

Bank in the World

U K R

EXIM

BANK

World in the Bank



Investor presentation

3m2021 results

Kyiv, May 2021

Agenda

Overview	1
Operating results	10
Major events	13
Balance sheet & Income statement summary	16



- Established in 1992
- Leading corporate sector lender with focus on long-term and investment loans
- One of the leading providers for structured and trade finance
- Top Ukrainian bank to partner IFIs under various multilateral programs
- Prime channel of settlements related to international economic activity
- Sole Financial Agent for the Government

Selected IAS 34 figures as at 01.04.2021 (unaudited)	
	UAH mln
Total Assets, incl:	189,602
• loans to customers (net)	50,146
• Investment securities	81,908
Total Liabilities, incl:	179,268
• due to customers	124,830
• Eurobonds Issued (incl. subordinated)	12,475
• due to IFIs	24,435
Total Equity	10,335

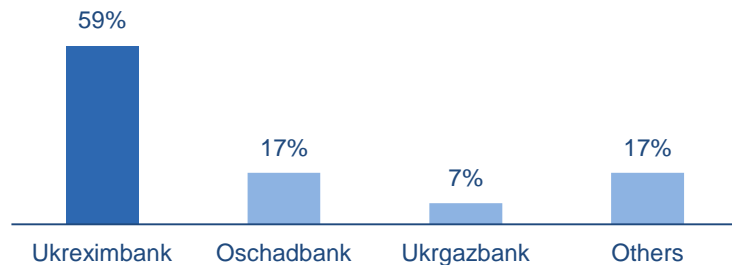
Ownership:	Cabinet of Ministers of Ukraine, 100%
Branch network :	22 branches, 38 sub-branches, 2 Representative offices (London, New York)
Customers:	corporate – over 32,000 individual – over 680,000
Employees:	3,125
Head Office:	Kyiv, Ukraine

Ratings	FitchRatings	MOODY's
Long-term foreign currency	B (Stable)	B3 (Stable)
Long-term local currency	B (Stable)	B3 (Stable)

Leading market position

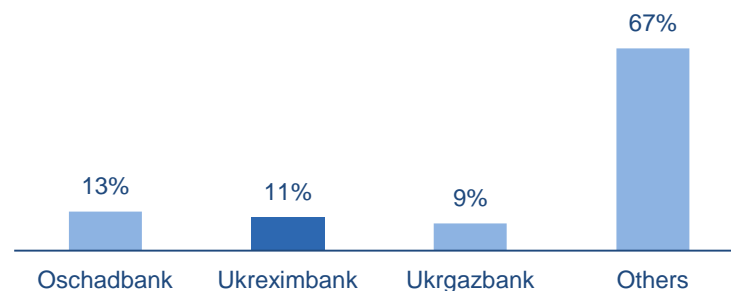


Top Ukrainian bank by capital markets and IFIs funding



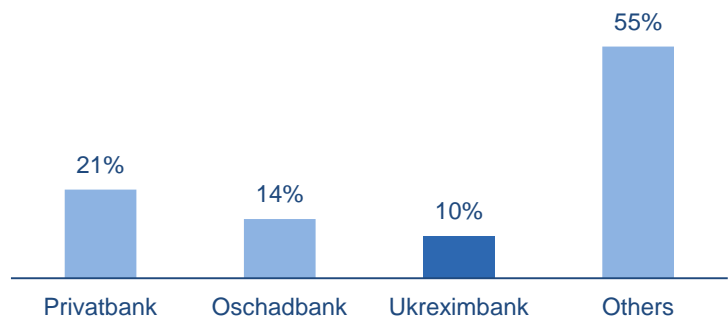
market share by capital markets & IFI funding

Leading corporate sector lender and provider for structured and trade finance



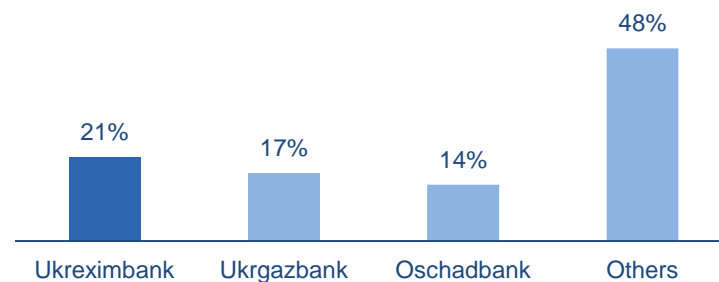
market share by loans to corporate customers (net)

3rd largest bank in Ukraine by assets



market share by assets (net)

The largest bank in Ukraine by corporates' time deposits



market share by corporates' time deposits



Best practice corporate governance meets strict principles and guidelines

- OECD Principles of Corporate Governance
- OECD Guidelines on Corporate Governance of State-Owned Enterprises
- Basel Committee's Corporate governance principles for banks
- The majority of the Supervisory Board are independent members
- Key management is appointed to positions through competitive selections



Diversified business & asset structure

- Loan book focused on corporate clients with strong sector diversification
- Investment portfolio of safe and liquid Ukrainian state bonds
- Project finance through IFI programs
- Strong documentary business and trade finance franchise
- Extensive network of correspondent banks



