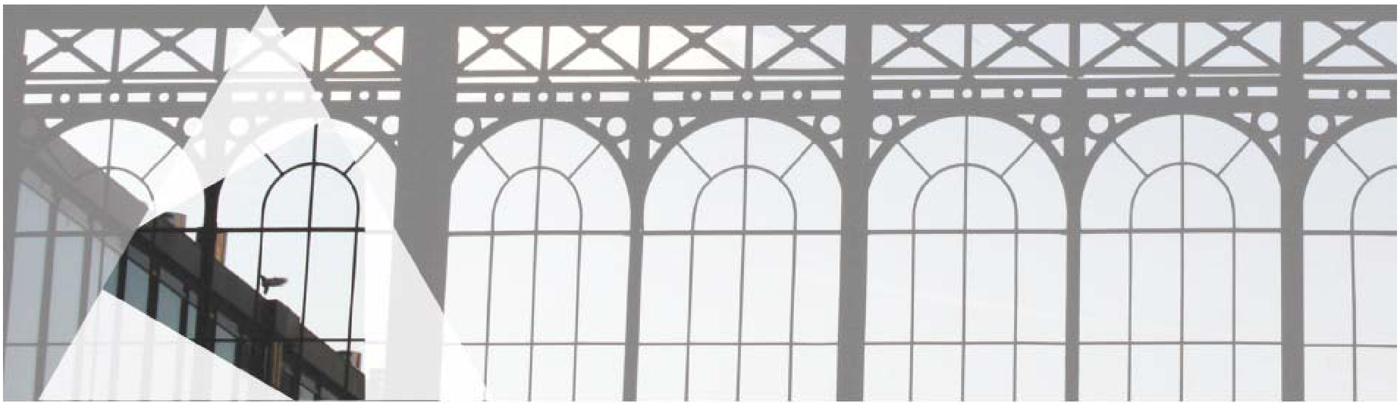
Syncora Guarantee Inc.

Syncora Capital Assurance Inc.

4th QUARTER 2013
OPERATING SUPPLEMENT



SYNCORA Guarantee

Syncora Guarantee Inc.
Syncora Capital Assurance Inc.
Index

Notes:

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

Numbers throughout the document may not add due to rounding.

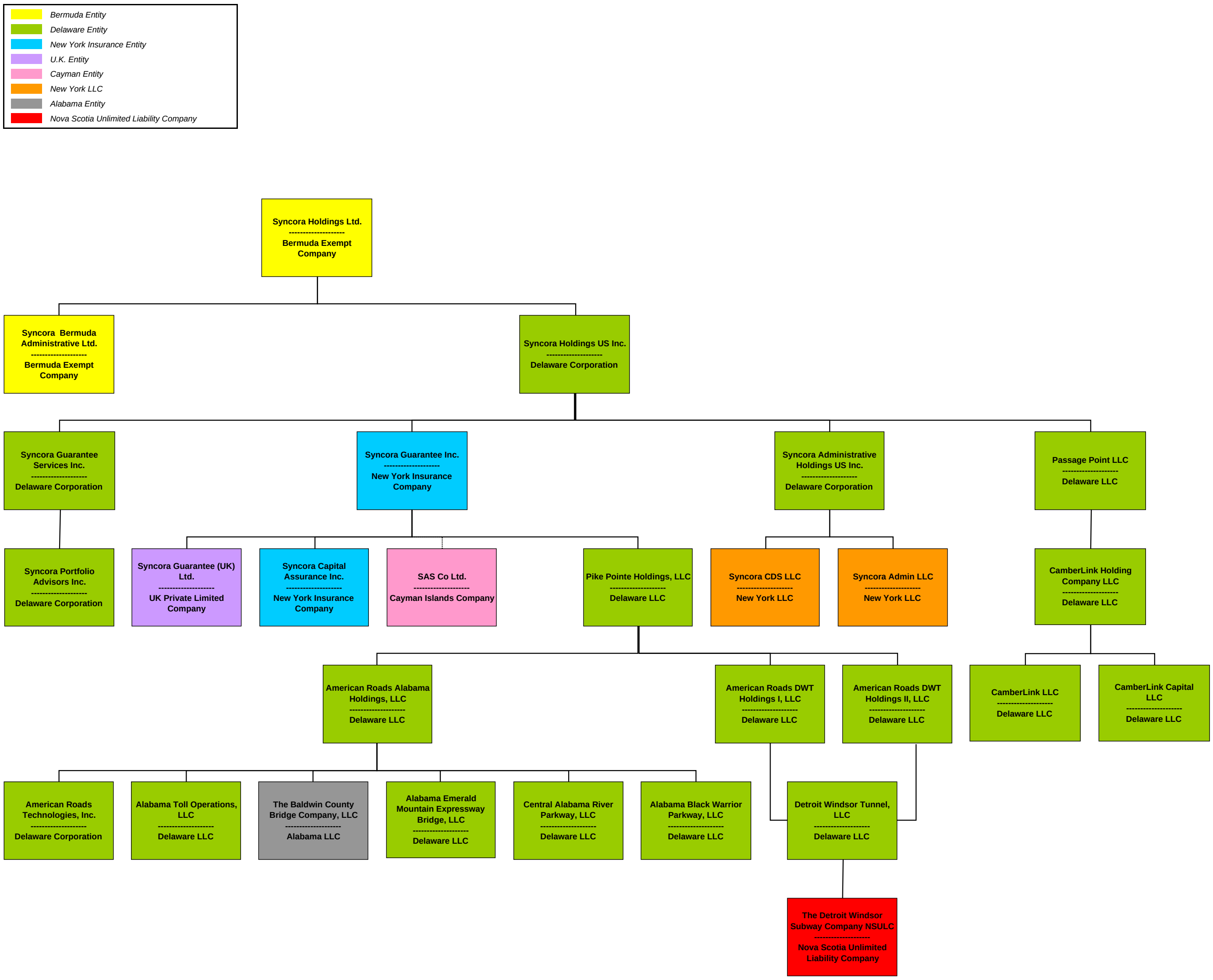
Syncora Guarantee Inc.
Syncora Capital Assurance Inc.
Certain Definitions

