

In Q1, the changes in the banking sector's assets and liabilities were driven by seasonal factors, a strengthening of the hryvnia, and a partial redemption of Eurobonds by Oschadbank. The loan portfolio declined as Ukraine's natural monopolies and subsidiaries of international corporations repaid short-term loans. The reduction in corporate deposits was primarily driven by tax payments. Hryvnia retail deposits grew as rapidly as last year. The moderate reduction in the NPL ratio was due to an increase in the retail loan portfolio. February saw a reversal of the upward trend in retail deposit rates, which fell by 0.8 pp from their peaks. In Q1, the banking sector generated profit 1.5 times higher than in Q1 2018. The banking sector is to maintain its high profitability on the back of rising demand for banking products. The NBU's key prudential supervision objectives for Q2 will be to process the results of the banks' Asset Quality Review (AQR) by external auditors, and to start stress-testing 29 banks. Also in Q2, the NBU plans to take a different approach to the identification of systemically important banks and to publish an updated list of these financial institutions.

### Sector Structure

In Q1 2019, the number of operating banks remained unchanged at 77. Of these, one bank is in the process of shutting down its banking business and intends to transform into a financial company. The top 20 banks have accounted for about 91% of all retail deposits for two years running. The share of state-owned banks in net assets increased by 0.6 pp in Q1, to 55.3%, while the share of these banks in retail deposits fell by 0.4 pp to 63.0% due to a decrease in foreign-currency deposits at PrivatBank. Private banks were the only group to increase their share of retail deposits (by 0.4 pp to 14.7%).

### Assets

The banks' net assets declined by 1.4% in Q1,<sup>1</sup> to UAH 1.34 trillion, driven by a seasonal reduction of UAH 21.5 billion in corporate loans, and by a stronger hryvnia. The amount of domestic government bonds in banks' portfolios declined by UAH 6.6 billion in Q1 after transactions of the top three state-owned banks reduced their holdings of these securities by UAH 19.7 billion.

Net hryvnia retail loans continued to grow in Q1, adding 5.8% qoq and 34.4% yoy. As before, private banks were the most active in lending to households (+8.7% in Q1).

The NPL ratio dropped by 1.1 pp to 51.7%<sup>2</sup>, while that for retail loans fell by 1.9 pp to 43.9%. The reduction in the NPL ratios came as a statistical effect of retail lending increased. The large-scale restructuring at Ukreximbank in February was a one-off factor that helped reduce the NPL ratio of corporate loans.

### Funding

In Q1, the banks' liabilities declined by 2.9% to UAH 1.17 trillion. Most of the decline came from a reduction (of UAH 15.1 billion) in corporate deposits due to seasonal factors and the need to pay taxes. Banks' liabilities to IFIs decreased (by UAH 12.6 billion) after Oschadbank repaid USD 0.48 billion in external debt. These losses were partially offset by a UAH 10.2 billion increase in government funds and a steady inflow of retail deposits (up by UAH 7.4 billion). In addition, Ukreximbank redeemed USD 0.46 billion in Eurobonds in April.

In Q1, hryvnia retail deposits grew at the same rate as last year (+3.5%), with private banks reporting the highest growth (+7.6%). In annual terms, hryvnia retail deposits were up 15.0%, following similar increases over the past two years. Foreign-currency deposits in the U.S. dollar equivalent increased by 0.8% qoq and 1.2% yoy. The dollarization of retail deposits in Q1 declined by 1 pp, to 46.3%.

In Q1, NBU loans to banks were down by one third as a result of the repayment of refinancing loans by two state-owned banks. Their share in the banking sector's liabilities now stands at 0.8%, the lowest since the beginning of the crisis.

### Interest rates

The rates on hryvnia household deposits continued to rise in early Q1. This trend had held since September last year. In February, however, market rates began to decline, although the NBU did not change the key policy rate. As a result, the average rate on 12-month hryvnia retail deposits declined to 15.5% per annum in late Q1, down by 0.8 pp from its peak value<sup>3</sup> and by 0.1 pp from the beginning of the year. A marginal difference remained between the rates on 6- and

<sup>1</sup> At banks that were solvent as at the end of March 2019.

<sup>2</sup> At all reporting banks.

<sup>3</sup> As of 5 February 2019.

12-month deposits<sup>4</sup>. During Q1, interest rates on new dollar retail loans decreased by 0.2 pp to 3.4% per annum. The rates on hryvnia corporate deposits decreased, on average, by 0.8 pp to 13.7% per annum, but were still higher than the average over the past three-and-a-half years.

The decrease in retail deposit rates in March came with a drop in the cost of new retail loans, which went down by 2.7 pp, to 28.6% per annum. Interest rates on corporate loans decreased by 0.8 pp in Q1, to 16.3% per annum.

### Financial Results and Capital

In Q1, the banking sector's net earnings increased 1.5 times yoy, to reach UAH 12.9 billion. The number of loss-making banks shrank to eight, from 13 in 2018. The net profits of the profitable banks amounted to UAH 14.6 billion, half of which was generated by PrivatBank.

Operating income was up by 38.1% yoy, driven by an increase in net interest, and fee and commission income (both up by about 18% yoy). In addition, the banking sector earned a substantial profit from trading transactions, in contrast to last year's revaluation losses. The banks' operating costs increased slightly, by 13.7% yoy. Thus, operating income before provisioning increased by 71.7% (primarily thanks to PrivatBank and Oschadbank) and operating performance as measured by the CIR was up significantly, by 47.6%. Unlike last year, the state-owned banks posted operating profits after improving their operating performance in annual terms. In Q1, they made UAH 4.7 billion in provisions, most of which was made by two banks. The provisions made by the banking sector in Q1 accounted for 2% of the gross loan portfolio.

### Prospects and Risks

Deposits will keep flowing into the banking sector at the current pace until the end of the year, providing sufficient resources for dynamic lending to households and businesses. The portfolio of net hryvnia retail loans will keep increasing at a rate of 30% yoy, the NBU expects. However, as some banks have been rapidly expanding their retail loan portfolios, the NBU is evaluating the risks of retail lending and is considering imposing tighter quality assessment standards for such loans.

The NBU started processing the results of the banks' Asset Quality Reviews (AQRs) after banks submitted their reports in late April. External auditors reviewed the reports before the submission to the NBU. In addition, the NBU commenced the stress testing 29 banks. The NBU's early findings show that the number of banks that will need capital injections under the baseline and adverse stress-test scenarios will be less than last year.

The NBU has reminded banks that from 2020 onward, they will be required to have a capital conservation buffer of 0.625%. The capital conservation buffer is formed using Tier 1 capital instruments. Going forward, the capital conservation buffer will go up until it reaches 2.5% on 1 January 2023.

During Q2, the NBU will change the methodology for identifying systemically important banks and publish a new list of these financial institutions. In the future, the NBU will require systemically important banks to form systemic importance buffers.

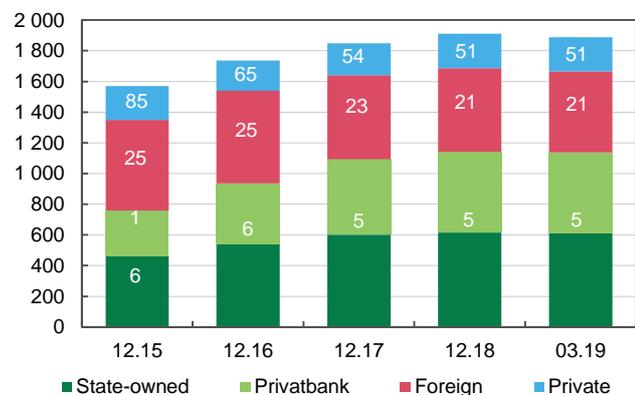
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<sup>4</sup> Based on the Ukrainian Index of Retail Deposit Rates.

## Sector Structure

The total assets of the banking sector declined by 1.2% in Q1 2019, to UAH 1.89 trillion, in part due to the strengthening of the hryvnia. The number of banks remained unchanged. Vernum Bank, one of Ukraine's three smallest banks by assets, will soon cease to operate as bank, as planned.

