

Corporate Credit Rating
Updated

Banking

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

*Assigned by JCR Eurasia on May 18, 2017

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PJSC West Finance and Credit Bank					
Financial Data	2016*	2015*	2014*	2013*	2012*
Total Assets (000 USD)	43,053	44,500	41,884	63,295	42,860
Total Assets (000 UAH)	1,170,614	1,067,991	660,459	505,917	342,582
Total Deposit (000 UAH)	354,189	219,258	197,860	226,593	138,669
Total Net Loans (000 UAH)	842,875	523,721	452,219	326,932	181,930
Equity (000 UAH)	255,590	182,678	146,535	123,120	108,806
Net Profit (000 UAH)	30,908	36,143	23,415	14,314	5,083
Market Share (%)	0.09	0.09	0.05	0.04	0.03
ROAA (%)	3.37	5.03	4.97	4.23	2.31
ROAE (%)	17.19	26.43	21.49	15.47	6.37
Equity/Assets (%)	21.83	17.10	22.19	24.34	31.76
CAR - Capital Adequacy Ratio (%)	39.44	42.79	45.18	39.69	46.21
Asset Growth Rate (Annual) (%)	9.61	61.70	30.55	47.68	40.21

* End of year

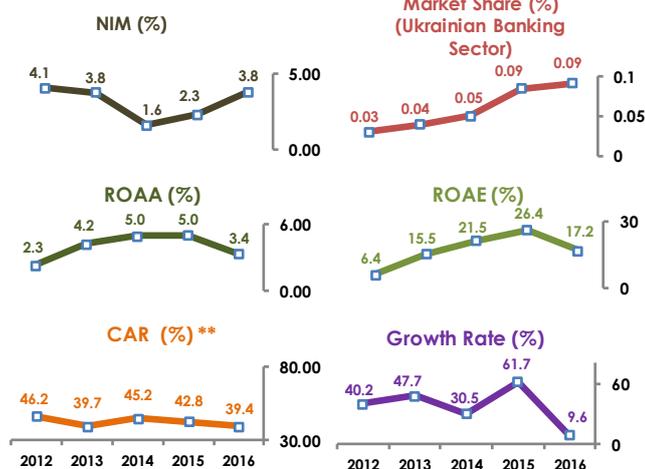
Overview

PJSC - West Finance and Credit Bank (hereinafter to be 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 82 people as of FYE2016 (FYE2015: 81).

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

Altınbaş Holding A.Ş. had become the major shareholder of the Bank owning 100% of the Bank's shares following the share transfer of the former shareholders in March, 2015, namely 'Creditwest Factoring Hizmetleri A.Ş.' 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 capitalization level well above legal requirements and sector averages supporting sustainability to a large extent, asset quality maintained regarding well-below-the-sector NPL ratios and high coverage, main profitability indicators far above the sector averages and implying capacity of generating internal equity as well as its sustained asset growth with share of loans continuing to expand while sticking to a selective lending strategy.



Strengths

- Maintenance of capitalization level well above legal requirements & sector averages supporting sustainability and providing adequate capacity to absorb incidental losses
- Asset quality maintained regarding well-below-the-sector NPL ratios & high coverage
- Main profitability indicators far above the sector averages
- Sustained asset growth with share of loans continuing to expand
- Sticking to selective lending to well-reputed clientele and focus on industries with low-leverage-high-EBITDA-margins
- Continuation of strong shareholder support abating needs for accession to external long-term funding
- Competent managerial practices, internal written documentation and risk management organization together with high level of transparency regarding corporate governance best practices

Constraints

- Narrow NIM (albeit one of the highest in the Ukrainian banking system and notable recovery) & share of NII still needing improvement in bolstering sustainability & predictability of revenues
- Adversities to be exerted on debt-servicing and pressure on profit margins through subdued growth and weakened hryvnia accompanied by sluggish demand
- Loan book with low granularity on client and sector bases together with high level of concentration of deposit customers
- Current small scale, though providing the Bank with agility in tackling the sector wide adversities, impeding potential advantages of franchise strength and exerting pressure on OPEX
- Concurrent political upheavals in international and domestic level resulting in continuing exposure and vulnerability of the Ukrainian economy to external financial shocks

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