Stable funding base

- Clients' funds with high roll-over ratio
- Financing via IFIs loans and project finance
- Benefit from access to debt capital market
- \$3 bln Eurobonds issued since 2004
- The only bank in Ukraine that issued Eurobonds in local currency (\$450 mln equivalent total)



State commitment

- 100% state ownership
- Maintained capitalisation through equity injections
- Recognized by the National Bank as a systemically important bank
- Sole Financial Agent for the Government on official foreign loans and IFI projects



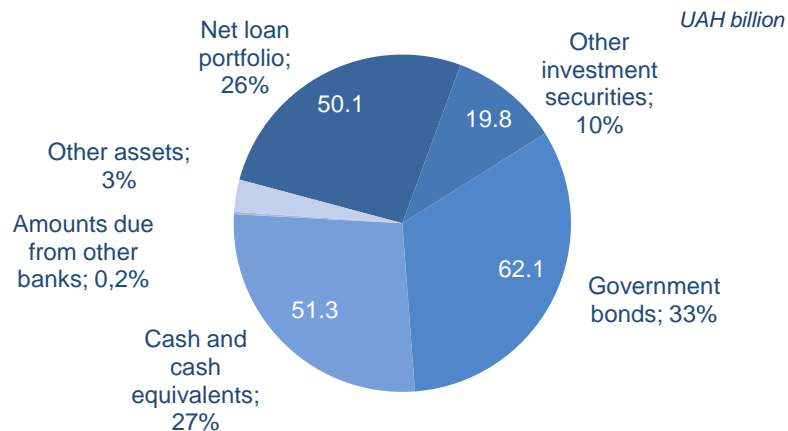
Agent partner to IFIs

- Export development projects with IBRD in the amount of \$525 mln
- Energy efficiency programs with IBRD, EBRD & GCPF aggregate of \$500 mln
- SME & Mid-caps facilities from IBRD & EIB - total commit. \$640 mln
- Trade facilitation programs with EBRD & IFC - total commit. \$350 mln

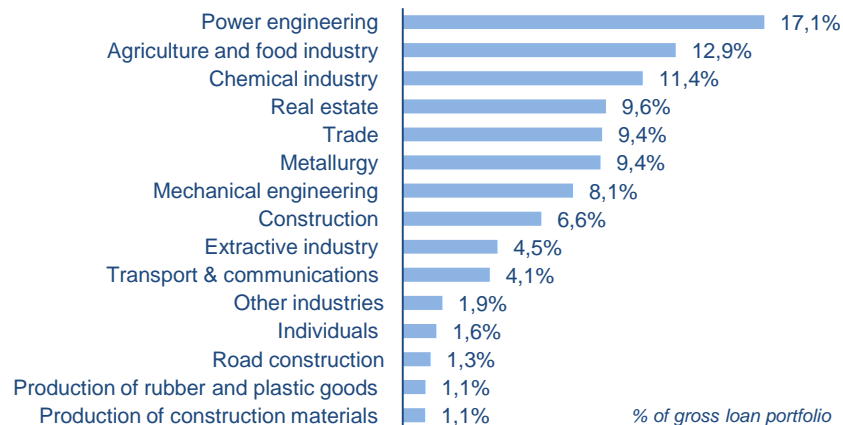
Diversified asset structure



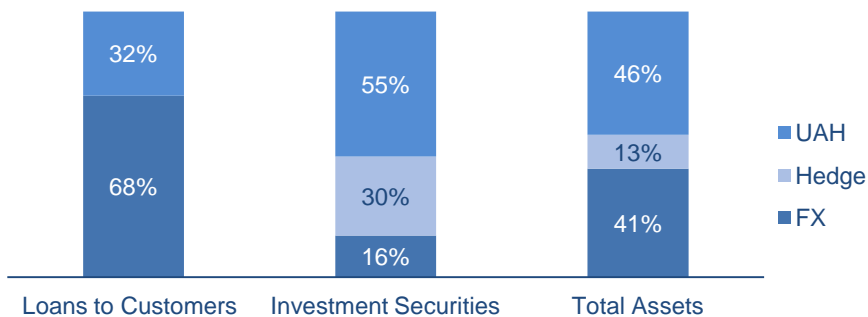
Highly liquid assets structure with large share of comparatively low-risk Government bonds



Diversified loan book with strong emphasis on export-oriented corporate clients



Currency breakdown of assets



Strong documentary business and trade finance franchise

- Over \$1bln annual turnover in trade finance transactions
- Ukreximbank clients enjoy favorable terms of trade finance lines from EBRD and IFC:



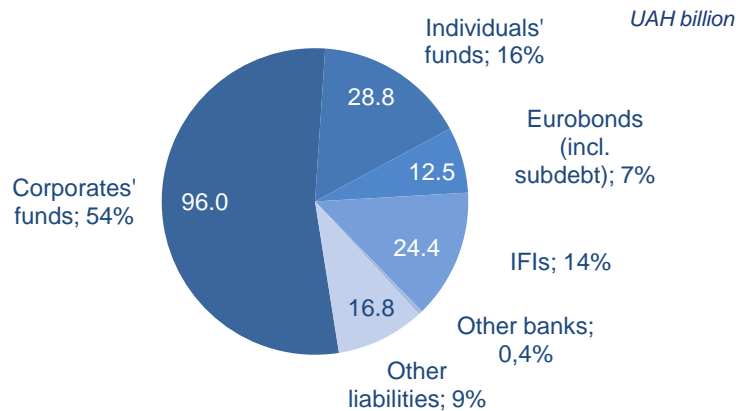
Global trade finance guarantees programme

