

Bank in the World

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EXIM

B A N K

World in the Bank



Investor presentation

3m2022

Kyiv, June 2022

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- 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 01.04.2022	
	UAH mln
Total Assets, incl:	187,981
• loans to customers (net)	77,816
• Investment securities	69,557
Total Liabilities, incl:	177,680
• due to customers	115,543
• Eurobonds Issued (incl. subordinated)	8,297
• due to IFIs	21,452
Total Equity	10,300

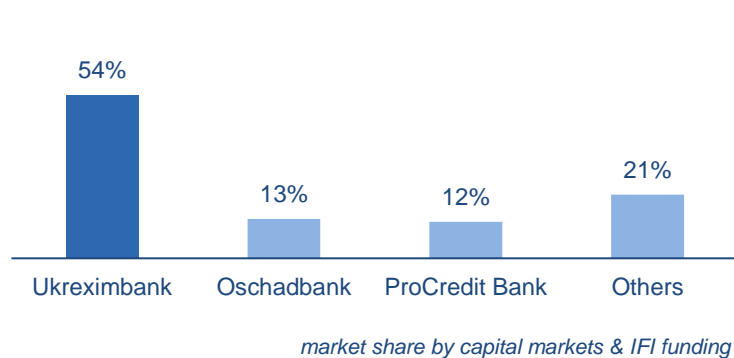
Ownership:	Cabinet of Ministers of Ukraine, 100%
Branch network :	22 branches, 29 sub-branches, 2 Representative offices (London, New York)
Customers:	corporate – over 32,000 individual – over 680,000
Employees:	2,725
Head Office:	Kyiv, Ukraine

Ratings	FitchRatings	MOODY's
Long-term foreign currency	CCC-	Caa3
Long-term local currency	CCC	Caa3

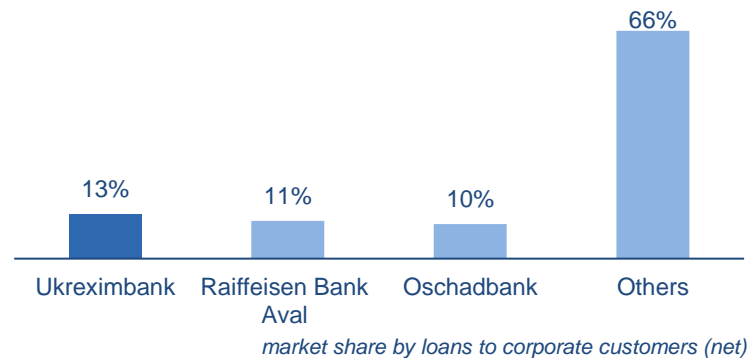
Leading market position



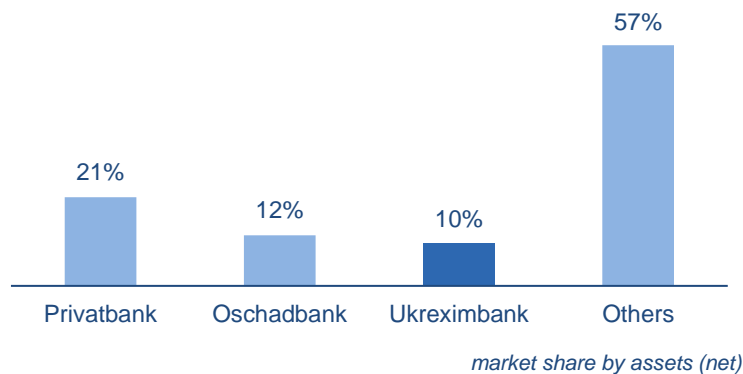
Top Ukrainian bank by capital markets and IFIs funding



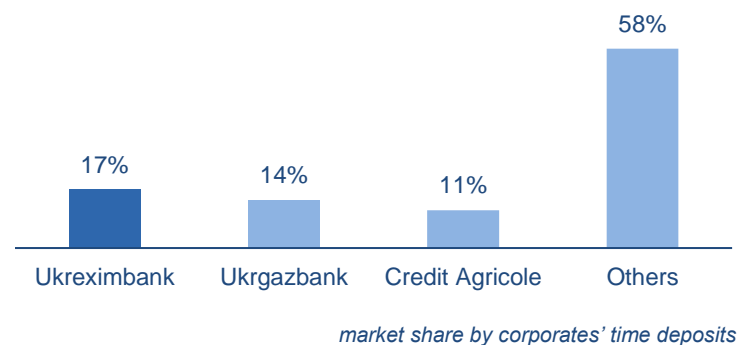
Leading corporate sector lender and provider for structured and trade finance



