



PUERTO RICO EXPOSURE

FOURTH QUARTER 2015

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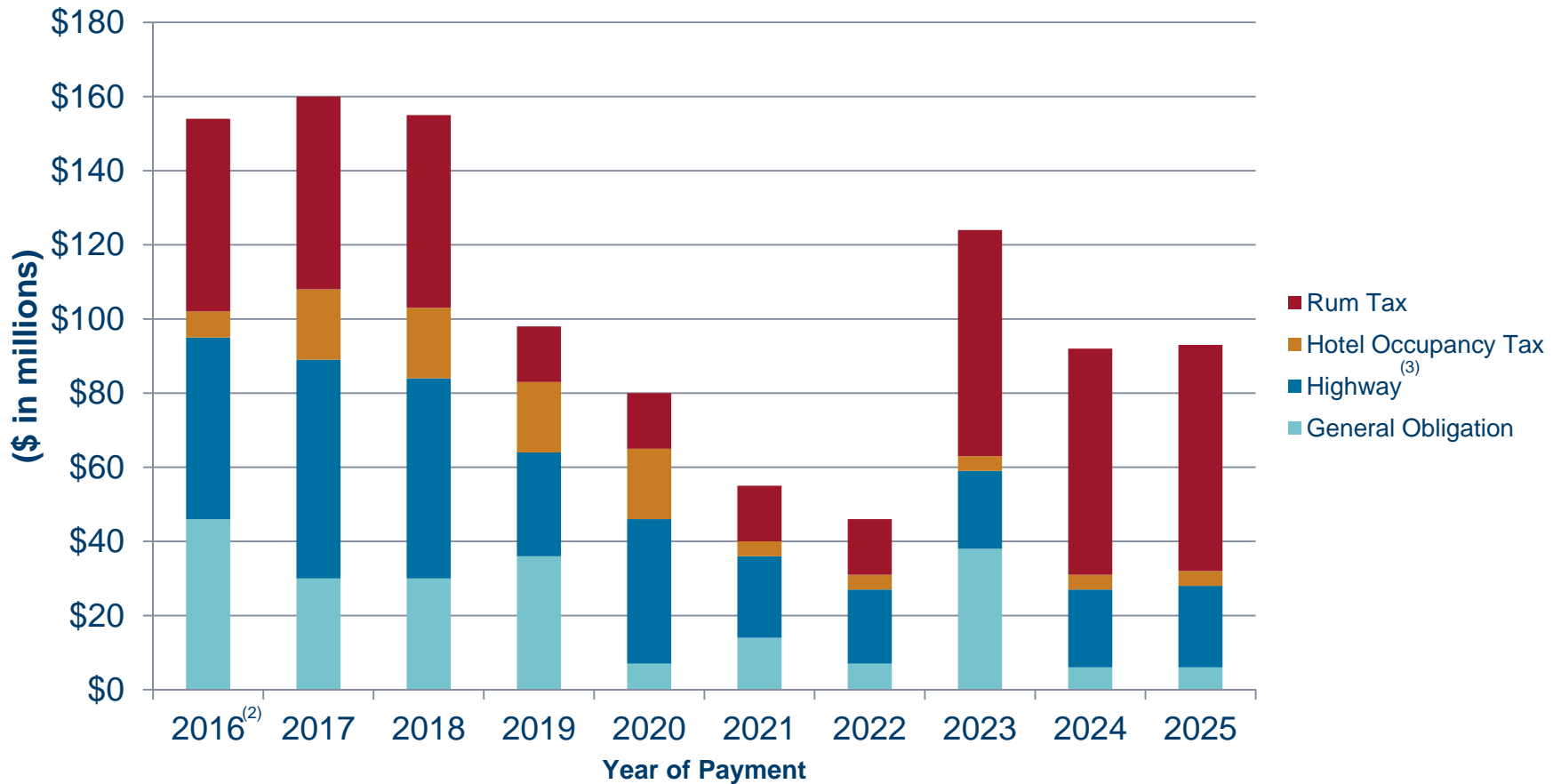
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PUERTO RICO EXPOSURE & RATINGS SUMMARY

