

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of BAC International Bank, Inc

24 Jan 2022

New York, January 24, 2022 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of BAC International Bank, Inc and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review discussion held on 19 January 2022 in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

BAC International Bank, Inc.'s (BAC) Ba1 long-term deposit rating is in line with the bank's ba1 baseline credit assessment (BCA), which in turn is at the same level as the BCA of its parent, Colombia's Banco de Bogotá, S.A. (deposits Baa2, BCA ba1).

BAC's ba1 BCA is supported by the bank's sustained solid financial performance, disciplined risk management, and geographic and business diversification. BAC also benefits from a broad base of granular deposits in line with its well-established banking franchise across Central America, significantly reducing refinancing and repricing risks. Moreover, the bank's core capitalization has been supported by robust earnings on the back of still-ample net interest margins and fee income coupled with good efficiency. However, BAC's credit profile remains constrained by the relatively weak operating conditions in the countries where it operates.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks Methodology published in July 2021. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non EU rated, non UK rated, non EU endorsed and non UK endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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