

In Q4, the banks continued to increase their retail and corporate loan portfolios in the hryvnia: statistics show that many segments were recovering steadily. Mortgage lending continued to grow the fastest, with the issuance of new loans almost doubling compared to crisis-hit H1. Deposit interest rates remained unchanged, while loan rates declined moderately. This trend is likely to last throughout 2021, gradually reducing the banks' interest margins. The sector's operating income will continue to grow rapidly, indicating a recovery in demand for banking services and thus in economic activity. The banks increased their loan loss provisioning substantially at the end of the year. Over the whole year, provisioning for loans almost doubled in monetary terms, while remaining moderate compared to the loan portfolio. Credit risk remains the key risk for banks: pandemic-related threats to the solvency of some sectors and companies stay high.

### Sector Structure

In 2020, two banks were declared insolvent after they failed to meet capital requirements. Thus, 73 solvent banks were operating at the end of the year. Although the share of state-owned banks in the sector's net assets shrank throughout the year and the share of private banks grew, state-owned banks still accounted for more than half of the sector's assets. At the end of the year, the 20 largest banks held more than 90% of the sector's assets.

### Assets

An increase in holdings of government securities made the largest contribution to the growth in banks' net assets. Growth in domestic government debt securities accounted for two thirds of the nominal growth in net assets for the full year, and for almost 80% in Q4. The government incurred large budget expenditures during the last days of December, which increased banks' liquidity and holdings of NBU certificates of deposit.

Net hryvnia corporate loans grew markedly in Q3–Q4, after having dropped in H1 due to the crisis. The fastest growth was seen in private and foreign-owned banks. Volumes of net foreign currency loans decreased in annual and quarterly terms.

Growth in the net hryvnia retail loan portfolio slowed abruptly in 2020 due to the quarantine restrictions imposed in H1. Lending for housing purchases picked up markedly in H2, outpacing consumer lending. Monthly average volumes of new loans more than doubled compared to both H1 2020 and to the whole of 2019.

In 2020 banks actively wrote off non-performing loans (NPLs), with state-owned banks making the largest write-offs in Q4. As a result, the system's total NPL ratio declined to 41.0% at year-end 2020, down from 48.4% at the end of 2019.

### Funding

This year the banks' liabilities increased on account of customer deposits and the NBU's liquidity assistance. Refinancing loans tripled in volume in Q4, with their share in liabilities growing by 2.5 pp. At the same time, corporate and retail deposits remained the main funding source for banks, accounting for 84.6% of liabilities.

Hryvnia deposits grew rapidly in 2020. Deposit outflows at the start of the coronavirus crisis lasted for less than two weeks. However, in conditions of pandemic-induced uncertainty, growth was driven by demand deposits: their volumes increased by 49% yoy. PrivatBank and the private banks showed the largest growth in deposits. As a result, in terms of maturity composition, demand deposits accounted for 55.2% of hryvnia deposits at the end of the year. Although foreign currency retail deposits, which were much cheaper, grew in Q4, they remained almost unchanged at the end of the year.

Hryvnia corporate deposits surged by 34.5% yoy. The largest growth in hryvnia deposits by businesses was seen in private banks and PrivatBank. On the other hand, foreign currency deposits in US dollar equivalent increased by only 2.2% over the year, and declined in Q4. The level of dollarization of customer deposits decreased to 38.0%.

### Interest Rates

The NBU cut its key policy rate four times in H1 2020, by a total of 7.5 pp, to the all-time low level of 6% per annum. Rates on both retail deposits and hryvnia corporate loans declined by more than 6 pp throughout the year and entered the single-digit range.

The cost of deposits remained almost unchanged in Q4. The spread between interest rates on 3-month and 12-month retail deposits remained less than 1 pp. At the same time, rates on corporate loans continued to decline moderately, which narrowed the spread.

### Financial Results and Capital

In 2020, the banking sector's profit amounted to UAH 41.3 billion, which was almost one third less than in 2019. PrivatBank accounted for more than a half of the total profit generated by the profitable banks. As in 2019, eight financial institutions were loss-making.

Cumulatively, the sector (excluding PrivatBank) made losses in Q4, primarily due to heavy provisioning by several banks. Compared to the previous quarter, the banks' operating income decreased (mainly driven by the negative result of a revaluation of domestic government debt securities), and operating expenses rose. Operating income and operating profit increased in 2020, although the year-end Cost-to-Income ratio (CIR) declined moderately to 53.6% (versus 50.8% in 2019). As a result, operational efficiency slightly deteriorated.

The annual growth in net interest income and fee and commission income were at a four-year low. At the same time, interest income and fee and commission income started to recover from the shock experienced at the start of the pandemic, which affected performance in Q2. Despite the weekend quarantine, fee and commission income grew by 20% yoy in Q4, partially thanks to growth in the internet trading segment.

Provisions the sector made in 2020 were three times larger than in the previous year. PrivatBank's provisions against

legal risk accounted for a quarter of the provisions made in the sector. At the same time, loan loss provisioning increased by 91% yoy.

### Prospects and Risks

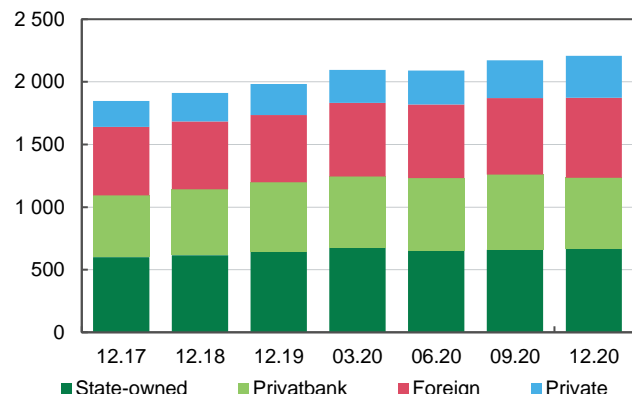
Credit risk remains the main risk for banks in 2021. Although the economic situation improved markedly in H2, some bank borrowers are still facing financial difficulties. This may affect the quality of servicing of loans, thus forcing banks to make additional provisions. In order to make sure that banks report the loan portfolio quality accurately, the NBU will review the quality of the banking sector's assets and additionally stress test 30 banks.

The NBU required banks to deduct the value of noncore assets from their core capital, which they have to do in stages starting from January 2021. This rule will encourage banks to get rid of noncore assets in a timely manner, which will increase the banks' financial resilience and make their financial reporting data more reliable. In addition, risk weights for foreign currency securities issued by the Ukrainian government and for unsecured consumer loans will start to be raised gradually from this year onward. The Net Stable Funding Ratio (NSFR) will apply as a requirement from April, which will prompt banks to decrease the maturity mismatch between assets and liabilities. The NSFR will be first set at the minimum of 80% and will then gradually be increased to 100% by April 2022.

## Sector Structure

The banks' total assets increased by 1.8% in Q4, to UAH 2.2 trillion. One bank was declared insolvent in December 2020 and liquidated in January 2021. As of the end of 2020, 73 banks were solvent.

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



\* Solvent banks were grouped in accordance with their classification in the respective reporting period.

Table 1. Number of banks\*

|               | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|------|------|------|------|------|
| Solvent       | 96   | 82   | 77   | 75   | 73   |
| Change        | -21  | -14  | -5   | -2   | -2   |
| State-owned** | 6    | 5    | 5    | 5    | 5    |
| Change        | -1   | -1   | 0    | 0    | 0    |
| Foreign       | 25   | 23   | 21   | 20   | 20   |
| Change        | 0    | -2   | -2   | -1   | 0    |
| Private       | 65   | 54   | 51   | 50   | 48   |
| Change        | -20  | -11  | -3   | -1   | -2   |

\* As of end of period.  
\*\* Including PrivatBank.

In Q4, state-owned banks, including Privatbank, decreased further their share of net assets (by 1.0 pp, to 52.6%) and retail deposits (by 0.3 pp, to 60.3%).

