

Publication date: 12-May-2005
Reprinted from RatingsDirect

BAC International Bank Inc., Credomatic International Corp. Ratings On CreditWatch Positive

Primary Credit Analyst(s): Leonardo Bravo, Mexico City (52)55-5081-4406; leonardo_bravo@standardandpoors.com
Secondary Credit Analyst(s): Francisco Suarez, Mexico City (52) 55-5081-4474; francisco_suarez@standardandpoors.com

[Rationale](#)

[Ratings List](#)

Credit Rating: BBB-/Watch
Pos/A-3

Rationale

On May 12, 2005, Standard & Poor's Ratings Services placed its 'BBB-/A-3' counterparty credit ratings on BAC International Bank Inc. (BIB) and Credomatic International Corp. (CIC) on CreditWatch Positive following the announcement that General Electric Capital Corp. (GE Capital; AAA/Stable/A-1+) and BIB have entered into an agreement that will likely result in the sale of a 49.99% stake of the bank to GE Capital.

On May 5, 2005, GE Consumer Finance, a division of GE Capital and BIB, a banking institution incorporated in Panama that consolidates all the banking and credit card operations of the BAC Credomatic group in Central America including those of CIC, signed an agreement in which a subsidiary of GE Capital will acquire 49.99% of shares of BAC International Corp., the holding company of BIB.

BIB is the only subsidiary and asset of BAC International Corp., and CIC is BIB's main subsidiary, representing 90% of its assets and loan portfolio, and 94% of its profits. The placement of the ratings on BIB and CIC on CreditWatch with positive implications reflects our expectation that GE Capital's investment in BIB will further improve corporate governance, and allow best practices and know-how to flow to the BAC Credomatic group. GE Capital's expertise in consumer lending is expected to enhance the Central American group's large credit card operation. We also expect BIB to maintain its above-peer financial profile and diversification.

We will review the conditions of the acquisition and tangible effects of the transaction to resolve the CreditWatch status, once the necessary regulatory approvals have been confirmed and the acquisition has been completed.

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

This report was reproduced from Standard & Poor's RatingsDirect, the premier source of real-time, Web-based credit ratings and research from an organization that has been a leader in objective credit analysis for more than 140 years. To preview this dynamic on-line product, visit our RatingsDirect Web site at www.standardandpoors.com/ratingsdirect.

Published by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. Executive offices: 1221 Avenue of the Americas, New York, NY 10020. Editorial offices: 55 Water Street, New York, NY 10041. Subscriber services: (1) 212-438-7280. Copyright 2005 by The McGraw-Hill Companies, Inc. Reproduction in whole or in part prohibited except by permission. All rights reserved. Information has been obtained by Standard & Poor's from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or the result obtained from the use of such information. Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities.

The McGraw-Hill Companies