



Bond Market Insight

Weekly review: Financing unimportant

MONDAY, 5 MAY, 2014

RESEARCH INSIGHT

Last week was shortened for the domestic market due to public holidays. The month-end tax payments and same month-end borrowings last Tuesday had an impact on liquidity last Wednesday, while the Eurobond market reacted to news from Ukraine significantly more than from the IMF's new program approved last Wednesday.

Domestic bond market. Due to the month-end and large outflows that took place last Tuesday, Ukrainian banking sector liquidity significantly declined last Wednesday despite large injections from the NBU. Despite the large bond purchases at the primary auction, significant loans, CD redemptions and bond purchases by the NBU, these injections just made the decline in liquidity less significant.

Eurobond market. The Eurobond market reacted only to negative news from Ukraine last week. We saw YTM's increase and cross 10.0% across the yield curve on news of the escalation of violence in Odessa and eastern Ukraine. The IMF's decision on the program start and debut loan had no impact in prices and yields.

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Key market indicators (as of 30 Apr 2014)

	Last close	Weekly chg (%)	YTD chg (%)
Currencies			
USD/UAH (spot)	11.6000	2.65	40.78
USD/UAH (1Y NDF)	14.2000	1.43	50.74
Rates, yields & spreads (%)			
Kiev Prime ON	6.40	136bp	-140bp
Kiev Prime 3M	18.04	4bp	204bp
UAH NDF 1Y	23.09	-149bp	810bp
Ukraine CDS 5Y	1bp	49bp	382bp
Libor USD 1yr	0.55	0bp	-3bp
UST 2yr	0.41	-3bp	3bp
UST 10yr	2.65	-3bp	-38bp
UKRAINE 17	12.20	-24bp	265bp
UKRAINE 23	10.07	36bp	102bp
Money market data (UAHbn)			
Accounts at NBU	30.20	5.76	-7.64
NBU CDs outstanding	9.30	-43.26	0.00
Local currency bond market data (UAHbn)			
Govt bond outstanding	288.26	0.22	15.71
Held by			
NBU	175.19	1.77	20.94
Banks	86.38	-2.69	7.75
Other residents	10.79	0.90	-12.99
Non-residents	15.90	-0.71	35.90

Notes: chg – percentage change; bp – basis points.

Sources: Ministry of Finance of Ukraine, National Bank of Ukraine, Bloomberg, Investment Capital Ukraine LLC.

Research team

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Market update and news

Domestic bond market

Liquidity rises and falls

Liquidity rose and fell due to cash flows with government authorities

Liquidity indicators were highly volatile last week due to the end-of-month deals between banks and the NBU, banks and the MoF, and also month-end tax payments. Broader banking sector liquidity started last week at UAH44.20bn and rose last Tuesday to UAH46.66bn, but immediately fell last Wednesday to UAH43.69bn. While the increase in liquidity was mostly caused by the NBU which purchased UAH1.54bn of government bonds from banks' portfolios last Monday, the new inflows from loans and CD redemptions did not stabilize liquidity.

The NBU covered part of the outflows

Last Tuesday, the NBU issued UAH1.43bn of 3-month loans and repaid UAH1.31bn in CDs, but new bond purchases and UAH1.62bn and month-end tax payments, and possibly other outflows, caused liquidity to fall significantly. The NBU injections merely made the decline in liquidity less significant.

Chart 1. Banking sector liquidity (UAHbn) (last 3 months)

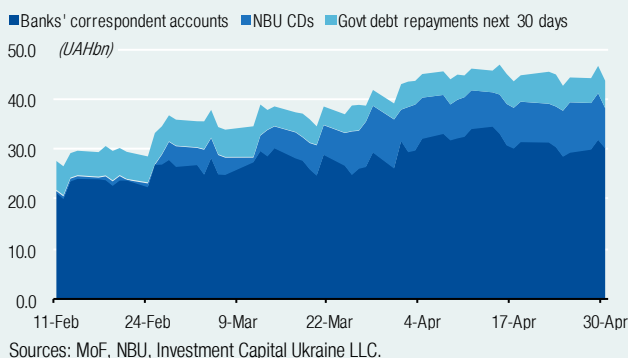
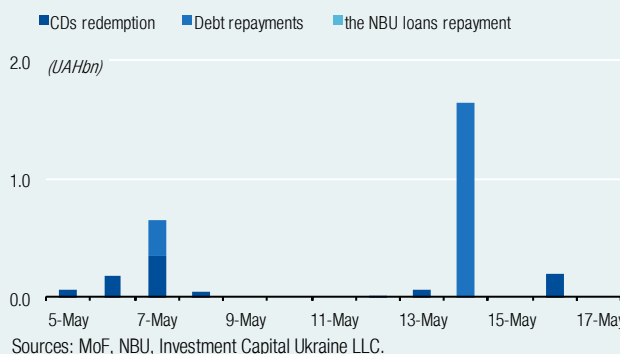


Chart 2. Future redemptions of CDs and UAH state bonds (UAHbn)



Liquidity will be low this week

Last week's UAH1.93bn in local currency debt repayments will have an impact on today's liquidity, but we do not anticipate liquidity indicators to increase today as the final day of month-end tax payments took place last week on the last business day. Liquidity will most likely decline through this week and recover slightly on Thursday.

Last week's debt repayments were refinanced likely due to domestic QE

Last week's primary auction

Most of the UAH2.08bn in principal and interest repayments scheduled for last Wednesday were refinanced at last Tuesday's primary auction, most likely via domestic QE as the NBU purchased UAH1.5bn in government bonds from banks' portfolios last Monday and issued UAH1.43bn of new 3-month loans to two banks.

The MoF also changed its offering list twice, most likely for QE demand

The list of bonds offered at this auction was amended twice, with only two bonds, the 9-month local currency bond and 4-year USD-denominated bond, being offered originally. The 9-month bond was replaced with a 3-month bond and 3-year bonds denominated in local currency when auction was announced but last Monday, the 3-year bond was replaced with new one with a shorter maturity.

The MoF attracted bids for 3-month and 3-year bonds

As a result, bids were submitted for the 3-month and 3-year bonds. The zero-coupon bond attracted five bids for a total of UAH0.07bn at interest rates in the range of 9.95-16.00%. The MoF accepted only one bid at the lowest interest rate that matched similar bonds offered earlier in April. At the same time, the 3-year bond collected significantly larger demand of UAH1.6bn at 15.00%.

The MoF refinanced principal repayments using domestic QE, but also saw market demand for the 3-month bond

The MoF attracted UAH1.64bn of proceeds which will cover all principal repayments but only a small part of interest repayments scheduled for last week, all of which should be fulfilled as last Wednesday was the final day of month-end tax payments. Out of necessity, the MoF continued to use domestic QE to refinance debt repayments due to the current economic situation and lack of other sources for debt financing. The existence of some market demand is positive, but further development will require new steps from the MoF to attract market bids.

Eurobond market

Markets reacted on negative news

Last week, the IMF adopted a new program for Ukraine...

Last week IMF decided to adopt program for Ukraine and issue debut loan immediately at the beginning of May. Significant part of loan will be spent on debt repayments to the IMF scheduled for the beginning of May, while next large redemption will be more important and is scheduled for June. At the same time any financing is not important if Ukraine will be invaded.

...but any possible positive impact was destroyed by the rising violence in Ukraine

The heightened risk of a Russian invasion of Ukraine with the escalating violence in Odessa and in eastern Ukraine cut all possible positive impacts from the IMF decision. As a result, we saw spreads widen and YTM's increase through last Friday. During last week, the YTM of UKRAIN 6.875% '15 was 14.21-17.10%, UKRAIN 9.25% '17 was 12.57-14.16%, UKRAIN 7.95% '21 was 10.85-11.81%, UKRAIN 7.80% '22 was 10.49-11.02%, and UKRAIN 7.50% '23 rose from 9.77% to 10.52%, crossing 10.0%.

Chart 3. YTM's of some Ukrainian Eurobonds

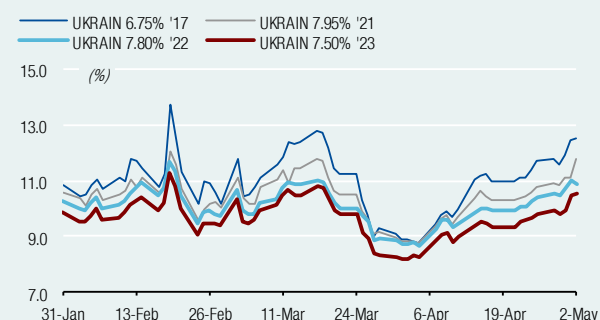
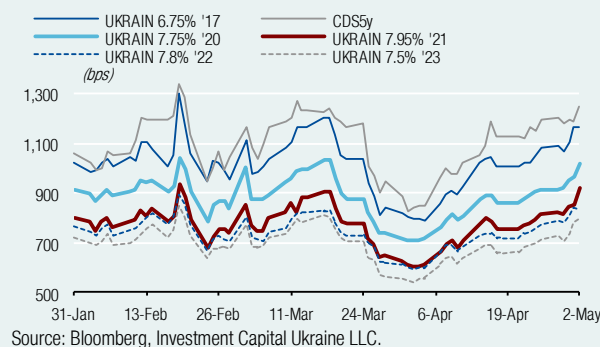


Chart 4. Ukrainian Eurobond spreads



This week, we could see new steps in resolving political problems in Ukraine and preventing the further spread of violence, as well as new possible financing and other support offered but postponed until the IMF decision was announced. While we could see a slight decline in YTM's, we do not anticipate significant changes in the situation until the presidential elections scheduled on 25 May.

Oschadbank decreases its exposure to Naftogaz - according to the 2013 IFRS report

Oschadbank's total gross exposure to NAK Naftogaz has been reduced by UAH5.0bn in 2H13, decreasing Naftogaz's share in the total net loan portfolio from 33.1% in 2012 to 23.7% in 2013. Naftogaz's gross debt was UAH15.3bn as of December 31, 2013. While Naftogaz has no overdue outstanding loans, the bank continues to create loan loss reserves at 18.5% of the gross exposure.

The remainder of the bank's predominantly corporate loan portfolio has become significantly more impaired in 2H13 as the total NPLs grew 55.0% during the second half of 2013 to nearly UAH7.0bn. The total share of NPL increased from 7.3% in 1H13 to 10.8% in 2H13. However, the share of NPL in the non-Naftogaz portfolio was 10.8% and 14.2%, respectively.