3rd largest bank in Ukraine by assets



The largest bank in Ukraine 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



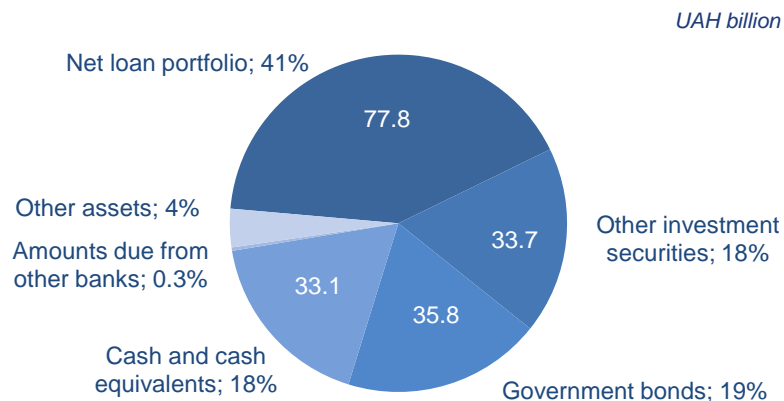
Agent partner to IFIs

- 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

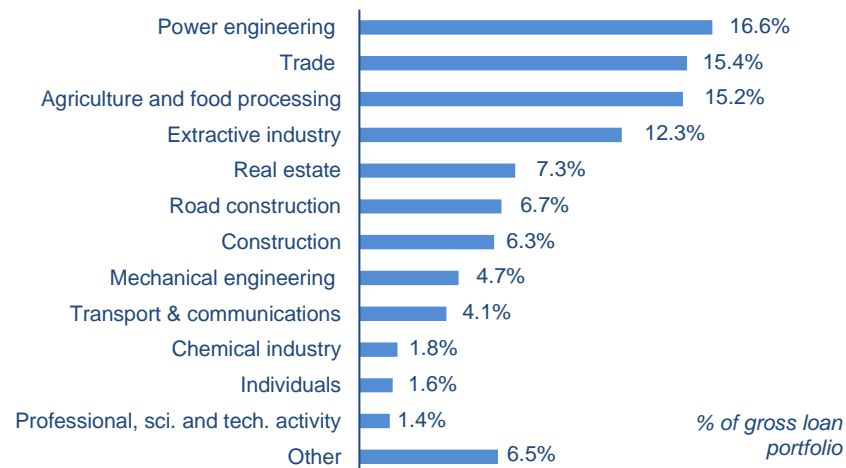
Diversified asset structure



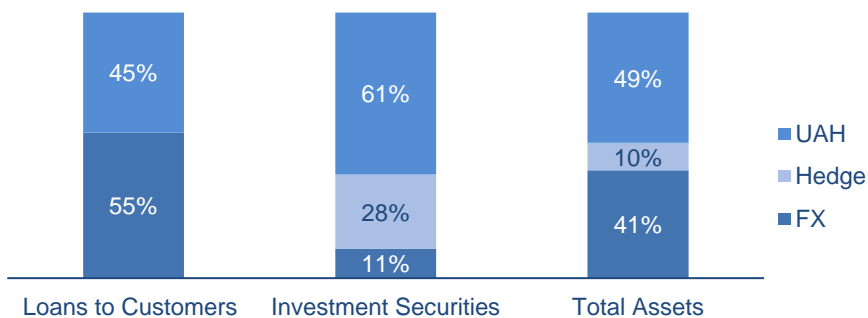
Highly liquid assets structure with large share of comparatively low-risk Government bonds



Diversified loan book with 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:



