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PRESS-RELEASE

(Translation from Russian)

The credit rating of PJSC «CREDIT AGRICOLE BANK» is confirmed at the level uaAA+

May 30, 2012 RA «Expert-Rating» has decided to assign the credit rating to PJSC «CREDIT AGRICOLE BANK» and to the Bank's bonds of Series A and B at the level **uaAA+** according to the national scale. The borrower with rating **uaAA+** is characterized by a very high solvency in comparison with other Ukrainian borrowers. Making decision of assigning the credit rating according to the national scale, the Agency was guided by key results of the Bank's activity in the Q1 of 2012.

Table 1

Key indicators of PJSC «CREDIT AGRICOLE 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	728 558	732 314	-3 756	-0,51%
Authorized capital	1 050 000	1 050 000	0	0,00%
Regulatory capital (N1)	971 328	985 262	-13 934	-1,41%
Shareholders' equity/assets ratio, %	10,00%	13,79%	-3,79 p.p.	-
Adequacy of regulatory capital (N2), %	13,51%	16,76%	-3,25 p.p.	-
Regulatory capital/total assets ratio (N3)	12,58%	16,76%	-4,18 p.p.	-
Total liabilities	6 556 251	4 577 590	1 978 661	43,22%
Including liabilities in foreign currency	3 248 981	2 136 695	1 112 286	52,06%
Funds of banks	1 675 243	1 296 116	379 127	29,25%
Funds of individuals	2 668 935	2 032 971	635 964	31,28%
Funds of legal entities	1 710 873	900 058	810 815	90,08%
Total assets	7 284 809	5 309 904	1 974 905	37,19%
Liquid assets (Cash and cash equivalents + Trading securities + Funds in other banks)	1 665 159	658 289	1 006 870	152,95%
Customer credits and debt	5 041 780	4 686 037	355 743	7,59%
including customer credits and debt in foreign currency	1 868 769	2 047 987	-179 218	-8,75%
Loan provisions	517 208	586 545	-69 337	-11,82%
Loan provisions/customer credits and debt ratio	10,26%	12,52%	-2,26 p.p.	-
Norm of large credit risks (N8)	110,76%	76,25%	34,51 p.p.	-
Norm of the maximum total amount of loans, guarantees and sureties issued to insiders (N10)	1,13%	0,75%	0,38 p.p.	-
Liquid assets/liabilities ratio	25,40%	14,38%	11,02 p.p.	-
Instant liquidity (N4)	70,42%	29,39%	41,03 p.p.	-
Current liquidity (N5)	73,25%	44,35%	28,90 p.p.	-
Short-term liquidity (N6)	78,16%	69,97%	8,19 p.p.	-
ROE	0,16%	1,28%	-1,12 p.p.	-
ROA	0,02%	0,18%	-0,16 p.p.	-
Net interest income	71 333	74 601	-3 268	-4,38%
Net commission income	51 769	35 363	16 406	46,39%
Net commission income/net interest income ratio	72,57%	47,40%	25,17 p.p.	-
Net profit	1 182	9 356	-8 174	-87,37%

Source: data of PJSC «CREDIT AGRICOLE BANK», calculations by RA «Expert-Rating»

1. The activity results of PJSC «CREDIT AGRICOLE BANK» have demonstrated a good dynamics of development in the Q1 of 2012 compared to the same period of 2011. Thus, the Bank's assets have increased by 37,19% or by UAH 1,974 bn and as of 01.04.2012 have reached to UAH 7,284 bn, the increase in liabilities has amounted to 43,22% or UAH 1,978 bn that has resulted in its amount has grown up to UAH 6,556 bn, the loan portfolio has grown by 7,59% or by UAH 355,7 mln and has amounted to UAH 5,042 bn. At the same time, the growth rates of these indicators in the average on the banking system have been more modest: in the given period total assets of Ukrainian banks have increased by 8,79%, liabilities have grown by 7,43%, and the loan portfolio has reduced by 12,77%. PJSC «CREDIT AGRICOLE BANK» has continued to increase its share in the Ukrainian market.

2. High indicators of growth in key liabilities components of PJSC «CREDIT AGRICOLE BANK» show the policy efficiency of raising resources, implemented by the Bank. Thus, funds of individuals have increased by 31,28% or by UAH 636 mln and have amounted to UAH 2,669 bn (while the average growth rate of this resource type in the banking system has amounted to 13,7%), funds of legal entities have grown by 90,08% (the average of the system – by 11,9%) or by UAH 811 mln, having amounted to UAH 1,711 bn, funds of banks have increased by 29,25% or by UAH 379 mln and have amounted to UAH 1,675 bn. Despite the insignificant decrease in shareholders' equity (by 0,51%) and in capital adequacy indicators (N2 and N3), their values remain to exceed the minimal requirements set by NBU that enables PJSC «CREDIT AGRICOLE BANK» to maintain a good level of solvency. In particular, as of 01.04.2012 the norm of regulatory capital adequacy (N2) has amounted to 13,51% (the required indicator – not less 10%), and the norm of ratio of regulatory capital to assets (N3) has been at the level 12,58% (the required indicator – not less 9%).

3. The quality indicators of the Bank's loan portfolio demonstrate a confident decrease of the loan risks level that, in its turn, has resulted in a decrease of the Bank's expenses of forming loan provisions, which have reduced by 11,82% or by UAH 69,337 mln in the period from 01.04.2011 to 01.04.2012. In the same trend there has been a change of the ratio of loans provisions to the loan portfolio of the bank, which has reduced by 2,26 p.p. in the given period: from 12,52% down to 10,26% (while this average indicator of the Ukrainian banking system, however, has increased from 19,02% up to 21,45%). The Agency also pays attention to a decrease in the proportion of loans, provided in foreign currency by 7 p.p. (from 44% down to 37%). At the same time, the bank performs with excess the norm of large loan risks (N8), which has amounted to 110,76% as of 01.04.2012 (the required indicator – not more 800%), i.e. the Bank avoids the excessive concentration of large loans in the portfolio.

4. The comparison of the bank's liquidity as of 01.04.2012 and 01.04.2011 indicates their significant growth. Thus, the bank's liquid assets have increased in 2,5 times, the ratio of liquid assets to liabilities has increased by 11,02 p.p. and has amounted to 25,4%, the norm of instant liquidity (N4) has increased by 41,03 p.p. and has amounted to 70,42% (the required indicator – not less 20%), the norm of current liquidity (N5) has grown 28,9 p.p. and has amounted to 73,25% (the minimal indicator – not less 40%), the norm of short-term liquidity (N6) has amounted to 78,16% as of 01.04.2012 (the required indicator – not less 60%) that is by 8,19 p.p. more than as of 01.04.2011. At the same time, the bank stably generates profit: its amount has amounted to UAH 45,964 mln in 2011, according to the results of the Q1 of 2012 – UAH 1,182 mln.

Therefore, the dynamics of key performance indicators of PJSC «CREDIT AGRICOLE BANK» demonstrates good development rates of the bank following the results of the Q1 of 2012 compared to the same period of 2011. The bank has considerably increased the resource base as well as the portfolio of assets in the pointed period. The level of the portfolio loan risks has continued decreasing. And a significant increase in liquidity indicators and a sufficient level of capitalization enable the bank to meet its liabilities in time and in full.

Analytical service of RA «Expert-Rating»