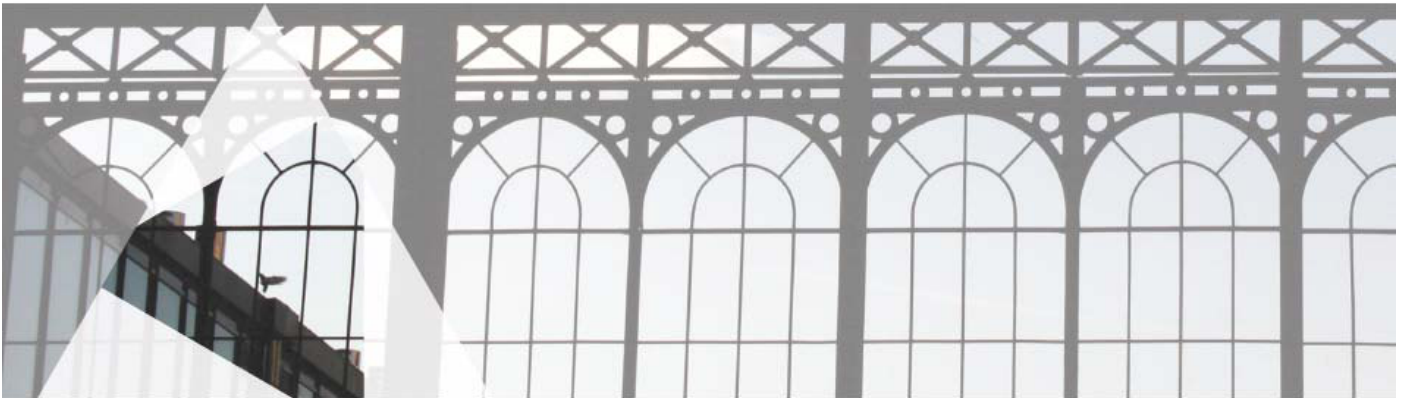


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**3rd QUARTER 2017
OPERATING SUPPLEMENT
(STATUTORY - BASIS)**



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.

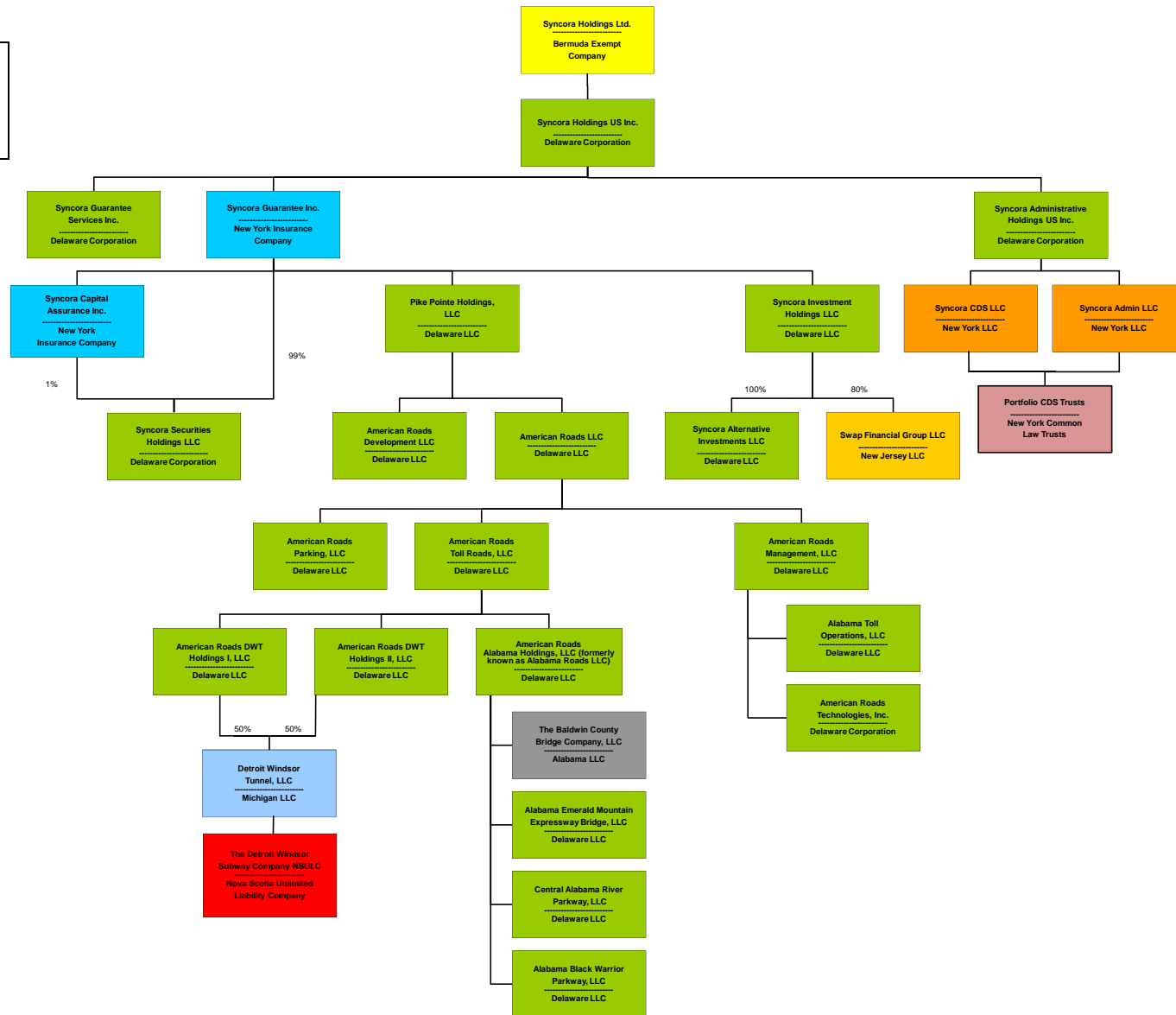
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