Figure 2. Distribution of net assets across groups of banks

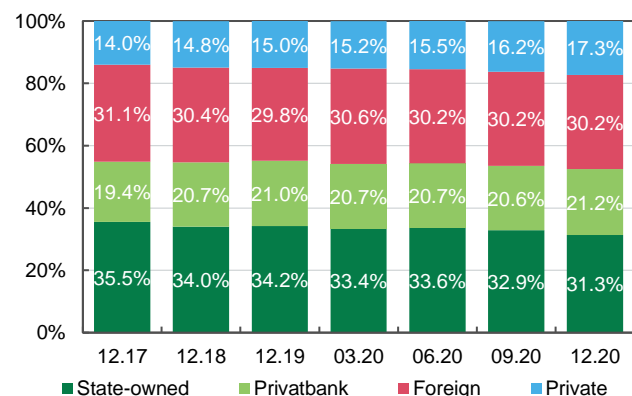
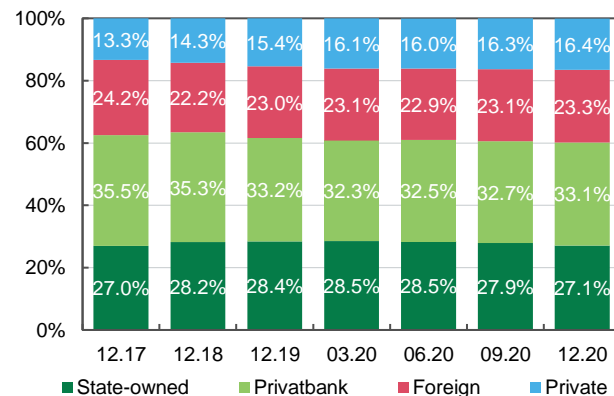


Figure 3. Distribution of retail deposits across groups of banks



In October–December, the largest 20 banks decreased their share of net assets by 0.6 pp, to 91.6%. Total assets concentration declined as large banks wrote off large amounts of nonperforming loans.

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

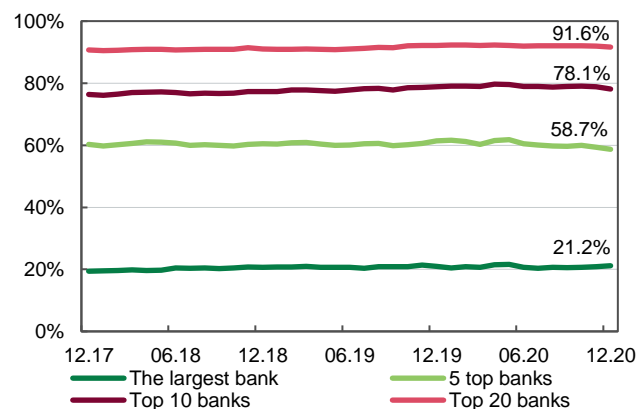
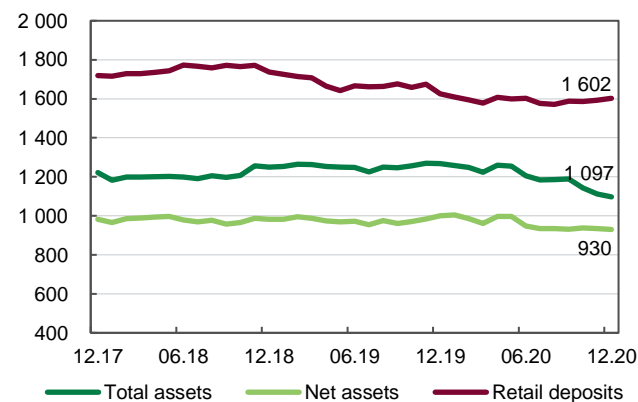


Figure 5. Concentration as defined by the HHI indicator\*

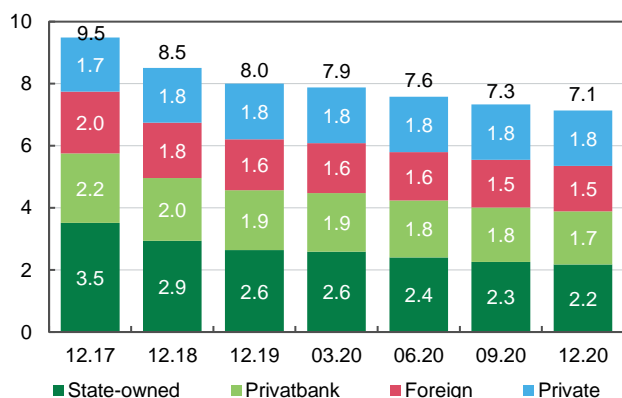


\* The Herfindahl-Hirschman Index (HHI) is an indicator of banking sector concentration. It is calculated by summing the squared market shares of individual banks. The index ranges from 0 to 10,000, with values below 1,000 indicating low market concentration.

## Banking Infrastructure

In Q4, state-owned and foreign banks closed 205 subsidiaries (Oschadbank closed the largest number of subsidiaries – 94). UKRGASBANK opened the largest number of branches (7). In 2020, banks closed a total of 868 branches, with the largest number, 71, shut down in Dnipropetrovsk oblast.

Figure 6. Number of bank structural units\*, thousands



\* Standalone structural units and head offices

In Q4, banks other than private continued to dismiss their employees, with the largest number of employees fired by foreign banks. The staff headcount decreased by 5,000 people in 2020.

Figure 8. Bank staff headcount, thousands of employees

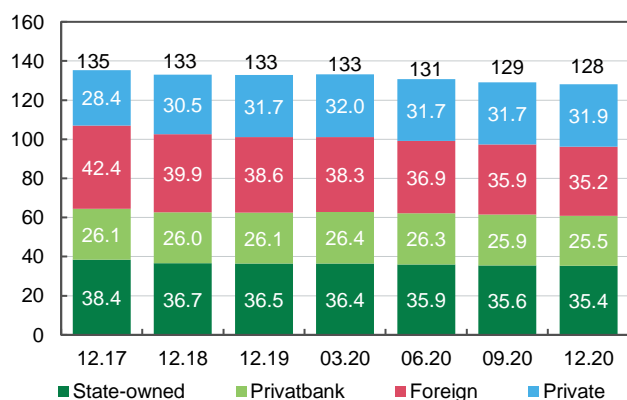
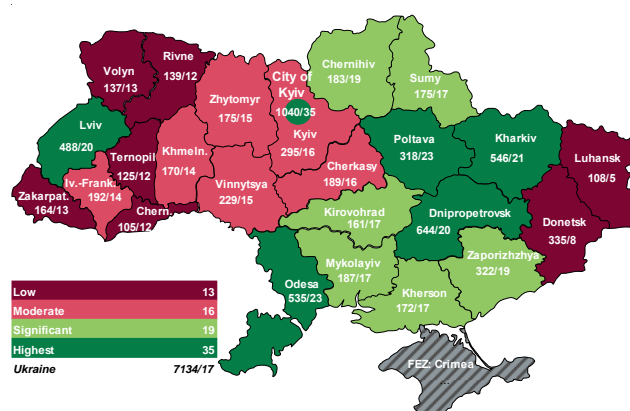
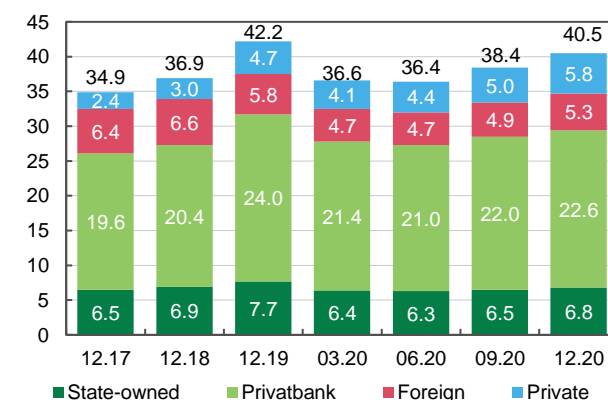


Figure 7. Operating bank structural units in selected regions as of 1 January 2021, structural units per 100,000 individuals



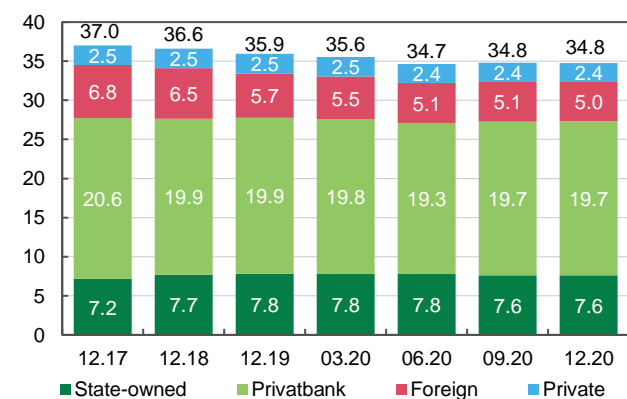
The number of active payment cards has been growing rapidly over the past two quarters. Private banks were the leaders in October–December, recording larger growth in the number of cards than PrivatBank did.