Oschadbank has increased its gross non-Naftogaz loan exposure by UAH7.5bn in 2H13 with funds received from the partial repayment of the Naftogaz loan.

Total consolidated net earnings of Oschadbank have increased 7.3% YoY to UAH711m in 2013, according to the recent IFRS report. Net interest income rose UAH218m while the net commission income grew UAH191m. However, much of this growth was offset by the staff cost that increased UAH264m.

The bank had above average exposure to the break-away region of Crimea, comprising UAH4.8bn of net loans to customers, or 9.2% of the total. Considering that the regional GDP of Crimea is estimated to be around 3.8% of Ukraine's total GDP, this amount is significant. We believe that the state bank has been engaged in financing large energy generating and distribution companies there; the recoverability of those assets remains questionable at this time.

Appendixes

The following pages contain tabular information on the local fixed-income market. There are tables that detail government debt repayments such as a weekly schedule for current year and quarterly schedule for next 5 years.

UAH bond market

Table 1. Ukrainian local-currency government bonds as of 30 Apr 2014

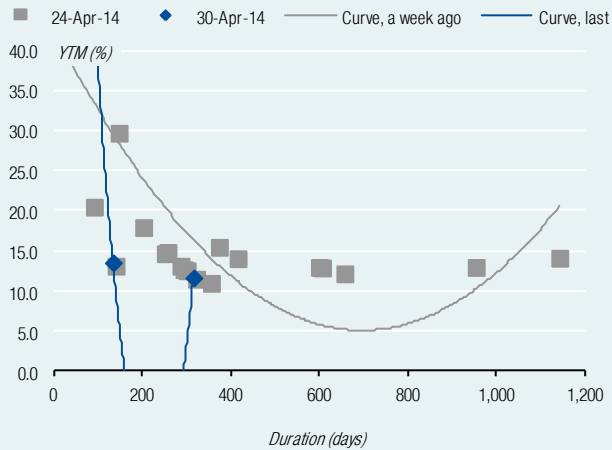
Ticker	Volume (UAHm)	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Duration (years)	1W daily avg turnover (UAHm)	1W total turnover (UAHm)	Total turnover (UAHm)	Liquidity ratio*
140362	1,981.58	9.2	21-May-14	99.930	121.21	2	3,525	0.06	16.21	81.04	2,968.35	1.50
158794	1,757.40	7.5	10-Sep-14	99.052	13.56	7	41	0.36	6.21	12.43	1,675.30	0.95
160642	2,342.35	7.75	18-Mar-15	97.943	11.68	6	15	0.86	0.00	0.00	6,301.41	2.69

Notes: 1W - last 7-day period; turnover figures are trade volumes for a bond reported by PFTS; total turnover - total volume of trades with the bond at PFTS since issue date; [*] liquidity ratio - ratio of total turnover to bond's volume in outstanding.

Sources: Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 5. Shape of the local-currency sovereign yield curve

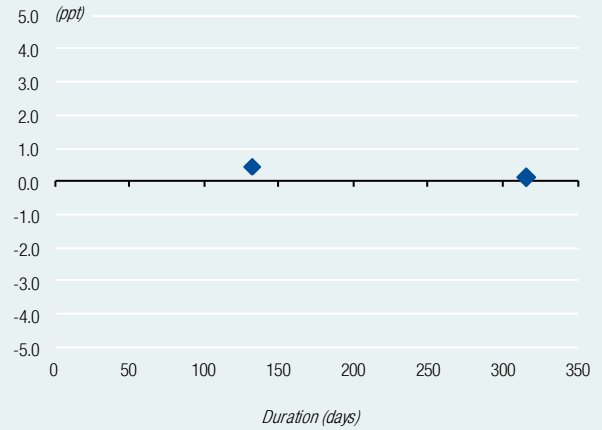
Last one compared to 1 week ago



Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

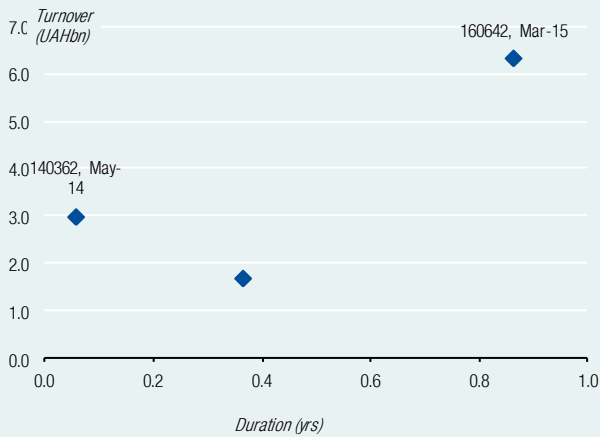
Chart 6. Movement of the local-currency sovereign yield curve

Over last week, in percentage points



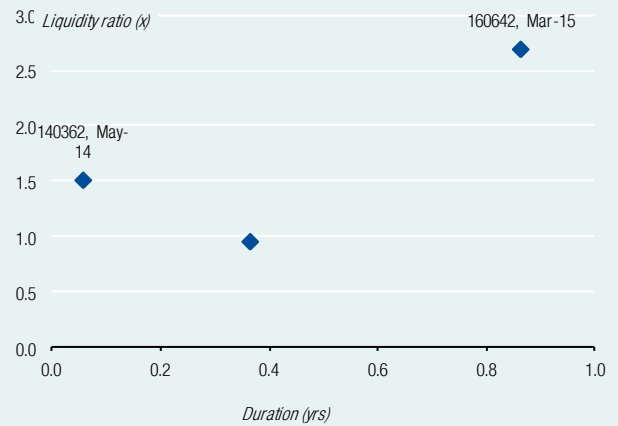
Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 7. Map of Ukraine's local-currency government bonds by total turnover plotted against their duration



Note: Total turnover and duration are taken from Table 1, page 6. The bonds with turnover of UAH2bn and more have labels, which consist of PFTS ticker and after a coma month and year of maturity.
Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Chart 8. Map of Ukraine's local-currency government bonds by liquidity ratio plotted against their duration



Note: Total turnover and duration are taken from Table 1, page 6. The bonds with liquidity ratio of 1.1x and more have labels, which consist of PFTS ticker and after a coma month and year of maturity.
Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

Eurobond market

Table 2. Ukrainian Eurobonds as of 30 Apr 2014

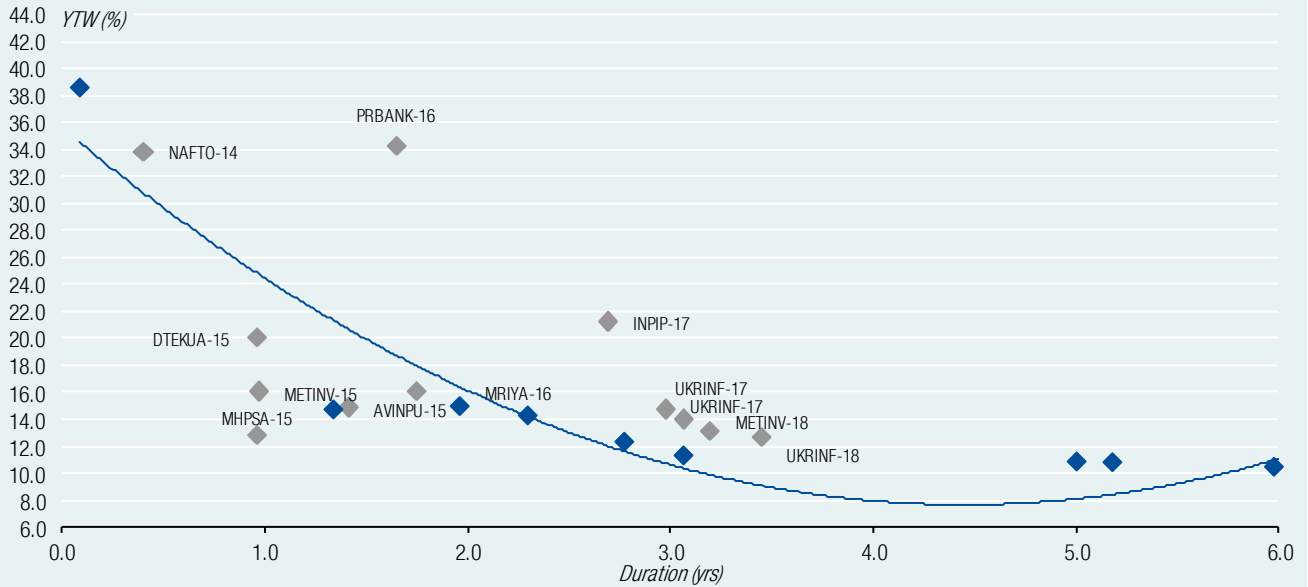
Ticker	Issuer	Ratings	Volume (million)	Curr- ency	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Spread (bp)	Duration (years)
PRBANK-16	Pryvatbank	Caa/NR/NR	150.0	USD	8.75	9-Feb-16	65.497	33.29	-20	55	3,192	1.64
UKRAIN-14	Ministry of Finance	Caa3/CCC/CC C	1,000.0	USD	7.95	4-Jun-14	98.250	29.21	75	-496	1,986	0.08
UKRAIN-15	Ministry of Finance	Caa3/CCC/CC C	500.0	USD	6.875	23-Sep-15	91.381	13.92	61	-47	1,262	1.33
UKRAIN-15	Ministry of Finance	Caa3/CCC/CC C	600.0	EUR	4.95	13-Oct-15	88.279	14.48	28	-14	1,215	1.39
UKRAIN-16	Ministry of Finance	Caa3/CCC/CC C	1,250.0	USD	6.25	17-Jun-16	86.270	13.95	8	0	1,245	1.95
UKRAIN-16	Ministry of Finance	Caa3/CCC/CC C	1,000.0	USD	6.58	21-Nov-16	85.642	13.42	-7	7	1,208	2.29
UKRAIN-17	Ministry of Finance	Caa3/CCC/CC C	2,600.0	USD	9.25	24-Jul-17	92.292	12.20	63	-24	1,111	2.77
UKRAIN-17	Ministry of Finance	Caa3/CCC/CC C	700.0	USD	6.75	14-Nov-17	87.821	11.01	65	-23	974	3.06
UKRAIN-20	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.75	23-Sep-20	86.592	10.70	-167	40	872	5.00
UKRAIN-21	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.95	23-Feb-21	87.116	10.66	-135	31	774	5.17
UKRAIN-22	Ministry of Finance	Caa3/CCC/CC C	2,250.0	USD	7.8	28-Nov-22	85.728	10.35	-26	5	747	5.97
UKRAIN-23	Ministry of Finance	Caa3/CCC/CC C	1,250.0	USD	7.5	17-Apr-23	85.087	10.07	-190	36	719	6.43
CITKIE-15	Kyiv	Caa3/CCC/CC C	250.0	USD	8	6-Nov-15	79.125	25.63	50	-30	2,432	1.37
CITKIE-16	Kyiv	Caa3/CCC/CC C	300.0	USD	9.375	11-Jul-16	79.375	21.71	0	9	2,041	1.93
VABANK-14	VAB Bank	Caa1 /*- /NR/WD	112.5	USD	10.5	14-Jun-14	90.100	38.87	0	0	4,071	0.38
AGTPW-14	Agroton	NR/NR/WD	50.0	USD	12.5	14-Jul-14	34.375	1,090.91	13	6,822	90,880	0.19
NAFTO-14	Naftogaz of Ukraine	NR/NR/CCC	1,595.0	USD	9.5	30-Sep-14	91.625	32.73	125	-303	3,151	0.40
PUMBZ-14	FUIB	Caa3/NR/NR	252.5	USD	11	31-Dec-14	82.125	43.90	-206	488	4,247	0.63
EXIMUK-15	Ukreximbank	Caa3/NR/CCC	750.0	USD	8.375	27-Apr-15	83.188	29.37	-25	64	2,795	0.96
DTEKUA-15	DTEK	Caa2/NR/CCC	500.0	USD	9.5	28-Apr-15	91.813	19.03	50	-49	1,759	0.96
MHPSA-15	MHP	Caa2/NR/CCC	584.8	USD	10.25	29-Apr-15	98.375	12.05	88	-96	1,077	0.96
METINV-15	Metinvest Holding	Caa2/NR/CCC	500.0	USD	10.25	20-May-15	95.000	15.62	238	-260	1,476	0.97
PRBANK-15	Pryvatbank	Caa3u/NR/CC C	200.0	USD	9.375	23-Sep-15	77.000	31.00	144	-143	2,958	1.31
AVINPU-15	Avangard	NR/NR/CCC	200.0	USD	10	29-Oct-15	94.438	14.29	6	-2	1,330	1.41
EXIMUK-16	Ukreximbank	Ca/NR/C	125.0	USD	8.4	9-Feb-16	71.688	27.00	-13	28	2,501	1.66
OSCHAD-16	Oshchadbank	NR/NR/B	200.0	USD	8.25	10-Mar-16	0.000	0.00	0	0	0	0.00
OSCHAD-16	Oshchadbank	Caa3/NR/CCC	500.0	USD	8.25	10-Mar-16	79.375	22.47	-138	119	2,133	1.71
MRIYA-16	Mriya Agroholding	NR/CCC/CCC	250.0	USD	10.95	30-Mar-16	92.313	15.76	0	3	1,504	1.75
FXPOLN-16	Ferrexpo PLC	Caa2/CCC+/C CC	500.0	USD	7.875	7-Apr-16	90.500	13.65	-44	32	1,281	1.80
NADRA-17	Nadra Bank	WR/NR/WD	59.7	USD	8	22-Jun-17	82.180	23.81	0	0	1,949	1.28
INPIP-17	Interpipe	NR/NR/C	200.0	USD	10.25	2-Aug-17	77.125	20.18	31	-12	1,827	2.69
UKRINF-17	Infrastructure Projects Fin	Caa3/NR/NR	538.0	USD	8.375	3-Nov-17	86.438	13.36	0	2	1,189	3.06
UKRINF-17	Infrastructure Projects Fin	(P)Caa3/NR/N R	550.0	USD	9	7-Dec-17	85.319	14.37	-116	48	1,315	2.98

