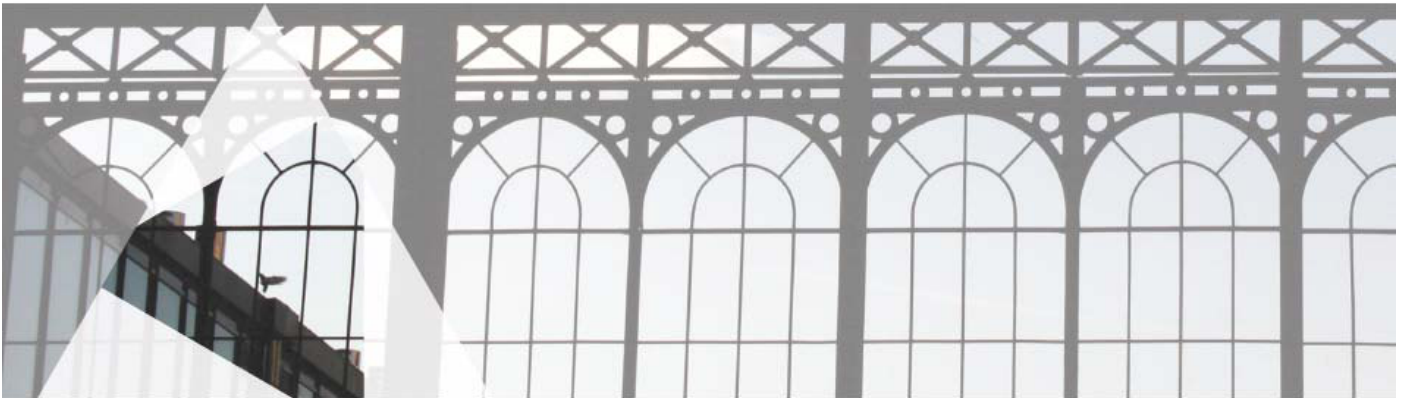


**Syncora Guarantee Inc.  
Syncora Capital Assurance Inc.**

**3rd QUARTER 2015  
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.

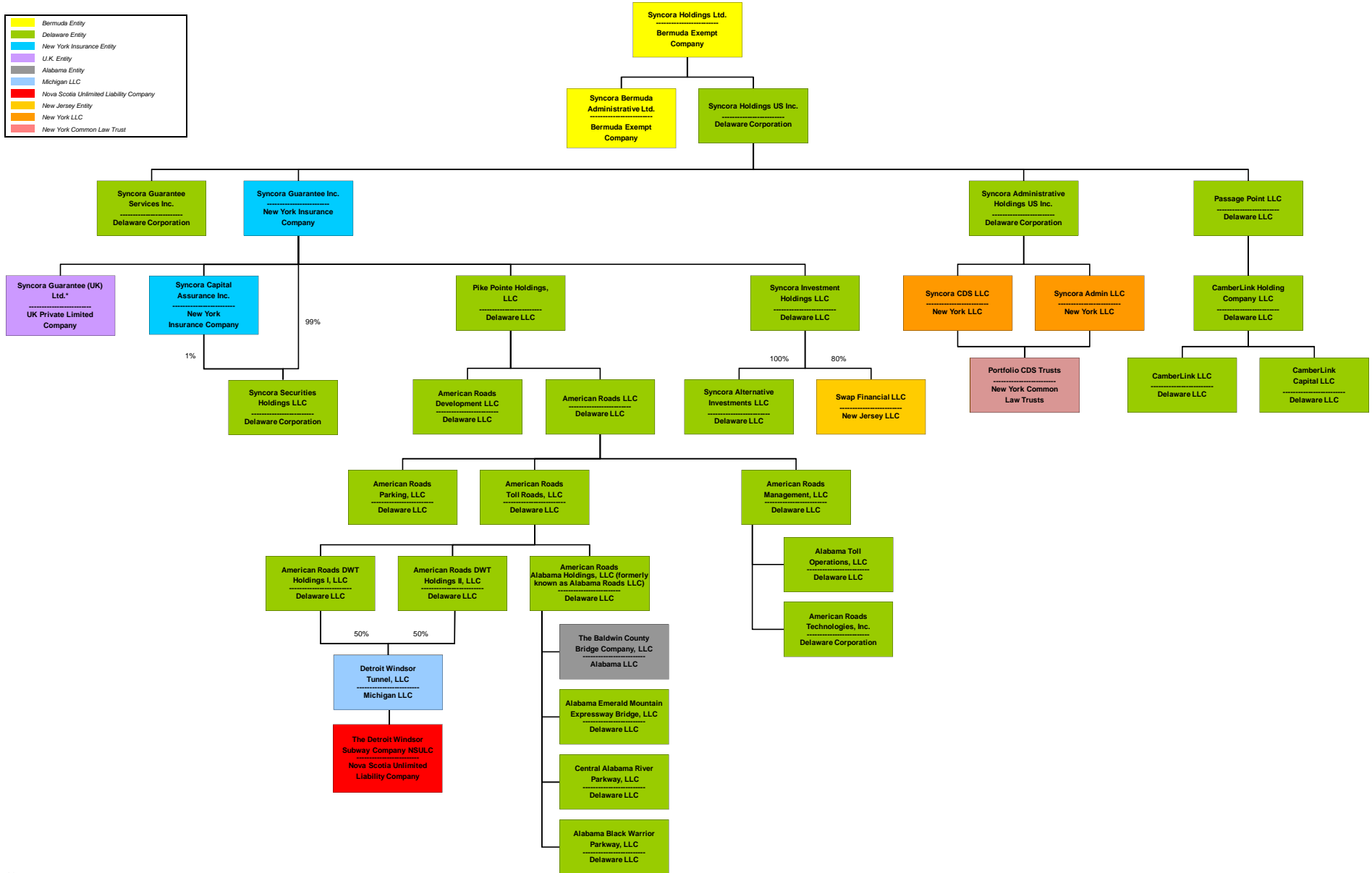
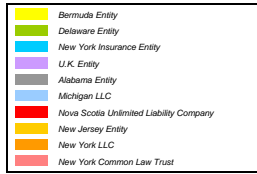
# Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

<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:**

\*Syncora Guarantee (UK) Ltd. was dissolved on July 10, 2015.

