



## Capital Markets Project

Kyiv, November 11, 2008

Press-release

“Participation in the electronic system of information disclosure has a positive impact on the assessment of the level of transparency of issuers by international experts”. That is the assessment of the ESCRIN system (the Electronic System of Comprehensive Information Disclosure by Securities Issuers) by the Financial Initiatives Agency, which, jointly with the Standard & Poor’s international rating agency, conducted a survey of the information transparency of 30 major banks of Ukraine. The ESCRIN system was developed by the Securities and Stock Market State Commission assisted by experts of the US Agency for International Development (USAID) Capital Markets Project. Now the system is being tested, but even at this stage it already demonstrates its good results.

The Project launched the first ESCRIN Pilot project with 12 participating issuers in 2007. And, already in 2008, 27 – listing companies were involved in the ESCRIN system, including three banks: Alfa Bank, Kreditprombank and Kreschatyk Bank. This year all, of them have been included in the sample of 30 major banks of Ukraine for the third annual survey of information transparency conducted jointly by the Financial Initiatives Agency and the Standard & Poor’s international rating agency.

As a result of this independent research, participation in the ESCRIN system has been recognized as having a positive influence on the level of bank transparency. Thus, the Alfa Bank was recognized the runner-up bank in Ukraine as to the degree of its information transparency. The Kreditprombank and the Kreschatyk bank have entered the five most transparent banks in terms of record keeping required by the regulating bodies – NBU and SSMSC. It was, to a great extent, facilitated by the specific feature of the ESCRIN system, which makes it possible to disclose not only financial and reporting indicators, but also narrative descriptions of business activities of issuers and other information which an investor needs for its integral understanding of the situation in the company.

It is no longer the first positive experience of using the ESCRIN system for receiving public recognition of transparency. In 2007, one of the leading enterprises of the machine building branch – the Motor Sich company participated in the ESCRIN activity. In 2007 the Motor Sich was included in the study of transparency of major companies of Ukraine based on the volumes of market capitalization which was also conducted jointly by the Financial Initiatives Agency and the Standard & Poor’s agency. The Motor Sich company came in sixth out of 36 participants particularly but not exclusively owing to timely and comprehensive information disclosure through the ESCRIN system.

You can receive more detailed information about the Pilot project on the ESCRIN web site – <http://eds.ssmc.gov.ua> and at the USAID Capital Markets Project by phone +38 492 3560 or on the Project web site [www.capitalmarkets.kiev.ua](http://www.capitalmarkets.kiev.ua). The contact person for companies is Olena Rudenko. The contact person for the mass media representatives is Sophie Lambroschini.

*The key task of the five year USAID Capital Markets Project is rendering assistance to Ukraine in establishing a viable and effectively functioning financial sector and stock market which in their turn will provide economic growth and reduce the cost and risks of the pension reform implementation.*

*The main objective of the United States Agency for International Development (USAID) in Ukraine is to assist the country to complete its transition to a sustainable democratic system with a market-oriented economy. The key directions of assistance are focused on economic growth, development of democracy and governance, health care and the social sector. Since 1992 USAID has been provided technical and humanitarian assistance to Ukraine for the total amount of \$ 1.6 billion. Further information on USAID programs in Ukraine may be received on the web site <http://ukraine.usaid.gov>*