

# Economic & Risks Monitoring Review

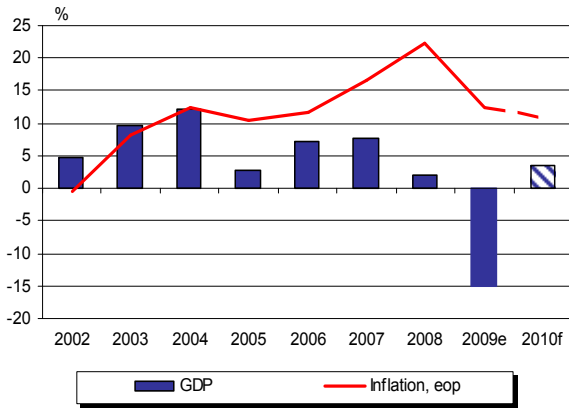
## Monthly

Issue 29

February 2010

### Highlights

GDP growth and inflation



Source: State Statistics Committee, RB Aval Research

- The opposition leader Victor Yanukovych claimed the victory in the 2<sup>nd</sup> round of presidential elections. His rival Ms. Tymoshenko did not acknowledge defeat and is going to appeal the result in court.
- GDP fell by 7% yoy in Q4 2009.
- Ukraine's current account deficit reduced from 7.1% of GDP in 2008 to 1.7% in 2009 amid severe slump in the domestic demand, while capital account turned deeply in red driven by strong build-up in the demand for cash foreign exchange and capital outflows.
- General government deficit constituted around 8.5-9% of GDP in 2009 against the background of severe contraction in the budget revenues, unbalanced Pension Fund and disastrous financial stance of Naftogas.
- Interbank USD/UAH exchange rate has been broadly stable during last four weeks fluctuating in the range of 8.00-8.13.

### Ukraine: Sovereign ratings

LCY rating	S&P	Moody's	Fitch
Long-term	B-	B2	B-
Short-term	C	—	...
Outlook	Stable	Negative	Negative
FCY rating			
Long-term	CCC+	B2	B-
Short-term	C	...	B-
Outlook	Stable	Negative	Negative
Latest assessment	30.10.09	12.05.09	12.11.09

Source: Reuters, Cbonds

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### Ukraine: Key economic figures and forecasts

	2006	2007	2008	2009e	2010f	2011f
<b>Real Sector</b>						
GDP (UAH bn)	544.2	720.7	949.9	900.8	1057.2	1198.5
GDP (USD bn)	107.8	143.3	180.6	112.3	137.3	162.0
GDP (% yoy)	7.3	7.9	2.1	-15.1	3.5	4.0
Domestic demand (% yoy)	13.8	16.5	8.0	-21.5	1.0	6.1
Terms of trade (% yoy)	4.9	10.7	7.1	-5.2	1.5	-2.0
CPI (avg, % yoy)	9.1	12.8	25.2	15.9	10.0	9.0
CPI (eop, % yoy)	11.6	16.6	22.3	12.3	11.0	9.0
PPI (eop, % yoy)	14.1	23.2	23.0	14.4	10.5	10.0
Real disposable income (% yoy)	13.4	12.8	10.3	n/a	n/a	n/a
<b>External Sector</b>						
C/A Balance (% of GDP)	-1.5	-3.7	-7.1	-1.7	-0.5	-1.4
FDI (USD bn)	5.3	9.2	9.7	4.5	6.0	7.5
<b>Monetary Sector</b>						
Base money (% yoy)	17.5	46.0	31.6	4.4	10.8	11.1
Broad money (% yoy)	34.5	52.2	29.5	-5.5	14.9	14.3
USD/UAH (eop)	5.05	5.05	7.65	8.00	7.70	7.30
USD/UAH (avg)	5.03	5.03	5.26	8.02	7.70	7.40
EUR/UAH (avg)	6.36	6.89	7.73	11.23	11.09	10.36
<b>Fiscal Sector</b>						
Fiscal balance (% of GDP)	-0.7	-1.1	-1.5	-8.6	-6.0	-3.0
Public debt (% of GDP)	15.0	12.5	19.9	33.5	36.0	34.5

Source: State Statistics Committee, National Bank of Ukraine, Ministry of Finance, RB Aval Research

## Politics

**The opposition leader Victor Yanukovich claimed the victory in the 2<sup>nd</sup> round of presidential elections** on February 7<sup>th</sup>. According to the Central Election Commission, Mr. Yanukovich, the leader of Party of Regions, whose first presidential election victory was overturned by the courts after the 2004 Orange Revolution, got 48.95% of votes winning in 10 regions (in the Russian speaking East and South of the country). The current Prime-Minister Yulia Tymoshenko won in 16 regions with overall result of 45.47%. The option to vote "against all" was chosen by 4.36% of voters.

Over 3500 observers, including 650 from the Organization of Security and Cooperation in Europe, were dispatched to monitor the election. No serious violations or wide-scale falsifications were noticed and **the vote was ruled "honest and transparent" by the observers**. The consistency of the official outcome with the outcome of six different exit-polls strengthens the validity of the vote counting results. Consequently, elections' result was recognized by the international community as most of foreign leaders have already congratulated Mr. Yanukovich with the victory. However, **Ms. Tymoshenko did not acknowledge the defeat** claiming the evidence of massive falsifications in Eastern regions and is going to bring the case into the court. However, given the high validity of the election result, we see a weak foundation for appeal as Ms. Tymoshenko is not likely to get any substantial external or internal support for her actions. Therefore, the court procedures are expected to take few more weeks but probably will not bring any positive result to Ms. Tymoshenko.