Figure 1. Banks' total assets, UAH billion\*



\* Solvent banks have been grouped in accordance with the categorization that was in effect in the relevant reporting period. The caption to the figure corresponds to the number of banks in a group.

Table 1. Number of banks

	2015	2016	2017	2018	March 2019
Solvent	117	96	82	77	77
change	-30	-21	-14	-4	0
State-owned**	7	6	5	5	5
change	0	-1	-1	0	0
Foreign	25	25	23	21	21
change	0	0	-2	-2	0
Private	85	65	54	51	51
change	-30	-20	-11	-2	0
Insolvent	3	4	2	1	1
change	-13	1	-2	0	0

\* As at the end of the period.

\*\* Including PrivatBank.

Of all bank groups, only the state-owned banks' net assets increased (by 0.6 pp, to 55.3%). Private banks saw their share of household deposits increase (by 0.4 pp, to 14.7%). State-owned banks accounted for 63.0% of household deposits.

Figure 2. Distribution of net assets by bank group

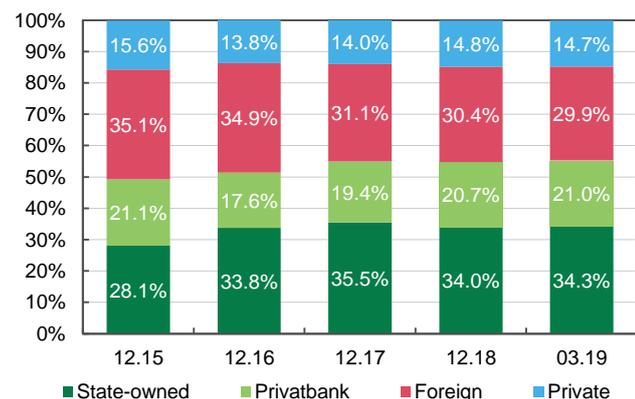
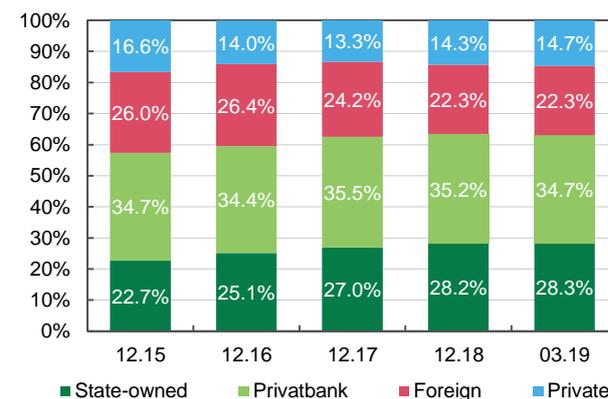


Figure 3. Distribution of retail deposits by bank group



The top 20 banks account for 91.0% of all retail deposits. This share has not changed over the past two years. The concentration of retail deposits decreased slightly in Q1, as they increased more rapidly at private banks.

Figure 4. Largest banks' share of the sector's net assets

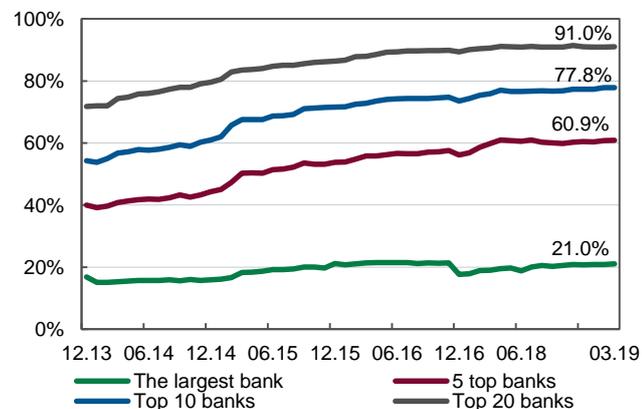
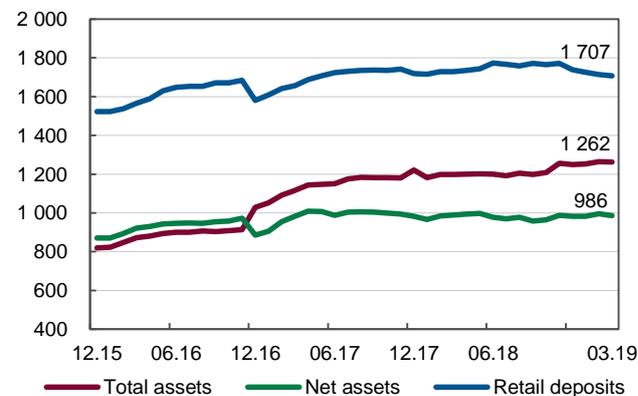


Figure 5. Concentration as defined by the HHI\* indicator

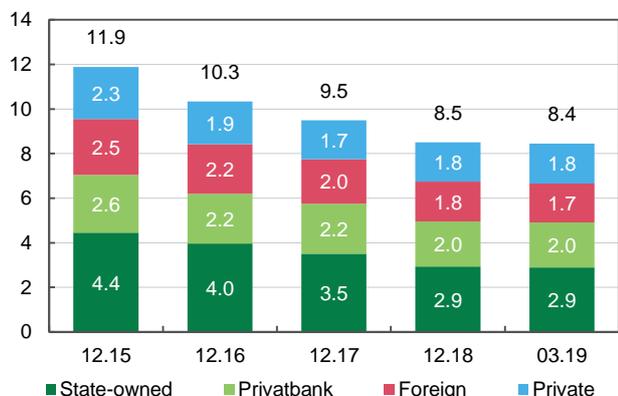


\* The Herfindahl-Hirschman Index (HHI) is an indicator of banking sector concentration. It is calculated as the sum of the banks' squared market shares. The index can take on values between 0 and 10,000 (with values below 1,000 indicating low market concentration).

## Banking infrastructure

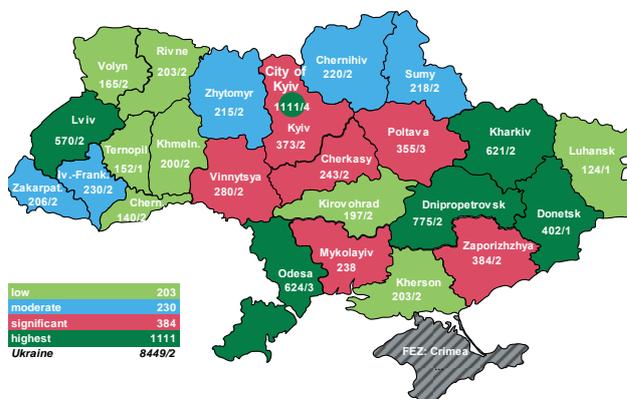
In Q1, banks closed 81 branches and opened 21. State-owned banks (PrivatBank included) closed 47 offices (after closing 134 a quarter earlier). Foreign banks closed 34 bank branches. Private banks have been opening branches for three quarters running (adding 21 offices in Q1).

Figure 6. Number of bank branches, thousand\*



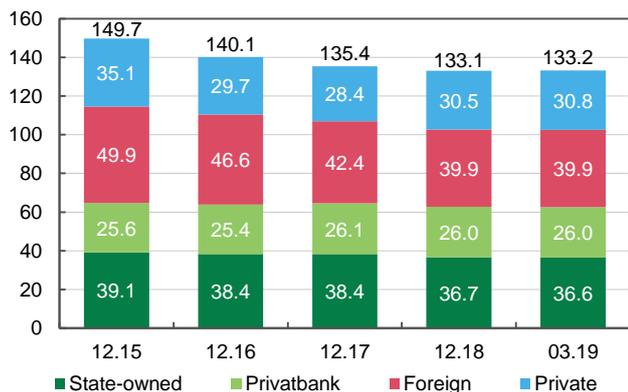
\* Standalone bank branches and head offices.

