



MINISTRY OF
FINANCE OF
UKRAINE

STATE-OWNED BANKS

NON-PERFORMING LOANS STATUS AND RESOLUTION REPORT

(II HALF 2023)



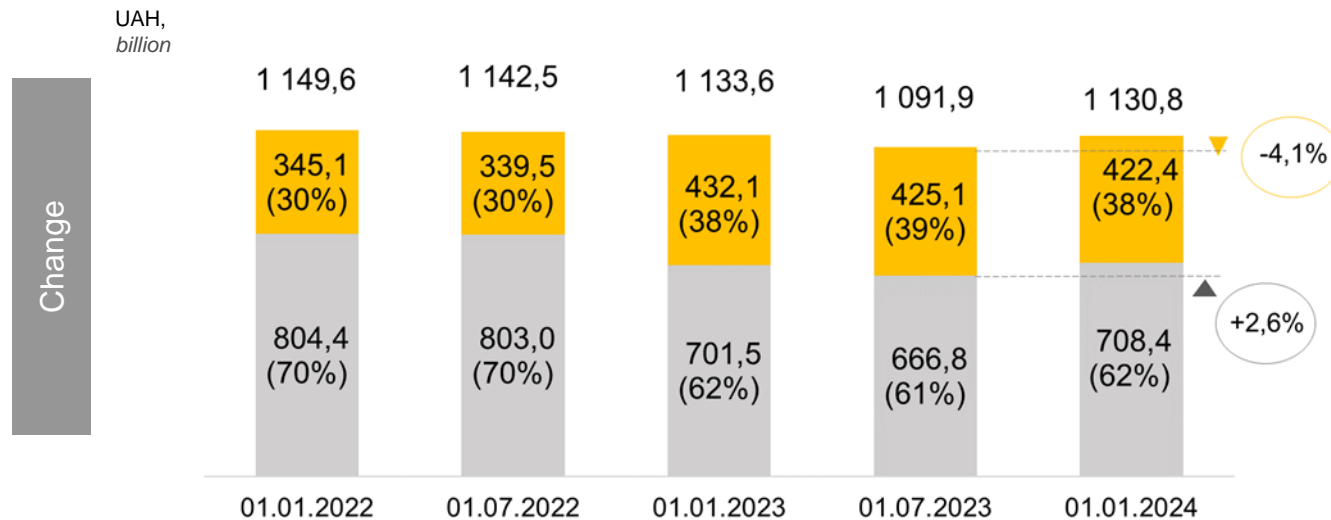
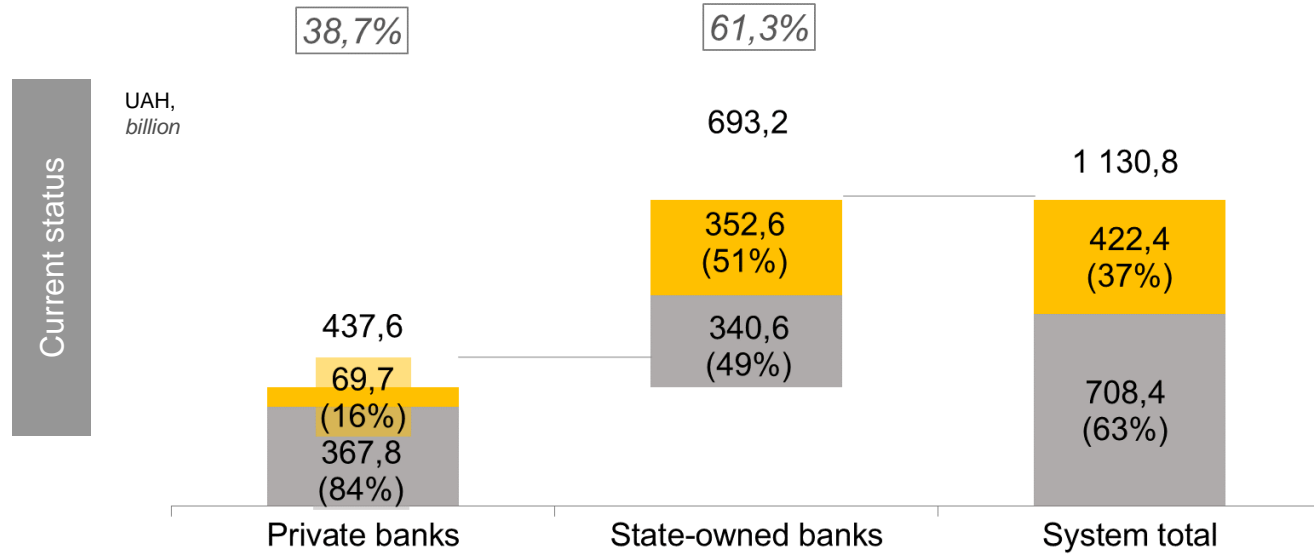
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Status of the banking sector loan portfolio as of 01/01/2024