Trade facilitation programme

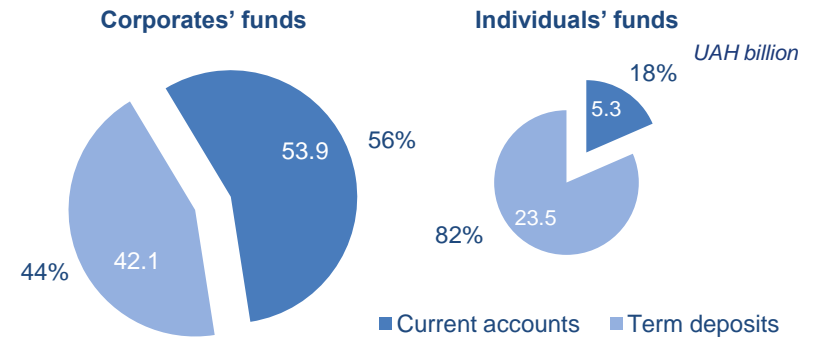
Stable funding base



Funding base of the Bank primarily consists of corporate and individual clients' funds

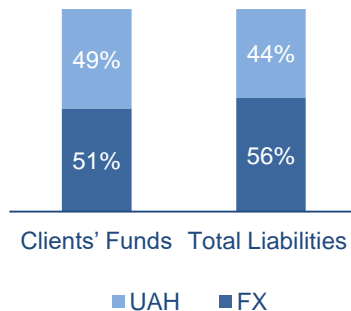


Clients' funds comprise of term deposits and low-cost current accounts with high roll-over ratio

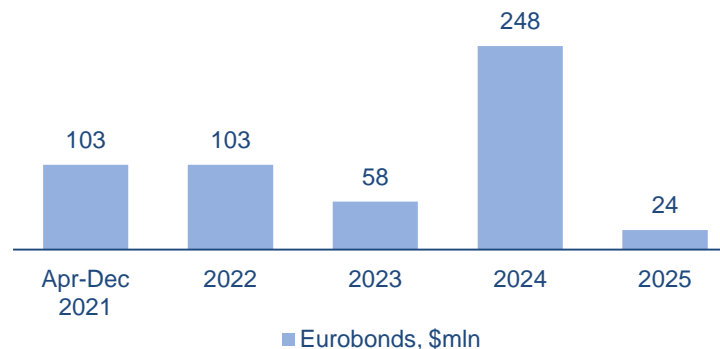


as at 01.04.2021

Currency breakdown of liabilities



Smooth Eurobonds maturity profile with manageable peak in 2024



The Bank enjoys financing via various IFIs loans and projects

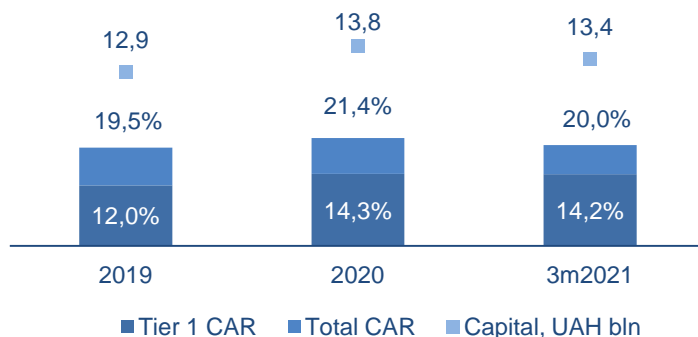


NEFCO

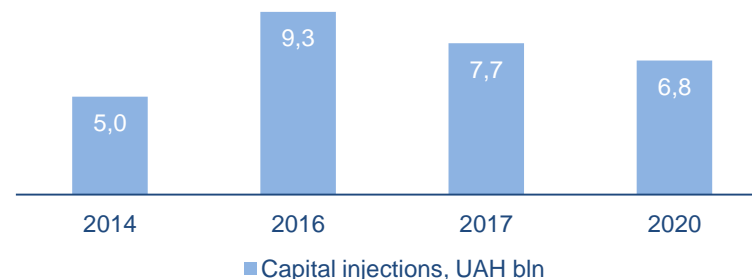
State commitment. Stable capital position



