National Bank of Ukraine

Banking Sector Review

May 2022

In Q1, the russian attack caused major shifts in the environment of banking operations. Timely measures taken by banks and the NBU in order to ensure uninterrupted operations of financial institutions and the system of electronic payments allowed the financial sector to go through the first months of the war incurring only moderate losses. Deposits of bank clients grew, keeping liquidity high and stable despite wartime risks. A small outflow of retail deposits seen in the first two months and caused by the information pressure was offset by an increase in deposits in March. At the same time, the share of demand deposits reached a new record high. Corporate deposits have declined since the war broke out, with most of the decrease occurring in foreign-currency corporate deposits. This was mainly driven by companies continuing to pay salaries while their revenues dropped. Retail loan demand decreased after the onset of the full-scale war. On the other hand, demand for corporate loans remained moderate. The state supported corporate lending by improving the terms of its governmental programs. The banking sector retained its operational profitability despite the war, but the need to build up provisions for expected losses led to the sector taking a loss. Going forward, materialization of credit risk will have a major impact on financial standing of banks, reducing their capital significantly. However, the NBU will not apply corrective measures to banks for failing to meet the capital and liquidity requirements while martial law is in effect. After martial law is lifted, the NBU will allow banks enough time to restore their resilience.

Sector Structure

International Reserve Bank JSC and Prominvestbank PJSC, two subsidiary banks of russian state-owned financial corporations, were liquidated in February 2022 in response to the russian aggression. As of the start of the year, these two banks accounted for 2% of the banking sector's net assets. As a result, 69 banks operated in Ukraine as of end-March. The sector's assets decreased, which was primarily driven by foreign-owned and private financial institutions. Balance sheets of state-owned banks were more resilient to shocks, with their share in net assets and retail deposits growing by 1.1 pp and 0.4 pp, to 47.8% and 55.9%, respectively. The sector's concentration increased as well.

Assets

Net assets of banks that were solvent as of end-March edged lower by 2.2% in Q1, with the largest decreases seen in NBU certificates of deposit and domestic government debt securities. Client loan portfolio dynamics were uneven, but the portfolio grew as a whole in January–March.

Net hryvnia corporate loans grew by 4.8% over the quarter, while FX corporate loans rose by 2.2% in the U.S. dollar equivalent. Hryvnia lending grew most rapidly at state-owned banks, increasing by more than 10% qoq. The loan portfolio grew in the first two months of the quarter, whereas in March net hryvnia loans decreased by 0.6% and FX loans dropped by 1.9%. In annual terms, net hryvnia loan portfolio increased by 39.7%, and FX loans rose by 18.4% in the U.S. dollar equivalent. State-owned corporations were the most active in taking out loans.

In the first two months of the year, net retail portfolio increased by 5.8%. However, the decrease in loans in March offset the previous growth, which resulted in net hryvnia portfolio increasing by only 0.7% qoq (30.1% yoy). After martial law was imposed, banks only lent to finance the current needs of customers, while little to no mortgages and car loans were granted.

The dynamics of nonperforming loans (NPL) were driven by two opposite factors. In February, the NPL ratio decreased markedly due to the liquidation of two russian state-owned banks. In March, financial institutions began to gradually recognize the deterioration in loan quality caused by full-scale hostilities, which resulted in a slight increase in the NPL ratio. In Q1 overall, the share of NPLs declined by 3 pp, to 27.1%.

The NPL coverage ratio increased by 5.8 pp, to 108%. However, it is still difficult for banks to assess credit risk and needed provisions due to the high economic uncertainty. In addition, repayment holidays continue to apply to many loans. Therefore, it will take several months to determine the volume of loan defaults caused by the military aggression.

Funding

Liabilities of banks solvent as of the end of March decreased slightly in Q1, mostly driven by outflows of corporate deposits. At the same time, retail deposits grew markedly. Overall, client deposits remain the main funding source for banks, accounting for 84% of their liabilities. NBU funds as a share of liabilities increased by 1.8 pp in Q1, to 7.1%, boosted by higher demand for bank liquidity support instruments during the martial law.

Hryvnia retail deposits rose by 10.8% qoq (24.6% yoy). PrivatBank showed the largest quarterly growth, accounting for half of the nominal growth in hryvnia deposits. It's worth noting that the increase was seen only in demand deposits, which soared by 25% over the quarter, whereas term deposits declined by 7.5%. Maturities of a half of new term deposits was up to three months, although such deposits had accounted for only a third before the war. FX retail deposits decreased by 8.6% qoq in U.S. dollar terms.

Although rising by 12.4% yoy, hryvnia corporate deposits decreased by 13.1% in Q1 as deposit outflows were seen in all groups of banks. Banks faced the greatest outflows of hryvnia corporate deposits in the first two weeks of the war. Since then, the trend has reversed and deposits have been growing slowly. The volume of FX corporate deposits fell in the U.S. dollar equivalent by 10.6% qoq.

The dollarization rate of client deposits remained virtually unchanged quarter-on-quarter. In the corporate segment, it rose due to the weakening of the hryvnia. At the same time, the dollarization rate declined in the retail segment due to a sizeable increase in hryvnia deposits and a concurrent decrease in FX deposits.

Interest Rates

The NBU has kept its key policy rate at 10% per annum since the full-scale war with russia started. Over the quarter, rates on hryvnia corporate deposits, which declined noticeably, increased by 1.5 pp. In contrast, banks reduced their retail deposit rates on the back of significant inflows of retail deposits and the minor role of price stimuli during the wartime. The average interest rate on 12-month hryvnia retail deposits fell to 8.8% per annum, while the spread between 3-month and 12-month deposits narrowed to 1.4 pp. Average rates on U.S. dollar deposits returned to values below 1% per annum.

A major increase in credit risk pushed up the rates on hryvnia corporate loans to 13.1% per annum. The rates were raised mainly for large companies that generate concentration risks for banks. On the other hand, repayment holidays drove a significant decrease in retail loan rates, which dropped by 5.5 pp, to 23% per annum. Moreover, demand for retail loans has been dampened during the martial law.

Financial Results and Capital

In Q1, the banking sector recorded a loss for the first time since 2017. The system's financial result was a negative UAH 0.16 billion due to UAH 10.1 billion of loss made in March. This was driven by a UAH 21.6 billion increase in provisioning for expected losses caused by the war, with around 75% of provisions being made in March. The number of loss-making banks in Q1 increased to 25, up from just 5. Their cumulative loss was UAH 6 billion. The loss-making banks included two-state-owned banks. At the same time, PrivatBank accounted for more than 60% of profits generated by profit-making banks.

Banks generated operating income in Q1, but its growth slowed in March as hostilities escalated. Demand for loans and bank services declined. A decrease in volumes of trade in goods and services in Ukraine led to a decrease in settlements, which is the key base for banks' fee and commission income. In turn, the majority of banks introduced repayment holidays and reduced their commissions. Overall, this had an adverse effect on the main components of operating income. The growth in net interest income in March slowed to 17% yoy, compared to 35% in January–February 2022. The net fee and commission income decreased by 13% yoy in Q1, due to a fall of 58% yoy in March.

Cumulatively over the quarter, the cost-to-income ratio (CIR) excluding the revaluation of securities, foreign currencies, and derivatives was 54.4%, compared to 50.7% last year.

Prospects and Risks

Credit risk is one of the highest risks banks are facing now. Hostilities and the economic slump will have a prolonged impact on loan quality. Therefore, the final losses from a deterioration of loan service can be assessed only later. The current situation requires banks to assess debtors' financial standing thoroughly, use repayment holidays instruments prudently, and make timely restructuring of loans for clients that need it. At the same time, the financial institutions should keep their risk assessment approaches conservative and reflect the actual state of loan portfolios in their reports. Even if losses lead to violations of capital requirements, the NBU will not apply corrective measures to the financial institutions during the martial law and for several months after it is over. Delaying the recognition of losses might result in the need to recognize all of them at once in the future, which would cause a sharp deterioration in banks' financial standing.

