



## **PUERTO RICO EXPOSURE**

SECOND QUARTER 2016

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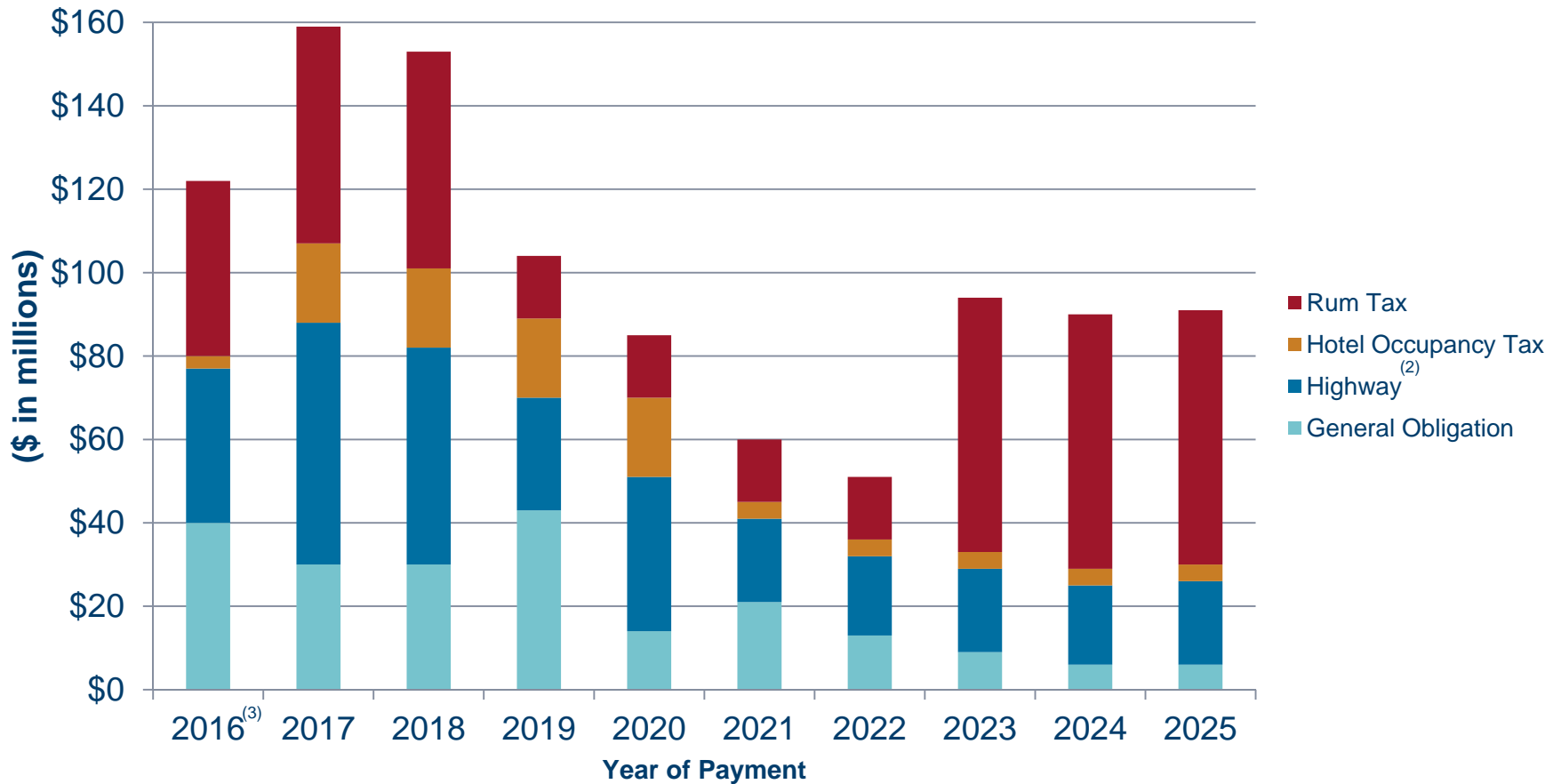
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# PUERTO RICO EXPOSURE & RATINGS SUMMARY

