Banco del Bajio, S.A. Institucion de Banca Multiple

Key Rating Drivers

Ratings Driven by Inherent Creditworthiness: Banco del Bajio, S.A. Institucion de Banca Multiple's (BanBajio) Issuer Default Ratings (IDRs) and National Ratings are underpinned by its good intrinsic performance, as evidenced by its 'bb+' Viability Rating (VR). This denotes the bank's consistent business profile and conservative risk appetite, translating to performance characterized by good asset quality and capital levels, along with a stable funding profile.

Consistent Business Profile: BanBajio's intrinsic performance captures its good franchise and recognized market position in the Bajío region, with a business model specializing in the agribusiness and SME segments. This has fostered long-lasting relationships with clients, allowing it to withstand strong competition from larger banks and partially offsetting its less diversified model compared to close peers. Its profile reflects relatively stable earnings generation, with total operating income (TOI) of USD664 million as of June 2025, similar to that achieved yoy in local currency. Fitch Ratings believes higher income can enhance TOI in the medium term, closing the gap with BanBajio's closest peers.

Good Yet Slightly Pressured Loan Quality: The stage 3 loans-to-gross credits ratio showed deterioration as of 1H25, reaching 1.8% (2024: 1.5%). This was mainly driven by specific borrowers in the agribusiness and real estate sectors whose repayment capacities were strained due to market conditions, with a strong Mexican peso, and particular situations. However, the metric continues to compare well with peers and the banking system (2.1%). Fitch expects the bank's prudent underwriting standards, strict credit practices, close monitoring and more conservative collateral schemes to support asset quality. These factors should keep the core metric at 1.8%–1.9% in 2025 and 2026, consistent with its 'bb+' score and a stable trend.

Constant Performance Tending to Stabilize: Profitability continues to normalize. The bank's operating profit-to-risk-weighted assets (RWA) ratio was 4.7% in 1H25, down from 5.4% in 2024 and 6.6% in 2023. This was due to lower interest rates and an asset-liability mix that affected the net interest margin (NIM), along with high loan impairment charges (LICs) from portfolio deterioration; however, operating expenses remained controlled. Given the bank's strategies, Fitch estimates profitability, although slightly pressured, will remain at solid levels, around 4.4% in the coming years, which is more in line with its current 'bb+' score. As a result, the agency revised the earnings and profitability factor trend to stable from positive.

Good Capitalization: The common equity Tier 1 (CET1)-to-RWA metric was 14.3% for 1H25, down from 14.9% in 2024, reflecting modest RWA growth, lower earnings and dividend payouts. In Fitch's view, this level provides BanBajio with buffers to absorb losses and is commensurate with its 'bb' score, although the ratio is below that of some peers. Fitch estimates the ratio will remain around 15% over the rating horizon, sustained by moderate loan growth and consistent internal capital generation, which should offset dividend payments.

Steady Funding and Liquidity Profile: The bank's funding structure consists of mainly customer deposits that have expanded alongside a moderate increase in credits. This improved the loan-to-deposit ratio to 100.4% as of 1H25, from a 106.5% average for the past four years. Fitch expects this trend to continue due to BanBajio's strategy to optimize financing mix to benefit its cost, leading to a ratio approaching 100% in 2025 and 2026 and converging with peers. Fitch also weighs its access to credit lines from different institutions and its stable liquidity profile, which provides flexibility to face market challenges.

