

# 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       |
| <b>Held by</b>                                 |            |                |             |
| 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

Taras Kotovych

# Market update and news

## Domestic bond market

### Liquidity slight decline and funds reallocation

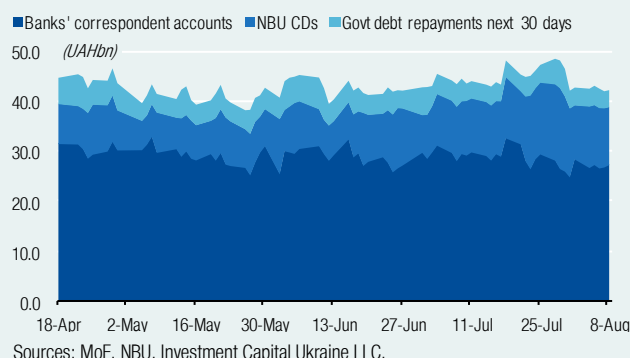
#### *Liquidity was slightly volatile last week*

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.

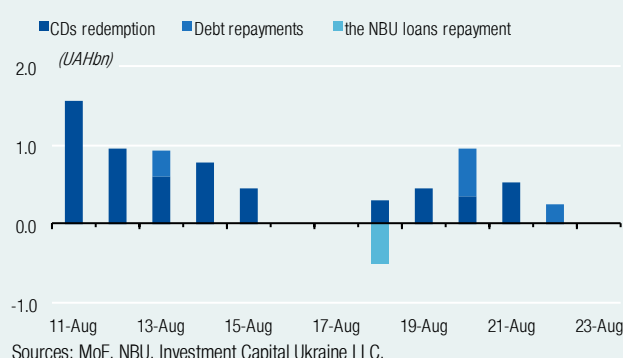
#### *Inside the broader indicator we saw mild fund reallocations*

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***

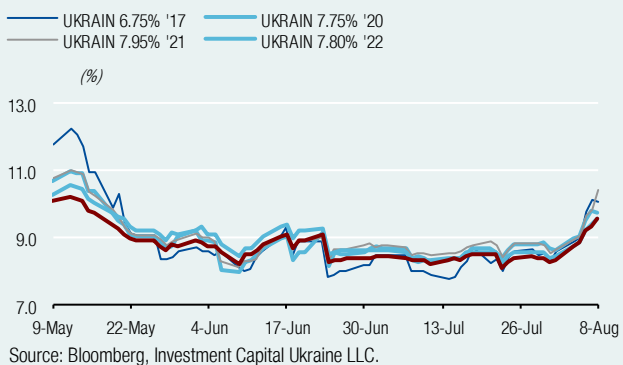
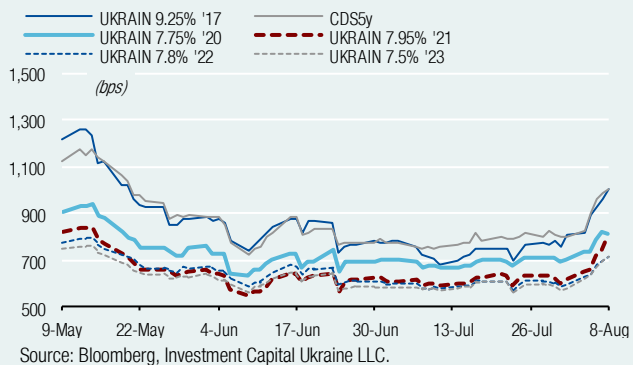
Ukrainian sovereign risks significantly rose last week as Ukraine failed to receive the much anticipated second tranche from the IMF and tensions in eastern Ukraine mounted further as Russia made further moves to invade. If an invasion does occur, Ukraine will most likely be forced into default as it 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 YTMs 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****Chart 4. Ukrainian Eurobonds spreads**