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		
	9/30/2015	6/30/2015	3/31/2015
<b>Assets</b>			
Cash, cash equivalents and short-term investments	\$ 146,772	\$ 131,619	\$ 61,763
Bonds	808,924	745,709	801,384
Uninsured cash flow certificates	62,862	61,080	59,659
Interest rate derivatives	504	1,372	1,707
Investment in subsidiary - Syncora Guarantee (UK)	-	71,338	59,463
Other invested assets	207,265	191,099	201,891
Receivables for securities	-	23,346	-
Subtotal, cash and invested assets	1,226,328	1,225,563	1,185,865
Investment income due and accrued	3,225	2,869	2,446
Uncollected premiums and reinsurance assets	1,013	3,242	2,078
Other assets	5,479	5,507	5,035
<b>Total Assets</b>	<b>\$ 1,236,044</b>	<b>\$ 1,237,181</b>	<b>\$ 1,195,424</b>
<b>Liabilities, Surplus and Other Funds</b>			
Losses and loss adjustment expenses	\$ 97,726	\$ 123,609	\$ 101,148
Unearned premiums	132,631	132,594	136,965
Payable to parent, subsidiaries and affiliates	5,191	4,471	6,022
Mandatory contingency reserve	100,569	97,695	96,412
Other liabilities	5,837	25,042	3,880
<b>Total Liabilities</b>	<b>341,954</b>	<b>383,410</b>	<b>344,428</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)	(1,952,216)	(1,992,535)	(1,995,310)
Surplus as regards policyholders	894,090	853,771	850,996
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$ 1,236,044</b>	<b>\$ 1,237,181</b>	<b>\$ 1,195,424</b>

### Syncora Capital Assurance Inc.

	As of		
	9/30/2015	6/30/2015	3/31/2015
<b>Assets</b>			
Cash, cash equivalents and short-term investments	\$ 54,653	\$ 64,285	\$ 60,125
Preferred stocks	3,564	3,591	3,647
Common stocks	18,239	20,383	20,476
Bonds	332,082	335,642	360,247
Uninsured cash flow certificates	53,620	50,012	42,348
Other invested assets	5,060	5,218	4,223
Receivables for securities	-	437	500
Subtotal, cash and invested assets	467,217	479,568	491,565
Investment income due and accrued	2,524	2,765	2,608
Uncollected premiums	1,238	1,154	1,385
Net deferred tax asset	2,769	3,135	3,041
Receivable from parent, subsidiaries and affiliates	-	1,899	924
Other assets	52	51	86
<b>Total Assets</b>	<b>\$ 473,800</b>	<b>\$ 488,573</b>	<b>\$ 499,608</b>
<b>Liabilities, Surplus and Other Funds</b>			
Losses and loss adjustment expenses	\$ 42,663	\$ 46,641	\$ 20,733
Unearned premiums	183,909	198,769	211,798
Payable to parent, subsidiaries and affiliates	8,547	5,090	7,107
Mandatory contingency reserve	71,841	79,655	84,273
Payable for securities	-	4,923	2,712
Other liabilities	494	259	216
<b>Total Liabilities</b>	<b>307,454</b>	<b>335,337</b>	<b>326,838</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)	(255,154)	(268,265)	(248,730)
Surplus as regards policyholders	166,346	153,235	172,770
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$ 473,800</b>	<b>\$ 488,573</b>	<b>\$ 499,608</b>

# Statement of Income

## (U.S. dollars in thousands)

### Syncora Guarantee Inc.

	Three Months Ended		
	9/30/2015	6/30/2015	3/31/2015
Net premiums written	\$ 4,649	\$ 3,758	\$ 3,406
Underwriting Income			
Net premiums earned	\$ 4,611	\$ 8,129	\$ 8,077
Net losses/(releases) incurred	(29,569)	6,726	8,741
Loss adjustment expenses incurred	4,586	(778)	5,496
Other underwriting expenses incurred	8,480	6,654	8,512
Net underwriting gain/(loss)	21,115	(4,474)	(14,672)
Investment Income			
Net investment income earned	7,188	12,580	6,561
Net realized gains/(losses)	17,055	(150)	816
Total net investment gain/(loss)	24,243	12,430	7,376
Other Income			
Other income	343	250	75
Net income/(loss) before taxes	45,701	8,206	(7,220)
Federal and foreign income taxes incurred/(benefit)	(2,388)	1,934	(1,027)
Net income/(loss)	\$ 48,088	\$ 6,272	\$ (6,193)

### Syncora Capital Assurance Inc.

	Three Months Ended		
	9/30/2015	6/30/2015	3/31/2015
Net premiums written	\$ 4,184	\$ 1,720	\$ 4,215
Underwriting Income			
Net premiums earned	\$ 19,044	\$ 14,748	\$ 9,141
Net losses/(releases) incurred	830	28,044	1,436
Loss adjustment expenses incurred	4,808	2,292	0
Other underwriting expenses incurred	6,539	4,497	5,612
Net underwriting gain/(loss)	6,867	(20,085)	2,093
Investment Income			
Net investment income earned	4,196	(1,983)	3,828
Net realized capital gains	(1,417)	(4,307)	2,678
Total net investment gain/(loss)	2,779	(6,289)	6,505
Other Income			
Other income	87	49	128
Net income/(loss) before taxes	9,733	(26,325)	8,726
Federal and foreign income taxes incurred/(benefit)	3,217	(1,899)	1,995
Net income/(loss)	\$ 6,516	\$ (24,425)	\$ 6,732

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

## Syncora Guarantee Inc.

	As of		
	9/30/2015	6/30/2015	3/31/2015
<b>Claims paying resources</b>			
Policyholders' surplus	\$ 894	\$ 854	\$ 851
Contingency reserve	101	98	96
Qualified statutory capital	995	952	947
Unearned premium revenue	133	133	137
Loss & loss adjustment expense reserves <sup>1,2,3</sup>	275	293	284
Total policyholders' surplus & reserves	1,402	1,377	1,369
NPVFIP	60	60	62
Total claims paying resources	\$ 1,462	\$ 1,437	\$ 1,430
Net par outstanding	\$ 9,050	\$ 9,416	\$ 9,562
Leverage ratio (Net par outstanding/Total claims paying resources)	6.2	6.6	6.7

**Notes:**

<sup>1</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).