Figure 7. Operating bank branches by region as at 1 April 2019, branches per 10,000 individuals



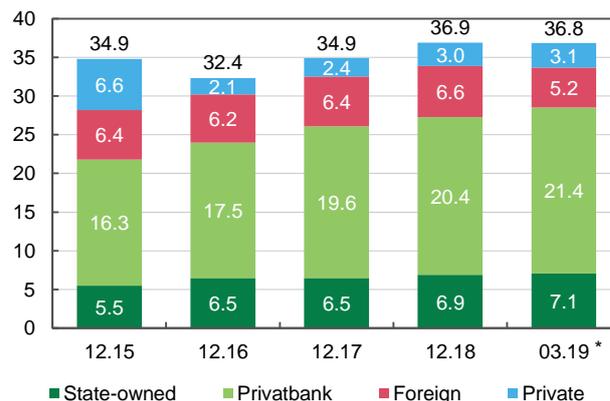
In Q1, the banking sector stopped laying off employees. Private banks and PrivatBank hired employees, while state-owned and foreign banks laid people off.

Figure 8. Staffing level at banks, thousand employees



State-owned banks (including PrivatBank) actively issued payment cards. The number of the cards increased by 1.3 million in Q1. Foreign banks reduced their presence in the market (-1.4 million cards).

Figure 9. Number of active payment cards by bank group, million units



\* Preliminary data.

The POS-terminal network has been evolving rapidly. State-owned banks led the way in Q1 (+8,700 units), as did private banks (+5,200 units). New self-service bank devices were installed only by PrivatBank (+236 units) and private banks (+210 units). Other banks slightly reduced the number of these devices.

Figure 10. Number of ATMs\*, thousand units

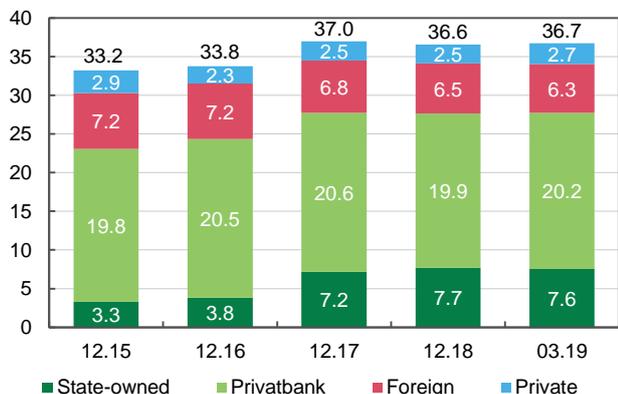
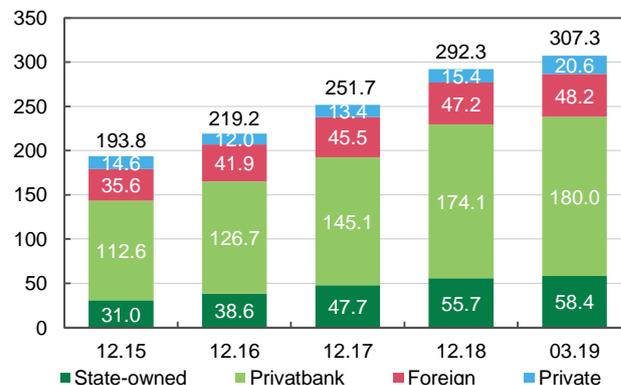


Figure 11. Number of POS terminals at banks, thousand units



\* Preliminary data.

\* Number of self-service bank machines (ATMs, deposit ATMs, self-service kiosks).

\*\* Preliminary data.

## Assets

Net assets declined by 1.4% in Q1, to UAH 1.34 trillion, primarily driven by a seasonal reduction in corporate loans.

Figure 12. Banks net assets, UAH billion

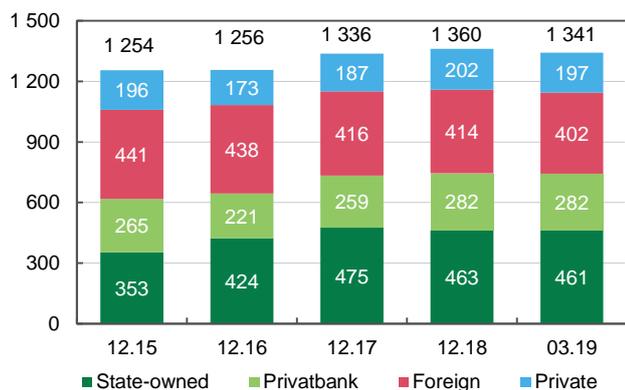
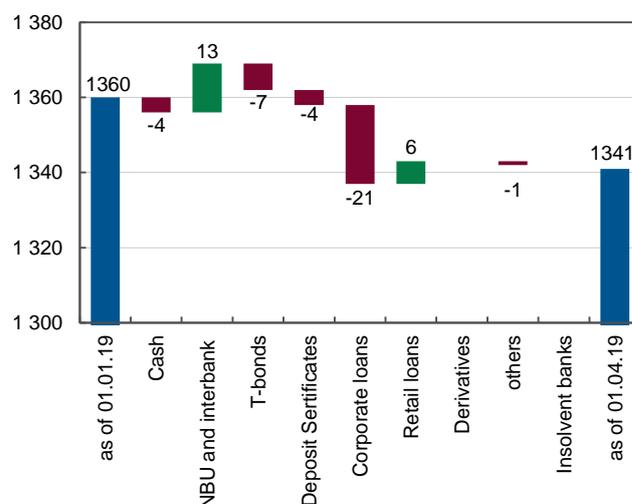


Figure 13. Change in net assets by component in Q1 2019\*, UAH billion



\* Adjusted for the amount of loan loss provisions.

In Q1, the percentage of retail loans in net assets increased further, rising by 0.5 pp, to 8.9%. The shares of corporate loans, domestic government bonds, and NBU certificates of deposit decreased.

Figure 14. Sector's net assets by component

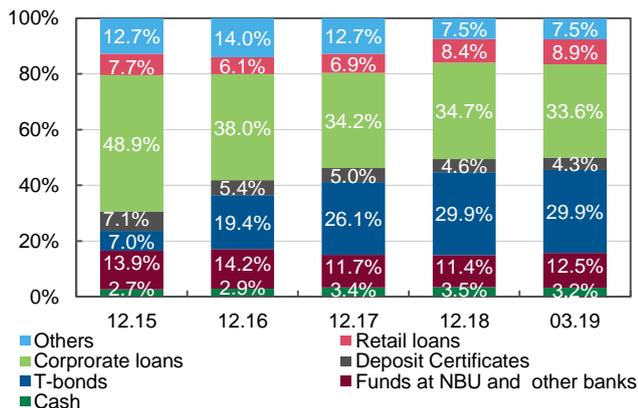
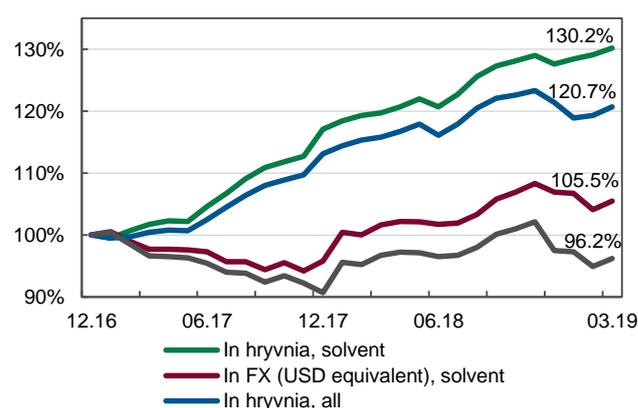


Figure 15. Gross corporate and retail loans, 2016=100%



\* Issued by banks solvent as of 1 April 2019.

The dollarization of retail loans dropped by 1.8 pp in Q1, to 29.2% in gross terms. The share of performing retail loans in the total loan portfolio stood at 21.9% in late March 2019.

