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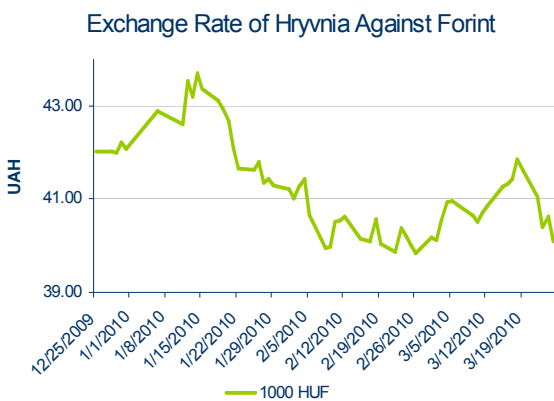
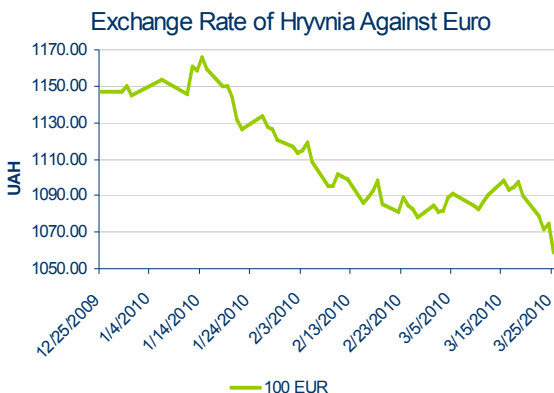
Weekly Report - Ukraine

19.03–25.03 2010

Major Indices

UAH Exchange Rate 25.03.2010

Country	Currency	Unit	Value
EU	EUR	100	1058.3703
US	USD	100	793.5000
Hungary	HUF	1000	40.0852



National Bank of Ukraine Discount Rate annual, as of 12.08

10.25%

Source: National Bank of Ukraine

Macroeconomic Indices

Inflation in January 2010

CPI Jan.2010 /Dec.2009	101.9
CPI Jan.2010/Dec.2009	101.9

Core Inflation

Jan.2010/Dec.2009	100.8
Jan.2010/Dec.2009	100.8

Gross Domestic Product

GDP 2009	912,563 mil.UAH
3 rd Q mln.UAH	250,614

Industrial Producer Price Indices

January	101.9%
Dec. 2009/Dec. 2008	114.3

Average Monthly Salary –2009

	UAH
Nominal	1,906

Real Growth

Nominal	
2009/2008	105.5
Real	
2009/2008	99.1

Source: Statistical Office of Ukraine

Headlines

Ukrainian banks reduce external debt

22.03 (UKRINFORM): In 2009 Ukrainian banks reduced the external debt by 22% to USD 30.8 billion, UKRINFORM reported with reference to the Delo newspaper.

This is almost the same as in early 2008, the newspaper notes. The banks returned a total of USD 8.7 billion to external creditors for 2009.

Thus, UkrSibbank repaid to USD 325 million, Raiffeisen Bank Aval - USD 233 million, UkrSotsbank - USD 200 million, Bank Forum - USD 100 million. Ukreximbank repaid the greatest amount of external debt in 2009 - USD 595 million.

Except for the state-owned Ukreximbank, all other abovementioned financial institutions are owned by large foreign banks, while banks with Ukrainian capital preferred to restructure foreign debt in 2009. As of March 1, there were 178 banks in Ukraine out of 195 registered (15 banks - in liquidation status).

Banking crisis ends - marketer

22.03 (UKRINFORM): Banking crisis has stopped in Ukraine, and domestic banks have a rather high level of trust, both among clients and among foreign investors, says Oleksandr Dubilet, CEO at Ukraine's major bank PrivatBank.

In his words, the domestic banking system "has already coped with the results of the global financial slump and, having preserved liquid positions, stands rather good chances to demonstrate positive development dynamic."

Earlier international rating service Fitch Ratings revised its outlook for nine Ukrainian banks, PrivatBank, UkrSibBank, UkrSotsbank, Forum, Pravex-Bank, ProCredit Bank, VTB Bank Ukraine, Oschadbank and UkrExImBank, having upgraded it from Negative to Stable.

