

Feb 28, 2022

## R&I Downgrades to B-, Places on the Rating Monitor With View to Downgrading: Ukraine

Rating and Investment Information, Inc. (R&I) has announced the following:

**ISSUER: Ukraine**  
**Foreign Currency Issuer Rating: (B-), With View to Downgrading, Previously B+**

### RATIONALE:

On February 24, Russia launched a large-scale military invasion of Ukraine, which has put Ukraine in a very difficult situation. Ukraine's creditworthiness has been improving since 2016, with the government debt ratio falling and foreign reserves increasing on the back of continued stable economic growth. However, the military conflicts and political and social turmoil are expected to deal a considerable blow to Ukraine's economic fundamentals and fiscal position. Major countries such as the U.S. and the European Union expressed their intention to provide financial assistance and the International Monetary Fund is also considering offering support. While these funds will underpin the Ukrainian government's liquidity, it is uncertain at this juncture when the government will be able to rebuild an environment to pursue its policies, including debt repayment. R&I has therefore downgraded the Foreign Currency Issuer Rating to B- and placed it on the Rating Monitor with a view to downgrading. R&I will update the rating after examining future developments in the military invasion and analyzing their impact on the economy and fiscal position.

The primary rating methodology applied to this rating is provided at "R&I's Analytical Approach to Sovereigns". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

[https://www.r-i.co.jp/en/rating/about/rating\\_method.html](https://www.r-i.co.jp/en/rating/about/rating_method.html)

### R&I RATINGS:

**ISSUER: Ukraine**  
**Foreign Currency Issuer Rating**  
**RATING: (B-), With View to Downgrading, Previously B+**

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp  
■Media Contact : Corporate Planning Division (Public Relations) TEL.+81-(0)3-6273-7273

**Rating and Investment Information, Inc.** TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

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