



MINISTRY OF
FINANCE OF
UKRAINE

STATE-OWNED BANKS

NON-PERFORMING LOANS STATUS AND RESOLUTION REPORT

(1 HALF 2023)



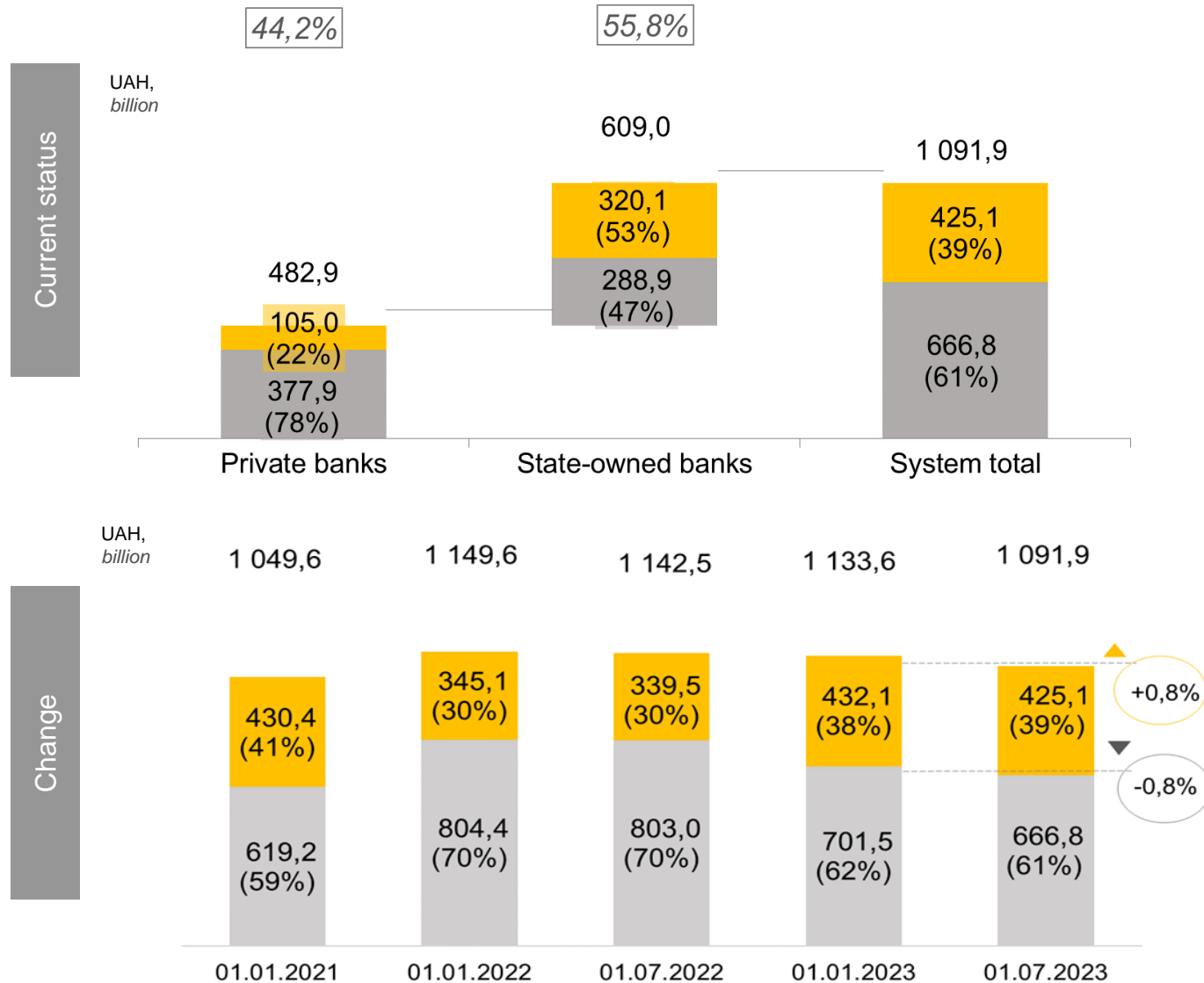
1	General overview	3
2	Oschadbank	8
3	PrivatBank	12
4	Ukreximbank	16
5	Ukrgasbank	20



Status of the banking sector loan portfolio as of 01/07/2023

■ Non-performing
 ■ Performing

xx% – share of the sector in the banking system

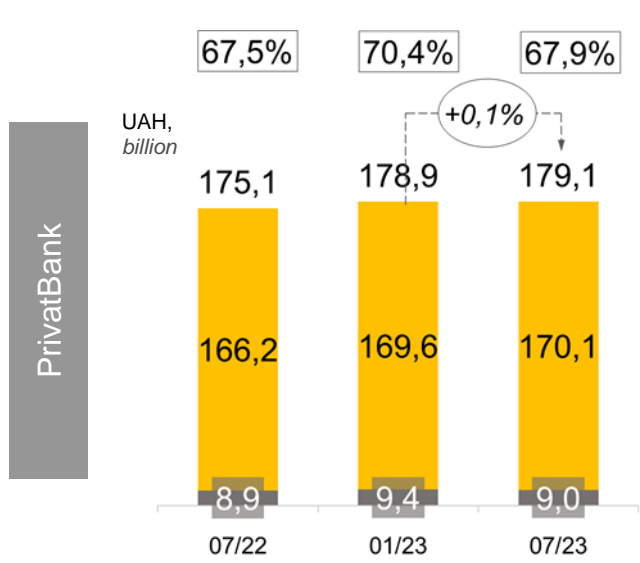


- In the first half of 2023, the volume of non-performing loans (NPL) in the banking system of Ukraine as a whole decreased by 1.6%, or by UAH 6.9 billion, and as of July 1, 2023 was equal to UAH 425.1 billion.
- The share of NPLs in the total loan portfolio of Ukrainian banks increased from 38.1% to 38.9% during the reporting period.
- As of July 1, 2023, more than 75% (320.1 billion UAH) of the total volume of non-performing loans was concentrated in public sector banks.
- During the reporting period, the portfolio of non-performing loans of public sector banks decreased by 0.9%, or by UAH 3.0 billion.
- At the same time, there was an increase in the volume of performing loans provided by public sector banks by 1.0%, or by UAH 2.9 billion.
- This led to a decrease in the share of NPLs in the credit portfolio of public sector banks from 53.0% as of 01/01/2023 to 52.6% as of 01/07/2023

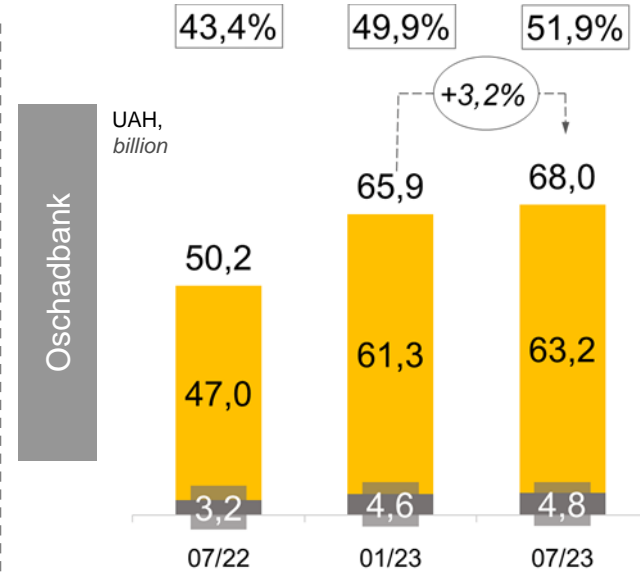


Public sector banks' NPL: current status as of 01/07/2023

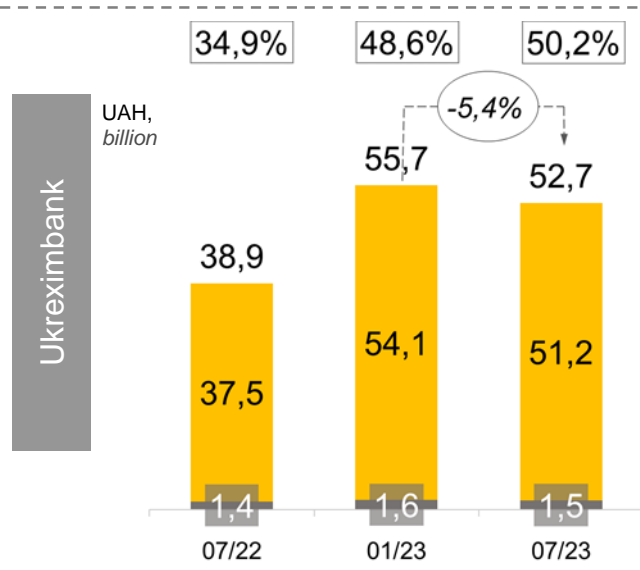
■ Legal entities ■ Private individuals
xx% – share of loan portfolio



