Disclamer:
Reggie Middleton, LLC's analysis and conclusions in this presentation are based on publicly available information. Reggie Middleton, LLC recognizes that there may be confidential information in the possession of the Companies discussed in the presentation that could lead these Companies to disagree with Reggie Middleton LLC's conclusions. The analyses provided may include certain statements, estimates and projections prepared with respect to, among other things, the historical and anticipated operating performance of the Companies. Such statements, estimates, and projections reflect various assumptions by Reggie Middleton, LLC concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, estimates or projections or with respect to any other materials herein. Actual results may vary materially from the estimates and projected results contained herein. Vehicles managed by Reggie Middleton, LLC and its affiliates own investments that are bearish on Ambac Financial. These investments may include credit-default swaps, equity put options and short sales of common stock. Reggie Middleton, LLC manages vehicles that are in the business of trading - buying and selling - public and private securities. It is possible that there will be developments in the future that cause Reggie Middleton, LLC to change its position regarding the Companies and possibly increase, reduce, dispose of, or change the form of its investment in the Companies.

Effect of Change in spread in CDO

Figures in Million of dollars

As of 31/12/2006		
CDO Exposure		**71,500**
Statutory Capital Base		**6,224**
Assumed Duration of the CDO bonds	5	
Change in Spread that can eliminate capital		
In bps	175	
Capital Eroded		**6256**
Remaining Equity		**(32)**

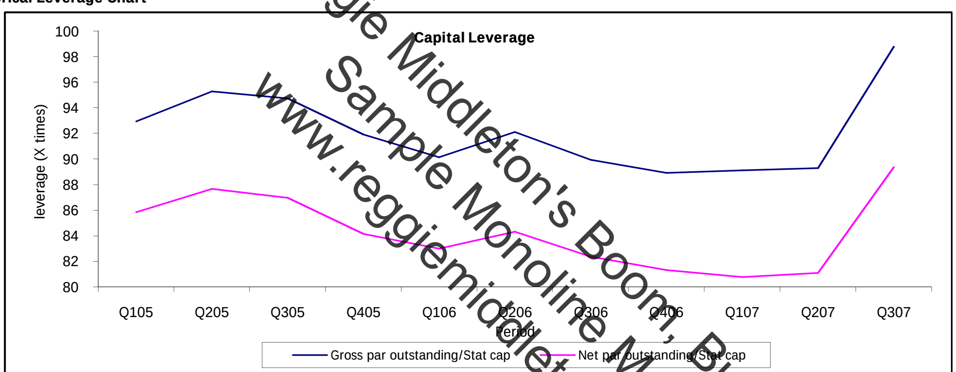
Spread 175
Duration 5

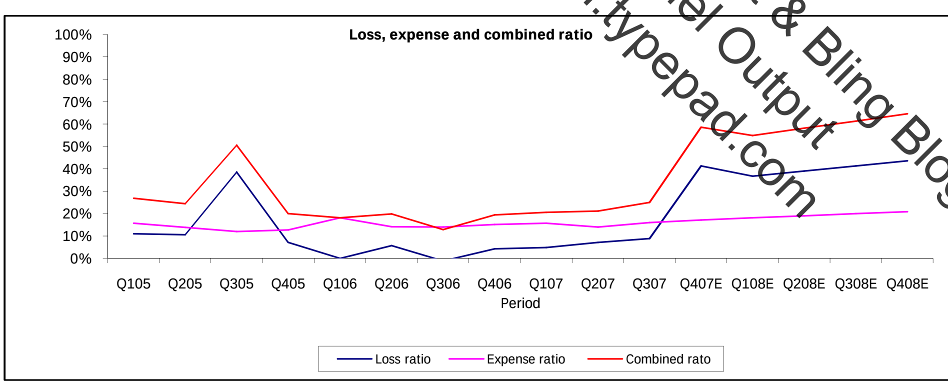
Sensitivity Analysis

		Spread in BPS				
	6256	171	173	**175**	177	179
Duration	3	3,668	3,711	3,754	3,797	3,840
	4	4,891	4,948	5,005	5,062	5,119
	5	6,113	6,185	**6,256**	6,328	6,399
	6	7,336	7,422	7,508	7,593	7,679
	7	8,559	8,659	8,759	8,859	8,959

An Increase in spread of 175 Bps would erode the entire equity

Historical Leverage Chart





Loss ratio going forward is anticipated to worsen considering the increased losses to result from the rise in defaults in the mortgage market.

Ambac Financial Corp
Relative Valuation

All Figures in Millions of Dollars, unless othrerwise stat	FY2007 Mean Multiple	FY2007 High Multiple	FY2007 Low Multiple	FY2008 Mean Multiple	FY2008 High Multiple	FY2008 Low Multiple
BVPS	**53.7**	**53.7**	**53.7**	**63.8**	**63.8**	**63.8**
Equity Value Per Share	**$23.3**	**$34.4**	**$12.7**	**$26.5**	**$39.4**	**$13.9**
Current Stock Price	$21.8	$21.8	$21.8	$21.8	$21.8	$21.8
(Discount)/Premium to FMV	**-6.3%**	**-37%**	**71%**	**-18%**	**-45%**	**57%**

Book value excluding the impact of derivative gains and losses

All Figures in Millions of Dollars, unless othrerwise stat	FY2007 Mean Multiple	FY2007 High Multiple	FY2007 Low Multiple	FY2008 Mean Multiple	FY2008 High Multiple	FY2008 Low Multiple
BVPS	**64.3**	**64.3**	**64.3**	**63.8**	**63.8**	**63.8**
Equity Value Per Share	**$27.9**	**$41.2**	**$15.3**	**$26.5**	**$39.4**	**$13.9**
Current Stock Price	$21.8	$21.8	$21.8	$21.8	$21.8	$21.8
(Discount)/Premium to FMV	**-22%**	**-47%**	**43%**	**-18%**	**-45%**	**57%**

Peers

Name	Ticker	Mcap	Price	BVPS '07	BVPS '08	P/B '07	P/B '08
MBIA Financial	MBI		26.535	58.5	62.1	0.45	0.43
Assured Guarant	AGO		20.17	31.50	35.50	0.64	0.57
The PMI Group	PMI		10.45	42.43	43.12	0.25	0.24
Primus Guaranty	PRS		5.91	10.02	9.57	0.59	0.62
Security Capital	SCA		5.32	22.40	24.40	0.24	0.22
Average						**0.43**	**0.41**
High						**0.64**	**0.62**
Low						**0.24**	**0.22**

Ambac Financial Group Inc

Blue Font is assumptions

Quarterly Driver Sheet

All figs in Mn of $, unless otherwise stated	Q105	Q205	Q305	Q405	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407E	Q108E	Q208E	Q308E	Q408E
Financial Guarantee																
Gross premium written	229	323	238	306	219	314	212	252	250	261	287	209	200	194	189	183
yield on par value insured	1.2%	0.8%	0.7%	0.9%	0.8%	0.8%	0.8%	0.9%	0.8%	0.7%	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%
ceded premium written	27	(54)	(34)	(38)	9	(58)	(26)	(28)	(29)	(28)	(35)	(26)	(25)	(24)	(23)	(22)
as a % of gross written	11.6%	-16.7%	-14.4%	-12.4%	4.0%	-18.4%	-12.4%	-11.2%	-11.8%	-10.9%	-12.2%	-12.2%	-12.2%	-12.2%	-12.2%	-12.2%
Net premium written	**255.8**	**268.6**	**204**	**268**	**228**	**256**	**186**	**224**	**220**	**233**	**251**	**183**	**176**	**171**	**166**	**161**
Net premium earned	200	193	218	205	194	211	199	208	216	221	195	165	159	154	149	145
as a % of net premium written	**78.1%**	**71.9%**	**107.1%**	**76.5%**	**85.3%**	**82.4%**	**106.7%**	**93.0%**	**98.0%**	**95.0%**	**77.5%**	90.1%	90.1%	90.1%	90.1%	90.1%
Other Credit enhancements	12.067	12.536	13.014	12	14	14	16	15	16	17	20	15	14	14	13	13
as a % of premium written	5%	4%	5%	4%	6%	5%	8%	6%	6%	7%	7%	7%	7%	7%	7%	7%
Net investment income	102	104	111	97	102	104	107	111	112	113	116	118	121	123	124	125
as a % of investments				0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Net realized investment gains	2	(1)	5	0	(0)	2	1	4	0	1	4	0	0	0	0	0
Net mark to market gains (losses) on credit derivative contracts	5	(12)	2	18	2	5	3	(1)	(5)	(57)	(743)	**(400)**	0	0	0	0
Other income(loss)	2	1	3	6	29	3	3	4	3	6	(1)	2	2	2	2	2
as a % of premium earned	1%	0%	1%	3%	15%	2%	1%	2%	1%	3%	-1%	1.3%	1%	1%	1%	1%
FINANCIAL SERVICES																
Investment income	58	64	71	77	82	98	108	104	106	108	121	122.88	125.20	127.34	128.90	129.88
as a % of total investments				0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Derivative products	8	(4)	9	3	5	3	3	6	4	2	1	0	0	0	0	0
Net realized investment gains	(0)	0	5	(2)	6	42	7	5	6	0	0	0	0	0	0	0
Net mark to market gains (losses) on total return swap contracts	1	(5)	2	4	5	2	(1)	(4)	3	(1)	(13)	0	0	0	0	0
Net mark to market gains (losses) on non trading derivatives	1	48	(0)	(5)	0	(0)	(1)	(0)	(0)	0	(1)	0	0	0	0	0
Corporate																
Net investment income	0	0	1	2	3	4	4	2	2	1	1	1	1	1	1	1
Total revenues	**391**	**403**	**438**	**417**	**441**	**489**	**448**	**454**	**462**	**413**	**(301)**	**24**	**422**	**421**	**419**	**416**
Statutory Capital																
Capital and surplus	3,246	3,111	3,111	3,327	3,452	3,493	3,635	3,697	3,779	3,844	3,227					
Contingency reserve	2,145	2,218	2,294	2,365	2,472	2,533	2,598	2,686	2,790	2,898	2,997					
Total	**5,391**	**5,329**	**5,406**	**5,693**	**5,924**	**6,026**	**6,233**	**6,382**	**6,569**	**6,742**	**6,224**					
Total claims paying resources	11,421	11,469	11,551	11,970	12,249	12,508	12,820	13,018	13,240	13,509	14,195					
q-o-q growth		**0.4%**	**0.7%**	**3.6%**	**2.3%**	**2.1%**	**2.5%**	**1.6%**	**1.7%**	**2.0%**	**5.1%**					
Gross par value outstanding																
Gross par outstanding	501,029	507,758	512,174	523,247	533,968	555,069	560,522	567,578	585,339	601,945	614,843	626,072	635,658	644,010	651,198	657,286
Gross par insured	18,768	40,441	$31,771	34,298	28,461	41,336	26,730	27,931	31,508	39,016	33,392	31,722	30,454	29,540	28,654	27,794
% growth		115.5%	-21.4%	8.0%	-17.0%	45.2%	-35.3%	4.5%	12.8%	23.8%	-14.4%	-5.0%	-4.0%	-3.0%	-3.0%	-3.0%
Gross par repaid		(33,712)	(27,355)	(23,225)	(17,740)	(20,235)	(21,277)	(20,874)	(13,746)	(22,409)	(20,494)	(20,493.8)	(20,868.0)	(21,187.5)	(21,465.9)	(21,705.5)
As a % of opening gross par Outstanding		-6.6%	-5.3%	-4.4%	-3.3%	-3.6%	-3.8%	-3.7%	-2.3%	-3.7%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%
Net par value outstading																
Public Finance:																
Total Public Finance					270,223	276,098	279,646	282,262	287,601	293,518	300,027	305,506	310,184	314,259	317,767	320,738
as a % of total					55%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Structured Finance:																
Total Structured Finance					153,514	160,070	161,880	162,583	169,102	176,942	176,628	174,190	171,107	173,356	175,290	176,929
as a % of total					31.2%	31.5%	31.5%	31.3%	31.9%	32.4%	31.8%	31%	30%	30%	30%	30%
International Finance(2):																
Total International Finance					67,978	71,961	71,912	74,198	73,821	76,368	79,518	86,634	93,710	94,941	96,001	96,898
as a % of total					13.8%	14.2%	14.0%	14.3%	13.9%	14.0%	14.3%	15%	16%	16%	16%	16%
Net par outstanding	462,750	467,188	470,147	479085	$491,715	$503,129	$513,438	$519,043	$530,524	$546,828	$556,173	566,330	575,001	582,556	589,058	594,566
as a % of gross par outstanding	**92.4%**	**92.0%**	**91.8%**	**91.6%**	**92.1%**	**91.5%**	**91.6%**	**91.4%**	**90.6%**	**90.8%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**
Leverage																
Gross par outstanding/Stat cap	**93**	**95**	**95**	**92**	**90**	**92**	**90**	**89**	**89**	**89.28**	**98.78**					
Net par outstanding/Stat cap	**86**	**88**	**87**	**84**	**83**	**84**	**82**	**81**	**81**	**81.11**	**89.36**					
Expense																
Financial Guarantee																
Loss and loss expense	23.472	21.657	89.126	15.6	0.1	12.8	(2.5)	9.6	11.4	17.1	19.1	74.33	63.43	65.37	67.14	68.74
as a % of premium earned	11.8%	11.2%	40.9%	7.6%	0.1%	6.1%	-1.3%	4.6%	5.3%	7.7%	9.8%	45.0%	40.0%	42.5%	45.0%	47.5%
Underwriting and operating expense	33.403	28.692	27.844	27.9	37.9	31.9	30.2	33.8	36.4	33.4	34.6	30.97	31.32	31.92	32.45	32.92
as a % of premium earned	16.7%	14.8%	12.8%	13.6%	19.5%	15.1%	15.2%	16.3%	16.8%	15.1%	17.7%	18.7%	19.7%	20.7%	21.7%	22.7%
Financial Services																
Interest on investment and payment agreements	51	57	63	68.5	75.0	90.5	97.1	97.3	99.0	101.1	112.0	114.1	116.3	118.3	119.7	120.6
as a % of investment income	88%	89%	88%	89%	91%	92%	90%	93%	93%	94%	93%	93%	93%	93%	93%	93%
Operating expenses	3.8	3.4	2.9	3.5	3.6	3.3	3.1	2.4	3.3	3.1	3.2	2.68	2.58	2.50	2.42	2.35
as a % of premium earned	1.9%	1.8%	1.3%	1.7%	1.8%	1.6%	1.6%	1.2%	1.5%	1.4%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Interest	13.5	13.5	13.6	15.2	19.5	19.5	19.5	16.9	19.3	22.1	22.2	18.85	18.10	17.55	17.03	16.52
as a % of premium earned	6.8%	7.0%	6.2%	7.4%	10.0%	9.2%	9.8%	8.1%	8.9%	10.0%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
Corporate	2	5	4	3.7	3.6	4.0	3.0	[illegible]	3.3	3.6	2.9	2.9	2.9	2.9	2.9	2.9
Total expenses	**129**	**131**	**201**	**136**	**141**	**163**	**152**	**171**	**174**	**182**	**195**	**244**	**235**	**238**	**242**	**244**
Provision for income tax	66	75	52	79	81	88	84	82	[illegible]	59	(134)	61	52	50	49	47
effective tax rate	26.4%	28.7%	22.8%	27.8%	7.9%	29.3%	25.6%	27.6%	26.7%	4.9%	-46.4%	27.6%	27.6%	27.6%	27.6%	27.6%
Balance Sheet items																
Fixed income securities, at fair value	14,337	15,261	15,156	15,124	15,811	16,518	16,856	16,800	16,888	17,386	17,984	18,344	18,711	19,047	19,295	19,449
% growth		6%	-1%	0%	5%	4%	2%	0%	1%	3%	3%	2%	2%	2%	1%	1%
Fixed income securities pledged as collateral, at fair value	348	409	377	371	413	372	375	307	452	286	361	361	361	361	361	361
Short-term investments, at cost (approximates fair value)	428	233	175	472	204	242	278	312	270	292	686	686	686	686	686	686
Other (cost of $13,482 in 2007 and $13,427 in 2006)	4	4	4	14	14	14	99	14	14	40	15	15	15	15	15	15
Total investments	**15,118**	**15,907**	**15,712**	**15,981**	**16,442**	**17,146**	**17,608**	**17,434**	**17,625**	**18,003**	**19,046**	**19,405**	**19,772**	**20,109**	**20,357**	**20,511**
Cash	42	37	28	28	26	33	42	32	31	36	27	60	73	96	162	274
Securities purchased under agreements to resell	97	25	32	419	306	200	282	273	-	270	-		-	-	-	-
Receivable for securities sold	80	49	1	2	23	3	2	13	2	49	98	98	98	98	98	98
Investment income due and accrued	139	159	156	179	150	182	183	193	155	183	175	[illegible]	123	108	85	[illegible]
as a % of investments	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	[illegible]
Reinsurance recoverable on paid and unpaid losses	23	2	1	4	5	5	5	4	4	5	5	5	5	5	[illegible]	[illegible]
Prepaid reinsurance	252	281	287	303	282	311	312	315	319	323	332	256.03	245.7	238.41	231.26	224.32
as a % of net prem earned	1	1	1	148%	145%	147%	157%	152%	148%	146%	171%	155%	[illegible]	155%	155%	155%
Deferred taxes	-	-	-	-	-	-	-	-	-	-	21	21	21	21	21	21
Deferred acquisition costs	202	199	202	202	215	213	220	252	263	271	278	264	253	246	238	[illegible]
as a % of gross par insured	1.1%	0.5%	0.6%	0.6%	0.8%	0.5%	0.8%	0.9%	0.8%	0.7%	0.8%	0	0	0	0	0
Loans	1,366	1,352	1,347	1,344	1,321	1,197	1,199	625	603	861	871	871	871	871	871	871
Increase/(decrease) in loans		(13)	(5)	(3)	(23)	(124)	3	(574)	(23)	259	9	-	-	-	-	-
Derivative assets	1,143	1,380	1,145	1,102	863	879	1,126	1,019	995	940	1,001	1,001	1,001	1,001	1,001	1,001
Other assets	165	139	150	204	102	106	114	107	114	121	115	114.70	114.70	114.70	114.70	114.70
Total assets	**18,626**	**19,530**	**19,062**	**19,769**	**19,736**	**20,274**	**21,093**	**20,268**	**20,112**	**21,062**	**21,968**	**22,235**	**22,577**	**22,903**	**23,184**	**23,417**
LIABILITIES AND STOCKHOLDERS' EQUITY																
Liabilities:									-	-	-					
Unearned premiums	2,789	2,892	2,876	2,955	2,967	3,042	3,031	3,038	3,046	3,062	3,128	3,185	3,185	3,185	3,185	3,185
as a % of net par outstandig	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Losses and loss expense reserve	260	214	289	304	298	291	280	220	231	256	279	273.97	301.23	330.43	361.40	393.97
Ceded reinsurance balances payable	14	31	19	24	16	38	17	20	21	19	24	24	24	24	24	24
Obligations under investment and payment agreements	6,734	7,093	6,903	7,056	7,027	7,585	7,744	8,203	7,748	8,396	9,135	9,509	9,888	9,853	9,975	10,050
as a % of investments	44.5%	44.6%	43.9%	44.2%	42.7%	44.2%	44.0%	47.1%	44.0%	46.6%	48.0%	49.0%	49.0%	49.0%	49.0%	49.0%
Obligations under investment repurchase agreements	247	229	202	197	174	166	157	154	152	135	136	136	136	136	136	136
Securities sold under agreement to repurchase	-	42	-	-	39	20	139	-	128	-	-	-	-	-	-	-
Deferred income taxes	189	296	266	277	207	132	261	279	261	183	-	-	-	-	-	-
Current income taxes	66	12	2	17	83	88	29	35	119	49	32	32	32	32	32	32
Long-term debt	1,889	1,836	1,861	2,234	2,282	2,164	2,213	992	1,389	1,665	1,662	1,662	1,662	1,662	1,662	1,662
Accrued interest payable	55	69	80	108	89	78	108	105	104	94	117	117	117	117	117	117
Derivative liabilities.	911	1,188	988	935	700	650	847	667	654	675	1,451	1,451	1,451	1,451	1,451	1,451
Other liabilities	203	204	241	254	211	244	255	276	225	317	322	322	322	322	322	322
Payable for securities purchased	158	131	143	12	170	145	7	96	44	169	31	31	31	31	31	31
Total liabilities	**13,513**	**14,237**	**13,868**	**14,372**	**14,261**	**14,644**	**15,088**	**14,084**	**14,123**	**15,020**	**16,318**	**16,744**	**16,951**	**17,145**	**17,297**	**17,405**
Stockholders' equity:																
Preferred stock	-	-	-	-	-	-	-	-	-	-	-					
Common stock held in treasury at cost	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Add paid in capital	702	711	717	724	740	745	756	790	814	830	837	837	837	837	837	837
Accumulated other comprehensive income	206	339	236	227	117	42	200	198	188	69	71	71	71	71	71	71
Retained earnings	4,204	4,368	4,520	4,693	4,865	5,083	5,265	5,455	5,626	5,774	5,388	5,229	5,364	5,496	5,624	5,749
Common stock held in treasury at cost	(0)	(126)	(280)	(248)	(248)	(242)	(217)	(259)	(640)	(632)	(647)	(647)	(647)	(647)	(647)	(647)
Total stockholders' equity	5,113	5,293	5,194	5,397	5,475	5,630	6,005	6,184	5,989	6,042	5,650	5,491	5,626	5,758	5,887	6,011
Total liabilities and stockholders' equity	**18,626**	**19,530**	**19,062**	**19,769**	**19,736**	**20,274**	**21,093**	**20,268**	**20,112**	**21,062**	**21,968**	**22,235**	**22,577**	**22,903**	**23,184**	**23,417**
	-	-	-	-	-											
Loss ratio	11%	11%	39%	7%	0%	6%	-1%	4%	5%	7%	9%	41%	37%	39%	41%	44%
Expense ratio	15.8%	13.9%	12.0%	12.8%	18.2%	14.2%	14.1%	15.1%	15.7%	14.0%	16.1%	17.2%	18.1%	19.1%	20.0%	20.9%
Combined ratio	26.9%	24.5%	50.6%	20.0%	18.2%	19.9%	12.9%	19.4%	20.6%	21.2%	25.0%	58.6%	54.9%	58.1%	61.3%	64.5%

