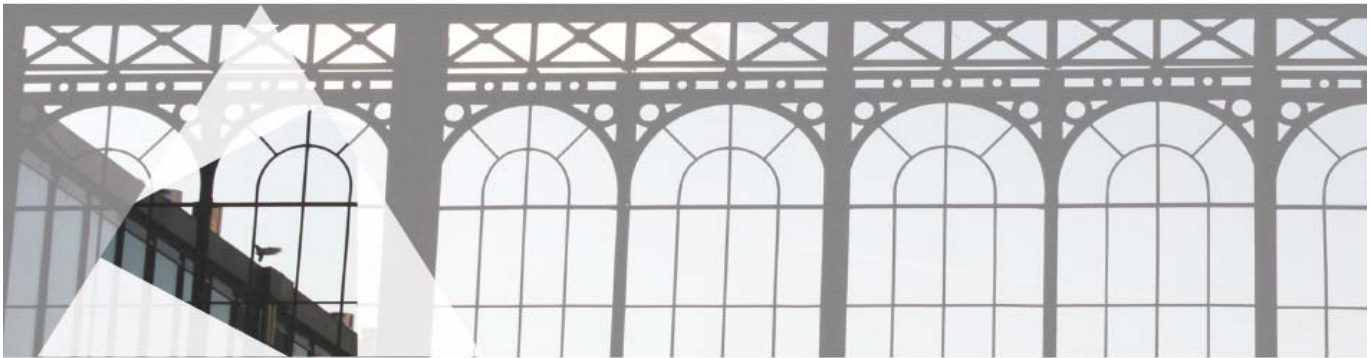


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**2ND QUARTER 2010
OPERATING SUPPLEMENT**



Syncora Guarantee Inc. Syncora Capital Assurance Inc. Index

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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 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.

