S&P Global Ratings

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Research Update:

Ukraine FC Rating Lowered To 'CC' With Negative Outlook On Expected Debt Restructuring; 'CCC+/C' LC Ratings Affirmed

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Overview

- We expect the Ukrainian government to begin formal discussions on debt restructuring with its private creditors in the short term and complete the process by the middle of this year.
- We consider it a virtual certainty that Ukraine will default on its external commercial obligations.
- As a result, we lowered our long-term foreign-currency (FC) rating on Ukraine to 'CC' from 'CCC'.
- At the same time, we affirmed our 'C' short-term FC, 'CCC+/C' local-currency (LC), and 'uaBB' national scale ratings on the sovereign. We understand Ukraine's hryvnia-denominated government debt is not in scope for the debt restructuring plan.
- The outlook on the FC rating is negative and that on the LC rating is stable.

Rating Action

On March 8, 2024, S&P Global Ratings lowered its FC long-term sovereign credit and issue ratings on Ukraine to 'CC' from 'CCC'. The outlook on the long-term sovereign FC rating is negative.

At the same time, we affirmed our 'C' short-term FC rating and our 'CCC+/C' LC long- and short-term sovereign credit ratings on the sovereign. The outlook on the long-term LC rating is stable.

We also affirmed our national scale rating at 'uaBB' and our transfer and convertibility assessment remains 'CCC+'.

Outlook

The negative outlook on the FC long-term rating reflects risks to Ukraine's commercial debt service, given the government's debt-restructuring plan.

The stable outlook on the LC long-term ratings balances significant fiscal pressures against the government's incentives to service hryvnia-denominated debt to avoid distress to domestic banks, which are the primary holders of LC bonds issued by the government.

Downside scenario

We would lower the FC rating to 'SD' (selective default) if Ukraine implements what we view as a distressed debt restructuring. We could lower the LC ratings if we see indications that Ukrainian-hryvnia-denominated obligations could suffer nonpayment or restructuring.

Upside scenario

We could raise the FC ratings if, contrary to our expectations, we think the likelihood of a distressed exchange of Ukraine's commercial debt has decreased.

We could raise the LC ratings if Ukraine's security environment and medium-term macroeconomic outlook improve.

Rationale

The rating action reflects our belief that the inclusion of commercial creditors (Eurobond holders) in Ukraine's ongoing government debt relief effort is a virtual certainty. This effort aims to ease external debt service pressure and restore public debt sustainability as part of the ongoing Extended Fund Facility (EFF) arrangement with the IMF.

The Group of Creditors for Ukraine has already extended the deferral of payments on official bilateral debt until the end of the IMF program in 2027. But their participation in an additional debt restructuring is subject to private external creditors agreeing to a debt restructuring that is at least as favorable. To that end, the government is planning to achieve debt relief from Eurobond holders before the existing debt standstill expires in August this year. We expect greater visibility on the details of external commercial debt restructuring in the coming months following the publication of the IMF's debt sustainability assessment (DSA) which should set the broad parameters of debt relief. Absent restructuring, the government faces debt service payments on Eurobonds of $4.5 billion in 2024 and some $3 billion on average annually in 2025-2027.

Our ratings reflect our view of an issuer's ability and willingness to meet its commercial, nonofficial financial obligations in full and on time. If commercial debt restructuring takes place, in light of protracted balance of payments and fiscal challenges, we would likely view it as distressed (see "S&P Global Ratings Definitions," published June 9, 2023).

In our view, the government's ability and medium-term incentives to meet its financial commitments in LC are somewhat higher compared with those in FC. Hryvnia-denominated debt is primarily held by the National Bank of Ukraine (NBU), and domestic banks, half of which are state-owned. A default on these LC obligations would amplify banking sector distress, increasing the likelihood that the government would have to provide the banks with financial support, limiting the benefits of debt relief.

Institutional and economic profile: The evolution of the war with Russia continues to shape Ukraine's macroeconomic outlook.

- We assume that the active phase of the war will last at least until end-2024.
- Under the IMF arrangement, the government has been seeking external commercial debt relief to preserve FC liquidity and restore debt sustainability.
- Absent a significant escalation of the war, we project Ukraine's economy will expand by about 4%-5% on average in the medium term, but a recovery to the pre-war level is unlikely in the foreseeable future.

