

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

**1st QUARTER 2017
OPERATING SUPPLEMENT
(STATUTORY - BASIS)**



Syncora Guarantee Inc. Syncora Capital Assurance Inc.

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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.

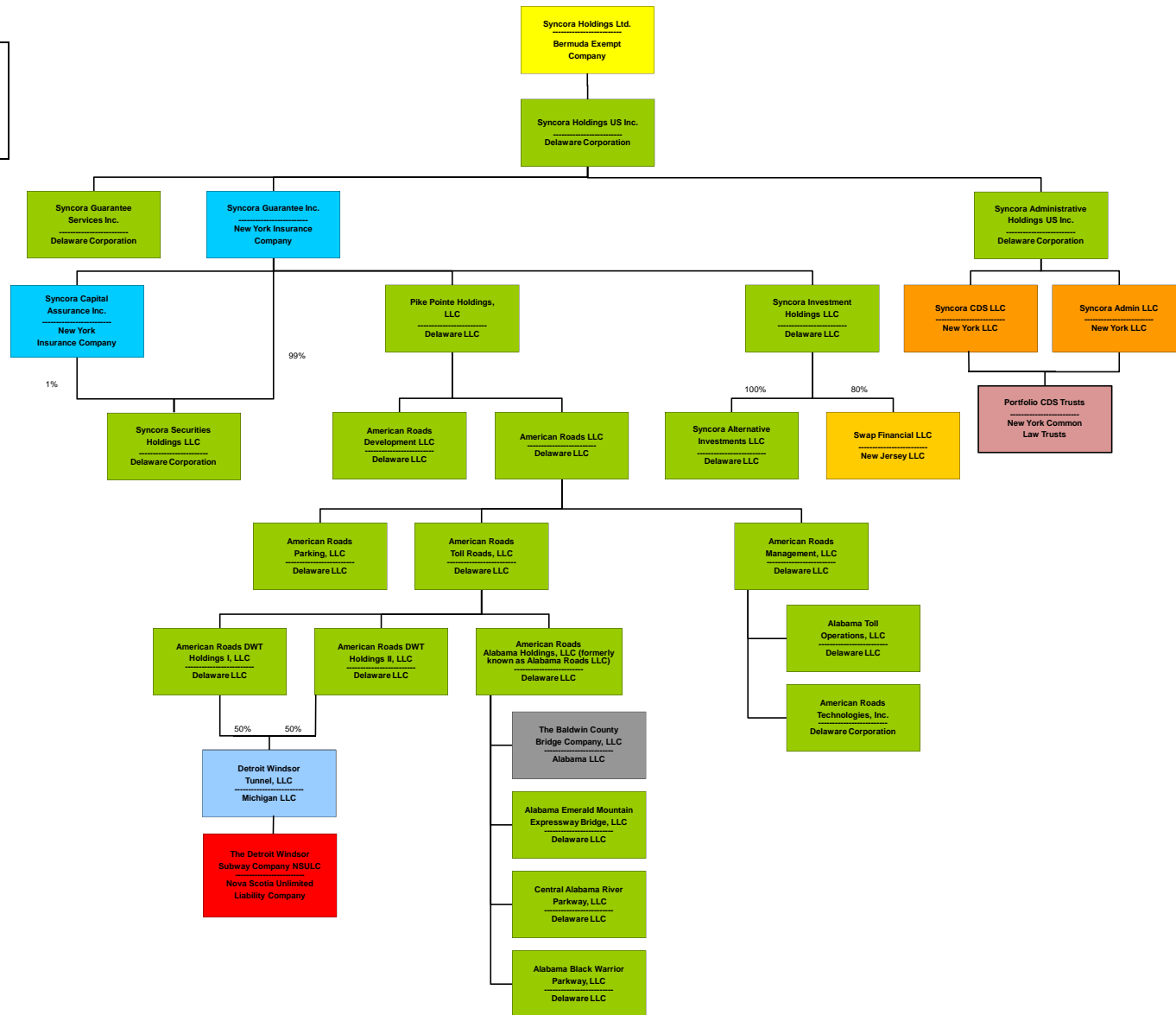
Syncora Guarantee Inc. Syncora Capital Assurance Inc. Certain Definitions

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 contracts (NPVFIP)¹	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



Notes:
There are no voting rights preferences between the two members who share ownership of Detroit Windsor Tunnel LLC.

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

Syncora Guarantee Inc.

	As of		
	3/31/2017	12/31/2016	9/30/2016
Assets			
Cash, cash equivalents and short-term investments	\$ 105,509	\$ 96,941	\$ 85,825
Bonds	778,379	790,474	795,681
Uninsured cash flow certificates	60,630	59,713	68,244
Interest rate derivatives	6	50	20
Common stock	57,301	46,673	26,353
Other invested assets	248,200	248,204	246,067
Subtotal, cash and invested assets	1,250,025	1,242,054	1,222,191
Investment income due and accrued	5,169	5,275	5,290
Uncollected premiums and reinsurance assets	523	724	882
Other assets	12,231	11,822	17,968
Total Assets	\$ 1,267,949	\$ 1,259,876	\$ 1,246,331
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ (109,102)	\$ (123,047)	\$ (126,030)
Unearned premiums	94,493	97,084	99,138
Payable to parent, subsidiaries and affiliates	5,442	7,814	7,509
Mandatory contingency reserve	85,066	88,413	88,004
Payable for securities	5,991	-	1,416
Other liabilities	961	1,327	2,612
Total Liabilities	82,852	71,591	72,649
Surplus notes	556,158	556,158	556,158
Preferred capital stock	200,000	200,000	200,000
Common capital stock	15,000	15,000	15,000
Unassigned funds (surplus)	413,938	417,126	402,524
Surplus as regards policyholders	1,185,096	1,188,284	1,173,682
Total Liabilities, Surplus and Other Funds	\$ 1,267,949	\$ 1,259,876	\$ 1,246,331

Syncora Capital Assurance Inc.

