SYNCORA HOLDINGS LTD.

Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF SYNCORA HOLDINGS LTD.

Hamilton, Bermuda

May 3, 2011

TO THE HOLDERS OF COMMON SHARES OF SYNCORA HOLDINGS LTD.:

Notice is hereby given that the annual general meeting of the holders of common shares (the "Shareholders") of Syncora Holdings Ltd. (the "Company") will be held at the Company's offices at 825 Eighth Avenue, 24th Floor, New York, NY 10019, on Wednesday, June 8, 2011, at 8:30 a.m. local time, for the following purposes:

1. To elect Thomas Norsworthy, Coleman Ross and Robert Shippee as Class II Directors to hold office until 2014;
2. To appoint PricewaterhouseCoopers LLP, New York, an independent registered public accounting firm as the Company's independent auditor for the year 2011;
3. To refer the remuneration of PricewaterhouseCoopers LLP, New York to the Audit Committee of the Board of Directors; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors of the Company recommends a vote FOR each of Items 1 through 3.

The Company will also present the Company's financial statements for the year ended December 31, 2010 at the annual general meeting pursuant to the Bermuda Companies Act 1981 and the Company's amended and restated bye-laws.

Only Shareholders of record, as shown by the Register of Shareholders and the records of the Depository Trust & Clearing Corporation at the close of business on April 11, 2011, are entitled to receive notice of and to vote at the annual general meeting. The proxy statement and accompanying materials are first being mailed to Shareholders on May 3, 2011.

YOU MAY VOTE YOUR PROXY BY TELEPHONE, INTERNET OR MAIL AS DIRECTED ON THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU MAY ALSO ATTEND THE MEETING AND VOTE IN PERSON. IF YOU LATER DESIRE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. YOUR SHARES WILL BE VOTED PURSUANT TO THE INSTRUCTIONS CONTAINED IN THE PROXY STATEMENT. IF NO INSTRUCTION IS GIVEN, YOUR SHARES WILL BE VOTED "FOR" ITEMS 1 THROUGH 3 IN THE PROXY.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on June 8, 2011:

- **The proxy statement for Shareholders is available at** *meetings.syncora.com.*

By Order of The Board of Directors,

/s/ James W. Lundy, Jr.

James W. Lundy, Jr.
Secretary

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SYNCORA HOLDINGS LTD.

PROXY STATEMENT
FOR
THE ANNUAL GENERAL MEETING OF HOLDERS OF COMMON SHARES
TO BE HELD ON JUNE 8, 2011

IMPORTANT INFORMATION ABOUT THE ANNUAL GENERAL MEETING AND PROXY PROCEDURES

The accompanying proxy is solicited by the Board of Directors of Syncora Holdings Ltd. (the "Company") to be voted at the annual general meeting ("Annual General Meeting") of holders of the Company's common shares (the "Shareholders" and the "Shares," respectively) to be held on June 8, 2011, beginning at 8:30 a.m. local time, at the Company's offices at 825 Eighth Avenue, 24th Floor, New York, NY 10019, and any adjournments thereof. This proxy statement and the accompanying materials are first being mailed to Shareholders on May 3, 2011.

The Purpose of the Annual General Meeting

At the Annual General Meeting, the Shareholders will vote in person or by proxy on the following matters as set forth in the notice of the meeting: (1) the election of Thomas Norsworthy, Coleman Ross and Robert Shippee as Class II Directors; (2) the appointment of PricewaterhouseCoopers LLP, New York, as the Company's independent auditor for the year 2011 (the "Independent Auditor"); and (3) the referral of the remuneration of the Independent Auditor to the Audit Committee of the Board of Directors.

Presentation of Financial Statements

In accordance with the Bermuda Companies Act 1981 and Bye-Law 71 of the Company's amended and restated bye-laws (the "Bye-Laws"), the Company's financial statements for the year ended December 31, 2010 will be presented at the Annual General Meeting. The Board of Directors of the Company will have approved these financial statements. There is no requirement under Bermuda law that these financial statements be approved by Shareholders, and no such approval will be sought at the Annual General Meeting.

Shareholders Entitled to Vote at the Annual General Meeting

Shareholders of record as of the close of business on April 11, 2011 will be entitled to vote at the Annual General Meeting. As of April 11, 2011, there were 62,581,670 outstanding Shares entitled to vote at the Annual General Meeting, with each Share entitling the holder of record thereof to one vote at the Annual General Meeting (subject to certain limitations set forth in the Company's Bye-Laws).