EXIMUK-18 Ukreximbank	Caa3/NR/CCC	500.0	USD	8.75	22-Jan-18	78.125	16.90	6	0	1,511	3.08
METINV-18 Metinvest Holding	Caa2/NR/CCC	750.0	USD	8.75	14-Feb-18	87.688	12.97	0	1	1,102	3.19
PRBANK-18 Pryvatbank	Caa3u/NR/CC C	175.0	USD	10.875	28-Feb-18	74.688	20.78	-13	9	1,867	3.04
OSCHAD-18 Oshchadbank	Caa3/NR/CCC	500.0	USD	8.875	20-Mar-18	77.250	17.14	-181	79	1,513	3.24
UKRINF-18 Infrastructure Projects Fin	Caa3/NR/NR	690.0	USD	7.4	20-Apr-18	85.250	12.21	0	1	1,002	3.45

Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 9. Term structure of yields of Ukrainian Eurobonds as of 30 Apr 2014

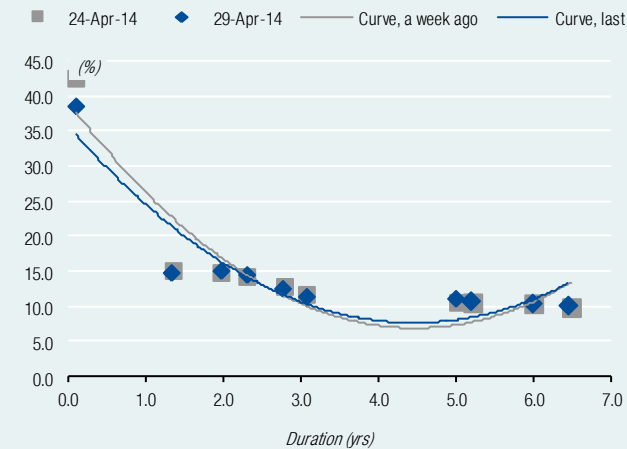
Blue dots are Ukraine sovereign Eurobonds; grey dots are corporate Eurobonds and red ones are municipal Eurobonds



Sources: Bloomberg, Investment Capital Ukraine LLC..

Chart 10. Shape of the USD sovereign yield curve at Eurobond market

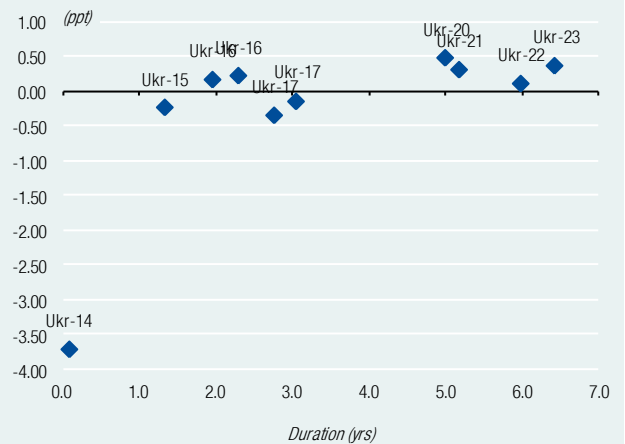
Last one compared to 1 week ago



Sources: Bloomberg, Investment Capital Ukraine LLC.

Chart 11. Movement of the USD sovereign yield curve at Eurobond market

Over last week, in percentage points



Note: each point of the chart has a label, where "Ukr" means Ukraine sovereign bond and a two-digit figure after a dash means year of maturity of the bond.
Sources: Bloomberg, Investment Capital Ukraine LLC.

Primary market for UAH state bonds

Table 3. Primary market for local-currency government bonds: results of recent auctions

