

# Banking Sector Review

February 2026



In Q4, the banks saw further strong deposit inflows coming in from households and businesses. Throughout 2025, client deposits remained the chief and growing source of funding for the sector. Net hryvnia loans to businesses and households rose more than one-third over the year. This rise was constantly driving the growth in the sector's net assets. The volume of market-based hryvnia loans rose much faster in 2025 than of subsidized ones. During the year, the NPL ratio shrank to its lowest in over 15 years. Most of this decrease occurred last quarter, primarily in state-owned banks. Over the year, interest rates on loans to businesses and households underwent almost no change. The sector's net interest margin remains high. The sector was able to stay profitable primarily due to the high net interest margin amid little provisioning. State-owned banks' contribution to profit declined. The regulator is consistently implementing EU banking regulations. A new regular resilience assessment has commenced.

## Sector structure

In Q4, the number of operating banks in Ukraine held steady at 60, although their list changed. For the first time since 2015, a bridge bank – IUTE Bank – was established in late December, on the basis of insolvent RWS Bank. IUTE Bank is 100%-owned by Estonian-based Iute Group AS. A total of two banks wound down operations during the year: RWS Bank in December and Bank Portal in March. The latter surrendered its license voluntarily. Given that these financial institutions accounted for a combined 0.05% of solvent banks' assets, their exit from the market had no effect on the banking sector.

In Q4, the share of state-owned banks' net assets continued to shrink, shedding 0.5 pp (1.2 pp over the year), to 52%. The share of household deposits at state-owned banks decreased 1.1 pp, to 61.8% (-1.5 pp for the year). The decline in the shares of state-owned banks is mainly attributable to more active accumulation of assets by private and foreign banks.

## Assets

In Q4, the volume of the banks' net assets rose 11% qoq and 17.2% yoy. Over the course of the year, active lending was the primary stable driver of growth in the banking sector's net assets. The volume of net loans increased 7.5% in Q4 and by one-third over the year. The banks continued to build up their portfolio of domestic government debt securities by investing in government-issued bonds. The portfolio added 3.6% qoq and 4.9% yoy. The volume of NBU certificates of deposit also scored ad-hoc gains: up 55.2% qoq and 42.1% yoy. For several straight years, this has been attributed to significant year-end government expenditures that landed into households' and businesses' accounts. Already in January, certificates of deposit decreased in volume.

Net hryvnia loans to businesses surged 35.6% yoy during the year. The growth in loans to SMEs decelerated seasonally to 2.4% in Q4. This portfolio rose 34.2% over the year. The share of net hryvnia loans to SMEs in the portfolio edged

lower for the year (by 0.6 pp) to 59.6% at year's end. A revival of lending to state-owned companies, primarily in the energy sector, made a tangible contribution to the growth in loans. The proportion of loans granted to state-owned enterprises rose 2.5 pp over the year (0.6 pp over the quarter) to 14.8% in the net hryvnia portfolio. FX-denominated lending revived in H2, primarily to large and medium-sized companies in wholesale trade, agriculture, foodstuffs, and energy. Net FX loans were up 11.6% qoq in Q4 and 23.2% yoy in 2025.

All groups of banks built up their loan portfolios. Foreign-owned banks posted the fastest gains in the net hryvnia portfolio in Q4 and for the year overall. Their loan portfolio added 8.9% qoq and 45.7% yoy. State-owned banks had somewhat lower growth rates – 2.8% qoq and 34% yoy – demand from state-owned corporations being the main driver of lending.

In annual terms, loans with maturities over three years grew faster, by about 50% yoy. Meanwhile, loans of up to three years rose 30.9% yoy. Over the year, the largest increase was in loans to companies in wholesale trade, agriculture, foodstuffs, financial services, as well as energy and machine-building, in particular the defense industrial base (DIB). Overall, favorable lending conditions facilitated the growth in loans, primarily beyond government support programs. During the year, market-based loans (up 40%) outpaced preferential ones made under the 5–7–9% programs (up 12%). As a result, the share of the 5–7–9% loans had shrunk in the hryvnia business portfolio since the start of the year by 5 pp, to 30%. The revival of unsubsidized lending, particularly in a range of priority sectors, was the result of implementing the Lending Development Strategy.

The growth in net hryvnia loans to households slowed slightly in Q4, to 7.5% qoq, but picked up to 33.9% yoy. Over the course of the quarter and the year as a whole, all groups of banks were actively ramping up their portfolios of household loans, private banks the fastest of all. They recorded 8.9%

qoq and 41% yoy gains in volume. Meantime, the share of the two leading banks shrank 0.2 pp, to 54.8%.

Mortgage portfolio growth decelerated in Q4 from Q3, to 9.3%. In annual terms, however, growth quickened to 35.8% yoy. Mortgages accounted for 13.6% of the portfolio at year's end, up 0.2 pp qoq and yoy. Mortgages have traditionally been dominated by loans made under the *eOselia* program. Its dynamics are still shaped by the availability of funds at the UFHC, the program's operator. The introduction of an interest reimbursement model envisaged by the UFHC strategy has been delayed, limiting the market's potential for growth. Car loans have noticeably increased in volume: by 13.1% qoq and 41.9% yoy. Their share in the retail portfolio rose as well: by 0.3 pp over the quarter and year, to 6%.

The NPL ratio shrank to 13.9% at year's end, the lowest in more than 15 years. In Q4, the NPL ratio fell 11.1 pp. This plunge was chiefly driven by state-owned banks writing off legacy loans designated as NPLs in 2015–2017, when the banking sector underwent an overhaul, specifically those related to PrivatBank's former owners. So, the NPL ratio dropped the most at state-owned banks, down 23.1 pp, to 19.8%. The NPL ratio fell in both the business and household segments, and at all groups of banks. For business loans, the ratio was down to 17% (-22 pp for the year), for households, down to 10.8% (-4.7 pp for the year). The banks' build-up of new high-quality loans helped bring the NPL ratio down during the year. The share of business borrowers that defaulted on hryvnia loans in the first nine months of the year remained below 3%, better than the pre-full-scale-war average. The banks' loan loss provisions remained moderate.

### Funding

Bank liabilities were up 12.3% qoq and 16.1% yoy in Q4. Client deposits from both businesses and households continued to be the main driver of this increase. In the year's last quarter, the growth in business deposits picked up as expected, a repeat of the pattern seen in previous years. The volume of refinancing loans continued to shrink. By year's end, only two small private banks had been using them. In Q3 2025, the sector's external borrowings rose 3.7% qoq, their total volume remaining at about USD 1.6 billion, which is still around 2% of liabilities.

Household hryvnia deposits were up 6.3% in Q4 and 18.6% for the year. In the reporting quarter, the banks' build-up of household hryvnia term deposits returned to growth, adding 6.0% qoq and 19.6% yoy. The share of term deposits held almost steady over the quarter at 33.8%. Households' FX deposits also grew, by 2.2% qoq (+9.5% yoy), due to an increase in current-account balances. FX term deposits remained virtually unchanged in Q4, but were down 1.7% yoy. The dollarization rate of household deposits declined 0.4 pp, to 33.2%, as hryvnia deposits grew more rapidly, a trend that has been ongoing for the third straight quarter.

Hryvnia deposits from businesses were up a tangible 22.9% for the quarter in a repeat of the fourth-quarter seasonal dynamics observed in previous years. Over the year, business hryvnia deposits grew 22.2%. Meanwhile, the

volume of business FX deposits edged lower by 1.9% qoq (-0.6% yoy).

### Interest rates

Between March and December 2025, the NBU's key policy rate was flat at 15.5% per annum. Only in January 2026, with inflationary pressures having steadily waned, did the NBU switch to an easing cycle of monetary policy, cutting its key policy rate by 0.5 pp. Accordingly, no significant changes occurred in bank rates on new deposits during Q4. The rate on actual hryvnia contracts with households (including demand deposits) rose 0.1 pp, to 10.4% per annum. Similarly, the UIRD indicator gained 0.1 pp for the quarter. Rates on one-year deposits continued to exceed those on three-month ones by 0.4 pp. Rates on deposits from businesses edged higher in October, but returned to their September level of 10.1% per annum in December. Overall, the cost of new business deposits was growing faster during the year than that of household deposits, especially in H1.

Market rates on hryvnia loans to businesses rose for a while in November, but fell as soon as December to 15.2% per annum, up 0.5 pp from December 2024. A certain drop in the cost of loans at the end of the year is primarily attributable to the terms of agreements with SMEs. December's lowest average rate – 13.5% per annum – was still being offered by foreign banks, and the highest – 18.4% per annum – by private ones. Rates on loans to households grew 1.3 pp during the quarter, to 28.7% per annum. The rate has been hovering around 28% per annum for 2.5 years now.

### Financial performance and capital

According to pre-annual-audit data, the banks made UAH 126.8 billion in profit in 2025, almost half of it earned by state-owned banks. The profit was up 39.4% from a year ago, thanks largely to a lower income tax rate. Pre-tax profit for this year grew only 13.3%. Seven small banks came out loss-making, with a combined loss of just UAH 0.1 billion. In Q4, the sector made profits of only UAH 7.3 billion, as PrivatBank booked additional income tax expenses in December after it ceased recognition of legacy NPLs left over from former owners.

Net interest income remained the main source of profit. The return on assets was slightly higher on average than in the previous year. In Q4, it slid slightly due to a decrease in the yield on government bonds. By contrast, loan yields remained stable, and the increase in lending contributed to the growth in interest income. The cost of funding remained nearly flat for the third straight quarter. The net interest margin therefore stayed high on average for the year, at 7.7%, despite edging lower in Q4.

Net fee and commission income was up a sizable 19.7% yoy in Q4 and 12.5% yoy for the year. In December, its monthly volume topped the pre-war level of December 2021. This was mainly driven by an uptick in cashless payments. The gain from the revaluation of domestic government debt securities in Q4 was the year's highest. Profit from transactions to purchase and sell foreign exchange also rose 8.3% qoq (-1.3% yoy).

Operating costs rose less than income over the quarter, by 15.4% yoy, including a 15.7% yoy increase in personnel

expenses. Net operating profit before provisioning came in 31.7% higher than in the same quarter of a year ago and up 10.1% over the year. The cost-to-income ratio (CIR) remained good, at 43.3%, down from 46.4% in Q4 2024. The annual average was 40.9%. Eleven banks were loss-making for the year.

Provisioning was moderate during the year, and some of the provisions were actually released in Q4. The CoR on loans was -0.2% for the quarter. UAH 3.7 billion in provisions against domestic government bonds was made for the year, most of it in Q3.

The sector's return on equity, based on pre-tax profit, continued to decline, to 50% in 2025, compared to 52.4% in 2024 and 58.6% in 2023.

Over the course of the year and quarter, the banking sector's regulatory capital rose, bolstering the financial institutions' capacity to build up loan volumes. All banks met capital adequacy requirements, including the leverage ratio, as of end-Q4.

### **Prospects and risks**

The NBU launched its regular resilience assessment at the start of the year. It will include stress testing the 26 largest banks, which together make up over 90% of the banking

system's assets. The NBU will publish its stress-testing methodology in the spring.

