

Second Quarter 2016 Highlights

September 21, 2016



Key Highlights

2Q 2016 – Six Months Ended June 30, 2016 and 2015 - Financial Results:

- GAAP net income attributable to controlling interest of \$8.5 million as compared to \$74.0 million.
- GAAP earnings per common share of \$0.15 as compared to \$2.80.
- Non-GAAP Operating Income (Loss) of \$76.4 million as compared to \$(11.9) million.
- Non-GAAP Operating Income (Loss) per common share of \$1.36 as compared to \$(0.21).
- Adjusted Book Value of \$345.1 million as compared to \$283.3 million as of December 31, 2015.
- Adjusted Book Value per common share of \$6.13 as compared to \$5.03 as of December 31, 2015.

Insured Portfolio:

- Consolidated net par exposure decreased by \$3.8 billion to \$24.6 billion as of June 30, 2016 as compared to \$28.4 billion as of December 31, 2015.
- Consolidated Below Investment Grade (BIG) net par exposure was \$3.1 billion as of June 30, 2016 and December 31, 2015.
- GAAP BIG Flag List Leverage Ratio increased 0.12 and decreased 0.19 from December 31, 2015 to June 30, 2016 for SGI and SCAI, respectively.

2Q 2016 Remediation Transactions:

- SGI and SCAI entered into an Amended and Restated Restructuring Support Agreement with Puerto Rico Electric Power Authority.
- SCAI entered into a settlement agreement with an institutional counterparty relating to the resolution of a dispute in connection with its guarantees of certain interest rate swaps issued with respect to the City of Detroit.

Subsequent Events and Recent Developments:

- In September 2016, SGI remediated an insured obligation related to a structured single risk credit, which reduced the related insurance exposure to zero and materially reduced the Company's reserves. This transaction was determined to be a Type I subsequent event which has been recognized in the 2Q 2016 consolidated financial statements.
- In August 2016, Syncora announced the successful completion of comprehensive restructuring transactions.
- In July 2016, SGI reached an agreement in principle to settle its Proof of Claim with Lehman Brothers Inc. for an allowed unsecured claim of \$37 million. On September 20, 2016 the settlement became effective. This settlement will be recognized in the 3Q 2016.
- In July 2016, SGI settled a dispute with an originator of RMBS in relation to an insured RMBS-related transaction, that was not the subject of litigation, in return for a cash payment of \$40 million. This transaction was determined to be a Type I subsequent event and reflected in our financial results for 2Q 2016.

Financial Results

Syncora Holdings Ltd.
Summary Results of Consolidated Operations (Unaudited)
Six Months Ended June 30, 2016 and 2015
(U.S. dollars in millions, except per share amounts)

	2016	2015
Net premiums earned	\$ 26.5	\$ 29.0
Net investment income	23.2	20.7
Net (loss) on insurance cash flow certificates	(31.9)	(11.0)
Net (loss) earnings on credit default and other swap contracts	(28.4)	121.8
Net recoveries (losses) and loss adjustment expenses	91.4	(30.8)
Operating expenses	(44.2)	(38.9)
Net income attributable to controlling interest	\$ 8.5	\$ 74.0
GAAP earnings per common share	\$ 0.15	\$ 2.80
Non-GAAP operating income (loss) ⁽¹⁾	\$ 76.4	\$ (11.9)
Non-GAAP operating income (loss) per common share ⁽¹⁾	\$ 1.36	\$ (0.21)

	As of June 30, 2016 (Pro Forma) ⁽²⁾	As of June 30, 2016 (Actual)	As of December 31, 2015 (Actual)
Adjusted Book Value ⁽¹⁾	\$ 542.2	\$ 345.1	\$ 283.3
Common shares outstanding at end of period	\$ 86.6	\$ 56.3	\$ 56.3
Adjusted Book Value per common share ⁽¹⁾	\$ 6.26	\$ 6.13	\$ 5.03

⁽¹⁾ Non-GAAP operating Income (loss) and Adjusted Book Value are non-GAAP financial measures that exclude (or include) amounts that are included in (or excluded from) total Syncora Holdings Ltd. net income and common shareholders' equity, respectively, which are presented in accordance with GAAP. A reconciliation for both financial measures to the most directly comparable GAAP measures can be found in Syncora Holdings Ltd. 2Q 2016 Earnings Release.

⁽²⁾ Pro-forma amounts give effect to the August 12, 2016 restructuring transactions as if they had occurred on June 30, 2016.

Disclaimers

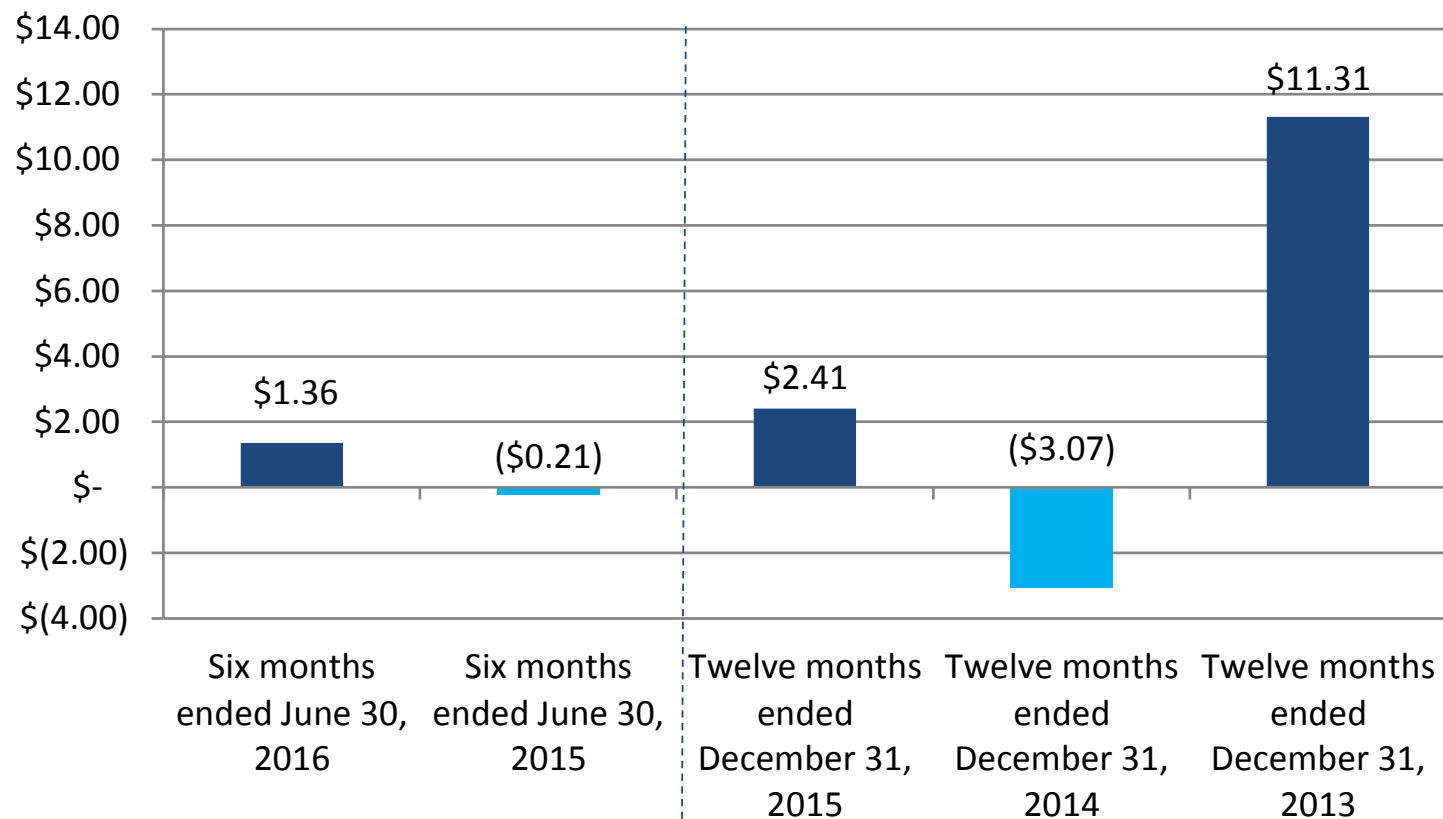
Non-GAAP Financial Measures

This presentation references Non-GAAP operating income (loss) and adjusted book value ("Adjusted Book Value"), financial measures that are not calculated in accordance with GAAP. A Non-GAAP financial measure is a numerical measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. While the Company does not manage its business or measure its performance using Non-GAAP measures, we are presenting these Non-GAAP financial measures because they provide greater transparency and enhanced visibility into the underlying performance of our business and the effect of certain items that the Company believes will reverse from GAAP book value over time. In addition, we have included these measures because we believe they provide investors with important additional information to compare the Company to other financial guarantors. Non-GAAP operating income (loss) and Adjusted Book Value as calculated do not consider timing or amounts, if any, of payment on SGI's surplus notes which would require NYDFS approval, dividend restrictions under New York Insurance Law applicable to the insurance subsidiaries and contractual constraints with respect to any dividend payment. Reference should be made to Note 20 in the most recently issued consolidated GAAP financial statements. In addition, because other financial guarantors may calculate Non-GAAP operating income (loss) and Adjusted Book Value or similarly titled measures differently, or may not be subject to the restrictions noted above, Non-GAAP operating income (loss) and Adjusted Book Value may not necessarily be comparable to similarly titled measures reported by other financial guarantors. Non-GAAP operating income (loss) and Adjusted Book Value are not substitutes for the most directly comparable GAAP measures, should not be viewed in isolation and may be subject to change.