Figure 16. The share of FX loans

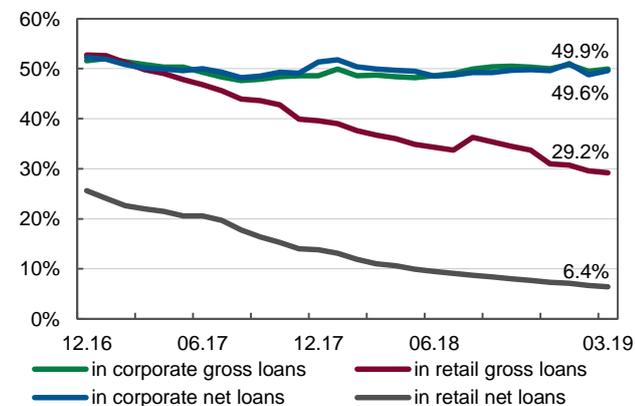
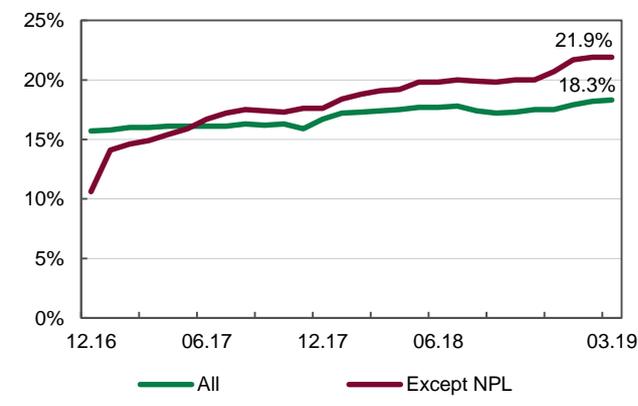
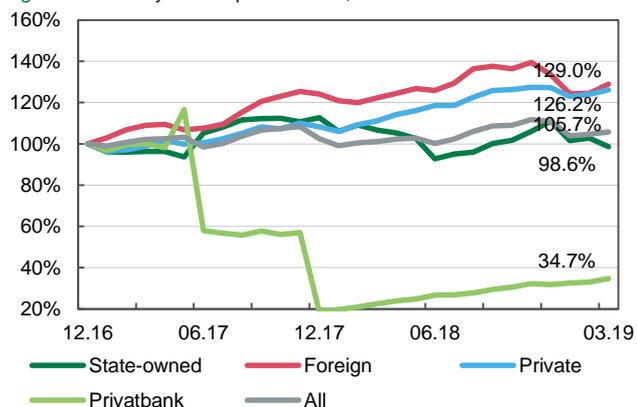


Figure 17. The share of retail loans in the total loan portfolio



In Q1, net hryvnia corporate loans decreased by 4.6% because of a seasonal reduction in the debt of state-owned corporations and foreign-controlled businesses. In annual terms, the hryvnia corporate loan portfolio gained 4.5%. Net hryvnia retail loans continued to grow in Q1, adding 5.8% qoq and 34.4% yoy.

Figure 18. Net hryvnia corporate loans, 2016=100%\*



\* Issued by banks solvent as of 1 April 2019, including accrued interest.

The percentage of consumer loans was up by 1.0 pp, to 69.9%.

Figure 20. Gross retail loans by purpose

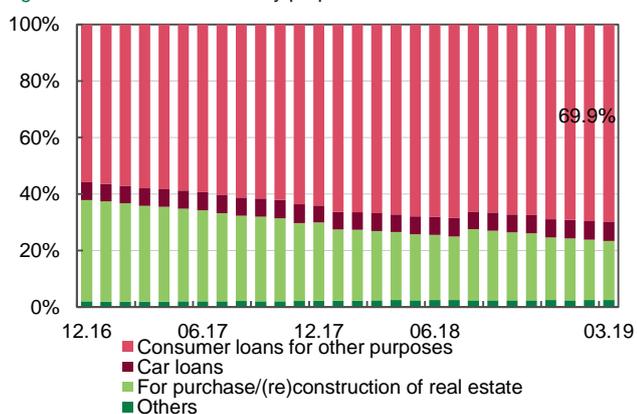
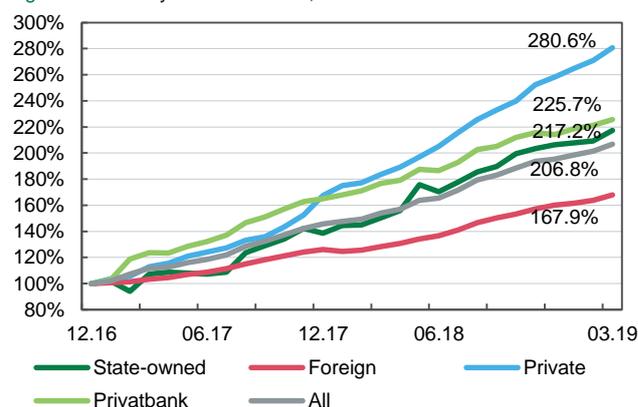


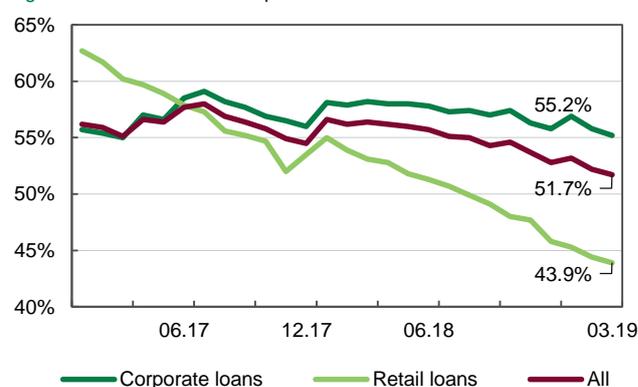
Figure 19. Net hryvnia retail loans, 2016=100%\*



\* Issued by banks solvent as of 1 April 2019, including accrued interest.

The NPL ratio edged down by 1.1 pp to 51.7%, as retail loans increased and **Ukreximbank** conducted a massive financial restructuring.

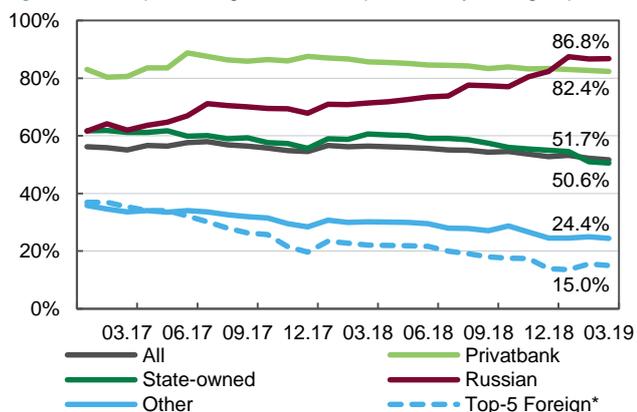
Figure 21. NPL ratio in bank portfolios\*



\* All banks, including insolvent ones; excluding off-balance liabilities.

The quality of the loan portfolio has been on the rise for all types of banks, except for Russian-owned ones. The percentage of other banks (except state-owned banks and those with Russian capital) stands at 24.4%.

Figure 22. Non-performing loans in loan portfolios by bank group\*

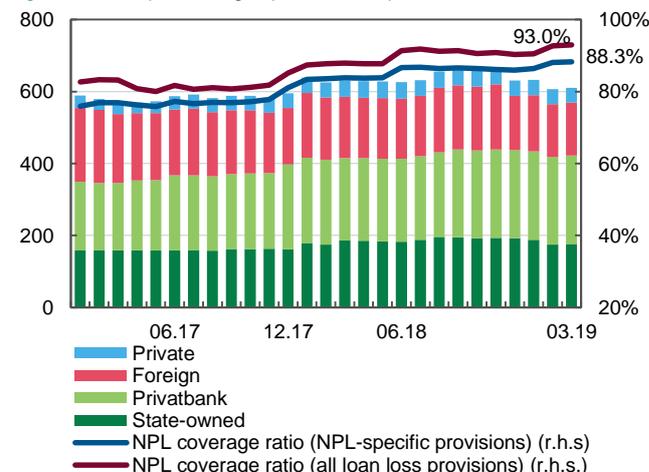


\* Including interbank loans; all banks including insolvent institutions; excluding off-balance liabilities.

\*\* The five largest foreign banks by net assets as of 1 April 2019 (except banks with Russian capital).

The level of provisions for non-performing loans went up by 2.6 pp in Q1, to 93%.

Figure 23. Non-performing exposures and provisions



\* Including interbank loans; all banks, including insolvent ones; excluding off-balance liabilities.