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		
	9/30/2017	6/30/2017	3/31/2017
Assets			
Cash, cash equivalents and short-term investments	\$ 102,135	\$ 121,961	\$ 105,509
Bonds	757,228	764,076	778,379
Uninsured cash flow certificates	47,726	51,280	60,630
Interest rate derivatives	-	1	6
Common stock	54,555	43,419	57,301
Other invested assets	183,458	249,520	248,200
Receivables for securities	-	5,524	-
Subtotal, cash and invested assets	1,145,101	1,235,780	1,250,025
Investment income due and accrued	6,026	5,688	5,169
Uncollected premiums and reinsurance assets	1,189	795	523
Other assets	10,579	11,968	12,231
Total Assets	\$ 1,162,895	\$ 1,254,230	\$ 1,267,949
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ (108,312)	\$ (109,892)	\$ (109,102)
Unearned premiums	94,677	94,596	94,493
Borrowed money	-	27,500	-
Payable to parent, subsidiaries and affiliates	3,221	4,094	5,442
Mandatory contingency reserve	87,031	86,711	85,066
Payable for securities	600	33	5,991
Other liabilities	2,809	1,733	961
Total Liabilities	80,026	104,774	82,852
Surplus notes	552,276	552,276	556,158
Preferred capital stock	200,000	200,000	200,000
Common capital stock	15,000	15,000	15,000
Unassigned funds (surplus)	315,594	382,180	413,938
Surplus as regards policyholders	1,082,870	1,149,456	1,185,096
Total Liabilities, Surplus and Other Funds	\$ 1,162,895	\$ 1,254,230	\$ 1,267,949

Syncora Capital Assurance Inc.

	As of		
	9/30/2017	6/30/2017	3/31/2017
Assets			
Cash, cash equivalents and short-term investments	\$ 65,102	\$ 206,950	\$ 51,341
Preferred stocks	1,033	1,033	2,582
Common stocks	3,336	12,887	21,877
Bonds	201,450	140,720	293,492
Uninsured cash flow certificates	25,207	38,232	43,905
Other invested assets	3,256	3,803	3,809
Subtotal, cash and invested assets	299,384	403,624	417,006
Investment income due and accrued	1,489	1,297	4,507
Uncollected premiums	1,080	1,007	643
Net deferred tax asset	-	1,158	1,227
Receivable from parent, subsidiaries and affiliates	7,274	1,547	596
Other assets	160	85	253
Total Assets	\$ 309,386	\$ 408,718	\$ 424,234
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 53,796	\$ 88,515	\$ 62,005
Unearned premiums	95,889	100,613	113,766
Payable to parent, subsidiaries and affiliates	3,287	4,002	5,565
Mandatory contingency reserve	19,921	17,959	15,677
Payable for securities	4,031	14	539
Other liabilities	1,498	723	520
Total Liabilities	178,421	211,825	198,070
Surplus note	200,000	200,000	200,000
Common capital stock	2,500	2,500	2,500
Unassigned funds (surplus)	(71,535)	(5,607)	23,663
Surplus as regards policyholders	130,965	196,893	226,163
Total Liabilities, Surplus and Other Funds	\$ 309,386	\$ 408,718	\$ 424,234

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	9/30/2017	6/30/2017	3/31/2017
Net premiums written	\$ 1,233	\$ 2,076	\$ 2,545
Underwriting Income			
Net premiums earned	\$ 1,152	\$ 1,973	\$ 5,135
Net losses/(releases) incurred	11,335	(379)	15,410
Loss adjustment expenses (benefit) incurred	3,560	1,939	1,194
Other underwriting expenses incurred	5,261	8,002	6,217
Net underwriting gain/(loss)	(19,004)	(7,589)	(17,686)
Investment Income			
Net investment income (expense) earned	8,676	(9,070)	8,146
Net realized gains/(losses)	7,626	4,806	1,219
Total net investment gain/(loss)	16,302	(4,264)	9,365
Other Income			
Other income	245	565	145
Net income/(loss) before taxes	(2,457)	(11,288)	(8,176)
Federal and foreign income taxes incurred/(benefit)	7,274	1,547	596
Net income/(loss)	\$ (9,731)	\$ (12,835)	\$ (8,772)

Syncora Capital Assurance Inc.

