



# Bond Market Insight

Weekly review: Market declines fuelled by negative anticipations

MONDAY, 11 AUGUST, 2014

RESEARCH INSIGHT

**The Ukrainian bond market was under the pressure of negative sentiment fuelled by political and economic unrest in Ukraine. The ongoing turmoil in Eastern Ukraine and the mounting risk of a Russian invasion appear to have driven both the decline in Eurobond prices and the Ukrainian hryvnia devaluation last week. This caused instability in the domestic bond market as well.**

**Domestic bond market.** The MoF held four primary auctions to finance the state budget last week, as it offered different bonds and cancelled two auctions. As market demand was insufficient to cover the MoF's needs, last Friday's auction likely used domestic QE support. The NBU was not going to support liquidity which could be spent at the FX market. As a result, domestic liquidity declined slightly and mostly saw fund reallocations between liquidity indicators.

**Eurobond market.** Under the pressure of negative anticipations, Ukrainian Eurobond spreads to the benchmark widened significantly last week, causing YTM's to rise significantly above 10.0% through last Friday. The yield curve became inverted, as occurred this past spring, as negative anticipations are mostly short-term. The lack of information on the IMF's second tranche which was likely postponed also had a negative impact as Ukraine could have problems with FX reserves and external debt repayments without these funds.

## CONTENTS

<b>Market update and news</b>	<b>2</b>
<b>Appendixes</b>	<b>5</b>
UAH bond market .....	6
Eurobond market .....	8
Primary market for UAH state bonds .....	11
UAH state bonds outstanding .....	13
2011 weekly state debt payback .....	18
5yr sovereign local debt payback .....	19
5yr sovereign external debt payback .....	20
Ukraine issuers' credit metrics .....	21
<b>Glossary</b>	<b>23</b>

## Key market indicators (as of 8 Aug 2014)

	Last close	Weekly chg (%)	YTD chg (%)
<b>Currencies</b>			
USD/UAH (spot)	12.5500	1.83	52.31
USD/UAH (1Y NDF)	14.5750	2.53	54.72
<b>Rates, yields &amp; spreads (%)</b>			
Kiev Prime ON	5.90	40bp	-190bp
Kiev Prime 3M	18.00	0bp	200bp
UAH NDF 1Y	16.78	78bp	179bp
Ukraine CDS 5Y	1bp	198bp	184bp
Libor USD 1yr	0.55	-2bp	-3bp
UST 2yr	0.44	-3bp	6bp
UST 10yr	2.42	-7bp	-61bp
UKRAINE 17	10.44	190bp	89bp
UKRAINE 23	9.31	102bp	27bp
<b>Money market data (UAHbn)</b>			
Accounts at NBU	27.29	-3.94	-16.54
NBU CDs outstanding	11.56	7.07	0.00
<b>Local currency bond market data (UAHbn)</b>			
Govt bond outstanding	311.44	1.32	25.02
Held by			
NBU	192.67	0.34	33.01
Banks	85.60	2.95	6.77
Other residents	15.95	3.40	28.65
Non-residents	17.22	2.53	47.16

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 slight decline and funds reallocation

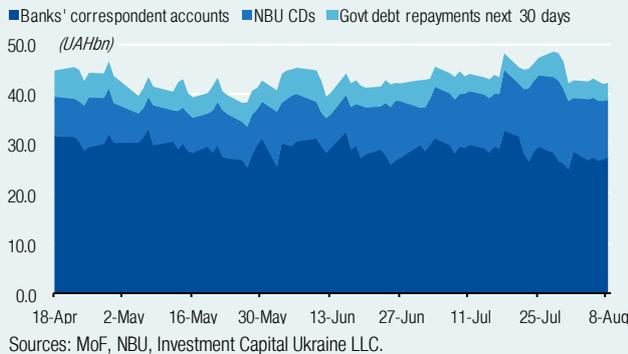
*Liquidity was slightly volatile last week*

Broader banking sector liquidity was slightly volatile last week as it declined slightly from UAH42.59bn last Monday to UAH42.30bn last Friday, yet touched a record weekly high at UAH43.18bn last Tuesday. Only a few injections occurred last week which could have had a positive impact on liquidity stability. The NBU issued UAH0.34bn of ON loans last Wednesday and the MoF repaid UAH0.48bn in debt interest repayments, while it attracted insufficient funds at the primary market which will have an impact on indicators published today. At the same time, banks repaid UAH0.88bn in NBU loans last Tuesday, similar to the level of injections.

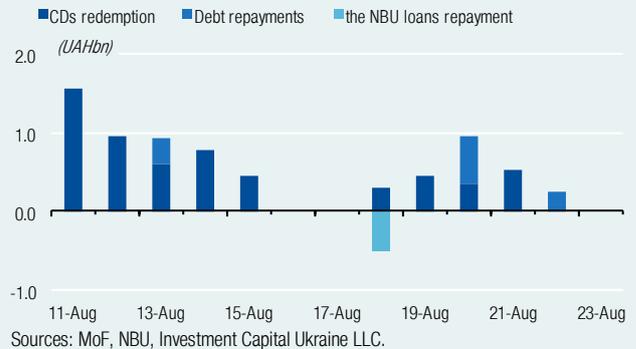
*Inside the broader indicator we saw mild fund reallocations*

Banks' correspondent accounts' with the NBU also were slightly volatile at about UAH27.00bn, beginning last week at UAH26.71bn and slightly rising through last Friday to UAH27.29bn. This increase was mostly caused by the NBU as total CDs outstanding declined from UAH12.27bn last Monday to UAH11.56bn last Friday. Total local currency debt repayments scheduled for the next 30 days also slightly declined last week, but not significantly. For details, please see the left-hand chart below.

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



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



*Liquidity could fall today and then slightly recover*

Several CD redemptions and UAH0.32bn in debt interest repayments are scheduled this week. The NBU could decrease its CDs outstanding slightly, in an attempt to decrease the chance that these funds will be spent in the FX market. At the same time, liquidity could fall significantly today as banks repaid UAH2.57bn in NBU loans and paid UAH1.54bn to the MoF for last Friday's auction proceeds. Only NBU injections that could have occurred last Friday could bolster today's liquidity indicators. Later this week, liquidity should remain steady and recover slightly.

### Last week's primary auctions

*Four primary auctions took place last week*

The MoF held four primary auctions last week, two of which failed and one provided insufficient proceeds. Only last Friday did the MoF attract significant demand to receive the much needed financing.

***The first auction attracted paltry demand and was cancelled...***

At the first auction held last Tuesday, the MoF received only one small bid of UAH10.0m (par value) for the 2-year bond. Although the interest rate was the routine 16.75% for that maturity, the MoF rejected the bid because of its insignificant size. As no domestic QE support appeared to be provided at this offering, there were no bids for the other bonds.

***...as was the second attempt to get financing***

While the second attempt last Wednesday fared quite better, it also failed as the MoF rejected the two bids submitted for the 2-year bond for an insignificant total volume of UAH25.0m at the routine 16.75% interest rate. The 5-year bond received no bids.

***Last Thursday, the MoF changed the offering and collected market demand for the auction...***

Last Thursday, when the MoF held a primary auction the third time last week, the MoF attracted market demand for all offered bonds, including the 2-year "military" bonds which were offered at a fixed interest rate. Instead of the intermediate-term and long-term bonds that were offered in the prior two auctions earlier this week, the MoF replaced them with 6-month and 9-month bonds which collected five bids, three of which were for the 6-month bond. Interest rates on these bonds remained unchanged from previous similar offerings.

