

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

**2nd 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.

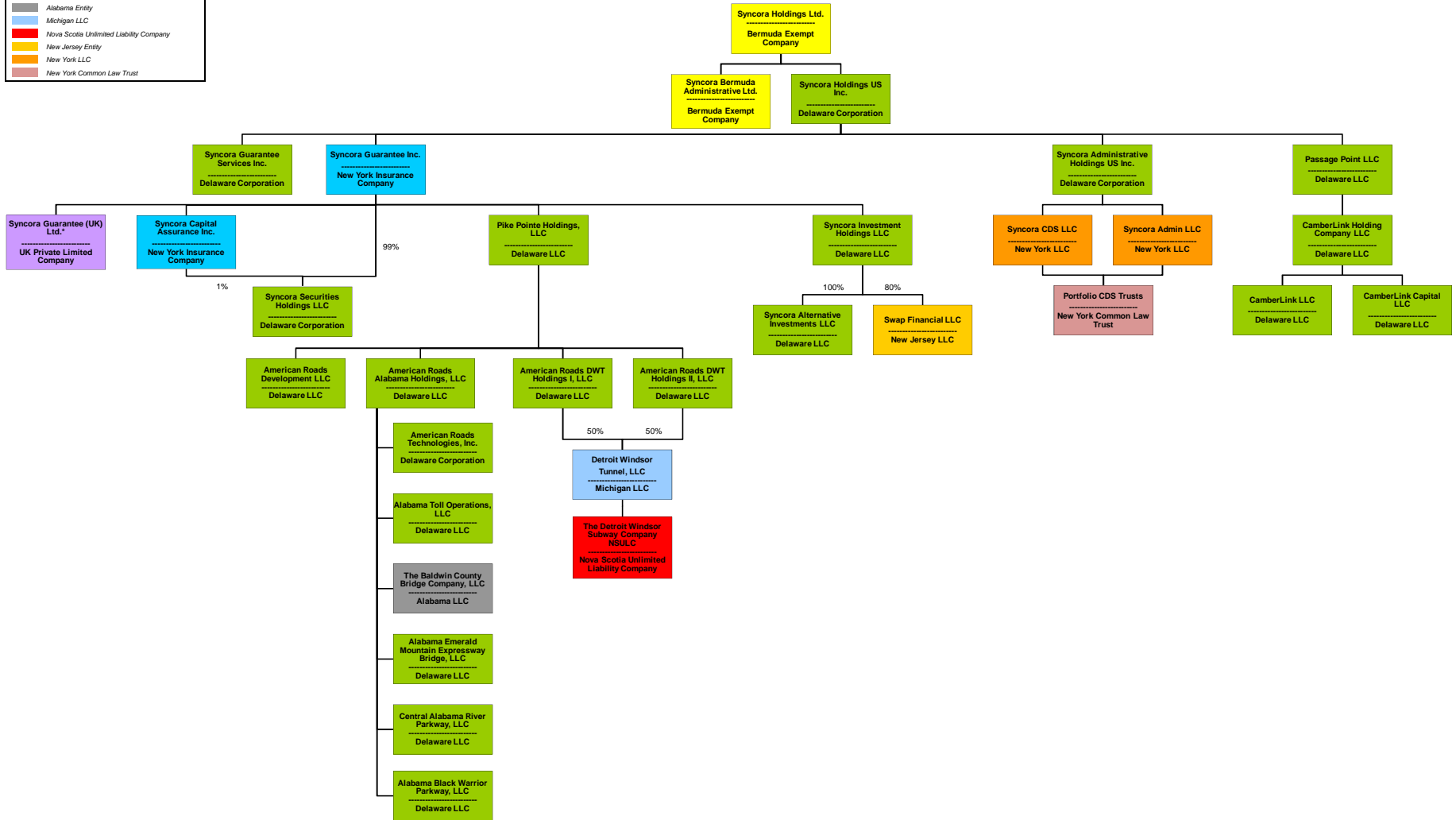
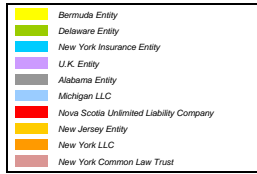
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

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:

*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/(Deficit) and Other Funds (U.S. dollars in thousands)

Syncora Guarantee Inc.

	As of		
	6/30/2015	3/31/2015	12/31/2014
Assets			
Cash, cash equivalents and short-term investments	\$ 131,619	\$ 61,763	\$ 92,147
Bonds	745,709	801,384	821,440
Uninsured cash flow certificates	61,080	59,659	62,770
Interest rate derivatives	1,372	1,707	3,182
Investment in subsidiary - Syncora Guarantee (UK)	71,338	59,463	59,406
Other invested assets	191,099	201,891	165,670
Receivables for securities	23,346	-	-
Subtotal, cash and invested assets	1,225,563	1,185,865	1,204,615
Investment income due and accrued	2,869	2,446	2,807
Uncollected premiums and reinsurance assets	3,242	2,078	2,741
Collateral deposit	-	-	3,800
Other assets	5,507	5,035	5,569
Total Assets	\$ 1,237,181	\$ 1,195,424	\$ 1,219,531
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 123,609	\$ 101,148	\$ 111,302
Unearned premiums	132,594	136,965	141,637
Payable to parent, subsidiaries and affiliates	4,471	6,022	6,219
Mandatory contingency reserve	97,695	96,412	98,454
Other liabilities	25,042	3,880	5,923
Total Liabilities	383,410	344,428	363,535
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)	(1,992,535)	(1,995,310)	(1,990,310)
Surplus as regards policyholders	853,771	850,996	855,996
Total Liabilities, Surplus and Other Funds	\$ 1,237,181	\$ 1,195,424	\$ 1,219,531

Syncora Capital Assurance Inc.

