

Bank in the World  
World in the Bank

# Investor presentation 9m2024

December 2024



# Agenda

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# Overview

- 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

| Selected figures as at 01.10.2024       |         |
|---|---------|
|   | UAH mln |
| Total Assets, incl:                     | 270,193 |
| • loans to customers (net)              | 76,690  |
| • Investment securities                 | 99,517  |
| Total Liabilities, incl:                | 255,513 |
| • due to customers                      | 220,165 |
| • Eurobonds Issued (incl. subordinated) | 5,097   |
| • due to IFIs                           | 26,264  |
| Total Equity                            | 14,680  |

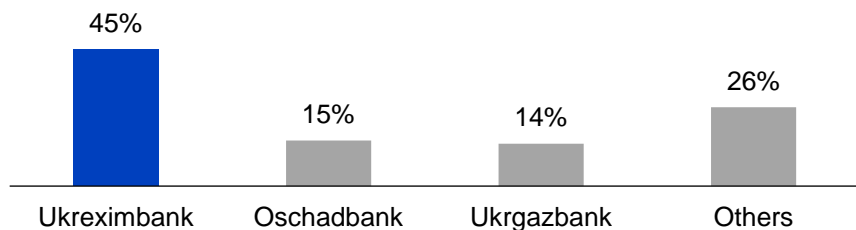
- Top Ukrainian bank to partner IFIs under various multilateral programs
- Prime channel of settlements related to international economic activity
- Sole Financial Agent for the Government

|                  |   |
|------------------|---|
| Ownership:       | Cabinet of Ministers of Ukraine, 100%                                     |
| Branch network : | 22 branches, 27 sub-branches, 2 Representative offices (London, New York) |
| Customers:       | corporate – over 36,000<br>individual – over 660,000                      |
| Employees:       | ≈2,500  |
| Head Office:     | Kyiv, Ukraine   |

| Ratings                    | FitchRatings | Moody's |
|----------------------------|--------------|---------|
| Long-term foreign currency | CCC          | Caa3    |
| Long-term local currency   | CCC+         | Caa3    |

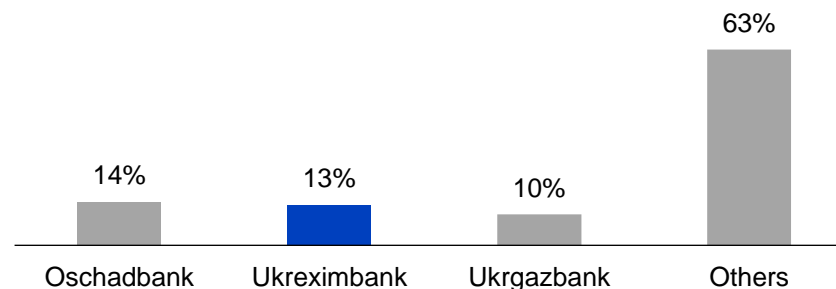
# Leading market position

**Top Ukrainian bank by capital markets and IFIs funding**



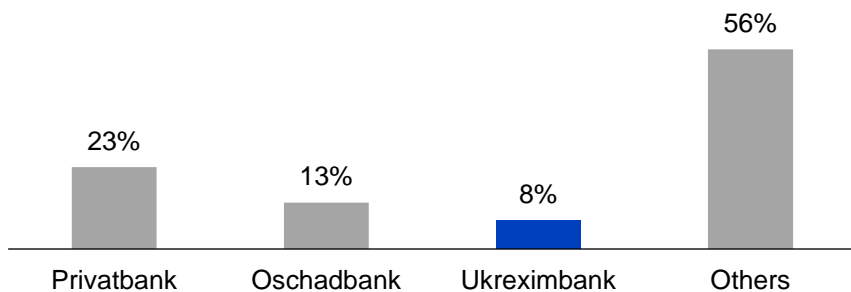
*market share by capital markets & IFI funding*

**Leading corporate sector lender and provider for structured and trade finance**



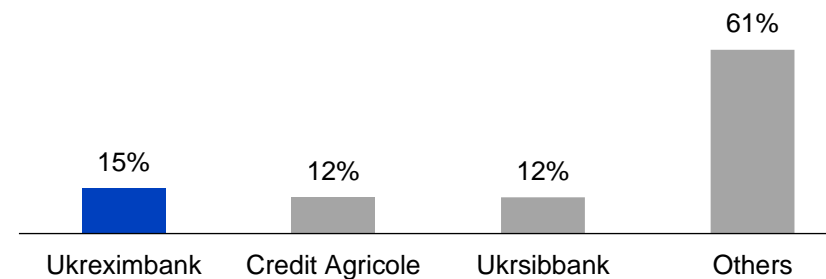
*market share by loans to corporate customers (net)*

**3<sup>rd</sup> 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



## **State commitment**

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



## **Stable funding base**

- Clients' funds with high roll-over ratio
- Financing via IFIs loans and project finance
- Benefit from historical 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)

