

Banco BOCOM BBM S.A.

Key Rating Drivers

IDRs Driven by SSR: Banco BOCOM BBM S.A.'s (BOCOM BBM) Issuer Default Ratings (IDRs) and National Ratings are driven by its Shareholder Support Rating (SSR) and reflect support from its ultimate parent, China's Bank of Communications Co., Ltd. (BOCOM; A/Stable).

Country Risk: BOCOM BBM's Long-Term (LT) Foreign Currency (FC) IDR is rated five notches below that of BOCOM's and is constrained by Brazil's 'BB+' Country Ceiling, while its LT Local Currency (LC) IDR is currently capped at two notches above Brazil's 'BB' LC sovereign rating. This reflects Fitch Ratings' view that BOCOM's ability to provide support to its subsidiary's senior creditors is linked to Brazilian sovereign risk and could be reduced in the event of extreme sovereign stress, despite the group's strategic commitment to the country.

Strategically Important: The support assessment incorporates Fitch's view that BOCOM BBM's activities in Brazil are strategically important to the parent. This was demonstrated by the group's efforts to deepen commercial activity through ordinary support, including funding and capital, as well as by BOCOM BBM's initiatives to increase synergies and operational integration with its parent. BOCOM owns close to 100% of BOCOM BBM, and the parent's IDRs are driven by the Chinese state's ownership of the bank and its systemic importance. Under Fitch's assessment, Chinese state support to BOCOM would flow through to BOCOM BBM if needed. BOCOM has a strong ability to provide support, as BOCOM BBM's size is modest relative to the overall group.

Operating Environment at 'bb': Fitch expects growth to decelerate further in 2026 to 1.9% (2025: 2.3%) on the lagged effect of tight monetary policy and the waning of past fiscal impulse, but supported by a resilient labor market, income tax changes and other credit-related policy stimulus before elections.

Growing Corporate Franchise: BOCOM BBM's business profile reflects its established and growing franchise as a medium-sized Brazilian commercial bank focused on corporate lending, with total operating income of USD185 million in 2025 (four-year average of USD153 million) and total assets of BRL32.6 billion.

Conservative Risk Profile: BOCOM BBM's risk profile is closely linked to its corporate lending-focused business profile, with credit-related risk-weighted assets (RWA) representing approximately 88% of total RWA at year-end (YE) 2025.

Resilient Asset Quality: BOCOM BBM's impaired loans (Stage 3 loans) stood at 0.9% of gross loans at YE 2025, up from 0.6% (D-H loans by resolution 2682) at end-2024 but below the 1.1% (D-H loans) peak in 2023. The four-year average impaired loans ratio remained low at approximately 0.9%, consistently better than that of Brazilian banking sector peers.

Strong Profitability: Core earnings have steadily strengthened in recent years, driven by growing business volumes, a wider net interest margin, improved revenue diversification and enhanced cost efficiency. The average operating profit to RWA ratio was 3.35% for the four years from 2022 to 2025, rising to 3.7% in 2025.

Adequate Capitalization: Capitalization levels are adequate considering the bank's conservative credit risk profile, well-managed market risks, good internal capital generation and capital flexibility from ordinary support from BOCOM. As of March 2026, the bank's common equity Tier 1 (CET1) capital ratio stood at 10.81% and the Basel ratio at 17.30%.

Diversified Funding: BOCOM BBM's funding base is diversified across deposit-like instruments (Letra de Crédito Imobiliário, Letra de Crédito do Agronegócio, and Letras Financeiras), international borrowings and customer deposits, with intragroup funding from BOCOM's global branches and institutional offshore representing approximately 37% of the total at YE 2025.

