



# ON THE GREEN PATH



<b>AT A GLANCE</b>	<b>3 - 8</b>	<b>CORE BUSINESSES</b>	<b>9-13</b>	<b>INTERNATIONAL COOPERATION</b>	<b>14-15</b>	<b>SELECTED FINANCIAL INDICATORS</b>	<b>19 – 22</b>
Performance vs market.....	4	Corporate banking .....	10			Loan portfolio .....	20
Team .....	6	Trade finance .....	11	<b>GREEN BANKING</b>	<b>16-18</b>	Funding & capital .....	22
Corporate governance.....	7	SME banking .....	12	Green projects.....	17		
New history.....	8	Retail banking .....	13	Environmental impact .....	13	<b>APPENDICES</b>	
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## THE ONLY BANK IN THE REGION WITH FOCUS ON GREEN FINANCE

Business profile	<b>Universal bank with a focus on green finance</b> <b>1/3 of customer loan portfolio is green</b>
Year established	<b>1993</b>
Principal place of business	<b>Ukraine</b>
Major shareholder	<b>State of Ukraine (since 2009), 95%</b>
Shares in free float	<b>1.3%</b>
Total assets <sup>1</sup>	<b>UAH 126 billion (USD 4.7 billion)</b>
Total capital <sup>1</sup>	<b>UAH 8,9 billion (USD 332 million)</b>
Market share (by assets) <sup>2</sup>	<b>7%</b>
Number of employees	<b>4.4 thousand strong team</b>
International audit	<b>since 1997</b> (current auditor – Ernst & Young)
Customer base	<b>2.4 million customers</b>
Key business lines:	corporate business, SME, retail business, premier banking
Distribution network	<b>269 branches, 22 regional centers in 159 cities and towns</b>

**FitchRatings** **B** (outlook positive)

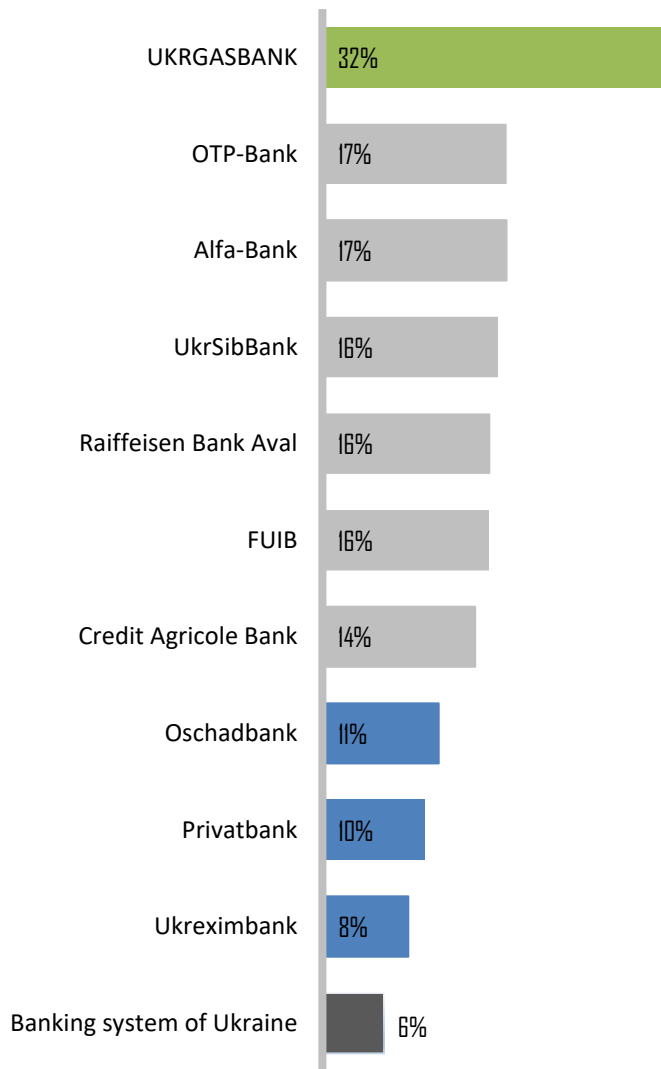
<sup>1</sup> 2q2021 IFRS Financial Statements. Unaudited. UAH translated into USD at FX rate as of the reporting date

<sup>2</sup> Bank calculation according to NBU data, as of 01.07.2021

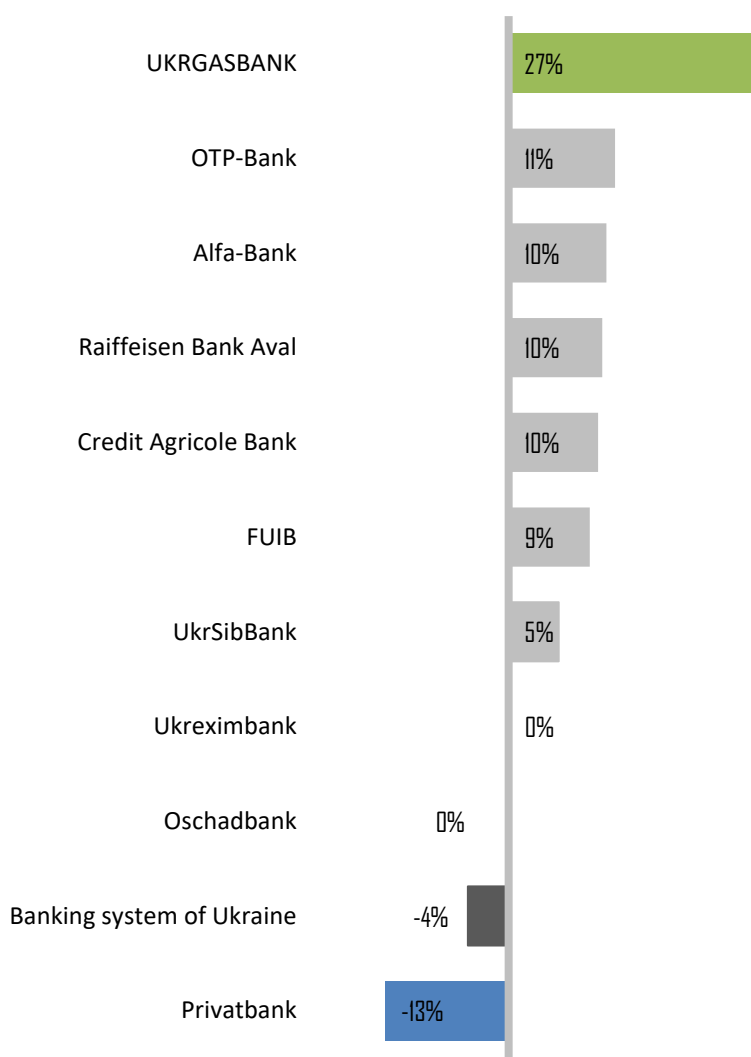
## UKRGASBANK Performance vs Market

	YE2014		2q2021		YE2014-2q2021	
	# in the banking system	Share	# in the banking system	Share	UkrGasbank CAGR	Banking system CAGR
Assets	17	1.6%	4	7%	32%	6%
Net loans	20	1.1%	6	7%	27%	-4%
Due to customers	15	1.7%	4	8%	40%	11%
- legal entities	15	1.9%	3	11%	52%	15%
- individuals	15	1.6%	6	4%	26%	8%
Profit/(loss), UAH millions	(3,383)	-	726	-	-	-

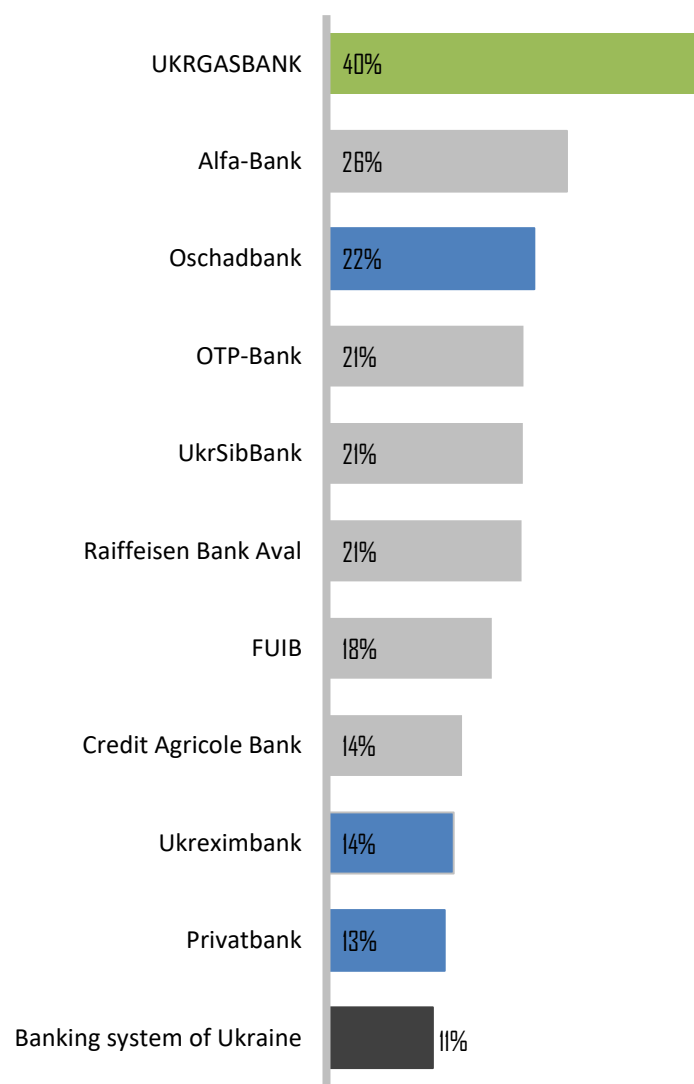
**Assets Dynamics**  
YE2014 – 2q2021, CAGR



**Net Loans Dynamics**  
YE2014 – 2q2020, CAGR



**Due to Customers Dynamics**  
YE2014 – 2q2020, CAGR



## SUPERVISORY BOARD



### TEIMOUR BAGIROV

**Chairman of the Board since 2021, Board member since 2015**

Chair of Nomination, remuneration & CG committee

More than 25-year experience in the banking and financial sector of Ukraine

Independent



### ARTEM SHEVALEV

**Board member since 2015**

(Chairman of the Board 2015-2018)

Chair of Privatization & strategy committee

Alternate Board Director for Switzerland, Ukraine, Liechtenstein, Turkmenistan, Serbia, Montenegro, Moldova at EBRD

Dependent, MoF representative



### SHRENIK DHIRAJLAL DAVDA

**Board member since 2015**

(Chairman of the Board 2018-2021)

Chair of capital markets committee

30-year experience in leading global banks (Deutsche Bank, JP Morgan) and niche corporate finance firms.

