

2021 YEAR IN REVIEW



OVERVIEW

A Message from BAM's CEO Seán McCarthy

United ... We Built!

I'm pleased to start the year, once again, with a note of thanks to all of our member-issuers and market participants who participated in another record year for municipal bonds sold with a BAM guaranty. BAM insured more than \$15.6 billion of new-issues across 1,185 series last year. We passed the \$100 billion mark for par insured since our 2012 launch in September, and currently have more than \$87 billion of par outstanding for 4,635 members in 48 states and the District of Columbia.

We can expect more headlines about infrastructure in 2022, when the rollout of the Infrastructure Investment and Jobs Act (IIJA) will begin to drive additional new-money bond sales to supply matching funds for Federal grants and to finance other projects that piggyback on IIJA seed funding. But for those of us who participated in the municipal primary market's record year in 2021, it's obvious that states and local governments were not sitting on their hands waiting for Federal support: They have already been ramping up their investments in essential projects for their communities.

All of us at BAM are proud to have played a role in supporting access to the capital markets for those projects – including \$1.7 billion of BAM GreenStar bonds that funded new investments in energy efficiency in the Newark, New Jersey City Schools, a revolutionary approach to stormwater management in Buffalo, New York (each of which was recognized by The Bond Buyer with a Deal of the Year award), improved drinking water systems across Texas, and expanded student housing at multiple University of California campuses, among other essential services.

BAM's activity was part of a surge in bond insurance utilization market-wide: 8% of all new issues were sold with insurance last year, the highest level since 2009. Institutional investors, in particular, increased their insured bond purchases to help drive broader portfolio management strategies that maximize liquidity and ratings stability. BAM guaranteed 46 transactions with par of \$50 million or more, and more than 20% of our new-issue insured par carried public underlying ratings in the double-A category from S&P Global Ratings or Moody's Investors Service.

As we look to the coming year, BAM remains focused on our mission: Helping our member-issuers achieve efficient access to the capital markets while providing investors with durable ratings backed by a financially-strong guaranty. Transparency also remains a priority, with more than 5,000 Credit Profiles available for free on our website.

I encourage you and your clients to call on our team, and particularly our regional Heads of Public Finance – Juliet Stiehl in the East and Todd Tomich in the West – for prompt feedback on our criteria and underwriting process, and observations about how insurance can add value to your transactions. We look forward to continuing to be a resource for you and the market in the coming year.

Onward and Upward,

Seán W. McCarthy
Chief Executive Officer

2021 BY THE NUMBERS:



2021: THE YEAR IN CONTENT

BAM regularly publishes articles and videos addressing municipal credit issues and other topics of interest to the market, and helps support media outreach to educate investors about the benefits of including insured municipal bonds in their portfolios. Some 2021 highlights included:

Bloomberg Radio:

December Special Report on Infrastructure and Municipals

Interview with BAM CEO Seán McCarthy

Interview with BlackRock Head of Municipal Strategy Sean Carney

Asset TV:

Continuing education content for high net worth financial advisors

Investing in Texas Municipal Utility Districts

2022 Outlook: Understanding the Impact of the IIJA

Fixed-Income Summit

(with Nisha Patel from Parametric Advisors, Elizabeth Mossow from Invesco, and BAM's Grant Dewey, Suzanne Finnegan, and Don Farrell)

MunicipalBonds.com:

Interactive content for retail investors and advisors

December Webinar: Investing in the time of Infrastructure ... and Inflation

Featuring Eric Friedland from Lord Abbett, James Mann from RBC Wealth Management, and BAM's Morgan Fahy

CNBC Muni Money:

News segments on current news and trends impacting the market

Link to Playlist: Click [here](#).

- **Tom Kozlik, Hilltop Securities**
- **Dave Rosenberg, Rosenberg Research**
- **Mark Smith, UBS Wealth Management**
- **Nisha Patel, Parametric**

BAM GREENSTAR



BAM GreenStar is the most widely used third-party verification program for green bonds sold by U.S. municipal issuers, with \$3.9 billion par sold across more than 260 series since the program launched in October 2018. All BAM GreenStar bonds align with the International Capital Market Association's Green Bond Principles

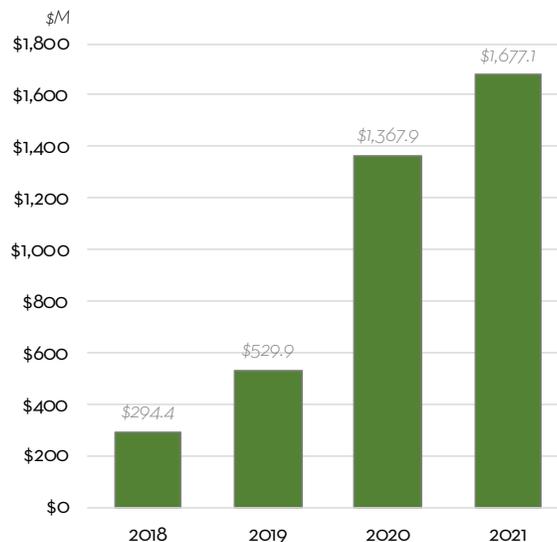
Municipal green bond and BAM GreenStar volume both set new records in 2021. Issuers sold \$1.67 billion of BAM GreenStar bonds in 109 transactions.