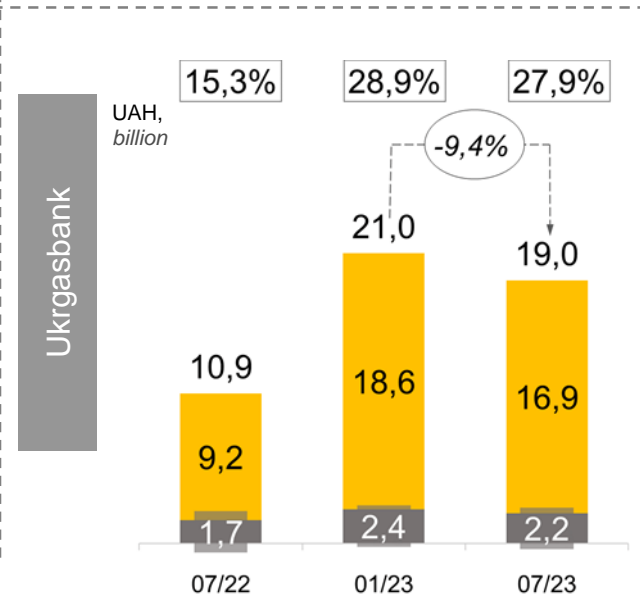
- In the first half of 2023, the volume of non-performing loans of PrivatBank increased by 0.1%, or by UAH 0.2 billion, to UAH 179.1 billion.
- The bank's NPL level for the first half of the year, against the background of the growth of the working loan portfolio (by 12.2%, or UAH 9.2 billion), decreased by 2.5 percentage points. to 67.9%.
- 95% of the bank's portfolio of non-performing loans consists of loans granted to legal entities.



- The amount of non-performing loans of Oschadbank increased by 3.2%, or by UAH 2.1 billion, to UAH 67.9 billion during the reporting period.
- In the first half of 2023 the level of NPL increased by 2.0 percentage points. to 51.9%.
- Non-performing loans are concentrated in the portfolio of legal entities.



- In the first half of the current year, the volume of NPLs of Ukreximbank decreased by 5.4%, or by UAH 3.0 billion, to UAH 52.7 billion.
- The level of NPL for the first half of the year increased by 1.7 percentage points to 50.2%, against the background of a decrease in the loan portfolio.
- The majority of non-performing loans are concentrated in the portfolio of legal entities.

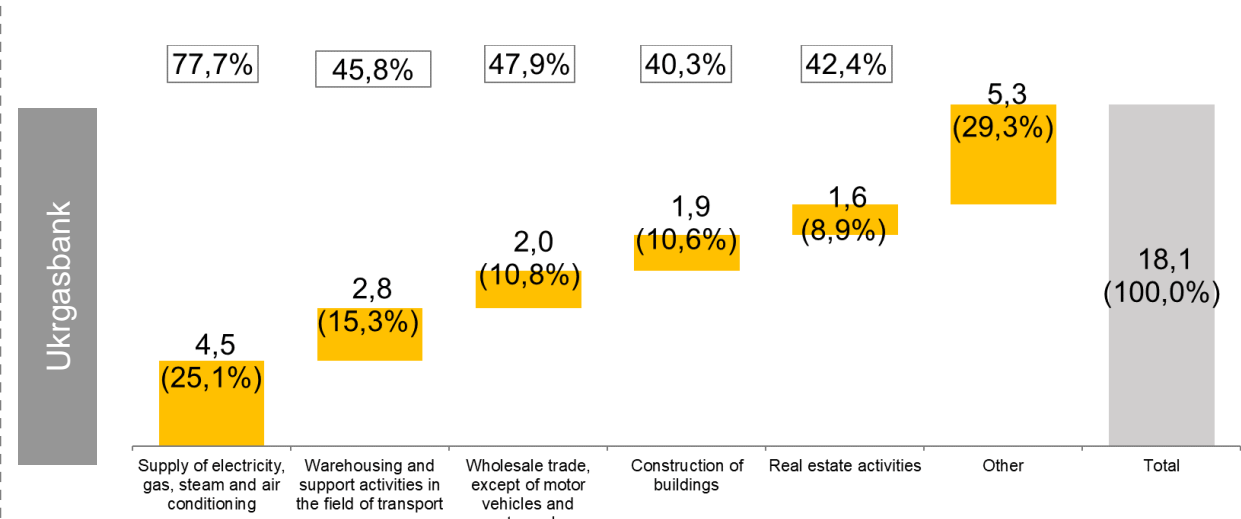
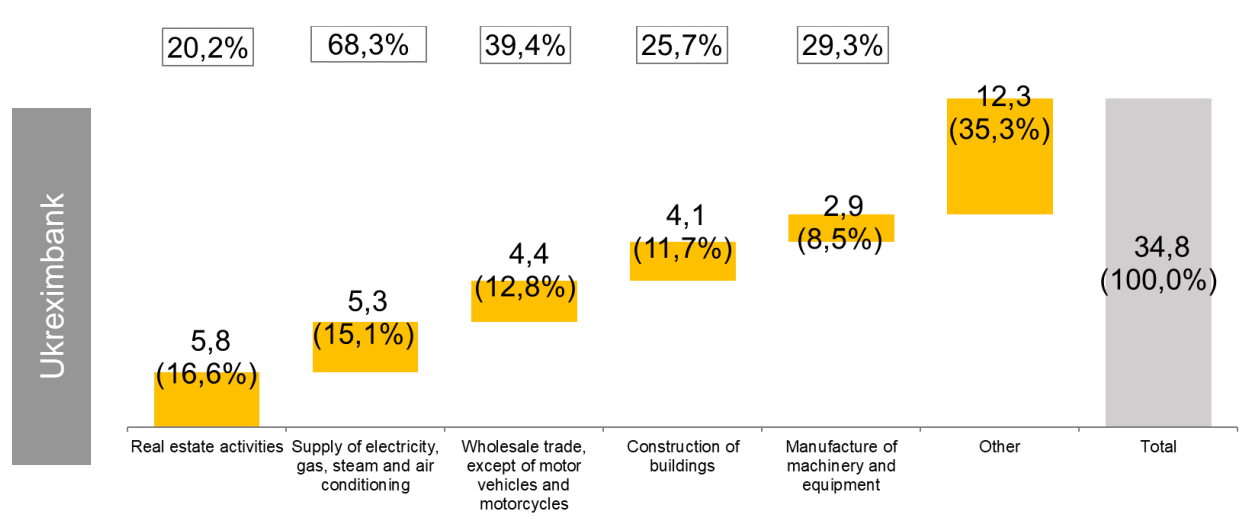
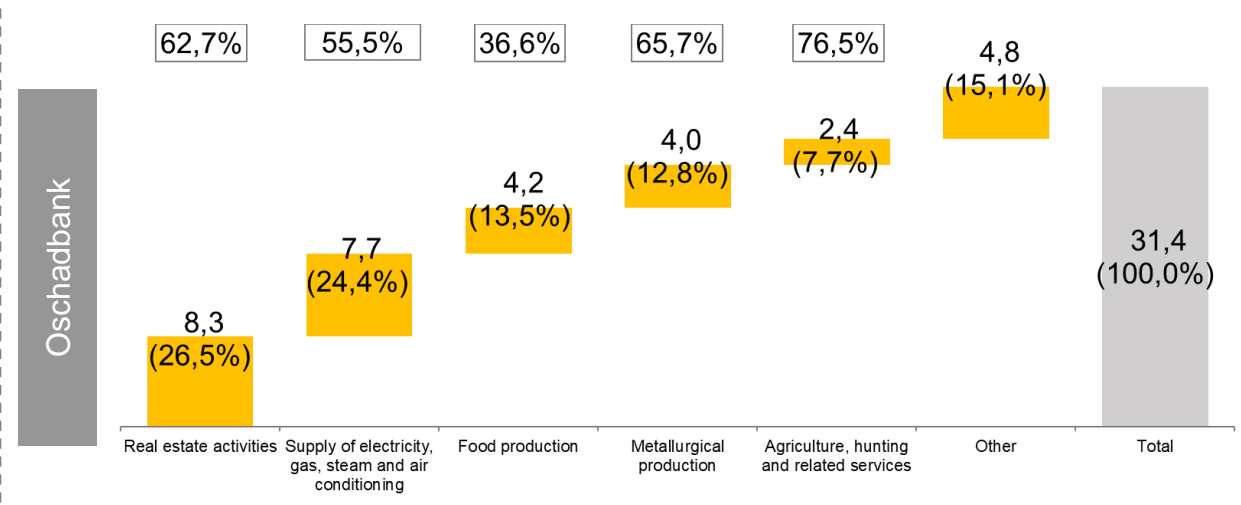
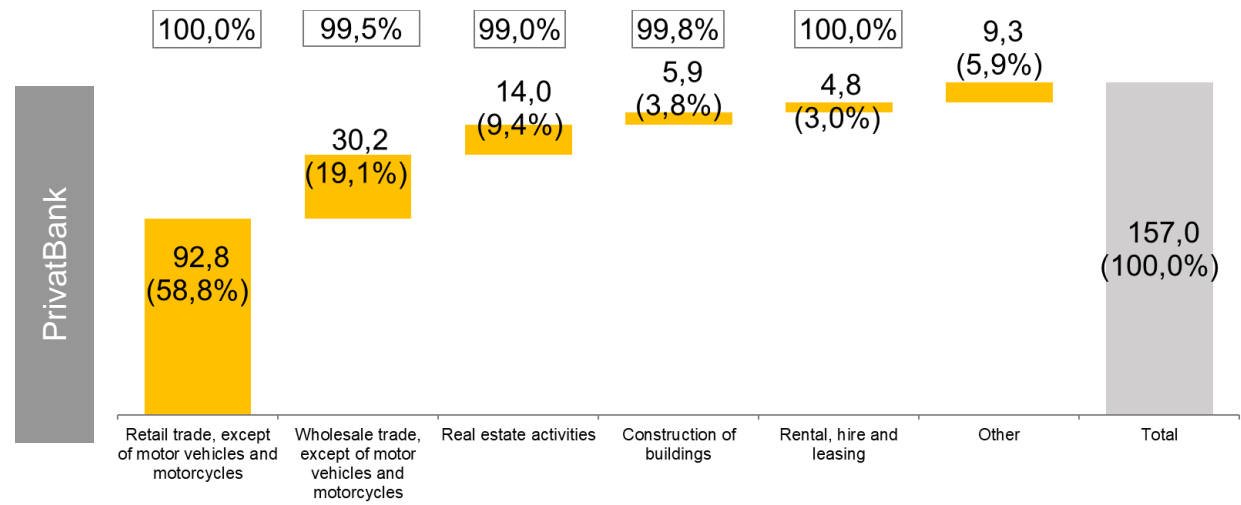


