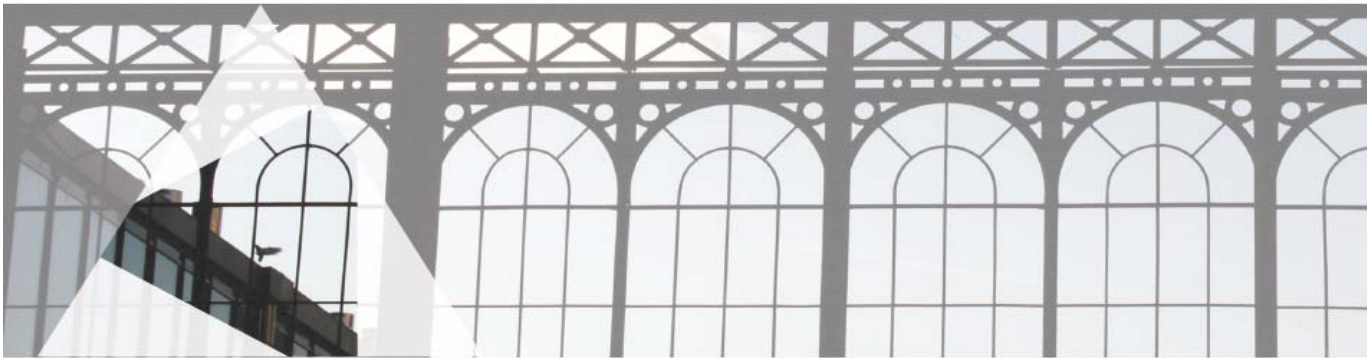


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**4TH 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.

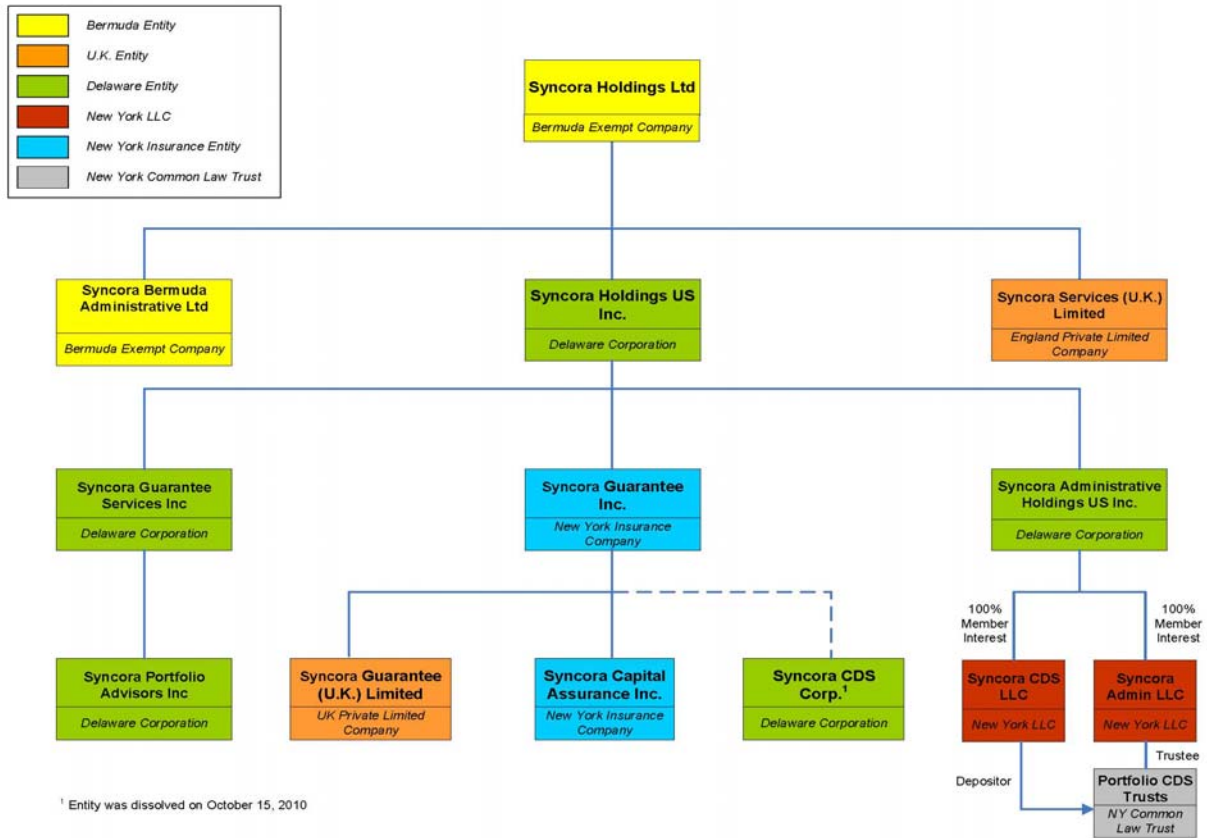
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

