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## Capital Markets Project

### Press-release

#### USAID SUPPORTS TRANSPARENCY AND DISCLOSURE BY UKRAINIAN BANKS

Kyiv, December 3 - **“We are pleased to support the efforts of Standard & Poor’s and the Financial Initiatives Agency to focus attention on transparency and disclosure by Ukrainian banks,”** said Ann Wallace, Chief of Party of the USAID Capital Markets Project (CMP). The S&P/FIA study, *“Transparency and Disclosure by Ukrainian Banks 2009,”* released today, used S&P methodology; research was carried out by FIA.

With only one bank exceeding the 70% mark, the overall transparency rating shows that Ukrainian banks still have a long way to go. Ukrainian banks’ average score (a 48.8% average transparency index) is still significantly lower than the international average, though some progress has been achieved over the years.

At the same time, a survey can only give an indication of where the weaknesses are; it is the market that demands better and more disclosure, especially in times of crisis when capital is scarce and needs are great. Therefore, informing investors, markets and also the general public is a key component to developing a solid financial sector. “There’s no way around it: transparency builds trust; trust, in turn, builds sound businesses. And trust is something that Ukraine’s financial institutions need more of”, as Ann Wallace pointed out.

Launched in October 2005, USAID’s Capital Market Project (CMP) is a five-year technical assistance program designed to assist Ukraine in developing a vibrant and effective financial sector. CMP’s activities aim to help its Ukrainian partners improve transparency standards in the financial sector. One of the Project’s key targets is to assist the Securities and Stock Market State Commission (SSMSC) in the creation of an effective legal and institutional environment for the stock market operation meeting international standards and, accordingly, to facilitate transparency and investment attractiveness of the country’s economy as a whole.

CMP has supported the SSMSC in developing and implementing ESCRIN, a new electronic system of information disclosure by publicly listed and traded companies. ESCRIN stands for “Electronic System of Comprehensive Information Disclosure” and will bring unprecedented financial accountability and corporate responsibility to Ukraine’s capital markets. ESCRIN will provide public access to company business and financial information, free-of-charge and in real-time on the SSMSC website.

*For more information about USAID’s Capital Markets Project and its activities, please visit [www.capitalmarkets.kiev.ua](http://www.capitalmarkets.kiev.ua). You can also reach our communications team by calling + 38 044 492 3560 or contact [nlozitskaya@capitalmarkets.kiev.ua](mailto:nlozitskaya@capitalmarkets.kiev.ua)*

*The main objective of the United States Agency for International Development (USAID) in Ukraine is to assist the country in its transition to a sustainable democratic system with a market-oriented economy. The key areas of assistance include economic growth, development of democracy and governance, health care and the social sector. Since 1992, USAID has provided technical and humanitarian assistance to Ukraine for the total amount of \$1.6 billion. For additional information about USAID programs in Ukraine, please call USAID’s Development Outreach and Communications Office, tel. +38 044 492 7101 or visit the USAID’s web-site at <http://ukraine.usaid.gov>.*