



**BAM**

# **BAM MUTUAL**

Annual Investor Report

**2024**

Privileged and Confidential

## BAM Mutual's Mission

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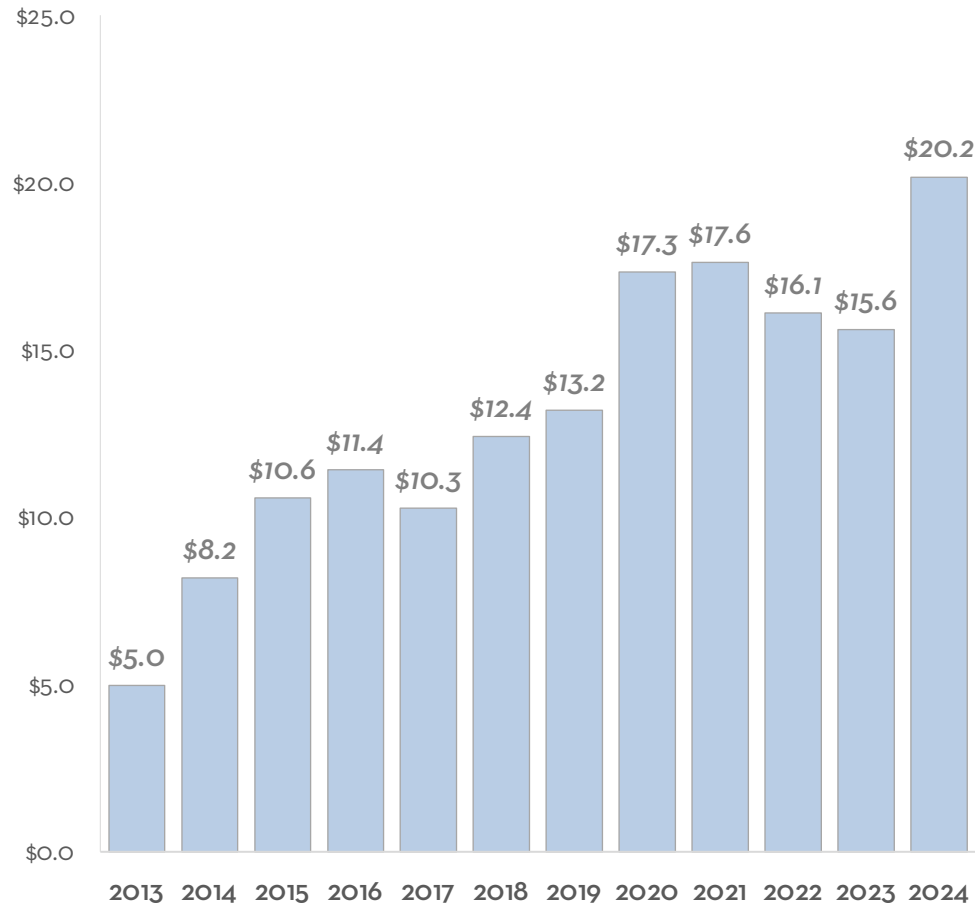
*To be the premier municipal focused financial guaranty insurance company, serving investors with durable, transparent protection against default while acting as an industry utility providing efficient funding and savings to public-sector issuers.*

*- BAM Mutual*

# BAM's Insured Portfolio

As of December 31, 2024

## ANNUAL PAR INSURED (\$B)



## PORTFOLIO SECTOR DISTRIBUTION (\$B)

	GROSS PAR OUTSTANDING	AVERAGE CREDIT RATING*
GENERAL OBLIGATION	\$64.3	A
UTILITY	\$17.7	A
DEDICATED TAX	\$12.2	A+
GENERAL FUND	\$10.3	A+
HIGHER EDUCATION	\$9.1	A
ENTERPRISE SYSTEMS	\$8.3	A
<b>TOTAL GROSS PAR OUTSTANDING</b>	<b>\$121.8</b>	<b>A</b>