Figure 9. Number of active payment cards by groups of banks, millions of units



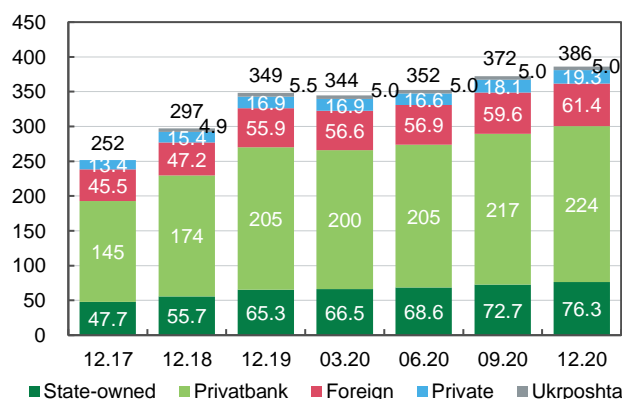
The growth in the number of POS terminals in Q4 was produced by PrivatBank (+7,400 terminals) and other state-owned banks (+3,600). The number of ATMs is decreasing: banks removed 1,175 ATMs in 2020.

Figure 10. Number of ATMs\*, thousands of units



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

Figure 11. Number of POS terminals, thousands of units



## Assets

The sector's net assets grew by 6.8% in Q4. Holdings of domestic government debt securities made the largest contribution to the growth in net assets (18.6%). The growth in banks' holdings of NBU certificates of deposit was short-term, as they declined in January.

Figure 12. Net assets\* by groups of banks, UAH billions

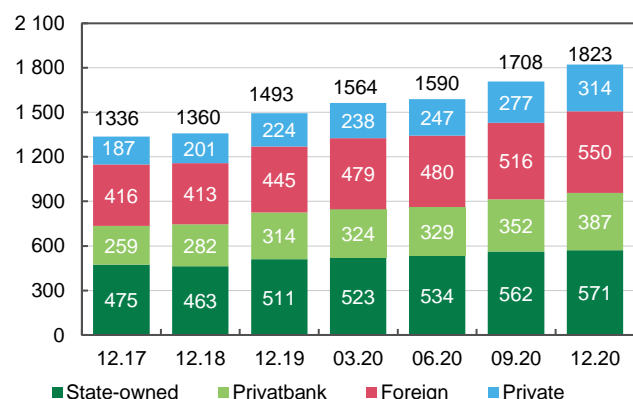
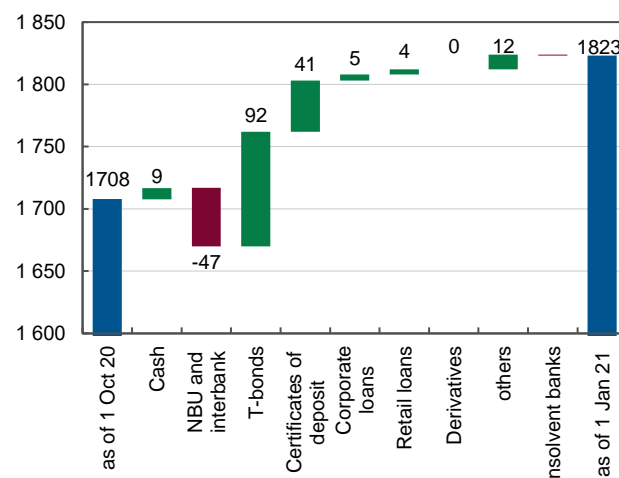


Figure 13. Change in net assets by component in Q4 2020\*, UAH billions



\* Adjusted for loan loss provisions of banks.

The share of net corporate and retail loans contracted by 1.6 pp in Q4, to 32.1% of net assets. Banks wrote off large volumes of NPLs in Q4. This led to a sizeable reduction in gross loans.

Figure 14. Sector net assets by component

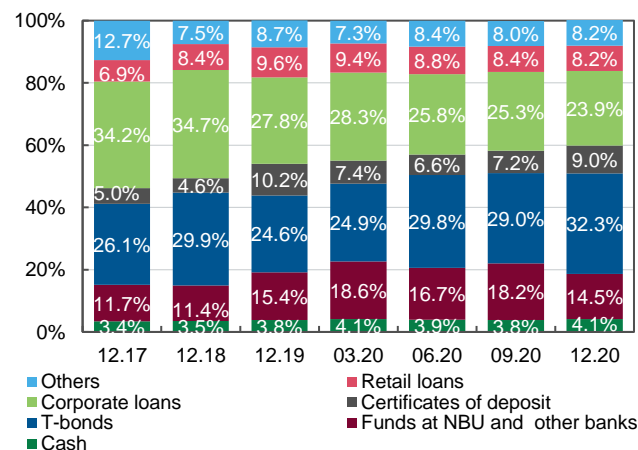
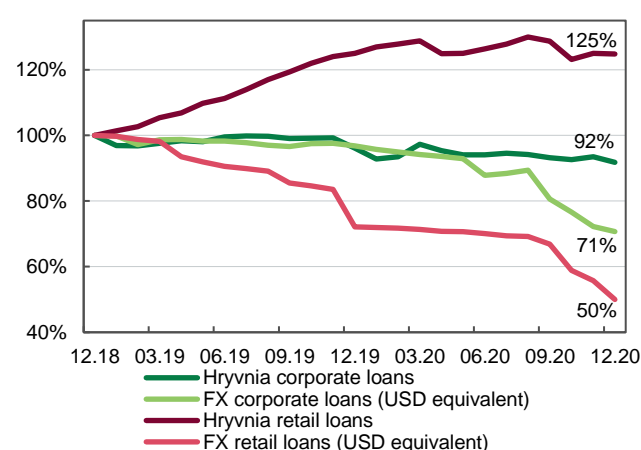


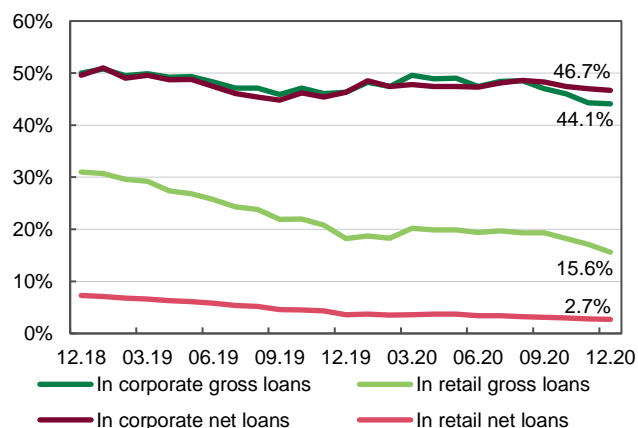
Figure 15. Gross corporate and retail loans, 2018 = 100%



\* Issued by banks that were solvent as of 1 January 2021.

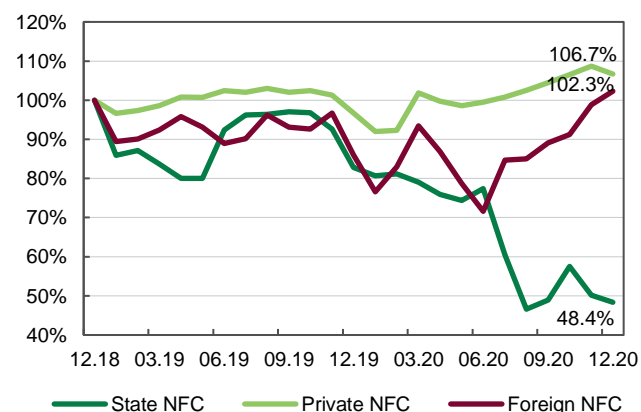
The dollarization rate of net loans remained practically unchanged, while the dollarization of gross loans was related to large write-offs of fully provisioned foreign currency NPLs.

Figure 16. Share of FX loans



Volumes of net hryvnia loans to private corporations and subsidiaries of international corporations grew in Q4.

