Ambac

Quarterly Operating Supplement

3Q2024

Ambac Financial Group
One World Trade Center, 41st Floor, New York, NY 10007
All Rights Reserved | 800-221-1854 | www.ambac.com

About Ambac

Ambac Financial Group, Inc. ("Ambac" or "AFG") is an insurance holding company headquartered in New York City. Ambac's core business is a growing specialty P&C distribution and underwriting platform. Ambac also has a legacy financial guarantee business in run-off which we have agreed to sell to funds managed by Oaktree Capital Management pending regulatory and shareholder approval. Ambac's common stock trades on the New York Stock Exchange under the symbol "AMBC". Ambac is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our website to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information. For more information, please go to www.ambac.com.

The Amended and Restated Certificate of Incorporation of Ambac contains substantial restrictions on the ability to transfer Ambac's common stock. Subject to limited exceptions, any attempted transfer of common stock shall be prohibited and void to the extent that, as a result of such transfer (or any series of transfers of which such transfer is a part), any person or group of persons shall become a holder of 5% or more of Ambac's common stock or a holder of 5% or more of Ambac's common stock increases its ownership interest.

Company Information

Corporate headquarters are located at:

Ambac Financial Group, Inc.
One World Trade Center, 41st Floor
New York, New York 10007
www.ambac.com

Investor Relations Contact:

Charles J. Sebaski
(212) 208-3222

To obtain a copy of Ambac Financial Group, Inc.'s latest annual or quarterly report filed with the Securities and Exchange Commission or the most recent Annual Report to Stockholders, please visit our website at www.ambac.com.

Ambac

Table of Contents

Consolidated Information:

Consolidated Quarterly Comprehensive Income Data 1
Consolidated Quarterly Balance Sheet Data 2
Consolidated Yearly Comprehensive Income Data 3
Earnings Measures by Reporting Segment 4
Consolidated Investment Portfolio 8
Consolidated General and Administrative Expenses 9
Net Operating Losses by Company and Year-of-Expiration 11

Specialty Property & Casualty Insurance Information:

Specialty Property & Casualty Insurance Segment Quarterly Information 13

Insurance Distribution Information:

Insurance Distribution Segment Quarterly Information 17

Legacy Financial Guarantee Insurance Information:

Legacy Financial Guarantee Segment Quarterly Information 19
Financial Guarantee Insurance Claims Paying Ratio 21
Net Unearned Premium Amortization and Estimated Future Installment Premiums 22
Future Amortization of Net Financial Guarantees in Force 22
Historical Net Financial Guarantee Exposures Outstanding 23
Rating Distribution of Net Financial Guarantee Exposures Outstanding 23
Adversely Classified Credit Exposures Outstanding 24
Adversely Classified Distribution of Exposures Outstanding 24

Appendix

Other Consolidated Non-GAAP Financial Measures 26

Notes:

1) Internal credit ratings contained in this Supplement are provided solely to indicate the underlying credit quality of guaranteed obligations based on the view of Ambac. Ambac credit ratings are subject to revision at any time and do not constitute investment advice.
2) Information contained in this report is unaudited.
3) Numbers are in millions and may not add due to rounding.

Ambac

Ambac

Consolidated Information

Consolidated Quarterly Comprehensive Income Data

(in millions, except per share data)	Three Months Ended					Year Ended	
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	December 31, 2023	December 31, 2022
Summary GAAP Financial Data:							
Net premiums earned	$ 33.1	$ 32.6	$ 33.1	$ 30.5	$ 18.3	$ 78.0	$ 56.3
Commission income	23.1	13.2	17.7	12.2	14.6	51.3	30.7
Program fees	3.6	3.3	2.6	2.5	2.4	8.4	3.1
Net investment income (loss)	38.0	36.2	41.7	40.5	30.4	140.1	16.8
Net gains (losses) on derivative contracts	5.2	0.2	1.7	(2.2)	4.4	(1.0)	128.6
Net realized gains on extinguishment of debt	—	—	—	—	—	—	81.3
Income (loss) on variable interest entities	2.8	(0.4)	2.6	3.8	0.9	3.5	21.0
Other income	9.9	15.7	2.7	3.8	2.0	11.2	9.8
Litigation recoveries	—	—	—	—	—	—	125.9
Losses and loss adjustment expenses (benefit)	37.6	17.8	(1.4)	18.7	(76.3)	(32.6)	(396.5)
Commission expense	9.5	7.9	9.8	7.4	8.5	29.5	17.6
General and administrative expenses	55.4	47.4	35.7	34.7	49.2	156.3	141.2
Intangible amortization	12.6	8.2	12.5	8.3	7.2	28.9	46.8
Interest expense	19.5	16.0	16.0	15.9	15.8	64.0	168.2
Pretax income (loss)	(26.5)	2.0	25.5	(15.3)	67.5	12.4	524.6
Net income (loss)	$ (29.3)	$ (0.5)	$ 20.8	$ (15.6)	$ 66.3	$ 5.0	$ 522.1
Net income (loss) attributable to common stockholders	$ (27.5)	$ (0.7)	$ 20.1	$ (15.7)	$ 65.9	$ 3.6	$ 522.4
Net income (loss) per diluted share attributable to common stockholders	$ (0.63)	$ (0.02)	$ 0.43	$ (0.24)	$ 1.41	$ 0.18	$ 11.31
Weighted average number of diluted shares outstanding	47.689	46.209	46.349	45.589	46.811	46.541	46.415
Non-GAAP Measurements:							
EBITDA [1]	$ 6.3	$ 26.6	$ 54.5	$ 9.3	$ 90.8	$ 107.0	$ 741.5
Adjusted net income (loss)	(19.5)	8.3	38.5	10.2	93.6	93.4	495.0
Adjusted net income (loss) per diluted share	$ (0.46)	$ 0.18	$ 0.82	$ 0.32	$ 2.00	$ 2.11	$ 10.72

(1) EBITDA is prior to the impact of noncontrolling interests and relates to subsidiaries where Ambac does not own 100% in the amounts of $(0.3), $0.4, $0.9, $0.3 and $0.6 for the three months ended September 30, 2024, June 30, 2024, March 31, 2024, December 31, 2023 and September 30, 2023, respectively, and $2.1 and $1.5 for the years ended December 31, 2023 and December 31, 2022, respectively. Noncontrolling interests are primarily in the Insurance Distribution segment.

Ambac

Consolidated Quarterly Balance Sheet Data

(in millions, except per share data)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2021
Summary GAAP Financial Data:							
Total non-VIE investments	$ 2,633.5	$ 2,631.6	$ 2,681.6	$ 2,664.0	$ 2,492.4	$ 2,593.1	$ 2,954.9
Premium receivables	341.6	317.0	298.7	289.6	277.8	269.3	322.6
Intangible assets	597.7	285.3	293.3	306.5	311.6	326.4	361.5
Goodwill	433.7	69.7	69.7	69.7	69.7	60.9	46.1
Subrogation recoverable	123.7	128.3	129.8	137.2	179.5	271.3	2,091.9
Unearned premiums	457.6	445.1	428.7	421.6	407.2	371.8	394.5
Loss and loss expense reserves	937.8	890.1	850.5	892.9	849.8	805.4	1,569.9
Short-term debt	148.2	—	—	—	—	—	—
Long-term debt [1]	518.3	515.5	512.0	508.3	504.8	638.8	2,229.9
Accrued interest payable	515.1	499.5	487.1	474.7	462.4	426.5	575.9
Ambac stockholders' equity	1,465.3	1,368.1	1,365.2	1,361.7	1,265.2	1,252.3	1,038.1
Number of shares outstanding (net of treasury shares)	47.443	45.225	45.225	45.195	45.187	44.974	46.304
Ambac Financial Group, Inc. book value per share	$ 30.89	$ 30.25	$ 30.19	$ 30.13	$ 28.00	$ 27.85	$ 22.42
Non-GAAP Measurements:							
Adjusted book value	$ 1,389.2	$ 1,321.8	$ 1,313.1	$ 1,298.9	$ 1,260.5	$ 1,272.1	$ 874.0
Adjusted book value per share	$ 29.28	$ 29.23	$ 29.03	$ 28.74	$ 27.90	$ 28.29	$ 18.88