	Three Months Ended		
	9/30/2017	6/30/2017	3/31/2017
Net premiums written	\$ 1,878	\$ 956	\$ 3,325
Underwriting Income			
Net premiums earned	\$ 6,601	\$ 14,109	\$ 11,127
Net losses/(releases) incurred	50,295	24,740	7,501
Loss adjustment expenses (benefit) incurred	56	874	(0)
Other underwriting expenses incurred	3,935	4,385	5,676
Net underwriting gain/(loss)	(47,685)	(15,889)	(2,050)
Investment Income			
Net investment income (expense) earned	1,735	(4,590)	4,689
Net realized capital gains/(losses)	(22,186)	(5,632)	(1,294)
Total net investment gain/(loss)	(20,451)	(10,222)	3,394
Other Income			
Other income	-	-	10
Net income/(loss) before taxes	(68,136)	(26,111)	1,355
Federal and foreign income taxes incurred/(benefit)	(7,274)	(1,547)	(596)
Net income/(loss)	\$ (60,862)	\$ (24,564)	\$ 1,951

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

Syncora Guarantee Inc.

	As of		
	9/30/2017	6/30/2017	3/31/2017
Claims paying resources			
Policyholders' surplus	\$ 1,083	\$ 1,149	\$ 1,185
Contingency reserve	87	87	85
Qualified statutory capital	1,170	1,236	1,270
Unearned premium revenue	95	95	94
Loss & loss adjustment expense reserves ^{1,2,3}	136	134	134
Total policyholders' surplus & reserves	1,401	1,464	1,499
NPVFIP	32	30	31
Total claims paying resources	\$ 1,433	\$ 1,495	\$ 1,530
Net par outstanding	\$ 5,279	\$ 5,189	\$ 5,148
Leverage ratio (Net par outstanding/Total claims paying resources)	3.7	3.5	3.4

Notes:

¹ For the three months ended 9/30/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of four structured single risk credits (\$244.5 million).

² 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).

³ 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).

Syncora Capital Assurance Inc.

	As of		
	9/30/2017	6/30/2017	3/31/2017
Claims paying resources			
Policyholders' surplus	\$ 131	\$ 197	\$ 226
Contingency reserve	20	18	16
Qualified statutory capital	151	215	242
Unearned premium revenue	96	101	114
Loss & loss adjustment expense reserves ^{1,2,3}	54	116	94
Total policyholders' surplus & reserves	301	432	451
NPVFIP	69	69	79
Total claims paying resources	\$ 369	\$ 501	\$ 529
Net par outstanding	\$ 11,274	\$ 11,826	\$ 12,869
Leverage ratio (Net par outstanding/Total claims paying resources)	30.6	23.6	24.3

Notes:

¹ For the three months ended 9/30/2017, the recoverable benefit of a public finance credit (\$27.2 million) was sold and recognized as cash.

² 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).

³ 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).

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

Syncora Guarantee Inc.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
General Obligation	\$ 106		\$ 106		\$ 106	
Utility	52		53		53	
Special Revenue	35		37		37	
Other	4		4		4	
Total Public Finance	<u>\$ 197</u>	3.7%	<u>\$ 199</u>	3.8%	<u>\$ 200</u>	3.9%
Asset-Backed Securities						
RMBS	<u>\$ 381</u>		<u>\$ 410</u>		<u>\$ 428</u>	
Total Asset-Backed Securities	<u>\$ 381</u>	7.2%	<u>\$ 410</u>	7.9%	<u>\$ 428</u>	8.3%
Collateralized Debt Obligations						
Cashflow CDO	<u>\$ 25</u>		<u>\$ 25</u>		<u>\$ 26</u>	
Total Collateralized Debt Obligations	<u>\$ 25</u>	0.5%	<u>\$ 25</u>	0.5%	<u>\$ 26</u>	0.5%
Structured Single Risk						
Power & Utilities	\$ 2,256		\$ 2,178		\$ 2,153	
Global Infrastructure	2,211		2,171		2,134	
Specialized Risk	<u>209</u>		<u>206</u>		<u>208</u>	
Total Structured Single Risk	<u>\$ 4,676</u>	88.6%	<u>\$ 4,554</u>	87.8%	<u>\$ 4,495</u>	87.3%
Total Net Par Outstanding	<u>\$ 5,279</u>	100.0%	<u>\$ 5,189</u>	100.0%	<u>\$ 5,148</u>	100.0%

Notes:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
Special Revenue	\$ 3,334		\$ 3,558		\$ 4,031	
General Obligation	1,352		1,559		1,919	
Utility	948		996		1,151	
Non Ad Valorem	943		976		983	
Appropriation	<u>341</u>		<u>436</u>		<u>530</u>	
Total Public Finance	<u>\$ 6,919</u>	61.4%	<u>\$ 7,524</u>	63.6%	<u>\$ 8,613</u>	66.9%
Collateralized Debt Obligations						
Cashflow CDO	<u>\$ 2</u>		<u>\$ 2</u>		<u>\$ 3</u>	
Total Collateralized Debt Obligations	<u>\$ 2</u>	0.0%	<u>\$ 2</u>	0.0%	<u>\$ 3</u>	0.0%
Structured Single Risk						
Power & Utilities	\$ 2,929		\$ 2,899		\$ 2,895	
Global Infrastructure	1,374		1,351		1,308	
Specialized Risk	<u>50</u>		<u>50</u>		<u>50</u>	
Total Structured Single Risk	<u>\$ 4,353</u>	38.6%	<u>\$ 4,300</u>	36.4%	<u>\$ 4,253</u>	33.0%
Total Net Par Outstanding	<u>\$ 11,274</u>	100.0%	<u>\$ 11,826</u>	100.0%	<u>\$ 12,869</u>	100.0%

Notes:

Categories include domestic and international credits.

