



Unaudited Quarterly Report
As of and for the Twelve Months Ended
December 31, 2024



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PART I - SSM HEALTH CARE OVERVIEW

A. Introduction

This quarterly filing contains information concerning SSM Health Care Corporation (SSMHCC) and the SSM Health Care Credit Group (Credit Group), as defined in Part III of this filing. SSMHCC, a Missouri nonprofit corporation, is the ultimate parent entity of a fully integrated health system with its headquarters based in St. Louis, Missouri. SSMHCC and its consolidated subsidiaries (doing business as SSM Health (SSMH)) own and operate 23 acute care hospitals, one of which specializes in pediatrics, nine post-acute care facilities (as of February 28, 2025), a national pharmacy benefit management company (PBM), an extensive network of physician practice operations, other health care businesses and several foundations. SSMH's hospital operations are located primarily in Missouri, Wisconsin, Oklahoma and Illinois, and its related businesses provide health related services in 50 states.

SSMHCC is sponsored by SSM Health Ministries, a ministerial juridic person, which is currently composed of one Franciscan Sister of Mary (FSM), one Sister of St. Agnes, one Jesuit priest, one Franciscan priest, and four lay persons who collectively hold certain reserved powers over SSMH. The health care ministry of the FSMs dates back to 1872 when its foundress and four other sisters arrived in St. Louis from Germany, committed to serving the sick and the poor in their community.

B. Mission, Vision, and Values

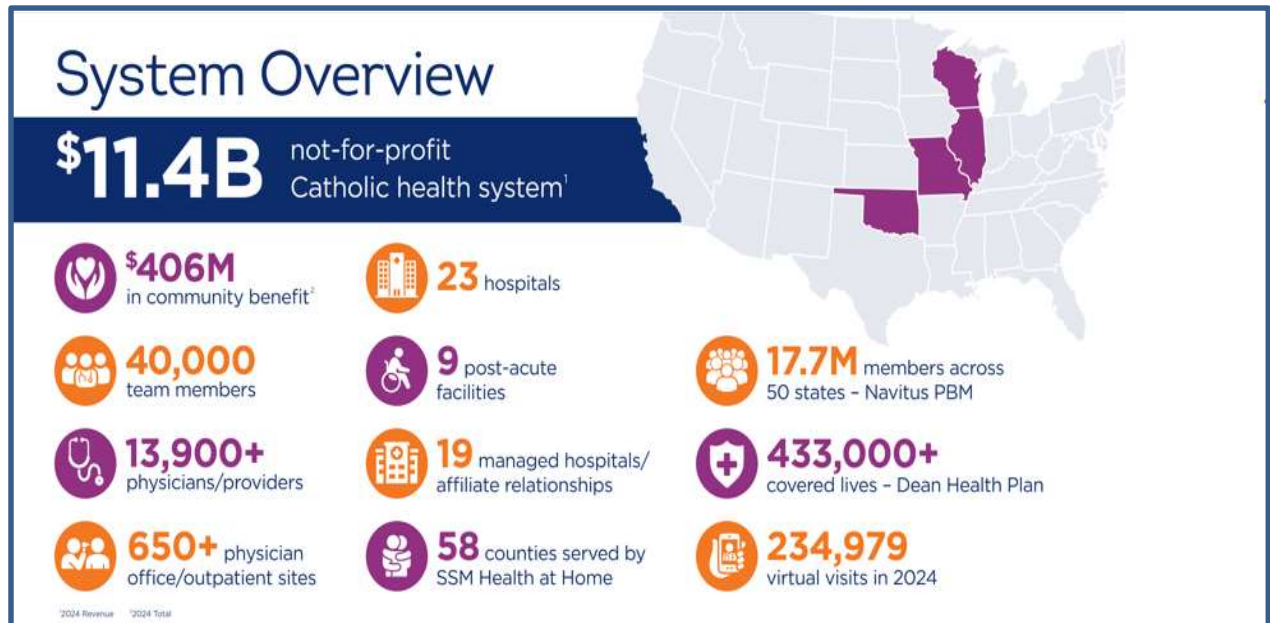
"Through our exceptional health care services, we reveal the healing presence of God."

This thirteen-word statement was developed in 1999 with involvement and input from over 3,000 employees. The mission statement serves as a guide for SSMH's decisions and actions, and the achievement of "exceptional health care services" is measured by the top decile results in the areas of quality, safety, patient satisfaction, and employee and physician commitment. For financial goals, "exceptional" is set based on goals established through the strategic and financial planning process. SSMH's mission statement is supported by the vision and values of the organization.

Vision: *Peace, hope and health for every person, family and community, especially those most in need.*

Values: *Compassion – Respect – Excellence – Stewardship – Community*

c. Organization



PART II - FINANCIAL INFORMATION

A. Financial Statement Presentation

The following consolidated financial information for SSMH includes the financial position, operating results, and cash flows.

B. Overview

SSMH is contractually obligated to make payments with respect to notes and other obligations issued under a master trust indenture. The entities that comprise the Credit Group include certain designated affiliates, as well as SSMH as the obligated group member. Certain controlled affiliates, required to be consolidated with SSMH in accordance with accounting principles generally accepted in the United States (GAAP), have been excluded from the Credit Group. In addition, charitable foundations, certain physician group practices, the interest of SSMH in various other for-profit subsidiaries, and ancillary joint ventures are excluded from the Credit Group.

This quarterly report is provided to give management's view of key factors underlying SSMH's consolidated financial performance and position as of and for the three and twelve months ended December 31, 2024. The report also includes an update on capital and debt as of December 31, 2024. The accounting and reporting policies of SSMH conform to GAAP for interim financial statements. Accordingly, certain data and information reflected in this report may not comply with GAAP requirements for a complete set of statements and footnotes.

C. AUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, <u>2024</u>	December 31, <u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 561,546	\$ 640,816
Investments	760	20,479
Current portion of assets limited as to use or restricted	637,292	519,413
Patient accounts receivable	915,510	934,411
Pharmacy claims and rebates receivable	1,256,300	1,196,998
Other receivables	135,142	125,745
Inventories, prepaid expenses, and other	321,413	269,311
Estimated third-party payor settlements	6,827	75,288
Assets held for sale	<u>25,650</u>	<u>25,650</u>
Total current assets	<u>3,860,440</u>	<u>3,808,111</u>
ASSETS LIMITED AS TO USE OR RESTRICTED—Excluding current portion	<u>3,684,012</u>	<u>3,499,206</u>
PROPERTY AND EQUIPMENT—Net	<u>2,947,195</u>	<u>2,841,331</u>
OPERATING RIGHT-OF-USE ASSETS	<u>241,536</u>	<u>221,142</u>
OTHER ASSETS:		
Goodwill	528,949	528,949
Intangible assets—net	320,683	328,907
Investments in unconsolidated entities	583,172	328,563
Other	<u>110,513</u>	<u>53,482</u>
Total other assets	<u>1,543,317</u>	<u>1,239,901</u>
TOTAL ASSETS	<u>\$ 12,276,500</u>	<u>\$ 11,609,691</u>

(Continued)

C. AUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, <u>2024</u>	December 31, <u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Revolving line of credit	\$ 100,000	\$ 97,410
Current portion of long-term debt and finance lease obligations	33,709	57,931
Accounts payable and accrued expenses	3,220,047	3,043,994
Short-term borrowings	662,195	665,180
Deferred revenue	24,971	24,385
Estimated third-party payor settlements	102,172	108,969
Other current liabilities	<u>485,105</u>	<u>234,822</u>
Total current liabilities	4,628,199	4,232,691
LONG-TERM DEBT—Excluding current portion	1,553,294	1,590,813
ESTIMATED SELF-INSURANCE OBLIGATIONS	121,225	119,012
OPERATING LEASE OBLIGATIONS—Excluding current portion	244,180	201,018
FINANCE LEASE OBLIGATIONS—Excluding current portion	13,378	16,006
PENSION LIABILITY	114,606	173,536
OTHER LIABILITIES	<u>429,579</u>	<u>405,793</u>
Total liabilities	<u>7,104,461</u>	<u>6,738,869</u>
NET ASSETS:		
Without donor restrictions:		
SSM Health net assets without donor restrictions	4,780,192	4,497,191
Noncontrolling interest in subsidiaries	<u>155,951</u>	<u>185,488</u>
Total net assets without donor restrictions	4,936,143	4,682,679
With donor restrictions	<u>235,896</u>	<u>188,143</u>
Total net assets	<u>5,172,039</u>	<u>4,870,822</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,276,500</u>	<u>\$ 11,609,691</u>

(Concluded)

D. UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Three Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES AND OTHER SUPPORT:		
Net patient service revenues	\$ 1,787,504	\$ 1,649,115
Capitation revenues	312,282	321,677
Pharmacy benefit manager revenue	514,818	450,884
Investment income	4,364	26,708
Income from unconsolidated entities—net	12,068	111,839
Other revenue	301,878	255,304
Net assets released from restrictions	<u>4,000</u>	<u>5,333</u>
Total operating revenues and other support	<u>2,936,914</u>	<u>2,820,860</u>
OPERATING EXPENSES:		
Salaries and benefits	1,209,835	1,157,933
Medical claims	99,538	206,651
Supplies	487,596	436,818
Pharmacy benefit manager supplies	487,631	388,719
Professional fees and other	541,037	493,988
Interest	19,646	20,007
Depreciation and amortization	<u>74,883</u>	<u>65,904</u>
Total operating expenses	<u>2,920,166</u>	<u>2,770,020</u>
INCOME FROM OPERATIONS BEFORE OTHER ITEMS	16,748	50,840
OTHER ITEMS:		
Long-lived asset impairment	<u>-</u>	<u>(19,151)</u>
OPERATING INCOME AFTER OTHER ITEMS	<u>16,748</u>	<u>31,689</u>
NONOPERATING GAINS AND (LOSSES):		
Investment income	2,762	165,672
Net periodic pension income	7,510	3,836
Change in fair value of interest rate swaps	56,849	(58,959)
Other—net	<u>(3,822)</u>	<u>(4,502)</u>
Total nonoperating gains—net	<u>63,299</u>	<u>106,047</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 80,047</u>	<u>\$ 137,736</u>
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>2,978</u>	<u>31,466</u>
EXCESS OF REVENUES OVER EXPENSES—Net of noncontrolling interest	<u>\$ 77,069</u>	<u>\$ 106,270</u>

D. AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES AND OTHER SUPPORT:		
Net patient service revenues	\$ 6,829,931	\$ 6,435,624
Capitation revenues	1,303,479	1,287,760
Pharmacy benefit manager revenue	2,232,244	1,716,343
Investment income	53,150	59,760
Income from unconsolidated entities—net	34,474	139,039
Other revenue	946,007	881,156
Net assets released from restrictions	<u>9,519</u>	<u>16,548</u>
Total operating revenues and other support	<u>11,408,804</u>	<u>10,536,230</u>
OPERATING EXPENSES:		
Salaries and benefits	4,793,095	4,485,653
Medical claims	556,017	624,843
Supplies	1,799,859	1,670,978
Pharmacy benefit manager supplies	1,923,306	1,464,877
Professional fees and other	2,050,094	1,946,655
Interest	76,261	80,670
Depreciation and amortization	<u>280,144</u>	<u>288,949</u>
Total operating expenses	<u>11,478,776</u>	<u>10,562,625</u>
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	(69,972)	(26,395)
OTHER ITEMS:		
Long-lived asset impairment	<u>-</u>	<u>(33,096)</u>
OPERATING LOSS AFTER OTHER ITEMS	<u>(69,972)</u>	<u>(59,491)</u>
NONOPERATING GAINS AND (LOSSES):		
Investment income	273,782	321,583
Net periodic pension income	30,038	24,645
Change in fair value of interest rate swaps	52,610	25,646
Other—net	<u>(22,217)</u>	<u>(20,257)</u>
Total nonoperating gains—net	<u>334,213</u>	<u>351,617</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 264,241</u>	<u>\$ 292,126</u>
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>14,983</u>	<u>39,511</u>
EXCESS OF REVENUES OVER EXPENSES—Net of noncontrolling interest	<u>\$ 249,258</u>	<u>\$ 252,615</u>

E. UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 115,943	\$ 177,325
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Pension-related changes other than net periodic pension cost	(24,726)	54,783
Depreciation and amortization	74,882	65,904
Loss on impairment	-	19,151
Amortization of debt premium	(1,184)	(893)
Contributions restricted for purchase of property and equipment - net	(1,944)	812
Distributions to noncontrolling owners—net	2,545	9,617
Gains on investments—net	(13,481)	(119,314)
Income from unconsolidated entities—net	(12,068)	(108,308)
Change in fair value of interest rate swaps	(56,850)	58,959
(Gain) Loss on disposal of assets	242	305
Contribution income for shares in unconsolidated entities	(20,511)	-
Distributions from unconsolidated entities	21,918	24,315
Purchase of noncontrolling interest in subsidiary	-	(85,270)
Changes in assets and liabilities:		
Investments	-	91,598
Patient accounts receivable	(8,971)	44,216
Pharmacy claims and rebates receivable	(18,543)	(194,156)
Other receivables, inventories, prepaid expenses, and other	39,274	(141,139)
Operating right-of-use assets	(34,606)	12,569
Accounts payable, accrued expenses, and other liabilities	(8,898)	395,830
Other changes to pension liability	(8,288)	(12,126)
Operating lease obligations	37,178	(14,725)
Estimated self-insurance obligations	(6,876)	(4,358)
Net cash provided by operating activities	<u>75,036</u>	<u>275,095</u>

(Continued)

E. UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (91,805)	\$ (82,810)
Proceeds from disposal of property and equipment and sales of other assets	4,470	-
Purchase of assets limited as to use or restricted and short-term investments	(1,079,115)	(1,134,665)
Proceeds from sales of assets limited as to use or restricted and short-term investments	1,015,727	1,030,185
Contributions to unconsolidated entities	(16,788)	(3,775)
Acquisitions, net of cash acquired	-	(117,290)
Purchases of other assets	<u>(25,584)</u>	<u>(10,781)</u>
Net cash used in investing activities	<u>(193,095)</u>	<u>(319,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(11,856)	(199)
Contributions for long-term investment	1,944	(812)
Distributions to noncontrolling owners—net	(2,545)	(9,617)
Proceeds from patient loans	1,883	1,587
Payments on patient loans	(2,726)	(2,512)
Proceeds from short-term borrowings	173,501	-
(Payments to) Proceeds from revolving line of credit	<u>(125,000)</u>	<u>97,410</u>
Net cash provided by financing activities	<u>35,201</u>	<u>85,857</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(82,858)	41,816
CASH AND CASH EQUIVALENTS—Beginning of year	<u>644,404</u>	<u>599,000</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 561,546</u>	<u>\$ 640,816</u>

(Concluded)

E. AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 301,217	\$ 366,835
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Pension-related changes other than net periodic pension cost	(24,726)	54,783
Depreciation and amortization	280,144	288,949
Loss on impairment	-	33,096
Amortization of debt premium	(4,191)	(3,783)
Contributions restricted for purchase of property and equipment - net	(6,581)	(902)
Distributions to noncontrolling owners—net	8,141	13,425
Payments for acquisition of noncontrolling interest in subsidiary	75,150	-
Gains on investments—net	(333,287)	(308,277)
Income from unconsolidated entities—net	(34,474)	(139,039)
Change in fair value of interest rate swaps	(52,611)	(25,646)
(Gain) Loss on disposal of assets	(4,169)	1,921
Contribution income for shares in unconsolidated entities	(20,511)	-
Distributions from unconsolidated entities	21,918	24,315
Purchase of noncontrolling interest in subsidiary	-	(85,270)
Changes in assets and liabilities:		
Investments	-	90,485
Patient accounts receivable	18,901	42,319
Pharmacy claims and rebates receivable	(59,302)	(237,936)
Other receivables, inventories, prepaid expenses, and other	(143,759)	83,107
Operating right-of-use assets	21,811	45,752
Accounts payable, accrued expenses, and other liabilities	219,784	530,076
Other changes to pension liability	(33,838)	(56,231)
Operating lease obligations	(21,737)	(46,911)
Estimated self-insurance obligations	(32)	4,412
Net cash provided by operating activities	<u>207,848</u>	<u>675,480</u>

(Continued)

E. AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (339,185)	\$ (280,090)
Proceeds from disposal of property and equipment and sales of other assets	10,739	570
Purchase of assets limited as to use or restricted and short-term investments	(2,699,077)	(3,074,105)
Proceeds from sales of assets limited as to use or restricted and short-term investments	2,856,553	2,893,312
Contributions to unconsolidated entities	(116,788)	(3,775)
Acquisitions, net of cash acquired	-	(117,290)
Purchases of other assets	<u>(34,753)</u>	<u>(26,569)</u>
Net cash used in investing activities	<u>(322,511)</u>	<u>(607,947)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for acquisition of noncontrolling interest in subsidiary	(75,150)	-
Proceeds from issuance of long-term debt	198,370	389,760
Payments on long-term debt	(259,344)	(690,169)
Contributions for long-term investment	6,581	902
Distributions to noncontrolling owners—net	(8,141)	(13,425)
Debt issuance costs	(428)	(3,626)
Proceeds from patient loans	9,365	5,871
Payments on patient loans	(8,966)	(9,379)
Proceeds from short-term borrowings	173,501	224,600
Payments on short-term borrowings	(2,985)	(3,000)
Proceeds from revolving line of credit	<u>2,590</u>	<u>97,410</u>
Net cash provided by (used in) financing activities	<u>35,393</u>	<u>(1,056)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(79,270)	66,477
CASH AND CASH EQUIVALENTS—Beginning of year	<u>640,816</u>	<u>574,339</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 561,546</u>	<u>\$ 640,816</u>

(Concluded)