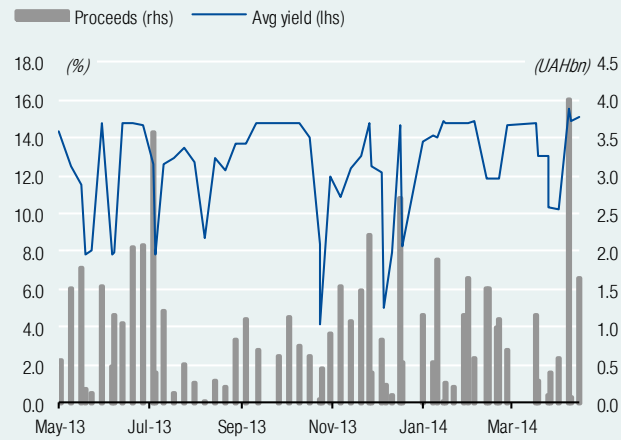
Date	Qty of bonds offered/sold	Proceeds (UAHm)	Volume of bonds sold* (UAHm)	Volume of bids submitted (UAHm)	Qty of bids submitted	Lowest yield asked** (%)	Highest yield asked** (%)	MoF cut-off yield (%)	Qty of bids accepted	Average yield (%)	WA yield (%)	Average duration (years)	WA duration (years)
29-Apr-14	2	1,636.78	20.00	1,620.00	7	9.95	16.00	12.48	3	15.11	15.60	1.38	2.42
24-Apr-14	1	74.96	74.73	74.73	1	14.30	14.30	14.30	1	14.85	14.85	3.70	3.70
22-Apr-14	1	4,000.00	4,000.00	4,000.00	4	15.00	15.00	15.00	4	15.59	15.59	2.52	2.52
15-Apr-14	1	587.66	600.00	600.00	1	9.95	9.95	9.95	1	10.21	10.21	0.21	0.21
9-Apr-14	1	391.04	400.00	400.00	1	9.95	9.95	9.95	1	10.34	10.34	0.23	0.23
8-Apr-14	1	103.66	110.00	110.00	2	12.75	12.75	12.75	2	13.09	13.09	0.48	0.48
1-Apr-14	1	282.07	300.00	330.00	4	12.75	23.50	12.75	1	13.08	13.08	0.50	0.50
31-Mar-14	1	1,155.23	1,150.00	1,150.00	3	14.25	14.25	14.25	3	14.80	14.80	2.50	2.50
12-Mar-14	2	684.52	712.08	712.08	3	14.00	14.00	14.00	3	14.71	14.71	0.29	0.29
6-Mar-14	1	1,100.34	1,100.00	1,100.00	1	11.50	11.50	11.50	1	11.86	11.86	3.92	3.92
4-Mar-14	1	1,000.00	1,000.00	1,000.00	1	11.50	11.50	11.50	1	11.86	11.86	3.93	3.93
27-Feb-14	1	1,503.69	1,500.00	1,500.00	1	11.50	11.50	11.50	1	11.86	11.86	3.91	3.91
26-Feb-14	1	1,500.00	1,500.00	1,500.00	1	11.50	11.50	11.50	1	11.86	11.86	3.93	3.93
18-Feb-14	1	600.00	600.00	600.00	1	14.25	14.25	14.25	1	14.84	14.84	3.73	3.73
13-Feb-14	1	1,655.00	1,650.00	1,650.00	1	14.25	14.25	14.25	1	14.80	14.80	3.71	3.71
11-Feb-14	1	1,151.08	1,145.00	1,145.00	2	14.25	14.25	14.25	2	14.79	14.79	3.69	3.69
4-Feb-14	1	209.27	208.71	208.71	2	14.25	14.25	14.25	2	14.79	14.79	3.71	3.71
29-Jan-14	1	273.01	273.01	0.00	2	14.25	14.25	14.25	2	14.80	14.80	3.73	3.73
28-Jan-14	1	10.11	10.00	10.00	1	14.30	14.30	14.30	1	14.85	14.85	4.56	4.56
23-Jan-14	3	1,881.79	688.05	1,958.05	11	8.25	14.25	10.67	10	14.03	14.13	1.48	1.59
21-Jan-14	3	537.93	340.00	540.28	10	5.00	14.25	9.17	7	14.15	14.48	1.41	1.83
14-Jan-14	2	1,150.73	1,152.26	1,152.26	19	8.75	14.25	11.50	6	13.85	14.76	2.35	3.68
31-Dec-13	1	544.86	550.00	550.00	1	8.00	8.00	8.00	1	8.29	8.29	0.12	0.12
30-Dec-13	4	2,695.11	2,374.81	2,645.12	6	5.00	14.30	9.64	6	14.67	14.81	2.09	3.81
24-Dec-13	1	99.96	99.83	99.83	1	7.75	7.75	7.75	1	7.92	7.92	2.71	2.71
19-Dec-13	2	234.96	184.00	234.00	4	4.80	5.00	4.90	4	5.00	5.06	0.02	0.02
17-Dec-13	2	837.39	123.30	823.30	2	7.75	14.25	11.00	2	12.14	14.09	3.07	3.49
10-Dec-13	2	405.47	47.49	397.49	2	7.75	14.30	11.03	2	12.53	14.40	3.59	4.31
9-Dec-13	2	2,211.89	2,200.00	2,200.00	2	14.25	14.30	14.28	2	14.83	14.84	4.14	4.31
3-Dec-13	4	1,480.13	1,405.00	1,454.93	5	7.75	14.30	12.10	5	13.04	14.66	3.60	3.96
26-Nov-13	5	1,083.86	862.07	1,082.98	13	4.00	14.30	9.56	13	12.39	11.66	2.63	1.82
19-Nov-13	5	1,542.65	761.35	1,536.85	9	4.00	14.25	9.10	9	10.87	10.94	3.11	2.68
12-Nov-13	5	906.07	654.81	900.81	15	4.00	14.25	8.65	14	11.93	10.63	1.43	0.58
6-Nov-13	1	458.93	460.00	565.00	11	4.00	10.00	4.25	4	4.12	4.12	0.06	0.06
5-Nov-13	1	49.89	48.65	48.65	1	8.25	8.25	8.25	1	8.41	8.41	1.58	1.58
29-Oct-13	2	614.19	625.55	665.55	7	7.75	14.25	11.13	5	14.03	14.02	2.19	2.18
22-Oct-13	1	739.96	738.00	738.00	3	14.25	14.25	14.25	3	14.79	14.79	3.71	3.71
15-Oct-13	2	1,128.68	1,126.01	1,126.01	3	14.25	14.30	14.28	3	14.82	14.82	4.17	4.12
8-Oct-13	1	613.39	606.94	606.94	3	14.25	14.25	14.25	3	14.79	14.79	3.66	3.66
24-Sep-13	3 / 2	694.79	677.00	678.61	6	8.25	14.30	9.52	4	14.82	14.84	4.07	4.42

Notes: the tables depicts the history of last 40 auctions; [*] - volume of bonds sold at the auction at par value; [**] - lowest and highest yields that are indicated in the bid orders submitted to the auction in order to buy all bonds offered by MoF.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 12. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

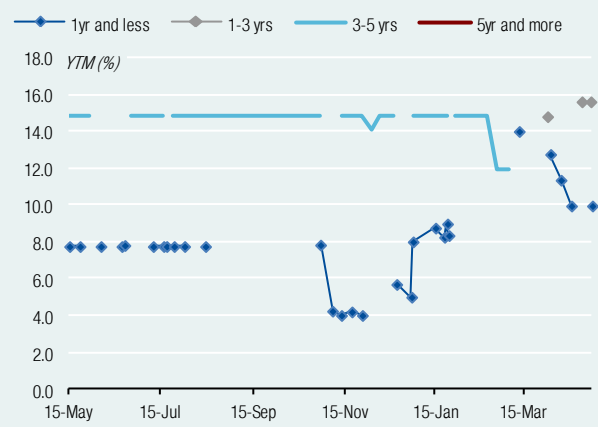
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 13. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

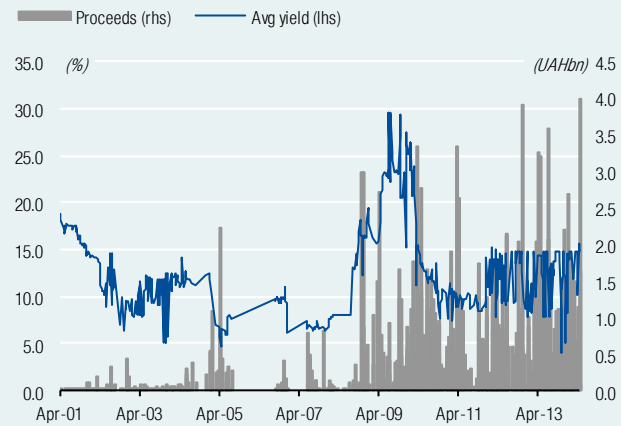
Last 12-month period



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 14. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions

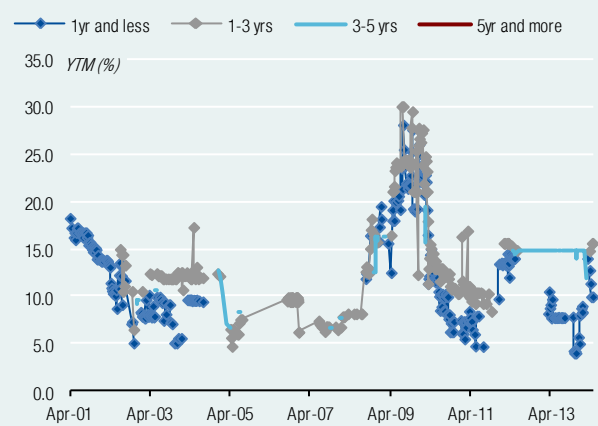
History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

Chart 15. Yield-to-maturity of government bonds sold at auctions, breakdown by duration of bonds sold

History since April 2001 to present



Sources: Ministry of Finance, Investment Capital Ukraine LLC.

UAH state bonds outstanding

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
Government UAH bonds								
UA4000051403	Coupon bonds	1,000,000,000.00	15.60	Semi-annually	No	No		14-May-2014
UA4000179048	Zero-coupon bonds	610,000,000.00		Upon maturity	No	No		21-May-2014
UA4000179865	Zero-coupon bonds	712,080,000.00	14.00	Upon maturity	No	No		25-Jun-2014
UA4000180319	Zero-coupon bonds	1,000,000,000.00		Upon maturity	No	No		2-Jul-2014
UA4000123863	Coupon bonds	752,000,000.00	10.10	Semi-annually	No	No		9-Jul-2014
UA4000180442	Zero-coupon bonds	20,000,000.00		Upon maturity	No	No		30-Jul-2014
UA4000180210	Zero-coupon bonds	410,000,000.00		Upon maturity	No	No		1-Oct-2014
UA4000178883	Zero-coupon bonds	25,000,000.00		Upon maturity	No	No		15-Oct-2014
UA4000064026	Coupon bonds	1,000,000.00	18.50	Semi-annually	No	No		21-Jan-2015
UA4000064166	Coupon bonds	451,875,000.00	15.00	Semi-annually	No	No		28-Jan-2015
UA4000141592	Coupon bonds	250,000,000.00	14.30	Semi-annually	No	No		20-May-2015
UA4000106181	Coupon bonds	80,002,000.00	9.50	Quarterly	Yes	Yes	13-Jul-2016	13-Jul-2016
UA4000107528	Coupon bonds	7,087,500.00	12.50	Quarterly	Yes	No		20-Jul-2016
UA4000180202	Coupon bonds	1,150,000,000.00	14.25	Semi-annually	No	No		15-Mar-2017
UA4000180459	Coupon bonds	1,600,000,000.00	15.00	Semi-annually	No	No		29-Mar-2017
UA4000138853	Coupon bonds	1,928,720,000.00	14.30	Semi-annually	No	No		5-Apr-2017
UA4000180400	Coupon bonds	4,000,000,000.00	15.00	Semi-annually	No	No		19-Apr-2017
UA4000142665	Coupon bonds	1,759,740,000.00	14.30	Semi-annually	No	No		24-May-2017
UA4000145973	Coupon bonds	1,810,000,000.00	14.30	Semi-annually	No	No		2-Aug-2017
UA4000148027	Coupon bonds	1,824,455,000.00	14.30	Semi-annually	No	No		11-Oct-2017
UA4000148571	Coupon bonds	1,890,000,000.00	14.30	Semi-annually	No	No		18-Oct-2017
UA4000177745	Coupon bonds	5,000,000.00	12.10	Semi-annually	No	No		15-Nov-2017
UA4000151203	Coupon bonds	1,493,409,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000157119	Coupon bonds	2,500,330,000.00	14.30	Semi-annually	No	No		7-Feb-2018
UA4000160626	Coupon bonds	1,818,593,000.00	14.30	Semi-annually	No	No		7-Mar-2018
UA4000162127	Coupon bonds	2,751,160,000.00	14.30	Semi-annually	No	No		4-Apr-2018
UA4000165765	Coupon bonds	1,585,600,000.00	14.25	Semi-annually	No	No		11-Apr-2018
UA4000166219	Coupon bonds	400,000,000.00	14.25	Semi-annually	No	No		18-Apr-2018
UA4000166201	Coupon bonds	2,254,507,000.00	14.25	Semi-annually	No	No		2-May-2018
UA4000168082	Coupon bonds	3,050,250,000.00	14.25	Semi-annually	No	No		16-May-2018
UA4000171391	Coupon bonds	1,803,816,000.00	14.25	Semi-annually	No	No		27-Jun-2018
UA4000170732	Coupon bonds	3,853,400,000.00	14.25	Semi-annually	No	No		4-Jul-2018
UA4000174239	Coupon bonds	1,247,936,000.00	14.25	Semi-annually	No	No		5-Sep-2018
UA4000175467	Coupon bonds	1,364,010,000.00	14.25	Semi-annually	No	No		10-Oct-2018
UA4000176093	Coupon bonds	1,644,780,000.00	14.25	Semi-annually	No	No		24-Oct-2018
UA4000177919	Coupon bonds	2,100,000,000.00	14.25	Semi-annually	No	No		14-Nov-2018
UA4000178891	Coupon bonds	2,077,263,000.00	14.25	Semi-annually	No	No		9-Jan-2019
UA4000179196	Coupon bonds	1,626,723,000.00	14.25	Semi-annually	No	No		23-Jan-2019
UA4000179519	Coupon bonds	1,650,000,000.00	14.25	Semi-annually	No	No		30-Jan-2019
UA4000179691	Coupon bonds	600,000,000.00	14.30	Semi-annually	No	No		13-Feb-2019
UA4000179766	Coupon bonds	1,500,000,000.00	11.50	Semi-annually	No	No		13-Feb-2019
UA4000179741	Coupon bonds	1,500,000,000.00	11.50	Semi-annually	No	No		20-Feb-2019
UA4000179824	Coupon bonds	2,100,000,000.00	11.50	Semi-annually	No	No		27-Feb-2019
UA4000180426	Coupon bonds	74,733,000.00	14.30	Semi-annually	No	No		10-Apr-2019
UA4000138861	Coupon bonds	2,160,000,000.00	14.00	Semi-annually	No	No		17-Apr-2019
UA4000142137	Coupon bonds	1,900,000,000.00	14.13	Semi-annually	No	No		22-May-2019
UA4000146997	Coupon bonds	1,996,041,000.00	14.30	Semi-annually	No	No		18-Sep-2019
UA4000148589	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		23-Oct-2019