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



¹ Entity was dissolved on October 15, 2010

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

Syncora Guarantee Inc.

	As of		
	12/31/2010	9/30/2010	6/30/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 202,465	\$ 268,524	\$ 258,553
Bonds	100,773	109,783	150,174
Uninsured cash flow certificates	56,601	56,380	57,455
Interest rate derivatives	3,801	2,663	7,025
Investment in subsidiary - Syncora Guarantee (UK)	49,849	50,183	46,931
Investment in subsidiary - Syncora Capital Assurance	123,953	128,087	197,086
Receivables for securities	-	-	1,211
Subtotal, cash and invested assets	537,442	615,619	718,434
Investment income due and accrued	2,284	1,622	2,657
Uncollected premiums	7,142	5,992	4,587
Collateral deposit	9,800	13,800	14,400
Assets received as salvage	172,296	172,602	185,092
Other assets	35,569	5,768	3,834
Total Assets	\$ 764,532	\$ 815,403	\$ 929,003
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 194,113	\$ 263,178	\$ 324,230
Unearned premiums	269,265	268,080	262,242
Payable to parent, subsidiaries and affiliates	25,522	20,832	11,183
Mandatory contingency reserve	106,475	103,602	111,957
Other liabilities	36,606	38,885	75,598
Total Liabilities	631,979	694,576	785,210
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)	(2,713,753)	(2,725,479)	(2,702,513)
Surplus as regards policyholders	132,553	120,827	143,793
Total Liabilities, Surplus and Other Funds	\$ 764,532	\$ 815,403	\$ 929,003

Syncora Capital Assurance Inc.

	As of		
	12/31/2010	9/30/2010	6/30/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 198,966	\$ 214,544	\$ 245,400
Bonds	573,348	577,968	610,403
Subtotal, cash and invested assets	772,314	792,512	855,803
Investment income due and accrued	4,465	4,702	5,693
Uncollected premiums	4,274	4,234	3,962
Net deferred tax asset	7,609	6,863	6,834
Other assets	1,386	2,500	2,500
Total Assets	\$ 790,047	\$ 810,811	\$ 874,792
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 16,967	\$ 16,000	\$ 16,000
Unearned premiums	387,909	394,742	401,299
Payable to parent, subsidiaries and affiliates	2,495	22,783	13,026
Mandatory contingency reserve	248,179	235,816	225,812
Other liabilities	4,878	5,742	8,089
Total Liabilities	660,428	675,083	664,226
Surplus notes	275,000	275,000	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)	(336,880)	(330,772)	(330,934)
Surplus as regards policyholders	129,620	135,728	210,566
Total Liabilities, Surplus and Other Funds	\$ 790,047	\$ 810,811	\$ 874,792

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	12/31/2010	9/30/2010	6/30/2010
Net premiums written	\$ 8,862	\$ 20,368	\$ 10,392
Underwriting Income			
Net premiums earned	\$ 7,677	\$ 14,530	\$ 12,698
Losses incurred/(remediated)	21,737	28,776	(43,560)
Loss adjustment expenses incurred	10,095	27,555	(1,010)
Other underwriting expenses incurred	9,144	11,541	12,395
Other underwriting deductions/(additions)	-	(493)	15,895
Net underwriting gain/(loss)	(33,299)	(52,849)	28,978
Investment Income			
Net investment income earned	17,140	9,280	19,756
Net realized gains/(losses)	1,527	5,068	(3,978)
Total net investment gain/(loss)	18,667	14,348	15,778
Other Income			
Other income	2,256	2,822	2,477
Net income/(loss) before taxes	(12,376)	(35,679)	47,233
Federal and foreign income taxes incurred/(benefit)	(2,051)	(15,140)	84
Net income/(loss)	\$ (10,325)	\$ (20,539)	\$ 47,149

Syncora Capital Assurance Inc.

