



ON THE GREEN PATH

Kyiv, Ukraine
March 2018

Business profile	Universal bank with a focus on green finance Key business lines: corporate business, SME, retail business, premier banking
Year established	1993
Principal place of business	Ukraine
Major shareholder	State of Ukraine via the Ministry of Finance of Ukraine (95%)
Total Assets ¹	UAH 70.9 bn
Share capital ¹	UAH 13.8 bn
Market share (by assets) ²	5.5%
International audit	since 1997 (currently – Ernst & Young)
Distribution Network	240 branches, 23 regional offices at 154 cities and towns
Customer Base	over 900 thousand retail customers over 43 thousand SME customers over 8 thousand corporate customers

NATIONAL CREDIT RATINGS



uaAA+



uaAA-

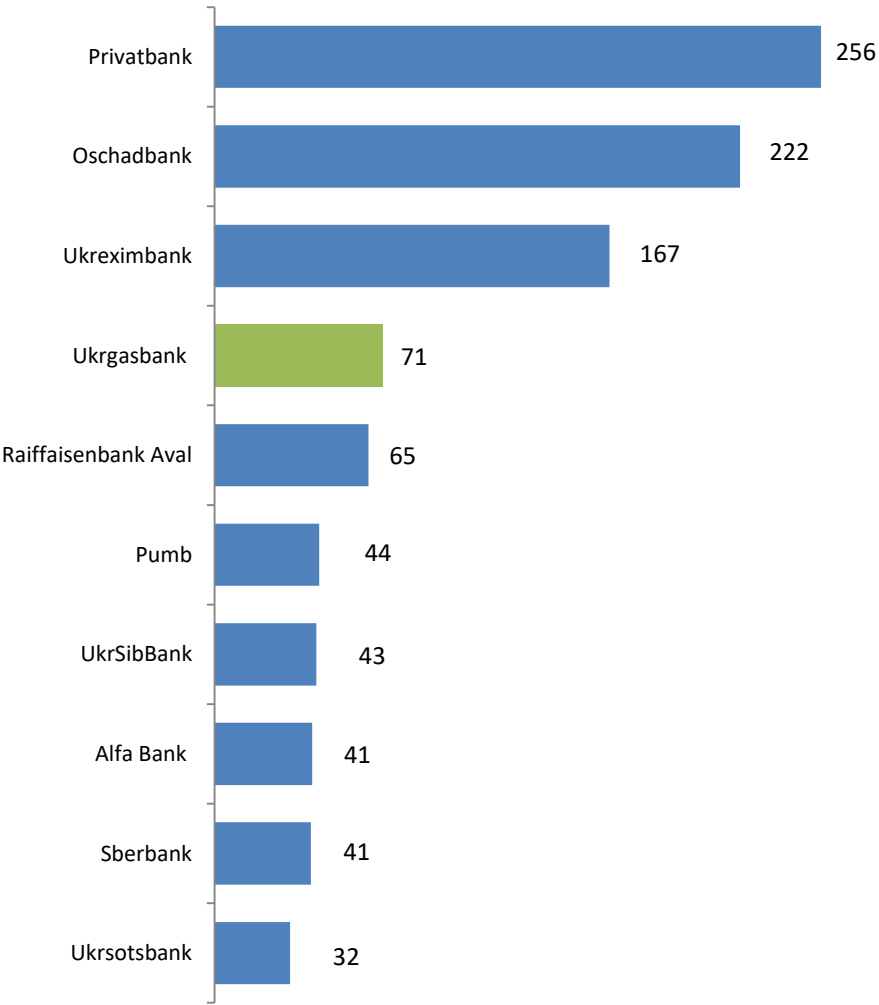


uaAA+

¹ 3q2017 IFRS Financial Statements. Unaudited.

² Bank calculation according to NBU data as of 01.10.2017

TOP-10 Ukrainian Banks by Assets ¹
in UAH billions as of 01.10.2017



- 88 banks operating in Ukraine as of 01.10.2017 (down from 163 banks at YE2014). Significant consolidation is underway.
- 24 banks with foreign investments at 3q2017
- 4 operating state-owned banks

