



Ambac Announces Closing of Ballantyne Restructuring Following Irish and U.S. Court Approvals

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\$900 Million of Insured Net Par Exposure Eliminated

NEW YORK, June 18, 2019 (GLOBE NEWSWIRE) -- Ambac Financial Group, Inc. (Nasdaq: AMBC) ("Ambac"), a holding company whose subsidiaries, including Ambac Assurance Corporation ("AAC") and Ambac Assurance UK Limited ("Ambac UK"), provide financial guarantees, announced today the closing of a restructuring transaction proposed by Ballantyne Re plc ("Ballantyne") in relation to its obligations following approval from the Irish High Court and the Bankruptcy Court of the Southern District of New York. This restructuring eliminates Ambac's \$900 million of insured Ballantyne net par exposure.

The key features of the restructuring are as follows:

- The novation of the indemnity reinsurance agreement between Ballantyne and Security Life of Denver Insurance Company dated November 19, 2008 (as amended) to Swiss Re Life and Health America Inc.;
- The disbursement of the assets from Ballantyne's reinsurance trust account to effectuate the novation and make payment to the holders of the affected Ballantyne notes in full and final satisfaction of their claims against Ballantyne; and
- The commutation of the obligations of Ambac UK in respect of Ballantyne's Ambac UK guaranteed notes

Following implementation of the restructuring, Ballantyne is expected to be wound-up by way of a solvent liquidation.

Claude LeBlanc, President and Chief Executive Officer of Ambac commented, "The closing of the Ballantyne restructuring, Ambac UK's largest Adversely Classified Credit, advances our de-risking strategy, improves the quality of our Book Value, materially increases our Adjusted Book Value and significantly strengthens Ambac UK's regulatory capital position." Mr. LeBlanc continued, "We believe the Ballantyne restructuring furthers our strategy of stabilizing our insurance platform."

The impact of the transaction will be included in Ambac's second quarter 2019 financial results. The transaction is expected to result in a Net Loss per diluted share attributable to common stockholders of between \$1.65 and \$1.90 and a decrease in Ambac's GAAP Book Value per share of between \$2.75 and \$3.00, primarily due to the accelerated amortization of Ambac's insurance intangible asset, partially offset by the reversal of loss and loss expense reserves. Conversely, the consummation of the transaction is expected to result in Adjusted Earnings per diluted share attributable to common stockholders of between \$2.65 and \$2.90 and an increase in Adjusted Book Value per share of between \$2.90 and \$3.10, as a result of the reversal of loss and loss expense reserves and the recognition of a gain on Ballantyne notes held in the investment portfolio. Ambac will provide further details of the transaction in its second quarter 2019 earnings press release and Form 10-Q filed with the SEC.

About Ambac

Ambac Financial Group, Inc. ("Ambac" or "AFG"), headquartered in New York City, is a holding company whose subsidiaries, including its principal operating subsidiaries, Ambac Assurance Corporation ("Ambac Assurance" or "AAC"), Everspan Financial Guarantee Corp. and Ambac Assurance UK Limited ("Ambac UK"), provide financial guarantees of obligations in both the public and private sectors globally. AAC is a guarantor of public finance and structured finance obligations. Ambac's common stock trades on the NASDAQ Global Select Market under the symbol "AMBC". The Amended and Restated Certificate of Incorporation of Ambac contains substantial restrictions on the ability to transfer Ambac's common stock. Subject to limited exceptions, any attempted transfer of common stock shall be prohibited and void to the extent that, as a result of such transfer (or any series of transfers of which such transfer is a part), any person or group of persons shall become a holder of 5% or more of Ambac's common stock or a holder of 5% or more of Ambac's common stock increases its ownership interest. Ambac is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our website to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information, and the posting of updates to the status of certain residential mortgage backed securities litigations. For more information, please go to www.ambac.com.

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