Insured Portfolio - Debt Service Amortization

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q3 2017			Q2 2017			Q1 2017		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
						2017 Q1	\$ -	\$ 8,147
						2017 Q2	51	8,096
2017 Q3	\$ -	\$ 8,377	2017 Q2	\$ -	\$ 8,228	2017 Q3	117	7,979
2017 Q4	147	8,229	2017 Q3	67	8,161	2017 Q4	132	7,847
Total 2017	\$ 147		2017 Q4	135	8,026	Total 2017	\$ 300	
			Total 2017	\$ 202				
2018	\$ 564	\$ 7,666	2018	\$ 558	\$ 7,468	2018	\$ 556	\$ 7,291
2019	360	7,305	2019	352	7,116	2019	350	6,941
2020	345	6,960	2020	337	6,779	2020	331	6,610
2021	363	6,597	2021	355	6,424	2021	349	6,261
Total 2018-2021	\$ 1,632		Total 2018-2021	\$ 1,602		Total 2018-2021	\$ 1,586	
2022-2026	\$ 1,452	\$ 5,144	2022-2026	\$ 1,416	\$ 5,008	2022-2026	\$ 1,372	\$ 4,889
2027-2031	343	4,802	2027-2031	333	4,675	2027-2031	331	4,559
2032-2036	968	3,834	2032-2036	939	3,736	2032-2036	924	3,635
2037 and thereafter	3,834	-	2037 and thereafter	3,736	-	2037 and thereafter	3,635	-
Total 2022-thereafter	\$ 6,597		Total 2022-thereafter	\$ 6,424		Total 2022-thereafter	\$ 6,261	
Total	\$ 8,377		Total	\$ 8,228		Total	\$ 8,147	

Notes:

NPIO represents Net Principal and Interest Outstanding.

Syncora Capital Assurance Inc.

Q3 2017			Q2 2017			Q1 2017		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
						2017 Q1	\$ -	\$ 21,126
						2017 Q2	239	20,887
2017 Q3	\$ -	\$ 18,593	2017 Q2	\$ -	\$ 19,517	2017 Q3	399	20,488
2017 Q4	363	18,231	2017 Q3	385	19,132	2017 Q4	422	20,066
Total 2017	\$ 363		2017 Q4	375	18,757	Total 2017	\$ 1,060	
			Total 2017	\$ 760				
2018	\$ 805	\$ 17,426	2018	\$ 843	\$ 17,914	2018	\$ 935	\$ 19,132
2019	794	16,632	2019	824	17,090	2019	917	18,214
2020	930	15,703	2020	961	16,128	2020	1,047	17,167
2021	1,052	14,651	2021	1,085	15,044	2021	1,159	16,008
Total 2018-2021	\$ 3,580		Total 2018-2021	\$ 3,714		Total 2018-2021	\$ 4,058	
2022-2026	\$ 3,766	\$ 10,885	2022-2026	\$ 3,892	\$ 11,152	2022-2026	\$ 4,292	\$ 11,717
2027-2031	3,073	7,812	2027-2031	3,184	7,968	2027-2031	3,501	8,216
2032-2036	1,906	5,905	2032-2036	1,988	5,980	2032-2036	2,233	5,983
2037 and thereafter	5,905	-	2037 and thereafter	5,980	-	2037 and thereafter	5,983	-
Total 2022-thereafter	\$ 14,651		Total 2022-thereafter	\$ 15,044		Total 2022-thereafter	\$ 16,008	
Total	\$ 18,593		Total	\$ 19,517		Total	\$ 21,126	

Notes:

NPIO represents Net Principal and Interest Outstanding.

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

Syncora Guarantee Inc.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 197	\$ 12	\$ 199	12	\$ 200	12
Asset-Backed Securities	381	26	410	27	428	27
Collateralized Debt Obligations	25	2	25	2	26	2
Structured Single Risk	4,676	25	4,554	26	4,495	26
Total Net Par Outstanding	<u>\$ 5,279</u>	<u>65</u>	<u>\$ 5,189</u>	<u>67</u>	<u>\$ 5,148</u>	<u>67</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 47		\$ 37		\$ 30	
Asset-Backed Securities	77		82		88	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	(245)		(244)		(243)	
Total Net Reserve	<u>\$ (120)</u>		<u>\$ (123)</u>		<u>\$ (124)</u>	

Note:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 6,919	\$ 486	\$ 7,524	\$ 547	\$ 8,613	\$ 619
Collateralized Debt Obligations	2	1	2	1	3	1
Structured Single Risk	4,353	27	4,300	27	4,253	27
Total Net Par Outstanding	<u>\$ 11,274</u>	<u>514</u>	<u>\$ 11,826</u>	<u>575</u>	<u>\$ 12,869</u>	<u>647</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 48		\$ 82		\$ 56	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	-		-		-	
Total Net Reserve	<u>\$ 48</u>		<u>\$ 82</u>		<u>\$ 56</u>	

Note:

Categories include domestic and international credits.