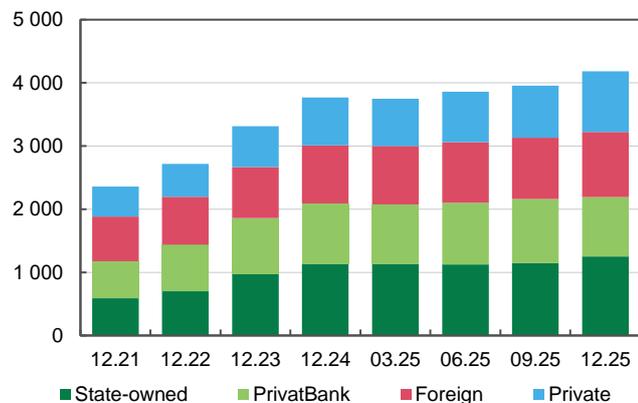
The NBU also continues to implement regulatory changes in accordance with European standards. According to recent decisions, the banks must develop internal regulations by the end of October this year and calculate the large exposures (LEX) ratio in test mode by late February next year. Effective 2027, the financial institutions will have to make risk management disclosures under Pillar III requirements. From August onward, the banks are expected to heed the regulator's recommendations on how to integrate sustainable development principles into their corporate governance systems. Meantime, the NBU has improved the approaches to credit risk assessment by the banks, in line with its Lending Development Strategy, in order to promote further expansion of credit.

Pursuant to previously announced decisions, the banks must draft regulations by end-February on determining the minimum size of credit-risk-weighted exposures. Starting in March, the financial institutions should take the credit valuation adjustment risk into account when calculating their capital adequacy ratios. And by late May, the banks are supposed to carry out test calculations of settlement risk.

## Sector structure

The volume of the banks' total assets rose 5.8% in Q4 and 11% in 2025. Holding the exchange rate fixed as of the beginning of the year, the gains were 5% qoq and 10.8% yoy, respectively. Over the quarter and the year, all groups of banks were building up asset volumes, with private banks leading the way. The latter had their assets rise 16.8% qoq (26.9% yoy). The share of state-owned banks in total assets shrank to 52.4%: down 2.3 pp for the quarter and 3 pp for the year. Although the number of operating banks held steady, their list changed: a new bridge bank – IUTE Bank – was created on the basis of insolvent RwS Bank at end-December.

Figure 1. Banks' total assets, UAH billions



Solvent banks were divided into groups according to the classification in the respective reporting period

Table 1. Number of banks

	2021	2022	2023	2024	2025
Solvent	71	67	63	61	60
Change	-2	-4	-4	-2	0
State-owned	4	4	5	7	7
Change	-1	0	+1	+2	0
Foreign	20	16	14	14	14
Change	0	-4	-2	0	0
Private	47	47	44	40	39
Change	-1	0	-3	-4	0*

The number is as of the end of the respective period.

\* Establishment of new lute bridge bank (+1) in Q4 on the basis of insolvent RwS Bank (-1).

State-owned banks' share of the sector's net assets declined to 52%, by 0.5 pp in Q4 and 1.2 pp over the year. Their share in household deposits contracted by 1.1 pp for the quarter and 1.5 pp over the year, to 61.8%. The decreases in state-owned banks' shares in Q4 fully offset the small gains made the quarter before.

Figure 2. Distribution of net assets by groups of banks

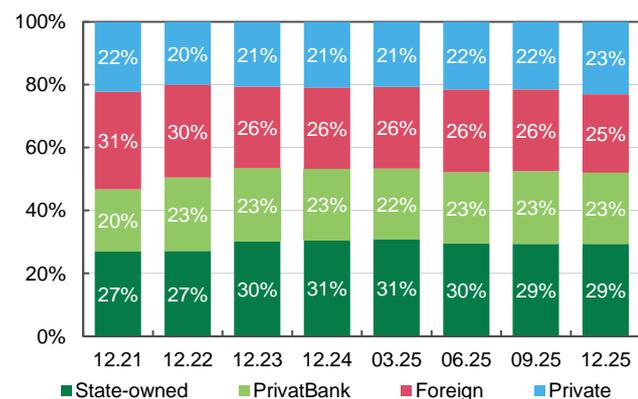
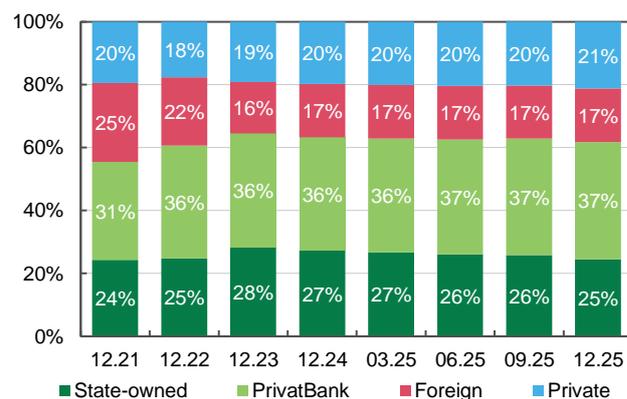


Figure 3. Distribution of retail deposits by groups of banks



The share of net assets of the sector's 20 largest banks was down 0.4 pp over Q4 and the year. The largest bank's share contracted 0.5 pp, to the previous year's level. The sector's concentration by total assets fell a significant 11.6% qoq (10.7% yoy) after the banks ceased recognition of legacy impaired loans. The sector's concentration by household deposits was little changed.

Figure 4. Largest banks' share of sector net assets

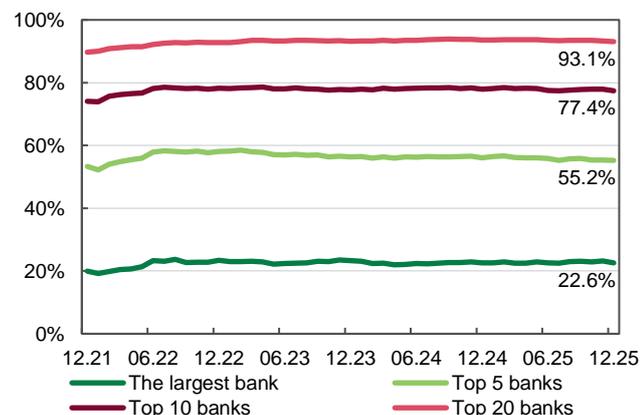
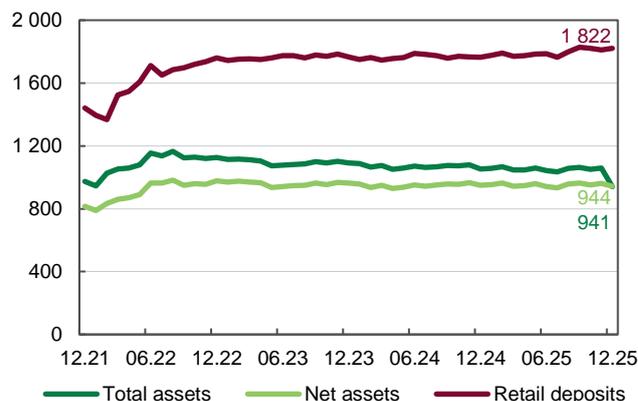


Figure 5. Concentration as measured by the HHI indicator

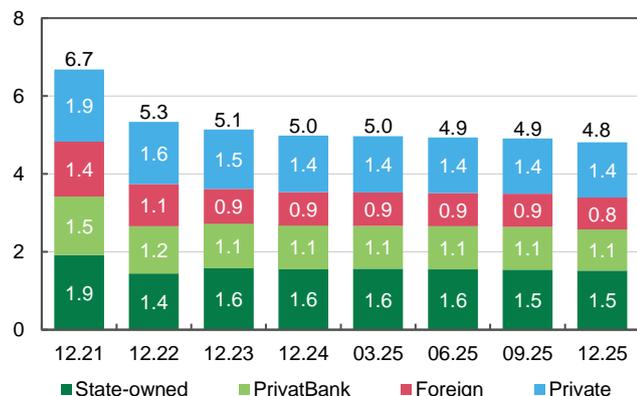


The Herfindahl-Hirschman Index (HHI) is an indicator of banking sector concentration. It is calculated as the sum of the banks' squared market shares. The index ranges from 0 to 10,000 – values below 1,000 indicate a low degree of market concentration. Retail deposits include certificates of deposit.

## Banking Infrastructure and Payment Transactions

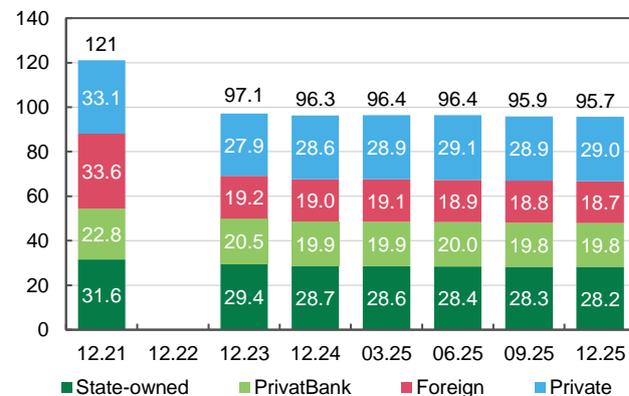
In Q4, the banks' branch network lost 98 branches, the largest decrease since Q1 2023. All groups of banks except private ones closed some of their branches. Most closures were in the Odesa and Dnipropetrovsk oblasts. The total number of branches shut down in 2025 was 167, including 101 branches of state-owned banks. Staff headcount shrank for two straight quarters at state-owned and foreign banks, while private ones marginally scaled up their staff numbers.

Figure 6. Number of banking units\*, thousands



\* Standalone structural units and head offices.

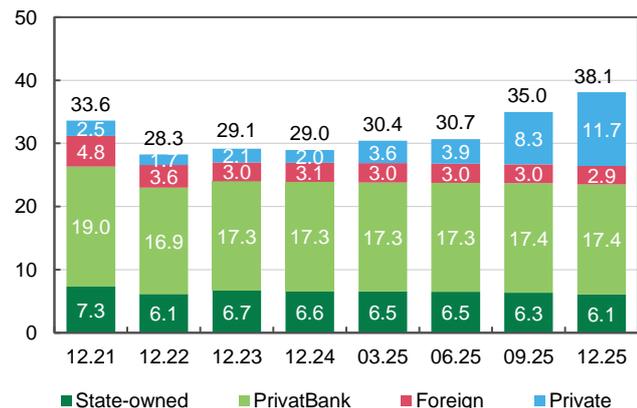
Figure 7. Bank staff headcount\*, thousands of employees



\* No data was collected between Q1 2022 and Q3 2023.