Forward Looking Statements

This presentation contains statements about future results, plans and events that may constitute "forward-looking" statements within the meaning of the U.S. federal securities laws. The Company cautions you that the forward-looking information included in this presentation is not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking information contained in this presentation. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "plan," "seek," "comfortable with," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include, but are not limited to, the factors described in the Company's historical filings with the NYDFS, and in the Company's, Syncora Guarantee Inc.'s and Syncora Capital Assurance Inc.'s GAAP and statutory financial statements, as applicable, posted on its website at www.syncora.com. 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.

Non-GAAP Operating Income (Loss) per Common Share (in \$MM)

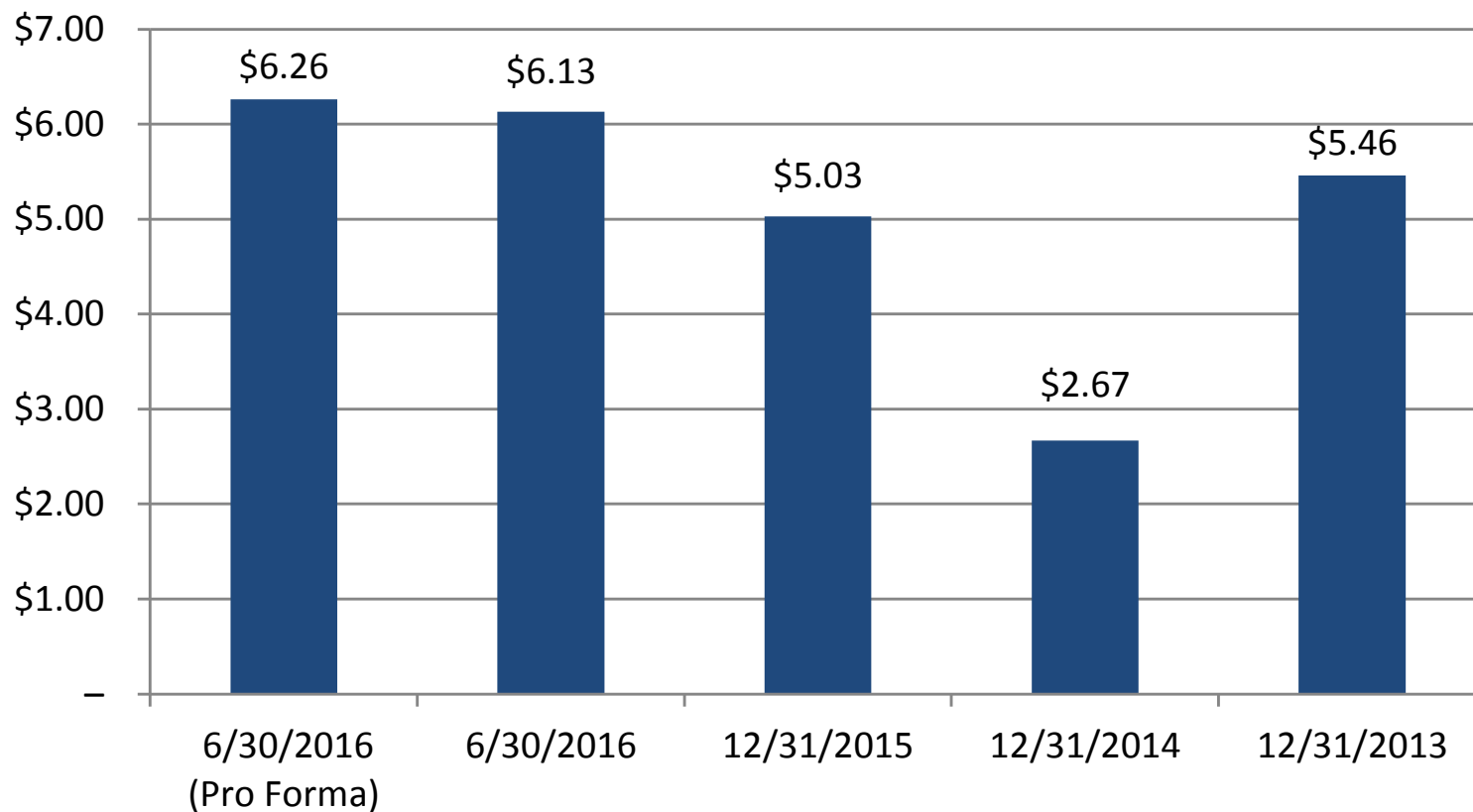


Financial Results

Syncora Holdings Ltd.					
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Operating Income (Loss)					
(in millions)	Six Months Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
GAAP net income (loss)	\$ 8.5	\$ 74.0	\$ 216.7	\$ (102.9)	\$ 581.8
Gain on transfer of Series A perpetual non-cumulative preference shares	-	83.4	83.4	-	-
GAAP earnings (loss) attributable to common shareholders of Syncora Holdings Ltd.	<u>\$ 8.5</u>	<u>\$ 157.4</u>	<u>\$ 300.1</u>	<u>\$ (102.9)</u>	<u>\$ 581.8</u>
GAAP net income (loss)	\$ 8.5	\$ 74.0	\$ 216.7	\$ (102.9)	\$ 581.8
Pre-tax adjustments:					
Effect of consolidating VIEs	(4.8)	12.5	16.6	9.3	9.4
Non-credit impairment of net realized and unrealized fair value (gains) and losses on credit derivatives	38.1	(111.0)	(126.2)	(105.8)	59.4
Surplus note accretion	15.3	11.7	25.2	19.1	12.6
Net realized (gains) and losses on investments	12.8	0.9	3.3	(0.3)	7.4
Non-recurring transaction related expenses	6.4	-	-	-	-
Total pre-tax adjustments	<u>67.9</u>	<u>(85.9)</u>	<u>(81.0)</u>	<u>(77.7)</u>	<u>88.8</u>
Less tax effect on pre-tax adjustments	-	-	-	-	-
Non-GAAP operating income (loss)	<u>\$ 76.4</u>	<u>\$ (11.9)</u>	<u>\$ 135.7</u>	<u>\$ (180.6)</u>	<u>\$ 670.6</u>
Basic and diluted common shares	56.3	56.3	56.3	58.8	59.3
GAAP earnings (loss) per common share	\$ 0.15	\$ 2.80	\$ 5.33	\$ (1.75)	\$ 9.81
Non-GAAP operating income (loss) per common share	\$ 1.36	\$ (0.21)	\$ 2.41	\$ (3.07)	\$ 11.31

Note: Refer to Syncora Holdings Ltd. 2Q 2016 Earnings Release for further descriptions of Non-GAAP operating income (loss) adjustments.

Adjusted Book Value



Financial Results

Syncora Holdings Ltd.
Reconciliation of GAAP Common Shareholders' Equity to
Adjusted Book Value

(in millions)	As of June 30,		As of December 31,		
	2016 (Pro-forma)	2016 (Actual)	2015 (Actual)	2014 (Actual)	2013 (Actual)
GAAP common shareholders' equity	\$ 524.3	\$ 371.1	\$ 335.5	\$ 57.5	\$ 164.7
Series A preferred stock	-	(2.3)	(2.3)	(3.4)	(3.4)
Series B preferred stock	(121.0)	(121.0)	(121.0)	(121.0)	(121.0)
Adjusted GAAP common shareholders' equity	\$ 403.3	\$ 247.8	\$ 212.2	\$ (66.9)	\$ 40.3
Pre-tax adjustments:					
Deferred acquisition costs	(50.3)	(50.3)	(54.2)	(64.2)	(76.2)
Effect of deconsolidating VIEs	66.3	66.3	69.9	53.7	41.0
Net credit derivative liability	91.4	91.4	53.4	179.5	285.4
Net present value of estimated net future credit derivative revenue	78.3	78.3	80.9	94.7	101.5
Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	306.3	306.3	317.7	399.0	387.5
Notes payable	(295.9)	(337.5)	(352.9)	(378.1)	(397.3)
Unrealized gains on investments	(41.6)	(41.6)	(15.8)	(32.1)	(25.8)
Taxes	(15.6)	(15.6)	(27.9)	(35.3)	(32.7)
Adjusted Book Value	\$ 542.2	\$ 345.1	\$ 283.3	\$ 150.3	\$ 323.7
Common shares outstanding at end of the period	86.6	56.3	56.3	56.3	59.3
Book value per common share	\$ 4.66	\$ 4.40	\$ 3.77	\$ (1.19)	\$ 0.68
Adjusted book value per common share	\$ 6.26	\$ 6.13	\$ 5.03	\$ 2.67	\$ 5.46

Notes: Refer to Syncora Holdings Ltd. 2Q 2016 Earnings Release for further descriptions of Non-GAAP operating income (loss) adjustments.

