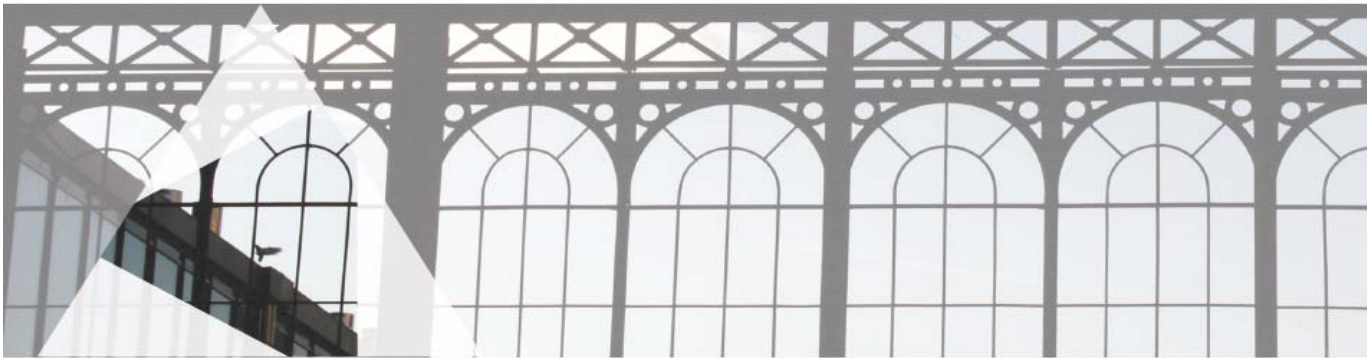


**Syncora Guarantee Inc.
Syncora Capital Assurance Inc.**

**1ST QUARTER 2011
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.

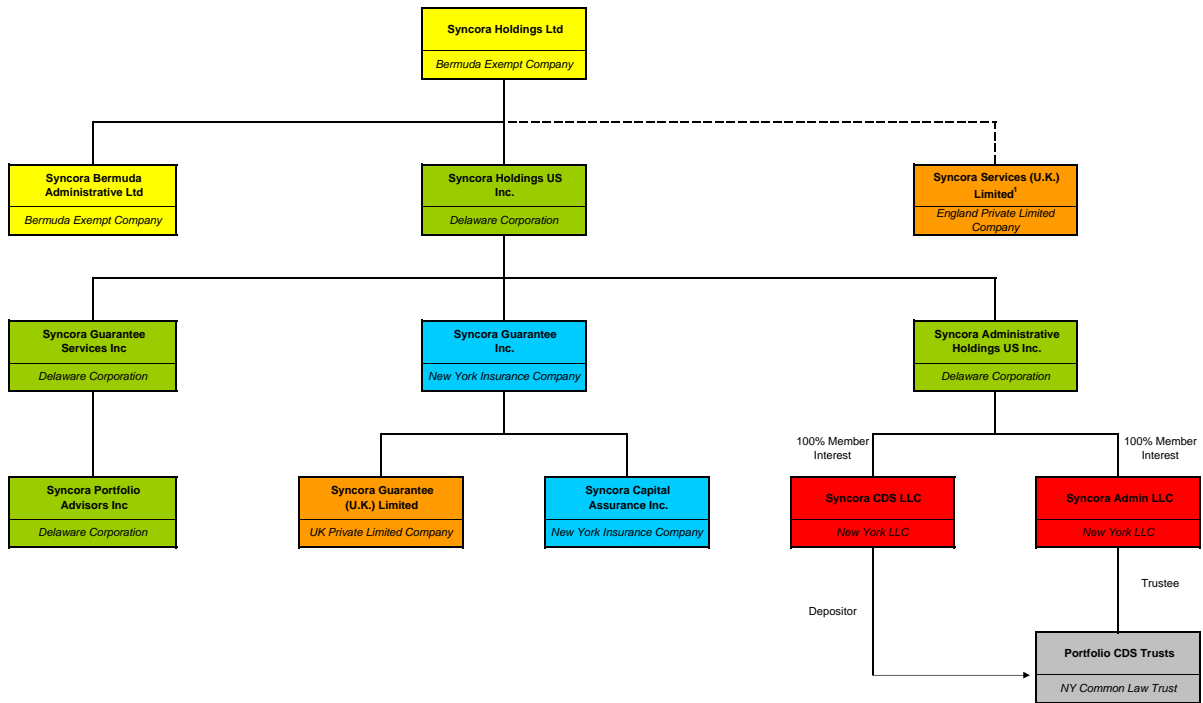
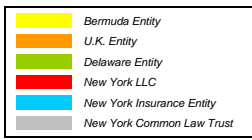
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

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



Note:
¹ Syncora Services (U.K.) Limited was dissolved on April 4, 2011.

