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RA «Expert-Rating» confirms the credit rating of PJSC «Ukrainian bank of development» at the level uaA- according to the 2011

February 20, 2012 RA «Expert-Rating» confirms a credit rating of PJSC «Ukrainian bank of development» at the level **uaA-** according to the national scale**.** When confirming the credit rating, the Agency was guided by the results of the Bank's activity for 2011 (table).

Table

Key performance indicators of PJSC «Ukrainian bank of development» (th. UAH, %)

Indicator	2011 (01.01.2012)	2010 (01.01.2011)	Change, th. UAH, p.p.	Growth rate, %
Total assets	1 442 311	471 767	970 544	205,73
Cash and cash equivalents	235 953	79 953	156 000	195,11
Customer credits and debt	915 676	343 746	571 930	166,38
Loans provisions	**(7 742)**	**(847)**	6 895	814,05
Total liabilities	1 110 235	360 065	750 170	208,34
Commitments to other banks	30 025	11 940	18 085	151,47
Funds of legal entities	447 128	155 281	291 847	187,95
Funds of individuals	622 903	150 151	472 752	314,85
Shareholders' equity	332 076	111 701	220 375	197,29
Net interest income	71 842	27 519	44 323	161,06
Net profit	20 375	1 120	19 255	1719,20
Loans provisions/Loan portfolio ratio	0,85%	0,25%	0,60 p.p.	-
Equity/Assets ratio	23,02%	23,68%	-0,65 p.p.	-
ROE	**6,14%**	**1,00%**	5,13 p.p.	-

Source: NBU data, calculations by RA «Expert-Rating»

When confirming the rating, the Agency was guided by the following conclusions:

1. The past 2011 year is marked by a significant growth in all key indicators of the Bank activity. So, the Bank's assets have increased in 3 times (or by 205,73%) and as of 01.01.2012 its amount has reached UAH 1,4 bn., while the average growth rate in assets of the Ukrainian banks has constituted 11,91%. A high growth rate in the Bank's assets is caused by a dynamic increase of loan portfolio as well as by a significant growth in liquid assets. The Bank's loan portfolio has increased in 2,7 times according to the 2011 comparing to the 2010 and it has constituted UAH 915,7 mln. The growth in liquid assets has constituted 195,11% for the same period, resulted in that its amount has constituted UAH 236 mln., which correspond to 16,36% of the Bank's assets. Despite the high growth rate in loans provisions (814,05%), the loans provisions/loan portfolio ratio remains at the very low level – 0,85% (the average of the system is 18,16% as of 01.01.2012).

2. In 2011 the Bank has actively increased its resource base: as of 01.01.2012 total liabilities have reached UAH 1,1 bn. that exceed this indicator in 3 times as of the beginning of 2011. The highest growth rates have been demonstrated by funds of individuals (by 314,85% or in 4,2 times), which volume has constituted UAH 622,9 mln., that corresponds to 56% of the Bank's total liabilities. The growth dynamics of funds raised from legal entities and other banks has also significantly exceeded the average market indicators. Thus, commitments to other banks have increased in 2,5 times or by 151,47% (at the average growth rate on the system – 0,3%) for the period

from 01.01.2011 to 01.01.2012 and have constituted UAH 30 mln. or 2,7% of the Bank's liabilities, funds of legal entities have increased in 2,9 times or by 187,95% for the same period (the average growth rate on the system has constituted 30,41%) and have reached UAH 447 mln. that corresponds to 40,27% of the funds raised by the Bank. Therefore, these figures clearly demonstrate the efficiency of the Bank's policy in attracting the liabilities.

3. The Bank's net profit has increased in 18 times according to the results of 2011 comparing to the 2010 due to the high rates of lending and the significant increase in net interest income (in 2,6 times) and has constituted UAH 20,4 mln. Respectively, ROE of the Bank has increased: from as of 01.01.2011 up to 6,14% as of 01.01.2012. It should be noted that a positive financial result of PJSC «Ukrainian Bank of Development» has been formed against the negative total performance result of the banking system of Ukraine in 2011 that indicates the presence of positive trend in the Bank's development.

4. The capital adequacy has hardly changed and has constituted 23,02% as of 01.01.2012 (as of 01.01.2011 this indicator constituted 23,68%) due to the Bank's shareholders' equity has increased in 3 times for the period from 01.01.2011 to 01.01.2012 and has amounted to UAH 332,1 mln. according to the results of 2011. These rates of increasing the equity demonstrate the Bank's commitment to maintaining excess capitalization and to the conservative strategy of bank's management, also indicate the presence of the shareholders' guaranteed support, that, on the one hand, provide the Bank with a high level of solvency, and, on the other hand, they are a good guarantee to sustainable development.

Therefore, the analysis of key performance indicators of PJSC «Ukrainian bank of development» according to the results of 2011 has enabled to make the following conclusions. In 2011 the Bank has significantly increased its active and passive operations, growth rates of which exceeded the market averages in many times that, in its turn, has enabled the Bank to rise from the 67-th position (as of 01.01.2011) in its group of NBU ranking up to the 30-th one (as of 01.01.2012). At the same time, the Bank's loan portfolio differs by the high quality, providing it with a stable flow of income. The efficiency of the Bank's activity is confirmed by the high growth rates of profit and the increase in profitability indicators. High capital adequacy along with maintaining the liquidity indicators at the appropriate level provide the Bank with an opportunity of fully and timely performing its liabilities to the depositors and other counterparties.

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