Investor Presentation
Quarterly Highlights

Fourth Quarter 2020

Ambac Financial Group
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AMBAC - COMPANY OVERVIEW

Ambac Financial Group, Inc., (AFG) is a financial services holding company whose common stock trades on the New York Stock Exchange under the symbol "AMBC"

NYSE: AMBC
$777 million market cap [(1)]

MISSION

- Optimize our business and its components to achieve maximum return for shareholders
- Aggressively pursue financially sound strategies to reduce risk and decrease the size of the financial guarantee insured portfolio

VISION

- Transition to a growth-oriented platform sufficiently capitalized to support businesses that are synergistic with Ambac's core competencies

VALUES

- Culture of respect, inclusion, collaboration and transparency
- Attract, retain and reward top performers who meet standards of excellence, integrity and collaboration

(1) Common Stock Market Cap based on 46 million AMBC common shares outstanding at the closing stock price of $16.95 on 2/26/2021

SUMMARY OF 2020 ACCOMPLISHMENTS

Ambac

STRATEGIC PRIORITIES SCORECARD FOR 2020

Strategic Priority	Achievement
Active runoff of Ambac Assurance and its subsidiaries through transaction terminations, policy commutations, settlements and restructurings with a focus on our watch list credits and known and potential future Adversely Classified Credits that we believe will improve our risk profile, and maximizing the risk-adjusted return on invested assets;	✓ Insured portfolio down 11% in 2020 ✓ Adversely Classified Credits (“ACC”) and Watch List Credits down 8% in 2020 ✓ Active de-risking transactions included: ◦ The commutation via a refunding, of a watch list public finance transaction with net par outstanding of $171 million at December 31, 2019 ◦ The refinancing of an international utility transaction with net par outstanding of $298 million at December 31, 2019 ◦ Successful negotiations with an international issuer to secure additional liquidity for the issuer while also increasing future optionality for Ambac ◦ The refinancing of an international stadium transaction with net par outstanding of $217 million at December 31, 2019
Rationalization of Ambac's and its subsidiaries' capital and liability structures, enabling simplification of our capital structure	✓ Additional paydown of Secured Note of $121 million

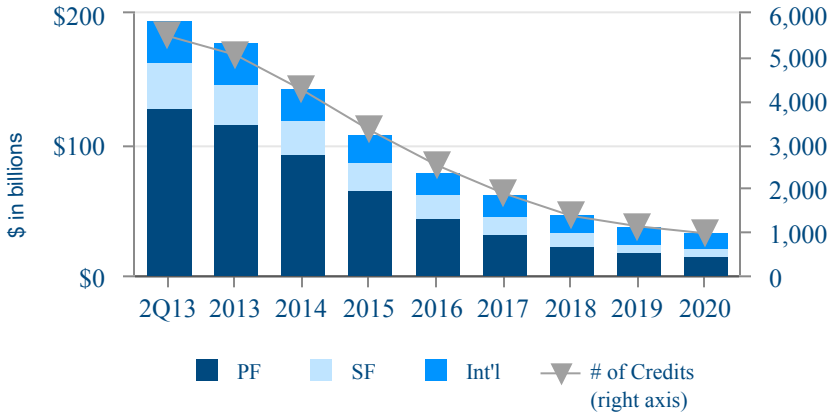
STRATEGIC PRIORITIES SCORECARD (CONT'D)

Strategic Priority	Achievement
Loss recovery through active litigation and exercise of contractual and legal rights	✓ Progressed RMBS litigations but incurred delays due to COVID
Improved cost effectiveness and efficiency of the operating platform	✓ Ongoing management of operational expenses ✓ Decrease in operating expenses of $10 million year over year
Diversification into property and casualty program insurance, managing general agency/underwriting and potentially other insurance and insurance related businesses that we believe will generate long-term shareholder value with attractive risk-adjusted returns and meet other preestablished criteria	✓ Re-domestication and license expansion of Everspan Insurance Company, an admitted P&C insurance carrier ✓ De Novo establishment of Everspan Indemnity Insurance Company, an excess and surplus lines insurance carrier, (collectively the "Everspan Group") ✓ Acquisition of Xchange Affinity Underwriting Agency, LLC and Xchange Benefits, LLC (collectively "Xchange")

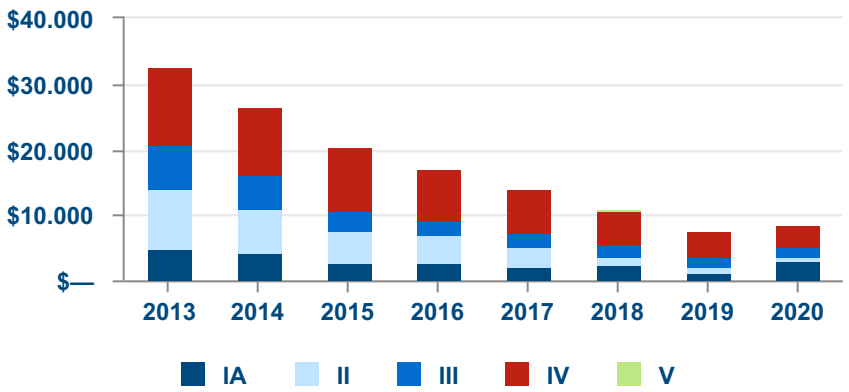
RISK MANAGEMENT – REDUCING INSURED LEGACY FINANCIAL GUARANTEE EXPOSURES

Natural run-off of exposure is complemented by proactive de-risking activities focused on reducing Adversely Classified and Watch List Credits…

Net Par Exposure Since June 2013

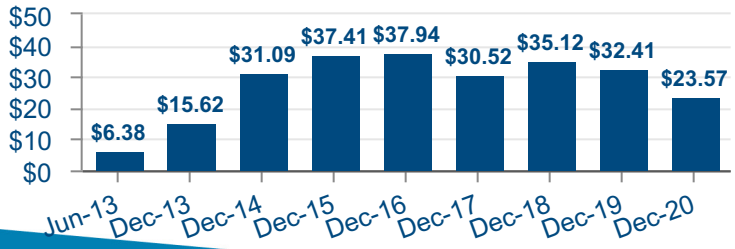


Adversely Classified Credits - Net Par (definitions in Appendix)

