



MINISTRY OF
FINANCE OF
UKRAINE

JP Morgan Emerging Markets Credit Conference

Yuriy Butsa
Government Commissioner for
Public Debt Management

September 20, 2022



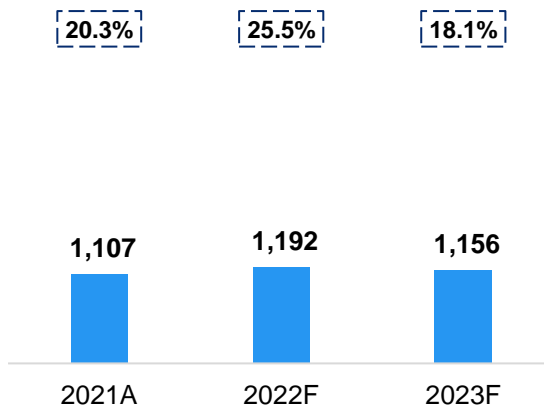
BRAVERY
IS STRONGER
THAN BOMBS

Key macroeconomic assumptions

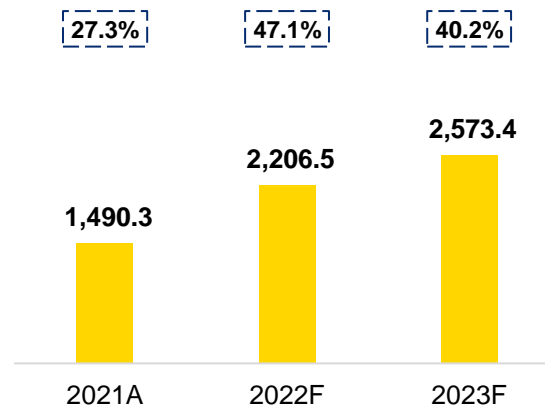
	2021A	2022F	2023F
Nominal GDP, UAHbn	5,460	4,680	6,399
Real GDP growth, %	3.4%	(33.2%)	4.6%
CPI (eop), %	10.0%	30.1%	30.0%
Unemployment rate, %	9.9%	27.9%	28.2%
Trade balance, USDbn	(2,671)	(18,665)	(14,248)

Key State budget indicators (UAHbn and % of GDP)

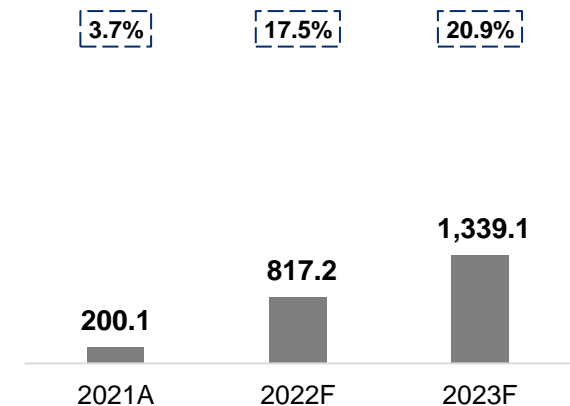
Tax revenues



Expenditures



Budget deficit (excl. grants)