Voting Procedures; Quorum

A Shareholder of record can vote their Shares at the Annual General Meeting by attending the meeting and completing a ballot or by proxy in one of three ways: (1) by dating, signing and completing the proxy card and returning it without delay in the enclosed envelope, which requires no postage stamp if mailed in the United States; (2) over the telephone by calling a toll-free number provided on the enclosed proxy card; or (3) electronically via the internet as described in the enclosed proxy card.

The election of each nominee for Director referred to in Item 1 above requires a plurality of the votes cast and the appointment of the Independent Auditor referred to in Item 2 above and the referral of the remuneration of the Independent Auditor referred to in Item 3 above each require the affirmative vote of a majority of the votes cast on such proposal at the Annual General Meeting, in each case provided there is a quorum (consisting of two or more Shareholders present in person or by proxy holding more than 50% of the issued and outstanding Shares entitled to vote at the Annual General Meeting). Shares owned by Shareholders electing to abstain from voting with respect to any proposal and "broker non-votes" will be counted towards the presence of a quorum

but will not be considered votes cast with respect to the election of nominees for Director and other matters to be voted upon at the Annual General Meeting. Therefore, abstentions and "broker non-votes" will have no effect on the outcome of the matters to be voted upon at the Annual General Meeting. A "broker non-vote" occurs when a nominee, such as a broker, holding Shares in "street name" for a beneficial owner, does not vote on a particular proposal because that nominee does not have discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner. A Shareholder of Shares held in "street name" that would like to instruct their broker how to vote their Shares should follow the directions provided by their broker.

Revocation of Proxies

Any Shareholder giving a proxy has the power to revoke it prior to its exercise by: (1) giving notice of such revocation in writing to the Secretary of the Company at Syncora Holdings Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda; (2) by attending and voting in person at the Annual General Meeting; or (3) by executing a subsequent proxy, provided that any such action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken. Attendance at the Annual General Meeting by a Shareholder who has executed and delivered a proxy to the Company shall not in and of itself constitute a revocation of such proxy. If a Shareholder holds their Shares in "street name" by a broker and have directed their broker to vote their Shares, they should instruct their broker to change their vote or obtain a proxy to vote their Shares if they wish to cast their vote in person at the Annual General Meeting.

Proxy Solicitation

The Company will bear the cost of the solicitation of proxies. Proxies may be solicited by Directors, officers and employees of the Company and its subsidiaries, who will not receive additional compensation for such services. In addition, the Company has retained Georgeson & Company Inc. to assist in the solicitation of proxies for a fee of approximately $8,500 plus reasonable out-of-pocket expenses and disbursements. Upon request, the Company will also reimburse brokers and others holding Shares in their names, or in the names of nominees, for forwarding proxy materials to their customers.

Shareholder Proposals for the 2012 Annual General Meeting

Shareholder proposals intended for inclusion in the proxy statement for the 2012 Annual General Meeting should be submitted in accordance with the procedures prescribed by the Bye-Laws and sent to the Company's Secretary at Syncora Holdings Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. Such proposals must be received by February 8, 2012.

Pursuant to the Company's Bye-Laws, any Shareholder entitled to attend and vote at any Annual General Meeting may nominate persons for election as Directors if written notice of such Shareholder's intent to nominate such persons is received by the Company's Secretary at Syncora Holdings Ltd., Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda not later than 120 days prior to the anniversary date of the immediately preceding Annual General Meeting. Such notice must include the following information about the proposed nominee: (a) name and address of such person to be nominated; (b) a description of all arrangements or understandings between the Shareholder and each nominee and any person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such Shareholder; (c) such other information regarding such nominee proposed by such Shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934; and (d) the consent of each nominee to serve as a Director of the Company, if elected. Such notice must also include information on the Shareholder making the nomination, including such Shareholder's name and address as it appears on the Company's books, a representation that such Shareholder is a holder of record of Shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such nomination and the class and number of Shares of the Company beneficially owned by such Shareholder. The nomination of any person not made in compliance with the foregoing procedures shall be disregarded.