## Funding

The banks' liabilities decreased by 2.9% in Q1 due to a seasonal reduction in corporate deposits (the payment of annual taxes in particular) and the redemption of Eurobonds by Oschadbank (reflected in the IFI Loans item of the balance sheet). At the same time, retail deposits and government funds increased.

Figure 24. Liabilities by groups of banks, UAH billion

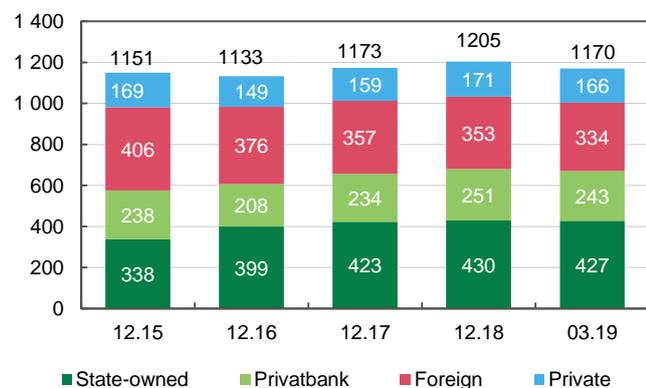
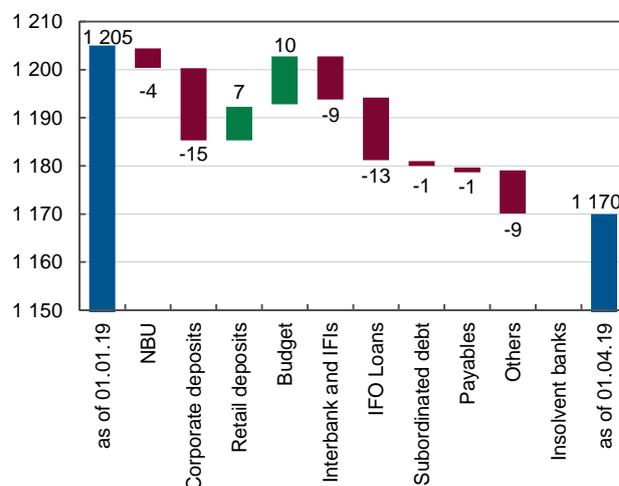
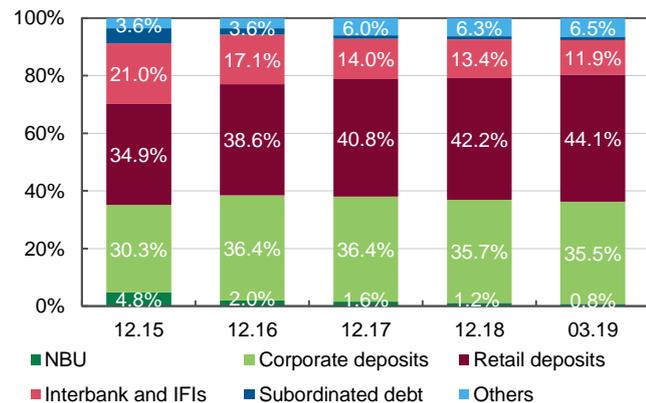


Figure 25. Changes in liabilities by item, UAH billion



In Q1, the share of household deposits edged up by 1.9 pp, to 44.1%. Liabilities to retail and corporate clients were up by 1.7 pp at 79.6%.

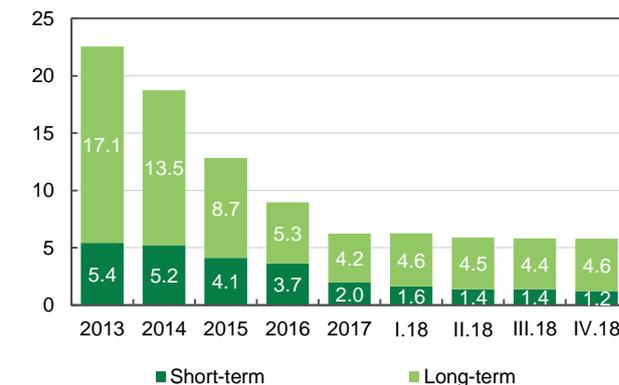
Figure 26. The structure of liabilities



\* Including savings certificates.

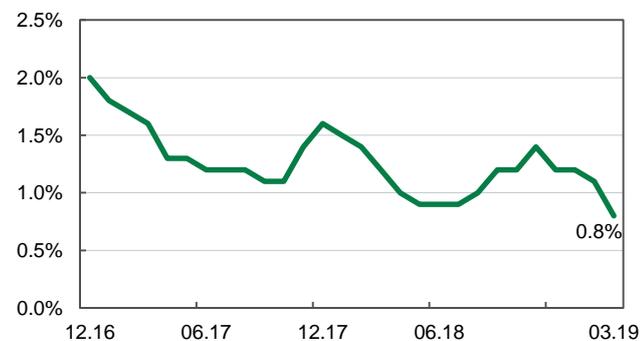
The banks' gross external debt remained unchanged in Q4 2018, at UAH 5.8 billion.

Figure 27. Banks' gross external debt, USD billion



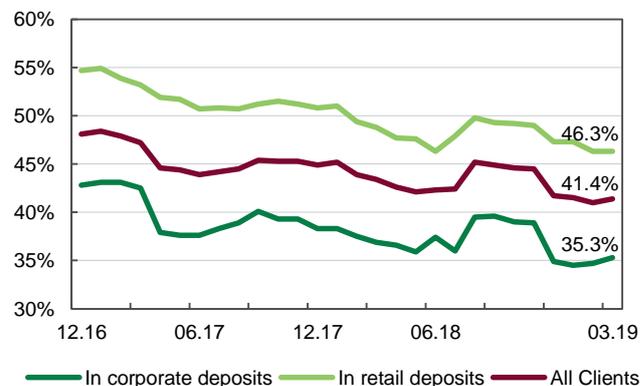
Funds due to the NBU as a percentage of bank liabilities hit the lowest since the start of the crisis as two state-owned banks repaid refinancing loans.

Figure 28. NBU funds in banks' liabilities



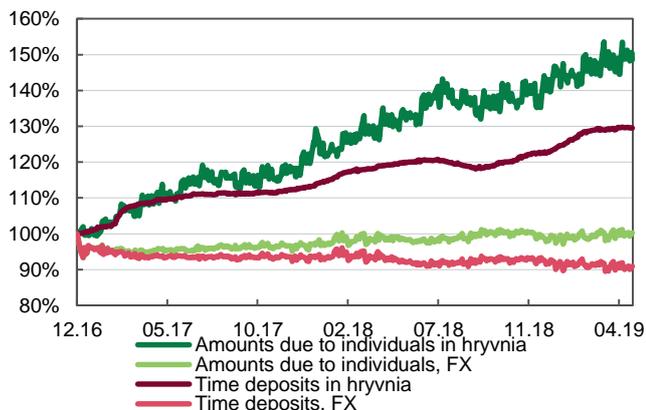
The percentage of foreign-currency retail deposits dropped by 1.0 pp in Q1, to 46.3%.

Figure 29. Share of FX loans



Hryvnia term deposits increased by 4.0% in Q1.

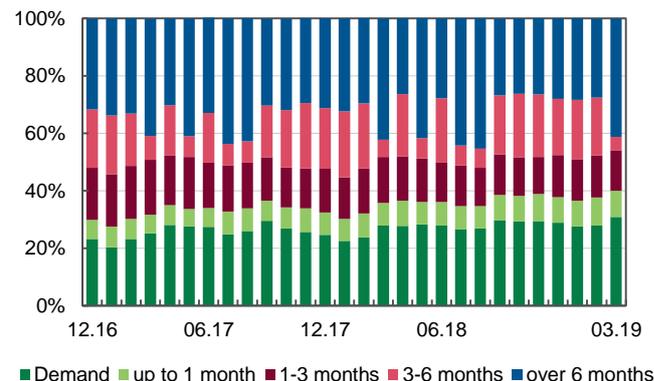
Figure 30. Retail deposits, 2016=100%\*



\* In banks that were solvent as of 1 April 2019, including certificates of deposit.

