



November 30, 2015

Ambac Reduces Student Loan Insured Exposure by \$560 Million in the Fourth Quarter of 2015

NEW YORK, Nov. 30, 2015 (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, announced that Ambac Assurance has further reduced its exposure to insured student loan securities.

Working closely with the South Carolina Student Loan Corporation ("SCSLC"), Ambac Assurance has effected a commutation transaction for its entire insured exposure to SCSLC notes. The commutation, which resulted from a refinancing transaction, was fully funded on November 25, 2015 with final payment of the remaining insured notes to be made by December 18, 2015, at which time Ambac's related policy obligations will be fully extinguished.

This transaction, along with three other policy terminations during the fourth quarter of 2015, have reduced Ambac Assurance's insured student loan exposure by an additional \$560 million, or nearly 20 percent of the Company's remaining student loan net par exposure, compared with the end of the third quarter of 2015. Ambac's fourth quarter 2015 net income and operating earnings are not expected to be materially impacted by these transactions. Ambac Assurance's total student loan related exposures now stand at \$2.3 billion, down approximately 83 percent since the end of the first quarter of 2010.

Commenting on today's announcement, Nader Tavakoli, Interim President and Chief Executive Officer said, "We are very pleased to announce the completion of this successful transaction with the SCSLC. Derisking Ambac Assurance's troubled obligations remains one of our principal corporate objectives, and we will continue to aggressively and creatively seek risk and loss mitigation opportunities throughout the portfolio. I'd like to congratulate our team on the successful execution of the SCSLC commutation and their continued hard work in our liability management efforts generally."

About Ambac

Ambac Financial Group, Inc., ("Ambac"), headquartered in New York City, is a holding company whose subsidiaries, including its principal operating subsidiaries, Ambac Assurance Corporation ("Ambac Assurance"), Everspan Financial Guarantee Corp., and Ambac Assurance UK Limited ("Ambac UK"), 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 is also selectively exploring opportunities involving the acquisition and/or development of new businesses. 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. 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 primary residential mortgage backed securities litigations. For more information, please go to www.ambac.com.

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Source: Ambac Financial Group, Inc.

