
Moody's Assigns Ardshinvestbank GLC Deposit Rating And BFSR

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ArmInfo. Moody's Investors Service on 25 July, 2008 assigned Ba1 long-term and Not Prime short-term global local currency deposit ratings to Armenia's Ardshinvestbank ("ASHIB"), as well as Ba3 long-term and Not Prime short-term foreign currency deposit ratings and a bank financial strength rating ("BFSR") of "D-". The outlook on all ratings is stable.

Ardshinvestbank press-service told ArmInfo ASHIB's "D-" BFSR -- which maps to a Baseline Credit Assessment of Ba3 - derives from its good franchise as one of Armenia's largest banks (ranking second in terms of assets with a 12.2% market share as at YE2007 - reportedly moving up to first place by March 2008 - 12.8% of aggregate assets in the market) and good financial metrics, particularly, buoyant profitability, solid capitalisation and above-average efficiency ratios, within the Armenian context.

ASHIB's long-term local currency deposit rating of Ba1 is based on Moody's assessment that the probability of systemic support for the bank (using Armenia's local currency deposit ceiling of Ba1) in the event of need is high. Hence, this rating enjoys a two-notch uplift from the bank's Ba3 Baseline Credit Assessment.

ASHIB's Ba3/Not Prime foreign currency deposit ratings are constrained by Armenia's foreign currency deposit ceilings and would move up in tandem with any upgrades of this ceiling -- up to the level of the bank's global local currency deposit ratings, currently Ba1/Not Prime.

Aram Andreyan, Chairman of Ardshinvestbank's Management Board, said: "Acquiring ratings from Moody's Investors Service is an important event for our bank and a necessary step in our development.

This will help us attract funds from international capital markets and will give us an opportunity to further develop our relationship with existing and new investors/customers, both abroad and in Armenia".

Founded in 2003, Ardshinvestbank is one of the largest and most successful banks in Armenia. Based on the financial report as of June 30, 2008, Ardshinvestbank is the leading bank in the country in terms of loan portfolio and profitability (with a net profit of over \$8 million YTD). Its total assets reached nearly \$360 million, and its equity reached about \$70 million. The bank is universal and has one of the country's largest branch networks, with 55 branches and an office in Paris. It offers a wide range of financial products to its clients, and it is very active in corporate finance and trade finance operations.
