

**Joint Stock Company
The State Export-Import Bank of Ukraine**

Interim condensed consolidated financial statements

for three months ended 31 March 2020

CONTENTS**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Interim condensed consolidated statement of financial position (Consolidated balance sheet)	1
Interim condensed consolidated statement of profit and loss (Consolidated financial statement)	2
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity (Consolidated statement of equity).....	5
Interim condensed consolidated statement of cash flows	6

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activities.....	7
2. Basis of preparation of financial statements and significant principles of the accounting policies	7
3. Segment information	9
4. Cash and cash equivalents.....	12
5. Changes in liabilities in financial activities.....	12
6. Expenses for expected credit losses	13
7. Due from credit institutions	14
8. Loans to customers	15
9. Investment securities.....	18
10. Other assets and liabilities.....	20
11. Amounts due to credit institutions.....	21
12. Amounts due to customers.....	22
13. Eurobonds issued.....	22
14. Equity	22
15. Credit-related commitments	23
16. Personnel expenses and other operating expenses	28
17. Fair value of assets and liabilities	28
18. Related party disclosures	30
19. Capital adequacy	32

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONSOLIDATED BALANCE SHEET)****As at 31 March 2020***(thousands of Ukrainian hryvnia)*

	<i>Notes</i>	31 March 2020 (unaudited)	31 December 2019
Assets			
Cash and cash equivalents	4	42,325,789	33,469,935
Amounts due from credit institutions	7	358,862	256,172
Loans to customers	8	57,496,987	53,285,804
Investment securities:	9		
- at fair value through profit or loss		27,958,544	25,731,949
- at fair value through other comprehensive income		15,415,488	22,633,899
- at amortised cost		1,596,594	—
Tax assets		246,895	246,882
Investment property		1,035,586	1,035,586
Property and equipment		1,630,379	1,616,461
Intangible assets		68,515	59,173
Deferred income tax asset		1,463,771	1,463,771
Other assets	10	500,854	546,692
Total assets		150,098,64	140,346,324
Liabilities			
Amounts due to credit institutions	11	23,513,981	21,825,762
Amounts due to customers	12	86,543,385	77,125,819
Eurobonds issued	13	30,310,483	26,553,076
Subordinated debt		4,650,274	5,429,914
Provisions for credit-related commitments	15	51,539	49,062
Other liabilities	10	504,379	445,466
Total liabilities		145,574,041	131,429,099
Equity	14		
Share capital		38,730,042	38,730,042
Revaluation reserves		(1,983,158)	337,779
Result from transactions with the shareholder		635,104	635,104
Accumulated deficit		(33,020,691)	(30,948,626)
Reserve and other funds		162,926	162,926
Total equity		4,524,223	8,917,225
Total equity and liabilities		150,098,264	140,346,324

Authorised for release and signed

28 May 2020

Chairman of the Management Board

Ie.V. Metsger

Chief Accountant of the Bank

N.A. Potemka

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONSOLIDATED INCOME STATEMENT)

For three months ended 31 March 2020

(thousands of Ukrainian hryvnia)

	2020		2019	
	for three months ended 31 March	on an accrual basis year-to-date	for three months ended 31 March	on an accrual basis year-to-date
Notes	(unaudited)			
Interest income				
Interest income calculated with effective interest rate:				
- loans to customers	1,464,008	1,464,008	1,897,385	1,897,385
- investment securities designated at fair value through other comprehensive income	353,279	353,279	630,427	630,427
- investment securities designated at amortised cost	1,798	1,798	1,335	1,335
- amounts due from credit institutions	261,517	261,517	95,905	95,905
Other interest income:				
- investment securities designated at fair value through profit or loss	305,745	305,745	302,370	305,745
- financial leasing	109,698	109,698	73,412	73,412
	2,496,045	2,496,045	3,000,834	3,000,834
Interest expense				
Amounts due to customers	(997,940)	(997,940)	(1,184,050)	(1,184,050)
Eurobonds issued	(742,321)	(742,321)	(1,062,702)	(1,062,702)
Amounts due to credit institutions	(307,635)	(307,635)	(373,986)	(373,986)
Subordinated debt	(120,426)	(120,426)	(82,156)	(82,156)
Other interest expenses	(218)	(218)	—	—
	(2,168,540)	(2,168,540)	(2,702,894)	(2,702,894)
Net interest income	327,505	327,505	297,940	297,940
Net (losses)/gains from modification of financial assets designated at amortised cost				
	78,753	78,753	(20,281)	(20,281)
Expenses for the expected credit losses	6 (173,206)	(173,206)	(144,880)	(144,880)
(Expenses)/reversal of expenses for expected credit losses on credit-related commitments	6 (15)	(15)	20,559	20,559
Commission income	232,547	232,547	258,669	258,669
Commission expense	(96,801)	(96,801)	(101,780)	(101,780)
Net gains from investment securities designated at fair value through profit or loss				
	2,442,330	2,442,330	40,634	40,634

**INTERIM CONDENSED SEPARATE STATEMENT OF PROFIT AND LOSS
(SEPARATE INCOME STATEMENT) (continued)**

	<i>Notes</i>	<i>2020</i>		<i>2019</i>	
		<i>for three months ended 31 March</i>	<i>on an accrual basis year-to-date</i>	<i>for three months ended 31 March</i>	<i>an accrual basis year-to-date</i>
		<i>(unaudited)</i>			
Net losses from investment securities at fair value through other comprehensive income, reclassified from statement of total redemption income		(18,449)	(18,449)	(278)	(278)
Net gains/(losses) from foreign currency transactions:					
- dealing		29,795	29,795	128,198	128,198
- translation differences		(4,307,646)	(4,307,646)	408,215	408,215
Net gains/(losses) from precious metals:					
- dealing		(58)	(58)	3	3
- revaluation		3,093	3,093	453	453
Other income		25,361	25,361	24,953	24,953
Personnel expenses	16	(353,202)	(353,202)	(307,927)	(307,927)
Depreciation and amortisation		(27,393)	(27,393)	(26,610)	(26,610)
Other operating expenses	16	(237,989)	(237,989)	(181,619)	(181,619)
Income before tax		(2,075,375)	(2,075,375)	396,249	396,249
Income tax expenses		–	–	(18)	(18)
Income for the period		(2,075,375)	(2,075,375)	396,231	396,231

Authorised for release and signed

28 May 2020

Chairman of the Management Board

Ie.V.Metsger

Chief Accountant of the Bank

N.A. Potemskya

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For three months ended 31 March 2020***(thousands of Ukrainian hryvnia)*

	<i>2020</i>		<i>2019</i>	
	<i>for three months ended 31 March</i>	<i>on an accrual basis year-to-date</i>	<i>for three months ended 31 March</i>	<i>an accrual basis year-to-date</i>
	<i>(не підтверджено аудитором)</i>			
(Loss)/Income for the period	(2,075,375)	(2,075,375)	396,231	396,231
Other comprehensive loss:				
Other comprehensive loss to be reclassified to the consolidated statement of profit and loss (consolidated income statement) in subsequent periods:				
Net loss from investment securities at fair value through other comprehensive income	(2,317,627)	(2,317,627)	(118,228)	(118,228)
Income tax related to components of other comprehensive income	—	—	—	—
Other comprehensive loss for the period	(2,317,627)	(2,317,627)	(118,228)	(118,228)
Total comprehensive (loss)/ income for the period	(4,393,002)	(4,393,002)	278,003	278,003

Authorised for release and signed

28 May 2020

Chairman of the Management Board

Ie.V.Metsger

Chief Accountant

N.A. Potemaska

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(CONSOLIDATED STATEMENT OF EQUITY)

For three months ended 31 March 2020

(thousands of Ukrainian hryvnia)

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Result from transactions with the shareholder</i>	<i>Accumulated deficit</i>	<i>Reserve and other funds</i>	<i>Total capital</i>
As at 1 January 2019	38,730,042	(816,406)	635,104	(30,260,073)	162,926	8,451,593
Profit for the period	–	–	–	396,231	–	396,231
Other comprehensive loss for the period (Note 14)	–	(118,228)	–	–	–	(118,228)
Total comprehensive income for the period	–	(118,228)	–	396,231	–	278,003
Depreciation of revaluation reserve, net of tax (Note 14)	–	(3,309)	–	3,309	–	–
As at 31 March 2019 (unaudited)	38,730,042	(937,943)	635,104	(29,860,533)	162,926	8,729,596
As at 1 January 2020	38,730,042	337,779	635,104	(30,948,626)	162,926	8,917,225
Loss for the period	–	–	–	(2,075,375)	–	(2,075,375)
Other comprehensive loss for the period (Note 14)	–	(2,317,627)	–	–	–	(2,317,627)
Total comprehensive loss for the period	–	(2,317,627)	–	(2,075,375)	–	(4,393,002)
Depreciation of revaluation reserve, net of tax (Note 14)	–	(3,310)	–	3,310	–	–
As at 31 March 2020 (unaudited)	38,730,042	(1,983,158)	635,104	(33,020,691)	162,926	4,524,223

Authorised for release and signed

28 May 2020

Chairman of the Management Board

Ie.V.Metsger

Chief Accountant of the Bank

N.A. Potemka

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (direct method)**For three months ended 31 March 2020***(thousands of Ukrainian hryvnia)*

	<i>Notes</i>	<i>For the period ended 31 March</i>	
		<i>2020</i>	<i>2019</i>
		<i>(unaudited)</i>	
Cash flows from operating activities			
Interest received		2,670,698	2,873,202
Interest paid		(2,457,254)	(2,609,426)
Commissions received		233,174	285,275
Commissions paid		(96,801)	(101,780)
Result from dealing in foreign currencies and precious metals		29,737	128,201
Personnel expenses paid		(382,922)	(341,613)
Other operating income received		25,268	24,953
Other operating and administrative expenses paid		(217,143)	(174,061)
Cash flow from operating activities before changes in operating assets and liabilities		(195,243)	84 751
<i>Net (increase)/decrease in operating assets:</i>			
Amounts due from credit institutions		(40,259)	207,558
Loans to customers		2,013,784	4,067,565
Other assets		78,292	310,050
<i>Net increase/(decrease) in operating liabilities:</i>			
Amounts due to credit institutions		529,431	(734,870)
Amounts due to customers		1,241,497	2,948,889
Other liabilities		50,983	(272,467)
Net cash flows from operating activities before income tax		3,678,485	6,611,476
Income tax paid		(13)	—
Net cash flows from operating activities		3,678,472	6,611,476
Cash flows from investment activities			
Proceeds from sale and redemption of investment securities		6,178,600	5,748,831
Purchase of investment securities		(1,650,619)	(2,913,113)
Purchases of property, equipment and intangible assets		(50,699)	(12,810)
Net cash flows from investment activities		4,477,282	2,822,908
Cash flows from financing activities			
Lease payments	5	(1 454)	—
Subordinated debt repayment	5	(1,549,744)	—
Proceeds from borrowings from credit institutions	5	—	2,082,548
Repayment of borrowings from credit institutions	5	(2,456,107)	(1,605,796)
Net cash flows from financing activities		(4,007,305)	476,752
Effect of exchange rates changes on cash and cash equivalents		4,701,604	(384,201)
Effect of loan losses changes on cash and cash equivalents		5,801	901
Net change in cash and cash equivalents		8,855,854	9,527,836
Cash and cash equivalents, 1 January		33,469,935	18,545,858
Cash and cash equivalents, 31 March	4	42,325,789	28,073,694

Authorised for release and signed

28 May 2020

Chairman of the Management Board

Ie.V.Metsger

Chief Accountant of the Bank

N.A. Potemka

1. Principal activities

Joint Stock Company The State Export-Import Bank of Ukraine (hereinafter Ukreximbank) was founded in 1992. Ukreximbank operates under banking license No. 2 dated 7 August 2019.

