



National Bank
of Ukraine

Consolidated Financial Statements and Consolidated Management Report

for the Year Ended
31 December 2024





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of Ukraine

Consolidated Management Report

for the Year Ended 31 December 2024

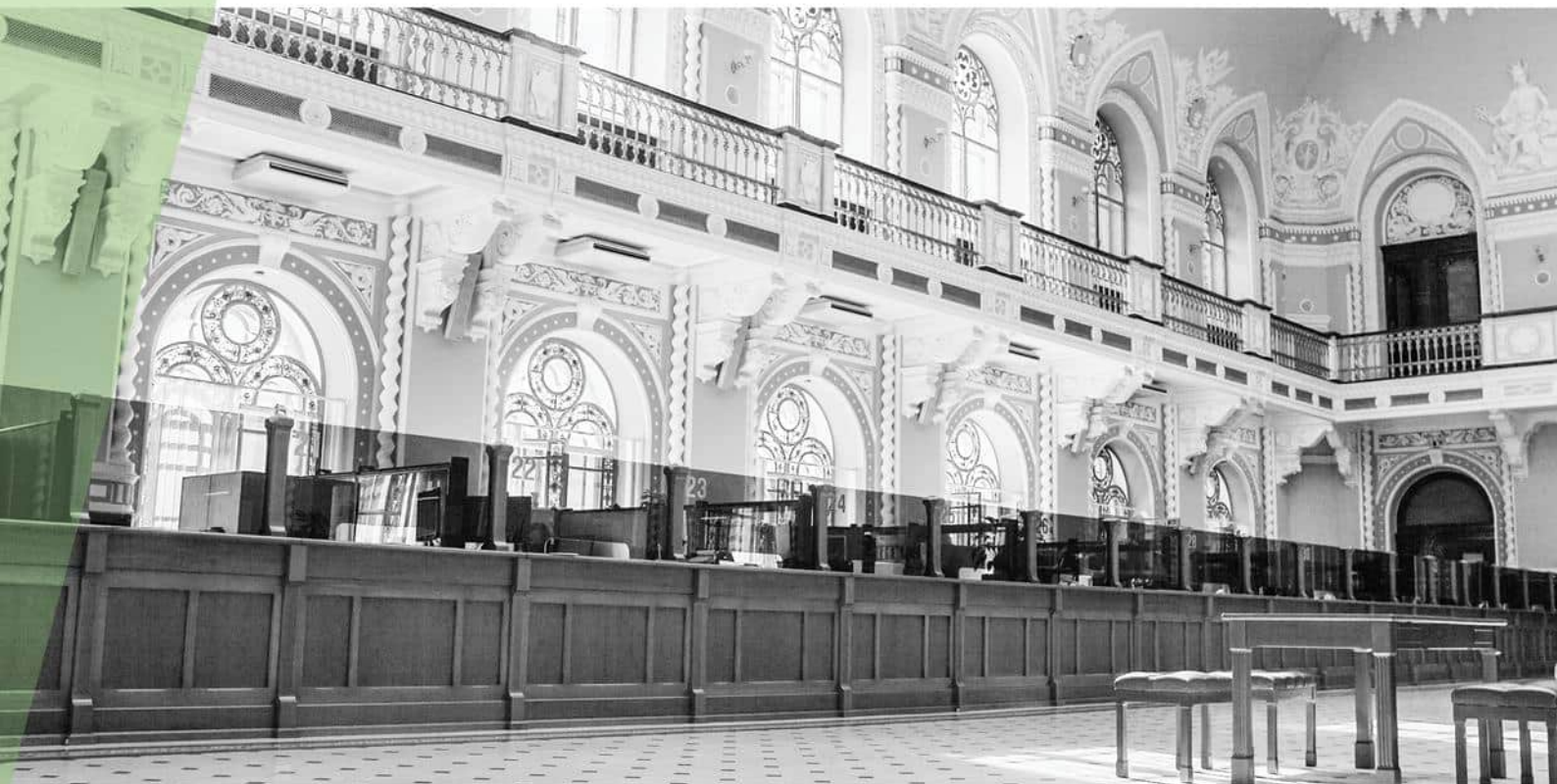


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Part 1. Nature of Operations

1.1. General Information about NBU

The National Bank of Ukraine (NBU) is Ukraine's central bank. Its operations are governed by Ukraine's Constitution, Ukraine's law On the National Bank of Ukraine (hereinafter referred to as "the NBU Law") as well as Ukrainian regulations.

In accordance with Ukrainian legislation, the main function of the NBU is safeguarding the stability of the Ukrainian national currency. In performing its main function, the NBU must be guided by the priority of achieving and maintaining price stability in the country.

As of 31 December 2024 and 2023, the NBU's structure comprised the units of the Head Office and the Banknote Printing and Minting Works of the National Bank of Ukraine (BPMW) – a standalone unit of the bank. These units operate within the scope of the NBU's tasks and functions, as stipulated by the NBU Law.

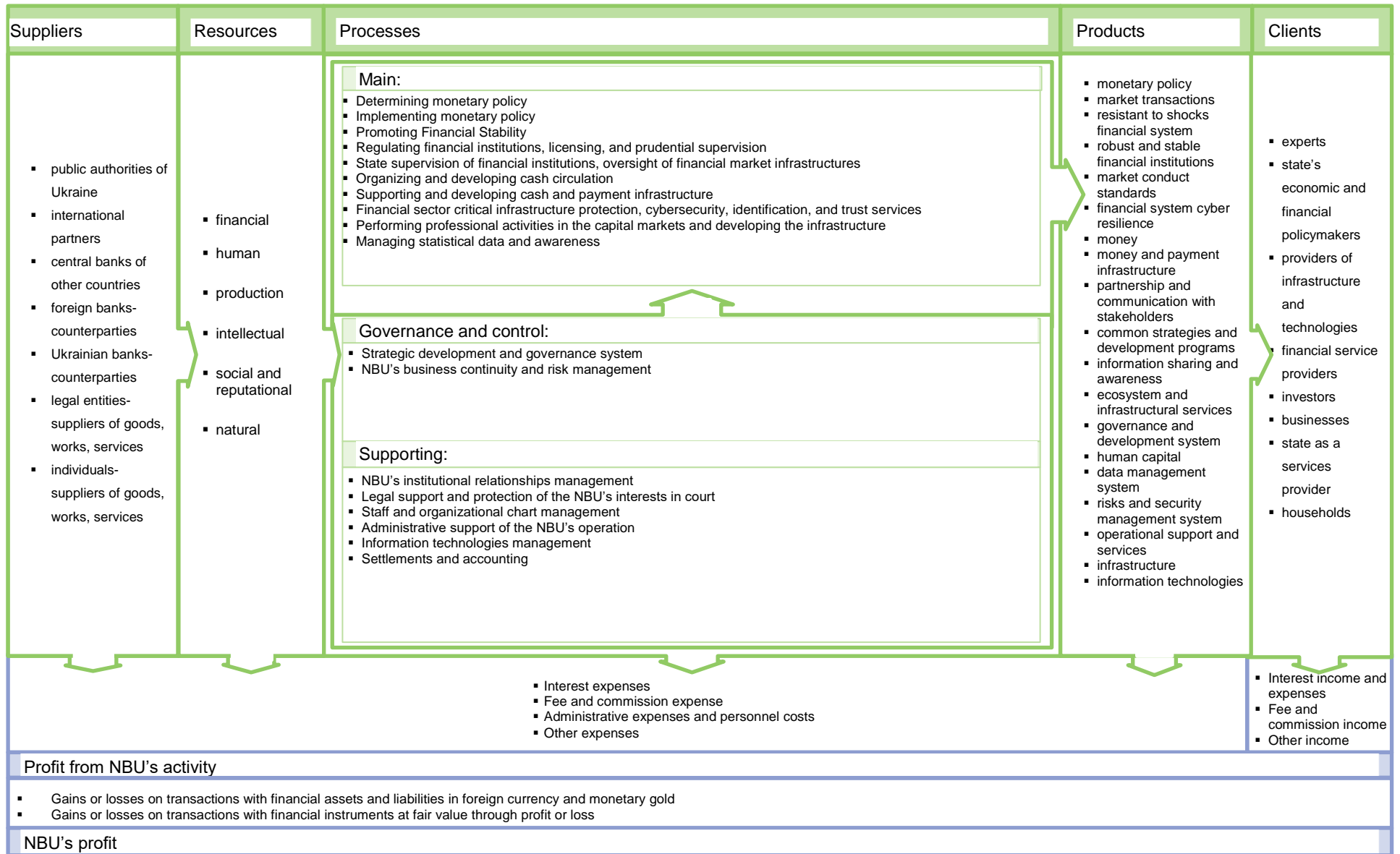
The NBU's subsidiary is the SETTLEMENT CENTER FOR SERVICING FINANCIAL MARKET AGREEMENTS PJSC (the Settlement Center).

Under Ukrainian legislation, the Settlement Center carries out professional activities in capital markets, clearing activities to identify liabilities, and clearing activities of a central counterparty.

As of 31 December 2024 and 2023, the NBU had investments in the National Depository of Ukraine PJSC.

More detailed information about the NBU's functions, operational purpose and the participating interest in its subsidiary and associated companies is provided in Note 1 to the Consolidated financial statements for the year ended 31 December 2024 (hereinafter - the NBU's Consolidated Financial Statements).

Chart 1. Model of NBU activities



1.2. NBU Management

NBU Council

Under the Constitution of Ukraine, the main tasks of the NBU Council include developing Monetary Policy Guidelines and overseeing the conduct of monetary policy. Pursuant to the NBU Law, the main task of the NBU Council is also exercising supervision over the NBU's internal control system.

The NBU Council consists of the NBU Board members that are appointed by the Verkhovna Rada of Ukraine and the President of Ukraine. The Verkhovna Rada of Ukraine appoints four NBU Council members through the approval of respective resolution. The President of Ukraine appoints four NBU Council members by presidential decree. The NBU Governor, who is appointed by the Ukrainian parliament on the recommendation of the Ukrainian president, is a member of the Council by virtue of their position.

The tenor of members of the NBU Council is seven years, except for the NBU Governor, who is part of the NBU Council for the duration of their term of office.

Meetings of the NBU Council shall be held once a quarter. The NBU Council holds extraordinary meetings, if needed. Six members of the Council constitute a quorum. The Council organizes its work in accordance with the annual work plan approved at the Council meeting. The Council determines the rules of procedure for holding its meetings. Decisions are made by open voting. Each member of the NBU Council has one vote.

Sitting Council members that have been appointed by parliament:

Anatolii Barsukov
Vasyl Horbal
Olena Shcherbakova.

Sitting Council members that have been appointed by the President of Ukraine:

Ihor Veremii
Vasyl Furman
Andriy Pyshnyy – Governor of the National Bank of Ukraine, **member of the NBU Council** by virtue of his position.

Board of the National Bank of Ukraine

The NBU Board is responsible for managing the central bank's activities, conducting monetary policy, and performing other functions, as set forth in the NBU Law.

The NBU Board consists of seven members: The NBU Governor, the First Deputy Governor, and Deputy Governors. The NBU Governor is appointed by the Ukrainian parliament at the suggestion of the Ukrainian president, and has a tenure of seven years. All NBU Deputy Governors are appointed and

dismissed by the NBU Council at the suggestion of the NBU Governor. A meeting of the NBU Board shall be valid if at least four of its members are present. NBU Board decisions are taken on the principle of collegiality by a simple majority vote, with the Governor having the deciding vote.

NBU Board

Andriy Pyshnyy, Governor of the National Bank of Ukraine. The NBU Governor exercises general management of the central bank's activities and, in particular, supervises the activities of independent units in the following areas: human resources management, legal support, risk management system, communications, strategy and development, financial services consumer protection, security, development of the NBU's institutional relations with stakeholders, state secrets, and combating and preventing corruption.

Kateryna Rozhkova, NBU First Deputy Governor. Areas under her mandate include financial stability and methodology of regulating the activities of banks and non-bank financial institutions.

Yuriy Heletiy, Deputy Governor. He is in charge of regulating monetary and FX markets, operations on managing liquidity of the banking system, liquidity support lending to banks and the Deposit Guarantee Fund, NBU Depository and corporate rights management.

Yaroslav Matuzka, Deputy Governor. Areas under his management include accounting, financial controlling, administrative support, procurement, NBU corporate operation support, nonperforming assets management, administration of the NBU Corporate Pension Fund, and occupational, fire and environmental safety.

Sergiy Nikolaychuk, Deputy Governor. He is in charge of monetary policy and economic analysis, statistics and reporting, European integration, and international cooperation.

Dmytro Oliinyk, Deputy Governor. He oversees such areas as banking supervision, supervision of non-bank financial services providers, inspections, licensing, monitoring of related parties of banks and non-bank financial institutions, and financial monitoring.

Oleksii Shaban, Deputy Governor. He is in charge of such areas as the development and regulation of payment and settlement systems, the management of the cash circulation system and transportation of valuables, production of banknote and security paper, banknotes and coins production, information technologies, protection of critical infrastructure.

1.3. Organizational Structure. Organizational Changes in 2024

More detailed information about the NBU's organization chart is available on the NBU official website at <https://bank.gov.ua/en/about/structure#orgchart>.

In 2024, the NBU's organizational chart was modified to improve its organizational structure as follows:

- The Banks' Related Parties Monitoring Division was reorganized into the Related Parties Monitoring Office, which was assigned the functions previously performed by the Related Parties Monitoring Division and was entrusted with new functions. The purpose of the reorganization is to improve the efficiency of the functions of monitoring and identifying persons related

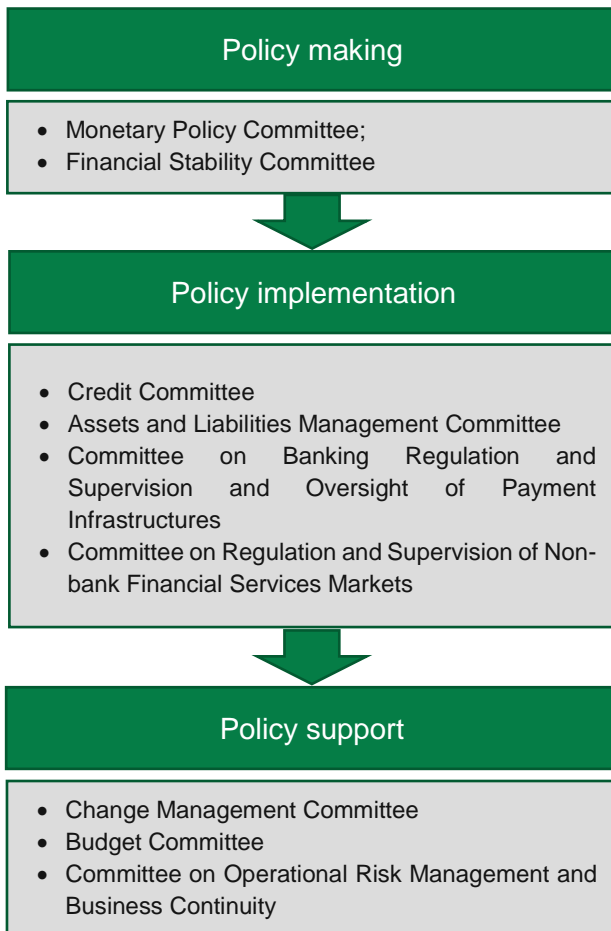
to banks and introduce monitoring and supervising persons related to non-bank financial institutions.

- The Nonbank Financial Services Market Supervision Department was reorganized into the Nonbank Financial Service Providers Supervision Department, which has been assigned all the functions of the Nonbank Financial Services Supervision Market Department and new functions. The purpose of the reorganization is to improve the efficiency of off-site supervision of the entities providing financial and/or supporting services in the non-bank financial services markets in line with the laws of Ukraine.

1.4. Structure and Composition of Management Bodies

As of 31 December 2024, the NBU Board had nine special committees. The structure of the committees covers all key activities of the NBU that require collective decisions. The committees fall into three main groups shown in Chart 2.

Chart 2. Structure and composition of corporate governance bodies



regarding the development and implementation of monetary policy. The main tasks of the Committee are:

- formulating the principles of, and conducting, monetary policy with the purpose of meeting the objectives and performing the tasks set forth in Ukrainian laws, Monetary Policy Strategy, and Monetary Policy Guidelines
- developing draft proposals on monetary policy objectives and benchmarks
- using monetary policy instruments.

Financial Stability Committee. A consultative and advisory collegial body that develops proposals and recommendations for the formulation of principles and implementation of macroprudential policy to ensure financial stability. The main tasks of the Committee are:

- identifying potential systemic risks threatening the financial stability, and preparing proposals on minimizing their adverse impact
- developing recommendations on the use of macroprudential policy instruments, their alignment with measures of monetary and macroprudential policy, and monitoring of their use
- ensuring interaction between the NBU units in developing recommendations on financial stability.

Credit Committee. A consultative and advisory collegial body established to consider/ review the issues and provide recommendations to the NBU Board regarding:

- lending to banks for the liquidity support, except for the operations with the use of standard instruments for banking system liquidity regulation, and to the Deposit Guarantee Fund

Mandate of NBU Board Committees

Monetary Policy Committee. An advisory body established to facilitate the exchange of information and opinions

- provisioning (release) and use of reserves to cover financial risks related to the NBU assets impairment (including loans, securities), except for receivables
- debt workout of the banks classified as insolvent under loans issued by the NBU
- the methodology of credit risk assessment (collateral appraisal) under the NBU's transactions and credit risk management.

Assets and Liabilities Management Committee. A collegial body mandated by the NBU Board to make decisions concerning the management of assets and liabilities, including Ukraine's gold and foreign exchange (international) reserves, and to monitor risks and financial performance on transactions with the NBU's assets and liabilities. The main tasks of the Committee are:

- formulating and implementing the policy of efficient management of assets and liabilities, including international reserves
- defining and implementing the NBU's investment strategy under transactions on international reserves allocation
- determining actions on open markets
- defining and implementing the policy of managing financial risks to the international reserves as well as the NBU's market risks
- monitoring market risks and financial performance under transactions with the NBU's assets and liabilities.

Committee on Banking Regulation and Supervision and Oversight of Payment Infrastructures A collegial body mandated by the NBU Board with special powers on banking regulation and supervision, currency supervision, state regulation and supervision of financial monitoring, oversight of payment infrastructures, monitoring compliance with laws and regulations on the consumer rights in financial and payment services. The main tasks of the Committee are:

- ensuring stability and reliability of the Ukrainian banking system and protecting interests of banks' depositors and other creditors
- solving priority issues of supervision over banks, their standalone units and branches of foreign banks, and activities of the Ukrainian banking sector
- identifying trends in the banking system development and submitting respective proposals to the NBU Board (if needed)
- ensuring work coordination of the NBU structural units engaged in banking supervision, including improvement of information flows and further development of procedures for prompt and efficient decision-making and response to the banks' activities
- imposing enforcement measures and sanctions for violations of the banking, currency laws of Ukraine, Ukrainian laws on financial monitoring, NBU regulations, including the regulations on implementing special economic and other restrictive measures (sanctions) (hereinafter referred to as the "sanctions laws"), NBU requirements set pursuant to Articles 66 and 67 of the

Law of Ukraine *On Banks and Banking*, Ukrainian laws on protection of critical infrastructure, cybersecurity, and information security, on protection of consumer rights in financial and payment services, laws that regulate activities on the payment market and in the event of insufficient risk management measures taken to protect interests of payment services consumers, or in the case of the banks' risky operations threatening to the interests of depositors or other banks' creditors, as well as in the case of applying by the foreign states, interstate associations, or international organizations of sanctions to banks or qualifying holders in the banks that threaten the interests of depositors or other banks' creditors, and/or banking system stability

- implementing the measures for prevention of crimes and offences in the banking system
- assisting in improvement of the legal framework on banking regulation and supervision, currency supervision, state regulation and supervision in financial monitoring, supervision over compliance with the sanctions laws, oversight of payment infrastructures and monitoring of compliance with laws and regulations on the consumer rights in financial/payment services by initiating new NBU regulations and laws of Ukraine and amending the existing ones
- approving and rejecting the appointment of chief executive officer (except for the chairperson of the management board) of a bank or a foreign bank's subsidiary, chief risk officer, chief compliance officer, head of the internal audit unit (candidates for these positions), employee in charge of financial monitoring of a bank or a foreign bank's subsidiary; taking a decision on fitness or unfitness of the chief executive officer (except for the chairperson of the management board), chief risk officer, chief compliance officer, head of the internal audit unit of a bank or a foreign bank's subsidiary, and employee who is a member of the management board in charge of financial monitoring of a bank or a foreign bank's subsidiary to the qualification requirements established by the laws of Ukraine and NBU regulations regarding independent director and/or independence requirements for members of the supervisory board of a state-owned bank, and/or requirements of Article 7 of the Law of Ukraine *On Banks and Banking*
- ensuring the NBU's functions on registration and licensing of banks, accreditation of subsidiaries and representative offices of foreign banks in the territory of Ukraine, and registration of payment systems.

Committee on Regulation and Supervision of Non-bank Financial Services Markets. A collegial body to which the NBU Board delegated special powers of state regulation and supervision over non-bank financial services markets, including imposing the enforcement measures, including penalty sanctions (fines) envisaged by Ukrainian laws on non-bank financial services market participants and debt collection agencies, in the following areas:

- supervising participants in non-banking financial services markets and regulating activities in non-banking financial services markets, including maintaining state registers of financial institutions and registers of entities that are not financial institutions but are authorized to provide certain financial services, and licensing financial services
 - exercising supervision over compliance of financial institutions (other than banks), entities other than financial institutions that are licensed to provide certain financial services, persons providing intermediary services in non-banking financial services markets, including credit intermediaries, and debt collectors, with laws and regulations regarding the protection of consumer rights in financial services, including requirements for interaction with the consumers when resolving past-due debts (ethical conduct requirements), and monitoring compliance with Ukrainian legislation on advertising that governs advertising in financial services
 - currency supervision in the non-bank financial services markets over non-bank financial institutions and postal service operators
 - state regulation and supervision of reporting institutions other than banks, in the AML/CFT areas in the non-bank financial services markets and implementation and monitoring of the effectiveness of personal special economic and other restrictive measures (sanctions).
- debt collection agencies and non-bank financial institutions that are lenders and grant new loans
 - non-bank financial groups and institutions listed in NBU regulations on organization and conducting supervision in the area of financial monitoring, currency supervision, and supervision over the imposition and monitoring of personal special economic and other restrictive measures (sanctions)
 - promoting the improvement of the legal framework for regulation and supervision of non-bank financial markets, currency supervision, state regulation and supervision in the area of financial monitoring, protection of consumer rights in non-bank financial services, provision of recommendations on amending the NBU regulations
 - exercising the NBU's functions in the area of registration and licensing of participants of non-bank financial services markets
 - ensuring exercising of the NBU functions in the area of protection of consumer rights in non-bank financial services.

The main tasks of the Committee are:

- ensuring stability and reliability of non-bank financial markets of Ukraine
- protecting consumer rights in non-bank financial services
- solving issues of supervision and regulation of Ukrainian non-bank financial services markets, including with regard to debt collection agencies in the area of consumer lending
- defining development trends of non-bank financial services markets and submitting respective proposals to the NBU Board (if needed)
- ensuring coordination of the units work in supervision over the non-bank financial markets, improving information exchange, further development of the procedures for prompt and efficient decision-making and response to the operations in non-bank financial markets, including consumer lending as regards the collection agencies' activities
- applying enforcement measures and penalties for violation of laws on non-bank financial services, laws on protection of consumer rights in non-bank financial services, currency legislation, laws on financial monitoring, or laws on applying and monitoring of effectiveness of imposed personal special economic and other restrictive measures (sanctions), including NBU regulations, by the following supervised entities:
 - legal persons/individuals providing one or more financial services and other services (transactions) related to provision of financial services, except for banks and subjects of payment systems oversight
 - managing the strategic initiatives implementation within the NBU Strategy and Financial Sector Strategy that meet the criteria and attributes of project activities, or those implemented within the changes to the NBU processes without launching the respective projects
 - approving the introduction of new information systems and technologies and software complexes implemented within the project activities
 - consideration of introduction of the innovative financial products / services at the NBU.

Change Management Committee. A collegial consultative and advisory body of the NBU Board established to manage project activities at the NBU, with the purposes of implementing changes to build a modern, institutionally capable central bank and financial sector, including the Ukrainian banking system. The main tasks of the Committee are:

Committee on Operational Risk Management and Business Continuity A collegial advisory body established to promote a culture of operational risk management, raise awareness of the NBU's employees on operational risk management, organize a business continuity management system (including in a special period), and organize an internal control system. The main tasks of the Committee are consideration and provision to the NBU Board of recommendations, proposals on operational risk management, business continuity management (including during a special period), organization of the NBU internal control system.

Budget Committee. A collegial consultative and advisory body set up to ensure the professional discussion of the issues related to the support of NBU's activities, with the ultimate goal of improving the quality of managerial decisions. The main tasks of the Committee are:

- promoting the formation and implementation of the NBU's policy aimed at raising the efficiency of its financial resources management
- performing the cost management process, including the budgeting process and its integration with the strategy planning process aiming at the development of an integral system of the NBU's activities management
- promoting the implementing the cost management process at the NBU to reinforce the economic justification of managerial decisions in the NBU's financial and economic activities.

In 2024, the structure of the NBU's committees remained unchanged. During the reporting period, the powers of the Committee on Banking Regulation and Supervision and Oversight of Payment Infrastructures were supplemented and clarified to ensure their compliance with changes in Ukrainian law.

Mandates of the NBU Council Committees

In accordance with Article 9 of the NBU Law, the powers of the NBU Council include creating and determining the composition and chairpersons of the Audit Committee and

other working bodies of the NBU Council. NBU Council working bodies are the Audit Committee and the Monetary Policy and Financial Stability Committee.

The Audit Committee of the NBU Council was established pursuant to the NBU Law. The committee's main objective is to assess reliability and effectiveness of the NBU's internal control system, and completeness and accuracy of its annual financial statements. The Audit Committee is an advisory working body of the NBU Council and operates on the basis of the regulation approved by the NBU Council.

In addition to members of the NBU Council, independent experts may be members of the Audit Committee. The Audit Committee cannot have more than five members. As of 31 December 2024, the Audit Committee consisted of three members of the NBU Council and one independent expert.

Monetary Policy and Financial Stability Committee of the NBU Council is another advisory working body of the NBU Council. Its main task is to develop and submit draft decisions and other materials for the NBU Council's consideration pursuant to the NBU Council rules of procedure.

1.5. Process and Project Management

NBU's Process Management Maturity

One of the key indicators of the NBU's effective operation and an important measure of its development is the assessment of the process management maturity level.

At the NBU, the process management maturity level is estimated in line with the Business Process Maturity Model (BPMM) and is a measure of the extent to which the NBU's processes are identified, agreed upon, understood, measured, controlled, and aimed at implementing the NBU Strategy.

As of late 2024, the NBU's process management maturity level was 4.09 points, with 5 points being the highest level possible. Under the BPMM, 4.09 means "Predictable." The previous process management maturity level (based on data available in 2022) was 3.76 points, which according to the BPMM is "Standardized" and approaching "Predictable." The growth in this indicator was achieved through consistent and systemic work by all NBU employees to improve processes and through strict adherence to and implementation of measures to develop a culture of process management.

Acting systemically and following the plan to improve the process approach, the NBU has been taking measures to raise the process management maturity level, streamline processes, and achieve the planned level of their efficiency.

Project Management Development

In 2024, the NBU's project management activities focused on improving the efficiency of project implementation and making active efforts to manage risks in the face of growing challenges and limited resources.

The project portfolio remained balanced and includes four programs and 30 active projects. All projects were aimed at achieving strategic goals, including stabilizing the financial system, improving supervisory functions, and introducing innovative financial services.

A pilot project on the use of flexible project management methodologies was also launched in 2024, which proved to be quite effective. Specifically, the use of Agile/Scrum approaches made it possible to quickly create a prototype of the project's product. In addition, these methodologies enabled the prompt integration of new requirements for the product, including those based on AI.

Overall in 2024, the focus was placed on strengthening proactive risk management, adapting projects to dynamic change, and using new tools to optimize processes. Successful experience applying innovative approaches will be used for future initiatives and for scaling within other strategic projects.

1.6. Impact of russia's Armed Aggression on NBU Operations

The NBU is continuing to take measures to minimize the impact of russia's armed aggression on the central bank's operations.

Throughout 2024, the NBU operated a system of processes focused on ensuring the uninterrupted activities of the NBU itself, the Ukrainian banking system, and the NBFIs and other entities regulated and supervised by the central bank, as well as on improving its approaches to managing critical processes and resources.

On 1 July 2024, an NBU resolution took effect that synchronizes and coordinates the operating modes of the NBU, the banks, the NBFIs, and other NBU-regulated and NBU-supervised entities, ensuring their readiness to transition to limited operating modes, and systematizing the current regulatory and legal regulation of the financial system during the special period.

During russia's full-scale aggression, one of the NBU's main tasks is to ensure the stability and development of NBU information systems in order to support the business continuity of Ukraine's entire banking system. Every step necessary is being taken on an ongoing basis to secure the continuous functioning of the information infrastructure of both the NBU and the financial sector of Ukraine, and the smooth operation of all information systems designated as items of critical information infrastructure. Work is underway to ensure these information resources are backed up at several of the NBU's locations.

To expand the capabilities of the corporate cloud, additional cutting-edge equipment for data storage systems with Flash technologies was put into place, and the data storage infrastructure and local computer network at the NBU's locations were upgraded.

Procedures for backing up and restoring the data from information systems were implemented in line with concluded backup agreements, and all routine work was carried out to compile, record, store, and destroy separate electronic data derived from the work of these systems.

As part of the measures to build, develop, and maintain the functioning of its modern information infrastructure, introduce the latest information technologies, and provide employees who work remotely with the necessary technical means and access to information resources, the NBU carried out 105 procurement procedures in IT in 2024. Agreements were concluded based on those tenders.

As part of its general business continuity plan, the NBU developed and constantly updated action plans for recovery in the case of the failure of any information resources designated as critical information infrastructure, as well as other information resources that have level-one criticality. Their testing takes place at least once a year, including at

backup locations. In 2024, 38 DRPs were updated and 50 tests conducted.

As part of efforts to manage its information and communication technology risk, the NBU has developed a key operational risk indicator (KRI), which is the ratio between the use of outdated general-purpose computer equipment (CE) and the total quantity of such equipment in use. This makes it possible to track the percentage of outdated CE being used, mount a timely response to the risk of the number of failures exceeding a critical level in CE operation due to obsolete equipment, and to take further managerial decisions.

During 2024, in line with the NBU Strategy, workplace mobility was increased. At the start of 2024, workplace mobility stood at 65%. The indicator is calculated as the ratio between the number of portable less-than-five-year-old computers and the number of people working away from NBU offices. By the end of 2024, the mobility indicator exceeded its planned level, reaching 75.6%.

To meet the need for videoconferencing with real-time messaging and content transmission, and to introduce remote work opportunities for NBU employees, videoconferencing software packages were purchased.

To maintain the continuous operation of critical infrastructure and ensure uninterrupted power supply to NBU facilities in Kyiv and Ukraine's regions throughout 2024, additional measures were taken to promptly supply and store fuel reserves for alternative power sources.

The banking system is an important segment of Ukraine's critical infrastructure. The NBU therefore has an approved action plan to ensure the continuity of the banking system's operation if long-lasting power outages occur.

The protracted russian war against Ukraine has made it necessary to revise the existing cash circulation model in order to make it more effective and customer-oriented in the face of looming security risks. This permanent external threat shaped the need to optimize existing cash circulation processes and to set up modern infrastructure for the decentralization and safe storage of the NBU's reserves.

Taking into account strategic goals and initiatives, the Model for the Organization of Cash Circulation in Ukraine and the Infrastructure of the National Bank of Ukraine was approved, which provides for an updated approach to the regulation of cash circulation in order to minimize risks and strengthen the NBU's role as a cash center. A decision was taken to develop a partially delegated model for cash circulation in Ukraine that passes only some of the functions on to the commercial sector and optimizes the use of authorized banks' locations to store cash reserves and promptly meet the demand for cash.

The deployment of such a model in Ukraine will help satisfy the economy's need for coins and banknotes of the proper quality, in all denominations and amounts, as well as increasing the diversification of reserves, creating infrastructure for the safe storage of cash, ensuring the variety of cash in circulation, optimizing the NBU's cash circulation expenses, and maintaining an appropriate level of control at every stage of the cash cycle.

In addition, for smooth cash circulation while under martial law, the NBU throughout 2024 provided the banks with as much cash as they needed, and further decentralized the storage of reserves to minimize risks. Throughout 2024, a rule was in effect that prevented the withdrawal of more than UAH 100,000 in cash per day from a client's account, with certain exceptions (wages, social benefits, etc.), to avoid sharp fluctuations in the demand for cash.

Mobilizing assistance to Ukraine's defenders continued to be the primary focus of corporate volunteering efforts in 2024. As a result, NBU employees donated a total of UAH 1.6 million to NBU staff and their relatives who were serving in Ukraine's Armed Forces.

A program to help employees whose homes were damaged as a result of the hostilities also continues.

To ensure the smooth and safe work of NBU employees while martial law is in effect in Ukraine, the NBU extended the possibilities for its staff to work remotely.

Within the NBU's work to resolve problem assets, Russia's full-scale armed aggression continues to cause damage and:

- a decline in demand during the sale of assets (property) pledged as collateral to the NBU, as well as its own and acquired property
- a downward adjustment by the NBU of its plan to reduce the NPL portfolio through repayments
- a longer timeframe for court hearings and enforcement.

In addition, a significant risk persists of a decrease in the value of assets (property) pledged to the NBU or acquired by it, due to the probability of their damage or destruction, or because they are located in the war zone or in Russian-occupied areas, or have been lost as a result of the illegal actions by the Russian invaders.

The NBU took a set of steps to adapt its activities to the conditions of full-scale war. For employees to stay safe and to be able to work smoothly, the central bank optimized and improved its remote and electronic interactions with the courts and other participants in legal proceedings. These measures included the use of the e-court, the automation of document exchange, remote participation in court hearings and creditor committees, and more. Such steps made it possible to minimize people's physical presence in court, especially in other regions, and helped save time and resources, reduce risks for employees, and ensure continuous proceedings.

Part 2. Goals and Strategies

2.1. NBU's Vision, Mission, and Corporate Values

The NBU's Vision and Mission meet the challenges of military aggression by Russia against Ukraine.

Vision

The National Bank of Ukraine is a modern, innovative, open, and independent central bank that is able to execute its mandate at all times, is a leader in the development of the financial ecosystem, cares about financial services consumers, is integrated into the European community of national central banks, and enjoys trust of the public and international partners.

Mission

To ensure price and financial stability and promote sustainable economic development in order to enhance Ukraine's potential on its way to the Victory and during the post-war recovery.

Corporate values

The NBU's operation is guided by the following corporate values:

patriotism: the NBU acts in the interests of the public and the state

professionalism: the NBU is focused on results, strives for excellence, and promotes an environment that inspires and supports innovation, development, and the spread of new ideas

transparency: the NBU is open, consistent and logical in decision making

integrity: the NBU is honest and principled, respects diverse ideas and opinions, and always complies with ethical business practices

partnership: the NBU supports dialogue and partnership, respects diverse ideas and opinions, has a shared vision and enjoys public trust, and its staff works together to implement the NBU's mission.

support: the NBU supports Ukrainian defenders and are setting the stage for the inclusive recovery and sustainable development of the national economy.

2.2. Current Trends and Challenges for NBU

Sustainable Finance Development Policy

The NBU is actively contributing to the achievement of sustainable development goals in the financial sector. At the end of 2021, the NBU adopted its *Sustainable Finance Development Policy 2025*. The document, which was drafted in cooperation with the International Finance Corporation (IFC), aimed to shape the future landscape of sustainable finance in Ukraine. However, it needed to be improved and updated in view of the following:

- suspension of the measures amid Russia's full-scale war against Ukraine
- non-conformity of the *Sustainable Finance Development Policy 2025* with the current EU acquis
- inability of the *Sustainable Finance Development Policy 2025* to meet new challenges faced by the financial community and the NBU as the sector's conditions change.

Updating the *Sustainable Finance Development Policy 2025* is a systemic and long-term process, while the dynamic development of the regulatory environment in the environmental, social, and governance (ESG) areas in the European Union (EU) is complicating it further. In view of this, the NBU has proposed a new approach to the *Sustainable Finance Development Policy 2025*, which will help improve

the quality of ESG risk management in the financial sector and lead to the formulation of an updated Sustainable Finance Development Policy.

ESG risks can eventually acquire the characteristics of systemic risks, which will require an appropriate response from the regulator, providing recommendations and setting requirements for sector participants, as well as becoming a leader of change toward sustainable development. Therefore, the updated plan provides for the development of two separate documents: drawing up the NBU's internal policy, which will define the work of the NBU as an organization, and developing and implementing the NBU's policy for financial institutions on ESG risk management at the level of the financial sector as a whole.

The development of the NBU's ESG policy for financial institutions will include the following stages:

- Stage I. Development of a single glossary of terms, unification of bank client questionnaires about the risk profile, and systematization of the experience of drafting ESG policies/strategies of banks. Deliverable: approval of the White Paper on ESG policies agreed with the financial sector
- Stage II. Development and approval of ESG risk management guidelines, disclosure of ESG risk data by

financial institutions. Deliverable: approval of the ESG policy for the financial sector

- Stage III. Extension of ESG risk management and ESG risk data disclosure guidelines to include the non-bank financial sector. ESG risk assessment at the financial system and economy level. Overseeing the implementation of the ESG policy for the financial sector. Deliverable: implementation of the ESG policy for the financial sector.

In 2024, the NBU conducted a survey of Ukrainian banks on climate risk management, and a new round is being prepared that will cover ESG risks in general.

As part of Stage I, a glossary of ESG terminology was also preliminarily agreed with the National Association of Ukrainian Banks with the assistance of the World Bank, and the banks are analyzing and identifying best practices for managing ESG risks. Based on the results of this analysis, the NBU plans to offer its own recommendations to the sector. The NBU is also working on a *White Paper on ESG Policies*, a document that will outline the current state of the sector's ESG risk management, its vision going forward, as well as a detailed plan of regulatory actions to transition the sector to its envisaged state and an intermediate stage before the preparation of the ESG policy for the financial sector.

When updating its Macroprudential Policy Strategy, the NBU noted the need to further consider the impact of ESG risks on financial institutions in its analysis and regulation.

Corporate Social Responsibility Policy

In 2024, the NBU began developing its own corporate social responsibility policy, which aims to integrate environmental, social, and governance aspects into the institution's operations. This initiative aims to ensure sustainable development, transparency, and responsible governance.

The policy will cover such key areas:

- Environmental responsibility: reducing the NBU's environmental footprint by saving resources, using the latest energy-efficient technologies, promoting environmental education of employees, and developing conscious environmental practices in daily work.
- Social responsibility: supporting social cohesion and inclusiveness, ensuring a safe and comfortable working environment for employees, stimulating the development of education, professional development, and fostering a culture of diversity and inclusiveness.
- responsible Governance: setting high standards of transparency, ethics, and accountability in the NBU's management processes, supporting anti-corruption measures, and implementing integrity and impeccability policies that enhance public trust.

The policy is also an expression of the NBU's commitment to achieving the UN Sustainable Development Goals, which

include combating climate change, reducing social inequality, and supporting education and economic opportunities for all.

The preparation of the policy involves the involvement of various units of the NBU, consultations with experts, and the exchange of international experience. This document will be an important step toward strengthening the NBU's positive impact on Ukrainian society and economy.

Inclusion

Implementation of inclusive standards is important for the NBU. The first stage of such implementation was to bring the NBU's official website into compliance with the WCAG standard. Implementation of this standard will allow people with disabilities to receive information from the NBU's official website without any obstacles.

To this end, a new project was initiated to modernize the NBU's official website.

With the support of the International Finance Corporation (IFC), the audit was held regarding compliance with the Web Content Accessibility Guidelines (WCAG) standard, which resulted in a WCAG 2.1 AA compliance index of 52%. The NBU will take steps to improve the compliance index.

The NBU has developed and submitted to the parliament of Ukraine legislative proposals to promote financial inclusion in Ukraine. The main aim of the proposals is to create a legal framework for a new type of financial service provider in the Ukrainian financial services market: a financially inclusive bank. These banks will ensure proper access to financial services for both Ukrainian citizens (including socially vulnerable groups) and microbusinesses (whose net annual income from any activity does not exceed an equivalent of EUR 2 million) in areas close to military hostilities, in the liberated territories, as well as in the remote, least populated areas. The submitted draft law envisages the preparation of a legislative proposal for a specialized and limited banking license that aims to quickly tackle growing financial inclusion challenges by using existing infrastructure.

On 9 April 2024, the NBU and the European Bank for Reconstruction and Development (EBRD) signed a Memorandum of Cooperation on improving financial inclusion and reintegration of Ukrainian veterans. The document is designed to make banks more accessible for hundreds of thousands of veterans, both as clients and employees, including through the following commitments:

- make financial services more accessible and inclusive for veterans to access and use on an equal basis
- remove obstacles that may impede veterans' ability to return to work through the introduction of inclusive HR policies and practices in the financial sector
- ensure safe, i.e. trigger-free and risk-free, workplaces for veterans suffering from the post-traumatic stress disorder

- improve accessibility of the workplaces and premises to support veteran clients and employees through the use of modified equipment or devices
- support clients, who may employ or serve veterans, in becoming more inclusive.