Reshuffle of power in the parliament is about to happen: a new President will try to build a parliamentary majority. He is seeking support from the Communists and "Bloc Litvin", but also from "Our Ukraine" and members of "Bloc Tymoshenko". Given the weak ideological affiliation of political parties and weak party affiliation of deputies, Mr. Yanukovich quite possible might succeed to form a new ruling coalition. A new Prime Minister will then likely be a compromise figure. We think that Yanukovich (and also Tymoshenko) do not have a high interest in calling for snap parliamentary elections this year. Thus, in the baseline political scenario **we expect the formation of new coalition and, consequently, the government by end-March**. However, independently of the specific political scenario, the enormous challenges ahead remain: the country is still in crisis mode, with state finances at the brink of collapse. Thus, the most important task is to draft a realistic and workable budget for 2010, which would help to unfreeze the IMF programme.

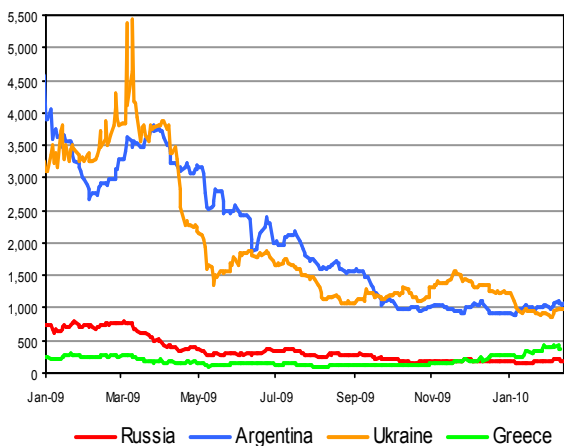
The markets reacted positively to the peaceful conclusion of the presidential race: hryvnia gained few points against US dollar in the first week after elections, local stock market index (PFTS) has also slightly risen, while country risk indicators (CDS and Eurobonds spreads) remain broadly unchanged in the recent weeks.

## Macroeconomic Situation

### Real Sector

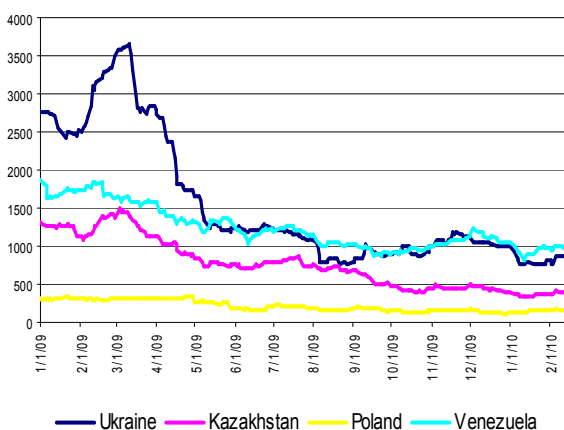
**GDP fell by 7% yoy in Q4 2009.** State Statistics Committee did not disclose so far the figure for 2009 in total, but, according to our estimates, **GDP shrunk by 15.1% yoy** last year. The decline in GDP in the 4<sup>th</sup> quarter was smaller than in three previous quarters (mostly thanks to the base effect), but surprised the experts on the negative side as most of the

5y CDS spreads



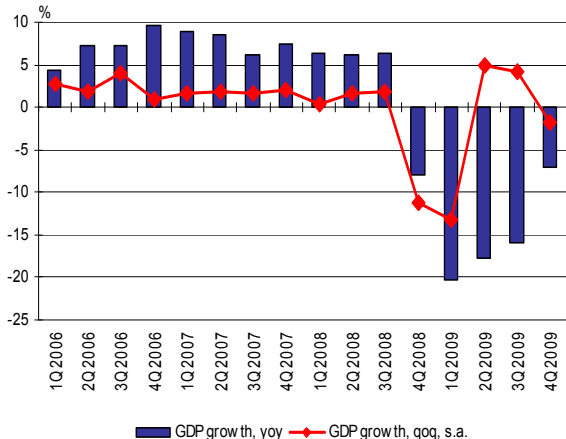
Source: Reuters

Eurobonds spread, USD segment



Source: Reuters

GDP dynamics

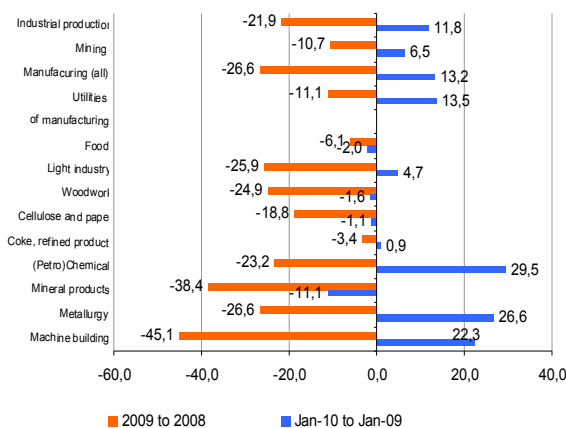


Source: State Statistics Committee, RB Aval Research

forecasters expected the figure around zero. Apparently, the domestic economic activity remains extremely weak, while external demand was also depressed as GDP growth rate in most of European countries fell below expectations in the last quarter of 2009.