F. AUDITED ASSETS LIMITED AS TO USE OR RESTRICTED
(In thousands)

	December 31, 2024	December 31, 2023
Board and management designated:		
Unrestricted assets	\$ 3,370,044	\$ 3,256,674
Other restricted board designated assets	347,433	295,259
Held by trustees:		
Project and bond funds	2,128	2,994
Self-insurance	208,797	194,780
Collateral held under securities lending agreements	<u>138,821</u>	<u>61,394</u>
Total assets limited as to use	<u>4,067,223</u>	<u>3,811,101</u>
Assets restricted by donor as to use	<u>254,081</u>	<u>207,518</u>
Total assets limited as to use or restricted	4,321,304	4,018,619
Less: current portion	<u>(637,292)</u>	<u>(519,413)</u>
Noncurrent portion	<u>\$ 3,684,012</u>	<u>\$ 3,499,206</u>

G. Utilization Statistics and Payor Mix

A summary of SSMH's overall system utilization statistics as well as net revenues by payor mix is as follows:

UNAUDITED OPERATING STATISTICS INFORMATION				
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
ACUTE BEDS				
Licensed Beds - Total	4,883	4,827	4,883	4,827
Staffed Beds - Total	3,793	3,840	3,793	3,840
ACUTE PATIENT SERVICES				
Admissions*	43,453	42,831	170,615	167,786
Patient days*	216,080	223,961	870,795	887,438
Average length of stay	5.0	5.2	5.1	5.3
Outpatient surgeries	25,750	24,128	99,061	94,588
Outpatient visits	552,644	538,145	2,192,478	2,090,780
Emergency room visits	197,050	194,504	784,167	773,309
PERCENTAGE ACUTE OCCUPANCY**	61.9%	63.4%	62.7%	63.3%
PERCENTAGE OF NET REVENUES BY PAYOR MIX				
Medicare	19%	20%	19%	20%
Medicare Managed Care	16%	15%	16%	16%
Medicaid	4%	2%	5%	6%
Medicaid Managed Care	10%	14%	10%	11%
Managed Care	49%	41%	44%	41%
Commercial and other	<u>2%</u>	<u>8%</u>	<u>6%</u>	<u>6%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Excludes newborns and long-term care

** Of beds in service

H. Management’s Discussion and Analysis of Financial Performance

The following is an overview of the current financial performance metrics:

Table 1 – Overview of Current Financial Performance Metrics (\$ in millions)

For the twelve months ended December 31,	2024	2023
Total operating revenues, excluding investment income	\$ 11,355.7	\$ 10,476.4
Operating loss, excluding investment income and other items	\$ (123.1)	\$ (86.2)
Operating Margin	(1.1%)	(0.8%)
Operating EBIDA, excluding investment income and other items	\$ 233.3	\$ 283.4
Operating EBIDA Margin	2.1%	2.7%
Total EBIDA, excluding change in fair value of interest rate swaps, pension costs, and other items	\$ 538.0	\$ 644.6

Operating Revenues

The following is a summary of operating revenues:

Table 2 – Operating Revenues (in millions)

For the twelve months ended December 31,	2024	2023
Net patient service revenues	\$ 6,829.9	\$ 6,435.6
Capitation revenues	1,303.5	1,287.8
Pharmacy benefit manager revenues	2,232.2	1,716.3
Investment income	53.2	59.8
Income from unconsolidated entities - net	34.5	139.0
Other revenues	946.0	881.2
Net assets released from restrictions	9.5	16.5
Total Operating Revenues	\$ 11,408.8	\$ 10,536.2

Net Patient Service Revenues. Net patient service revenues (NPSR) increased from the prior year by \$394.3 million, or 6.1%. The increase was attributable primarily to improved volumes as seen in Table 3 below.

Table 3 – NPSR Statistics

For the twelve months ended December 31,	2024	2023
Acute Care Case Mix Index (CMI)	1.77	1.77
Adjusted Admissions (AA)	495,198	470,758
Adjusted Patient Days (APD)	2,527,422	2,489,889
Total Surgeries	134,456	130,201

The composition of net patient service revenues by inpatient and outpatient is as follows:

Table 4 – NPSR Mix (\$ in millions)

For the twelve months ended December 31,	2024	% of Total NPSR	2023	% of Total NPSR
Inpatient	\$ 2,472.4	36.2%	\$ 2,426.2	37.7%
Outpatient	4,357.5	63.8%	4,009.4	62.3%
Total NPSR	\$ 6,829.9	100.0%	\$ 6,435.6	100.0%

Pharmacy Benefit Manager Revenues. PBM revenues increased from the prior year by \$515.9 million, or 30.1%. The increase in PBM revenues was driven by price increases on certain pharmaceuticals and greater dispensing volumes at both Lumicera (specialty pharmacy) and Navitus Health Solutions (SSMH’s fully transparent, pass through model PBM entity).

Income from Unconsolidated Entities – Net. Income from unconsolidated entities – net decreased from the prior year by \$104.5 million or 75.2%.

In 2023, Navitus Health Solutions (NHS) held a 45% interest in Archimedes, LLC (Archimedes), a specialty drug management company that focuses primarily on specialty drug management solutions for health plans, third party administrators, employers, labor groups, and other plan sponsors. On December 29, 2023, NHS acquired an additional 35.1% ownership interest in Archimedes, making NHS an 80.1% majority and controlling owner. In 2023, a one-time gain was recognized related to the step-up of value in Archimedes.

Other Revenues. Other revenues increased from the previous year by \$64.8 million or 7.4%. The increase was primarily attributable to improved retail pharmacy and 340B sales and an unrestricted contribution of shares in an equity method joint venture.

Operating Expenses

The following table is a summary of operating expenses:

Table 5 – Operating Expenses (in millions)

For the twelve months ended December 31,	2024	2023
Salaries and benefits	\$ 4,793.1	\$ 4,485.7
Medical claims	556.0	624.8
Supplies	1,799.9	1,670.9
Pharmacy benefit manager supplies	1,923.3	1,464.9
Professional fees and other	2,050.1	1,946.7
Interest	76.3	80.7
Depreciation and amortization	280.1	288.9
Total Operating Expenses	\$ 11,478.8	\$ 10,562.6

Salaries and Benefits. Salaries and benefits increased by \$307.4 million or 6.9% during the twelve months ended December 31, 2024, compared to the same period in 2023. The increase is primarily due to in-sourcing revenue cycle operations, higher employee benefits expense, and the impact of increased staffing to support the growth of the PBM business.

Medical Claims. Medical claims decreased by \$68.8 million or 11% in 2024 due to a lower mix of claims payments to non-SSM providers from the risk pool.

Supplies. Supplies expense increased by \$129.0 million or 7.7% due primarily to increased volumes and inflationary cost pressures, largely related to pharmacy related products.

Pharmacy Benefit Manager Supplies. PBM supplies expense increased by \$458.4 million or 31.3%, driven by increased specialty pharmaceuticals drug costs. These increased costs are passed on to the customer and therefore also reflected as higher PBM revenue as mentioned above.

Professional Fees and Other. Professional fees increased \$103.4 million or 18.8% during the twelve months ended December 31, 2024 as compared to the same period in 2023. The increase is primarily due to an increase in professional medical expenses and maintenance purchased services, partially offset by a decrease due to in-sourcing revenue cycle operations in 2024.

Other Items

Long Lived Asset Impairment. In 2023, a \$33.1 million impairment charge was recorded to adjust the carrying value of certain assets to their net realizable value related to the abandonment of certain contracts and facilities that were being sold. There was no impairment identified in 2024.

Nonoperating Gains (Losses)

The following table is a summary of nonoperating gains and (losses):

Table 6 – Nonoperating Gains (Losses) (in millions)

For the twelve months ended December 31,	2024	2023
Investment income	\$ 273.7	\$ 321.6
Net periodic pension cost	30.0	24.6
Change in fair value of interest rate swaps	52.6	25.6
Other - net	(22.1)	(20.2)
Total Nonoperating Gains - net	\$ 334.2	\$ 351.6

I. Cash and Investment Management

Key Balance Sheet Metrics. The following table is a summary of key balance sheet metrics:

Table 7 – Summary of Key Liquidity and Capital Structure Metrics (\$ in millions)

As of and for the twelve months ended December 31,	2024	2023
Cash & Investments ^[1]	\$ 3,932.3	\$ 3,918.0
Net Patient AR	\$ 915.5	\$ 934.4
Net Assets Without Donor Restrictions	\$ 4,780.2	\$ 4,497.2
Days Cash on Hand ^[2]	128.5	139.2
Net Days in Accounts Receivable	48.6	51.7
MADS Coverage ^[2]	3.2	2.7
Debt to Capitalization	36.2%	36.7%
Cushion Ratio ^[3]	19.7	38.5
Current Ratio	0.8	0.9
Cash to Debt	145.2%	150.6%

[1] Cash & Investments only include consolidated, unrestricted cash and investments, which are available to cover annual debt service.

[2] Maximum Annual Debt Service (MADS) coverage and Days Cash on Hand based on rolling 12-month period ending on the specified date.

[3] The cushion ratio represents unrestricted cash and investments that are available to cover annual debt service.

