



**THE BANK  
THAT DOES  
MUCH MORE  
THAN OTHERS**



# EVERY SECOND UKRAINIAN IS A CLIENT OF PRIVATBANK. EVERY SINGLE ONE IS ITS SHAREHOLDER.

AFTER THE NATIONALIZATION IN 2016,  
THE BANK BELONGS TO THE GOVERNMENT  
OF UKRAINE, AND THUS TO ALL OF ITS CITIZENS.

WE, THE PRIVATBANK TEAM, ARE DEDICATED  
TO MAKING THE BANK'S ACTIVITY AS TRANSPARENT  
AS POSSIBLE. WE MAKE SURE THAT OUR RESULTS  
CAN BE SEEN BY EVERYONE.

READ ON TO FIND OUT HOW  
YOUR PRIVATBANK WORKS  
AND HAS BENEFITED  
BOTH AT PRIVATE  
AND NATIONAL LEVELS.



# MARKET LEADER

49%

OF UKRAINIANS  
OVER THE AGE OF 16  
CONSIDER PRIVATBANK  
TO BE THEIR MAIN BANK\*

\* According to GfK, 2019





AFTER  
THE NATIONALIZATION,  
PRIVATBANK  
ATTRACTED  
2 MILLION  
NEW CUSTOMERS

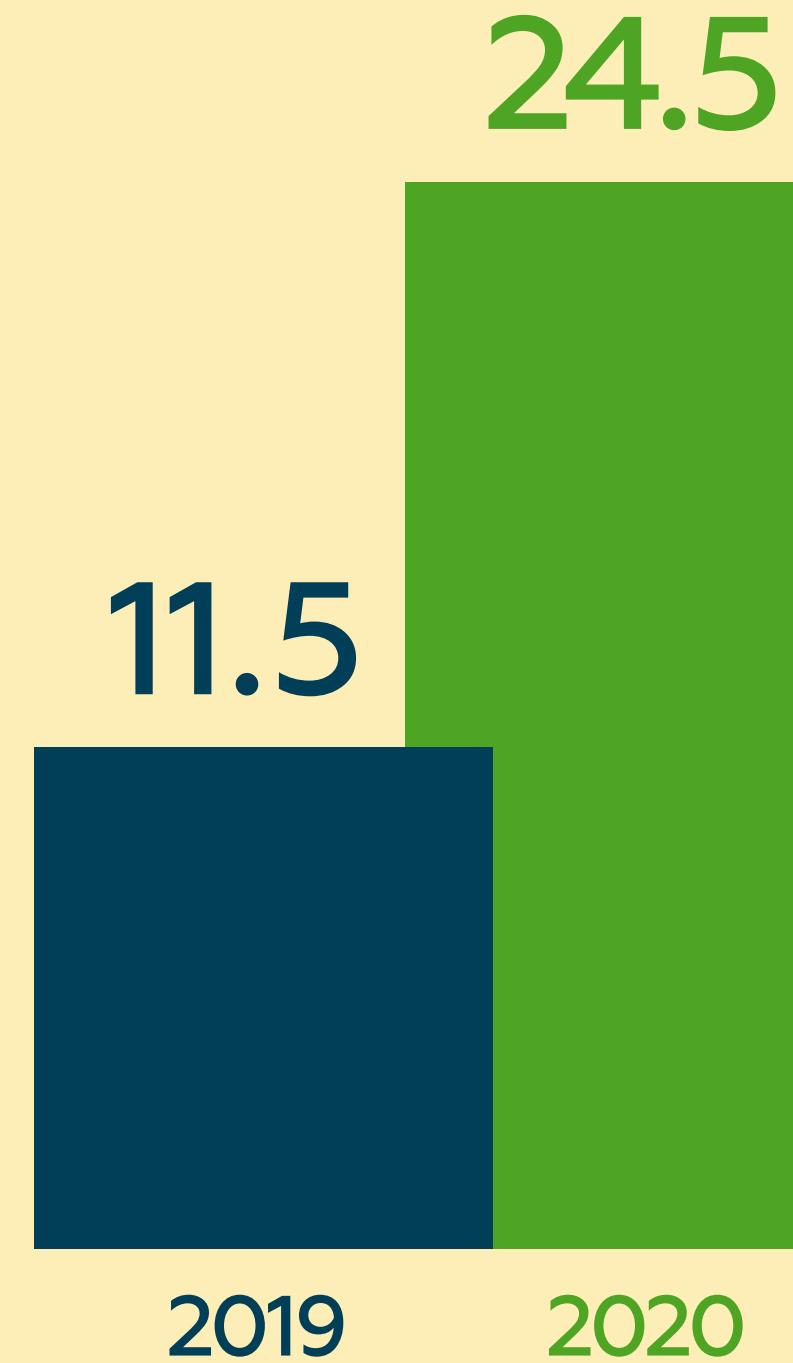


In total, the bank served 24.5 million customers by the end of 2019





# HOW PRIVATBANK EARN'S MONEY FOR YOU



## PRIVATBANK TO UKRAINE!

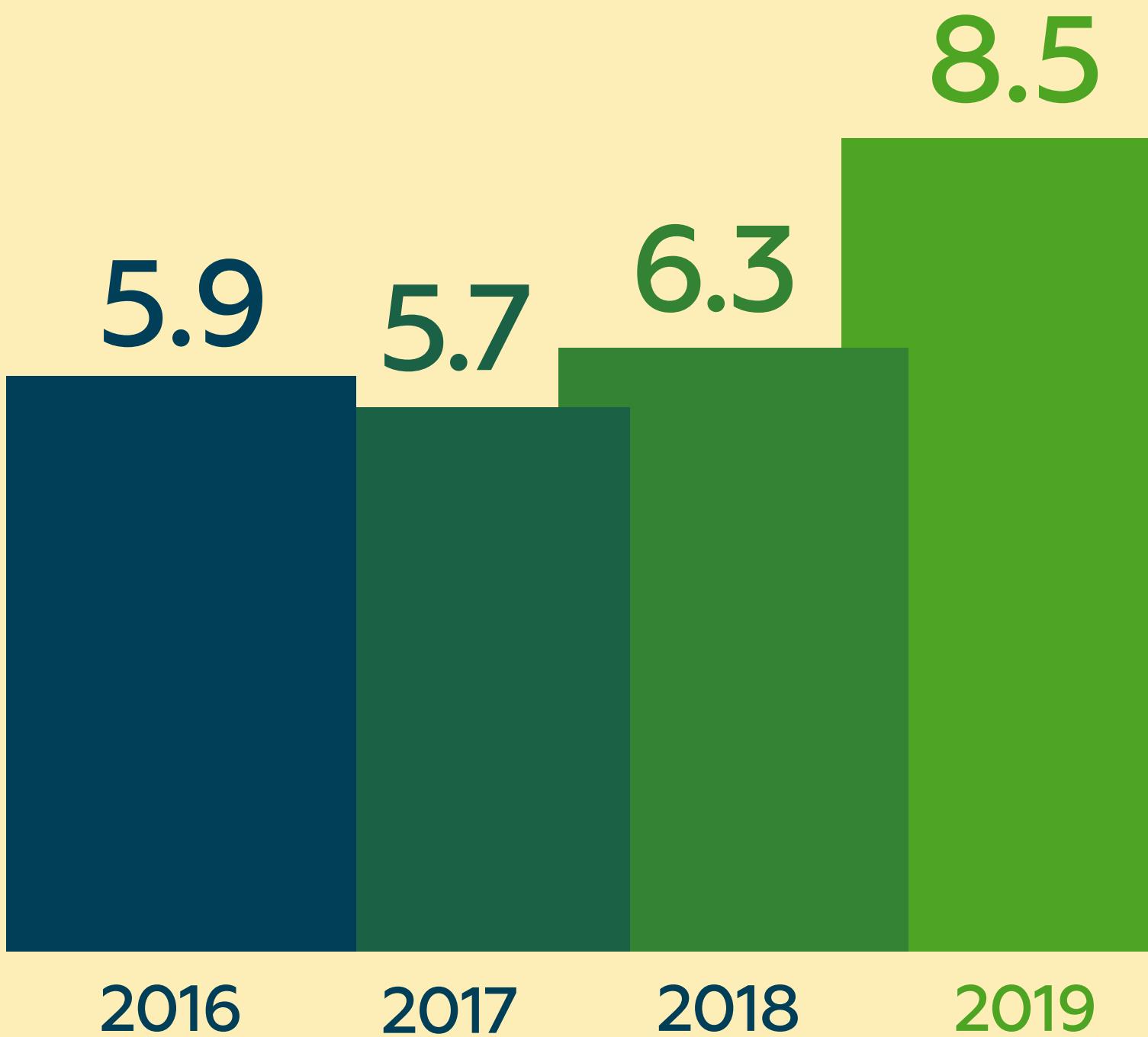
Three years ago, the state had to inject ₴155 billion in PrivatBank to save it from bankruptcy and the Ukrainian banking system from collapse.

The bank received monetary assistance from Ukrainian taxpayers for the last time.

Since the nationalization, the state has received ₴36 billion in dividends from the bank.

DIVIDENDS, BLN UAH





**TAXES AND OTHER FISCAL  
CHARGES TO THE BUDGET,  
BLN UAH**



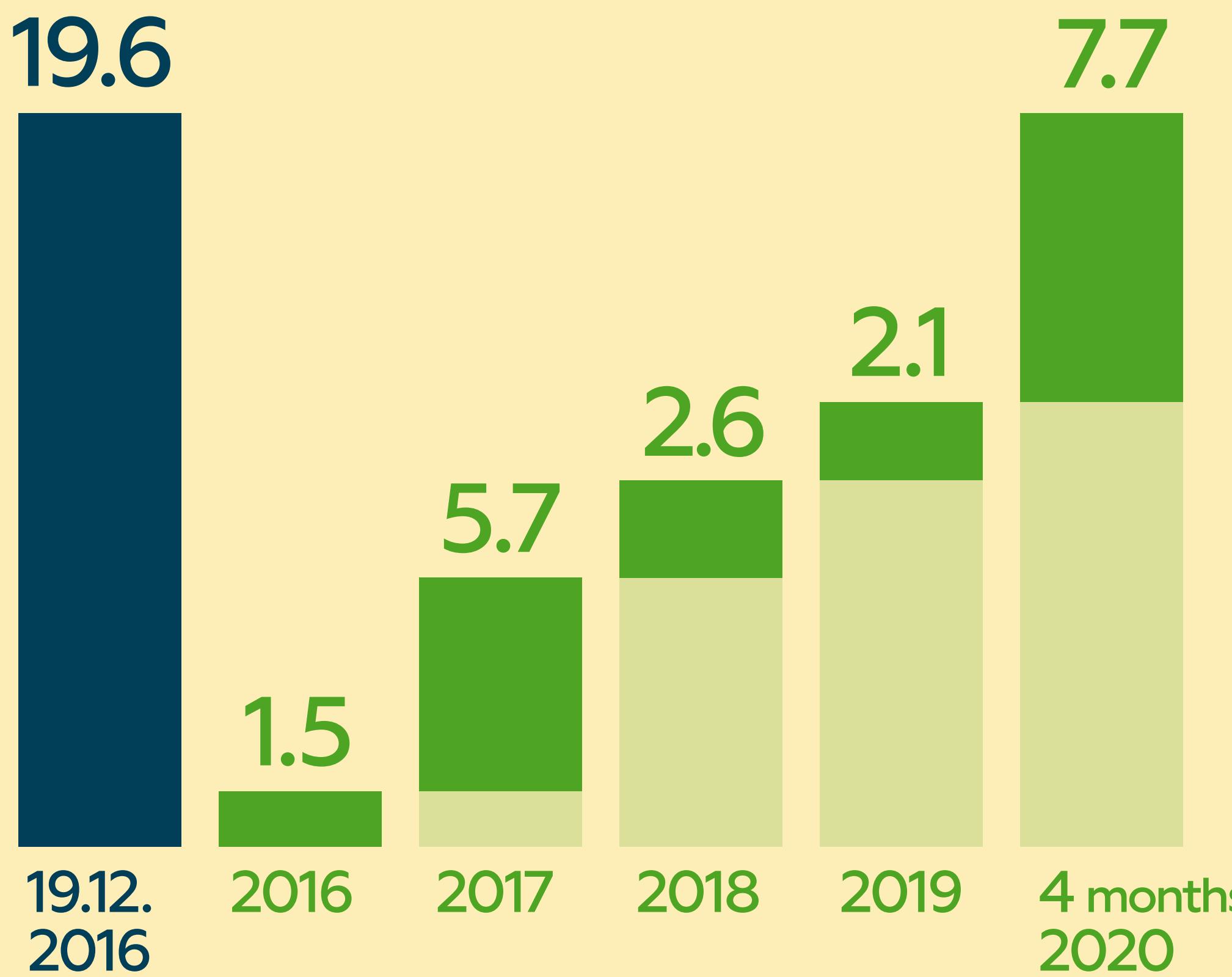
## PRIVATBANK PAYS MORE TAXES THAN ANY OTHER UKRAINIAN BANK

Prior to the nationalization, PrivatBank ranked a modest 11th in the list of the largest taxpayers in Ukraine.

In 2019, the bank rose to fourth place: we paid more taxes than Ukrzaliznytsia or Ukrnafta, although less than Naftogaz or Philip Morris.



# PRIVATBANK REPAYS ITS DEBTS



Prior to the nationalization in 2016, PrivatBank took ₴19.6 billion in loans from the National Bank of Ukraine.

Every year after that, we gradually returned the money – until we repaid the debt in full in 2020.