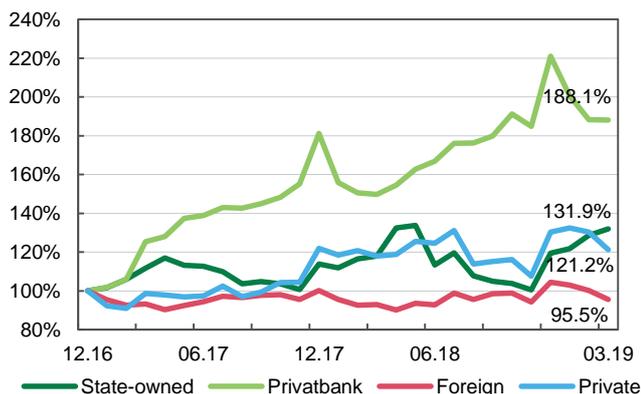
In Q1, hryvnia deposits with maturities of up to three months accounted for 52.4% of all new retail deposits. In March, the percentage of new deposits with maturities of over six months increased due to seasonal factors.

Figure 31. New retail deposits by maturity



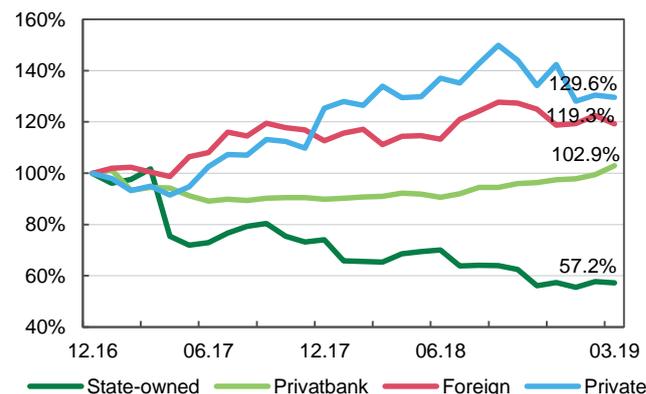
Hryvnia corporate deposits fell by 4.0% in Q1, while foreign currency ones declined by 1.1%. State-owned banks were the only group that reported an increase in deposits, with hryvnia deposits rising in all state-owned banks except PrivatBank (+10.5%). Foreign-currency deposits increased at PrivatBank (+5.5%).

Figure 32. Corporate deposits in hryvnia by groups of banks, 2016 = 100%\*



\* Issued by banks solvent as of 1 April 2019.

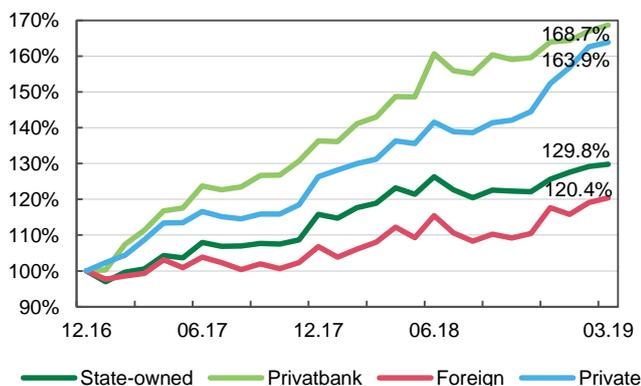
Figure 33. Corporate deposits in FX (in USD equivalent) by groups of banks, 2016 = 100%\*



\* Issued by banks solvent as of 1 April 2019.

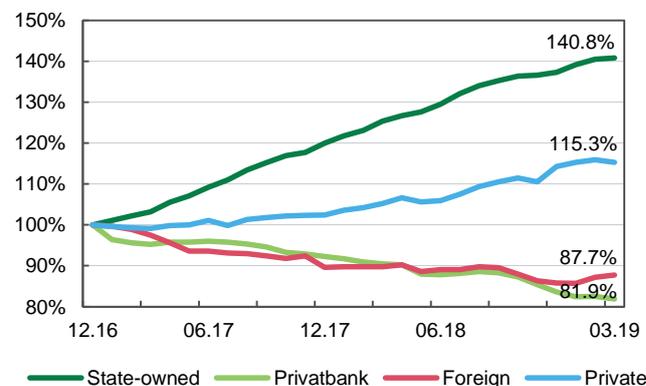
In Q1, hryvnia and foreign-currency retail deposits gained 3.5% and 0.8%, respectively. Hryvnia deposits rose most rapidly at private banks (7.6%), while state-owned banks, except PrivatBank reported the highest growth in foreign-currency deposits (2.6%).

Figure 34. Retail deposits in hryvnia by groups of banks, 2016 = 100%\*



\* In banks that were solvent as of 1 April 2019, including certificates of deposit.

Figure 35. Retail deposits in FX (in USD equivalent) by groups of banks, 2016 = 100%\*

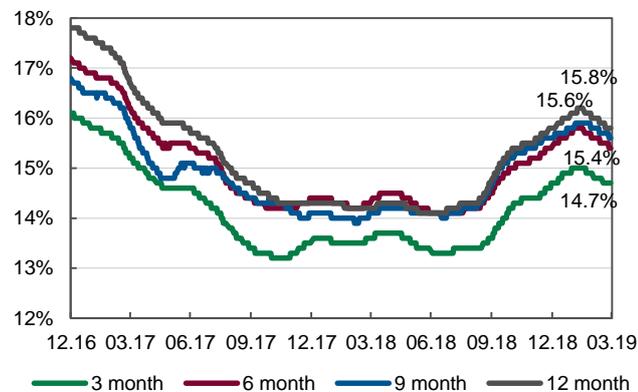


\* In banks that were solvent as of 1 April 2019, including certificates of deposit.

## Interest Rates

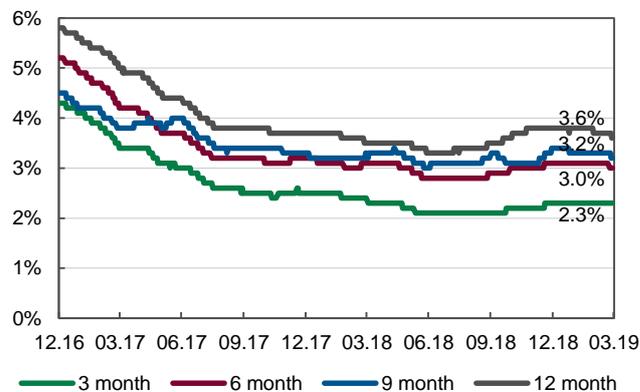
January saw growth in rates on hryvnia retail deposits of all maturities, but in February these rates started to decline. In particular, rates on 12-month deposits were down by 0.1 pp. A marginal difference remained between the rates on 6- and 12-month deposits. The rates on 12-month U.S. dollar deposits edged down by 0.2 pp, to 3.4% per annum.

Figure 36. Ukrainian Index of Hryvnia Retail Deposit Rates, % per annum\*



\* Thomson Reuters data, 20-day moving average.

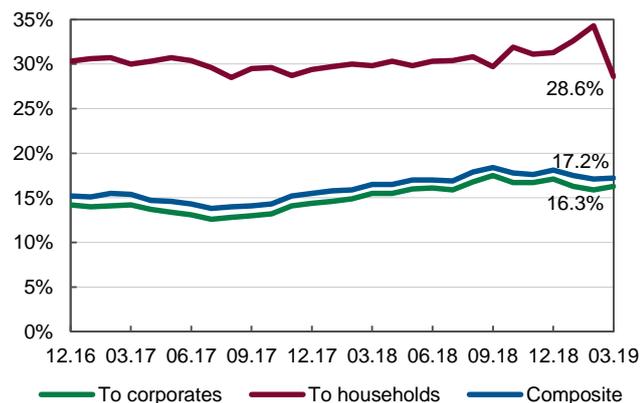
Figure 37. Ukrainian Index of USD Retail Deposit Rates, % per annum\*



\* Thomson Reuters data, 20-day moving average.