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

Syncora Guarantee Inc.

	As of		
	3/31/2011	12/31/2010	9/30/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 77,784	\$ 202,465	\$ 268,524
Bonds	183,793	100,773	109,783
Uninsured cash flow certificates	84,823	56,601	56,380
Interest rate derivatives	2,768	3,801	2,663
Investment in subsidiary - Syncora Guarantee (UK)	54,534	49,849	50,183
Investment in subsidiary - Syncora Capital Assurance	128,880	123,953	128,087
Subtotal, cash and invested assets	532,582	537,442	615,619
Investment income due and accrued	2,097	2,284	1,622
Uncollected premiums	8,512	7,142	5,992
Collateral deposit	5,100	9,800	13,800
Assets received as salvage	171,969	172,296	172,602
Other assets	38,323	35,569	5,768
Total Assets	\$ 758,584	\$ 764,532	\$ 815,403
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 166,835	\$ 194,113	\$ 263,178
Unearned premiums	268,055	269,265	268,080
Payable to parent, subsidiaries and affiliates	22,663	25,522	20,832
Mandatory contingency reserve	111,735	106,475	103,602
Other liabilities	32,736	36,606	38,885
Total Liabilities	602,024	631,979	694,576
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)	(2,689,747)	(2,713,753)	(2,725,479)
Surplus as regards policyholders	156,560	132,553	120,827
Total Liabilities, Surplus and Other Funds	\$ 758,584	\$ 764,532	\$ 815,403

Syncora Capital Assurance Inc.

	As of		
	3/31/2011	12/31/2010	9/30/2010
Assets			
Cash, cash equivalents and short-term investments	\$ 76,311	\$ 198,966	\$ 214,544
Preferred Stocks	4,095	-	-
Bonds	689,261	573,348	577,968
Subtotal, cash and invested assets	769,667	772,314	792,512
Investment income due and accrued	5,765	4,465	4,702
Uncollected premiums	3,427	4,274	4,234
Net deferred tax asset	1,672	7,609	6,863
Other assets	233	1,386	2,500
Total Assets	\$ 780,764	\$ 790,047	\$ 810,811
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 266	\$ 16,967	\$ 16,000
Unearned premiums	380,781	387,909	394,742
Payable to parent, subsidiaries and affiliates	3,588	2,495	22,783
Mandatory contingency reserve	259,506	248,179	235,816
Other liabilities	5,791	4,878	5,742
Total Liabilities	649,932	660,428	675,083
Surplus notes	275,000	275,000	275,000
Common capital stock	2,500	2,500	2,500
Gross paid in and contributed surplus	189,000	189,000	189,000
Unassigned funds (surplus)	(335,668)	(336,880)	(330,772)
Surplus as regards policyholders	130,832	129,620	135,728
Total Liabilities, Surplus and Other Funds	\$ 780,764	\$ 790,047	\$ 810,811

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	3/31/2011	12/31/2010	9/30/2010
Net premiums written	\$ 12,512	\$ 8,862	\$ 20,368
Underwriting Income			
Net premiums earned	\$ 13,722	\$ 7,677	\$ 14,530
Net losses/(releases) incurred	(18,501)	21,737	28,776
Loss adjustment expenses incurred	23,348	10,095	27,555
Other underwriting expenses incurred	9,509	9,144	11,541
Other underwriting deductions/(additions)	-	-	(493)
Net underwriting gain/(loss)	(634)	(33,299)	(52,849)
Investment Income			
Net investment income earned	9,867	17,140	9,280
Net realized gains/(losses)	3,091	1,527	5,068
Total net investment gain/(loss)	12,958	18,667	14,348
Other Income			
Other income	2,372	2,256	2,822
Net income/(loss) before taxes	14,696	(12,376)	(35,679)
Federal and foreign income taxes incurred/(benefit)	(2,934)	(2,051)	(15,140)
Net income/(loss)	\$ 17,630	\$ (10,325)	\$ (20,539)

Syncora Capital Assurance Inc.