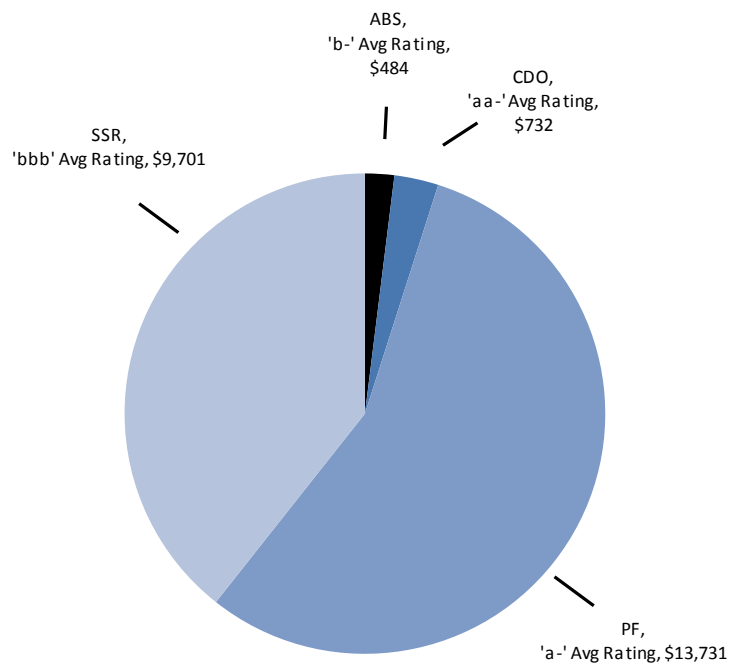
Pro-forma amounts give effect to the August 12, 2016 restructuring transactions as if they had occurred on June 30, 2016.

Insured Portfolio Overview: SHL

SHL's **2Q 2016** portfolio consists of 1,005 credits totaling \$24.6BN in net par exposure. Average internal rating¹ of the SHL portfolio is 'bbb+'. 13% or \$3.1BN of SHL's portfolio is internally rated Below Investment Grade (BIG).

SHL Net Par Outstanding by Sector

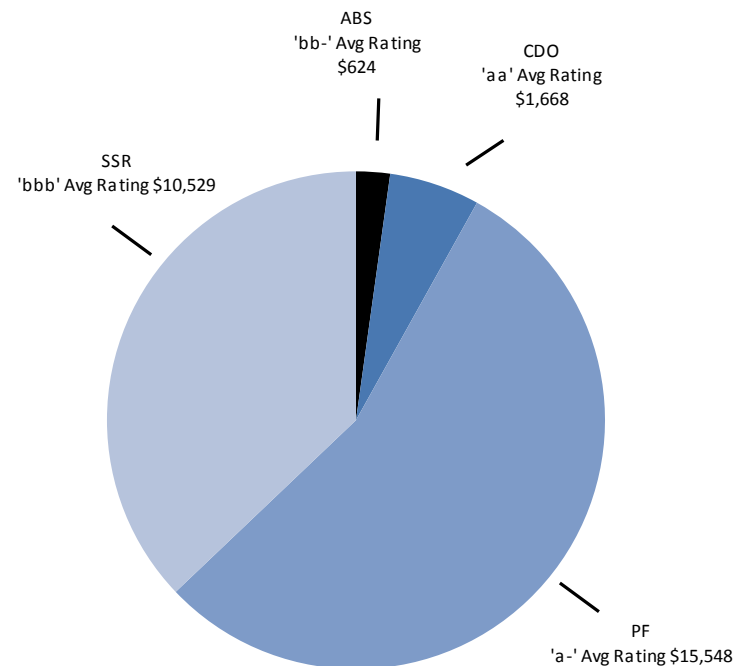
as of June 30, 2016 (in \$MM)



SHL's **4Q 2015** portfolio consists of 1,197 credits totaling \$28.4BN in net par exposure. Average internal rating¹ of the SHL portfolio is 'bbb+'. 11% or \$3.1BN of SHL's portfolio is internally rated Below Investment Grade (BIG).

SHL Net Par Outstanding by Sector

as of December 31, 2015 (in \$MM)



¹ All average ratings reflect Syncora's internal ratings. Refer to 2Q 2016 >=\$40 million in Appendix A for discussion of Internal Ratings.

GAAP Below Investment Grade (BIG) Flag List Credits

SHL Net Par Outstanding by BIG Category^{1,2,3} (in \$MM)

		2Q 2016	4Q 2015
Loss List	Business Area		
	Asset-Backed Securities	365	416
	Collateralized Debt Obligations	2	2
	Public Finance	391	413
	Structured Single Risk	-	-
	Total Loss List:	758	831
Red Flag	Business Area		
	Asset-Backed Securities	16	38
	Collateralized Debt Obligations	-	-
	Public Finance	3	3
	Structured Single Risk	941	925
	Total Red Flag:	960	967
Yellow Flag	Business Area		
	Asset-Backed Securities	34	17
	Collateralized Debt Obligations	-	-
	Public Finance	582	722
	Structured Single Risk	639	429
	Total Yellow Flag:	1,255	1,167
	Total:	2,973	2,966

¹ BIG Categories:

- Based on Syncora's internal ratings.
- Loss List – credits where a loss is probable and reasonably estimable and a case reserve has been established.
- Red Flag List – credits where a loss is possible but not probable and reasonably estimable, including credits where claims may have been paid or may be paid but full recovery is in doubt.
- Yellow Flag List – credits that we determine to be below investment grade, including credits where claims may have been paid or may be paid but reimbursement is likely.

² CDS credits are not included in Syncora's GAAP Flag List given CDS credits are fair valued.

³ Total statutory – basis BIG Flag List NPO was \$3,122 million as of June 30, 2016.

BIG Credits >\$100MM in Net Par

SHL BIG Credits

As of June 30, 2016 (in \$MM)

Business Area	Business Type	Net Par Outstanding	2Q 2016 Internal Rating ¹	Flag List ³
PF	Municipal	185	d	Loss List
PF	Municipal	166	d	Loss List
ABS	RMBS	125	c	Loss List
SSR	Global Infrastructure ²	826	b-, b+	Red Flag
SSR	Global Infrastructure	115	b	Red Flag
PF	Municipal	109	bb-	Yellow Flag
SSR	Global Infrastructure	300	bb	Yellow Flag
SSR	Global Infrastructure	246	bb	Yellow Flag
PF	Special Revenue	237	bb	Yellow Flag
PF	Municipal	128	bb	Yellow Flag
PF	Special Revenue	149	bb+	n/a - CDS ⁴
	Total:	2,587		

SHL BIG Credits

As of December 31, 2015 (in \$MM)

Business Area	Business Type	Net Par Outstanding	4Q 2015 Internal Rating ¹	Flag List ³
PF	Municipal	191	c	Loss List
PF	Municipal	170	c	Loss List
ABS	RMBS	145	c	Loss List
SSR	Global Infrastructure	116	b	Red Flag
SSR	Global Infrastructure ²	810	b-, b+	Red Flag
PF	Municipal	109	bb-	Yellow Flag
SSR	Global Infrastructure	336	bb	Yellow Flag
PF	Special Revenue	237	bb	Yellow Flag
PF	Municipal	128	bb	Yellow Flag
PF	Special Revenue	150	bb+	n/a - CDS ⁴
PF	Municipal	114	bb+	Yellow Flag
	Total:	2,504		

¹ Refer to 2Q 2016 >=\$40 million in Appendix A for discussion of Internal Ratings.

