

PRESS RELEASE

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East Capital Explorer Financial Institutions Fund acquires 9.98% of Pivdennyi Bank in Ukraine

East Capital Explorer Financial Institutions Fund has contracted to purchase a 9.98% stake in the Ukrainian Pivdennyi Bank for approximately EUR 54m via a new share issue – pending confirmation from the National Bank of Ukraine.

Pivdennyi Bank is the nineteenth largest bank in Ukraine and the leading bank in the Odessa region with a 20% market share. Pivdennyi Bank's growing branch network today consists of 17 full branches and 106 outlets across 15 regions of Ukraine. With its strong SME business, the bank is becoming a major player in the Black Sea region. Pivdennyi Bank is a full-service universal commercial bank with corporate clients covering many industries. In addition, the bank has a growing retail business, focusing on mortgage loans, cards and deposit products.

"We like strong regional banks who know their clients well and can turn this knowledge into a competitive advantage and Pivdennyi Bank definitely fits this profile. The focus on SME business in the Black Sea region makes this investment even more interesting as we expect the SME segment to be a major driver of economic growth in the future," says **Kestutis Sasnauskas**, Managing Director of East Capital Private Equity.

Vadim Morokhovskiy, Chairman of the Management Board of Pivdennyi Bank, said, *"Given Bank Pivdennyi's dynamic growth and intention to tap international capital markets in the future, the choice of a partner to help us during this process was very important for the Bank. We believe that partnering with an organisation such as East Capital, which has extensive experience investing in international markets will help to take the Bank to the next level."*

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About East Capital

Founded in 1997, East Capital is a leading, independent asset manager specialising in Eastern European financial markets. The company, which is headquartered in Stockholm, with offices in Paris, Tallinn, Moscow, Oslo, Hong Kong and Milan, actively manages over EUR 5.7bn, basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by fund managers and analysts.

The East Capital Financial Institutions Fund is a EUR 500m private equity fund, which makes equity investments in companies within the financial sector in Eastern Europe.