

SYNCORA HOLDINGS LTD.
Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF SYNCORA HOLDINGS LTD.**

Hamilton, Bermuda

June 3, 2009

TO THE HOLDERS OF COMMON SHARES OF SYNCORA HOLDINGS LTD.:

Notice is hereby given that the annual general meeting of the holders of common shares (the "Shareholders") of Syncora Holdings Ltd. (the "Company," or "SCA") will be held at the Company's offices at the 1221 Avenue of the Americas, 31st Floor, New York, NY 10020, on Wednesday, June 24, 2009, at 8:30 a.m. local time, for the following purposes:

1. To elect Michael P. Esposito, Jr., Dr. the Hon. E. Grant Gibbons and Robert J. White as Class III Directors to hold office until 2012;
2. To appoint PricewaterhouseCoopers LLP, New York, as the Company's independent registered public accounting firm for the year 2009;
3. To refer remuneration of PricewaterhouseCoopers LLP, New York to the Board of Directors or its delegates; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors of the Company recommends a vote FOR each of Items 1 through 3.

The Company will also present the Company's financial statements for the year ended December 31, 2008 at the annual general meeting pursuant to Bermuda Companies Act 1981 and the Company's amended and restated bye-laws.

Only Shareholders of record, as shown by the transfer books of the Company at the close of business on May 28, 2009, are entitled to receive notice of and to vote at the annual general meeting. The proxy statement and accompanying materials are first being mailed to Shareholders on June 3, 2009.

YOU MAY VOTE YOUR PROXY BY TELEPHONE, INTERNET OR MAIL AS DIRECTED ON THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU MAY ALSO ATTEND THE MEETING AND VOTE IN PERSON. IF YOU LATER DESIRE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. YOUR SHARES WILL BE VOTED PURSUANT TO THE INSTRUCTIONS CONTAINED IN THE PROXY STATEMENT. IF NO INSTRUCTION IS GIVEN, YOUR SHARES WILL BE VOTED "FOR" ITEMS 1 THROUGH 3 IN THE PROXY.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on June 24, 2009:

- The proxy statement to security holders is available at meetings.syncora.com.

By Order of The Board of Directors,

/s/ Thomas W. Currie

Thomas W. Currie

Secretary

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SYNCORA HOLDINGS LTD.
PROXY STATEMENT
FOR
THE ANNUAL GENERAL MEETING OF HOLDERS OF COMMON SHARES
TO BE HELD ON JUNE 24, 2009

IMPORTANT INFORMATION ABOUT THE ANNUAL GENERAL MEETING
AND PROXY PROCEDURES

The accompanying proxy is solicited by the Board of Directors of Syncora Holdings Ltd. (the “Company,” or “SCA”) to be voted at the annual general meeting (“Annual General Meeting”) of holders of the Company’s common shares (the “Shareholders” and the “Shares,” respectively) to be held on June 24, 2009, beginning at 8:30 a.m. local time, at the Company’s offices at 1221 Avenue of the Americas, 31st Floor, New York, NY 10020, and any adjournments thereof. This proxy statement and the accompanying materials are first being mailed to Shareholders on June 3, 2009.

The Purpose of the Annual General Meeting

At the Annual General Meeting, the Shareholders will vote in person or by proxy on the following matters as set forth in the notice of the meeting: (1) the election of Michael P. Esposito, Jr., Dr. the Hon. E. Grant Gibbons and Robert J. White as Class III Directors, (2) the appointment of PricewaterhouseCoopers LLP, New York (the “Independent Auditor”), as the Company’s independent registered public accounting firm for the year 2009, and (3) to refer the remuneration of the Independent Auditor to the Board of Directors or its delegates.

Presentation of Financial Statements

In accordance with the Bermuda Companies Act 1981 and Bye-Law 71 of the Company’s amended and restated bye-laws (the “Bye-Laws”), the Company’s financial statements for the year ended December 31, 2008 will be presented at the Annual General Meeting. The Board of Directors of the Company has approved these financial statements. There is no requirement under Bermuda law that these financial statements be approved by Shareholders, and no such approval will be sought at the Annual General Meeting.

Shareholders Entitled to Vote at the Annual General Meeting

Shareholders of record as of the close of business on May 28, 2009 will be entitled to vote at the Annual General Meeting. As of May 28, 2009, there were 65,672,043 outstanding Shares entitled to vote at the Annual General Meeting, with each Share entitling the holder of record thereof to one vote at the Annual General Meeting (subject to certain limitations set forth in the Company’s Bye-Laws).