	Three Months Ended		
	12/31/2010	9/30/2010	6/30/2010
Net premiums written	\$ 9,173	\$ 11,347	\$ 9,880
Underwriting Income			
Net premiums earned	\$ 16,006	\$ 17,903	\$ 17,217
Net losses incurred	845	-	-
Loss adjustment expenses incurred	122	-	-
Other underwriting expenses incurred	7,370	5,726	12,100
Other underwriting deductions/(additions)	-	(278)	312
Net underwriting gain/(loss)	7,670	12,455	4,804
Investment Income			
Net investment income earned	(3,411)	4,857	(4,926)
Net realized capital gains	1,964	7,103	138
Total net investment gain/(loss)	(1,447)	11,960	(4,788)
Other Income			
Other income	1,067	1,042	1,042
Net income/(loss) before taxes	7,290	25,456	1,058
Federal and foreign income taxes incurred/(benefit)	1,959	15,140	(84)
Net income/(loss)	\$ 5,330	\$ 10,316	\$ 1,142

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

Syncora Guarantee Inc.

	As of		
	12/31/2010	9/30/2010	6/30/2010
Claims paying resources			
Policyholders' surplus	\$ 133	\$ 121	\$ 144
Contingency reserve	<u>106</u>	<u>104</u>	<u>112</u>
Qualified statutory capital	239	224	256
Unearned premium revenue	269	268	262
Loss & loss adjustment expense reserves	<u>194</u>	<u>263</u>	<u>324</u>
Total policyholders' surplus & reserves	702	756	842
NPVFIP	<u>190</u>	<u>187</u>	<u>237</u>
Total claims paying resources	<u>\$ 892</u>	<u>\$ 943</u>	<u>\$ 1,079</u>
Net par outstanding	\$ 19,198	\$ 19,727	\$ 19,909
Leverage ratio (Net par outstanding/Total claims paying resources)	21.5	20.9	18.4

Syncora Capital Assurance Inc.

	As of		
	12/31/2010	9/30/2010	6/30/2010
Claims paying resources			
Policyholders' surplus	\$ 130	\$ 136	\$ 211
Contingency reserve	<u>248</u>	<u>236</u>	<u>226</u>
Qualified statutory capital	378	372	436
Unearned premium revenue	388	395	401
Loss & loss adjustment expense reserves	<u>17</u>	<u>16</u>	<u>16</u>
Total policyholders' surplus & reserves	783	782	854
NPVFIP	<u>266</u>	<u>269</u>	<u>273</u>
Total claims paying resources	<u>\$ 1,048</u>	<u>\$ 1,051</u>	<u>\$ 1,127</u>
Net par outstanding	\$ 77,054	\$ 77,591	\$ 77,782
Leverage ratio (Net par outstanding/Total claims paying resources)	73.5	73.8	69.0

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

Syncora Guarantee Inc.

	Par Outstanding as of		
	12/31/2010	9/30/2010	6/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,757	\$ 1,780	\$ 1,792
U.S. Structured Finance:			
Consumer ABS	2,231	2,397	2,605
Pooled Debt Obligations	1,064	1,099	1,159
Other	1,533	1,590	1,677
Total U.S. Structured Finance	4,828	5,085	5,441
International Finance:			
Transportation	4,931	4,772	4,868
Power & Utility	3,938	4,343	4,083
Other	3,745	3,747	3,726
Total International Finance	12,613	12,862	12,677
Total Par Outstanding	\$ 19,198	\$ 19,727	\$ 19,909
Percent of Net Par Outstanding			
U.S. Public Finance	9.2%	9.0%	9.0%
U.S. Structured Finance	25.1%	25.8%	27.3%
International Finance	65.7%	65.2%	63.7%

Syncora Capital Assurance Inc.

