

**CREDIT OPINION**

27 August 2024

Update



**RATINGS**

**Banco del Bajío, S.A.**

Domicile	Leon, Guanajuato, Mexico
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

**Contacts**

Rodrigo Marimon +52.55.4840.1315  
Bernales  
AVP-Analyst  
rodrigo.bernales@moodys.com

Saul Atlatenco +52.55.1253.5735  
Sr Ratings Associate  
saul.atlatenco@moodys.com

Felipe Carvallo +52.55.1253.5738  
VP-Sr Credit Officer  
felipe.carvallo@moodys.com

» *Contacts continued on last page*

**CLIENT SERVICES**

Americas 1-212-553-1653  
Asia Pacific 852-3551-3077  
Japan 81-3-5408-4100

**Banco del Bajío, S.A.**

Update following affirmation, outlook remains stable

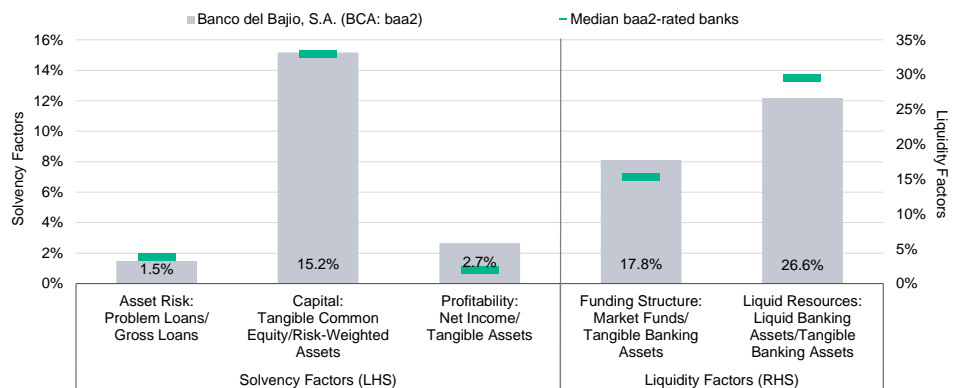
**Summary**

[Banco del Bajío, S.A.](#)'s (BanBajío) baa2 baseline credit assessment (BCA) and Baa2 long-term deposit ratings incorporate our expectation that the bank's commitment to disciplined risk management will preserve its strong asset quality and counterbalance its sectorial concentration, as it gradually diversifies its sources of income and operational expansion over the next 12-18 months. In turn, BanBajío's robust profitability, supports its high and stable core capitalization metrics. The affirmation of the baa2 BCA also incorporates gradual improvements in the bank's still-concentrated funding base, which has historically relied on deposits from its corporate clients. While the weakened economic growth anticipated for 2024 in Mexico will likely reduce business volumes, and, thus, future earnings, we expect that the bank's long-track record of disciplined credit risks management will support asset quality metrics.

The deposit ratings benefit from our assessment of moderate support from the [Government of Mexico](#) (Baa2 stable) reflecting BanBajío's regional importance and visibility in the states of the Bajío region of central Mexico.

Exhibit 1

**Rating Scorecard - Key financial ratios**  
As of June 2024



For the asset risk and profitability ratios, we calculate the average of the three latest year-end numbers and the latest quarterly data, if available, and the ratio used is the weaker of the average and the latest period. For the capital ratio, we use the latest reported figure. For the funding structure and liquid resources ratios, we use the latest year-end figures.  
Source: Moody's Financial Metrics

## Credit strengths

- » Strong capitalization despite dividend payments and loan growth
- » Lower than system-average asset risks, reflected by the bank's low delinquencies, and ample reserve and collateral-and-guarantees coverage
- » Profitability supported by stable margins, efficient operations and low than system's credit costs
- » BanBajío is best prepared to attend Nearshoring's increasing demand, based on both their market focus and capital capacity

## Credit challenges

- » Limited, yet increasing diversification beyond commercial lending, and regional and sectorial concentrations are high
- » Higher-than-average direct corporate credit exposures to agriculture of 15%, above system's average of 4%

## Outlook

The stable outlook on BanBajío's ratings incorporates our expectation that the bank's commitment to disciplined risk management will preserve its strong asset quality and counterbalance its sectorial concentration, as it gradually diversifies its sources of income and operational expansion over the next 12-18 months. In turn, BanBajío's robust profitability, supports its high and stable core capitalization metrics.