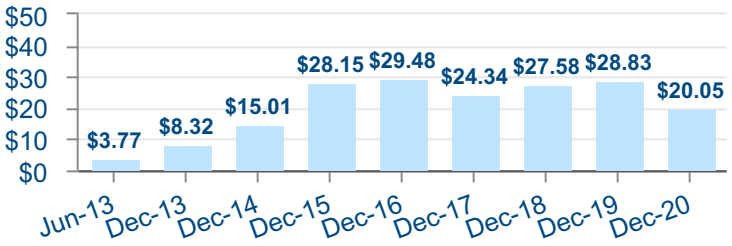


…while book value and adjusted book value have improved
(see slide 27 for explanation of Non-GAAP financial data)

Book Value Per Share
Increased $17.19 since June 2013



Adjusted Book Value Per Share
Increased $16.28 since June 2013



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LOSS MITIGATION — LITIGATION AND OTHER RECOVERIES

Aggressively pursuing RMBS and other recoveries, through litigation and other means - Achieved approximately $1.6 billion of RMBS-related recoveries ever-to-date

Active Litigation

- **Countrywide, First Franklin and Nomura**
  - Estimated GAAP gross subrogation related to representation and warranty ("R&W") claims of $1.8 billion as of December 31, 2020
- **Countrywide**
  - Filed appeal in response to the dismissal of our fraud claim
  - Awaiting assignment of new judge and rescheduling of trial
  - Pursuing additional fraud-only cases relating to Harborview and Lehman transactions
- **First Franklin and Nomura**
  - Timing further behind main Countrywide case
- **U.S. Bank**
  - Seeking redress for trustee's failure to enforce rights and remedies and its treatment of trust recoveries with respect to 5 RMBS transactions
- **Puerto Rico**
  - HTA
  - FEGP, Fiscal Plan Compliance Law
  - Clawback
  - US Treasury (relating to rum taxes)
  - COFINA trustee
  - GO / PBA
  - PRIFA / HTA / CCDA revenues
  - GO / PBA / HTA / PRIFA / CCDA underwriters

4Q20 FINANCIAL REVIEW

Ambac

4Q2020 FINANCIAL OVERVIEW

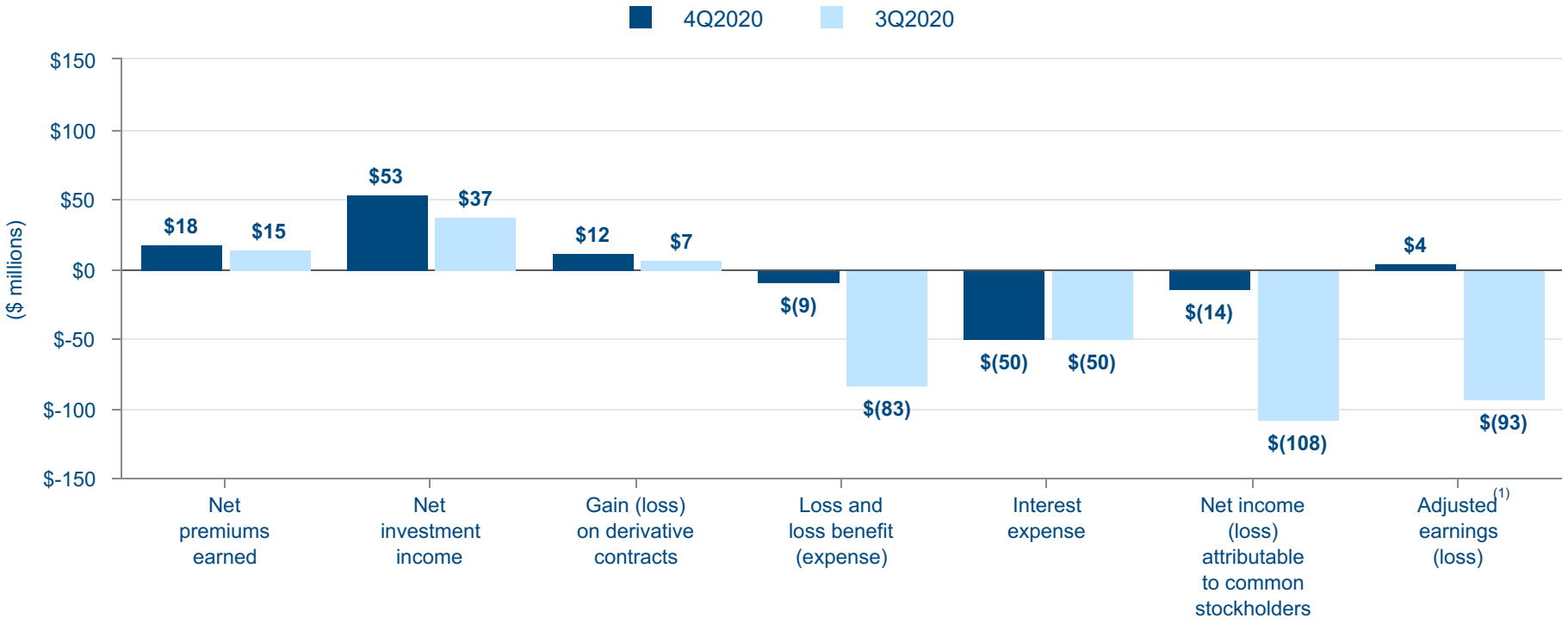
- **Net loss attributable to common stockholders for 4Q2020 was $14 million compared to $108 million in 3Q2020**
  - The lower net loss for 4Q2020 compared to 3Q2020 reflects lower loss and loss expense incurred and higher net investment income
- **Adjusted Earnings for 4Q2020 of $4 million and Adjusted Loss for 3Q20 of $93 million excludes insurance intangible asset amortization of $16 million and $14 million, respectively**