***...including small bids for "military" bonds***

The "military" bonds, issued to finance the Ukrainian army, received two bids. Although only one bid was submitted last week for this bond, that bid was for a significantly higher UAH50.0m versus total demand of UAH6.51m submitted in the two bids yesterday.

***Last Friday's auction provided UAH1.54bn of proceeds...***

In an unprecedented week of four consecutive auctions, following two failed auctions on Tuesday and Wednesday, and then an auction that raised minimal proceeds on Thursday, Friday's auction provided the MoF with UAH1.54bn of proceeds. The fourth auction required both domestic QE support and higher interest rates to receive financing.

***...as the MoF increased the yield on 2-year bonds and possibly attracted domestic QE support for this auction***

The MoF accepted all three bids for a total of UAH1.23bn (par value) in 2-year bonds at a cut-off interest rate 15bp higher to 17.00%. As the weighted average interest rate rose a bit less to 16.99%, most of the bonds were sold at the maximum interest rate. One bank purchased 5-year bonds at the routine 14.30% rate, likely in anticipation of or actually receiving domestic QE support. Part of the demand for the 2-year bond was most likely supported by domestic QE.

## Eurobond market

### **Eurobonds falling on negative anticipations**

***The lack of new financing and risk of invasion were the main reasons last week for Eurobonds falling***

Ukrainian sovereign risks significantly rose last week as Ukraine failed to receive the much anticipated second tranche from the IMF and tensions in eastern Ukraine mounted further as Russia made further moves to invade. If an invasion does occur, Ukraine will most likely be forced into default as it will be officially at war. These factors caused Ukrainian Eurobond prices to fall significantly last week.

***Spreads widened above 1,000bp at the short-term end of the yield curve***

Spreads to the benchmark widened 100-300bp last week, with the smallest widening at the long-term end of the yield curve. Spreads of Eurobonds up for redemption next year widened more than 300bp, while those up for redemption in 2016 widened their spreads by 220-280bp, exceeding 1,000bp at the short-term end of the yield curve, reaching \_\_\_bp on UKRAIN 6.875% '15. The 5-year Ukrainian CDS rose significantly to \_\_\_bp last Friday, after starting from 828bp last week (see right-hand chart below).

***The yield curve adjusted to 9.56-12.95%***

Although the benchmark yield declined, causing YTM's to rise slightly less significantly, the impact of spreads widening caused the yield curve to adjust to 9.56-12.95% through last Friday, as UKRAIN 6.875% '15 rose 335bp to 12.95%, UKRAIN 6.58% '16 was up 249bp to 10.96%, while UKRAIN 9.25% '17 rose 197bp to 10.93%, UKRAIN 7.95% '21 rose 176bp to 10.42%, UKRAIN 7.80% '22 and UKRAIN 7.50% '23 rose 115bp and 126bp to 9.59% and 9.56%, respectively.

**Chart 3. YTM of some Ukrainian Eurobonds**



Source: Bloomberg, Investment Capital Ukraine LLC.

**Chart 4. Ukrainian Eurobonds spreads**



Source: Bloomberg, Investment Capital Ukraine LLC.

## **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 8 Aug 2014

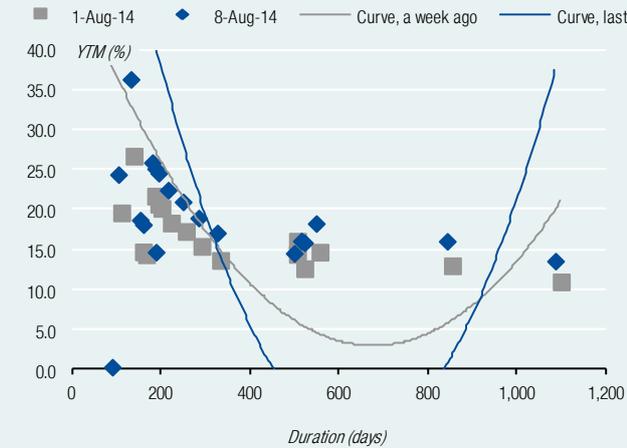
Ticker	Volume (UAHm)	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Duartion (years)	1W daily avg turnover (UAHm)	1W total turnover (UAHm)	Total turnover (UAHm)	Liquidity ratio*
158794	1,901.33	7.5	10-Sep-14	99.313	62.17	-13	1,486	0.09	0.00	0.00	1,681.18	0.88
149231	1,532.20	8.32	19-Nov-14	97.938	24.39	-75	478	0.28	10.09	60.53	2,923.80	1.91
151278	1,846.00	8.5	7-Jan-15	97.063	18.71	-113	397	0.42	0.00	0.00	2,135.54	1.16
000999	241.52	9.6	14-Jan-15	97.438	18.14	-113	375	0.44	0.00	0.00	0.00	0.00
155485	2,742.18	8.09	11-Feb-15	96.500	25.89	-125	419	0.49	0.00	0.00	6,611.51	2.41
157143	627.50	8.02	18-Feb-15	96.313	25.12	-144	443	0.51	0.00	0.00	0.00	0.00
157127	620.17	8.02	25-Feb-15	96.125	24.56	-150	439	0.53	0.00	0.00	2,615.22	4.22
160642	2,534.18	7.75	18-Mar-15	95.625	22.45	-163	411	0.59	0.00	0.00	7,083.88	2.80
142699	3,912.71	9.45	22-Apr-15	96.125	20.98	-175	369	0.68	61.81	370.85	12,109.48	3.09
142681	673.18	4.8	6-May-15	102.313	0.35	-13	49	0.24	0.00	0.00	0.00	0.00
141071	1,901.98	9.45	27-May-15	95.625	18.97	-200	354	0.78	35.04	210.23	8,227.37	4.33
142673	2,196.25	4.5	17-Jun-15	91.500	36.27	-200	958	0.36	0.00	0.00	0.00	0.00
144083	27.99	9.45	8-Jul-15	95.063	17.10	-231	343	0.89	0.00	0.00	0.00	0.00
82622	2,491.46	5.5	24-Aug-15	95.670	14.71			0.51	9.57	38.26	6,885.98	2.76
151500	557.00	9.19	13-Jan-16	94.460	14.56	10	13	1.37	0.00	0.00	134.77	0.24
152441	4,039.85	8.25	27-Jan-16	91.000	16.10	-375	346	1.41	0.00	0.00	55.17	0.01
153282	111.82	8.25	3-Feb-16	91.000	15.87	-363	-21	1.43	0.00	0.00	71.92	0.64
160923	3,765.00	7.5	16-Mar-16	89.438	287.50	-394	16,086	0.11	0.00	0.00	0.00	0.00
160907	360.00	8	23-Mar-16	90.000	18.28	-400	357	1.50	179.70	179.70	340.18	0.94
160915	3,765.00	8.25	22-Mar-17	88.000	16.06	-538	305	2.31	0.00	0.00	0.00	0.00
151286	6,651.50	7.5	20-Dec-17	85.938	13.59	-594	259	2.98	0.00	0.00	0.00	0.00