(1) Long-term debt for all periods excludes the portion of long-term debt associated with VIEs consolidated as a result of Ambac's variable interest

Ambac

Consolidated Yearly Comprehensive Income Data

(in millions, except per share data)	YTD 2024	Year ended December 31, 2023	2022	2021	2020
Summary GAAP Financial Data:					
Net premiums earned	$ 98.8	$ 78.0	$ 56.3	$ 47.0	$ 54.1
Commission income	54.0	51.3	30.7	26.2	—
Program fees	9.5	8.4	3.1	0.2	—
Net investment income	115.8	140.1	16.8	139.3	121.7
Net gains (losses) on derivative contracts	7.2	(1.0)	128.6	22.3	(49.6)
Net realized gains on extinguishment of debt	—	—	81.3	32.8	—
Income (loss) on variable interest entities	5.0	3.5	21.0	7.0	5.5
Other income	28.3	11.2	9.8	1.1	2.7
Litigation recoveries	—	—	125.9	—	—
Losses and loss adjustment expenses (benefit)	54.0	(32.6)	(396.5)	(88.2)	224.7
Commission expense	27.2	29.5	17.6	14.5	—
General and administrative expenses	138.6	156.3	141.2	111.3	92.4
Intangible amortization	33.2	28.9	46.8	55.0	56.7
Interest expense	51.5	64.0	168.2	187.5	221.9
Pretax income (loss)	1.0	12.4	524.6	1.8	(439.7)
Net income (loss)	(9.0)	5.0	522.1	(16.1)	(437.2)
Net income (loss) attributable to common stockholders	(8.2)	3.6	522.4	(16.9)	(437.2)
Net income (loss) per diluted share attributable to common stockholders	$ (0.23)	$ 0.18	$ 11.31	$ (0.61)	$ (9.47)
Weighted average number of diluted shares outstanding	46.581	46.541	46.415	46.535	46.147
Non-GAAP Measurements:					
EBITDA [(1)]	$ 87.4	$ 107.0	$ 741.5	$ 246.1	$ (159.8)
Adjusted net income (loss)	27.3	93.4	495.0	7.2	
Adjusted net income (loss) per diluted share	$ 0.52	$ 2.11	$ 10.72	$ (0.07)	
Adjusted earnings (losses)					$ (377.8)
Adjusted earnings (losses) per diluted share					$ (8.19)

(1) EBITDA is prior to the impact of noncontrolling interests, relating to subsidiaries where Ambac does not own 100% of $1.1 for the nine months ended September 30, 2024 and of $2.1, $1.5 and $1.3 for the years ended December 31, 2023, 2022 and 2021, respectively.

Ambac

Earnings Measures by Reporting Segment (Third Quarter 2024)

The Company reports its results of operations in three segments: Legacy Financial Guarantee Insurance, Specialty Property and Casualty Insurance and Insurance Distribution, separate from Corporate and Other, which is consistent with the manner in which the Company's chief operating decision maker ("CODM") reviews the business to assess performance and allocate resources. See *Note 1. Business and Basis of Presentation* of Ambac's Annual Report on Form 10-K for a description of each of the Company's business segments.

Three Months Ended September 30, 2024

($ in millions)	LFG	SPC	ID	CORP	CONS
Gross premiums written	$ (1.6)	$ 115.2			$ 113.6
Net premiums written	(1.9)	32.8			30.8
Premiums placed			$ 144.9		144.9
Revenues:					
Net premiums earned	5.7	27.4			33.1
Commission income			23.1		23.1
Program fees		3.6			3.6
Net investment income	34.5	1.7	0.3	$ 1.5	38.0
Net investment gains (losses), including impairments	(0.9)	—		(0.6)	(1.5)
Net gains (losses) on derivative contracts	(1.3)		1.6	4.9	5.2
Other income	6.3	7.4	(1.0)	—	12.7
Total revenues and other income	**$ 44.1**	**$ 40.1**	**$ 24.0**	**$ 5.9**	**$ 114.1**

($ in millions)	LFG	SPC	ID	CORP	CONS
Expenses:					
Losses and loss adjustment expenses (benefit)	$ 17.2	$ 20.4			$ 37.6
Amortization of deferred acquisition costs, net	—	6.0			6.0
General and administrative expenses [1]	14.2	4.8	$ 12.1	$ 23.7	54.7
Commission expense			9.5		9.5
Total expenses included for EBITDA	**31.4**	**31.2**	**21.6**	**23.7**	**107.8**
EBITDA [2]	**12.7**	**8.9**	**2.4**	**(17.8)**	**6.3**
Less: Interest expense	15.8		3.7		19.5
Less: Depreciation expense [1]	0.2	—	0.2	0.3	0.7
Less: Intangible amortization	6.2		6.4		12.6
Pretax income (loss)	**(9.4)**	**8.9**	**(7.9)**	**(18.1)**	**(26.5)**
Income tax expense (benefit)	3.6	0.9	(0.9)	(0.9)	2.8
Net income (loss)	**(13.1)**	**8.0**	**(7.1)**	**(17.1)**	**(29.3)**
Less: Net (gain) attributable to noncontrolling interest		—	1.8		1.8
Net income (loss) attributable to common stockholders	**$ (13.1)**	**$ 8.0**	**$ (5.3)**	**$ (17.1)**	**$ (27.5)**

LFG = Legacy Financial Guarantee Insurance, SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other and CONS = Consolidated

(1) The Consolidated Statements of Comprehensive Income presents the sum of these items as General and Administrative Expenses.

(2) EBITDA is prior to the impact of noncontrolling interests and relates to subsidiaries where Ambac does not own 100% in the amount of $(0.3) for the three months ended September 30, 2024 Noncontrolling interests are primarily in the Insurance Distribution segment.

Ambac

Earnings Measures by Reporting Segment (Third Quarter 2023)

Three Months Ended September 30, 2023

($ in millions)	LFG	SPC	ID	CORP	CONS
Gross premiums written	$ 2.1	$ 77.5			$ 79.6
Net premiums written	2.5	24.8			27.2
Premiums placed			$ 62.2		62.2
Revenues:					
Net premiums earned	6.1	12.2			18.3
Commission income			14.6		14.6
Program fees		2.4			2.4
Net investment income	26.7	1.0	—	$ 2.6	30.4
Net investment gains (losses), including impairments	0.8	—		—	0.8
Net gains (losses) on derivative contracts	4.4			—	4.4
Other income	3.0	(0.1)	0.1	—	3.0
Total revenues and other income	**$ 40.9**	**$ 15.5**	**$ 14.6**	**$ 2.6**	**$ 73.8**

($ in millions)	LFG	SPC	ID	CORP	CONS
Expenses:					
Losses and loss adjustment expenses (benefit)	$ (85.8)	$ 9.5			$ (76.3)
Amortization of deferred acquisition costs, net	—	2.0			1.9
General and administrative expenses [1]	35.5	3.9	$ 2.6	$ 6.8	48.9
Commission expense			8.5		8.5
Total expenses included for EBITDA	**(50.4)**	**15.4**	**11.1**	**6.8**	**(17.1)**
EBITDA [2]	**91.3**	**0.1**	**3.5**	**(4.2)**	**90.8**
Less: Interest expense	15.8				15.8
Less: Depreciation expense [1]	0.3	—	—	—	0.3
Less: Intangible amortization	6.1		1.1		7.2
Pretax income (loss)	**69.2**	**0.1**	**2.4**	**(4.2)**	**67.5**
Provision for income taxes	3.0	—	—	(1.8)	1.2
Net income (loss)	**66.2**	**0.1**	**2.4**	**(2.5)**	**66.3**
Less: net (gain) loss attributable to noncontrolling interest		—	(0.4)		(0.4)
Net income (loss) attributable to common stockholders	**$ 66.2**	**$ 0.1**	**$ 2.0**	**$ (2.5)**	**$ 65.9**

LFG = Legacy Financial Guarantee Insurance, SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other and CONS = Consolidated

(1) The Consolidated Statements of Comprehensive Income presents the sum of these items as General and Administrative Expenses.
(2) EBITDA is prior to the impact of noncontrolling interests and relates to subsidiaries where Ambac does not own 100% in the amount of $0.6 for the three months ended September 30, 2023. Noncontrolling interests are primarily in the Insurance Distribution segment.