| Ambac Puerto Rico Exposure (\$ in millions) as of December 31, 2015: | | | | | | | |
|--|------------------|------------------|----------------------------|--------------------------|----------|--------------|--------|
| Single Risk | (1) | (1),(2) | (2) | | | | |
| | Gross Par | Net Par | Gross Principal & Interest | Net Principal & Interest | Maturity | Credit Class | Rating |
| General Fund Debt: | | | | | | | |
| 1 PR Commonwealth GO | \$56.0 | \$56.0 | \$72.4 | \$72.4 | 2023 | III | BIG |
| 2 PR Public Buildings Authority Revenue - GO Guaranty | 191.2 | 191.2 | 298.8 | 298.8 | 2035 | III | BIG |
| Subtotal | 247.2 | 247.2 | 371.2 | 371.2 | | | |
| Revenue Debt: | | | | | | | |
| 3 PR Highways and Transp'n Revenue 1968 Resolution - Highway Rev ⁽³⁾⁽⁴⁾ | 27.5 | 26.5 | 36.5 | 35.3 | 2027 | III | BIG |
| 4 PR Highways and Transp'n Revenue 1998 Resolution - Senior Transp'n Rev ⁽³⁾⁽⁴⁾ | 461.5 | 445.1 | 887.3 | 852.2 | 2045 | III | BIG |
| 5 PR Infrastructure Financing Special Tax Revenue (Rum Tax) ⁽³⁾ | 514.6 | 502.8 | 1,099.2 | 1,073.9 | 2044 | IV | BIG |
| 6 Convention Center (Hotel Occupancy Tax) ⁽³⁾ | 137.1 | 137.1 | 209.0 | 209.0 | 2031 | III | BIG |
| 7 Senior Sales Tax Rev (COFINA) | 808.5 | 804.7 | 7,355.4 | 7,321.3 | 2054 | II | BIG |
| Subtotal | 1,949.2 | 1,916.2 | 9,587.4 | 9,491.7 | | | |
| Grand total | \$2,196.4 | \$2,163.4 | \$9,958.6 | \$9,862.9 | | | |

- 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
- 2) Net Par and Net Principal & Interest are net of reinsurance
- 3) 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) Pledged revenues for Highways and Transportation Revenue Bonds include toll revenues and investment earnings which are not subject to the Priority Debt Provision

SCHEDULE OF NET DEBT SERVICE⁽¹⁾ ON INSURED DEBT (AS OF DECEMBER 31, 2015)



¹⁾ Net of reinsurance

²⁾ Ambac paid in full the issuer's 1/1/2016 payment on the Ambac-insured Rum Tax bonds following the issuer's default

³⁾ Aggregate Highway (1968) and Senior Transportation (1998)

PUERTO RICO NET PRINCIPAL AND INTEREST⁽¹⁾ AMORTIZATION

(\$ IN MILLIONS) AS OF DECEMBER 31, 2015

| Principal and Interest Amortization of Ambac Insured Puerto Rico Exposures by Payment Date | | | | | | | | | |
|--|-----------------|-----------------------------|-----------------------|------------------------------|---------|---------------------|--------------------|-------------|--|
| Payment Date | Commonwealth GO | Public Bldg - GO Guaranteed | Senior Highway (1968) | Senior Transportation (1998) | Rum Tax | Hotel Occupancy Tax | Sales Tax (COFINA) | Total P & I | |
| 1/1/2016 ⁽²⁾ | \$1.4 | \$5.0 | \$0.6 | \$10.3 | \$10.3 | \$3.4 | \$- | \$31.0 | |
| 7/1/2016 | 1.4 | 38.6 | 0.6 | 37.1 | 41.7 | 3.4 | - | 122.8 | |
| 1/1/2017 | 1.4 | 4.1 | 0.6 | 10.2 | 9.5 | 3.4 | - | 29.2 | |
| 7/1/2017 | 1.4 | 23.0 | 13.1 | 35.1 | 42.6 | 15.2 | - | 130.4 | |
| 1/1/2018 | 1.4 | 3.6 | 0.3 | 10.1 | 8.6 | 3.1 | - | 27.1 | |
| 7/1/2018 | 1.4 | 23.5 | 9.9 | 33.3 | 43.5 | 15.5 | - | 127.1 | |
| 1/1/2019 | 1.4 | 3.0 | - | 10.1 | 7.6 | 2.8 | - | 24.9 | |
| 7/1/2019 | 26.3 | 5.6 | - | 18.4 | 7.6 | 15.8 | - | 73.7 | |
| 1/1/2020 | 0.7 | 3.0 | - | 10.1 | 7.6 | 2.5 | - | 23.9 | |
| 7/1/2020 | 0.7 | 3.0 | - | 28.8 | 7.6 | 16.1 | - | 56.2 | |
| 1/1/2021 | 0.7 | 3.0 | - | 10.1 | 7.6 | 2.2 | - | 23.6 | |
| 7/1/2021 | 0.7 | 10.0 | 1.3 | 10.5 | 7.6 | 2.2 | - | 32.3 | |
| 1/1/2022 | 0.7 | 2.8 | - | 10.0 | 7.6 | 2.2 | - | 23.3 | |
| 7/1/2022 | 0.7 | 2.8 | - | 10.0 | 7.6 | 2.2 | - | 23.3 | |
| 1/1/2023 | 0.7 | 2.8 | - | 10.0 | 7.6 | 2.2 | - | 23.3 | |
| 7/1/2023 | 31.4 | 2.8 | - | 11.1 | 53.2 | 2.2 | - | 100.7 | |
| 1/1/2024 | - | 2.8 | - | 10.0 | 6.4 | 2.2 | - | 21.4 | |
| 7/1/2024 | - | 2.8 | - | 10.6 | 54.5 | 2.2 | - | 70.1 | |
| 1/1/2025 | - | 2.8 | - | 10.0 | 5.0 | 2.2 | - | 20.0 | |
| 7/1/2025 | - | 2.8 | 1.0 | 10.6 | 55.8 | 2.2 | - | 72.4 | |
| 1/1/2026 | - | 2.8 | - | 10.0 | 3.6 | 2.2 | - | 18.6 | |
| 7/1/2026 | - | 2.8 | 1.0 | 12.1 | 57.2 | 2.2 | - | 75.3 | |
| 1/1/2027 | - | 2.8 | - | 9.9 | 2.2 | 2.2 | - | 17.1 | |
| 7/1/2027 | - | 2.8 | 6.9 | 38.5 | 58.7 | 2.2 | - | 109.1 | |
| 1/1/2028 | - | 2.8 | - | 9.4 | 0.6 | 2.2 | - | 15.0 | |
| 7/1/2028 | - | 2.8 | - | 38.8 | 60.2 | 22.2 | - | 124.0 | |
| 1/1/2029 | - | 2.8 | - | 8.7 | - | 1.7 | - | 13.2 | |
| 7/1/2029 | - | 2.8 | - | 39.7 | 68.7 | 22.7 | - | 133.9 | |