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**

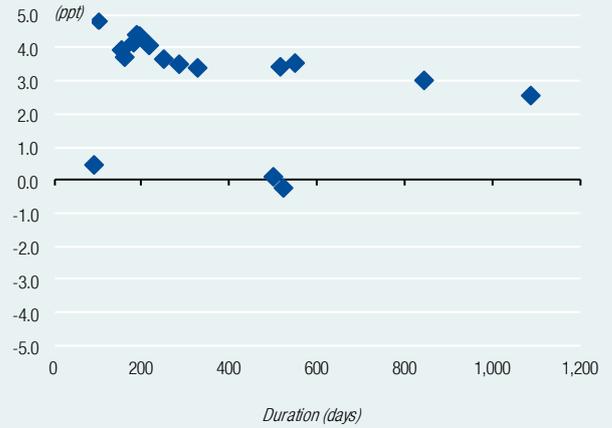
Last one compared to 1 week ago



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

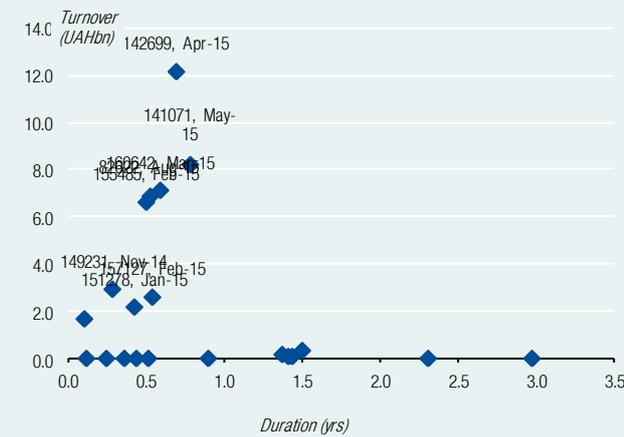
**Chart 6. Movement of the local-currency sovereign yield curve**

Over last week, in percentage points



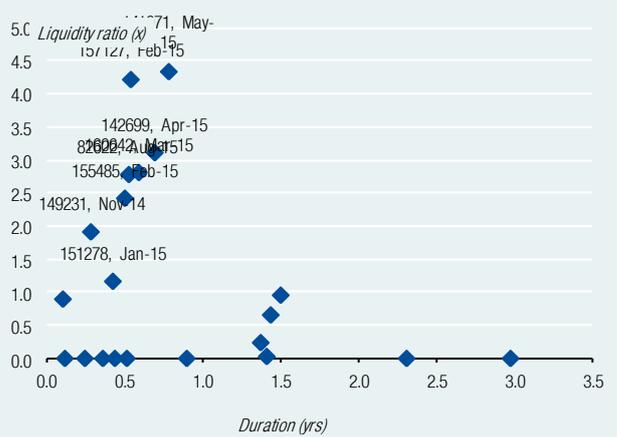
Sources: Ministry of Finance, Bloomberg, PFTS, Investment Capital Ukraine LLC.

**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 8 Aug 2014

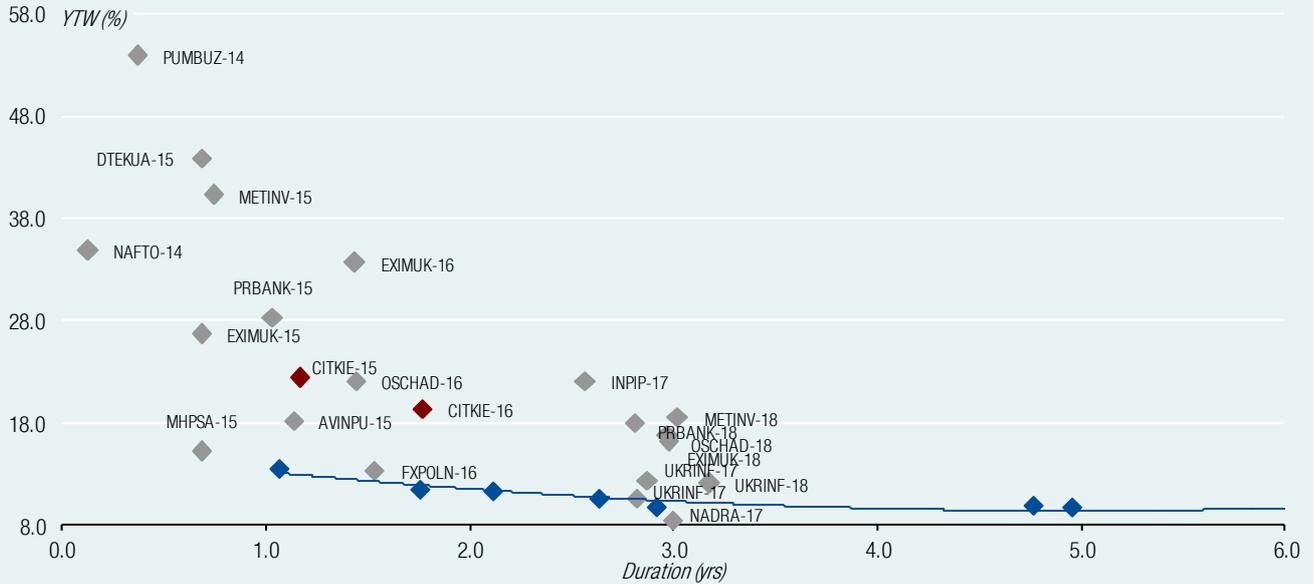
Ticker	Issuer	Ratings	Volume (million)	Curr- ency	Coupon rate (%)	Maturity	Price (% of par)	YTM (%)	Weekly price chg (bp)	Weekly yield chg (bp)	Spread (bp)	Duration (years)
<b>CITKIE-15</b>	Kyiv	Caa3/CCC/CC C	250.0	USD	8	6-Nov-15	85.875	21.66	-538	568	2,054	1.17
<b>CITKIE-16</b>	Kyiv	Caa3/CCC/CC C	300.0	USD	9.375	11-Jul-16	85.438	18.78	-494	347	1,776	1.77
<b>NAFTO-14</b>	Naftogaz of Ukraine	NR/NR/CCC	1,595.0	USD	9.5	30-Sep-14	96.813	34.33	-56	719	3,373	0.13
<b>PUMBUZ-14</b>	FUIB	Caa3/NR/NR	252.5	USD	11	31-Dec-14	87.938	47.63	-219	870	4,368	0.37
<b>EXIMUK-15</b>	Ukreximbank	Caa3/NR/CCC	750.0	USD	8.375	27-Apr-15	89.000	26.43	-475	852	2,576	0.68
<b>DTEKUA-15</b>	DTEK	Caa2/NR/CCC	500.0	USD	9.5	28-Apr-15	81.625	42.03	-756	1,527	3,975	0.68
<b>MHPSA-15</b>	MHP	Caa2/NR/CCC	584.8	USD	10.25	29-Apr-15	97.875	13.43	-444	653	1,126	0.68
<b>METINV-15</b>	Metinvest Holding	Caa2/NR/CCC	500.0	USD	10.25	20-May-15	82.438	38.67	-838	1,504	3,669	0.74
<b>PRBANK-15</b>	Pryvatbank	Caa3u/NR/CC C	200.0	USD	9.375	23-Sep-15	84.125	26.81	-238	316	2,497	1.03
<b>AVINPU-15</b>	Avangard	NR/NR/CCC	200.0	USD	10	29-Oct-15	91.875	17.71	-425	422	1,676	1.13
<b>EXIMUK-16</b>	Ukreximbank	Ca/NR/C	125.0	USD	8.4	9-Feb-16	71.375	31.33	-863	920	2,867	1.44
<b>PRBANK-16</b>	Pryvatbank	Caa/NR/NR	150.0	USD	8.75	9-Feb-16	100.350	5.55	2,383	-2,000	510	1.44
<b>OSCHAD-16</b>	Oshchadbank	Caa3/NR/CCC	500.0	USD	8.25	10-Mar-16	83.063	21.49	-850	714	2,043	1.44
<b>MRIYA-16</b>	Mriya Agroholding	NR/CC/C	250.0	USD	10.95	30-Mar-16	48.063	68.45	-2,200	3,180	6,405	1.38
<b>FXPOLN-16</b>	Ferrexpo PLC	Caa2/CCC+/C CC	500.0	USD	7.875	7-Apr-16	92.250	13.25	-375	271	1,271	1.53
<b>NADRA-17</b>	Nadra Bank	WR/NR/WD	41.0	USD	8	22-Jun-17	60.000	51.42	0	59	3,887	1.39
<b>INPIP-17</b>	Interpipe	NR/NR/C	200.0	USD	10.25	2-Aug-17	76.438	21.37	-19	16	1,974	2.57
<b>NADRA-17</b>	Nadra Bank	NR/NR/NR	50.0	USD	9.375	5-Dec-17	100.000	8.39	0	6	749	3.00
<b>UKRINF-17</b>	Infrastructure Projects Fin	(P)Caa3/NR/N R	550.0	USD	9	7-Dec-17	91.988	11.99	-487	187	1,079	2.87
<b>EXIMUK-18</b>	Ukreximbank	Caa3/NR/CCC	500.0	USD	8.75	22-Jan-18	81.875	15.77	-738	309	1,376	2.98
<b>METINV-18</b>	Metinvest Holding	Caa2/NR/CCC	750.0	USD	8.75	14-Feb-18	76.688	18.02	-619	281	1,583	3.02
<b>PRBANK-18</b>	Pryvatbank	Caa3u/NR/CC C	175.0	USD	10.875	28-Feb-18	82.875	17.57	-325	143	1,550	2.80
<b>OSCHAD-18</b>	Oshchadbank	Caa3/NR/CCC	500.0	USD	8.875	20-Mar-18	80.125	16.39	-700	291	1,438	2.97
<b>UKRINF-18</b>	Infrastructure Projects Fin	Caa3/NR/NR	690.0	USD	7.4	20-Apr-18	87.150	11.79	-812	287	989	3.18
<b>UKRAIN-15</b>	Ministry of Finance	Caa3/CCC/CC C	500.0	USD	6.875	23-Sep-15	94.162	12.65	-336	343	1,134	1.06
<b>UKRAIN-15</b>	Ministry of Finance	Caa3/CCC/CC C	600.0	EUR	4.95	13-Oct-15	92.500	12.19	-270	281	1,116	1.12
<b>UKRAIN-16</b>	Ministry of Finance	Caa3/CCC/CC C	1,250.0	USD	6.25	17-Jun-16	92.044	11.13	-472	298	1,031	1.75
<b>UKRAIN-16</b>	Ministry of Finance	Caa3/CCC/CC C	1,000.0	USD	6.58	21-Nov-16	91.611	10.83	-473	247	988	2.11
<b>UKRAIN-17</b>	Ministry of Finance	Caa3/CCC/CC C	2,600.0	USD	9.25	24-Jul-17	97.027	10.44	-479	190	940	2.63
<b>UKRAIN-17</b>	Ministry of Finance	Caa3/CCC/CC C	700.0	USD	6.75	14-Nov-17	92.361	9.53	-317	120	840	2.91
<b>UKRAIN-20</b>	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.75	23-Sep-20	90.747	9.79	-483	110	806	4.76
<b>UKRAIN-21</b>	Ministry of Finance	Caa3/CCC/CC C	1,500.0	USD	7.95	23-Feb-21	91.978	9.63	-490	105	709	4.95
<b>UKRAIN-22</b>	Ministry of Finance	Caa3/CCC/CC C	2,250.0	USD	7.8	28-Nov-22	91.229	9.34	-504	91	674	6.04
<b>UKRAIN-23</b>	Ministry of Finance	Caa3/CCC/CC	1,250.0	USD	7.5	17-Apr-23	89.356	9.31	-580	102	682	6.22