## 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.

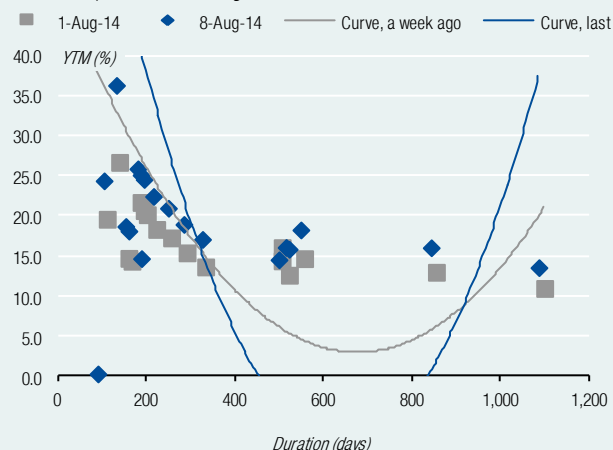
## UAH bond market

Table 1. Ukrainian local-currency government bonds as of 8 Aug 2014

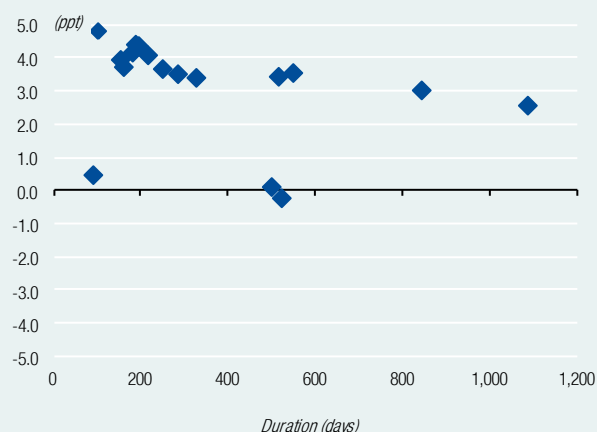
| Ticker | Volume<br>(UAHm) | Coupon<br>rate (%) | Maturity  | Price<br>(% of par) | YTM<br>(%) | Weekly<br>price<br>chg (bp) | Weekly<br>yield<br>chg (bp) | Duartion<br>(years) | 1W daily avg<br>turnover<br>(UAHm) | 1W total<br>turnover<br>(UAHm) | Total<br>turnover<br>(UAHm) | Liquidity<br>ratio* |
|--------|------------------|--------------------|-----------|---------------------|------------|-----------------------------|-----------------------------|---------------------|------------------------------------|--------------------------------|-----------------------------|---------------------|
| 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.

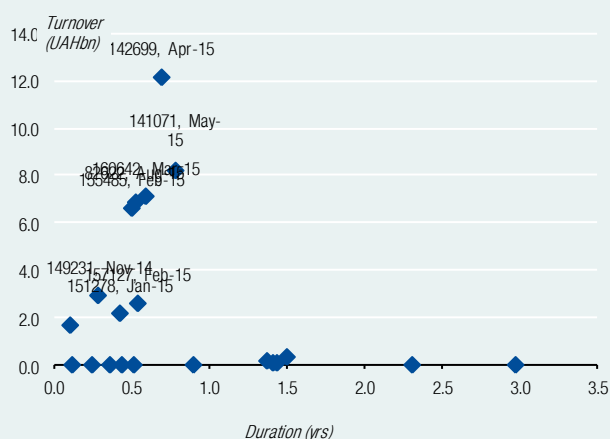
Sources: Bloomberg, PFTS, Investment Capital Ukraine LLC.