Draft State Budget 2023

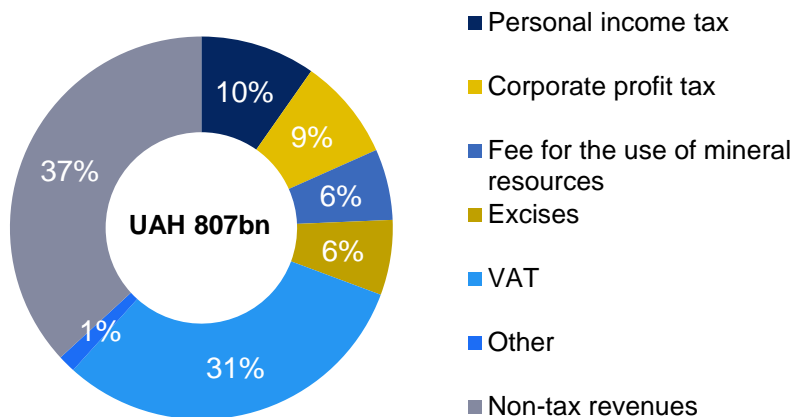
UAH m	FY 2021 (Actual)	FY 2022 (Budget Law as of July)	FY 2023 (Draft Budget Law as of Sept)	% diff.
Revenues	1,296,896	1,395,162	1,279,173	(8%)
Tax revenues, incl.	1,107,091	1,192,489	1,155,970	(3%)
Personal income tax and income charge	137,555	149,812	129,067	(14%)
Corporate profit tax	147,752	158,439	132,000	(17%)
Fee for the use of mineral resources	80,749	71,246	120,618	+69%
Excises	162,451	161,818	137,365	(15%)
VAT (net of VAT reimbursement)	536,489	608,751	596,300	(2%)
Export and Import duties	38,177	37,427	37,903	+1%
Other taxes and duties	3,917	4,996	2,717	(46%)
Non-tax revenues	189,806	202,673	123,203	(39%)
Expenditures	(1,491,206)	(2,206,548)	(2,573,401)	+17%
General public functions, incl.:	(206,789)	(226,044)	(390,435)	+73%
Debt service	(150,063)	(167,833)	(326,284)	+94%
Security and Defense	(301,937)	(987,018)	(1,157,698)	+17%
Economic activity	(181,277)	(113,496)	(166,818)	+47%
Protection of environment	(8,200)	(5,755)	(5,943)	+3%
Municipal utilities and services	(164)	(375)	(12,920)	-
Healthcare	(171,017)	(195,542)	(173,654)	(11%)
Intellectual and physical development	(15,970)	(12,358)	(10,582)	(14%)
Education	(63,840)	(67,221)	(64,643)	(4%)
Social welfare	(339,279)	(437,603)	(409,028)	(7%)
Interbudgetary transfers	(202,733)	(161,137)	(181,681)	+13%
Net lending	(4,534)	22	(45,100)	-
Primary state budget balance	(48,781)	(643,531)	(1,013,045)	-
Overall state budget balance	(198,844)	(811,365)	(1,339,329)	-

The government pursues prudent fiscal management in difficult circumstances

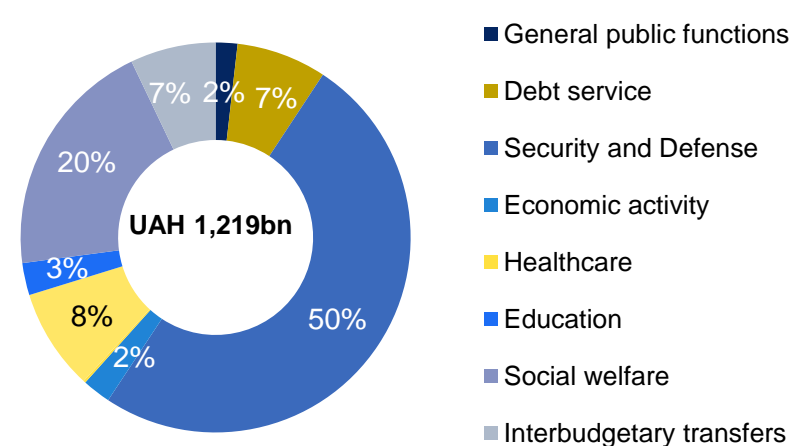
Jan-July 2022 state budget execution

UAHbn	Jan-July 2021	Jan-July 2022	%diff
Revenues	681.0	807.0	+18%
Expenditures	732.4	1,218.5	+66%
Net lending	(2.0)	0.0	-
Primary state budget balance	24.6	(321.8)	-
Overall state budget balance	(53.4)	(411.5)	-

State budget revenue breakdown (Jan-July 2022)



State budget expenditure breakdown (Jan-July 2022)