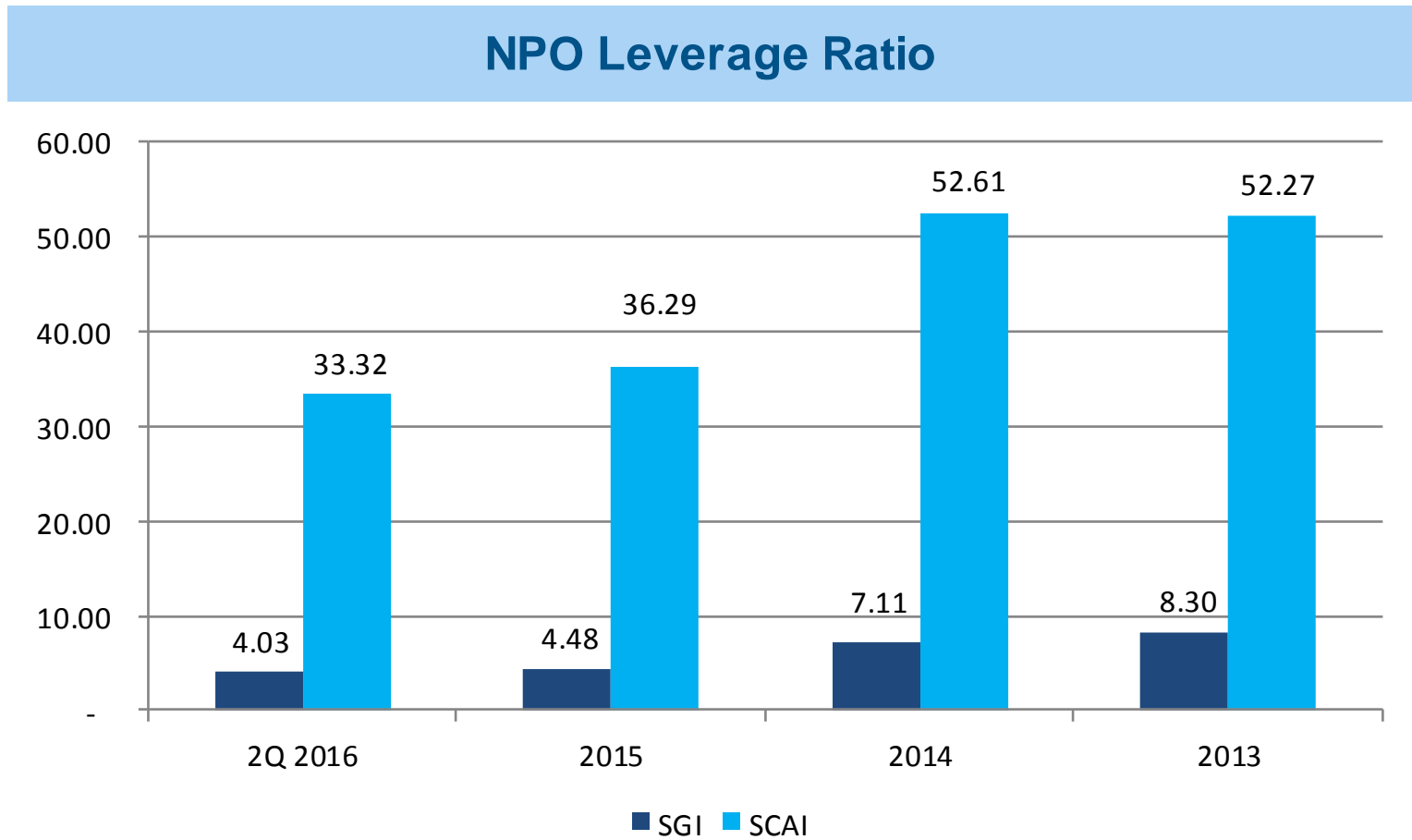
² Total exposure consists of a small junior lien tranche and a large senior lien tranche. Rating differential reflects the different lien status.

³ Flag list designations as follows:

- Loss List – credits where a loss is probable and reasonably estimable and a case reserve has been established.
- Red Flag List – credits where a loss is possible but not probable and reasonably estimable, including credits where claims may have been paid or may be paid but full recovery is in doubt.
- Yellow Flag List – credits that we determine to be below investment grade, including credits where claims may have been paid or may be paid but reimbursement is likely.

⁴ CDS credits are not included in Syncora's GAAP Flag List given CDS credits are fair valued.

Net Par Outstanding Leverage Ratio¹



Major Changes:

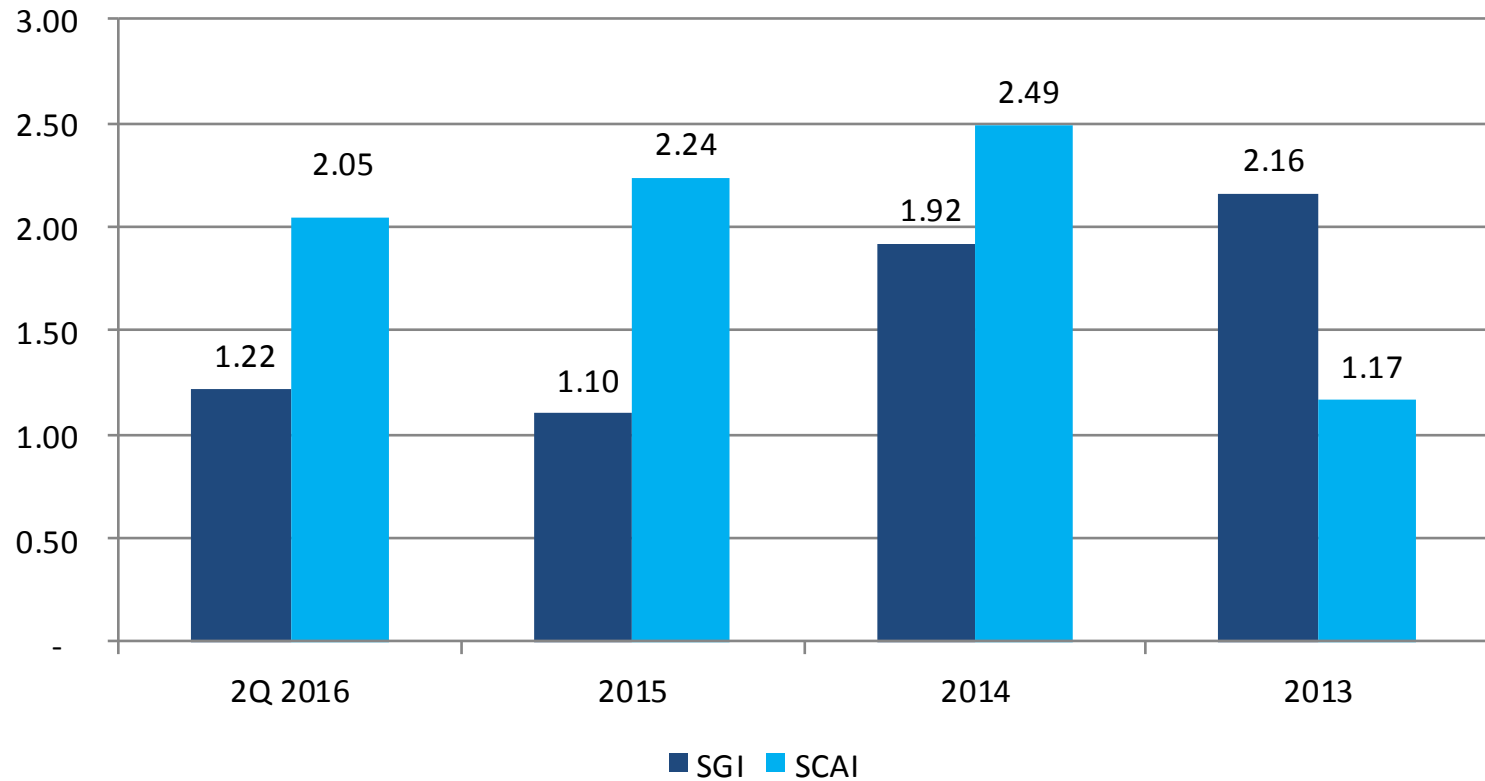
SCAI (2013 – 2014): Downgrade of Puerto Rico credits in 2014.

SGI (2015 – 2Q 2016): Downgrade of a large global infrastructure credit in 1Q 2016.

¹ Net par outstanding/Total claims paying resources

GAAP Below Investment Grade (BIG) Flag List Leverage Ratio¹

GAAP BIG Flag List Leverage Ratio



Major Changes:

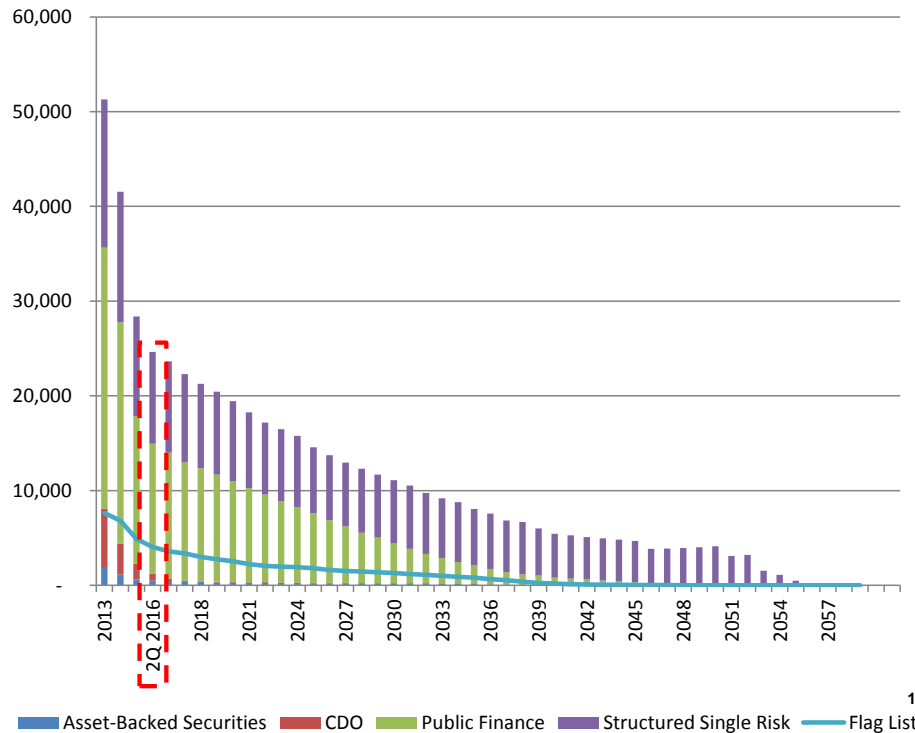
SCAI (2013 – 2014): Downgrade of Puerto Rico credits in 2014.