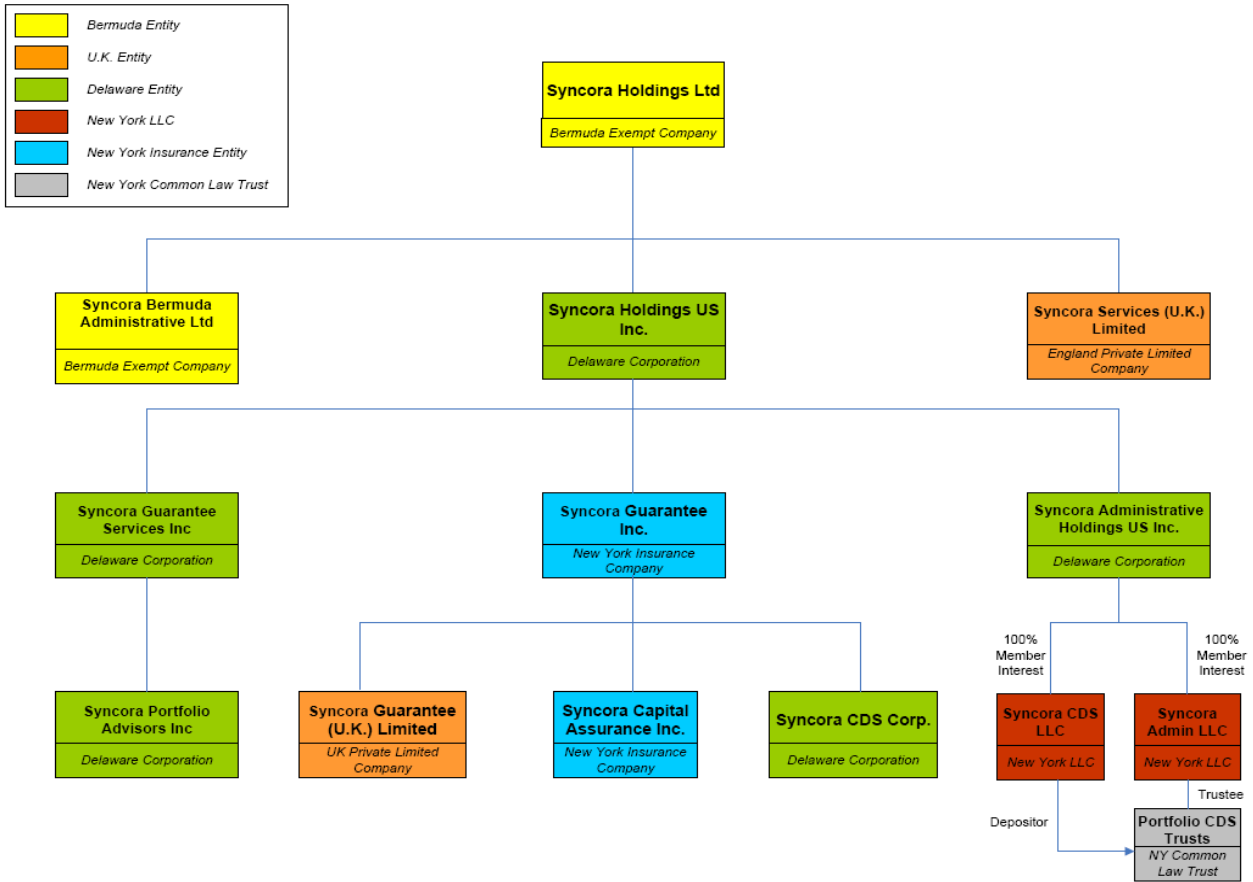
Net principal and interest outstanding

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



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

Syncora Guarantee Inc.

	As of		
	6/30/2010	3/31/2010	12/31/2009 ¹
Assets			
Cash, cash equivalents and short-term investments	\$ 258,553	\$ 389,470	\$ 420,543
Bonds	150,174	151,214	158,778
Uninsured cash flow certificates	57,455	86,500	104,028
Interest rate derivatives	7,025	17,241	-
Investment in subsidiary - Syncora Guarantee (UK)	46,931	43,621	42,557
Investment in subsidiary - Syncora Capital Assurance	197,086	203,801	194,621
Receivables for securities	1,211	1	-
Subtotal, cash and invested assets	718,434	891,848	920,527
Investment income due and accrued	2,657	1,345	2,146
Uncollected premiums	4,587	5,213	4,926
Collateral deposit	14,400	13,600	12,000
Assets received as salvage	185,092	188,061	184,191
Other assets	3,834	7,474	11,082
Total Assets	\$ 929,003	\$ 1,107,541	\$ 1,134,872
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 324,230	\$ 559,294	\$ 599,455
Unearned premiums	262,242	264,549	267,147
Payable to parent, subsidiaries and affiliates	11,183	11,852	14,880
Mandatory contingency reserve	111,957	112,278	109,845
Other liabilities	75,598	55,473	57,035
Total Liabilities	785,210	1,003,446	1,048,362
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)	(2,702,513)	(2,742,212)	(2,759,796)
Surplus as regards policyholders	143,793	104,095	86,510
Total Liabilities, Surplus and Other Funds	\$ 929,003	\$ 1,107,541	\$ 1,134,872

Note:

¹12/31/2009 balances reflect audit adjustments.

Syncora Capital Assurance Inc.

	As of		
	6/30/2010	3/31/2010	12/31/2009 ¹
Assets			
Cash, cash equivalents and short-term investments	\$ 245,400	\$ 229,622	\$ 238,276
Bonds	610,403	632,752	675,156
Subtotal, cash and invested assets	855,803	862,375	913,432
Investment income due and accrued	5,693	5,840	5,955
Uncollected premiums	3,962	4,023	6,514
Net deferred tax asset	6,834	6,834	25,876
Other assets	2,500	2,500	2,500
Total Assets	\$ 874,792	\$ 881,572	\$ 954,277
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 16,000	\$ 16,000	\$ 81,000
Unearned premiums	401,299	408,635	415,763
Payable to parent, subsidiaries and affiliates	13,026	14,213	30,989
Mandatory contingency reserve	225,812	213,262	201,398
Other liabilities	8,089	10,301	11,335
Total Liabilities	664,226	662,411	740,485
Surplus notes	350,000	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)	(330,934)	(322,339)	(327,708)
Surplus as regards policyholders	210,566	219,161	213,792
Total Liabilities, Surplus and Other Funds	\$ 874,792	\$ 881,572	\$ 954,277

Note:

¹12/31/2009 balances reflect audit adjustments.