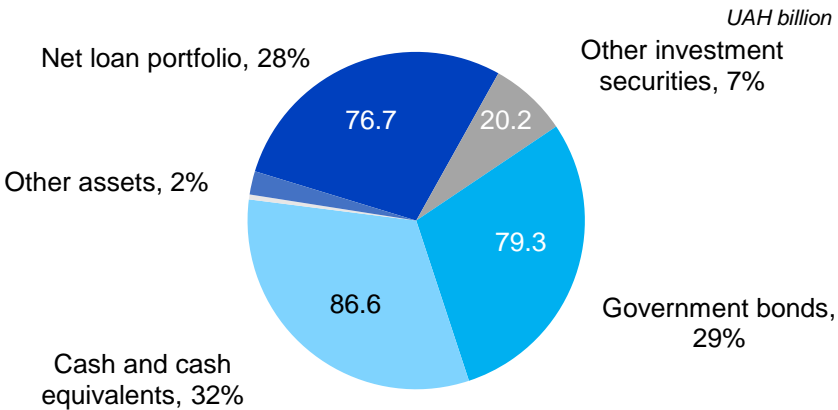


## **Agent and partner to IFIs**

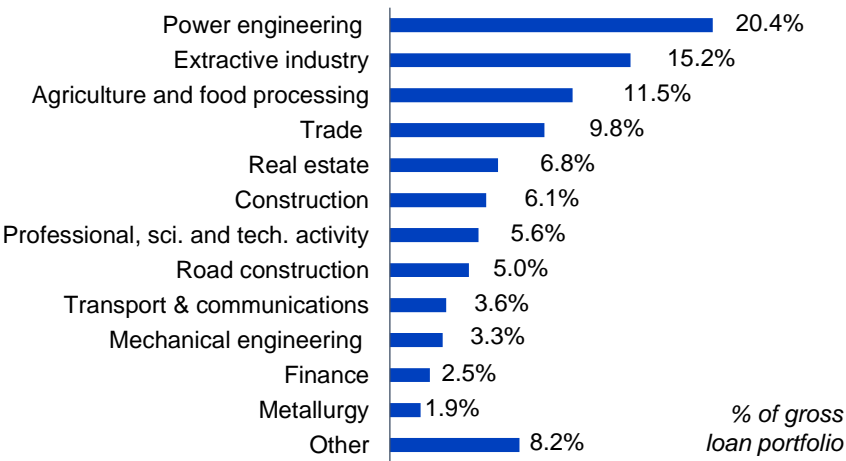
- Export development projects with IBRD in the amount of \$600 mln
- Energy efficiency programs with IBRD, EBRD & GCPF aggregate of \$550 mln
- SME & Mid-caps facilities from IBRD & EIB - total commit. \$650 mln
- Trade facilitation programs with EBRD & IFC - total commit. \$350 mln

# Diversified asset structure

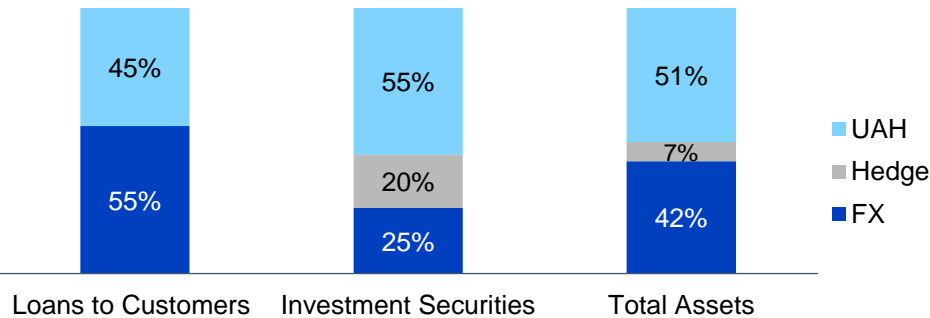
Highly liquid assets structure with large share of comparatively low-risk Government bonds



Diversified loan book with emphasis on export-oriented corporate clients and critical infrastructure



Currency breakdown of assets



Strong documentary business and trade finance franchise

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



Global trade finance guarantees programme

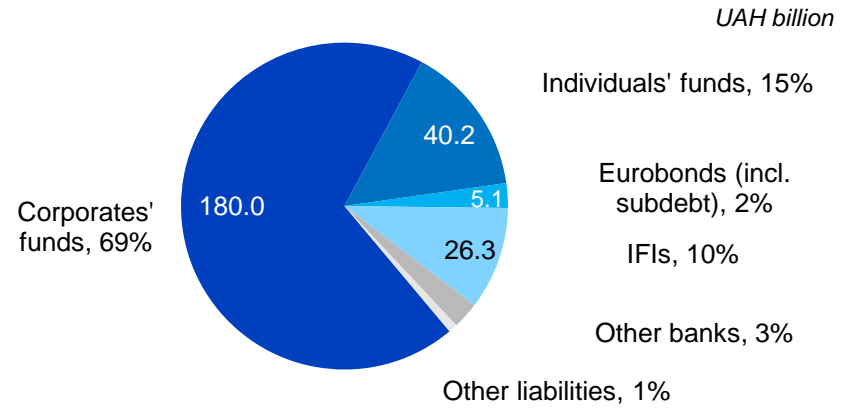


Trade facilitation programme

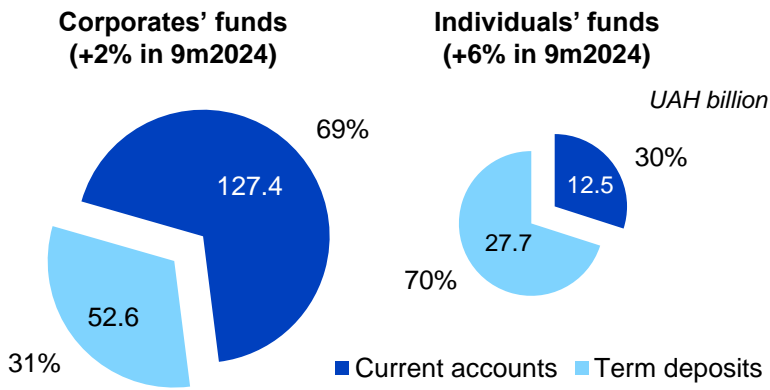
Source: Ukreximbank consolidated IAS 34 financials as at 01.10.2024, managerial data

