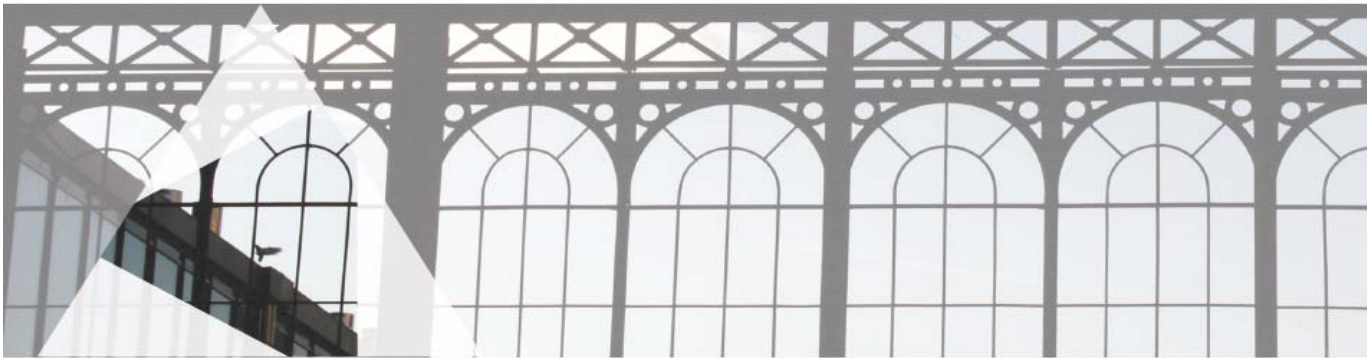


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**3RD QUARTER 2010
OPERATING SUPPLEMENT**



Syncora Guarantee Inc. Syncora Capital Assurance Inc. Index

	Page Number
Certain Definitions	2
Syncora Legal Entity Structure	3
Assets, Liabilities, Surplus/(Deficit) and Other Funds	4
Statement of Income	5
Claims Paying Resources & Leverage Ratio	6
Insured Portfolio - Par Outstanding	7
Insured Portfolio - Debt Service Amortization	8
Insured Portfolio - Composition & Loss Reserves	9
Insured Portfolio - Watch List	10
Insured Portfolio - Distribution by Rating	11
Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures	12
Insured Portfolio - 20 Largest Public Finance Credits	13
Insured Portfolio - Top 10 Structured Finance Servicer/Manager Exposures	14
Insured Portfolio - Profile by Geographic Distribution	15
Investment Portfolio	16

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 contracts¹ (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.