Ratings

Foreign Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Long-Term IDR (xgs)	BB(xgs)
Short-Term IDR (xgs)	B(xgs)
Local Currency	
Long-Term IDR	BBB-
Short-Term IDR	F3
Long-Term IDR (xgs)	BB(xgs)
Short-Term IDR (xgs)	B(xgs)
Viability Rating	bb
Shareholder Support Rating	bb+
National Rating	
National Long-Term Rating	AAA(bra)
National Short-Term Rating	F1+(bra)
Sovereign Risk (Brazil)	
Long-Term Foreign Currency IDR	BB
Long-Term Local Currency IDR	BB
Country Ceiling	BB+
Outlooks	
Long-Term Foreign Currency IDR	Stable
Long-Term Local Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign Currency IDR	Stable
Sovereign Long-Term Local Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	3
Climate Vulnerability	
2035 Climate Vulnerability Signal: 39	
Transition (VSt): 35	
Physical (VSp): 22	

Applicable Criteria

- [National Scale Rating Criteria \(December 2020\)](#)
- [Metodologia de Ratings em Escala Nacional \(December 2020\)](#)
- [Bank Rating Criteria \(May 2026\)](#)
- [Metodologia de Rating de Bancos \(May 2026\)](#)

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Rating Sensitivities

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

IDRs, SSR and National Ratings

- BOCOM BBM's IDRs, National Ratings and SSR could be downgraded if BOCOM's IDRs, from which they are notched, are downgraded by multiple notches. However, BOCOM BBM's LT IDR would not be downgraded to a level below its Viability Rating (VR).

VR

- The VR could be downgraded if the recovery of the Brazilian economy suffers a severe setback, causing a material weakening of the operating environment. In this scenario, pressure could stem from rapidly rising private-sector indebtedness and a permanent erosion of business prospects;
- The VR could also be downgraded if, contrary to Fitch's expectations, BOCOM BBM's impaired loan ratio rises above 5%, resulting in a deterioration of profitability, with operating profits to RWA ratio consistently below 1.0% and CET1 ratio below 8.0% or total capital ratio below 14%.

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

IDRs, SSR and National Ratings

- BOCOM BBM's IDRs could be upgraded if Brazil's sovereign rating is upgraded, provided BOCOM BBM remains strategically important to BOCOM.

VR

- There is limited rating upside at the current level of Brazil's sovereign rating.

Other Debt and Issuer Ratings

Ex-Government Support Ratings - Key Rating Drivers

BOCOM BBM's LT FC and LC IDRs (ex-government support [xgs]) are at 'BB(xgs)' and are one notch below its parent's LT IDR (xgs) of 'BB+(xgs)'. The Short-Term FC and LC IDRs (xgs) have been affirmed at 'B(xgs)' and are mapped from its LT IDR (xgs). The ex-government support ratings exclude assumptions of extraordinary government support from the underlying ratings.

Sensitivities

BOCOM BBM's IDRs (xgs) are sensitive to changes in BOCOM's IDRs (xgs).

Significant Changes from Last Review

VR

- Fitch has revised the capitalization and leverage score of BOCOM BBM to 'bb' from 'bb-'.
- Fitch has revised the funding and liquidity assessment of BOCOM BBM to 'bb' from 'bb-'.

SSR

- Following the criteria update, Fitch is adjusting the importance of this key rating driver (KRD) to 'Neutral or Higher.'
- The parent has made a non-binding commitment to support subsidiary

Ratings Navigator

	Operating Environment	Business Profile 20%	Risk Profile 10%	Financial Profile				Implied Viability Rating	Viability Rating	Shareholder Support Rating	LT Issuer Default Rating
				Asset Quality 20%	Earnings & Profitability 15%	Capitalisation & Leverage 25%	Funding & Liquidity 10%				
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+
a								a	a	a	A
a-								a-	a-	a-	A-
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+ Sta
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The KRD weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards 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 business profile score of 'bb' is above the 'b & below' category implied score due to the following adjustment reason: group benefits and risks (positive).

The capitalization and leverage score of 'bb' is above the 'b & below' category implied score due to the following adjustment reasons: capital flexibility and ordinary support (positive).

The funding and liquidity score of 'bb' is above the 'b & below' category implied score due to the following adjustment reasons: liquidity access and ordinary support (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Fitch affirmed Brazil's LT FC IDR at 'BB' with a Stable Outlook in June 2025, balancing the country's large, diversified economy and strong external finances against persistent fiscal challenges and governance constraints. The federal primary deficit narrowed to 0.4% of GDP in 2024 from 2.4% in 2023, though this largely reflected timing issues related to court-ordered payments and one-off revenues rather than structural improvement. Durable fiscal consolidation requiring reforms to curtail growth in entitlement spending remains unlikely until after the October 2026 elections, as growing congressional resistance to tax increases and acute budgetary rigidities continue to constrain policy options.

