

## **IMB Group Is Being Rebranded and Allocates \$100 Million for Acquisition of Ukrainian Banks with World Bank's Support**

IMB Group (Public) Limited, a parent company of *International Mortgage Bank* and *Family Credit*<sup>™</sup>, a leader of the Ukrainian consumer loan market, last week made the decision to update its strategy. The key elements of a new strategy will include a rapid growth in short-term retail loans, including consumer (installment) loans, cash loans and credit cards, attraction of deposits and discontinuance of mortgage lending. As a part of the new strategy, the company also plans to deal with consolidation of the Ukrainian banking sector. To achieve these goals, the company will allocate a total of \$100 million both in its own capital and in credit lines from the International Finance Corporation, a member of the World Bank Group. To implement the new strategy, the IMB Group (Public) Limited companies will be incorporated under new brands: **PLATINUM BANK** (previously – *International Mortgage Bank* and *Family Credit*<sup>™</sup>) and **PLATINUM HOLDING** (previously – *IMB Group*).

Greg Krasnov, CEO of **PLATINUM HOLDING**, said: “Today, our bank is the most highly capitalized and liquid bank in Ukraine. This excessive liquidity can be used to support the Ukrainian banking sector. At the same time, we can speed up implementation of the new strategy through acquisition of banks that experience problems with liquidity. Such use of the long-term debt is going to be more efficient than further development of the mortgage business, whose investment attractiveness has declined substantially due to the financial crisis. The consolidation rationale is also supported by the fact that our international management team has a strong know-how in the banking industry, including the crisis management and integration areas. We are pleased that our shareholders, including World Bank, support the new strategy and are ready to provide additional capital for its implementation.”

The company plans to implement rebranding during the 1<sup>st</sup> quarter of 2009. When screening banks for acquisition, in the first place, the company will assess the potential of the existing retail network of the banks under consideration, including the existing retail deposit base. The consolidation strategy will be primarily focused on medium banks with a deposit base of UAH250 million to UAH1 billion.

*Note: Platinum Holding (previously – IMB Group) is a 100% parent company of Platinum Bank (which was previously known as International Mortgage Bank and operated under the Family Credit trade mark), a leader of the Ukrainian retail loan market. Platinum Bank offers consumer loans, cash loans, credit cards and deposits through a broad network of branches and customer service points throughout the country. As of September 30, 2008, consolidated assets of Platinum Holding amounted to UAH1.142 billion, while its equity capital was UAH736 million and its long-term credit lines were UAH363 million. In terms of the consolidated equity capital, Platinum Holding ranks 10<sup>th</sup> in the rating of Ukrainian banks. Major shareholders of Platinum Holding include international private equity funds such as Horizon Capital, Warburg Pincus, East Capital, Goldman Sachs, as well as the International Finance Corporation (a member of the World Bank Group) and the management. The company's partners in long-term debt funding include Western government agencies such as the International Finance Corporation, the Overseas Private Investment Corporation (USA), the European Bank for Reconstruction and Development, and FMO (the Netherlands).*