Ambac

Earnings Measures by Reporting Segment (YTD 2024)

Nine Months Ended September 30, 2024

($ in millions)	LFG	SPC	ID	CORP	CONS
Gross premiums written	$ 2.0	$ 322.8			$ 324.8
Net premiums written	1.1	91.3			92.4
Net premiums placed			$ 288.5		288.5
Revenues:					
Net premiums earned	18.7	80.1			98.8
Commission income			54.0		54.0
Program fees		9.5			9.5
Net investment income	104.9	4.5	0.4	$ 5.9	115.8
Net investment gains (losses), including impairments	(1.3)	—		4.0	2.7
Net gains (losses) on derivative contracts	1.1		1.6	4.5	7.2
Other income	27.2	7.4	(0.9)	(0.4)	33.3
Total revenues and other income	**$ 150.7**	**$ 101.5**	**$ 55.2**	**$ 13.9**	**$ 321.3**

($ in millions)	LFG	SPC	ID	CORP	CONS
Expenses:					
Losses and loss adjustment expenses (benefit)	$ (8.8)	$ 62.8			$ 54.0
Amortization of deferred acquisition costs, net	—	15.8			15.8
General and administrative expenses [1]	58.1	13.2	$ 18.1	$ 47.4	136.8
Commission expense			27.2		27.2
Total expenses included for EBITDA	**49.3**	**91.8**	**45.3**	**47.4**	**233.8**
EBITDA [2]	**101.4**	**9.7**	**9.8**	**(33.4)**	**87.4**
Less: Interest expense	47.7		3.7		51.5
Less: Depreciation expense [1]	0.7	—	0.2	0.9	1.8
Less: Intangible amortization	24.5		8.7		33.2
Pretax income (loss)	**28.4**	**9.7**	**(2.8)**	**(34.3)**	**1.0**
Provision for income taxes	10.8	1.0	(0.8)	(1.0)	10.0
Less: net (gain) loss attributable to noncontrolling interest		—	0.9		0.9
Plus: gain on purchase of auction market preferred shares	—				—
Net income (loss) attributable to common stockholders	**$ 17.7**	**$ 8.6**	**$ (1.2)**	**$ (33.3)**	**$ (8.2)**

LFG = Legacy Financial Guarantee Insurance, SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other and CONS = Consolidated

(1) The Consolidated Statements of Comprehensive Income presents the sum of these items as General and Administrative Expenses.

(2) EBITDA is prior to the impact of noncontrolling interests and relates to subsidiaries where Ambac does not own 100% in the amount of $1.1 for the nine months ended September 30, 2024. Noncontrolling interests are primarily in the Insurance Distribution segment.

Ambac

Earnings Measures by Reporting Segment (YTD 2023)

Nine Months Ended September 30, 2023

($ in millions)	LFG	SPC	ID	CORP	CONS
Gross premiums written	$ 12.5	$ 182.6			$ 195.0
Net premiums written	(42.8)	43.1			0.3
Net premiums placed			$ 180.5		180.5
Revenues:					
Net premiums earned	20.5	27.0			47.4
Commission income			39.1		39.1
Program fees		6.0			6.0
Net investment income	90.1	2.6	—	$ 7.0	99.6
Net investment gains (losses), including impairments	(7.0)	—		0.1	(7.0)
Net gains (losses) on derivative contracts	1.6			(0.3)	1.2
Net realized gains on extinguishment of debt	—				—
Other income	7.0	—	0.1	—	7.2
Total revenues and other income	**$ 112.1**	**$ 35.5**	**$ 39.2**	**$ 6.7**	**$ 193.5**

($ in millions)	LFG	SPC	ID	CORP	CONS
Expenses:					
Losses and loss adjustment expenses (benefit)	$ (71.2)	$ 19.9			$ (51.3)
Amortization of deferred acquisition costs, net	—	4.7			4.7
General and administrative expenses [1]	87.1	11.6	$ 7.4	$ 14.2	120.4
Commission expense			22.1		22.1
Total expenses included for EBITDA	**15.9**	**36.3**	**29.5**	**14.2**	**95.9**
EBITDA [2]	**96.2**	**(0.8)**	**9.7**	**(7.5)**	**97.6**
Less: Interest expense	48.2				48.2
Less: Depreciation expense [1]	1.1	—	—	0.1	1.2
Less: Intangible amortization	17.6		3.0		20.6
Pretax income	**29.4**	**(0.8)**	**6.7**	**(7.7)**	**27.6**
Provision for income taxes	8.4	—	0.1	(1.4)	7.1
Net income (loss)	**21.0**	**(0.8)**	**6.6**	**(6.3)**	**20.5**
Less: net (gain) loss attributable to noncontrolling interest		—	(1.2)		(1.2)
Net income (loss) attributable to common stockholders	**$ 21.0**	**$ (0.8)**	**$ 5.4**	**$ (6.3)**	**$ 19.3**

LFG = Legacy Financial Guarantee Insurance, SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other, Elim = Eliminations and CONS = Consolidated

(1) The Consolidated Statements of Comprehensive Income presents the sum of these items as General and Administrative Expenses.

(2) EBITDA is prior to the impact of noncontrolling interests and relates to subsidiaries where Ambac does not own 100% in the amount of $1.8 for the nine months ended September 30, 2023. Noncontrolling interests are primarily in the Insurance Distribution segment.

Ambac

Consolidated Investment Portfolio

As of September 30, 2024

INVESTMENTS BY CATEGORY ($ in millions)	U.S. GAAP Carrying Value	U. S. GAAP [3] Book Value	Pre-tax Yield to Maturity [1]
Legacy Financial Guarantee Insurance			
Ambac Assurance and Subsidiaries excluding Ambac UK:			
Fixed maturity securities - available-for-sale :			
U.S. government and agency obligations	$ 56.6	$ 56.0	4.48 %
Municipal, corporate & foreign obligations	559.6	575.4	3.10 %
Mortgage and asset-backed securities	635.6	596.9	7.46 %
Short-term investments	126.5	126.5	4.88 %
Total fixed maturity - available-for-sale securities	**1,378.2**	**1,354.8**	5.25 %
Fixed maturity securities - trading	—	—	
Other investments			
Alternative fixed income & hedge funds	168.6	168.6	
Equity & equity linked	35.4	35.4	
Total other investments	204.0	204.0	
Total Ambac Assurance and Subsidiaries investments excluding Ambac UK	**$ 1,582.2**	**$ 1,558.8**	**5.25 %**
Fixed maturity securities:			
U.S. government and agency obligations	$ 25.3	$ 26.9	3.26 %
Municipal, corporate and foreign obligations	326.2	339.9	4.17 %
Mortgage and asset-backed securities	22.8	23.3	5.89 %
Short-term investments	18.6	18.6	4.82 %
Total fixed maturity securities	**392.9**	**408.6**	4.23 %
Duration of Legacy Financial Guarantee Insurance fixed maturity investment portfolio [2]			4.08

INVESTMENTS BY CATEGORY ($ in millions)	U.S. GAAP Carrying Value	U. S. GAAP [3] Book Value	Pre-tax Yield to Maturity [1]
Ambac UK (continued)			
Other investments			
Alternative fixed income & hedge funds	193.3	193.3	
Equity & equity linked	130.9	130.9	
Total other investments	**324.2**	**324.2**	
Total Ambac UK investments	**$ 717.0**	**$ 732.8**	
Specialty Property & Casualty Insurance:			
Fixed maturity securities:			
U.S. government and agency obligation	$ 36.4	$ 36.3	3.11 %
Municipal & corporate obligations	92.9	95.8	3.06 %
Mortgage and asset-backed securities	12.3	12.2	5.56 %
Short-term investments	57.7	57.7	4.84 %
Total Specialty Property & Casualty Insurance investments	**$ 199.3**	**$ 201.9**	3.73 %
Corporate & Other:			
Short-term investments	86.4	86.4	
Total fixed maturity securities	**86.4**	**86.4**	
Other investments:	32.4	32.4	
Total Corporate & Other investments	**$ 118.8**	**$ 118.8**	
Insurance Distribution:			
Short-term investments	$ 16.2	$ 16.2	
Total Consolidated Investments	**$ 2,633.5**	**$ 2,628.5**	
Duration of Specialty Property & Casualty Insurance fixed maturity investment portfolio			2.10

(1) Yield to maturity refers to the rate of interest to be earned over the remaining life of the fixed maturity investment based on book value. For mortgage and other asset-backed securities remaining life is calculated using estimated cash flows. For floating rate positions, yield to maturity is based on the current interest rate and not forward rates.
(2) Excluded from the measure of duration are Ambac insured bonds that have underlying Ambac internal ratings of BIG. These securities represent 16% of the fair value of Ambac Assurance and Subsidiaries' fixed maturity investment portfolio of $1,771.1 at September 30, 2024.
(3) Book value is net of allowance for credit losses.

