National Bank of Ukraine

# Banking Sector Review

May 2024

Hryvnia funding from clients remained almost unchanged in Q1 2024: after a seasonal decline at the start of the year, the inflow of funds resumed. At the same time, the share of term deposits in hryvnia retail deposits continued to grow. The banks' investments in domestic government debt securities kept rising, while holdings of NBU certificates of deposit declined. The hryvnia portfolios of net corporate and retail loans continued to grow. The further decline in interest rates on corporate loans contributed to the increase in demand for loans outside of state support programs. The quality of the loan portfolio continued to improve. The banks retained their high operational efficiency and kept their provisioning costs at a minimum. The sector's high profitability and capital reserves allow the NBU to keep introducing regulatory requirements to close the gap with EU standards, and for the banks to increase lending to the economy.

**Sector Structure**

For two quarters straight, the number of banks operating in Ukraine remained unchanged, at 63. At the same time, in Q1, the small First Investment Bank (PINbank) (0.01% of total sector assets) was reclassified from the group of private banks to the state-owned banks group. Last year, the court transferred 88.9% of the bank's shares owned by a sanctioned person to the state. Nevertheless, in Q1, the share of net assets of state-owned banks remained at 53.6%.

**Assets**

Net assets of solvent banks grew by 1.4% in Q1, including 0.8 pp due to exchange rate revaluation. The volume of the banks' holdings of NBU certificates of deposit declined for the first time in three quarters, by 11.6% qoq. This was driven by the payment of taxes and dividends by state-owned banks and a corresponding temporary decrease in liquidity. On the other hand, the amount of funds held by the banks on correspondent accounts with the NBU and with other banks, as well as investments in domestic government debt securities, increased.

Corporate lending continued to recover for the third consecutive quarter. In Q1, the net portfolio of hryvnia corporate loans grew by 2.9%. The annual growth in the portfolio was 7.2%. The volume of hryvnia loans to small and medium-sized enterprises (SMEs) also grew: by 1.6% in Q1, with the annual growth rate accelerating to 15.9%. SME loans accounted for 59% of the net hryvnia corporate loan portfolio. Growth in hryvnia corporate loans occurred at banks of all groups, except for PrivatBank. The net FX corporate loan portfolio shrank by 4.8% (9.8% yoy) in Q1 as clients repaid their debts to foreign and state-owned banks.

Lending outside of state support programs continued to grow. In 2023, more than half of the loans to new clients were issued outside the *Affordable Loans 5–7–9%* program. At the same time, the loan portfolio of debtors under this program decreased in Q1. Repayment of previously disbursed loans exceeded the disbursement of new ones. The volume of gross loans under the state program declined by 3%, to UAH 126 billion, in Q1. The share of loans granted under *Affordable Loans 5–7–9%* program in the gross portfolio of hryvnia performing loans decreased to one third.

In Q1, the volume of loans increased the most in the trading sector. Loans in the machinery industry and the financial sector were granted to state-owned enterprises. Loans to agricultural businesses declined for the second quarter in a row due to the repayment of previously received loans.

The volume of net hryvnia retail loans continued to grow rapidly: by 9.9% in Q1 and by more than a third over the year. As in previous quarters, the growth was primarily driven by card lending by two leading banks. Mortgage lending continued to revive: the net portfolio grew by 16.5% in Q1 and by 75% over the year. This growth was driven by the *eOselia* lending program: the portfolio increased by UAH 3.8 billion over the quarter and by UAH 12.1 billion over the year. The share of mortgages rose to 12.4% of the net hryvnia retail loan portfolio.

The quality of the loan portfolio improved in Q1: the annualized default rate in March decreased by 0.3 pp compared to December – to 6.0%. At the same time, the provision coverage ratio of performing hryvnia corporate loans decreased slightly (by 0.2 pp, to 4.9%). The share of non-performing loans (NPLs) dropped to 36.1%, down 1.3 pp in Q1 and 2.7 pp over the year. The share of non-performing loans decreased across all groups of banks. As before, the decline was driven by write-offs of retail NPLs: the share of retail NPLs was 21.4%, compared to 32.0% a year earlier. The share of corporate NPLs decreased by only 0.2 pp over the quarter and 0.4 pp over the year.

**Funding**

The share of client deposits in the structure of liabilities increased to 92.2%. As before, the banks did not take out refinancing loans from the NBU, with their share remaining at 0.1%. At the end of 2023, the banks' gross external debt grew by 3.4%, to USD 1.7 billion. This was the first increase since the end of 2021, in particular due to inflows of funds from international financial institutions (IFIs).

The volume of hryvnia client deposits did not change significantly over the quarter (-0.3%): after the traditional seasonal decline at the start of the year, they returned to the level seen at the end of last year. Private banks were the most active in raising funding, showing an increase of 2.1% over the quarter. Retail term deposits in hryvnia grew almost evenly across all groups of banks – by 4.3% qoq. The share of hryvnia term deposits thus continued to rise – by 1.6 pp, to 36%. New deposits with maturities of three to six months remained the most popular among retail clients. Retail deposits in foreign currency decreased by 2.3% (-0.8% yoy). The dollarization rate of client deposits increased by 0.7 pp, to 32.2%, primarily due to the hryvnia depreciation.

Corporate deposits in the national currency grew by 1.1% qoq (+41.8% yoy). Foreign and state-owned banks attracted the largest volumes of corporate deposits: +4.7% and +3.6%, respectively. FX corporate deposits grew more rapidly, by 2.8% qoq (+7.8 yoy). The growth was observed only at private and foreign banks – up by 11.3% and 6.5%, respectively.

**Interest Rates**

Since the start of the year, the NBU has cut the key policy rate twice – in March and in April, by a total of 1.5 pp, to 13.5% per annum. The rate on NBU certificates of deposit also decreased: it equals the key policy rate for overnight certificates of deposit and is set at 16.5% for three-month instruments (2.5 pp less than at the start of the year). The response of rates on new corporate deposits to the key policy rate cut was pronounced, as they dropped by 0.7 pp, to 9.5% per annum. At the same time, the Ukrainian Index of Retail Deposit Rates (UIRD) remained almost unchanged. The spread between 12-month and 3-month deposits remained tiny. The average rate on new retail deposit agreements (including demand deposits) decreased by 0.3 pp, to 10.8% per annum.

Over the quarter, market rates on hryvnia corporate loans decreased by another 1.0 pp, to 16.7% per annum. Rates on new loans to large foreign-controlled companies fell more rapidly (by 4.6 pp), with 95% of such loans provided for up to one month. Rates on loans to large domestic private companies and SMEs declined at a slower pace. For new retail loans, the rates hovered around 27.5% per annum.

**Financial Performance**

The sector retained high operational efficiency during the quarter. In addition, the financial performance was supported by the banks releasing a small portion of provisions for asset-side transactions, primarily for loans. Combined, these factors contributed to a profit of UAH 40.5 billion. PrivatBank accounted for a third of the sector's profit. Eight small banks were unprofitable in the quarter, making a total loss of UAH 0.1 billion. The sector's return on equity was around 50% after tax, including the effect of the last year's tax rate increase to 25%.

Net interest income continued to grow and remained the main source of profit. In Q1, the banks' interest income was 20.3% higher than a year ago. On average, the return on assets increased by 0.2 pp over the year, to 11.6%, primarily due to income from domestic government debt securities, whose share rose by 6.7 pp over the year, to 26.4%. In contrast, the yield on NBU certificates of deposit declined, as did their share in interest income. Lending yields decreased due to the downward trend in interest rates, while larger portfolio volumes contributed to an increase in lending income. The share of interest income from loans remained at around 40%. During the quarter, interest income grew more slowly than expenses, and decreased by 0.3 pp in relation to net assets. Therefore, the interest margin slightly narrowed compared to the previous quarter – to 7.6%.

Further economic recovery underpinned a rise in cashless payments and net fee and commission income of the banks, which grew by 4.5% yoy. Profits from FX transactions continued to decline. However, gains from the revaluation of exchange-rate-linked domestic government debt securities at state-owned banks supported income growth.

Operating costs for the quarter grew across all major components, including staff expenses rising by 15.7% yoy. Meanwhile, net operating profit before provisions was almost 10% higher than the previous year. The cost-to-income ratio (CIR) was 35.9%, compared to 35.6% in Q1 2023. Over the quarter, 11 banks made operating losses.

**Prospects and Risks**

Almost all banks that were identified as needing capital in last year's resilience assessment have developed and are implementing capital increase plans. The next round of assessment will be conducted in 2025. Given the available capital cushion and profitability, the sector is ready to lend and meet regulatory requirements in line with EU standards. In particular, new requirements for capital structure and capital adequacy ratios will come into effect in August. The banks will be given a transition period to comply with them, taking into account the results of test calculations.

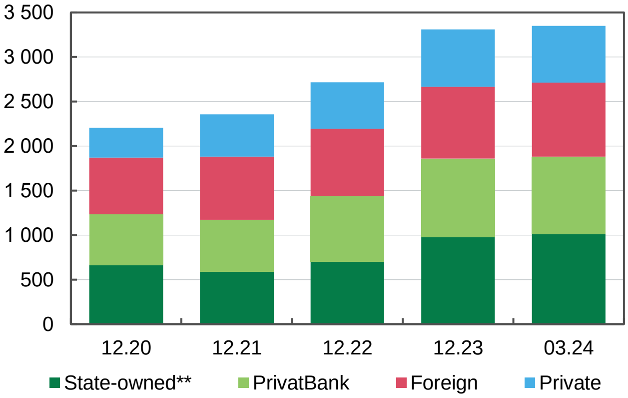
In April, the NBU updated the definition of NPLs, which will apply from 2025. In the future, NPLs will include both loans in default under prudential requirements and purchased or originated credit-impaired financial assets, as well as restructured exposures which the bank has repeatedly restructured after derecognizing them as NPLs or which are overdue for more than 30 days.

