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## Ambac Announces Long-Term Incentive Compensation Plan

NEW YORK, May 27, 2014 (GLOBE NEWSWIRE) -- Ambac Financial Group, Inc. (Nasdaq:AMBC) ("Ambac" or the "Company"), a holding company whose subsidiaries, including Ambac Assurance Corporation ("Ambac Assurance"), provide financial guarantees and other financial services to clients in both the public and private sectors globally, today announced the roll-out of its long-term incentive compensation plan ("LTIP"). The LTIP, approved by the Compensation Committee of the Board of Directors, is a significant component of the management compensation program that is intended to strike an appropriate balance between short-term compensation and longer-term incentives aimed at fostering retention and aligning management's interest with those of Ambac's stakeholders.

Awards granted under the LTIP are designed to further the financial and operational objectives of both Ambac and Ambac Assurance. Target awards, which vest after three years, will be evenly split between restricted stock units (RSUs) and cash. Actual awards will be based on performance at both Ambac and Ambac Assurance, but generally no awards will be granted unless a minimum performance threshold is met by Ambac Assurance. Actual awards can payout 0% to 200% of the initial grant. The LTIP is intended to be an annual program.

Ambac performance will be evaluated relative to cumulative earnings before interest, taxes, depreciation and amortization (EBITDA) over three years, which is intended to reward participants on generating taxable income from new business development. Ambac Assurance performance will be evaluated by an Asset Liability Ratio (ALR), over the same three year period, which is intended to reward participants on increasing assets relative to the insurance and financial obligations of Ambac Assurance.

Among the awards granted, Diana N. Adams, President and Chief Executive Officer, received an initial LTIP grant of \$750,000. David Trick, Senior Managing Director, Chief Financial Officer and Treasurer, received an initial LTIP grant of \$250,000.

### About Ambac

Ambac Financial Group, Inc., headquartered in New York City, is a holding company whose subsidiaries, including its principal operating subsidiary, Ambac Assurance Corporation ("Ambac Assurance"), Everspan Financial Guarantee Corp., and Ambac Assurance UK Limited, provide financial guarantees and other financial services to clients in both the public and private sectors globally. Ambac Assurance, including the Segregated Account of Ambac Assurance (in rehabilitation), is a guarantor of public finance and structured finance obligations. Ambac Financial Group, Inc. is also exploring opportunities involving the acquisition and/or development of new businesses. Ambac Financial Group Inc.'s common stock trades on the NASDAQ Global Select Market. For more information, please go to <http://ambac.com>.

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