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000148944	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		30-Oct-2019
UA4000157671	Coupon bonds	1,760,800,000.00	14.30	Semi-annually	No	No		12-Feb-2020
UA4000165773	Coupon bonds	1,820,000,000.00	14.30	Semi-annually	No	No		8-Apr-2020
UA4000166805	Coupon bonds	1,944,904,000.00	14.30	Semi-annually	No	No		6-May-2020
UA4000171094	Coupon bonds	2,403,338,000.00	14.30	Semi-annually	No	No		8-Jul-2020
UA4000175459	Coupon bonds	1,195,000,000.00	14.30	Semi-annually	No	No		23-Sep-2020
UA4000178024	Coupon bonds	2,024,807,000.00	14.30	Semi-annually	No	No		21-Oct-2020
UA4000177927	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		18-Nov-2020
UA4000179170	Coupon bonds	10,000,000.00	14.30	Semi-annually	No	No		23-Dec-2020
UA4000173371	Coupon bonds	330,000,000.00	10.00	Semi-annually	No	No		23-Aug-2023
Total		81,828,359,500.00						
Government recap'n bonds								
UA4000063200	Coupon bonds	1,598,269,000.00	9.75	Semi-annually	No	No		11-Jun-2014
UA4000136436	Coupon bonds	1,500,000,000.00	9.65	Semi-annually	No	No		30-Jul-2014
UA4000136451	Coupon bonds	1,500,000,000.00	9.75	Semi-annually	No	No		8-Oct-2014
UA4000063218	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		12-Nov-2014
UA4000063226	Coupon bonds	1,598,270,000.00	9.75	Semi-annually	No	No		17-Dec-2014
UA4000136469	Coupon bonds	1,500,000,000.00	9.95	Semi-annually	No	No		4-Feb-2015
UA4000092100	Coupon bonds	500,000,000.00	9.50	Semi-annually	No	No		18-Mar-2015
UA4000146393	Coupon bonds	1,000,000,000.00	9.95	Semi-annually	No	No		2-Sep-2015
UA4000048789	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		18-Nov-2015
UA4000050090	Coupon bonds	4,000,000,000.00	9.50	Semi-annually	No	No		16-Dec-2015
UA4000092118	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Feb-2016
UA4000115190	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		9-Mar-2016
UA4000050199	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		13-Apr-2016
UA4000050017	Coupon bonds	3,700,000,000.00	9.50	Semi-annually	No	No		10-May-2016
UA4000092126	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		29-Jun-2016
UA4000092134	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		13-Jul-2016
UA4000119945	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		24-Aug-2016
UA4000050207	Coupon bonds	3,885,000,000.00	9.50	Semi-annually	No	No		14-Sep-2016
UA4000115208	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		15-Feb-2017
UA4000092142	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		12-Apr-2017
UA4000057111	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		31-May-2017
UA4000057277	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		7-Jun-2017
UA4000057301	Coupon bonds	936,171,000.00	9.50	Semi-annually	No	No		14-Jun-2017
UA4000156863	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		28-Jun-2017
UA4000058606	Coupon bonds	3,100,000,000.00	9.50	Semi-annually	No	No		19-Jul-2017
UA4000158315	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		16-Aug-2017
UA4000092167	Coupon bonds	1,200,000,000.00	9.50	Semi-annually	No	No		23-Aug-2017
UA4000115216	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		13-Sep-2017
UA4000058614	Coupon bonds	1,658,263,000.00	9.50	Semi-annually	No	No		4-Oct-2017
UA4000153340	Coupon bonds	1,500,000,000.00	14.30	Semi-annually	No	No		8-Nov-2017
UA4000151476	Coupon bonds	2,000,000,000.00	14.30	Semi-annually	No	No		29-Nov-2017
UA4000153126	Coupon bonds	500,000,000.00	14.30	Semi-annually	No	No		13-Dec-2017
UA4000130082	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		27-Dec-2017
UA4000130090	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		17-Jan-2018
UA4000115638	Coupon bonds	1,975,000,000.00	9.50	Semi-annually	No	No		21-Feb-2018
UA4000160758	Coupon bonds	1,000,000,000.00	14.30	Semi-annually	No	No		14-Mar-2018
UA4000061790	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		28-Mar-2018
UA4000119952	Coupon bonds	1,750,000,000.00	9.50	Semi-annually	No	No		25-Apr-2018
UA4000055586	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		9-May-2018

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000057319	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		30-May-2018
UA4000057129	Coupon bonds	1,033,333,000.00	9.50	Semi-annually	No	No		6-Jun-2018
UA4000057285	Coupon bonds	1,188,431,000.00	9.50	Semi-annually	No	No		13-Jun-2018
UA4000173314	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		20-Jun-2018
UA4000058622	Coupon bonds	1,916,119,000.00	9.50	Semi-annually	No	No		18-Jul-2018
UA4000173306	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		25-Jul-2018
UA4000173298	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		1-Aug-2018
UA4000120877	Coupon bonds	604,000,000.00	9.50	Semi-annually	No	No		8-Aug-2018
UA4000173280	Coupon bonds	1,250,000,000.00	14.25	Semi-annually	No	No		15-Aug-2018
UA4000115224	Coupon bonds	1,250,000,000.00	9.50	Semi-annually	No	No		22-Aug-2018
UA4000062525	Coupon bonds	650,000,000.00	9.50	Semi-annually	No	No		12-Sep-2018
UA4000115646	Coupon bonds	1,975,001,000.00	9.50	Semi-annually	No	No		19-Sep-2018
UA4000058630	Coupon bonds	1,355,345,000.00	9.50	Semi-annually	No	No		3-Oct-2018
UA4000059323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		31-Oct-2018
UA4000121495	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		7-Nov-2018
UA4000064307	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		21-Nov-2018
UA4000177943	Coupon bonds	300,000,000.00	9.50	Semi-annually	No	No		28-Nov-2018
UA4000061808	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		6-Feb-2019
UA4000064315	Coupon bonds	1,294,999,000.00	9.50	Semi-annually	No	No		13-Mar-2019
UA4000058648	Coupon bonds	1,933,060,000.00	9.50	Semi-annually	No	No		3-Apr-2019
UA4000121503	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		15-May-2019
UA4000057293	Coupon bonds	1,188,432,000.00	9.50	Semi-annually	No	No		29-May-2019
UA4000057327	Coupon bonds	936,172,000.00	9.50	Semi-annually	No	No		5-Jun-2019
UA4000057137	Coupon bonds	1,033,334,000.00	9.50	Semi-annually	No	No		12-Jun-2019
UA4000064323	Coupon bonds	1,000,000,000.00	9.50	Semi-annually	No	No		17-Jul-2019
UA4000063119	Coupon bonds	1,276,191,000.00	9.50	Semi-annually	No	No		21-Aug-2019
UA4000064349	Coupon bonds	1,295,000,000.00	9.50	Semi-annually	No	No		25-Sep-2019
UA4000064117	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		16-Oct-2019
UA4000064125	Coupon bonds	900,000,000.00	9.50	Semi-annually	No	No		20-Nov-2019
UA4000063010	Coupon bonds	950,000,000.00	9.50	Semi-annually	No	No		11-Mar-2020
UA4000061816	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		15-Apr-2020
UA4000121511	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		20-May-2020
UA4000063127	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		17-Jun-2020
UA4000063028	Coupon bonds	949,981,000.00	9.50	Semi-annually	No	No		12-Aug-2020
UA4000061824	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		4-Nov-2020
UA4000177950	Coupon bonds	1,400,000,000.00	9.50	Semi-annually	No	No		25-Nov-2020
UA4000063135	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		9-Jun-2021
UA4000121529	Coupon bonds	1,100,000,000.00	9.50	Semi-annually	No	No		22-Sep-2021
UA4000063143	Coupon bonds	1,500,000,000.00	9.50	Semi-annually	No	No		1-Jun-2022
Total		112,971,577,000.00						
Government VAT bonds 2010								
UA4000078141	Coupon bonds	14,532,000.00	5.50	Semi-annually	Yes	No		27-Jul-2015
UA4000082531	Coupon bonds	614,344,500.00	5.50	Semi-annually	Yes	No		21-Aug-2015
UA4000082622	Coupon bonds	2,491,461,900.00	5.50	Semi-annually	Yes	No		24-Aug-2015
UA4000083059	Coupon bonds	1,810,435,500.00	5.50	Semi-annually	Yes	No		25-Aug-2015
Total		4,930,773,900.00						
Government indexed bonds								
UA4000129100	Coupon bonds	1,610,000,000.00	8.22	Semi-annually	No	No		24-Sep-2014
UA4000129902	Coupon bonds	175,000,000.00	8.22	Semi-annually	No	No		22-Oct-2014
UA4000130595	Coupon bonds	200,000,000.00	8.25	Semi-annually	No	No		29-Oct-2014
UA4000130603	Coupon bonds	1,200,100,000.00	8.22	Semi-annually	No	No		5-Nov-2014