In 2024, the NBU, together with the EBRD, also developed methodological guidelines for financial institutions on the reintegration of veterans. The guidelines contain methodological material for financial institutions to set the best standards for working with veterans not only as their clients but also as employees. This document outlines a comprehensive structure for financial institutions aimed at increasing the level of inclusiveness and accessibility and promoting the economic integration of demobilized employees.

2.3. NBU's Strategic Goals

For the second time since the onset of Russia's full-scale invasion of Ukraine, the NBU has updated its institutional Strategy titled "[Financial Fortress](#)", which is focused on resisting Russian aggression and on the country's recovery. In particular, in response to the new conditions, the NBU updated and supplemented the list of priority measures of the NBU Strategy, verified and expanded the current roadmap of the NBU Strategy across all strategic goals, and updated the indicators for achieving them. As a result of the update, 11 new indicators were added to the NBU Strategy and 6 existing ones were clarified. The roadmap in the updated document was supplemented by 17 new measures, and another 45 measures were clarified or transformed in line with the current challenges.

Under Goal 1 Sustainable Hryvnia, the NBU plans to achieve more ambitious objectives in terms of price stability, inflation expectations, and exchange rate sustainability.

Under Goal 2 Financial Stability, new measures have been added in order to:

- enhance business continuity of financial sector participants
- improve requirements for organization of the risk management system in banks
- identify and respond to ties with the aggressor state in the ownership structures of financial market participants
- create registers of drops and miscoding, and ensuring counteraction to existing and new drop schemes
- ensure resilience of the financial sector's critical infrastructure

The name of Goal 3 has been updated to reflect the deepening of European integration – Financial System Operates for the Country's Recovery and Is Integrating into the EU – and the list of initiatives to attain this goal has been revised. Thus, the NBU's efforts will additionally focus on:

- integration in the EU financial services market

The unified network of POWER BANKING branches is operating in accordance with the protocols. As of the end of 2024, about 2,400 were equipped with backup energy sources and communication channels, enhanced cash collection, and additional personnel, being ready to operate even in the event of a prolonged blackout.

The NBU and the Ministry of Digital Transformation have completed the data integration – the current list of on-call bank branches and a map of POWER BANKING branches are now available in the *Diia* mobile application.

Ukraine's banking system is ready to operate in difficult conditions and provide financial services to citizens under any circumstances.

- development and implementation of the financial sector ESG Policy
- compliance with the requirements for the corporate governance system of financial market participants (on a continuous basis and taking into account the risk-based approach)
- promotion of financial inclusion, including taking into account the needs of war veterans in Ukraine
- initiatives to develop lending and financial literacy of households and entrepreneurs, in particular, taking into account new interagency strategies (the *Lending Development Strategy* and the *National Strategy for Financial Literacy Development* until 2030).

Additional indicators for the implementation of the tasks under this goal are the opening of negotiations on Ukraine's accession to the EU under negotiation clusters that include chapters of which the NBU is in charge or in which it is involved, and the NBU's Comprehensive Plan for European Integration, which was updated in line with the course of the negotiation process.

Under Goal 4 Modern Financial Services, the NBU plans to:

- strengthen control over cyber resilience, information security, and digital operational resilience, in particular, taking into account the EU legislation on digital operational resilience of the financial sector (DORA)
- expand the perimeter of activity to implement regulation and supervision of virtual assets
- specify measures to develop cash circulation in accordance with the approved model of the organization of cash circulation in Ukraine and the NBU's infrastructure.

Additional indicators for achieving this goal are the introduction of regulation for the use of cloud computing technology and the provision of cloud services, as well as the impossibility of using software solutions from suppliers associated with the aggressor country.

Under Goal 5 *Effective Central Bank*, the list of priority measures aimed at ensuring the continuity of the NBU's performance of its functions under any conditions has been significantly expanded. In particular, these include:

- developing security systems and organizing performance of the NBU's tasks as a critical infrastructure operator
- building and developing the NBU State Sectoral Archive
- developing and phased implementation of the NBU's ESG Policy
- streamlining the process of change management at the central bank

- developing the regulator's innovation potential (in particular, the development of the NBU's Digital Transformation Strategy) and researching on artificial intelligence and its implementation in the central bank's processes
- clarifying measures aimed at developing human capital, in particular, with regard to the development of corporate culture and the reintegration and adaptation of war veterans at the NBU.

The strategic goals are detailed in 25 strategic initiatives.

I. Sustainable hryvnia	II. Financial stability	III. Financial system operating for the country's recovery and integrating into the EU	IV. Modern financial services	V. Effective central bank
Price stability and exchange rate sustainability	Balanced regulation and supervision oriented to development	Responsible financial market	Financial market as a digital fortress	NBU's voice
	Sustainable and efficient banking system	Developed credit market	Virtual assets and NBU's digital currency: clear regulation to ensure the monetary sovereignty	Development of the NBU's institutional relations with stakeholders
	Insurance market is cleaned up and ready to support the recovery	Developed insurance services market	Digital financial services as part of the digital country	International cooperation and experience exchange
	Non-bank financial and payment market: transparent and technological	Developed capital markets infrastructure	Technological development of the financial market	Effective and uninterrupted operating activities
	Reliable and sustainable financial market infrastructure	Financial literacy of the population and entrepreneurs	Sustainability, effectiveness, and customer-oriented approach to cash circulation	Digital transformation
		Barrier-free and inclusive financial system	Power Banking 2.0: infrastructure repairs in de-occupied areas	Human capital as the main asset
		Integration in the EU financial services market		
1 initiative	5 initiatives	7 initiatives	6 initiatives	6 initiatives

■ Focus 1. Resistance
 ■ Focus 2. Recovery and Development

The high level of uncertainty and volatile environment the NBU observes today require flexibility in planning and the use of implementation tools to respond to changes more rapidly and effectively. Amid this uncertainty, the NBU plans a zone of certainty ("resistance focus" and "recovery focus") and devise alternative action plans in advance in any scenario ("Alternative Plans").

Resistance – short-term measures aimed at ensuring stability and preventing a deterioration of the situation in the financial system and the economy in general, including the use of tools to control inflation and the hryvnia exchange rate, supporting the banking system, etc.

Recovery – medium-term measures aimed at implementing changes that will form the basis for future reconstruction and growth of the economy, for example: reducing bureaucratic barriers, enhancing transparency and competitiveness of the environment, attracting investments, etc.

Both focus points imply medium-term comprehensive measures aimed at ensuring stability and further recovery and development. Some of the key deliverables will be implemented in the short term.

The update of the NBU Strategy will help improve the efficiency of its operations in a rapidly changing external environment, and strengthen its readiness for new challenges and various scenarios.

2.4. Development Prospects

In addition to updating the NBU's Strategy [Ukraine's Financial Fortress](#), a process was launched in H2 2024 to update the [Strategy of Ukrainian Financial Sector Development](#), which was unveiled on 29 August 2023 by the NBU together with other regulators of Ukraine's financial sector and the DGF. The Strategy of Ukrainian Financial Sector Development sets common priorities for regulators that will enable the coordination of actions to ensure the country's financial resilience and the development of financial inclusion and accessible and barrier-free financial services.

The Strategy of Ukrainian Financial Sector Development is also aimed at resisting Russian aggression and rebuilding Ukraine, focusing the work of regulators on strategic goals to ensure macroeconomic and financial stability, develop modern financial services, create the necessary conditions for the financial sector to participate in the post-war recovery of the country, and support the institutional capacity of regulators.

As of the end of 2024, the NBU managed to fully implement 26% of the NBU's Strategy Ukraine's Financial Fortress, which accounts for 48% of the actions planned under the Resistance Focus, 21% under the Recovery Focus, and 13%

of actions included in both focuses. The highest performance was recorded for goal 2 Financial Stability – 48%, goal 4 Modern Financial Services – 26%, and goal 1 Sustainable Hryvnia – 25%.

With elevated uncertainty and increased risks, the NBU included strategic goal indicators at the end of the Resistance Focus into the NBU Strategy, as the achievement of strategic goals is contingent on the macroeconomic and other preconditions that cannot be reliably forecasted. For these indicators, 48% of target levels were achieved (14 out of 29 indicators). Most other indicators are showing positive dynamics.

The implementation of the NBU Strategy and the Strategy of Ukrainian Financial Sector Development will lay the groundwork for the further development of Ukraine's financial sector and its competitiveness amid progress towards EU accession and integration into the global financial space. It will create conditions for reinforcing Ukraine's potential on its way to victory and will contribute to the start of transformations needed for the reconstruction and growth in the national economy both during and after the full-scale war.

Part 3. Resources, Risks, and Relations

Resource

The NBU uses the following types of resources in order to create products/value proposal for its customers and attain the goals set forth in its mandate:

- financial
- human
- production
- intellectual
- social and reputational, and
- natural resources.

3.1. Financial Resources

Financial resources include available means which the NBU receives as financing or from transactions or investment and which it uses to fulfill its functions and provide services.

The NBU employs the following types of financial resources: debt and equity, namely paid-in capital and earned capital.

Raised funds, including those received from the International Monetary Fund (IMF), including liabilities arising from quota contributions, SDR purchases (received loans), and SDR allocations.

Debt is shown in the NBU's consolidated statement of financial position as liabilities and gives rise to expenses recorded in the consolidated statement of profit or loss and other comprehensive income.

The paid-in capital refers to the authorized capital of UAH 100 million, which is owned by the state. A part of the NBU's distributable profit and, if required, the state budget of Ukraine, are the sources of the central bank's authorized capital.

The earned capital consists of retained profits and provisions created from profits. The NBU creates:

- general provisions to cover its losses; these provisions are made annually by distributing a portion of the profits earned during the year
- revaluation reserves to cover unrealized costs from the revaluation of financial instruments, monetary gold, and investment metals.

The NBU's equity is presented in the respective section of the NBU's consolidated statement of financial position.

General provisions are created from a portion of the profits earned in the current year. Revaluation reserves are made by accumulating gains from financial instrument revaluations carried out during the year. These revaluations are presented in the NBU's consolidated statement of profit or loss and other comprehensive income.

For more details on the management of NBU capital, see Note 28 to the NBU's Consolidated Financial Statements.

Distributable Profit Forecast

The NBU determines distributable profit in accordance with the NBU Law and distributes it between its equity and the state budget, as set forth in the law. Therefore, forecasting distributable profit is important for assessing the central bank's future financial position and equity and for medium-term budget planning.

A process of financial forecasts has been introduced in the NBU. These forecasts include projections of the NBU's financial position (assets, liabilities and equity) and income and expenses, which allows the central bank to forecast distributable profit and its distribution. The forecasts can cover the following periods:

- the medium term (i.e. three years), in particular for informing state authorities about projected transfers of a part of distributable profit from the NBU to the State Budget of Ukraine
- the current year – for obtaining more up-to-date information about the NBU's financial position and distributable profit as of the end of the year.

A macroeconomic forecast that is approved by the NBU Board is the basis for a distributable profit forecast. Macroeconomic forecasts contain information about the NBU's projections of the monetary base, international reserves and transactions with the reserves, the hryvnia exchange rate, the key policy rate, and the consumer price index. In addition, a forecast of open market operations provides inputs for a distributable profit forecast. These inputs include yields on foreign currency instruments, projected amounts of debt liabilities to the IMF, projected fee and commission and other income and expenses, including administrative expenses, projected repayments of past due debt on bank loans and making/releasing provisions for such loans, and so on.

All inputs are integrated into a financial forecast model, which processes the inputs. What is more, a number of indicators

are calculated in line with the algorithms set in the model. Expert assumptions are an important element of forecasting, as they allow for forecasting future indicators under conditions of uncertainty. Scenario modelling may also be used in order to construct various scenarios, depending on the variations in inputs and expert assumptions.

Planning and Controlling Administrative Expenses

With a view to ensuring its operation, the NBU draws up an administrative budget for one year ahead; the NBU Council approves the budget by 15 November of the current year.

NBU's administrative expenses comprise of the following items:

- staff costs
- administrative and other expenses
- depreciation and amortization
- investments aimed at maintaining operations.

To achieve its strategic goals and ensure its operational activities, the NBU plans financial resources in accordance with the needs of the NBU units and management, as well as the NBU Council.

Financial resources are planned based on economic feasibility, reasonableness, and efficient and rational use of the NBU's funds. The NBU's expenses are financed within the limits of its income.

In line with the principles of transparency and efficiency of the NBU's expenses, control over the central bank's expenses is established by law:

- The NBU's expenses are disclosed in its annual financial statements in accordance with the NBU Law.
- The financial statements are audited by an audit company selected through a procurement procedure in accordance with the Law of Ukraine *On Public Procurement*.
- The NBU Council, an independent body to which the NBU reports, approves the administrative budget, which includes the NBU's operating expenses, and controls the implementation of the budget during the year.
- The Accounting Chamber monitors the implementation of the NBU's administrative budget and its obligation to

transfer funds to the state budget of Ukraine. The Accounting Chamber reports audit results to the Ukrainian parliament, the Cabinet of Ministers, and the President of Ukraine.

The approval and implementation of the NBU's administrative budget is controlled by the central bank's internal audit. The procurement procedure is public and competitive.

The NBU has a cost management system, which, among other things, serves to determine general expenses incurred by NBU units as they work on reaching the strategic goals, record and analyze the expenses, assess the efficiency of resource usage, and search for cost cutting opportunities.

One of the instruments of managing NBU's expenses is cost allocation, which implies distributing expenses from the administrative budget of the NBU head office among three cost allocation targets: NBU structural units, level two processes, and the NBU's functions.

Cost allocation results are reflected in regular reports that contain information (data as of a certain date and historical data) about the costs of structural units, level two processes, and the NBU's functions. These reports are used to assess the efficiency of NBU units and level two processes as well as to find ways to optimize costs, and make decisions on the management of costs and NBU activities.

To monitor compliance with the approved indicators of the NBU's administrative expense budget, the NBU has a management reporting system in place that provides for reporting to the Budget Committee (monthly), the NBU Board (quarterly), and the NBU Council (for the first half of the year and for the year).

NBU's Administrative Expenses

The NBU operates under the administrative expense budget, which is drafted for the year ahead and approved by the NBU Council.

The table below provides data on key items in the administrative expense budget for 2024 and planned data for 2025.

NBU's administrative expenses (including expenses of the Settlement Center) for 2024–2025

	Plan for 2024 (revised)	Actual performance in 2024	Percentage of plan performance in 2024	Plan for 2025
				(UAH millions)
Staff costs	3,974	3,926	99%	4,980
Administrative and other expenses	1,163	795	68%	1,212
Depreciation and amortization	294	292	99%	318
Total administrative expenses	5,431	5,013	92%	6,510
Investment costs for creating and developing facilities and equipment required for the NBU's operation	513	394	77%	883

As of 2024, the NBU's administrative expenses and its investments in the creation and development of its material and technical base are within the targets approved by the NBU Council. Administrative expenses were lower than planned by 8% on average.

The failure to use part of the funds (about 23%) planned to invest in the creation and development of the NBU's material and technical base is mainly due to the postponement of work, long periods/postponement of procurement, saving through public procurement and contracting, and the suspension of projects/activities that are not related to meeting critical needs.

Overview of Key Financial Indicators

The NBU prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) approved by the International Accounting Standards Board

NBU financial statements cover the consolidated financial statements prepared according to the IFRS, the NBU Law and the law of Ukraine *On Accounting and Financial Reporting in Ukraine*.

As of the end of 2024, the NBU's balance-sheet total increased by 12.85%, to UAH 2,700 billion.

In 2024, the central bank continued to execute its functions, forming the corresponding profile of its assets, liabilities, and equity.

The NBU's assets mainly include:

- foreign securities
- domestic securities
- funds and deposits in foreign currency and investment metals.

The NBU's liabilities mainly include:

- banknotes and coins in circulation
- certificates of deposit issued by the NBU
- accounts of government and other institutions, accounts of banks
- liabilities to the IMF

Figure 1. NBU's assets, liabilities, and equity in 2023–2024, UAH millions



Overall, international reserves increased by 8%, to USD 43.8 billion as of the end of 2024, up from USD 40.5 billion at the end of 2023.

The increase in international reserves was mainly driven by proceeds of USD 45.5 billion in favor of the government, including USD 36.7 billion of financial aid from international partners, placement of USD 3.5 billion in domestic government debt securities, receipt of USD 5.3 billion disbursement from the IMF under the Extended Fund Facility (EFF).

The decrease of international reserves stemmed from the NBU's net purchase of USD 34.8 billion in foreign exchange interventions in the FX market of Ukraine, government's payments of USD 6.7 billion under external and internal liabilities, payments of USD 3.4 billion to the IMF.

The main tools in the process of managing International Reserves were securities of nonresidents and short-term deposits with foreign banks.

The main item of the NBU's hryvnia assets is Ukrainian securities, the portfolio of which decreased by UAH 13.0 billion, or 1.8%, in 2024 to UAH 715 billion due to redemption in accordance with the terms of issue. Owing to the rise in assets that form international reserves, the percentage of domestic securities in the NBU's balance-sheet total fell to 26.5% in 2024, compared to 30.4% in 2023. Of the domestic securities, 99.8% are securities held to generate cash flows in line with the terms of issue, and are accounted at their amortized cost.

The NBU's loan portfolio decreased by 11.9%, mostly due to long-term loans (repayment) issued to banks via the NBU's tendering procedure. Thus, the gross book value of loans (actual debts) decreased by UAH 1 billion, to UAH 39 billion, whereof nearly UAH 1.5 billion are long-term loans. Meanwhile, 94% of debts outstanding as of the end of 2024 consisted of the problem debts of banks that were being wound up. However, the gradual repayment of debt on such loans continues - in particular, during 2024, UAH 0.4 billion were repaid, and the amount of expected loan losses (reserves provisioned) decreased by UAH 0.4 billion.

The main changes in the NBU's liabilities, except for liabilities to the IMF, were related to the following items:

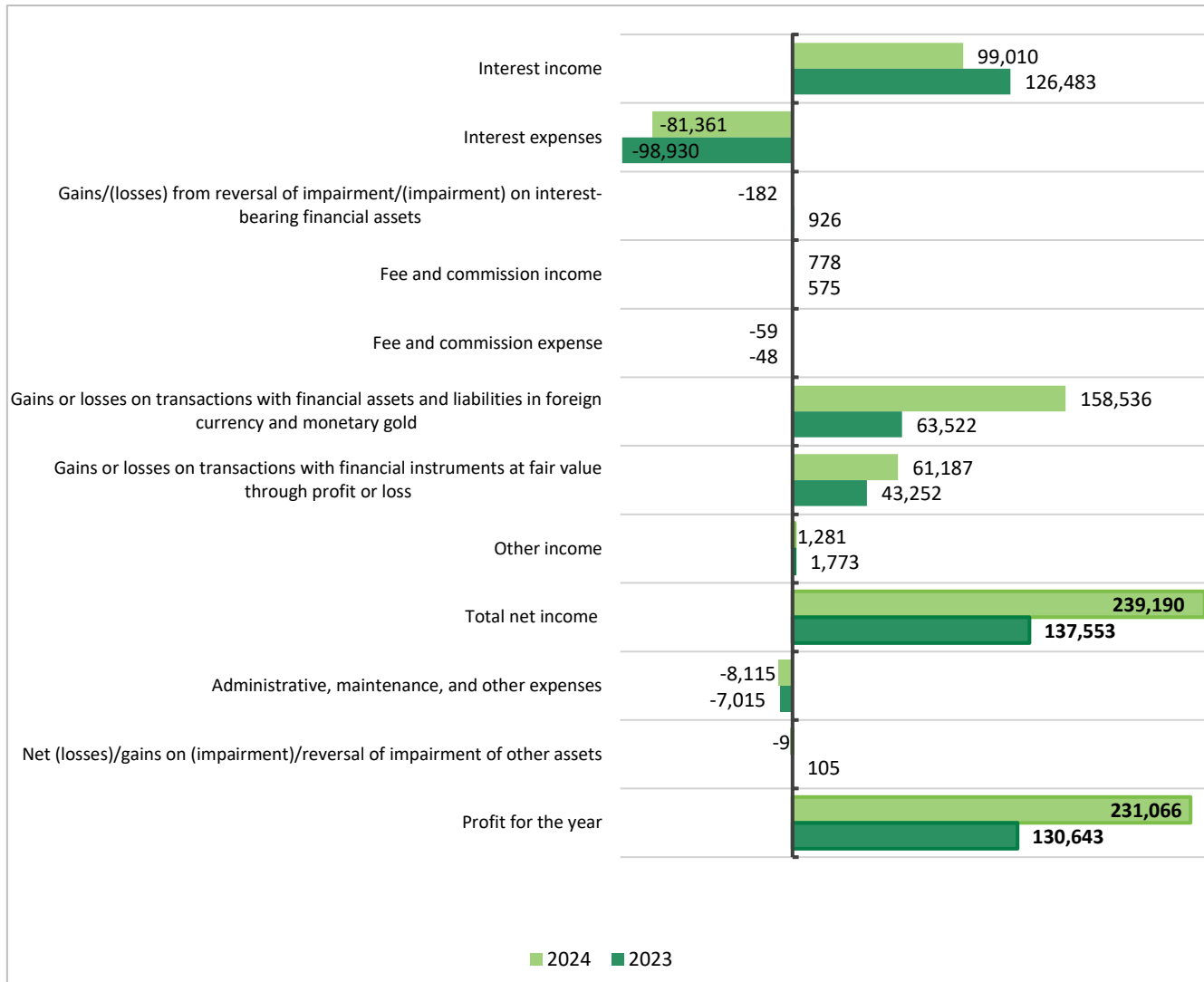
- Banknotes and coins in circulation grew by 7.6%.
- Certificates of deposit issued by the NBU decreased by 11.7%.
- Accounts of government and other institutions increased almost twice.

Financial Performance

The main driver of the NBU's profit is traditionally the interest income.

Compared with 2023, interest income, mainly from domestic securities and accounts and deposits in foreign currency, increased and reached UAH 99 billion, along with the decrease in domestic securities volumes and average weighted interest rates.

Figure 2. NBU profit or loss in 2023–2024, UAH millions



Interest expenses decreased by 17.8% to UAH 81.4 billion in 2024, primarily due to a decrease in interest expense on NBU certificates of deposit due to a decrease in the volume of transactions and a decrease in weighted average interest rates from 16.40% as of the end of 2023 to 13.71% as of the end of 2024. Also, a decrease was registered in interest-bearing liabilities to the IMF.

In 2024, the NBU's impairment provisions for loans issued to banks increased. Overall, due to impairment of interest-bearing financial assets, expenses (negative result) were

UAH 182 million (in 2023, the result was positive, at UAH 926 million).

Net interest income (considering impairment) totaled UAH 17 billion in 2024, which was 38% lower than in 2023.

The exchange rate fluctuations have exerted a significant influence on the NBU's performance and cause high volatility of both the relevant item and the NBU's financial result. In particular, in 2024, the exchange difference was positive at UAH 158.5 billion (in 2023, it was UAH 63.5 billion).

For more details on setting exchange rates, see Note 4 to the NBU's Consolidated Financial Statements.

NBU administrative, maintenance, and other expenses increased by 16% from UAH 7,015 million in 2023 to UAH 8,115 million in 2024. In 2023 and 2024, the provisions for court complaints were not formed.

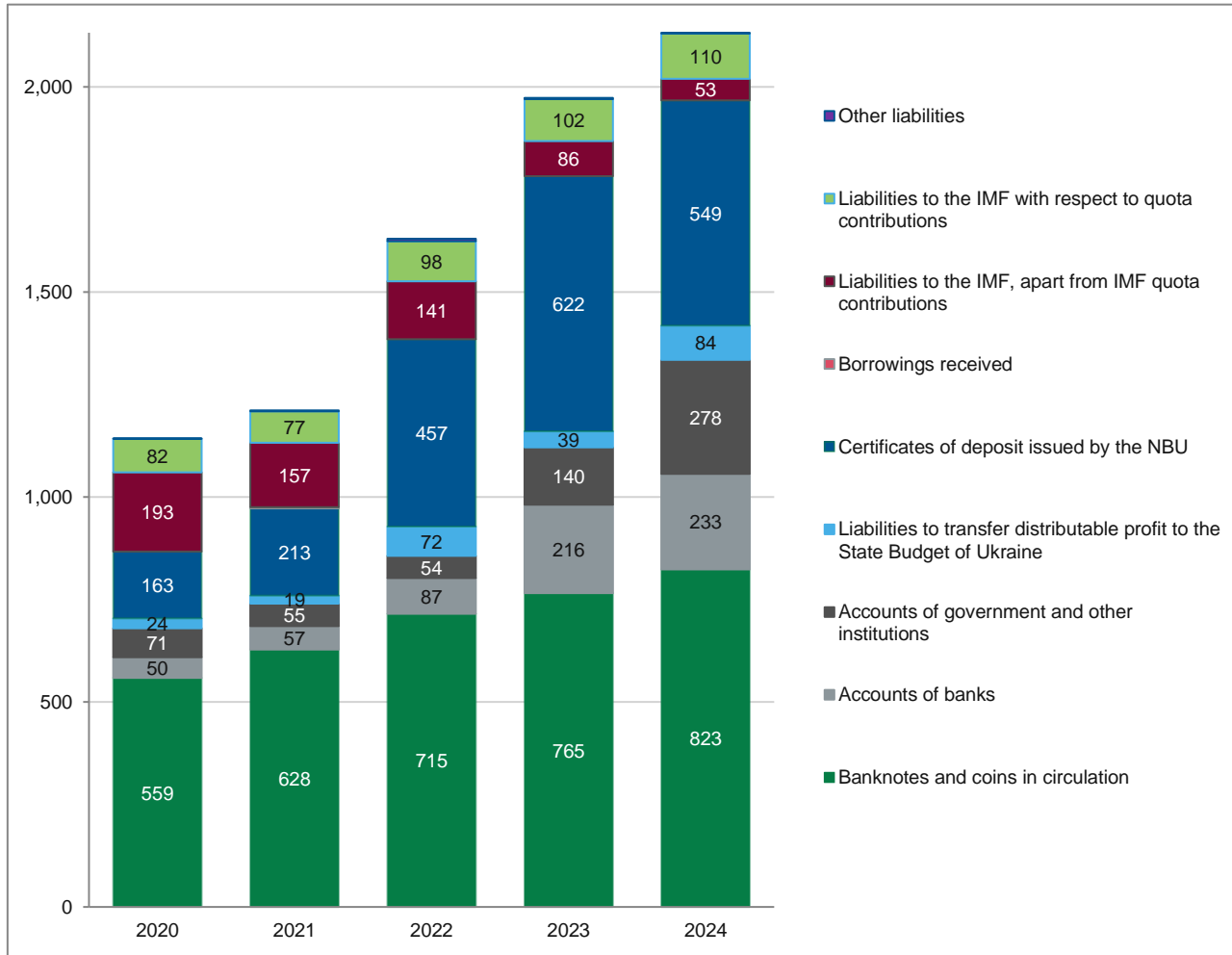
Figure 3. NBU assets in 2020–2024, UAH billions



Over the past five years, the main changes in the NBU's asset structure came from increases in components of international reserves.

For more details on domestic securities, see Note 9 to the NBU's Consolidated Financial Statements.

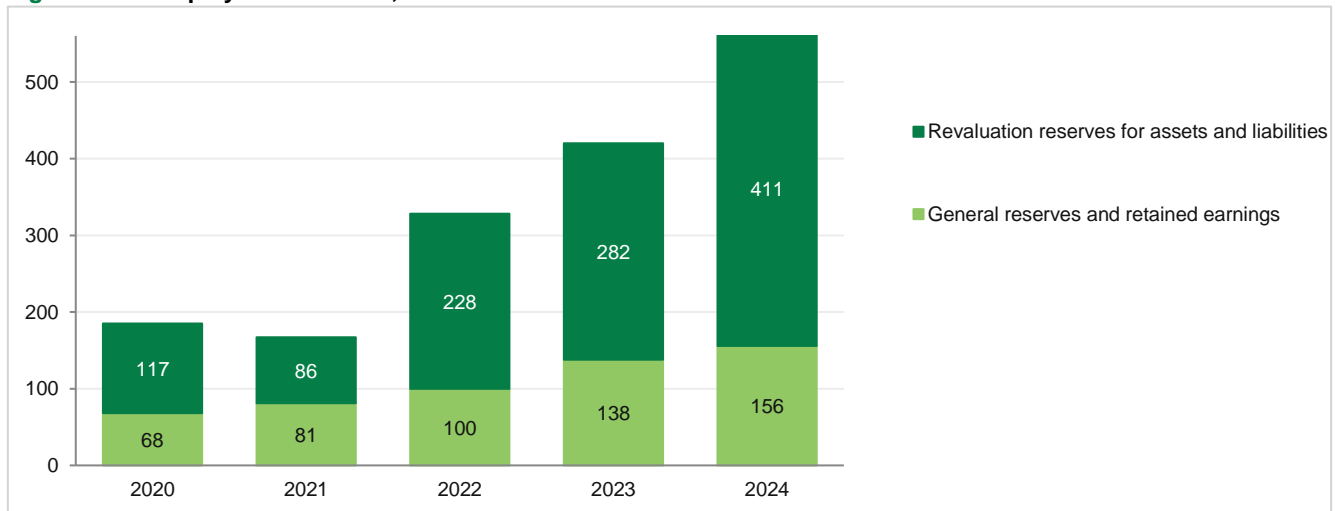
Figure 4. NBU liabilities in 2020–2024, UAH billions



In general, the liabilities structure has hardly changed over the past five years (except for banknotes and coins in circulation and certificates of deposit issued by the NBU, the carrying value of which has increased over the past five years).

Banknotes and coins in circulation, certificates of deposit issued by the NBU, amounts due to government and other institutions, amounts due to banks, and liabilities to the IMF constitute a significant portion of the NBU's liabilities.

Figure 5. NBU equity in 2020–2024, UAH billions

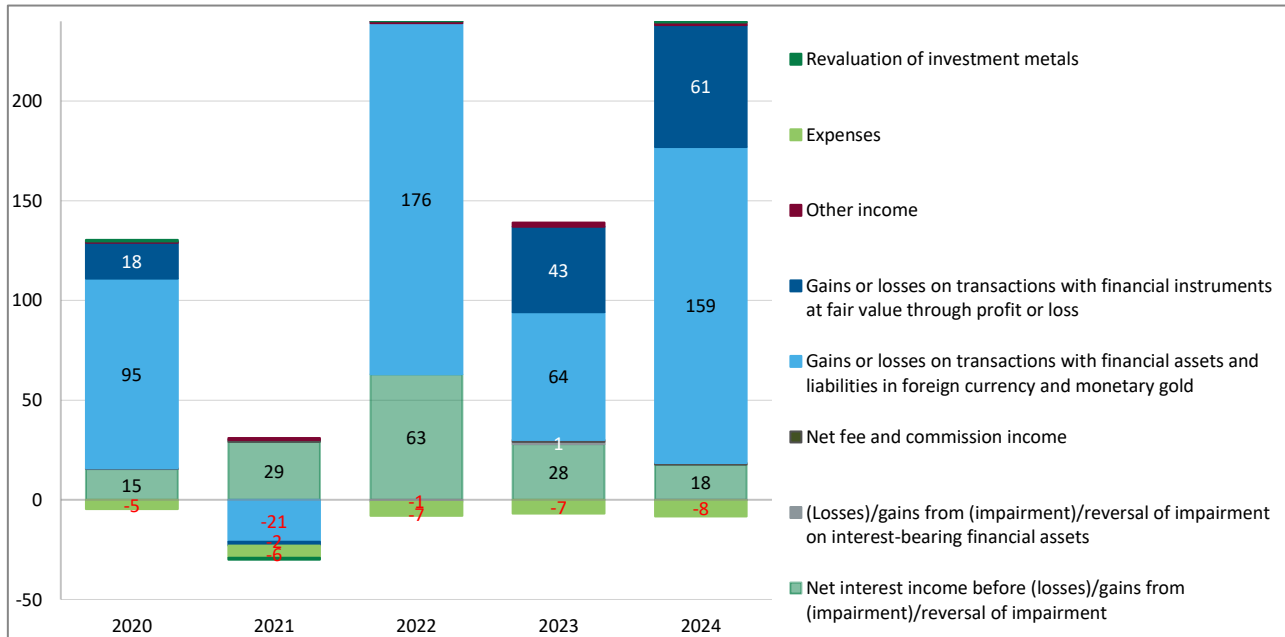


The NBU's equity, which is the residual value of assets after deducting liabilities, was mainly formed from sources other

than government contributions. It consists of revaluation reserves (deferred unrealized gains on revaluation) of the

NBU's assets and liabilities, including those resulting from changes in the exchange rate, and general reserves formed in accordance with Ukrainian law.

Figure 6. NBU income and expenses in 2020–2024, UAH billions



Net interest income as usual was the main contributor to the NBU's financial result. The central bank's financial performance is also influenced by changes in the exchange rate due to a large share of FX items in the NBU's balance sheet.

Payments to the State Budget of Ukraine

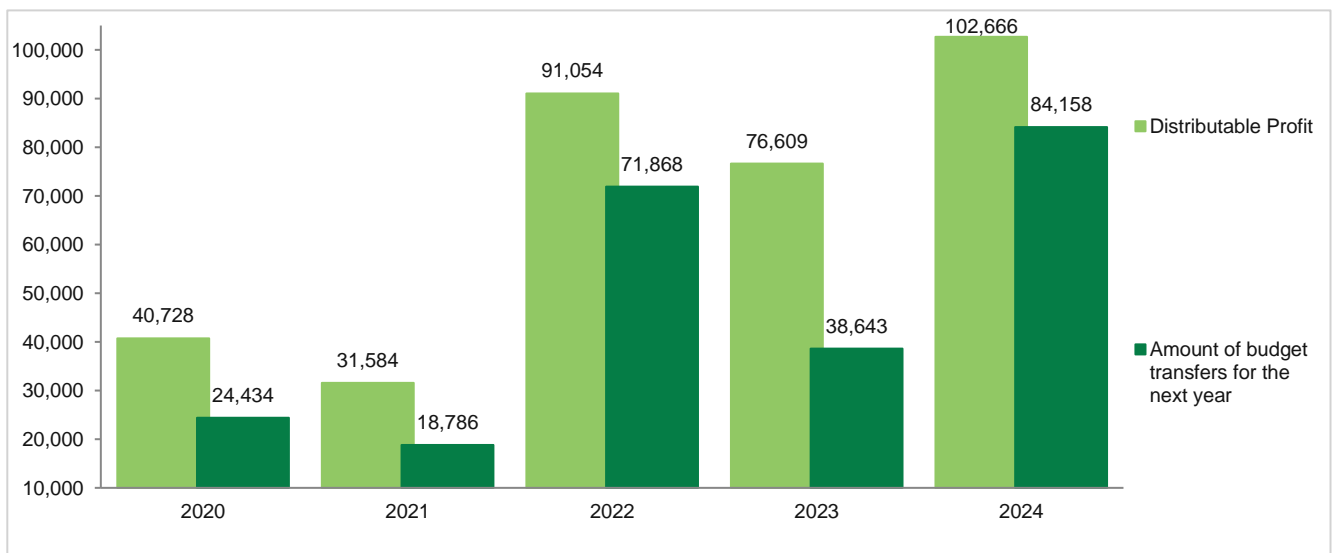
A part of the distributable profit remaining after general reserves are allocated in the amount of 10% of the NBU's average annual monetary liabilities, is to be transferred to the State Budget of Ukraine.

A part of the NBU's 2024 distributable profit in the amount of UAH 18.5 billion will be set aside to create general reserves of the NBU.

In 2024, the NBU transferred UAH 38.6 billion to the State Budget of Ukraine. As of 31 December 2024, the central bank recognized its obligation to pay UAH 84.2 billion of its profit to the 2024 State Budget.

Read more about identifying the distributable profit, liabilities to transfer the distributable profit to the State Budget of Ukraine, and creating general reserves of the NBU in note 29 to the NBU's Consolidated Financial Statements.

Figure 7. Transfers by the NBU to the State Budget of Ukraine in 2020–2024, UAH millions



3.2. Human Resources

Human resources include employees of the NBU, their competencies, abilities, experience, and motivation to fulfill the functions, provide the services, and attain the goals of the NBU.

In its activities, the NBU uses human resources represented by its staff, namely:

- specialists who work to fulfill the NBU's central bank functions
- workers who are support staff carrying out maintenance functions (drivers, cleaners, catering staff, and so on).

Human resources do not appear in the NBU's Consolidated Statement of Financial Position, as this type of the resources does not meet the recognition criteria – the NBU has no control. However, the Consolidated Statement of Profit or Loss and Other Comprehensive Income reflects expenses on these resources: staff costs and other expenses, provisions for annual leave and other employee benefits.

HR Policy. Veterans Support Program

In order to comply with the requirements of the Memorandum of Understanding between the NBU and the EBRD regarding cooperation to support financial inclusion and reintegration of war veterans, as well as to create conditions for veterans' recovery and return to work, the NBU approved the War Veterans Support Program in Ukraine was approved (hereinafter referred to as the "Veteran Support Program").

The Veterans Support Program provides, among other initiatives, for measures to facilitate the recruitment of war veterans for vacant positions at the NBU (three veterans were hired in Q4 2024), the adaptation of war veterans returning to work after being discharged from service, the arrangement of workplaces/access to NBU buildings for war veterans with disabilities. Also, a separate type of additional leave of 14 calendar days per year was introduced.

In addition to the standard package of voluntary health insurance services, the NBU has provided mobilized and demobilized NBU employees with extended/additional options of the voluntary health insurance program, which include medical examinations, diagnostics, and treatment of diseases, including chronic ones.

Measures are being taken to provide material support to mobilized employees and veterans, the families of deceased war veterans, and those considered missing. The NBU primary trade union organization was actively involved in the process.

The NBU has been organizing events to honor war veterans and NBU employees who were killed in the fight for Ukraine's independence, sovereignty, and territorial integrity.

As of 31 December 2024, the NBU employed a total of 35 war veterans: 26 in the central office and 9 at the NBU Banknote Printing and Minting Works.

Among them, 25 NBU employees who were called up for mobilization and returned to work after being discharged from military service (17 at the NBU Central Office, 8 at the NBU Mint).

In addition, during the war, the NBU employed 10 veterans who completed military service before joining the NBU, including 9 at the Head Office and 1 at the NBU Banknote Printing and Minting Works.

War veterans and NBU employees who continue their military service are provided with the guarantees stipulated by the labor law of Ukraine and the Collective Agreement concluded between the management (administration) and the of the Head Office of the NBU for 2024–2028.

Remuneration Policy

As in previous years, the NBU continues to maintain and develop a modern staff incentive system, focusing on ensuring stability, adhering to the principles of external and internal fairness in the remuneration policy, which aims to encourage employees to fulfill their goals and tasks in a quality manner to achieve the NBU's strategic goals.

The remuneration policy and its components remained unchanged from the previous year, in particular:

- a base component, which is base pay set as the official salary (tariff rate) within the range for each position grade
- a variable component, which is extra salary offered in the form of raises, bonuses, and premiums.

Other payouts included financial assistance for the medical treatment of employees and their family members, retirement or redundancy pay (severance pay and a lump sum), and financial support to address social and domestic issues.

Guarantee and compensation payouts include payments to employees in line with the laws of Ukraine, including compensation for work on weekends (public holidays, nonworking days), during the evening and nights hours, overtime, time spent on business trips, and in other cases stipulated by Ukrainian laws on labor remuneration. Other remunerations (contributions), such as the pension contributions the NBU makes for its employees to the NBU Corporate Nonstate Pension Fund, insurance premiums under voluntary health insurance agreements, contributions to the NBU primary trade union organization, and contributions related to cultural events and health improvement.

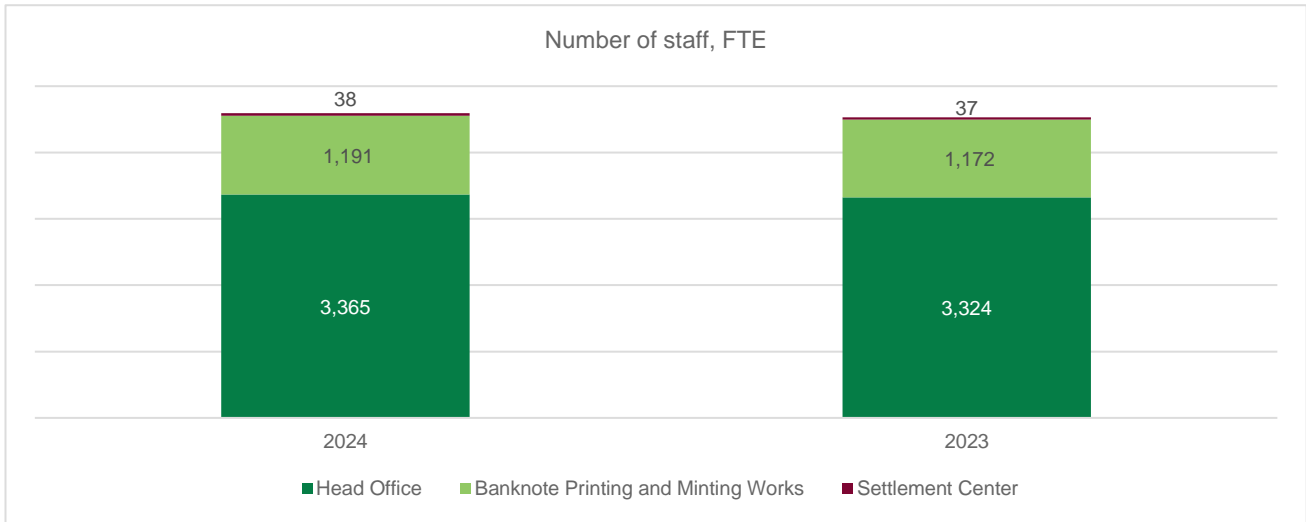
To ensure adequate financial support, the NBU also provides material assistance for medical treatment, including

assistance for NBU pensioners. A program to help employees whose homes were damaged as a result of the hostilities also continues. The NBU provided mobilized employees with financial support to help them address their social and domestic issues.