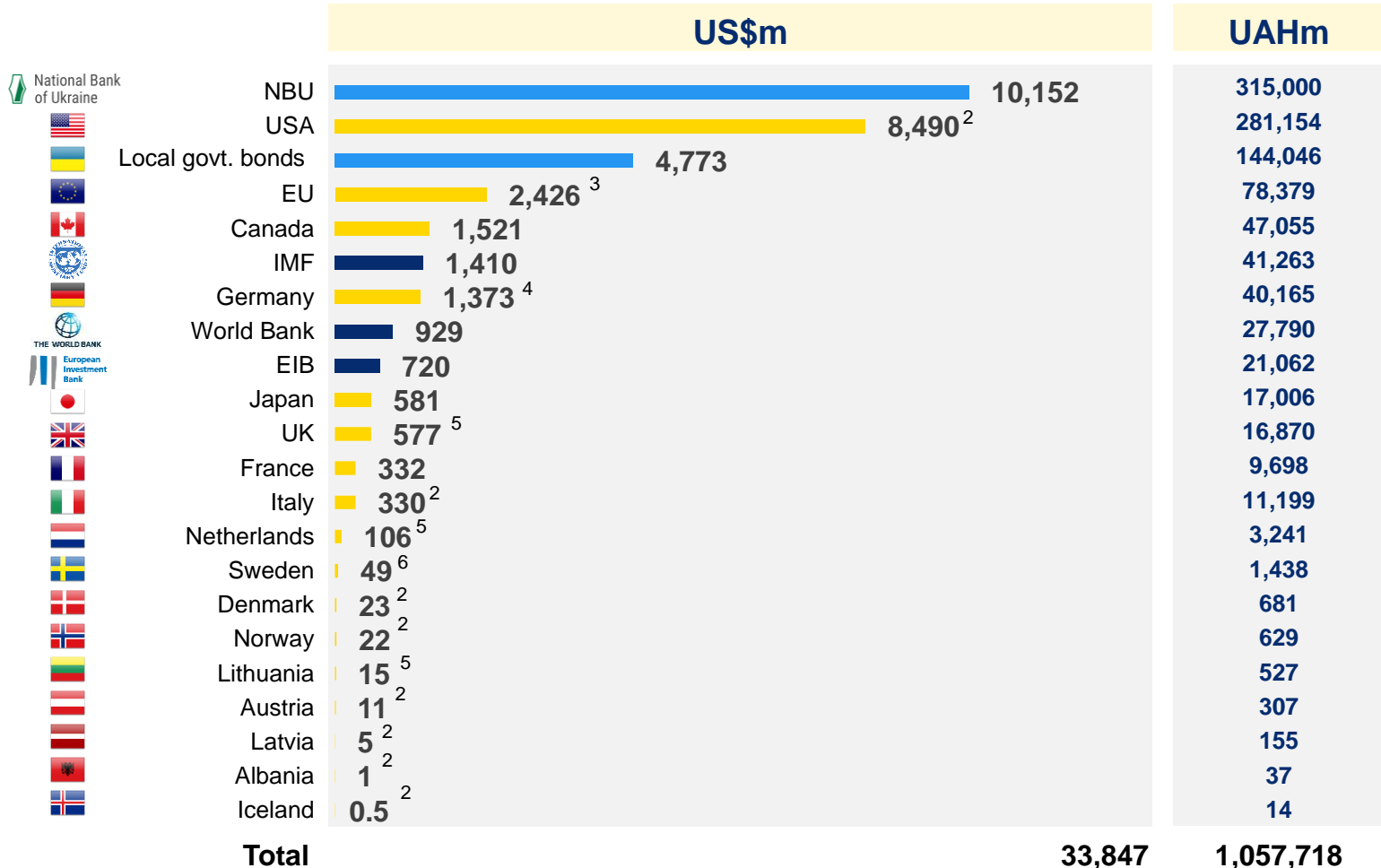


Budget financing during the wartime

Received budget financing (general fund) during the wartime split by sources¹

During wartime **concessional financing** (US\$ 18.9bn) as well as placement of **wartime bonds** (US\$ 4.7bn) have been the key source of budget funding covering US\$ 23.7bn

At the same time, Ukraine's financing needs stand around **US\$ 5bn each month** to cover basic public services and support its economy



Note 1 As of 19.09.2022

Note 2 Grant

Note 3 Including grant of EUR 132m

Note 4 Grant Including grant of EUR 1bn

Note 5 Guarantee, incl. grant of USD 128m (UK), EUR 80m loan (Netherlands), EUR 5m grant (Lithuania)