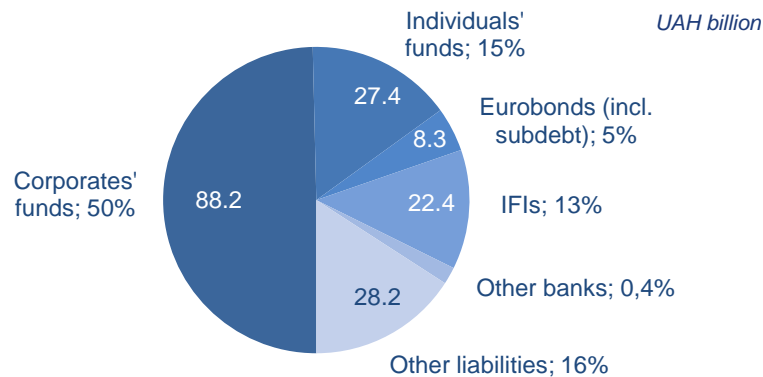
Global trade finance guarantees programme

Trade facilitation programme

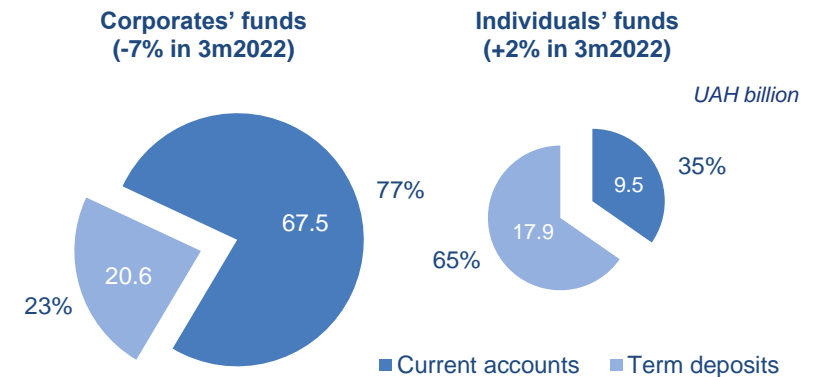
Stable funding base



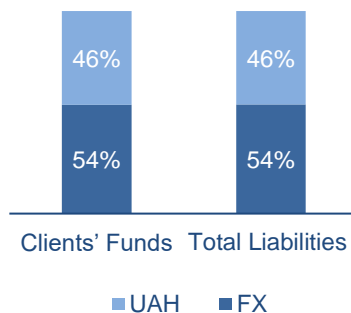
Funding base of the Bank primarily consists of corporate and individual clients' funds



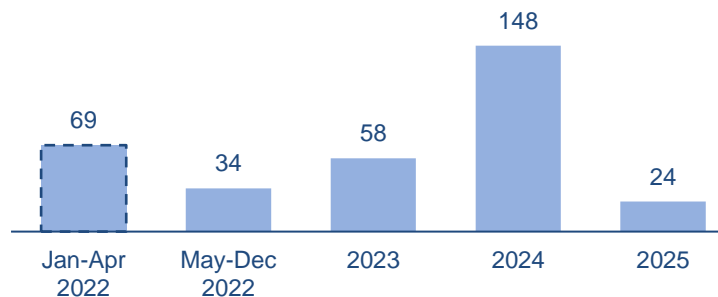
Clients' funds (-5% in 3m2022) comprise of term deposits and low-cost current accounts with high roll-over ratio.



Currency breakdown of liabilities



Smooth Eurobonds maturity profile with manageable peak in 2024.



The Bank enjoys financing via various IFIs loans and projects

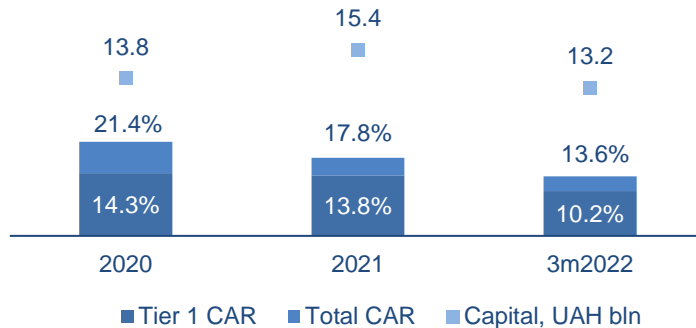


NEFCO

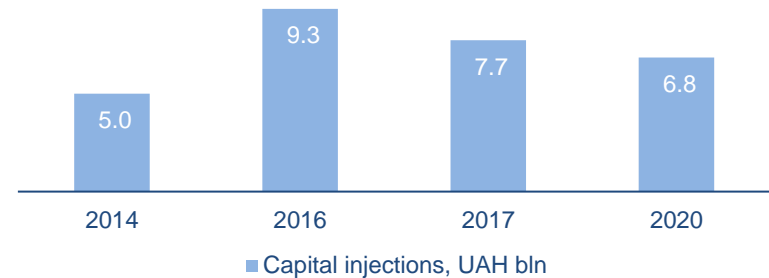
State commitment. Stable capital position



