



**Report Under Section 4.02(c) of the Secured Note Indenture  
Q1 2012**

**May 15, 2012**

---

## Notice to Reader

---

*Important disclosure that must be read prior to review of the information attached hereto*

The Information (unless otherwise explicitly stated) is preliminary and subject to change. In addition, the Information includes financial information that is not audited and includes financial statements and other information that were not prepared in accordance with US generally accepted accounting principles ("US GAAP").

The Information provided herein should be read in conjunction with Capmark Financial Group Inc.'s (the "Company") Quarterly Report as of and for the three months ended March 31, 2012 (the "Quarterly Report"), which includes an update on subsequent events evaluated through May 15, 2012. The Quarterly Report may be found at the Company's website ([www.capmark.com](http://www.capmark.com)) under the heading "Investor Relations."

The Company expressly disclaims any representation and warranty as to the accuracy or completeness of the Information. Further, the Company disclaims any obligation or undertaking to provide the Recipient any updates to the Information to reflect any change in the Company's expectations with regards thereto or changes in events, conditions, or circumstances on which such information is based. None of the Company or any director, officer or representative of the Company shall have any liability to any party for any error or omission with respect to any of the information contained herein.

## **Introduction**

The financial information presented summarizes asset monetization and cash basis expense data for the Company for the quarter ended March 31, 2012 ("Q1 2012"). The Non Bank Liquidity Summary (page 4), Cash Operating Expenses (pages 7 and 8) and Capmark Bank (page 9) include a comparison of actual quarterly and year to date information compared to the underlying nominal cash monetization data that was utilized to develop the financial projections contained in the Disclosure Statement for the Company's Plan of Reorganization. This data is referred to throughout the this document as the "Plan." Ending Cash Liquidity in the Plan column corresponds to the cash per the balance sheet in the financial projections for the corresponding periods. Asset Statistics (page 5 and 6) provides detailed information concerning asset disposition activity data for the North American Asset Management segment and Capmark Bank.

**Plan numbers refer to the Plan of Reorganization filed by the company on May 27, 2011 and may not reflect the company's current projections**

### **Non Bank Q1 Liquidity Highlights:**

- Non Bank net proceeds were \$53.9mm favorable compared to Plan, driven primarily by accelerated activity.
- Non Bank operating expenses (excluding interest expense) were \$2.6mm favorable to Plan primarily as a result of timing items.

### **Reconciliation of Cash per Liquidity Summary to 3/31/12 GAAP Balance Sheet**

Working Capital of CFGI and Guarantors	\$ 142.8	Non-GAAP
Working Capital of Excluded Domestic & Foreign Entities	<u>133.1</u>	Non-GAAP
<b>Cash Per Non Bank Liquidity Report</b>	<u>275.9</u>	Non-GAAP. Includes continuing and discontinued operations
Restricted Cash per 3/31/12 Balance Sheet	174.4	US GAAP restricted cash. Includes continuing and discontinued operations
Working Capital at REO Restricted Subsidiaries	9.6	Non-GAAP. Includes continuing and discontinued operations
Other Working Capital of Excluded Domestic & Foreign Entities	<u>0.7</u>	Non-GAAP. Includes continuing and discontinued operations
<b>Non Bank Cash per 3/31/12 Balance Sheet</b>	460.6	US GAAP. Includes continuing and discontinued operations
<b>Capmark Bank Cash per 3/31/12 Balance Sheet</b>	<u>2,429.2</u>	US GAAP
<b>Total Cash per 3/31/12 Balance Sheet</b>	<u>\$ 2,889.8</u>	US GAAP. Includes continuing and discontinued operations