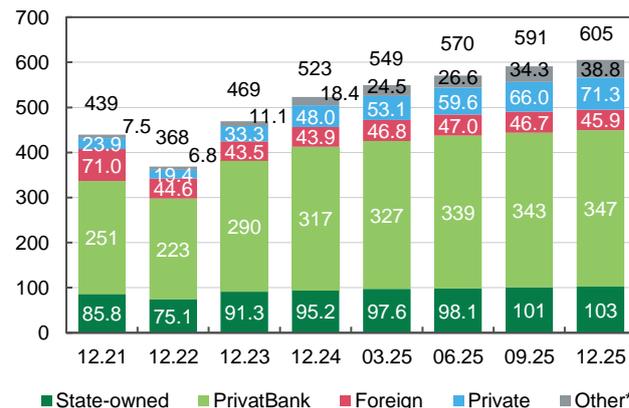
The POS terminals network was steadily growing. Private banks and NovaPay led the way in POS expansion in Q4 (+5,300 and +4,500 terminals, respectively). PrivatBank was among POS growth leaders too. Overall in 2025, market participants added a total of 82,200 terminals to the network. The network of self-service machines expanded for two straight quarters due to an increase in the number of self-service machines in some of the private banks.

Figure 8. Number of bank self-service machines\*, thousands of units



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

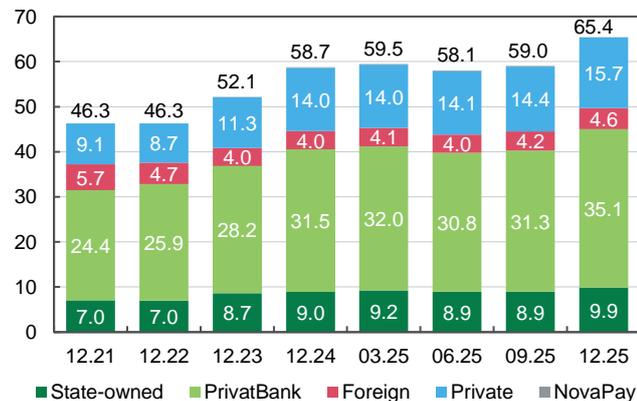
Figure 9. Number of POS terminals, thousands of units



\* Until 1 October 2023, Ukrposhta data is shown; afterwards, the data covers Ukrposhta and NovaPay.

The number of active payment cards surged by over 6 million during Q4. More than half of the gain – 3.8 million – came from PrivatBank.

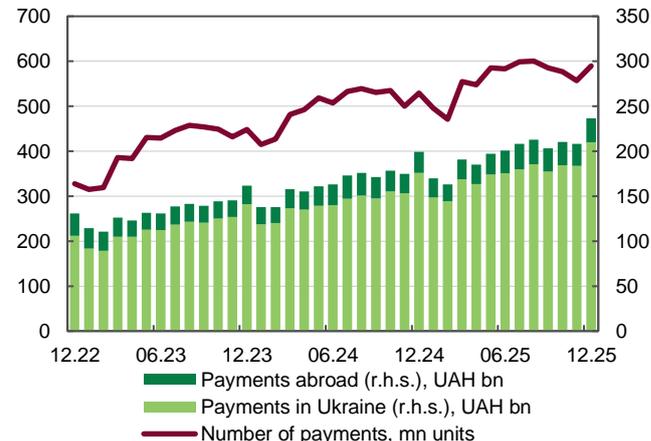
Figure 10. Number of active payment cards by groups of financial institutions\*, millions of units



\* As of 1 January 2026, NovaPay had 98.0 thousand active payment cards.

Over 2025, the growth in the number of card payments made in stores slowed to 12% from from 21%. In December, such payments averaged as much as UAH 400.

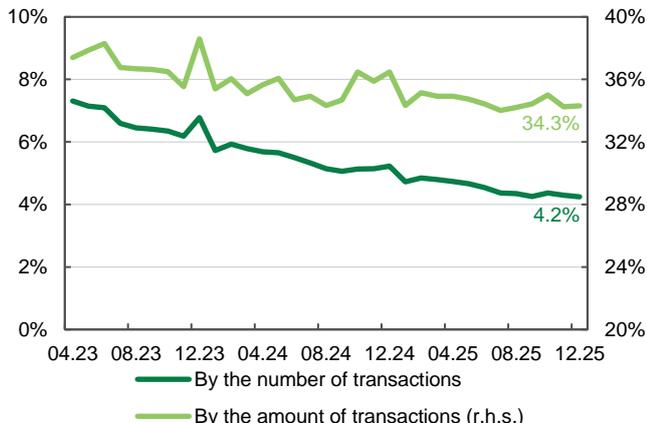
Figure 11. Card-based payments\* through POS terminals



\* Electronic means of payment issued by Ukrainian financial institutions.

The share of card-based cash transactions gradually shrank, to 4.2% by number at end-2025.

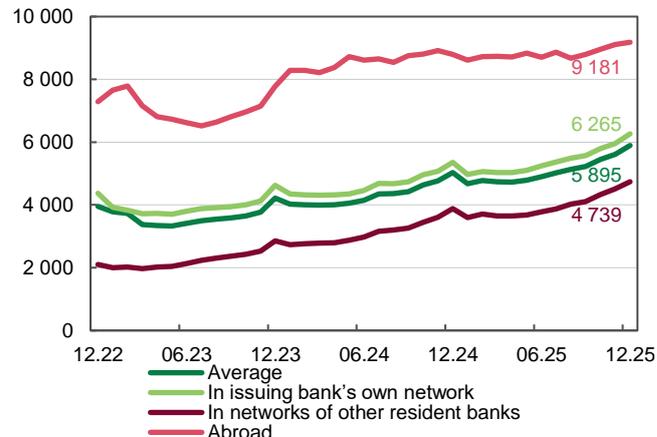
Figure 12. Share of cash withdrawal transactions in card-based transactions\*



\* For electronic payment instruments issued in Ukraine.

In 2025, the average cash withdrawal from an ATM increased 17.6% yoy, to UAH 5,895. Although the hryvnia-to-euro exchange rate rose, the hryvnia equivalent of such a withdrawal abroad was up only 2.8%.

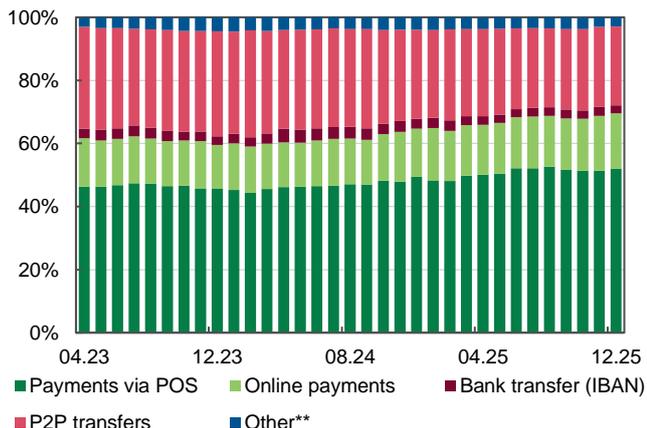
Figure 13. Average amount of one cash withdrawal transaction through ATMs, UAH\*



\* For electronic payment instruments issued in Ukraine.

Over the past year, the share of POS-based cashless transactions increased steadily, while that of P2P transfers declined.

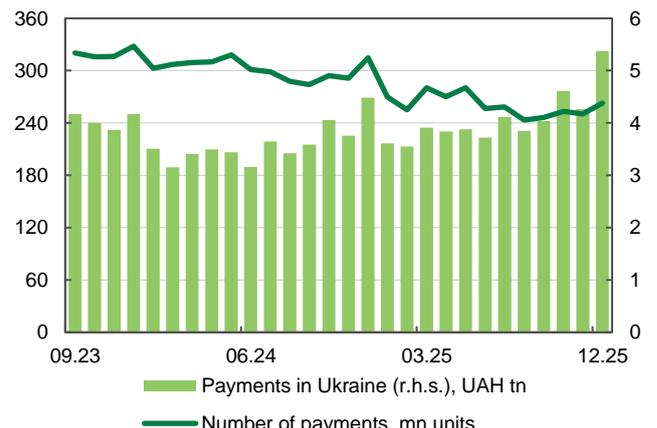
Figure 14. Structure of cashless transactions with payment cards\*



\* Transactions with electronic means of payment issued in Ukraine.  
\*\* Transfers through ATMs/self-service kiosks, quasi-cash transactions.

The number of payment transactions using bank credit transfers\* fell a tangible 21% in 2025, but the drop stopped at year's end. Meantime, the volume of such payments edged higher.

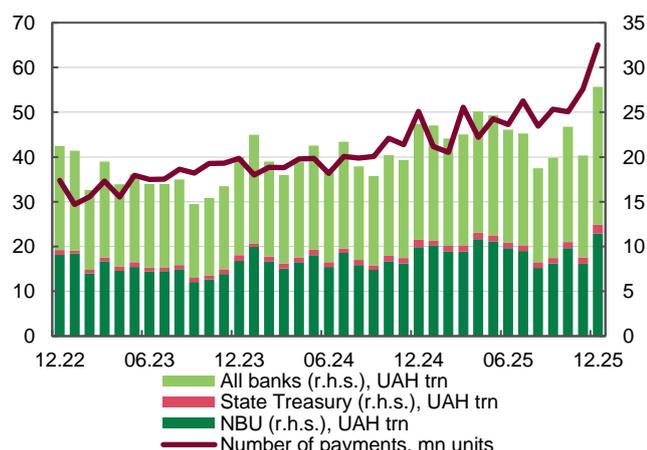
Figure 15. Payment transactions within Ukraine initiated via credit transfer\*



Statistical data collection started in mid-2023.  
\* Client payments from the payer's account number, with payment details indicating the recipient's IBAN.

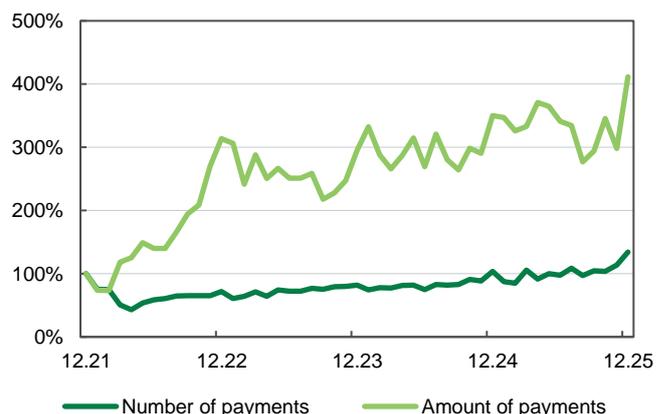
High inflows of funds from the state budget caused the number of SEP-based payments to be almost one-third higher in December 2025 than in the same month a year earlier.

Figure 16. Volumes of payments within System of Electronic Payment (SEP) of NBU



In 2025, the number of payments in the SEP exceeded the level of 2021, a pre-war year.

Figure 17. SEP payment volumes, 2021 = 100%



## Assets

In Q4, the volume of the banks' net assets rose 11% qoq (17.2% yoy). A large part of the Q4 gain was a seasonal increase in CDs by 55.2% qoq (42.1% yoy) thanks to large inflows of deposits into banks due to government spending at end-2025. At the same time, active bank lending remained a stable driver of net asset growth all through the year – loan volumes increased 7.5% qoq and 32.2% yoy. The growth in the domestic government debt securities portfolio was slower: 3.6% qoq and 4.9% yoy.