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

Syncora Guarantee Inc.

	Q3 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	23	3	1	2	29
Remaining weighted-average contract period (in years)	10.8	3.6	7.0	9.6	6.8
Insured contractual payments outstanding:					
Principal	\$ 417.7	\$ 866.4	\$ 18.2	\$ 390.9	\$ 1,693.1
Interest	128.2	141.4	4.2	70.2	344.0
Total	<u>\$ 545.9</u>	<u>\$ 1,007.8</u>	<u>\$ 22.5</u>	<u>\$ 461.1</u>	<u>\$ 2,037.1</u>
Gross loss reserves	\$ (72.1)	\$ -	\$ -	\$ -	\$ (72.1)
Net loss reserves	\$ (120.0)	\$ -	\$ -	\$ -	\$ (120.0)

Syncora Capital Assurance Inc.

	Q3 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	3	2	8	8	21
Remaining weighted-average contract period (in years)	6.5	11.3	16.0	18.1	15.1
Insured contractual payments outstanding:					
Principal	\$ 132.9	\$ 21.4	\$ 594.6	\$ 222.4	\$ 971.2
Interest	46.0	11.9	393.1	246.2	697.3
Total	<u>\$ 179.0</u>	<u>\$ 33.3</u>	<u>\$ 987.7</u>	<u>\$ 468.6</u>	<u>\$ 1,668.5</u>
Gross loss reserves	\$ 47.9	\$ -	\$ -	\$ -	\$ 47.9
Net loss reserves	\$ 47.9	\$ -	\$ -	\$ -	\$ 47.9

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

Syncora Guarantee Inc.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 80	1.5%	\$ 81	1.6%	\$ 83	1.6%
AA	248	4.7	251	4.8	254	4.9
A	1,165	22.1	1,014	19.5	979	19.0
BBB	2,409	45.6	2,444	47.1	2,430	47.2
Below Investment Grade	1,378	26.1	1,398	26.9	1,403	27.2
Total Net Par Outstanding	\$ 5,279	100.0%	\$ 5,189	100.0%	\$ 5,148	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.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 469	4.2%	\$ 467	3.9%	\$ 472	3.7%
AA	4,119	36.5	4,254	36.0	4,403	34.2
A	3,205	28.4	3,853	32.6	4,063	31.6
BBB	2,507	22.2	2,194	18.5	2,647	20.6
Below Investment Grade	973	8.6	1,059	9.0	1,285	10.0
Total Net Par Outstanding	\$ 11,274	100.0%	\$ 11,826	100.0%	\$ 12,869	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.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aa	\$ 112	2.1%	\$ 115	2.2%	\$ 116	2.3%
a	1,060	20.1	1,030	19.8	997	19.4
bbb	2,804	53.1	2,480	47.8	2,466	47.9
Below Investment Grade	1,302	24.7	1,565	30.2	1,568	30.5
Total Net Par Outstanding	\$ 5,279	100.0%	\$ 5,189	100.0%	\$ 5,148	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.

	Q3 2017		Q2 2017		Q1 2017	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 2	-%	\$ 2	-%	\$ 3	-%
aa	1,345	11.9	1,465	12.4	1,581	12.3
a	5,955	52.8	6,235	52.7	6,584	51.2
bbb	3,222	28.6	3,289	27.8	3,491	27.1
Below Investment Grade	749	6.6	835	7.1	1,211	9.4
Total Net Par Outstanding	\$ 11,274	100.0%	\$ 11,826	100.0%	\$ 12,869	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.

	Q3 2017	Q2 2017	Q1 2017
	NPO	NPO	NPO
Public Finance	\$ 4	\$ 4	\$ 4
Asset-Backed Securities	311	334	345
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,061	1,058	1,052
Total Below Investment Grade	<u>\$ 1,378</u>	<u>\$ 1,398</u>	<u>\$ 1,403</u>
Total Net Par Outstanding	\$ 5,279	\$ 5,189	\$ 5,148
BIG as % of Net Par Outstanding	26.1%	26.9%	27.2%

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 2017	Q2 2017	Q1 2017
	NPO	NPO	NPO
Public Finance	\$ 680	\$ 770	\$ 1,008
Structured Single Risk	292	289	277
Total Below Investment Grade	<u>\$ 973</u>	<u>\$ 1,059</u>	<u>\$ 1,285</u>
Total Net Par Outstanding	\$ 11,274	\$ 11,826	\$ 12,869
BIG as % of Net Par Outstanding	8.6%	9.0%	10.0%

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 - Summary of Below Investment Grade (BIG) Exposures by Internal Rating*

(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q3 2017	Q2 2017	Q1 2017
	NPO	NPO	NPO
Public Finance	\$ 105	\$ 105	\$ 105
Asset-Backed Securities	329	353	364
Collateralized Debt Obligations	2	2	2
Structured Single Risk	866	1,105	1,097
Total Below Investment Grade	<u>\$ 1,302</u>	<u>\$ 1,565</u>	<u>\$ 1,568</u>
Total Net Par Outstanding	\$ 5,279	\$ 5,189	\$ 5,148
BIG as % of Net Par Outstanding	24.7%	30.2%	30.5%

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.