- According to the results of the first half of 2023, the volume of non-performing loans of Ukrgasbank decreased by 9.4%, or by UAH 1.9 billion, to UAH 19.0 billion.
- The NPL level decreased by 1.0 percentage points. to 27.9%.
- The bank has the smallest volume and share of non-performing loan portfolio among public sector banks



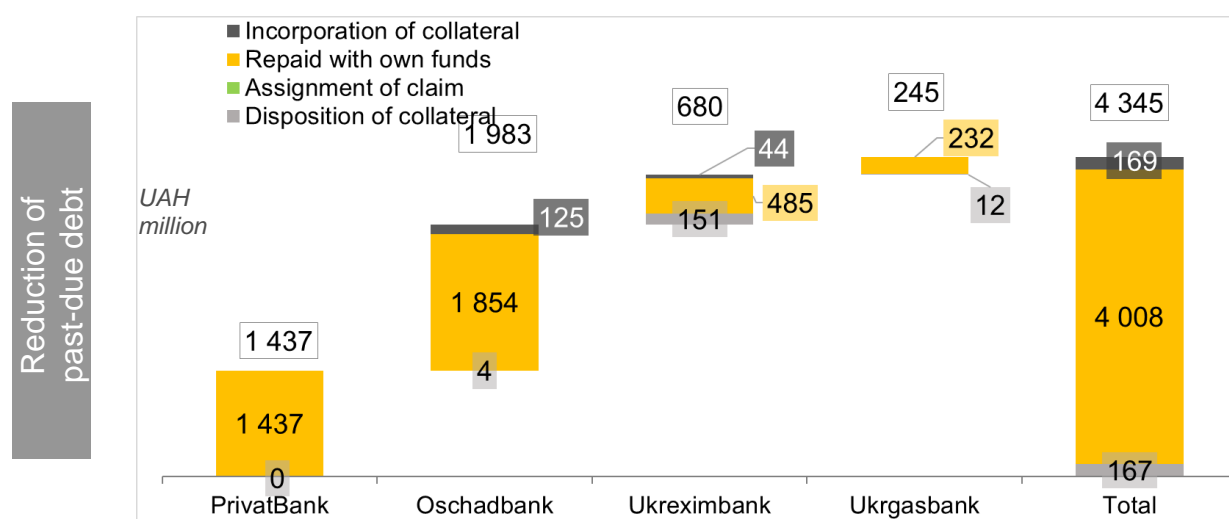
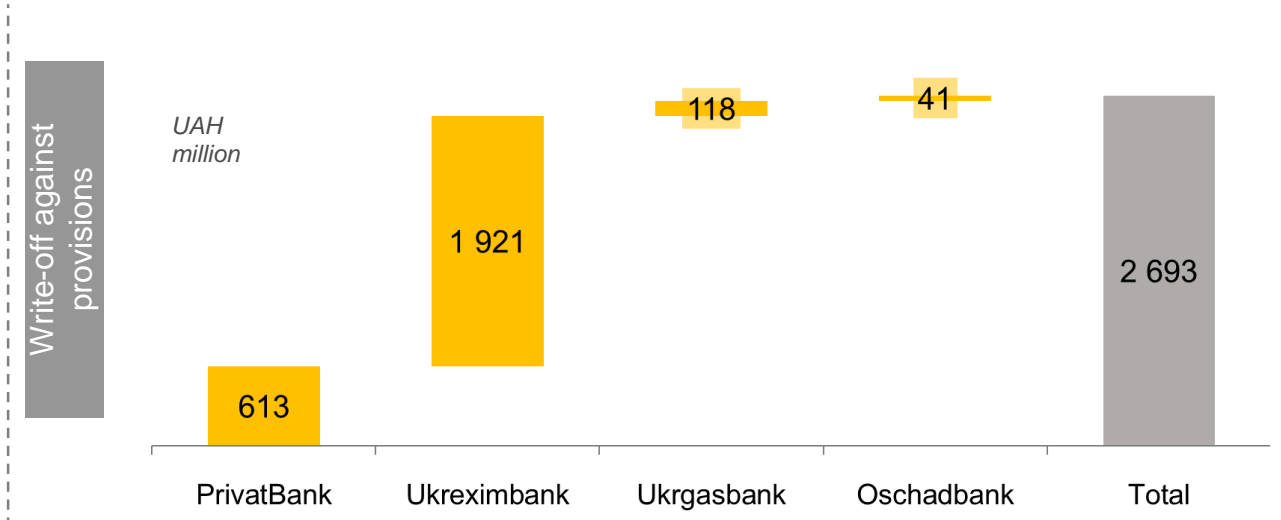
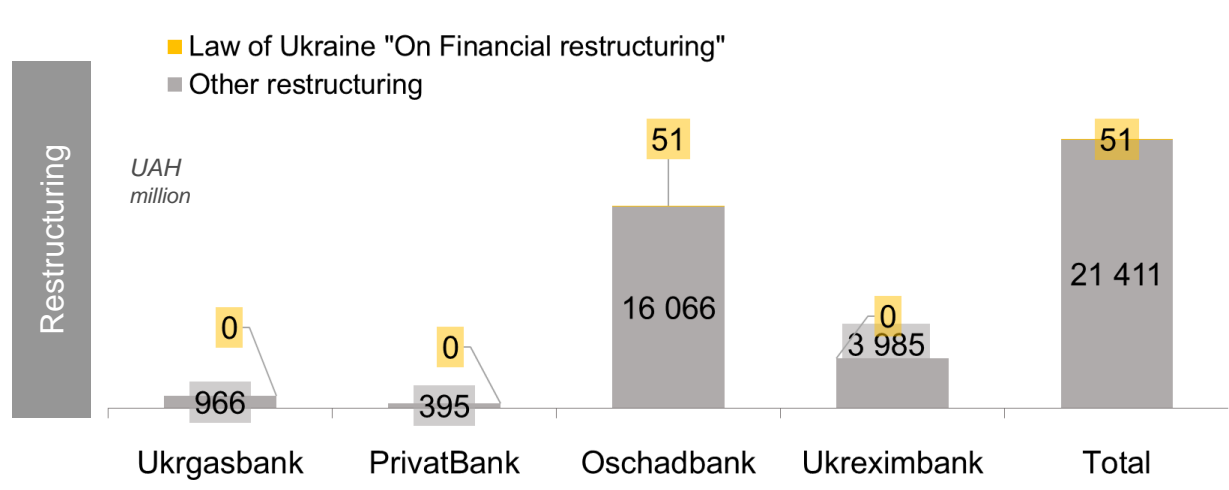
Corporate NPL by sector of economy as of 01/07/2023

Share of the sector in the corporate NPL portfolio, UAH *billion*
 xx% – provision coverage





Public sector banks' NPL: efforts taken in the 1st half of 2023



Litigation

Banks	New lawsuits filed in the 1 st half of 2023		Got court decisions in the 1 st half of 2023		Enforcement proceedings in the 1 st half of 2023		Lawsuits in courts as of 01.07.2023	
	number, thsd	UAH, million	number, thsd	UAH, million	number, thsd	UAH, million	number, thsd	UAH, million
PrivatBank	21,2	2 225,0	10,4	908,0	15,9	4 692,0	25,8	3 302,0
Oschadbank	0,1	49,6	0,5	24,4	23,6	2 718,0	3,0	3 559,7
Ukreximbank	0,0	685,1	0,0	5 720,8	0,6	31 391,4	0,4	32 142,4
Ukrgasbank	1,0	2 051,9	0,6	374,5	1,0	1 142,0	2,5	8 200,9
Total	22,4	5 011,6	11,5	7 027,7	41,1	39 943,4	31,8	47 205,0

