

BANK ALLIANCE



JOINT STOCK COMPANY "BANK ALLIANCE"



JSC "BANK ALLIANCE" is a universal bank providing a full range of services to corporate clients and individuals, has an impeccable business reputation; its mission is to create favourable conditions for the Ukrainian economy development and sustainable growth of the gross domestic product.

The Bank has been operating in the market for more than 26 years (Certificate of Incorporation dated March 10, 1992, entry No. 89 in the State Register of Banks). The Bank provides integrated services to corporate clients and individuals on the basis of Banking License No. 97 dated November 17, 2011 authorising to provide bank services outlined in the Ukrainian Law On Banks and Banking, article 47, section three, and Foreign Currency Operations General License No. 97-3 issued by the National Bank of Ukraine on December 30, 2016, authorising to carry out foreign exchange operations.

Its authorised capital is UAH 260 million, and its regulatory capital made up UAH 350.8 million as of April 01, 2019. The Bank is 100% compliant with all NBU (National Bank of Ukraine) regulations and standards, in particular, as to capital and liquidity.

JSC "Bank ALLIANCE" is a member of MasterCard WORLDWIDE and an approved member of VISA ASSOCIATION.

It joined the European Business Association (EBA) on August 29, 2018.

The Bank is an Official Member of the International Chamber of Commerce (ICC) since December 21, 2018.

The Bank participates in the Guarantee Fund for Individuals' Deposits (Certificate No 023, dated September 02, 1999) and is a member of the Independent Association of Ukrainian Banks.

The National Rating Agency "Rurik" confirmed a long-term credit rating of a borrower established by the National Rating Scale to the uaAA investment category with «positive» outlook for JSC "BANK ALLIANCE".

As of April 1, 2019, the Bank has a regional network comprising 15 branches with representative offices in the largest Ukrainian cities.

THE BANK'S ADVANTAGES



The network's
availability in the
largest cities



Over 26-years
of operation
in the banking
market



Highly profitable
activity



Individual flexible
approach
toward
customer services



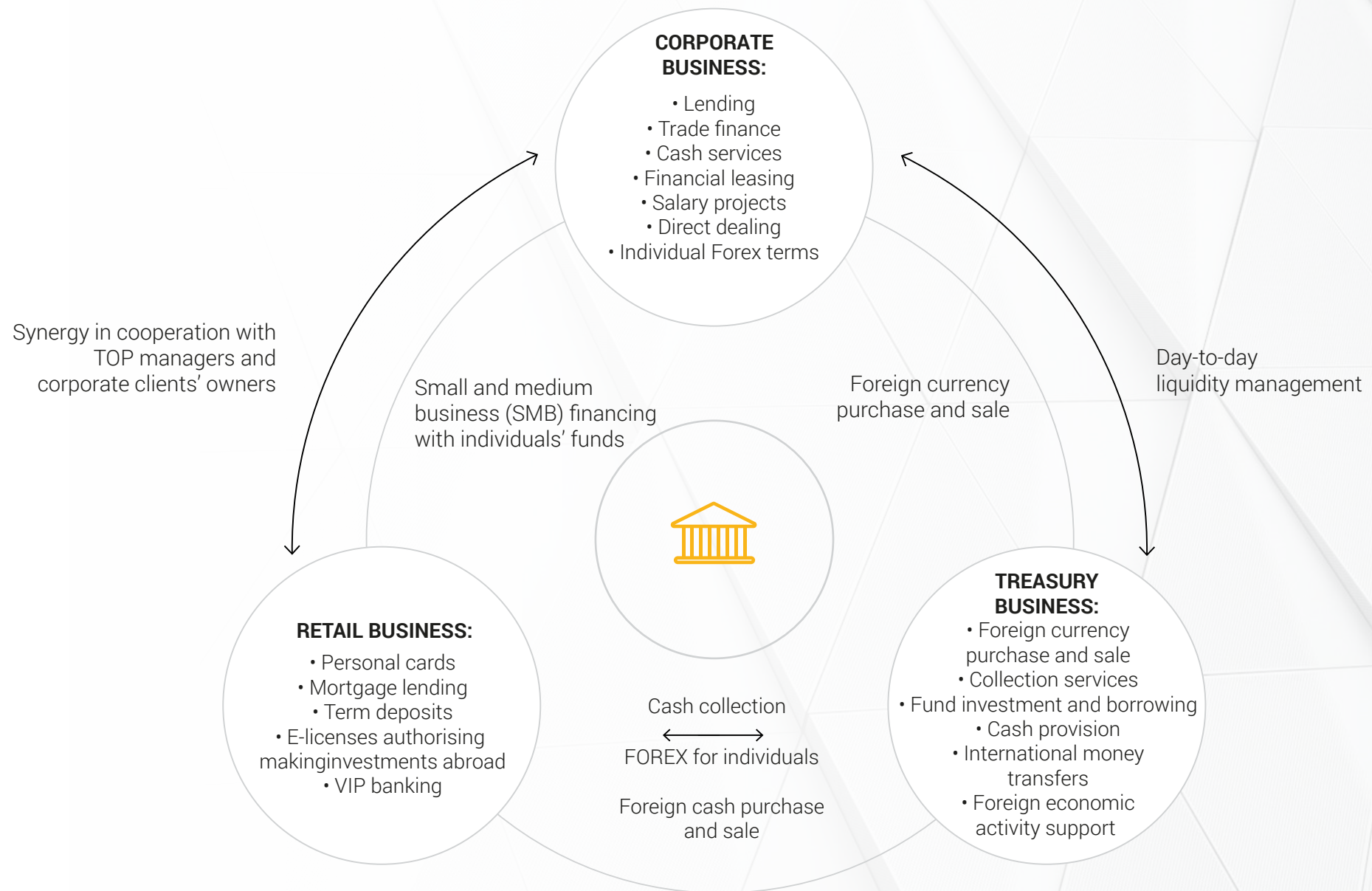
National
uaAA rating



No overdue
loan portfolio

BUSINESS MODEL

THE BANK PLACES FOCUS ON THE FOLLOWING BUSINESS ACTIVITIES IN THEIR OPERATIONS, IN ORDER TO ACHIEVE THEIR STRATEGIC TARGETS:



◎ SUSTAINABLE DEVELOPMENT

As a part of its approved 2018/2020 strategy, JSC “BANK ALLIANCE” confirms its commitment to transparency and responsibility principles in its day-to-day operations and focuses its efforts on achievement of high service standards in the bank with 100% Ukrainian capital.

The sustainable development of JSC “BANK ALLIANCE” combines the two following components: economic and social.



SOCIAL

- Good working conditions
- Personnel training
- Employees' safety and health
- Charitable projects

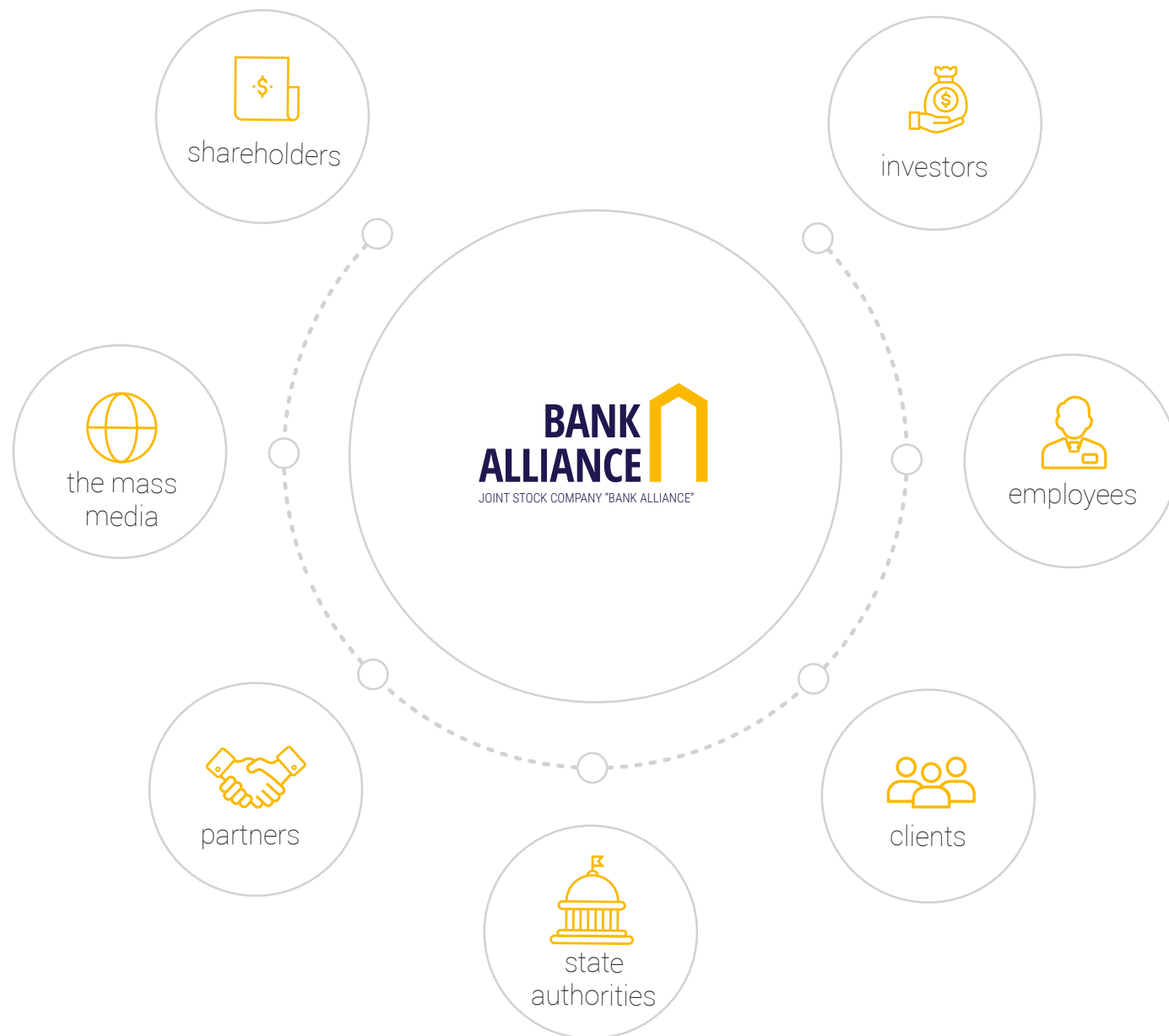


ECONOMIC

- Investments in SMB development
- Continuous improvement the quality of the services provided
- Regional network extension

KEY STAKEHOLDERS

Sustainable development is impossible without establishment of partnership with stakeholders. The Bank respects principles of public information accessibility for all key stakeholders.



