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Syncora Guarantee Settles JPMorgan Litigation

Announces Completion of Additional Remediation Transactions

NEW YORK, Feb. 24, 2014 /PRNewswire/ -- Syncora Holdings Ltd. ("Syncora") today announced that its wholly owned, New York financial guarantee insurance subsidiary, Syncora Guarantee Inc. (the "Company"), has settled its RMBS-related claims with JPMorgan and affiliates thereof.

In return for releases of all of the Company's claims against JPMorgan and certain affiliates arising from certain insured RMBS transactions that were the subject of litigation or dispute, the Company is to receive a cash settlement. In addition, and unrelated to the foregoing, since the posting of the Company's third quarter 2013 statutory financial statements, the Company has remediated its exposure to several material financial guarantee insurance policies.

As a result of multiple substantial remediation transactions and litigation recoveries, the Company expects, in its 2013 annual statutory financial statements, to remove its disclosure regarding substantial doubt about the Company's ability to continue as a going concern over the next twelve months. Thereafter, and especially beginning from 2017, the Company continues to face a potential "liquidity mismatch" between expected claim payments in the earlier years, followed in later years by recoveries of these claims payments.

The combined effect of the remediations and settlement is expected to have a materially positive effect on the Company's policyholder surplus that will be reflected in its 2013 annual statutory financial statements, which the Company expects to issue on or about February 28, 2014. Despite these developments and the change in the going concern assessment, the Company continues to face significant risks and uncertainties as described in the Company's financial statements.

About Syncora Holdings Ltd.

Syncora Holdings Ltd. (OTC: SYCRF) is a Bermuda-domiciled holding company. Each of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. are wholly owned subsidiaries of Syncora Holdings Ltd. For more information, please visit www.syncora.com.

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FORWARD-LOOKING STATEMENTS

This release contains statements about future results, plans and events that may constitute "forward-looking" statements. You are cautioned that these statements are not guarantees of future results, plans or events and such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control. These factors include, but are not limited to: the performance of invested assets; payment of claims on guaranteed obligations, including residential mortgage-backed securities; actions that may be required in order to meet anticipated liquidity and surplus needs; the Company's ability to maintain minimum policyholders' surplus; higher losses and adverse development of reserves on guaranteed obligations due to continued deterioration in the credit and

mortgage markets; reduced availability of funds due to the purchase of certain insured bonds and the potential inability to convert those assets to cash at their carrying value; the suspension of writing all new business; uncertainty as to the fair value of credit default swap ("CDS") contracts and liabilities thereon; decision by the Company's regulators to take regulatory action such as rehabilitation or liquidation of the Company at any time; Syncora Capital Assurance Inc. being required to make mark-to-market termination payments under its CDS contracts; bankruptcy events involving counterparties to CDS contracts; the potential loss of certain control rights under certain financial guarantee insurance; non-payment of premium and make wholes owed or cancellation of policies; impact of the non-payment of dividends on Syncora's series A preference shares on the composition of Syncora's Board of Directors; uncertainty in portfolio modeling which makes it difficult to estimate potential paid claims and loss reserves; potential adverse developments at Syncora Capital Assurance Inc. and re-entrance of business to be ceded to Syncora Capital

developments at Syncora Capital Assurance Inc. and recapture of business to be ceded to Syncora Capital Assurance Inc. under the master transaction agreement between the Company and certain financial counterparties to the Company's CDS contracts (the "2009 MTA"); the financial condition of Syncora Guarantee (U.K.) Limited and action by the Prudential Regulation Authority and the Financial Conduct Authority; requirement of the Company to provide Syncora Guarantee (U.K.) Limited with sufficient funds to maintain its minimum solvency margin; challenges related to the 2009 MTA and any commutations and releases; defaults by counterparties to reinsurance arrangements; the interconnectedness of risks that affect the Company's reinsurance and insurance portfolio and financial guarantee products; termination payments related to less traditional products, including CDS contracts, possibly in excess of current resources; exposure to large refinancing risks; non-payment of premiums by policyholders; changes in accounting policies or practices or the application thereof; changes in officers or key employees; further deterioration in general economic conditions, including as a result of the financial crisis as well as inflation or deflation, interest rates, foreign currency exchange rates and other factors and the effects of disruption or economic contraction due to catastrophic events or terrorist acts; the commencement of new litigation or investigations or the outcome of current and new litigation or investigations; legislative or regulatory developments, including changes in tax laws and regulation of mortgages; losses from fraudulent conduct due to unconditional and irrevocable nature of financial guarantee insurance; problems with the transaction servicers in relation to structured finance transactions; limitations on the availability of net operating loss carry forwards; uncertainty as to federal income tax treatment of CDS contracts; liquidity risks including due to timing of claims payments and reduced availability of funds undertakings with the New York State Department of Financial Services ("NYDFS"); conflicts of interests with significant shareholders of Syncora; limitations on the transferability of the common shares of Syncora and other additional factors, risks or uncertainties described in Syncora's historical filings with the NYDFS or the Securities and Exchange Commission, including in its Annual Report on Form 10K for the fiscal year ended December 31, 2008, as amended and in Syncora's, the Company's and Syncora Capital Assurance Inc.'s financial statements posted on its website at www.syncora.com. Readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. Syncora does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.

SOURCE Syncora Holdings Ltd.

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