EXHIBIT 37

Operator
Good morning. My name is Chris and I will be your conference facilitator today. At this time, I would like to welcome everyone to the Ambac Financial Group, Inc. third quarter 2017 earnings teleconference.

Our hosts for today's call are Lisa Kampf, Head of Investor Relations; Claude LeBlanc, Chief Executive Officer; and David Trick, Chief Financial Officer.

Today's call is being recorded and will be available for replay beginning at 11:30 a.m. Eastern Standard Time. The dial-in number is 800-585-8367 domestic or 416-621-4642 internationally, using ID number 99386743.

At this time, all participants have been placed in a listen-only mode and the floor will be open for your questions following the presentation.

If you would like to ask a question at that time, please press *1 from your touchtone phone. If at any point your question has been answered, you may remove yourself from the queue by pressing the pound key. If you should require operator assistance, please press *0. We ask that you please pick up your handset to allow optimal sound quality.

It is now my pleasure to turn the floor over to Ms. Lisa Kampf.

Lisa Kampf, Managing Director, Head of Investor Relations

Thank you. Good morning and thank you all for joining today's conference call to discuss Ambac Financial Group's third quarter financial results.

We'd like to remind you that today's presentation may contain forward-looking statements, which are based on management's current expectations and are subject to uncertainty and changes in circumstances. Any forward-looking statements are not guarantees of future performance of events. Actual performance and events may differ, possibly materially, from such forward-looking statements.

Factors that could cause this include the factors described in our most recent SEC-filed quarterly or annual reports under Management's Discussion and Analysis of Financial Condition and Results of Operation and under Risk Factors. Ambac is not under any obligation and expressly disclaims any obligation to update any forward-looking statement whether as a result of new information, future events or otherwise.

Today's presentation contains non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures are included in our earnings press release, which is available on our website at ambac.com. Please note we have posted slides on our website to accompany this call.

I would now like to turn the call over to Mr. Claude LeBlanc.

Claude LeBlanc, Chief Executive Officer

Thank you Lisa, and welcome to everyone joining today's call. I’m pleased to report during the third quarter, we continued to make significant progress towards improving Ambac’s risk profile and financial stability by executing against our strategic priorities.

Yesterday, after market close, we reported a net loss for the third quarter of approximately $191 million, or a loss of $4.20 per diluted share, and an adjusted loss of approximately $150 million or $3.30 per diluted share. In addition, book value decreased $3.67 to $33.33 per share and Adjusted Book Value decreased $3.79 to $24.56 per share.

While we are disappointed with the results of the quarter, which were impacted by increased uncertainty as a result of the situation in Puerto Rico, we continued to make strong progress with regards to our strategic priorities. David will elaborate on the details of our financial results shortly.

With respect to our strategic priorities, this quarter we took significant steps to reduce our cost structure, and make organizational changes with the goal of improving our future operational effectiveness and efficiency. Following a comprehensive analysis of our operational needs, we reduced our overall headcount by approximately 19% from the beginning of the year, resulting in expected future annual compensation cost savings of approximately 20% or $8.5 million annually.

Second, we remained focused on active management of our assets and liabilities. As of today, AAC now owns approximately 40% and 24% of its insured COFINA and PRIFA bonds, respectively, following the additional purchase of insured bonds since quarter end.

We also actively progressed our loss mitigation strategy during the quarter, resulting in a number of key successful remediations in both known and potential future adversely classified credits, as we continue to actively de-risk our portfolio. While our adversely classified credits increased by 0.5% as a result of the downgrade of a large international exposure, the full impact of this reclassification was largely offset by portfolio run-off and our ongoing risk remediation efforts.

As a result of these efforts and the normal run-off of our book, Net Par exposure outstanding decreased 6.3% from June 30. More specifically, our activities this quarter included:

- One, the de-risking of the remaining portion of a key exposure related to a distressed, domestic asset-backed VIE

- Two, we facilitated a transaction that led to the commutation of $45 million of adversely classified bonds

- Three, Ambac U.K. executed a structured finance de-risking transaction that resulted in a par reduction of approximately £190 million pounds.

- Lastly, during the quarter as a result of a settlement reached between a mortgage insurer and the trustee, among other parties, which we helped facilitate, we expect to receive approximately $50 million with respect to two of our RMBS transactions as reimbursement for claims previously paid.

As you will hear later, our corporate strategy will maintain as a priority the proactive and aggressive execution of de-risking initiatives. Our goal in pursuing this strategy is to continue to lower our risk exposure and improve our long-term adjusted book value, and more importantly, improve the quality of adjusted book value.

Turning now to Puerto Rico...