In addition, the state program *Affordable Loans 5–7–9%* was updated in April. In particular, the margin that the banks set at above the UIRD deposit rate (3-months) was cut by 3–5 pp, and the maximum amount for a working capital loan was reduced. As a result, the rates offered under the program will move closer to market rates, and the focus will shift more to SME lending. The program will continue to be updated to improve its targeting and effectiveness.

# Sector Structure

**In Q1, total assets increased by 1.2% (including by 0.9 pp due to exchange rate revaluation). The number of operating banks remained unchanged over the quarter, but First Investment Bank (PINbank), which holds 0.01% of total sector assets, was reclassified from private banks to the group of state-owned banks. This had no significant impact on the sector.**

Figure 1. Banks' total assets, UAH billions*




* As of end of quarter, including adjusting entries. Solvent banks were divided into groups according to the classification in the respective reporting period.
** Here and below First Investment Bank (PINbank) is reclassified as a state-owned bank since March 2024.

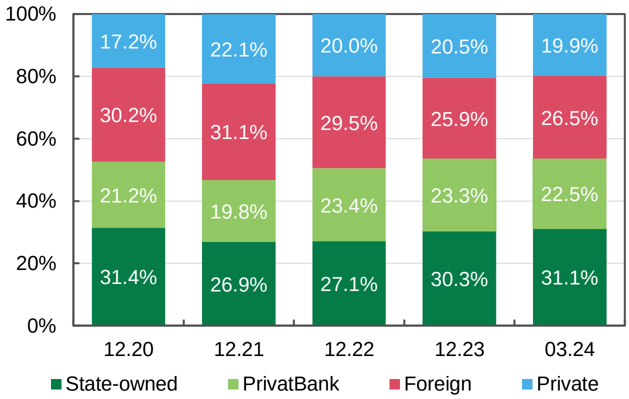
Table 1. Number of banks*

| | 2020 | 2021 | 2022 | 2023 | Q1 2024 |
|---|---|---|---|---|---|
| Solvent | 73 | 71 | 67 | 63 | 63 |
| Change | -2 | -2 | -4 | -4 | 0 |
| State-owned, incl. PrivatBank | 5 | 4 | 4 | 5 | 6 |
| Change | 0 | -1 | 0 | +1 | +1** |
| Foreign-owned | 20 | 20 | 16 | 14 | 14 |
| Change | 0 | 0 | -4 | -2 | 0 |
| Private | 48 | 47 | 47 | 44 | 43 |
| Change | -2 | -1 | 0 | -3 | -1** |

* As of the end of the period.
** Here and below First Investment Bank (PINbank) is reclassified as a state-owned bank since March 2024.

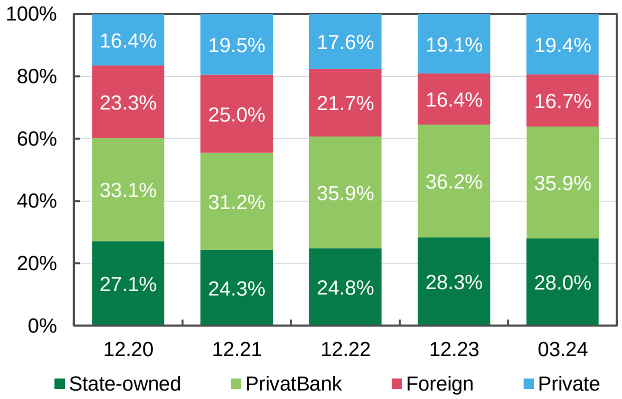
**In Q1, the share of state-owned banks (including PrivatBank) in the sector's net assets remained at 53.6%, and that in retail deposits shrank slightly, to 63.9%.**

Figure 2. Distribution of net assets by groups of banks*




* As of the end of the quarter, including adjusting entries.

Figure 3. Distribution of retail deposits by groups of banks




**In Q1, the share of net assets of the largest bank in the system decreased by 0.8 pp, while the share of the 20 largest banks increased slightly, by 0.3 pp. The sector's concentration in terms of assets and retail deposits declined.**

Figure 4. Largest banks' share of sector net assets

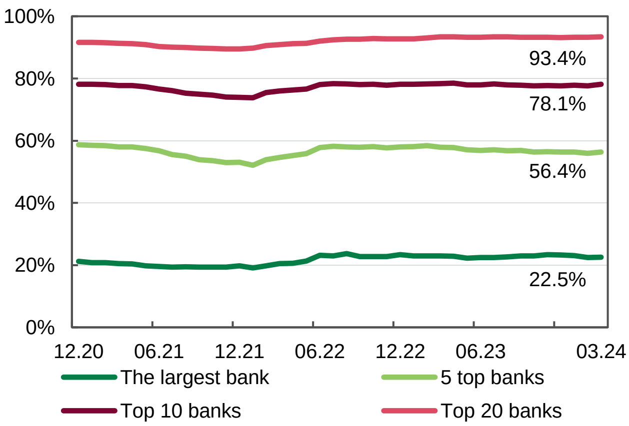
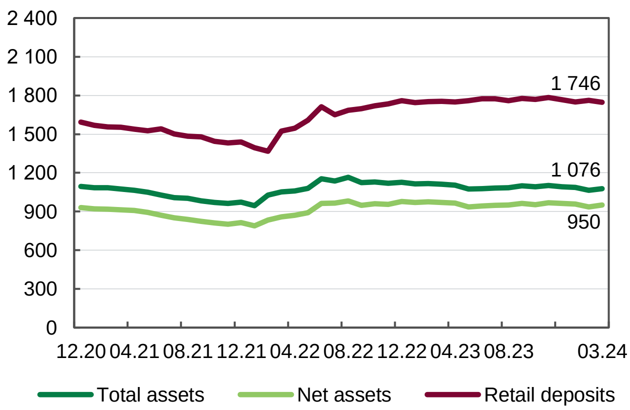



Figure 5. Sector concentration as defined by the HHI*

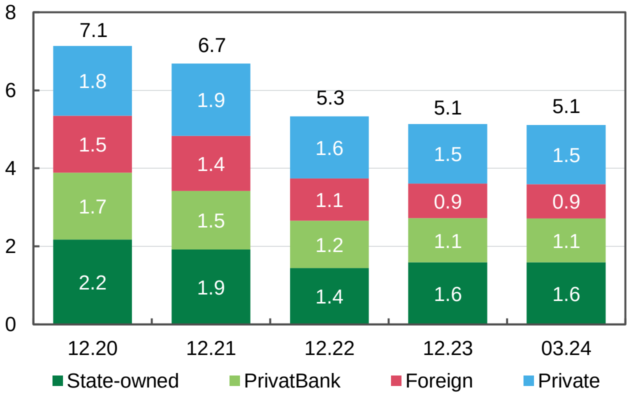



* The Herfindahl-Hirschman Index (HHI) is an indicator of banking sector concentration. It is calculated by summing the squared market shares of individual banks. The index ranges from 0 to 10,000, with values below 1,000 indicating low market concentration. Retail deposits include certificates of deposit.

# Banking Infrastructure

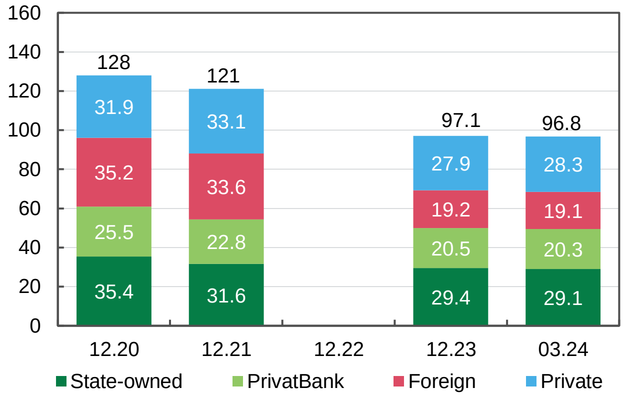
**In Q1, the number of banking units decreased by only 30 branches. Mostly foreign and private banks closed their branches. The network shrank most noticeably in Zaporizhzhia, Odesa, and Kherson oblasts. Over the quarter, the number of full-time employees decreased only slightly, mostly at state-owned banks.**

Figure 6. Number of banking units*, thousands




* Standalone bank structural units and head offices.

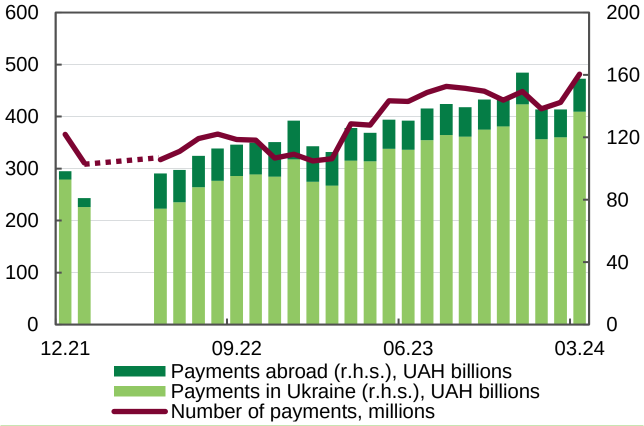
Figure 7. Bank staff headcount*, thousands of employees




* From Q1 2022 to Q3 2023, the statistics were not collected.

