PUERTO RICO EXPOSURE, PLAN SUPPORT AGREEMENTS AND PLAN OF ADJUSTMENT REFERENCES

Fourth Quarter 2021

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PUERTO RICO EXPOSURE & RATINGS SUMMARY

Ambac Puerto Rico Exposure as of December 31, 2021 ($ in millions) Single Risk [4]	(1) Gross Par	(1) (2) Net Par	(3) Gross Principal & Interest	(2) (3) Net Principal & Interest	Range of Maturity	Credit Class	Rating
PR Infrastructure Financing Special Tax Revenue (Rum Tax)	$ 413.0	$ 403.5	$ 892.7	$ 872.1	2023-2044	IV	BIG
PR Highways and Transp'n 1998 Resolution - Sr Transp'n	406.2	394.2	639.3	619.5	2022-2042	IV	BIG
Convention Center (Hotel Occupancy Tax)	86.3	86.3	123.3	123.3	2028-2031	IV	BIG
PR Public Buildings Authority Revenue - GO Guaranty	82.6	82.6	139.0	139.0	2022-2035	IV	BIG
Senior Sales Tax Rev (COFINA)	73.1	72.8	651.0	648.0	2047-2054	III	BIG
PR Commonwealth GO	11.0	11.0	11.7	11.7	2022-2023	IV	BIG
PR Highways and Transp'n 1968 Resolution - Highway Rev	3.7	3.7	9.1	9.0	2022-2027	IV	BIG
Grand total	**$ 1,075.9**	**$ 1,054.1**	**$ 2,466.1**	**$ 2,422.6**			

(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 $230 million and $226 million, respectively at December 31, 2021

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

(3) 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 $36.6 million

(4) As of December 31, 2021 ever-to-date net claims paid, including commutation payments, net of subrogation received and reinsurance are $651.8 million. In January 2022, Ambac made net claim payments totaling $22.8 million on Ambac-insured Bonds

PUERTO RICO PLAN SUPPORT AGREEMENTS, COMMONWEALTH PLAN OF ADJUSTMENT, AND PRIFA AND CCDA QUALIFYING MODIFICATIONS

On July 27, 2021, Ambac executed a plan support agreement with the Oversight Board, as representative of the Commonwealth of Puerto Rico, and certain other creditors, to restructure Ambac's Puerto Rico Infrastructure Financing Authority (PRIFA) Rum Tax exposure.

Also in July 2021, Ambac joined plan support agreements that the Oversight Board had previously entered into with other major creditors, under which Ambac's exposures to Commonwealth General Obligation (GO) bonds and bonds issued by the Public Buildings Authority (PBA), Highways and Transportation Authority (HTA) and Convention Center District Authority (CCDA) are contemplated to be restructured.

On January 18, 2022, the Commonwealth Plan of Adjustment (relating to, among other things, GO bonds and PBA bonds) was confirmed and, on January 20, 2022, Qualifying Modifications for PRIFA and CCDA were approved. The HTA Plan of Adjustment has not yet been filed, but we expect it to be presented by the end of March 2022.

The agreements can be found at the following links:

PRIFA Related Plan Support Agreement, dated as of July 27, 2021

GO/PBA Amended and Restated Plan Support Agreement, dated as of July 12, 2021

HTA/CCDA Related Plan Support Agreement, dated as of May 5, 2021

PUERTO RICO PLAN SUPPORT AGREEMENTS, COMMONWEALTH PLAN OF ADJUSTMENT, AND PRIFA AND CCDA QUALIFYING MODIFICATIONS

The confirmed Commonwealth Plan of Adjustment, the approved Qualifying Modifications for PRIFA and CCDA, and certain related documents can be found at the following links:

Commonwealth/PBA

- Modified Eighth Amended Title III Joint Plan of Adjustment, dated Jan. 14, 2022
- Findings of Fact and Conclusions of Law, dated Jan. 18, 2022
- Confirmation Order, dated Jan. 18, 2022