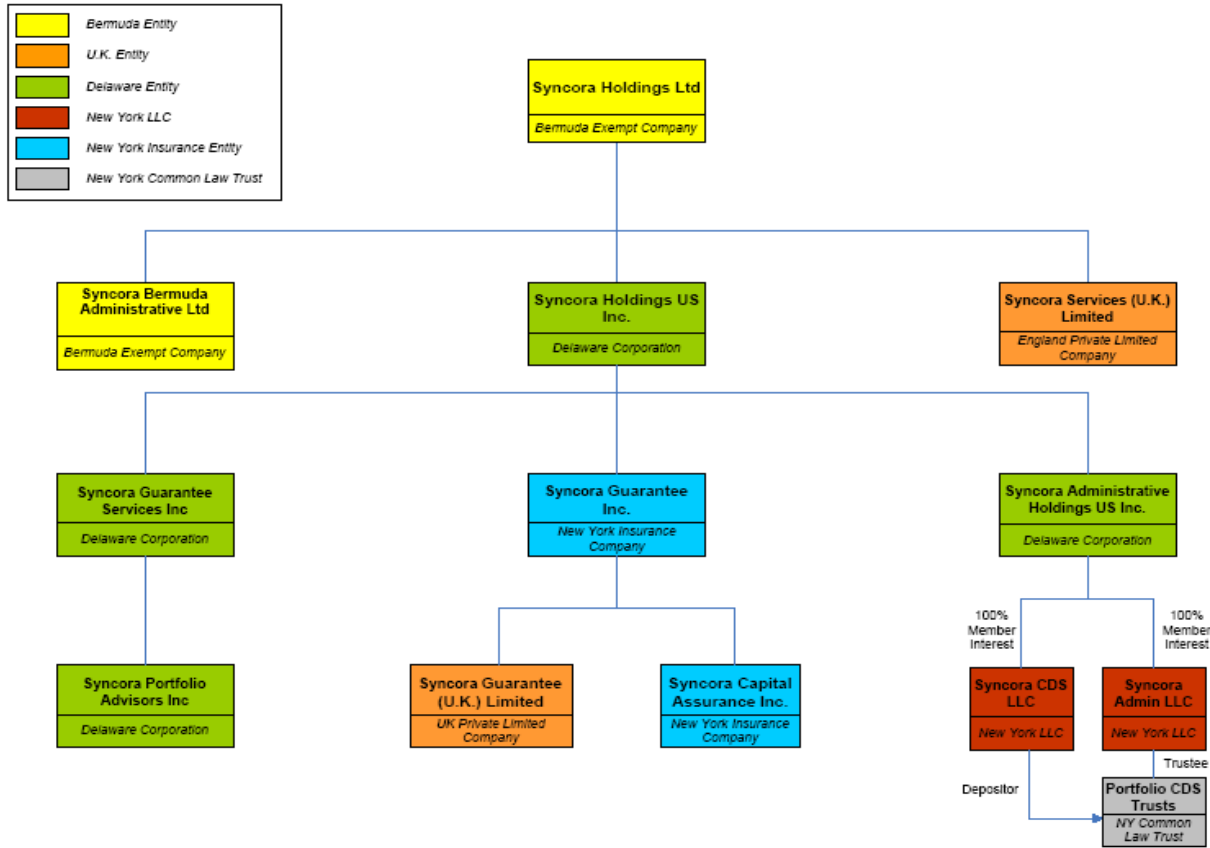
Net principal and interest outstanding

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:

¹Includes certain management estimates.

Syncora Legal Entity Structure



Note:
Syncora CDS Corp. was dissolved on October 15, 2010.

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

Syncora Guarantee Inc.

	As of		
	9/30/2010	6/30/2010	3/31/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 268,524	\$ 258,553	\$ 389,470
Bonds	109,783	150,174	151,214
Uninsured cash flow certificates	56,380	57,455	86,500
Interest rate derivatives	2,663	7,025	17,241
Investment in subsidiary - Syncora Guarantee (UK)	50,183	46,931	43,621
Investment in subsidiary - Syncora Capital Assurance	128,087	197,086	203,801
Receivables for securities	-	1,211	1
Subtotal, cash and invested assets	615,619	718,434	891,848
Investment income due and accrued	1,622	2,657	1,345
Uncollected premiums	5,992	4,587	5,213
Collateral deposit	13,800	14,400	13,600
Assets received as salvage	172,602	185,092	188,061
Other assets	5,768	3,834	7,474
Total Assets	\$ 815,403	\$ 929,003	\$ 1,107,541
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 263,178	\$ 324,230	\$ 559,294
Unearned premiums	268,080	262,242	264,549
Payable to parent, subsidiaries and affiliates	20,832	11,183	11,852
Mandatory contingency reserve	103,602	111,957	112,278
Other liabilities	38,885	75,598	55,473
Total Liabilities	694,576	785,210	1,003,446
Surplus notes	625,000	625,000	625,000
Preferred capital stock	200,000	200,000	200,000
Common capital stock	15,000	15,000	15,000
Gross paid in and contributed surplus	2,006,306	2,006,306	2,006,306
Unassigned funds (surplus)	(2,725,479)	(2,702,513)	(2,742,212)
Surplus as regards policyholders	120,827	143,793	104,095
Total Liabilities, Surplus and Other Funds	\$ 815,403	\$ 929,003	\$ 1,107,541

Syncora Capital Assurance Inc.

	As of		
	9/30/2010	6/30/2010	3/31/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 214,544	\$ 245,400	\$ 229,622
Bonds	577,968	610,403	632,752
Subtotal, cash and invested assets	792,512	855,803	862,375
Investment income due and accrued	4,702	5,693	5,840
Uncollected premiums	4,234	3,962	4,023
Net deferred tax asset	6,863	6,834	6,834
Other assets	2,500	2,500	2,500
Total Assets	\$ 810,811	\$ 874,792	\$ 881,572
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 16,000	\$ 16,000	\$ 16,000
Unearned premiums	394,742	401,299	408,635
Payable to parent, subsidiaries and affiliates	22,783	13,026	14,213
Mandatory contingency reserve	235,816	225,812	213,262
Other liabilities	5,742	8,089	10,301
Total Liabilities	675,083	664,226	662,411
Surplus notes	275,000	350,000	350,000
Common capital stock	2,500	2,500	2,500
Gross paid in and contributed surplus	189,000	189,000	189,000
Unassigned funds (surplus)	(330,772)	(330,934)	(322,339)
Surplus as regards policyholders	135,728	210,566	219,161
Total Liabilities, Surplus and Other Funds	\$ 810,811	\$ 874,792	\$ 881,572