**The number of card payments at stores grew by 30% yoy. The volume of such payments increased by 31% yoy in Ukraine and decreased abroad.**

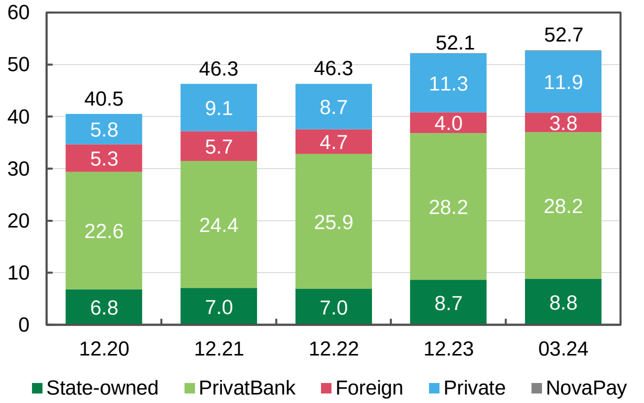
Figure 8. Card-based payments in the retail network




These statistical data were not collected in February–April 2022.

**In Q1, the number of active payment cards rose mainly at private banks. Some decline was seen at foreign banks. The number of active NovaPay cards grew rapidly.**

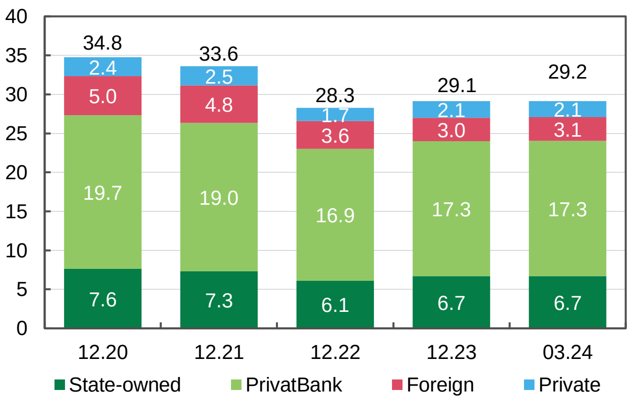
Figure 9. Number of active payment cards by groups of banks*, millions




* As of 1 April 2024, NovaPay issued 82,482 active payment cards.

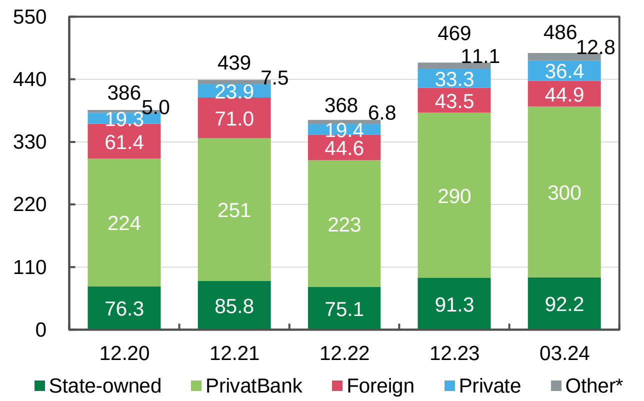
**The network of POS terminals continued to grow. In Q1, PrivatBank and private banks were traditionally the leaders in terms of growth (+9,800 and +3,100, respectively). The network of payment terminals of foreign banks grew for the third quarter in a row. Ukrposhta and NovaPay also slightly increased their network of POS terminals. The ATM network remained almost unchanged in Q1.**

Figure 10. Number of banks' ATMs*, thousands of units




* Number of self-service bank machines (ATMs, cash-in ATMs, and self-service kiosks).

Figure 11. Number of POS terminals, thousands of units

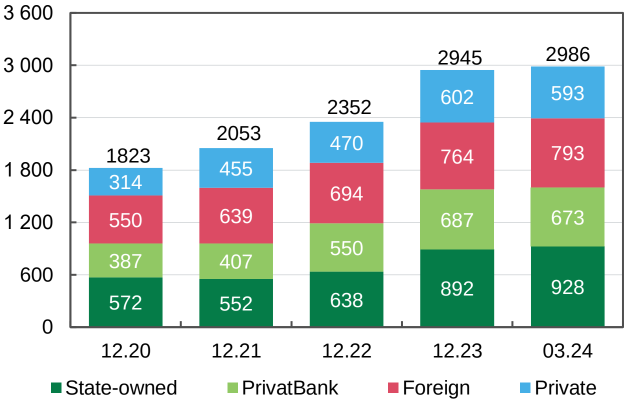



* The data of Ukrposhta is shown up to 1 October 2023; afterwards the data covers Ukrposhta and NovaPay.

# Assets

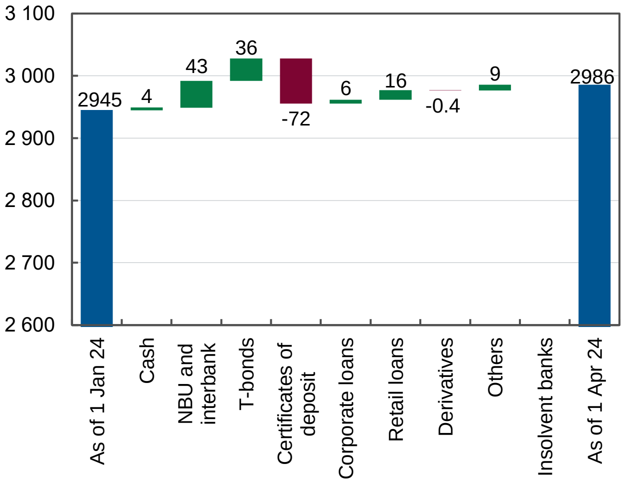
**In Q1, the banks' net assets increased by 1.4% (including 0.8 pp due to exchange rate revaluation). The increase in net assets for the quarter was mainly due to the growth in funds with the NBU and the portfolio of domestic government debt securities. The volume of NBU certificates of deposit in the sector's portfolio decreased significantly – by 11.6% qoq, mainly on account of PrivatBank. The upward trend in loan volumes continued as the portfolio grew by 3.2% qoq (at the exchange rate fixed at the start of the year – 2.1%).**

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




As of the end of the quarter, including adjusting entries.

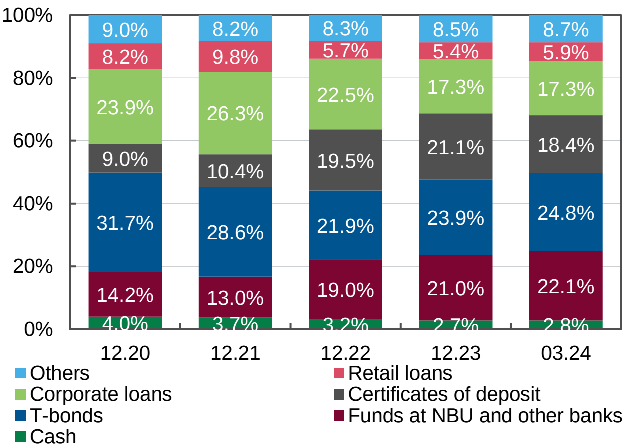
Figure 13. Change in net assets by component in Q1 2024, UAH billions




As of the end of the quarter, including adjusting entries.

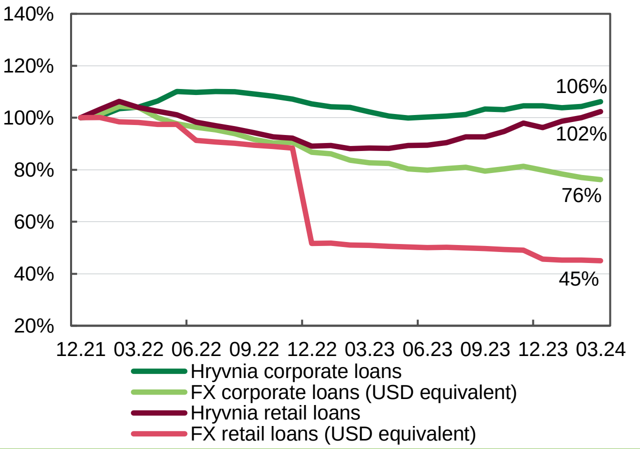
**The growth in the gross portfolios of hryvnia corporate and retail loans continued for the third quarter in a row: +1.5% qoq and +6.5% qoq, respectively.**

Figure 14. Sector net assets by component*




* Adjusted for loan loss provisions of banks. As of the end of the quarter, including adjusting entries.