## Factors that could lead to an upgrade

There are limited upward pressures to BanBajío's ratings at this point because the BCA and deposits are already at the level of Mexico's sovereign rating.

## Factors that could lead to a downgrade

Conversely, BanBajío's BCA and deposit ratings could be lowered in case asset risks unexpectedly rise and/or capitalization falls significantly, adding significant pressuring its financial profile. Moreover, if Mexico's sovereign rating were to be downgraded, BanBajío's ratings and assessments would also be downgraded.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Banco del Bajío, S.A. (Consolidated Financials) [1]

	06-24 <sup>2</sup>	12-23 <sup>2</sup>	12-22 <sup>2</sup>	12-21 <sup>2</sup>	12-20 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (MXN Billion)	353.2	344.3	311.2	275.5	275.7	7.3 <sup>4</sup>
Total Assets (USD Billion)	19.3	20.3	16.0	13.4	13.8	10.0 <sup>4</sup>
Tangible Common Equity (MXN Billion)	39.8	40.7	36.3	37.4	35.0	3.7 <sup>4</sup>
Tangible Common Equity (USD Billion)	2.2	2.4	1.9	1.8	1.8	6.3 <sup>4</sup>
Problem Loans / Gross Loans (%)	1.5	1.4	1.2	1.1	1.0	1.2 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	15.2	16.5	14.9	18.5	16.8	16.4 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	8.1	7.0	6.5	5.2	5.3	6.4 <sup>5</sup>
Net Interest Margin (%)	6.8	7.1	5.8	4.2	4.5	5.7 <sup>5</sup>
PPI / Average RWA (%)	6.8	7.3	5.4	3.5	3.5	5.3 <sup>6</sup>
Net Income / Tangible Assets (%)	3.2	3.2	2.6	1.8	1.2	2.4 <sup>5</sup>
Cost / Income Ratio (%)	33.7	32.7	37.5	49.8	47.7	40.3 <sup>5</sup>
Market Funds / Tangible Banking Assets (%)	14.8	17.8	17.9	17.1	21.3	17.7 <sup>5</sup>
Liquid Banking Assets / Tangible Banking Assets (%)	25.5	26.6	23.8	24.3	23.4	24.7 <sup>5</sup>
Gross Loans / Due to Customers (%)	101.1	103.4	108.1	108.2	112.7	106.7 <sup>5</sup>

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime.

[6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

## Profile

Banco del Bajío, S.A. (BanBajío) is a Mexican bank headquartered in León, Guanajuato. BanBajío reported assets of about \$19.4 billion as of June 2024. The bank ranked as the eighth-largest bank in the country by total loans, holding a 3.5% market share, and ninth in deposits, with a 2.6% market share in June 2024. BanBajío focus on lending to corporates and medium-sized enterprises mainly related to the agribusinesses and manufacture supply chains in the industrialized and high-growth western and central regions of Mexico, particularly the Bajío region.

BanBajío has a notably higher market share in corporate lending within the northern and central states of Mexico, benefiting from its well-established and strategically positioned franchise. In recent years, the bank has increasingly diversified its geographic footprint across different Mexican states, where it has proved its ability to replicate its franchise and plans to maintain this strategy by continuing its national expansion. As of June 2024, BanBajío was the seventh-largest corporate lender.

## Detailed credit considerations

### Strong collateral and guarantees offset sectoral and geographical concentration

Although BanBajío exhibits high sectoral and geographical concentration, its portfolio is centered on credits with robust collateral structures, including guarantees from state-owned development banks, which will help the bank to contain any potential asset risk volatility. Supported by disciplined risk management and close client relationships, BanBajío's asset quality favorably compares with its larger, more diversified peers, despite greater exposure to commercial middle-market and SME loans, and increased growth in the consumer segment.

The bank is focused on expanding its diversification by offering a broader array of products to its current clients and enlarging its presence across the country, in anticipation of a gradual increase in corporate credit demand through 2025. Conversely, we expect that any potential deterioration in asset quality will be manageable, mainly due to specific challenges within the agro-export and real estate sectors.

BanBajío's loan quality remained strong with nonperforming loan ratio at 1.5% as of June 2024, below the system average of 2.0% in March 2024. Additionally, BanBajío maintains adequate reserve coverage of 1.5x nonperforming loans in June 2024. Guarantees coverage from FIRA represent 60% of its agricultural loans in June 2024.