Ratings

Foreign Currency

Long-Term Issuer Default Rating	BB+
Short-Term Issuer Default Rating	B

Local Currency

Long-Term Issuer Default Rating	BB+
Short-Term Issuer Default Rating	B
Viability Rating	bb+
Government Support Rating	b+

National Rating

National Long-Term Rating	AA(mex)
National Short-Term Rating	F1+(mex)

Sovereign Risk (Mexico)

Long-Term Foreign Currency Issuer Default Rating	BBB–
Long-Term Local Currency Issuer Default Rating	BBB–
Country Ceiling	BBB+

Rating Outlooks

Long-Term Foreign Currency Issuer Default Rating	Stable
Long-Term Local Currency Issuer Default Rating	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign Currency Issuer Default Rating	Stable
Sovereign Long-Term Local Currency Issuer Default Rating	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

Non-Bank Financial Institutions Rating Criteria (January 2025)

National Scale Rating Criteria (December 2020)

Related Research

Mexican Banks Well-Positioned Amid Macroeconomic Uncertainty (August 2025)

Mexican Financials Face Ongoing Money Laundering Contagion Risks (July 2025)

Global Banks Mid-Year 2025 Outlook Compendium (June 2025)

Mexican Banks Prepared for Asset Quality Downturn in 2025 (May 2025)

Analysts

Adriana Beltran
+52 81 4161 7051
adriana.beltran@fitchratings.com

Alejandro Tapia
+52 81 4161 7056
alejandro.tapia@fitchratings.com

Rating Sensitivities

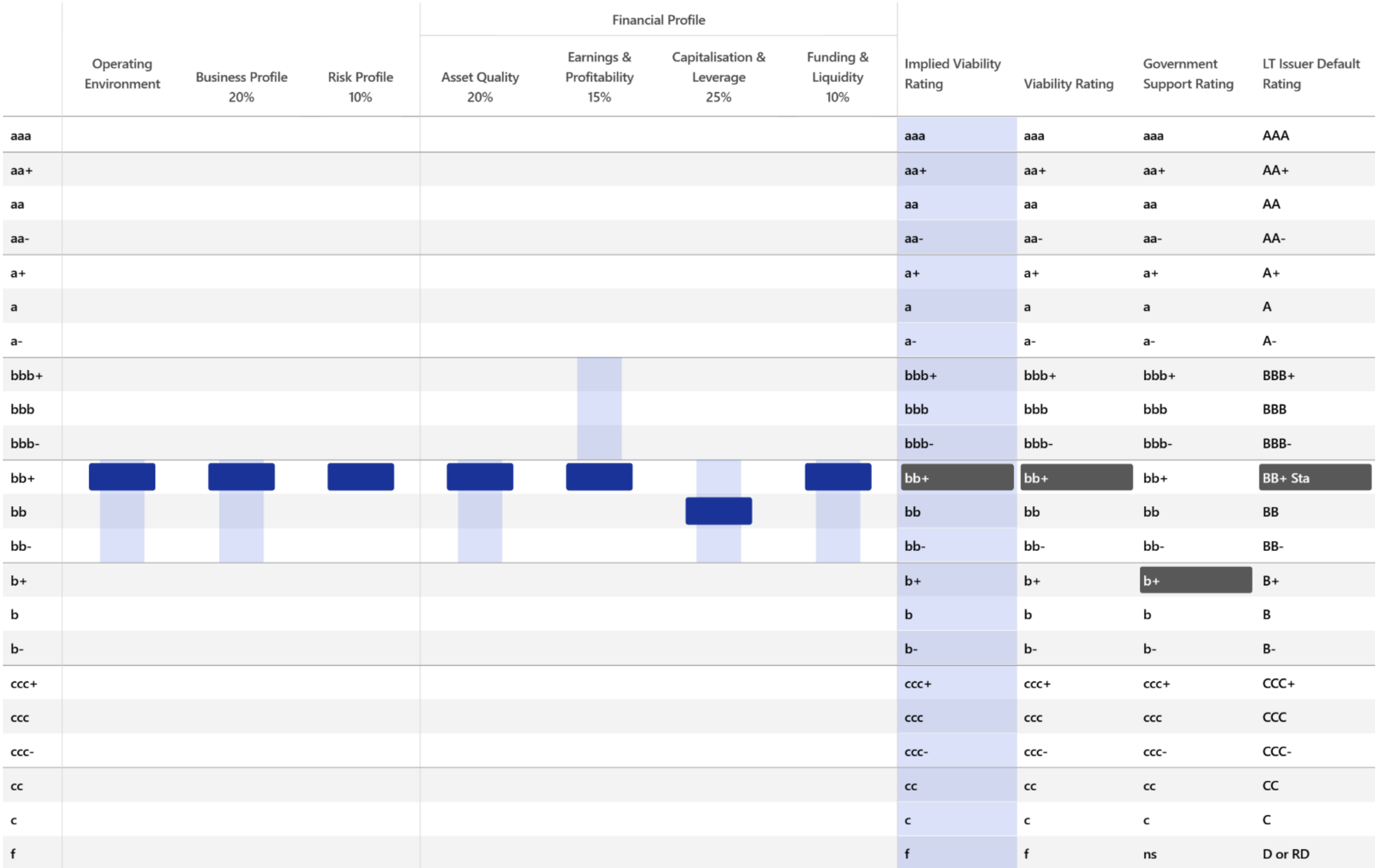
Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