**This year we expect the economy to return to the positive growth** given gradual improvement in the global economic conditions (the external demand for Ukrainian exports is apparently boosted by large-scale nominal depreciation) and the marginal rebound in domestic demand following expected alleviation of political uncertainty. On the negative side, the economic growth will be held back by frozen lending activity (which is not likely to revive until 2<sup>nd</sup> half of this year) and disastrous fiscal situation. Therefore, assuming no double-dip recession in the global economy, we predict Ukraine's GDP to grow by 3.5% this year.

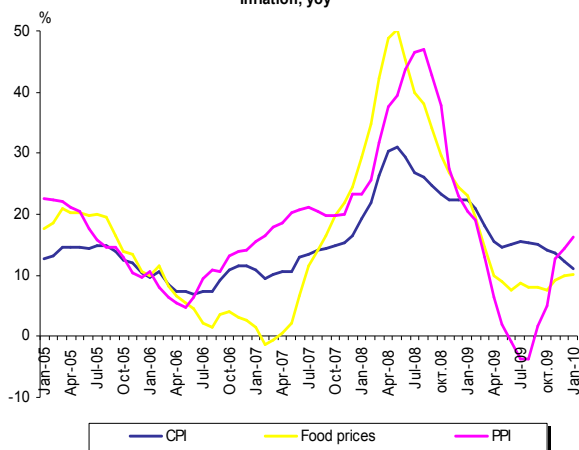
Industrial output growth by sector



Source: State Statistics Committee

**Industrial output grew 11.8% yoy in January.** Extremely low statistical base of January-09 pushed Jan-10 figures up, while the economic activity was apparently rather weak last months amid the climax of political battle and unfavorable weather conditions. Across sectors, export-oriented industries have rebounded strongly – the output in chemical, steel and machine building industries hiked by 29.5%, 26.6%, and 22.3% yoy in January respectively. Domestically oriented industries (such as food and light industries, production of construction materials) have performed much worse in January signaling on persistent weakness of the domestic demand.

Inflation, yoy



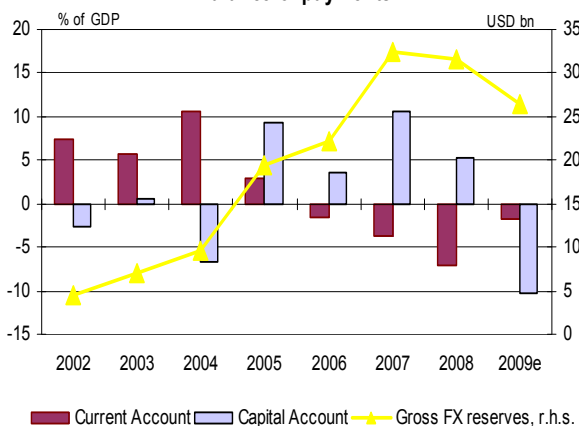
**Consumer prices' growth accelerated to 1.8% mom in January** (from 1.1% and 0.9% in November and December respectively) against the background of seasonal increase in prices for dairy products and vegetables and unexpected hike in sugar prices. Nevertheless, eop CPI growth rate fell from 12.3% to 11.1% given high statistical base of January-09. Food prices grew 3.2% mom in January, thus explaining 90% of CPI increase. The prices for sugar, vegetables and dairy products were the fastest growers last month (14.7%, 14.3% and 7.2% mom increase respectively). PPI grew 1.9% mom in January bringing eop growth rate up from 14.4% to 16.3%. Producer prices in energy industry grew 4.4% last month, while steel prices have been stable (0.1% mom increase).

Source: State Statistics Committee, RB Aval Research

**External Sector**

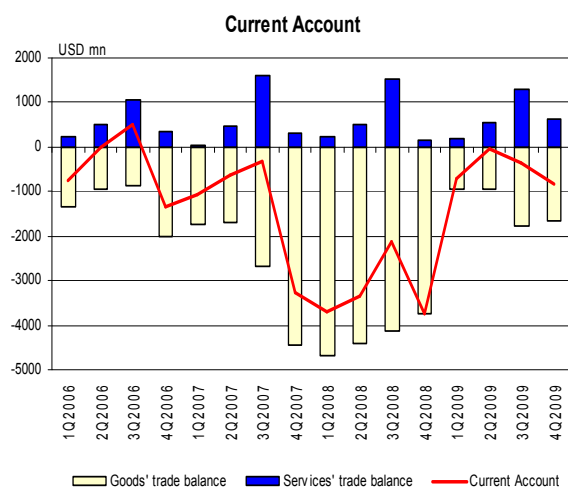
**Ukraine has experienced dramatic reversal in the external accounts in 2009 amid severe economic recession** – current account deficit reduced from 7.1% of GDP in 2008 to 1.7%, while capital account reversed from the surplus of 5.3% of GDP to the deficit of 10.3%. In December current account deficit constituted USD 585 mn mostly due to the seasonal hike in energy imports (70% yoy increase, while total import grew 11.1% yoy in December). Agricultural and machinery imports have also traditionally surged at the end of the year (28.2% and 32.7% mom growth respectively). At the same time, export grew only 1.1% yoy in December, as steel exports' growth has slowed down (6.9% yoy decline last month).