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	6/30/2010	3/31/2010	12/31/2009
Net premiums written	\$ 10,392	\$ 11,346	\$ 10,143
Underwriting Income			
Net premiums earned	\$ 12,698	\$ 13,943	\$ 19,319
Remediation of incurred losses, net of additional losses incurred	(43,560)	(23,886)	(35,171)
Loss adjustment expenses incurred	(1,010)	4,662	5,417
Other underwriting expenses incurred	12,395	12,513	12,443
Other underwriting deductions	15,895	-	-
Net underwriting gain/(loss)	28,978	20,654	36,630
Investment Income			
Net investment income earned	19,756	10,985	22,215
Net realized gains/(losses)	(3,978)	(19,149)	(11,536)
Total net investment gain/(loss)	15,778	(8,164)	10,679
Other Income			
Other income	2,477	2,773	4,061
Retroactive ceded reinsurance gain/(loss)	-	-	(70,599)
Total other income	2,477	2,773	(66,538)
Net income/(loss) before taxes	47,233	15,263	(19,229)
Federal and foreign income taxes incurred/(benefit)	84	16,130	(25,876)
Net income/(loss)	\$ 47,149	\$ (867)	\$ 6,647

Syncora Capital Assurance Inc.

	Three Months Ended		
	6/30/2010	3/31/2010	12/31/2009
Net premiums written	\$ 9,880	\$ 11,335	\$ 9,478
Underwriting Income			
Net premiums earned	\$ 17,217	\$ 18,463	\$ 24,831
Net losses incurred	-	-	81,000
Loss adjustment expenses incurred	-	-	-
Other underwriting expenses incurred	12,100	7,012	7,171
Other underwriting deductions	312	-	-
Net underwriting gain/(loss)	4,804	11,452	(63,340)
Investment Income			
Net investment income earned	(4,926)	5,123	(3,760)
Net realized capital gains	138	2,596	1
Total net investment gain/(loss)	(4,788)	7,719	(3,759)
Other Income			
Other income	1,042	1,042	1,042
Net income/(loss) before taxes	1,058	20,212	(66,058)
Federal and foreign income taxes incurred/(benefit)	(84)	(16,130)	25,876
Net income/(loss)	\$ 1,142	\$ 36,342	\$ (91,934)

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

Syncora Guarantee Inc.

	As of		
	6/30/2010	3/31/2010	12/31/2009 ¹
Claims paying resources			
Policyholders' surplus	\$ 144	\$ 104	\$ 87
Contingency reserve	<u>112</u>	<u>112</u>	<u>110</u>
Qualified statutory capital	256	216	196
Unearned premium revenue	262	265	267
Loss & loss adjustment expense reserves	<u>324</u>	<u>559</u>	<u>599</u>
Total policyholders' surplus & reserves	842	1,040	1,063
NPV/FIP	<u>237</u>	<u>246</u>	<u>260</u>
Total claims paying resources	<u>\$ 1,079</u>	<u>\$ 1,286</u>	<u>\$ 1,324</u>
Net par outstanding	\$ 19,909	\$ 21,826	\$ 23,159
Leverage ratio (Net par outstanding/Total claims paying resources)	18.4	17.0	17.5

Note:

¹12/31/2009 balances reflect audit adjustments.

Syncora Capital Assurance Inc.