As everyone is aware, Hurricane Maria has had a devastating impact to the island of Puerto Rico. Near-term rebuilding and recovery should be the highest priority for everyone concerned, not only for the affected people of Puerto Rico but also their local officials, federal public officials, investors and creditors alike. Ambac has supported Puerto Rico’s capital markets for decades, and continues to support the people of Puerto Rico as a long-term investor with a paramount interest in the long-term recovery of the island.

We have done this directly, through charitable hurricane relief contributions, as we did in prior crisis periods, and also indirectly by calling for all concerned to pause litigation and to refrain from weaponizing Hurricane Maria. It hurts the people of Puerto Rico and hurts long-term recovery for the Island when public figures or private parties try to turn a natural disaster into opportunities or tools for advancement of their own interests.

Over the next few months, Puerto Rico will require a great deal of emergency response coordination, financial support and aid, supervision to advance recovery efforts and rebuild the island. To its credit, the federal government has taken steps to provide much needed financial aid and other resources to restore essential services and infrastructure throughout the island. Making sure there is enough money provided to the people of Puerto Rico to recover, and that the money provided is spent wisely and efficiently, is where near-term focus should be.

Unfortunately, it appears that the hurricane is being viewed as an opportunity by certain public officials on-island, and by the Oversight Board. During Tuesday's Natural Resources Committee hearing, the Oversight Board's Executive Director doubled down on a plan to review and certify revised fiscal plans over a rushed two to four-month timeline, essentially by the beginning of next year.

This makes no sense. No responsible body should recommend the development of a fiscal plan prior to seeing and considering the results of recovery and stabilization efforts. And it is unjustifiable to mandate that Fiscal Plan projections fall from the prior 10-year plan to a five-year plan period. There was unsupported conservatism and lack of consideration for key assumptions related to the fiscal plan projections prior to the hurricane, but now the recommended five-year Fiscal Plan term seems deliberately designed to show large expenditures for recovery, but not the actual recovery and rebuilding of the island in later years.

The Oversight Board appears to be repeating the same process mistakes that drew congressional review earlier this year, when it certified the prior Fiscal Plan despite numerous errors, questionable assumptions, and a lack of information and noncompliance with the PROMESA law. Instead of taking a reasonable pause, court filings show that AAFAF and the Oversight Board actively have opposed even a temporary stand-down. Ambac calls on the Oversight Board and the Commonwealth to pause litigation and debt restructuring efforts for a reasonable period of time to gather information and focus all stakeholders on supporting long-term rebuilding, implementation efforts and economic growth.

Ambac also supports independent oversight and accountability over the billions of taxpayer dollars that will be flowing into Puerto Rico, so that the money is used in ways that help the people of Puerto Rico and which will support the long-term economic growth plan of the island.

There is precedent for this. Donald E. Powell was appointed as the federal coordinator of Hurricane Katrina aid and recovery efforts, and reported to the President directly. This role was tasked with helping government leaders to reach consensual rebuilding plans; bridge regional and partisan divides; and to persuade Washington to provide appropriate federal funding. In the same vein, Ambac encourages Congress to consider the appointment of an independent person or board to supervise the deployment of federal funds and reconstruction efforts. The current Oversight Board is set up to be a vehicle for imposing fiscal control on-island, and for restructuring debts and negotiating with creditors. It also is hard to see how the current Oversight Board, which is in litigation with both the Rosselló administration and creditors, can balance its already challenging financial restructuring oversight role with a role as fiscal spending gatekeeper, auditor and economic growth coordinator to rebuild Puerto Rico.

Despite all of these considerable concerns, Ambac stands ready to be a constructive partner in a process that has the best long-term interests of Puerto Rico and its residents in mind. The direction of the narrative must shift away from short-sighted fixes at the expense of the people of Puerto Rico and creditors alike and focus more on the respect for the rule of law and commitment to repay debt that was provided willingly over so many years.

I'll now address other key business updates…

On September 25th, the Wisconsin Insurance Commissioner filed the rehabilitation plan amendment documents to officially begin the process for concluding the rehabilitation of AAC's Segregated Account. This included an affidavit of support, as part of the court filings, from the original signatories to the Rehabilitation Exit Support Agreement, to reflect their continued support for the transaction. The Plan Confirmation hearing has been set for January 4th and 5th of 2018. If approved by the rehabilitation court, the Segregated Account's exit from rehabilitation will be the culmination of one of Ambac's major strategic initiatives, which will allow us to rationalize our capital and liability structure, and simplify our corporate governance structure.