# Stable funding base

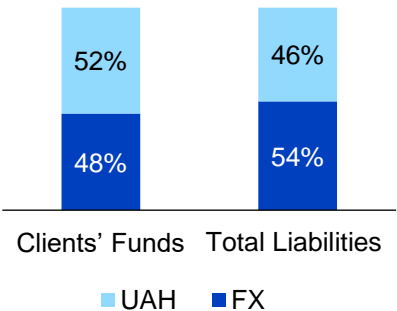
Funding base of the Bank primarily consists of corporate clients' funds



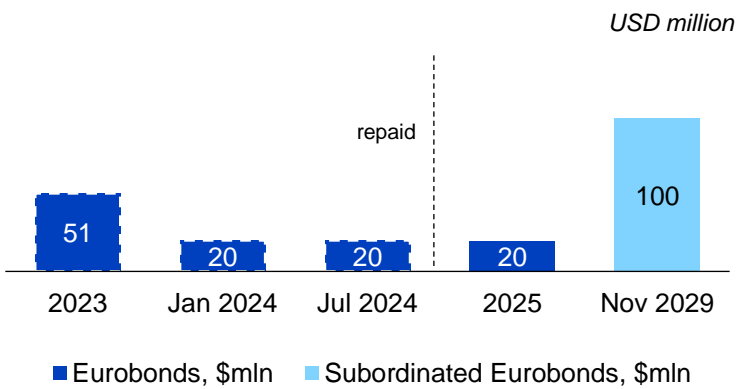
Clients' funds (+3% in 9m2024) comprise of term deposits and low-cost current accounts with high roll-over ratio



Currency breakdown of liabilities



Smooth Eurobonds maturity profile



The Bank enjoys financing via various IFIs loans and projects

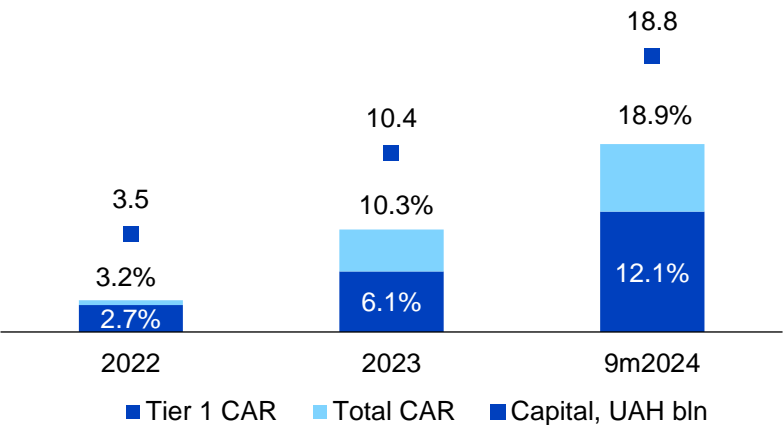


NEFCO

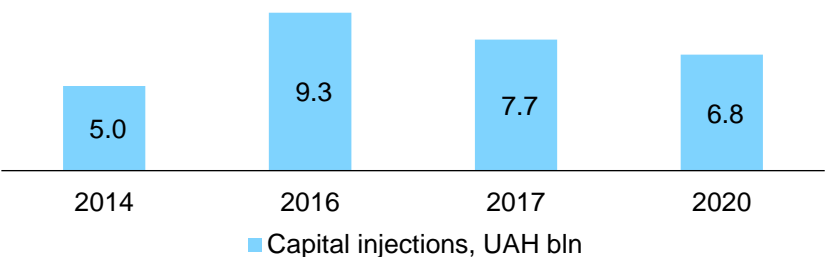
Source: Ukreximbank consolidated IAS 34 financials as at 01.10.2024, managerial data

