

AMBAC FINANCIAL GROUP INC

Reported by
BARRANCO DAVID

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 03/06/17 for the Period Ending 03/02/17

Address	ONE STATE ST PLZ NEW YORK, NY 10004
Telephone	2126680340
CIK	0000874501
Symbol	AMBC
SIC Code	6351 - Surety Insurance
Industry	Corporate Financial Services
Sector	Financials
Fiscal Year	12/31

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

1. Name and Address of Reporting Person *		2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
BARRANCO DAVID		AMBAC FINANCIAL GROUP INC [AMBC]		<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Senior Managing Director	
(Last) (First) (Middle) AMBAC FINANCIAL GROUP, INC., ONE STATE STREET PLAZA		3. Date of Earliest Transaction (MM/DD/YYYY) 3/2/2017			
(Street) NEW YORK, NY 10004		4. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)	
(City) (State) (Zip)				<input 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. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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 (1)	3/2/2017		M		100	A	\$22.35	100	D	
Common Stock (1)	3/2/2017		F		100	D	\$22.35	0	D	

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

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Deferred Share Units	(2)	3/2/2017		A		2797		(3)	(3)	Common Stock	2797.0	(4)	2797	D	
Deferred Share Units	(2)	3/2/2017		M		100		(1)	(1)	Common Stock	100.0	\$22.35	2697	D	

Explanation of Responses:

- (On March 2, 2017, the Grant Date, 100 deferred share units ("DSUs") vested, were converted into shares of common stock and withheld by Ambac Financial
- 1) Group, Inc. (the "Company") to satisfy certain tax withholding obligations.
- (
- 2) Each DSU represents a contingent right to receive one share of the Company's common stock.
- (
- 3) The DSUs shall vest immediately and shall settle and convert into shares of common stock as follows: 50% of the DSUs shall settle and convert into shares of common stock on March 2, 2018, and the remaining 50% of the DSUs shall settle and convert into shares of common stock on March 2, 2019; provided however, that if the reporting person's employment with the Company is terminated for any reason, all of the DSUs will settle and convert into shares of common stock immediately. Notwithstanding the foregoing, a number of vested DSUs sufficient to satisfy certain tax withholding obligations imposed upon the Company may be converted into shares of common stock and withheld by the Company to satisfy such tax withholding obligations.
- (
- 4) The DSUs were awarded under the Company's 2013 Incentive Compensation Plan. The number of DSUs granted was calculated based on the closing price of the Company's common stock on March 2, 2017.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BARRANCO DAVID AMBAC FINANCIAL GROUP, INC. ONE STATE STREET PLAZA NEW YORK, NY 10004			Senior Managing Director	

Signatures

William J. White, attorney-in-fact

3/6/2017

**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.

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