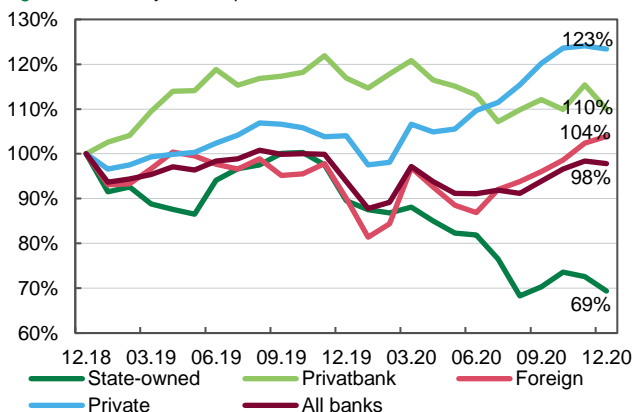
Figure 17. Net hryvnia loans to nonfinancial corporations (NFCs), 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

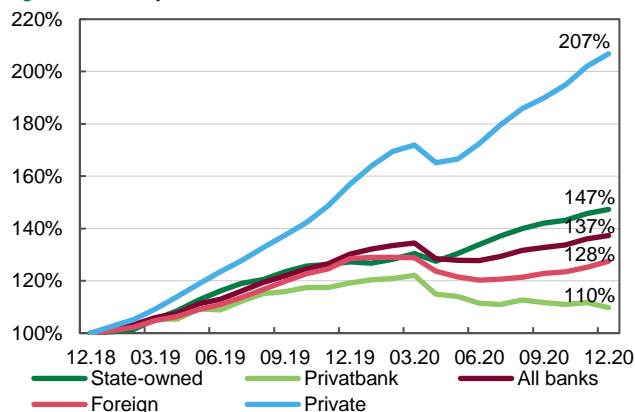
In Q4, net hryvnia retail loans grew by 3.4% qoq and by 5.5% yoy. Real estate lending picked up markedly: volumes of net hryvnia loans in this segment grew by 7.5% qoq and 11.5% yoy. Net hryvnia corporate loans grew by 4.2% qoq (+4.3% yoy). Foreign banks showed the highest quarterly growth rates (+8.2%).

Figure 18. Net hryvnia corporate loans, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

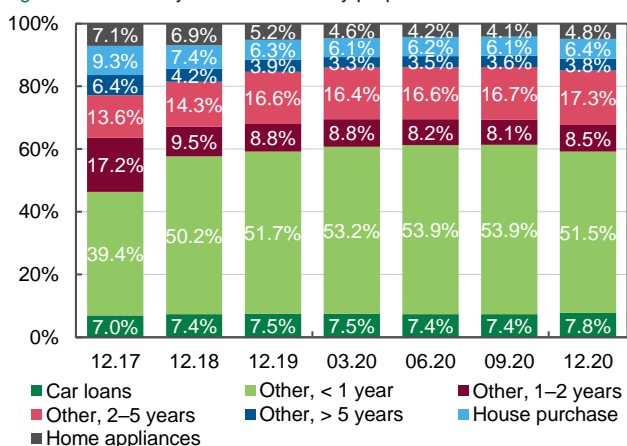
Figure 19. Net hryvnia retail loans, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

The share of loans to purchase real estate increased by 0.4 pp over the quarter, reaching 6.4% of the gross hryvnia portfolio.

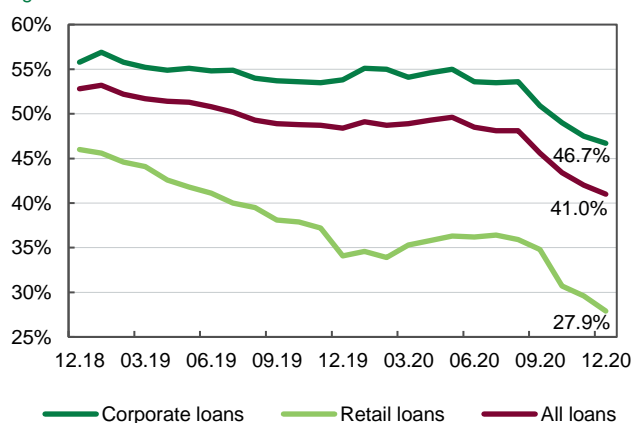
Figure 20. Gross hryvnia retail loans by purpose



\* For the purchase, construction, and renovation of real estate (including land plots).

The NPL ratio shrank by 4.6 pp in Q4 (to 41.0%) as a result of NPL write-offs.

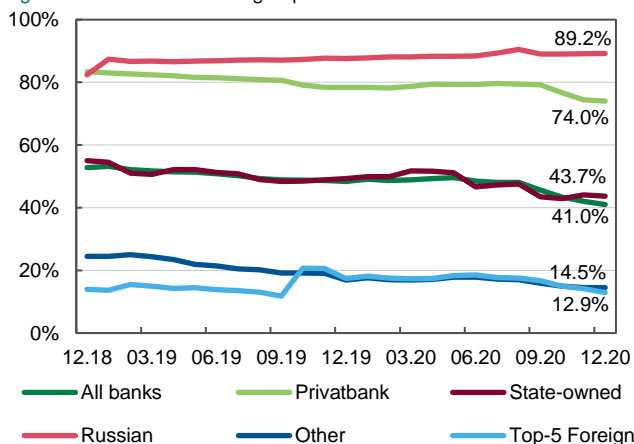
Figure 21. Banks' NPL ratios\*



\* At all banks, including insolvent ones; excluding off-balance sheet liabilities. Individuals, including sole proprietors.

In Q4, the NPL ratio shrank the most at PrivatBank – by 5.3 pp. The NPL coverage ratio was 97.7% as of the end of 2020.

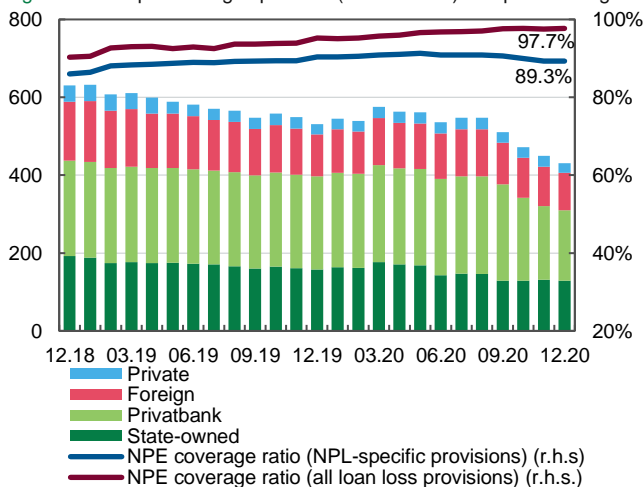
Figure 22. NPL ratio across groups of banks\*



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

\*\* Top-5 foreign banks by net assets as of 1 January 2021 (excluding Russian-owned banks).

Figure 23. Nonperforming exposures (UAH billions) and provisioning



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

## Funding

**Banks' total liabilities increased by 7.9% in Q4. Corporate and retail deposits grew by 7.0%. Banks' liabilities to the NBU more than tripled.**

Figure 24. Liabilities across groups of banks, UAH billions

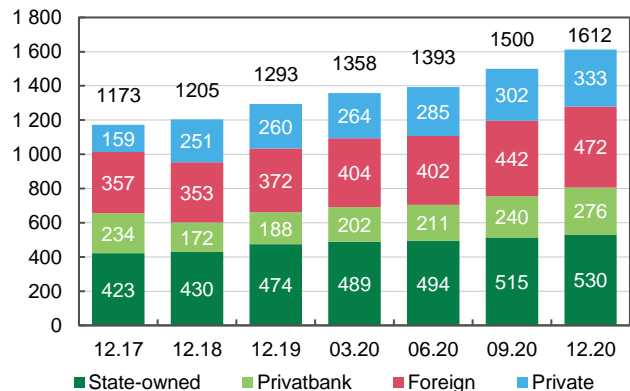
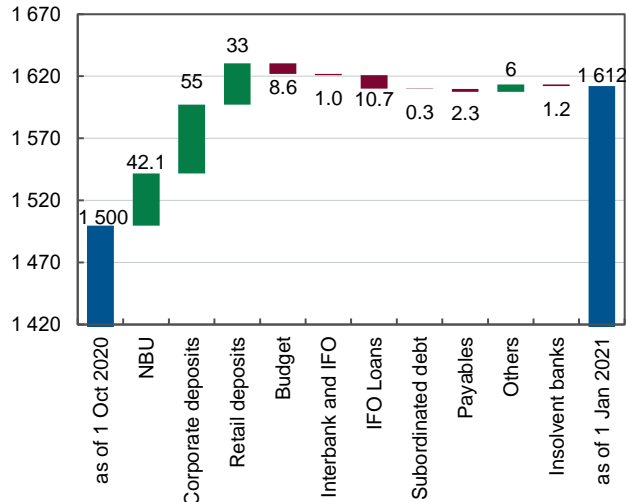
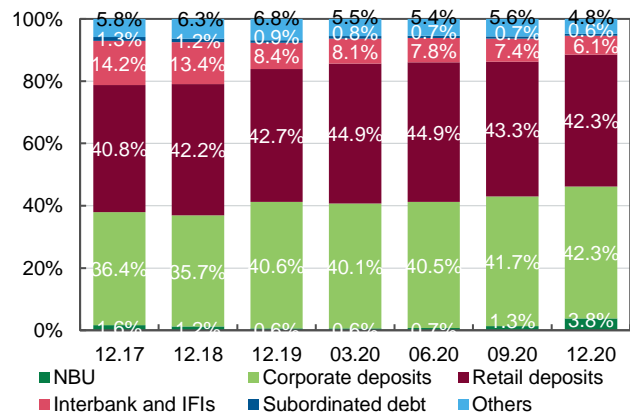


