

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* <u>REILLY MICHAEL FRANCIS</u> (Last) (First) (Middle) AMBAC FINANCIAL GROUP, INC. ONE WORLD TRADE CENTER, 41ST FLOOR (Street) NEW YORK NY 10007 (City) (State) (Zip)		2. Issuer Name and Ticker or Trading Symbol <u>AMBAC FINANCIAL GROUP INC [ AMBC ]</u>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Senior Managing Director	
		3. Date of Earliest Transaction (Month/Day/Year) 03/04/2020			
		4. If Amendment, Date of Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/04/2020		M		1,723 <sup>(1)</sup>	A	\$0	33,452	D	
Common Stock	03/04/2020		F		544 <sup>(2)</sup>	D	\$19.5	32,908	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Deferred Share Units	<sup>(3)</sup>	03/04/2020		M			1,723	<sup>(1)</sup>	<sup>(1)</sup>	Common Stock	1,723	\$0	1,723	D	
Restricted Stock Units	<sup>(4)</sup>	03/04/2020		A		4,487		<sup>(5)</sup>	<sup>(5)</sup>	Common Stock	4,487	\$0	12,843	D	

Explanation of Responses:

- On March 4, 2020, there were 1,723 deferred share units ("DSUs") that settled, and were converted into shares of common stock of Ambac Financial Group, Inc. (the "Company").
- Represents DSUs that were converted into shares of common stock and withheld by the Company to satisfy certain tax withholding obligations.
- Each DSU represents a contingent right to receive one share of the Company's common stock.
- Each restricted stock unit ("RSU") represents a contingent right to receive one share of the Company's common stock.
- On March 4, 2020 the reporting person received a grant of 4,487 RSUs as part of his 2020 Long Term Incentive Plan award. The RSUs will vest in three equal installments commencing January 2, 2021, January 2, 2022, and January 2, 2023.

Remarks:

William J. White, attorney-in-fact

03/06/2020

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

I, MICHAEL F. REILLY, do hereby nominate, constitute and appoint each of William White, Stephen M. Ksenak and Yolanda Ortiz, as my  
I hereby consent to, ratify and confirm all that each said attorney-in-fact shall do or cause to be done by virtue of this Power of  
This Power of Attorney shall remain in full force and effect from this date forward for so long as I am an officer or director of  
IN WITNESS WHEREOF, I have hereunto signed my name this 17th day of December, 2013.

\_\_\_/s/ Michael F. Reilly\_\_\_