In 2024, the NBU received services in processing (sampling) labor market remuneration data from Ernst & Young Audit Services LLC.

Overview of Key Human Resources Indicators

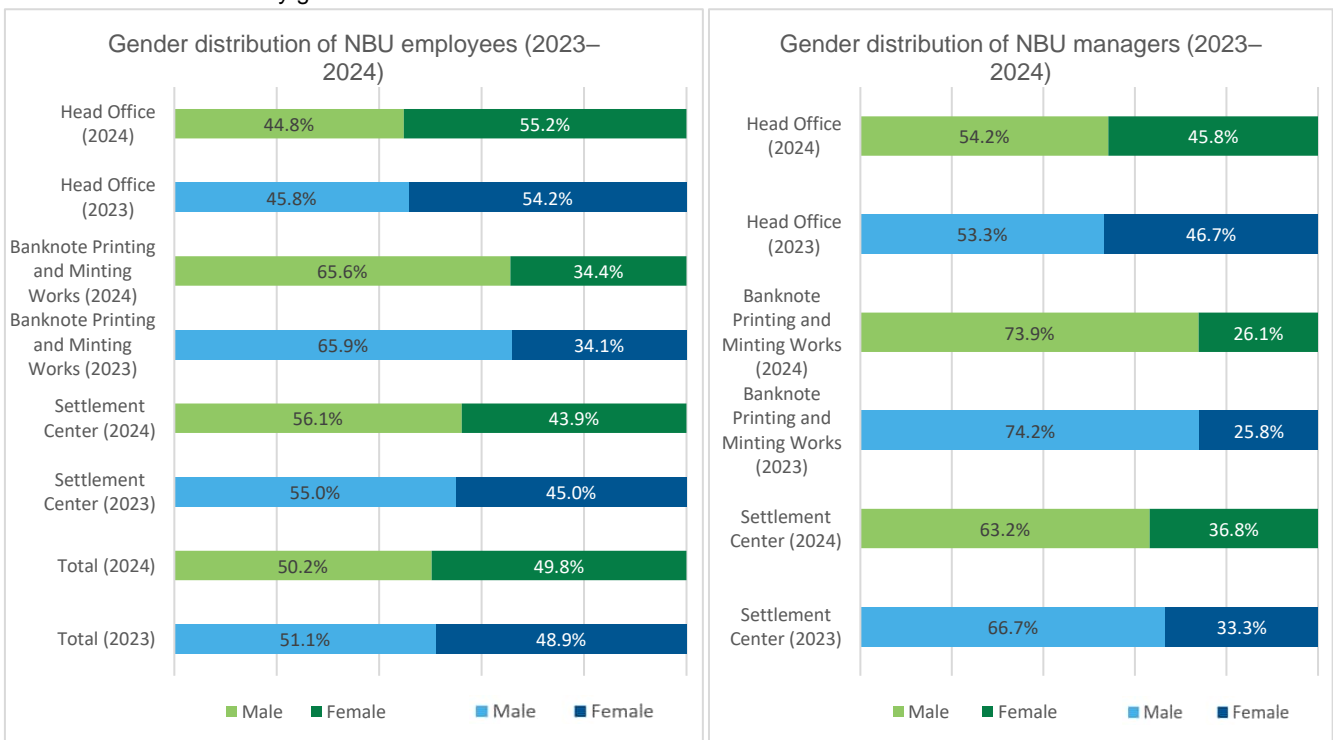
As of 31 December 2024, the NBU staff number increased by 1.36% compared with the previous year and was 4,594 FTEs (staff at work); as of 31 December 2023, it was 4,532 FTEs.



As of 31 December 2024, the average age of an NBU employee was 47 years, and the average employee tenure for the NBU was 13 years. NBU employee gender distribution is as follows: the NBU's Head Office employs 55.2% females

and 44.8% males, the Banknote Printing and Minting Works – 34.4% females and 65.6% males, the Settlement Center - 43.9% females and 56.1% males.

The NBU staff structure by gender as of 31 December 2023 and 31 December 2024 was as follows:

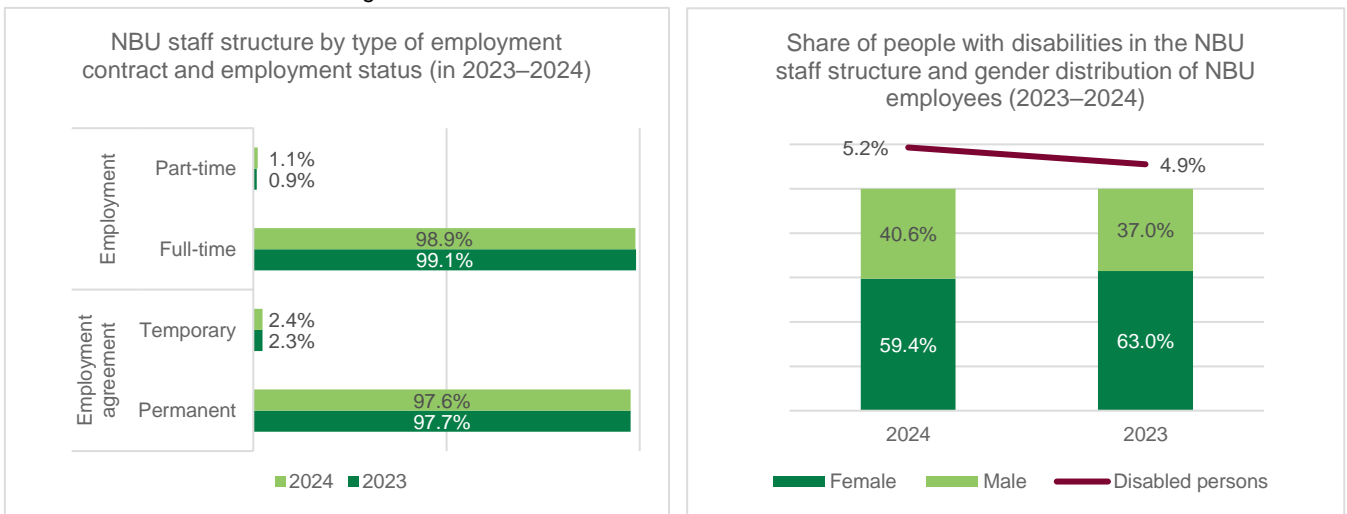


The category of managers includes heads of structural units.

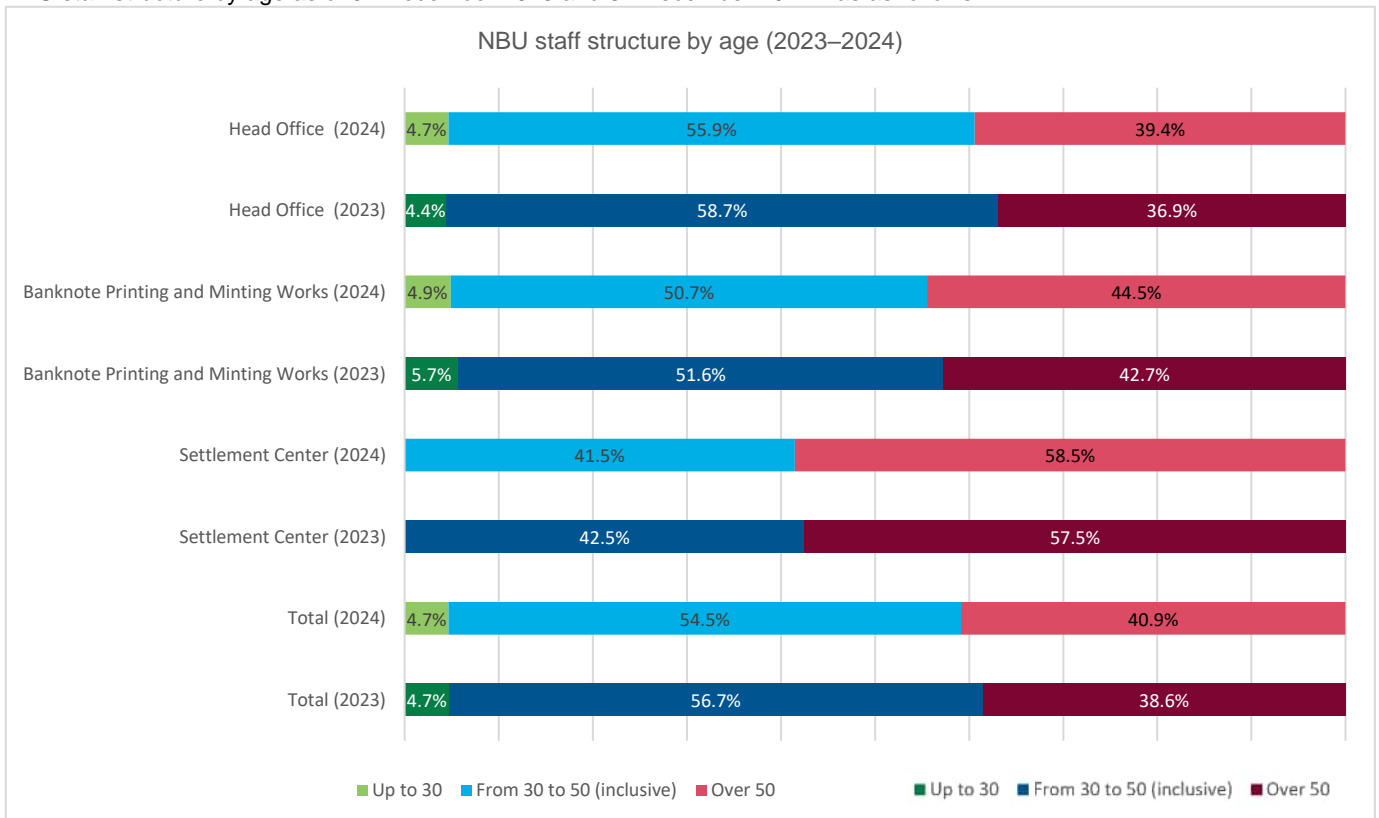
NBU staff structure by occupational classification as of 31 December 2023 and 31 December 2024 was as follows:



NBU staff structure by type of employment contract and employment status, as well as the share of people with disabilities in the NBU staff structure and their gender distribution as of 31 December 2023 and 31 December 2024:



NBU staff structure by age as of 31 December 2023 and 31 December 2024 was as follows:



For more information on the NBU labor costs in 2024 refer to Note 34 of the NBU's Consolidated Financial Statements.

In 2024, the average base pay (or the base component of remuneration) was UAH 48,411 at the NBU Head Office; UAH 24,931 at the Banknote Printing and Minting Works; and UAH 50,196 at the Settlement Center.

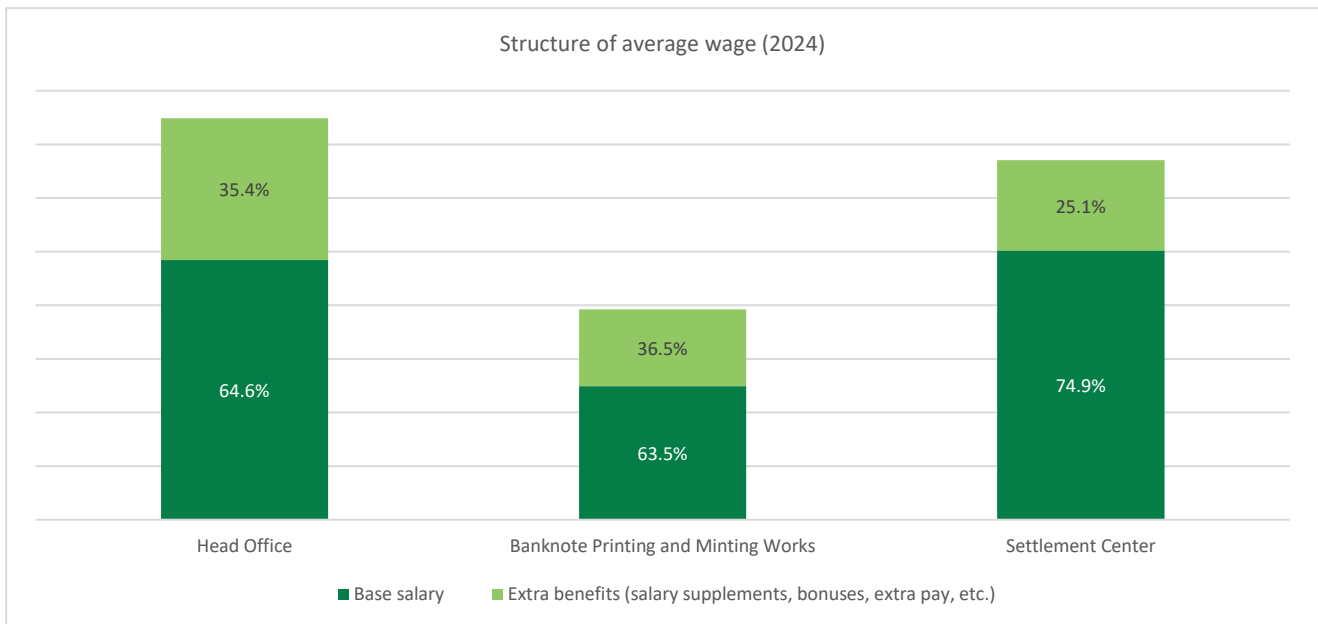
The average salary including additional payments (raises, bonuses, extra pay, etc.) was UAH 74,896 at the NBU Head Office; UAH 39,255 at the Banknote Printing and Minting Works; and UAH 67,041 at the Settlement Center.

Continuous professional development and training is an important component of non-financial incentives for employees. In 2024, there was an increase in both the number of training and development events, and in the

number of employees who attended them. The total number of training events held in 2024, including development programs, was 648. Due to the mandatory training sessions on cybersecurity, anti-corruption activities, barrier-free society, and inclusion for all NBU employees, the number of trainees almost doubled to 18,177 since 2023.

In 2024, educational events, including those involving international providers, were more focused on hard skills (462) than on soft ones (161).

The NBU also expanded peer-to-peer education, whereby employees from different units share their professional knowledge with each other. Colleagues from various departments conducted 36 training events, compared to 25 events in 2023. In addition, the NBU staff conducted 43 events for employees of banks and other institutions.



3.3. Production Resources

The NBU's production resources include man-made (rather than natural) physical assets that it uses to perform its functions and provide services.

The NBU's production resources include:

- property and equipment (buildings, facilities, vehicles, machinery, equipment, tools, appliances, gear, capital investment in property and equipment)
- investment property
- inventories of tangible assets
- other similar assets.

Production resources are presented in the NBU's Consolidated Statement of Financial Position as assets.

Production resources give rise to expenses that are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The NBU manages the following assets:

- the central bank's own real assets
- real estate acquired by the NBU as a partial pay-off of the banks' debts on the refinancing loans.

Management of State-Owned Real Assets

Under the Law of Ukraine On the National Bank of Ukraine, the NBU's assets are owned by the state and are under the central bank's operating control.

In 2024, the NBU's administrative buildings and the parts of the buildings located in the regions that were not used for performing the main functions were leased mainly to state institutions in accordance with the requirements of the Law of Ukraine *On Leasing State and Communal Property*, namely: 25 real estate objects (with a total area of 9,395.29 square meters) for accommodation of state bodies and other business entities: Regional Office of the Deposit State Property Fund of Ukraine for the Kharkiv oblast, Regional Office of the Deposit State Property Fund of Ukraine for the Donetsk and Luhansk oblasts, Second Administrative Court of Appeal, Central Interregional Office of the Ministry of Justice (Kyiv), Western Interoblast Regional Office of the Antimonopoly Committee of Ukraine, and others.

As of 31 December 2024, the NBU managed 350 own real assets, which were listed in the Unified Registry of State Property Objects: 50 plots of land and 300 buildings and engineering structures. As many as 149 buildings are listed according to the real estate classifier; of them, there were four residential buildings, 125 nonresidential buildings, 20 other facilities, as well as 151 engineering structures. Among them, 71 objects are located in the temporarily occupied territory, namely:

The information on the NBU buildings and engineering structures is given in Note 30 of the NBU's Consolidated Financial Statements.

Acquired And Pledged Property Management

The NBU issues loans backed by securities, real estate and movable property, property rights under loan agreements, and other types of collateral.

For more information on types of collateral and the extent of coverage of loans issued to banks, refer to Note 10 of the NBU's Consolidated Financial Statements.

Under collateralized loan agreements, property put up as collateral shall be managed and kept by a collateral provider until enforcement is required to repay a debt under a loan agreement if there is a breach of the obligation.

Nonperforming loans issued to banks were repaid using proceeds including from the sale of property put up as collateral, as well as by the NBU's appropriation of collateral.

Under the Law of Ukraine *On the National Bank of Ukraine*, the NBU acquires, in order to cover the debts owed to the

NBU, any rights and assets, provided that they are further alienated within the shortest possible time.

Under Article 73 part two of the Law of Ukraine On the National Bank of Ukraine, the NBU may sell through the established procedure the property that it acquired from banks to recover the money it loaned to the banks with the purpose of supporting liquidity, without obtaining approval from other government agencies.

In addition, in 2024, the NBU drafted amendments to the Land Code of Ukraine to give the NBU the right to sell agricultural land plots it acquired, which was adopted by the Verkhovna Rada of Ukraine in October 2024.

In view of the above, the NBU plans to start selling the above land plots in 2025.

The NBU's balance sheet as of 31 December 2024 included six real estate facilities with a total area of 68,300 square meters and 148 plots of land covering 784.4 hectares with a total book value of UAH 553.7 million. They passed into the NBU's ownership as a result of partial repayment of debt on refinancing loans to be put up for further sale for the best bid in the shortest possible time.

In 2024, the NBU acquired nine real estate facilities with a total book value of UAH 104.3 million, and sold three plots of land for a total price of UAH 8.6 million (excluding VAT).

In 2024, the NBU received UAH 457 million in repayment of debt on refinancing loans of insolvent banks (in 2023: UAH 939 million).

The largest amount of funds, specifically UAH 216.7 million, was received from the sale through enforcement or bankruptcy proceedings of real estate pledged as security by insolvent banks' guarantors.

The NBU recovered part of the debt on its refinancing loans to insolvent banks also by:

- acquisition of unsold property by the NBU in the amount of UAH 105.9 million
- sale of property rights pledged by insolvent banks under loan agreements in the amount of UAH 100.3 million
- other sources of debt repayment in the amount of UAH 34.2 million.

	2024			2023		
	Through DGF	Through third parties	Total	Through DGF	Through third parties	Total
	(UAH millions)					
Repayments at the expense of sale of pledged:						
real estate	–	217	217	–	377	377
property rights under pledged loans	100	–	100	481	–	481
Total repayments from sale of collateral	100	217	317	481	377	858
Repayments through NBU's acquisition of real estate	–	106	106	–	15	15
From other sources	34	–	34	66	–	66
Total	134	323	457	547	392	939

As of the end of 2024, based on the NBU's claims, four cases to property surety providers on foreclosure of property, 13 cases on bankruptcy of property surety providers, seven claims to financial guarantee providers, and six civil actions

within the scope of criminal cases were pending in the courts of various instances.

At present, the NBU is taking actions to enforce the court decisions regarding financial and property surety providers.

3.4. Intellectual Resources

Intellectual resources include intangible, knowledge-based assets.

The NBU uses the following types of intellectual resources:

- intangible assets (software, both purchased and own, licenses, websites, information, databases, copyright, rights of enjoyment, etc.)
- organizational resources – knowledge, research, and knowledge bases accumulated in the NBU, systems, processes, and procedures.

The NBU's intangible assets, recognized and presented in the Consolidated Statement of Financial Position as assets, primarily include third-party software and licenses to use software that eventually expire, resulting in expenses that are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income mainly as administrative and other expenses.

Proprietary software, the official website built by the NBU's software developers, databases, and the right to use state-owned land do not meet the criteria for being recognized as assets, and are thus not recognized as such in the Consolidated Statement of Financial Position. However, the NBU bears the costs of developing and maintaining these assets, and these costs are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Improvement of Reporting System and Communications

In 2024, the NBU prepared reports on monetary and financial statistics based on statistical data from the NBU, banks, and non-bank financial institutions, and provided timely

information to internal and external users by publishing them on the NBU's official website in compliance with the requirements of the Special Data Dissemination Standard, and by providing them to government agencies and international organizations upon request and in accordance with agreements, including the Office of the President of Ukraine, the Cabinet of Ministers of Ukraine, the Ministry of Finance of Ukraine, the Ministry of Economy of Ukraine, the National Security and Defense Council of Ukraine, the National Securities and Stock Market Commission, the State Statistics Service of Ukraine, the IMF, the European Central Bank, etc.

In order to provide a wide range of users with access to statistical information, in 2024, the NBU continued to put this information in the public domain on its website. The list of statistical indicators published in the open data format (API) was supplemented with separate balance of payments data sets calculated in the euro and in the hryvnia.

During the reporting year, the NBU expanded the practice of using the latest data presentation tools based on the BI platform by MicroStrategy Inc. As a result, the number of created visualizations of statistical data increased to 16.6% of the number of all reports (the planned figure was 10%).

According to agreements entered into with government authorities and international organizations and with a view of meeting the information needs of internal users, in 2024 the NBU, on the basis of the statistical reports it received from the banks, prepared and submitted more than 20,000 regular statistical reports. They included reports submitted to the Presidential Office of Ukraine, the Ministry of Economy of Ukraine, the State Statistics Service of Ukraine, the State Tax Service of Ukraine, and the IMF.

Also, the NBU, in a timely manner, considered and drew up responses to people's requests, rulings of Ukrainian courts, and queries submitted by the National Police of Ukraine, the Prosecutor General's Office of Ukraine, committees of the Ukrainian parliament, and the Antimonopoly Committee of Ukraine.

Research and Development

In 2024, the NBU conducted active research in line with the NBU's [priority research areas](#). The NBU's research is aimed at examining the central banking issues in the areas of monetary policy, financial stability, economic recovery, and digital markets, taking into account the short- and long-term effects of Russia's war against Ukraine.

In 2024, the NBU's researchers published working papers and articles in scientific journals on a wide range of relevant topics. Those include:

- [The Role of Financial Literacy in Anchoring Inflation Expectations](#) (NBU working paper)
- [The Impact of the Central Bank's Communication on FX Market Dynamics](#) (NBU working paper and an article in the *Visnyk* of the National Bank of Ukraine)
- [The Specific Nature of Economic Activity Now-casting in the Context of Limited Data](#) (NBU working paper)
- [Interest Rate Pass-Through in Ukraine: Estimates and Determinants](#) (an article in the *Visnyk* of the National Bank of Ukraine)
- [Determinants of Corporate Credit Growth in Ukraine](#) (an article in the *Visnyk* of the National Bank of Ukraine) and
- [Short-Term Forecasting of Global Energy and Metal Prices](#) (an article in the *Visnyk* of the National Bank of Ukraine).

NBU researchers also [published](#) their articles in international peer-reviewed publications.

The main scientific event for the NBU was the [annual research conference Navigating the Changing Landscape: Central Banks in a New Normal](#), which was held together with the National Bank of Poland, with support from the IMF. This was the first time since 2019 that the conference was held offline in Kyiv.

Besides, the NBU hosted its recurring online workshop [Monetary Policy in Emerging Markets: Crafting Integrated Solutions](#). The workshop focused on developing a comprehensive approach to economic policy that promotes macroeconomic and financial stability in the face of global challenges.

The NBU also held [seven open research seminars](#). During these events, NBU experts and invited leading researchers presented their findings in areas relevant to the NBU.

A conference for students and young researchers [The Banking Sector and Monetary Policy: Development Prospects](#) was held for the seventh time.

The NBU also hosted the sixth student championship [Monetary Policy: NBU University Challenge](#). The competition involved 27 teams of students from 18 Ukrainian universities.

Information Technologies

The NBU IT infrastructure has been developing and evolving using the best global practices for creating secure and reliable IT infrastructures.

During the reporting year the System of Electronic Payments (SEP) was in the process of further development.

On 1 December 2024, the system's new version, SEP 4.1, was launched in Ukraine, which provides instant transfers and is available for all entities connected to the system: banks, non-bank payment service provider, and the State Treasury Service of Ukraine.

In 2024, about 484 million payments worth a UAH 241 trillion were delivered through SEP (including 19 million payments of UAH 56.5 billion under the government programs). This is a 14% increase in number and a 58% increase in value comparing to 2023, the year that saw 423 million payments of more than UAH 210 trillion.

The regulator continues to work on further innovative development of the system, including the implementation of the next versions of SEP, which may, among other things, come equipped with a tracking service for payments, multicurrency, a payment transaction risk assessment service, and more.

The government has implemented free-of-charge delivery of SEP payments to the public under *National Cashback*, *Zymova e-Pidtrymka*, and *e-Knyha* government social support programs.

Monitoring and management of SEP operations is under constant improvement in general and for its participants in particular. Also control of ISO 20022 incoming messages was enhanced.

The NBU has ensured the reliable operation of the Single National System for Remote Identification of Individuals and Legal Entities (hereinafter referred to as the "NBU BankID System"). In 2024, one subscribed identifier and 21 subscribed service providers joined the NBU BankID System: 18 commercial institutions and three nonprofit organizations.

As of the end of 2024, the NBU BankID System reported 39 subscribed identifiers and 110 subscribed service providers (where 96 were commercial institutions and 14 nonprofit organizations).

In 2024, successful electronic identifications in the NBU BankID System continued to surge. The total number of successful identifications by means of the NBU BankID System was 87.7 million, more than a two-fold increase from the previous indicator.

An important decision in 2024 was to integrate the NBU BankID System with the state-owned *Reserve+* app allowing millions of Ukrainians to update their data in a timely manner. The NBU BankID System has become the only authentication method that remotely updates data on persons liable for military service. Overall, such an integration solution contributed to significant savings of state resources that go toward the collection and processing of respective data. Since the launch of *Reserve+* app, 16.4 million successful identifications have been made via the NBU BankID System in 2024.

To provide a reliable source of information about the NBU and the banking system of Ukraine, the NBU supported and developed the NBU's official website during the year, in particular:

- automated display of ownership structures of non-bank financial groups
- developed message form on license-exempt lines of business
- developed form for discussing draft laws and regulations
- for improving visualization:
 - the *Capital Market* page was supplemented with three new charts showing secondary market transactions
 - the *Banknotes and coins in Circulation* page shows cash-in-circulation trends in number and in value as of 1997
 - the definition of the business and reporting dates was revised for FX market graphs
 - the data of the *Domestic government bonds by outstanding nominal volume* graph was supplemented with Insurance Companies.

In order to upgrade the website in line with inclusivity standards, the feature of website elements were revised: sliders, banners, news, contrast and lists in forms were enhanced, and other relative improvements were introduced.

The NBU actively developed and improved its other information systems as part of pursuing the NBU Strategy.

The regulator also upgraded the NBU's Credit Register (2.0 version) that provides for accurate monitoring of the financial market and improves the quality of decision-making on the account of improved the data structure and increasing membership.

In 2024, the NBU ensured continued and reliable operation and expanded functions of the foreign exchange reserve management operations automation system of Ukraine. The NBU continued to develop forms and functions for using financial instruments, improved import operations and accounting entries for all types of financial instruments, developed modules for compiling financial statements, and

commenced adapting the SWIFT module to the requirements of ISO 20022.

The Automation Systems for Monetary Policy Instruments (hereinafter referred to as the "ASMPI") underwent as follows:

- installation of the new version of the automated system for processing exchange rate of the hryvnia to foreign currencies and precious metals "Exchange Rates"
- upgrade of the automated information system "Electronic Form of the State Register of Banks" (WEB-SRB) with features for downloading (updating) banks' logos and other relevant updates
- provision of timely information on banks' status from WEB-SRB and AIS "Bank Dossiers" for verifying applications for tenders on liquidity assistance and placement of certificates of deposit
- upgrade of the module for reviewing information in the Interbank Transactions Processing System executed in BLOOMBERG and REUTERS (INTERBANK) trade and information systems
- implementation of the new version of "DepoOblik" assignment in the system "NBU Depository".

In 2024, the Cash Circulation Automation System (hereinafter referred to as "CCAS") was upgraded, which is a centralized system for effective management of cash in the cash reserves and reserve funds of the NBU and other valuables that automates their accounting and transactions, including transactions to transfer the NBU's cash reserves for safekeeping to authorized banks.

Also, the following information source were improved: "Ukrainian FX Market Conditions", The NBU's banking, financial, and business process automation system, NBU SAP, the Court Cases Record System, the Analytical System "Reporting Statements" and "NBU Data Warehouse".

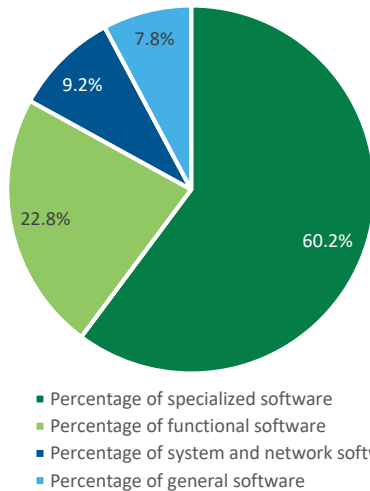
The automated information system "System for processing and storing daily records" (AIS-SPSDR) was developed for compiling daily records and storing primary and reporting documents, accounting registers in electronic form generated in the course of the NBU's operating activities.

As part of the NBU's efforts for implementing artificial intelligence, the NBU has developed and tested a number of models to detect abnormal and fraudulent transactions.

In order to conduct a Ukrainian-wide testing on financial literacy, a financial literacy website Harazd was upgraded and its technical features were expanded.

The NBU information systems continuity is also maintained due to continual user support by Omnitracker system which is developed and improved by covering more aspects of assisting the NBU employees' activities.

Breakdown of NBU software by application and functions (2024)



The regulator improved, revised, and approved the regulations for providing general-purpose computers and communications equipment at the NBU, the regulations for providing mobile phone services and devices at the NBU, and the Rules for Using Mobile Phone Services at the NBU.

On an ongoing basis, work is being carried out to transfer computer equipment that has already been decommissioned from the NBU as obsolete but that still remains operational to organizations that need help with technical equipment and that have asked the NBU to provide said equipment. During 2024, the following were selected, validated, and transferred to:

- The National Research Center “Academician M.D. Strazhesko Institute of Cardiology, Clinical and Regenerative Medicine of the National Academy of Medical Sciences of Ukraine” — 120 units
- The Ministry of Education and Science of Ukraine — 728 units.

In 2024, the efforts of the National Payment System PROSTIR (hereinafter referred to as “PROSTIR”) were directed at increasing the number of issuers and expanding the acceptance infrastructure of PROSTIR payment cards.

At the end of the year, PROSTIR card payments were delivered in 508 retail POS terminals and 15,000 ATMs, which accounted for nearly 100% of the total number of POS terminals in Ukraine.

In the reporting year, PROSTIR expanded its payment card acceptance infrastructure, specifically:

- five system participants set up a network of their own payment devices and one acquirer implemented Internet acquiring for PROSTIR payment cards
- the list of acquirers was expanded that provide the cash back at checkout service and payments for goods and

services using the terminal in smartphone technology for PROSTIR payment cards.

At the end of year, 16 participants in the system were issuing PROSTIR payment cards. The total number of PROSTIR payment cards in 2024 was 455,000, including 205,000 active payment cards.

Also, in 2024, three participants providing Internet acquiring services and one issuer of the system configured the PROSTIR e-Secure technology for protecting e-commerce transactions. At the beginning of 2025, five participants implemented the PROSTIR e-Secure technology.

The NBU is considering the feasibility of issuing its own digital currency, the e-hryvnia, on a large-scale basis, and continues to prepare for a pilot project to issue digital currency, including a search for a technology partner in 2024 to provide the NBU with a technological solution for the pilot project.

This research is part of the public E-Hryvnia Project carried out in line with IMF methodology for central bank digital currency (CBDC) projects, the 5P Methodology.

When working on the E-Hryvnia Project, the regulator engages experts from the World Bank and the IMF, and analyzes pilot projects of digital currencies of central banks around the world to take into account their experience. In view of Ukraine’s European integration course, the NBU paid close attention to the progress made by the European Central Bank’s Digital Euro project.

The NBU continues implementing open banking in Ukraine.

The NBU has approved drafts of the first parts of the technical specification for application program interfaces (APIs) to be tested by market participants. These drafts will be used as the basis for the technical specification of application program interfaces (APIs) that will define uniform approaches to setting up payment service providers’ information systems for open banking.

Read more in the NBU’s Annual Report 2024.

Cyber- and Information Security

Under martial law, the NBU continued to provide the cyber resilience of the Ukrainian banking system and to ensure the smooth operation of the financial sector of Ukraine as a whole.

In 2024, the NBU implemented the tasks and obligations of the key entity of Ukraine’s national cybersecurity system laid in the Law of Ukraine *On the Basic Principles of Cybersecurity of Ukraine* and measures of the Cybersecurity Strategy of Ukraine.

The NBU’s Cyber Security Center operated in ad hoc mode and continuously monitored risks and cyber threats to information resources of the NBU and the Ukrainian banking

system, ensuring the timely and adequate responses and countermeasures.

In 2024, the trend of previous years continued in terms of the number and types of cyberattacks aimed at the financial sector of Ukraine, as well as the manifestations of cyber fraud and cybercrime.

Over the past year, the CSIRT-NBU Cyber Incident Response Team in the Ukrainian banking system, which is part of the Cybersecurity Center, detected and analyzed more than three thousand samples of malware, timely informed Ukrainian banks about detected cybersecurity incidents and recorded attempts to commit cyberattacks. The NBU posted over 100 reports on cyber incidents and indicators of cyber threats on the Malware Information Sharing Platform & Threat Sharing (MISP), which is rather popular among banks. As of 31 December 2024, 61 banks were connected to the MISP-NBU platform.

The NBU also actively counteracted a surge in cyber-fraud and cyber-crime, mostly related to programs providing state and international financial assistance to Ukrainian citizens. One of the key challenges in 2024 was a new type of cyber attack aimed at gaining access to accounts of popular messengers, including the use of two-factor authentication bypass techniques and social engineering.

Thanks to continuous monitoring of cyberspace in 2024, the CSIRT-NBU team identified and initiated the blocking of about 70 thousand (in 2023 - about 41.5 thousand) phishing resources related to financial fraud and stylized as a portal, that provides on-line public services such as Diia, the eDopomoga social platform, the Humanitarian Aid Portal, and the portals of Ukrposhta, OLX, Nova Poshta, etc., using the trademarks and logos of Ukrainian banks and payment services. To spread phishing messages, criminals also actively used social networks and messengers (Facebook, Telegram, Instagram, Viber), respective channels, bots, and groups. Based on the analysis findings of trending fraudulent campaigns, the NBU's Cybersecurity Center published 29 materials on its [portal](#) in Cyberfraud section describing the relevant schemes.

In 2024, the phishing domain filtering system prevented the access to fraudulent resources for about 4.5 million requests from the Ukrainian public. Together with the State Cyber Protection Centre of the State Service of Special Communications and Information Protection of Ukraine the regulator ensured proper response to over 20 cyberattacks targeting government institutions and critical resources.

International cooperation remained one of the priorities of the Cybersecurity Center. In 2024, the CSIRT-NBU team was accredited by TF-CSIRT (the international community of cyber incident response teams) and received the ACCREDITED status, becoming the first Ukrainian team to be officially accredited.

In 2024, the NBU actively cooperated with European national central banks on cybersecurity issues, in particular, with De Nederlandsche Bank and the National Bank of Belgium. So, the NBU was able to:

- conduct research on the implementation of the TIBER-EU framework for the financial sector of Ukraine
- receive assistance in organizing cybersecurity and cyber defense of the financial sector of Ukraine during the war
- improve and adapt tools for responding to and countering cyber incidents.

In 2024, the NBU completed analysis of the information- and cybersecurity of non-bank financial services market participants for compliance with the NIST Cybersecurity Framework v1.1 standard and a set of national standards DSTU ISO/IEC 27000. Based on the analysis findings the list of possible risks for financial institutions was drawn up on the information and cybersecurity. Also, targeted recommendations were drafted for institutions on implementing the list of key information and cybersecurity measures.

In 2024, the NBU continued developing remote banking customer service systems, specifically, by increasing the number of electronic trust services in the banking systems and in the market of non-bank financial services. As of the end of 2024, banks that are qualified trust service providers generated 9.72 million qualified public key certificates, which is 1.5 million more than in 2023. The number of electronic signatures generated by bank customers increased by 6% to 3.13 billion in 2024 (2.95 billion in 2023).

The NBU has taken a number of measures to improve the NBU's information security management system and increase its maturity.

Thus, the NBU introduced improved procedures for managing access rights to the NBU's information resources, which ensure an effective procedure for managing access rights and prevent the granting of excessive rights and incompatible powers. The legal and organizational framework for managing the information security of the NBU's information network was updated to ensure its cyber resilience and protection against cyber attacks. An updated comprehensive methodology for managing the NBU's information security risks was developed and applied. An up-to-date methodology for creating/improving information security systems in the NBU's information systems was introduced, which factors in the recommendations and requirements of international standards and global practices, in particular, NIST Special Publication 800-53 "Security and Privacy Controls for Information Systems and Organizations", CIS Critical Security Controls, The OWASP Testing Project.

The NBU conducted a pre-certification audit for compliance with ISO/IEC 27001:2022 "Information security, cybersecurity and privacy protection - Information security management systems - Requirements", which established the NBU's overall focus on maintaining a high level of information

security and identified ways to improve the information security management system.

External audits have been conducted for the second year in a row to check:

- compliance of the NBU's SWIFT infrastructure with the provisions of the SWIFT Customer Security Controls Framework v2024
- information security of the NBU.

3.5. Social and Reputational Resources

Social and reputational resources include institutions and relationships within communities, as well as between stakeholders and other groups, and the ability to share information to increase individual and collective wealth.

The NBU uses the following types of social and reputational resources:

- the NBU values, the Code of Conduct for NBU employees (the Code of Conduct) and the rules of conduct, including anti-corruption ones
- relationships with stakeholders
- reputation- and brand-related intangible assets
- social licenses to operate: NBU's rights to perform its main functions as set forth in the legislation.

The NBU's consolidated statement of financial position does not recognize social and reputational resources since they do not meet the criteria of financial statement items. However, the NBU bears the costs of developing and maintaining these assets, and these costs are recognized in the Consolidated Statement of Profit/Loss and Other Comprehensive Income mainly as administrative and other costs.

NBU's Collective Agreement

In 2024 the collective negotiations were held on conclusion of a new Collective Agreement between the management (administration) and staff of the Head Office of the NBU for 2024-2028, in order to reconcile the interests of the NBU as the employer and the employees. The subject of the Collective Agreement is the regulation of production, labor, social and economic relations, reconciliation of the interests of employees and administration on issues of remuneration, guarantees and benefits in housing, social, and medical servicing, organization of the NBU's employees rest and recreation.

The share of employees who signed collective agreements, is 100%.

The findings of these audits show that the NBU has ensured reliable protection of data and information in the local SWIFT environment and in the NBU's information network as a whole.

The NBU's Cybersecurity Center capacity has been enhanced. To address all the challenges and threats faced by the NBU, a cyber incident response team was established at the NBU in May 2024, which was the first step towards establishing a cybersecurity analytical center, the Security Operations Center.

Code of Conduct

One of NBU's main tasks is to create an environment defined by ethical and responsible behavior based on the NBU's values.

The guidelines and rules on employees' conduct and ethics are set forth in the NBU's Code of Conduct.

In 2024, the NBU continued to work on amendments to the Code of Conduct to bring it in line with the Strategy, applicable laws of Ukraine, and NBU regulations.

Anti-corruption Policy

The NBU's policy on preventing and combatting corruption is based on the principles of the rule of law, good faith, zero tolerance to any form of corruption, inevitability of punishment for corruption offenses, transparency and openness of NBU operation, the collegiality principle for important decision-making.

In 2024, the corruption prevention was carried out in accordance with the requirements of the anti-corruption legislation and the NBU's Anti-corruption Program for 2024–2026, approved by the decision of the NBU Board and other NBU orders regulating the issues of preventing and counteracting corruption in the NBU.

Measures to implement the NBU's anti-corruption policy guidelines

- upholding the four-eyes/collegiality principles in decision-making
- providing NBU employees with advice on compliance with anti-corruption restrictions, the requirements regarding the prevention and resolution of conflicts of interest, other requirements of anti-corruption legislation, and arranging relevant trainings;
- overseeing compliance of NBU employees with anti-corruption restrictions, requirements regarding prevention and resolution of conflict of interest, other requirements of anti-corruption legislation
- anti-corruption examination of draft NBU regulations
- anti-corruption evaluation of NBU draft regulations

- regulating the processes of NBU units' operation
- improving the recruitment process, verifying information about persons applying for positions at the NBU, including organizing a special inspection in accordance with the established procedure for persons applying for responsible or particularly responsible positions at the NBU, as well as positions with a high corruption risk
- control over timely submission of declarations by NBU officials as the persons authorized to perform functions of the state or local authorities
- timely response to reports regarding possible corruption or corruption-related offences, and other violations of the Law of Ukraine *On Prevention of Corruption*
- encouraging and promoting a culture of reporting possible corruption or corruption-related offences, and other violations of the Law of Ukraine *On Prevention of Corruption*, as well as ensuring confidentiality of the details of persons that report possible cases of corruption or corruption-related offences
- program implementation and monitoring, as well as review (if needed)

Based on the results of the first supervisory stage of the certification audit in 2024, the NBU's anti-corruption management system was confirmed to be in compliance with the requirements of the International Standard ISO 37001:2016.