Voting Procedures; Quorum

A Shareholder of record can vote their Shares at the Annual General Meeting by attending the meeting and completing a ballot or by proxy in one of three ways: (1) by dating, signing and completing the proxy card and returning it without delay in the enclosed envelope, which requires no postage stamp if mailed in the United States; (2) over the telephone by calling a toll-free number provided on the enclosed proxy card; or (3) electronically via the internet as described in the enclosed proxy card.

The election of each nominee for Director referred to in Item 1 above requires a plurality of the votes cast and the appointment of the Independent Auditor referred to in Item 2 above and the referral of the remuneration of the Independent Auditor referred to in Item 3 above require the affirmative vote of a majority of the votes cast on such proposal at the Annual General Meeting, provided there is a quorum (consisting of two or more Shareholders present in person or by proxy holding more than 50% of the issued and outstanding Shares entitled to vote at the Annual General Meeting). Shares owned by Shareholders electing to abstain from voting with respect to any proposal and “broker non-votes” will be counted towards the presence of a quorum but will not be

considered votes cast with respect to the election of nominees for Director and other matters to be voted upon at the Annual General Meeting. Therefore, abstentions and “broker non-votes” will have no effect on the outcome of the matters to be voted upon at the Annual General Meeting. A “broker non-vote” occurs when a nominee, such as a broker, holding Shares in “street name” for a beneficial owner, does not vote on a particular proposal because that nominee does not have discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner. A Shareholder of Shares held in “street name” that would like to instruct their broker how to vote their Shares should follow the directions provided by their broker.

Revocation of Proxies

Any Shareholder giving a proxy has the power to revoke it prior to its exercise by: (1) giving notice of such revocation in writing to the Secretary of the Company at Syncora Holdings Ltd., Canon’s Court, 22 Victoria Street, Hamilton, HM 12, Bermuda; (2) by attending and voting in person at the Annual General Meeting; or (3) by executing a subsequent proxy, provided that any such action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken. Attendance at the Annual General Meeting by a Shareholder who has executed and delivered a proxy to us shall not in and of itself constitute a revocation of such proxy. If a Shareholder holds their Shares in “street name” by a broker and have directed their broker to vote their Shares, they should instruct their broker to change their vote or obtain a proxy to vote their Shares if they wish to cast their vote in person at the Annual General Meeting.

Proxy Solicitation

The Company will bear the cost of the solicitation of proxies. Proxies may be solicited by Directors, officers and employees of the Company and its subsidiaries, who will not receive additional compensation for such services. In addition, the Company has retained Georgeson & Company Inc. to assist in the solicitation of proxies for a fee of approximately \$8,500 plus reasonable out-of-pocket expenses and disbursements. Upon request, the Company will also reimburse brokers and others holding Shares in their names, or in the names of nominees, for forwarding proxy materials to their customers.

Shareholder Proposals for the 2010 Annual General Meeting

Shareholder proposals intended for inclusion in the proxy statement for the 2010 Annual General Meeting should be submitted in accordance with the procedures prescribed by the Bye-Laws and sent to the Company’s Secretary at Syncora Holdings Ltd., Canon’s Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. Such proposals must be received by February 24, 2010.

Pursuant to the Company’s Bye-Laws, any Shareholder entitled to attend and vote at any Annual General Meeting may nominate persons for election as Directors if written notice of such Shareholder’s intent to nominate such persons is received by the Company’s Secretary at Syncora Holdings Ltd., Canon’s Court, 22 Victoria Street, Hamilton, HM 12, Bermuda not later than 120 days prior to the anniversary date of the immediately preceding Annual General Meeting. Such notice must include the following information about the proposed nominee: (a) name and address of such person to be nominated, (b) a description of all arrangements or understandings between the Shareholder and each nominee and any person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such Shareholder, (c) such other information regarding such nominee proposed by such Shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated under the Exchange Act, and (d) the consent of each nominee to serve as a Director of the Company, if elected. Such notice must also include information on the Shareholder making the nomination, including such Shareholder’s name and address as it appears on the Company’s books, a representation that such Shareholder is a holder of record of Shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such nomination and the class and number of Shares of the Company beneficially owned by such Shareholder. The nomination of any person not made in compliance with the foregoing procedures shall be disregarded.