■ Non-performing
 ■ Performing

xx% – share of the sector in the banking system

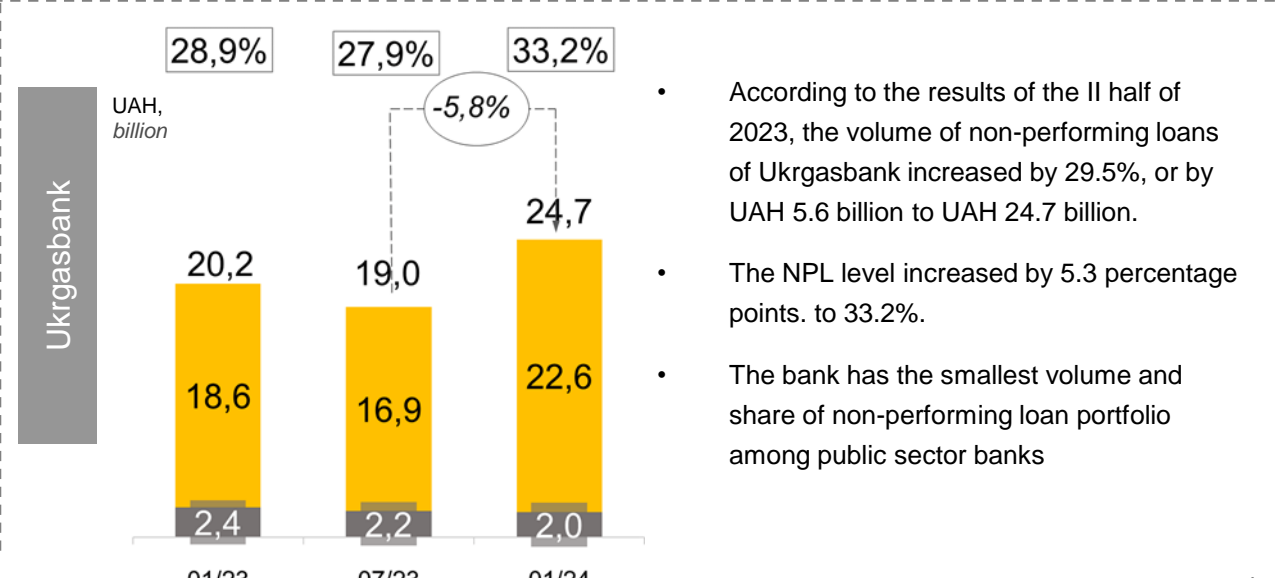
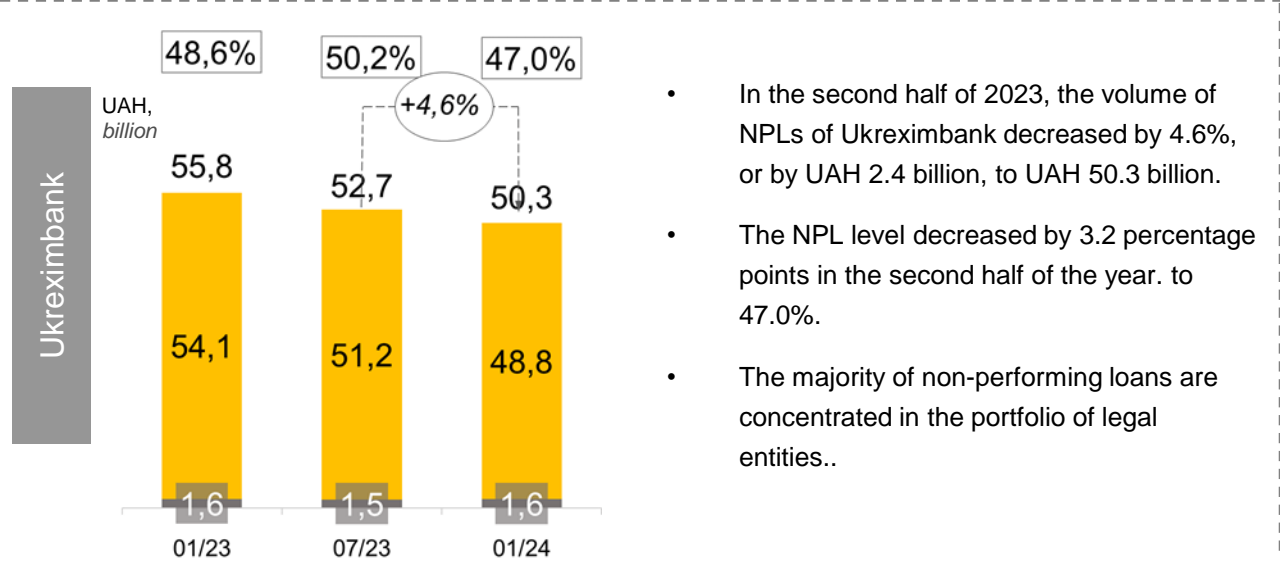
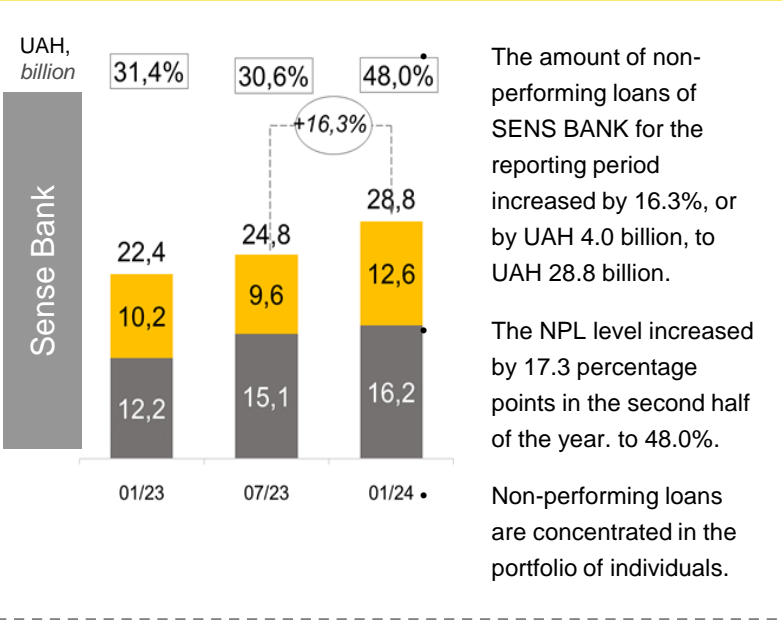
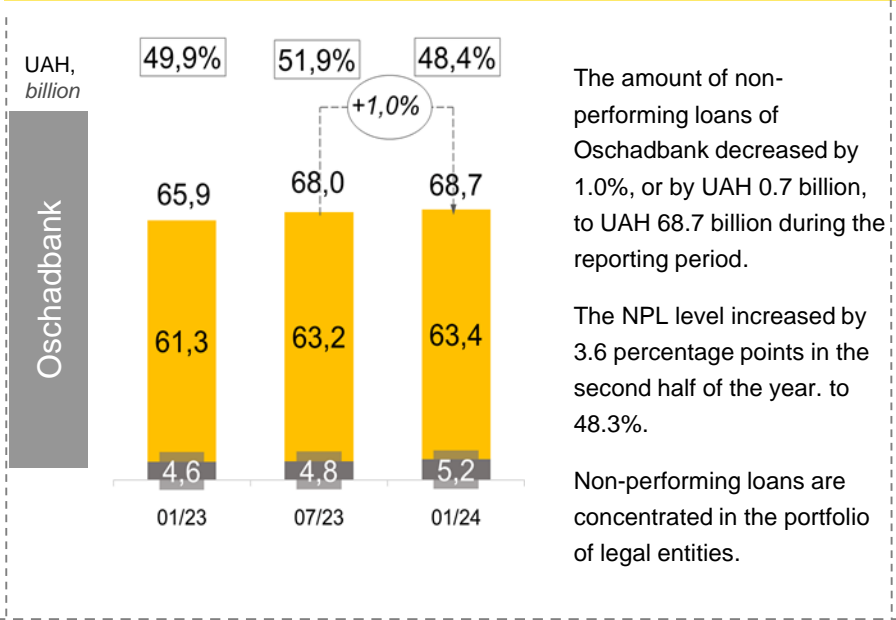
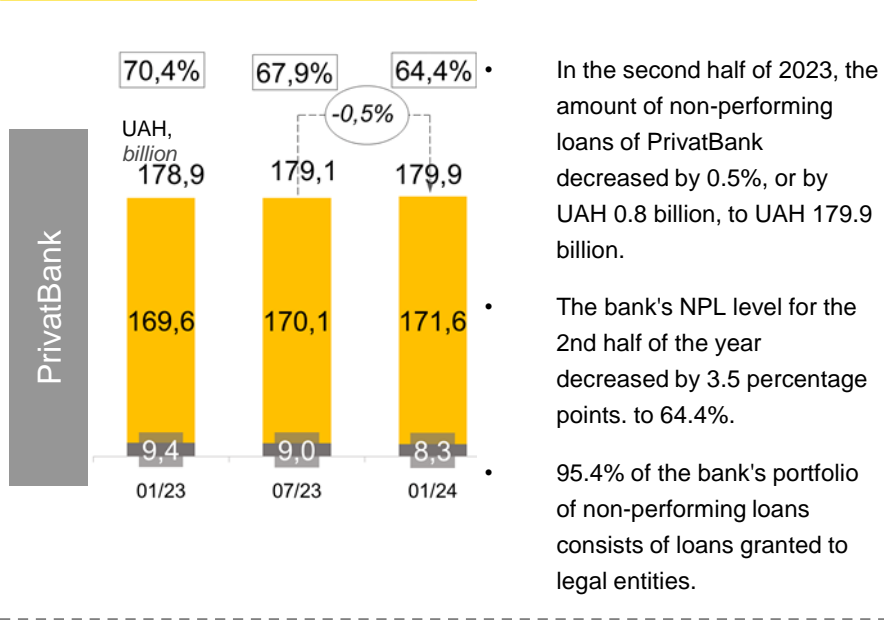


- In the II half of 2023, the volume of non-performing loans (NPL) in the banking system of Ukraine as a whole decreased by 0.7%, or by UAH 2.8 billion, and as of January 1, 2024, was equal to UAH 422.4 billion.
- The share of NPLs in the total loan portfolio of Ukrainian banks during the reporting period decreased from 38.9% to 37.4%.
- As of January 1, 2024, more than 83% (352.6 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 increased by 10.2%, or by UAH 32.5 billion.
- At the same time, there was an increase in the volume of working loans provided by public sector banks by 6.2%, or by UAH 41.7 billion.
- This led to a decrease in the share of NPLs in the credit portfolio of public sector banks from 52.6% as of July 1, 2023 to 50.9% as of January 1, 2024.