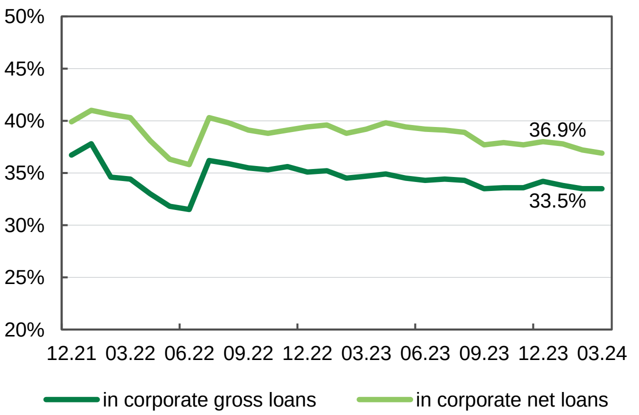
Figure 15. Gross corporate and retail loans, 2021 = 100%




At banks solvent as of 1 April 2024.

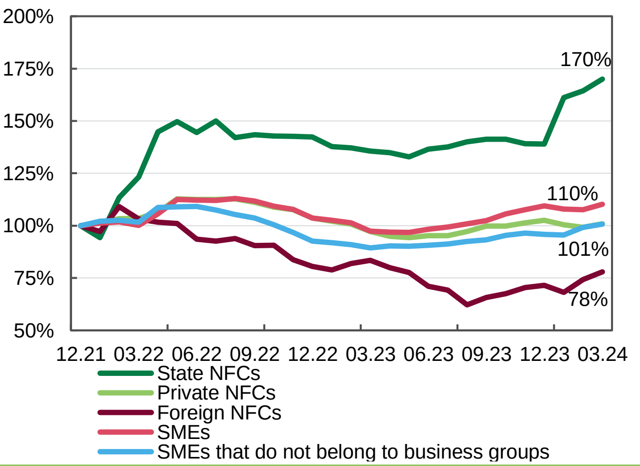
**The dollarization of net corporate loans decreased by 1.1% in Q1.**

Figure 16. Share of FX corporate loans




**In Q1, loans to state-owned and foreign corporations increased by 22.3% and 8.9%, respectively. Loans to private corporations decreased by 1.6%.**

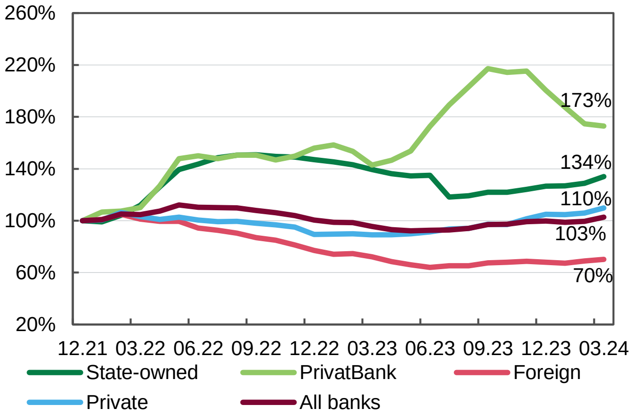
Figure 17. Net hryvnia loans to non-financial corporations (NFCs), 2021 = 100%




At banks solvent as of 1 April 2024. As of the end of the quarter, including adjusting entries.

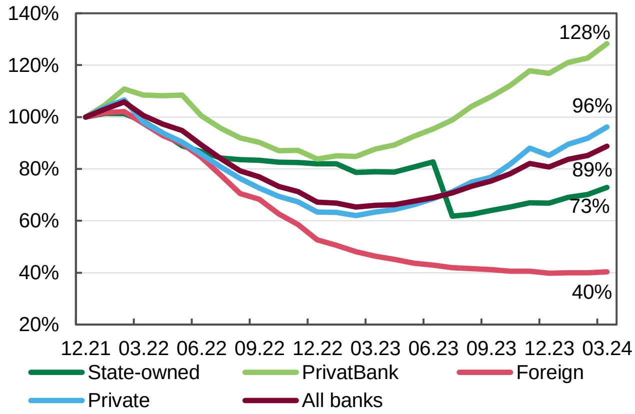
**Net hryvnia corporate loans grew by 2.9% in Q1. These loans grew across all groups of banks, except for PrivatBank, which saw a decrease of 13.7%. The volume of net hryvnia retail loans has been growing for more than a year, rising by 9.9% qoq (mainly on account of private banks and PrivatBank) and by 34.6% yoy.**

Figure 18. Net hryvnia corporate loans, 2021 = 100%




At banks solvent as of 1 April 2024.

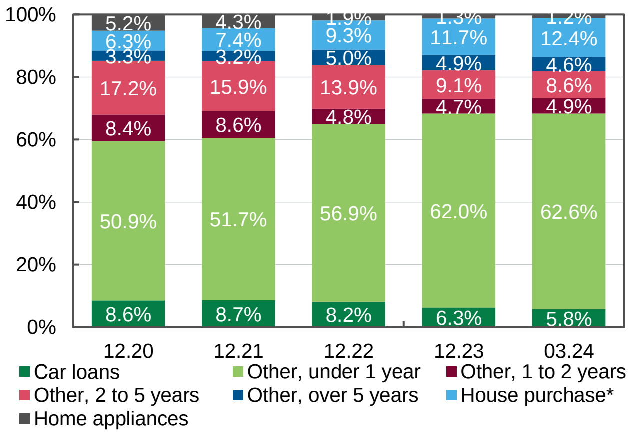
Figure 19. Net hryvnia retail loans, 2021 = 100%




At banks solvent as of 1 April 2024.

**In Q1, the share of house purchase loans and consumer loans (issued for up to one year) increased the most in the structure of retail loans, by 0.7 pp and 0.6 pp, respectively, on the back of new lending.**

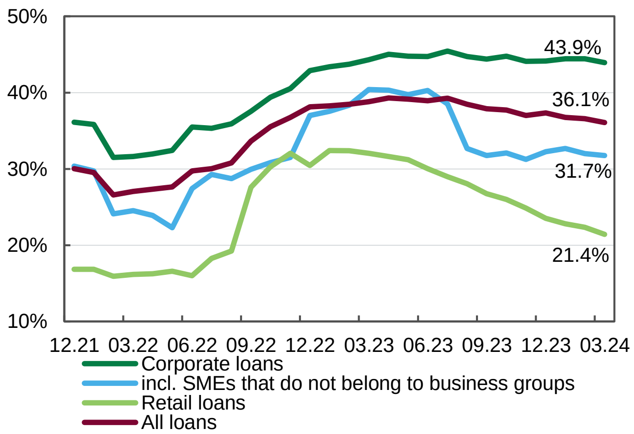
Figure 20. Net hryvnia retail loans by purpose




* For the purchase, construction, and renovation of real estate.

**In Q1, the NPL ratio declined by 1.3 pp over the quarter and by 2.7 pp over the year. The respective decline in NPL ratios was 0.2 pp and 0.4 pp for corporate loans, and 2.1 pp and 10.6 pp for retail loans.**

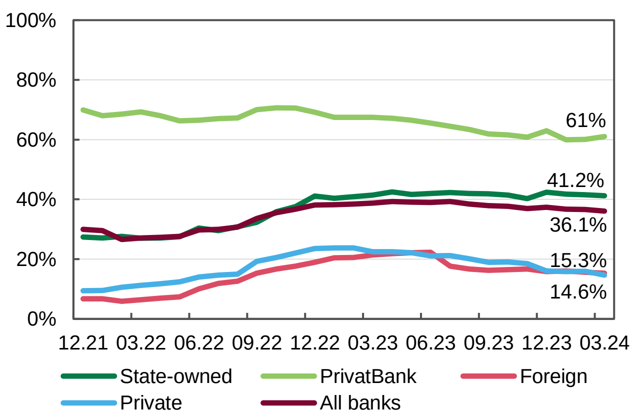
Figure 21. Ratios of NPLs in banks' portfolios*




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

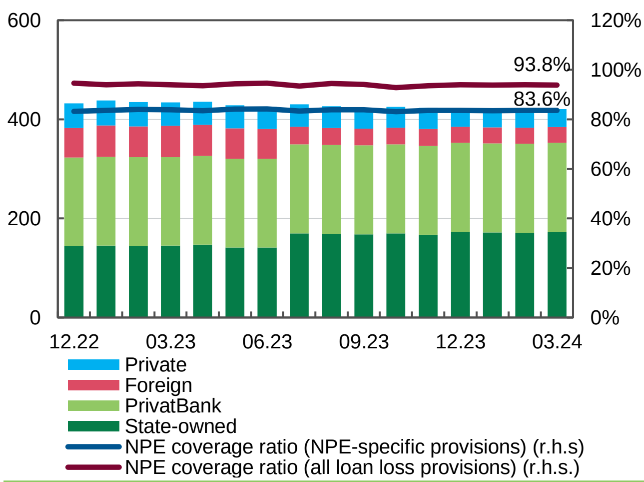
**In Q1, the NPL ratio decreased across all groups of banks, most notably at PrivatBank and private banks – by 1.9 pp and 1.4 pp, respectively.**

Figure 22. NPL ratio across groups of banks*




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

Figure 23. Non-performing exposures (NPEs, UAH billions) and provision coverage ratio*

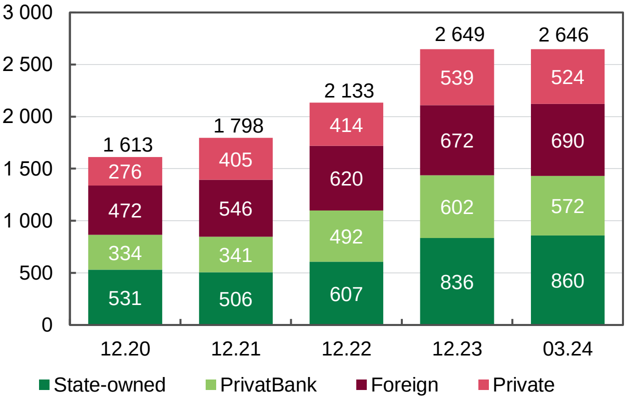



* Including interbank loans; at all banks, including insolvent ones; excluding off-balance sheet liabilities.