	As of		
	6/30/2010	3/31/2010	12/31/2009 ¹
Claims paying resources			
Policyholders' surplus	\$ 211	\$ 219	\$ 214
Contingency reserve	<u>226</u>	<u>213</u>	<u>201</u>
Qualified statutory capital	436	432	415
Unearned premium revenue	401	409	416
Loss & loss adjustment expense reserves	<u>16</u>	<u>16</u>	<u>81</u>
Total policyholders' surplus & reserves	854	857	912
NPV/FIP	<u>273</u>	<u>281</u>	<u>295</u>
Total claims paying resources	<u>\$ 1,127</u>	<u>\$ 1,139</u>	<u>\$ 1,207</u>
Net par outstanding	\$ 77,782	\$ 78,984	\$ 82,840
Leverage ratio (Net par outstanding/Total claims paying resources)	69.0	69.4	68.6

Note:

¹12/31/2009 balances reflect audit adjustments.

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

Syncora Guarantee Inc.

	Par Outstanding as of		
	6/30/2010	3/31/2010	12/31/2009
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,792	\$ 2,111	\$ 2,114
U.S. Structured Finance:			
Consumer ABS	2,605	3,096	3,363
Pooled Debt Obligations	1,159	1,207	1,486
Other	1,677	2,013	2,411
Total U.S. Structured Finance	5,441	6,315	7,260
International Finance:			
Transportation	4,868	5,205	5,258
Power & Utility	4,083	4,196	4,358
Other	3,726	3,999	4,168
Total International Finance	12,677	13,400	13,784
Total Par Outstanding	\$ 19,909	\$ 21,826	\$ 23,159
Percent of Net Par Outstanding			
U.S. Public Finance	9.0%	9.7%	9.1%
U.S. Structured Finance	27.3%	28.9%	31.3%
International Finance	63.7%	61.4%	59.5%

Syncora Capital Assurance Inc.

	Par Outstanding as of		
	6/30/2010	3/31/2010	12/31/2009
	Net	Net	Net
U.S. Public Finance:			
General Obligation	\$ 26,464	\$ 26,782	\$ 27,188
Utility	5,723	5,763	5,792
Non Ad Valorem	4,455	4,469	4,473
Higher Education	3,475	3,555	3,557
Transportation	3,115	3,116	3,144
Other	3,967	3,979	3,987
Total U.S. Public Finance	47,198	47,662	48,142
U.S. Structured Finance:			
Pooled Debt Obligations	17,389	17,438	20,351
Power & Utility	3,765	3,977	4,001
Other	1,059	1,070	1,179
Total U.S. Structured Finance	22,214	22,485	25,532
International Finance:			
Pooled Debt Obligations	3,283	3,565	3,412
Power & Utility	2,121	2,167	2,487
Transportation	1,572	1,681	1,774
Other	1,394	1,424	1,493
Total International Finance	8,370	8,837	9,166
Total Par Outstanding	\$ 77,782	\$ 78,984	\$ 82,840
Percent of Net Par Outstanding			
U.S. Public Finance	60.7%	60.3%	58.1%
U.S. Structured Finance	28.6%	28.5%	30.8%
International Finance	10.8%	11.2%	11.1%

Insured Portfolio - Debt Service Amortization

As of June 30, 2010

(U.S. dollars in millions)

Syncora Guarantee Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 32,292
3rd Quarter 2010	1,000	31,292
4th Quarter 2010	960	30,332
2011	2,090	28,243
2012	1,412	26,830
2013	1,317	25,513
2014	1,037	24,477
2015	1,175	23,301
2016-2020	6,027	17,274
2021-2025	3,557	13,718
2026 and thereafter	13,718	-
	<u>\$ 32,292</u>	

Syncora Capital Assurance Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 113,469
3rd Quarter 2010	1,332	112,138
4th Quarter 2010	1,055	111,082
2011	5,698	105,384
2012	5,927	99,457
2013	8,730	90,727
2014	10,012	80,715
2015	5,857	74,858
2016-2020	26,879	47,980
2021-2025	15,265	32,715
2026 and thereafter	32,715	-
	<u>\$ 113,469</u>	

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

Syncora Guarantee Inc.