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000132278	Coupon bonds	250,000,000.00	9.75	Semi-annually	No	No		3-Dec-2014
UA4000137822	Coupon bonds	700,000,000.00	9.30	Semi-annually	No	No		4-Mar-2015
UA4000138242	Coupon bonds	470,000,000.00	9.30	Semi-annually	No	No		8-Apr-2015
UA4000139513	Coupon bonds	900,000,000.00	9.30	Semi-annually	No	No		13-May-2015
UA4000141600	Coupon bonds	100,000,000.00	9.30	Semi-annually	No	No		3-Jun-2015
UA4000144075	Coupon bonds	600,000,000.00	9.30	Semi-annually	No	No		15-Jul-2015
UA4000146070	Coupon bonds	200,000,000.00	9.30	Semi-annually	No	No		12-Aug-2015
UA4000146500	Coupon bonds	525,000,000.00	9.30	Semi-annually	No	No		9-Sep-2015
UA4000148217	Coupon bonds	329,000,000.00	9.30	Semi-annually	No	No		28-Oct-2015
UA4000149082	Coupon bonds	580,000,000.00	9.30	Semi-annually	No	No		11-Nov-2015
UA4000151500	Coupon bonds	557,000,000.00	9.19	Semi-annually	No	No		13-Jan-2016
UA4000160634	Coupon bonds	60,000,000.00	9.10	Semi-annually	No	No		16-Mar-2016
UA4000129233	Coupon bonds	850,000,000.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000129118	Coupon bonds	1,940,000,000.00	8.75	Semi-annually	No	No		28-Sep-2016
UA4000177406	Coupon bonds	477,000,000.00	9.50	Semi-annually	No	No		16-Nov-2016
UA4000129241	Coupon bonds	1,000,000,000.00	9.25	Semi-annually	No	No		15-Sep-2021
Total		12,723,100,000.00						

Government foreign-currency bonds

UA4000140362	Coupon bonds	1,981,581,600.00	9.20	Semi-annually	No	No		21-May-2014
UA4000157135	Coupon bonds	3,410,400,000.00	7.97	Semi-annually	No	No		23-Jul-2014
UA4000158794	Coupon bonds	1,757,400,000.00	7.50	Semi-annually	No	No		10-Sep-2014
UA4000174247	Coupon bonds	965,282,400.00	4.80	Semi-annually	No	Yes	29-Oct-2014	29-Oct-2014
UA4000149231	Coupon bonds	1,416,220,800.00	8.32	Semi-annually	No	No		19-Nov-2014
UA4000173058	Coupon bonds	1,160,000,000.00	7.75	Semi-annually	No	No		26-Nov-2014
UA4000177133	Coupon bonds	2,610,000,000.00	7.88	Semi-annually	No	No		10-Dec-2014
UA4000171649	Coupon bonds	1,151,126,000.00	8.25	Semi-annually	No	No		24-Dec-2014
UA4000151278	Coupon bonds	1,706,267,200.00	8.50	Semi-annually	No	No		7-Jan-2015
UA4000133771	Coupon bonds	223,242,000.00	9.60	Semi-annually	No	No		14-Jan-2015
UA4000155485	Coupon bonds	2,534,600,000.00	8.09	Semi-annually	No	No		11-Feb-2015
UA4000157143	Coupon bonds	580,000,000.00	8.02	Semi-annually	No	No		18-Feb-2015
UA4000157127	Coupon bonds	573,225,600.00	8.02	Semi-annually	No	No		25-Feb-2015
UA4000160642	Coupon bonds	2,342,353,200.00	7.75	Semi-annually	No	No		18-Mar-2015
UA4000142699	Coupon bonds	3,616,532,000.00	9.45	Semi-annually	No	No		22-Apr-2015
UA4000142681	Coupon bonds	643,521,600.00	4.80	Semi-annually	No	Yes	6-May-2015	6-May-2015
UA4000166821	Coupon bonds	3,092,560,000.00	7.75	Semi-annually	No	No		6-May-2015
UA4000141071	Coupon bonds	1,758,003,200.00	9.45	Semi-annually	No	No		27-May-2015
UA4000167837	Coupon bonds	2,015,036,000.00	7.75	Semi-annually	No	No		3-Jun-2015
UA4000142673	Coupon bonds	2,030,000,000.00	4.50	Semi-annually	No	Yes	17-Jun-2015	17-Jun-2015
UA4000144083	Coupon bonds	25,868,000.00	9.45	Semi-annually	No	No		8-Jul-2015
UA4000171409	Coupon bonds	1,210,784,800.00	8.25	Semi-annually	No	No		15-Jul-2015
UA4000152441	Coupon bonds	3,734,040,000.00	8.25	Semi-annually	No	No		27-Jan-2016
UA4000153282	Coupon bonds	103,356,000.00	8.25	Semi-annually	No	No		3-Feb-2016
UA4000160923	Coupon bonds	3,480,000,000.00	7.50	Semi-annually	No	Yes	16-Mar-2016	16-Mar-2016
UA4000160907	Coupon bonds	332,746,000.00	8.00	Semi-annually	No	No		23-Mar-2016
UA4000166847	Coupon bonds	863,620,000.00	8.00	Semi-annually	No	No		25-May-2016
UA4000172506	Coupon bonds	2,619,129,200.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000177414	Coupon bonds	3,462,600,000.00	7.75	Semi-annually	No	Yes	26-Oct-2016	26-Oct-2016
UA4000177752	Coupon bonds	579,141,600.00	7.75	Semi-annually	No	Yes	30-Nov-2016	30-Nov-2016
UA4000178305	Coupon bonds	1,158,051,200.00	7.75	Semi-annually	No	No		14-Dec-2016
UA4000160915	Coupon bonds	3,480,000,000.00	8.25	Semi-annually	No	No		22-Mar-2017
UA4000166854	Coupon bonds	3,770,000,000.00	7.45	Semi-annually	No	Yes	17-May-2017	17-May-2017

Table 4. Outstanding of local-currency government bonds

ISIN	Bond type	Outstanding volume (UAH)	Coupon rate (%)	Payment frequency	Amortisation option	Put option	Next put	Maturity date
UA4000151286	Coupon bonds	6,148,000,000.00	7.50	Semi-annually	No	No		20-Dec-2017
UA4000177554	Coupon bonds	2,319,037,200.00	7.50	Semi-annually	No	Yes	21-Nov-2018	21-Nov-2018
Total		68,853,725,600.00						
Grand total		281,307,536,000.00						

Note: the list of local-currency government bonds may not be complete as it reflects ICU knowledge regarding the outstanding stock of the government bonds, which is published by Ministry of Finance of Ukraine as its website (http://minfin.gov.ua/control/publish/article/main?art_id=274776&cat_id=234036).

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

2014 weekly state debt payback

Table 5. Weekly schedule of state bond auctions and volume of state debt* to be repaid within a 7-day period since auction date (UAH)

Month	Auction details	1st Tuesday	2nd Tuesday	3rd Tuesday	4th Tuesday	5th Tuesday
January	Auction date	1-Jan-13	8-Jan-13	15-Jan-13	22-Jan-13	29-Jan-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
February	Auction date	5-Feb-13	12-Feb-13	19-Feb-13	26-Feb-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
March	Auction date	5-Mar-13	12-Mar-13	19-Mar-13	26-Mar-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
April	Auction date	2-Apr-13	9-Apr-13	16-Apr-13	23-Apr-13	30-Apr-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
May	Auction date	30-Apr-13	7-May-13	14-May-13	21-May-13	28-May-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
June	Auction date	4-Jun-13	11-Jun-13	18-Jun-13	25-Jun-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
July	Auction date	2-Jul-13	9-Jul-13	16-Jul-13	23-Jul-13	30-Jul-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
August	Auction date	6-Aug-13	13-Aug-13	20-Aug-13	27-Aug-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
September	Auction date	3-Sep-13	10-Sep-13	17-Sep-13	24-Sep-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
October	Auction date	1-Oct-13	8-Oct-13	15-Oct-13	22-Oct-13	29-Oct-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
November	Auction date	5-Nov-13	12-Nov-13	19-Nov-13	26-Nov-13	
	Local debt repayment ¹	0.00	0.00	0.00	0.00	
	External debt repayment ²	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
December	Auction date	3-Dec-13	10-Dec-13	17-Dec-13	24-Dec-13	31-Dec-13
	Local debt repayment ¹	0.00	0.00	0.00	0.00	0.00
	External debt repayment ²	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00

Notes: highlighted data – above UAH1bn in bold font, above UAH4bn shaded in blue; [*] interest and principal; [1] – government bonds (ordinary bonds, VAT bonds and recapitalisation bonds); [2] – external debt means Eurobonds and loans denominated in local currency by most recent FX rates. Sources: Ministry of Finance of Ukraine, Investment Capital Ukraine LLC.