Ambac Financial Corp

Blue Font is assumptions
Violet font is derived from Quarterly sheet

Annual Driver Sheet

All figs in Mn of $, unless otherwise stated	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Financial Guarantee								
Gross premium written	1,096	997	1,006	766	690	635	597	561
yield on par value insured	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
ceded premium written	(100)	(103)	(119)	(94)	(84)	(78)	(73)	(69)
as a % of gross written	-9%	-10%	-12%	-12%	-12%	-12%	-12%	-12%
Net premium written	996	893	888	673	605	557	524	492
Net premium earned	816	812	797	606	546	502	472	444
as a % of net premium written	74%	81%	79%	79%	79%	79%	79%	79%
Other Credit enhancements	50	60	68	54	48	44	42	39
as a % of premium written	4.6%	6.0%	6.7%	7.0%	7%	7%	7%	7%
Net investment income	414	424	459	493	522	554	587	622
as a % of investments	2.7%	2.5%	2.5%	2.5%	3%	3%	3%	3%
Net realized investment gains	6	7	5	-	-	-	-	-
Net mark to market gains (losses) on credit derivative contrac	14	9	(1,205)	-	-	-	-	-
Other income(loss)	12	40	9	8	7	7	6	6
as a % of premium earned	1.5%	4.9%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%
FINANCIAL SERVICES								
Investment income	270	392	457	511	542	575	609	646
as a % of total investments	1.8%	2.3%	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%
Derivative products	16	17	7	-	-	-	-	-
Net realized investment gains	2	59	7	-	-	-	-	-
Net mark to market gains (losses) on total return swap contra	1	3	(11)	-	-	-	-	-
Net mark to market gains (losses) on non trading derivatives	44	(1)	(1)	-	-	-	-	-
Corporate								
Net investment income	3	12	5	5	5	5	5	5
Total revenues	**1,649**	**1,832**	**598**	**1,677**	**1,670**	**1,686**	**1,720**	**1,761**
Statutory Capital								
Capital and surplus	3,327	3,697	3,227					
Contingency reserve	2,365	2,686	2,997					
Total	5,693	6,382	6,224					
Total claims paying resources	11,970	13,018	14,195					
q-o-q growth		8.8%	9.0%					
Gross par value outstanding								
Gross par outstanding	523,247	567,578	626,072	657,286	676,856	685,505	687,248	683,327
Gross par insured	125,278	124,457	135,638	116,441	104,797	96,413	90,629	85,191
% growth		-0.7%	9.0%	-14.2%	-10%	-8%	-6%	-6%
Gross par repaid	(84,292)	(80,127)	(77,143)	(85,227)	(85,227)	(87,765)	(88,886)	(89,112)
As a % of opening gross par Outstanding	-16.1%	-14.1%	-12.3%	-13.0%	-13.0%	-13.0%	-13.0%	-13.0%
Net par value outstading	-							
Public Finance:		-	-					
Total Public Finance		282,262	305,506	320,738	330,288	334,508	335,358	333,445
as a % of total		54%	54%	54%	54%	54%	54%	54%
Structured Finance:								
Total Structured Finance		162,583	174,190	176,929	176,075	172,124	166,344	159,214
as a % of total		31%	31%	30%	29%	28%	27%	26%
International Finance(2):								
Total International Finance		74,198	86,634	96,898	105,906	113,460	119,966	125,462
as a % of total		14%	15%	16%	17%	18%	19%	20%
Net par outstanding		519,043	566,330	594,566	612,269	620,092	621,668	618,121
as a % of gross par outstanding		91%	90%	90%	0.90	0.90	0.90	0.90
Leverage								
Gross par outstanding/Stat cap	91.91	88.93	100.59					
Net par outstanding/Stat cap	-	81.32	90.99					
Expense								
Financial Guarantee								
Loss and loss expense	150	20	122	265	238	219	206	194
as a % of premium earned	18.4%	2.5%	15%	44%	43.7%	43.7%	43.7%	43.7%
Underwriting and operating expense	118	134	135	129	121	117	114	107
as a % of premium earned	14%	16%	17%	21%	22%	23%	24%	24%
Financial Services								
Interest on investment and payment agreements	239	360	426	475	503	534	566	599
as a % of investment income	89%	92%	93%	93%	93%	93%	93%	93%
Operating expenses	14	12	12	10	10	9	8	8
as a % of premium earned	1.7%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%
Interest	56	75	82	69	62	57	54	51
as a % of premium earned	7%	9%	10%	11%	11%	11%	11%	11%
Corporate	15	21	13	11	11	11	11	11
Total expenses	**597**	**627**	**795**	**959**	**946**	**947**	**959**	**970**
Balance Sheet items								
Fixed income securities, at fair value	15,124	16,800	18,344	19,449	20,616	21,853	23,165	24,554
% growth		11.1%	9.2%	6.0%	6.0%	6.0%	6.0%	6.0%
Fixed income securities pledged as collateral, at fair value	371	307	361	361	361	361	361	361
Short-term investments, at cost (approximates fair value)	472	312	686	686	686	686	686	686
Other (cost of $13,482 in 2007 and $13,427 in 2006	14	14	15	15	15	15	15	15
Total investments	15,981	17,434	19,405	20,511	21,678	22,915	24,226	25,616
Cash	28	32	60	274	267	457	553	594
Securities purchased under agreements to resell	419	273	-	-	-	-	-	1
Receivable for securities sold	2	13	98	98	98	98	98	98
Investment income due and accrued	179	193	140	66	59	50	41	31
as a % of investments	0	0	0	0	0	0	0	0
Reinsurance recoverable on paid and unpaid losses	4	4	5	5	5	5	5	5
Prepaid reinsurance	303	315	256	224	202	186	175	164
as a % of net premium earned	37%	39%	32%	37%	37%	37%	37%	37%
Deferred taxes	-	-	21	21	21	21	21	21
Deferred acquisition costs	202	252	264	231	208	191	180	169
as a % of gross par insured	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Loans	1,344	625	871	871	871	871	871	871
Increase/(decrease) in loans		(718.72)	245.22	-				
Derivative assets	1,102	1,019	1,001	1,001	1,048	964	906	852
as a % of gross par issued	0.9%	0.8%	0.7%	0.9%	1.0%	1.0%	1.0%	1.0%
Other assets	204	107	115	115	119	124	128	133
as a investments	1%	1%	1%	1%	1%	1%	1%	1%
Total assets	**19,769**	**20,268**	**22,235**	**23,417**	**24,575**	**25,882**	**27,204**	**28,554**
LIABILITIES AND STOCKHOLDERS' EQUITY								
Liabilities:								
Unearned premiums	2,955	3,038	3,185	3,185	3,280	3,322	3,331	3,312
as a % of net par outstandig		0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
Losses and loss expense reserve	304	220	274	394	502	601	695	783
as a % of premium earned	37.3%	27.1%	34.4%	65.0%	92.0%	119.8%	147.2%	176.4%

Loss and Loss expense reserve	**FY2004**	**FY 2005**	**FY 2006**	**FY 2007E**	**FY 2008E**	**FY 2009E**	**FY 2010E**	**FY 2011E**	**FY 2012E**
Opening balance of net loss reserve	187	238	301	215	274	394	502	601	695
Provision for loss and loss expenses	70	150	20	122	265	238	219	206	194
Losses paid	(55)	(119)	(126)	(96)	(212)	(191)	(175)	(165)	(155)
as a % of provision	-79%	-79%	-631%	-79%	-80%	-80%	-80%	-80%	-80%
Recoveries of losses from reinsurers	3	23	4	4	4	3	3	3	3
as a % of premium ceded		-23%	-4%	-4%	-4%	-4%	-4%	-4%	-4%
Other recoveries net of reinsurance	34	9	17	29	64	57	53	49	46
as a % of losses paid	-61%	-8%	-13%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
Ending balance of net loss reserve	**238**	**301**	**215**	**274**	**394**	**502**	**601**	**695**	**783**
		63.10							

	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Ceded reinsurance balances payable	24	20	24	24	24	24	24	24
Obligations under investment and payment agreements	7,056	8,203	9,509	10,050	10,514	11,145	11,814	12,523
as a % of investments	47%	49%	52%	52%	51%	51%	51%	51%
Obligations under investment repurchase agreements	197	154	136	136	136	136	136	136
Securities sold under agreement to repurchase	-	-	-	-	-	-	-	-
Deferred income taxes	277	279	-	-	-	-	-	-
Current income taxes	17	35	32	32	-	-	-	-
Long-term debt	2,234	992	1,662	1,662	1,662	1,662	1,662	1,662
Accrued interest payable	108	105	117	117	117	117	117	117
Derivative liabilities.	935	667	1,451	1,451	1,451	1,451	1,451	1,451
Other liabilities	254	276	322	322	322	322	322	322
Payable for securities purchased	12	96	31	31	31	31	31	31
Total liabilities	14,372	14,084	16,744	17,405	18,040	18,812	19,583	20,360
Stockholders' equity:								
Preferred stock	-	-	-	-				
Common stock held in treasury at cost	1	1	1	1	1	1	1	1
Add paid in capital	724	790	837	837	837	837	837	837
Accumulated other comprehensive income	227	198	71	71	71	71	71	71
Retained earnings	4,693	5,455	5,229	5,749	6,273	6,808	7,359	7,932
Common stock held in treasury at cost	(248)	(259)	(647)	(647)	(647)	(647)	(647)	(647)
Total stockholders' equity	5,397	6,184	5,491	6,011	6,535	7,070	7,621	8,194
Total liabilities and stockholders' equity	**19,769**	**20,268**	**22,235**	**23,417**	**24,575**	**25,882**	**27,204**	**28,554**
	-	-	-	-	-	-	-	
Loss ratio	18.4%	2.5%	15.3%	43.7%	43.7%	43.7%	43.7%	43.7%
Expense ratio	14.4%	16.5%	17.0%	21.2%	22.2%	23.2%	24.2%	24.2%
Combined rato	32.8%	18.9%	32.3%	64.9%	65.9%	66.9%	67.9%	67.9%

Income Statement

	FY05	Q106	Q206	Q306	Q406	FY06	Q107	Q207	Q307	Q407E
Revenues										
Financial Guarantee:										
Total net premiums earned	816.1	194	211	199	208	812	216	221	195	165
Other credit enhancement fees	50.1	14	14	15	15	59	16	17	20	15
Net premiums earned and other credit enhancement fees	**866**	**208**	**225**	**215**	**223**	**871**	**232**	**238**	**215**	**180**
Net investment income	414	102	104	107	111	424	112	113	116	118
Net realized investment gains	6	(0)	2	1	4	7	0	1	4	-
Net mark-to-market (losses) gains on credit derivative contracts	14	2	5	3	(1)	9	(5)	(57)	(743)	(400)
Other (loss) income	12	29	3	3	4	40	3	6	(1)	2
Financial Services:										
Investment income	270	82	98	108	104	392	106	108	121	123
Derivative products	16	5	3	3	6	17	4	2	1	-
Net realized investment gains	2	6	42	7	5	59	6	0	0	-
Net mark-to-market (losses) gains on total return swap contracts	1	5	2	(1)	(4)	3	3	(1)	(13)	-
Net mark-to-market losses on non-trading derivatives contracts	44	0	(0)	(1)	(0)	(1)	(0)	0	(1)	-
Corporate:	-	-	-	-	-	-	-	-	-	
Net investment income	3	3	3	4	2	12	2	1	1	1
Net realized gains	-	-	1	-	-	1	-	-	-	
Total revenues	**1,649**	**441**	**489**	**448**	**454**	**1,832**	**462**	**413**	**(301)**	**24**
Total revenues Excluding Derivate gain/losses	**1,590**	**434**	**482**	**447**	**459**	**1,822**	**464**	**470**	**457**	**424**
Expenses:										
Financial Guarantee:										
Losses and loss expenses	150	0	13	(3)	10	20	11	17	19	74
Underwriting and operating expenses	118	38	32	30	34	134	36	33	35	31
Interest expense on variable interest entity notes	35	-	-							
Financial Services:										
Interest from investment and payment agreements	239	75	91	97	97	360	99	101	112	114
Other expenses	14	4	3	3	2	12	3	3	3	3
Interest	56	19	19	19	17	75	19	22	22	19
Corporate	15	4	4	3	10	21	3	4	3	3
Total expenses	**626**	**140**	**162**	**150**	**170**	**622**	**173**	**181**	**194**	**244**
(Loss) income before income taxes	1,023	302	327	297	284	1,210	289	232	(495)	(220)
Provision for income taxes	272	81	88	84	82	334	76	59	(134)	(61)
Net (loss) income	751	221	239	214	203	876	213	173	(361)	(159)
Adjusted Income without the effect of derivative gain and loss	691.9	213.7	231.7	212.6	207.7	865.7	215.8	230.5	396.9	240.9
Adjusted Diluted EPS	6.4	2.0	2.2	2.0	1.9	8.0	2.0	2.2	3.9	2.3
Net (loss) income per share	6.9	2.1	2.2	2.0	1.9	8.2	2.0	1.7	-3.5	(1.6)
Net (loss) income per diluted share	6.9	2.1	2.2	2.0	1.9	8.1	2.0	1.7	-3.5	(1.5)
Weighted average number of shares outstanding	106	106	106	107	107	107	105	103	102	102.3
Weighted average number of diluted shares outstanding	108	107	107	108	108	108	106	103	103	102.8
Book value per share							61.1	60.1	55.5	53.7
Book value per share (excluding the impact of derivative losse)										57.6

FY07E	Q108E	Q208E	Q308E	Q408E	FY08E	FY09E	FY10E	FY11E	FY12E
797	159	154	149	145	606	546	502	472	444
68	14	14	13	13	54	48	44	42	39
865	**173**	**167**	**162**	**158**	**660**	**594**	**546**	**514**	**483**
459	121	123	124	125	493	522	554	587	622
5	-	-	-	-	-	-	-	-	-
(1,205)	-	-	-	-	-	-	-	-	-
9	2	2	2	2	8	7	7	6	6
					-				
457	125	127	129	130	511	542	575	609	646
7	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-
(11)	-	-	-	-	-	-	-	-	-
(1)	-	-	-	-	-	-	-	-	-
-					-				
5	1	1	1	1	5	5	5	5	5
-					-				
598	**422**	**421**	**419**	**416**	**1,677**	**1,670**	**1,686**	**1,720**	**1,761**
1,815	**422**	**421**	**419**	**416**	**1,677**	**1,670**	**1,686**	**1,720**	**1,761**
122	63	65	67	69	265	238	219	206	194
135	31	32	32	33	129	121	117	114	107
					-				
					-				
426	116	118	120	121	475	503	534	566	599
12	3	2	2	2	10	10	9	8	8
82	18	18	17	17	69	62	57	54	51
13	3	3	3	3	11	11	11	11	11
791	**235**	**238**	**242**	**244**	**959**	**946**	**947**	**959**	**970**
(193)	187	182	177	172	718	724	739	761	791
(60)	52	50	49	47	198	200	204	210	218
(133)	136	132	128	124	520	524	535	551	573
1,084.1	135.5	132.0	128.3	124.4	520.3	524.1	535.2	551.1	572.5
10.5	1.3	1.3	1.2	1.2	5.1	5.1	5.2	5.4	5.6
-									
(1.36)	1.3	1.3	1.3	1.2	5.09	8.85	16.40	31.55	61.89
(1.37)	1.3	1.3	1.2	1.2	5.06	8.80	16.32	31.40	61.58
102	102	102	102	102	102	102	102	102	102
103	103	103	103	103	103	103	103	103	103
52.4	56.3	57.6	58.8	60.0	63.8	63.9	69.1	74.5	80.1
64.3	56.3	57.6	58.8	60.0	63.8	63.9	69.1	74.5	80.1

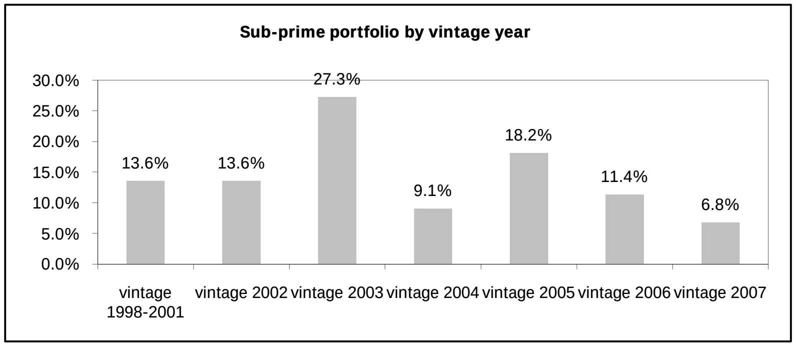
	AMBAC
Total subprime exposure with in insured portfolio	
Total MBS portfolio	53.9
RMBS subprime exposure	8.8
% of total RMBS portfolio	**16.3%**

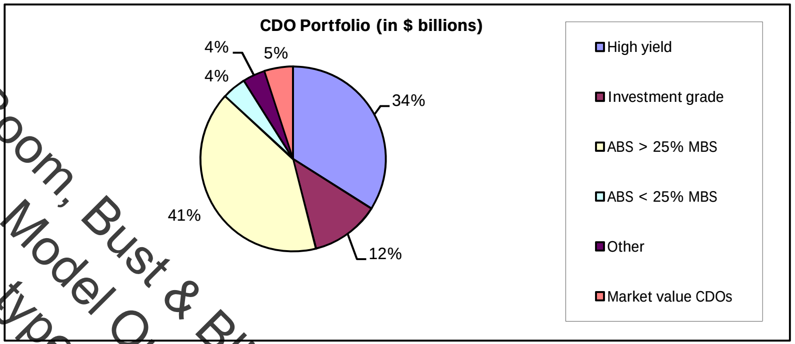
Sub prime porfolio by vintage		
vintage 1998-2001	1.2	13.6%
vintage 2002	1.2	13.6%
vintage 2003	2.4	27.3%
vintage 2004	0.8	9.1%
vintage 2005	1.6	18.2%
vintage 2006	**1**	**11.4%**
vintage 2007	**0.6**	**6.8%**
Direct Subprime RMBS	8.8	**100.0%**

18.2% of the subprime portfolio belongs to vintage years of 2006-2007 when credit writing standards has been on its low

Total CDO portfolio (in US$bn)		
High yield	**24.3**	**34.0%**
Investment grade	8.6	12.0%
ABS > 25% MBS	**29.2**	**40.8%**
ABS < 25% MBS	3	4.2%
Other	2.80	3.9%
Market value CDOs	3.60	5.0%
	71.5	**100.0%**

Breakdown of CDO of ABS's subprime collateral by rating	**2Q 07**	**3Q 07**
AAA	3.8%	7.4%
AA	39.7%	39.0%
A	47.2%	36.9%
BBB	8.6%	8.7%
Below investment grade	**0.7%**	**8.0%**





Significant movement in the rating of CDO's portfolio from the previous quarter..

