FitchRatings

Banco Latinoamericano de Comercio Exterior, S.A.

Banks
Wholesale Commercial Banks
Panama

Ratings

Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F2
Viability Rating	bbb
Government Support Rating	ns

National Rating

National Long-Term Rating	AAA(pan)
National Short-Term Rating	F1+(pan)

Sovereign Risk (Panama)

Long-Term Foreign-Currency IDR	BB+
Country Ceiling	A+

Outlooks

Long-Term Foreign-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

National Scale Rating Criteria (December 2020)

Related Research

Latin American Banks Outlook 2025 (December 2024)

Fitch Affirms Bladex's IDR at 'BBB'; Outlook Stable (May 2025)

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Key Rating Drivers

Ratings Driven by Intrinsic Creditworthiness: Banco Latinoamericano de Comercio Exterior, S.A.’s (Bladex) IDR and national ratings are supported by the bank's inherent performance, captured in its 'bbb' Viability Rating (VR). The VR denotes Bladex's broad diversification by jurisdiction, notable business and funding profiles, and robust risk framework, which has translated into resilient financial performance. Fitch Ratings believes that these attributes, together with Bladex's extensive geographic diversification, should offset the effects of Panamanian operating environment (OE) risks, supporting its VR above Panama's sovereign rating (BB+/Stable).

Multi-Jurisdictional Operating Environment: Bladex stands out for its extensive geographic business diversification with presence in more than 25 countries, which it manages effectively. This diversification has helped Bladex navigate adverse conditions in the jurisdictions where it operates, contributing to a robust credit profile.

Robust and Consistent Business Profile: Bladex's intrinsic performance is evidence of its sound and well-developed business model, highlighted by a widely recognized regional franchise and a strong position in the sector it serves. Its robust corporate governance, experienced management team and deep industry knowledge have contributed to a solid track record of effectively executing its strategy. This has led to a stronger business profile and consistent financial performance. This has also supported Bladex's total operating income (TOI), which has shown growth, reaching USD304 million in 2024 (2023: USD266 million).

Outstanding Loan Quality: As of 1Q25, Bladex's nonperforming credits (NPLs; stage 3) to gross loan ratio remained robust and stable at 0.2%, equal to that of 2024. Fitch expects loan quality to remain consistent over the rating horizon. While the high debtor concentration inherent to Bladex's business model is well managed, it poses a potential risk of credit losses, which is factored into the asset quality factor assessment.

Improved Profitability: Profitability has shown an improving trend, driven by dynamic loan growth resulting in higher revenues, lower loan impairment charges and greater operational efficiencies, along with a slight reduction in the net interest margin (NIM). In 1Q25, this was reflected in a better operating profit to risk-weighted assets (RWA) ratio of 2.1%, compared with the 2021-2024 average of 1.5%. Fitch estimates that profitability will stabilize around the recent level, supported by the bank's strategy and continued operating efficiencies.

Steady Capitalization: In 1Q25, the common equity Tier 1 (CET1) to RWA ratio was 15.1%, down from 15.5% in 2024. This decrease was influenced by higher loan and RWA growth compared to the increase in equity. However, Fitch considers this a good level, providing Bladex with the flexibility to absorb losses. We estimate that the ratio will remain consistent with recent percentages.

Broadly Diversified Funding Profile; Solid Liquidity: Bladex's well-regarded and notable financing structure continued to grow, underpinned by a high-quality deposit base. Customer deposits increased their share of total funding, translating into an improved loan-to-deposit ratio of 149% as of 1Q25. This, coupled with Bladex's extensive funding options and access to international markets, including contingent resources, has enhanced its financing profile. Fitch's liquidity assessment heavily weighs the bank's high-quality liquid balance sheet, providing room to withstand stress scenarios.

Rating Sensitivities

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

- Bladex's ratings could be downgraded if the risks of the OE materially increase, resulting in a significant deterioration in loan portfolio quality and profitability that pressures the CET1 to RWA ratio to a level consistently below 13.0%.
- A change in the bank's risk profile that results in an increased exposure to higher-risk countries or sectors — weakening Fitch's assessment of its OE as well as the perceived strength of its business profile — could trigger a downgrade of its ratings.

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

- Bladex's ratings could be upgraded if its asset diversification strategy consistently sustains an improvement in the OE weighted score, which, in turn, keeps the CET1 to RWA ratio steadily above 17%, while maintaining an operating profit to RWA metric of no less than 2%.
- Material reductions in concentrations per debtor, along with a consistent improvement in the OE weighted score, also could improve Fitch's assessment of the bank's asset quality and risk profile, benefiting the VR.
- Bladex's national ratings are at the highest level of the rating scale and, therefore, have no upside potential.

