

Ukraine

Pravex Bank

A dedicated retailer with a full-service banking background

Banks

Moody's

B2/Stable

Pravex Bank, the eighth-largest bank in Ukraine in terms of retail loan book size, enjoys a wide regional presence with a strong focus on the city of Kyiv. Servicing retail and SMEs are the bank's core business lines.

Pravex Bank was ranked the No.8 bank in terms of the size of retail loan portfolio by Ukraine's central bank as at 1 October 2006. In the environment of a booming retail lending business, the bank, which is privately held by local investors, has successfully managed to be among such heavyweights as RZB Aval, BNP Paribas and OTP. Its retail loan portfolio, at US\$0.3bn, is close to that of the state-owned saving bank Oshchadbank (US\$0.4bn), which was ranked No.7.

Since the early 1990s, the bank has evolved into a banking institution with a nationwide presence, thanks to a 425-strong network of offices, servicing 40,000 business and 2m retail customers. In the consumer finance business, the bank runs a network of 1,514 POS outlets. Having grown up out of the country's capital Kyiv, it enjoys an especially strong presence and high brand recognition there.

Historically targeting small and medium enterprises and retail clients by opening offices in premier locations and offering a wide product mix, the bank has been successful in the quick deployment of all segments of retail lending (mortgages, car loans, consumer lending) since the retail boom of 2001. Now, Pravex Bank could be considered as the most dedicated retailer among the top 50 banks in terms of assets, as it has the highest share of retail loans in total loan book among them.

Pravex Bank's profitability, efficiency and capitalisation ratios were improved in 2005. Its capital adequacy ratio (CAR) moved from 11% as at year-end 2004 to 14% at year-end 2005. This is in line with the capitalisation of the main sector players (ie, state-owned Ukreximbank's 2005 CAR was 14.5%, Ukrspotsbank's 2005 CAR was 12.5%).

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Alexander Valchyshen

Credit analyst

Kyiv (38 044) 2303017

alexander.valchyshen@ingbank.com

28 November 2006

Balance sheet (US\$m)

	2004	2005	9M06
Assets	299.4	394.3	526.8
Total loans	178.5	266.5	380.2
Retail loans	130.3	221.8	333.3
Equity	18.4	24.5	43.5
Customer accts	243.5	352.6	447.8

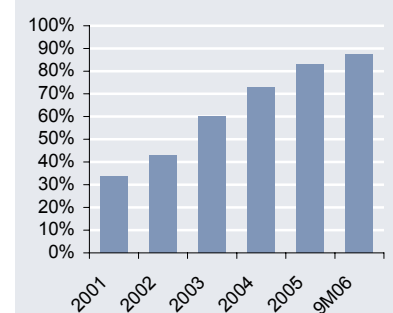
Income statement (US\$m)

	2004	2005	9M06
Net int. income	10.5	17.1	15.3
Net comm income	18.7	20.3	44.4
Operating income	35.2	43.3	66.0
Operating exps.	(29.8)	(40.2)	(51.4)
Profit before tax	2.2	3.0	11.7
Net income	0.6	2.4	9.9

Key ratios (%)

	2004	2005	9M06
ROAA	0.2	0.7	2.2
ROAE	3.7	11.1	29.2
Net interest margin	4.8	6.8	4.4
Cost/income ratio	84.6	92.9	78.0
Equity/net loans	10.3	9.2	11.4
CAR	11.0	14.0	N/A
Loan loss reserves/gross loans	5.2	3.8	1.9

Pravex Bank: retail share in lending



Source: Company data

<http://research.ing.com>

Bloomberg: ING <GO>

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Contents

Ukraine: country overview	4
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The banking sector	7
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Introducing Pravex Bank	12
Key credit drivers.....	12
Rating.....	12
History and background.....	12
Ownership and management.....	13
Competitive position and strategy.....	13
Financial analysis.....	16
Peer comparison.....	21

Financial statements	25
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Appendix	27
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Ukraine: country overview

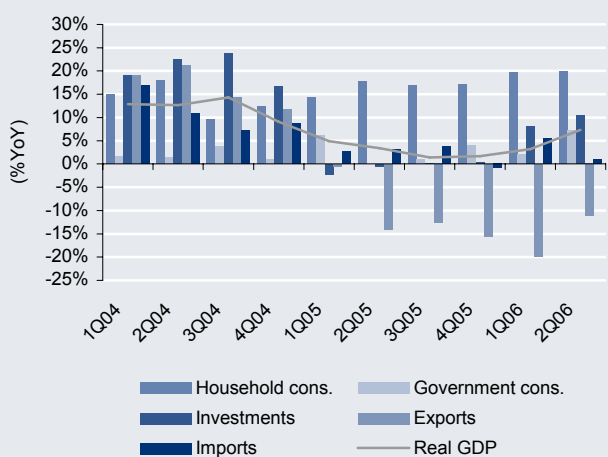
Internal consumption and investments have been the main drivers of economic growth in Ukraine in recent years. Growth is expected to reach 6% in real terms by year-end 2006. This pattern of growth is expected to persist into 2007. However, a wider trade deficit due to more expensive fuel imports is likely to drag growth down to a lower level of 5% in real terms in 2007F. Curbing inflation, which has been 10-12% over the last two years, and which is expected to be around 10% in 2007F, is going to be an issue for the government, as tariffs (electricity, home utilities) are being 'unfrozen'. The trade deficit and inflow of investments are expected to counterbalance each other, making the central bank's FX policy of defending the hryvna (at UH5-5.06/US\$ for 2006, and marginally wider for 2007) much easier. The central bank itself, given its sizable international reserves, has the commitment and capability to defend the hryvna within these predetermined bands.

Ukraine's sovereign credit ratings are BB-/Stable by S&P, Ba3/Positive by Moody's and BB-/Positive by Fitch.

Economic growth accelerated in 2006 thanks to...

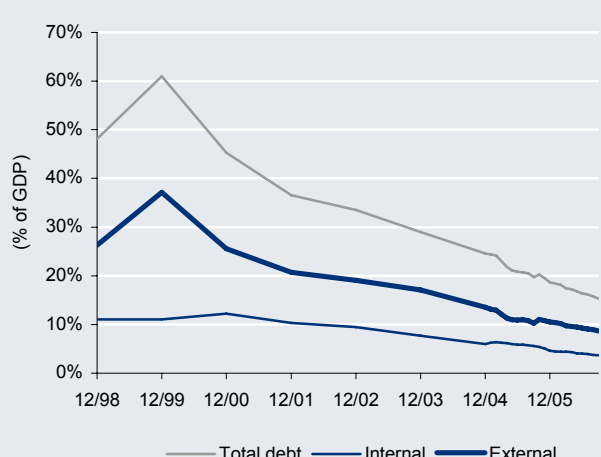
The country's economy has been enjoying accelerating growth since 1Q06 following a slowdown throughout 2005. The pick-up in growth occurred thanks to strong household consumption, which together with rebounding investments, provided acceleration in growth from 3.2% YoY in 1Q06 to 7.3% YoY in 2Q06. Actually, the performance was better than expected, as it was feared that political uncertainty associated with parliamentary elections in March 2006 accompanying a near doubling in the price for imported natural gas could slow both consumption and investment, while the growing trade deficit would be another drag on growth.

Fig 1 Real GDP growth (YoY, quarterly data)



Source: State Statistics Committee, Ukraine

Fig 2 Public debt in Ukraine



Source: MoF, ING

...household consumption and investments

However, investments appeared strong, growing more than 10% YoY in 2Q06, while a mix of factors (a growth in wages, wider availability of bank loan to households) kept private consumption in high double-digit figures (nearly 20% in 2Q06). Going forward, the economy is set to experience a further widening of the trade deficit as natural gas

prices in 2007F are likely to increase by 38%; however, stable government and a calmer political scene should be favourable for investments and consumption. We expect real GDP growth to slow to 5% in 2007-08F.

Prudent fiscal policies by successive governments have led to low public debt ratios

In terms of fiscal performance, both the current government and the previous two managed to keep the budget deficit low, resulting in slim borrowing levels in net terms. The successful privatisation of the Kryvorizhstal steel mill in November 2005 provided the government with US\$4.8bn in revenues, which boosted the central bank's international reserves and helped to cover the budget deficit in 2005 as well as 1H06.

The size of the government's debt was 15.3% of GDP as at 30 September 2006. As the MoF has renewed borrowings since September 2006, the size of the public debt is expected to grow to 17% of GDP as at year-end 2006. FY07F should have 2.6% of GDP deficit covered by privatisation proceeds and net borrowings. The prudent fiscal policy expected for 2007 is likely to keep the public debt ratio at a low level, approaching 20%.

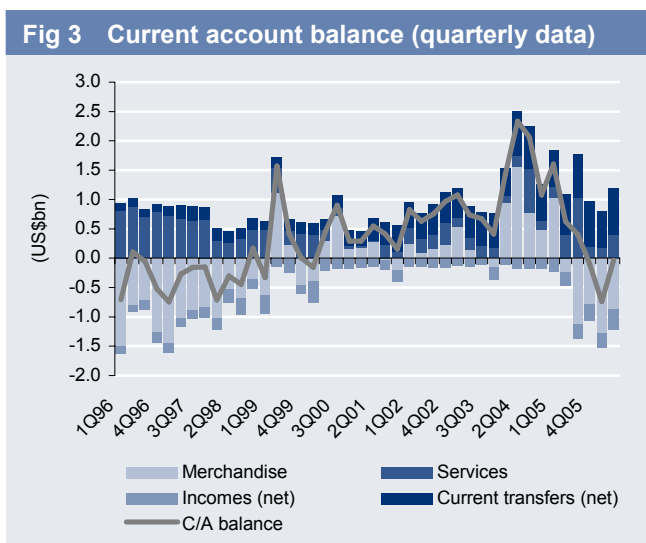
BoP is likely to see a widening of the C/A deficit to 4% of GDP in 2007...

The mixture of factors in the balance of payments – such as a further increase in the current account deficit due to new levels of natural gas prices and a strong inflow of FDI into private businesses – are supportive for the central bank in its aim of keeping the hryvna within a predetermined band (now UH5-5.06/US\$). The higher energy bill as a result of higher natural gas prices is likely to widen the C/A deficit from the expected 2% of GDP for 2006F towards 4% of GDP in 2007F.

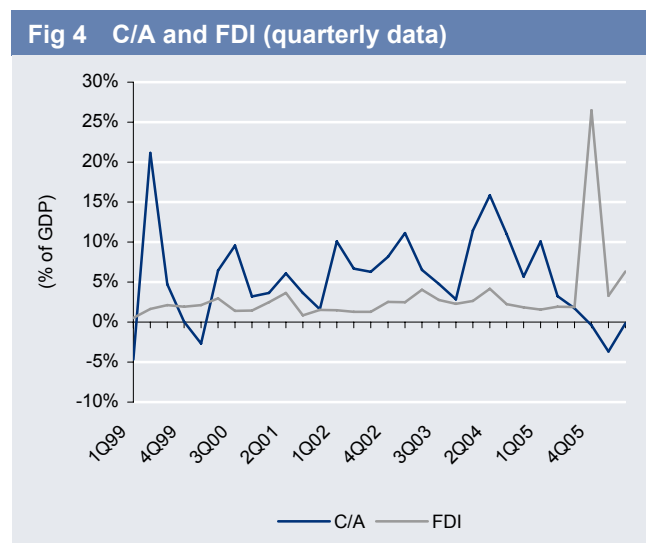
...but it looks to be at a manageable level, easily financed by FDI and portfolio investments

The deficit is likely to be readily financed by FDI (into private business and privatisation) and portfolio debt and equity investments. Markedly, during the first nine months of 2006, when privatisation was stalled, the volume of FDI increased 3.4x towards US\$3.6bn, compared with the same period of 2005. This marks a trend proving that the local business climate is improving for foreign investors, and that private local businesses are attracting investments.

If a US\$1.4bn acquisition of Ukrasotsbank by Italian bank Intesa M were to be completed in 1Q07, these funds alone, combined with other direct investments in the banking sector and other consumer-related sectors, would provide a volume of FDI sufficient to offset the C/A deficit.