5yr sovereign local debt payback

Table 6. Local-currency bonds repayments for the upcoming 5-year period

Period	Repayments (UAHm)									Repayments, US dollar equivalent (US\$m)							
	Interest			Principal			Total			Interest			Principal			Total	
	Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inte- rest	Prin- cipal		Ordin- aries	VATs	Recaps	Ordin- aries	VATs	Recaps	Inte- rest	Prin- cipal
BY QUARTERS																	
2Q14	1,272.7		2,215.1	2,322.1		1,598.3	4,892.7	5,901.9		110.7		192.6	201.9		139.0	425.5	513.2
3Q14	2,275.8	135.6	2,551.4	1,772.8	1,643.6	1,500.0	6,370.8	11,694.2		197.9	11.8	221.9	154.2	142.9	130.4	554.0	1,016.9
4Q14	3,376.2		3,371.4	435.8		4,696.5	8,527.0	14,260.1		293.6		293.2	37.9		408.4	741.5	1,240.0
1Q15	2,108.5	90.4	2,169.8	453.7	1,643.6	2,000.0	5,508.8	12,756.9		183.3	7.9	188.7	39.4	142.9	173.9	479.0	1,109.3
2Q15	3,246.9		2,833.2	250.8			7,505.2	14,876.4		282.3		246.4	21.8			652.6	1,293.6
3Q15	2,409.2	45.2	2,560.9	0.8	1,643.6	1,000.0	5,885.0	5,206.0		209.5	3.9	222.7	0.1	142.9	87.0	511.7	452.7
4Q15	3,152.8		2,961.1	0.8		6,000.0	6,872.8	6,909.8		274.2		257.5	0.1		521.7	597.6	600.9
1Q16	2,279.9		2,201.9	0.8		2,750.0	5,238.7	11,017.9		198.2		191.5	0.1		239.1	455.5	958.1
2Q16	3,152.7		2,642.4	0.8		9,085.0	6,511.8	9,949.4		274.1		229.8	0.1		790.0	566.2	865.2
3Q16	2,279.8		2,071.3	80.8		7,135.0	4,777.6	12,624.9		198.2		180.1	7.0		620.4	415.4	1,097.8
4Q16	3,136.5		2,245.7				6,064.3	5,676.8		272.7		195.3				527.3	493.6
1Q17	2,263.6		1,732.4	2,750.0		1,250.0	4,185.9	7,480.0		196.8		150.6	239.1		108.7	364.0	650.4
2Q17	3,136.5		2,245.7	7,688.5		6,357.9	5,840.1	17,816.4		272.7		195.3	668.6		552.9	507.8	1,549.3
3Q17	2,061.7		1,673.0	1,810.0		6,550.0	3,781.0	8,360.0		179.3		145.5	157.4		569.6	328.8	727.0
4Q17	2,572.8		1,895.7	5,212.9		7,658.3	4,786.0	19,019.1		223.7		164.8	453.3		665.9	416.2	1,653.8
1Q18	1,932.3		1,337.9	4,318.9		6,375.0	3,316.5	10,693.9		168.0		116.3	375.6		554.3	288.4	929.9
2Q18	2,200.1		1,435.9	11,845.3		7,157.9	3,723.0	19,003.3		191.3		124.9	1,030.0		622.4	323.7	1,652.5
3Q18	1,623.5		1,011.1	5,101.3		10,145.1	2,680.8	15,246.5		141.2		87.9	443.6		882.2	233.1	1,325.8
4Q18	1,355.5		1,066.2	5,108.8		4,655.3	2,508.6	12,083.2		117.9		92.7	444.2		404.8	218.1	1,050.7
BY YEARS																	
2014	6,924.6	135.6	8,138.0	4,530.7	1,643.6	7,794.8	19,790.5	31,856.2		602.1	11.8	707.7	394.0	142.9	677.8	1,720.9	2,770.1
2015	10,917.3	135.6	10,525.1	706.0	3,287.2	9,000.0	25,771.7	39,749.2		949.3	11.8	915.2	61.4	285.8	782.6	2,241.0	3,456.5
2016	10,848.9		9,161.4	82.4		18,970.0	22,592.3	39,269.0		943.4		796.6	7.2		1,649.6	1,964.6	3,414.7
2017	10,034.7		7,546.8	17,461.3		21,816.2	18,592.9	52,675.5		872.6		656.2	1,518.4		1,897.1	1,616.8	4,580.5
2018	7,111.4		4,851.1	26,374.4		28,333.4	12,228.9	57,026.8		618.4		421.8	2,293.4		2,463.8	1,063.4	4,958.9

Notes: Ordinaries - the government bonds sold via auctions; VATs - VAT bonds; Recaps - recapitalisation bonds.

Sources: Ministry of Finance, Investment Capital Ukraine LLC.

5yr sovereign external debt payback

Table 7. Foreign-currency debt* (Eurobonds and loans) repayments for the upcoming 5-year period

Period	Repayments, hryvnia equivalent (UAHm)						Repayments, US dollar equivalent (US\$m)					
	Interest		Principal		Total		Interest		Principal		Total	
	Eurobond	Loan	Eurobond	Loan	Interest	Principal	Eurobond	Loan	Eurobond	Loan	Interest	Principal
BY QUARTERS												
2Q14	3,310.6	1,407.1	11,106.2	3,911.0	4,717.8	15,017.2	298.1	126.7	1,000.0	352.1	424.8	1,352.1
3Q14	2,834.2	1,137.1	0.0	10,174.9	3,971.3	10,174.9	255.2	102.4	0.0	916.1	357.6	916.1
4Q14	3,542.2	1,534.3	0.0	10,918.7	5,076.6	10,918.7	318.9	138.2	0.0	983.1	457.1	983.1
1Q15	2,834.2	916.8	0.0	9,634.6	3,750.9	9,634.6	255.2	82.5	0.0	867.5	337.7	867.5
2Q15	3,542.2	1,165.6	0.0	14,404.0	4,707.8	14,404.0	318.9	105.0	0.0	1,296.9	423.9	1,296.9
3Q15	2,834.2	592.8	5,553.1	2,174.7	3,426.9	7,727.8	255.2	53.4	500.0	195.8	308.6	695.8
4Q15	3,542.2	668.2	39,479.8	990.7	4,210.4	40,470.4	318.9	60.2	3,554.7	89.2	379.1	3,644.0
1Q16	2,643.3	536.4	0.0	7,324.5	3,179.7	7,324.5	238.0	48.3	0.0	659.5	286.3	659.5
2Q16	2,556.8	664.4	13,882.8	826.9	3,221.2	14,709.6	230.2	59.8	1,250.0	74.5	290.0	1,324.5
3Q16	2,643.3	247.1	0.0	2,507.6	2,890.4	2,507.6	238.0	22.3	0.0	225.8	260.3	225.8
4Q16	2,123.0	631.4	11,106.2	4,978.4	2,754.3	16,084.6	191.2	56.8	1,000.0	448.3	248.0	1,448.3
1Q17	2,643.3	137.4	0.0	3,331.9	2,780.7	3,331.9	238.0	12.4	0.0	300.0	250.4	300.0
2Q17	1,757.6	438.5	0.0	3,609.5	2,196.0	3,609.5	158.3	39.5	0.0	325.0	197.7	325.0
3Q17	2,643.3	0.0	28,876.1	0.0	2,643.3	28,876.1	238.0	0.0	2,600.0	0.0	238.0	2,600.0
4Q17	1,757.6	304.0	7,774.3	5,886.3	2,061.6	13,660.6	158.3	27.4	700.0	530.0	185.6	1,230.0
1Q18	1,307.8	0.0	0.0	0.0	1,307.8	0.0	117.8	0.0	0.0	0.0	117.8	0.0
2Q18	1,495.2	83.3	0.0	0.0	1,578.4	0.0	134.6	7.5	0.0	0.0	142.1	0.0
3Q18	1,307.8	0.0	0.0	0.0	1,307.8	0.0	117.8	0.0	0.0	0.0	117.8	0.0
4Q18	1,495.2	83.3	0.0	2,220.3	1,578.4	2,220.3	134.6	7.5	0.0	199.9	142.1	199.9
BY YEARS												
2014	9,687.0	4,078.6	11,106.2	25,004.6	13,765.6	36,110.8	872.2	367.2	1,000.0	2,251.4	1,239.5	3,251.4
2015	12,752.8	3,343.3	45,032.9	27,204.1	16,096.1	72,236.9	1,148.3	301.0	4,054.7	2,449.4	1,449.3	6,504.2
2016	9,966.3	2,079.3	24,989.0	15,637.4	12,045.6	40,626.4	897.4	187.2	2,250.0	1,408.0	1,084.6	3,658.0
2017	8,801.7	879.9	36,650.5	12,827.7	9,681.6	49,478.1	792.5	79.2	3,300.0	1,155.0	871.7	4,455.0
2018	5,605.9	166.5	0.0	2,220.3	5,772.4	2,220.3	504.8	15.0	0.0	199.9	519.7	199.9

Notes: [*] debt redemptions include also interest payments; debt comprises Eurobonds, IMF and VTB loans; IMF loan is meant all tranches received in 2008-10; [1] redemption of US\$2bn loan to VTB is a worst-case scenario within this loan agreement, it may be prolonged 2 times and this in effect may shift the redemption to 4Q11 or 2Q12.

Sources: Ministry of Finance, IMF, Bloomberg, Reuters, Investment Capital Ukraine LLC.

Ukraine issuers' credit metrics

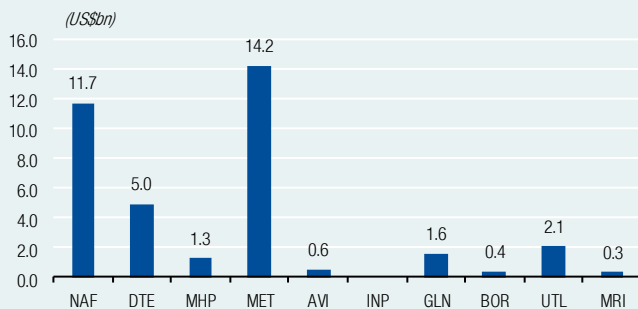
Table 8. Ukrainian corporate bond issuers and their key financial figures and ratios* (US\$m)