	Q3 2017	Q2 2017	Q1 2017
	NPO	NPO	NPO
Public Finance	\$ 457	\$ 546	\$ 934
Structured Single Risk	292	289	277
Total Below Investment Grade	<u>\$ 749</u>	<u>\$ 835</u>	<u>\$ 1,211</u>
Total Net Par Outstanding	\$ 11,274	\$ 11,826	\$ 12,869
BIG as % of Net Par Outstanding	6.6%	7.1%	9.4%

Notes:

*Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., 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.

		Q3 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	Massachusetts (Commonwealth of) - GO	18	AA	aa-
5	Port of Portland, OR - Airport Revenue Bonds	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		\$ 197		
Total Portfolio Net Par Outstanding		\$ 5,279		
% of Total SGI Portfolio		3.7%		
Total Public Finance Portfolio Net Par Outstanding		\$ 197		
% 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.

		Q3 2017		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a-
2	San Diego Family Housing LLC - Class I	405	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	192	A	bbb
6	City of Houston, TX Airport System - Revenue Bonds	185	A+	a
7	Metropolitan Transportation Authority, NY - Lease Revenue Bonds	152	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	144	A	a+
11	New Jersey Economic Development Authority, NJ	141	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	Municipal Gas Authority of Georgia (MGAG) Gas Prepay	127	BBB+	a
15	Southern California Logistics Airport Authority, CA - Tax Allocation Bonds	126	BB	bb
16	San Bernardino County, CA - Pension Obligation Bonds	125	AA-	a-
17	St. Louis (City of), MO - Lease	123	A	bbb
18	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	120	AA-	a
19	Arkansas River Power Authority, CO - Electric Revenue Bonds	108	BBB-	bb-
20	Hesperia PFA, CA	107	BBB-	bbb-
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 3,808		
Total Portfolio Net Par Outstanding		\$ 11,274		
% of Total SCAI Portfolio		33.8%		
Total Public Finance Portfolio Net Par Outstanding		\$ 6,919		
% of Total Public Finance Portfolio		55.0%		

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 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 September 30, 2017^{1,2,3,4}

(U.S. dollars in millions)

Q3 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	9.8	-	-	-	0.5	-	5.2	-	15.5	-
2018	8.3	6.5	-	0.3	0.6	33.1	4.2	-	13.2	40.0
2019	4.0	8.7	-	0.3	1.4	3.5	4.9	-	10.4	12.4
2020	4.0	3.8	-	0.3	1.8	3.5	2.1	-	8.0	7.6
2021	7.6	1.8	-	0.3	1.0	3.5	2.1	-	10.7	5.5
2022	2.2	1.3	-	0.3	1.0	3.5	2.1	-	5.3	5.0
2023	21.1	6.4	-	0.3	1.6	3.5	0.3	-	22.9	10.2
2024	3.2	0.4	-	0.3	1.6	3.5	0.3	-	5.1	4.1
2025	2.0	6.4	-	0.3	1.6	24.2	0.3	-	3.9	31.0
2026	2.2	0.1	-	0.3	1.7	26.9	1.7	-	5.6	27.4
2027	3.6	0.1	-	0.3	1.6	24.8	1.9	-	7.1	25.3
2028	6.2	0.1	-	0.2	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	\$ 84.9	\$ 37.6	\$ -	\$ 11.2	\$ 18.9	\$ 130.0	\$ 28.2	\$ -	\$ 132.0	\$ 178.9
Total Net Principal	\$ 64.3	\$ 29.4	\$ -	\$ 6.2	\$ 13.6	\$ 97.2	\$ 23.3	\$ -	\$ 101.2	\$ 132.9
Total Net Interest	20.6	8.2	-	5.0	5.3	32.8	4.9	-	30.8	46.0
Total Net Principal and Interest	\$ 84.9	\$ 37.6	\$ -	\$ 11.2	\$ 18.9	\$ 130.0	\$ 28.2	\$ -	\$ 132.0	\$ 178.9

Notes:

¹Net of reinsurance.

²Excludes \$37.5 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.

⁴Principal and interest amounts from reinsurers are 90 days in arrears.

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

Syncora Guarantee Inc.

Q3 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
9/30/17		86.8		(3.4)	(1.8)	81.6

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.

