

Summary Special-Purpose Project Financial Statements

Joint Stock Company “The State Export-Import Bank of Ukraine”

Energy Efficiency Project

*As at 31 December 2012 and for the period from the Loan Agreement effectiveness to
31 December 2012*

Together with Independent Auditors’ Report

Contents

Independent Auditors’ Report

Summary Special-Purpose Project Financial Statements

Summary of Funds received.....	1
Summary of Expenditures	2
Statement of Designated Account	3
Summary of Statement of Expenditures.....	4
Notes to the Special-Purpose Project Financial Statements	5

Independent auditors' report on the summary special-purpose financial statements

To the Board of Directors of Joint Stock Company "The State Export-Import Bank of Ukraine"

The accompanying summary special-purpose financial statements of the Energy Efficiency Project ("EEP") administered by Joint Stock Company "The State Export-Import Bank of Ukraine" (the "Borrower", "Ukreximbank" or the "Bank"), financed under the International Bank for Reconstruction and Development (the "IBRD") Loan Agreement №8064-UA (the "Loan Agreement"), which comprise the summary of funds received, the summary of expenditures, the statement of designated account and the summary of statement of expenditures (SOEs) for the period from the Loan Agreement effectiveness (9 November 2011) to 31 December 2012, and a summary of significant accounting policies and other explanatory information (the "summary special-purpose financial statements"), are derived from the audited special-purpose financial statements of EEP for the period from the Loan Agreement effectiveness (9 November 2011) to 31 December 2012. We expressed an unmodified audit opinion on those special-purpose financial statements in our auditors' report dated 19 June 2013. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our auditors' report on those financial statements.

The summary special-purpose financial statements do not contain all the disclosures required by the financial reporting provisions of the "Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities" issued by the World Bank and dated 30 June 2003. Reading the summary special-purpose financial statements, therefore, is not a substitute for reading the audited special-purpose financial statements of EEP.

Management's responsibility for the summary special-purpose financial statements

Management is responsible for the preparation of a summary of the special-purpose financial statements on the basis described in Note 2 to these summary special-purpose financial statements.

Auditors' responsibility

Our responsibility is to express an opinion on the summary special-purpose financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary special-purpose financial statements derived from the audited special-purpose financial statements of EEP for the period from the Loan Agreement effectiveness (9 November 2011) to 31 December 2012 are consistent, in all material respects, with those special-purpose financial statements, on the basis described in Note 2.

Other Matter - Restriction on Use

Without modifying our opinion, our auditors' report on EEP audited special-purpose financial statements for 19 June 2013 draws attention to Note 2 to the audited special-purpose financial statements, which describes the basis of accounting used in those special-purpose financial statements. Those special-purpose project financial statements were prepared to assist the Bank to comply with the financial reporting provisions of the guidelines referred to above. As a result, the special-purpose financial statements may not be suitable for another purpose. Accordingly, without modifying our opinion on the summary special-purpose financial statements, we draw attention to Note 2 of the summary special-purpose financial statements, which reproduces Note 2 to the audited special-purpose financial statements and describes the basis of accounting used in the audited special-purpose financial statements. As a result, the summary special-purpose financial statements may not be suitable for another purpose.

Our auditors' report on the special-purpose financial statements for 19 June 2013 is intended solely for the IBRD and should not be used by parties other than the Bank or the IBRD. Accordingly, our auditors' report on these summary special-purpose financial statements is also intended solely for use of those same parties and should not be used by parties other than these specified parties.