Figure 25. Changes in liabilities in Q4 2020 by factor, UAH billions



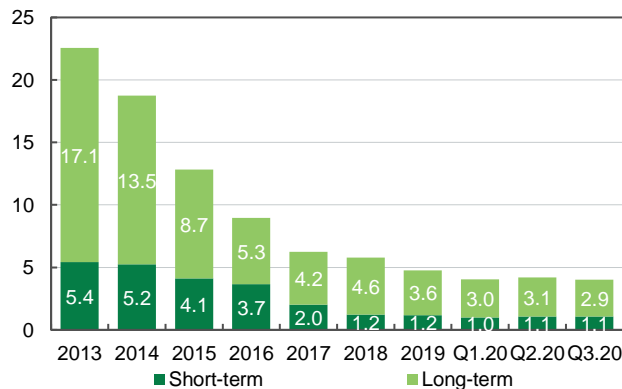
**The share of customer deposits declined by 0.5 pp to 84.6% as of the end of the quarter. Due to a significant growth in corporate deposits, their share rose by 0.5 pp, to 42.3%.**

Figure 26. Breakdown of liabilities



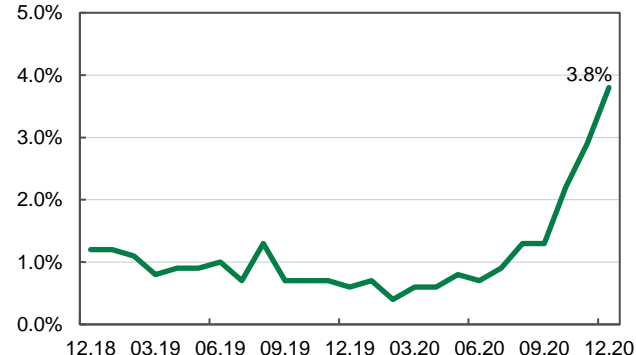
**Banks' total gross external debt fell by 4.1% in Q3, primarily the debt on long-term loans and Eurobonds.**

Figure 27. The banks' gross external debt, USD billions



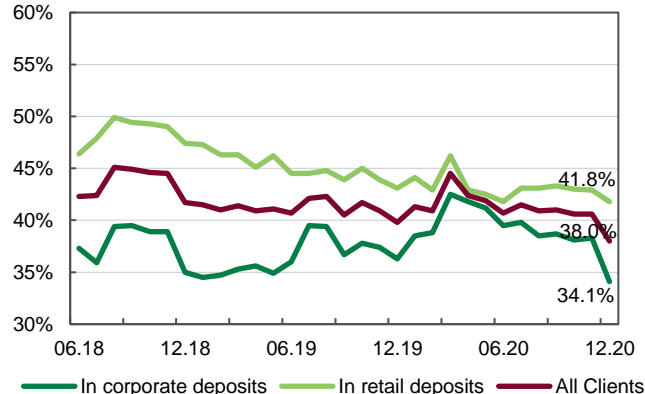
**In Q4, the share of NBU funds in liabilities grew considerably, by 2.5 pp, to 3.8%.**

Figure 28. Share of NBU funds in bank liabilities



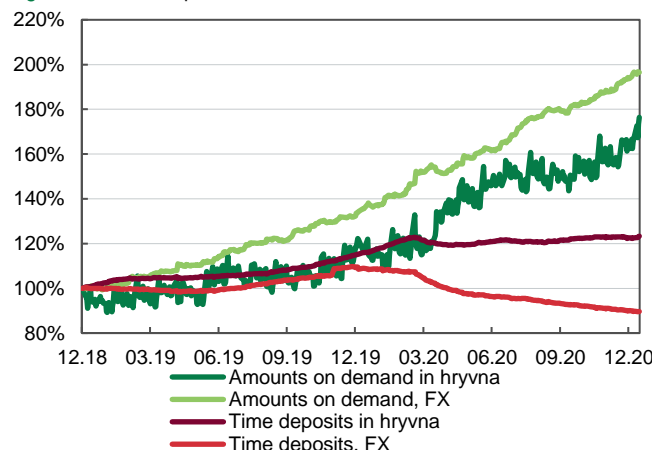
**Due to large inflows of customer deposits in hryvnia, the dollarization rate fell by 3.1 pp (to 38.0%) in Q4.**

Figure 29. Percentage of FX deposits



The growth in hryvnia retail deposits accelerated to 7.9% in Q4 (versus +1.2% in Q3). Over the year, hryvnia retail deposits have grown by 26.5%, with foreign currency deposits rising by 0.6%.

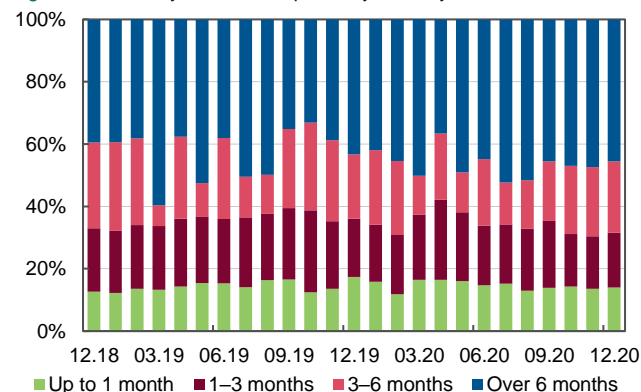
Figure 30. Retail deposits, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

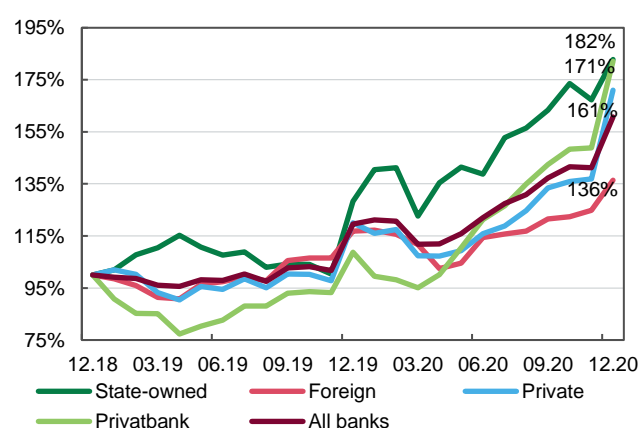
In Q4, new hryvnia deposits with maturities of up to three months as a share of total new time deposits declined by 3.9 pp qoq, to 31.5%.

Figure 31. New hryvnia retail deposits by maturity



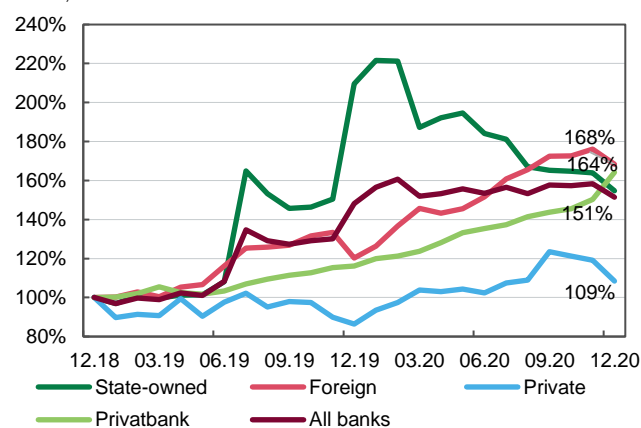
In Q4, hryvnia corporate deposits grew by 17.0% (+34.5% yoy). Private banks and PrivatBank showed the highest growth rates: +28.9% and +27.9%, respectively. Foreign currency corporate deposits dropped by 4.0% qoq.