		C										
<b>OSCHAD-16</b>	Oshchadbank	NR/NR/B	200.0	USD	8.25	10-Mar-16	0.000	0.00	0	0	0	0.00
<b>UKRINF-17</b>	Infrastructure Projects Fin	Caa3/NR/NR	538.0	USD	8.375	3-Nov-17	94.750	10.32	0	1	919	2.81

Sources: Bloomberg, Investment Capital Ukraine LLC.

**Chart 9. Term structure of yields of Ukrainian Eurobonds as of 8 Aug 2014**

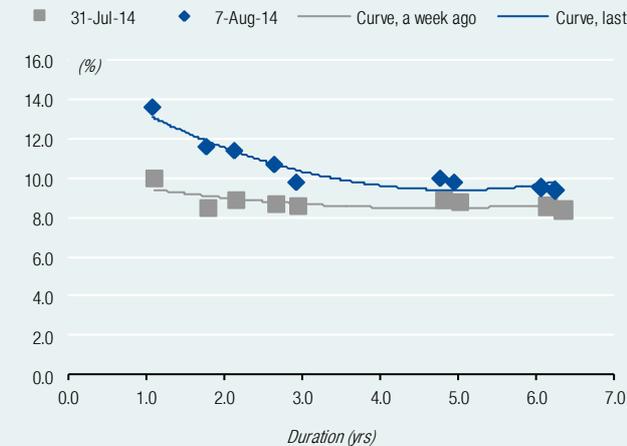
Blue dots are Ukraine sovereign Eurobonds; grey dots are corporate Eurobonds and red ones are municipal Eurobonds



Sources: Bloomberg, Investment Capital Ukraine LLC..