Balance of payments

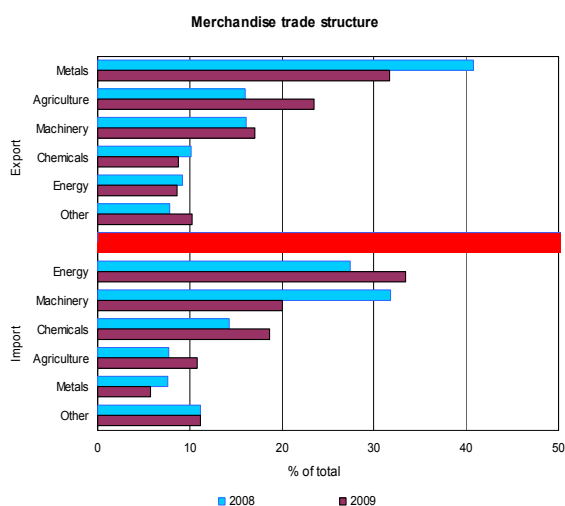


As a result, total current account deficit constituted USD 1940 mn in 2009 nosediving from USD 12763 mn in 2008 (the deficit of merchandise trade balance decreased from USD 16091 mn to 5329 mn). Both exports and imports plunged dramatically (by 40.3% and 45.4% yoy respectively) against the background of severe economic slump. On the export side, the collapse in external demand has heavily affected steel and chemical exports (53.6% and 47.8% yoy decline respectively). Consequently, the share of metal exports in total export fell from 41% in 2008 to 32% in 2009. At the same time, agricultural exports proved the most resilient to the economic downturn thanks to the bountiful harvest last year – its volume fell by 12.2%

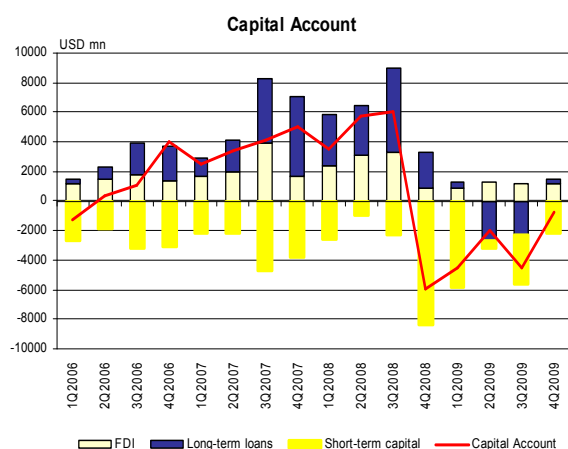
Source: National Bank of Ukraine, RB Aval Research



Source: National Bank of Ukraine



Source: National Bank of Ukraine



Source: National Bank of Ukraine

yoy, while the share in total export jumped from 16% to 23.5%. On the import side, machinery imports plunged by 65% last year amid massive hryvnia depreciation, falling real incomes and frozen lending. Gas imports fell by 16.6% in 2009 – average price of imported gas has risen by 17% last year, while physical volume of gas imports plunged by 28.7% (from 53 bn cm to 37.8). Trade in services has been less damaged by the recession – export and import of services fell by 23.1% and 30.9% yoy respectively in 2009. As a result, the surplus of services' trade balance has risen from USD 1741 mn in 2008 to 2607 mn in 2009.

Capital account turned positive in December (USD 363 mn surplus) for the first time since the onset of the crisis. New external borrowings have exceeded repayments for USD 676 mn last month, while FDI inflow reduced to USD 120 mn (from 728 and 358 mn in October and November respectively) given the pause in capital injections by foreign banks. The volume of cash FX outside banking system increased by USD 1121 mn in December as the demand for cash FX was apparently fed by the seasonal increase in financial flows and the start of deposit repayments in Ukrprombank.

**Blocked access to the global financial markets, subdued FDI inflows and households' rush for cash foreign exchange led to the drastic reversal in the capital account** – from the surplus of USD 9524 mn in 2008 to the deficit of 11787 mn last year. The balance of external borrowings reversed from the surplus of USD 12.3 bn to the deficit of 9 bn. The largest deleveraging has been observed in the banking sector (rollover ratio on banks' external borrowings constituted 76% in 2009) as the banks are reducing external exposure given frozen credit activity (and prohibited FX lending). At the same time, the external debt of real sector corporates' has been surprisingly stable – rollover ratio in this segment constituted 98% last year. As we wrote in our previous reports, this fact can be partially explained by intra-group financial flows as domestic business groups replenish reduced cash flow from own offshore sources. The balance of public external borrowings had the deficit of USD 1158 mn in 2009 – the government repaid two Eurobonds' issues for the total amount of USD 1.3 bn, while new market borrowings have been unavailable given extremely high country risk premium.<sup>1</sup> The volume of cash FX outside banking system has risen by USD 9.6 bn in 2009 (which was, however, smaller than in 2008 – USD 12.9 bn) against the background of persistently high depreciation expectations. Net FDI inflow has more than halved in 2009 (from USD 9.9 bn in 2008 to 4.5 bn) as banks' acquisitions by foreign banking groups and massive investment into the real estate came to a halt when the economy slid into the deep recession. According to our estimates, around a half of total FDI inflows in 2009 should be attributed to foreign banks' capital injections into their Ukrainian subsidiaries.