PRIFA

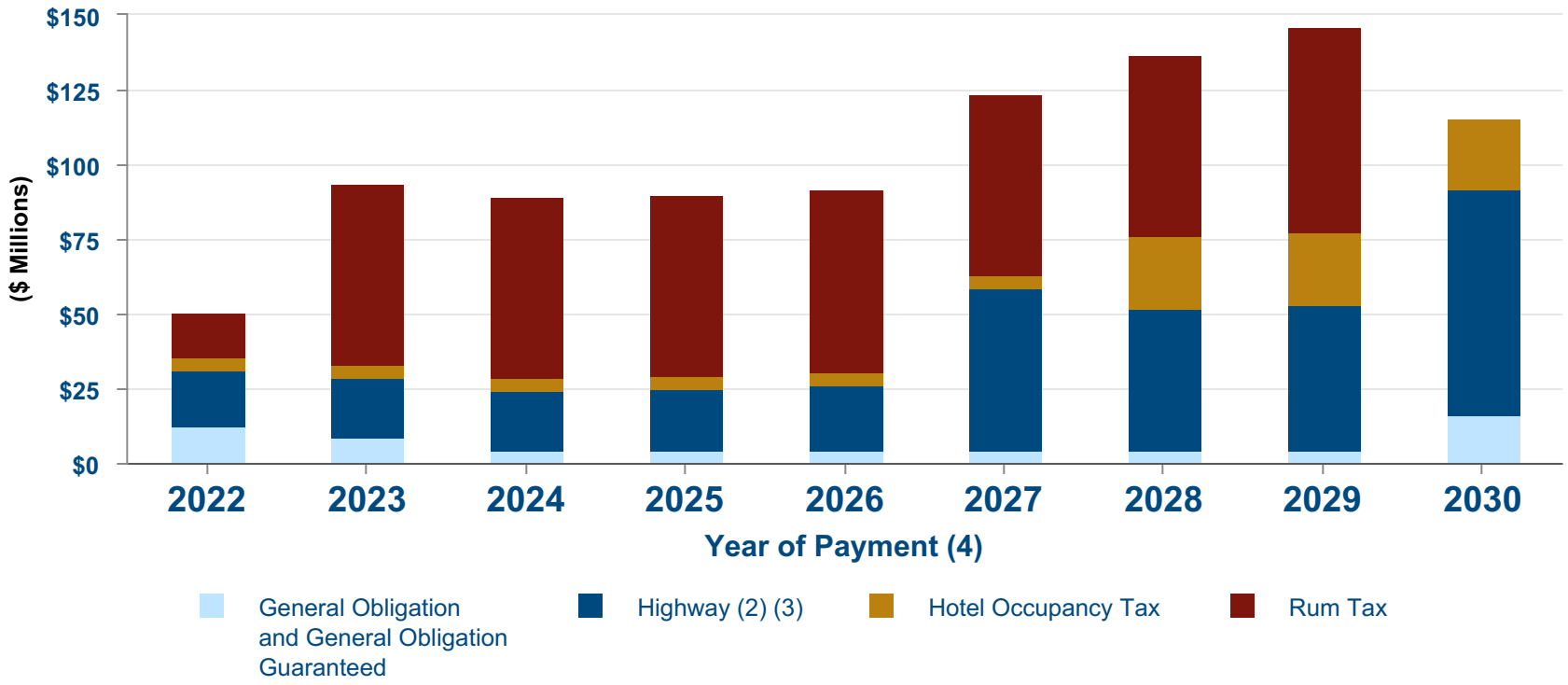
- Solicitation Statement with Qualifying Modification, dated Oct 5, 2021 and Supplement, dated Oct 11, 2021
- Qualifying Modification Supplement and Related Documents, dated Nov. 5, 2021
- Findings of Fact, Conclusions of Law, and Order Approving Qualifying Modification, dated Jan. 20, 2022

CCDA

- Solicitation Statement with Qualifying Modification, dated Oct 5, 2021
- Qualifying Modification Supplement and Related Documents, dated Nov. 5, 2021
- Findings of Fact, Conclusions of Law, and Order Approving Qualifying Modification, dated Jan. 20, 2022

SCHEDULE OF NET DEBT SERVICE[(1)] ON INSURED DEBT

(AS OF DECEMBER 31, 2021)



(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*
(4) *Illustration is limited to payments over next nine years*

PUERTO RICO NET PRINCIPAL AND INTEREST[1] AMORTIZATION

AS OF DECEMBER 31, 2021 *($ IN MILLIONS)*

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

Payment Date	Commonwealth GO	Public Bldg - GO Guaranteed [2]	Senior Highway (1968)	Senior Transportation (1998) [3]	Rum Tax	Hotel Occupancy Tax	Sales Tax (COFINA)	Total P & I
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	—	23.1	—	104.6
1/1/2031	—	1.9	—	6.3	—	0.6	—	8.8
7/1/2031	—	12.9	—	88.4	—	23.3	—	124.6
1/1/2032	—	1.7	—	4.2	—	—	—	5.9
7/1/2032	—	1.7	—	4.2	—	—	—	5.9
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