($ in millions, except per share amounts)	4Q2020	3Q2020
Net income (loss) attributable to common stockholders	$ (14)	$ (108)
Net income (loss) per diluted share	$ (0.31)	$ (2.33)
Adjusted earnings (loss) [(1)]	$ 4	$ (93)
Adjusted earnings (loss) per diluted share	$ 0.08	$ (2.01)
Total Ambac Financial Group Inc. stockholders' equity (Book value)	$ 1,080	$ 1,035
Book value per share	$ 23.57	$ 22.59
Adjusted book value [(1)]	$ 919	$ 891
Adjusted book value per share	$ 20.05	$ 19.44

(1) Adjusted earnings and adjusted book value are non-GAAP financial measures of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) net income attributable to common stockholders for Adjusted Earnings and Total Ambac Financial Group, Inc. stockholders' equity for Adjusted Book Value. A reconciliation between both financial measures can be found in Ambac's 4Q2020 Earnings Release included in Ambac's Current Report on Form 8-K filed with the SEC on March 1, 2021 and at the end of this document

4Q2020 vs 3Q2020 - KEY FINANCIAL RESULTS

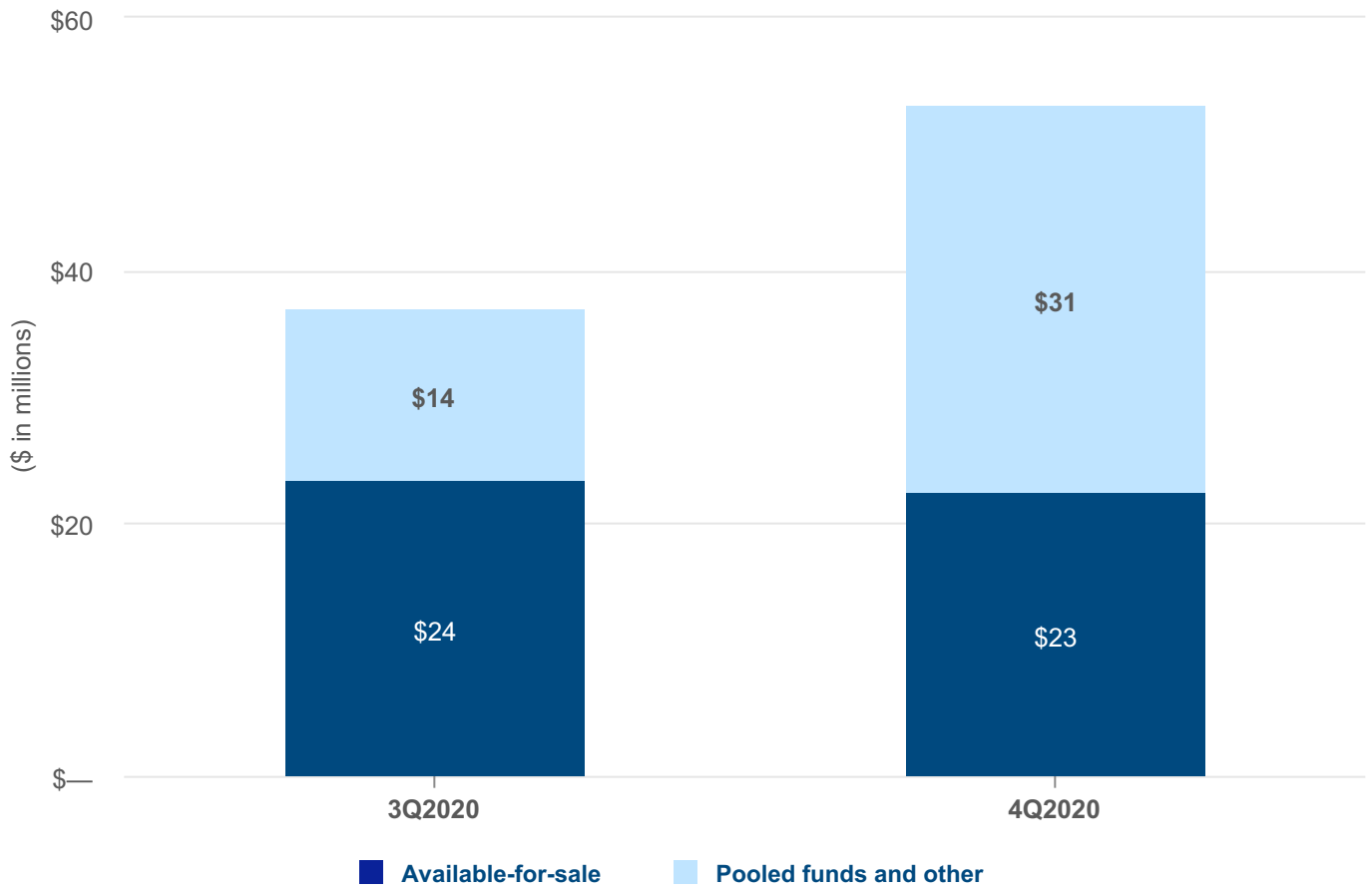
Fourth Quarter 2020 results improved relative to third quarter due to the impact of strong equity and credit markets on investment income and lower incurred losses in the insured portfolio, particularly in the public finance sector



(1) Adjusted earnings (loss) is a non-GAAP financial measure of financial position that excludes (or includes) amounts that are included in (or excluded from) net income which is presented in accordance with GAAP. A reconciliation to Net income (loss) attributable to common shareholders can be found in Ambac's 4Q2020 Earnings Release, included in Ambac's Current Report on Form 8-K filed with the SEC on March 1, 2021 and at the end of this document