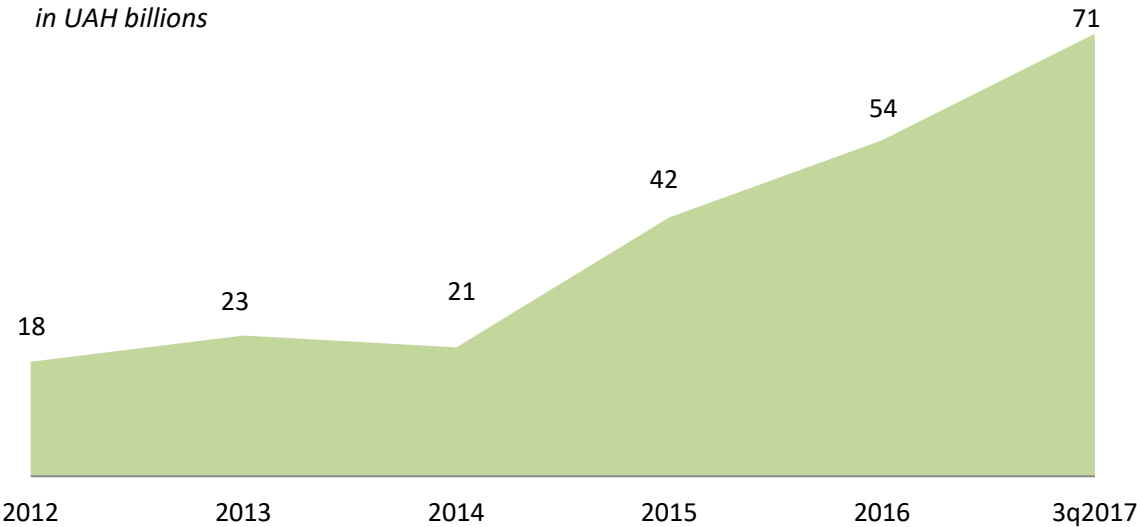
UKRGASBANK Market Positions²

1.10.2017 1.01.2015 No. BY ASSETS 4 17	1.10.2017 1.01.2015 No. BY DEPOSITS 4 15	1.10.2017 1.01.2015 No. BY LOANS 6 20	1.10.2017 1.01.2015 No. BY SHARE CAPITAL 7 21
1.10.2017 1.01.2015 SHARE BY ASSETS 5.5% 1.6%	1.10.2017 1.01.2015 SHARE BY DEPOSITS 7.1% 1.7%	1.10.2017 1.01.2015 SHARE BY LOANS 5.7% 1.1%	1.10.2017 1.01.2015 SHARE BY SHARE CAPITAL 3.1% 1.0%

¹ NBU Data
² UKRGASBANK calculation based on NBU data

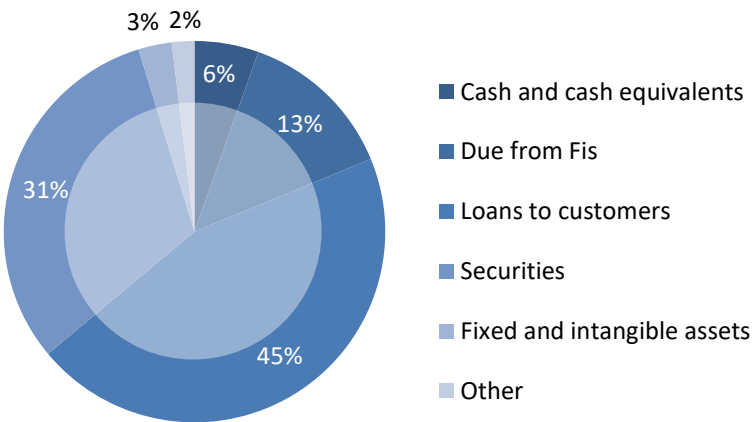
Assets Dynamics

in UAH billions



Assets Breakdown¹

30.09.2017

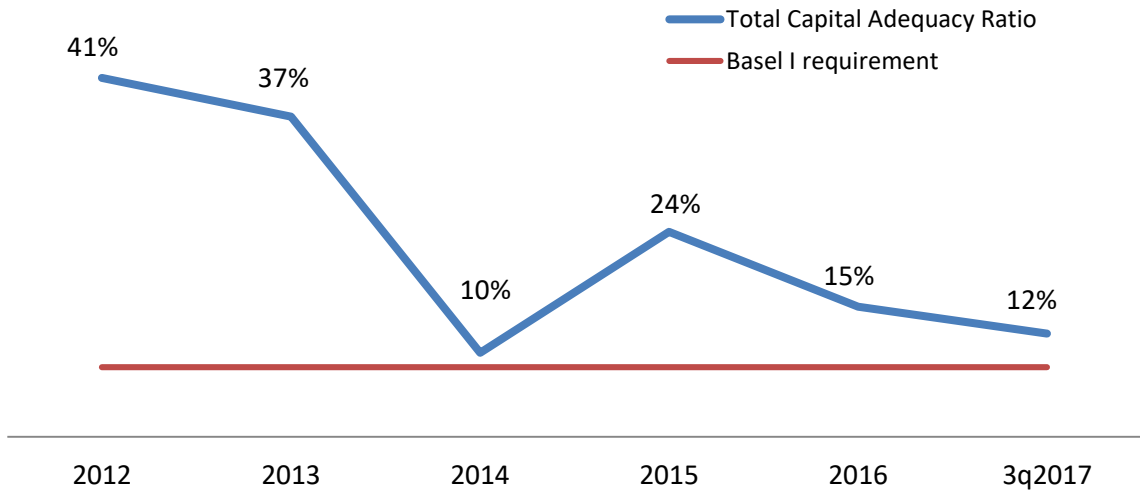


¹ Source: 2012-2016 IFRS Financial Statements. Audited.
3q2017 IFRS Financial Statements Unaudited