Ambac witnessed a significant downgrade in the rating of its CDO portfolio with 8.04% being rated below investment grade in 3Q 07 compared to 0.66% in 2Q 07, however its AAA rated CDO portfolio also increased to 7.38% in 3Q 07 from 3.76% i

Expense ratio 15%

Here we have done a loss tail analysis of the forecasted losses of the Structured Finance, Direct RMBS and Consumer Finance portfolio, expecting the losses of the vintage year 2005 to be paid over the next 5 years in 2006-2010. We have calcluated the loss ratio of the company which is deteriorating from 2007 onwards (denoted by Paid losses/Written premium ratio).

Base Case Analysis				**Calendar year payout**									
Year	**Gross written premium**	**Expense ratio**	**Total Expected losses**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	172	972	22									
2004	1,048	157	891		61								
2005	1,096	164	932			200							
2006	997	150	847				504						
2007	1,006	151	855					1,266					
2008	766	115	651						1,880				
2009	690	103	586							1,833			
2010	635	95	539								1,694		
2011	597	89	507									1,389	
2012	561	84	477										618
		Calendar year paid losses		22	61	200	504	1,266	1,880	1,833	1,694	1,389	618
		Cumulative losses		*22*	*83*	*282*	*787*	*2,053*	*3,933*	*5,766*	*7,460*	*8,849*	*9,467*
		Report year written premium		1,144	1,048	1,096	997	1,006	766	690	635	597	561
		Paid Losses/Writtem Premium ratio		2%	6%	18%	51%	126%	245%	266%	267%	233%	110%
		Outstanding loss reserves		950	1,780	2,512	2,856	2,445	1,216	(31)	(1,185)	(2,067)	(2,208)

Optimistic Case Analysis				**Calendar year payout**									
Year	**Gross written premium**	**Expense ratio**	**Total Expected losses**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	172	972	-									
2004	1,048	157	891		-								
2005	1,096	164	932			63							
2006	997	150	847				194						
2007	1,006	151	855					582					
2008	766	115	651						916				
2009	690	103	586							916			
2010	635	95	539								853		
2011	597	89	507									722	
2012	561	84	477										334
		Calendar year paid losses		-	-	63	194	582	916	916	853	722	334
		Cumulative losses		-	-	63	257	839	1,755	2,671	3,524	4,246	4,579
		Report year written premium		1,144	1,048	1,096	997	1,006	766	690	635	597	561
		Paid Losses/ WP ratio				6%	19%	58%	119%	133%	134%	121%	59%
		Outstanding loss reserves		972	1,863	2,732	3,385	3,659	3,394	3,065	2,751	2,536	2,679

Worst Case Analysis				**Calendar year payout**									
Year	**Gross written premium**	**Expense ratio**	**Total Expected losses**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	172	972	39									
2004	1,048	157	891		121								
2005	1,096	164	932			381							
2006	997	150	847				1,032						
2007	1,006	151	855					2,442					
2008	766	115	651						3,590				
2009	690	103	586							3,492			
2010	635	95	539								3,232		
2011	597	89	507									2,582	
2012	561	84	477										1,156
		Calendar year paid losses		39	121	381	1,032	2,442	3,590	3,492	3,232	2,582	1,156
		Cumulative losses		39	161	542	1,574	4,016	7,606	11,098	14,331	16,913	18,068
		Report year written premium		1,144	1,048	1,096	997	1,006	766	690	635	597	561
		Paid Losses/ WP ratio		3%	12%	35%	103%	243%	468%	506%	509%	433%	206%
		Outstanding loss reserves		933	1,703	2,253	2,068	482	(2,457)	(5,363)	(8,056)	(10,130)	(10,810)

Alternatively, we have calculated the provisioning for losses that Ambac will need to make every year on the basis of the anticipated losses that the company will have to pay in coming years. In doing so we have assumed that the 85% of the premium written from 2007 onwards (excluding 15% as underwrting expesnse) will be transferred to the loss expense reserve every year. The loss reserve uptill 2007 is taken from comapny's balance sheet. The losses have been calculated on the basis of various default probabilities assummed in Strucutred Finance, Direct Subprime RMBS and Consumer Finance portfolios. We have assumed a duration of 5 years to spread the losses on various vintages over the coming years. We anticipate the company will have to create a provisoin of $ 6.8 billion under the base case scenario.

Base Case Analysis			**Calendar year payout**									
Year	**Gross written premium**	**Loss and loss expense reserve**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	189	22	-	-	-	-	-	-	-	-	-
2004	1,048	254	-	61	-	-	-	-	-	-	-	-
2005	1,096	304	-	-	200	-	-	-	-	-	-	-
2006	997	220	-	-	-	504	-	-	-	-	-	-
2007	1,006	279	-	-	-	-	1,266	-	-	-	-	-
2008	766	930	-	-	-	-	-	1,880	-	-	-	-
2009	690	1,517	-	-	-	-	-	-	1,833	-	-	-
2010	635	2,056	-	-	-	-	-	-	-	1,694	-	-
2011	597	2,563	-	-	-	-	-	-	-	-	1,389	-
2012	561	3,040	-	-	-	-	-	-	-	-	-	618
		Calendar year paid losses	22	61	200	504	1,266	1,880	1,833	1,694	1,389	618
		Cumulative losses	*22*	*83*	*282*	*787*	*2,053*	*3,933*	*5,766*	*7,460*	*8,849*	*9,467*
		Provision for losses		**4**	**(150)**	**(588)**	**(1,208)**	**(1,229)**	**(1,246)**	**(1,154)**	**(882)**	**(141)**

Total (6,595)

Optimistic Case Analysis			**Calendar year payout**									
Year	**Gross written premium**	**Loss and loss expense reserve**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	189	-	-	-	-	-	-	-	-	-	-
2004	1,048	254	-	-	-	-	-	-	-	-	-	-
2005	1,096	304	-	-	63	-	-	-	-	-	-	-
2006	997	220	-	-	-	194	-	-	-	-	-	-
2007	1,006	279	-	-	-	-	582	-	-	-	-	-
2008	766	930	-	-	-	-	-	916	-	-	-	-
2009	690	1,517	-	-	-	-	-	-	916	-	-	-
2010	635	2,056	-	-	-	-	-	-	-	853	-	-
2011	597	2,563	-	-	-	-	-	-	-	-	722	-
2012	561	3,040	-	-	-	-	-	-	-	-	-	334
		Calendar year paid losses	-	-	63	194	582	916	916	853	722	334
		Cumulative losses	-	-	*63*	*257*	*839*	*1,755*	*2,671*	*3,524*	*4,246*	*4,579*
		Provision for losses		**65**	**(13)**	**(278)**	**(524)**	**(264)**	**(330)**	**(313)**	**(215)**	**143**

Total (1,729)

Worst Case Analysis			**Calendar year payout**									
Year	**Gross written premium**	**Loss and loss expense reserve**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
2003	1,144	189	39	-	-	-	-	-	-	-	-	-
2004	1,048	254	-	121	-	-	-	-	-	-	-	-
2005	1,096	304	-	-	381	-	-	-	-	-	-	-
2006	997	220	-	-	-	1,032	-	-	-	-	-	-
2007	1,006	279	-	-	-	-	2,442	-	-	-	-	-
2008	766	930	-	-	-	-	-	3,590	-	-	-	-
2009	690	1,517	-	-	-	-	-	-	3,492	-	-	-
2010	635	2,056	-	-	-	-	-	-	-	3,232	-	-
2011	597	2,563	-	-	-	-	-	-	-	-	2,582	-
2012	561	3,040	-	-	-	-	-	-	-	-	-	1,156
		Calendar year paid losses	39	121	381	1,032	2,442	3,590	3,492	3,232	2,582	1,156
		Cumulative losses	*39*	*161*	*542*	*1,574*	*4,016*	*7,606*	*11,098*	*14,331*	*16,913*	*18,068*
		Provision for losses	**25**	**(71)**	**(331)**	**(1,116)**	**(2,383)**	**(2,939)**	**(2,906)**	**(2,693)**	**(2,075)**	**(679)**

Total (15,168)

Before Subordination

Sensitivity Analysis - Default probabilities - Base case

Vintage	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS
1998	3%					
1999	3%					
2000	3%					
2001	3%					
2002	6%					
2003	6%					
2004	9%	6%	6%	19%	13%	13%
2005	9%	6%	6%	19%	13%	13%
2006	19%	9%	9%	44%	13%	13%
2007	19%	9%	9%	44%	13%	13%

Sensitivity Analysis - Deafulat probabilities - Worst case

Vintage	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS
1998	6%					
1999	6%					
2000	6%					
2001	6%					
2002	13%					
2003	13%					
2004	25%	13%	13%	38%	19%	19%
2005	25%	13%	13%	38%	19%	19%
2006	38%	19%	19%	88%	19%	19%
2007	38%	19%	19%	88%	19%	19%

Sensitivity Analysis - Deafulat probabilities - Optimistic

Vintage	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS
1998	0%					
1999	0%					
2000	0%					
2001	0%					
2002	0%					
2003	0%					
2004	3%	3%	3%	13%	6%	6%
2005	3%	3%	3%	13%	6%	6%
2006	6%	6%	6%	31%	6%	6%
2007	6%	6%	6%	31%	6%	6%

Assumption for the Consumer asset backed finance

Base case Scenario -defaut probabilities

Rating	1996-2000	2001	2002	2003	2004	2005	2006	2007
AAA	0%	0%	0%	0%	3%	3%	6%	6%
AA	0%	3%	3%	3%	6%	6%	13%	13%
A	0%	3%	3%	3%	13%	13%	16%	16%
BBB	0%	6%	6%	6%	13%	13%	19%	19%
BIG	0%	6%	6%	6%	19%	19%	25%	25%

Worst case Scenario -default probabilities

Rating	1996-2000	2001	2002	2003	2004	2005	2006	2007
AAA	0%	0%	0%	0%	6%	6%	13%	13%
AA	0%	6%	6%	6%	13%	13%	19%	19%
A	0%	6%	6%	6%	16%	16%	25%	25%
BBB	0%	9%	9%	9%	25%	25%	31%	31%
BIG	0%	13%	13%	13%	38%	38%	50%	50%

Optimistic case Scenario -default probabilities

Rating	1996-2000	2001	2002	2003	2004	2005	2006	2007
AAA	0%	0%	0%	0%	0%	0%	3%	3%
AA	0%	0%	0%	0%	3%	3%	6%	6%
A	0%	0%	0%	0%	6%	6%	6%	6%

BBB	0%	0%	0%	0%	6%	6%	9%	9%
BIG	0%	0%	0%	0%	13%	13%	16%	16%

SENSITIVITY ANALYSIS

In $ millions, unless specified otherwise	
Statutory capital	6,224
Total claims paying resources	14,195
Number of outstanding shares (in mn)	102.3
Ambac Sensitivity Analysis	
BASE CASE SCENARIO	
RMBS Losses	625
CDO Losses	3,958
Consumer Finance losses	4,884
Total losses	**9,467**
Assumed tax rate	27.0%
After tax losses	**6,911**
Losses as a % of statutory capital	**111.0%**
Losses as a % of claims paying resources	**48.7%**
Shareholders' equity	5,650
Less : Total losses under scenario	6,911
New Shareholder's equity	**(1,261)**
Old Book value per share	**55.6**
New Book value per share	**(12.3)**

Present Value of Losses - Base Case

(In $ millions)	
RMBS Losses	558
CDO Losses	3,216
Consumer Finance losses	4,108
Total Losses	**7,882**
Statutory Capital	6,224
Capital Deficit	**1,658**

WORST CASE SCENARIO	
RMBS Losses	1,380
CDO Losses	7,975
Consumer Finance losses	8,713
Total losses	**18,068**
Assumed tax rate	27.0%
After tax losses	**13,190**
Losses as a % of statutory capital	**211.9%**
Losses as a % of claims paying resources	**92.9%**
Shareholders' equity	5,650
Less : Total losses under scenario	13,190
New Shareholder's equity	(7,540)
Old Book value per share	**55.6**
New Book value per share	**(73.7)**

Present Value of Losses - Worst Case

(In $ millions)	
RMBS Losses	1,237
CDO Losses	6,490
Consumer Finance losses	7,349
Total Losses	**15,076**

OPTIMISTIC CASE SCENARIO	
RMBS Losses	141

Present Value of Losses - Optimistic Case

(In $ millions)

					Collateral as % of Deal(1)										Collateral Rating as a % of deal				
	Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac	AAA	AA	A	BBB	BIG
1	2004	Cheyne High Grade ABS CDO, Ltd.	780	608	37%	16%	9%	11%	24%	2%			8%	22%	35%	50%	15%		
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**21**	**6**	**3**	**13**	**18**	**2**	**63**	10%							
		Optimistic case losses			**7**	**2**	**1**	**8**	**9**	**1**	**29**	5%							
		Worst case losses			**56**	**12**	**7**	**25**	**27**	**2**	**130**	21%							
2	2005	Duke Funding High Grade III Ltd.	1,524	1,173	34%	61%				3%			7%	23%	4%	58%	33%	5%	
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**37**	**45**	**0**	**0**	**0**	**4**	**87**	7%							
		Optimistic case losses			**12**	**18**	**0**	**0**	**0**	**2**	**33**	3%							
		Worst case losses			**100**	**89**	**0**	**0**	**0**	**7**	**196**	17%							
3	2005	Palmer Square PLC	988	781	34%	35%	7%	7%	15%	1%			5%	21%	44%	56%			
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**25**	**17**	**3**	**10**	**15**	**1**	**71**	9%							
		Optimistic case losses			**8**	**7**	**1**	**7**	**7**	**0**	**31**	4%							
		Worst case losses			**66**	**34**	**7**	**20**	**22**	**1**	**151**	19%							
4	2005	Hereford Street ABS CDO I, Ltd.	986	818	54%	18%			23%	5%			9%	17%	18%	41%	40%		
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**41**	**9**	**0**	**0**	**24**	**5**	**79**	10%							
		Optimistic case losses			**14**	**4**	**0**	**0**	**12**	**3**	**32**								
		Worst case losses			**110**	**18**	**0**	**0**	**35**	**8**	**172**	21%							
5	2005	Pascal CDO, Ltd.	856	736	58%	19%	3%	5%	6%	9%			7%	14%	15%	65%	20%		
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**40**	**9**	**1**	**7**	**6**	**8**	**71**	10%							
		Optimistic case losses			**13**	**3**	**1**	**5**	**3**	**4**	**29**								
		Worst case losses			**107**	**17**	**3**	**14**	**8**	**12**	**161**	22%							
6	2005	Tremonia CDO 2005-1 PLC	815	668	42%	27%	2%	11%	13%	5%			12%	18%	22%	40%	37%		
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**26**	**11**	**1**	**14**	**11**	**4**	**67**	10%							
		Optimistic case losses			**9**	**5**	**0**	**9**	**5**	**2**	**30**								
		Worst case losses			**70**	**23**	**2**	**28**	**16**	**6**	**145**	22%							
7	2005	High Grade Structured Credit CDO 2005-1	624	524	58%	32%	3%	5%	3%				11%	16%	4%	33%	64%		
		Default assumptions - base case			9%	6%	6%	19%	13%	13%									
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%									
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%									
		Base case losses			**29**	**10**	**1**	**5**	**2**	**0**	**47**	9%							
		Optimistic case losses			**10**	**4**	**0**	**3**	**1**	**0**	**18**								
		Worst case losses			**76**	**21**	**2**	**10**	**3**	**0**	**112**	21%							

	Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Collateral as % of Deal(1) Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac		Collateral Rating as a % of deal AAA	AA	A	BBB	BIG
8	2005	Belle Haven ABS CDO 2005-1, Ltd.	588	459	56%	30%	4%	3%	2%	3%			13%	22%		6%	2%	40%	48%	3%
		Default assumptions - base case			9%	6%	6%	19%	13%	13%										
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%										
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%										
		Base case losses			**24**	**9**	**1**	**3**	**1**	**2**	39	9%								
		Optimistic case losses			**8**	**3**	**0**	**2**	**1**	**1**	15									
		Worst case losses			**64**	**17**	**2**	**5**	**2**	**3**	93	20%								
9	2006	Diversey Harbor ABS CDO, Ltd.	1,875	1,444	35%	40%	7%	17%	1%				5%	23%		27%	38%	31%	3%	2%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**95**	**54**	**9**	**107**	**2**	**0**	268	19%								
		Optimistic case losses			**32**	**36**	**6**	**77**	**1**	**0**	152									
		Worst case losses			**189**	**108**	**19**	**215**	**3**	**0**	534	37%								
10	2006	Belle Haven ABS CDO 2006-1, Ltd.	1,676	1,425	45%	30%	5%	9%	5%	7%			7%	15%		21%	37%	30%	6%	6%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**120**	**40**	**7**	**56**	**9**	**12**	244	17%								
		Optimistic case losses			**40**	**27**	**4**	**40**	**4**	**6**	122									
		Worst case losses			**240**	**80**	**13**	**112**	**13**	**19**	478	34%								
11	2006	Ridgeway Court Funding I, Ltd.	1,570	1,256	35%	27%	8%	23%	4%	2%			6%	20%		31%	42%	26%	1%	
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**82**	**32**	**9**	**126**	**6**	**3**	259	21%								
		Optimistic case losses			**27**	**21**	**6**	**90**	**3**	**2**	150									
		Worst case losses			**165**	**64**	**19**	**253**	**9**	**5**	514	41%								
12	2006	Duke Funding High Grade IV, Ltd.	1,313	1,142	29%	70%							8%	13%		1%	52%	40%	7%	
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**62**	**75**	**0**	**0**	**0**	**0**	**137**	12%								
		Optimistic case losses			**21**	**50**	**0**	**0**	**0**	**0**	**71**									
		Worst case losses			**124**	**150**	**0**	**0**	**0**	**0**	**274**	24%								
13	2006	Duke Funding High Grade V, Ltd.	1,250	1,050	41%	59%							9%	16%			44%	44%	10%	2%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**81**	**58**	**0**	**0**	**0**	**0**	**139**	13%								
		Optimistic case losses			**27**	**39**	**0**	**0**	**0**	**0**	**66**									
		Worst case losses			**161**	**116**	**0**	**0**	**0**	**0**	**278**	26%								
14	2006	McKinley Funding III, Ltd.	1,187	961	18%	41%	6%	32%	3%				5%	19%		38%	37%	17%	2%	5%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**32**	**37**	**5**	**135**	**4**	**0**	213	22%								
		Optimistic case losses			**11**	**25**	**4**	**96**	**2**	**0**	137									
		Worst case losses			**65**	**74**	**11**	**269**	**5**	**0**	424	44%								

					Collateral as % of Deal(1)											Collateral Rating as a % of deal				
	Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac		AAA	AA	A	BBB	BIG
15	2006	Millerton II High Grade ABS CDO, Ltd.	1,118	961	41%	50%	4%	1%	3%	1%			7%	14%		25%	38%	36%	1%	1%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**74**	**45**	**4**	**4**	**4**	**1**	132	14%								
		Optimistic case losses			**25**	**30**	**2**	**3**	**2**	**1**	62									
		Worst case losses			**148**	**90**	**7**	**8**	**5**	**2**	261	27%								
16	2006	Lancer Funding, Ltd.	950	760	46%	41%	3%	6%	3%	1%			6%	20%		14%	56%	28%	1%	1%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**66**	**29**	**2**	**20**	**3**	**1**	121	16%								
		Optimistic case losses			**22**	**19**	**1**	**14**	**1**	**0**	59									
		Worst case losses			**131**	**58**	**4**	**40**	**4**	**1**	239	32%								
17	2006	Cairn High Grade ABS CDO II Limited	820	672	35%	39%	1%	22%	1%	2%			6%	18%		10%	47%	39%	4%	
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**44**	**25**	**1**	**65**	**1**	**2**	137	20%								
		Optimistic case losses			**15**	**16**	**0**	**46**	**0**	**1**	79									
		Worst case losses			**88**	**49**	**1**	**129**	**1**	**3**	272	40%								
18	2006	ESP Funding I, Ltd.	657	473	42%	16%		16%	25%	1%			7%	28%		19%	44%	31%	4%	2%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**37**	**7**	**0**	**33**	**15**	**1**	93	20%								
		Optimistic case losses			**12**	**5**	**0**	**24**	**7**	**0**	48									
		Worst case losses			**75**	**14**	**0**	**66**	**22**	**1**	178	38%								
19	2006	Longshore CDO Funding 2006-1, Ltd.	614	510	30%	32%	7%	12%	16%	3%			9%	17%		27%	39%	35%		
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**29**	**15**	**3**	**27**	**10**	**2**	86	17%								
		Optimistic case losses			**10**	**10**	**2**	**19**	**5**	**1**	47									
		Worst case losses			**57**	**31**	**7**	**54**	**15**	**3**	166	33%								
20	2007	Kleros Preferred Funding VI, Ltd.	2,400	1,920	33%	36%	6%	20%	2%	1%			5%	20%		62%	16%	11%	6%	5%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**119**	**65**	**11**	**168**	**5**	**2**	370	19%								
		Optimistic case losses			**40**	**43**	**7**	**120**	**2**	**1**	214									
		Worst case losses			**238**	**130**	**22**	**336**	**7**	**4**	736	38%								
21	2007	RidgewayCourt FundingII, Ltd.	1,950	1,268	48%	9%	4%	30%	7%	1%			6%	35%		8%	45%	35%	5%	7%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**114**	**11**	**5**	**166**	**11**	**2**	309	24%								
		Optimistic case losses			**38**	**7**	**3**	**119**	**6**	**1**	173									
		Worst case losses			**228**	**21**	**10**	**333**	**17**	**2**	611	48%								

					Collateral as % of Deal(1)											Collateral Rating as a % of deal				
	Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac		AAA	AA	A	BBB	BIG
22	2007	Citation High Grade ABS CDO I, Ltd.	941	800	39%	53%		5%		2%			5%	15%		32%	36%	25%	5%	2%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**58**	**40**	**0**	**17**	**0**	**2**	118	15%								
		Optimistic case losses			**19**	**26**	**0**	**12**	**0**	**1**	59									
		Worst case losses			**117**	**79**	**0**	**35**	**0**	**3**	234	29%								
23	2007	Fiorente Funding Limited	723	615	35%	42%	2%	12%	1%	7%			8%	15%		31%	50%	14%	1%	4%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**40**	**24**	**1**	**32**	**1**	**5**	104	17%								
		Optimistic case losses			**13**	**16**	**1**	**23**	**0**	**3**	56									
		Worst case losses			**81**	**48**	**2**	**65**	**1**	**8**	205	33%								
24	2007	CDO of Mezzanine ABS	510	260	83%	6%		7%		4%			31%	49%			1%	1%	35%	63%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**40**	**1**	**0**	**8**	**0**	**1**	51	20%								
		Optimistic case losses			**13**	**1**	**0**	**6**	**0**	**1**	21									
		Worst case losses			**81**	**3**	**0**	**16**	**0**	**2**	102	39%								
25	2005	**CDO of CDO** CDO of Mezzanine ABS	81	35	9%	1%	20%	34%	36%	1%			33%	57%				3%	91%	6%
		Default assumptions - base case			9%	6%	6%	19%	13%	13%										
		Default assumptions - optimistic case			3%	3%	3%	13%	6%	6%										
		Default assumptions - worst case			25%	13%	13%	38%	19%	19%										
		Base case losses			**0**	**0**	**0**	**2**	**2**	**0**	5	13%								
		Optimistic case losses			**0**	**0**	**0**	**1**	**1**	**0**	3									
		Worst case losses			**1**	**0**	**1**	**4**	**2**	**0**	9	25%								
26	2007	CDO of Mezzanine ABS	1,400	980				100%					9%	30%			94%	6%		
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**0**	**0**	**0**	**428.75**	**0**	**0**	429	44%								
		Optimistic case losses			**0**	**0**	**0**	**306.25**	**0**	**0**	306									
		Worst case losses			**0**	**0**	**0**	**857.5**	**0**	**0**	858	88%								
27	2007	CDO of Mezzanine ABS	500	260			7%	93%					18%	48%			8%	90%	2%	
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**0**	**0**	**1.70625**	**106**	**0**	**0**	107	41%								
		Optimistic case losses			**0**	**0**	**1.1375**	**75.5625**	**0**	**0**	77									
		Worst case losses			**0**	**0**	**3.4125**	**211.575**	**0**	**0**	215	83%								
28	2007	CDO of Mezzanine ABS	500	260				100%					18%	48%				85%	13%	2%
		Default assumptions - base case			19%	9%	9%	44%	13%	13%										
		Default assumptions - optimistic case			6%	6%	6%	31%	6%	6%										
		Default assumptions - worst case			38%	19%	19%	88%	19%	19%										
		Base case losses			**0**	**0**	**0**	**113.75**	**0**	**0**	114	44%								
		Optimistic case losses			**0**	**0**	**0**	**81.25**	**0**	**0**	81									
		Worst case losses			**0**	**0**	**0**	**227.5**	**0**	**0**	228	88%								
		Total	**29,196**	**22,820**	**10,693**	**9,600**	**1,048**	**5,601**	**1,505**	**601**	**22,820**									
		Total Base case losses			**1,338**	**674**	**71**	**1,667**	**147**	**61**	**3,958**									
		Total Optimistic case losses			**446**	**419**	**44**	**1,188**	**73**	**30**	**2,201**									
		Total Worst case losses			**2,839**	**1,349**	**141**	**3,334**	**220**	**91**	**7,975**									

				Collateral as % of Deal(1)											Collateral Rating as a % of deal				
Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac		AAA	AA	A	BBB	BIG
	% Base case losses of various collateral			12.5%	7.0%	6.8%	29.8%	9.8%	10.1%	17.3%									
	% Optimistic case losses of various collateral			4.2%	4.4%	4.2%	21.2%	4.9%	5.1%	9.6%									
	% Worst case losses of various collateral			26.6%	14.0%	13.5%	59.5%	14.7%	15.2%	34.9%									

Vintage year	**2,004**	**2005**	**2006**	**2007**	
Losses-Base case	63	466	1828	1601	**3958**
Losses-Optimistic case	29	191	993	988	**2201**
Losses-Worst case	130	1038	3619	3188	**7975**

Assumed Duration **5**

	2,003	**2004**	**2005**	**2006**	**2007**
Losses-Base case		12.6	93.2	365.6	320.2
Losses-Optimistic case		5.8	38.1	198.6	197.6
Losses-Worst case		26.0	207.7	723.8	637.5

Base Case	**2,003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total Losses**
			13	13	13	13	13				63
				93	93	93	93	93			466
					366	366	366	366	366		1,828
						320	320	320	320	320	1,601
		-	**13**	**106**	**471**	**792**	**792**	**779**	**686**	**320**	**3,958**

2003	**2,004**	**2005**	**2006**	**2007**	**2,008**	**2,009**	**2,010**	**2,011**	**2,012**	
		12.6	93.2	365.6	320.2					
			13	**93**	**366**	**320**	**-**	**-**	**-**	
			-	**13**	**93**	**366**	**320**	**-**	**-**	
			-	**-**	**13**	**93**	**366**	**320**	**-**	
			-	**-**	**-**	**13**	**93**	**366**	**320**	
	-	12.6	105.8	471.4	791.6	791.6	779.0	685.9	320.2	**3,958**

2003						
2004						-
2005	13					**13**
2006	93	**13**	**-**	**-**	**-**	**106**
2007	366	**93**	**13**	**-**	**-**	**471**
2008	320	**366**	**93**	**13**	**-**	**792**
2009		**320**	**366**	**93**	**13**	**792**
2010		**-**	**320**	**366**	**93**	**779**
2011		**-**	**-**	**320**	**366**	**686**
2012		**-**	**-**	**-**	**320**	**320**
						3,958

Optimistic Case	**2,003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total Losses**
			6	6	6	6	6				29
				38	38	38	38	38			191
					199	199	199	199	199		993
						198	198	198	198	198	988
		-	**6**	**44**	**243**	**440**	**440**	**434**	**396**	**198**	**2,201**

Optimistic Case						
	2003					
	2004					-
	2005	6				6
	2006	6	38			44
	2007	6	38	199		243
	2008	6	38	199	198	440
	2009	6	38	199	198	440
	2010		38	199	198	434
	2011			199	198	396
	2012				198	198
Total Losses		29	191	993	988	2,201

Worst case	**2,003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total Losses**

Year issued	CDO of ABS	Insured Amount ($ mn)	Insured Amount after Subordination	Sub-prime RMBS	Other RMBS	ABS CDO High grade	ABS CDO Mezzanine	CDO other	Other ABS	Losses -base and worst case	Loss as a % of net par insured	AAA/Aaa(3) Subordination	Subordination Below Ambac		AAA	AA	A	BBB	BIG
				Collateral as % of Deal(1)											Collateral Rating as a % of deal				
					26	26	26	26	26				130						
						208	208	208	208	208			1,038						
							724	724	724	724	724		3,619						
								638	638	638	638	638	3,188						
				-	**26**	**234**	**957**	**1,595**	**1,595**	**1,569**	**1,361**	**638**	**7,975**						

Worst case						
	2003					
	2004					**-**
	2005	26				**26**
	2006	26	**208**			**234**
	2007	26	**208**	**724**		**957**
	2008	26	**208**	**724**	**638**	**1595**
	2009	26	**208**	**724**	**638**	**1595**
	2010		**208**	**724**	**638**	**1569**
	2011			**724**	**638**	**1361**
	2012				**638**	**638**
Total Losses		130	**1038**	**3619**	**3188**	**7975**

Structured Finance

Loss Tail Analysis	**2,003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total Losses**
Base Case	-	-	13	106	471	792	792	779	686	320	**3,958**
Optimistic Case	-	-	6	44	243	440	440	434	396	198	**2,201**
Worst Case	-	-	26	234	957	1,595	1,595	1,569	1,361	638	**7,975**

WACC	0									
	2,004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total Losses**
Base Case	-	13	106	471	720	654	585	468	199	3,216
Optimistic Case	-	6	44	243	400	364	326	271	123	1,776
Worst Case	-	26	234	957	1,450	1,318	1,179	930	396	6,490

Residential Mortgages - Sub-																
Sector name	Issuer	Issue name	Issue Date	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Net exposure Less 20% Subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage Year	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Losses -Base case	Losses - optimistic case
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2002-1	7/25/2002	207.4	12.74	10.192	10%	A-	A-	2002	6%	0%	13%	0.6	0.0
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2002-2	11/25/2002	541.9	40.91	32.728	10%	A	A	2002	6%	0%	13%	2.0	0.0
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2003-1	5/30/2003	303.05	27.88	22.304	10%	A-	A-	2003	6%	0%	13%	1.4	0.0
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2003-2	9/25/2003	416.8	50.88	40.704	10%	A-	A-	2003	6%	0%	13%	2.5	0.0
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2003-3	11/25/2003	515.55	79.23	63.384	10%	A-	A-	2003	6%	0%	13%	4.0	0.0
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2004-1	2/19/2004	505	77.92	62.336	10%	A-	A-	2004	9%	3%	25%	5.8	1.9
Mortgage & Home Equity	Accredited Home Lenders, Inc.	Accredited Mortgage Loan Trust 2004-3, Class 1A5	8/27/2004	29.02	29.02	23.216	10%	AAA	AAA	2004	9%	3%	25%	2.2	0.7
Mortgage & Home Equity	American Business Financial Services	American Business Financial Services, Inc., Mortgage-Backed Notes, 2000-1	3/30/2000	235	12.14	9.712	10%	BBB	BIG	2000	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	American Business Financial Services	American Business Financial Services, Inc., Mortgage-Backed Notes, 2000-3	9/28/2000	150	8.05	6.44	10%	BBB	BIG	2000	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	American Business Financial Services	American Business Financial Services, Inc., Mortgage-Backed Notes, 2000-4	12/21/2000	275	17.05	13.64	10%	BBB	BIG	2000	3%	0%	6%	0.3	0.0
Mortgage & Home Equity	American Business Financial Services	American Business Financial Services, Inc., Mortgage-Backed Notes, 2002-1	3/21/2002	320	32.21	25.768	10%	BBB	BBB-	2002	6%	0%	13%	1.6	0.0
Mortgage & Home Equity	American Business Financial Services	American Business Financial Services, Inc., Mortgage-Backed Notes, 2003-2	10/31/2003	147.94	15.88	12.704	10%	AAA	AAA	2003	6%	0%	13%	0.8	0.0
Mortgage & Home Equity	American Home Mortgage Investment Corp.	American Home Mortgage Investment Trust 2005-2	6/22/2005	115.72	115.72	92.576	10%	AAA	AAA	2005	9%	3%	25%	8.7	2.9
Mortgage & Home Equity	Ameriquest Mortgage Company	Argent 2004-W3	3/5/2004	455.25	57.19	45.752	10%	A	A	2004	9%	3%	25%	4.3	1.4
Mortgage & Home Equity	Ameriquest Mortgage Company	Quest 2003-X4	11/26/2003	124.95	3.12	2.496	10%	AA	AA	2003	6%	0%	13%	0.2	0.0
Mortgage & Home Equity	Ameriquest Mortgage Company	Quest 2004-X1	3/17/2004	204.11	32.11	25.688	10%	AA	AA	2004	9%	3%	25%	2.4	0.8
Mortgage & Home Equity	Citigroup Global Markets, Inc.	Citigroup Mortgage Loan Trust, 2003-HE3	12/23/2003	437.25	120.56	96.448	10%	AA	AA	2003	6%	0%	13%	6.0	0.0
Mortgage & Home Equity	Citigroup Global Markets, Inc.	Citigroup Mortgage Loan Trust, 2003-HE4	12/30/2003	275.46	76.84	61.472	10%	AA+	AA+	2003	6%	0%	13%	3.8	0.0
Mortgage & Home Equity	Contifinancial Services Corporation	ContiMortgage Home Equity Loan Trust, 1999-1	3/4/1999	617.5	7.93	6.344	10%	A	A	1999	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	Contifinancial Services Corporation	ContiMortgage Home Equity Loan Trust, 1999-3	6/17/1999	760	12.73	10.184	10%	A	BBB	1999	3%	0%	6%	0.3	0.0
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2004-13, Class AF-5B	12/30/2004	44.05	44.05	35.24	10%	AAA	AAA	2004	9%	3%	25%	3.3	1.1
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2005-1, Class AF-5B	3/30/2005	30	30	24	10%	AAA	AAA	2005	9%	3%	25%	2.3	0.8
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2005-16	12/28/2005	1,038.96	703.24	562.592	10%	BBB+	BBB+	2005	9%	3%	25%	52.7	17.6
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2005-17	12/29/2005	860.4	591.57	473.256	10%	BBB+	BBB+	2005	9%	3%	25%	44.4	14.8
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2005-3, Class AF-5B	3/30/2005	39	39	31.2	10%	AAA	AAA	2005	9%	3%	25%	2.9	1.0
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2006-13	7/28/2006	442.13	339.39	271.512	10%	BBB+	BBB+	2006	19%	6%	38%	50.9	17.0
Mortgage & Home Equity	Countrywide Home Loans, Inc.	Countrywide Asset-Backed Certificates Trust 2006-11	6/29/2006	690.2	556.77	445.416	10%	BBB	BBB	2006	19%	6%	38%	83.5	27.8
Mortgage & Home Equity	EquiCredit Corporation	EQCC Home Equity Loan Asset Backed Certificates 2001-1F	12/14/2001	7,089.87	587.84	470.272	10%	A-	BBB-	2001	3%	0%	6%	11.8	0.0
Mortgage & Home Equity	Equity One, Inc.	Equity One ABS, Inc. Mortgage Pass Through Certificates 1998-	12/9/1998	125.03	6.05	4.84	5%	BBB	A	1998	3%	0%	6%	0.1	0.0
Mortgage & Home Equity	Equity One, Inc.	Equity One ABS, Inc. Mortgage Pass Through Certificates 1999-	8/19/1999	195.02	13	10.4	5%	BBB	BBB	1999	3%	0%	6%	0.3	0.0
Mortgage & Home Equity	Equity One, Inc.	Equity One ABS, Inc. Mortgage Pass-Through Certificates 2001-	11/16/2001	261.63	18.79	15.032	10%	BBB	BBB	2001	3%	0%	6%	0.4	0.0
Mortgage & Home Equity	Equity One, Inc.	Equity One ABS, Inc. Mortgage Pass-Through Certificates 2002-	4/30/2002	287.55	26.58	21.264	10%	A	A	2002	6%	0%	13%	1.3	0.0
Mortgage & Home Equity	Fremont Investment and Loan	Fremont Home Loan Asset Backed Certificates 1999-3	9/23/1999	486	9.32	7.456	10%	BBB+	A	1999	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	Goldman Sachs Asset Securities Corp., Series 2001-A	5/24/2001	652.81	33.76	27.008	10%	A	A	2001	3%	0%	6%	0.7	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	GSAA Home Equity Trust 2004-7, Class AF-4	9/30/2004	30.36	30.36	24.288	10%	AAA	AA	2004	9%	3%	25%	2.3	0.8
Mortgage & Home Equity	Goldman, Sachs & Co.	GSAMP Mortgage Loan Trust 2002-HE2	12/30/2002	2,563.36	188.78	151.024	10%	A-	A-	2002	6%	0%	13%	9.4	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	GSAMP Mortgage Loan Trust 2003-SEA	8/25/2003	99.09	22.54	18.032	10%	AA-	AA-	2003	6%	0%	13%	1.1	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	GSAMP Mortgage Loan Trust 2003-SEA2	10/31/2003	110.61	39.85	31.88	10%	AA	AA	2003	6%	0%	13%	2.0	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	GSRPM Mortgage Loan Trust 2003-1	1/29/2003	232.71	25.14	20.112	10%	A	A	2003	6%	0%	13%	1.3	0.0
Mortgage & Home Equity	Goldman, Sachs & Co.	GSRPM Mortgage Loan Trust, Mortgage Pass-Through Certificates 2002-1	5/29/2002	254.16	19.45	15.56	10%	AAA	AAA	2002	6%	0%	13%	1.0	0.0
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Home Loan 1998-P1	11/19/1998	60	2.69	2.152	5%	A-	A-	1998	3%	0%	6%	0.1	0.0
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Home Loan Mortgage Loan Trust 2004-2	12/16/2004	90	18.73	14.984	10%	A-	A-	2004	9%	3%	25%	1.4	0.5
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Home Loan Mortgage Loan Trust 2005-1	11/29/2005	170	72.57	58.056	10%	BBB+	BBB+	2005	9%	3%	25%	5.4	1.8