# Funding

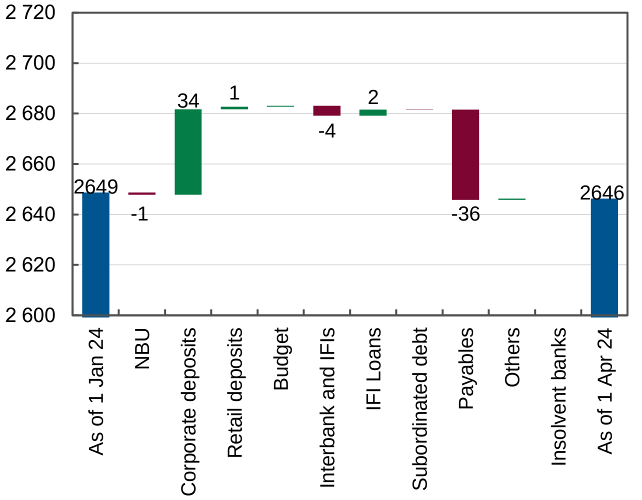
**Liabilities of solvent banks decreased by 0.1% in Q1 (+21.8% yoy), primarily due to repayment of tax liabilities. Foreign and state-owned banks (excluding PrivatBank) increased their liabilities the most actively over the quarter, by +2.8%.**

Figure 24. Liabilities by groups of banks, UAH billions




At banks that were solvent at each reporting date.

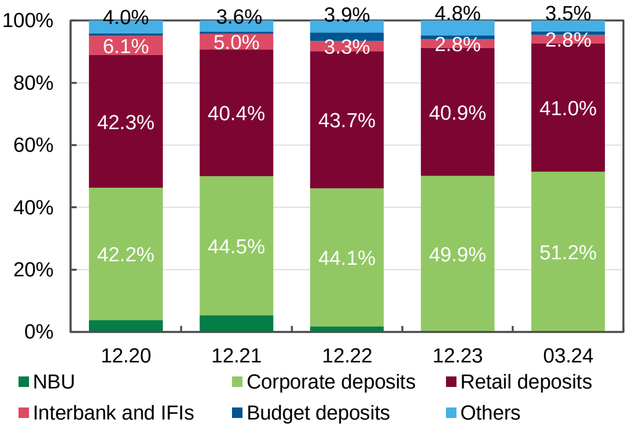
Figure 25. Changes in liabilities in Q1 2024 by component, UAH billions




At banks that were solvent at each reporting date.

**The share of client deposits in liabilities increased by 1.4 pp over the quarter, to 92.2%, due to active growth of corporate deposits and a decrease in income tax liabilities.**

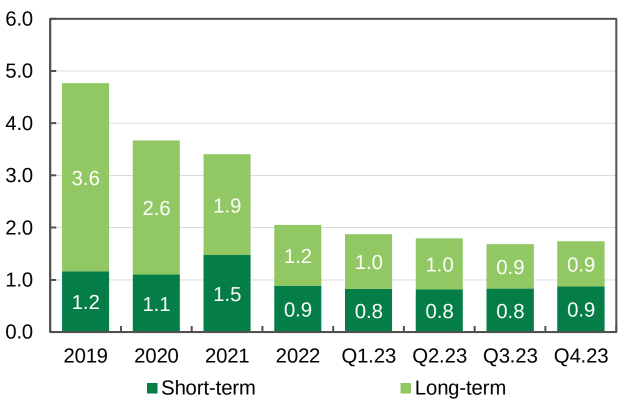
Figure 26. Structure of bank liabilities*




* Including certificates of deposit. At banks that were solvent at each reporting date.

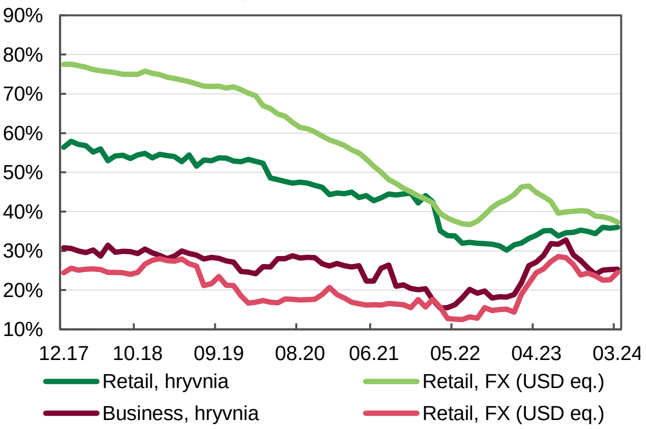
**In Q4 2023, gross external debt grew by 3.4% (-15.4% yoy), to USD 1.7 billion. This was due to inflows of funds from IFIs.**

Figure 27. Banks' gross external debt, USD billions




**The share of hryvnia retail term deposits rose to 36% over the quarter, in particular due to their faster growth. The share of corporate deposits, on the other hand, increased at a more moderate pace, by 1.3 pp, to 25.3%.**

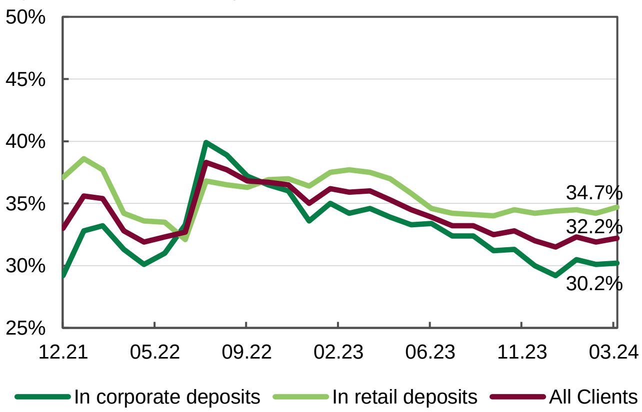
Figure 28. Share of term deposits




At banks that were solvent at each reporting date.

**The dollarization rate of client deposits rose by 0.7 pp, to 32.2%, primarily due to the hryvnia depreciation. The share of FX corporate deposits grew the most by 1 pp, to 30.2%.**

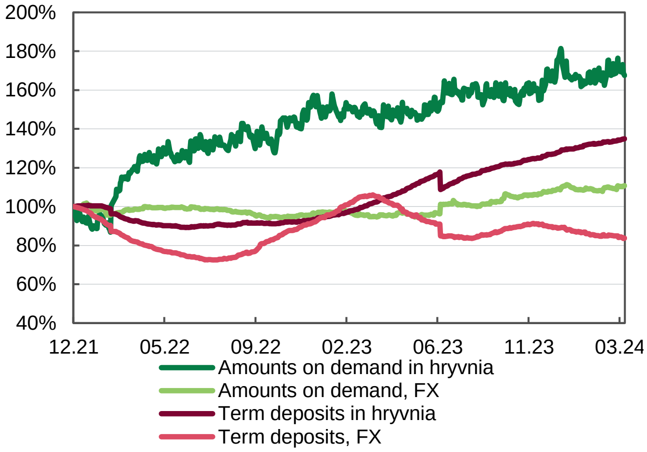
Figure 29. Share of FX deposits




At banks that were solvent at each reporting date.

**In Q1, hryvnia retail deposits decreased slightly, by 0.3%, while FX ones dropped by 2.3%. On the other hand, retail term deposits in hryvnia grew rapidly, by 4.3% (+30.5% yoy).**

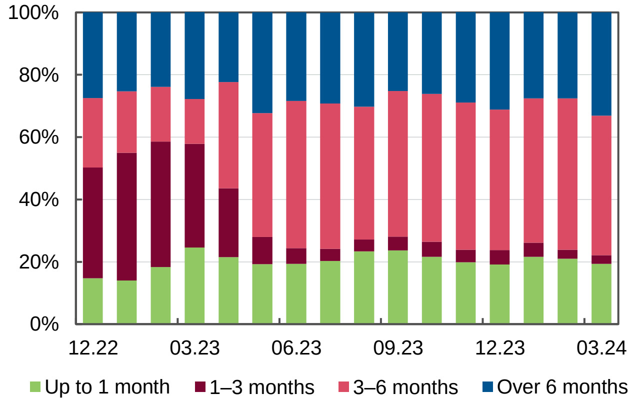
Figure 30. Retail deposits, 2021 = 100%




Daily data; at banks that were solvent as of 1 April 2024.