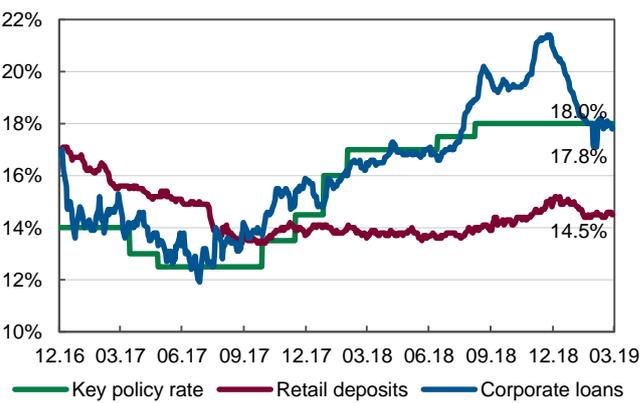
The decrease in retail deposit rates in March came along with a drop in the cost of new retail loans, which went down by 2.7 pp, to 28.6% per annum. The rate on corporate loans fell by 0.8 pp in Q1, to 16.3% per annum.

Figure 38. Interest rates on new loans\*, % per annum



\* Without loan extension or any other changes to lending terms.

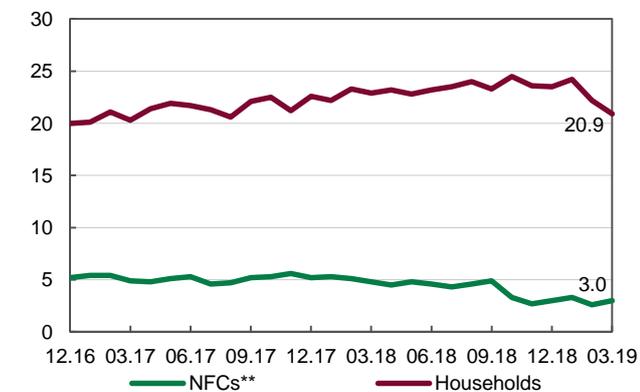
Figure 39. NBU key policy rate and interest rates on new hryvnia deposits and loans\*, % per annum



\* Daily rates, 5-day moving average.

Although the spread on new retail transactions narrowed, these transactions remained highly profitable for banks.

Figure 40. Spread between new\*\*\* loan rates and deposit rates, pp\*

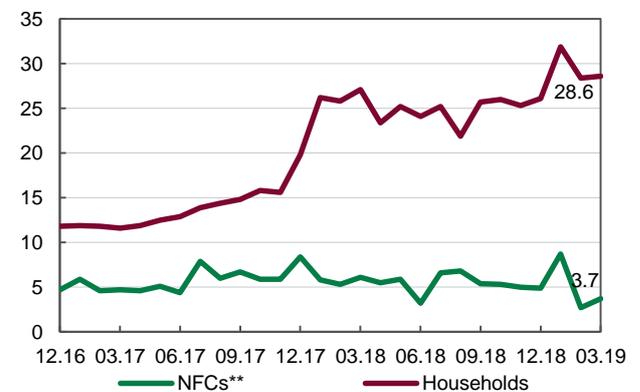


\* Including insolvent banks.

\*\* Non-financial corporations.

\*\*\* New loans and deposits are loans and deposits issued or obtained under primary agreements that were entered into in the reporting period, as well as those under additional agreements, where there are changes in the amount or interest rate.

Figure 41. Spread between rates on outstanding loans and deposits, pp\*



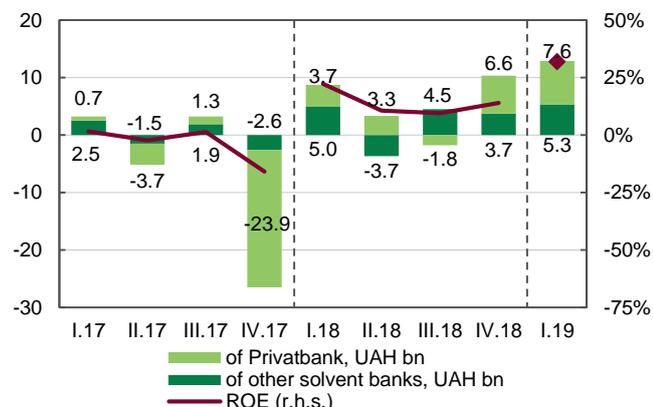
\* Including insolvent banks.

\*\* Non-financial corporations.

## Profit or Loss and Capital

In Q1, the sector posted UAH 12.9 billion in profit, up 1.5 times on a year earlier.

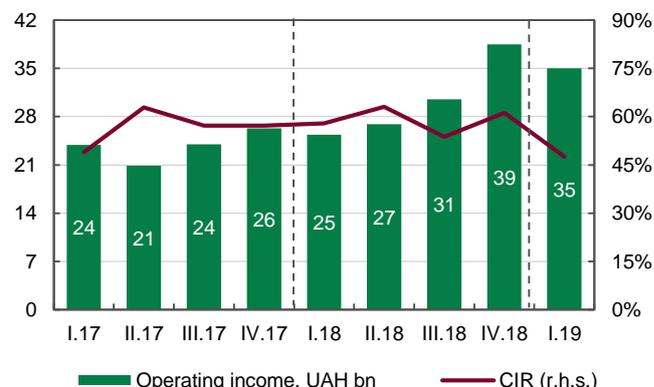
Figure 42. Profit/loss\* and return on equity



\* Quarterly data including adjusted entries, preliminary data for Q4 2018.

The efficiency of banking transactions increased significantly, as highlighted by its CIR of 47.6%.

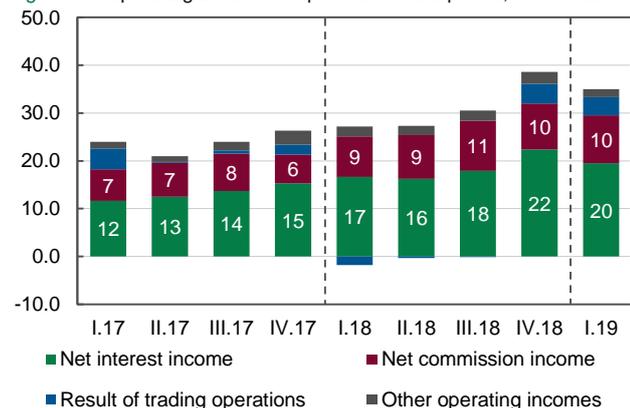
Figure 43. Operating income and operating efficiency



\* The CIR (Cost-to-Income Ratio) measures the ratio of operating expenses to operating income.

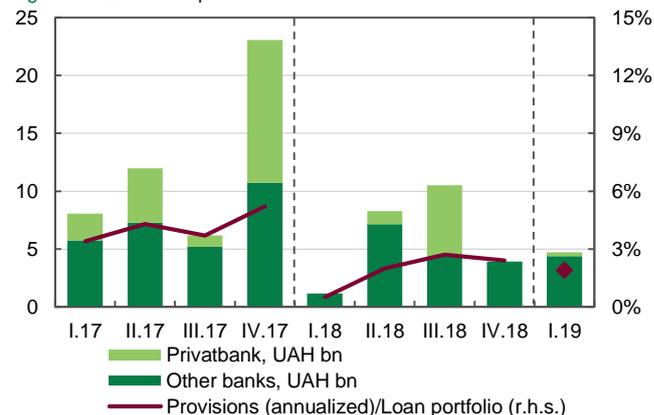
Operating income grew by 38.1% yoy due to an increase in net interest income and fee and commission income, and on the back of trading transactions.

Figure 44. Operating income components for the period, UAH billion



Provisioning was lower in Q1 than the average in 2018. Provisioning approached 2.0% of the gross loan portfolio.

Figure 45. Loan loss provisions



\* Annualized.

Throughout Q1, capital adequacy exceeded minimum required level. Regulatory capital changed little from the beginning of the year (+0.1% in Q1), while share capital was up by 0.8%.