# Capital position

Capital position

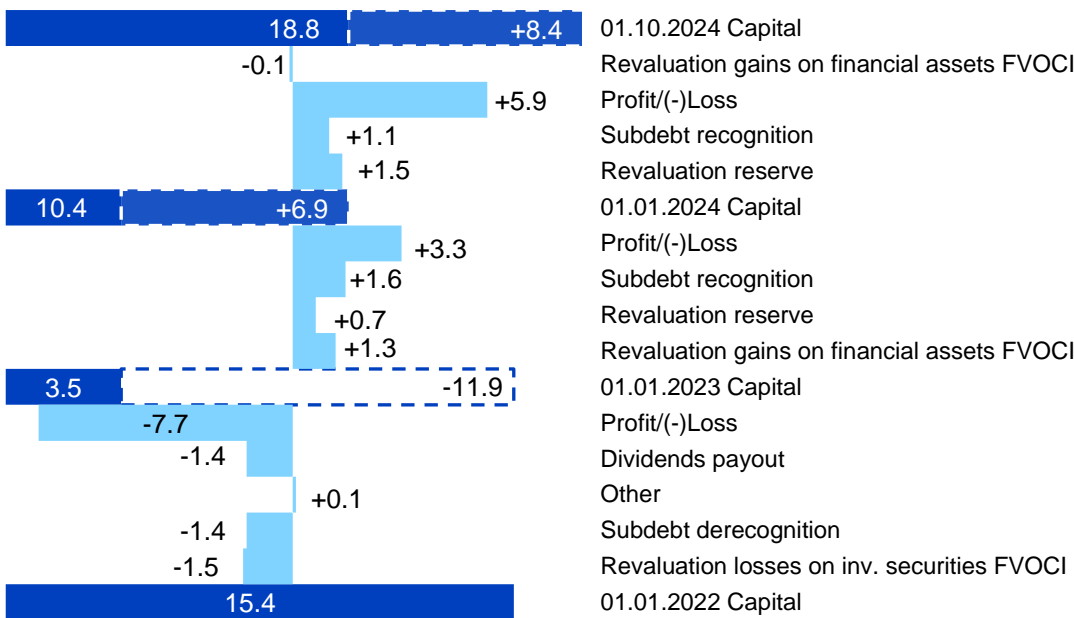


Historical track record of capital injections from the state as a shareholder



Russian invasion led to a provisioning pressure on the capital in 2022. Profitable operation in 2023 and 9m2024 provided capital restoration

UAH billion



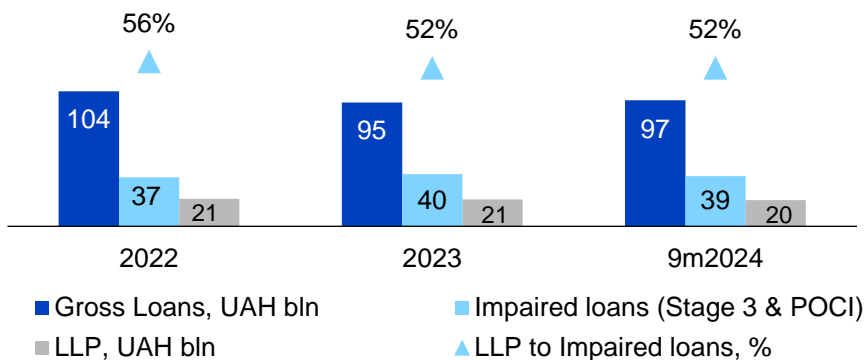
The state remains supportive to the Bank given its systemic importance

MOODY'S "The probability of government support is very high"