**Non Bank Liquidity Summary - Q1 2012**

(\$, millions)	<u>NA Asset Management</u>		<u>Asia</u>		<u>Residual Platforms</u>		<u>Corporate</u>		<u>Total</u>		
	<u>Q1</u>		<u>Q1</u>		<u>Q1</u>		<u>Q1</u>		<u>Q1</u>		
	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Variance</u>
<b><i>Beginning Cash Liquidity - December 31, 2011</i></b>									\$ 436.9	\$ 283.2	\$ 153.7
Asset related proceeds	\$ 54.3	\$ 40.7	\$ 57.5	\$ 3.6	\$ 26.6	\$ 47.8	\$ -	\$ 3.5	\$ 138.3	\$ 95.7	\$ 42.6
Asset related funding	(0.7)	(2.1)	-	-	(0.5)	(1.0)	-	-	(1.1)	(3.0)	1.9
<b><i>Asset related subtotal</i></b>	<b><i>53.6</i></b>	<b><i>38.7</i></b>	<b><i>57.5</i></b>	<b><i>3.6</i></b>	<b><i>26.1</i></b>	<b><i>46.9</i></b>	<b><i>-</i></b>	<b><i>3.5</i></b>	<b><i>137.2</i></b>	<b><i>92.6</i></b>	<b><i>44.5</i></b>
Cash revenue (interest, fees)	12.9	10.3	3.3	-	4.1	0.7	-	-	20.3	11.0	9.3
Other cash receipts	-	-	-	-	-	-	-	-	-	-	-
<b><i>Revenue and other inflows subtotal</i></b>	<b><i>12.9</i></b>	<b><i>10.3</i></b>	<b><i>3.3</i></b>	<b><i>-</i></b>	<b><i>4.1</i></b>	<b><i>0.7</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>20.3</i></b>	<b><i>11.0</i></b>	<b><i>9.3</i></b>
<b><i>Net proceeds</i></b>	<b><i>66.5</i></b>	<b><i>49.0</i></b>	<b><i>60.7</i></b>	<b><i>3.6</i></b>	<b><i>30.2</i></b>	<b><i>47.5</i></b>	<b><i>-</i></b>	<b><i>3.5</i></b>	<b><i>157.5</i></b>	<b><i>103.6</i></b>	<b><i>53.9</i></b>
Cash interest expense	-	-	-	-	-	-	(15.8)	(15.1)	(15.8)	(15.1)	(0.6)
Compensation & benefits	(1.8)	(2.4)	(2.0)	(1.9)	(2.2)	(0.8)	(4.8)	(4.0)	(10.8)	(9.1)	(1.7)
Other operating expenses	(1.3)	(1.8)	(2.4)	(3.6)	(1.3)	(0.5)	0.4	(3.0)	(4.6)	(8.9)	4.3
<b><i>Expense subtotal</i></b>	<b><i>(3.0)</i></b>	<b><i>(4.1)</i></b>	<b><i>(4.4)</i></b>	<b><i>(5.5)</i></b>	<b><i>(3.6)</i></b>	<b><i>(1.3)</i></b>	<b><i>(20.1)</i></b>	<b><i>(22.2)</i></b>	<b><i>(31.2)</i></b>	<b><i>(33.1)</i></b>	<b><i>2.0</i></b>
<b><i>Operating subtotal</i></b>	<b><i>63.5</i></b>	<b><i>44.8</i></b>	<b><i>56.3</i></b>	<b><i>(1.9)</i></b>	<b><i>26.7</i></b>	<b><i>46.2</i></b>	<b><i>(20.1)</i></b>	<b><i>(18.7)</i></b>	<b><i>126.3</i></b>	<b><i>70.5</i></b>	<b><i>55.8</i></b>
Bankruptcy emergence payments	-	-	-	-	-	-	-	-	-	-	-
Asia Debt paydown	-	-	(25.8)	(8.1)	-	-	17.2	-	(8.6)	(8.1)	(0.5)
Secured Debt paydown	-	-	-	-	-	-	(263.9)	(130.6)	(263.9)	(130.6)	(133.3)
Other cash movements	-	-	-	-	-	-	(9.7)	(1.4)	(9.7)	(1.4)	(8.3)
FX impacts	-	-	(5.3)	-	0.3	-	-	-	(5.1)	-	(5.1)
<b><i>Change in Liquidity</i></b>	<b><i>\$ 63.5</i></b>	<b><i>\$ 44.8</i></b>	<b><i>\$ 25.2</i></b>	<b><i>\$ (10.1)</i></b>	<b><i>\$ 26.9</i></b>	<b><i>\$ 46.2</i></b>	<b><i>\$ (276.6)</i></b>	<b><i>\$ (150.7)</i></b>	<b><i>\$ (161.0)</i></b>	<b><i>\$ (69.7)</i></b>	<b><i>\$ (91.4)</i></b>
<b><i>Ending Cash Liquidity - March 31, 2012</i></b>									\$ 275.9	\$ 213.5	\$ 62.4

(1) Asset related subtotal includes cash received on asset monetizations, net of cash funding activity. Excludes cash from interest and fees collected on assets.

