

UKRAINE IN THE YEAR 2022



Ministry of
Finance
of Ukraine

COVID-19 Response

- Vaccination campaign in Ukraine started in February 2021. 41.5 million doses in total of Pfizer, Sinovac, Moderna and AstraZeneca vaccines are delivered to Ukraine.
- More than 14 million Ukrainians or more than 47% of Ukraine's adult population is vaccinated with one dose
- UAH 45.5 billion Spent on Fighting COVID-19 in 2021
- Salaries for medical personnel working with Covid patients increased by 300%

Reforms

- Land market launched
- Three-year budgeting framework introduced
- Bureau of Economic Security of Ukraine established
- Investments in infrastructure advanced with more than 5,000 km of roads repaired
- NBU independence strengthened
- Ukraine is the first country in the world to fully legalize digital passports in smartphones
- Authorized Economic Operator Program at State Customs Service of Ukraine introduced
- Declarations in the regime of common transit at the national level with the use of National Electronic Transit System launched
- Functioning of the gas market improved
- Measures improving tax administration introduced

IFI Support

- Ukraine continued enjoying strong support from the IFIs with more than USD 3.8 billion of concessional financing from IFIs attracted to the state budget
- First review under the IMF Stand-By Arrangement for Ukraine completed
- IMF Stand-By Arrangement for Ukraine extended to end-June 2022
- Second tranche of the EU Macro-Financial Assistance Program received
- Two World Bank's Economic Recovery Development Policy Loans received

Debt Management

- Ukraine's state and state-guaranteed debt to GDP ratio declined to 49.1% in Q3 2021
- Share of state debt in Hryvnia increased to 40%
- Ukraine issued USD 1,750m Eurobond due 2029 with a yield of 6.875% for the first time at London Stock Exchange
- Medium-Term State Debt Management Strategy for 2021-2024 approved
- Fitch Ratings improved Ukraine's outlook to positive
- Ukraine's Feb 2025s UAH government bonds will be included in JP Morgan GBI EM Index from Mar 31, 2022
- Inaugural Green and Sustainability-linked Eurobond of Ukrrenerg under government's guarantee issued
- Improvement and deepening of ECA financing opportunities (4 new projects with BPI coverage, the first project with UKEF on COVID-19 test kits and defense straightening projects)
- Ukraine received second place award in the category Most Impressive Issuer from the CIS and Former CIS Countries of Global Capital's Bond Awards 2021

Judicial and Anti-Corruption Reforms

- Law on the High Qualification Commission of Judges adopted
- Law on the High Council of Justice adopted
- Ethics Council selecting members of the High Council of Justice established
- Criminal liability for inaccurate asset declaration by officials restored
- Status of the National Anti-Corruption Bureau brought in line with the requirements of the Constitution
- Work of High Qualifications Commission of Judges resumed

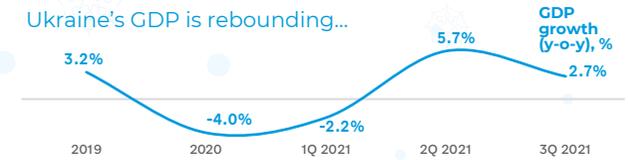
Trade and Investment Promotion

- Large-scale privatization unblocked by the Parliament
- Privatization proceeds amount to more than UAH 5 billion with more than 700 objects sold
- Tax and customs incentives for projects with significant investments provided
- Common Aviation Area Agreement with the EU signed
- Law on development of IT industry and legal framework for Diia.City adopted
- Law on Industrial parks aimed to attract investments improved
- Currency liberalization efforts continued by the NBU

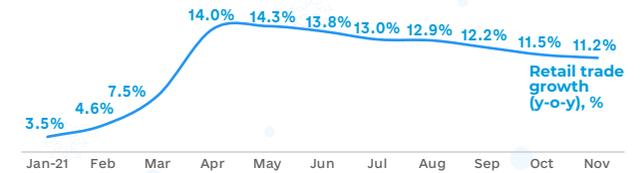
ESG Developments

- Updated National Determined Contributions of Ukraine to the Paris Agreement, which aims to reduce greenhouse gas emissions by 65% in 2030 compared to the level of CO2 emissions in 1990. Ukraine aims to achieve a climate-neutral economy in 2060 submitted
- Monitoring system of greenhouse gas emissions launched
- National Action Plan for Environmental Protection until 2025 approved
- National-scale Forestation Program launched
- Use of plastic bags in Ukraine is limited by Law
- Ministry of Finance of Ukraine joined Coalition of Finance Ministers for Climate Action
- NBU joined Network for Greening the Financial System

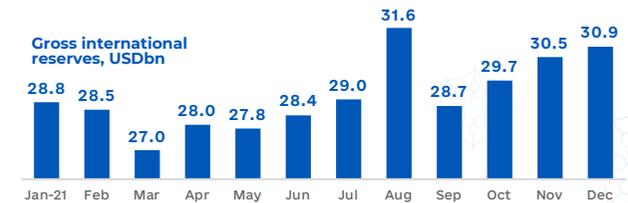
Ukraine's GDP is rebounding...



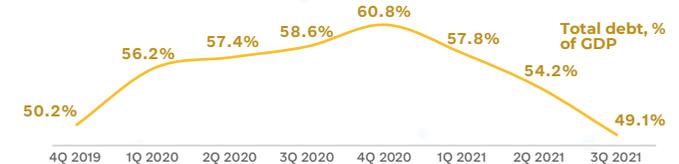
...supported by strong domestic demand



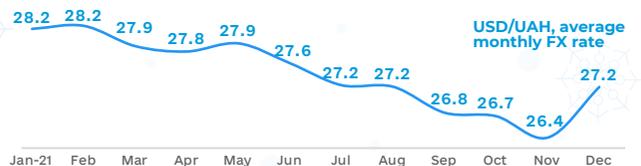
International reserves are increasing during the year of peak debt redemptions...



...while Debt to GDP ratio is decreasing



Hryvnia remained strong and stable...



...and NBU started the cycle of rate hikes to curb inflation