Figure 18. Net assets by groups of banks, UAH billions

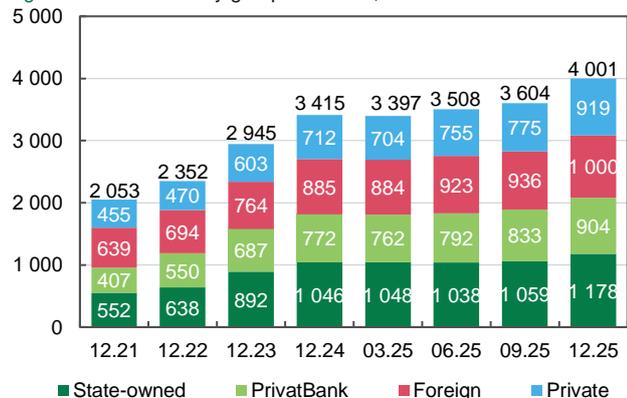
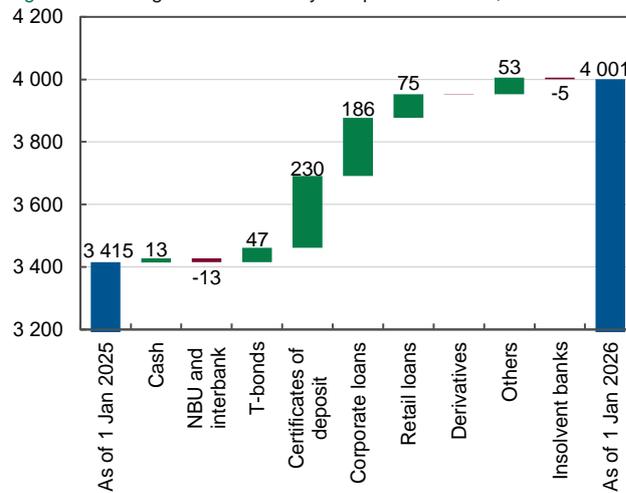


Figure 19. Change in net assets by component in 2025, UAH billions



Dollarization of net loans to businesses rose 2 pp in Q4 as some of the large and medium-sized companies took out sizable FX loans. Over the year, dollarization also shrank 2 pp due to brisk hryvnia lending.

Figure 20. Sector net assets by components, UAH billions

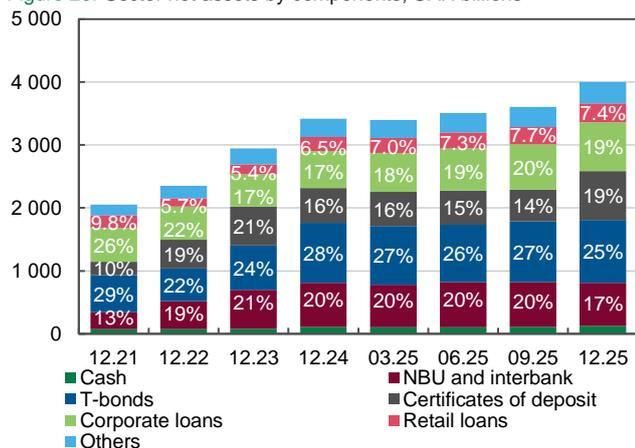
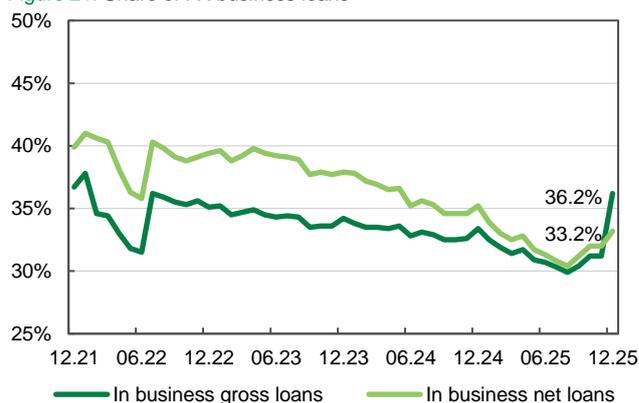


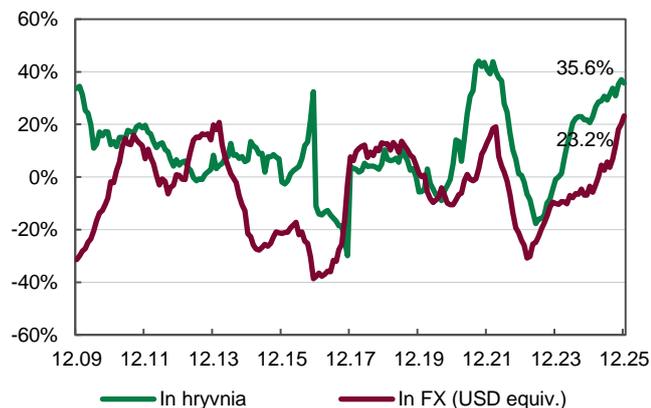
Figure 21. Share of FX business loans



Adjusted for loan loss provisions of the banks.

Net hryvnia business loans climbed 35.6% yoy (4.4% qoq). Meantime, net FX business loans grew 23.2% yoy (11.6% qoq).

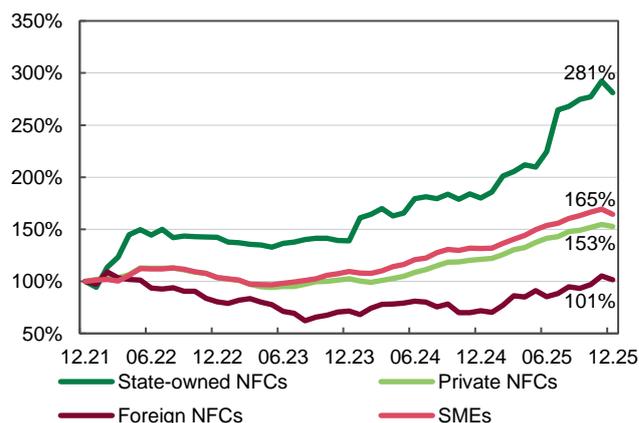
Figure 22. Change in net business loans, yoy



At banks that were solvent as of 1 January 2026.

Loan volumes continued to rise in Q4 for all business ownership categories. As in the previous quarter, loans to private companies grew the most – up 2.5% qoq and 26.1% yoy.

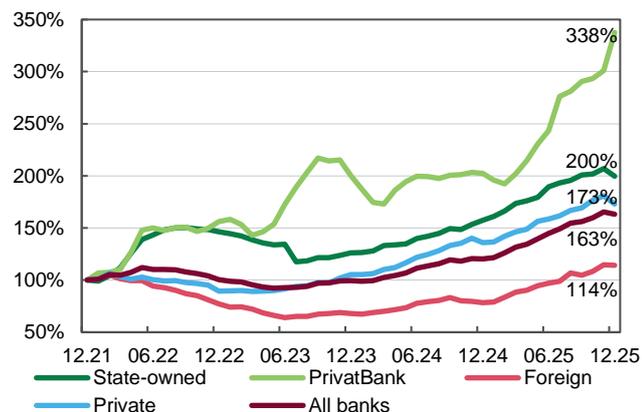
Figure 23. Net hryvnia loans to non-financial corporations (NFCs), 2021 = 100%



At banks that were solvent as of 1 January 2026.

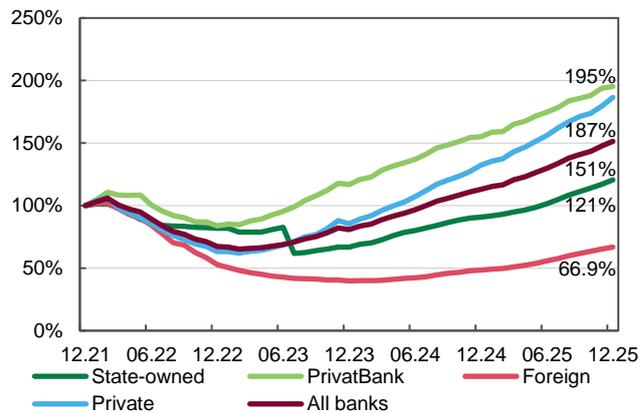
In Q4, the growth in net hryvnia loans to businesses was more moderate compared to previous quarters, up 4.4% qoq. Meanwhile, the annual increase picked up to 35.6% yoy. All banks continued to scale up their loan portfolios. Foreign banks posted the biggest quarterly and annual gains: 8.9% qoq and 45.7% yoy. State-owned banks' portfolio volumes added 2.8% qoq (34% yoy), primarily due to loans to state-owned companies. Net hryvnia loans to households were up 7.5% qoq (33.9% yoy), private and state-owned banks being key growth drivers.

Figure 24. Net hryvnia business loans, 2021 = 100%



At banks solvent as of 1 January 2026.

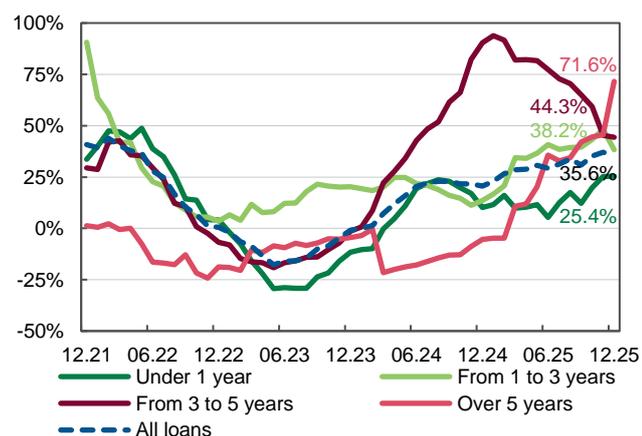
Figure 25. Net hryvnia loans to households, 2021 = 100%



At banks solvent as of 1 January 2026.

In Q4, net hryvnia loans to businesses grew across all maturities, with loans longer than three years rising the fastest. Their volume was up 13.9% qoq (49.7% yoy).

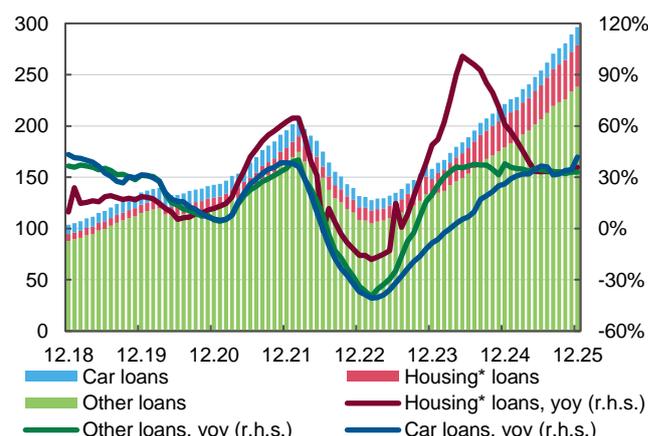
Figure 26. Net hryvnia business loans, yoy



At banks that were solvent as of 1 January 2026.

In the structure of household lending, the share of loans for real estate, cars, and home appliances expanded over Q4. The proportion of non-targeted loans with short and medium maturity continued to shrink.