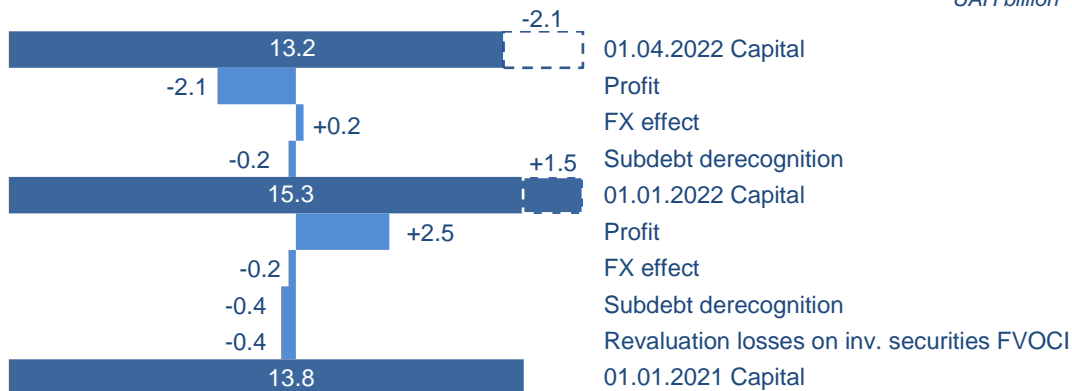
Strong capital position...



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



Russian invasion led to a provisioning pressure on the capital in 3m2022. Additional negative effect on the profit was caused by the revaluation of investment securities at FVPL



The state remains supportive to the Bank given its systemic importance

MOODY'S

"The probability of government support is very high — because of Ukreximbank's ownership by the government, its strategic role in financing foreign trade and its large market share"

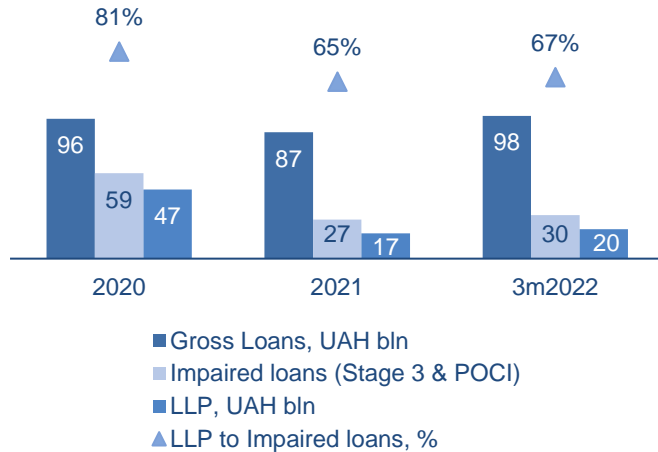
FitchRatings

"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 and systemic importance"