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	9/30/2010	6/30/2010	3/31/2010
Net premiums written	\$ 20,368	\$ 10,392	\$ 11,346
Underwriting Income			
Net premiums earned	\$ 14,530	\$ 12,698	\$ 13,943
Losses incurred/(remediated)	28,776	(43,560)	(23,886)
Loss adjustment expenses incurred	27,555	(1,010)	4,662
Other underwriting expenses incurred	11,541	12,395	12,513
Other underwriting deductions/(additions)	(493)	15,895	-
Net underwriting gain/(loss)	(52,849)	28,978	20,654
Investment Income			
Net investment income earned	9,280	19,756	10,985
Net realized gains/(losses)	5,068	(3,978)	(19,149)
Total net investment gain/(loss)	14,348	15,778	(8,164)
Other Income			
Other income	2,822	2,477	2,773
Net income/(loss) before taxes	(35,679)	47,233	15,263
Federal and foreign income taxes incurred/(benefit)	(15,140)	84	16,130
Net income/(loss)	\$ (20,539)	\$ 47,149	\$ (867)

Syncora Capital Assurance Inc.

	Three Months Ended		
	9/30/2010	6/30/2010	3/31/2010
Net premiums written	\$ 11,347	\$ 9,880	\$ 11,335
Underwriting Income			
Net premiums earned	\$ 17,903	\$ 17,217	\$ 18,463
Net losses incurred	-	-	-
Loss adjustment expenses incurred	-	-	-
Other underwriting expenses incurred	5,726	12,100	7,012
Other underwriting deductions/(additions)	(278)	312	-
Net underwriting gain/(loss)	12,455	4,804	11,452
Investment Income			
Net investment income earned	4,857	(4,926)	5,123
Net realized capital gains	7,103	138	2,596
Total net investment gain/(loss)	11,960	(4,788)	7,719
Other Income			
Other income	1,042	1,042	1,042
Net income/(loss) before taxes	25,456	1,058	20,212
Federal and foreign income taxes incurred/(benefit)	15,140	(84)	(16,130)
Net income/(loss)	\$ 10,316	\$ 1,142	\$ 36,342

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

Syncora Guarantee Inc.

	As of		
	9/30/2010	6/30/2010	3/31/2010
Claims paying resources			
Policyholders' surplus	\$ 121	\$ 144	\$ 104
Contingency reserve	<u>104</u>	<u>112</u>	<u>112</u>
Qualified statutory capital	224	256	216
Unearned premium revenue	268	262	265
Loss & loss adjustment expense reserves	<u>263</u>	<u>324</u>	<u>559</u>
Total policyholders' surplus & reserves	756	842	1,040
NPVFIP	<u>187</u>	<u>237</u>	<u>246</u>
Total claims paying resources	<u>\$ 943</u>	<u>\$ 1,079</u>	<u>\$ 1,286</u>
Net par outstanding	\$ 19,727	\$ 19,909	\$ 21,826
Leverage ratio (Net par outstanding/Total claims paying resources)	20.9	18.4	17.0

Syncora Capital Assurance Inc.

	As of		
	9/30/2010	6/30/2010	3/31/2010
Claims paying resources			
Policyholders' surplus	\$ 136	\$ 211	\$ 219
Contingency reserve	<u>236</u>	<u>226</u>	<u>213</u>
Qualified statutory capital	372	436	432
Unearned premium revenue	395	401	409
Loss & loss adjustment expense reserves	<u>16</u>	<u>16</u>	<u>16</u>
Total policyholders' surplus & reserves	782	854	857
NPVFIP	<u>269</u>	<u>273</u>	<u>281</u>
Total claims paying resources	<u>\$ 1,051</u>	<u>\$ 1,127</u>	<u>\$ 1,139</u>
Net par outstanding	\$ 77,591	\$ 77,782	\$ 78,984
Leverage ratio (Net par outstanding/Total claims paying resources)	73.8	69.0	69.4

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

Syncora Guarantee Inc.