Note 6 Guarantee

Source Ministry of Finance of Ukraine

IFIs

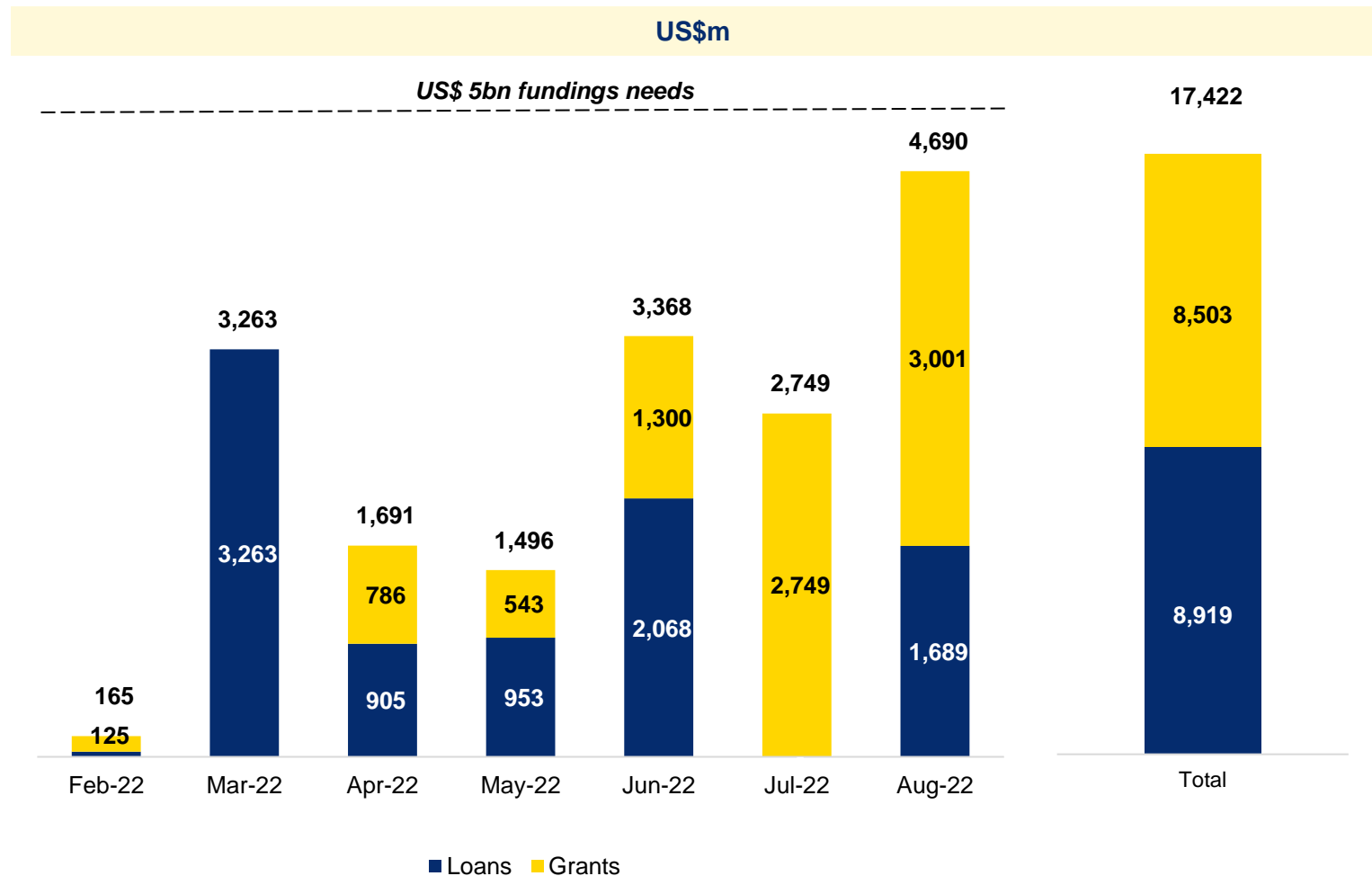
Bilateral and grants

Domestic government bonds

Concessional financing during wartime

Received concessional financing (general fund) during the wartime split by sources¹

Disbursement of **grants** accelerated over **July** and **August**, amounting to **US\$ 5.7bn** (67% of total disbursement since Feb 24th)