<sup>2</sup> For the three months ended 6/30/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of five structured single risk credits (\$169.0 million).

<sup>3</sup> For the three months ended 3/31/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of six structured single risk credits (\$183.0 million).

## Syncora Capital Assurance Inc.

	As of		
	9/30/2015	6/30/2015	3/31/2015
<b>Claims paying resources</b>			
Policyholders' surplus	\$ 166	\$ 153	\$ 173
Contingency reserve	72	80	84
Qualified statutory capital	238	233	257
Unearned premium revenue	184	199	212
Loss & loss adjustment expense reserves <sup>1,2,3</sup>	87	91	66
Total policyholders' surplus & reserves	509	522	535
NPVFIP	94	100	98
Total claims paying resources	\$ 603	\$ 622	\$ 633
Net par outstanding	\$ 24,481	\$ 27,256	\$ 29,746
Leverage ratio (Net par outstanding/Total claims paying resources)	40.6	43.8	47.0

**Notes:**

<sup>1</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).

<sup>2</sup> For the three months ended 6/30/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$44.1 million).

<sup>3</sup> For the three months ended 3/31/2015, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$45.2 million).

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

### Syncora Guarantee Inc.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
<b>Public Finance</b>						
General Obligation	\$ 199		\$ 199		\$ 196	
Special Revenue	108		110		127	
Utility	62		62		62	
Appropriation	17		17		17	
Non Ad Valorem	17		17		-	
Other	4		4		5	
Total Public Finance	\$ 407	4.5%	\$ 409	4.3%	\$ 406	4.2%
<b>Asset-Backed Securities</b>						
RMBS	\$ 866		\$ 903		\$ 934	
Commercial ABS	-		2		2	
Total Asset-Backed Securities	\$ 866	9.6%	\$ 905	9.6%	\$ 937	9.8%
<b>Collateralized Debt Obligations</b>						
Cashflow CDO	\$ 257		\$ 350		\$ 411	
Total Collateralized Debt Obligations	\$ 257	2.8%	\$ 350	3.7%	\$ 411	4.3%
<b>Structured Single Risk</b>						
Global Infrastructure	\$ 4,082		\$ 4,271		\$ 4,314	
Power & Utilities	2,841		2,880		2,872	
Specialized Risk	596		600		623	
Total Structured Single Risk	\$ 7,519	83.1%	\$ 7,751	82.3%	\$ 7,809	81.7%
<b>Total Net Par Outstanding</b>	<u>\$ 9,050</u>	<u>100.0%</u>	<u>\$ 9,416</u>	<u>100.0%</u>	<u>\$ 9,562</u>	<u>100.0%</u>

**Notes:**

Categories include domestic and international credits.

### Syncora Capital Assurance Inc.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
<b>Public Finance</b>						
Special Revenue	\$ 6,580		\$ 7,033		\$ 7,604	
General Obligation	5,224		5,923		6,765	
Utility	2,857		3,278		3,769	
Non Ad Valorem	1,928		2,295		2,526	
Appropriation	979		1,103		1,229	
Total Public Finance	\$ 17,568	71.8%	\$ 19,632	72.0%	\$ 21,894	73.6%
<b>Asset-Backed Securities</b>						
Commercial ABS	\$ 111		\$ 149		\$ 161	
Total Asset-Backed Securities	\$ 111	0.5%	\$ 149	0.5%	\$ 161	0.5%
<b>Collateralized Debt Obligations</b>						
Synthetic CDO	\$ 968		\$ 1,012		\$ 1,034	
Cashflow CDO	928		1,287		1,535	
Total Collateralized Debt Obligations	\$ 1,896	7.7%	\$ 2,299	8.4%	\$ 2,569	8.6%
<b>Structured Single Risk</b>						
Power & Utilities	\$ 3,252		\$ 3,451		\$ 3,478	
Global Infrastructure	1,604		1,675		1,593	
Specialized Risk	50		50		50	
Total Structured Single Risk	\$ 4,906	20.0%	\$ 5,176	19.0%	\$ 5,122	17.2%
<b>Total Net Par Outstanding</b>	<u>\$ 24,481</u>	<u>100.0%</u>	<u>\$ 27,256</u>	<u>100.0%</u>	<u>\$ 29,746</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.

Q3 2015			Q2 2015			Q1 2015		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
2015 Q3	\$ -	\$ 13,945	2015 Q2	\$ -	\$ 14,439	2015 Q1	\$ -	\$ 14,665
2015 Q4	333	13,611	2015 Q3	163	14,276	2015 Q2	177	14,488
Total 2015	\$ 333		2015 Q4	365	13,910	2015 Q3	148	14,340
			Total 2015	\$ 528		2015 Q4	356	13,984
						Total 2015	\$ 681	
2016	\$ 1,026	\$ 12,586	2016	\$ 1,118	\$ 12,792	2016	\$ 1,176	\$ 12,807
2017	772	11,813	2017	793	12,000	2017	834	11,973
2018	812	11,002	2018	861	11,138	2018	882	11,091
2019	499	10,502	2019	511	10,628	2019	528	10,563
Total 2016-2019	\$ 3,109		Total 2016-2019	\$ 3,283		Total 2016-2019	\$ 3,421	
2020-2024	\$ 1,936	\$ 8,566	2020-2024	\$ 1,937	\$ 8,690	2020-2024	\$ 2,002	\$ 8,561
2025-2029	1,627	6,939	2025-2029	1,637	7,053	2025-2029	1,621	6,940
2030-2034	1,221	5,718	2030-2034	1,153	5,900	2030-2034	1,213	5,727
2035 and thereafter	5,718	-	2035 and thereafter	5,900	-	2035 and thereafter	5,727	-
Total 2020-thereafter	\$ 10,502		Total 2020-thereafter	\$ 10,628		Total 2020-thereafter	\$ 10,563	
Total	\$ 13,945		Total	\$ 14,439		Total	\$ 14,665	

#### Notes:

NPIO represents Net Principal and Interest Outstanding.

