



BAM

PRESS RELEASE

S&P Global Ratings Affirms BAM's AA Rating and Stable Outlook

NEW YORK, July 29, 2021 - S&P Global Ratings published its full annual analysis of Build America Mutual and affirmed BAM's AA rating and stable outlook, the strongest rating S&P assigns to any active bond insurer.

S&P's analysts found that municipal bond investors have demonstrated "a heightened focus on credit quality, trading value stability, and market liquidity," since the second half of 2020, and that "these factors drive the demand for bonds insured by BAM." BAM-insured municipal bond sales increased 27% in the first half of 2021 to a record \$9.5 billion, which followed a full-year record for par insured in 2020.

The report recognized BAM's "excellent" capital adequacy, "proven record of credit discipline," and low-risk portfolio, which includes only U.S. municipal bonds from issuers who provide essential public services. BAM "has a broad presence across the U.S. and its insured exposure represents the lowest risk sectors, as measured by S&P Global Ratings capital charges," the agency said in its report.

"The S&P report recognizes that more investors are utilizing BAM insurance to preserve value in their portfolios by enhancing the liquidity and credit quality of their holdings," said BAM Chief Executive Officer Seán W. McCarthy. "Our member issuers, in turn, are able to leverage that broader demand to achieve efficient capital markets access as they invest in critical infrastructure nationwide."

About Build America Mutual

BAM is a mutual bond insurance company operated for the benefit of its members - the cities, states and other municipal entities that use BAM's financial guaranty to lower their cost of borrowing. BAM is the official provider of bond insurance for the National League of Cities, and was launched in 2012 with initial capital provided by subsidiaries of White Mountains Insurance Group, Ltd. (NYSE:WTM)

Through June 30, 2021, BAM has insured more than \$96 billion of municipal securities in more than 11,000 primary and secondary market transactions.

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