	Three Months Ended		
	3/31/2011	12/31/2010	9/30/2010
Net premiums written	\$ 10,295	\$ 9,173	\$ 11,347
Underwriting Income			
Net premiums earned	\$ 17,423	\$ 16,006	\$ 17,903
Net losses/(releases) incurred	48	845	-
Loss adjustment expenses incurred	389	122	-
Other underwriting expenses incurred	6,726	7,370	5,726
Other underwriting deductions/(additions)	-	-	(278)
Net underwriting gain/(loss)	10,260	7,670	12,455
Investment Income			
Net investment income earned	5,281	(3,411)	4,857
Net realized capital gains	4,935	1,964	7,103
Total net investment gain/(loss)	10,216	(1,447)	11,960
Other Income			
Other income	1,042	1,067	1,042
Net income/(loss) before taxes	21,517	7,290	25,456
Federal and foreign income taxes incurred/(benefit)	2,934	1,959	15,140
Net income/(loss)	\$ 18,583	\$ 5,330	\$ 10,316

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

Syncora Guarantee Inc.

	As of		
	3/31/2011	12/31/2010	9/30/2010
Claims paying resources			
Policyholders' surplus	\$ 157	\$ 133	\$ 121
Contingency reserve	<u>112</u>	<u>106</u>	<u>104</u>
Qualified statutory capital	268	239	224
Unearned premium revenue	268	269	268
Loss & loss adjustment expense reserves	<u>167</u>	<u>194</u>	<u>263</u>
Total policyholders' surplus & reserves	703	702	756
NPVFIP	<u>198</u>	<u>190</u>	<u>187</u>
Total claims paying resources	<u>\$ 902</u>	<u>\$ 892</u>	<u>\$ 943</u>
Net par outstanding	\$ 19,001	\$ 19,198	\$ 19,727
Leverage ratio (Net par outstanding/Total claims paying resources)	21.1	21.5	20.9

Syncora Capital Assurance Inc.

	As of		
	3/31/2011	12/31/2010	9/30/2010
Claims paying resources			
Policyholders' surplus	\$ 131	\$ 130	\$ 136
Contingency reserve	<u>260</u>	<u>248</u>	<u>236</u>
Qualified statutory capital	390	378	372
Unearned premium revenue	381	388	395
Loss & loss adjustment expense reserves	<u>0</u>	<u>17</u>	<u>16</u>
Total policyholders' surplus & reserves	771	783	782
NPVFIP	<u>260</u>	<u>266</u>	<u>269</u>
Total claims paying resources	<u>\$ 1,031</u>	<u>\$ 1,048</u>	<u>\$ 1,051</u>
Net par outstanding	\$ 75,702	\$ 77,054	\$ 77,591
Leverage ratio (Net par outstanding/Total claims paying resources)	73.4	73.5	73.8

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

Syncora Guarantee Inc.

	Par Outstanding as of		
	3/31/2011	12/31/2010	9/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,752	\$ 1,757	\$ 1,780
U.S. Structured Finance:			
Consumer ABS	2,129	2,231	2,397
Other	2,376	2,597	2,688
Total U.S. Structured Finance	4,505	4,828	5,085
International Finance:			
Transportation	5,032	4,931	4,772
Power & Utility	4,034	3,938	4,343
Other	3,678	3,745	3,747
Total International Finance	12,744	12,613	12,862
Total Par Outstanding	\$ 19,001	\$ 19,198	\$ 19,727
Percent of Net Par Outstanding			
U.S. Public Finance	9.2%	9.2%	9.0%
U.S. Structured Finance	23.7%	25.1%	25.8%
International Finance	67.1%	65.7%	65.2%

Syncora Capital Assurance Inc.

	Par Outstanding as of		
	3/31/2011	12/31/2010	9/30/2010
	Net	Net	Net
U.S. Public Finance:			
General Obligation	\$ 25,689	\$ 26,081	\$ 26,339
Utility	5,584	5,612	5,676
Non Ad Valorem	4,358	4,362	4,403
Higher Education	3,386	3,419	3,444
Transportation	2,874	2,905	2,911
Other	3,948	3,957	3,961
Total U.S. Public Finance	45,839	46,335	46,734
U.S. Structured Finance:			
Pooled Debt Obligations	16,418	17,206	17,322
Power & Utility	3,582	3,588	3,637
Other	901	1,040	1,048
Total U.S. Structured Finance	20,902	21,833	22,006
International Finance:			
Pooled Debt Obligations	3,308	3,230	3,288
Power & Utility	2,302	2,357	2,281
Transportation	1,865	1,808	1,826
Other	1,486	1,490	1,456
Total International Finance	8,961	8,885	8,852
Total Par Outstanding	\$ 75,702	\$ 77,054	\$ 77,591
Percent of Net Par Outstanding			
U.S. Public Finance	60.6%	60.1%	60.2%
U.S. Structured Finance	27.6%	28.3%	28.4%
International Finance	11.8%	11.5%	11.4%