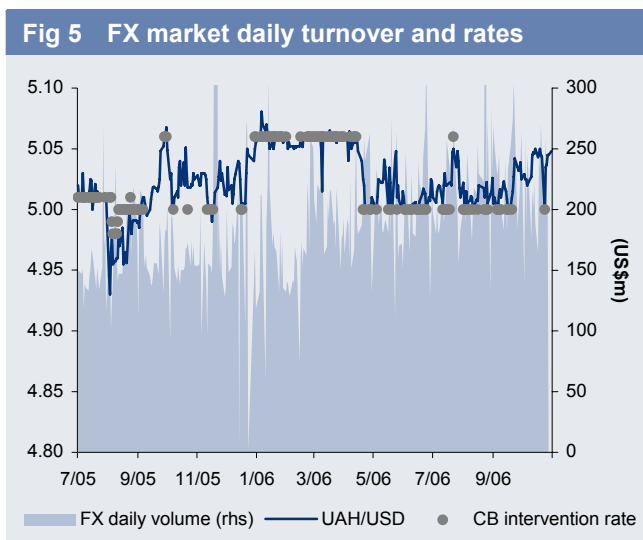
Source: NBU



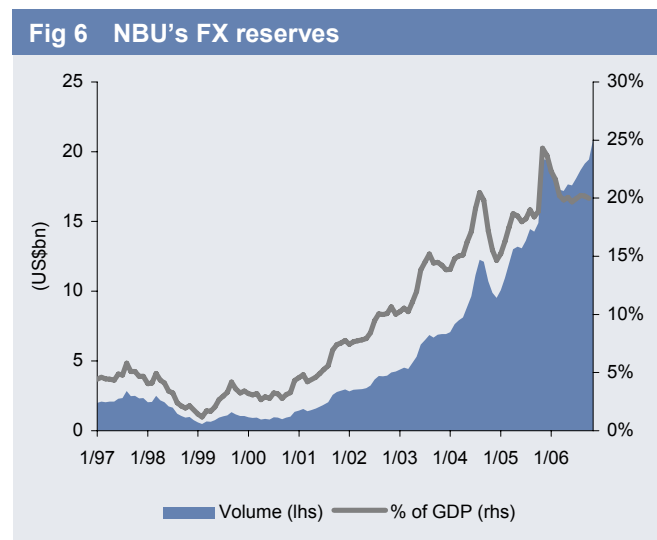
Source: NBU

The current central bank's FX policy of defending the hryvna within a narrow band of UH5-5.06/US\$, is likely to be maintained in 1H07, with a further widening of the band, albeit marginally in 2H07. The central bank is not yet prepared to relax its tight grip on the exchange rate as it has been using the hryvna peg to the US dollar since 2002, revaluing the local currency sharply by 3% in April 2005 under the weight of the inflow of portfolio investments. This appreciation caused political tension, as the opposition questioned the government and the central bank's management over the negative impact of the move on household foreign currency savings (foreign currency deposits in commercial banks account for 40% of total deposits). This is why the issue of allowing the hryvna to fluctuate more freely on the market is the subject of a political commitment by the central bank and the government.

With expectations that cross-border flows of funds on current and capital accounts will be balanced, the central bank's ability to keep the UH/US\$ exchange rate within a predetermined band is not being questioned. This notion stems from the fact that NBU has sizable international reserves, which amount to US\$19.5bn (20.6% of GDP) as at the end of October 2006.



Source: NBU



Source: NBU, ING

Fitch and Moody's changed their outlook on Ukraine's sovereign ratings from Stable to Positive

The stronger-than-expected growth of the economy, fairly smooth shift of power from the presidency to parliament and the constructive political talks on the government formation this summer were reflected in the change of the country's rating outlook by Fitch (on 25 October 2006) and Moody's (on 10 November 2006). The agencies changed their view on the sovereign rating from stable to positive, citing the above factors. Fitch said in its statement that its ratings on the sovereign 'could continue to move up the scale' if further positive signs of economic performance and political stability arise. Given that local politics are quiet, a one notch upgrade is quite likely, in our view, after the country's WTO entry (4Q06-1Q07) and subsequent free-trade agreement (FTA) with the EU.

The banking sector

Over the past two years, Ukraine's banking sector has experienced rapid expansion (assets grew 34% in 9M06, reaching 60% of GDP) fuelling domestic consumption and investments. Retail lending appeared the fastest evolving activity within the sector (it grew by 136% YoY in 10M06 to 14% of GDP). While, the sector has been enjoying high growth rates, it bears, to some extent, the risks associated with a maturity mismatch between assets and liabilities, where demand for long-term loans prevail, while the main source of funding is still short-term.

The credit rating agencies rate the top Ukrainian banks (70% of the top 30 banks are rated by the credit rating majors), with few exceptions, at a level that is one notch below the sovereign rating.

Ukraine's banking system consists of more than 160 banks

Ukraine's banking system included 166 banks as at 1 October 2006. The top ten banks control a 53.5% share of assets in the banking system. There are two 100% state-owned banks among the top ten: Ukreximbank and Oshchadbank (savings bank).

Top banks have seen an inflow of FDI

Since late 2004, the banking system has been experiencing an inflow of FDI into local bank majors. If the total share of the banks with foreign ownership amounted to 9% in terms of assets at the beginning of 2005, then it surged towards 37% as at 1 October 2006.

Expansion of bank credit has been robust over the last two years

The country's banking sector has been evolving quite robustly over the last couple of years. In 2005, total assets in the banking sector grew 59.2% to U\$213.9bn, 51.1% of GDP. Since the beginning of 2006, total assets increased by 34.4%, reaching U\$287.5bn, or 60% of GDP.

Household lending was the fastest-growing activity in the sector...

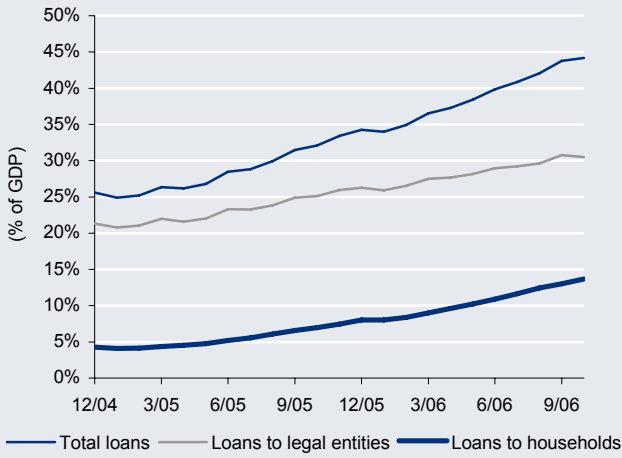
Retail lending appeared the most flourishing banking activity over the last two years. In 2005, lending to households grew 126.6% YoY, reaching, in relative terms, 8.0% of GDP. In January-October 2006, growth accelerated as the total amount of loans extended to households increased by 135.9% compared with the beginning of 2006, reaching 13.7% of GDP.

Over the same period, corporate lending also experienced a rise, albeit at a slower pace. In 2005, the total amount of loans to businesses increased by 48.9%, YoY reaching, in relative terms, 26.3% of GDP. Over January-October 2006, corporate lending expanded further, although at a slower pace of 46.7%, and the stock of loans to businesses amounted to 30.5% of GDP in relative terms.

...but still the sector's size is smaller than in CEE

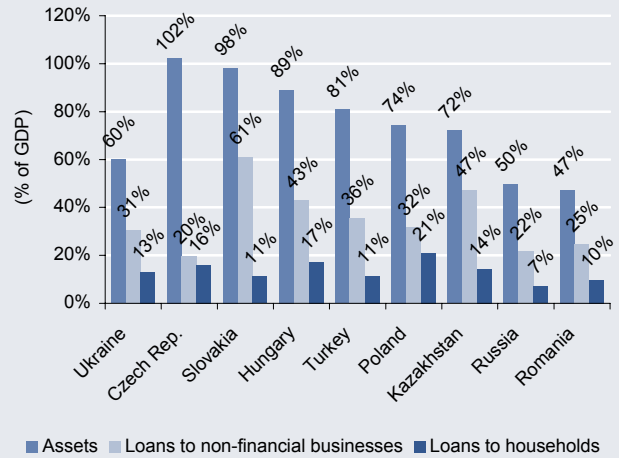
Comparing the size of the Ukraine's banking system with the banking systems of selected countries in Central and Eastern Europe and the CIS, Ukraine's banking sector has room for further growth. Its ratio of assets to GDP amounted to 60% as at 1 October 2006, while the banking sectors in the new EU member states from the CEE are larger in size (>70% of GDP in terms of assets).

Fig 7 Banking loans as a percentage of GDP



Source: NBU, State Statistics Committee, ING

Fig 8 Size of banking sectors: Ukraine versus selected CEE and CIS countries



Source: National sources

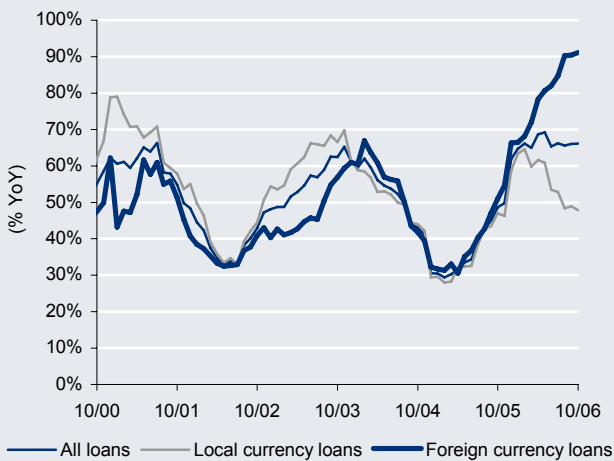
While robust growth of the banking business over the last couple of years has extended the availability of credit to households, the following trends in the banking system's funding and lending operations have also been observed.

Lending structure

Lending has been growing at more than 60% in 2006

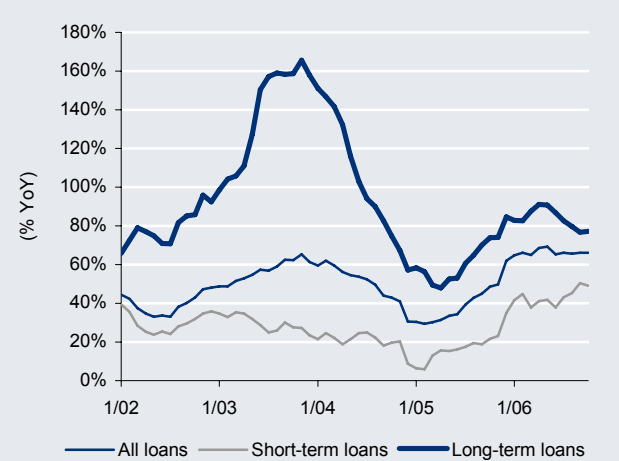
As was noted above, the economy's demand for borrowed funds has been strong, resulting in high double-digit growth rates in lending. Even during downturn periods such as 1Q02 and 4Q04 (see Figure 9) bank lending growth rates were above 30%. Now, the growth rate fluctuates at around the 66% YoY level.

Fig 9 Growth of bank lending (by currency)



Source: NBU, ING

Fig 10 Growth of bank lending (by maturity)



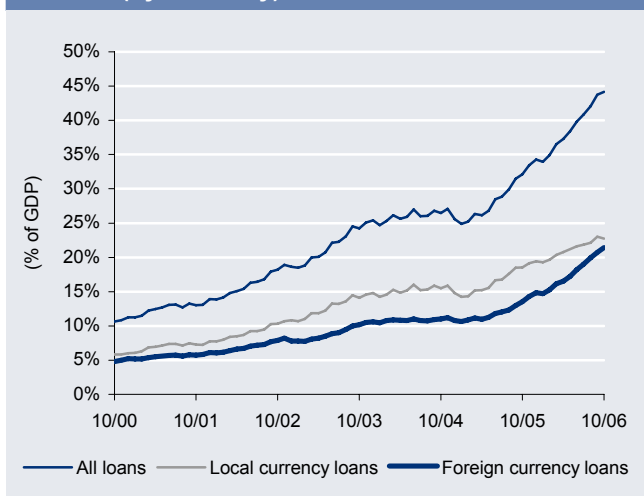
Source: NBU, ING

In terms of currency, the demand for bank credits was quite even until 4Q05; but since January 2006, demand for foreign currency loans was much higher than for loans in hryvnia, the local currency. As a result, the growth rate of hryvnia-denominated loans slowed to 48.9% YoY in September 2006, while the growth of foreign currency loans accelerated to 90.4% YoY in the same month.