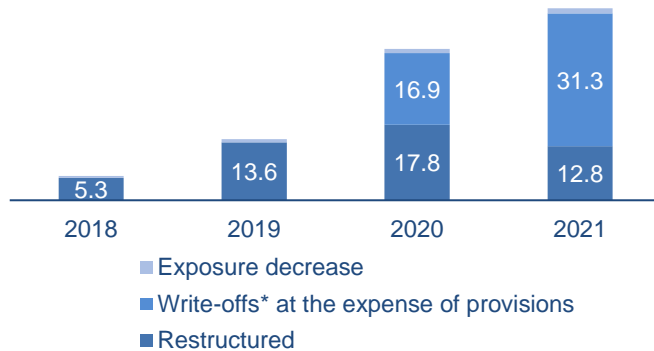


Loan portfolio quality

Loss absorption capacity supported by substantial loan-loss reserves coverage

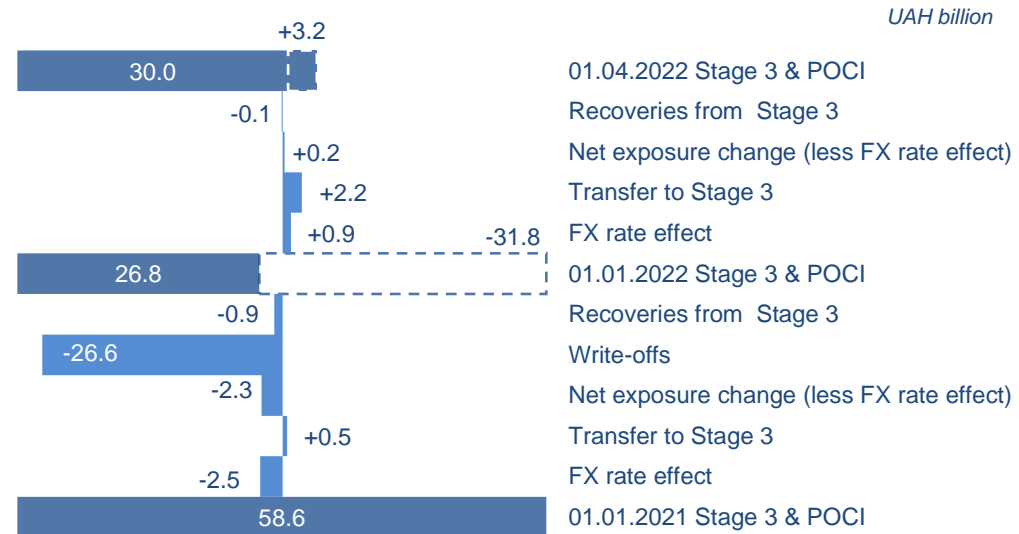


Resolution of NPLs intensified in recent years

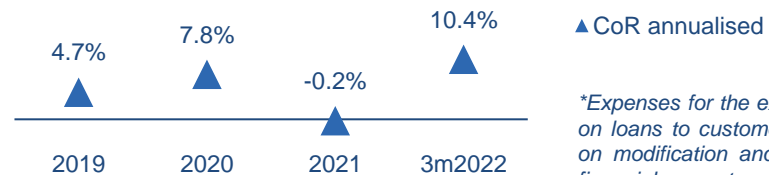


* principal and interest value

The Bank recognised UAH 3.2 billion of new Stage 3 loans in 3m2022. Previously, Stage 3 & POCI loans decreased by UAH 38 billion during 2020-2021



Cost of risk* spiked as a result of provisioning in 3m2022



*Expenses for the expected credit losses on loans to customers, net gains/losses on modification and/or derecognition of financial assets at amortised cost (annualised) as % of average net loans

Credit ratings at sovereign ceiling



FitchRatings

Long-term foreign currency issuer default rating	CCC-
Foreign currency senior unsecured debt rating	CCC-
Long-term local currency issuer default rating	CCC
Short-term foreign currency issuer default rating	C

MOODY'S

Long-term foreign-currency senior unsecured debt rating	Caa3 (Negative)
Long-term local-currency deposit rating	Caa3 (Negative)
Long-term foreign currency deposit rating	Caa3 (Negative)
Long-term foreign-currency subordinated debt rating	Ca

RECENT RATING ACTIONS

March 1, 2022: Fitch Ratings downgraded ratings of Ukreximbank, including the Viability Rating to 'ccc' and the Long-Term Foreign Currency Issuer Default Rating to 'CCC-'. The rating action follows the downgrade of Ukraine's sovereign ratings to 'CCC' from 'B', reflecting the military invasion by Russia, which has resulted in heightened risks to Ukraine's external and public finances, macro-financial and political stability.

October 13, 2021: Fitch Ratings upgraded the Viability Rating (VR) to 'b-' from 'ccc+' and affirmed the Long-Term Issuer Default Ratings (IDRs) at 'B' with a Positive Outlook.