SSMH holds the majority of its investments in a Comprehensive Investment Program (CIP), which also includes the investments in SSMH's defined benefit plans. The asset allocation for the total consolidated balance sheet investment composite portfolio is as follows:

Table 8 – CIP Consolidated Asset Allocation

Asset Category	December 31,	
	2024	2023
Enhanced Cash ^[1]	3.8%	4.4%
Public Equities	28.3%	29.0%
Fixed Income	27.1%	24.8%
Hedge Funds	3.6%	5.1%
Real Assets	6.3%	8.5%
Private Equity	15.7%	14.2%
Volatility Risk Premium	6.9%	7.0%
Private Credit	8.3%	7.0%
Total	100.0%	100.0%

[1] Enhanced cash consists of investments considered to be cash and cash equivalents, as well as short duration fixed income securities.

The composite value of CIP is summarized below:

Table 9 – CIP Composite Value (\$ in millions)

Investment Portfolio	December 31,	
	2024	2023
Total CIP consolidated portfolios ^[1]	\$ 3,679.8	\$ 3,565.9
Pension plan assets ^[2]	\$ 1,491.0	\$ 1,548.0

[1] CIP Portfolios include unrestricted balance sheet assets, captive insurance trust assets, and certain consolidated SSMH foundation and endowment assets.

[2] Pension plan assets are netted against pension liabilities on SSMH's condensed consolidated balance sheet.

The CIP (excluding pension related investments) had returns of 9.7% and 12.1% during the twelve months ended December 31, 2024 and 2023 respectively, which is reflected within investment income (operating and nonoperating) on the consolidated statement of operations. Assets for certain foundations and other SSMH subsidiaries are not included within the CIP but are reflected in the consolidated financial statements of SSMH.

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A comparison of the investment income results is listed in the following table:

Table 10 – Summary of Investment Income (\$ in millions)

a. For the twelve months ended December 31,	2024	2023
Interest, dividends, and realized gains, net	\$ 267.7	\$ 138.7
Change in unrealized gains	59.2	242.7
Total	\$ 326.9	\$ 381.4

b. 2024 Sources				
Investment Income Classification	Interest & Dividends	Realized Gains	Unrealized Gains	Total
Operating	\$ 14.1	\$ 29.5	\$ 9.6	\$ 53.2
Non-operating	82.7	141.4	49.6	273.7
Total	\$ 96.8	\$ 170.9	\$ 59.2	\$ 326.9

c. 2023 Sources				
Investment Income Classification	Interest & Dividends	Realized Gains	Unrealized Gains	Total
Operating	\$ 11.9	\$ 8.2	\$ 39.7	\$ 59.8
Non-operating	69.7	48.9	203.0	321.6
Total	\$ 81.6	\$ 57.1	\$ 242.7	\$ 381.4

The following table describes the liquidation period of the unrestricted cash and investments of SSMH as of December 31, 2024:

Table 11 – Liquidation Period of Cash & Investments (\$ in millions)

Classification	Liquidation Period (in days)	Amount
Trade date+0	1	\$ 1,176.8
Trade date+3	2 to 4	1,315.7
Monthly or Less	5 to 30	213.9
Quarterly or Less	31 to 90	81.1
Quarterly or More	Over 90	1,144.8
Total		\$ 3,932.3

J. Debt Management

The following table describes the self-liquidity indebtedness of SSMH as of December 31, 2024. For purposes of this table, "self-liquidity indebtedness" means indebtedness that is subject to mandatory tender or maturity within one year or less, excluding the current portion of long-term indebtedness and lines of credit:

Table 12 –Self Liquidity Indebtedness (\$ in millions)

As of December 31, 2024	Principal Amount
Commercial Paper Mode Variable Rate Demand Bonds	\$ 200.0
Daily/Weekly Variable Rate Demand Bonds	462.2
Taxable Commercial Paper	350.0
Total Self-Liquidity Debt	\$ 1,012.2

2024 Refinancing. In July 2024, SSMH issued \$198.4 million in principal of new tax-exempt fixed rate debt through the Series 2024A&B bonds. The proceeds were used to refinance \$199.5 million of outstanding debt related to the Series 2019A&B tax-exempt fixed rate bonds. In addition, in July 2024, SSMH entered into two new total return interest rate swaps linked to the Series 2024A&B bonds with a total notional amount of \$198.4 million. Under the new total return swaps, SSMH will receive a fixed rate equivalent to the fixed rate on the 2024 bonds and pay SIFMA plus a spread. The term date on the total return swaps is 2031. These swaps will replace the existing total return interest rate swaps linked to the 2019A&B bonds.

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The following table summarizes SSMH's debt product mix:

Table 13 – Summary of Total Debt (\$ in millions)

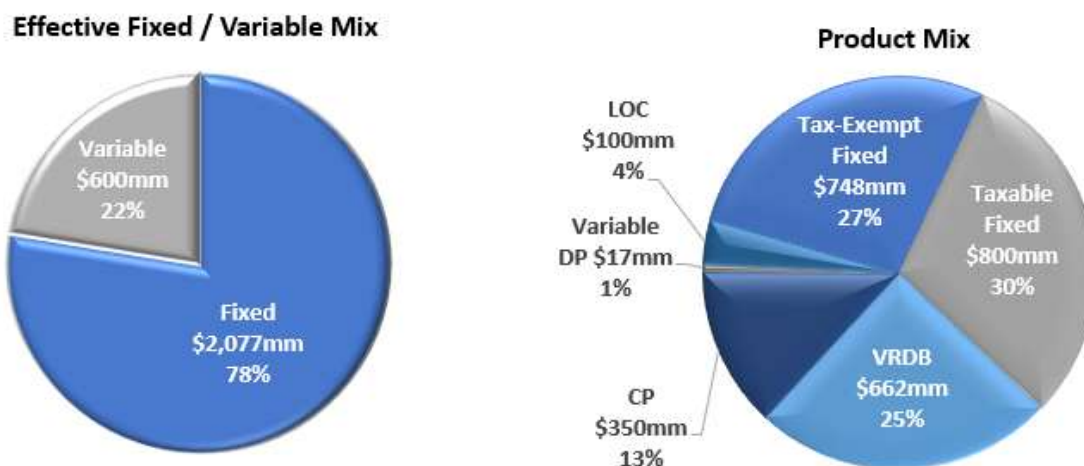
	December 31,	
	2024	2023
<u>Under the Master Indenture:</u>		
Taxable fixed rate bonds	\$ 800.0	\$ 800.0
Tax-exempt fixed rate debt	660.5	681.3
Variable rate demand bonds	662.2	665.2
Variable rate direct loans	16.8	21.0
Tax-exempt put bonds	87.5	88.9
Revolving line of credit	100.0	97.4
Total under Master Indenture	2,327.0	2,353.8
<u>Not Under Trust Indenture:</u>		
Various NP and other debt	28.9	65.3
Finance lease obligations	15.2	17.7
Deferred financing costs	(8.5)	(9.5)
Commercial paper	350.0	175.0
Not under Master Indenture	385.6	248.5
Total Debt*	\$ 2,712.6	\$ 2,602.3
<u>Balance Sheet Classification</u>		
Long-term debt - excluding current portion	\$ 1,553.3	\$ 1,590.8
Finance lease obligations - excluding current portion	13.4	16.0
Current portion of long-term debt and finance lease obligations	33.7	57.9
Revolving line of credit	100.0	97.4
Other current liabilities	350.0	175.0
Short-term borrowings	662.2	665.2
Total Debt*	\$ 2,712.6	\$ 2,602.3

*Figures in the table above include unamortized premiums/discounts, but exclude Operating Lease Obligation; differences in graphs below due to rounding

Revolving Line of Credit. SSMH utilizes revolving lines of credit for general corporate purposes. The SSMH revolving line of credit agreement, which expires June 18, 2025, has a \$700 million capacity and carries an interest rate based upon the secured overnight financing rate (SOFR) plus a spread. The revolver is secured under SSMH's existing master trust indenture. Navitus also maintains an unsecured \$200 million 364-day revolving line of credit. As of December 31, 2024, no balance was outstanding on Navitus's line of credit, while SSMH's revolving line of credit had a balance outstanding of \$100.0 million. As of December 31, 2023, no balance was outstanding

on SSMH's revolving line of credit, while Navitus's line of credit had a balance outstanding of \$97.4 million.

The charts below show the composition of SSMH's debt products as of December 31, 2024:



CP - Commercial Paper

DP - Direct Placement

VRDB - Variable Rate Demand Bonds

LOC - Line of Credit

Note - Graphs do not include the Various NP and other debt, Finance lease obligations, or Deferred financing costs from Table 13.

Commercial Paper. SSMH utilizes commercial paper supported by self-liquidity for general corporate purposes. Under the program, SSMH is registered to issue up to \$400 million. As of December 31, 2024 and 2023, \$350.0 million and \$175.0 million, respectively, of commercial paper was outstanding and is included in other current liabilities on the consolidated balance sheets.

