

# Residential Mortgage-backed Securities in the Insured Portfolio

Syncora Holdings Ltd.

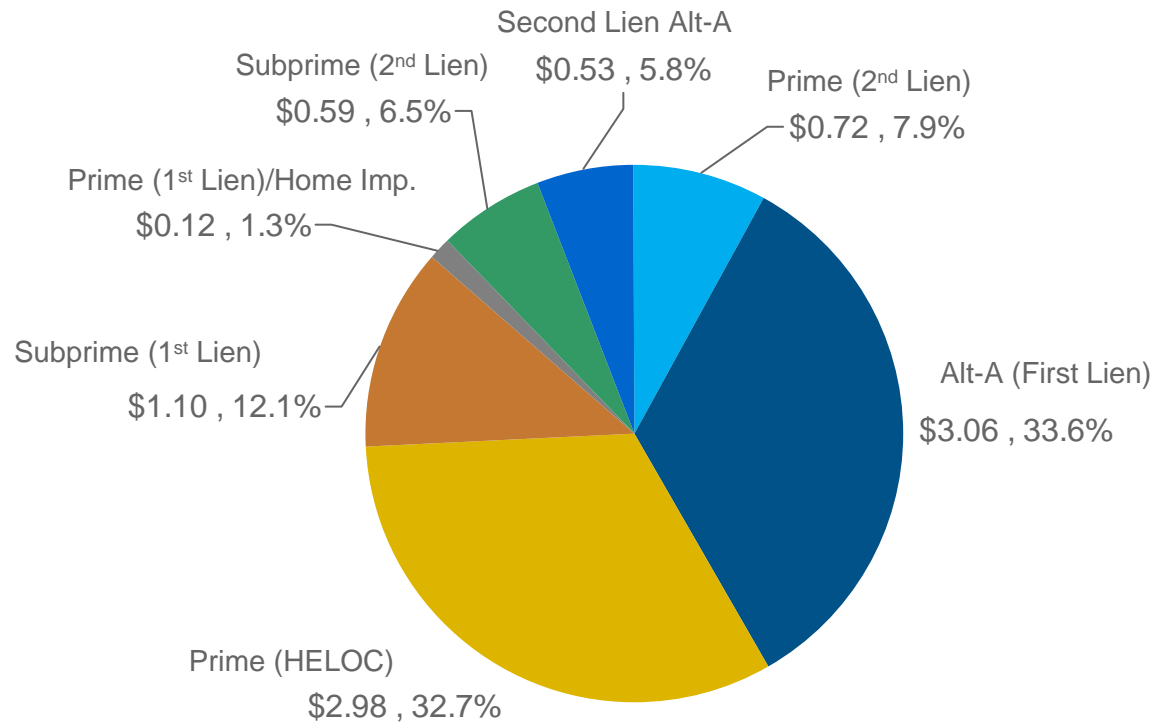
Q3 2008 RMBS Exposure (as of September 30, 2008)