In terms of maturity, demand for long-term loans has been prevailing over short-term ones. As at the end of September 2006, the total volume of short-term loans had

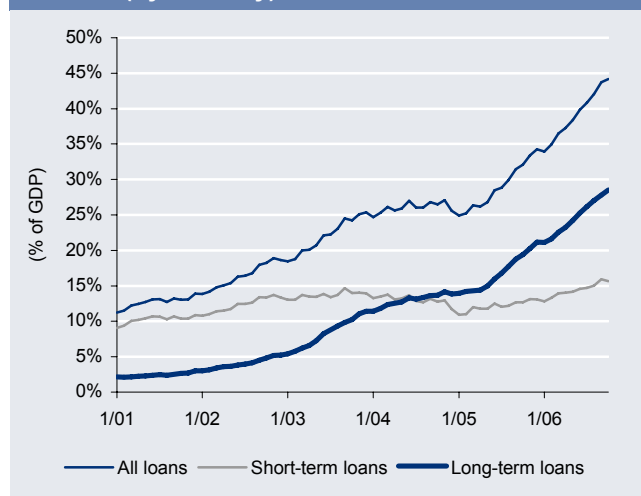
grown by 50.3% YoY, while the total volume of the long-term loans had increased by 76.7% YoY.

Fig 11 Bank lending as a percentage of GDP (by currency)



Source: NBU, ING

Fig 12 Bank lending as a percentage of GDP (by maturity)



Source: NBU, ING

The above-mentioned trends in the lending activities of the Ukrainian banks have resulted in a quick expansion in lending – as a ratio of GDP, the total volume of loans grew from 25.6% at the end of 2004 to 43.7% at the end of 3Q06.

Demand for long-term loans has been especially strong...

There is an almost even distribution between local currency loans and loans denominated in foreign currencies – their shares in GDP amount respectively to 23.0% and 20.7% as at 30 September 2006.

...thanks to mortgage and retail finance

At the same time, demand for longer term loans, which are especially but not exclusively associated with retail lending, resulted in a larger share of long-term loans over short-term ones. The latest data on bank statistics indicate that total volume of long-term loans accounted for 27.8% of GDP as at 30 September 2006, while short-term loans have a 15.9% ratio (see Figure 12).

Funding structure

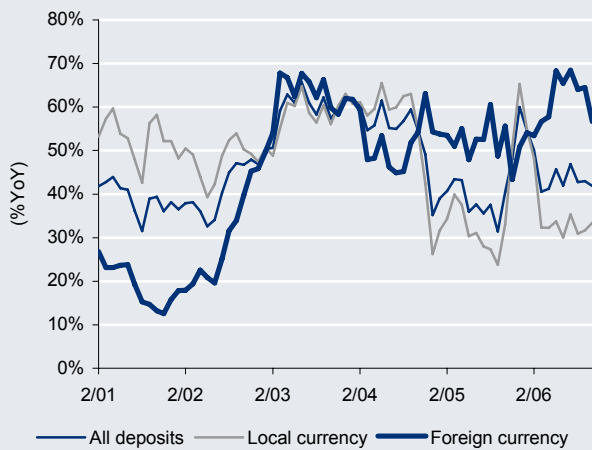
For funding, the banking system relies on clients' deposits and external borrowings

To meet demand for loans the Ukrainian banks successfully managed to attract more deposits from households and business entities. However, the main source of funding used in long-term lending appears to be external borrowings in the form of syndicated loans and bond issuance.

The growth rate of total volume of deposits in the banking system has been above 30% YoY since January 2001 and was at 43.0% YoY as at 30 September 2006.

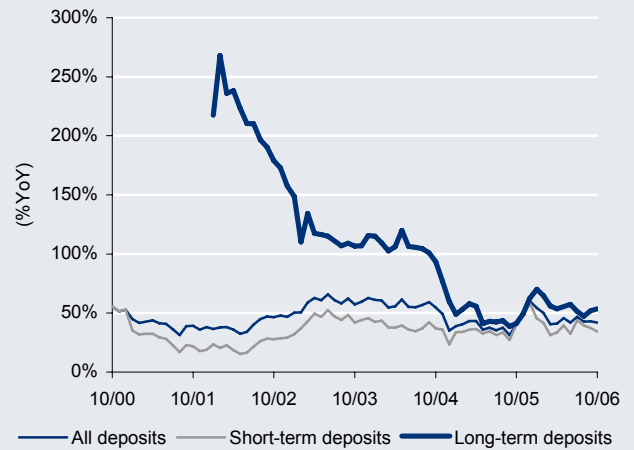
In terms of currency, the total volume of deposits in foreign currencies grew faster over hryvna-denominated deposits since January 2006. This could be explained by the widespread concern at the start of the year about the weakness of the hryvna due to the higher prices of natural gas imports and political uncertainty associated with parliamentary elections held in March 2006. As a result, the growth of deposits in local currency slowed to 31.7% YoY, while foreign currency deposits saw a 64.5% YoY increase in September 2006.

Fig 13 Growth of deposits (by currency)



Source: NBU, ING

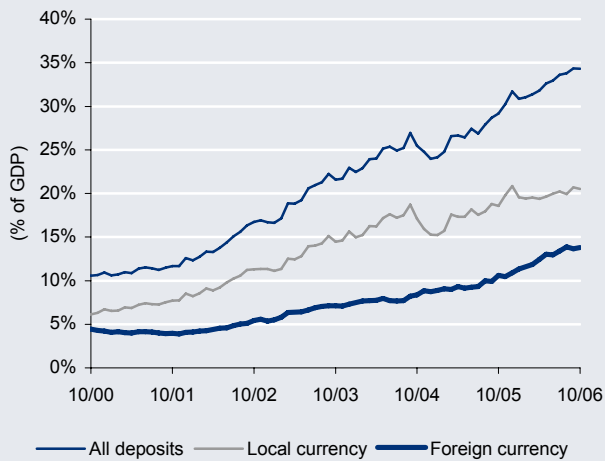
Fig 14 Growth of deposits (by maturity)



Source: NBU, ING

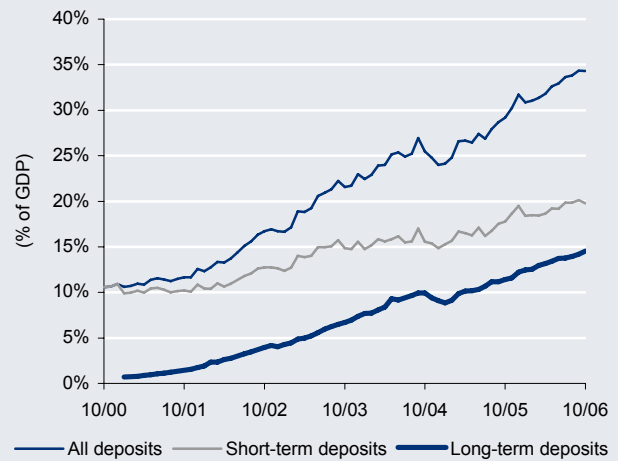
In terms of maturity, the Ukrainian banks have been attracting more long-term deposits as their growth rate has outpaced that of short-term deposits (see Figure 14). However, the size of the short-term deposits has been prevailing in the balance sheets of the Ukrainian banks. While the total amount of deposits in the banking system amounted to 34.3% of GDP as of 30 September 2006, the short-term and long-term deposits accounted for 20.1% and 14.2% of the share of GDP.

Fig 15 Deposits in banks as a percentage of GDP (by currency)



Source: NBU

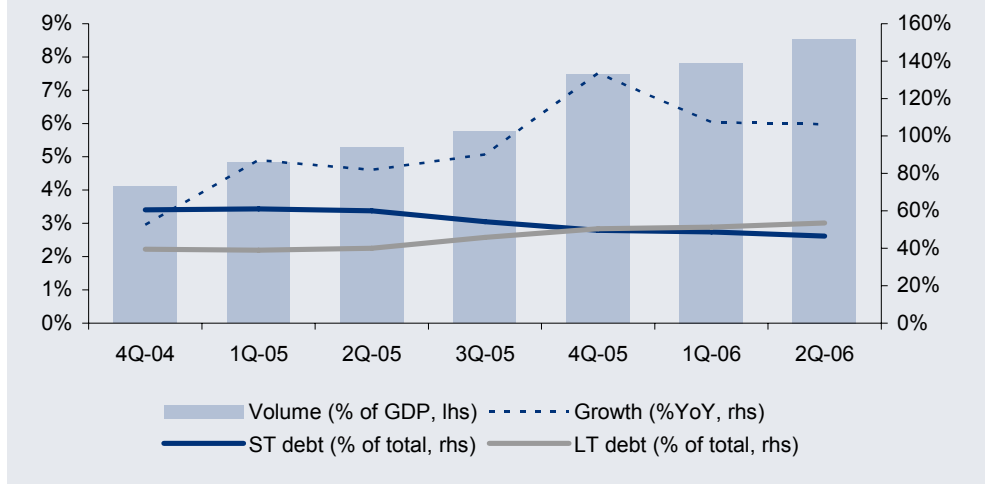
Fig 16 Deposits in banks as a percentage of GDP (by maturity)



Source: NBU

To diversify their funding base away from local clients, the Ukrainian banks have extended their borrowing activities abroad. While the volumes of external funding are relatively modest, with ordinary funding sources, the growth rate of these funds on the balance sheet of the banking system has been nearly twofold. Over the last two-and-half-years, the amount of external borrowings doubled from 4.1% of GDP as at the end of 4Q04 to 8.5% of GDP as at the end of 2Q06 (see Figure 17).

Fig 17 External borrowings by Ukrainian banks



Source: NBU

Introducing Pravex Bank

Key credit drivers

Strengths/opportunities

- Established retail network with country-wide reach and especially strong presence and brand recognition in the country's capital Kyiv.
- Retail banking has been a core business for the bank providing it with a well diversified client base and flexibility in pricing its services.
- Improving profitability, efficiency and capitalisation ratios.
- Despite a quick growth of consumer lending, the bank retail loan portfolio continues to be dominated by property-backed mortgages (a 48% share in total as at 1 October 2006). Even with further quick acceleration in consumer lending in 4Q06 and 2007, the loan portfolio structure is likely to be evenly diversified between key segments (mortgages, consumer loans and car loans).
- A move to tap the capital markets with a bond issue may diversify the bank's funding structure.

Weaknesses/threats

- Quick growth of unsecured consumer lending, if not properly managed, may put the bank under pressure of loan portfolio quality.
- Dependence on replenishment of retail deposits, where short-term funds dominate.

Rating

**Pravex Bank
is rated at B2/Stable
by Moody's**

In August 2006, international rating agency Moody's issued its credit opinion on Pravex Bank, assigning the bank a B2 rating with a stable outlook. The agency pointed out that an upward pressure on the ratings might result from:

"...(i) an improved corporate governance structure; (ii) the ability to sustain capitalisation at a healthy level; (iii) a decrease in appetite for credit and liquidity risks; (iv) reduced concentration levels in the loan portfolio, as well as improved risk management".

History and background

**Pravex Bank started
banking business in
early 1990s...**

Pravex Bank was registered as a banking institution by National Bank of Ukraine in December 1992. The bank was founded by local private entities and individuals. Incorporated in the country's capital Kyiv, the bank started its business activities in the city and in the Kyiv oblast. In 1993, the bank opened its first offices there.

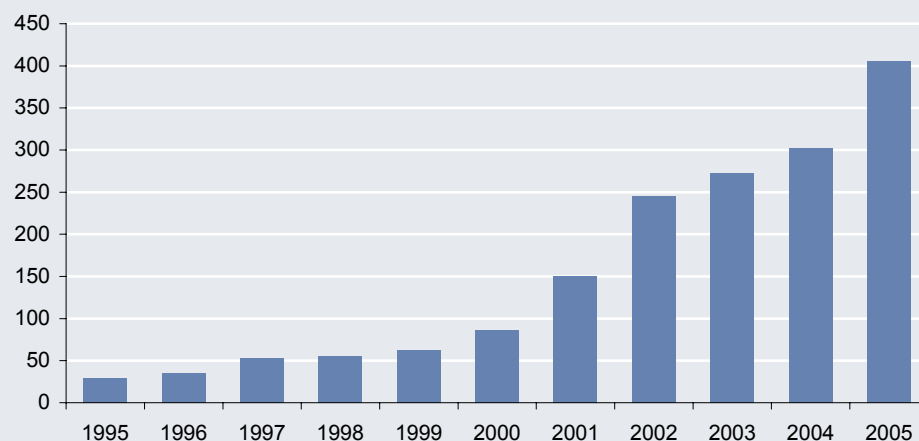
**...serving predominantly
SMEs and private
individuals...**

Since its inception, the bank has served private entrepreneurs, SMEs and private individuals, providing them with innovative services (at that time) such as credit cards (VISA, Eurocard/MasterCard, Diners Club), cash payments for home utilities bills, etc.

