

### Syncora Capitalization

(\$ in mm)	Maturity	March 31, 2015			December 31, 2014		
		Gross Outstanding <sup>1</sup>	Held by Syncora	Net Outstanding <sup>1</sup>	Gross Outstanding <sup>1</sup>	Held by Syncora	Net Outstanding <sup>1</sup>
SGI Short-term 5% Surplus Notes	2011	\$165	(\$21)	\$144	\$165	(\$21)	\$144
SGI Long-term 6% Surplus Notes	2024	602	(27)	575	602	(27)	575
<b>Total Surplus Notes <sup>2</sup></b>		<b>\$768</b>	<b>(\$48)</b>	<b>\$719</b>	<b>\$768</b>	<b>(\$48)</b>	<b>\$719</b>
SGI Twin Reefs Preferred Shares		\$200	(\$65)	\$135	\$200	(\$65)	\$135
SHL Preferred Shares		250	(85)	165	250	(85) <sup>3</sup>	165
<b>Total Preferred Shares</b>		<b>\$450</b>	<b>(\$150)</b>	<b>\$300</b>	<b>\$450</b>	<b>(\$150)</b>	<b>\$300</b>
<b>Surplus Notes + Preferred</b>		<b>\$1,218</b>	<b>(\$198)</b>	<b>\$1,019</b>	<b>\$1,218</b>	<b>(\$198)</b>	<b>\$1,019</b>
<b>SHL Common Shares Outstanding <sup>4</sup></b>		<b>59.3</b>	<b>(3.0)</b>	<b>56.3</b>	<b>59.3</b>	<b>(3.0)</b>	<b>56.3</b>

Notes:

1. Includes PIK and excludes unapproved principal and interest, where applicable
2. For purposes of SGI's surplus notes, gross outstanding includes Par + PIK and excludes accrued and unapproved interest
3. Pro forma as of December 31, 2014; actually received in February 2015 (see subsequent events disclosure for additional detail)
4. For tax purposes the number of shares outstanding is 55 million shares