	As of		
	6/30/2015	3/31/2015	12/31/2014
Assets			
Cash, cash equivalents and short-term investments	\$ 64,285	\$ 60,125	\$ 63,074
Preferred stocks	3,591	3,647	3,653
Common stocks	20,383	20,476	20,750
Bonds	335,642	360,247	352,442
Uninsured cash flow certificates	50,012	42,348	34,012
Other invested assets	5,218	4,223	4,904
Receivables for securities	437	500	-
Subtotal, cash and invested assets	479,568	491,565	478,834
Investment income due and accrued	2,765	2,608	2,804
Uncollected premiums	1,154	1,385	1,656
Net deferred tax asset	3,135	3,041	3,134
Receivable from parent, subsidiaries and affiliates	1,899	924	3,165
Other assets	51	86	5,570
Total Assets	\$ 488,573	\$ 499,608	\$ 495,163
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 46,641	\$ 20,733	\$ 21,935
Unearned premiums	198,769	211,798	216,723
Payable to parent, subsidiaries and affiliates	5,090	7,107	5,746
Mandatory contingency reserve	79,655	84,273	85,421
Payable for securities	4,923	2,712	528
Other liabilities	259	216	313
Total Liabilities	335,337	326,838	330,666
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)	(268,265)	(248,730)	(257,003)
Surplus as regards policyholders	153,235	172,770	164,497
Total Liabilities, Surplus and Other Funds	\$ 488,573	\$ 499,608	\$ 495,163

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	6/30/2015	3/31/2015	12/31/2014
Net premiums written	\$ 3,758	\$ 3,406	\$ 3,237
Underwriting Income			
Net premiums earned	\$ 8,129	\$ 8,077	\$ 10,576
Net losses/(releases) incurred	6,726	8,741	152,019
Loss adjustment expenses incurred	(778)	5,496	3,444
Other underwriting expenses incurred	6,654	8,512	5,802
Net underwriting gain/(loss)	(4,474)	(14,672)	(150,688)
Investment Income			
Net investment income earned	12,580	6,561	12,815
Net realized gains/(losses)	(150)	816	(103)
Total net investment gain/(loss)	12,430	7,376	12,712
Other Income			
Other income	250	75	622
Net income/(loss) before taxes	8,206	(7,220)	(137,353)
Federal and foreign income taxes incurred/(benefit)	1,934	(1,027)	29
Net income/(loss)	\$ 6,272	\$ (6,193)	\$ (137,382)

Syncora Capital Assurance Inc.

	Three Months Ended		
	6/30/2015	3/31/2015	12/31/2014
Net premiums written	\$ 1,720	\$ 4,215	\$ 2,407
Underwriting Income			
Net premiums earned	\$ 14,748	\$ 9,141	\$ 17,023
Net losses/(releases) incurred	28,044	1,436	(45,947)
Loss adjustment expenses incurred	2,292	0	5,060
Other underwriting expenses incurred	4,497	5,612	5,846
Net underwriting gain/(loss)	(20,085)	2,093	52,064
Investment Income			
Net investment income earned	(1,983)	3,828	(1,066)
Net realized capital gains	(4,307)	2,678	(37,038)
Total net investment gain/(loss)	(6,289)	6,505	(38,103)
Other Income			
Other income	49	128	136
Net income/(loss) before taxes	(26,325)	8,726	14,096
Federal and foreign income taxes incurred/(benefit)	(1,899)	1,995	69
Net income/(loss)	\$ (24,425)	\$ 6,732	\$ 14,028

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

Syncora Guarantee Inc.

	As of		
	6/30/2015	3/31/2015	12/31/2014
Claims paying resources			
Policyholders' surplus	\$ 854	\$ 851	\$ 856
Contingency reserve	98	96	98
Qualified statutory capital	952	947	954
Unearned premium revenue	133	137	142
Loss & loss adjustment expense reserves ^{1,2,3}	293	284	278
Total policyholders' surplus & reserves	1,377	1,369	1,374
NPVFIP	60	62	74
Total claims paying resources	\$ 1,437	\$ 1,430	\$ 1,448
Net par outstanding	\$ 9,416	\$ 9,562	\$ 10,292
Leverage ratio (Net par outstanding/Total claims paying resources)	6.6	6.7	7.1

Notes:

¹ 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).

² 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).

³ For the three months ended 12/31/2014, the reported loss and loss adjustment expenses excludes the recoverable benefit of six structured single risk credits (\$166.3 million).

Syncora Capital Assurance Inc.