Figure 27. Net hryvnia loans to households, UAH billions

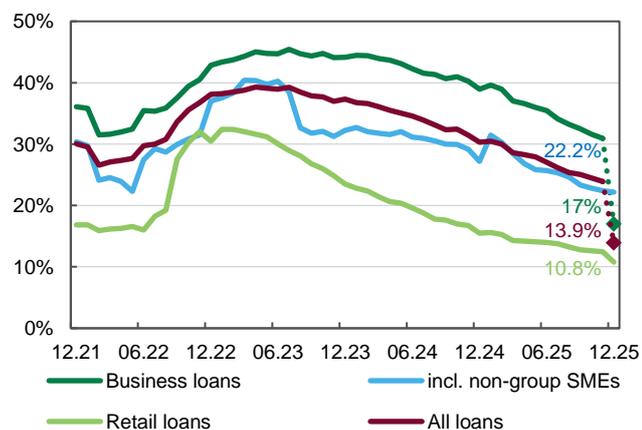


At banks that were solvent as of 1 January 2026.

\* For house purchase, construction and reconstruction of real estate.

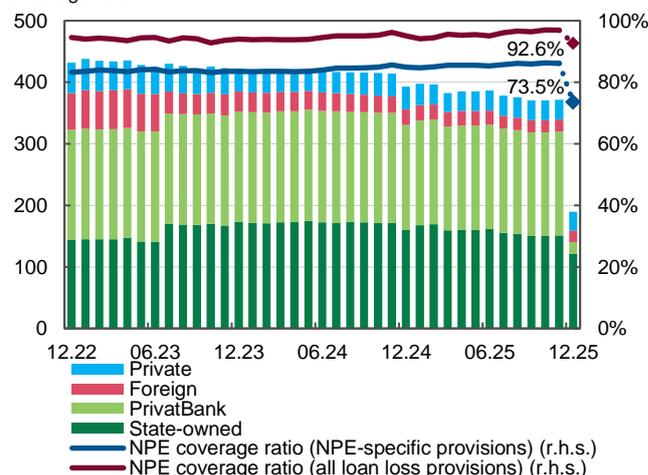
The NPL ratio contracted in Q4 by 11.1 pp (16.4 pp for the year), to 13.9%, due to massive write-offs of legacy problem NPLs by state-owned banks. The NPL ratio shrank across all groups of banks during both Q4 and the year. The NPL ratio of state-owned banks dropped the most, to 19.8% (-23.1 pp over the year), because of the write-offs. By type of borrower, the decrease in the NPL ratio was 15.5 pp for businesses and 2 pp for households in Q4. Increases in new high-quality loans and NPL write-offs drove the NPL ratio reduction during the year.

Figure 28. NPL ratio of loan portfolios across groups of banks



At all banks, including insolvent ones. Excluding off-balance-sheet liabilities. Retail loans include loans to sole proprietors.

Figure 29. Non-performing exposures (NPE, UAH billions) and provision coverage ratio



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

## Funding

Bank liabilities rose 12.3% qoq and 16.1% yoy in Q4, fueled by growth in business and household deposits. Overall, client deposits have been growing relatively steadily in recent years, making up over 90% of bank liabilities. Liabilities were increasing across all groups of banks. Liabilities of private banks and PrivatBank increased the most during the quarter, by 19.1% and 12.6%, respectively.

Figure 30. Liabilities by groups of banks, UAH billions

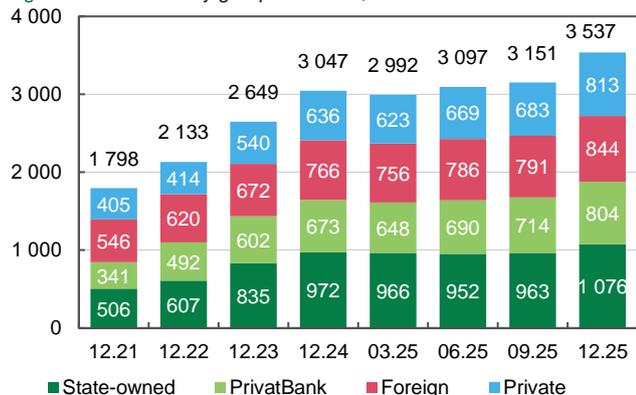
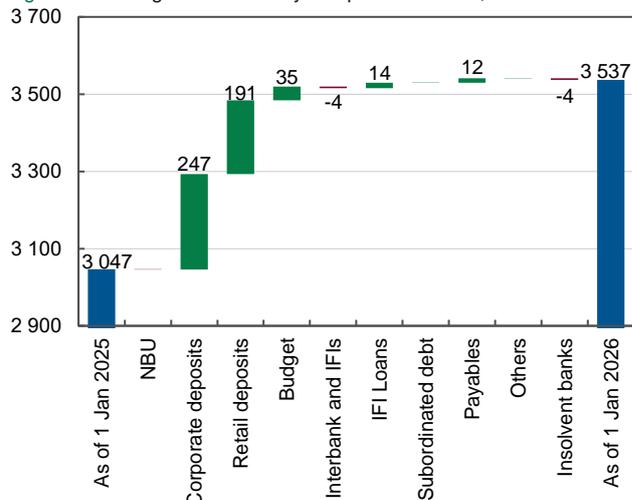


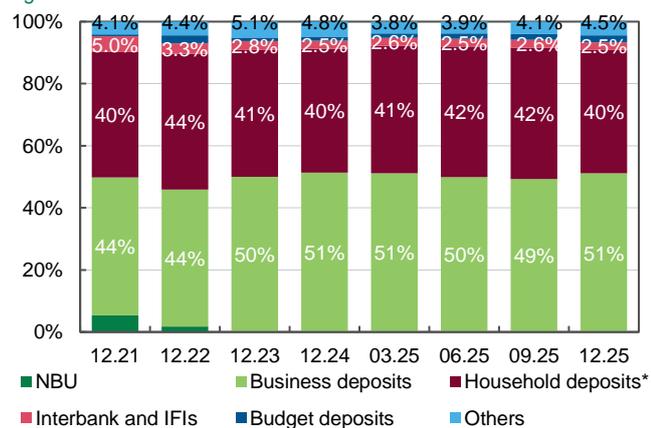
Figure 31. Change in liabilities by component in 2025, UAH billions



At banks that were solvent at each reporting date.

Client deposits as a share of liabilities edged 0.6 pp lower in Q4, to 90.9%, due to increases in taxes payable and government funds. Overall, the liabilities breakdown hasn't changed significantly in a long while.

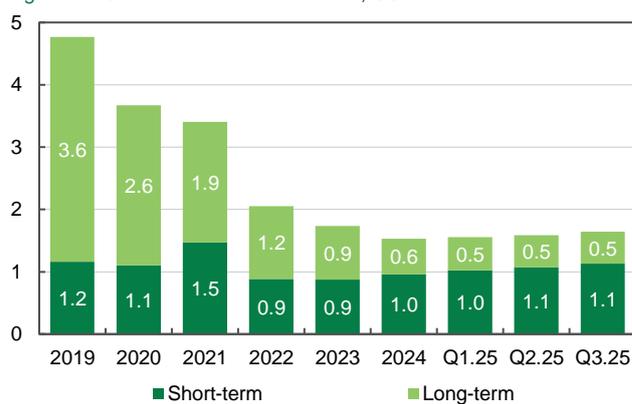
Figure 32. Breakdown of banks' liabilities



\* Including certificates of deposit.

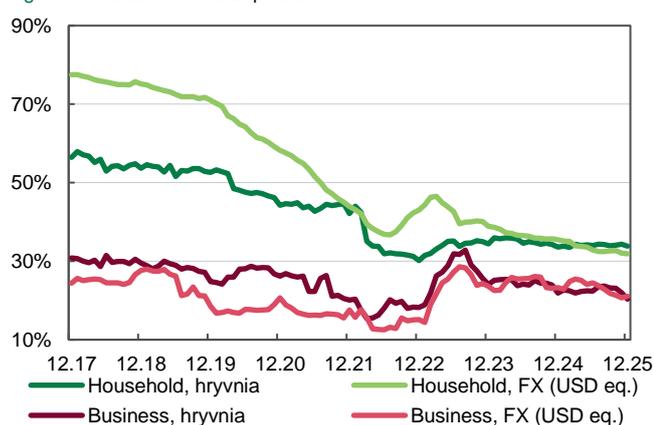
In Q3 2025, gross external debt was up 3.7% qoq (+3.3% yoy), to about USD 1.6 billion, as short-term borrowing edged higher.

Figure 33. Gross external debt of banks, USD billions



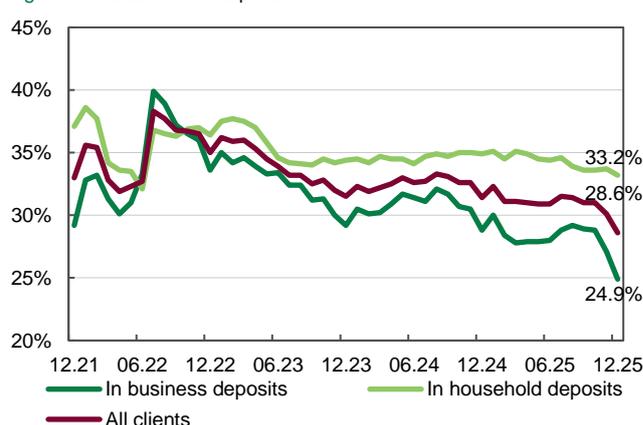
The share of hryvnia household term deposits was almost unchanged over the quarter, down just 0.1 pp, to 33.8% (up 0.3 pp over the year), due to demand deposits growing faster. The share of hryvnia business deposits dropped 2.9 pp over the quarter, to 20.3%.

Figure 34. Share of term deposits



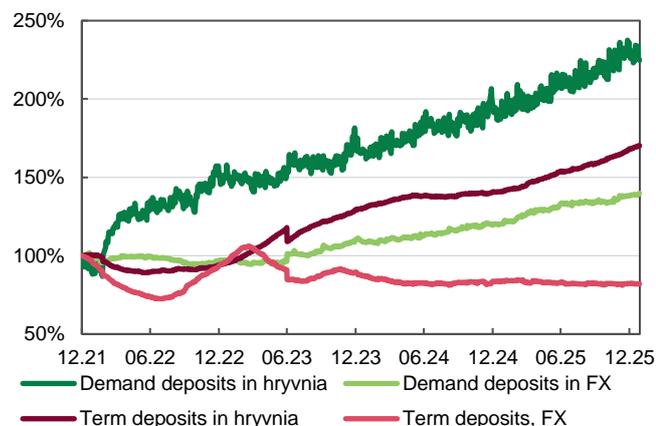
The dollarization rate of client deposits fell 2.4 pp for the quarter due to significant hryvnia inflows into business and household accounts in December. In annual terms, the dollarization rate was down 2.8 pp, to 28.6%. The share of FX household deposits shed 0.4 pp (-1.7 pp over the year), to 33.2%.

Figure 35. Share of FX deposits



In Q4, hryvnia household deposits rose 6.3% (18.6% yoy), while FX ones were up 2.2% (9.5% yoy). At the same time, hryvnia term deposits added 6.0% qoq, while demand deposits increased 6.4% qoq.