While loan concentration remains high at BanBajío, it primarily involves corporate clients with strong credit quality and longstanding relationships with the bank, and it has shown a reduction over the past five years. The top 20 loans now amount to 0.9x tangible common equity as of June 2024, a decrease from 1.1x in 2020. Concurrently, BanBajío's exposure to the agricultural sector is notably higher than the average among its peers, rendering the bank more susceptible to increased loan seasoning and volatility. This volatility is driven by climatic phenomena, delinquency rates, and the ongoing US-Mexico trade renegotiations. Specifically, agribusiness loans constitute 12% of BanBajío's gross loans as of June 2024, significantly above the 2% industry average in May 2024.

BanBajío continues to execute a growth strategy aimed at diversifying its earnings sources, positioning itself for growth rates surpassing those of its peers. In the twelve months ending in June 2024, the loan book witnessed a 10.4% expansion, with corporate and SME loans increasing by 12.1%, and consumer loans by 35%. BanBajío's has been growing its corporate business by broadening its product offerings to existing clients and expanding geographically into Mexico City, while also tapping into the increasing credit demand spurred by nearshoring activities within the country. Parallely, the bank's consumer high loan growth is significantly driven by effective cross-selling strategies among its current clientele, serving as a mechanism to mitigate related risks. BanBajío projects its overall loan growth to be between 9% and 12% by the close of 2024.

### High capitalization has been a historical strength for BanBajío's financial profile

Robust capitalization remains a key strength for BanBajío's financial profile supported by the bank's robust profitability that drives a strong organic capital generation. Our preferred capital ratio of tangible common equity to adjusted risk-weighted assets stood at 15.2% in June 2024, from 16.5% in December 2023, a modest fall that reflected high dividend payments made in Q2 2024 and strong growth of loan portfolio.

The MXN 6.6 billion (around \$350 million) dividends declared to be paid in Q2 and Q3 of 2024 represented roughly 60% of the bank's 2023 net income, in line with its historical average of dividend payouts. The regulatory capital ratio stood at 14.6% in June 2024, and the bank expects to remain around 15-16% levels.

### Rise in interest margins and earnings diversification will support improved levels of profitability

BanBajío's profitability has significantly improved over the past five years, fueled by the ongoing strategic diversification of income sources and operational expansion, which has resulted in a rise in interest margins, and coupled with sound levels of loan growth, and low provisions for loan losses. However, we anticipate a potential decline in BanBajío's profitability in H2 2024 and 2025, due to lower interest rates and an expected decrease in activity compared to the previous two years. Despite these challenges, we expect the bank to sustain its enhanced profitability levels.

Still, in the first six months of 2024, BanBajío's net income was MXN 5.6 billion, which represented a lowdown in its growth rates, 2.8% increase from the MXN5.4 billion reported during the same period in 2023, as a result of stabilization margins and higher loan loss provisions. The bank's net interest margin decreased to 6.8% in June 2024 from 7.1% in June 2023, but was higher than the 5.5% in 2019 year-end, before the pandemic, mainly because of higher interest income. Moreover, increasing fee income is mainly composed of insurance and FX brokerage commissions. Non-interest income expanded 35% in the twelve months ending in June 2024 and currently represents 13% of net revenues. As a result, the bank's net income/tangible assets stood at 3.2% as of June 2024 from 3.4% in June 2023.

Since the significant provisioning made during the pandemic, loan-loss provisions have remained low as loan loss reserves and additional reserves remain at strong levels. BanBajío's focus on corporate business and disciplined risk management has resulted in exceptionally low loan-loss provisioning, outperforming its larger peers in the Mexican banking sector. Loan loss provisions represented a 9.4% of pre-provision income and only 0.7% of gross loans as of June 2024, below the system's 32% and 2.5% reported in March 2024.

BanBajío's efficiency is very high and well above its peers as the transactions made through digital channels have increased and operating expenses expanded below inflation. Cost-to-income ratio stood at 33.7% as of June 2024, versus the system's 47.7% as March 2024. Operating costs are also low compared with assets, at 2.5% in June 2024, well below the system's 3.7% as of March 2024.

### Liquidity and funding have improved, but stay concentrated

Liquidity and funding have seen enhancement over the past two years, thanks to the bank's efforts towards diversification of resources and maintaining a high cash reserve for expansion. While there will be ongoing gradual improvements, the bank's funding base remains concentrated, primarily depending on deposits from corporate clients.

Deposits increased around 11% annually as of June 2024, which was slightly above the loan growth pace, leading to a still low loan-to-deposit ratio of 101.1% as of June 2024.