	As of		
	6/30/2015	3/31/2015	12/31/2014
Claims paying resources			
Policyholders' surplus	\$ 153	\$ 173	\$ 164
Contingency reserve	80	84	85
Qualified statutory capital	233	257	250
Unearned premium revenue	199	212	217
Loss & loss adjustment expense reserves ^{1,2,3}	91	66	67
Total policyholders' surplus & reserves	522	535	533
NPVFIP	100	98	105
Total claims paying resources	\$ 622	\$ 633	\$ 638
Net par outstanding	\$ 27,256	\$ 29,746	\$ 31,252
Leverage ratio (Net par outstanding/Total claims paying resources)	43.8	47.0	49.0

Notes:

¹ 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).

² 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).

³ For the three months ended 12/31/2014, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$44.7 million).

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

Syncora Guarantee Inc.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
General Obligation	\$ 199		\$ 196		\$ 209	
Special Revenue	110		127		127	
Utility	62		62		62	
Appropriation	17		17		17	
Non Ad Valorem	17		-		-	
Other	4		5		5	
Total Public Finance	\$ 409	4.3%	\$ 406	4.2%	\$ 420	4.1%
Asset-Backed Securities						
RMBS	\$ 903		\$ 934		\$ 963	
Commercial ABS	2		2		5	
Total Asset-Backed Securities	\$ 905	9.6%	\$ 937	9.8%	\$ 967	9.4%
Collateralized Debt Obligations						
Cashflow CDO	\$ 350		\$ 411		\$ 447	
Total Collateralized Debt Obligations	\$ 350	3.7%	\$ 411	4.3%	\$ 447	4.3%
Structured Single Risk						
Global Infrastructure	\$ 4,271		\$ 4,314		\$ 4,541	
Power & Utilities	2,880		2,872		3,125	
Specialized Risk	600		623		792	
Total Structured Single Risk	\$ 7,751	82.3%	\$ 7,809	81.7%	\$ 8,458	82.2%
Total Net Par Outstanding	<u>\$ 9,416</u>	<u>100.0%</u>	<u>\$ 9,562</u>	<u>100.0%</u>	<u>\$ 10,292</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
Special Revenue	\$ 7,033		\$ 7,604		\$ 7,662	
General Obligation	5,923		6,765		7,490	
Utility	3,278		3,769		3,882	
Non Ad Valorem	2,295		2,526		2,587	
Appropriation	1,103		1,229		1,317	
Total Public Finance	\$ 19,632	72.0%	\$ 21,894	73.6%	\$ 22,937	73.4%
Asset-Backed Securities						
Commercial ABS	\$ 149		\$ 161		\$ 174	
Total Asset-Backed Securities	\$ 149	0.5%	\$ 161	0.5%	\$ 174	0.6%
Collateralized Debt Obligations						
Cashflow CDO	\$ 1,287		\$ 1,535		\$ 1,769	
Synthetic CDO	1,012		1,034		1,043	
Total Collateralized Debt Obligations	\$ 2,299	8.4%	\$ 2,569	8.6%	\$ 2,813	9.0%
Structured Single Risk						
Power & Utilities	\$ 3,451		\$ 3,478		\$ 3,575	
Global Infrastructure	1,675		1,593		1,704	
Specialized Risk	50		50		50	
Total Structured Single Risk	\$ 5,176	19.0%	\$ 5,122	17.2%	\$ 5,328	17.0%
Total Net Par Outstanding	<u>\$ 27,256</u>	<u>100.0%</u>	<u>\$ 29,746</u>	<u>100.0%</u>	<u>\$ 31,252</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Insured Portfolio - Debt Service Amortization

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q2 2015			Q1 2015			Q4 2014		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2015 Q1	\$ -	\$ 14,665	2014 Q4	\$ -	\$ 15,844
2015 Q2	\$ -	\$ 14,439	2015 Q2	177	14,488	2015 Q1	154	15,689
2015 Q3	163	14,276	2015 Q3	148	14,340	2015 Q2	179	15,510
2015 Q4	365	13,910	2015 Q4	356	13,984	2015 Q3	147	15,363
Total 2015	\$ 528		Total 2015	\$ 681		2015 Q4	368	14,996
						Total 2015	\$ 848	
2016	\$ 1,118	\$ 12,792	2016	\$ 1,176	\$ 12,807	2016	\$ 1,231	\$ 13,765
2017	793	12,000	2017	834	11,973	2017	902	12,863
2018	861	11,138	2018	882	11,091	2018	923	11,939
2019	511	10,628	2019	528	10,563	2019	549	11,391
Total 2016-2019	\$ 3,283		Total 2016-2019	\$ 3,421		Total 2016-2019	\$ 3,605	
2020-2024	\$ 1,937	\$ 8,690	2020-2024	\$ 2,002	\$ 8,561	2020-2024	\$ 2,308	\$ 9,083
2025-2029	1,637	7,053	2025-2029	1,621	6,940	2025-2029	1,698	7,385
2030-2034	1,153	5,900	2030-2034	1,213	5,727	2030-2034	1,243	6,141
2035 and thereafter	5,900	-	2035 and thereafter	5,727	-	2035 and thereafter	6,141	-
Total 2020-thereafter	\$ 10,628		Total 2020-thereafter	\$ 10,563		Total 2020-thereafter	\$ 11,391	
Total	\$ 14,439		Total	\$ 14,665		Total	\$ 15,844	

Notes:

NPIO represents Net Principal and Interest Outstanding.