Leverage ratio[1]	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[1] **(NPVFIP)**	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:

[1]Includes certain management estimates.

Syncora Legal Entity Structure



SYNCORA Guarantee

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

Syncora Guarantee Inc.

	As of		
	12/31/2013	9/30/2013	6/30/2013
Assets			
Cash, cash equivalents and short-term investments	$ 89,248	$ 68,669	$ 89,415
Bonds	619,670	540,315	521,980
Uninsured cash flow certificates	58,955	42,557	56,159
Interest rate derivatives	7,033	6,734	8,260
Investment in subsidiary - Syncora Guarantee (UK)	58,297	56,039	54,413
Investment in subsidiary - Syncora Capital Assurance	186,425	180,351	189,232
Subtotal, cash and invested assets	1,019,628	894,666	919,460
Investment income due and accrued	2,116	1,724	2,074
Uncollected premiums and reinsurance assets	3,438	3,608	4,312
Collateral deposit	-	1,800	1,500
Assets received as salvage	-	197,332	197,332
Other assets	9,339	6,189	4,976
Total Assets	$ 1,034,520	$ 1,105,318	$ 1,129,653
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	$ (258,784)	$ 199,377	$ 207,941
Unearned premiums	171,711	184,934	198,761
Payable to parent, subsidiaries and affiliates	30,718	23,304	20,066
Mandatory contingency reserve	102,449	100,681	100,855
Other liabilities	15,094	40,604	24,096
Total Liabilities	61,188	548,899	551,719
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)	(1,872,974)	(2,289,887)	(2,268,372)
Surplus as regards policyholders	973,332	556,419	577,934
Total Liabilities, Surplus and Other Funds	$ 1,034,520	$ 1,105,318	$ 1,129,653

Syncora Capital Assurance Inc.

	As of		
	12/31/2013	9/30/2013	6/30/2013
Assets			
Cash, cash equivalents and short-term investments	$ 98,251	$ 134,356	$ 63,808
Preferred stocks	3,720	3,725	5,090
Common stocks	15,625	15,285	14,824
Bonds	425,396	421,234	486,516
Uninsured cash flow certificates	65,426	63,800	51,511
Other invested assets	3,778	3,369	3,255
Receivables for securities	-	559	6,400
Subtotal, cash and invested assets	612,196	642,326	631,403
Investment income due and accrued	3,411	3,291	3,895
Uncollected premiums	1,537	1,602	1,928
Net deferred tax asset	1,058	1,062	2,289
Receivable from parent, subsidiaries and affiliates	372	4,908	36,590
Other assets	117	50	62
Total Assets	$ 618,691	$ 653,239	$ 676,167
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	$ 70,135	$ 69,160	$ 51,590
Unearned premiums	254,441	268,839	278,532
Payable to parent, subsidiaries and affiliates	1,658	2,949	4,784
Mandatory contingency reserve	105,839	131,723	134,152
Payable for securities	-	-	17,619
Other liabilities	157	179	220
Total Liabilities	432,228	472,850	486,895
Surplus notes	200,000	200,000	200,000
Common capital stock	2,500	2,500	2,500
Gross paid in and contributed surplus	189,000	189,000	189,000
Unassigned funds (surplus)	(205,038)	(211,111)	(202,228)
Surplus as regards policyholders	186,462	180,389	189,272
Total Liabilities, Surplus and Other Funds	$ 618,691	$ 653,239	$ 676,167

Statement of Income
(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	12/31/2013	9/30/2013	6/30/2013
Net premiums written	$ 4,837	$ 5,069	$ 7,794
Underwriting Income			
Net premiums earned	$ 18,060	$ 18,895	$ 29,922
Net losses/(releases) incurred	(398,316)	(17,563)	721
Loss adjustment expenses incurred	3,423	5,952	(374)
Other underwriting expenses incurred	10,280	8,135	6,479
Net underwriting gain/(loss)	402,673	22,372	23,097
Investment Income			
Net investment income earned	11,703	5,294	10,411
Net realized gains/(losses)	(8,187)	(40,474)	(1,322)
Total net investment gain/(loss)	3,516	(35,180)	9,090
Other Income			
Other income	746	264	-
Net income/(loss) before taxes	406,935	(12,544)	32,187
Federal and foreign income taxes incurred/(benefit)	(1,432)	4,908	35,703
Net income/(loss)	$ 408,367	$ (17,452)	$ (3,516)

Syncora Capital Assurance Inc.