SGI (2015 – 2Q 2016): Downgrade of a large global infrastructure credit in 1Q 2016.

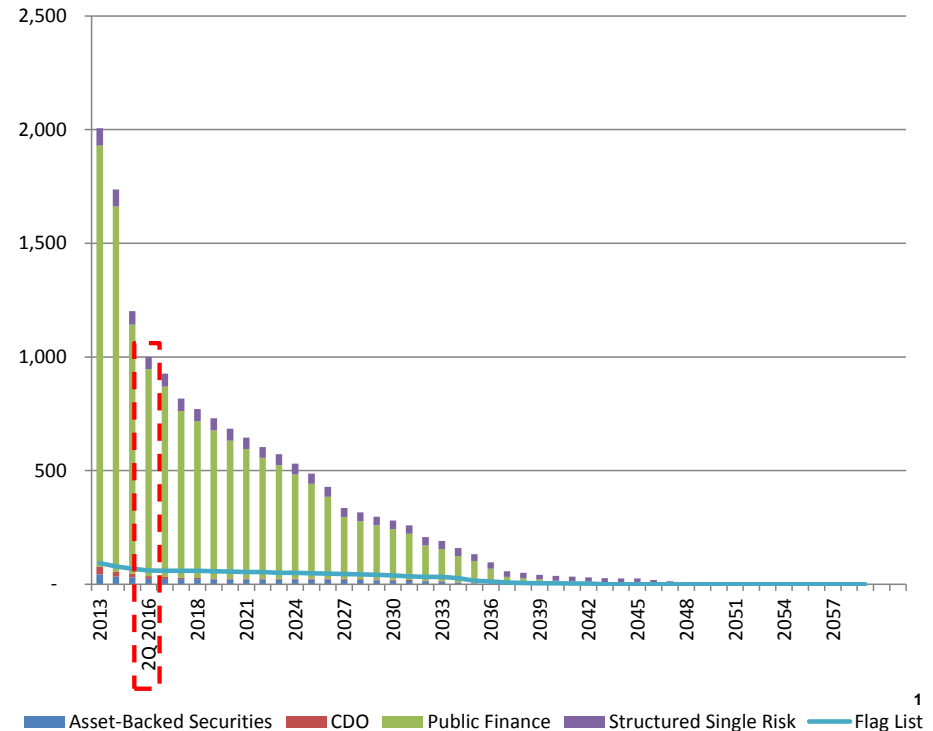
¹ BIG net par outstanding/Total claims paying resources

SHL Portfolio Expected Net Par & Credit Count Reduction by Business Area as of June 30, 2016

SHL Net Par Runoff (in \$MM)



SHL Credit Count Runoff



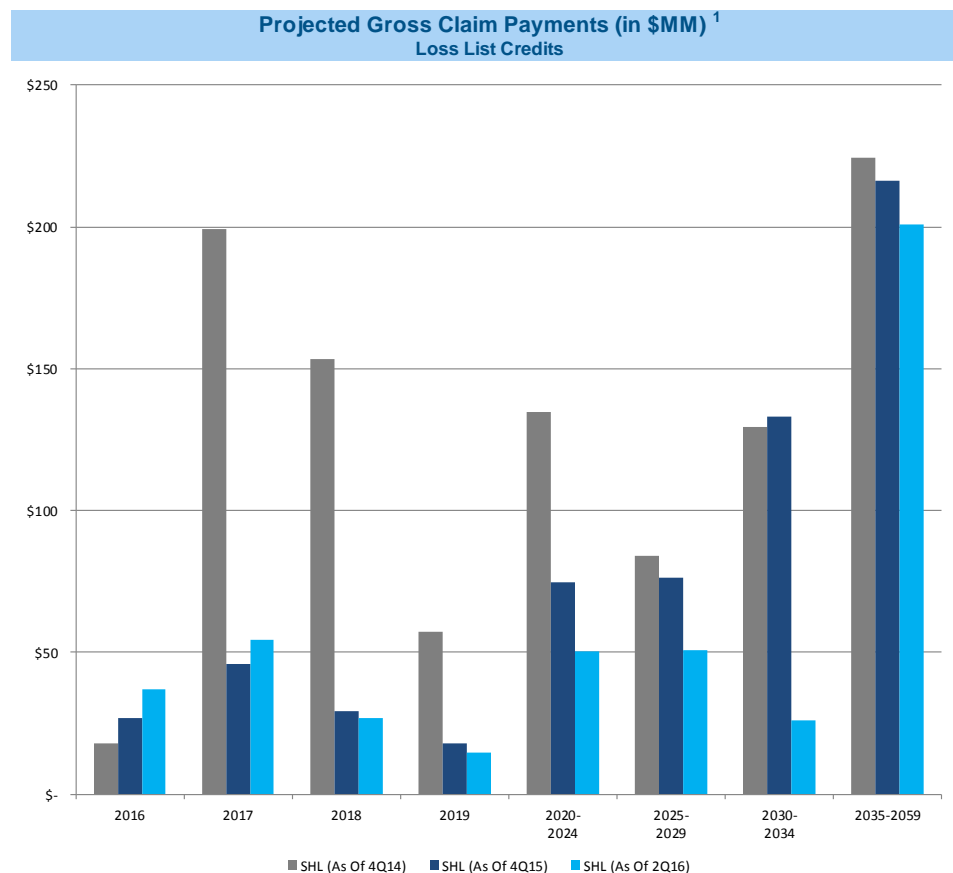
1 Syncora's GAAP Flag List consists of all BIG credits plus credits on Syncora's Special Monitoring List (not including those credits in CDS form which are fair valued). The Special Monitoring List is defined as those credits that are viewed as low investment grade where a material covenant or trigger may be breached and increased surveillance is warranted.

Note: The above tables do not reflect potential remediation and refundings.

SHL Projected Gross Claims on Loss List Credits: FY2016-2059



- SGI faces a potential liquidity mismatch between expected future medium to long-term claims payments and recoveries relating to these claims.
 - SHL (through its insurance subsidiaries) anticipates that it will be requested to make gross claim payments in the period 2017 – 2029 of approximately \$197.1 million (\$118.8 relates to SGI) based on expected loss exposures without regard to potential adverse development on loss and other portfolio exposures – see disclosures on following page.
 - The projected gross claim payments for 2016 exclude the remediation costs associated with the structured single risk credit completed in September 2016.
- SCAI has significant public finance exposures, which pose a risk of material adverse development to SCAI’s short to medium-term liquidity position.