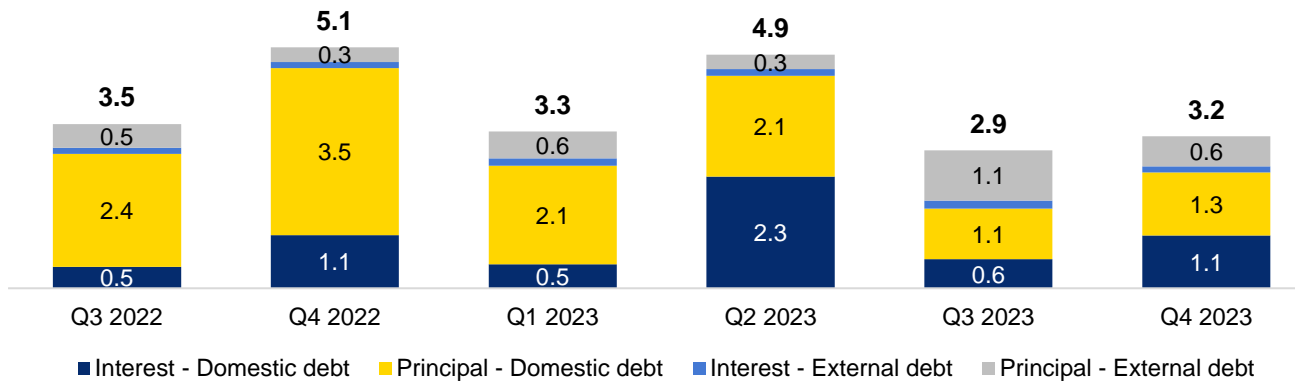


Note 1 As of 19.09.2022

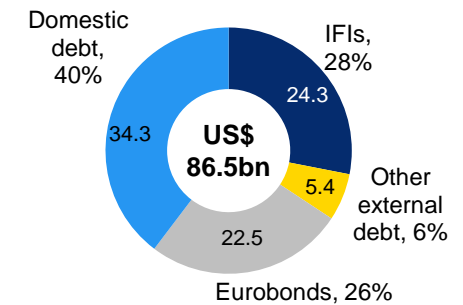
Source Ministry of Finance of Ukraine, public information

Prudent debt management strategy pursued even during the wartime

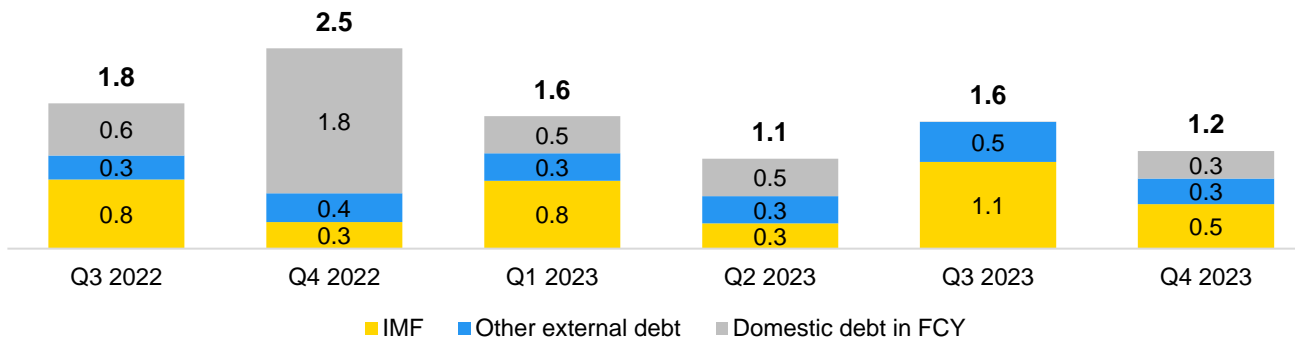
State debt amortization schedule¹, US\$ bn



State debt current structure²



FCY-denominated debt amortization schedule¹, US\$ bn



- ▶ **Expected state debt payments**, based on the existing debt obligations are expected to **peak in Q4 2022** reaching **US\$ 5.1bn**, with a gradual reduction in the subsequent periods. The largest part comprises the principal repayment of **domestic debt**, fluctuating between US \$1.1bn- US\$ 3.5bn in Q3 2022-Q4 2023
- ▶ **FCY Domestic debt** constitutes the **largest part of FCY-denominated debt service**, peaking in Q4 2022 (US\$ 1.8bn), followed by the **IMF repayments**, peaking in Q3 2022 (US\$ 0.8bn), Q1 2023 (US\$ 0.8bn), and Q3 2023 (US\$ 1.1bn) respectively