At the end of 1990s, the bank started its regional expansion by opening offices in key oblast centres and towns.

...it operated mainly in Kyiv and Kyiv oblast in the mid-90s...

Fig 18 Number of Pravex Bank offices



Source: Company data

...but now Pravex has a nationwide status thanks to its regional expansion

By the end of December 2005, Pravex Bank ran 406 offices scattered all over the country. Over 9M06, the network was extended to 425 offices, and a presence in all 24 oblasts of the country and in the Crimea. The bank's client base consists of 40,000 business entities and 2m retail customers.

Incumbent Kyiv mayor Leonid Chernovetsky is the ultimate owner of the bank

Ownership and management

According to the 2005 auditor's report, Leonid Chernovetsky was the ultimate owner of the bank as at 31 December 2005, directly owning a 35.2% stake. To date, there has been no material change in the bank's ownership structure.

Leonid Chernovetsky had been serving as a head of the supervisory board of Pravex Bank since the early 1990s. A member of the Ukrainian parliament since 1996, he was elected as a mayor of the city of Kyiv in March 2006 for a five-year term.

After his election as Kyiv's mayor, Leonid Chernovetsky distanced himself from the management of the bank. Spetan Chernovetsky, his son, was appointed as head of the supervisory board of the bank in May 2006. He joined the bank in 1997, and received a university degree in law in 2003.

Natalya Zubrytskaya has been serving as chairman of the board since May 2005. With a university degree in marketing management, she has been with Pravex Bank since 1994, climbing up the corporate ladder from the position of account manager to deputy chairman in 1991.

SMEs and individuals have been the core client base of Pravex Bank

Competitive position and strategy

Since its inception, Pravex Bank has been oriented to serve SMEs and private individuals. Headquartered in Kyiv, which is the political, cultural and business centre of the country and where inhabitants enjoy the highest income levels in the country, Pravex Bank pioneered the strategy of opening small offices that offer a full range of bank services to customers in convenient locations.

Pravex Bank has been at the cutting edge in banking by offering its clients the most innovative services: it won loyalty from retail clients by offering, for example, anonymous hard currency accounts to affluent customers while it attracted individuals with medium and small incomes as well as pensioners, for instance, by assisting them to carry out regular payments such as home utilities bills (which used to be notoriously

However, the bank has shifted towards retail banking recently

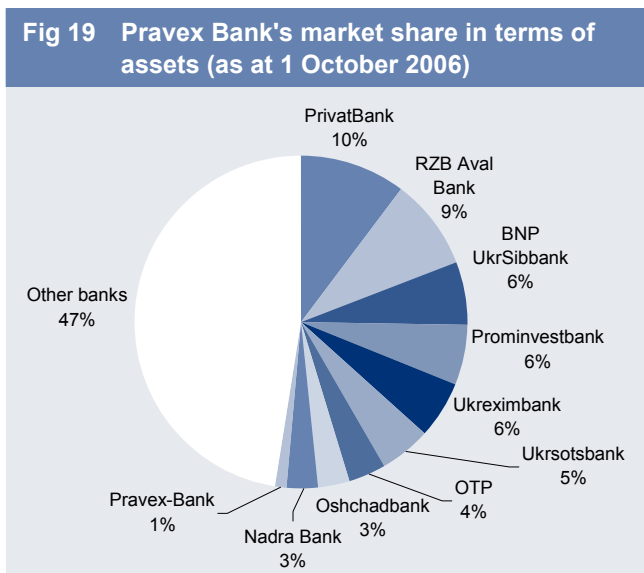
time-consuming exercise in the past). The same strategy was expanded into other cities.

Such a strategy paid off as large banks, especially those which grew up from state-owned banks, ran and still run old-fashioned offices that were both inconveniently placed and slow to innovate.

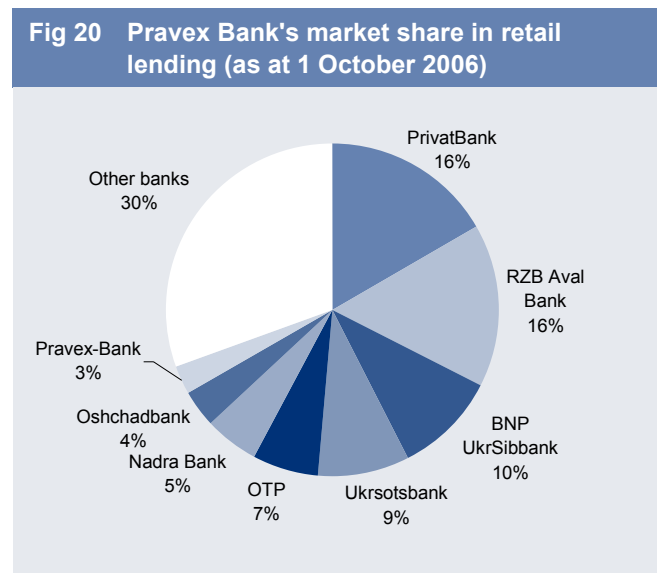
Thanks to its established position within its client base and supportive marketing campaign, the bank has benefited from the Ukrainian consumption boom seen since 2001. It has increased the retail loan portfolio in size and oriented it more towards retail customers in lending, as the share of loans to households in total loan portfolio rose from about 30% at year-end 2001 to 86% as at 30 September 2006.

Pravex Bank is among top 8 banks in retail lending, while being among top 25 banks in terms of assets

In terms of assets, Pravex Bank was ranked by the central bank as the No. 25 bank in the country, having a 1% market share among 166 commercial banks in the country as at 1 October 2006 (see Figure 19). At the same time, the bank was ranked eighth in terms of the size of retail loan portfolio enjoying a 3% market share in retail lending (see Figure 20).



Note: 1) a market share is calculated as a bank's assets to total assets in the banking system; 2) 100% = US\$56.9bn.
Source: NBU, ING

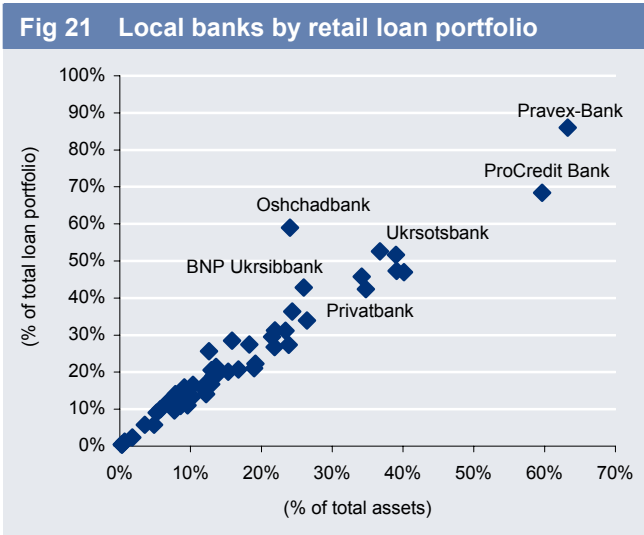


Note: market share is calculated as a bank's household loan book to total size of household loans in the banking system; 2) 100% = US\$12.2bn.
Source: NBU, ING

Going further, it is justifiable to say that in relative terms Pravex Bank appears one the most dedicated banks toward retail banking (in lending as well as in funding).

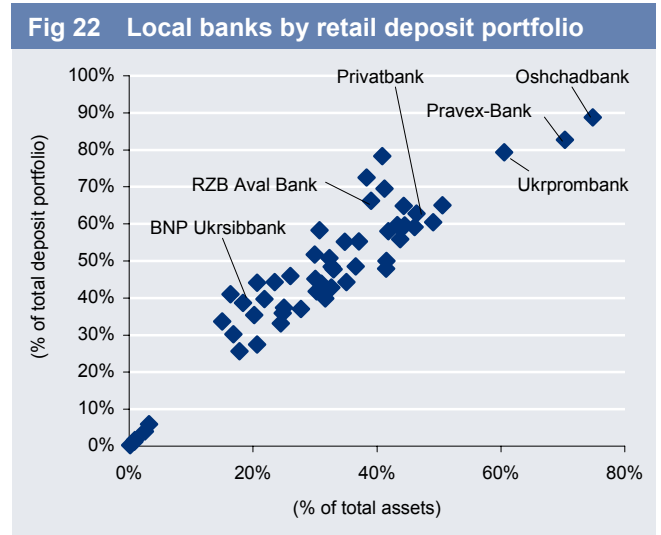
Pravex Bank now appears dedicated primarily to retail

On the asset side of the balance sheet, Pravex Bank has the biggest share of retail loans in total loan portfolio; the same applies to the ratio that measures retail loan book size relative to the bank's total assets (see Figure 19). By these measures, Pravex Bank exceeds the standing of ProCredit Bank, which is specialised in microfinance (lending to private entrepreneurs) and the likes of Privatebank, BNP UkrSibbank, UkrSotsbank, which, being among the top five large banks, naturally have a more diversified loan portfolio.



Note: 1) data as at 1 October 2006; 2) the chart depicts only top 50 banks by assets; 3) each bank's position in the chart is dependent on two variables: the ratio of the bank's retail loan portfolio to its total volume of loan portfolio and the ratio of the bank's retail loan portfolio to its total assets.

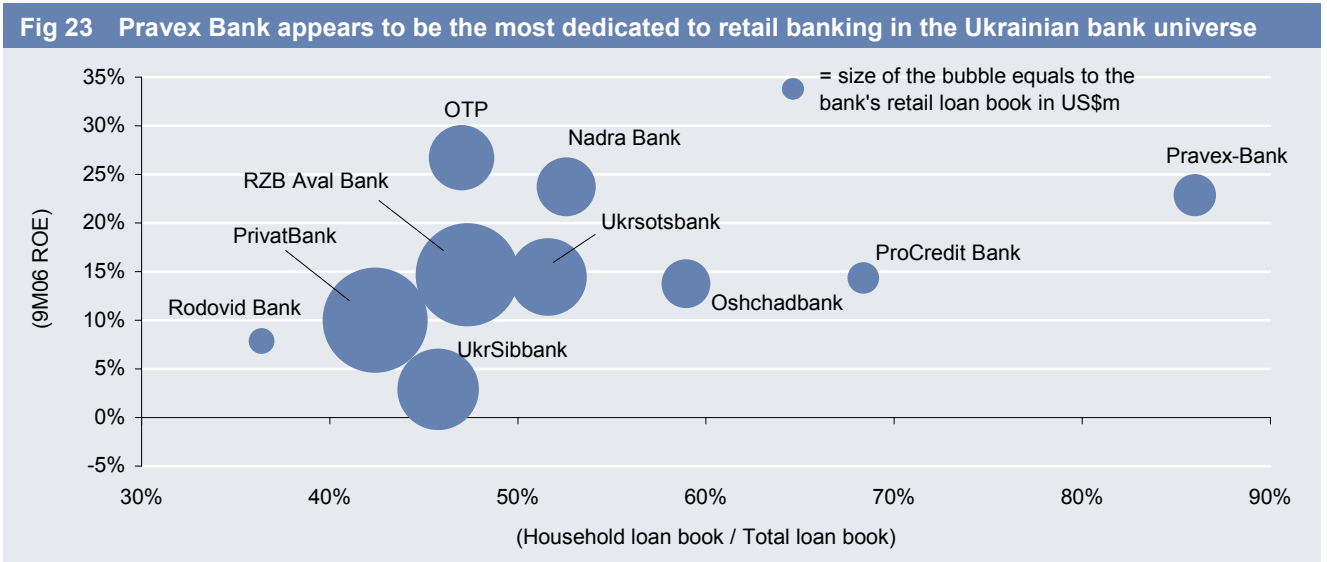
Source: NBU, ING



Note: 1) data as at 1 October 2006; 2) the chart depicts only the top 50 banks by assets; 3) each bank's position on the chart is dependent on two variables: the ratio of the bank's retail deposit portfolio to its total volume of deposit portfolio and the ratio of the bank's retail deposit portfolio to its total assets.