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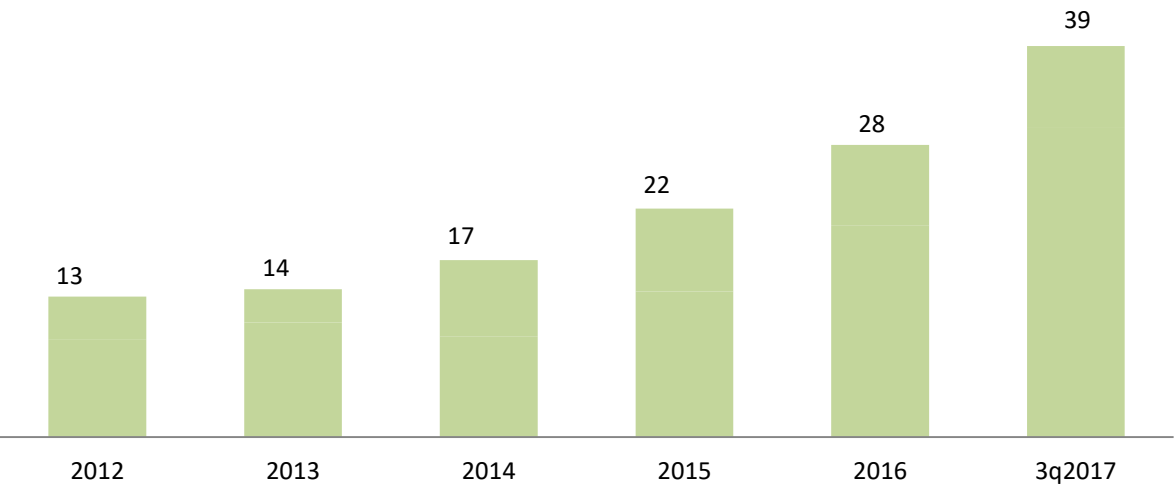
- Adequate total CAR – 11,9% nourished by recent year’s profit is well above the Basel I threshold of 8%
- High liquidity triggered by fast growth of the customer deposits and limited lending opportunities mirrors the situation among the financially sound banks
- In June 2015 UKRGASBANK completed a unique for the Ukrainian market M&A transaction — acquisition of Bank Kyiv assets and liabilities worth UAH 1.4 billion