Independent



### YURI BLASHCHUK

**Board member since 2018**

Chair of risk-management committee

More than 40-year experience in the banking and financial sector of Ukraine

Independent



### DENYS ULIUTIN

**Board member since 2020**

More than 20-year experience in the financial sector of Ukraine

Dependent, MoF representative



### SLAWOMIR ROMAN KONIAS

**Board member since 2018**

Chair of IT development committee

More than 30-year experience in leading global banks (Raiffeisen, ING, Banca Comerciala Romana (Erste)

Independent



### OKSANA VOLCHKO

**Board member since 2018**

Chair of Audit committee

More than 15-year experience in the banking and financial sector of Ukraine

Independent

## MANAGEMENT BOARD



### ANDRII KRAVETS

**CEO**

More than 20-year experience in the banking and financial sector of Ukraine



### OLEKSANDR DUBROVIN

**First Deputy CEO, CFO**

More than 15-year experience in the banking and financial sector of Ukraine



### NATALIIA VASYLETS

**Deputy CEO, CRO**

More than 20-year experience in the banking and financial sector of Ukraine



### SERHII KHARITICH

**Deputy CEO, E-Banking**

More than 15-year experience in the banking and financial sector of Ukraine



### LIUDMYLA CHEPYNOHA

**Head of financial monitoring  
Chief Compliance Officer**

More than 25-year experience in the banking and financial sector of Ukraine



### DENYS CHENYSHOV

**Deputy CEO, Corporate Business**

More than 20-year experience in the banking and financial sector of Ukraine



### TAMARA SAVOSHCHENKO

**Deputy CEO, COO**

More than 25-year experience in the banking and financial sector of Ukraine



### RODION MOROZOV

**Deputy CEO, SME & Retail  
Banking, Green Finance**

More than 17-year experience in the banking and financial sector of Ukraine

The bank has a solid track record in corporate governance. Back in 2015, UKRGASBANK was one of the first banks to implement the best corporate governance practices by electing independent members to the Supervisory Board

## CORPORATE GOVERNANCE

- 1

**Supervisory Board composition**  
 7 members  
 - 2 shareholder appointed directors  
 - 5 independent directors
- 2

**Supervisory Board committees**  
 Risk-management committee  
 Audit committee  
 Nomination, remuneration & CG committee  
 Privatization & strategy committee  
 Bad debt sales committee  
 Capital markets committee (ad hoc) **NEW**  
 IT Development committee **NEW**
- 3

**Management Board committees**  
 Credit council  
 Credit committee  
 Retail, SME, MSME risk methodology committee  
 ALCO  
 Tariff committee  
 Operational risks control committee  
 Tender committee  
 Technology committee  
 Information security committee
- 4

**Supervisory Board framework<sup>1</sup>**  
 Corporate governance guidelines  
 Chart of authorities  
 Committee charters

## RECENT CHANGES

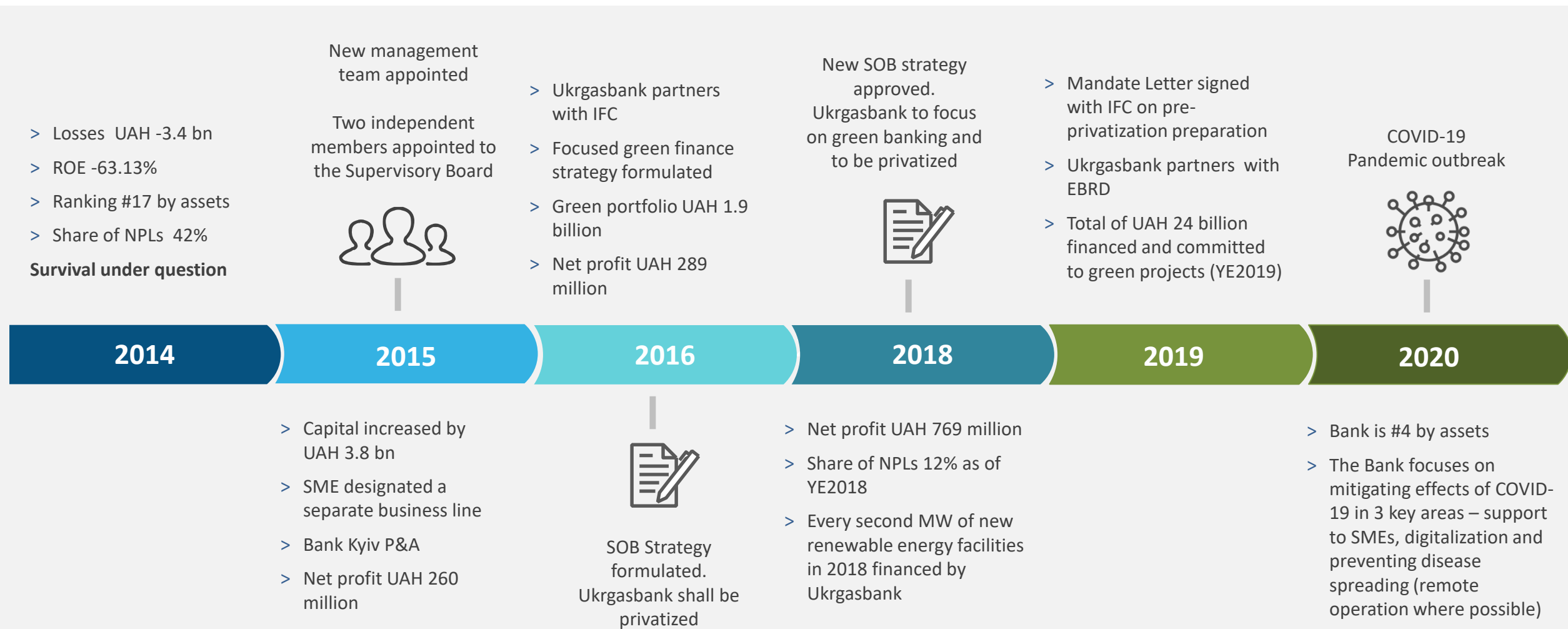
- > New 2019-21 development strategy has been approved by the Board
- > **COMPOSITION.** The number of independent directors on the Board, including the Chairman, has been increased to 5 from 4 since YE2017
- > **COMMITTEES:** All required Board committees were established in accordance with the best corporate governance practices. New Green funding committee and IT Development committee set up in 2018, Committee on Remuneration, Appointments functions expanded to cover CG issues
- > **CHANGES TO RM:** The RM system of the bank has been further enhanced in line with the new legislative requirements (incl. new divisions set up, new Risk Management Strategy adopted, CRO appointed)
- > **LEGAL FRAMEWORK:** New Law introducing European corporate governance principles at public companies enacted in Jan 2018

## PLANS

- > Continue to implement the legislative requirements on compliance in accordance with NBU requirements
- > Further development/ update of the internal provisions on corporate governance

<sup>1</sup> In line with the Ukrainian legislation

# NEW HISTORY OF UKRGASBANK: successful track record & achievements







SME BANKING

**71,000**

MSME customers

MSME entities with annual sales <UAH 300m,  
max exposure UAH 150m

Private entrepreneurs, homeowners'  
associations, municipal utilities



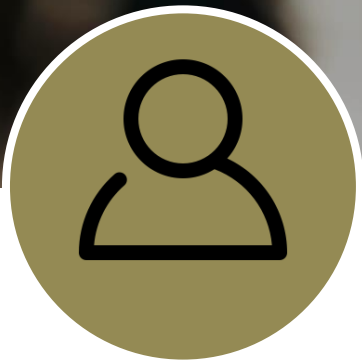
CORPORATE BANKING

**7,000**

Corporate customers

Entities with annual >UAH 300m

Private corporates, state-owned  
enterprises, municipalities



INDIVIDUAL BANKING

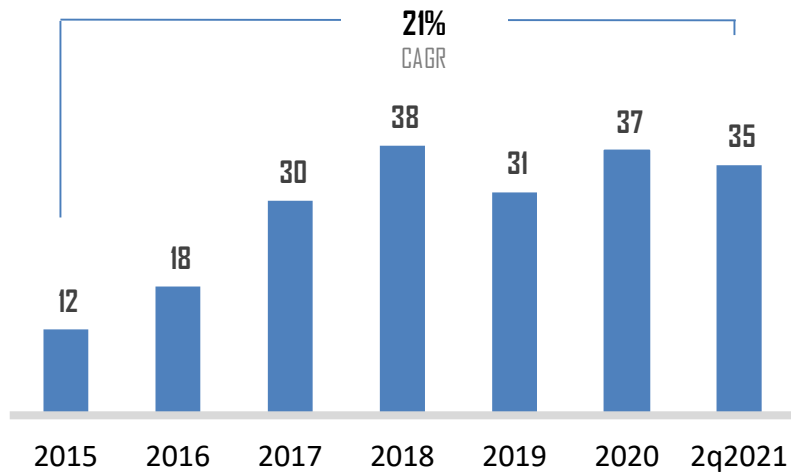
**2,386,000**

Retail customers

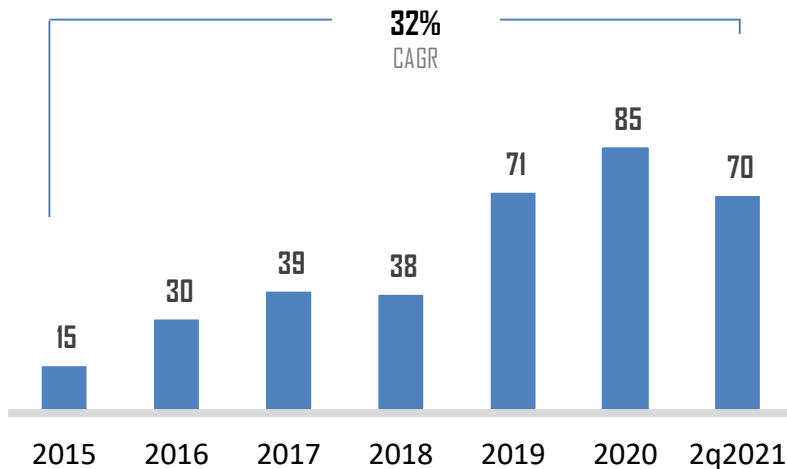
Mass individuals

Affluent individuals

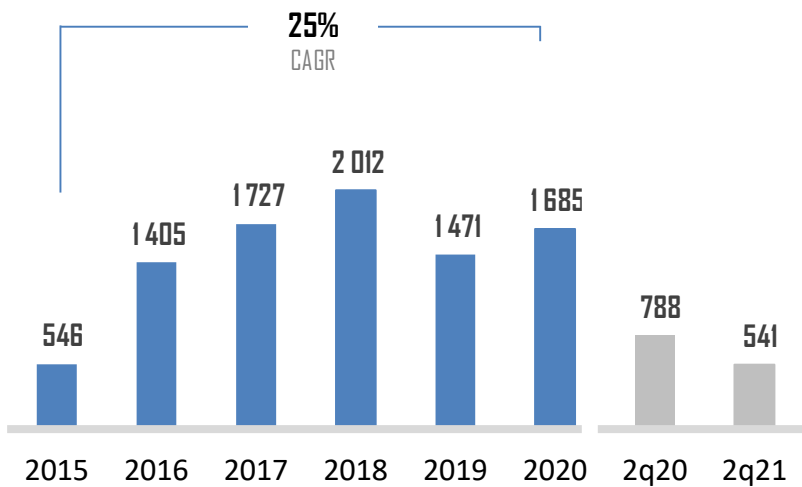
## Net Corporate Loans | UAH billions |



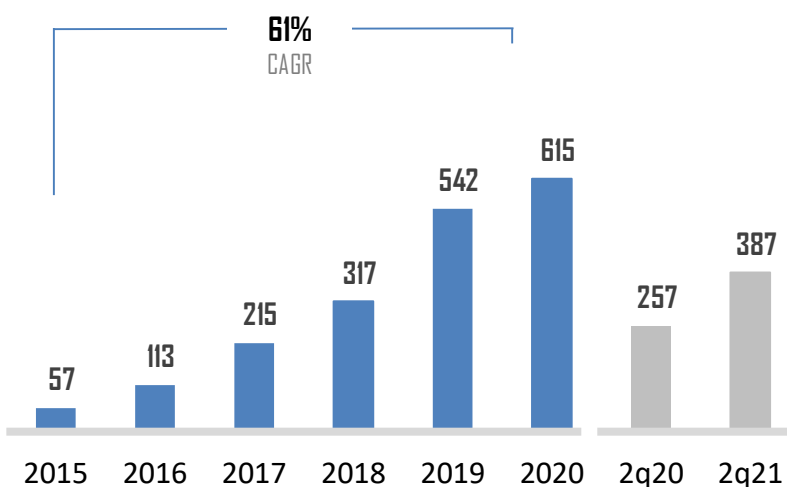
## Due to Corporate Customers | UAH billions |



## Net Interest Income | UAH millions |



## Non-Interest Income | UAH millions |



- > Largest business segment at the Bank (in terms of volumes)
- > Focus on private business development and reduction of exposure to state-owned enterprises
- > Focus on the leading companies with nation-wide and regional coverage
- > Digital solution(s) and synergies with retail banking
- > Further development of transactional banking
- > Cooperation with municipalities as one of the strategic priorities (assets, liabilities, bond underwriting)