The bank's market funding ratio excluding repos decreased slightly to 12.8% of tangible banking assets as of June 2024 from 13.9% as of June 2023. Moreover, market funding comes from development banks, which reduces funding risks.

BanBajío's liquid banking assets adjusted for repos to tangible banking assets is moderate at 23.8% as of June 2024, below that of its peers we rate similarly. Its LCR ratio stood at 134.5% and its NSFR ratio stood at 117.9% in June 2024. Moreover, cash and securities valued at market prices represented 90% of total liquid assets and liquid securities valued at amortized cost represented 10% of liquid assets.

### Banks' growth will benefit from low credit penetration

Mexico's [Moderate+ Macro Profile](#) highlights the country's large and diversified economy, moderate income levels and modest economic growth. Our assessment also takes into account the quality of government institutions, which has been more in line with that of lower-rated countries, despite Mexico's effective fiscal and monetary policymaking. Proposed constitutional changes and weaker intervention powers for the judicial system add to regulatory and law-enforcement ambiguity. The overwhelming majority in Congress of president-elect Claudia Sheinbaum's legislative coalition would enable it to pass constitutional reforms.

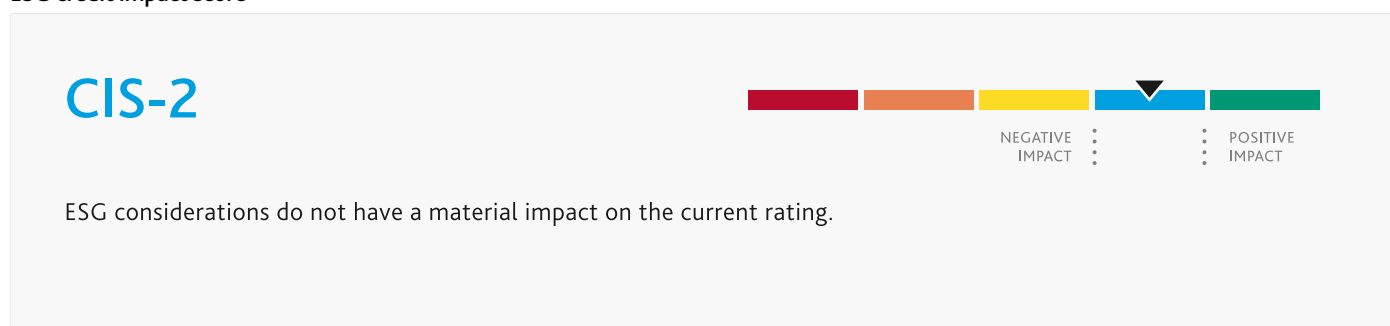
Banks in Mexico benefit from ample and stable core deposit base and a relatively concentrated banking system that supports banks' pricing power, despite increasing competition from new, more innovative entrants. Low credit penetration increases opportunities for banks and new entrants to expand their loan books despite modest economic growth. Delinquencies remain stable and at low levels, related to global averages but challenges regarding the enforcement of collateral and lengthy bankruptcy resolution processes continue to be reflected in high levels of write-offs across the banking system and low credit penetration. Disruption from the country's large development banks and other government entities is limited, as these institutions [will continue to mainly focus](#) on their public-policy mandates.

## ESG considerations

### Banco del Bajío, S.A.'s ESG credit impact score is CIS-2

Exhibit 3

#### ESG credit impact score

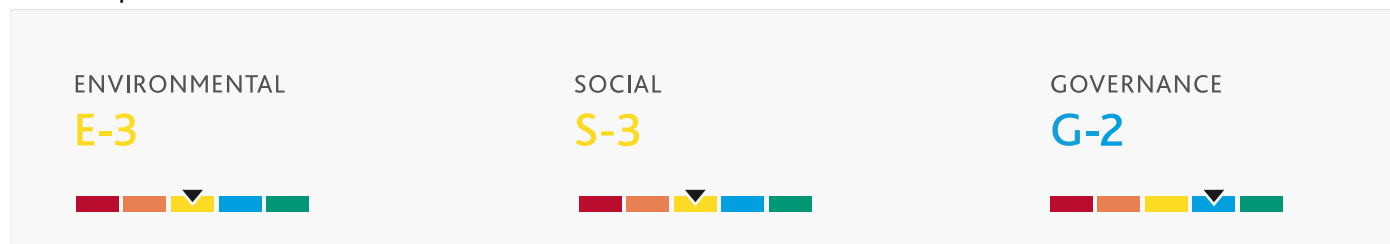


Source: Moody's Ratings

BanBajío's ESG Credit Impact Score is neutral-to-low (**CIS-2**). This reflects the limited credit impact of environmental and social factors on the rating to date, and the low governance risks. Ample and proven risk management that focuses on collateralized and guaranteed lending compensates for the risks arising from its concentrated ownership.