<u>Portfolio Snapshot at 3/31/2012 (\$ in mm's)</u>							<u>UPB Activity (\$ in mm's)</u>		
Status	Asset	SVC UPB <sup>(1)</sup>	Accting UPB <sup>(2)</sup>	Book Value <sup>(3)(4)</sup>	Unfunded	# of Assets	Q1		
							Beginning Accounting UPB	\$	806.0
<b>Performing</b>									
	HFS	\$ 257.7	\$ 255.5	\$ 235.5	\$ 2.1	24	1. Loans Repaid at Par		(5.3)
<b>Sub-Total</b>		<b>\$ 257.7</b>	<b>\$ 255.5</b>	<b>\$ 235.5</b>	<b>\$ 2.1</b>	<b>24</b>	2. Loans Repaid w/ Discount		(32.3)
<b>Non-performing</b>									
	HFS	\$ 186.7	\$ 178.6	\$ 95.6	\$ 0.2	25	3. Asset Sales		(3.5)
	REO	485.9	257.1	257.1	-	20	4. NMTC Transaction Activity		(17.8)
	EQ INV.	27.6	11.9	11.9	-	6	5. Loan Paydowns		(4.4)
<b>Sub-Total</b>		<b>\$ 700.2</b>	<b>\$ 447.6</b>	<b>\$ 364.6</b>	<b>\$ 0.2</b>	<b>51</b>	6. Loan Fundings		0.6
							7. Write-downs/Losses		(40.5)
<b>Total</b>		<b>\$ 957.9</b>	<b>\$ 703.1</b>	<b>\$ 600.1</b>	<b>\$ 2.4</b>	<b>75</b>	8. Other		0.3
							<b>Ending Accounting UPB</b>	<b>\$</b>	<b>703.1</b>

<u>Asset Disposition Activity (\$ in mm's) - Q1 2012</u>								
Transaction Type	SVC UPB <sup>(1)</sup>	Net Bk Value	Proceeds <sup>(5)</sup>	Svc UPB Loss	Proceeds %	Plan		
						Svc UPB	Cash Proceeds	Proceeds %
Discounted Payoff	\$ 72.5	\$ 28.5	\$ 32.3	\$ (40.2)	44.6%	\$ 14.1	\$ 0.7	5.0%
Note Sale	9.0	-	1.5	(7.5)	16.7%	4.6	4.3	94.0%
REO Sale	2.9	1.4	2.0	(1.0)	66.6%	22.8	13.7	60.4%
Par Payoff	5.3	5.3	5.3	-	100.0%	18.1	18.1	100.0%
NMTC Transactions	21.7	20.9	17.8	(3.9)	82.2%	-	-	0.0%
<b>Total Dispositions</b>	<b>\$ 111.3</b>	<b>\$ 56.0</b>	<b>\$ 58.9</b>	<b>\$ (52.5)</b>	<b>52.9%</b>	<b>\$ 59.5</b>	<b>\$ 36.9</b>	<b>61.9%</b>
Partial Paydowns (Excludes interest applied to principal)			\$ 1.7				\$ 3.8	

(1) The current principal amount contractually due from the borrower

(2) Servicing UPB less loan write-downs, REO transfer write-downs and interest applied to principal

(3) Accounting UPB less valuation reserves and discounts/premiums. This is the carrying value of the asset as reported under GAAP.

(4) Book Value excludes \$23.2mm of additional impairment associated with USB discount on projected NMTC monetization.