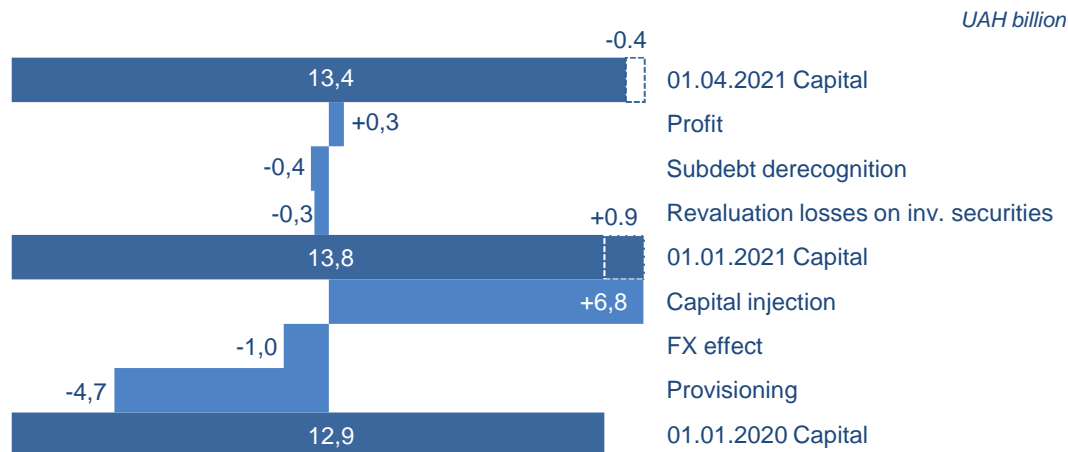
Strong capital position...



..supported by capital injections from the state as a shareholder



Capital injection in 2020 eliminated the provisioning pressure on the capital.
Subdebt amortisation in 1Q2021 slightly shortened the capital



The state remains supportive to the Bank given it's systemic importance

Moody's

"The B3 long-term deposit ratings assigned to Ukreximbank incorporates a one-notch uplift from the bank's BCA of caa1, given a **very high probability of support from the government**"

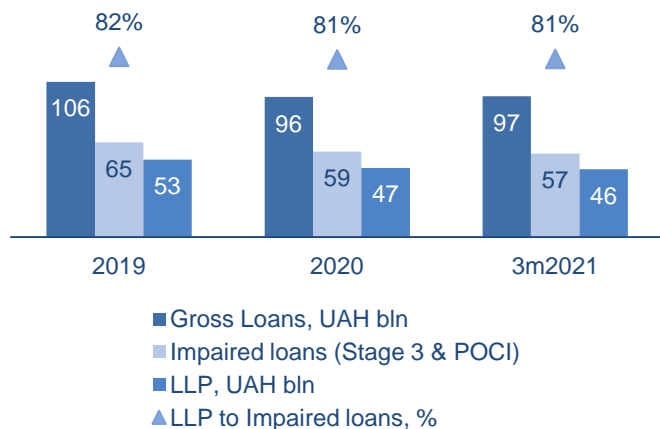
FitchRatings

"The **propensity of the Ukrainian authorities to provide support remains high**, in Fitch's view, taking into account the bank's full ownership by the state, systemic importance and the record of capital support provided under different governments"

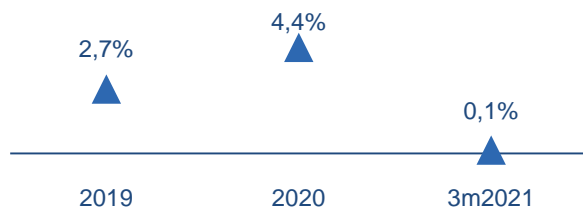
Loan portfolio quality



Loss absorption capacity supported by substantial loan-loss reserves coverage



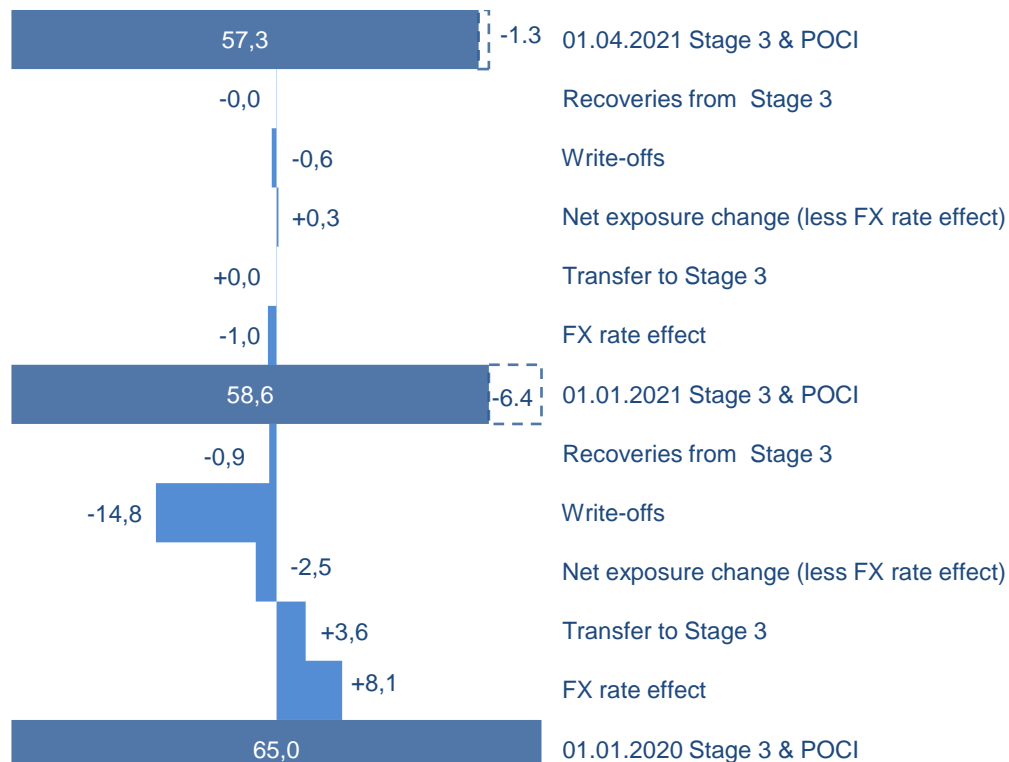
Cost of risk* came close to zero in 1Q2021 after provisioning peak in 2020