Insured Portfolio - Debt Service Amortization

As of March 31, 2011

(U.S. dollars in millions)

Syncora Guarantee Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 30,105
2nd Quarter 2011	873	29,232
3rd Quarter 2011	616	28,616
4th Quarter 2011	344	28,272
2012	1,437	26,835
2013	1,190	25,645
2014	1,220	24,425
2015	1,190	23,235
2016-2020	5,491	17,743
2021-2025	3,625	14,118
2026-2030	1,783	12,335
2031 and thereafter	12,335	-
	<u>\$ 29,232</u>	

Syncora Capital Assurance Inc.

Debt Service (Principal and Interest)	Scheduled Net Debt Service	Principal & Interest Outstanding
		\$ 109,411
2nd Quarter 2011	1,036	108,375
3rd Quarter 2011	1,176	107,199
4th Quarter 2011	1,496	105,703
2012	6,026	99,677
2013	8,714	90,963
2014	10,414	80,549
2015	5,759	74,790
2016-2020	26,324	48,465
2021-2025	15,214	33,251
2026-2030	12,277	20,974
2031 and thereafter	20,974	-
	<u>\$ 109,411</u>	

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

Syncora Guarantee Inc.

Exposure ¹	3/31/2011		12/31/2010		9/30/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 1,320	16	\$ 1,438	15	\$ 1,480	15
ABS: RMBS	1,980	38	2,043	38	2,137	38
ABS: non-RMBS	644	11	704	11	818	13
Power & Utilities	4,069	14	3,973	14	4,400	14
Global Infrastructure	7,529	28	7,543	28	7,339	28
Specialized Risk	1,708	13	1,740	13	1,774	14
Public Finance	1,752	17	1,757	17	1,780	17
Total	\$ 19,001	137	\$ 19,198	136	\$ 19,727	139

Reserves	3/31/2011		12/31/2010		9/30/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ 4		\$ 3		\$ 7	
ABS: RMBS	15		57		131	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	24		24		16	
Specialized Risk	-		-		-	
Public Finance	105		105		105	
Total	\$ 147		\$ 189		\$ 259	
Less Salvage & Subrogation	(30)		(29)		(29)	
Adjusted Total	\$ 117		\$ 160		\$ 230	

Note:

¹ Categories include domestic and international credits.

Syncora Capital Assurance Inc.

Exposure ¹	3/31/2011		12/31/2010		9/30/2010	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
CDO	\$ 19,727	75	\$ 20,436	76	\$ 20,609	76
ABS: RMBS	-	-	-	-	-	-
ABS: non-RMBS	531	3	555	3	563	3
Power & Utilities	5,884	40	5,945	41	5,918	41
Global Infrastructure	2,809	7	2,729	7	2,734	7
Specialized Risk	812	5	954	6	934	6
Public Finance	45,939	2,300	46,435	2,315	46,833	2,322
Total	\$ 75,702	2,430	\$ 77,054	2,448	\$ 77,591	2,455

Reserves	3/31/2011		12/31/2010		9/30/2010	
	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits	Net Loss Reserve	# of Credits
CDO	\$ -		\$ 17		\$ 16	
ABS: RMBS	-		-		-	
ABS: non-RMBS	-		-		-	
Power & Utilities	-		-		-	
Global Infrastructure	-		-		-	
Specialized Risk	-		-		-	
Public Finance	-		-		-	
Total	\$ -		\$ 17		\$ 16	
Less Salvage & Subrogation	-		-		-	
Adjusted Total	\$ -		\$ 17		\$ 16	

Note:

¹ Categories include domestic and international credits.

**Insured Portfolio - Watch List
As of March 31, 2011
(U.S. dollars in millions)**

Syncora Guarantee Inc.

