
GENERAL INFORMATION

PJSC "RODOVID BANK" (the "Bank") is a universal bank providing corporate and individual customers a wide range of financial services throughout Ukraine. The Bank was established in 1990 as JSCB "Personal Computer" and subsequently renamed "RODOVID BANK" in 2004 as part of the re-branding process initiated by the new management team. Since then it has become the most dynamic bank in the country by rapidly expanding its customer base, product range, distribution footprint, profitability and brand awareness. Over only four years, amongst 180 financial institutions, RODOVID BANK grew from 98th place in 2004 to 15th place as of January 1, 2010¹

OWNERSHIP AND SHAREHOLDERS

With the purpose of implementation of requirements of the article 32 of the Law of Ukraine «On banks and banking activity» on 5th June 2009 the Temporary administrator of PJSC «RODOVID BANK» approved a decision on diminishing the size of the authorized capital of the Bank by diminishing the nominal value of one share from UAH 1 000 to UAH 1.80.

Subsequent State capitalization of the Bank by the Ministry of Finance of Ukraine is carried out pursuant to the decision #580 of the Cabinet of Ministers of Ukraine dated 10th June, 2009 and also decision of the Temporary administrator dated 23rd June, 2009 on increasing the size of the authorized capital of the Bank. The Ministry of Finance of Ukraine fully paid the cost of 1 560 286 111 shares of the Bank for the amount of UAH 2 808 514 999.80 by transferring domestic State bonds to the Bank. Starting from 17th June, 2009 the Ministry of Finance of Ukraine is the main shareholder with a 99.9721% share in the authorized capital of PJSC «RODOVID BANK».

On October 7, 2009 the Cabinet of Ministers of Ukraine and the National Bank of Ukraine adopted joint Resolution #1133 "On interaction of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine with regards to the disposal of deposit liabilities and assets of limited liability company "UKRAINIAN INDUSTRIAL BANK" to Public Joint Stock Company "RODOVID BANK"

Subsequent additional State capitalization of the Bank by the Ministry of Finance of Ukraine is carried out pursuant to the decision #1202 of the Cabinet of Ministers of Ukraine dated 11th November, 2009 and also the decision of the Temporary administrator dated 13th November, 2009 on increasing the size of the authorized capital of the Bank. The Ministry of Finance of Ukraine has fully paid the cost of 3 111 111 111 shares of the Bank for the amount of UAH 5 599 999 999.80 by transferring domestic State bonds to the Bank.

From 11th December, 2009 the stock of the Ministry of Finance of Ukraine which is the authorized State body increased to UAH 8 408 514 999.60 which equals 99.99% share in the authorized capital of the Bank.

As of current date the size of the authorized capital of the Bank amounts to UAH 8 409 297 999.60

FINANCIAL PERFORMANCE

At the end of 2009 total assets of the Bank amounted to USD 2,123 mln with a loan portfolio amounting to USD 614 mln. The capital base stood at USD 543 mln, with a Capital Adequacy Ratio (Basel) of 39.5%. Net loss for 2009 amounted to USD 528 mln. and was mostly caused by an increase in the formation of the loan loss reserves (USD 463 mln.).

¹ According to the data by National Bank of Ukraine. Ranking is presented in terms of total assets.

DISTRIBUTION PLATFORM

RODOVID BANK operates a retail network in all regions of Ukraine. As of January 1, 2010 it consisted of 112 registered offices located in the most affluent areas, predominantly major cities and highly industrialized regions. The types of branches include regional departments (21%), universal (56%), retail (21%) and specialized (2%). Currently the Bank undertakes measures to decrease its operating expenses and decrease the number of rented registered offices. At the end of 2009 the share of rented regional offices stood at 52% of the total.

In addition, the Bank actively supports its alternative distribution channels that at the end of 2009 comprised of 230 ATMs and 74 information kiosks and a 24/7 call centre. Throughout the period between June and September 2008 RODOVID BANK signed cooperation agreements for a project on a united network of ATMs with JSCIB "UkrSibbank", JSCB "Ukrsotsbank", OJSC "Finance and Credit" Bank and JSC "State saving bank of Ukraine". This allowed to increase the number of ATMs that service payment cards issued by RODOVID BANK to over 4,000 ATMs.