	Par Outstanding as of		
	12/31/2010	9/30/2010	6/30/2010
	Net	Net	Net
U.S. Public Finance:			
General Obligation	\$ 26,081	\$ 26,339	\$ 26,464
Utility	5,612	5,676	5,723
Non Ad Valorem	4,362	4,403	4,455
Higher Education	3,419	3,444	3,475
Transportation	2,905	2,911	3,115
Other	3,957	3,961	3,967
Total U.S. Public Finance	46,335	46,734	47,198
U.S. Structured Finance:			
Pooled Debt Obligations	17,206	17,322	17,389
Power & Utility	3,588	3,637	3,765
Other	1,040	1,048	1,059
Total U.S. Structured Finance	21,833	22,006	22,214
International Finance:			
Pooled Debt Obligations	3,230	3,288	3,283
Power & Utility	2,357	2,281	2,121
Transportation	1,808	1,826	1,572
Other	1,490	1,456	1,394
Total International Finance	8,885	8,852	8,370
Total Par Outstanding	\$ 77,054	\$ 77,591	\$ 77,782
Percent of Net Par Outstanding			
U.S. Public Finance	60.1%	60.2%	60.7%
U.S. Structured Finance	28.3%	28.4%	28.6%
International Finance	11.5%	11.4%	10.8%

Insured Portfolio - Debt Service Amortization

As of December 31, 2010

(U.S. dollars in millions)

Syncora Guarantee Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 30,232
1st Quarter 2011	1,013	29,219
2nd Quarter 2011	426	28,793
3rd Quarter 2011	553	28,240
4th Quarter 2011	351	27,889
2012	1,309	26,580
2013	1,271	25,309
2014	1,303	24,007
2015	1,200	22,807
2016-2020	5,484	17,323
2021-2025	3,634	13,689
2026 and thereafter	13,689	-
	<u>\$ 30,232</u>	

Syncora Capital Assurance Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 111,469
1st Quarter 2011	1,916	109,553
2nd Quarter 2011	1,039	108,514
3rd Quarter 2011	1,171	107,343
4th Quarter 2011	1,508	105,835
2012	6,076	99,759
2013	8,769	90,990
2014	10,416	80,574
2015	5,751	74,824
2016-2020	26,449	48,375
2021-2025	15,270	33,105
2026 and thereafter	33,105	-
	<u>\$ 111,469</u>	

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

Syncora Guarantee Inc.

Exposure ¹	12/31/2010		9/30/2010		6/30/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 1,438	15	\$ 1,480	15	\$ 1,502	15
ABS: RMBS	2,043	38	2,137	38	2,292	38
ABS: non-RMBS	704	11	818	13	940	14
Power & Utilities	3,973	14	4,400	14	4,130	14
Global Infrastructure	7,543	28	7,339	28	7,388	30
Specialized Risk	1,740	13	1,774	14	1,866	14
Public Finance	1,757	17	1,780	17	1,792	17
Total	\$ 19,198	136	\$ 19,727	139	\$ 19,909	142

Reserves	12/31/2010		9/30/2010		6/30/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 3		\$ 7		\$ 9	
ABS: RMBS	57		131		224	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	24		16		-	
Specialized Risk	-		-		-	
Public Finance	105		105		111	
Total	\$ 189		\$ 259		\$ 344	
Less Salvage & Subrogation	(29)		(29)		(29)	
Adjusted Total	\$ 160		\$ 230		\$ 315	

Note:

¹ Categories include domestic and international credits.

Syncora Capital Assurance Inc.

Exposure ¹	12/31/2010		9/30/2010		6/30/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 20,436	76	\$ 20,609	76	\$ 20,672	77
ABS: RMBS	-	-	-	-	-	-
ABS: non-RMBS	555	3	563	3	574	3
Power & Utilities	5,945	41	5,918	41	5,886	42
Global Infrastructure	2,729	7	2,734	7	2,432	7
Specialized Risk	954	6	934	6	919	6
Public Finance	46,435	2,315	46,833	2,322	47,297	2,336
Total	\$ 77,054	2,448	\$ 77,591	2,455	\$ 77,782	2,471

Reserves	12/31/2010		9/30/2010		6/30/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 17		\$ 16		\$ 16	
ABS: RMBS	-		-		-	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	-		-		-	
Specialized Risk	-		-		-	
Public Finance	-		-		-	
Total	\$ 17		\$ 16		\$ 16	
Less Salvage & Subrogation	-		-		-	
Adjusted Total	\$ 17		\$ 16		\$ 16	

Note:

¹ Categories include domestic and international credits.

**Insured Portfolio - Watch List
As of December 31, 2010
(U.S. dollars in millions)**

Syncora Guarantee Inc.

