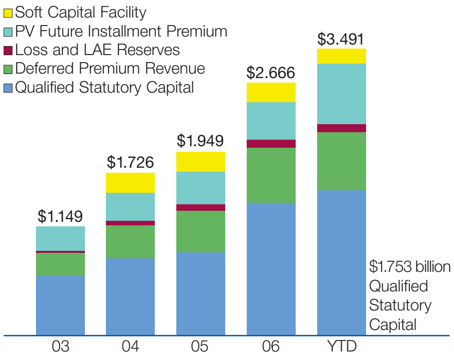
Fundamental strength in triple-A rated financial guarantee insurance and reinsurance

at a glance

2007 3RD QUARTER
FIXED INCOME INVESTOR UPDATE

Growing Claims-paying Resources*

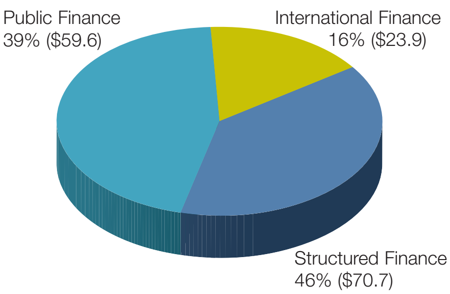
$ in billions, as of September 30, 2007



Insured Portfolio Statistics

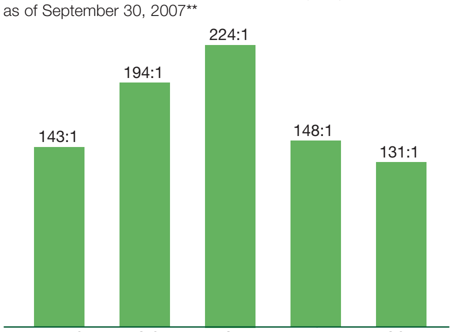
As of September 30, 2007

- $154.2 billion net par outstanding
- Weighted average credit quality of AA-
- Weighted average life of 11.2 years
- Below investment grade exposure stands at 0.4% of net par



Industry Capital Ratios

Net Principal and Interest / Qualified Statutory Capital, as of September 30, 2007**



Security Capital Assurance Ltd (NYSE: SCA) is a Bermuda-based monoline financial guarantee holding company that, through its subsidiaries – XL Capital Assurance Inc., a monoline financial guarantee insurance provider, and XL Financial Assurance Ltd., a monoline provider of reinsurance to financial guarantee insurers – provides triple-A rated credit enhancement for the obligations of debt issuers worldwide.

XL Capital Assurance Inc. (XLCA) delivers triple-A rated credit enhancement for the obligations of debt issuers worldwide. XLCA guarantees US municipal bonds; asset-backed securities; debt backed by utilities and selected infrastructure projects; specialized risks, including future flow securitizations and bank deposit insurance; and collateralized debt obligations (CDOs). XLCA provides a triple-A rated guarantee that is unconditional and irrevocable and, in the process, helps clients overcome a broad spectrum of strategic, competitive and financial challenges.

XL Financial Assurance Ltd. (XLFA) is a triple-A rated provider of reinsurance to financial guarantee primary insurance companies. XLFA's reinsurance provides financial guarantors with full reinsurance capital relief under the rating agency models.

The SCA Advantage

- Unique triple-A financial guarantee insurance and reinsurance platform
- Experienced, top-five monoline insurer
- Independent, publicly traded company
- Strong claims-paying resources growth
- Low financial leverage relative to peers
- Disciplined credit culture and risk selection promoted by experienced management

Triple-A Rated

XLCA and XLFA are assigned the highest financial strength ratings:

AAA Standard & Poor's Ratings Service

Aaa Moody's Investors Service

AAA Fitch Ratings

SECURITY CAPITAL ASSURANCE
XL CAPITAL ASSURANCE XL FINANCIAL ASSURANCE

*Claims-paying Resources: Historical information for SCA for periods prior to 12/31/2006 is based on combined historical information for XLCA and XLFA. XLFA numbers are an estimate of US statutory capital, as the company files Bermuda statutory financial statements. Deferred Premium Revenue for XLFA is US GAAP-based and net of prepaid reinsurance premiums and deferred acquisition costs. Loss and LAE reserves for XLFA is US GAAP-based and net of unpaid losses and loss expense recoverable. PV Future installment Premium is a present value calculation of premiums SCA expects to receive over time based on policies we have issued and protection we have extended.