(5) Proceeds includes \$5.9mm for a sale of a loan on 3/30/2012. Cash flow activity on page 4 excludes this amount as cash was not received until April

<u>Portfolio Snapshot at 3/31/2012 (\$ in mm's)</u>							<u>UPB Activity (\$ in mm's)</u>	
Status	Asset	SVC UPB <sup>(1)</sup>	Accting UPB <sup>(2)</sup>	Book Value <sup>(3)</sup>	Unfunded	# of Assets	Q1	
							Beginning Accounting UPB	\$ 3,717.0
<b>Performing</b>								
	HFS	\$ 2,078.8	\$ 2,077.7	\$ 1,865.4	\$ 11.9	124	1. Loans Repaid at Par	(318.5)
<b>Sub-Total</b>		<b>\$ 2,078.8</b>	<b>\$ 2,077.7</b>	<b>\$ 1,865.4</b>	<b>\$ 11.9</b>	<b>124</b>	2. Loans Repaid w/ Discount	(63.9)
<b>Non-performing</b>								
	HFS	\$ 1,013.6	\$ 948.2	\$ 616.3	\$ 13.1	57	3. Asset Sales	(70.4)
	REO	301.7	120.8	120.8	0.3	17	4. NMTC Transaction Activity	-
	EQ INV.	128.8	45.2	45.2	-	2	5. Loan Paydowns	(42.7)
<b>Sub-Total</b>		<b>\$ 1,444.1</b>	<b>\$ 1,114.2</b>	<b>\$ 782.2</b>	<b>\$ 13.4</b>	<b>76</b>	6. Loan Fundings	4.6
							7. Write-downs/Losses	(35.6)
<b>Total</b>		<b>\$ 3,523.0</b>	<b>\$ 3,191.8</b>	<b>\$ 2,647.6</b>	<b>\$ 25.3</b>	<b>200</b>	8. Other	1.3
							<b>Ending Accounting UPB</b>	<b>\$ 3,191.8</b>

<u>Asset Disposition Activity (\$ in mm's) - Q1 2012</u>								
Transaction Type	SVC UPB <sup>(1)</sup>	Net Bk Value	Proceeds	Svc UPB Loss	Proceeds %	Plan		
						Svc UPB	Cash Proceeds	Proceeds %
Discounted Payoff	\$ 101.0	\$ 60.1	\$ 63.9	\$ (37.1)	63.2%	\$ 22.0	\$ 19.7	89.4%
Note Sale	-	-	-	-	0.0%	5.4	4.9	91.0%
REO Sale	121.7	68.3	70.5	(51.2)	57.9%	85.5	49.4	57.8%
Par Payoff	318.5	316.2	318.5	-	100.0%	194.6	194.6	100.0%
NMTC Transactions	-	-	-	-	0.0%	-	-	0.0%
<b>Total Dispositions</b>	<b>\$ 541.3</b>	<b>\$ 444.6</b>	<b>\$ 452.9</b>	<b>\$ (88.4)</b>	<b>83.7%</b>	<b>\$ 307.6</b>	<b>\$ 268.6</b>	<b>87.3%</b>
Partial Paydowns (Includes interest applied to principal)			\$ 42.7				\$ 15.7	

(1) The current principal amount contractually due from the borrower

(2) Servicing UPB less loan write-downs, REO transfer write-downs and interest applied to principal

(3) Accounting UPB less valuation reserves and discounts/premiums. This is the carrying value of the asset as reported under GAAP.