	Par Outstanding as of 3/31/2011				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	9	6	5	31	51
Remaining weighted-average contract period (in years)	11.6	13.2	8.1	13.3	11.5
Insured contractual payments outstanding:					
Principal	\$ 1,782.8	\$ 431.7	\$ 1,420.6	\$ 2,343.4	\$ 5,978.5
Interest	815.6	171.0	424.0	996.4	2,407.1
Total	<u>\$ 2,598.4</u>	<u>\$ 602.7</u>	<u>\$ 1,844.6</u>	<u>\$ 3,339.8</u>	<u>\$ 8,385.6</u>
Gross loss reserves before salvage	\$ -	\$ -	\$ -	\$ 153.6	\$ 153.6
Net loss reserves before salvage, but after reinsurance	\$ -	\$ -	\$ -	\$ 146.9	\$ 146.9
Net loss reserves after salvage and subrogation, after reinsurance	\$ -	\$ -	\$ -	\$ 117.0	\$ 117.0

Note:

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

Syncora Capital Assurance Inc.

	Par Outstanding as of 3/31/2011				
	Special Monitoring List	Yellow Flag List	Red Flag List	Loss List	Total
Number of credits ¹	16	10	1	-	27
Remaining weighted-average contract period (in years)	8.9	12.0	14.4	-	9.9
Insured contractual payments outstanding:					
Principal	\$ 3,142.3	\$ 1,399.2	\$ 5.5	\$ -	\$ 4,547.0
Interest	816.3	799.6	3.5	-	1,619.5
Total	<u>\$ 3,958.7</u>	<u>\$ 2,198.8</u>	<u>\$ 9.1</u>	<u>\$ -</u>	<u>\$ 6,166.6</u>
Gross loss reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss reserves	\$ -	\$ -	\$ -	\$ -	\$ -

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	3/31/2011		Par Outstanding as of 12/31/2010		9/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 881	4.6%	\$ 910	4.7%	\$ 1,590	8.1%
AA	2,064	10.9%	1,908	9.9%	1,293	6.6%
A	2,018	10.6%	2,153	11.2%	2,127	10.8%
BBB	8,561	45.1%	8,523	44.4%	10,049	50.9%
Below investment grade	5,477	28.8%	5,704	29.7%	4,668	23.7%
Net par outstanding	<u>\$ 19,001</u>	<u>100.0%</u>	<u>\$ 19,198</u>	<u>100.0%</u>	<u>\$ 19,727</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	3/31/2011		Par Outstanding as of 12/31/2010		9/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
AAA	\$ 9,578	12.7%	\$ 12,280	15.9%	\$ 14,270	18.4%
AA	27,534	36.4%	25,303	32.8%	23,571	30.4%
A	25,830	34.1%	26,268	34.1%	26,957	34.7%
BBB	10,395	13.7%	10,224	13.3%	9,951	12.8%
Below investment grade	2,365	3.1%	2,978	3.9%	2,843	3.7%
Net par outstanding	<u>\$ 75,702</u>	<u>100.0%</u>	<u>\$ 77,054</u>	<u>100.0%</u>	<u>\$ 77,591</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		
	3/31/2011	12/31/2010	9/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 593	\$ 595	\$ 595
U.S. Structured Finance:			
Consumer ABS	1,585	1,631	1,709
Other	595	741	767
Total U.S. Structured Finance	2,179	2,372	2,475
International Finance:			
Transportation	\$ 1,640	\$ 1,638	\$ 510
Other	1,065	1,100	1,087
Total International Finance	2,705	2,737	1,597
Total Below Investment Grade	\$ 5,477	\$ 5,704	\$ 4,668
BIG as a percentage of net par outstanding	28.8%	29.7%	23.7%

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		
	3/31/2011	12/31/2010	9/30/2010
	Net	Net	Net
U.S. Public Finance:			
Total U.S. Public Finance	\$ 1,492	\$ 1,478	\$ 1,521
U.S. Structured Finance:			
Total U.S. Structured Finance	790	1,412	1,227
International Finance:			
Total International Finance	83	88	95
Total Below Investment Grade	\$ 2,365	\$ 2,978	\$ 2,843
BIG as a percentage of net par outstanding	3.1%	3.9%	3.7%