Figure 32. Hryvnia corporate deposits by groups of banks, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

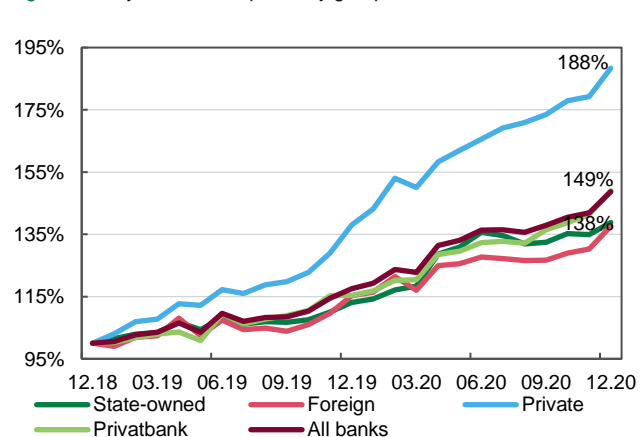
Figure 33. FX corporate deposits (in US dollar equivalent) by groups of banks, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

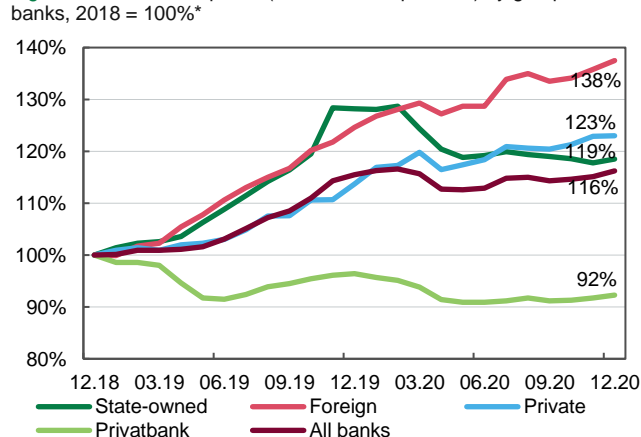
Hryvnia retail deposits grew across all groups of banks except state-owned banks. The fastest growth was registered at PrivatBank: +9.2% qoq and +29.2% yoy. Foreign currency retail deposits in private and foreign banks grew by 3.8% and 3.0% qoq, respectively.

Figure 34. Hryvnia retail deposits by groups of banks, 2018 = 100%\*



\* Issued by banks that were solvent as of 1 January 2021.

Figure 35. FX retail deposits (in US dollar equivalent) by groups of banks, 2018 = 100%\*



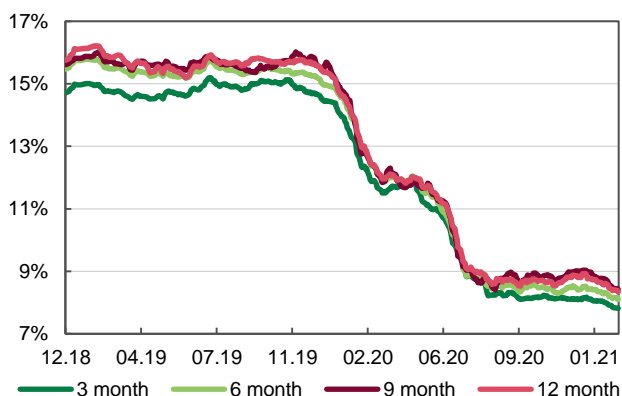
\* Issued by banks that were solvent as of 1 January 2021.



## Interest Rates

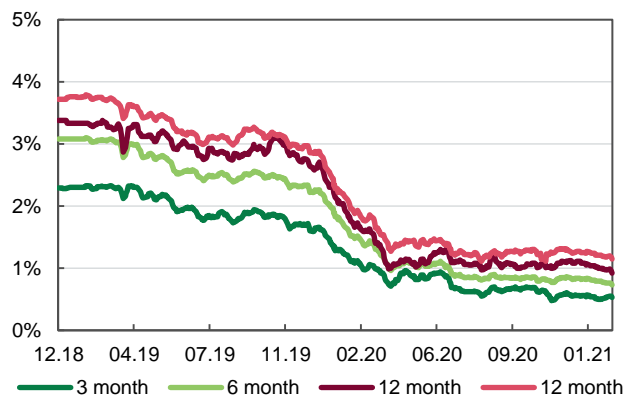
Deposit interest rates were practically unchanged in Q4. In January 2021, interest rates on 12-month hryvnia deposits fell by 0.3 pp (to 8.4% per annum), and those on 12-month US dollar deposits declined by 0.2 pp (to 1.2% per annum).

Figure 36. Ukrainian Index of Retail Deposit Rates for hryvnia deposits, % per annum\*



\* Thomson Reuters data, 5-day moving average.

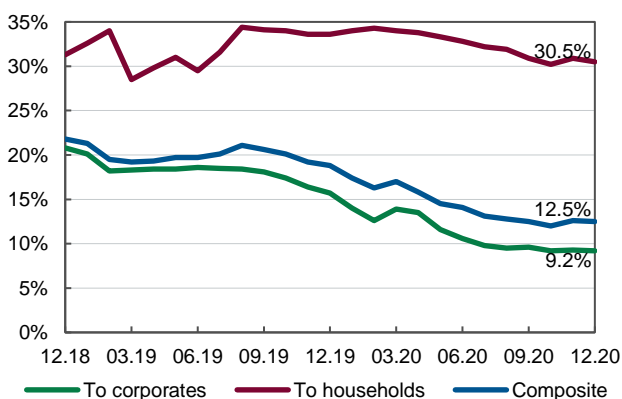
Figure 37. Ukrainian Index of Retail Deposit Rates for US dollar deposits, % per annum\*



\* Thomson Reuters data, 5-day moving average.

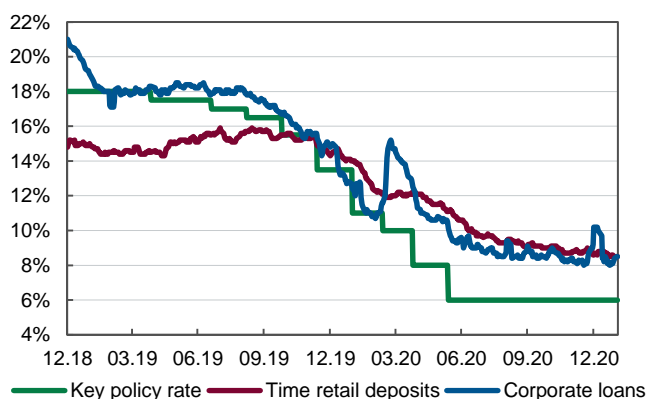
Interest rates on hryvnia corporate loans dropped by 0.4 pp qoq (to 9.2% per annum), reducing their spread with retail deposits. Retail loan rates were around 30% per annum.

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



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

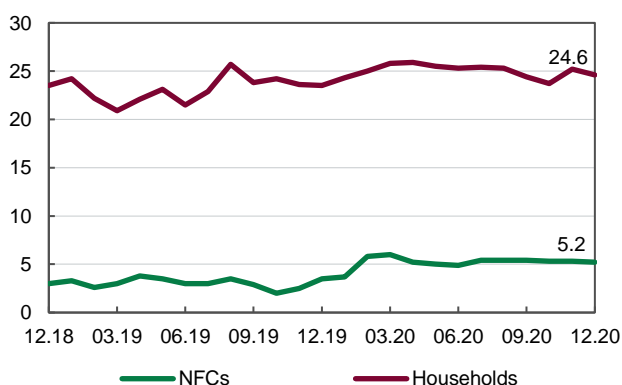
Figure 39. NBU key policy rate and interest rates on new hryvnia deposits and loans\*, % per annum



\* Daily rates, 5-day moving average.

Spreads between interest rates on loans and deposits remained almost unchanged in both the corporate and retail segments. Consumer loans remained the most profitable lending product.

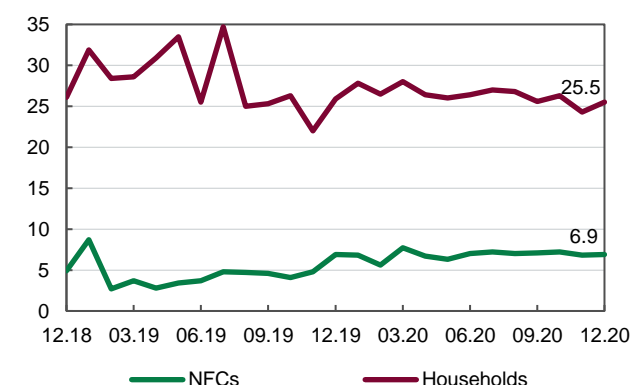
Figure 40. Spread between rates on new\*\* loans and deposits, pp\*



\* Including insolvent banks.