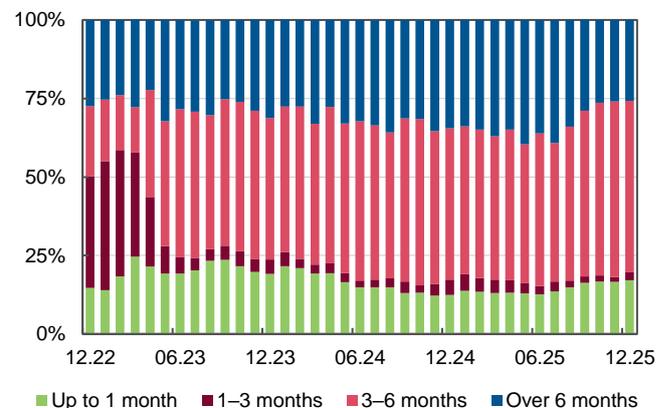
Figure 36. Retail deposits, 2021 = 100%\*



\* Daily data of solvent banks as of 1 January 2026.

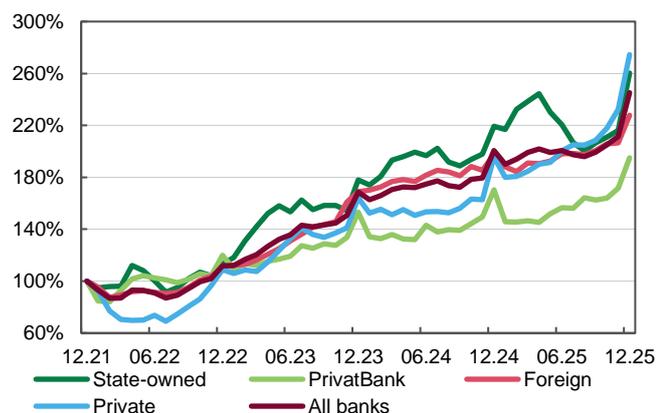
Deposits maturing in up to three months increased as a share of new deposits for the second straight quarter, by a total of 1.4 pp qoq. The percentage of deposits with maturities between 3 and 6 months rose 1.8 pp, while that of deposits with over six months' maturity shrank 3.3 pp. All in all, the share of new deposits with maturities over three months is at 80.3%.

Figure 37. New retail term deposits by maturity



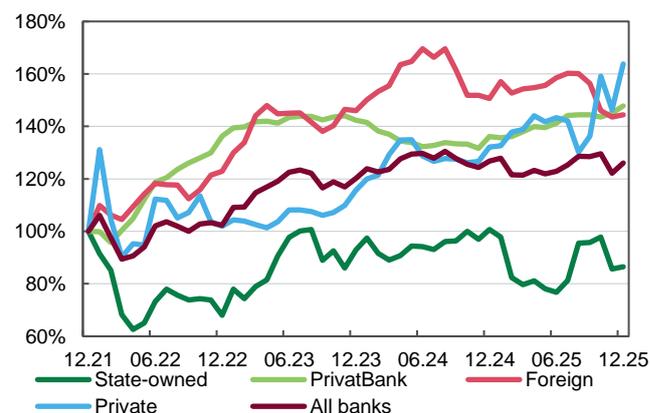
Hryvnia business deposits grew 22.9% qoq (22.2% yoy). Outstanding deposits grew in all groups of banks, most significantly in private and state-owned ones (excluding PrivatBank), by 31.7% and 26.1%, respectively. FX deposits decreased 5.0% qoq. The most notable drop occurred at state-owned (excluding PrivatBank) and foreign banks, down 10.3% for either group. In contrast, private banks and PrivatBank saw their deposits rise 12.4% and 0.4%, respectively.

Figure 38. Hryvnia corporate deposits by groups of banks, 2021 = 100%



At banks that were solvent as of 1 January 2026.

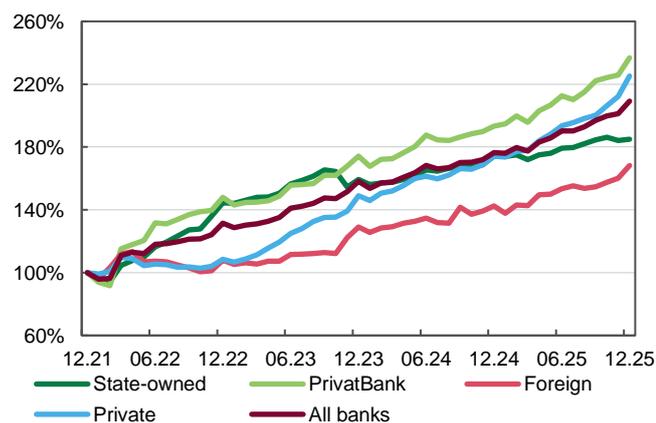
Figure 39. FX corporate deposits (in the US dollar equivalent) by groups of banks, 2021 = 100%



At banks that were solvent as of 1 January 2026.

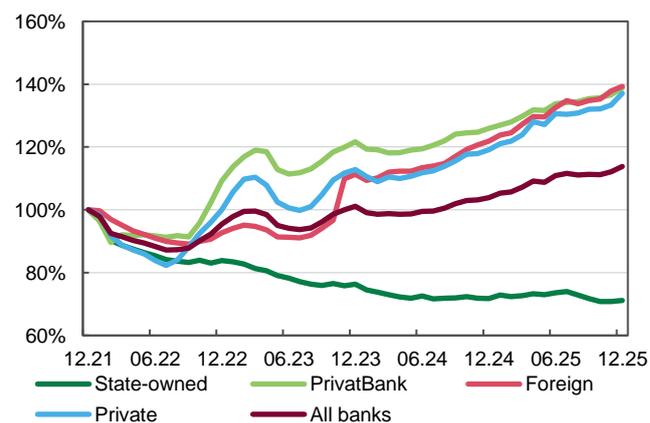
Hryvnia deposit inflows from households accelerated in Q4, rising 6.3% qoq and 18.6% yoy, in an uptrend that started in Q2 2024. During the quarter, all groups of banks were accumulating household deposits. Deposits with private and foreign banks grew the most, by 12.5% and 8.7% qoq, respectively. FX deposits rose 2.2% qoq (+9.5% yoy). Term deposits were up only marginally, unlike demand deposits.

Figure 40. Hryvnia retail deposits by groups of banks, 2021 = 100%



At banks that were solvent as of 1 January 2026.

Figure 41. FX retail deposits (in USD equivalent) by groups of banks, 2021 = 100%

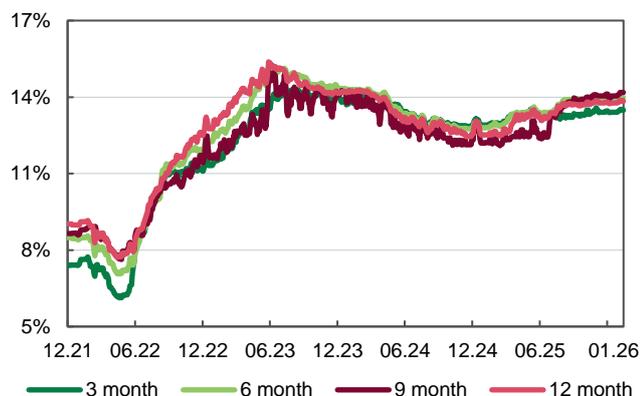


At banks that were solvent as of 1 January 2026.

## Interest rates

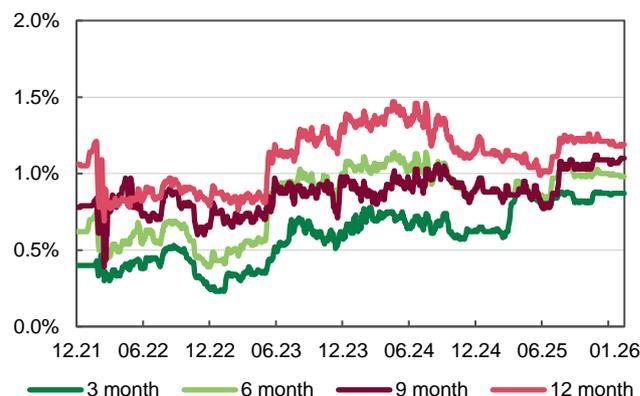
The cost of 12-month hryvnia deposits rose by a mere 0.1 pp over the quarter, to 13.8% per annum, and by another 0.1 pp in January. The spread between one-year and three-month hryvnia deposits remained at 0.4 pp or so. Rates increased 0.8 pp in 2025 as a whole.

Figure 42. Ukrainian Index of Retail Deposit rates in hryvnia, % per annum\*



\* According to Thomson Reuters, 5-day moving average.

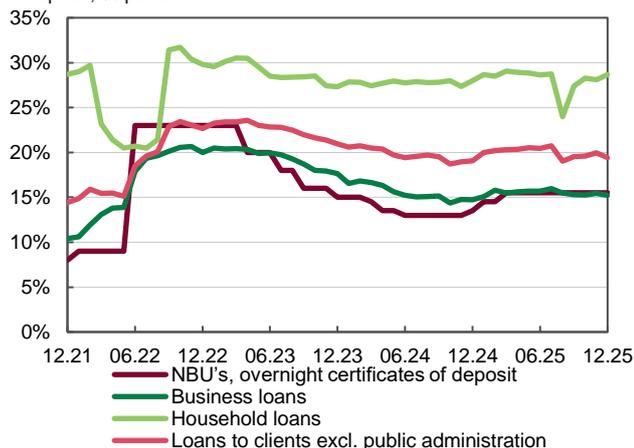
Figure 43. Ukrainian Index of Retail Deposit rates in USD, % per annum\*



\* According to Thomson Reuters, 5-day moving average.

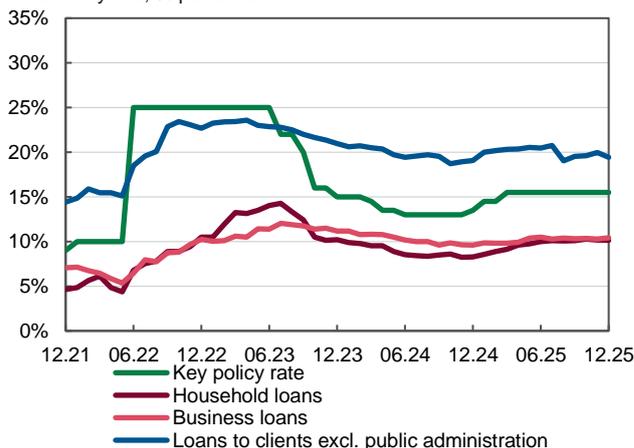
Rates on new hryvnia loans to businesses rose in November and declined in December to 15.2% per annum (-0.1 pp for the quarter), while rates on new hryvnia loans to households increased 1.3 pp, to 28.7% per annum, over the quarter. Rates on new loans changed incrementally, by up to 0.1 pp. For households, the average rate was 10.4% per annum, for businesses, 10.1% per annum.

