PUERTO RICO EXPOSURE

Second Quarter 2020

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PUERTO RICO EXPOSURE & RATINGS SUMMARY

Ambac Puerto Rico Exposure as of June 30, 2020 *($ in millions)* Single Risk [6]	(1) Gross Par	(1) (2) Net Par	(5) Gross Principal & Interest	(2) (5) Net Principal & Interest	Range of Maturity	Credit Class	Rating
General Fund Debt:							
PR Commonwealth GO	$ 24.7	$ 24.7	$ 26.7	$ 26.7	2020-2023	IV	BIG
PR Public Buildings Authority Revenue - GO Guaranty	84.3	84.3	147.6	147.6	2020-2035	IV	BIG
Subtotal	**109.0**	**109.0**	**174.3**	**174.3**			
Revenue Debt:							
PR Highways and Transp'n 1968 Resolution - Highway Rev [3][4]	4.4	4.3	10.4	10.3	2021-2027	IV	BIG
PR Highways and Transp'n 1998 Resolution - Sr Transp'n [3][4]	417.0	405.1	687.7	666.9	2020-2042	IV	BIG
PR Infrastructure Financing Special Tax Revenue (Rum Tax) [3]	412.9	403.4	916.1	895.0	2020-2044	IV	BIG
Convention Center (Hotel Occupancy Tax) [3]	100.0	100.0	143.7	143.7	2020-2031	IV	BIG
Senior Sales Tax Rev (COFINA)	83.9	83.5	747.2	743.8	2020-2054	III	BIG
Subtotal	**1,018.2**	**996.3**	**2,505.1**	**2,459.7**			
Grand total	**$ 1,127.2**	**$ 1,105.3**	**$ 2,679.4**	**$ 2,634.0**			

(1) Gross Par and Net Par include capital appreciation bonds ("CABS") which are reported at the par amount at the time of issuance of the insurance policy Accretion of the CABS would increase the related gross and net par by $219 million and $215 million, respectively at June 30, 2020

(2) Net Par and Net Principal & Interest are net of reinsurance

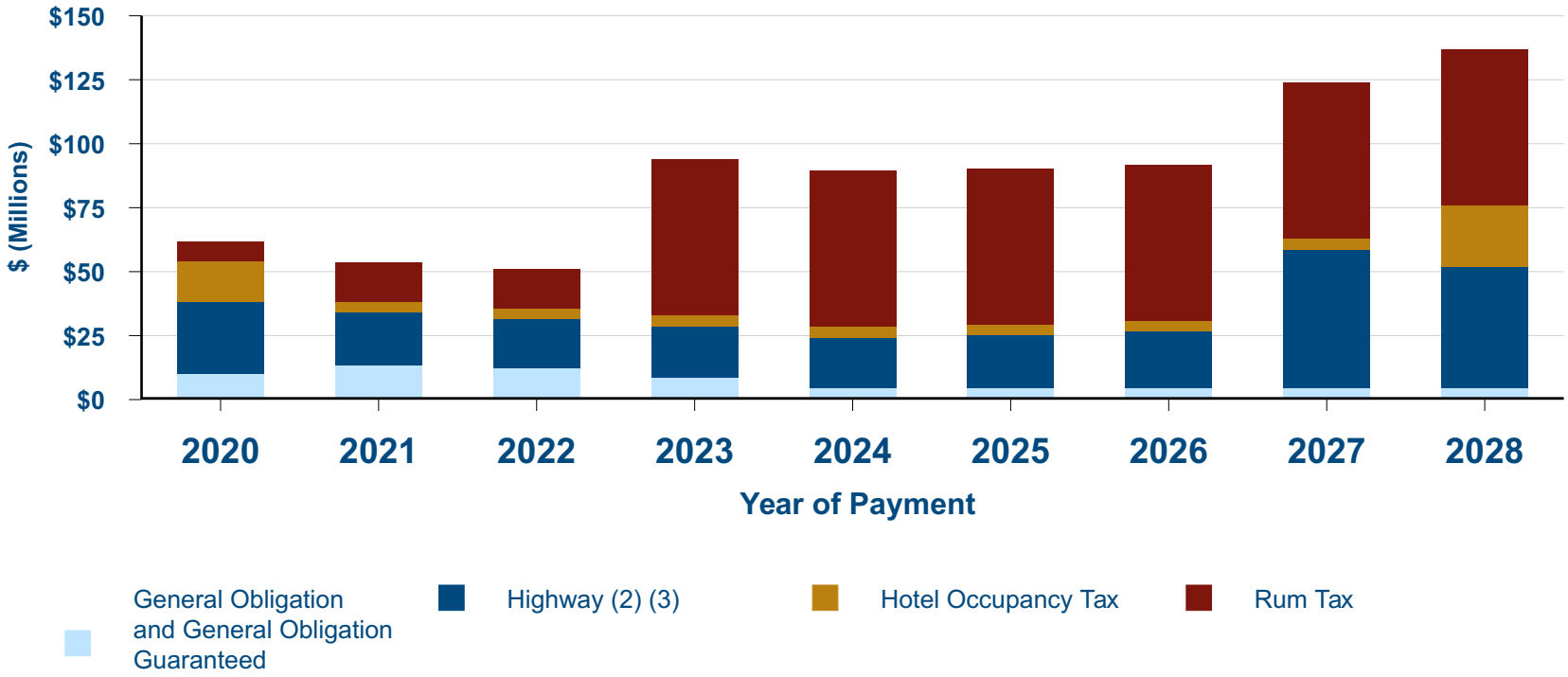
(3) Subject to Act No. 5-2017, as amended, also known as the Financial Emergency and Fiscal Responsibility Act of 2017, which declares an emergency period that has been subsequently re-extended until December 31, 2020. Pursuant to Act 5-2017, all executive orders issued under Act No. 21-2016 (as amended, known as the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act), shall continue in full force and effect until amended, rescinded or superseded. Also subject to the Priority Debt Provision under Section 8 of Article VI of the Constitution of the Commonwealth of Puerto Rico, commonly known as the "clawback provision"