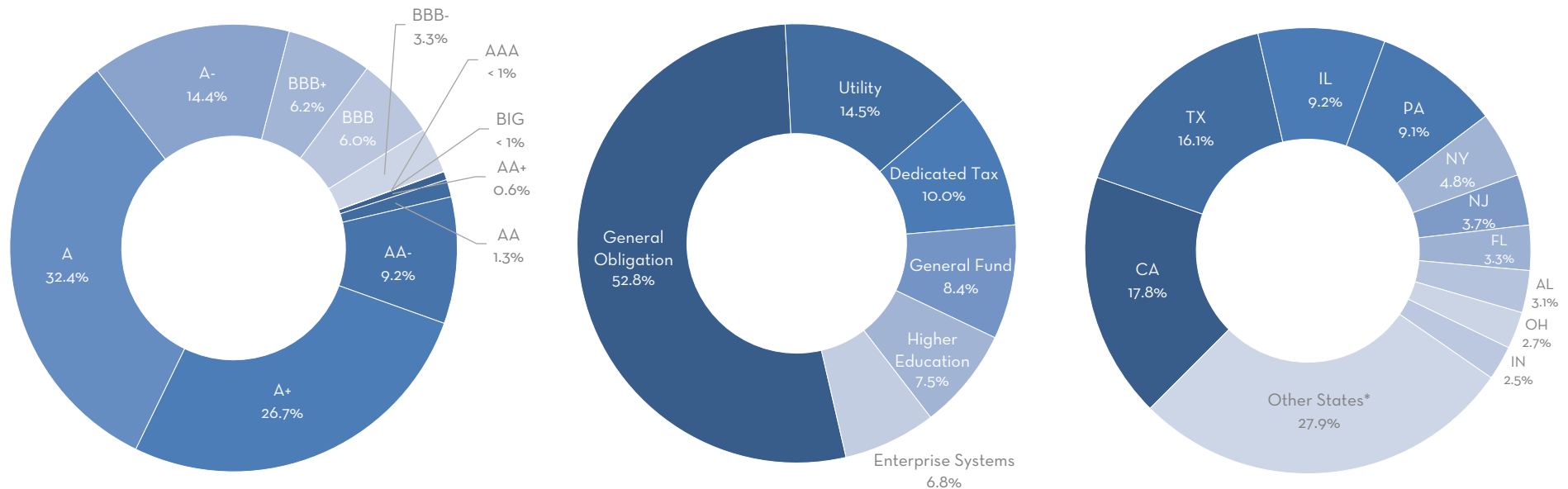
\*Includes all BAM insured activity. Average Credit Ratings are based on S&P public rating, or if unrated by S&P, the S&P equivalent of the Moody's public rating, or if unrated by Moody's, the BAM internal rating.

# BAM's Insured Portfolio - \$121.8 Billion

As of December 31, 2024

*\$122 billion par outstanding as of December 2024*

*\$160 billion par insured since inception*



- Conservative underwriting coupled with years of strong insured activity built the lowest-risk portfolio in the industry
- Our successful track record is the basis for S&P affirming our AA/Stable rating annually since our inception
- 85% of the portfolio is rated in the single-A category or higher; double-A category credits are the fastest growing portion
- 53% is comprised of GO's issued by public school districts and local governments; 15% is comprised of public utilities
- No outsized single risks with excessive capital charges underscores the stability of the portfolio (and our AA Stable rating)



Based on BAM internal ratings  
\*Includes all other states not shown except Alaska

# BAM's Top 50 Exposures

As of December 31, 2024

(in millions)

