

UKRAINE NEWSLETTER Q4/2016 POLITICAL AND ECONOMIC NEWS

- **The World Bank recently presented the Global Indicators of Regulatory Governance Project** according to which the consolidated course of **Ukraine - 5.2 out of 6 that is a ranking comparable with such leading countries as Germany (5.2), France (5.6), Finland (5.0), Sweden (5.4).**
- **Fitch Upgrades Ukraine to 'B-'; Outlook Stable.** The issue ratings on **Ukraine's long-term senior unsecured foreign- and local-currency bonds** are also **upgraded to 'B-'** from 'CCC', and the **sovereign's short-term senior unsecured foreign- and local-currency bonds** are **upgraded to 'B'** from 'C'.
- **Fitch Ratings** cited the **easing of external financing pressures** as being among its reasons for **improving the rating**, this being evident from a number of factors, including a **\$2 billion increase in Ukraine's international reserves during the first 10 months of 2016**, and a **\$1 billion loan payout** from the International Monetary Fund in September.
- **The European Investment Bank** will grant a **€200 million loan** to upgrade the infrastructure of public transportation in 20 cities around Ukraine, according to Ukraine's Infrastructure Ministry.
- **The Government of Ukraine** expects to complete 2016 with **economic growth of at least 1%** with inflation at 14.1%, laying down for **2017 the economic growth of at least 3%**.
- „For the first time ever, **more than 100,000 top officials**, including the president, members of the cabinet, MPs, judges, prosecutors and civil servants, **declared their assets under our new e-declaration system**“, Volodymyr Groysman, the Prime Minister of Ukraine said. In a statement endorsed by all of Ukraine's leading civil society organisations, none of whom has been shy to criticise the authorities, they hailed the system as **“a truly revolutionary step towards eradicating corruption”**. (The Guardian)

UPCOMING EVENTS AND FAIRS

EXPO Techmash

08-16.02.2017| Kyiv Expo Plaza Exhibition Center | Kyiv | Ukraine | Tel.: + 380 44 461 99 21

UKRAINIAN DEFENSE & SECURITY FORUM

16.02.2017 | InterContinental Hotel | Kyiv | Ukraine | Tel. +380 44 219 19 19

LOGISTICS Trade Show

21-23.02.2016| Kyiv Expo Plaza Exhibition Center | Kyiv | Ukraine | Tel.: + 380 44 461 99 21

WASTEKO

28-30.03.2017| Sports Complex of Kharkiv Polytechnic Institute | Kharkiv | Ukraine

INTERNATIONAL CONFERENCE MICE UKRAINE - BUSINESS TOURISM

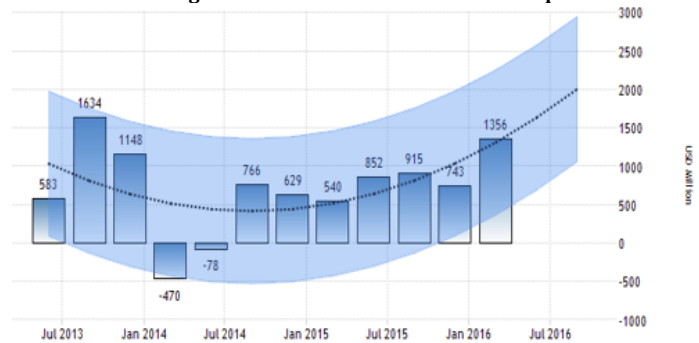
30.03.2017|PremierExpo Business city Forum| Kyiv | Ukraine | Tel.: + 380 44 496 86 45

ABOUT VI2 PARTNERS

VI2 Partners GmbH is an international M&A and corporate finance advisor, based in Vienna, Kyiv and London, with a focus on M&A, Debt Restructuring, and Consulting/Lobbying. Our core markets are CEE and Germany/Austria/Switzerland. **We support prime international clients to acquire, protect, restructure and develop critical assets in Ukraine.**

STATISTICS

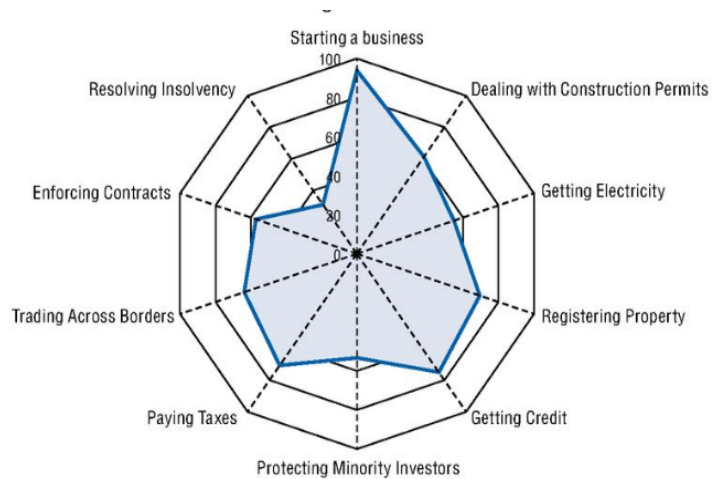
Ukraine Foreign Direct Investment - Net Inflows Up



Source: National Bank of Ukraine (2016)

Doing business 2016

Distance to frontier across indicators



Source: World Bank (2016)

Other Figures of Interest

- According to the National Bank of Ukraine, the share of the largest 5 banks (CR5) is at 54%, close to average European level
- Ukraine's GDP from construction skyrockets in Q4 2016 to UAH 5,6 bln after a decrease to UAH 3,2 bln in Q2 2016 (Source: The State Statistics Service of Ukraine)
- Fitch forecasts a general government deficit of 3.7% of GDP, reflecting improvement in tax revenues

RECENT CASE WORK

- **Mediation and re-financing of a USD 50 mln loan** between a major international bank and a local debtor for a Ukrainian shopping mall complex
- **M&A support** for an international bank to sell their Ukrainian banking branch, including asset reduction and preparation of sales documentation and investor search.