

UKRAINE IN THE YEAR 2020



MINISTRY OF
FINANCE OF
UKRAINE



Governance

- ✓ Free and democratic local elections held
- ✓ New **c.USD 5bn** IMF Stand-By Arrangement agreed
- ✓ Newly-established High Anti-Corruption Court passed 24 sentences upon officials engaged in corruption
- ✓ Ukraine improved its position in the international budget transparency rating Open Budget Index
- ✓ Ukraine tops Transparent Public Procurement Rating



Reforms

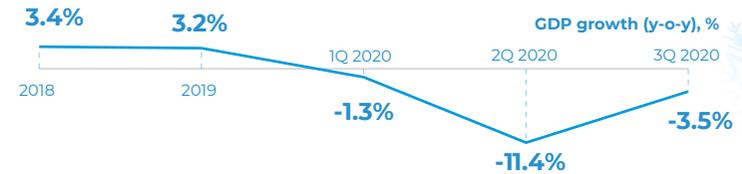
- ✓ Agricultural land reform launched
- ✓ Banking law aimed at preventing insolvent banks from being returned to their former owners adopted
- ✓ Gas market for private consumers liberalized
- ✓ Gambling business legalized
- ✓ **4,000 km of roads** built and repaired - record high amount in Ukraine's modern history
- ✓ Intellectual property reform launched
- ✓ State-developed mobile application Diia digitalizing state services launched



Money and Capital market Development

- ✓ Legal and regulatory framework for the derivatives market established
- ✓ **Strategy of Ukrainian Financial Sector Development 2025** approved by financial market regulators
- ✓ Non-resident banks' possibilities at the Ukrainian FX market expanded
- ✓ Long-term refinancing facilities of banks for **up to 5 years** introduced by the NBU
- ✓ Ukrainian depositaries may open new account in the National Depository of Ukraine for their international clients as nominal securities holders

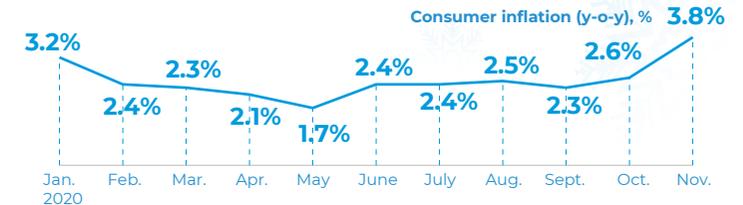
Ukraine's GDP is rebounding faster than expected...



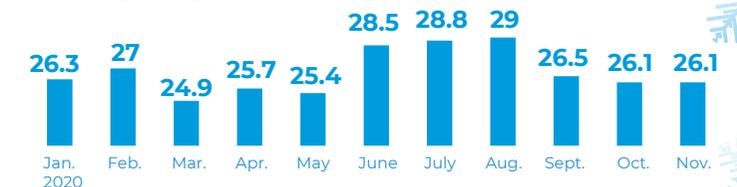
...supported by strong domestic demand



Inflation stays below the target level...



...and international reserves remained sufficient during the year of debt redemption peak



Z-spreads are falling



Debt Management

- ✓ Ukraine's Ministry of Finance recognized as the **Debt Management Office of the Year** in CEE by GlobalMarkets
- ✓ Ukrainian EUR 1bn sovereign bond issuance in June 2019 is recognized "**Best Europe SSA Bonds Deal 2020**" by the Banker
- ✓ Moody's upgraded Ukraine's sovereign rating to B3 and R&I - to **B+**
- ✓ Liability management operation held - Ukraine bought back **USD 435m** of 2021 and **USD 371m** of 2022 Eurobond series
- ✓ More than 10% of GDP-warrants bought back from the market
- ✓ **USD 1 bn** of US guaranteed notes and **USD 1.69 bn** of Eurobonds redeemed
- ✓ **EUR 1.25 4.375%** 2030 Eurobond issued at the lowest yield in Ukraine's history
- ✓ **USD 600m** 2033 Eurobonds tapped the market at historically lowest yield for USD bonds of **6.20%**

Trade and investment promotion

- ✓ Ukraine and the United Kingdom signed an agreement on political cooperation, free trade, and strategic partnership
- ✓ The OECD improved the assessment of Ukraine's country risks, putting the country from the seventh to the sixth group of the classification of countries
- ✓ The new investment promotion law adopted
- ✓ Fastest business registration in the world launched
- ✓ **UAH 5 bn** portfolio partial state guarantee scheme to support micro, small and medium-sized enterprises launched by the Government
- ✓ **Affordable Loans at "5-7-9%"** program for businesses launched
- ✓ Concession of Ukraine's sea ports launched with two successfully completed concessions in 2020
- ✓ **First public-private partnership program** in Ukraine's roads sector **is launched**
- ✓ Natural gas transit between EU countries performed for the first time
- ✓ **USD 88m** attracted to the state budget through privatization

Reform priorities for 2021



Judicial reform



Launch of the large-scale privatization



Three-year budgeting framework



Modernization of State Tax Service and State Customs Service



Creation of the Bureau of Financial investigation