(4) Certain Pledged Revenues for Highway and Transportation Revenue Bonds such as Toll Revenues and Investment Earnings are not subject to the Priority Debt Provision

(5) Both the Gross and Net Principal & Interest do not reflect an interest rate increase from 5.5% to 10%, resulting from the lack of a remarketing, on a $60 million Ambac-insured 7/1/2035 security issued by the PR Public Building Authority. Should a remarketing not occur before the maturity of the bonds, both the Gross and Net Principal & Interest would increase by $40.7 million

(6) As of June 30, 2020 ever-to-date net claims paid, including commutation payments, net of subrogation received and reinsurance are $530.9 million. In July 2020, Ambac made net claim payments totaling $63.2 million on Ambac-insured Bonds

SCHEDULE OF NET DEBT SERVICE[1] ON INSURED DEBT
(AS OF JUNE 30, 2020)



[1] *Net of reinsurance*
[2] *Aggregate Highway (1968) and Senior Transportation (1998)*
[3] *Certain CUSIPs within this risk pay monthly or quarterly. Such payments are reflected in the next semi-annual payment date*

PUERTO RICO NET PRINCIPAL AND INTEREST[(1)] AMORTIZATION

AS OF JUNE 30, 2020 *($ IN MILLIONS)*

Net Principal and Interest Amortization of Ambac Insured Puerto Rico Exposures by Payment Date

Payment Date	Commonwealth GO	Public Bldg - GO Guaranteed [(3)]	Senior Highway (1968)	Senior Transportation (1998) [(2)]	Rum Tax	Hotel Occupancy Tax	Sales Tax (COFINA)	Total P & I
7/1/2020	$ 7.2	$ 3.1	$ —	$ 27.8	$ 7.6	$ 16.1	$ —	$ 61.8
1/1/2021	0.4	2.3	—	9.5	7.6	2.2	—	22.0
7/1/2021	7.4	3.1	1.3	9.9	7.6	2.2	—	31.5
1/1/2022	0.2	2.3	—	9.5	7.6	2.2	—	21.8
7/1/2022	7.5	2.3	—	9.5	7.6	2.2	—	29.1
1/1/2023	0.1	2.3	—	9.5	7.6	2.2	—	21.7
7/1/2023	3.9	2.3	—	10.5	53.2	2.2	—	72.1
1/1/2024	—	2.3	—	9.5	6.4	2.2	—	20.4
7/1/2024	—	2.3	—	10.0	54.5	2.2	—	69.0
1/1/2025	—	2.3	—	9.4	5.0	2.2	—	18.9
7/1/2025	—	2.3	1.0	10.0	55.8	2.2	—	71.3
1/1/2026	—	2.3	—	9.4	3.6	2.2	—	17.5
7/1/2026	—	2.3	1.0	11.5	57.2	2.2	—	74.2
1/1/2027	—	2.3	—	8.9	2.2	2.2	—	15.6
7/1/2027	—	2.3	7.0	38.0	58.7	2.2	—	108.2
1/1/2028	—	2.3	—	8.8	0.6	2.2	—	13.9
7/1/2028	—	2.3	—	38.3	60.2	22.2	—	123.0
1/1/2029	—	2.3	—	8.7	—	1.7	—	12.7
7/1/2029	—	2.3	—	39.7	68.7	22.7	—	133.4
1/1/2030	—	2.3	—	7.9	—	1.1	—	11.3
7/1/2030	—	14.0	—	67.5	—	23.2	—	104.7
1/1/2031	—	1.9	—	6.3	—	0.6	—	8.8
7/1/2031	—	12.9	—	88.5	—	23.1	—	124.5
1/1/2032	—	1.7	—	4.2	—	—	—	5.9
7/1/2032	—	1.7	—	4.2	—	—	—	5.9