MATTERS SCHEDULED TO BE VOTED ON AT THE ANNUAL GENERAL MEETING TO BE HELD ON JUNE 8, 2011:

I. ELECTION OF DIRECTORS

At the Annual General Meeting, three Class II Directors are to be elected to hold office until the 2014 Annual General Meeting of Shareholders. The three nominees are currently serving as Directors and were appointed or elected in accordance with the Company's Bye-Laws. Pursuant to the Company's Bye-Laws, the Board of Directors of the Company had determined at the Board meeting held on November 16, 2009 that the size of the Board shall be 10. Unless authority is withheld by the Shareholders, it is the intention of the persons named in the enclosed proxy to vote for the nominees listed below. All of the nominees have consented to serve if elected, but if any becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee. The name, age, principal occupation and other information concerning each Director are set forth below.

Nominees

Nominees for Class II Directors for terms to expire in 2014

Thomas S. Norsworthy, age 58, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the trust that held certain of the Company's Shares prior to the master transaction agreement among the Company, Syncora Guarantee Inc. and certain financial counterparties to Syncora Guarantee Inc.'s credit default swaps and financial guarantee policies (the "2009 MTA"). From 2005 to 2007, Mr. Norsworthy was the Chief Executive Officer of Trenwick America Reinsurance Corporation and most recently in 2009 was the Chief Executive Officer of Lincoln General Insurance Company, a property-casualty insurer currently in run-off. Mr. Norsworthy has more than 30 years of accounting, finance and treasury experience. He was the co-founder of Kenning Financial Advisors, a consulting and advisory group focused on the insurance industry founded in 2003.

Coleman D. Ross, age 68, has been a Director of the Company since August 2006. He also serves currently as an independent director of Pan-American Life Mutual Holding Company (2006–present; life and health insurance) and has previously served as an independent director of NCCI Holdings, Inc. (2004–2010; workers compensation insurance data services) and Omega Insurance Holding Limited (2009–2010; property-casualty insurance and reinsurance). Mr. Ross practiced public accounting for 34 years with Price Waterhouse and PricewaterhouseCoopers until his retirement in 1999, where he served as an audit partner for major insurance, banking, and other financial services clients and was Chairman and Managing Partner of the Price Waterhouse US insurance practice. He was then Executive Vice President and Chief Financial Officer of two publicly-traded insurers: Trenwick Group Limited (2000–2002; property-casualty insurance and reinsurance) and The Phoenix Companies, Inc. (2002–2003; life insurance and asset management). He is licensed as a Certified Public Accountant.

Robert Shippee, age 62, has been a Director of the Company since October 5, 2009 when he was appointed to serve as an independent director on the Board pursuant to the terms of the 2009 MTA. Mr. Shippee has over 35 years of banking and risk management experience. He is currently a risk consultant for Straumur Investment Bank. From 2001 to 2007, he held senior credit risk management positions in New York and London for Bank of America, and for the prior thirty years held numerous credit and business executive positions in New York, London, Tokyo, and Hong Kong for J.P. Morgan Chase & Co.

Your Board of Directors recommends that Shareholders vote FOR all of the Class II nominees.

Continuing Directors

Class I Directors whose terms expire in 2013

William M. Fitzgerald, age 47, has been a Director of the Company since October 5, 2009 when he was appointed to serve as an independent director on the Board pursuant to the terms of the 2009 MTA. Mr. Fitzgerald is the founder of Global Infrastructure LLC. Previously, Mr. Fitzgerald worked as a Managing Director of Nuveen Investments LLC and as the Chief Investment Officer of Nuveen Asset Management, a wholly-owned affiliate of Nuveen Investments.

Duncan P. Hennes, age 54, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the trust that held certain of the Company's Shares prior to the 2009 MTA. Mr. Hennes has nearly 30 years of financial services management experience. He is currently a co-founder and partner of Atrevida Partners, an alternative asset manager founded in 2006. Prior to founding Atrevida Partners, Mr. Hennes was a co-founder and partner of Promontory Financial Group, founded in 2001. He is the former Chief Executive Officer of Soros Fund Management. Earlier in his career, Mr. Hennes spent 12 years at Bankers Trust Company. While at Bankers Trust, he was Chairman of the Board of Oversight Partners I, the consortium that took control of Long Term Capital Management.