# Important notice

This presentation may contain statements about future results, plans and events that may constitute "forward-looking" statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned that these statements are not guarantees of future results, plans or events and such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control. These factors include, but are not limited to: our ability to continue as a going concern; higher risk of loss in connection with obligations guaranteed by the Company due to deterioration in the credit markets stemming from the poor performance of subprime residential mortgage loans; the outcome of our negotiations with the bank counterparties concerning the commutation, termination, amendment or otherwise restructuring of their credit default swap ("CDS") contracts and the expiration of their forbearance; the decision by our regulators to take regulatory action with respect to the Company's operating subsidiaries at any time; the availability of capital and liquidity, including risks associated with the Master Transaction Agreement and related transactions and agreements with the New York Insurance Department; developments in the world's financial and capital markets that adversely affect the performance of the Company's investments and its access to such markets; changes in regulation, tax laws, legislation or accounting policies or practices; delisting from the New York Stock Exchange; limitations on our net operating carry forwards; payment of terminations values under CDS contracts; non-payment of premium and make whole payments by policy holders and counterparties; challenges to the Master Transaction Agreement and related commutations and releases; impact of non-payment of dividends on the Company's Series A Preferences shares on the Company's Board of Directors; the outcome of the efforts to refund Jefferson County, Alabama's outstanding sewer system debt and the outcome of related litigation; the performance of invested assets, losses on credit derivatives or changes in the fair value of CDS contracts, losses on the shares of XL Capital Ltd.; recent and future rating agency statements and ratings actions; the suspension of writing substantially all new business and the Company's ability to continue to operate its business in its historic form; the outcome of litigation; the timing of claims payments and the receipt of reinsurance recoverables; greater frequency or severity of claims and loss activity including in excess of the Company's loss reserves; the Company's assumptions concerning the tax treatment of the transactions contemplated by the Master Transaction Agreement and related agreements and related transactions; the impact of provisions in business arrangements and agreements triggered by the ratings downgrades; the impact of other triggers in business arrangements including CDS contracts; changes in officers and key employees; general economic conditions; changes in the availability, cost or quality of reinsurance or retrocessions; possible downgrade of the Company's reinsurers; possible default by the counterparties to the Company's reinsurance arrangements; the Company's ability to compete; changes that may occur in Company operations and ownership as the Company matures; and other additional factors, risks or uncertainties described in Company filings with the Securities and Exchange Commission, including in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, and also disclosed from time to time in subsequent reports on Form 10-Q and Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.

# RMBS Analysis – \$9.1 Billion Net Insured Par Outstanding as of 9/30/08<sup>1</sup>

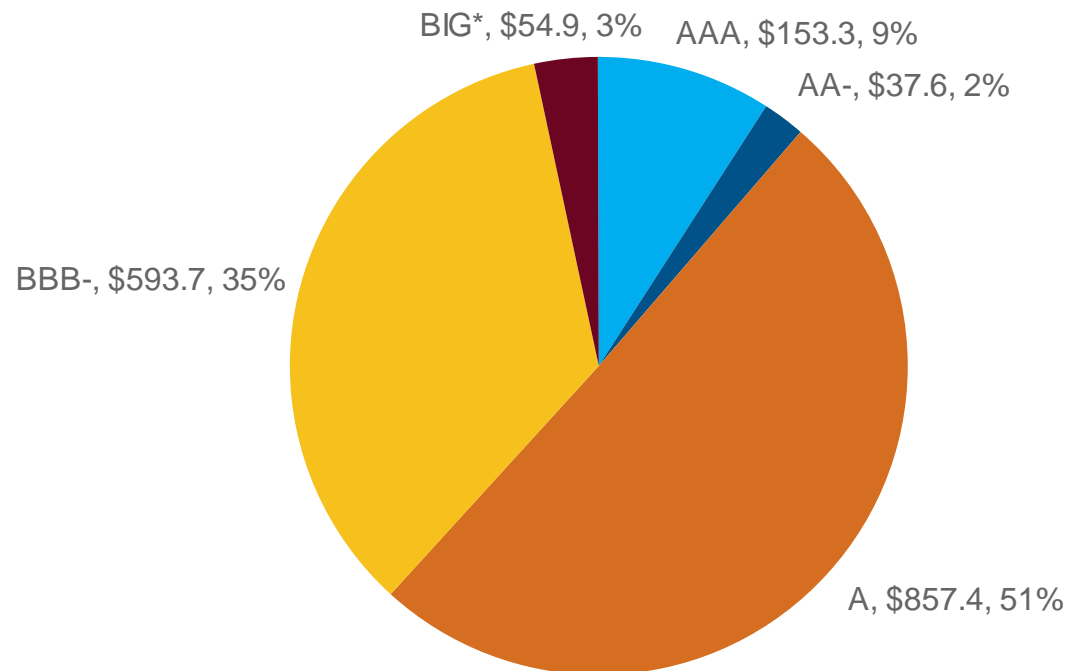


- Prime (2nd Lien)
- Alt-A (First Lien)
- Prime (HELOC)
- Subprime (1st Lien)
- Prime (1st Lien) / Home Imp.
- Subprime (2nd Lien)
- Second Lien Alt-A