	Par Outstanding as of		
	9/30/2010	6/30/2010	3/31/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,780	\$ 1,792	\$ 2,111
U.S. Structured Finance:			
Consumer ABS	2,397	2,605	3,096
Pooled Debt Obligations	1,099	1,159	1,207
Other	1,590	1,677	2,013
Total U.S. Structured Finance	5,085	5,441	6,315
International Finance:			
Transportation	4,772	4,868	5,205
Power & Utility	4,343	4,083	4,196
Other	3,747	3,726	3,999
Total International Finance	12,862	12,677	13,400
Total Par Outstanding	\$ 19,727	\$ 19,909	\$ 21,826
Percent of Net Par Outstanding			
U.S. Public Finance	9.0%	9.0%	9.7%
U.S. Structured Finance	25.8%	27.3%	28.9%
International Finance	65.2%	63.7%	61.4%

Syncora Capital Assurance Inc.

	Par Outstanding as of		
	9/30/2010	6/30/2010	3/31/2010
	Net	Net	Net
U.S. Public Finance:			
General Obligation	\$ 26,339	\$ 26,464	\$ 26,782
Utility	5,676	5,723	5,763
Non Ad Valorem	4,403	4,455	4,469
Higher Education	3,444	3,475	3,555
Transportation	2,911	3,115	3,116
Other	3,961	3,967	3,979
Total U.S. Public Finance	46,734	47,198	47,662
U.S. Structured Finance:			
Pooled Debt Obligations	17,322	17,389	17,438
Power & Utility	3,637	3,765	3,977
Other	1,048	1,059	1,070
Total U.S. Structured Finance	22,006	22,214	22,485
International Finance:			
Pooled Debt Obligations	3,288	3,283	3,565
Power & Utility	2,281	2,121	2,167
Transportation	1,826	1,572	1,681
Other	1,456	1,394	1,424
Total International Finance	8,852	8,370	8,837
Total Par Outstanding	\$ 77,591	\$ 77,782	\$ 78,984
Percent of Net Par Outstanding			
U.S. Public Finance	60.2%	60.7%	60.3%
U.S. Structured Finance	28.4%	28.6%	28.5%
International Finance	11.4%	10.8%	11.2%

Insured Portfolio - Debt Service Amortization

As of September 30, 2010

(U.S. dollars in millions)

Syncora Guarantee Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 30,892
4th Quarter 2010	1,182	29,710
2011	1,933	27,777
2012	1,340	26,437
2013	1,394	25,043
2014	1,292	23,751
2015	1,142	22,609
2016-2020	5,413	17,196
2021-2025	3,751	13,445
2026 and thereafter	13,445	-
	<u>\$ 30,892</u>	

Syncora Capital Assurance Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 112,763
4th Quarter 2010	1,049	111,714
2011	5,616	106,098
2012	6,094	100,004
2013	8,801	91,202
2014	10,441	80,761
2015	5,766	74,995
2016-2020	26,477	48,518
2021-2025	15,306	33,212
2026 and thereafter	33,212	-
	<u>\$ 112,763</u>	

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

Syncora Guarantee Inc.

Exposure ¹	9/30/2010		6/30/2010		3/31/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 1,480	15	\$ 1,502	15	\$ 1,611	16
ABS: RMBS	2,137	34	2,292	35	2,723	38
ABS: non-RMBS	818	13	940	14	1,306	15
Power & Utilities	4,400	14	4,130	14	4,232	14
Global Infrastructure	7,339	28	7,388	30	7,755	30
Specialized Risk	1,774	14	1,866	14	2,023	16
Public Finance	1,780	17	1,792	17	2,177	17
Total	\$ 19,727	135	\$ 19,909	139	\$ 21,826	146

Reserves	9/30/2010		6/30/2010		3/31/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 7		\$ 9		\$ 10	
ABS: RMBS	131		224		438	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	-		-		-	
Specialized Risk	-		-		-	
Public Finance	121		111		126	
Total	\$ 259		\$ 344		\$ 574	
Less Salvage & Subrogation	(29)		(29)		(28)	
Adjusted Total	\$ 230		\$ 315		\$ 546	

Note:

¹ Categories include domestic and international credits.

Syncora Capital Assurance Inc.