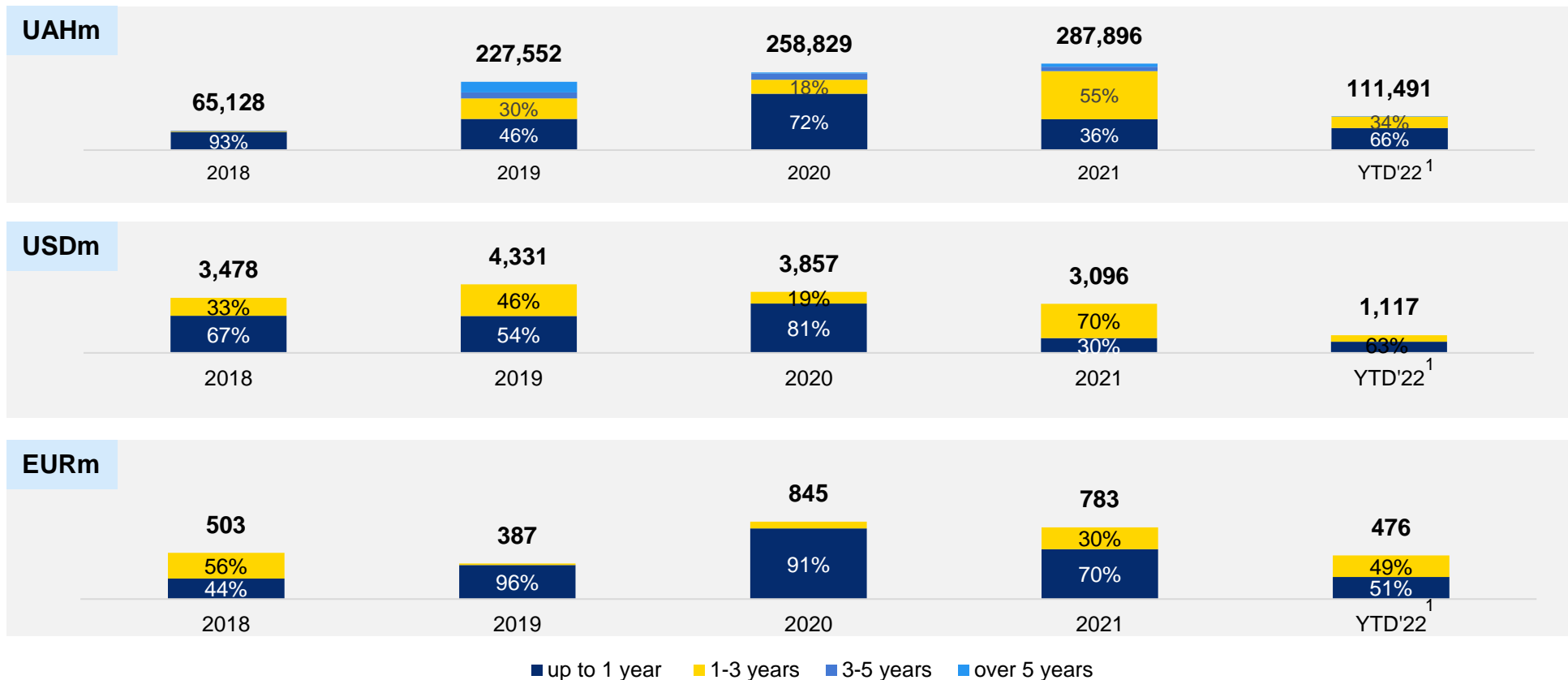
Source Ministry of Finance of Ukraine

Note 1 Existing debt only incl. principal and interest as of 01.09.2022

2 As of July 2022

Short-term UAH-denominated issuances prevail on Ukraine's domestic market

Dynamics of state domestic debt issuances (funds remitted to the state budget)



Source Ministry of Finance of Ukraine

Note 1 As of 19.09.2022