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

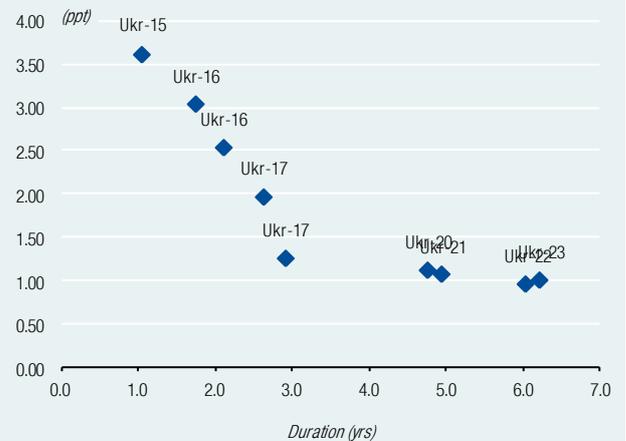
Last one compared to 1 week ago



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

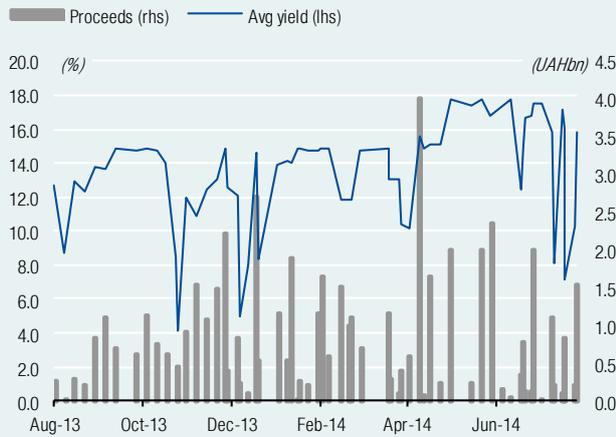
Date	Qty of bonds offered/sold	Proceeds (UAHm)	Volume of bonds sold* (UAHm)	Volume of bids submitted (UAHm)	Qty of bids submitted	Lowest yield asked** (%)	Highest yield asked** (%)	MoF cut-off yield (%)	Qty of bids accepted	Average yield (%)	WA yield (%)	Average duration (years)	WA duration (years)
8-Aug-14	2	1,538.01	1,530.00	1.53	4	14.30	17.00	15.65	4	15.79	16.78	2.68	2.07
7-Aug-14	3	210.40	226.51	226.51	7	7.00	15.90	12.60	7	10.31	14.78	1.01	0.56
31-Jul-14	1	50.02	50.00	50.00	1	7.00	7.00	7.00	1	7.13	7.13	1.89	1.89
30-Jul-14	2	837.38	950.00	950.00	2	15.90	16.00	15.95	2	16.11	16.12	0.85	0.84
29-Jul-14	2	97.18	100.32	100.32	3	15.90	16.75	16.33	3	17.13	17.26	1.26	1.41
23-Jul-14	1	200.09	200.00	200.00	1	8.00	8.00	8.00	1	8.14	8.14	0.98	0.98
22-Jul-14	3	1,091.39	1,090.00	1.09	7	14.30	16.75	15.65	7	15.78	15.05	2.02	2.74
15-Jul-14	1	20.00	20.00	20.00	1	16.75	16.75	16.75	1	17.47	17.47	1.78	1.78
9-Jul-14	1	2,000.88	2,000.00	2,000.00	1	16.75	16.75	16.75	1	17.47	17.47	1.78	1.78
8-Jul-14	3	127.39	130.00	130.00	7	12.00	16.95	14.63	7	16.81	17.13	0.81	1.00
3-Jul-14	3	139.02	140.00	140.00	7	8.00	16.95	12.32	7	16.62	16.50	0.69	0.60
2-Jul-14	1	769.00	746.86	746.86	1	14.30	14.30	14.30	1	14.85	14.85	3.52	3.52
1-Jul-14	1	339.83	350.00	350.00	2	12.00	12.00	12.00	2	12.41	12.41	0.25	0.25
24-Jun-14	1	55.17	55.00	55.00	3	16.95	16.95	16.95	3	17.69	17.69	1.76	1.76
17-Jun-14	2	159.59	166.97	176.97	6	15.00	18.00	15.98	5	17.24	16.97	1.16	0.95
10-Jun-14	3	2,351.07	2,362.00	2,392.00	12	12.00	16.95	14.65	9	16.74	17.58	0.86	1.57
3-Jun-14	1	2,000.00	2,000.00	2,020.00	6	16.98	17.50	16.98	4	17.72	17.72	1.78	1.78
27-May-14	2	234.83	215.00	245.00	11	3.00	17.50	10.00	10	17.38	14.62	0.91	0.20
13-May-14	1	2,000.00	1,987.48	1.99	4	17.00	17.00	17.00	4	17.74	17.74	1.74	1.74
6-May-14	2	246.60	100.00	320.00	4	9.95	20.00	12.48	2	15.15	14.96	1.40	1.17
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

