



Investment
opportunity to
acquire a portfolio
of non-performing
loans

November 2018



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Investment Opportunity overview

Potential transaction

- **General information:** The portfolio offered for sale comprises loans from PJSC BG Bank, PJSC Diamantbank, PJSC Ukrbiznesbank and PJSC Delta Bank (hereinafter, **Seller**). The majority of the portfolio is loans issued to legal entities and guaranteed by financial assets, real estate (commercial real estate and land) and other assets. Total gross book value (hereinafter, **GBV**) of the portfolio is UAH1,040 million (hereinafter, **Portfolio**).
- **Seller:** PJSC BG Bank, PJSC Diamantbank, PJSC Ukrbiznesbank and PJSC Delta Bank, insolvent Ukrainian commercial banks, liquidated by the Deposit Guarantee Fund (hereinafter, DGF).
- **Transaction objective:** Sale of the Portfolio as part of the liquidation.

Portfolio overview

Portfolio summary		
million	UAH	USD ^(a)
Total gross book value (GBV) ^(b)	1 040	37
Collateral value ^(c)	758	27
Average GBV per loan ^(d)	52	2
		pcs.
No. of borrowers		13
No. of loan agreements		20
No. of items of collateral		35
Loan-to-value ratio (LTV) ^(e)		137%

Note: (a) As of 11 November 2018, the official exchange rate of USD/UAH was 27.8916
 (b) Total GBV includes loan principal balance, accrued and unpaid interest with commission fees
 (c) Non-performing loans (NPLs) include secured loans which are over 90 days past due (DPD)
 (d) Based on the latest available valuation reports or collateral agreements
 (e) Loan-to-value (LTV) ratio has been calculated as GBV to collateral value, as a percentage

- Portfolio includes secured and non-performing loans - total debt amounts to UAH1,040 million (USD37 million) - of which 27.6% are secured with real estate.
- The debt of the three largest borrowers is 45.5% of the total Portfolio.
- The collateral properties are mainly situated in Donetsk (temporarily uncontrolled by the Ukrainian government) and Kharkiv Regions (35.5% and 32.5%, respectively) and are largely composed of commercial real estate (80.8% of total value of real estate).
- Claim work - legal proceedings are ongoing or finished (57.1% of GBV or 34.3% of total collateral value) or transferred to the State Enforcement Service (26.6% of GBV or 34.3% of total collateral value).

Key stages of the transaction

Below is an overview of the main stages of the Portfolio acquisition process:

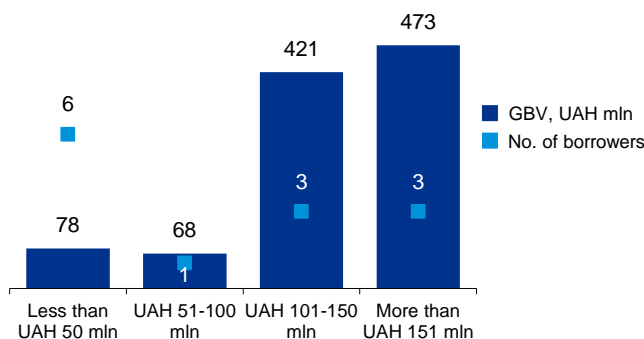
Due diligence	Having signed a non-disclosure agreement, a potential investor has the opportunity to review the loan documentation in the Virtual Data Room or at the Seller's premises. Deadline for review – until 27 November 2018.
Auction process on Prozorro	Date of the auction – 28 November 2018. Prior to the auction, a potential investor must transfer a guarantee deposit to an exchange, which he will use for bidding.
Transaction Completion	After winning the auction, the potential investor must sign the required documentation (Act of Acceptance, Contract for Sale) and pay for the Portfolio in full on the terms provided by the current bidding procedure on Prozorro, as of the date that the auction is conducted.

