

27.02.2012

PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the rating of JSC «KINTO» at the level uaAA.amc according to the 2011 year

RA «Expert-Rating» confirms the infrastructural rating of the asset management company Private JSC «KINTO» at the level **uaAA.amc** (a very high level of reliability).

Table 1

Key performance indicators of JSC «KINTO»

Indicators	2011 (31.12.2011)	2010 (31.12.2010)	Change, th. UAH, p.p.	Growth rate, %
Total net assets under AMC management, th. UAH	389793	530703	-140910	-26,55%
Change in net assets under AMC management for the 12 months, th. UAH	-140910	71532	-212442	-296,99%
Net assets of public funds, th. UAH	331781	467987	-136206	-29,10%
Proportion of public funds in net assets under AMC management	85,12%	88,18%	-3,06 p.p.	-
Net value of NPF assets under AMC management, th. UAH	22080	23618	-1538	-6,51%
Proportion of pension funds in net assets under AMC management	5,66%	4,45%	1,21 p.p.	-
Number of funds under management including NPFs	21	19	2	-
Shareholders' equity, th. UAH	76239	83441	-7202	-8,63%
Shareholders' equity/Net assets under AMC management ratio	19,56%	15,72%	3,84 p.p.	-
Authorized capital, th. UAH	66660	66660	-	-
Revenues, th. UAH	27161	16037	11124	69,36%
Net profit (loss), th. UAH	-7202	-11826	4624	39,1%
ROE, %	-9,45%	-14,17%	4,72 p.p.	-

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

When confirming the company's rating at such a high level, the Agency was guided by the following conclusions:

1. Net assets under AMC "KINTO" management have constituted UAH 389793 th. according to the results of 2011, that is by 26,55% less than this indicator of 2010. Proportion of public funds in net assets has also decreased, but insignificantly – only by 3,06 p.p. and it has constituted 85,12% in 2011. These decreases are the result of the decline in investors' interest to the Ukrainian stock market, because the securities market of Ukraine demonstrated a translational downtrend. Net assets of public funds have decreased up to UAH 331781 th. due to the reduction in the shares quotes of the companies popular among the investors and in the key stock indices.

2. On 31.12.2011 net value of NPF assets under AMC management have constituted UAH 22080 th. that is by 6,51% less, than the same indicator on 31.12.2010. But meanwhile, a proportion of pension funds in net assets has increased up to 5,66%. Therefore, JSC "KINTO" relies on NPFs more and more, trying to create a platform for increasing the proportion of funds, which traditionally base on the extra long liabilities of the population. In 2011 the pension fund "Social standard" turned 7 years old and its average annual yield constituted 13,8% since the beginning of the activity.

3. The Company's revenues have increased by 69,36% for the 2011 year in comparison with the 2010, and have amounted to UAH 27161 th. Such a significant rise in revenues is caused by the increase in securities sales from the portfolio AMC "KINTO". KINTO has succeeded in significantly reducing the loss of its activity. Thus, the Company's loss has decreased by 39,1% and has constituted UAH 7202 th. following the results of 2011. This loss has resulted in the decrease of the Company's shareholders' equity by 8,63%. As of 31.12.2011 the shareholders' equity of KINTO has amounted to UAH 76239 th.

In RA “Expert-Rating” opinion, the Company remains to have a significant reserve of capitalization. The Shareholders’ equity/Net assets under AMC management ratio has grown from 15,72% up to 19,56% for the 2011 year. This shareholders’ equity formed by the company is more than sufficient to continue working in the market of collective investment institutions in the long run.

4. The average loss ratio of public funds, represented in table 2, has amounted to 28,12% for the 2011. If we take into account that the key stock indices UX and PFTS have decreased by 43% and by 47% respectively, KINTO has managed to prevent a catastrophic loss ratio of its funds, which has been shown by the key Ukrainian stock indices.

Table 2

Data on the profitability of JSC “KINTO” public funds following the results of the 2011 year (percents per annum)

Fund	01.01.2011 – 01.01.2012	01.01.2010 – 01.01.2011	Net assets value as of 01.01.2012, UAH
Open-end diversified mutual investment fund «Classical»	-22,75%	21,70%	30 108 314,51
Open-end diversified mutual investment fund «KINTO-Equity»	-41,02%	13,60%	6 438 812,09
Interval-end diversified mutual investment fund «KINTO- Narodniy»	-23,77%	29,86%	13 647 932,87
Interval-end diversified mutual investment fund «Dostatok»	-9,56%	5,69%	15 126 041,94
Closed-end non-diversified corporate investment fund «Synergy-7»	-40,72%	29,95%	7 231 815,85
Closed-end non-diversified corporate investment fund «Synergy-5»	-24,55%	17,30%	42 436 305,81
Closed-end non-diversified corporate investment fund «Synergy-4»	-38,50%	17,02%	87 484 911,81
Closed-end non-diversified corporate investment fund «Synergy-3»	Period of activity is over	25,17%	75 862 295,75
Closed-end non-diversified mutual investment fund «KINTO- Spring»	-37,96%	-	837 712,78
Closed-end non-diversified mutual investment fund «KINTO- Summer»	-44,02%	-	844 111,26
Closed-end non-diversified mutual investment fund «KINTO- Autumn»	-32,54%	-	844 924,47
Closed-end non-diversified mutual investment fund «KINTO- Winter»	-34,45%	-	811 016,93
Closed-end non-diversified mutual investment fund «UX index»	Beginning of activity	-	2 631 106,35
Closed-end non-diversified corporate investment fund «Synergy Real Estate»	-5,47%	0,30%	23 679 041,45
Closed-end non-diversified corporate investment fund «Synergy Bond»	-23,25%	4,42%	1 716 582,78
Open-end pension fund «Social standard»	-15,11%	19,05%	22 064 270,36
Open-end pension fund «Pension for all»	-	-	15 978,99
Total:	-28,12%	16,73%	331 781 176,00

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

Analytical service of RA «Expert-Rating»