Public sector banks' NPL: current status as of 01/01/2024

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

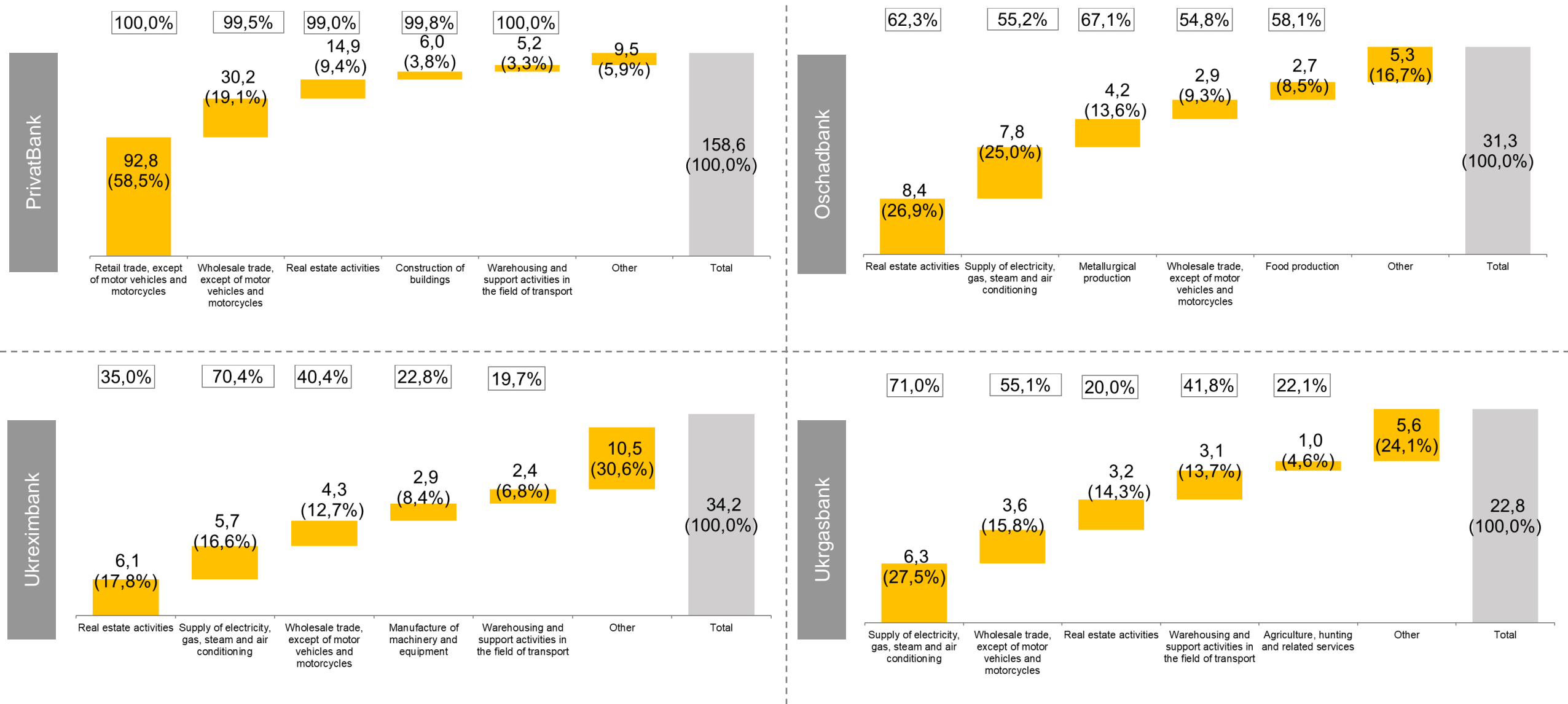




Corporate NPL by sector of economy as of 01/01/2023

Share of the sector in the corporate NPL portfolio, UAH billion

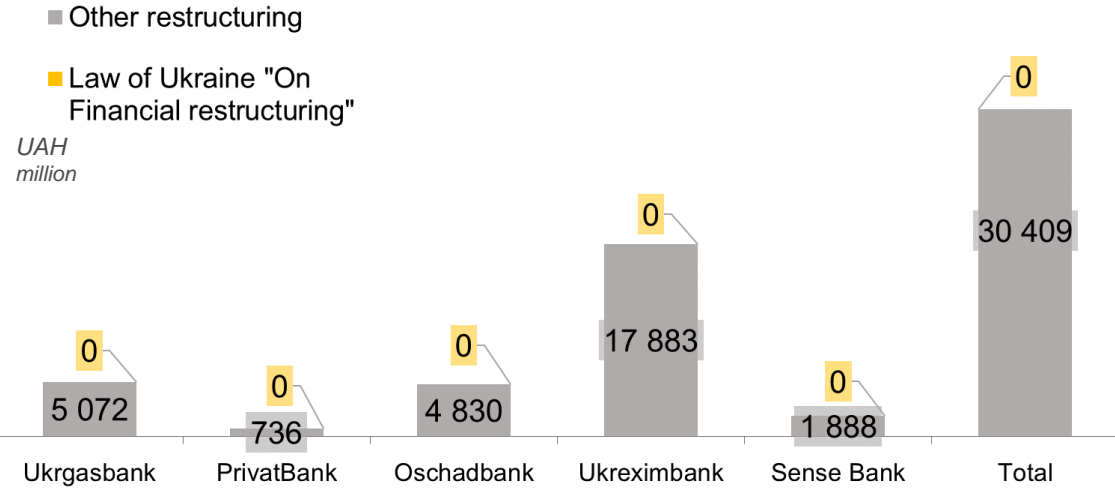
xx% – provision coverage



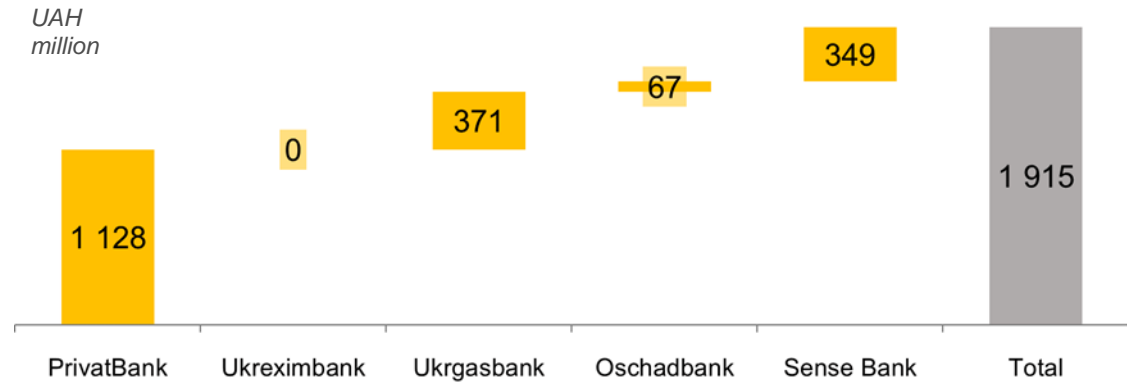


Public sector banks' NPL: efforts taken in the II half of 2023

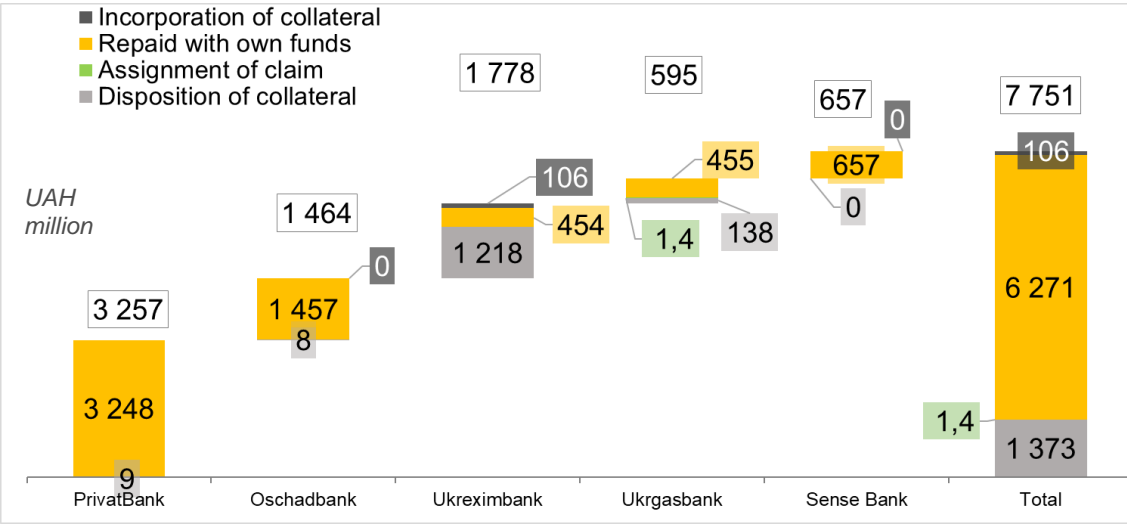
Restructuring



Write-off against provisions



Reduction of past-due debt



Litigation

Banks	New lawsuits filed		Got court decisions		Enforcement proceedings		Lawsuits in courts as of 01.01.2024	
	During 2023		During 2023		During 2023			
	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion	number, thsd	UAH, billion
PrivatBank	40,9	3,9	31,1	2,7	32,5	8,7	19,9	2,9
Oschadbank	0,5	0,2	1,8	0,2	22,0	3,0	2,8	3,6
Ukreximbank	0,5	33,7	0,1	9,8	1,2	45,4	0,5	33,7
Ukrgasbank	3,1	5,1	2,3	1,4	1,0	2,8	2,6	10,6
AT "СЕНС БАНК"	0,4	5,8	0,4	0,4	0,4	0,6	1,9	11,1
Total	45,0	42,9	35,2	14,1	56,7	59,9	25,8	50,8

Source: data of Oschadbank, PrivatBank, Ukreximbank, Ukrgasbank



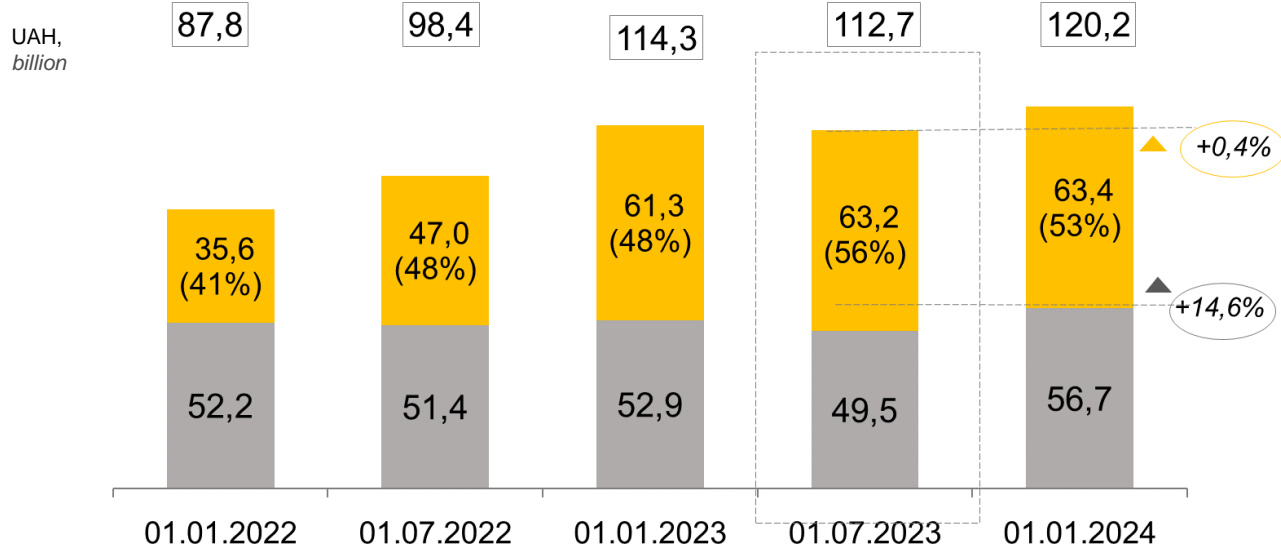
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Oschadbank: loan portfolio of legal entities

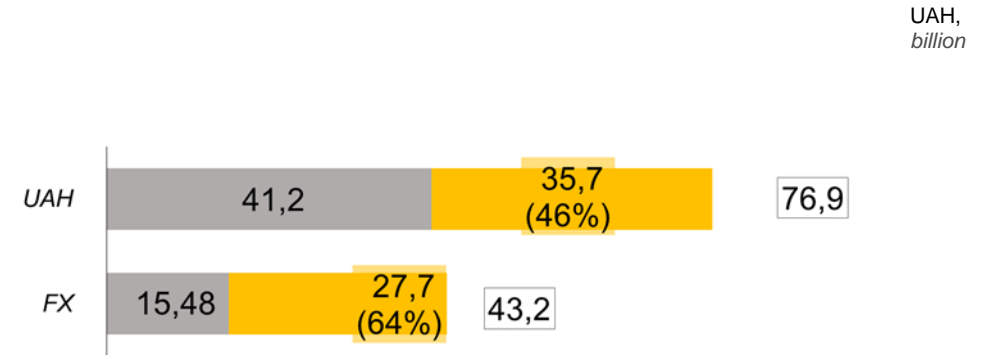
■ Non-performing
 ■ Performing

 Base of comparison



- In the second half of 2023, the non-performing loan portfolio of the corporate loan portfolio increased by 0.4%, or by UAH 0.2 billion, to UAH 63.4 billion.
- The share of NPLs in the total loan portfolio of the corporate loan portfolio decreased by 3.3 percentage points to 52.8%.
- The performing loan portfolio of legal entities for the II half of 2023 increased by 14.6%, or by UAH 7.2 billion, to UAH 56.7 billion.
- Credit risk coverage of non-performing loan portfolio of legal entities in accordance with NBU Resolution No. 351 (reserve volume according to IFRS + coverage due to capital) was 79.8%.