**PAYMENTS ON NBU LOANS  
AFTER NATIONALIZATION, Bln UAH**





**32.6**  
BLN UAH  
**PRIVATBANK'S  
NET PROFIT  
IN 2019**

## STATE-OWNED DOES NOT MEAN UNPROFITABLE

Ukrainians often think that the state ownership makes any business inefficient, non-transparent and backward.

PrivatBank has proved that this is not the case. After the nationalization, the bank stopped "milking" the state and began to replenish the state budget.

Last year was the most profitable in the history of the bank: we earned ₴32.6 billion.



NET PROFIT IN 2019,  
BLN UAH

## THE BACKBONE OF THE BANKING SYSTEM

Last year, PrivatBank accounted for 54.7% of the net profit of the Ukrainian banking system and 92.6% of the net profit of all state-owned banks in the country.



# IN THREE YEARS, NET PROFIT HAS INCREASED 80 TIMES

32.6

Before the nationalization, run by its former owners, the bank issued loans worth billions of hryvnias.

This money has not yet been returned to the bank.



NET PROFIT, 😊 BLN UAH

-176.2  
(-200.5)



# PRIVATBANK'S NET PROFIT IN 2019, BLN UAH

REVALUATION  
OF ASSETS DUE  
TO HRYVNIA  
EXCHANGE  
RATE GROWTH

**6.4**

RESULT  
FROM  
DOMESTIC  
BONDS\*,  
INCLUDING  
INTEREST

**8.2**



RESULT  
FROM BANKING  
ACTIVITY,  
NOT INCLUDING  
DOMESTIC BONDS\*

**17.9**

\* Domestic government bonds received by the bank during its nationalization.

Most of last year's profit is due to the growth of the main banking business: loans, deposits, commissions, etc.

Another source of income is the strengthening of the hryvnia exchange rate. Due to this, the value of bank's securities and other assets has increased.

Also, PrivatBank strengthened its profits due to domestic bonds. They were received during its nationalization.



# SURVIVED AND WON

Last year's high profit was the result of growth in all areas of PrivatBank's work, from business loans to commissions for accepting payments.

In 2019 — for the first time in history — the hryvnia exchange rate rose against other currencies, not fell. Inflation was at a record low and GDP growth was at a record high. PrivatBank was able to take advantage of global and Ukrainian economic growth to show a maximum profit.





# EARNED MORE, SPENT LESS

In 2019, the bank's income from issued loans and commissions on payments increased. However, some expenses decrease. For example, expenses on rent.

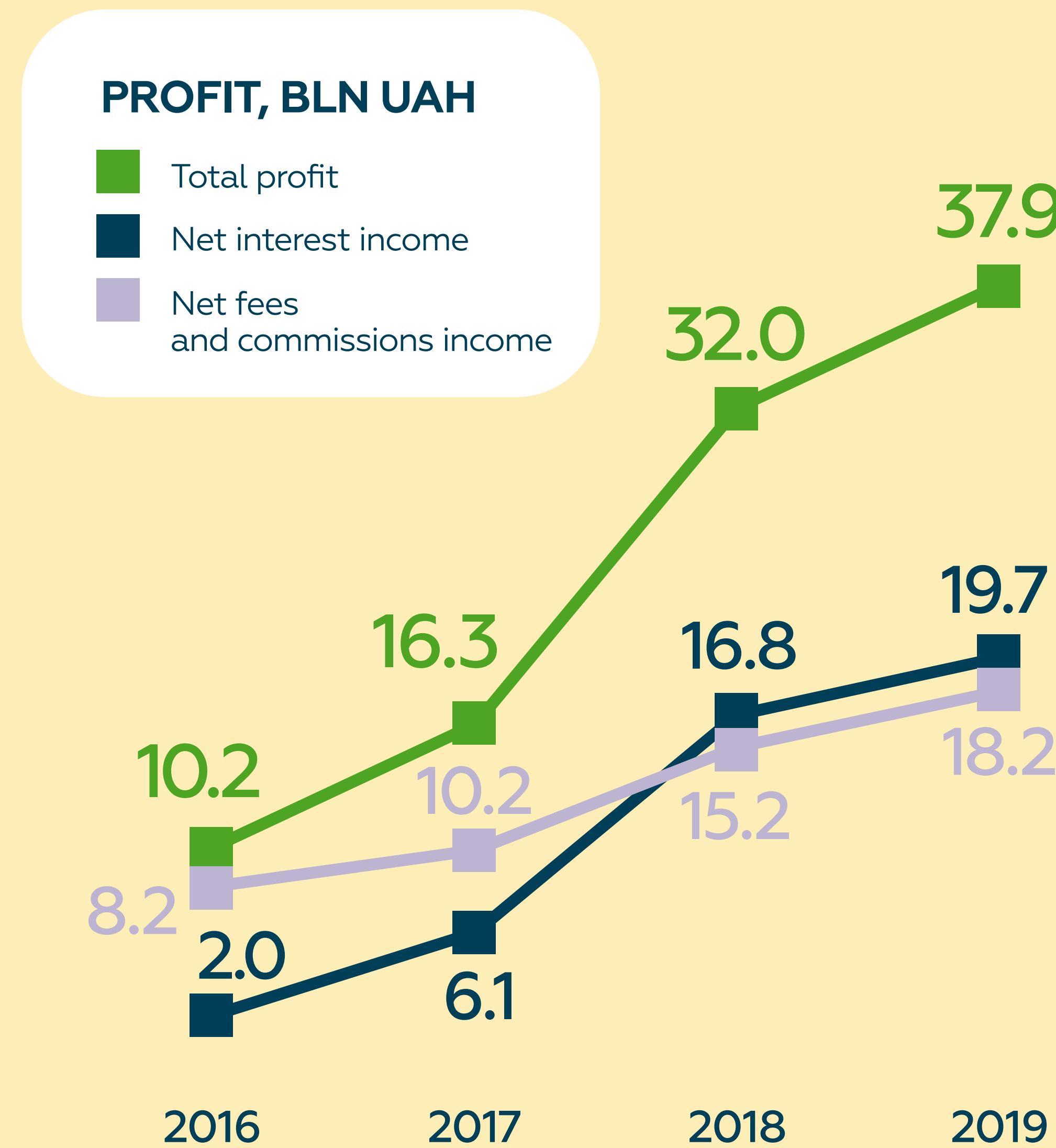
**+17%**  
NET  
INTEREST  
INCOME

**+20%**  
NET FEES  
AND  
COMMISSIONS  
INCOME

**-2%**  
OPERATING  
EXPENSES



# PROFITS GROW YEAR AFTER YEAR



The bank makes a profit on the transactions made by its clients: from utility bills payments through Privat24 to card payments at supermarkets. This is called fees and commissions income. As the number of clients and transactions grows, the fees and commissions income increase too.

Also, the bank attracts deposits and then issues loans. It is from the issued loans that the bank receives interest income. PrivatBank began giving loans to reliable borrowers, that is why the interest income is growing.



# HOW UKRAINIANS USED PRIVATBANK'S SERVICES IN 2019

That is why the income from fees and commissions on payments increased by 20% compared to 2018.



NUMBER OF TRANSACTIONS,  
MILLION TIMES

110  
PAID  
AT THE REGISTER

241  
WITHDREW  
CASH FROM ATMS

355  
PAID THROUGH  
SELF-SERVICE  
TERMINALS

949  
PAID  
BY CARDS  
OFFLINE

103  
PAID  
THROUGH  
PRIVAT24





# OUR FOCUS IS ON PRIVATE CLIENTS AND SMALL AND MEDIUM-SIZED BUSINESSES

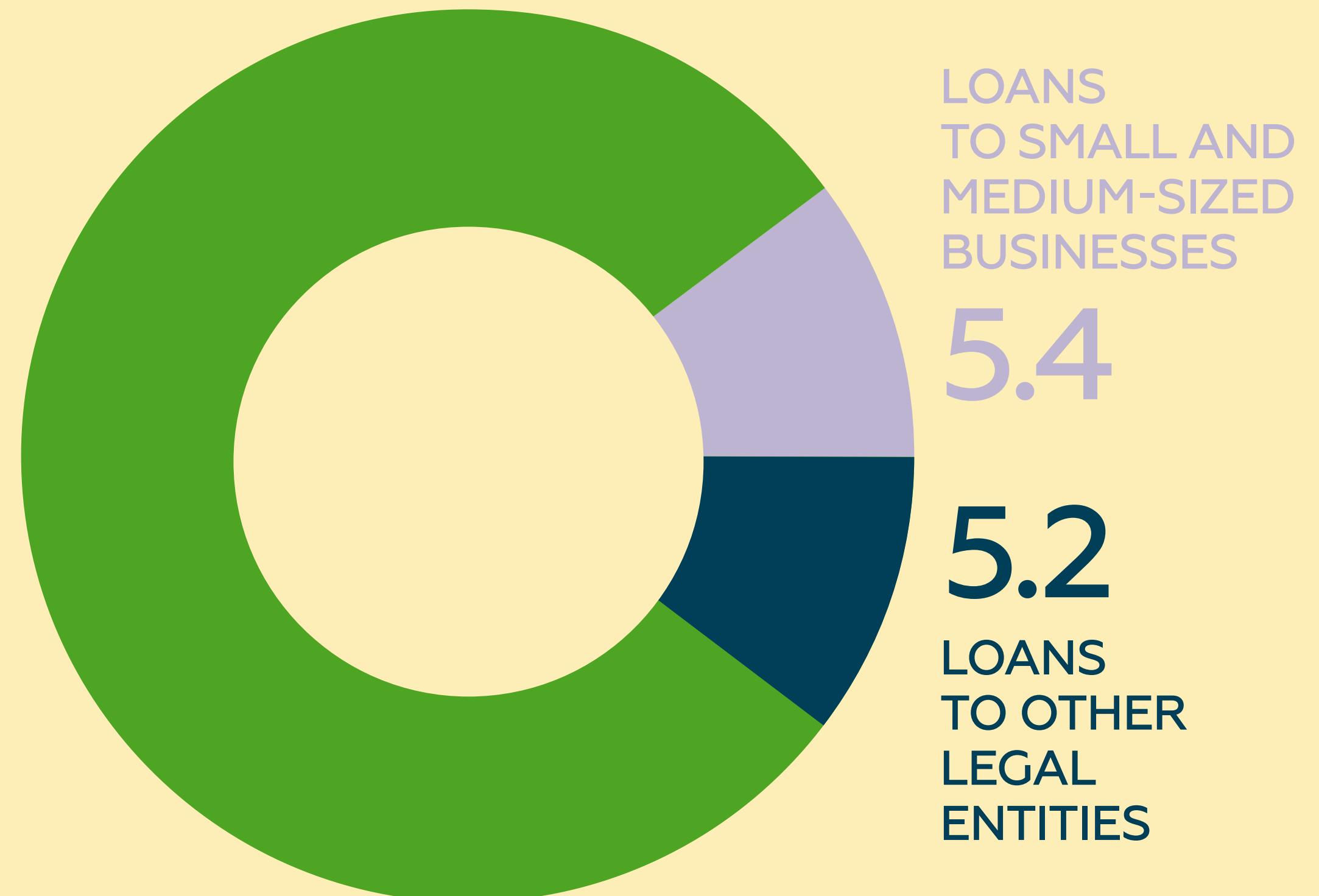
Large loans to large enterprises are big risks for the bank and its millions of depositors.

Therefore, PrivatBank's strategy is balanced and reasonable — lending in small amounts primarily to individuals and small and medium-sized enterprises.

**PRIVATBANK'S LOAN  
PORTFOLIO IN 2019\*,  
BLN UAH**



**46.1**  
LOANS TO  
INDIVIDUALS



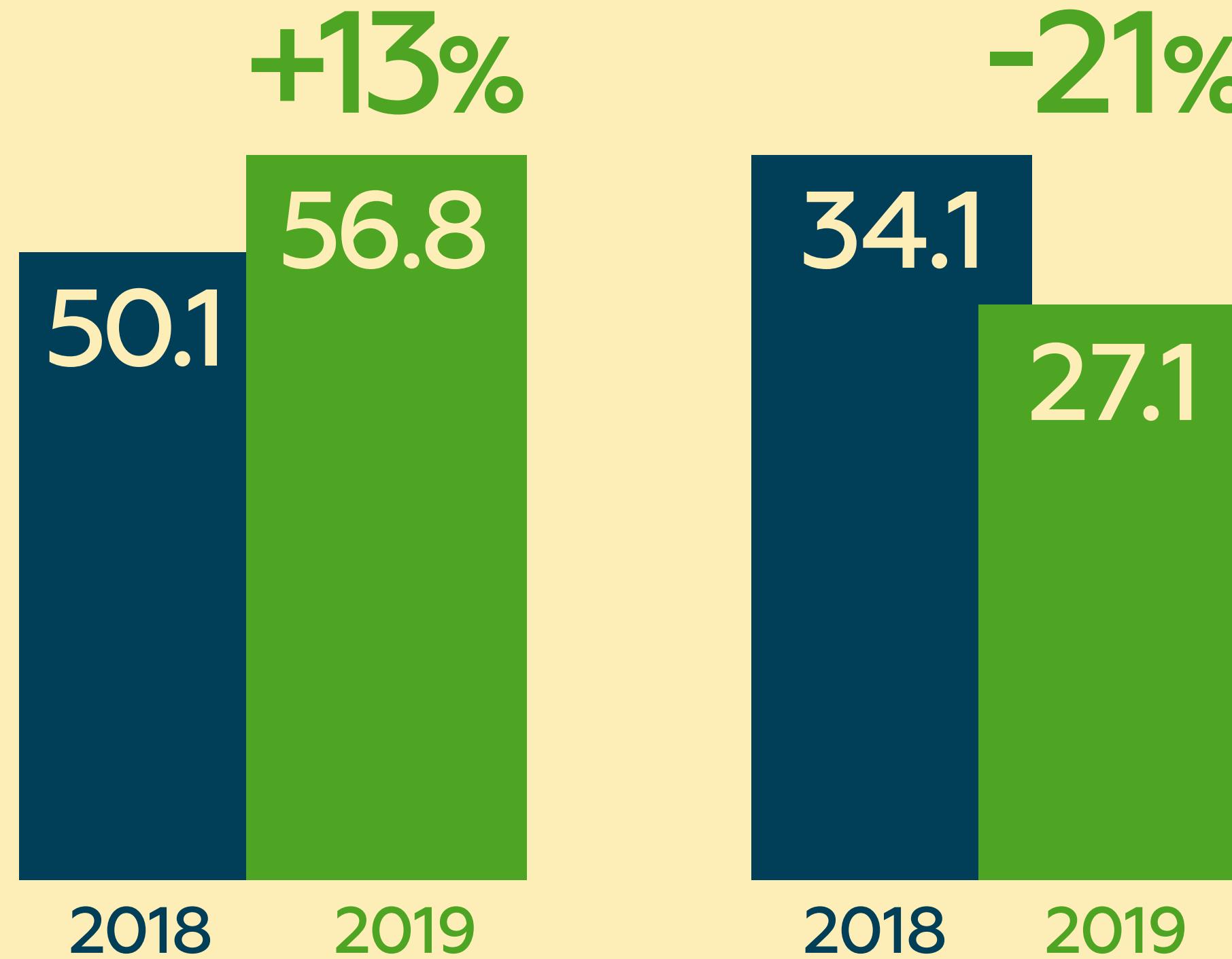
\* Not including loans to persons affiliated to the former owners and excluding provision.