Robert M. Lichten, age 70, has been a Director of the Company since August 2006. Mr. Lichten has been a Director of Syncora Guarantee Inc. since 2000. Mr. Lichten has been Co-Chairman of Inter-Atlantic Group since 1994 and is a member of the firm's investment committee. Mr. Lichten has been a Director of SeaPass Solutions Inc. since 2006. Mr. Lichten also served as Co-Chairman of Guggenheim Securities LLC, formerly Inter-Atlantic Securities Corp., LLC, the former NASD broker-dealer operation of Inter-Atlantic Group, until 2003. Previously, Mr. Lichten was Managing Director at both Smith Barney Inc. and Lehman Brothers Inc., where he concentrated on capital raising and providing merger and acquisition advisory services to financial institutions. Mr. Lichten was also formerly Executive Vice President of The Chase Manhattan Bank. During his 22 years at Chase he was a senior corporate banker and was in charge of worldwide capital planning. Mr. Lichten also served as Chief of Staff of the Asset-Liability Management Committee and President of The Chase Investment Bank. Mr. Lichten is a former trustee of Manhattan College, a former Director of Annuity & Life Re (Holdings), LTD., and a former Director and President of the Puerto Rico USA Foundation, a cooperative effort between the Commonwealth of Puerto Rico and numerous multi-national corporations.

Class III Directors whose terms expire in 2012

Ms. Susan Comparato, age 41, has been a Director of the Company since November 19, 2009 when she was appointed as Chief Executive Officer and President of the Company. Ms. Comparato joined Syncora Guarantee Inc. ("SGI") in 2001, serving as Associate General Counsel with a focus on asset-backed securities and collateralized debt obligations. She was subsequently promoted to Managing Director and General Counsel of SGI, where she played an integral role in SGI's transition to a public holding company. In February 2008, Ms. Comparato was appointed General Counsel of the Company with responsibility for interaction with all regulatory institutions and for legal counsel and guidance for all the Company's key business initiatives. In August 2008, Ms. Comparato was named Acting CEO of the Company. Prior to joining SGI, Ms. Comparato worked for Barclay's Capital, where she was an associate director in risk finance. She began her career at Sidley & Austin, as associate attorney in the firm's securitization group.

Michael P. Esposito, Jr., age 71, has been a Director of the Company since its formation and the Chairman of the Company's Board since March 2006. Mr. Esposito served as Chairman of the Board of XL Capital Ltd. from 1995 to 2007 and as a Director of XL Capital Ltd. from 1986 to 2007. Mr. Esposito has served as Chairman and a director of Primus Guaranty Ltd since March 2002. He has also served as a director of Annuity & Life Re (Holdings), LTD. since 1997 and a director of Forest City Enterprises since 1995. Mr. Esposito was Co-Chairman of Inter-Atlantic Capital Partners, Inc. from April 1995 to December 2000. Mr. Esposito served as Chief Corporate Compliance, Control and Administrative Officer of the Chase Manhattan Corporation from 1991 to

1995, having previously served as that company's Executive Vice President and Chief Financial Officer from 1987 to 1991.

Dr. E. Grant Gibbons, age 58, has been a Director of the Company since August 2006. Dr. Gibbons has been a member of the Bermuda parliament since 1994. From 1995 to 1998, Dr. Gibbons served as the Bermuda Minister of Finance, and as the opposition shadow Minister of Finance from 1999 to 2006. Dr. Gibbons was the Parliamentary Leader of the opposition United Bermuda Party from 2001 to 2006. Dr. Gibbons currently serves as a director of Edmund Gibbons Limited, a Bermuda-domiciled, diversified, privately-held business, and as Deputy Chairman, Colonial Group International, Ltd., a privately-held insurance company operating in Bermuda and throughout the Caribbean. Dr. Gibbons currently serves as a director of General Maritime Inc., an international seaborne transporter of crude oil and petroleum products, and as a director of several other private companies. Dr. Gibbons is a citizen and resident of Bermuda.

Robert J. White, 64, has been a Director of the Company since November 2008 when he was nominated to serve on the Board by the trust that held certain of the Company's shares prior to the 2009 MTA. Mr. White is a leading reorganization and restructuring attorney with over 35 years of experience. He recently completed an assignment as Executive Vice President of Maguire Properties, a publicly held commercial property REIT. He completed his appointment as Receiver in Charge of the Cosmopolitan Resort and Casino in Las Vegas, Nevada on September 3, 2008. Mr. White had a 35-year career at O'Melveny & Meyers which he left in 2007 and where he was the founder of the firm's Restructuring and Reorganization practice. He has represented creditors in such major restructurings and bankruptcies as WorldCom, Covanta, and Pacific Crossing, as well as banks in Adelphia's Chapter 11 exit financing and debtors in At Home Inc., Phar-Mor and MegaFoods in their bankruptcies. Mr. White has been involved with numerous other out-of-court restructurings and bankruptcies representing debtors, creditors, equity holders and purchasers of assets. He currently sits on the Board of Directors of ETP PropCo, Coinmach and Enertech Environmental California LLC.