**MATTERS SCHEDULED TO BE VOTED ON AT THE
ANNUAL GENERAL MEETING TO BE HELD ON JUNE 24, 2009:**

I. ELECTION OF DIRECTORS

At the Annual General Meeting, three Class III Directors are to be elected to hold office until the 2012 Annual General Meeting of Shareholders. The three nominees are currently serving as Directors and were appointed or elected in accordance with the Company's Bye-Laws. Unless authority is withheld by the Shareholders, it is the intention of the persons named in the enclosed proxy to vote for the nominees listed below. All of the nominees have consented to serve if elected, but if any becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee. The name, age, principal occupation and other information concerning each Director are set forth below.

Nominees

Nominees for Class III Directors for terms to expire in 2009

Michael P. Esposito, Jr., age 69, has been a Director of the Company since its formation and the Chairman of the Company's Board since March 2006. Mr. Esposito served as Chairman of the Board of XL Capital Ltd. from 1995 to 2007 and a Director of XL Capital Ltd. from 1986 to 2007. Mr. Esposito has served as Chairman and a director of Primus Guaranty Ltd since March 2002. He has also served as a director of Annuity and Life Re (Holdings), LTD. since 1997 and a director of Forest City Enterprises since 1995. Mr. Esposito was Co-Chairman of Inter-Atlantic Capital Partners, Inc. from April 1995 to December 2000. Mr. Esposito served as Chief Corporate Compliance, Control and Administrative Officer of the Chase Manhattan Corporation from 1991 to 1995, having previously served as that company's Executive Vice President and Chief Financial Officer from 1987 to 1991.

Dr. the Hon. E. Grant Gibbons, age 56, has been a Director of the Company since August 2006. Dr. Gibbons has been a member of the Bermuda parliament since 1994. From 1995 to 1998, Dr. Gibbons served as the Bermuda Minister of Finance. From 1999 until 2006, he served as the opposition shadow Minister of Finance leader of the opposition United Bermuda Party. Dr. Gibbons currently serves as a director of General Maritime Inc., an international seaborne transporter of crude oil and petroleum products, as Deputy Chairman, Colonial Insurance Co., Ltd., an insurance company operating in Bermuda and throughout the Caribbean, and as a director of several other private companies. Dr. Gibbons is a citizen and resident of Bermuda.

Robert J. White, 62, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the CCRA Purpose Trust (the "SCA Shareholder Entity"). Mr. White is a leading reorganization and restructuring attorney with over 35 years of experience. He completed his appointment as Receiver in Charge of the Cosmopolitan Resort and Casino in Las Vegas, Nevada on September 3, 2008. Mr. White had a 35-year career at O'Melveny & Meyers which he left in 2007 and where he was the founder of the firm's Restructuring and Reorganization practice. He has represented creditors in such major restructurings and bankruptcies as WorldCom, Covanta, and Pacific Crossing, as well as banks in Adelpia's Chapter 11 exit financing and debtors in At Home Inc., Phar-Mor and MegaFoods in their bankruptcies. Mr. White has been involved with numerous other out-of-court restructurings and bankruptcies representing debtors, creditors, equity holders and purchasers of assets. He currently sits on the Board of Directors of ImageDocUSA and the American Cancer Society.

***Your Board of Directors recommends that Shareholders
vote FOR all of the Class III nominees.***

Continuing Directors

Class I Directors whose terms expire in 2010

Duncan P. Hennes, age 52, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the SCA Shareholder Entity. Mr. Hennes has nearly 30 years of financial services management experience. He is currently a co-founder and partner of Atrevida Partners, an alternative asset manager founded in 2006. Prior to founding Atrevida Partners, Mr. Hennes was a co-founder and partner of Promontory Financial Group, founded in 2001. He is the former Chief Executive Officer of Soros Fund Management. Earlier in his career, Mr. Hennes spent 12 years at Bankers Trust Company. While at Bankers Trust, he was Chairman of the Board of Oversight Partners I, the consortium that took control of Long Term Capital Management.