## LOANS: QUANTITY AND QUALITY



ISSUED LOANS\*,  
BLN UAH



NON-PERFORMING  
LOANS\*, %



There are two reasons for the growth of the bank's profit from loans. They are the following: loans are taken more often and are paid off more often.

Last year, the bank loaned ₴56.8 billion, while the share of non-performing loans (NPLs) reduced by 21%.

The share of non-performing loans remains high. Debtors, who received loans from the bank right before the nationalization in 2016, still do not repay the loans to the bank.

\* Not including loans to persons affiliated to the former owners and excluding reserves.



**PRIVATBANK  
HOLDS  
MORE  
CUSTOMERS'  
MONEY  
THAN ANY  
OTHER BANK  
IN UKRAINE**

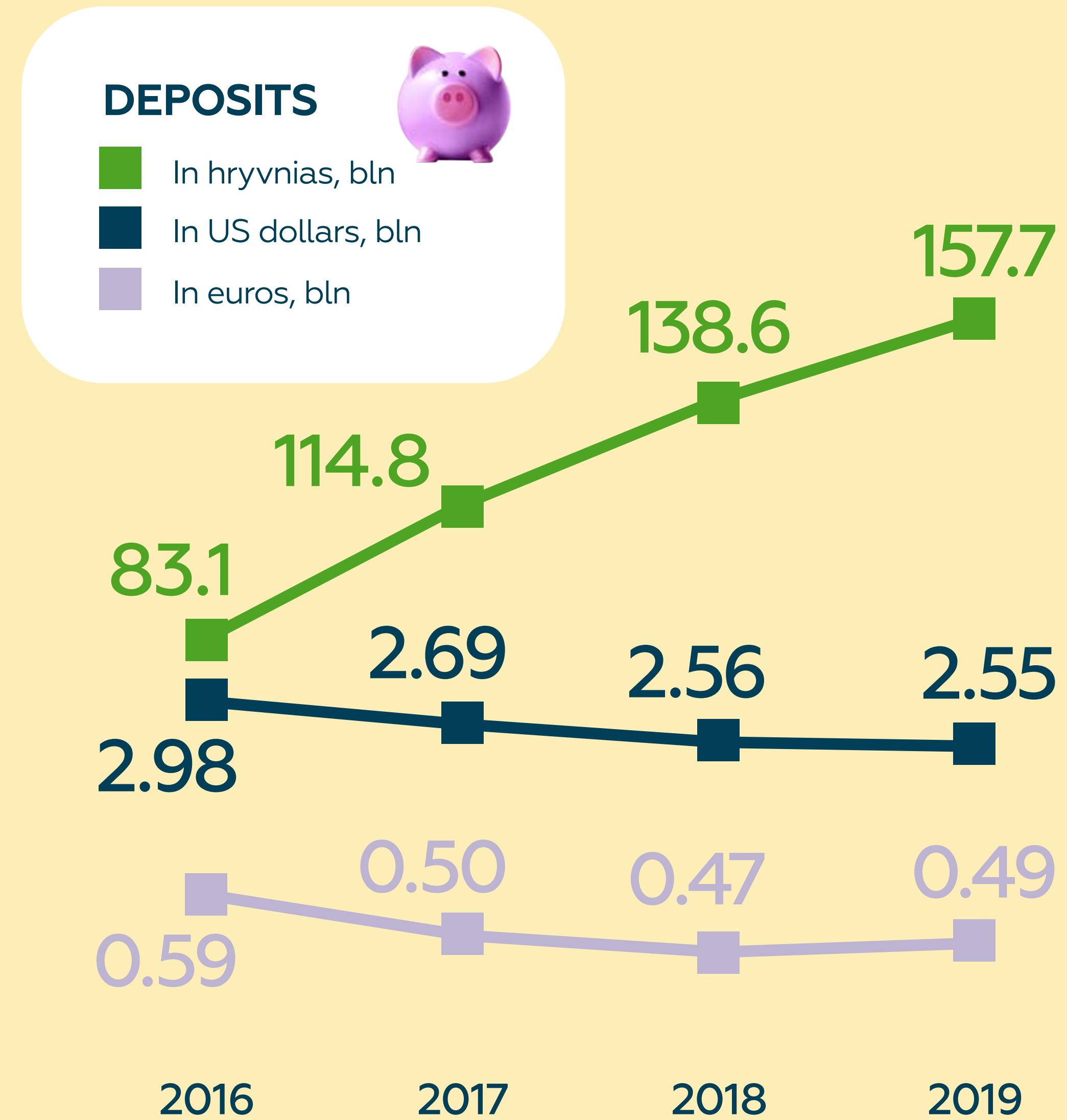
**240 BLN  
UAH**

Part of this money  
is the fixed-term  
deposits, another  
part is the current  
accounts  
of individuals  
and enterprises





# MORE CLIENTS KEEP MONEY IN HRYVNIA

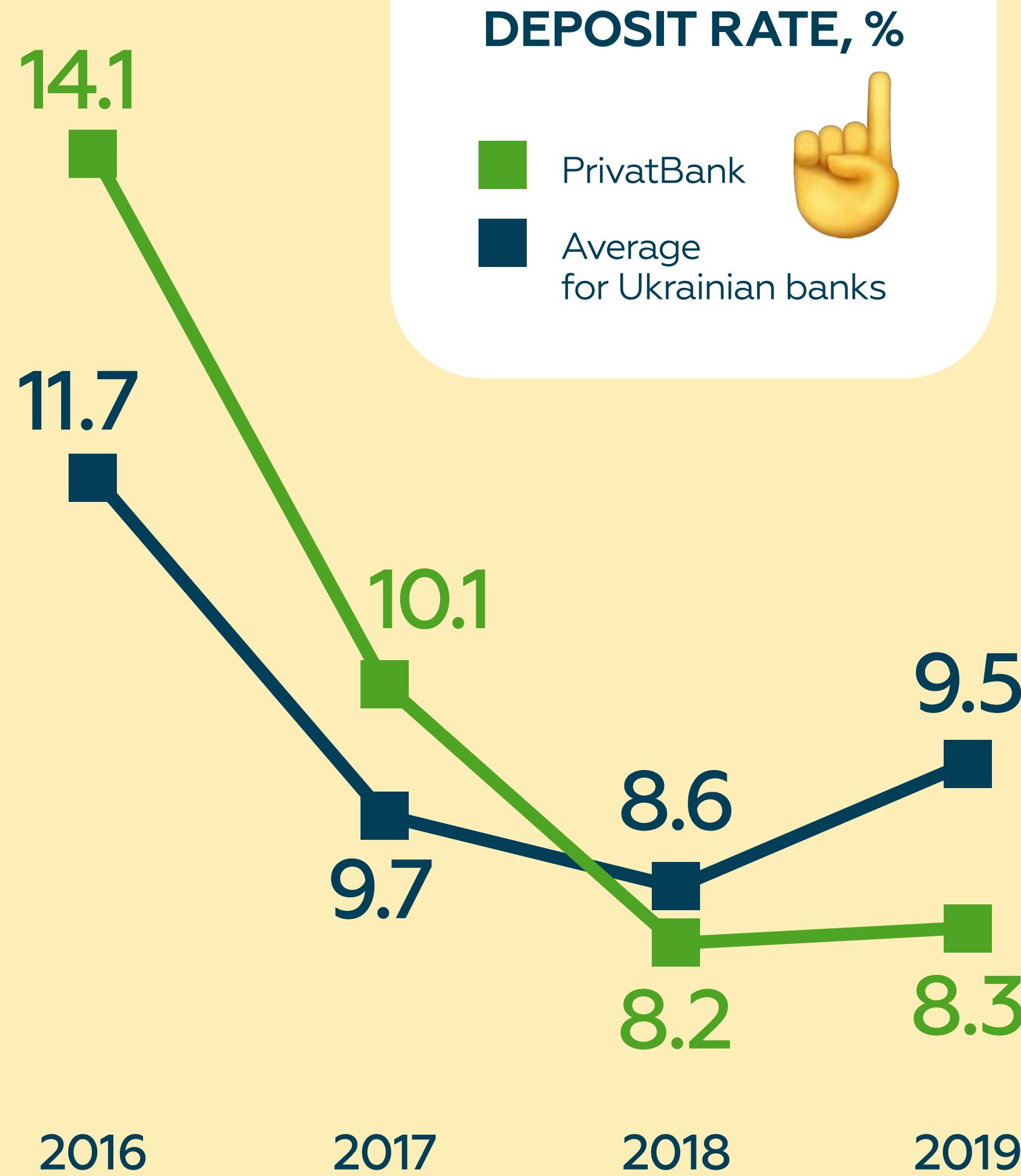


In 2019, PrivatBank began placing fewer deposits in euros and dollars and more in hryvnia. This is good because the bank does not issue loans in foreign currency: in Ukraine it is prohibited by law.

Therefore, we are lowering rates on foreign currency deposits, and more and more customers are saving money in hryvnia.



# BANK TRUSTED BY UKRAINIANS



The total amount of money that customers keep in the bank is growing every day, even though deposit rates are falling. This shows the reliability of PrivatBank and the fact that Ukrainians trust it.

Although the bank's competitors offer higher rates on deposits, Ukrainians keep their savings in PrivatBank.

This is how you trust in your bank!



LIQUID ASSETS  
OF PRIVATBANK  
IN 2019

225.2



BLN UAH

## RELIABILITY FOR CUSTOMERS

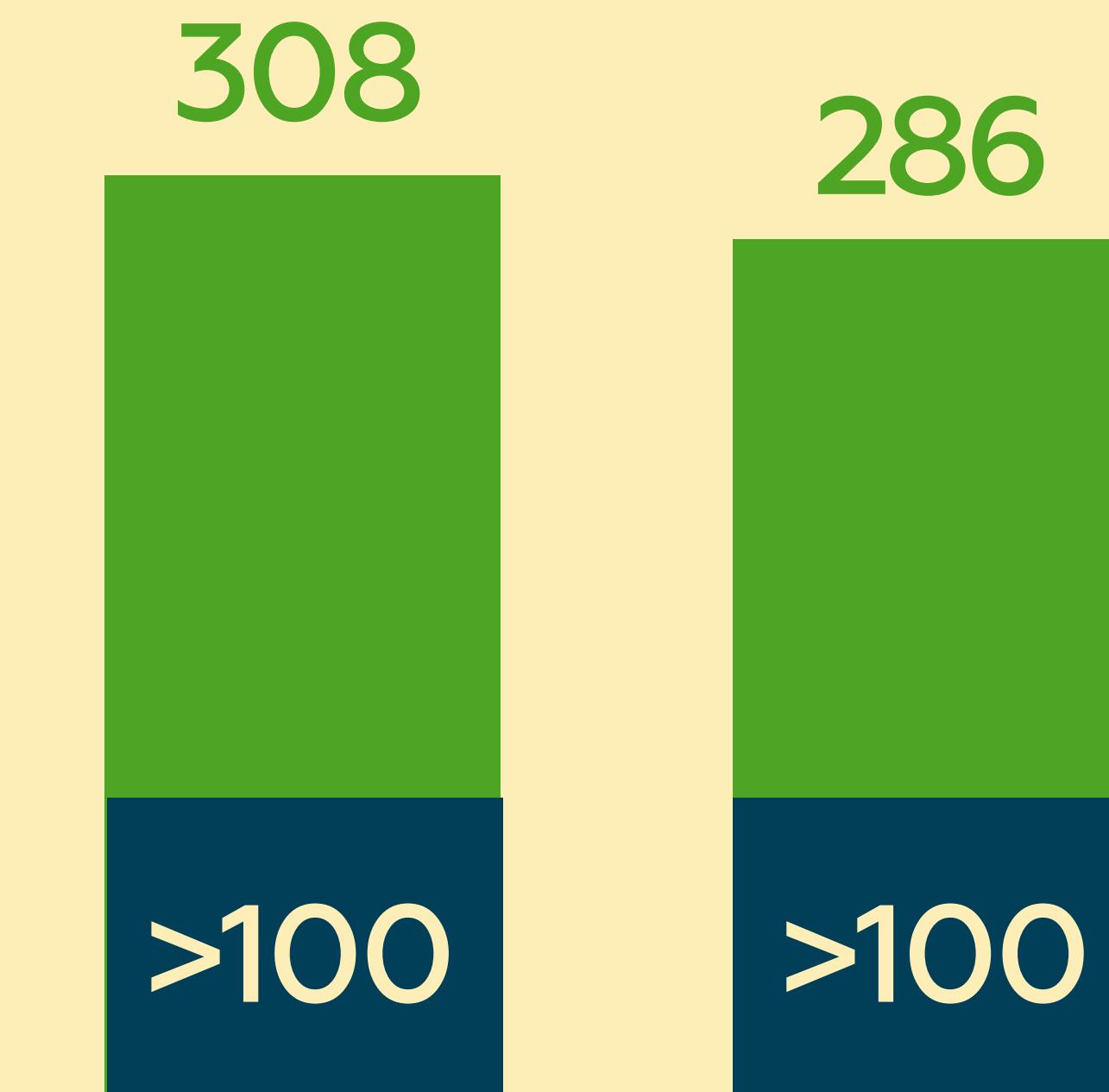
The liquid assets of PrivatBank are the bank's assets that can be quickly converted into real money. Some of these assets are cash at bank cash desks and accounts in foreign banks and some are government-guaranteed securities.