Ukraine's economy and society continue to suffer from the Russian military aggression. Areas occupied by Russian forces account for some 15% of Ukraine's territory, about 8%-9% of its pre-war GDP, and 14% of its industrial and 10% of its agricultural production. Almost one-third of Ukraine's population has been displaced, and around 15% have left the country and are now refugees, residing mostly in the EU.

It is unclear how the war might develop, but we believe a military stalemate with no major change to the frontline remains the most likely scenario as both sides resign themselves to an extended war. The prospect of any negotiated peace plan appears low. As a result, we assume that the active phase of the war will last until the end of this year, and likely beyond. That said, under our base case, we expect Ukraine's government and the NBU will maintain their administrative capacity even in the face of significant military attacks.

Despite the ongoing hostilities and attacks on the energy infrastructure, the Ukrainian economy proved more resilient in 2023 than we anticipated. Businesses and households have adjusted to the war-induced uncertainty and shortfalls in critical infrastructure, including in the transport and power sectors. This, together with reduced security risks in unoccupied areas, has resulted in an improvement in consumer and business confidence compared with 2022. Several factors contribute to our estimate of 5.5% real GDP growth in 2023, principally: recovering consumption on the back of loose fiscal policies and disinflation; a strong agricultural harvest; and rebounding commodity exports allowed by a partial resumption of Black Sea shipments. This compares with the economy's sizable 29% contraction in 2022.

We expect economic growth will continue in 2024 on domestic demand expansion and further recovery of seaborne exports but project it will soften to 3.9% because of the high base effect created by a strong agricultural season last year. We forecast the economy will expand by an annual average of 4.5%-5.0% thereafter.

That said, given the substantial damage to physical and human capital, Ukraine's medium-term economic outlook is subject to a high degree of uncertainty. The key determinants of the country's recovery prospects are the evolution of the war, the post-war demographic and labor market profile, and the effectiveness of reconstruction efforts, as well as continued international support.

Considering these factors, and the toll the war has taken on Ukraine's economy, we do not expect real GDP to recover to its pre-war level in our forecast period through 2027.

S&P Global Ratings notes a high degree of uncertainty about the extent, outcome, and consequences of the Russia-Ukraine war. Irrespective of the duration of military hostilities, related risks are likely to remain in place for some time. As the situation evolves, we will update our assumptions and estimates accordingly.

Flexibility and performance profile: Foreign financial support will remain key to Ukraine meeting its external and fiscal funding needs

- The international community has committed US$122 billion of financial support to Ukraine until

early 2027. These funds should cover a significant share of government funding needs.

- International financial assistance to Ukraine in 2022-2023 was strong, but risks to future disbursement of committed funds by some donors are building.
- The NBU has moved to a more flexible exchange rate regime amid record-high international reserves and fast disinflation.

The war-induced shock to the economy and the tax base, coupled with increasing defense and security spending, have significantly undermined the government's fiscal position. Despite the government's efforts to contain spending beyond defense and social transfers, the general government deficit reached a high 20% of GDP, including foreign grants, in 2023, following a 14% deficit a year earlier.

The government has largely restored the pre-war taxation regime, but revenues remain weak, whereas spending pressures, including from defense-related items, remain exceptionally high. As a result, we project that the general government deficit including grants will remain very high at 17% of GDP this year. Assuming security risks and associated military spending subside, headline fiscal deficits could decline to 6%-7% of GDP on average over 2025-2027. These deficits will be caused by an only partial economic recovery, high reconstruction spending, and the need to support some state-owned enterprises, including in the energy sector.

We expect that foreign grants and concessional loans will continue to cover most of Ukraine's government financing needs this year, and likely beyond. The international community has committed $122 billion to Ukraine between 2023 and 2027, including assistance from donor countries and international financial institutions. An important catalyst of this support is the expectation that Ukraine will comply with the conditions of the $15.6 billion, four-year EFF arrangement with the IMF, concluded in March 2023. Ukraine received $43 billion of foreign aid in 2023, primarily in the form of long-term concessional loans, but also grants. This marked an increase from $32 billion in 2022.

Even though we assume international support to Ukraine will remain strong, we note risks to its steady flow. Domestic political tensions in the U.S. have stalled the approval by Congress of military and financial aid for Ukraine this year. The Ukrainian government expects to receive $38 billion from all donors in 2024, including about $8 billion of grants from the U.S. Our baseline scenario assumes the full disbursement of these funds this year. Still, in case of a shortfall of U.S. funding, we see the fallout as manageable since the gap could be covered by other donors and domestic borrowings, among other sources. Beyond 2024, however, there is a risk that external support to Ukraine could be less forthcoming due to the heavy election schedule in key donor countries and the potential for some governments to view the cost of providing further support to Ukraine as too high.