Exposure ¹	2Q 2010		1Q 2010		4Q 2009	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 1,502	15	\$ 1,611	16	\$ 1,916	18
ABS: RMBS	2,292	35	2,723	38	2,880	38
ABS: non-RMBS	940	14	1,306	15	1,825	17
Power & Utilities	4,130	14	4,232	14	4,387	14
Global Infrastructure	7,388	30	7,755	30	7,864	30
Specialized Risk	1,866	14	2,023	16	2,106	16
Public Finance	1,792	17	2,177	17	2,181	17
Total	\$ 19,909	139	\$ 21,826	146	\$ 23,159	150

Reserves	2Q 2010		1Q 2010		4Q 2009	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 9	10	\$ 10	29	\$ 29	459
ABS: RMBS	224	438	438	459	459	-
ABS: non-RMBS	-	-	-	-	-	-
Power & Utilities	-	-	-	-	-	-
Global Infrastructure	-	-	-	-	-	-
Specialized Risk	-	-	-	-	-	-
Public Finance	111	126	126	126	126	-
Total	\$ 344	574	\$ 574	614	\$ 614	614
Less Salvage & Subrogation	(29)	(28)	(28)	(28)	(28)	(28)
Adjusted Total	\$ 315	546	\$ 546	586	\$ 586	586

Note:

¹ Categories include domestic and international credits.

Syncora Capital Assurance Inc.

Exposure ¹	2Q 2010		1Q 2010		4Q 2009	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 20,672	77	\$ 21,004	77	\$ 23,763	81
ABS: RMBS	-	-	-	-	-	-
ABS: non-RMBS	574	3	585	3	594	3
Power & Utilities	5,886	42	6,143	42	6,488	42
Global Infrastructure	2,432	7	2,544	7	2,685	7
Specialized Risk	919	6	946	6	1,068	7
Public Finance	47,297	2,336	47,762	2,352	48,242	2,359
Total	\$ 77,782	2,471	\$ 78,984	2,487	\$ 82,840	2,499

Reserves	2Q 2010		1Q 2010		4Q 2009	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 16	16	\$ 16	81	\$ 81	-
ABS: RMBS	-	-	-	-	-	-
ABS: non-RMBS	-	-	-	-	-	-
Power & Utilities	-	-	-	-	-	-
Global Infrastructure	-	-	-	-	-	-
Specialized Risk	-	-	-	-	-	-
Public Finance	-	-	-	-	-	-
Total	\$ 16	16	\$ 16	81	\$ 81	81
Less Salvage & Subrogation	-	-	-	-	-	-
Adjusted Total	\$ 16	16	\$ 16	81	\$ 81	81

Note:

¹ Categories include domestic and international credits.

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

Syncora Guarantee Inc.

Par Outstanding as of 6/30/2010					
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	9	7	3	26	45
Remaining weighted-average contract period (in years)	9.3	10.5	8.8	10.9	10.1
Insured contractual payments outstanding:					
Principal	\$ 1,980.9	\$ 868.2	\$ 203.8	\$ 2,123.9	\$ 5,176.8
Interest	735.0	1,566.7	61.0	744.9	3,107.6
Total	<u>\$ 2,715.9</u>	<u>\$ 2,434.8</u>	<u>\$ 264.8</u>	<u>\$ 2,868.9</u>	<u>\$ 8,284.3</u>
Gross loss reserves before salvage	\$ -	\$ -	\$ -	\$ 353.2	\$ 353.2
Net loss reserves before salvage, but after reinsurance	\$ -	\$ -	\$ -	\$ 343.7	\$ 343.7
Net loss reserves after salvage and subrogation, after reinsurance	\$ -	\$ -	\$ -	\$ 315.1	\$ 315.1

Note:

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

Syncora Capital Assurance Inc.