Figure 44. Interest rates on new loans\* in hryvnia and NBU certificates of deposit, % per annum



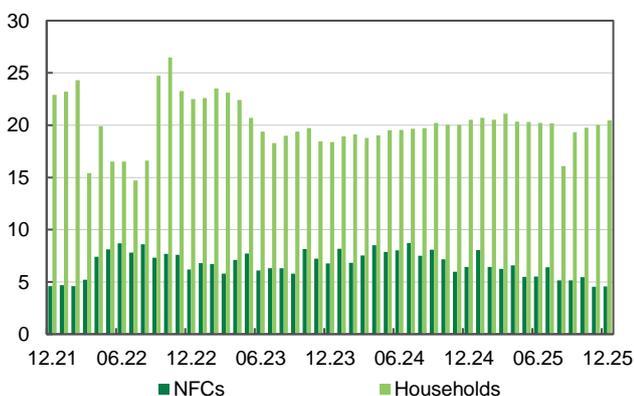
\* No loan rescheduling or any other amendments to lending terms.

Figure 45. NBU key policy rate and interest rates on new deposits and loans in hryvnia, % per annum



The spread between interest rates on new loans and deposits in the business segment narrowed. Asset yields edged lower, while the cost of funding held steady. This pushed the interest margin down 0.1 pp, to 7.7%.

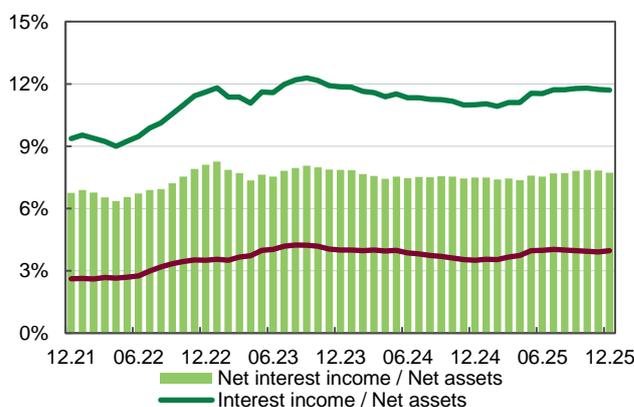
Figure 46. Spread between rates on new\* loans and deposits, pp



Including insolvent banks.

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

Figure 47. Net interest margin\* of banks



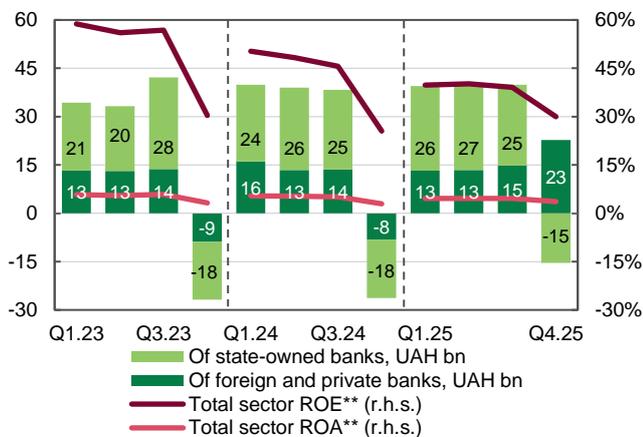
Including insolvent banks.

\* The ratio of net interest income to trailing average of net assets for the reporting month and previous two months.

## Financial Performance

In 2025, the banks made profits of UAH 126.8 billion, +39.4% yoy. In Q4, they posted only UAH 7.3 billion in profit after PrivatBank booked a loss due to an additional tax.

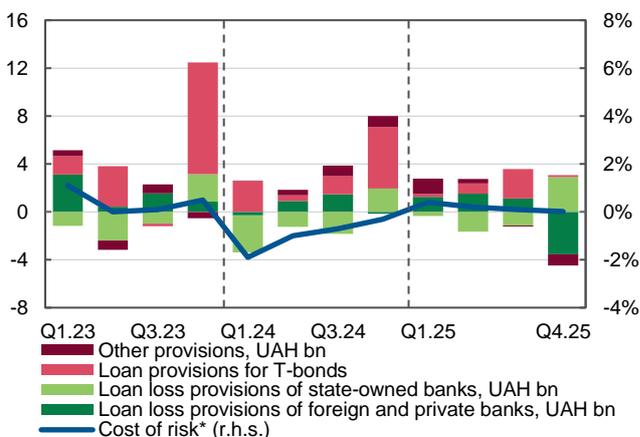
Figure 48. Banks' profit or loss, return on equity, and return on assets



\* Data for December 2023 and December 2024 show retrospective adjustment of income tax for the year at the rate of 50%.  
 \*\* Cumulative year-to-date.

Provisioning was moderate during the year. COR on loans was close to zero, -0.2% for Q4. UAH 3.7 billion in provisions for domestic government debt securities was made over the year, most of it in Q3.

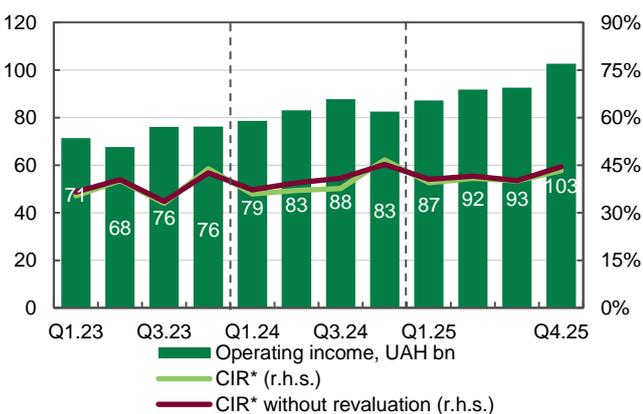
Figure 49. Provisioning, quarterly



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

The sector's operating efficiency (CIR) deteriorated slightly, to 43.3% in Q4 compared to 40% the quarter before. It remained high for the year overall, at 40.9%.

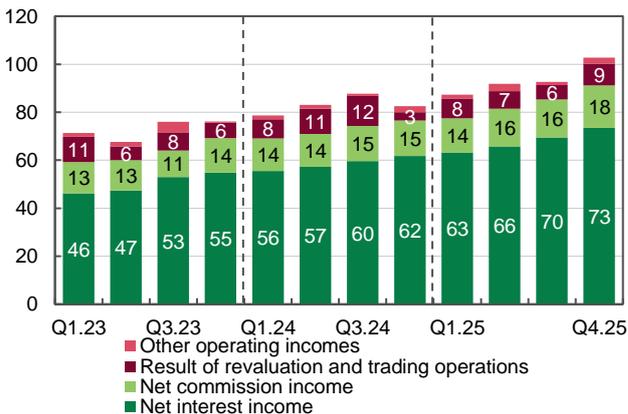
Figure 50. Operating income and operational efficiency of banks



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

Net interest income rose 16.1% yoy over the year, and net fee and commission income increased 12.5% yoy. For Q4, these numbers were up a respective 19.0% yoy and 19.7% yoy.

Figure 51. Operating income components for the period, UAH billions



During the year, asset yields were slightly higher than a year ago. In Q4, it slid a little because of a lower yield on domestic government debt securities. The cost of liabilities is slightly higher than last year. In Q4, its changes were incremental.

Figure 52. Ratio of interest income components to net assets

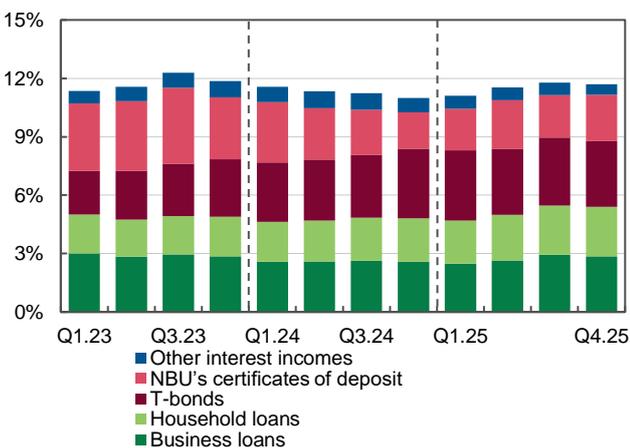
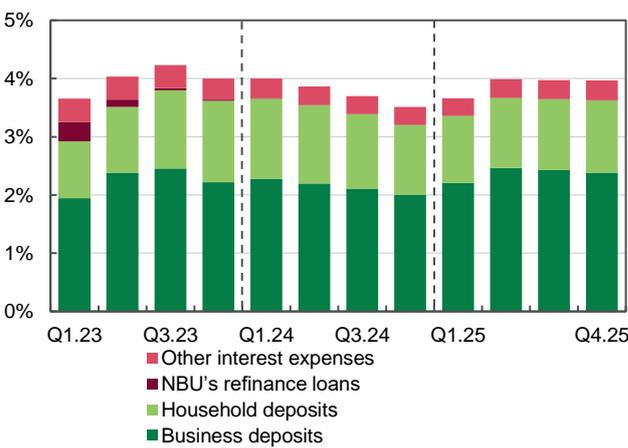


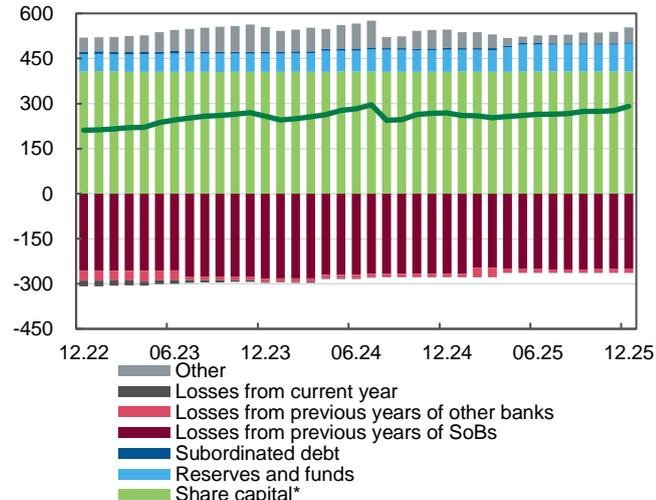
Figure 53. Ratio of interest expenses components to net assets



## Capital

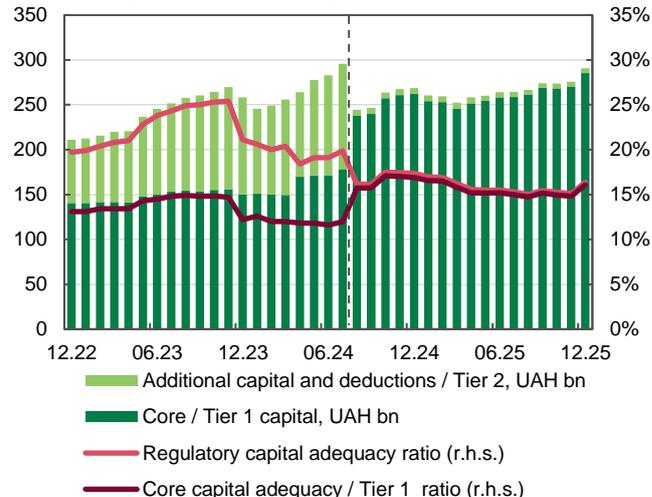
As of end-December, the banks' regulatory capital adequacy ratio was 16.4% and Tier 1 ratio 16.1%. Regulatory capital grew 8.2% yoy and 6.1% qoq, including due to more provisioning. Authorized capital was almost flat.