Par Outstanding as of 12/31/2010					
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	8	7	3	31	49
Remaining weighted-average contract period (in years)	10.9	9.7	8.3	13.2	11.7
Insured contractual payments outstanding:					
Principal	\$ 2,435.4	\$ 594.3	\$ 213.0	\$ 2,572.5	\$ 5,815.2
Interest	942.2	205.9	69.3	1,122.1	2,339.5
Total	<u>\$ 3,377.7</u>	<u>\$ 800.2</u>	<u>\$ 282.3</u>	<u>\$ 3,694.6</u>	<u>\$ 8,154.7</u>
Gross loss reserves before salvage	\$ -	\$ -	\$ -	\$ 195.6	\$ 195.6
Net loss reserves before salvage, but after reinsurance	\$ -	\$ -	\$ -	\$ 189.0	\$ 189.0
Net loss reserves after salvage and subrogation, after reinsurance	\$ -	\$ -	\$ -	\$ 159.6	\$ 159.6

Note:

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

Syncora Capital Assurance Inc.

Par Outstanding as of 12/31/2010					
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	14	10	1	1	26
Remaining weighted-average contract period (in years)	8.6	12.0	14.6	0.2	8.5
Insured contractual payments outstanding:					
Principal	\$ 3,004.6	\$ 1,406.4	\$ 5.5	\$ 620.0	\$ 5,036.5
Interest	682.2	795.5	3.7	8.4	1,489.7
Total	<u>\$ 3,686.7</u>	<u>\$ 2,201.9</u>	<u>\$ 9.2</u>	<u>\$ 628.4</u>	<u>\$ 6,526.2</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ 16.8	\$ 16.8
Net loss reserves	\$ -	\$ -	\$ -	\$ 16.8	\$ 16.8

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	12/31/2010		Par Outstanding as of 9/30/2010		6/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 910	4.7%	\$ 1,590	8.1%	\$ 989	5.0%
AA	1,908	9.9%	1,293	6.6%	1,608	8.1%
A	2,153	11.2%	2,127	10.8%	2,430	12.2%
BBB	8,523	44.4%	10,049	50.9%	10,689	53.7%
Below investment grade	5,704	29.7%	4,668	23.7%	4,193	21.1%
Net par outstanding	<u>\$ 19,198</u>	<u>100.0%</u>	<u>\$ 19,727</u>	<u>100.0%</u>	<u>\$ 19,909</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	12/31/2010		Par Outstanding as of 9/30/2010		6/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 12,280	15.9%	\$ 14,270	18.4%	\$ 14,678	18.9%
AA	25,303	32.8%	23,571	30.4%	22,811	29.3%
A	26,268	34.1%	26,957	34.7%	27,597	35.5%
BBB	10,224	13.3%	9,951	12.8%	10,149	13.0%
Below investment grade	2,978	3.9%	2,843	3.7%	2,548	3.3%
Net par outstanding	<u>\$ 77,054</u>	<u>100.0%</u>	<u>\$ 77,591</u>	<u>100.0%</u>	<u>\$ 77,782</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) Exposures¹ (U.S. dollars in millions)

Syncora Guarantee Inc.

	Par Outstanding as of		
	12/31/2010	9/30/2010	6/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 595	\$ 595	\$ 593
U.S. Structured Finance:			
Consumer ABS	1,631	1,709	1,844
Other	741	767	327
Total U.S. Structured Finance	<u>2,372</u>	<u>2,475</u>	<u>2,171</u>
International Finance:			
Total International Finance	<u>2,737</u>	<u>1,597</u>	<u>1,429</u>
Total Below Investment Grade	<u>\$ 5,704</u>	<u>\$ 4,668</u>	<u>\$ 4,193</u>
BIG as a percentage of net par outstanding	29.7%	23.7%	21.1%

Note:

¹ 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		
	12/31/2010	9/30/2010	6/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,478	\$ 1,521	\$ 1,217
U.S. Structured Finance:			
Total U.S. Structured Finance	1,412	1,227	1,228
International Finance:			
Total International Finance	<u>88</u>	<u>95</u>	<u>102</u>
Total Below Investment Grade	<u>\$ 2,978</u>	<u>\$ 2,843</u>	<u>\$ 2,548</u>
BIG as a percentage of net par outstanding	3.9%	3.7%	3.3%

Note:

