

RATING ACTION COMMENTARY

Fitch Places BIB's and Multibank's LT IDRs on Rating Watch Evolving Following Merger Plans

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Fitch Ratings - Monterrey - 10 Nov 2025: Fitch Ratings places BAC International Bank, Inc.'s (BIB) Long-Term Issuer Default Rating (IDR) at 'BB+', Viability Rating (VR) at 'bb+', and its Long-Term National Rating and Long-Term debt ratings on Rating Watch Evolving (RWE), following the announcement of the planned acquisition of Multibank Inc. (Multibank), which Fitch rates at 'BB+' with a Negative Outlook, Short-Term IDR 'B', and VR 'bb-'.

Fitch has also placed the Long-Term IDR, Long-Term National Rating and Long-Term debt ratings of Multibank on RWE, and places Multibank's VR on Rating Watch Positive (RWP), reflecting moderate upside potential due to the benefits that could be generated if the transaction and planned merger are completed.

At the same time, Multibank's Shareholder Support Rating (SSR) was placed on Rating Watch Negative (RWN), reflecting the reduced importance of the bank to its current shareholder, Banco de Bogota, S.A. (Bogota).

The rating actions follow the Oct. 28, 2025, announcement that BAC International Corporation (BIC), the holding company of BIB, will convene a shareholder meeting to decide on relevant matters related to the purchase of a majority stake in Multi Financial Group Inc. (MFG) and its subsidiaries, including Multibank, from Bogota. The ratings of Bogota and its holding company Grupo Aval Acciones y Valores (Aval) are unaffected by the announcement.

BIB's and Multibank's Short-Term IDRs were placed on RWP, while their Short-Term National Ratings and Short-Term debt ratings were placed on RWN, reflecting potentially different directions of movement based on their current levels.

KEY RATING DRIVERS

Currently, BIB's IDRs and National Ratings are underpinned by its 'bb+' VR, which reflects the good performance of its six banking operations in Central America. BIB's VR also captures its consolidated business profile, with a strong risk management and framework contributing to its consistent financial performance.

At the same time, current Multibank IDRs and National Ratings are driven by potential support it would receive from its shareholder Bogota, if required, as reflected in its SSR of 'bb+'. The bank's Long-Term IDR and SSR are equalized with Bogota's Long-Term IDR, reflecting Fitch's assessment of a high propensity to provide support. Multibank's VR indicates an adequate business profile. However, despite the group benefits from Bogota, Multibank's financial performance has weakened.

Multibank is small relative to BIB's consolidated balance sheet, and preliminarily there appears to be a good strategic and competitive rationale for pursuing the transaction. The RWE reflects uncertainty stemming from limited information currently available on the expected terms of the transaction, including price and potential financing mechanism, which could affect BIB. In addition, it incorporates potential benefits that could materialize over a longer term into BIB's business profile and earnings generation. Some of this information may become available and/or clearer after the respective shareholders meetings in the coming weeks.

In the meantime, Fitch cannot rule out that the transaction could affect BIB's capital adequacy, as the latest capitalization metrics are relatively close to the sensitivities Fitch has set for a potential downgrade of BIB's VR and LT IDR. If the planned acquisition eventually entails significant debt or financing needs for BIB, and/or material goodwill is recognized, the ratings could face moderate downside risk.

Fitch expects any downside risk, if present, is likely to be limited to one notch from BIB's current ratings. Fitch will also assess execution risks and the potential effects on the combined entity's business and financial profile before resolving the RWE. Fitch will focus on the potential impact on combined profitability, given Multibank's narrower margins and earnings.

The RWE on Multibank's Long-Term ratings reflects potential convergence to BIB's final ratings after the transaction. The RWP on Multibank's VR indicates that the bank's standalone credit profile and potential benefits of the transaction are likely to converge toward BIB's VR at the time of merger, a process that could take more than six months.

RATING SENSITIVITIES

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

BIB

--BIB's IDR, VR and National Ratings could come under pressure if the transaction conditions weaken its capital levels, leading CET1 metric to remain consistently below 10% after the transaction is completed;

--A weaker assessment of BIB's blended Operating Environment (OE) by Fitch, due to a material deterioration in the OE of Central America's largest markets, could put pressure on BIB's IDR, VR and National Ratings;

--BIB's IDR, VR and National Ratings could also come under pressure if a significant deterioration in loan quality and persistent strain on profitability, levels that together with transaction and merger execution risk, result in an operating profit-to risk-weighted assets (RWA) ratio that remains below 1.5% on a sustained basis.