Labor Safety

The NBU's occupational health and safety management system applies to all full-time employees.

The NBU's key priority in labor safety is to create in each of its structural units the working conditions as prescribed by the regulations and ensure compliance with the laws regulating the employees' rights in this field, namely:

- creating safe working conditions at each workplace
- applying effective measures to reduce the impact on the employees' health at the workplaces where hazardous or dangerous factors have been identified higher than standard
- granting the employees benefits and compensations for difficult and dangerous labor conditions
- providing the employees with special clothing, special footwear and other personal and collective protection means
- ensuring effective functioning of the labor safety management system by exercising control over labor conditions within the units responsible for labor safety
- complying with the employer's obligations set forth in the collective agreement and undertaking comprehensive measures to meet the required standards and improve the labor safety level
- ensuring proper maintenance of buildings and facilities, production equipment and machinery, monitoring of their technical condition
- ensuring availability of fire protection means in the premises and transport vehicles

- ensuring 24/7 operation of the fire protection systems and fire alarm announcement system
- introducing preventive measures based on the investigation findings on accidents, occupational diseases and other emergency situations to prevent the similar accidents in the future
- organizing lab studies of labor conditions, assessment of technical condition of the production equipment and machinery, certification of workplace compliance with the labor safety requirements
- developing and approving regulations, instructions and other internal documents for occupational safety.

In order to create safe working conditions at the NBU,

- 2022-2025 Comprehensive Action Plan to meet the required standards and improve the labor safety level in the NBU Head Office has been drafted
- the employees of the NBU Head Office that fulfil the functions related to hazardous and dangerous working conditions and involved in works connected with contamination or those performed in unfavorable meteorological conditions, are equipped with modern certified means of individual protection, special clothing and footwear
- special training in occupational safety for the NBU Head Office employees performing high risk work (including high fire risk), was organized
- the risk-based approach was introduced to prevent injuries and occupational diseases, risk identification and professional risk measurement were performed. The working groups of structural units identified the main hazards that may affect employees and offered risk management measures that can reduce the risk, in particular, improve working conditions by introducing safe technologies, conducting briefings, training, and testing employees' knowledge of occupational safety and health, and providing employees with the necessary collective and individual protective equipment
- on an ongoing basis, the control of labor safety, fire and environmental safety in the NBU Head Office is performed.

The NBU's Banknote Printing and Minting Works, taking into account the specifics of production processes, introduces and implements the following:

- internal special training in occupational safety under thematic programs NBU's Banknote Printing and Minting Works employees that perform high risk works
- briefings on occupational health and safety for the employees according to the instructions on labor safety approved by the Banknote Printing and Minting Works
- list of high-risk works that are performed according to special assignments for safe performance of works
- allowances for free issuance of special clothing, special footwear, and other personal protective means
- providing employees engaged in work with difficult and harmful working conditions with therapeutic and preventive nutrition - milk - free of charge

- providing employees engaged in work with difficult and harmful working conditions, as well as work related to pollution, with detergents free of charge
 - control over the employees health through previous and periodic physical examinations.
- Pursuant to the requirements of the Law of Ukraine *On Occupational Health and Safety* the expenses on occupational health and safety shall make at least 0.5 per cent of the staff payroll for the previous year. Expenses on labor safety of the NBU in 2024 made UAH 56 million.

In 2023–2024, a number of trainings in occupational and fire safety were conducted:

	2024		2023	
	Number of events	Number of participants	Number of events	Number of participants
Fire safety and occupational health and safety	37	438	40	310
Remote training in fire safety and occupational health and safety (in-house)	11	1,070	19	1,676
Total	48	1,508	59	1,986

NBU Corporate Non-State Pension Fund

The NBU as a responsible employer, provides the possibility to its employees to receive additional pension payments from the NBU Corporate Non-state Pension Fund (CNPf) upon achieving the pension age.

The CNPF was established to create additional social protection for employees after their retirement and help the employer to attract best qualified employees and to reduce the turnover of personnel in the NBU.

The operation of the CNPF provides only for the funds accumulation in favor of the CNPF participants, assets management and consequently the provision of decent pension payments to the CNPF participants.

As of 31 December 2024, the CNPF had 12,317 participants (12,778 as of 31 December 2023), including 2,810 persons who receive pension benefits for a definite period (3,405 as of 31 December 2023). Book value of CNPF's assets reached UAH 2,396 million as of 31 December 2024 (UAH 2,089 million as of 31 December 2023). In 2024, the founder contributed UAH 92 million to the CNPF (UAH 77 million in 2023).

More information about the NBU's relationships with the CNPF is provided in Note 1 to the NBU's Consolidated Financial Statements for the year ended 31 December 2024.

Primary Labor Union Organization of the National Bank of Ukraine (hereinafter referred to as "Labor Union")

Social initiatives of the Labor Union are as follows:

- regular support of the Labor Union members who enlisted in the Armed Forces of Ukraine
- regular support of the Labor Union members whose homes have been damaged by hostilities
- protection of rights and interests of the members, accident prevention

- cooperation with the NBU administration to mitigate adverse effects of dismissals, the Labor Union members' health care.

In 2024 the NBU's Labor Union

- reimbursed part of the cost of subscriptions to sports clubs for the Labor Union members and their children (18 years and under)
- provided
 - assistance to members of the Labor Union for childbirth, funeral of the first-degree relatives, and medical treatment
 - one-time lump sums to the Labor Union members raising three or more children and children with disabilities
 - support of the Labor Union members whose principal residence has been damaged by hostilities in the region of residence
 - periodic assistance to NBU employees who joined the ranks of the Armed Forces of Ukraine
 - As part of charitable initiatives, the NBU's Labor Union:
 - provided assistance to the Children's Clinical Hospital No. 7 in Kyiv and the charitable organization "Hospital Fund of the Metropolitan Police"
 - provided assistance to some military units
 - organized ongoing psychological support for the Labor Union members
 - organized online meetings with scientists and socially active opinion leaders
 - helped the wounded with treatment and rehabilitation
 - supplied NBU bomb shelters in Kyiv and in the regions with tea, cookies, water for NBU employees during long air raids
 - organized summer rest and recreation (including abroad) of 284 children of the Union members (including abroad)
 - provided free vouchers to children of the Labor Union members who have one of their parents in the Armed Forces of Ukraine
 - provided the Union members, within a certain limit, with additional options of the voluntary health insurance program.

The number of employees who joined the Labor Union in 2024 was 214 persons (240 in 2023).

NBU Employer Brand

To ensure the development of the NBU's employer brand, the NBU organized and supported student internships and traineeships, participated in job fairs, engaged in other events and projects that popularize and promote employer brands, and took other steps during 2024 in search of intellectually and creatively gifted youth capable of doing effective work at the NBU.

In 2024, the NBU organized an internship and a traineeship for 57 students of higher-education institutions, engaging 38 trainees and 19 interns. In 2024, the NBU employed 16 students who had undertaken internships and traineeships at the NBU, and hired seven students and graduates of higher education institutions as a result of successful interviews (with no prior internship).

As part of its cooperation with higher education institutions, the NBU organized and held 20 guest lectures for students with the participation of NBU speakers.

The central bank participated in 11 job fairs.

As a result of measures taken to develop and promote its employer brand, the NBU was ranked the Best Employer of 2024 (one of the banking sector's best three institutions) according to Ukrainian students (the rating was compiled by the HR brand agency UGEN).

Voluntary Health Insurance System and Healthcare

The NBU consistently and steadily prioritizes the health and well-being of its employees.

In line with current needs and best practices in the insurance market, the NBU updated its voluntary health insurance program to offer expanded coverage/additional options for mobilized and demobilized employees.

The NBU also continues to run its psychological support program, which offers individual online consultations with psychologists, as well as group webinars and lectures. In addition, a variety of mental health initiatives were organized, including lectures by professional psychologists, training sessions on information hygiene and cybersecurity, and discussions with leading speakers on current topics.

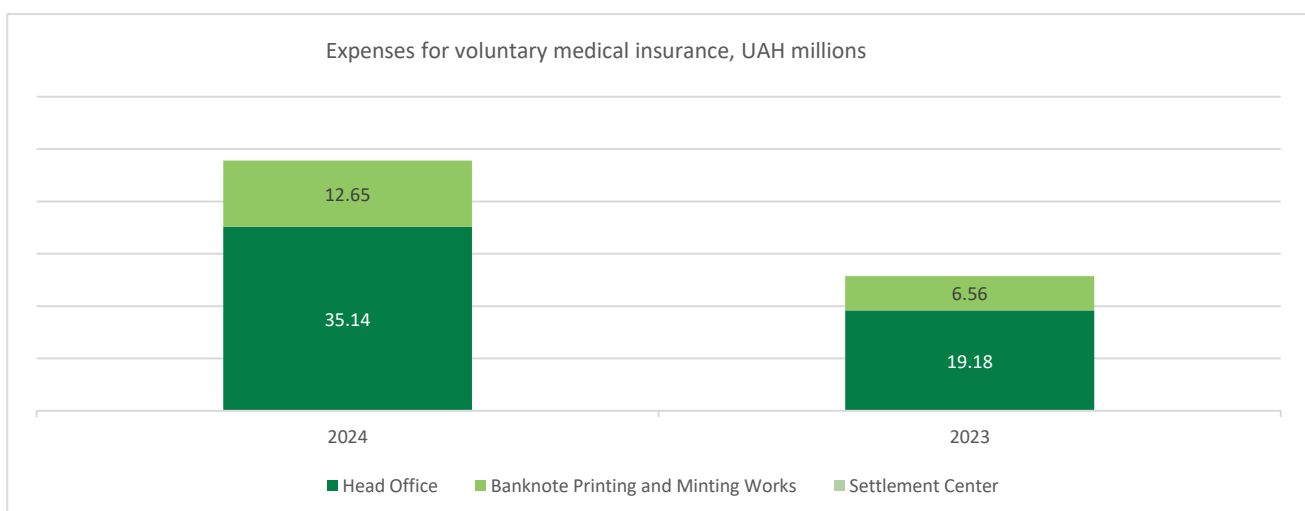
In 2024, the total amount of financial assistance provided for employee medical treatment reached UAH 8.058 million (UAH 5.806 million in 2023).

The continuation of the practice of kids rooms at all NBU locations served as an additional measure of support.

The number of insured persons amounted to 3,943 in 2024, including 2,900 employees of the NBU Head Office and 1,043 employees of the Banknote Printing and Minting Works. In 2023, the number of insured persons was 3,767, including 2,770 employees of the NBU Head Office and 997 employees of the Banknote Printing and Minting Works.

In 2024, the expenses for voluntary health insurance totaled UAH 47.79 million, including UAH 35.14 million on the NBU Head Office and UAH 12.65 million on the Banknote Printing and Minting Works (in 2023, the respective figures were UAH 25.74 million, UAH 19.18 million, and UAH 6.56 million).

Voluntary Health Insurance System has not been offered at the Settlement Center.



Financial Literacy

In 2024, the NBU took many essential steps for developing financial literacy in Ukraine, in particular:

- the National Strategy for Financial Literacy Development until 2030 was approved, which was developed together with representatives of government agencies, educators, financial market participants and public organizations. The strategy covers different age and social groups: children, young people, adults, entrepreneurs, veterans, internally displaced persons and the elderly. Its implementation will help to strengthen the financial stability of the country's citizens and the formation of responsible financial behavior. The strategy sets out five key goals:
 - high-quality basic financial education
 - responsible handling of personal finances
 - financially literate entrepreneurs
 - advanced digital financial literacy
 - a favorable ecosystem for the development of financial literacy
- NBU Publishes Financial Competence Framework for Children and Youth of Ukraine. The document defines the key financial competences for children and young people aged 5 to 18, covering the knowledge, skills and attitudes necessary for responsible financial management and the use of financial services. The Framework is based on international approaches, in particular the OECD/INFE Core Competencies Framework on financial literacy for Youth, adapted to the Ukrainian context. The NBU expects that the Framework's practical application will facilitate the introduction of financial literacy in the educational process and the development of modern curricula and materials. It will also form the basis for the introduction of financial education as part of the New Ukrainian School concept, and will contribute to increasing the overall level of financial awareness in society.
- Educational and methodological materials for teaching the course "Entrepreneurship and Financial Literacy" were prepared: a textbook for grade eight, an educational app, a workbook for students, and presentations for teachers. Work is underway on methodological materials for educators and a course for the national online school. A free course "Financial Literacy for Educators" on the Prometheus online education platform is also being offered.
- The following information campaigns were conducted: #CybersecurityFinance (how to protect yourself from phishing, secure your social media accounts and

devices, create strong passwords, set up multi-factor authentication, and follow other important cybersecurity rules) and #KnowYourRights_Insurance (how to choose an insurance company, what to look for when concluding a contract, how to get full information about insurance products, and what to do in case of violation of policyholders' rights).

- four annual initiatives were launched: the FinLit Forum conference for educators, the Money & Banking numismatic conference for scientists, Ukrainian-wide testing of financial literacy for adults, and the Ukrainian Financial Literacy Championship for schoolchildren
- a number of events for educators, children and young people were held: Global Money Week, Safer Internet Day, educational marathon "Banker as a dream profession", Hryvnia Day, Savings Week, Giving Tuesday events
- tours to the Money Museum: some 110 online events were held (with more than 8,000 participants) and more than 250 offline excursions were attended by more than 5,000 people.

Charitable Initiatives of the Employees

In 2024, together with the Kyiv City Blood Center, the NBU held four Donor Day events at the NBU's premises. The 119 liters of blood donated were given to wounded soldiers, while also being used in maternity houses and in oncological centers.

Together with charitable foundations, the NBU implemented a project to support families who found themselves facing a difficult life situation because of the war. As part of the project, the NBU made the New Year's dreams of 70 children from different regions of Ukraine come true.

The NBU also held informational and educational events to promote the culture of charity, and initiated a charity event.

- The charity event #SuperCoins to collect coins was held to unite the efforts of Ukrainians and raise funds to help Ukrainian soldiers and civilians affected by hostilities.
- #GivingTuesday, the national day of good deeds, had a wide range of activities, including assistance to the military, victims of war, children, the elderly, animals, and environmental initiatives:
 - The School of Charity. Inclusion
 - Good Deeds Marathon
 - "With Good in the Heart, with Ukraine in the Soul" workshop
 - Respect, Understand and Be Grateful! contest

3.6. Natural Resources

The NBU recognizes in Consolidated Statement of Profit or Loss and other Comprehensive Income the costs on payment of taxes and activities related to environment protection mainly as administrative and other expenses, and profits on sale of recyclables as other income.

The NBU takes measures to ensure environmental safety, adhering to the principles of rational use of natural resources and reducing environmental impact. In terms of air protection, the NBU takes the following measures: stationary sources that emit pollutants into the air are maintained in good condition, and compliance with the established maximum permissible emissions of pollutants from stationary sources is monitored. In terms of water resources protection, the NBU monitors the quality of wastewater and controls compliance with the limits of its intake and use. In terms of waste management: non-hazardous and hazardous waste is transferred to waste management entities that have a waste treatment permit or a declaration of such activities and a license for hazardous waste management, household waste is transferred to a household waste management service provider. In terms of resource management, materials that have not completely lost their consumer properties and are suitable for reuse are sold by the NBU through open electronic bidding/auctions using the Prozorro electronic trading system. This allows the materials to be turned into raw materials that will be reused, rather than waste, in line with the principles of the circular economy.

To implement environmental protection measures, the NBU spent UAH 1.82 million (excluding VAT) in 2024 and UAH 1.89 million in 2023.

The NBU has introduced the environmental management. Environmental management is aimed at mitigating the risks of land, water, and air pollution. To mitigate the risks of land pollution with waste and hazardous substances, the NBU has implemented a system of environmental control over the land owned by the NBU. In 2024, the NBU conducted 20 inspections. If violations are detected, the NBU imposes controls over their elimination and removal of pollution.

The NBU has a separate unit, the Banknote Printing and Minting Works, which is responsible for the production of banknotes, coins, state awards, securities, and other products.

The NBU Banknote Printing and Minting Works adheres to and complies with the requirements and regulations of the Labor and Environmental Protection Policy of the NBU

Banknote Printing and Minting Works (hereinafter referred to as "Policy").

The current system of ecological protection of the NBU Banknote Printing and Minting Works complies with the ISO 14001:2015 standard and is developed, implemented, analyzed, and improved based on a risk-oriented thinking as a set of interrelated processes, aimed at increase in the production performance, rational use of natural resources, reduction of environmental load within the area of facility's possible impact.

The Policy is focused on activities of the NBU Banknote Printing and Minting Works – manufacturing of banknotes, coins, state awards, securities, and other production that satisfies the demand of customers and partners of the NBU Banknote Printing and Minting Works with stable quality which meets the state and international standards.

Such possible ways to achieve goals regarding the boost of the facility's energy efficiency and provision of minimal negative impact on the environment are envisaged by the Policy:

- technical re-equipment of the production facility by introducing the cutting-edge technologies, high-performance equipment, innovative materials, energy-efficient and resource-saving technologies, low-waste, no-waste and eco-friendly technological processes that ensure mitigation of negative impact on the environment, human health, and guarantees safe working conditions
- management of significant ecological aspects that impact or may impact the state of environment
- constant analysis and enhancement of current eco management system
- training, professional development, consultations, and involvement of employees into development, implementation and enhancement of environmental protection system.

Recycling

The NBU actively implements the principles of rational use of resources, ensuring the reuse of materials that have not completely lost their consumer properties.

This approach helps reduce waste generation and promotes a circular economy, where resources remain in circulation for as long as possible and their environmental footprint is minimized.

Gathering and sale of recyclable materials for reuse:

	2024		2023	
	Weight, kg	Amount, UAH thousand	Weight, kg	Amount, UAH thousand
Waste paper for recycling	27,632	101.39	54,462	123.04
PET containers (plastic bottles)	150	1.62	308	1.90
Mixed polyethylene waste (unsorted)	3,220	1.88	3,532	2.01
Lead batteries, damaged or exhausted	14,576	202.22	864	12.96
Coin scrap	104,690	9,322.22	43,228	4,271.79
Scrap metal (ferrous scrap)	20,081	150.00	18,872	85.04
Waste from household and computer equipment	–	–	16,968	127.26
Total		9,779.33		4,624.00

Waste

In 2024, the waste generated at the NBU and transferred to economic operators in the area of waste management made 1.4 thousand tons. The following waste is considered safe and is subject to disposal:

- mixed household waste
- destroyed banknotes (shredding)
- bulky waste
- damaged tires
- used fire extinguishers
- spent cartridges
- pharmaceutical products and substances.

Waste was disposed in the following methods: placement on surface or in the ground, including burial, etc., burning on the ground.

The water withdrawal by the NBU in 2024 and 2023:

	2024				2023			
	Head Office	Banknote Printing and Minting Works	Settlement Center	Total	Head Office	Banknote Printing and Minting Works	Settlement Center	Total
Surface waters	–	325.3	–	325.3	–	243.5	–	243.5
Other	–	49.1	–	49.1	–	49.9	–	49.9
Municipal water supply	41.6	12.8	1.025	55.425	39.3	9.8	0.828	49.928
Underground waters	–	56.0	–	56.0	–	52.129	–	52.129
Total, thousand cub. m	41.6	443.2	1.025	485.825	39.3	355.329	0.828	395.457
Number of staff, persons (FTE)	3,365.5	1,191	37.5	4,594	3,323.5	1,172	36.69	4,532.19
Use of water per 1 person, cub. m	12.36	372.12	27.33	105.75	11.82	303.18	22.57	87.26

Responsible Consumption of Energy

Electric energy and natural gas consumption by the NBU in 2023–2024 was as follows:

	2024			2023		
	Volume, thousand units	Number of staff, persons (FTE)	Consumption per 1 person, thousand units	Volume, thousand units	Number of staff, persons (FTE)	Consumption per 1 person, thousand units
Annual power consumption by the NBU, thousand kWh						
Head Office of the National Bank of Ukraine	8,817.011	3,365.5	2.620	7,487.862	3,323.5	2.253
Banknote Printing and Minting Works	25,753.930	1,191	21.624	23,475.683	1,172	20.030
Settlement Center	381.937	37.5	10.185	353.936	36.69	9.647
Total	34,952.878	4,594	7.608	31,317.481	4,532.19	6.910
Natural gas consumption by the NBU for year, thousand cub. m						
Head Office of the National Bank of Ukraine	358.041	3,365.5	0.106	315.256	3,323.5	0.095
Banknote Printing and Minting Works	3,366.314	1,191	2.826	3,220.567	1,172	2.748
Settlement Center	21.398	37.5	0.571	18.969	36.69	0.517
Total	3,745.753	4,594	0.815	3,554.792	4,532.19	0.784

Contaminating Agents Emissions

Ensuring environmental safety and mitigation of the NBU's impact on environment are key tasks in present challenging conditions. Atmospheric emissions from the fixed sources remain one of the crucial environmental aspects, especially in the periods of increased loads caused by war.

The analysis shows that in 2024 the emissions somewhat increased comparative to 2023. The main sources of emissions at the NBU are boiler houses for heating the premises and diesel generators used in the periods of unstable energy supply. Due to emergency power outages and the need to maintain uninterrupted operation, diesel generators are used.

CO₂ emissions related to the NBU's natural gas consumption in 2023-2024:

	2024			2023		
	CO ₂ emissions related to natural gas consumption, metric tons	Natural gas consumption by the NBU, annual, thousand cub. m	CO ₂ emissions per 1 thousand cub. m of gas, metric tons	CO ₂ emissions related to natural gas consumption, metric tons	Natural gas consumption by the NBU, annual, thousand cub. m	CO ₂ emissions per 1 thousand cub. m of gas, metric tons
Head Office of the National Bank of Ukraine	685.041	358.041	1.913	594.608	315.256	1.886
Banknote Printing and Minting Works	5,987.71	3,366.314	1.779	6,139.878	3,220.567	1.906
Settlement Center	46.081	21.398	2.153	40.509	18.969	2.135
Total	6,718.832	3,745.753	1.794	6,774.995	3,554.792	1.906

CO₂ emissions related to the NBU's use of diesel generators in 2023-2024:

	2024			2023		
	CO ₂ emissions related to the operation of generators, metric tons	Consumption of diesel fuel related to the operation of generators, thousand liters per year	CO ₂ emissions per 1 thousand liters of diesel fuel, metric tons	CO ₂ emissions related to the operation of generators, metric tons	Consumption of diesel fuel related to the operation of generators, thousand liters per year	CO ₂ emissions per 1 thousand liters of diesel fuel, metric tons
Head Office of the National Bank of Ukraine	104.153	34.555	3.014	35.270	12.526	2.816
Banknote Printing and Minting Works	3.526	1.334	2.643	4.245	1.606	2.643
Settlement Center	6.913	2.592	2.667	3.345	1.066	3.138
Total	114.592	38.481	2.978	42.860	15.198	2.820

NBU Energy Management

In 2024, to fulfil the Action Plan on introduction and functioning of the system of the NBU Head Office energy management in 2023-2024, the services on certification of energy efficiency of NBU's three facilities were purchased.

Based on the energy audit, three buildings were classified as C class energy efficient (A, B, and C classes are the highest levels of energy efficiency). The certificates of energy efficiency were registered in the Unified State Electronic System in the Area of Construction.

Furthermore, the measures on enhancing energy efficiency and energy preservation are continually implemented. They include:

- analysis of consumed energy carriers, for the purposes of their economical and rational use and detecting the

causal relations between the factors that lead to abnormalities in consumption of energy (carriers) and utilities, to introduce the measures for consumption normalizing

- gradual replacement of lighting devices with modern LED systems
- application of energy efficiency criteria to products (equipment), services related to energy consumption, design, technical re-equipment, and repair works
- replacement of windows for energy-saving models, insulation of building's facades, roofs, and basements
- maintenance, servicing, and regular verification of meters for energy (carriers) consumption and utilities
- replacement of heating batteries at the NBU Head Office for bimetallic sectional radiators with thermostats
- replacement of plumbing devices at the NBU Head Office for the systems with automatic actuation.

3.7. Main Risks

NBU Risk Profile

The NBU's risk profile comprises both financial and nonfinancial risks.

Financial risks constitute the risks that arise in connection with financial instruments. The NBU's financial risks are grouped as follows:

- financial risks related to the policies determined and conducted by the NBU (hereinafter referred to as "policy financial risks"). These risks arise from financial instruments, when their recognition on the NBU's balance sheet or off balance is related to the central bank's performance of its main function and other functions, as set forth in Articles 6, 7 of the NBU Law, with the exception of Article 7 paragraph 15 thereof.
- financial risks arising from Ukraine's international (foreign exchange and gold) reserves
- other financial risks.

Each financial risk category includes several risk types defined by the factors that cause the respective risks. In particular, the NBU distinguishes between liquidity, credit and market risks.

Financial risks		
Probability of incurring losses or additional losses on financial instruments, or additional underperformance of planned proceeds from financial instruments, or failure to fulfill obligations on financial instruments due to the effects of adverse internal and external factors		
Financial Risk Groups	Financial instruments and transactions with them	Level I processes
Financial risks to policy	<ul style="list-style-type: none"> Transactions on cash storage FX interventions Derivative financial instruments Emergency liquidity assistance to banks Liquidity management transactions: <ul style="list-style-type: none"> - refinancing transactions (loans) - repo transactions - certificates of deposit - transactions with government bonds 	<ul style="list-style-type: none"> Organizing and developing cash circulation Implementing monetary policy Promoting Financial Stability
Financial risks to international reserves	<ul style="list-style-type: none"> Reserve financial assets 	<ul style="list-style-type: none"> Implementing monetary policy
Other financial risks	<ul style="list-style-type: none"> Other financial assets and liabilities NBU's financial investments Pension assets of the NBU Corporate Nonstate Pension Fund 	<ul style="list-style-type: none"> Performing professional activities in the capital markets and developing the infrastructure Administrative support of the NBU's operation

Nonfinancial risks include the risks of the NBU that arise in connection with nonfinancial factors.

The NBU's nonfinancial risks are as follows:

- operational risk is the potential threat of direct or indirect losses stemming from improper or failed processes, incorrect actions by NBU employees, failures of internal systems, or external events
- compliance risk is the risk of sanctions against the NBU, financial or reputational losses due to noncompliance by the NBU or its employees with the laws of Ukraine, NBU regulations and orders, including the code of ethics and the rules for the prevention and resolution of conflicts of interest
- strategic risk is the probability that the NBU does not achieve its strategic goals or performs its functions inefficiently due to incorrect strategic management decisions and inadequate responses to changes in the external environment
- reputation risk is the risk of damage to the NBU's reputation as a result of a public outcry that adversely affects the NBU's ability to take measures to achieve its strategic goals.

NBU orders on risk management set out the management policy for certain types of NBU risks, its risk tolerance level, and its risk appetite. The activities of NBU units are carried out within the established risk appetite.

Risk Management Process

The NBU Board organizes the risk management process and system in such a way that they correspond to the functions, specifics, and role of the NBU as Ukraine's central bank and special central body of public administration determining Ukraine's monetary policy.

The NBU's risk management system aims to support its institutional capacity and independence by protecting its assets, capital, and reputation, as well as maintaining the level of trust in the central bank and the policy that the NBU develops and implements.

The NBU's risk management system is based on holistic risk management as a systematic and continuous process. It is run by the NBU Board and NBU employees, starting from the NBU's strategy development and throughout its whole activity.

At the NBU, risk management is carried out at the level of each unit. NBU units are the owners of all risks pertaining to their spheres of responsibility and are responsible for identifying, measuring, managing, taking administrative measures and reporting such risks.

The NBU's risk management process is a continuous process incorporated in the management of the NBU at all organizational levels, and embedded in the culture and daily activities of the NBU. This process is aimed at detecting

events that may adversely affect the NBU's activities and the banking system of Ukraine and at the management of risks related to such events within the set level of risk appetite in order to ensure that the NBU performs its functions and achieves its goals.

At the same time, due to developments triggered by full-scale Russia's military aggression against Ukraine, the NBU was forced to change current processes in some units and introduce some restrictions. Specifically, the Temporary Investment Declaration of Ukraine's International Reserves for the period of martial law validity or special period was approved.

The NBU's risk management process comprises the following interconnected components:

- internal environment and risk management culture
- risk management circumstances (context)
- detection of events that can have an adverse impact on the NBU's operation
- risk assessment
- measures in response to risks (counterreaction to risks)
- control function
- information, communications, and reporting
- monitoring and review of the risk management system.

The NBU's **financial risk management policy** covers all of the central bank's assets and liabilities (both on- and off-balance-sheet items).

Notes 22–27 of the NBU's Consolidated Financial Statements contain information on the stages of the financial risk management process, the measures taken by the NBU in response to financial risks, and a detailed evaluation of the risks.

The operational risk management policy was implemented to define approaches to managing the NBU's operational risks, ensure effective interaction between the NBU's units at all organizational levels, and implement a corporate culture for managing operational risks.

Internal Control System

The NBU has introduced a uniform and structured approach to ensure the effective performance of the NBU's functions, its stable and continuous operation, cooperation between NBU units at all organizational levels, and to introduce a corporate culture of organizing and developing the NBU's internal controls.

The NBU's internal controls and risk management system are interrelated and complementary systems with aligned goals and based on the **three lines of defense policy**.

The NBU units that are the **first line of defense** own all of the risks that fall under their competence and are responsible for identifying, measuring, taking administrative measures and reporting such risks, as well as drawing up, introducing,

complying with and improving controls when performing their functions/assignments.

Units of the **second line of defense** support risk management and control procedures within the remit and have the mandate to propose/recommend improvements of business control to other units according to control procedure performance findings.

The Internal Audit Department performs the functions of the **third line of defense**.

3.8. NBU and Its Stakeholders

NBU Customers and Value Accumulation Chain

In pursuing its mission, the NBU works to ensure that the needs of its customers are met (maximization of value). The NBU's customers are organized into eight groups, each of which has its own needs, which are determined by the nature of their activities, areas of interest, the group's role in the financial ecosystem, and current changes spurred by the global and local trends:

- experts
- economic and financial policymakers
- providers of infrastructure and technologies
- financial service providers
- investors
- economic entities (businesses)
- state as service provider
- households.

Every participant of the ecosystem acting within their role boundaries performs certain functions, in this way offering

Business Continuity Management

In order to manage its business continuity, the NBU takes measures to ensure an appropriate response to threats to its operations and to ensure its continuous operation, namely:

- analyzes the impact of negative factors on the NBU's operations and the continuous operation of its units
- takes measures to arrange back-up work stations
- develops and keeps up to date the business continuity plans and protocols
- develops and conducts regular testing of disaster recovery plans (DRP) developed for recovering critical information resources after breakdowns.

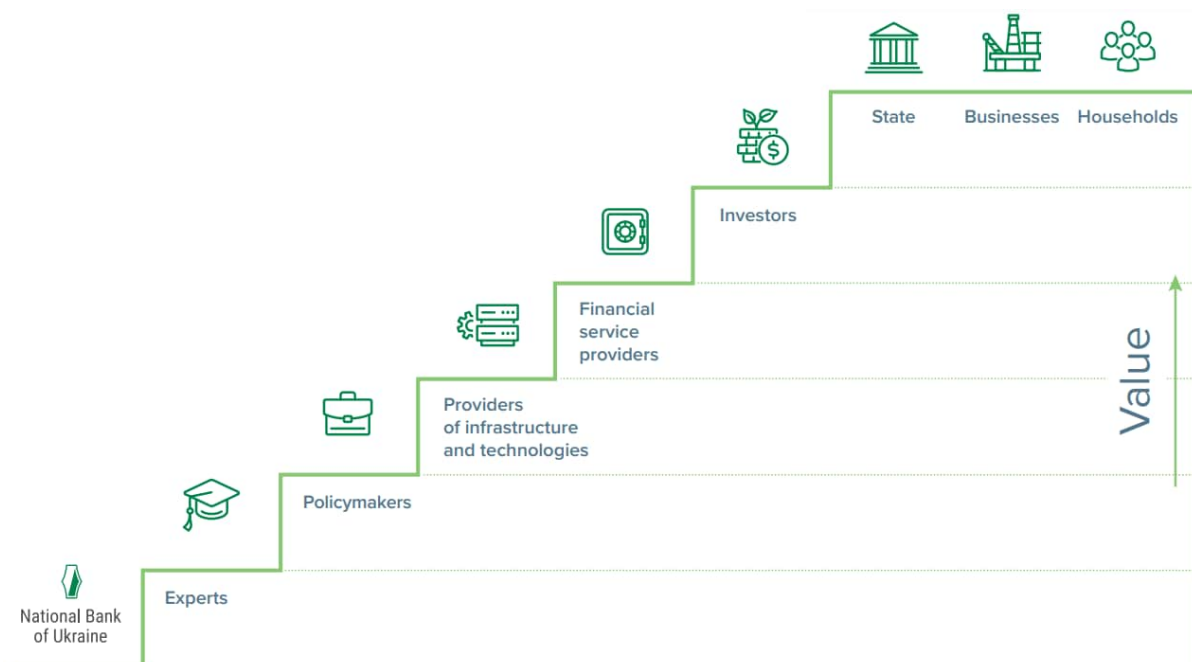
other participants certain value that is created by them, independently or jointly with the NBU or other ecosystem participants. The logic behind the client grouping follows the value accumulation chain: each client creates value that is accumulated, and simultaneously the final consumers (state, businesses, and households) receive the maximum value.

Having an insight into the needs of its clients, the NBU creates an adequate value for them, providing updated modern products and services aligned with their expectations and requests.

Well-balanced mix of products, factoring in the needs of all the client groups, created and supplied to the financial system is the key to fulfilling the NBU's Vision and Mission on daily basis.

Value accumulation chain of NBU customers is presented in Chart 3.

Chart 3. Value accumulation chain of NBU customers



Cooperation with International Partners

In 2024, the NBU's activities were aimed at strengthening its bilateral relations with key international partners. During the year, the NBU communicated with representatives of top management of the central banks of the Netherlands, Croatia, Belgium, Sweden, Israel, Lithuania, Latvia, Switzerland, Moldova, Denmark, the United Kingdom, France, Finland, Germany, Turkey, South Africa, India, Canada, and the U.S. Bilateral meetings were also held with the heads of the European Central Bank, the European Commission, the Bank for International Settlements, the U.S. Department of State, the Ministries of Finance of Lithuania, Sweden, the U.S., the Netherlands, the Swedish Parliament, as well as representatives of the diplomatic corps, including the Ambassadors Extraordinary and Plenipotentiary of the U.S., the UK, France, and Sweden.

The NBU is a member of 19 international organizations and initiatives. Throughout 2024, it continued to expand its international presence and establish cooperation with new international organizations. In April 2024, the NBU became a Premium member of the Centre for Economic Policy Research (CEPR), and also began the process of joining the European Automated Clearing House Association (EACHA).

International technical partnership is of great importance in developing ties and strengthening the dialogue between the NBU and the international financial community. Significant progress was made in the implementation of international technical partnerships, with 546 events held in 2024 – the largest number of events of the last seven years – up 12.3% from 2023. Active cooperation with international development partners (intergovernmental, international, including financial organizations, government agencies, authorities, central banks and financial supervisory authorities of EU countries, EU candidate countries, developed economies and other countries, funds and international private companies) demonstrates the NBU's successful integration into the international professional community.

The most active area of international technical partnership is international technical cooperation, specifically technical assistance, experience, and specialized knowledge provided by international development partners and aimed at achieving the NBU's and the Ukrainian financial system's strategic priorities. Such support remained consistently high and effective throughout 2024, in particular from the EU, IMF, World Bank Group, EBRD, United States Agency for International Development (USAID), Swiss State Secretariat for Economic Affairs (SECO), and German Society for International Cooperation (GIZ). In addition, support from central banks and other financial sector regulators of EU countries and developed economies continues to grow. The NBU actively cooperates with the European Central Bank and financial regulators from England, Italy, France, Latvia, Lithuania, the Netherlands, Germany, Poland, Spain, and Sweden.

The most relevant topics for studying international experience for the NBU were: ensuring macrofinancial stability and resilience, strengthening the NBU's Forecasting and Policy Analysis System (FPAS), hedging currency risks, supporting the liquidity of Ukrainian banks, reforming factoring in Ukraine, insurance of war risks, improving regulation and developing risk-based supervision of the financial sector, introducing innovations and the operation of payment systems, including issues of central bank digital currency (CBDC), instant payments, improving electronic remote identification of individuals using the NBU's BankID System, internal audit in central banks, implementing artificial intelligence in the central bank, implementing the European Central Bank's guidelines in the NBU's accounting and reporting, and more.

The NBU successfully continues the practice of holding large-scale annual events of international technical and expert cooperation. The growing interest and demand (the number of participants in 2024 increased to 2.5 times the 2023 level) from the international audience confirms the importance and relevance of these initiatives. In the reporting period, three major international events were held at the NBU's initiative:

- 8th Annual Research Conference *Navigating the Changing Landscape: Central Banks in a New Normal* (384 participants from Ukraine and abroad)
- 6th Annual International Roundtable *Strategic Development and Change Management in Central Banks in Times of Extreme Uncertainty* (198 participants from Ukraine and abroad)
- Research Workshop *Monetary Policy in Emerging Markets: Crafting Integrated Solutions* (182 participants from Ukraine and abroad).

In addition, the NBU's experts actively participate in experience-sharing events at the invitation of international partners. The most-requested topics were: operational, informational, and cyber security, regulation of non-bank financial institutions (NBFIs), monetary policy, trust-building and crisis communication, financial (including digital) literacy, risk management, financial stability and crisis management, banking supervision, the NBU's BankID system, internal audit, and more.

In 2024, demand for the NBU's expertise from EU countries, EU candidate countries, advanced economies, and others rose to 2.1 times the 2023 levels. Twenty one events were held, where the NBU shared its own knowledge, enriched with unique Ukrainian experience, on the following topics: business continuity and Power Banking (Norway, Moldova, Lithuania); central bank management in wartime (Sweden, Poland); crisis preparedness and financial stability, exchange rate policy and gold and foreign exchange reserve management (Sweden); prudential requirements in wartime, implementation of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending

Regulation (EU) No. 648/2012 (CRR) (Moldova); cash storage and logistics in wartime (Lithuania); contingency plans, ISO 20022, communication and payments (Norway); crisis communications (Latvia, Iceland, Denmark, Finland, Lithuania, Estonia, Sweden); cyber and operational resilience (Denmark); operational digital resilience of banks within the supervisory process (Sweden); measures to influence banks and NBFIs (Azerbaijan); monetary securities and requirements for insurance companies (Egypt); payment resilience and the use of CBDC to enhance it (IMF).

Institutional Relations with Ukrainian Stakeholders

Ukraine's accession to the EU, implementation of European standards in banking and non-bank regulation, ensuring the smooth operation of the banking system, finding solutions to increase the investment appeal of Ukrainian economy, ensuring transparency of the payment services market's operation, and possible post-war recovery paths became important vectors of our interaction with stakeholders in 2024. These issues determined the main priorities in the NBU's work and contributed to strengthening cooperation with national and international partners.

In 2024, the NBU Board held 12 monthly meetings with the management of the top 30 banks. The NBU's regular communication with representatives of the largest banks helped establish a productive and effective dialogue and shape the banks' relevant expectations of the regulator's actions. The topics discussed at these meetings included cooperation with the IMF, the key policy rate, easing of currency controls, resumption of lending and implementation of responsible lending, revival of the domestic debt market, changes in AML/CFT approaches, and strengthening of the banks' business continuity. At the request of banks, meetings were also held on specific topics. A total of 42 meetings were held with representatives of the banking community during the year.

Also, meetings were held with representatives of the largest insurance companies. One of the most important issues discussed was the transition to the new legislation on insurance.

Ensuring regular meetings with representatives of NBFIs was a priority, and interaction took place at every level.

Overall, 36 meetings of various formats were held during the year between NBU top officials and representatives of NBFIs.

The NBU maintains constant dialogue with business representatives. In its interactions with the business community, the NBU maintains the position of an open, transparent, consistent, and predictable institution.

Separate working meetings were held with relevant specialized associations, including: The Independent Association of the Banks of Ukraine and the Association of Ukrainian Banks, associations of NBFIs, as well as the Motor (Transport) Insurance Bureau of Ukraine. In 2024, the

Memorandum on Preferential Lending for Energy Sector Recovery and the Memorandum on Ensuring Transparency of Payment Services Market Operations were signed at the initiative of banking associations and with the support of the NBU.

During the year, the NBU Board held several meetings with the management of companies that are members of the American Chamber of Commerce in Ukraine, the European Business Association, the Ukrainian Chamber of Commerce and Industry, Diiia.City Union, as well as VISA and Mastercard payment systems and representatives of export companies. A total of 12 meetings were held with the participation of associations and payment systems.

NBU Governor and Deputy Governors took part in the following events:

- an event organized by the European Business Association whose main topics included the country's macroeconomic stability, the defense industry and its development prospects, as well as cooperation between Ukraine and Poland
- a panel at the YES Annual Meeting
- Annual Meetings of the European Business Association
- a meeting of the Accessibility Council
- Finance for Business in Wartime (2024), a conference organized by the European Business Association
- a series of meetings to discuss a draft law on war risk insurance with representatives of: Independent Association of Banks of Ukraine, National Association of Insurers of Ukraine, American Chamber of Commerce in Ukraine, European Business Association, Union of Ukrainian Entrepreneurs, Federation of Employers of Ukraine
- meetings with representatives of volunteer organizations regarding the imposition of restrictions on P2P transfers
- communication with representatives of business associations about FX regulation
- congress of local councils
- webinar for the German-Ukrainian Chamber of Commerce and Industry
- regular meetings with representatives of systemically important banks to ensure the uninterrupted operation of the banks.

