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(Translation from Russian)

The credit rating of PJSC «Kreditprombank» has been improved up to uaA-

May 28, 2012 RA «Expert-Rating» has decided to improve the credit rating of **PJSC «Kreditprombank»** up to 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 decision of improving 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 «Kreditprombank», th. UAH, p.p.,%

Indicators	I quarter of 2012 (01.04.2012)	I quarter of 2011 (01.04.2011)	Change	Growth rate
Shareholders' equity	**2 168 354**	**1 825 357**	**342 997**	**18,79%**
Authorized capital	2 635 938	1 838 335	797 603	43,39%
Regulatory capital **(N1)**	1 637 680	2 406 318	-768 638	-31,94%
Shareholders' equity/assets ratio, %	17,23%	12,51%	4,72 p.p.	-
Regulatory capital adequacy **(N2)**, %	13,36%	21,04%	-7,68 p.p.	-
Regulatory capital/total assets ratio **(N3)**	11,02%	14,82%	-3,80 p.p.	-
Total liabilities	**10 416 895**	**12 763 237**	**-2 346 342**	**-18,38%**
Including liabilities in foreign currency	5 289 697	6 708 040	-1 418 343	-21,14%
Funds of banks	1 997 668	2 608 735	-611 067	-23,42%
Funds of individuals	5 393 491	5 230 993	162 498	3,11%
Funds of legal entities	1 805 692	1 955 923	-150 231	-7,68%
Total assets	**12 585 250**	**14 588 594**	**-2 003 344**	**-13,73%**
Liquid assets (Cash and cash equivalents + Trading securities + Funds in other banks)	1 242 256	2 064 337	-822 081	-39,82%
Customer credits and debt	**9 964 694**	**11 254 924**	**-1 290 230**	**-11,46%**
Including customer credits and debt in foreign currency	3 681 952	4 379 221	-697 269	-15,92%
Loan provisions	2 313 326	1 649 649	663 677	40,23%
Loan provisions/ customer credits and debt ratio	23,22%	14,66%	8,56 p.p.	-
Norm of large loan risks **(N8)**	416,91%	212,47%	204,44 p.p.	-
Norm of the maximum total amount of loans, guarantees and sureties issued to insiders **(N10)**	0,20%	0,28%	-0,08 p.p.	-
Securities (Securities for sale + Securities for redemption)	877 222	1 359 478	-482 256	-35,47%
Provision for impairment of securities (for sale + for redemption)	17 309	16 654	655	3,93%
Liquid assets/Liabilities ratio	**11,93%**	**16,17%**	**-4,25 p.p.**	**-**
Instant liquidity **(N4)**	38,88%	69,59%	-30,71 p.p.	-
Current liquidity **(N5)**	52,43%	100,83%	-48,40 p.p.	-
Short-term liquidity **(N6)**	74,61%	74,07%	0,54 p.p.	-
ROE	**0,14%**	**0,04%**	**0,11 p.p.**	**-**
ROA	0,02%	0,005%	0,015 p.p.	-
Net interest income	80 800	119 987	-39 187	-32,66%
Net commission income	27 800	23 106	4 694	20,32%
Net commission income/ Net interest income ratio	34,41%	19,26%	15,15 p.p.	-
Net profit	**3 102**	**663**	**2 439**	**367,94%**

Source: data of PJSC «Kreditprombank», calculations by RA «Expert-Rating»

1. The analysis of key performance indicators of PJSC «Kreditprombank» has demonstrated the strengthen of the Bank's financial stability in the Q1 of 2012 compared to the Q1 of 2011, which has resulted from a significant increase in authorized capital (by UAH 797,6 mln or by 43,39%), having reached to UAH 2,636 bn as of 01.04.2012. The ratio between shareholders' equity and assets of the Bank has increased from 12,51% as of 01.04.2011 up to 17,23% as of 01.04.2012 (with the average of the banking system 14,99%) that has resulted in the increase in capital and in the reduction of assets by 4,72 p.p. The Bank fully performs the NBU requirements of complying the capital norms: as of 01.04.2012 the norm of regulatory capital adequacy

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(N2) has amounted to 13,36% (the required norm is not less 10%), and the norm of the ratio of regulatory capital to assets (N3) has equalled to 11,02% (with the norm of not less 9%).

2. As of the end of the Q1 of 2012 the Bank's liabilities have decreased by 18,38% compared to the same period of 2011, including liabilities in foreign currency have reduced by 21,14% or by UAH 1,418 bn, funds of banks and legal entities have decreased by 23,42% and by 7,68%, respectively. At the same time, funds of individuals have increased by 3,11%.

3. The analysis of quality indicators of the Bank's loan portfolio enables to estimate its level as satisfactory. As of 01.04.2012 loans provisions, formed by the Bank, have amounted to UAH 2,313 bn that is by 40,23% more, than as of 01.04.2011. The ratio of loans provisions to customer credits and debt has increased by 8,56 p.p. in the period from 01.04.2011 to 01.04.2012: from 14,66% up to 23,22%, with the average of the banking system – 21,45%. The Bank performs the norm of large loan risks (N8) and the norm of the maximum amount of loans, guarantees, sureties provided to insiders (N10) with excess: as of 01.04.2012 N8 has amounted to 416,91% (with the norm of not more 800%), and N10 – 0,20% (with the required norm of not more 30%).

4. Liquidity indicators of the Bank are at the acceptable level. As of 01.04.2012 the norm of instant liquidity of the Bank (N4) has amounted to 38,88% (with the required norm of not less 20%), the norm of current liquidity (N5) has amounted to 52,43% (with the minimal norm of not less 40%), and the norm of short-term liquidity (N6) – 74,61% (with the required norm of not less 60%). Net profit of the Bank has amounted to UAH 3,102 mln in the Q1 of 2012 that is by 367,94% more than in the Q1 of 2011. The key factor of the increase in the Bank's profit has become the increase in net commission income by 20,32% or by UAH 4,7 mln in the Q1 of 2012 compared to the Q1 of 2011. At the same time, net interest income of the Bank has reduced by 32,66% or by UAH 39,2 mln that has resulted in the increase of the ratio between net commission income and net interest income of the Bank: from 19,26% as of 01.04.2011 up to 34,41% as of 01.04.2012. In the Agency's opinion, the increase in net commission income of the Bank will have a stabilizing impact on the dynamics of its incomes.

Therefore, the analysis of the results in the Q1 of 2012 indicates the improvement in profitability indicators of activity. The quality of the Bank's loan portfolio can be estimated as satisfactory. The Bank's indicators of liquidity and capital adequacy are at an adequate level that enables the bank to perform its undertaken liabilities in full. The Bank demonstrates positive results the third consecutive quarter, which has become the reason for revising its credit rating towards to increase.

Analytical service of RA «Expert-Rating»