As noted, we have seen increased support for the transaction since announcing it in July, as additional parties have signed on to the Rehabilitation Exit Support Agreement. The DPO beneficial interest owners and General Account Surplus noteholders who now fully support the transaction total approximately 34% and 54%, respectively, of the total outstanding balances held by third parties, or 61% and 60% when combined with Ambac's holdings. We are pleased that the transaction is moving forward and continue to believe that this transaction will provide material additional value for our stakeholders and shareholders alike.

While we are encouraged with this progress, there are still many steps to be completed to close this transaction, and we will continue to work diligently alongside our external professionals and the OCI to that end. We still expect to exit from rehabilitation to occur in early 2018, assuming court approval and satisfaction of all conditions.

Additionally, our RMBS litigation continues to progress as we remained focused on aggressively pursuing remedies to recover losses.

As we discussed last quarter, our request to appeal certain rulings of the intermediate appellate court to the New York Court of Appeals, the highest state appellate court of New York, in our main RMBS suit against Countrywide, was granted. Briefing for the appellate case will be complete later this month and we expect oral argument to occur in the first half of 2018, but no date has been set yet. We will look forward to commencing the trial shortly after the decision is rendered by the appellate courts, but the trial date has not been scheduled.

We continue to believe in the strength of our claims against Countrywide and we remain committed to taking this case through to trial, hopefully by mid-next year.

We will continue to aggressively prosecute our remaining cases and progress them through conclusion.

I'll now turn the call over to David Trick to walk you through our third quarter financial results. David?

David Trick, Chief Financial Officer

Thank you Claude and good morning.

For the third quarter of 2017, Ambac reported a net loss of $190.9 million, or $4.20 per diluted share compared to net income of $7.1 million, or $0.16 per diluted share, for the second quarter of 2017. Adjusted Loss in the third quarter was $149.8 million, or $3.30 per diluted share, compared to Adjusted Earnings of $70.4 million, or $1.54 per diluted share in the second quarter.

Our third quarter results primarily reflect adverse development in Puerto Rico, which masked further progress achieved across the entirety of our business towards reducing risk and improving our operating platform.

Turning to some more specifics of the financial results…

Premiums earned were $53.0 million during the third quarter versus $43.2 million during the second quarter. Normal earned premium decreased during the quarter to $26.8 million from $30.0 million, or 11%, primarily due to the continued runoff of the insured portfolio, including previously pre-refunded policies.

Accelerated premium increased by $13.0 million to $26.2 million, primarily related to the impact of proactive de-risking in the international sector.

Premium receipts were $32 million during the third quarter, an increase of $16 million, versus the second quarter, primarily due to the accelerated premium receipts related to a terminated international transaction.

Net investment income for the third quarter and the second quarter of 2017 was $87.2 million and $85.2 million, respectively. Net investment income for the third quarter increased as a result of improved performance from AAC's investment in insured RMBS securities and a higher allocation to insured non-RMBS bonds, primarily Puerto Rico bonds, partially offset by a reduction in the duration and size of the investment portfolio. The reduction in duration resulted from a build-up in liquidity in anticipation of executing our holistic restructuring in the first quarter of 2018 in connection with the Segregated Account's exit from rehabilitation.

Mark-to-market gains on invested assets classified as trading were $4.9 million in the third quarter of 2017 compared to $3.0 million in the second quarter of 2017. Gains on AFG's investment in Corolla notes, and higher equity and hedge fund returns in the Ambac UK investment portfolio accounted for the quarter-over-quarter increase in trading income.

Losses and loss expenses incurred were $209.8 million for the third quarter of 2017, up from $66.1 million for the second quarter. The third quarter incurred loss was primarily driven by the adverse development in the public finance portfolio, offset by improved credit performance in RMBS, including the impact of a pool mortgage insurance policy recovery resulting from a settlement between the trustee and mortgage insurer.

Directionally, third quarter incurred losses were similar to the second quarter during which we experienced adverse development in the public finance portfolio, mostly due to Puerto Rico, and improved credit performance in the RMBS and Ambac UK portfolios.

More specifically:

- Public Finance produced incurred losses of $212.5 million, primarily due to adverse development in Puerto Rico. The increase in our Puerto Rico reserves reflects our perception of the short-term economic implications of, and political overhang related to, Hurricane Maria, more so than the long-term economic implications.

- RMBS produced an incurred benefit of $34.4 million in the third quarter, driven by a near $50 million gain from the pool mortgage insurance policy settlement, and improvements in general credit performance. The RMBS incurred benefit included a reduction of just over $40 million in our estimate of rep & warranty recoveries as a result of our improved experience during the quarter.

Our estimated representation and warranty recovery amount as of September 30, 2017 is now $1.8 billion, net of reinsurance.