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 3/31/2011			
	Obligor Name ¹	Net	S&P Rating
1	Jefferson County, AL - Water/Sewer Revenue	\$ 551	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	Port Authority of New York and New Jersey, NY	79	AA+
7	Massachusetts (Commonwealth of) - GO	76	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>\$ 1,752</u>	
Total Portfolio Net Par Outstanding		\$ 19,001	
% of Total Portfolio		9.2%	
Total Public Finance Portfolio Net Par Outstanding		\$ 1,752	
% 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 3/31/2011			
	Obligor Name ¹	Net	S&P Rating
1	Texas (State of) - GO	\$ 950	AA+
2	Maryland (State of) - GO	850	AAA
3	State of California - GO	791	BBB+
4	San Diego Family Housing LLC	724	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	344	BBB
Total Net Par Outstanding of the 20 Largest Public Finance Credits		<u>\$ 11,767</u>	
Total Portfolio Net Par Outstanding		\$ 75,702	
% of Total Portfolio		15.5%	
Total Public Finance Portfolio Net Par Outstanding		\$ 45,939	
% of Total Public Finance Portfolio		25.6%	

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 3/31/2011	
		Servicer/Manager Name ¹	Net
1	Countrywide Home Loans		\$ 420
2	American Home Servicing		364
3	Wells Fargo Bank, NA		364
4	CLO Manager 1 ²		323
5	OneWest Bank, FSB		322
6	CLO Manager 2 ²		268
7	JP Morgan		222
8	Private Commercial ABS Transaction ²		210
9	TMF Administration Services Limited		178
10	CLO Manager 3 ²		175
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 2,846</u>
Total Portfolio Net Par Outstanding			\$ 19,001
% of Total Portfolio			15.0%
Total Structured Finance Portfolio Net Par Outstanding			\$ 17,249
% of Total Structured Finance Portfolio			16.5%

Notes:

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

²Servicer/manager not revealed due to confidentiality.

Syncora Capital Assurance Inc.

		Par Outstanding as of 3/31/2011	
		Servicer/Manager Name ¹	Net
1	CLO Manager 4 ²		\$ 1,273
2	CLO Manager 5 ²		1,236
3	CLO Manager 6 ²		855
4	CLO Manager 7 ²		767
5	CLO Manager 8 ²		739
6	CLO Manager 9 ²		679
7	CLO Manager 2 ²		646
8	CLO Manager 10 ²		584
9	CLO Manager 11 ²		560
10	CLO Manager 12 ²		540
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures			<u>\$ 7,879</u>
Total Portfolio Net Par Outstanding			\$ 75,702
% of Total Portfolio			10.4%
Total U.S. Structured Finance Portfolio Net Par Outstanding			\$ 29,764
% of Total U.S. Structured Finance Portfolio			26.5%

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.

	3/31/2011		Par Outstanding as of 12/31/2010		9/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States:						
Total United States	<u>6,257</u>	<u>32.9%</u>	<u>6,585</u>	<u>34.3%</u>	<u>6,865</u>	<u>34.8%</u>
Non-United States:						
United Kingdom	6,182	32.5%	6,103	31.8%	6,472	32.8%
Australia	2,070	10.9%	2,053	10.7%	1,942	9.8%
Other	<u>4,492</u>	<u>23.6%</u>	<u>4,457</u>	<u>23.2%</u>	<u>4,449</u>	<u>22.6%</u>
Total Non-United States	12,744	67.1%	12,613	65.7%	12,862	65.2%
Total Par Outstanding	<u>\$ 19,001</u>	<u>100.0%</u>	<u>\$ 19,198</u>	<u>100.0%</u>	<u>\$ 19,727</u>	<u>100.0%</u>

Syncora Capital Assurance Inc.

