Україна, 04073, м. Київ, пров.
Куренівський, 15, офіс 29
тел.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com

RATING AGENCY EXPERT RATING

Office. 29, 15 Kurenivs'kyi Ln.,
Kyiv, 04073, Ukraine
Tel.: +38 (044) 227-60-74
general@expert-rating.com
www.expert-rating.com

26.04.2012

PRESS-RELEASE

(Translation from Russian)

Credit rating has been assigned to «Financial company «Ukranet», LLC at the level A according to the international scale

April 26, 2012 at the meeting of the rating committee of RA «Expert-Rating» it was decided to assign the credit rating to the company «Financial company «Ukranet», LLC at the level **uaAA-** according to the national scale and at the level **A** according to the Agency's international scale. The borrower with credit rating uaAA is characterized by a very high creditworthiness in comparison with other Ukrainian borrowers. When deciding on assigning the credit rating of high level, RA «Expert-Rating» was guided by the following conclusions of analytical service:

1. Financial company «Ukranet» has been working in the market since the 1999, about half the company's personnel are certified specialists of the stock market, and management of FC «Ukranet» has been working in the stock market since the 1993, who has significant experience in managing the stock business under crisis conditions. Joint projects with the Russian brokerage group «Prospect - IT Invest» and strategic alliance with the Polish company «Progress Holding» make the Company's business attractive and give it a certain dynamics of development.

2. The Agency has assessed the Company's market share at 0,5% in total volume of trade in stock exchanges. The Company has shown good dynamics of development. In 2011 total volume of trade in securities has grown by 248,76% in comparison with the 2010, including the volume of the company's trade operations in stock exchanges has grown by 115,82%, a total number of served and performed deals has grown by 478,77%, average volume of stock transactions has reduced from UAH 80866 in 2008 down to UAH 8197 in 2011. The revealed trends remain in line with the market trends and indicate the broker's desire to make its services and products more available for clients. The distinct trend, related to the growth of trade turnover, indicates the Company aggressively moves towards to occupy a significant market share in the brokerage segment and the Company succeeds in it.

3. In 2011, for the first time in the last 5 years the Company's revenue has reached the pre-crisis level and has amounted to UAH 26,299 mln. The Company has finished the 2011 year with a loss of only UAH 4 th., i.e. during the last three crisis years the broker's loss has systematically been decreasing and according to the results of 2011 it has almost reached zero. Against the background of growth in revenue and volume of served transactions the return to the breakeven operation is a positive factor.

4. Liquid assets of Financial company «Ukranet» have grown by 178% in 2011, while total liquidity has decreased from 95,79% down to 59,59% that is a normal and even redundant level for the securities trader. At the beginning of 2012 the shareholders' equity has covered the liabilities of «FC «Ukranet» by 110%. Taking into account that the Company has related to the category of financial intermediaries, it has been overcapitalized.

5. The basis of support for the business of FC «Ukranet» remains its diversified business-model, which covers a full range of services performed by the companies of investment area: Classic and Internet brokerage (iTrade), Investment consulting and underwriting services and services of securities custodian. The credit rating of the company according to the international scale is constrained by the unfavorable conditions of the Ukrainian stock market. The reasons for a further improvement of credit rating according to the international scale may serve the entrance of FC «Ukranet» with its services of brokerage and underwriting into the foreign markets.

Analytical service of RA «Expert-Rating»