\*\* New loans and deposits include amounts under primary agreements that were entered into during the reporting period, as well as those under addendum agreements that changed either the amount or interest rate.

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

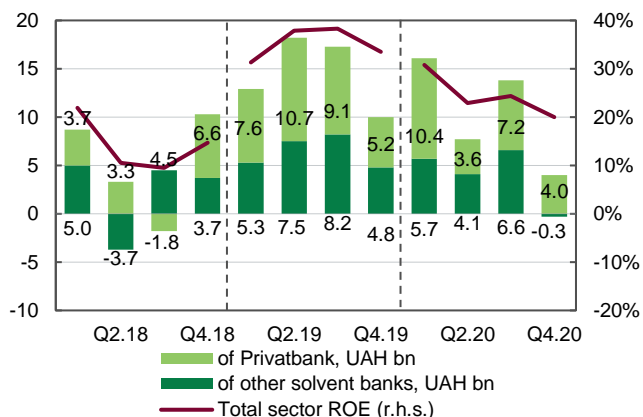


\* Including insolvent banks.

## Financial Results and Capital

In 2020, the sector's total profit dropped by 29.2% yoy, primarily due to provisioning. PrivatBank was the most profitable, having earned 61.3% of the banking sector's profit.

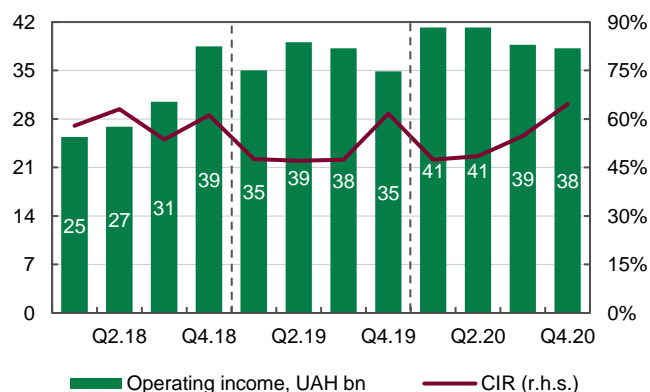
Figure 42. Profit/loss\* and return on equity of banks



\* Quarterly data including adjusted entries, except for the Q4 2020 data.

Banks' operational efficiency deteriorated in Q4: the CIR\* was 64.6% (versus 61.7% in Q4 2019).

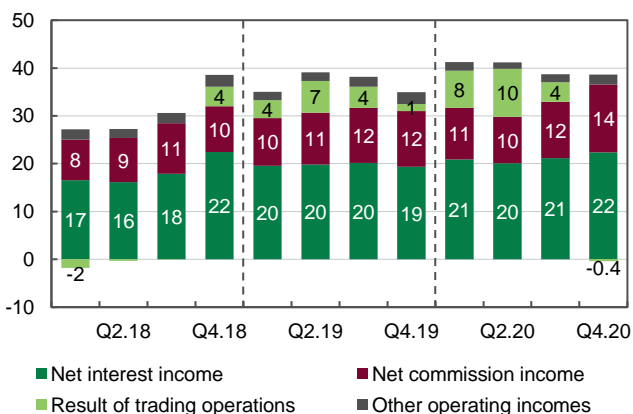
Figure 43. Operating income and operational efficiency of banks



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

Operating income declined by 1.2% qoq, driven by revaluation losses on domestic government debt securities. Over the full year 2020, however, operating income grew by 8.2% yoy.

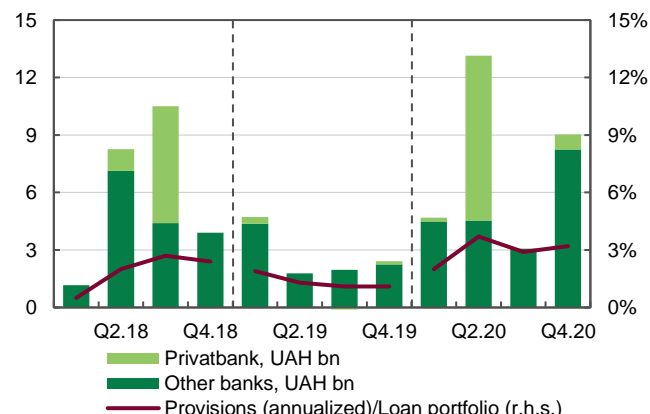
Figure 44. Banks' operating income components for the period\*, UAH billions



\*Including adjusted entries, except for the Q4 2020 data.

In 2020, provisioning in the sector increased by 2.8 times compared to 2019. Loan loss provisions reached +91.2% yoy, with the heaviest provisioning taking place in Q4 (38% of the annual volume).

Figure 45. Quarterly provisions\*\*



\*\* Annualized.  
\* Including adjusted entries, except for the Q4 2020 data.

The sector's regulatory capital adequacy remained significantly higher than the required minimum. The regulatory capital increased by 21.1% YTD (by 1.7% in Q4), while the authorized capital rose by 2.0%.

Figure 46. Regulatory capital and the regulatory capital adequacy ratio

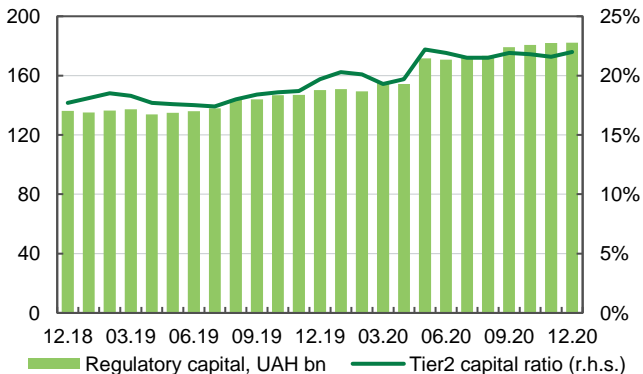
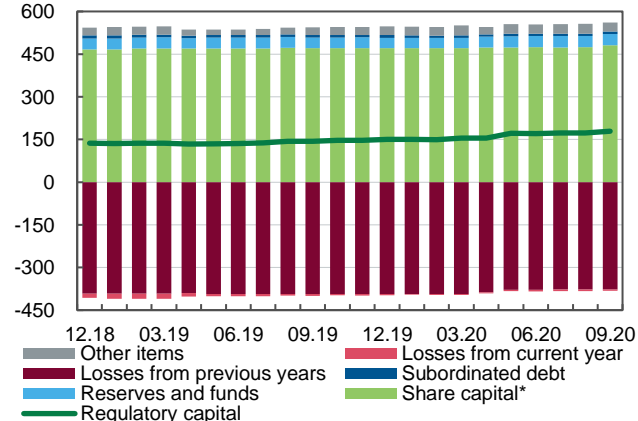


Figure 47. Composition of banks' regulatory capital, UAH billions



\* Registered and unregistered share capital.

