

BAM

BAM MUTUAL

Annual Investor Report

2025

Privileged and Confidential

BAM Mutual's Mission

BAM is the only financial guaranty insurer
focused exclusively on the low-risk public finance sector

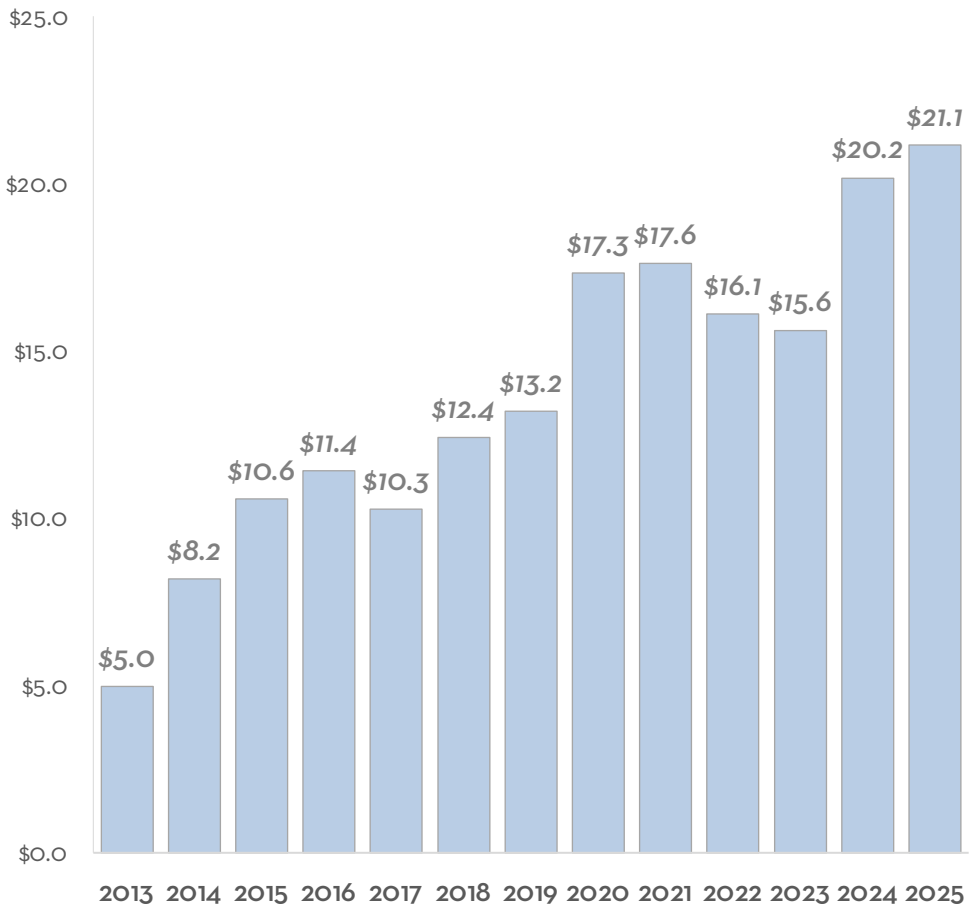
BAM serves investors with durable, transparent protection against default
while acting as an industry utility providing efficient funding and savings to issuers

BAM is the only mutual financial guaranty insurance company,
aligning its corporate goals with the interest of its member municipalities
and municipal market investors

BAM's Insured Portfolio

As of December 31, 2024

ANNUAL PAR INSURED ($B)



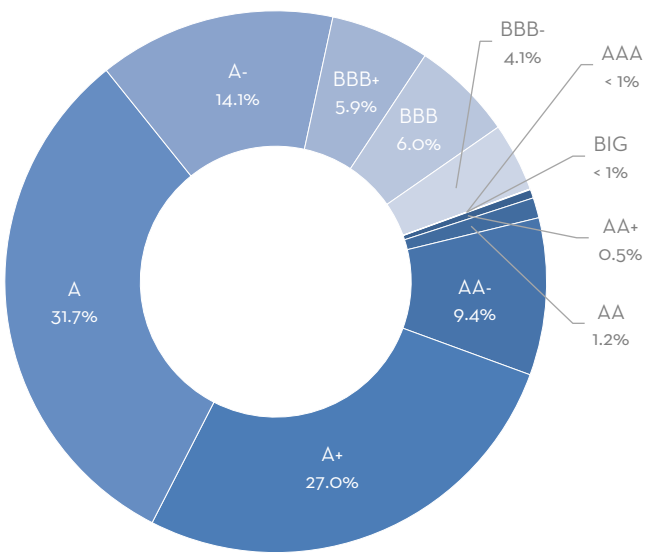
PORTFOLIO SECTOR DISTRIBUTION ($B)