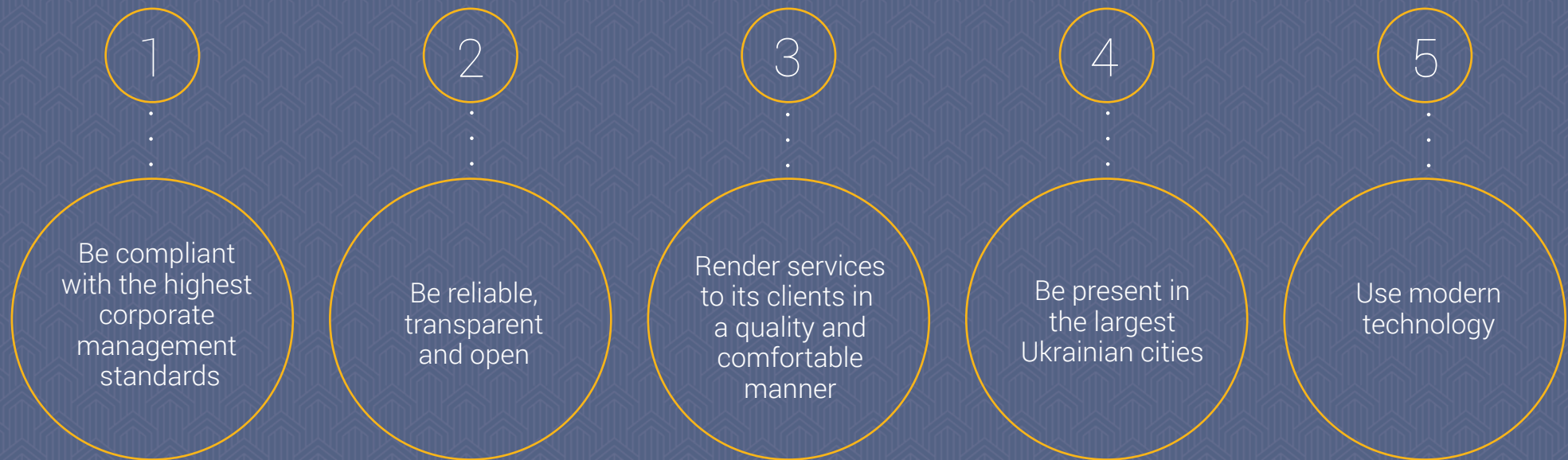
◎ APPROVED STRATEGY AND MISSION OF THE BANK

In 2018–2020, the priority task for the Bank is achieving the position of an efficient, advanced and competitive Ukrainian bank. This means creating a structure which is adjustable and resistant to environmental changes, attentive and innovative toward clients' needs, with regard to risk management and safety principles. Taking into account, its development history, current status and future trend assessment (SWOT analysis), we believe that organic growth strategy with a focus on a corporate segment, attentive loan policy and careful regional network development is substantiated.

THE SELECTED STRATEGY INCLUDES THE FOLLOWING KEY CHARACTERISTICS:

1. Niche treasury and transaction bank
2. Targeted segments:
 - medium corporate clients and related retail clients
 - VIP clients (private banking)
 - Financial institutions
3. Regional and network development
4. Corporate segment ratio in the profit makes up 70%, retail segment is 30%.
5. Deposit distribution: 51% of corporate, 49% of retail clients; loan distribution: 90% of corporate, 10% of retail clients
6. Maintenance high level of commission incomes to operational expenses ratio
7. Careful credit policy (priority in lending is first-class clients)
8. Deposit sourcing rate lower than the NBU base rate and profitability of the internal government loan bonds
9. Combination of conventional and digital operating models
10. Organic growth at base of own resources

ON THE BASIS OF THE SELECTED BANK DEVELOPMENT STRATEGY,
A MISSION IS FORMED WHERE A BASIS IS PROVIDED FOR HIGH CORPORATE RESPONSIBILITY
FOR SOCIAL WELFARE:



OWNER


OLEKSANDR SOSIS

The ultimate beneficial owner of JSC "BANK ALLIANCE" is a Ukrainian citizen, Mr. Oleksandr Yosypovych Sosis who, after having been approved by the National Bank in 2016, acquired a significant share in JSC "BANK ALLIANCE", 89.289% of the Bank's authorised capital. Oleksandr Yosypovych Sosis is a businessman, founder and co-owner of Insurance Group "ASKA", Founder of the Ukrainian National Charitable Organisation "Oleksandr Sosis Foundation", winner in the Insurance Market Player nomination in «Business» newspaper (2000), a prize winner in the «Manager of the Year» nomination, national program "Man of the Year" (2002), the «Best top manager in Ukraine» as rated by Investgazeta (2002), in the «Top ten of insurance sector managers», according to the Guard of Managers 2009.