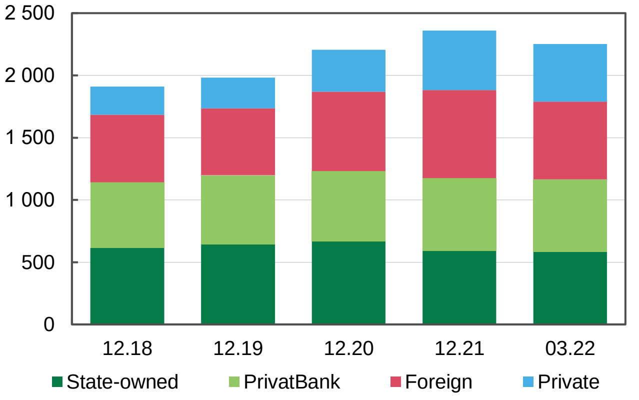
Moderate demand for bank products, a deterioration in loan portfolio quality, and the respective decline in banks' income will increase profitability risks. The financial institutions should adapt their business models to working under conditions of a strong economic downturn, while maintaining the operational efficiency. The low cost of funding is one of the factors that are supporting the operational efficiency. The financial institutions did not have to increase their deposit rates much thanks to no significant outflows of deposits. However, changes in the funding structure might drive an increase in interest risks in the future.

In order to stabilize the FX market, the NBU imposed numerous restrictions and locked in the UAH/USD exchange rate. Such measures are temporary, and their duration will depend on the state of the FX market. The fixed exchange rate should not make banks less attentive to managing FX risks. The limits of banks' currency positions were reduced from 15% to 5% of the regulatory capital from May. Balancing the currency position will reduce the susceptibility to FX risk.

Sector Structure

Two russian state-owned banks were liquidated in Q1 2022. Excluding this factor, the sector's total assets decreased by 0.8% qoq. The NBU also moved two foreign-owned banks to the category of private banks.

Figure 1. Banks' total assets, UAH billion*



* Solvent banks were grouped under the relevant classification for the given years.

Table 1. Number of banks*

	2018	2019	2020	2021	Q1.22
Solvent	77	75	73	71	69
Change	-5	-2	-2	-2	-2
State-owned, including PrivatBank	5	5	5	4	4
Change	0	0	0	-1	0
Foreign-owned	21	20	20	20	16
Change	-2	-1	0	0	-4**
Private	51	50	48	47	49
Change	-3	-1	-2	-1	+2**

* As of end of period.
** Two foreign-owned banks were moved to the private banks group in line with decision of the Committee on Banking Supervision and Regulation and Oversight of Payment Systems No. 20/399 dated 28 February 2022.

The share of state-owned banks stopped declining, and the majority of their balance-sheet components turned out more resilient to shocks than in other groups. As a result, the share of state-owned banks in the sector's net assets grew by 1.1 pp in Q1 (to 47.8%). Their share in retail deposits increased by 0.4 pp (to 55.9%), with the increase coming solely from PrivatBank.

Figure 2. Distribution of net assets by groups of banks

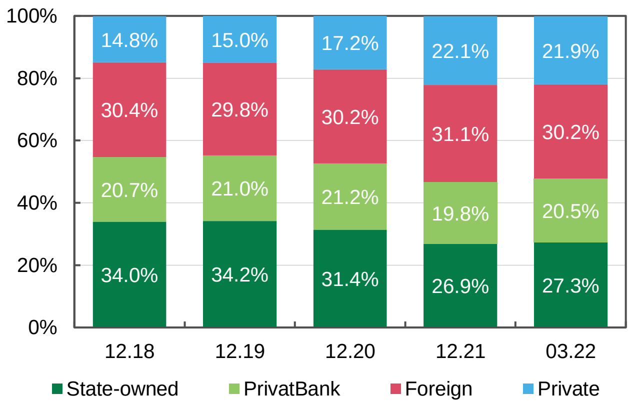
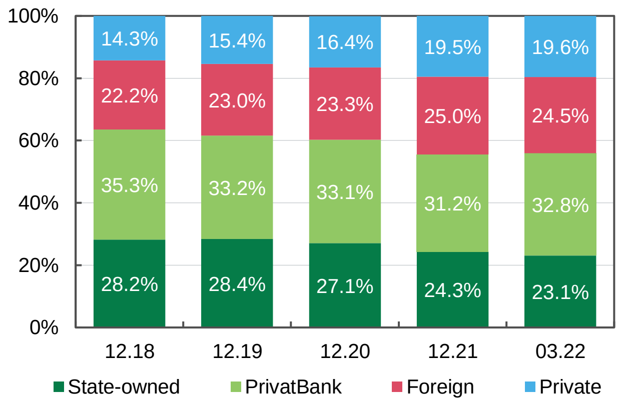


Figure 3. Distribution of retail deposits by groups of banks



The concentration of retail assets and deposits rose in Q1: due to migration, clients preferred large banks with wide networks. The concentration of retail deposits increased the most.

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

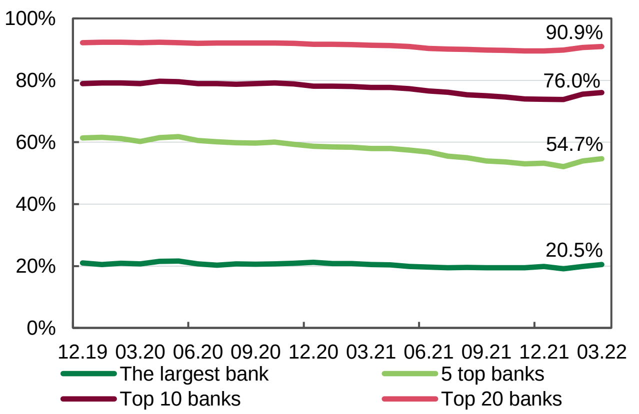
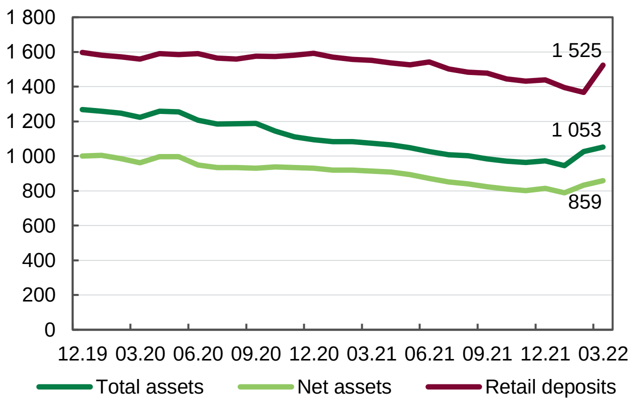


Figure 5. Concentration as defined by the HHI indicator*

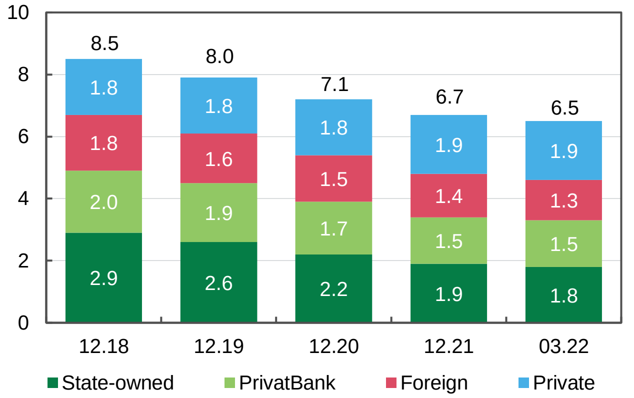


* The Herfindahl-Hirschman Index (HHI) is an indicator of banking sector concentration. It is calculated by summing the squared market shares of individual banks. The index ranges from 0 to 10,000, with values below 1,000 indicating low market concentration. Retail deposits include certificates of deposit.

Banking Infrastructure[1]

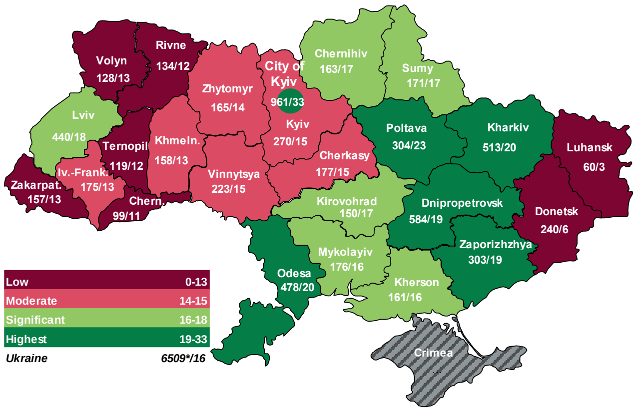
In Q1, banks continued to reduce their networks. State-owned banks and foreign-owned banks closed the largest number of branches. The larger share of branches were closed in Donetsk oblast and Kyiv city. Ten new branches were opened over the quarter, all by private banks.

Figure 6. Number of banking units*, thousand



* Standalone structural units and head offices.