### Syncora Capital Assurance Inc.

Q3 2015			Q2 2015			Q1 2015		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
2015 Q3	\$ -	\$ 38,457	2015 Q2	\$ -	\$ 42,723	2015 Q1	\$ -	\$ 46,399
2015 Q4	844	37,613	2015 Q3	1,026	41,696	2015 Q2	857	45,543
Total 2015	\$ 844		2015 Q4	885	40,812	2015 Q3	1,024	44,519
			Total 2015	\$ 1,911		2015 Q4	923	43,595
						Total 2015	\$ 2,804	
2016	\$ 3,108	\$ 34,505	2016	\$ 3,278	\$ 37,534	2016	\$ 3,430	\$ 40,165
2017	2,447	32,059	2017	2,649	34,885	2017	2,881	37,284
2018	1,750	30,309	2018	1,952	32,932	2018	2,167	35,117
2019	1,719	28,590	2019	1,905	31,027	2019	2,117	33,001
Total 2016-2019	\$ 9,024		Total 2016-2019	\$ 9,784		Total 2016-2019	\$ 10,595	
2020-2024	\$ 8,542	\$ 20,047	2020-2024	\$ 9,323	\$ 21,704	2020-2024	\$ 10,310	\$ 22,691
2025-2029	6,885	13,162	2025-2029	7,448	14,256	2025-2029	8,215	14,476
2030-2034	4,953	8,209	2030-2034	5,290	8,966	2030-2034	5,657	8,818
2035 and thereafter	8,209	-	2035 and thereafter	8,966	-	2035 and thereafter	8,818	-
Total 2020-thereafter	\$ 28,590		Total 2020-thereafter	\$ 31,027		Total 2020-thereafter	\$ 33,001	
Total	\$ 38,457		Total	\$ 42,723		Total	\$ 46,399	

#### Notes:

NPIO represents Net Principal and Interest Outstanding.

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

## Syncora Guarantee Inc.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 407	17	\$ 409	17	\$ 406	15
Asset-Backed Securities	866	31	905	32	937	32
Collateralized Debt Obligations	257	5	350	5	411	5
Structured Single Risk	<u>7,519</u>	<u>37</u>	<u>7,751</u>	<u>38</u>	<u>7,809</u>	<u>38</u>
Total Net Par Outstanding	<u>\$ 9,050</u>	<u>90</u>	<u>\$ 9,416</u>	<u>92</u>	<u>\$ 9,562</u>	<u>90</u>
	<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>	
Public Finance	\$ 27		\$ 27		\$ 8	
Asset-Backed Securities	116		126		137	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	<u>(72)</u>		<u>(52)</u>		<u>(68)</u>	
Total Net Reserve	<u>\$ 72</u>		<u>\$ 102</u>		<u>\$ 77</u>	

**Note:**

Categories include domestic and international credits.

## Syncora Capital Assurance Inc.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 17,568	1,220	\$ 19,632	1,341	\$ 21,894	1,471
Asset-Backed Securities	111	2	149	2	161	2
Collateralized Debt Obligations	1,896	15	2,299	15	2,569	16
Structured Single Risk	<u>4,906</u>	<u>32</u>	<u>5,176</u>	<u>36</u>	<u>5,122</u>	<u>36</u>
Total Net Par Outstanding	<u>\$ 24,481</u>	<u>1,269</u>	<u>\$ 27,256</u>	<u>1,394</u>	<u>\$ 29,746</u>	<u>1,525</u>
	<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>		<b>Net Loss Reserve</b>	
Public Finance	\$ 29		\$ 37		\$ 13	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	<u>-</u>		<u>-</u>		<u>-</u>	
Total Net Reserve	<u>\$ 29</u>		<u>\$ 37</u>		<u>\$ 13</u>	

**Note:**

Categories include domestic and international credits.

**Insured Portfolio - Watch List  
As of September 30, 2015  
(U.S. dollars in millions)**

**Syncora Guarantee Inc.**

	Q3 2015				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	5	3	6	26	40
Remaining weighted-average contract period (in years)	8.8	3.6	5.6	10.5	7.8
Insured contractual payments outstanding:					
Principal	\$ 855.0	\$ 470.0	\$ 1,016.7	\$ 1,172.6	\$ 3,514.2
Interest	275.0	99.4	259.0	310.3	943.8
Total	<u>\$ 1,130.0</u>	<u>\$ 569.4</u>	<u>\$ 1,275.7</u>	<u>\$ 1,482.9</u>	<u>\$ 4,458.0</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 100.9	\$ 100.9
Net loss reserves	\$ -	\$ -	\$ -	\$ 72.3	\$ 72.3

**Syncora Capital Assurance Inc.**

	Q3 2015				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	16	13	1	4	34
Remaining weighted-average contract period (in years)	4.6	17.0	5.3	5.3	10.1
Insured contractual payments outstanding:					
Principal	\$ 1,273.9	\$ 1,219.9	\$ 3.2	\$ 287.6	\$ 2,784.6
Interest	261.3	981.4	0.7	87.7	1,331.2
Total	<u>\$ 1,535.2</u>	<u>\$ 2,201.3</u>	<u>\$ 3.9</u>	<u>\$ 375.3</u>	<u>\$ 4,115.8</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 28.7	\$ 28.7
Net loss reserves	\$ -	\$ -	\$ -	\$ 28.7	\$ 28.7