**LIQUIDITY 97%  
IS THE MAIN INDICATOR  
OF THE BANK'S  
HEALTH**



If all 13 million depositors demand their money back one day, the bank will be able to quickly raise ₽225.2 bln to pay them.



**LCR IN FOREIGN  
CURRENCIES, %**

**LCR IN ALL  
CURRENCIES, %**



PrivatBank



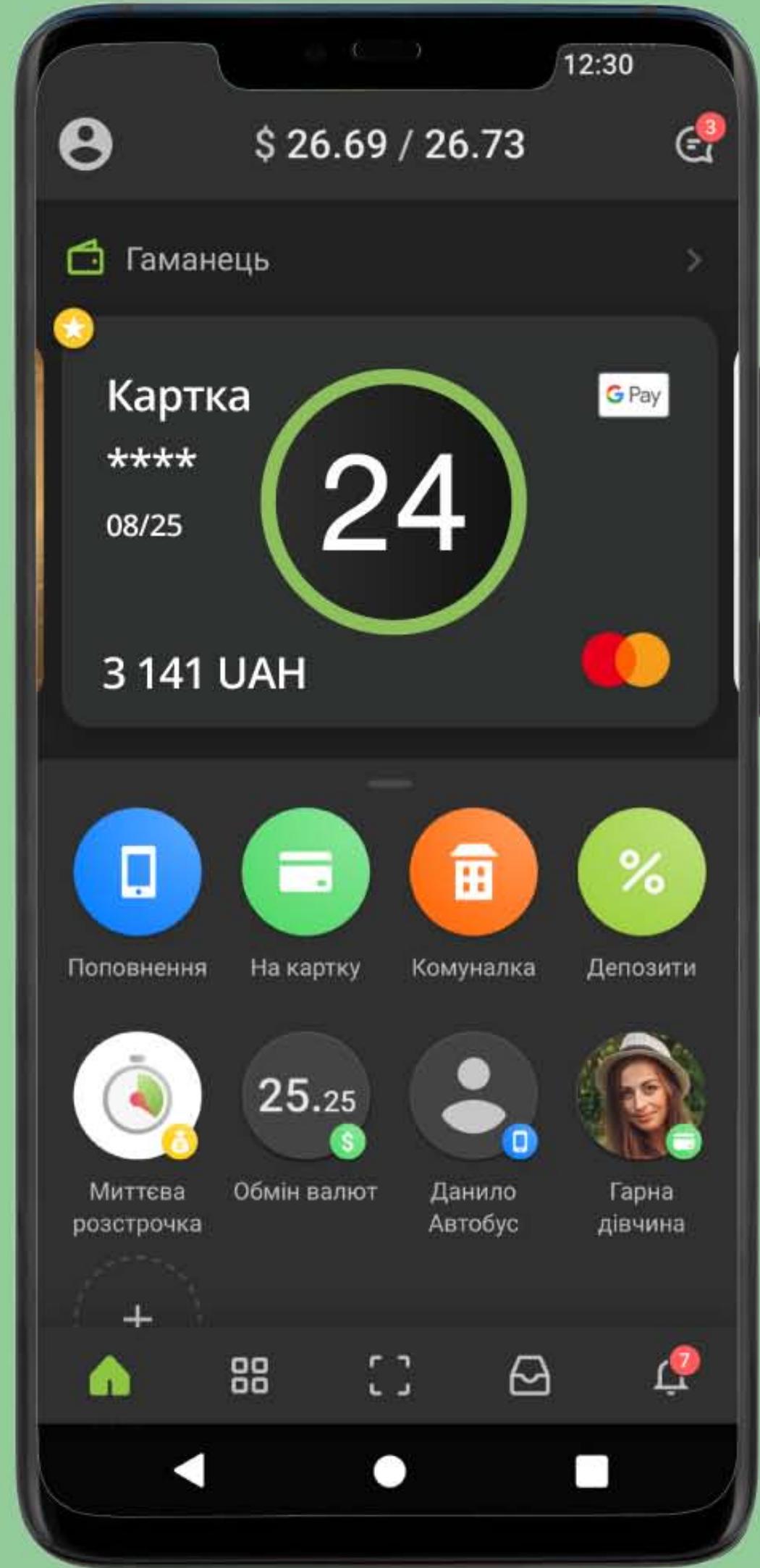
NBU standard

# PRIVATBANK'S RELIABILITY INDICATORS ARE ALMOST THREE TIMES ABOVE BASE LINE LEVEL

Another indicator of the bank's reliability is the liquidity coverage ratio or LCR. It is measured in percentages and shows how well the bank can cope with the sharp outflow of deposits during a month, which is a kind of stress test.

The LCR indicator was developed by European financiers after the crisis of 2007–2008 to assess the resilience of banks in the event of the sharp outflow of deposits. Since 2018, the National Bank of Ukraine has used the LCR indicator as one of the standards for all banks in the country.

The LCR coefficient is calculated according to the formula provided by the NBU. The minimum allowed value for Ukrainian banks is 100%.



WHY PRIVATBANK  
IS THE LEADER  
IN INNOVATIONS  
NOT ONLY IN UKRAINE,  
BUT  
IN EUROPE TOO?



# DO IS OUR MAIN WORD

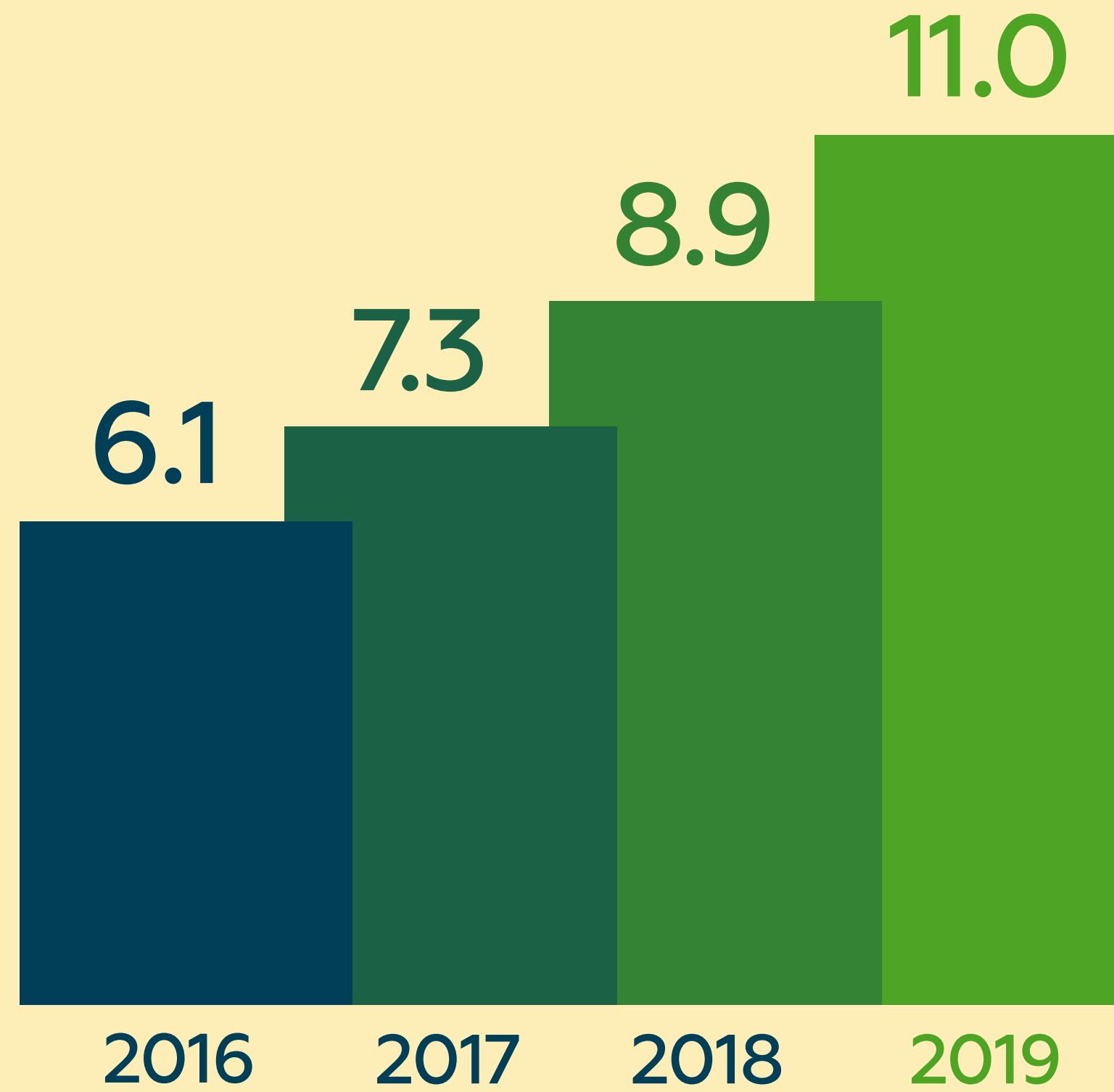
PrivatBank is not waiting for favorable conditions or someone's command. We are constantly inventing new products and services for customers and moving the country's economy forward.

From the first bank in a smartphone to the first Apple Pay operator — we do not sit idly by, but make innovative technologies available to Ukrainians.

# 11 MILLION PRIVAT24 USERS

We try to make Privat24 the most universal platform for all customers. Today the application offers 147 different services.





NUMBER OF USERS  
OF PRIVAT24 APP, MLN



## INCREASE IN THE NUMBER OF PRIVAT24 USERS – 5 MILLION IN 3 YEARS

In 2019, almost half of all PrivatBank customers used Privat24 on the website and through an application on a smartphone. It was the second most popular application for Android (after Viber) in Ukraine last year.

# NEW PRIVAT24

Every day, more than 8 thousand people download Privat24 applications for Android and iOS, and in total they are used by almost 10 million customers.

In September last year, we completely updated our mobile applications and moved them to a fundamentally new platform. Now everything works faster, and it is easier for us to add new functions. Most of the changes were made "under the hood", but a few regular users could also notice some improvements in the interface.