The NBU's main priorities in its interaction with other state authorities remain cooperation with the government of Ukraine to ensure monetary and financial stability and the efficient operation of the financial system, primarily to support domestic businesses, as well as cooperation with the Verkhovna Rada of Ukraine to foster the implementation of legislative changes in the financial sector. The NBU supported the consideration of draft laws in parliament, including decisions aimed at minimizing the effects of Russia's military aggression and stepping up efforts to implement European integration changes in the financial sector. Facilitating the legislative process to ensure the fulfillment of Ukraine's international commitments under financial

assistance programs was one of the components of this cooperation.

As a result of active cooperation with the Verkhovna Rada, it passed a number of important laws for the financial sector. Some of these laws were drafted entirely by the NBU or with its active involvement, or incorporated its proposals.

In 2024, NBU representatives took part in 22 meetings of Verkhovna Rada committees, as well as in more than 70 working meetings and conferences held as part of the Ukrainian parliament's legislative work.

One of the important formats of institutional interaction with government agencies was the conclusion of a number of cooperation documents.

An agreement on exchanging information concluded between the NBU and the Ministry of Justice of Ukraine came into force 22 February 2024, and an agreement on the mutual exchange of information resources concluded between the NBU and the State Statistics Service of Ukraine took effect 31 October 2024.

The NBU-established Financial Development Committee under the Financial Stability Council has been operating since January 2020. This body is responsible for monitoring and controlling the implementation of the Strategy of Ukrainian Financial Sector Development. The Financial Development Committee also includes representatives of the Ministry of Finance of Ukraine, the Ministry of Economy of Ukraine, the Deposit Guarantee Fund, and the National Securities and Stock Market Commission.

In addition, seven government institutions joined forces to promote financial awareness among citizens, at the NBU's initiative. The result of the work of an interdepartmental working group that includes representatives of the NBU, the Ministry of Education and Science of Ukraine, the Deposit Guarantee Fund, the National Securities and Stock Market Commission, the Ministry of Economy of Ukraine, the Ministry of Digital Transformation of Ukraine, as well as the state

institution Entrepreneurship and Export Promotion Office, was the approval in April 2024 of the National Strategy for the Development of Financial Literacy until 2030. Among other things, this document took into account the OECD Council's Recommendation on Financial Literacy and the methodology guidelines of the International Network on Financial Education, of which Ukraine is a member.

Cooperation with the IMF and other international financial institutions

Cooperation with the IMF remained the central bank's priority. On 31 March 2023, the IMF Executive Board approved a new four-year Extended Fund Facility for Ukraine. The program is worth about USD 15.6 billion (SDR 11.6 billion). Ukraine proved its ability to fulfill its obligations (by meeting both structural benchmarks and other important commitments set out in the program documents) and successfully completed four reviews of the program in 2024. As a result, Ukraine in 2024 received all four of the planned disbursements under the program, totaling almost USD 5.28 billion (SDR 4 billion) in aid intended to replenish the general fund of the State Budget of Ukraine. A total of six reviews have already been conducted under the program, and seven disbursements have been received worth a total of about USD 9.76 billion (SDR 7.34 billion).

The ultimate beneficiary of the funds on behalf of Ukraine under the separate tranches of the IMF-supported credit facilities or the SDR distribution is defined by the IMF at each funds disbursement (Government of Ukraine or the NBU). The party that receives the funds undertakes to repay the principal and the servicing of such debt (payment of interests, fees, etc.).

The NBU also acts as a custodian bank in relations between Ukraine and the IMF.

The information below represents the principal amount balances of Ukraine's liabilities to the IMF distributed between the NBU and the Government of Ukraine.

	2024			2023		
	on behalf of the NBU	on behalf of the Government	Total	on behalf of the NBU	on behalf of the Government	Total
	(UAH millions)					
Liabilities under principal to the IMF for SDR purchases	48,109	569,598	617,707	80,928	379,913	460,841
Liabilities under principal to the IMF for SDR distribution	4,465	173,038	177,503	4,150	160,841	164,991
Liabilities to the IMF	52,574	742,636	795,210	85,078	540,754	625,832
	(SDR millions)					
Liabilities under principal to the IMF for SDR purchases	877	10,390	11,267	1,588	7,455	9,043
Liabilities under principal to the IMF for SDR distribution	82	3,156	3,238	82	3,156	3,238
Liabilities to the IMF	959	13,546	14,505	1,670	10,611	12,281

The detailed information on the NBU's liabilities to the IMF (including interests, fees and other charges) can be found in Note 8.3 to Section II.II Financial Assets and Liabilities of the NBU's Consolidated Financial Statements.

The NBU was also actively engaged in the systemic projects of Ukrainian government with the International Bank for Reconstruction and Development (IBRD) and International Finance Corporation of the World Bank Group, which are allocating financing to support the state budget and the implementation of investment projects in Ukraine aimed at financial sector development.

On 26 March 2024, the World Bank's Board of Executive Directors approved a new Development Policy Operation (DPO), a loan that was part of the Growth Foundations operation, for Ukraine. The country then received USD 1.5 billion, which went toward meeting the key priorities of Ukraine's State Budget. On 17 December 2024, the World Bank's Board of Executive Directors approved a second DPO within the framework of the Growth Foundations operation, essentially disbursing to Ukraine USD 1 billion in aid.

Since the outset of Russia's full-scale war against Ukraine, the World Bank Group and its partners have mobilized a total of more than USD 57 billion in assistance for Ukraine.

The NBU's cooperation with the EBRD continued in the form of bilateral events that promoted the importance of providing sustained support to Ukraine through investment in its private sector. One of the priority areas of the NBU's interactions with the EBRD is improving the infrastructure of capital markets in Ukraine. Throughout 2024, fruitful meetings were held with EBRD leadership, resulting in a more holistic vision of the future capital markets infrastructure model in Ukraine.

An important project that the NBU is pursuing with the EBRD is the implementation of a Memorandum of Understanding between the two institutions that provides for cooperation in support of financial inclusion and reintegration of war

veterans in Ukraine. The purpose of this MoU is to promote the development of inclusive and accessible financial services, cooperation in the field of financial inclusion and reintegration of veterans into civilian life and the economy, as well as the inclusion of Ukrainian banks in the Charter on Financial Inclusion and Reintegration of Veterans. According to data available at the end of 2024, 38 Ukrainian banks have signed this charter.

Furthermore, over the course of 2024, the NBU actively participated in the process of preparing Ukraine for OECD membership and implementing the OECD Country Program for Ukraine for 2023–2027, and took part in OECD events and the processing of the organization's documents regarding Ukraine.

European Integration

European integration underwent qualitative changes for Ukraine in 2024, significantly accelerating with the start of the European Commission's screening of domestic legislation. The NBU actively engaged in European integration processes at the state level and continued reforms of the financial sector to ensure the gradual integration of our financial system into the EU market.

As the central bank of an EU candidate state, the NBU led the work to prepare discussions with the European Commission on Negotiating Chapter 4 Free Movement of Capital and Chapter 9 Financial Services, including the formation, coordination, and presentation of Ukraine's unified position.

Within the framework of the first stage of the screening, a series of explanatory meetings took place, during which the

European Commission provided explanations on key features of EU legislation and answered questions from Ukraine. Between March and May 2024, the NBU engaged in 15 explanatory meetings with the European Commission.

The second stage of the screening process, which began in July 2024, involves the presentation by the candidate state to the EU of the progress made in implementing EU law. Overall, in 2024, the NBU as part of the Ukrainian delegation participated in four bilateral meetings, presenting issues within the purview of the central bank. In particular, on 20 November 2024, a bilateral meeting took place under negotiating Chapter 4: Free Movement of Capital. During the meeting, the Ukrainian side provided information on the current status of and plans for the implementation of the relevant EU acquis in areas such as free movement of capital, payments, payment systems, anti-money laundering, and combating terrorism financing.

To facilitate the negotiation process on Ukraine's accession to the EU and the adaptation of Ukrainian legislation to EU law in Ukraine, an interagency working group was established that includes a Deputy Governor of the NBU. For sectoral support of the negotiation process, the NBU was designated as the lead institution in the working (negotiation) groups responsible for preparing Ukraine's negotiating positions during the talks with the European Union on the conclusion of the EU-Ukraine Accession Treaty regarding issues in financial services and free movement of capital.

In addition, to strengthen the NBU's capacity within the framework of the negotiation process on Ukraine's accession

to the EU, the NBU in 2024 established a working group on European integration, which has demonstrated its effectiveness in the context of the implementation of European integration measures by the central bank of Ukraine in the financial sector.

The results the NBU has achieved in the area of European integration were highlighted in a report by the European Commission on Ukraine's progress in 2024. Specifically, the European Commission noted certain progress in capital flows, improved regulation of non-bank financial services, and a gradual return to a flexible exchange rate regime and inflation targeting.

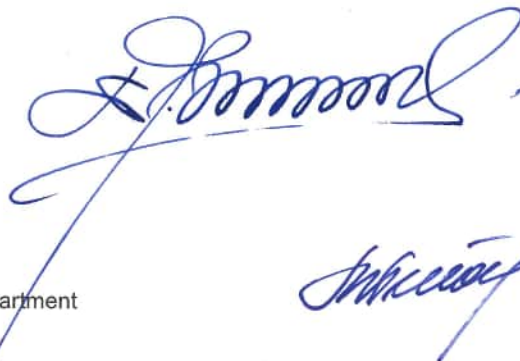
Within the framework of the implementation of the EU-Ukraine Association Agreement, the NBU has been implementing reforms in the areas of financial services, payment systems, movement of capital, combating money laundering and terrorism financing, and consumer protection.

As part of measures to ensure that Ukraine continues to receive international financial support, the NBU took steps on the timely and full implementation of its liabilities under the Ukraine Facility (up to EUR 50 billion in aid) and the new Macro-Financial Assistance (MFA) to Ukraine for 2025 (up to EUR 35 billion in aid). In June, for instance, the NBU was actually ahead of schedule in meeting one of the benchmarks in the Ukraine Facility Plan to develop the NPL Strategy. And in December, the NBU fulfilled its liabilities under the MFA regarding the approval of a concept for the resilience assessment of Ukraine's banks and banking system in 2025.

Approved by the Board of the National Bank of Ukraine on 03 April 2025.

Signed on 04 April 2025.

Governor



Andriy PYSHNYI

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA



National Bank
of Ukraine

Consolidated Financial Statements

for the Year Ended 31 December 2024



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Ernst & Young Audit Services LLC
19A Khreshchalyk Street
Kyiv, 01001, Ukraine
Tel: +380 (44) 490 3000
Fax: +380 (44) 490 3030
www.ey.com/ua

ТОВ «Ернст энд Янг
Аудиторські послуги»
вул. Хрещатик, 19А
Київ, 01001, Україна
Тел.: +380 (44) 490 3000
Факс: +380 (44) 490 3030

Independent auditor's report

To the Council and the Board of the National Bank of Ukraine

Report on the audit of the consolidated financial statements

Qualified Opinion

We have audited the consolidated financial statements of the National Bank of Ukraine and its subsidiary (further - the National Bank of Ukraine), which are presented on pages 1 to 83 and comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the National Bank of Ukraine as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and comply with the requirements for the preparation of financial statements established by Laws of Ukraine "On accounting and financial statements in Ukraine" No. 996-XIV and "On National Bank of Ukraine" No. 679-XIV.

Basis for qualified opinion

The carrying value of domestic securities (debt securities at amortised cost) was UAH 713,417 million and UAH 727,089 million as at 31 December 2024 and 2023, respectively. As described in Notes 5 and 9 of the consolidated financial statements, no provision for expected credit losses was recognised for the securities. Also, as disclosed in Note 5, the National Bank of Ukraine developed a number of scenarios under which expected credit losses assessment was different from zero and determined a range of such losses as at 31 December 2024 and 2023. In our view, in accordance with IFRS 9, Financial Instruments, the expected credit losses on domestic securities should have been recognized. We were not able to determine, taking into account multiple possible scenarios and uncertainty as to their probability, the negative impact of the above on the consolidated financial position of the National Bank of Ukraine at 31 December 2024 and 2023 as well as profit for the years then ended.



(i) Документ підписано у сервісі Вчасно (початок)
Independent Auditor's Report NBU FS 2024.pdf





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We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the National Bank of Ukraine in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

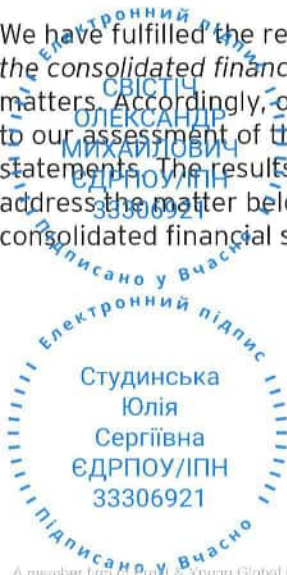
Emphasis of matter

We draw attention to Note 3 of the consolidated financial statements, which describes economic conditions in Ukraine under the ongoing military aggression of the Russian Federation and its impact on the National Bank of Ukraine's operations. The circumstances referred to in Note 3 could affect the National Bank of Ukraine's financial position and performance in a manner not currently determinable. Our opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matter described below to be the key audit matters to be communicated in our report. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.





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Key audit matter **How our audit addressed the key audit matter**

Valuation of debt securities at fair value through profit or loss

As at 31 December 2024, the foreign securities portfolio of the National Bank of Ukraine included debt securities with total carrying value of UAH 1,235,168 million, which were measured at fair value through profit or loss and represented 46% of consolidated total assets (Note 7). These securities were classified under Level 1, 2 and 3 of the fair value hierarchy.

The debt securities classified as at fair value through profit or loss are valued based on quotes on an active market (Level 1 inputs) or, in case of adjustments, based on adjusted quoted prices (Level 2 inputs), or in absence of quotes on an active market, based on valuation models (Level 3) (Note 21). Judgements applied in respect of inputs may result in different classification within fair value hierarchy and fair value amounts.

We identified valuation of debt securities at fair value through profit or loss as a key audit matter because of judgments applied in fair value measurements as well as due to the significance of the assets to the consolidated financial statements and the impact of changes in valuation on the profit and loss.

The audit procedures we performed to address valuation of debt securities at fair value through profit or loss as a key audit matter among others included:

- (a) Obtaining understanding of the process of fair value measurement, key sources of inputs and assumptions used by the National Bank of Ukraine to value debt securities;
- (b) Using our valuation specialists to assess the appropriateness of the methodology and the key underlying assumptions used by Management in fair value measurements of debt securities;
- (c) Valuing the debt securities of the National Bank of Ukraine independently, using our internal valuation specialists, based on publicly available market data and comparing our valuation to the valuation of the National Bank of Ukraine;
- (d) Testing of key inputs (discount rates, cash flows) and recalculating fair value amounts for a sample of Level 3 debt securities;
- e) Analysing disclosures in respect of debt securities at fair value through profit or loss included in the notes to the consolidated financial statements.

Other information included in the Consolidated Management Report of the National Bank of Ukraine for 2024

Other information comprises the information included in the Consolidated Management Report of the National Bank of Ukraine for 2024, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

(iii)





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materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, the National Bank of Ukraine should have recorded a provision for expected credit losses in relation to the domestic securities, but taking into account multiple possible scenarios and uncertainty as to their probability, we were not able to determine the negative impact of the above on the consolidated financial position of the National Bank of Ukraine at 31 December 2024 and 2023 as well as profit for the years then ended. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Consolidated Management Report of National Bank of Ukraine for 2024, which are affected by non-recognition of provision for expected credit losses on domestic securities at amortised cost.

Responsibilities of management and the National Bank of Ukraine's Council for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the National Bank of Ukraine's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the National Bank of Ukraine or to cease operations, or has no realistic alternative but to do so.

The National Bank of Ukraine's Council is responsible for overseeing the National Bank of Ukraine's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to





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provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

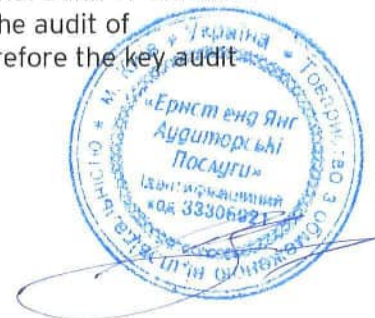
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Bank of Ukraine's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the National Bank of Ukraine to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the National Bank of Ukraine to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the audit of National Bank of Ukraine and its subsidiary to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the National Bank of Ukraine and its subsidiary as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the National Bank of Ukraine and its subsidiary's audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the National Bank of Ukraine's Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the National Bank of Ukraine's Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the National Bank of Ukraine's Council, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

(v)





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Report on other legal and regulatory requirements

Pursuant to the requirements of Article 14 paragraph 4 of Law of Ukraine "On audit of financial statements and auditing activity" No. 2258-VIII (the "Law No. 2258-VIII") we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the auditor and period of engagement

On 22 October 2019 we were first appointed and on 11 September 2024 reappointed as independent auditors to perform a statutory audit of the National Bank of Ukraine's consolidated financial statements by the Council of the National Bank of Ukraine for five years term. The period of total uninterrupted engagement for performing the statutory audit of the National Bank of Ukraine is six years.

Consistency of the independent auditor's report with the additional report to the audit committee

We confirm that our independent auditor's report is consistent with the additional report to the Audit Committee of the National Bank of Ukraine Council, which we issued on 4 April 2025 in accordance with Article 35 of Law No. 2258-VIII.

Provision of non-audit services

We declare that no prohibited non-audit services referred to in Article 6 paragraph 4 of Law No. 2258-VIII were provided. In addition, there are no non-audit services which were provided by us to the National Bank of Ukraine and which have not been disclosed in the consolidated financial statements or the consolidated management report.

The partner in charge of the audit resulting in this independent auditor's report is Studynska Y.S.

For and on behalf Ernst & Young Audit Services LLC

СВІСТІЧ
ОЛЕКСАНДР
МИХАЙЛОВИЧ
ЄДРПОУ/ІПН
101250
Київ, Україна
7 April 2025
Юлія
Сергіївна
ЄВРІЦЬОУ/ІПН
33306921

Studynska Y.S.
Partner

Registration number in the Register of auditors and audit firms: 101250

Registration number in the Register of auditors and audit firms: 101256

Ernst & Young Audit Services LLC is included in the Register of auditors and audit firms, which is maintained by the Audit Public Oversight Body, registration number: 3516.



Документ підписано у сервісі Вчасно (продовження)
Independent Auditor's Report NBU FS 2024.pdf

Документ відправлено: 12:55 07.04.2025

Відправник документу

Електронний підпис

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Юр. назва: ТОВ "ЕРНСТ ЕНД ЯНГ АУДИТОРСЬКІ ПОСЛУГИ"
Власник ключа: Студинська Юлія Сергіївна
Час перевірки КЕП/ЕЦП: 12:55 07.04.2025
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14:39 07.04.2025
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Генеральний директор: СВИСТИЧ ОЛЕКСАНДР МИХАЙЛОВИЧ
Час перевірки КЕП/ЕЦП: 14:39 07.04.2025
Статус перевірки сертифікату: Сертифікат діє
Серійний номер: 18CAF4070001
Тип підпису: удосконалений
Тип сертифікату: кваліфікований



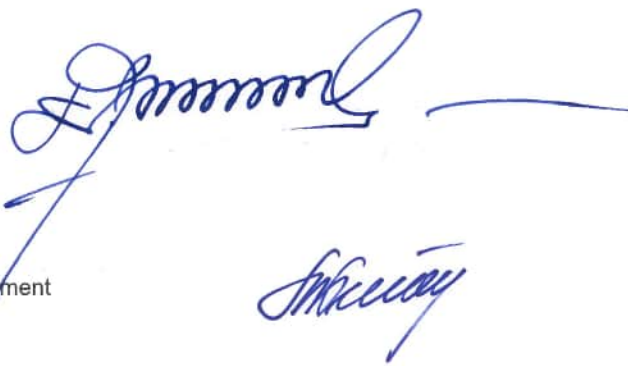
Consolidated Statement of Financial Position as of 31 December 2024

	Note	2024	2023
(UAH millions)			
Assets			
Funds and deposits in foreign currency and investment metals	6	487,084	373,440
Foreign securities	7	1,235,919	1,073,099
SDR holdings	8.1	46,520	35,570
Monetary gold		87,197	62,387
Domestic securities	9	714,787	727,818
Loans to banks and other borrowers	10	5,014	5,691
Domestic public debt		1,248	1,347
IMF quota contributions	8.2	110,296	102,521
Property and equipment and intangible assets	30	3,945	4,044
Other financial assets	11	121	160
Other non-financial assets	31	7,791	6,510
Total assets		2,699,922	2,392,587
Liabilities			
Banknotes and coins in circulation		822,635	764,598
Accounts of banks	12	233,091	216,261
Accounts of government and other institutions	13	278,205	140,102
Liabilities to transfer distributable profit to the State Budget of Ukraine	29	84,158	38,643
Certificates of deposit issued by the NBU	14	548,911	621,667
Liabilities to the IMF, apart from IMF quota contributions	8.3	52,983	86,027
Liabilities to the IMF with respect to quota contributions	8.3	110,283	102,509
Other financial liabilities	15	1,911	2,529
Other non-financial liabilities	32	81	80
Total liabilities		2,132,258	1,972,416
Equity			
Statutory capital	28	100	100
General reserves, reserve capital, and retained earnings	28	156,194	137,690
Revaluation reserves for assets and liabilities	28	411,325	282,336
Total equity		567,619	420,126
Non-controlling interest		45	45
Total capital		567,664	420,171
Total equity and liabilities		2,699,922	2,392,587

Approved by the Board of the National Bank of Ukraine on 03 April 2025.

Signed on 04 April 2025.

Governor



Andriy PYSHNYI

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 5 through 83 are an integral part of these consolidated financial statements.

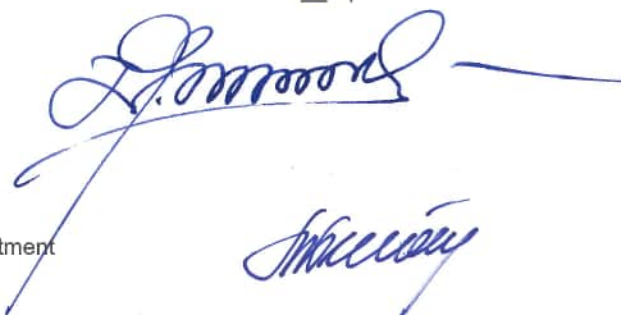
Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2024

	Note	2024	2023
(UAH millions)			
Interest income	17	99,010	126,483
Interest expenses	17	(81,361)	(98,930)
Net interest income before (losses)/gains from (impairment)/reversal of impairment on interest-bearing financial assets		17,649	27,553
(Losses)/gains from (impairment)/reversal of impairment on interest-bearing financial assets	20	(182)	926
Net interest income after (losses)/gains from (impairment)/reversal of impairment on interest-bearing financial assets		17,467	28,479
Fee and commission income		778	575
Fee and commission expenses		(59)	(48)
Net fee and commission income		719	527
Gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	18	158,536	63,522
Gains or losses on transactions with financial instruments at fair value through profit or loss	19	61,187	43,252
Other income	33	1,281	1,773
Total net income		239,190	137,553
Staff costs	34	(3,926)	(3,284)
Costs related to the production of banknotes, coins, souvenirs, and other products		(2,351)	(1,985)
Administrative and other expenses	35	(1,833)	(1,742)
Release of provisions for probable contingencies	32	–	95
(Losses)/gains from (impairment)/reversal of impairment on other assets	20	(9)	10
Profit before income tax		231,071	130,647
Income tax expense of subsidiary		(5)	(4)
Profit for the year		231,066	130,643
Other comprehensive income/(expenses) not to be reclassified subsequently to profit or loss:			
Revaluation of investment metals		589	(13)
Other comprehensive income/(expenses) for the year		589	(13)
Total annual comprehensive income for the year		231,655	130,630
Profit for the year attributable to:			
the National Bank of Ukraine		231,062	130,641
Non-controlling interest		4	2
		231,066	130,643
Total comprehensive income attributable to:			
the National Bank of Ukraine		231,651	130,628
Non-controlling interest		4	2
		231,655	130,630

Approved by the Board of the National Bank of Ukraine on 03 April 2025.

Signed on 04 April 2025.

Governor



Andriy PYSHNYI

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 5 through 83 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for 2024

	Notes	Statutory capital	General reserves, reserve capital, and retained earnings	Revaluation reserve for assets and liabilities	Total equity	Non-controlling interest	Total capital
(UAH millions)							
Balance as of 1 January 2023		100	99,712	228,346	328,158	43	328,201
Total comprehensive income for 2023:		–	130,641	(13)	130,628	2	130,630
profit for 2023		–	130,641	–	130,641	2	130,643
other comprehensive income for 2023		–	–	(13)	(13)	–	(13)
Result on transfer of assets	30	–	(17)	–	(17)	–	(17)
Realized result on revaluation of disposed investment metals	29	–	65	(65)	–	–	–
Realized result on revaluation of disposed securities and derivatives	29	–	2,982	(2,982)	–	–	–
Allocation of unrealized result on revaluation of financial instruments to revaluation reserve	19	–	(19,321)	19,321	–	–	–
Allocation of unrealized result from revaluation of financial assets and liabilities in foreign currency and monetary gold to revaluation reserve	18	–	(37,729)	37,729	–	–	–
Portion of 2023 profit subject to distribution and transfer to the State Budget of Ukraine	29	–	(38,643)	–	(38,643)	–	(38,643)
Balance as of 31 December 2023		100	137,690	282,336	420,126	45	420,171
Total comprehensive income for 2024:		–	231,062	589	231,651	4	231,655
profit for 2024		–	231,062	–	231,062	4	231,066
other comprehensive income for 2024		–	–	589	589	–	589
Realized result on revaluation of disposed investment metals	29	–	81	(81)	–	–	–
Realized result on revaluation of disposed securities and derivatives	29	–	18,035	(18,035)	–	–	–
Allocation of unrealized result on revaluation of financial instruments to revaluation reserve	19	–	(17,951)	17,951	–	–	–
Allocation of unrealized result from revaluation of financial assets and liabilities in foreign currency and monetary gold to revaluation reserve	18	–	(128,565)	128,565	–	–	–
Dividends distributed to holders of non-controlling interest		–	–	–	–	(4)	(4)
Portion of 2024 profit subject to distribution and transfer to the State Budget of Ukraine	29	–	(84,158)	–	(84,158)	–	(84,158)
Balance as of 31 December 2024		100	156,194	411,325	567,619	45	567,664

Approved by the Board of the National Bank of Ukraine on ⁰³ April 2025.

Signed on ⁰⁴ April 2025.

Governor



Andriy PYSHNYY

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 5 through 83 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (direct method) for 2024

	Note	2024	2023
(UAH millions)			
Operating activities			
Interest received		99,749	140,841
Fees and commissions received		779	575
Other income		1,289	1,771
Interest paid		(86,637)	(93,564)
Fees and commissions paid		(60)	(48)
Other costs		(6,764)	(4,582)
Taxes, duties, and charges paid		(1,447)	(1,206)
Transfers to the State Budget of Ukraine	29	(38,643)	(71,868)
Decrease in loans to banks and other borrowers		1,004	36,651
Domestic public debt repaid		132	132
Increase in accounts of banks		16,621	129,291
Increase in accounts of government and other institutions		124,264	82,229
Increase in other assets		(1,719)	(760)
Decrease in other liabilities		(71)	(1,681)
Other flows		603	(1,142)
Net change in cash flows from operating activities		109,100	216,639
Investing activities			
Increase in term deposits placed in gold		–	(53)
Net decrease/(increase) in foreign securities		15,107	(294,761)
Repayment of domestic securities		12,404	14,563
Dividends from the associated company		3	2
Acquisition of property and equipment, and intangible assets		(337)	(364)
Sale of property and equipment, and intangible assets		1	–
Net cash flows from investing activities		27,178	(280,613)
Financing activities			
Banknotes and coins issue in circulation	16	58,037	49,268
Repayment of liabilities to the IMF	16	(37,784)	(59,107)
Net change in certificates of deposit issued by the NBU	16	(68,027)	158,636
Net cash flows from financing activities		(47,774)	148,797
Effect of changes in exchange rate		32,065	19,646
Net change in cash and cash equivalents		120,569	104,469
Cash and cash equivalents at the beginning of the reporting year		402,930	298,461
Cash and cash equivalents at the end of the reporting year	16	523,499	402,930

Approved by the Board of the National Bank of Ukraine on 03 April 2025.

Signed on 04 April 2025.

Governor



Andriy PYSHNYI

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 5 through 83 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Section I. Basis for Preparing Financial Statements

1. Principal Activities

The National Bank of Ukraine (NBU) is Ukraine's central bank. Its operations are governed by Ukraine's Constitution, Ukraine's law *On the National Bank of Ukraine*, as well as other Ukrainian laws. In accordance with Ukrainian legislation, the main function of the NBU is safeguarding the stability of the Ukrainian national currency. In performing its main function, the NBU is guided by the priority of achieving and maintaining price stability in the country. The NBU facilitates the financial stability, including stability of the banking system and sustainable economic growth, and supports the economic policies of the Cabinet of Ministers of Ukraine, provided that these do not prevent the NBU from carrying out its primary function of maintaining price stability.

The NBU does not have the objective of generating profits. The NBU's financial performance and the structure of its assets, liabilities, and capital are determined by the NBU's mandate as a special central authority.

Under the Law of Ukraine *On the National Bank of Ukraine*, the NBU performs the following main functions:

identifying and pursuing a monetary policy in accordance with the Monetary Policy Guidelines developed by the NBU Council

solely issuing the domestic currency of Ukraine and organizing its circulation

ensuring the accumulation and storage of international (gold and foreign currency) reserves of Ukraine and makes transactions with these reserves and investment metals

acting as a lender of last resort for banks and making the refinancing system available

conducting banking regulation and supervision on individual and consolidated basis

conducting state regulation and supervision on individual and consolidated basis in the nonbank financial services markets over activities of nonbank financial institutions and other entities other than financial institutions but entitled to provide certain financial services within the limits set by the Law of Ukraine *On Financial Services and Financial Companies* and other laws of Ukraine

representing Ukraine's interests in the central banks of other states, international banks and other credit institutions where the cooperation takes place at the level of central banks

conducting currency regulation, determining the procedure for performing foreign exchange transactions, organizing and carrying out currency supervision of authorized institutions

arranging and carrying out transportation of currency and other valuables; issuing licenses to legal persons to perform cash operations, suspending, updating and revoking them, as prescribed by the NBU's procedures

determining the procedure for the functioning of the banking system of Ukraine in the event of martial law or a special period, carrying out the mobilization training of the NBU system

protecting the rights of consumers of financial services provided by banks and other financial institutions as well as by entities other than financial institutions but entitled to provide certain financial services, which are regulated and supervised by the National Bank of Ukraine

organizing work and taking measures to improve the financial literacy of the public

performing other functions in finance within the mandate defined by the Law of Ukraine *On the National Bank of Ukraine*.

Under the Law of Ukraine *On the National Bank of Ukraine*, the NBU issues loans to banks to maintain liquidity, buys and sells securities, currency assets, and precious metals in the open market, sells commemorative coins made out of precious and nonprecious metals in the domestic and foreign markets, performs public debt servicing transactions related to the placement of, redemption of, and payment of income on government securities, maintains accounts of the State Treasury Service of Ukraine and those of international organizations, and performs other transactions necessary to ensure the pursuit of its mandate.

The NBU also acts as a depository of government securities of Ukraine.

The NBU's authorized capital is the property of the state.

As of 31 December 2024 and 2023, the NBU's structure comprised the Head Office and the Banknote Printing and Minting Works, the NBU's standalone unit. These units operate exclusively within the scope of the NBU's tasks and functions, as defined by Ukraine's Law *On the National Bank of Ukraine*.

The NBU's subsidiary is the SETTLEMENT CENTER FOR SERVICING FINANCIAL MARKET AGREEMENTS PJSC (hereinafter the Settlement Center).

The NBU's shareholding in the authorized capital of the Settlement Center was 83.55% as of 31 December 2024 (83.55% as of 31 December 2023).

As of 31 December 2024 and 2023, the statutory capital of the Settlement Center totaled UAH 206.7 million of ordinary registered shares with a face value of UAH 1,000 each.

Under Ukrainian legislation, the Settlement Center carries out professional activities in capital markets - clearing activities to identify liabilities, and clearing activities of a central counterparty.

The Settlement Center performs the following functions, among other things:

makes/ensures cash settlements under concluded derivative contracts and transactions with money market instruments and assets admitted for trading in the organized commodity market, subject to settlements based on the delivery-versus-payment principle, and under transactions with securities subject to settlements based on the delivery-of-securities-versus-payment principle

ensures the exercise of rights (including rights to receive income) with regard to assets deposited in the relevant accounts of the Settlement Center for making/ensuring settlements under derivative contracts and transactions with financial instruments and other assets, and facilitates the filing of claims under bank guarantees

makes transactions with derivative contracts, financial instruments, and other assets to ensure the fulfillment of obligations.

The NBU is the founder of the Corporate Nonstate Pension Fund (CNPf).

The NBU manages and stores the CNPF's assets.

The NBU has analyzed the availability of controls required for consolidation in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" with regard to the CNPF. The NBU is the founder of the CNPF, but does not bear risks and is not entitled to the variable results of its activities. Under IFRS 10 "Consolidated Financial Statements," the NBU does not control the CNPF, and CNPF data has not been consolidated for the purpose of these consolidated financial statements.

The NBU's investments in the associated company as of 31 December 2024 and 2023 were represented by investments in the statutory capital of the National Depository of Ukraine Public Joint Stock Company (hereinafter the National Depository).

The NBU, the National Securities and Stock Market Commission, and other stock market practitioners are shareholders of the National Depository. Under its charter, the National Depository conducts depository record-keeping, and maintains records of securities and issuers' corporate transactions on customers' securities accounts.

As of 31 December 2024 and 2023, the NBU owned 2,580 ordinary registered shares of the National Depository with a face value of UAH 10,000 each and UAH 25.8 million in total. As of 31 December 2024, the NBU's shareholding in the statutory capital of the National Depository was 25% (31 December 2023 – 25%).

Approval of the consolidated financial statements is within the responsibilities of the NBU Council.

Legal and postal address of the NBU's headquarters: 9, Instytutska St., Kyiv, 01601, Ukraine.

2. Summary of Accounting Policies and Reporting Presentation

This section contains material information on the NBU's accounting policy that relates to financial statements as a whole. If an accounting policy can be applied to a particular note in these financial statements, the material accounting policy information and related disclosures are provided in the appropriate note.

The NBU's consolidated financial statements have been prepared in accordance with IFRS approved by the International Accounting Standards Board, and the Laws of Ukraine *On Accounting and Financial Reporting in Ukraine* and *On the National Bank of Ukraine* in respect of the preparation of financial statements.

These consolidated financial statements have been prepared based on the assumption that the NBU will continue as a going concern in the foreseeable future. The NBU management conducted an assessment of the events and circumstances described in Note 3 and concluded that due to the special status and functions of the NBU as the central bank of the country, as well as the organization of work that ensures the continuity of operations even during martial law, there is no material uncertainty regarding the continuation of the NBU's performance of its functions, as defined by the Law of Ukraine *On the National Bank of Ukraine*, and therefore, the going assumption is appropriate.

The consolidated financial statements are presented in the national currency of Ukraine – the hryvnia – which is the functional currency and the presentation currency of the consolidated financial statements. The NBU's consolidated financial statements are prepared in millions of hryvnias.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the NBU and its subsidiary as of 31 December 2024.

A subsidiary controlled by the NBU is the Settlement Center.

In case of disposal of a subsidiary by transferring control to the state as represented by the Cabinet of Ministers of Ukraine or other authorities, the result of this transaction is recognized in equity.

The NBU and its subsidiary apply a unified accounting policy in the preparation of consolidated financial statements. The financial statements of the subsidiary cover the same reporting period as the consolidated financial statements of the NBU itself.

Investments in associated company

The National Depository is an associated company over which the NBU has significant influence.

Investments in associated companies are accounted for using the equity method, taking into account recognized impairment, and are recorded as Other Assets. The NBU's share of the associated company's profit or loss since the date of investment is recognized as other income or expenses and the amount of recognized impairment of the associated company as impairment losses on other assets in the consolidated statement of profit or losses and other comprehensive income.

Information on introducing new and amended standards and interpretations of financial statements is provided in Note 39.

Basic estimates and judgments in applying accounting principles

The NBU uses estimates, assumptions, and professional judgment that affect the amounts of assets and liabilities reported in its consolidated financial statements. Estimates and judgements are regularly revised and are based on NBU management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key estimates and judgements are disclosed in Notes 5, 30, 32, and 36.

3. Impact of Economic Conditions on the NBU's Financial Position and Performance

In 2024, real GDP grew 2.9% (<http://ukrstat.gov.ua>). The pace of economic growth slowed compared to 2023, when the real GDP growth was 5.5% (<http://ukrstat.gov.ua>). The causes of this were poorer harvests and weaker-than-expected external demand, the realization of risks of more intensive hostilities, Russian Federation scaling up its aerial strikes, and the resulting power shortages. At the same time, economic growth was driven by the stable operation of the sea corridor and a loose fiscal policy that contributed to the sustainability of both consumer and investment demand.

Labor market conditions remained challenging. The persistence of high security risks restrained the return of migrants and led to the persistence of significant labor shortages. Specifically, the number of migrants continued to rise in 2024, reaching 6.8 million by December 2024, according to UN data (6.4 million in 2023). Meanwhile, demand for labor increased as economic activity recovered. As a result, the unemployment rate declined, according to the NBU estimates. The limited supply of labor is holding back business activity and restraining economic recovery. The challenging labor market conditions are fueling wage growth. Better employment and higher wages contributed to a further increase in households' real incomes and thus to the steady growth in consumption.

The consolidated budget deficit was about UAH 1,826 billion in 2024, excluding grants from budget revenues (up from over UAH 1,765 billion in 2023, excluding grants from budget revenues). High expenditures in 2024 were covered by international aid, active borrowing from the domestic debt market, and measures to mobilize budget revenues – including through a number of changes to tax legislation. Expenditures were primarily directed toward military needs, as well as social, investment, and humanitarian purposes.

About USD 42 billion in international support was disbursed to Ukraine in 2024, as it had met its commitments under cooperation programs with partners and made progress implementing the Extraordinary Revenue Acceleration Loans initiative (ERA). The largest amounts of international aid since the start of the war came in December 2024, making it possible, among other things, to create a liquidity buffer for budget expenditures in early 2025. However, domestic borrowing remained an important source of financing of the budget deficit. The domestic debt market was rather active thanks to competitive yields on domestic government debt securities and additional steps by the NBU to increase the banks' flexibility in managing their liquidity and to galvanize demand for benchmark domestic government debt securities. This resulted in a 167% rollover of these securities in 2024. The high capacity of the domestic market for government securities reinforced the Ukrainian government's ability to meet additional defense and security needs in a way that did not involve monetary financing. Public and publicly guaranteed debt was 91% of GDP as of the end of December 2024.

In 2024, the current account deficit widened to USD 13.7 billion (up from USD 9.6 billion in 2023), primarily due to lower migrant's remittances from abroad. Coupled with higher dividend payments, this led to a substantial decrease in the primary income account surplus (to USD 0.3 billion in 2024, down from USD 5.1 billion in 2023). Meanwhile, the goods trade deficit remained almost unchanged and high, at USD 30.4 billion, up from USD 29.1 billion in 2023. Specifically, the sea corridor's operation helped expand the supply of products from the mining, metallurgical, and agricultural sectors, driving a 12.1% increase in merchandise exports compared to 2023. Imports of merchandise rose by 8.6% relative to 2023 amid high domestic demand.

The difficult situation in the energy system led to the need for greater imports of both energy equipment and electricity. Government procurement for defense purposes also continued to grow in volume. In addition, imports of consumer goods increased amid rising household incomes. In contrast, the deficit in the trade in services narrowed significantly, falling to USD 5.5 billion, down from USD 8.7 billion in 2023, which was primarily due to a substantial reduction in travel services imports due to lower spending by Ukrainians abroad, and a gradual change in their residency status.

Financial account capital inflows declined to USD 8.6 billion in 2024, down from USD 18.9 billion in 2023. Specifically, public sector capital inflows dropped due to lower volumes of credit financing from Ukraine's international financial partners. Private sector capital outflows also increased (to USD 10.1 billion in 2024 from USD 7.1 billion in 2023), fueled by higher demand from households for foreign currencies in cash and by a decrease in residents' debt on trade loans. This resulted in a near-zero (negative USD 3 million) balance of payments. At the same time, thanks to the disbursement of four tranches from the IMF, gross reserves in 2024 increased to another record of USD 43.8 billion at the end of the year 2024 (USD 40.5 billion in 2023).

After a long period of decline during 2023 and Q1 2024, the inflation trajectory reversed in May 2024: from June 2024, inflation increased and reached 12% in December 2024 compared to December 2023.

Inflation's move into double-digit territory adversely affected households' and businesses' inflation expectations. However, the expectations of financial analysts and banks remained relatively stable. The surge in consumer prices was to a large extent driven by temporary factors, primarily ones related to the impact of poorer harvests of 2024, which affected the prices of both raw and processed foods. At the same time, underlying price pressures also increased. This is evidenced by the further acceleration of core inflation (to 10.7% yoy in December 2024), including due to rising prices for services. These price developments were driven by businesses' higher expenses on raw inputs, materials, and electricity, as well as by wage increases against the backdrop of persisting staff shortages. The rise in fuel prices also

picked up moderately, for reasons that include the excise tax hikes made in September 2024. In contrast, an important factor in curbing both headline inflation and its administered prices component remained the fixing of tariffs for natural gas, hot water, and heating.