Based on our macroeconomic and fiscal projections, we forecast that net government debt as a share of GDP will almost double compared with its pre-war level to about 93% of GDP by end-2027. That said, we expect the share of long-term concessional loans from multilateral and official creditors in the total stock of government debt to further increase from a currently high 51%.

Our fiscal projections do not reflect the ongoing external commercial debt restructuring effort, as its parameters are yet to be finalized. Visibility will increase in the next few weeks after the publication by the IMF of the updated DSA following the expected approval of the third review of the EFF program. Our understanding is that the debt restructuring plans exclude multilateral and domestic government debt (both in LC and FC). These obligations account for over 70% of the current total debt stock and debt service in the coming years. Even though Ukraine's direct and

state-guaranteed Eurobonds account for a much smaller share of total debt (17%), debt service payments on them will amount to a sizable $4.5 billion in 2024 and some $3 billion on average annually in 2025-2027. In 2022, the government deferred payments on Eurobonds until August 2024.

We project that Ukraine's current account balance will remain in a sizable deficit of about 7%-8% of GDP on average over our forecast horizon through 2027. This is largely due to a deterioration in the trade balance relating to a slow recovery of exports and high reconstruction-related imports.

Strong international financial assistance and declining capital outflows on the back of the private sector's waning devaluation expectations buoyed Ukraine's gross international reserves to a record high $40.5 billion at end-2023, almost 1.5x above the pre-war level. This, along with continued foreign exchange market stability and declining inflation expectations, paved the way for the NBU to gradually transition toward a more flexible exchange-rate regime in October 2023 and start relaxing foreign exchange restrictions. We expect foreign-donor inflows to meet Ukraine's external financing needs in the next few years, supporting the country's international reserves at the current elevated levels.

Consumer price inflation has decelerated steadily to 4.7% in January from its peak of 26.6% in the fourth quarter of 2022, falling below the NBU's inflation target of 5.0% plus/minus 1 percentage point for the first time since late 2020. The decline came from falling food and energy prices, easing logistical bottlenecks, and exchange-rate stability, as well as the high base effect. Core inflation has also moderated steeply, even if at a slightly slower pace. We expect headline inflation to pick up in the second half of this year on fading base effects, recovering domestic demand, and modest currency depreciation. Still, in annual average terms, we project inflation will fall to about 7% in 2024 from 12.8% last year. Steady disinflation and the stability of the foreign exchange cash market enabled the NBU to cut the policy rate last year by 10 percentage points to the current 15%. Further policy easing will depend on inflation dynamics, but also on the stability of foreign aid inflow and exchange rate dynamics.

Accumulated buffers, together with the NBU's concerted emergency measures, have preserved the stability of the Ukrainian banking system. Most banks maintain operational capacity and are profitable and liquid. However, the fallout of the war on the private sector has undermined banks' asset quality. Reported nonperforming loans (NPLs) increased to 38% of total loans at end-2022 from an already elevated level of 30% before the war due to the high number of legacy NPLs in the state-owned banks. We expect asset quality pressures to persist. That said, most NPLs caused by the war emerged in 2022 and the figure did not increase last year, amounting to 37.4% in December 2023. Moreover, the NBU's recent resilience assessment of the 20 biggest banks, accounting for 90% of total bank assets, suggests that most of them have adequate capital buffers.

Key Statistics

Table 1

Ukraine--Selected indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Economic indicators (%)										
Nominal GDP (bil. LC)	3,560	3,977	4,222	5,451	5,191	6,462	7,554	8,605	9,623	10,608
Nominal GDP (bil. $)	131	154	157	200	160	177	194	203	213	221
GDP per capita (000s $)	3.1	3.7	3.7	4.8	4.5	4.8	5.2	5.3	5.5	5.7