(1) Net of reinsurance

(2) Certain CUSIPs within this risk pay monthly or quarterly. Such payments are reflected in the next semi-annual payment date

(3) Net Principal and Interest Amortization does not reflect an interest rate increase from 5.5% to 10%, resulting from the lack of a remarketing, on a $60 million Ambac-insured 7/1/2035 security issued by the PR Public Building Authority. Should a remarketing not occur before the maturity of the bonds, the Net Principal and Interest Amortization would increase by $40.7 million

PUERTO RICO NET PRINCIPAL AND INTEREST[1] AMORTIZATION – CONTINUED

AS OF JUNE 30, 2020 *($ IN MILLIONS)*

Net Principal and Interest Amortization of Ambac Insured Puerto Rico Exposures by Payment Date

Payment Date	Commonwealth GO	Public Bldg - GO Guaranteed [3]	Senior Highway (1968)	Senior Transportation (1998) [2]	Rum Tax	Hotel Occupancy Tax	Sales Tax (COFINA)	Total P & I
1/1/2033	—	1.7	—	4.2	—	—	—	5.9
7/1/2033	—	1.7	—	4.2	—	—	—	5.9
1/1/2034	—	1.7	—	4.2	—	—	—	5.9
7/1/2034	—	28.3	—	4.2	68.7	—	—	101.2
1/1/2035	—	0.9	—	4.2	—	—	—	5.1
7/1/2035	—	33.5	—	4.2	68.7	—	—	106.4
1/1/2036	—	—	—	4.2	—	—	—	4.2
7/1/2036	—	—	—	62.2	68.7	—	—	130.9
1/1/2037	—	—	—	2.6	—	—	—	2.6
7/1/2037	—	—	—	63.7	49.2	—	—	112.9
1/1/2038	—	—	—	1.0	—	—	—	1.0
7/1/2038	—	—	—	40.8	—	—	—	40.8
1/1/2039	—	—	—	—	—	—	—	—
7/1/2039	—	—	—	—	—	—	—	—
1/1/2040	—	—	—	—	—	—	—	—
7/1/2040	—	—	—	—	—	—	—	—
1/1/2041	—	—	—	—	—	—	—	—
7/1/2041	—	—	—	—	—	—	—	—
1/1/2042	—	—	—	—	—	—	—	—
7/1/2042	—	—	—	0.2	—	—	—	0.2
1/1/2043	—	—	—	—	—	—	—	—
7/1/2043	—	—	—	—	84.0	—	—	84.0
1/1/2044	—	—	—	—	—	—	—	—
7/1/2044	—	—	—	—	84.0	—	—	84.0
8/1/2047	—	—	—	—	—	—	141.4	141.4
8/1/2048	—	—	—	—	—	—	75.6	75.6
8/1/2049	—	—	—	—	—	—	78.9	78.9
8/1/2050	—	—	—	—	—	—	82.2	82.2
8/1/2051	—	—	—	—	—	—	85.8	85.8
8/1/2052	—	—	—	—	—	—	89.4	89.4
8/1/2053	—	—	—	—	—	—	93.2	93.2
8/1/2054	—	—	—	—	—	—	97.2	97.2
Grand Total	$ 26.7	$ 147.6	$ 10.3	$ 666.9	$ 895.0	$ 143.7	$ 743.8	$ 2,634.0

(1) Net of reinsurance

(2) Certain CUSIPs within this risk pay monthly or quarterly. Such payments are reflected in the next semi-annual payment date

(3) Net Principal and Interest Amortization does not reflect an interest rate increase from 5.5% to 10%, resulting from the lack of a remarketing, on a $60 million Ambac-insured 7/1/2035 security issued by the PR Public Building Authority. Should a remarketing not occur before the maturity of the bonds, the Net Principal and Interest Amortization would increase by $40.7 million