Exposure ¹	9/30/2010		6/30/2010		3/31/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 20,609	76	\$ 20,672	77	\$ 21,004	77
ABS: RMBS	-	-	-	-	-	-
ABS: non-RMBS	563	3	574	3	585	3
Power & Utilities	5,918	41	5,886	42	6,143	42
Global Infrastructure	2,734	7	2,432	7	2,544	7
Specialized Risk	934	6	919	6	946	6
Public Finance	46,833	2,322	47,297	2,336	47,762	2,352
Total	\$ 77,591	2,455	\$ 77,782	2,471	\$ 78,984	2,487

Reserves	9/30/2010		6/30/2010		3/31/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 16		\$ 16		\$ 16	
ABS: RMBS	-		-		-	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	-		-		-	
Specialized Risk	-		-		-	
Public Finance	-		-		-	
Total	\$ 16		\$ 16		\$ 16	
Less Salvage & Subrogation	-		-		-	
Adjusted Total	\$ 16		\$ 16		\$ 16	

Note:

¹ Categories include domestic and international credits.

**Insured Portfolio - Watch List
As of September 30, 2010
(U.S. dollars in millions)**

Syncora Guarantee Inc.

	Par Outstanding as of 9/30/2010				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	7	7	3	27	44
Remaining weighted-average contract period (in years)	9.9	9.8	8.5	13.2	11.4
Insured contractual payments outstanding:					
Principal	\$ 1,889.4	\$ 600.6	\$ 229.3	\$ 2,646.9	\$ 5,366.1
Interest	726.4	220.0	67.8	1,201.9	2,216.1
Total	<u>\$ 2,615.8</u>	<u>\$ 820.7</u>	<u>\$ 297.0</u>	<u>\$ 3,848.8</u>	<u>\$ 7,582.3</u>
Gross loss reserves before salvage	\$ -	\$ -	\$ -	\$ 264.6	\$ 264.6
Net loss reserves before salvage, but after reinsurance	\$ -	\$ -	\$ -	\$ 259.0	\$ 259.0
Net loss reserves after salvage and subrogation, after reinsurance	\$ -	\$ -	\$ -	\$ 229.9	\$ 229.9

Note:

¹Count excludes credits with \$0 (zero) net par outstanding.

Syncora Capital Assurance Inc.

	Par Outstanding as of 9/30/2010				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	12	8	1	1	22
Remaining weighted-average contract period (in years)	8.5	13.2	14.9	0.5	8.8
Insured contractual payments outstanding:					
Principal	\$ 2,871.2	\$ 1,354.2	\$ 5.5	\$ 620.0	\$ 4,850.8
Interest	584.1	857.1	3.7	16.9	1,461.8
Total	<u>\$ 3,455.3</u>	<u>\$ 2,211.3</u>	<u>\$ 9.2</u>	<u>\$ 636.9</u>	<u>\$ 6,312.6</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 16.0	\$ 16.0
Net loss reserves	\$ -	\$ -	\$ -	\$ 16.0	\$ 16.0

Note:

¹Count excludes credits with \$0 (zero) net par outstanding.

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

Syncora Guarantee Inc.

Distribution by Rating ¹	Par Outstanding as of					
	9/30/2010		6/30/2010		3/31/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 1,590	8.1%	\$ 989	5.0%	\$ 1,438	6.6%
AA	1,293	6.6%	1,608	8.1%	1,642	7.5%
A	2,127	10.8%	2,430	12.2%	2,515	11.5%
BBB	10,049	50.9%	10,689	53.7%	11,906	54.5%
Below investment grade	4,668	23.7%	4,193	21.1%	4,325	19.8%
Net par outstanding	<u>\$ 19,727</u>	<u>100.0%</u>	<u>\$ 19,909</u>	<u>100.0%</u>	<u>\$ 21,826</u>	<u>100.0%</u>

Note:

¹Based on S&P rating as reflected in Syncora's records, if available, and internal Syncora rating if no S&P rating is available.

Syncora Capital Assurance Inc.