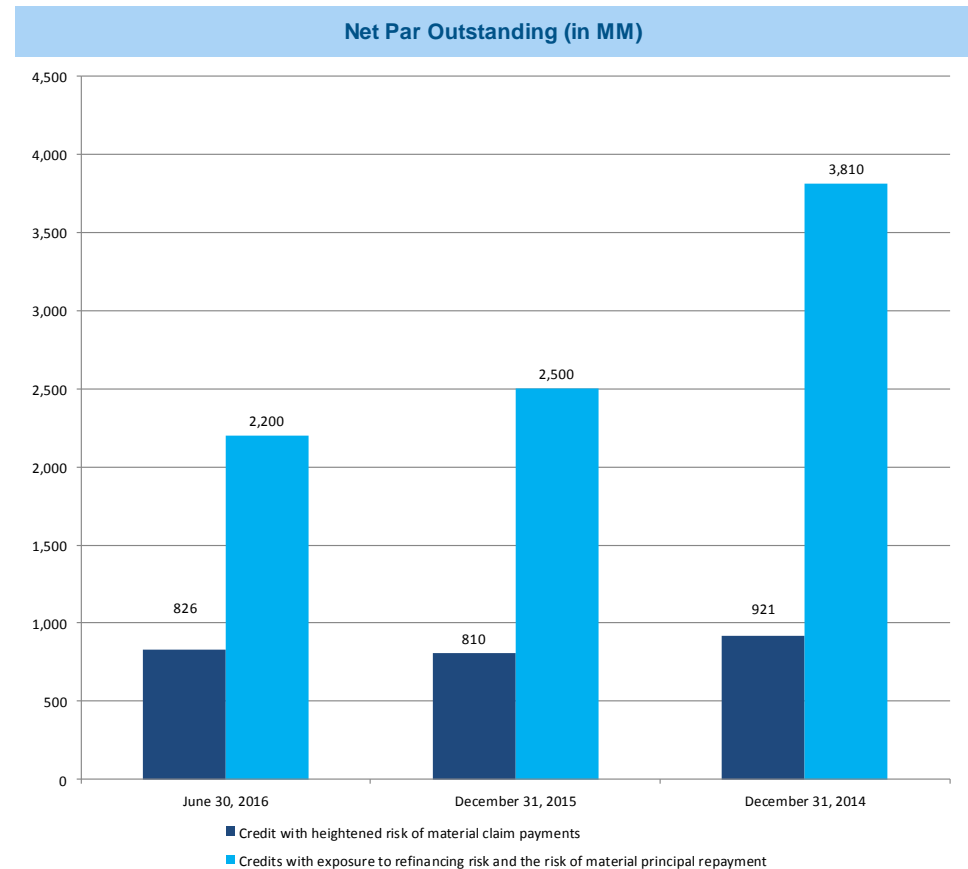


¹ Represents estimated undiscounted cash outflows under direct and assumed financial guaranty contracts, excluding remediated RMBS claims and after ceded reinsurance.

SGI Significant Refinancing Risk Credits' NPO



- SGI faces a potential liquidity mismatch between expected future medium to long-term claims payments and recoveries relating to these claims.
 - SHL (through its insurance subsidiary, SGI) also remains exposed to transactions with refinancing risk through 2019 including (a) one refinancing risk credit with a heightened risk of material claims payments with an aggregate par outstanding of \$826.4 million, and (b) a number of other credits with exposure to refinancing risk and the risk of material principal repayments with an aggregate par outstanding of \$2.2 billion.
- See the description of significant risks and uncertainties in Note 2 of SHL's recently issued consolidated GAAP financial statements for further discussion.





Puerto Rico Exposure

As of June 30, 2016 and December 31, 2015 (in \$MM)

	Insured Exposure ¹		Bonds Purchased for Remediation ³		Total	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Direct (Insurance):						
Commonwealth of Puerto Rico - Government Obligations	104.9	106.6	32.8	31.1	137.7	137.8
Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds ²	152.3	155.9	74.5	46.1	226.8	202.1
Commonwealth of Puerto Rico, Highway & Transportation Authority	6.2	6.3	0.4	0.4	6.7	6.7
Puerto Rico (Commonwealth) - Mixed State and Local Revenue	-	-	-	-	-	-
Direct Subtotal	263.5	268.8	107.7	77.7	371.2	346.5
Assumed (Reinsurance):						
Commonwealth of Puerto Rico - Government Obligations	80.4	83.9	-	-	80.4	83.9
Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds ²	14.1	14.1	-	-	14.1	14.1
Commonwealth of Puerto Rico, Highway & Transportation Authority	-	-	-	-	-	-
Puerto Rico (Commonwealth) - Mixed State and Local Revenue	28.7	28.7	-	-	28.7	28.7
Assumed Subtotal	123.2	126.7	-	-	123.2	126.7
Total:						
Commonwealth of Puerto Rico - Government Obligations	185.3	190.5	32.8	31.1	218.1	221.7
Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds ²	166.4	170.0	74.5	46.1	240.9	216.2
Commonwealth of Puerto Rico, Highway & Transportation Authority	6.2	6.3	0.4	0.4	6.7	6.7
Puerto Rico (Commonwealth) - Mixed State and Local Revenue	28.7	28.7	-	-	28.7	28.7
Total	386.7	395.5	107.7	77.7	494.4	473.2

¹ Excludes total interest outstanding of \$104.7 million and \$118.3 million as of June 30, 2016 and December 31, 2015, respectively.

² Total exposure increased as of June 30, 2016 primarily due to the purchase of bonds from PREPA on June 28, 2016 that are reflected in the "Bonds Purchased for Remediation", however, the paydown occurred on July 1, 2016 decreasing the par outstanding.

³ Shown at GAAP carrying value for the insured bonds.

Status of Litigations¹



Litigation Case	Current Status (as of September 14, 2016)
<p>U.S. Bank Nat'l. Ass'n., as Indenture Trustee for the Benefit of the Insurers and Noteholders of GreenPoint Mortgage Funding Trust 2006-HE1, Home Equity Loan Asset-Backed Notes, Series 2006-HE1 v GreenPoint Mortgage Funding, Inc. – New York State Supreme Court, Index No. 600352/09</p>	<ul style="list-style-type: none"> On February 5, 2009, Syncora Guarantee, together with co-plaintiffs U.S. Bank National Association, as Indenture Trustee (“US Bank”), and CIFG Assurance North America, Inc. (“CIFG”), filed suit in the Supreme Court of the State of New York, New York County, against GreenPoint (the “GreenPoint State Action”), alleging that GreenPoint breached representations and warranties that would require repurchase of the breaching mortgage loans and/or the entire loan pool and/or payment of damages in connection with a securitization of primarily home-equity mortgage loans originated by GreenPoint (the “2006-HE1 Securitization”), which was sponsored by Lehman Brothers Holdings Inc. (“LBHI”). In 2010, Syncora Guarantee was dismissed from the case after the Court found that it (as well as CIFG) lacked standing to pursue direct claims against GreenPoint. On December 16, 2013, GreenPoint moved to dismiss the remaining claims of US Bank on the grounds that it too lacked standing. US Bank cross-moved for partial summary judgment striking GreenPoint’s defense that US Bank lacked standing to directly pursue GreenPoint. On January 28, 2016, the Court rejected GreenPoint’s motion for summary judgment and granted US Bank’s cross-motion for partial summary judgment, finding that as a matter of law US Bank has standing to directly assert claims against GreenPoint. On February 26, 2016, GreenPoint filed a notice of appeal of that decision.
<p>Syncora Guarantee Inc. v Alinda Capital Partners LLC, American Roads LLC, Macquarie Securities (USA) Inc., and John S. Laxmi – New York State Supreme Court, Index No. 651258/2012</p>	<ul style="list-style-type: none"> On April 18, 2012, Syncora Guarantee initiated an action in the Supreme Court of the State of New York against Macquarie Capital (USA) Inc. (“Macquarie”), among others. The case remains pending only against Macquarie, with Syncora Guarantee having entered into a stipulation dismissing the other defendants from the lawsuit. Syncora Guarantee alleges that Macquarie made misrepresentations and omissions in obtaining insurance in connection with a bond offering by American Roads LLC. Macquarie’s motion to dismiss the claims was denied in its entirety and decided in Syncora Guarantee’s favor. On September 28, 2015, Syncora Guarantee filed a motion to amend its complaint to include additional allegations against Macquarie. In May 2016, Macquarie filed a motion to dismiss Syncora Guarantee’s amended complaint and, in the alternative, to narrow Syncora Guarantee’s claims and damages. This motion is fully briefed and oral argument is scheduled for October 13, 2016. Pretrial discovery is continuing and is anticipated to conclude in the fourth quarter of 2016.

¹ Information disclosed herein is accurate as of the date indicated. The information included in this slide may change from time to time without notice, and Syncora Holdings Ltd. is under no duty or obligation to update this information.



Supplemental Information

Supplemental Information – GAAP Loss Reserves Rollforward ^{1,2}

As of June 30, 2016



Business Area	Business Category	4Q 2015		Incurred Losses / (recoveries)		Paid Claims		2Q 2016	
		Net Unpaid Loss and LAE ³						Net Unpaid Loss and LAE ³	
		SGI	SCAI	SGI	SCAI	SGI	SCAI	SGI	SCAI
Asset - Backed Securities	RMBS	644,290,974	-	(73,146,010)	-	(9,045,307)	-	562,099,657	-
Collateralized Debt Obligation	ABS CDO	1,208,920	-	128,129	-	-	-	1,337,049	-
Public Finance	Municipal	23,708,119	100,029,867	13,044,553	19,059,806	(580,247)	(16,985,029)	36,172,425	102,104,644
	Special Revenue	-	1,490,628	-	294,453	-	-	-	1,785,082
Structured Single Risk	Global Infrastructure	116,866,038	154,066	(49,116,674)	46,624	(460,588)	-	67,288,776	200,690
Net loss reserve subtotal		786,074,052	101,674,561	(109,090,002)	19,400,884	(10,086,143)	(16,985,029)	666,897,907	104,090,416
Loss Adjustment Expense (LAE)		18,023,551	13,584,673	2,677,980	(4,340,015)	(5,581,854)	(723,127)	15,119,677	8,521,532
Total net loss and LAE reserves		804,097,603	115,259,234	(106,412,022)	15,060,869	(15,667,997)	(17,708,156)	682,017,584	112,611,948

¹ Excludes policies written in CDS form and those consolidated under the variable interest entity accounting guidance.