BanBajio's IDRs, VR and National Ratings could be downgraded due to material deterioration of its financial performance that leads to sustained declines in the CET1-to-RWA ratio below 14% and the operating profit-to-RWA ratio below 2%.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

BanBajio's IDRs, VR and National Ratings could be upgraded if the operating environment (OE) and its credit profile both improve. More specifically, if the bank's TOI increases significantly and closes the gap compared to higher rated peers, coupled with improvement in its CET1-to-RWA ratio above 20% and operating income to RWA close to 5% on a consistent basis, while the rest of its financial profile is maintained healthy.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upward or downward to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The Earnings and Profitability Score of ‘bb+’ has been assigned below the ‘bbb’ category implied score due to the following adjustment reason: Historical and Future Metrics (negative).

Company Summary and Key Qualitative Factors

Operating Environment

Stable Operating Environment

Fitch's OE assessment for Mexican banks is 'bb+' with a stable trend. While softer GDP growth could result from tariff-related pressures and slower U.S. economic activity, Mexico's large and diverse economy should help to keep the Operational Risk Index (ORI) and GDP per capita broadly stable, preserving operating conditions for banks. As of July 2025, Mexico's ORI percentile stood at 46.5%, and Fitch forecasts 2025 GDP per capita at USD13,509.

Lower GDP, Tariff-Related Uncertainty Add Pressure

Fitch expects Mexico to avoid a recession in 2025. The agency forecasts real GDP growth of 0.4% as of September 2025, underpinned by stronger-than-expected 1H25 activity and a lower estimated effective tariff rate on exports to the U.S. Growth is projected to edge up to 1.2% in 2026, amid a softening U.S. demand environment. Fitch views tariff developments as fluid ahead of U.S.-Mexico-Canada Agreement (USMCA)-related negotiations, keeping uncertainty elevated.

On June 5, 2025, Fitch revised the 2025 banking sector outlook to deteriorating from neutral, reflecting tariff-related uncertainty, lower GDP and softer U.S. growth. These factors will likely pressure asset quality and profitability after three years of outstanding results. Fitch forecasts a moderate decline in profitability metrics on slower credit growth, narrower NIMs and higher anticipated credit costs but expects system performance to remain sound. Robust capitalization and liquidity should support banks' capacity to absorb RWA growth and macroeconomic risks; as such, Fitch does not anticipate rating pressure from the expected industry deterioration.

Sovereign Rating

Fitch affirmed Mexico's long-term local currency and foreign currency IDRs at 'BBB–' with a Stable Rating Outlook on April 16, 2025. For more information, see "Fitch Affirms Mexico at 'BBB–'; Outlook Stable," at www.fitchratings.com.

Business Profile

BanBajio, one of the largest midsize banks compared to local peers, focuses primarily on commercial lending — essentially to companies and SMEs — which as of June 2025 accounted for 86.3% of the total loan portfolio. A lesser focus involves government loans (5.0% of the portfolio), financial entities (4.5%) and mortgages (1.4%). The bank has boosted consumer loans through a cross-selling strategy, although these still have a modest 2.8% share. Additionally, the bank has sought to provide more personalized service as a comparative advantage for clients. For its part, the entity has a stable and growing deposit base to fund its lending activities.