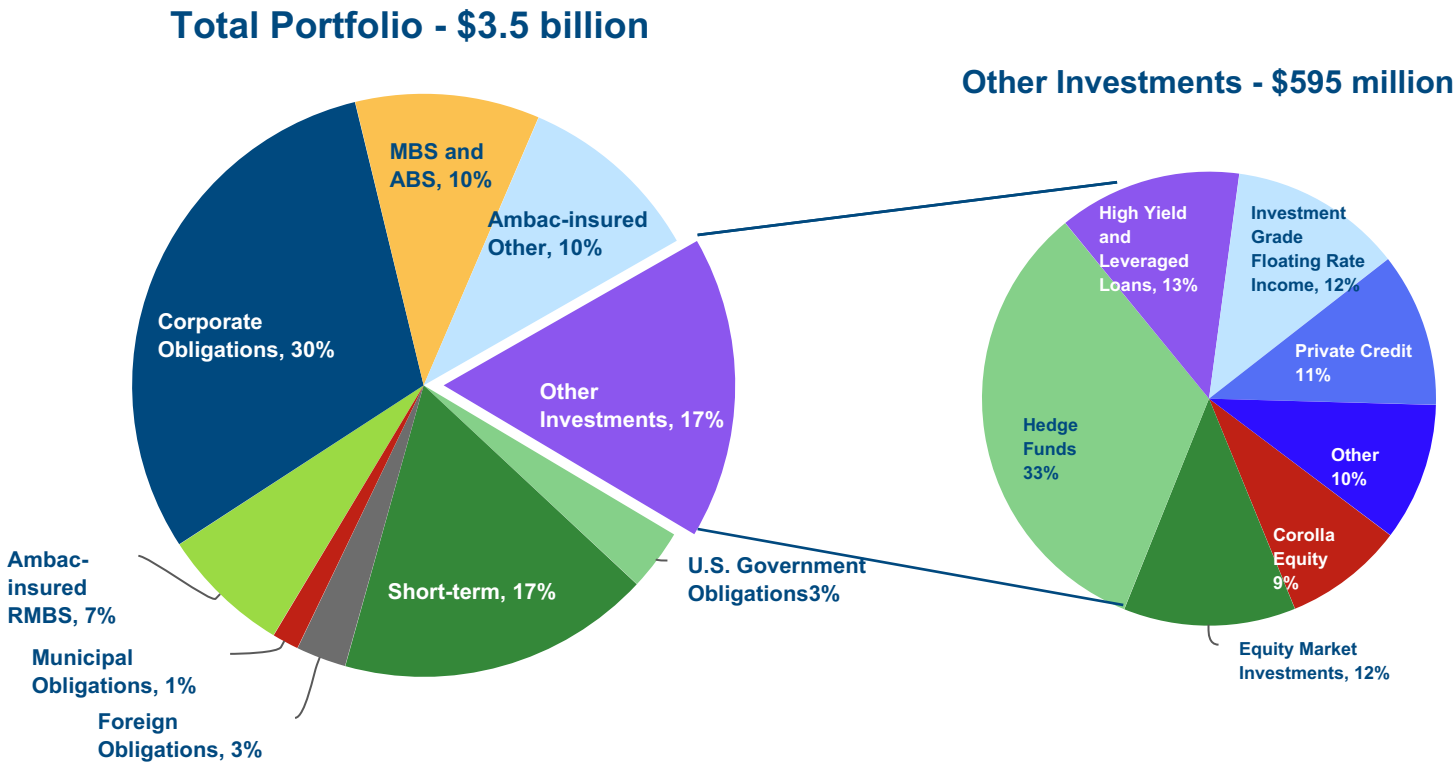
NET INVESTMENT INCOME (LOSS)

Net investment income for 4Q2020 was $53 million, compared to $37 million for 3Q2020. The increase was driven by gains from pooled fund investments



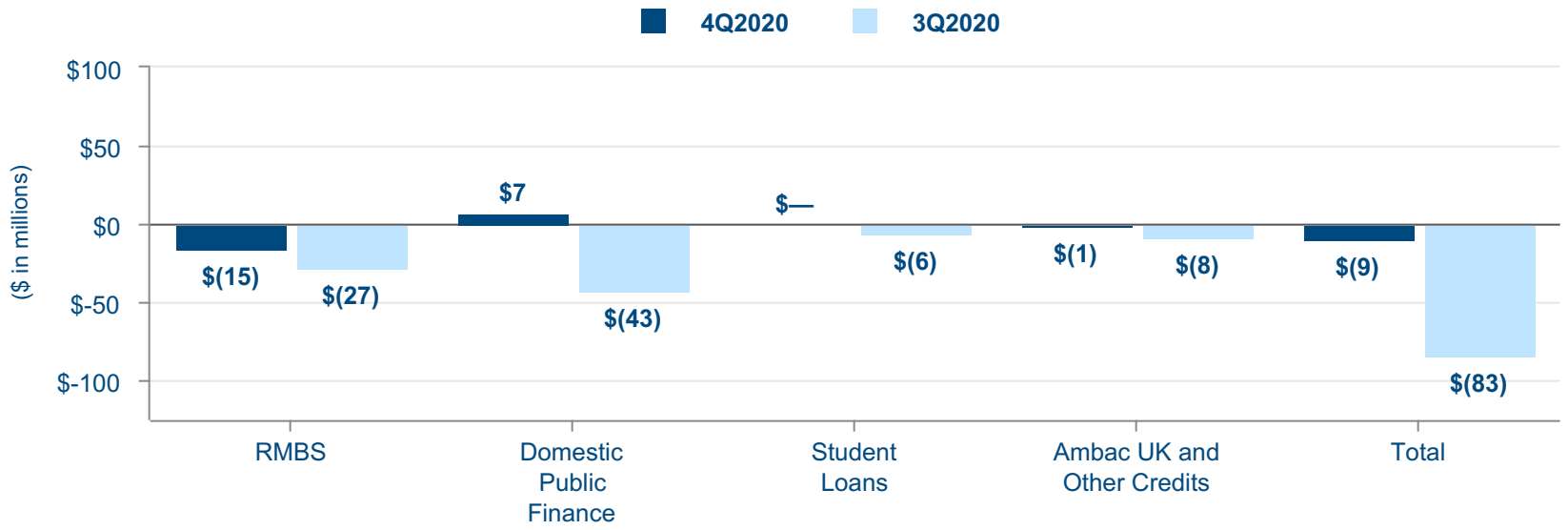
INVESTMENT PORTFOLIO COMPONENTS - DECEMBER 31, 2020

Gains on pooled and other equity investments represented $31 million of the $53 million of total net investment gains for 4Q20, driven by continued strong equity and credit markets