Ernst & Young Audit Services LLC

20 June 2013

Summary of Funds Received
For the period from the Loan Agreement effectiveness to 31 December 2012
(in US dollars)

**For the period from the Loan
Agreement effectiveness to
31 December 2012**

FINANCING RECEIVED:

IBRD financing:

Designated Account payments

12,827,308

Front end fee (Note 3)

500,000

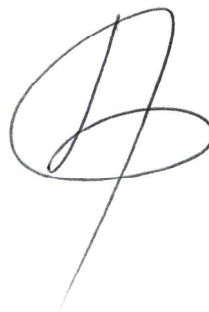
Total IBRD financing

13,327,308

Signed and authorized for release on behalf of the Board

Chairman of the Board

20 June 2013



Vitalii Bilous

Summary of Expenditures

For the period from the Loan Agreement effectiveness to 31 December 2012
(in US dollars)

	For the period from the Loan Agreement effectiveness to 31 December 2012
CATEGORY 1:	
Sub-loans to:	
JSC “Ukreximbank”	2,827,308
Sub-loan 1	2,827,308
Total sub-loans	2,827,308
CATEGORY 2:	
Front end Fee (Note 3)	500,000
Total Project Expenditures	3,327,308

Statement of Designated Account

For the period from the Loan Agreement effectiveness to 31 December 2012

(in US dollars)

Account name	Ukreximbank World Bank account	
Related loan	8064-UA	
Currency	US dollars	
Balance as at 9 November 2011 – principal		-
Balance as at 9 November 2011 – interest		-
		<hr/>
Add:		
Advance payment	12,827,308	
IBRD replenishments	-	
Total interest earnings	-	
		<hr/>
		12,827,308
		<hr/>
Deduct:		
Sub-loans disbursed	(2,827,308)	
Total interest accumulated	-	
Bank commissions	-	
		<hr/>
		(2,827,308)
		<hr/>
Balance as at 31 December 2012 – principal		10,000,000
Balance as at 31 December 2012 – interest		-
		<hr/>

Summary of Statement of Expenditures
For the period from the Loan Agreement effectiveness to 31 December 2012
(in US dollars)

Application No.	Date of application	Category 1	Category 2	Designated Account	Description
	09-Nov-2011	-	500,000	-	Front end Fee
EEP-EXIM01	01-Feb-2012	-	-	5,000,000	Advance to Designated Account
EEP-EXIM02	25-Jun-2012	2,827,308	-	7,827,308	Advance to and documentation of Designated Account
		2,827,308	500,000	12,827,308	

1. General Information

The Energy Efficiency Project (further referred as the “EEP” or the “Project”) is administered by the State Export-Import Bank of Ukraine (the “Borrower”, “Ukreximbank” or the “Bank”) under a Loan Agreement with the International Bank for Reconstruction and Development (the “IBRD”). The amount of the Loan Agreement #8064-UA dated 10 June 2011 (the “Loan Agreement”) is USD 200,000,000. The Loan Agreement became effective on 09 November 2011.

The objective of the Project is to contribute to improved energy efficiency by industrial and commercial companies, municipalities and municipal sector enterprises and energy service companies by facilitating sustainable financial intermediation for energy efficiency investments.

Within the framework of the EEP, the Bank is able to a) facilitate selected private banks to scale up their energy efficiency business lines to the industrial sector by on-lending to their industrial clients, b) provide funding for investments that increase efficiency of energy use in industrial enterprises.

2. Accounting Policies

Basis of preparation

The EEP summary special-purpose project financial statements have been prepared in accordance with the accounting principles described below.

The EEP summary special-purpose project financial statements have been prepared on a cash basis in respect of loan funds received from the IBRD and issued loans to selected beneficiary enterprises.

Revenue and expenditures of the EEP are accounted for by the Bank on an accrual basis in its separate financial statements, such incomes and expenditures are not recognised in these EEP summary special-purpose project financial statements.

To comply with the requirements of the “Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities” issued by the World Bank, the following specific schedules have been included as part of these EEP summary special-purpose project financial statements:

- Summary of Funds received for the period from the Loan Agreement effectiveness to 31 December 2012;
- Summary of Expenditures for the period from the Loan Agreement effectiveness to 31 December 2012;
- Statement of Designated Account for the period from the Loan Agreement effectiveness to 31 December 2012;
- Summary of Statement of Expenditures for the period from the Loan Agreement effectiveness to 31 December 2012.

In addition, with respect to Statement of Expenditures (“SOEs”) for the period from the Loan Agreement effectiveness to 31 December 2012, adequate supporting documentation has been maintained to support claims to the IBRD for replenishments of expenditures incurred. Expenditures claimed for replenishment under the SOE procedure were eligible for financing under the Loan Agreement #8064-UA.

