

01.06.2012

## PRESS-RELEASE

(Translation from Russian)

### **PJSC «CB «Accordbank» has been assigned the credit rating at the level uaBBB according to the national scale**

**June 1, 2012** at the meeting of the rating committee it was decided to assign the credit rating at the level **uaBBB** to PJSC «CB «Accordbank» according to the national scale. Assigning the investment level of rating, the Rating committee was guided by the following:

1. PJSC «CB «Accordbank» has started its activity in the banking market of Ukraine in 2008 under difficult macroeconomic conditions, which have resulted from the global financial-economic crisis. Nevertheless, the Bank has demonstrated positive trends in development during its existence: as of 01.04.2012 assets of the Bank have amounted to UAH 526,4 mln, the loan portfolio – UAH 341,9 mln, shareholders' equity – UAH 89,3 mln, liabilities – UAH 436,5 mln, funds of individuals – UAH 188,3 mln, funds of legal entities – UAH 96,7 mln. At the present day PJSC «CB «Accordbank» is a “young” dynamically developing bank, which demonstrates the profitable activity and the high increases of key performance indicators. On particular, in the period from 01.04.2011 to 01.04.2012 assets of the Bank have increased by 38,08% (with the average market growth rate – 8,79%), the increase of the loan portfolio has amounted to 83,54% (while the total loan portfolio of the Ukrainian banking system has reduced by 12,77%), and resources attracted by the Bank have grown by 55,01% (while the liabilities in the average of the system have increased by 7,43%).

2. Capital adequacy indicators of PJSC «CB «Accordbank» demonstrate a good level of its solvency. As of 01.04.2012 the ratio between shareholders' equity and assets has amounted to 17,09% (the average of the banking system – 14,99%), the norm of regulatory capital adequacy (N2) has amounted to 25,73% (the market average – 17,88%), and the norm of the ratio of regulatory capital to total assets (N3) is at the level 23,30% (the average of the system is at the level 14,51%). In 2011 the Bank has raised a subordinated debt, which has resulted in the increase of the Bank's regulatory capital: as of 01.04.2012 its amount has reached to UAH 122,8 mln that is by 25,56% more than as of 01.04.2011.

3. The Agency has positively estimated the assets quality of PJSC «CB «Accordbank». A small proportion of non-performing loans (1,09%), a low ratio of loans provisions to the loan portfolio (1,09%, while the average of the market is 21,45%) and a strict performance of NBU norms indicate a relatively low level of risks concentration in the Bank's loan portfolio. As of 01.04.2012 loans for individuals have amounted to 7,06% of the Bank's loan portfolio, while a year before its proportion was at the level 22,55%. In the loan portfolio there are four key industries precisely for legal entities, which account for most of loans provided by the Bank: financial sector (24%), industry (32%), trading (32%) and building (10%). A good sectoral diversification of the loan portfolio indicates a Bank's moderate dependence on segment risks.

4. The Bank has stably generated the profit during the whole period of its activity. According to the results of the Q1 of 2012 the Bank's net profit has amounted to UAH 90 th. that is by 85,39% less than in the Q1 of 2011. Net interest income has increased by 27,76% according to the results of the Q1 of 2012 compared to the same period of 2011 and has amounted to UAH 6,1 mln, net commission income has amounted to UAH 1,4 mln, the result from trading the securities has reached to UAH 1,2 mln. In the Agency's opinion, despite the noted decrease in net profit in the Q1 of 2012 in comparison with the Q1 of 2011, Accordbank has all opportunities for improving profitability indicators in the nearest future, helped by the active development of the Bank through implementing new banking products and expanding its client base.

---

5. The norms analysis of instant, current and short-term liquidity (N4, N5, N6) as of 01.04.2012 demonstrates the Bank meeting the requirements set by NBU with excess and indicates a good liquidity of PJSC «CB «Accordbank» that enables it to meet its liabilities to clients, investors and other counterparties in full and in time. Thus, as of 01.04.2012 the norm of the Bank's instant liquidity (N4) has amounted to 57,97% (the average of the system – 54,25%), the norm of current liquidity (N5) – 90,58% (the average of the banking system – 72,88%), and the norm of short-term liquidity – 87,63% (the average of the Ukrainian banks – 93,14%). Besides, high liquidity indicators show a certain reserve of resources in the Bank for further increase in the portfolio of profitable assets.

*Analytical service of RA «Expert-Rating»*