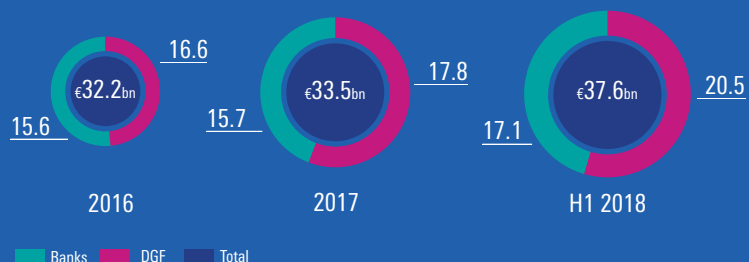


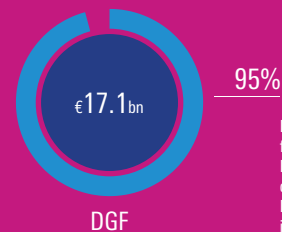
NPL market in Ukraine

NPL market (Banks and DGF*)



*The Deposit Guarantee Fund (DGF) is the state organisation of Ukraine responsible for the resolution of failed banks, and the functioning of the household deposit guarantee system

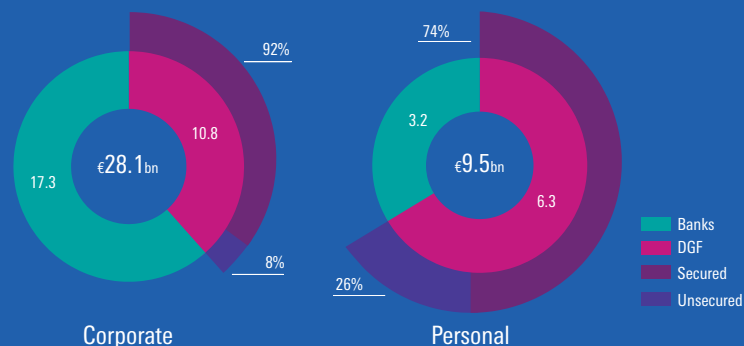
H1 2018 NPL structure



DGF NPLs accounted for 45% of the market in H1 2018. DGF publishes data on its NPL sales. Data for sales of bank NPLs is not made public.

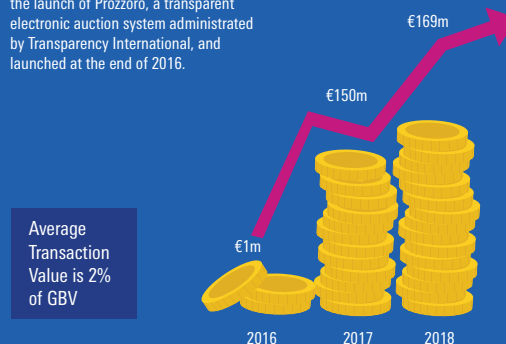
H1 2018 NPL borrower structure

Corporate loans, which are mainly secured, comprise 75% of NPLs. DGF shows detailed information on the structure of NPLs and is publicly available at Prozzoro website.

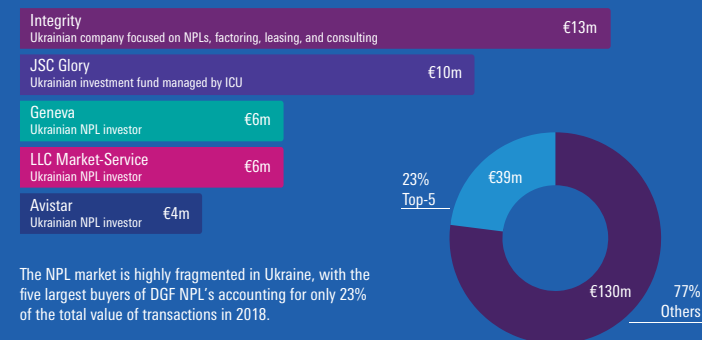


DGF NPL sales transactions

The rapid increase in NPL transaction volumes from 2017 was driven by the launch of Prozzoro, a transparent electronic auction system administered by Transparency International, and launched at the end of 2016.



2018 DGF NPL buyers



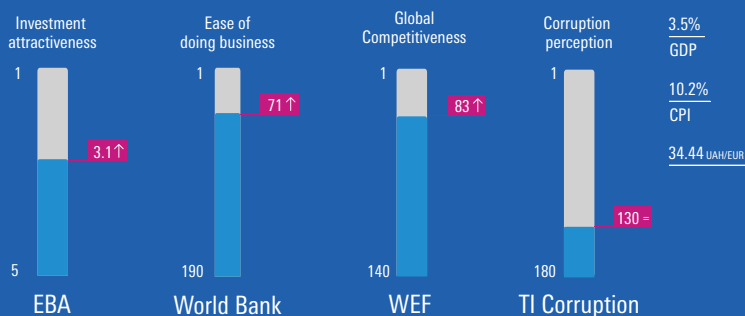
The NPL market is highly fragmented in Ukraine, with the five largest buyers of DGF NPL's accounting for only 23% of the total value of transactions in 2018.

Top-5 reasons to invest

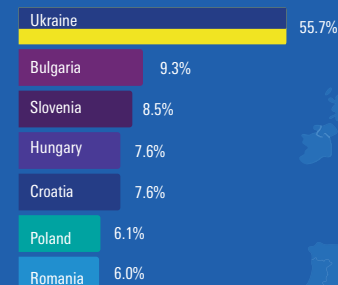
- 1 Sizable NPL market – €37.6 bn
- 2 Diversified portfolios – 75% corporate, 25 % personal
- 3 Low entry fee and low competition – average 2% of GBV
- 4 Transparent disposal process – sales via public electronic system administrated by Transparency International
- 5 Improving legislative environment in market infrastructure

2018 key indicators

The Ukrainian economy continues to recover as a result of the government's structural reform process, which is supported by International Financial Institutions (IFIs). This will drive greater competitiveness and stability in the economy.



H1 2018 selected CEE NPL ratios



With NPL markets in former CEE hotspots showing signs of maturing, investors are turning their attention to new markets. Ukraine has sizeable and largely untapped opportunities for NPL.