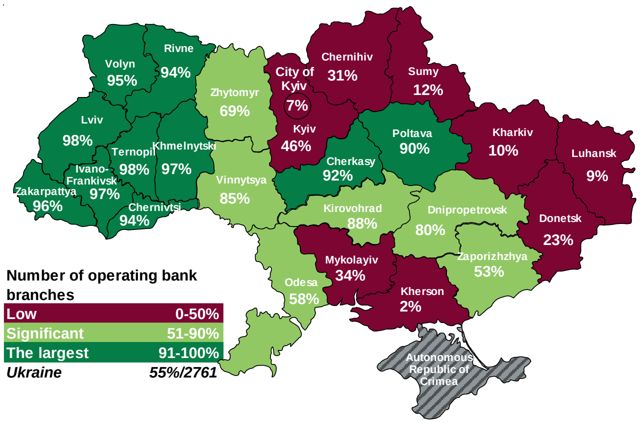
Figure 7. Operating banking units by regions as of 1 April 2022, units per 100,000 individuals



* Excluding five structural units (3 abroad).

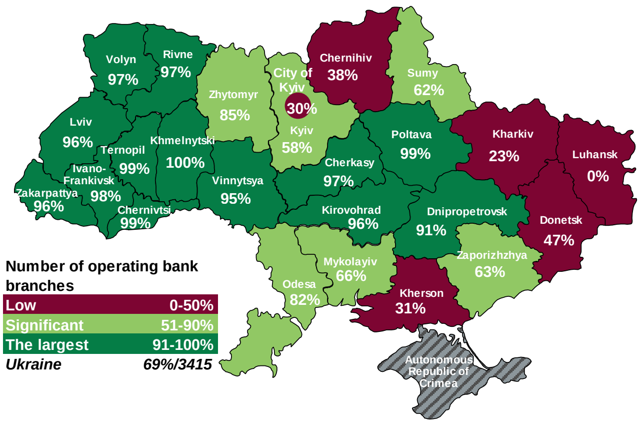
In all regions, except Donetsk and Luhansk oblasts, the share of operating branches increased compared to the start of the intensive hostilities.

Figure 8. Share of operating branches of systemically important banks across regions as of 3 March 2022



Source: Survey of systemically important banks.

Figure 9. Share of operating branches of systemically important banks across regions as of 1 April 2022



Source: Survey of systemically important banks.

Banks in northern regions were actively recovering their networks in March and April 2022. As of 1 April, systemically important banks had a total of 4,917 branches.

Figure 10. Share of branches belonging to systemically important banks

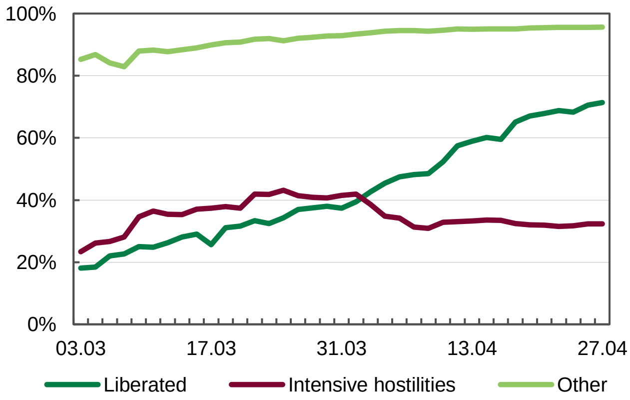
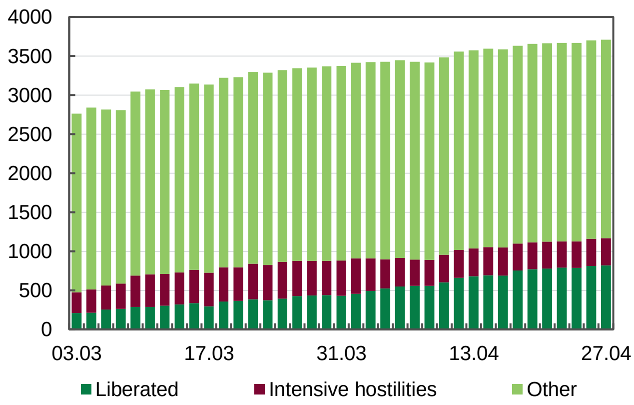


Figure 11. Number of operating branches of systemically important banks



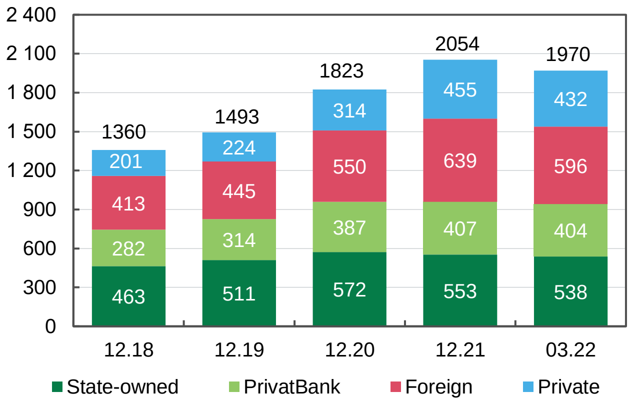
Separate groups of oblasts were defined: “Liberated” – Kyiv city and Kyiv, Sumy, and Chernihiv oblasts; “Active combat” – Donetsk, Luhansk, Kharkiv, Zaporizhzhia, Mykolaiv, and Kherson oblasts.
Source: NBU, survey of systematically important banks important banks.

[1] During the martial law, the scope of information to be submitted by banks is limited by Resolution No. 140 *On Approval of the Rules for Statistical Reporting to be Submitted to the NBU During the Special Period* dated 18 December 2018. Therefore, some figures in this review have been replaced.

Assets

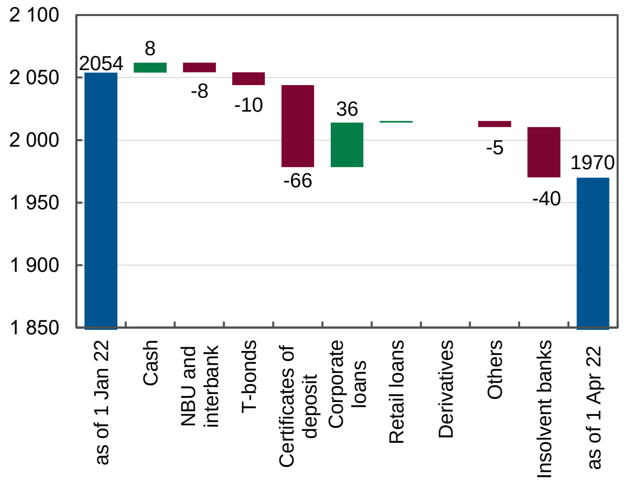
Volumes of net assets in banks operating as of end-March decreased in the hryvnia equivalent by 2.2% qoq, and by 4% at the exchange rate fixed as of the start of the year. The main factor was the decrease in NBU certificates of deposit and domestic government debt securities in banks' portfolios. Two russian-owned banks liquidated in February accounted for 2% of the sector's net assets as of the start of the year.

Figure 12. Banks' net assets, UAH billions*



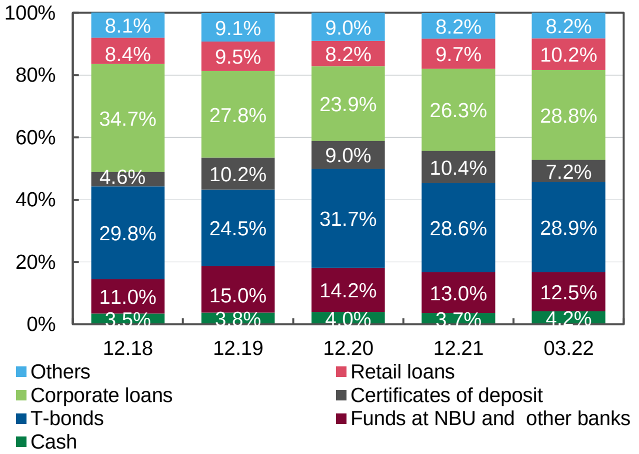
* Adjusted for loan loss provisions of banks.

Figure 13. Change in net assets by components, UAH billion



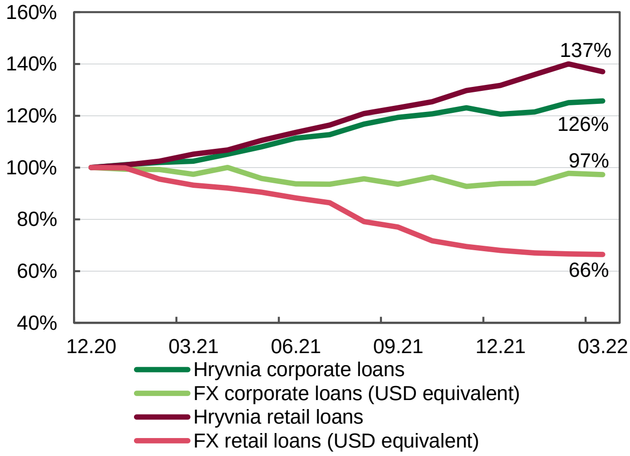
Corporate loans increased markedly: both hryvnia loans issued under state support programs and FX loans due to the weakening of the hryvnia. The share of corporate and retail loan portfolios increased by 3.0 pp in Q1, reaching 39.0%.