Source: data of Oschadbank, PrivatBank, Ukreximbank, Ukrgasbank



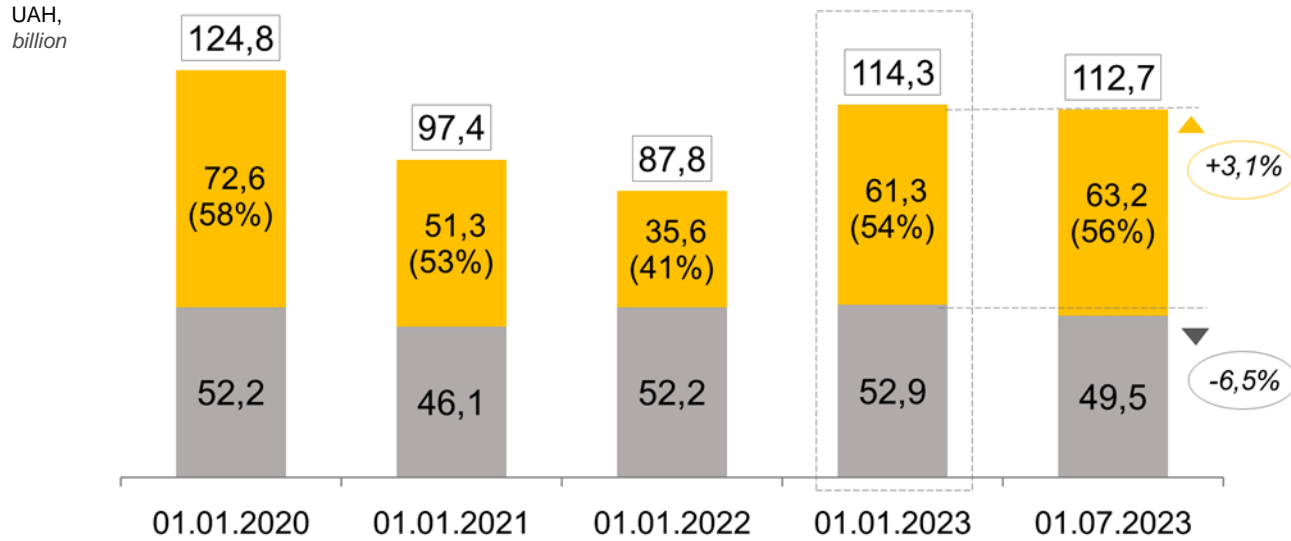
1	General overview	3
2	Oschadbank	8
3	PrivatBank	12
4	Ukreximbank	16
5	Ukrgasbank	20



Oschadbank: corporate loan portfolio

■ Non-performing
 ■ Performing

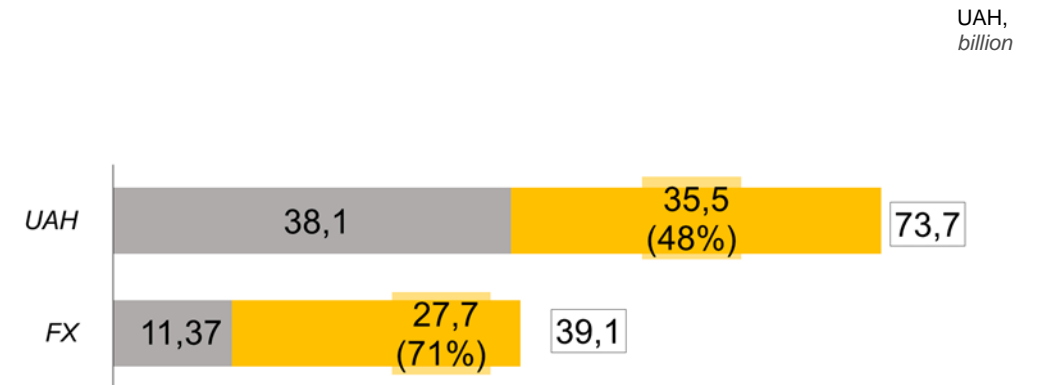
 Base of comparison



- In the first half of 2023, the non-performing loan portfolio of legal entities increased by 3.1%, or by UAH 1.9 billion, to UAH 63.2 billion.
- The share of NPLs in the total loan portfolio of legal entities increased by 2.4 percentage points, to 56.1%.
- The performing loan portfolio of legal entities for the first half of 2023 decreased by 6.5%, or by UAH 3.4 billion, to UAH 49.5 billion.
- Credit risk coverage of non-performing loan portfolio of legal entities in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 78.2%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	5,6	4,2	4,3	21,2	7,7	1,0	0,1	1,3	4,1	63,2
Share of the class	5,0%	3,7%	3,8%	18,8%	6,9%	0,9%	0,1%	1,1%	3,7%	56,1%
Credit risk, UAH billion (2)	0,4	0,0	0,0	0,6	0,0	0,0	0,0	0,2	1,7	49,4
Coverage	6,5%	0,5%	1,0%	2,8%	0,6%	1,9%	2,5%	17,9%	41,2%	78,2%

(1) – NPL deemed class 10 loans according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No

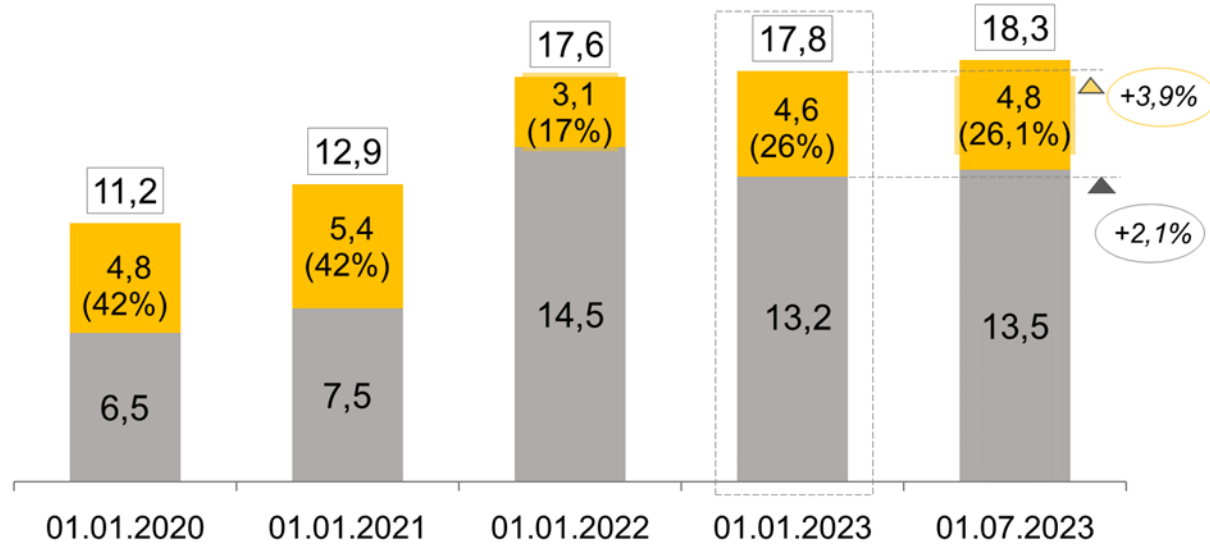




Oschadbank: retail loan portfolio

■ Non-performing
 ■ Performing

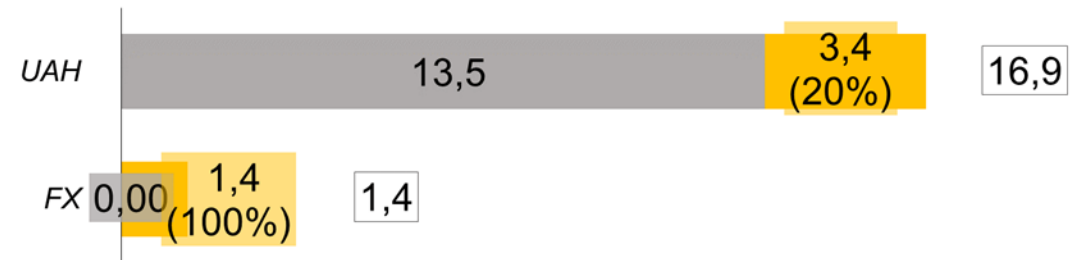
 Base of comparison



- In the first half of 2023, the non-performing loan portfolio of individuals increased by 3.9%, or by UAH 0.2 billion, to UAH 4.8 billion.
- The share of non-performing loans in the portfolio of individuals increased by 0.3 percentage points during the reporting period. to 26.1%.
- The performing loan portfolio of individuals for the first half of 2023 increased by 2.1%, or by UAH 0.3 billion, to UAH 13.5 billion.
- Coverage of the non-performing credit portfolio of individuals with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 81.2%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	12,4	0,8	0,2	0,1	4,8
Share of the class	67,6%	4,4%	1,1%	0,8%	26,1%
Credit risk, UAH billion (2)	0,8	0,1	0,1	0,0	3,9
Coverage	6,9%	16,1%	31,1%	31,3%	81,2%

UAH, billion



(1) – NPL deemed class 5 loans according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351



Oschadbank: key achievements in restructuring and collection

Implemented

According to the results of the first half of 2023, overdue debt decreased by UAH 2 billion, including:

repaid with own funds - UAH 1.8 billion;

sold pledged property - UAH 0.003 billion;

pledges on the bank's balance were accepted - UAH 0.1 billion.

