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## PRESS RELEASE

### The credit rating of PJSC CB Accordbank is confirmed at the level **uaBBB**

On October, 31st, 2012 the rating committee of RA Expert Rating decided on the confirmation of the credit rating of **PJSC CB Accordbank** (USREOU code 35960913) on the national scale at the level **uaBBB**. The borrower with the rating **uaBBB** is characterized by good credit status compared versus other Ukrainian borrowers. When taking decision on the confirmation of the credit rating according to the national scale, the Agency was guided by main results of Bank work for 9 months of 2012.

Table 1

Key balance sheet indicators of PJSC CB ACCORDBANK for 9 m 2012, UAH th., %, p.p.

Indicators	01.10.2012	01.01.2012	Change	Growth rate, %
<b>Shareholders' equity</b>	<b>90 261</b>	<b>90 947</b>	<b>-686</b>	<b>-0,75%</b>
Authorized capital	86 761	87 400	-639	-0,73%
Shareholders equity/assets, %	17,90%	22,39%	-4,49 p.p.	-
<b>Total liabilities</b>	<b>414 036</b>	<b>315 167</b>	<b>98 869</b>	<b>31,37%</b>
<i>Incl. liabilities in foreign currency</i>	<i>207 899</i>	<i>179 571</i>	<i>28 328</i>	<i>15,78%</i>
Funds of banks	14 179	18 275	-4 096	-22,41%
Funds of individuals	222 840	151 327	71 513	47,26%
Funds of legal persons	104 569	71 756	32 813	45,73%
<b>Total assets</b>	<b>504 297</b>	<b>406 114</b>	<b>98 183</b>	<b>24,18%</b>
Liquid assets (Cash and cash equivalent + trade securities + Funds in other banks)	91 933	79 034	12 899	16,32%
<b>Loans and debts of the clients</b>	<b>378 725</b>	<b>294 320</b>	<b>84 405</b>	<b>28,68%</b>
<i>Incl. loans and debts of the clients in foreign currency</i>	<i>158 467</i>	<i>151 783</i>	<i>6 684</i>	<i>4,40%</i>
<i>Reserves under loans impairment</i>	<i>(2 596)</i>	<i>(2 244)</i>	<i>352</i>	<i>15,69%</i>
<i>Reserves under loans impairment/loans and debts of clients, %</i>	<i>0,69%</i>	<i>0,76%</i>	<i>-0,07 p.p.</i>	<i>-</i>
Securities (to sale + to redeem)	12 076	11 757	319	2,71%
Reserves under impairment of securities (to sales + to redeem)	-	-	-	-
<b>Liquid assets/liabilities, %</b>	<b>22,20%</b>	<b>25,08%</b>	<b>-2,88 p.p.</b>	<b>-</b>

Source: data by PJSC CB ACCORDBANK, calculation by RA Expert Rating

1. From the beginning of 2012 key balance sheet indicators of PJSC CB Accordbank have shown good dynamics of growth. So, during the period from 01.01.2012 to 01.10.2012 Bank assets have increased to UAH 504,3 million, or on 24,18 %, whereas as a whole in bank system of Ukraine the average rate of assets growth was 6 %. The volume of Bank liabilities for the same period grew by 31,37 % and as of 01.10.2012 constituted UAH 414 million. The credit portfolio of PJSC CB Accordbank from the beginning of current year has increased by 28,68 % - to UAH 378,7 million, whereas the total volume of the credits issued by the banks of Ukraine to individuals and legal persons for the same period grew only on 1,25 %. Thus growth rate of the credits issued by PJSC CB Accordbank to the legal entities constituted 29,4 %, to individuals - 19,13 %.

2. For the nine months of the current year the volume of resources attracted by PJSC CB Accordbank from natural and legal entities grew approximately in 1,5 times. So, the funds of natural persons have increased by 47,26 % or on UAH 71,5 million - to UAH 222,8 million, and the volume of funds of legal persons grew to UAH 104,6 million, or by 45,73 %. Thus the dynamics of growth of the given indicators for the same period on the average in bank system was much more modest – growth rate of the total volume of the funds attracted by the banks of Ukraine from individuals, was 14,02 %, whereas the total volume of the funds of legal persons decreased by 2,73 %. As of 01.10.2012 key components of PJSC CB Accordbank resource base were the following: funds of individuals - 53,82 % of Bank liabilities, and the funds of legal entities and made up 25,26 % and 3,42 % of the total volume of funds attracted by the Bank.

3. As of 01.10.2012 the shareholders' equity of PJSC CB Accordbank constituted UAH 90,3 million, and the norms of capital of the Bank redundantly exceeded both established by NBU minimum values, and average indexes on bank system. Thus during the period from 01.01.2012 to 01.10.2012 insignificant reduction of Bank shareholders equity (on 0,75 %), has been noted, resulted from decrease in authorized capital (on 0,73% or on UAH 639 thousand) in connection with the redemption by PJSC CB Accordbank of own stocks from one of the shareholders. At the same time Bank's regulatory capital norm (H1) for the last 12 months (during the period from 03.10.2011 to 01.10.2012) increased by 26,12 % or on UAH 25,4 million, and as of the end of Q3 2012 constituted UAH 122,7 million. A significant increase in regulatory capital resulted from attraction of the subordinated debt by the Bank, which volume as of 01.10.2012 has constituted UAH 34,2 million. An essential growth of Bank regulatory capital, in turn, has led to improvement of the norms H2 and H3. So, as of 01.10.2012 compared to 03.10.2011 the norm of regulatory capital adequacy (H2) has increased by 2,35 p.p. and has constituted 26,53 % (at required value - not less than 10 %, and average value on bank system - 18,24 %), and the norm of regulatory capital/total assets ratio (H3) grew on 3,00 p.p. - to 24,27 % (at normative indicator of not less than 9 %, and average market value - 14,86 %).