Other Debt and Issuer Ratings

Rating level	Rating
Panama: Long-Term Senior Unsecured Debt	AAA(pan)
Panama: Short-Term Senior Unsecured Debt	F1+(pan)
Mexico: Long-Term Senior Unsecured Debt	AAA(mex)
Mexico: Short-Term Senior Unsecured Debt	F1+(mex)

Source: Fitch Ratings

Key Rating Drivers

Senior Debt - Panama: The bank's senior unsecured debt issued in the Panamanian market is rated at the same level as Bladex's national ratings, as Fitch considers its likelihood of default is equal to that of the rest of the bank's senior unsecured obligations.

Senior Debt - Mexico: Bladex' debt issuances in Mexico are rated at 'AAA(mex)' and 'F1+(mex)' for the long and short term, respectively. This debt is not guaranteed; therefore, it ranks as equal with other Bladex debt. The bank's senior unsecured debt national ratings reflect Bladex's intrinsic creditworthiness compared to other entities rated in the Mexican market.

Rating Sensitivities

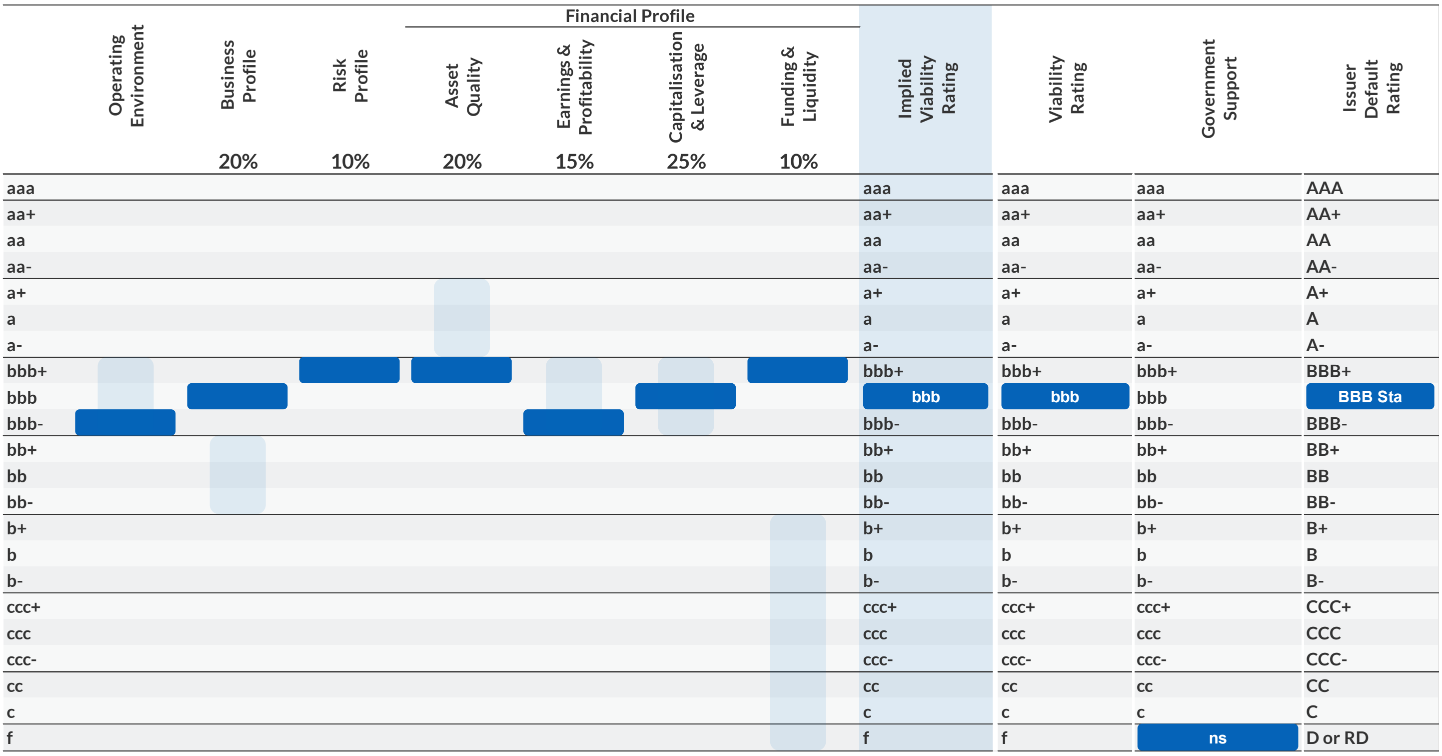
Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- The senior unsecured debt national ratings in Panama would be downgraded, following a downgrade of Bladex's national ratings.
- The senior unsecured debt National Long-Term Rating in Mexico could potentially be downgraded in the event of a downgrade of Bladex's Long-Term IDR, while the National Short-Term Rating could decrease by a multinotch downgrade of Bladex's IDR. National ratings indicate credit quality relativities within a jurisdiction, which, in this case, are relative to other debt issuers in Mexico.