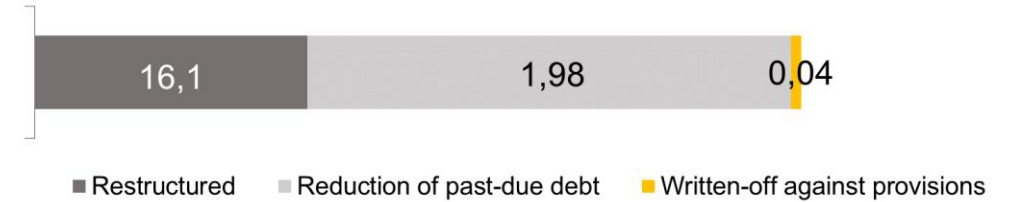
Restructuring of problematic debt in the amount of UAH 0.05 billion was carried out in accordance with the norms of the Law on Financial restructurisation

Deducted from the reserve - UAH 0.04 billion.

Litigations

	Stage 1		Stage 2		Stage 3	
	<i>Lawsuits filed</i>		<i>Got court decisions</i>		<i>Launched enforcement proceedings</i>	
	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion
During 2022	2,4	0,1	2,4	0,2	18,8	2,0
In the 1 st half of 2023	0,1	0,0	0,5	0,0	23,6	2,7

Achievements in the 1st half of 2023, UAH billion





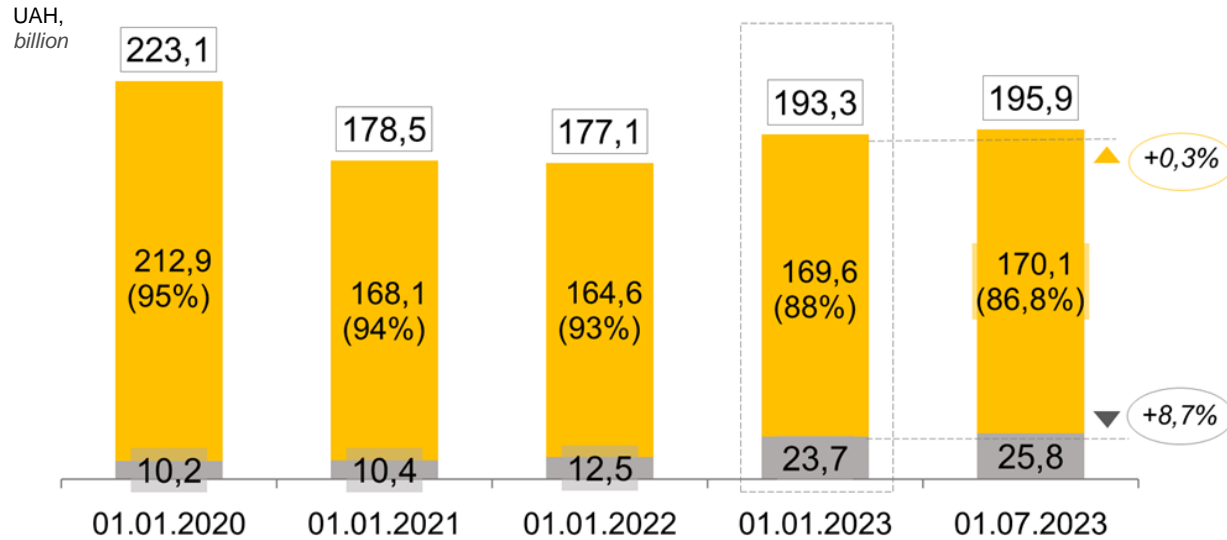
1	General overview	3
2	Oschadbank	8
3	PrivatBank	12
4	Ukreximbank	16
5	Ukrgasbank	20



PrivatBank: corporate loan portfolio

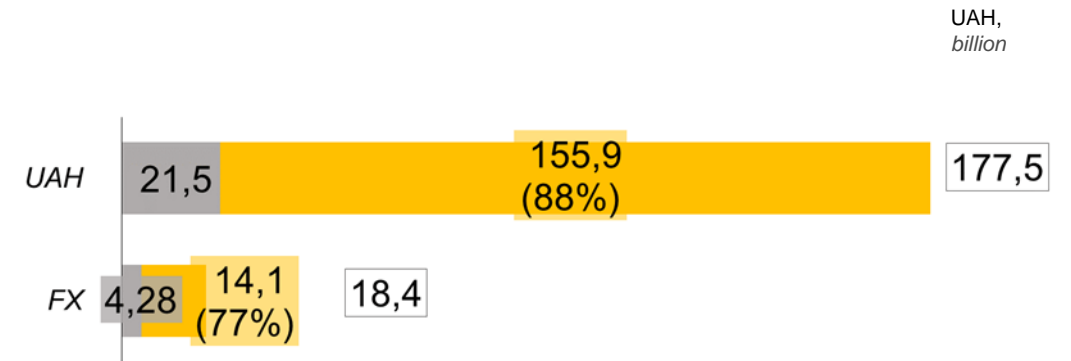
■ Non-performing
 ■ Performing

 Base of comparison



- In the first half of 2023, the non-performing loan portfolio of legal entities increased by 0.3%, or by UAH 0.5 billion, to UAH 170.1 billion.
- The share of NPLs in the total loan portfolio of legal entities decreased by 0.9 percentage points. to 86.8%.
- The decrease in the specific weight of NPLs in the bank's corporate loan portfolio was facilitated by an increase in the volume of performing loans granted to legal entities by 8.7%, or by UAH 2.1 billion to UAH 25.8 billion.
- Credit risk coverage of non-performing loan portfolio of legal entities in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 99.8%.

<i>Class (1)</i>	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	17,3	1,5	4,9	1,5	0,5	0,1	0,0	0,0	0,0	170,1
Share of the class	8,8%	0,7%	2,5%	0,8%	0,3%	0,1%	0,0%	0,0%	0,0%	86,8%
Credit risk, UAH billion (2)	0,8	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	169,7
Coverage	4,4%	0,9%	5,4%	2,2%	5,2%	4,8%	3,6%	6,8%	99,0%	99,8%



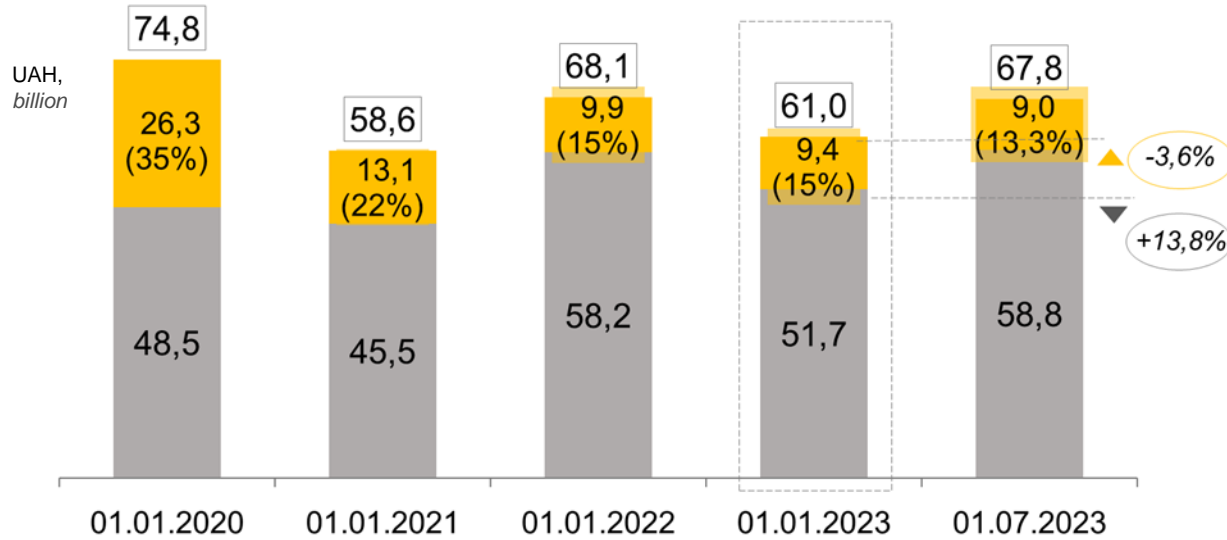
(1) – NPL deemed class 10 loans according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351