Source: NBU, ING

On the liabilities side of the balance sheet, Pravex Bank looks like a saving banks whose funding base mostly relies on retail deposits. The ratios of retail deposits in total volume of deposits and in total assets indicate that Pravex Bank is quite close to the standing of state-owned savings bank Oshchadbank. However, the bank majors like Privatbank, RZB Aval and BNP Uksribbank naturally have a more diversified funding base, enjoying an established reach into international and local capital markets.



Source: NBU, ING

The bank has been paying much attention to consumer finance

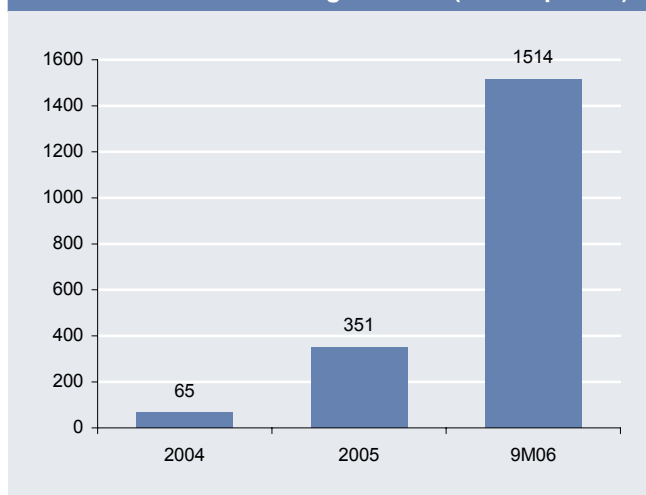
In an environment of fast-growing retail lending activity and consumer finance in particular, Pravex Bank has prioritised its business activities towards consumer lending recently. The bank acknowledges that consumer finance brings larger income flow than other types of lending. For the purposes of carrying out consumer finance business, the bank has employed a scoring system evaluating borrowers' credit quality and deciding whether to grant or reject a loan to a customer within a short period of time (20 minutes).

Fig 24 Car and consumer lending by Pravex Bank, 2004 to 9M06

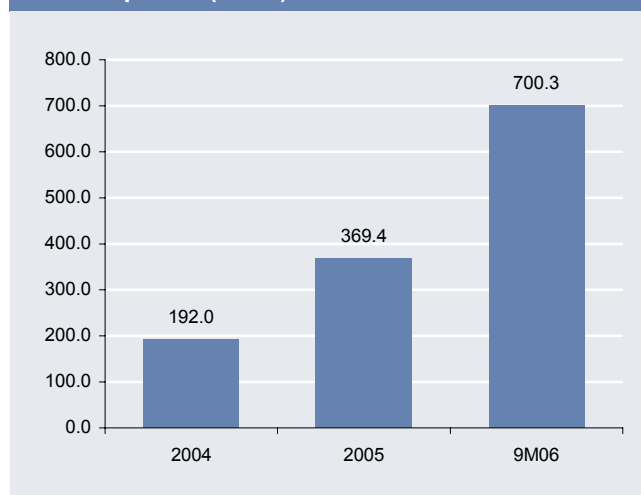
	2004	2005	9M06
Number of car loans per year	1,417	4,132	3,089
Volume of car loans per year (m)	81.3	225.0	117.6
Number of consumer loans per year (000)	117.7	183.2	n/a
Volume of consumer loans per year (Uh m)	192.0	369.4	700.3
Number of POS outlets (as at the end of period)	65	351	1,514

Source: Company data

In 2006, Pravex Bank considerably increased the number of points of sale (POS) in its network of consumer lending outlets within chains of supermarkets and shops. As at 30 September 2006, this network consisted of 1,514 POS outlets. In 9M06, the total volume of consumer loans granted to customers via the POS network amounted to Uh700.3m (US\$138.7m), which is nearly double the total volume granted during 2005.

Fig 25 Number of POS outlets in Pravex Bank's consumer lending network (end of period)

Source: Company data

Fig 26 Volume of consumer loans issued per period (Uh m)

Source: Company data

Alongside the booming consumer lending, the bank has continued to be competitive in other segments of retail lending. The bank's new mortgage lending (in gross terms) amounted to Uh420.9m (US\$83.3m) while the volume of loans for car purchases (in gross terms) was Uh117.6m (US\$23.3m).

In conclusion, Pravex Bank appears to be a banking institution with a quite flexible business strategy thanks to:

- Its local banking business expertise, which stems from the fact that it has been in this business since its creation in the early 1990s.
- A wide network of offices in convenient locations.
- Brand recognition among customers, together with a good quality of service, has allowed the bank to win loyalty and customers.

This is why the bank has been able to move so easily into consumer finance, a new segment of the banking business.

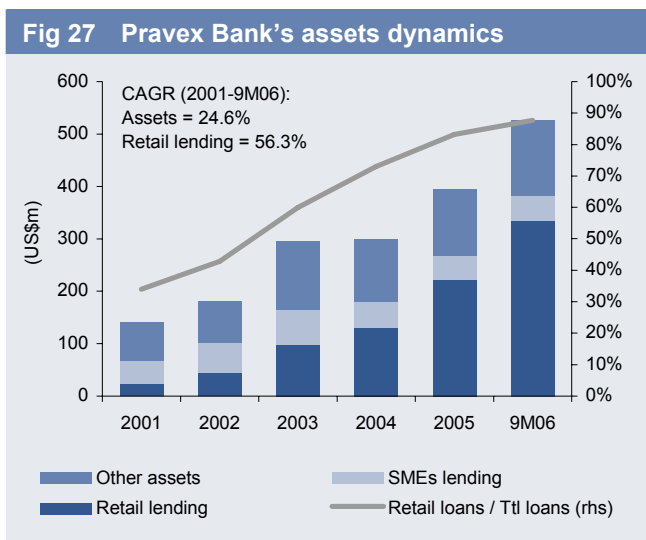
Financial analysis

Pravex Bank has been growing rapidly since 2001: its assets grew at an annual growth rate of 24.6% 2001-9M06. However, the banking sector grew faster.

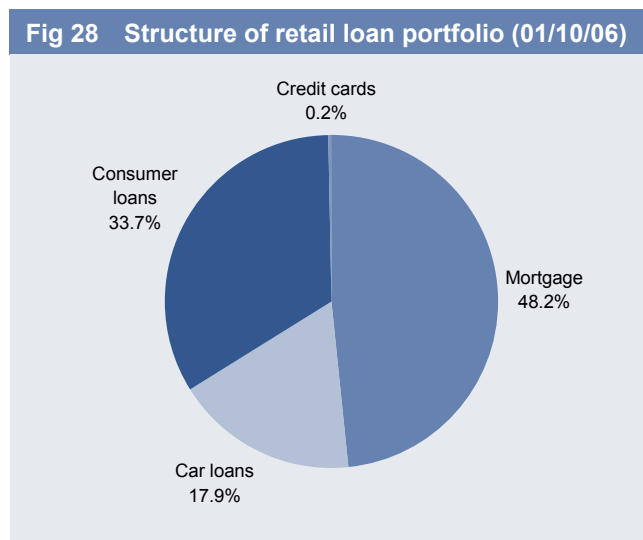
To compare this rise with that of the banking sector as a whole, for which data is available for the period of 2003-9M06, we have recalculated an annual growth rate of Pravex Bank assets for that period. It appears that the bank's growth rate of 13.5% was lower than the sector's 32.4%. This has resulted in a declining market share of the bank from 1.7% as at 31 December 2003 to 0.9% as at 30 September 2006.

**Two-digit growth rate
2003-9M06**

In retail lending, Pravex Bank's loan book grew at an annual rate of 36.6% 2003-9M06, however, the banking system's whole retail loan book grew at an annual rate of 67.2% over the same period. As a result, the bank's market share in the retail lending market shrunk from 5.8% as at 31 December 2003 to 2.7% as at 30 September 2006.



Source: Company data, ING



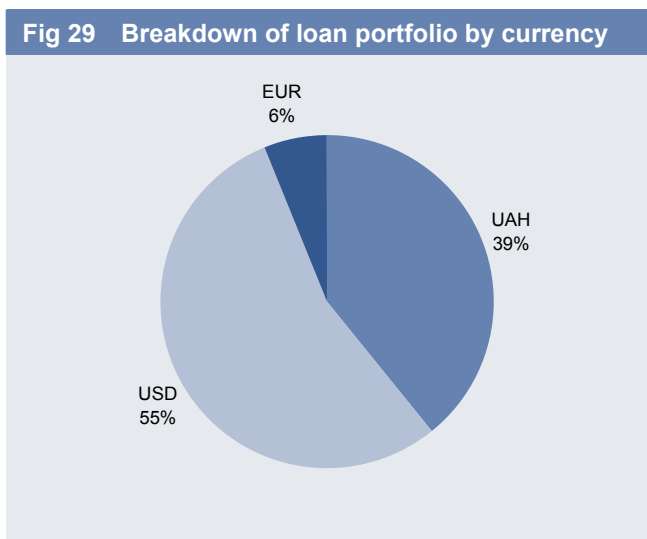
Source: Company data

**Retail loan book is 86%
of total loan portfolio...**

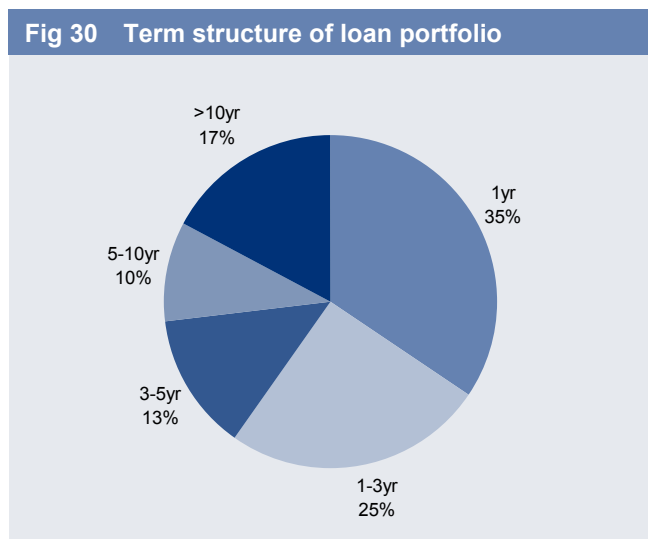
As is shown in Figure 27, the main driver of growth in Pravex Bank's business has been retail lending, as the retail loan book grew by 70.2% YoY in 2005 and 50.3% over 9M06. Retail loans constituted an 86.0% share in the total loan portfolio as at 30 September 2006.

**...consumer lending is
the fastest growing
segment**

Consumer finance is the fastest-growing segment of the bank's retail lending business. Over 9M06, the volume of consumer loans increased by 141.4% and the share of this segment of retail business in the bank's total retail loan book grew from 20.5% as at 31 December 2005 to 33.7% as at 30 September 2006.



Note: loan portfolio includes SMEs and retail lending as at 1 October 2006.
Source: Company data



Note: loan portfolio includes SMEs and retail lending as at 1 October 2006.
Source: Company data

Local currency loans are gaining ground...

In terms of currency, the whole loan portfolio of the bank is predominantly denominated in hard currencies (US\$ and €), while local currency loans grew more quickly than hard currency loans over 9M06. As a result, the share of hryvna-denominated loans increased from 32.5% as at 31 December 2005 to 39.2% as at 30 September 2006.

...while retail lending creates demand for long-term funds

As for the term structure of the loan portfolio, the loans with maturity over one year accounted for a 65.7% share of total as at 30 September 2006, down from the 69.6% share seen at the end of 2005. There has been a contraction in loans with maturities over five years, which has led to overall growth in the share of short-term loans with maturity of up to one year.

Funding

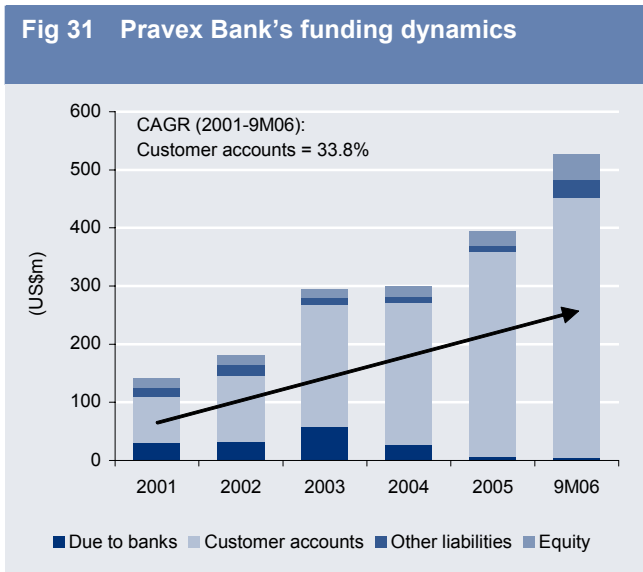
Pravex Bank enjoys a diversified and growing client base...