Distribution by Rating ¹	Par Outstanding as of					
	9/30/2010		6/30/2010		3/31/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 14,270	18.4%	\$ 14,678	18.9%	\$ 16,283	20.6%
AA	23,571	30.4%	22,811	29.3%	21,395	27.1%
A	26,957	34.7%	27,597	35.5%	28,180	35.7%
BBB	9,951	12.8%	10,149	13.0%	11,043	14.0%
Below investment grade	2,843	3.7%	2,548	3.3%	2,082	2.6%
Net par outstanding	<u>\$ 77,591</u>	<u>100.0%</u>	<u>\$ 77,782</u>	<u>100.0%</u>	<u>\$ 78,984</u>	<u>100.0%</u>

Note:

¹Based on S&P rating as reflected in Syncora's records, if available, and internal Syncora rating if no S&P rating is available.

Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures (U.S. dollars in millions)

Syncora Guarantee Inc.

	Par Outstanding as of		
	9/30/2010	6/30/2010	3/31/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 595	\$ 593	\$ 978
U.S. Structured Finance:			
Consumer ABS	1,709	1,844	1,853
Other	767	327	556
Total U.S. Structured Finance	2,475	2,171	2,408
International Finance:			
Total International Finance	1,597	1,429	939
Total Below Investment Grade	\$ 4,668	\$ 4,193	\$ 4,325
BIG as a percentage of net par outstanding	23.7%	21.1%	19.8%

Note:

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

Syncora Capital Assurance Inc.

	Par Outstanding as of		
	9/30/2010	6/30/2010	3/31/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,521	\$ 1,217	\$ 1,205
U.S. Structured Finance:			
Total U.S. Structured Finance	1,227	1,228	765
International Finance:			
Total International Finance	95	102	112
Total Below Investment Grade	\$ 2,843	\$ 2,548	\$ 2,082
BIG as a percentage of net par outstanding	3.7%	3.3%	2.6%

Note:

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

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

Syncora Guarantee Inc.

Par Outstanding as of 9/30/2010			
	Obligor Name ¹	Net	S&P Rating
1	Jefferson County, AL - Water/Sewer Revenue	\$ 553	D
2	Commonwealth of Puerto Rico - GO	312	BBB-
3	City of Lansing, MI - GO/AA	161	AA+
4	New Jersey (State of) - Annual Appropriation	148	AAA
5	State of Wisconsin - AA	133	AA-
6	Massachusetts (Commonwealth of) - GO	79	AAA
7	Port Authority of New York and New Jersey, NY	79	AAA
8	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	66	AAA
9	Metropolitan Transportation Authority, NY - Dedicated Tax Fund Bonds	55	AA
10	City of Detroit, MI - GO/AA	42	BB
11	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	39	AAA
12	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA
13	Port of Portland, OR - Airport Revenue Bonds	30	AA-
14	Los Angeles County Metropolitan Transportation Authority, CA - Sales Tax	18	AAA
15	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	16	AAA
16	JEA, FL Water & Sewer (Senior Lien)	8	AA-
17	Jackson Energy Authority, TN - Water Revenue Bonds	1	A
	Total Net Par Outstanding of the Largest Public Finance Credits	<u>\$ 1,780</u>	
	Total Portfolio Net Par Outstanding	\$ 19,727	
	% of Total Portfolio	9.0%	
	Total Public Finance Portfolio Net Par Outstanding	\$ 1,780	
	% of Total Public Finance Portfolio	100.0%	

Note:

¹Individual obligors may have policies with different ratings. Net Par Outstanding shown is grouped by the obligor's lowest rating.

Syncora Capital Assurance Inc.

Par Outstanding as of 9/30/2010			
	Obligor Name ¹	Net	S&P Rating
1	Texas (State of) - GO	\$ 950	AA+
2	State of California - GO	902	BBB+
3	Maryland (State of) - GO	850	AAA
4	San Diego Family Housing LLC	725	AA
5	Massachusetts (Commonwealth of) - GO	705	AA
6	Ohio (State of) - GO	700	AA+
7	Illinois (State of) - GO	691	A+
8	Delaware (State of) - GO	650	AAA
9	North Carolina (State of) - GO	650	AAA
10	Florida (State of) - GO	637	AAA
11	LCOR Alexandria, LLC - Lease Revenue	580	A
12	Virginia (Commonwealth of) - GO	550	AAA
13	Pennsylvania (State of) - GO	500	AA
14	City of Denver, CO Airport System - Revenue Bonds	486	A+
15	City of Chicago, O'Hare International Airport, IL - Revenue Bonds	450	A-
16	City of Miami, FL Miami International Airport - Aviation Revenue Bonds	418	A-
17	City of Detroit, MI - Pension Obligations Bonds	407	BB
18	City of Denver Convention Center Hotel Project, CO	354	BBB-
19	City of New York, NY - GO	348	AA
20	Port Authority of New York and New Jersey, NY	347	AA-
	Total Net Par Outstanding of the 20 Largest Public Finance Credits	<u>\$ 11,901</u>	
	Total Portfolio Net Par Outstanding	\$ 77,591	
	% of Total Portfolio	15.3%	
	Total Public Finance Portfolio Net Par Outstanding	\$ 46,833	
	% of Total Public Finance Portfolio	25.4%	