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

### Syncora Guarantee Inc.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 309	3.4%	\$ 406	4.3%	\$ 468	4.9%
AA	399	4.4	404	4.3	438	4.6
A	1,647	18.2	1,656	17.6	1,630	17.0
BBB	4,160	46.0	4,171	44.3	4,218	44.1
Below Investment Grade	2,535	28.0	2,779	29.5	2,810	29.4
Total Net Par Outstanding	\$ 9,050	100.0%	\$ 9,416	100.0%	\$ 9,562	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.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 1,853	7.6%	\$ 2,269	8.3%	\$ 2,530	8.5%
AA	7,129	29.1	7,744	28.4	8,155	27.4
A	9,133	37.3	10,425	38.2	11,853	39.8
BBB	4,830	19.7	5,220	19.2	5,620	18.9
Below Investment Grade	1,535	6.3	1,599	5.9	1,588	5.3
Total Net Par Outstanding	\$ 24,481	100.0%	\$ 27,256	100.0%	\$ 29,746	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.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 219	2.4%	\$ 313	3.3%	\$ 374	3.9%
aa	233	2.6	237	2.5	239	2.5
a	1,492	16.5	1,517	16.1	1,584	16.6
bbb	4,447	49.1	4,481	47.6	4,493	47.0
Below Investment Grade	2,659	29.4	2,867	30.5	2,872	30.0
Total Net Par Outstanding	\$ 9,050	100.0%	\$ 9,416	100.0%	\$ 9,562	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.

	Q3 2015		Q2 2015		Q1 2015	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 1,053	4.3%	\$ 1,411	5.2%	\$ 1,657	5.6%
aa	3,361	13.7	3,650	13.4	4,053	13.6
a	12,613	51.5	14,038	51.5	15,283	51.4
bbb	5,944	24.3	6,823	25.0	7,242	24.3
Below Investment Grade	1,511	6.2	1,333	4.9	1,510	5.1
Total Net Par Outstanding	\$ 24,481	100.0%	\$ 27,256	100.0%	\$ 29,746	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.

	Q3 2015	Q2 2015	Q1 2015
	NPO	NPO	NPO
Public Finance	\$ 21	\$ 21	\$ 5
Asset-Backed Securities	742	769	794
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,770	1,987	2,008
Total Below Investment Grade	<u>\$ 2,535</u>	<u>\$ 2,779</u>	<u>\$ 2,810</u>
Total Net Par Outstanding	\$ 9,050	\$ 9,416	\$ 9,562
BIG as % of Net Par Outstanding	28.0%	29.5%	29.4%

#### 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.

	Q3 2015	Q2 2015	Q1 2015
	NPO	NPO	NPO
Public Finance	\$ 1,194	\$ 1,246	\$ 1,257
Structured Single Risk	341	353	331
Total Below Investment Grade	<u>\$ 1,535</u>	<u>\$ 1,599</u>	<u>\$ 1,588</u>
Total Net Par Outstanding	\$ 24,481	\$ 27,256	\$ 29,746
BIG as % of Net Par Outstanding	6.3%	5.9%	5.3%

#### 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.

	Q3 2015	Q2 2015	Q1 2015
	NPO	NPO	NPO
Public Finance	\$ 166	\$ 166	\$ 150
Asset-Backed Securities	780	808	835
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,711	1,890	1,885
Total Below Investment Grade	<u>\$ 2,659</u>	<u>\$ 2,867</u>	<u>\$ 2,872</u>
Total Net Par Outstanding	\$ 9,050	\$ 9,416	\$ 9,562
BIG as % of Net Par Outstanding	29.4%	30.5%	30.0%

#### 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.

### Syncora Capital Assurance Inc.

	Q3 2015	Q2 2015	Q1 2015
	NPO	NPO	NPO
Public Finance	\$ 1,169	\$ 980	\$ 1,180
Structured Single Risk	341	353	331
Total Below Investment Grade	<u>\$ 1,511</u>	<u>\$ 1,333</u>	<u>\$ 1,510</u>
Total Net Par Outstanding	\$ 24,481	\$ 27,256	\$ 29,746
BIG as % of Net Par Outstanding	6.2%	4.9%	5.1%

#### 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., 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.

		Q3 2015		
		NPO	S&P Rating	Internal Rating*
1	Commonwealth of Puerto Rico - GO	\$ 97	AA	c
2	Port Authority of New York and New Jersey, NY	40	AA	aa-
3	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA	aa-
4	Massachusetts (Commonwealth of) - GO	38	AA+	aa
5	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	33	AA	c
6	Bay Area Toll Authority, CA - Toll Revenue Bonds	30	AA+	aa-
7	Detroit (City of), MI - GO (State Aid)	24	A-	bbb-
8	Port of Portland, OR - Airport Revenue Bonds	22	AA-	aa-
9	New Jersey (State of) - Annual Appropriation	17	AA	bbb+
10	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	17	AA	a-
11	Commonwealth of Puerto Rico, Highway & Transportation Authority	17	CC	c
12	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	15	AA	c
13	JEA, FL Water & Sewer (Senior Lien)	8	AA-	aa
14	Knox County, KY - GO/AA	6	BBB	bbb
15	Detroit (City of), MI (Full Loss)	4	D	d
16	Jackson Energy Authority, TN - Water Revenue Bonds	1	A	a
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 407		
Total Portfolio Net Par Outstanding		\$ 9,050		
% of Total SGI Portfolio		4.5%		
Total Public Finance Portfolio Net Par Outstanding		\$ 407		
% of Total Public Finance Portfolio		100.0%		

#### 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., 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: 7) 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 15) 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.