Syncora Capital Assurance Inc.

Q2 2015			Q1 2015			Q4 2014		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2015 Q1	\$ -	\$ 46,399	2014 Q4	\$ -	\$ 48,953
2015 Q2	\$ -	\$ 42,723	2015 Q2	857	45,543	2015 Q1	867	48,087
2015 Q3	1,026	41,696	2015 Q3	1,024	44,519	2015 Q2	863	47,223
2015 Q4	885	40,812	2015 Q4	923	43,595	2015 Q3	1,002	46,221
Total 2015	\$ 1,911		Total 2015	\$ 2,804		2015 Q4	945	45,276
						Total 2015	\$ 3,678	
2016	\$ 3,278	\$ 37,534	2016	\$ 3,430	\$ 40,165	2016	\$ 3,519	\$ 41,757
2017	2,649	34,885	2017	2,881	37,284	2017	2,994	38,763
2018	1,952	32,932	2018	2,167	35,117	2018	2,256	36,507
2019	1,905	31,027	2019	2,117	33,001	2019	2,200	34,307
Total 2016-2019	\$ 9,784		Total 2016-2019	\$ 10,595		Total 2016-2019	\$ 10,969	
2020-2024	\$ 9,323	\$ 21,704	2020-2024	\$ 10,310	\$ 22,691	2020-2024	\$ 10,694	\$ 23,613
2025-2029	7,448	14,256	2025-2029	8,215	14,476	2025-2029	8,486	15,127
2030-2034	5,290	8,966	2030-2034	5,657	8,818	2030-2034	5,825	9,302
2035 and thereafter	8,966	-	2035 and thereafter	8,818	-	2035 and thereafter	9,302	-
Total 2020-thereafter	\$ 31,027		Total 2020-thereafter	\$ 33,001		Total 2020-thereafter	\$ 34,307	
Total	\$ 42,723		Total	\$ 46,399		Total	\$ 48,953	

Notes:

NPIO represents Net Principal and Interest Outstanding.

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

Syncora Guarantee Inc.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 409	17	\$ 406	15	\$ 420	15
Asset-Backed Securities	905	32	937	32	967	32
Collateralized Debt Obligations	350	5	411	5	447	5
Structured Single Risk	<u>7,751</u>	<u>38</u>	<u>7,809</u>	<u>38</u>	<u>8,458</u>	<u>41</u>
Total Net Par Outstanding	<u>\$ 9,416</u>	<u>92</u>	<u>\$ 9,562</u>	<u>90</u>	<u>\$ 10,292</u>	<u>93</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 27		\$ 8		\$ 8	
Asset-Backed Securities	126		137		138	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	<u>(52)</u>		<u>(68)</u>		<u>(52)</u>	
Total Net Reserve	<u>\$ 102</u>		<u>\$ 77</u>		<u>\$ 94</u>	

Note:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 19,632	1,341	\$ 21,894	1,471	\$ 22,937	1,596
Asset-Backed Securities	149	2	161	2	174	2
Collateralized Debt Obligations	2,299	15	2,569	16	2,813	16
Structured Single Risk	<u>5,176</u>	<u>36</u>	<u>5,122</u>	<u>36</u>	<u>5,328</u>	<u>36</u>
Total Net Par Outstanding	<u>\$ 27,256</u>	<u>1,394</u>	<u>\$ 29,746</u>	<u>1,525</u>	<u>\$ 31,252</u>	<u>1,650</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 37		\$ 13		\$ 13	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	<u>-</u>		<u>-</u>		<u>-</u>	
Total Net Reserve	<u>\$ 37</u>		<u>\$ 13</u>		<u>\$ 13</u>	

Note:

Categories include domestic and international credits.

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

Syncora Guarantee Inc.

	Q2 2015				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	3	5	6	26	40
Remaining weighted-average contract period (in years)	17.6	4.4	5.5	10.7	8.3
Insured contractual payments outstanding:					
Principal	\$ 271.0	\$ 586.4	\$ 1,098.0	\$ 1,183.0	\$ 3,138.4
Interest	199.3	161.8	281.1	329.0	971.2
Total	<u>\$ 470.3</u>	<u>\$ 748.2</u>	<u>\$ 1,379.1</u>	<u>\$ 1,512.0</u>	<u>\$ 4,109.6</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 138.9	\$ 138.9
Net loss reserves	\$ -	\$ -	\$ -	\$ 101.9	\$ 101.9

Syncora Capital Assurance Inc.