*Loan loss provisions (annualised) as % of average gross loans

Stage 3 & POCI loans decreased by about UAH 8 billion during 2020-1Q2021

UAH billion





FitchRatings

Long-term foreign currency issuer default rating	B	Stable
Foreign currency senior unsecured debt rating	B	
Long-term local currency issuer default rating	B	Stable
Short-term foreign currency issuer default rating	B	

MOODY'S

Long-term foreign-currency senior unsecured debt rating	B3	Stable
Long-term local-currency deposit rating	B3	Stable
Long-term foreign currency deposit rating	B3	Stable
Long-term foreign-currency subordinated debt rating	Caa1	

RECENT RATING ACTIONS

21 October 2020: Fitch Ratings affirmed the Long-Term Issuer Default Ratings (IDRs) of Ukreximbank at 'B' with a Stable Outlook. Fitch also affirmed the Viability Rating (VR) at 'ccc+' level. The affirmation of the IDRs, Support Rating and Support Rating Floor reflects Fitch's view of potential support the bank could receive from the government of Ukraine (B/Stable), if needed. The Stable Outlook on the IDRs mirrors that on the sovereign. Senior unsecured debt ratings of Ukreximbank, issued by UK-registered BIZ Finance PLC, are aligned with the bank's Long-Term Foreign- and Local-Currency IDRs.

10 December 2020: Moody's upgraded the long-term foreign-currency deposit rating of Ukreximbank to B3 (stable) from Caa1 following the change in the FC ceiling of Ukraine (B3 stable). Ukreximbank's long-term deposit ratings incorporate a one-notch uplift based on the bank's Baseline Credit Assessment (BCA) of caa1, which reflects a very high probability of government support.

Credit strengths:

- » Very high probability of government support
- » Good liquidity
- » Track record of capital support from the state

12 October 2020: Moody's upgraded the Ukreximbank's BCA to caa1 from caa2 and subordinated debt rating to Caa1 from Caa2.

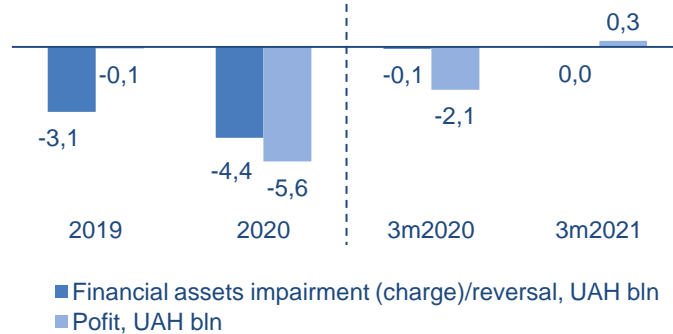
Agenda

Overview	1
Operating results	10
Major events	13
Balance sheet & Income statement summary	16

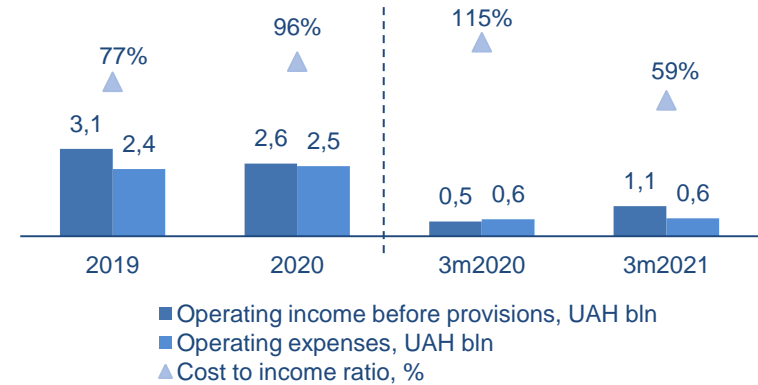


Profitability improved with refined balance sheet

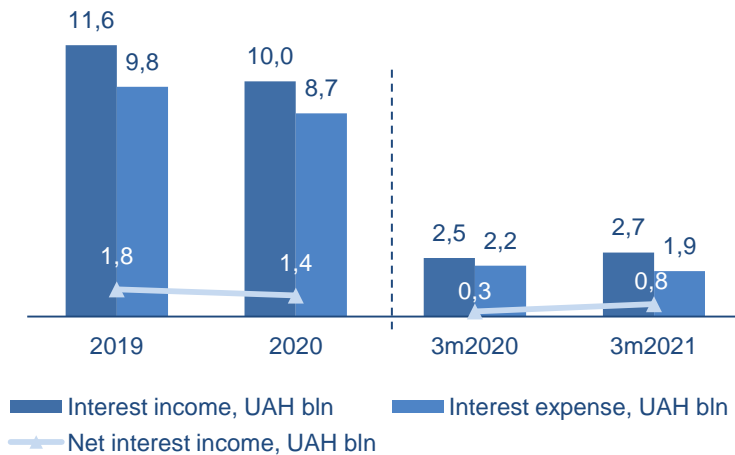
Return to profitability in 1Q2021 with zero cost of risk