- Any BAM Member with outstanding insured debt can apply for a BAM GreenStar verification on their green bond sales – regardless of whether the new issue is insured
- BAM GreenStar bonds have financed sustainable water and sewer investments, energy efficiency upgrades, clean energy projects, climate change mitigation and adaptation, and more

Questions about whether your project is eligible?

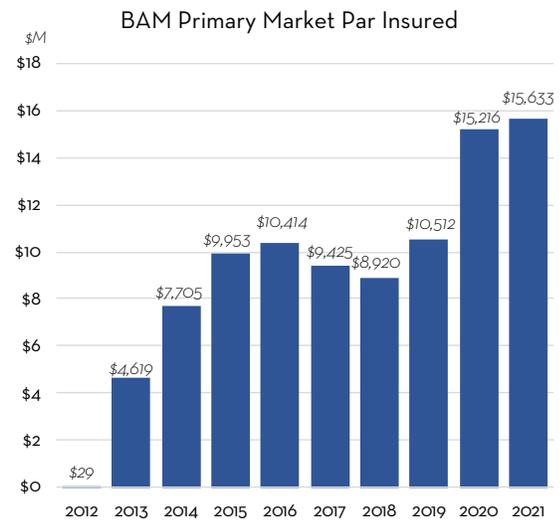
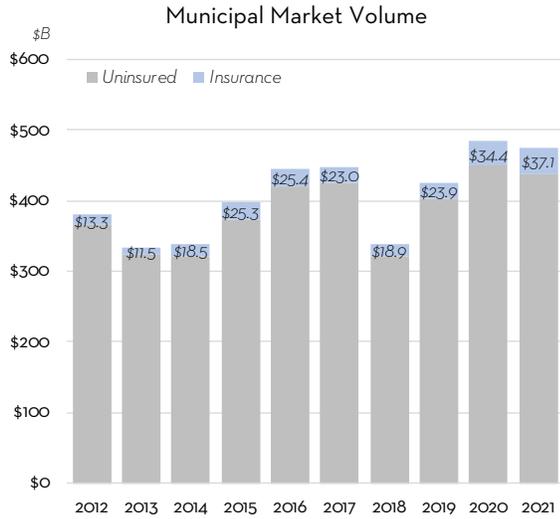
Email us at greenstar@buildamerica.com

BAM GreenStar Designated Bonds



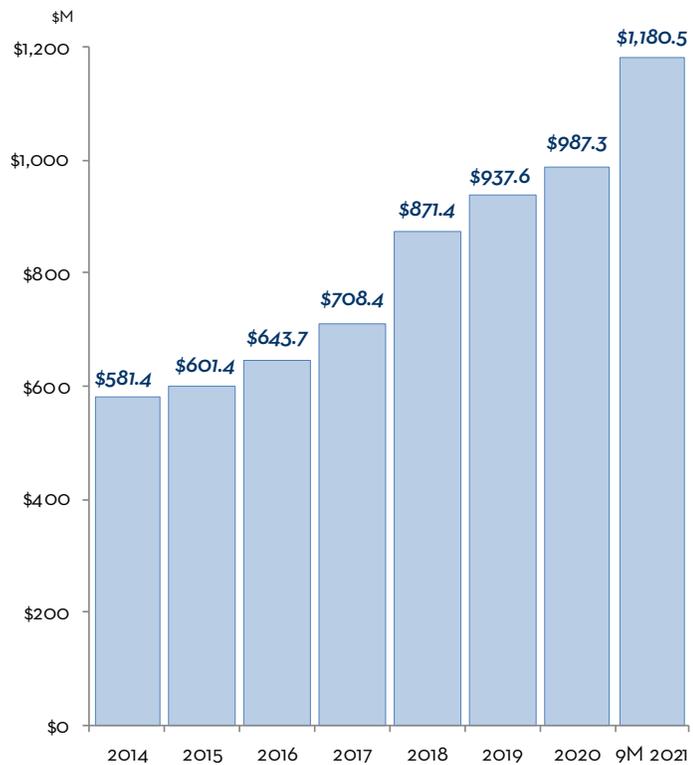
MUNICIPAL BOND MARKET

Source: The Bond Buyer; BAM
(excludes reinsurance)



CLAIMS PAYING RESOURCES

as of September 30, 2021



GROSS PAR IN-FORCE*

as of December 31, 2021



CONNECT



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United We Build

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