Sources: Seller, DGF, open sources

Portfolio overview

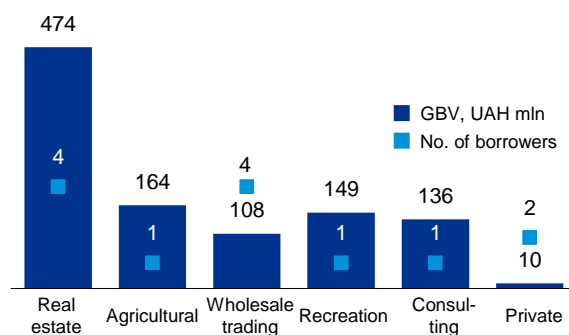
GBV by loan values

- The loan portfolio consists of 20 secured loans issued to 11 corporate borrowers and 2 individual persons with a total GBV of UAH1,040 million.
- The debt of the largest borrower amounts to 16% of the GBV or UAH164 million.
- The debt of the three largest borrowers amounts to 45.5% of the GBV or UAH473 million.



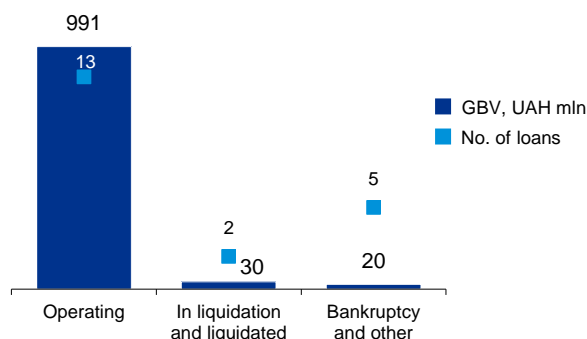
GBV by borrower industry

- Real estate industry. The debts of 4 companies operating in this sector amount to 46% of GBV or UAH474 million.
- Agricultural industry. The debts of one borrower in this sector amounts to 16% of GBV or UAH164 million.



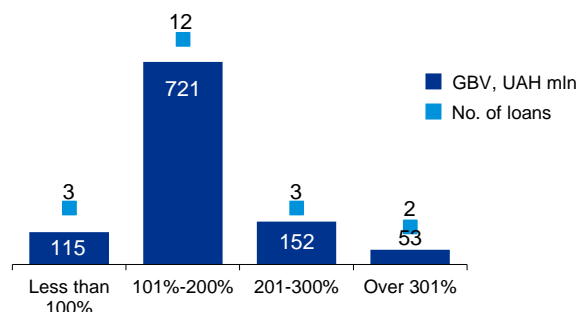
GBV by legal status

- The vast majority of borrowers are currently operating companies (95% of GBV or UAH991 million).
- 25% of active borrowers debt is being handled by the Department of State Enforcement Service.
- Two borrowers are currently in liquidation and/or liquidated - their debt equals 3% of GBV or UAH30 million.
- Two borrowers have been declared bankrupt with debts amounting to 1.5% of GBV or UAH15 million.



GBV by LTV

- In most cases, the debt exceeds the value of the collateral and the LTV ratio ranges from 100 to 200%.
- The LTV ratio for five borrowers exceeds 200%, amounting to UAH205 million.
- The LTV ratio for two borrowers is less than 100% and their total debt is UAH71 million.

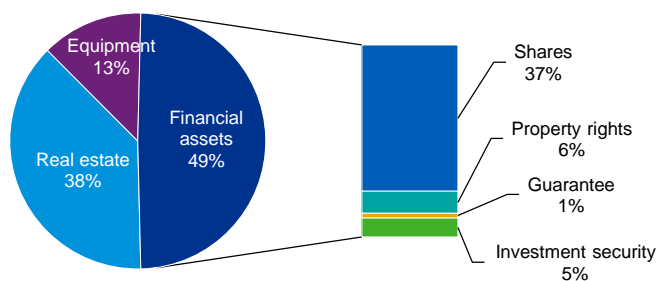


Sources: Seller, DGF, open sources

Collateral overview (1/2)

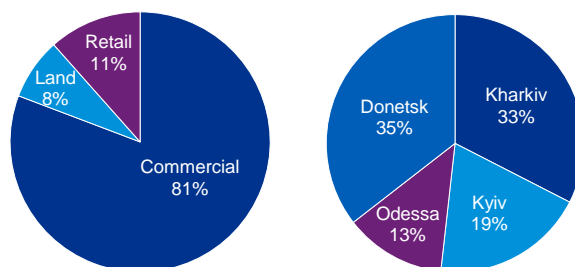
Collateral structure

- The majority of the collateral is represented by financial assets, which constitute 49% or UAH374 million.
- The second largest category is real estate, the value of which amounts to 38% or UAH287 million.
- The total value of vehicles, equipment and other property is 13% or UAH97 million. This category mainly includes trucks, tractors and passenger cars, equipment for the production of household appliances and agricultural equipment.