IFC's 9th Annual Trade Awards:  
BEST ISSUING BANK  
IN EASTERN EUROPE in 2019

Global Banking & Finance Awards  
2021: BEST TRADE FINANCE BANK IN  
UKRAINE

EBRD's Annual Trade Awards:  
BEST ISSUING BANK  
IN UKRAINE in 2020

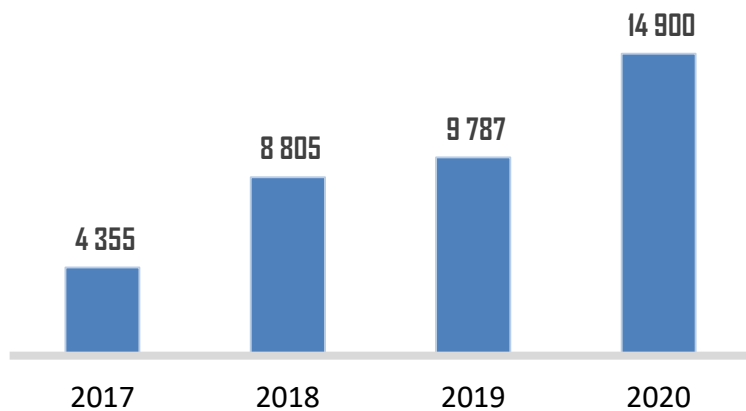


Global Trade Review  
TOP-3 TRADE FINANCE BANK  
IN EASTERN EUROPE in 2019, 2020

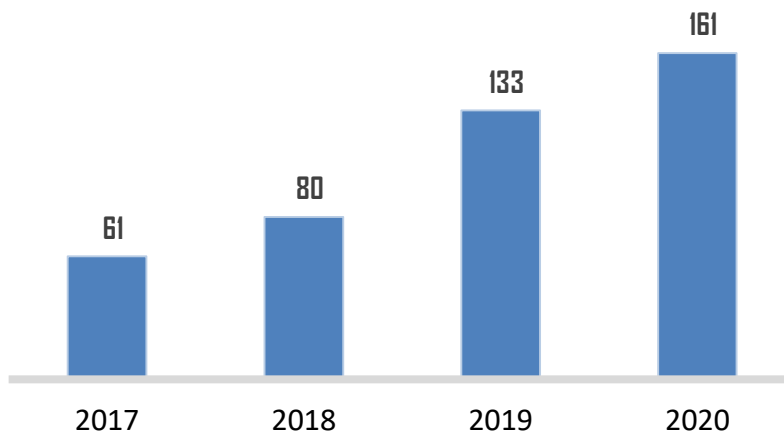
#1 TRADE FINANCE PORTFOLIO IN  
UKRAINE in 2019, 2020

EBRD's Annual Trade Awards:  
BEST GREEN DEAL in 2020

## Trade finance volumes | UAH millions |



## Commission income | UAH millions |

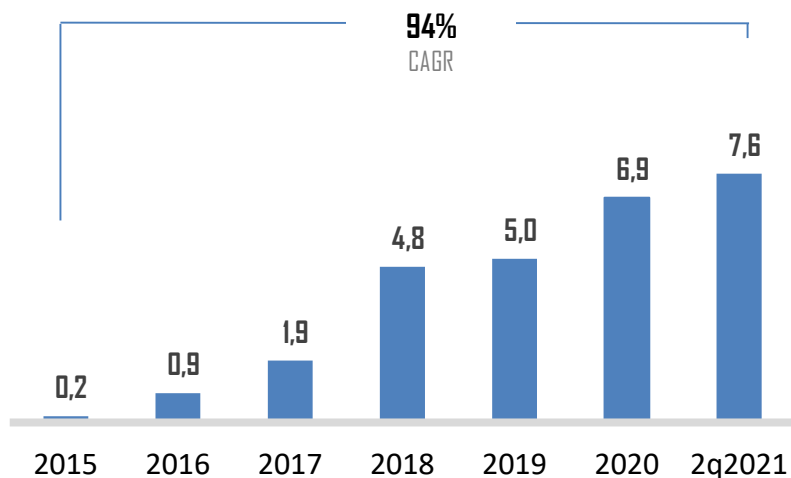


Exchange rate USD/UAH: 1 USD=28 UAH

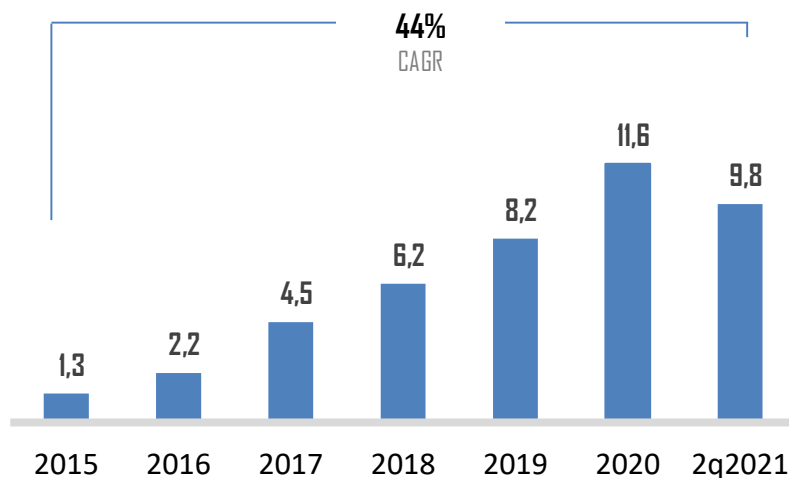
Source: NBU data. Bank calculation according to NBU data

- > USD 70 million trade finance limit from IFC with the tenor up to 3 years
- > EUR 170 million trade finance limit from EBRD with the tenor up to 3 years
- > EUR 20+ million clean limits from RBI, Commerzbank, Deutsche bank, DZ, ODDO-BHF, BCP
- > EUR 100+ million ECA's limits from SACE, OeKB, Sinasure, US Exim, KUKE
- > Funds attracted: more than UAH 700 million (including TRL from international banks)

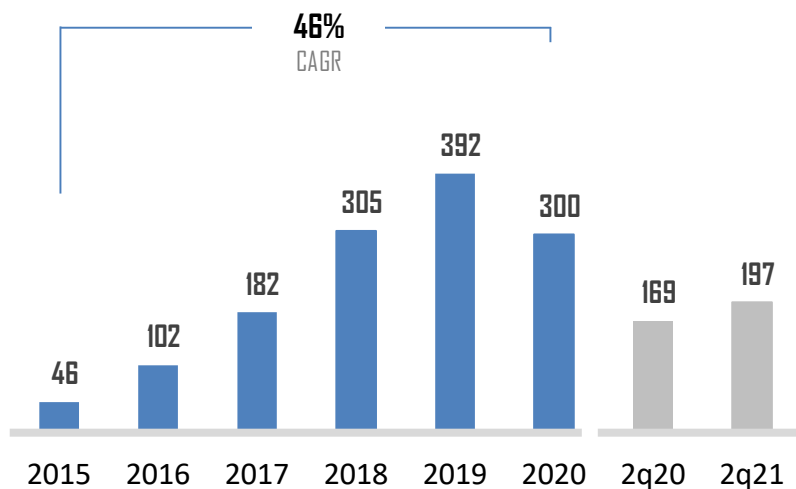
## Net SME Loans | UAH billions |



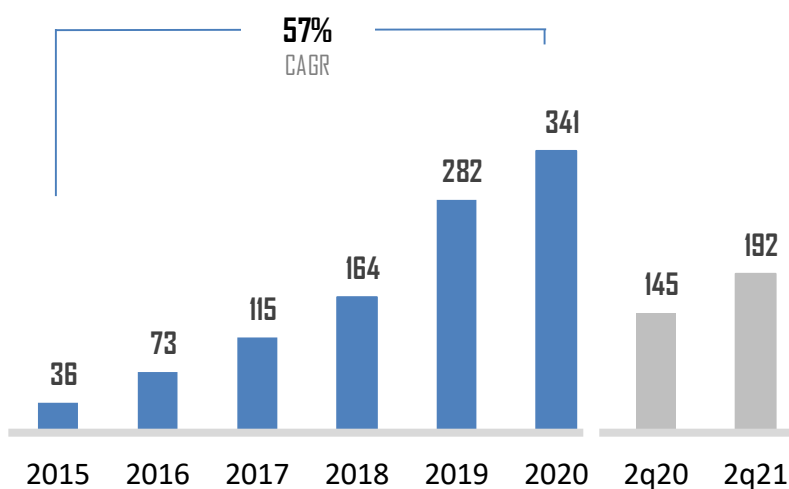
## Due to SME Customers | UAH billions |



## Net Interest Income | UAH millions |



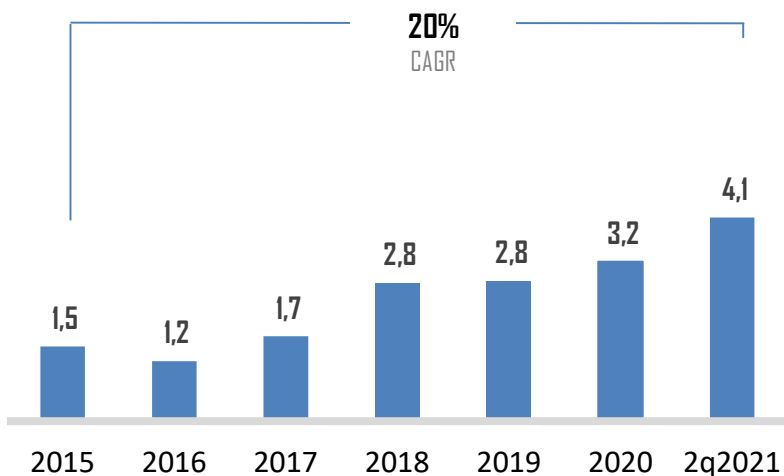
## Non-Interest Income | UAH millions |



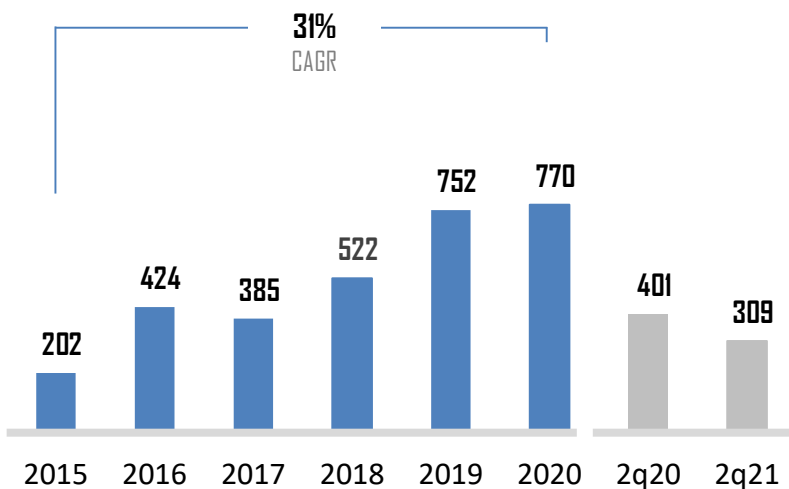
- > SME business built from scratch: singled-out into a separate business line since 2015
- > Achieved a TOP-5 ranking in the Ukrainian SME market just in 3 years
- > Ukrgasbank was a pioneer in lending to homeowners' associations
- > Participation in special lending support programs for SMEs from IFIs and the Government
- > Joint project with IFC on SME Banking Development to boost SME Business growth at the Bank
- > Local utility companies serviced within SME segment
- > Financial lease among lending products
- > Development of digital solutions for SMEs