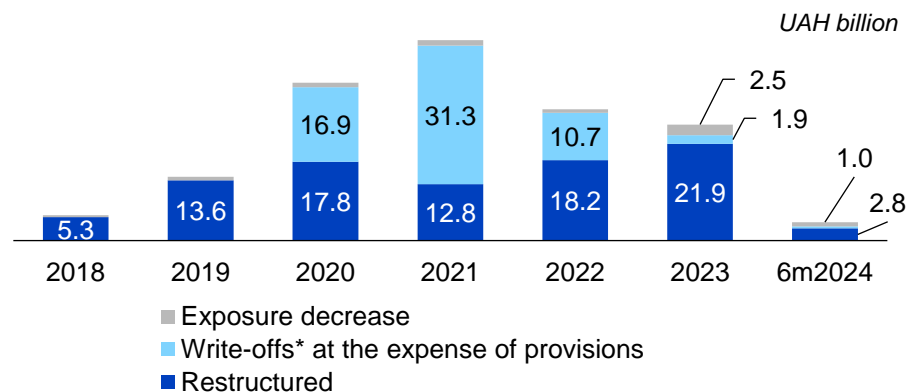


# Loan portfolio quality

## Loss absorption capacity supported by adequate loan-loss reserves coverage

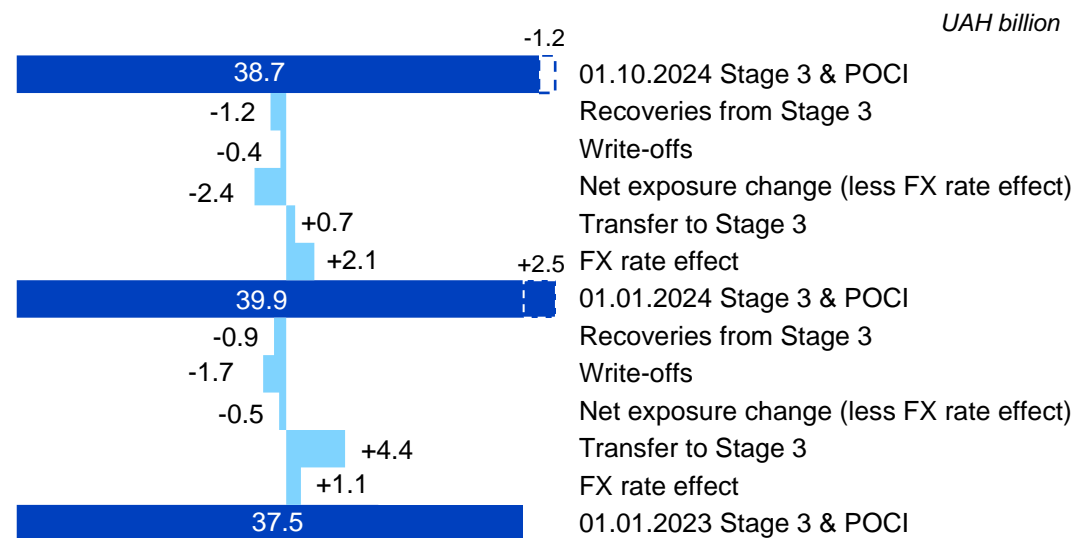


## Resolution of NPLs

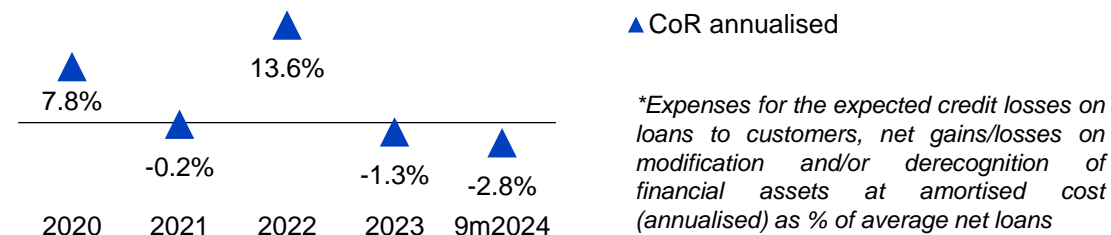


\* principal and interest value

## Stage 3 & POCI loans increased by UAH 10.7 billion in 2022 with no further substantial deterioration in 2023 and 9m2024



## Negative cost of risk\* in 2023 and 9m2024 after spike in 2022



\*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

## 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 (Stable) |
| Long-term local-currency deposit rating                 | Caa3 (Stable) |
| Long-term foreign currency deposit rating               | Caa3 (Stable) |
| Long-term foreign-currency subordinated debt rating     | Ca            |

### RECENT RATING ACTIONS

*September 23, 2024:* Fitch Ratings upgraded Long-Term FC Issuer Default Rating (IDR) to 'CCC', Long-Term LC IDR to 'CCC+' and affirmed Viability Rating (VR) at 'f'.

*June 17, 2024 and June 30, 2023:* Fitch Ratings affirmed Long-Term FC IDR at 'CCC-', Long-Term LC IDR at 'CCC' and Viability Rating (VR) at 'f'.

*December 19, 2022:* Fitch Ratings downgraded Ukreximbank's Viability Rating (VR) to 'f' from 'cc' following the breach of its minimum regulatory requirements caused by the deterioration in bank's capitalisation. Fitch affirmed Long-Term FC IDR at 'CCC-' and Long-Term LC IDR at 'CCC'

*August 22, 2022:* Fitch Ratings affirmed Long-Term FC IDR at 'CCC-' and Long-Term LC IDR at 'CCC'. Fitch also downgraded VR to 'cc' from 'ccc'. The rating actions followed the downgrade of Ukraine's sovereign rating to 'RD' on 12 August 2022, and subsequent upgrade to 'CC' on 17 August 2022.

*March 6, 2024:* Moody's affirmed all ratings and assessments of Ukreximbank. The outlook on the long-term deposit and senior unsecured debt ratings was changed to stable from negative.

*February 14, 2023:* Moody's affirmed all ratings and assessments of Ukreximbank, following the downgrade of sovereign rating to Ca.

*December 07, 2022:* Moody's downgraded Ukreximbank's BCA and Adjusted BCA to ca from caa3 due to the material deterioration in its capital position, which followed large credit losses and resulted in the breach of its minimum capital requirements. Moody's affirmed Caa3 long-term deposit ratings, Caa3 senior unsecured debt rating given a very high probability of support from the government and bank's ample liquidity and extremely challenging operating environment. Moody's also affirmed Ca subordinated debt rating.

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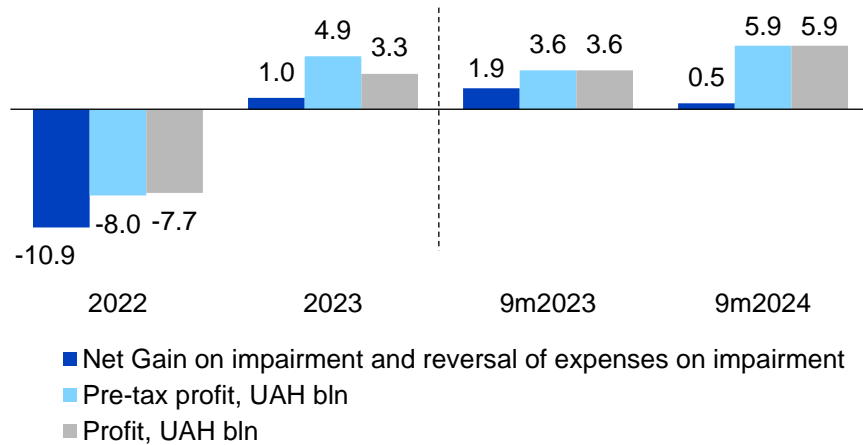
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Balance sheet & Income statement summary