(1) Net of reinsurance

(2) 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 $36.6 million

(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 – CONTINUED

AS OF DECEMBER 31, 2021 *($ IN MILLIONS)*

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

Payment Date	Commonwealth GO	Public Bldg - GO Guaranteed [2]	Senior Highway (1968)	Senior Transportation (1998) [3]	Rum Tax	Hotel Occupancy Tax	Sales Tax (COFINA)	Total P & I
7/1/2035	—	33.4	—	4.2	68.7	—	—	106.3
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	49.1	—	—	112.8
1/1/2038	—	—	—	1.0	—	—	—	1.0
7/1/2038	—	—	—	40.7	—	—	—	40.7
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	—	—	—	—	—	—	123.4	123.4
8/1/2048	—	—	—	—	—	—	65.8	65.8
8/1/2049	—	—	—	—	—	—	68.7	68.7
8/1/2050	—	—	—	—	—	—	71.6	71.6
8/1/2051	—	—	—	—	—	—	74.7	74.7
8/1/2052	—	—	—	—	—	—	77.9	77.9
8/1/2053	—	—	—	—	—	—	81.2	81.2
8/1/2054	—	—	—	—	—	—	84.7	84.7
Grand Total	$ 11.7	$ 139.0	$ 9.0	$ 619.5	$ 872.1	$ 123.3	$ 648.0	$ 2,422.6

(1) Net of reinsurance

(2) 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 $36.6 million

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

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" 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 Financial Group's ("AFG") and its subsidiaries' (collectively, "Ambac" or the "Company") 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) uncertainty concerning the Company's ability to achieve value for holders of its securities, whether from Ambac Assurance Corporation ("AAC") and its subsidiaries or from the specialty property and casualty program insurance business, the managing general agency/underwriting business, or related businesses; (3) the inability of AAC to realize the expected recoveries, including RMBS litigation recoveries, included in its financial statements, or changes in estimated RMBS litigation recoveries over time; (4) failure to recover claims paid on Puerto Rico exposures or realization of losses in amounts higher than expected; (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) potential for rehabilitation proceedings or other regulatory intervention against AAC; (7) credit risk throughout Ambac's business, including but not limited to credit risk related to insured residential mortgage-backed securities, student loan and other asset securitizations, public finance obligations (including risks associated with Chapter 9 and other restructuring proceedings), issuers of securities in our investment portfolios, and exposures to reinsurers; (8) our inability to effectively reduce insured financial guarantee exposures or achieve recoveries or investment objectives; (9) our inability to generate the significant amount of cash needed to service our debt and financial obligations, including through litigation recoveries or disposition of assets, and our inability to refinance our indebtedness; (10) Ambac's substantial indebtedness could adversely affect its financial condition and operating flexibility; (11) 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; (12) the impact of catastrophic public health, environmental or natural events, including events like the COVID-19 pandemic, on significant portions of our insured portfolio; (13) credit risks related to large single risks, risk concentrations and correlated risks; (14) risks associated with adverse selection as Ambac's financial guarantee insurance portfolio runs off; (15) the risk that Ambac's risk management policies and practices do not anticipate certain risks and/or the magnitude of potential for loss; (16) restrictive covenants in agreements and instruments that impair Ambac's ability to pursue or achieve its business strategies; (17) adverse effects on operating results or the Company's financial position resulting from measures taken to reduce financial guarantee risks in its insured portfolio; (18) disagreements or disputes with Ambac's insurance regulators; (19) loss of control rights in transactions for which we provide financial guarantee insurance; (20) adverse tax consequences or other costs resulting from the characterization of the AAC's surplus notes or other obligations as equity; (21) risks attendant to the change in composition of securities in the Ambac's investment portfolio; (22) adverse impacts from changes in prevailing interest rates; (23) 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 Benefits, LLC and Xchange Affinity Underwriting Agency, LLC; (24) risks associated with the expected discontinuance of the London Inter-Bank Offered Rate; (25) factors that may negatively influence the amount of installment premiums paid to Ambac; (26) risks relating to determinations of amounts of impairments taken on investments; (27) the risk of litigation and regulatory inquiries or investigations, and the risk of adverse outcomes in connection therewith; (28) actions of stakeholders whose interests are not aligned with broader interests of the Ambac's stockholders; (29) system security risks, data protection breaches and cyber attacks; (30) 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; (31) failures in services or products provided by third parties; (32) our inability to attract and retain qualified executives, senior managers and other employees, or the loss of such personnel; (33) fluctuations in foreign currency exchange rates; (34) failure to realize our business expansion plans or failure of such plans to create value; (35) greater competition for our specialty property & casualty program insurance business; (36) loss or lowering of the AM Best rating for our property and casualty insurance company subsidiaries; (37) disintermediation within the insurance industry or greater competition that negatively impacts our managing general agency/underwriting business; (38) 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 (39) other risks and uncertainties that have not been identified at this time.

About Ambac

Ambac Financial Group, Inc. (“Ambac” or “AFG”) is a financial services holding company headquartered in New York City. Ambac’s core business is a growing specialty P&C distribution and underwriting platform with a legacy financial guaranty business in run off. 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. .

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