Brazil's banking sector, with an operating environment rated at 'bb', demonstrated resilience despite increasingly challenging conditions. System credit growth moderated to 10.2% in 2025 from 11.5% in 2024, with further deceleration to 9.1% expected in 2026 as restrictive monetary policy and cooling economic activity weigh on demand. Private banks led expansion at 14.5%, reflecting stronger credit card momentum as fintechs gain market share and the recent expansion of payroll-deduction credit broadens access, while state-owned and foreign institutions slowed significantly. The competitive landscape continues to evolve as corporate borrowers increasingly shift funding toward capital markets, potentially exposing banks with concentrated small and medium-sized enterprise (SME) portfolios to refinancing pressures and elevating fragility in this segment.

Asset quality pressures intensified across the system, with non-performing loans rising to 4.1% in 2025 from 3.0% in 2024, driven by elevated interest rates, high household indebtedness, and the transition to expected-loss provisioning under Resolution 4,966. Rural credit Non Performed Loans exceeded 6%, reflecting weaker producer cash flows and adverse climate conditions, representing a key downside risk for lenders with significant agribusiness exposure. The migration to the new accounting framework is expected to continue affecting reported metrics as the methodology fully seasons through 2028, alongside revised operational-risk charges that will gradually impact reported capital ratios. These pressures warrant close monitoring, particularly given the still-prevalent directed credit channels and pro-cyclical effects of recent policy measures that may delay the transmission of monetary tightening to aggregate demand.

Business Profile

BOCOM BBM is a medium-sized Brazilian commercial bank focused on corporate and upper-middle-market lending, with total operating income of USD185 million in 2025 and a four-year average of approximately USD153 million. Fitch acknowledges the bank's improved franchise positioning, supported by a successful revenue diversification strategy — with non-credit-spread revenues reaching 47.5% of total bank revenues in 2025, up from 22.3% in 2016 — and consistent execution of its business expansion plans across lending, debt capital markets (DCM), and treasury platforms. The bank holds a nominal domestic market share but has built a moderate and growing franchise among established corporate clients requiring tailored credit, capital markets, and treasury solutions.

Total assets reached BRL32.6 billion (approximately USD5.9 billion) at YE 2025, with a compound annual growth rate of approximately 26% since 2016, reflecting a meaningful scaling of the franchise since Chinese control was established. While small in national terms, the bank benefits from strong positioning among its target clients and adequate pricing power derived from its group affiliation and product capabilities. BOCOM BBM is a wholly-owned subsidiary of the BOCOM, one of China's five largest commercial banks with over USD2 trillion in assets and presence in more than 15 countries. In 2024, BOCOM acquired the remaining stake from the former controlling shareholder, bringing its ownership to 99.65% and granting full control of the bank.

The business model is weighted toward traditional commercial banking for corporate entities. Corporate and commercial loans represent approximately 50% of total assets (BRL16.4 billion in gross loans at YE 2025). The bank targets four main client segments: SMEs (annual revenues above BRL50 million backed by liquid collateral), Corporates (above BRL400 million), Large Corporates (above BRL3 billion), and a dedicated China Corporate Desk serving Chinese enterprises with operations in Brazil. BOCOM BBM has a good degree of earnings diversification relative to pure corporate lenders, complementing its lending franchise with fee-generating business lines including DCM structuring, derivatives for client hedging, foreign exchange, asset management, and wealth management services. According to management, revenues not directly linked to credit spread reached 47.5% of total bank revenues in 2025, a significant increase from 22.3% in 2016 when the BOCOM BBM project began. DCM cumulative coordinated volume reached BRL16.7 billion in 2025, while derivatives volume with clients grew to BRL8.6 billion — both reflecting multi-year expansion of these platforms and successful execution of the bank's diversification strategy.