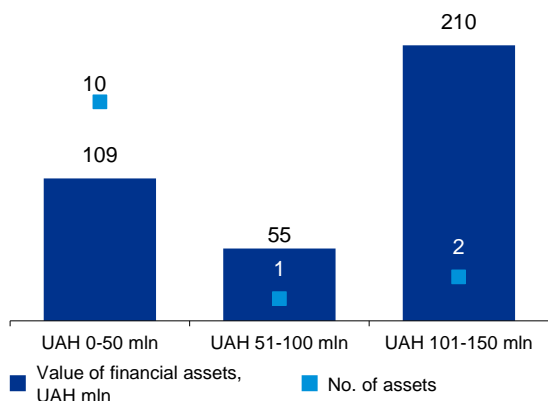
Real estate by type and geographical location

- Real estate, predominantly commercial real estate, makes up 81% or UAH232 million.
- Commercial real estate includes the premises of a car wash and associated services, a complex of water treatment facilities and other non-residential buildings.
- A large part of the real estate - 36% or UAH102 million - is located in the Donetsk region, which is temporarily uncontrolled by the Ukrainian government.



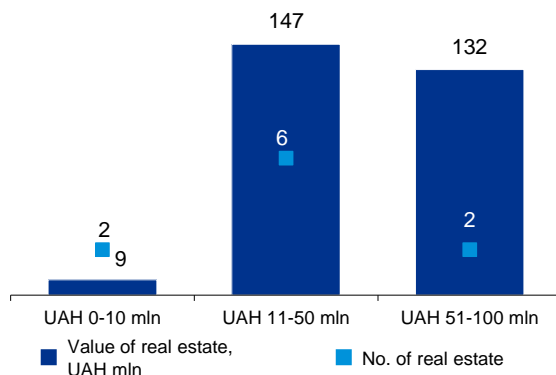
Financial assets and property rights

- Two borrowers loans account for 56% (UAH210 million) of financial collateral assets (from their total value).
- Property rights include the right to receive a future harvest of greenhouse products - 11% or UAH43 million. This property has been frozen.



Real Estate

- The share of two borrowers accounted for 46% (UAH132 million) of the total value of immovable collateral.
- In particular, the value of real estate of one agricultural company is 19% or UAH55 million. This asset has been frozen.



Sources: Seller, DGF, open sources

Non-Performing Loans

Collateral overview (2/2)

Collateral properties						
No.	Property ID	Property type	Region	Value ^(a) (UAH, million)	Value ^(a) (USD, million)	% of the portfolio loans secured by real estate
1	334969_68832054131459926	Commercial	Donetsk	68.8	2.5	23.9%
2	320854_62959931135585930	Commercial	Kharkiv	63,0	2.2	21.9%
3	320995_55300460120580086_2	Commercial	Kyiv	44.7	1.6	15.5%
4	334969_33236800136616718	Retail	Donetsk	33.2	1.2	11.6%
5	380236_22050079130562552	Land	Odessa	22.1	0.8	7.7%
6	320854_21569540135585930	Commercial	Kharkiv	21.6	0.8	7.5%
7	380236_14522932130562552	Commercial	Odessa	14.5	0.5	5.1%
8	320995_55300460120580086_1	Commercial	Kyiv	10.6	0.4	3.7%
9	320854_8776565138883140	Commercial	Kharkiv	8.8	0.3	3.1%
10	320854_229313135585930	Commercial	Kharkiv	0.2	0.0	0.1%
Top 5 real estate objects				231.7	8.3	80.6%
Other 5 real estate objects				55.7	2.0	19.4%
Total				287.5	10.2	100.0%

Notes: (a) Based on the latest available valuation reports or collateral agreements.

Sources: Seller, DGF, open sources



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