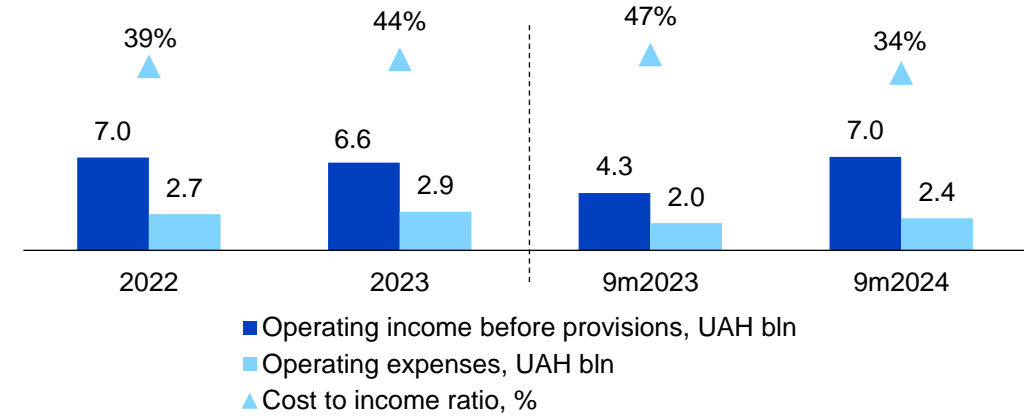
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# Profitability restored

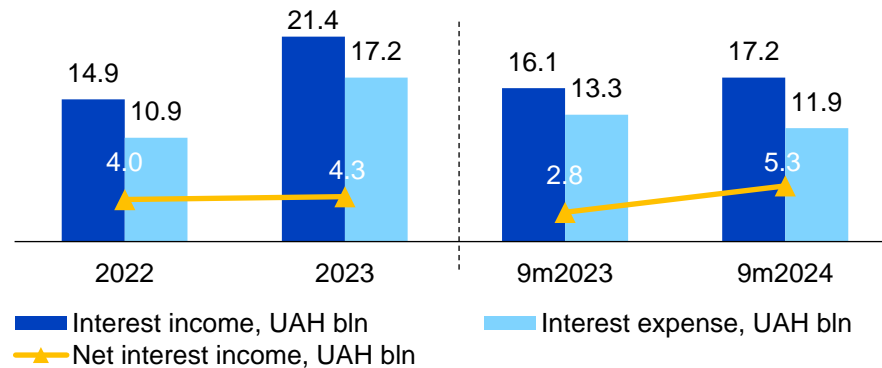
## Considerable profit in 2023 and 9m2024



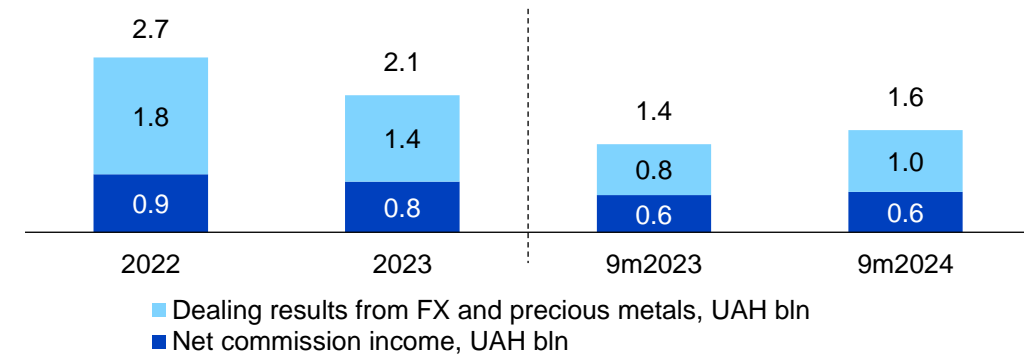
## Operating profitability noticeably increased in 9m2024



## Net interest income doubled in 9m2024



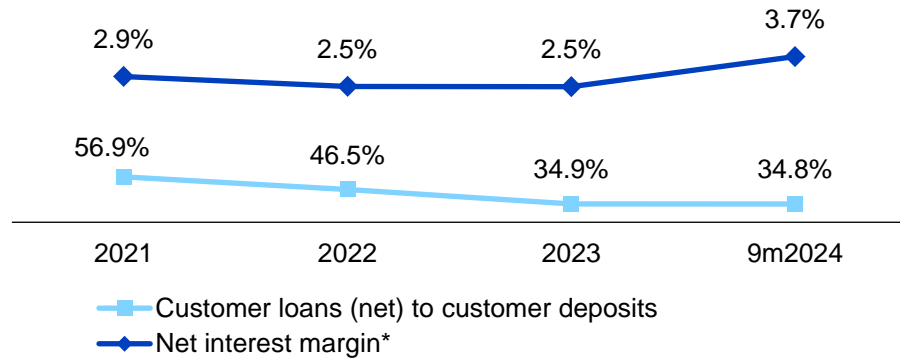
## Dealing income maintained at high level in 9m2024



Source: Ukreximbank consolidated IFRS & IAS 34 financials

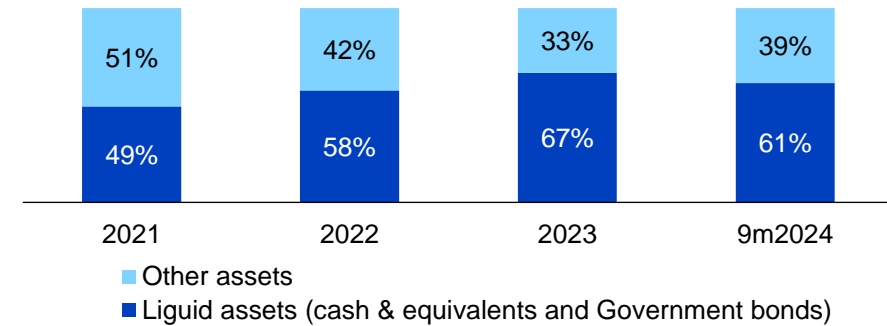
# Asset structure focusing on marginality and liquidity