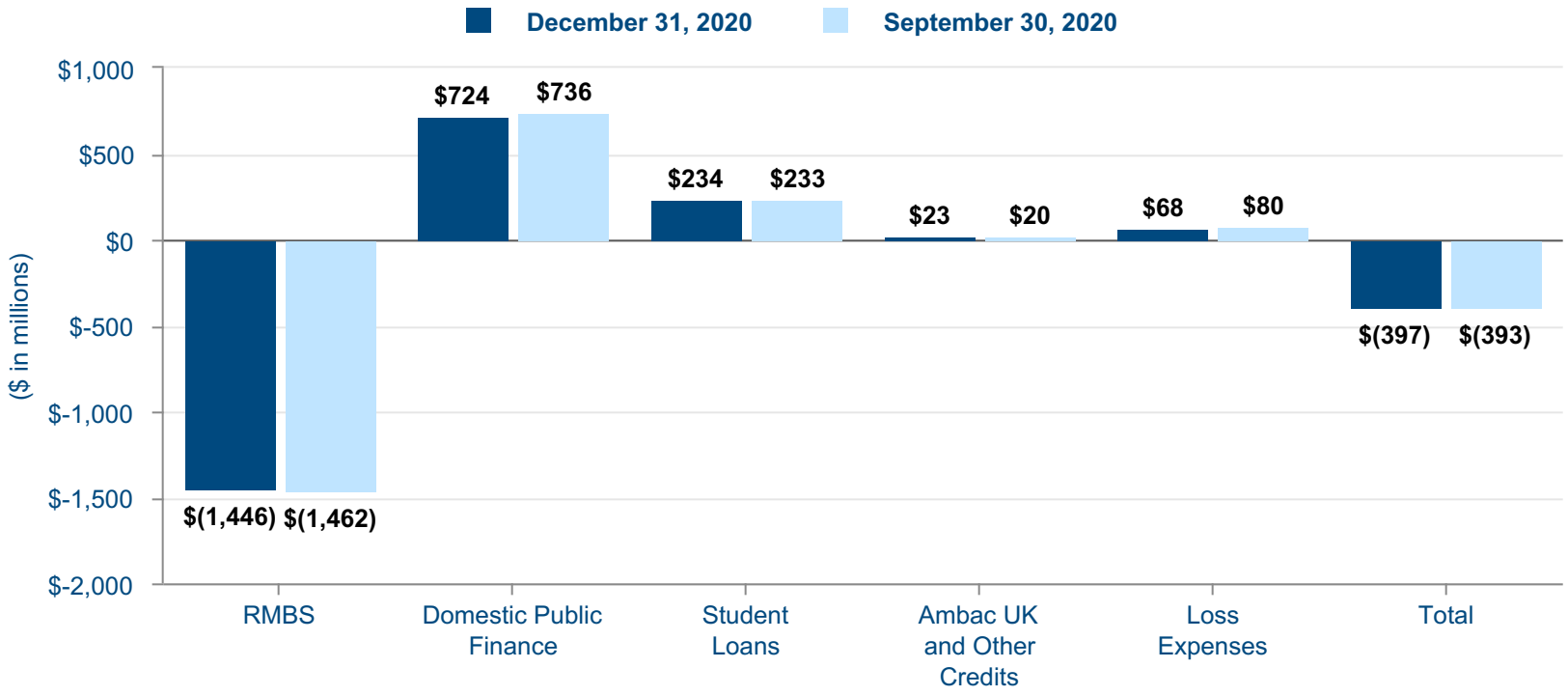
INCURRED (LOSSES) BENEFIT BY CATEGORY[(1)] - 4Q2020 vs 3Q2020

- **RMBS losses of $15 million in 4Q2020 were the result of incremental loss expenses driven by increased R&W litigation costs**
- **Domestic Public Finance benefit of $7 million in 4Q2020 was primarily due to the favorable impact of discount rates and positive credit developments, partially offset by an increase in Puerto Rico reserves resulting from assumption changes**



(1) Components may not add to total due to rounding

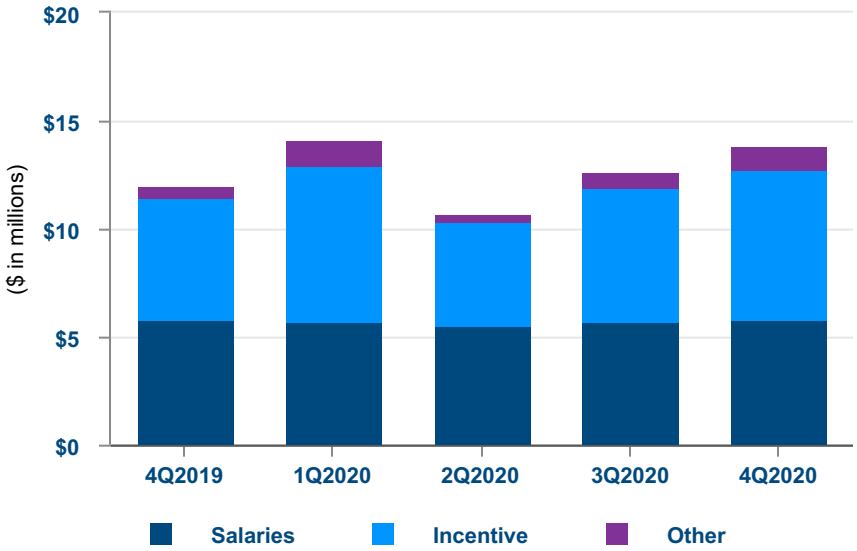
GROSS LOSS RESERVES BY CATEGORY[(1)]