With inflation subdued, the foreign exchange market situation under control, and risks to the inflation forecast sufficiently balanced, the NBU in H1 2024 cut its key policy rate three times, by a total of 2 pp, to 13%. The NBU also narrowed by 1 pp the spread between its key policy rate and the rates on its transactions – specifically, on limited certificates of deposit with maturity of up to 100 days and on refinancing loans. Meanwhile, the NBU also continued to adjust the parameters of transactions with three-month certificates of deposit to reinforce incentives for banks to build up portfolios of hryvnia retail term deposits. These measures allowed the NBU to balance the goal of achieving and ensuring price stability against the goal of promoting sustainable economic development. In July, the NBU suspended the easing cycle of its interest rate policy, and in December increased the rate to 13.5%. This decision was aimed at ensuring the proper protection of hryvnia savings from inflation and maintaining people's interest in hryvnia assets, which will alleviate pressure on the hryvnia exchange rate, international reserves, and prices, and improve expectations.

In October 2024, the NBU raised the required reserve ratios, while at the same time increasing the share of required reserves that the banks can cover with benchmark domestic government debt securities. The NBU also made several adjustments to the parameters of other monetary policy tools and operations. It lowered interest rates on three-month certificates of deposit to 15.5%, and reduced the refinancing loan rate to 16%, while also limiting the maximum maturity of refinancing loans to 14 days.

In 2024, the banking system continued to operate with a significant liquidity surplus. Average daily balances in correspondent accounts and certificates of deposit rose to UAH 754 billion, up from UAH 635 billion in 2023. At the same time, the average quarterly figures gradually declined, from UAH 781 billion in Q1 2024 to UAH 706 billion in Q4 2024.

The high level of international reserves and significant amounts of external support enabled the NBU to ensure the sustainability of the foreign exchange market – an important element in maintaining the manageability of economic agents' expectations and returning inflation to its target. The NBU stepped up its presence in the foreign exchange market: the net sales of foreign exchange rose to USD 34.8 billion in 2024 (up from USD 28.6 billion in 2023). Thanks to international financial aid inflows, international reserves reached historic highs several times during 2024 despite significant amounts of foreign exchange interventions.

The structural deficit of foreign currency in the private sector remained substantial. Net foreign currency demand throughout 2024 was shaped by the influence of both seasonal factors and the objective consequences of the full-scale war. Specifically, the further intensification of the impact of seasonality of supply and demand on the functioning of the foreign currency market, as well as the corresponding response of the exchange rate to their changes, indicates a strengthening of its role as a shock absorber and the adaptation of market participants to the managed flexibility of the exchange rate. Thanks to this, and to the active participation of the NBU, the hryvnia weakened only moderately against the U.S. dollar in 2024, responding to shifts in market conditions.

In addition, the link between the cash and cashless markets was considerably reinforced. Despite ad-hoc surges in demand, the gap between the cash and official exchange rates remained at an acceptable level throughout 2024, registering at 1.0% at the end of the year.

Retaining a cautious approach to using reserves was an ongoing objective for the NBU. With this in mind, the NBU continued to take well-considered, gradual foreign currency liberalization measures to improve the business climate and maintain the country's defense capabilities, while also taking additional steps to counteract unproductive capital outflows from the country.

On 8 March 2024, Standard & Poor's (S&P) downgraded Ukraine's long-term sovereign rating in foreign currency from "CCC" to "CC" with a negative outlook, amid expectations of debt restructuring talks between the Ukrainian government and private creditors. In Q3 2024, Ukraine's sovereign ratings were affected by its debt restructuring. As such, Fitch downgraded Ukraine's long-term foreign currency issuer default rating from "CC" to "C" on 24 July 2024, and from "C" to "RD" (restricted default) on 13 August 2024. Later Fitch reaffirmed the "RD" rating on 5 September and 6 December 2024. That said, Ukraine's short-term foreign currency issuer default rating was confirmed by Fitch at "C" on 24 July, 13 August, and 5 September 2024. On 2 August 2024, S&P also downgraded its long-term and short-term foreign currency sovereign credit ratings for Ukraine from "CC/C" to "SD/SD" due to a missed coupon payment amid a debt restructuring.

Going forward, Russian Federation's full-scale military aggression, and the realization of related risks, may affect the NBU's performance and financial position, in a manner not currently determinable. The NBU's management is closely monitoring current developments and is taking the necessary actions to mitigate the influence of adverse factors.

Section II.I Financial Instruments

4. Accounting policy. Presentation of financial instruments by measurement categories

This section contains material information on the NBU's accounting policy

Transactions with Financial Instruments

The NBU classifies all financial assets into the categories that are at fair value through profit or loss and amortized cost depending on the models determined to manage financial assets and cash flow characteristics. The NBU does not classify any assets into the category at fair value through profit or loss in order to remove or reduce significantly accounting discrepancies. The NBU does not classify any assets into the category at fair value through other comprehensive income.

Financial assets of the NBU are classified as follows:

Funds and Deposits in Foreign Currency at Amortized Cost

Funds and deposits in foreign currency are recorded when the NBU advances foreign currency funds to counterparty banks within a model for management of financial assets with the objective to collect contractual cash flows. Those funds are not related to derivative financial instruments, not quoted in the market, and repayable on fixed or determinable dates.

Debt securities at amortized cost

This category includes domestic government debt securities with fixed coupons and domestic government debt securities with coupon calculated as inflation index for the last 12 month plus a set margin (hereinafter referred to as "inflation indexed government bonds"), and domestic government debt securities with a floating interest rate, which is calculated based on an average NBU's key policy rate for the year that ends the first date of the month preceding the month of regular coupon payments and starts the first date of the same month of preceding year (hereinafter referred collectively as "domestic government debt securities with a floating interest rate").

Debt Securities Measured at Fair Value through Profit or Loss

This category includes the securities of nonresidents. The NBU manages a group of such financial instruments in accordance with a documented model for management of financial assets and relates to other types of models than a model for management of financial assets with the objective to collect cash flows according to contractual (issue) terms and a model of management of financial assets with the objective both to collect cash flows according to contractual (issue) terms and to sell those assets.

Also, this category includes the securities that do not meet the criteria of measurement at amortized cost or at fair value through other comprehensive income based on the analysis

of contractual cash flows in respect of the financial assets which are not solely payments of principal and interest.

The fair value of these securities is determined by reference to market quotations in the principal or most beneficial market, if no quotations are available, based on the valuation model (Note 21).

Loans to Banks and Other Borrowers at Amortized Cost

Loans to banks and other borrowers are recorded when the NBU lends money to counterparty banks or other borrowers within the model for financial assets management, the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Domestic public debt at amortized cost

Domestic public debt means loans granted to the Government until 2035. Domestic public debt is unsecured.

Cash and Cash Equivalents

For the purposes of reporting cash flows, cash and cash equivalents include cash in foreign currencies, SDR holdings, funds on demand, and deposits in foreign currencies maturing within three months from the origination date and which are available for use at short notice and are subject to insignificant risk of value fluctuations.

Financial Liabilities of the NBU are classified as follows:

- banknotes and coins in circulation. The amount of banknotes and coins in circulation is the nominal value of banknotes and coins (small change, circulating, commemorative, and bullion coins) that are means of payment issued to circulation by the NBU after introducing hryvnia in September 1996. Cash in domestic currency stored in the NBU's vaults and cash desks or transferred by the NBU to custody at authorized banks, is excluded from the amount of banknotes and coins in circulation
- accounts of banks. These liabilities are not derivative instruments
- accounts of government and other institutions are non-derivative liabilities to the government agencies and other customers
- certificates of deposit issued by the NBU
- loans received.

The NBU's financial liabilities other than financial derivative instruments and employee benefit liabilities are estimated at amortized cost.

Derivative financial instruments

Derivative financial instruments are represented by derivative securities, interest rate swap, foreign currency swaps, forwards, and futures contracts. Derivative financial instruments are measured at fair value through profit or loss. All derivatives are recorded as assets if their fair value is positive and as liabilities if the fair value is negative.

Recognition and Measurement of Financial Instruments

Financial instruments are initially recognized as follows:

- transactions with financial instruments are recorded in the consolidated statement of financial position as of the settlement date, which is the date when the title to these assets is transferred to (from) the NBU, other than derivative financial instruments
- debt securities, equity instruments, and other financial instruments measured at fair value through profit or loss are initially recognized at fair value as of the settlement date
- foreign currency funds and deposits, debt securities at amortized cost, loans to banks and other borrowers, and all financial liabilities (other than derivative financial

instruments) are initially recorded at fair value as of transaction date plus transaction related costs

- banknotes and coins in circulation are recognized as liabilities at nominal value after their disbursement to banks and NBU clients.

Subsequent measurement of the NBU's financial instruments is as follows:

- debt securities, equity instruments, other financial instruments measured at fair value through profit or loss, and derivative financial instruments are revalued after each change in their fair value, but at least as of the reporting date. Gains or losses from changes in fair value are recognized in financial results of the consolidated statement of profit or loss and other comprehensive income in the period in which they arise
- funds and deposits in foreign currency, debt securities at amortized cost, loans to banks and other borrowers, as well as the domestic public debt and all financial liabilities other than derivatives, are measured at amortized cost using the effective interest rate method
- banknotes and coins in circulation are accounted at nominal value and are not revalued subsequently.

As of 31 December 2024 financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
(UAH millions)			
Financial assets			
Funds and deposits in foreign currency	–	477,133	477,133
Foreign securities	1,235,919	–	1,235,919
SDR holdings	–	46,520	46,520
Domestic securities	1,370	713,417	714,787
Loans to banks and other borrowers	–	5,014	5,014
Domestic public debt	–	1,248	1,248
IMF quota contributions	–	110,296	110,296
Other financial assets	5	116	121
Total financial assets	1,237,294	1,353,744	2,591,038

As of 31 December 2023 financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
			(UAH millions)
Financial assets			
Funds and deposits in foreign currency	–	367,508	367,508
Foreign securities	1,073,099	–	1,073,099
SDR holdings	–	35,570	35,570
Domestic securities	729	727,089	727,818
Loans to banks and other borrowers	–	5,691	5,691
Domestic public debt	–	1,347	1,347
IMF quota contributions	–	102,521	102,521
Other financial assets	5	155	160
Total financial assets	1,073,833	1,239,881	2,313,714

Financial Assets Impairment Policy and Allowances for Expected Credit Losses Recognition

During estimation of impairment and assessment of expected credit losses for financial assets (except for investments into the statutory capital of associated and subsidiary companies), the NBU is guided by requirements of IFRS 9: Financial Instruments. Impairment of the investments into the statutory capital of associated and subsidiary companies is assessed and recognized pursuant to the requirements of IAS 36 Impairment of Assets and IAS 28 Investments in Associates and Joint Ventures.

The NBU defines credit loss as the difference between total cash flows payable by a counterparty/issuer/borrower under the contract and total cash flows expected to be received by the NBU discounted by the effective interest rate. Cash flows that are taken into account include cash flows from selling collateral or other credit enhancements of a financial instrument which are the integral part of the agreement. Professional judgement/assumption is used to assess feasibility of making a reliable assessment of the expected life of a financial instrument.

The NBU recognizes allowances for expected credit losses on financial assets (deposits granted, loans at amortized cost, debt securities at amortized cost, accounts receivable, and contractual assets), credit-related commitments, and impairment of investments into the statutory capital of associated and subsidiary companies.

Allowances for expected credit losses are made and released pursuant to decisions of the NBU Board at least once a month (at least once a quarter for accounts receivable and contractual assets, at least once a year for impairment of investments into the statutory capital of associated and subsidiary companies) as of the end of the last day of the month (quarter/year).

Allowance for expected credit losses are made by allocation of the respective amount of changes in the allowance to expenses (as part of the Gain/(loss) on reversal of impairment/(impairment) of interest-bearing financial assets and Gain/(loss) on reversal of impairment/(impairment) of other assets items.

Depending on the impairment stage for financial assets, allowances for expected credit losses are recognized at an amount equal to expected credit losses:

- 12-month ECLs – for the financial assets at Impairment Stage One
- lifetime ECLs – for the financial assets at Impairment Stages Two or Three.

Expected credit losses for the lifetime reflect expected amounts of expected cash shortfalls over the lifetime, which may arise in case of a default over the lifetime after the reporting date weighted by the probability of a range of possible scenarios of default (or the financial asset redemption) measured based on the borrower's cumulative probability of default over the lifetime of a financial instrument that remains after the reporting date.

To determine the impairment stage at each reporting date for financial assets by individual instruments, credit risk is assessed on an individual basis in order to establish:

- a significant increase in credit risk since initial recognition
- objective evidence of impairment.

Significant increases in credit risk are assessed based on quantitative and qualitative factors, taking into account, among other things, categories of internal borrower credit rating that takes account of the change in the level of credit risk as of the reporting date.

For demand deposits and term deposits in foreign currency, securities at amortized cost the attributes of significant increase in credit risk include at least one payment delayed over 30 calendar days, revocation of all external credit ratings for a counterparty/issuer, decrease of a category of long-term credit rating for a counterparty/issuer since the date of initial recognition for more than three rating points.

For liabilities of the state denominated in its domestic currency and liabilities of a foreign central bank denominated in a currency of this central bank's home country, the attribute of significant increase in credit risk since the date of initial recognition is at least one payment delayed over 30 calendar days as of the reporting date.

For loans to banks and other borrowers the attributes of significant increase in credit risk since the date of initial recognition include contractual payments delayed from two to seven calendar days, actual decrease of the borrower's internal credit rating since the date of initial recognition according to the rating migration matrix, actual decrease of the borrower's external credit rating under liabilities in domestic currency by 4 levels, violation by a borrower of the established regulatory requirements, classification of a borrower to the "problem" category.

Objective evidence of impairment for financial assets includes information about the following loss events:

- significant financial difficulties experienced by the borrower or the issuer
- breach of contract by the borrower or breach of the issuance conditions by the securities issuer
- possibility of bankruptcy or other financial reorganization of the borrower or the issuer
- granting to the borrower or issuer concessions associated with financial difficulties of the borrower or the issuer that the lender would not otherwise consider (such as a change in the interest rate or extension, etc.)
- observable data indicating that there is a measurable decrease in the estimated future returns from a group of financial assets since the initial recognition of those assets, etc.

Objective evidence of impairment are recognized at the level of the financial instrument. The financial-instrument-level approach envisages that if there is at least one attribute of an objective evidence of impairment at the level of the financial instrument, the financial instrument and all financial instruments of this borrower are deemed to have objective evidence of impairment. An event of default is one of the attributes of the objective evidence of impairment.

For all asset groups the NBU defines a default as incapability or unwillingness of a counterparty/issuer/borrower to fulfill their financial obligations towards the NBU which leads to direct financial losses from realization of credit risk.

An event of default on financial assets is recognized by the NBU also for the financial assets with at least one payment past due for more than 90 calendar days as of the reporting date.

If no own historical data are available or historical data on losses are insufficient, other institutions' historical data on similar asset groups may be used. Professional judgement of the NBU's employees may also be used.

Own loss experience is adjusted on the basis of current information and forecast of the future economic situation in order to reflect the impact of current and forecast economic conditions which are not related to the period of the available historical loss data and to exclude the impact of conditions of this historical period which were absent as of the reporting date.

Information on the actual and forecast values of future economic conditions (macroeconomic indicators) is used to determine the probability of default taking into account the impact of future economic conditions, and when choosing discounts to be applied to the value of collateral depending on the stage of the economic cycle.

Therefore, the applied methods allow to use historical data on losses for a group of assets with similar credit risk characteristics and current data that reflect current conditions and forecasts of the future economic situation.

The NBU estimates its impairment losses on individual and collective basis.

Assessment on individual basis is conducted for the financial assets that were found to show objective evidence of impairment, and assets that make up public and publicly guaranteed debt, or liabilities of state-owned enterprises and organizations (including state-owned banks and the Deposit Guarantee Fund).

Assessment on a collective basis is conducted for financial instruments with common credit risk features (for example, deposits in foreign banks are grouped by credit ratings set by international rating companies like Fitch Ratings, Moody's, and Standard & Poor's; and loans issued to Ukrainian banks to support liquidity – according to ratings defined by the NBU's internal methodology).

The NBU uses the following three approaches to calculate expected credit losses:

1) assessment on a collective basis (credit risk parameters), according to which the expected credit loss is the product of exposure at risk of default, the probability of default, and the level of losses in case of default, taking into account the forecast scenarios weighted by the probability

2) assessment on a collective basis (repayment scenarios) taking into account the unconditional probability of their occurrence, according to which the expected credit loss is the present value of the difference between the contractual cash flows due to the NBU under loan agreements, discounted at the effective interest rate, and total cash flows that the NBU expects to receive under probable loan repayment scenarios, discounted at the effective interest rate

3) assessment on an individual basis (customized repayment scenario), according to which the expected credit loss is the present value of the difference between the contractual cash flows due to the NBU under a loan agreement, discounted at the effective interest rate, and total cash flows that the NBU expects to receive under the customized loan repayment scenario, discounted at the effective interest rate.

Credit losses on insignificant accounts receivable and contract assets are assessed by a simplified method.

In case the amount of expected credit losses decreases as a result of the events that evidence on the decrease in credit risk of the financial instrument, the impairment of such financial instrument is reversed. The amount of decrease in expected credit losses is reported within profit or loss in the consolidated statement of profit or loss and other comprehensive income.

For banknotes and coins in cash stocks, cash handling offices, and ATMs, the presence of which is unconfirmed and over which control is lost, are provisioned against cash losses. Such provisioning is recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

Financial Assets Write off

Financial assets, which partial or full repayment is not feasible, are written off against the created allowance for expected credit losses upon completion of all required procedures on the asset recovery, when there are no reasonable expectations of recovering contractual cash flows.

Change in Classification

Securities may be reclassified – as an exception - between categories (at amortized cost, at fair value through profit or loss, or at fair value through other comprehensive income) – if the model of financial assets management changes. Classification and measurement requirements related to a new category are applied prospectively from the first day of the reporting year following the year when the changes to the model for financial asset management that led to reclassification were recognized.

Changes in terms and conditions (modification) of financial assets

If terms and conditions under a financial asset change significantly, the NBU derecognizes such an asset and recognizes a new financial asset at fair value in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

If the change in terms and conditions is not significant, then the gross carrying amount of those assets is adjusted. The amount of the adjustment is recognized as gains/losses from changes in terms (modification) of financial assets in the consolidated statement of profit or loss and other comprehensive income.

A change in the terms (modification) of financial assets is significant if at least one of the following occurs:

- a significant change in the qualitative parameters of the financial asset, i.e. the amount and mix (profile) of risks and rewards (e.g. change of repayment currency, replacement of the borrower, reissuance of several disbursements into one, division of one disbursement into several new ones)
- a significant change (in terms of economic sense) in one or more quantitative parameters of a financial asset (e.g.,

amount, term, nominal interest rate, schedule of repayment of principal and/or interest)

- a significant change in the amount of future cash flows on the financial asset (i.e. a change of at least 10 per cent in the current gross carrying amount of the financial asset at the date when the terms change).

Transactions in Foreign Currency and Monetary Gold

Monetary assets and liabilities in foreign currency and monetary gold are estimated initially according to the official hryvnia exchange rate to foreign currencies/accounting prices of investment metals on whichever date comes earlier: settlement date or accrual date of monetary assets and liabilities, and later on reassessed each time the official exchange rate/accounting price changes.

In 2024 and from 3 October to 31 December 2023, the NBU set the official exchange rate of the hryvnia against the U.S. dollar based on all USD purchase/sale deals quoted on tod, tom, and spot terms in amounts from USD 100,000 to USD 5 million inclusively, between banks and between banks and the NBU, entered into as of the moment of official exchange rate calculation in the Ukrainian foreign exchange market, and the information on which was provided to the NBU by the trading and information systems using a two-step procedure for cutting off the transactions with extreme parameters.

From 1 January through 2 October 2023, the official exchange rate of the hryvnia against the U.S. dollar was fixed at UAH 36.5686 per 1 U.S. dollar.

In 2024 and 2023, the official hryvnia exchange rate to other currencies was set based on the information on the official hryvnia exchange rate to the U.S. dollar and on BFIX quotes (value of weighted average exchange rate/price quotes of Bloomberg Generic Price for foreign currencies on the SPOT market against the U.S. dollar/ the U.S. dollar to foreign currencies according to TIS BLOOMBERG) for currencies for which TIS BLOOMBERG publishes the BFIX quotation on the day the official hryvnia exchange rate is calculated.

In 2024 and 2023, the accounting prices for investment metals was calculated based on the UAH/USD exchange rate and BFIX-quoted U.S. dollar prices for investment metals for which TIS BLOOMBERG publishes the BFIX prices for investment metals in U.S. dollars on the day the official hryvnia exchange rate is calculated.

In 2024 and 2023, the official exchange rates of hryvnia to U.S. dollar and other currencies were set each business day.

Monetary gold includes gold in bullions of global standard and coins not less than 995 fineness that belong to the NBU and make up international reserves. Monetary gold transactions can only be transacted between monetary regulators of different states or between those regulators and international lending institutions.

The gold owned by the NBU but not included in reserve assets is not recognized as monetary gold.

Monetary gold is accounted by weight in Troy ounces and its value in hryvnia according to accounting price of investment metals. Accounting price of investment metals is estimated based on BFIX price quotations in U.S. dollars against investment metals released by TIS BLOOMBERG (or information on the last available price of investment metals received from the website of the London Bullion Market Association or TIS) and the official hryvnia exchange rate against the U.S. dollar.

Gold in foreign banks generating interest is reported as funds and deposits in foreign currency and investment metals (nonfinancial assets) and recognized in the consolidated financial statements at the accounting price of investment metals as of the date of the consolidated statement of financial position.

The main official exchange rates of hryvnia against foreign currencies/accounting price of investment metals used for reporting the monetary items of the consolidated statement of financial position and monetary gold, were as follows:

	31 December 2024 (in UAH)	31 December 2023 (in UAH)
1 U.S. dollar	42.0390	37.9824
1 SDR	54.824516	50.95983
1 euro	43.9266	42.2079
1 GBP	52.9460	48.4883
1 Troy ounce of gold	110,222.47	78,861.34

Revaluation of monetary assets and liabilities in foreign currency and monetary gold, as well as gold held in foreign banks, due to changes in the official hryvnia exchange rate against foreign currencies/accounting price of investment metals are reported as financial results in the consolidated statement of profit or loss and other comprehensive income in the period in which they occurred.

Approach to Disclosure of Information on Changes in Carrying Amount of Financial Instruments for the Reporting Year

In these consolidated financial statements the net-basis approach to disclosure of information is used:

- for financial assets measured at amortized cost: changes in the gross carrying amount and allowances for expected loan losses are reflected only for those financial assets, on which there were outstanding debts as of the beginning and/or end of the reporting period (Note 10)
- for financial assets measured at fair value through profit or loss: changes in fair value are reflected only for those financial assets included into Level 3 of fair value measurement, on which there were outstanding debts as of the beginning and/or end of the reporting period (Note 21).

5. Key Estimates and Judgments in Applying Principles of Financial Instruments Accounting

A professional judgment/assumption is a documented reasoned decision of the NBU's employees, which is based on:

compliance of actual actions to determine each component of the expected credit loss assessment with the NBU's methodology on assessing expected credit losses on financial instruments

comprehensive and unbiased analysis of all information that influences the determination of the size of components and factors (events, attributes) of assessing credit risk and expected credit losses

the NBU's own experience which is based on reliable, uninterrupted, complete, and integral statistical data accumulated over at least previous three consecutive years

ensuring a comprehensive, timely, and objective assessment of credit risk and expected credit losses in compliance with the principles set out in the NBU's methodology on assessing expected credit losses on financial instruments

Measurement of allowances for expected credit losses on demand deposits and term deposits in foreign currency and monetary gold

The NBU regularly assesses demand deposits and term deposits in foreign currency and monetary gold measured at amortized cost for their possible impairment.

The NBU's management uses combined statistics from international rating agencies Fitch Ratings, Moody's and Standard & Poor's for a period allowing to consider the impact of the economic cycle (at least 10 years) to estimate the probability of default (PD) and loss given default (LGD) in

order to determine a need for recognizing expenses on allowances for expected credit losses.

Demand deposits and term deposits in foreign currency are considered to have low credit risk, if the long-term credit rating of the counterparty under the relevant financial instrument on the reporting date is not lower than BBB-, that is, belongs to an investment class confirming the counterparty's high ability to fulfill all its contractual obligations in near future (its high current creditworthiness), even if adverse changes in the economic environment and long-term business activity may, but not necessarily, reduce creditworthiness of such counterparty.

Demand and term deposits in foreign currency and monetary gold are considered to be conditionally devoid of credit risk, if they are direct obligations of:

- The International Monetary Fund (IMF) or the Bank of International Settlements, denominated in any currency
- the state, denominated in the currency of this state, except for liabilities in euro
- a foreign central bank, denominated in the currency of the central bank's home country, except for liabilities in euro
- The European Central Bank, government of the Federal Republic of Germany and Deutsche Bundesbank denominated in euro.

As of 31 December 2024 and 2023 all demand funds and term deposits in foreign currency and monetary gold had a low level of credit risk or were conditionally devoid of credit risk.

Measurement of allowances for expected credit losses on securities at amortized cost

The NBU regularly assesses its securities portfolio measured at amortized cost for impairment.

The NBU's management applies their professional judgment about indicators of significant increase in credit risk (Note 4) and cash shortfalls under the securities portfolio in order to determine a need for recognizing the expenses on allowances for expected credit losses. Such indicators may include data that indicate a negative change in the issuer's solvency.

Government debt securities denominated in the domestic currency of the issuing country, except for euro obligations, are considered to be conditionally devoid of credit risk. For debt securities that are considered to be conditionally devoid of credit risk, the probability of default for a period of 12 months and for the maturity of the financial instrument is deemed insignificant, i.e. close to zero.

To estimate expected credit losses on hryvnia-denominated government debt securities of Ukraine in the NBU's portfolio, the NBU management uses all available internal and external information relevant to this financial instrument.

The NBU has a special status. Its functions, characteristics, and activities differ from those of Ukraine's other financial entities. Specifically, the NBU maintains the accounts of the State Treasury Service of Ukraine, performs transactions to service the public debt, the functions of a depository of government securities of Ukraine, the functions of a depository bank in Ukraine's relations with the IMF, represents the interests of Ukraine to the central banks of other countries, international banks and other credit institutions, regularly collects data, analyzes it and forecasts the dynamics of macroeconomic, monetary, foreign exchange, and financial indicators, including preparation of the balance of payments, and is the sole issuer of the hryvnia, Ukraine's domestic currency. Through Ukraine's membership of international financial institutions, the NBU, jointly with Ukraine's Ministry of Finance, actively cooperates with institutions such as the IMF, the World Bank Group, the EBRD, the Black Sea Trade and Development Bank, and the European Investment Bank.

Taking into account the special role the NBU plays as a central bank both at the level of the country and in relation to the Government as a party that provides banking and depository services to its own state, the NBU receives and has a practical opportunity to evaluate more relevant and timely data about an issuer of securities in real time.

When analyzing the risk of the issuer defaulting on obligations, the NBU takes into account both data from international rating agencies and the information available to the NBU, given its special role. In particular, the NBU takes into account the lack of information on payment delays and failures to make payments by the state both in the reporting period and in historical periods when, according to rating agencies, Ukraine was assessed as close to declaring default. However, the Government of Ukraine has never delayed repayments on hryvnia debt securities. The NBU takes into account historical information and forecasts regarding the formation and servicing of the national debt of Ukraine. The NBU pays attention to differences in the economic and the political situations of the countries that compile the default data presented in the official reports of external rating agencies, etc.

Based on the available information, including statistics and forecasts on public debt and the State Budget of Ukraine (hereinafter referred to as the State Budget), a study of the dynamics of Ukraine's credit ratings in domestic currency assigned by international rating companies, compared to Ukraine's macroeconomic indicators over the entire horizon of the bonds in the NBU's portfolio, taking into account the NBU's vision of the current and future performance of the Ukrainian economy, international support and cooperation with international financial organizations, as well as the opportunities and plans of the Government of Ukraine to raise funds in the domestic market, no indicators of significant increase in the credit risk on government debt securities of Ukraine in the NBU's portfolio were identified.

The NBU's management believes that the issuer of government securities has the potential to meet its contractual obligations in domestic currency to the NBU in the short term. Therefore, as of the reporting date, the risk of default on hryvnia obligations has been identified as low. Adverse changes in economic and political conditions may or may not, in the long run, reduce the issuer's ability to meet its commitments. Based on the above, the NBU management has come to a determination that the government debt securities of Ukraine, denominated in national currency, in the NBU portfolio have a low credit risk.

During the analysis of expected credit losses (the present value of the amounts not received), the NBU developed a number of scenarios of the probability of credit losses. Those included scenarios in which losses did not occur and those in which the result of the assessment of probable losses was different from zero. As of 31 December 2024, the amount of expected credit losses under such scenarios ranged from UAH 5,456 million to UAH 45,255 million (as at 31 December 2023: UAH 16,617 million to UAH 30,780 million). The probabilities of those scenarios were estimated. Based on the scenario analysis performed and the conclusion about low credit risk, and taking into account that there are no indicators of a significant increase in credit risk, the NBU management believes that as of 31 December 2024, domestic government debt securities denominated in national currency are conditionally free of credit risk.

Accordingly, the NBU management has determined that the amount of credit losses expected by the NBU on the government debt securities of Ukraine in the NBU's portfolio issued in national currency is close to zero (Note 9). The NBU makes its own macroeconomic forecasts on a quarterly basis and publishes them in its Inflation Report, which allows the central bank to make prompt revisions of its risk management strategy. On a regular basis, at least once a quarter, and during macroeconomic forecasting, the NBU carries out a thorough operational analysis of the issuer and the economic and political situation in the country in order to maintain up-to-date estimates of expected credit losses for the specified financial instruments.

Measurement of Allowances for Expected Credit Losses on Loans Granted to Banks and Other Borrowers

The NBU regularly assesses its loan portfolio for impairment.

A majority of loans to banks and other borrowers are assessed on a group basis based on repayment scenarios. Repayment scenarios and their probability are estimated based on the NBU statistics on repayment of loans issued by Ukrainian banks, taking into account the possible impact of the future economic conditions, and are subject to regular revision by the NBU Board.

Loans to the banks under liquidation, declared insolvent or having significant financial difficulties (stage 3) are evaluated on individual basis. While estimating expected credit losses under such loans, the NBU's management applies judgment and estimates future cash flows primarily from sale of collateral.

The NBU measures the cost of real estate pledged as collateral for loans at fair value. Estimated value of collateral impacts the allowances for expected credit losses, which requires professional judgment. Accounting estimates related to the valuation of real estate, when there are no market prices formed in an active market, are a main source for uncertainty in valuation, as (i) it is characterized by high variability from period to period and (ii) the recognition of changes in estimates could potentially have a significant impact. The methodology and assumptions used to estimate the amounts and timing of future cash flows are constantly reviewed to avoid any discrepancies between the estimated and actual costs.

The consideration of the debt write-off is conducted periodically, taking into account a conservative approach and the fact that the NBU has a special status and is a special central body of state administration. Loan debt is written off from the balance sheet accounts in accordance with the decision of the NBU Board upon the recommendation of the specialized collegial body of the NBU.

A 10% decrease or increase in future discounted cash flows under the loans that are at stage 3 and assessed on an individual basis, which is possible due to differences in the amounts and maturities of cash flows, would lead to an increase in the expected credit losses by UAH 313 million or a decrease by UAH 313 million, respectively, as of 31 December 2024 (as of 31 December 2023 this would have led to an increase in the allowances for expected credit losses by UAH 326 million or decrease by UAH 326 million, respectively).

Section II.II. Financial Assets and Liabilities

6. Funds and Deposits in Foreign Currency and Investment Metals

	2024	2023
		(UAH millions)
Financial assets at amortized cost		
Foreign currency cash	45,243	41,278
Demand deposits in foreign currency	413,356	293,879
Short-term deposits in foreign currency	18,540	32,356
Allowances for expected credit losses on term deposits in foreign currency	(6)	(5)
Total financial assets at amortized cost	477,133	367,508
Nonfinancial assets		
Short-term deposits in gold	9,951	5,932
Total nonfinancial assets	9,951	5,932
Total funds and deposits in foreign currency and investment metals	487,084	373,440

As of 31 December 2024 and 2023, all funds and deposits in foreign currency are not secured.

As of 31 June 2024, the gross carrying value of demand deposits in foreign currency was UAH 413,356 million and it changed in 2024 mostly due to increase in balances on non-resident correspondent accounts (as of 31 December 2023 it was UAH 293,879 million).

During 2024 and 2023, all demand deposits in foreign currency were at stage 1 for assessing expected credit losses. In 2024 and 2023, the NBU did not recognize any allowances for expected credit losses on the demand accounts in foreign currency (Note 5).

As of 31 December 2024, the gross carrying value of short-term deposits in foreign currency was UAH 18,540 million, provision for expected loan losses was UAH 6 million (as of 31 December 2023, the gross carrying value of term deposits in foreign currency was UAH 32,356 million, and provision for expected credit losses was UAH 5 million). The changes in gross carrying amount of term deposits in foreign currency

were caused by decrease of amount of available term deposits in foreign currency and changes in allowances were due to the release of allowances against returned deposits and provisioning for the placed ones.

During 2024 and 2023, all term deposits in foreign currency were at stage 1 for assessing expected credit losses.

As of 31 December 2024, the balance of short-term deposits in gold was UAH 9,951 million and it changed in 2024 mostly due to increase by UAH 1,549 million in the amount of placement (disregarding exchange rate differences) (as of 31 December 2023 it was UAH 5,932 million).

Funds and deposits in foreign currency are analyzed by geographical concentration risk in Note 23, by credit risk – in Note 24, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on funds and deposits in foreign currency and investment metals broken down into current and noncurrent funds is available in Note 37.

7. Foreign Securities

As of 31 December 2024, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
(UAH millions)			
Foreign securities at fair value through profit or loss			
Debt securities by issuers:			
securities issued by U.S. issuers:			
denominated in USD	1,063,023	2,812	1,065,835
securities issued by EU issuers:			
denominated in USD	–	81,715	81,715
denominated in AUD	–	483	483
securities issued by other issuers:			
denominated in USD	1,241	78,888	80,129
denominated in GBP	2,694	950	3,644
denominated in AUD	–	915	915
denominated in Chinese renminbi	–	2,048	2,048
denominated in JPY	399	–	399
Total debt securities	1,067,357	167,811	1,235,168
Equity instruments:			
shares of the Black Sea Trade and Development Bank	–	751	751
Total equity instruments	–	751	751
Total foreign securities at fair value through profit or loss	1,067,357	168,562	1,235,919

Government bonds include securities issued by governments of countries, administrative units of foreign countries, and foreign central banks.

Securities issued by international agencies, banks and other issuers include debt securities issued by investment banks, international agencies and other issuers.

Foreign securities are analyzed by geographical concentration risk in Note 23, by credit risk – in Note 24, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on securities broken down into current and noncurrent ones is available in Note 37.

As of 31 December 2023, foreign securities were comprised of the following:

	Government Bonds	Securities issued by international agencies, banks and other issuers	Total
(UAH millions)			
Foreign securities at fair value through profit or loss			
Debt securities by issuers:			
securities issued by U.S. issuers:			
denominated in USD	889,466	362	889,828
securities issued by EU issuers:			
denominated in USD	263	109,723	109,986
denominated in GBP	–	1,927	1,927
denominated in AUD	–	860	860
securities issued by other issuers:			
denominated in USD	2,140	55,326	57,466
denominated in GBP	–	2,405	2,405
denominated in AUD	437	–	437
denominated in Chinese renminbi	–	7,766	7,766
denominated in JPY	404	1,344	1,748
Total debt securities	892,710	179,713	1,072,423
Equity instruments:			
shares of the Black Sea Trade and Development Bank	–	676	676
Total equity instruments	–	676	676
Total foreign securities at fair value through profit or loss	892,710	180,389	1,073,099

Information about the nominal value, coupon rate and maturities of foreign debt securities as of 31 December 2024 is presented in the table below:

	Total nominal value in foreign currency, in millions	Total nominal value in hryvnia equivalent, UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Debt securities measured at fair value through profit or loss by issuers					
Government bonds:					
securities issued by U.S. issuers:					
denominated in USD	25,365	1,066,309	0–5	Quarterly, every 6 months, without coupon payments	From 15 days to 1 year
securities issued by other issuers:					
denominated in USD	30	1,247	0.6–1.5	Every 6 months	From 1.4 months to 6.8 months
denominated in GBP	51	2,700	0.625–5	Every 6 months	From 2.2 months to 8.3 months
denominated in JPY	1,500	400	0.02	Every 6 months	5.7 months
Bonds issued by international agencies, banks and other issuers:					
securities issued by U.S. issuers:					
denominated in USD	66	2,783	2.625–5.066873	Quarterly, every 6 months	From 2.3 months to 3.8 years
securities issued by EU issuers:					
denominated in USD	1,982	83,339	0–5.52151	Quarterly, every 6 months, once a year, without coupon payments	From 1.1 months to 11.9 months
denominated in AUD	19	485	0	Without coupon payment	1.3 months
securities issued by other issuers:					
denominated in USD	1,908	80,214	0–5.972905	Quarterly, every 6 months, without coupon payments	From 16 days to 3.1 years
denominated in GBP	18	953	0	Without coupon payment	21 days
denominated in AUD	36	931	0	Without coupon payment	From 3.8 months to 5.6 months
denominated in Chinese renminbi	350	2,016	3.4	Once a year	7.7 months

Information about the nominal value, coupon rate and maturities of foreign debt securities as of 31 December 2023 is presented in the table below:

	Total nominal value in foreign currency, millions	Total nominal value in the hryvnia equivalent, UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Debt securities measured at fair value through profit or loss by issuers					
Government bonds:					
securities issued by U.S. issuers:					
denominated in USD	23,642	897,997	0–5.471199	Quarterly, every 6 months, without coupon payments	From two days to 1.6 years
securities issued by EU issuers:					
denominated in USD	7	266	0	Without coupon payment	2.7 months
securities issued by other issuers:					
denominated in USD	56	2,138	1.75–7.125	Every 6 months	From 23 days to 9.7 months
denominated in AUD	17	436	2.75	Every 6 months	3.7 months
denominated in JPY	1,500	404	0.02	Every 6 months	1.5 years
Securities issued by international agencies, banks and other issuers:					
securities issued by U.S. issuers:					
denominated in USD	9	356	5.51–5.64	Every 6 months	From 3.1 months to 8.7 months
securities issued by EU issuers:					
denominated in USD	2,972	112,898	0–6.318882	Quarterly, every 6 months, without coupon payments	From 1 month to 1.7 years
denominated in GBP	40	1,940	0	Without coupon payment	1.3 months
denominated in AUD	34	870	0	Without coupon payment	From 1.2 months to 5.7 months
securities issued by other issuers:					
denominated in USD	1,500	56,981	0–6.601415	Quarterly, every 6 months, once a year, without coupon payments	From 16 days to 1.4 years
denominated in GBP	50	2,424	0	Without coupon payment	From 16 days to 3.6 months
denominated in Chinese renminbi	1,450	7,756	0–3.4	Every 6 months, once a year, without coupon payments	From 22 days to 1.6 years
denominated in JPY	5,000	1,347	0.295	Every 6 months	9.7 months

8. Transactions with the IMF

Accounting Policy

The NBU acts as a custodian bank in relations between Ukraine and the IMF.

The NBU's consolidated financial statements include all fund claims of Ukraine to the IMF and liabilities to the IMF for the funds received by the NBU.

The respective assets include:

- special drawing rights (SDR) holdings
- IMF quota contributions (including the reserve position of the IMF).

The respective liabilities include:

- the value of securities issued to the IMF by the NBU for its quota and borrowings
- funds on IMF accounts No. 1 and No. 2. IMF's account No. 1 is used for IMF transactions, including quota subscription payments, purchase and repurchase of funds. Account No. 2 is used for settlements with the IMF in the Ukrainian currency.

Assets and liabilities denominated in SDR, including the IMF quota contributions, are translated into UAH at the NBU's official exchange rate of hryvnia against SDR as of the date of the consolidated statement of financial position. The official exchange rate of UAH against SDR is calculated based on the information about the exchange rate of SDR against USD set by the IMF and the NBU's official hryvnia exchange rate against the U.S. dollar. The NBU classifies SDR holdings and IMF quota contributions according to amortized cost.

The income on SDR holdings is recognized as interest income, and charges paid in respect of the use of the IMF's funds are recognized as interest expenses and fees and commissions in the consolidated statement of profit or loss and other comprehensive income. The fees under the arrangement on SDR purchase, which are paid at the beginning of each 12-months period of the respective arrangement and are subject to reimbursement upon receipt of individual tranches, are recognized within other assets. Non-reimbursable fees under arrangements on SDR purchases are recorded as fees and commissions. Expenses related to operations with the IMF are amortized using the effective interest rate method and recorded as interest expense.

8.1. SDR Holdings

SDR holdings are demand deposits denominated in SDR on the account opened at the IMF for Ukraine.

