

## Largest Structured Finance Exposures As of June 30, 2010

(\$ Millions)	Ambac Rating <sup>(1)</sup>	Net Par Outstanding	% of Total Net Par Outstanding
Private Commercial Asset-Backed Transaction	BBB +	\$2,159	0.6%
CDO of ABS < 25% MBS	A +	2,149	0.6%
Wachovia Asset Securitization Issuance II, LLC 2007-HE2 <sup>(2)</sup>	BIG	1,792	0.5%
Iowa Student Loan Liquidity Corporation Revenue Bonds	A	1,632	0.5%
Vermont Student Assistance Corporation Revenue Bonds	A	1,427	0.4%
Hertz Vehicle Financing, LLC <sup>(2)</sup>	BIG	1,243	0.4%
Wachovia Asset Securitization Issuance II, LLC 2007-HE1 <sup>(2)</sup>	BIG	1,222	0.4%
The National Collegiate Student Loan Trust 2007-4	BIG	1,129	0.3%
Private Consumer Asset-Backed Transaction	AA	1,116	0.3%
The National Collegiate Student Loan Trust 2007-3	BIG	1,105	0.3%
Private Commercial Asset-Backed Transaction	BBB -	1,092	0.3%
Cendant Rental Car Funding	BIG	923	0.3%
Ballantyne Re Plc <sup>(3)</sup>	BIG	882	0.3%
Michigan Higher Education Student Loan Authority	BBB	862	0.3%
Spirit Master Funding	BBB	808	0.2%
Sonic Capital LLC	BBB	660	0.2%
Countrywide Revolving Home Equity Loan Trust 2005-F <sup>(2)</sup>	BIG	659	0.2%
TIMBERLAKE FINANCIAL, LLC	BBB	620	0.2%
Morgan Stanley Credit Corporation Heloc Trust 2007-1 <sup>(2)</sup>	BIG	617	0.2%
Countrywide Asset-Backed Certificates Trust 2005-16 <sup>(2)</sup>	BIG	587	0.2%
Option One Mortgage Loan Trust 2007-FXD1 <sup>(2)</sup>	BIG	570	0.2%
National Collegiate Master Student Loan Trust I	BIG	561	0.2%
Progress Energy Carolinas, INC	A -	558	0.2%
Massachusetts Educational Financing Authority Revenue Bonds	A	555	0.2%
Privately Placed RMBS Transaction <sup>(2)</sup>	BIG	543	0.2%
		<u>\$25,471</u>	<u>7.5%</u>

- (1) Internal Ambac credit ratings contained in this Supplement are provided solely to indicate the underlying credit quality of guaranteed obligations based on the view of Ambac Assurance. In cases where Ambac has insured multiple tranches of an issue with varying internal ratings, or more than one obligation of an issuer with varying internal ratings, a weighted average rating is used. Ambac credit ratings are subject to revision at anytime and do not constitute investment advice. Ambac Assurance, or one of its affiliates, has insured the obligations listed and may also provide other products or services to the issuers of these obligations for which Ambac may have received premiums or fees.
- (2) On March 24, 2010, Ambac Assurance established a segregated account. The purpose of the Segregated Account is to segregate certain segments of Ambac Assurance's liabilities, and in connection with such segregation Ambac Assurance has allocated this transaction to the Segregated Account. The Wisconsin Office of the Commissioner of Insurance (OCI) commenced rehabilitation proceedings with respect to the Segregated Account in order to permit the OCI to facilitate an orderly run-off and/or settlement of the liabilities allocated to the Segregated Account pursuant to the provisions of the Wisconsin Insurers Rehabilitation and Liquidation Act. Until the Segregated Account Rehabilitation Plan is approved, which OCI has indicated will be in approximately six months, it is anticipated that no claims will be paid on Segregated Account Policies. Please see discussion in Ambac's March 31, 2010 Form 10-Q.
- (3) All or a portion of transaction guaranteed by Ambac Assurance UK, Ltd as supported by a reinsurance agreement with Ambac Assurance. The obligations of Ambac Assurance under this reinsurance agreement have been allocated to the Segregated Account (see Ambac's March 31, 2010 Form 10-Q for discussion of the Segregated Account and a purported termination of this reinsurance agreement).