		Q3 2015		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a
2	San Diego Family Housing LLC - Class I	414	AA	aa
3	City of Chicago, O'Hare International Airport, IL - Revenue Bonds	387	A	a-
4	City of Denver Convention Center Hotel Project, CO	335	BBB-	bbb-
5	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
6	City of Syracuse Industrial Development Agency (Carousel Center), NY	325	BBB-	bbb-
7	Dodger Tickets LLC	295	BBB-	bbb+
8	State of California - GO	295	AA-	a-
9	University System of Georgia, Board of Regents, GA	254	BBB	a+
10	Baltimore Development Corporation (Convention Center Headquarters Hotel Project)	237	BB-	bb
11	City of Denver, CO Airport System - Revenue Bonds	219	A+	a+
12	City of Houston, TX Airport System - Revenue Bonds	201	A	a
13	City of San Jose, CA Redevelopment Agency - Tax Allocation	197	BBB+	bbb-
14	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	167	AA-	a
15	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	158	CC	c
16	State of South Carolina Transportation Infrastructure Bank - Motor Vehicle Revenue	156	A	a
17	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	151	AA-	bb+
18	New Jersey Economic Development Authority, NJ	151	A-	bbb
19	San Diego County, CA - Pension Obligation Bonds	148	AA+	aa-
20	Austin Convention Enterprises, TX	147	BBB-	bbb
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 5,142		
Total Portfolio Net Par Outstanding		\$ 24,481		
% of Total SCAI Portfolio		21.0%		
Total Public Finance Portfolio Net Par Outstanding		\$ 17,568		
% of Total Public Finance Portfolio		29.3%		

#### 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., 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 September 30, 2015

(U.S. dollars in millions)

Q3 2015											
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	
2015	\$ 16.2	\$ -	\$ -	\$ -	\$ 1.1	\$ -	\$ 6.1	\$ -	\$ 23.4	\$ -	
2016	19.4	7.0	0.8	0.3	1.1	33.3	6.6	-	27.9	40.6	
2017	10.5	86.6	0.8	0.3	0.6	38.1	5.4	-	17.4	125.0	
2018	8.8	7.3	0.8	0.3	0.6	35.8	4.2	-	14.5	43.5	
2019	4.5	8.8	0.8	0.3	1.4	3.6	4.9	-	11.7	12.7	
2020	4.5	3.9	0.8	0.3	1.8	3.6	2.1	-	9.3	7.8	
2021	7.9	1.8	0.8	0.3	1.0	3.6	2.1	-	11.8	5.7	
2022	2.5	1.3	0.8	0.3	1.0	3.6	2.1	-	6.4	5.2	
2023	20.2	6.4	0.8	0.3	1.6	3.6	0.3	-	22.9	10.3	
2024	3.5	0.4	0.8	0.3	1.6	3.6	0.3	-	6.2	4.3	
2025	2.3	6.4	0.8	0.3	1.6	25.2	0.3	-	5.0	31.9	
2026	2.5	0.1	0.8	0.3	1.7	27.7	1.7	-	6.7	28.1	
2027	3.9	0.1	0.8	0.3	1.6	26.2	1.9	-	8.3	26.6	
2028	10.0	0.1	0.8	0.3	0.9	-	1.5	-	13.2	0.5	
2029	4.1	0.1	0.8	0.9	0.9	-	0.9	-	6.7	0.9	
2030	3.5	0.1	0.8	0.9	1.2	-	0.7	-	6.2	0.9	
2031	3.1	0.1	0.8	0.9	1.5	-	-	-	5.4	0.9	
2032	-	0.1	0.8	0.9	-	-	-	-	0.8	0.9	
2033	-	0.1	0.8	0.9	-	-	-	-	0.8	0.9	
2034	-	0.5	0.8	0.9	-	-	-	-	0.8	1.4	
2035	-	0.5	0.8	0.9	-	-	-	-	0.8	1.4	
2036	-	0.5	17.3	0.9	-	-	-	-	17.3	1.4	
2037	-	-	-	0.9	-	-	-	-	-	0.9	
2038	-	-	-	0.9	-	-	-	-	-	0.9	
<b>Total</b>	<b>\$ 127.3</b>	<b>\$ 132.2</b>	<b>\$ 33.8</b>	<b>\$ 12.9</b>	<b>\$ 21.3</b>	<b>\$ 207.8</b>	<b>\$ 41.0</b>	<b>\$ -</b>	<b>\$ 223.4</b>	<b>\$ 353.0</b>	
<b>Total Net Principal</b>	<b>\$ 97.3</b>	<b>\$ 109.6</b>	<b>\$ 16.5</b>	<b>\$ 6.8</b>	<b>\$ 14.7</b>	<b>\$ 157.7</b>	<b>\$ 33.4</b>	<b>\$ -</b>	<b>\$ 161.9</b>	<b>\$ 274.1</b>	
<b>Total Net Interest</b>	<b>30.0</b>	<b>22.6</b>	<b>17.3</b>	<b>6.1</b>	<b>6.6</b>	<b>50.1</b>	<b>7.6</b>	<b>-</b>	<b>61.5</b>	<b>78.8</b>	
<b>Total Net Principal and Interest</b>	<b>\$ 127.3</b>	<b>\$ 132.2</b>	<b>\$ 33.8</b>	<b>\$ 12.9</b>	<b>\$ 21.3</b>	<b>\$ 207.8</b>	<b>\$ 41.0</b>	<b>\$ -</b>	<b>\$ 223.4</b>	<b>\$ 353.0</b>	

**Notes:**

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

<sup>2</sup>Excludes \$61.1 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.

		Q3 2015	
Servicer/Manager Name <sup>1</sup>		NPO	
1	American Home Servicing	\$	255
2	OneWest Bank, FSB		192
3	Countrywide Home Loans		176
4	CLO Manager 1 <sup>2</sup>		156
5	JP Morgan		133
6	CLO Manager 2 <sup>2</sup>		59
7	CLO Manager 3 <sup>2</sup>		40
8	Residential Capital, LLC		39
9	La Hipotecaria		29
10	Homeward Residential		15
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	1,096
Total Portfolio Net Par Outstanding		\$	9,050
% of Total Portfolio			12.1%
Total Structured Finance Portfolio Net Par Outstanding		\$	8,643
% of Total Structured Finance Portfolio			12.7%

**Notes:**

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

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

### Syncora Capital Assurance Inc.

		Q3 2015	
Servicer/Manager Name <sup>1</sup>		NPO	
1	CLO Manager 4 <sup>2</sup>	\$	318
2	CLO Manager 5 <sup>2</sup>		167
3	CLO Manager 6 <sup>2</sup>		142
4	CLO Manager 2 <sup>2</sup>		108
5	CLO Manager 1 <sup>2</sup>		87
6	Private Commercial ABS Transaction <sup>2</sup>		79
7	Bombardier Services Corporation		32
8	CLO Manager 7 <sup>2</sup>		32
9	CLO Manager 3 <sup>2</sup>		26
10	CLO Manager 8 <sup>2</sup>		18
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	1,008
Total Portfolio Net Par Outstanding		\$	24,481
% of Total Portfolio			4.1%
Total U.S. Structured Finance Portfolio Net Par Outstanding		\$	6,913
% of Total U.S. Structured Finance Portfolio			14.6%

**Notes:**

<sup>1</sup>Servicer/manager may be an operating subsidiary 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.