Ambac

Consolidated General & Administrative Expenses

($ in millions)	2023 1Q	2023 2Q	2023 3Q	2023 4Q	Full Year	2024 1Q	2024 2Q	2024 3Q	2024 4Q	Year to-Date
Compensation										
Salaries	$ 8.0	$ 8.1	$ 8.2	$ 8.6	**$ 32.9**	$ 8.5	$ 8.9	$ 14.1	$ —	**$ 31.5**
Incentive Compensation [1]	5.7	8.1	8.2	11.1	**33.1**	5.1	5.7	7.6	—	**18.4**
Other [2]	2.8	1.4	1.2	1.4	**6.7**	2.9	2.8	2.3	—	**7.9**
Total Compensation	**16.4**	**17.6**	**17.7**	**21.1**	**72.8**	**16.5**	**17.4**	**24.0**	**—**	**57.9**
Non-Compensation										
Legal, Consulting & Advisory Services[3]	13.9	11.5	25.5	7.3	**58.2**	12.4	23.5	19.6	—	**55.5**
Premises	1.1	1.2	1.2	1.2	**4.7**	1.2	1.1	1.6	—	**3.8**
Audit	0.8	0.8	0.8	0.8	**3.2**	0.8	0.8	1.7	—	**3.3**
Regulator Advisory Costs	0.4	0.4	0.3	0.4	**1.4**	0.3	0.4	0.3	—	**1.0**
Other	3.9	4.6	3.6	4.0	**16.0**	4.5	4.3	8.4	—	**17.1**
Total Non-Compensation	**20.0**	**18.4**	**31.5**	**13.6**	**83.5**	**19.2**	**30.0**	**31.5**	**—**	**80.7**
Total General and Administrative Expenses[4]	**36.4**	**36.0**	**49.2**	**34.7**	**156.3**	**35.7**	**47.4**	**55.4**	**—**	**138.6**

(1) Incentive compensation includes short-term and long-term incentive cash and equity awards.
(2) Other compensation includes severance, payroll taxes, medical and other benefits.
(3) Expenses related to the acquisition of Beat Capital Partners and the potential sale of AAC during first quarter, second quarter, third quarter and YTD 2024 are $0.7 million, $15.6 million, $16.5 million and $32.7 million, respectively.
(4) G&A expenses of $9.1 million during 3Q 2024 are attributable to Beat Capital Partners

Ambac

Consolidated General & Administrative Expenses by Segment

($ in millions)	2023 1Q	2023 2Q	2023 3Q	2023 4Q	Full Year	2024 1Q	2024 2Q	2024 3Q	2024 4Q	YTD
Legacy Financial Guarantee Insurance										
Compensation	$ 9.3	$ 10.0	$ 9.5	$ 11.1	**$ 39.9**	$ 9.0	$ 9.0	$ 8.1	$ —	**$ 26.1**
Non-Compensation [1][2][3]	19.2	13.8	26.3	8.4	**67.7**	12.6	13.7	6.3	—	**32.7**
Total Legacy Financial Guarantee Insurance	**28.6**	**23.9**	**35.7**	**19.5**	**107.6**	**21.6**	**22.7**	**14.4**	**—**	**58.7**
Specialty Property & Casualty Insurance										
Compensation	2.7	2.3	2.6	3.3	**10.9**	1.8	3.1	2.8	—	**7.7**
Non-Compensation	1.3	1.5	1.3	1.5	**5.6**	2.2	1.4	2.0	—	**5.6**
Total Specialty Property & Casualty Insurance	**4.0**	**3.8**	**3.9**	**4.8**	**16.5**	**3.9**	**4.5**	**4.8**	**—**	**13.2**
Insurance Distribution										
Compensation	1.7	1.9	2.0	2.4	**8.0**	2.3	2.3	9.3	—	**13.9**
Non-Compensation	0.6	0.6	0.7	0.8	**2.7**	0.8	0.7	3.0	—	**4.5**
Total Insurance Distribution	**2.4**	**2.4**	**2.6**	**3.2**	**10.6**	**3.1**	**3.0**	**12.3**	**—**	**18.4**
Corporate & Other										
Compensation	2.7	3.4	3.6	4.4	**14.1**	3.5	3.0	3.8	—	**10.3**
Non-Compensation [3][4]	(1.1)	2.5	3.2	2.9	**7.5**	3.6	14.2	20.2	—	**38.0**
Total Corporate & Other	**1.6**	**5.9**	**6.9**	**7.2**	**21.6**	**7.1**	**17.2**	**24.0**	**—**	**48.2**
Gross Operating Expenses										
Compensation	**16.4**	**17.6**	**17.7**	**21.1**	**72.8**	**16.5**	**17.4**	**24.0**	**—**	**$ 57.9**
Non-Compensation	**20.0**	**18.4**	**31.5**	**13.6**	**83.5**	**19.2**	**30.0**	**31.5**	**—**	**80.7**
Total General and Administrative Expenses	**$ 36.4**	**$ 36.0**	**$ 49.2**	**$ 34.7**	**$ 156.3**	**$ 35.7**	**$ 47.4**	**$ 55.4**	**$ —**	**138.6**

(1) Expenses related to the evaluation of strategic options for AAC during first quarter, second quarter and YTD 2024 are $1.8 million, $0, and $1.8 million, respectively.
(2) Expenses related to defensive litigation during the periods of 1Q2023, 2Q2023, 3Q2023, and 4Q2023 were $8.8, $7.6, $20.6, and $3.5 million, respectively, and during 1Q2024, 2Q2024, and 3Q2024 were $6.3, $4.7, and $1.8 million, respectively.
(3) 1Q 2023 and 2Q 2024 includes reimbursements of $4.0 from Legacy Financial Guarantee Insurance to Corporate & Other for a portion of certain operating costs and expenses as approved by OCI.
(4) Expenses related to the acquisition of Beat Capital Partners and the potential sale of AAC during first quarter, second quarter, third quarter and YTD 2024 are $0.7 million, $15.6 million, $16.5 million and $32.7 million, respectively.

Ambac

Net Operating Losses — By Company and Year-of-Expiration

(in millions)

Ambac Financial Group, Inc. - Consolidated			Ambac Financial Group, Inc. - Standalone			Ambac Assurance Corporation		
Origination Year	Expiration Year	NOL Net of IRC 163(j)	Origination Year	Expiration Year	NOL Net of IRC 163(j)	Origination Year	Expiration Year	NOL Net of IRC 163(j)
2009	2030	$ 354	2009	2030	$ 354	2009	2030	$ —
2010	2031	1,385	2010	2031	744	2010	2031	641
2011	2032	1,037	2011	2032	395	2011	2032	642
2012	2033	226	2012	2033	24	2012	2033	202
2020	2041	276	2020	2041	—	2020	2041	276
2021	2042	124	2021	2042	124	2021	2042	—
2024	2045	180	2024	2045	17	2024	2045	164
Total NOL Carryforwards		3,581			1,657			1,924
IRS 163(j) Interest Expense Limitation [1]		184			(12)			196
Total NOL & Interest Expense Limitation		$ 3,765			$ 1,645			$ 2,120

(1) NOLs related to the Interest Expense Limitation of IRC Section 163(j) have an indefinite carryforward period and are available to offset future taxable income, subject to certain provisions.

