

The tables provided below are for illustrative purposes only. The information in the tables has not been prepared in accordance with generally accepted accounting principles or statutory accounting principles and has not been audited or reviewed in any way. Actual results could differ materially from the illustrative tables presented as a result of various factors and variables, many of which are outside of Syncora's control. There can be no assurance that actual participation will be consistent with assumed participation and any difference would impact the illustrative analysis. Syncora does not undertake any obligation to update the information provided in the tables below.

### Transaction Support Agreement Illustrative Pro Forma Summary Capitalization

(\$ in millions)

(\$ in mm)	Maturity	Principal and PIK			Unapproved and Accrued Interest			Total		Net Discount	External Debt Service	Total Net Par + PIK
		Gross Par + PIK	Held by Syncora	Net Par + PIK	Gross	Held by Syncora	Net	Gross Par + PIK	Net Par + PIK			
SGI Short-term 5% Surplus Notes	2011	\$165	(\$21)	\$144	\$48	(\$6)	\$42	\$218	\$186	(\$6)	(\$12)	\$168
SGI Long-term 6% Surplus Notes	2024	602	(27)	575	128	(6)	117	725	692	(24)	(48)	625
<b>Total Surplus Notes</b>		<b>\$768</b>	<b>(\$48)</b>	<b>\$719</b>	<b>\$171</b>	<b>(\$12)</b>	<b>\$159</b>	<b>\$938</b>	<b>\$878</b>	<b>(\$30)</b>	<b>(\$65)</b>	<b>\$793</b>
Twin Reefs Preferred Shares		\$200	(\$65)	\$135				\$200	\$135			\$135
SHL Preferred Shares		250	(85)	165				250	165			165
<b>Total Preferred Shares</b>		<b>\$450</b>	<b>(\$150)</b>	<b>\$300</b>				<b>\$450</b>	<b>\$300</b>			<b>\$300</b>
<b>SNs + Preferred</b>		<b>\$1,218</b>	<b>(\$196)</b>	<b>\$1,019</b>				<b>\$1,368</b>	<b>\$1,178</b>			<b>\$1,093</b>
SHL Common Shares		59	(3)	56				59	56	30		87

Note: Assumes transaction date of 7/29/16 and 100% participation

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### Transaction Support Agreement Illustrative Surplus Note Discount and Debt Service Summary

(\$ in millions)

Total Debt Discount Calculation						
	Pre-Discount	Gross Discount	Notes to SHL	Net Discount	% of Total	Post-Discount
			Preferred			
<b>Short Term Notes:</b>						
Principal (Current & Past Due)	\$130.8	(\$10.4)	\$6.0	(\$4.5)	14.9%	\$126.3
PIK (Current & Past Due)	13.4	(1.1)	0.6	(0.5)	1.5%	\$13.0
Interest Outstanding (Current & Past Due)	41.8	(3.3)	1.9	(1.4)	4.8%	\$40.4
<b>Total Short Term Notes</b>	<b>\$186.0</b>	<b>(\$14.8)</b>	<b>\$8.5</b>	<b>(\$6.4)</b>	<b>21.2%</b>	<b>\$179.7</b>
<b>Long Term Notes:</b>						
Principal (Current & Past Due)	\$453.6	(\$36.2)	\$20.7	(\$15.5)	51.7%	\$438.1
PIK (Current & Past Due)	121.4	(9.7)	5.5	(4.1)	13.8%	\$117.2
Interest Outstanding (Current & Past Due)	116.7	(9.3)	5.3	(4.0)	13.3%	\$112.7
<b>Total Long Term Notes</b>	<b>\$691.6</b>	<b>(\$55.2)</b>	<b>\$31.5</b>	<b>(\$23.6)</b>	<b>78.8%</b>	<b>\$668.0</b>
<b>Total Surplus Notes</b>	<b>\$877.6</b>	<b>(\$70.0)</b>	<b>\$40.0</b>	<b>(\$30.0)</b>	<b>100.0%</b>	<b>\$847.6</b>

Allocation of Initial \$55MM Payment					
	Short Term Note		Long Term Note		Total
	Balance	% of Total	Balance	% of Total	
Principal (Past Due)	\$8.2	70.6%	-	-	\$8.23
PIK (Past Due)	0.8	7.3%	-	-	0.8
Interest Outstanding (Past Due)	2.6	22.2%	43.3	100.0%	45.9
<b>Allocation of Initial Payment @ \$55.0MM</b>	<b>\$11.7</b>	<b>100.0%</b>	<b>\$43.3</b>	<b>100.0%</b>	<b>\$55.0</b>

Note: Assumes transaction date of 7/29/16 and 100% participation