	Q2 2015				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits	20	12	1	4	37
Remaining weighted-average contract period (in years)	7.8	17.4	5.6	5.5	10.7
Insured contractual payments outstanding:					
Principal	\$ 1,776.7	\$ 999.2	\$ 3.2	\$ 330.9	\$ 3,109.9
Interest	645.0	799.6	0.8	98.9	1,544.2
Total	<u>\$ 2,421.6</u>	<u>\$ 1,798.8</u>	<u>\$ 4.0</u>	<u>\$ 429.8</u>	<u>\$ 4,654.2</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 37.1	\$ 37.1
Net loss reserves	\$ -	\$ -	\$ -	\$ 37.1	\$ 37.1

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

Syncora Guarantee Inc.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 406	4.3%	\$ 468	4.9%	\$ 398	3.9%
AA	404	4.3	438	4.6	708	6.9
A	1,656	17.6	1,630	17.0	1,682	16.3
BBB	4,171	44.3	4,218	44.1	4,556	44.3
Below Investment Grade	2,779	29.5	2,810	29.4	2,948	28.6
Total Net Par Outstanding	\$ 9,416	100.0%	\$ 9,562	100.0%	\$ 10,292	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.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 2,269	8.3%	\$ 2,530	8.5%	\$ 2,317	7.4%
AA	7,744	28.4	8,155	27.4	8,754	28.0
A	10,425	38.2	11,853	39.8	12,400	39.7
BBB	5,220	19.2	5,620	18.9	6,206	19.9
Below Investment Grade	1,599	5.9	1,588	5.3	1,576	5.0
Total Net Par Outstanding	\$ 27,256	100.0%	\$ 29,746	100.0%	\$ 31,252	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.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 313	3.3%	\$ 374	3.9%	\$ 407	4.0%
aa	237	2.5	239	2.5	214	2.1
a	1,517	16.1	1,584	16.6	1,840	17.9
bbb	4,481	47.6	4,493	47.0	4,736	46.0
Below Investment Grade	2,867	30.5	2,872	30.0	3,095	30.1
Total Net Par Outstanding	\$ 9,416	100.0%	\$ 9,562	100.0%	\$ 10,292	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.

	Q2 2015		Q1 2015		Q4 2014	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 1,411	5.2%	\$ 1,657	5.6%	\$ 1,335	4.3%
aa	3,650	13.4	4,053	13.6	4,917	15.7
a	14,038	51.5	15,283	51.4	16,055	51.4
bbb	6,823	25.0	7,242	24.3	7,143	22.9
Below Investment Grade	1,333	4.9	1,510	5.1	1,803	5.8
Total Net Par Outstanding	\$ 27,256	100.0%	\$ 29,746	100.0%	\$ 31,252	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.

	Q2 2015	Q1 2015	Q4 2014
	NPO	NPO	NPO
Public Finance	\$ 21	\$ 5	\$ 5
Asset-Backed Securities	769	794	819
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,987	2,008	2,122
Total Below Investment Grade	<u>\$ 2,779</u>	<u>\$ 2,810</u>	<u>\$ 2,948</u>
Total Net Par Outstanding	\$ 9,416	\$ 9,562	\$ 10,292
BIG as % of Net Par Outstanding	29.5%	29.4%	28.6%

Notes:

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

Syncora Capital Assurance Inc.

	Q2 2015	Q1 2015	Q4 2014
	NPO	NPO	NPO
Public Finance	\$ 1,246	\$ 1,257	\$ 1,224
Structured Single Risk	353	331	353
Total Below Investment Grade	<u>\$ 1,599</u>	<u>\$ 1,588</u>	<u>\$ 1,576</u>
Total Net Par Outstanding	\$ 27,256	\$ 29,746	\$ 31,252
BIG as % of Net Par Outstanding	5.9%	5.3%	5.0%

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.

	Q2 2015	Q1 2015	Q4 2014
	NPO	NPO	NPO
Public Finance	\$ 166	\$ 150	\$ 150
Asset-Backed Securities	808	835	860
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,890	1,885	2,082
Total Below Investment Grade	<u>\$ 2,867</u>	<u>\$ 2,872</u>	<u>\$ 3,095</u>
Total Net Par Outstanding	\$ 9,416	\$ 9,562	\$ 10,292
BIG as % of Net Par Outstanding	30.5%	30.0%	30.1%

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.

Syncora Capital Assurance Inc.

	Q2 2015	Q1 2015	Q4 2014
	NPO	NPO	NPO
Public Finance	\$ 980	\$ 1,180	\$ 1,450
Structured Single Risk	353	331	353
Total Below Investment Grade	<u>\$ 1,333</u>	<u>\$ 1,510</u>	<u>\$ 1,803</u>
Total Net Par Outstanding	\$ 27,256	\$ 29,746	\$ 31,252
BIG as % of Net Par Outstanding	4.9%	5.1%	5.8%

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.

		Q2 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	Port of Portland, OR - Airport Revenue Bonds	24	AA-	aa-
8	Detroit (City of), MI - GO (State Aid)	24	A-	bbb-
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	CCC-	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		\$ 409		
Total Portfolio Net Par Outstanding		\$ 9,416		
% of Total SGI Portfolio		4.3%		
Total Public Finance Portfolio Net Par Outstanding		\$ 409		
% 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.

The City of Detroit (the "City") credits above cover two separate policy obligations: 8) 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.