<i>Class (1)</i>	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	5,7	4,0	6,6	9,9	3,7	14,5	7,9	0,0	4,3	63,4
Share of the class	4,8%	3,3%	5,5%	8,2%	3,1%	12,1%	6,6%	0,0%	3,6%	52,8%
Credit risk, UAH billion (2)	0,4	0,0	0,1	0,3	0,1	0,8	0,2	0,0	1,9	50,6
Coverage	6,8%	0,7%	0,9%	2,7%	2,5%	5,6%	2,5%	9,2%	43,7%	79,8%



(1) – NPL deemed class 10 loans according to NBU Resolution No.351

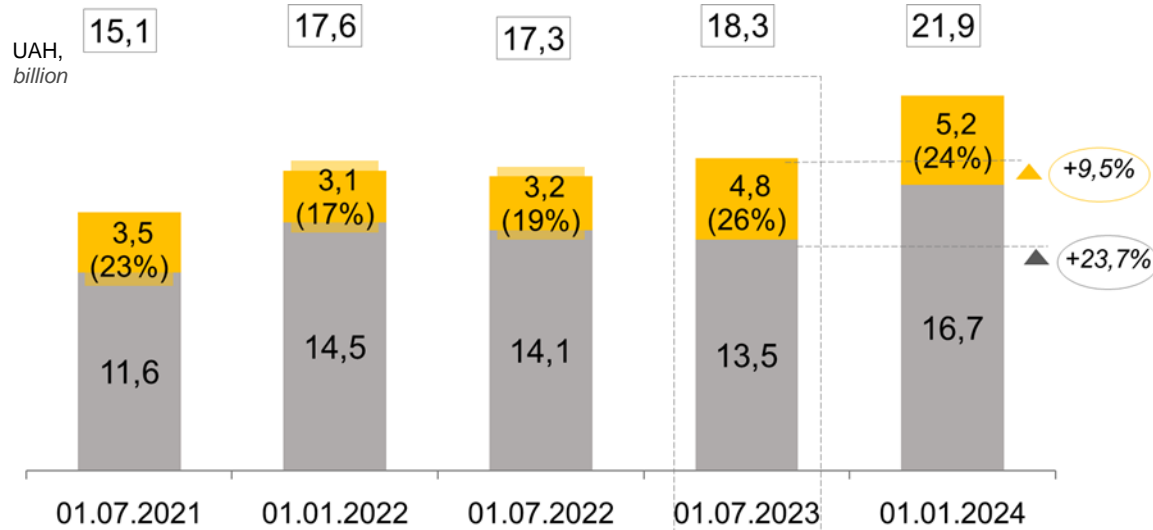
(2) – estimated exposure at risk under NBU Resolution No



Oschadbank: retail loan portfolio

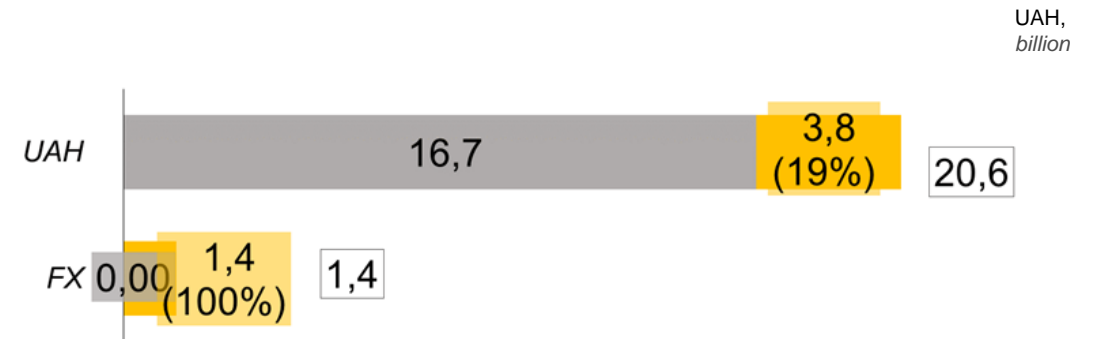
■ Non-performing
 ■ Performing

 Base of comparison



- In the II half of 2023, the non-performing credit portfolio of the retail loan portfolio increased by 9.5%, or by UAH 0.5 billion, to UAH 5.2 billion.
- The share of non-performing loans in the portfolio of financial institutions decreased by 2.3 percentage points during the reporting period to 23.8%.
- The performing credit portfolio of the retail loan portfolio increased by 23.7%, or by UAH 3.2 billion, to UAH 16.7 billion in the II half of 2023.
- Coverage of the non-performing credit portfolio of the retail loan portfolio with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 77.1%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	15,1	1,1	0,3	0,2	5,2
Share of the class	69,0%	5,2%	1,3%	0,8%	23,8%
Credit risk, UAH billion (2)	1,0	0,1	0,1	0,0	4,0
Coverage	6,9%	8,5%	22,7%	24,1%	77,1%



(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 II half of 2023, overdue debt decreased by UAH 1.5 billion including:

repaid with own funds - UAH 1.5 billion;

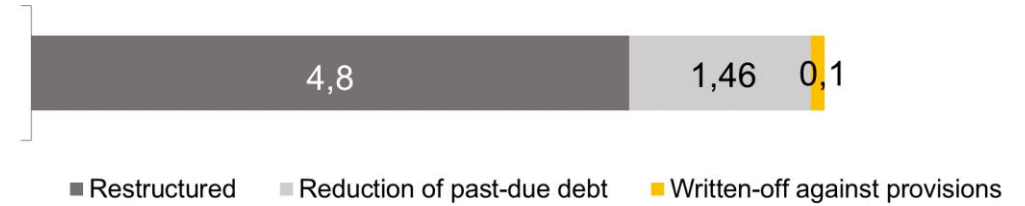
sold pledged property - UAH 0.007 billion;

Deducted from the reserve - UAH 0.067 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 2023	0,5	0,2	1,8	0,2	22,0	3,0
In the II st half of 2023	0,0	0,0	0,4	0,0	22,0	3,0

Achievements in the IIst half of 2023, UAH billion

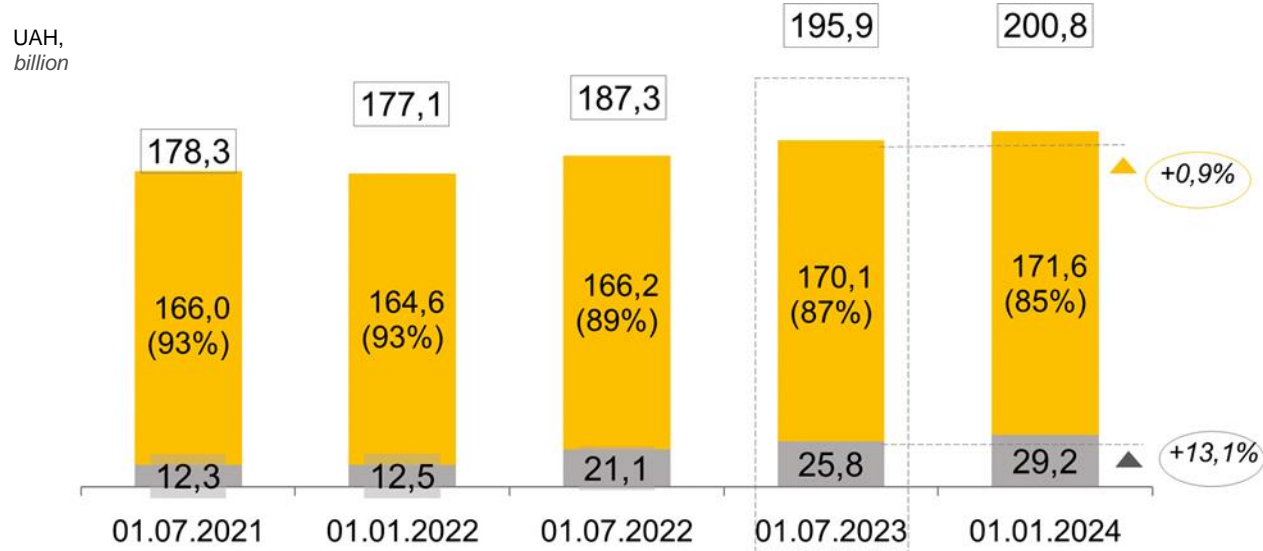




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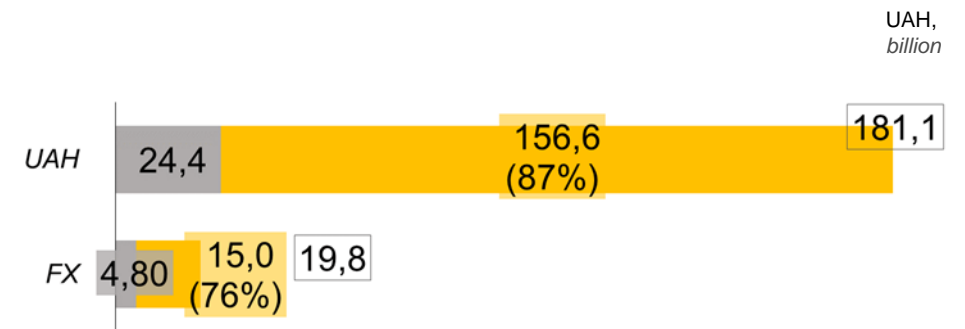
PrivatBank: loan portfolio of legal entities