The entity is concentrated in the Bajio region; however, its commercial strategies have allowed it to diversify and strengthen its presence in markets such as Mexico City, Nuevo Leon and Jalisco, which together accounted for almost 39% of total loans as of 1H25. The bank ranked eighth and ninth in loans and deposits, respectively, with market shares in both of 3.4% as of the same timeframe. Given its business focus, Fitch notes that BanBajio has achieved competitive advantages and strong commercial relationships with clients in local markets, particularly in the Bajio region. This has helped it to face competition from larger banks and offset its limited pricing power versus the country's largest franchises.

While the entity's business model is less diversified than higher rated peers, its revenue generation benefits via growth in noninterest income from other product lines, such as point of sale (POS), market operations and trustee services, among others. Fitch deems BanBajio's execution as effective across the economic cycle, reflected in its good performance and relatively stable earnings generation. The development of its digital channels — with a growing number of transactions (2020–2025: 4.1x) providing greater services to clients — has contributed to business volumes and helped the bank manage funding costs.

Risk Profile

According to its business model and strategy, the bank's moderate risk appetite is reflected in a consistent risk framework, with solid underwriting standards and risk controls commensurate with its size and complexity. BanBajio continues to strengthen its credit standards with stricter policies and practices, continuous monitoring and a more conservative approach to guarantee schemes. This translates into stage 3 portfolio metrics, writeoffs and foreclosed assets that, despite recent deterioration, have been contained and continue at levels that compare well with the system. As of June 2025, collaterals and guarantees of commercial loans (including government and financial entities loans) covered 1.7x that portfolio. The investment portfolio represents low credit risk, accounting for 7.5% of total assets as of 1H25 and comprising mostly Mexican sovereign or related instruments.

The bank's growth appetite has been moderate, with a similar pattern expected over the rating horizon, influenced by the challenging conditions and prevailing uncertainty — mainly in the sectors and regions it serves — coupled with its conservative approach to client selection. Loans declined 0.4% from YE24 to 1H25 but expanded 6.6% on a yoy basis (banking system: 8.6%). We estimate similar dynamism for 2H25 given the seasonality of many borrowers, as these months are typically more active, coupled with the bank's current push to the consumer segment.

BanBajio is exposed to market risks, although the agency notes such risks have been managed effectively. One such risk is interest rate mismatches between assets and liabilities, for which the entity employs a hedging strategy to partially mitigate this risk. As of 2Q25, NIM sensitivity remained at 21 bps, in line with 1Q25. FX risk is moderate; approximately 11.3% of gross loans were granted in dollars, while 8.6% of deposits are denominated in foreign currency. Additionally, the bank uses cross-currency swaps to hedge the risk. The bank continues to reinforce the control framework, tools and monitoring to manage operational, technological and cybersecurity risks; this is reflected in very low operational risk-related losses, accounting for 0.1% of CET1 as of June 2025.

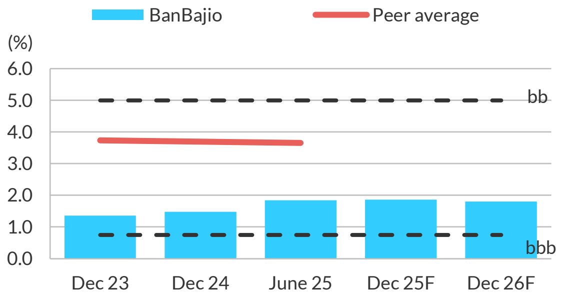
Financial Profile

Asset Quality

Some asset quality deterioration was observed in 1H25 involving specific debtors, although Fitch anticipates this will continue to be manageable. As of June 2025, the adjusted impaired asset ratio, which considers charge-offs, rose to 2.7% (YE24: 2.5%) but remained below the sector average (4.3%), while restructured loans remained moderate, representing 6.6% of gross loans. Stage 3 loans reserve coverage decreased to 119.1%, from 137.2% in 2024, although the moderate effect was reinforced by additional reserves the bank previously set aside.