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In this presentation, we have included statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "project," "plan," "believe," "anticipate," "intend," "planned," "potential" and similar expressions, or future or conditional verbs such as "will," "should," "would," "could," and "may," or the negative of those expressions or verbs, identify forward-looking statements. We caution readers that these statements are not guarantees of future performance. Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, which may by their nature be inherently uncertain and some of which may be outside our control. These statements may relate to plans and objectives with respect to the future, among other things which may change. We are alerting you to the possibility that our actual results may differ, possibly materially, from the expected objectives or anticipated results that may be suggested, expressed or implied by these forward-looking statements. Important factors that could cause our results to differ, possibly materially, from those indicated in the forward-looking statements include, among others, those discussed under "Risk Factors" in our most recent SEC filed quarterly or annual report.

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(8) inadequacy of reserves established for losses and loss expenses and possibility that changes in loss reserves may result in further volatility of earnings or financial results; (9) increased fiscal stress experienced by issuers of public finance obligations or an increased incidence of Chapter 9 filings or other restructuring proceedings by public finance issuers, including an increased risk of loss on revenue bonds of distressed public finance issuers due to judicial decisions adverse to revenue bond holders; (10) Ambac's inability to realize the expected recoveries included in its financial statements; (11) insufficiency or unavailability of collateral to pay secured obligations; (12) credit risk throughout Ambac's business, including but not limited to credit risk related to residential mortgage-backed securities, student loan and other asset securitizations, public finance obligations (including obligations of the Commonwealth of Puerto Rico and its instrumentalities and agencies) and exposures to reinsurers; (13) credit risks related to large single risks, risk concentrations and correlated risks; (14) the risk that the Ambac's risk management policies and practices do not anticipate certain risks and/or the magnitude of potential for loss; (15) risks associated with adverse selection as Ambac's insured portfolio runs off; (16) adverse effects on operating results or the Company's financial position resulting from measures taken to reduce risks in its insured portfolio; (17) disagreements or disputes with Ambac's insurance regulators; (18) our inability to mitigate or remediate losses, commute or reduce insured exposures or achieve recoveries or investment objectives, or the failure of any transaction intended to accomplish one or more of these objectives to deliver anticipated results; (19) Ambac's substantial indebtedness could adversely affect its financial condition and operating flexibility; (20) Ambac may not be able to obtain financing or raise capital on acceptable terms or at all due to its substantial indebtedness and financial condition; (21) Ambac may not be able to generate the significant amount of cash needed to service its debt and financial obligations, and may not be able to refinance its indebtedness; (22) restrictive covenants in agreements and instruments may impair Ambac's ability to pursue or achieve its business strategies; (23) loss of control rights in transactions for which we provide insurance due to a finding that Ambac has defaulted; (24) the impact of catastrophic environmental or natural events, including catastrophic public health events like the COVID-19 pandemic, on significant portions of our insured and investment portfolios; (25) adverse tax consequences or other costs resulting from the characterization of Ambac Assurance's surplus notes or other obligations as equity; (26) risks attendant to the change in composition of securities in Ambac's investment portfolio; (27) changes in prevailing interest rates; (28) the expected discontinuance of the London Inter-Bank Offered Rate; (29) factors that may influence the amount of installment premiums paid to Ambac; (30) default by one or more of Ambac 's portfolio investments, insured issuers or counterparties; (31) market risks impacting assets in the Ambac's investment portfolio or the value of our assets posted as collateral in respect of interest rate swap transactions; (32) risks relating to determinations of amounts of impairments taken on investments; (33) the risk of litigation and regulatory inquiries or investigations, and the risk of adverse outcomes in connection therewith, which could have a material adverse effect on Ambac's business, operations, financial position, profitability or cash flows; (34) actions of stakeholders whose interests are not aligned with broader interests of Ambac's stockholders; (35) system security risks, data protection breaches and cyber attacks; (36) changes in accounting principles or practices that may impact Ambac's reported financial results; (37) the economic and regulatory impact of "Brexit"; (38) operational risks, including with respect to internal processes, risk and investment models, systems and employees, and failures in services or products provided by third parties; (39) Ambac's financial position that may prompt departures of key employees and may impact the its ability to attract qualified executives and employees; (40) fluctuations in foreign currency exchange rates could adversely impact the insured portfolio in the event of loss reserves or claim payments denominated in a currency other than US dollars and the value of non-US dollar denominated securities in our investment portfolio; and (41) other risks and uncertainties that have not been identified at this time.

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