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

- There is no upside potential of the senior unsecured debt national ratings, both in Panama and Mexico, since the debt ratings are at the highest level of the national rating scale.

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.

VR - Adjustments to Key Rating Drivers

The Business Profile Score of 'bbb' has been assigned above the 'bb' category implied score due to the following adjustment reasons: Business model (positive), market position (positive) and management, governance and strategy (positive).

The Asset Quality Score of 'bbb+' has been assigned below the 'a' category implied score due to the following adjustment reason: Concentrations (negative).

The Funding and Liquidity Score of 'bbb+' has been assigned above the 'b & below' category implied score due to the following adjustment reasons: Liquidity coverage (positive) and non-deposit funding (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Bladex's wide geographic diversification allows it to access the dynamics, macroeconomic conditions and development of different financial markets, gaining greater advantages and achieving a sound franchise and economies of scale compared to other specialized institutions that rely on a single jurisdiction or have less geographic coverage. As of 1Q25, Brazil, Mexico and Guatemala were the countries with the greatest exposure, while the U.S. accounted for about 21% of its earning assets, part of which corresponded to deposits at the Federal Reserve Bank of New York. Furthermore, the bank's regulatory and legal framework is more robust than that of most of its peers in the region, having to comply with regulatory issues in different countries, which requires adherence to best practices.

The bank has effectively managed its diversification, supported by its strong regional knowledge and great ability to rapidly adjust its portfolio across OEs, balancing opportunities and risks, while maintaining a resilient financial profile. In 2025, a slight slowdown in real GDP is expected in Latin America, although the agency believes the bank will continue to leverage its execution capabilities and knowledge of the markets it serves to strengthen its performance. Fitch assesses Bladex's blended OE by weighting total earning assets by location, which has resulted in a 'bbb-' score, primarily achieved in recent years.

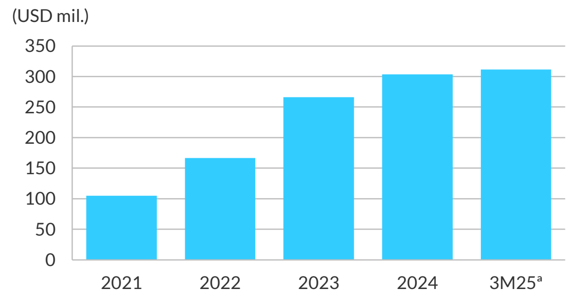
Business Profile

Bladex’s specialized and well-developed business model, essentially focused on short-term loans to top-tier clients, has driven a significant recognition in the markets it serves. Its solid track record has fostered privileged and long-lasting relationships with large institutions on both sides of the balance sheet, positively affecting its business profile. Its distinctive model provides flexibility, and this has been reflected in consistent earnings through economic cycles and a TOI that, while lower compared to that of peers, is growing.

Bladex's proven execution capability, rebalancing portfolio composition relatively quickly and efficiently, has translated into a stronger business profile. The bank also complements its loan portfolio with high-quality, liquid investments, providing a risk diversification tool outside of Latin America. The structural concentration by debtor and depositor, which further exposes Bladex's performance to regional economic conditions, has been successfully managed, as the bank continues to expand its revenue base without changing its risk profile. In 1Q25, loans to corporations represented the largest proportion (52%), while, by industry, loans to financial institutions were the largest.