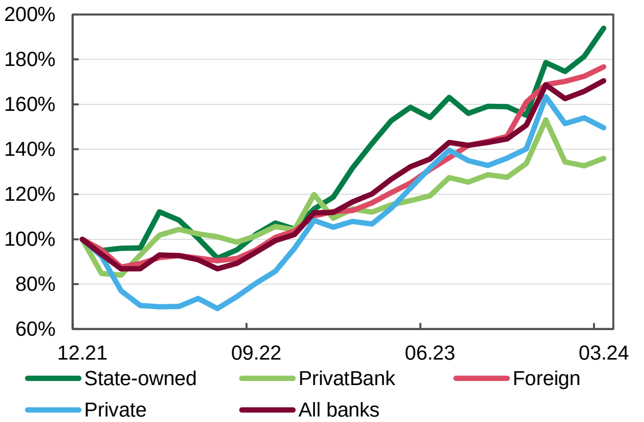
**The share of new deposits with a maturity of over six months grew the most over the quarter – by 1.9 pp, to 33.1%. The vast majority of deposits – almost 45% – were opened for a term of three to six months.**

Figure 31. New retail term deposits by maturity



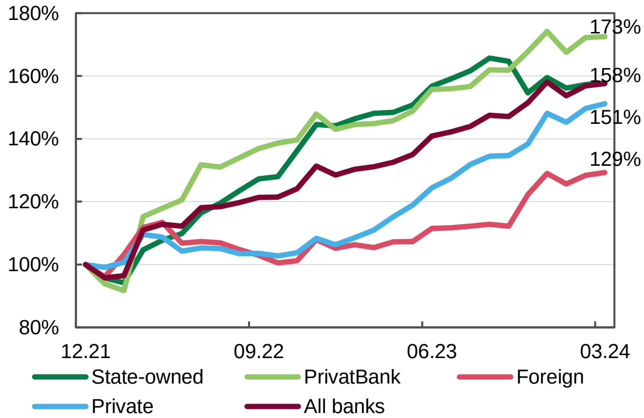

**Hryvnia corporate deposits grew by 1.1% over the quarter. The active growth in deposits during the quarter completely offset the seasonal decline observed in January. The growth was the fastest at foreign banks – 4.7% qoq. Deposits at foreign banks rose by 2.8%. The growth in FX deposits was the most pronounced at private banks – up by 11.3% qoq.**

Figure 32. Hryvnia corporate deposits by groups of banks, 2021 = 100%




At banks solvent as of 1 April 2024.

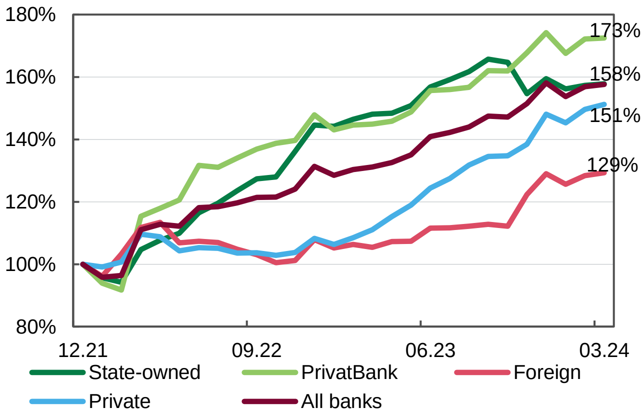
Figure 33. Corporate deposits in FX (in USD equivalent) by groups of banks, 2021 = 100%




At banks solvent as of 1 April 2024.

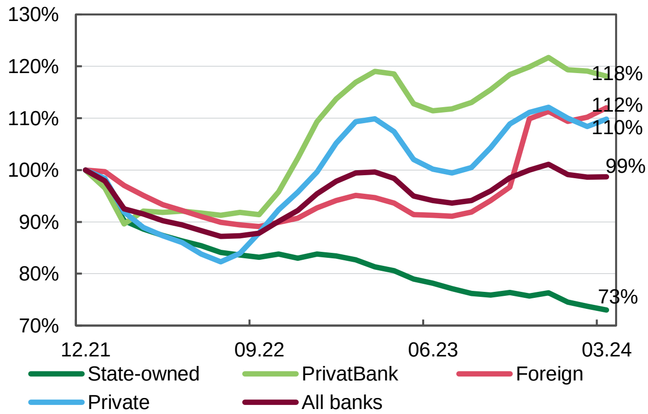
**Hryvnia retail deposits remained almost unchanged over the quarter (-0.3%). After a seasonal decline, deposits returned to growth in February. During the quarter, only private and foreign banks attracted retail deposits: +2.1% and +0.3%, respectively. Meanwhile, hryvnia term deposits continued to grow (+4.3%). FX deposits decreased by 2.3% (-0.8% yoy), in particular as term deposits declined by 6.3% qoq.**

Figure 34. Hryvnia retail deposits by groups of banks, 2021 = 100%




At banks solvent as of 1 April 2024.

Figure 35. FX retail deposits (in USD equivalent) by groups of banks, 2021 = 100%

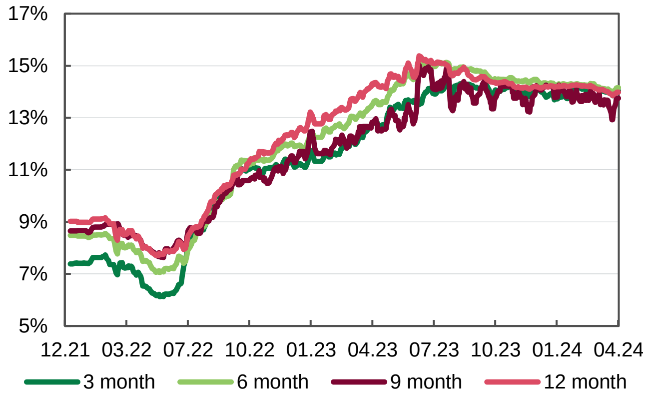



At banks solvent as of 1 April 2024.

# Interest Rates

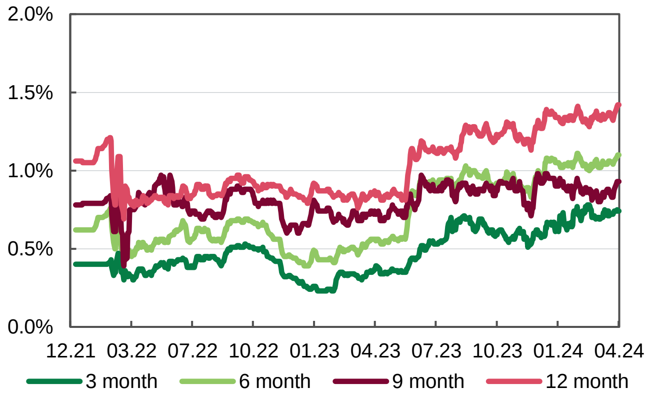
**The cost of 12-month hryvnia deposits decreased by only 0.1 pp in Q1, to 14.1% per annum. The spread between 3-month and 12-month deposits remained tiny.**

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




* Thomson Reuters data, 5-day moving average.

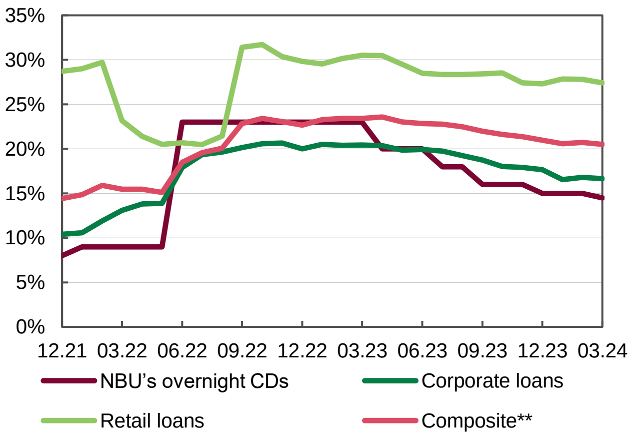
Figure 37. Ukrainian Index of Retail Deposit Rates for U.S. dollar deposits, % per annum*




* Thomson Reuters data, 5-day moving average.

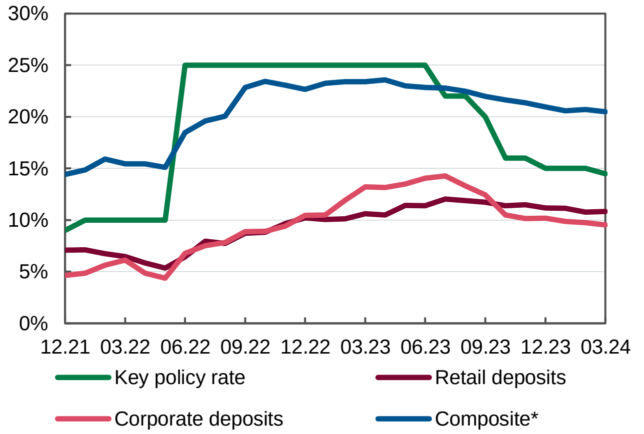
**Rates on new hryvnia corporate loans decreased by 1 pp, to 16.7% per annum. Rates on new corporate deposits declined by 0.7 pp and were 1.3 pp lower than in the retail segment – 9.5% per annum.**

Figure 38. Interest rates on new hryvnia loans* and NBU certificates of deposit, % per annum




* Without loan rescheduling or any other changes in lending terms.
** Except government authorities.

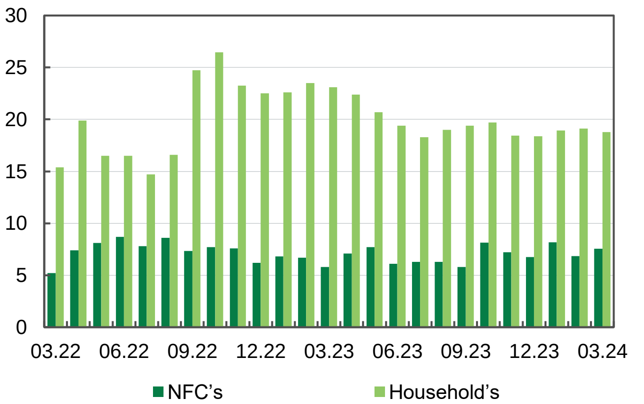
Figure 39. NBU key policy rate and interest rates on new hryvnia loans and deposits, % per annum




* Except government authorities.