Derivative Instruments. Derivative instruments as of December 31, 2024, included seven floating-to-fixed interest rate swaps, two fixed-to-floating interest rate swaps, four fixed spread basis swaps and two total return swaps. SSMH generally uses its derivatives portfolio to manage SSMH's interest cost and debt duration.

As of July 1, 2023, 1-month LIBOR has transitioned to the applicable SOFR-based fallback rate. For 1-month LIBOR, the fallback rate is calculated as daily SOFR compounded over 30 days plus 0.12%.

Under the outstanding floating-to-fixed swaps, SSMH receives a floating rate based on the LIBOR fallback rates or SOFR and pays a fixed rate.

Under the fixed spread basis swaps, SSMH pays a floating rate based on the SIFMA Index and receives a percentage of the LIBOR fallback rate plus a fixed spread ranging from 0.40% and 0.62%.

Under the total return swaps, SSMH pays both a fixed rate equal to the coupon interest rate on the underlying bond or direct placement loan, as well as a variable rate based on SIFMA plus a spread, then receives the same fixed rate equal to the coupon interest rate on the underlying bond or direct placement loan.

Under the fixed-to-floating interest rate swaps, SSMH receives a fixed rate and pays a floating rate based on the SIFMA index. SSMH's swaps are diversified across seven counterparties.

Below is a summary of SSMH's fair value of derivatives as of December 31, 2024:

Table 14 – Summary of Fair Value of Derivatives (\$ in millions)

Derivatives not designated as hedges	Maturity Date of Derivatives	Fixed Rate	Notional Amount Outstanding	Fair Value
Interest rate swaps	2030 - 2053	2.17% - 3.17%	\$ 1,585.5	\$ 69.4

The total notional value of the swap portfolio was \$1,585.5 million and the total mark-to-market value was \$69.4 million, which was an increase of \$52.6 million compared to the mark-to-market value as of December 31, 2023. As of December 31, 2024, SSMH was not required to post collateral.

The estimated fair values of the interest rate and basis swap instruments have been determined using available market information and valuation methodologies, primarily discounted cash flows.

K. Subsequent Events

On February 28, 2025, the assets held for sale on the balance sheet were sold.

Part III –Credit Group

A. CREDIT GROUP
AUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, <u>2024</u>	December 31, <u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 532,524	\$ 607,949
Investments	874	3,660
Current portion of assets limited as to use or restricted	629,800	332,369
Patient accounts receivable	881,467	898,585
Pharmacy claims and rebates receivable	1,256,299	1,196,998
Other receivables	113,905	105,199
Inventories, prepaid expenses, and other	307,931	258,369
Estimated third-party payor settlements	6,761	75,268
Assets held for sale	<u>25,650</u>	<u>25,650</u>
Total current assets	<u>3,755,212</u>	<u>3,504,047</u>
ASSETS LIMITED AS TO USE OR RESTRICTED—Excluding current portion	<u>3,120,197</u>	<u>3,277,184</u>
PROPERTY AND EQUIPMENT—Net	<u>2,910,738</u>	<u>2,804,515</u>
OPERATING RIGHT-OF-USE ASSETS	<u>234,425</u>	<u>191,988</u>
OTHER ASSETS:		
Goodwill	383,617	383,617
Intangible assets—net	312,070	319,130
Investments in unconsolidated entities	376,247	513,351
Other	<u>109,568</u>	<u>52,679</u>
Total other assets	<u>1,181,502</u>	<u>1,268,777</u>
TOTAL ASSETS	<u>\$ 11,202,074</u>	<u>\$ 11,046,511</u>

(Continued)

**A. CREDIT GROUP
AUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)**

	December 31, <u>2024</u>	December 31, <u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Revolving line of credit	\$ 100,000	\$ 97,410
Current portion of long-term debt and finance lease obligations	31,667	56,000
Accounts payable and accrued expenses	2,337,538	2,742,896
Short-term borrowings	662,195	665,180
Deferred revenue	20,623	17,050
Estimated third-party payor settlements	102,172	108,969
Other current liabilities	<u>482,829</u>	<u>233,841</u>
Total current liabilities	3,737,024	3,921,346
LONG-TERM DEBT—Excluding current portion	1,537,208	1,573,125
ESTIMATED SELF-INSURANCE OBLIGATIONS	98,591	95,499
OPERATING LEASE OBLIGATIONS—Excluding current portion	239,168	176,903
FINANCE LEASE OBLIGATIONS—Excluding current portion	8,730	10,893
PENSION LIABILITY	114,606	173,536
OTHER LIABILITIES	<u>419,340</u>	<u>385,890</u>
Total liabilities	<u>6,154,667</u>	<u>6,337,192</u>
NET ASSETS:		
Without donor restrictions:		
SSM Health net assets without donor restrictions	4,883,179	4,345,218
Noncontrolling interest in subsidiaries	<u>150,584</u>	<u>180,865</u>
Total net assets without donor restrictions	5,033,763	4,526,083
With donor restrictions	<u>13,644</u>	<u>183,236</u>
Total net assets	<u>5,047,407</u>	<u>4,709,319</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,202,074</u>	<u>\$ 11,046,511</u>

(Concluded)

B. Credit Group		
UNAUDITED STATEMENTS OF OPERATIONS		
(In thousands)		
	Three Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES AND OTHER SUPPORT:		
Net patient service revenues	\$ 1,892,450	\$ 1,732,212
Capitation revenues	316,352	320,238
Pharmacy benefit manager revenue	514,818	450,884
Investment income	597	10,575
Income from unconsolidated entities—net	10,751	113,452
Other revenue	339,641	297,288
Net assets released from restrictions	<u>4</u>	<u>7</u>
Total operating revenues and other support	<u>3,074,612</u>	<u>2,924,656</u>
OPERATING EXPENSES:		
Salaries and benefits	1,246,829	1,181,741
Medical claims	99,551	205,994
Supplies	498,384	444,671
Pharmacy benefit manager supplies	487,631	388,819
Professional fees and other	593,463	546,470
Interest	19,320	19,426
Depreciation and amortization	<u>73,282</u>	<u>64,341</u>
Total operating expenses	<u>3,018,460</u>	<u>2,851,462</u>
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	56,152	73,194
OTHER ITEMS:		
Long-lived asset impairment	<u>-</u>	<u>(19,151)</u>
OPERATING LOSS AFTER OTHER ITEMS	<u>56,152</u>	<u>54,043</u>
NONOPERATING GAINS AND (LOSSES):		
Investment income	2,719	165,106
Net periodic pension income	7,510	3,836
Change in fair value of interest rate swaps	56,849	(58,959)
Other—net	<u>(3,792)</u>	<u>(5,120)</u>
Total nonoperating gains—net	<u>63,286</u>	<u>104,863</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 119,438</u>	<u>\$ 158,906</u>
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>2,529</u>	<u>29,798</u>
EXCESS OF REVENUES OVER EXPENSES—Net of noncontrolling interest	<u>\$ 116,909</u>	<u>\$ 129,108</u>

B. Credit Group		
AUDITED STATEMENTS OF OPERATIONS		
(In thousands)		
	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
OPERATING REVENUES AND OTHER SUPPORT:		
Net patient service revenues	\$ 6,541,087	\$ 6,178,122
Capitation revenues	1,302,166	1,281,107
Pharmacy benefit manager revenue	2,232,244	1,716,343
Investment income	17,736	21,507
Income from unconsolidated entities—net	37,062	141,170
Other revenue	1,103,119	1,036,195
Net assets released from restrictions	<u>15</u>	<u>23</u>
Total operating revenues and other support	<u>11,233,429</u>	<u>10,374,467</u>
OPERATING EXPENSES:		
Salaries and benefits	4,312,896	4,057,113
Medical claims	555,624	623,481
Supplies	1,776,978	1,643,829
Pharmacy benefit manager supplies	1,923,306	1,464,877
Professional fees and other	2,144,891	2,047,308
Interest	74,838	78,787
Depreciation and amortization	<u>273,959</u>	<u>283,020</u>
Total operating expenses	<u>11,062,492</u>	<u>10,198,415</u>
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	170,937	176,052
OTHER ITEMS:		
Long-lived asset impairment	<u>-</u>	<u>(33,096)</u>
OPERATING LOSS AFTER OTHER ITEMS	<u>170,937</u>	<u>142,956</u>
NONOPERATING GAINS AND (LOSSES):		
Investment income	267,285	320,560
Net periodic pension income	30,038	24,645
Change in fair value of interest rate swaps	52,610	25,646
Other—net	<u>(21,402)</u>	<u>(20,741)</u>
Total nonoperating gains—net	<u>328,531</u>	<u>350,110</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 499,468</u>	<u>\$ 493,066</u>
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>12,588</u>	<u>37,280</u>
EXCESS OF REVENUES OVER EXPENSES—Net of noncontrolling interest	<u>\$ 486,880</u>	<u>\$ 455,786</u>