As at 31 March 2020 and 31 December 2019, 100% of Ukreximbank shares were owned by the Cabinet Ministers of Ukraine on behalf of the State of Ukraine.

Ukreximbank head office is located in Kyiv at 127 Antonovycha Str. Ukreximbank has 22 branches and 38 operating outlets (31 December 2019: 22 branches and 38 operating outlets) and two representative offices located in London and New York. Ukreximbank and its branches form a single legal entity.

Traditionally, the main focus of Ukreximbank operations is servicing of export-import transactions. Currently Ukreximbank customer base is diversified and includes a number of large industrial and state-owned enterprises. Ukreximbank accepts deposits from individuals and legal entities and extends loans, transfers payments in Ukraine and internationally, exchanges currencies, invests funds and provides cash and settlement services and other banking services to its customers.

One of the main Ukreximbank activities is to facilitate, on behalf of the Ukrainian Government, the administration of loan agreements entered into by the Ukrainian Government with other foreign governments. Ukreximbank acts as an agent, on behalf of the Ukrainian Government, with respect to loans from foreign financial institutions based on the aforementioned agreements.

The Bank's aim (in accordance with the Charter) is to create favourable conditions for economic development and support domestic producers, export and import operations, credit and financial support of restructuring processes, strengthening and implementation of industrial and trade potential of industries and manufacturers that are export-oriented or carry out activities related to the production of import-substituting products, and also to receive gains in the interests of the Bank and its shareholder.

Ukreximbank prepares the separate interim condensed financial statements and consolidated interim condensed financial statements that comprise consolidated performance indicators of Ukreximbank and its subsidiaries Lease Company Ukreximleasing and Eximleasing Ltd (hereinafter – the Bank).

Lease Company Ukreximleasing, a 100% owned subsidiary was founded in 1997 and registered in Ukraine, and operates in the trading and leasing business.

Eximleasing Ltd, a 100% owned subsidiary was founded in 2006 and registered in Ukraine, and operates in the trading and leasing business.

2. Basis of preparation of financial statements and significant principles of the accounting policies

Basis of preparation of financial statements

These interim condensed consolidated financial statements for three months ended 31 March 2020 have been prepared in accordance with IFRS 34 – *Interim Financial Reporting*.

These interim condensed consolidated financial statements do not include all information and data subject to disclosure in the annual financial statements and should be read in conjunction with the Bank's annual consolidated financial statements as at 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These interim condensed consolidated financial statements are presented in thousands of Ukrainian hryvnia ("UAH"), unless otherwise indicated.

Operating environment

The Ukrainian economy is open, poorly diversified and deemed to be of market status with certain characteristics of an economy in transition (emerging market), and it has critical dependence on world commodity prices and low levels of liquidity in the capital markets. Under such circumstances, high risks uncommon for mature markets are inherent to the banking business in Ukraine.

The further growth of the Ukrainian economy depends on foreign market conditions, reach of the international financial aid, coordinated policy and decisions of the Verkhovna Rada, Government, NBU and Office of the President of Ukraine regarding the overcoming of the pandemic and the effects of the global economic crisis, the necessary reforms, preservation of social and political stability and development of the situation in the east of the country.

After a long recovery period for 16 consecutive quarters in the first quarter of 2020, Ukraine's economy was negatively affected by the global economic crisis, deepened by the Covid-19 pandemic. Falling prices and demand in the global commodity and stock markets, the outflow of capital from emerging markets came as a serious shock to the world economy and Ukraine.

In the first quarter of this year, the price dynamics of Ukrainian exports in general was declining against the background of the crisis in the world economy. However, the outstripping fall in energy prices compared to agricultural products exported from Ukraine and the general tendency to reduce imports of goods and services, including due to logistics problems, resulted in reduction in the foreign trade deficit and a positive current account balance.

The moderate foreign trade deficit was offset by the inflow of currency into the financial account, including through the successful placement of 10-year Eurobonds totalling € 1.25 billion, foreign investors' investments in the government bonds at the beginning of the year, and private remittances. However, negative trends in March led to a weakening of the national currency and a reduction in international reserves. In particular, as of March 31, 2020, the official exchange rate of the national currency was equal to UAH 28.06 per USD1 (as of December 31, 2019: 23.69). According to the NBU preliminary assessment, the international reserves as of April 1, 2020 amounted to USD 24.9 billion (as at 1 January 2020: USD 25.3 billion).

Crisis developments in the world economy and the introduction of emergency measures to combat coronavirus infection caused a slowdown in Ukraine economy in the first quarter of this year. In particular, according to the State Statistics Service of Ukraine, during January-March of the current year the industrial production index fell by -5.1%, the construction production in Ukraine fell by -5.5%, agricultural production fell by -1.8%. The retail trade turnover index remained positive - 10.6%.

In the first quarter of this year, inflation dynamics remained subdued, due to the reflection of the high value of REER in the cost of goods, lower energy prices and expansion of supply, including through imports. According to the State Statistics Service, consumer inflation in January-March this year was 0.7% (to December 2019). The slowdown in inflation and the need to intensify credit support to the economy led to another easing of monetary policy with a gradual reduction of the NBU discount rate to 10% from 13.03.2020 and to 8% - from 24.04.2020.

Crisis developments in the economy, deepened by the introduced quarantine measures, resulted in increase in the risks of asset-side operations and, accordingly, low lending activity of banks in Ukraine in the corporate segment. At the same time, the available liquidity was channelled by banking institutions mainly to low-risk instruments (NBU deposit certificates, government securities) and consumer lending.

The low household savings level, falling corporate incomes and the actual lack of opportunities for external borrowing severely limit the Bank ability to borrow funds in the domestic and foreign capital markets.

The volatility of the national currency exchange rate with a tendency to its devaluation, the need to make significant payments under liabilities, the aggravation of the global economic crisis and pandemic will have a negative impact on the financial condition and performance of the Bank. Depending on the receipt of such information, the Bank carries out an operational review of the assessment of future cash flows and takes the necessary measures to maintain the stability of its activities.

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2019, except for the adoption of the new Standards below effective as of 1 January 2020. The nature and the effect of these changes are disclosed below. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 3 Definition of a Business

In October 2018, the IFRS Board issued amendments to IFRS 3 *Business Combinations*, which changed the definition of the term "business" and should help organizations determine whether a set of activities and assets acquired is a business or not. These amendments clarify the minimum requirements to business, eliminate the assessment of whether market participants are able to

replace any missing element, provide clarifications to help organizations assess whether the acquired process is significant, narrow the definition of "business" and "return", and introduce an optional fair value concentration test. As these amendments are applied prospectively to transactions or other events that occur on or after the date of their initial application, these amendments will not affect the Bank on the date of transition.

Amendments to IAS 1 and IAS 8 Definition of Material

In October 2018, the IFRS Board issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to reconcile materiality in different standards and clarify some aspects of this definition. According to the new definition, "information is material if it can reasonably be expected that its omission, distortion or disguise will affect the decisions of key users of general purpose financial statements made by them on the basis of those financial statements that provide financial information about a particular reporting entity." These amendments do not have a material impact on the financial statements.

Base Rate Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments to IFRS 9, IAS 39 and IFRS 7 include a number of exemptions that apply to all hedging relationships that are directly affected by the base interest rate reform. Hedging relationships will be affected if the reform causes uncertainty about the timing and / or cash flows based on the base interest rate for the hedged entity or hedging instrument. The reform may result in uncertainties about the timing and / or cash flows based on the base interest rate for the hedged item or hedging instrument during the period before replacing the existing base interest rate with an alternative to a virtually risk-free interest rate. This can lead to uncertainty about estimating the probability of a forecasted transaction and assessing whether the hedging relationship will be highly effective. These amendments do not have a material impact on the financial statements.

Future changes in accounting policies

The following are new standards, amendments and interpretations that have been issued but are not yet effective as of the date of publication of the Bank financial statements. The Bank plans to apply these new standards, amendments and interpretations, if necessary, after their entry into force.

IFRS 17 Insurance Contracts

In May 2017, the IFRS Board issued IFRS 17 *Insurance Contracts*, a new financial reporting standard for insurance contracts that addresses the recognition and measurement, presentation and disclosure of information. When IFRS 17 becomes effective, it will replace IFRS 4 *Insurance Contracts*, issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life and non-life insurance, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation.

There are a few exceptions to the scope of the standard. The main purpose of IFRS 17 is to provide a model for accounting for insurance contracts that is more efficient and consistent for insurers. Unlike the requirements of IFRS 4, which are largely based on previous partial accounting policies, IFRS 17 provides a comprehensive model for accounting for insurance contracts, covering all relevant aspects of accounting. IFRS 17 is based on a general model, supplemented by the following:

- ▶ certain modifications for insurance contracts with direct participation conditions (variable remuneration method);
- ▶ simplified approach (premium-based approach) mainly for short-term contracts.

IFRS 17 is effective for annual periods beginning on or after 1 January 2023, with comparative information required. It may be applied before that date provided that the entity also applies IFRS 9 and IFRS 15 at the date of first application. In 2020, the Bank continues to assess the possible impact of IFRS 17 on its financial statements.