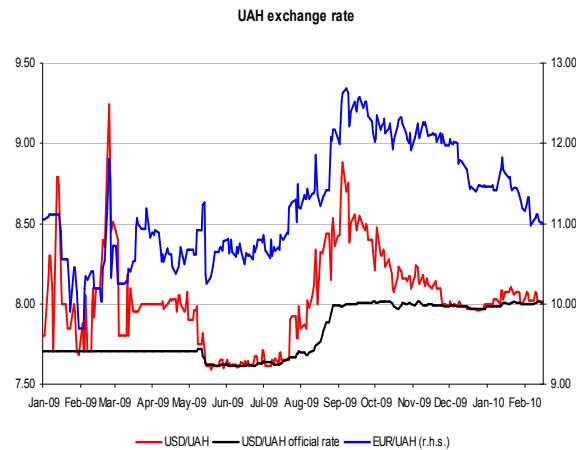
Total balance of payments deficit constituted USD 13727 mn in 2009 and was financed by the reduction in NBU international reserves. Assuming, no major setbacks in global economic developments and tapering off domestic depreciation expectations, **we expect external accounts to be close to the balance this year** - slightly negative current account (the deficit of around 0.5% of GDP) will be offset by small surplus on the capital account side.

<sup>1</sup> IMF loans are not included in capital account data as they are accounted "below the line" (i.e. as the financing of total balance of payments' deficit)

## Monetary and Exchange Rate Policy

**Interbank USD/UAH exchange rate has been broadly stable during last four weeks fluctuating in the range of 8.00-8.13.**

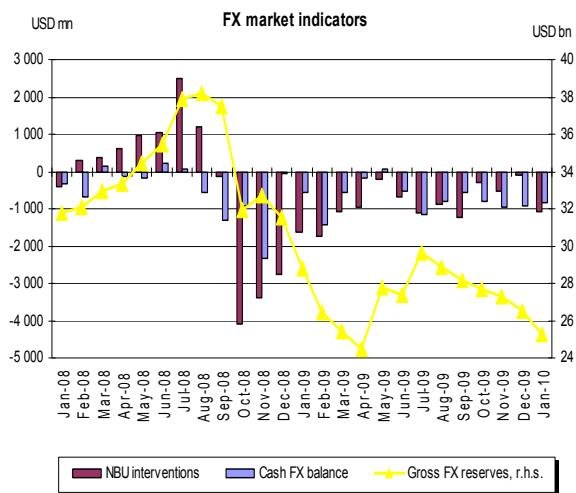
Depreciation pressure on hryvnia has apparently tapered off after 1<sup>st</sup> round of presidential elections on Jan 17<sup>th</sup>. Plus, higher export proceeds and resumed capital inflows also helped to stabilize exchange rate. The National Bank was actively intervening into the market in the 1<sup>st</sup> half of January (allegedly selling around USD 170 mn) to smooth market movements. Consequently, NBU interventions balance constituted USD 1080 mn in January (NBU sold more than USD 900 mn to Naftogas last month for import gas payments), while gross international reserves reduced from USD 26.5 bn at end-2009 to USD 25.3 bn as of end-January 2010. The households were actively purchasing foreign exchange in January against the background of high political uncertainty – the net demand for cash FX by households constituted USD 834 mn last month.



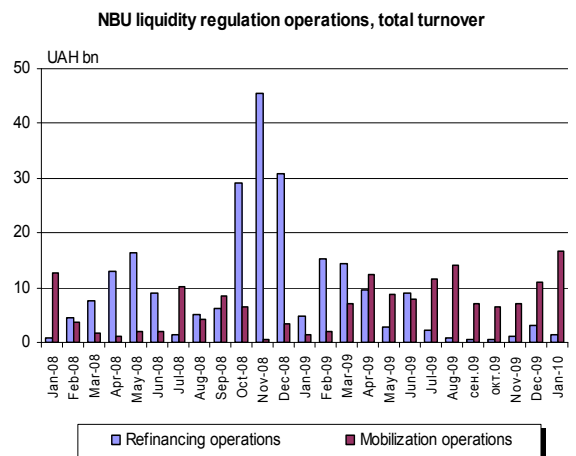
Source: Reuters

We expect no major turbulences at the FX market in the near future. Hryvnia is likely to be traded above 8.00 mark in February-March and then move to 7.50-7.80 levels in the 2<sup>nd</sup> quarter amid seasonal improvement in the trade balance (i.e. higher exports and lower energy imports). Nevertheless, we should not rule out the chance of renewed depreciation pressure on hryvnia in light of highly unstable exchange rate expectations and looming economic risks (such as large fiscal gap and banking sector turbulences).

The NBU maintained a tight monetary stance in January to limit depreciation pressure on hryvnia – the turnover of NBU mobilization operations constituted UAH 16.6 bn last month (in mid-January the National Bank raised interest rates on its certificates of deposits to sterilize excess hryvnia but then scaled it back when exchange rate stabilized). As a result, monetary aggregates shrunk in January – base money reduced by 2.8% mom, while broad money fell by 1.5%. Nevertheless, liquidity conditions remain stable owing to frozen lending activity – total volume of banks' correspondent account is around UAH 17-18 bn, implying excess liquidity at the level of nearly UAH 5 bn. Consequently, overnight money market rate is fluctuating in 1-2% range, while 3m KievPrime rate has fallen from 15% to 13%. We expect the National Bank to remain cautious in the next 1-2 months unless political and fiscal prospects draw clearer. Later in the year, should political situation stabilize and fiscal pressure abate, we see NBU relaxing monetary conditions in order to facilitate the recovery in lending activities.