C. Credit Group		
UNAUDITED STATEMENTS OF CASH FLOWS		
(In thousands)		
	Three Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 49,515	\$ 176,863
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Pension-related changes other than net periodic pension cost	(24,726)	54,783
Depreciation and amortization	73,282	64,341
Loss on impairment	-	19,151
Amortization of debt premium	(1,190)	(698)
Distributions to noncontrolling owners—net	2,045	8,937
Gains on investments—net	(3,522)	(51,394)
Income from unconsolidated entities—net	(8,692)	(111,548)
Change in fair value of interest rate swaps	(56,849)	58,959
Loss on disposal of assets	237	252
Distributions from unconsolidated entities	20,626	24,055
Purchase of noncontrolling interest in subsidiary	-	(85,270)
Changes in assets and liabilities:		
Investments	-	81,499
Patient accounts receivable	(2,848)	36,781
Pharmacy claims and rebates receivable	(18,542)	(194,156)
Other receivables, inventories, prepaid expenses, and other	150,594	(203,223)
Operating right-of-use assets	3,901	11,855
Accounts payable, accrued expenses, and other liabilities	(171,317)	406,685
Other changes to pension liability	(8,288)	(12,126)
Operating lease obligations	(4,686)	(13,834)
Estimated self-insurance obligations	(7,031)	(5,563)
Net cash (used in) provided by operating activities	<u>(7,491)</u>	<u>266,349</u>

(Continued)

C. Credit Group		
UNAUDITED STATEMENTS OF CASH FLOWS		
(In thousands)		
	Three Months Ended December 31	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (91,299)	\$ (86,256)
Proceeds from disposal of property and equipment and sales of other assets	4,470	-
Purchase of assets limited as to use or restricted and short-term investments	(974,909)	(1,134,665)
Proceeds from sales of assets limited as to use or restricted and short-term investments	987,417	1,030,185
Contributions to unconsolidated entities	(16,788)	(3,775)
Acquisitions, net of cash acquired	-	(117,290)
Purchases of other assets	<u>(25,810)</u>	<u>(10,975)</u>
Net cash used in investing activities	<u>(116,919)</u>	<u>(322,776)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(11,649)	-
Distributions to noncontrolling owners—net	(2,045)	(8,937)
Proceeds from patient loans	1,329	1,112
Payments on patient loans	(2,299)	(1,684)
Proceeds from short-term borrowings	173,501	-
Proceeds from revolving line of credit	<u>(125,000)</u>	<u>97,410</u>
Net cash provided by financing activities	<u>33,837</u>	<u>87,901</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(90,573)</u>	<u>31,474</u>
CASH AND CASH EQUIVALENTS—Beginning of year	<u>623,097</u>	<u>576,475</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 532,524</u>	<u>\$ 607,949</u>

(Concluded)

C. Credit Group		
UNAUDITED STATEMENTS OF CASH FLOWS		
(In thousands)		
	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 338,088	\$ 500,756
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Pension-related changes other than net periodic pension cost	(24,726)	54,783
Depreciation and amortization	273,959	283,020
Loss on impairment	-	33,096
Amortization of debt premium	(4,216)	(3,588)
Distributions to noncontrolling owners—net	6,388	11,581
Payments for acquisition of noncontrolling interest in subsidiary	75,150	-
Gains on investments—net	(285,227)	(217,780)
Income from unconsolidated entities—net	(35,003)	(139,266)
Change in fair value of interest rate swaps	(52,610)	(25,646)
(Gain) Loss on disposal of assets	(4,169)	1,873
Distributions from unconsolidated entities	20,626	24,055
Purchase of noncontrolling interest in subsidiary	-	(85,270)
Changes in assets and liabilities:		
Investments	-	84,065
Patient accounts receivable	17,118	38,708
Pharmacy claims and rebates receivable	(59,301)	(237,936)
Other receivables, inventories, prepaid expenses, and other	112,537	9,865
Operating right-of-use assets	20,921	39,944
Accounts payable, accrued expenses, and other liabilities	(306,868)	391,202
Other changes to pension liability	(33,838)	(52,170)
Operating lease obligations	(22,495)	(42,057)
Estimated self-insurance obligations	(953)	2,999
Net cash provided by operating activities	<u>35,381</u>	<u>672,234</u>

(Continued)

C. Credit Group		
UNAUDITED STATEMENTS OF CASH FLOWS		
(In thousands)		
	Twelve Months Ended December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (334,424)	\$ (281,620)
Proceeds from disposal of property and equipment and sales of other assets	10,739	565
Purchase of assets limited as to use or restricted and short-term investments	(2,594,871)	(3,074,105)
Proceeds from sales of assets limited as to use or restricted and short-term investments	2,828,243	2,893,312
Contributions to unconsolidated entities	(16,788)	(3,775)
Acquisitions, net of cash acquired	-	(117,290)
Purchases of other assets	<u>(35,696)</u>	<u>(26,117)</u>
Net cash used in investing activities	<u>(142,797)</u>	<u>(609,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for acquisition of noncontrolling interest in subsidiary	(75,150)	-
Proceeds from issuance of long-term debt	198,370	389,760
Payments on long-term debt	(256,929)	(688,430)
Distributions to noncontrolling owners—net	(6,388)	(11,581)
Debt issuance costs	(428)	(3,626)
Proceeds from patient loans	6,659	4,743
Payments on patient loans	(7,249)	(7,762)
Proceeds from short-term borrowings	173,501	224,600
Payments on short-term borrowings	(2,985)	(3,000)
Proceeds from revolving line of credit	<u>2,590</u>	<u>97,410</u>
Net cash provided by financing activities	<u>31,991</u>	<u>2,114</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(75,425)</u>	<u>65,318</u>
CASH AND CASH EQUIVALENTS—Beginning of year	<u>607,949</u>	<u>542,631</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 532,524</u>	<u>\$ 607,949</u>

(Concluded)

D. UNAUDITED CREDIT GROUP ASSETS LIMITED AS TO USE OR RESTRICTED**(In thousands)**

	December 31, <u>2024</u>	December 31, <u>2023</u>
Board and management designated:		
Unrestricted assets	\$ 3,096,885	\$ 3,096,527
Other restricted board designated assets	347,433	295,261
Held by trustees:		
Self-insurance	154,664	144,890
Collateral held under securities lending agreements	<u>136,545</u>	<u>60,413</u>
Total assets limited as to use	<u>3,735,527</u>	<u>3,597,091</u>
Assets restricted by donor as to use	<u>14,470</u>	<u>12,462</u>
Total assets limited as to use or restricted	3,749,997	3,609,553
Less: current portion	<u>(629,800)</u>	<u>(332,369)</u>
Noncurrent portion	\$ 3,120,197	\$ 3,277,184

E. CREDIT GROUP				
UNAUDITED UTILIZATION STATISTICS AND PAYOR MIX				
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
ACUTE BEDS				
Licensed beds - Total	4,883	4,827	4,883	4,827
Staffed beds - Total	3,793	3,840	3,793	3,840
ACUTE PATIENT SERVICES				
Admissions*	43,453	42,831	170,615	167,786
Patient days*	216,080	223,961	870,795	887,438
Average length of stay	5.0	5.2	5.1	5.3
Outpatient surgeries	25,750	24,128	99,061	94,588
Outpatient visits	552,644	538,145	2,192,478	2,090,780
Emergency room visits	197,050	194,504	784,167	773,309
PERCENTAGE ACUTE OCCUPANCY**	61.9%	63.4%	62.7%	63.3%
PERCENTAGE OF NET REVENUES BY PAYOR MIX				
Medicare	18%	20%	19%	20%
Medicare Managed Care	17%	17%	16%	16%
Medicaid	4%	2%	5%	6%
Medicaid Managed Care	9%	13%	10%	11%
Managed Care	50%	41%	45%	41%
Commercial and other	<u>2%</u>	<u>7%</u>	<u>5%</u>	<u>6%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Excludes newborns and long-term care

** Of beds in service

F. Credit Group Member Listing

Obligated Group Members

SSM Health Care Corporation

Designated Affiliates

Good Samaritan Regional Health Center
SSM Cardinal Glennon Children's Hospital
SSM Health Businesses
SSM Health Care of Oklahoma, Inc.
SSM Health Care of Wisconsin, Inc.
SSM Health Care St. Louis
SSM Regional Health Services
SSM-SLUH, Inc.
St. Anthony Shawnee Hospital, Inc.
St. Mary's Hospital, Centralia, Illinois
Dean Health Systems, Inc.
Dean Retail Services, Inc.
SMDV Office Building, LLC
Navitus Holdings, LLC
Wingra Building Group
Janesville Riverview Clinic Building Partnership
Agnesian HealthCare, Inc.
The Monroe Clinic, Inc.
St. Francis Home of Fond du Lac, Wisconsin, Inc.
The Christian Home and Rehabilitation Center Incorporated
Sister Servants of Christ the King, Inc., d/b/a Villa Loretto
Villa Rosa, Inc.
Consultants Laboratory of Wisconsin, LLC
Waupun Memorial Hospital, Inc.
Ripon Medical Center, Inc.
Agnesian Healthcare Enterprises, LLC

Unlimited Credit Group Participants

None

Limited Credit Group Participants

None

Part IV – Other Information (Unaudited)

A. Environmental, Social, and Governance (ESG)

SSMH’s commitment to patients and the broader needs of the communities it serves has never been more important. In the face of concurrent health, economic, and cultural challenges over the past several years, SSMH continues to support the needs of its communities – beyond the traditional provision of care. Guided by its Vision – *Peace, hope and health for every person, family and community, especially those most in need* – SSMH has applied its values and capabilities to deliver solutions in the face of such challenges.