Figure 14. Sector's net assets by components*



* Adjusted for loan loss provisions of banks.

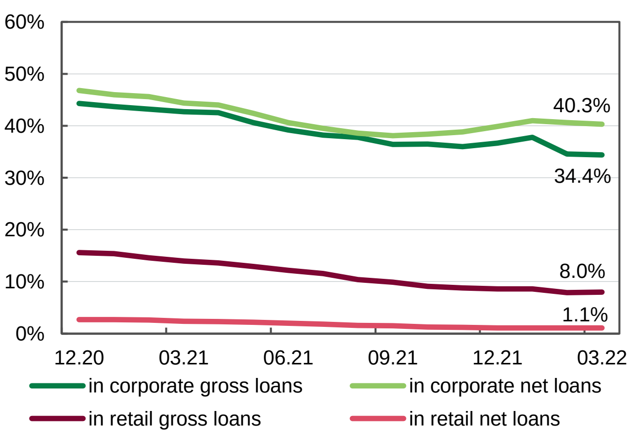
Figure 15. Gross corporate and retail loans, 2020 = 100%*



* Issued by banks that were solvent as of 1 April 2022.

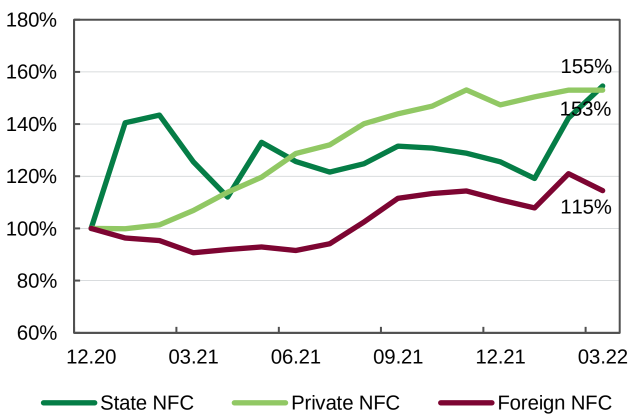
The dollarization rate of corporate loans rose by 0.3 pp over the quarter due to the hryvnia depreciation. Dollarization of gross loans declined as a result of the liquidation of two russian-owned banks.

Figure 16. FX loans ratio



Loans to state corporations increased by 29.7% in February–March.

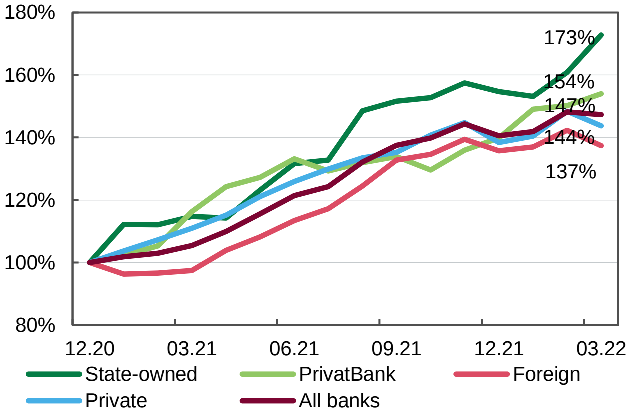
Figure 17. Net loans to nonfinancial corporations (NFCs) in UAH, 2020 = 100%*



* Issued by banks that were solvent as of 1 April 2022.

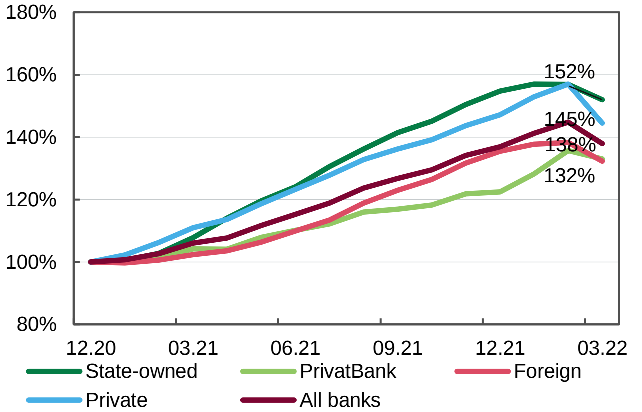
Net hryvnia corporate loans grew by 4.8% qoq and 39.7% yoy. The fastest growth in hryvnia corporate loans occurred in state-owned banks – more than 10% qoq. Net retail loans in hryvnias rose in January–February, but declined noticeably in March. Although their volumes were almost flat in quarterly terms, they grew by 30.1% in annual terms.

Figure 18. Net corporate loans in UAH, 2020 = 100%*



* Issued by banks that were solvent as of 1 April 2022.

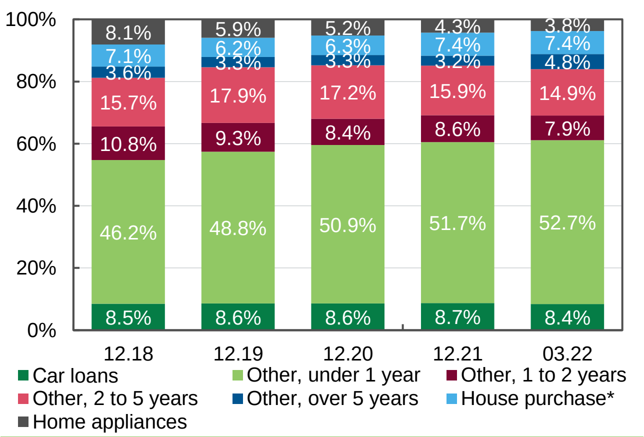
Figure 19. Net retail loans in UAH, 2020 = 100%*



* Issued by banks that were solvent as of 1 April 2022.

During the martial law, demand has been driven by loans to finance current needs. Mortgages stopped growing and car loans declined over the quarter.

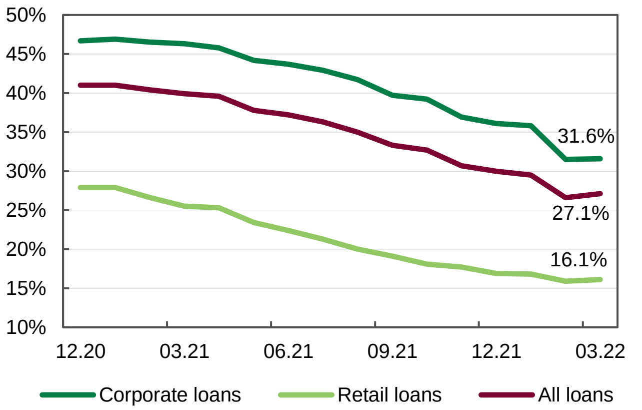
Figure 20. Net hryvnia retail loans by purpose*



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

The liquidation of the russian state-owned banks made the NPL ratio decrease by 3.0 pp in Q1, to 27.1%.

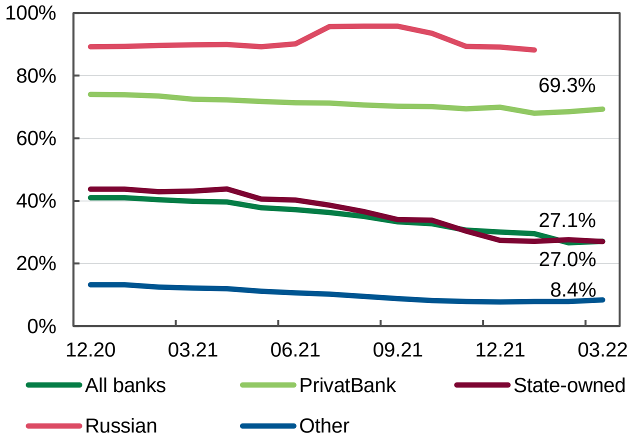
Figure 21. NPL ratio in bank portfolios*



* At all banks including insolvent ones, excluding off-balance sheet liabilities. Retail loans including loans individual entrepreneurs.