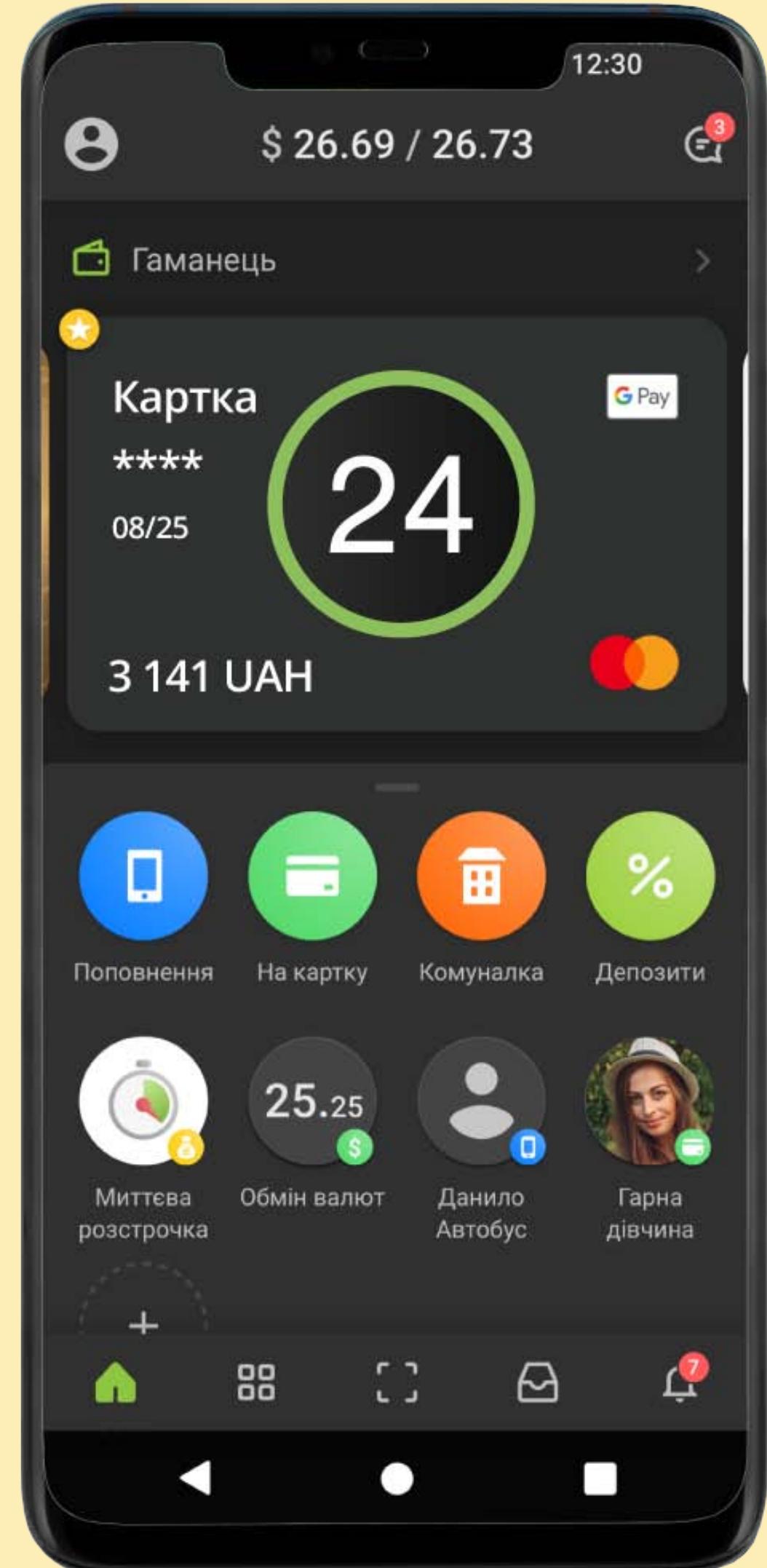


# NEW PRIVAT24

Logging in the application has become more convenient: you no longer need to enter a phone number every time.



We have added FacePay technology, which allows you to pay for goods and services “with your face”, without a card or smartphone.

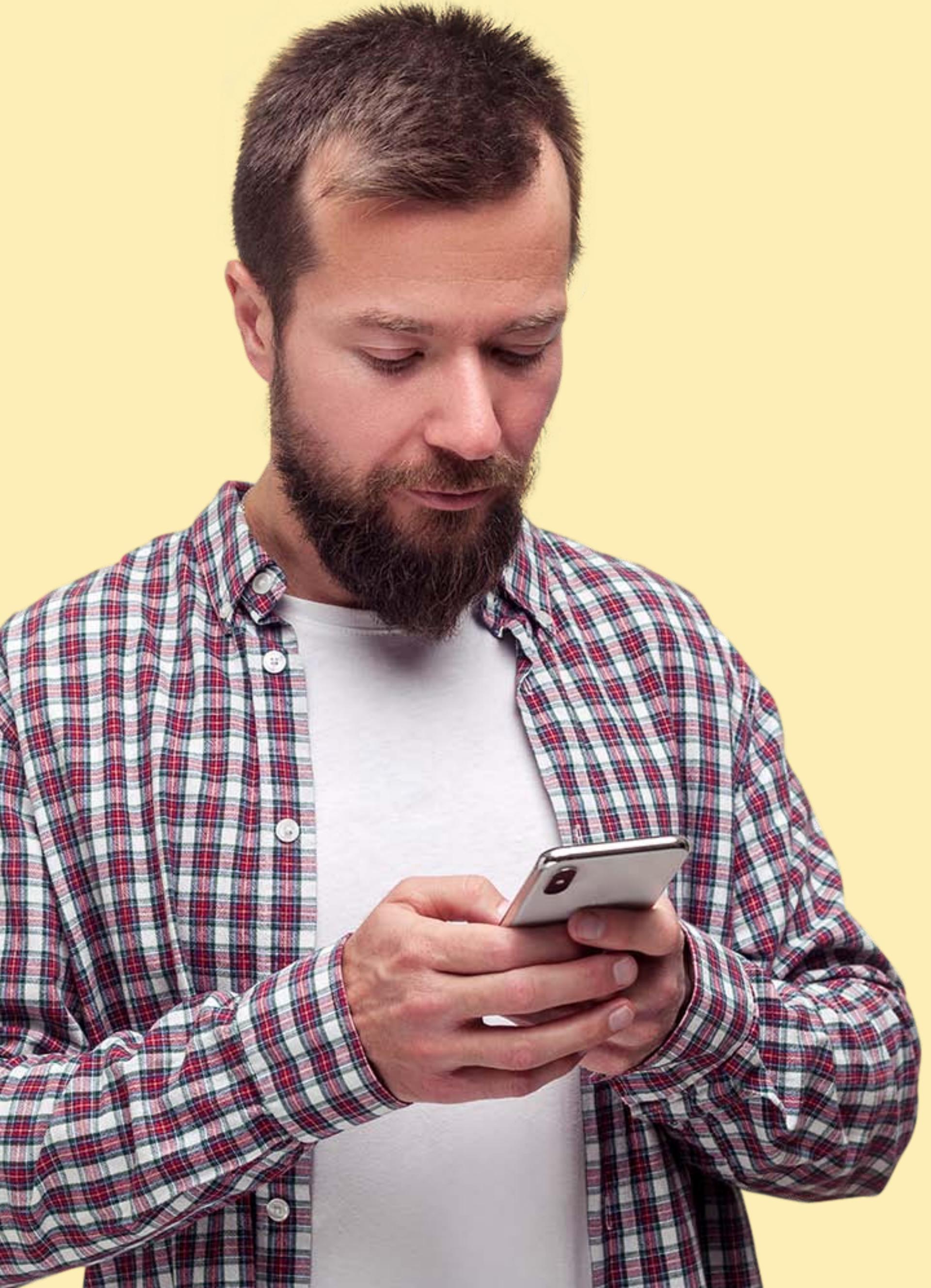


You can quickly place the most used functions of Privat24 to the main screen of the application.



The platform has become more secure: now you need to log in to the account again after switching the application. This may seem less convenient, but we consider security a top priority – both online and in real life.



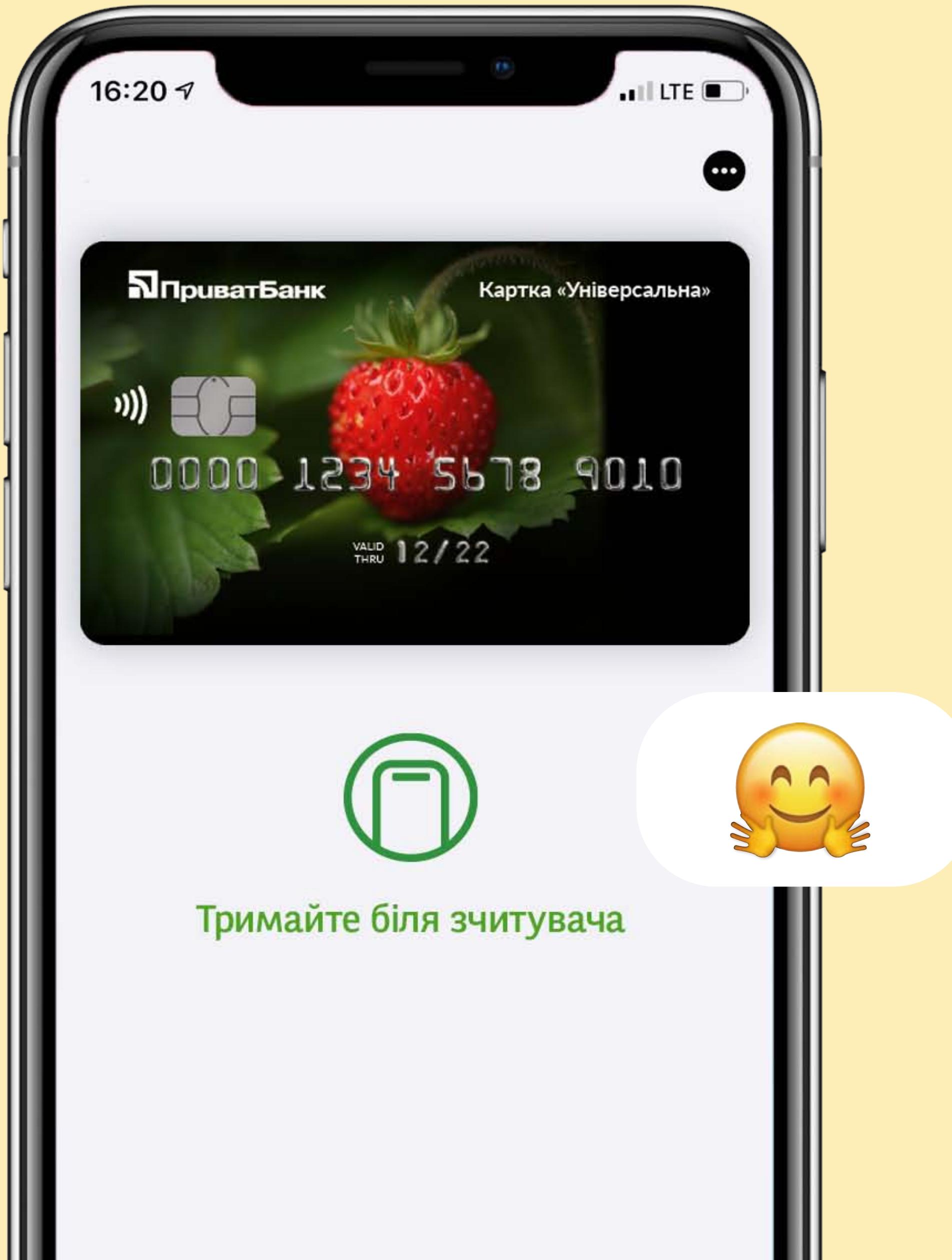


# PRIVATBANK OPENED GOOGLE PAY AND APPLE PAY FOR UKRAINIANS

Last year, we actively helped our customers make the most of their gadgets for digital payments — especially smartphones and smartwatches.

PrivatBank was the first bank in Ukraine to support Apple Pay. It's a fast, convenient and secure way for iPhone owners to pay for purchases using a smartphone or smartwatch.

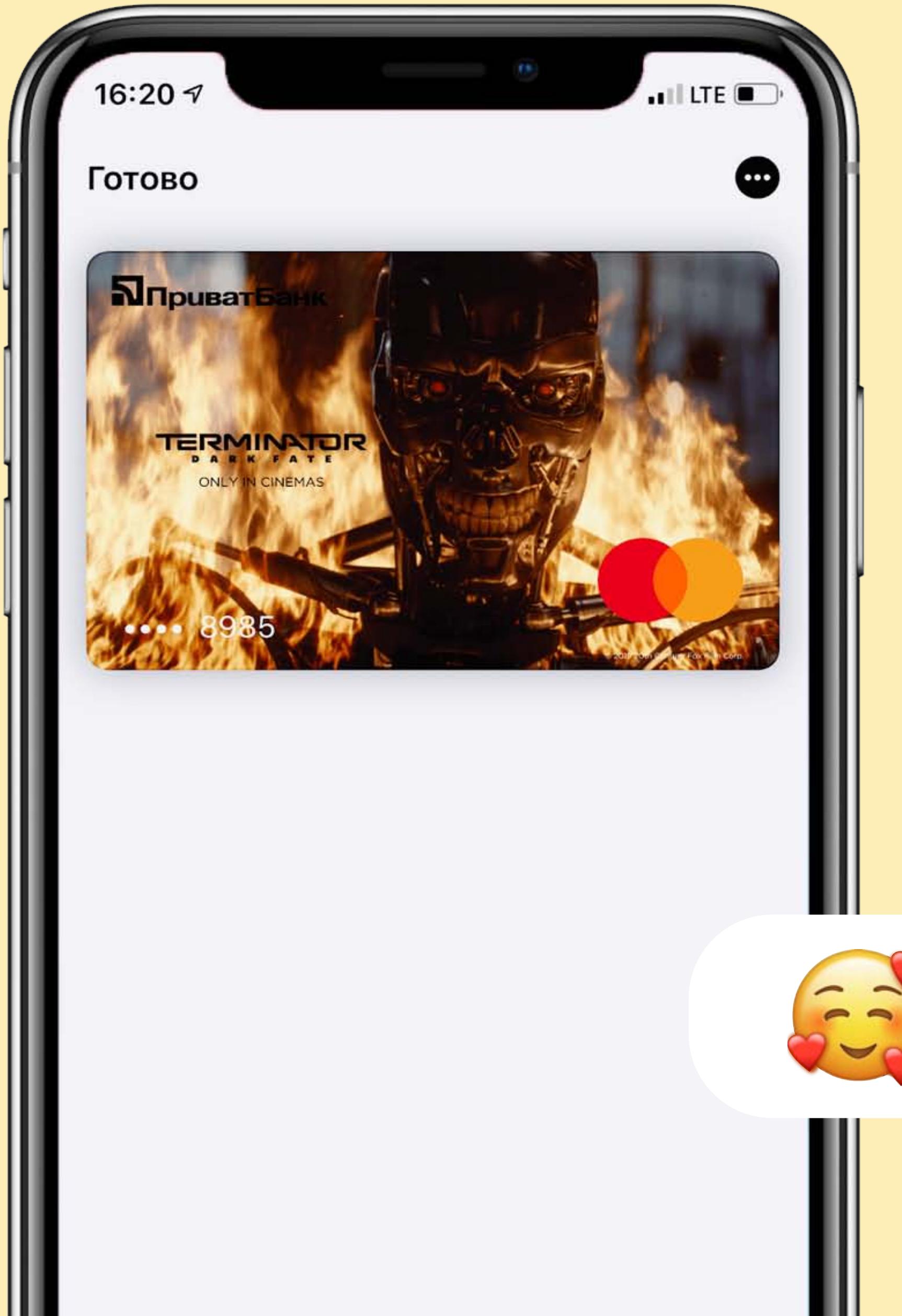
For owners of Android smartphones and watches, we have launched support for Google Pay — also the first in the country. According to the results of last year, every second Google Pay user in Ukraine is a client of PrivatBank.