INTERNATIONAL ACTIVITY

Understanding the importance of international capital markets, the Bank has been actively involved in international capital markets. At the end of 2009 international funding attracted by RODOVID BANK totalled over USD 26 mln. Standard Bank (London), Landesbank (Berlin), Komerčni Banka (Prague), Commerzbank (Frankfurt), Rosemount Capital (New York) are among the Bank's international partners. Loans covered by Export Credit Agencies (ECA) were attracted during 2007 and now the Bank has developed business relations with a range of European and American ECAs including EGAP (Czech Republic), HERMES (Germany), EDC (Canada), Finnvera (Finland), OeKB (Austria) and SACE (Italy). Cooperation with the multinational institutions such as EBRD and INTERNATIONAL FINANCE CORPORATION (IFC) was also established in 2007.

Currently the Bank and its international partners are working on restructuring of the Bank's foreign liabilities. Out of the USD 26 mln. international borrowings portfolio as of October 01, 2009 the Bank had already restructured approx. USD 22 mln. That includes trade finance facilities with Landesbank (Berlin) and syndicated loan arranged by Standard Bank Plc (London). The other USD 11 mln. from Komerčni Banka (Prague), Cargill Financial Services (USA) are being restructured a present.

CORPORATE GOVERNANCE

RODOVID BANK is a pioneer in Ukraine in improving corporate governance and internal processes towards international best practice as a means of reducing risks for itself and its customers. In 2007 the Bank was among six Ukrainian banks to undergo IFC's "Corporate Governance Improvement Program" that was aimed at strengthening corporate governance procedures including information and transparency. Many of IFC's recommended improvements have been implemented in respect to Board practices, corporate documents, information disclosure and shareholder rights. In January 2008 in order to further strengthen the Bank's commitment to good corporate governance, the General Meeting of Shareholders elected Mr. Michael Stensrud² a former IFC executive, as an independent member of the Supervisory Board.

² Mr. Stensrud has also occupied on behalf of EBRD, the position of Senior Management Advisor at Eksimbanka (Belgrade) and prior to that held senior positions at Credit Suisse Group and Societe Generale de Surveillance.

These measures have positively influenced the development of corporate governance and these accomplishments have been recognized by the financial community. Concorde Capital, a leading investment bank, in its "2008 Corporate Governance Review" of 175 Ukrainian companies ranked RODOVID in 8th position, up from 26th in 2007. Among Ukrainian banks, RODOVID ranked number 2 and was awarded the highest rating level: that of a company having achieved Quality corporate governance standards. In addition, the Bank improved on information transparency and disclosure taking 17th place in the research study conducted by Standard and Poor's Corporate Governance Rating Service jointly with the Agency of Financial Initiatives. RODOVID improved its standing by 5 places in this competition up from 22nd position in the previous year.

PJSC "RODOVID BANK" KEY INDICATORS (USD, mln)*

	2007	2008	2009
FINANCIALS			
Assets	1 968	1 714	2123
Loan Portfolio:	1 215	1 282	614
Retail Loans	406	434	266
Corporate Loans	828	848	348
Liabilities	1 730	1 540	1580
Net profit/loss	5.9	4	-528
ROAE ³ (UAS)	9.3%	2.6%	-290.56%
ROAA ³ (UAS)	1.1%	0.3%	-36.4%
CAPITAL			
Capital	237	174	543
CAR (Basel)	16%	12%	39.5%
DISTRIBUTION			
Branches (registered)	150	169	112
ATMs	170	292	230

* 2007 data is calculated in accordance with IFRS. 2008 and 2009 data is calculated in accordance with Ukrainian Accounting Standards (UAS).

Source: RODOVID BANK

³ ROAA = profit/net average chronological assets value (net assets / 01 / 2* + net assets / 02 + net assets / 03... + net assets / 01 / 2*) where (*) is net assets value for the period beginning and (**) is net assets value for the 1st month of the next period

ROAE = profit/average chronological capital value (capital / 01 / 2* + capital / 01 + capital / 02... + capital / 01 / 2 **) where (*) is capital value for the period beginning and (**) is capital value for the 1st month of the next period (13 periods in total)

AWARDS