May 24, 2022: Moody's downgraded ratings and assessments of Ukreximbank, following the downgrade of sovereign rating. Ukreximbank's Caa3 (Negative) long-term deposit ratings reflect the bank's Baseline Credit Assessment (BCA) of caa3 (the same level as the sovereign), and captures Moody's view that a protracted military conflict could further negatively impact Ukraine's economic conditions, heightening liquidity challenges and asset risks in the banking system and severely disrupting the banks' operating environment.

March 10, 2022: Moody's downgraded ratings and assessments of Ukreximbank, following the downgrade of Ukraine's sovereign rating triggered by the intensification of Russia's military invasion of Ukraine.

December 16, 2021: Moody's upgraded the Ukreximbank's BCA and adjusted BCA to 'b3' from 'caa1', CRA to 'B2' (cr) from 'B3' (cr) and CRR to 'B2' from 'B3'.

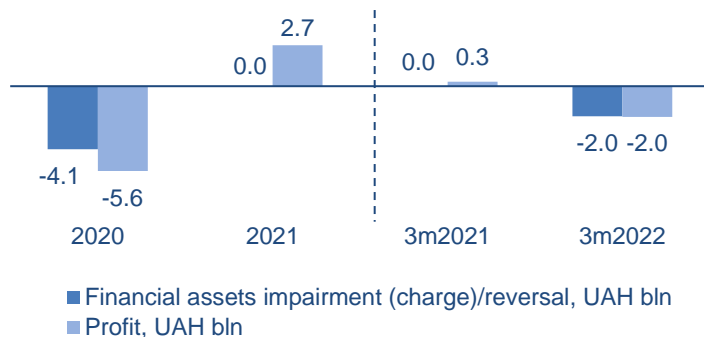
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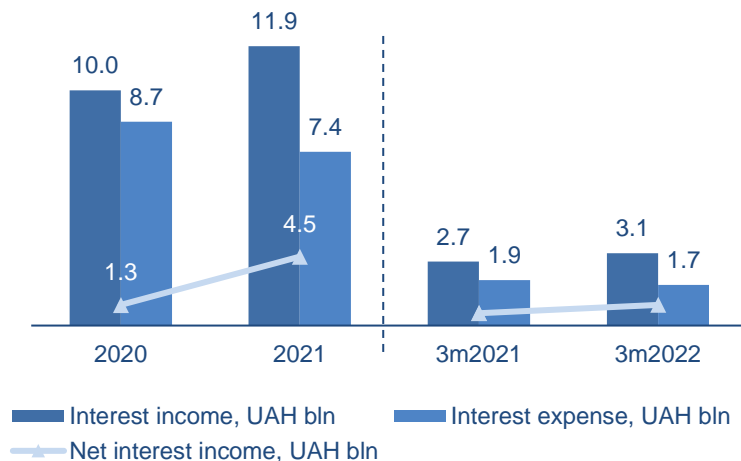
Profitability under pressure of provisioning and revaluations



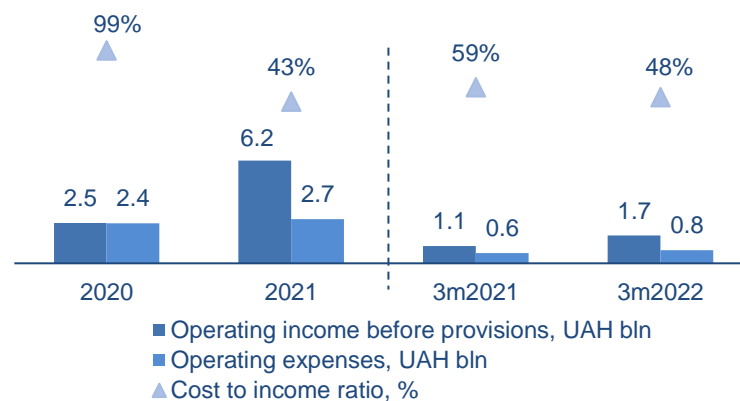
Loss in 3m2022 as a result of the high cost of risk and the revaluation of investment securities at FVPL