# VIRTUAL PAYMENT CARD WITHOUT A VISIT TO THE BANK

We listened to the wishes of our customers: starting from 2019, you can issue a full-fledged payment card without visiting the bank. That is, without visiting the bank at all.

Three clicks in Privat24 – and your new credit or debit card is ready. The PIN and card details are sent as an SMS message, and you can pay with a virtual card in the real world via Apple Pay and Google Pay.



# DIGITAL CARD COVERS

Last year, our users — the first in the world — began adding original digital card covers to Apple Pay and Google Pay.

More than 400,000 people have already changed the standard pictures on their cards in Privat24 to something new and unusual.





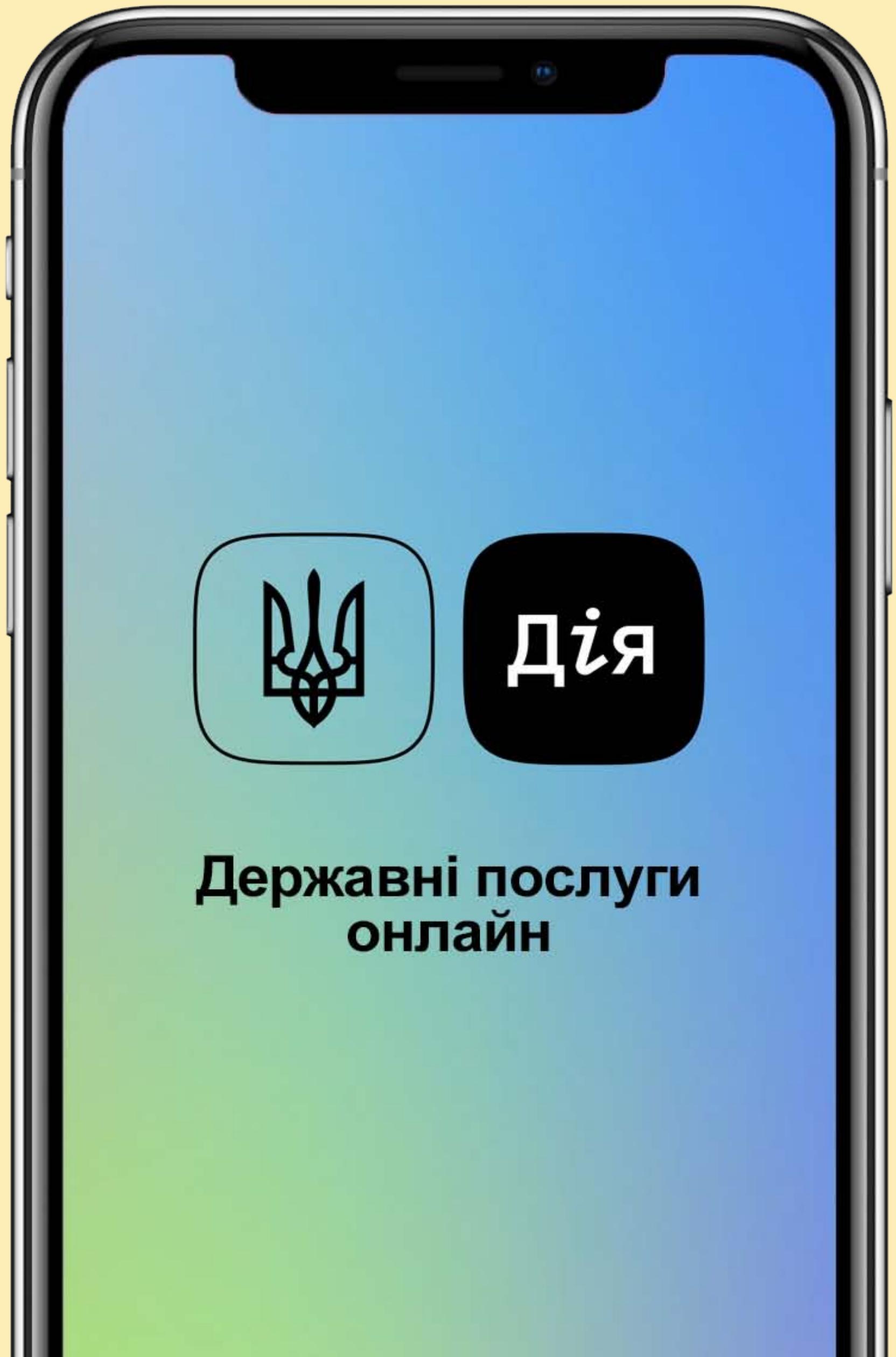
# LEGAL MUSIC



Ukraine of our dreams is a country without piracy.

To help our customers to "come to the light side of the Force", in 2019 we began to return the cost of the first three months of subscription to Apple Music. This service gives access to 50 million songs for a fixed monthly fee.

More than 150 thousand users have already switched to legal services with us in Privat24.



# SMART-ID: DIGITAL GOVERNMENT SERVICES WITH PRIVATBANK

We've been working all last year to help our clients get government services quickly and efficiently – and we've succeeded!

Starting this year, you can use the Smart-ID service, which replaces electronic or physical signatures on government documents. Usually, a special device to confirm the validity of such a signature is required. In our case, the only app you need is Privat24 on your smartphone.

All PrivatBank customers can use Smart-ID free of charge and spend much less time interacting with the state: for example, pay taxes faster or receive certificates from the Pension Fund.



# LOOK, THE FACE PAYS

Another PrivatBank's technological breakthrough in 2019 was the launch of FacePay24 biometric payments together with Visa.

Our customers were among the first in Europe to be able to confirm payments in stores by simply looking at the camera lens in a special terminal.

To "link" the card to the face, you need to take three selfies in the Privat24 application — and you can safely go shopping not only without a wallet, but also without a smartphone.



Press  
to watch  
the video



# DIGITAL CAR INSURANCE WITH ONE CLICK

More and more drivers among PrivatBank's clients prefer to take out their compulsory Motor Third Party Liability Insurance through Privat24. Instead of going with documents to the office of an insurance company or the branch of PrivatBank, you can quickly receive an electronic policy through the application.

Last year, we issued more than 200,000 policies, 38% of which were in digital form, i.e. without any physical paperwork. In 2018, the share of electronic ones was only 1%.



Buy with **24** Pay



Press  
to watch  
the video

## CONVENIENT AND SECURE PAYMENTS WITH PRIVATPAY

Last year, many Ukrainian websites — from Rozetka to OLX and from Antoshka to Citrus — added a button to pay through the PrivatPay platform.

All Privat24 users can use PrivatPay to pay online with one click, without entering the card number and CVV code on the seller's website. If you buy something using PrivatPay, you can choose a card of any bank from your account and confirm payments through the application on your smartphone.



# MONEY AT THE CASH DESK

Actually, we are for going cashless all the way — whenever and wherever.  
Still, in every person's life there comes a time when they desperately need some cash.

Now you do not need to look for one of our seven thousand ATMs:  
cash is available directly at the cash register in retail outlets throughout Ukraine.  
You can withdraw up to 500 hryvnias in cash when paying  
for any goods or services.

One could say that in 2019 we opened 65,000 new ATMs —  
exactly where they are needed.





**HOW  
PRIVATBANK  
CONTRIBUTES  
TO COMMUNITY**



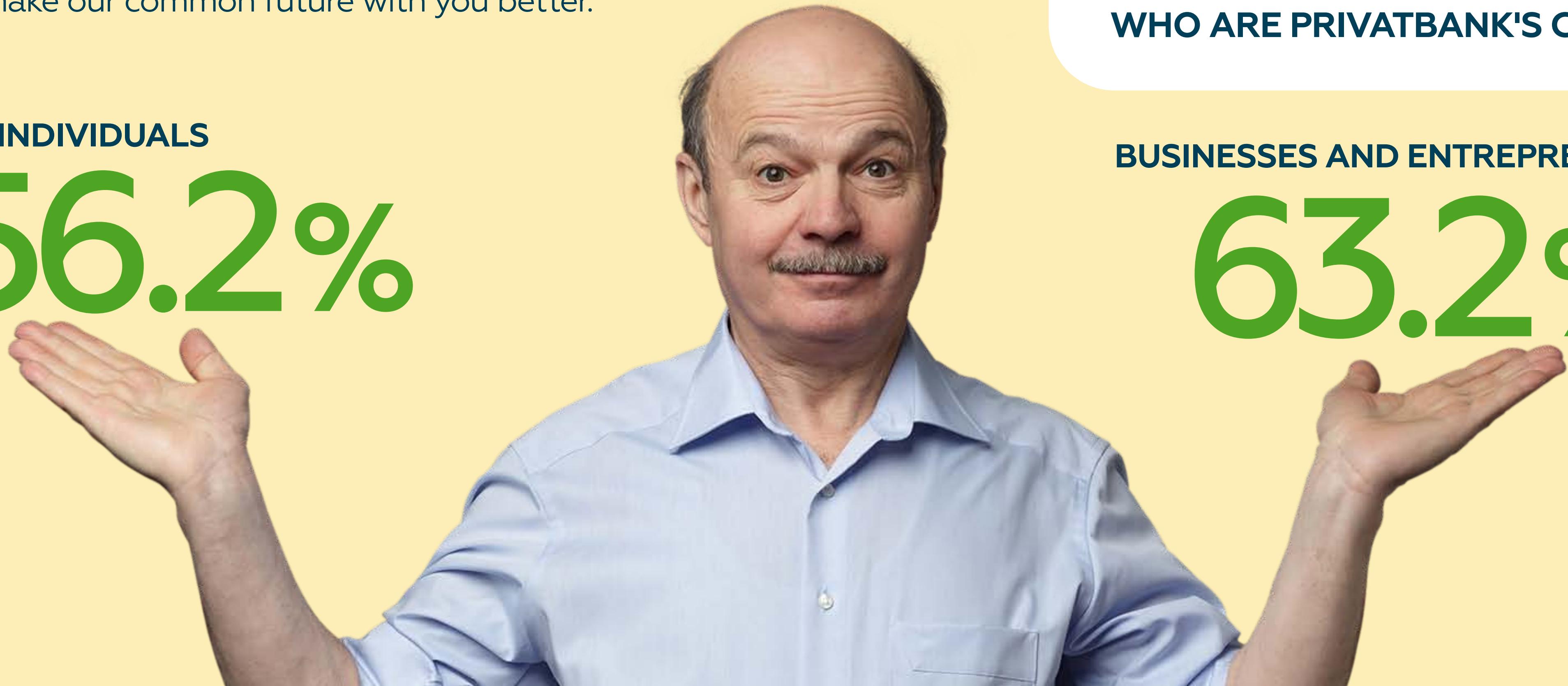
# MORE THAN HALF OF UKRAINIAN CITIZENS ARE PRIVATBANK'S CLIENTS

That is why we are changing Ukraine – to make our common future with you better.

SHARE OF UKRAINIAN INDIVIDUALS AND BUSINESSES WHO ARE PRIVATBANK'S CLIENTS

INDIVIDUALS

**56.2%**



BUSINESSES AND ENTREPRENEURS

**63.2%**



28.4

THOUSAND  
CLIENTS



3.8

BLN UAH  
OF LOANS  
UNDER  
THE KUB  
PROGRAM

## SUCCEEDING IN THE KUB AND HELPING ENTREPRENEURS

The KUB “Country of Successful Business” is our program for supporting business in Ukraine that helped 28,400 people last year. We offer loans for business development up to ₴1 million at 1.4–1.6% per month.

Active entrepreneurs are the strength and future of the Ukrainian economy, so the KUB's mission is to train and motivate them, as well as help them develop and create new working positions.

In 2019, PrivatBank issued ₴8.2 billion in loans to small and medium-sized businesses, ₴3.8 billion of them — under the KUB program.