Sector name	Issuer	Issue name	Issue Date	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Net exposure Less 20% Subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage Year	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Losses -Base case	Losses - optimistic case
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Home Loan Mortgage Loan Trust 2006-1	11/3/2006	190	153.25	122.6	10%	BBB+	BBB+	2006	19%	6%	38%	23.0	7.7

Sector name	Issuer	Issue name	Issue Date	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Net exposure Less 20% Subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage Year	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Losses -Base case	Losses - optimistic case
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Lehman Home Equity Loan Trust 2002-1	11/26/2002	100	8.78	7.024	10%	A-	A-	2002	6%	0%	13%	0.4	0.0
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Lehman Home Equity Loan Trust 2004-3	6/3/2004	100	12.51	10.008	10%	A-	A-	2004	9%	3%	25%	0.9	0.3
Mortgage & Home Equity	Home Loan and Investment Bank, F.S.B.	Lehman Home Equity Loan Trust, 2001-1	11/20/2001	51.26	4.81	3.848	5%	A-	A-	2001	3%	0%	6%	0.1	0.0
Mortgage & Home Equity	Mid-State Homes, Inc.	Mid States Trust IX, Variable Funding Notes	2/5/2001	400	87.15	69.72	10%	A+	A+	2001	3%	0%	6%	1.7	0.0
Mortgage & Home Equity	Mid-State Homes, Inc.	Mid States Trust VII, 6.34% Asset-Backed Notes	12/10/1998	313.49	118.07	94.456	10%	A-	A-	1998	3%	0%	6%	2.4	0.0
Mortgage & Home Equity	Mid-State Homes, Inc.	Mid States Trust VIII, 7.791% Asset-Backed Notes	5/3/2000	386.5	138.08	110.464	10%	A-	A-	2000	3%	0%	6%	2.8	0.0
Mortgage & Home Equity	Morgan Stanley	Morgan Stanley ABS Capital I Inc. Trust 2005-WMC3	5/6/2005	176.46	11.63	9.304	10%	AAA	AAA	2005	9%	3%	25%	0.9	0.3
Mortgage & Home Equity	New Century Mortgage Securities, Inc.	New Century Home Equity Certificates, 2003-5	10/17/2003	65	40	32	10%	AAA	AAA	2003	6%	0%	13%	2.0	0.0
Mortgage & Home Equity	New South Federal Savings Bank	New South Home Equity Trust Home Equity Asset Backed Certificates Series 1999-1	5/27/1999	432.73	44.17	35.336	10%	BBB	A	1999	3%	0%	6%	0.9	0.0
Mortgage & Home Equity	New South Federal Savings Bank	New South Home Equity Trust Home Equity Asset-Backed Certificates Series 2001-1	3/29/2001	254.13	38.79	31.032	10%	BBB	BBB	2001	3%	0%	6%	0.8	0.0
Mortgage & Home Equity	Option One Mortgage Corporation	Option One Mortgage Acceptance Corp., Mesa 2001-5 Asset Backed Certificates, Series	12/18/2001	147.85	11.65	9.32	10%	AA-	A-	2001	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	Option One Mortgage Corporation	Option One Mortgage Loan Trust 2007-FXD1	1/30/2007	817.69	590.4	472.32	10%	A-	A-	2007	19%	6%	38%	88.6	29.5
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Product, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RP1	3/7/2002	104.33	10.9	8.72	10%	A	A	2002	6%	0%	13%	0.5	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Product, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RP2	10/31/2002	102.4	14.71	11.768	10%	A	A	2002	6%	0%	13%	0.7	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass Through Certificates 2003-RS5	6/27/2003	1,100.00	159.46	127.568	10%	A	A	2003	6%	0%	13%	8.0	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2001-RS1	3/28/2001	421	20.26	16.208	10%	BBB	BBB	2001	3%	0%	6%	0.4	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2001-RS3	10/25/2001	525	28.34	22.672	10%	BBB	BBB	2001	3%	0%	6%	0.6	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RS1	1/29/2002	81.31	13.48	10.784	10%	AAA	AAA	2002	6%	0%	13%	0.7	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RS4	8/29/2002	615	35.59	28.472	10%	BBB+	BBB+	2002	6%	0%	13%	1.8	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RS5	9/27/2002	570.4	46.12	36.896	10%	A	BBB	2002	6%	0%	13%	[illegible]	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RS6	11/26/2002	751.1	71.09	56.872	10%	A-	A-	2002	6%	0%	13%	3.6	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2002-RS7	1/3/2003	300	40.36	32.288	10%	A-	A-	2003	6%	0%	13%	2.0	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RP2	9/5/2003	180.15	24.76	19.808	10%	AA+	AA+	2003	6%	0%	13%	1.2	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS1	2/27/2003	400	17.1	13.68	10%	A-	A-	2003	6%	0%	13%	0.9	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS11	12/30/2003	62	62	49.6	10%	AAA	AAA	2003	6%	0%	13%	3.1	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS2	3/28/2003	1,200.00	113.02	90.416	10%	A	A	2003	6%	0%	13%	5.7	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS3	4/29/2003	850	73.21	58.568	10%	A	A	2003	6%	0%	13%	3.7	0.0

Sector name	Issuer	Issue name	Issue Date	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Net exposure Less 20% Subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage Year	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Losses -Base case	Losses - optimistic case
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS4	5/30/2003	1,115.00	105.6	84.48	10%	A	BBB	2003	6%	0%	13%	5.3	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS6	7/29/2003	1,000.00	155.95	124.76	10%	A	A	2003	6%	0%	13%	7.8	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS8	9/29/2003	30	30	24	10%	AAA	AAA	2003	6%	0%	13%	1.5	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RS9	10/30/2003	28.1	28.1	22.48	10%	AAA	AAA	2003	6%	0%	13%	1.4	0.0

Sector name	Issuer	Issue name	Issue Date	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Net exposure Less 20% Subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage Year	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Losses -Base case	Losses - optimistic case
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2004-RS1	1/29/2004	43.79	43.79	35.032	10%	AAA	AAA	2004	9%	3%	25%	3.3	1.1
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2004-RS5	5/27/2004	400	143.1	114.48	10%	BBB	BBB	2004	9%	3%	25%	10.7	3.6
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2004-RS9	9/29/2004	275	118.81	95.048	10%	BBB	BBB	2004	9%	3%	25%	8.9	3.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Home Equity Mortgage Asset-Backed Pass-Through Certificates 2002-KS1	1/30/2002	1,900.00	157.13	125.704	10%	BBB	BBB	2002	6%	0%	13%	7.9	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset Backed Pass Through Certificates 1999-RS1	3/30/1999	177.75	9.23	7.384	10%	BBB	A	1999	3%	0%	6%	0.2	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2002-KS6	10/1/2002	1,200.00	113.52	90.816	10%	BBB+	BIG	2002	6%	0%	13%	5.7	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2002-KS8	12/23/2002	800	143.8	115.04	10%	BBB	BIG	2002	6%	0%	13%	7.2	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2003-KS4	5/29/2003	650	33.9	27.12	10%	A	BBB	2003	6%	0%	13%	1.7	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2003-KS5	6/27/2003	875	77.75	62.2	10%	A	BBB	2003	6%	0%	13%	3.9	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2003-KS9	10/30/2003	1,350.00	190.64	152.512	10%	A	BBB	2003	6%	0%	13%	9.5	0.0
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation Mortgage Asset-Backed Pass-Through Certificates, Series 2004-KS4	4/29/2004	1,000.00	156.96	125.568	10%	BBB	BBB	2004	9%	3%	25%	11.8	3.9
Mortgage & Home Equity	Residential Funding Corporation / Homecomings Financial Network	Residential Asset Securities Corporation, Mortgage Asset-Backed Pass-Through Certificates, 2002-KS4	7/2/2002	2,000.00	149	119.2	10%	BBB	BIG	2002	6%	0%	13%	7.5	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2002-IFC1	6/6/2002	59.7	36.31	29.048	10%	A-	A-	2002	6%	0%	13%	1.8	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2002-IFC2	10/17/2002	75.49	64.69	51.752	10%	A-	A-	2002	6%	0%	13%	3.2	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2003-GP1	1/16/2003	398	39.87	31.896	10%	A-	A-	2003	6%	0%	13%	2.0	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2003-IFC3	4/29/2003	497.5	153.76	123.008	10%	A	A	2003	6%	0%	13%	7.7	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2003-IFC4	6/30/2003	497.5	196.29	157.032	10%	A	A	2003	6%	0%	13%	9.8	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2003-IFC5	9/30/2003	497.75	198	158.4	10%	A	A	2003	6%	0%	13%	9.9	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust II, Series 2003-IFC6	12/3/2003	497.5	151.21	120.968	10%	A	A	2003	6%	0%	13%	7.6	0.0
Mortgage & Home Equity	UBS Securities LLC	PFCA Home Equity Investment Trust, Series 2004-GP2	4/28/2004	199	37.37	29.896	10%	A	A	2004	9%	3%	25%	2.8	0.9
				48,754.70	**8,774**									**625**	**141**

Potential losses

Original Ambac Rating	(All)
Vintage Year	(All)

Data	Total
Sum of Losses -Base case	625
Sum of Losses -optimistic case	141
Sum of Losses -Worst case	1380

Sector - Mortgage & Home Equity																	
Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case-losses	Optimistic case - losses
Private Placement	Private Placement	1996	Mortgages-Other	80.25	602.92	482	10%	AA	AA	1996	AA	1996-2000	0%	0%	0%	-	-
HK Mortgage Financing Ltd.	HK Mortgage Financing Ltd. HK$778M Sec Guartd Fltg Note	6/9/1997	Pooled RMBS outside the US	50.27	1.94	2	10%	BBB+	BBB+	1997	BBB	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 1998-HI4	11/25/1998	Closed End 2nd Liens	200	1.18	1	10%	BBB	A	1998	A	1996-2000	0%	0%	0%	-	-
Wells Fargo Home Mortgage	Norwest Asset Backed Certificates 1998-HE1	4/30/1998	Residential Mortgages - Prime	219.7	1.97	2	10%	BBB+	A	1998	A	1996-2000	0%	0%	0%	-	-
Merrill Lynch	Merrill Lynch Mortgage Loan Asset Backed Pass-Through Certificates Series 1999-A	12/21/1999	Residential Mortgages - Prime	689.5	82.61	66	10%	BBB	A	1999	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 1999-HI1	3/23/1999	Closed End 2nd Liens	439.6	13.27	11	10%	BBB	A	1999	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 1999-HI4	6/25/1999	Closed End 2nd Liens	425.32	12.51	10	10%	BBB	A	1999	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 1999-HI6	9/28/1999	Closed End 2nd Liens	557.89	21.79	17	10%	BBB	A	1999	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 1999-HI8	11/24/1999	Closed End 2nd Liens	374.82	15.54	12	10%	BBB	A	1999	A	1996-2000	0%	0%	0%	-	-
Private Placement	Private Placement	1999	Mortgages-Other	0	113.13	91	10%	A+	A+	1999	A	1996-2000	0%	0%	0%	-	-
JEA Florida	Bear Stearns Capital Markets	11/25/2000	Mortgages-Other	3.97	6.26	5	10%	BBB	BBB	2000	BBB	1996-2000	0%	0%	0%	-	-
Redwood Trust, Inc.	Sequoia Mortgage Trust 4 Mortgage Loan Asset Backed Pass-Through Certificates, Class A	3/21/2000	Residential Mortgages - Prime	377.12	53.96	43	20%	BBB+	A+	2000	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Home Loan-Backed Notes, 2000-HL1	8/25/2000	Residential Mortgages - Mid-Prime	133.86	3.79	3	10%	BBB	A+	2000	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2000-HI4	9/28/2000	Closed End 2nd Liens	583.44	29.9	24	10%	BBB	A	2000	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2000-HI5	12/21/2000	Closed End 2nd Liens	575	33.32	27	10%	BBB	BBB+	2000	BBB	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2000-HI1	2/24/2000	Closed End 2nd Liens	426.17	15.65	13	10%	BBB	A	2000	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2000-HI2	3/29/2000	Closed End 2nd Liens	451.71	18.07	14	10%	BBB	A	2000	A	1996-2000	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2000-HI3	6/27/2000	Closed End 2nd Liens	600	27.17	22	10%	BBB	BBB+	2000	BBB	1996-2000	0%	0%	0%	-	-
Private Placement	Private Placement	2000	Pooled RMBS Outside the US	270.48	59.07	47	10%	AAA	AAA	2000	AAA	1996-2000	0%	0%	0%	-	-
Private Placement	Private Placement	2000	Pooled RMBS Outside the US	1,166.10	675.56	540	10%	AAA	AAA	2000	AAA	1996-2000	0%	0%	0%	-	-
GMAC Mortgage Corporation	GMACM Home Loan Trust, Home Loan-Backed Term Notes, 2001-HLTV1	1/30/2001	Residential Mortgages - Mid-Prime	300	16.21	13	10%	BBB	A	2001	A	2001	3%	0%	6%	0	-
GMAC Mortgage Corporation	GMACM Home Loan Trust, Home Loan-Backed Term Notes, 2001-HLTV2	10/30/2001	Residential Mortgages - Mid-Prime	189.26	15.43	12	10%	A-	A-	2001	A	2001	3%	0%	6%	0	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2001-15A (Class 1-A1)	9/28/2001	Residential Mortgages - Prime	132.09	0.6	0	10%	AAA	AAA	2001	AAA	2001	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Equity Loan-Backed Term Certificates, 2001 HS2	6/27/2001	HELOC	325	6.83	5	10%	BBB	AA	2001	AA	2001	3%	0%	6%	0	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2001-HI1	2/22/2001	Closed End 2nd Liens	250	16.11	13	10%	BBB	BBB	2001	BBB	2001	6%	0%	9%	1	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2001-HI2	3/28/2001	Closed End 2nd Liens	226.09	13.98	11	10%	BBB	A	2001	A	2001	3%	0%	6%	0	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2001-HI4	9/27/2001	Closed End 2nd Liens	425	34	27	10%	BBB	A	2001	A	2001	3%	0%	6%	1	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2001-HS3	9/27/2001	HELOC	117	1.96	2	10%	BBB	BBB	2001	BBB	2001	6%	0%	9%	0	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2001-HI3	6/26/2001	Closed End 2nd Liens	435.42	32.24	26	10%	BBB	A	2001	A	2001	3%	0%	6%	1	-
Private Placement	Private Placement	2001	Pooled RMBS Outside the US	462.6	135.14	108	10%	AAA	AAA	2001	AAA	2001	0%	0%	0%	-	-
Private Placement	Private Placement	2001	Pooled RMBS Outside the US	1,278.70	817.37	654	10%	AAA	AAA	2001	AAA	2001	0%	0%	0%	-	-
Chevy Chase Bank, F.S.B.	CSFB Mortgage Pass-Through Certificates, Series 2002-P1	3/27/2002	Affordability Mortgage Product (i/o, neg am)	477.21	27.07	22	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
GMAC Mortgage Corporation	GMACM Home Loan Trust, Home Loan-Backed Term Notes, 2002-HLTV1	9/26/2002	Residential Mortgages - Mid-Prime	211	21.18	17	10%	BBB	BBB	2002	BBB	2002	6%	0%	9%	1	-
Indymac Bank	IndyMac Bank Residential Asset Securitization Trust 2002-A12	9/27/2002	Residential Mortgages - Prime	20	12.6	10	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
Indymac Bank	IndyMac Bank Residential Asset Securitization Trust 2002-A14J	11/27/2002	Residential Mortgages - Prime	22.96	17.83	14	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-