Capital Adequacy Dynamics



Loan Portfolio Dynamics ¹

in UAH billions

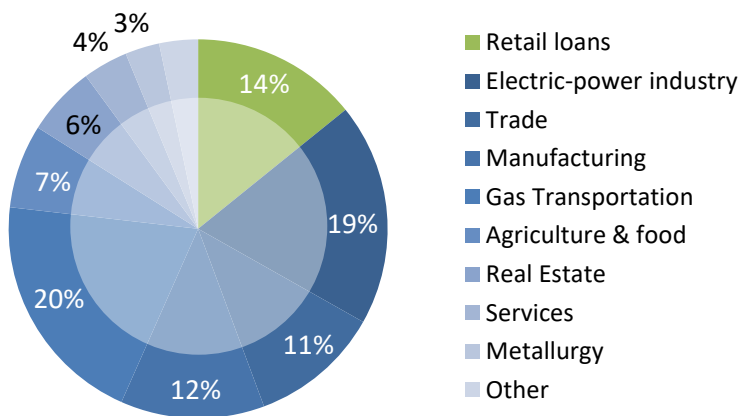


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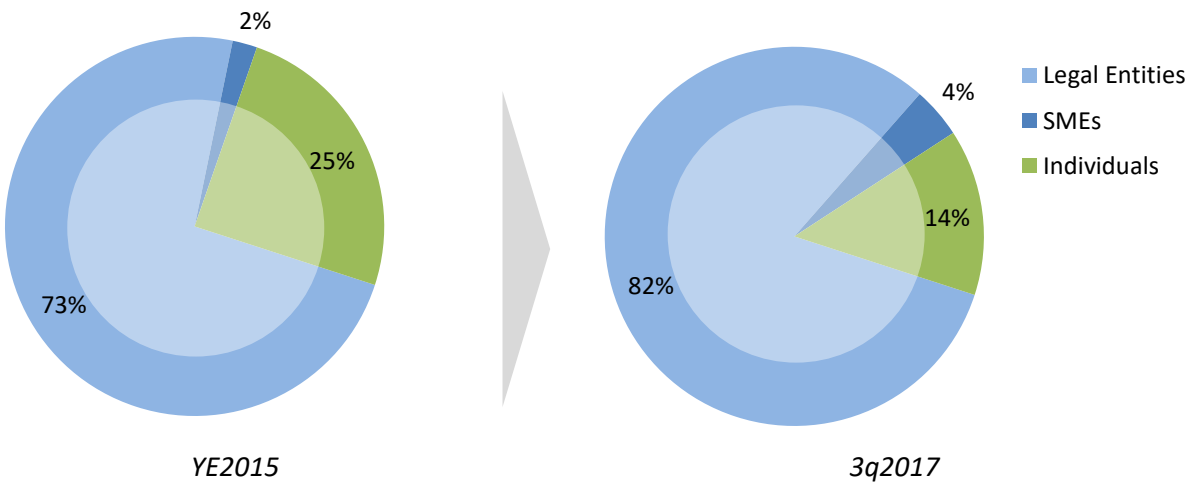
- The bank applies cautious approach to new lending - tougher requirements to borrower assessment and continuous monitoring of issued loans
- Ample coverage of impaired loans with provisions
- Low exposure of the loan portfolio to foreign currency risk. 70% of all loans are denominated in local currency
- Loans to customers from the Crimea, Luhansk, Donetsk (beyond control of Ukraine) totaled UAH 0.99bn as of 01.07.2017 and are 100% covered with impairment provisions

Loan by Business & Industry ¹

30.09.2017



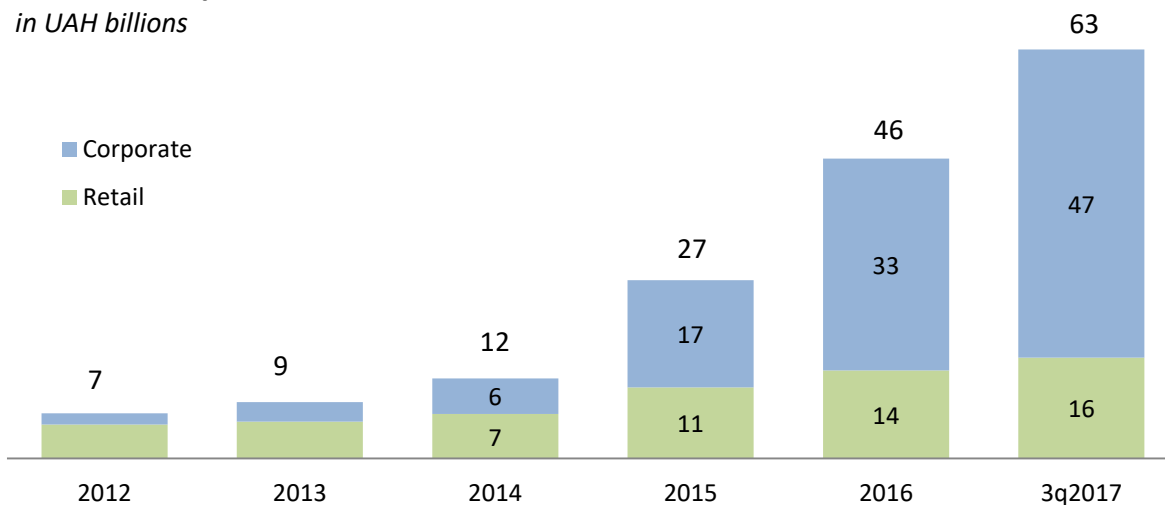
Loans by Segment



¹ Source: 2012-2016 IFRS Financial Statements. Audited.
3q2017 IFRS Financial Statements Unaudited

Customer Deposits ¹

in UAH billions

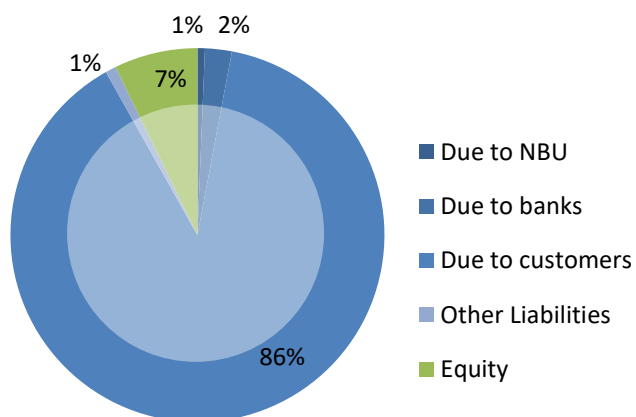


Comments:

- Customers start gradually returning savings to banks, but remain cautious about longer tenors (with average deposit tenors being <12m)
- Growing deposits accompanied with NBU decreasing its discounting rate create downward pressure on deposit interest rates, with banks unwilling to commit high interest rates for longer tenors on that background
- Deposits are the key funding source for the bank. Their fast growth allowed the bank to prepay the emergency funding support received from the NBU in 2008-2009