	Three Months Ended		
	12/31/2013	9/30/2013	6/30/2013
Net premiums written	$ 4,044	$ 6,144	$ 5,341
Underwriting Income			
Net premiums earned	$ 18,442	$ 15,837	$ 17,884
Net losses/(releases) incurred	16,315	22,521	118,945
Loss adjustment expenses incurred	7,455	4,891	(514)
Other underwriting expenses incurred	4,700	5,496	5,247
Net underwriting gain/(loss)	(10,029)	(17,071)	(105,795)
Investment Income			
Net investment income earned	(124)	6,125	96
Net realized capital gains	(25,461)	(7,324)	(24,418)
Total net investment gain/(loss)	(25,585)	(1,200)	(24,321)
Other Income			
Other income	16,410	2,515	1,255
Net income/(loss) before taxes	(19,204)	(15,756)	(128,861)
Federal and foreign income taxes incurred/(benefit)	1,432	(4,908)	(35,703)
Net income/(loss)	$ (20,636)	$ (10,848)	$ (93,158)

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

Syncora Guarantee Inc.

	As of		
	12/31/2013	9/30/2013	6/30/2013
Claims paying resources			
Policyholders' surplus	$ 973	$ 556	$ 578
Contingency reserve	102	101	101
Qualified statutory capital	1,076	657	679
Unearned premium revenue	172	185	199
Loss & loss adjustment expense reserves[1]	141	199	208
Total policyholders' surplus & reserves	1,389	1,041	1,085
NPVFIP	156	158	157
Total claims paying resources	$ 1,544	$ 1,199	$ 1,243
Net par outstanding	$ 12,818	$ 13,459	$ 13,525
Leverage ratio (Net par outstanding/Total claims paying resources)	8.3	11.2	10.9

Note:

[1]For the twelve months ended 12/31/2013, the reported loss and loss adjustment expense reserves exclude the benefit of the JPMorgan litigation settlement ($400.0 million).

Syncora Capital Assurance Inc.

	As of		
	12/31/2013	9/30/2013	6/30/2013
Claims paying resources			
Policyholders' surplus	$ 186	$ 180	$ 189
Contingency reserve	106	132	134
Qualified statutory capital	292	312	323
Unearned premium revenue	254	269	279
Loss & loss adjustment expense reserves	70	69	52
Total policyholders' surplus & reserves	617	650	654
NPVFIP	119	149	152
Total claims paying resources	$ 736	$ 799	$ 805
Net par outstanding	$ 38,471	$ 43,071	$ 44,257
Leverage ratio (Net par outstanding/Total claims paying resources)	52.3	53.9	55.0

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

Syncora Guarantee Inc.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
Public Finance									
General Obligation	$	306		$	333		$	333	
Special Revenue		128			128			136	
Non Ad Valorem		64			64			64	
Utility		62			589			589	
Appropriation		42			44			44	
Total Public Finance	$	602	4.7%	$	1,158	8.6%	$	1,166	8.6%
Asset-Backed Securities									
RMBS	$	1,362		$	1,400		$	1,451	
Commercial ABS		165			195			213	
Total Asset-Backed Securities	$	1,528	11.9%	$	1,595	11.9%	$	1,664	12.3%
Collateralized Debt Obligations									
Cashflow CDO	$	610		$	644		$	680	
Total Collateralized Debt Obligations	$	610	4.8%	$	644	4.8%	$	680	5.0%
Structured Single Risk									
Global Infrastructure	$	5,372		$	5,482		$	5,413	
Power & Utilities		3,584			3,444			3,451	
Specialized Risk		1,122			1,136			1,150	
Total Structured Single Risk	$	10,078	78.6%	$	10,062	74.8%	$	10,013	74.0%
Total Net Par Outstanding	$	12,818	100.0%	$	13,459	100.0%	$	13,525	100.0%

Notes:
Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
Public Finance									
General Obligation	$	9,694		$	11,322		$	11,906	
Special Revenue		8,481			8,672			8,948	
Utility		4,248			4,584			4,655	
Non Ad Valorem		2,964			3,964			4,020	
Appropriation		1,576			1,682			1,730	
Total Public Finance	$	26,963	70.1%	$	30,224	70.2%	$	31,259	70.6%
Asset-Backed Securities									
Commercial ABS	$	308		$	336		$	356	
Total Asset-Backed Securities	$	308	0.8%	$	336	0.8%	$	356	0.8%
Collateralized Debt Obligations									
Cashflow CDO	$	2,945		$	3,093		$	3,311	
Synthetic CDO		2,684			2,690			2,696	
Market Value CDO		-			568			568	
Total Collateralized Debt Obligations	$	5,629	14.6%	$	6,352	14.7%	$	6,576	14.9%
Structured Single Risk									
Power & Utilities	$	3,688		$	3,888		$	3,889	
Global Infrastructure		1,832			2,221			2,127	
Specialized Risk		50			50			50	
Total Structured Single Risk	$	5,570	14.5%	$	6,159	14.3%	$	6,066	13.7%
Total Net Par Outstanding	$	38,471	100.0%	$	43,071	100.0%	$	44,257	100.0%

Notes:
Categories include domestic and international credits.

Insured Portfolio - Debt Service Amortization
(U.S. dollars in millions)

Syncora Guarantee Inc.