- In the second half of 2023, the non-performing loan portfolio of legal entities increased by 0.9%, or by UAH 1.6 billion, to UAH 171.6 billion.
- The share of NPLs in the total credit portfolio of legal entities decreased by 1.4 percentage points up to 85.5%.
- The increase in the volume of performing loans contributed to a decrease in the share of NPLs in the bank's corporate loan portfolio, provided to legal entities by 13.1%, or by UAH 3.4 billion to UAH 29.2 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%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	20,0	1,7	5,9	1,0	0,4	0,0	0,0	0,0	0,1	171,6
Share of the class	10,0%	0,9%	2,9%	0,5%	0,2%	0,0%	0,0%	0,0%	0,1%	85,5%
Credit risk, UAH billion (2)	0,8	0,0	0,3	0,0	0,0	0,0	0,0	0,0	0,0	171,3
Coverage	4,2%	0,9%	4,9%	2,5%	5,7%	11,3%	3,7%	0,0%	0,9%	99,8%

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

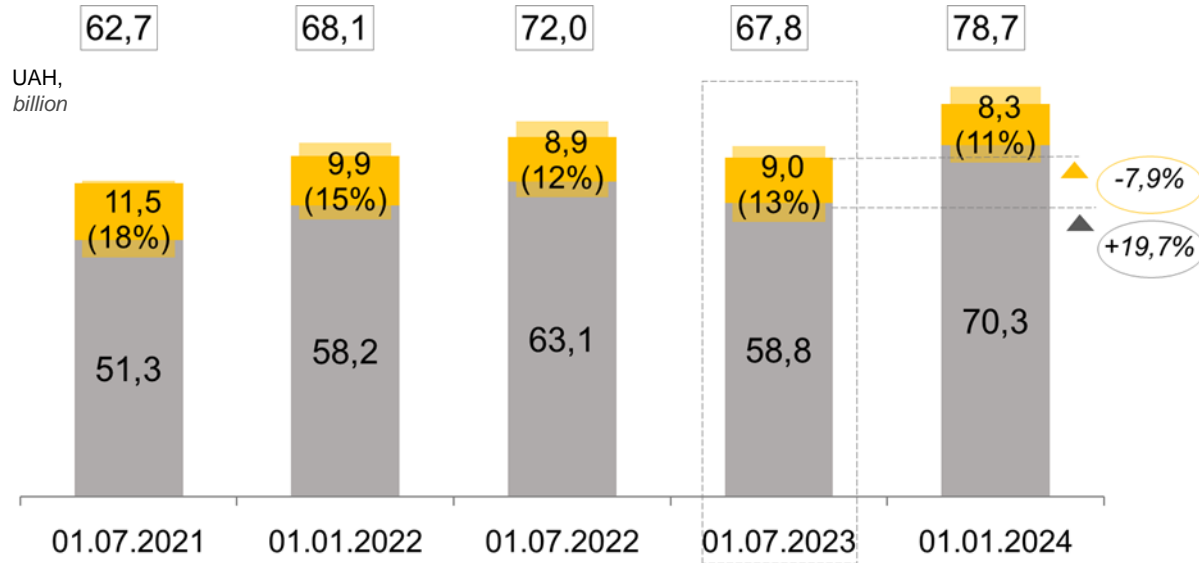




PrivatBank: retail loan portfolio

■ Non-performing
 ■ Performing

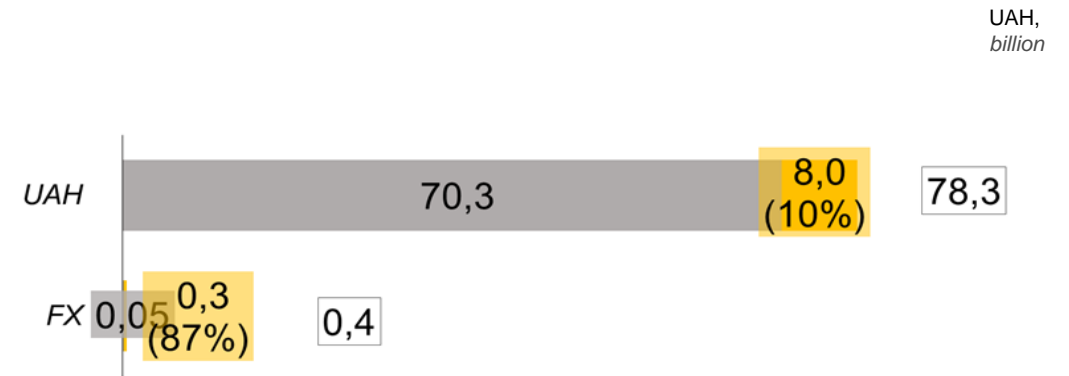
 Base of comparison



- The non-performing credit portfolio of the retail loan portfolio decreased by 7.9%, or by UAH 0.7 billion, to UAH 8.3 billion in the II half of 2023.
- The share of non-performing loans in the portfolio of financial institutions decreased by 2.7 percentage points during the reporting period to 10.6%.
- The performing credit portfolio of the retail loan portfolio increased by 19.7%, or by UAH 11.6 billion, to UAH 70.3 billion in the II half of 2023.
- Coverage of the non-performing credit portfolio of the retail loan portfolio with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 94.1%.

Class (1)	1	2	3	4	5
Loan portfolio, UAH billion	69,0	0,6	0,4	0,3	8,3
Share of the class	87,8%	0,8%	0,5%	0,4%	10,6%
Credit risk, UAH billion (2)	1,4	0,0	0,1	0,2	7,8
Coverage	2,0%	3,4%	29,3%	54,7%	94,1%

(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 II half of 2023, overdue debt decreased by UAH 3.3 billion, almost entirely due to repayment with own funds - UAH 3.2 billion.

Pledged property in the amount of UAH 0.009 billion was also sold.

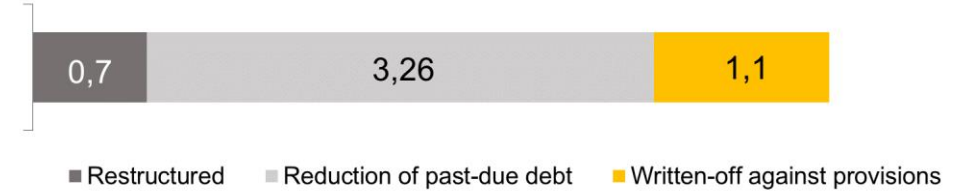
UAH 1.1 billion was written off at the expense of the reserve.

Restructuring of problematic debt in the amount of UAH 0.7 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 2023	40,9	3,9	31,1	2,7	32,5	8,7
In the II st half of 2023	19,7	1,6	20,7	1,8	16,6	4,0

Achievements in the IIst half of 2023, UAH million

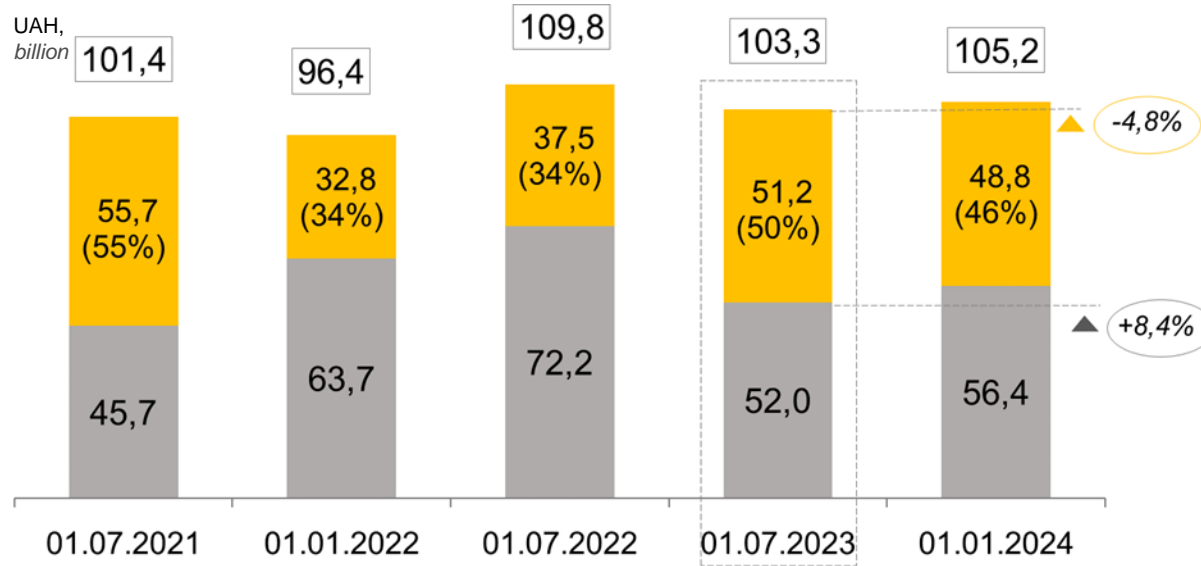
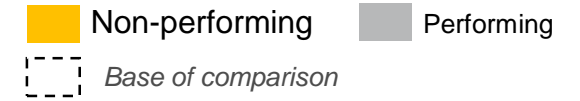