Cash flows in the SDR holding accounts in 2024 and 2023 were as follows:

	2024	2023
		(UAH millions)
Balance of SDR holdings as of 1 January	35,570	62,174
Proceeds from the IMF:		
in favor of the government	215,595	164,012
Proceeds from international donor financial aid to Ukraine:		
in favor of the government	69,527	64,235
Purchase of SDRs	61,283	23,300
Other proceeds and payments	511	321
Loan repayment:		
on behalf of the NBU (Note 8.3)	(37,784)	(59,107)
on behalf of the government	(57,234)	(33,671)
Payment of fees and commissions related to transactions with the IMF	(1,524)	(1,240)
Conversion of SDRs to other foreign currencies:		
in favor of the NBU	(203,716)	(155,394)
Payment of interest for the use of IMF loans:		
on behalf of the NBU	(4,717)	(7,190)
on behalf of the government	(28,967)	(18,742)
Payment of interest for the use of funds received under SDR allocation:		
on behalf of the NBU	(172)	(142)
on behalf of the government	(6,650)	(5,501)
Other payments	(1)	(2)
Income on SDR holdings	1,239	1,820
FX difference	3,560	697
Balance of SDR holdings as of 31 December	46,520	35,570

In 2024 and 2023, there were no proceeds from the IMF under credit programs in favor of the NBU.

In April 2022, the IMF's Executive Board approved the opening of the IMF administered account for Ukraine providing a safe way for donors to direct financial aid for Ukraine in a form of grants and loans. In 2024, SDR 1,325 million or UAH 69,527 million was transferred from this account to the SDR holding account at the official UAH/SDR exchange rate on the transaction date in favor of the Government (in 2023, SDR 1,305 million or UAH 64,235

million at the official UAH/SDR exchange rate on the transaction date) and credited to the account of the State Treasury Service of Ukraine.

SDR holdings are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on SDR holdings classification by current and noncurrent is presented in Note 37.

8.2. IMF Quota Contributions

The quota balance is a special type of asset that represents Ukraine's contribution as an IMF member. Quotas vary based on the economic size of each country and are determined by the IMF Board of Governors. The quota determines a member's voting power in the IMF, the limits of its access to the financial resources of the fund, and a participant's share in the allocation of SDRs, the fund's unit of accounting. The major part of Ukraine's quota was paid in the form of non-interest-bearing debt instrument issued by the NBU to the IMF, with the remainder being credited to the IMF accounts No. 1 and No. 2 (Note 8.3).

As of 31 December 2024, Ukraine's total quota in the IMF amounted to SDR 2,012 million (UAH 110,296 million at the year-end official UAH/SDR exchange rate) (31 December 2023: SDR 2,012 million, or UAH 102,521 million at the year-end official UAH/SDR exchange rate). The quota does not earn interest.

The reserve position in the IMF is a specific type of asset that is created by converting a part of the contribution of a member country to the IMF liquidity quota. The reserve position is a part of the country's currency reserves.

As of 31 December 2024, the reserve position of Ukraine in the IMF amounted to SDR 241,031 (UAH 13.2 million at the official UAH/SDR exchange rate as of the end of the reporting period) (as of 31 December 2023, it was SDR 241,031, or UAH 12.3 million at the year-end official UAH/SDR exchange rate). The amount of the reserve position is included into the item *IMF Quota contributions* of the Consolidated Statement of Financial Position.

IMF quota contributions are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, and by liquidity risk – in Note 27.

Information on IMF quota contributions classification by current and noncurrent is presented in Note 37.

8.3. Liabilities to the IMF

	2024	2023
	(UAH millions)	
Liabilities to the IMF for SDR purchases	48,491	81,844
Liabilities to the IMF for SDR allocations	4,490	4,179
IMF account No. 2	2	4
Liabilities to the IMF apart from quota contributions	52,983	86,027
Liabilities to the IMF on quota contributions	110,006	102,252
IMF account No. 1	277	257
Liabilities to the IMF on quota contributions	110,283	102,509
Total liabilities to the IMF	163,266	188,536

Liabilities to the IMF for SDR allocation represent funds received by the NBU as a result of the special SDR allocation.

Liabilities to the IMF for purchases of SDRs represent loans received from the IMF to accounts with the NBU. In 2024 and 2023, there were no proceeds from the IMF to the NBU (Note 8.1).

IMF account No. 1 is the IMF account with the NBU in hryvnia that is used for transactions with the IMF related to the servicing and repayment of IMF loans. IMF account No. 2 is the IMF account with the NBU in hryvnia that is used by the IMF for receipts and administrative expenses in hryvnia in Ukraine. During 2024, the IMF administrative expenses in the amount of UAH 1.3 million were paid from account No. 2 (UAH 0.2 million in 2023).

Liabilities to the IMF on quota contributions represent liabilities for quota settlement.

In 2024 and 2023, no changes occurred in the size of the quota (Note 8.2).

In 2024, liabilities worth SDR 711 million (UAH 37,784 million at the official exchange rate at the transaction date, or UAH 36,075 million at the annual exchange rate of the IMF) were repaid to the IMF [in 2023, repayments of liabilities to the IMF worth SDR 1,211 million (UAH 59,107 million at the official exchange rate at the transaction date, or UAH 54,861 million at the annual exchange rate of the IMF) were repaid] (Note 8.1).

Liabilities to the IMF are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on liabilities to the IMF classification by current and noncurrent is presented in Note 37.

9. Domestic Securities

	2024	2023
		(UAH millions)
Securities at fair value through profit or loss		
in foreign currencies:		
government derivatives denominated in U.S. dollars	1,370	729
Total securities at fair value through profit or loss	1,370	729
Debt securities at amortized cost:		
in domestic currency:		
domestic government debt securities (at a fixed interest rate)	264,624	277,351
domestic government debt securities (at a floating interest rate)	448,793	449,738
Total debt securities at amortized cost	713,417	727,089
Total domestic securities	714,787	727,818

According to Article 54 of the Law of Ukraine *On the National Bank of Ukraine*, the NBU has no right to acquire securities in the primary market, which are issued by the Cabinet of Ministers of Ukraine, a state institution, or other legal entity whose property is state-owned.

However, according to Law of Ukraine No. 2118-IX *On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine Regarding the Specific Taxation and Reporting Under Martial Law* dated 3 March 2022, this article was temporarily suspended from 7 March 2022 for the duration of martial law in Ukraine.

The domestic government debt securities have a nominal value of UAH 1,000 each. In 2024 and 2023, the NBU did not purchase domestic government debt securities.

Each government derivative has a notional value of USD 1,000 or such aggregate value that is an integer multiple equal to USD 1,000 (hereinafter referred to as the “notional value”). Payments on government derivatives depend on reaching certain GDP indicators and the indicator of real GDP growth for 2019–2039.

Domestic securities are analyzed by credit risk in Note 24, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27. Estimated fair value of domestic securities is given in Note 21.

Information on domestic securities classification by current and noncurrent is presented in Note 37.

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 31 December 2024 is presented in the table below:

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,843	44	–	–	–	Up to 16.4 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government debt securities (at a fixed interest rate)	252,615	–	11.44–16.22	8.12–19.75	Once a year, every 6 months	From 1.9 months to 12.3 years
domestic government debt securities (at a floating interest rate)	425,173	–	7.13–13.29	13.00–24.60	Once a year	From 8.4 years to 27.4 years

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 31 December 2023 is presented in the table below:

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,665	44	–	–	–	Up to 17.4 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government debt securities (at a fixed interest rate)	265,018	–	11.30–19.35	8.12–19.75	Once a year, every 6 months	From 0.6 months to 13.3 years
domestic government debt securities (at a floating interest rate)	425,173	–	6.74–13.59	4.10–21.86	Once a year	From 9.4 years to 28.4 years

As of 31 December 2024, the gross carrying value of domestic government securities was UAH 713,417 million (UAH 727,089 million as of 31 December 2023). During 2024 and 2023, all debt securities at amortized cost (government securities) were at stage 1. Changes in gross carrying value

in 2024 and 2023 were primarily due to securities repayments. In 2024 and 2023, provisions for expected credit losses on government securities were not recognized (Note 5).

10. Loans to Banks and Other Borrowers

Loans to banks and other borrowers by their designated purpose are classified as follows:

	2024	2023
	(UAH millions)	
Loans granted to banks to support their liquidity:		
for stabilizing banking activities	36,467	36,915
through tenders conducted by the NBU:		
long-term	1,563	2,480
short-term	609	282
Other	10	10
Loans granted under credit lines to support small and medium businesses using funds received from the European Bank for Reconstruction and Development (the EBRD)	21	21
Allowances for expected credit losses on loans to banks and other borrowers	(33,656)	(34,017)
Total loans to banks and other borrowers	5,014	5,691

In 2024, the NBU supported the liquidity of banks via a standing refinancing line (overnight loans), banks' refinancing with maturities up to 14 days and one year by holding tenders [during 2023: via a standing refinancing line (overnight loans), banks' refinancing with maturities up to one year by holding tenders].

The NBU performs banks refinancing by providing the banks overnight loans and refinancing loans and has the outstanding debts under refinancing loans as of 31 December 2024 and 2023. The NBU grants to banks the overnight and refinancing loans secured by a pool that may consist of the following asset (property) types: securities [Ukrainian government bonds, bonds of international financial institutions (issued in accordance with the Ukrainian laws), corporate bonds placed against the Cabinet of Ministry of Ukraine's guarantees, domestic municipal bonds], including property rights to future cash flows in national and/or foreign currency as payment of income and/or repayment of pledged securities to separate bank accounts at the NBU; the NBU's certificates of deposit, including property rights to future cash

receipts as payment of income and/or repayment of pledged certificates of deposit to separate bank accounts at the NBU; foreign currency (U.S. dollars, euros, GB pounds, Swiss francs, Japanese yens); cash in national and/or foreign currency transferred as payment of income and/or repayment of pledged securities and/or certificates of deposit, property rights to future receipts pledged as collateral.

The securities (Ukraine's government bonds, corporate bonds, including those placed under the Cabinet of Ministry of Ukraine's guarantees), foreign currency, shares of the owners of a bank's qualifying holding, real estate, and property rights under loan agreements were accepted as collateral against stabilization loans issued to banks to support their liquidity before 2017 and which remained outstanding as of 31 December 2024 and 2023. Since 2017, the NBU has not granted the stabilization loans. Instead of stabilization loans, the NBU may issue to banks loans for emergency liquidity assistance, but no such loans have been issued yet.

In 2024, the movements in gross carrying value of loans for stabilizing banking activities were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Gross carrying value of loans for stabilizing banking activities, as of 1 January 2024	–	–	36,915	–	36,915
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	(77)	–	(77)
Writing off assets against provisions (including in part)	–	–	(1)	–	(1)
Other changes (including partial repayment)	–	–	(370)	–	(370)
Gross carrying value of loans for stabilizing banking activities, as of 31 December 2024	–	–	36,467	–	36,467

Changes in allowance for expected credit losses on loans for stabilizing banking activities in 2024 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Allowance for expected credit losses on loans for stabilizing banking activities, as of 1 January 2024	–	–	33,659	–	33,659
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	(8)	–	(8)
Writing off assets against provisions (including in part)	–	–	(1)	–	(1)
Adjustment of interest income under loans	–	–	(538)	–	(538)
Change in parameters/models used for calculating allowances and their partial repayment	–	–	228	–	228
Allowance for expected credit losses on loans for stabilizing banking activities, as of 31 December 2024	–	–	33,340	–	33,340

In 2023, the movements in gross carrying value of loans for stabilizing banking activities were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Gross carrying value of loans for stabilizing banking activities, as of 1 January 2023	–	–	37,853	–	37,853
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	(3)	–	(3)
Writing off assets against provisions (including in part)	–	–	–	–	–
Other changes (including partial repayment)	–	–	(935)	–	(935)
Gross carrying value of loans for stabilizing banking activities, as of 31 December 2023	–	–	36,915	–	36,915

Changes in allowance for expected credit losses on loans for stabilizing banking activities in 2023 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Allowance for expected credit losses on loans for stabilizing banking activities, as of 1 January 2023	–	–	34,201	–	34,201
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	(3)	–	(3)
Writing off assets against provisions (including in part)	–	–	–	–	–
Adjustment of interest income under loans	–	–	(597)	–	(597)
Change in parameters/models used for calculating allowances and their partial repayment	–	–	58	–	58
Allowance for expected credit losses on loans for stabilizing banking activities, as of 31 December 2023	–	–	33,659	–	33,659

In 2024, the movements in gross carrying value of long-term loans issued to banks by holding tenders were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Gross carrying value of long-term loans issued to banks by holding tenders, as of 1 January 2024	1,613	867	–	–	2,480
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	(320)	320	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	(867)	–	–	(867)
Writing off assets against provisions (including in part)	–	–	–	–	–
Other changes (including partial repayment)	(50)	–	–	–	(50)
Gross carrying value of long-term loans issued to banks by holding tenders, as of 31 December 2024	1,243	320	–	–	1,563

Changes in allowance for expected credit losses on long-term loans issued to banks by holding tenders in 2024 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Allowance for expected credit losses on long-term loans issued to banks by holding tenders, as of 1 January 2024	4	41	–	–	45
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	(2)	2	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	(41)	–	–	(41)
Writing off assets against provisions (including in part)	–	–	–	–	–
Adjustment of interest income under loans	–	–	–	–	–
Change in parameters/models used for calculating allowances and their partial repayment	(1)	–	–	–	(1)
Allowance for expected credit losses on long-term loans issued to banks by holding tenders, as of 31 December 2024	1	2	–	–	3

In 2023, the movements in gross carrying value of long-term loans issued to banks by holding tenders were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
(UAH millions)					
Gross carrying value of long-term loans issued to banks by holding tenders, as of 1 January 2023	32,437	4,462	–	–	36,899
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	(913)	913	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	(29,906)	(4,312)	–	–	(34,218)
Writing off assets against provisions (including in part)	–	–	–	–	–
Other changes (including partial repayment)	(5)	(196)	–	–	(201)
Gross carrying value of long-term loans issued to banks by holding tenders, as of 31 December 2023	1,613	867	–	–	2,480

Changes in allowance for expected credit losses on long-term loans issued to banks by holding tenders in 2023 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
(UAH millions)					
Allowance for expected credit losses on long-term loans issued to banks by holding tenders, as of 1 January 2023	256	752	–	–	1,008
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	(38)	38	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	(202)	(732)	–	–	(934)
Writing off assets against provisions (including in part)	–	–	–	–	–
Adjustment of interest income under loans	–	–	–	–	–
Change in parameters/models used for calculating allowances and their partial repayment	(12)	(17)	–	–	(29)
Allowance for expected credit losses on long-term loans issued to banks by holding tenders, as of 31 December 2023	4	41	–	–	45

In 2024, the movements in gross carrying value of short-term loans issued to banks by holding tenders were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Gross carrying value of short-term loans issued to banks by holding tenders, as of 1 January 2024	–	–	282	–	282
Purchased/originated loans	327	–	–	–	327
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	–	–	–
Writing off assets against provisions (including in part)	–	–	–	–	–
Other changes (including partial repayment)	–	–	–	–	–
Gross carrying value of short-term loans issued to banks by holding tenders, as of 31 December 2024	327	–	282	–	609

Changes in allowance for expected credit losses on short-term loans issued to banks by holding tenders in 2024 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Allowance for expected credit losses on short-term loans issued to banks by holding tenders, as of 1 January 2024	–	–	282	–	282
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	–	–	–	–	–
Writing off assets against provisions (including in part)	–	–	–	–	–
Adjustment of interest income under loans	–	–	–	–	–
Change in parameters/models used for calculating allowances and their partial repayment	–	–	–	–	–
Allowance for expected credit losses on short-term loans issued to banks by holding tenders, as of 31 December 2024	–	–	282	–	282

In 2023, the movements in gross carrying value of short-term loans issued to banks by holding tenders were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Gross carrying value of short-term loans issued to banks by holding tenders, as of 1 January 2023	1,260	–	282	–	1,542
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	(1,260)	–	–	–	(1,260)
Writing off assets against provisions (including in part)	–	–	–	–	–
Other changes (including partial repayment)	–	–	–	–	–
Gross carrying value of short-term loans issued to banks by holding tenders, as of 31 December 2023	–	–	282	–	282

Changes in allowance for expected credit losses on short-term loans issued to banks by holding tenders in 2023 were as follows:

	Stage 1	Stage 2	Stage 3	Initially impaired assets	Total
					(UAH millions)
Allowance for expected credit losses on short-term loans issued to banks by holding tenders, as of 1 January 2023	22	–	282	–	304
Purchased/originated loans	–	–	–	–	–
Transfer to Stage 1	–	–	–	–	–
Transfer to Stage 2	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Derecognized or repaid loans (except for written-off and partly repaid)	(22)	–	–	–	(22)
Writing off assets against provisions (including in part)	–	–	–	–	–
Adjustment of interest income under loans	–	–	–	–	–
Change in parameters/models used for calculating allowances and their partial repayment	–	–	–	–	–
Allowance for expected credit losses on short-term loans issued to banks by holding tenders, as of 31 December 2023	–	–	282	–	282

As of 31 December 2024 and 2023, other loans were at stage 3, gross carrying value was UAH 10 million, allowance for expected credit losses was UAH 10 million.

As of 31 December 2024 and 2023, loans granted under credit lines to support small and medium entities from funds received from the EBRD and other loans remained at stage 3, gross carrying value was UAH 21 million, allowance for expected credit losses was UAH 21 million.

The information on gross carrying value of loans to banks and other borrowers by collateral types as of 31 December 2024 is given below:

	Loans granted to banks to support their liquidity	Loans granted to support small and medium enterprises based on funds received from the European Bank for Reconstruction and Development (EBRD)	Domestic public debt	Total
(UAH millions)				
Loans secured by:				
immovable property	3,996	–	–	3,996
Securities	1,459	–	–	1,459
property rights under credit agreements	468	–	–	468
other collateral types	848	–	–	848
Unsecured loans	31,878	21	1,248	33,147
Total loans to banks and other borrowers	38,649	21	1,248	39,918

The information on gross carrying value of loans to banks and other borrowers by collateral types as of 31 December 2023 is given below:

	Loans granted to banks to support their liquidity	Loans granted under credit lines to support small and medium businesses using funds received from the European Bank for Reconstruction and Development (the EBRD)	Domestic public debt	Total
(UAH millions)				
Loans secured by:				
immovable property	4,367	–	–	4,367
Securities	2,125	–	–	2,125
property rights under credit agreements	634	–	–	634
other collateral types	813	–	–	813
Unsecured loans	31,748	21	1,347	33,116
Total loans to banks and other borrowers	39,687	21	1,347	41,055

Loans to banks and other borrowers are analyzed by geographical concentration risk in Note 23, by credit risk – in Note 24, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27. Estimated fair value of loans to banks and other borrowers is presented in Note 21. Information on loans to banks and other borrowers by current and noncurrent is presented in Note 37.

Loan Commitments

As of 31 December 2024, the NBU had no commitments for granting loans (as of 31 December 2023, the NBU had commitments for granting loans to the Deposit Guarantee Fund under an open revolving credit line totaling UAH 3,000 million).

11. Other Financial Assets

	2024	2023
		(UAH millions)
Other financial assets at amortized cost:		
Receivables	95	130
allowance for expected credit losses on receivables	(18)	(11)
NBU loans due from employees	22	29
allowance for expected credit losses on loans to employees	(10)	(11)
Other	27	18
Total financial assets at amortized cost	116	155
Other financial assets at fair value through profit or loss:		
rights of claim under credit agreements transferred to the NBU	5	5
Total other financial assets	121	160

Other financial assets are unsecured.

In 2024 and 2023, loans to employees were at stages 1, 2, and 3 (Note 24); there was neither transition between stages nor any other significant changes.

As of 31 December 2024 and 2023, interest rate swap transactions generated no derivative financial assets at fair value. As of 31 December 2024 and 2023, derivative financial liabilities on interest rate swaps together with the description

of transactions are presented in other financial liabilities (Note 15).

Other financial assets are analyzed by geographical concentration risk in Note 23, by credit risk – in Note 24, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on other financial assets classification by current and noncurrent is presented in Note 37.

12. Accounts of Banks

	2024	2023
		(UAH millions)
Correspondent accounts:		
in domestic currency	229,149	212,227
Other accounts of banks on demand:		
in foreign currency	621	1,269
Accounts of banks on special use terms:		
in domestic currency	1,868	1,676
in foreign currency	958	425
Funds placed to ensure the repayment of bank debts to the NBU:		
in foreign currency	493	662
Bank funds to ensure the execution of liabilities to the NBU:		
in domestic currency	–	2
in foreign currency	2	–
Total accounts of banks	233,091	216,261

As of 31 December 2024 and 2023, setting the interest rates on the balances in the domestic currency in the correspondent accounts was not prescribed by NBU regulations, therefore there is no interest accrued.

Other demand accounts of banks included the funds placed by resident banks with the NBU in line with NBU regulations and signed agreements. As of 31 December 2024, balances of other foreign-currency demand deposits of banks bore an interest rate of 4.25% (5.25% as of 31 December 2023).

Accounts of banks on special-use terms include funds placed for the purposes of making settlements in the cases specified by the laws of Ukraine and the NBU's regulations, in particular settlements by liquidation committees in the cases of terminating activities of banks.

As of 31 December 2024 and 2023, funds placed to ensure the repayment of bank debts to the NBU include the funds of

resident banks placed in accounts with the NBU as collateral for liabilities under loans granted under loan agreements.

As of 31 December 2024, funds of banks placed to ensure the repayment of bank debts to the NBU included funds of the pool of assets (property) transferred as payment of income and/or repayment of pledged securities or the NBU's certificates of deposit, property rights for future proceeds of which had been pledged, which ensure the fulfillment of obligations under refinancing loans (as of 31 December 2023 – under interest rate swaps). There is no interest accrued on these funds.

Accounts of banks are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on accounts of banks classification by current and noncurrent is presented in Note 37.

13. Accounts of Government and Other Institutions

	2024	2023
		(UAH millions)
Funds of budgets and budget entities:		
in domestic currency	101,408	52,885
in foreign currency	171,916	85,060
Deposit Guarantee Fund:		
in domestic currency	2,463	539
Other:		
in domestic currency	1,311	867
in foreign currency	1,107	751
Total accounts of government and other institutions	278,205	140,102

The NBU services the accounts of the State Budget of Ukraine and local budgets, which are consolidated into a single Treasury account.

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, all accounts of budget-financed institutions are non-interest-bearing, except for the accounts of the Deposit Guarantee Fund, which bore interest of 4.35% as of 31 December 2024 (4.60% as of 31 December 2023).

Accounts of government and other institutions are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on accounts of government and other institutions classification by current and noncurrent is presented in Note 37.

14. Certificates of Deposit Issued by the NBU

The certificates of deposit issued by the NBU are one of its monetary policy instruments. They are debt securities issued by the NBU in non-documentary form evidencing the placement of banks' funds with the NBU and the right of banks to receive on their maturity the funds placed, together with the interest accrued. The expenses (yield for the banks) on the certificates of deposit is set based on the NBU's Interest Rate Policy Framework, taking into account its current objectives.

On business days, the NBU conducts daily operations to place certificates of deposit until the next business day (overnight) and tenders for certificates of deposits for up to 14 days and/or up to 100 days with a frequency in accordance with the established schedule.

During 2023 and 2024, there was a gradual decrease in the interest rate on overnight certificates of deposit (from 23.0% per annum to 20.0% as of 7 April 2023, to 18.0% as of 28 July 2023, to 16.0% as of 15 September 2023, to 15.0% as of 15 December 2023, to 14.5% as of 15 March 2024, to 13.5% as of 26 April 2024, to 13.0% as of 14 June 2024).

In April 2023, the NBU introduced the placement of limited deposit certificates for a term of up to 100 days (3-month limited deposit certificates) at a fixed interest rate set at the level of the NBU's key policy rate and amounted to 25.0% per

annum from 7 April 2023, 22.0% from 28 July 2023, and 20.0% from 15 September 2023.

Subsequently, the calculation of the interest on three-month limited certificates of deposit was changed and it was calculated as the NBU's key policy rate + 4 pp and set at the level of 20.0% per annum as of 27 October 2023 and 19.0% per annum as of 15 December 2023.

Effective 15 March 2024, the interest rate was calculated as the NBU's key policy rate plus 3 percentage points and set at the level of 17.5%, moving to 16.5% as of 26 April 2024 and to 16.0% as of 14 June 2024.

Effective 20 September 2024, the interest rate on three-month limited deposit certificates was set at the NBU's key policy rate plus 2.5 percentage points and made 15.5%.

Starting from 13 December 2024, the NBU increased the key policy rate pushing up the interest rate on both overnight certificates of deposit (13.5% per annum) and three-month limited deposit certificates (16.0% per annum).

The maximum amount of three-month limited deposit certificates purchased by banks is within the dynamic limit and is calculated based on the aggregate amount of term deposits of their retail customers in domestic currency.

	2024	2023
		(UAH millions)
Certificates of deposit at amortized cost:		
overnight certificates of deposit	494,047	441,457
certificates of deposit with maturities up to 100 days	54,864	180,210
Total amount of certificates of deposit at amortized cost	548,911	621,667

As of 31 December 2024 and 2023, the nominal value of the certificates of deposit issued by the NBU was UAH 1 million each.

Information on the nominal value, weighted average loss, interest rate, and period of placement as of 31 December 2024 is presented in the table below:

	Total nominal value of certificates of deposit, UAH millions	Weighted average cost, % p.a.	Interest rate, % p.a.	Frequency of interest payments	Period of placement, calendar days
Certificates of deposit at amortized cost					
overnight certificates of deposit	493,865	13.50	13.50	One time during repayment	1
certificates of deposit with maturities up to 100 days	53,632	15.59	15.50–16.00	One time during repayment	91

Information on the nominal value, weighted average loss, interest rate, and period of placement as of 31 December 2023 is presented in the table below:

	Total nominal value of certificates of deposit, UAH millions	Weighted average loss, % p.a.	Interest rate, % p.a.	Frequency of payment interest payments	Period of placement, calendar days
Certificate of deposit at amortized cost					
overnight certificates of deposit	440,913	15.00	15.00	One time during repayment	3
certificates of deposit with maturities up to 100 days	174,611	19.82	19.00–20.00	One time during repayment	91

Certificates of deposit are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on certificates of deposit classification by current and noncurrent is presented in Note 37.

15. Other Financial Liabilities

	2024	2023
		(UAH millions)
Other financial liabilities at amortized cost:		
Accounts payable	900	623
Other	63	33
Total other financial liabilities at amortized cost	963	656
Other financial liabilities at fair value through profit or loss:		
derivative financial liabilities (interest rate swap transactions)	224	1,223
Other financial liabilities:		
Employee benefits liabilities	724	650
Total other financial liabilities	1,911	2,529

As of 31 December 2024, other financial liabilities included derivative financial liabilities for interest rate swap transactions in the amount of UAH 224 million (as of 31 December 2023 – UAH 1 223 million).

As of 31 December 2024, the NBU had 25 interest rate swap agreements for the total notional amount of UAH 3,970 million (including: notional value of transactions with a term of up to four years – UAH 970 million and up to five years – UAH 3,000 million).

As of 31 December 2023, the NBU had 40 interest rate swap agreements in the total amount of UAH 8,970 million

(including: notional value of transactions with a term of up to three years - UAH 1,500 million, up to four years – UAH 4,470 million, up to five years - UAH 3,000 million). From 1 October 2021, performance of these transactions was suspended due to rolling back of emergency monetary measures.

Other financial liabilities are analyzed by geographical concentration risk in Note 23, by foreign currency risk – in Note 25, by interest rate risk – in Note 26, and by liquidity risk – in Note 27.

Information on other financial liabilities classification by current and noncurrent is presented in Note 37.

16. Cash and Cash Equivalents

	Note	2024	2023
(UAH millions)			
Foreign currency cash	6	45,243	41,278
Demand deposits	6	413,367	293,884
Short-term deposits in foreign currency with maturities of up to three months (other than deposits in gold)	6	18,510	32,285
SDR holdings	8.1	46,379	35,483
Total cash and cash equivalents		523,499	402,930

Changes in liabilities that resulted from financial activities in 2024:

	Note	As of 1 January 2024	Issue/ attraction/ (repaid) liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 31 December 2024
(UAH millions)								
Banknotes and coins in circulation		764,598	58,037	–	–	–	–	822,635
Liabilities to the IMF	8.3	188,536	(37,784)	(4,889)	13,057	4,300	46	163,266
Certificates of deposit issued by the NBU	14	621,667	(68,027)	(81,560)	–	76,831	–	548,911

The NBU classifies interests paid as cash flows from operating activity in the consolidated statement of cash flows.

Changes in liabilities that resulted from financial activities in 2023:

	Note	As of 1 January 2023	Issue/ attraction/ (repaid) liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 31 December 2023
(UAH millions)								
Banknotes and coins in circulation		715,330	49,268	–	–	–	–	764,598
Liabilities to the IMF	8.3	239,176	(59,107)	(7,332)	8,667	7,047	85	188,536
Certificates of deposit issued by the NBU	14	457,464	158,636	(85,993)	–	91,560	–	621,667

Section II.III. Financial Results on Financial Instruments

Accounting Policy

Recognition of Income and Expenses

Interest Income and Expenses

Interest income and expense are recognized in the consolidated statement of profit or loss and other comprehensive income for all debt instruments (other than financial assets measured at fair value through profit or loss) on accrual basis using the effective interest rate method.

The NBU accounts for inflation indexed government bonds as floating-rate debt instruments and recognizes interest income using an effective interest rate that is revised monthly on the basis of actual inflation rates for the reporting period and not on the basis of inflation expectations or projections.

The NBU accounts for government bonds with a floating rate, that is calculated on the basis of the average annual value of the NBU key policy rate, as floating-rate debt instruments and recognizes interest income using an effective interest rate that is revised monthly on the basis of the actual key policy rate of the NBU effective during the reporting period and not on the basis of the NBU key policy rate expectations or projections.

Interest income on debt securities measured at fair value through profit or loss is determined based on the nominal interest rate and is recognized in the consolidated statement of profit or loss and other comprehensive income within results on transactions with debt securities at fair value.

Fee and commission income

Other commission income and expenses are recognized on an accrual basis in the reporting period in which the respective services are provided or received.

Gains/losses from revaluation of assets and liabilities

Unrealized gains/losses from revaluation of assets and liabilities denominated in foreign currencies (investment metals) and monetary gold are recognized in connection with changes in the exchange rate of the hryvnia against foreign currencies and the accounting price of investment metals during the reporting year.

Exchange rate differences recognized on the date of revaluation of the fair value of nonmonetary assets in a foreign currency at fair value through profit or loss (equity instruments) are recognized in the consolidated statement of profit or loss and other comprehensive income as gains less losses from financial instruments at fair value through profit or loss.

Gains/losses from revaluation of assets and liabilities are recognized as realized on disposal or redemption of the relevant revalued assets and liabilities. The amount so recognized equals the cumulative unrealized revaluations as of the date of such disposal or redemption.

Gains/losses from revaluation of foreign currency, monetary gold, and investment metals are recognized as realized at the end of the reporting month in the event of decrease of the total open position in foreign currency, monetary gold, and investment metals. The amount so recognized is proportional to the amount of said decrease.

Revaluation of monetary assets and liabilities in foreign currency and monetary gold, as well as gold held in foreign banks, due to changes in the official hryvnia exchange rate against foreign currencies/accounting price of investment metals, as well as revaluation results of assets and liabilities at fair value through profit and loss, are reported as financial results in the consolidated statement of profit or loss and other comprehensive income in the period in which they occurred.

17. Interest Income and Expenses

	2024	2023
		(UAH millions)
Interest income		
Income on domestic securities at amortized cost	85,393	105,860
Income on accounts and deposits in foreign currencies	11,497	14,897
Income on SDR holdings	1,239	1,820
Income on loans to banks	770	3,784
Income on domestic public debt	110	119
Other	1	3
Total interest income at the effective interest rate	99,010	126,483
Interest expenses		
Expenses on certificates of deposit issued by the NBU	(76,831)	(91,560)
Expenses on operations with the IMF	(4,346)	(7,132)
Expenses on Deposit Guarantee Fund accounts	(142)	(96)
Expenses on banks' funds	(42)	(142)
Total interest expenses at the effective interest rate	(81,361)	(98,930)
Net interest income	17,649	27,553

Other interest income includes interest income on loans to employees.

In 2024, income on domestic securities at amortized cost included income on domestic government debt securities with a floating interest rate in the amount of UAH 58,500 million (in 2023 – UAH 77,082 million).

In 2024, the expenses on certificates of deposit issued by the NBU included:

UAH 51,320 million on overnight certificates of deposit (UAH 64,232 million in 2023)

UAH 25,511 million on 100-day certificates of deposit (UAH 27,328 million in 2023).

18. Gains or Losses on Transactions with Financial Assets and Liabilities in Foreign Currency and Monetary Gold

	2024	2023
		(UAH millions)
Unrealized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	128,565	37,729
Realized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	29,971	25,793
Total gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	158,536	63,522

19. Gains or Losses on Transactions with Financial Instruments at Fair Value through Profit or Loss

	2024	2023
	(UAH millions)	
Foreign securities at fair value through profit or loss		
Interest income	20,127	9,006
Unrealized gains allocated to revaluation reserve for financial instruments to their fair value	16,777	16,948
Unrealized losses covered by revaluation reserve for financial instruments to their fair value	–	(1)
Unrealized losses not compensated by revaluation reserves of financial instruments to their fair value	(189)	(19)
Total unrealized results on foreign securities at fair value through profit or loss	16,588	16,928
Realized results on foreign securities measured at fair value through profit or loss (previously unrealized results of the current year that were realized)	23,370	15,807
Total gains or losses from foreign securities at fair value through profit or loss	60,085	41,741
Derivative financial instruments		
Unrealized gains allocated to revaluation reserve for financial instruments to their fair value	1,099	2,323
Total amount of unrealized gains or losses on derivative financial instruments	1,099	2,323
Realized gains or losses on derivative financial instruments (previously unrealized gains or losses of the current year that were realized)	(72)	(864)
Total amount of gains or losses from derivative financial instruments	1,027	1,459
Equity instruments at fair value through profit or loss		
Unrealized gains allocated to revaluation reserve for equity instruments to their fair value	75	52
Unrealized losses not covered by revaluation reserve for equity instruments to their fair value	–	–
Total amount of unrealized gains or losses on equity instruments	75	52
Total gains or losses on transactions with financial instruments at fair value through profit or loss	61,187	43,252

In 2024, interests received on foreign securities included in the net increase of foreign securities in the Consolidated Statement of Cash Flows amounted to UAH 18,960 million (in 2023 – UAH 5,785 million). Unrealized gains directed to

revaluation reserve and unrealized expenses covered by revaluation reserve are presented on a net basis in the Consolidated Statement of Changes in Equity.

20. Gains/(Losses) from Reversal of Impairment/(Impairment) on Financial and Nonfinancial Assets

Gains/(losses) from reversal of impairment/(impairment) on financial and non-financial assets:

	2024	2023
	(UAH millions)	
Gains on reversal of impairment on loans to employees	2	1
Losses on the impairment of deposits in foreign currency at amortized cost	(1)	(4)
(Losses)/gains from (impairment)/reversal of impairment on loans to banks	(183)	929
(Losses)/gains from (impairment)/reversal of impairment on interest-bearing financial assets	(182)	926
(Losses)/gains from (impairment)/reversal of impairment on receivables	(13)	3
Gains from reversal of impairment on other nonfinancial assets	–	7
Gains from reversal of impairment on investments to authorized capital of associated company	4	–
(Losses)/gains from (impairment)/reversal of impairment on other assets	(9)	10

Section II.IV. Fair Value of Financial Assets and Liabilities

21. Fair Value of Financial Assets and Liabilities

The market where the NBU usually performs transactions to sell an asset or transfer a liability is deemed to be the principal market or, in the absence of a principal market, the most advantageous one for the asset or liability. The NBU should have access to the principal or the most advantageous market as of the measurement date. The NBU measures the fair value of an asset or liability using the same assumptions used by market participants for forming a price for the asset or liability, and assuming that the market participants act in their economic interests.

If the principal market for an asset or liability exists, fair value measurement represents a price on this market (irrespective of the fact whether the price is publicly available, or it was calculated using a different measurement method), even if the price on other market is potentially more advantageous at the measurement date.

To establish the fair value of financial instruments regarding which no information on market prices is available from external sources, such valuation methods are used as discounted cash flow and analysis of financial information on investment objects. The use of the valuation methods may require the assumptions not supported with market data. In these consolidated financial statements, the information on assumptions is disclosed in the cases when the replacement of such assumption with a possible alternative option may lead to substantial change in amounts of profits, income, losses, the total amount of assets or liabilities.

The NBU uses the valuation methods in conformity with the circumstances and for which the data are sufficient to evaluate fair value, using at maximum the proper, publicly available inputs and minimizing the use of confidential inputs.

All assets and liabilities whose fair value is measured or disclosed in consolidated financial statements are classified according to the hierarchy of fair value.

The NBU determines the estimated fair value of financial assets and liabilities using available market information, where it exists, and the appropriate evaluation methodologies. However, professional judgment is required to interpret market data to measure fair value. Given the low activity in Ukraine's financial market, the estimated fair value may not always reflect the value that could be realized by the NBU in the current circumstances.

Financial Assets and Liabilities at Fair Value

Financial instruments carried at fair value include foreign securities and derivative financial instruments.

The fair value of foreign debt securities is defined on quoted prices on the active market (Level 1 inputs), other quotations from trading information systems (Level 2 inputs), or in the absence of information on quoted prices on the active market,

the fair value is based on an income approach and Level 3 inputs (the yield of the securities during their initial placement by the issuer and the assumption that the yield will remain unchanged until the maturity date of the relevant securities, taking into account their short maturities). The fair value of equity instruments is determined by an external appraiser using the income method based on Level 3 inputs.

The fair value of derivative financial instruments (government derivatives) is determined on the basis of quoted prices on an active market (Level 1 inputs).

When determining the fair value of derivative financial instruments such as interest rate and currency swaps, a valuation method is used for data that is observed on the market (Level 2). Fair value is determined with valuation models based on the current market-based and contractual value of the underlying instruments and other drivers. The models include various data, namely forward and spot exchange rates, exchange rate volatility, interest rate indices on interbank markets, yield curves, and so on.

Financial Assets and Liabilities at Amortized Cost

The NBU has determined that the fair value of certain financial assets and liabilities carried at amortized cost does not materially differ from their carrying value for the purposes of disclosing the fair value. These financial assets and liabilities include funds and deposits in foreign currencies, SDR holdings and IMF quota contributions, other financial assets, banknotes and coins in circulation, accounts of banks, accounts of state and other institutions, NBU certificates of deposit, liabilities to the IMF, and other financial liabilities.

Financial instruments carried at amortized cost, the fair value of which may differ significantly from their carrying values, include domestic securities, domestic public debt in domestic currency, and loans to banks and other borrowers. None of these financial instruments have an active market.

For the purposes of disclosing in its consolidated financial statements the fair values of financial assets and liabilities for which no active market exists, the NBU estimates the fair values of such assets and liabilities using the discounted cash flow method (the income approach). The said model takes into account future interest payments and principal repayments, the repayment period, and the discount rate.

The NBU estimates the fair value of domestic securities on the basis of the income approach and the following information:

for long-term inflation-indexed government bonds – Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and performed agreements on domestic government debt

securities, using the Svensson parametric model, and the actual consumer price index calculated month-on-month over the period from April to November 2024) (2023: from April to November 2023) and Level 3 inputs (the December 2024 FOCUSECONOMICS monthly consensus forecast of consumer price indices for 2024–2029 and target consumer price indices established by the NBU for the period from 2030 to 2047) (2023: the December 2023 FOCUSECONOMICS monthly consensus forecast of consumer price indices for 2023–2028 and target consumer price indices established by the NBU for the period from 2029 to 2047)

for other Ukrainian government bonds – Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and executed

agreements on domestic government debt securities, using the Svensson parametric model, key policy rates from the NBU's forecasts).

To measure the fair value of domestic public debt in the domestic currency, the NBU's weighted average rate on recent refinancing instruments (Level 3 inputs) of the reporting period is used as the discount rate.

As of 31 December 2024 and 2023, the NBU applied the market rate (the NBU's key policy rate established by the NBU's interest rate policy as a margin interest rate (the lower point of the range) for loans to banks) at the measurement date (Level 3 inputs) as the discount rate used to measure the fair value of loans to banks and other borrowers.

The discount rates used were as follows:

	2024	2023
	Discount rate, in % per annum	Rate discount rate, in % per annum
Domestic securities in domestic currency:		
domestic government debt securities (at a fixed interest rate)	11.44–16.22	11.30–19.35
domestic government debt securities (at a floating interest rate)	7.13–13.29	6.74–13.59
Domestic public debt in domestic currency (1994–1996)	16.19	22.00
Loans to banks and other borrowers in domestic currency	13.50	15.00

The following table summarizes the carrying amounts and measured fair values of the financial assets that do not appear in the NBU's Consolidated Statement of Financial Position at their fair value:

	2024		2023	
	Book value	Fair value	Book value	Fair value
(UAH millions)				
Domestic securities in domestic currency:				
domestic government debt securities (at a fixed interest rate)	264,624	241,440	277,351	248,153
domestic government debt securities (at a floating interest rate)	448,793	373,752	449,738	396,526
Domestic public debt	1,248	946	1,347	833
Loans to banks and other borrowers	5,014	5,028	5,691	5,735

Taking into account that fair value estimates are based on certain assumptions, it should be noted that the information provided above may not be fully reflective of the value that could be realized.

The fair value of financial instruments was categorized as follows:

	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(UAH millions)					
Assets measured at fair value						
Foreign securities carried at fair value	1,074,674	17,435	143,810	901,668	27,915	143,516
Domestic securities carried at fair value:						
government derivatives	1,370	–	–	729	–	–
Assets for which fair value is disclosed						
Domestic securities in domestic currency:						
domestic government debt securities (at a fixed interest rate)	–	241,440	–	–	248,153	–
domestic government debt securities (at a floating interest rate)	–	244,954	128,798	–	268,588	127,938
Domestic public debt	–	–	946	–	–	833
Loans to banks and other borrowers	–	–	5,028	–	–	5,735
Liabilities measured at fair value						
Other financial liabilities at fair value:						
interest rate swap	–	224	–	–	1,223	–

In 2024, there were neither significant transfers of financial instruments between Levels 1 and 2 of the fair value hierarchy, nor transfers of financial instruments to or from Level 3 of the fair value hierarchy.