3. Segment information

For management purposes, the Bank recognises the following operating segments (business units):

Corporate banking	Business Unit focussing on corporate customers servicing and selling products that require individual approach and are mainly offered to corporate customers.
Small and Medium-sized banking	Business Unit focussing on the small and medium-sized customer servicing (including the individual entrepreneurs) and selling products that are mainly in standardized form (as per the tariffs approved and the standard procedures)
Retail banking	Business Unit focussing on servicing retail customers (except for the individual entrepreneurs) on the full list of products, and selling products to the individuals (households) that are mainly in standardized form (as per the tariffs approved and the standard procedures) and generally do not require individual approach.

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

Inter-bank and investments business Business Unit focussing on the provision of services to participants in the financial markets (money, currency, stock, etc.) and the sale of products related to transactions on the financial markets.

The Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured taking into account income and expenses from other segments.

Unallocated amounts include:

- Income tax receivables and payables, the share of assets and costs associated with the work of the Bank's top management, i.e. personnel performing general management functions at the level of the whole Bank's system and the Bank's staff, supporting directly the work of top management;
- The result of the revaluation of open currency position (except for a part of open currency position, which is distinguished by the Bank for carrying out operations on purchase / sale / conversion of cash foreign currency and precious metals and conversion of non-cash foreign currency);
- The difference between inter-segment revenues and costs of all business lines, obtained as a result of transfer rates.

For the purposes of segment reporting interest is split on the basis of uniform transfer rates set by the Assets and Liabilities Committee based on the borrowing rate of the Bank.

During three months ended 31 March 2020, the Bank had revenues from transactions with a single external customer, that accounted for more than 10% of the total income of the Bank, of UAH 642,651 thousand (31 March 2019: UAH 868,999 thousand). Revenue from transactions with the external customer is reflected in the segment "Inter-bank and investments business".

Analysis of the Bank's income by banking products and services is presented in the interim condensed consolidated profit and loss statement as "Interest Income and Expenses".

The following table presents income and expenses, profit and loss, certain asset and liabilities information regarding the Bank's operating segments for three months ended 31 March 2020 (unaudited):

	<i>Corporate banking</i>	<i>SME business</i>	<i>Retail banking</i>	<i>Interbank and investments</i>	<i>Unallocated</i>	<i>Total</i>
External						
Interest income	1,472,811	88,524	12,371	922,339	–	2,496,045
Commission income	103,513	51,625	67,417	9,992	–	232,547
Other income	11,282	3,009	4,647	1,064	5,359	25,361
Net gains from modification of financial assets at amortised cost	79,175	–	–	–	1	79,176
Reversal of expenses for expected credit losses	–	–	–	10,073	–	10,073
Reversal of expenses for expected credit losses on credit-related commitments	–	703	–	15	–	718
Net gains from investment securities at fair value through profit or loss	–	–	–	–	2,442,330	2,442,330
Net gains from operations with foreign currencies	37,960	17,034	30,222	99,529	–	184,745
Net gains from operations with precious metals	1	–	–	144	2,948	3,093
Income from other segments	585,593	209,884	574,835	1,219,469	(2,589,781)	–
Total income	2,290,335	370,779	689,492	2,262,625	(139,143)	5,474,088
Interest expenses	(431,744)	(150,012)	(403,042)	(1,183,700)	(42)	(2,168,540)
Commission expenses	(37,248)	(14,324)	(42,223)	(2,805)	(201)	(96,801)
Net loss from modification of financial assets at amortised cost	–	(89)	(334)	–	–	(423)
Expenses for expected credit losses	(155,139)	(23,180)	(4,717)	–	(243)	(183,279)
Expenses for expected credit losses on credit-related commitments	(520)	–	(213)	–	–	(733)
Net loss from investment securities at fair value through other comprehensive income, reclassified from statement of total redemption income	–	–	–	–	(18,449)	(18,449)
Net loss from operations with foreign currencies	–	–	–	–	(4,462,596)	(4,462,596)

Translation from Ukrainian original

Joint Stock Company
The State Export-Import Bank of Ukraine
(in UAH thousand, unless otherwise defined)

Notes to Interim condensed consolidated financial statements
for three months ended March 31, 2020

	<i>Corporate banking</i>	<i>SME business</i>	<i>Retail banking</i>	<i>Interbank and investments</i>	<i>Unallocated</i>	<i>Total</i>
Net loss from operations with precious metals	–	–	(58)	–	–	(58)
Personnel expenses	(115,835)	(79,076)	(76,305)	(19,648)	(62,338)	(353,202)
Depreciation and amortization	(8,420)	(7,341)	(8,367)	(945)	(2,320)	(27,393)
Other operating expenses	(69,167)	(23,965)	(95,330)	(5,688)	(43,839)	(237,989)
Expenses from other segments	(1,558,895)	(76,298)	(16,369)	(879,546)	2,531,108	–
Segment results	(86,633)	(3,506)	42,534	170,293	(2,198,063)	(2,075,375)
Loss for the period						(2,075,375)
Assets and liabilities as at 31 March 2020						
Segment assets	57,080,571	2,800,783	2,585,444	85,707,022		148,173,820
Unallocated assets					1,924,444	1,924,444
Total assets						150,098,264
Segment liabilities	35,264,011	11,383,670	28,673,098	70,007,500		145,328,279
Unallocated liabilities					245,762	245,762
Total liabilities						145,574,041
Other segment information						
Capital expenditure	(12,746)	(11,154)	(11,458)	(1,443)	(3,538)	(40,339)

The following table presents income and expenses, profit and loss information for three months ended 31 March 2019 (unaudited), and certain assets and liabilities information regarding the Bank's operating segments as at 31 December 2019:

	<i>Corporate banking</i>	<i>SME business</i>	<i>Retail banking</i>	<i>Interbank and investments</i>	<i>Unallocated</i>	<i>Total</i>
External						
Interest income	1,862,917	97,027	12,188	1,028,702	–	3,000,834
Commission income	122,317	59,712	69,863	6,777	–	258,669
Other income	12,886	3,469	5,636	1,014	1,948	24,953
Net gains from modification of financial assets at amortised cost	–	1,390	–	–	–	1,390
Reversal of expenses for expected credit losses	–	–	351	221	–	572
Reversal of expenses for expected credit losses on credit-related commitments	21,244	–	190	–	–	21,434
Net gains from investment securities at fair value through profit or loss	–	–	–	–	40,634	40,634
Net gains from operations with foreign currencies	45,577	21,982	5,984	51,313	411,557	536,413
Net gains from operations with precious metals	–	–	17	9	430	456
Income from other segments	633,186	210,375	554,471	1,770,578	(3,168,610)	–
Total income	2,698,127	393,955	648,700	2,858,614	(2,714,041)	3,885,355
Interest expenses	(467,112)	(154,750)	(402,526)	(1,678,506)	–	(2,702,894)
Commission expenses	(49,228)	(15,129)	(35,973)	(1,345)	(105)	(101,780)
Net loss from modification of financial assets at amortised cost	(21,468)	–	(203)	–	–	(21,671)
Expenses on expected credit losses	(144,670)	(648)	–	–	(134)	(145,452)
Expenses on expected credit losses on credit-related commitments	–	(836)	–	(39)	–	(875)
Net loss from investment securities at fair value through other comprehensive income, reclassified from statement of total redemption income	–	–	–	–	(278)	(278)
Personnel expenses	(105,742)	(65,560)	(60,399)	(20,913)	(55,313)	(307,927)
Depreciation and amortization	(8,730)	(6,851)	(8,111)	(872)	(2,046)	(26,610)
Other operating expenses	(35,294)	(26,564)	(91,083)	(6,435)	(22,243)	(181,619)
Expenses from other segments	(1,627,915)	(81,905)	(17,537)	(910,969)	2,638,326	–
Segment results	237,968	41,712	32,868	239,535	(155,834)	396,249
Income tax expenses						(18)
Profit for the period						396,231

Translation from Ukrainian original

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

	<i>Corporate banking</i>	<i>SME business</i>	<i>Retail banking</i>	<i>Interbank and investments</i>	<i>Unallocated</i>	<i>Total</i>
Assets and liabilities as at 31 December 2019						
Segment assets	52,555,748	3,008,322	2,284,467	80,599,906		138,448,443
Unallocated assets					1,897,881	1,897,881
Total assets						140,346,324
Segment liabilities	29,291,998	10,936,883	26,184,320	64,521,949		130,935,150
Unallocated liabilities					493,949	493,949
Total liabilities						131,429,099
Other segment information						
Capital expenditure	(3,319)	(2,950)	(2,917)	(378)	(883)	(10,447)

Geographical information

Most revenues and capital expenditures relate to Ukraine. The Bank has no significant revenues from other countries.

4. Cash and cash equivalents

Cash and cash equivalents comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Overnight deposits with other credit institutions	17,969,811	2,280,117
Current accounts with other credit institutions	12,495,525	10,383,491
Current account with the National Bank of Ukraine	7,264,684	3,744,605
Term deposits with other credit institutions up to 90 days	2,806,306	10,682,215
Cash on hand	1,801,234	1,387,450
Deposit certificates of the National Bank of Ukraine up to 90 days	—	5,008,938
	42,337,560	33,486,816
Less: allowance for expected credit losses	(11,771)	(16,881)
Cash and cash equivalents	42,325,789	33,469,935

5. Changes in liabilities in financial activities

Changes in liabilities in financial activities comprise:

	<i>Loans from credit institutions</i>	<i>Eurobonds issued</i>	<i>Subordinated debt</i>	<i>Leasing liabilities</i>	<i>Total</i>
Book value as at 31 December 2019					
Repayment	21,031,227	26,553,076	5,429,914	6,006	53,020,223
Translation differences	(2,456,107)	—	(1,549,744)	(1,454)	(4,007,305)
Other	3,486,436	4,058,674	789,893	—	8,335,003
	111,471	(301,267)	(19,789)	(7)	(209,592)
Book value as at 31 March 2020 (unaudited)	22,173,027	30,310,483	4,650,274	4,545	57,138,329
	<i>Loans from credit institutions</i>	<i>Eurobonds issued</i>	<i>Subordinated debt</i>		<i>Total</i>
Book value as at 31 December 2018					
Proceeds	22,706,497	42,541,905	3,584,690		68,833,092
Repayment	2,082,548	—	—		2,082,548
Translation differences	(1,605,796)	—	—		(1,605,796)
Other	(388,504)	(588,248)	(58,849)		(1,035,601)
	177,054	(91,218)	(78,293)		7,543
Book value as at 31 March 2019 (unaudited)	22,971,799	41,862,439	3,447,548		68,281,786

«Other» includes the effect of accrued but unpaid interest on loans from credit institutions, issued Eurobonds, and subordinated debt. The Bank classifies the paid interest as cash flows from operating activities.

