

FITCH AFFIRMS CRÈDIT ANDORRÀ AT 'BBB-' AND VIEWS THE ACQUISITION OF VALL BANC AS POSITIVE

- The rating agency highlights the bank's leadership in commercial banking and private banking, and emphasizes that it will be strengthened with the acquisition of Vall Banc

Andorra la Vella, October 8, 2021

Fitch Ratings has affirmed Crèdit Andorrà, S.A.'s Long-Term Issuer Default Rating at 'BBB-', after the agreement to acquire Vall Banc, and views the operation as positive. The rating agency believes that this acquisition will consolidate Crèdit Andorrà's leading position as the largest bank in Andorra by domestic assets and market shares in loans and deposits.

Fitch reports that the ratings of Crèdit Andorrà are underpinned by its "leading Andorran retail- and private-banking franchise, which will be strengthened by the acquisition of Vall Banc, and by a profitable international private-banking presence", and adds that "the strategy to acquire Vall Banc, from the point of view of a business model, will support an improvement of Crèdit Andorrà's earnings generation capacity".

The agency also emphasizes that the acquisition will generate significant synergies and increase efficiency in the medium term, and they view the probability of a successful integration as high, supported by the two banks' similar business models and a recovering Andorran economy. "Crèdit Andorrà's already strong position in Andorra will further be strengthened by the acquisition," concludes Fitch.

With this acquisition, Crèdit Andorrà will accelerate the objectives set out in its 2021-2023 Strategic Plan and it will further strengthen the bank's main business areas. According to the Fitch report, "The acquisition is expected to allow the bank to meet its 2023 business targets well in advance", and it goes on to forecast a positive outlook for the bank, where its Business volumes are expected to increase to EUR23 billion by end-2021, much higher than the results outlined in its 2021-2023 Strategic Plan. As a result of Vall Banc's purchase operation, Crèdit Andorrà has met its strategic goals almost two years earlier than expected. The acquisition will help the bank meet its target of recurring profits of EUR40 million by 2023.

Xavier Cornella, Executive Director and CEO of Crèdit Andorrà Group, underlined "the importance of Fitch's endorsement and positive rating, which will allow Crèdit Andorrà to continue to seek growth and strengthen its already strong pricing power. This operation strengthens our leadership, which leads to more value-added services and offer for our customers, and further enhances our commitment to the financial and social progress of Andorra and its people.

FOR MORE INFORMATION

Crédit Andorra
Corporate Communication
press@creditandorragroup.com
Tel .: +376 88 86 35 / +376 88 82 78
www.creditandorragroup.com/en/sala-de-comunicacio