KEY EVENTS

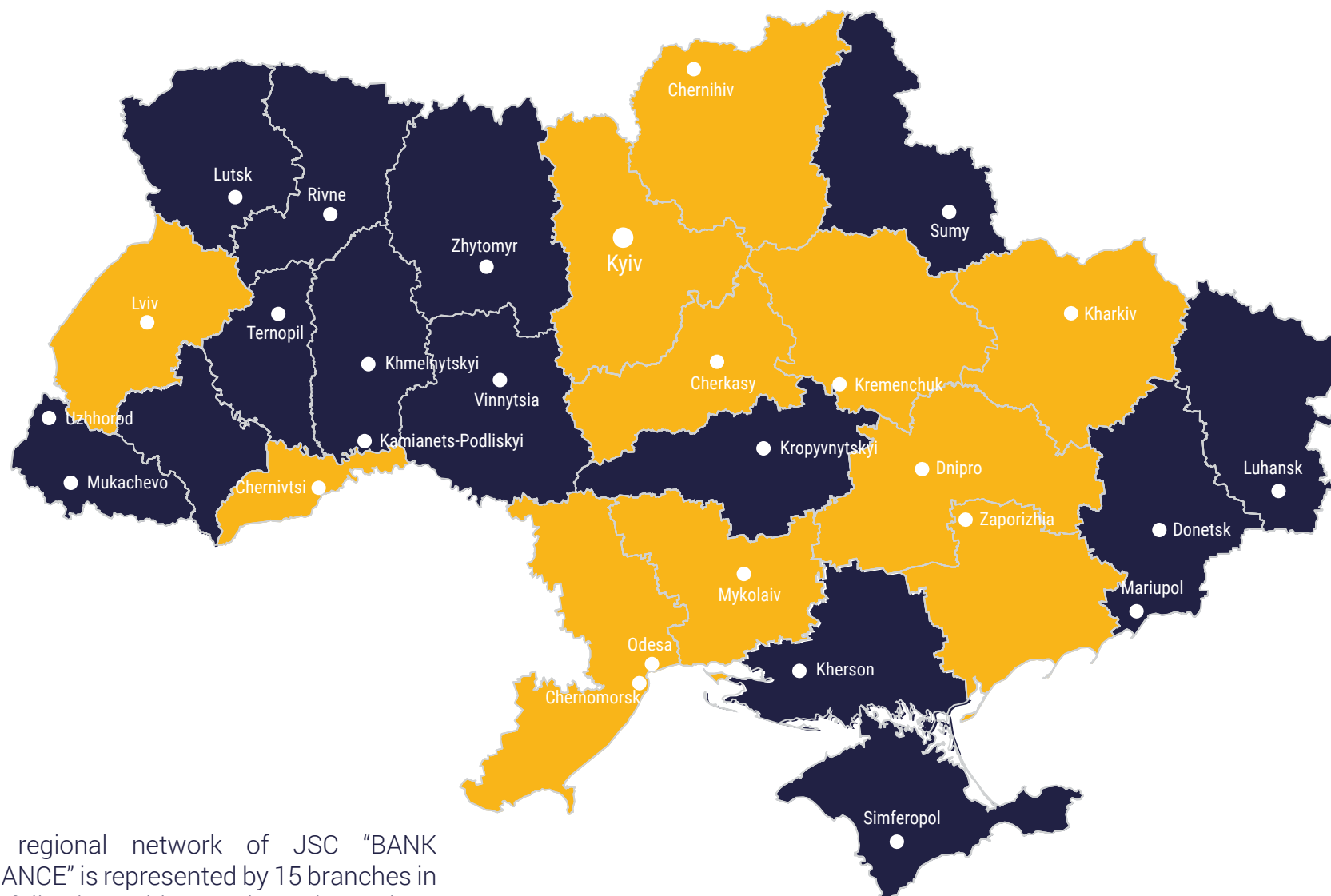
2019

-  The National Rating Agency “Rurik” confirmed a long-term credit rating of a borrower established by the National Rating Scale to the uaAA investment category with «positive» outlook for JSC “BANK ALLIANCE”.

2018

-  The authorised capital was increased up to UAH 260 million.
-  Bank ALLIANCE occupies the 12th place among all Ukrainian banks following the twenty-first Bank Deposit Reliability (Appeal) Rating. The Rating Agency “Standard-Rating” gave the High Level Certificate (rd.1 pi) to the Bank.
-  It officially joined the European Business Association (EBA) on August 29
-  Won the 10th UKRAINIAN NATIONAL COMPETITION “BANK OF THE YEAR 2018”, in the nomination “BANK WITH THE HIGHEST GROWTH DYNAMICS”
-  Leader in the bank guarantee market within Prozorro procurement system
-  According to PFTS Stock Exchange, JSC “BANK ALLIANCE” has become one of the 20 largest exchange players among state bond traders following 2017.
-  The Bank actively operates in the interbank foreign exchange market of Ukraine (IFEMU), occupies the 17th place in the IFEMU based on the traded volume. The National Bank of Ukraine added JSC “BANK ALLIANCE” to the list of banks-members of the currency intervention in Q4 2018.
-  The Bank is an Official Member of the International Chamber of Commerce (ICC) since December 21, 2018.

REPRESENTATION IN THE REGIONS



The regional network of JSC "BANK ALLIANCE" is represented by 15 branches in the following cities: Kyiv, Lviv, Dnipro, Zaporizhzhia, Chernivtsi, Kharkiv, Odesa, Mykolaiv, Chornomorsk, Kremenchuk, Chernigov and Cherkasy

JSC "BANK ALLIANCE" is one of the leaders of the interbank market of Ukraine. During 2018, 8 188 transactions were concluded (in 2017 - 6 595, in 2016 - 2 991 transactions) for the purchase / sale of currency at the IFEMU and 23 272 (in 2017 - 11 419, in 2016 - 1 477) of conversion operations on international markets with foreign currency. The total volume of the purchased currency amounted to 3,104 million dollars. US, 782 million euros, 31 580 million Russian rubles. The volume of currency sold by the Bank amounted to \$ 3,625 million, 670 million euros, 7 277 million Russian rubles. As a result, the Bank received 84.6 million hryvnias of realized trade income.

JSC "BANK ALLIANCE" in the interbank market is actively engaged in resource operations, namely, placement / attraction of resources with counterparty banks, SWOP operations and operations to purchase deposit certificates from the National Bank of Ukraine. During 2018, the Bank concluded 4 032 SWOT operations with counterparty banks and 19 transactions for the purchase of deposit certificates at the National Bank of Ukraine amounting to over 2 billion UAH. The result of transactions with deposit certificates was income in the amount of 3.1 million UAH.