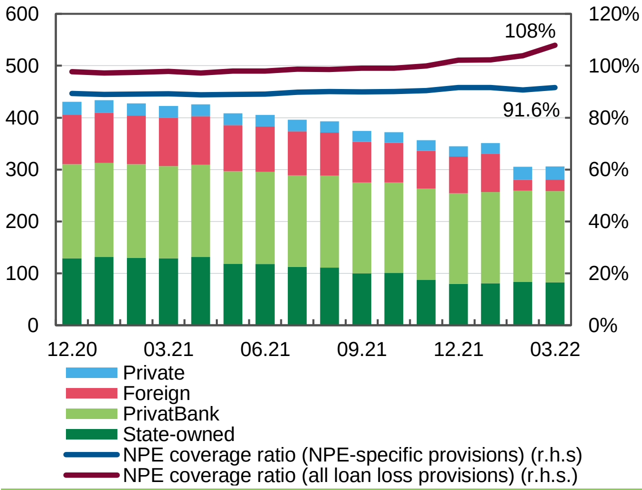
Banks can choose not to classify loans that are past due because of the war as defaulted. However, provisioning for performing loans under IFRS 9 drove the NPL coverage ratio up to the maximum level of 108%.

Figure 22. NPLs in loan portfolios by groups of banks*



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

Figure 23. Non-performing exposures (NPE) and provisions*



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

Funding

Liabilities of banks solvent as of the end of March decreased by 0.7% in Q1, primarily due to the decline in corporate deposits.

Figure 24. Liabilities by groups of banks, UAH billions

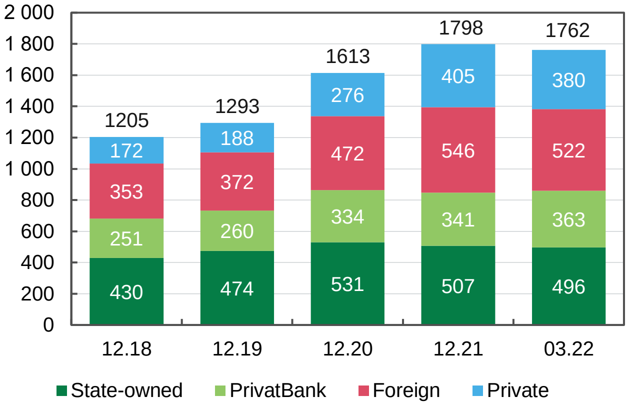
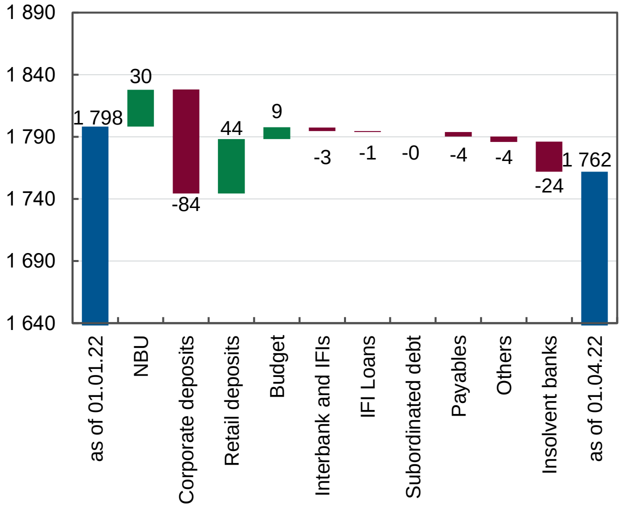
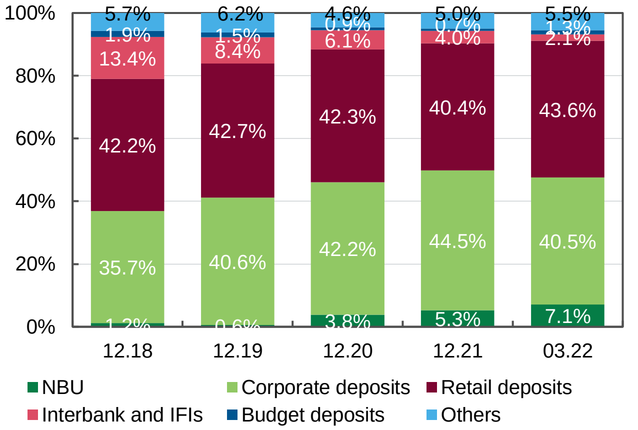


Figure 25. Change in liabilities by items, UAH billions



The share of retail deposits in the structure of liabilities rose by 3.1 pp in Q1, and the share of corporate deposits dropped by 4.0 pp.

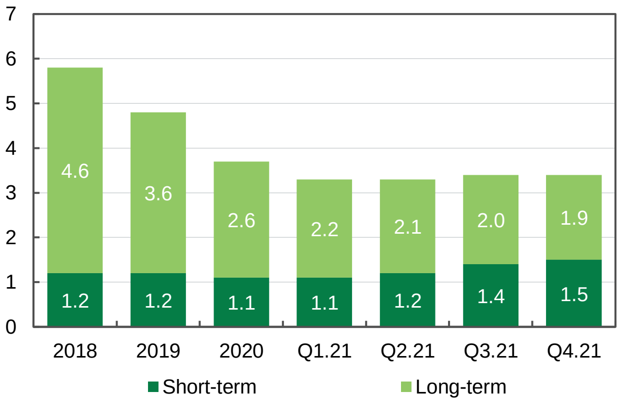
Figure 26. The structure of liabilities*



* Including certificates of deposit.

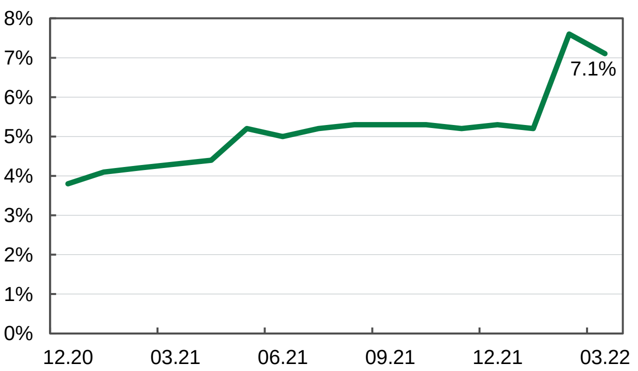
In Q4 2021, banks' gross debt did not change significantly. Banks' short-term debt rose by USD 0.1 billion.

Figure 27. Banks' gross external debt, USD billions



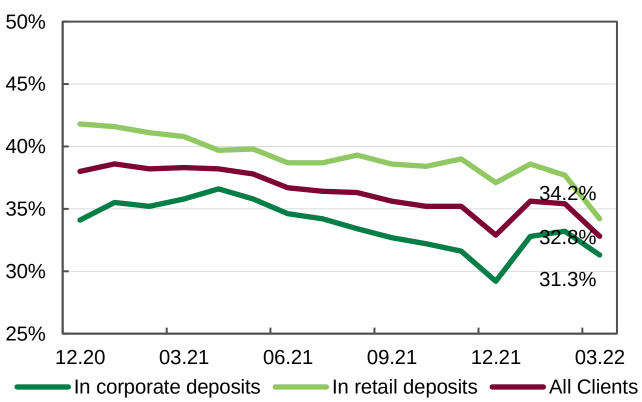
Due to the banking system's liquidity support measures, the share of NBU funds grew by 2.4 pp in February (by 1.8 qoq, to 7.1%). Private and state-owned banks received the largest share of refinancing.

Figure 28. NBU funds in banks' liabilities



In Q1, the dollarization rate of retail deposits dropped by 2.9 pp thanks to a sizeable increase in hryvnia deposits. The share of FX corporate deposits increased by 2.1 pp.

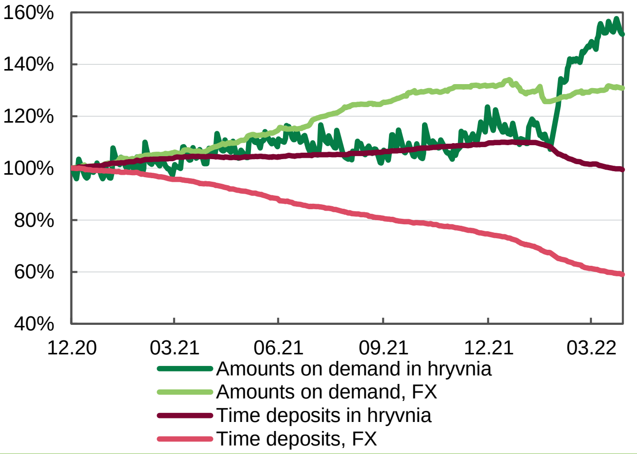
Figure 29. Share of FX Loans*



* At banks that were solvent as of the reporting date.