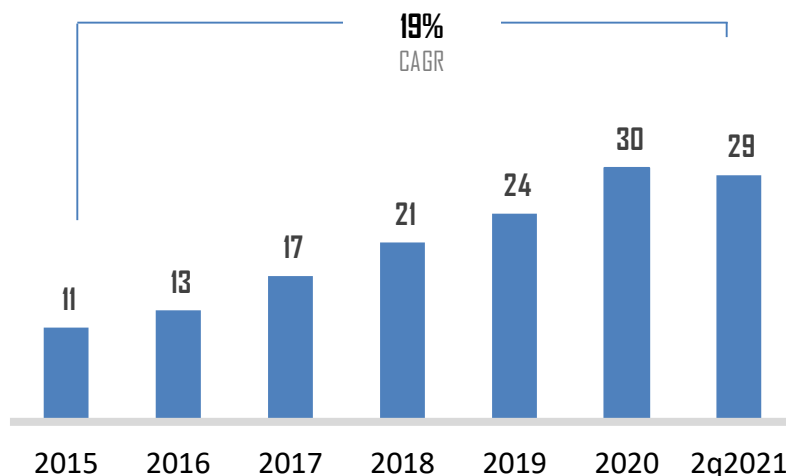
## Net Retail Loans | UAH billions |



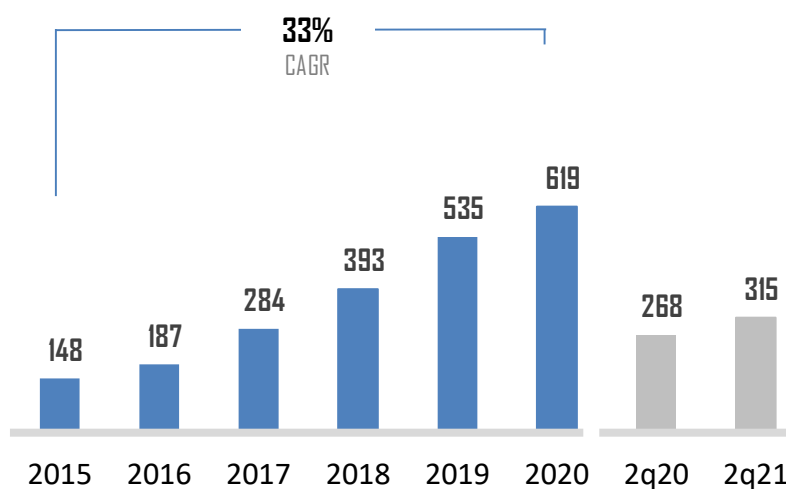
## Net Interest Income | UAH millions |



## Retail Deposits | UAH billions |



## Non-Interest Income | UAH millions<sup>1</sup> |



- > Retail customer base growth to 4 million by YE2021, by attracting economically active working age population
- > Digital solutions to service increased number of customers
- > In-house card processing in place, allowing customization and targeting of card-based products
- > Unique green products in the market (roof solar power stations, electric vehicles, energy efficiency)
- > Market leader in providing local currency mortgages
- > Retail banking synergy with SME Business and Corporate Business



Loan Facility for green purposes with equity conversion option

Global Trade Finance Program

Project "Becoming a leader in SME Banking"



DCFTA Agreement Initiative East - risk sharing guarantee facility

EIB's APEX Loan for SMEs and Mid-Caps Projects



Trade Facilitation Program

Loan Facility to support SMEs



Loan Facility for SME renewable energy projects



Loan Facility to promote green financing and help Ukrainian SMEs to recover from COVID-19



Export Support Program with the Belarusian government

Export Support Program with Poland



Loan Guarantee Fund for implementing energy management system in Ukrainian industry



Memorandum on cooperation with the USAID Project "Municipal Energy Reform in Ukraine"



Private Financing Advisory Network

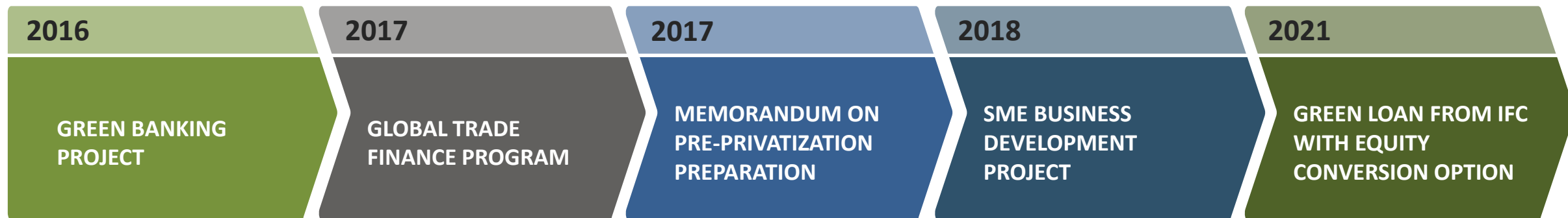


Carbon Pricing Leadership Coalition

Founding Signatory of:



PRINCIPLES FOR RESPONSIBLE BANKING



1

The project aims at providing easier access to funding for entities that intend to adopt renewable and energy efficient technologies

2

Facility to expand and complement the capacity of banks to deliver trade financing to customers by providing risk mitigation in new or challenging markets

3

Pre-privatization support to help UkrGasbank strengthen its corporate governance, ensure its operational autonomy, and refine its commercially-driven banking model

4

The project aims at enhancing the already strong position of UkrGasbank in SME banking in order to become the #1 bank for SMEs in Ukraine

5

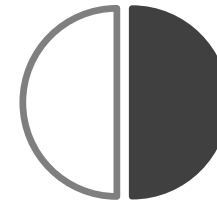
Senior loan for green finance purposes with an option of conversion into equity signed in January 2021



The leader in financing new clean energy facilities in Ukraine. Share of green loans in the bank loan portfolio is 29% as of 2q2021



UkrGasbank was named the best bank for sustainable finance in CEE in the Euromoney Award for Excellence 2019



Every second MW of new installed renewable energy facilities that received feed-in tariff in 2018 was financed with the help of UkrGasbank



UkrGasbank is a pioneer among Ukrainian banks to introduce Environmental and Social Risk Management System



UkrGasbank has implemented UN Sustainable Development Goals in its activities

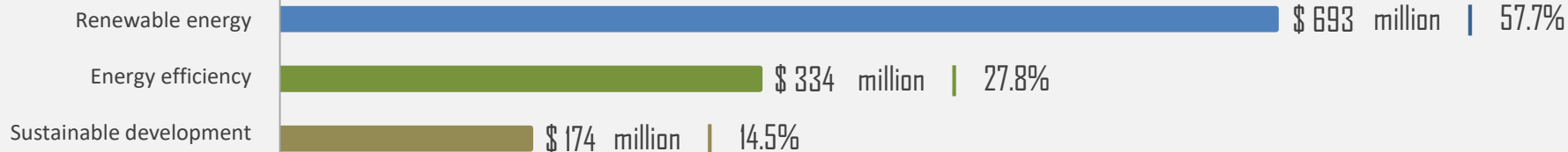


UkrGasbank became the first Ukrainian partner of the Carbon Pricing Leadership Coalition to advocate for climate change combating in Ukraine

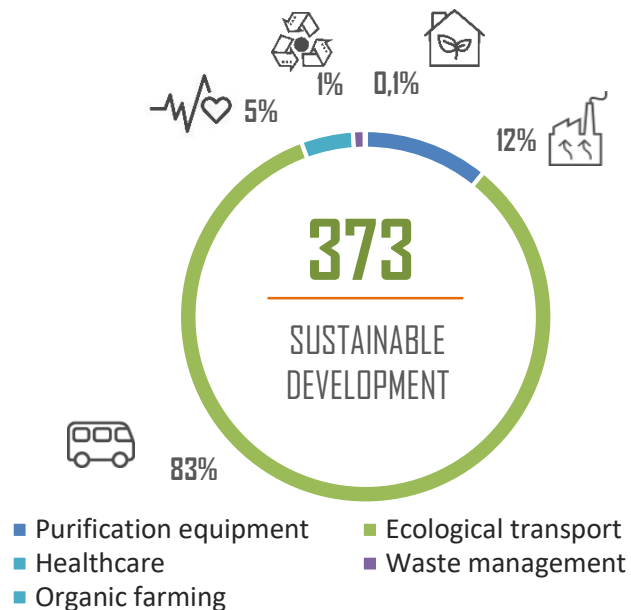
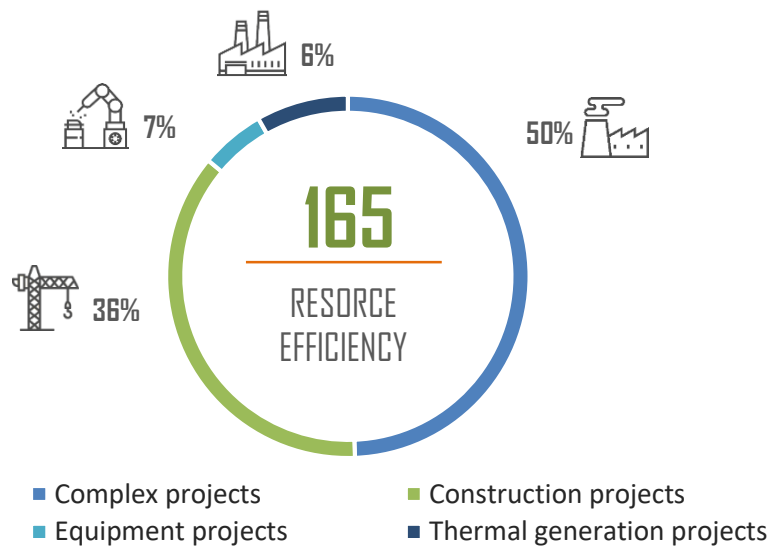
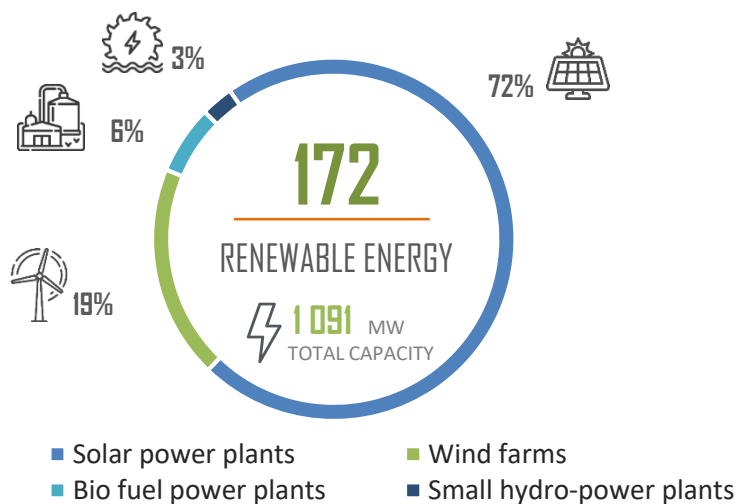


## \$ 1.2 BILLION

FINANCED AND COMMITTED  
SINCE 2016



### KEY PROJECTS



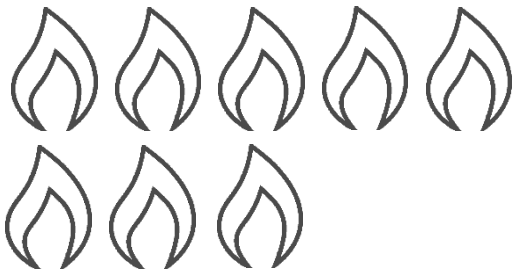
**+ 313**   
ROOF POWER FACILITIES  
FOR HOUSEHOLDS

**+ 2 041**   
CONDOMINIUMS

**+ 71 696**   
HOUSEHOLDS

## GAS SAVINGS

**840** MILLION  
m<sup>3</sup>/year



## REDUCTION OF CO<sub>2</sub> EMISSIONS

**1,407,000**  
tons/year



## EQUIVALENT OF TAKING

**656,000**

## CARS FROM THE ROAD

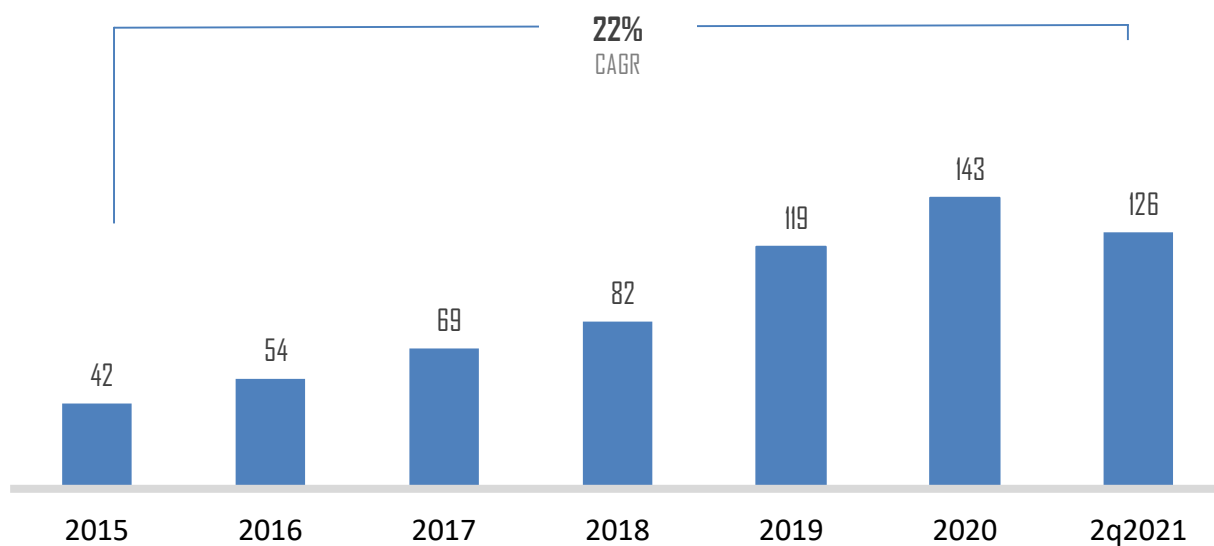


As part of the cooperation with the Ministry of Ecology the Bank financed the installation of treatment facilities at one of the largest metallurgical plants in Europe - PJSC "Zaporizhstal"