	As of		
	3/31/2017	12/31/2016	9/30/2016
Assets			
Cash, cash equivalents and short-term investments	\$ 51,341	\$ 51,343	\$ 61,062
Preferred stocks	2,582	2,582	2,632
Common stocks	21,877	24,446	26,785
Bonds	293,492	292,467	288,697
Uninsured cash flow certificates	43,905	45,898	48,760
Other invested assets	3,809	3,924	4,043
Receivables for securities	-	-	8,099
Subtotal, cash and invested assets	417,006	420,659	440,077
Investment income due and accrued	4,507	3,743	2,960
Uncollected premiums	643	1,014	796
Net deferred tax asset	1,227	1,259	2,572
Receivable from parent, subsidiaries and affiliates	596	297	5,184
Other assets	253	260	66
Total Assets	\$ 424,234	\$ 427,232	\$ 451,656
Liabilities, Surplus and Other Funds			
Losses and loss adjustment expenses	\$ 62,005	\$ 57,547	\$ 43,325
Unearned premiums	113,766	121,567	144,680
Payable to parent, subsidiaries and affiliates	5,565	8,681	7,185
Mandatory contingency reserve	15,677	13,424	28,561
Payable for securities	539	-	7,912
Other liabilities	520	255	497
Total Liabilities	198,070	201,474	232,161
Surplus note	200,000	200,000	200,000
Common capital stock	2,500	2,500	2,500
Unassigned funds (surplus)	23,663	23,258	16,994
Surplus as regards policyholders	226,163	225,758	219,494
Total Liabilities, Surplus and Other Funds	\$ 424,234	\$ 427,232	\$ 451,656

Statement of Income

(U.S. dollars in thousands)

Syncora Guarantee Inc.

	Three Months Ended		
	3/31/2017	12/31/2016	9/30/2016
Net premiums written	\$ 2,545	\$ 1,719	\$ 1,457
Underwriting Income			
Net premiums earned	\$ 5,135	\$ 3,774	\$ 11,370
Net losses/(releases) incurred	15,410	(1,667)	(39,473)
Loss adjustment expenses (benefit) incurred	1,194	4,072	2,875
Other underwriting expenses incurred	6,217	8,434	12,857
Net underwriting gain/(loss)	(17,686)	(7,065)	35,110
Investment Income			
Net investment income (expense) earned	8,146	13,708	(38,706)
Net realized gains/(losses)	1,219	(5,054)	1,893
Total net investment gain/(loss)	9,365	8,653	(36,813)
Other Income			
Other income	145	47	14,374
Net income/(loss) before taxes	(8,176)	1,635	12,672
Federal and foreign income taxes incurred/(benefit)	596	(2,457)	5,677
Net income/(loss)	\$ (8,772)	\$ 4,093	\$ 6,995

Syncora Capital Assurance Inc.

	Three Months Ended		
	3/31/2017	12/31/2016	9/30/2016
Net premiums written	\$ 3,325	\$ 1,423	\$ 3,449
Underwriting Income			
Net premiums earned	\$ 11,127	\$ 24,536	\$ 8,558
Net losses/(releases) incurred	7,501	13,214	8,868
Loss adjustment expenses (benefit) incurred	(0)	(178)	(249)
Other underwriting expenses incurred	5,676	6,019	7,596
Net underwriting gain/(loss)	(2,050)	5,481	(7,658)
Investment Income			
Net investment income (expense) earned	4,689	(1,533)	4,624
Net realized capital gains/(losses)	(1,294)	(8,375)	(955)
Total net investment gain/(loss)	3,394	(9,908)	3,670
Other Income			
Other income	10	25	6
Net income/(loss) before taxes	1,355	(4,402)	(3,982)
Federal and foreign income taxes incurred/(benefit)	(596)	2,748	(5,184)
Net income/(loss)	\$ 1,951	\$ (7,151)	\$ 1,202

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

Syncora Guarantee Inc.

	As of		
	3/31/2017	12/31/2016	9/30/2016
Claims paying resources			
Policyholders' surplus	\$ 1,185	\$ 1,187	\$ 1,173
Contingency reserve	85	88	88
Qualified statutory capital	1,270	1,276	1,261
Unearned premium revenue	94	97	99
Loss & loss adjustment expense reserves ^{1,2,3}	134	129	121
Total policyholders' surplus & reserves	1,499	1,502	1,481
NPVFIP	31	34	38
Total claims paying resources	\$ 1,530	\$ 1,536	\$ 1,519
Net par outstanding	\$ 5,148	\$ 5,341	\$ 5,735
Leverage ratio (Net par outstanding/Total claims paying resources)	3.4	3.5	3.8

Notes:

¹ For the three months ended 3/31/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of four structured single risk credits (\$243.4 million).

² For the three months ended 12/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of five structured single risk credits (\$252.5 million).

³ For the three months ended 9/30/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of six structured single risk credits (\$246.8 million).

Syncora Capital Assurance Inc.

	As of		
	3/31/2017	12/31/2016	9/30/2016
Claims paying resources			
Policyholders' surplus	\$ 226	\$ 226	\$ 219
Contingency reserve	16	13	29
Qualified statutory capital	242	239	247
Unearned premium revenue	114	122	145
Loss & loss adjustment expense reserves ^{1,2,3}	94	90	79
Total policyholders' surplus & reserves	451	451	471
NPVFIP	79	81	82
Total claims paying resources	\$ 529	\$ 532	\$ 553
Net par outstanding	\$ 12,869	\$ 15,026	\$ 17,030
Leverage ratio (Net par outstanding/Total claims paying resources)	24.3	28.3	30.8

Notes:

¹ For the three months ended 3/31/2017, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$32.4 million).

² For the three months ended 12/31/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$32.0 million).

³ For the three months ended 9/30/2016, the reported loss and loss adjustment expenses excludes the recoverable benefit of a public finance credit (\$36.2 million).