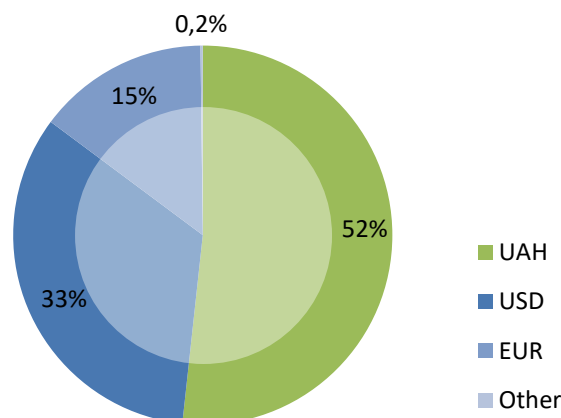
Liabilities and Equity ¹

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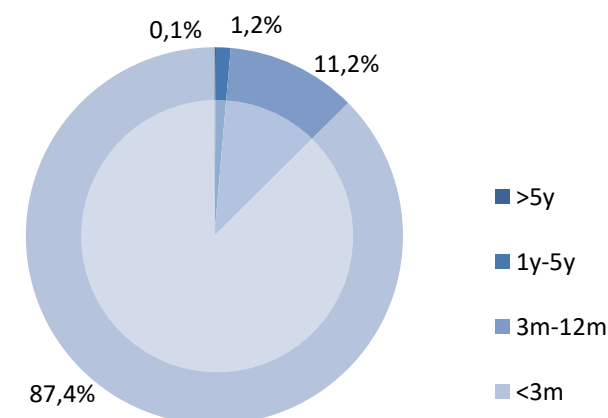
Deposits by currencies ¹

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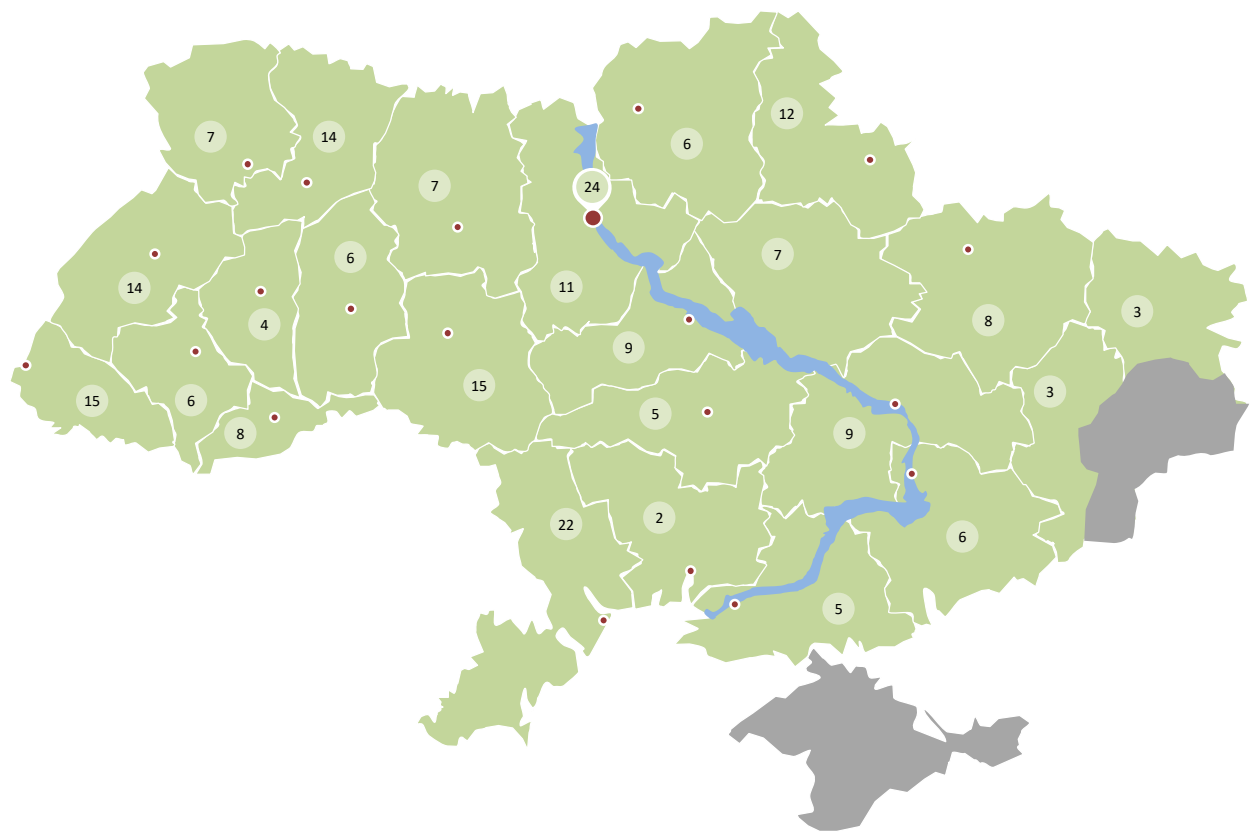