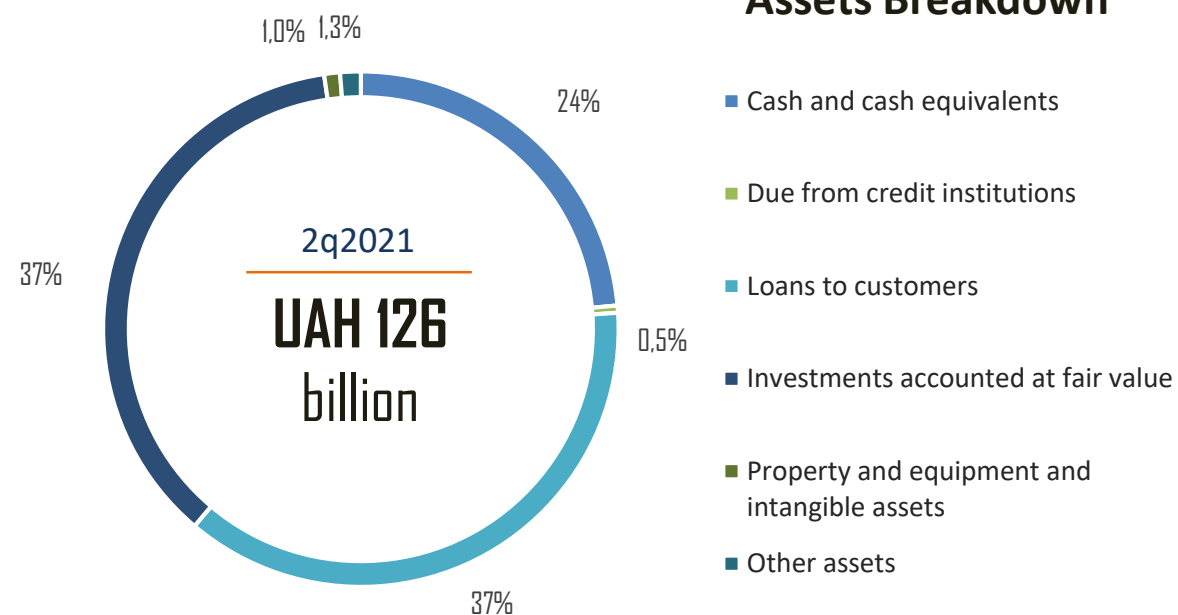


**20%**  
POLLUTION  
REDUCTION

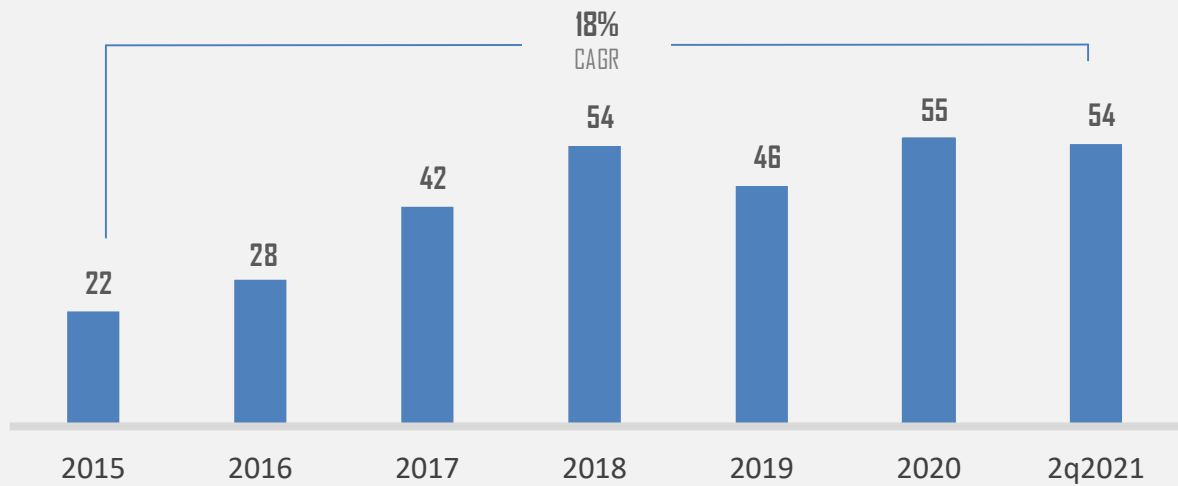
## Assets Dynamics | UAH billions |



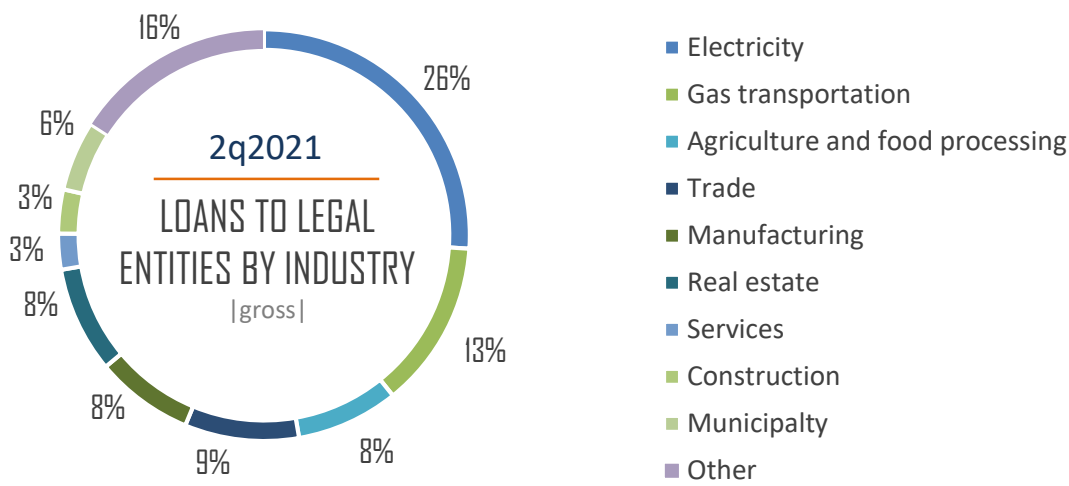
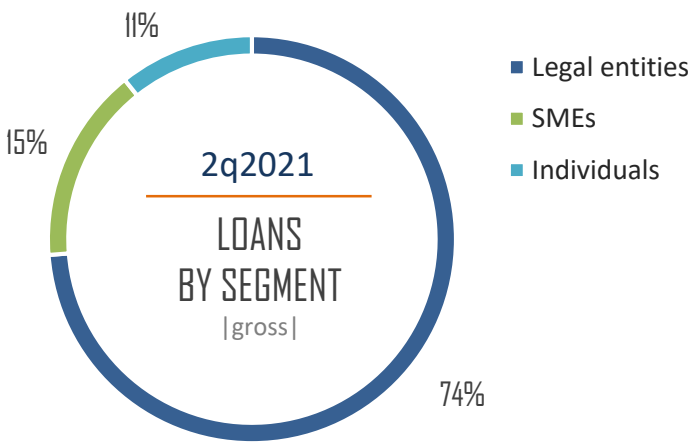
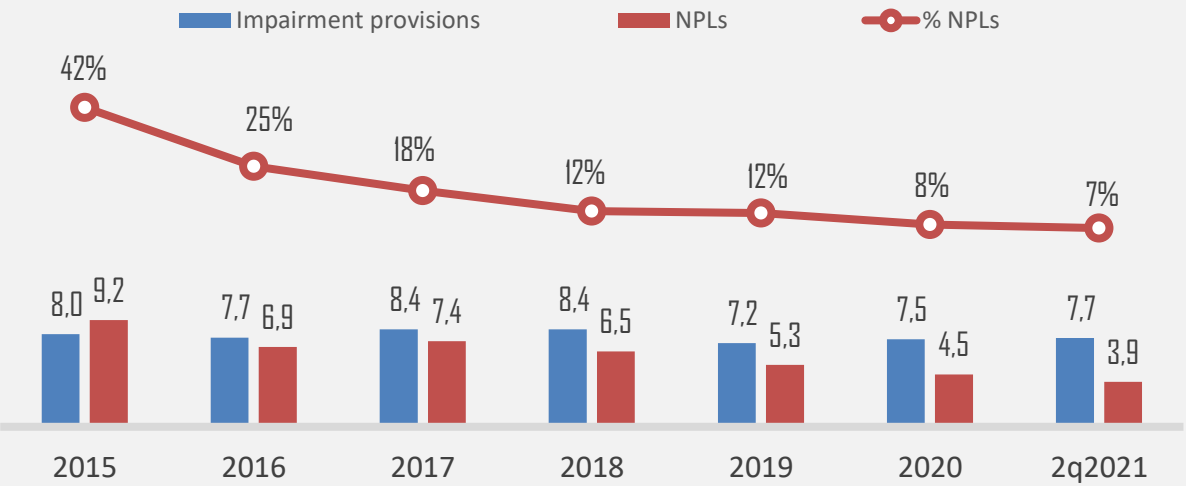
## Assets Breakdown



## Customer Loans | gross, UAH billions |



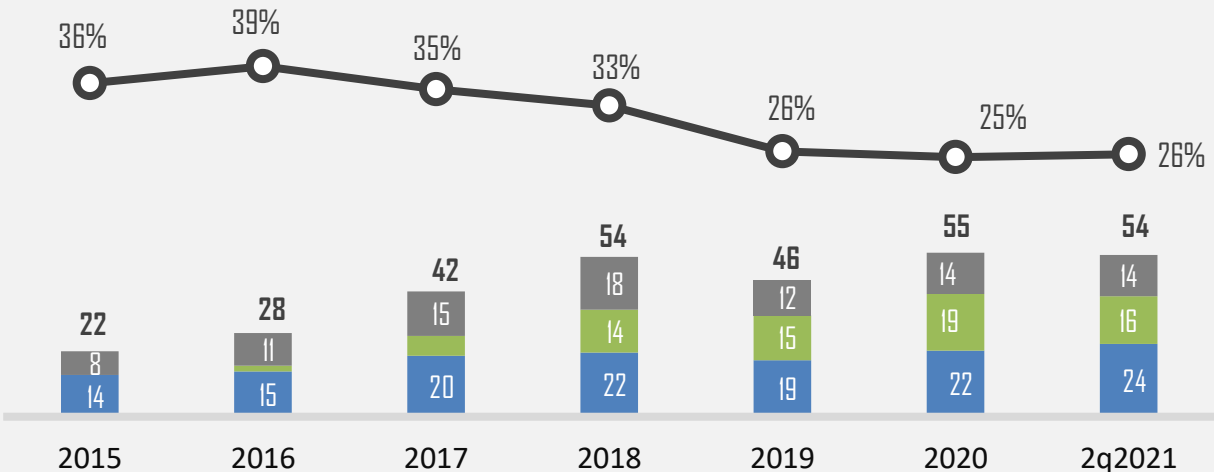
## NPLs and Impairment Provisions | UAH billions and % of Total Loans |