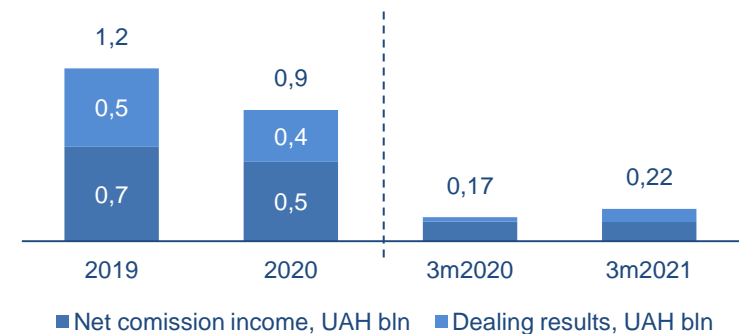
Operating income expanded in 1Q2021 driven by improved net interest income



Net interest income increased in 1Q2021 due to both decreased cost of funding and improved interest income



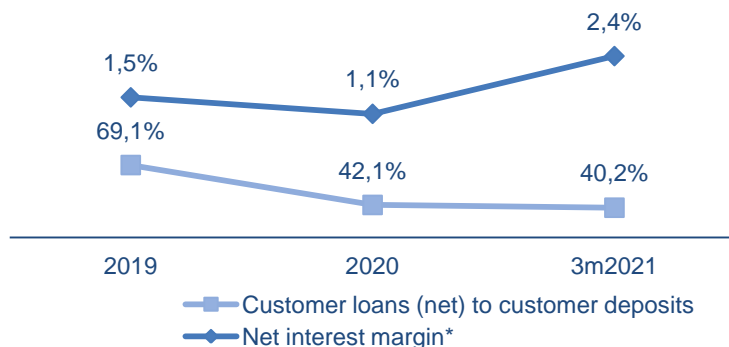
Dealing and commission income exceeds pre-quarantine level



Asset structure focusing on marginality and preserving liquidity

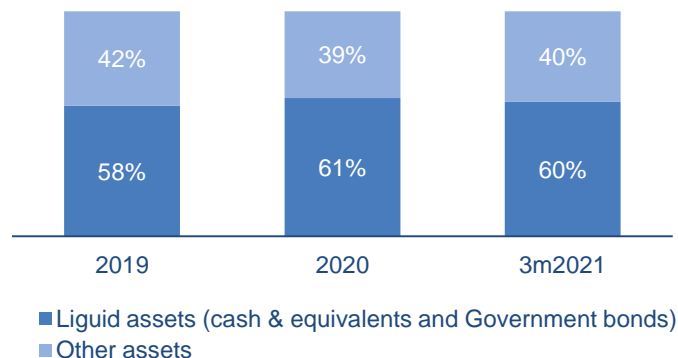


Net interest margin doubled with adjusted balance sheet...

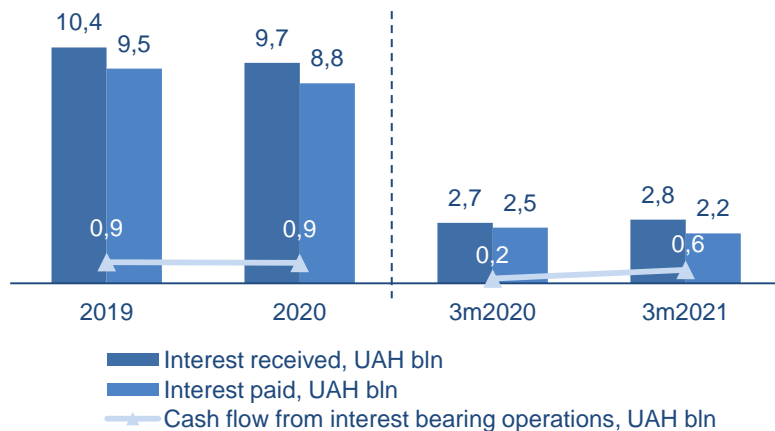


*NIM over net customer loans, interbank loans and securities

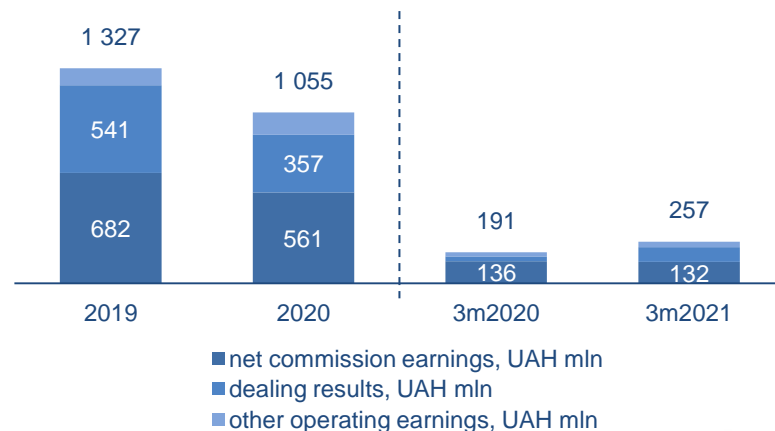
...maintaining substantial liquidity cushion