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Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2002-15 (Class A4)	7/30/2002	Residential Mortgages - Prime	18.5	12.31	10	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates, 2002-RZ4	10/29/2002	Residential Mortgages - Mid-Prime	500	47.16	38	10%	BBB	BBB	2002	BBB	2002	6%	0%	9%	2	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2002-HI1	1/29/2002	Closed End 2nd Liens	450	39.05	31	10%	BBB	A	2002	A	2002	3%	0%	6%	1	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2002-HI2	3/26/2002	Closed End 2nd Liens	325	33.22	27	10%	BBB	BBB	2002	BBB	2002	6%	0%	9%	2	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2002-HI3	6/26/2002	Closed End 2nd Liens	375	41.8	33	10%	BBB	BBB	2002	BBB	2002	6%	0%	9%	2	-
Samsung Life Insurance Limited	Samsung Life Insurance Limited	12/11/2002	Pooled RMBS outside the US	299.6	7.09	6	10%	A	A	2002	A	2002	3%	0%	6%	0	-
Wachovia Bank, N.A.	Wachovia Asset Securities Inc, 2002-HE1	9/27/2002	HELOC	950	169.99	136	10%	BBB	A+	2002	A	2002	3%	0%	6%	3	-
Wachovia Bank, N.A.	Wachovia Asset Securities Inc, 2002-HE2	12/19/2002	HELOC	1,200.00	128.4	103	10%	BBB	A+	2002	A	2002	3%	0%	6%	3	-
Private Placement	Private Placement	2002	Pooled RMBS Outside the US	1,286.09	1,076.54	861	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
Private Placement	Private Placement	2002	Pooled RMBS Outside the US	1,371.30	943.14	755	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
Private Placement	Private Placement	2002	Pooled RMBS Outside the US	1,676.01	1,060.61	848	10%	AAA	AAA	2002	AAA	2002	0%	0%	0%	-	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2003-4	12/3/2003	Affordability Mortgage Product (i/o, neg am)	481.5	40.94	33	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Compass Bank	Compass Receivables Asset Funding Trust 2003-HE1	5/28/2003	Residential Mortgages - Prime	754.43	123.58	99	10%	A	A	2003	A	2003	3%	0%	6%	2	-
Credit Suisse Holdings (USA), Inc.	CSFB Mortgage Securities Corp., 2003-1, Class III-A-3	1/30/2003	Residential Mortgages - Prime	20	1.22	1	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Impac Funding Corporation	Impac CMB Trust Collateralized Asset-Backed Bonds, 2003-1	1/30/2003	Residential Mortgages - Mid-Prime	325.53	26.36	21	10%	A-	A-	2003	A	2003	3%	0%	6%	1	-
Impac Funding Corporation	Impac CMB Trust Collateralized Asset-Backed Bonds, 2003-4	3/31/2003	Residential Mortgages - Mid-Prime	264.34	16.34	13	10%	A	A	2003	A	2003	3%	0%	6%	0	-
Irwin Home Equity Corporation	Irwin Home Equity Loan-Backed Term Notes 2003-B	3/11/2003	HELOC	229.61	1	1	10%	A	A	2003	A	2003	3%	0%	6%	0	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RZ3	6/26/2003	Residential Mortgages - Mid-Prime	20	20	16	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RZ4	9/29/2003	Residential Mortgages - Mid-Prime	73	73	58	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates 2003-RZ5	12/23/2003	Residential Mortgages - Mid-Prime	40	40	32	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates, 2003-RZ1	1/30/2003	Residential Mortgages - Mid-Prime	780	99.32	79	10%	BBB	BBB	2003	BBB	2003	6%	0%	9%	5	-
Residential Funding Corporation / Homecomings Financial Network	Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates, 2003-RZ2	4/2/2003	Residential Mortgages - Mid-Prime	287.62	35.09	28	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan Backed Notes 2003-HS4	12/30/2003	Closed End 2nd Liens	253.13	30.63	25	10%	BBB+	BBB+	2003	BBB	2003	6%	0%	9%	2	-
Residential Funding Corporation / Homecomings Financial Network	Residential Funding Mortgage Securities II, Inc. Home Loan-Backed Notes, 2003-HI3	9/25/2003	Closed End 2nd Liens	253.5	55	44	10%	BBB+	BBB+	2003	BBB	2003	6%	0%	9%	3	-
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2003-NS1	3/12/2003	Pooled RMBS outside the US	1,694.12	209.72	168	10%	A	A	2003	A	2003	3%	0%	6%	4	-
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2003-NS2	6/25/2003	Pooled RMBS outside the US	891.1	124.56	100	10%	A-	A-	2003	A	2003	3%	0%	6%	2	-
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2003-NS3	9/29/2003	Pooled RMBS outside the US	955.81	148.27	119	10%	A	A	2003	A	2003	3%	0%	6%	3	-
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2003-NS4 (A1a-GBP)	12/3/2003	Pooled RMBS outside the US	854.74	157.97	126	10%	A	A	2003	A	2003	3%	0%	6%	3	-
Southern Pacific Mortgage Ltd	Southern Pacific Securities G PLC	6/24/2003	Pooled RMBS outside the US	672.78	46.76	37	10%	AA-	AA-	2003	AA	2003	3%	0%	6%	1	-
Private Placement	Private Placement	2003	Pooled RMBS Outside the US	1,033.26	1,235.61	988	10%	AAA	AAA	2003	AAA	2003	0%	0%	0%	-	-
Adelaide Bank	Torrens Trust Series 2004-2 (W)	6/18/2004	Pooled RMBS outside the US	751.86	497.44	398	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	10	-
Ameriquest Mortgage Company	Argent NIM Trust 2004-WN7	5/18/2004	Net Interest Margins (NIMs)	63	5.04	4	10%	BBB-	BIG	2004	BIG	2004	19%	13%	38%	1	1
Asset Backed Funding Corporation	Asset Backed Funding Corporation NIM Trust 2004-OPT2	6/3/2004	Net Interest Margins (NIMs)	77.3	4.08	3	10%	BBB-	BIG	2004	BIG	2004	19%	13%	38%	1	0
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2004-1	3/10/2004	Affordability Mortgage Product (i/o, neg am)	767	68.6	55	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2004-2	6/10/2004	Affordability Mortgage Product (i/o, neg am)	465	53.97	43	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-

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Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2004-3	9/24/2004	Affordability Mortgage Product (i/o, neg am)	800.1	121.46	97	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	2	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2004-4	12/3/2004	Affordability Mortgage Product (i/o, neg am)	677.7	145.68	117	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	3	-
Compass Bank	Compass Residential Mortgage Trust 2004-R1	3/30/2004	Residential Mortgages - Prime	590.97	214.89	172	10%	A-	A-	2004	A	2004	13%	6%	16%	21	11
Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates Trust 2004-AB1	9/29/2004	Affordability Mortgage Product (i/o, neg am)	623.56	98.79	79	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	2	-
Countrywide Home Loans, Inc.	Countrywide Revoliving Home Equity Loan Trust 2004-G	6/29/2004	HELOC	630.5	64.53	52	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	6	3
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-D	6/30/2004	HELOC	1,249.17	195.95	157	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	20	10
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-J	9/30/2004	HELOC	1,000.00	126.89	102	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	13	6
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-K	9/29/2004	HELOC	1,725.89	246.49	197	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	25	12
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-L	9/29/2004	HELOC	1,015.23	140.61	112	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	14	7

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case- losses	Optimistic case - losses
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-M	9/29/2004	HELOC	1,015.23	141.34	113	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	14	7
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-N	9/29/2004	HELOC	1,015.23	142.9	114	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	14	7
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-O	9/30/2004	HELOC	1,275.83	215.86	173	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	22	11
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-S	12/23/2004	HELOC	740	110.64	89	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	11	6
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2004-T	12/23/2004	HELOC	2,000.00	383.77	307	10%	A-	A-	2004	A	2004	13%	6%	16%	38	19
Deutsche Bank	Deutsche Mortgage Securities, Inc. 2004-3	4/30/2004	Residential Mortgages - Mid-Prime	47.55	47.26	38	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
GreenPoint Mortgage Funding	Greenpoint Home Equity Loan Trust 2004-3	6/29/2004	HELOC	226.99	21.38	17	10%	BBB	A	2004	A	2004	13%	6%	16%	2	1
GreenPoint Mortgage Funding	Greenpoint Home Equity Loan Trust 2004-4	9/10/2004	HELOC	210.74	23.72	19	10%	BBB	A	2004	A	2004	13%	6%	16%	2	1
GreenPoint Mortgage Funding	GreenPoint Mortgage Funding, Series 2004-1	1/29/2004	HELOC	202.05	17.5	14	10%	BBB+	BBB+	2004	BBB	2004	13%	6%	25%	2	1
GreenPoint Mortgage Funding	GreenPoint Mortgage Funding, Series 2004-2	4/29/2004	HELOC	248.92	22.43	18	10%	BBB	A	2004	A	2004	13%	6%	16%	2	1
Homestar Mortgage Acceptance Corporation	Homestar Mortgage Acceptance Corporation 2004-6, Class A-3B	11/19/2004	Residential Mortgages - Prime	107.56	107.56	86	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	2	-
Impac Funding Corporation	Impac CMB Trust Series 2004-7 Class2-A	7/29/2004	Residential Mortgages - Mid-Prime	772.48	96.2	77	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	2	-
Impac Funding Corporation	Impac CMB Trust Series 2004-9, Class 2-A	10/28/2004	Residential Mortgages - Mid-Prime	840.04	170.24	136	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	3	-
Impac Funding Corporation	Impac Funding Corp. Series 2004-6 Class 2-A	6/29/2004	Residential Mortgages - Mid-Prime	172.5	93.54	75	20%	AAA	AAA	2004	AAA	2004	3%	0%	6%	2	-
Impac Funding Corporation	IMPAC Secured Assets Corp Series 2004-3, Class 2-A-1 & 2-A-2	8/31/2004	Residential Mortgages - Mid-Prime	625.25	56.17	45	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Indymac Bank	IndyMac Home Equity Loan Trust 2004-2 Certificates	9/29/2004	HELOC	500	239.9	192	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	24	12
Indymac Bank	IndyMac Residential Asset-Backed Trust 2004-LH1	12/22/2004	HELOC	500	257.55	206	10%	BBB+	BBB+	2004	BBB	2004	13%	6%	25%	26	13
Irwin Home Equity Corporation	Irwin Home Equity Loan Trust 2004-1	8/6/2004	HELOC	292.05	33.6	27	10%	A-	A-	2004	A	2004	13%	6%	16%	3	2
Korea First Bank	Korea First Mortgage 1 Limited	3/29/2004	Pooled RMBS outside the US	499.4	33.7	27	10%	A	A	2004	A	2004	13%	6%	16%	3	2
Korea First Bank	Korea First Mortgage No.3 Plc	12/6/2004	Pooled RMBS outside the US	736.56	165.23	132	10%	A	A	2004	A	2004	13%	6%	16%	17	8
Lehman Brothers	Lehman Home Equity Loan Trust 2004-2	5/18/2004	HELOC	260.41	25.36	20	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	3	1
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Though Certificates 2004-21XS, Class 1-A2 & 1-A4	11/30/2004	Residential Mortgages - Mid-Prime	92.62	60.1	48	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2004-17XS (Class A3A & A4A)	8/30/2004	Residential Mortgages - Mid-Prime	47.98	43.58	35	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2004-4XS	1/30/2004	Residential Mortgages - Mid-Prime	24.22	23.67	19	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	0	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2004-6XS	2/27/2004	Residential Mortgages - Mid-Prime	36.86	36.86	29	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Nomura Securities International, Inc.	Nomura Asset Acceptance Corporation Alternative Loan Trust 2004-AP3	11/30/2004	Residential Mortgages - Mid-Prime	66.27	66.27	53	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2004-AR1	8/31/2004	Affordability Mortgage Product (i/o, neg am)	108.11	26.02	21	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2004-AR2	10/29/2004	Affordability Mortgage Product (i/o, neg am)	149.28	44.58	36	10%	AAA	AAA	2004	AAA	2004	3%	0%	6%	1	-
Redwood Trust, Inc.	Sequoia HELOC Trust 2004-1	6/29/2004	HELOC	317.04	60.51	48	10%	BBB	A	2004	A	2004	13%	6%	16%	6	3
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2004-NS1 (A1a-GBP)	3/3/2004	Pooled RMBS outside the US	1,371.74	326.09	261	10%	A-	A-	2004	A	2004	13%	6%	16%	33	16
Residential Funding Corporation / Homecomings Financial Network	RMAC Mortgage Backed Floating Rate Notes, Series 2004-NSP2 (A2a-GBP)	6/29/2004	Pooled RMBS outside the US	2,744.61	715.82	573	10%	A-	A-	2004	A	2004	13%	6%	16%	72	36
Wachovia Bank, N.A.	Wachovia Asset Securitization Issuance, LLC 2004-HEMM2	12/21/2004	HELOC	1,000.00	260.28	208	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	26	13
Bear, Stearns & Co. Inc.	SACO I Trust, 2005-10	12/30/2005	Closed End 2nd Liens	284.64	140.28	112	10%	A	BIG	2005	BIG	2005	19%	13%	38%	21	14
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2005-1	3/17/2005	Affordability Mortgage Product (i/o, neg am)	461	107.41	86	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2005-2	6/16/2005	Affordability Mortgage Product (i/o, neg am)	410	98.19	79	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2005-3	9/20/2005	Affordability Mortgage Product (i/o, neg am)	342	126.22	101	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2005-A	6/7/2005	Affordability Mortgage Product (i/o, neg am)	475	67.45	54	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Chevy Chase Bank, F.S.B.	Chevy Chase Funding Corp. 2005-B	9/27/2005	Affordability Mortgage Product (i/o, neg am)	190	47.59	38	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-

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Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2005-4	12/15/2005	Affordability Mortgage Product (i/o, neg am)	318.92	161.91	130	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-

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Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2005-C	11/22/2005	Affordability Mortgage Product (i/o, neg am)	122	66.49	53	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Citigroup Global Markets, Inc.	Citigroup Mortgage Securities, Inc. REMIC Series 2005-2, Class IA-3	3/28/2005	Residential Mortgages - Prime	15.14	15.14	12	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	0	-
Countrywide Home Loans, Inc.	Countrywide Home Loans Alternative Trust 2005-81	12/29/2005	Residential Mortgages - Mid-Prime	96.73	71.82	57	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2005-F	9/29/2005	HELOC	2,706.75	1,076.70	861	10%	BBB+	BBB+	2005	BBB	2005	13%	6%	25%	108	54
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2005-L	12/29/2005	HELOC	400	129.62	104	10%	BBB+	BBB+	2005	BBB	2005	13%	6%	25%	13	6
First-Citizens Bank	First-Citizens Home Equity Loan, Series 2005-1, Class A Notes	5/12/2005	HELOC	248.42	125.17	100	10%	A	A	2005	A	2005	13%	6%	16%	13	6
GMAC Mortgage Corporation	GMACM Home Equity Loan Trust 2005-HE3	9/29/2005	HELOC	963.68	520.84	417	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	52	26
GreenPoint Mortgage Funding	Greenpoint Mortgage Funding Trust 2005-AR5	10/31/2005	Affordability Mortgage Product (i/o, neg am)	187.71	113.71	91	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
GreenPoint Mortgage Funding	Greenpoint Mortgage Funding Trust 2005-HE3	8/25/2005	HELOC	417.2	78.11	62	10%	BBB	BIG	2005	BIG	2005	19%	13%	38%	12	8
Hsinchu International Bank Co., Ltd.	Hsinchu International Mortgage Loan 1 Limited	12/20/2005	Pooled RMBS outside the US	301.54	220.58	176	10%	AA-	AA-	2005	AA	2005	6%	3%	13%	11	4
Impac Funding Corporation	Impac CMB Trust Series 2005-5, Class A-3W	6/30/2005	Residential Mortgages - Mid-Prime	150	61.32	49	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Impac Funding Corporation	Impac CMB Trust Series 2005-6	9/9/2005	Residential Mortgages - Mid-Prime	1,157.43	529.79	424	10%	AA+	AA+	2005	AA	2005	6%	3%	13%	26	11
Impac Funding Corporation	Impac CMB Trust Series 2005-7	9/29/2005	Residential Mortgages - Mid-Prime	1,394.37	797.44	638	10%	AA+	AA+	2005	AA	2005	6%	3%	13%	40	16
Impac Funding Corporation	IMPAC Secured Assets Corp. 2005-2	12/29/2005	Residential Mortgages - Mid-Prime	325	196.54	157	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	4	-
Indymac Bank	IndyMac INDX Mortgage Loan Trust 2005-AR18	9/7/2005	Affordability Mortgage Product (i/o, neg am)	170	85.16	68	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Lehman Brothers	Lehman Home Equity Loan Trust 2005-1	3/11/2005	HELOC	259.5	31.84	25	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	3	2
Lehman Brothers	Lehman XS Trust Mortgage, Series 2005-4	9/30/2005	Residential Mortgages - Mid-Prime	74.02	43.39	35	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Lehman Brothers	Lehman XS Trust Mortgage, Series 2005-7N	11/30/2005	Residential Mortgages - Mid-Prime	289.31	162.3	130	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-
Lehman Brothers	Lehman XS Trust Mortgage, Series 2005-9N	12/30/2005	Residential Mortgages - Mid-Prime	184.98	120.76	97	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Lehman Brothers	SARM Net Interest Margin Notes, Series 2005-19XS-1	11/4/2005	Net Interest Margins (NIMs)	25	5.25	4	10%	BBB+	BBB+	2005	BBB	2005	13%	6%	25%	1	0
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2005-2XS	1/31/2005	Residential Mortgages - Mid-Prime	112.94	99.28	79	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2005-4XS	2/28/2005	Residential Mortgages - Mid-Prime	107.93	103.39	83	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2005-7XS	3/31/2005	Residential Mortgages - Mid-Prime	88.59	88.59	71	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
Lehman Brothers	Structured Asset Securities Corporation Mortgage Pass-Through Certificates 2005-9XS	5/31/2005	Residential Mortgages - Mid-Prime	59.63	59.63	48	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Morgan Stanley	Morgan Stanley Dean Witter Credit Corporation 2005-1	1/27/2005	HELOC	753.65	205.62	164	10%	BBB	A	2005	A	2005	13%	6%	16%	21	10
Option One Mortgage Corporation	Option One Mortgage Loan Trust 2005-2	5/26/2005	Net Interest Margins (NIMs)	53.6	2.32	2	10%	BBB-	BBB-	2005	BBB	2005	13%	6%	25%	0	0
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2005-AR2	4/29/2005	Affordability Mortgage Product (i/o, neg am)	150	61.82	49	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2005-AR3	5/25/2005	Affordability Mortgage Product (i/o, neg am)	103.26	46.77	37	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-10	8/31/2005	Affordability Mortgage Product (i/o, neg am)	258.35	134.02	107	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-12	9/30/2005	Affordability Mortgage Product (i/o, neg am)	224.48	131.1	105	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-13	9/30/2005	Affordability Mortgage Product (i/o, neg am)	177.05	82.67	66	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	2	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-16	11/30/2005	Affordability Mortgage Product (i/o, neg am)	348.36	189.78	152	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	4	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-2, Class 2-A-1C	4/12/2005	Affordability Mortgage Product (i/o, neg am)	175	56.74	45	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case-losses	Optimistic case - losses
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-8	7/29/2005	Affordability Mortgage Product (i/o, neg am)	432.62	170.96	137	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	3	-
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2005-9	8/26/2005	Affordability Mortgage Product (i/o, neg am)	821.17	245.23	196	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	5	-
RBS Greenwich Capital Markets	Soundview NIM Trust 2005-OPT1	6/23/2005	Net Interest Margins (NIMs)	63.2	3.48	3	10%	BIG	BIG	2005	BIG	2005	19%	13%	38%	1	0
UBS Securities LLC	MASTR ABS NIM Trust 2005-OPT1	6/22/2005	Net Interest Margins (NIMs)	64	7.36	6	10%	BIG	BIG	2005	BIG	2005	19%	13%	38%	1	1
Private Placement	Private Placement	2005	Pooled RMBS outside the US	211.05	244.09	195	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	5	-
Private Placement	Private Placement	2005	Pooled RMBS Outside the US	46.4	46.4	37	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	1	-
Private Placement	Private Placement	2005	Pooled RMBS Outside the US	1,423.32	1,193.44	955	10%	AAA	AAA	2005	AAA	2005	3%	0%	6%	24	-
Bear, Stearns & Co. Inc.	Bear Stearns Alt-A Trust 2006-R1	9/29/2006	Residential Mortgages - Mid-Prime	141.92	116.9	94	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	6	2
Bear, Stearns & Co. Inc.	Bear Stearns Mortgage Funding Trust 2006-AR2	9/29/2006	Affordability Mortgage Product (i/o, neg am)	114.39	104.46	84	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	5	2
Bear, Stearns & Co. Inc.	Bear Stearns Mortgage Funding Trust 2006-AR4, Class A-2	11/30/2006	Affordability Mortgage Product (i/o, neg am)	183.63	170.61	136	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	9	3
Bear, Stearns & Co. Inc.	SACO I Trust 2006-2, Class I-A	1/30/2006	Closed End 2nd Liens	322.84	150.86	121	10%	A	BIG	2006	BIG	2006	25%	16%	50%	30	19