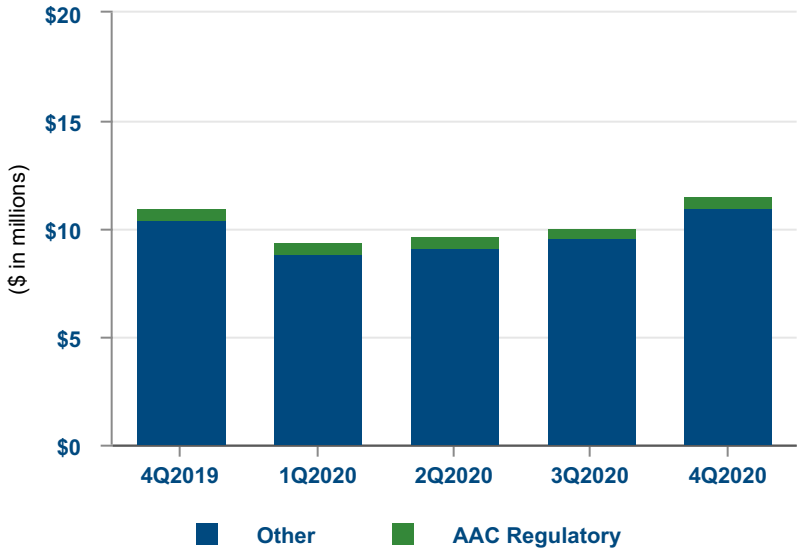
(1) Gross loss reserves are net of estimated R&W subrogation of $1.751 billion and $1.757 billion as of December 31, 2020 and September 30, 2020, respectively, and other subrogation of $735 million and $781 million as of December 31, 2020 and September 30, 2020, respectively

EXPENSE MANAGEMENT

Compensation Expense



Non-Compensation Expenses



- **Compensation expense increased $1 million in 4Q2020 to $14 million from 3Q2020 mostly due to higher variable compensation costs**
- **Non-Compensation expenses increased $1 million in 4Q20 to $12 million in 3Q20 due to transaction costs associated with the acquisition of Xchange which closed in December 2020**

AMBAC CONSOLIDATED LIABILITY AND CAPITAL SUMMARY

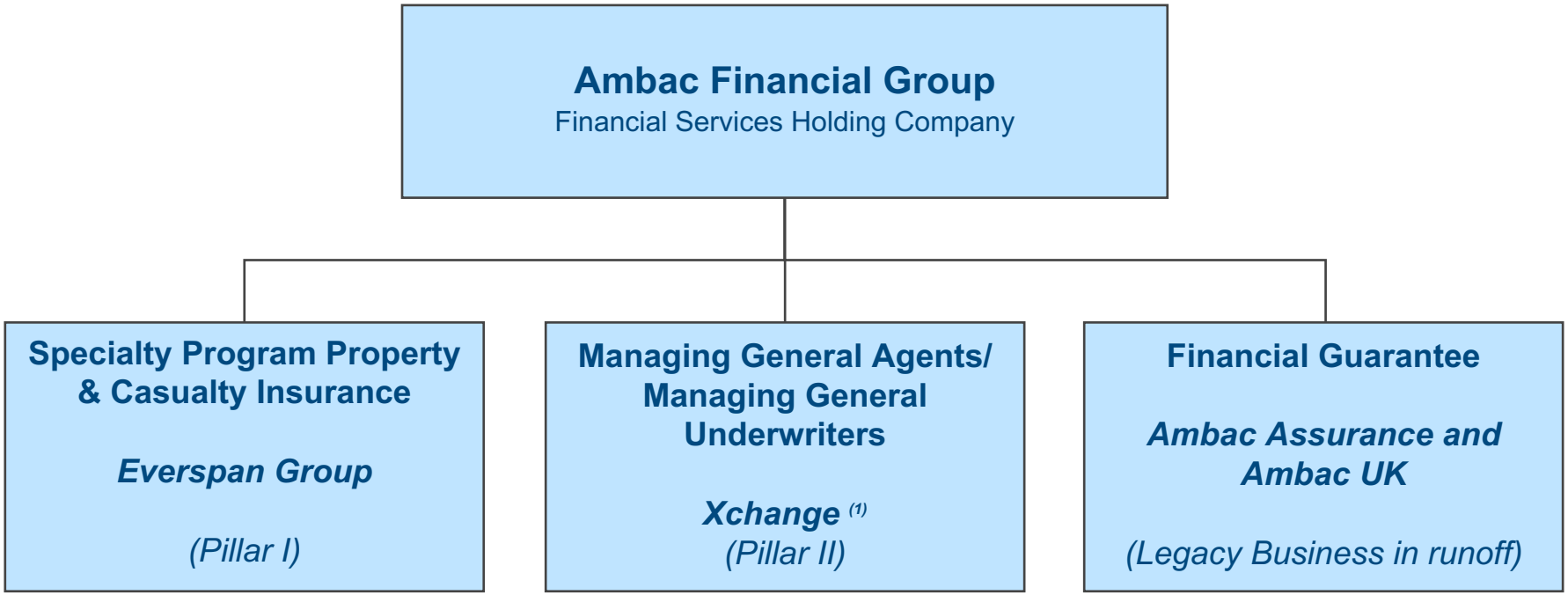
Category	($ in millions) 12/31/20	Comments
Claim Liabilities	$2,160	• Before estimated subrogation, Unearned Premium Revenue ("UPR") and reinsurance
Secured Notes	$1,174	• Excludes $468 million of principal and interest held at AAC [1] • Includes $0.2 million of accrued and unpaid interest
5.1% Surplus Notes	$875	• Includes $344 million of accrued and unpaid interest
5.1% Junior Surplus Notes	$537	• Includes $172 million of accrued and unpaid interest. Exchanged for Surplus Notes in 1Q21 reducing nominal debt outstanding by approximately $75 million
Tier 2 Note	$306	• Includes paid-in-kind interest of $66 million
Ambac UK Debt	$14	• Zero coupon note payable at maturity on May 2, 2036
Auction Market Preferred Shares (AMPS)	$138	• Liquidation Preference
Common Stock Market Cap[2]	$777	• 45,850,468 common shares • 4,877,749 warrants

(1) AAC pledged for the benefit of holders of Secured Notes (other than AAC) the proceeds of the Secured Notes held by AAC
(2) Common Stock Market Cap based on AMBC common shares outstanding on 2/26/2021 at the closing stock price of $16.95 on 2/26/2021

PLATFORM DIVERSIFICATION STRATEGY

Ambac

AMBAC SIMPLIFIED ORGANIZATIONAL STRUCTURE



(1) December 31, 2020 acquisition of Xchange was the first transaction as part of a broader MGA/MGU strategy

AMBAC'S PLATFORM DIVERSIFICATION STRATEGY

Ambac's platform diversification strategy is focused on creating a portfolio of capital light, synergistic, recurring fee-based businesses that will allow for utilization of Ambac's Net Operating Loss carryforwards