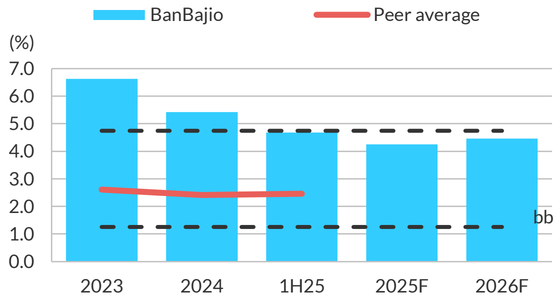
The bank's business model results in concentration risks by sector and borrower. As of June 2025, the top 20 borrowers by economic group represented 0.9x the bank's CET1, or 13.1% of the total portfolio, with only one borrower exceeding 10% of CET1. Exposure to the Mexican sovereign, considering both loans and investments, constituted 9.6% of total assets, a lower percentage than peers. Fitch projects BanBajio will sustain good asset quality, supported by prudent growth, coupled with the strengthening it has undertaken in origination, controls, tools and credit monitoring.

Stage 3 Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions

Earnings and Profitability

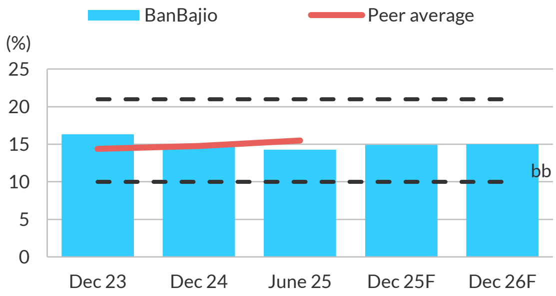
The NIM declined to 6.3% as of June 2025, from 7.0% in 2024. This stems from lower interest rates coupled with a mix of earning assets and interest-bearing liabilities leading to a larger decrease in interest income than what would correspond to the expense, thereby impacting the margin. Fee and trading income continue to contribute to the bank's earnings. However, trading income did not increase yoy, attributable to the one-off sale of a nonstrategic equity stake.

The bank's efficiency ratio remains relatively steady, at 38.1% as of 1H25 (2024: 35.3%). This is supported by the bank's efforts to maintain a strict policy on operating expenses amid its growth and investment; we expect this will translate into improved efficiency metrics. The observed deterioration in loan quality has pressured the ratio of LICs to pre-impairment operating profit, which rose to 17.9% in 1H25 from 13.4% at YE24. Fitch estimates this will increase further, albeit slightly, by YE25, returning to levels similar to those of recent periods and in line with projected loan quality ratios (around 1.8%), aided by disciplined cost control. Given Fitch's performance expectations, which include the core metric of operating profit to RWA remaining at levels more consistent with its current 'bb+' score, the agency revised its trend assessment to stable from positive.

Capitalization and Leverage

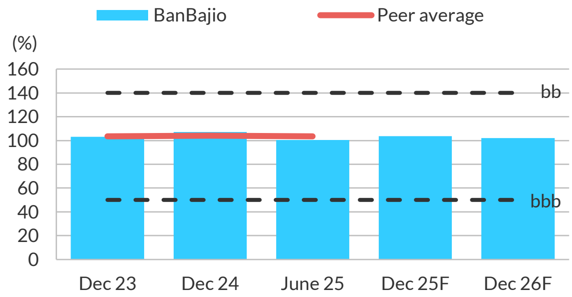
As of June 2025, the regulatory capital ratio showed a trajectory similar to CET1, at 14.5%, versus 15.2% in 2024, resulting in a satisfactory cushion above regulatory requirements. This is coupled with the quality of capital, with CET1 comprising predominantly core capital and a reasonable leverage ratio (10.4% as of 1H25). The bank's capitalization levels are deemed commensurate with its current 'bb' score, incorporating consistent internal capital generation and a moderate risk profile. These also compare well with similarly rated domestic peers.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions

