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Press-release

(Translation from Russian)

RA «Expert-Rating» assign the credit rating at the level uaBBB+ to PJSC "UPB"

December 21 at the meeting of the Rating Committee it has been made a decision about assigning the credit rating at the level uaBBB+ according to the national scale to the Public Joint-Stock Company "Ukrainian Professional Bank" and to its bonds of *Series E*. Full justification of rating assigned by RA "Expert-Rating" is contained in the rating report. When confirming the investment level of rating, the Rating Committee was guided by the following:

1. The Agency positively estimates the quality of PJSC "UPB" assets. There is an adequate system of asset management in the Bank, which enables to monitor and estimate the risks and manage them. The loan portfolio of the Bank is well diversified and indicators of its quality shows a relatively low level of credit risks (the proportion of bad loans in the loan portfolio of the Bank constitutes 1,93%, the proportion of problem loans (loans of a substandard, doubtful and bad risk category) is 16,94%, Loans provisions/Loan portfolio ratio equals to 4,05%).

2. The analysis of the Bank profitability indicators for the last 5 years indicates a high efficiency of its activity. The Bank profitably worked even in the crisis. The Bank's profitable indicators have reached high values according to the results of the Q3 of 2011: net spread has constituted 4,45%, ROE – 16,97%, ROA – 3,43% and ROS – 45,39%. These figures are particularly contrast against the corresponding average indicators of the banking system, which remain to demonstrate negative values.

3. The analysis of the Bank fulfilling the liquidity norms indicates the absence of Bank's violations of limits established by NBU. At the same time it should be noted that if as of 01.01.2010 and 01.01.2011 the Bank's liquidity norms exceeded NBU requirements and average indicators of the banking system with abundance, but as of 01.10.2011 the norm of the Bank's instant liquidity (H4) approached the limiting value and constituted 24,5%, the norm of current liquidity (H5) – 53,57% (at the necessary level of not less 40%). In the whole, the Agency considers that as of 01.10.2011 the decrease in the norms of the Bank's instant and current liquidity is temporary comparing to 01.01.2011 and is caused by the objective reasons independent on the Bank and indicates the current liquidity as sufficient.

4. In 2010 the shareholders of PJSC "UPB" increased the authorized fund of the Bank by UAH 120 mln. due to that its amount reached UAH 0,5 bn. and shareholders' equity constituted UAH 622,2 mln. as of 01.10.2011. Therefore, the Bank demonstrated its commitment to maintaining a high level of capital availability – as of 01.10.2011 the norms of capital adequacy exceeded in twice the requirements of The National Bank of Ukraine: H2 constituted 20,34% (at the average of the system – 18,65%), H3 – 19,61% (at the average of the system – 14,87%) that shows that the Bank had a

significant reserve of solvency. And high profitability indicators reached by the Bank indicate good internal reserves of increasing the shareholders' capital in future.

5. As a whole, key performance indicators of PJSC "UPB" demonstrate a confident and stable development of the Bank, which enables the Bank to take good positions in the banking sector of Ukraine. So, the Bank has succeeded to move from the 4-th group of NBU rating (small according to the Bank assets) to the 3-d group of average banks due to the high growth rates of its assets. The Bank profitably worked even in the crisis and its profit increased almost in twice (by 82,14%) during the year of its activity (from 01.10.2010 to 01.10.2011), while the general financial result of the banking system of Ukraine remained negative. High norms of capital sustainability enable PJSC "UPB" to maintain a good level of solvency.

Analytical department of RA «Expert-Rating»