**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.

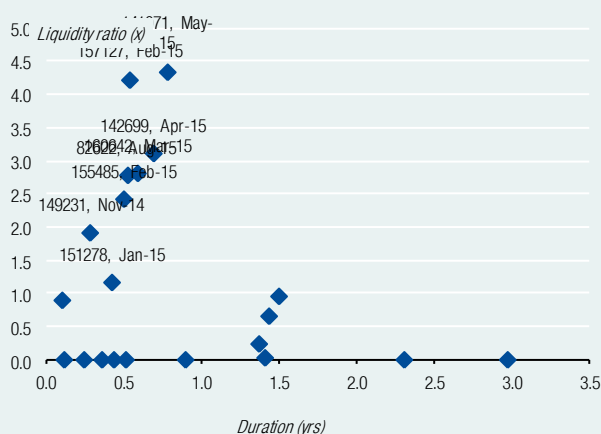
**Chart 6. Movement of the local-currency sovereign yield curve***Over last week, in percentage points*

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<br>(million) | Curr-<br>ency | Coupon<br>rate (%) | Maturity  | Price<br>(% of par) | YTM (%) | Weekly<br>price<br>chg (bp) | Weekly<br>yield<br>chg (bp) | Spread<br>(bp) | Duration<br>(years) |
|------------------|-----------------------------|-------------------|---------------------|---------------|--------------------|-----------|---------------------|---------|-----------------------------|-----------------------------|----------------|---------------------|
| <b>CITKIE-15</b> | Kyiv                        | Caa3/CCC/CC<br>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<br>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<br>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                  | Cau/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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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<br>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                |

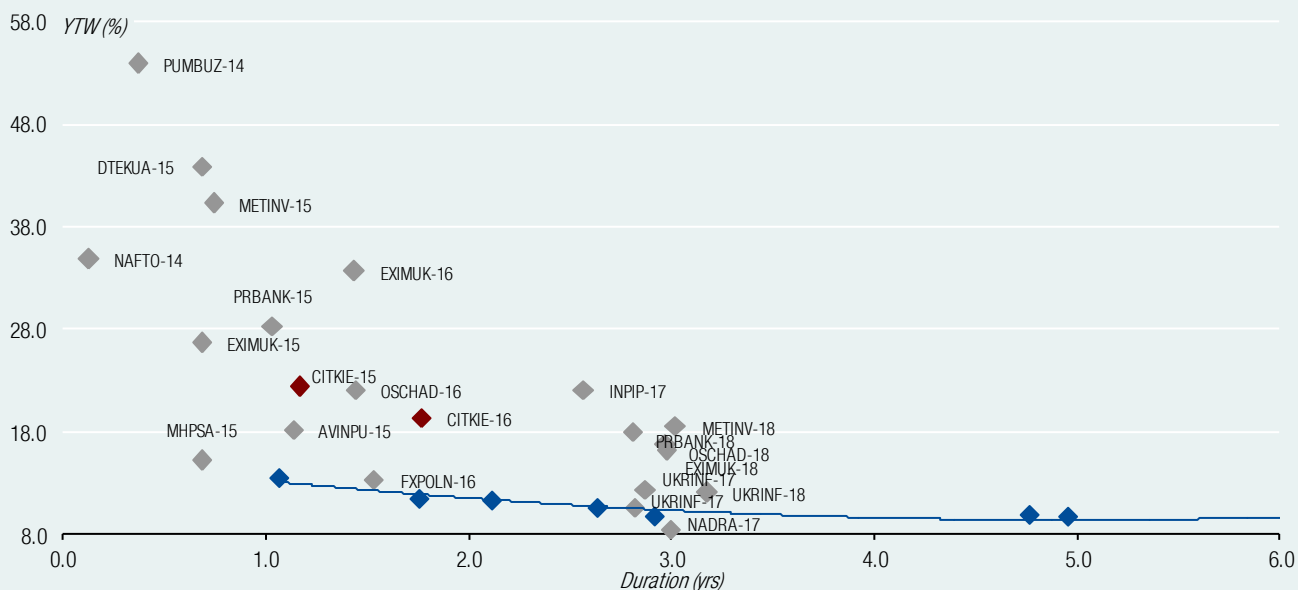


| C                |                             |            |       |     |       |           |        |       |   |   |      |
|------------------|-----------------------------|------------|-------|-----|-------|-----------|--------|-------|---|---|------|
| <b>OSCHAD-16</b> | Oshchadbank        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

Sources: Bloomberg, Investment Capital Ukraine LLC.