In terms of funding, the bank has a well-diversified client base consisting of c.98,000 deposit accounts opened with the bank. In 2005, the number of deposit accounts grew by 56.2%, while it saw a 30.2% increase in 2004. In volume terms, customer accounts grew by 44.8% in 2005 and by 27.0% over a nine-month period to September 2006.

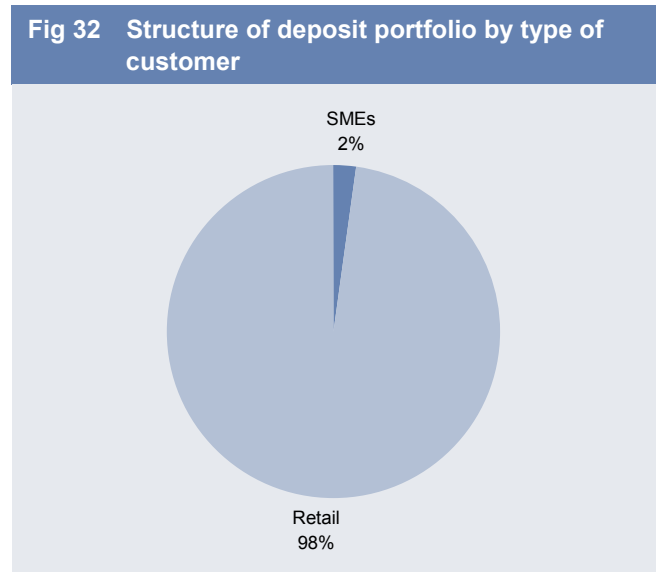
Over the period 2003-9M06, Pravex Bank's deposit portfolio grew at an annual rate of 22.5%, which is slower than the growth of 32.5% posted by the banking system as a whole over the same period.

...being especially strong in attracting retail deposits

However, in retail banking Pravex Bank managed to increase the volume of retail deposits by 35.9% over the period January-September 2006, outpacing the growth rate of 26.4% posted by the banking system as a whole over the same period.



Source: Company data, ING



Note: as at 1 October 2006.
Source: Company data

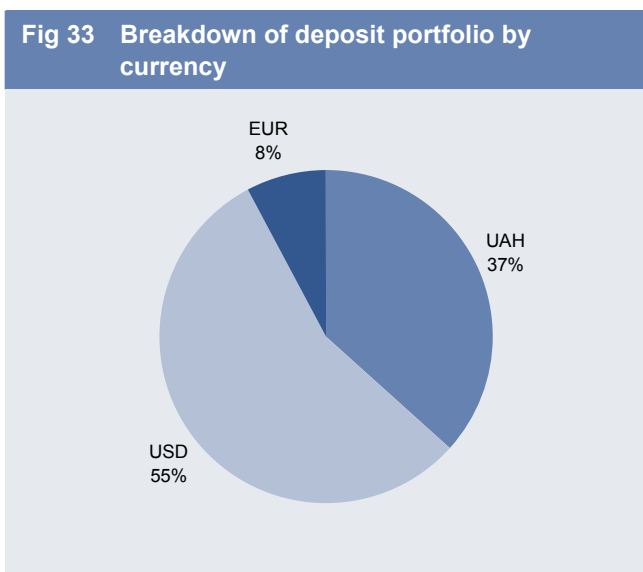
Funding base is quite similar to loan portfolio in terms of currency...

While the currency structure of the deposit portfolio is quite similar to that of the loan portfolio (local currency share is 37% and 39% respectively), its term structure indicates that there is a maturity mismatch between loan and deposit books. The short-term term deposits (with maturity of up to one year) accounted for an 88% share in the total deposit portfolio as at 30 September 2006 (see Figure 34), while the loan book is predominantly long term.

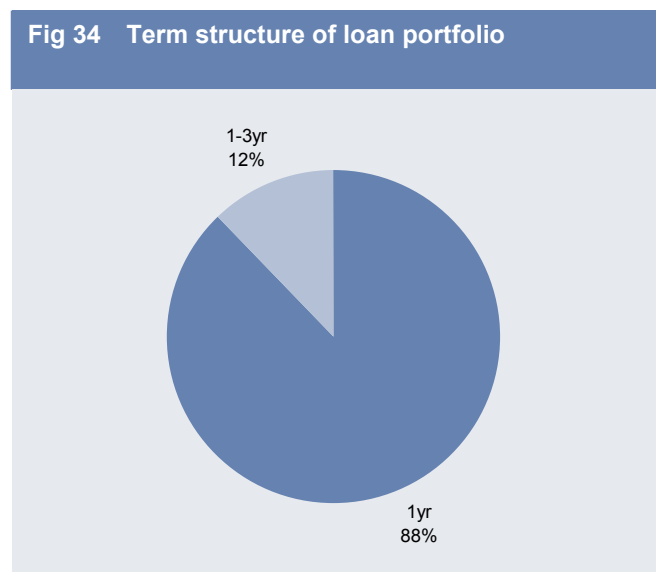
In this regard, it should be noted that the banking system in Ukraine as a whole also experiences reliance on short-term funds deposited by customers (their share in total deposits was 58.6% as at the end of September 2006), although long-term deposits grew faster than short-term ones recently.

...but there is, as elsewhere in the sector, a maturity mismatch between assets and liabilities...

Such a maturity mismatch in Pravex Bank's balance sheet (and in many other local banks' financials) makes the bank dependent on the replenishment of deposits. This might bring the bank difficulties in times of banking system crisis, followed by quick and mass withdrawal of deposits by retail customers.



Note: loan portfolio includes SMEs and retail lending, as at 1 October 2006.
Source: Company data



Note: loan portfolio includes SMEs and retail lending, as at 1 October 2006.
Source: Company data

...making the bank dependent on the replenishment of deposits

However, Pravex Bank's resilience to the crisis was tested in December 2004 when political unrest caused, albeit short-lived and not widely spread, withdrawals of funds from commercial banks by households. The banking system weathered the crisis successfully without the bank getting into trouble over its ability to meet liabilities. Indeed, the growth rate of the banking system in terms of assets had just slowed at the end of 2004. Pravex Bank in particular experienced just a modest increase of assets in 2004.

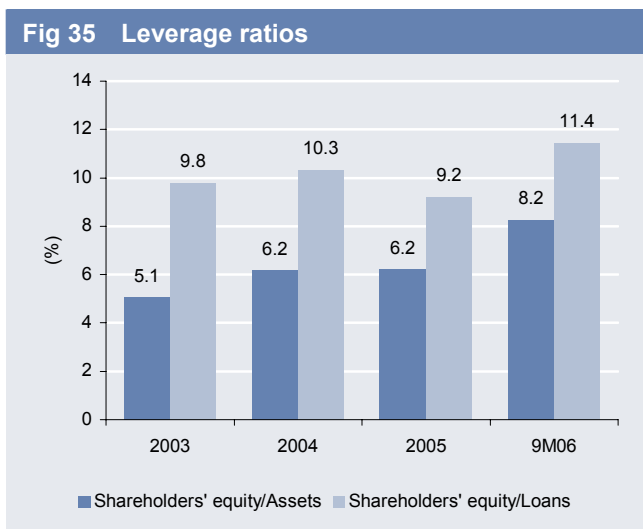
Capitalisation

CAR and Tier 1 ratios were improved in 2005...

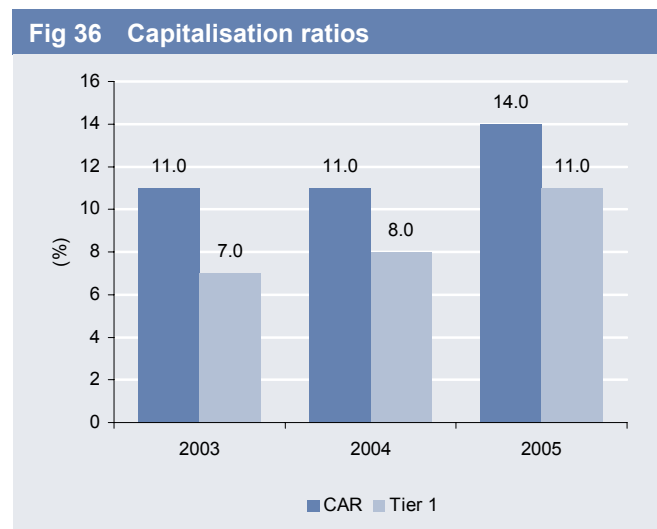
While the asset side of the balance sheet grew robustly over last three years and in the nine-month period to September 2006, Pravex Bank kept the growth of its capital in line with its business activities.

The bank's tier 1 capital grew by 33.2% to US\$24.5m in 2005, while the ratio of the tier 1 capital to the risk weighted assets climbed from 8% at year-end 2004 to 11% at year-end 2005.

Similarly, the total capital for capital adequacy purposes was US\$31.5m at 31 December 2005, up 25.1% from the level seen the previous year. The capital adequacy ratio (CAR) rose from 11% to 14% over the year of 2005.



Source: Company data



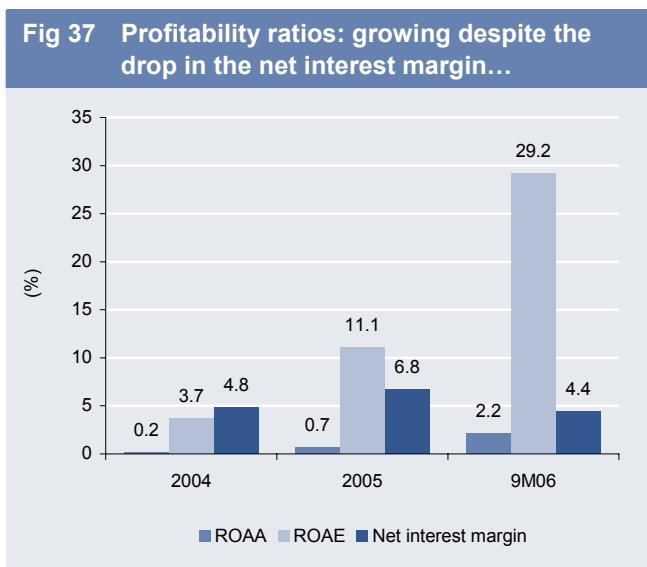
Source: Company data

In the period January-September, there was a build-up of shareholders' equity, which amounted to US\$43.5m at 30 September 2006, according to the financials based on Ukrainian accounting standards. While such an increase in equity is yet to be recognised and confirmed by an international audit of the bank's financials in IFRS, it has, however, improved both the equity to assets ratio and the ratio of equity to net loans.

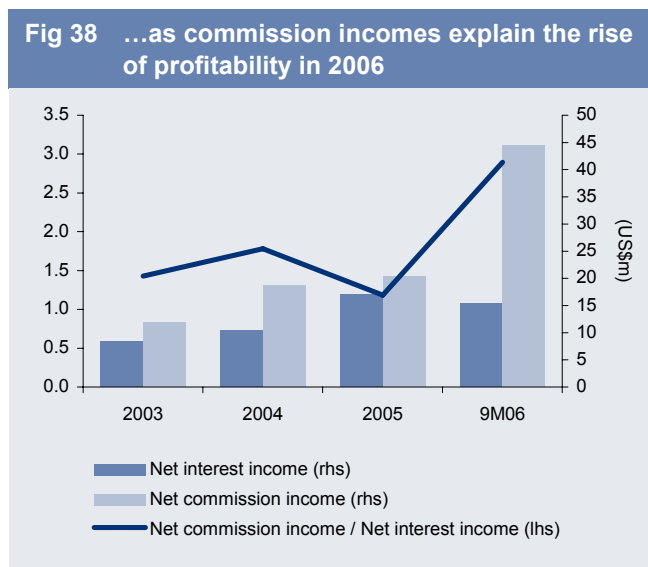
Profitability

Pravex Bank has improved its profitability...

In 2005, Pravex Bank achieved better results than in previous years as its net income grew from US\$0.6m in the bumpy 2004 to US\$2.4m in 2005. This was due to both an improving net interest margin and a further increase in non-interest incomes.