	July 2017	August 2017	September 2017	3Q 2017
Net Claims Submitted¹				
HELOC	\$ (0.3)	\$ (0.4)	\$ (0.4)	\$ (1.1)
CES	0.1	0.0	0.0	0.1
First Lien	(0.1)	(0.3)	(0.1)	(0.5)
Other	(0.8)	(0.0)	10.3	9.5
Total Net Claims Submitted	(1.1)	(0.7)	9.8	7.9
Net Projected Claims¹				
HELOC	0.2	0.6	0.7	1.4
CES	0.1	0.1	0.1	0.2
First Lien	(0.1)	(0.1)	(0.1)	(0.2)
Other	-	-	11.2	11.2
Total Net Projected Claims	0.2	0.6	11.9	12.7
Difference - Favorable/(Unfavorable)				
HELOC	0.5	1.0	1.1	2.6
CES	0.0	0.1	0.1	0.1
First Lien	0.0	0.3	0.0	0.3
Other	0.8	0.0	0.9	1.7
Total Difference	\$ 1.3	\$ 1.3	\$ 2.1	4.7

Syncora Capital Assurance Inc.

	July 2017	August 2017	September 2017	3Q 2017
Net Claims Paid¹				
Other	\$ 112.5	\$ -	\$ -	\$ 112.5
Total Net Claims Paid	112.5	-	-	112.5
Net Projected Claims¹				
Other	112.6	-	-	112.6
Total Net Projected Claims	112.6	-	-	112.6
Difference - Favorable/(Unfavorable)				
Other	0.1	-	-	0.1
Total Difference	\$ 0.1	\$ -	\$ -	\$ 0.1

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.

		Q3 2017	
Servicer/Manager Name ^{1,3}		NPO	
1	Ocwen Loan Servicing, LLC	\$	232
2	Bank of America, N.A.		75
3	CLO Manager 1 ²		23
4	Specialized Loan Servicing		20
5	Banco La Hipotecaria, S.A		19
6	Countrywide Home Loans		16
7	Nationstar Mortgage		8
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		\$	403
Total Portfolio Net Par Outstanding		\$	5,279
% of Total Portfolio			7.6%
Total Structured Finance Portfolio Net Par Outstanding		\$	5,082
% of Total Structured Finance Portfolio			7.9%

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.

		Q3 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		\$	11,274
% of Total Portfolio			0.0%
Total Structured Finance Portfolio Net Par Outstanding		\$	4,355
% of Total Structured Finance Portfolio			0.0%

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.

Q3 2017				Q2 2017				Q1 2017			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
Puerto Rico	\$ 234	\$ 101	1.9%	Puerto Rico	\$ 339	\$ 101	2.0%	Puerto Rico	\$ 339	\$ 101	2.0%
Other ¹	6,926	96	1.8	Other ¹	7,517	98	1.9	Other ¹	8,663	98	1.9
Non-PF Multi ^{2,3}	387	387	7.3	Non-PF Multi ²	422	415	8.0	Non-PF Multi ²	440	433	8.4
Total United States	\$ 7,547	\$ 584	11.1%	Total United States	\$ 8,278	\$ 614	11.8%	Total United States	\$ 9,441	\$ 632	12.3%
International				International				International			
United Kingdom	\$ 3,619	\$ 2,791	52.9%	United Kingdom	\$ 3,514	\$ 2,695	51.9%	United Kingdom	\$ 3,444	\$ 2,660	51.7%
Australia	1,125	1,125	21.3	Australia	1,105	1,105	21.3	Australia	1,097	1,097	21.3
Chile	484	360	6.8	Chile	491	366	7.1	Chile	495	370	7.2
France	149	149	2.8	France	144	144	2.8	France	143	143	2.8
Italy	132	132	2.5	Italy	125	125	2.4	Italy	124	124	2.4
Portugal	118	118	2.2	Portugal	114	114	2.2	Portugal	93	93	1.8
Other ¹	469	19	0.4	Other ¹	479	24	0.5	Other ¹	472	29	0.6
Total International	\$ 6,097	\$ 4,695	88.9%	Total International	\$ 5,972	\$ 4,574	88.2%	Total International	\$ 5,868	\$ 4,516	87.7%
Total Outstanding	\$ 13,644	\$ 5,279	100.0%	Total Outstanding	\$ 14,250	\$ 5,189	100.0%	Total Outstanding	\$ 15,309	\$ 5,148	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 \$361 million in ABS and \$25 million in CDO net par.

Syncora Capital Assurance Inc.