Issuer	Ticker	Filing	Revenues	EBITDA	Int exp	Cash	ST debt	LT debt	Debt	Net debt	EBITDA mrg (%)	Debt/ EBITDA (x)	Net debt/ EBITDA (x)	EBITDA int cov (x)
Naftogaz of Ukraine	NAFTO	4Q10	11,673.6	502.2	-613.5	333.2	685.2	4,824.9	5,510.1	5,176.9	4.3	11.0	10.3	Neg.
DTEK	DTEKUA	4Q11	4,965.0	1,294.6	60.9	1,304.1	429.4	1,878.3	2,307.7	1,003.6	26.1	1.8	0.8	21.2
MHP	MHPSA	1Q12	1,279.9	416.4	77.2	111.0	210.5	755.3	965.8	854.8	32.5	2.3	2.1	5.4
Metinvest Holding	METINV	4Q11	14,189.0	3,533.0	220.0	792.0	1,147.0	2,834.0	3,981.0	3,189.0	24.9	1.1	0.9	16.1
Avangard	AVINPU	4Q11	553.3	222.1	12.3	237.8	122.5	210.0	332.6	94.8	40.1	1.5	0.4	18.1
Interpipe	INPIP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Concern Galnaftogaz	GLNGUZ	1Q12	1,647.2	96.8	26.3	13.9	136.9	203.9	340.8	326.9	5.9	3.5	3.4	3.7
Boryspil Int'l Airport	BORYS	1Q12	431.4	277.8	2.3	33.8	108.0	212.5	320.5	286.8	64.4	1.2	1.0	122.0
Ukrtelecom	UTLMUZ	2Q12	2,091.2	470.0	103.5	22.3	177.7	194.3	372.1	349.8	22.5	0.8	0.7	4.5
Mriya Agro Holding	MRIYA	3Q11	344.8	42.6	40.1	192.0	96.0	282.2	378.3	186.3	12.4	8.9	4.4	1.1
Ferrexpo	FXPOLN	4Q11	1,788.0	798.0	43.3	890.2	18.9	951.4	970.4	80.2	44.6	1.2	0.1	18.4
Agroton	AGTPW	2Q11	102.1	10.4	0.3	4.2	19.3	1.0	20.3	16.1	10.2	2.0	1.6	31.0
Agromat	AGROM	2Q11	149.7	28.3	16.0	3.3	23.5	30.1	53.5	50.2	18.9	1.9	1.8	1.8
KSG Agro	KSGPW	3Q11	3.2	1.7	-0.7	5.5	5.6	10.7	16.4	10.9	52.8	9.5	6.4	Neg.
IMC	IMCPW	3Q11	5.6	-2.3	0.2	13.4	4.0	18.1	22.1	8.7	Neg.	Neg.	Neg.	Neg.

Notes: [*] financial figures and appropriate ratios are calculated using LTM data; LTM - last 12-month period; Int exp - interest expenses; ST debt - short-term debt; LT debt - long-term debt; int cov - interest coverage.

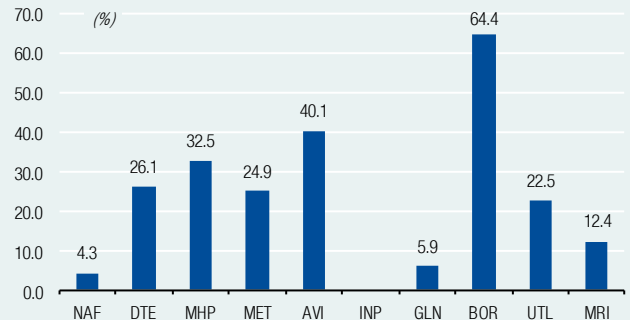
Sources: Company data, Investment Capital Ukraine LLC.

Chart 16. Ukraine's companies by sales (LTM)



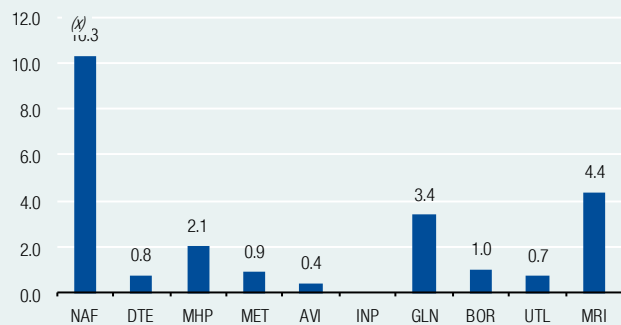
Source: Company data, Investment Capital Ukraine LLC.

Chart 17. Ukraine's companies by EBITDA margin (LTM)



Source: Company data, Investment Capital Ukraine LLC.

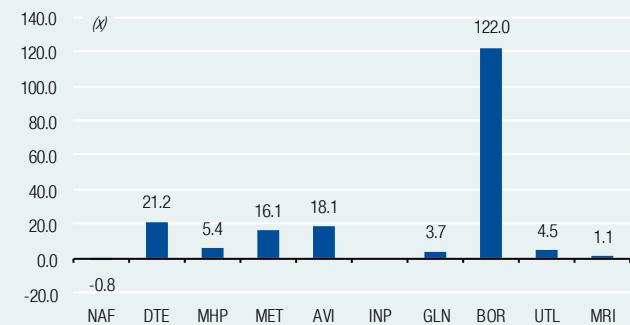
Chart 18. Ukraine's companies by leverage ratio



Note: leverage – net debt to EBITDA (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Chart 19. Ukraine's companies by interest coverage ratio



Note: interest coverage – EBITDA to interest expenses (LTM).

Source: Company data, Investment Capital Ukraine LLC.

Glossary

The following is the list of terms, phrases and abbreviations that are frequently used in this report's weekly publications.

Average duration, or interchangeably, **bond auction average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated on a per-bond basis.

Average yield, or interchangeably, **bond auction average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and versus the total price paid per bond to acquire them. Price and each cash flow (coupons and principal) are calculated on a per-bond basis.

Basis point, or interchangeably, **bp**: One-hundredth of a percentage point, or 0.01%.

BoP: Balance of payments.

Certificate(s) of Deposit, or interchangeably, **CD(s)**: Short-term money market instruments that allow the NBU, the central bank, to absorb excess liquidity from the local banks. Their durations are 2, 3, or up to 5 days; two weeks; one month; 1.5 months; two months; and up to three months.

CDS: A Credit default swap; a contract that references the performance of a loan or a bond (sovereign, corporate, or municipal). A CDS is normally quoted in basis points, or hundredths of a percent.

CRA: Credit rating agency. These include international industry majors Moody's, Standard & Poor's, and Fitch. It could refer also to other credit rating agencies, including Credit-Rating of Ukraine.

EFSF: European Financial Stability Facility (<http://www.efsf.europa.eu>), created on 9 May, 2010 by the euro area member states, as a Luxembourg-registered company owned by Euro Area Member States (EAMS), which has a mandate to lend to the EAMS in times of difficulty, e.g., in bail-outs. For the purpose of its operations, the EFSF is able to issue bonds EAMS-guaranteed for up to €440bn. Thanks to its structure of credit enhancements, including a cash reserve and a loan-specific cash buffer¹, the EFSF has top credit ratings from major CRAs: 'Aaa' by Moody's, 'AAA' by S&P, and 'AAA' by Fitch.

MoE: Ministry of Economy of Ukraine (<http://www.me.gov.ua>).

MoF: Ministry of Finance of Ukraine (<http://www.minfin.gov.ua>).

NBU: National Bank of Ukraine, the central bank of Ukraine (<http://www.bank.gov.ua>).

Party of Regions, or interchangeably, **PoR**: The *de facto* ruling political party in Ukraine currently. It won the presidency in the February 2010 presidential elections with a slim margin over Yulia Tymoshenko's Bloc, then consolidated power in the parliament, where it has a majority over minor loyal factions, while incapable of forming a majority itself. The next elections for Parliament and the president's office are expected to take place in 2012 and 2015, respectively.

¹ For instance, in order to lend €17.7bn to Ireland, the EFSF has to raise around €26.5bn from the financial market.

Percentage point, or interchangeably, **ppt**: one percent, 1%.

Recaps, or interchangeably, **recapitalisation bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued with the purpose of recapitalising state-owned entities like Naftogaz of Ukraine, commercial banks from Ukreximbank to Oschadbank, and the State Mortgage Institution (SMI).

UAH: Ukrainian national currency, the hryvnia.

UAH TWI, or interchangeably, **hryvnia trade-weighted index**: Index of the local currency calculated by Investment Capital Ukraine (ICU), which is calculated upon nominal exchange rates to the US dollar and headline consumer price inflation indices of Ukraine and its 26 trading partners, which as a whole, comprise a 76% share of merchandise trade turnover. Please refer to *ICU Quarterly Report "Ukraine's See-saw Puzzle"* published on 14 July, 2009 for more details on the methodology of the index. There are nominal and real UAH TWIs, the former based on exchange rates, and the latter based on both exchange rates and inflation. There are monthly and daily UAH TWIs, which are tracked by ICU. Monthly TWI calculation is based on the monthly data for inflation and trade statistics as well as monthly average exchange rates. Daily TWI calculation is based on the monthly data for inflation and trade statistics; however, its core substance is to reflect daily movements of the exchange rates of Ukraine's currency as well as of its key trading partners.

UAS: Ukrainian accounting standards.

VATs, or interchangeably, **VAT bonds**: Local-currency bond(s), representing a general financial obligation by the government on par with other government's financial obligations, which was/were issued in accordance with the government's initiative to offload the government's accumulated arrears on VAT refunds to domestic exporters.

Weighted-average duration, or interchangeably, **bond auction weighted-average duration**: Duration calculated from all cash flows obtained from the bonds sold at the auction. Yield-to-maturity, price, and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

Weighted-average yield, or interchangeably, **bond auction weighted-average yield**: A yield-to-maturity calculated from all cash flows obtained from the bonds sold at the auction and against the total price paid to acquire them. Price and each cash flow (coupons and principal) are calculated for the total number of bonds sold at the auction.

YTM, or interchangeably, **yield-to-maturity**: The interest rate that creates the present value of cash flows obtained from holding a bond equal to the price of the bond. The YTM factors in coupon income and any capital gain (loss) the investor will realise by holding the bond to maturity. It also takes into consideration the timing of coupon payments and principal repayment, which can be done at the maturity date (for a bullet bond) or in accordance with an amortisation schedule (amortisation bond). The YTM uses an interest-on-interest principle, assuming that coupon income can be reinvested at an interest rate equal to the YTM, and is calculated in accordance with the Ukraine's domestic bond market standard, which is represented by the following formula:

$$Price + AI = \sum_{i=1}^n \frac{CF_i}{(1+YTM)^{\frac{t_i}{365}}},$$

where *Price* and *AI* are clean price and accrued interest of the bond, respectively, as of the date of purchase; *n* is the number of cash flows to be obtained by a bond holder; *CF_i* is the

cash flow (coupon income, principal repayment) obtained from a bond; t_i is the number of days between a purchase date and i -th cash flow date, and YTM is yield-to-maturity.

YTW, or interchangeably, **yield-to-worst**: The same as yield-to-maturity (YTM); however, it is calculated assuming the worst-case scenario under the terms of a bond issue, e.g., the cash flow is trimmed to the earliest possible bond redemption such as due to a call or a put option, embedded into the bond.

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