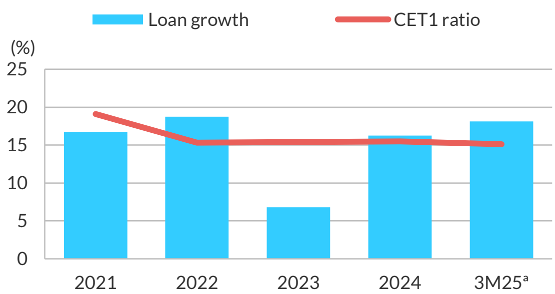
Bladex's strong corporate governance framework and management team are commensurate with the complexity of its business model. Its senior management has extensive experience, depth and credibility, consistent with a regional institution. As part of its strategic plan, the bank has strengthened its structure and personnel, as well as its technological tools and platforms, automating processes to achieve greater efficiency and prepare for further expansion in the near future.

Total Operating Income



[a] Annualized
Source: Fitch Ratings, Fitch Solutions, Bladex

Loan Growth



[a] 3M25: Year-on-year growth
Source: Fitch Ratings, Fitch Solutions, Bladex

Risk Profile

The bank's conservative risk appetite is evident in its performance, maintaining a high-quality client profile and supported by a solid risk management framework. Its underwriting, portfolio management and collection standards have resulted in notable credit quality, which is expected to continue over the rating horizon. Its risk control framework is robust and consistent with its operations, with an infrastructure that has allowed for close monitoring to assess existing risks and mitigate them as much as possible. Its exposures are targeted according to its strategy, which has proven effective in adverse foreign trade times.

As of December 2024, loan growth resumed its momentum, reaching 16.2%, after the 6.8% in 2023. As of 1Q25, loan growth continued, increasing 18.1% yoy. For 2025, we estimate that expansion will moderate, given the prevailing uncertainty and challenges in the environment. The bank has been cautious in its growth, laying the groundwork for its future expansion through the consolidation of its commercial strategy and consistent profile.

The bank uses derivative instruments to reduce its exposure to market risk, reflecting its prudent management. Sensitivity to interest rate movements has been effectively managed, with low and controlled effects on the bank's results and equity. Foreign exchange risk is mitigated, as most loans are denominated in dollars. The risk of investment price fluctuations is low, as most of the portfolio is held to maturity to generate interest income. Furthermore, operational risk management reflects sound execution, with losses from this type of risk remaining modest.

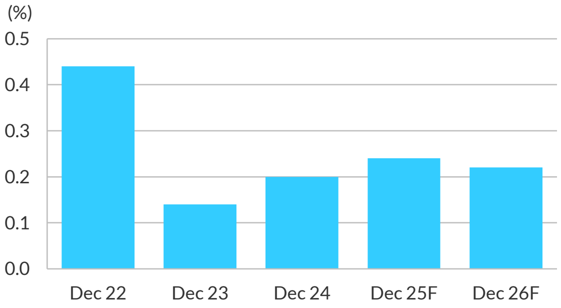
Financial Profile

Asset Quality

The bank's outstanding loan quality is underpinned by its sound risk management framework, consistent underwriting standards, and effective monitoring and collections. As of 1Q25, the NPL metric was 0.2%, while the NPL reserves continued to be high, reaching approximately 442% (2024: 460%). While the bank's loan portfolio is geographically diversified, its business model entails a high concentration by debtor, which, while slightly reduced in recent years, is considered a potential risk of loan deterioration.

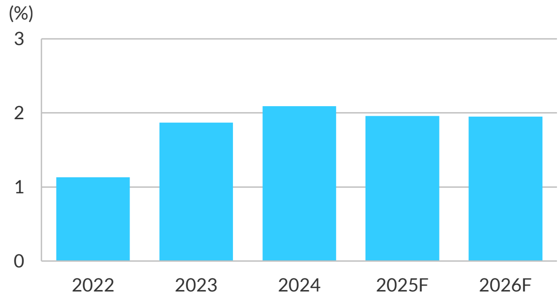
As of 1Q25, the investment portfolio represented 10.2% of total assets, increasing the bank's diversification toward higher credit quality instruments in countries outside of Latin America and investment-grade securities with short- and medium-term maturities. This underscores Bladex's practice and commitment to maintaining high-quality assets, while also balancing profitability.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, Bladex

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, Bladex

Earnings and Profitability

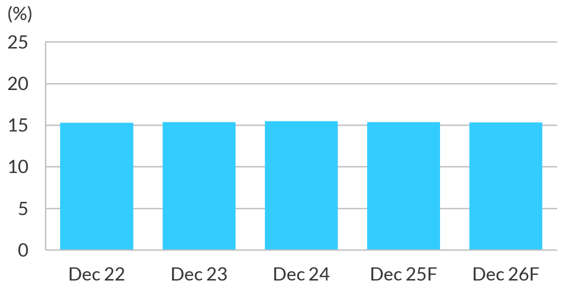
As of 1Q25, profitability reached an operating profit to RWA of 2.1%. Fitch estimates this performance will continue in the near future, driven by the bank's strategic initiatives and the addition of new clients, expanding the revenue base. Interest income remained dynamic, and although there was a slight decrease in NIM, which was 2.3% versus 2.6% in 2024, the bank has demonstrated effective interest rate management and an optimal risk/return ratio. Fees, which represent the bank's main non-interest income, continued to grow, boosting profitability to a certain extent.