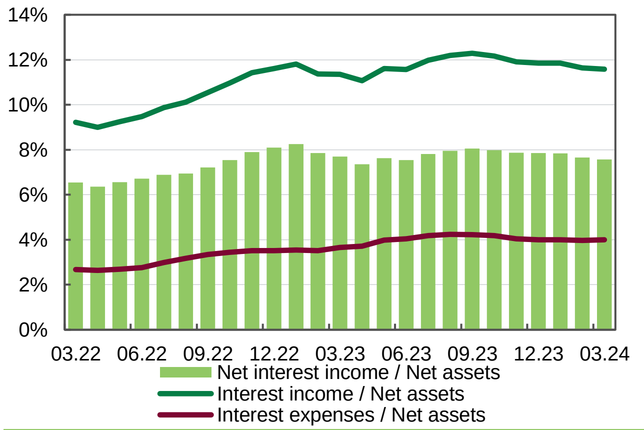
**The spread between rates on new loans and deposits remained almost unchanged on average over the quarter. The interest margin decreased slightly due to a decrease in interest income relative to net assets.**

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




* At all banks, including insolvent ones.
** 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. Banks' interest margin*

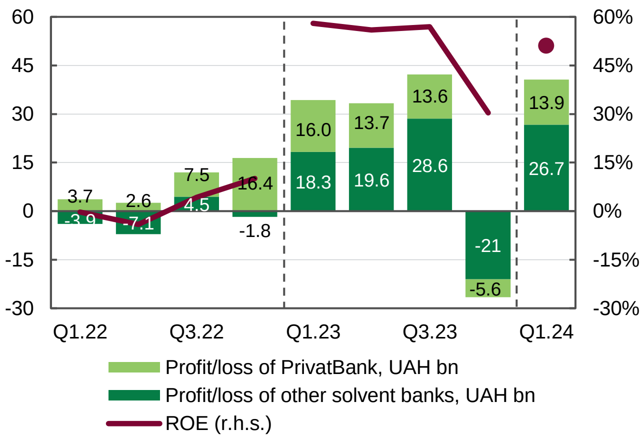



* Net interest income to trailing average of net assets for the reporting month and previous two months. At all banks, including insolvent ones.

# Financial Performance

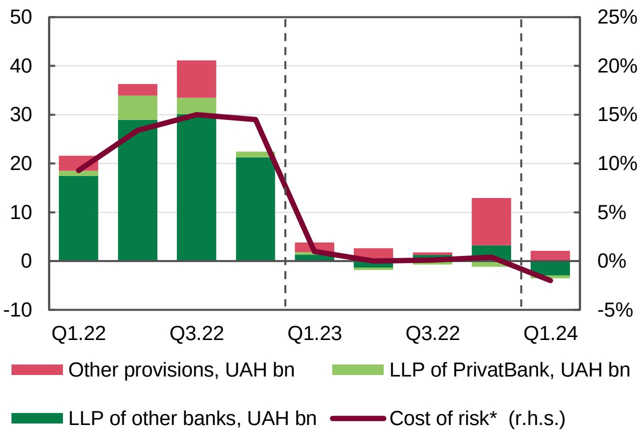
**In Q1, the sector earned UAH 40.5 billion in profit, of which around a third was generated by PrivatBank.**

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




**The banks released loan loss provisions (-2% of the net loan portfolio). An increase in the portfolio of domestic government debt securities resulted in making additional provisions for them.**

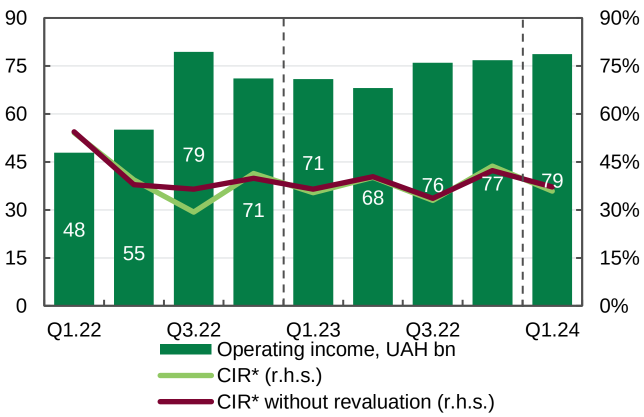
Figure 43. Loss provisions (LLP), quarterly




* Ratio of annualized loan loss provisions since the start of the year to the net loan portfolio.

**The sector's operational efficiency remained high. The CIR in Q1 was 35.9%, compared to 35.6% in the respective quarter of 2023.**

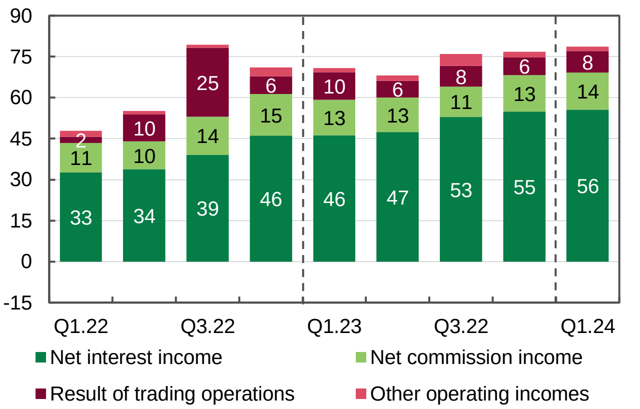
Figure 44. Operating income and operational efficiency of banks




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

**Over the quarter, net interest income increased by 20.3% yoy, while net fee and commission income rose by 4.5% yoy.**

Figure 45. Operating income components for the period, UAH billions




**The ratio of interest income from domestic government debt securities to net assets was 0.8 pp higher than in Q1 2023. Growth in interest income accelerated significantly for retail loans but slowed for corporate loans. Interest expenses also grew more slowly for corporate funding than for retail funding.**

Figure 46. Ratio of interest income components to net assets

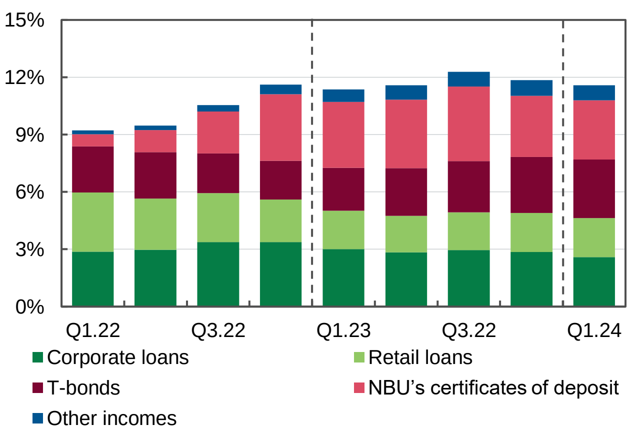
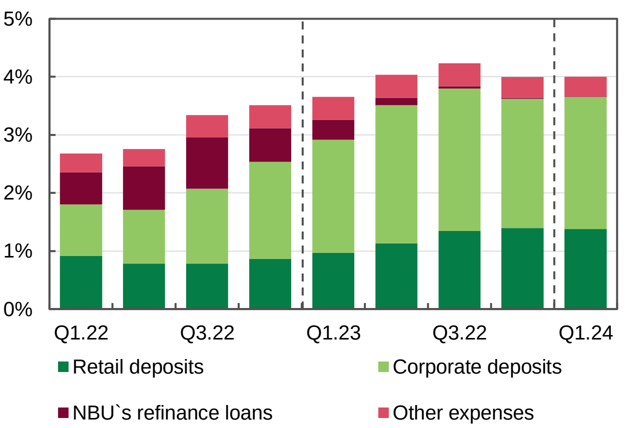


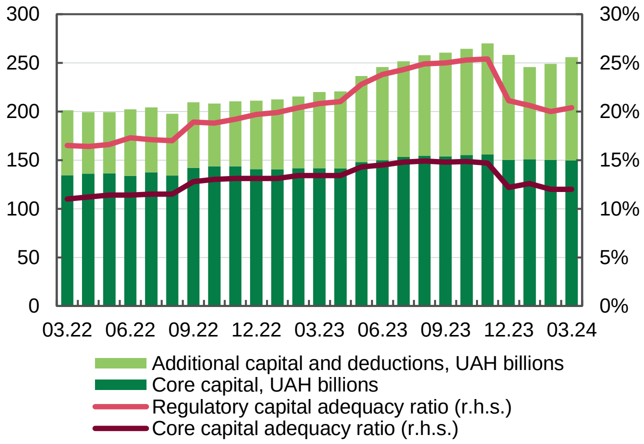

Figure 47. Ratio of interest expenses components to net assets



# Capital

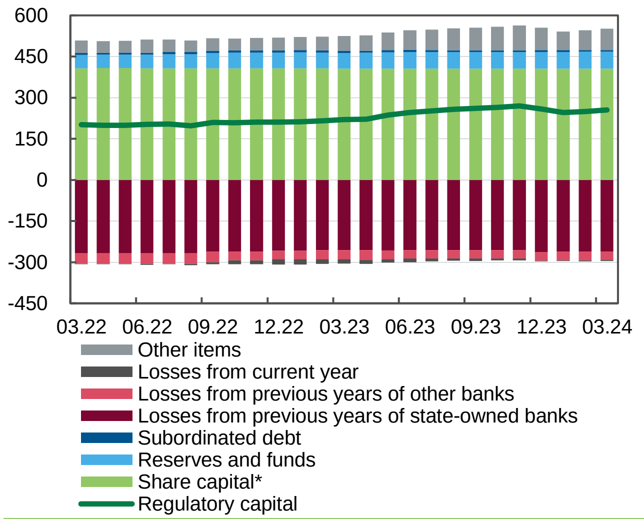
**Regulatory capital at the end of the quarter was 1% lower than at the end of 2023. The tightening of regulatory requirements did not have a major impact on the regulatory capital adequacy, which remained close to 20% during the quarter.**

Figure 48. Regulatory capital and capital adequacy ratios*




* Starting from 1 January 2024, 100% of the amount of operational risk is taken into account for the calculation of the capital adequacy ratio.