In 2018, Treasury business of the Bank was developing the direction of Collection. Purchased new cars, significantly increased the number of customers and the market share in Kiev. Collection services are provided both to legal entities and individuals. Professionalism and efficiency are the main values that allow to develop this business quickly.

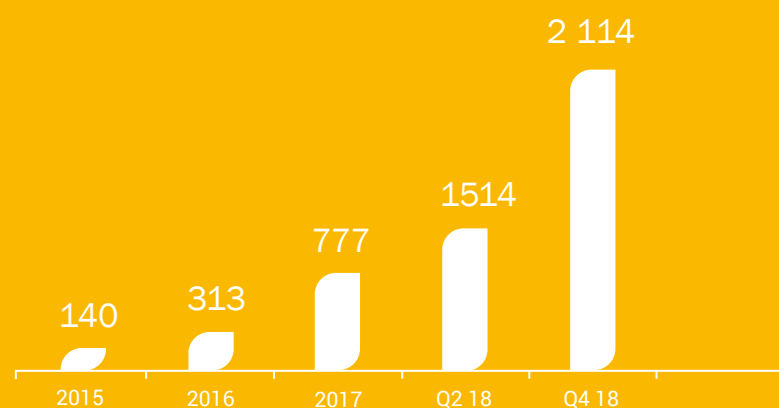
Introduced new services such as FOREX for individuals and real-time electronic trading for legal entities. These products are innovative among the banking sector in Ukraine.

During the previous year, BANK ALLIANCE JSC was an active participant in trading securities in the Ukrainian stock market and, according to the results of 2018, the Bank ranked 14th among the banks that traded T-bills on the PFTS Stock Exchange.

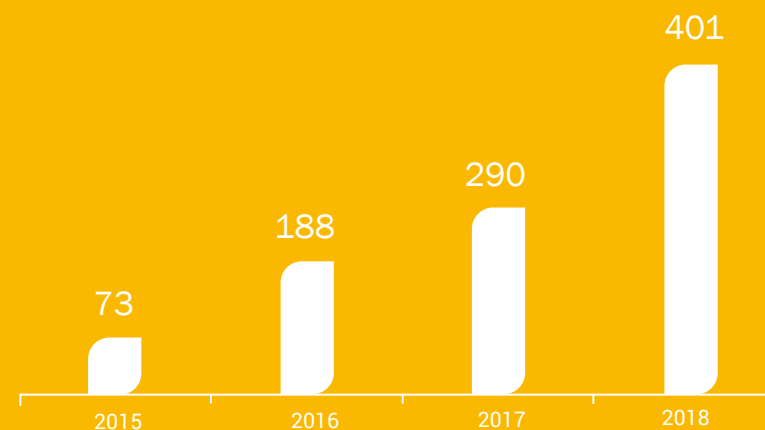
The Bank provides both brokerage services to Clients and carries out dealerships with securities in their own interests at their own expense.

KEY PERFORMANCE INDICATORS

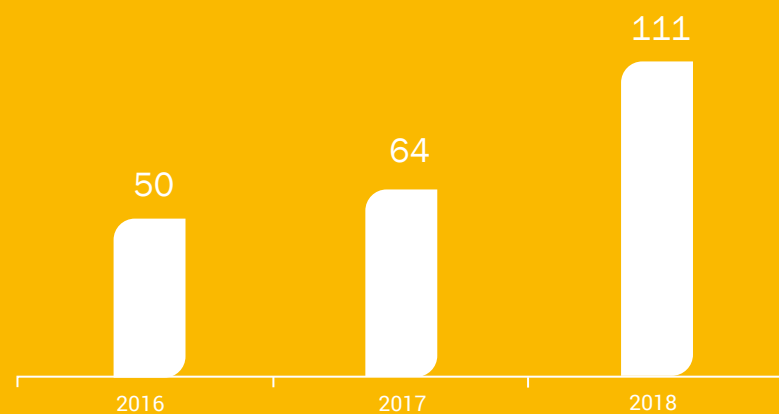
Total ASSETS/120%+ per annum



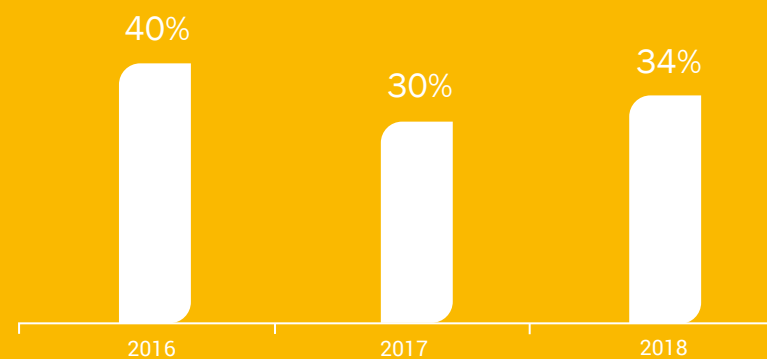
EQUITY/ 100 million + per annum



NET PROFIT/UAH 50 million + per annum



RETURN ON EQUITY/30% +



** 2018 financial indicators are non-audited*

KEY INDICATORS AND RATIOS

	2018	2017	2016
PROFITABILITY			
Profit, UAH million	111	64	50
Return on assets, %	8%	15%	24%
Return on equity, %	34%	30%	40%
Interest margin, %	9%	13%	10%
Assets Yield, %	17%	15%	12%
Cost of Funds, %	10%	7%	5%
Interest spread	7%	9%	7%
EFFICIENCY			
Net operating income (NOI), UAH million	351	170	87
COST/INCOME, %	39%	42%	31%
Non-interest income/Operating expenses, %	164%	170%	238%
Profit/NOI, %	32%	38%	57%
CAPITAL			
Authorised capital, UAH million	260	200	130
Regulatory capital, UAH million	369	295	174
Regulatory capital adequacy*, %	13%	19%	41%
LIQUIDITY			
Immediately available funds, UAH million	372	177	58
Instant liquidity*, %	130%	165%	813%
Current liquidity*, %	106%	89%	306%
Short-term liquidity*, %	73%	75%	101%

