

**MINISTRY OF FINANCE OF UKRAINE
NATIONAL BANK OF UKRAINE
UKREXIMBANK**



Investor presentation

Washington, Friday, 17 April 2015



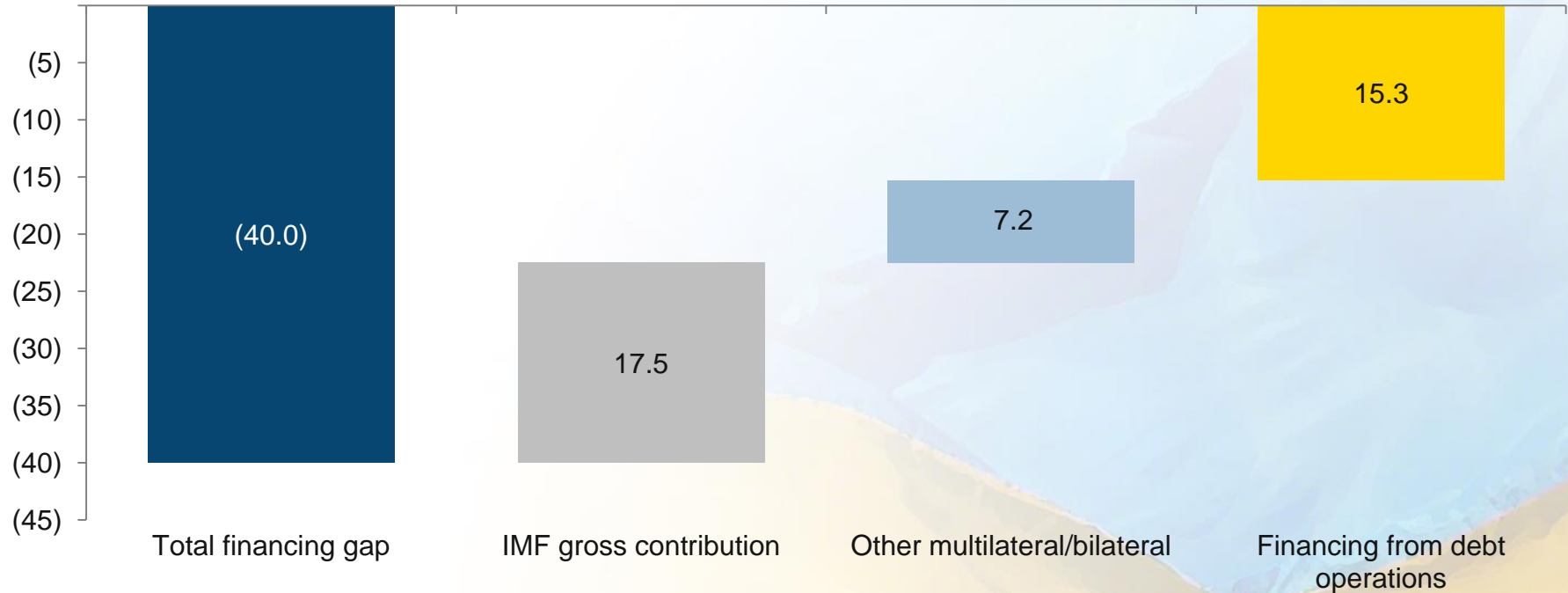
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- THIS PRESENTATION INCLUDES FORWARD-LOOKING STATEMENTS. YOU ARE CAUTIONED NOT TO PLACE ANY RELIANCE ON FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDED IN THIS PRESENTATION, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING (I) IMPLEMENTATION OF THE GOVERNMENT’S REFORM PROGRAM, (II) PROVISION OF FINANCING FROM THE OFFICIAL SECTOR, (III) EVOLUTION OF THE CONFLICT IN EASTERN UKRAINE, (IV) THE SCOPE, TIMING AND RESULTS OF UKRAINE’S FORTHCOMING DEBT OPERATIONS REGARDING PUBLIC SECTOR DEBT, (V) UKRAINE’S FUTURE MACROECONOMIC PERFORMANCE (INCLUDING EVOLUTION OF GDP GROWTH RATES, THE GDP DEFLATOR, THE GENERAL GOVERNMENT PRIMARY BALANCE AND THE USD/UAH EXCHANGE RATE) AND (VI) THE BANK’S FINANCIAL POSITION, PROSPECTS, BUSINESS STRATEGY, MANAGEMENT PLANS AND OBJECTIVES FOR FUTURE OPERATIONS, ARE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS, WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR OUTCOMES TO BE MATERIALLY DIFFERENT FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON NUMEROUS ASSUMPTIONS REGARDING THE PRESENT AND FUTURE POLITICAL, ECONOMIC, FINANCIAL AND INTERNATIONAL SITUATION OF UKRAINE, ALL OF WHICH ASSUMPTIONS ARE SUBJECT TO SIGNIFICANT UNCERTAINTY AND CHANGE.