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**

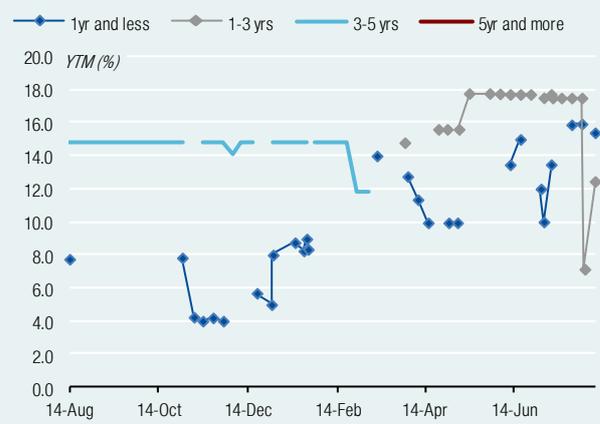
Last 12-month period



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**

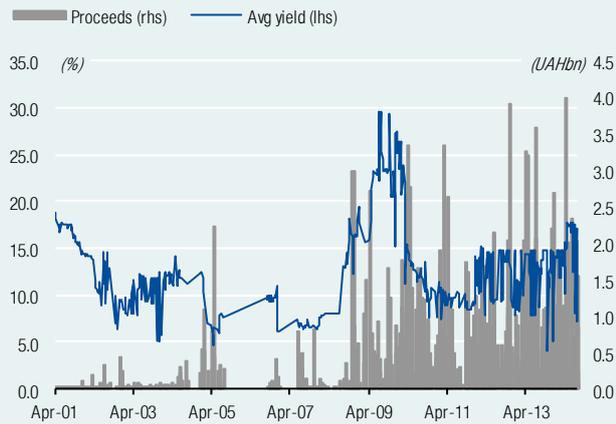
Last 12-month period



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**

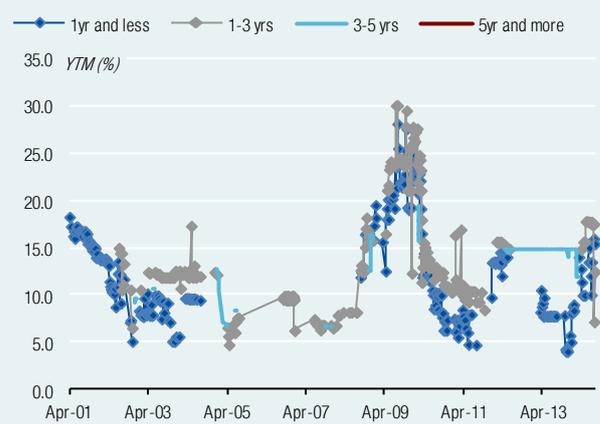
History since April 2001 to present



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
<b>Government UAH bonds</b>								
UA4000184238	Zero-coupon bonds	300,000,000.00	12.00	Upon maturity	No	No		10-Sep-2014
UA4000180210	Zero-coupon bonds	830,000,000.00		Upon maturity	No	No		1-Oct-2014
UA4000178883	Zero-coupon bonds	25,000,000.00		Upon maturity	No	No		15-Oct-2014
UA4000184246	Zero-coupon bonds	182,000,000.00	14.92	Upon maturity	No	No		10-Dec-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
UA4000185722	Zero-coupon bonds	170,000,000.00	14.90	Upon maturity	No	No		28-Jan-2015
UA4000185383	Zero-coupon bonds	845,000,000.00	15.88	Upon maturity	No	No		15-Apr-2015
UA4000141592	Coupon bonds	250,000,000.00	14.30	Semi-annually	No	No		20-May-2015
UA4000185607	Zero-coupon bonds	450,000,000.00		Upon maturity	No	No		29-Jul-2015
UA4000180582	Coupon bonds	1,987,478,000.00	17.00	Semi-annually	No	No		27-Apr-2016
UA4000180772	Coupon bonds	20,000,000.00	17.00	Semi-annually	No	No		18-May-2016
UA4000181275	Coupon bonds	2,000,000,000.00	16.98	Semi-annually	No	No		1-Jun-2016
UA4000184253	Coupon bonds	2,030,000,000.00	16.95	Semi-annually	No	No		8-Jun-2016
UA4000184352	Coupon bonds	211,970,000.00	16.95	Semi-annually	No	No		15-Jun-2016
UA4000185201	Coupon bonds	2,000,000,000.00	16.75	Semi-annually	No	No		6-Jul-2016
UA4000106181	Coupon bonds	80,002,000.00	9.50	Quarterly	Yes	Yes	13-Jul-2016	13-Jul-2016
UA4000185276	Coupon bonds	1,395,320,000.00	16.75	Semi-annually	No	No		13-Jul-2016
UA4000107528	Coupon bonds	6,300,000.00	12.50	Quarterly	Yes	No		20-Jul-2016
UA4000185623	Coupon bonds	56,510,000.00	7.00	Semi-annually	No	No		27-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
UA4000180541	Coupon bonds	100,000,000.00	15.00	Semi-annually	No	No		3-May-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
UA4000179766	Coupon bonds	1,500,000,000.00	11.50	Semi-annually	No	No		13-Feb-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
UA4000179691	Coupon bonds	600,000,000.00	14.30	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	1,571,589,000.00	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
UA4000185755	Coupon bonds	300,000,000.00	14.30	Semi-annually	No	No		31-Jul-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
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
<b>Total</b>		<b>91,698,626,000.00</b>						

## Government recap'n bonds

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

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
UA4000130082	Coupon bonds	2,000,000,000.00	9.50	Semi-annually	No	No		27-Dec-2017
UA4000179576	Coupon bonds	2,500,000,000.00	14.25	Semi-annually	No	No		16-Jan-2018
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
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
UA4000179535	Coupon bonds	2,500,000,000.00	14.25	Semi-annually	No	No		28-Nov-2018
UA4000179543	Coupon bonds	2,500,000,000.00	14.25	Semi-annually	No	No		5-Dec-2018
UA4000179550	Coupon bonds	2,500,000,000.00	14.25	Semi-annually	No	No		19-Dec-2018
UA4000179568	Coupon bonds	1,066,400,000.00	14.25	Semi-annually	No	No		26-Dec-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
UA4000180798	Coupon bonds	2,500,000,000.00	14.30	Semi-annually	No	No		29-Jul-2020
UA4000063028	Coupon bonds	949,981,000.00	9.50	Semi-annually	No	No		12-Aug-2020
UA4000180806	Coupon bonds	2,500,000,000.00	14.30	Semi-annually	No	No		26-Aug-2020
UA4000180814	Coupon bonds	2,500,000,000.00	14.30	Semi-annually	No	No		30-Sep-2020
UA4000180822	Coupon bonds	2,500,000,000.00	14.30	Semi-annually	No	No		14-Oct-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

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
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
<b>Total</b>		<b>130,939,708,000.00</b>						
<b>Government VAT bonds 2010</b>								
UA4000078141	Coupon bonds	9,688,000.00	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
<b>Total</b>		<b>4,925,929,900.00</b>						
<b>Government indexed bonds</b>								
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
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
<b>Total</b>		<b>12,723,100,000.00</b>						
<b>Government foreign-currency bonds</b>								
UA4000158794	Coupon bonds	1,901,325,000.00	7.50	Semi-annually	No	No		10-Sep-2014
UA4000174247	Coupon bonds	1,009,773,000.00	4.80	Semi-annually	No	Yes	29-Oct-2014	29-Oct-2014
UA4000149231	Coupon bonds	1,532,204,400.00	8.32	Semi-annually	No	No		19-Nov-2014
UA4000173058	Coupon bonds	1,255,000,000.00	7.75	Semi-annually	No	No		26-Nov-2014
UA4000177133	Coupon bonds	2,823,750,000.00	7.88	Semi-annually	No	No		10-Dec-2014
UA4000171649	Coupon bonds	1,245,399,250.00	8.25	Semi-annually	No	No		24-Dec-2014
UA4000151278	Coupon bonds	1,846,004,600.00	8.50	Semi-annually	No	No		7-Jan-2015
UA4000133771	Coupon bonds	241,524,750.00	9.60	Semi-annually	No	No		14-Jan-2015
UA4000155485	Coupon bonds	2,742,175,000.00	8.09	Semi-annually	No	No		11-Feb-2015
UA4000157143	Coupon bonds	627,500,000.00	8.02	Semi-annually	No	No		18-Feb-2015
UA4000157127	Coupon bonds	620,170,800.00	8.02	Semi-annually	No	No		25-Feb-2015
UA4000160642	Coupon bonds	2,534,183,850.00	7.75	Semi-annually	No	No		18-Mar-2015
UA4000142699	Coupon bonds	3,912,713,500.00	9.45	Semi-annually	No	No		22-Apr-2015
UA4000166821	Coupon bonds	3,345,830,000.00	7.75	Semi-annually	No	No		6-May-2015
UA4000142681	Coupon bonds	673,182,000.00	4.80	Semi-annually	No	Yes	6-May-2015	6-May-2015
UA4000141071	Coupon bonds	1,901,977,600.00	9.45	Semi-annually	No	No		27-May-2015
UA4000167837	Coupon bonds	2,180,060,500.00	7.75	Semi-annually	No	No		3-Jun-2015

**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
UA4000142673	Coupon bonds	2,196,250,000.00	4.50	Semi-annually	No	Yes	17-Jun-2015	17-Jun-2015
UA4000144083	Coupon bonds	27,986,500.00	9.45	Semi-annually	No	No		8-Jul-2015
UA4000171409	Coupon bonds	1,309,943,900.00	8.25	Semi-annually	No	No		15-Jul-2015
UA4000185458	Coupon bonds	2,510,000,000.00	8.00	Semi-annually	No	No		22-Jul-2015
UA4000152441	Coupon bonds	4,039,845,000.00	8.25	Semi-annually	No	No		27-Jan-2016
UA4000153282	Coupon bonds	111,820,500.00	8.25	Semi-annually	No	No		3-Feb-2016
UA4000160923	Coupon bonds	3,765,000,000.00	7.50	Semi-annually	No	Yes	16-Mar-2016	16-Mar-2016
UA4000160907	Coupon bonds	359,996,750.00	8.00	Semi-annually	No	No		23-Mar-2016
UA4000166847	Coupon bonds	934,347,500.00	8.00	Semi-annually	No	No		25-May-2016
UA4000172506	Coupon bonds	2,833,626,850.00	8.75	Semi-annually	No	No		10-Aug-2016
UA4000177414	Coupon bonds	3,746,175,000.00	7.75	Semi-annually	No	Yes	26-Oct-2016	26-Oct-2016
UA4000177752	Coupon bonds	626,571,300.00	7.75	Semi-annually	No	Yes	30-Nov-2016	30-Nov-2016
UA4000178305	Coupon bonds	1,252,891,600.00	7.75	Semi-annually	No	No		14-Dec-2016
UA4000160915	Coupon bonds	3,765,000,000.00	8.25	Semi-annually	No	No		22-Mar-2017
UA4000166854	Coupon bonds	4,078,750,000.00	7.45	Semi-annually	No	Yes	17-May-2017	17-May-2017
UA4000151286	Coupon bonds	6,651,500,000.00	7.50	Semi-annually	No	No		20-Dec-2017
UA4000177554	Coupon bonds	2,508,958,350.00	7.50	Semi-annually	No	Yes	21-Nov-2018	21-Nov-2018
<b>Total</b>		<b>71,111,437,500.00</b>						
<b>Grand total</b>		<b>311,398,801,400.00</b>						