The group affiliation has been a key driver of business stability, providing the bank with competitively priced and long-term funding, and access to Chinese corporate client relationships. This ordinary support grants BOCOM BBM

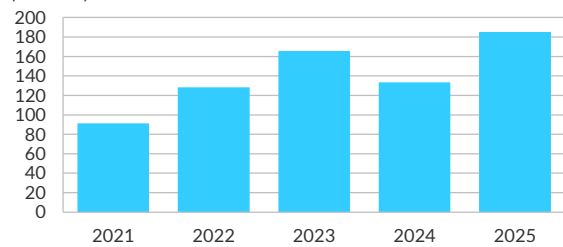
adequate pricing power among large enterprises and enables product offerings – such as cross-border payments through its CIPS membership – that materially differentiate it from standalone domestic peers of similar size. BOCOM BBM was the first financial institution in Latin America to achieve full membership in the Cross-Border Interbank Payment System (CIPS), reinforcing its unique positioning as a bridge between Latin American and Chinese financial markets. Management has successfully executed multi-year business expansion plans in the core corporate lending franchise while developing complementary fee-based platforms in DCM, asset management, and treasury services.

The bank traces its origins to 1858, when Banco da Bahia was founded in Salvador. In 1973, it shifted strategically to the wholesale segment, and the 2016 acquisition by BOCOM marked the beginning of a transformational phase integrating Chinese group capabilities with deep local market expertise.

The bank's governance framework is anchored in a Board of Directors (*Conselho de Administração*) that annually approves credit policies, risk limits, and the institution's risk appetite statement. Supporting the Board are dedicated committees including the Risk Committee, Credit Committee, and Executive Committee, ensuring appropriate segregation between business origination and independent risk oversight. Over the past 25 years, BOCOM BBM has developed a solid risk management culture through proprietary quantitative models for credit, market, and liquidity risks, which are integrated into capital allocation, loan origination policies, and portfolio management.

Total Operating Income

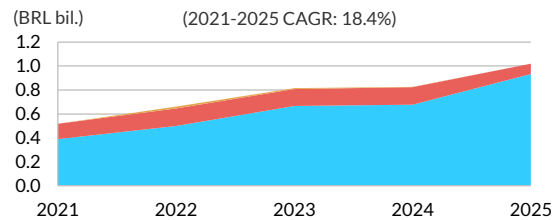
BOCOM BBM
(USD mil.)



Source: Fitch Ratings, Fitch Solutions, banks

Revenue Breakdown

■ Net interest income ■ Net fee income ■ Other income



(BRL bil.) (2021-2025 CAGR: 18.4%)

CAGR: compound annual growth rate

^a Annualized

Source: Fitch Ratings, Fitch Solutions, BOCOM BBM

Risk Profile

BOCOM BBM's risk profile is closely linked to its business profile, given that the bank's corporate lending-focused franchise inherently defines the nature and level of risks it assumes. Conservative underwriting standards are supported by prudent risk appetite, adequate risk-based pricing, and a rigid collateral policy (approximately 40% of the portfolio; approximately 90% for SMEs) that has historically prevented material credit losses. Borrower concentrations are relatively high but mitigated by strong borrower credit profiles and bank guarantees from large Chinese institutions, resulting in consistently better asset-quality metrics than the Brazilian sector average.

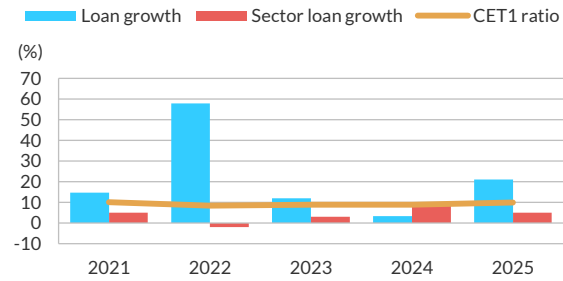
Credit risk is the dominant source of risk, with credit-related RWA representing approximately 88% of total RWA at YE 2025. The bank's expanded credit risk exposure, including corporate loans and off-balance-sheet guarantees, reached approximately BRL19.5 billion at YE 2025, representing around 61% of total assets. The bank targets large corporates and upper-middle-market companies with solid credit profiles in sectors with demonstrated resilience across economic cycles – primarily agribusiness and utilities and energy – which has resulted in consistently better asset-quality metrics than the Brazilian sector average.