Q4 2013

	Scheduled Net Debt Service	NPIO
2013 Q4	$ -	$ 19,916
2014 Q1	240	19,676
2014 Q2	178	19,498
2014 Q3	155	19,343
2014 Q4	398	18,945
Total 2014	$ 971	
2015	$ 999	$ 17,946
2016	1,450	16,497
2017	1,114	15,383
2018	1,062	14,321
Total 2015-2018	$ 4,624	
2019-2023	$ 3,076	$ 11,245
2024-2028	2,162	9,083
2029-2033	1,525	7,558
2034 and thereafter	7,558	-
Total 2019-thereafter	$ 14,321	
Total	$ 19,916	

Q3 2013

	Scheduled Net Debt Service	NPIO
2013 Q3	$ -	$ 21,183
2013 Q4	391	20,791
2014 Q1	178	20,614
2014 Q2	169	20,445
2014 Q3	150	20,295
2014 Q4	380	19,915
Total	$ 1,267	
2015	$ 1,013	$ 18,902
2016	1,443	17,459
2017	1,153	16,306
2018	1,136	15,170
Total 2015-2018	$ 4,746	
2019-2023	$ 3,442	$ 11,728
2024-2028	2,455	9,273
2029-2033	1,629	7,644
2034 and thereafter	7,644	-
Total 2019-thereafter	$ 15,170	
Total	$ 21,183	

Q2 2013

	Scheduled Net Debt Service	NPIO
2013 Q2	$ -	$ 21,334
2013 Q3	511	20,823
2013 Q4	389	20,434
2014 Q1	177	20,256
2014 Q2	163	20,093
2014 Q3	159	19,935
2014 Q4	379	19,555
Total	$ 1,779	
2015	$ 1,007	$ 18,548
2016	1,427	17,122
2017	1,093	16,028
2018	1,113	14,916
Total 2015-2018	$ 4,640	
2019-2023	$ 3,226	$ 11,689
2024-2028	2,356	9,334
2029-2033	1,548	7,786
2034 and thereafter	7,786	-
Total 2019-thereafter	$ 14,916	
Total	$ 21,334	

Notes:
NPIO represents Net Principal and Interest Outstanding.

Syncora Capital Assurance Inc.

Q4 2013

	Scheduled Net Debt Service	NPIO
2013 Q4	$ -	$ 59,934
2014 Q1	1,188	58,746
2014 Q2	1,166	57,580
2014 Q3	1,507	56,073
2014 Q4	1,507	54,566
Total 2014	$ 5,368	
2015	$ 3,961	$ 50,604
2016	4,089	46,516
2017	3,343	43,173
2018	2,546	40,627
Total 2015-2018	$ 13,939	
2019-2023	$ 12,332	$ 28,294
2024-2028	10,108	18,186
2029-2033	6,686	11,500
2034 and thereafter	11,500	-
Total 2019-thereafter	$ 40,627	
Total	$ 59,934	

Q3 2013

	Scheduled Net Debt Service	NPIO
2013 Q3	$ -	$ 64,917
2013 Q4	1,509	63,408
2014 Q1	1,133	62,276
2014 Q2	1,159	61,117
2014 Q3	1,472	59,644
2014 Q4	1,513	58,131
Total	$ 6,786	
2015	$ 3,907	$ 54,224
2016	4,035	50,189
2017	3,332	46,857
2018	2,473	44,383
Total 2015-2018	$ 13,748	
2019-2023	$ 12,024	$ 32,360
2024-2028	10,613	21,747
2029-2033	8,096	13,651
2034 and thereafter	13,651	-
Total 2019-thereafter	$ 44,383	
Total	$ 64,917	

Q2 2013

	Scheduled Net Debt Service	NPIO
2013 Q2	$ -	$ 66,702
2013 Q3	985	65,716
2013 Q4	1,516	64,201
2014 Q1	1,152	63,049
2014 Q2	1,198	61,850
2014 Q3	1,501	60,349
2014 Q4	1,520	58,829
Total	$ 7,872	
2015	$ 3,965	$ 54,864
2016	4,090	50,774
2017	3,366	47,409
2018	2,525	44,884
Total 2015-2018	$ 13,945	
2019-2023	$ 12,327	$ 32,557
2024-2028	10,866	21,691
2029-2033	8,197	13,494
2034 and thereafter	13,494	-
Total 2019-thereafter	$ 44,884	
Total	$ 66,702	

Notes:
NPIO represents Net Principal and Interest Outstanding.

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

Syncora Guarantee Inc.

	Q4 2013		Q3 2013		Q2 2013	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	$ 602	17	$ 1,158	18	$ 1,166	18
Asset-Backed Securities	1,528	37	1,595	38	1,664	38
Collateralized Debt Obligations	610	7	644	7	680	8
Structured Single Risk	10,078	44	10,062	45	10,013	45
Total Net Par Outstanding	$ 12,818	105	$ 13,459	108	$ 13,525	109

	Q4 2013 Net Loss Reserve	Q3 2013 Net Loss Reserve	Q2 2013 Net Loss Reserve
Public Finance	$ 19	$ 114	$ 110
Asset-Backed Securities	(245)	118	119
Collateralized Debt Obligations	4	3	3
Structured Single Risk	(68)	(48)	(36)
Total Net Reserve	$ (291)	$ 187	$ 196
Less Salvage & Subrogation	(4)	(35)	(38)
Adjusted Total	$ (295)	$ 151	$ 158

Note:
Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q4 2013		Q3 2013		Q2 2013	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	$ 26,963	1,836	$ 30,224	1,983	$ 31,259	2,018
Asset-Backed Securities	308	3	336	3	356	3
Collateralized Debt Obligations	5,629	25	6,352	26	6,576	26
Structured Single Risk	5,570	32	6,159	35	6,066	37
Total Net Par Outstanding	$ 38,471	1,896	$ 43,071	2,047	$ 44,257	2,084

	Q4 2013 Net Loss Reserve	Q3 2013 Net Loss Reserve	Q2 2013 Net Loss Reserve
Public Finance	$ 55	$ 56	$ 41
Asset-Backed Securities	-	-	-
Collateralized Debt Obligations	-	-	-
Structured Single Risk	-	-	-
Total Net Reserve	$ 55	$ 56	$ 41
Less Salvage & Subrogation	(0)	(0)	(0)
Adjusted Total	$ 55	$ 56	$ 41

Note:
Categories include domestic and international credits.

