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This presentation is a draft, provided for discussion purposes only. The list of possible scenarios included in this presentation is non-exhaustive, and the actions described herein are subject to change and receipt of board and regulatory approvals, among others. It is anticipated that this presentation will be refined and appropriately tailored to the final structure and legal documentation for the transaction subject to board and regulatory approvals*

Project Star

MOELIS & COMPANY

Illustrative Cap Table

April 2016

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Illustrative Pro Forma Capitalization

MOELIS & COMPANY

ILLUSTRATIVE IMPACT TO SYNCORA CAPITALIZATION

(\$ in mm)	Par + PIK	Unapproved and Accrued Interest	Total	Net Discount Captured	Cancellation of Syncora Securities	Transfer of SGI Excess NOLs	Preferred Exchange	Transaction Pro Forma
SGI								
SGI Short-term 5% Surplus Note	\$165	\$42	\$207	(\$13)	-		\$5	\$200
SGI Long-term 6% Surplus Note	602	97	700	(47)	-		20	672
Total Surplus Notes	\$768	\$139	\$907	(\$60)	-		\$25	\$872
Twin Reefs			\$200		-		-	\$200
Excess NOLs			\$2,000			(\$2,000)		-
SHL								
SHL Preferred Shares			\$250		(\$85)		(\$165)	-
NOLs			-			\$2,000		\$2,000
Total Surplus Notes and Preferreds			\$1,357					\$1,072
<i>Existing Class of Common Outstanding (mm)</i> ¹			59.3	7.5	(3.0)		11.3	75.0

*Reflects Illustrative
Surplus Note Discount
for Discussion
Purposes Only*

ILLUSTRATIVE EQUITY ALLOCATION

Illustrative Equity Allocation	% ²
Current Shareholders	75.0%
Surplus Noteholders	10.0%
Preferred Security Holders	15.0%

Source: Company Q4 2015 Financials. Pro forma assumes 100% participation.

Note: Subject to Board review and approval. Surplus Notes reflect midpoint of \$20mm-\$30mm range and Common Equity percentage reflects midpoint of 10-20% range

1. Issuance of equity securities subject to Section 382 limitations

2. Excludes allocation to management

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