Insurance payments 19.5% down in 2009

22.03 (UKRINFORM): According to a report by insurers-members of the Ukrainian Insurance Federation submitted to the State Commission on Regulation of Financial Services Markets, in 2009 against 2008, total insurance payments dropped by 19.5% from UAH 3.912 billion (1 USD - 7.96 UAH) in 2008 to UAH 3.148 billion in 2009.

In particular, the amount of receipts on insurance of overland transport decreased by 26.1% to UAH 1.563 billion, other property - by 21.8% to UAH 555.1 million, personal insurance - by 4.3% to UAH 241.8 million, the Federation's press service informed.

Insurance payments in 2009 against the previous year reduced by almost 16% to UAH 1.625 billion.

Deposit Guarantee Fund to repay deposits of Ukrprombank's clients until April 21

23.03 (UKRINFORM): The Individuals' Deposit Guarantee Fund is repaying a guaranteed sum of compensation to the depositors of Ukrprombank through the fund's agent banks until April 21, 2010.

On March 11, the Deposit Guarantee Fund began to repay funds to Ukrprombank's clients whose deposits were not transferred to Rodovid Bank.

The maximum amount of guaranteed compensation on deposits, including interests, was set at UAH 150,000 (UAH 7.9544 / USD 1).

The payments are being made via PrivatBank, Brokbusinessbank, UkrSotsbank and Khreschatyk.

Under a government resolution passed late in 2009, Ukrprombank began to transfer its assets and liabilities to its individual clients to Rodovid Bank.

VAB Bank agrees on Eurobond restructuring

24.03 (UKRINFORM): Most holders of VAB Bank's Eurobonds with a maturity date of June 14, 2010 have accepted the bank's restructuring conditions, the bank's press service has reported.

"The conditions proposed by the bank met the expectations of its investors, and therefore, Eurobond holders fully supported our proposal. This measure is aimed at retaining a high level of the bank's liquidity and improving the structure of the bank's liabilities on maturity dates," VAB Bank Deputy Chairman Lukas Tursa said.

He also said that the bank had no significant payments on international borrowings, with their maturity date expiring before mid 2014.

In May 2007, VAB Bank placed three-year Eurobonds worth USD 125 million with a maturity date of June 2010 and an annual coupon rate of 10.125%.

Raiffeisen Bank Aval's shareholders approve capital increase by over UAH 932.5 m

22.03 (UKRINFORM): The shareholders of Kyiv-based Raiffeisen Bank Aval approved the results of a closed (private) placement of the bank's ordinary registered shares of the supplementary 25th emission at a general meeting held in Kyiv on March 23.

Within the framework of the 25th emission, 5,828,400,000 shares were placed at the nominal value of UAH 0.10 each. The placement process was held in two stages, with the first stage lasting from November 24, 2009 to December 23, 2009 and the second stage lasting from December 24, 2009 to January 23, 2010. The selling price of the bank's one registered share was UAH 0.16.

As a result, the charter capital of PJSC Raiffeisen Bank Aval after the state registration of this emission will be increased by more than UAH 582.8 million to above UAH 3 billion, while the remaining premium of UAH 349.7 million will be directed at the formation of the bank's additional capital. The total increase of the bank's own capital will amount to over UAH 932.5 million.

PJSC Raiffeisen Bank Aval, founded in March 1992, is one of the largest Ukrainian banks in terms of a number of core parameters. The bank's own funds were above UAH 5.3 billion, its net assets amounted to over UAH 54 billion and its loan portfolio totaled more than UAH 48.7 billion (all figures provided as of December 31, 2009 and according to the Ukrainian accounting standards).

Raiffeisen Bank Aval is a subsidiary of Austria's Raiffeisen International Bank-Holding AG, which operates one of the largest banking networks in CEE, covering 17 markets across the region through subsidiary banks, leasing companies and a range of other financial service providers that service over 15 million customers via more than 3,000 business outlets.