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](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	7-Jan-14	14-Jan-14	21-Jan-14	28-Jan-14	
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	0.00	
February	Auction date	4-Feb-14	11-Feb-14	18-Feb-14	25-Feb-14	
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	
	Total	0.00	<b>0.00</b>	0.00	0.00	
March	Auction date	4-Mar-14	11-Mar-14	18-Mar-14	25-Mar-14	
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	
	Total	0.00	<b>0.00</b>	0.00	0.00	
April	Auction date	1-Apr-14	8-Apr-14	15-Apr-14	22-Apr-14	29-Apr-14
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	0.00
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	0.00
	Total	0.00	<b>0.00</b>	<b>0.00</b>	0.00	<b>0.00</b>
May	Auction date	6-May-14	13-May-14	20-May-14	27-May-14	
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	
	Total	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	0.00	
June	Auction date	3-Jun-14	10-Jun-14	17-Jun-14	24-Jun-14	
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	
	Total	0.00	0.00	0.00	<b>0.00</b>	
July	Auction date	1-Jul-14	8-Jul-14	15-Jul-14	22-Jul-14	29-Jul-14
	Local debt repayment <sup>1</sup>	0.00	0.00	0.00	0.00	0.00
	External debt repayment <sup>2</sup>	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00
August	Auction date	5-Aug-14	12-Aug-14	19-Aug-14	26-Aug-14	
	Local debt repayment <sup>1</sup>	0.00	555,343,248.44	<b>1,737,200,023.50</b>	<b>1,118,315,897.83</b>	
	External debt repayment <sup>2</sup>	0.00	218,249,829.13	718,656,398.23	38,761,520.53	
	Total	0.00	773,593,077.56	<b>2,455,856,421.73</b>	<b>1,157,077,418.36</b>	
September	Auction date	2-Sep-14	9-Sep-14	16-Sep-14	23-Sep-14	30-Sep-14
	Local debt repayment <sup>1</sup>	313,825,000.00	<b>2,575,357,027.00</b>	800,729,576.69	<b>2,128,656,599.00</b>	<b>1,300,580,000.00</b>
	External debt repayment <sup>2</sup>	0.00	<b>1,832,862,420.81</b>	<b>1,235,305,251.18</b>	<b>2,074,298,946.68</b>	0.00
	Total	313,825,000.00	<b>4,408,219,447.81</b>	<b>2,036,034,827.87</b>	<b>4,202,955,545.68</b>	<b>1,300,580,000.00</b>
October	Auction date	7-Oct-14	14-Oct-14	21-Oct-14	28-Oct-14	
	Local debt repayment <sup>1</sup>	<b>2,293,208,150.00</b>	865,794,358.50	<b>1,234,537,650.88</b>	<b>2,059,745,238.75</b>	
	External debt repayment <sup>2</sup>	<b>1,372,210,497.50</b>	546,600,984.38	171,777,099.21	765,781,674.26	
	Total	<b>3,665,418,647.50</b>	<b>1,412,395,342.88</b>	<b>1,406,314,750.08</b>	<b>2,825,526,913.01</b>	
November	Auction date	4-Nov-14	11-Nov-14	18-Nov-14	25-Nov-14	
	Local debt repayment <sup>1</sup>	<b>1,646,615,014.25</b>	<b>2,152,816,298.50</b>	<b>2,304,617,853.04</b>	<b>2,034,765,939.72</b>	
	External debt repayment <sup>2</sup>	252,331,066.47	382,999,665.75	<b>2,007,679,826.05</b>	<b>3,668,531,828.61</b>	
	Total	<b>1,898,946,080.72</b>	<b>2,535,815,964.24</b>	<b>4,312,297,679.09</b>	<b>5,703,297,768.34</b>	
December	Auction date	2-Dec-14	9-Dec-14	16-Dec-14	23-Dec-14	30-Dec-14
	Local debt repayment <sup>1</sup>	<b>1,097,271,489.75</b>	<b>3,688,425,210.00</b>	<b>2,521,645,998.00</b>	<b>1,884,640,719.06</b>	514,467,890.00
	External debt repayment <sup>2</sup>	101,051,450.40	<b>2,727,057,903.17</b>	<b>2,469,982,285.77</b>	<b>2,471,217,507.00</b>	0.00
	Total	<b>1,198,322,940.15</b>	<b>6,415,483,113.17</b>	<b>4,991,628,283.77</b>	<b>4,355,858,226.06</b>	514,467,890.00

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	Inter-est	Prin-cipal		Ordin-aries	VATs	Recaps	Ordin-aries	VATs	Recaps	Inter-est	Prin-cipal	
<b>BY QUARTERS</b>																		
3Q14	1,100.9	135.2	1,559.3	300.0	1,638.7		3,779.4	5,450.1		89.9	11.0	127.3	24.5	133.8		308.5	444.9	
4Q14	4,021.1		4,252.8	1,037.8		4,696.5	10,173.6	15,425.6		328.3		347.2	84.7		383.4	830.5	1,259.2	
1Q15	2,416.3	90.4	2,705.4	623.7	1,643.6	2,000.0	6,529.1	13,578.8		197.2	7.4	220.9	50.9	134.2	163.3	533.0	1,108.5	
2Q15	3,891.9		3,725.1	1,095.8			9,140.4	16,775.8		317.7		304.1	89.5			746.2	1,369.5	
3Q15	2,716.9	45.2	3,172.6	450.8	1,643.6	1,000.0	6,954.8	8,267.3		221.8	3.7	259.0	36.8	134.2	81.6	567.7	674.9	
4Q15	3,797.7		3,929.0	0.8		6,000.0	8,542.5	6,909.8		310.0		320.7	0.1		489.8	697.3	564.1	
1Q16	2,587.7		2,737.6	0.8		2,750.0	6,128.0	11,644.4		211.2		223.5	0.1		224.5	500.2	950.6	
2Q16	3,797.7		3,610.3	6,250.2		9,085.0	8,181.4	16,269.6		310.0		294.7	510.2		741.6	667.9	1,328.1	
3Q16	2,587.6		2,606.9	3,532.6		7,135.0	5,642.1	16,291.2		211.2		212.8	288.4		582.4	460.6	1,329.9	
4Q16	3,251.0		3,213.5				7,200.7	6,102.6		265.4		262.3				587.8	498.2	
1Q17	2,285.1		2,268.0	2,750.0		1,250.0	4,754.7	7,765.0		186.5		185.1	224.5		102.0	388.1	633.9	
2Q17	3,251.0		3,213.5	7,788.5		6,357.9	6,960.0	18,225.1		265.4		262.3	635.8		519.0	568.2	1,487.8	
3Q17	2,083.2		2,208.7	1,810.0		6,550.0	4,338.1	8,360.0		170.1		180.3	147.8		534.7	354.1	682.4	
4Q17	2,679.8		2,863.5	5,212.9		7,658.3	5,886.8	19,522.6		218.8		233.8	425.5		625.2	480.6	1,593.7	
1Q18	1,953.7		1,873.5	4,318.9		8,875.0	3,873.5	13,193.9		159.5		152.9	352.6		724.5	316.2	1,077.1	
2Q18	2,307.2		2,403.7	11,845.3		7,157.9	4,805.0	19,003.3		188.3		196.2	967.0		584.3	392.2	1,551.3	
3Q18	1,644.9		1,368.6	5,101.3		10,145.1	3,059.8	15,246.5		134.3		111.7	416.4		828.2	249.8	1,244.6	
4Q18	1,462.5		2,034.1	5,108.8		13,221.7	3,590.6	20,839.5		119.4		166.0	417.0		1,079.3	293.1	1,701.2	
<b>BY YEARS</b>																		
2014	5,122.1	135.2	5,812.1	1,337.8	1,638.7	4,696.5	13,952.9	20,875.6		418.1	11.0	474.5	109.2	133.8	383.4	1,139.0	1,704.1	
2015	12,822.8	135.6	13,532.0	2,171.0	3,287.2	9,000.0	31,166.7	45,531.7	1,046.8	11.1	1,104.7	177.2	268.3	734.7	2,544.2	3,716.9		
2016	12,224.0		12,168.3	9,783.6		18,970.0	27,152.2	50,307.9	997.9		993.3	798.7		1,548.6	2,216.5	4,106.8		
2017	10,299.1		10,553.7	17,561.3		21,816.2	21,939.6	53,872.8	840.7		861.5	1,433.6		1,780.9	1,791.0	4,397.8		
2018	7,368.3		7,679.9	26,374.4		39,399.8	15,328.9	68,283.1	601.5		626.9	2,153.0		3,216.3	1,251.3	5,574.1		