Source: National Bank of Ukraine



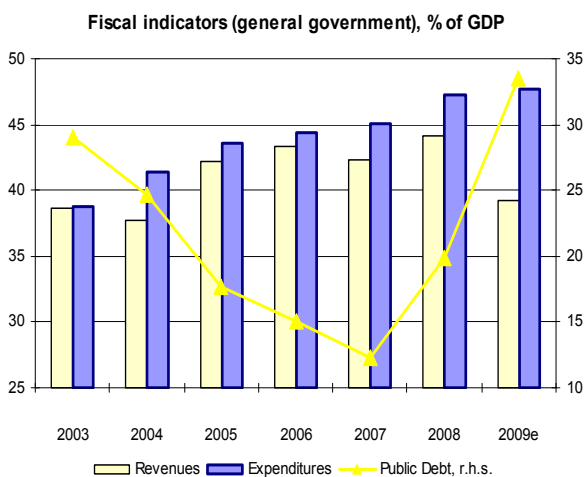
Source: National Bank of Ukraine

## Fiscal Policy

**General government deficit constituted around 8.5-9% of GDP in 2009 against the background of severe contraction in the budget revenues, unbalanced Pension Fund and disastrous financial stance of Naftogas.** Specifically, unrealistic budget planning (budget revenues' projections were based on the assumption of 0.4% GDP growth in 2009) led to the severe shortfall in the budget revenues. The total revenues of consolidated budget constituted UAH 272.9 bn in 2009<sup>2</sup>, 84% of planned for this period. Thus, the total gap in budget revenues reached UAH 52 bn last year as import duties, profit tax, and VAT revenues were hit the hardest. In the response to the eroding budget revenues, the authorities have raised excise taxes and introduced temporary 13% import duty, albeit these efforts were largely unsuccessful.

<sup>2</sup> The government creatively accounted USD 2 bn, obtained from IMF under quota redistribution exercise, as budget revenues, but in line with usual practices we exclude this figure from the revenues' side and put it "below the line".

## Consolidated budget revenues and expenditures in 2009



Source: Ministry of Finance, IMF, RB Aval Research

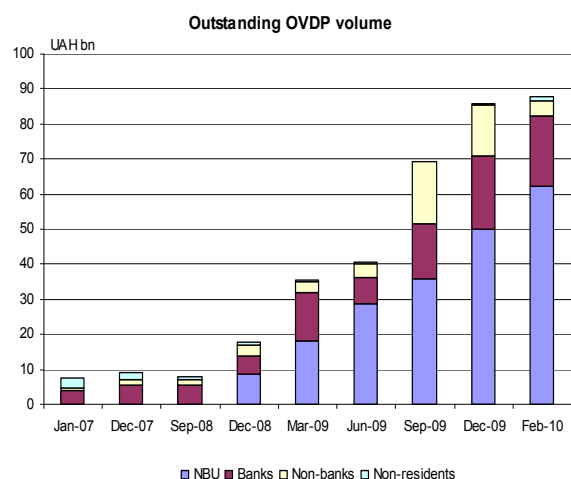
	Volume, UAH bn	Execution rate, %	Yoy growth rate, %
<b>Total revenues</b>	<b>272.9</b>	<b>84.0</b>	<b>-8.4</b>
Tax revenues	208.1	86.5	-8.4
Personal income tax	44.5	96.5	-17.4
Corporate profit tax	33.0	76.9	-31.1
VAT	84.6	86.7	-8.1
Import duties	6.3	60.1	-52.9
Excise tax	21.6	90.3	68.8
Non-tax revenues	58.4	80.1	-3.5
<b>Total expenditures</b>	<b>307.3</b>	<b>85.7</b>	<b>-0.6</b>
Current spending	287.3	93.0	7.2
Capital spending	20.0	62.0	-51.5

Source: Ministry of Finance, Raiffeisen Bank Aval

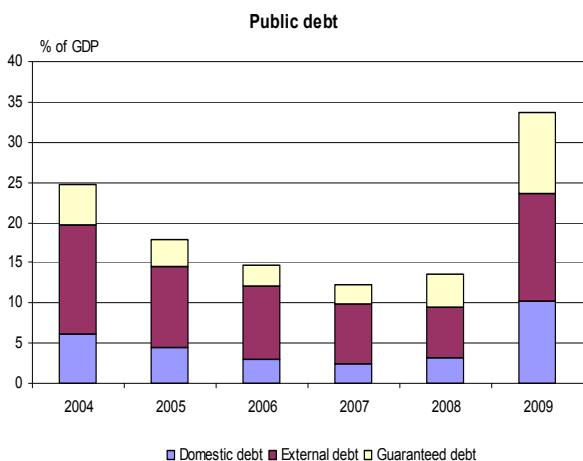
The total expenditures of consolidated budget constituted UAH 307.3 bn in 2009, 86% of the plan. Thus, the government had to curb budget expenditures amid severe shortfall in the budget revenues and lack of feasible financing sources. In particular, capital spending were executed only for 62% of the plan, consequently, the volume of capital expenditures dropped by 51% yoy falling from 4.3% of GDP in 2008 to nearly 2.2% in 2009. At the same time, given pre-election fever, the authorities failed to adjust social spending policy accordingly (even worse, the Parliament voted for purely populist increase in social expenditures in Nov-09).

In addition to revenues' shortfall, the government also faced high fiscal pressure stemming from unbalanced Pension Fund and disastrous financial stance of state-owned company Naftogas Ukraine. According to the preliminary data, the shortfall in own revenues of the Pension Fund constituted UAH 11.7 bn (1.3% of GDP) last year and had to be bridged by loans from Single Treasury Account. Also, below-cost gas pricing and weak payment discipline led to the accumulation of quasi-fiscal deficit of Naftogas (it reportedly constituted around 2.5-3% of GDP in 2009) and push the company to near-insolvency (it had to restructure one outstanding Eurobond and bank debt in October for the total volume of USD 1.6 bn).