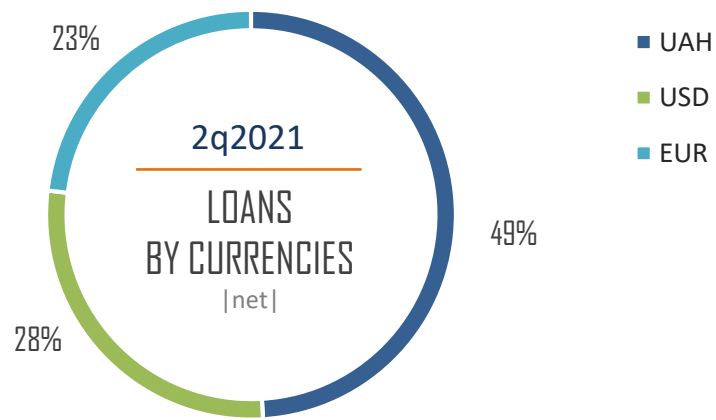
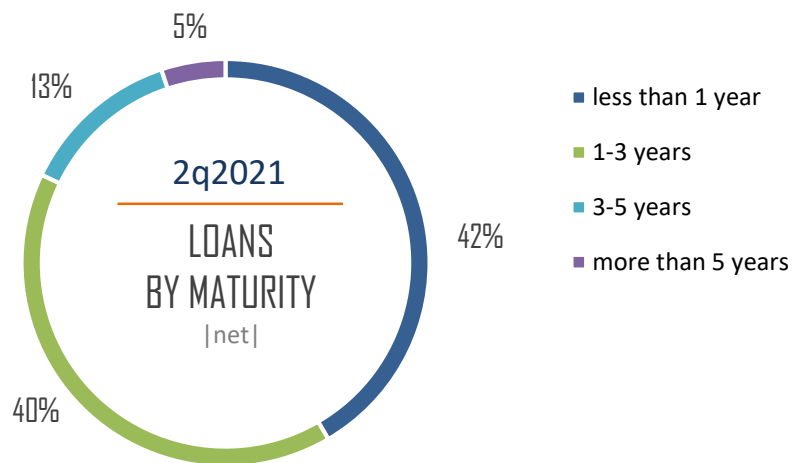
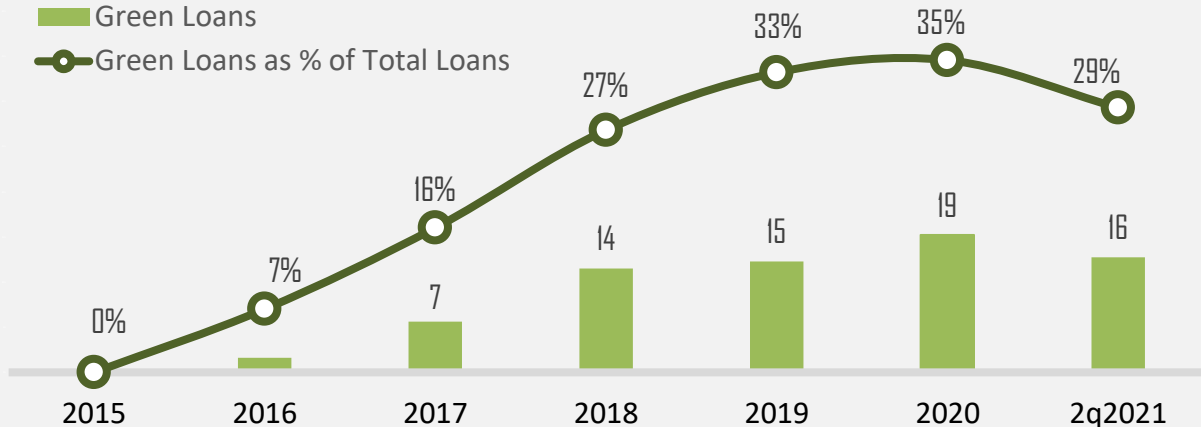
## Loans to Private Sector vs Exposure to SOEs | UAH billions |

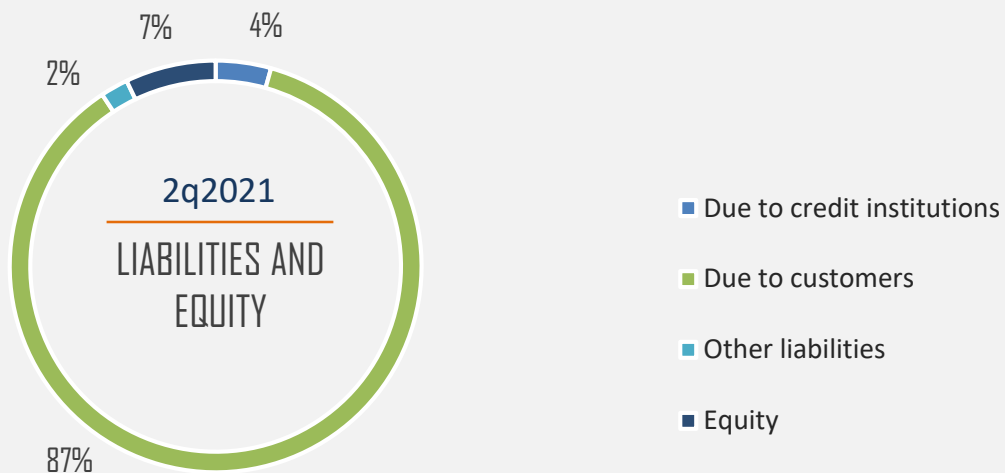
Other Private Sector Loans   Green Loans   SOEs   SOEs, % of Total Loans



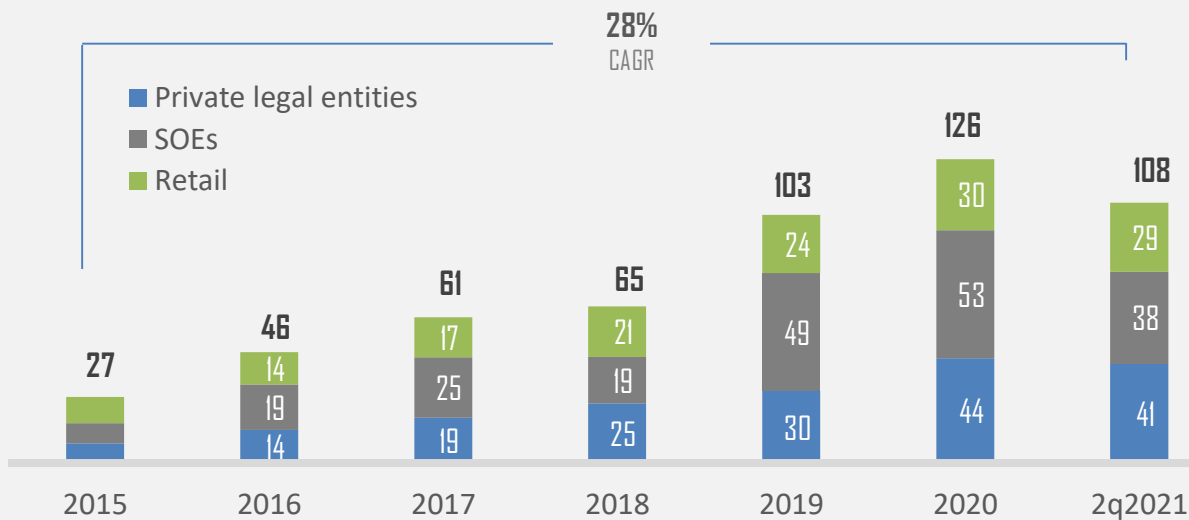
## Green Loans Dynamics | UAH billions |

Green Loans   Green Loans as % of Total Loans

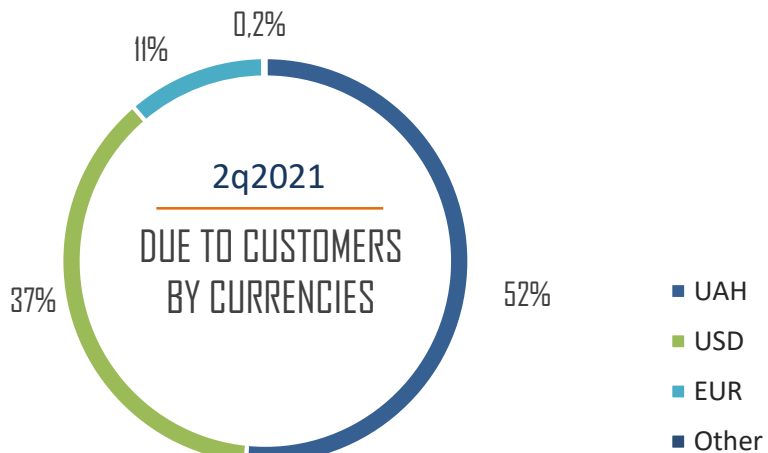
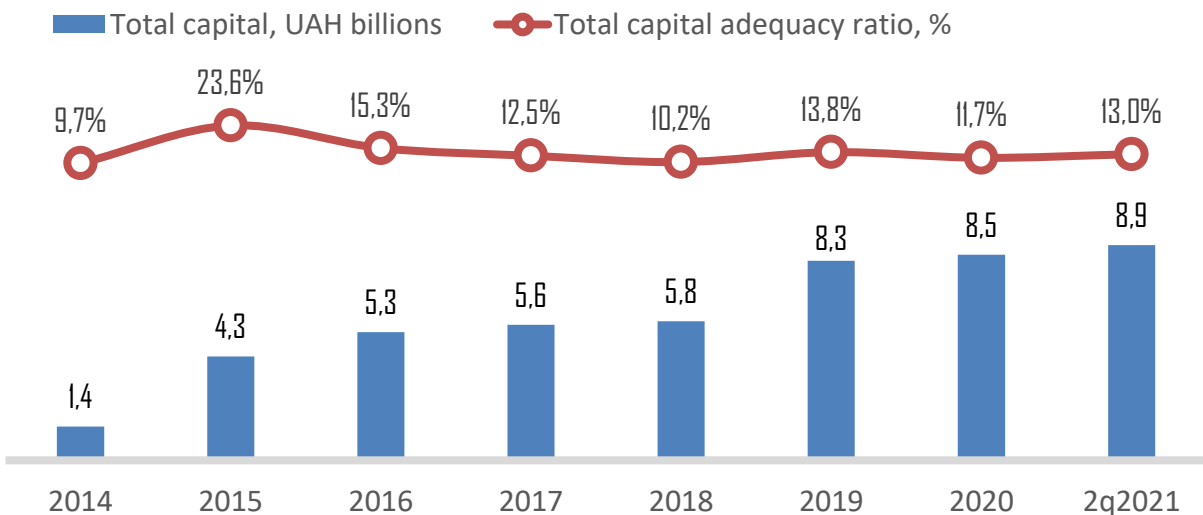




## Due to Customers | UAH billions |



## Total Capital and Capital Adequacy Dynamics



# APPENDICES

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## EUROPE'S LARGEST COUNTRY

5.7% of the Europe's territory. Ukraine's location provides for ideal trade hub to EU, Middle East and Asia

33% of the world's rich, black-earth soil are in Ukraine

## POPULATION

41 million

GDP per Capita – USD 3,141

## EASE OF DOING BUSINESS

Ukraine ranks 64<sup>th</sup> out of 190 countries in the global ease of doing business index, an improvement from 76<sup>th</sup> position and an all time record low since 2008

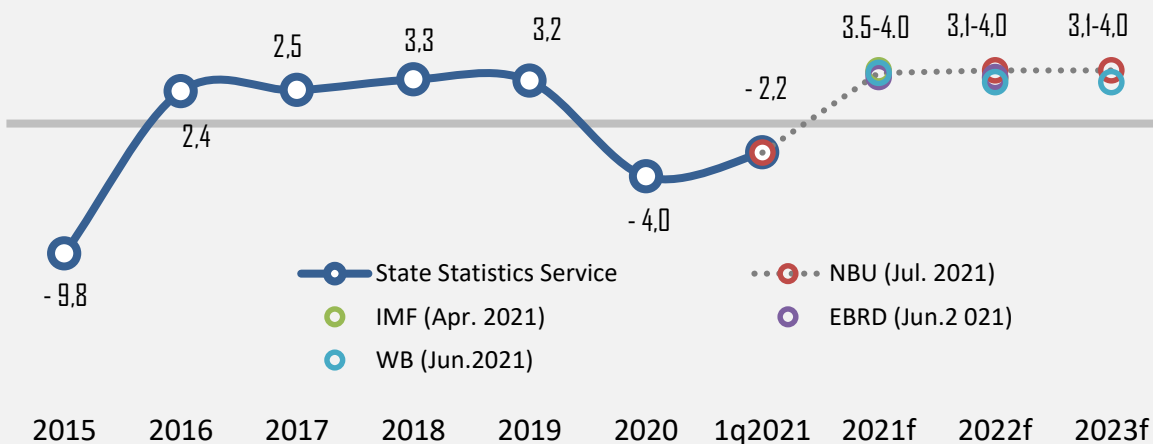
## RATINGS

Fitch	B	Stable	Feb. 2021
S&P	B/B	Stable	Mar. 2021
Moody's	B3	Stable	Jun. 2020

Sources: 1; 2; 3;4;5; 9 (see p.31 for details)