	3/31/2011		Par Outstanding as of 12/31/2010		9/30/2010	
	Net	Percentage	Net	Percentage	Net	Percentage
Geographic Distribution						
United States:						
California	\$ 7,345	9.7%	\$ 7,422	9.6%	\$ 7,512	9.7%
New York	4,090	5.4%	4,163	5.4%	11,335	14.6%
Illinois	3,261	4.3%	3,282	4.3%	3,309	4.3%
Texas	3,230	4.3%	3,265	4.2%	3,269	4.2%
Florida	2,656	3.5%	2,658	3.4%	2,714	3.5%
Pennsylvania	2,545	3.4%	2,605	3.4%	2,645	3.4%
Alabama	1,862	2.5%	1,875	2.4%	1,892	2.4%
New Jersey	1,527	2.0%	1,533	2.0%	1,549	2.0%
Massachusetts	1,424	1.9%	1,426	1.9%	1,451	1.9%
Ohio	1,407	1.9%	1,408	1.8%	1,421	1.8%
Georgia	1,393	1.8%	1,407	1.8%	1,408	1.8%
Colorado	1,378	1.8%	1,378	1.8%	1,391	1.8%
Maryland	1,232	1.6%	1,233	1.6%	1,234	1.6%
Virginia	1,224	1.6%	1,225	1.6%	1,225	1.6%
Michigan	1,147	1.5%	1,147	1.5%	1,152	1.5%
Other	<u>31,021</u>	<u>41.0%</u>	<u>32,142</u>	<u>41.7%</u>	<u>25,233</u>	<u>32.5%</u>
Total United States	66,741	88.2%	68,168	88.5%	68,740	88.6%
Non-United States:						
United Kingdom	3,957	5.2%	3,839	5.0%	3,838	4.9%
Ireland	1,404	1.9%	1,377	1.8%	1,398	1.8%
Other	<u>3,600</u>	<u>4.8%</u>	<u>3,670</u>	<u>4.8%</u>	<u>3,616</u>	<u>4.7%</u>
Total Non-United States	8,961	11.8%	8,885	11.5%	8,852	11.4%
Total Par Outstanding	<u>\$ 75,702</u>	<u>100.0%</u>	<u>\$ 77,054</u>	<u>100.0%</u>	<u>\$ 77,591</u>	<u>100.0%</u>

Investment Portfolio

As of March 31, 2011

(U.S. dollars in millions)

Syncora Guarantee Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value	Percentage		Book Adjusted Carrying Value	Percentage
Short-term investments			Within 1 Year	\$ 63.8	27.2%
Cash and cash equivalents	\$ 6.9	2.9%	1 to 5 Years	96.0	40.9%
Short-term investments	43.9	18.7%	5 to 10 Years	18.1	7.7%
Total Cash and Short-Term Investments	50.9	21.7%	Due after 10 Years	2.6	1.1%
Debt Securities			Mortgage and asset-backed securities	54.2	23.1%
MBS/ABS	54.2	23.1%	Total	\$ 234.6	100.0%
U.S. Government	90.1	38.4%	Yield to Maturity @ Book Value	2.3%	
Corporate	37.6	16.0%	Yield to Maturity @ Market Value	1.2%	
Non-U.S. Sovereign	1.2	0.5%	Duration (years)	1.7	
States & Political Subs	0.7	0.3%			
Total Long-Term Fixed Maturity	183.8	78.3%			
Total	\$ 234.6	100.0%			

Notes:

- Excludes uninsured cash flow ("UCF") securities of \$84.8 million.
- Excludes operating cash balances of \$26.9 million.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 193.7	82.6%
AA	8.6	3.7%
A	28.6	12.2%
BBB	0.4	0.2%
BB & below and Not Rated	3.4	1.4%
Total	\$ 234.6	100.0%
Average credit quality	AA+	

Syncora Capital Assurance Inc.

Distribution by Security Type			Maturity		
	Book Adjusted Carrying Value	Percentage		Book Adjusted Carrying Value	Percentage
Short-term investments			Within 1 Year	\$ 98.4	13.0%
Cash and cash equivalents	\$ 60.0	7.9%	1 to 5 Years	93.4	12.3%
Short-term investments	10.3	1.4%	5 to 10 Years	205.5	27.1%
Total Cash and Short-Term Investments	70.3	9.3%	Due after 10 Years	35.1	4.6%
Debt Securities			Mortgage and asset-backed securities	327.2	43.1%
MBS/ABS	327.2	43.1%	Total	\$ 759.5	100.0%
U.S. Government	35.6	4.7%	Yield to Maturity @ Book Value ¹	3.7%	
Corporate	300.5	39.6%	Yield to Maturity @ Market Value ¹	3.4%	
Non-U.S. Sovereign	-	0.0%	Duration (years) ¹	4.1	
States & Political Subs	26.1	3.4%			
Total Long-Term Fixed Maturity	689.3	90.7%			
Total	\$ 759.5	100.0%			

Notes:

- Excludes \$4.1 million of Citigroup preferred stock.
- Excludes operating cash balances of \$6.0 million.

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 387.6	51.0%
AA	46.3	6.1%
A	156.0	20.5%
BBB	133.4	17.6%
BB & below and Not Rated	36.2	4.8%
Total	\$ 759.5	100.0%
Average credit quality	AA-	