Since 1982, SSMH’s healing ministry has been focused on enhancing health and well-being in the communities it serves, as well as changing the way health care is delivered more broadly. This tradition continues to this day, with a strong and even greater commitment to this important work, as highlighted by SSMH’s ESG Standards.

Environmental Initiatives

SSMH shows respect for the environment every day through its longstanding commitment to preserving the Earth and its resources – and SSMH believes that directing its actions to preserve the Earth goes beyond *Reduce, Reuse and Recycle*. SSMH is nurturing healthy communities by advocating for clean air and water and neighborhoods that are safe for work, play and exercise – while limiting SSMH’s negative environmental impact. A few examples include the following:

- Reducing energy consumption and medical waste, including development of a six-year key performance indicator (KPI) measure to improve Energy Star ratings at SSM hospitals.
- Engaging in volunteer efforts related to local roadside clean-up events, recycling drives and tree planting.
- Incorporating green building practices, including installation of solar fields at several facilities, and introducing eco-friendly hybrid vehicles into SSMH’s security fleet.
- Pursuing Earth-friendly investments in SSMH’s investment portfolio through the Impact Investment Program.

SSMH has supported Practice Greenhealth’s climate goal of reducing greenhouse gas emissions by 50% by 2030 and achieving net zero emissions by 2050. This effort is intended to help decarbonize the health care sector and make health care facilities more resilient to the effects of climate change.

SSMH has met all milestones thus far, and has also engaged in numerous projects seeking to reduce its carbon footprint to reach the 2030 50% reduction goal. SSMH installed its first solar field at St. Mary’s Hospital in Centralia, Illinois in early 2024, generating energy savings to power the equivalent of 31 homes and resulting in 256 tons of CO₂ reductions.

SSMH's environmental practices in 2024 resulted in 155.5 tons of waste diverted from landfills, 85.6 tons of electronic waste collected and recycled, and 305,310 single-use medical devices reprocessed. SSMH has turned to plant-based packaging to keep plastic water bottles out of landfills with approximately 90% of annual packaging spend being plant-based.

Social Initiatives

SSMH is working to address the complex issues faced in the communities it serves, as well as in the broader U.S. based health care system. Through programs and partnerships, SSMH seeks to expand access to affordable care, enhance social-based programs, and ensure community members have the tools needed to live their healthiest lives. While these programs serve a broad variety of communities, SSMH focuses a significant amount of its social initiative efforts on the most underserved members of the communities where SSMH has a presence. A few examples include the following:

- Partnering to house the homeless.
- Partnering to create a pathway out of incarceration and into a healthier life.
- Partnering for good nutrition.
- Partnering with other anchor institutions in the St. Louis region to establish the St. Louis Anchor Action Network (STLAAN), which brings together nonprofit institutions who commit to using their collective resources and expertise to address the social determinants of health (SDOH) and make a positive impact on the health and well-being of their surrounding communities.

SSMH has a Community Health Improvement Strategy which consists of two system-level leadership groups:

- SSMH's Community Health Improvement Steering Committee which is in place to provide governance and executive oversight, thought leadership and investment decision guidance to SSMH's community health improvement activities; and
- SSMH's Community Health Improvement Working Group which is in place to identify, review and evaluate specific community health improvement opportunities and make recommendations to the Steering Committee.

SSMH's community health strategy addresses three primary focus areas:

- Transforming communities through policy, system and environmental change;
- Linking community and clinical by identifying and addressing SDOH needs, and;
- Assessing and addressing inequities in clinical outcomes.

The activities to enhance and optimize SSMH's impact on the communities it serves include the implementation of a SDOH screening and referral process across adult and pediatric inpatient, behavioral health, and maternal health ambulatory care settings and expansion of access to healthy foods for patients through a combination of on-site food distribution services and

partnerships with community-based organizations that have expertise in helping community members address long-term food insecurity challenges. SSMH also participates in activities that are intended to invest in communities that have been historically marginalized. Additionally, in each region and on an annual basis, community health improvement plans based on Community Health Needs Assessments (CHNA) and Community Benefit Inventory for Social Accountability (CBISA) frameworks that are used to assess, identify and implement community health improvement interventions are developed and reported to the Board of Directors.

In 2024, SSMH developed a systemwide KPI focused on connecting patients who screen positive for food insecurity to community-based organizations that are well-positioned to help patients and their families address food insecurity needs. Across the system, through December 2024, approximately 52% of food insecure patients were directed to resources, achieving the system's expected threshold of performance.

In 2023, SSMH developed a Place-based Investing program, inclusive of a five year commitment to invest in community programs and projects which create positive social, economic, and environmental outcomes. In partnership with the Healthcare Anchor Network (HAN), SSMH has developed a pipeline of ministry-specific investment opportunities which address the greatest community health needs.

Governance


As the organization works to meet the needs of its communities, SSMH is committed to acting ethically and responsibly. SSMH prioritizes quality, safety, and the patient experience in all that it does.

A critical component of SSMH's governance is the Board of Directors. The Board is comprised of a majority of independent directors, which are committed to excellence and employing best practices and strong leadership, acting as ambassadors for and being representative of the communities served.

SSMH's work to create a healthy and thriving culture includes:

- Attracting, developing, and retaining an exceptional workforce with the necessary skills, talents and experience to meet organizational goals and patient needs;
- Ensuring that SSMH has an inclusive working environment where the contributions of all team members are welcomed and leveraged, and;
- Continuing to be a trusted partner in each community SSMH serves.

Newsweek named SSM Health as one of "America's Greatest Workplaces for Women 2024" and "America's Greatest Workplaces for Job Starters 2024". In 2024, Becker's also named SSM Health one of the "Top Places to work in Healthcare."



In fall of 2023, SSMH launched FlexPath Funded, a new tuition benefit that provides \$5,250 in upfront tuition coverage for skill-based courses, certificates and degrees aligned with current and future healthcare workforce needs. To date, over 6,000 team members have registered accounts. The upfront tuition support model is an important benefit to help address the social determinants of learning and employment for the internal workforce.

B. Forward Looking Statements

Certain of the discussions included in this Analysis may include forward-looking statements, which involve known and unknown risks and uncertainties inherent in the operation of an integrated health care delivery system. In particular, statements preceded by, followed by, or that include the words *"anticipates," "believes," "budgets," "estimates," "expects," "forecasts," "intends," "plans," "possible," "potential," "predicts," "projects," "guiding,"* and similar expressions constitute forward-looking statements. These forward-looking statements are based on current plans and expectations that are subject to known and unknown uncertainties and risks, many of which are beyond the control of management of SSM Health, which could significantly affect current plans and expectations and the future financial position and results of operations for the organization. Specific factors that might cause such differences include, but are not limited to:

- The impact of any pandemic, epidemic, outbreak of an infectious disease, or other public health crises in SSMH's market service area
- Increases in wages and the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical and technical support personnel
- The impact of federal budget cuts on reimbursement for services provided by SSMH
- The possible enactment of additional federal or state health care or tax reforms and possible changes to other federal, state or local laws or regulations affecting the health care industry and not for profits.
- Adjustments resulting from reimbursement audits, including audits by the Medicare Recovery Audit Contractor program
- Increases in the frequency or severity of uncollectible amounts associated with uninsured accounts or for deductibles and copayment amounts for insured accounts
- The ability to execute strategic initiatives and achieve operating and financial goals, including the ability to generate expected levels of patient volumes and control the costs of providing services
- Increases in the amount and type of competition, both from market incumbents and new entrants, in SSMH's market service areas
- The impact from the actions of health insurers, health care providers, large employer groups and others to contain health care costs
- The availability and terms of capital to fund the expansion of business and improvements to existing facilities
- Changes in accounting practices
- Changes in general economic conditions nationally and regionally in SSM Health's market service areas
- The increasing number and severity of cyber threats and the costs of preventing them and protecting patient and other data
- The impact of natural disasters, such as hurricanes and floods, or similar events beyond our control

- Other various risk factors.

SSMH undertakes no obligation to update or publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this report.

SSM HEALTH CARE CORPORATION

OFFICER'S CERTIFICATE

Master Trust Indenture – Section 406

Fiscal Year Ended December 31, 2024

To: UMB Bank & Trust, N.A., as Master Trustee

This Officer's Certificate is provided pursuant to Section 406 of the Master Trust Indenture (Amended and Restated) (as previously supplemented and amended, collectively, the "Master Indenture") dated as of April 1, 2022, between SSM Health Care Corporation (the "Parent" and "Obligated Group Agent") and UMB Bank & Trust, N.A., as successor master trustee (the "Master Trustee"). All capitalized terms not defined herein shall have the meanings assigned in the Master Indenture.