Insured Portfolio - Net Par Outstanding

(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
General Obligation	\$ 106		\$ 106		\$ 152	
Utility	53		53		53	
Special Revenue	37		37		39	
Other	4		4		4	
Appropriation	-		-		11	
Total Public Finance	<u>\$ 200</u>	3.9%	<u>\$ 200</u>	3.7%	<u>\$ 259</u>	4.5%
Asset-Backed Securities						
RMBS	<u>\$ 428</u>		<u>\$ 445</u>		<u>\$ 462</u>	
Total Asset-Backed Securities	<u>\$ 428</u>	8.3%	<u>\$ 445</u>	8.3%	<u>\$ 462</u>	8.0%
Collateralized Debt Obligations						
Cashflow CDO	<u>\$ 26</u>		<u>\$ 26</u>		<u>\$ 27</u>	
Total Collateralized Debt Obligations	<u>\$ 26</u>	0.5%	<u>\$ 26</u>	0.5%	<u>\$ 27</u>	0.5%
Structured Single Risk						
Power & Utilities	\$ 2,153		\$ 2,181		\$ 2,264	
Global Infrastructure	2,134		2,098		2,327	
Specialized Risk	<u>208</u>		<u>391</u>		<u>397</u>	
Total Structured Single Risk	<u>\$ 4,495</u>	87.3%	<u>\$ 4,670</u>	87.4%	<u>\$ 4,988</u>	87.0%
Total Net Par Outstanding	<u>\$ 5,148</u>	<u>100.0%</u>	<u>\$ 5,341</u>	<u>100.0%</u>	<u>\$ 5,735</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
Public Finance						
Special Revenue	\$ 4,031		\$ 4,368		\$ 5,043	
General Obligation	1,919		2,650		3,010	
Utility	1,151		1,661		2,036	
Non Ad Valorem	983		1,286		1,486	
Appropriation	<u>530</u>		<u>641</u>		<u>738</u>	
Total Public Finance	<u>\$ 8,613</u>	66.9%	<u>\$ 10,606</u>	70.6%	<u>\$ 12,312</u>	72.3%
Collateralized Debt Obligations						
Cashflow CDO	\$ 3		\$ 28		\$ 82	
Synthetic CDO	-		150		253	
Total Collateralized Debt Obligations	<u>\$ 3</u>	0.0%	<u>\$ 178</u>	1.2%	<u>\$ 335</u>	2.0%
Structured Single Risk						
Power & Utilities	\$ 2,895		\$ 2,869		\$ 2,945	
Global Infrastructure	1,308		1,322		1,388	
Specialized Risk	<u>50</u>		<u>50</u>		<u>50</u>	
Total Structured Single Risk	<u>\$ 4,253</u>	33.0%	<u>\$ 4,242</u>	28.2%	<u>\$ 4,382</u>	25.7%
Total Net Par Outstanding	<u>\$ 12,869</u>	<u>100.0%</u>	<u>\$ 15,026</u>	<u>100.0%</u>	<u>\$ 17,030</u>	<u>100.0%</u>

Notes:

Categories include domestic and international credits.

Insured Portfolio - Debt Service Amortization

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q1 2017			Q4 2016			Q3 2016		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2016 Q4	\$ -	\$ 8,527	2016 Q3	\$ -	\$ 9,124
2017 Q1	\$ -	\$ 8,147	2017 Q1	57	8,470	2016 Q4	141	8,983
2017 Q2	51	8,096	2017 Q2	44	8,426	2017 Q1	55	8,928
2017 Q3	117	7,979	2017 Q3	119	8,306	2017 Q2	42	8,886
2017 Q4	132	7,847	2017 Q4	142	8,164	2017 Q3	124	8,763
Total 2017	\$ 300		Total 2017	\$ 362		2017 Q4	143	8,619
						Total	\$ 504	
2018	\$ 556	\$ 7,291	2018	\$ 551	\$ 7,613	2018	\$ 583	\$ 8,036
2019	350	6,941	2019	351	7,262	2019	359	7,677
2020	331	6,610	2020	345	6,917	2020	376	7,301
2021	349	6,261	2021	358	6,559	2021	395	6,906
Total 2018-2021	\$ 1,586		Total 2018-2021	\$ 1,605		Total 2018-2021	\$ 1,713	
2022-2026	\$ 1,372	\$ 4,889	2022-2026	\$ 1,410	\$ 5,149	2022-2026	\$ 1,507	\$ 5,399
2027-2031	331	4,559	2027-2031	338	4,811	2027-2031	394	5,005
2032-2036	924	3,635	2032-2036	1,035	3,776	2032-2036	1,030	3,975
2037 and thereafter	3,635	-	2037 and thereafter	3,776	-	2037 and thereafter	3,975	-
Total 2022-thereafter	\$ 6,261		Total 2022-thereafter	\$ 6,559		Total 2022-thereafter	\$ 6,906	
Total	\$ 8,147		Total	\$ 8,527		Total	\$ 9,124	

Notes:

NPIO represents Net Principal and Interest Outstanding.

Syncora Capital Assurance Inc.

Q1 2017			Q4 2016			Q3 2016		
Scheduled Net		NPIO	Scheduled Net		NPIO	Scheduled Net		NPIO
Debt Service			Debt Service			Debt Service		
			2016 Q4	\$ -	\$ 24,329	2016 Q3	\$ -	\$ 27,415
2017 Q1	\$ -	\$ 21,126	2017 Q1	511	23,818	2016 Q4	489	26,926
2017 Q2	239	20,887	2017 Q2	327	23,491	2017 Q1	517	26,409
2017 Q3	399	20,488	2017 Q3	466	23,025	2017 Q2	383	26,027
2017 Q4	422	20,066	2017 Q4	372	22,654	2017 Q3	493	25,534
Total 2017	\$ 1,060		Total 2017	\$ 1,675		2017 Q4	432	25,102
						Total	\$ 2,313	
2018	\$ 935	\$ 19,132	2018	\$ 1,115	\$ 21,539	2018	\$ 1,256	\$ 23,845
2019	917	18,214	2019	1,095	20,443	2019	1,240	22,605
2020	1,047	17,167	2020	1,240	19,204	2020	1,389	21,216
2021	1,159	16,008	2021	1,346	17,858	2021	1,494	19,722
Total 2018-2021	\$ 4,058		Total 2018-2021	\$ 4,795		Total 2018-2021	\$ 5,380	
2022-2026	\$ 4,292	\$ 11,717	2022-2026	\$ 5,100	\$ 12,759	2022-2026	\$ 5,816	\$ 13,906
2027-2031	3,501	8,216	2027-2031	4,121	8,638	2027-2031	4,677	9,229
2032-2036	2,233	5,983	2032-2036	2,615	6,022	2032-2036	3,140	6,089
2037 and thereafter	5,983	-	2037 and thereafter	6,022	-	2037 and thereafter	6,089	-
Total 2022-thereafter	\$ 16,008		Total 2022-thereafter	\$ 17,858		Total 2022-thereafter	\$ 19,722	
Total	\$ 21,126		Total	\$ 24,329		Total	\$ 27,415	

Notes:

NPIO represents Net Principal and Interest Outstanding.