**Source: Company operating supplements.

2006 Awards

Public Finance

- Northeast Regional Deal of the Year – Small Issuer, *The Bond Buyer*
- Far West Regional Deal of the Year – Large Issuer, *The Bond Buyer*

Global Infrastructure

- Global Monoline of the Year, *Project Finance International*
- North American Deal of the Year, *Project Finance International*
- Shipping Capital Markets Deal of the Year, *Jane's Transport Finance*
- Innovative Shipping Finance Deal of the Year, *Lloyd's Shipping Economist*

Structured Finance

- ABS Deal of the Year – Europe, *International Securitisation Report*

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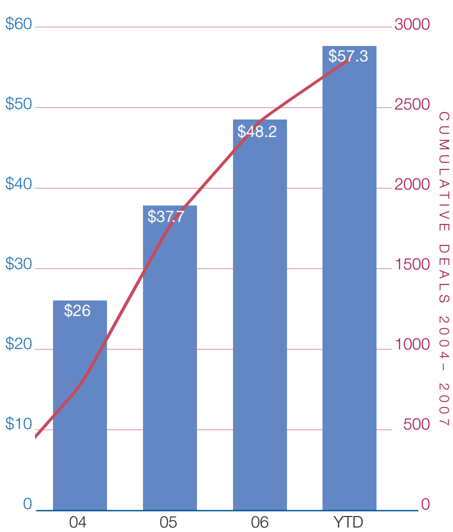
US Public Finance

- $13.7 billion par insured year-to-date
- More than $57.3 billion net par of XLCA-wrapped municipals outstanding
- 460 transactions year-to-date and over 700 municipal bond transactions in 2006
- Over 600 institutional investors in XLCA-wrapped municipal bonds

Scale of Our Business

Public Finance Net Par Outstanding and Number of Deals
$ in billions, as of September 30, 2007



US Public Finance Contact

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Structured Finance

- Accounts for 39% of new business production in the first half of 2007
- Represents 46% of total net insured par outstanding

Asset-backed Securities

- 5% market share year-to-date on insured public ABS/MBS transactions; stronger focus on private, secondary market transactions
- Consumer ABS focus on mortgage and auto loan collateral
- Commercial ABS focus on intellectual property, operating assets, and small business loan

Collateralized Debt Obligations

- $44.4 billion net insured par outstanding
- Only $11 million of insured portfolio is rated below A by S&P
- Focused on senior tranches of cashflow CDOs including: high-yield corporate risk, ABS, CDOs, hedge funds, emerging market risk, commercial real estate

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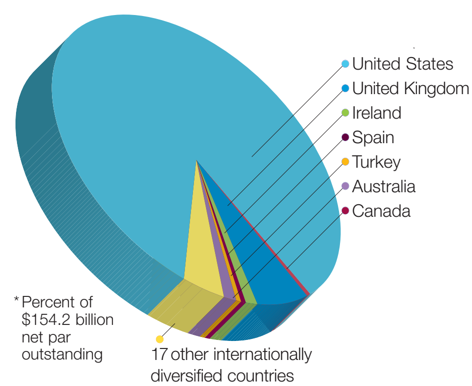
International

- Global infrastructure focused on primary and secondary debt of privately owned and operated essential public infrastructure
- Power and utilities focused on international utilities and structured credits in energy finance
- Specialized risk focused on future flow transactions and international public finance

SCA International Exposure*

As of September 30, 2007

United States, 84.4%
International, 15.6%



*Percent of $154.2 billion net par outstanding

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