska	133	133	1.1	Colorado	168	168	1.3	Colorado	200	200	1.3
Oregon	128	128	1.1	Oregon	154	154	1.2	Missouri	194	194	1.3
Other ¹	631	631	5.3	Nebraska	133	133	1.0	Arizona	168	168	1.1
Non-PF Multi ^{2,3}	2	2	0.0	Other ¹	838	838	6.5	Oregon	154	154	1.0
Total United States	\$ 8,869	\$ 8,736	73.9%	Non-PF Multi ²	3	3	0.0	Other ¹	1,402	1,402	9.3
				Total United States	\$ 10,025	\$ 9,883	76.8%	Non-PF Multi ²	178	178	1.2
International				International				International			
United Kingdom	\$ 2,197	\$ 2,197	18.6%	United Kingdom	\$ 2,116	\$ 2,116	16.4%	United Kingdom	\$ 2,105	\$ 2,105	14.0%
New Zealand	521	521	4.4	New Zealand	497	497	3.9	New Zealand	492	492	3.3
Chile	125	125	1.1	Other ¹	373	373	2.9	Other ¹	375	375	2.5
Other ¹	248	248	2.1	Total International	\$ 2,986	\$ 2,986	23.2%	Total International	\$ 2,973	\$ 2,973	19.8%
Total International	\$ 3,090	\$ 3,090	26.1%								
Total Outstanding	\$ 11,959	\$ 11,826	100.0%	Total Outstanding	\$ 13,011	\$ 12,869	100.0%	Total Outstanding	\$ 15,168	\$ 15,026	100.0%

Notes:

¹ Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.

² Non-Public Finance deals with underlying securities in multiple states/countries.

³ Consists of \$2 million in CDO net par.

Investment Portfolio As of June 30, 2017 (U.S. dollars in millions)

Syncora Guarantee Inc.

Distribution by Security Type			Maturity	
	Book Adjusted Carrying Value	Percentage		
			Book Adjusted Carrying Value	Percentage
Short-Term Investments			Within 1 Year	\$ 155.1 17.9%
Cash and Cash Equivalents	\$ 60.8	7.0%	1 to 5 Years	546.4 63.1%
Short-Term Investments	49.6	5.7%	5 to 10 Years	33.4 3.9%
Total Cash and Short-Term Investments	110.4	12.8%	Due after 10 Years	4.3 0.5%
Debt Securities			Mortgage and asset-backed securities	126.3 14.6%
MBS/ABS	126.3	14.6%	Total	\$ 865.5 100.0%
U.S. Government	133.0	15.4%	Yield to Maturity @ Book Value	2.4%
Corporate	480.5	55.5%	Yield to Maturity @ Market Value	2.1%
States & Political Subs	15.3	1.8%	Duration (years)	2.5
Total Long-Term Fixed Maturity	755.1	87.2%		
Total	\$ 865.5	100.0%		

Notes:

- Excludes \$51.3 million of uninsured cash flow ("UCF") securities
- Excludes \$8.9 million of other remediation-related securities
- Excludes \$43.4 million of common stocks
- Excludes \$11.6 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 155.3	17.9%
AA	224.9	26.0%
A	186.7	21.6%
BBB	242.4	28.0%
BB & below and Not Rated	56.2	6.5%
Total	\$ 865.5	100.0%
Average credit quality	A	

Syncora Capital Assurance Inc.

Distribution by Security Type			Maturity	
	Book Adjusted Carrying Value	Percentage		
			Book Adjusted Carrying Value	Percentage
Short-Term Investments			Within 1 Year	\$ 50.0 30.3%
Cash and Cash Equivalents	\$ 44.9	27.2%	1 to 5 Years	12.2 7.4%
Short-Term Investments	4.6	2.8%	5 to 10 Years	49.7 30.1%
Total Cash and Short-Term Investments	49.5	30.0%	Due after 10 Years	10.4 6.3%
Debt Securities			Mortgage and asset-backed securities	42.9 26.0%
MBS/ABS	42.9	26.0%	Total	\$ 165.2 100.0%
U.S. Government	13.4	8.1%	Yield to Maturity @ Book Value	2.9%
Corporate	50.2	30.4%	Yield to Maturity @ Market Value	2.4%
States & Political Subs	9.2	5.6%	Duration (years)	4.0
Total Long-Term Fixed Maturity	115.7	70.0%		
Total	\$ 165.2	100.0%		

Notes:

- Excludes \$38.2 million of uninsured cash flow ("UCF") securities
- Excludes \$25.0 million of other remediation-related securities
- Excludes \$1.0 million of preferred stocks
- Excludes \$16.7 million of common stocks and alternative investments
- Excludes \$157.5 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 60.9	36.9%
AA	46.5	28.1%
A	17.4	10.6%
BBB	31.7	19.2%
BB & below and Not Rated	8.7	5.3%
Total	\$ 165.2	100.0%
Average credit quality	A	