Source: Company data



At the same time, Pravex Bank has managed to increase profitability substantially during the period January-September 2006. The main driver of growth, as net interest margin shrunk to 4.4% seemingly due to harsher competition in retail banking, appeared to be fee and commission income, which amounted to US\$44.4m in 9M06, which is more than double the full-year figure for 2005.

...by charging more fees and commissions while delving deeper into retail lending

Obviously, the bank benefits from its shift into the fast-expanding retail lending business generally, where it offers credit-hungry customers a full range of services (mortgage loans, car loans, consumer loans, etc).

We compare Pravex Bank with local majors and banks with similar market share

Peer comparison

In Figure 39, we summarise our key ratios for Pravex Bank and the banks with similar market share like Rodovid Bank and ProCredit Bank and selected large banks in terms of assets like of Privatbank, Raiffeisen Aval Bank, BNP Uksibbank, Uksotsbank, state-owned Ukreximbank and Nadra Bank.

Fig 39 Pravex Bank versus selected Ukrainian banks

	Pravex Bank		Average*	Rodovid Bank	Pro Credit Bank	Privat-bank	RZB Bank Aval	Ukrsib-bank	Ukrsots-bank	Ukrexim-bank	Nadra Bank
	2005	9M06									
Profitability & efficiency ratios (%)											
Return on average assets (ROAA)	0.7	2.2	1.5	0.8	1.9	1.4	0.5	0.6	1.7	2.4	2.8
Return on average shareholders' equity (ROAE)	11.1	29.2	15.5	6.4	17.1	16.4	6.5	6.1	16.9	26.3	27.9
Interest expense/interest income	58.1	61.4	56.3	75.6	36.8	51.8	51.1	64.2	60.7	52.2	58.1
Interest income/average int. earning assets	16.2	11.5	15.2	10.4	20.6	18.4	15.4	14.4	15.3	12.4	14.4
Interest expense/avg int. bearing liabilities	7.5	6	7.1	7.4	7.1	7.5	6.5	7.8	7.2	5.9	7.7
Net spread	8.6	5.5	8	3	13.5	10.9	8.9	6.6	8.1	6.5	6.6
Net interest margin	6.8	4.4	6.9	2.5	13	8.9	7.5	5.1	6	5.9	6
Cost income ratio	92.9	78	74.6	75.7	77.4	79.4	86.7	86.9	74.9	56.2	59.2
Liquidity ratios (%)											
Net loans/customer deposits	75.6	84.9	121.5	95.9	209.4	85.9	83.3	145.5	82	146.8	123.4
Liquid assets/total assets	17.1	11.2	15.7	11.2	10.7	22.1	21.7	16.8	15.2	12.8	15
Deposits with other banks/loans to other banks	25.6	21.1	158.4	101.9	151.7	148.6	147	330.6	110.8	96.9	179.9
Capitalisation ratios (%)											
Shareholders' equity/total assets	6.2	8.2	9	9.2	9.9	8.1	7.3	8.9	9	9.3	10.6
Loan portfolio ratios (%)											
Net loans/total assets	67.6	72.2	68.9	68.8	79.5	67.2	63.5	71	64.8	68.6	67.6
Shareholders' equity/net loans	9.2	11.4	13.1	13.4	12.5	12	11.5	12.6	13.9	13.5	15.7
Loan loss reserve/gross loans	3.8	1.9	5	2.1	2.9	10.3	6.9	3.4	3.9	6.2	4.2
Loan portfolio structure (%)											
Loans to households/gross loans	80	86	26.8	17	0.8	40	34.3	39.7	41.4	1.3	39.8
Notes											
Assets (US\$m)	394.3	526.8		363.3	210.7	4618	3706	2163.5	2112.5	2017.4	1204.4
Credit ratings (Moody's, S&P, Fitch)	B2/-/-			B3/-/-	-/-/BB-	B2/-/B	B2/-/-	B2/-/BB-	B2/B/B-	B2/-/BB-	B2/-/B-

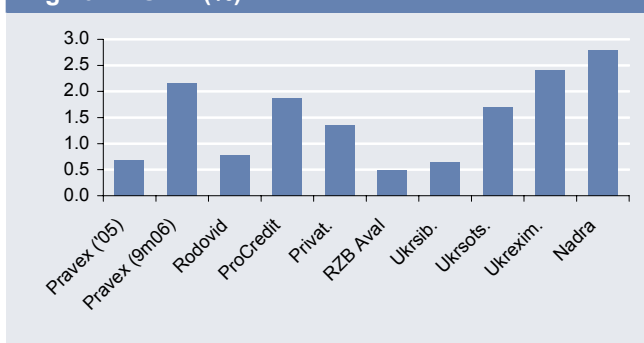
Note: *Average ratios are calculated upon the ratios of the Rodovid Bank, ProCredit Bank, Privat-bank, RZB Bank Aval, Ukrsibbank, Ukrsotsbank, Ukreximbank, Nadra Bank; ratios are calculated upon IFRS audited financial statements for 2005; Pravex Bank's ratios for 9M06 are calculated upon UAS non-audited financials.

Source: Company data

Pravex Bank improved profitability marginally in 2006

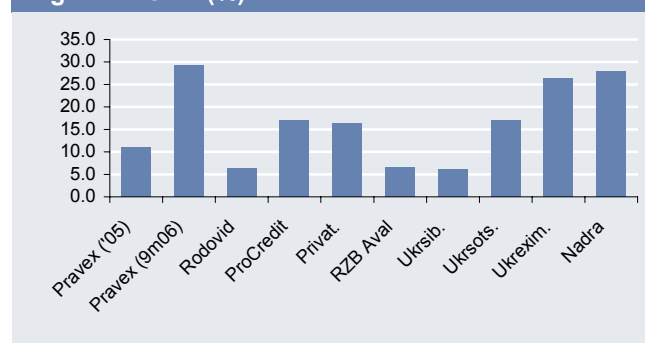
In the 2005 IFRS financials, Pravex Bank's profitability was weak in comparison with peers in that year: ROAA 0.7% and ROAE 11.1%. However, it outpaced the levels enjoyed by such majors like Raiffeisen Aval Bank (ROAA 0.5%, ROAE 6.5%) and BNP Ukrsibbank (ROAA 0.6%, ROAE 6.1%) during the same year.

Thanks to the steep rise in net commission incomes, Pravex Bank managed to increase profitability sizably as at the end of September 2006: the ratios of ROAA and ROAE grew nearly threefold to 2.2% and 29.2% respectively. These are the levels enjoyed by the most profitable banks from Figure 39 – namely Ukreximbank (ROAA 2.4%, ROAE 26.3%) and Nadra Bank (ROAA 2.8%, ROAE 27.9%).

Fig 40 ROAA (%)


Note: ratios are calculated upon financial statements for 2005.

Source: Company data

Fig 41 ROAE (%)


Note: ratios are calculated upon financial statements for 2005.

Source: Company data

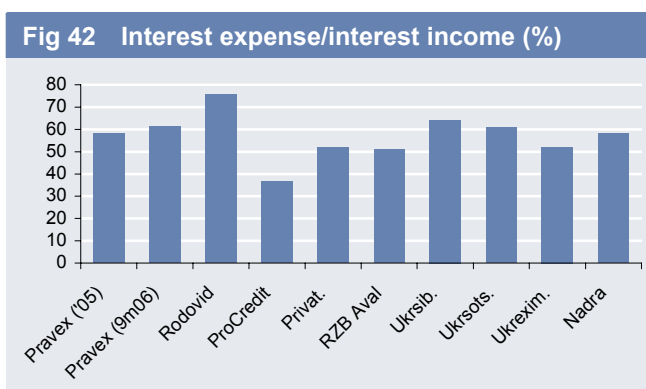
While Pravex Bank's net interest margin adjusted lower...

In terms of efficiency, Pravex Bank's interest-based incomes enjoyed quite a high level of net interest margin in 2005 (6.8%). However, as was noted above, Pravex Bank's move on lowering its interest incomes for the sake of winning bigger inflow of fee- and

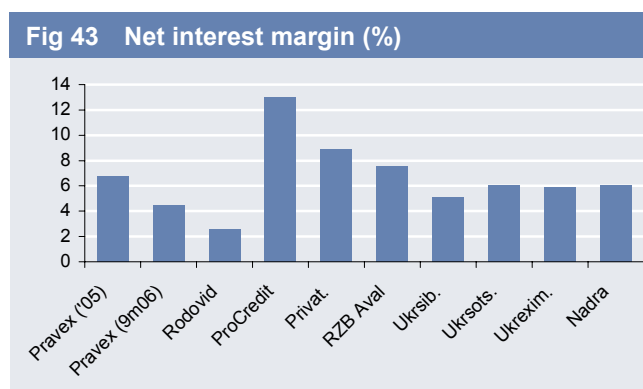
commission-based inflow resulted in a decline of net interest margin over 9M06 to 4.4%. This is not the lowest level among selected banks. According to our calculations, Rodovid Bank had 2.5% net interest margin in 2005 (see Figure 43).

...this was for the sake of winning customers in retail lending

In another ratio, testing interest rate-based business efficiency, Pravex Bank has a similar performance to that of several selected banks. Its share of interest expenses in the volume of interest incomes was 58.1% in 2005, climbing to 61.4% after 9M06. As shown in Figure 42, the range of 50-65% for this ratio is employed by many banks, except ProCredit Bank, which is the most efficient by this measure and enjoys low-cost funding from parent institution alongside other funding sources (customers' accounts and capital market borrowings).



Note: ratios are calculated upon financial statements for 2005. Source: Company data



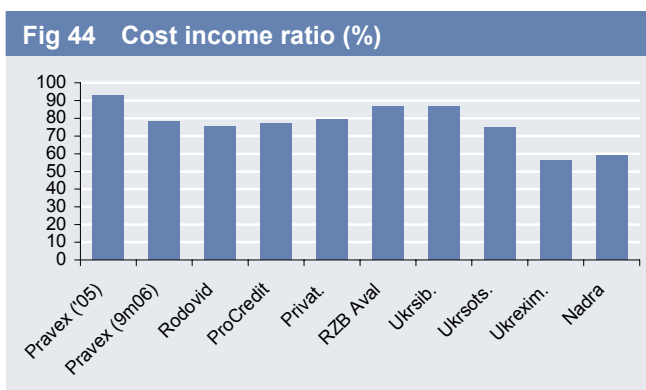
Note: ratios are calculated upon financial statements for 2005. Source: Company data

Pravex Bank's operational efficiency improved...

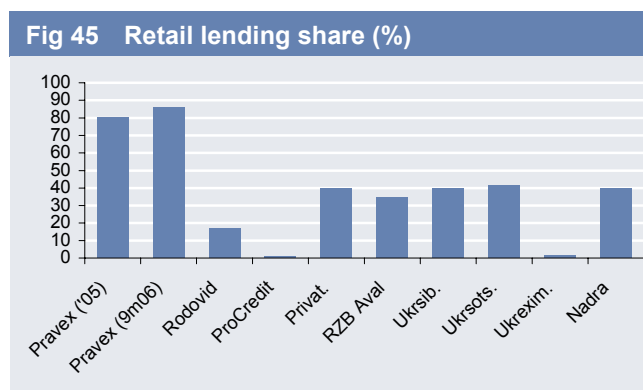
In terms of operational efficiency, measured by the cost:income ratio (a relationship between operating expense to operating income), Pravex Bank has improved its standing, as the ratio was at a high level of 92.9% in 2005 before falling to 78.0% after 9M06.

...to the level enjoyed by a majority of selected peers, but it is still above the most efficient ones

At the latter level, the bank appears to be running its business with operational efficiency enjoyed by many others of selected banks, including those with foreign ownership, namely Raiffeisen Aval Bank (86.7%) and BNP Ukrsibbank (86.9%). However, the state-owned Ukreximbank and Nadra Bank stand out, with cost income ratios at the quite low levels of 56.2% and 56.9% respectively. This explains these banks' relatively good standing in profitability discussed above.



Note: ratios are calculated upon financial statements for 2005. Source: Company data



Note: ratios are calculated upon financial statements for 2005. Source: Company data

In terms of capitalisation, Pravex Bank has also been catching up with its peers. The ratio of shareholders' equity in assets was stable at 6.2% in 2004-05; however, it climbed toward 8.2% as at 30 September 2006. It should be noted here that the majority of the banks selected in Figure 39 have a ratio above 9%.