Ambac

Ambac

Specialty Property & Casualty Insurance Information

Specialty Property & Casualty Insurance Segment Quarterly Information

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023	Year ended December 31, 2023	2022
Gross written premiums by line of business:							
Commercial auto liability	$ 12.3	$ 25.6	$ 30.4	$ 36.0	$ 25.7	$ 121.9	$ 117.2
Non-standard auto	16.0	12.1	10.8	20.1	—	20.1	—
General liability	20.2	23.0	11.8	11.2	6.4	27.1	6.0
Excess liability	31.4	22.5	16.5	8.2	18.2	40.5	4.8
Surety	18.1	7.0	7.7	6.2	10.0	26.3	4.4
Workers Compensation	6.3	8.4	6.4	5.1	14.4	19.5	—
Commercial auto physical damage	0.4	0.7	(0.1)	0.8	2.3	12.1	12.6
Other	10.3	11.8	12.8	3.2	0.5	5.7	1.3
Gross written premiums	**$ 115.2**	**$ 111.2**	**$ 96.4**	**$ 90.7**	**$ 77.5**	**$ 273.3**	**$ 146.4**
Net written premiums by line of business							
Commercial auto liability	0.5	2.7	2.2	7.0	5.3	24.6	23.9
Non-standard auto	16.0	12.0	10.8	20.1	—	20.1	—
General liability	3.7	4.1	2.9	2.8	1.6	6.8	1.5
Excess liability	5.1	3.8	2.7	1.2	3.0	6.0	0.5
Surety	—	—	—	—	—	—	—
Workers Compensation	6.3	8.4	6.4	5.1	14.4	19.5	—
Commercial auto physical damage	0.1	0.2	—	0.2	0.5	2.5	2.6
Other	1.0	1.1	1.3	0.3	—	0.2	—
Net written premiums	**$ 32.8**	**$ 32.3**	**$ 26.2**	**$ 36.7**	**$ 24.8**	**$ 79.7**	**$ 28.6**

Ambac

Specialty Property & Casualty Insurance Segment Quarterly Information

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023	Year ended December 31, 2023	2022
Net premiums earned	$ 27.4	$ 27.1	$ 25.6	$ 24.9	$ 12.2	$ 51.9	$ 13.9
Net investment income	1.7	1.5	1.4	1.2	1.0	3.8	1.6
Net investment gains (losses), including impairments	—	—	—	—	—	—	—
Program fees	3.6	3.3	2.6	2.5	2.4	8.4	3.1
Total revenues	**40.1**	**31.8**	**29.5**	**28.6**	**15.5**	**64.1**	**18.5**
Expenses:							
Loss and loss expenses	20.4	23.0	19.4	16.8	9.5	36.7	9.1
Amortization of deferred acquisition costs, net	6.0	5.4	4.4	5.9	2.0	10.6	2.5
General and administrative expenses	4.8	4.5	3.9	4.8	3.9	16.5	13.2
Total expenses	**31.2**	**32.0**	**27.7**	**27.5**	**15.4**	**63.7**	**24.8**
GAAP pretax income (loss)	**8.9**	**(1.1)**	**1.8**	**1.1**	**0.1**	**0.4**	**(6.3)**
Net Income (loss)	**$ 8.0**	**$ (1.1)**	**$ 1.7**	**$ 1.1**	**$ 0.1**	**$ 0.3**	**$ (6.3)**
EBITDA	**$ 8.9**	**$ (1.1)**	**$ 1.8**	**$ 1.1**	**$ 0.1**	**$ 0.4**	**$ (6.3)**

Ambac

Specialty Property & Casualty Insurance Segment Quarterly Information

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023	Year ended December 31, 2023	Year ended December 31, 2022
NWP / GWP	28.4 %	29.0 %	27.2 %	40.5 %	32.0 %	29.2 %	19.5 %
AY loss ratio	74.2 %	78.2 %	71.3 %	67.4 %	79.8 %	70.4 %	65.2 %
Prior accident years development	0.2 %	6.9 %	4.4 %	— %	(1.8)%	0.3 %	0.2 %
Loss ratio	74.4 %	85.1 %	75.7 %	67.4 %	78.0 %	70.7 %	65.4 %
Net acquisition cost	23.8 %	22.1 %	23.4 %	24.6 %	24.2 %	23.5 %	19.6 %
Expense ratio slide commission percentage	(1.9)%	(5.6)%	(6.1)%	(1.2)%	(8.1)%	(3.2)%	(1.3)%
G&A expense ratio	4.2 %	4.3 %	5.4 %	9.4 %	12.4 %	15.4 %	72.8 %
Expense ratio [1]	26.1 %	24.3 %	22.7 %	32.9 %	28.5 %	35.8 %	91.1 %
Combined ratio	100.5 %	109.4 %	98.4 %	100.3 %	106.5 %	106.5 %	156.5 %
Program fees written	$ 4.2	$ 4.2	$ 3.4	$ 3.1	$ 2.7	$ 10.5	$ 6.2
Program fees deferred	7.9	7.3	6.4	5.6	5.0	19.4	9.4
Ambac stockholders' equity [2]	$ 133.9	$ 121.8	$ 121.9	$ 121.7	$ 116.1	$ 121.7	$ 110.4
Number of programs	24	23	22	23	20	23	14
Statutory net income (loss)	$ 7.6	$ (1.9)	$ 1.1	$ (1.7)	$ (3.7)	$ (7.1)	$ (8.0)
Statutory surplus	$ 116.8	$ 106.0	$ 107.5	$ 108.1	$ 108.8	$ 108.1	$ 107.5

(1) Expense Ratio is defined as acquisition costs and general and administrative expenses, reduced by program fees divided by net premiums earned
(2) Represents Ambac's stockholders equity in the Specialty Property and Casualty Insurance segment, including intercompany eliminations

Ambac

Ambac

Insurance Distribution Information

Insurance Distribution Segment Quarterly Information

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023	Year ended December31, 2023	2022
Gross premiums placed by line of business:							
A&H	$ 24.4	$ 26.8	$ 49.9	$ 25.2	$ 31.2	$ 130.6	$ 120.4
Specialty Auto	45.3	13.7	21.8	12.3	21.1	62.4	10.6
Marine & Energy	3.6	2.8	7.5	4.4	3.5	19.4	0.8
Niche Specialty Risks	22.3	—	—	—	—	—	—
Property	21.0	—	—	—	—	—	—
Other professional	12.5	7.8	8.9	8.1	4.4	12.5	—
Professional D&O	3.1	—	—	—	—	—	—
Reinsurance	2.1	—	—	—	—	—	—
Misc. Specialty	10.7	2.3	2.0	0.2	2.1	5.7	3.6
Total	**$ 144.9**	**$ 53.4**	**$ 90.1**	**$ 50.2**	**$ 62.2**	**$ 230.6**	**$ 135.5**
Gross commission income	$ 23.1	$ 13.2	$ 17.7	$ 12.2	$ 14.6	$ 51.3	$ 30.7
Other income	(1.0)	—	0.1	0.1	0.1	0.2	0.7
Total revenues	**24.0**	**13.3**	**17.9**	**12.3**	**14.6**	**51.5**	**31.4**
Commission expense	9.5	7.9	9.8	7.4	8.5	29.5	17.6
General and administrative expenses	12.1	3.0	3.1	3.2	2.6	10.6	6.3
Total expenses included for EBITDA	**21.6**	**10.9**	**12.9**	**10.6**	**11.1**	**40.1**	**23.9**
EBITDA	**2.4**	**2.4**	**5.0**	**1.8**	**3.5**	**11.5**	**7.5**
EBITDA margin (1)	10.2 %	18.1 %	27.9 %	14.3 %	24.1 %	22.3 %	23.8 %
Interest expense	3.7	—	—	—	—	—	—
Intangible amortization	6.4	1.1	1.1	1.1	1.1	4.2	2.9
Depreciation	0.2	—	—	—	—	—	—
GAAP Pretax income	$ (7.9)	$ 1.3	$ 3.8	$ 0.6	$ 2.4	$ 7.3	$ 4.5
Pretax income margin (2)	(33.1)%	9.5 %	21.5 %	4.9 %	16.7 %	14.1 %	14.4 %
Net income	**$ (7.1)**	**$ 1.3**	**$ 3.7**	**$ 0.6**	**$ 2.4**	**$ 7.1**	**$ 4.5**
Ambac stockholders' equity (3)	$ 241.8	$ 104.6	$ 105.6	$ 105.4	$ 102.8	$ 105.4	$ 92.8