6. Expenses for expected credit losses

The table below presents the amounts of expenses for expected credit losses recognized in profit and loss (unaudited).

For three months ended 31 March 2020 (unaudited)

	Stage 1 Collective	Stage 2 Collective	Stage 2 Individual	Stage 3 Collective	Stage 3 Individual	POCI	Total
Cash and cash equivalents	(5,359)	—	—	—	—	—	(5,359)
Amounts due from credit institutions	407	—	—	—	—	—	407
Loans to customers	55,505	(2,343)	70,156	86 480	12,931	(41,491)	181,238
Investment securities at fair value through other comprehensive income	(5,954)	—	—	—	—	—	(5,954)
Investment securities at amortised cost	1,475	—	—	—	—	—	1,475
Other financial assets	1,399	—	—	—	—	—	1,399
	<u>47,473</u>	<u>(2,343)</u>	<u>70,156</u>	<u>86,480</u>	<u>12,931</u>	<u>(41,491)</u>	<u>173,206</u>

For three months ended 31 March 2019 (unaudited)

	Stage 1 Collective	Stage 2 Collective	Stage 2 Individual	Stage 3 Collective	Stage 3 Individual	Other
Cash and cash equivalents	(748)	—	—	—	—	(748)
Amounts due from credit institutions	(4,085)	—	—	—	—	(4,085)
Loans to customers	(21,253)	1,615	(57,294)	(26,311)	250,374	147,131
Investment securities at fair value through other comprehensive income	(276)	—	—	—	—	(276)
Other financial assets	2,858	—	—	—	—	2,858
	<u>(23,504)</u>	<u>1,615</u>	<u>(57,294)</u>	<u>(26,311)</u>	<u>250,374</u>	<u>144,880</u>

The amount of expenses for expected credit losses under POCI, which are recognized in profit or loss, includes in particular the amount of adjustment of the gross book value of POCI in the amount of UAH 55,083 thousand.

The tables below present the amounts of expenses for expected credit losses of credit-related commitments that are recognized in profit or loss (unaudited).

For three months ended 31 March 2020

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Financial guarantees	(181)	(2)	—	(183)
Loan commitments	(5,155)	5,423	(91)	177
Letters of credit	20	—	—	20
Avals on promissory notes	1	—	—	1
	<u>(5,315)</u>	<u>5,421</u>	<u>(91)</u>	<u>15</u>

For three months ended 31 March 2019

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Financial guarantees	124	30	833	—	987
Loan commitments	(17,944)	38	(166)	(2,618)	(20,690)
Letters of credit	(858)	—	—	—	(858)
Avals on promissory notes	2	—	—	—	2
	<u>(18,676)</u>	<u>68</u>	<u>667</u>	<u>(2,618)</u>	<u>(20,559)</u>

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

7. Due from credit institutions

Amounts due from credit institutions comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Loans and deposits		
Ukrainian banks	807,636	791,494
OECD banks	205,717	173,642
CIS and other banks	52,729	23,595
	1,066,082	988,731
Due from other credit institutions		
Current accounts with other credit institutions in precious metals	19,287	15,203
Other amounts due from credit institutions	105,363	74,928
	1,190,732	1,078,862
Less: provision for expected credit losses	(831,870)	(822,690)
Due from credit institutions	358,862	256,172

As at 31 March 2020 the amounts due from credit institutions are measured at amortised cost (31 December 2019: at amortised cost), excluding current accounts in precious metals in the amount of UAH 19,285 thousand including provision (31 December 2019: UAH 15,201 thousand), measured at fair value through profit and loss (31 December 2019: at fair value through profit and loss).

The following tables show an analysis of changes in gross carrying amount and respective provisions on amounts due from credit institutions:

	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2020	260,715	74,390	743,757	1,078,862
New assets originated or purchased	34,777	—	—	34,777
Assets derecognised/(repaid)	(8,956)	—	—	(8,956)
Reclassified from item <i>Cash and cash equivalents</i>	24,775	—	—	24,775
Changes in carrying amount	(10)	—	—	(10)
Translation differences	53,895	48	7,341	61,284
Gross carrying amount as at 31 March 2020 (unaudited)	365,196	74,438	751,098	1,190,732
	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2019	585,521	74,448	755,793	1,415,762
New assets originated or purchased	90,242	—	—	90,242
Assets derecognised/(repaid)	(223,717)	—	—	(223,717)
Changes in carrying amount	(123,163)	—	—	(123,163)
Translation differences	(3,014)	(10)	(737)	(3,761)
Gross carrying amount as at 31 March 2019 (unaudited)	325,869	74,438	755,056	1,155,363
	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Provisions as at 1 January 2020	4,543	74,390	743,757	822,690
New assets originated or purchased	2,017	—	—	2,017
Assets derecognised/(repaid) assets	(521)	—	—	(521)
Reclassified from item <i>Cash and cash equivalents</i>	441	—	—	441
Changes in provisions	(1,089)	—	—	(1,089)
Translation differences	943	48	7,341	8,332
Provisions as at 31 March 2020 (unaudited)	6,334	74,438	751,098	831,870

	<i>Stage 1 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Provisions as at 1 January 2019	15,631	74,448	755,793	845,872
New assets originated or purchased	2,642	—	—	2,642
Assets derecognised /(repaid) assets	(6,711)	—	—	(6,711)
Changes in provisions	(16)	—	—	(16)
Translation differences	(153)	(10)	(737)	(900)
Provisions as at 31 March 2019 (unaudited)	11,393	74,438	755,056	840,887

8. Loans to customers

Loans to customers comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Commercial loans	116,413,983	106,196,634
Finance lease receivables	2,301,115	2,401,967
Overdrafts	829,527	890,961
Promissory notes	46,913	58,089
	119,591,538	109,547,651
Less: provision for expected credit losses	(62,094,551)	(56,261,847)
Loans to customers	57,496,987	53,285,804

Loans and advances have been extended to the following types of customers:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Legal entities	97,744,848	89,837,204
State entities	19,608,571	17,746,303
Individuals	2,112,106	1,834,507
Municipal and utility entities	126,013	129,637
	119,591,538	109,547,651

Commercial loans

The following tables show an analysis of changes in gross carrying amount and respective provisions under commercial loans:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount as at 1 January 2020	34,576,277	913,212	2,617,032	6,381,029	57,695,897	4,013,187	106,196,634
New assets originated or purchased	1,425,388	—	—	—	—	851,792	2,277,180
Assets derecognised (repaid)	(1,490,303)	(722)	—	(1,091)	(2,956,196)	—	(4,448,312)
Transfer to Stage 1	146,336	(146,336)	—	—	—	—	—
Transfer to Stage 2	(935,265)	373,399	561,923	(57)	—	—	—
Transfer to Stage 3	(2,611)	(66,417)	(1,124,708)	(209,459)	1,403,195	—	—
POCI value adjustment	—	—	—	—	—	(55,083)	(55,083)
Changes in carrying amount	(1,404,705)	(65,537)	19,866	65,037	183,434	158,510	(1,043,395)
Translation differences	4,378,221	103,150	172,433	562,844	8,120,018	150,293	13,486,959
Gross carrying amount as at 31 March 2020 (unaudited)	36,693,338	1,110,749	2,246,546	6,798,303	64,446,348	5,118,699	116,413,983
	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 2 Individual</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount as at 1 January 2019	51,764,580	568,180	2,371,484	6,549,920	71,369,112	1,707,874	134,331,150
New assets originated or purchased	2,537,850	(1)	—	—	—	—	2,537,849
Assets derecognised (repaid)	(650,886)	(6,527)	—	(11,556)	(9,624)	—	(678,593)
Transfer to Stage 1	1,219	(1,197)	—	(22)	—	—	—
Transfer to Stage 2	(180,772)	180,772	276,336	—	(276,336)	—	—
Transfer to Stage 3	(81,395)	(55,633)	—	56,093	80,935	—	—
Changes in carrying amount	(4,909,075)	(21,032)	(36,684)	80,503	838,982	(23,254)	(4,070,560)
Translation differences	(830,110)	(10,390)	(33,178)	(63,093)	(1,061,680)	(23,535)	(2,021,986)
Gross carrying amount as at 31 March 2019 (unaudited)	47,651,411	654,172	2,577,958	6,611,845	70,941,389	1,661,085	130,097,860

Translation from Ukrainian original

Joint Stock Company
The State Export-Import Bank of Ukraine
(in UAH thousand, unless otherwise defined)

Notes to Interim condensed consolidated financial statements
for three months ended March 31, 2020

	Stage 1 Collective	Stage 2 Collective	Stage 2 Individual	Stage 3 Collective	Stage 3 Individual	POCI	Total
Provisions as at 1 January 2020	389,088	50,542	173,965	6,049,750	47,781,797	1,762,559	56,207,701
New assets originated or purchased	22,283	—	—	—	—	—	22,283
Assets derecognised (repaid)	(18,559)	(63)	—	(1,087)	—	—	(19,709)
Transfer to Stage 1	1,098	(1,098)	—	—	—	—	—
Transfer to Stage 2	(9,534)	3,393	6,198	(57)	—	—	—
Transfer to Stage 3	(902)	(3,525)	(96,535)	(274,060)	375,022	—	—
Transfer to POCI	—	—	—	—	(2,264,910)	—	(2,264,910)
Interest income adjustment	—	—	—	56,172	444,203	107,627	608,002
Recoveries	—	—	—	2,360	18,319	—	20,679
Changes in provisions	55,722	(2,508)	70,162	87,567	12,931	13,592	237,466
Translation differences	48,791	5,212	10,255	529,955	6,633,784	4,499	7,232,496
Provisions as at 31 March 2020 (unaudited)	487,987	51,953	164,045	6,450,600	53,001,146	1,888,277	62,044,008
	Stage 1 Collective	Stage 2 Collective	Stage 2 Individual	Stage 3 Collective	Stage 3 Individual		Total
Provisions as at 1 January 2019	999,187	91,662	198,347	6,258,714	57,110,096		64,658,006
New assets originated or purchased	59,111	—	—	—	—	—	59,111
Assets derecognised (repaid)	(9,909)	(952)	—	(7,970)	(505)	—	(19,336)
Transfer to Stage 1	98	(77)	—	(21)	—	—	—
Transfer to Stage 2	(5,993)	5,993	21,180	—	(21,180)	—	—
Transfer to Stage 3	(4,055)	(11,225)	—	11,312	3,968	—	—
Interest income adjustment	—	—	—	120,269	614,485	—	734,754
Recoveries	—	—	—	3,374	30,212	—	33,586
Changes in provisions	(94,635)	3,080	(57,294)	(18,405)	248,787	—	81,533
Translation differences	(20,144)	(2,120)	(2,295)	(61,503)	(889,799)	—	(975,861)
Provisions as at 31 March 2019 (unaudited)	923,660	86,361	159,938	6,305,770	57,096,064		64,571,793