¹ 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 12/31/2010			
	Obligor Name ¹	Net	S&P Rating
1	Jefferson County, AL - Water/Sewer Revenue	\$ 553	D
2	Commonwealth of Puerto Rico - GO	300	BBB-
3	Bay Area Toll Authority, CA - Toll Revenue Bonds	161	AA+
4	New Jersey (State of) - Annual Appropriation	144	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	60	AA+
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	AA+
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	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>\$ 1,757</u>	
Total Portfolio Net Par Outstanding		\$ 19,198	
% of Total Portfolio		9.2%	
Total Public Finance Portfolio Net Par Outstanding		\$ 1,757	
% 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 12/31/2010			
	Obligor Name ¹	Net	S&P Rating
1	Texas (State of) - GO	\$ 950	AA+
2	State of California - GO	873	BBB+
3	Maryland (State of) - GO	850	AAA
4	San Diego Family Housing LLC	725	AA
5	Ohio (State of) - GO	700	AA+
6	Illinois (State of) - GO	691	A+
7	Massachusetts (Commonwealth of) - GO	691	AA
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	BBB
12	Virginia (Commonwealth of) - GO	550	AAA
13	Pennsylvania (State of) - GO	500	AA
14	City of Denver, CO Airport System - Revenue Bonds	485	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	351	BBB-
19	Port Authority of New York and New Jersey, NY	347	AA-
20	Dodger Tickets LLC	347	BBB
Total Net Par Outstanding of the 20 Largest Public Finance Credits		<u>\$ 11,853</u>	
Total Portfolio Net Par Outstanding		\$ 77,054	
% of Total Portfolio		15.4%	
Total Public Finance Portfolio Net Par Outstanding		\$ 46,435	
% of Total Public Finance Portfolio		25.5%	

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 12/31/2010	
		Servicer/Manager Name ¹	Net
1	Countrywide Home Loans		\$ 442
2	Wells Fargo Bank, NA		376
3	American Home Servicing		369
4	OneWest Bank, FSB		333
5	CLO Manager 1 ²		323
6	CLO Manager 2 ²		268
7	JP Morgan		227
8	CLO Manager 3 ²		221
9	Private Commercial ABS Transaction ²		214
10	AmeriCredit Financial Services, Inc.		205
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 2,978</u>
Total Portfolio Net Par Outstanding		\$	19,198
% of Total Portfolio			15.5%
Total Structured Finance Portfolio Net Par Outstanding		\$	17,441
% of Total Structured Finance Portfolio			17.1%

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 12/31/2010	
		Servicer/Manager Name ¹	Net
1	CLO Manager 4 ²		\$ 1,236
2	CLO Manager 5 ²		1,235
3	CLO Manager 6 ²		837
4	CLO Manager 7 ²		767
5	CLO Manager 8 ²		734
6	CLO Manager 9 ²		696
7	CLO Manager 2 ²		646
8	CLO Manager 10 ²		584
9	CLO Manager 11 ²		560
10	CLO Manager 12 ²		548
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 7,843</u>
Total Portfolio Net Par Outstanding		\$	77,054
% of Total Portfolio			10.2%
Total U.S. Structured Finance Portfolio Net Par Outstanding		\$	30,619
% of Total U.S. 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.

	Par Outstanding as of					
	12/31/2010		9/30/2010		6/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
Alabama	\$ 1,056	5.5%	\$ 1,056	5.4%	\$ 1,055	5.3%
Other	<u>5,529</u>	<u>28.8%</u>	<u>5,809</u>	<u>29.4%</u>	<u>6,178</u>	<u>31.0%</u>
Total United States	6,585	34.3%	6,865	34.8%	7,233	36.3%
Non-United States						
United Kingdom	6,103	31.8%	6,472	32.8%	6,406	32.2%
Australia	2,053	10.7%	1,942	9.8%	1,699	8.5%
Other	<u>4,457</u>	<u>23.2%</u>	<u>4,449</u>	<u>22.6%</u>	<u>4,572</u>	<u>23.0%</u>
Total Non-United States	12,613	65.7%	12,862	65.2%	12,677	63.7%
Total Par Outstanding	<u>\$ 19,198</u>	<u>100.0%</u>	<u>\$ 19,727</u>	<u>100.0%</u>	<u>\$ 19,909</u>	<u>100.0%</u>

Syncora Capital Assurance Inc.