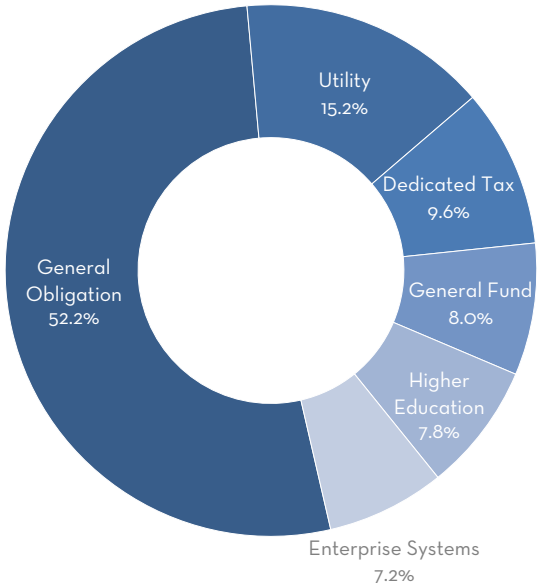
	GROSS PAR OUTSTANDING	AVERAGE CREDIT RATING*
GENERAL OBLIGATION	$71.0	A+
UTILITY	$20.6	A+
DEDICATED TAX	$13.1	A+
GENERAL FUND	$10.9	A+
HIGHER EDUCATION	$10.6	A
ENTERPRISE SYSTEMS	$9.8	A+
TOTAL GROSS PAR OUTSTANDING	$136.0	A+

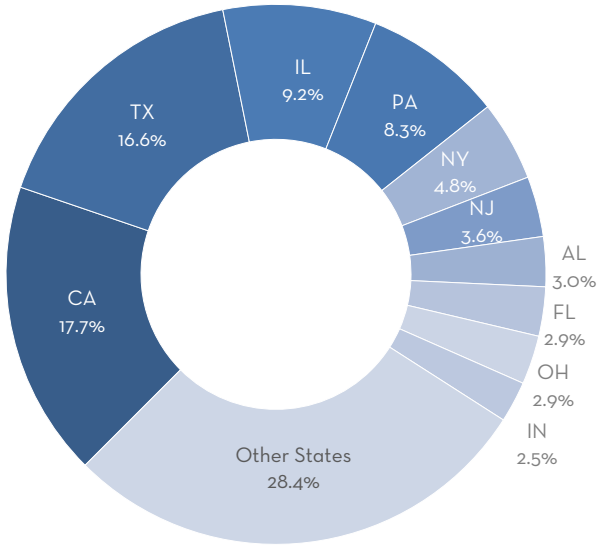
*Includes all BAM insured activity. Average Credit Ratings are based on S&P public rating, or if unrated by S&P, the S&P equivalent of the Moody's public rating, or if unrated by Moody's, the BAM internal rating.

BAM's Insured Portfolio (as of December 31, 2025)

$136 billion par outstanding
$178 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
- No outsized single risks with excessive capital charges underscores the stability of the portfolio and our AA/Stable rating
- 84% of the portfolio is rated in the single-A category or higher; double-A category credits are the fastest growing portion
- 52% is comprised of GO's issued by public school districts and local governments; 15% is comprised of public utilities

Based on BAM internal ratings

BAM's Top 50 Exposures

As of December 31, 2025

(in millions)

