# Dream First Bank

## Dream First Bank, N.A.

HR Ratings® Credit Rating Agency

Financial Institutions
October 27, 2026
*NRSRO Rating**

**Dream First Bank**
**LT**
**HR BBB (G)**
**Stable Outlook**

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## Information Disclosure Form

## Rule 17g-7

*The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.*

1. **Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

| Entity/Instrument | Rating Action | Rating Type | Rating Code |
|---|---|---|---|
| Dream First Bank, N.A. | Affirmed | Long Term Rating | HR BBB (G) / Stable Outlook |

2. **Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

The rating assigned by HR Ratings to the entity is based in accordance with the following methodologies established by the rating agency:

- U.S. Banks & Bank Holding Companies Methodology, June 25, 2025

www.hrratings.com/docs/metodologia/US_Banks__Bank_Holding_Companies_Methodology.pdf

3. **Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7**

HR Ratings' methodology allows the assignment of a credit rating that represents the ability of banking institutions established within the United States to cover their debt obligations in a timely manner, including their customers' deposits. This methodology considers the regulatory requirements applicable to banking institutions within the United States which may vary depending on the size of the banks as measured by the total assets they hold, the extent and complexity of their business models, their participation in non-banking activities, holding a federal charter versus holding a state charter, amongst other characteristics. Additionally, a section is established where the process used by HR Ratings to assign a credit rating to bank holding companies (BHC) is exposed.

The rating process is mainly based on a quantitative analysis grounded on an understanding of the bank's assets, considering trends, composition and concentration. Liabilities are also analyzed in terms of the bank's access to various sources of funding and liquidity, considering the composition of liabilities and the concentration of the main depositors. The currency and interest rate risk to which the bank is exposed, as well as its available hedging tools, are also considered. The effects of these concepts are studied using three main categories found in the financial model: (i) profitability and operational efficiency, (ii) solvency and capitalization, and (iii) liquidity. The standard rating process considers two years of historical information and the projection for the next eight quarters of a series of financial metrics in a Base Scenario and in a Stress Scenario. However, modified timeframes of analysis are available for recently established institutions that cannot yet comply with this requirement. The result of this quantitative analysis can be modified by the addition or subtraction of qualitative notches following the concepts established in this methodology to arrive at a credit rating.

HR Ratings may assign qualitative adjustments to the rating, in either direction, for factors that cannot be fully incorporated into the model, for example: (i) support from the authorities if the failure of the bank could imply a risk for the financial market where it operates, (ii) when the bank's historical information may not be representative of its future operation, and (iii) when the strength or weakness of an asset, liability, or any other quantitative factor cannot be fully incorporated into the financial model.

The rating incorporates a negative notch due to the acquisition of several branches in recent years, and the potential for further acquisitions, and the impact this could have on the Bank's efficiency and profitability metrics for following periods, including, among others, non-accrual loans performance and efficiency ratios evolution.

4. **Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7**

- HR Ratings does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer's securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.

- The credit ratings are not an opinion of the market value of any issuer´s securities or stock, or the possibility that this value suffers a deterioration.

**5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7**

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The Analysis Committee noted no lack of information on the scope of historical data that would have better informed any credit rating listed in this disclosure form.

**6. Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7**

HR Ratings did not use third party due diligence services for the rating.

**7. Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7**

HR Ratings did not use Servicer or Remittance Reports for the rating.

**8. Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7**

Among the main information used for the rating is:

- Dream First Bank's Call Reports (FFIEC 041) from 1Q21 to 2Q26 obtained from public information.
- Company profile, ownership structure, management team and board of directors' details obtained from public information.

**9. Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7**

The quality of the information provided by the entity is considered to be consistent with the quality observed within the asset class.

**10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7**

This is an unsolicited rating, so HR Ratings did not receive any payment from company or person, for its issue. Unsolicited ratings are issued in accordance with the Agency's current methodologies and follow the same policies and procedures as for the requested ratings as applicable. HR Ratings may withdraw or change this rating at any time, without liability whatsoever. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and

surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

## 11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule17g-7

1. Factors that are reasonably likely to lead to a change in the credit rating:

- **Increase of the solvency position, with CET1 and total risk-based capital ratios above sustained levels of 13.2% and 14.7%.** Strength of solvency levels through constant net income generation and without significant increase in risk-weighted assets. This strengthening could result in a minimum positive impact on the credit rating.
- **Improvement in profitability levels, with a weighted average ROA above 1.8%.** This could be due to a growth in the financial margin, as well as a controlled growth in lending. This improvement could result in a minimum positive impact on the credit rating.
- **Decrease in profitability for two consecutive periods with a ROA below 0.3%.** A downgrade could result from pressure on the Bank's profitability due to operating deterioration caused by lower asset quality and/or higher than expected operating expenses. This decrease could result in a minimum negative impact on the credit rating.
- **Decrease of the solvency position, with CET1 and Total Risk-Based Capital ratios below levels of 11.0% and 12.5%.** The rating could be downgraded if the Bank shows growth in its credit portfolio over the next 12 months but is unable to increase the Bank's profitability. This could put pressure on solvency metrics, causing greater financial risk and result in a minimum negative impact on the credit rating.
- **Increase in non-accrual ratio above 4.5%.** The rating could be downgraded if the Bank´s loans portfolio sees a substantial and sustained increase in non-accrual loans. This weakening in loan quality could result in a minimum negative impact on the credit rating.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