Bladex continued to gain operating efficiencies, despite increased expenses related to its strategic plan. Non-interest expenses represented 26.9% of gross revenues in 1Q25 (2024: 26.5%). The agency expects this ratio to remain at levels similar to those observed recently, driven by strict expense controls and the realization of the measures implemented in recent years. As of 1Q25, the loan impairment charges relative to pre-impairment operating profit was 9.1%, compared with 7.8% in 2024. The agency expects the impairment ratio to normalize, driven by moderate credit growth and expectations of steady loan quality.

Capitalization and Leverage

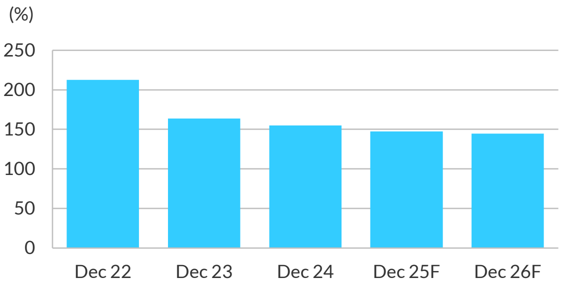
The agency forecasts that the CET1 to RWA ratio will remain consistent with recent percentages, supported by moderate loan and RWA growth, steady internal capital generation and regular quarterly dividend payments. The capital adequacy ratio stood at 13.5% in 1Q25, similar to 13.6% in 2024, providing an additional cushion to the regulatory minimum. In its capitalization assessment, the agency favorably factors the bank's high reserves, which provide flexibility in the face of adverse events.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, Bladex

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, Bladex

Funding and Liquidity

Bladex's strong franchise and broad market recognition have contributed to a highly diversified funding profile, which also favors funding costs and gives it the flexibility to address challenges in the jurisdictions where it has exposure. The bank continued to increase customer deposits, reflecting its strategy of seeking greater granularity. As of 1Q25, they grew 24% yoy, raising their share of total funding to nearly 57%. This has reduced the concentration risk that characterizes the funding structure, which, in Fitch's view, is mitigated by the stability and nature of the depositors. The bank complements its funding options with available credit lines, debt issuances, and long-term relationships with a large number of correspondents and multilateral institutions around the world.

The bank's high-quality liquid balance sheet, with easily realizable assets, has been consistent with its operations, giving flexibility and advantages in the current global environment. In 1Q25, liquid assets represented 15% of assets and 31.6% of deposits, while the LCR was 150.4%, above the regulatory requirement. A portion of these assets are placed with the U.S. Federal Reserve (67%) and are complemented by high-quality bond instruments. The bank's assets and liabilities composition has contributed to a narrower maturity mismatch, providing room in stress scenarios.

Additional Notes on Charts

The forecasts (F) in the charts in this section reflect Fitch's forward view of the bank's core financial metrics, per its "Bank Rating Criteria." They are based on a combination of Fitch's macroeconomic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may differ materially from the guidance provided to the market by the rated entity.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalizations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Financials