Overdrafts

The following tables show an analysis of changes in gross carrying amount and respective provisions under overdrafts:

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2020	879,552	10,958	451		890,961
New assets originated or purchased	153,508	—	—	—	153,508
Assets derecognised (repaid)	(238,900)	(7)	—	—	(238,907)
Transfer to Stage 2	(13,282)	13,282	—	—	—
Changes in carrying amount	13,937	(3,011)	—	—	10,926
Translation differences	13,039	—	—	—	13,039
Gross carrying amount as at 31 March 2020 (unaudited)	807,854	21,222	451		829,527
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2019	1,384,401	12,278	324	60,969	1,457,972
New assets originated or purchased	242,734	—	—	—	242,734
Assets derecognised (repaid)	(334,405)	(12,524)	(2)	—	(346,931)
Transfer to Stage 2	(25,180)	25,180	—	—	—
Changes in carrying amount	(64,092)	(4,035)	88	(3,182)	(71,221)
Translation differences	(1,825)	—	—	—	(1,825)
Gross carrying amount as at 31 March 2019 (unaudited)	1,201,633	20,899	410	57,787	1,280,729
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		Total
Provisions as at 1 January 2020	15,896	173	372		16,441
New assets originated or purchased	1,814	—	—	—	1,814
Assets derecognised (repaid)	(5,311)	—	—	—	(5,311)
Transfer to Stage 2	(83)	83	—	—	—
Changes in provisions	(2)	228	—	—	226
Translation differences	116	—	—	—	116
Provisions as at 31 March 2020 (unaudited)	12,430	484	372		13,286

Translation from Ukrainian original

Joint Stock Company The State Export-Import Bank of Ukraine
Notes to Interim condensed consolidated financial statements
for three months ended March 31, 2020
(in UAH thousand, unless otherwise defined)

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Provisions as at 1 January 2019	31,442	458	249	2,817	34,966
New assets originated or purchased	7,418	—	—	—	7,418
Assets derecognised (repaid)	(8,942)	(1,461)	(1)	—	(10,404)
Transfer to Stage 2	(951)	951	—	—	—
Changes in provisions	(2,599)	948	65	2,092	506
Translation differences	(74)	—	—	—	(74)
Provisions as at 31 March 2019 (unaudited)	26,294	896	313	4,909	32,412

Financial lease receivables

The following tables show an analysis of changes in gross carrying amount and respective provisions under financial lease receivables:

	Stage 1 Collective	Stage 2 Individual	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2020	2,397,185	137	4,645	2,401,967
New assets originated or purchased	1,337	—	—	1,337
Assets derecognised (repaid)	(94,286)	—	—	(94,286)
Changes in carrying amount	(7,885)	(18)	—	(7,903)
Gross carrying amount as at 31 March 2020 (unaudited)	2,296,351	119	4,645	2,301,115

	Stage 1 Collective	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2019	1,356,252	4,645	1,360,897
New assets originated or purchased	1,881,748	—	1,881,748
Assets derecognised (repaid)	(618,886)	—	(618,886)
Changes in carrying amount	22,516	—	22,516
Gross carrying amount as at 31 March 2019 (unaudited)	2,641,630	4,645	2,646,275

	Stage 1 Collective	Stage 2 Individual	Stage 3 Individual	Total
Provisions as at 1 January 2020	32,497	125	4,645	37,267
Assets derecognised (repaid)	(384)	—	—	(384)
Changes in provisions	(8)	(6)	—	(14)
Provisions as at 31 March 2020 (unaudited)	32,105	119	4,645	36,869

	Stage 1 Collective	Stage 3 Individual	Total
Provisions as at 1 January 2019	29,500	4,645	34,443
New assets originated or purchased	41,400	—	41,400
Assets derecognised (repaid)	(13,616)	—	(13,616)
Changes in provisions	559	—	518
Provisions as at 31 March 2019 (unaudited)	57,843	4,645	62,745

Promissory notes

The following tables show an analysis of changes in gross carrying amount and respective provisions under promissory notes:

	Stage 1 Collective
Gross carrying amount as at 1 January 2020	58,089
New assets originated or purchased	50,250
Assets derecognised (repaid)	(63,079)
Changes in carrying amount	1,653
Gross carrying amount as at 31 March 2020 (unaudited)	46,913

	<i>Stage 1 Collective</i>
Gross carrying amount as at 1 January 2019	74,717
New assets originated or purchased	77,634
Assets derecognised (repaid)	(78,709)
Changes in carrying amount	2,237
Gross carrying amount as at 31 March 2019 (unaudited)	75,879

	<i>Stage 1 Collective</i>
Provisions as at 1 January 2020	438
New originated or purchased assets	401
Assets derecognised (repaid)	(464)
Changes in provisions	13
Provisions as at 31 March 2020 (unaudited)	388

	<i>Stage 1 Collective</i>
Provisions as at 1 January 2019	963
New originated or purchased assets	966
Assets derecognised (repaid)	(1,002)
Changes in provisions	37
Provisions as at 31 March 2019 (unaudited)	964

9. Investment securities

Investment securities at fair value through profit or loss

As at 31 March 2020 investment securities designated at fair value through profit or loss with the carrying value UAH 27,958,544 thousand (as at 31 December 2019: UAH 25,731,949 thousand) are represented by Ukrainian state bonds. The conditions of issue of these securities provide for indexation of the nominal value by maturity according to the changes in the average interbank weighted exchange rate of Hryvnia to the US dollar per month prior to date of issue and per month prior to the maturity date. Coupon yield is not subject to indexation.

Investment securities at fair value through other comprehensive income

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Ukrainian State bonds	15,055,332	22,254,733
Corporate bonds	341,957	361,226
Corporate shares	18,199	17,940
Investment securities at fair value through other comprehensive income	15,415,488	22,633,899

The following tables show an analysis of changes in gross carrying amount and respective provisions on investment securities at fair value through other comprehensive income:

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2020	22,656,710	4,218,021	26,874,731
New assets originated or purchased	92,246	–	92,246
Assets derecognized/(repaid)	(6,605,642)	–	(6,605,642)
Changes in carrying amount	(2,172,888)	–	(2,172,888)
Translation differences	1,463,249	–	1,463,249
Gross carrying amount as at 31 December 2019 (unaudited)	15,433,675	4,218,021	19,651,696

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2019	35,794,632	4,218,021	40,012,653
New assets originated or purchased	2,927,059	—	2,927,059
Assets derecognized/(repaid)	(5,693,763)	—	(5,693,763)
Changes in carrying amount	(76,569)	—	(76,569)
Translation differences	(322,593)	—	(322,593)
Gross carrying amount as at 31 March 2019 (unaudited)	32,628,766	4,218,021	36,846,787

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Provisions as at 1 January 2020	22,811	4,218,021	4,240,832
New originated or purchased assets	86	—	86
Assets derecognised (repaid)	(6,009)	—	(6,009)
Changes in carrying amount	(31)	—	(31)
Translation differences	1,330	—	1,330
Provisions as at 31 March 2020 (unaudited)	18,187	4,218,021	4,236,208

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Provisions as at 1 January 2019	5,537	4,218,021	4,223,558
Changes in provisions	(276)	—	(276)
Provisions as at 31 March 2019 (unaudited)	5,261	4,218,021	4,223,282

Investment securitites at amortised cost

	<i>31 March 2020 (unaudited)</i>		<i>31 December 2019</i>	
	<i>Nominal value</i>	<i>Carrying amount</i>	<i>Nominal value</i>	<i>Carrying amount</i>
Ukrainian State bonds	1,633,075	1,596,594	—	—
Investment securitites at amortised cost		1,596,594		—

	<i>Stage 1 Collective</i>	<i>Total</i>
Gross carrying amount as at 1 January 2020	—	—
New assets originated or purchased	1,598,069	1,598,069
Gross carrying amount as at 31 March 2020 (unaudited)	1,598,069	1,598,069

	<i>Stage 1 Collective</i>	<i>Total</i>
Gross carrying amount as at 1 January 2019	49,855	49,855
Changes in carrying amount	(25,537)	(25,537)
Gross carrying amount as at 31 March 2019 (unaudited)	24,318	24,318

	<i>Stage 1 Collective</i>	<i>Total</i>
Provisions as at 1 January 2020	—	—
New originated or purchased assets	1,475	1,475
Provisions as at 31 March 2020 (unaudited)	1,475	1,475

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

10. Other assets and liabilities

Other assets comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Other financial assets		
Transit accounts on operations with payment cards	103,644	182,067
Accounts receivable on operations with customers	64,110	56,664
Other accrued income	38,545	332,949
Accrued service fee on financial guarantees issued	9,227	15,936
Other	124	105
	215,650	587,721
Less: allowance for expected credit losses	(92,688)	(388,117)
Other financial assets	122,962	199,604
Other assets		
Tax assets, other than those related to income tax	150,200	149,818
Advance payments	134,611	111,311
Precious metals	88,564	70,919
Property that passed into the ownership of the bank as a mortgagee	39,321	39,321
Cash the availability of which is not confirmed	35,082	30,491
Inventories	31,683	35,597
Other	1,985	2,067
	481,446	439,524
Less: for expected credit losses	(103,554)	(92,436)
Other assets	377,892	347,088
Total other assets	500,854	546,692

Other liabilities comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Other financial liabilities		
Transit accounts on transactions with customers	101,849	32,873
Transit accounts on transactions with payment cards	20,547	53,121
Liabilities on financial guarantees issued	7,411	4,964
Liabilities on leasing (rent)	4,545	6,006
Accrued expenses	3,690	5,655
Other financial liabilities	138,042	102,619
Other liabilities		
Provision for unused vacations	123,471	125,469
Payables to the Individual Deposits Guarantee Fund	64,903	63,411
Payables on taxes and mandatory payments other than income tax	42,426	35,229
Deferred income	42,063	34,702
Accrued salary	33,083	60,427
Accounts payable under the bank economic activities	20,958	11,416
Provisions for performance guarantees	14,894	244
Salary deductions	9,413	763
Accrued pension contribution	1,914	2,293
Other	13,212	8,893
Other liabilities	366,337	342,847
Total other liabilities	504,379	445,466