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

Syncora Guarantee Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 200	12	\$ 200	12	\$ 259	14
Asset-Backed Securities	428	27	445	27	462	27
Collateralized Debt Obligations	26	2	26	2	27	2
Structured Single Risk	4,495	26	4,670	28	4,988	29
Total Net Par Outstanding	<u>\$ 5,148</u>	<u>67</u>	<u>\$ 5,341</u>	<u>69</u>	<u>\$ 5,735</u>	<u>72</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 30		\$ 23		\$ 17	
Asset-Backed Securities	88		90		88	
Collateralized Debt Obligations	1		1		1	
Structured Single Risk	(243)		(253)		(247)	
Total Net Reserve	<u>\$ (124)</u>		<u>\$ (139)</u>		<u>\$ (141)</u>	

Note:

Categories include domestic and international credits.

Syncora Capital Assurance Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	# of Credits	NPO	# of Credits	NPO	# of Credits
Public Finance	\$ 8,613	\$ 619	\$ 10,606	\$ 725	\$ 12,312	\$ 814
Collateralized Debt Obligations	3	1	178	3	335	5
Structured Single Risk	4,253	27	4,242	27	4,382	27
Total Net Par Outstanding	<u>\$ 12,869</u>	<u>647</u>	<u>\$ 15,026</u>	<u>755</u>	<u>\$ 17,030</u>	<u>846</u>
	Net Loss Reserve		Net Loss Reserve		Net Loss Reserve	
Public Finance	\$ 56		\$ 51		\$ 36	
Asset-Backed Securities	-		-		-	
Collateralized Debt Obligations	-		-		-	
Structured Single Risk	-		-		-	
Total Net Reserve	<u>\$ 56</u>		<u>\$ 51</u>		<u>\$ 36</u>	

Note:

Categories include domestic and international credits.

**Insured Portfolio - Watch List
As of March 31, 2017
(U.S. dollars in millions)**

Syncora Guarantee Inc.

	Q1 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	23	4	2	1	30
Remaining weighted-average contract period (in years)	10.8	4.1	5.8	18.7	7.2
Insured contractual payments outstanding:					
Principal	\$ 437.0	\$ 860.1	\$ 271.2	\$ 123.8	\$ 1,692.1
Interest	132.9	154.3	8.7	63.7	359.7
Total	<u>\$ 569.9</u>	<u>\$ 1,014.4</u>	<u>\$ 279.9</u>	<u>\$ 187.5</u>	<u>\$ 2,051.8</u>
Gross loss reserves	\$ (68.0)	\$ -	\$ -	\$ -	\$ (68.0)
Net loss reserves	\$ (123.9)	\$ -	\$ -	\$ -	\$ (123.9)

Syncora Capital Assurance Inc.

	Q1 2017				
	Loss List	Red Flag List	Yellow Flag List	Special Monitoring List	Total
Number of credits	3	1	11	6	21
Remaining weighted-average contract period (in years)	4.0	4.7	16.7	11.2	14.1
Insured contractual payments outstanding:					
Principal	\$ 237.4	\$ 2.7	\$ 970.6	\$ 58.6	\$ 1,269.3
Interest	54.7	0.5	786.1	32.1	873.5
Total	<u>\$ 292.1</u>	<u>\$ 3.2</u>	<u>\$ 1,756.7</u>	<u>\$ 90.7</u>	<u>\$ 2,142.8</u>
Gross loss reserves	\$ 55.9	\$ -	\$ -	\$ -	\$ 55.9
Net loss reserves	\$ 55.9	\$ -	\$ -	\$ -	\$ 55.9

Insured Portfolio - Distribution by Rating (U.S. dollars in millions)

Syncora Guarantee Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 83	1.6%	\$ 85	1.6%	\$ 86	1.5%
AA	254	4.9	255	4.8	294	5.1
A	979	19.0	1,068	20.0	1,142	19.9
BBB	2,430	47.2	2,484	46.5	2,711	47.3
Below Investment Grade	1,403	27.2	1,448	27.1	1,501	26.2
Total Net Par Outstanding	<u>\$ 5,148</u>	<u>100.0%</u>	<u>\$ 5,341</u>	<u>100.0%</u>	<u>\$ 5,735</u>	<u>100.0%</u>

Notes:

Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

Syncora Capital Assurance Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
AAA	\$ 472	3.7%	\$ 718	4.8%	\$ 853	5.0%
AA	4,403	34.2	4,945	32.9	5,484	32.2
A	4,063	31.6	5,375	35.8	5,916	34.7
BBB	2,647	20.6	2,676	17.8	3,448	20.2
Below Investment Grade	1,285	10.0	1,313	8.7	1,330	7.8
Total Net Par Outstanding	<u>\$ 12,869</u>	<u>100.0%</u>	<u>\$ 15,026</u>	<u>100.0%</u>	<u>\$ 17,030</u>	<u>100.0%</u>

Notes:

Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

Insured Portfolio - Distribution By Internal Rating*

(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aa	\$ 116	2.3%	\$ 117	2.2%	\$ 121	2.1%
a	997	19.4	994	18.6	1,257	21.9
bbb	2,466	47.9	2,616	49.0	2,633	45.9
Below Investment Grade	1,568	30.5	1,613	30.2	1,724	30.1
Total Net Par Outstanding	\$ 5,148	100.0%	\$ 5,341	100.0%	\$ 5,735	100.0%

Notes:

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Syncora Capital Assurance Inc.