Note:

¹Individual obligors may have policies with different ratings. Net Par Outstanding shown is grouped by the obligor's lowest rating.

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

Syncora Guarantee Inc.

		Par Outstanding as of 9/30/2010	
		Servicer/Manager Name ¹	Net
1	Countrywide Home Loans		\$ 482
2	Wells Fargo Bank, NA		390
3	American Home Servicing		375
4	OneWest Bank, FSB		347
5	CLO Manager 1 ²		323
6	CLO Manager 2 ²		268
7	CLO Manager 3 ²		243
8	AmeriCredit Financial Services, Inc.		241
9	Private Commercial ABS Transaction ²		237
10	JP Morgan		232
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 3,138</u>
Total Portfolio Net Par Outstanding			\$ 19,727
% of Total Portfolio			15.9%
Total Structured Finance Portfolio Net Par Outstanding			\$ 17,948
% of Total Structured Finance Portfolio			17.5%

Notes:

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

²Servicer/manager not revealed due to confidentiality.

Syncora Capital Assurance Inc.

		Par Outstanding as of 9/30/2010	
		Servicer/Manager Name ¹	Net
1	CLO Manager 4 ²		\$ 1,253
2	CLO Manager 5 ²		1,236
3	CLO Manager 6 ²		843
4	CLO Manager 7 ²		767
5	CLO Manager 8 ²		748
6	CLO Manager 9 ²		697
7	CLO Manager 2 ²		646
8	CLO Manager 10 ²		584
9	CLO Manager 11 ²		560
10	CLO Manager 12 ²		553
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 7,886</u>
Total Portfolio Net Par Outstanding			\$ 77,591
% of Total Portfolio			10.2%
Total Structured Finance Portfolio Net Par Outstanding			\$ 30,758
% of Total Structured Finance Portfolio			25.6%

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.

	9/30/2010		Par Outstanding as of 6/30/2010		3/31/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
Alabama	\$ 1,056	5.4%	\$ 1,055	5.3%	\$ 1,438	6.6%
Other	<u>5,809</u>	<u>29.4%</u>	<u>6,178</u>	<u>31.0%</u>	<u>6,988</u>	<u>32.0%</u>
Total United States	6,865	34.8%	7,233	36.3%	8,426	38.6%
Non-United States						
United Kingdom	6,472	32.8%	6,406	32.2%	6,583	30.2%
Australia	1,942	9.8%	1,699	8.5%	1,849	8.5%
Other	<u>4,449</u>	<u>22.6%</u>	<u>4,572</u>	<u>23.0%</u>	<u>4,968</u>	<u>22.8%</u>
Total Non-United States	12,862	65.2%	12,677	63.7%	13,400	61.4%
Total Par Outstanding	<u>\$ 19,727</u>	<u>100.0%</u>	<u>\$ 19,909</u>	<u>100.0%</u>	<u>\$ 21,826</u>	<u>100.0%</u>

Syncora Capital Assurance Inc.