Summary Financials and Key Ratios

	March 31, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
	Three Mos. - First Quarter	Year End	Year End	Year End
	(USD Mil.)	(USD Mil.)	(USD Mil.)	(USD Mil.)
	Unaudited	Audited - Unqualified	Audited - Unqualified	Audited - Unqualified
Summary Income Statement				
Net Interest and Dividend Income	65	259	233	148
Net Fees and Commissions	11	44	33	20
Other Operating Income	2	0	0	-1
Total Operating Income	78	304	266	167
Operating Costs	21	81	72	55
Pre-Impairment Operating Profit	57	223	194	112
Loan and Other Impairment Charges	5	17	28	20
Operating Profit	52	206	166	92
Other Non-Operating Items (Net)	N.A.	N.A.	N.A.	N.A.
Tax	N.A.	N.A.	N.A.	N.A.
Net Income	52	206	166	92
Other Comprehensive Income	3	-7	-1	20
Fitch Comprehensive Income	55	199	166	112
Summary Balance Sheet				
Assets				
Gross Loans	8,787	8,462	7,280	6,816
- Of which Impaired	18	17	10	30
Loan Loss Allowances	77	78	59	55
Net Loan	8,710	8,384	7,221	6,760
Interbank	1,899	1,961	2,044	1,234
Derivatives	33	22	157	68
Other Securities and Earning Assets	1,276	1,202	1,022	1,024
Total Earning Assets	11,918	11,569	10,444	9,086
Cash and Due from Banks	0	3	3	8
Other Assets	477	287	296	190
Total Assets	12,395	11,859	10,744	9,284
Liabilities				
Customer Deposits	5,902	5,462	4,451	3,205
Interbank and Other Short-Term Funding	1,693	1,855	2,035	2,495
Other Long-Term Funding	2,770	2,699	2,627	2,222
Trading Liabilities and Derivatives	111	142	41	34
Total Funding and Derivatives	10,476	10,157	9,154	7,956
Other Liabilities	548	364	386	258
Preference Shares and Hybrid Capital	N.A.	N.A.	N.A.	N.A.
Total Equity	1,371	1,337	1,204	1,069
Total Liabilities and Equity	12,395	11,859	10,744	9,284
Exchange Rate	USD1 = USD1	USD1 = USD1	USD1 = USD1	USD1 = USD1

N.A. – Not applicable
Source: Fitch Ratings, Fitch Solutions, Bladex

Summary Financials and Key Ratios

	March 31, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Ratios (%, Annualized as Appropriate)				
Profitability				
Operating Profit/Risk-Weighted Assets	2.1	2.1	1.9	1.1
Net Interest Income/Average Earning Assets	2.3	2.6	2.4	1.7
Non-Interest Expense/Gross Revenue	27.0	26.5	27.2	33.1
Net Income/Average Equity	15.5	16.2	14.7	9.0
Asset Quality				
Impaired Loans Ratio	0.2	0.2	0.1	0.4
Growth in Gross Loans	3.9	16.2	6.8	18.7
Loan Loss Allowances/Impaired Loans	441.7	460.0	588.1	183.4
Loan Impairment Charges/Average Gross Loans	0.2	0.2	0.4	0.2
Capitalization				
Common Equity Tier 1 Ratio	15.1	15.5	15.4	15.3
Fully Loaded Common Equity Tier 1 Ratio	N.A.	N.A.	N.A.	N.A.
Fitch Core Capital Ratio	N.A.	N.A.	N.A.	N.A.
Tangible Common Equity/Tangible Assets	11.0	11.3	11.2	11.5
Basel Leverage Ratio	9.8	9.8	9.7	9.7
Net Impaired Loans/Common Equity Tier 1	-4.9	-5.1	-4.6	N.A.
Net Impaired Loans/Fitch Core Capital	N.A.	N.A.	N.A.	N.A.
Funding and Liquidity				
Gross Loans/Customer Deposits	148.9	154.9	163.6	212.6
Gross Loans/Customer Deposits + Covered Bonds	N.A.	N.A.	N.A.	N.A.
Liquidity Coverage Ratio	150.4	264.6	205.8	167.5
Customer Deposits/Total Non-Equity Funding	56.9	54.5	48.8	40.5
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable
Source: Fitch Ratings, Fitch Solutions, Bladex

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	bb+ or bb
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	BB+/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Negative
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Negative
Ownership	Negative

The colors indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

Key Rating Drivers

GSR: Bladex's 'ns' Government Support Rating (GSR) indicates that external support, while possible, cannot be relied upon. This is because of Fitch's view of Panama's limited ability to support the banking system and domestic-systemically important banks, primarily due to its large size relative to the local economy and the lack of a lender of last resort.

Rating Sensitivities

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

- Given the GSR is at the lowest level of the scale, there is no downside potential for this rating.

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

- As Panama is a dollarized country with no lender of last resort, an upgrade of Bladex's GSR is unlikely.

Environmental, Social and Governance Considerations

FitchRatings **Banco Latinoamericano de Comercio Exterior, S.A.** Banks Ratings Navigator

Credit-Relevant ESG Derivation

Banco Latinoamericano de Comercio Exterior, S.A. has 5 ESG potential rating drivers

- Banco Latinoamericano de Comercio Exterior, S.A. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
not a rating driver	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
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	1

How to Read This Page
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 ESG general issues 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 the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
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	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
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; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

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 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 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 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, either due to 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.

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