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

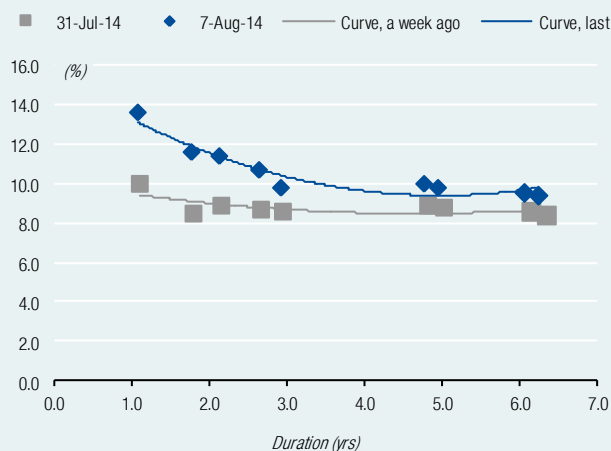
Blue dots are Ukraine sovereign Eurobonds; grey dots are corporate Eurobonds and red ones are municipal Eurobonds



Sources: Bloomberg, Investment Capital Ukraine LLC..

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

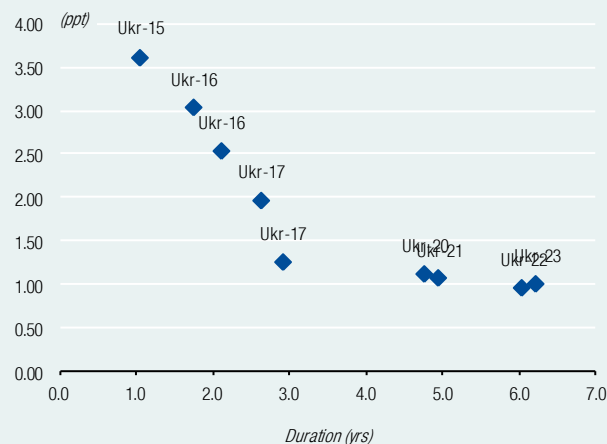
Last one compared to 1 week ago



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.

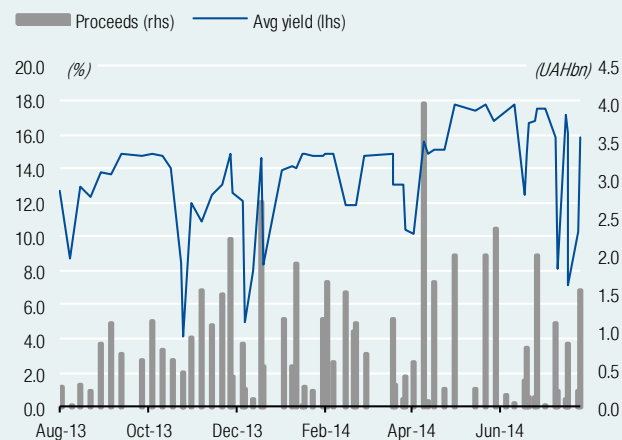
## Primary market for UAH state bonds

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

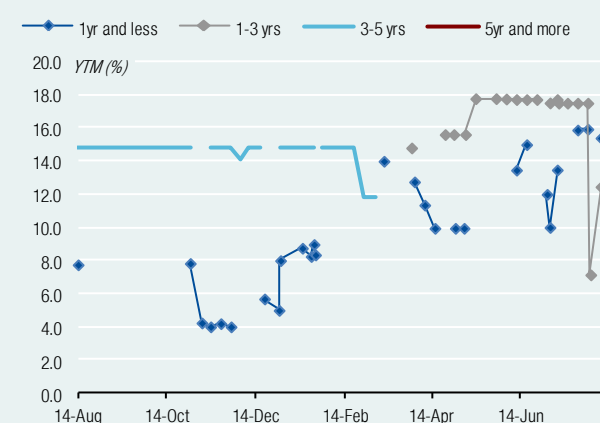
| Date      | Qty of bonds offered/sold | Proceeds (UAHm) | Volume of bonds sold* (UAHm) | Volume of bids submitted (UAHm) | Qty of bids submitted | Lowest yield asked** (%) | Highest yield asked** (%) | MoF cut-off yield (%) | Qty of bids accepted | Average yield (%) | WA yield (%) | Average duration (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.