## Net interest margin rose in 9m2024

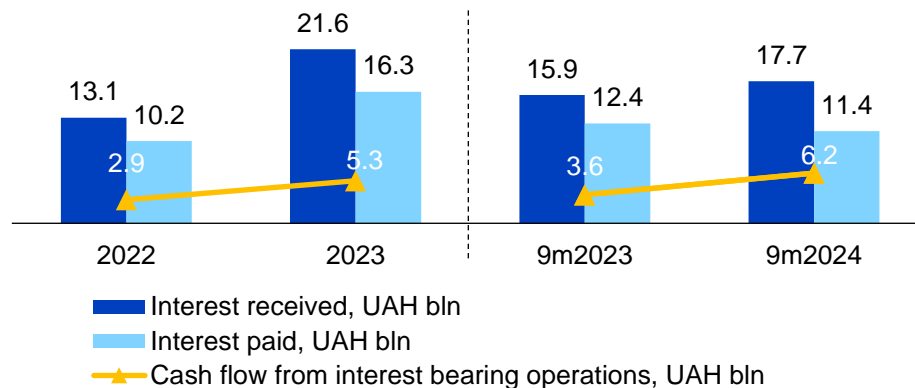


\*NIM over net customer loans, interbank loans, NBU deposit certificates and investment securities

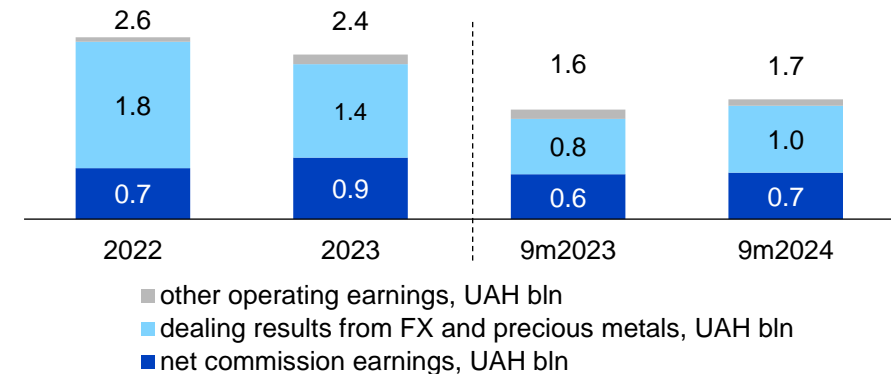
## Substantial liquidity – significantly exceeds all regulatory requirements



## Cash flow from interest bearing operations increased in 2023 and 9m2024



## Commission earnings and dealing results from FX stable in 9m2024



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**The Supervisory Board of Ukreximbank appointed Viktor Ponomarenko as the Chairman of the Management Board of the Bank**, effective July 1, 2024. Victor Ponomarenko's track record of leadership in the banking sector is over 24 years, twenty of which he worked for "ProCreditBank" JSC, part of ProCredit Holding (Germany), an international financial holding company. Since 2012, Victor Ponomarenko has been the Chairman of the Management Board of "ProCreditBank" JSC.

**Five new members of the Management Board** commenced work in July 2024 after the open competitive selection conducted by the Supervisory Board.

## **Ukreximbank enhances access to funding with the IFIs even amid the war**

In June 2024 Ukreximbank and the Green for Growth Fund (GGF) signed the Letter of Intent for the development of the "green" economy of Ukraine. The Green for Growth Fund (GGF) is part of the EU4Energy initiative and invests in measures aimed at reducing energy use and CO2 emissions, as well as improving resource efficiency in 19 markets, including the Eastern Partnership region.

In March 2024 Ukreximbank received EBRD's guarantee to cover up to 50 percent of Ukreximbank's credit risk on newly issued sub-loans worth €40 million to private businesses operating in Ukraine.

In November 2023 the EIB disbursed EUR 20 million to Ukreximbank as the last tranche of a EUR 300 million facility. This financing aims to support Ukrainian SMEs. The funds will be available in UAH using a parallel cross-currency swap. The European Union is supporting this transaction with a EUR 2 million grant, which will improve the terms and conditions of the funding.

In June 2023 Ukreximbank engaged a EUR 50 million from the EBRD to ensure access to financing for war-affected businesses and municipalities.

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.

**The renewed Supervisory Board of Ukreximbank has started its work** on January 15, 2024 in accordance with the Resolution of the Cabinet of Ministers of Ukraine No. 19-r dated 12 January 2024. The Supervisory Board consists of 3 representatives of the state and 5 independent members. The term of office of members of the Supervisory Board is three years.

