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PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the credit rating to bonds of «VAB Leasing», LLC at the level uaBBB+

November 20, 2012 the Rating agency «Expert-Rating» confirms the rating of the bond issue of the company **VAB Leasing, LLC** at the level **uaBBB+** according to the national scale. A separate bond with rating **uaBBB+** is characterized by a sufficient solvency in comparison with other Ukrainian borrowers or bonds. The level of solvency depends on the impact of adverse commercial, financial and economic conditions. Confirming the credit rating, the Agency was guided by the results of the company's activity in the 9 months of 2012.

Table 1

Key performance indicators of VAB Leasing, LLC (th. UAH, %)

| Indicators | III Q of 2012 (01.10.2012) | III Q of 2011 (01.10.2011) | Change of 2011-2012 | Growth rate of 2011-2012 |
|--|-------------------------------|-------------------------------|------------------------|-----------------------------|
| Balance sheet indicators: | | | | |
| Cash and cash equivalents in national currency | 2471 | 2088 | 383 | 18,34% |
| Total liabilities | 107180 | 98681 | 8 499 | 8,61% |
| Short-term and long-term bank loans | 39472 | 43751 | -4 279 | -9,78% |
| Total debt to the bondholders | 55696 | 41080 | 14 616 | 35,58% |
| Shareholders' equity | 71613 | 61558 | 10 055 | 16,33% |
| Total assets | 178793 | 160239 | 18 554 | 11,58% |
| Authorized fund | 35350 | 35350 | 0 | - |
| Financial results: | | | | |
| Total revenue | 3085 | 2279 | 806 | 35,37% |
| Financial result from operating activity | -18544 | -5578 | -12 966 | 232,45% |
| Financial income | 45036 | 34123 | 10 913 | 31,98% |
| Financial expenses | -14739 | -16198 | 1 459 | -9,01% |
| Net profit | 7061 | 5581 | 1 480 | 26,52% |
| Ratios: | | | | |
| Shareholders' equity/Liabilities ratio | 66,82% | 62,38% | 4,43 p.p. | - |
| ROE | 9,86% | 9,07% | 0,79 p.p. | - |
| ROA | 3,95% | 3,48% | 0,47 p.p. | - |

Source: Data of the Company, calculations by RA «Expert-Rating»

Confirming the rating, the Agency was guided by the following conclusions:

1. In the period from 01.10.2011 to 01.10.2012 the Company has increased the shareholders' equity by UAH 10 mln. The Company's debt on bank loans has decreased by 9,8%, but at the same time, total liabilities have increased by 8,6%. The Company's assets have grown by UAH 18,6 mln during the analyzed period.

2. The Company performs its commitments to investors into bonds. In October of 2012 the payment of interest income on bonds of Series «A» for the 24th interest period in the size of UAH 64,42 on one bond and UAH 44,88 on one bond for the 4th interest period on bonds of Series «B». Total volume of bond initial offering of Series «A» (2010 year) has amounted to UAH 72,8 mln, Series «B» (2012 year) – UAH 75 mln. Total debt to the bondholders has increased by 35,6% on 01.10.2012. Cash, received from bond offering, has been directed to financing leasing operations, which are the key activity of VAB Leasing.

3. Analysis of financial results of VAB Leasing has shown that in the 9 months of 2012 the Company's revenues have grown by 35,4% in respect of the indicator of the 9 months of 2011. Cut in expenses against the background of the growth of financial income helped the Company to get UAH 7,06 mln of net profit.

4. The growth of profit has positively affected the indicators ROS and ROE of the Company. A significant increase in shareholders' equity has resulted in the financial stability growth of the Company by 4,43 p.p.

Table 2

Indicators, characterizing the leasing portfolio of VAB Leasing (th. UAH, %, pcs)

| Indicators | III Q of 2012 (01.10.2012) | III Q of 2011 (01.10.2011) | Change of 2011-2012 | Growth rate of 2011-2012 |
|--|-------------------------------|-------------------------------|------------------------|-----------------------------|
| Total value of leasing agreements (th. UAH) | 597640 | 501740 | 95 900 | 19,11% |
| Number of leasing agreements (pcs) | 1393 | 1087 | 306 | 28,15% |
| Value of leasing agreements, which end in more than 12 months (th. UAH) | 405564 | 226799 | 178 765 | 78,82% |
| Value of leasing agreements with individuals (th. UAH) | 48409 | 35122 | 13 287 | 37,83% |
| Value of leasing agreements from the largest three clients (th. UAH) | 53274 | 43551 | 9 724 | 22,33% |
| Value of leasing agreements whose payments are delayed more than by 30 days (th. UAH) | 44823 | 48167 | -3 344 | -6,94% |
| Total reserves formed for compensating loss from the impairment of leasing portfolio (th. UAH) | 2630 | 1424 | 1 206 | 84,69% |
| Gross leasing payments derived from clients for the period (th. UAH) | 55782 | 45706 | 10 076 | 22,05% |
| Short-term receivables of the leasing portfolio (th. UAH) | 94316 | 90114 | 4 202 | 4,66% |
| Bad debts provision (th. UAH) | 13039 | 10421 | 2 618 | 25,12% |

Source: Data of the Company, calculations by RA «Expert-Rating»

5. Analysis of the leasing portfolio of the Company has shown a significant growth. Thus, on 01.10.2012 the portfolio has quantitatively increased by 306 contracts, and according to its value – by UAH 95,9 mln, compared to the same indicators on 01.10.2011. As a result of successful marketing program of the Company, aimed at developing the leasing of autos, the proportion of leasing contracts with individuals has increased by 37,8%.

6. Positive moment is also the fact that despite the trend of decreasing the debt of lessees, the Company is actively increasing its reserves. Thus, bad debt provision has increased by 25%, and reserves formed for compensating loss from the impairment of leasing portfolio – by 85%.

Analytical service of RA «Expert-Rating»