Table 1

Ukraine--Selected indicators (cont.)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real GDP growth	3.5	3.2	(3.8)	3.4	(29.1)	5.5	3.9	5.0	5.0	4.0
Real GDP per capita growth	4.0	3.8	(3.2)	4.2	(16.7)	2.4	1.9	1.9	4.5	3.5
Real investment growth	16.6	11.7	(21.3)	9.3	(34.3)	3.0	4.0	9.0	16.0	16.0
Investment/GDP	18.6	14.9	8.9	14.5	12.6	12.4	12.1	11.8	12.6	13.6
Savings/GDP	13.7	12.2	12.3	12.5	17.6	6.9	5.5	4.3	4.4	5.3
Exports/GDP	45.2	41.2	38.8	40.7	35.5	29.3	28.5	28.9	29.8	31.0
Real exports growth	(1.4)	7.3	(5.8)	(8.6)	(42.4)	1.0	7.0	10.0	10.0	9.0
Unemployment rate	9.1	8.6	9.9	9.8	21.1	19.0	16.0	14.0	14.0	14.0
External indicators (%)										
Current account balance/GDP	(4.9)	(2.7)	3.4	(1.9)	5.0	(5.5)	(6.6)	(7.5)	(8.2)	(8.4)
Current account balance/CARs	(8.5)	(4.9)	6.7	(3.8)	8.1	(11.2)	(14.6)	(17.0)	(18.6)	(18.8)
CARs/GDP	58.1	55.0	50.2	51.2	61.7	49.3	45.5	44.1	44.0	44.5
Trade balance/GDP	(9.7)	(9.3)	(4.3)	(3.3)	(9.1)	(16.3)	(14.9)	(13.8)	(13.3)	(13.1)
Net FDI/GDP	3.7	3.4	(0.0)	3.8	0.1	2.4	1.4	1.4	3.8	3.8
Net portfolio equity inflow/GDP	(0.0)	0.0	0.1	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0
Gross external financing needs/CARs plus usable reserves	130.3	120.8	110.5	113.2	101.4	113.1	105.8	108.0	109.8	110.3
Narrow net external debt/CARs	94.5	83.2	90.2	63.9	67.2	95.0	120.1	142.4	143.8	142.6
Narrow net external debt/CAPs	87.2	79.3	96.6	61.5	73.1	85.4	104.8	121.7	121.3	120.0
Net external liabilities/CARs	32.4	30.6	25.5	21.2	(1.5)	11.1	31.7	57.0	73.0	88.2
Net external liabilities/CAPs	29.9	29.2	27.3	20.4	(1.6)	10.0	27.7	48.7	61.6	74.2
Short-term external debt by remaining maturity/CARs	53.1	44.9	52.0	40.8	40.3	36.9	38.1	38.3	38.4	37.6
Usable reserves/CAPs (months)	2.7	2.7	4.0	3.2	4.0	3.3	4.6	4.5	4.3	4.2
Usable reserves (mil. $)	20,332	24,668	28,357	30,104	26,948	39,084	39,079	40,157	41,253	42,385
Fiscal indicators (general government; %)										
Balance/GDP	(2.1)	(2.1)	(5.6)	(1.6)	(14.0)	(20)	(17.0)	(7.0)	(6.0)	(5.0)
Change in net debt/GDP	1.0	(4.0)	12.5	2.5	26.1	20.7	21.9	11.8	10.1	9.1
Primary balance/GDP	1.2	0.9	(2.7)	1.2	(10.9)	(16.1)	(12.6)	(2.1)	(1.1)	0.0
Revenue/GDP	39.8	39.5	39.7	37.0	50.5	46.0	43.0	38.0	37.0	37.0

Table 1

Ukraine--Selected indicators (cont.)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Expenditures/GDP	41.9	41.6	45.3	38.6	64.5	66.0	60.0	45.0	43.0	42.0
Interest/revenues	8.2	7.7	7.3	7.7	6.2	8.5	10.2	12.9	13.3	13.5
Debt/GDP	60.9	50.2	60.4	49.0	78.5	85.4	95.0	95.2	95.2	95.5
Debt/revenues	153.0	127.4	152.2	132.7	155.2	185.7	220.9	250.4	257.3	258.1
Net debt/GDP	58.8	48.7	58.3	47.7	76.2	81.9	91.9	92.5	92.8	93.3
Liquid assets/GDP	2.1	1.6	2.1	1.4	2.3	3.6	3.0	2.7	2.4	2.2
Monetary indicators (%)										
CPI growth	11.0	7.9	2.7	9.4	20.2	12.8	7.1	6.8	5.5	5.0
GDP deflator growth	15.4	8.2	10.3	24.8	34.3	18.0	12.5	8.5	6.5	6.0
Exchange rate, year-end (LC/$)	27.69	23.69	28.27	27.28	36.57	37.98	41.02	43.89	46.53	49.32
Banks' claims on resident non-gov't sector growth	6.3	(8.1)	(2.9)	9.0	(4.1)	(0.5)	10.0	20.0	15.0	15.0
Banks' claims on resident non-gov't sector/GDP	27.7	22.8	20.9	17.6	17.7	14.2	13.3	14.1	14.5	15.1
Foreign currency share of claims by banks on residents	46.5	39.5	39.5	31.4	30.3	29.0	N/A	N/A	N/A	N/A
Foreign currency share of residents' bank deposits	42.0	40.0	37.7	32.4	36.1	31.8	N/A	N/A	N/A	N/A
Real effective exchange rate growth	5.6	15.7	(1.4)	2.3	0.3	(5.4)	N/A	N/A	N/A	N/A