To conclude the peer group comparison: Pravex Bank is not only improving in terms of profitability, efficiency and capitalisation; it is also gradually catching up to the levels enjoyed by the leaders in these fields.

Financial statements

Fig 46 Balance sheet (US\$000)

	2003	2004	2005	9M06
	Non-audited IFRS	Audited IFRS	Audited IFRS	Non-audited UAS
Assets				
Cash and balances with the central bank	31,156	48,854	67,161	58,794
Loans and advances to banks, less allowance for losses	66,464	36,316	24,370	21,446
Loans and advances to customers, less allowance for losses	152,795	178,471	266,520	380,247
Securities available for sale, less allowance for losses	12,132	4,058	210	210
Tangible and intangible assets, less acc. depreciation and amort.	30,027	29,691	31,914	36,560
Deferred taxes	309	0	0	0
Other assets, less allowance for losses	2,300	1,982	4,128	29,588
Total assets	295,183	299,372	394,303	526,844
Liabilities				
Loans from the central bank	2,261	0	0	0
Loans and advances from banks	58,171	27,245	6,239	4,533
Customer accounts	209,457	243,515	352,583	447,824
Deferred taxes	0	954	0	745
Other liabilities	3,368	2,244	3,949	23,283
Subordinated debt	7,000	7,000	7,000	7,000
Total liabilities	280,257	280,958	369,771	483,385
Shareholders' equity	14,926	18,414	24,532	43,460
Total liabilities and shareholders' equity	295,183	299,372	394,303	526,844

Source: Company data

Fig 47 Income statement (US\$000)

	2003	2004	2005	9M06
	Non-audited IFRS	Audited IFRS	Audited IFRS	Non-audited UAS
Interest income	22,564	30,613	40,867	39,705
Interest expense	(14,206)	(20,093)	(23,747)	(24,378)
Net interest income	8,358	10,520	17,120	15,327
Provision for loan losses	(3,004)	643	(1,389)	0
Net gain/(loss) on FX operations	2,547	4,262	5,439	4,350
Fee and commission income	13,382	19,662	21,102	44,920
Fee and commission expense	(1,424)	(944)	(795)	(535)
Other non-interest income	910	1,061	1,784	1,908
Net non-interest income	15,415	24,041	27,530	50,642
Operating income	20,769	35,204	43,261	65,968
Operating expense	(21,436)	(29,784)	(40,187)	(51,426)
Profit/(loss) before other provisions and income tax	(667)	5,420	3,074	14,542
Provision for losses on other transactions	(382)	(3,206)	(112)	(2,882)
Profit/(loss) before income tax	(1,049)	2,214	2,962	11,660
Income tax	686	(1,598)	(577)	(1,725)
Net profit	(363)	616	2,385	9,936

Source: Company data

Fig 48 Key ratios (%)

	2003	2004	2005	9M06
Profitability & efficiency ratios				
Return on average assets (ROAA)		0.2	0.7	2.2
Return on average shareholders' equity (ROAE)		3.7	11.1	29.2
Interest expense/interest income	63.0	65.6	58.1	61.4
Interest income/average interest earning assets		14.1	16.2	11.5
Interest expense/average interest bearing liabilities		7.4	7.5	6.0
Net spread		6.7	8.6	5.5
Net interest margin		4.8	6.8	4.4
Cost/income ratio	103.2	84.6	92.9	78.0
Liquidity ratios				
Net loans/customer deposits	72.9	73.3	75.6	84.9
Liquid assets/total assets	14.7	17.7	17.1	11.2
Deposits with other banks/loans to other banks	87.5	75.0	25.6	21.1
Capitalisation ratios				
Shareholders' equity/total assets	5.1	6.2	6.2	8.2
Loan portfolio ratios				
Net loans/total assets	51.8	59.6	67.6	72.2
Shareholders' equity/net loans	9.8	10.3	9.2	11.4
Loan loss reserve/gross loans		5.2	3.8	1.9
Loan portfolio structure				
Loans to households/gross loans		69.2	80.0	86.0

Source: Company data, ING

Appendix

Fig 49 Top 50 Ukrainian banks by assets as at 1 October 2006 (US\$m)

Bank	Assets	Loans				Equity	Liabilities	Deposits			Net income for 9M06	Market share (%)	
		Total loans	Businesses	Households	Allowance			Total deposits	Businesses	Households		by assets	by retail lending
PrivatBank	5,842.5	4,786.2	2,756.3	2,029.9	524.8	502.1	5,340.4	4,320.1	1,609.4	2,710.8	50.3	10.3	16.6
RZB Aval Bank	4,985.3	4,118.2	2,169.5	1,948.7	166.9	426.5	4,558.8	2,936.5	991.2	1,945.3	62.6	8.8	15.9
BNP UkrSibbank	3,531.9	2,637.5	1,430.4	1,207.1	108.2	290.6	3,241.4	1,679.9	1,029.7	650.2	8.4	6.2	9.9
Prominvestbank	3,330.5	2,775.4	2,614.3	161.0	174.3	302.8	3,027.7	2,879.8	1,499.1	1,380.7	35.7	5.9	1.3
Ukreximbank	3,193.7	2,474.3	2,417.6	56.7	79.5	263.9	2,929.8	1,424.6	944.5	480.2	53.1	5.6	0.5
Ukrsotsbank	2,815.0	2,126.6	1,029.0	1,097.6	47.6	306.8	2,508.2	2,040.7	1,188.3	852.4	44.3	4.9	9.0
OTP	1,974.6	1,686.5	893.7	792.8	80.3	169.8	1,804.9	788.9	465.5	323.3	45.3	3.5	6.5
Oshchadbank	1,844.8	751.8	308.7	443.1	71.7	178.0	1,666.8	1,555.9	174.9	1,381.0	24.5	3.2	3.6
Nadra Bank	1,740.7	1,217.0	577.2	639.8	51.4	142.5	1,598.2	919.0	252.2	666.8	33.8	3.1	5.2
Finance & Credit Bnk	1,208.8	989.2	724.6	264.6	28.9	128.1	1,080.7	876.3	353.3	523.1	12.2	2.1	2.2
Brockbusinessbank	1,132.1	797.5	709.7	87.8	28.7	159.9	972.1	758.0	474.8	283.2	5.7	2.0	0.7
Ukrprombank	1,044.1	906.6	806.5	100.0	59.5	132.2	911.8	796.4	164.6	631.8	7.0	1.8	0.8
Kreditprombank	1,138.1	759.0	550.8	208.2	27.2	116.1	1,022.1	650.3	420.2	230.1	7.6	2.0	1.7
Forum Bank	1,137.8	818.1	677.7	140.5	24.1	114.7	1,023.1	659.2	318.2	340.9	4.3	2.0	1.1
FUIB	1,022.1	588.4	535.2	53.2	14.4	106.6	915.4	570.2	398.0	172.3	10.8	1.8	0.4
Vabank	681.9	425.7	355.2	70.5	4.9	108.2	573.7	361.6	201.4	160.3	3.8	1.2	0.6
Ukrgazbank	672.4	331.0	246.1	84.8	12.7	52.0	620.5	398.8	121.7	277.1	3.6	1.2	0.7
Pivdenny Bank	667.4	528.7	471.3	57.4	29.3	67.7	599.6	472.2	265.1	207.0	6.1	1.2	0.5
TAS-Commerzbank	663.0	516.0	340.8	175.2	30.6	108.2	554.8	441.1	242.0	199.1	2.6	1.2	1.4
Khreshchatik	638.7	358.7	308.3	50.3	3.5	65.3	573.4	480.3	348.5	131.8	4.4	1.1	0.4
Alfa Bank	637.0	511.6	462.3	49.3	13.8	43.5	593.5	341.3	320.9	20.4	3.5	1.1	0.4
ING Bank Ukraine	595.4	335.0	330.9	4.1	0.4	93.5	501.9	386.9	382.2	4.8	11.7	1.0	0.0
Indexbank	539.8	340.4	270.3	70.1	15.0	45.8	493.9	419.4	146.5	272.8	-1.1	0.9	0.6
Kredobank	533.1	404.7	323.2	81.6	16.5	49.7	483.4	417.5	184.2	233.2	3.3	0.9	0.7
Pravex-Bank	526.8	387.6	54.3	333.3	7.4	43.5	483.4	447.8	77.2	370.6	9.9	0.9	2.7
Dongorbank	513.8	293.9	264.4	29.5	13.6	62.3	451.4	379.6	253.8	125.8	8.1	0.9	0.2
Mriya	487.1	372.4	322.4	50.0	8.4	53.5	433.6	371.7	212.6	159.1	9.1	0.9	0.4
Rodovid Bank	510.5	341.8	217.5	124.4	6.8	38.2	472.4	321.9	144.4	177.6	3.0	0.9	1.0
HVB Bank Ukraine	503.8	306.6	288.9	17.7	3.9	43.9	460.0	319.6	306.8	12.8	8.0	0.9	0.1
Industrialbank	454.1	259.3	229.2	30.1	14.5	82.4	371.8	315.4	234.5	80.9	7.5	0.8	0.2
Citibank Ukraine	449.2	298.4	297.2	1.2	8.9	45.0	404.2	287.4	286.7	0.7	6.0	0.8	0.0
Imexbank	428.9	246.0	215.8	30.2	3.7	46.6	382.4	320.2	129.5	190.7	2.9	0.8	0.2
TAS-Investbank	347.2	243.2	167.1	76.1	22.4	44.2	303.0	162.7	90.9	71.8	2.1	0.6	0.6
Kyiv	336.2	258.2	228.4	29.8	10.2	35.5	300.7	273.1	108.1	165.0	2.7	0.6	0.2
Callion Bank Ukraine	319.5	234.8	233.9	1.0	1.6	28.7	290.7	179.0	176.1	3.0	7.6	0.6	0.0
ProCredit Bank	310.0	270.6	85.6	185.0	8.0	26.1	283.9	209.2	107.8	101.4	3.7	0.5	1.5
Kredit-Dnipro	256.5	220.9	171.7	49.2	17.6	33.5	223.1	191.9	120.9	71.1	7.1	0.5	0.4
Express-Bank	239.1	145.0	82.9	62.1	5.7	43.6	195.5	180.4	92.9	87.5	2.8	0.4	0.5
Sea Transport Bnk	221.0	154.2	124.9	29.3	15.1	27.0	194.0	152.5	97.7	54.8	1.4	0.4	0.2
BIG Energy	202.6	116.5	98.0	18.5	3.1	29.8	172.8	105.6	22.9	82.8	0.4	0.4	0.2
Megabank	191.9	137.2	111.0	26.1	2.6	36.0	156.0	138.4	58.1	80.3	1.5	0.3	0.2
NRB-Ukraine	186.5	139.8	96.2	43.6	13.7	23.3	163.2	102.4	61.7	40.7	2.0	0.3	0.4
Zakhidincbank	174.4	157.3	124.2	33.1	14.6	18.1	156.3	144.9	72.4	72.4	2.6	0.3	0.3
Tavrika	171.8	148.7	127.7	21.0	10.0	19.3	152.6	133.9	54.7	79.1	2.8	0.3	0.2
Kyivska Rus Bank	163.6	126.6	105.5	21.2	8.0	12.7	150.9	111.7	39.2	72.5	0.4	0.3	0.2
Ukrinbank	163.3	132.1	104.7	27.4	4.8	20.9	142.4	109.6	49.0	60.6	1.4	0.3	0.2
Petrokommerz Bank	156.8	116.3	97.9	18.4	2.6	14.2	142.7	124.3	74.7	49.6	1.8	0.3	0.2
Universal Bnk oDP	156.8	136.8	99.4	37.4	10.9	18.1	138.7	108.3	56.6	51.7	1.0	0.3	0.3
Expobank	156.1	116.7	102.7	14.1	7.0	31.7	124.4	82.3	34.3	48.0	1.8	0.3	0.1
Factorial-Bank	155.2	86.4	61.8	24.6	2.7	18.2	137.0	122.8	68.4	54.4	0.5	0.3	0.2
Other banks	7,568.7	4,814.4	3,783.9	1,030.4	228.5	52,051.7	5,854.2	4,284.5	2,314.7	1,969.9	51.7	13.3	8.4
Total	56,922.6	41,446.1	29,206.9	12,239.2	2,070.6	56,922.6	50,337.3	36,256.3	17,842.7	18,413.6	593.3	100.0	100.0

Source: NBU, ING

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