KUB.PB.UA



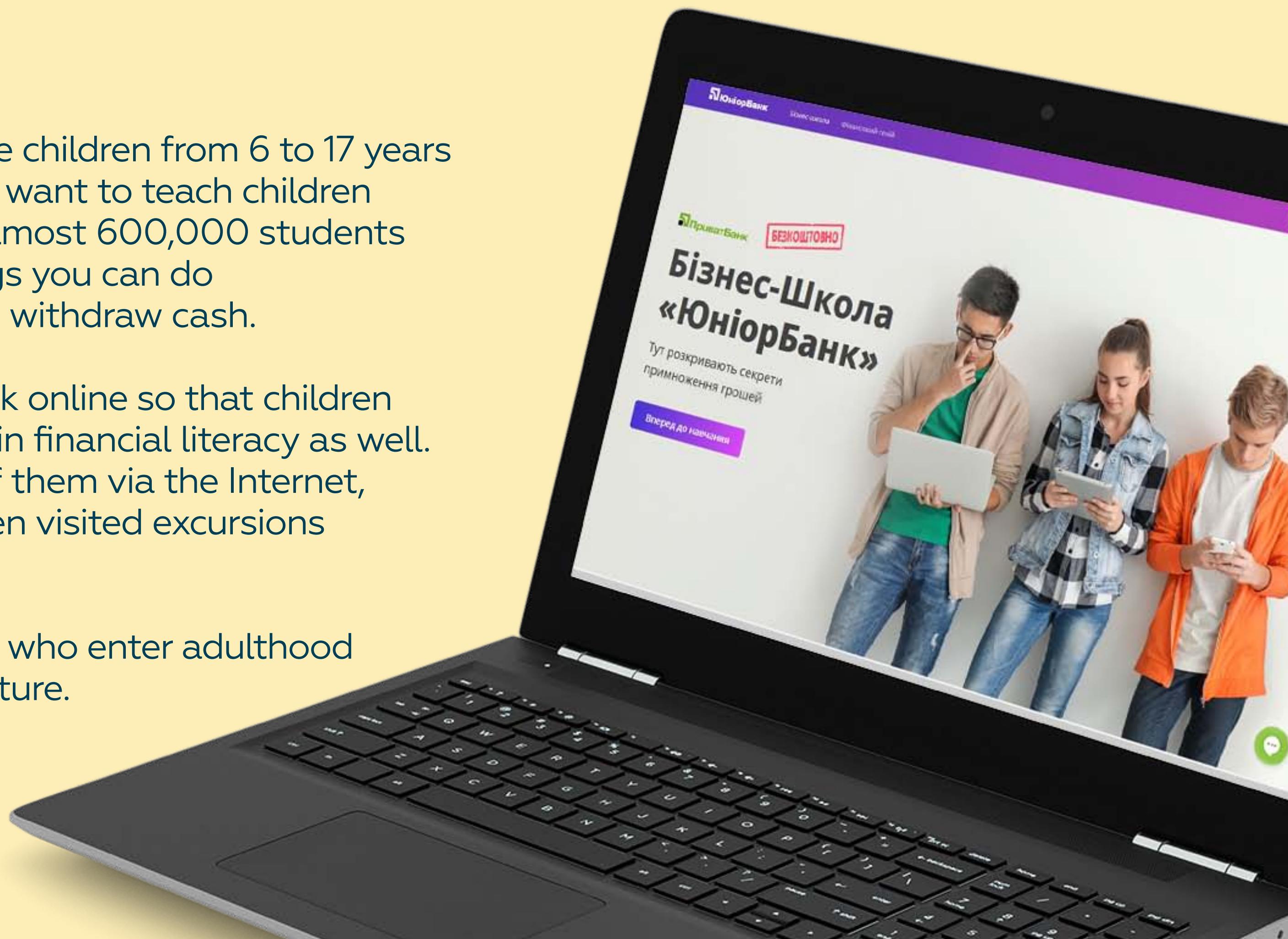
# PRIVATBANK HAS BEEN TEACHING 600,000 STUDENTS A YEAR FOR 10 YEARS!

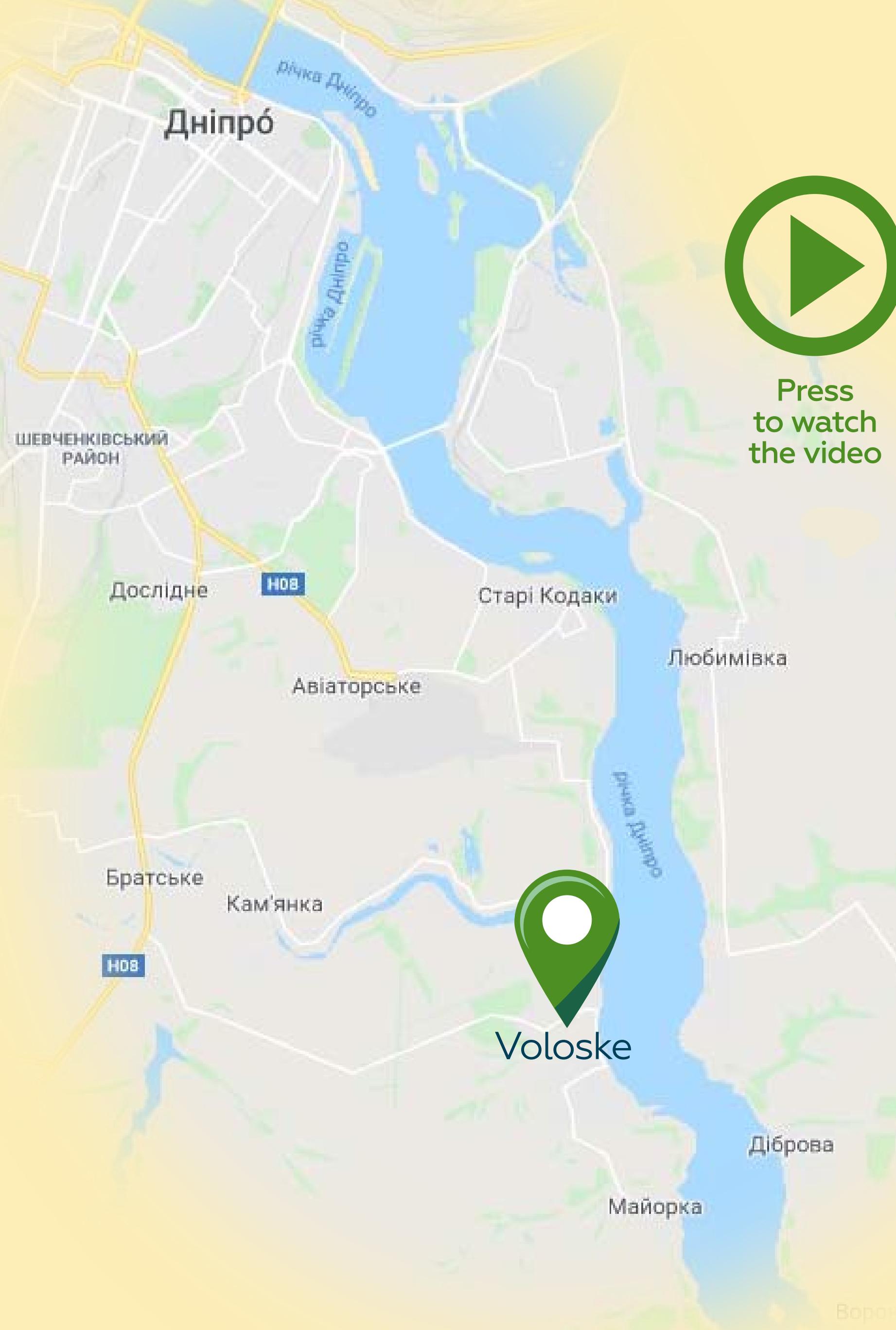
JuniorBank is a real bank for our youngest clients. Here children from 6 to 17 years can get a payment card and gain financial literacy. We want to teach children to set goals and achieve financial success. Currently, almost 600,000 students have a "junior card" with which you can do all the things you can do with an "adult" card: pay in stores, transfer money, and withdraw cash.

In 2019, we launched a free business school JuniorBank online so that children from the most remote corners of the country could gain financial literacy as well. During the year, 9,255 students studied there, 3,635 of them via the Internet, not to mention the fact that more than 40,000 children visited excursions to PrivatBank branches.

In 10 years, a new generation of children has grown up who enter adulthood being able to handle money and plan their financial future.

[JUNIORBANK.COM.UA](http://JUNIORBANK.COM.UA)





# CASHLESS VILLAGE OF VOLOSKE

Voloske is a small village in the Dnipropetrovsk region, home to 1,400 people. More than half of all purchases in local stores are now paid with customers' credit cards or smartphones.

Last year, PrivatBank along with the local community and MasterCard made banking services more accessible to locals. The village got an ATM, card terminals have been installed in all shops, and cashless payments for meals have been introduced at the school.

In the first six months, 89% of locals over the age of 16 started using cashless technologies, and all local schoolchildren received JuniorBank cards.

Almost a quarter of Ukraine's population lives in rural areas and does not have access to digital financial products. Voloske became the first pilot "smart" village. We now offer all willing rural communities to implement this model with our help.



# IT'S EASY TO HELP!

PrivatBank' charitable foundation "It's Easy to Help!" has been operating for nine years and allows everyone to engage in charity. Last year, the bank's 1.2 million customers donated ₴40.1 million to help those in need.

PrivatBank reliably turns your money into good deeds. The average contribution in 2019 was less than 8 hryvnias: this was enough to help tens of thousands of children and adults throughout Ukraine.

[BLAGO.PRIVATBANK.UA](http://BLAGO.PRIVATBANK.UA)

## CHARITABLE FUND EXPENSES IN 2019



**FOR THE SAKE  
OF LIFE**  
equipment for intensive  
care units, medicines

**36.2**  
MLN UAH

**ARMY OF UKRAINE**  
X-ray machines,  
medicines, rehabilitation,  
surgical equipment

**9.7**  
MLN UAH

**THE ORDINARY  
MIRACLE**  
New Year's gifts  
for children's hospitals

**5.4**  
MLN UAH

**ORPHANAGES**  
medicines, specialized  
nutrition, hygiene  
products, rehabilitation

**393**  
THSD UAH

**TARGETED  
ASSISTANCE**  
payments to victims  
of accidents

**736**  
THSD UAH



# THE SPIRIT OF INNOVATION IN PRIVATBANK'S TEAM



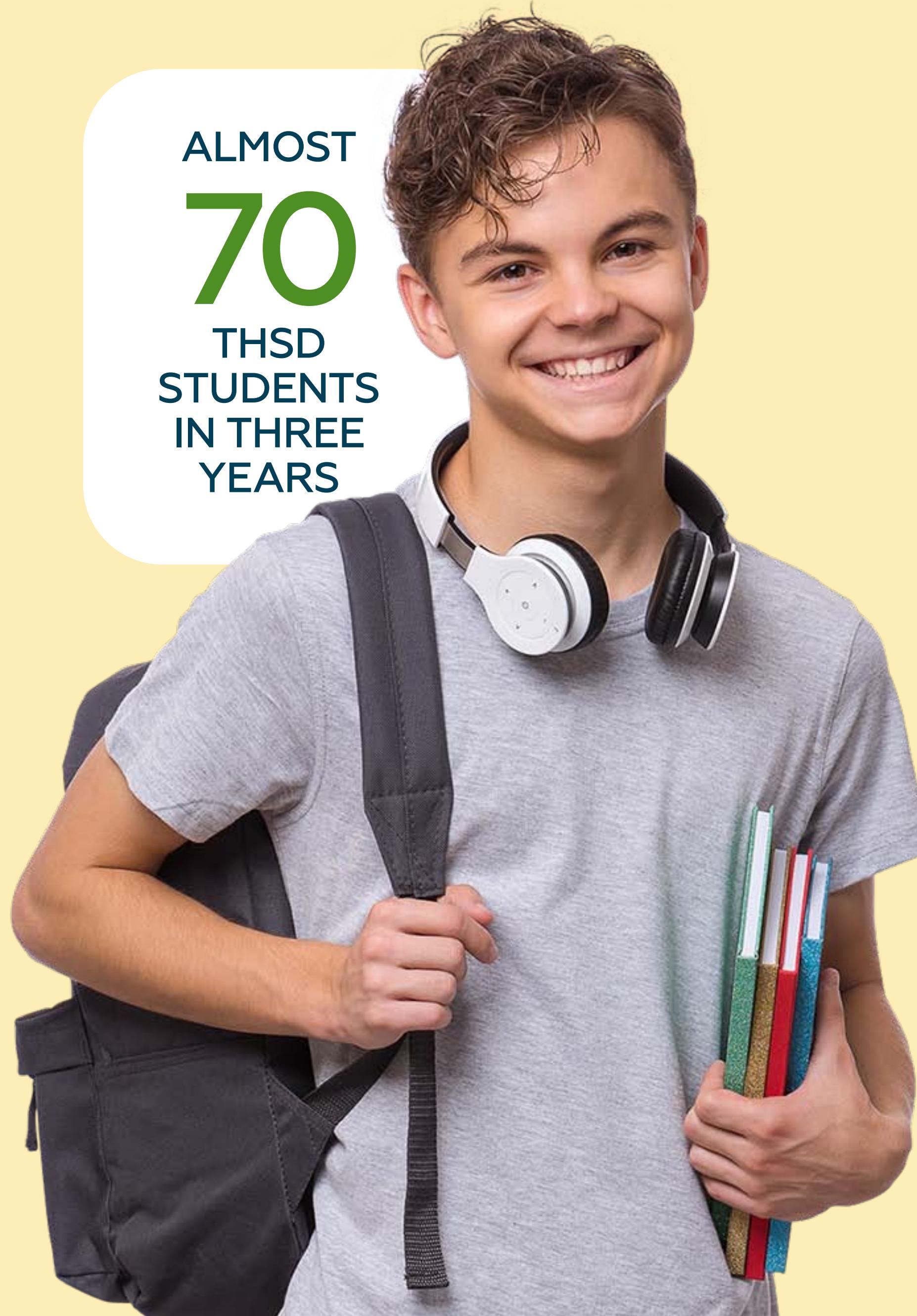
We do not have a special innovation team or unit: this is the ideology that each team adheres to. Good ideas require inspiration, and Silicon Valley is the best place to do it.