Par Outstanding as of 6/30/2010					
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	11	5	1	1	18
Remaining weighted-average contract period (in years)	9.7	11.7	14.8	0.7	9.0
Insured contractual payments outstanding:					
Principal	\$ 3,150.1	\$ 1,015.2	\$ 5.6	\$ 620.0	\$ 4,790.9
Interest	912.5	567.8	3.8	25.5	1,509.5
Total	<u>\$ 4,062.6</u>	<u>\$ 1,582.9</u>	<u>\$ 9.4</u>	<u>\$ 645.5</u>	<u>\$ 6,300.4</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					
	6/30/2010		3/31/2010		12/31/2009	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 989	5.0%	\$ 1,438	6.6%	\$ 1,871	8.1%
AA	1,608	8.1%	1,642	7.5%	1,355	5.9%
A	2,430	12.2%	2,515	11.5%	3,337	14.4%
BBB	10,689	53.7%	11,906	54.5%	11,982	51.7%
Below investment grade	4,193	21.1%	4,325	19.8%	4,613	19.9%
Net par outstanding	<u>\$ 19,909</u>	<u>100.0%</u>	<u>\$ 21,826</u>	<u>100.0%</u>	<u>\$ 23,159</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					
	6/30/2010		3/31/2010		12/31/2009	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 14,678	18.9%	\$ 16,283	20.6%	\$ 21,899	26.4%
AA	22,811	29.3%	21,395	27.1%	19,244	23.2%
A	27,597	35.5%	28,180	35.7%	27,156	32.8%
BBB	10,149	13.0%	11,043	14.0%	10,819	13.1%
Below investment grade	2,548	3.3%	2,082	2.6%	3,723	4.5%
Net par outstanding	<u>\$ 77,782</u>	<u>100.0%</u>	<u>\$ 78,984</u>	<u>100.0%</u>	<u>\$ 82,840</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		
	6/30/2010 Net	3/31/2010 Net	12/31/2009 Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 593	\$ 978	\$ 981
U.S. Structured Finance:			
Consumer ABS	1,844	1,853	1,968
Other	<u>327</u>	<u>556</u>	<u>843</u>
Total U.S. Structured Finance	2,171	2,408	2,811
International Finance:			
Total International Finance	1,429	939	820
Total Below Investment Grade	<u>\$ 4,193</u>	<u>\$ 4,325</u>	<u>\$ 4,613</u>
BIG as a percentage of net par outstanding	21.1%	19.8%	19.9%

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		
	6/30/2010 Net	3/31/2010 Net	12/31/2009 Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,217	\$ 1,205	\$ 1,122
U.S. Structured Finance:			
Total U.S. Structured Finance	1,228	765	2,601
International Finance:			
Total International Finance	102	112	-
Total Below Investment Grade	<u>\$ 2,548</u>	<u>\$ 2,082</u>	<u>\$ 3,723</u>
BIG as a percentage of net par outstanding	3.3%	2.6%	4.5%

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 6/30/2010			
	Obligor Name ¹	Net	S&P Rating
1	Jefferson County, AL - Water/Sewer Revenue	\$ 551	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	161	AA-
5	State of Wisconsin - AA	133	AA-
6	Massachusetts (Commonwealth of) - GO	79	AA
7	Port Authority of New York and New Jersey, NY	79	AA-
8	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	66	BBB-
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	A
12	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA
13	Port of Portland, OR - Airport Revenue Bonds	32	AA-
14	Los Angeles County Metropolitan Transportation Authority, CA - Sales Tax	18	AAA
15	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	16	BBB+
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>\$ 1,792</u>	
	Total Portfolio Net Par Outstanding	\$ 19,909	
	% of Total Portfolio	9.0%	
	Total Public Finance Portfolio Net Par Outstanding	\$ 1,792	
	% 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 6/30/2010			
	Obligor Name ¹	Net	S&P Rating
1	State of California - GO	\$ 902	A-
2	Texas (State of) - GO	900	AA+
3	Maryland (State of) - GO	850	AAA
4	San Diego Family Housing LLC	727	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	595	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 New York, NY - GO	383	AA
19	City of Denver Convention Center Hotel Project, CO	354	BBB-
20	Port Authority of New York and New Jersey, NY	347	AA-
	Total Net Par Outstanding of the 20 Largest Public Finance Credits	<u>\$ 11,845</u>	
	Total Portfolio Net Par Outstanding	\$ 77,782	
	% of Total Portfolio	15.2%	
	Total Public Finance Portfolio Net Par Outstanding	\$ 47,297	
	% of Total Public Finance Portfolio	25.0%	

