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Press-release

(Translation from Russian)

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

May 04, 2012 the Rating agency «Expert-Rating» confirms the rating of the bond issue of the company **«ENMARK», LLC** at the level uaBBB- according to the national scale. The borrower or separate bond with rating uaBBB- is characterized by sufficient solvency in comparison with other Ukrainian borrowers or bonds. The level of solvency depends on the impact of unfavorable commercial, financial and economic conditions. Confirming the credit rating, the Agency was guided by the results of the company's activity for the Q1 of 2012.

Table 1

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

Indicators	I quarter of 2012	I quarter of 2011	Change for 2011-2012	Growth rate 2011-2012
Balance sheet indicators:	-	-	-	-
Cash and cash equivalents in national currency	9,3	472,5	-463,2	-98,03%
Total liabilities	12458,9	5993,0	6465,9	107,89%
Short-term and long-term bank loans	6267,0	2344,1	3922,9	167,35%
Total debt to the bondholders	3633,0	0,0	3633	-
Shareholders' equity	3962,9	3563,5	399,4	11,21%
Total assets	16421,8	9556,5	6865,3	71,84%
Authorized fund	4450,0	4068,3	381,7	9,38%
***Financial results**:*	-	-	-	-
Total revenue	3515,9	2918,1	597,8	20,49%
Financial result from operating activity	693,6	161,6	532	329,21%
Financial income	1010,6	231,1	779,5	337,30%
Financial expenses	675,2	74,1	601,1	811,20%
Expenses for paying interests on bonds for the Q1 of 2012	293,9	0,0	293,9	-
Net profit	6,1	87,5	-81,4	-93,03%
Ratios:	-	-	-	-
Shareholders' equity/Liabilities ratio	31,81%	59,46%	-27,65 p.p.	
ROE	0,15%	2,46%	-2,30 p.p.	
ROA	0,04%	0,92%	-0,88 p.p.	

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

1. A comparable analysis of financial statements of «ENMARK», LLC in the Q1 of 2012 and the Q1 of 2011 has shown that in the Q1 of 2012 the shareholders' equity/liabilities ratio has amounted to 31,81% that is by 27,65 p.p. less than the indicator of the Q1 of 2011. The reduction in the autonomy ratio has been caused by the increase in the company's liabilities by 107,89%. The increase in the company's liabilities has resulted from attracting banking financing of performed leasing deals for increasing the leasing portfolio. This indicates a high activity of the company in the market of financial services. «ENMARK», LLC relates to the category of leasing companies, which means that its autonomy ratio is much lower than the same indicator of the companies of real sector.

Table 2

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

Indicators	I quarter of 2012	I quarter of 2011	Change for 2011-2012	Growth rate 2011-2012
Total value of leasing agreements (th. UAH)	31139,4	12795,2	18344,2	143,37%
Number of leasing agreements (pcs)	51	16	35	218,75%
Value of leasing agreements, which end in less than 12 months (th. UAH)	21722,7	11674,4	10048,3	86,07%
Value of leasing agreements with individuals (th. UAH)	3582,2	981,8	2600,4	264,86%
Value of leasing agreements from the largest three clients (th. UAH)	7749,3	7850,1	-100,8	-1,28%
Value of leasing agreements whose payments are delayed more than by 30 days (th. UAH)	0,0	0,0	0	-
Total reserves formed for compensating loss from the impairment of leasing portfolio (th. UAH)	0,0	0,0	0	-
Gross leasing payments derived from clients for the period (th. UAH)	3886,1	807,5	3078,6	381,25%
Short-term receivables of the leasing portfolio (th. UAH)	286,1	23,5	262,6	1117,45%
Bad debts provision (th. UAH)	0,0	0,0	0	-

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

2. The key activity of the company is financial leasing for the reporting period. Due to that, interest income received from this activity is classified by the company as operating one. In a calculation this financial income is referred to income from operating activities. The Company has increased the value of leasing agreements by 143,37% in the Q1 of 2012 and as of 31.03.2012 the value of leasing agreements of «ENMARK», LLC has amounted to UAH 31,1 mln that has enabled the Agency to include the company into the rank of lessors with average leasing portfolio. A significant increase in the value of leasing agreements in the first quarter, according to the Agency, will result in the increase of the company's interest income in future.

3. In the Q1 of 2012 all the indicators of profitability from operating activities of the company «ENMARK», LLC. A number of concluded and executable leasing agreements have increased by 218,75% that have resulted in the increase of the value of the leasing portfolio by UAH 18,344 mln. An attractive leasing program for individuals, implemented by the company, continues to give results – in the Q1 of 2012 the value of leasing portfolio of individuals has increased by UAH 2,6 mln in comparison with the Q1 of 2011. «ENMARK», LLC maintains an individual approach to each client, which has allowed reducing delays of payments to zero. However, despite a high level of financial discipline of the company's clients, RA «Expert-Rating» points out the necessity of toughening the reserve formation policy of «ENMARK», LLC.

Analytical service of RA «Expert-Rating»