Table 2

**Key normative values of PJSC CB ACCORDBANK following the results of 9 months 2012**

th. UAH, %, p.p.

Normative value	NBU established normative value	01.10.2012		03.10.2011		Change UAH th., p.p.
		Bank value	Average in the system	Bank value	Average in the system	
Regulatory capital (H1), UAH th.	Not less than UAH 120 000 th.	122 710	-	97 298	-	25 412
Capital adequacy ratio (H2), %	Not less 10%	26,53%	18,24%	24,18%	18,87%	2,35 p.p.
Regulatory capital/total assets (H3), %	Not less 9%	24,27%	14,86%	21,27%	14,96%	3,00 p.p.
Instant liquidity (H4), %	Not less 20%	97,86%	57,88%	52,25%	52,68%	45,61 p.p.
Current liquidity (H5), %	Not less 40%	111,27%	78,39%	73,73%	67,46%	37,54 p.p.
Short term liquidity (H6), %	Not less 60%	88,78%	90,41%	84,15%	91,71%	4,63 p.p.
Large credit risks norm (H8), %	Not more than 800%	189,62%	169,95%	226,11%	160,31%	-36,49 p.p.
Norm of maximal amount of loans, warranties and sureties issued to insiders (H10), %	Not more than 30%	7,28%	2,54%	7,80%	2,34%	-0,52 p.p.

Source: data by PJSC CB ACCORDBANK, NBU, calculation by RA Expert Rating

4. As of 01.10.2012 the indicators of liquidity of PJSC CB Accordbank were at high level, considerably exceeding the limits established by NBU. So, at the required value of not less than 20% the norm of instant bank liquidity (H4) has constituted 97,86 %, that on 39,98 p.p. exceeded an average index (57,88 %) on bank system. The norm of current liquidity of the Bank (H5), at threshold indicator 40 % and average value in banks of Ukraine at the level of 78,39 %, constituted 111,27 %, and the norm of short-term liquidity (H6) constituted 88,78 % (at standard indicator of not less than 60 %).

5. As of the end of Q3 2012 the quality of PJSC CB Accordbank credit portfolio was at good level. As of 01.10.2012 the indicator of loan impairment provisions/credits and debt of clients ratio constituted 0,69 %. According to the data of the financial statement of PJSC CB Accordbank for Q3 2012, 47,03 % of Bank credit operations were classified as 'standard' (UAH 50,977 million ) and 'controllable' (UAH 159,9 million).

6. The profit of PJSC CB Accordbank for 9 months 2012 compared versus the same period of 2011 increased in 3,8 times or by 283,54 % - to UAH 606 thousand. Financial result growth occurred at the expense of increase in the following key components of revenues base of the Bank: net interest income (on 18,17 % or on 2,806 million - to 18,2 million ), result from operations with securities in the trading portfolio of the bank (on 1287,16 % or on UAH 1,905 million - to UAH 2,053 million ) and result from operations with foreign exchange (on 98,20 % or on UAH 656 thousand - to UAH 1,324 million ).

Table 3

**Separate indicators of incomes and expenses of PJSC CB ACCORDBANK  
in 9 m 2011-2012**

th. UAH, %, p.p.

Indicators	9m 2012	9m 2011	Change	Growth rate, %
Net interest income	18 245	15 439	2 806	18,17%
Net commission income	5 015	5 712	-697	-12,20%
Net commission income / Net interest income	27,49%	37,00%	-9,51 p.p.	-
Results from securities trading in Bank trade portfolio	2 053	148	1 905	1287,16%
Results from foreign exchange operations	1 324	668	656	98,20%
Provisioning under loan and funds in other banks impairment	(343)	620	-	-
Administrative and other operative costs	(25 635)	(24 884)	751	3,02%
<b>Net profit (loss)</b>	<b>606</b>	<b>158</b>	<b>448</b>	<b>283,54%</b>
<b>ROE, %</b>	<b>0,67%</b>	<b>0,17%</b>	<b>0,50 p.p.</b>	<b>-</b>

Source: data by PJSC ACCORDBANK, calculations by RA Expert Rating

Thus, the dynamics of key balance-sheet indicators of PJSC CB Accordbank has shown positive tendencies of its development. Growth rate of assets and liabilities of the Bank exceeded the average market values. Thus the Bank supports the quality of credit portfolio at good level and continues to increment the profit. And the indicators of capital adequacy and bank liquidity show high values that allow it to support good level of solvency and to expand the scale of operations.

*Analytical service of RA Expert Rating*