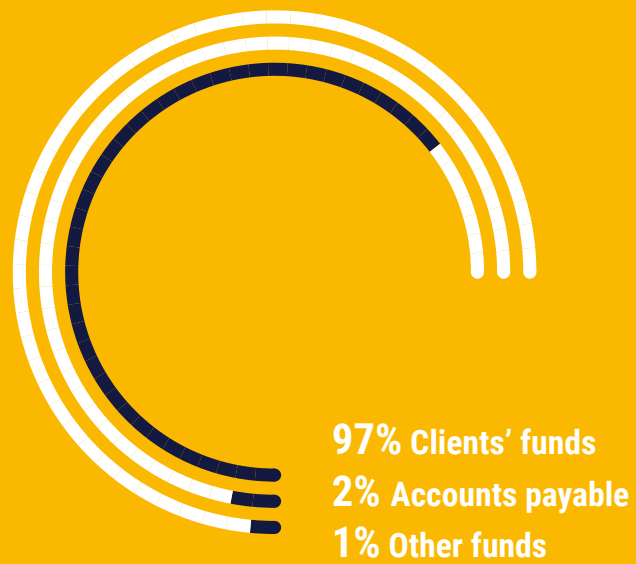
* - NBU regulations and standards

** 2018 financial indicators are non-audited

SOURCES OF FUNDING

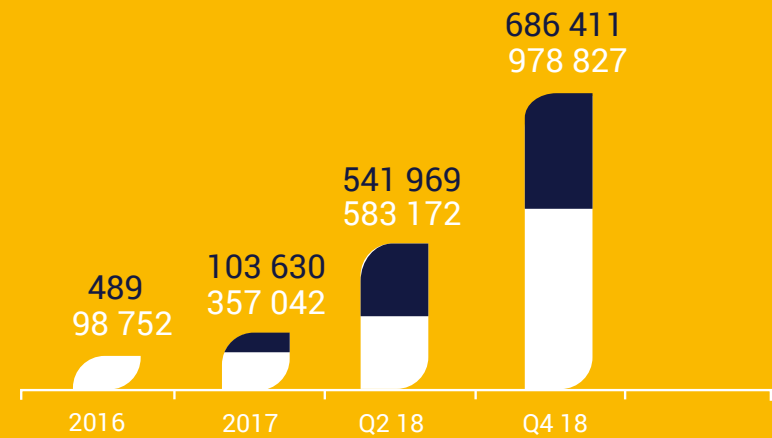
LIABILITY STRUCTURE

TOTAL: UAH 1,713 million

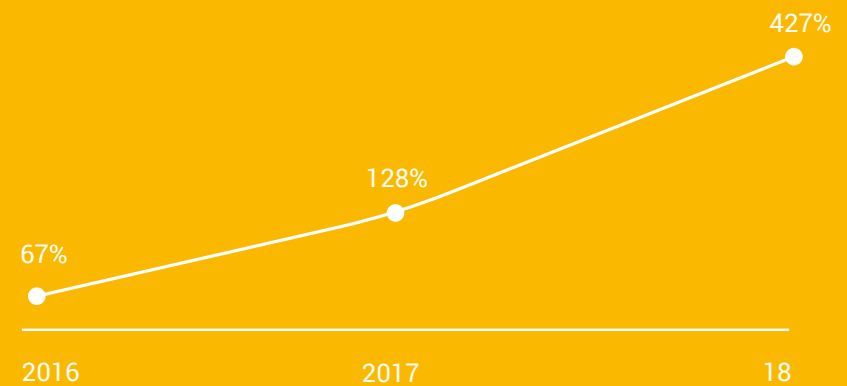


CLIENTS' FUNDS

■ Corporate Clients ■ Individuals



BORROWED FUNDS/CAPITAL



FINANCIAL STATEMENTS: BALANCE

(UAH K)

31.12.2018

31.12.2017

31.12.2016

ASSETS

Cash and cash equivalents	372 004	177 208	58 242
Loans and advances to customers	1 398 873	430 858	184 332
securities held at amortized cost value	297 795	150 103	62 044
Property, plant and equipment and intangible assets	21 190	12 863	6 392
Other assets	24 305	6 232	1 961
Total assets	2 114 167	777 264	312 971

LIABILITIES

Due to banks	-	2	0
Due to customers	1 665 238	460 672	99 240
Other liabilities	47 884	26 743	25 953
Total liabilities	1 713 123	487 418	125 194

OWN EQUITY

Authorised capital	260 000	200 000	129 779
Reserve and other bank's funds	29 844	25 554	22 791
Undivided profit (uncovered loss)	111 200	64 292	35 208
Total own equity	401 044	289 846	187 778
Total liabilities and own equity	2 114 167	777 264	312 971

* 2018 financial indicators are non-audited

PROFIT AND LOSS STATEMENT

(UAH K)