PILLAR I	PILLAR II	PILLAR III
Specialty Program Property & Casualty Insurance	Managing General Agency / Managing General Underwriting	Insurance Services
Everspan	XB EST. MMX	

AMBAC'S PLATFORM DIVERSIFICATION STRATEGY – PILLAR I

Pillar I - Specialty Program Property & Casualty Insurance

Type of Business	• Specialty program participatory fronting insurance
Revenues	• Ceding Commissions/Fronting Fees • Premiums on insurance risk retained • Investment Income
Platforms	• Everspan Indemnity Insurance Company (Excess and surplus lines carrier) • Everspan Insurance Company (Admitted carrier)
Investment Thesis	• Capital light with attractive margins
Strategy	• Pursuing a differentiated specialty P&C program strategy through disciplined participatory fronting underwriting across diverse classes of risk • Sourcing business from MGAs/MGUs, reinsurance brokers, aggregators, and other producers
Timing	• Initial program onboarding expected during the second quarter of 2021

AMBAC'S PLATFORM DIVERSIFICATION STRATEGY – PILLAR I (CONT'D)

Everspan Group's Competitive Advantage

- A.M. Best Financial Strength Rating of 'A-' (Excellent) and Financial Size Category Class VIII (as categorized by AM Best)
- Over $100 million of capital
- Management team highly experienced in the insurance, reinsurance, and MGA markets
- Broadly licensed with diverse product line risk appetite
- Strategy to retain appropriate underwriting risk to be an attractive market to disciplined MGAs/MGUs while creating strong alignment of interest with reinsurers
- Public company infrastructure and related resources, including deeply experienced board and executive leadership with valuable institutional relationships
- Strong Enterprise Risk Management

AMBAC's PLATFORM DIVERSIFICATION STRATEGY – PILLAR II

Pillar II - Managing General Agency/Underwriting

Type of business	• Managing General Agent/Underwriter
Revenues	• Base and profit commissions
Platforms	• Currently, Xchange Benefits, LLC and Xchange Affinity Underwriting Agency, LLC
Investment thesis	• High margin businesses that generate fee based income
Strategy	• Organic growth • Additional acquisitions and/or partnerships • Establishing de novo platforms • Future expansion of the MGA/MGU business is expected to include other property and casualty products and services in addition to Accident & Health (Xchange)
Timing	• Xchange has been operating for 10 years with an organic growth strategy while also actively exploring strategic transactions • Ambac is actively assessing additional M&A and de novo opportunities

AMBAC's PLATFORM DIVERSIFICATION STRATEGY – PILLAR II (CONT'D)

Xchange Transaction

- **Ambac acquired an 80% membership interest in Xchange on December 31, 2020**
- **Xchange is a niche, property and casualty Managing General Underwriter, with a history of strong underwriting results, focused on accident and health ("A&H") products**
  - Employer Stop Loss
  - Limited Medical
  - Short-term Medical
- **Xchange provides various services to customers including underwriting, placement, claims and finance servicing, reinsurance brokerage and consulting**
- **Additional growth is expected from organic sources, geographic expansion and product diversification**

AMBAC's PLATFORM DIVERSIFICATION STRATEGY – PILLAR III

Pillar III - Insurance Services	
Type of business	Various, including Insurtech platforms and third-party administrators
Revenues	Commissions and fees
Platforms	Actively exploring
Investment thesis	Fee based, capital light businesses that are synergistic with Pillar I and Pillar II
Strategy	Acquire and/or partner with platforms that will add synergies and efficiencies to Pillar I and Pillar II
Timing	Dependent on market opportunity and price

AMBAC VALUE DRIVERS (as of December 31, 2020)

Proactive Liability Management

- Robust risk mitigation efforts strengthen the quality of Book Value and insured portfolio
- Ever-to-date early redemptions of Secured Note of $513 million

Litigation & Recovery

- Aggressively pursuing legal rights in the BofA/Countrywide, First Franklin and Nomura cases
- Asserting and protecting our rights in Puerto Rico-related litigation

Strategic investments in capital light, fee based, growth oriented businesses

- Acquired Xchange on December 31, 2020 for $81 million
- Funded Everspan Group for $26 million at December 31, 2020
  - Completed funding to over $100 million in 1Q2021

Asset Management

- Generated a 4.1% total return on the consolidated investment portfolio in 2020 despite the 1Q2020 COVID 19 market disruption
- Own $621 million of distressed Ambac insured bonds, including Puerto Rico and RMBS
- Alternative investments comprising 15% of consolidated invested assets at December 31, 2020

Liquidity at AFG

- $366 million of net assets at AFG, excluding investments in subsidiaries
  - Cash and highly liquid assets of $246
  - Surplus notes and other assets of $120

NOLs

- $1.5 billion allocated to AFG
- $2.2 billion allocated to AAC

NON-GAAP RECONCILIATIONS

Ambac

AMBAC NON-GAAP FINANCIAL DATA

Non-GAAP Financial Data

Included in this presentation, the Company reports two non-GAAP financial measures: Adjusted Earnings and Adjusted Book Value. A non-GAAP financial measure is a numerical measure of financial performance or financial position that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. We are presenting these non-GAAP financial measures because they provide greater transparency and enhanced visibility into the underlying drivers of our business. Adjusted Earnings and Adjusted Book Value 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

Adjusted Earnings (1) (2)

The following table reconciles net income attributable to common stockholders to the non-GAAP measure, adjusted earnings, for the periods listed:

	4Q2020		3Q2020		2Q2020		1Q2020	
($ in millions, except per share amounts)	**$ Amount**	**P.D.S. (1)**	**$ Amount**	**P.D.S. (1)**	**$ Amount**	**P.D.S. (1)**	**$ Amount**	**P.D.S. (1)**
Net income (loss) attributable to common shareholders	**$ (14)**	**$ (0.31)**	**$ (108)**	**$ (2.33)**	**$ (35)**	**$ (0.77)**	**$ (280)**	**$ (6.07)**
Adjustments:								
Non-credit impairment fair value (gain) loss on credit derivatives	(1)	(0.01)	—	—	(1)	(0.01)	2	0.03
Insurance intangible amortization	16	0.34	14	0.29	14	0.30	13	0.29
Foreign exchange (gains) losses	3	0.06	1	0.03	(2)	(0.04)	—	—
Adjusted earnings (loss)	**$ 4**	**$ 0.08**	**$ (93)**	**$ (2.01)**	**$ (24)**	**$ (0.52)**	**$ (265)**	**$ (5.75)**