Obligor	As of December 31, 2024			
	S&P Rating <sup>(1)(3)</sup>	Moody's Rating <sup>(2)(3)</sup>	Gross Par Outstanding	% of Total Gross Par Outstanding
Metropolitan Transportation Authority (MTA), NY, Mass Transit - Farebox	A-	A3	\$ 528.9	0.4%
Midway Airport, Chicago City of, IL (Cook County), Airport GARBs (2023 Supplemental Indenture)	A	NR	513.5	0.4%
Sherman, City of, TX, (Grayson County), Combined Water & Sewer	A	NR	509.0	0.4%
South Carolina Public Service Authority	A-	A3	487.2	0.4%
Chicago, City of, IL (Cook County), Sales Tax - Local	AA-	NR	477.4	0.4%
Pennsylvania Turnpike Commission, PA, Toll Roads	A+	A2	426.0	0.3%
Port Authority of NY and NJ	AA-	Aa3	420.0	0.3%
Illinois, State of	A-	A3	412.6	0.3%
Wichita, City of, KS (Sedgwick County), Water & Sewer	AA-	NR	410.4	0.3%
Chicago, City of, IL (Cook County)	BBB+	Baa3	402.7	0.3%
Bridgeport, City of, CT (Fairfield County)	A+	A3	392.5	0.3%
Atlanta, City of, GA (Fulton County) Water & Sewer	A+	Aa3	390.9	0.3%
West Contra Costa Unified School District, CA (Contra Costa County)	A+	A1	385.0	0.3%
Connecticut, State of, CT (Lottery Revenues)	AA-	Aa3	380.9	0.3%
Springfield, City of, IL (Sangamon County), Electric	A	A3	372.5	0.3%
Clark County SD, NV (Clark County)	AA-	A1	365.6	0.3%
Chicago Board of Education, IL (Cook County)	BB+	Ba1	362.9	0.3%
Miami-Dade County School Board, FL (Miami-Dade County)	A+	Aa3	359.9	0.3%
Chicago Transit Authority, IL	AA-	A2	356.6	0.3%
Chicago, City of, IL (Cook County), Sewer	A+	Baa2	351.4	0.3%
Provident Group - UTK Properties LLC - University of Tennessee Knoxville Project, TN (Knox County), P3 Student Housing Revenue	BBB-	NR	349.9	0.3%
Pennsylvania, Commonwealth of	A+	Aa2	339.0	0.3%
Hutto, City Of, TX (Williamson County)	AA-	A1	333.0	0.3%
Sacramento City USD, CA (Sacramento County)	BBB+	A3	330.3	0.3%
Oregon State University, OR, Public Higher Education - Gross Revenue	NR	Aa3	320.7	0.3%
Allentown, City of, PA (Lehigh County), Water & Sewer	A+	NR	319.9	0.3%
Rowan University, NJ (Gloucester County), Public Higher Education - GO	A	A2	316.6	0.3%
New Jersey Transportation Trust Fund Authority, System & Program Bonds, NJ, Gas Tax - State	A-	A2	311.3	0.3%
Municipal Authority of Westmoreland County, PA (Westmoreland County) Water	A+	NR	309.7	0.3%
Illinois (State of) Build Illinois Bonds (Sales Tax Revenue Bonds)	A	A3	306.1	0.3%
Springdale, City of, AR (Washington County), Sales Tax - Local (2023 Tax)	A+	NR	306.0	0.3%
Chicago Park District, IL (Cook County)	AA-	NR	305.1	0.3%
Northern Illinois University, IL (De Kalb County)	NR	Baa3	303.9	0.2%
Kansas, State Of	A+	Aa3	300.2	0.2%
Westfield Washington Schools, IN (Hamilton County)	AA+	NR	299.2	0.2%
Colorado, State of	A+	Aa2	293.5	0.2%
University of South Alabama, AL (Mobile County), Public Higher Education - Unlimited Tuition	A+	A1	290.7	0.2%
San Francisco CCD, CA (San Francisco County)	A+	A1	287.4	0.2%
Oxnard SD, CA (Ventura County)	A+	NR	286.8	0.2%
Cape Coral, City of, FL (Lee County), Water & Sewer	A+	A1	283.9	0.2%
Oakland USD, CA (Alameda County)	A-	A1	283.2	0.2%
Florida State University, FL (Leon County), Auxiliary Revenue	NR	Aa3	281.3	0.2%
Hayward USD, CA (Alameda County)	A+	NR	274.1	0.2%
CHF-Davis II, L.L.C. - Orchard Park Student Housing Project, CA (Yolo County), P3 Student Housing Revenue	NR	Baa3	273.0	0.2%
Yonkers, City of, NY (Westchester County)	A+	Aa3	273.0	0.2%
Metropolitan Pier & Exposition Authority, IL (Cook County)	A	Ba1	269.2	0.2%
CHF-Davis I, L.L.C. - West Village Student Housing Project, CA (Yolo County), Public Higher Education - Auxilliary	NR	Baa3	267.1	0.2%
Community College District No. 508 (City Colleges of Chicago), IL (Cook County)	BBB+	NR	264.4	0.2%
Pennsylvania State System of Higher Education, PA, General Revenue	NR	Aa3	262.0	0.2%
New Jersey, State Of	A	A2	261.8	0.2%
<b>Total - Top 50 Exposures</b>			<b>\$ 17,208.2</b>	<b>14.1%</b>