The Obligated Group Agent hereby certifies as follows:

1. All Credit Group Members are included within one set of audited financial statements which have been provided to the Master Trustee in connection with this certificate.
2. The Historical Debt Service Coverage Ratio of the Credit Group for the Fiscal Year ended December 31, 2024 was 4.3 calculated based on Income Available for Debt Service of \$807,551 divided by Debt Service Requirements on Funded Indebtedness for such period of \$186,368(\$ amounts in thousands).
3. A review of the activities of the Credit Group during the Fiscal Year ended December 31, 2024 and of performance under the Master Indenture has been made under the supervision of the Obligated Group Agent, and to the best of the undersigned's knowledge, based on such review, the Credit Group has fulfilled all its obligations under the Master Indenture throughout such Fiscal Year.
4. The Parent is currently the only Obligated Group Member. Currently there are no Limited Credit Group Participants or Unlimited Credit Group Participants.

**SSM HEALTH CARE CORPORATION, as
Obligated Group Agent**

By: _____

Name: Kevin Smith

Title: Treasurer

Date: April 22, 2025

CERTIFICATE OF COMPLIANCE

The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”)
St. Louis, Missouri

Re: Certificate of Compliance for Fiscal Year Ending December 31, 2024

Ladies and Gentlemen:

The undersigned is the Parent Representative as such term is defined in the Bond Trust Indenture dated as of May 1, 2014 between the Issuer and the Bond Trustee. This certificate is delivered pursuant to the requirements of **Section 9.2** of the Loan Agreement dated as of May 1, 2014 between the Issuer and SSM Health Care Corporation (the “Parent”). Certain terms used herein have the meanings assigned in the Bond Trust Indenture. The undersigned hereby certifies as follows on behalf of the Parent:

- (a) She/he has made or caused to be made a review of the activities of the Parent for the fiscal year ended December 31, 2024 and of the performance of the Parent of its obligations under the Loan Agreement;
- (b) She/he is familiar with the provisions of the Loan Agreement, the Master Indenture, the Tax Agreement and the Tax Use Agreements (collectively, the “Borrower Documents”) and, to the best of her/his knowledge, based on such review:
 - (i) the Parent has fulfilled all of its obligations under the Borrower Documents, and
 - (ii) there is no event of default, or any event which, with the passage of time or the giving of notice, would become an event of default under any Borrower Document.

Dated as of April 22, 2025

SSM HEALTH CARE CORPORATION

By: Kevin Smith_____

Its: Treasurer_____

COMPLIANCE CERTIFICATE

To: U.S. Bank National Association, as Administrative Agent

This Compliance Certificate is furnished pursuant to that certain Amended and Restated Revolving Credit Agreement dated as of June 23, 2022 (as further amended, modified, renewed or extended from time to time, the "Agreement") by and among SSM Health Care Corporation, a Missouri nonprofit corporation (the "Corporation"), as Obligated Group Agent on behalf of itself and each Member of the Obligated Group, the several financial institutions from time to time party to this Agreement, and U.S. Bank National Association, as Administrative Agent. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the Treasurer of the Corporation.
2. This Compliance Certificate is provided with respect to the fiscal year ending on December 31, 2024 (the "Relevant Period").
3. Under my supervision, the Corporation has made a review of the activities during the preceding fiscal year for the purpose of determining whether or not each Member of the Obligated Group and each Credit Group Member has complied with all of the terms, provisions, covenants, and conditions of this Agreement and the Loan Documents to which it is party, and to the best of my knowledge each Member of the Obligated Group and each Credit Group Member has kept, observed, performed, and fulfilled each and every, provision, covenant and condition of the Agreement and the other Loan Documents to which such member is a party.
4. I have no knowledge of the existence of any condition or event which constitutes an Event of Default or Default during or at the end of the Relevant Period or as of the date of this Compliance Certificate, except as set forth below:

The following Events of Default or Defaults exist, and with respect to each such Event of Default or Defaults I have described in detail the nature of such Event of Default or Defaults, the period of its existence, the nature and status thereof and the remedial steps which the Corporation has taken, is taking, or proposes to take to correct or remedy such Default:

None

5. In accordance with Section 6.1 of the Agreement, I certify on behalf of the Corporation that the Corporation is in compliance with the financial covenants in Section 6.19 of the Agreement required to be satisfied as of the end of the Relevant Period, and specifically that as of the Relevant Period:

(a) Pursuant to Section 6.19(a), the Historical Debt Service Coverage Ratio as of December 31, 2024 is 4.3, for the 12-month period then ended.

(b) Annex I attached hereto sets forth financial data and computations evidencing the Corporation's compliance with the above covenants of the Agreement, all of which data and computations are true, complete and correct.

The foregoing certifications, together with any financial data and computations provided herewith, are made and delivered this 22nd day of April, 2025.

SSM HEALTH CARE CORPORATION

By _____
Name Kevin Smith
Title Treasurer

**ANNEX I
TO COMPLIANCE CERTIFICATE**

SSM HEALTH CARE CORPORATION

**COMPLIANCE CALCULATIONS
FOR AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT
DATED JUNE 23, 2022**

CALCULATIONS AS OF December 31, 2024
(\$ Amounts in thousands)

A.	<u>Historical Debt Service Coverage Ratio of the Credit Group</u> <u>(Section 6.19(a))</u>	
1.	Income Available for Debt Service (as defined in the Master Indenture) for the Credit Group	\$807,551
2.	Debt Service Requirements on Funded Indebtedness (as defined in the Master Indenture) for the Credit Group	\$186,368
3.	Ratio of Line A1 to Line A2	4.3:1.0
4.	Line A3 must be greater than or equal to	1.1:1.0
5.	The Credit Group is in compliance (circle yes or no)	<input checked="" type="checkbox"/> yes, no

COMPLIANCE CERTIFICATE

To: PNC Bank, National Association (the “*Purchaser*”)

This Compliance Certificate is furnished pursuant to the Continuing Covenant Agreement dated as of July 1, 2019, (as amended, modified, renewed or extended from time to time, the “*Agreement*”) between PNC Bank, National Association (the “*Purchaser*”) and SSM HEALTH CARE CORPORATION, a Missouri nonprofit corporation (the “*Corporation*”) for itself as Corporation and as Obligated Group Agent on behalf of the Obligated Group. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the Treasurer of the Corporation.
2. This Compliance Certificate is provided with respect to the fiscal year ending on December 31, 2024 (the “*Relevant Period*”).
3. Under my supervision, the Corporation has made a review of the activities during the preceding Fiscal Year for the purpose of determining whether or not each Member of the Obligated Group and each Credit Group Member has complied with all of the terms, provisions, covenants, and conditions of this Agreement and the Related Documents to which it is party, and to the best of my knowledge each Member of the Obligated Group and each Credit Group Member has kept, observed, performed, and fulfilled each and every, provision, covenant and condition of the Agreement and the other Related Documents to which such member is a party; and (except as set forth in paragraph 4 below), no Event of Default or Default has occurred.
4. I have no knowledge of the existence of any condition or event which constitutes an Event of Default or Default during or at the end of the Relevant Period or as of the date of this Compliance Certificate, except as set forth below:

None

The following Defaults exist, and with respect to each such Default I have described in detail the nature of such Default, the period of its existence, the status thereof and the action which the Corporation has taken, is taking, or proposes to take to correct or remedy such Default:

None

5. In accordance with Section 6.01(ii)(2)(iv) of the Agreement, I certify on behalf of the Corporation that the Credit Group is in compliance with the financial covenant in Section 6.20 of the Agreement required to be satisfied as of the end of the Relevant Period, and specifically that as of the Relevant Period:

(a) Pursuant to Section 6.20, the Historical Debt Service Coverage Ratio as of December 31, 2024 is 4.3, for the 12-month period then ended.

(b) Annex I attached hereto sets forth financial data and computations evidencing the Credit Group's compliance with the above covenants of the Agreement, all of which data and computations are true, complete and correct.

The foregoing certifications, together with any financial data and computations provided herewith, are made and delivered this 22nd day of April, 2025.

SSM HEALTH CARE CORPORATION

By:

Name: Kevin Smith

Its: Treasurer

**ANNEX I
TO COMPLIANCE CERTIFICATE**

SSM HEALTH CARE CORPORATION

**COMPLIANCE CALCULATIONS
FOR CONTINUING COVENANT AGREEMENT
DATED AS OF JULY 1, 2019**

CALCULATIONS AS OF December 31, 2024
(\$ Amounts in thousands)

Historical Debt Service Coverage Ratio of the Credit Group
(Section 6.20)

1.	Income Available for Debt Service (as defined in the Master Indenture) for the Credit Group	\$807,551
2.	Debt Service Requirements on Funded Indebtedness (as defined in the Master Indenture) for the Credit Group	\$186,368
3.	Ratio of Line A1 to Line A2	4.3:1.0
4.	Line A3 must be greater than or equal to	1.1:1.0
5.	The Credit Group is in compliance (circle yes or no)	<input checked="" type="checkbox"/> yes/no