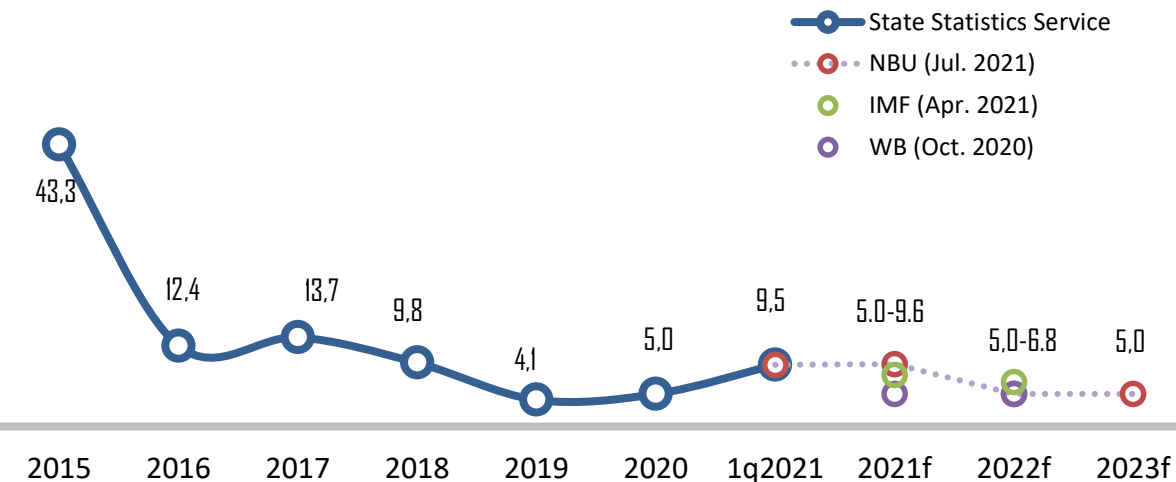


## Real GDP change |%, YoY|

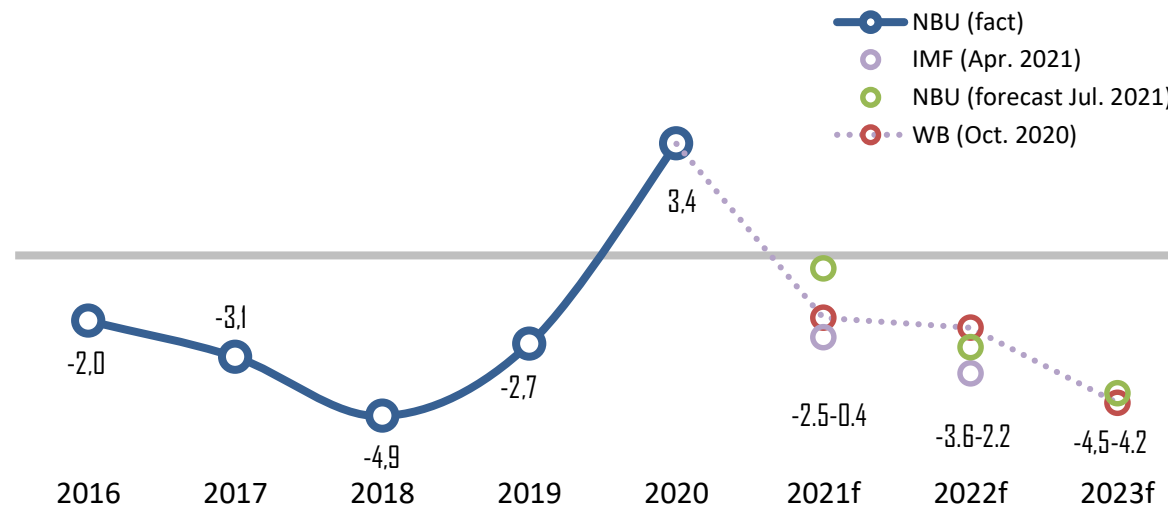


- > Ukraine's cooperation with the IMF remains an important signal for international investors. USD 5 billion SBA approved by IMF Board in June 2020. USD 2.1 billion already disbursed.
- > IFIs forecast 2021 Ukrainian economy growth in the range of 1.5-3.8%, the recovery will depend on the severity of the second pandemic wave outbreaking worldwide.

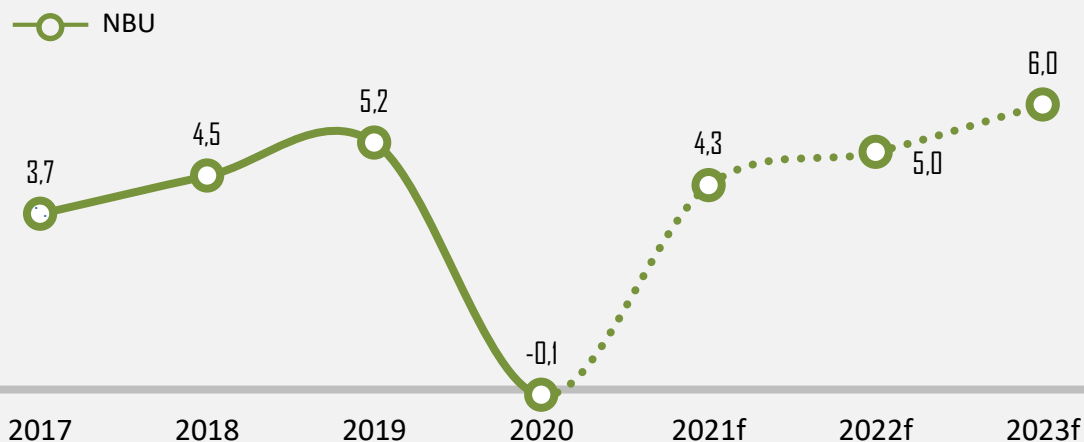
## Consumer Price Index |%, YoY|



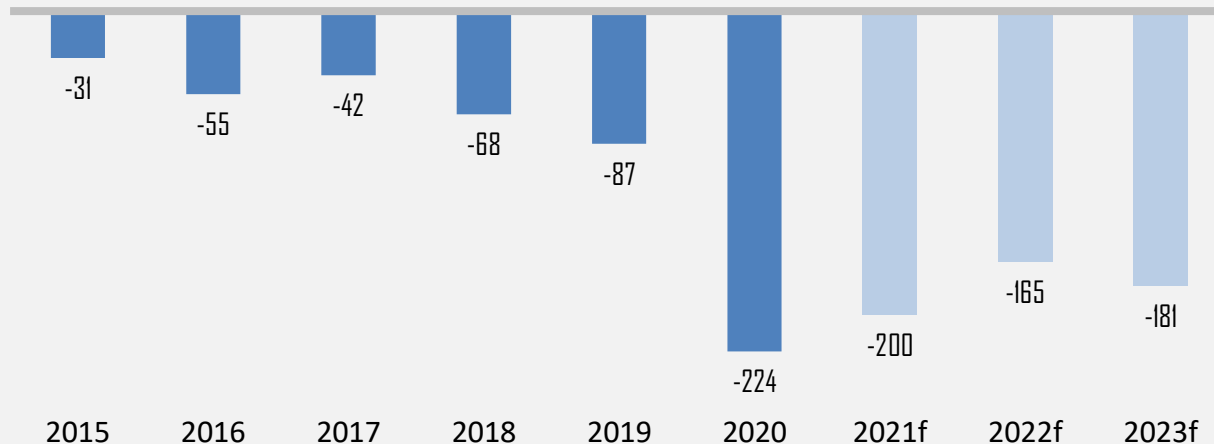
## Current Account Balance |%, of GDP|



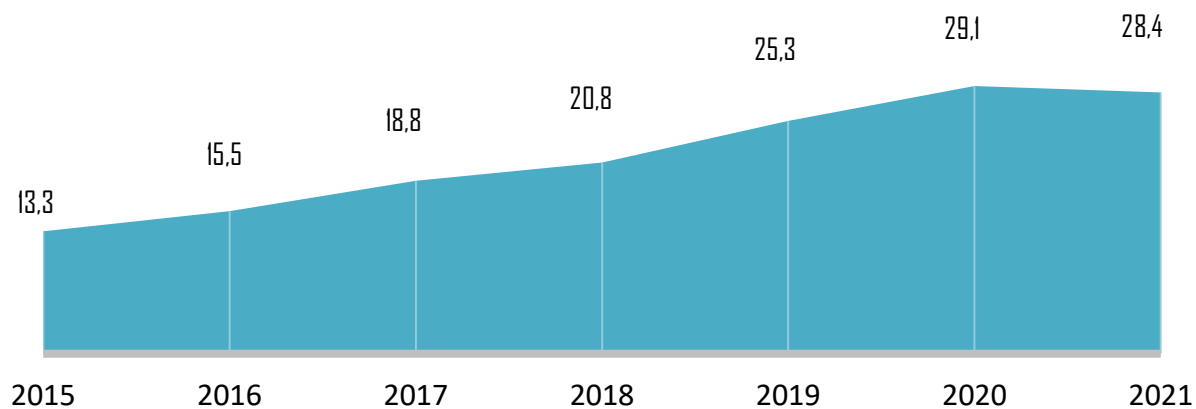
## Foreign Direct Investments | USD billions |



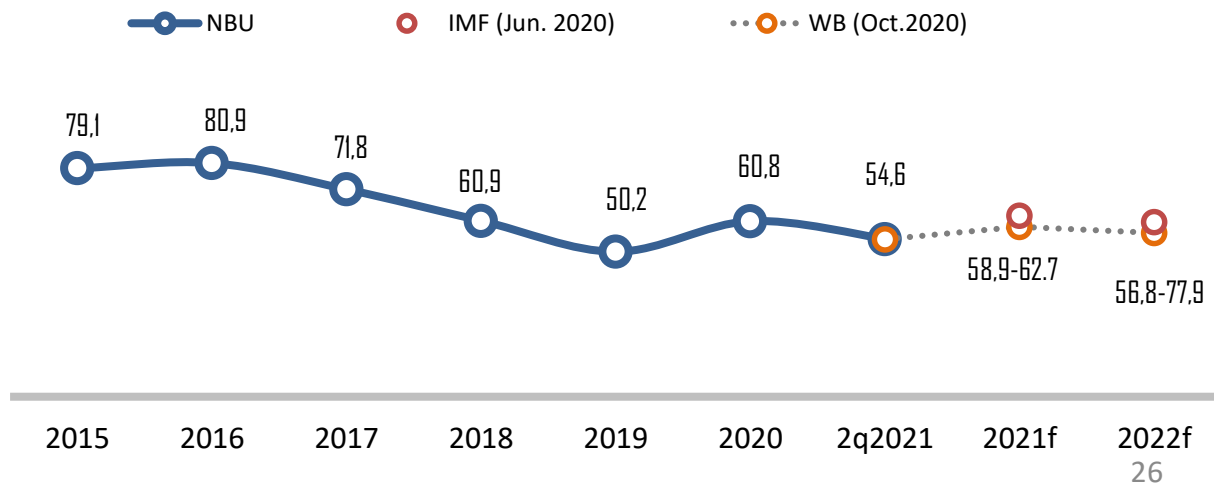
## Consolidated Budget (deficit/surplus) | UAH billions |



