

***LA AGENCIA MOODY'S ELEVA EL RATING DE BANESTO A Aa3/B.***

*Madrid, 22.-* Moody's Investor Service ha elevado el rating de Banesto a Aa3/B desde A1/B-.

Así, los ratings de la deuda subordinada y de las acciones preferentes pasan de A2 a A1 y de A3 a A2, respectivamente.

Según comenta Moody's, la perspectiva es estable en todos estos ratings y su subida está basada en la mejora sostenida de la **calidad crediticia** de Banesto, así como en la **significativa mejora de la eficiencia**, la generación de ingresos más sólida y un **perfil de riesgo más bajo**, junto a un fortalecimiento del nombre de Banesto en el mercado bancario.

La agencia de análisis se refiere a que desde la adquisición en 1994 por parte del Santander Central Hispano, la marcha de las cifras fundamentales han evolucionado muy favorablemente. Destaca también cómo la labor del equipo de gestión, y el estricto cumplimiento de los objetivos estratégicos han supuesto un significativo avance en el dinamismo comercial, además de un aumento de la cuota de mercado en algunas áreas clave como las hipotecas y los fondos de inversión, a la vez que los costes se han reducido considerablemente.

Además, Moody's destaca el bajo nivel de riesgo del Banco. Al mismo tiempo, aunque las dotaciones para insolvencias podrían aumentar en el medio plazo, como consecuencia de la situación económica, los estrictos y rigurosos criterios de concesión de riesgos junto con los mejores sistemas de control deben mantener la buena calidad actual de los activos.

En el informe se recalca que Banesto tiene recorrido para seguir ganando cuota y aumentar sus niveles de ingresos, a pesar del alto nivel de competencia existente en el mercado español.

El control de costes y el aumento de los ingresos son retos que Banesto tiene por delante para conseguir una mejora de la eficiencia; para ello cuenta con unos avanzados sistemas tecnológicos y su sistema de distribución multicanal que está empezando a dar resultados en la mejora de la eficiencia comercial y operativa.

*Madrid, 22 de Febrero de 2002*

**ANEXO.- Nota de Moody's**



Moody's Investors Service

Global Credit Research

Rating Action

22 FEB 2002

Rating Action: Banco Espanol de Credito, S.A.

## MOODY'S UPGRADES RATINGS OF BANCO ESPANOL DE CREDITO (BANESTO) TO Aa3/B

### Approximately \$3.9 Billion of Debt Securities Affected.

London, 22 February 2002 – Moody's Investors Service upgraded the long-term ratings and bank financial strength rating of Banco Espanol de Credito (Banesto) to Aa3/B from A1/B-. In addition, the ratings of its guaranteed subordinated debt as well as of its guaranteed preference shares were upgraded to A1 from A2 and A2 from A3, respectively. The outlook is stable on all these ratings.

According to Moody's, the upgrades are based on the sustained improvement of the bank's creditworthiness –namely significant efficiency gains, a healthier revenue generation capacity, and a lower risk profile -- as well as on the bank's stronger domestic franchise.

Since the acquisition by Santander Central Hispano (rated Aa3/B/P- 1 ) in 1994, Banesto's financial fundamentals have consistently improved due not only to a very favourable operating environment but also to the bank's dedicated management and strict implementation of strategic guidelines. As such, Banesto has significantly regained commercial dynamism, successfully gaining market share in some product areas such as mortgage lending and mutual funds at a time when its cost base is being significantly streamlined.

The rating agency also pointed to the comparatively low risk profile of the bank. As such, while credit expenses may be expected to pick up over the medium-term on the back of the slowing down of the Spanish economy, Banesto's stricter and prudent underwriting criteria together with stronger monitoring systems should keep asset quality at sound levels. Moreover, Banesto's lesser degree of involvement in the capital markets and its increased focus on customer-oriented activities translates into a lower volatility of its income base.

Moody's remarked, however, that Banesto will remain challenged to continue gaining market share and deliver earnings growth in the mature and highly competitive Spanish market. Revenue enhancements are primarily expected from the bank's ongoing efforts to increase the level of cross-sales in which Banesto continues to lag its peers.

Moody's continues to see room for further efficiency gains. In this regard and although most of the cost cutting effort has already taken place, the bank's advanced technology systems and its commitment to a multi channel distribution model should start to translate into clear operational as well as commercial efficiencies.

Finally, Moody's believes that Banesto's strategic importance within the SCH group should increase to counter-balance the more volatile earnings derived from the SCH's sizeable exposure in Latin America.

The following ratings were upgraded:

Banco Espanol de Credito: long-term deposit rating to Aa3 from A1; financial strength rating to B from B-

Banesto Delaware: Guaranteed subordinated debt from A2 to A1

Banesto Holdings: Guaranteed preferred shares to A2 from A3

Banesto Issuances: Guaranteed senior debt to Aa3 from A1.

Banco Espanol de Credito (Banesto) is headquartered in Madrid (Spain). At year-end 2001, total assets amounted to Euros 45 billion.

London  
Samuel S. Theodore

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