	Q1 2017		Q4 2016		Q3 2016	
	NPO	% NPO	NPO	% NPO	NPO	% NPO
aaa	\$ 3	-%	\$ 178	1.2%	\$ 315	1.9%
aa	1,581	12.3	2,085	13.9	2,235	13.1
a	6,584	51.2	7,671	51.1	8,637	50.7
bbb	3,491	27.1	3,882	25.8	4,618	27.1
Below Investment Grade	1,211	9.4	1,210	8.1	1,225	7.2
Total Net Par Outstanding	\$ 12,869	100.0%	\$ 15,026	100.0%	\$ 17,030	100.0%

Notes:

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures (U.S. dollars in millions)

Syncora Guarantee Inc.

	Q1 2017	Q4 2016	Q3 2016
	NPO	NPO	NPO
Public Finance	\$ 4	\$ 4	\$ 4
Asset-Backed Securities	345	356	351
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,052	1,086	1,144
Total Below Investment Grade	<u>\$ 1,403</u>	<u>\$ 1,448</u>	<u>\$ 1,501</u>
Total Net Par Outstanding	\$ 5,148	\$ 5,341	\$ 5,735
BIG as % of Net Par Outstanding	27.2%	27.1%	26.2%

Notes:

Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

Syncora Capital Assurance Inc.

	Q1 2017	Q4 2016	Q3 2016
	NPO	NPO	NPO
Public Finance	\$ 1,008	\$ 1,038	\$ 1,043
Structured Single Risk	277	275	286
Total Below Investment Grade	<u>\$ 1,285</u>	<u>\$ 1,313</u>	<u>\$ 1,330</u>
Total Net Par Outstanding	\$ 12,869	\$ 15,026	\$ 17,030
BIG as % of Net Par Outstanding	10.0%	8.7%	7.8%

Notes:

Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

Insured Portfolio - Summary of Below Investment Grade (BIG) Exposures by Internal Rating*

(U.S. dollars in millions)

Syncora Guarantee Inc.

	Q1 2017	Q4 2016	Q3 2016
	NPO	NPO	NPO
Public Finance	\$ 105	\$ 105	\$ 128
Asset-Backed Securities	364	376	398
Collateralized Debt Obligations	2	2	2
Structured Single Risk	1,097	1,129	1,196
Total Below Investment Grade	<u>\$ 1,568</u>	<u>\$ 1,613</u>	<u>\$ 1,724</u>
Total Net Par Outstanding	\$ 5,148	\$ 5,341	\$ 5,735
BIG as % of Net Par Outstanding	30.5%	30.2%	30.1%

Notes:

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Syncora Capital Assurance Inc.

	Q1 2017	Q4 2016	Q3 2016
	NPO	NPO	NPO
Public Finance	\$ 934	\$ 935	\$ 939
Structured Single Risk	277	275	286
Total Below Investment Grade	<u>\$ 1,211</u>	<u>\$ 1,210</u>	<u>\$ 1,225</u>
Total Net Par Outstanding	\$ 12,869	\$ 15,026	\$ 17,030
BIG as % of Net Par Outstanding	9.4%	8.1%	7.2%

Notes:

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Insured Portfolio - 20 Largest Public Finance Credits (U.S. dollars in millions)

Syncora Guarantee Inc.

		Q1 2017		
		NPO	S&P Rating	Internal Rating*
1	Commonwealth of Puerto Rico - GO	\$ 64	AA	d
2	City of Houston, TX - Water/Sewer Revenue Bonds	38	AA	aa-
3	Puerto Rico (Commonwealth) - Mixed State and Local Revenue	23	AA	c
4	Port of Portland, OR - Airport Revenue Bonds	20	AA-	aa-
5	Massachusetts (Commonwealth of) - GO	18	AA+	aa-
6	State of New Jersey Turnpike Authority - Toll Road Revenue Bonds	17	AA	a
7	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	14	AA	c
8	Detroit (City of), MI (Full Loss)	4	D	d
9	Port Authority of New York and New Jersey, NY	1	AA	aa-
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 199		
Total Portfolio Net Par Outstanding		\$ 5,148		
% of Total SGI Portfolio		3.9%		
Total Public Finance Portfolio Net Par Outstanding		\$ 200		
% of Total Public Finance Portfolio		99.8%		

Notes:

Individual Obligor may have policies with different ratings. Net Par Outstanding shown is grouped by the Obligor's lowest rating.

S&P Rating based on S&P bond rating as reflected in Syncora Guarantee's records, if available, and internal Syncora Guarantee's rating if no S&P bond rating is available.

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

The City of Detroit (the "City") credit (8) above covers one policy obligation: the "loss" portion of the City's original Unlimited Tax General Obligation bonds for which Syncora Guarantee is obligated to make payments under its original policy with no ability to recover those payments.

Syncora Capital Assurance Inc.

		Q1 2017		
		NPO	S&P Rating	Internal Rating*
1	LCOR Alexandria, LLC - Lease Revenue	\$ 580	AA-	a-
2	San Diego Family Housing LLC - Class I	407	AA	aa
3	DOT Headquarters II Lease-Backed Mortgage Finance Trust Senior Notes	326	BB+	a
4	Dodger Tickets LLC	270	BBB	bbb+
5	Baltimore Development Corporation (Convention Center Headquarters Hotel Project)	234	BB	bb
6	City of San Jose, CA Redevelopment Agency - Tax Allocation	194	BBB+	bbb
7	City of Houston, TX Airport System - Revenue Bonds	194	A+	a
8	Navy Northeast Family Housing - Series 2007-A1 (Trust 220)	149	AA-	bb+
9	Metropolitan Transportation Authority, NY - Lease Revenue Bonds	148	BBB+	bbb-
10	San Diego County, CA - Pension Obligation Bonds	148	AA+	aa-
11	University System of Georgia, Board of Regents, GA	147	A	a+
12	New Jersey Economic Development Authority, NJ	147	BBB+	bbb
13	San Diego Family Housing LLC - Class II	141	AA	aa-
14	San Diego Family Housing LLC - Class III	141	AA	a+
15	Austin Convention Enterprises, TX	140	BBB-	bbb
16	Miami-Dade County, FL - Aviation Revenue Bonds	129	A	a-
17	Natural Gas Acquisition Corporation of City of Clarksville (NGAC), TN - Utility Obligation Bonds, Gas Prepay	128	AA-	a
18	Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds	127	D	c
19	Municipal Gas Authority of Georgia (MGAG) Gas Prepay	127	BBB+	a
20	Southern California Logistics Airport Authority, CA - Tax Allocation Bonds	126	BB	bb
Total Net Par Outstanding of the Largest Public Finance Credits		\$ 4,004		
Total Portfolio Net Par Outstanding		\$ 12,869		
% of Total SCAI Portfolio		31.1%		
Total Public Finance Portfolio Net Par Outstanding		\$ 8,613		
% of Total Public Finance Portfolio		46.5%		

Notes:

Individual Obligor may have policies with different ratings. Net Par Outstanding shown is grouped by the Obligor's lowest rating.