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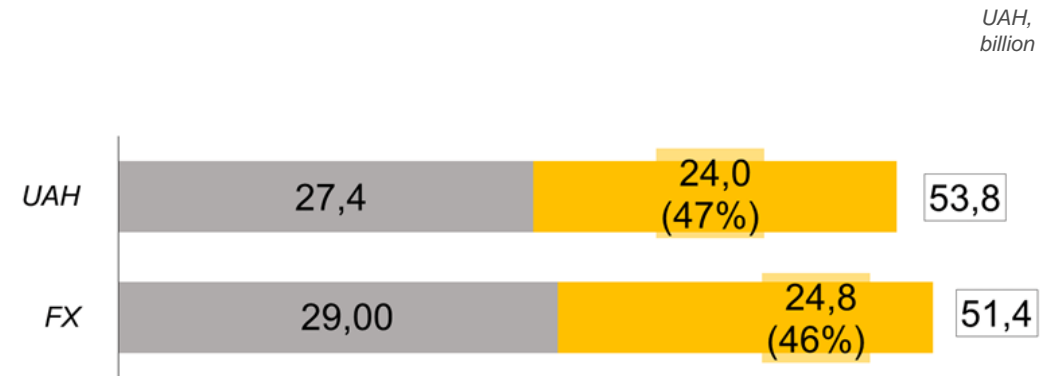
Ukreximbank: loan portfolio of legal entities



- In the second half of 2023, the non-performing loan portfolio of legal entities Bank decreased by 4.8%, or by UAH 2.5 billion, to UAH 48.8 billion.
- At the same time, there was an increase in the amount of performing loans granted to legal entities- by 8.4%, or by UAH 4.4 billion to UAH 56.4 billion.
- This led to a decrease in the share of NPLs in the total credit portfolio of legal entities loan portfolio bank by 3.2 percentage points. to 46.4%.
- Credit risk coverage of non-performing loan portfolio of legal entities loan portfolio in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 74.1%.

<i>Class (1)</i>	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	1,6	3,0	5,0	12,8	12,2	7,6	4,4	0,0	9,9	48,8
Share of the class	1,5%	2,8%	4,7%	12,2%	11,6%	7,2%	4,1%	0,0%	9,5%	46,4%
Credit risk, UAH billion (2)	0,0	0,0	0,1	0,4	0,5	0,6	0,0	0,0	1,5	36,1
Coverage	0,5%	0,6%	1,8%	3,4%	4,5%	8,5%	0,1%	6,9%	14,8%	74,1%

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

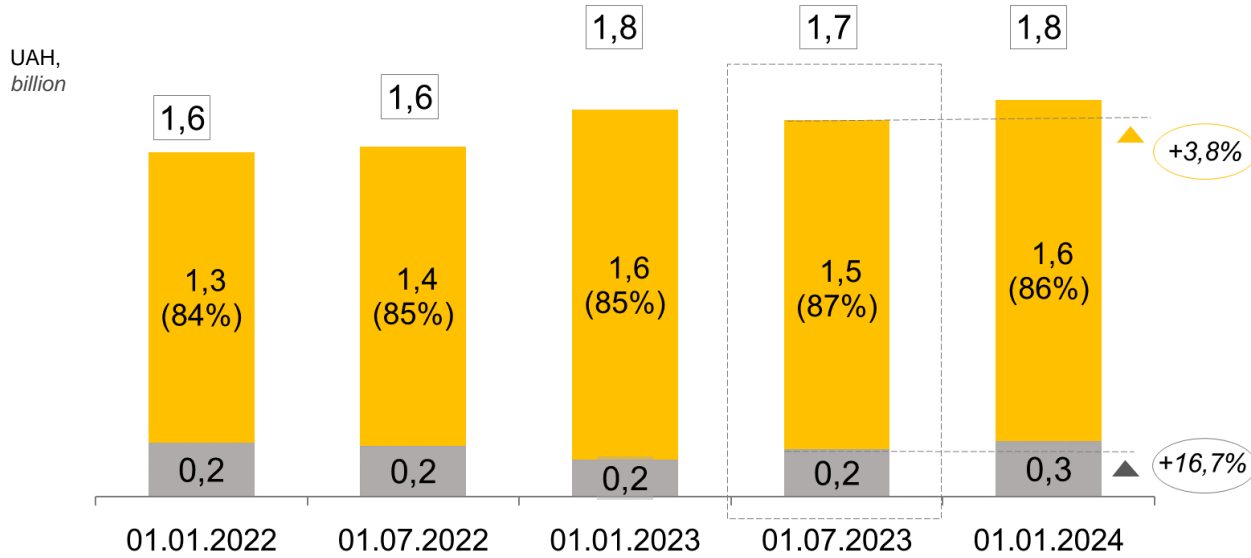




Ukreximbank: retail loan portfolio

■ Non-performing
 ■ Performing

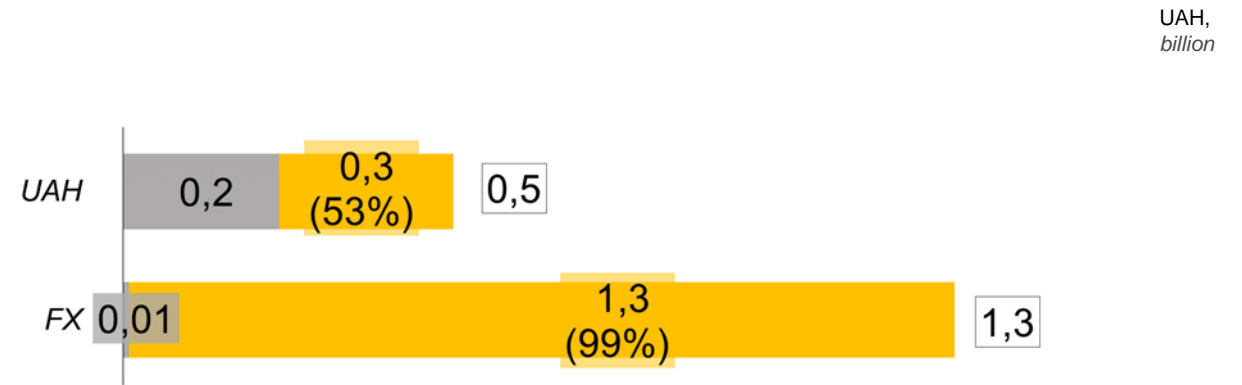
 Base of comparison



- In the II half of 2023, the non-performing loan portfolio of the retail loan portfolio bank increased by 3.8%, or by UAH 0.06 billion, to UAH 1.6 billion.
- The share of non-performing loans in the portfolio of financial institutions decreased by 1.34 percentage points during the reporting period to 86.1%.
- The performing credit portfolio of the retail loan portfolio increased by 16.7%, or by UAH 0.04 billion, to UAH 0.3 billion in the II half of 2023.
- Coverage of the non-performing credit portfolio of the retail loan portfolio with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 97.7%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	0,1	0,1	0,0	0,0	1,6
Share of the class	8,3%	5,4%	0,2%	0,0%	86,1%
Credit risk, UAH billion (2)	0,0	0,0	0,0	0,0	1,5
Coverage	10,5%	4,0%	65,9%	89,1%	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 II half of 2023, overdue debt decreased by UAH 1.7 billion, including:

repaid with own funds - UAH 0.4 billion;

sold pledged property - UAH 1.2 billion;

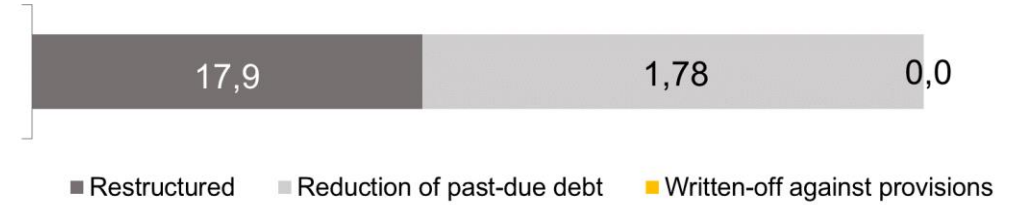
pledges on the bank's balance were accepted - UAH 0.1 billion.