The following tables show an analysis of changes in gross carrying amount and corresponding provisions on other financial assets (except for transit accounts on transactions with payment cards):

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2020	102,702	302,952	405,654
New assets originated or purchased	24,391	–	24,391
Assets derecognized/(repaid)	(24,430)	(302,952)	(327,382)
Changes in carrying amount	3,171	–	3,171
Translation differences	6,172	–	6,172
Gross carrying amount as at 31 March 2020 (unaudited)	112,006	–	112,006

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Gross carrying amount as at 1 January 2019	144,942	302,952	447,894
New assets originated or purchased	13,545	–	13,545
Assets derecognized/(repaid)	(13,297)	–	(13,297)
Changes in carrying amount	(28 456)	–	(28,456)
Amounts written-off	(121)	–	(121)
Translation differences	(1,066)	–	(1,066)
Gross carrying amount as at 31 March 2019 (unaudited)	115,547	302,952	418,499

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Allowance as at 1 January 2020	85,165	302,952	388,117
New assets originated or purchased	3,354	–	3,354
Assets derecognized/(repaid)	(2, 593)	–	(2,593)
Transfer to POCI	–	(302,952)	(302,952)
Changes in allowance	638	–	638
Translation differences	6,124	–	6,124
Allowance as at 31 March 2020 (unaudited)	92,688	–	92,688

	<i>Stage 1 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Allowance as at 1 January 2019	86,643	302,952	389,595
New assets originated or purchased	2,156	–	2,156
Assets derecognized/(repaid)	(2,302)	–	(2,302)
Changes in allowance	3,004	–	3,004
Amounts written-off	(121)	–	(121)
Translation differences	(1,055)	–	(1,055)
Allowance as at 31 March 2019 (unaudited)	88,324	302,952	391,276

The following tables show an analysis of losses due to impairment of other non-financial assets:

Allowance as at 1 January 2020	92,436
Accrued	6,527
Translation differences	4,591
Allowance as at 31 March 2020 (unaudited)	103,554

Allowance as at 1 January 2019	82,233
Accrued	8,203
Translation differences	(565)
Allowance as at 31 March 2019 (unaudited)	89,871

11. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Current accounts		
Ukrainian Banks	1,236,185	705,342
CIS and other banks	380	2,975
	1,236,565	708,317

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

	<i>31 March 2020</i> <i>(unaudited)</i>	<i>31 December 2019</i>
Loans and deposits		
International financial institutions	22,121,884	20,943,326
OECD banks	51,143	87,901
Ukrainian Banks	104,389	86,218
	22,277,416	21,117,445
Amounts due to credit institutions	23,513,981	21,825,762

For the purposes of the consolidated cash flow statement presentation the Bank allocates funds attracted from credit institutions between operating and financing activities. Funds raised from the Ukrainian banks comprise attracted guarantee deposits and were included in the funds for operating activities, and funds from foreign banks received for long-term objectives were included in the funds for financing activities.

12. Amounts due to customers

Amounts due to customers comprise:

	<i>31 March 2020</i> <i>(unaudited)</i>	<i>31 December 2019</i>
Current accounts		
Legal entities	19,972,968	16,809,617
Budget financed organizations	8,303,774	7,358,773
Individuals	4,510,096	4,189,134
Funds under the Bank's management	–	1
	32,786,838	28,357,525
Time deposits		
- Legal entities	27,217,234	27,122,765
- Individuals	23,835,576	21,645,529
- Budget financed organizations	2,703,737	–
	53,756,547	48,768,294
Amounts due to customers	86,543,385	77,125,819
Held as security against guarantees and avals (Note 15)	691,317	689,701
Held as security against loans to customers	666,316	962,789
Held as security against letters of credit (Note 15)	207,079	178,683
Held as security against undrawn loan commitments (Note 15)	11,433	12,384

As at 31 March 2020 the amounts due to customers included term deposits and current accounts in gold, which are measured at fair value through profit or loss, in the amount of UAH 67,701 thousands (31 December 2019: UAH 53,156 thousands). The change of fair value of funds in gold conditioned by credit risk changes is absent as at 31 March 2020. (31 December 2019: absent).

13. Eurobonds issued

	<i>31 March 2020</i> <i>(unaudited)</i>			<i>31 December 2019</i>		
	<i>Nominal value</i> <i>('000)</i>	<i>Currency</i>	<i>Carrying amount</i>	<i>Nominal value</i> <i>('000)</i>	<i>Currency</i>	<i>Carrying amount</i>
April 2010 issue	500,000	USD	6,087,822	500,000	USD	5,021,247
October 2010 issue	250,000	USD	3,043,911	250,000	USD	2,510,623
January 2013 issue	500,000	USD	14,239,200	500,000	USD	12,304,890
April 2013 issue	100,000	USD	2,847,840	100,000	USD	2,460,978
March 2018 issue	4,051,000	UAH	4,091,710	4,051,000	UAH	4,255,338
Eurobonds issued			30,310,483			26,553,076

14. Equity

As at 31 March 2020 the Bank's share capital comprised 26,490,412 ordinary registered shares (31 December 2019: 26,490,412 ordinary registered shares) with a nominal value of UAH 1,462.04 per share (31 December 2019: UAH 1,462.04 per share). As at 31 March 2020, 26,490,412 ordinary registered shares were fully paid and registered (31 December 2019: all shares were fully paid and registered).

Movements in revaluation reserves

Movements in revaluation reserves were as follows:

	<i>Property revaluation reserves</i>	<i>Unrealised gains/ (losses) on investment securities at fair value through other comprehensive incomes</i>	<i>Revaluation reserves</i>
As at 1 January 2019	710,805	(1,527,211)	(816,406)
Depreciation of revaluation reserve, net of tax	(3,309)	–	(3,309)
Other net (losses) which will be reclassified to consolidated statement of profit and loss in future periods			
Net losses on investment securities at fair value through other comprehensive income including:	–	(118,228)	(118,228)
Movements in provision for expected credit losses on investment debt securities at fair value through other comprehensive income	–	276	276
Net realised losses on investment securities at fair value through other comprehensive income reclassified to the consolidated statement of profit and loss (consolidated statement of income)	–	278	278
Net unrealised losses on investment securities at fair value through other comprehensive income	–	(118,782)	(118,782)
Income tax related to components of other comprehensive income	–	–	–
As at 31 March 2019 (unaudited)	707,496	(1,645,439)	(937,943)
 As at 1 January 2020	 697,568	 (359,789)	 337,779
Depreciation of revaluation reserve, net of tax	(3,310)	–	(3,310)
Other net (losses) which will be reclassified to consolidated statement of profit and loss in future periods			
Net losses on investment securities at fair value through other comprehensive income including:	–	(2,317,627)	(2,317,627)
Movements in provision for expected credit losses on investment debt securities at fair value through other comprehensive income	–	5,954	5,954
Net realised losses on investment securities at fair value through other comprehensive income reclassified to the consolidated statement of profit and loss (consolidated statement of income)	–	18,449	18,449
Net unrealised losses on investment securities at fair value through other comprehensive income	–	(2,342,030)	(2,342,030)
Income tax related to components of other comprehensive income	–	–	–
As at 31 March 2020 (unaudited)	694,258	(2,677,416)	(1,983,158)

15. Credit-related commitments

Credit-related commitments of the Bank comprised:

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Credit-related commitments	6,414,081	8,806,875
Financial Guarantees	519,859	830,808
Letters of credit	249,228	226,691
Avals on promissory notes	353,042	178,269
	7,536,210	10,042,643

	31 March 2020 (unaudited)	31 December 2019
Less – provisions	(51,539)	(49,062)
Credit-related commitments (before cash held as security)	7,484,671	9,993,581
Less— cash held as security against letters of credit, avals and guarantees, and loan commitments (Note 12)	(323,247)	(271,420)
Credit-related commitments	7,161,424	9,722,161

The following tables show an analysis of changes in credit-related commitments and respective provisions:

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Credit-related commitments as at 1 January 2020	8,164,028	12,358	2,520	627,969	8,806,875
New created or purchased credit related commitments	1,332,188	–	–	–	1,332,188
Credit related commitments derecognised (repaid)	(3,221,463)	(16,513)	(1,624)	(594,735)	(3,834,335)
Transfer to Stage 1	726	(726)	–	–	–
Transfer to Stage 2	(169,001)	169,082	(81)	–	–
Transfer to Stage 3	(429)	(439)	868	–	–
Changes in commitments	(231,279)	(14,141)	(164)	(33,223)	(278,807)
Translation differences	381,966	6,194	–	–	388,160
Credit-related commitments as at 31 March 2020 (unaudited)	6,256,736	155,815	1,519	11	6,414,081

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
Credit-related commitments as at 1 January 2019	5,475,800	6,664	6,229	100,069	5,588,762
New created or purchased credit related commitments	1,867,726	–	–	–	1,867,726
Credit related commitments derecognised (repaid)	(1,636,194)	(6,284)	(282)	(1,244)	(1,644,004)
Transfer to Stage 1	655	(410)	(245)	–	–
Transfer to Stage 2	(11,802)	11,802	–	–	–
Transfer to Stage 3	(3,611)	(253)	367	3,497	–
Changes in commitments	385,583	5 502	(145)	(77,751)	313,189
Translation differences	(99,309)	10	–	–	(99,299)
Credit-related commitments as at 31 March 2019 (unaudited)	5,978,848	17,031	5,924	24,571	6,026,374

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Provision of credit-related commitments as at 1 January 2020	47,357	206	646	48,209
New created or purchased credit related commitments	10,089	–	–	10,089
Credit related commitments derecognised (repaid)	(16,920)	(87)	(305)	(17,312)
Transfer to Stage 1	65	(65)	–	–
Transfer to Stage 2	(2,837)	2,890	(53)	–
Transfer to Stage 3	(63)	(70)	133	–
Changes in provisions	1,676	5,510	214	7,400
Translation differences	2,145	222	–	2,367
Provision of credit-related commitments as at 31 March 2020 (unaudited)	41,512	8,606	635	50,753

Translation from Ukrainian original

Joint Stock Company
The State Export-Import Bank of Ukraine
(in UAH thousand, unless otherwise defined)

Notes to Interim condensed consolidated financial statements
for three months ended March 31, 2020