² In accordance with GAAP, these amounts are net of unearned premium.

³ Net of salvage and subrogation, and reinsurance.

Note: Legal entity detail is provided for informational purposes only.

Supplemental Information – 2Q 2016 Total Exposure >=\$40 Million

Credit Name ¹	Business Area	Sector / Sub-sector Detail	Sum of Net Par O/S	Internal Rating ²	Legal Maturity
Collateralized Debt Obligations 1	Collateralized Debt Obligations	Synthetic - Investment Grade Bonds > 75%	>=100MM < 250MM	aaa	2016 - 2020
Collateralized Debt Obligations 3	Collateralized Debt Obligations	Arbitrage CF - Leveraged Loans > 75%	>=75MM < 100MM	aaa	2020 - 2030
DOT Headquarters II Lease-Backed Mortgage Finance Trust Subordinate Notes	Public Finance	U.S. Federal Building Lease	94,705,312	aa	12/7/2031
Indiana Bond Bank, IN - Pension Obligation Pool Deal	Public Finance	General Obligation - School District	70,210,000	aa	1/15/2029
Oregon School Boards Association, OR	Public Finance	General Obligation - School District	88,560,000	aa	6/30/2028
Public Finance 16	Public Finance	Military Housing	-	aa	2040 - 2050
State University of Iowa, IA - GO	Public Finance	Public College & University - General Obligation	54,575,000	aa	7/1/2034
Washington County, TN – GO	Public Finance	General Obligation - County	127,295,000	aa	6/1/2037
Westerville City School District, OH	Public Finance	General Obligation - School District	45,405,000	aa	12/1/2027
Commonwealth of Massachusetts State College Building Authority, MA, - GO/AA	Public Finance	Lease & Appropriation Obligations - State	96,331,243	aa-	5/1/2039
Port of Seattle, WA - Airport Revenue Bonds	Public Finance	Airports - Revenue	124,625,000	aa-	2/1/2030
Port of Tacoma, WA - Port Revenue Bonds (Senior Lien)	Public Finance	Ports - Revenue	45,185,000	aa-	12/1/2034
Public Finance 17	Public Finance	Military Housing	>=100MM < 250MM	aa-	2040 - 2050
Public Finance 22	Public Finance	Lease & Appropriation Obligations - City	>=40MM < 75MM	aa-	2030 - 2040
San Diego County, CA - Pension Obligation Bonds	Public Finance	Pension Obligation - Local Government	147,825,000	aa-	8/15/2024
Sarasota County, FL - Water/Sewer Revenue Bonds	Public Finance	Sewer Muni Utility	48,650,000	aa-	10/1/2037
City of Tacoma, WA - Solid Waste Revenue Bonds	Public Finance	Solid Waste System (w/Landfill and/or Waste to Energy Facility)	48,250,000	a+	12/1/2026
Fairfield (City of), CA - Water Rev	Public Finance	Water Muni Utility	84,466,697	a+	4/1/2042
Hydro Quebec/Province of Quebec (Canada)	Public Finance	General Obligation - State	97,800,000	a+	11/15/2030
Lehigh Career Technical Institute, PA	Public Finance	Lease & Appropriation - Schools & Other Local Government	40,585,000	a+	10/1/2032
Public Finance 18	Public Finance	Military Housing	>=100MM < 250MM	a+	2040 - 2050
San Francisco Public Utilities Commission, CA - Water/Sewer Revenue Bonds	Public Finance	Sewer Muni Utility	103,265,000	a+	11/1/2026
Structured Single Risk 17	Structured Single Risk	Power & Gas Project - International - 1-4 years	>=100MM < 250MM	a+	2020 - 2030
University System of Georgia, Board of Regents, GA	Public Finance	Public College & University - Auxiliary Enterprises	236,200,000	a+	8/1/2038
City of Houston, TX Airport System - Revenue Bonds	Public Finance	Airports - Revenue	200,960,000	a	7/1/2032
College of Charleston, SC	Public Finance	Public College & University - Fee Pledge or Limited Tuition	80,970,000	a	4/1/2037
DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	Public Finance	U.S. Federal Building Lease	326,000,000	a	12/7/2031
Florida Atlantic University, FL	Public Finance	Public College & University - Student Housing	40,210,000	a	7/1/2036
Long Beach Gas Enterprise Fund, CA - Gas Prepay	Public Finance	Gas Muni Utility	97,366,760	a	9/1/2037
Marquette University, WI	Public Finance	Private College & University - General Obligation	43,660,000	a	10/1/2032
Municipal Gas Authority of Georgia (MGAG) Gas Prepay	Public Finance	Gas Muni Utility	126,690,000	a	7/1/2028
Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	Public Finance	Gas Muni Utility	146,538,157	a	10/15/2021
Orange County, FL - Hotel/Motel Tax Supported	Public Finance	Hotel/Motel Tax	72,635,000	a	10/1/2032
Public Finance 14	Public Finance	Military Housing	>=100MM < 250MM	a	2050 - 2060
Public Finance 4	Public Finance	Military Housing	>=40MM < 75MM	a	2050 - 2060
State of South Carolina Transportation Infrastructure Bank - Motor Vehicle Revenue	Public Finance	Gas Tax/Motor Vehicle Registration - State	150,220,000	a	10/1/2037
Structured Single Risk 16	Structured Single Risk	Sovereign-Revenue	>=40MM < 75MM	a	2030 - 2040
Structured Single Risk 18	Structured Single Risk	Financial/Insurance - Other	>=75MM < 100MM	a	2016 - 2020
Structured Single Risk 21	Structured Single Risk	Water & Sewer - IOU - Secured	>=250MM	a	2050 - 2060
Structured Single Risk 23	Structured Single Risk	Water & Sewer - IOU - Secured	>=100MM < 250MM	a	2050 - 2060
Structured Single Risk 5	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=250MM	a	2040 - 2050
Structured Single Risk 7	Structured Single Risk	Toll Roads (Intl Public) >= 5 Years of Operating History - Cash	>=250MM	a	2040 - 2050

¹ A credit is a unique combination of obligor, legal security and seniority level that defines the repayment risk that Syncora faces. A credit may have only one credit rating.

² 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. 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.) except in the cases of loss reserve credits. For these credits, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and a loss reserve has been established. "c" ratings are assigned for insured transactions where a future claim is expected but recovery is in doubt and a loss reserve has been established.

Supplemental Information – 2Q 2016 Total Exposure >=\$40 Million cont.