Robert M. Lichten, age 68, has been a Director of the Company since August 2006. Mr. Lichten has been a Director of Syncora Guarantee Inc. since 2000. Mr. Lichten has been Co-Chairman of Inter-Atlantic Group since 1994 and is a member of the firm's investment committee. Mr. Lichten is a director of Inter-Atlantic Financial, Inc. Mr. Lichten has been a Director of SeaPass Solutions Inc. since 2006. Mr. Lichten is a Director of Governance Metrics International, a corporate governance rating agency. Mr. Lichten also served as Co-Chairman of Guggenheim Securities LLC, formerly Inter-Atlantic Securities Corp., LLC, the former NASD broker-dealer operation of Inter-Atlantic Group, until 2003. Previously, Mr. Lichten was Managing Director at both Smith Barney Inc. and Lehman Brothers Inc., where he concentrated on capital raising and providing merger and acquisition advisory services to financial institutions. Mr. Lichten was also formerly Executive Vice President of The Chase Manhattan Bank. During his 22 years at Chase he was a senior corporate banker and was in charge of worldwide capital planning. Mr. Lichten also served as Chief of Staff of the Asset-Liability Management Committee and President of The Chase Investment Bank. Mr. Lichten is a former trustee of Manhattan College, a former Director of Annuity & Life Re (Holdings), LTD., and a former Director and President of the Puerto Rico USA Foundation, a cooperative effort between the Commonwealth of Puerto Rico and numerous multi-national corporations.

Class II Directors whose terms expire in 2011

Thomas S. Norsworthy, age 55, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the SCA Shareholder Entity. From 2005 to 2007, Mr. Norsworthy was most recently the Chief Executive Officer of Trenwick America Reinsurance Corporation, a property-casualty reinsurer currently in run-off. Mr. Norsworthy has more than 30 years of accounting, actuarial, finance and treasury experience. He was the co-founder of Kenning Financial Advisors, a consulting and advisory group focused on the insurance industry founded in 2003. Prior to Kenning, Mr. Norsworthy was the Chief Financial Officer at Swiss Re Capital Partners, the Swiss Re division responsible for the company's strategic equity investments and private equity relationships. He has also served as Chief Financial Officer of The Resolution Group Inc., a property-casualty insurance group, and its principal subsidiary, International Insurance Company. Earlier in his career, Norsworthy worked for PricewaterhouseCoopers.

Coleman D. Ross, age 66, has been a Director of the Company since August 2006. Mr. Ross is a certified public accountant and also has served on the boards of directors of Pan-American Life Insurance Company and NCCI Holdings, Inc. (National Council on Compensation Insurance) since July 2006 and May 2004, respectively. He was Executive Vice President and Chief Financial Officer of The Phoenix Companies, Inc. (life insurance and asset management) from April 2002 through December 2003 and Trenwick Group Ltd. (property-casualty reinsurance) from June 2000 through March 2002. Prior to his retirement from PricewaterhouseCoopers LLP in 1999, Mr. Ross was an audit engagement partner for insurance, banking, and other financial services clients and had been Chairman and Managing Partner of Price Waterhouse's insurance practice.

II. APPOINTMENT OF INDEPENDENT AUDITOR

The Audit Committee has appointed, subject to Shareholder approval, PricewaterhouseCoopers LLP as the Independent Auditor for the year ending December 31, 2009. In accordance with the Bermuda Companies Act 1981, the Board is submitting the appointment of PricewaterhouseCoopers LLP to the Shareholders for approval.

The Board recommends a vote FOR the proposal to appoint PricewaterhouseCoopers LLP as the Company's Independent Auditor to audit the Company's consolidated financial statements for the year ending December 31, 2009. The persons designated as proxies will vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditor, unless otherwise directed. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual General Meeting, with the opportunity to make a statement should they choose to do so and are expected to be available to respond to questions, as appropriate.

Your Board of Directors recommends a vote FOR the proposal to appoint PricewaterhouseCoopers LLP, New York.

III. REMUNERATION OF INDEPENDENT AUDITOR

The Audit Committee will determine, subject to Shareholder approval, the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending December 31, 2009. In accordance with the Bermuda Companies Act 1981, the Board is submitting its referral to the Audit Committee of the determination of the remuneration of the Independent Auditor to the Shareholders for approval.

The Board recommends a vote FOR the proposal to refer to the Audit Committee the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending December 31, 2009. The persons designated as proxies will vote FOR the referral to the Audit Committee of the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor, unless otherwise directed.

Your Board of Directors recommends a vote FOR the proposal to refer remuneration of PricewaterhouseCoopers LLP, New York to the Board of Directors or its delegates.

OTHER MATTERS

While management knows of no other matters to be brought before the Annual General Meeting, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying proxy form to vote the proxy in accordance with their judgment on such matters. If any matter not proper for action at the meeting should be presented, the persons named in the proxy card will vote against consideration of the matter or the proposed action.

As ordered,

/s/ Susan B. Comparato

Susan B. Comparato
President, Acting Chief Executive Officer
and General Counsel