Ambac Puerto Rico Exposure (\$ millions) as of June 30, 2016:							
Single Risk	(1)	(1),(2)	(2)		Maturity	Credit Class	Rating
	Gross Par	Net Par	Gross Principal & Interest	Net Principal & Interest			
<b>General Fund Debt:</b>							
1 PR Commonwealth GO	\$56.0	\$56.0	\$68.1	\$68.1	2023	IV	BIG
2 PR Public Buildings Authority Revenue - GO Guaranty	191.2	191.2	293.8	293.8	2035	IV	BIG
<b>Subtotal</b>	<b>247.2</b>	<b>247.2</b>	<b>361.9</b>	<b>361.9</b>			
<b>Revenue Debt:</b>							
3 PR Highways and Transp'n Revenue 1968 Resolution - Highway Rev <sup>(3)(4)</sup>	27.5	26.5	35.9	34.7	2027	III	BIG
4 PR Highways and Transp'n Revenue 1998 Resolution - Senior Transp'n Rev <sup>(3)(4)</sup>	461.5	445.1	858.7	824.3	2042	III	BIG
5 PR Infrastructure Financing Special Tax Revenue (Rum Tax) <sup>(3)</sup>	514.6	502.8	1,088.6	1,063.6	2044	IV	BIG
6 Convention Center (Hotel Occupancy Tax) <sup>(3)</sup>	137.1	137.1	205.5	205.5	2031	III	BIG
7 Senior Sales Tax Rev (COFINA)	808.5	804.7	7,355.4	7,321.3	2054	II	BIG
<b>Subtotal</b>	<b>1,949.2</b>	<b>1,916.2</b>	<b>9,544.1</b>	<b>9,449.4</b>			
<b>Grand total</b>	<b>\$2,196.4</b>	<b>\$2,163.4</b>	<b>\$9,906.0</b>	<b>\$9,811.3</b>			

- 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<sup>(1)</sup> ON INSURED DEBT (AS OF JUNE 30, 2016)



<sup>1)</sup> Net of reinsurance

<sup>2)</sup> Aggregate Highway (1968) and Senior Transportation (1998)

<sup>3)</sup> Remaining July through December amortization

# PUERTO RICO NET PRINCIPAL AND INTEREST<sup>(1)</sup> AMORTIZATION

(\$ IN MILLIONS) AS OF JUNE 30, 2016

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
7/1/2016 <sup>(2)</sup>	1.4	38.6	0.6	36.3	41.7	3.4	-	122.0
1/1/2017	1.4	4.1	0.6	9.4	9.5	3.4	-	28.4
7/1/2017	1.4	23.0	13.1	34.4	42.6	15.2	-	129.7
1/1/2018	1.4	3.6	0.3	9.4	8.6	3.1	-	26.4
7/1/2018	1.4	23.5	9.9	32.6	43.5	15.5	-	126.4
1/1/2019	1.4	3.0	-	9.3	7.6	2.8	-	24.1
7/1/2019	32.7	5.6	-	17.6	7.6	15.8	-	79.3
1/1/2020	0.6	3.0	-	9.3	7.6	2.5	-	23.0
7/1/2020	7.2	3.0	-	28.0	7.6	16.1	-	61.9
1/1/2021	0.4	3.0	-	9.3	7.6	2.2	-	22.5
7/1/2021	7.4	10.0	1.3	9.8	7.6	2.2	-	38.3
1/1/2022	0.2	2.8	-	9.3	7.6	2.2	-	22.1
7/1/2022	7.5	2.8	-	9.3	7.6	2.2	-	29.4
1/1/2023	0.1	2.8	-	9.3	7.6	2.2	-	22.0
7/1/2023	3.6	2.8	-	10.3	53.2	2.2	-	72.1
1/1/2024	-	2.8	-	9.3	6.4	2.2	-	20.7
7/1/2024	-	2.8	-	9.8	54.5	2.2	-	69.3
1/1/2025	-	2.8	-	9.3	5.0	2.2	-	19.3
7/1/2025	-	2.8	1.0	9.9	55.8	2.2	-	71.7
1/1/2026	-	2.8	-	9.3	3.6	2.2	-	17.9
7/1/2026	-	2.8	1.0	11.3	57.2	2.2	-	74.5
1/1/2027	-	2.8	-	9.2	2.2	2.2	-	16.4
7/1/2027	-	2.8	6.9	37.8	58.7	2.2	-	108.4
1/1/2028	-	2.8	-	9.0	0.6	2.2	-	14.6
7/1/2028	-	2.8	-	38.5	60.2	22.2	-	123.7
1/1/2029	-	2.8	-	8.8	-	1.7	-	13.3
7/1/2029	-	2.8	-	39.7	68.7	22.7	-	133.9
1/1/2030	-	2.8	-	7.9	-	1.1	-	11.8
7/1/2030	-	28.2	-	67.7	-	23.2	-	119.1
1/1/2031	-	2.1	-	6.3	-	0.6	-	9.0
7/1/2031	-	25.9	-	88.5	-	23.2	-	137.6

1) Net of reinsurance

2) Following issuers' defaults, Ambac paid in full the 7/1/2016 payment on the Ambac-insured Rum Tax and GO bonds and also paid \$9.9mm on the 7/1/2016 payment on the Ambac-insured Public Building Authority bonds to cover the issuer's partial payment default

# PUERTO RICO NET PRINCIPAL AND INTEREST<sup>(1)</sup> AMORTIZATION – CONTINUED

(\$ IN MILLIONS) AS OF JUNE 30, 2016

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
1/1/2032	-	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	-	-	-	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
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	68.1	293.8	34.7	824.3	1,063.6	205.5	7,321.3	9,811.3

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

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## Contact

Abbe F. Goldstein, CFA

Managing Director, Investor Relations and Corporate Communications

(212) 208-3222

[agoldstein@ambac.com](mailto:agoldstein@ambac.com)