Around 38% of the credit portfolio is backed by collateral, with collateralization for SMEs significantly higher at approximately 90%. At YE 2025, the top 20 debtors represented 27% of the total portfolio – a relatively high borrower concentration compared to larger medium-sized banks, but mitigated by the strong credit profiles of large corporate borrowers, bank guarantees from large Chinese institutions on part of the portfolio, and robust collateral management that has historically supported recoveries and prevented the bank from incurring material credit losses. All lending limit approvals are carried out locally through the Credit Committee, with two board members participating alongside credit, risk, legal, and compliance personnel, and planned growth is not expected to alter underwriting standards.

Market risk is secondary and linked primarily to structural interest-rate asset-liability mismatches and foreign exchange risks from parent-entity funding, which are generally hedged. Treasury activities operate under very conservative limits, with the daily Value at Risk (95% confidence) capped at 2% of shareholders' equity. At December 2025, VaR stood at only BRL3.8 million. The risk management framework is structured around dedicated, independent committees – Credit Committee, Risk Committee, Executive Committee – with the Board of Directors approving all risk policies and limits at least annually. Over the past 25 years, the bank has developed a solid risk

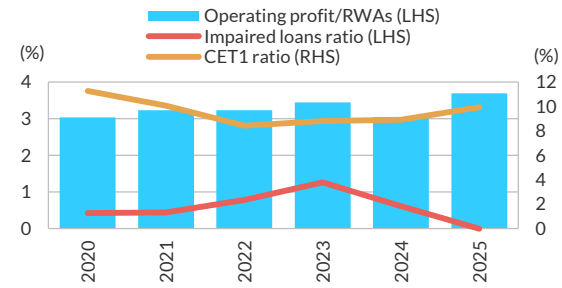
culture through proprietary quantitative models for credit, liquidity, and market risks, incorporating risk parameters into governance processes, capital allocation, and origination decisions.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, BOCOM BBM

Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, BOCOM BBM

Financial Profile

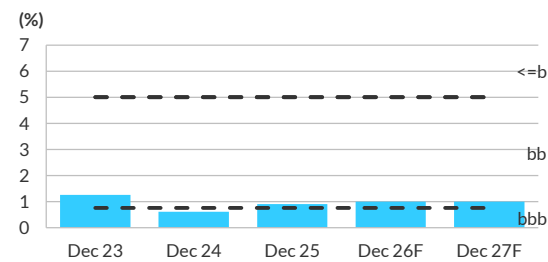
Asset Quality

BOCOM BBM's asset quality remained strong in 2025 despite Brazil's challenging macroeconomic environment, characterized by persistently high interest rates and high-profile corporate bankruptcy filings. The bank's core metric – Stage 3 loans under Resolution CMN 4966 – stood at 0.9% of gross loans at YE 2025, up from 0.6% at end-2024 but below the 1.1% registered in 2023, which was affected by a specific large exposure. The four-year average impaired loans ratio remained low at approximately 0.9%, consistently better than Brazilian banking sector peers. Loans past due over 90 days were minimal at 0.7%, while reserve coverage strengthened to 95.6% of impaired loans. Loan impairment charges rose to 0.33% of average gross loans from 0.12% in prior years, though net charge-offs were negligible, reflecting the bank's rigid collateral framework and conservative underwriting.

Reserve coverage strengthened materially in 2025, with loan loss allowances fully covering impaired loans (100%), up from 98.3% in 2024 and significantly improved from 51.2% in 2023. Total expected credit loss provisions reached BRL149 million at December 2025, distributed across Stage 1, Stage 2, and Stage 3, with the latter accounting for the majority of reserves. The loan loss allowances to gross loans ratio of 0.91% provides a comfortable buffer. Loan impairment charges rose to 0.33% of average gross loans in 2025 from 0.12% in both prior years, driven by provisioning on specific exposures migrating to later stages. However, net charge-offs remained negligible, demonstrating the effectiveness of the bank's rigid collateral framework and strong recovery capacity. Stage 1 and Stage 2 provisions offer additional coverage for performing exposures, while borrower concentration risk is mitigated by strong credit profiles, bank guarantees from major Chinese institutions, and comprehensive collateralization.