II. APPOINTMENT OF INDEPENDENT AUDITOR

The Audit Committee has appointed, subject to Shareholder approval, PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending December 31, 2011. In accordance with the Bermuda Companies Act 1981, the Board is submitting the appointment of PricewaterhouseCoopers LLP to the Shareholders for approval.

The Board recommends a vote FOR the proposal to appoint PricewaterhouseCoopers LLP as the Company's Independent Auditor to audit the Company's consolidated financial statements for the year ending December 31, 2011. The persons designated as proxies will vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditor, unless otherwise directed. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual General Meeting, with the opportunity to make a statement should they choose to do so and are expected to be available to respond to questions, as appropriate.

Your Board of Directors recommends that Shareholders vote FOR the proposal to appoint PricewaterhouseCoopers LLP, New York as the Company's Independent Auditor.

III. REMUNERATION OF INDEPENDENT AUDITOR

The Audit Committee will determine, subject to Shareholder approval, the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending December 31, 2011. In accordance with the Bermuda Companies Act 1981, the Board is submitting its referral to the Audit Committee of the determination of the remuneration of the Independent Auditor to the Shareholders for approval.

The Board recommends a vote FOR the proposal to refer to the Audit Committee the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor for the year ending December 31, 2011. The persons designated as proxies will vote FOR the referral to the Audit Committee of the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's Independent Auditor, unless otherwise directed.

Your Board of Directors recommends that Shareholders vote FOR the proposal to refer the remuneration of PricewaterhouseCoopers LLP, New York to the Audit Committee of the Board of Directors.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

The Company's fees for services performed by PricewaterhouseCoopers LLP the Company's independent registered public accounting firm during the years ended December 31, 2009 and 2010 were as follows:

(dollars in thousands)	2009	2010
Audit Fees(1)	$2,225	$1,690
Audit-related fees(2)	838	600
Tax Fees(3)	433	408
All other fees(4)	197	182
Total	$3,693	$2,880

(1) Audit fees were for professional services rendered primarily in connection with the audit of the consolidated financial statements and quarterly review and other attestation services that comprised the audits for insurance statutory and regulatory purposes in various jurisdictions in which the Company operates.

(2) Audit-related fees were primarily in connection with the Company's 2009 restructuring and consultations concerning financial accounting and reporting standards.

(3) Tax fees were for professional services rendered for tax assistance and counsel in connection with the Company's 2009 restructuring and other remediation activities.

(4) All other fees related to products and services primarily related to access to on-line accounting and research resources and statutory loss reserve certifications.

The Audit Committee has adopted procedures for pre-approving all audit and permissible non-audit services provided by the Independent Auditor. The Audit Committee will annually review and pre-approve the audit, review, attestation and permitted non-audit services to be provided during the next audit cycle by the Independent Auditor. To the extent practicable, the Audit Committee or the Chairman of the Audit Committee will also review and approve a budget for such services. Services proposed to be provided by the Independent Auditor that have not been pre-approved during the annual review and the fees for such proposed services must be pre-approved by the Audit Committee or the Chairman of the Audit Committee. All requests or applications for the Independent Auditor to provide services to the Company shall be submitted to the Audit Committee or the Chairman of the Audit Committee.

The Audit Committee considered whether the provision of non-audit services performed by the Independent Auditor is compatible with maintaining the Independent Auditor's independence during 2009 and 2010. The Audit Committee concluded in 2009 and 2010 that the provision of these services was compatible with the maintenance of Independent Auditor's independence in the performance of its auditing functions during 2009 and 2010.

OTHER MATTERS

While management knows of no other matters to be brought before the Annual General Meeting, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying proxy form to vote the proxy in accordance with their judgment on such matters. If any matter not proper for action at the meeting should be presented, the persons named in the proxy card will vote against consideration of the matter or the proposed action.

As ordered,

/s/ Susan B. Comparato

Susan B. Comparato
President and Chief Executive Officer