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case-losses	Optimistic case - losses
Bear, Stearns & Co. Inc.	SACO I Trust 2006-2, Class II-A	1/30/2006	Closed End 2nd Liens	275.74	144.44	116	10%	A	BIG	2006	BIG	2006	25%	16%	50%	29	18
Bear, Stearns & Co. Inc.	SACO I Trust 2006-8, Class A Notes	9/15/2006	HELOC	355.96	201.95	162	10%	BBB	BIG	2006	BIG	2006	25%	16%	50%	40	25
Bear, Stearns & Co. Inc.	Structured Asset Mortgage Investment Trust, Series 2006-AR7	9/5/2006	Affordability Mortgage Product (i/o, neg am)	150	124.54	100	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	6	2
Bear, Stearns & Co. Inc.	Structured Asset Mortgage Investment Trust, Series 2006-AR8	10/31/2006	Affordability Mortgage Product (i/o, neg am)	100	88.21	71	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	4	2
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2006-1	3/17/2006	Affordability Mortgage Product (i/o, neg am)	580.6	310.56	248	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	16	6
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2006-2	6/15/2006	Affordability Mortgage Product (i/o, neg am)	500	303.39	243	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	15	6
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2006-3	9/12/2006	Residential Mortgages - Prime	332	279.87	224	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	14	6
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2006-4	12/7/2006	Residential Mortgages - Prime	210.38	192.69	154	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	10	4
Citigroup Global Markets, Inc.	Citigroup HELOC Trust 2006-NCB1	5/23/2006	HELOC	1,022.29	514.47	412	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	77	39
Countrywide Home Loans, Inc.	Countrywide Alternative Loan Trust Series 2006-OA19, Class A-3A	11/30/2006	Affordability Mortgage Product (i/o, neg am)	100	85.94	69	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	4	2
Countrywide Home Loans, Inc.	Countrywide Home Equity Loan Trust 2006-S6	9/29/2006	Closed End 2nd Liens	1,100.00	877.22	702	10%	A-	A-	2006	A	2006	16%	6%	25%	110	44
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2006-B	3/29/2006	HELOC	1,150.00	573.67	459	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	86	43
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2006-C	3/30/2006	HELOC	1,850.00	963.67	771	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	145	72
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2006-S1	3/30/2006	Closed End 2nd Liens	860	549.98	440	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	82	41
Countrywide Home Loans, Inc.	Countrywide Revolving Home Equity Loan Trust 2006-S4	9/8/2006	Closed End 2nd Liens	1,000.00	775.03	620	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	116	58
Deutsche Bank	Deutsche Alt-B Securities Mortgage Loan Trust, Series 2006-AB2	5/30/2006	Residential Mortgages - Mid-Prime	77.52	77.52	62	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	4	2
GreenPoint Mortgage Funding	Greenpoint Mortgage Funding Trust 2006-AR2	3/31/2006	Affordability Mortgage Product (i/o, neg am)	169.84	108.94	87	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	5	2
GreenPoint Mortgage Funding	Greenpoint Mortgage Funding Trust 2006-AR3	4/28/2006	Affordability Mortgage Product (i/o, neg am)	259.69	184.91	148	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	9	4
Hsinchu International Bank Co., Ltd.	Hsinchu International Mortgage Loan 2 Limited	9/20/2006	Pooled RMBS outside the US	304.91	276.58	221	10%	AA-	AA-	2006	AA	2006	13%	6%	19%	28	14
Impac Funding Corporation	IMPAC Secured Assets Corp. 2006-3	9/29/2006	Residential Mortgages - Mid-Prime	400	299.82	240	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	15	6
Impac Funding Corporation	IMPAC Secured Assets Corp. 2006-5, Class 2-A	12/21/2006	Mortgages-Other	398.3	342.78	274	10%	A-	A-	2006	A	2006	16%	6%	25%	43	17
Indymac Bank	IndyMac Home Equity Mortgage Loan Asset-Backed Trust 2006-3	12/7/2006	Closed End 2nd Liens	575	472.99	378	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	71	35
Indymac Bank	IndyMac Home Equity Mortgage Loan Asset-Backed Trust 2006-HE2	6/27/2006	HELOC	486.65	287.26	230	10%	BBB	BBB-	2006	BBB	2006	19%	9%	31%	43	22
Indymac Bank	IndyMac INDX Mortgage Loan Trust 2006-AR2	2/28/2006	Affordability Mortgage Product (i/o, neg am)	178.72	118.75	95	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	6	2
Indymac Bank	IndyMac Residential Asset-Backed Trust 2006-L1	3/17/2006	Mortgages-Other	239.37	124.07	99	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	19	9
Indymac Bank	IndyMac Residential Asset-Backed Trust 2006-L3	9/25/2006	Mortgages-Other	167.79	111.19	89	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	17	8
Indymac Bank	IndyMac Residential Mortgage-Backed Trust 2006-L4	12/21/2006	Mortgages-Other	156.88	118.57	95	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	18	9
Irwin Home Equity Corporation	Irwin Home Equity Loan Trust 2006-1	1/20/2006	HELOC	311.96	174.78	140	10%	A-	A-	2006	A	2006	16%	6%	25%	22	9
Irwin Home Equity Corporation	Irwin Home Equity Loan Trust 2006-3	10/17/2006	HELOC	225.5	175.22	140	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	26	13
Irwin Home Equity Corporation	Irwin Home Equity Loan Trust 2006-P1	6/29/2006	HELOC	230.4	156.69	125	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	24	12
Lehman Brothers	Lehman XS Trust Mortgage, Series 2006-2N	1/31/2006	Residential Mortgages - Mid-Prime	214.02	126.62	101	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	6	3
Patrimonio S.A. de C.V.	Patrimonio S.A. de.C.V. RMBS 2006-1	12/5/2006	Pooled RMBS outside the US	91.49	90.51	72	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	14	7
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2006-ARD	9/12/2006	Affordability Mortgage Product (i/o, neg am)	241.8	175.05	140	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	9	4
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2006-14, Class 2A-1C	12/22/2006	Affordability Mortgage Product (i/o, neg am)	142	132.06	106	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	7	3
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2006-7	8/15/2006	Affordability Mortgage Product (i/o, neg am)	171.75	117.77	94	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	6	2
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2006-9	10/4/2006	Affordability Mortgage Product (i/o, neg am)	166.73	133.47	107	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	7	3

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Residential Funding Corporation / Homecomings Financial Network	RALI 2006-QH1, Class A-3	11/29/2006	Affordability Mortgage Product (i/o, neg am)	48.01	45.14	36	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	2	1
The Winter Group	Ownit Mortgage Trust 2006-OT1	12/8/2006	Closed End 2nd Liens	299.04	259.44	208	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	13	5
The Winter Group	Terwin Mortgage Trust 2006-4SL	4/20/2006	Closed End 2nd Liens	444.6	190.18	152	10%	AAA	A	2006	A	2006	16%	6%	25%	24	10
The Winter Group	Terwin Mortgage Trust 2006-6SL	6/29/2006	Closed End 2nd Liens	666	355.08	284	10%	AAA	A	2006	A	2006	16%	6%	25%	44	18
Wells Fargo Bank, National Association	WFMBS 2006-AR19, Class A4	11/30/2006	Residential Mortgages - Prime	10	6.54	5	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	0	0
Wells Fargo Bank, National Association	WFMBS 2006-AR19, Class A4, Oppenheimer Fund	11/30/2006	Mortgages-Other	50	16.03	13	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	1	0
Private Placement	Private Placement	2006	Pooled RMBS Outside the US	160.45	162.9	130	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	8	3

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case- losses	Optimistic case - losses
Banc of America Securities LLC	Bank Of America Funding Corporation 2007-5, Class 2A4, Oppenheimer Fund	7/5/2007	Residential Mortgages - Mid-Prime	13.76	6.6	5	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	0	0
Banc of America Securities LLC	Bank Of America Funding Corporation 2007-5, Class 3A2, Oppenheimer Fund	7/5/2007	Residential Mortgages - Mid-Prime	24.55	12	10	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Bear, Stearns & Co. Inc.	Bear Stearns Second Lien Trust 2007-1, Class I-A	4/30/2007	HELOC	295.93	245.14	196	10%	A+	A+	2007	A	2007	16%	6%	25%	31	12
Bear, Stearns & Co. Inc.	Bear Stearns Second Lien Trust 2007-1, Class II-A	4/30/2007	Closed End 2nd Liens	382.57	336.67	269	10%	A+	A+	2007	A	2007	16%	6%	25%	42	17
Bear, Stearns & Co. Inc.	Bear Stearns Second Lien Trust 2007-1, Class III-A	4/30/2007	Closed End 2nd Liens	291.27	260.52	208	10%	A+	A+	2007	A	2007	16%	6%	25%	33	13
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2007-1	3/15/2007	Residential Mortgages - Prime	430.87	348.84	279	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	17	7
Chevy Chase Bank, F.S.B.	Chevy Chase Funding LLC, Series 2007-2	6/21/2007	Residential Mortgages - Prime	425	372.07	298	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	19	7
Countrywide Home Loans, Inc.	Countrywide Alternative Loan Trust 2007-12T1, Oppenheimer Fund, Class A-4	4/30/2007	Mortgages-Other	48.6	22.42	18	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Countrywide Home Loans, Inc.	Countrywide Alternative Loan Trust 2007-1T1, Oppenheimer Fund, Class 2-A-1	1/30/2007	Mortgages-Other	50	22.69	18	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Countrywide Home Loans, Inc.	Countrywide Asset Backed Certificates 2007-S3, Oppenheimer Fund, Class A3	3/30/2007	Closed End 2nd Liens	52	25.48	20	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	1
Credit Suisse First Boston Mortgage Acceptance Corporation	Home Equity Mortgage Trust 2007-1	3/9/2007	HELOC	175	145.3	116	10%	BBB	BIG	2007	BIG	2007	25%	16%	50%	29	18
Deutsche Bank	Deutsche Alt-A Securities Inc. Mortgage Loan 2007-RS1, Class A3, Oppenheimer Fun	9/6/2007	Residential Mortgages - Mid-Prime	99.88	99.88	80	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	5	2
Deutsche Bank	Deutsche Alt-A Securities, Inc. Re-REMIC Trust Certificates Series 2007-RS1	8/30/2007	Residential Mortgages - Mid-Prime	672.53	627.53	502	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	31	13
First Franklin Financial Corporation	First Franklin Mortgage Loan Trust, Series 2007-FFC	5/29/2007	Closed End 2nd Liens	616.73	420.31	336	10%	A+	A+	2007	A	2007	16%	6%	25%	53	21
Impac Funding Corporation	IMPAC Secured Assets Corp. 2007-2, 1AM	3/29/2007	Residential Mortgages - Mid-Prime	222.41	214.98	172	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	11	4
Impac Funding Corporation	IMPAC Secured Assets Corp. 2007-2, 2-A	3/29/2007	Mortgages-Other	223.44	221.27	177	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	33	17
Impac Funding Corporation	IMPAC Secured Assets Corp. 2007-3, Class AM	4/30/2007	Residential Mortgages - Mid-Prime	148.38	143.32	115	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	7	3
Impac Funding Corporation	IMPAC Secured Asssets Corp. 2007-3, Oppenheimer Fund, Class A1C	4/30/2007	Residential Mortgages - Mid-Prime	40	19.6	16	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Indymac Bank	IndyMac Residential Mortgage-Backed Trust 2007-L1	3/27/2007	Mortgages-Other	107.25	88.78	71	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	13	7
Irwin Home Equity Corporation	Irwin HELOC Trust 2007-1, Class IA-1	5/17/2007	HELOC	48.38	44.85	36	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	7	3
Irwin Home Equity Corporation	Irwin Home Equity Loan Trust 2007-1, Class IIA-1, IIA-2, IIA-3, IIA-4	5/17/2007	Closed End 2nd Liens	220	210.7	169	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	32	16
Lehman Brothers	Lehman XS Trust Mortgage, Series 2007-6	5/11/2007	Residential Mortgages - Mid-Prime	453.35	388.78	311	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	19	8
Lehman Brothers	Lehman XS Trust Mortgage, Series 2007-7N	5/31/2007	Affordability Mortgage Product (i/o, neg am)	148.02	146.29	117	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	7	3
Lehman Brothers	Lehman XS Trust Series 2007-10H, Classes I-A1-2	6/29/2007	Residential Mortgages - Mid-Prime	10	9.49	8	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	0	0
Lehman Brothers	Lehman XS Trust Series 2007-10H, Classes I-A4-1	6/29/2007	Residential Mortgages - Mid-Prime	56.03	54.19	43	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	3	1
Lehman Brothers	Lehman XS Trust Series 2007-14H, Class A2-2	7/31/2007	Residential Mortgages - Mid-Prime	120.52	120.52	96	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	6	2
Lehman Brothers	Lehman XS Trust Series 2007-14H, Class A3, Oppenheimer Funds	8/16/2007	Residential Mortgages - Mid-Prime	79.2	79.2	63	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	4	2
Lehman Brothers	Lehman XS Trust Series 2007-14H, Class A4	7/31/2007	Residential Mortgages - Mid-Prime	70.32	67.39	54	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	3	1
Lehman Brothers	Lehman XS Trust Series 2007-15N, Class 3-A2	7/31/2007	Affordability Mortgage Product (i/o, neg am)	221.68	219.95	176	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	11	4
Lehman Brothers	Lehman XS Trust Series 2007-15N, Class 4-A3	7/31/2007	Affordability Mortgage Product (i/o, neg am)	92.76	91.29	73	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	5	2
Lehman Brothers	Lehman XS Trust Series 2007-17H, Class A1	9/28/2007	Residential Mortgages - Mid-Prime	527.99	347.99	278	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	17	7
Morgan Stanley	MSCC Heloc Trust 2007-1	2/27/2007	HELOC	845.75	744.2	595	10%	A-	A-	2007	A	2007	16%	6%	25%	93	37
Nomura Securities International, Inc.	Nomura Asset Acceptance Corporation, 2007-1 Oppenheimer Fund, Class 2A4	5/10/2007	Residential Mortgages - Mid-Prime	40	18.68	15	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Nomura Securities International, Inc.	Nomura Asset Acceptance Corporation, Alternative Loan Trust, 2007-1, Class II-AM	5/10/2007	Residential Mortgages - Mid-Prime	142.81	136.08	109	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	7	3
Nomura Securities International, Inc.	Nomura Asset Acceptance Corporation, Alternative Loan Trust, 2007-3	7/10/2007	Residential Mortgages - Mid-Prime	348.3	342.03	274	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	17	7
Patrimonio S.A. de C.V.	Patrimonio Peso RMBS 2007-1	7/2/2007	Pooled RMBS outside the US	90.15	45.26	36	10%	BBB	BBB	2007	BBB	2007	19%	9%	31%	7	3
Patrimonio S.A. de C.V.	Patrimonio UDI RMBS 2007-1	6/21/2007	Pooled RMBS outside the US	79.22	61.33	49	10%	BBB-	BBB-	2007	BBB	2007	19%	9%	31%	9	5
PHH Mortgage Corporation	PHH Alternative Mortgage Trust, Series 2007-2, Oppenheimer Fund, 2A5	4/26/2007	Residential Mortgages - Mid-Prime	31.55	15.33	12	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case- losses	Optimistic case - losses
RBS Greenwich Capital Markets	DSLA Mortgage Loan Trust 2007-AR1	2/22/2007	Affordability Mortgage Product (i/o, neg am)	179.42	160.07	128	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	8	3
RBS Greenwich Capital Markets	Harborview Mortgage Loan Trust 2007-2	3/30/2007	Affordability Mortgage Product (i/o, neg am)	135.31	130.54	104	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	7	3
Residential Funding Corporation / Homecomings Financial Network	RALI 2007-QS7, Oppenheimer Fund, Class A7	5/30/2007	Residential Mortgages - Mid-Prime	50	24.5	20	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Wachovia Bank, N.A.	Wachovia Asset Securitization Issuance II, LLC 2007-HE1	3/29/2007	HELOC	1,515.00	1,180.78	945	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	177	89
Wachovia Bank, N.A.	Wachovia Asset Securitization Issuance II, LLC 2007-HE2	6/28/2007	HELOC	2,013.00	1,868.00	1494	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	280	140
Wells Fargo Bank, National Association	WFMBS 2007-11, Class A98, Oppenheimer Fund	7/30/2007	Residential Mortgages - Prime	50	24.26	19	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	1	0
Private Placement	Private Placement	2007	Residential Mortgages - Mid-Prime	90.96	90.96	73	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	5	2
Private Placement	Private Placement	2007	Residential Mortgages - Mid-Prime	75.06	75.06	60	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	4	2