PrivatBank: retail loan portfolio

■ Non-performing
 ■ Performing

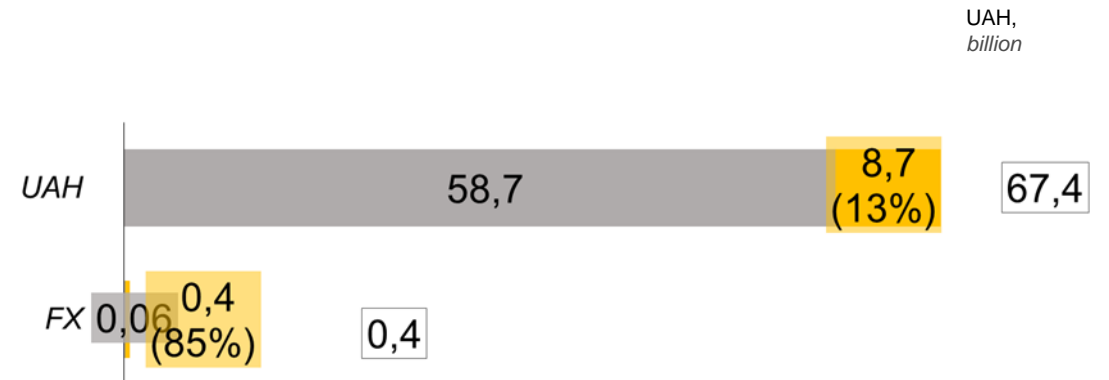
 Base of comparison



- Since the beginning of the current year, the non-performing loan portfolio of the individuals has decreased by 3.6%, or by UAH 0.3 billion, to UAH 9.0 billion.
- The share of non-performing loans in the portfolio of individuals decreased by 2.0 percentage points during the reporting period. to 13.3%.
- The performing loan portfolio of the individuals increased by 13.8%, or by UAH 7.1 billion, to UAH 58.8 billion in the first half of 2023.
- Coverage of the non-performing credit portfolio of the individuals with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 83.4%.

<u>Class (1)</u>	1	2	3	4	5
Loan portfolio, UAH billion	57,9	0,6	0,0	0,3	9,0
Share of the class	85,4%	0,8%	0,1%	0,4%	13,3%
Credit risk, UAH billion (2)	1,1	0,1	0,0	0,2	7,5
Coverage	1,9%	13,4%	20,1%	57,4%	83,4%

(1) – NPL deemed class 10 loans according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351





PrivatBank: key achievements in restructuring and collection

Implemented

According to the results of the first half of 2023, overdue debt decreased by UAH 1.4 billion, almost entirely due to repayment with own funds - UAH 0.6 billion.

Pledged property in the amount of UAH 0.4 million was also sold.

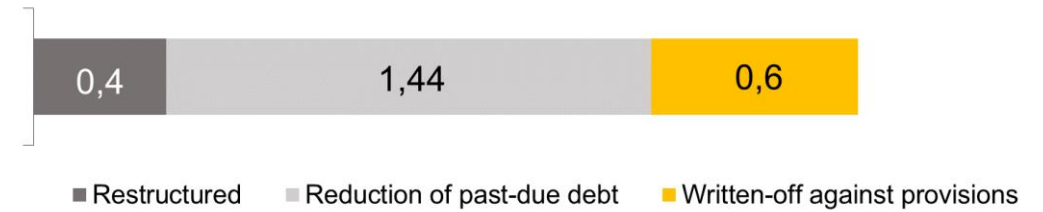
Deducted from the reserve - UAH 0.6 billion.

Restructuring of problematic debt in the amount of UAH 0.4 billion was carried out.

Litigations

	Stage 1		Stage 2		Stage 3	
	<i>Lawsuits filed</i>		<i>Got court decisions</i>		<i>Launched enforcement proceedings</i>	
	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion
During 2022	11,2	1,1	16,8	1,0	27,0	12,9
In the 1 st half of 2023	21,2	2,2	10,4	0,9	15,9	4,7

Achievements in the 1st half of 2023, UAH million





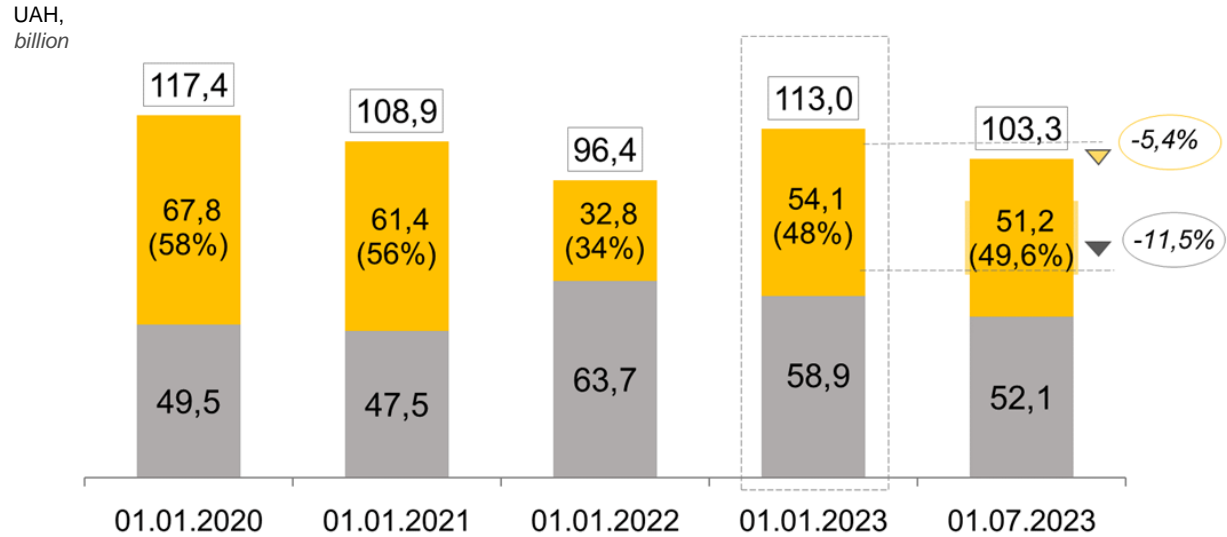
1	General overview	3
2	Oschadbank	8
3	PrivatBank	12
4	Ukreximbank	16
5	Ukrgasbank	20



Ukreximbank: corporate loan portfolio

■ Non-performing
 ■ Performing

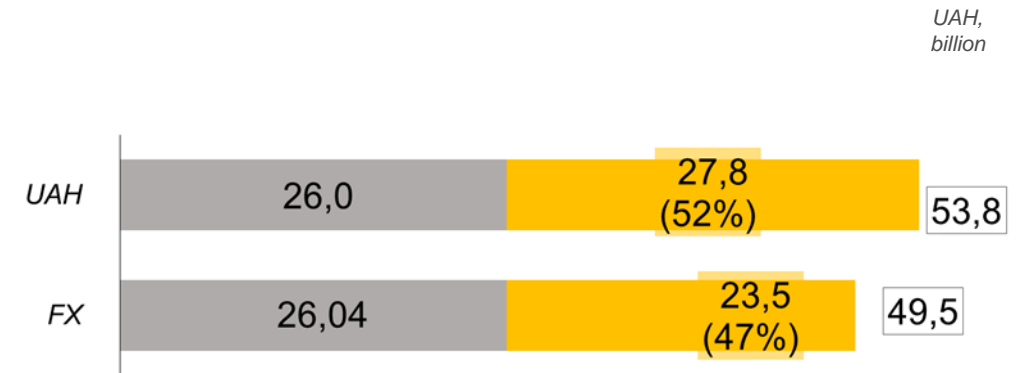
 Base of comparison



- In the first half of 2023, non-performing loan portfolio of legal entities of the bank decreased by 5.4%, or by UAH 2.9 billion, to UAH 51.2 billion.
- At the same time, there was a decrease in the amount of performing loans granted to legal entities - by 11.5%, or by UAH 6.8 billion to UAH 52.1 billion.
- This led to an increase in the share of NPLs in the total loan portfolio of legal entities of the bank by 1.7 percentage points. to 49.6%.
- Credit risk coverage of non-performing loan portfolio of legal entities in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 70.5%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	1,5	11,2	5,2	10,5	14,6	0,3	0,9	0,6	7,2	51,2
Share of the class	1,4%	10,9%	5,0%	10,2%	14,2%	0,3%	0,8%	0,6%	7,0%	49,6%
Credit risk, UAH billion (2)	0,0	0,2	0,1	0,2	0,5	0,0	0,0	0,1	2,3	36,1
Coverage	0,1%	1,4%	1,7%	2,2%	3,3%	4,0%	0,0%	8,9%	32,1%	70,5%

(1) – NPL deemed class 5 according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351