1. Represents the rating assigned by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") on the underlying obligation, excluding BAM Mutual's credit enhancement.  
 2. Represents the rating assigned by Moody's Investor Service, Inc. ("Moody's") on the underlying obligation, excluding BAM Mutual's credit enhancement.  
 3. For single risks with multiple obligations, the rating shown represents a weighted average of the ratings on the underlying obligations, excluding BAM Mutual's credit enhancement.

# BAM GreenStar

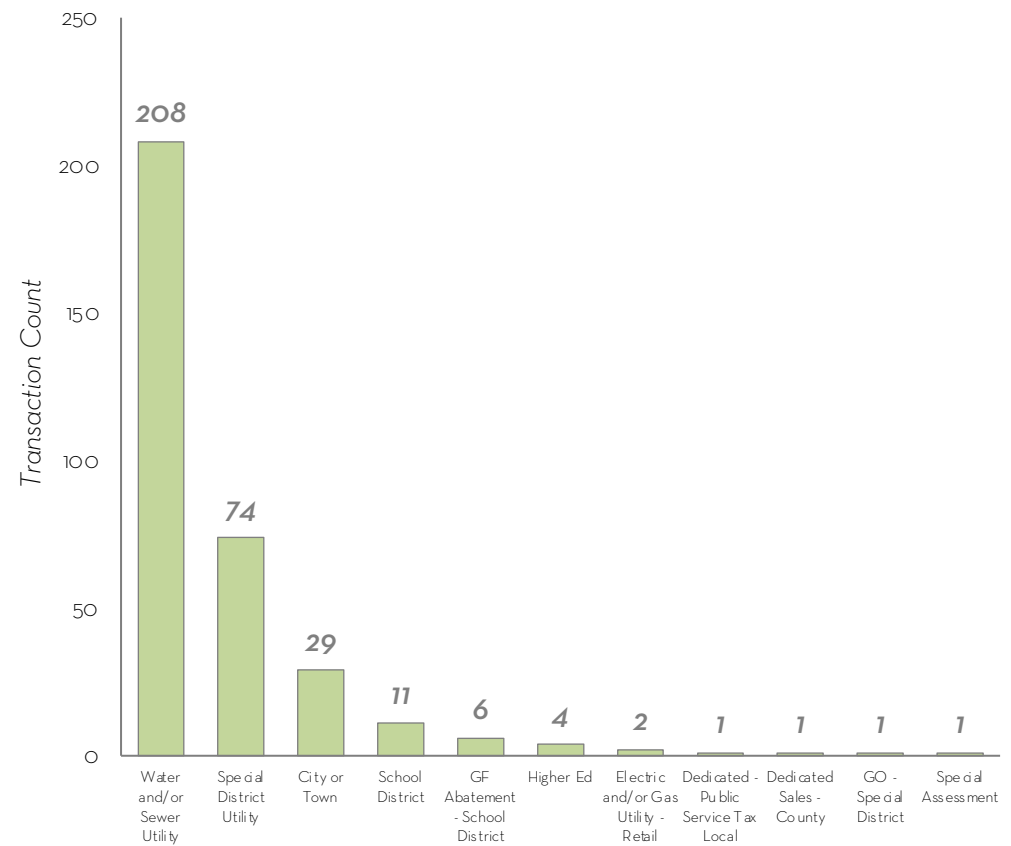


*BAM GreenStar bonds are U.S. municipal bonds sold to finance infrastructure that aligns with international standards for green bonds. The BAM GreenStar Assessment is an independent review of a bond issue's purpose and includes ongoing surveillance and reporting on the construction status of the eligible project to maximize secondary liquidity*

*BAM GreenStar  
Designated Transactions by State  
(October 2018 - December 2024)*