Cash flow from interest bearing operations increased on the back of reduced cost of funding



Dealing and commissions earnings recover after 2020 quarantine deceleration



Agenda

Overview	1
Operating results	10
Major events	13
Balance sheet & Income statement summary	16



The Government adopted the development strategy of Ukreximbank

Ukreximbank will undergo a complex transformation based on three components:

- business model: focusing on its core business (export-import companies, state-owned enterprises) and reducing the cost of serving other customers;
- operative model: process optimization and radical digitalization with reduced physical presence;
- financial sustainability: focusing on improving its financial and capital position.

By 2024 the bank's RWA are expected to increase while the balance sheet currency will decrease due to the sale of securities. The Bank will strive to achieve a projected net profit of ~UAH 3.0 billion, ROE at 22% and cost-to-income ratio at 36%. By 2024, the bank should gradually reduce real estate, number of its branches almost twice and number of employees almost three times. It also envisages that Ukreximbank will work to improve the capital situation by settling non-performing assets.

Ukreximbank carried out an LME on its notes issued on international markets

On October 26, 2020 the Bank officially invited holders of the outstanding Notes due 2025 with a coupon of 9.75% and Notes 2022 with a coupon of 9.625%, issued by Biz Finance PLC, to tender up to USD 300 mln in aggregate principal amount of such Notes for repurchase.

On November 10, 2020 the Bank repurchased aggregate principal amount of:

- the Notes due 2022 – in the aggregate principal amount of USD 84,047,000;
- the Notes due 2025 – in the aggregate principal amount of USD 215,948,000.

Ukreximbank management and structure transformation

In March 2020, according to the results of competitive selection conducted by the Bank's Supervisory Board, Ievgen Metsger was appointed to the position of Chairman of the Management Board.

Following appointment of CEO, the Supervisory Board appointed new members of the Management Board.

Ukreximbank structure was deeply reshuffled and transformed in order to effectively implement the new management plan and achieve strategy targets.

Proactive NPL management

Ukreximbank has developed a Strategy of managing bad debts and Operational Plan for implementation of the problem assets management Strategy.

During 2020 – 1Q2021 the bank has already received more than UAH 1 billion proceeds from sale of NPLs and has written-off UAH 15 billion NPL for the account of reserves.



Ukreximbank enhances access to funding with the IFIs

In August 2020 Ukreximbank has raised another EUR 182 million tranche of a loan under a joint program with the European Investment Bank to support a Deep and Comprehensive Free Trade Area (DCFTA) between Ukraine and the EU. The goal is to develop private business in Ukraine, expand access of enterprises to medium and long-term financing, strengthen the position of Ukrainian enterprises in international trade, energy efficiency and renewable energy, and environmental protection.

In March 2021 EIB has signed an agreement with Ukreximbank to increase the funding limit of the DCFTA Support Facility project to €280 million. Additional €20 million loan will be provided via a parallel cross-currency swap in UAH and will be on-lent to local private businesses with a focus on SMEs.

In March 2021 Ukreximbank and NEFCO have signed a loan agreement for setting up a new EUR 10 million green facility to support the implementation of renewable energy and energy-efficiency projects in Ukraine.

Ukreximbank received UAH 6.8 billion capital injection from the government

At the end of September 2020, the government of Ukraine injected UAH 6.8 billion of new capital into Ukreximbank in the form of domestic government bonds.

Return to profit in 2021

Ukreximbank received UAH 580 million profit in 4m2021 boosting operating profitability due to rehabilitation of its balance sheet and proactive measures in NPL management.

The NBU confirmed a systemically important status of Ukreximbank

In March 2021 the NBU updated the list of systemically important banks, which confirmed the status of Ukreximbank. Increased requirements are set for systemically important banks to ensure their stability.

Agenda

Overview	1
Operating results	10
Major events	13
Balance sheet & Income statement summary	16

Statement of financial position summary



Thousands of Ukrainian hryvnia	31 March 2021 (unaudited)	31 December 2020 (audited)	31 December 2019 (audited)
Cash and Cash Equivalents	51,302,069	49,912,943	33,469,935
Due from Credit Institutions	434,903	370,160	256,172
Loans to Customers	50,148,965	48,608,320	53,285,804
Investment Securities designated at fair value through profit or loss	27,979,033	29,008,521	25,731,949
Investment Securities designated at fair value through other comprehensive income	15,779,218	14,543,523	22,633,899
Other Investment Securities	38,150,068	45,174,610	-
Investment Property & Equipment	3,090,403	3,111,210	2,652,047
Other Assets	2,749,861	2,145,988	2,316,518
Total Assets	189,634,520	192,875,275	140,346,324
Current Accounts and Deposits from Customers	124,829,424	115,581,108	76,621,910
Loans from Credit Institutions	25,204,260	26,119,028	21,825,762
Due to NBU	15,526,850	16,008,768	-
Eurobonds Issued	8,439,011	18,537,152	26,553,076
Subordinated Debt	4,036,185	4,341,176	5,429,914
Other Liabilities	1,260,500	1,939,147	998,437
Total Liabilities	179,296,230	182,526,379	131,429,099
Share Capital	45,570,041	45,570,041	38,730,042
Revaluation Reserves	206,135	525,683	337,779
Result from transactions with the shareholder	635,104	635,104	635,104
Reserve and Other Funds	207,458	207,458	162,926
Accumulated Losses	(36,280,448)	(36,589,390)	(30,948,626)
Total Equity	10,338,290	10,348,896	8,917,225
Total Liabilities and Equity	189,634,520	192,875,275	140,346,324