Exhibit 4

## ESG issuer profile scores



Source: Moody's Ratings

### Environmental

BanBajío faces moderate exposure to environmental risks because of its portfolio exposure to carbon transition risk as a mainly corporate bank in Mexico; and high direct and indirect exposures to loans with an agriculture and agribusiness component that represent about a third of its loans, which exposes the bank to higher physical climate risks (for example, droughts). The bank mitigates these risks by maintaining high levels of guarantees provided by development banks and requires adequate access to water rights for potential borrowers. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals.

### Social

BanBajío faces moderate industrywide social risks related to customer relations. The bank's concentration in corporate lending in Mexico limits social risks. As one of the few small and medium-sized company lender in the country, opportunities from financial inclusion and the growing young population of the country are reflected in a better-than-industry average exposure to demographic and societal trends, with a score of neutral-to-low.

### Governance

BanBajío has neutral-to-low governance risks, and its risk management, policies and procedures are in line with industry best practices. While the bank has a concentrated ownership, the associated risks are mitigated by management's clear financial strategy and ample risk management that has served to limit risks during past crises. Its management team has set a measured goal of expansion that will allow it to limit single-borrower concentrations.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Support and structural considerations

### Government support considerations

We assess a moderate probability of support from the [Government of Mexico](#) (Baa2 stable) for BanBajío's deposits. Our support assumption reflects BanBajío's regional importance and visibility in the states of the Bajío region of central Mexico, and the significant systemic consequences of a hypothetical unsupported failure.

However, our government support assessment no longer translates into ratings uplift.

## Methodology and scorecard

### About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

## Rating methodology and scorecard factors

Exhibit 5

### Rating Factors

Macro Factors								
Weighted Macro Profile	Moderate	100%						
	+							
Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2		
Solvency								
Asset Risk								
Problem Loans / Gross Loans	1.5%	a3	↔	baa3	Sector concentration	Loan growth		
Capital								
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	15.2%	a3	↔	a3	Stress capital resilience	Expected trend		
Profitability								
Net Income / Tangible Assets	2.7%	a1	↔	baa1	Expected trend			
Combined Solvency Score	a3		baa1					
Liquidity								
Funding Structure								
Market Funds / Tangible Banking Assets	17.8%	baa2	↔	baa3	Deposit quality			
Liquid Resources								
Liquid Banking Assets / Tangible Banking Assets	26.6%	baa2	↔	baa3	Quality of liquid assets			
Combined Liquidity Score	baa2		baa3					
Financial Profile	baa2							
Qualitative Adjustments				Adjustment				
Business Diversification				0				
Opacity and Complexity				0				
Corporate Behavior				0				
Total Qualitative Adjustments				0				
Sovereign or Affiliate constraint				Baa2				
BCA Scorecard-indicated Outcome - Range				baa1 - baa3				
Assigned BCA				baa2				
Affiliate Support notching				0				
Adjusted BCA				baa2				

**Balance Sheet is not applicable.**

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF	Assigned LGF	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	-	-	-	-	-	-	-	1	0	baa1
Counterparty Risk Assessment	-	-	-	-	-	-	-	1	0	baa1 (cr)
Deposits	-	-	-	-	-	-	-	0	0	baa2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	1	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	1	0	baa1 (cr)	0	Baa1(cr)	
Deposits	0	0	baa2	0	Baa2	Baa2

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

## Ratings

Exhibit 6

Category	Moody's Rating
<b>BANCO DEL BAJIO, S.A.</b>	
Outlook	Stable
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa2/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)

Source: Moody's Ratings



© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Calificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Contacts

Rodrigo Marimon +52.55.4840.1315  
 Bernales  
 AVP-Analyst  
 rodrigo.bernales@moodys.com

Felipe Carvallo +52.55.1253.5738  
 VP-Sr Credit Officer  
 felipe.carvallo@moodys.com

Saul Atlatenco +52.55.1253.5735  
 Sr Ratings Associate  
 saul.atlatenco@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454