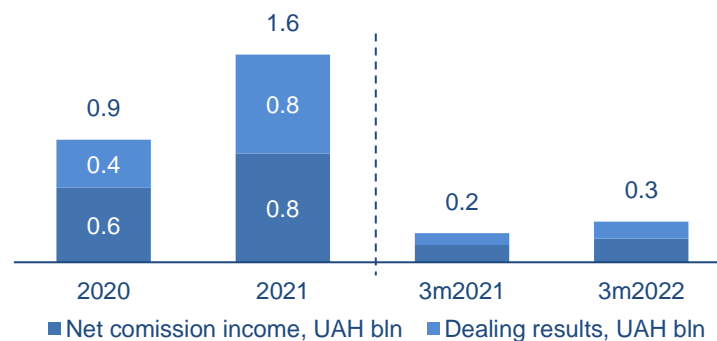
Net interest income increased in 2021 due to both decreased cost of funding and improved interest income. Positive trend is preserved in 3m2022



Operating income preserved in 3m2022 after the expansion in 2021 driven by improved net interest income



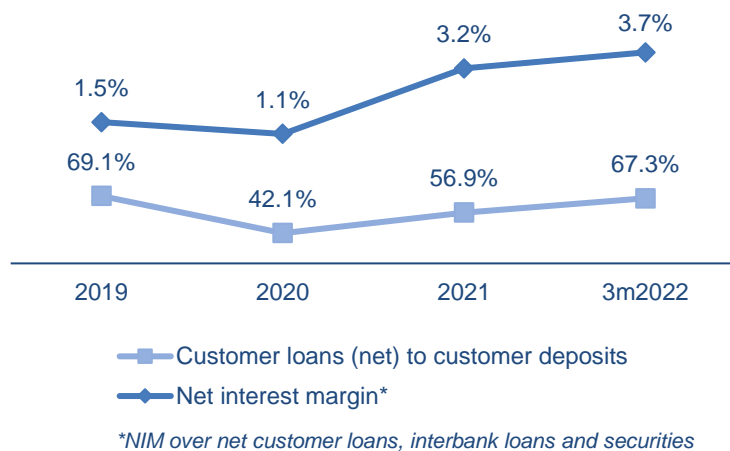
Dealing and commission income almost doubled in 2021 and remained reasonable in 3m2022



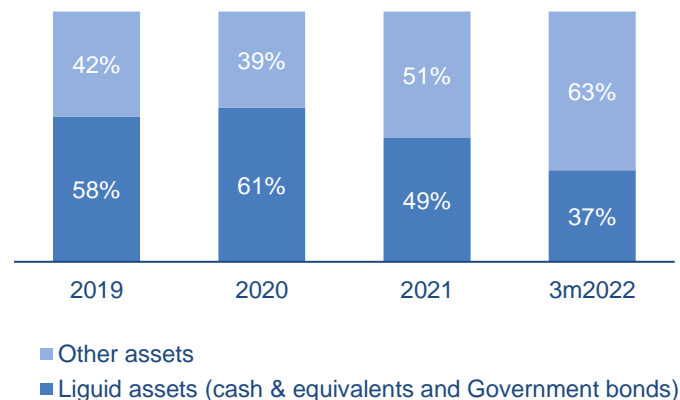
Asset structure focusing on marginality and preserving liquidity



Net interest margin spiked with adjusted balance sheet



Sufficient liquidity assures that the Bank complies with all regulatory liquidity ratios



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Operations during martial law time

The Bank continues operations in line with the Resolution of the NBU 18 dated 24 February 2022 'On the operations of the Banking System during the martial law time' adopted after the beginning of Russia's full-scale war against Ukraine.

The Bank put Business Continuity Plan into action to ensure uninterrupted operation of the Bank and client service.

Appointment of Chairman of the Management Board

On March 31, 2022, the National Bank of Ukraine has approved the appointment of Sergii Iermakov as the Chairman of the Management Board of the Bank by the Supervisory Board.

Record profit in 2021

Ukreximbank received UAH 2.7 billion profit in 2021 boosting operating profitability due to rehabilitation of its balance sheet and proactive measures in NPL management.

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 – 2021 the Bank received more than UAH 1 billion proceeds from sale of NPLs and has written off UAH 38 billion NPL for the account of reserves.

Ukreximbank enhances access to funding with the IFIs

In March 2020 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.