1) Net of reinsurance

2) Ambac paid in full the issuer's 1/1/2016 payment on the Ambac-insured Rum Tax bonds following the issuer's default

PUERTO RICO NET PRINCIPAL AND INTEREST⁽¹⁾ AMORTIZATION – CONTINUED

(\$ IN MILLIONS) AS OF DECEMBER 31, 2015

| Principal and Interest Amortization of Ambac Insured Puerto Rico Exposures by Payment Date | | | | | | | | | |
|--|-----------------|-----------------------------|-----------------------|------------------------------|-----------|---------------------|--------------------|-------------|--|
| Payment Date | Commonwealth GO | Public Bldg - GO Guaranteed | Senior Highway (1968) | Senior Transportation (1998) | Rum Tax | Hotel Occupancy Tax | Sales Tax (COFINA) | Total P & I | |
| 1/1/2030 | \$- | \$2.8 | \$- | \$7.9 | \$- | \$1.1 | \$- | \$11.8 | |
| 7/1/2030 | - | 28.2 | - | 67.5 | - | 23.2 | - | 118.9 | |
| 1/1/2031 | - | 2.1 | - | 6.3 | - | 0.6 | - | 9.0 | |
| 7/1/2031 | - | 25.9 | - | 88.5 | - | 23.3 | - | 137.7 | |
| 1/1/2032 | - | 1.4 | - | 4.2 | - | - | - | 5.6 | |
| 7/1/2032 | - | 1.4 | - | 4.2 | - | - | - | 5.6 | |
| 1/1/2033 | - | 1.4 | - | 4.2 | - | - | - | 5.6 | |
| 7/1/2033 | - | 1.4 | - | 4.2 | - | - | - | 5.6 | |
| 1/1/2034 | - | 1.4 | - | 4.2 | - | - | - | 5.6 | |
| 7/1/2034 | - | 28.1 | - | 4.2 | 68.7 | - | - | 101.0 | |
| 1/1/2035 | - | 0.8 | - | 4.2 | - | - | - | 5.0 | |
| 7/1/2035 | - | 33.7 | - | 4.2 | 68.7 | - | - | 106.6 | |
| 1/1/2036 | - | - | - | 4.2 | - | - | - | 4.2 | |
| 7/1/2036 | - | - | - | 62.2 | 68.7 | - | - | 130.9 | |
| 1/1/2037 | - | - | - | 2.7 | - | - | - | 2.7 | |
| 7/1/2037 | - | - | - | 63.8 | 49.1 | - | - | 112.9 | |
| 1/1/2038 | - | - | - | 1.0 | - | - | - | 1.0 | |
| 7/1/2038 | - | - | - | 41.0 | - | - | - | 41.0 | |
| 7/1/2043 | - | - | - | - | 84.0 | - | - | 84.0 | |
| 7/1/2044 | - | - | - | - | 84.0 | - | - | 84.0 | |
| 8/1/2047 | - | - | - | - | - | - | 786.2 | 786.2 | |
| 8/1/2048 | - | - | - | - | - | - | 820.2 | 820.2 | |
| 8/1/2049 | - | - | - | - | - | - | 855.5 | 855.5 | |
| 8/1/2050 | - | - | - | - | - | - | 892.3 | 892.3 | |
| 8/1/2051 | - | - | - | - | - | - | 930.5 | 930.5 | |
| 8/1/2052 | - | - | - | - | - | - | 970.3 | 970.3 | |
| 8/1/2053 | - | - | - | - | - | - | 1,011.7 | 1,011.7 | |
| 8/1/2054 | - | - | - | - | - | - | 1,054.6 | 1,054.6 | |
| Grand Total | \$72.4 | \$298.8 | \$35.3 | \$852.2 | \$1,073.9 | \$209.0 | \$7,321.3 | \$9,862.9 | |

1) Net of reinsurance

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,” “potential,” “going forward,” “looking ahead” 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” described in our most recent SEC filed quarterly or annual report.

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