(1) EBITDA Margin calculated as EBITDA/Total (Segment) Revenue
(2) Pretax Income Margin calculated as GAAP Pretax Income/Total (Segment) Revenue
(3) Represents Ambac's stockholders equity in the Insurance Distribution segment, including intercompany eliminations

Ambac

Ambac

Legacy Financial Guarantee Insurance Information

Legacy Financial Guarantee Segment Quarterly Information

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023	Year ended December31, 2023	2022
Gross premiums written	$ (1.6)	$ 1.9	$ 1.7	$ 2.3	$ 2.1	$ 14.8	$ (19.5)
Net premiums written	(1.9)	1.5	1.5	7.3	2.5	(35.5)	(5.9)
Net premiums earned	$ 5.7	$ 5.6	$ 7.5	$ 5.6	$ 6.1	$ 26.0	$ 42.4
Net investment income	34.5	32.4	38.0	36.9	26.7	127.0	12.3
Net investment gains (losses), including impairments	(0.9)	(1.0)	0.6	(15.5)	0.8	(22.5)	31.5
Net gains (losses) on derivative contracts	(1.3)	0.7	1.8	(2.3)	4.4	(0.7)	127.6
Net realized gains on extinguishment of debt	—	—	—	—	—	—	81.3
Other income	6.3	15.8	5.2	7.5	3.0	14.5	30.3
Litigation recoveries	—	—	—	—	—	—	125.9
Total revenues	**44.1**	**53.5**	**53.1**	**32.2**	**40.9**	**144.3**	**451.3**
Expenses							
Loss and loss expenses (benefit)	17.2	(5.3)	(20.7)	1.9	(85.8)	(69.3)	(405.5)
Amortization of deferred acquisition costs, net	—	—	—	—	—	—	0.4
General and administrative expenses	14.2	22.5	21.4	19.2	35.5	106.3	102.4
Total expenses included for EBITDA	**31.4**	**17.2**	**0.7**	**21.1**	**(50.4)**	**37.0**	**(302.7)**
EBITDA	**12.7**	**36.3**	**52.4**	**11.1**	**91.3**	**107.3**	**754.0**
Interest expense	15.8	16.0	16.0	15.9	15.8	64.0	168.2
Depreciation expense	0.2	0.2	0.2	0.3	0.3	1.3	1.8
Intangible amortization	6.2	7.0	11.3	7.1	6.1	24.7	43.9
Total expenses	**53.6**	**40.4**	**28.2**	**44.4**	**(28.2)**	**127.1**	**(88.8)**
GAAP pretax income (loss)	**$ (9.4)**	**$ 13.1**	**$ 24.8**	**$ (12.2)**	**$ 69.2**	**$ 17.2**	**$ 540.1**
Ambac GAAP Stockholders' Equity [(1)]	**$ 943.1**	**$ 939.5**	**$ 928.3**	**$ 923.2**	**$ 835.9**	**$ 923.2**	**$ 825.9**

(1) Represents Ambac stockholders equity in the Legacy Financial Guarantee segment, including intercompany eliminations and insurance intangible assets.

Ambac

Statutory Data for Ambac Assurance Corporation

As of September 30, 2024

($ in millions)	3Q2024	2Q2024	1Q2024	4Q2023	3Q2023
Statutory Invested assets	$ 1,565.2	$ 1,604.0	$ 1,674.5	$ 1,658.3	$ 1,599.0
Statutory loss and loss expense reserves [1]	525.9	460.1	462.2	477.7	490.4
Statutory Net Income [2]	(36.6)	18.9	(25.3)	13.7	5.3
Statutory Policyholders' Surplus [3]	789.0	893.7	877.6	897.2	574.9
Qualified statutory capital	1,092.5	1,197.2	1,181.1	1,200.8	1,176.4
Surplus Notes [4]	519.2	519.2	519.2	519.2	519.2
Surplus Notes Accrued and Unpaid Interest	512.5	499.5	487.1	474.7	462.4
Auction Market Preferred Shares (AMPS) Liquidation Preference [3]	114.9	114.9	114.9	114.9	114.9

(1) Loss and loss expense reserves and total claims-paying resources present loss and loss expense reserves gross of the recorded statutory benefit for expected subrogation receipts.
(2) Statutory net income (loss) for the year ended December 31, 2023 was $(0.2).
(3) Effective December 31, 2023, Ambac Assurance received regulatory approval from OCI to release contingency reserves in the amount of $298 million.
(4) Amounts are included in Statutory Policyholders' Surplus.

Ambac

Financial Guarantee Insurance Claims Paying Ratio

($ in millions, except ratios)	September 30, 2024	December 31, 2023
Ambac Assurance Corporation Policyholders' surplus [1]	$ 789.0	$ 897.2
Contingency reserve	303.5	303.5
Qualified statutory capital	1,092.5	1,200.8
Unearned premiums	55.3	65.4
Loss and loss adjustment expenses [2]	525.9	477.7
Present value of future installment premiums [3]	80.5	87.2
Ambac Assurance claims-paying resources	**1,754.2**	**1,831.1**
Ambac UK claims-paying resources [4]	899.8	846.0
Total claims-paying resources	**$ 2,654.0**	**$ 2,677.1**
Net financial guarantees in force [5]		
Ambac Assurance	$ 16,741.3	$ 18,351.8
Ambac UK	11,001.9	10,769.4
Total net financial guarantees in force	**$ 27,743.2**	**$ 29,121.2**

	September 30, 2024	December 31, 2023
Claims-paying ratio [6]		
Ambac Assurance	10 : 1	10 : 1
Ambac UK	12 : 1	13 : 1
Total claims-paying ratio	**10 : 1**	**11 : 1**

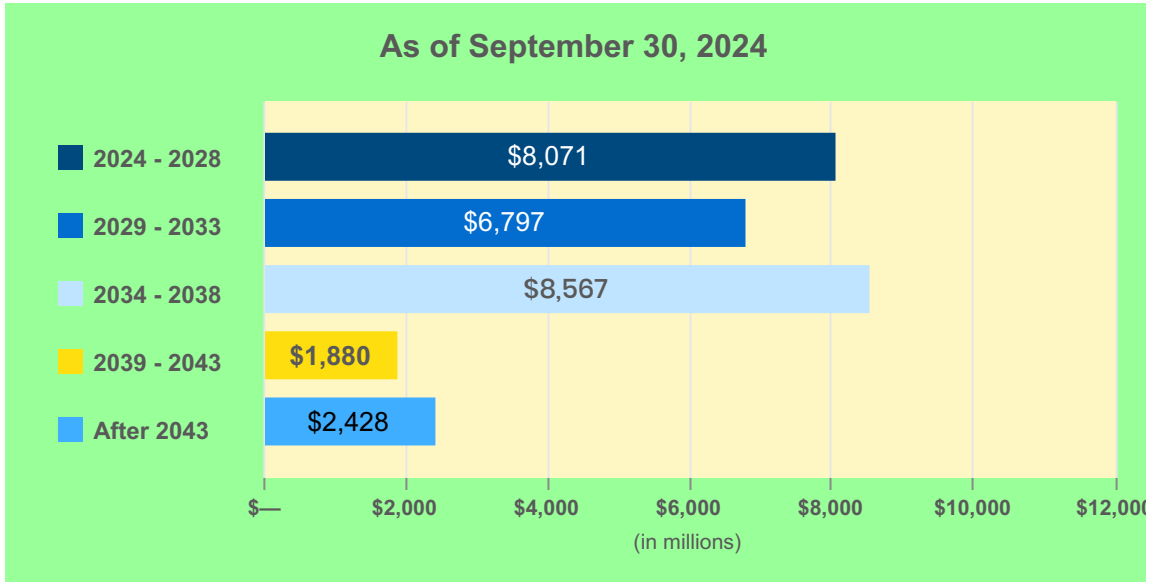
(1) Surplus notes with an aggregate par value of $519.2 and $519.2 as of September 30, 2024 and December 31, 2023, respectively, are included in policyholders' surplus.
(2) Loss and loss expense reserves are presented gross of the recorded statutory benefit for expected subrogation receipts of $164.6 and $164.1 at September 30, 2024 and December 31, 2023, respectively.
(3) Present value of future installment premiums includes premiums on installment financial guarantee insurance contracts (excluding Ambac UK). Present value calculations are discounted at 5.1%.
(4) Ambac UK's claims paying resources will become available to Ambac Assurance to the extent Ambac UK receives approval from its regulator to dividend monies to Ambac Assurance. Components of Ambac UK's claims paying resources are discounted at Ambac UK's projected investment rate of return. Ambac UK's claims-paying resources includes the present value of future installment premiums of approximately $149.8 at September 30, 2024.
(5) Financial guarantees in force represents the amount of principal and interest outstanding on a guaranteed obligation.
(6) Claims-paying ratio is net financial guarantees in force divided by claims-paying resources.