Ambac UK produced an incurred benefit of $12.7 million in the third quarter, primarily due to $8.9 million of foreign exchange gains, as the Pound, Ambac UK's functional currency, strengthened relative to the Dollar and Euro.

Net gains reported in interest rate derivatives for the third quarter were $4.0 million compared to $34.1 million of gains in the second quarter. The net gain for the third quarter was solely due to the macro hedge reflecting a modest rise in short-term interest rates compared to a slight decline in the second quarter.

The gain in the second quarter was driven by the commutation of an insured structured interest rate swap in connection with the termination of the underlying insured transaction, which closed in the third quarter. Third quarter operating expenses increased by $2.7 million from the second quarter to $33.8 million. The increase compared to the second quarter 2017 was mainly due to a $3.6 million increase in severance costs related to the firm-wide corporate reorganization, and an approximately $1.6 million increase in long-term performance-based incentive compensation, partially offset by lower costs associated with the holistic restructuring transaction.

As we noted previously, we remain focused on reducing our core operating expenses, but also anticipate that we will experience volatility quarter-to-quarter associated with normal course operations and various other initiatives, including those related to the Segregated Account's exit from rehabilitation and severance expenses.

That said, restructuring and OCI fees accounted for a total of just over $9.2 million in the quarter, compared to approximately $11.4 million in the second quarter. These amounts equate to approximately 53% and 60% of non-compensation expenses during the third and second quarters of 2017, respectively.

Upon completion of the holistic restructuring transaction, we expect to be able to eliminate all such restructuring costs and the majority of our OCI-related costs.

Third quarter total comprehensive loss of $167.1 million led to a decrease in stockholders' equity at September 30, 2017 to $1.5 billion, or $33.33 per share. The total comprehensive loss was due to the net loss for the third quarter, partially offset by approximately $25 million of foreign exchange translation gains.

Adjusted Book Value decreased by $171.1 million to $1.1 billion, or $24.56 per diluted share at September 30, 2017 compared to nearly $1.3 billion or $28.35 per share at June 30, 2017. The main contributor to the decrease in Adjusted Book Value was the Adjusted Loss for the third quarter.

That concludes my formal remarks. I will now turn the call back to Claude who is going to provide an update on our strategic review process.

Claude LeBlanc, Chief Executive Officer

Thank you David.

As noted in our prior earnings calls, Ambac has been progressing a comprehensive corporate strategy review which we completed during the third quarter. The goal of the exercise was to review our key corporate strategy and priorities as well as explore options for future new business initiatives. Based on our review, our key strategic objectives are:

One – the continued active run-off of our insured portfolio, with a focus on known and potential future adversely classified credits, as we seek to improve the risk profile of the insurance company and to maximize the risk-adjusted return on invested assets.

Two – pursuing a successful exit from rehabilitation of the Segregated Account, by working closely with the regulator to ensure that the exit from rehabilitation progresses on schedule. This will facilitate the rationalization of our capital and liability structure and enable us to simplify our corporate governance framework going forward.

Three – ongoing loss recovery efforts through active litigation management and the exercise of contractual and legal rights.

Four – the ongoing review of organizational effectiveness and efficiency, with a focus on expense management.

And lastly, regarding our assessment of available options to generate long-term value for shareholders, I am pleased to report we have identified certain business sectors, adjacent to Ambac's core business, in which we will evaluate future opportunities, subject to acceptable criteria. Our focus will be on pursuing opportunities that we believe will generate long-term shareholder value with attractive risk-adjusted returns. This will be done through a measured and disciplined process, to identify opportunities that are (1) synergistic to our core business, (2) will match or leverage Ambac's core competencies, (3) are rapidly scalable, or available through mergers and acquisitions and (4) that may also allow for utilization of Ambac's net operating loss carry-forwards.

As we evaluate our options and timing for new business, we will remain focused and will consider the resource needs and business priorities of our overall corporate strategy. I look forward to updating you as we progress this important initiative.

The board, executive management and all employees at Ambac remain steadfast in our commitment in seeking to generate long-term sustainable value for shareholders. We are pleased with our achievements thus far, but there is still much left to be done and we look forward to updating you on our progress later in the year. Operator, we will now open the call up for questions.

Operator
At this time I would like to remind everyone in order to ask a question press * then the number 1 on your telephone keypad. Please use your handset to provide optimal sound quality. Your first question comes from the line of Andrew Gadlin of Odeon Capital Group. Your line is open.

Andrew Gadlin, Odeon Capital Group
Hi, good morning. David could you review again your comments on the RMBS settlements and the movement in the R&W recovery reserves?