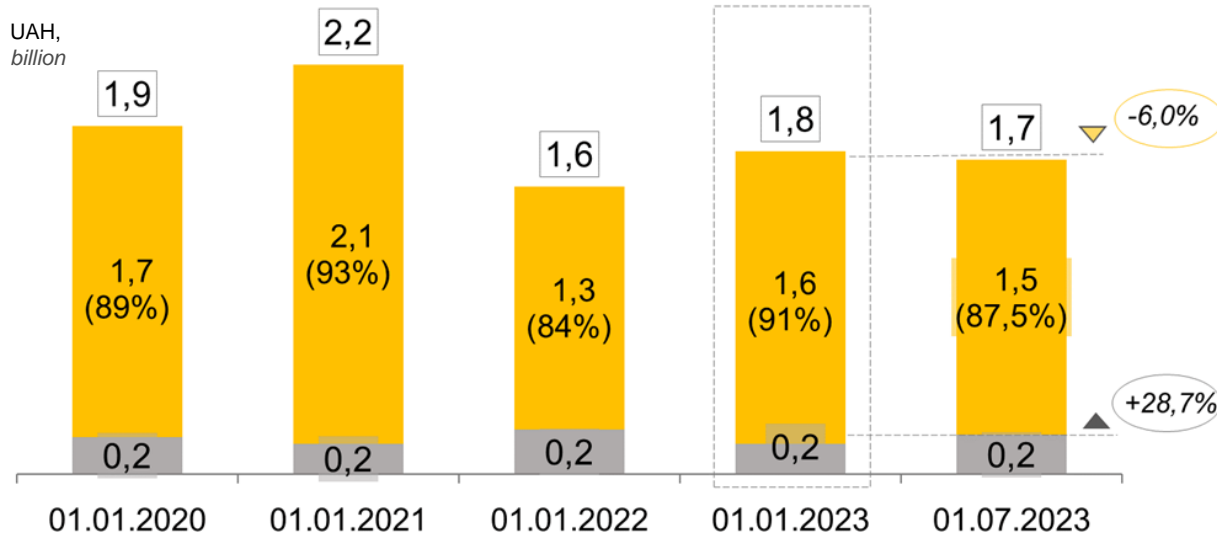




Ukreximbank: retail loan portfolio

■ Non-performing
 ■ Performing

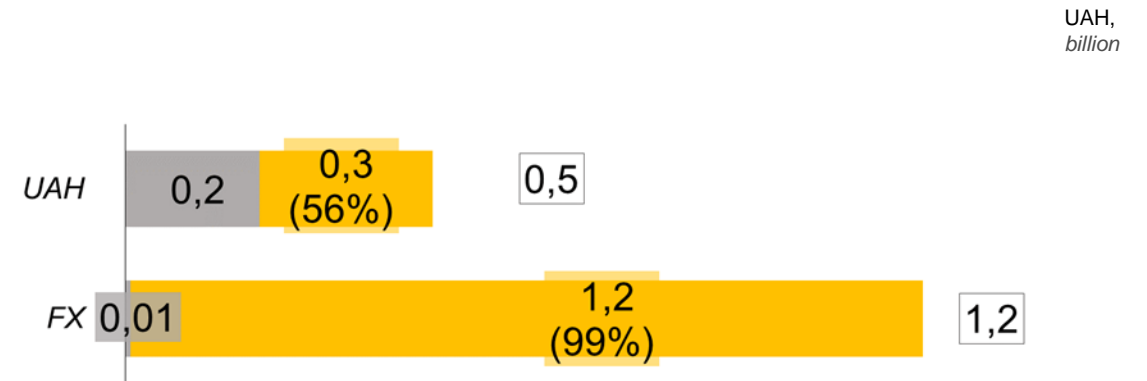
 Base of comparison



- In the 1st half of 2023 the **non-performing retail loan portfolio decreased by 6.0%, or by UAH 0.09 billion to UAH 1.5 billion.**
- The share of non-performing loans in the portfolio of individuals decreased by 3.1 percentage points during the reporting period up to 87.5%.
- **Performing loan portfolio of individuals for the first half of 2023 increased by 28.7%, or by UAH 0.05 billion to UAH 0.2 billion.**
- **Credit risk coverage of non-performing retail loan portfolio** under NBU Resolution No.351 (provisions under IFRS + capital coverage) made **97.7%**.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	0,1	0,1	0,0	0,0	1,5
Share of the class	6,6%	5,7%	0,1%	0,1%	87,5%
Credit risk, UAH billion (2)	0,0	0,0	0,0	0,0	1,5
Coverage	11,2%	3,7%	68,9%	33,8%	97,7%

(1) – NPL deemed class 5 according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351





Ukreximbank: key achievements in restructuring and collection

Implemented

According to the results of the first half of 2023, overdue debt decreased by UAH 0.7 billion, including:

- repaid with own funds - UAH 0.5 billion;
- sold pledged property - UAH 0.1 billion;
- pledges were accepted on the bank's balance sheet - UAH 0.04 billion.

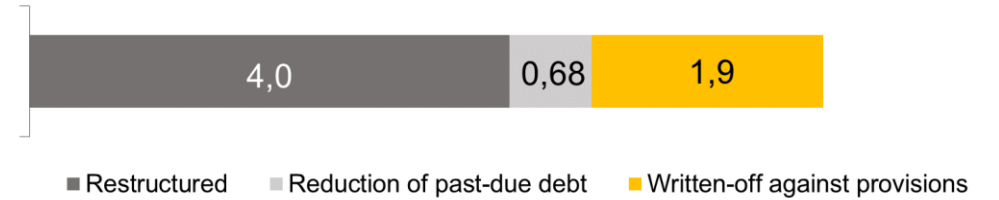
Deducted from the reserve - UAH 1.9 billion

Restructuring of problematic debt in the amount of UAH 4.0 billion was carried out.

Litigations

	Stage 1		Stage 2		Stage 3	
	<i>Lawsuits filed</i>		<i>Got court decisions</i>		<i>Launched enforcement proceedings</i>	
	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion
During 2022	0,0	12,0	0,0	25,1	0,3	24,2
In the 1 st half of 2023	0,0	0,7	0,0	5,7	0,6	31,4

Achievements in the 1st half of 2023, UAH million





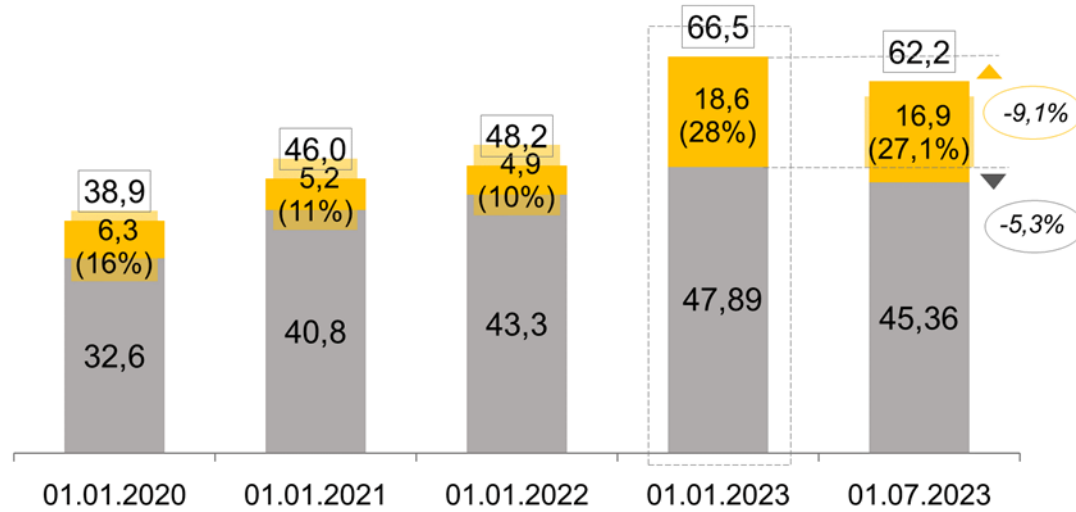
1	General overview	3
2	Oschadbank	8
3	PrivatBank	12
4	Ukreximbank	16
5	Ukrgasbank	20



UkrGasbank: corporate loan portfolio



UAH,
billion

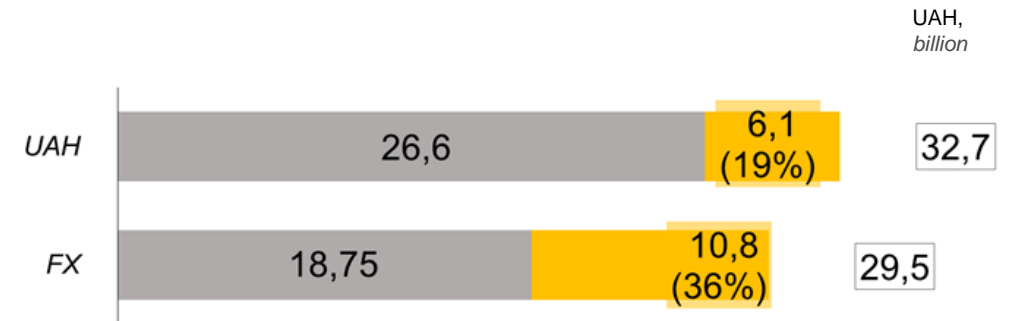


- In the first half of 2023, the non-performing loan portfolio of legal entities decreased by 9.1%, or by UAH 1.7 billion, to UAH 16.9 billion.
- The share of NPLs in the total loan portfolio of legal entities decreased by 0.8 percentage points. to 27.1%.
- The performing loan portfolio of legal entities for the first half of 2023 decreased by 5.3%, or by UAH 2.5 billion, to UAH 45.4 billion.
- Credit risk coverage of non-performing loan portfolio of legal entities in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 59.7%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	3,4	5,6	5,2	13,9	3,4	3,5	3,0	0,1	7,1	16,9
Share of the class	5,5%	9,1%	8,4%	22,4%	5,5%	5,7%	4,8%	0,1%	11,5%	27,1%
Credit risk, UAH billion (2)	0,1	0,1	0,1	0,4	0,1	0,1	0,0	0,0	0,3	10,1
Coverage	1,9%	1,6%	1,7%	2,9%	3,3%	2,3%	0,7%	7,2%	4,7%	59,7%