Deposits by Remaining Maturity ¹


30.09.2017




¹ Source: 2012-2016 IFRS Financial Statements. Audited.
3q2017 IFRS Financial Statements Unaudited



 HQ located in Kyiv

 8 Number of branches

 Areas of the Crimea, Luhansk, Donetsk oblasts beyond control of Ukraine

Diversified sales network throughout Ukraine :



23 Regional offices

240 Branches

Digital sales network :



641 ATMs

1095 Partner-bank ATMs



25 Self-service kiosks



734 Retail POS-terminals

429 In-house POS-terminals

Key Programs

2017

UkrGasbank joined IFC's Global Trade Finance Program, European Investment Bank's APEX and DCFTA Initiative East Guarantee Facility

2016

IFC and UkrGasbank have agreed on a joint project in the field of "green" financing, providing easier access to funding for companies that intend to implement renewable and energy efficient technologies

2015

JSB 'UKRGASBANK' is the government agent for implementation of state energy efficiency programs

2014

Export Support Program with the Belarusian government

2012-2013

Financial Export Support Program of the Polish government

Rural SME Lending Facilitation Program implemented by the German-Ukrainian Fund (with participation of the Cabinet of Ministers of Ukraine and KfW)

2007

The Bank is developing its export trade finance loan products by participating in the WB's Export Development Project

2004-2006

EC TACIS program "Banking Sector Reform in Ukraine". leading to an internal business reorganisation

USAID "Program on the Development of Mortgage Loans in Ukraine"

Loan Facilities

2008

USD 23 m syndicated loan: 7 banks from 6 countries joined the deal

2007

USD 46 m syndicated loan: 12 banks from 10 countries joined the deal

USD 20 m club loan (to refinance the debut loan): 9 banks from 6 countries joined the deal

2006

USD 16 m debut syndicated loan: 8 banks from 6 countries joined the deal

CHOOSING A FOCUSED STRATEGY — ECO-BANKING

The strategic objective of UKRGASBANK is to become the leading green finance bank in Ukraine and to cover up to 30% of the total financing needs in the energy efficiency sector, which according to the 'National Energy Efficiency Action Plan till 2020' are estimated at EUR35bn.

The ECO-BANK development concept has been endorsed by the Bank's principal shareholder — the Ministry of Finance of Ukraine, and is currently being implemented in cooperation with IFC as part of a **3-year Cooperation Agreement in the framework of IFC Sustainable Energy Finance Program in Europe and Central Asia**. It includes the following:

- transformation of the bank into a specialized eco-finance institution;
- development of the Bank's expertise in the analysis and implementation of energy efficiency projects in various sectors of the economy;
- development of a special eco-product line;
- implementation of the social and environmental management system.

NEW MARKET OPPORTUNITIES

Industry: energy efficient equipment



Agriculture: biofuels, biogas, biomass, irrigation

Energy: energy efficiency, renewable energy, energy storage



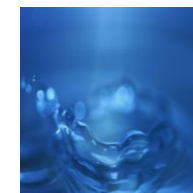
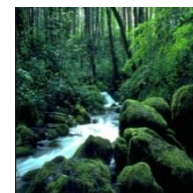
Buildings: energy efficiency, sustainable materials, green Buildings