Obligor	As of December 31, 2025 S&P Rating[1][3]	Moody's Rating[2][3]	Gross Par Outstanding	% of Total Gross Par Outstanding
Metropolitan Transportation Authority (MTA), NY, Mass Transit - Farebox	A	A2	$ 581.8	0.4%
Sherman, City of, TX, (Grayson County), Combined Water & Sewer	A-	NR	571.7	0.4%
Chicago, City of, IL (Cook County)	BBB	Baa3	539.4	0.4%
South Carolina Public Service Authority	A-	A3	514.1	0.4%
Westfield Washington Schools, IN (Hamilton County)	AA+	NR	496.9	0.4%
Midway Airport, Chicago City of, IL (Cook County), Airport GARBs (2023 Supplemental Indenture)	A	NR	489.4	0.4%
Chicago, City of, IL (Cook County), Sales Tax - Local	A+	NR	483.2	0.4%
Hayward USD, CA (Alameda County)	A+	A1	473.2	0.3%
O'Hare Airport, IL (Cook County) GARB	A+	NR	469.1	0.3%
Wichita, City of, KS (Sedgwick County), Water & Sewer	AA-	NR	463.9	0.3%
Los Angeles (City of) Department of Water and Power (LADWP), CA (Los Angeles County), Power, CA (Los Angeles County), Electric	A	Aa2	460.3	0.3%
Pinal County, AZ (Pinal County), Excise tax - Local	AA-	NR	456.6	0.3%
West Contra Costa Unified School District, CA (Contra Costa County)	A+	A1	447.4	0.3%
Illinois, State of	A-	A2	437.0	0.3%
New Jersey Transportation Trust Fund Authority, System & Program Bonds, NJ, Gas Tax - State	A	A1	431.8	0.3%
Port Authority of NY and NJ	AA-	Aa3	417.5	0.3%
Chicago Transit Authority, IL	AA-	A1	414.2	0.3%
Lower Colorado River Authority (LCRA) Transmission Services Corporation, TX	A	A1	404.8	0.3%
Atlanta, City of, GA (Fulton County) Water & Sewer	A+	Aa3	390.9	0.3%
Bridgeport, City of, CT (Fairfield County)	A+	A3	383.6	0.3%
Connecticut, State of, CT (Lottery Revenues)	AA-	Aa2	380.9	0.3%
University of Oklahoma (Board of Regents), General Revenue	AA-	NR	369.7	0.3%
Chicago Board of Education, IL (Cook County)	BB+	Ba1	368.4	0.3%
Springfield, City of, IL (Sangamon County), Electric	A	A3	367.7	0.3%
Chicago, City of, IL (Cook County), Sewer	A+	Baa2	359.8	0.3%
Miami-Dade County School Board, FL (Miami-Dade County)	A+	Aa3	355.3	0.3%
Colorado, State of	A+	Aa2	350.7	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%
Clark County SD, NV (Clark County)	AA-	A1	348.8	0.3%
Pennsylvania Turnpike Commission, PA, Toll Roads	A+	A2	348.6	0.3%
New Jersey Institute of Technology, NJ (Essex County), General Revenue	A	A2	342.6	0.3%
Hutto, City Of, TX (Williamson County)	AA-	A1	331.2	0.2%
Sacramento City USD, CA (Sacramento County)	A-	A3	324.8	0.2%
Metropolitan Pier & Exposition Authority, IL (Cook County)	A	Baa1	322.7	0.2%
Oregon State University, OR, Public Higher Education - Gross Revenue	NR	Aa3	320.7	0.2%
Allentown, City of, PA (Lehigh County), Water & Sewer	A+	NR	319.9	0.2%
Cape Coral, City of, FL (Lee County), Water & Sewer	A+	A1	310.1	0.2%
South Jersey Transportation Auth, NJ (Multi County) Toll Road and Bridges	BBB+	Baa2	305.4	0.2%
Chicago Park District, IL (Cook County)	AA-	NR	304.7	0.2%
John F. Kennedy International Airport (JFK NTO), NY (Queens County), Airport GARBs	NR	Baa3	304.3	0.2%
Rowan University, NJ (Gloucester County), Public Higher Education - GO	A	A2	304.1	0.2%
Kansas, State Of	A+	Aa3	300.2	0.2%
Provident Group – SH II Properties LLC (University of Washington), WA (King County), P3 Student Housing Revenue	BB+	NR	296.8	0.2%
Northern Illinois University, IL (De Kalb County)	NR	Baa3	294.5	0.2%
Springdale, City of, AR (Washington County), Sales Tax - Local (2023 Tax)	A+	NR	294.5	0.2%
Municipal Authority of Westmoreland County, PA (Westmoreland County) Water	A+	NR	292.9	0.2%
University of South Alabama, AL (Mobile County), Public Higher Education - Unlimited Tuition	A+	A1	283.5	0.2%
Oakland USD, CA (Alameda County)	A-	A1	282.0	0.2%
Pennsylvania, Commonwealth of	A+	Aa2	281.8	0.2%
Pennsylvania State System of Higher Education, PA, General Revenue	NR	Aa3	281.5	0.2%
Total - Top 50 Exposures			**$ 19,024.9**	**14.0%**

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's Capital Structure
Components