		Q2 2015		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a
2	San Diego Family Housing LLC - Class I	416	AA	aa
3	Miami-Dade County, FL - Aviation Revenue Bonds	391	A	a-
4	City of Chicago, O'Hare International Airport, IL - Revenue Bonds	387	A-	a-
5	City of Denver Convention Center Hotel Project, CO	335	BBB-	bbb-
6	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
7	City of Syracuse Industrial Development Agency (Carousel Center), NY	325	BBB-	bbb-
8	Dodger Tickets LLC	295	BBB-	bbb+
9	State of California - GO	295	AA-	bbb+
10	University System of Georgia, Board of Regents, GA	272	BBB	a+
11	State of South Carolina Transportation Infrastructure Bank - Motor Vehicle Revenue	255	A	a
12	Baltimore Development Corporation (Convention Center Headquarters Hotel Project)	239	BB-	bbb-
13	City of San Jose, CA Redevelopment Agency - Tax Allocation	225	BBB+	bbb-
14	City of Denver, CO Airport System - Revenue Bonds	219	A+	a+
15	City of Houston, TX Airport System - Revenue Bonds	209	A	a
16	Riverside County, CA - Tax Allocation Bonds	208	BBB+	bbb
17	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	176	CC	c
18	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	170	AA-	a
19	New Jersey Economic Development Authority, NJ	155	A-	bbb
20	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	151	AA-	bb+
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 5,628		
Total Portfolio Net Par Outstanding		\$ 27,256		
% of Total SCAI Portfolio		20.6%		
Total Public Finance Portfolio Net Par Outstanding		\$ 19,632		
% of Total Public Finance Portfolio		28.7%		

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 - Puerto Rico Net Principal and Interest^{1,2} Amortization

As of June 30, 2015

(U.S. dollars in millions)

Q2 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	\$ 16.5	\$ 9.1	\$ 0.4	\$ 0.2	\$ 1.2	\$ 19.2	\$ 6.2	\$ -	\$ 24.3	\$ 28.5
2016	19.7	7.2	0.8	0.3	1.1	33.6	6.7	-	28.3	41.2
2017	10.7	91.2	0.8	0.3	0.6	38.5	5.5	-	17.6	129.9
2018	8.9	7.5	0.8	0.3	0.7	36.4	4.3	-	14.7	44.2
2019	4.6	8.9	0.8	0.3	1.5	3.8	5.0	-	11.8	13.0
2020	4.6	4.0	0.8	0.3	1.8	3.8	2.2	-	9.4	8.1
2021	8.0	1.9	0.8	0.3	1.0	3.8	2.1	-	11.9	6.0
2022	2.5	1.4	0.8	0.3	1.0	3.8	2.1	-	6.4	5.4
2023	20.3	6.5	0.8	0.3	1.6	3.8	0.3	-	23.0	10.5
2024	3.5	0.4	0.8	0.3	1.6	3.8	0.3	-	6.2	4.5
2025	2.3	6.8	0.8	0.3	1.6	27.1	0.3	-	5.0	34.3
2026	2.5	0.1	0.8	0.3	1.7	28.8	1.7	-	6.7	29.2
2027	3.9	0.1	0.8	0.3	1.6	26.8	1.9	-	8.3	27.3
2028	10.0	0.1	0.8	0.3	0.9	-	1.6	-	13.3	0.5
2029	4.2	0.1	0.8	0.9	0.9	-	0.9	-	6.7	1.0
2030	3.5	0.1	0.8	0.9	1.2	-	0.7	-	6.2	1.0
2031	3.1	0.1	0.8	0.9	1.5	-	-	-	5.4	1.0
2032	-	0.1	0.8	0.9	-	-	-	-	0.8	1.0
2033	-	0.1	0.8	0.9	-	-	-	-	0.8	1.0
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
Total	\$ 128.6	\$ 146.8	\$ 34.2	\$ 13.4	\$ 21.4	\$ 233.0	\$ 41.4	\$ -	\$ 225.7	\$ 393.3
Total Net Principal	\$ 97.3	\$ 120.1	\$ 16.5	\$ 6.9	\$ 14.7	\$ 176.4	\$ 33.4	\$ -	\$ 161.9	\$ 303.4
Total Net Interest	31.3	26.7	17.7	6.5	6.7	56.6	8.0	-	63.8	89.9
Total Net Principal and Interest	\$ 128.6	\$ 146.8	\$ 34.2	\$ 13.4	\$ 21.4	\$ 233.0	\$ 41.4	\$ -	\$ 225.7	\$ 393.3

Notes:

¹Net of reinsurance.

²Excludes \$47.9 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.

		Q2 2015	
Servicer/Manager Name ¹		NPO	
1	American Home Servicing	\$	260
2	CLO Manager 1 ²		216
3	OneWest Bank, FSB		197
4	Countrywide Home Loans		189
5	JP Morgan		138
6	CLO Manager 2 ²		91
7	Residential Capital, LLC		43
8	CLO Manager 3 ²		41
9	La Hipotecaria		31
10	Homeward Residential		15
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	1,222
Total Portfolio Net Par Outstanding		\$	9,416
% of Total Portfolio			13.0%
Total Structured Finance Portfolio Net Par Outstanding		\$	9,007
% of Total Structured Finance Portfolio			13.6%

Notes:

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

²Servicer/manager not revealed due to confidentiality.

