



STORY OF SUCCESS

OJSC "RODOVID BANK" (the "Bank") - is a universal bank that provides corporate and individual customers with 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 rebranding process initiated by the new management team. Since then the Bank has become the most dynamic one in the country by rapidly expanding its customer base, product range, distribution footprint, profitability and brand awareness. During only four years, amongst approximately 180 financial institutions, RODOVID BANK has grown from the 98th place in 2004 to 19th place at the end of September 2008.¹ This is a clear indicator of the Bank's innovative and aggressive strategy that is focused on becoming one of Ukraine's top universal banks with a high level of service quality, customer satisfaction and profitability.

On the 19th of April 2006 RODOVID BANK closed an IPO transaction resulting in the placement of approximately 20% of equity among foreign investors, mainly portfolio investors. As a result of this sale the Bank attracted USD 47 mln that were used for a capital increase to facilitate continued growth. At the time of the placement market capitalisation was USD 280 mln, today it amounts to USD 186 mln (as of October 1, 2008). Currently the top management of RODOVID BANK remain the controlling shareholders (approx. 77% of equity). Other major shareholders include CA IB International Markets AG (Austria) with approximately 6% of equity and State Street Bank and Trust Company (USA) with approx. 5%.

At the end of September 2008 RODOVID BANK's total assets comprised USD 2,750 mln with total loan portfolio amounting to USD 1,911 mln. The capital of the Bank stood at USD 249 mln, with the Capital Adequacy Ratio (per Basel) being 11.35%. Net income for the 3rd quarter of 2008 was USD 14.9 mln, increasing almost threefold from USD 5.9 mln profit at the end of 2007. The Bank has been preparing financial statements according to IFRS since 2003 with help from "BDO Balance-Audit" audit firm. In 2007 one of the top 4 audit firms - KPMG - was appointed as the external auditor.

RODOVID BANK currently operates its retail network in all regions of Ukraine. As of 30 September 2008 it consisted of 170 registered offices located in the most affluent areas, predominantly in major cities and highly industrialized regions including 560 consumer finance outlets located on the premises of the Bank's retail partners. In addition, the Bank is actively expanding its alternative distribution channels that at the end of September 2008 comprised 266 ATMs and 49 information kiosks and a fully functional call centre.

Understanding the importance of international capital markets, RODOVID BANK is actively engaged in international activity. At the end of 3Q 2008 the Bank's international funding totalled USD 55 mln. The Bank was assigned international credit ratings in August 2006 by Moody's (B3) and by Fitch (CCC) in June 2007. Standard Bank (London), Landesbank (Berlin), Komerčni Banka (Prague), Commerzbank (Frankfurt), Rosemount Capital (New York) are among the Banks international partners. Cooperation with international financial organizations such as EBRD and IFC was established in 2007. Trade and Export Finance now are developing into a significant part of Bank's international activity. RODOVIDS's corporate clients appreciate the possibility of financing their activity using foreign capital and they benefit from the quality of services provided in cooperation with foreign partners. ECA-covered loans were developed during 2007. The Bank has established relations with a range of European and American ECAs, such as: EGAP (Czech Republic), HERMES (Germany), EDC (Canada), Finnvera (Finland), OeKB (Austria).

RODOVID is a pioneer in Ukraine in improving corporate governance and internal processes as a means of reducing risks for itself and its customers and to improve service quality. In 2007 RODOVID BANK was among six Ukrainian banks to undergo IFC's "Corporate Governance Improvement Program" that was aimed at improving the Bank's corporate governance procedures and its transparency. Many of IFC's recommended changes have been implemented in relation 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 appointed Mr. Michael Stensrud², a former IFC executive, as an independent member of the Supervisory Board. All of these measures have positively influenced the development of corporate governance standards at the Bank as it took 8th place (2nd place amongst banks) in Concorde Capital's annual corporate governance survey published in May 2008.

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

²Mr. 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.



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

	2004	2005	2006	2007	9M 2008
FINANCIALS					
Assets	172	363	728	1 968	2 750
Loan Portfolio:	48	252	436	1 215	1 911
Retail Loans	4	43	187	406	569
Corporate Loans	42	212	252	828	1 342
Liabilities	140	329	640	1 730	2 500
Net income	0.6	2.0	4.2	5.9	14,9
ROAE ³ (UAS)	3.30%	6.40%	10.34%	9.32%	8,2%
ROAA ³ (UAS)	–	1.00%	1.01%	1.06%	0,85%
CAPITAL					
Capital	31	33	88	237	249
CAR (Basel)	35%	15%	19%	16%	11%
DISTRIBUTION					
Branches (registered)	5	30	55	150	170
ATMs	2	36	66	170	266

* 2004 - 2007 data is calculated in accordance with IFRS. 9M 2008 data is calculated in accordance with Ukrainian Accounting Standards (UAS).

Source: RODOVID BANK

RODOVID BANK's awards:


³ROAA = 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)