Funding and Liquidity

The bank's funding structure largely comprises customer deposits (83.7%), complemented by wholesale credit lines from domestic market institutions, mainly development banks (14.6%) and repos. In recent years, the entity has driven deposit growth (1H25: 7.0% yoy), seeking a balance between demand deposits (50.2%) and time deposits (49.7%). This has helped to manage financing costs that are more sensitive due to a heavier composition of corporate deposits versus retail. This has led to high individual depositor concentration, with the top 20 depositors accounting for 21.5% of total deposits as of June 2025, partially offset by the relative stability these depositors have shown.

As of June 2025, the bank's liquid assets (cash and investments) covered 18.2% of total deposits. This, along with regular access to development bank facilities, denotes prudent liquidity management. Another consideration for this factor is the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) both remaining above the 100% regulatory requirement, with quarterly LCR and NSFR averages of 128.3% and 117.4%, respectively, at 1H25, giving the bank reasonable room to withstand the prevailing conditions.

Additional Notes on Forecasts and Charts

Years denoted with a letter "F" in tables and charts in this report represent Fitch's forecasts, reflecting the agency's forward view on the bank's financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macroeconomic forecasts, sector outlook and company-specific considerations. As a result, Fitch's forecasts may differ materially from guidance provided by the rated entity to the market. To the extent Fitch is aware of material nonpublic information with respect to future events, such as planned recapitalizations or M&A activity, Fitch will not reflect these nonpublic future events in its published forecasts. However, where relevant, Fitch considers such information to be part of the rating process.

The black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments Fitch scores in the 'bb' category. The peer average includes BAC International Bank, Inc.; Banco Inbursa, S.A., Institución de Banca Multiple, Grupo Financiero Inbursa; Banistmo S.A.; Global Bank Corporation; HSBC Mexico, S. A., Institución de Banca Multiple, Grupo Financiero HSBC; Scotiabank Inverlat, S. A., Institución de Banca Multiple, Grupo Financiero Scotiabank Inverlat; and Credicorp Bank, S.A. The latest data available for Global Bank Corporation and Credicorp Bank, S.A. are for fiscal 2025. Unless otherwise stated, the financial year concludes Dec. 31 for all banks mentioned in this report. For Global Bank Corporation and Credicorp Bank, S.A., the financial year concludes June 30.

Financials

Financial Statements

(MXN mil; years ended Dec. 31)	2022	2023	2024	2025[a]	2025F	2026F
Summary income statement						
Net interest and dividend income	16,205	22,179	22,812	10,922	—	—
Net fees and commissions	1,993	2,373	2,602	1,459	—	—
Other operating income	353	344	590	160	—	—
Total operating income	**18,551**	**24,896**	**26,004**	**12,541**	**24,946**	**26,729**
Operating costs	6,960	8,164	9,180	4,781	9,903	10,568
Pre-impairment operating profit	11,591	16,732	16,824	7,760	15,043	16,161
Loan and other impairment charges	1,104	1,671	2,250	1,392	3,051	2,855
Operating profit	10,487	15,061	14,574	6,368	11,992	13,306
Other non-operating items (net)	2	6	8	2	—	—
Tax	2,417	4,054	3,893	1,713	—	—
Net income	**8,072**	**11,013**	**10,689**	**4,657**	**8,790**	**9,780**
Other comprehensive income	95	11	−92	−15	—	—
Fitch comprehensive income	8,167	11,024	10,597	4,642	—	—
Summary balance sheet						
Assets						
Gross loans	**224,138**	**238,962**	**264,952**	**264,016**	**278,200**	**296,561**
– of which impaired	2,686	3,257	3,928	4,865	—	—
Loan loss allowances	5,033	5,486	5,390	5,793	—	—
Net loans	**219,105**	**233,476**	**259,562**	**258,223**	**—**	**—**
Interbank	29,003	21,417	22,351	17,989	—	—
Derivatives	2,198	1,121	429	236	—	—
Other securities and earning assets	44,115	69,424	60,732	75,931	—	—
Total earning assets	**294,421**	**325,438**	**343,074**	**352,379**	**—**	**—**
Cash and due from banks	1,963	1,861	2,610	1,887	—	—
Other assets	14,818	16,969	17,783	18,218	—	—
Total assets	**311,202**	**344,268**	**363,467**	**372,484**	**381,241**	**404,822**
Liabilities						
Customer deposits	208,357	231,914	247,150	262,964	268,158	290,951
Interbank and other short-term funding	22,965	32,975	28,985	20,797	—	—
Other long-term funding	30,434	26,939	31,008	30,498	—	—
Trading liabilities and derivatives	2,103	1,069	410	213	—	—
Total funding and derivatives	**263,859**	**292,897**	**307,553**	**314,472**	**—**	**—**
Other liabilities	10,380	9,830	10,396	13,175	—	—
Preference shares and hybrid capital	—	—	—	—	—	—
Total equity	36,963	41,541	45,518	44,837	—	—
Total liabilities and equity	**311,202**	**344,268**	**363,467**	**372,484**	**—**	**—**
Exchange rate	USD1= MXN19.4143	USD1= MXN17.0297	USD1= MXN20.1948	USD1= MXN18.8928	—	—