David Trick, Chief Financial Officer
Sure, based on the settlement we expect to have a recovery which we haven't received yet but anticipate likely in the latter part of the fourth quarter of about $50 million from the pool mortgage insurance policy settlement. In connection with that and other improvements in credit performance in the RMBS book during the quarter, we reduced the rep and warranty estimate by $40 million, so the net impact on the results, within RMBS for incurred losses for the quarter is about a $10 million net benefit between the pick-up in the settlement and the reduction in the rep & warranty credit which, again, was associated in part with the settlement, as well as the improvement in credit performance during the quarter.

Andrew Gadlin, Odeon Capital Group

So basically it's a $50 million improvement in credit performance and about a $40 million decrease in recovery?

David Trick, Chief Financial Officer

The $50 million is just solely for the policy settlement, there is generally speaking credit improvement performance throughout the book so that total net incurred benefit for RMBS in the quarter is $34.4 when you wash everything through.

Andrew Gadlin, Odeon Capital Group

Got it. And then Claude you mentioned that in the strategic review you've identified not just future business opportunities but individual types of businesses. Can you talk a little bit more about that, what those might be?

Claude LeBlanc, Chief Executive Officer

Sure. Good morning Andrew. I think at this point we've obviously outlined, indicated that these are sectors that are adjacent to Ambac's core business. We have not outlined specifically what those sectors are, for obvious reasons, but I think when you look at our business which is clearly focused on insurance and credit, I think we're focusing on sectors that you would imagine and expect fall within the categories of our core discipline and our core business today. And at this point that's as much as we want to share with the market but we will update the market as we progress our initiatives, so as not to give up any bargaining leverage as we progress our initiatives going forward.

Andrew Gadlin, Odeon Capital Group

Understood. Thank you.

Operator

Again if you would like to ask a question press * then the number 1 on your telephone keypad. Your next question comes from the line of Andrew Hain with Stifel. Your line is now open.

Andrew Hain, Stifel

Yeah, hi. Good morning. I just had a quick question about -- I wanted to gain a better understanding of how you guys are looking at the dollars that the U.S. has sent down to Puerto Rico in the form of disaster relief. My understanding is there hasn't been a determination made as to how those funds will be, I guess, lined for repayment or maybe potentially forgiven. And I think there's even potentially a hearing on that down the road. Could you just maybe fill us in on how you guys are looking at that at this point? Maybe what are the next key events in making that determination?

Claude LeBlanc, Chief Executive Officer

Sure. I think the amount that has been provided for under the October 26 bill, of $36.5 billion is $4.9 billion that is to be lent to Puerto Rico through the FEMA Disaster Loan Program. It is possible that the federal government could have structures of priority debt obligation. However, based on historical precedent we believe that over 90% of such loans have been forgiven in the past. And there is also a lot of momentum in congress to clarify the terms of the forgiveness. This past week, 30 Senate democrats sent a letter to the ONB asking that the liquidity loans be cancelled, forgiven, or converted. So our expectation currently is that it will be forgiven, but that's a decision that has to be reached hopefully in the not-too-distant future.

We do support the tracking of the loans as well, so we think it is important that the loans that are utilized are tracked. And we expect that they will be used in the areas of greatest need, and clearly right now electricity and water and things like that are obviously top-of-mind, you know, for the Commonwealth and the government. So it is our expectation that that's where the moneys will be directed, or the bulk of the moneys will be directed near-term.

Andrew Hain, Stifel

And so just to clarify, the reserves on your books then assume that the treatment is, as you described it, it would be forgiven?

Claude LeBlanc, Chief Executive Officer

Again, we don't really -- we're not expecting to be a direct beneficiary of any federal loan dollars. So again, it's not our expectation that these dollars come into the hands of any of the creditors. We're also not a guarantor on any of the PREPA debt in areas where you would expect a lot of the dollars would be spent near-term. So I think from our perspective, we're looking at the federal aid as being something that is being provided as has been provided to other communities suffering from these natural disasters. And that's something that would attribute or narrow directly back to creditors.

Andrew Hain, Stifel

And sorry to harp on, lastly, so do you think this is an issue that gets cleared up by the end of 2018, one way or the other?

Claude LeBlanc, Chief Executive Officer

We hope so. Again, I think there's lots of momentum to move things forward expeditiously. And we're very supportive of clarifying this matter and getting as much aid to Puerto Rico as soon as possible. And in terms of the grant versus loan issue, again, I think the expectation, if it's not later this year, we expect it'll be sometime in 2018.

Andrew Hain, Stifel

Great. Thanks for your time.

Claude LeBlanc, Chief Executive Officer

Thank you.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating. You may now disconnect.