State	Issue Par	Transaction Count
California	\$1,137,493,938	34
Arkansas	\$676,820,030	39
Texas	\$591,965,000	86
Pennsylvania	\$536,727,163	46
Indiana	\$224,164,100	18
Illinois	\$206,925,000	17
Arizona	\$186,695,000	2
Utah	\$136,845,000	6
Colorado	\$132,820,000	8
Ohio	\$128,160,000	11
Oregon	\$118,293,320	3
Alabama	\$107,030,000	18
New Jersey	\$100,815,000	3
West Virginia	\$94,900,000	5
Mississippi	\$94,402,000	4
Washington	\$94,260,000	4
Louisiana	\$58,165,000	8
South Carolina	\$57,485,000	1
Michigan	\$56,575,000	3
Iowa	\$39,905,000	8
New York	\$23,623,588	5
Connecticut	\$18,205,000	1
Tennessee	\$16,172,000	3
Florida	\$15,500,000	1
Idaho	\$5,765,000	1
Kansas	\$4,175,000	1
Maryland	\$3,413,381	1
New Mexico	\$1,190,800	1
	<b>\$4,868,490,318</b>	<b>338</b>

*BAM GreenStar  
Designated Transactions by BAM Sector  
(October 2018 - December 2024)*



# BAM's Capital Structure

*As a mutual financial guaranty insurance company, BAM structures its capital to align with the inherently low risk nature of our municipal only insured portfolio, to be flexible as the insured portfolio grows and to avoid counter-party risk*

## Hard Capital Components

*Qualified Statutory Capital*

*HG Re First Loss Reinsurance*

*Other Collateralized Reinsurance*

## Key Features

- Consists primarily of Surplus Notes and Member Surplus Contributions ("MSC")
- Surplus Notes are flexible and allow repayment to occur when BAM has excess capital driven by organic growth
  - Provided the initial funding for BAM as a mutual
  - Principal payments are retained in the HG Re First Loss Reinsurance Trusts
- Organic growth occurs with each policy issued through MSC collections

- 15% first loss reinsurance - more than covers the expected losses on the insured bonds and provides protection from high frequency, low severity risk
- Fully collateralized in a Regulation 114 Trust - no counterparty risk and very low credit risk (all fixed income securities rated A- or better)
- Grows as BAM cedes premium and makes payments on the Surplus Notes
- Market value must equal ceded UPR plus loss reserves (if any) plus \$600 million before funds can be released

- Fully collateralized - very low credit risk (highly liquid AAAM funds / U.S. Government securities)
- Flexible - transactions created for each discrete covered portfolio to maximize capital model credit
- Low-cost facilities relative to other capital alternatives