Impaired Loans/Gross Loans

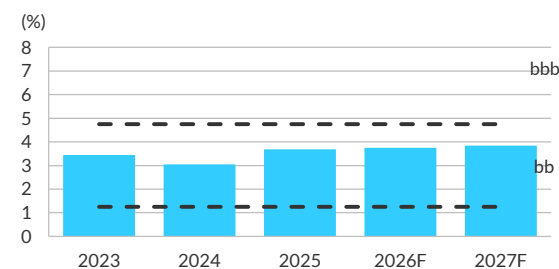
BOCOM BBM



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets

BOCOM BBM



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

BOCOM BBM's ratio of operating profit to RWAs rose to 3.7% in 2025, the highest over the four-year observation period and up from 3.0% in 2024. The improvement was driven by a wider net interest margin (2.96% versus 2.28% in 2024), supported by strong loan growth and favorable repricing dynamics. Net income reached BRL386 million, with a return on average equity of 25.6% (2024: 20.7%), marking the fourth consecutive year with ROAE above 20%. Fitch expects profitability to remain resilient over the rating horizon, underpinned by growing lending volumes and continued business diversification.

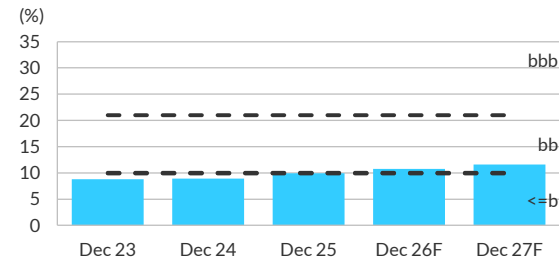
The cost-to-income ratio improved to 41.6% from 47.5% in 2024, reflecting operating leverage from scale gains and disciplined expense management. Fee income declined to BRL87 million from BRL146 million in 2024, largely due to accounting reclassifications under Resolution CMN 4966. However, revenues not directly linked to credit spread (DCM, sales and trading, and asset management) reached 47.5% of total bank revenues in 2025.

Capitalization and Leverage

BOCOM BBM's CET1 ratio has been on a clear upward trajectory, improving from 8.41% at YE 2022 to 9.92% at YE 2025, and further strengthening to 10.81% as of March 2026. The Tier 1 ratio reached 12.11% at March 2026 (from 10.24% at YE 2022), supported by BRL214 million in Additional Tier 1 instruments (perpetual *Letra Financeira*), while the total capital ratio strengthened to 17.30% (from 14.66% at YE 2022), underpinned by BRL788 million in Tier 2 subordinated debt. The Basel leverage ratio also improved materially to 6.50% at March 2026 from 4.86% at YE 2023, and the bank maintains a surplus of 3.81% above the combined Additional Principal Capital (ACP) requirement of 2.50%. In absolute terms, Core Tier 1 capital grew 65% over the period to BRL1,604 million at YE 2025, reaching BRL1,704 million at March 2026. Capital accretion is primarily driven by strong internal generation, combined with a moderate dividend payout of around 29%, implying approximately 70% capital retention. The relatively small absolute capital base remains a constraint on the bank's capacity to absorb large unexpected losses.

CET1 Ratio

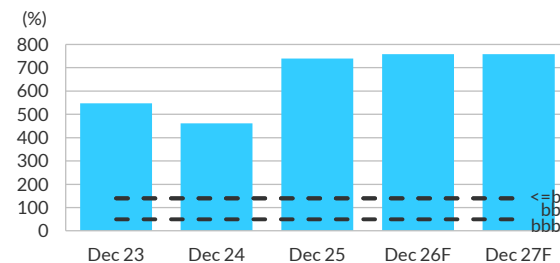
BOCOM BBM



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits

BOCOM BBM



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Funding and Liquidity

BOCOM BBM's total funding was BRL24.5 billion at YE 2025 (BRL23.5 billion at YE 2024), and was diversified across multiple instruments: LCA/LCI (38%), local deposits and other (*Depósitos Locais e Outros*; 16%), financial bills (*Letras Financeiras*; 8%), foreign currency funding (*Recursos em Moeda Estrangeira*; 34%) and subordinated debt (*Dívida Subordinada*; 4%). Intragroup funding from BOCOM's global branches (Shanghai, Hong Kong, U.S., U.K. and Czech Republic) totaled BRL6.1 billion. These short-term interbank lines are systematically renewed and provide stable foreign-currency funding for trade finance and corporate lending. Deposit concentration remains elevated, with the top 10 depositors representing 59% of total deposits. The average funding maturity stood at 978 days at 4Q25, adequately matched against the loan portfolio's average of 978 days.