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

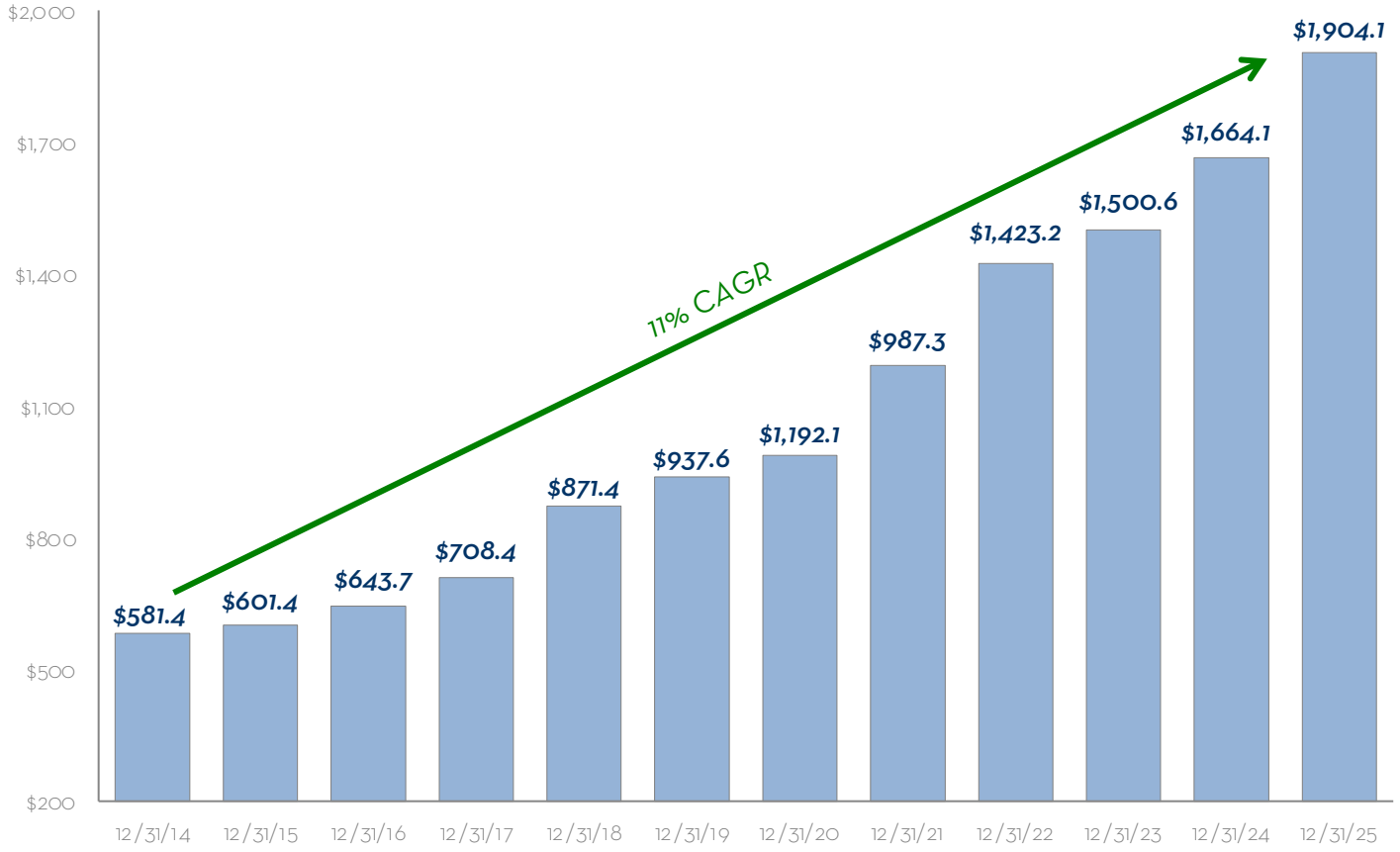
Components	Key Features
Qualified Statutory Capital	• Consists primarily of Surplus Notes and Member Surplus Contributions ("MSC") • Surplus Notes are flexible and allow repayment to occur when BAM has excess capital - Provided the initial funding for BAM as a mutual - Principal payments are retained in the HG Re First Loss Reinsurance Trusts • Organic growth occurs with each policy issued through MSC collections
Deal-Level First Loss Capital	• Capital held for paying debt service on a deal-level basis includes: 1) funds held within a bond structure; or 2) funds held as collateral available solely to BAM to pay debt service • Collateral consistent with Reg 114 trust permitted investments • Held by a trustee in a separate dedicated account for the benefit of bondholders or BAM
HG Re First Loss Reinsurance	• 15% first loss reinsurance – high frequency, low severity protection that exceeds the expected losses on the insured bonds • Fully collateralized in Reg 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 principal payments on the Surplus Notes • Market value must equal ceded UPR plus loss reserves (if any) plus $600 million before funds can be released (releases must be approved by the BAM Board of Directors)
Fidus Re Excess of Loss Reinsurance	• Protects against extreme "tail risk"; complements first loss reinsurance as it covers low frequency, high severity risk • Fully collateralized in a Reg 114 Trust – no counterparty risk and very low credit risk (highly liquid AAAm funds) • Flexible – transactions created for each discrete covered portfolio that include a call feature at BAM's discretion • No recourse to BAM • Low-cost facility relative to other capital alternatives