Hryvnia retail deposits grew by 10.8% qoq (24.6% yoy). Hryvnia term deposits of retail clients decreased by 7.5% qoq in Q1 (-2.5% yoy).

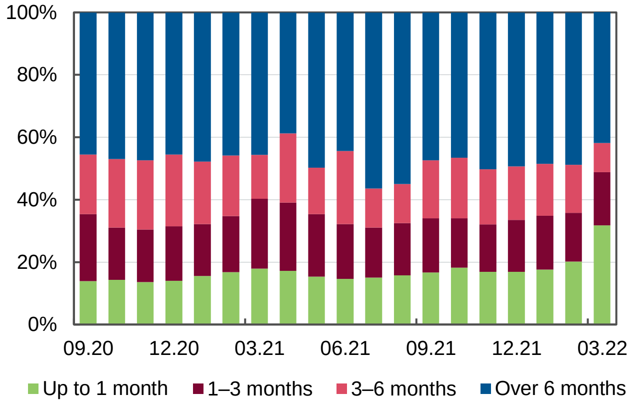
Figure 30. Retail deposits, 2020 = 100%*



* At solvent banks as of 1 April 2022, including certificates of deposit.

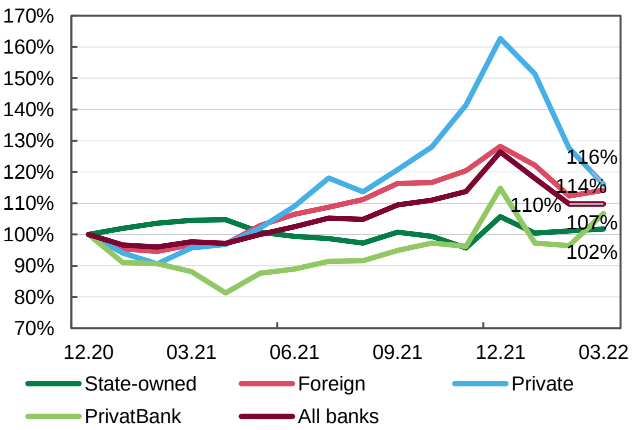
The share of new short-term deposits placed for up to one month rose sharply in March, to 31.8%.

Figure 31. New retail deposits by maturity



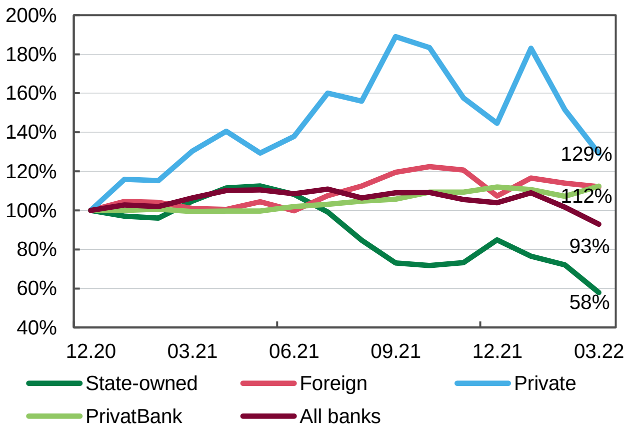
Hryvnia corporate deposits increased by 12.4% yoy but decreased by 13.1% qoq in Q1. The rate of the decrease was the highest at private banks. FX deposits in U.S. dollar terms dropped by 10.6% qoq (12.6% yoy).

Figure 32. Hryvnia corporate deposits by bank groups, 2020 = 100%*



* At solvent banks as of 1 April 2021.

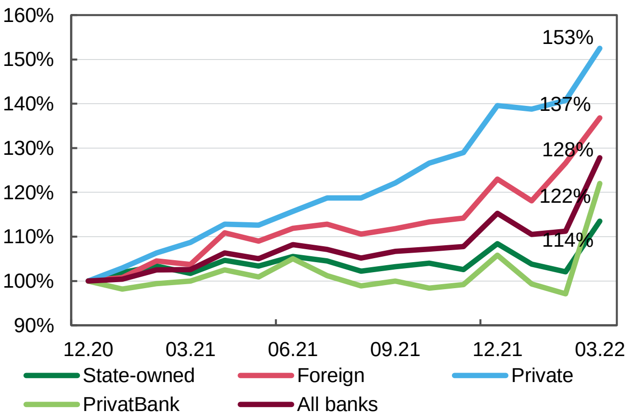
Figure 33. Corporate deposits in FX (in USD equivalent) by groups of banks, 2020 = 100%*



* At solvent banks as of 1 April 2021.

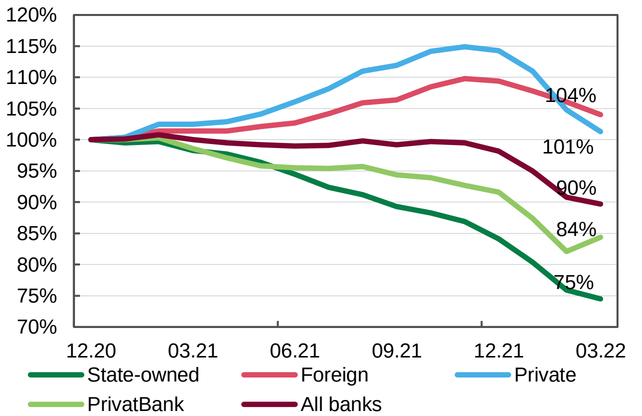
In Q1 2022, hryvnia retail deposits increased at all banks by an average of 10.8% (24.6% yoy). Quarterly growth rates were the highest at foreign-owned banks and PrivatBank. At the same time, FX deposits in Q1 decreased at the majority of banks by 8.6% qoq and 10.3% yoy.

Figure 34. Retail deposits in hryvnia by groups of banks, 2020 = 100%*



* At solvent banks as of 1 April 2021.

Figure 35. Retail deposits in FX (in USD equivalent) by groups of banks, 2020 = 100%*

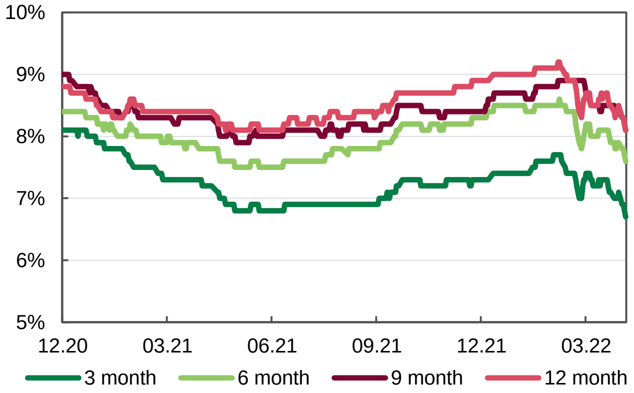


* At solvent banks as of 1 April 2021.

Interest Rates

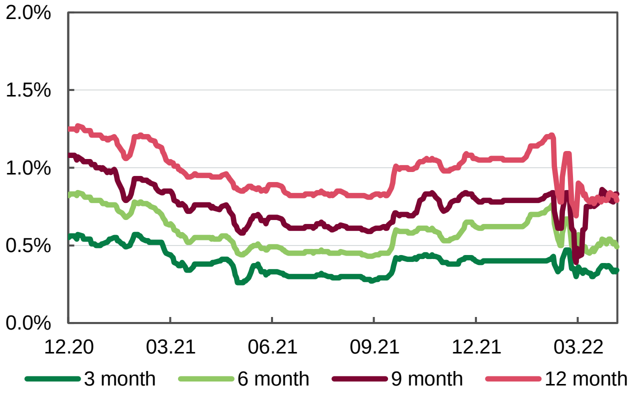
Interest rates on 12-month hryvnia deposits dropped by 0.4 pp (to 8.8% per annum), and rates on 12-month U.S. dollar deposits declined by 0.3 pp (to 0.8% per annum). The spread between interest rates on 3-month and 12-month deposits narrowed to 1.4 pp.

Figure 36. Ukrainian Index of Retail Deposit rates in UAH, % per annum*



* Thomson Reuters data, 5-day moving average.