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>Stage 3 Individual</i>	<i>Total</i>
Provision of credit-related commitments as at 1 January, 2019	61,657	91	2,956	3,981	68,685
New commitments originated or purchased	36,373	—	—	—	36,373
Commitments derecognized (repaid)	(29,362)	(75)	(126)	—	(29,563)
Transfer to Stage 1	171	(10)	(161)	—	—
Transfer to Stage 2	(57)	57	—	—	—
Transfer to Stage 3	(130)	(24)	67	87	—
Changes in allowances	(24,955)	113	(40)	(2,618)	(27,500)
Translation differences	(1,315)	—	—	—	(1,315)
Provision of credit-related commitments as at 31 March 2019 (unaudited)	42,382	152	2,696	1,450	46,680

The following tables show an analysis of changes in financial guarantess and respective provisions:

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
Financial Guarantees as at 1 January 2020	818,197	12,611	830,808
New created or purchased financial guarantees	1,525,935	—	1,525,935
Financial guarantees derecognized (repaid)	(1,831,026)	(5,142)	(1,836,168)
Transfer to Stage 1	28,178	(28,178)	—
Transfer to Stage 2	(28,178)	28,178	—
Changes in financial guarantess	(48,981)	—	(48,981)
Translation differences	47,828	437	48,265
Financial guarantees as at 31 March 2020 (unaudited)	511,953	7,906	519,859

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>Total</i>
Financial guarantees as at 1 January 2019	910,802	7,869	—	918,671
New created or purchased financial guarantees	401,875	—	—	401,875
Financial guarantees derecognized (repaid)	(67,773)	—	—	(67,773)
Transfer to Stage 2	(18,986)	18,986	—	—
Transfer to Stage 3	—	(13,496)	13,496	—
Changes in financial guarantess	38,436	—	—	38,436
Translation differences	(14,409)	(392)	128	(14,673)
Financial guarantees as at 31 March 2019 (unaudited)	1,249,945	12,967	13,624	1,276,536

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Total</i>
Provision for financial guarantees as at 1 January 2020	335	2	337
New created or purchased financial guarantees	52	—	52
Financial guarantees derecognized (repaid)	(271)	—	(271)
Changes in provision	38	(2)	36
Translation differences	6	—	6
Provision for financial guarantees as at 31 March 2020 (unaudited)	160	—	160

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>Total</i>
Provision for financial guarantees as at 1 January 2019	717	4	—	721
New created or purchased financial guarantees	304	—	—	304
Financial guarantees derecognized (repaid)	(18)	—	—	(18)
Transfer to Stage 2	(19)	19	—	—
Transfer to Stage 3	—	(49)	49	—

	<i>Stage 1 Collective</i>	<i>Stage 2 Collective</i>	<i>Stage 3 Collective</i>	<i>Total</i>
Changes in provision	(162)	30	833	701
Translation differences	—	(1)	—	(1)
Provision for financial guarantess as at 31 March 2019 (unaudited)	822	3	882	1,707

The following tables show an analysis of changes in letters of credit (except for coverage accounts) and respective provisions:

	<i>Stage 1 Collective</i>
Letters of credit as at 1 January 2020	48,009
New self-produced or purchased letters of credit	12,307
Letters of credit derecognized (repaid)	(23,070)
Changes in letters of credit	(1,207)
Translation differences	6,111
Letters of credit as at 31 March 2020 (unaudited)	42,150

	<i>Stage 1 Collective</i>
Letters of credit as at 1 January 2019	60,204
Changes in letters of credit	(4,547)
Translation differences	(2,176)
Letters of credit as at 31 March 2019 (unaudited)	53,481

	<i>Stage 1 Collective</i>
Provision for letters of credit as at 1 January 2020	505
New self-produced or purchased letters of credit	98
Letters of credit derecognized (repaid)	(87)
Changes in allowance	9
Translation differences	89
Provision for letters of credit as at 31 March 2020 (unaudited)	614

	<i>Stage 1 Collective</i>
Provision for letters of credit as at 1 January 2019	2,360
Changes in allowance	(858)
Translation differences	(84)
Provision for letters of credit as at 31 March 2019 (unaudited)	1,418

The following tables show an analysis of changes in avals and respective provisions:

	<i>Stage 1 Collective</i>
Avals as at 1 January 2020	178,269
New created or purchased avals	512,492
Avals derecognised (repaid)	(169,727)
Changes in avals	(167,992)
Avals as at 31 March 2020 (unaudited)	353,042

	<i>Stage 1 Collective</i>
Avals as at 1 January 2019	349,446
New created or purchased avals	315,928
Avals derecognised (repaid)	(218,293)
Changes in avals	(222,755)
Avals as at 31 March 2019 (unaudited)	224,326

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

	<i>Stage 1 Collective</i>
Provisions for avals as at 1 January 2020	11
New created or purchased avals	23
Avals derecognised (repaid)	(11)
Changes in allowance	(11)
Provisions for avals as at 31 March 2020 (unaudited)	12

	<i>Stage 1 Collective</i>
Provisions for avals as at 1 January 2019	30
New created or purchased avals	38
Avals derecognised (repaid)	(11)
Changes in allowance	(25)
Provisions for avals as at 31 March 2019 (unaudited)	32

Performance guarantees

Performance guarantees are an agreement to provide compensation in the event of a counterparty's failure to fulfill its contractual obligations. Performance guarantees do not involve credit risk. The risk relates to the possibility of the other party failure to fulfill its contractual obligations.

	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Performance guarantees	2,916,793	2,505,110
Less – allowance	(14,894)	(244)
Obligations under performance guarantees (before calculation of cash funds provision cost)	2,901,899	2,504,866
Less – cash funds, received as security under performance guarantees (Note 12)	(586,582)	(609,348)
Obligations under performance guarantees	2,315,317	1,895,518

Provision for performance guarantees is reflected within other liabilities.

The following tables show the flow of provisions under performance guarantees:

Provision as at 1 January 2020	244
Accrued	14,617
Translation differences	33
Provision as at 31 March 2020 (unaudited)	14,894

Provision as at 1 January 2019	829
Accrued	33
Translation differences	(12)
Provision as at 31 March 2019 (unaudited)	850

Financial terms and conditions of contracts

The Bank is a party to various agreements with other credit institutions, which contain requirements regarding the compliance with financial performance indicators and the Bank overall risk structure (capital adequacy, liquidity, credit risks). The values of indicators are established by the terms and conditions of agreements, other documents agreed by the parties to the agreements, with reference to both international and local regulatory requirements.

These financial commitments may limit the ability of the Bank to pursue certain business strategies and engage in other significant future transactions.

16. Personnel expenses and other operating expenses

Personnel expenses and other operating expenses include:

	2020		2019	
	For three months ended 31 March	Accruals from the beginning of the reporting year	For three months ended 31 March	Accruals from the beginning of the reporting year
	(unaudited)			
Salaries and bonuses	296,339	296,339	258,494	258,494
Mandatory payments to state funds	56,863	56,863	49,433	49,433
Personnel expenses	353,202	353,202	307,927	307,927
Payables to the Individual Deposit Guarantee Fund	64,903	64,903	64,277	64,277
Repair and maintenance of fixed assets	34,521	34,521	32,671	32,671
Operating taxes	29,167	29,167	9,030	9,030
Losses on impairment of performance guarantees	14,617	14,617	33	33
Security	13,909	13,909	14,158	14,158
Maintenance of premises	11,117	11,117	12,869	12,869
Electronic data processing expenses	6,664	6,664	7,435	7,435
Net losses on impairment of non-financial assets	6,527	6,527	8,203	8,203
Legal and consultancy services	6,289	6,289	1,110	1,110
Personnel selection expenses	5,756	5,756	–	–
Household expenses	5,621	5,621	5,530	5,530
Expenses for cash collection	4,531	4,531	5,080	5,080
Communication services	4,347	4,347	3,757	3,757
Rent of premises	3,060	3,060	5,324	5,324
Marketing and advertisement	1,867	1,867	813	813
Business travel and related expenses	1,590	1,590	1,302	1,302
Other	23,503	23,503	10,027	10,027
Other operating expenses	237,989	237,989	181,619	181,619

Expenses for payments to the non-state pension fund for the period ended 31 March 2020 amounted to UAH 6,137 thousand (31 March 2019: UAH 5,569 thousand).

17. Fair value of assets and liabilities

Fair value of financial assets and financial liabilities not measured at fair value

Set out below is a comparison by class of the carrying values and fair values of the Bank's financial instruments that are not measured at fair value in the interim condensed consolidated statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	31 March 2020 (unaudited)			31 December 2019		
	Carrying value	Fair value	Unrecognized gain / (loss)	Carrying value	Fair value	Unrecognized gain / (loss)
Financial assets						
Cash and cash equivalents	42,325,789	42,325,789	–	33,469,935	33,469,935	–
Amounts due from credit institutions	339,577	339,577	–	240,971	240,971	–
Loans to customers	57,496,987	57,263,838	(233,149)	53,285,804	52,604,116	(681,688)
Investment securities at amortized cost	1,596,594	1,586,647	(9,947)	–	–	–
Other assets	122,962	122,962	–	199,604	199,604	–
Financial liabilities						
Amounts due to credit institutions	23,513,981	23,513,981	–	21,825,762	21,825,762	–
Amounts due to customers	86,475,684	86,532,284	(56,600)	77,072,663	77,060,661	12,002
Eurobonds issued	30,310,483	29,425,708	884,775	26,553,076	28,166,079	(1,613,003)
Subordinated debt	4,650,274	4,457,721	192,553	5,429,914	5,573,947	(144,033)
Other liabilities	138,042	138,042	–	102,619	102,619	–
Total unrecognized change in unrealized fair value			777,632			(2,426,722)

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

The following describes the methodologies and assumptions used to determine fair values for the financial instruments that are not recorded at fair value in the interim condensed consolidated financial statement.

Assets fair value of which approximates to carrying value

For financial assets and financial liabilities that are liquid or having a short term maturity (up to three months) it is assumed that the carrying value approximates to their fair value. This assumption is also applied to demand deposits, savings deposits without a specific maturity and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortized cost is determined by comparing market interest rates at the date when they were first recognized with current market rates offered for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For listed debt issued the fair value is determined based on quoted market prices. For listed securities issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

Fair value of financial assets measured at fair value

For the purposes of financial assets fair value measurement and disclosures, the Bank uses the following hierarchy of measurement techniques, inclusive of changes in fair value due to certain alternative assumptions used in the measurement model:

- Level 2: where no market quotations are available for a financial instrument, the fair value is measured using valuation techniques based on assumptions confirmed by observable market prices and rates at the reporting date, i.e. either directly or indirectly based on observable market data;
- Level 3: for financial instruments whose fair values cannot be measured using market quotations or measurement models with observable market data, the Bank uses measurement techniques based on unobservable data that have material impact on reported fair values of financial instruments, which are not based on observable market data. This approach is appropriate for investments in non-listed shares and debt securities.