- **Weakening of the U.S. economy.** Economic weakness or a resurgence of recession and/or credit market turbulence often lead to deflation, market fluctuations, and liquidity issues. This can also result in declining home prices, higher loan delinquencies, and decreased commercial activity. This weakening could result in a moderate negative impact of the credit rating.
- **Inflation risk.** Inflation and rising market interest rates may decrease the value of the Company's investment securities, especially longer-term ones, and the cost of goods and services like electricity and utilities, which increases its expenses. Customers' ability to repay their loans might also be negatively impacted by inflation and rising costs. For example, higher agricultural input prices or lower sales prices for agricultural outputs could affect the performance of the agricultural loans portfolio. This could result in a minimum to strong negative impact on the credit rating.

NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit

Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

| Rating change impact | Number of notches |
|---|---|
| Minimum | (0-1) |
| Moderate | (2 - 3) |
| Strong | >3 |

**12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7**

For historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.

Our credit ratings need to be understood as rankings of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides to the market participants the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at: https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml

**13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7**

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

- **ROA.** In the base scenario, we expect the Bank to report positive, increasing net profits in 2027 and 2028 due to loan growth, resilient asset quality and controlled growth in administrative expenses. This would result in ROA increasing to 1.1% in 2027 and 1.4% in 2028.
- **Growth in the loan portfolio.** The loan book is expected to increase at $CAGR_{2025-2028}$ of 9.1%, which would result in a loan portfolio of US$801.6m by 2028. We expect this growth to be funded by a similar increase in deposits.

- **Stable capitalization over the rating period.** We expect recent acquisitions to boost organic capital generation over the medium term. However, given already adequate capitalization, with a CET1 ratio of 11.9% and a Total Risk-Based Ratio of 13.2% at the end of 2Q26, we expect growth and dividends to limit further increases. We forecast these ratios to reach 12.5% and 13.8%, respectively, in 2028.
- **Low Non-Accrual Loan Ratio.** In our base scenario, we forecast the non-accrual loan ratio to reach 2.1% in 2027 and 2028 as recent increases in interest rates put pressure on borrowers' payment capacity. Pressure on input prices (e.g. diesel fuel) in the agricultural sector, which is a major borrower segment, could also result in higher non-accruing loans.
- **Liquidity Ratio.** While we expect a slight decrease in the liquidity ratio due to loan growth in the base scenario, we expect the bank to maintain sufficient liquidity in the form of cash and liquid securities to maintain the liquidity ratio around historical levels.

2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:

- Continued generation of profits, through growth in net interest income after provisions for credit losses and good control of administrative expenses would help increase ROA and could positively impact the credit rating if sustained. Conversely, a sustained decline in ROA below 0.3% could negatively impact the credit rating. In our stress scenario, the weighted average ROA declines to 0.33%.
- Prudent growth in the loan portfolio supports ongoing profitability through growth in net interest income after provision for credit losses and a moderate growth in its administrative expenses. This would help ROA to increase to 1.4% under our forecast.
- If the Bank grows its loan portfolio without a similar increase in regulatory capital, causing the CET1 and Total Risk-Based Capital ratios to fall below 11.0% and 12.5%, respectively, on a sustained basis, it could negatively impact the credit rating.
- If the Bank shows a deterioration in its non-accrual loans ratio for a period of 12 months, and this leads to a ratio above 4.5%, it could negatively impact the credit rating.
- If the Bank shows a deterioration in its liquidity ratio below historical levels, which could occur from higher than expect rates of loan growth or a sharp increase in loan loss provisions, the rating could be negatively impacted.

**14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7**

The reporting of representations, warranties, and enforcement mechanisms does not apply to any of the credit ratings listed in the disclosure form.

## Credit Rating Attestation

I, Michael Bojko, Financial Institutions Executive Director, have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities.

- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Miami, October 27, 2026

/s/ Michael Bojko
Financial Institutions Executive Director
HR Ratings

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**For further information regarding this methodology(ies), please visit https://hrratings.com/methodology/

This is an unsolicited rating, so HR Ratings did not receive any payment from company or person, for its issue. Unsolicited ratings are issued in accordance with the Agency's current methodologies and follow the same policies and procedures as for the requested ratings, as applicable. HR Ratings may withdraw or change this rating at any time, without liability whatsoever. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

The ratings and/or opinions of HR Ratings are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the rating methodologies of HR Ratings.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. HR Ratings' Code of Conduct, rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The fees HR Ratings receives from issuers generally range from US$1,000 to $1,000,000 (one million dollars, legal tender in the United States of America) (or the equivalent in another currency) per offering. In some cases, HR Ratings will rate all or some of a particular issuer's offerings for an annual fee. Annual fees are estimated to vary between $5,000 and US$2,000,000 (five thousand to two million dollars, legal tender in the United States of America) (or the equivalent in another currency).

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