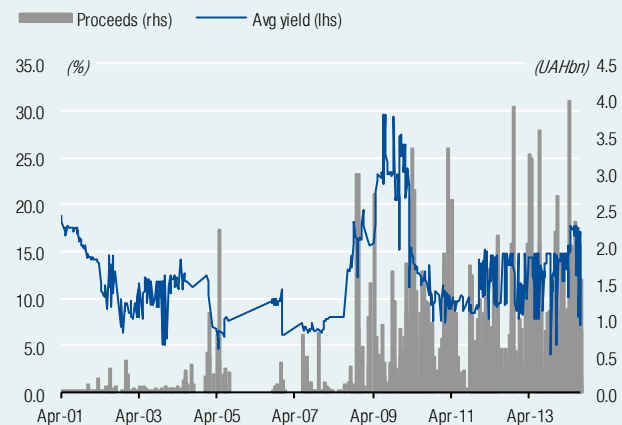
Sources: Ministry of Finance, Investment Capital Ukraine LLC.

**Chart 12. Effective yield of debt raised by MoF and total volume of proceeds at the government bond auctions***Last 12-month period*

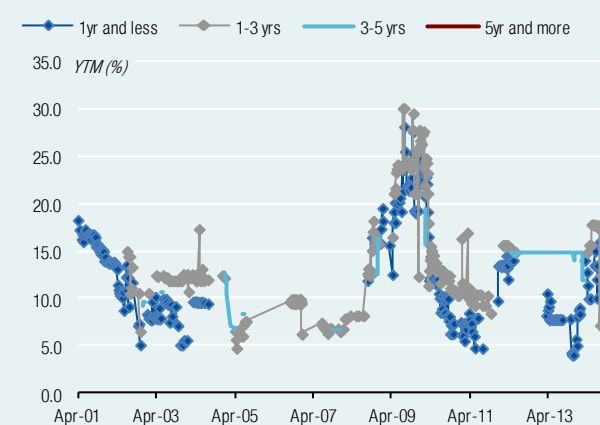
Sources: Ministry of Finance, Investment Capital Ukraine LLC.