Syncora Capital Assurance Inc.

		Q2 2015	
Servicer/Manager Name ¹		NPO	
1	CLO Manager 4 ²	\$	374
2	CLO Manager 5 ²		250
3	CLO Manager 2 ²		193
4	CLO Manager 6 ²		164
5	CLO Manager 1 ²		134
6	Private Commercial ABS Transaction ²		114
7	CLO Manager 7 ²		58
8	CLO Manager 8 ²		49
9	Bombardier Services Corporation		35
10	CLO Manager 3 ²		27
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	1,398
Total Portfolio Net Par Outstanding		\$	27,256
% of Total Portfolio			5.1%
Total U.S. Structured Finance Portfolio Net Par Outstanding		\$	7,624
% of Total U.S. Structured Finance Portfolio			18.3%

Notes:

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

²Servicer/manager not revealed due to confidentiality.

Insured Portfolio - Profile by Geographic Distribution

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q2 2015				Q1 2015				Q4 2014			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
Illinois ⁵	\$ 1,658	\$ 545	5.8%	Illinois	\$ 1,707	\$ 545	5.7%	Illinois	\$ 1,784	\$ 538	5.2%
Puerto Rico	465	162	1.7	Puerto Rico	460	145	1.5	Puerto Rico	470	145	1.4
Alabama	769	116	1.2	Alabama	856	116	1.2	Alabama	958	116	1.1
Other ¹	17,950	250	2.7	Other ¹	19,909	263	2.7	Other ¹	20,784	279	2.7
Non-PF Multi ^{2,3}	1,229	1,222	13.0	Non-PF Multi ²	1,320	1,313	13.7	Non-PF Multi ²	1,527	1,520	14.8
Total United States	\$ 22,072	\$ 2,294	24.4%	Total United States	\$ 24,251	\$ 2,382	24.9%	Total United States	\$ 25,523	\$ 2,597	25.2%
International				International				International			
United Kingdom	\$ 4,631	\$ 4,226	44.9%	United Kingdom	\$ 4,574	\$ 4,194	43.9%	United Kingdom	\$ 4,802	\$ 4,397	42.7%
Australia	1,420	1,386	14.7	Australia	1,405	1,371	14.3	Australia	1,638	1,601	15.6
Chile	575	435	4.6	Chile	621	480	5.0	Chile	654	504	4.9
France	380	380	4.0	France	416	416	4.3	France	428	428	4.2
Canada	236	138	1.5	Italy	151	151	1.6	Italy	159	159	1.5
Italy	133	133	1.4	Canada	235	137	1.4	Canada	248	151	1.5
Portugal	98	98	1.0	Other ¹	566	167	1.7	Portugal	107	107	1.0
Other ¹	404	67	0.7	Non-PF Multi ²	266	266	2.8	Other ¹	493	81	0.8
Non-PF Multi ^{2,4}	259	259	2.8	Total International	\$ 8,233	\$ 7,180	75.1%	Non-PF Multi ²	266	266	2.6
Total International	\$ 8,137	\$ 7,122	75.6%	Total International	\$ 8,233	\$ 7,180	75.1%	Total International	\$ 8,796	\$ 7,695	74.8%
Total Outstanding	\$ 30,209	\$ 9,416	100.0%	Total Outstanding	\$ 32,484	\$ 9,562	100.0%	Total Outstanding	\$ 34,319	\$ 10,292	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 \$872 million in ABS and \$350 million in CDO net par.

⁴ Consists of \$259 million in SSR net par.

⁵ As of June 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.