	9/30/2010		Par Outstanding as of 6/30/2010		3/31/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
New York	\$ 11,335	14.6%	\$ 11,405	14.7%	\$ 11,459	14.5%
California	7,512	9.7%	7,574	9.7%	7,639	9.7%
Illinois	3,309	4.3%	3,308	4.3%	3,310	4.2%
Texas	3,269	4.2%	3,251	4.2%	3,265	4.1%
Florida	2,714	3.5%	2,677	3.4%	2,681	3.4%
Pennsylvania	2,645	3.4%	2,673	3.4%	2,763	3.5%
Alabama	1,892	2.4%	1,897	2.4%	1,907	2.4%
New Jersey	1,549	2.0%	1,739	2.2%	1,740	2.2%
Massachusetts	1,451	1.9%	1,464	1.9%	1,472	1.9%
Ohio	1,421	1.8%	1,421	1.8%	1,421	1.8%
Georgia	1,408	1.8%	1,417	1.8%	1,426	1.8%
Colorado	1,391	1.8%	1,393	1.8%	1,396	1.8%
Maryland	1,234	1.6%	1,237	1.6%	1,237	1.6%
Virginia	1,225	1.6%	1,227	1.6%	1,227	1.6%
Michigan	1,152	1.5%	1,155	1.5%	1,363	1.7%
Delaware	1,126	1.5%	1,126	1.4%	1,126	1.4%
Other	<u>24,107</u>	<u>31.1%</u>	<u>24,447</u>	<u>31.4%</u>	<u>24,715</u>	<u>31.3%</u>
Total United States	68,740	88.6%	69,412	89.2%	70,147	88.8%
Non-United States						
United Kingdom	3,838	4.9%	3,470	4.5%	3,603	4.6%
Ireland	1,398	1.8%	1,518	2.0%	1,626	2.1%
Other	<u>3,616</u>	<u>4.7%</u>	<u>3,382</u>	<u>4.3%</u>	<u>3,607</u>	<u>4.6%</u>
Total Non-United States	8,852	11.4%	8,370	10.8%	8,837	11.2%
Total Par Outstanding	<u>\$ 77,591</u>	<u>100.0%</u>	<u>\$ 77,782</u>	<u>100.0%</u>	<u>\$ 78,984</u>	<u>100.0%</u>

Investment Portfolio

As of September 30, 2010

(U.S. dollars in millions)

Syncora Guarantee Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value ¹	Percentage		Book Adjusted Carrying Value ¹	Percentage
Short-term investments			Within 1 Year	\$ 94.3	47.3%
Cash and cash equivalents	\$ 0.0	0.0%	1 to 5 Years	15.6	7.8%
Short-term investments	89.2	44.8%	5 to 10 Years	56.9	28.6%
Total Cash and Short-Term Investments	89.2	44.8%	Due after 10 Years	2.6	1.3%
Debt Securities			Mortgage and asset-backed securities	29.8	14.9%
MBS/ABS	29.8	14.9%	Total	\$ 199.2	100.0%
U.S. Government	50.2	25.2%	Yield to Maturity @ Book Value ¹		3.1%
Corporate	28.8	14.5%	Yield to Maturity @ Market Value ¹		1.9%
Non-U.S. Sovereign	1.2	0.6%	Duration (years) ¹		2.1
States & Political Subs	-	0.0%			
Total Long-Term Fixed Maturity	110.0	55.2%			
Total	\$ 199.2	100.0%			

Note:

¹Excludes uninsured cash flow ("UCF") securities of \$56.4 million and operating cash balances of \$179.3 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 166.2	83.5%
AA	4.1	2.1%
A	24.9	12.5%
BBB	1.8	0.9%
BB & below and Not Rated	2.2	1.1%
Total	\$ 199.2	100.0%
Average credit quality		AA+

Syncora Capital Assurance Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value ¹	Percentage		Book Adjusted Carrying Value ¹	Percentage
Short-term investments			Within 1 Year	\$ 323.9	41.2%
Cash and cash equivalents	\$ 150.0	19.1%	1 to 5 Years	100.3	12.7%
Short-term investments	58.4	7.4%	5 to 10 Years	137.4	17.5%
Total Cash and Short-Term Investments	208.4	26.5%	Due after 10 Years	9.5	1.2%
Debt Securities			Mortgage and asset-backed securities	215.5	27.4%
MBS/ABS	215.5	27.4%	Total	\$ 786.4	100.0%
U.S. Government	106.5	13.5%	Yield to Maturity @ Book Value ¹		2.7%
Corporate	252.0	32.0%	Yield to Maturity @ Market Value ¹		1.4%
Non-U.S. Sovereign	4.0	0.5%	Duration (years) ¹		1.9
States & Political Subs	-	0.0%			
Total Long-Term Fixed Maturity	578.0	73.5%			
Total	\$ 786.4	100.0%			

Note:

¹Excludes operating cash balances of \$6.1 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 530.7	67.5%
AA	23.4	3.0%
A	220.3	28.0%
BBB	12.0	1.5%
BB & below and Not Rated	-	0.0%
Total	\$ 786.4	100.0%
Average credit quality		AA