S&P Rating based on S&P bond rating as reflected in Syncora Capital Assurance's records, if available, and internal Syncora Capital Assurance's rating if no S&P bond rating is available.

*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. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g., aa- = AA- = Aa3, bbb = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction has resulted in a paid claim and "c" ratings to insured transactions where the transaction is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.

Insured Portfolio - Puerto Rico Net Principal and Interest^{1,2} Amortization

As of March 31, 2017

(U.S. dollars in millions)

Q1 2017										
Calendar Year	Commonwealth of Puerto Rico - Government Obligations		Commonwealth of Puerto Rico, Highway & Transportation Authority		Puerto Rico Electric Power Authority, PR - Utility Revenue Bonds		Puerto Rico (Commonwealth) - Mixed State and Local Revenue		Total P&I	
	SGI	SCAI	SGI	SCAI	SGI	SCAI	SGI	SCAI	SGI	SCAI
2017	10.1	80.1	-	0.1	0.7	33.0	5.5	-	16.3	113.2
2018	8.5	6.6	-	0.3	0.7	33.1	4.3	-	13.5	40.0
2019	4.2	8.7	-	0.3	1.5	3.5	5.0	-	10.7	12.5
2020	4.2	3.9	-	0.3	1.8	3.5	2.2	-	8.2	7.7
2021	7.8	1.7	-	0.3	1.0	3.5	2.1	-	10.9	5.5
2022	2.4	1.2	-	0.3	1.0	3.5	2.1	-	5.5	5.0
2023	21.2	6.4	-	0.3	1.6	3.5	0.3	-	23.1	10.2
2024	3.3	0.3	-	0.3	1.6	3.5	0.3	-	5.2	4.1
2025	2.1	6.5	-	0.3	1.6	24.3	0.3	-	4.0	31.0
2026	2.3	0.1	-	0.3	1.7	27.0	1.7	-	5.7	27.4
2027	3.8	0.1	-	0.3	1.6	24.7	1.9	-	7.1	25.1
2028	6.2	0.1	-	0.2	0.9	-	1.6	-	8.7	0.4
2029	4.0	0.1	-	0.8	0.9	-	0.9	-	5.8	0.9
2030	3.4	0.1	-	0.8	1.2	-	0.5	-	5.3	0.9
2031	3.1	0.1	-	0.8	1.5	-	-	-	4.6	0.9
2032	-	0.1	-	0.8	-	-	-	-	-	0.9
2033	-	0.1	-	0.8	-	-	-	-	-	0.9
2034	-	0.5	-	0.8	-	-	-	-	-	1.3
2035	-	0.5	-	0.8	-	-	-	-	-	1.3
2036	-	0.5	-	0.8	-	-	-	-	-	1.3
2037	-	-	-	0.8	-	-	-	-	-	0.8
2038	-	-	-	0.8	-	-	-	-	-	0.8
Total	\$ 86.6	\$ 117.7	\$ -	\$ 11.3	\$ 19.3	\$ 163.1	\$ 28.7	\$ -	\$ 134.6	\$ 292.1
Total Net Principal	\$ 64.3	\$ 104.2	\$ -	\$ 6.2	\$ 13.7	\$ 127.0	\$ 23.2	\$ -	\$ 101.2	\$ 237.4
Total Net Interest	22.3	13.5	-	5.1	5.6	36.1	5.5	-	33.4	54.7
Total Net Principal and Interest	\$ 86.6	\$ 117.7	\$ -	\$ 11.3	\$ 19.3	\$ 163.1	\$ 28.7	\$ -	\$ 134.6	\$ 292.1

Notes:

¹Net of reinsurance.

²Excludes \$72.2 million of carrying value of Puerto Rico Government Obligations, Highway & Transportation Authority, and Electric Power Authority bonds purchased by SCAI.

Insured Portfolio - RMBS Loss & LAE Reserve Roll Forward (U.S. dollars in millions)

Syncora Guarantee Inc.

Q1 2017						
Period End Date	RMBS Net Unpaid Loss and LAE Beginning ¹		Incurred Losses/(Recoveries)	Net Paid Claims	RMBS Net Unpaid Loss and LAE Ending ¹	
12/31/11	\$	80.7	\$	16.0	\$	39.1
12/31/12		39.1		(289.8)	320.5	69.7
12/31/13		69.7		(355.0)	51.4	(233.9)
12/31/14		(233.9)		(29.2)	405.6	142.4
12/31/15		142.4		(23.9)	3.4	121.9
12/31/16		121.9		(62.1)	36.3	96.2
3/31/17		96.2		(2.5)	(0.4)	93.3

Notes:

¹ Information provided in Note 25 of Syncora Guarantee Inc.'s Annual and Quarterly statutory financial statements.

Claims Variance Analysis

(U.S. dollars in millions)

Syncora Guarantee Inc.