**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             | 0.00             | 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             | 0.00             | 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             | 0.00             | 0.00             | 0.00             | 0.00             |
| 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                                | 0.00             | 0.00             | 0.00             | 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             | 0.00             |                  |
| 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   | 1,737,200,023.50 | 1,118,315,897.83 |                  |
|           | 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   | 2,455,856,421.73 | 1,157,077,418.36 |                  |
| 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   | 2,575,357,027.00 | 800,729,576.69   | 2,128,656,599.00 | 1,300,580,000.00 |
|           | External debt repayment <sup>2</sup> | 0.00             | 1,832,862,420.81 | 1,235,305,251.18 | 2,074,298,946.68 | 0.00             |
|           | Total                                | 313,825,000.00   | 4,408,219,447.81 | 2,036,034,827.87 | 4,202,955,545.68 | 1,300,580,000.00 |
| October   | Auction date                         | 7-Oct-14         | 14-Oct-14        | 21-Oct-14        | 28-Oct-14        |                  |
|           | Local debt repayment <sup>1</sup>    | 2,293,208,150.00 | 865,794,358.50   | 1,234,537,650.88 | 2,059,745,238.75 |                  |
|           | External debt repayment <sup>2</sup> | 1,372,210,497.50 | 546,600,984.38   | 171,777,099.21   | 765,781,674.26   |                  |
|           | Total                                | 3,665,418,647.50 | 1,412,395,342.88 | 1,406,314,750.08 | 2,825,526,913.01 |                  |
| November  | Auction date                         | 4-Nov-14         | 11-Nov-14        | 18-Nov-14        | 25-Nov-14        |                  |
|           | Local debt repayment <sup>1</sup>    | 1,646,615,014.25 | 2,152,816,298.50 | 2,304,617,853.04 | 2,034,765,939.72 |                  |
|           | External debt repayment <sup>2</sup> | 252,331,066.47   | 382,999,665.75   | 2,007,679,826.05 | 3,668,531,828.61 |                  |
|           | Total                                | 1,898,946,080.72 | 2,535,815,964.24 | 4,312,297,679.09 | 5,703,297,768.34 |                  |
| December  | Auction date                         | 2-Dec-14         | 9-Dec-14         | 16-Dec-14        | 23-Dec-14        | 30-Dec-14        |
|           | Local debt repayment <sup>1</sup>    | 1,097,271,489.75 | 3,688,425,210.00 | 2,521,645,998.00 | 1,884,640,719.06 | 514,467,890.00   |
|           | External debt repayment <sup>2</sup> | 101,051,450.40   | 2,727,057,903.17 | 2,469,982,285.77 | 2,471,217,507.00 | 0.00             |
|           | Total                                | 1,198,322,940.15 | 6,415,483,113.17 | 4,991,628,283.77 | 4,355,858,226.06 | 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-<br>aries   | VATs  | Recaps   | Ordin-<br>aries | VATs    | Recaps   | Inte-<br>rest | Prin-<br>cipal | Ordin-<br>aries                          | VATs | Recaps  | Ordin-<br>aries | VATs  | Recaps  | Inte-<br>rest | Prin-<br>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

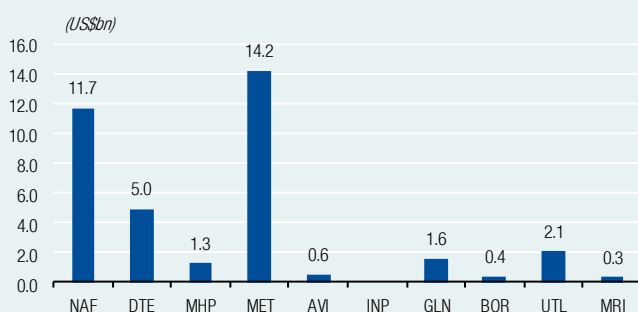
Table 8. Ukrainian corporate bond issuers and their key financial figures and ratios\* (US\$m)

| 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.

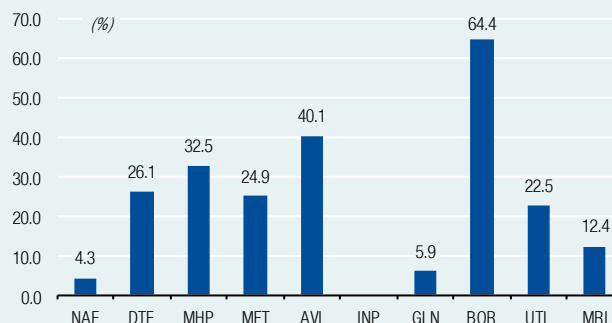
Sources: Company data, Investment Capital Ukraine LLC.

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



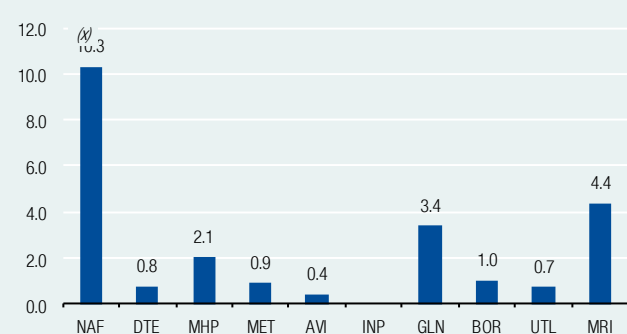
Source: Company data, Investment Capital Ukraine LLC.