[a] First six months of 2025 only (1H25), ended June 30. F – Forecast. MXN – Mexican Peso.
Source: Fitch Ratings, Fitch Solutions, BanBajio

Key Ratios

(Years ended Dec. 31)	2022	2023	2024	2025[a]	2025F	2026F
Ratios (%; annualized as appropriate)						
Profitability						
Operating profit/risk-weighted assets	4.7	6.6	5.4	4.7	4.3	4.5
Net interest income/average earning assets	5.8	7.3	7.0	6.3	6.2	6.2
Noninterest expense/gross revenue	37.5	32.8	35.3	38.1	39.7	39.5
Net income/average equity	21.8	28.1	24.9	20.4	—	—
Asset Quality						
Impaired loans ratio	1.2	1.4	1.5	1.8	1.9	1.8
Growth in gross loans	12.1	6.6	10.9	−0.4	5.0	6.6
Loan loss allowances/impaired loans	187.4	168.4	137.2	119.1	117.5	119.4
Loan impairment charges/average gross loans	0.5	0.7	0.9	1.1	1.1	1.0
Capitalization						
Common equity Tier 1 ratio	14.7	16.3	14.9	14.3	14.9	15.0
Fully loaded common equity Tier 1 ratio	—	—	—	—	—	—
Fitch Core Capital ratio	—	—	—	—	—	—
Tangible common equity/tangible assets	10.7	10.9	11.3	10.8	—	—
Basel leverage ratio	10.4	10.8	11.1	10.0	—	—
Net impaired loans/common equity Tier 1	−7.1	−6.0	−3.6	−2.4	—	—
Net impaired loans/Fitch Core Capital	—	—	—	—	—	—
Funding and Liquidity						
Gross loans/customer deposits	107.6	103.0	107.2	100.4	103.7	101.9
Gross loans/customer deposits + covered bonds	—	—	—	—	—	—
Liquidity coverage ratio	131.1	130.7	124.4	128.3	—	—
Customer deposits/total non-equity funding	79.6	79.5	80.5	83.7	—	—
Net stable funding ratio	114.5	114.8	116.8	117.4	—	—

[a] First six months of 2025 only (1H25), ended June 30. F – Forecast
Source: Fitch Ratings, Fitch Solutions, BanBajio