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 6/30/2010			
Servicer/Manager Name ¹		Net	
1	Countrywide Home Loans	\$	538
2	Wells Fargo Bank, NA		404
3	American Home Servicing		382
4	OneWest Bank, FSB		369
5	CLO Manager 1 ²		323
6	AmeriCredit Financial Services, Inc.		277
7	CLO Manager 2 ²		272
8	CLO Manager 3 ²		268
9	Private Commercial ABS Transaction ²		242
10	JP Morgan		238
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	3,313
Total Portfolio Net Par Outstanding		\$	19,909
% of Total Portfolio			16.6%
Total Structured Finance Portfolio Net Par Outstanding		\$	18,118
% of Total Structured Finance Portfolio			18.3%

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 6/30/2010			
Servicer/Manager Name ¹		Net	
1	CLO Manager 4 ²	\$	1,236
2	CLO Manager 5 ²		1,177
3	CLO Manager 6 ²		814
4	CLO Manager 7 ²		767
5	CLO Manager 8 ²		699
6	CLO Manager 9 ²		680
7	CLO Manager 3 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		\$	7,716
Total Portfolio Net Par Outstanding		\$	77,782
% of Total Portfolio			9.9%
Total U.S. Structured Finance Portfolio Net Par Outstanding		\$	30,485
% of Total U.S. Structured Finance Portfolio			25.3%

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.

	6/30/2010		Par Outstanding as of 3/31/2010		12/31/2009	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
Alabama	\$ 1,055	5.3%	\$ 1,438	6.6%	\$ 1,442	6.2%
Other	<u>6,178</u>	<u>31.0%</u>	<u>6,988</u>	<u>32.0%</u>	<u>7,933</u>	<u>34.3%</u>
Total United States	7,233	36.3%	8,426	38.6%	9,375	40.5%
Non-United States						
United Kingdom	6,406	32.2%	6,583	30.2%	6,862	29.6%
Australia	1,699	8.5%	1,849	8.5%	1,811	7.8%
Other	<u>4,572</u>	<u>23.0%</u>	<u>4,968</u>	<u>22.8%</u>	<u>5,111</u>	<u>22.1%</u>
Total Non-United States	12,677	63.7%	13,400	61.4%	13,784	59.5%
Total Par Outstanding	<u>\$ 19,909</u>	<u>100.0%</u>	<u>\$ 21,826</u>	<u>100.0%</u>	<u>\$ 23,159</u>	<u>100.0%</u>

Syncora Capital Assurance Inc.

