

Україна, 04073, м. Київ, пров.
Куренівський, 15, офіс 29
тел.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com



Office. 29, 15 Kurenivs'kyi
Ln.,
Kyiv, 04073, Ukraine
Tel.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com

09.07.2014

PRESS-RELEASE
(Translation from Russian)

The credit rating, the highest of the possible ones according to the national scale, is assigned to JSC “UkrSibbank”

July 08, 2014 Rating committee of RA “Expert-Rating” has decided to assign the credit rating to JSC “UkrSibbank” (09807750) at the level **uaAAA** according to the national Ukrainian scale. A borrower or a separate bond instrument with rating **uaAAA** is characterized by the highest solvency compared to other Ukrainian borrowers or bond instruments.

Assigning such a high level of the credit rating, the Agency was based on the following:

1. Since its foundation, UkrSibbank has evolved from a regional bank to a national leader, one of the most dynamic universal banks in the Ukrainian financial market and a member of BNP Paribas, one of the largest European banking groups. Today, UkrSibbank harmoniously develops in both retail and corporate businesses: the Bank provides services to more than 2.2 million retail customers, 255 thousand small and medium enterprises and 4 thousand large companies. UkrSibbank is a pioneer of the Private Banking in Ukraine and an important player of the stock market, and in particular, of the market of managing assets of institutional investors.

2. According to the ranking of the National Bank of Ukraine in terms of assets, UkrSibbank is among the largest Ukrainian banks. As of 01.04.2014, the assets of JSC “UkrSibbank” amounted to UAH 23.373 bln., the Bank occupied the 14th position in the general ranking of the NBU (comprising 181 banks) and belongs to the group of the largest banks of Ukraine. According to the Agency, as of 01.04.2014 the estimated share of JSC “UkrSibbank” amounted to 1.78% in assets and 1.85% in liabilities of the banking system of Ukraine.

3. The level of JSC “UkrSibbank” provision with the regulatory capital is rather high, the Bank maintains a noticeable level of the regulatory capital adequacy (N2) and the ratio of regulatory capital to total assets (N3). Thus, as of 01.04.2014, the regulatory capital of JSC “UkrSibbank” (N1) amounted to UAH 4.606 bln. (exceeding by 38 times the threshold set by the NBU), N2 amounted to 22.60% (the NBU requires 10% and the market average makes up 14.80%) and N3 amounted to 18.60% (threshold is 9% and the market average is 12.84%). Therefore, the Bank’s equity ratios significantly exceeded not only the thresholds set by the regulator, but the indicators of these ratios in average on the banking system of Ukraine as well.

4. UkrSibbank has the following shareholder structure: BNP Paribas (France) – 84.9996%, European Bank for Reconstruction and Development (EBRD) — 15%. The Agency estimates the probability of JSC “UkrSibbank” receiving support from its shareholders as very high. BNP Paribas is the European leader in international banking and financial services and one of the largest banks in the world. BNP Paribas is present in about 80 countries around the world, has one of the largest international networks. According to the Q1 2014 results, total assets of BNP Paribas Group

amounted to EUR 1.883 trillion, total consolidated equity amounted to EUR 93.574 bln., revenue amounted to EUR 9.913 bln., net income attributable to equity holders amounted to EUR 1.668 bln.

5. As of 01.04.2014, customer loans and debt made up the most significant share in the asset structure of JSC “UkrSibbank”, reaching 62.38%. Therefore, the loan portfolio is the largest item in the income-generating assets of the Bank. As of 01.04.2014, 85% of lending operations of the Bank were attributed to the first and second quality categories, i.e. minimal and moderate levels of risk. For the period from 01.01.2014 to 01.04.2014, the share of the above lending operations grew by 13 p.p.: from 72% up to 85%. The Agency positively evaluates the increase in loans with minimal and moderate levels of risk in the structure of lending operations of the Bank.

6. JSC “UkrSibbank” with a reserve maintains the liquidity ratios with respect to the requirements set by the regulator. In particular, as of 01.04.2014 the instant liquidity ratio of the Bank (N4) exceeded the NBU threshold by 15.51 p.p., the current liquidity ratio (N5) exceeded the threshold set by the regulator by 35.62 p.p. and the short-term liquidity ratio (N6) exceeded the NBU threshold by 18.64 p.p. The liquidity ratios of JSC “UkrSibbank” (N4, N5 and N6) did not exceed respective averages in the banking system of Ukraine. At the same time, it is necessary to note a positive dynamics of the current (N5) and short-term (N6) liquidity ratios of the Bank in the period from 01.01.2014 to 01.04.2014, while the average ratios on the market saw a simultaneous decrease of all the three ratios (N4, N5 and N6) due to increased turbulence and significant outflow of resources from the banking system of Ukraine, which peaked in the first quarter of 2014.

7. Significant devaluation of hryvnia in the first quarter of 2014 resulted in a considerable growth (by 82.7 times) of the negative result of the Bank due to the revaluation of foreign currency. Furthermore, the Bank’s provisions for loans and funds with other banks grew by 2.5 times, which impacted the financial result of the Bank. According to the results of Q1 of 2014, JSC “UkrSibbank” posted UAH 273.190 mln. in losses, while in the same period of the previous year the Bank posted UAH 6.046 mln. in profit and the overall profit in 2013 amounted to UAH 24.503 mln. In this context, it should be noted that the first quarter of the current year was very difficult for the Ukrainian banking system and impacted the banks’ performance and financial results. In Q1 of 2014, the Ukrainian banking system posted UAH 1.993 bln in losses.

Analytical service of RA «Expert-Rating»