Ukraine financing needs in the 2015-2018 period

Required contribution from debtholders

OVERVIEW OF UKRAINE'S FINANCING NEEDS AND FINANCING SOURCES (GROSS FIGURES IN USD BN)



Source: IMF

- USD24.7bn to be provided by new money by bilaterals and multilaterals
- USD15.3bn residual financing needs to be covered by the Debt operations with holders of public sector debt

Contribution from debtholders – Targets under the IMF-supported program

Public sector external debt operations should allow Ukraine to meet three targets



“It is vital that Ukraine and the creditors reach an agreement in line with our three criteria and do so before our review. We want and expect that outcome. It will be an important consideration in the upcoming review as we need financing assurances to be satisfactory in order to proceed.”- IMF, April 8th 2015, quoted by Reuters

Target #1

Generate US\$15.3 billion savings in public sector financing during the IMF program period

- From external debt payments on the sovereign, sovereign-guaranteed and state-owned entities

BoP objective

Target #2

Bring the public and publicly guaranteed debt/GDP ratio under 71% of GDP by 2020

- Includes general government external and domestic debt as well as IMF’s BoP support to the NBU and debt of entities depending directly on the Ukrainian state budget

Debt sustainability objective

Target #3

Keep the budget’s gross financing needs at an average of 10% of GDP in 2019–2025 (maximum of 12% of GDP in any given year)

- Includes financing needs of entities that depend directly on the Ukrainian state budget

Payment capacity objective

Perimeter of the debt operations

Perimeter of external debt included in the debt operations as per the Cabinet of Ministers of Ukraine resolution dated 4 April 2015

Contribute to targets 1-3

PUBLIC AND PUBLICLY GUARANTEED DEBT (IMF DEFINITION)

- Government Eurobonds and Eurobonds of the Ukrainian Infrastructure Fund (Fininpro)
- Loans denominated in foreign currency of state-owned entities benefiting from a sovereign guarantee:
 - Ukravtodor
 - Ukrmedpostach
 - Yuzhnoe State Design Office
- City of Kyiv Eurobonds

Contribute to target 1 **ONLY**

STATE-OWNED ENTITIES

- The external debt of the following state-owned entities:
 - Oschadbank
 - Ukreximbank
 - Ukrzaliznytsia
- Including these entities is essential to meeting target #1 of the debt operations
- However, each entity will undergo a separate process targeting its specific situation

Update on the upcoming negotiation process

- An ad hoc creditors committee has been formed advised by Blackstone and Weil Gotshal. The committee is composed of five creditors, holding in aggregate approximately U\$10bn of instruments within the perimeter of Ukraine's debt operation
 - The advisors to this committee have forwarded to the Ukrainian side a paper describing certain restructuring principles. Ukraine does not agree on certain of these principles
 - In the spirit of the creditor consultation process announced in March, Ukraine is currently engaging at the advisor-to-advisor level with the committee
- Negotiations with creditors will take place in April and May
- Negotiations will aim at achieving IMF targets, being targets 1-3 for sovereign, sovereign guaranteed, but only target 1 for State-owned entities

Key elements of the NBU Resolution on Ukreximbank

- On 14 April 2015, the NBU issued a resolution concerning Ukreximbank
- Considering (i) the current difficult situation in Ukraine, (ii) the necessity of preventing deterioration of liquidity of Ukrainian banks with a view to maintain stability of the Ukrainian banking system as a whole, and (iii) the necessity to meet the targets in the IMF-supported program
- This resolution obliges Ukreximbank to take measures to amend the terms of its external financial indebtedness as listed in the resolution of the Cabinet of Ministers of Ukraine of 4 April 2015
- Instruments listed in the aforementioned Resolution are the Eurobond due April 2015, the Subordinated Eurobond due February 2016 and the Eurobond due January 2018

■ **Ukreximbank's proposed re-profiling of the 2015 Eurobond is fully supported by the National Bank of Ukraine and the Ministry of Finance**

Ukreximbank's consent solicitation

- On 27 March 2015, Ukreximbank solicited the approval of the holders of the Ukreximbank's note maturing in April 2015 for the extension of the final maturity and repayment date from 27 April 2015 to 27 July 2015

- On 13 April 2015, the meeting was adjourned for lack of quorum
- Adjourned meeting will be held on Monday 27 April 2015, which is payment date of the Notes

- Ukreximbank invites its noteholders to a webcast on Tuesday, 21 April 2015 at 10:00 am GMT
- To participate, noteholders must register at ukrexim@lazard.fr

Benefits of an approved consent

- Ukreximbank would be able to negotiate the details of the re-profiling of its 2015 Eurobond along the following guidelines
 - maturity extension of maximum 10 years
 - with no principal and no interest rate reduction
- Ukreximbank will pay the coupon (c.US\$31.4m) due on April 27 and the bond will continue to accrue interest at annual coupon rate of 8.375%
- Ukreximbank would be able to negotiate the re-profiling of its Eurobonds with a specific creditors' committee
- This operation can be closed before an agreement on sovereign debt is finalized

Key elements for the adjourned meeting

- Key dates for the adjourned meeting

TIMETABLE OF THE ADJOURNED MEETING

EVENT	DATE AND TIME
Voting deadline	9:00 a.m. GMT on 23 April 2015
Meeting held at White & Case London office	9:00 a.m. GMT on 27 April 2015
Announcement of the results of the adjourned noteholders' meeting	27 April 2015

- Quorum for the adjourned meeting is 33 and 1/3% (representing US\$250m) of total amount issued
- To be passed, a resolution requires 75% of votes expressed at the meeting to vote in favour
- In order to change a vote cast at the first meeting, noteholders have to revoke their original instruction and provide a new instruction

▶ Please contact ukrexim@lazard.fr regarding any technical issue you may have regarding voting



II Q&A session