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
<b>BY QUARTERS</b>												
3Q14	1,573.5	764.2	0.0	3,780.4	2,337.7	3,780.4	134.9	65.5	0.0	324.2	200.5	324.2
4Q14	3,819.0	1,785.5	0.0	11,332.6	5,604.6	11,332.6	327.5	153.1	0.0	971.9	480.6	971.9
1Q15	2,975.7	1,192.0	0.0	10,015.2	4,167.7	10,015.2	255.2	102.2	0.0	858.9	357.4	858.9
2Q15	3,819.0	1,399.7	0.0	15,002.3	5,218.8	15,002.3	327.5	120.0	0.0	1,286.6	447.5	1,286.6
3Q15	2,975.7	852.9	5,830.4	4,566.0	3,828.6	10,396.4	255.2	73.1	500.0	391.6	328.3	891.6
4Q15	3,819.0	878.7	41,143.6	990.7	4,697.7	42,134.3	327.5	75.4	3,528.4	85.0	402.9	3,613.3
1Q16	2,775.3	700.5	0.0	7,690.3	3,475.8	7,690.3	238.0	60.1	0.0	659.5	298.1	659.5
2Q16	2,792.0	874.9	14,576.0	868.1	3,666.9	15,444.2	239.4	75.0	1,250.0	74.5	314.5	1,324.5
3Q16	2,775.3	397.2	0.0	2,632.9	3,172.4	2,632.9	238.0	34.1	0.0	225.8	272.1	225.8
4Q16	2,336.5	840.2	11,660.8	5,227.1	3,176.7	16,887.9	200.4	72.1	1,000.0	448.3	272.4	1,448.3
1Q17	2,775.3	281.6	0.0	3,498.2	3,056.9	3,498.2	238.0	24.2	0.0	300.0	262.2	300.0
2Q17	1,952.8	637.5	0.0	3,789.8	2,590.3	3,789.8	167.5	54.7	0.0	325.0	222.1	325.0
3Q17	2,775.3	137.7	30,318.1	0.0	2,912.9	30,318.1	238.0	11.8	2,600.0	0.0	249.8	2,600.0
4Q17	1,952.8	481.3	8,162.6	6,180.2	2,434.1	14,342.8	167.5	41.3	700.0	530.0	208.7	1,230.0
1Q18	1,373.1	106.8	0.0	0.0	1,479.9	0.0	117.8	9.2	0.0	0.0	126.9	0.0
2Q18	1,677.4	218.8	0.0	0.0	1,896.2	0.0	143.8	18.8	0.0	0.0	162.6	0.0
3Q18	1,373.1	76.7	0.0	0.0	1,449.7	0.0	117.8	6.6	0.0	0.0	124.3	0.0
4Q18	1,677.4	188.5	0.0	2,331.2	1,865.8	2,331.2	143.8	16.2	0.0	199.9	160.0	199.9
<b>BY YEARS</b>												
2014	5,392.5	2,549.8	0.0	15,113.1	7,942.3	15,113.1	462.4	218.7	0.0	1,296.1	681.1	1,296.1
2015	13,589.5	4,323.4	46,974.0	30,574.2	17,912.8	77,548.2	1,165.4	370.8	4,028.4	2,622.0	1,536.2	6,650.3
2016	10,679.0	2,812.8	26,236.8	16,418.3	13,491.8	42,655.2	915.8	241.2	2,250.0	1,408.0	1,157.0	3,658.0
2017	9,456.2	1,538.0	38,480.7	13,468.2	10,994.3	51,949.0	810.9	131.9	3,300.0	1,155.0	942.8	4,455.0
2018	6,100.8	590.8	0.0	2,331.2	6,691.6	2,331.2	523.2	50.7	0.0	199.9	573.9	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	<b>NAFTO</b>	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	<b>DTEKUA</b>	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	<b>MHPSA</b>	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	<b>METINV</b>	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	<b>AVINPU</b>	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	<b>INPIP</b>	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	<b>GLNGUZ</b>	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	<b>BORYS</b>	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	<b>UTLMUZ</b>	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	<b>MRIYA</b>	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	<b>FXPOLN</b>	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	<b>AGTPW</b>	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	<b>AGROM</b>	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	<b>KSGPW</b>	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	<b>IMCPW</b>	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.

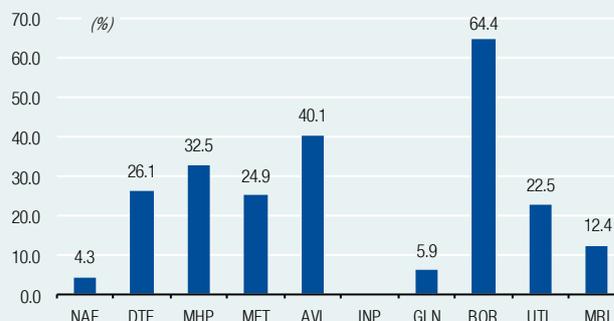
Sources: Company data, Investment Capital Ukraine LLC.

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



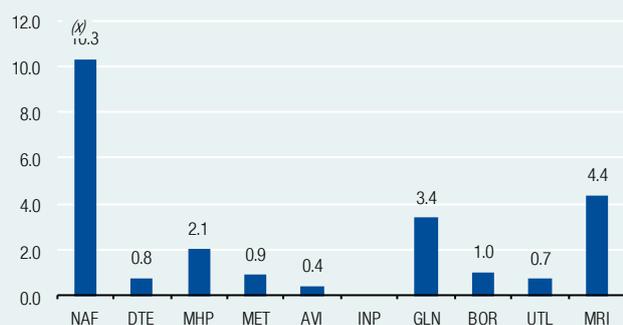
Source: Company data, Investment Capital Ukraine LLC.

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 buffer<sup>1</sup>, 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.

<sup>1</sup> 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<sub>i</sub>* 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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