The following table shows an analysis of financial instruments measured at fair value by level in the fair value hierarchy:

As at 31 March 2020 (unaudited)	<i>Fair value measured on recurring basis</i>		
	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Current accounts with other credit institutions in precious metals	19,285	–	19,285
Investment securities at fair value through profit or loss	27,958,544	–	27,958,544
Investment securities at a fair value through other comprehensive income	15,397,289	18,199	15,415,488
Total assets	43,375,118	18,199	43,393,317
Amounts due to customers in precious metals	67,701	–	67,701
Total liabilities	67,701	–	67,701

As at 31 December 2019	<i>Fair value measured on recurring basis</i>		
	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Current accounts with other credit institutions in precious metals	15,201	–	15,201
Investment securities at fair value through profit or loss	25,731,949	–	25,731,949
Investment securities at a fair value through other comprehensive income	22,615,959	17,940	22,633,899
Total assets	48,363,109	17,940	48,381,049
Amounts due to customers in precious metals	53,156	–	53,156
Total liabilities	53,156	–	53,156

The Bank assesses whether any transfers between levels of the fair value hierarchy are required at the end of each reporting period.

During three months ended 31 March 2020, the Bank did not transfer financial assets from one level of the fair value hierarchy to another level of the fair value hierarchy.

The Bank measures financial assets by discounting cash flows from these instruments using the rates determined on the basis of non-observable market inputs.

Translation from Ukrainian original

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities, recorded at fair value:

	<i>As at 1 January 2020</i>	<i>Profit recognised in the interim condensed consolidated statement of comprehensive income</i>	<i>As at 31 March 2020 (unaudited)</i>
Investment securities at a fair value through other comprehensive income	17,940	259	18,199

	<i>As at 1 January 2019</i>	<i>Profit recognised in the consolidated profit and loss statement (consolidated statement on financial results)</i>	<i>Profit recognised in the consolidated statement of comprehensive income</i>	<i>Settlements</i>	<i>As at 31 December 2019</i>
Investment securities at a fair value through other comprehensive income	16,603	394	1,337	(394)	17,940

The following table shows the quantitative information as at 31 March 2020 about significant unobservable inputs used for the fair valuation of financial instruments classified as those of level 3 of the fair value hierarchy:

<i>As at 31 March 2020 (unaudited)</i>	<i>Carrying value</i>	<i>Valuation technique</i>	<i>Unobservable parameter</i>	<i>Range of parameter values</i>
Investment securities at a fair value through other comprehensive income	18,199	Discounted cash flows	Expected profitability	19.2%–20.4%

<i>As at 31 December 2019 (unaudited)</i>	<i>Carrying value</i>	<i>Valuation technique</i>	<i>Unobservable parameter</i>	<i>Range of parameter values</i>
Investment securities at a fair value through other comprehensive income	17,940	Discounted cash flows	Expected profitability	19.2%–20.4%

18. Related party disclosures

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if they are under common control, or one party has the ability to control the other party or exercise significant influence over the other party in making operational or financial decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions, which unrelated parties might not. The terms and conditions of such transactions may differ from those between unrelated parties.

Transactions and balances with related parties comprise transactions with entities controlled by the state (directly or indirectly, or significantly influenced by the state), and key management personnel.

Balances on operations with key management personnel as at 31 March 2020 and 31 December 2019 and related income and expense for three months ended 31 March 2020 and 2019 are as follows:

	<i>Key management personnel</i>	
	<i>31 March 2020 (unaudited)</i>	<i>31 December 2019</i>
Loans to customers, total	–	153
Less – provision for expected credit losses	–	(1)
Loans to customers, net	–	152
Other assets	6	5
 Current accounts	 7,597	 6,434
Time deposits	3,727	19,701
Amounts due to customers	11,324	26,135
Other liabilities	38	23

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

For the period ended 31 March

	2020	2019
	(unaudited)	
Interest income on loans	–	15
Interest expense on customers' deposits	(291)	(219)
Commission income	5	4
Translation differences	(2,157)	(286)

For three months ended 31 March 2020, the total remuneration and other benefits paid to key management personnel amounted to UAH 35,933 thousand (including UAH 84 thousand of payments to the non-state pension fund) (31 March 2019: UAH 16,135 thousand (including UAH 427 thousand of payments to the non-state pension fund)).

In the normal course of business, the Bank enters into contractual agreements with the Government of Ukraine and entities controlled, either directly or indirectly, or significantly influenced by the state. The Bank provides such entities with a full range of banking service including, but not limited to, lending, deposit-taking, issue of guarantees, transactions with securities, cash and settlement transactions.

Balances with government-related entities which are material in terms of the carrying value as at 31 March 2020 (unaudited) were as follows:

Customer	Sector	Cash and cash equivalents	Loans to customers	Amounts due to customers	Guarantees issued
Customer 1	State entities	–	–	4,552,009	–
Customer 2	State entities	–	–	982,606	–
Customer 3	State entities	–	–	727,478	–
Customer 4	Agriculture and food industry	–	–	11,518,415	–
Customer 5	Agriculture and food industry	–	620,666	–	–
Customer 6	Finance	7,264,684	–	–	–
Customer 7	Finance	–	–	706,186	–
Customer 8	Extractive industry	–	5,132,587	2,536,413	–
Customer 9	Energy	–	5,327,592	–	–
Customer 10	Mechanical engineering	–	2,394,606	–	552,327
Customer 11	Mechanical engineering	–	–	–	275,134
Customer 12	Transport and communication	–	2,212,785	–	–
Customer 13	Trade	–	–	1,002,946	709,782
Customer 14	Trade	–	–	–	565,072
Customer 15	Trade	–	–	–	56,948
Other	–	–	1,747,260	7,536,510	–

Balances with government-controlled entities which are material in terms of the carrying value as at 31 December 2019 were as follows:

Customer	Sector	Cash and cash equivalents	Loans to customers	Amounts due to customers	Guarantees issued
Customer 1	State entities	–	–	4,041,851	–
Customer 2	State entities	–	–	1,049,756	–
Customer 3	State entities	–	–	614,338	–
Customer 4	Agriculture and food industry	–	–	10,970,272	–
Customer 5	Agriculture and food industry	–	720,824	–	–
Customer 6	Finance	8,748,919	–	–	–
Customer 9	Energy	–	4,581,405	–	–
Customer 8	Extractive industry	–	4,337,341	–	–
Customer 10	Mechanical engineering	–	2,103,673	–	542,352
Customer 11	Mechanical engineering	–	–	–	282,719
Customer 12	Transport and communication	–	2,308,319	–	–
Customer 13	Trade	–	–	1,001,638	609,862
Customer 14	Trade	–	–	–	506,954
Customer 15	Trade	–	–	–	49,770
Customer 16	Professional, scientific and engineer work	–	538,546	–	–
Other	–	–	1,030,327	6,702,779	–

For three months ended 31 March 2020, the Bank recorded UAH 565,983 thousand (31 March 2019: UAH 648,674 thousand) of interest income from material transactions with government-controlled entities, including interest income of UAH 193,454 thousand (31 March 2019: UAH 13,411 thousand) from transactions with the NBU deposit certificates with maturity up to 90 days and interest expenses of UAH 138,750 thousand (31 March 2019: UAH 354,134 thousand).

Joint Stock Company	Notes to Interim condensed consolidated financial statements
The State Export-Import Bank of Ukraine	for three months ended March 31, 2020
<i>(in UAH thousand, unless otherwise defined)</i>	

As at 31 March 2020 and 31 December 2019 the Bank's investments in debt securities and shares issued by the state or the government-controlled corporate entities were as follows:

	31 March 2020 (unaudited)	31 December 2019
Investment securities at fair value through profit or loss	27,958,544	25,731,49
Investment securities at fair value through other comprehensive income	15,410,710	22,629,191
Investment securities at amortized cost	1,596,594	–

For three months ended 31 March 2020, the Bank recorded UAH 642,651 thousand (31 March 2019: UAH 868,999 thousand) of interest income from transactions with Ukrainian state bonds, and UAH 18,171 thousand (31 March 2019: UAH 65,134 thousand) of interest income from transactions with other investment securities.

19. Capital adequacy

The Bank pro-actively manages its exposures to ensure that it maintains an adequate capital level to cover external risks inherent in the business. The Bank's capital adequacy is monitored using the ratios established by the NBU and the Basel Capital Accord 1988.

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and proper capital ratios in order to support its business activities and maximise the shareholder's value.

The Bank manages its capital structure and respectively adjusts it subject to changes in economic conditions and the risk profile of its business activity.

Capital adequacy ratio under the NBU requirements

The Bank's regulatory capital adequacy ratio was as follows:

	31 March 2020 (unaudited)	31 December 2019
Main capital	5,440,604	7,259,391
Additional capital, calculated	4,170,246	6,432,082
Additional capital, included in calculation of capital (limited to the main capital)	4,170,246	6,432,082
Total regulatory capital	9,610,850	13,691,473
Risk weighted assets	71,925,724	67,763,579
Main capital adequacy ratio	7.56%	10.71%
Regulatory capital adequacy ratio	13.36%	20.20%

Starting from January 2019, the NBU introduced the main capital adequacy ratio.

The regulatory value of the main capital adequacy ratio must be at least 7%.

Regulatory capital comprises Tier 1 capital (main capital), consisting of paid-in registered share capital plus reserves less expected losses, and Tier 2 capital (Additional capital), consisting of asset revaluation reserve, current profit, subordinated debt and retained earnings. For regulatory capital calculation purposes Tier 2 capital amount is limited to 100% of Tier 1 capital.

Capital adequacy ratio under Basel Capital Accord 1988

The Bank's capital adequacy ratios, computed in accordance with the Basel Capital Accord 1988 were as follows

	31 March 2020 (unaudited)	31 December 2019
Tier 1 capital	5,872,277	7,944,342
Tier 2 capital, calculated	1,588,085	4,945,054
Tier 2 capital, included in calculation of capital	1,588,085	4,945,054
Total capital	7,460,362	12,889,396
Risk weighted assets	72,684,932	66,009,562
Tier 1 capital adequacy ratio	8.1%	12.0%
Capital adequacy ratio, total	10.3%	19.5%