Ambac

Net Unearned Premium Amortization and Estimated Future Installment Premiums

($ in millions)	Net Unearned Premium Amortization (GAAP) [1]	Estimated Net Future Installments [2]	Consolidated VIE [3]
2024 (three months)	$ 3.9	$ 3.5	$ 3.4
2025	15.5	20.6	9.8
2026	15.6	19.9	9.0
2027	14.8	19.3	8.2
2028	13.9	18.5	7.3
2024 (three months) - 2028	63.7	81.8	37.8
2029 - 2033	54.9	74.9	29.6
2034 - 2038	27.4	39.6	10.4
2039 - 2043	9.0	15.6	0.1
After 2043	4.7	7.6	—
Total	**$ 159.8**	**$ 219.5**	**$ 77.9**

Future Amortization of Net Financial Guarantees in Force [4]



(1) Represents unearned premium amounts for both upfront and installment paying policies, net of deferred ceded premiums, which is reported separately as an asset on Ambac's Consolidated Balance Sheet. Depicts amortization of existing guaranteed portfolio, assuming no advance refunding as of September 30, 2024. The unearned premium amortization disclosed in the above table considers the use of contractual lives for many bond types that do not have homogeneous pools of underlying collateral, which may result in different unearned premium balances and earned premiums than if expected lives were considered. Actual future installments, and therefore earned premiums, may differ from estimated because borrowers may have the right to call or terminate a transaction or the guaranteed obligation may be subject to prepayment. If installment paying policies are retired early, premium earnings may be negative in the period of call or refinancing.

(2) Represents management's estimate of future installment premium collections, net of reinsurance. Actual premium collections may differ from estimated because borrowers may have the right to call or terminate a transaction or the guaranteed obligation may be subject to prepayment. Estimated net future installments exclude amounts eliminated as a result of consolidating variable interest entities ("Consolidated VIE") as required under the Consolidations Accounting Standard.

(3) Estimated net future installment amounts eliminated under the U.S. GAAP Consolidations Accounting Standard; not included in Estimated Net Future Installments.

(4) Depicts amortization of existing guaranteed portfolio (principal and interest), assuming no advance refundings, as of September 30, 2024. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay guaranteed obligations.

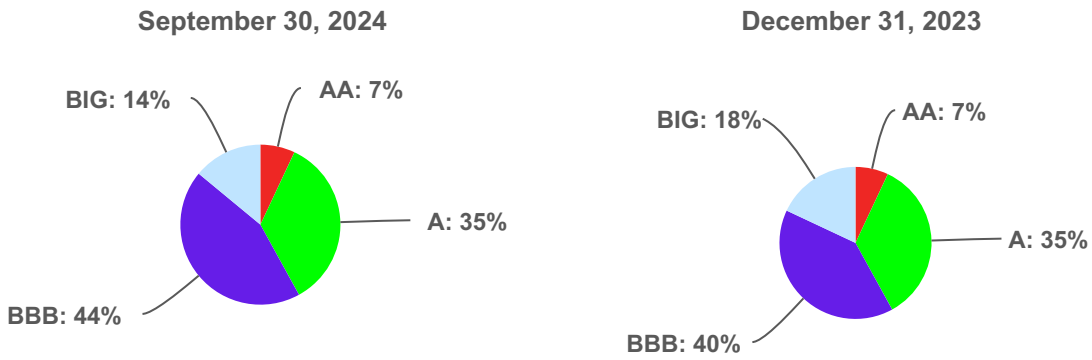
Ambac

Historical Net Financial Guarantee Insurance Exposures Outstanding[1]

($ in millions net par value)	September 30, 2024	2023	December 31, 2022	2021
Public Finance [2]:				
Housing revenue	$ 3,359	$ 3,443	$ 5,491	$ 5,610
Lease and tax-backed revenue	1,340	1,542	1,979	3,196
General obligation	947	1,051	1,301	1,612
Transportation revenue	376	426	535	555
Utility revenue	350	421	508	583
Other	547	679	733	804
Total Public Finance	6,919	7,562	10,547	12,360
Structured Finance:				
Mortgage-backed and home equity	1,557	1,712	1,930	2,724
Investor-owned utilities	897	1,077	1,103	1,556
Other	416	526	579	624
Total Structured Finance	2,870	3,315	3,612	4,904
International Finance [3]:				
Sovereign/sub-sovereign	4,305	4,221	4,077	5,141
Investor-owned and public utilities	3,083	2,855	2,583	3,283
Asset-backed and other	834	862	1,083	1,276
Transportation	745	726	711	1,056
Total International Finance	8,967	8,664	8,454	10,756
Total	**$ 18,756**	**$ 19,541**	**$ 22,613**	**$ 28,020**

	September 30, 2024	2023	December 31, 2022	2021
Percent of Total Net Par Outstanding				
Public Finance	37 %	39 %	47 %	44 %
Structured Finance	15 %	17 %	16 %	18 %
International Finance	48 %	44 %	37 %	38 %
Total Net Par Outstanding	100 %	100 %	100 %	100 %

Rating Distribution of Net Financial Guarantee Exposures Outstanding [4] [5]



(1) Includes net par exposures insured by Ambac UK of $8,686, $8,397, $8,194 and $10,292 at September 30, 2024, December 31, 2023, December 31, 2022 and December 31, 2021, respectively.

(2) Net par exposures within the U.S. public finance market include capital appreciation bonds which are reported at the par amount at the time of issuance of the insurance policy as opposed to the current accreted value of the bonds.

(3) International transactions include components of domestic exposure.

(4) Based upon internal Ambac ratings. See Note 1 on the Table of Contents page.

(5) AAA is less than 1% is both periods.

Ambac

Adversely Classified Credit Exposures Outstanding [1][2] As of September 30, 2024

($ in millions)	Market Type	Net Par Outstanding	% of Total Net Par Outstanding
RMBS Exposures	Structured Finance	$ 1,526	8.1 %
Military Housing	Public Finance	357	1.9 %
International Infrastructure Exposures[3]	International Finance	304	1.6 %
Student Loans Exposures	Structured Finance	180	1.0 %
Other		310	1.7 %
Total		**$ 2,677**	**14.3 %**

(1) Adversely classified credits are assigned a rating of Class IA through Class V. See below and for a complete description of credit classifications refer to Ambac's 2023 Form 10-K

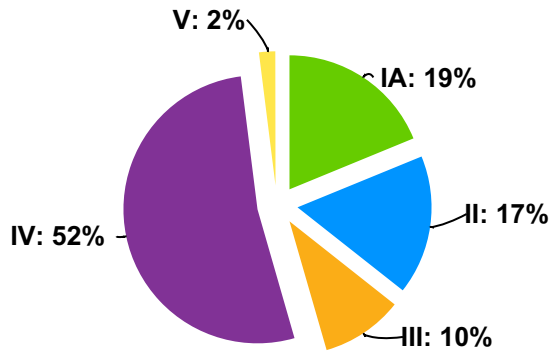
(2) Net Par includes capital appreciation bonds, which are reported at the par amount at the time of issuance of the insurance policy as opposed to the current accreted value of the bonds