In March 2021 EIB has signed an agreement with Ukreximbank to increase the funding limit of the DCFTA Support Facility project to EUR 280 million. Additional EUR 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 June 2021 Ukreximbank and the World Bank signed the Loan Agreement for additional USD 100 million financing under the Access to Long-Term Financing Project. The current project was commenced in 2018 and expands to a total of USD 250 million now.

In December 2021 EIB and Ukreximbank agreed on a EUR 20 million top-up to the existing loan. Financing will be available in UAH to SMEs. The European Union supports the operation with a grant contribution, which will help improve terms and conditions of the funding.

In April 2022 Ukreximbank engaged a USD 100 million state-guaranteed loan from the World Bank to provide medium and long-term financing to the sectors of economy determined as strategic under martial law.

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Statement of financial position summary



Thousands of Ukrainian hryvnia	31 March 2022 (unaudited, unconsolidated)	31 December 2021 (audited)	31 December 2020 (audited)
Cash and Cash Equivalents	33,073,511	42,882,371	49,912,943
Due from Credit Institutions	613,535	8,270,170	370,160
Loans to Customers	77,815,794	69,334,862	48,608,320
Investment Securities designated at fair value through profit or loss	23,565,100	23,319,112	29,008,521
Investment Securities designated at fair value through other comprehensive income	17,898,449	12,737,353	14,543,523
Other Investment Securities	28,093,882	30,139,375	45,174,610
Investment Property & Equipment	2,764,489	2,834,522	3,111,210
Other Assets	4,155,771	2,575,767	2,145,988
Total Assets	187,980,531	192,093,532	192,875,275
Current Accounts and Deposits from Customers	115,542,951	121,837,236	115,581,108
Loans from Credit Institutions	25,636,339	25,722,711	26,119,028
Due to NBU	26,867,998	21,367,229	16,008,768
Eurobonds Issued	4,675,921	5,725,085	18,537,152
Subordinated Debt	3,620,653	3,605,597	4,341,176
Other Liabilities	1,336,367	1,382,929	1,939,147
Total Liabilities	177,680,229	179,640,787	182,526,379
Share Capital	45,570,041	45,570,041	45,570,041
Revaluation Reserves	(230,957)	(98,629)	525,683
Result from transactions with the shareholder	635,104	635,104	635,104
Reserve and Other Funds	-	-	207,458
Accumulated Losses	(35,673,886)	(33,653,771)	(36,589,390)
Total Equity	10,300,302	12,452,745	10,348,896
Total Liabilities and Equity	187,980,531	192,093,532	192,875,275



Income statement summary

Thousands of Ukrainian hryvnia	31 March 2022 (unaudited, unconsolidated)	31 December 2021 (audited)	31 December 2020 (audited)
Interest Income	3,082,121	11,923,313	10,032,745
Interest Expense	(1,725,849)	(7,409,358)	(8,688,360)
Net Interest Income	1,356,272	4,513,955	1,344,385
Net Fee and Commission Income	182,876	835,998	573,214
Net Gain/(Loss) from FX and precious metals:			
- dealing	129,354	757,247	366,520
- translation differences	(1,219,775)	956,181	(4,432,346)
Net Gain/(Loss) on financial assets at fair value through profit or loss	325,951	(1,867,000)	3,547,769
Net Gain/(Loss) on investment securities at fair value through other comprehensive income	12,461	29,150	(34,113)
Other Income	18,418	136,690	172,358
Other Net Non-interest Income/(Loss)	(733,591)	12,268	(379,812)
Net Gain on impairment and reversal of expenses on impairment	(2,002,301)	(1,191,215)	(4,406,582)
Net Gain/(Loss) on initial recognition of financial assets measured at higher/lower interest rate, than market interest rate	(317)	462	(35,875)
Net (Loss)/Gain on derecognition of financial assets measured at amortised cost	19,690	1,213,652	413,121
Net (Loss)/Gain on on impairment and reversal of expenses on impairment of non-financial assets	(28,368)	23,940	2,819
Net Gain/(Loss) on revaluation of investment property	-	36,989	107,012
General & Administrative, Other Expenses	(813,550)	(2,736,733)	(2,933,788)
Profit/(Loss) before Taxes	(2,019,289)	2,709,316	(5,315,506)
Income Tax (Expense)/Benefit	-	(148)	(275,861)
Profit/(Loss) for the Period	(2,019,289)	2,709,168	(5,591,367)



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