

Corporate Credit Rating
Updated

Banking

creditwest Creditwest Bank Ukraine		Long Term	Short Term	
International	Foreign Currency	BB-	B	
	Local Currency	BB-	B	
	Outlook	FC	Positive	Stable
		LC	Positive	Stable
National	Local Rating	AA-(Ukr)	A-1+(Ukr)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		AB	-	
Sovereign*	Foreign Currency	B-	C	
	Local Currency	B-	B	
	Outlook	FC	Negative	Negative
		LC	Negative	Negative

PJSC West Finance and Credit Bank					
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	41,884	63,295	42,860	30,585	28,113
Total Assets (000 UAH)	660,459	505,917	342,582	244,343	223,778
Total Deposit (000 UAH)	197,860	226,593	138,669	36,558	40,335
Total Net Loans (000 UAH)	452,219	326,932	181,930	83,024	51,858
Equity (000 UAH)	146,535	123,120	108,806	103,723	83,936
Net Profit (000 UAH)	23,415	14,314	5,083	3,917	16
Market Share (%)	0.05	0.04	0.03	0.02	0.02
ROAA (%)	4.97	4.23	2.31	2.14	0.08
ROAE (%)	21.49	15.47	6.37	5.35	0.24
Equity/Assets (%)	22.19	24.34	31.76	42.45	37.51
CAR - Capital Adequacy Ratio (%)	45.18	39.69	46.21	70.48	72.42
Asset Growth Rate (Annual) (%)	30.55	47.68	40.21	9.19	-17.69

* End of year

Overview

PJSC - West Finance and Credit Bank (hereinafter also referred to as “the Bank”) began banking operations in Ukraine in March, 2007 and currently offers local banking services including deposits, loans, investment and transfers to individuals and companies via its staff force of 73 people as of FYE2014 (FYE2013: 64).

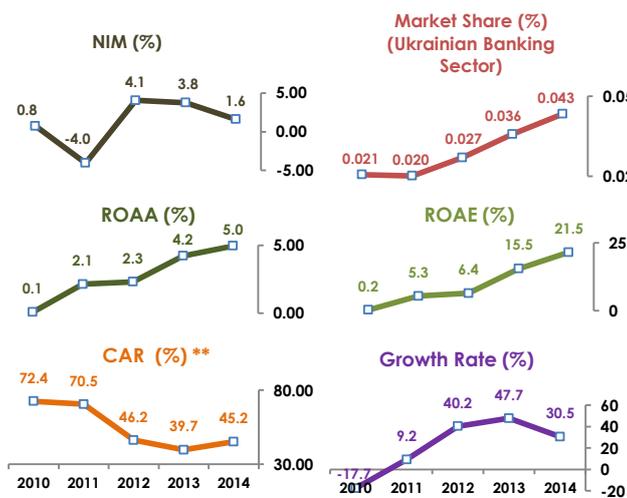
The Bank, maintaining its small-scale, has primarily focused its activities on corporate / commercial clients representing the majority of its loan book and treasury operations.

Altınbaş Holding A.Ş. became the major shareholder of the Bank now owning 100% of the Bank’s shares following the share transfer of the former shareholders in March, 2015, namely ‘Creditwest Factoring Hizmetleri A.Ş.’, one of the two factoring companies listed on BIST (Borsa Istanbul) with a total asset size of USD319.37 mn (with a rating of AA(Trk) assigned by JCR Eurasia on June 5, 2015 on the long-term national scale) and ‘Onsa Mücevherat İmalatı ve Dış Tic. A.Ş.’. On the other hand, the ultimate major shareholder of all of the group companies has remained to be the Altınbaş Family, which has established one of the largest conglomerates in Turkey operating in several diverse fields ranging from finance and energy to jewelry.

The Bank’s ratings have been affirmed mainly based on the continuing upward trend in profitability indicators with strong capacity of generating internal equity as well as reduced pressure of NPLs together with the fact that the Bank has continued to decouple itself from the sector with its strong capitalization structure well above the required level despite continuing recession in the aftermath of violent protests, annexation of its Crimea region by Russia and the unresolved conflict in the East.

*Affirmed by JCR Eurasia on June 17, 2015

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Strengths

- Core profitability indicators above the sector averages having capacity of generating internal equity
- Established earnings power despite tightening NIM bolstering the sustainability of profits
- Capitalization level far above the sector averages and legal requirements and enhancing sturdiness of funding structure and providing adequate capacity to absorb incidental losses
- Continuation of strong shareholder support abating needs for accession to external long term funding
- Sustained asset growth with share of loans expanding together with maintained asset quality through selective lending as evidenced by low level of NPLs
- Competent managerial practices, internal written documentation and risk management organization together with high level of transparency regarding corporate governance best practices

Constraints

- Loan book with low granularity on client and sector bases together with high level of concentration of deposit customers
- Continuing exposure and vulnerability of the Ukrainian economy to external financial shocks
- Regarding ongoing headwinds of adverse political and macroeconomic conditions, upside risks via weakened hryvnia and downside risks to growth exerting pressure on profit margins and impacts on debt-servicing capabilities of the real sector
- Concentration of liquidity gap towards shorter periods
- Impediments in enjoying the advantages of franchise strength due to its small scale though this providing the Bank with agility for expeditious strategic actions to tackle the sector wide adversities

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