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case-losses	Optimistic case - losses
AmeriCredit Corp	AmeriCredit Automobile Receivables Trust 2004-C-A	8/31/2004	Auto Receivables	800	163.01	130	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	16	8
AmeriCredit Corp	AmeriCredit Automobile Receivables Trust 2005-D-A	11/17/2005	Auto Receivables	1,400.00	597.74	478	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	60	30
Bank Of America, N.A.	Superior Wholesale Inventory Financing (SWIFT) Trust X, Series 2004-A	4/11/2006	Auto Receivables	180	180	144	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	9	4
Capital One Auto Finance	Capital One Auto Finance Trust 2004-A	5/25/2004	Auto Receivables	1,000.00	152.63	122	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	15	8
Capital One Auto Finance	Capital One Auto Finance Trust 2005-A	4/7/2005	Auto Receivables	1,500.00	413.96	331	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	41	21
Capital One Auto Finance	Capital One Auto Finance Trust 2006-A	5/4/2006	Auto Receivables	1,421.07	1,360.35	1088	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	204	102
Capital One Auto Finance	Capital One Auto Finance Trust 2007-A	2/15/2007	Auto Receivables	1,178.77	1,102.15	882	10%	BBB	BBB	2007	BBB	2007	19%	9%	31%	165	83
Cendant Corporation	AESOP Funding II, L.L.C. 2002-1	7/25/2002	Auto Rental Fleet Securitisations	83.33	56.67	45	%	BBB	BBB	2002	BBB	2002	6%	0%	9%	3	-
Cendant Corporation	AESOP Funding II, L.L.C. 2003-3	5/6/2003	Auto Rental Fleet Securitisations	750	225	180	%	BBB	BBB	2003	BBB	2003	6%	0%	9%	11	-
Cendant Corporation	AVIS Budget Rental Car Funding (AESOP) LLC, Series 2007-2	6/6/2007	Auto Rental Fleet Securitisations	650	431.95	346	%	BBB	BBB	2007	BBB	2007	19%	9%	31%	65	32
Cendant Corporation	Cendant Rental Car Funding (AESOP) LLC Series 2005-4	6/1/2005	Auto Rental Fleet Securitisations	800	620	496	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	62	31
Hertz Corporation	Hertz Vehicle Financing, LLC Series 2005-2	12/21/2005	Auto Rental Fleet Securitisations	2,150.00	1,625.44	1300	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	163	81
Hertz Corporation	Hertz Vehicle Financing, LLC Series 2005-3	12/21/2005	Auto Rental Fleet Securitisations	0	118.19	95	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	12	6
Rental Car Finance Corporation	Rental Car Finance Corporation 2004-1	5/5/2004	Auto Rental Fleet Securitisations	500	455	364	%	BBB	BBB	2004	BBB	2004	13%	6%	25%	46	23
Rental Car Finance Corporation	Rental Car Finance Corporation 2006-1	3/28/2006	Auto Rental Fleet Securitisations	600	543.75	435	%	BBB	BBB	2006	BBB	2006	19%	9%	31%	82	41
Triad Financial Corporation	Triad Auto Receivables Trust 2004-A	3/18/2004	Auto Receivables	670.25	97.46	78	10%	BBB	BBB	2004	BBB	2004	13%	6%	25%	10	5
Triad Financial Corporation	Triad Auto Receivables Trust 2005-A	5/26/2005	Auto Receivables	1,104.00	281.25	225	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	28	14
Triad Financial Corporation	Triad Auto Receivables Trust 2006-A	1/26/2006	Auto Receivables	822.5	344.16	275	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	52	26
Triad Financial Corporation	Triad Auto Receivables Trust 2006-C	10/18/2006	Auto Receivables	1,092.20	640.85	513	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	96	48
United Panam Financial Corp	UPFC Auto Receivables Trust 2005-A	4/14/2005	Auto Receivables	195	37.74	30	10%	BBB	BBB	2005	BBB	2005	13%	6%	25%	4	2
United Panam Financial Corp	UPFC Auto Receivables Trust 2006-B	12/14/2006	Auto Receivables	250	136.73	109	10%	BBB	BBB	2006	BBB	2006	19%	9%	31%	21	10
Vanguard Car Rental USA, Inc.	ARG Funding Corp 2005-2 Rental Car Variable Funding Asset Backed Notes	4/1/2005	Auto Rental Fleet Securitisations	1,500.00	1,320.00	1056	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	132	66
Private Placement	Private Placement	2006	Auto Receivables	71	71	57	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	4	1
Private Placement	Private Placement	2006	Auto Receivables	0	175	140	10%	AAA	AAA	2006	AAA	2006	6%	3%	13%	9	4
Private Placement	Private Placement	2007	Auto Rental Fleet Securitisations	153.14	166.87	133	%	BBB	BBB	2007	BBB	2007	19%	9%	31%	25	13
Private Placement	Private Placement	2007	Auto Receivables	1,000.00	910	728	10%	AAA	AAA	2007	AAA	2007	6%	3%	13%	46	18
Bear, Stearns & Co. Inc.	Madison Avenue Manufacturing Housing Trust, Series 2002-A	3/28/2002	Manufactured Housing Pls	556.33	135.66	109	10%	AAA	A	2002	A	2002	3%	0%	6%	3	-
CIT	Lehman ABS Manufactured Housing, 2001-B	10/31/2001	Manufactured Housing Pls	375	124.72	100	10%	AAA	A+	2001	A	2001	3%	0%	6%	2	-
Conseco Finance Corporation	Conseco Finance Securities Corporation, 2001-2	6/27/2001	Manufactured Housing Pls	402.5	130.29	104	10%	AA+	BIG	2001	BIG	2001	6%	0%	13%	7	-
Conseco Finance Corporation	Lehman RABS Series 2004-1Trust (Conseco MH Series 1999-2, Class A7)	3/4/2004	Manufactured Housing Pls	46.96	23.5	19	10%	AA+	AA+	2004	AA	2004	6%	3%	13%	1	0
CountryPlace Mortgage	CountryPlace Manufactured Housing Contract Trust Series 2005-1	7/12/2005	Manufactured Housing Pls	118.44	85.46	68	10%	BBB+	BBB+	2005	BBB	2005	13%	6%	25%	9	4
CountryPlace Mortgage	CountryPlace Manufactured Housing Contract Trust Series 2007-1	3/22/2007	Manufactured Housing Pls	101.94	92.93	74	10%	A	A	2007	A	2007	16%	6%	25%	12	5
Deutsche Bank	Green Tree 2006-1 Asset-Backed Note LLC,	9/13/2006	Manufactured Housing Pls	210.98	181.29	145	10%	A	A	2006	A	2006	16%	6%	25%	23	9
Greenpoint Credit Corp.	GreenPoint Manufactured 2001-2	10/2/2001	Manufactured Housing Pls	425.89	148.92	119	10%	AA	AA	2001	AA	2001	3%	0%	6%	3	-
MERIT Securities Corporation	MERIT Securities Corporation Series 12-1	6/10/2004	Manufactured Housing Pls	121.61	73.77	59	10%	AA+	AA+	2004	AA	2004	6%	3%	13%	4	1
Newcastle Investment Corp New York	Newcastle MH I LLC, Asset-Backet Notes	6/30/2006	Manufactured Housing Pls	177.93	148.75	119	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	22	11
Newcastle Investment Corp New York	Newcastle MH I LLC, Asset-Backet Notes 2006-1	12/20/2006	Manufactured Housing Pls	291.83	245.45	196	10%	A	A	2006	A	2006	16%	6%	25%	31	12
Origen Financial	Origen Manufacturing Housing Contract Trust Collateralized Notes 2006-A	8/25/2006	Manufactured Housing Pls	200.65	176.67	141	10%	BBB+	BBB+	2006	BBB	2006	19%	9%	31%	27	13
Origen Financial	Origen Manufacturing Housing Contract Trust Collateralized Notes 2007-A	5/2/2007	Manufactured Housing Pls	184.39	177.35	142	10%	BBB+	BBB+	2007	BBB	2007	19%	9%	31%	27	13
1st Financial Funding & Investment	1st Financial Credit Card Master Note Trust II, Series 2005-A	3/24/2005	Credit Card Receivables	92.5	92.5	74	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	9	5
1st Financial Funding & Investment	1st Financial Credit Card Master Note Trust II, Series 2005-B	9/26/2005	Credit Card Receivables	92.5	92.5	74	%	BBB	BBB	2005	BBB	2005	13%	6%	25%	9	5
Cabela's Credit Card Master Note Trust	Cabela's Credit Card Master Note Trust, Class A Fixed Rate Series 2004-1	4/14/2004	Credit Card Receivables	75	66	53	%	BBB	BBB	2004	BBB	2004	13%	6%	25%	7	3

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case-losses	Optimistic case - losses
Cabela's Credit Card Master Note Trust	Cabela's Credit Card Master Note Trust, Class A Floating Rate Series 2004-II	4/14/2004	Credit Card Receivables	175	154	123	%	BBB	BBB	2004	BBB	2004	13%	6%	25%	15	8
Providian Gateway Master Trust	Providian Gateway Master Trust, Floating Rate Class A, Series 2001-D	6/8/2001	Credit Card Receivables	650	597.5	478	%	BBB	BBB-	2001	BBB	2001	6%	0%	9%	30	-
Private Placement	Private Placement	1999	Credit Card Receivables	425	275	220	%	AAA	AAA	1999	AAA	1996-2000	0%	0%	0%	-	-
																4,884	**2,238**
			Grand Total	**131,052**	**60,380**												

Issuer	Issue name	Issue Date	Collateral Type	Original Insured Amount ($Millions)	Current Net Par Exposure ($Millions)	Current Net Par Exposure Less 20% subordination	Clean-up Call	Original Ambac Rating	Current Ambac Rating	Vintage	Rating	Vintage - YR	Default rate - base case	Default rate - optimistic case	Default rate - worst case	Base case- losses	Optimistic case - losses

Potential Losses

Collateral Type	(All)		Vintage - YR	(All)

Data	Total
Sum of Base case- losses	4,884
Sum of Optimistic case - losses	2,238
Sum of Worse case losses	8,713

	Vintage - YR								
Data	2001	2002	2003	2004	2005	2006	2007		Grand Total
Sum of Base case- losses	45	20	38	571	940	1,871	1,400	-	4,884
Sum of Optimistic case - losses	-	-	-	267	423	898	650	-	2,238
Sum of Worse case losses	79	39	73	1,010	1,900	3,197	2,415	-	8,713

Assumed Duration	5

	2,001	2,002	2,003	2,004	2,005	2,006	2,007
Sum of Base case- losses	9.03	3.92	7.52	114.18	188.00	374.21	279.97
Sum of Optimistic case - losses	-	-	-	53.32	84.60	179.51	130.09
Sum of Worst case losses	15.76	7.80	14.69	202.06	380.03	639.34	482.94

	2,001	2,002	2,003	2,004	2,005	2,006	2,007
Sum of Base case- losses			20.47	114.18	188.00	374.21	279.97
Sum of Optimistic case - losses			-	53.32	84.60	179.51	130.09
Sum of Worst case losses			38.26	202.06	380.03	639.34	482.94

Base Case	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
		9.03	9.03	9.03	9.03	9.03							45
			3.92	3.92	3.92	3.92	3.92						20
				7.52	7.52	7.52	7.52	7.52					38
					114.18	114.18	114.18	114.18	114.18				571
						188.00	188.00	188.00	188.00	188.00			940
							374.21	374.21	374.21	374.21	374.21		1,871
								279.97	279.97	279.97	279.97	279.97	1,400
	-	9	13	20	135	323	688	964	956	842	654	280	4,884

Base Case	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
		9	4	8	114	188	374	280					
			9	4	8	114	188	374	280	-	-	-	
			-	9	4	8	114	188	374	280	-	-	
			-	-	9	4	8	114	188	374	280	-	
			-	-	-	9	4	8	114	188	374	280	
	-	9	13	20	135	323	688	964	956	842	654	280	

Base Case									
	2001								-
	2002	9							9
	2003	9	4						13
	2004	9	4	8					20
	2005	9	4	8	114				135
	2006	9	4	8	114	188			323
	2007		4	8	114	188	374		688
	2008			8	114	188	374	280	964
	2009				114	188	374	280	956
	2010					188	374	280	842
	2011						374	280	654
	2012							280	280
Total		45	20	38	571	940	1,871	1,400	4,884

Optimistic Case	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
					53.32	53.32	53.32	53.32	53.32				267
						84.60	84.60	84.60	84.60	84.60			423

Increase in reserve estimate (in US$ mn)

	1Q 07	2Q 07	3Q 07
Transportation	54	134	77
Mortgage backed and home equity	21	53	74
Healthcare	25	39	39

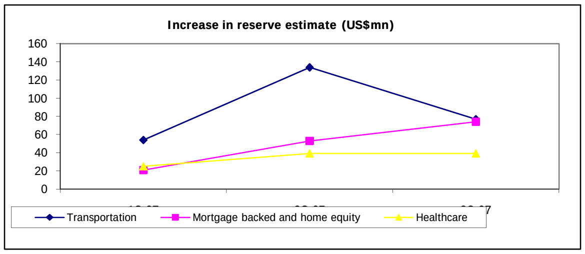
Total loss reserve

	FY 2005	FY 2006	1Q 07	1H 07	9M 07
Public Finance	215.5	195	216	229.1	179.7
Structured Finance	86.6	21.6	23.4	30.5	103.6
International Finance	2	3.5	-8.1	-3.8	0.8

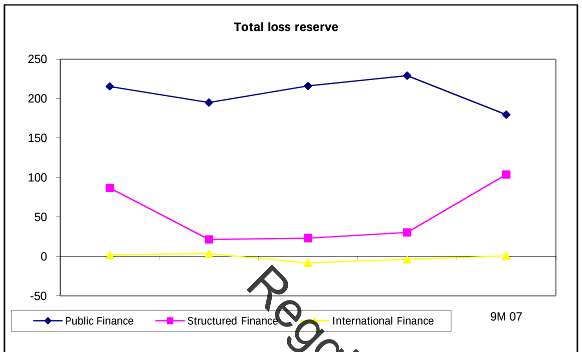
Gross case basis credit reserve	FY 2004	FY 2005	FY 2006	1Q 07	1H 07	9M 07
Public Finance	47	97	45.7	50.2	50.6	51.1
Structured Finance	80	9.5	-0.2	0.4	5.3	66.3
International Finance	6.3	0	2	-8.1	-3.8	0

Net losses paid (recovered)	FY 2003	FY 2004	FY 2005	FY 2006	1Q 07	1H 07	9M 07
Public Finance	5.8	20	11	76	(9)	(8)	(7)
Structured Finance	26.9	(5)	73	31	(1)	(1)	(1)
International Finance	1.4	4	3	(1)	10	1	(3)

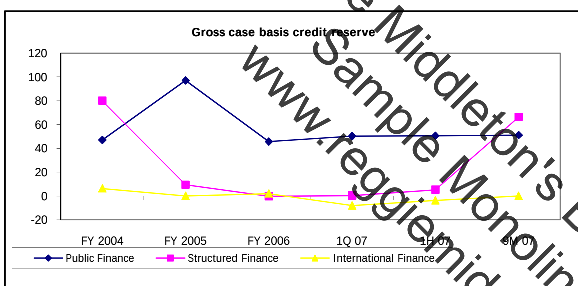
	2003	2004	2005	2006	9M 07
Net claims paid	35,280	18,923	86,739	105,568	(11,285)
Net premiums earned	667,250	764,510	866,415	871,383	684,740
ratio of net claims paid	5.3%	2.5%	10.0%	12.1%	-1.6%



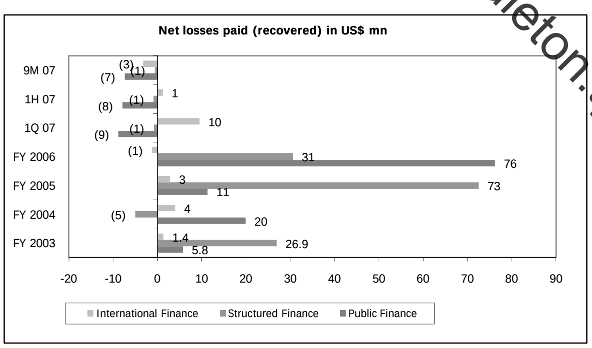
increase in the resreve estimate attributable to the rise in the number of



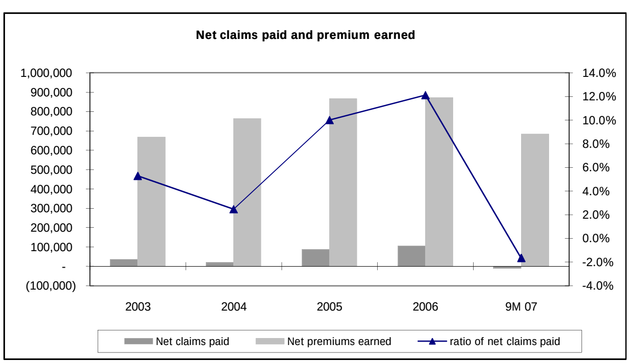
Structured Finance line of business has been the worst hit owing to the crisis in the subprime mortgage market. The loss reserve in this business has increased considerably in the last quarter and is expected to worsen owing to increased defaults and downgrade of ratings of this structured finance products. While the loss reserve on hte public finance which includes the municipal bonds have declined in hte last quarter



The structured finance business has also witnessed a rise in the gross case basis credit reserve owing to concerns as the likely downgrade of ratings of the CDOs may result in increased losses for the company.

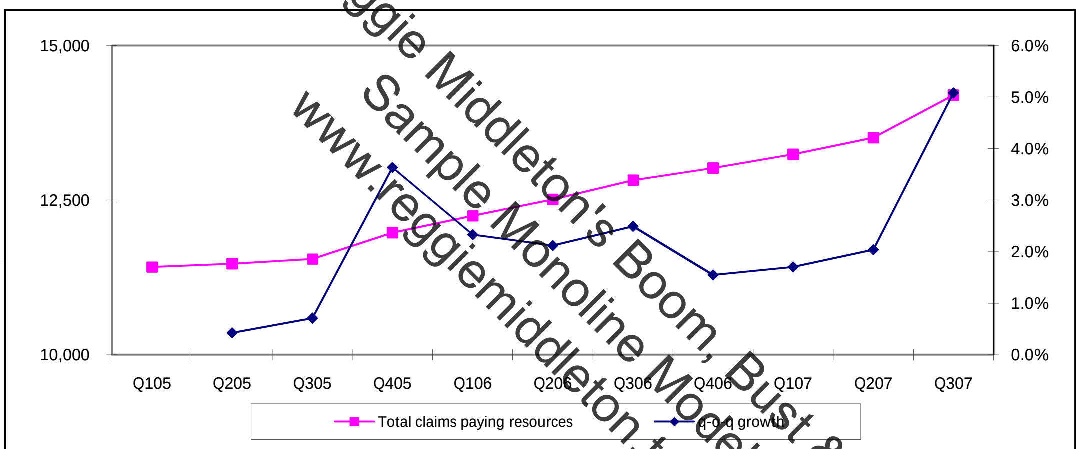


In Structured finance the company has net paid losses of US$73 mn in 2005, however although in 2007 the loss reserve have been increasing so far in 2007 the company has a net recovery of US$0.6 mn. we anticipate the net losses paid to rise in the coming quarters as the company witnesses increased payout.



The ratio of net claims paid has been around 10-12% in 2005. While in 9M 07 so far the ratio of net claims paid has declined signifcantly as the provision for losses has increased to U$47.6 mn the actual loss paid so far has been a meagre US$17.7 mn. In addition, the company has also reported other recoveries of US$27 mn.

Capital and claim-paying resources:	2Q 07	3Q 07	q-o-q growth
Contingency reserve	2,898	2,997	3.4%
Capital and surplus	3,844	3,227	-16.0%
Qualified statutory capital	**6,742**	**6,224**	**-7.7%**
Unearned premiums	3,417	3,603	5.5%
Losses and loss adjustment expenses	47	107	126.6%
Unrealized losses on credit derivatives	-	796	
Policyholders' reserves	**10,206**	**10,731**	**5.1%**
Third party capital support	800	800	0.0%
Present Value of Future Installment Premiums	2,503	2,664	6.4%
Total claims paying resources	**13,509**	**14,195**	**5.1%**



	2003	2004	2005	2006	3Q 07
Public Finance:	51%	52%	55%	54%	54%
Structured Finance:	29%	29%	30%	31%	32%
International Finance	20%	19%	15%	14%	14%