The bank's liquidity buffers are adequate given limited forthcoming maturities, supported by cash and equivalents of BRL2.2 billion and government securities readily available as collateral. Liquidity management is based on daily cash flow projections under multiple stress scenarios, including deposit withdrawal shocks, mark-to-market impacts on public securities, credit payment delays, and margin calls. Fitch uses Liquidity Access and Ordinary Support (positive) as deviation, reflecting BOCOM's demonstrated willingness to provide ongoing liquidity and funding support to its subsidiary if needed.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bb' category.

Financials

Financial Statements

	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025
	12 months	12 months	12 months	12 months
	(BRL Mil.)	(BRL Mil.)	(BRL Mil.)	(BRL Mil.)
Summary income statement				
Net interest and dividend income	500	668	677	933
Net fees and commissions	147	141	146	87
Other operating income	75	47	46	48
Total operating income	721	856	869	1,068
Operating costs	339	384	393	423
Pre-impairment operating profit	383	472	476	645
Loan and other impairment charges	9	15	16	49
Operating profit	373	457	460	596
Other non-operating items (net)	1	1	-3	-1
Tax	153	184	186	209
Net income	221	274	270	386
Other comprehensive income	5	3	-3	15
Fitch comprehensive income	225	277	267	401
Summary balance sheet				
Assets				
Gross loans	11,677	13,077	13,501	16,352
– of which impaired	91	164	83	-
Loan loss allowances	76	84	81	149
Net loans	11,601	12,992	13,419	16,203
Interbank	2,838	1,474	1,217	2,712
Derivatives	283	1,552	4,309	917
Other securities and earning assets	7,182	10,119	14,388	12,106
Total earning assets	21,904	26,137	33,334	31,937
Cash and due from banks	167	30	617	238
Other assets	497	1,599	832	471
Total assets	22,568	27,766	34,782	32,646
Liabilities				
Customer deposits	2,345	2,389	2,924	2,213
Interbank and other short-term funding	2,969	2,823	4,047	6,442
Other long-term funding	15,501	16,655	20,012	20,577
Trading liabilities and derivatives	127	2,870	5,226	914
Total funding and derivatives	20,942	24,737	32,208	30,147
Other liabilities	616	1,819	970	642
Preference shares and hybrid capital	-	-	210	214
Total equity	1,010	1,210	1,394	1,643
Total liabilities and equity	22,568	27,766	34,782	32,646
Exchange rate	USD1= BRL5.1439	USD1= BRL4.9186	USD1= BRL6.1917	USD1= BRL5.5018

Source: Fitch Ratings, Fitch Solutions, BOCOM BBM

Key Ratios

	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025
Ratios (%; annualized as appropriate)				
Profitability				
Operating profit/risk-weighted assets	3.2	3.4	3.0	3.7
Net interest income/average earning assets	2.7	2.8	2.3	3.0
Non-interest expense/gross revenue	51.3	47.1	47.5	41.6
Net income/average equity	23.9	24.7	20.7	25.6
Asset quality				
Impaired loans ratio	0.8	1.3	0.6	0.9
Growth in gross loans	57.8	12.0	3.2	21.1
Loan loss allowances/impaired loans	83.8	51.2	98.3	101.1
Loan impairment charges/average gross loans	0.1	0.1	0.1	0.3
Capitalization				
Common equity Tier 1 ratio	8.4	8.8	8.9	9.9
Fully loaded common equity Tier 1 ratio	-	-	-	9.9
Fitch Core Capital ratio	-	-	-	-
Tangible common equity/tangible assets	4.3	3.7	3.9	4.9
Basel leverage ratio	-	4.9	4.7	5.8
Net impaired loans/common equity Tier 1	1.5	6.9	0.1	0.1
Net impaired loans/Fitch Core Capital	-	-	-	-
Funding and liquidity				
Gross loans/customer deposits	498.0	547.4	461.8	739.0
Gross loans/customer deposits + covered bonds	-	-	-	-
Liquidity coverage ratio	-	-	-	-
Customer deposits/total non-equity funding	11.3	10.9	10.8	7.5
Net stable funding ratio	-	-	-	-