**Capmark Cash Operating Expenses - Q1 2012**

	Bank			Non Bank			Total		
	Actual	Plan	Variance	Actual	Plan	Variance	Actual	Plan	Variance
<b><u>Controllable Expenses</u></b>									
Compensation and Benefits	\$ (8.6)	\$ (8.5)	\$ (0.1)	\$ (10.8)	\$ (9.1)	\$ (1.7)	\$ (19.3)	\$ (17.6)	\$ (1.8)
Professional Fees - non loan / property related	(0.6)	(0.1)	(0.6)	(3.7)	(1.9)	(1.8)	(4.4)	(2.0)	(2.4)
Other	(0.6)	(0.7)	0.0	(2.0)	(2.0)	0.0	(2.6)	(2.6)	0.1
Subtotal	(9.8)	(9.2)	(0.6)	(16.4)	(13.0)	(3.5)	(26.3)	(22.2)	(4.1)
<b><u>Non-Controllable Expenses</u></b>									
FDIC Premium / bank charges	(3.7)	(5.0)	1.3	-	-	-	(3.7)	(5.0)	1.3
Insurance	-	(0.2)	0.2	0.1	(0.7)	0.8	0.1	(0.9)	1.0
State Taxes / Other	(2.1)	-	(2.1)	(1.2)	(1.9)	0.6	(3.4)	(1.9)	(1.5)
Subtotal	(5.8)	(5.2)	(0.6)	(1.2)	(2.6)	1.4	(7.0)	(7.8)	0.8
<b><u>Loan / Property Related Expenses</u></b>	(1.0)	(3.0)	2.0	(1.0)	(2.4)	1.4	(2.1)	(5.4)	3.4
Total excl. Restructuring Fees	<b>(16.7)</b>	<b>(17.4)</b>	<b>0.7</b>	<b>(18.6)</b>	<b>(18.0)</b>	<b>(0.7)</b>	<b>(35.3)</b>	<b>(35.4)</b>	<b>0.0</b>
Restructuring Fees	-	-	-	3.3	-	3.3	3.3	-	3.3
Total incl. Restructuring Fees	<b>\$ (16.7)</b>	<b>\$ (17.4)</b>	<b>\$ 0.7</b>	<b>\$ (15.4)</b>	<b>\$ (18.0)</b>	<b>\$ 2.6</b>	<b>\$ (32.1)</b>	<b>\$ (35.4)</b>	<b>\$ 3.3</b>

<b><u>Headcount</u></b>	<b>3/31/12 (A)</b>	<b>12/31/11 (P)</b>	<b>12/31/12 (P)</b>
NA Asset Management	15	15	8
Asia	14	14	7
Other	55	65	46
Non Bank Subtotal	84	94	61
Capmark Bank	99	114	87
Total	183	208	148

## Capmark Bank

GAAP Income Statement - Q1 2012			
\$, millions	Actual	Plan	Variance
Net interest income	\$ 25.6	\$ 31.1	\$ (5.5)
Loss provisions	-	-	-
Gain/(loss) on mortgage banking activities	13.3	15.5	(2.2)
All other gain/(loss)	2.8	1.4	1.4
Trust fee income	-	-	-
Trust placement fee expense	-	-	-
Intercompany servicing income	0.3	1.0	(0.7)
Net real estate investment income (OREO)	(2.2)	-	(2.2)
Salaries/benefits	6.5	6.4	(0.1)
Regulatory fees (primarily FDIC)	3.4	3.6	0.2
All other operating expense	3.7	3.8	0.1
Pre-tax income/(loss)	<u>26.2</u>	<u>35.1</u>	<u>(8.9)</u>
<b>Net income/(loss) (after-tax)</b>	<b>\$ 25.5</b>	<b>\$ 35.1</b>	<b>\$ (9.6)</b>

GAAP Income Statement - YTD Q1 2012			
\$, millions	Actual	Plan	Variance
Net interest income	\$ 25.6	\$ 31.1	\$ (5.5)
Loss provisions	-	-	-
Gain/(loss) on mortgage banking activities	13.3	15.5	(2.2)
All other gain/(loss)	2.8	1.4	1.4
Trust fee income	-	-	-
Trust placement fee expense	-	-	-
Intercompany servicing income	0.3	1.0	(0.7)
Net real estate investment income (OREO)	(2.2)	-	(2.2)
Salaries/benefits	6.5	6.4	(0.1)
Regulatory fees (primarily FDIC)	3.4	3.6	0.2
All other operating expense	3.7	3.8	0.1
Pre-tax income/(loss)	<u>26.2</u>	<u>35.1</u>	<u>(8.9)</u>
<b>Net income/(loss) (after-tax)</b>	<b>\$ 25.5</b>	<b>\$ 35.1</b>	<b>\$ (9.6)</b>