As a result, we preliminarily estimate total fiscal deficit of the general government at 8.5-9% of GDP in 2009 (without bank recapitalization costs, which add another 2-2.5% of GDP to the fiscal bill). IMF funding and domestic borrowings were the main financing sources last year given blocked access to the global debt markets (in light of skyrocketing country risk) and privatization stalemate (privatization revenues constituted mere UAH 0.8 bn, while the plan for the year was put at UAH 7.9 bn). Specifically, the IMF provided USD 6.8 bn (UAH 54 bn) to the government last year (including stand-by loan tranches and quota increase), but suspended the disbursement of 4<sup>th</sup> loan tranche in November until the end of presidential campaign. Also, the Ministry of Finance stepped up the issuance of domestic securities (OVDP) – in 2009 the government attracted UAH 18.9 bn at the primary debt market, while total amount issued reached UAH 55 bn (including special OVDP issues used for the recapitalization of ailing systemic banks, capital injections to state-owned banks, and increase of statutory capital of Naftogas). High financing needs pushed the yields upwards – the average yield surged to 29% in late October then leveling off to 25-26% by year-end. Following massive increase in domestic and external borrowings and provision of guarantees on the borrowings of public enterprises (Ukravtodor, state-owned banks,



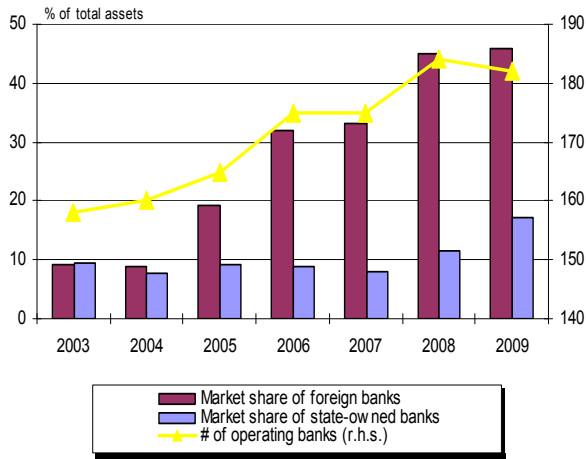
Source: National Bank of Ukraine



Source: Ministry of Finance, RB Aval Research

Naftogas, aircraft builders etc), **public debt surged from 20% of GDP to 33% in 2009** (from UAH 189.4 bn to UAH 301.4 bn).

Competitive landscape



Source: National Bank of Ukraine, RB Aval Research

In our view, **fiscal situation is the key economic risk at the moment**. The state budget for 2010 has not been adopted by the Parliament due to the political squabbles ahead of presidential elections. So far the government managed to pass through (i.e. still paying wages and pensions and repaying maturing government bonds) by reportedly using various unorthodox measures – collecting advanced tax payments, delaying VAT refunds, depleting Single Treasury Account (according to the anecdotal evidence, the balance of the account is only UAH 1-2 bn at the moment), actively issuing short-term debt, selling government bonds to the NBU (via state-owned banks) etc. However, this is clearly not a long-term solution and the government risks to run in into Ponzi scheme similar to Russia in 1998 if it continues to issue on a large scale high-yielding short-term government debt. Therefore, fixing fiscal situation is the first and most immediate task for the incoming authorities. We believe that fiscal accounts still have a chance to be put in order, albeit it will require some painful adjustments to be implemented as soon as possible.

## Financial Sector

### Banking Sector

#### General Information and Market Structure

As of end-2009 there were 182 banks operating in Ukraine (down from 184 a year ago). The market share of top 10 banks in total assets has risen from 52% to 53% last year. Thus, contrary to the expectations, the current crisis so far did not lead to the higher concentration and consolidation of the Ukrainian banking sector.

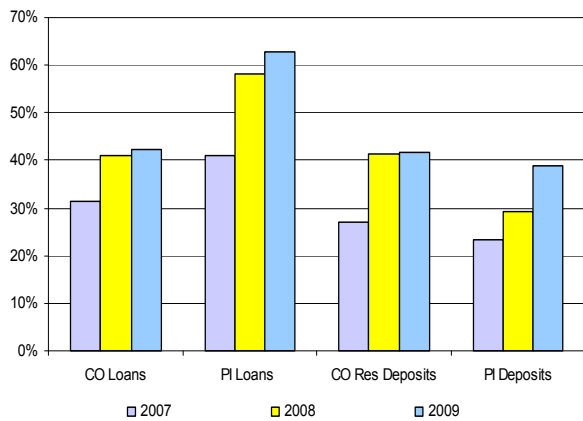
The number of banks with foreign capital reduced from 53 to 51 in 2009, while the share of foreign capital in total capital of the banking system fell from 36.7% to 35.8%. At the same time, the share of foreign-owned banks in total assets of the banking system increased from 45% to 46%. Also, last year the foreign-owned banks substantially gained market share in PI deposits segment – it increased from 29% to 39%, which might be explained by “flight to quality” effect and purchase of Prominvestbank by Russian Vnesheconombank. In 2009 we have witnessed the strong expansion of state capital into the banking sector – due to the active lending by state-owned banks and nationalization of several large banks, the market share of state-owned banks has leapt from 11% to 17% last year.