Figure 54. Banks' regulatory capital, UAH billions



\* Includes registered and non-registered share capital.

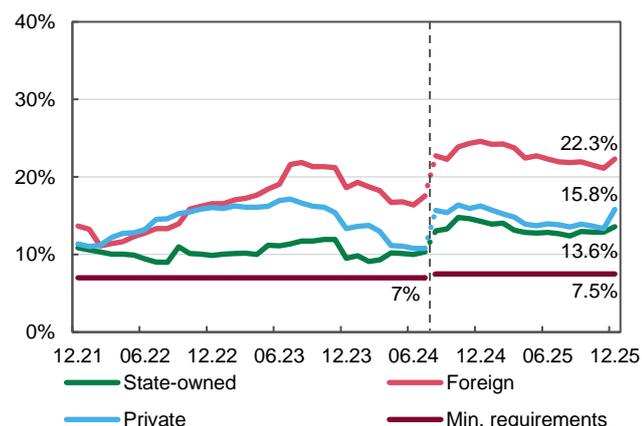
Figure 55. Regulatory capital and regulatory capital adequacy ratios



As from 1 January 2024, 100% of the amount of operational risk is taken into account when calculating capital adequacy ratio.

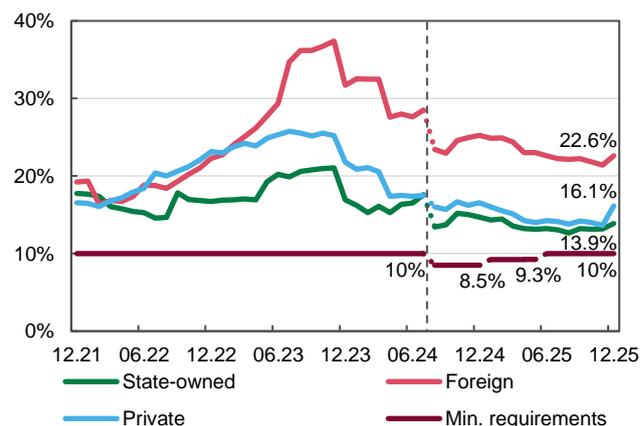
The Tier 1 capital and regulatory capital adequacy ratio remained at its lowest in state-owned banks (around 14%), and at its highest at foreign banks (some 22.5%). The average ratios across all groups were above the minimum requirements.

Figure 56. Core capital adequacy / Tier 1 ratios by groups of banks



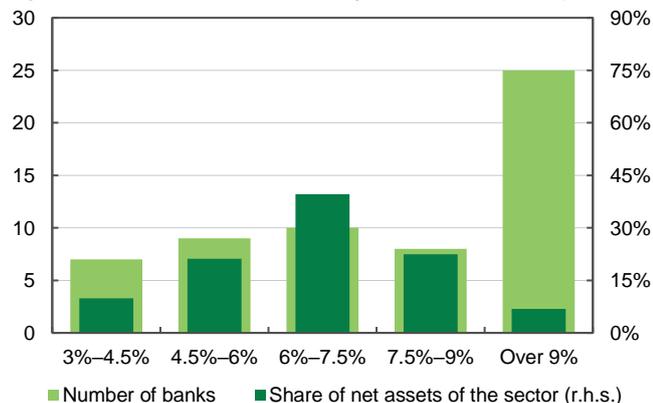
From 1 January 2024, 100% of the operational risk is taken into account when calculating capital adequacy ratios. From 1 May 2024, the calculation has been updated based on current reporting data.

Figure 57. Regulatory capital adequacy ratios by groups of banks



On average, the banking sector's leverage ratio edged 0.3 pp lower during the quarter, to 6.9%, but remained far above the minimum required ratios in all groups of banks. At the end of December, none of the banks were in breach of this ratio.

Figure 58. Distribution of banks' leverage ratios as of 1 January 2026



Implemented on 1 September 2025; required level – no less than 3%.

Figure 59. Leverage ratios by group of banks

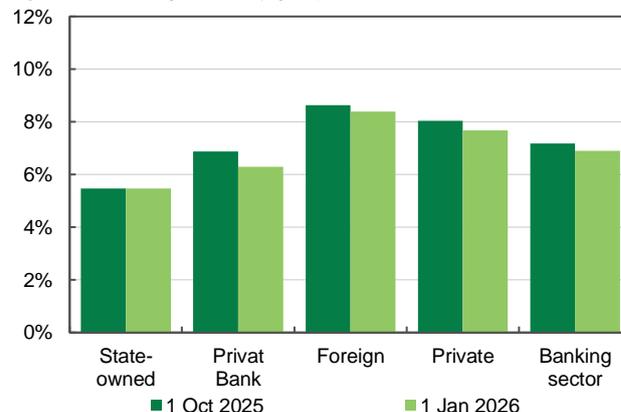


Table 2. Key banking sector indicators<sup>1</sup>

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Number of operating banks</b>	77	75	73	71	67	63	61	60
<b>General balance sheet indicators (UAH billion)<sup>2</sup></b>								
Total assets	1 911	1 982	2 206	2 358	2 717	3 311	3 767	4 181
of which in foreign currencies:	779	718	746	679	820	923	1 055	1 091
Net assets	1 360	1 493	1 823	2 053	2 352	2 945	3 415	4 001
of which in foreign currencies:	495	492	585	583	731	830	960	1 017
Gross corporate loans <sup>3</sup>	919	822	749	796	801	784	851	870
of which in foreign currencies:	460	381	332	292	281	268	284	315
Net corporate loans <sup>3</sup>	472	415	432	540	529	511	589	774
Gross SME loans	445	432	451	468	455	483	509	457
of which in foreign currencies:	180	159	162	127	100	114	111	122
Net SME loans	339	205	232	263	246	268	306	407
of which in foreign currencies:	102	89	101	87	70	80	77	99
Net loans to SMEs that do not belong to groups <sup>7</sup>	-	62	63	71	61	63	74	85
of which in foreign currencies:	-	22	24	18	15	13	13	13
Gross retail loans	197	207	200	243	210	223	274	342
of which in foreign currencies:	61	38	31	21	13	12	11	10
Net retail loans	114	143	149	200	134	160	222	297
Corporate deposits <sup>3</sup>	430	525	681	800	943	1 322	1 564	1 808
of which in foreign currencies:	150	191	233	233	317	386	450	451
Retail deposits <sup>4</sup>	508	552	682	727	933	1 084	1 216	1 407
of which in foreign currencies:	241	238	285	270	340	373	424	468
<b>Change (yoy, %)</b>								
Total assets	3.8%	3.7%	11.3%	6.9%	15.2%	21.9%	13.8%	11.0%
Net assets	1.9%	9.8%	22.1%	12.6%	14.5%	25.2%	16.0%	17.2%
Gross corporate loans <sup>3</sup>	6.3%	-10.6%	-8.8%	6.2%	0.7%	-2.2%	8.5%	2.3%
Net corporate loans <sup>3</sup>	4.7%	-12.1%	4.2%	24.8%	-1.9%	-3.6%	15.3%	31.6%
Gross retail loans	15.3%	5.0%	-3.5%	21.6%	-13.5%	6.0%	23.2%	24.6%
Net retail loans	24.6%	24.6%	4.2%	34.7%	-32.9%	18.8%	39.3%	33.7%
Corporate deposits <sup>3</sup>	0.8%	22.1%	29.7%	17.4%	17.9%	40.2%	18.3%	15.6%
Retail deposits <sup>4</sup>	6.3%	8.6%	23.5%	6.6%	28.4%	16.1%	12.2%	15.7%
<b>Penetration<sup>5</sup> (%)</b>								
Gross corporate loans <sup>3</sup> / GDP	25.8%	20.7%	17.7%	14.6%	15.3%	11.8%	11.1%	9.8%
Net corporate loans <sup>3</sup> / GDP	13.3%	10.4%	10.2%	9.9%	10.1%	7.7%	7.7%	8.7%
Gross retail loans / GDP	5.5%	5.2%	4.7%	4.5%	4.0%	3.4%	3.6%	3.8%
Net retail loans / GDP	3.2%	3.6%	3.5%	3.7%	2.6%	2.4%	2.9%	3.3%
Corporate deposits <sup>3</sup> / GDP	12.1%	13.2%	16.1%	14.7%	18.0%	19.9%	20.4%	20.3%
Retail deposits/GDP	14.3%	13.9%	16.2%	13.3%	17.8%	16.4%	15.9%	15.8%
<b>Profit or Loss<sup>6</sup> (млрд грн) / (UAH billion)</b>								
Net interest income	73.0	78.9	84.8	117.6	151.7	201.4	234.3	271.9
Net fee and commission income	37.8	44.0	46.5	58.0	50.2	51.1	56.5	63.6
Provisions	23.8	10.7	31.0	3.4	121.2	17.7	9.6	4.5
Net profit/loss	22.3	58.4	39.7	77.4	21.9	83.0	90.9	126.8
<b>Memo items:</b>								
UAH / USD (period average)	27.20	25.85	26.96	27.29	32.34	36.57	40.15	41.69
UAH / USD (end-of-period)	27.69	23.69	28.27	27.28	36.57	37.98	42.04	42.39
UAH / EUR (period average)	32.14	28.95	30.79	32.31	33.98	39.56	43.45	47.06
UAH / EUR (end-of-period)	31.71	26.42	34.74	30.92	38.95	42.21	43.93	49.86

<sup>1</sup> Data for solvent banks for each reporting date. <sup>2</sup> Including accrued income / expenses. <sup>3</sup> Including non-bank financial institutions. <sup>4</sup> Including certificates of deposit. <sup>5</sup> GDP in 2014–2025 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 2025 are based on GDP estimates from the January 2026 Inflation Report. <sup>6</sup> Including adjusting entries. <sup>7</sup> By belonging to groups of legal persons under common control or groups of related counterparties (in accordance with NBU Board resolutions No. 368 dated 28 August 2001, as amended, and No. 351 dated 30 June 2016, as amended).

**Notes.**

The source for the data is the National Bank of Ukraine, unless otherwise noted. Data for 2022–2024 and the first nine months of 2025 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, First Investment Bank JSC (PINbank) from March 2024, and MOTOR-BANK JSC from September 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 banks that merged with other banks using a simplified procedure.

The 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, unless otherwise specified. If PrivatBank is mentioned separately on a chart, it is not included into the group of state-owned banks.

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
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
ROA	Return on assets
ROE	Return on equity
SMEs	Micro-, small and medium-sized enterprises.
UFHC	Ukrainian Financial Housing Company
UIRD	Ukrainian Index of Retail Deposit Rates
pp	Percentage point
EUR	Euro
UAH	Ukrainian hryvnia
USD	United States dollar
Q	Quarter
M	Month
mn	Million
bn	Billion
tn	Trillion
r.h.s.	Right-hand scale
yoy	Year-on-year
qoq	Quarter-on-quarter