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



Source: Company data, Investment Capital Ukraine LLC.

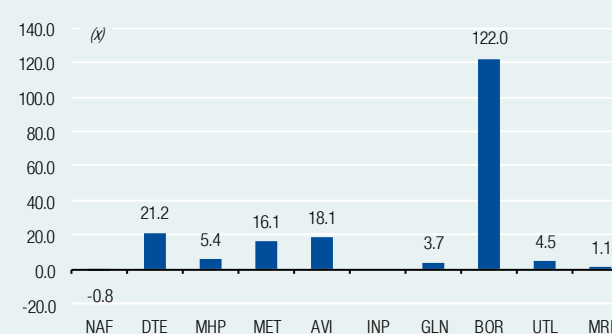
Chart 18. Ukraine's companies by leverage ratio



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 exchanges 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.

This page is intentionally left blank

# Disclosures

## ANALYST CERTIFICATION

This research publication has been prepared by the analyst(s), whose name(s) appear on the front page of this publication. The analyst(s) hereby certifies that the views expressed within this publication accurately reflect her/his own views about the subject financial instruments or issuers and no part of her/his compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views within this research publication.



**INVESTMENT CAPITAL UKRAINE**  
INVESTMENT BANKING

Office 44, 11th floor, LEONARDO Business Centre  
19-21 Bogdan Khmelnytsky Street  
Kiev, 01030 Ukraine  
Phone/Fax +38 044 2200120

**CORPORATE FINANCE TEL. +38 044 2200120**

**Makar Paseniuk**, Managing Director  
makar.paseniuk@icu.ua

**Volodymyr Demchyshyn**, Director  
volodymyr.demchyshyn@icu.ua

**Ruslan Kilmukhametov**, Director  
ruslan.kilmukhametov@icu.ua

**SALES AND TRADING TEL. +38 044 2201621**

**Konstantin Stetsenko**, Managing Director  
konstantin.stetsenko@icu.ua

**Sergiy Byelyayev**, Fixed-Income Trading  
sergiy.byelyayev@icu.ua

**Vitaliy Sivach**, Fixed-Income & FX Trading  
vitaliy.sivach@icu.ua

**Vlad Sinani**, Director,  
Strategy and Corporate Development  
vlad.sinani@icu.ua

**Julia Pecheritsa**,  
Ukraine and CIS International Sales  
julia.pecheritsa@icu.ua

**Yevgeniya Gryshchenko**,  
Fixed-Income Sales  
yevgeniya.gryshchenko@icu.ua

**RESEARCH DEPARTMENT TEL. +38 044 2200120**

**Alexander Valchyshen**  
Head of Research  
alexander.valchyshen@icu.ua

**Alexander Martynenko**  
Head of corporate research  
alexander.martynenko@icu.ua

**Bogdan Vorotilin**  
Financial analyst (Food & Agribusiness)  
bogdan.vorotilin@icu.ua

**Taras Kotovych**  
Senior financial analyst (Sovereign debt)  
taras.kotovych@icu.ua

**Mykhaylo Demkiv**  
Financial analyst (Banks)  
mykhaylo.demkiv@icu.ua

**Lee Daniels, Rolfe Haas**  
Editors

Investment Capital Ukraine LLC is regulated by Securities and Stock Market State Commission of Ukraine (licence numbers: dealer activity AE 263019, broker activity AE 263018, underwriting activity AE 263020 dated 11 April 2013).

---

## DISCLAIMER

This research publication has been prepared by Investment Capital Ukraine LLC solely for information purposes for its clients. It does not constitute an investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, Investment Capital Ukraine makes no representation that it is accurate or complete. The information contained herein is subject to change without notice. Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Investment Capital Ukraine LLC. All rights are reserved. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors should make their own investigations and investment decisions without relying on this report. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuer or market discussed herein and other persons should not take any action on the basis of this report.



**Additional information is available upon request.**