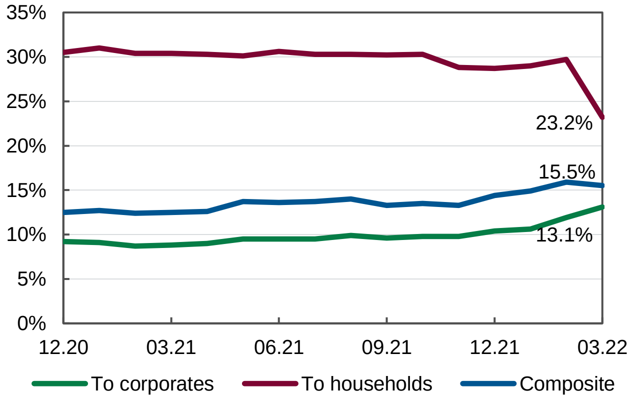
Figure 37. Ukrainian Index of USD Retail Deposit rates, % per annum*



* Thomson Reuters data, 5-day moving average.

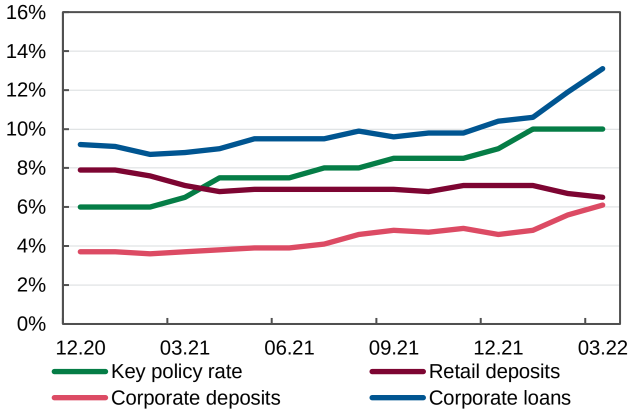
Interest rates on hryvnia corporate loans increased by 2.7 pp, to 13.1% per annum, causing an increase in the integral rate. In contrast, interest rates on retail loans dropped by 5.5 pp, to 23.2% per annum.

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



* Without loan rescheduling or any other amendments to lending terms.

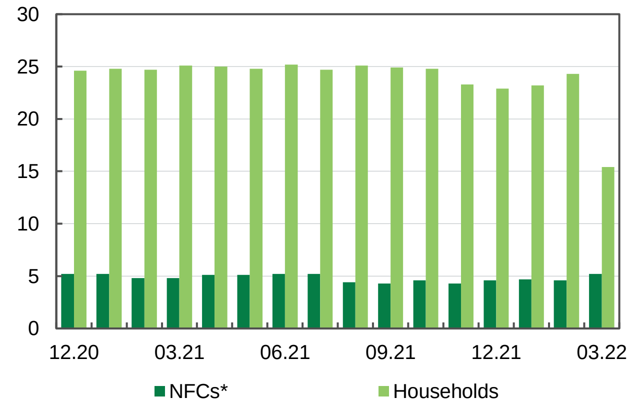
Figure 39. NBU key policy rate and interest rates on new hryvnia deposits and loans*, % per annum



* Without loan rescheduling or any other amendments to lending terms.

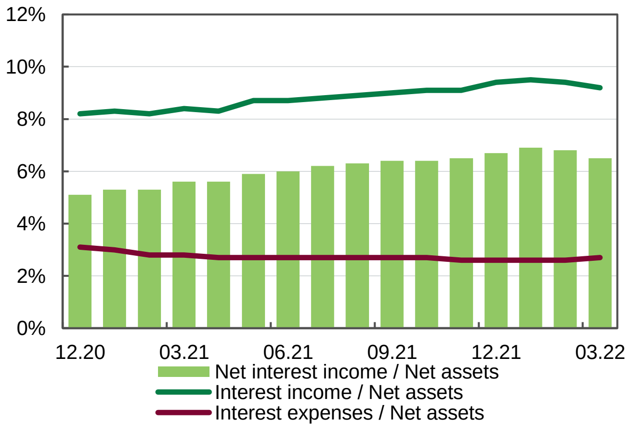
The spread between interest rates on new loans and deposits in the retail segment narrowed markedly. That in the corporate segment widened slightly. The interest margin started to decline during the war, although it remains high.

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



* Nonfinancial corporations. ** 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. Net interest margin*

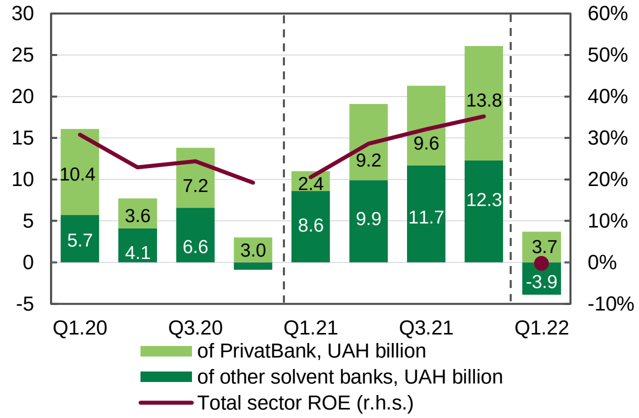


* Net interest income to trailing average of net assets for the reporting month and previous two months, annualized.

Financial Results and Capital

In Q1 2022, the sector made UAH 0.16 billion of loss due to heavy provisioning for loans. PrivatBank accounted for more than 60% of profits generated by profit-making banks.

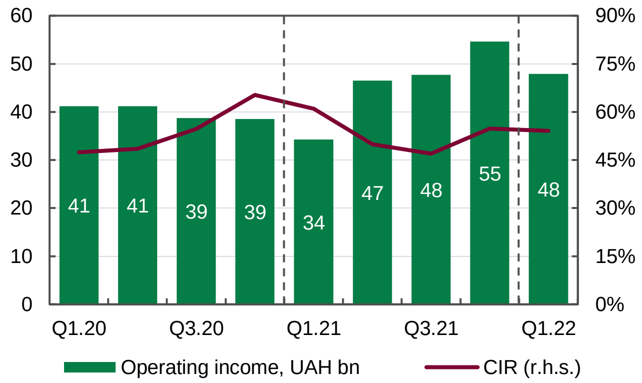
Figure 42. Banks' profit/loss* and return on equity



* Quarterly data, including adjusted entries, excluding data for Q4 2021 and Q1 2022.

Banks' operational efficiency deteriorated slightly: in the reporting period, the CIR excluding the revaluation of securities, foreign currencies, and derivatives was 54.4%, compared to 50.7% in Q1 2021.

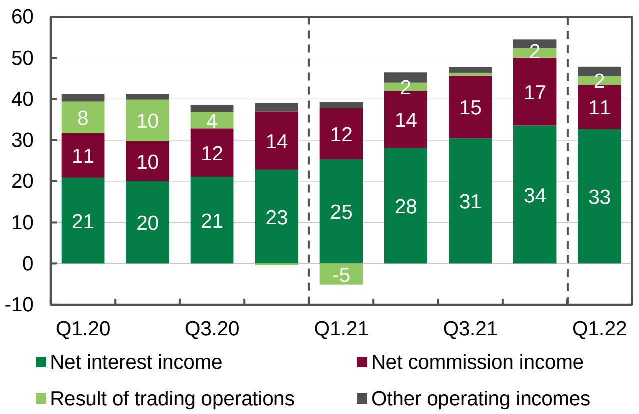
Figure 43. Operating income and operating efficiency



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

Despite a significant slowdown in March, net interest income rose by 28.4% yoy. At the same time, net fee and commission income declined by 13% yoy.

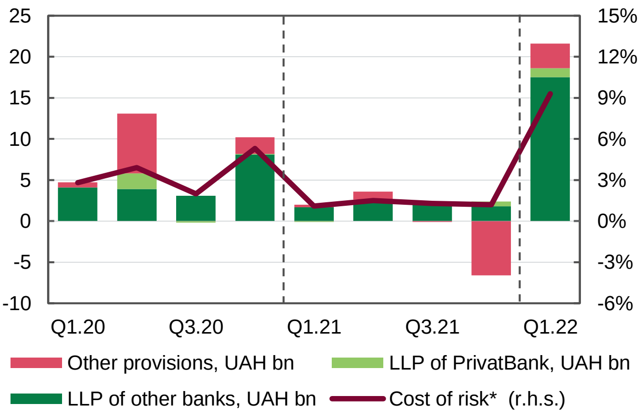
Figure 44. Banks' operating income components for the period*, UAH billions



* Including adjusted entries, excluding data for Q4 2021 and Q1 2022.

Due to the war, loan loss provisions soared eleven-fold in annual terms, and the CoR rose to 9.3%.