Income statement summary

Thousands of Ukrainian hryvnia	31 March 2021 (unaudited)	31 December 2020 (audited)	31 December 2019 (audited)
Interest Income	2,730,893	10,032,745	11,568,804
Interest Expense	(1,927,995)	(8,663,457)	(9,793,136)
Net Interest Income	802,898	1,369,288	1,775,668
Net Fee and Commission Income	132,138	548,311	651,788
Net Gain/(Loss) from FX :			
- dealing	114,536	366,193	541,206
- translation differences	347,311	(4,436,620)	3,970,946
Net Gain/(Loss) on investment securities at fair value through profit or loss	(990,975)	3,450,489	(924,980)
Net Gain/(Loss) on investment securities at fair value through other comprehensive income, reclassified from statement of comprehensive income at redemption	5,339	(34,113)	(7,780)
Net Gain/(Loss) from precious metals	(611)	4,601	627
Net Gain/(Loss) from derivatives	584,094	97,280	-
Other Income	34,015	283,659	104,883
Other Net Non-interest Income/(Loss)	93,709	(268,511)	3,684,902
(Expenses)/Reversal of expenses for the expected credit losses	(10,047)	(4,324,502)	(2,889,218)
Net (Loss)/Gain on modification of financial assets measured at amortised cost	319	(119,021)	(254,832)
Net (Loss)/Gain on derecognition of financial assets measured at amortised cost	-	413,121	146,144
Net (Loss)/Gain on derecognition of financial commitments measured at amortised cost	-	(384,396)	-
Net Gain/(Loss) on impairment for credit-related commitments	(100,087)	(82,080)	18,619
General & Administrative, Other Expenses	(614,918)	(2,467,716)	(2,498,493)
Profit/(Loss) before Taxes	304,012	(5,315,506)	634,578
Income Tax (Expense)/Benefit	-	(275,861)	(569,298)
Profit/(Loss) for the Period	304,012	(5,591,367)	65,280



This presentation prepared by JSC Ukreximbank adheres to informative purposes only. This presentation and its contents are proprietary with all rights reserved by JSC Ukreximbank. Any further dissemination, reproduction, redistribution or unauthorized use of the information provided herein in whole or in part or in any form or manner without prior express consent of JSC Ukreximbank is strictly prohibited.

Any information, data, opinion or forecast in JSC Ukreximbank presentation should not be deemed as official, formal or definitive, since it has not been independently verified and merely states our judgment as subject to change without notice. JSC Ukreximbank makes no representation or warranty, expressed or implied, as regards the accuracy, completeness or fairness of the information contained herein. JSC Ukreximbank, all its offices, employees, shareholder or other persons disclaim all liability for accuracy of information and data, any omissions and changes made thereof, or any expense, loss or damage incurred, directly or indirectly, as a result of using or relying upon the content, even if such parties have been advised of the possibility of such damages. Any decision is to be taken at the reader's sole discretion and must not rely on any information or forecasts provided herein. Any past performance is not indicative for future results.

JSC Ukreximbank does not undertake to regularly update or modify the information provided in this presentation, or to make any corrections of errors, inaccuracies or omissions made in view of possibility of human or mechanical error. Objectivity of any opinion may be affected by conflict of interest.

This presentation does not constitute or form part of, and should not be construed as an offer or invitation to sell securities of JSC Ukreximbank, or the solicitation of an offer to subscribe for or purchase securities of JSC Ukreximbank, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. The recipients of this information are required to consider the appropriateness of any investment decision having regard to their own circumstances, and appeal to any legal or other professional official advice, and make their own independent investigations and appraisals of the business and financial condition of JSC Ukreximbank and the nature of the securities before taking any investment decision with respect the securities of JSC Ukreximbank, and assume all the risks to be undertaken.

This presentation may contain future expectations and forward-looking statements referred to the management's views, estimations, assumptions and anticipations, which comprise possible risk of material deflection of actual results and performance compared to those anticipated. Such forward-looking statements include, without limitation, any statements preceded by, followed by or including the words "targets," "believes," "expects," "aims," "intends," "may," "anticipates," "would," "could" or similar expressions or the negative thereof. These forward-looking statements, introduced as at the date of this presentation, are based on numerous opinions and assumptions regarding JSC Ukreximbank's present and future strategies and are subject to change on the back of macroeconomic and market conditions, changes in legislation and other non-specified factors. All subjects within JSC Ukreximbank structure are in no way responsible for further amending, revising or updating forward-looking statements.

All data related to JSC Ukreximbank performance is based on International Financial Reporting Standards, unless otherwise specified.

JSC Ukreximbank is regulated and supervised by the National Bank of Ukraine.