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25.05.2012

PRESS-RELEASE

(Translation from Russian)

The credit rating of JSC ASTRA BANK is confirmed at the level uaA+

May 25, 2012 RA «Expert-Rating» has decided to assign the credit rating of **JSC ASTRA BANK** at the level **uaA+** according to the national scale. The borrower with rating **uaA+** is characterized by a high solvency in comparison with other Ukrainian borrowers. Making the decision of assigning the credit rating according to the national scale, the Agency was guided by the key results of the bank's activity in the Q1 of 2012.

Table 1

Key indicators of JSC ASTRA BANK, th. UAH, p.p.,%

Indicators	I quarter of 2012 (01.04.2012)	I quarter of 2011 (01.04.2011)	Change	Growth rate
Shareholders' equity	**1 108 017**	**1 082 916**	**25 101**	**2,32%**
Authorized capital	1 050 000	1 050 000	0	0,00%
Regulatory capital **(N1)**	1 100 024	1 075 263	24 761	2,30%
Shareholders' equity/assets ratio, %	61,66%	68,88%	-7,22 p.p.	-
Regulatory capital adequacy **(N2)**, %	87,78%	136,82%	-49,04 p.p.	-
Regulatory capital/total assets ratio **(N3)**	61,21%	68,39%	-7,17 p.p.	-
Total liabilities	**688 969**	**489 348**	**199 621**	**40,79%**
Including liabilities in foreign currency	180 229	137 328	42 901	31,24%
Funds of banks	115 071	116 451	-1 380	-1,18%
Funds of individuals	375 359	247 424	127 935	51,71%
Funds of legal entities	171 986	109 781	62 205	56,66%
Total assets	**1 796 986**	**1 572 264**	**224 722**	**14,29%**
Liquid assets (Cash and cash equivalents + Trading securities + Funds in other banks)	**176 590**	271 915	**-95 325**	**-35.06%**
Customer credits and debt	**980 793**	**729 262**	**251 531**	**34,49%**
Including customer credits and debt in foreign currency	53 137	96 464	-43 327	-44,92%
Loan provisions	134 746	114 230	20 516	17,96%
Loan provisions/ customer credits and debt ratio	13,74%	15,66%	-1,93 p.p.	-
Norm of large loan risks **(N8)**	0,00%	0,00%	0,00 p.p.	-
Norm of the maximum total amount of loans, guarantees and sureties issued to insiders **(N10)**	0,16%	0,38%	-0,22 p.p.	-
Securities (Securities for sale + Securities for redemption)	586 353	650 432	-64079	-9,85%
Provision for impairment of securities (for sale + for redemption)	0	0	0	0,00%
Liquid assets/Liabilities ratio	**24,74%**	**55,57%**	**-30,82 p.p.**	-
Instant liquidity **(N4)**	67,70%	138,10%	-70,40 p.p.	-
Current liquidity **(N5)**	113,23%	145,52%	-32,29 p.p.	-
Short-term liquidity **(N6)**	137,97%	214,93%	-76,96 p.p.	-
ROE	**0,56%**	**0,69%**	**-0,13 p.p.**	-
ROA	0,34%	0,47%	-0,13 p.p.	-
Net interest income	45 371	31 017	14 354	46,28%
Net commission income	2 955	9 303	-6 348	-68,24%
Net commission income/ Net interest income ratio	6,51%	29,99%	-23,48 p.p.	-
Net profit	6 170	7 424	-1 254	-16,89%

Source: data of JSC ASTRA BANK, calculations by RA «Expert-Rating»

1. Assets of the bank have increased by 14,29% and as of 01.04.2012 have reached UAH 1,797 bn, the loan portfolio has grown by 34,49% and has amounted to UAH 981 mln, liabilities have increased by 40,79%, having amounted to UAH 689 mln. The bank has successfully attracted the resources in the domestic market during the last 12 months: funds of individuals have increased by 51,71% and as of 01.04.2012 have amounted to UAH 375 mln, funds of legal entities have grown by 56,66% and have amounted to UAH 172 mln. Due to the profitable activity, the bank has continued to raise its shareholders' equity: in the period from 01.04.2011

to 01.04.2012 it has increased by UAH 25 mln or by 2,32% and as of the reporting date it has amounted to UAH 1,108 bn.

2. Capital adequacy indicators still demonstrate a very high level of the bank's capitalization. As of 01.04.2012 the ratio between shareholders' equity and assets of the bank has amounted to 61,66% (with the average of the Ukrainian banking system – 14,99%), the norm of regulatory capital adequacy (N2) is at the level 87,78% (with the market average – 17,9%), the norm of the ratio between regulatory capital and assets (N3) has amounted to 61,21% (with the average of the system – 14,5%). At the same time, with the increase of clients' funds and the portfolio increase of active operations, these indicators are gradually decreasing that is a reflection of the objective process of developing both own and client funds by the bank.

3. Indicators dynamics of the loan portfolio quality in the period from 01.04.2011 to 01.04.2012 demonstrates a decrease in the level of loan risks. With the growth rate of the bank's loan portfolio at the level 34,49%, loans provisions have increased by 17,96% that, in its turn, has resulted in a decrease of the ratio of loan provisions to clients' credits and debt by 1,93 p.p.: from 15,66% as of 01.04.2011 down to 13,74% as of 01.04.2012 (while this indicator in the average of the Ukrainian banking system in the same period, in opposite, has increased from 19,02% up to 21,45%). The Agency also pays attention to the fact that loans in foreign currency occupies only 5,42% of the bank's loan portfolio that minimizes its sensitivity to foreign exchange risks. Besides, the loan portfolio of the bank has a good diversification level in terms of the volume of provided lending, as indicated by the norm of large loan risks (N8), which has been equaled to 0% as of 01.04.2012 (with the norm – not more 800%). Therefore, in the bank's portfolio there are no loans, whose volume exceeds 10% of regulatory capital that, in its turn, minimizes the risks of concentration. The low norm of the maximum amount of loans, guarantees and sureties issued to insiders (N10), which has amounted to 0,16% as of 01.04.2012 (the norm – not more 30%), means that the bank's insiders are almost not involved in the loan processes.

4. The liquidity indicators of the bank are at a high level. As of 01.04.2012 the norm of the bank's instant liquidity (N4) has amounted to 67,70% (with the norm of not less20%), the norm of current liquidity (N5) has amounted to 113,23% (with the minimal norm of not less 40%), and the norm of short-term liquidity (N6) – 137,97% (with the norm of not less 60%). Net profit of the bank has amounted to UAH 6,2 mln in the Q1 of 2012, in 2011 – UAH 22,8 mln.

According to the results of the Q1 of 2012 the Agency points out a positive development dynamics of JSC ASTRA BANK. The bank has actively attracted clients' funds and has increased lending of legal entities and individuals. At the same time, the level of the portfolio's loan risks of the bank doesn't exceed the averages, and the exceptionally high indicators of capital adequacy and liquidity enable the bank to fully meet its liabilities to counterparties.

Analytical service of RA «Expert-Rating»