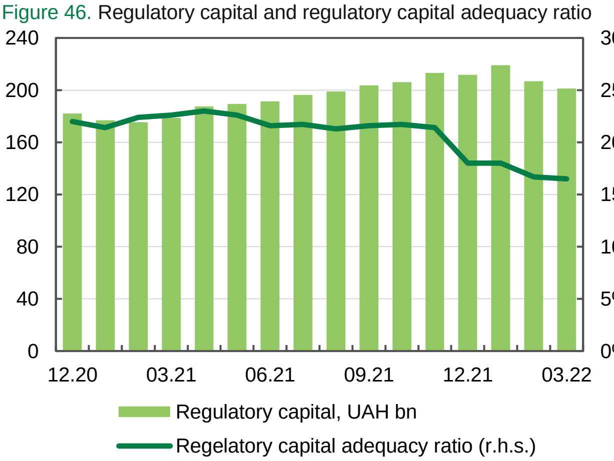
Figure 45. Loan loss provisions (LLP) **



* Annualized loan loss provisions to the net loan portfolio.
** Including adjusted entries, excluding data for Q4 2021 and Q1 2022.

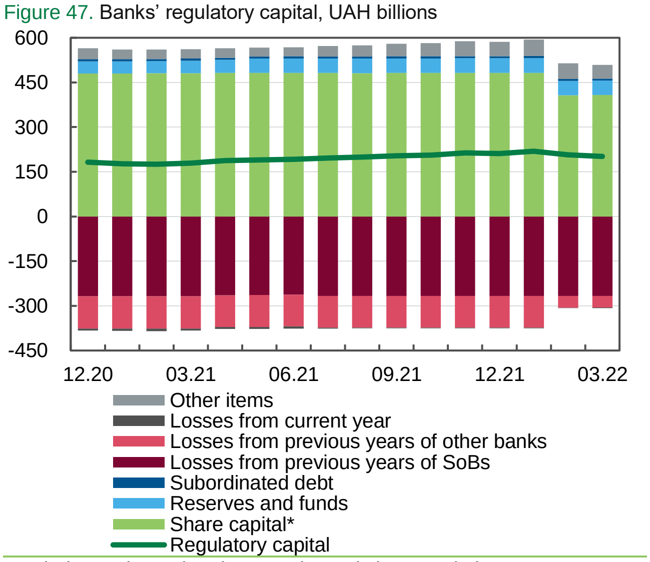
The regulatory capital adequacy ratio edged lower by 1.5 pp in Q1 but remained above the minimum required level. The sector's regulatory capital decreased by 5%, and its authorized capital fell by 15.5% – in particular due to russian banks having been removed from the market.

Figure 46. Regulatory capital and regulatory capital adequacy ratio



Source: NBU, banks' survey, one bank did not provide information.

Figure 47. Banks' regulatory capital, UAH billions



* Includes registered and non-registered share capital.
Source: NBU, banks' survey, one bank did not provide information.

Table 2. **Key indicators of Ukraine's banking sector**[1]

	2014	2015	2016	2017	2018	2019	2020	2021	Q1.22
Number of operating banks	145	117	96	82	77	75	73	71	69
Total assets (billion UAH)[2]									
of which in foreign currency	1 477	1 571	1 737	1 840	1 911	1 982	2 206	2 359	2 253
Net assets	667	800	788	755	779	718	746	679	618
of which in foreign currency	1 290	1 254	1 256	1 334	1 360	1 493	1 823	2 054	1 970
Gross corporate loans[3]	565	582	519	507	495	492	585	584	554
of which in foreign currency	820	831	847	864	919	822	749	796	793
Net corporate loans[3]	400	492	437	423	460	381	332	292	273
Gross retail loans	710	614	477	451	472	415	432	540	567
of which in foreign currency	208	176	157	171	197	207	200	243	250
Net retail loans	101	97	83	68	61	38	31	21	20
Corporate deposits[3]	144	96	76	92	114	143	149	200	201
of which in foreign currency	283	349	413	427	430	525	681	800	713
Retail deposits[4]	114	141	177	163	150	191	233	233	223
of which in foreign currency	403	402	437	478	508	552	682	727	768
of which in foreign currency	214	215	239	244	241	238	285	270	263
Change (yoy, %)									
Total assets	4.8%	6.4%	10.6%	5.9%	3.8%	3.7%	11.3%	6.9%	1.8%
Net assets	1.0%	-2.8%	0.2%	6.2%	1.9%	9.8%	22.1%	12.7%	7.3%
Gross corporate loans[3]	12.8%	1.3%	2.0%	2.0%	6.3%	-10.6%	-8.8%	6.2%	5.6%
Gross retail loans	10.3%	-15.7%	-10.4%	8.5%	15.3%	5.0%	-3.5%	21.6%	21.7%
Corporate deposits[3]	9.5%	23.5%	18.2%	3.4%	0.8%	22.1%	29.7%	17.4%	4.5%
Retail deposits[4]	-8.9%	-0.3%	8.7%	9.4%	6.3%	8.6%	23.5%	6.6%	11.6%
Penetration level[5] (%)									
Gross corporate loans[3] / GDP	51.7%	41.8%	35.5%	29.0%	25.8%	20.7%	17.7%	14.6%	14.5%
Net corporate loans[3] / GDP	44.7%	30.9%	20.0%	15.1%	13.3%	10.4%	10.2%	9.9%	10.4%
Gross retail loans/ GDP	13.1%	8.8%	6.6%	5.7%	5.5%	5.2%	4.7%	4.4%	4.6%
Net retail loans/ GDP	9.1%	4.8%	3.2%	3.1%	3.2%	3.6%	3.5%	3.7%	3.7%
Corporate deposits[3] / GDP	17.8%	17.6%	17.3%	14.3%	12.1%	13.2%	16.1%	14.7%	13.1%
Retail deposits/ GDP	25.4%	20.2%	18.3%	16.0%	14.3%	13.9%	16.2%	13.3%	14.1%
Financial results[6] (billion UAH)									
Net interest income	52.2	39.1	44.2	53.0	73.0	78.9	84.8	117.6	32.7
Net commission income	23.1	22.6	24.2	27.5	37.8	44.0	46.5	58.1	10.8
Provisions	84.4	114.5	198.3	49.2	23.8	10.7	31.0	3.4	21.6
Net profit/loss	-33.1	-66.6	-159.4	-26.5	22.3	58.4	39.7	77.5	-0.2
Additionally:									
UAH/USD (period average)	11.89	21.84	25.55	26.60	27.20	25.85	26.96	27.29	28.55
UAH/USD (end-of-period)	15.77	24.00	27.19	28.07	27.69	23.69	28.27	27.28	29.25
UAH/EUR (period average)	15.72	24.23	28.29	30.00	32.14	28.95	30.79	32.31	32.28
UAH/EUR (end-of-period)	19.23	26.22	28.42	33.50	31.71	26.42	34.74	30.92	32.59

[1] Data for solvent banks for each reporting date.
[2] Including accrued income/expenses.
[3] Including non-banking financial institutions.
[4] Including certificates of deposits.
[5] 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 it excludes data for the temporarily occupied Autonomous Republic of Crimea and City of Sevastopol and a part of the ATO zone.
[6] Taking into consideration adjustment entries.

Remarks

The source for the data is the National Bank of Ukraine, unless otherwise noted. Data for 2021 – 2022 are given based on the previous balance sheet (excluding corrective entries).

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

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

Banks are classified into groups on the basis of decisions of the NBU Committee on Banking Supervision and Regulation.

State-owned banks are Ukrainian banks with public capital excluding PrivatBank, unless otherwise specified.

Foreign banks are banks where the share of capital owned by at least one foreign investor (including foreign states) is no less than 10 percent.

Private banks are banks whose qualifying holders are exclusively residents of Ukraine.

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

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

“Fixed-exchange-rate-based change” refers to the foreign-currency sum of an instrument being calculated using the exchange rate at the beginning of the period.

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

Retail deposits include certificates of deposit, unless otherwise specified.

The sum of individual components and the total may differ due to rounding.

Terms and Abbreviations:

ATM	Automated teller machine / cash dispenser
CIR	Cost-to-Income Ratio
CoR	Cost of risk
FX	Foreign currency
GDP	Gross domestic product
HHI	Herfindahl-Hirschman Index
IFI	International financial institution
NBU	National Bank of Ukraine
NFC	Non-financial corporation
NPL / NPE	Non-performing loan / non-performing exposures
NSFR	Net stable funding ratio
POS	Point of sale
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.
PJSC	Public Joint Stock Company
ROE	Return on equity
UIRD	Ukrainian Index of Retail Deposit Rates
pp	Percentage point
UAH	Ukrainian Hryvnia
USD, U.S. dollar	United States dollar
H	Half of the year
Q	Quarter
M	Month
bn	Billion
r.h.s.	Right-hand scale
qoq	Quarter-on-quarter
yoy	Year-on-year