Sources: State Statistics service of Ukraine (economic indicators), National Bank of Ukraine, State Statistics service of Ukraine (external indicators), Ministry of Finance of Ukraine, State Statistics service of Ukraine (fiscal indicators), and National Bank of Ukraine, IMF (monetary indicators).
Adjustments: Usable reserves calculated by subtracting required reserves for resident foreign-currency deposits from reported international reserves. General government expenditures calculated as reported expenditure plus expenditure related to Naftogaz. Government debt calculated as reported state debt plus state guarantees.
Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A--Not applicable. LC--Local currency. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

Ratings Score Snapshot

Table 2

Ukraine--Ratings score snapshot

Key rating factors	Score	Explanation
Institutional assessment	5	Reduced predictability of future policy responses because of a moderate risk of challenges to political institutions. Relatively weak transparency and uncertain checks and balances between institutions.
Economic assessment	5	Based on GDP per capita ($) as per Selected Indicators in Table 1.
External assessment	6	Based on narrow net external debt and gross external financing needs as per Selected Indicators in Table 1
		Access to commercial external borrowing has been disrupted by the war. Ukraine is now dependent on foreign donor support.
Fiscal assessment: flexibility and performance	6	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1.
		Tax mobilization capacity is constrained by the ongoing war.
Fiscal assessment: debt burden	6	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per Selected Indicators in Table 1.
		About 70% of government debt is denominated in foreign currency.
		The banking sector's exposure to the government is above 20% of its assets
Monetary assessment	6	NBU has transitioned from the exchange rate peg toward a more flexible exchange rate regime. The central bank has been relatively independent in recent years. Since the start of the war, its ability to influence domestic monetary conditions has been constrained.
		The transmission mechanism is weak, due to the war-induced disruptions to the financial system.
		The central bank maintains wide-ranging exchange restrictions.
Indicative rating	b-	As per Table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	0	
Final rating		
Foreign currency	CC	The final rating is based on "General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings."
Notches of uplift	3	Default risks apply differently to foreign- and local-currency debt.
Local currency	CCC+	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021

- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

Related Research

- Sovereign Ratings Score Snapshot, March 4, 2024
- Sovereign Debt 2024: EMEA Emerging Market Borrowing To Slow To $492 Billion As The Cycle Turns, Feb. 27, 2024
- EMEA Financial Institutions Monitor 1Q2024: Banks Adapt To The Increased Economic Turbulence, Feb. 19, 2024
- Sovereign Ratings List, Feb. 16, 2024
- Sovereign Ratings History, Feb. 16, 2024
- EMEA Emerging Markets Sovereign Rating Trends 2024: Stabilizing Ahead Of A Year At The Polls, Dec. 13, 2023
- Sovereign Risk Indicators, Dec. 11, 2023. Interactive version available at http://www.spratings.com/sri

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Downgraded		
	To	**From**
Ukraine		
Senior Unsecured	CC	CCC
State Road Agency of Ukraine (Ukravtodor)		
Senior Unsecured	CC	CCC
Downgraded; Ratings Affirmed		
	To	**From**
Ukraine		
Sovereign Credit Rating		
Foreign Currency	CC/Negative/C	CCC/Negative/C
Not Rated Action		
	To	**From**
Ukraine		
Senior Unsecured	NR	D
Ratings Affirmed		
Ukraine		
Sovereign Credit Rating		
Local Currency	CCC+/Stable/C	
Ukraine National Scale	uaBB/--/--	
Transfer & Convertibility Assessment	CCC+	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings. Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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