31.12.2018

31.12.2017

31.12.2016

Interest income	234 242	60 713	27 418
Interest expenses	-108 076	-11 381	-3 790
Net interest income/(Net interest expenses)	126 166	49 332	23 627
Fee income	118 604	36 982	3 971
Fee expenses	-13 146	-6 892	-531
Net interest income/(Net interest expenses)	105 458	30 090	3 440
Trade yield	103 904	89 489	58 350
Other operating income	15 120	1 389	1 984
Net operating income/(Net operating loss)	350 648	170 301	87 401
Wages and Salaries Expense	-65 454	-35 138	-14 485
Depreciation and Amortisation Expense	-6 282	-3 432	-1 389
Other administrative and operating expenses	-64 898	-32 674	-10 964
Operating expenses	-136 634	-71 245	-26 838
Net operating profit/(loss) before reserves	214 014	99 056	60 563
Net loss/(profit) from reserve increase/(decrease)	-78 039	-20 484	1 722
Profit/(loss) before taxation	135 975	78 572	62 285
Income Tax Expense	-24 774	-14 277	-12 249
Profit/(loss)	111 200	64 295	50 036

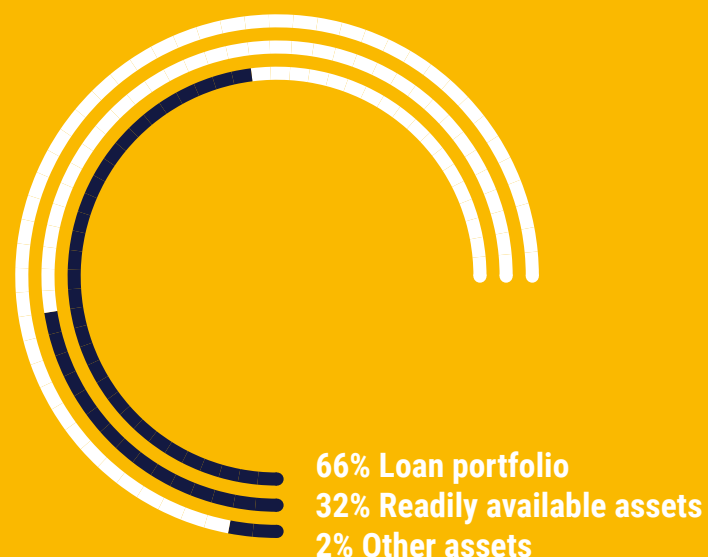
* 2018 financial indicators are non-audited

DIVERSIFIED STRUCTURE OF ASSETS AND LOAN PORTFOLIO

** preliminary financial indicators of 2018*

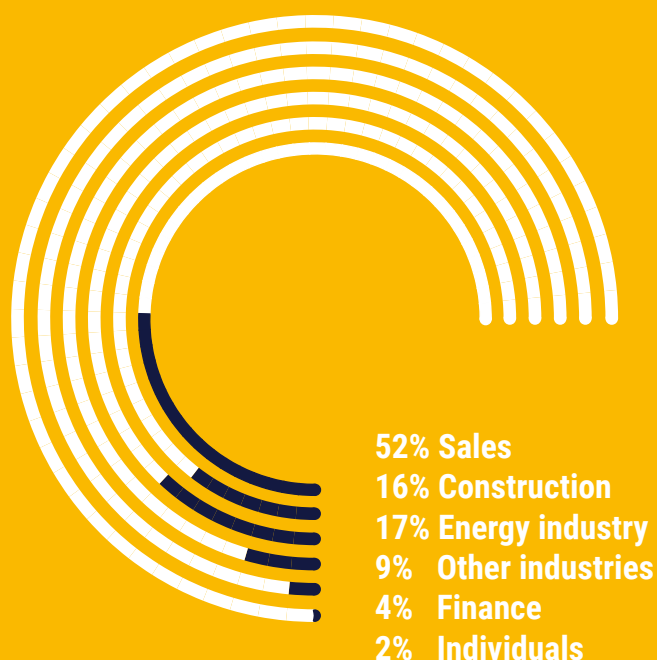
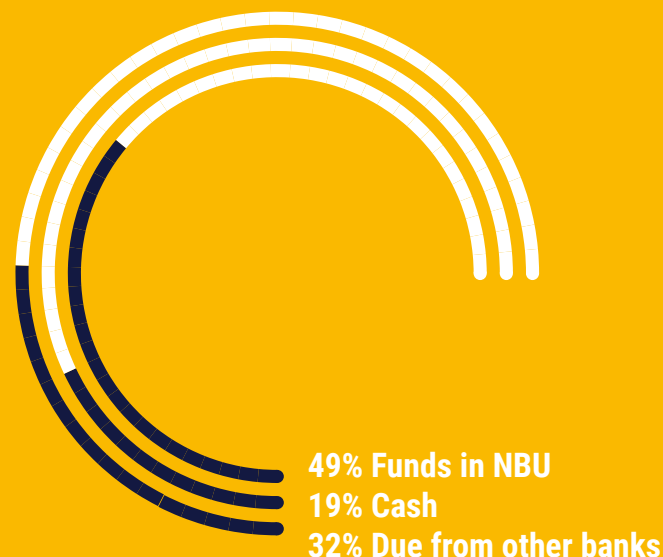
NET ASSETS

TOTAL: UAH 2 114 million



HIGHLY LIQUID ASSETS

TOTAL: UAH 670 million



CLIENTS' LOAN PORTFOLIO

TOTAL: UAH 1 399 million

- Corporate business is of high priority to the Bank (98% of the total loan portfolio amount)
- The key segment is customers of the small and medium business (revenue amount is up to UAH 500 million per annum)
- Growth rates of the Bank's loan portfolio exceed increase rates in general within the system significantly (+225% from the beginning of the year)
- The Bank sticks to a conservative loan policy, no outstanding debts are present
- Portfolio provision level is 5.1%