## International Reserves Dynamics | USD billions |



## Government Debt | % of GDP |







**73**

Banks operating in Ukraine



**20**

Banks with foreign investments

**\$ 69**

BILLION  
Banking System Assets

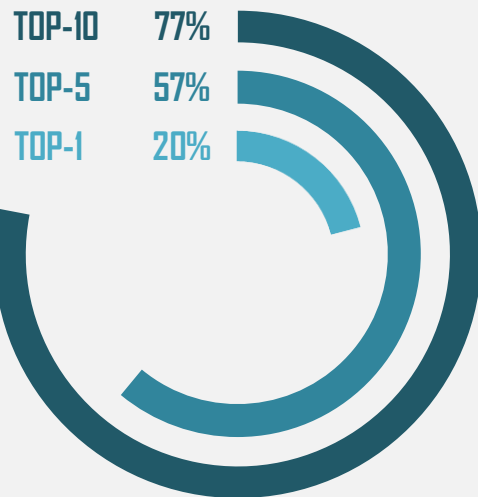


**50**

% of banking system assets are state-controlled

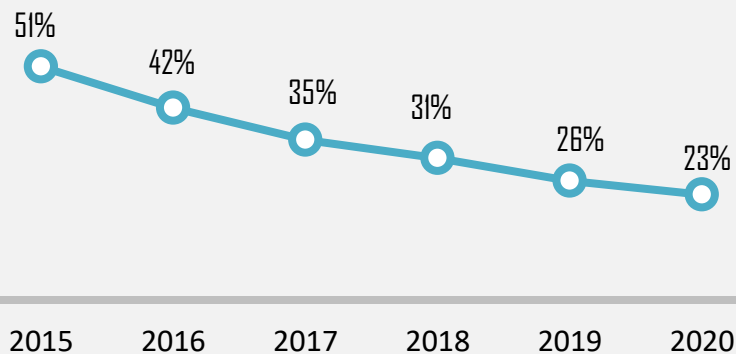
## Concentration by Assets

| 2q2021 |



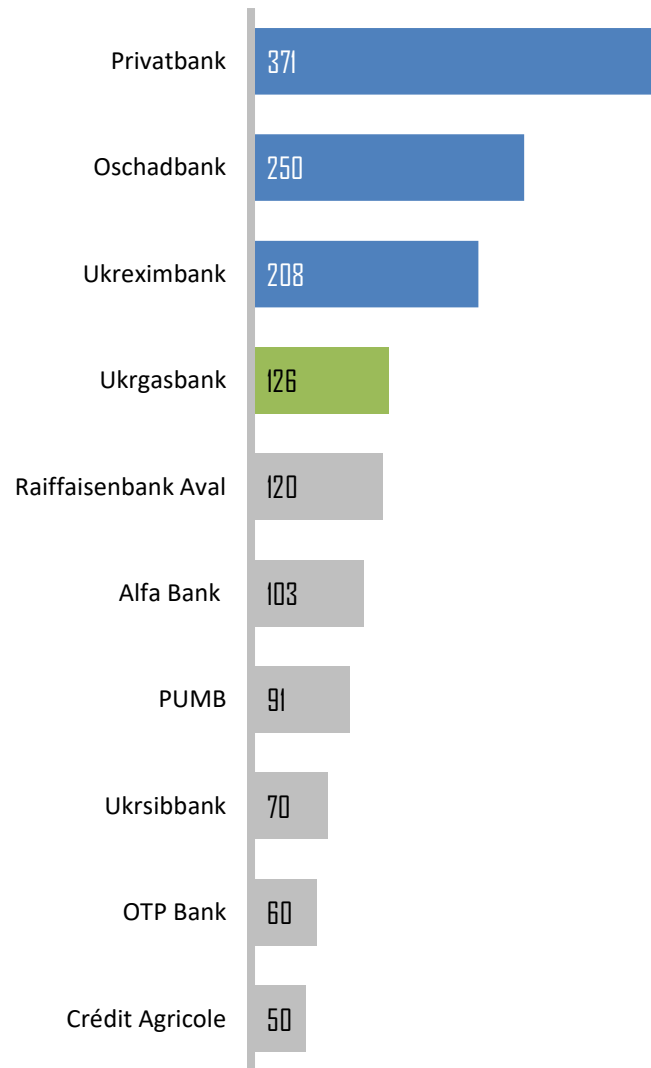
## Banking System Penetration Rate

| Gross Customer Loans to GDP Ratio |

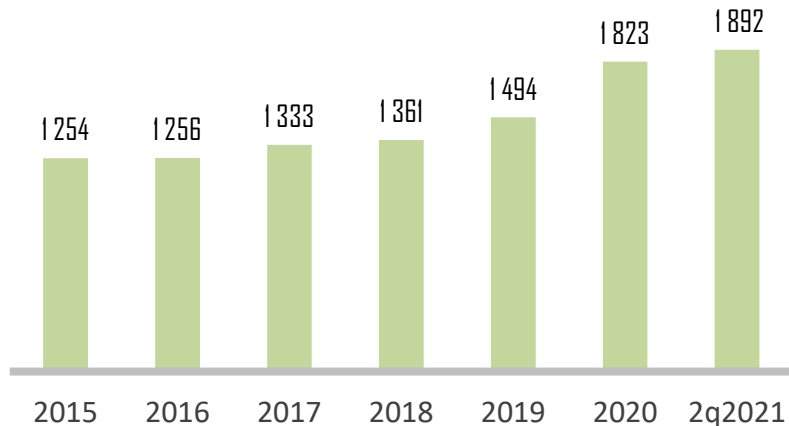


## TOP 10 Banks by Assets

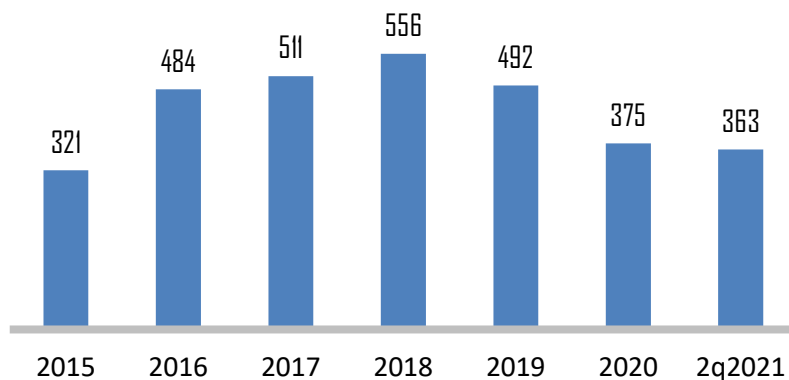
| in UAH billions as of 2q2021 |



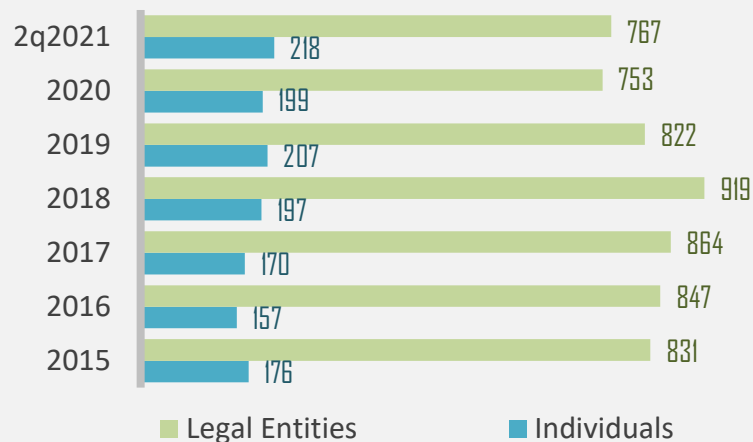
## Total Assets | UAH billions |



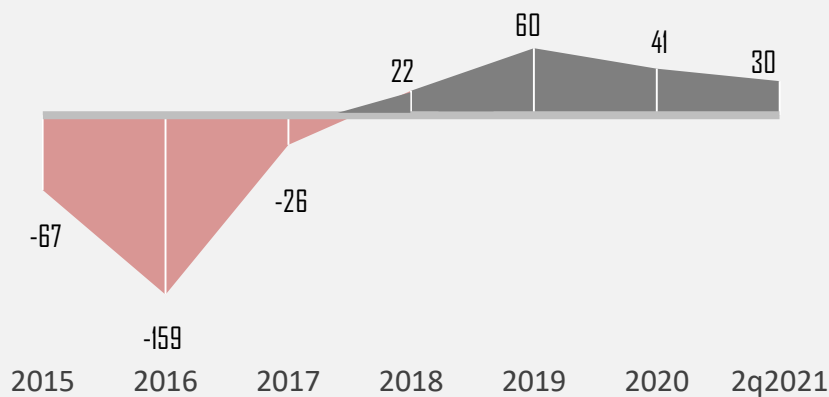
## Impairment Provisions | UAH billions |



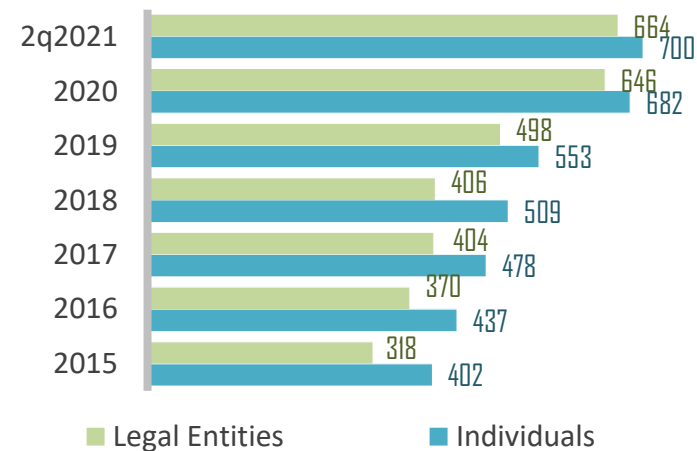
## Customer Loans | UAH billions |



## Net Profit/(Loss) | UAH billions |



## Due to Customers | UAH billions |



	2018	2019	2020	2q2021
RoA	1,65%	4,35%	2,54%	3,26%
RoE	14,26%	34,18%	20,0%	23,82%
Profit/Loss, UAH bn	21,7	59,6	41,3	30,0
Total income, UAH bn	204,5	244,4	249,8	124,1
Total expenses, UAH bn	-182,7	-184,8	-208,4	-94,1

*In UAH billions*

	YE2015	YE2016	YE2017	YE2018	YE 2019	YE 2020	2q2021
<b>Total assets</b>	<b>41.6</b>	<b>53.9</b>	<b>69.2</b>	<b>82.2</b>	<b>119.1</b>	<b>142.7</b>	<b>125.5</b>
Cash and cash equivalents	4	2.5	7.3	14.0	46.4	35.3	29.5
Due from credit institutions	9.6	6.5	3.7	0.7	0.3	0.7	0.6
Loans to customer and financial leases	14.0	20.4	33.6	45.2	39.0	47.5	46.7
Securities and investments	11.3	21.4	20.9	18.8	30.4	56.0	45.9
Property/Investment property, equipment and intangible assets	1.2	1.6	2.9	2.8	2.6	2.4	2.0
Other assets	1.5	1.5	0.8	0.7	0.4	0.8	0.8
<b>Total liabilities</b>	<b>37.3</b>	<b>48.6</b>	<b>63.6</b>	<b>76.5</b>	<b>110.9</b>	<b>134.2</b>	<b>116.6</b>
Due to NBU	4.3	0.6	0.4	4.3	-	-	1.0
Due to credit institutions	5.0	1.1	1.9	5.8	5.7	5.7	5.5
Due to customers	27.5	46.2	60.6	65.1	103.4	126.5	108.4
Other liabilities	0.5	0.7	0.7	1.2	1.8	2.0	1.7
<b>Equity</b>	<b>4.3</b>	<b>5.3</b>	<b>5.6</b>	<b>5.8</b>	<b>8.2</b>	<b>8.5</b>	<b>8.9</b>
Share capital	13.8	13.8	13.8	13.8	13.8	13.8	13.8
Accumulated deficit	-7.9	-7.6	-7	-6.2	-4.9	-4.5	-3.8
Other equity items	-1.6	-0.9	-1.2	-1.8	-0.7	-0.8	-1.1
<b>Total equity and liabilities</b>	<b>41.6</b>	<b>53.9</b>	<b>69.2</b>	<b>82.2</b>	<b>119.1</b>	<b>142.7</b>	<b>125.5</b>

<i>In UAH millions</i>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2q2021</b>
Interest income	5,477	6,875	8,367	9,664	9,576	4,454
Interest expense	-4,754	-4,517	-5,156	-6,924	-6 366	-1,964
<b>Net interest income before provisions</b>	<b>723</b>	<b>2,358</b>	<b>3,211</b>	<b>2,740</b>	<b>3,210</b>	<b>2,490</b>
Change in allowance for impairment of loans	567	-693	-802	-617	-1,517	-1,084
Change in allowance for impairment of other financial assets	-58	-141	-228	233	100	-70
Non-interest income	330	1,013	1,246	2,139	2,118	1,230
<b>Operation income (after provisions)</b>	<b>1,562</b>	<b>2,537</b>	<b>3,427</b>	<b>4,495</b>	<b>3,911</b>	<b>2,566</b>
Operating expense	-1,297	-2,013	-2,434	-3,006	3,401	1,669
Income / (loss) before tax	266	525	882	1,345	511	916
Income tax benefit / (expense)	23	103	-113	-56	-100	-190
<b>Net Profit/(loss)</b>	<b>289</b>	<b>628</b>	<b>769</b>	<b>1,289</b>	<b>411</b>	<b>726</b>

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