

15.03.2012

PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the credit rating of bonds of the leasing company «ENMARK» at the level uaBBB-

March 15, 2012 Rating agency «Expert-Rating» confirms the rating of bond issue of the company «ENMARK» at the level uaBBB- according to the national scale. Bond with rating uaBBB- is characterized by sufficient solvency in comparison with other Ukrainian bonds. The level of solvency depends on the influence of unfavorable commercial, financial and economic conditions. When confirming the rating, the Agency was guided by the results of the company's activity for the 2011.

Table 1

Key performance indicators of «ENMARK», LLC (th. UAH, %)

Indicators	2011 (31.12.2011)	2010 (31.12.2010)	Change for 2010- 2011	Growth rate 2010-2011
Balance sheet indicators:				
Cash and cash equivalents in national currency	103,3	201,2	-97,90	-48,66%
Total liabilities	14171,8	3845,1	10 326,70	268,57%
Short-term and long-term bank loans	11564,9	1062,3	10 502,60	988,67%
Total outstanding bonds of the company to the bondholders (indicated the amount of unpaid % and par value of securities)	4296,2	0,0	4 296,20	-
Shareholders' equity	3956,8	3451,1	505,70	14,65%
Total assets	18128,6	7296,2	10 832,40	148,47%
Authorized fund	4450	4068,3	381,70	9,38%
Financial results:				
Revenues	20111,3	4360,4	15 750,90	361,23%
Financial result of operating activity	1228,9	265,0	963,90	363,74%
Financial income	0,8	0	0,80	
Financial expenses	1116,1	187,5	928,60	495,25%
Interest expenses on bonds for the Q1 of 2012	141,2	0,0	141,20	-
Net profit	99,0	54,2	44,80	82,66%
Ratios:				
Shareholders' equity/Liabilities ratio	27,92%	89,75%	-61,83 p.p.	-
ROE	2,50%	1,57%	0,93 p.p.	-
ROA	6,78%	3,63%	3,15 p.p.	-

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

1. As of 01.01.2012 the shareholders' equity/liabilities ratio has amounted to 27,92%. Reduction in the autonomy coefficient has been caused by the growth of company's liabilities almost in 3 times, from UAH 3,845 mln up to UAH 14,172 mln. Rise in the Company's liabilities is related to its main activity, namely, to attracting the banking refinancing of performed leasing transactions in order to increase its leasing portfolio. This situation indicates a high activity of the Company in the financial services market. «ENMARK», LLC relates to the leasing companies, i.e. it is actually a financial intermediary, which keeps a low coefficient of autonomy, guaranteeing timely payments to creditors by the income from the leasing portfolio.

2. In the reported year the key activity of the Company has been financial leasing. Thus, interest income, derived from this activity, is considered by the Company as operating income. In

calculations, financial income is referred to income of operating activity. The Company has increased the value of leasing agreements by 224% and as of 31.12.2011 their value has amounted to UAH 33,5 mln, that has enabled the Agency to include the company into the rank of lessors with average leasing portfolio. 73% of leasing agreements have been short-term, less than 12 months have been left till their end, that also have been a positive characteristics of the issuer's leasing portfolio under conditions of limited liquidity in the offers.

Table 2

Indicators, characterizing the leasing portfolio of «ENMARK», LLC (th. UAH, %, pcs)

Indicators	2011 (31.12.2011)	2010 (31.12.2010)	Change over 2010-2011	Growth rate 2010-2011
Total value of leasing agreements (th. UAH)	33489,2	10336,3	23 152,90	224,00%
Number of leasing agreements (pcs)	46	9	37,00	411,11%
Value of leasing agreements, which end in less than 12 months (th. UAH)	23409,4	10336,3	13 073,10	126,48%
Value of leasing agreements with individuals (th. UAH)	3526,6	327,0	3 199,60	978,47%
Value of leasing agreements from the largest three clients (th. UAH)	7156,1	7731,1	-575,00	-7,44%
Gross leasing payments derived from clients over the period (th. UAH)	10329,4	4143,5	6 185,90	149,29%
Short-term receivables of the leasing portfolio (th. UAH)	303,2	134,9	168,30	124,76%
Bad debts provision (th. UAH)	0	0	-	-

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

3. In 2011 all the indicators of income derived from operating activity of the company «ENMARK», LLC have significantly grown. Thus, a number of concluded and executable leasing agreements have increased in 4 times that have caused the increase in the total leasing portfolio by more than 200%. The Company has created an attractive leasing program for individuals that have given a record result – the value of leasing portfolio of individuals has increased in 10 times, up to UAH 3,5 mln. «ENMARK», LLC has developed individual approach to each client, which has allowed to reduce delays of payments to zero. However, in RA «Expert-Rating» opinion, «ENMARK», LLC should review its policy of reserve formation towards toughening reserve requirements.

Analytical service of RA «Expert-Rating»