Restructuring of problematic debt in the amount of UAH 17.9 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 2023	0,5	33,7	0,1	9,8	1,2	45,4
In the II st half of 2023	0,5	33,0	0,0	4,1	0,7	14,0

Achievements in the IIst half of 2023, UAH million





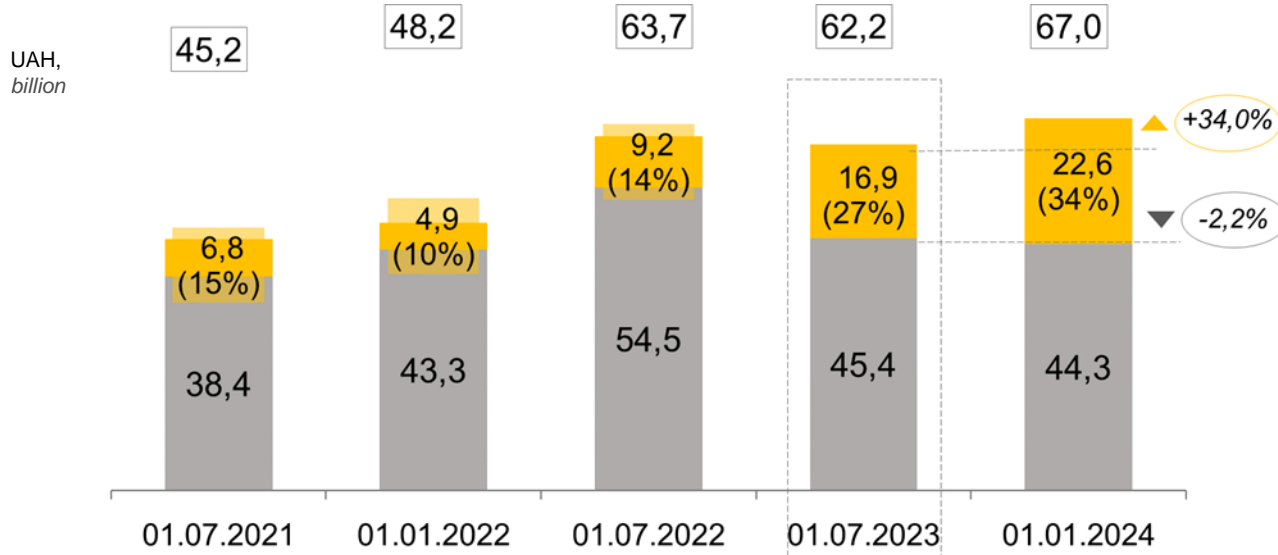
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UkrGasbank: loan portfolio of legal entities

■ Non-performing
 ■ Performing

 Base of comparison

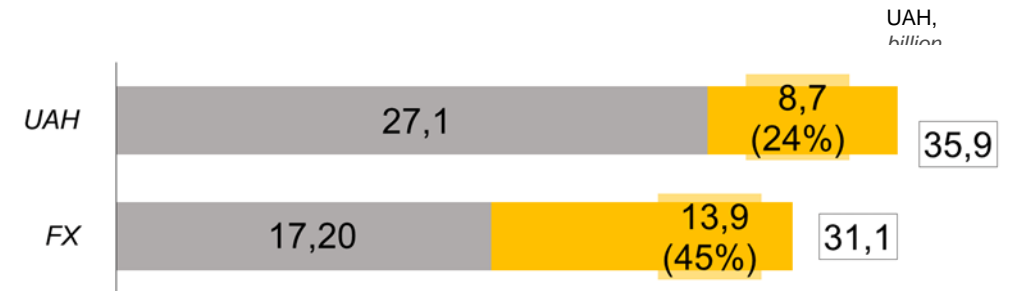


- In the second half of 2023, the non-performing loan portfolio of legal entities loan portfolio increased by 34.0%, or by UAH 5.7 billion to UAH 22.6 billion.
- The share of NPLs in the total credit portfolio of legal entities loan portfolio increased by 6.7 percentage points up to 34%.
- The performing loan portfolio of legal entities loan portfolio for the II half of 2023 decreased by 2.2%, or by UAH 1.0 billion, to UAH 44.3 billion.
- Credit risk coverage of non-performing loan portfolio of legal entities loan portfolio in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 52.3%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	3,7	4,3	6,7	12,9	8,2	1,9	1,6	0,1	5,0	22,6
Share of the class	5,6%	6,4%	10,0%	19,3%	12,2%	2,8%	2,4%	0,1%	7,5%	33,8%
Credit risk, UAH billion (2)	0,1	0,0	0,1	0,5	0,5	0,1	0,0	0,0	0,3	11,8
Coverage	1,9%	0,8%	0,8%	3,6%	5,9%	3,1%	0,2%	2,9%	5,7%	52,3%

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

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

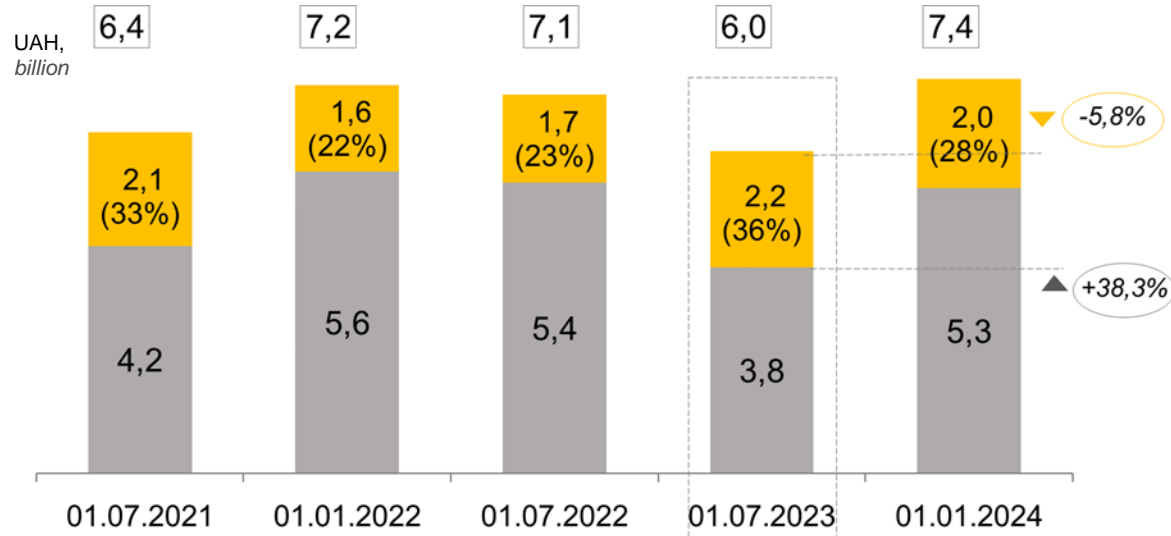




UkrGasbank: retail loan portfolio

■ Non-performing
 ■ Performing

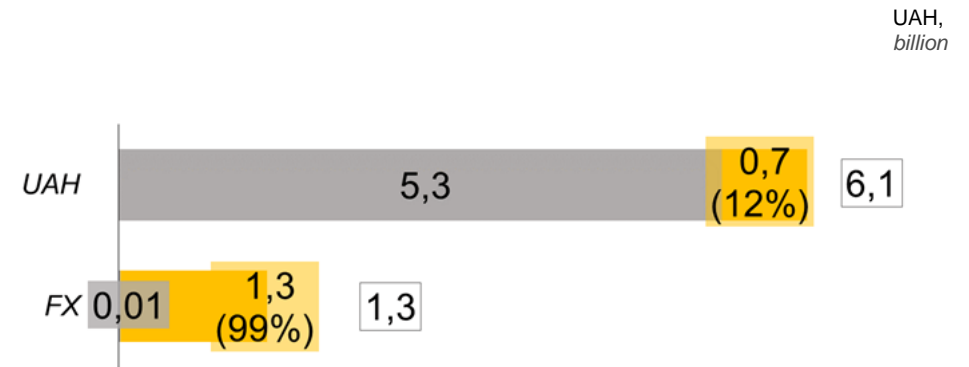
 Base of comparison



- In the II half of 2023, the non-performing credit portfolio of the retail loan portfolio decreased by 5.8%, or by UAH 0.2 billion, to UAH 2.0 billion.
- The share of non-performing loans in the portfolio of financial institutions decreased by 8.3 percentage points during the reporting period to 28.0%.
- The working credit portfolio of the retail loan portfolio increased by 38.3%, or by UAH 1.5 billion, to UAH 5.3 billion in the II half of 2023.
- Coverage of the non-performing credit portfolio of the retail loan portfolio with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 89.4%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	5,2	0,0	0,0	0,0	2,0
Share of the class	71,3%	0,6%	0,2%	0,1%	27,7%
Credit risk, UAH billion (2)	0,1	0,0	0,0	0,0	1,8
Coverage	1,6%	11,5%	35,2%	60,2%	89,4%

(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

In the II half of 2023, overdue debt decreased by UAH 0.3 billion, including:

repaid with own funds - UAH 0.2 billion;

sold pledged property - UAH 0.1 billion.

Restructuring of problematic debt in the amount of UAH 4.1 billion was carried out.

Deducted from the reserve - 0.4 billion hryvnias.