Credit Name ¹	Business Area	Sector / Sub-sector Detail	Sum of Net Par O/S	Internal Rating ²	Legal Maturity
Suny Research Foundation, NY	Public Finance	Public College & University - Auxiliary Enterprises	69,895,000	a	9/1/2035
Truckee Meadows Water Authority, NV - Water/Sewer Revenue Bonds	Public Finance	Sewer Muni Utility	74,425,000	a	7/1/2034
Yorkshire Water PLC	Structured Single Risk	Water & Sewer - IOU - Secured	217,159,992	a	8/1/2051
Yuma (Municipal Property Corp.), AZ - Road Tax and Sub Lien Excise Tax	Public Finance	Excise Tax/Fee - Local/County	41,875,000	a	7/1/2027
Aquarion Water Company, CT	Structured Single Risk	Water & Sewer - IOU - Unsecured	102,715,000	a-	9/1/2037
Argonne National Laboratory	Public Finance	U.S. Federal Building Lease	53,070,000	a-	7/1/2033
Avista Corporation	Structured Single Risk	Power & Gas - IOU - Secured	150,000,000	a-	7/1/2037
Bradley University, IL	Public Finance	Private College & University - General Obligation	46,115,000	a-	8/1/2034
Butler County, OH - General Fund	Public Finance	General Fund - County	40,235,000	a-	12/1/2034
City of Lafayette, LA - Combined Utility System	Public Finance	Combined Muni Utilities (Mixed Gas/Electric/Water & Sewer)	93,100,000	a-	11/1/2031
Collateralized Debt Obligations 2	Collateralized Debt Obligations	Synthetic - CMBS	>=250MM	a-	2040 - 2050
Consolidated Edison of New York, NY	Structured Single Risk	Power & Gas - IOU - Unsecured	245,300,000	a-	1/1/2039
Duke Energy Florida	Structured Single Risk	Power & Gas - IOU - Secured	240,865,000	a-	1/1/2027
Duke Energy Ohio	Structured Single Risk	Power & Gas - IOU - Unsecured	94,000,000	a-	11/1/2039
Houston Community College System, TX - Fee Pledge	Public Finance	Public College & University - Fee Pledge or Limited Tuition	52,380,000	a-	4/15/2030
Miami-Dade County, FL - Aviation Revenue Bonds	Public Finance	Airports - Revenue	128,885,144	a-	10/1/2040
Mighty River Power	Structured Single Risk	Power & Gas - Public - International	214,020,000	a-	9/7/2021
National Grid Electricity Transmission, UK	Structured Single Risk	Power & Gas - IOU - International	169,986,888	a-	7/28/2056
National Grid Gas PLC	Structured Single Risk	Power & Gas - IOU - International	309,877,510	a-	6/30/2046
Niagara Mohawk Power Corporation, NY	Structured Single Risk	Power & Gas - IOU - Secured	115,705,000	a-	7/1/2029
Public Finance 12	Public Finance	U.S. Federal Building Lease	>=250MM	a-	2030 - 2040
Public Finance 15	Public Finance	Pension Obligation - Local Government	>=100MM < 250MM	a-	2020 - 2030
Severn Trent Water, UK	Structured Single Risk	Water & Sewer - IOU - Secured	54,912,072	a-	2/1/2058
State of California - GO	Public Finance	General Obligation - State	184,255,000	a-	11/1/2037
Structured Single Risk 22	Structured Single Risk	Water & Sewer - IOU - Secured	>=100MM < 250MM	a-	2050 - 2060
Thames Water Utilities Ltd.	Structured Single Risk	Water & Sewer - IOU - Secured	235,596,857	a-	7/11/2056
United Utilities Water PLC - Senior Unsecured	Structured Single Risk	Water & Sewer - IOU - Secured	303,933,359	a-	8/11/2056
Wessex Water Services Limited, UK	Structured Single Risk	Water & Sewer - IOU - Secured	126,142,000	a-	7/31/2051
Hayward Redevelopment Authority, CA - Tax Allocation Bonds	Public Finance	Tax Allocation Bonds (TABs)	41,759,900	bbb+	3/1/2036
Public Finance 10	Public Finance	Municipal Project Finance (without mitigating support)	>=250MM	bbb+	2030 - 2040
Structured Single Risk 15	Structured Single Risk	Water & Sewer - IOU - Secured	>=40MM < 75MM	bbb+	2030 - 2040
Structured Single Risk 8	Structured Single Risk	Power & Gas - Public - International	>=250MM	bbb+	2030 - 2040
Vector Limited	Structured Single Risk	Power & Gas - Public - International	256,824,000	bbb+	10/26/2020
Vespucio Sur Chilean Toll Road	Structured Single Risk	Toll Roads (Intl Public) < 5 Years of Operating History - Cash	165,165,343	bbb+	12/15/2028
Yorkshire Water PLC (Inflation Linked)	Structured Single Risk	Water & Sewer - IOU - Secured	235,024,368	bbb+	2/1/2054
Yuma (Municipal Property Corp.), AZ - Utility Rev	Public Finance	Water & Sewer Combined Utility	99,085,000	bbb+	7/1/2032
Association of Bay Area Governments, CA - Water/Sewer Revenue Bonds (Ukiah)	Public Finance	Sewer Muni Utility	62,920,000	bbb	3/1/2036
Autopista Los Libertadores Chilean Toll Road (Allsa)	Structured Single Risk	Toll Roads (Intl Public) >= 5 Years of Operating History - Cash	132,268,290	bbb	1/15/2025
Channel Link Enterprise Finance Eurotunnel (Eurotunnel Restructuring)	Structured Single Risk	Toll Roads (Intl Public) >= 5 Years of Operating History - Cash	299,364,083	bbb	6/28/2046
City of East Point, GA - GO/AA	Public Finance	General Obligation - City or Town	54,100,000	bbb	2/1/2035
City of San Jose, CA Redevelopment Agency - Tax Allocation	Public Finance	Tax Allocation Bonds (TABs)	196,800,000	bbb	8/1/2036

Supplemental Information – 2Q 2016 Total Exposure >=\$40 Million cont.

Credit Name ¹	Business Area	Sector / Sub-sector Detail	Sum of Net Par O/S	Internal Rating ²	Legal Maturity
City School District of The City of Rensselaer, NY	Public Finance	Lease & Appropriation - Schools & Other Local Government	60,605,000	bbb	6/1/2036
Culinary Institute of America, NY	Public Finance	Private College & University - General Obligation	57,610,000	bbb	7/1/2036
Indiana University of Pennsylvania, PA - Student Housing Revenue	Public Finance	Public College & University - Student Housing	118,980,000	bbb	7/1/2039
Long Island Power Authority, NY - Revenue Bonds	Public Finance	Electric Retail Muni Utility	44,355,000	bbb	12/1/2026
New Jersey Economic Development Authority, NJ	Public Finance	Gas Tax/Motor Vehicle Registration - State	150,509,149	bbb	7/1/2027
Public Finance 20	Public Finance	Lease & Appropriation Obligations - City	>=100MM < 250MM	bbb	2030 - 2040
Public Finance 3	Public Finance	Municipal Project Finance (without mitigating support)	>=75MM < 100MM	bbb	2030 - 2040
Public Finance 5	Public Finance	Other Municipal	>=100MM < 250MM	bbb	2030 - 2040
Scotland Gas Networks plc, UK	Structured Single Risk	Electric Distribution - IOU (w/o Construction Risk) - Secured	113,842,000	bbb	10/21/2022
Southern Gas Network, UK	Structured Single Risk	Power & Gas - IOU - International	576,915,309	bbb	10/21/2035
Southern Water Services Limited, UK	Structured Single Risk	Water & Sewer - IOU - Secured	161,761,000	bbb	9/30/2033
Structured Single Risk 2	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=100MM < 250MM	bbb	2030 - 2040
Chillan-Collipulli Chilean Toll Road	Structured Single Risk	Toll Roads (Intl Public) >= 5 Years of Operating History - Cash	231,763,601	bbb-	1/1/2050
Metropolitan Transportation Authority, NY - Lease Revenue Bonds	Public Finance	Public Building Leases	140,544,772	bbb-	9/15/2047
Public Finance 11	Public Finance	Tax Allocation Bonds (TABs)	>=100MM < 250MM	bbb-	2030 - 2040
Public Finance 21	Public Finance	General Obligation - County	>=40MM < 75MM	bbb-	2030 - 2040
Public Finance 7	Public Finance	Other Municipal	>=250MM	bbb-	2030 - 2040
Public Finance 8	Public Finance	Sewer Muni Utility	>=75MM < 100MM	bbb-	2040 - 2050
Public Finance 9	Public Finance	Other Municipal	>=250MM	bbb-	2030 - 2040
Structured Single Risk 1	Structured Single Risk	Toll Roads (Intl Public) >= 5 Years of Operating History - Shadow	>=75MM < 100MM	bbb-	2020 - 2030
Structured Single Risk 11	Structured Single Risk	Transportation Project Finance - Availability	>=100MM < 250MM	bbb-	2030 - 2040
Structured Single Risk 12	Structured Single Risk	Bridges >= 5 Years of Operating History - International	>=40MM < 75MM	bbb-	2050 - 2060
Structured Single Risk 14	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=40MM < 75MM	bbb-	2040 - 2050
Structured Single Risk 20	Structured Single Risk	Whole Business - Other Assets	>=75MM < 100MM	bbb-	2020 - 2030
Structured Single Risk 3	Structured Single Risk	Sub Sovereign State, Region, Province -Gen Obligation	>=100MM < 250MM	bbb-	2030 - 2040
Structured Single Risk 4	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=100MM < 250MM	bbb-	2040 - 2050
Structured Single Risk 6	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=40MM < 75MM	bbb-	2040 - 2050
Public Finance 1	Public Finance	Public College & University - General Obligation	>=40MM < 75MM	bb+	2030 - 2040
Public Finance 13	Public Finance	Military Housing	>=100MM < 250MM	bb+	2040 - 2050
Public Finance 19	Public Finance	Tax Allocation Bonds (TABs)	>=100MM < 250MM	bb	2040 - 2050
Public Finance 6	Public Finance	Other Municipal	>=100MM < 250MM	bb	2030 - 2040
Structured Single Risk 10	Structured Single Risk	Ports - International	>=100MM < 250MM	bb	2020 - 2030
Structured Single Risk 13	Structured Single Risk	PFI/PPP Availability - Public Buildings, Hospitals, Schools	>=250MM	bb	2040 - 2050
Structured Single Risk 9	Structured Single Risk	Perpetual Repackagings	>=75MM < 100MM	bb	2040 - 2050
Public Finance 2	Public Finance	Public Power Agency (Little/No Nuclear or Special Project Risk)	>=100MM < 250MM	bb-	2040 - 2050
Structured Single Risk 19	Structured Single Risk	Transportation Project Finance - Availability	>=250MM	b+	2040 - 2050
American Roads	Structured Single Risk	Transportation Project Finance >= 5 Years	114,672,882	b	12/19/2056
Asset-Backed Securities 2	Asset-Backed Securities	Subprime (1st lien)	>=100MM < 250MM	c	2030 - 2040
Asset-Backed Securities 1	Asset-Backed Securities	Subprime (1st lien)	>=75MM < 100MM	d	2030 - 2040
Commonwealth of Puerto Rico - GO	Public Finance	General Obligation - State	185,348,870	d	7/1/2036
Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	Public Finance	Electric Retail Muni Utility	166,397,000	d	7/1/2031