(1) Per diluted share ("P.D.S.")
(2) Numbers may not add due to rounding

AMBAC NON-GAAP FINANCIAL DATA (CONTINUED)

Adjusted Book Value [1]

The following table reconciles Total Ambac Financial Group, Inc. stockholders' equity to the non-GAAP measure Adjusted Book Value as of each date presented:

	December 31, 2020		December 31, 2019	
($ in millions, except per share data)	**$ Amount**	**Per Share**	**$ Amount**	**Per Share**
Total Ambac Financial Group, Inc. Shareholders' Equity	**$ 1,080**	**$ 23.57**	**$ 1,477**	**$ 32.41**
Adjustments:				
Non-credit impairment fair value losses on credit derivatives	—	0.01	—	0.01
Insurance intangible asset	(373)	(8.14)	(427)	(9.37)
Net unearned premiums and fees in excess of expected losses	378	8.24	414	9.09
Net unrealized investment (gains) losses in Accumulated Other Comprehensive Income	(166)	(3.63)	(151)	(3.31)
Adjusted book value	**$ 919**	**$ 20.05**	**$ 1,313**	**$ 28.83**
Shares outstanding (in millions)		45.8		45.6

(1) Numbers may not add due to rounding

APPENDIX



RISK ADVERSE CREDIT CLASSIFICATIONS

	Classification	Description
	Class I	• **Fully Performing – Meets Ambac Criteria with Remote Probability of Claim and includes:** ◦ Survey List - credits that may lack information or demonstrate a weakness but further deterioration is not expected ◦ Watch list - credits that demonstrate the potential for future material adverse development due to such factors as long-term uncertainty about a particular sector, a certain structural element related to the issuer or transaction or overall financial and economic sustainability
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**

Forward Looking Statement

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” i in our most recent SEC filed quarterly or annual report.

Any or all of management’s forward-looking statements here or in other publications may turn out to be incorrect and are based on management’s current belief or opinions. Ambac’s actual results may vary materially, and there are no guarantees about the performance of Ambac’s securities. Among events, risks, uncertainties or factors that could cause actual results to differ materially are: (1) the highly speculative nature of AFG’s common stock and volatility in the price of AFG’s common stock; (2) Ambac's inability to realize the expected recoveries, including RMBS litigation recoveries, included in its financial statements which would have a materially adverse effect on Ambac Assurance Corporation's ("AAC") financial condition and may lead to regulatory intervention; (3) failure to recover claims paid on Puerto Rico exposures or realization of losses in amounts higher than expected; (4) increases to loss and loss expense reserves; (5) 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; (6) uncertainty concerning the Company’s ability to achieve value for holders of its securities, whether from AAC and its subsidiaries or from transactions or opportunities apart from AAC and its subsidiaries, including new business initiatives relating to the specialty property and casualty program insurance business, the managing general agency/underwriting business, or related businesses; (7) potential of rehabilitation proceedings against AAC; (8) 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; (9) 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; (10) insufficiency or unavailability of collateral to pay secured obligations; (11) 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 and exposures to reinsurers; (12) 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; (13) credit risks related to large single risks, risk concentrations and correlated risks; (14) the risk that 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) Ambac’s substantial indebtedness could adversely affect its financial condition and operating flexibility; (17) 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; (18) 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; (19) restrictive covenants in agreements and instruments may impair Ambac’s ability to pursue or achieve its business strategies; (20) adverse effects on operating results or the Company’s financial position resulting from measures taken to reduce risks in its insured portfolio; (21) disagreements or disputes with Ambac's insurance regulators; (22) default by one or more of Ambac's portfolio investments, insured issuers or counterparties; (23) loss of control rights in transactions for which we provide insurance due to a finding that Ambac has defaulted; (24) adverse tax consequences or other costs resulting from the characterization of the AAC’s surplus notes or other obligations as equity; (25) risks attendant to the change in composition of securities in the Ambac’s investment portfolio; (26) adverse impacts from changes in prevailing interest rates; (27) our results of operation may be adversely affected by events or circumstances that result in the impairment of our intangible assets and/or goodwill that was recorded in connection with Ambac’s acquisition of 80% of the membership interests of Xchange; (28) risks associated with the expected discontinuance of the London Inter-Bank Offered Rate; (29) factors that may negatively influence the amount of installment premiums paid to the Ambac; (30) 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; (31) risks relating to determinations of amounts of impairments taken on investments; (32) 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; (33) actions of stakeholders whose interests are not aligned with broader interests of the Ambac's stockholders; (34) system security risks, data protection breaches and cyber attacks; (35) changes in accounting principles or practices that may impact Ambac’s reported financial results; (36) regulatory oversight of Ambac Assurance UK Limited ("Ambac UK") and applicable regulatory restrictions may adversely affect our ability to realize value from Ambac UK or the amount of value we ultimately realize; (37) 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; (38) Ambac’s financial position that may prompt departures of key employees and may impact the its ability to attract qualified executives and employees; (39) 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; (40) disintermediation within the insurance industry that negatively impacts our managing general agency/underwriting business; (41) changes in law or in the functioning of the healthcare market that impair the business model of our accident and health managing general underwriter; and (42) other risks and uncertainties that have not been identified at this time.

ABOUT AMBAC

Ambac Financial Group, Inc. (“Ambac” or “AFG”), headquartered in New York City, is a financial services holding company. Ambac's subsidiaries include: Ambac Assurance Corporation and Ambac Assurance UK Limited, financial guarantee insurance companies currently in runoff; Everspan Indemnity Insurance Company and Everspan Insurance Company, specialty property & casualty program insurers; and Xchange Benefits, LLC and Xchange Affinity Underwriting Agency, LLC, property & casualty Managing General Underwriters. Ambac’s common stock trades on the New York Stock Exchange under the symbol “AMBC”. 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. 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.

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