Recycling: recycling services



Transport: energy efficient components, fuel, logistics, electric cars

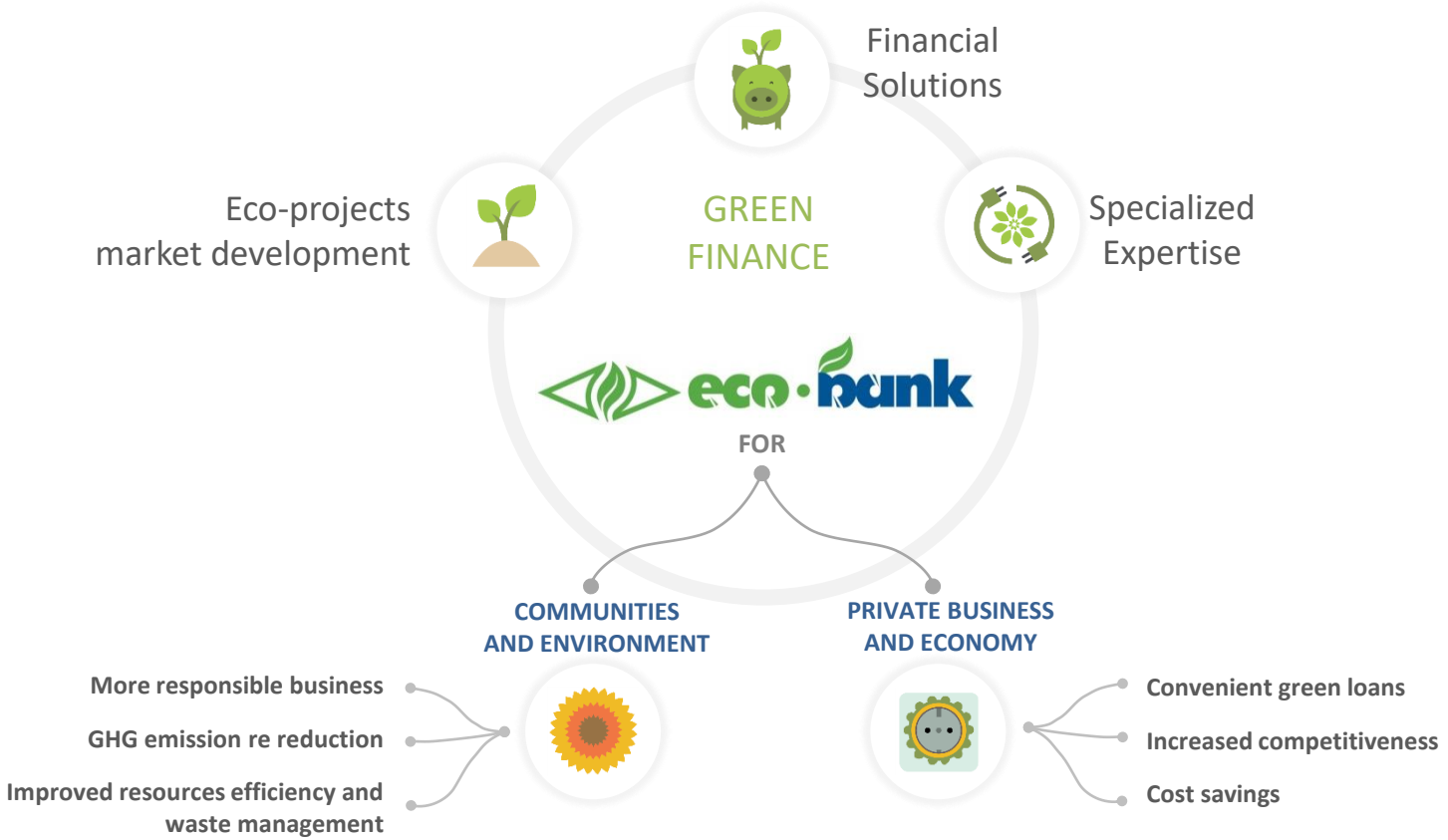
Ecology: carbon credits



Water: preservation, sampling, sewage treatment

TRANSFORMATIONAL PROJECT OF UKRGASBANK

to develop Green Finance sector in Ukraine





ENTERPRISES

Energy saving measures



AGRICULTURE

Biofuel, biogas, waste management,
irrigation systems



HOUSING AND MUNICIPAL OBJECTS

Energy saving measures,
Energy Performance Contracts



RENEWABLE ENERGY

Wind-, solar-, hydro-power,
power storage, biomass



INDUSTRY

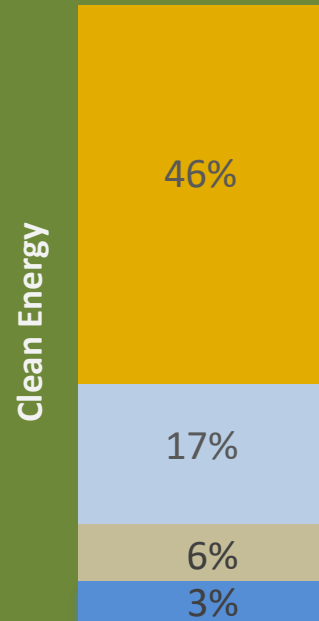
Harmful emissions reduction



ELECTRIC VEHICLES

293
LOANS
€334
million

Loans



28%

Energy efficiency
Thermal energy
Transport
Other

Projects



54

SOLAR POWER
PLANTS



4

WIND FARMS



10

BIO FUEL
POWER PLANTS



15

SMALL HYDRO-
POWER PLANTS

TOTAL
CAPACITY

440 MW



210

COMMERCIAL
PROJECTS

+

47k

EE PROJECTS FOR
HOUSEHOLDS*

* Since 2015

GAS SAVING

386M

M³/year

REDUCTION OF EMISSIONS CO₂

803k

tons/year

EQUIVALENT OF TAKING

370k

CARS FROM THE ROAD



UkrGasbank and the Ministry of Ecology signed a framework agreement on cooperation in the implementation of environmental, energy efficient projects