Q2 2015				Q1 2015				Q4 2014			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
California	\$ 4,222	\$ 4,178	15.3%	California	\$ 4,405	\$ 4,362	14.7%	California	\$ 4,537	\$ 4,492	14.4%
New York	2,152	2,152	7.9	New York	2,456	2,456	8.3	New York	2,510	2,510	8.0
Texas	1,237	1,237	4.5	Florida	1,593	1,493	5.0	Florida	1,638	1,538	4.9
Illinois ⁴	1,113	1,113	4.1	Texas	1,303	1,303	4.4	Texas	1,396	1,396	4.5
Florida	1,133	1,033	3.8	Illinois	1,162	1,162	3.9	Illinois	1,246	1,246	4.0
Colorado	824	824	3.0	Pennsylvania	966	966	3.2	Pennsylvania	1,033	1,033	3.3
Pennsylvania	816	816	3.0	Colorado	841	841	2.8	Colorado	842	842	2.7
Alabama	654	654	2.4	Alabama	740	740	2.5	Alabama	842	842	2.7
Virginia	648	648	2.4	Georgia	678	678	2.3	Georgia	685	685	2.2
Georgia	580	580	2.1	Virginia	654	654	2.2	Virginia	657	657	2.1
Washington	567	567	2.1	Ohio	595	595	2.0	Ohio	605	605	1.9
Ohio	553	553	2.0	Washington	583	583	2.0	Washington	594	594	1.9
Tennessee	521	521	1.9	Tennessee	578	578	1.9	Tennessee	594	594	1.9
District Of Columbia	471	471	1.7	South Carolina	495	495	1.7	New Jersey	522	522	1.7
South Carolina	466	466	1.7	New Jersey	478	478	1.6	South Carolina	496	496	1.6
New Jersey	455	455	1.7	District Of Columbia	474	474	1.6	District Of Columbia	477	477	1.5
Indiana	356	356	1.3	Indiana	388	388	1.3	Indiana	434	434	1.4
Massachusetts	346	346	1.3	Missouri	373	373	1.3	Missouri	402	402	1.3
Puerto Rico	303	303	1.1	Massachusetts	357	357	1.2	Massachusetts	384	384	1.2
Missouri	291	291	1.1	Michigan	343	343	1.2	Minnesota	370	370	1.2
Michigan	287	287	1.1	Puerto Rico	314	314	1.1	Michigan	361	361	1.2
Other ¹	3,383	3,383	12.4	Wisconsin	303	303	1.0	Wisconsin	327	327	1.0
Non-PF Multi ^{2,3}	2,074	2,074	7.6	Other ¹	3,570	3,570	12.0	Puerto Rico	325	325	1.0
Total United States	\$ 23,452	\$ 23,308	85.5%	Non-PF Multi ²	2,319	2,319	7.8	Other ¹	3,433	3,433	11.0
				Total United States	\$ 25,968	\$ 25,824	86.8%	Non-PF Multi ²	2,473	2,473	7.9
								Total United States	\$ 27,182	\$ 27,037	86.5%
International				International				International			
United Kingdom	\$ 2,671	\$ 2,671	9.8%	United Kingdom	\$ 2,520	\$ 2,520	8.5%	United Kingdom	\$ 2,675	\$ 2,675	8.6%
New Zealand	480	480	1.8	New Zealand	568	568	1.9	New Zealand	593	593	1.9
Netherlands	374	374	1.4	Netherlands	411	411	1.4	Netherlands	513	513	1.6
Other ¹	423	423	1.6	Other ¹	423	423	1.4	Other ¹	434	434	1.4
Total International	\$ 3,948	\$ 3,948	14.5%	Total International	\$ 3,922	\$ 3,922	13.2%	Total International	\$ 4,215	\$ 4,215	13.5%
Total Outstanding	\$ 27,400	\$ 27,256	100.0%	Total Outstanding	\$ 29,890	\$ 29,746	100.0%	Total Outstanding	\$ 31,397	\$ 31,252	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 \$1,926 million in CDO and \$149 million in ABS net par.

⁴ As of June 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 June 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	\$ 191.4 22.4%
Cash and Cash Equivalents	\$ 44.0	5.2%	1 to 5 Years	401.6 47.1%
Short-Term Investments	72.2	8.5%	5 to 10 Years	0.7 0.1%
Total Cash and Short-Term Investments	116.2	13.6%	Due after 10 Years	0.8 0.1%
Debt Securities			Mortgage and asset-backed securities	258.5 30.3%
MBS/ABS	258.5	30.3%	Total	\$ 853.0 100.0%
U.S. Government	252.4	29.6%		
Corporate	213.7	25.1%	Yield to Maturity @ Book Value	1.4%
States & Political Subs	12.2	1.4%	Yield to Maturity @ Market Value	1.1%
Total Long-Term Fixed Maturity	736.8	86.4%	Duration (years)	1.4
Total	\$ 853.0	100.0%		

Notes:

- Excludes \$61.1 million of uninsured cash flow ("UCF") securities.
- Excludes \$8.9 million of other remediation-related securities.
- Excludes \$15.4 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 333.9	39.1%
AA	298.9	35.0%
A	201.4	23.6%
BBB	17.5	2.1%
BB & below and Not Rated	1.3	0.2%
Total	\$ 853.0	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	\$ 60.4 15.3%
Cash and Cash Equivalents	\$ 41.7	10.6%	1 to 5 Years	48.6 12.3%
Short-Term Investments	18.3	4.6%	5 to 10 Years	91.5 23.2%
Total Cash and Short-Term Investments	60.0	15.2%	Due after 10 Years	41.8 10.6%
Debt Securities			Mortgage and asset-backed securities	151.9 38.5%
MBS/ABS	151.9	38.5%	Total	\$ 394.2 100.0%
U.S. Government	21.1	5.3%		
Corporate	139.8	35.5%	Yield to Maturity @ Book Value	3.1%
States & Political Subs	21.3	5.4%	Yield to Maturity @ Market Value	2.8%
Total Long-Term Fixed Maturity	334.1	84.8%	Duration (years)	4.2
Total	\$ 394.2	100.0%		

Notes:

- Excludes \$50.0 million of uninsured cash flow ("UCF") securities.
- Excludes \$1.5 million of a bond purchased for remediation.
- Excludes \$3.6 million of preferred stocks.
- Excludes \$25.6 million of common stocks and alternative investments.
- Excludes \$4.3 million of operating cash balances.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 104.4	26.5%
AA	122.0	31.0%
A	56.4	14.3%
BBB	94.1	23.9%
BB & below and Not Rated	17.3	4.4%
Total	\$ 394.2	100.0%
Average credit quality	A	