(1) – NPL deemed class 5 according to NBU Resolution No.351

(2) – estimated exposure at risk under NBU Resolution No.351

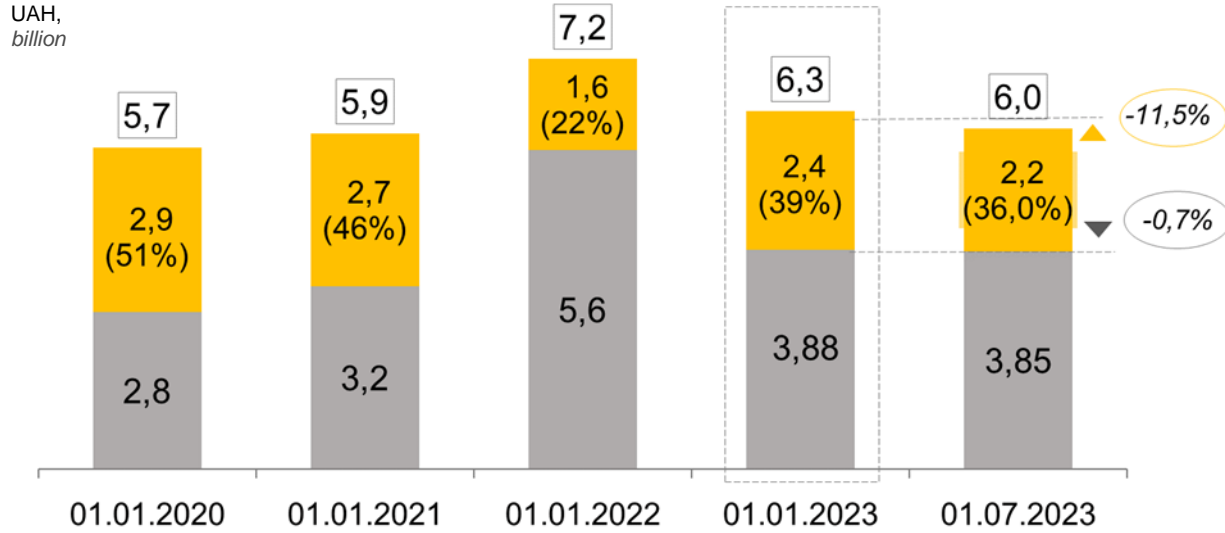




UkrGasbank: retail loan portfolio

■ Non-performing
 ■ Performing

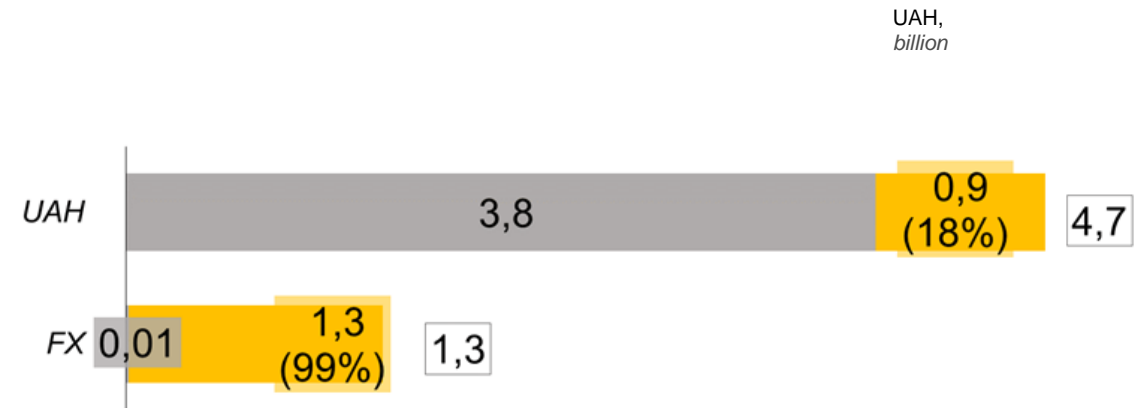
 Base of comparison



- In the first half of 2023, the non-performing credit portfolio of individuals decreased by 11.5%, or by UAH 0.3 billion, to UAH 2.2 billion.
- The share of non-performing loans in the portfolio of individuals decreased by 2.7 percentage points during the reporting period. to 36.0%.
- The performing loan portfolio of the individuals for the first half of 2023 decreased by 3.7%, or by UAH 0.7 billion, to UAH 3.8 billion.
- Coverage of the non-performing credit portfolio of individuals with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 86.3%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	3,8	0,0	0,0	0,0	2,2
Share of the class	62,6%	0,8%	0,4%	0,2%	36,0%
Credit risk, UAH billion (2)	0,1	0,0	0,0	0,0	1,9
Coverage	2,0%	12,0%	28,3%	52,4%	86,3%

(1) – NPL deemed class 5 according to NBU Resolution No.351
 (2) – estimated exposure at risk under NBU Resolution No.351





UkrGasbank: key achievements in restructuring and collection

Implemented

Overdue debt decreased by UAH 0.25 billion in the first half of 2023, including:

- repaid with own funds - UAH 0.2 billion;
- sold pledged property - UAH 0.01 billion.

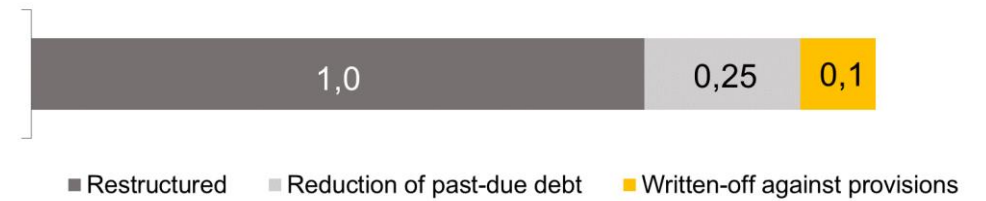
Restructuring of problematic debt in the amount of UAH 1.0 billion was carried out.

Deducted from the reserve - UAH 0.1 billion.

Litigations

	Stage 1		Stage 2		Stage 3	
	<i>Lawsuits filed</i>		<i>Got court decisions</i>		<i>Launched enforcement proceedings</i>	
	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion
During 2022	1,1	1,1	1,1	0,7	1,4	1,0
In the 1 st half of 2023	1,0	2,1	0,6	0,4	1,0	1,1

Achievements in the 1st half of 2023, UAH million





Parameters according to which information is provided in slides on 4,5

- Slide 4 – information according to NBU principal amount of debt and accrued interest
- Slide 5 – information according to the banks' gross book value of non-performing loans

Parameters of data presentation on slides 6,7,11,15,19,23

- Information is given on credit transactions with legal entities (except budget institutions, SPE, banks) and private individuals
 - Information is given on credit transactions, except for transactions with debt securities
 - “Debt” shall mean principal plus accrued interest
 - “Reduction of past-due debt” includes debt on assets carried on the balance sheet of the bank, and assets written-off to off-balance sheet accounts against provisions (cumulative for the period).
 - “Restructuring” displays the amount of loans restructured in the period. The amount of the restructured asset is reflected as the amount of the asset debt on the date of restructuring
-

- 1. Proceedings during the period.** If a bank sues the asset during the period (Stage 1), and in the same year the case is considered and judgment passed (Stage 2), and the relevant enforcement proceeding is started (Stage 3), then the information about such asset is only displayed in relation to the last stage of the claim, namely, in the "Launched enforcement proceedings " line (Stage 3).
- 2. Number.** If several claims have been filed for recovering the debt on the asset (to the borrower, to the guarantor, with claims for debt recovery/foreclosure of collateral, and the bank's monetary claims on debtors in bankruptcy cases), then the information about such asset is displayed by each claim, corresponding to the stage of its consideration. That is, the number of claims related to one asset may be more than one. In this case, all submitted claims are displayed in the “Number” columns at their appropriate stages.
- 3. Amount.** If several events (lawsuit/judgment/enforcement proceeding) are associated with an asset being in one stage, then the amounts of each event are not added. To avoid doubling, only the amount due on the asset is displayed. Should the asset be in several stages at a time, the asset amount is displayed for each of those stages respectively, subject to the rules on non-doubling.