	6/30/2010		Par Outstanding as of 3/31/2010		12/31/2009	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
New York	\$ 11,405	16.4%	\$ 11,459	14.5%	\$ 14,087	17.0%
California	7,574	10.9%	7,639	9.7%	7,646	9.2%
Illinois	3,308	4.8%	3,310	4.2%	3,332	4.0%
Texas	3,251	4.7%	3,265	4.1%	3,301	4.0%
Florida	2,677	3.9%	2,681	3.4%	2,683	3.2%
Pennsylvania	2,673	3.9%	2,763	3.5%	2,785	3.4%
Alabama	1,897	2.7%	1,907	2.4%	1,945	2.3%
New Jersey	1,739	2.5%	1,740	2.2%	1,746	2.1%
Massachusetts	1,464	2.1%	1,472	1.9%	1,472	1.8%
Ohio	1,421	2.0%	1,421	1.8%	1,422	1.7%
Georgia	1,417	2.0%	1,426	1.8%	1,443	1.7%
Colorado	1,393	2.0%	1,396	1.8%	1,397	1.7%
Maryland	1,237	1.8%	1,237	1.6%	1,237	1.5%
Virginia	1,227	1.8%	1,227	1.6%	1,235	1.5%
Michigan	1,155	1.7%	1,363	1.7%	1,364	1.6%
Delaware	1,126	1.6%	1,126	1.4%	1,127	1.4%
Other	<u>24,447</u>	<u>35.2%</u>	<u>24,715</u>	<u>31.3%</u>	<u>25,453</u>	<u>30.7%</u>
Total United States	69,412	89.2%	70,147	88.8%	73,674	88.9%
Non-United States						
United Kingdom	3,470	4.5%	3,603	4.6%	3,823	4.6%
Ireland	1,518	2.0%	1,626	2.1%	1,733	2.1%
Other	<u>3,382</u>	<u>4.3%</u>	<u>3,607</u>	<u>4.6%</u>	<u>3,610</u>	<u>4.4%</u>
Total Non-United States	8,370	10.8%	8,837	11.2%	9,166	11.1%
Total Par Outstanding	<u>\$ 77,782</u>	<u>100.0%</u>	<u>\$ 78,984</u>	<u>100.0%</u>	<u>\$ 82,840</u>	<u>100.0%</u>

Investment Portfolio

As of June 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	\$ 244.2	64.8%
Cash and cash equivalents	\$ 130.0	34.5%	1 to 5 Years	29.3	7.8%
Short-term investments	96.5	25.6%	5 to 10 Years	56.9	15.1%
Total Cash and Short-Term Investments	226.6	60.1%	Due after 10 Years	2.6	0.7%
Debt Securities			Mortgage and asset-backed securities	43.7	11.6%
MBS/ABS	43.7	11.6%	Total	\$ 376.7	100.0%
U.S. Government	50.2	13.3%			
Corporate	55.1	14.6%	Yield to Maturity @ Book Value ¹	2.3%	
Non-U.S. Sovereign	0.5	0.1%	Yield to Maturity @ Market Value ¹	1.5%	
States & Political Subs	0.7	0.2%	Duration (years) ¹	1.3	
Total Long-Term Fixed Maturity	150.2	39.9%			
Total	\$ 376.7	100.0%			

Note:

¹Excludes uninsured cash flow ("UCF") securities of \$57.5 million and operating cash balances of \$32.0 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 315.6	83.8%
AA	6.0	1.6%
A	51.2	13.6%
BBB	1.8	0.5%
BB & below and Not Rated	2.2	0.6%
Total	\$ 376.7	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	\$ 363.8	42.9%
Cash and cash equivalents	\$ 160.0	18.9%	1 to 5 Years	173.3	20.4%
Short-term investments	78.1	9.2%	5 to 10 Years	128.4	15.1%
Total Cash and Short-Term Investments	238.1	28.1%	Due after 10 Years	32.4	3.8%
Debt Securities			Mortgage and asset-backed securities	150.6	17.8%
MBS/ABS	150.6	17.8%	Total	\$ 848.5	100.0%
U.S. Government	193.7	22.8%			
Corporate	262.0	30.9%	Yield to Maturity @ Book Value ¹	2.5%	
Non-U.S. Sovereign	4.0	0.5%	Yield to Maturity @ Market Value ¹	1.5%	
States & Political Subs	-	0.0%	Duration (years) ¹	2.3	
Total Long-Term Fixed Maturity	610.4	71.9%			
Total	\$ 848.5	100.0%			

Note:

¹Excludes operating cash balances of \$7.3 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 582.5	68.7%
AA	23.6	2.8%
A	230.4	27.1%
BBB	12.0	1.4%
BB & below and Not Rated	-	0.0%
Total	\$ 848.5	100.0%
Average credit quality	AA	