

29.03.2011

Press release

RA Expert Rating confirms the rating of bonds of 'Leasing IT-SPV' LTD at the level uaBBB-

On March, 29th, 2011 RA 'Expert Rating' has confirmed credit rating of bonds of the leasing company Leasing IT-SPV LTD (USREOU 35322510) at the level **uaBBB-**. By confirming the credit rating of the emitter at that level, the analytical service of RA 'Expert Rating' was guided by the data on efficiency of management of 'Leasing IT-SPV' LTD lease portfolio (*table 1*).

Table 1

Key indicators of 'Leasing IT-SPV' LTD lease portfolio (th. UAH, %)

Indicators	January 2011	December 2010	November 2010	October 2010	September 2010	Growth rate of indicators September 2010 – January 2011
1. Turnovers on the portfolio	-	-	-	-	-	-
Number of transactions per period:	207	364	211	162	135	53,33%
Amount of transactions per period:	1052247,6	2028140,3	1034873,5	718349,3	742377,7	41,74%
Share of households in the total amount of transactions (%)	100,0	97,1	100,0	100,0	97,6	2,46%
Average amount of transaction per period	5083,3	5571,8	4904,6	4434,2	5449,3	-6,72%
2. Portfolio parameters	-	-	-	-	-	-
Total indebtedness of clients per portfolio	3172570,2	3068016,4	1922194,9	1465495,3	1154347,3	174,84%
Share of households in the total amount of indebtedness (%)	98,4	98,1	99,5	98,7	97,7	0,72%
Effective rate, average (%)	118,98	119,86	121,05	120,25	119,22	-0,20%
Share of portfolio debt due in excess of 30 days (%)	1,1	0,2	0,03	-	-	-

Source: 'Leasing IT-SPV' LTD Company data, calculations by RA 'Expert Rating'

Confirming the rating, RA 'Expert Rating' was guided by the following conclusions:

1. The profitability of the lease portfolio generated at the expense of means from placed bonds is at very high level, in the order of 120% per annum, and does considerably exceed the planned rate, established by the portfolio model, calculated at rating awarding.
2. Level of the debts due over 30 days made 1,1 % on the end of January, level of write-offs - 0 %. Thus in the base scenario of portfolio indicators is provided the level of write-offs 10 %. At the same time the crisis scenario assumes that the portfolio can resist the level of write-offs higher than 32 %.
3. The Company has generated the portfolio in the amount providing for very high level of diversification; the share of the largest client does not exceed 1% of portfolio volume.
4. The financial income generated by the portfolio is more than sufficient for covering operational costs of the company (thus the company does not almost have standing costs).
5. The Company reduces cost of attracted resources consequently. So, if in Q3 2010 the passive rate exceeded 30 % of annual interest, in Q4 it has fallen to 25-27 %.
6. Average term of resources attraction exceeds average term of reception of payments under leasing transactions on portfolio.
7. The Agency positively estimates the situation at the company-guarantor which is at the same time originator of JSC 'Leasing IT' transactions. The company ended the year 2010 with UAH 889 th. of net profit., equity ratio grew to 54,53 %, and ROE made up 9 % (*table 2*).

Україна, 04050, м. Київ, вул.
Глибочицька, 44 (другий поверх)
тел.: +38 (044) 227-60-74
факс: +38 (044) 207-08-81
general@expert-rating.com
www.expert-rating.com



44, Hlybochytska str., Kyiv, 04050,
Ukraine (Second floor)
Tel.: +38 (044) 227-60-74
Fax: +38 (044) 207-08-81
general@expert-rating.com
www.expert-rating.com

Table 2

Key performance indicators of JSC LeasingIT (th UAH, %)

Indicator	2010	2009	2008	Change 2008-2010	Growth rate 2009-2010	Growth rate 2008-2010
<i>Balance sheet figures:</i>						
Assets	18373,0	17611,0	18762,0	-389	4,33%	-2,07%
Book value of capital assets	6460,6	6627,5	6808,0	-347,4	-2,52%	-5,10%
Liabilities	8352,6	8442,0	10109,3	-1756,7	-1,06%	-17,38%
Shareholder equity	10020,4	9169,3	8652,6	1367,8	9,28%	15,81%
Authorized capital	3543,0	4083,0	4083,0	-540	-13,23%	-13,23%
Debt for payment of equipment	4174,1	4579,0	6537,6	-2363,5	-8,84%	-36,15%
<i>Financial results:</i>						
Net income from lease of equipment	4487,0	292,0	5256,0	-769	1436,64%	-14,63%
Operating incomes from equipment suppliers*	631,7	19,2	330,0	301,7	3190,10%	91,42%
Cost of leased equipment (VAT excl.)	-4487,0	-292,00	-5256,0	769	1436,64%	-14,63%
Operating cost of suppliers servicing	-1728,8	-1247	-1345	-383,8	38,64%	28,54%
Operating results	-1097,1	-1227,8	-1015	-82,1	-10,65%	8,09%
Financial incomes**	2539,0	3396,6	4122	-1583	-25,25%	-38,40%
Financial expenses	-552,0	-1651,6	-2749	2197	-66,58%	-79,92%
Profit or loss from operating and financial activities before tax	1987,0	517,2	358	1629	284,18%	455,03%
Net income	889,9	517,2	447	442,9	72,06%	99,08%
<i>Ratios:</i>						
Shareholder equity/assets	54,53%	52,07%	46,12%	8,41%	-	-
ROE	8,9%	5,6%	2,7%	6,20%	-	-
ROA	4,8%	2,9%	1,3%	3,50%	-	-

* *Operating incomes from equipment suppliers*- incomes from new portfolio (based on leasing transactions conditions).

** *Financial incomes* - incomes and penalties on the old portfolio.

Source: JSC Leasing IT data, calculations by RA 'Expert-rating'

Analytical service of RA Expert Rating