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 2023	3,1	5,1	2,3	1,4	1,0	2,8
In the II st half of 2023	2,1	3,1	1,7	1,0	0,0	1,6

Achievements in the IIst half of 2023, UAH million

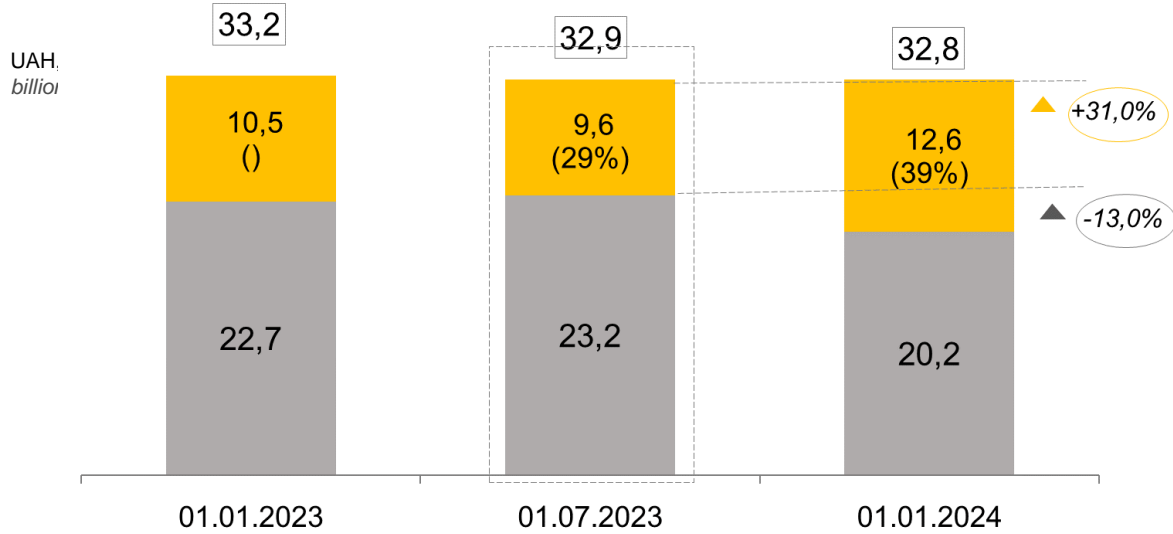




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SENSE BANK: loan portfolio of legal entities

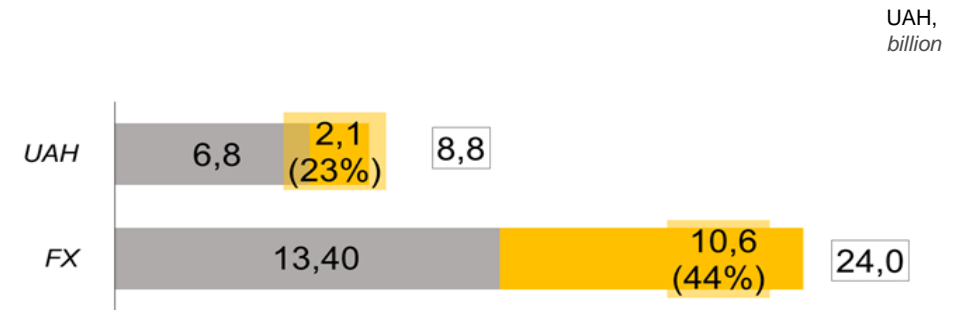


- In the II half of 2023, the non-performing loan portfolio of legal entities loan portfolio increased by 31.0%, or by UAH 3.0 billion, to UAH 12.6 billion.
- The share of NPLs in the total credit portfolio of legal entities loan portfolio increased by 9.1 percentage points up to 39%.
- The performing credit portfolio of legal entities loan portfolio for the II half of 2023 decreased by 13.0%, or by UAH 3.0 billion, to UAH 20.2 billion.
- Credit risk coverage of non-performing loan portfolio of UO in accordance with NBU Resolution No. 351 (reserve amount according to IFRS + coverage at the expense of capital) was 62.3%.

Class (1)	1	2	3	4	5	6	7	8	9	10
Loan portfolio, UAH billion	0,4	3,8	2,4	5,1	2,1	1,9	0,2	0,5	3,8	12,6
Share of the class	1,2%	11,4%	7,4%	15,6%	6,3%	5,9%	0,5%	1,6%	11,5%	38,5%
Credit risk, UAH billion (2)	0,0	0,1	0,1	0,2	0,1	0,2	0,0	0,0	0,4	7,9
Coverage	0,6%	1,8%	3,0%	3,6%	4,0%	10,1%	8,9%	5,8%	9,9%	62,3%

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

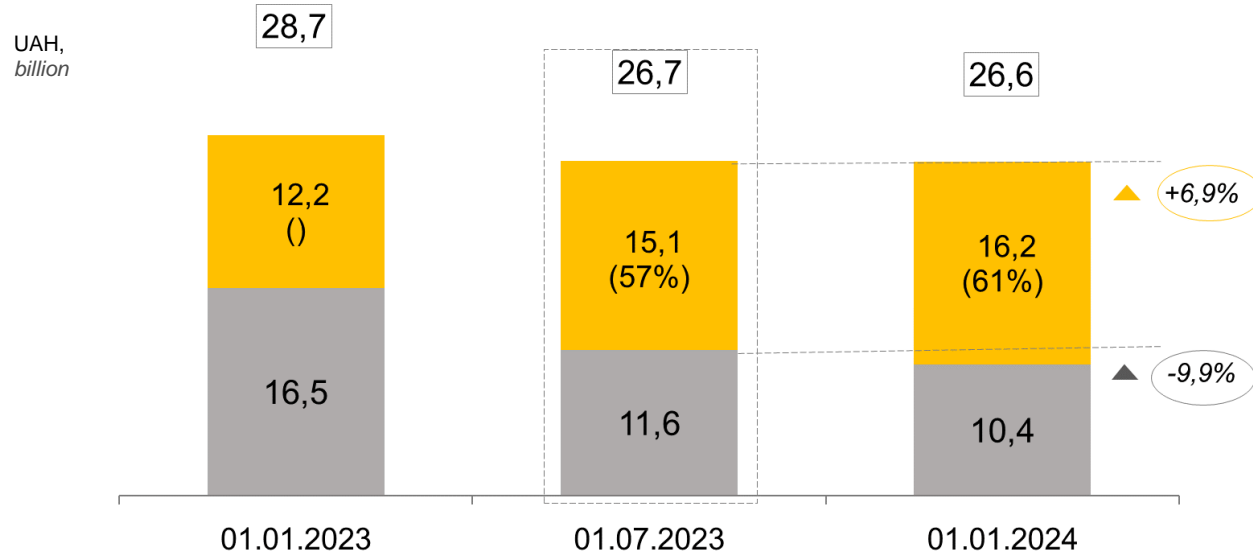
(2) – estimated exposure at risk under NBU Resolution No.351





SENSE BANK: retail loan portfolio

■ Non-performing ■ Performing
 Base of comparison



In the II half of 2023, the non-performing loan portfolio of the retail loan portfolio by 6.9%, or by UAH 1.0 billion, to UAH 16.2 billion.

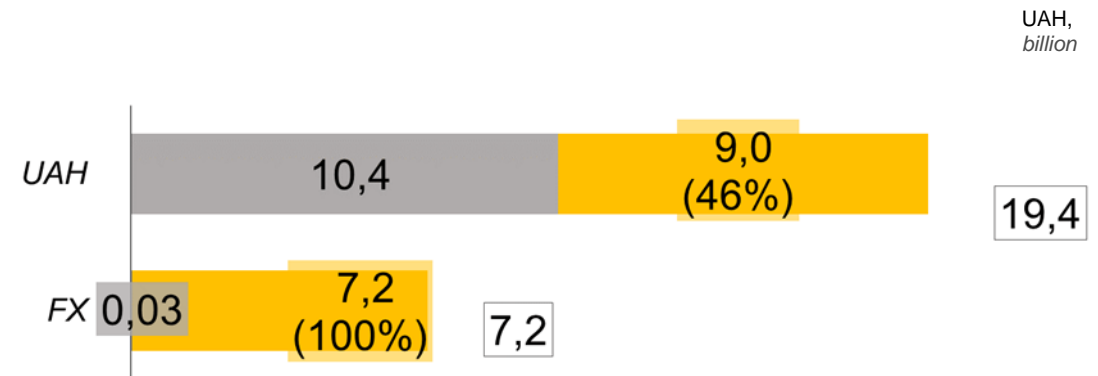
The share of non-performing loans in the portfolio of financial institutions increased by 4.2 percentage points during the reporting period to 61.0%.

The working credit portfolio of the retail loan portfolio for the II half of 2023 decreased by 9.9%, or by UAH 1.1 billion, to UAH 10.4 billion.

Coverage of the non-performing credit portfolio of the retail loan portfolio with credit risk according to NBU Resolution No. 351 (the amount of the reserve according to IFRS + coverage at the expense of capital) was 95.9%.

<i>Class (1)</i>	1	2	3	4	5
Loan portfolio, UAH billion	9,6	0,4	0,3	0,2	16,2
Share of the class	35,9%	1,3%	1,1%	0,9%	60,8%
Credit risk, UAH billion (2)	0,5	0,1	0,1	0,2	15,5
Coverage	5,2%	25,1%	49,3%	76,3%	95,9%

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





SENSE BANK: key achievements in restructuring and collection

Implemented

In the second half of 2023, overdue debt decreased by UAH 0.6 billion, including:

repaid with own funds - UAH 0.6 billion;

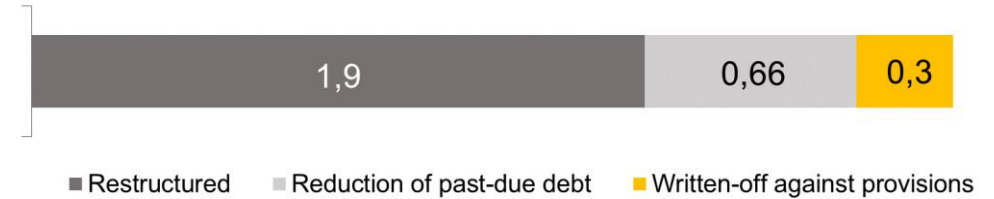
Deducted from the reserve - UAH 0.3 billion.

Restructuring of problematic debt in the amount of UAH 1.9 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 2023	0,4	5,8	0,4	0,4	0,4	0,6
In the 1 st half of 2023	0,1	3,2	0,1	0,1	0,2	0,1

Achievements in the 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.