Support Assessment

Government support

Sovereign		Mexico
Sovereign Long-Term Issuer Default Rating	●	BBB–/Stable
Total adjustment (notches)		–4
Typical D-SIB Government Support for sovereign's rating level		bbb– to bb
Actual jurisdiction D-SIB Government Support		bb+
Government Support Rating		b+
Government ability to support D-SIBs		
Size of banking system	●	Neutral
Structure of banking system	●	Neutral
Sovereign financial flexibility (for rating level)	●	Neutral
Government propensity to support D-SIBs		
Resolution legislation	●	Neutral
Support stance	●	Neutral
Government propensity to support bank		
Systemic importance	●	Negative
Liability structure	●	Neutral
Ownership	●	Neutral

The colors below indicate the influence of each support factor in our assessment.
Influence: Lower ● Moderate ● Higher ●

Government Support Rating

Key Ratings Drivers

Government Support Rating: The bank's Government Support Rating (GSR) of 'b+', three notches below the GSR of 'bb+' for domestic systemically important banks (D-SIBs), denotes Fitch's view that a default of BanBajio would not result in a relevant contagion risk for the rest of the banking system, factoring BanBajio's lesser systemic importance compared to peers. Given the bank's midsize franchise and moderate market share of customer deposits, which represented around 3.2% of the Mexican banking system (corresponding to about 28% in individual deposits) as of 1H25, the agency views the probability of sovereign support, if needed, as moderate.

Rating Sensitivities

Factors that could, individually or collectively, lead to negative rating action/downgrade

- BanBajio's GSR could be downgraded if Fitch believes the government's propensity to support the bank may decline due to a material loss in market share of customer deposits.

Factors that could, individually or collectively, lead to positive rating action/upgrade

- The likelihood of an upgrade to BanBajio's GSR is limited and could only occur over time with a material gain in the bank's systemic importance.

Subsidiaries and Affiliates

Financiera Bajio, S.A. de C.V. SOFOM, E.R. (FIBA)

Rating Type	Rating	Rating Outlook
National Long-Term Rating	AA(mex)	Stable
National Short-Term Rating	F1+(mex)	—

Source: Fitch Ratings

Key Ratings Drivers

Core Subsidiary for BanBajio: FIBA's national scale ratings are aligned with the credit profile of its shareholder, BanBajio. Fitch notes that FIBA plays a fundamental role in the bank's strategy, complementing its product offerings through factoring and financial leasing. Fitch's assessment also considers that BanBajio provides consistent support to FIBA via a credit line and as a joint obligor for one of FIBA's main financing providers.

Rating Sensitivities

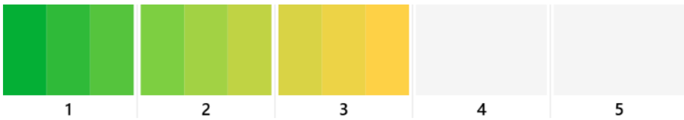
Factors that could, individually or collectively, lead to negative rating action/downgrade

- Any negative movement in FIBA's National Ratings would be driven by a negative action on BanBajio's National Ratings.
- A change in the entity's strategic importance to the bank could negatively affect FIBA's ratings.

Factors that could, individually or collectively, lead to positive rating action/upgrade

- Any positive movement in FIBA's National Ratings would be driven by a positive action on BanBajio's National Ratings.

Environmental, Social and Governance Considerations

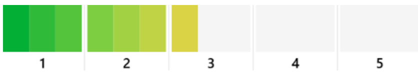


Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	N.A.	N.A.
Energy Management	1	N.A.	N.A.
Water & Wastewater Management	1	N.A.	N.A.
Waste & Hazardous Materials Management; Ecological Impacts	1	N.A.	N.A.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality

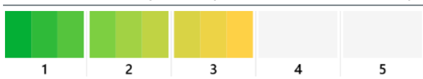
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile
Customer Welfare — Fair Messaging, Privacy & Data Security	3	Compliance risks incl. fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)
Employee Wellbeing	1	N.A.	N.A.
Exposure to Social Impacts	2	Shift in social or consumer preferences due to an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related-party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalization & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)



ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The panels underneath the relevance scores tables are visualizations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarize rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, due to either their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit: https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

DISCLAIMER & DISCLOSURES