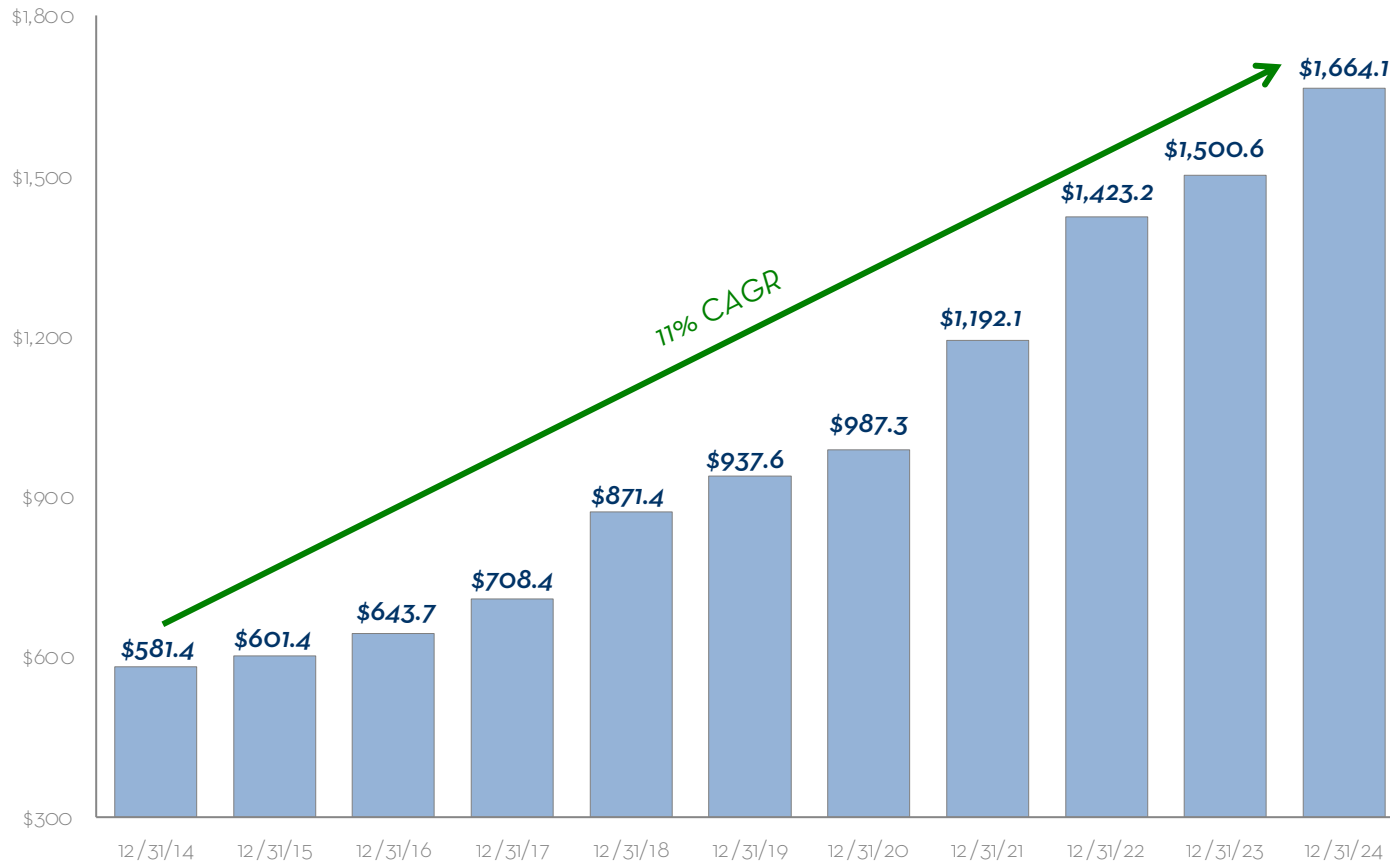
# BAM's Capital Structure

## Claims Paying Resources

*BAM's claims paying resources now surpass \$1.6 billion*

Claims Paying Resources (\$M)

**94%** OF BAM'S  
CLAIMS PAYING RESOURCES  
IS HARD CAPITAL<sup>1</sup>



<sup>1</sup> - Hard Capital includes BAM's Qualified Statutory Capital and Collateral Trusts, that represents collateral available to BAM Mutual pursuant to various reinsurance and trust agreements