Figure 49. Composition of regulatory capital, UAH billions




* Registered and unregistered authorized capital.

**Table 2.** **Key banking sector indicators**[1]

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 |
|---|---|---|---|---|---|---|---|---|
| **Number of operating banks** | 82 | 77 | 75 | 73 | 71 | 67 | 63 | 63 |
| **General balance sheet indicators** (UAH billions)[2] | | | | | | | | |
| Total assets | 1,840 | 1,911 | 1,982 | 2,206 | 2,358 | 2,717 | 3,310 | 3,349 |
| of which in foreign currencies: | 755 | 779 | 718 | 746 | 679 | 820 | 923 | 946 |
| Net assets | 1,334 | 1,360 | 1,493 | 1,823 | 2,053 | 2,352 | 2,945 | 2,986 |
| of which in foreign currencies: | 507 | 495 | 492 | 585 | 583 | 731 | 831 | 854 |
| Gross corporate loans[3] | 864 | 919 | 822 | 749 | 796 | 801 | 784 | 788 |
| of which in foreign currencies: | 423 | 460 | 381 | 332 | 292 | 281 | 268 | 264 |
| Net corporate loans[3] | 451 | 472 | 415 | 432 | 540 | 529 | 511 | 516 |
| Gross SME loans | 443 | 445 | 432 | 451 | 468 | 455 | 483 | 483 |
| of which in foreign currencies: | 184 | 180 | 159 | 162 | 127 | 100 | 114 | 110 |
| Net SME loans | 335 | 339 | 205 | 232 | 263 | 246 | 268 | 267 |
| of which in foreign currencies: | 110 | 102 | 89 | 101 | 87 | 70 | 80 | 76 |
| Net loans to SMEs that do not belong to groups[7] | - | - | 62 | 63 | 71 | 61 | 63 | 67 |
| of which in foreign currencies: | - | - | 22 | 24 | 18 | 15 | 13 | 14 |
| Gross retail loans | 171 | 197 | 207 | 200 | 243 | 210 | 223 | 236 |
| of which in foreign currencies: | 68 | 61 | 38 | 31 | 21 | 13 | 12 | 12 |
| Net retail loans | 92 | 114 | 143 | 149 | 200 | 134 | 160 | 175 |
| Corporate deposits[3] | 427 | 430 | 525 | 681 | 800 | 943 | 1,322 | 1,356 |
| of which in foreign currencies: | 163 | 150 | 191 | 233 | 233 | 317 | 386 | 409 |
| Retail deposits[4] | 478 | 508 | 552 | 682 | 727 | 933 | 1,084 | 1,085 |
| of which in foreign currencies: | 244 | 241 | 238 | 285 | 270 | 340 | 373 | 376 |
| **Change** (yoy, %) | | | | | | | | |
| Total assets | 5.9% | 3.8% | 3.7% | 11.3% | 6.9% | 15.2% | 21.9% | 19.9% |
| Net assets | 6.2% | 1.9% | 9.8% | 22.1% | 12.6% | 14.5% | 25.2% | 23.0% |
| Gross corporate loans[3] | 2.0% | 6.3% | -10.6% | -8.8% | 6.2% | 0.7% | -2.2% | 1.9% |
| Gross retail loans | 8.5% | 15.3% | 5.0% | -3.5% | 21.6% | -13.5% | 6.0% | 14.6% |
| Corporate deposits[3] | 3.4% | 0.8% | 22.1% | 29.7% | 17.4% | 17.9% | 40.2% | 32.3% |
| Retail deposits[4] | 9.4% | 6.3% | 8.6% | 23.5% | 6.6% | 28.4% | 16.1% | 14.8% |
| **Penetration**[5] (%) | | | | | | | | |
| Gross corporate loans[3]/GDP | 29.0% | 25.8% | 20.7% | 17.7% | 14.6% | 15.3% | 12.0% | 11.7% |
| Net corporate loans[3]/GDP | 15.1% | 13.3% | 10.4% | 10.2% | 9.9% | 10.1% | 7.8% | 7.7% |
| Gross retail loans/GDP | 5.7% | 5.5% | 5.2% | 4.7% | 4.5% | 4.0% | 3.4% | 3.5% |
| Net retail loans/GDP | 3.1% | 3.2% | 3.6% | 3.5% | 3.7% | 2.6% | 2.4% | 2.6% |
| Corporate deposits[3]/GDP | 14.3% | 12.1% | 13.2% | 16.1% | 14.7% | 18.0% | 20.2% | 20.1% |
| Retail deposits/GDP | 16.0% | 14.3% | 13.9% | 16.2% | 13.3% | 17.8% | 16.6% | 16.1% |
| **Profit or Loss**[6] (UAH billions) | | | | | | | | |
| Net interest income | 53.0 | 73.0 | 78.9 | 84.8 | 117.6 | 151.7 | 201.4 | 55.6 |
| Net fee and commission income | 27.5 | 37.8 | 44.0 | 46.5 | 58.0 | 50.2 | 50.0 | 13.6 |
| Provisions | 49.2 | 23.8 | 10.7 | 31.0 | 3.4 | 121.2 | 16.9 | -1.4 |
| Net profit (loss) | -26.5 | 22.3 | 58.4 | 39.7 | 77.4 | 21.9 | 83.2 | 40.5 |
| **Memo items:** | | | | | | | | |
| UAH/USD (period average) | 26.60 | 27.20 | 25.85 | 26.96 | 27.29 | 32.34 | 36.57 | 38.17 |
| UAH/USD (end-of-period) | 28.07 | 27.69 | 23.69 | 28.27 | 27.28 | 36.57 | 37.98 | 39.22 |
| UAH/EUR (period average) | 30.00 | 32.14 | 28.95 | 30.79 | 32.31 | 33.98 | 39.56 | 41.46 |
| UAH/EUR (end-of-period) | 33.50 | 31.71 | 26.42 | 34.74 | 30.92 | 38.95 | 42.21 | 42.37 |

[1] Data for solvent banks for each reporting date.

[2] Including accrued income/expenses.

[3] Including non-bank financial institutions.

[4] Including certificates of deposit.

[5] GDP in 2014–2023 is presented excluding the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol, occupied territories in Donetsk and Luhansk oblasts, and other occupied territories; data for 2024 are based on GDP estimates from the April 2024 Inflation Report.

[6] Including adjusting entries.

[7] By belonging to groups of legal entities under common control or groups of related counterparties (in accordance with NBU Board Resolution No. 351 dated 30 June 2016 (as amended) and NBU Board Resolution No. 368 dated 28 August 2001 (as amended)).

## Notes

The source for the data is the National Bank of Ukraine, unless otherwise noted. Data for 2022, 2023, and Q1 2024 take into account adjusting entries (except for data of one or two small banks that have not submitted their balance-sheet data with adjusting entries, depending on the date).

Unless otherwise indicated, Sense Bank JSC is considered as part of the group of state-owned banks from Q3 2023 and First Investment Bank JSC (PINbank) from March 2024.

The sample 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 the decision of the Committee on Banking Supervision and Regulation and Oversight of Payment Infrastructure.

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

Foreign banks are banks in which foreign banks or financial and banking groups have controlling interest.

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.

Data on corporate loans and deposits include data on non-bank 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 |
| FX | Foreign currency |
| CIR | Cost-to-Income Ratio |
| GDP | Gross domestic product |
| HHI | Herfindahl-Hirschman Index |
| IFI | International financial institution |
| CD | Certificates of deposit |
| NBU | National Bank of Ukraine |
| NFC | Non-financial corporation |
| NPL / NPE | Non-performing loans / exposures |
| T-bonds | 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. |
| POS | Point of sale |
| ROE | Return on equity |
| SMEs | Small and medium-sized enterprises (depending on their staff number and annual income from any activity, taking into account the requirements of Article 55 of the Commercial Code of Ukraine). |
| UIRD | Ukrainian Index of Retail Deposit Rates |
| | |
| pp | Percentage point |
| UAH | Ukrainian hryvnia |
| USD | United States dollar |
| EUR | Euro |
| Eq. | Equivalent |
| Q | Quarter |
| | |
| r.h.s. | Right-hand scale |
| yoy | Year-on-year |
| qoq | Quarter-on-quarter |