Q3 2017				Q2 2017				Q1 2017			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
California	\$ 2,504	\$ 2,463	21.8%	California	\$ 2,586	\$ 2,545	21.5%	California	\$ 2,759	\$ 2,717	21.1%
New York	1,178	1,178	10.4	New York	1,188	1,188	10.0	New York	1,227	1,227	9.5
Virginia	609	609	5.4	Virginia	612	612	5.2	Virginia	619	619	4.8
District Of Columbia	436	436	3.9	District Of Columbia	439	439	3.7	Texas	485	485	3.8
Georgia	287	287	2.5	Florida	493	402	3.4	District Of Columbia	443	443	3.4
Florida	274	274	2.4	Texas	296	296	2.5	Florida	514	414	3.2
Texas	271	271	2.4	Georgia	291	291	2.5	Georgia	346	346	2.7
Washington	221	221	2.0	Puerto Rico	237	237	2.0	Maryland	239	239	1.9
New Jersey	205	205	1.8	Washington	224	224	1.9	Puerto Rico	237	237	1.8
Massachusetts	199	199	1.8	New Jersey	218	218	1.8	Washington	230	230	1.8
Missouri	182	182	1.6	Illinois	208	208	1.8	New Jersey	227	227	1.8
Tennessee	181	181	1.6	Massachusetts	203	203	1.7	Pennsylvania	227	227	1.8
Ohio	166	166	1.5	Tennessee	186	186	1.6	Illinois	214	214	1.7
Colorado	156	156	1.4	Missouri	182	182	1.5	Massachusetts	212	212	1.6
Illinois	149	149	1.3	Ohio	166	166	1.4	Tennessee	204	204	1.6
Puerto Rico	133	133	1.2	Colorado	156	156	1.3	Missouri	189	189	1.5
Nebraska	132	132	1.2	Alabama	146	146	1.2	Alabama	184	184	1.4
Oregon	127	127	1.1	Pennsylvania	142	142	1.2	Ohio	174	174	1.4
Pennsylvania	117	117	1.0	Nebraska	133	133	1.1	Colorado	168	168	1.3
Alabama	117	117	1.0	Oregon	128	128	1.1	Oregon	154	154	1.2
Other ¹	526	526	4.7	Other ¹	631	631	5.3	Nebraska	133	133	1.0
Non-PF Multi ^{2,3}	2	2	0.0	Non-PF Multi ²	2	2	0.0	Other ¹	838	838	6.5
Total United States	\$ 8,172	\$ 8,130	72.1%	Total United States	\$ 8,869	\$ 8,736	73.9%	Non-PF Multi²	3	3	0.0
International				International				International			
United Kingdom	\$ 2,260	\$ 2,260	20.0%	United Kingdom	\$ 2,197	\$ 2,197	18.6%	United Kingdom	\$ 2,116	\$ 2,116	16.4%
New Zealand	512	512	4.5	New Zealand	521	521	4.4	New Zealand	497	497	3.9
Chile	124	124	1.1	Chile	125	125	1.1	Other ¹	373	373	2.9
Other ¹	248	248	2.2	Other ¹	248	248	2.1	Total International	\$ 2,986	\$ 2,986	23.2%
Total International	\$ 3,143	\$ 3,143	27.9%	Total International	\$ 3,090	\$ 3,090	26.1%	Total Outstanding	\$ 13,011	\$ 12,869	100.0%
Total Outstanding	\$ 11,315	\$ 11,274	100.0%	Total Outstanding	\$ 11,959	\$ 11,826	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 September 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	\$ 131.8 15.7%
Cash and Cash Equivalents	\$ 63.5	7.5%	1 to 5 Years	531.7 63.1%
Short-Term Investments	30.6	3.6%	5 to 10 Years	34.8 4.1%
Total Cash and Short-Term Investments	94.1	11.2%	Due after 10 Years	4.3 0.5%
Debt Securities			Mortgage and asset-backed securities	139.3 16.6%
MBS/ABS	139.3	16.6%	Total	\$ 841.9 100.0%
U.S. Government	118.6	14.1%	Yield to Maturity @ Book Value	2.5%
Corporate	475.0	56.4%	Yield to Maturity @ Market Value	2.1%
States & Political Subs	14.9	1.8%	Duration (years)	2.7
Total Long-Term Fixed Maturity	747.8	88.8%		
Total	\$ 841.9	100.0%		

Notes:

- Excludes \$47.7 million of uninsured cash flow ("UCF") securities
- Excludes \$9.3 million of other remediation-related securities
- Excludes \$54.6 million of common stocks
- Excludes \$8.1 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 132.2	15.7%
AA	226.7	26.9%
A	170.5	20.3%
BBB	240.4	28.6%
BB & below and Not Rated	72.1	8.6%
Total	\$ 841.9	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	\$ 60.8 24.5%
Cash and Cash Equivalents	\$ 45.6	18.4%	1 to 5 Years	26.8 10.8%
Short-Term Investments	14.7	5.9%	5 to 10 Years	67.4 27.2%
Total Cash and Short-Term Investments	60.3	24.3%	Due after 10 Years	12.0 4.9%
Debt Securities			Mortgage and asset-backed securities	81.0 32.7%
MBS/ABS	81.0	32.7%	Total	\$ 248.0 100.0%
U.S. Government	13.2	5.3%	Yield to Maturity @ Book Value	2.9%
Corporate	76.5	30.8%	Yield to Maturity @ Market Value	2.5%
States & Political Subs	17.0	6.8%	Duration (years)	4.1
Total Long-Term Fixed Maturity	187.7	75.7%		
Total	\$ 248.0	100.0%		

Notes:

- Excludes \$25.2 million of uninsured cash flow ("UCF") securities
- Excludes \$13.7 million of other remediation-related securities
- Excludes \$1.0 million of preferred stocks
- Excludes \$6.6 million of common stocks and alternative investments
- Excludes \$4.9 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 77.1	31.1%
AA	77.5	31.3%
A	24.1	9.7%
BBB	56.1	22.6%
BB & below and Not Rated	13.2	5.3%
Total	\$ 248.0	100.0%
Average credit quality	A	