Insured Portfolio - Watch List
As of December 31, 2013
(U.S. dollars in millions)

Syncora Guarantee Inc.

	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
			Q4 2013		
Number of credits	11	4	6	28	49
Remaining weighted-average contract period (in years)	12.3	6.1	7.6	10.9	9.2
Insured contractual payments outstanding:					
Principal	$ 947.3	$ 696.6	$ 1,787.8	$ 1,198.4	$ 4,630.1
Interest	489.3	284.2	487.7	538.5	1,799.7
Total	$ 1,436.7	$ 980.7	$ 2,275.5	$ 1,736.9	$ 6,429.8
Gross loss reserves before salvage	$ -	$ -	$ -	$ (236.0)	$ (236.0)
Net loss reserves before salvage, but after reinsurance	$ -	$ -	$ -	$ (290.8)	$ (290.8)
Net loss reserves after salvage and subrogation, after reinsurance	$ -	$ -	$ -	$ (295.3)	$ (295.3)

Syncora Capital Assurance Inc.

	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
			Q4 2013		
Number of credits	23	12	1	2	38
Remaining weighted-average contract period (in years)	9.1	18.9	6.4	11.3	12.1
Insured contractual payments outstanding:					
Principal	$ 2,354.5	$ 1,020.7	$ 3.6	$ 163.4	$ 3,542.2
Interest	850.2	1,696.9	1.0	105.6	2,653.7
Total	$ 3,204.7	$ 2,717.6	$ 4.6	$ 269.0	$ 6,195.9
Gross loss reserves	$ -	$ -	$ -	$ 54.8	$ 54.8
Net loss reserves	$ -	$ -	$ -	$ 54.8	$ 54.8

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

Syncora Guarantee Inc.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
AAA	$	507	4.0%	$	499	3.7%	$	529	3.9%
AA		1,110	8.7		1,182	8.8		1,198	8.9
A		1,852	14.5		1,789	13.3		1,724	12.7
BBB		5,539	43.2		5,471	40.7		5,496	40.6
Below Investment Grade		3,810	29.7		4,517	33.6		4,577	33.8
Total Net Par Outstanding	$	12,818	100.0%	$	13,459	100.0%	$	13,525	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.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
AAA	$	3,686	9.6%	$	2,816	6.5%	$	2,836	6.4%
AA		10,737	27.9		13,329	30.9		13,757	31.1
A		15,594	40.5		17,612	40.9		18,313	41.4
BBB		6,762	17.6		7,572	17.6		7,587	17.1
Below Investment Grade		1,692	4.4		1,743	4.0		1,763	4.0
Total Net Par Outstanding	$	38,471	100.0%	$	43,071	100.0%	$	44,257	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.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
aaa	$	558	4.4%	$	579	4.3%	$	-	-%
aa		276	2.2		298	2.2		913	6.8
a		2,572	20.1		2,500	18.6		2,528	18.7
bbb		5,729	44.7		5,710	42.4		5,695	42.1
Below Investment Grade		3,683	28.7		4,372	32.5		4,388	32.4
Total Net Par Outstanding	$	12,818	100.0%	$	13,459	100.0%	$	13,525	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.

	Q4 2013			Q3 2013			Q2 2013		
		NPO	% NPO		NPO	% NPO		NPO	% NPO
aaa	$	3,865	10.0%	$	3,456	8.0%	$	1,028	2.3%
aa		5,975	15.5		8,242	19.1		10,533	23.8
a		18,302	47.6		19,899	46.2		19,775	44.7
bbb		9,142	23.8		10,197	23.7		11,606	26.2
Below Investment Grade		1,188	3.1		1,278	3.0		1,315	3.0
Total Net Par Outstanding	$	38,471	100.0%	$	43,071	100.0%	$	44,257	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.

	Q4 2013 NPO	Q3 2013 NPO	Q2 2013 NPO
Public Finance	$ 34	$ 561	$ 561
Asset-Backed Securities	1,297	1,334	1,387
Collateralized Debt Obligations	19	19	24
Structured Single Risk	2,459	2,603	2,605
Total Below Investment Grade	$ 3,810	$ 4,517	$ 4,577
Total Net Par Outstanding	$ 12,818	$ 13,459	$ 13,525
BIG as % of Net Par Outstanding	29.7%	33.6%	33.8%

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.

	Q4 2013 NPO	Q3 2013 NPO	Q2 2013 NPO
Public Finance	$ 1,230	$ 1,290	$ 1,326
Collateralized Debt Obligations	84	89	90
Structured Single Risk	378	364	347
Total Below Investment Grade	$ 1,692	$ 1,743	$ 1,763
Total Net Par Outstanding	$ 38,471	$ 43,071	$ 44,257
BIG as % of Net Par Outstanding	4.4%	4.0%	4.0%

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.