BAM's Capital Structure
Claims Paying Resources

BAM's claims paying resources now surpass $1.9 billion

Claims Paying Resources ($M)

95% OF BAM'S CLAIMS PAYING RESOURCES IS HARD CAPITAL[1]



1 – 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

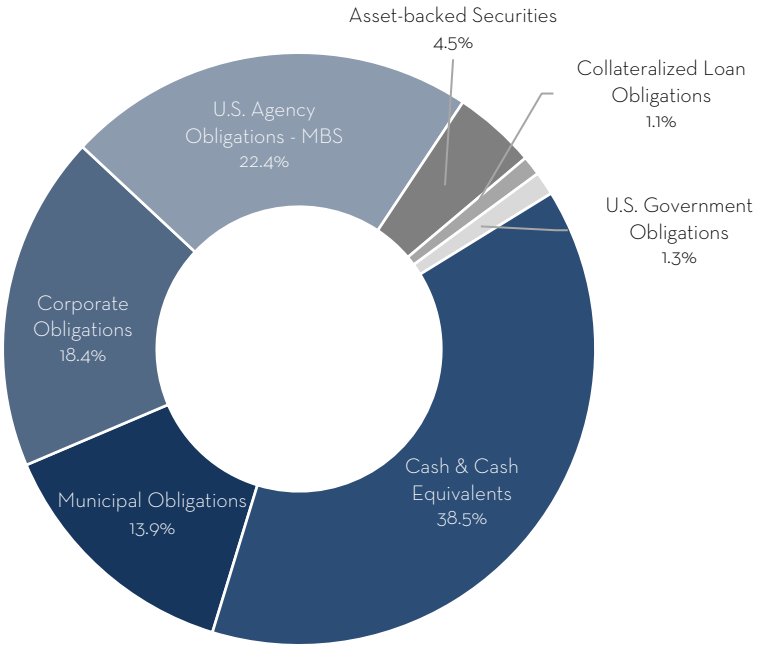
Assets Invested to Preserve Capital and Provide Liquidity

S&P Global Ratings

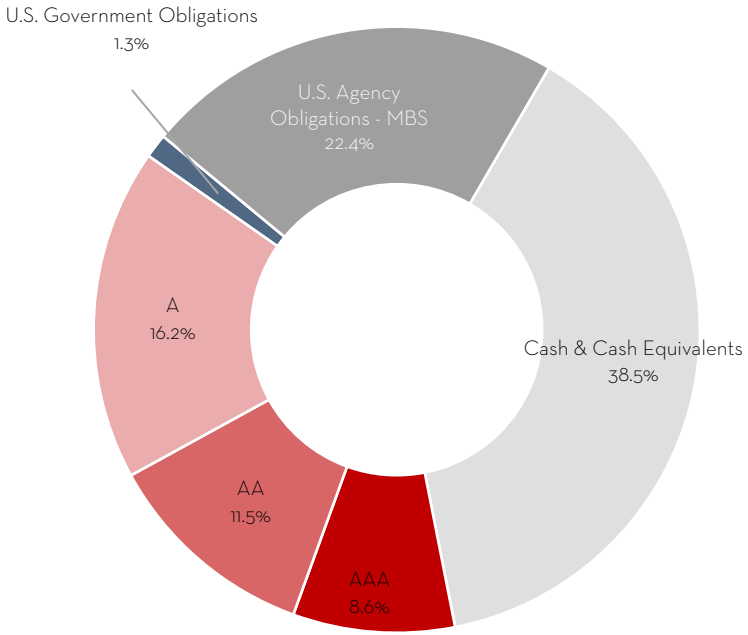
"We view BAM's liquidity as exceptional based on the lack of any credit-sensitive liabilities or collateral-posting requirements, as well as the high-quality investment portfolio."

$1.9 Billion Cash & Investments (as of 12/31/2025)

Investment Breakdown



Rating Breakdown



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