Source: Fitch Ratings, Fitch Solutions, BOCOM BBM

Support Assessment

Shareholder Support

Shareholder	Bank of Communications Co., Ltd.
Shareholder Long Term Issuer Default Rating	● A/Stable
Total adjustment (notches)	-5
Shareholder Support Rating	bb+
Shareholder ability to support	
Shareholder regulation	● 1 notch
Relative size	● Equalized
Country risks	● 2+ notches
Shareholder propensity to support	
Role in group	● 1 notch
Reputational risk	● 1 notch
Integration	● 1 notch
Support record	● Equalized
Subsidiary performance and prospects	● Equalized
Legal commitments	● 1 notch

The colors below indicate the influence of each support factor in our assessment.
Influence: Dark blue = neutral; Red = higher.
Source: Fitch Ratings

BOCOM BBM's IDRs, National Ratings and SSR reflect Fitch's assessment of the high probability of support from its parent bank, BOCOM, if needed. This reflects the agency's view that BOCOM's propensity and ability to provide support to its subsidiary are linked to Brazil's sovereign risk. This support may be reduced in the case of extreme sovereign stress, despite the group's strategic commitment to the country.

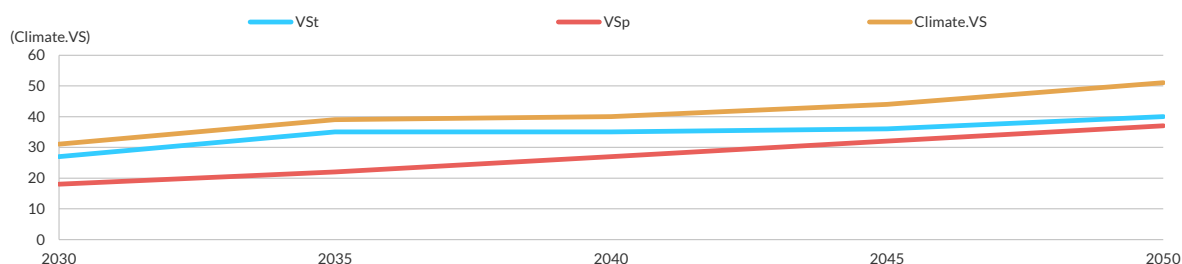
BOCOM owns nearly 100% of BOCOM BBM. The parent's IDRs are driven by the Chinese state's ownership of the bank and its systemic importance. Fitch assesses that Chinese state support to BOCOM could extend to BOCOM BBM should the need arise. BOCOM has a strong capacity to provide support, if needed, given BOCOM BBM's modest size relative to the overall group. Fitch considers BOCOM BBM a strategically important subsidiary of BOCOM, given its role in fulfilling the strategies and long-term growth plans in Brazil and the potential synergies between the two entities. This is considered a highly important factor for the rating.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

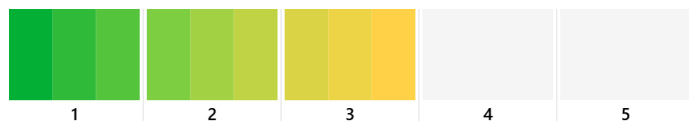
The Climate.VS for BOCOM BBM for 2035 is 39, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 35 and a physical risk (VSp) component signal of 22. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's [Bank Rating Criteria](#).

Climate Vulnerability Signals for Banco BOCOM BBM S.A.



Source: Fitch Ratings

Environmental, Social and Governance Considerations



Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
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; 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; Risk Profile
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; Risk Profile

Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
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; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
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; Earnings & Profitability; Capitalization & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring






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, signalling 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 summarise 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.

Credit-Relevant ESG Scale

	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, 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 www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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