The Bank prepares the summary special-purpose financial statements in order to comply with the World Bank Policy on Access to Information dated 1 July 2010, General Conditions for Loans dated 31 July 2010 and the Loan Agreement. According to the abovementioned documents, these summary special-purpose financial statements shall be made publicly available in a timely fashion and in a manner acceptable to the IBRD and which complies with prevailing Ukrainian banking laws and regulations. Therefore the summary special-purpose financial statements do not contain information which is not allowed to be disclosed according to the Ukrainian legislation on banking secrecy.

Reporting currency

These summary special-purpose project financial statements are presented in US dollars (“US dollars”) unless otherwise indicated.

3. IBRD Financing

International Bank for Reconstruction and Development financing is provided through Loan Agreement #8064-UA dated 10 June 2011 between the IBRD, as the Lender, and Ukreximbank, as the Borrower. The obligations of the Borrower according to the Loan Agreement are guaranteed by the Ukrainian Government.

The Borrower paid to the IBRD a front end fee in the amount equal to 0.25% of the amount of the loan. On the date of the Loan Agreement becoming effective the IBRD, on behalf of the Borrower, withdrew from the loan account and paid to itself the front end fee of USD 500,000 not using Designated Account.

According to the Loan Agreement, the interest rate is calculated as the Reference Rate for the Loan Currency plus the Variable Spread. Amendment of the Reference Rate and Variable Spread takes place on the interest payment date.

The interest is paid on 15 April and 15 October each year. The principal is to be paid by installments semi-annually on 15 April and 15 October beginning on 15 October 2017 through 15 October 2040. The closing date of the EEP is 31 March 2016, after this date IBRD may, by notice to the Borrower, terminate the right to make withdrawals.

The Project consists of the following Part:

Part 1. Carrying out Energy Efficiency Sub-Projects within the following categories:

- (i) modernization of inefficient and obsolete equipment and facilities;
- (ii) installation of highly energy-efficient equipment and processes for new production capacities whose current energy use considerably exceeds current best practices;
- (iii) utilization of waste gas and heat and excess pressure;
- (iv) improvement of systems which involves a suite of measures to increase energy efficiency;
- (v) reduction of energy losses in municipal sector enterprises;
- (vi) preparation of energy efficiency related studies and technical assistance;
- (vii) reduction of energy losses in buildings; and
- (viii) implementation of other Energy Efficiency Sub-Projects satisfactory to the IBRD.

The table below sets forth the categories of items to be financed out of the proceeds of the loan:

Category	Description of Category	Part of the Project
(1)	Sub-Loans	Part 1
(2)	Front end Fee	-

Details of the IBRD financing as at 31 December 2012 are as below:

	Total line of credit	Amounts disbursed	Amounts undisbursed
Sub-Loans	199,500,000	2,827,308	196,672,692
Front end Fee	500,000	500,000	-
Balance of Designated Account	-	10,000,000	(10,000,000)
Total	200,000,000	13,327,308	186,672,692

4. Reconciliation of Amounts Shown as Received from the IBRD to Actual Expenditures Incurred

The supporting schedule to the reconciliation of amounts shown as received from the IBRD to actual expenditures of the EEP as at 31 December 2012 is as follows:

	Category 1	Category 2	Designated Account	Total
Accounted according to IBRD data	2,827,308	500,000	10,000,000	13,327,308
According to Bank data	2,827,308	500,000	10,000,000	13,327,308
Difference	-	-	-	-

5. Supplemental Information on Sub-projects

Information regarding sub-projects agreed for financing during the period from Loan Agreement effectiveness to 31 December 2012:

Sub-project	Description of sub-project	Amount of sub-project	Disbursed sub-project amount	Activity	Correspondence with acceptance criteria	Methodology of purchase within sub-project	Ecological category	Participating Bank
Sub-project 1	Purchase of equipment	2,890,000	2,827,308	Cement production	Yes	Commercial practice	2	Bank 1
Total		2,890,000	2,827,308					