Multibank

--Multibank's IDR and SSR could be downgraded, mirroring downgrade of BIB's LT IDR, once BIB becomes a shareholder, or due to a reduced propensity of current parent, Bogota, to support Multibank before the transaction is completed;

--Multibank's VR could be downgraded if a sustained deterioration in asset quality further undermines the bank's financial performance and business profile, particularly if the transaction does not occur;

--BIB's and Multibank's Short-Term IDRs would only be downgraded if its Long-Term IDRs were downgraded to 'CCC+' or below.

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

BIB

--BIB's IDR, VR and Long-Term National ratings could be upgraded if the transaction strengthens bank's consolidated business profile and materially improves its overall financial performance, coupled with a relevant improvement in the OE score.

Multibank

--Multibank's RW could be removed if the transaction does not occur. In that case, the ratings would be affirmed at their current level, reflecting a Negative Outlook from current parent, Bogota;

--Positive rating actions on Multibank's VR could occur if the transaction proceeds without disruption, in which case the VR would converge with that of BIB's;

--BIB's and Multibank's Short-Term National Ratings have no upside potential because they are at the highest level of the rating scale.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

BIB

Senior Debt: The senior unsecured debt programs' National Ratings are aligned with BIB's National Ratings because Fitch considers the likelihood of default to be the same, given the absence of specific guarantees.

Junior Debt: The subordinated bond National Rating is four notches below the anchor rating, BIB's Long-Term National Rating, comprising a two-notch deduction for loss severity due to deep subordination, and two additional notches for incremental nonperformance risk, given the bonds' ability to omit noncumulative coupons.

Multibank

Senior Unsecured Debt: The ratings of Multibank's outstanding long-term global-scale and national-scale senior unsecured obligations are equal to the issuer's ratings because the obligations' likelihood of default is the same as Multibank's.

Subordinated Debt: The ratings of Multibank's outstanding long-term national scale subordinated obligations are two notches below the anchor ratings, the Long-Term National Scale Rating, reflecting loss severity given the instrument characteristics (no coupon flexibility).

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

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

BIB

--BIB's senior unsecured bonds' and subordinated perpetual bonds' National Ratings would be downgraded if BIB's National Ratings were downgraded.

Multibank

--Multibank's senior unsecured and subordinated debt would reflect any downgrade of the bank's ratings.

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

BIB

--BIB's senior unsecured bonds and perpetual subordinated bonds' National Ratings would be upgraded if BIB's National Ratings were upgraded.

Multibank

--Multibank's senior unsecured and subordinated debt would reflect any upgrade of the bank's ratings.

VR ADJUSTMENTS

BIB

The Operating Environment Score has been assigned at 'bb', below the implied score of 'bbb' due to the following adjustment reason: Geographical Scope (negative).

The Business Profile Score has been assigned at 'bbb-', above the implied score of 'bb' due to the following adjustment reason: Business Model (positive).

Multibank

The Operating Environment Score has been assigned at 'bb+', below the implied score of 'bbb', due to the following adjustment reason: Sovereign Rating (negative).

The Business Profile Score has been assigned at 'bb-', above the implied score of 'b', due to the following adjustment reason: Group Benefits and Risks (positive).

Sources of Information

The principal sources of information used in the analysis are described in the Applicable Criteria.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

Multibank's ratings derive from the support of Banco de Bogota.

ESG CONSIDERATIONS

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>.

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡			PRIOR ⚡
Multibank, Inc.	LT IDR	BB+	Rating Watch On	BB+ Rating Outlook Negative
	ST IDR	B Rating Watch Positive		B
	Rating Watch On			

	Natl LT	AA+(pan)	Rating Watch On	AA+ (pan) Rating Outlook Negative
	Natl ST	F1+(pan)	Rating Watch Negative	F1+(pan)
			Rating Watch On	
	Viability	bb-	Rating Watch Positive	bb-
			Rating Watch On	
				bb+
			Shareholder Support	
			bb+ Rating Watch Negative	
			Rating Watch On	
senior unsecured	LT	BB+	Rating Watch On	BB+
senior unsecured	Natl LT	AA+(pan)	Rating Watch On	AA+(pan)
subordinated	Natl LT	AA-(pan)	Rating Watch On	AA-(pan)
senior unsecured	Natl ST	F1+(pan)	Rating Watch Negative	F1+(pan)
			Rating Watch On	

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

[National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)

[Metodología de Calificaciones en Escala Nacional \(pub. 22 Dec 2020\)](#)

[Metodología de Calificación de Bancos \(pub. 28 Sep 2023\)](#)

[Future Flow Securitization Rating Criteria \(pub. 30 Jul 2024\) \(including rating assumption sensitivity\)](#)

[Bank Rating Criteria \(pub. 21 Mar 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Solicitation Status](#)

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ENDORSEMENT STATUS

Multibank, Inc.

EU Endorsed, UK Endorsed

BAC International Bank, Inc.

EU Endorsed, UK Endorsed

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