	Q4 2013		Q3 2013		Q2 2013	
		NPO		NPO		NPO
Public Finance	$	34	$	561	$	561
Asset-Backed Securities		1,073		1,104		1,149
Collateralized Debt Obligations		10		10		12
Structured Single Risk		2,566		2,697		2,666
Total Below Investment Grade	$	3,683	$	4,372	$	4,388
Total Net Par Outstanding	$	12,818	$	13,459	$	13,525
BIG as % of Net Par Outstanding		28.7%		32.5%		32.4%

Notes:

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

Syncora Capital Assurance Inc.

	Q4 2013		Q3 2013		Q2 2013	
		NPO		NPO		NPO
Public Finance	$	1,188	$	1,278	$	1,315
Total Below Investment Grade	$	1,188	$	1,278	$	1,315
Total Net Par Outstanding	$	38,471	$	43,071	$	44,257
BIG as % of Net Par Outstanding		3.1%		3.0%		3.0%

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.

Insured Portfolio - 20 Largest Public Finance Credits
(U.S. dollars in millions)

Syncora Guarantee Inc.

			Q4 2013	
		NPO	S&P Rating	Internal Rating*
1	Commonwealth of Puerto Rico - GO	$ 180	BBB-	bbb-
2	Metropolitan Transportation Authority, NY - Dedicated Tax Fund Bonds	54	AA	aa-
3	Massachusetts (Commonwealth of) - GO	53	AA+	aa
4	New Jersey (State of) - Annual Appropriation	42	AA-	a+
5	Port Authority of New York and New Jersey, NY	40	AA-	aa-
6	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA	aa-
7	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	38	AA-	bbb-
8	City of Detroit, MI - GO/AA	34	D	d
9	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	33	AA-	a-
10	Bay Area Toll Authority, CA - Toll Revenue Bonds	30	AA+	aa-
11	Port of Portland, OR - Airport Revenue Bonds	26	AA-	aa-
12	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	15	AA-	bbb-
13	Commonwealth of Puerto Rico, Highway & Transportation Authority	9	BBB+	bbb-
14	JEA, FL Water & Sewer (Senior Lien)	8	AA-	aa
15	Jackson Energy Authority, TN - Water Revenue Bonds	1	A	a
	Total Net Par Outstanding of the Largest Public Finance Credits	$ 602		
	Total Portfolio Net Par Outstanding	$ 12,818		
	% of Total SGI Portfolio	4.7%		
	Total Public Finance Portfolio Net Par Outstanding	$ 602		
	% of Total Public Finance Portfolio	100.0%		

Notes:

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

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

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

Syncora Capital Assurance Inc.

			Q4 2013	
		NPO	S&P Rating	Internal Rating*
1	San Diego Family Housing LLC	$ 714	AA	a+
2	LCOR Alexandria, LLC - Lease Revenue	580	A	a
3	University System of Georgia, Board of Regents, GA	504	BBB	a+
4	City of Chicago, O'Hare International Airport, IL - Revenue Bonds	450	A-	a-
5	State of California - GO	427	A	a-
6	Miami-Dade County, FL - Aviation Revenue Bonds	391	A	a-
7	Port Authority of New York and New Jersey, NY	347	AA-	aa-
8	City of Denver Convention Center Hotel Project, CO	340	BBB-	bbb-
9	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
10	City of Syracuse Industrial Development Agency (Carousel Center), NY	326	BBB-	bbb-
11	Dodger Tickets LLC	317	BBB-	bbb+
12	Miami-Dade County (Water/Sewer), FL	298	A+	a+
13	State of South Carolina Transportation Infrastructure Bank - Motor Vehicle Revenue	260	A	a
14	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	254	AA-	bb+
15	Baltimore Development Corporation (Convention Center Headquarters Hotel Project)	241	BB+	bbb-
16	City of San Jose, CA Redevelopment Agency - Tax Allocation	227	BBB	bb+
17	City of Denver, CO Airport System - Revenue Bonds	220	A+	a+
18	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	219	BBB	bbb-
19	City of Houston, TX Airport System - Revenue Bonds	216	A	a
20	Riverside County, CA - Tax Allocation Bonds	213	BBB	bbb-
	Total Net Par Outstanding of the Largest Public Finance Credits	$ 6,870		
	Total Portfolio Net Par Outstanding	$ 38,471		
	% of Total SCAI Portfolio	17.9%		
	Total Public Finance Portfolio Net Par Outstanding	$ 26,963		
	% of Total Public Finance Portfolio	25.5%		

Notes:

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

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

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

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

Syncora Guarantee Inc.

	Servicer/Manager Name[1]		Q4 2013 NPO
1	CLO Manager 1[2]	$	303
2	American Home Servicing		279
3	Wells Fargo Bank, NA		270
4	Countrywide Home Loans		251
5	CLO Manager 2[2]		238
6	OneWest Bank, FSB		226
7	JP Morgan		165
8	CLO Manager 3[2]		150
9	TMF Administration Services Limited		105
10	Residential Capital, LLC		70
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		$	2,057
Total Portfolio Net Par Outstanding		$	12,818
% of Total Portfolio			16.0%
Total Structured Finance Portfolio Net Par Outstanding		$	12,216
% of Total Structured Finance Portfolio			16.8%

Notes:

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

[2]Servicer/manager not revealed due to confidentiality.

Syncora Capital Assurance Inc.