	Par Outstanding as of					
	12/31/2010		9/30/2010		6/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States						
California	\$ 7,422	9.6%	\$ 7,512	9.7%	\$ 7,574	9.7%
New York	4,163	5.4%	11,335	14.6%	11,405	14.7%
Illinois	3,282	4.3%	3,309	4.3%	3,308	4.3%
Texas	3,265	4.2%	3,269	4.2%	3,251	4.2%
Florida	2,658	3.4%	2,714	3.5%	2,677	3.4%
Pennsylvania	2,605	3.4%	2,645	3.4%	2,673	3.4%
Alabama	1,875	2.4%	1,892	2.4%	1,897	2.4%
New Jersey	1,533	2.0%	1,549	2.0%	1,739	2.2%
Massachusetts	1,426	1.9%	1,451	1.9%	1,464	1.9%
Ohio	1,408	1.8%	1,421	1.8%	1,421	1.8%
Georgia	1,407	1.8%	1,408	1.8%	1,417	1.8%
Colorado	1,378	1.8%	1,391	1.8%	1,393	1.8%
Maryland	1,233	1.6%	1,234	1.6%	1,237	1.6%
Virginia	1,225	1.6%	1,225	1.6%	1,227	1.6%
Michigan	1,147	1.5%	1,152	1.5%	1,155	1.5%
Other	<u>32,142</u>	<u>41.7%</u>	<u>25,233</u>	<u>32.5%</u>	<u>25,573</u>	<u>32.9%</u>
Total United States	68,168	88.5%	68,740	88.6%	69,412	89.2%
Non-United States						
United Kingdom	3,839	5.0%	3,838	4.9%	3,470	4.5%
Ireland	1,377	1.8%	1,398	1.8%	1,518	2.0%
Other	<u>3,670</u>	<u>4.8%</u>	<u>3,616</u>	<u>4.7%</u>	<u>3,382</u>	<u>4.3%</u>
Total Non-United States	8,885	11.5%	8,852	11.4%	8,370	10.8%
Total Par Outstanding	<u>\$ 77,054</u>	<u>100.0%</u>	<u>\$ 77,591</u>	<u>100.0%</u>	<u>\$ 77,782</u>	<u>100.0%</u>

Investment Portfolio

As of December 31, 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	\$ 165.5	63.4%
Cash and cash equivalents	\$ 100.0	38.3%	1 to 5 Years	47.0	18.0%
Short-term investments	60.4	23.1%	5 to 10 Years	18.4	7.0%
Total Cash and Short-Term Investments	160.4	61.4%	Due after 10 Years	2.6	1.0%
Debt Securities			Mortgage and asset-backed securities	27.7	10.6%
MBS/ABS	27.7	10.6%	Total	\$ 261.2	100.0%
U.S. Government	49.1	18.8%	Yield to Maturity @ Book Value ¹		2.1%
Corporate	22.8	8.7%	Yield to Maturity @ Market Value ¹		1.0%
Non-U.S. Sovereign	1.2	0.5%	Duration (years) ¹		1.4
States & Political Subs	-	0.0%			
Total Long-Term Fixed Maturity	100.8	38.6%			
Total	\$ 261.2	100.0%			

Note:

¹Excludes uninsured cash flow ("UCF") securities of \$56.6 million and operating cash balances of \$42.1 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 234.7	89.9%
AA	4.1	1.6%
A	20.2	7.7%
BBB	0.4	0.1%
BB & below and Not Rated	1.8	0.7%
Total	\$ 261.2	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	\$ 305.4	39.7%
Cash and cash equivalents	\$ 130.0	16.9%	1 to 5 Years	94.7	12.3%
Short-term investments	65.2	8.5%	5 to 10 Years	118.5	15.4%
Total Cash and Short-Term Investments	195.2	25.4%	Due after 10 Years	9.5	1.2%
Debt Securities			Mortgage and asset-backed securities	240.4	31.3%
MBS/ABS	240.4	31.3%	Total	\$ 768.5	100.0%
U.S. Government	96.0	12.5%	Yield to Maturity @ Book Value ¹		2.6%
Corporate	232.9	30.3%	Yield to Maturity @ Market Value ¹		2.0%
Non-U.S. Sovereign	4.0	0.5%	Duration (years) ¹		2.4
States & Political Subs	-	0.0%			
Total Long-Term Fixed Maturity	573.3	74.6%			
Total	\$ 768.5	100.0%			

Note:

¹Excludes operating cash balances of \$3.8 million.

Quality Distribution		
	Book Adjusted Carrying Value ¹	Percentage
AAA	\$ 532.0	69.2%
AA	27.7	3.6%
A	196.9	25.6%
BBB	11.9	1.6%
BB & below and Not Rated	-	0.0%
Total	\$ 768.5	100.0%
Average credit quality	AA	