# Assets Invested to Preserve Capital and Provide Liquidity

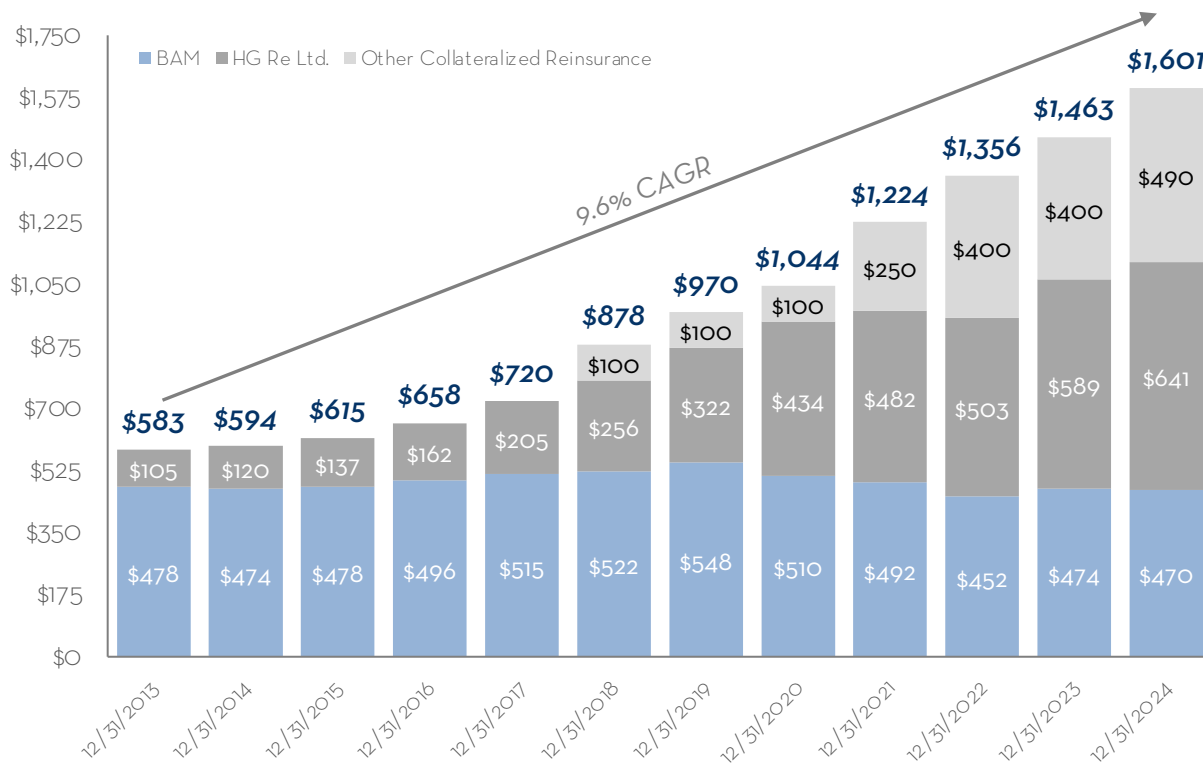
**S&P Global**  
Ratings

*“We view BAM’s liquidity as exceptional based on the lack of any credit-sensitive liabilities or collateral-posting requirements and based on the high-quality investment portfolio.”*

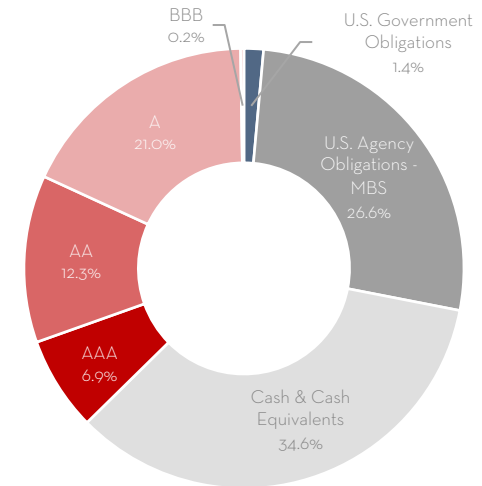
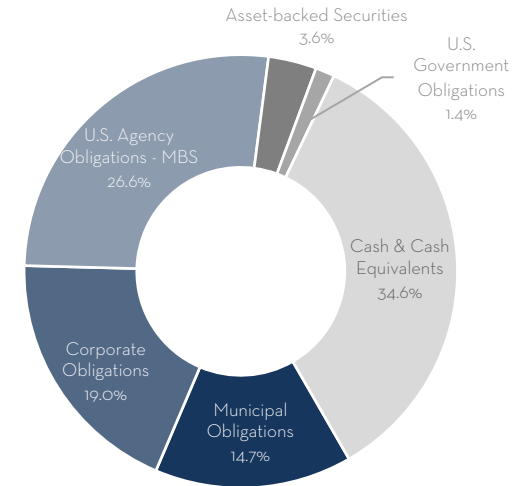
May 29, 2024

## \$1.6 Billion Cash & Investments as of December 31, 2024

Trend of Cash & Investments (\$M)\*



\*Fair market value. Includes cash and accrued investment income receivables and are net of receivables/payables.



**BAM’s liquidity is further augmented by its membership in the Federal Home Loan Bank of New York which provides same day liquidity in an amount equal to 5% of BAM’s admitted assets**