GAAP Balance Sheet - Q1 2012			
\$, millions	Actual	Plan	Variance
Liquid Assets	\$ 2,443	\$ 1,985	\$ 458
Held-for-sale loans, at fair value	2,482	3,046	(564)
Held-for-investment loans, net	-	-	-
All other assets	270	455	(185)
<b>Total assets</b>	<b><u>\$ 5,195</u></b>	<b><u>\$ 5,486</u></b>	<b><u>\$ (291)</u></b>
Deposits	3,173	3,269	(96)
FHLB Borrowings	101	382	(281)
All other liabilities	73	65	8
<b>Total equity</b>	<b><u>\$ 1,848</u></b>	<b><u>\$ 1,769</u></b>	<b><u>\$ 79</u></b>

Classified Assets and Capital Ratios - Q1 2012			
	Actual	Plan	Variance
Substandard (11 rated loans)	319	308	11
Non-performing (12 rated loans)	438	461	(23)
OREO & Equity Investments	166	176	(10)
Unfunded commitments (11 & 12)	<u>17</u>	<u>38</u>	<u>(21)</u>
<b>Total adversely-classified assets</b>	<b>\$ 940</b>	<b>\$ 984</b>	<b>\$ (44)</b>
Classified assets ratio	50.9%	53.4%	2.5%
Tier 1 leverage ratio	32.4%	30.7%	1.7%
Tier 1 risk-based capital ratio	67.8%	49.5%	18.3%
Total risk-based capital ratio	67.8%	49.5%	18.3%



## NA Asset Management - Asset Values & Collection Activity by Quarter

(\$ in millions)

Period Ending	Accounting UPB	NBV	Asset Related Proceeds	Change in NBV	NBV vs. UPB
May 29, 2009	\$2,531	\$2,082	\$0		82.2%
June 30, 2009	2,459	2,000	41	-\$82	81.4%
September 30, 2009	2,283	1,795	137	-205	78.6%
December 31, 2009	2,044	1,495	177	-300	73.1%
March 31, 2010	1,978	1,387	50	-108	70.1%
June 30, 2010	1,859	1,350	115	-37	72.6%
September 30, 2010	1,648	1,259	117	-92	76.4%
December 31, 2010	1,400	1,098	192	-161	78.4%
March 31, 2011	1,389	1,074	117	-24	77.3%
June 30, 2011	1,181	917	226	-157	77.7%
September 30, 2011	978	780	181	-137	79.8%
December 31, 2011	806	660	124	-120	81.9%
March 31, 2012	703	600	60	-60	85.4%
<b>Total Pledged Pool Principal Collections</b>			<b>\$1,538</b>	<b>-\$1,482</b>	

2011 Accounting UPB and NBV impacted by the addition of previously unpledged assets as follows:

Sunrise	44	18
Emeritus HCP2	30	29
Hood Commons	6	6
Success fees on Capmark funded NMTC	71	35
Capmark Bank Covered Transactions	30	30
	<u>181</u>	<u>118</u>

**NA Asset Management - Actual Asset Disposition Activity - 5/29/09 through 3/31/12**

Transaction Type	5/29/09-12/31/09		1/1/10-12/31/10		1/1/11-12/31/11		1/1/12-3/31/12	
	Cash Proceeds	Loss Severity (%)	Cash Proceeds	Loss Severity (%)	Cash Proceeds	Loss Severity (%)	Cash Proceeds	Loss Severity (%)
Discounted Pay-off	\$ 119.8	36%	\$ 178.1	24%	\$ 126.4	32%	\$ 32.3	55%
REO Sale	23.6	54%	15.3	60%	109.7	40%	2.0	33%
Loan Sale	81.9	28%	79.2	23%	36.7	11%	1.5	83%
NMTC Transactions	68.5	0%	36.7	44%	116.6	-8%	0.3	6%
Subtotal	293.7	30%	309.3	30%	389.4	25%	36.1	57%
Par Pay-off	15.9	0%	113.4	0%	195.3	2%	22.8	14%
Total Dispositions	\$ 309.6	29%	\$ 422.7	22%	\$ 584.7	18%	\$ 58.8	47%
Partial Payments	44.8		56.8		64.7		1.6	
Principal Collections	\$ 354.5		\$ 479.5		\$ 649.4		\$ 60.4	