	Servicer/Manager Name[1]		Q4 2013 NPO
1	CLO Manager 4[2]	$	685
2	CLO Manager 2[2]		522
3	CLO Manager 5[2]		375
4	CLO Manager 6[2]		316
5	CLO Manager 1[2]		314
6	CLO Manager 7[2]		270
7	CLO Manager 8[2]		250
8	Private Commercial ABS Transaction[2]		241
9	CLO Manager 9[2]		84
10	Bombardier Services Corporation		68
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		$	3,122
Total Portfolio Net Par Outstanding		$	38,471
% of Total Portfolio			8.1%
Total U.S. Structured Finance Portfolio Net Par Outstanding		$	11,508
% of Total U.S. Structured Finance Portfolio			27.1%

Notes:

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

[2]Servicer/manager not revealed due to confidentiality.

Insured Portfolio - Profile by Geographic Distribution

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q4 2013

	GPO	NPO	% NPO
United States			
Illinois	$ 2,099	$ 525	4.1%
Alabama	1,289	291	2.3
Puerto Rico	615	243	1.9
Other[1]	24,378	368	2.9
Non-PF Multi[2,3]	2,183	2,175	17.0
Total United States	$ 30,564	$ 3,601	28.1%
International			
United Kingdom	$ 5,352	$ 4,917	38.4%
Australia	1,791	1,751	13.7
France	771	771	6.0
Chile	756	584	4.6
Spain	203	203	1.6
Italy	174	174	1.4
Canada	268	170	1.3
Portugal	137	137	1.1
Other[1]	672	244	1.9
Non-PF Multi[2,4]	266	266	2.1
Total International	$ 10,390	$ 9,216	71.9%
Total Outstanding	$ 40,954	$ 12,818	100.0%

Q3 2013

	GPO	NPO	% NPO
United States			
Alabama	$ 1,860	$ 818	6.1%
Illinois	2,258	525	3.9
Puerto Rico	648	258	1.9
Other[1]	25,417	382	2.8
Non-PF Multi[2]	2,278	2,269	16.9
Total United States	$ 32,461	$ 4,253	31.6%
International			
United Kingdom	$ 5,128	$ 4,709	35.0%
Australia	1,895	1,853	13.8
France	763	763	5.7
Chile	784	606	4.5
Spain	261	261	1.9
Canada	274	176	1.3
Italy	168	168	1.2
Other[1]	836	404	3.0
Non-PF Multi[2]	266	266	2.0
Total International	$ 10,375	$ 9,206	68.4%
Total Outstanding	$ 42,836	$ 13,459	100.0%

Q2 2013

	GPO	NPO	% NPO
United States			
Alabama	$ 1,883	$ 829	6.1%
Illinois	2,259	518	3.8
Puerto Rico	700	258	1.9
Other[1]	26,445	392	2.9
Non-PF Multi[2]	2,342	2,333	17.2
Total United States	$ 33,629	$ 4,330	32.0%
International			
United Kingdom	$ 5,097	$ 4,697	34.7%
Australia	1,864	1,823	13.5
France	767	767	5.7
Chile	809	630	4.7
Spain	251	251	1.9
Canada	273	174	1.3
Italy	167	167	1.2
Other[1]	829	420	3.1
Non-PF Multi[2]	266	266	2.0
Total International	$ 10,323	$ 9,194	68.0%
Total Outstanding	$ 43,952	$ 13,525	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 $1,375 million in ABS, $602 million in CDO and $198 million in SSR net par.

4 Consists of $266 million in SSR net par.

Syncora Capital Assurance Inc.

Q4 2013

	GPO	NPO	% NPO
United States			
California	$ 4,968	$ 4,922	12.8%
New York	2,965	2,965	7.7
Texas	1,740	1,740	4.5
Florida	1,732	1,632	4.2
Illinois	1,574	1,574	4.1
Pennsylvania	1,176	1,176	3.1
Alabama	998	998	2.6
Colorado	940	940	2.4
Georgia	912	912	2.4
Tennessee	664	664	1.7
Virginia	664	664	1.7
Washington	654	654	1.7
Ohio	635	635	1.7
New Jersey	630	630	1.6
Indiana	554	554	1.4
South Carolina	534	534	1.4
Minnesota	529	529	1.4
Michigan	528	528	1.4
Massachusetts	513	513	1.3
District Of Columbia	487	487	1.3
Missouri	466	466	1.2
Wisconsin	402	402	1.0
Other[1]	4,509	4,509	11.7
Non-PF Multi[2,3]	5,197	5,197	13.5
Total United States	$ 33,971	$ 33,825	87.9%
International			
United Kingdom	$ 2,872	$ 2,872	7.5%
Netherlands	685	685	1.8
New Zealand	624	624	1.6
Other[1]	460	460	1.2
Non-PF Multi[2,4]	5	5	0.0
Total International	$ 4,646	$ 4,646	12.1%
Total Outstanding	$ 38,616	$ 38,471	100.0%