Figure 46. Regulatory capital and the regulatory capital adequacy ratio

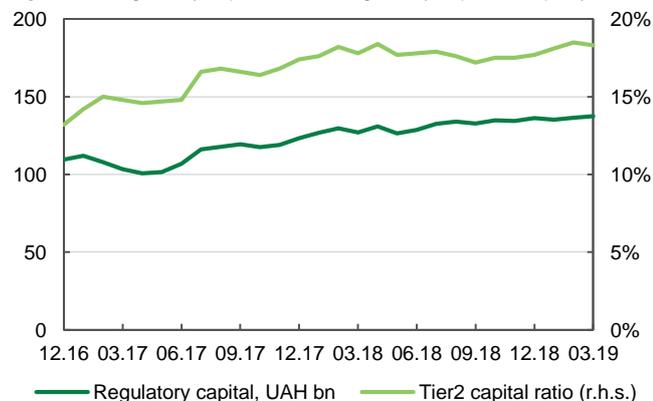
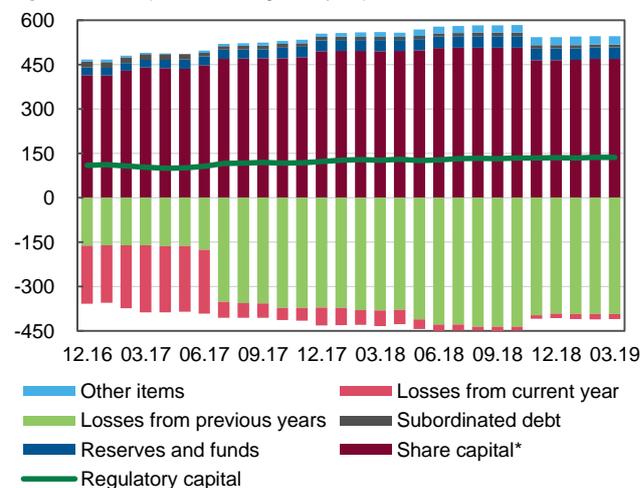


Figure 47. Composition of regulatory capital, UAH billion



\* Registered and unregistered authorized capital.

Table 2. Key indicators of Ukraine`s banking sector indicators<sup>1</sup>

	2012	2013	2014	2015	2016	2017	12.18	1.19
<b>Number of operating banks</b>	174	180	145	117	96	82	77	77
<b>General balance sheet ratios (UAH billion)<sup>22</sup></b>								
Total assets	1,264	1,409	1,477	1,571	1,737	1,848	1,911	1,888
including in foreign currency	503	513	667	800	788	755	779	745
Net assets	1,125	1,278	1,290	1,254	1,256	1,336	1,360	1,341
including in foreign currency	450	470	565	582	519	507	495	465
Gross corporate loans <sup>3</sup>	634	727	820	831	847	870	919	895
including in foreign currency	227	252	400	492	437	423	460	447
Net corporate loans <sup>3</sup>	553	648	710	614	477	457	472	450
Gross retail loans	184	189	208	176	157	171	197	202
including in foreign currency	84	67	101	97	83	68	61	59
Net retail loans	133	145	144	96	76	92	114	120
Corporate deposits <sup>3</sup>	221	258	283	349	413	427	430	415
including in foreign currency	80	81	114	141	177	163	150	146
Retail deposits <sup>4</sup>	368	443	403	402	437	479	509	516
including in foreign currency	187	189	214	215	239	243	241	239
<b>Change (yoy, %)</b>								
Total assets	4.3%	11.4%	4.8%	6.4%	10.6%	6.4%	3.4%	2.5%
Net assets	6.7%	13.7%	1.0%	-2.8%	0.2%	6.4%	1.8%	3.5%
Gross corporate loans <sup>3</sup>	4.2%	14.7%	12.8%	1.3%	2.0%	2.7%	5.6%	1.4%
Gross retail loans	-6.7%	3.0%	10.3%	-15.7%	-10.4%	8.6%	15.0%	15.1%
Corporate deposits <sup>3</sup>	7.9%	16.8%	9.5%	23.5%	18.2%	3.4%	0.8%	4.3%
Retail deposits <sup>4</sup>	18.1%	20.2%	-8.9%	-0.3%	8.7%	9.6%	6.2%	8.7%
<b>Penetration<sup>5</sup> (%)</b>								
Gross corporate loans <sup>3</sup> /GDP	43.4%	47.7%	51.7%	41.8%	35.5%	29.2%	25.8%	24.5%
Net corporate loans <sup>3</sup> /GDP	37.9%	42.6%	44.7%	30.9%	20.0%	15.3%	13.3%	12.3%
Gross retail loans/GDP	12.6%	12.4%	13.1%	8.8%	6.6%	5.7%	5.5%	5.5%
Net retail loans/GDP	9.1%	9.5%	9.1%	4.8%	3.2%	3.1%	3.2%	3.3%
Corporate deposits <sup>3</sup> /GDP	15.1%	17.0%	17.8%	17.6%	17.3%	14.3%	12.1%	11.4%
Retail deposits/GDP	25.2%	29.1%	25.4%	20.2%	18.3%	16.1%	14.3%	14.1%
<b>Profit or loss<sup>6</sup> (UAH billion)</b>								
Net interest income	49.2	49.1	52.2	39.1	44.2	53.1	73.0	19.5
Net commission income	18.1	21.0	23.1	22.6	24.2	27.5	37.8	10.0
Provisioning	22.3	28.0	84.4	114.5	198.3	49.3	23.8	4.7
Net profit/loss	6.0	1.4	-33.1	-66.6	-159.4	-26.5	21.2	12.9
<b>For reference:</b>								
UAH/USD (period average)	7.99	7.99	11.89	21.84	25.55	26.60	27.20	27.30
UAH/USD (end-of-period)	7.99	7.99	15.77	24.00	27.2	28.07	27.69	27.21
UAH/EUR (period average)	10.27	10.61	15.72	24.23	28.29	30.00	32.14	31.02
UAH/EUR (end-of-period)	10.54	11.04	19.23	26.22	28.42	33.50	31.71	30.57

<sup>1</sup> Data for solvent banks for each reporting date.<sup>2</sup> Including accrued income/expenses.<sup>3</sup> Including non-banking financial institutions.<sup>4</sup> Including savings certificates.<sup>5</sup> GDP is calculated as defined in the 2008 national accounts system methodology. From 2008 through 2013 it includes data for the temporarily occupied Autonomous Republic of Crimea and City of Sevastopol;

from 2014 through 2018 it excludes data for the temporarily occupied Autonomous Republic of Crimea and City of Sevastopol and a part of the ATO zone;

\* Data for Q1 2019 include values for the past 12 months and the NBU's projections published in the Inflation Report.

<sup>6</sup> Including adjustments.

**Notes:**

Source: NBU (unless otherwise stated).

The sample of banks consists of banks solvent as at each reporting date unless otherwise stated.

Banking groups up to 2016 were based on decision No. 657 by the Committee on Banking Regulation and Supervision and Oversight of Payment Systems dated 31 December 2015. 2017 data were prepared pursuant to NBU Board Decision No. 76-D dated 10 February 2017. 2018 data were prepared pursuant to Decision No. 444 by the Committee on Banking Regulation and Supervision dated 29 December 2017.

State-owned banks means all state-owned banks except PrivatBank, unless otherwise specified.

The data include accrued interest as at the end of the period (month, quarter, year) unless otherwise specified.

All of the data in the report are based on monthly balance sheets. Indicators of the banks' financial performance are based on adjusted quarterly balance sheets (data for Q4 2018 are preliminary).

Gross loans means loans not adjusted for provisions against asset-side banking transactions.

Fixed-exchange-rate-based change means that the foreign-currency amount of the instrument is calculated based on the exchange rate at the beginning of the period.

Rounding may cause discrepancies between the sum of components and the total.

**Terms and Abbreviations:**

ATM	Automated teller machine / cash dispenser
FX	Foreign currency
GDP	Gross domestic product
IFI / IFO	International financial institution / organization
NBU	National Bank of Ukraine
NFC	Non-financial corporation
NPL	Non-performing loan
CD	Certificate of deposit
AQR	Asset quality review
CIR	Cost-to-Income Ratio
HHI	Herfindahl-Hirschman Index
ROE	Return on equity
UIRD	Ukrainian Index of Retail Deposit Rates
bn	billion
qoq	quarter-on-quarter
yoy	year-on-year
pp	percentage point
UAH	Ukrainian Hryvnia
USD, dollar	United States dollar
Q	Quarter
r.h.s.	Right-hand scale