1. Amounts shown in billions

# RMBS Portfolio – \$9.1 Billion Net Insured Par Outstanding as of 9/30/08<sup>1</sup>

**U.S. Subprime RMBS by attachment point**  
(\$1.7 billion representing 16 deals insured)

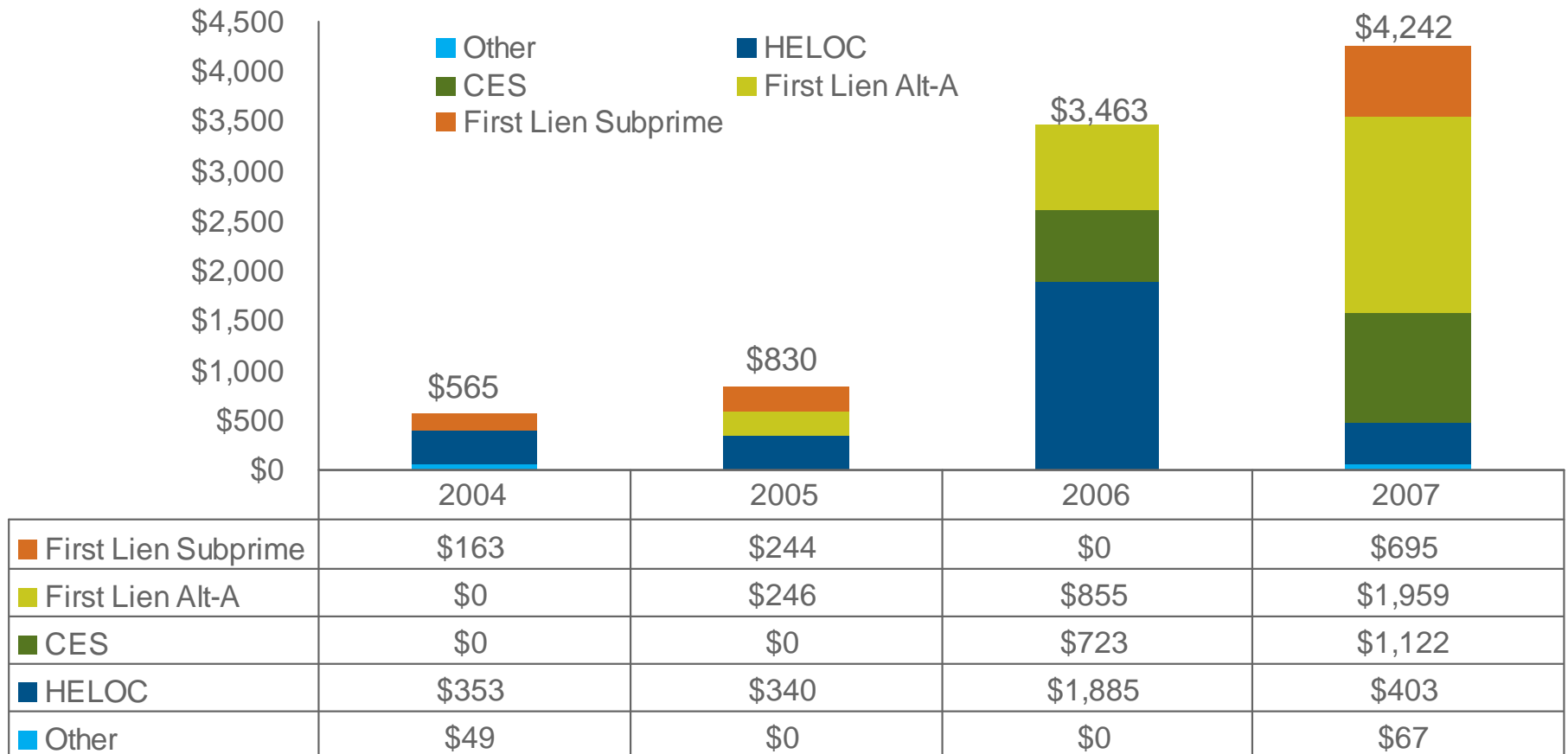


**Ratings breakdown by S&P**  
**Weighted average credit rating: A- / BBB+**

1. Amounts shown in millions

\* Below investment grade.

# RMBS Portfolio Breakdown by Vintage<sup>1</sup>



1. Amounts shown in millions