Q3 2015				Q2 2015				Q1 2015									
		GPO	NPO	% NPO			GPO	NPO	% NPO			GPO	NPO	% NPO			
<b>United States</b>				<b>United States</b>				<b>United States</b>									
Illinois <sup>5</sup>	\$	1,605	\$	552	6.1%	Illinois	\$	1,658	\$	545	5.8%	Illinois	\$	1,707	\$	545	5.7%
Puerto Rico		436		162	1.8	Puerto Rico		465		162	1.7	Puerto Rico		460		145	1.5
Alabama		614		116	1.3	Alabama		769		116	1.2	Alabama		856		116	1.2
Other <sup>1</sup>		16,050		245	2.7	Other <sup>1</sup>		17,950		250	2.7	Other <sup>1</sup>		19,909		263	2.7
Non-PF Multi <sup>2,3</sup>		1,102		1,094	12.1	Non-PF Multi <sup>2</sup>		1,229		1,222	13.0	Non-PF Multi <sup>2</sup>		1,320		1,313	13.7
<b>Total United States</b>	<b>\$</b>	<b>19,807</b>	<b>\$</b>	<b>2,169</b>	<b>24.0%</b>	<b>Total United States</b>	<b>\$</b>	<b>22,072</b>	<b>\$</b>	<b>2,294</b>	<b>24.4%</b>	<b>Total United States</b>	<b>\$</b>	<b>24,251</b>	<b>\$</b>	<b>2,382</b>	<b>24.9%</b>
<b>International</b>				<b>International</b>				<b>International</b>									
United Kingdom	\$	4,546	\$	4,155	45.9%	United Kingdom	\$	4,631	\$	4,226	44.9%	United Kingdom	\$	4,574	\$	4,194	43.9%
Australia		1,292		1,261	13.9	Australia		1,420		1,386	14.7	Australia		1,405		1,371	14.3
France		391		391	4.3	France		575		435	4.6	France		621		480	5.0
Chile		516		389	4.3	Chile		380		380	4.0	Chile		416		416	4.3
Italy		137		137	1.5	Canada		236		138	1.5	Italy		151		151	1.6
Canada		226		128	1.4	Italy		133		133	1.4	Canada		235		137	1.4
Portugal		99		99	1.1	Portugal		98		98	1.0	Other <sup>1</sup>		566		167	1.7
Other <sup>1</sup>		385		61	0.7	Other <sup>1</sup>		404		67	0.7	Non-PF Multi <sup>2</sup>		266		266	2.8
Non-PF Multi <sup>2,4</sup>		259		259	2.9	Non-PF Multi <sup>2</sup>		259		259	2.8	<b>Total International</b>	<b>\$</b>	<b>8,233</b>	<b>\$</b>	<b>7,180</b>	<b>75.1%</b>
<b>Total International</b>	<b>\$</b>	<b>7,852</b>	<b>\$</b>	<b>6,881</b>	<b>76.0%</b>	<b>Total International</b>	<b>\$</b>	<b>8,137</b>	<b>\$</b>	<b>7,122</b>	<b>75.6%</b>	<b>Total Outstanding</b>	<b>\$</b>	<b>32,484</b>	<b>\$</b>	<b>9,562</b>	<b>100.0%</b>
<b>Total Outstanding</b>	<b>\$</b>	<b>27,658</b>	<b>\$</b>	<b>9,050</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$</b>	<b>30,209</b>	<b>\$</b>	<b>9,416</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 \$837 million in ABS and \$257 million in CDO net par.

<sup>4</sup> Consists of \$259 million in SSR net par.

<sup>5</sup> As of September 30, 2015, the Company has \$9.2 million of gross par exposure to General Obligation bonds maturing in January 2016 issued by the City of Chicago of which \$9.2 million is ceded to Syncora Capital Assurance.