(3) All or a portion of these exposures are guaranteed by Ambac UK

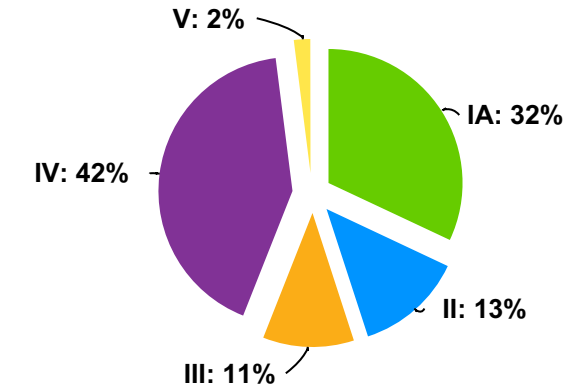
	Classification	Description
Adversely Classified Credits	Class IA	Potential Problem with Risks to be Dimensioned
	Class II	Substandard Requiring Intervention
	Class III	Doubtful with Clear Potential for Loss
	Class IV	Imminent Default or Defaulted
	Class V	Fully Reserved

Adversely Classified Distribution of Exposures Outstanding [1]

September 30, 2024



December 31, 2023



Ambac

Ambac

Appendix

Other Consolidated Non-GAAP Financial Measures[1]

Adjusted Net Income (Loss):	3Q2024		2Q2024		1Q2024		4Q2023		3Q2023		Full Year 2023		Full Year 2022	
	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]	$ Amount	P.D.S. [2] [3]
Net income (loss) attributable to common stockholders	$ (27.5)	$ (0.63)	$ (0.7)	$ (0.02)	$ 20.1	$ 0.43	$ (15.7)	$ (0.24)	$ 65.9	$ 1.41	$ 3.6	$ 0.18	$ 522.4	$ 11.31
Adjustments:														
Net investment (gains) losses, including impairments	1.5	0.03	(3.6)	(0.08)	(0.6)	(0.01)	15.5	0.34	(0.8)	(0.02)	22.5	0.49	(31.5)	(0.68)
Intangible amortization	12.6	0.27	8.2	0.18	12.5	0.26	8.3	0.18	7.2	0.15	28.9	0.62	46.8	1.01
Litigation costs	1.8	0.04	4.7	0.10	6.3	0.13	3.5	0.07	20.6	0.44	40.6	0.87	33.1	0.71
Foreign exchange (gains) losses	(4.1)	(0.09)	0.3	0.01	0.4	0.01	(0.9)	(0.02)	0.5	0.01	(0.8)	(0.02)	2.7	0.06
Workforce change costs	(0.1)	—	(0.1)	—	0.1	—	0.2	—	0.2	—	1.1	0.02	1.3	0.03
Net (gain) loss on extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—	(81.3)	(1.75)
Pretax adjusted net income (loss)	$ (15.8)	$ (0.38)	$ 8.7	$ 0.19	$ 38.8	$ 0.82	$ 10.8	$ 0.33	$ 93.6	$ 1.99	$ 95.8	$ 2.16	$ 493.6	$ 10.69
Income tax effects	(1.9)	(0.04)	(0.2)	(0.01)	(0.1)	—	(0.4)	(0.01)	0.3	0.01	(1.6)	(0.03)	2.0	0.04
Net (gains) attributable to noncontrolling interests	(1.8)	(0.04)	(0.2)	—	(0.2)	—	(0.2)	—	(0.2)	—	(0.8)	(0.02)	(0.6)	(0.01)
Adjusted Net Income (Loss)	$ (19.5)	$ (0.46)	$ 8.3	$ 0.18	$ 38.5	$ 0.82	$ 10.2	$ 0.32	$ 93.6	$ 2.00	$ 93.4	$ 2.11	$ 495.0	$ 10.72

(1) In addition to reporting the Company's quarterly financial results in accordance with GAAP, the Company is reporting non-GAAP financial measures: EBITDA, Adjusted Net Income and Adjusted Book Value. These amounts are derived from our consolidated financial information, but are not presented in our consolidated financial statements prepared in accordance with GAAP. We present non-GAAP supplemental financial information because we believe such information is of interest to the investment community, and that it provides greater transparency and enhanced visibility into the underlying drivers and performance of our businesses on a basis that may not be otherwise apparent on a GAAP basis. We view these non-GAAP financial measures as important indicators when assessing and evaluating our performance on a segmented and consolidated basis and they are presented to improve the comparability of our results between periods by eliminating the impact of the items that may not be representative of our core operating performance. These non-GAAP financial measures are not substitutes for the Company's GAAP reporting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-GAAP measures differently.

(2) Per diluted share ("P.D.S.").

(3) Per Diluted Share includes the impact of adjusting redeemable noncontrolling interest to it's redemption value.

Ambac

Other Consolidated Non-GAAP Financial Measures[1] (Continued)

Adjusted Book Value:	September 30, 2024 $	September 30, 2024 P.S. [2]	June 30, 2024 $	June 30, 2024 P.S. [2]	March 31, 2024 $	March 31, 2024 P.S. [2]	December 31, 2023 $	December 31, 2023 P.S. [2]	September 30, 2023 $	September 30, 2023 P.S. [2]
Total Ambac Financial Group, Inc. stockholders' equity	$ 1,465.3	$ 30.89	$ 1,368.1	$ 30.25	$ 1,365.2	$ 30.19	$ 1,361.7	$ 30.13	$ 1,265.2	$ 28.00
Adjustments:										
Insurance intangible asset	(224.0)	(4.73)	(226.2)	(5.00)	(233.1)	(5.16)	(245.1)	(5.43)	(249.1)	(5.51)
Net unearned premiums and fees in excess of expected losses	161.3	3.40	156.6	3.46	153.7	3.40	162.1	3.59	154.5	3.42
Net unrealized investment (gains) losses in Accumulated Other Comprehensive Income	(13.4)	(0.28)	23.3	0.52	27.2	0.60	20.2	0.45	89.9	1.99
Adjusted book value	$ 1,389.2	$ 29.28	$ 1,321.8	$ 29.23	$ 1,313.1	$ 29.03	$ 1,298.9	$ 28.74	$ 1,260.5	$ 27.90

Adjusted Book Value:	December 31, 2022 $	December 31, 2022 P.S. [2] [3]	December 31, 2021 $	December 31, 2021 P.S. [2] [3]	December 31, 2020 $	December 31, 2020 P.S. [2][3]
Total Ambac Financial Group, Inc. stockholders' equity	$ 1,252.3	$ 27.85	$ 1,038.1	$ 22.42	$ 1,079.8	$ 23.57
Adjustments:						
Non-credit impairment fair value losses on credit derivatives	—	—	0.4	0.01	0.4	0.01
Insurance intangible asset	(265.7)	(5.91)	(320.0)	(6.91)	(373.2)	(8.14)
Net unearned premiums and fees in excess of expected losses	214.1	4.76	309.5	6.68	377.7	8.24
Net unrealized investment (gains) losses in Accumulated Other Comprehensive Income	71.4	1.59	(154.0)	(3.32)	(166.1)	(3.63)
Adjusted book value	$ 1,272.1	$ 28.29	$ 874.0	$ 18.88	$ 918.5	$ 20.05

(1) In addition to reporting the Company's quarterly financial results in accordance with GAAP, the Company is reporting non-GAAP financial measures: EBITDA, Adjusted Net Income and Adjusted Book Value. These amounts are derived from our consolidated financial information, but are not presented in our consolidated financial statements prepared in accordance with GAAP. We present non-GAAP supplemental financial information because we believe such information is of interest to the investment community, and that it provides greater transparency and enhanced visibility into the underlying drivers and performance of our businesses on a basis that may not be otherwise apparent on a GAAP basis. We view these non-GAAP financial measures as important indicators when assessing and evaluating our performance on a segmented and consolidated basis and they are presented to improve the comparability of our results between periods by eliminating the impact of the items that may not be representative of our core operating performance. These non-GAAP financial measures are not substitutes for the Company's GAAP reporting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-GAAP measures differently.

(2) Per share outstanding at balance sheet date ("P.S.").

Ambac