	January 2017	February 2017	March 2017	1Q 2017
Net Claims Submitted¹				
HELOC	\$ (0.3)	\$ (0.4)	\$ (0.3)	\$ (1.0)
CES	0.0	0.2	0.0	0.2
First Lien	(0.1)	(0.2)	(0.2)	(0.5)
Other	-	-	1.4	1.4
Total Net Claims Submitted	<u>(0.5)</u>	<u>(0.4)</u>	<u>0.9</u>	<u>0.1</u>
Net Projected Claims¹				
HELOC	0.4	0.7	1.0	2.1
CES	0.1	0.1	0.1	0.3
First Lien	(0.1)	(0.1)	(0.1)	(0.2)
Other	-	-	2.2	2.2
Total Net Projected Claims	<u>0.5</u>	<u>0.7</u>	<u>3.2</u>	<u>4.4</u>
Difference - Favorable/(Unfavorable)				
HELOC	0.8	1.1	1.3	3.2
CES	0.1	(0.1)	0.1	0.1
First Lien	0.1	0.1	0.1	0.3
Other	-	-	0.8	0.8
Total Difference	<u>\$ 0.9</u>	<u>\$ 1.1</u>	<u>\$ 2.2</u>	<u>4.3</u>

Syncora Capital Assurance Inc.

	January 2017	February 2017	March 2017	1Q 2017
Net Claims Paid¹				
Other	\$ 2.7	\$ -	\$ -	\$ 2.7
Total Net Claims Paid	<u>2.7</u>	<u>-</u>	<u>-</u>	<u>2.7</u>
Net Projected Claims¹				
Other	2.8	-	-	2.8
Total Net Projected Claims	<u>2.8</u>	<u>-</u>	<u>-</u>	<u>2.8</u>
Difference - Favorable/(Unfavorable)				
Other	0.1	-	-	0.1
Total Difference	<u>\$ 0.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.1</u>

Note:

¹ Net of expected round trip payments and reinsurance, and excluding commutation payments.

Insured Portfolio - Top 10 Structured Finance Servicer/Manager Exposures (U.S. dollars in millions)

Syncora Guarantee Inc.

		Q1 2017	
Servicer/Manager Name ^{1,3}		NPO	
1	Ocwen Loan Servicing, LLC	\$	258
2	Bank of America, N.A.		87
3	CLO Manager 1 ²		24
4	Specialized Loan Servicing		22
5	Banco La Hipotecaria, S.A		21
6	Countrywide Home Loans		19
7	Nationstar Mortgage		11
8	Washington Mutual Bank		6
9	Chevy Chase Bank FSB		3
10	JP Morgan Chase Bank NA		1
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	451
Total Portfolio Net Par Outstanding		\$	5,148
% of Total Portfolio			8.8%
Total Structured Finance Portfolio Net Par Outstanding		\$	4,949
% of Total Structured Finance Portfolio			9.1%

Notes:

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

² Servicer/manager not revealed due to confidentiality.

³ Information has been updated to reflect servicer/manager transfers.

Syncora Capital Assurance Inc.

		Q1 2017	
Servicer/Manager Name ¹		NPO	
1	CLO Manager 2 ²	\$	3
Total Net Par Outstanding of the Top 10 Structured Finance Servicer/Manager Exposures		\$	3
Total Portfolio Net Par Outstanding		\$	12,869
% of Total Portfolio			0.0%
Total Structured Finance Portfolio Net Par Outstanding		\$	4,256
% of Total Structured Finance Portfolio			0.1%

Notes:

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

² Servicer/manager not revealed due to confidentiality.

Insured Portfolio - Profile by Geographic Distribution

(U.S. dollars in millions)

Syncora Guarantee Inc.

Q1 2017				Q4 2016				Q3 2016			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
Puerto Rico	\$ 339	\$ 101	2.0%	Puerto Rico	\$ 339	\$ 101	1.9%	Puerto Rico	\$ 362	\$ 124	2.2%
Other ¹	8,663	98	1.9	Other ¹	10,655	98	1.8	Other ¹	12,397	134	2.3
Non-PF Multi ^{2,3}	440	433	8.4	Non-PF Multi ²	456	448	8.4	Non-PF Multi ²	472	464	8.1
Total United States	\$ 9,441	\$ 632	12.3%	Total United States	\$ 11,450	\$ 648	12.1%	Total United States	\$ 13,230	\$ 723	12.6%
International				International				International			
United Kingdom	\$ 3,444	\$ 2,660	51.7%	United Kingdom	\$ 3,563	\$ 2,780	52.1%	United Kingdom	\$ 3,698	\$ 2,888	50.4%
Australia	1,097	1,097	21.3	Australia	1,037	1,037	19.4	Australia	1,103	1,103	19.2
Chile	495	370	7.2	Chile	501	374	7.0	Chile	514	384	6.7
France	143	143	2.8	France	149	149	2.8	France	148	148	2.6
Italy	124	124	2.4	Italy	134	134	2.5	Italy	133	133	2.3
Portugal	93	93	1.8	Portugal	92	92	1.7	Canada	223	125	2.2
Other ¹	472	29	0.6	Other ¹	475	34	0.6	Portugal	98	98	1.7
Total International	\$ 5,868	\$ 4,516	87.7%	Total International	\$ 6,043	\$ 4,693	87.9%	Total International	\$ 6,405	\$ 5,012	87.4%
Total Outstanding	\$ 15,309	\$ 5,148	100.0%	Total Outstanding	\$ 17,492	\$ 5,341	100.0%	Total Outstanding	\$ 19,635	\$ 5,735	100.0%

Notes:

¹ Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.

² Non-Public Finance deals with underlying securities in multiple states/countries.

³ Consists of \$407 million in ABS and \$26 million in CDO net par.

Syncora Capital Assurance Inc.