Three years in a row, we are holding Digital Safari, an internal competition of innovative ideas among the teams of PrivatBank employees. In three years, 1,200 of our colleagues came up with 200 projects, most of which helped improve or create the bank's products and services.

Being the authors of the 18 best projects more than 100 people took part in educational trips to Silicon Valley with visits to offices of Google, Amazon, Tesla, etc., as well as internships at Stanford and Berkeley Universities.



ALMOST  
**70**  
THSD  
STUDENTS  
IN THREE  
YEARS



# START IN THE PROFESSION FOR THOUSANDS OF STUDENTS

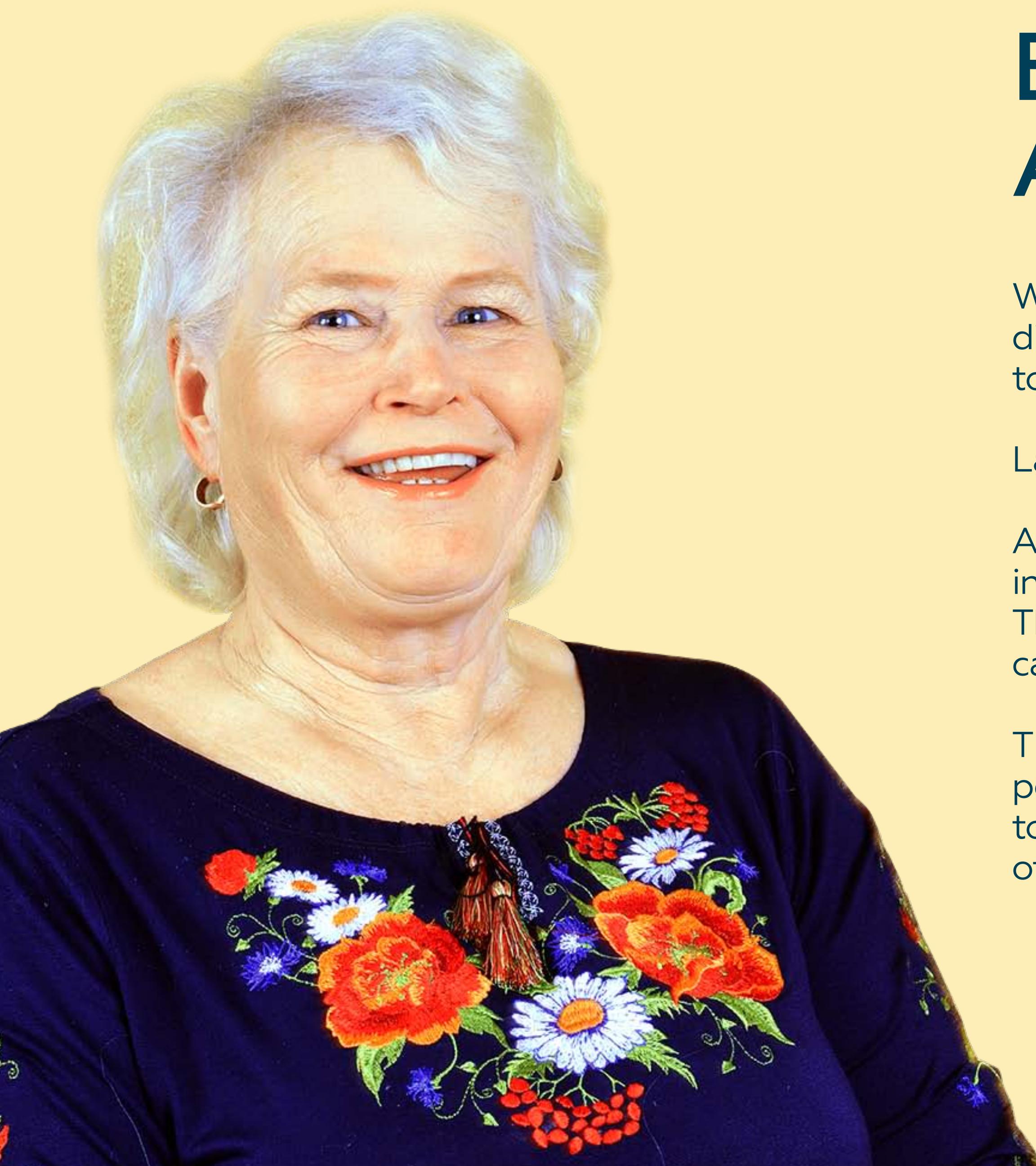
“Online practice” is an educational project of PrivatBank, which helps thousands of young people to gain first experience and practical skills in the bank. The Ministry of Education of Ukraine recommends “Online Practice” to students as the first step in a financial career.

Participants of the “Online Practice” register on the project website and pass a series of theoretical and practical modules covering the main banking processes. The best interns are included in the personnel reserve of PrivatBank – this will give them an advantage if they want to work in the bank.

[PRACTICE.PRIVATBANK.UA](http://PRACTICE.PRIVATBANK.UA)



# BREAKING AGE STEREOTYPES

A portrait of an elderly woman with short, light-colored hair, smiling warmly at the camera. She is wearing a dark blue top with a colorful, embroidered floral pattern on the chest.

We hold dear difference of people's values and cherish their difference of lives or professional experiences and strive to be a comfortable place to work for all employees.

Last year, PrivatBank began the #valuing\_experience program.

After the interview, candidates are offered free training and paid internship, and then a permanent job with a flexible schedule. They work in the telephone contact center, where we receive customer calls and answer any questions about our products and services.

The pilot part of the program started in Dnipro, where 263 elderly people underwent internships, about 40% of whom remained to work in the contact center. In the near future, the recruitment of interns will begin in other cities of Ukraine.



WHY IS IT  
IMPORTANT  
WHO  
AND HOW  
MANAGES  
PRIVATBANK?



**"CORPORATE GOVERNANCE IS A SET OF RULES AND PROCEDURES, A SYSTEM OF CHECKS AND BALANCES, WHICH PROTECTS THE INTERESTS OF AN ORGANISATION, ITS CLIENTS, ITS SHAREHOLDERS AND THE SOCIETY AT LARGE.**

**IT IS VERY IMPORTANT THAT CORPORATE GOVERNANCE BEGAN DEVELOPING IN UKRAINE TOO. THE REFORM IS MAKING ITS FIRST STEPS AND THE CHANGES DO NOT COME EASY"**

**Sharon Easky**, Chair of PrivatBank Supervisory Board

## **CORPORATE GOVERNANCE**

Four years ago, the state was forced to save PrivatBank through the nationalization. It cost Ukrainian taxpayers ₴155 billion. To ensure that this never happens again, the bank's management system must be transparent and efficient.

That is why in 2018 Ukraine adopted a law on corporate governance in state-owned banks, which provides for such a system. Strategic decisions are adopted by the bank's Supervisory Board of nine people, and they are implemented by eight members of the Management Board and 22,000 employees of the bank.

Members of the Supervisory Board were recruited through a competition.



# ROLES IN CORPORATE GOVERNANCE

There are three main participants in PrivatBank's corporate governance system: the Supervisory Board, the Management Board and the shareholder, i.e. the state.

**THE OWNER —**  
the state — participates  
in the work of the bank through  
three representatives  
on the Supervisory Board.

The Government of Ukraine  
determines main directions  
for the activities of the bank  
and approves the bank's strategy.

**THE SUPERVISORY BOARD**  
monitors the implementation  
of the strategy and formulates  
the rules under which the bank  
operates. The Supervisory Board  
consists of nine people, three  
of whom represent the Cabinet  
of Ministers, the Verkhovna Rada  
and the President.  
The other six are independent  
board members who  
are Ukrainian and international  
professionals.

**THE MANAGEMENT BOARD  
OF PRIVATBANK**  
is appointed by the Supervisory  
Board based on the results  
of the competition and manages  
on-going work of the bank.  
The goal of the Management  
Board is to implement  
the strategic decisions  
of the Supervisory Board  
and the bank's shareholders.  
It also monitors profitability  
and "health" of the bank 24/7.



**Artem Shevalev**  
Deputy Chairperson  
of the Supervisory  
Board,  
represents  
the Cabinet  
of Ministers  
of Ukraine



**Julia Metsher**  
Member  
of the Supervisory  
Board,  
represents  
the President



**Sergiy Oleksiyenko**  
Member  
of the Supervisory  
Board,  
represents  
the Committee  
of the Verkhovna  
Rada of Ukraine  
on Financial  
Policy  
and Banking



**Sharon Easky**  
Chairperson of the Supervisory Board,  
independent member



**Sebastian Schoenaich-Carolath**  
Chairperson  
of the Transformation  
Committee,  
independent member



**Nadir Shaikh**  
Chairperson  
of the Audit  
Committee,  
independent  
member



**Eran Klein**  
Chairperson  
of the Risk  
Committee,  
independent  
member



**Olga Tomash**  
Chairperson  
of the Corporate Governance,  
Remuneration  
and Nomination Committee,  
independent member



**Roman Sulzhyk**  
Chairperson  
of the Technology,  
Data and Innovation  
Committee,  
independent member

# INDEPENDENT SUPERVISORY BOARD



# MANAGEMENT BOARD



**Petr Krumphanzl**

Chairperson,  
Chief Executive Officer

**Ganna Samarina**

Deputy Chairperson,  
Chief Finance Officer

**Galyna Pakhachuk**

Deputy Chairperson,  
Chief Resolution Officer

**Oleh Serheyev**

Member,  
Head of Corporate Business

**Larisa Chernyshova**

Member,  
Chief Risk Officer

**Andrii Hrytseniuk**

Member,  
Chief IT Officer

**Mariusz Kaczmarek**

Member,  
Chief Operating Officer

**Ihor Lebedynets**

Member,  
Chief Regional Officer



# WHAT THE CORPORATE GOVERNANCE SYSTEM HAS ALREADY BROUGHT IN PRIVATBANK

## NEW LOANS STRATEGY.

PrivatBank works primarily with private clients and medium and small businesses. For the bank and its shareholder, the state, this approach reduces the risk that the loans will not return

## FULL COMPLIANCE WITH THE LAW,

Strict compliance with internal banking procedures and legal rules

## NEW RISK MANAGEMENT SYSTEM.

Due to it, the situation, when prior to the nationalization while under the control of the former owners the bank issued billions of loans that have not been repaid so far, will not be repeated. The same system speeds up the process of issuing loans to customers who have scored enough points in the credit rating

## LEGAL STRATEGY.

Lawsuits against the former owners of PrivatBank totaling about \$10 billion. The purpose of the claims in international courts is to receive compensation for the banks pre-nationalization losses

## FINANCIAL MONITORING.

PrivatBank does not work with money of dubious origin and always requires confirmation of the origin of funds the so-called rule "Know Your Client" which is provided for in the laws against money laundering around the world. This brings most of the country's economy out of the shadows, because €260 billion in payments of legal entities and entrepreneurs pass through PrivatBank every month



# PRIVATBANK'S STRATEGY

The bank's strategy for the next two years was agreed with the Ministry of Finance of Ukraine in 2018. This is a public document that can be read on the bank's website. Here are the main goals of the strategy:

PrivatBank should become profitable and will remain a state-owned bank until 2022. We will boost our shareholders' profit and compensate for losses from loans that were issued before nationalization and were not returned.

The bank works primarily for private clients and small businesses.

We are implementing this vision now.



The goal of the strategy is the successful sale of the bank. In 2022, the state will be ready to sell a controlling stake in PrivatBank to private foreign investors. Thus, taxpayers' money invested from the budget four years ago will return to the budget and will be maximized.



# PRIVATBANK RELATED LITIGATION



# EFFECT ON THE DAILY WORK OF THE BANK

Every time you read news about local and international litigations around the bank, you should keep in mind the following: PrivatBank remains the largest and most profitable state-owned bank in Ukraine. We grow and develop every day and do our best so that no litigation affects our clients.

THIS REPORT PROVES  
THAT WE ARE DOING WELL



# WHO IS SUING WHOM?

The lawsuits surrounding the bank can be divided into two main categories: lawsuits initiated by PrivatBank itself and lawsuits filed against the bank by the former owners.

PrivatBank has filed four lawsuits in the UK, US, Israel and Cyprus against the former owners and their partners to obtain compensation for the bank's pre-nationalization losses of more than \$10 billion.

Since 2016, the former owners and affiliated persons have filed more than 800 lawsuits against the bank in Ukraine.

High Court  
of England  
and Wales, UK

**3.0**  
BLN USD

Delaware Court  
of Chancery,  
USA

**0.7**  
BLN USD

Limassol  
District Court,  
Cyprus

**5.5**  
BLN USD

District Court  
of Tel Aviv,  
Israel

**0.6**  
BLN USD





# THE NEW LAW IS THE PROTECTION OF PRIVATBANK



The issue of potential abolition of PrivatBank's nationalization was closed at the legislative level when the Verkhovna Rada passed the so-called "new banking law" law, despite 16,000 amendments.

It came into force in May 2020.

The essence of the law is that any nationalized bank, by definition, cannot be returned to the former owners – such a mechanism simply does not exist. The former owners can only claim fair compensation from the state, but this has nothing to do with PrivatBank.



# BUILDING UKRAINE OF DREAMS TOGETHER

The mission of PrivatBank, for which we work every day, is to build Ukraine of dreams.

Not a fairy-tale land, where the sun always shines and carefree happy people live, but a country of innovative technologies, active entrepreneurs and a developed financial ecosystem.

This task is a challenge even for the country's largest bank. We gladly accepted this challenge. We don't wait for an opportunity or a command from above — we are making things done.



BEREMO | ROBYMO