## Syncora Capital Assurance Inc.

Q3 2015				Q2 2015				Q1 2015									
		GPO	NPO	% NPO			GPO	NPO	% NPO			GPO	NPO	% NPO			
<b>United States</b>				<b>United States</b>				<b>United States</b>									
California	\$	3,728	\$	3,684	15.1%	California	\$	4,222	\$	4,178	15.3%	California	\$	4,405	\$	4,362	14.7%
New York		2,057		2,057	8.4	New York		2,152		2,152	7.9	New York		2,456		2,456	8.3
Texas		1,063		1,063	4.3	Texas		1,237		1,237	4.5	Florida		1,593		1,493	5.0
Illinois <sup>4</sup>		1,053		1,053	4.3	Illinois		1,113		1,113	4.1	Texas		1,303		1,303	4.4
Colorado		819		819	3.3	Florida		1,133		1,033	3.8	Illinois		1,162		1,162	3.9
Florida		886		786	3.2	Colorado		824		824	3.0	Pennsylvania		966		966	3.2
Pennsylvania		738		738	3.0	Pennsylvania		816		816	3.0	Colorado		841		841	2.8
Virginia		643		643	2.6	Alabama		654		654	2.4	Alabama		740		740	2.5
Georgia		549		549	2.2	Virginia		648		648	2.4	Georgia		678		678	2.3
Ohio		541		541	2.2	Georgia		580		580	2.1	Virginia		654		654	2.2
Washington		539		539	2.2	Washington		567		567	2.1	Ohio		595		595	2.0
Tennessee		513		513	2.1	Ohio		553		553	2.0	Washington		583		583	2.0
Alabama		498		498	2.0	Tennessee		521		521	1.9	Tennessee		578		578	1.9
District Of Columbia		468		468	1.9	District Of Columbia		471		471	1.7	South Carolina		495		495	1.7
New Jersey		410		410	1.7	South Carolina		466		466	1.7	New Jersey		478		478	1.6
South Carolina		316		316	1.3	New Jersey		455		455	1.7	District Of Columbia		474		474	1.6
Massachusetts		298		298	1.2	Indiana		356		356	1.3	Indiana		388		388	1.3
Puerto Rico		274		274	1.1	Massachusetts		346		346	1.3	Missouri		373		373	1.3
Maryland		268		268	1.1	Puerto Rico		303		303	1.1	Massachusetts		357		357	1.2
Minnesota		255		255	1.0	Missouri		291		291	1.1	Michigan		343		343	1.2
Other <sup>1</sup>		3,268		3,268	13.3	Michigan		287		287	1.1	Puerto Rico		314		314	1.1
Non-PF Multi <sup>2,3</sup>		1,689		1,689	6.9	Other <sup>1</sup>		3,383		3,383	12.4	Wisconsin		303		303	1.0
<b>Total United States</b>	<b>\$</b>	<b>20,874</b>	<b>\$</b>	<b>20,730</b>	<b>84.7%</b>	Non-PF Multi <sup>2</sup>		2,074		2,074	7.6	Other <sup>1</sup>		3,570		3,570	12.0
						<b>Total United States</b>	<b>\$</b>	<b>23,452</b>	<b>\$</b>	<b>23,308</b>	<b>85.5%</b>	Non-PF Multi <sup>2</sup>		2,319		2,319	7.8
											<b>Total United States</b>	<b>\$</b>	<b>25,968</b>	<b>\$</b>	<b>25,824</b>	<b>86.8%</b>	
<b>International</b>				<b>International</b>				<b>International</b>									
United Kingdom	\$	2,572	\$	2,572	10.5%	United Kingdom	\$	2,671	\$	2,671	9.8%	United Kingdom	\$	2,520	\$	2,520	8.5%
New Zealand		454		454	1.9	New Zealand		480		480	1.8	New Zealand		568		568	1.9
Netherlands		318		318	1.3	Netherlands		374		374	1.4	Netherlands		411		411	1.4
Other <sup>1</sup>		406		406	1.7	Other <sup>1</sup>		423		423	1.6	Other <sup>1</sup>		423		423	1.4
<b>Total International</b>	<b>\$</b>	<b>3,751</b>	<b>\$</b>	<b>3,751</b>	<b>15.3%</b>	<b>Total International</b>	<b>\$</b>	<b>3,948</b>	<b>\$</b>	<b>3,948</b>	<b>14.5%</b>	<b>Total International</b>	<b>\$</b>	<b>3,922</b>	<b>\$</b>	<b>3,922</b>	<b>13.2%</b>
<b>Total Outstanding</b>	<b>\$</b>	<b>24,624</b>	<b>\$</b>	<b>24,481</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$</b>	<b>27,400</b>	<b>\$</b>	<b>27,256</b>	<b>100.0%</b>	<b>Total Outstanding</b>	<b>\$</b>	<b>29,890</b>	<b>\$</b>	<b>29,746</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 \$1,578 million in CDO and \$111 million in ABS net par.

<sup>4</sup> As of September 30, 2015, the Company has \$9.2 million of net par exposure to General Obligation bonds maturing in January 2016 issued by the City of Chicago.

# Investment Portfolio

## As of September 30, 2015

(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	\$ 212.2 22.7%
Cash and Cash Equivalents	\$ 47.0	5.0%	1 to 5 Years	447.0 47.8%
Short-Term Investments	89.5	9.6%	5 to 10 Years	18.6 2.0%
Total Cash and Short-Term Investments	136.5	14.6%	Due after 10 Years	5.0 0.5%
Debt Securities			Mortgage and asset-backed securities	253.3 27.1%
MBS/ABS	253.3	27.1%	Total	\$ 936.1 100.0%
U.S. Government	275.2	29.4%	Yield to Maturity @ Book Value	1.5%
Corporate	256.4	27.4%	Yield to Maturity @ Market Value	1.1%
States & Political Subs	14.7	1.6%	Duration (years)	1.6
Total Long-Term Fixed Maturity	799.6	85.4%		
Total	\$ 936.1	100.0%		

#### Notes:

- Excludes \$62.9 million of uninsured cash flow ("UCF") securities.
- Excludes \$9.3 million of other remediation-related securities.
- Excludes \$10.3 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 331.8	35.5%
AA	350.4	37.4%
A	218.2	23.3%
BBB	32.2	3.4%
BB & below and Not Rated	3.5	0.4%
Total	\$ 936.1	100.0%
Average credit quality	AA-	

### 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	\$ 51.5 13.9%
Cash and Cash Equivalents	\$ 45.5	12.2%	1 to 5 Years	45.7 12.3%
Short-Term Investments	5.3	1.4%	5 to 10 Years	91.3 24.6%
Total Cash and Short-Term Investments	50.8	13.7%	Due after 10 Years	39.5 10.6%
Debt Securities			Mortgage and asset-backed securities	143.8 38.7%
MBS/ABS	143.8	38.7%	Total	\$ 371.8 100.0%
U.S. Government	28.5	7.7%	Yield to Maturity @ Book Value	3.1%
Corporate	127.5	34.3%	Yield to Maturity @ Market Value	2.7%
States & Political Subs	21.2	5.7%	Duration (years)	4.3
Total Long-Term Fixed Maturity	321.1	86.3%		
Total	\$ 371.8	100.0%		

#### Notes:

- Excludes \$53.6 million of uninsured cash flow ("UCF") securities.
- Excludes \$11.0 million of a bond purchased for remediation.
- Excludes \$3.6 million of preferred stocks.
- Excludes \$23.3 million of common stocks and alternative investments.
- Excludes \$3.9 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 89.3	24.0%
AA	123.5	33.2%
A	56.4	15.2%
BBB	84.4	22.7%
BB & below and Not Rated	18.2	4.9%
Total	\$ 371.8	100.0%
Average credit quality	A	