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

|   | 2013  | 2014  | 2015   | 2016   | 2017  | 2018  | 2019   | Q1<br>2020 | Q2<br>2020 | Q3<br>2020 | Q4<br>2020 |
|---|-------|-------|--------|--------|-------|-------|--------|------------|------------|------------|------------|
| <b>Number of operating banks</b>                                  | 180   | 145   | 117    | 96     | 82    | 77    | 75     | 75         | 75         | 74         | 73         |
| <b>General balance sheet indicators (UAH billion)<sup>2</sup></b> |       |       |        |        |       |       |        |            |            |            |            |
| Total assets  | 1 409 | 1 477 | 1 571  | 1 737  | 1 840 | 1 911 | 1 982  | 2 095      | 2 090      | 2 172      | 2 209      |
| of which in foreign currency                                      | 513   | 667   | 800    | 788    | 755   | 779   | 718    | 855        | 787        | 818        | 746        |
| Net assets  | 1 278 | 1 290 | 1 254  | 1 256  | 1 334 | 1 360 | 1 493  | 1 564      | 1 590      | 1 708      | 1 823      |
| of which in foreign currency                                      | 470   | 565   | 582    | 519    | 507   | 495   | 492    | 585        | 551        | 605        | 585        |
| Gross corporate loans <sup>3</sup>                                | 727   | 820   | 831    | 847    | 864   | 919   | 822    | 885        | 821        | 806        | 753        |
| of which in foreign currency                                      | 252   | 400   | 492    | 437    | 423   | 460   | 381    | 439        | 389        | 379        | 332        |
| Net corporate loans <sup>3</sup>                                  | 648   | 710   | 614    | 477    | 451   | 472   | 415    | 443        | 411        | 431        | 436        |
| Gross retail loans  | 189   | 208   | 176    | 157    | 171   | 197   | 207    | 218        | 212        | 216        | 200        |
| of which in foreign currency                                      | 67    | 101   | 97     | 83     | 68    | 61    | 38     | 44         | 41         | 42         | 31         |
| Net retail loans  | 145   | 144   | 96     | 76     | 92    | 114   | 143    | 147        | 140        | 144        | 149        |
| Corporate deposits <sup>3</sup>                                   | 258   | 283   | 349    | 413    | 427   | 430   | 525    | 544        | 564        | 626        | 681        |
| of which in foreign currency                                      | 81    | 114   | 141    | 177    | 163   | 150   | 191    | 232        | 222        | 243        | 233        |
| Retail deposits <sup>4</sup>                                      | 443   | 403   | 402    | 437    | 478   | 508   | 552    | 610        | 626        | 649        | 682        |
| of which in foreign currency                                      | 189   | 214   | 215    | 239    | 244   | 241   | 238    | 282        | 262        | 281        | 285        |
| <b>Change (yoy, %)</b>  |       |       |        |        |       |       |        |            |            |            |            |
| Total assets  | 11.4% | 4.8%  | 6.4%   | 10.6%  | 5.9%  | 3.8%  | 3.7%   | 11.0%      | 10.5%      | 15.8%      | 11.4%      |
| Net assets  | 13.7% | 1.0%  | -2.8%  | 0.2%   | 6.2%  | 1.9%  | 9.8%   | 16.6%      | 17.1%      | 24.3%      | 22.0%      |
| Gross corporate loans <sup>3</sup>                                | 14.7% | 12.8% | 1.3%   | 2.0%   | 2.0%  | 6.3%  | -10.6% | -1.1%      | -7.1%      | -4.2%      | -8.5%      |
| Gross retail loans  | 3.0%  | 10.3% | -15.7% | -10.4% | 8.5%  | 15.3% | 5.0%   | 8.2%       | 4.5%       | 4.0%       | -3.5%      |
| Corporate deposits <sup>3</sup>                                   | 16.8% | 9.5%  | 23.5%  | 18.2%  | 3.4%  | 0.8%  | 22.1%  | 31.2%      | 31.7%      | 37.8%      | 29.7%      |
| Retail deposits <sup>4</sup>                                      | 20.2% | -8.9% | -0.3%  | 8.7%   | 9.4%  | 6.3%  | 8.6%   | 18.3%      | 18.6%      | 25.5%      | 23.4%      |
| <b>Penetration<sup>5</sup> (%)</b>                                |       |       |        |        |       |       |        |            |            |            |            |
| Gross corporate loans <sup>3</sup> / GDP                          | 47.7% | 51.7% | 41.8%  | 35.5%  | 29.0% | 25.8% | 20.7%  | 22.1%      | 20.8%      | 20.2%      | 18.4%      |
| Net corporate loans <sup>3</sup> / GDP                            | 42.6% | 44.7% | 30.9%  | 20.0%  | 15.1% | 13.3% | 10.4%  | 11.1%      | 10.4%      | 10.8%      | 10.7%      |
| Gross retail loans/ GDP   | 12.4% | 13.1% | 8.8%   | 6.6%   | 5.7%  | 5.5%  | 5.2%   | 5.5%       | 5.4%       | 5.4%       | 4.9%       |
| Net retail loans/ GDP   | 9.5%  | 9.1%  | 4.8%   | 3.2%   | 3.1%  | 3.2%  | 3.6%   | 3.7%       | 3.5%       | 3.6%       | 3.6%       |
| Corporate deposits <sup>3</sup> / GDP                             | 17.0% | 17.8% | 17.6%  | 17.3%  | 14.3% | 12.1% | 13.2%  | 13.6%      | 14.3%      | 15.7%      | 16.7%      |
| Retail deposits/ GDP  | 29.1% | 25.4% | 20.2%  | 18.3%  | 16.0% | 14.3% | 13.9%  | 15.2%      | 15.9%      | 16.3%      | 16.7%      |
| <b>Profit or Loss<sup>6</sup> (UAH billion)</b>                   |       |       |        |        |       |       |        |            |            |            |            |
| Net interest income   | 49.1  | 52.2  | 39.1   | 44.2   | 53.0  | 73.0  | 78.9   | 20.9       | 20.1       | 21.1       | 22.4       |
| Net commission income   | 21.0  | 23.1  | 22.6   | 24.2   | 27.5  | 37.8  | 44.0   | 10.8       | 9.7        | 11.8       | 14.2       |
| Provisions  | 28.0  | 84.4  | 114.5  | 198.3  | 49.2  | 23.8  | 10.7   | 4.7        | 13.1       | 3.0        | 9.0        |
| Net profit/loss   | 1.4   | -33.1 | -66.6  | -159.4 | -26.5 | 22.3  | 58.4   | 16.1       | 7.7        | 13.8       | 3.7        |
| <b>Memo items:</b>  |       |       |        |        |       |       |        |            |            |            |            |
| UAH/USD (period average)  | 7.99  | 11.89 | 21.84  | 25.55  | 26.60 | 27.20 | 25.85  | 25.04      | 26.92      | 27.60      | 28.27      |
| UAH/USD (end-of-period)   | 7.99  | 15.77 | 24.00  | 27.19  | 28.07 | 27.69 | 23.69  | 28.06      | 26.69      | 28.30      | 28.28      |
| UAH/EUR (period average)  | 10.61 | 15.72 | 24.23  | 28.29  | 30.00 | 32.14 | 28.95  | 27.60      | 29.61      | 32.25      | 33.69      |
| UAH/EUR (end-of-period)   | 11.04 | 19.23 | 26.22  | 28.42  | 33.50 | 31.71 | 26.42  | 30.96      | 29.95      | 33.13      | 34.74      |

<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 certificates of deposits.<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 Republic of Crimea and City of Sevastopol; from 2014 through 2019 it excludes data for the temporarily occupied Autonomous Republic of Crimea and City of Sevastopol and a part of the ATO zone.

Data for Q4 2020 – readings for the last 12 month based on NBU forecast as published in Inflation Report.

<sup>6</sup> Taking into consideration adjustment entries, except for the Q4 2020 data.

**Notes:**

Source: NBU (unless otherwise stated).

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

The sample of banks that were solvent as of the last reporting date includes banks that merged with other banks under simplified procedure.

Data on groups of banks as of 2017 were prepared pursuant to NBU Board Decision No. 76-D, dated 10 February 2017. In 2018, data were prepared pursuant to Decision No. 444 by the Committee on Banking Regulation and Supervision, dated 29 December 2017.

“State-owned banks” refers to all state-owned banks except PrivatBank, unless otherwise specified.

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

“Gross loans” refers to loans not adjusted for provisions against asset-side banking transactions.

Data on corporate loans and deposits include data from nonbank financial institutions.

Retail deposits include certificates of deposit, unless stated otherwise.

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

**Terms and Abbreviations:**

|           |   |
|-----------|---|
| ATM       | Automated teller machine / cash dispenser   |
| CIR       | Cost-to-Income Ratio  |
| FX        | Foreign currency  |
| GDP       | Gross domestic product  |
| IFO       | International financial organization  |
| NBU       | National Bank of Ukraine  |
| NFC       | Non-financial corporation   |
| NPL / NPE | Non-performing loan / non-performing exposures  |
| POS       | Point of sale   |
| SSK       | Self-service kiosk  |
| T-bond    | Domestic government debt securities and debt securities refinanced by the NBU, which are carried at (1) fair value through profit or loss, (2) fair value through other comprehensive income, and (3) amortized cost. |
| CIR       | Cost-to-Income Ratio  |
| HHI       | Herfindahl-Hirschman Index  |
| ROE       | Return on equity  |
| UIRD      | Ukrainian Index of Retail Deposit Rates   |
| pp        | percentage point  |
| EUR       | euro  |
| UAH       | Ukrainian Hryvnia   |
| USD       | United States dollar  |
| Q         | Quarter   |
| H         | First / second half of the year   |
| bn        | Billion   |
| r.h.s.    | right-hand scale  |
| yoy       | year-on-year  |
| qoq       | quarter-on-quarter  |
| YTD       | year-to-date  |