Q1 2017				Q4 2016				Q3 2016			
	GPO	NPO	% NPO		GPO	NPO	% NPO		GPO	NPO	% NPO
United States				United States				United States			
California	\$ 2,759	\$ 2,717	21.1%	California	\$ 2,833	\$ 2,790	18.6%	California	\$ 3,093	\$ 3,051	17.9%
New York	1,227	1,227	9.5	New York	1,289	1,289	8.6	New York	1,652	1,652	9.7
Virginia	619	619	4.8	Texas	659	659	4.4	Texas	685	685	4.0
Texas	485	485	3.8	Virginia	640	640	4.3	Florida	783	683	4.0
District Of Columbia	443	443	3.4	Florida	659	559	3.7	Virginia	640	640	3.8
Florida	514	414	3.2	District Of Columbia	446	446	3.0	Colorado	545	545	3.2
Georgia	346	346	2.7	Georgia	445	445	3.0	Georgia	458	458	2.7
Maryland	239	239	1.9	Tennessee	356	356	2.4	District Of Columbia	449	449	2.6
Puerto Rico	237	237	1.8	Alabama	317	317	2.1	Tennessee	365	365	2.1
Washington	230	230	1.8	Illinois	292	292	1.9	Alabama	362	362	2.1
New Jersey	227	227	1.8	New Jersey	271	271	1.8	Ohio	348	348	2.0
Pennsylvania	227	227	1.8	Pennsylvania	262	262	1.7	Illinois	311	311	1.8
Illinois	214	214	1.7	South Carolina	252	252	1.7	Washington	310	310	1.8
Massachusetts	212	212	1.6	Ohio	251	251	1.7	Pennsylvania	294	294	1.7
Tennessee	204	204	1.6	Washington	240	240	1.6	New Jersey	289	289	1.7
Missouri	189	189	1.5	Maryland	239	239	1.6	South Carolina	267	267	1.6
Alabama	184	184	1.4	Puerto Rico	238	238	1.6	Massachusetts	250	250	1.5
Ohio	174	174	1.4	Massachusetts	213	213	1.4	Maryland	240	240	1.4
Colorado	168	168	1.3	Colorado	200	200	1.3	Puerto Rico	238	238	1.4
Oregon	154	154	1.2	Missouri	194	194	1.3	Missouri	204	204	1.2
Nebraska	133	133	1.0	Arizona	168	168	1.1	Arizona	173	173	1.0
Other ¹	838	838	6.5	Oregon	154	154	1.0	Other ¹	1,777	1,777	10.4
Non-PF Multi ^{2,3}	3	3	0.0	Other ¹	1,402	1,402	9.3	Non-PF Multi ²	335	335	2.0
Total United States	\$ 10,025	\$ 9,883	76.8%	Non-PF Multi²	178	178	1.2	Total United States	\$ 14,068	\$ 13,925	81.8%
Total United States	\$ 10,025	\$ 9,883	76.8%	Total United States	\$ 12,196	\$ 12,053	80.2%	Total United States	\$ 14,068	\$ 13,925	81.8%
International				International				International			
United Kingdom	\$ 2,116	\$ 2,116	16.4%	United Kingdom	\$ 2,105	\$ 2,105	14.0%	United Kingdom	\$ 2,210	\$ 2,210	13.0%
New Zealand	497	497	3.9	New Zealand	492	492	3.3	New Zealand	517	517	3.0
Other ¹	373	373	2.9	Other ¹	375	375	2.5	Other ¹	377	377	2.2
Total International	\$ 2,986	\$ 2,986	23.2%	Total International	\$ 2,973	\$ 2,973	19.8%	Total International	\$ 3,104	\$ 3,104	18.2%
Total Outstanding	\$ 13,011	\$ 12,869	100.0%	Total Outstanding	\$ 15,168	\$ 15,026	100.0%	Total Outstanding	\$ 17,172	\$ 17,030	100.0%

Notes:

¹ Single state/country with NPO < 1% of the total exposure plus any multi-state/country Public Finance exposures.

² Non-Public Finance deals with underlying securities in multiple states/countries.

³ Consists of \$3 million in CDO net par.

Investment Portfolio As of March 31, 2017 (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	\$ 146.5 16.9%
Cash and Cash Equivalents	\$ 51.1	5.9%	1 to 5 Years	548.9 63.2%
Short-Term Investments	47.8	5.5%	5 to 10 Years	43.2 5.0%
Total Cash and Short-Term Investments	98.9	11.4%	Due after 10 Years	2.5 0.3%
Debt Securities			Mortgage and asset-backed securities	127.9 14.7%
MBS/ABS	127.9	14.7%	Total	\$ 869.0 100.0%
U.S. Government	138.8	16.0%	Yield to Maturity @ Book Value	2.4%
Corporate	491.9	56.6%	Yield to Maturity @ Market Value	2.1%
States & Political Subs	11.5	1.3%	Duration (years)	2.7
Total Long-Term Fixed Maturity	770.1	88.6%		
Total	\$ 869.0	100.0%		

Notes:

- Excludes \$60.6 million of uninsured cash flow ("UCF") securities
- Excludes \$8.3 million of other remediation-related securities
- Excludes \$31.1 million of common stocks
- Excludes \$6.6 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 150.9	17.4%
AA	234.6	27.0%
A	186.0	21.4%
BBB	238.5	27.4%
BB & below and Not Rated	59.0	6.8%
Total	\$ 869.0	100.0%
Average credit quality	A	

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	\$ 47.3 15.4%
Cash and Cash Equivalents	\$ 44.7	14.6%	1 to 5 Years	31.4 10.2%
Short-Term Investments	1.1	0.4%	5 to 10 Years	71.9 23.5%
Total Cash and Short-Term Investments	45.8	14.9%	Due after 10 Years	25.5 8.3%
Debt Securities			Mortgage and asset-backed securities	130.5 42.6%
MBS/ABS	130.5	42.5%	Total	\$ 306.6 100.0%
U.S. Government	13.4	4.4%	Yield to Maturity @ Book Value	3.1%
Corporate	101.1	32.9%	Yield to Maturity @ Market Value	2.8%
States & Political Subs	15.8	5.1%	Duration (years)	4.4
Total Long-Term Fixed Maturity	260.8	85.0%		
Total	\$ 306.7	100.0%		

Notes:

- Excludes \$43.9 million of uninsured cash flow ("UCF") securities
- Excludes \$32.7 million of other remediation-related securities
- Excludes \$2.6 million of preferred stocks
- Excludes \$25.7 million of common stocks and alternative investments
- Excludes \$5.5 million of operating cash balances

Quality Distribution		
	Book Adjusted Carrying Value	Percentage
AAA	\$ 84.9	27.7%
AA	104.1	33.9%
A	36.1	11.8%
BBB	64.9	21.2%
BB & below and Not Rated	16.6	5.4%
Total	\$ 306.7	100.0%
Average credit quality	A+	