In early 2017 the Bank provided the first green loan for the installation of treatment facilities at one of the largest metallurgical plants in Europe - PJSC "Zaporizhstal"

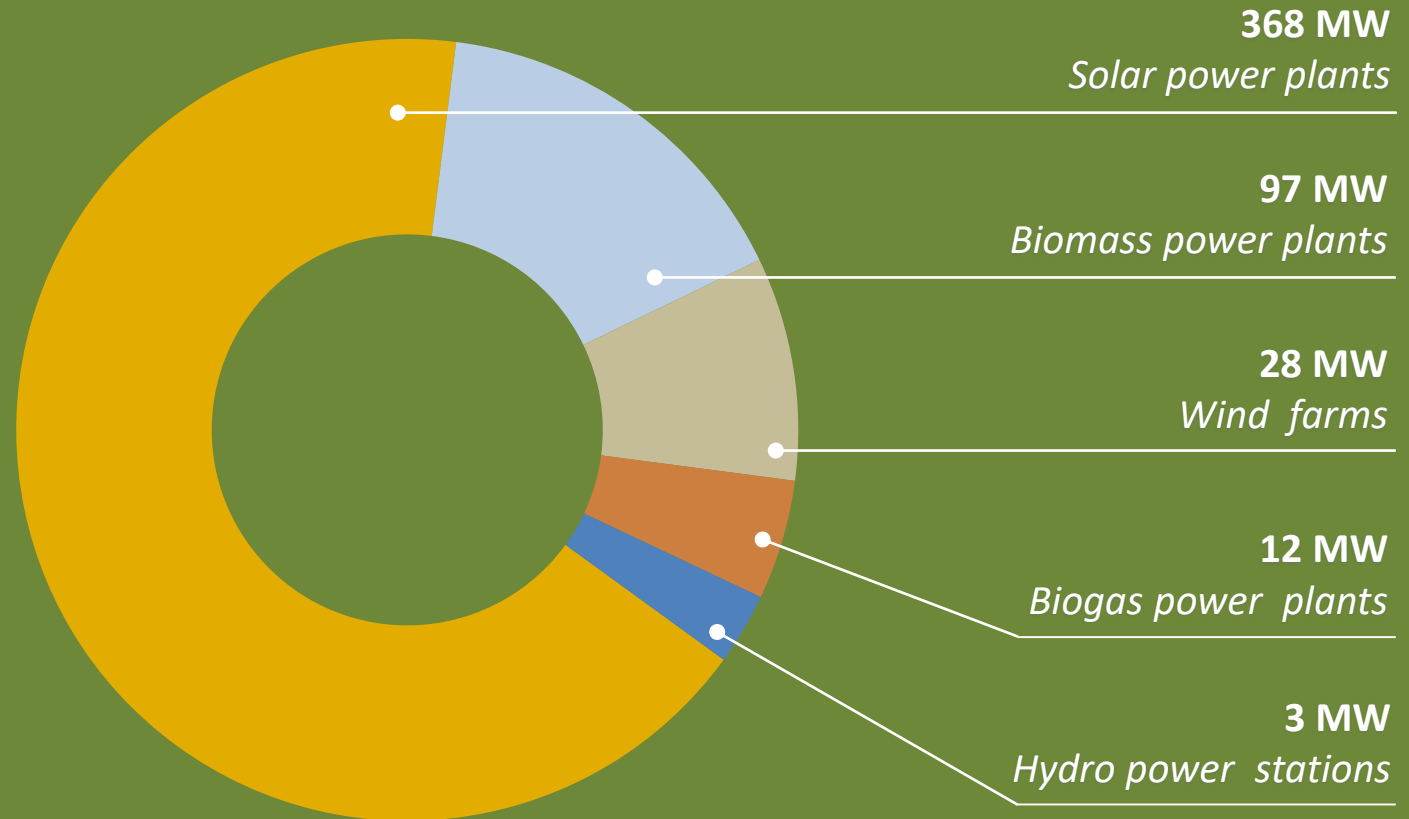
**POLLUTING EMISSIONS WILL DECREASE
BY 20%**

43

PROJECTS

379_m EURO

508 MW





THE ONLY BANK IN THE REGION WITH FOCUS ON GREEN FINANCE

The leader in financing new clean energy facilities in Ukraine



Every third megawatt generated under feed-in tariff in Ukraine was financed with the help of UkrGasbank



The first Bank in Ukraine to introduce loans for purchasing and installing solar power plants and heat pumps for households

ESRMS

UkrGasbank is the first among Ukrainian banks to introduce Environmental and Social Risk Management System

Contacts

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