## **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.

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# Statement of financial position summary

| Thousands of Ukrainian hryvnia  | 30 September 2024<br>(unaudited) | 31 December 2023<br>(audited) | 31 December 2022<br>(audited) |
|---|----------------------------------|-------------------------------|-------------------------------|
| Cash and Cash Equivalents   | 86,648,507                       | 110,794,727                   | 81,386,122                    |
| Due from Credit Institutions  | 1,276,549                        | 1,009,865                     | 593,472                       |
| Loans to Customers  | 76,690,254                       | 74,569,673                    | 82,429,861                    |
| Investment Securities designated at fair value through profit or loss             | 20,982,222                       | 19,071,183                    | 26,961,581                    |
| Investment Securities designated at fair value through other comprehensive income | 44,408,207                       | 27,592,940                    | 12,543,679                    |
| Other Investment Securities (at amortised cost)                                   | 30,535,276                       | 19,451,294                    | 22,092,656                    |
| Available-for-sale Investment Securities  | 3,591,622                        | 3,878,986                     | 888,792                       |
| Investment Property & Equipment   | 2,414,649                        | 2,827,020                     | 2,654,362                     |
| Other Assets  | 3,646,157                        | 3,303,631                     | 4,614,390                     |
| <b>Total Assets</b>   | <b>270,193,443</b>               | <b>262,499,319</b>            | <b>234,164,915</b>            |
| Current Accounts and Deposits from Customers                                      | 220,165,043                      | 213,949,142                   | 177,147,425                   |
| Due to Credit Institutions  | 29,026,806                       | 32,708,525                    | 27,120,752                    |
| Due to NBU  | -                                | -                             | 18,468,854                    |
| Eurobonds Issued  | 855,989                          | 2,413,346                     | 3,870,390                     |
| Subordinated Debt   | 4,240,647                        | 3,805,882                     | 4,055,444                     |
| Other Liabilities   | 1,224,800                        | 2,250,706                     | 1,467,056                     |
| <b>Total Liabilities</b>  | <b>255,513,285</b>               | <b>255,127,601</b>            | <b>232,129,921</b>            |
| Share Capital   | 45,570,041                       | 45,570,041                    | 45,570,041                    |
| Other Reserves  | 2,016,949                        | 580,926                       | (1,461,266)                   |
| Result from transactions with the shareholder                                     | 635,104                          | 635,104                       | 635,104                       |
| Accumulated Losses  | (33,541,936)                     | (39,414,353)                  | (42,708,885)                  |
| <b>Total Equity</b>   | <b>14,680,158</b>                | <b>7,371,718</b>              | <b>2,034,994</b>              |
| <b>Total Liabilities and Equity</b>   | <b>270,193,443</b>               | <b>262,499,319</b>            | <b>234,164,915</b>            |

# Income statement summary

| Thousands of Ukrainian hryvnia   | 30 September 2024<br>(unaudited) | 31 December 2023<br>(audited) | 31 December 2022<br>(audited) |
|--|----------------------------------|-------------------------------|-------------------------------|
| Interest Income  | 17,164,919                       | 21,430,952                    | 14,868,512                    |
| Interest Expense   | (11,867,965)                     | (17,169,597)                  | (10,865,346)                  |
| <b>Net Interest Income</b>   | <b>5,296,954</b>                 | <b>4,261,355</b>              | <b>4,003,166</b>              |
| <b>Net Fee and Commission Income</b>   | <b>632,936</b>                   | <b>793,849</b>                | <b>910,554</b>                |
| Net Gain/(Loss) from FX and precious metals:   |                                  |                               |                               |
| - trading  | 966,303                          | 1,351,630                     | 1,826,139                     |
| - translation differences  | (1,816,170)                      | (1,122,557)                   | (6,676,529)                   |
| Net Gain/(Loss) on financial assets at fair value through profit or loss                                   | 1,605,330                        | 394,567                       | 6,086,552                     |
| Net Gain/(Loss) on investment securities at fair value through other comprehensive income                  | 98,197                           | 51,739                        | 68,998                        |
| Net Gain/(Loss) from financial assets held for trading   | 552,754                          | 560,078                       | 25,410                        |
| Other Income   | 105,694                          | 165,202                       | 211,964                       |
| <b>Other Net Non-interest Income/(Loss)</b>  | <b>1,512,108</b>                 | <b>1,400,659</b>              | <b>1,542,534</b>              |
| Net Gain on impairment and reversal of expenses on impairment  | 544,674                          | 1,033,915                     | (10,901,760)                  |
| Net Gain/(Loss) on initial recognition of financial assets measured at interest rate above or below market | 2,141                            | (208,193)                     | 4,646                         |
| Net (Loss)/Gain on derecognition of financial assets measured at amortised cost                            | 338,404                          | 43,580                        | (223,934)                     |
| Net (Loss)/Gain on impairment and reversal of expenses on impairment of non-financial assets               | (9,193)                          | 28,804                        | (42,013)                      |
| Net Gain/(Loss) on revaluation of investment property  | -                                | 20,642                        | (58,644)                      |
| Reversal of impairment loss (impairment loss) on income tax advances                                       | -                                | 492,911                       | -                             |
| Impairment loss recognised in profit or loss   | -                                | -                             | (492,911)                     |
| General & Administrative, Other Expenses   | (2,446,233)                      | (2,969,136)                   | (2,713,951)                   |
| <b>Profit/(Loss) before Taxes</b>  | <b>5,871,791</b>                 | <b>4,898,386</b>              | <b>(7,972,313)</b>            |
| Income Tax (Expense)/Benefit   | -                                | (1,628,917)                   | 257,534                       |
| <b>Profit/(Loss) for the Period</b>  | <b>5,871,791</b>                 | <b>3,269,469</b>              | <b>(7,714,779)</b>            |

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