Q3 2013

	GPO	NPO	% NPO
United States			
California	$ 6,157	$ 6,111	14.2%
New York	3,026	3,026	7.0
Illinois	2,312	2,312	5.4
Texas	1,822	1,822	4.2
Florida	1,766	1,666	3.9
Pennsylvania	1,258	1,258	2.9
New Jersey	1,035	1,035	2.4
Alabama	1,034	1,034	2.4
Colorado	996	996	2.3
Georgia	913	913	2.1
Tennessee	684	684	1.6
Washington	676	676	1.6
Virginia	665	665	1.5
Ohio	665	665	1.5
Michigan	644	644	1.5
Indiana	587	587	1.4
Massachusetts	579	579	1.3
Minnesota	552	552	1.3
South Carolina	541	541	1.3
Puerto Rico	521	521	1.2
District Of Columbia	489	489	1.1
Missouri	469	469	1.1
Other[1]	4,768	4,768	11.1
Non-PF Multi[2]	5,953	5,953	13.8
Total United States	$ 38,112	$ 37,966	88.1%
International			
United Kingdom	$ 3,328	$ 3,328	7.7%
Netherlands	674	674	1.6
New Zealand	631	631	1.5
Other[1]	468	468	1.1
Non-PF Multi[2]	5	5	0.0
Total International	$ 5,105	$ 5,105	11.9%
Total Outstanding	$ 43,217	$ 43,071	100.0%

Q2 2013

	GPO	NPO	% NPO
United States			
California	$ 6,402	$ 6,356	14.4%
New York	3,296	3,296	7.4
Illinois	2,316	2,316	5.2
Texas	1,873	1,873	4.2
Florida	1,821	1,721	3.9
Pennsylvania	1,293	1,293	2.9
New Jersey	1,053	1,053	2.4
Alabama	1,046	1,046	2.4
Colorado	1,030	1,030	2.3
Georgia	937	937	2.1
Michigan	700	700	1.6
Tennessee	697	697	1.6
Washington	684	684	1.5
Virginia	668	668	1.5
Ohio	665	665	1.5
Indiana	605	605	1.4
Massachusetts	592	592	1.3
Puerto Rico	570	570	1.3
Minnesota	564	564	1.3
South Carolina	547	547	1.2
District Of Columbia	491	491	1.1
Missouri	472	472	1.1
Other[1]	4,901	4,901	11.1
Non-PF Multi[2]	6,169	6,169	13.9
Total United States	$ 39,391	$ 39,245	88.7%
International			
United Kingdom	$ 3,286	$ 3,286	7.4%
Netherlands	648	648	1.5
New Zealand	588	588	1.3
Other[1]	470	470	1.1
Non-PF Multi[2]	20	20	0.0
Total International	$ 5,012	$ 5,012	11.3%
Total Outstanding	$ 44,403	$ 44,257	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 $4,889 million in CDO and $308 million in ABS net par.

4 Consists of $5 million in CDO net par.

Investment Portfolio
As of December 31, 2013
(U.S. dollars in millions)

Syncora Guarantee Inc.

Distribution by Security Type		Book Adjusted Carrying Value	Percentage
Short-term investments			
Cash and cash equivalents	$	34.0	5.1%
Short-term investments		15.9	2.4%
Total Cash and Short-Term Investments		49.9	7.5%
Debt Securities			
MBS/ABS		223.5	33.4%
U.S. Government		217.4	32.5%
Corporate		164.7	24.6%
States & Political Subs		14.1	2.1%
Total Long-Term Fixed Maturity		619.7	92.5%
Total	$	669.6	100.0%

Quality Distribution		Book Adjusted Carrying Value	Percentage
AAA	$	258.4	38.6%
AA		253.1	37.8%
A		150.5	22.5%
BBB		6.0	0.9%
BB & below and Not Rated		1.6	0.2%
Total	$	669.6	100.0%
Average credit quality		AA	

Maturity		Book Adjusted Carrying Value	Percentage
Within 1 Year	$	109.3	16.3%
1 to 5 Years		333.5	49.8%
5 to 10 Years		0.7	0.1%
Due after 10 Years		2.6	0.4%
Mortgage and asset-backed securities		223.5	33.4%
Total	$	669.6	100.0%
Yield to Maturity @ Book Value		1.0%	
Yield to Maturity @ Market Value		0.7%	
Duration (years)		1.4	

Notes:
- Excludes $59.0 million of uninsured cash flow ("UCF") securities.
- Excludes $39.4 million of operating cash balances.

Syncora Capital Assurance Inc.

Distribution by Security Type		Book Adjusted Carrying Value	Percentage
Short-term investments			
Cash and cash equivalents	$	94.3	18.1%
Short-term investments		3.4	0.6%
Total Cash and Short-Term Investments		97.7	18.7%
Debt Securities			
MBS/ABS		214.7	41.2%
U.S. Government		8.2	1.6%
Corporate		172.1	33.0%
States & Political Subs		28.5	5.5%
Total Long-Term Fixed Maturity		423.5	81.3%
Total	$	521.2	100.0%

Quality Distribution		Book Adjusted Carrying Value	Percentage
AAA	$	147.7	28.3%
AA		169.6	32.5%
A		89.9	17.2%
BBB		86.6	16.6%
BB & below and Not Rated		27.4	5.3%
Total	$	521.2	100.0%
Average credit quality		A+	

Maturity		Book Adjusted Carrying Value	Percentage
Within 1 Year	$	97.7	18.7%
1 to 5 Years		57.2	11.0%
5 to 10 Years		103.4	19.8%
Due after 10 Years		48.2	9.2%
Mortgage and asset-backed securities		214.7	41.2%
Total	$	521.2	100.0%
Yield to Maturity @ Book Value		3.4%	
Yield to Maturity @ Market Value		2.7%	
Duration (years)		4.3	

Notes:
- Excludes $65.4 million of uninsured cash flow ("UCF") securities.
- Excludes $1.9 million of a bond purchased for remediation.
- Excludes $3.7 million of preferred stocks.
- Excludes $19.4 million of common stocks and alternative investments.
- Excludes $0.6 million of operating cash balances.