KEY PARTNERS OF THE BANK



MEMBERSHIP IN ASSOCIATIONS

INTERNATIONAL ORGANISATIONS



MASTERCARD
INTERNATIONAL
PAYMENT SYSTEM



VISA
INTERNATIONAL
PAYMENT SYSTEM



EUROPEAN
BUSINESS ASSOCIATION



INTERNATIONAL
CHAMBER OF COMMERCE

NATIONAL ORGANISATIONS



PROSTIR
NATIONAL
PAYMENT SYSTEM



GUARANTEE FUND FOR
INDIVIDUALS' DEPOSITS



INDEPENDENT ASSOCIATION
OF UKRAINIAN BANKS

◎ SOCIAL RESPONSIBILITY

JSC “BANK ALLIANCE” is a responsible corporate player, therefore, it invests funds in sponsorship and charitable programmes which contribute to resolution of social problems in the society. We've been implementing our own strategy of social and charitable programmes since 2016. We make donations targeting certain social projects and events and for purpose of financing charitable activity of organisations supporting local communities and people in need.

By providing sponsorship and charitable assistance, JSC “BANK ALLIANCE”:

- Supports educational and cultural initiatives and holds children's sports competitions, supports sports teams.
- Makes targeted charitable donations.

Children support is certainly of the highest priority among social activities. The Bank focuses both on charitable programs and sports & culture development programmes. JSC “BANK ALLIANCE” has been giving away a portion of its annual income for charity on every December 19, for the past two years already. In particular, the Bank visited a regional specialized child care centre in Sumy in the end of 2017, where a children's party was organised and numerous gifts were prepared for orphans to celebrate St. Nicholas Day. The Bank provided a substantial charitable assistance to the establishment by handing over medical hardware, household equipment, etc.

The Bank sponsored children's aikido and freestyle wrestling competitions among juniors in Kyiv Region, in autumn 2018, and In December, with our support, there were children's wrestling competitions in the city of Ukrainka.

On December 19, 2018, the Bank transferred washing machines, drying machines, furniture to rehabilitation rooms, fruit and sweets to Zinkivsky orphanage. O.V. Sinyagovsky, in which there are 129 children with developmental defects of varying degrees of severity, cerebral palsy and mental retardation.

Healthy, educated and happy children who will form a basis for the Ukrainian nation is the Bank's most precious result of social investments in future generations.





HUMAN RESOURCES

One of the most efficient strategy for a successful business is to take into account needs and growth of employees. Therefore, the Bank's HR management strategy is based on expertise, performance, motivation and involvement of every employee for the purpose of achieving the Bank's strategic targets

The Bank's workflow organization and payment terms are regulated according to the current labour legislation of Ukraine, Bank's HR Management Policy, Collective Agreement, Qualification Enhancement and Personnel Training Procedure Regulations, Work Standardization and Salary Regulations, Bonuses and Premiums.

They establish sums due to employees at all levels, changes in salaries, lists and amounts of social payments, including financial aid.

The Bank respects human rights and allows no political, religious, national, gender or other discrimination. Every employee enjoys equal opportunities in employment, professional and personal growth. A large focus is placed on employees' training (attending workshops, conferences, etc.), since investments in the personnel are investments in the company's future. Corporate events are held on a regular basis. This allows for formation and development of favourable atmosphere among employees.



YULIIA FROLOVA
Chairperson of the Board

She has been working at JSC "BANK ALLIANCE" since 2016, and has held the post of the First Deputy Chairperson of the Management Board.

From March 2018, she served as the Chairperson of the Board of JSC "BANK ALLIANCE". She was approved as the Chairperson of the Board on December 29, 2018.



PAVLO SHCHERBAN
*First Deputy Chairman of the Management Board,
Member of the Management Board*

He has been working in the banking sector since 2006. Since June 2018 he has work at JSC "BANK ALLIANCE" as a Deputy Chairman of the Management Board.



VIKTOR BURKITSIA
*Deputy Chairman of the Management Board,
Member of the Management Board*

He has been working in the banking sector since 1995. Since 2017 he has been working at JSC "BANK ALLIANCE" as a Deputy Chairman of the Management Board.



OLEXANDER KRUK
*Deputy Chairman of the Management Board,
Member of the Management Board*

Has been working in the banking sector more than 10 years. From February 6, 2019 he was appointed to the post of Deputy Chairman of the Board of JSC "BANK ALLIANCE".



KOSTIANTYN MOISEIENKO
*Director from Analysis and programs of development of agribusiness,
Member of the Board*

He has been working in the banking sector since 2008. Since 2016 he has been working at JSC "BANK ALLIANCE". Since September 2017, he has been appointed as a Director of Risk Analysis and Risk Management, he was transferred to another position on November 16, 2018.



NATALIIA BOCHKOVSKA
*Chief Accountant,
Member of the Board*

She has been working in the banking sector since 1978. Since 2015 he has been working at JSC "BANK ALLIANCE" as a Chief Accountant.



OLGA LAKTIONOVA
*Head of the Financial Monitoring Department,
a member of the Management Board*

She has been working in the banking sector since 2012. From November 01, 2018, she has been working at JSC "BANK ALLIANCE" and holds the position of a Chief of the Financial Monitoring Department, since November 05, 2018, she is a member of the Management Board.

CONTACT US

BANK  ALLIANCE



50 Sichovkyh Striltsiv Str., Kyiv

Tel.: +38 0 800 60 22 22

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