As of February 15<sup>th</sup> 2010, 12 banks are under NBU receivership, while two banks (Kyiv and Ukrgazbank) were recapitalized by the state and exited receivership (Rodovid Bank still remains under receivership as the government transferred to this bank the deposits from Ukrprombank (plus, the decision on deposit transfer from Nadra is pending at the moment)). 14 banks are in the liquidation phase, including nine, which fell into the insolvency since the onset of the crisis. At the same time, the resolution of several large banks (i.e. Ukrprombank and Nadra) has been marred by the political meddling. As a result, Ukrprombank was put for liquidation, while the prospects of Nadra remain unclear and apparently depend on the political scenarios.

#### Assets and Liabilities

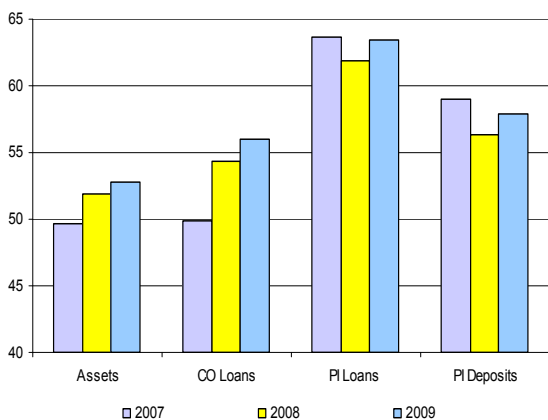
The dynamics of banking system loans and deposits in January was largely affected by the decision to liquidate Ukrprombank (ranked 28<sup>th</sup> in terms of total assets as of end-2009) as balance sheet indicators of this bank are no

Market share of foreign-owned banks



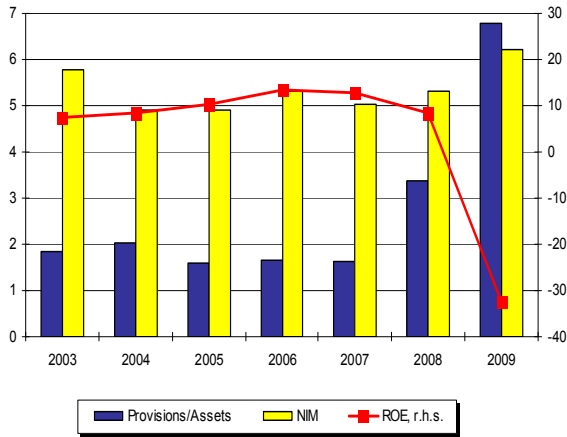
Source: National Bank of Ukraine, RB Aval Research

Market share of top 10 banks, %



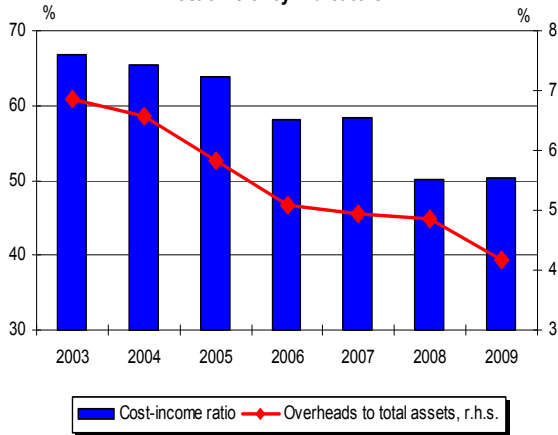
Source: National Bank of Ukraine, RB Aval Research

Profitability indicators, %



Source: National Bank of Ukraine, RB Aval Research

Cost efficiency indicators



Source: National Bank of Ukraine, RB Aval Research

longer included into the banking sector data. As a result, total loans' portfolio shrunk by 2% mom in January. CO deposits fell by 3.2% mom, which, apart from Ukrprombank situation, is explained by seasonally higher spending by corporates at the beginning of the year. At the same time, PI deposits grew 0.3% in January (PI deposits of Ukrprombank were transferred to state-turned Rodovid Bank in November-December last year, thus its liquidation did not affect PI deposits volume in the banking system). Specifically, household deposits in the national currency grew 0.9%, while FX PI deposits reduced by 0.3% (in dollar terms).

### Financial Performance

#### Sharp deterioration of loan quality pushed banks' profitability indicators deeply in red last year despite visible improvement in the operational efficiency.

Total loss of the banking system constituted UAH 38.5 bn in 2009 implying the return on equity ratio of -32.5%. In fact, more than 60% of total loss of the banking system is attributed to five ailing systemic banks. Mounting loan defaults (and, consequently, the build-up in loan-loss provisions) is the main factor behind banks' disastrous financial performance last year. The total volume of provisions constituted UAH 59.8 bn in 2009, thus, the ratio of provisions to total loans jumped from 3.7% to 8.4%. Moreover, according to the anecdotal evidence, a number of banks did not form adequate provisions on non-performing loans in order to limit their losses (as it requires additional capital injections). Thus, the real financial picture in the industry might be even gloomier.

The effect of skyrocketing provisions on banks' profitability was partially cushioned by improved operational efficiency. Specifically, the profit before provisions grew 5% yoy in 2009, while net interest margin went up from 5.3% to 6.2% last year. Cost income ratio has practically unchanged last year standing at 50%, while the ratio of overhead costs to total assets dropped from 4.9% to 4.2%.

# Economic & Risks Monitoring Review Monthly

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