Long-term inflationary domestic bonds – the fair values of which are disclosed – are included in Level 3 of the fair value hierarchy.

The change in the fair value of foreign securities that are measured at the reporting date at fair value, and are included in Level 3 of the fair value hierarchy, is presented as follows:

Fair value of foreign securities that are measured at fair value through profit or loss and are attributed to Level 3 of the fair value hierarchy	
(UAH millions)	
Foreign securities as of 1 January 2023	27,667
Income/(expense) recognized during the reporting period as part of profit or loss, including:	7,331
unrealized gains/(losses) from revaluation of financial instruments to their fair value	1,713
unrealized gain/(loss) from revaluation due to change in the official exchange rate of the hryvnia against foreign currencies	5,556
Purchases of foreign securities	135,623
Redemptions of foreign securities	(27,105)
Foreign securities as of 31 December 2023	143,516
Income/(expense) recognized during the reporting period as part of profit or loss, including:	25,346
unrealized gains/(losses) from revaluation of financial instruments to their fair value	3,823
unrealized gain/(loss) from revaluation due to change in the official exchange rate of the hryvnia against foreign currencies	7,109
Purchases of foreign securities	132,201
Redemptions of foreign securities	(157,253)
Foreign securities as of 31 December 2024	143,810

Income and expenses from change in the fair value of foreign securities measured as of the reporting date and assigned to Level 3 of the fair value hierarchy are included in gains or losses on transactions with financial assets and liabilities in foreign currencies and monetary gold, and gains or losses on transactions with financial instruments at fair value through profit or loss of the consolidated statement of profit or loss and other comprehensive income (Note 18 and 19, respectively).

The average weighted modified duration under financial assets at fair value that are included in Level 3 of the fair

value hierarchy (except for equity instruments at fair value through profit or loss) was 0.43 as of 31 December 2024 (0.53 as of 31 December 2023). An increase in the yield rates used to determine the fair value of these financial assets as of 31 December 2024 (Level 3 inputs) by 100 basis points would decrease the fair value of the relevant assets by UAH 616 million (by UAH 763 million as of 31 December 2023), while a decrease in these yield rates by 100 basis point would increase the fair value of these assets by UAH 616 million (UAH 763 million as of 31 December 2023).

Section III. Risk Management

22. Financial Risk Management

The NBU manages its financial risks in order to limit potential losses of the NBU's financial assets, fulfill its financial obligations in due time, and protect its capital to achieve its strategic goals and effectively perform its functions, as set forth in the Ukrainian Law *On the National Bank of Ukraine*, as well as supporting its institutional capacity and independence.

Financial risk management processes are broken down into the following stages:

- 1) setting up a system of financial risk management
- 2) identifying adverse events/financial risks in the NBU's processes/products
- 3) measuring financial risks
- 4) deciding on and taking measures in response to financial risks (addressing financial risks)
- 5) controlling risks
- 6) communicating and reporting risks
- 7) monitoring the system of financial risk management.

The NBU detailed the stages of financial risk management processes in its executive orders related to financial risk management.

The NBU Board is responsible for implementing the risk management system and ensuring that NBU risks are managed.

In accordance with the Ukrainian Law *On the National Bank of Ukraine*, the NBU Board established Asset and Liability Management Committee, and charged it with managing assets and liabilities, including Ukraine's foreign exchange and gold reserves, as well as with monitoring risks and financial results on transactions with the NBU's assets and liabilities.

The NBU Board or the Asset and Liability Management Committee, within the powers delegated to it by the NBU Board, choose and approve measures in response to financial risks (address financial risks) based on proposals submitted by the NBU units that carry out transactions with financial instruments and by the Risk Management Department. These measures are chosen and approved through taking decisions on financial risk management and/or through outlining such measures in the NBU's regulations and/or executive orders.

The NBU units that are responsible for carrying out and/or carry out transactions with financial instruments are the first

line of defense in financial risk management processes. These units have been charged with identifying and measuring financial risks, deciding on and taking measures in response to financial risks, and reporting financial risks that arise from the operations that fall under their mandate.

The Risk Management Department is the second line of defense in financial risk management processes and is responsible for the following:

- 1) providing methodological, coordinative and logistical support for the NBU's financial risk management processes, among other things, through updating financial risk management policies
- 2) developing and supporting procedures and methodologies for measuring financial risks
- 3) overseeing, monitoring, and conducting an independent analysis of financial risks at the level of the central bank's second line of defense
- 4) analyzing, on request, new operations with financial instruments, new financial instruments, and changes to operations involving financial instruments so as to see how they could affect the NBU's financial risks, and making recommendations on responses to identified financial risks (addressing risks)
- 5) assessing the NBU's financial risk profile
- 6) reporting the NBU's financial risks to the central bank's Asset and Liability Management Committee.

The NBU's financial risks are grouped as follows:

- financial risks related to the policies determined and conducted by the NBU. These risks arise from financial instruments and are related to the NBU's performance of its main function and other functions, as set forth in Articles 6 and 7 of the Ukrainian Law *On the National Bank of Ukraine*, with the exception of Article 7 paragraph 15 of the Ukrainian Law *On the National Bank of Ukraine*
- financial risks arising from Ukraine's international reserves
- other financial risks of the NBU.

The measures the NBU takes in response to financial risks depend on the NBU's tolerance to certain risk groups.

The main measures the NBU relies on to address financial risks are as follows:

- 1) avoiding or preventing a financial risk by taking a conscious decision not to carry out operations or use financial instruments that pose risks to the NBU, where such risks

exceed the level of the NBU's tolerance towards the group of risks in question

2) mitigating or decreasing financial risks through:

- diversification
- setting limits on the quantitative indicators of risks
- establishing the conditions and rules for the qualitative indicators of risks
- using various types of collateral to make sure that borrowers or counterparties discharge their obligations, and adjusting the fair value of such collateral, taking into account risk discounts or adjusting factors

3) using hedges to transfer financial risks

4) accepting financial risks through making provisions and covering financial risks with the NBU's own funds.

The NBU distinguishes between credit, market and liquidity risks based on the factors that generate the respective financial risks.

Credit Risk

Credit risk is the possibility of incurring losses, additional expenses or receiving less income due to the failure of a borrowing bank, or the failure of any other borrower or counterparty to discharge their obligations to the NBU in accordance with the terms and conditions agreed. Credit risk can manifest itself through:

default risk, arising from the failure of a counterparty/issuer/borrower to discharge their obligations to the NBU. This includes pre-settlement risk (the possibility that a counterparty will fail to meet their obligations to the NBU, resulting in default before the settlement date), and settlement risk (the possibility that, once the NBU has discharged its obligations to a counterparty, the counterparty will fail to meet their obligations to the NBU, resulting in default on the settlement date)

the risk of a counterparty/issuer credit rating downgrading below the minimum acceptable credit rating that allows to include the assets in its international reserves.

Market Risks

Market risk is defined as the possibility of incurring losses, additional expenses or receiving less income due to unfavorable movements in market prices, such as exchange rates, interest rates, and prices for financial instruments and goods. Market risks can manifest themselves through:

currency risk, which is defined as a market risk arising from unfavorable fluctuations in exchange rates

interest rate risk is a market risk arising from unfavorable changes in market interest rates that adversely affect the value of debt securities or other fixed-income instruments, as well as the value of derivative financial instruments (derivatives)

credit spread risk is a market risk arising from a widening (increase) in credit spreads between the yield to maturity of a fixed-income security or another financial instrument and risk free yields to maturity with a similar duration, which has an adverse impact on the market value of such instruments. A widening in a credit spread can result from a downgrading in the credit rating or a decrease in the credit quality of the issuer of a financial instrument, or from overall changes in market conditions

equity risk, a market risk arising from unfavorable changes in the market value of non-fixed-income shares and other securities

commodity risk, a market risk arising from unfavorable changes in the market value of commodities, including precious metals (such as gold)

volatility risk, a market risk arising from unfavorable changes in the volatility of market prices, interest rates, market indices, and exchange rates, which decrease the value of options, including those that have been embedded in other financial instruments.

Among market risks, foreign exchange risk and interest rate risk have the strongest impact on the NBU.

The table below shows an analysis of the sensitivity of the NBU's positions to currency risk, based on the assumption of a 20% increase/decrease in the exchange rates of the U.S. dollar, Euro, SDR and other currencies against the hryvnia in 2024 and 2023, respectively. The analysis factors in only the

foreign currency amounts (apart from nonmonetary assets) that were available at the end of the period. Exchange rates adjusted by 20% to those in effect at the end of 2024 and 2023 were used to translate those amounts into hryvnias.

The effect of exchange rate changes on profit or loss and the profit for year is presented as follows:

	31 December 2024		31 December 2023	
	+20%	-20%	+20%	-20%
	(UAH millions)			
USD	302,313	(302,313)	262,043	(262,043)
EUR	11,530	(11,530)	4,359	(4,359)
SDR	(10,386)	10,386	(10,108)	10,108
GBP	805	(805)	1,221	(1,221)
Other currencies	2,149	(2,149)	2,897	(2,897)

The following table summarizes sensitivity analysis of NBU positions to interest rate risk. Impact on profit or loss and the profit for the year is presented as follows:

	31 December 2024		31 December 2023	
	+100 bp	-100 bp	+100 bp	-100 bp
	(UAH millions)			
Sensitivity of interest-bearing financial assets	12,616	(12,616)	11,052	(11,052)
Sensitivity of interest-bearing financial liabilities	(5,804)	5,804	(6,751)	6,751
Net impact on profit or loss	6,812	(6,812)	4,302	(4,302)

Sources of interest rate risk are identified through analyzing the existing composition of interest-bearing assets and liabilities. The NBU assesses interest rate risk using an analysis of its sensitivity to interest rate movements, i.e. changes in the market value of instruments and portfolios as a result of movements in the yield curve by a certain number of basis points. In accordance with the relevant methodology, the scenarios used included a parallel shift in the entire curve by 1 percentage point (+/-100 basis points). Sensitivity to interest rate risk is estimated on the basis of a scenario according to which all interest rate curves are believed to change in the same manner for all financial instruments and currencies. The assessments take into account interest rate risk arising from all of the NBU's positions in instruments with fixed and floating interest rates, as defined by the respective model.

Liquidity Risk

The NBU breaks liquidity risk down into:

the liquidity risk of international reserves. This risk can arise when the NBU has difficulties in quickly selling or recalling a large amount of assets in which international reserves are held. Sometimes unfavorable market conditions can also decrease the prices of such assets

foreign currency liquidity risk, which can arise when the NBU is unable to meet its foreign currency obligations as they fall due.

Due to the fact that according to paragraph 2, Article 7 of the Ukrainian Law *On the National Bank of Ukraine*, the NBU has a monopoly on issuing Ukraine's national currency and is responsible for arranging cash circulation, the NBU is not exposed to national currency liquidity risk, i.e. risk of possible failure to meet its national currency obligations as they fall due.

The NBU manages its liquidity risk through:

- maintaining certain amounts of cash, as required by the relevant regulations, on its correspondent accounts
- holding sufficient amounts of highly liquid financial instruments that can be easily converted to cash
- setting requirements on the liquidity of the assets in which international reserves are held.

For a detailed assessment of financial risks, see Notes 23 to 27.

23. Analysis of Financial Assets and Liabilities by Geographical Concentration Risk

As of 31 December 2024, the geographical concentration risk of the NBU's financial assets and liabilities was presented as follows:

	Ukraine	OECD	IMF	Other	Total
	(UAH millions)				
Financial assets					
Funds and deposits in foreign currency	45,264	431,869	–	–	477,133
Foreign securities	–	1,222,100	–	13,819	1,235,919
SDR holdings	–	–	46,520	–	46,520
Domestic securities	714,787	–	–	–	714,787
Loans to banks and other borrowers	5,014	–	–	–	5,014
Domestic public debt	1,248	–	–	–	1,248
IMF quota contributions	–	–	110,296	–	110,296
Other financial assets	60	–	61	–	121
Total financial assets	766,373	1,653,969	156,877	13,819	2,591,038
Financial liabilities					
Banknotes and coins in circulation	822,635	–	–	–	822,635
Accounts of banks	233,091	–	–	–	233,091
Accounts of government and other institutions	278,205	–	–	–	278,205
Certificates of deposit issued by the NBU	548,911	–	–	–	548,911
Liabilities to the IMF, apart from IMF quota contributions	–	–	52,983	–	52,983
Liabilities to the IMF with respect to quota contributions	–	–	110,283	–	110,283
Other financial liabilities	1,896	15	–	–	1,911
Total of financial liabilities	1,884,738	15	163,266	–	2,048,019
Net balance sheet position	(1,118,365)	1,653,954	(6,389)	13,819	543,019
Off-balance sheet assets and liabilities					
Assets receivable under spot agreements	–	30,746	–	–	30,746
Assets payable under spot agreements	–	30,749	–	–	30,749
Net off-balance sheet position	–	(3)	–	–	(3)
Net position	(1,118,365)	1,653,951	(6,389)	13,819	543,016

As of 31 December 2023, the geographical concentration risk of the NBU's financial assets and liabilities was presented as follows:

	Ukraine	OECD	IMF	Other	Total
					(UAH millions)
Financial assets					
Funds and deposits in foreign currency	41,317	326,191	–	–	367,508
Foreign securities	–	1,048,635	–	24,464	1,073,099
SDR holdings	–	–	35,570	–	35,570
Domestic securities	727,818	–	–	–	727,818
Loans to banks and other borrowers	5,691	–	–	–	5,691
Domestic public debt	1,347	–	–	–	1,347
IMF quota contributions	–	–	102,521	–	102,521
Other financial assets	57	1	102	–	160
Total financial assets	776,230	1,374,827	138,193	24,464	2,313,714
Financial liabilities					
Banknotes and coins in circulation	764,598	–	–	–	764,598
Accounts of banks	216,261	–	–	–	216,261
Accounts of government and other institutions	140,102	–	–	–	140,102
Certificates of deposit issued by the NBU	621,667	–	–	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	–	–	86,027	–	86,027
Liabilities to the IMF with respect to quota contributions	–	–	102,509	–	102,509
Other financial liabilities	2,521	8	–	–	2,529
Total of financial liabilities	1,745,149	8	188,536	–	1,933,693
Net balance sheet position	(968,919)	1,374,819	(50,343)	24,464	380,021
Off-balance sheet assets and liabilities					
Loan commitments to banks and other borrowers	3,000	–	–	–	3,000
Net off-balance sheet position	(3,000)	–	–	–	(3,000)
Net position	(971,919)	1,374,819	(50,343)	24,464	377,021

24. Credit Risk

The following information provides gross carrying amounts of the NBU's financial assets assessed by impairment stages and credit ratings of counterparties assigned by the following international rating agencies: Fitch Ratings, Moody's, and Standard & Poor's. The following disclosures as of

31 December 2024 and 2023 consider a lower of the two best ratings assigned to an entity by the above rating agencies. The ratings are listed below as per coding of the rating agency of Fitch Ratings using the rating correspondence table of Bloomberg.

The information below is provided as of 31 December 2024:

	Credit rating	Total	% in the financial assets' item	Stage 1	Stage 2	Stage 3
(UAH millions)						
Funds and deposits in foreign currency						
demand deposits in foreign currency	AAA	130,194	27.3	130,194	–	–
	AA+	200,614	42.0	200,614	–	–
	AA	137	–	137	–	–
	AA-	48,846	10.3	48,846	–	–
	A+	22,946	4.8	22,946	–	–
	A	10,582	2.2	10,582	–	–
	A-	16	–	16	–	–
	CCC-	21	–	21	–	–
short-term deposits in foreign currency	A+	4,011	0.9	4,011	–	–
	AA-	1	–	1	–	–
	A	14,528	3.0	14,528	–	–
foreign currency cash	Risk-free	45,243	9.5	45,243	–	–
Total funds and deposits in foreign currency		477,139	100.0	477,139	–	–
Foreign securities:						
public sector	AA+	1,063,023	86.1	1,063,023	–	–
	AA-	2,694	0.2	2,694	–	–
quasi-government sector	AAA	67,966	5.5	67,966	–	–
	AA+	30,256	2.5	30,256	–	–
	AA	24,375	2.0	24,375	–	–
	AA-	37,016	3.0	37,016	–	–
	A+	399	–	399	–	–
non-government financial sector	AAA	550	–	550	–	–
	AA+	335	–	335	–	–
	AA-	8,208	0.7	8,208	–	–
	A+	346	–	346	–	–
Total foreign debt securities		1,235,168	100.0	1,235,168	–	–
Domestic securities:						
government securities	CCC+	714,787	100.0	714,787	–	–
Total domestic securities		714,787	100.0	714,787	–	–
Loans to banks and other borrowers:						
loans to banks	No rating available	38,649	99.9	1,570	320	36,759
loans to other borrowers	No rating available	21	0.1	–	–	21
Total loans to banks and other borrowers		38,670	100.0	1,570	320	36,780
Domestic public debt	CCC+	1,248	100.0	1,248	–	–
Other financial assets						
	AAA	61	40.9	61	–	–
	A-	1	0.7	1	–	–
	CCC-	10	6.7	10	–	–
	No rating available	77	51.7	69	–	8
Total other financial assets		149	100.0	141	–	8

As of 31 December 2024, loans to the NBU employees were included in the line "Unrated", item "Other financial assets" in the amount of UAH 22 million: Stage 1 – UAH 14 million, Stage 3 – UAH 8 million.

In the item "Securities of non-residents", the public sector includes governments of the countries issuing reserve currencies and their central banks; the quasi-public sector includes international financial organizations, administrative units of the countries issuing reserve currencies, state-owned

enterprises and institutions; and the non-governmental financial sector includes banks and other financial institutions of non-state ownership. This classification is consistent with the classification used by the NBU for managing its securities portfolio, including determining investment areas. Amendments related to this classification were introduced into the comparative information as of 31 December 2023 to align it with the presentation as of 31 December 2024.

The information below is provided as of 31 December 2023:

	Credit rating	Total	% in the financial assets' item	Stage 1	Stage 2	Stage 3
(UAH millions)						
Funds and deposits in foreign currency						
demand deposits in foreign currency	AAA	90,657	24.7	90,657	–	–
	AA+	153,187	41.7	153,187	–	–
	AA	4,374	1.2	4,374	–	–
	AA-	1,698	0.4	1,698	–	–
	A+	34,032	9.3	34,032	–	–
	A	9,822	2.7	9,822	–	–
	A-	70	–	70	–	–
	CCC-	39	–	39	–	–
short-term deposits in foreign currency	AAA	15,227	4.1	15,227	–	–
	AA-	1	–	1	–	–
	A	17,128	4.7	17,128	–	–
foreign currency cash	Risk-free	41,278	11.2	41,278	–	–
Total funds and deposits in foreign currency		367,513	100.0	367,513	–	–
Foreign securities:						
public sector	AAA	437	–	437	–	–
	AA+	889,729	83.0	889,729	–	–
quasi-government sector	AAA	101,081	9.4	101,081	–	–
	AA+	26,588	2.5	26,588	–	–
	AA	27,529	2.6	27,529	–	–
	AA-	8,992	0.8	8,992	–	–
	A+	9,767	0.9	9,767	–	–
	A	1,602	0.2	1,602	–	–
non-government financial sector	AAA	915	0.1	915	–	–
	AA+	1,021	0.1	1,021	–	–
	AA-	4,762	0.4	4,762	–	–
Total foreign debt securities		1,072,423	100.0	1,072,423	–	–
Domestic securities:						
government securities	CCC-	727,818	100.0	727,818	–	–
Total domestic securities		727,818	100.0	727,818	–	–
Loans to banks and other borrowers:						
loans to banks	No rating available	39,687	99.9	1,613	867	37,207
loans to other borrowers	No rating available	21	0.1	–	–	21
Total loans to banks and other borrowers		39,708	100.0	1,613	867	37,228
Domestic public debt	CCC-	1,347	100.0	1,347	–	–
Other financial assets						
	AAA	102	56.0	102	–	–
	AA	1	0.6	1	–	–
	CCC-	4	2.2	4	–	–
	No rating available	75	41.2	67	–	8
Total other financial assets		182	100.0	174	–	8

As of 31 December 2023, loans to the NBU employees were included in the line "Unrated", item "Other financial assets" in the amount of UAH 29 million: Stage 1 – UAH 21 million, Stage 3 – UAH 8 million.

Loans granted to banks that do not have international ratings assigned include the loans to domestic banks to support their liquidity the ratings of which are determined in accordance with the internal methodology of the NBU.

The information below is provided as of 31 December 2024:

	Internal rating	Total	% in the financial assets' item	Stage 1	Stage 2	Stage 3	Initially impaired assets
							(UAH millions)
Loans to banks	BBB	326	0.9	326	–	–	–
	BB	505	1.3	505	–	–	–
	B	739	1.9	739	–	–	–
	CC	320	0.8	–	320	–	–
	No rating available	36,780	95.1	–	–	36,780	–
Total loans to banks		38,670	100	1,570	320	36,780	–

The information below is provided as of 31 December 2023:

	Internal rating	Total	% in the financial assets' item	Stage 1	Stage 2	Stage 3	Initially impaired assets
							(UAH millions)
Loans to banks	BBB	1,293	3.3	1,293	–	–	–
	BB	167	0.4	–	167	–	–
	B	320	0.8	320	–	–	–
	C	700	1.8	–	700	–	–
	No rating available	37,228	93.7	–	–	37,228	–
Total loans to banks		39,708	100	1,613	867	37,228	–

The NBU determines internal ratings as follows:

AAA rating is the highest grade of a counterparty's creditworthiness. The counterparty's financial position is assessed as strong and stable in a long-term perspective, and the ability to repay on a timely basis and in full the interest and principal on debt obligations is very high

AA rating is the very high grade of a counterparty's creditworthiness. The counterparty's financial position is assessed as strong and stable in a long-term perspective, and the ability to repay on a timely basis and in full the interest and principal on debt obligations is high

A rating is the high grade of a counterparty's creditworthiness. The counterparty's financial position is assessed as strong and stable in a long-term perspective, and the ability to repay on a timely basis and in full the interest and principal on debt obligations is beyond any doubts

BBB rating is a medium grade of a counterparty's creditworthiness. The counterparty's financial position is assessed as strong and stable in a mid-term perspective, the counterparty's debt obligations have a higher risk of nonpayment compared to counterparties with higher ratings. However, difficulties may arise with timely and full repayment of the interest and principal on debt obligations in the event of occurrence of unfavorable changes in commercial,

financial, and economic conditions, although, in the nearest future, a probability of the counterparty's failure to meet its debt obligations is treated as insignificant.

BB rating is a medium grade of a counterparty's creditworthiness. The counterparty's financial position is assessed as satisfactory and stable in a short-term perspective, the counterparty is able, at the date of assessment, to repay the interest and principal on debt obligations, but has a higher probability of default on obligations than the counterparty with BBB rating.

B rating is a grade of a counterparty's creditworthiness that is somewhat lower than medium. Key indicators of the counterparty's financial position are assessed as satisfactory and stable in a short-term perspective, it has a sufficient level of financial reliability. Timely and complete payments on debt obligations mostly depend on commercial, financial, and economic conditions.

CCC rating is a lower than medium grade of a counterparty's creditworthiness. Key indicators of the counterparty's financial position are assessed as satisfactory, but their stability in a short-term perspective is doubtful, it has a low level of financial reliability. The counterparty bank's ability to pay is fully dependent on domestic economic situation.

CC rating is a low grade of a counterparty's creditworthiness. Key indicators of the counterparty's financial position are assessed as satisfactory, but their deterioration in a short-term perspective is considered as highly probable, it has a very low level of financial reliability. The counterparty bank's ability to pay is fully dependent on domestic economic situation.

C rating is a very low grade of a counterparty's creditworthiness. The counterparty's financial position is unstable and is assessed as unsatisfactory. Repayments of interest and principal on debt obligations may be suspended by the counterparty without obtaining a consent of lenders on

the debt restructuring before maturities. The counterparty bank's ability to pay is fully dependent on domestic economic situation.

Total loans granted to five banks with the largest credit exposures as of 31 December 2024 amounted to UAH 29,085 million (UAH 29,413 million as of 31 December 2023), or 75% of total loans to banks and other borrowers, before allowance for expected credit losses (74% as of 31 December 2023). The allowance recognized on the loans granted to five banks amounted to UAH 29,085 million as of 31 December 2024 (UAH 29,088 million as of 31 December 2023).

The information below on net credit risk by types of pledged collateral to secure loans to banks and other borrowers as of 31 December 2024:

	Maximum permissible credit risk	Collateral accepted as security	Net credit risk (loans to banks)	Net credit risk (domestic public debt)
(UAH millions)				
Loans secured by:				
immovable property	2,457	4,078	2,457	–
Securities	1,456	1,758	–	–
other collateral types	1,101	1,381	671	–
Unsecured loans	1,248	–	–	1,248
Total loans to banks and other borrowers	6,262	7,217	3,128	1,248

The information below on net credit risk by types of pledged collateral to secure loans to banks and other borrowers as of 31 December 2023:

	Maximum permissible credit risk	Collateral value	Net credit risk (loans to banks)	Net credit risk (domestic public debt)
(UAH millions)				
Loans secured by:				
immovable property	2,432	4,444	2,432	–
Securities	2,081	2,373	–	–
other collateral types	1,178	1,508	824	–
Unsecured loans	1,347	–	–	1,347
Total loans to banks and other borrowers	7,038	8,325	3,256	1,347

Maximum credit risk exposure is represented by the carrying amounts of loans outstanding at the reporting date. Collateral accepted as security is the fair value of collateral used by the NBU in the calculation of allowance at the reporting date.

For banks and other borrowers being in Stage 3 of impairment, the cash flows for which are expected from sale of collateral property only, net credit exposure is equal to the maximum credit exposure.

For banks and other borrowers being in Stage 1 and 2 of impairment, net credit exposure is calculated as the difference between the maximum credit exposure and value of the pledge accepted as collateral.

For other NBU's financial instruments, their carrying value reflects the best estimate of the maximum credit risk exposure as of the reporting date.

25. Currency Risk

As of 31 December 2024, the NBU had the following positions in currencies:

	UAH	USD	EUR	SDR	GBP	Other	Nonmo- netary	Total
	(UAH millions)							
Financial assets								
Funds and deposits in foreign currency	–	346,113	123,620	–	476	6,924	–	477,133
Foreign securities	–	1,227,679	–	–	3,644	3,845	751	1,235,919
SDR holdings	–	–	–	46,520	–	–	–	46,520
Domestic securities	713,417	1,370	–	–	–	–	–	714,787
Loans to banks and other borrowers	5,014	–	–	–	–	–	–	5,014
Domestic public debt	1,248	–	–	–	–	–	–	1,248
IMF quota contributions	–	–	–	110,296	–	–	–	110,296
Other financial assets	56	3	1	61	–	–	–	121
Total financial assets	719,735	1,575,165	123,621	156,877	4,120	10,769	751	2,591,038
Financial liabilities								
Banknotes and coins in circulation	822,635	–	–	–	–	–	–	822,635
Accounts of banks	231,018	1,834	234	–	–	5	–	233,091
Accounts of government and other institutions	105,183	92,399	34,973	45,543	89	18	–	278,205
Certificates of deposit issued by the NBU	548,911	–	–	–	–	–	–	548,911
Liabilities to the IMF, apart from IMF quota contributions	–	–	–	52,983	–	–	–	52,983
Liabilities to the IMF with respect to quota contributions	–	–	–	110,283	–	–	–	110,283
Other financial liabilities	1,780	112	15	–	4	–	–	1,911
Total of financial liabilities	1,709,527	94,345	35,222	208,809	93	23	–	2,048,019
Net balance sheet position	(989,792)	1,480,820	88,399	(51,932)	4,027	10,746	751	543,019
Off-balance sheet assets and liabilities								
Assets receivable under spot agreements	–	30,746	–	–	–	–	–	30,746
Assets payable under spot agreements	–	–	30,749	–	–	–	–	30,749
Net off-balance sheet position	–	30,746	(30,749)	–	–	–	–	(3)
Net position	(989,792)	1,511,566	57,650	(51,932)	4,027	10,746	751	543,016

As of 31 December 2023, the NBU had the following positions in currencies:

	UAH	USD	EUR	SDR	GBP	Other	Nonmonetary	Total
								(UAH millions)
Financial assets								
Funds and deposits in foreign currency	–	317,160	44,806	–	1,808	3,734	–	367,508
Foreign securities	–	1,057,280	–	–	4,332	10,811	676	1,073,099
SDR holdings	–	–	–	35,570	–	–	–	35,570
Domestic securities	727,089	729	–	–	–	–	–	727,818
Loans to banks and other borrowers	5,691	–	–	–	–	–	–	5,691
Domestic public debt	1,347	–	–	–	–	–	–	1,347
IMF quota contributions	–	–	–	102,521	–	–	–	102,521
Other financial assets	56	1	1	102	–	–	–	160
Total financial assets	734,183	1,375,170	44,807	138,193	6,140	14,545	676	2,313,714
Financial liabilities								
Banknotes and coins in circulation	764,598	–	–	–	–	–	–	764,598
Accounts of banks	213,906	2,002	347	–	2	4	–	216,261
Accounts of government and other institutions	54,291	62,867	22,659	196	31	58	–	140,102
Certificates of deposit issued by the NBU	621,667	–	–	–	–	–	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	–	–	–	86,027	–	–	–	86,027
Liabilities to the IMF with respect to quota contributions	–	–	–	102,509	–	–	–	102,509
Other financial liabilities	2,436	84	8	–	1	–	–	2,529
Total of financial liabilities	1,656,898	64,953	23,014	188,732	34	62	–	1,933,693
Net balance sheet position	(922,715)	1,310,217	21,793	(50,539)	6,106	14,483	676	380,021
Off-balance sheet assets and liabilities								
Loan commitments to banks and other borrowers	3,000	–	–	–	–	–	–	3,000
Net off-balance sheet position	(3,000)	–	–	–	–	–	–	(3,000)
Net position	(925,715)	1,310,217	21,793	(50,539)	6,106	14,483	676	377,021

Assets and liabilities in other currencies mainly included positions in CHF, AUD, JPY, and CNY.

26. Interest Rate Risk

As of 31 December 2024, the NBU had the following structure of the weighted average interest rates by major currencies for monetary financial interest-bearing instruments. Interest rates on each financial instrument has been calculated as weighted-average contractual rates at the reporting date.

	UAH	USD	EUR	SDR	GBP	Other	Total weighted average interest rate
							(%)
Financial assets							
Short-term deposits in foreign currency	–	4.62	–	–	–	2.50	4.36
Overnight deposits placed at the initiative of correspondent bank	–	4.25	–	–	–	–	4.25
Foreign securities	–	4.70	–	–	4.73	3.40	4.70
SDR holdings	–	–	–	3.16	–	–	3.16
Domestic securities	11.87	–	–	–	–	–	11.87
Loans to banks and other borrowers	14.74	–	–	–	–	–	14.74
Domestic public debt	8.67	–	–	–	–	–	8.67
Financial liabilities							
Other accounts of banks on demand	–	4.25	–	–	–	–	4.25
Deposit Guarantee Fund	4.35	–	–	–	–	–	4.35
Certificates of deposit issued by the NBU	13.71	–	–	–	–	–	13.71
Liabilities to the IMF, apart from IMF quota contributions	–	–	–	5.38	–	–	5.38

The sign “–” in the table above means that the NBU has no respective interest-bearing assets or liabilities in corresponding currency.

Domestic securities include domestic government debt securities with floating and fixed interest rates.

Interest is accrued at floating rates on SDR holdings and liabilities to the IMF (interest rates are revised on a weekly basis).

Interest rates used for accruing expenses on accounts of the Deposit Guarantee Fund are not fixed, and their amounts correspond to weighted average interest rates on demand deposits of individuals in the domestic currency.

As of 31 December 2023, the NBU had the following structure of the weighted average interest rates by major currencies for monetary financial interest-bearing instruments. Interest rates on each financial instrument has been calculated as weighted-average contractual rates at the reporting date.

	UAH	USD	EUR	SDR	GBP	Other	Total weighted average interest rate
							(%)
Financial assets							
Short-term deposits in foreign currency	–	5.53	–	–	–	–	5.53
Overnight deposits placed at the initiative of correspondent bank	–	5.28	–	–	–	–	5.28
Foreign securities	–	5.14	–	–	5.47	2.87	4.44
SDR holdings	–	–	–	4.10	–	–	4.10
Domestic securities	14.66	–	–	–	–	–	14.66
Loans to banks and other borrowers	16.07	–	–	–	–	–	16.07
Domestic public debt	8.67	–	–	–	–	–	8.67
Financial liabilities							
Other accounts of banks on demand	–	5.25	–	–	–	–	5.25
Deposit Guarantee Fund	4.60	–	–	–	–	–	4.60
Certificates of deposit issued by the NBU	16.40	–	–	–	–	–	16.40
Liabilities to the IMF, apart from IMF quota contributions	–	–	–	6.73	–	–	6.73

Analysis of Financial Assets and Liabilities by Periods of Interest Rate Repricing

The table below discloses analysis of assets and liabilities by periods of interest rate repricing.

For financial assets and liabilities with fixed interest rates, classification was determined based on the contractual maturity date from the consolidated statement of financial position date. For assets and liabilities with variable interest rates, classification was determined taking into account the earlier of repricing period or maturity date.

As of 31 December 2024, financial assets and liabilities by periods of interest rate repricing were as follows:

	On demand and up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Non- interest bearing	Total
(UAH millions)							
Financial assets							
Funds and deposits in foreign currency	431,869	–	–	–	–	45,264	477,133
Foreign securities	102,396	221,482	911,290	–	–	751	1,235,919
SDR holdings	46,520	–	–	–	–	–	46,520
Domestic securities	–	1,051	461,156	48,620	202,590	1,370	714,787
Loans to banks and other borrowers	3,454	–	355	1,205	–	–	5,014
Domestic public debt	–	50	142	579	477	–	1,248
IMF quota contributions	–	–	–	–	–	110,296	110,296
Other financial assets	10	–	–	4	8	99	121
Total financial assets	584,249	222,583	1,372,943	50,408	203,075	157,780	2,591,038
Financial liabilities							
Banknotes and coins in circulation	–	–	–	–	–	822,635	822,635
Accounts of banks	618	–	–	–	–	232,473	233,091
Accounts of government and other institutions	2,463	–	–	–	–	275,742	278,205
Certificates of deposit issued by the NBU	530,925	17,986	–	–	–	–	548,911
Liabilities to the IMF, apart from IMF quota contributions	52,544	–	–	–	–	439	52,983
Liabilities to the IMF with respect to quota contributions	–	–	–	–	–	110,283	110,283
Other financial liabilities	–	–	–	–	–	1,911	1,911
Total of financial liabilities	586,550	17,986	–	–	–	1,443,483	2,048,019
Net gap	(2,301)	204,597	1,372,943	50,408	203,075	(1,285,703)	543,019
Cumulative gap	(2,301)	202,296	1,575,239	1,625,647	1,828,722	543,019	
Off-balance sheet assets and liabilities							
Contingent claims with fixed rate under interest rate swaps	–	470	2,500	1,000	–	–	3,970
Contingent liabilities with floating rate under interest rate swaps	–	3,985	–	–	–	–	3,985
Net gap	–	(3,515)	2,500	1,000	–	–	(15)
Cumulative gap	–	(3,515)	(1,015)	(15)	(15)	(15)	
Total net gap	(2,301)	201,082	1,375,443	51,408	203,075	(1,285,703)	543,004
Total cumulative gap	(2,301)	198,781	1,574,224	1,625,632	1,828,707	543,004	

As of 31 December 2023, financial assets and liabilities by periods of interest rate repricing were as follows:

	On demand and up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Non- interest bearing	Total
(UAH millions)							
Financial assets							
Funds and deposits in foreign currency	326,191	–	–	–	–	41,317	367,508
Foreign securities	153,070	183,594	733,467	2,292	–	676	1,073,099
SDR holdings	35,570	–	–	–	–	–	35,570
Domestic securities	2,642	7,325	452,665	49,218	215,239	729	727,818
Loans to banks and other borrowers	3,256	–	35	2,400	–	–	5,691
Domestic public debt	–	52	147	599	549	–	1,347
IMF quota contributions	–	–	–	–	–	102,521	102,521
Other financial assets	4	–	–	6	12	138	160
Total financial assets	520,733	190,971	1,186,314	54,515	215,800	145,381	2,313,714
Financial liabilities							
Banknotes and coins in circulation	–	–	–	–	–	764,598	764,598
Accounts of banks	1,263	–	–	–	–	214,998	216,261
Accounts of government and other institutions	539	–	–	–	–	139,563	140,102
Certificates of deposit issued by the NBU	528,530	93,137	–	–	–	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	85,007	–	–	–	–	1,020	86,027
Liabilities to the IMF with respect to quota contributions	–	–	–	–	–	102,509	102,509
Other financial liabilities	–	–	–	–	–	2,529	2,529
Total of financial liabilities	615,339	93,137	–	–	–	1,225,217	1,933,693
Net gap	(94,606)	97,834	1,186,314	54,515	215,800	(1,079,836)	380,021
Cumulative gap	(94,606)	3,228	1,189,542	1,244,057	1,459,857	380,021	
Off-balance sheet assets and liabilities							
Contingent claims with fixed rate under interest rate swaps	500	–	4,500	3,970	–	–	8,970
Contingent liabilities with floating rate under interest rate swaps	1,523	7,535	–	–	–	–	9,058
Net gap	(1,023)	(7,535)	4,500	3,970	–	–	(88)
Cumulative gap	(1,023)	(8,558)	(4,058)	(88)	(88)	(88)	
Total net gap	(95,629)	90,299	1,190,814	58,485	215,800	(1,079,836)	379,933
Total cumulative gap	(95,629)	(5,330)	1,187,484	1,243,969	1,459,769	379,933	

As of 31 December 2024, the share of foreign securities bearing variable interest rates amounted to 0.7% of the total portfolio (31 December 2023 – 0.9%).

27. Liquidity Risk

For the purposes of measuring liquidity risk, financial assets are grouped by their contractual term set as of the reporting date for receiving the cash flows to be repaid taking into account the period remaining as of the reporting date to the contractual date of the cash flows repayment. IMF quota contributions are presented as assets on demand, based on Article XXVI of the IMF Agreement, but such presentation does not mean that there are expectations that Ukraine will take advantage of this article. Financial liabilities are grouped by maturity taking into account the remaining contractual maturity as of the reporting date.

The amounts of financial assets and liabilities disclosed in the liquidity risk table below are the contractual discounted cash flows from financial instruments carried at fair value. Derivatives settled on a net basis are included at the net

amounts expected to be paid. Impaired loans are included at their carrying value based on the expected timing of cash inflows.

Foreign securities are included in the table taking into account the remaining contractual maturity as of the reporting date. Considering historical data, this timing is not significantly different to the expected timing of disposal of such securities.

When the amounts payable are not fixed, such amounts are presented in the liquidity analysis taking into account the conditions at the reporting date. Foreign currency items are translated using the spot exchange rates at the reporting date.

The NBU's liquidity risk position as of 31 December 2024 was as follows:

	On demand and up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Maturity date not determined	Total
(UAH millions)							
Financial assets							
Funds and deposits in foreign currency	477,133	–	–	–	–	–	477,133
Foreign securities	99,452	216,319	913,035	6,362	–	751	1,235,919
SDR holdings	46,520	–	–	–	–	–	46,520
Domestic securities	–	1,051	12,363	48,620	652,753	–	714,787
Loans to banks and other borrowers	3,454	–	355	1,205	–	–	5,014
Domestic public debt	–	50	142	579	477	–	1,248
IMF quota contributions	110,296	–	–	–	–	–	110,296
Other financial assets	96	–	1	4	8	12	121
Total financial assets	736,951	217,420	925,896	56,770	653,238	763	2,591,038
Financial liabilities							
Banknotes and coins in circulation	822,635	–	–	–	–	–	822,635
Accounts of banks	233,091	–	–	–	–	–	233,091
Accounts of government and other institutions	278,205	–	–	–	–	–	278,205
Certificates of deposit issued by the NBU	530,925	17,986	–	–	–	–	548,911
Liabilities to the IMF, apart from IMF quota contributions	–	16,532	15,380	16,604	–	4,467	52,983
Liabilities to the IMF with respect to quota contributions	110,283	–	–	–	–	–	110,283
Other financial liabilities	30	7	143	74	–	1,657	1,911
Total financial liabilities	1,975,169	34,525	15,523	16,678	–	6,124	2,048,019
Liquidity gap arising from financial instruments	(1,238,218)	182,895	910,373	40,092	653,238	(5,361)	543,019
Cumulative liquidity gap	(1,238,218)	(1,055,323)	(144,950)	(104,858)	548,380	543,019	

The NBU's liquidity risk position as of 31 December 2023 was as follows:

	On demand and up to 1 month	1–3months	3–12 months	1–5 years	Over 5 years	Maturity date not determined	Total
(UAH millions)							
Financial assets							
Funds and deposits in foreign currency	367,508	–	–	–	–	–	367,508
Foreign securities	150,399	178,446	739,590	3,988	–	676	1,073,099
SDR holdings	35,570	–	–	–	–	–	35,570
Domestic securities	2,642	7,325	2,927	49,217	665,707	–	727,818
Loans to banks and other borrowers	3,256	–	35	2,400	–	–	5,691
Domestic public debt	–	52	147	599	549	–	1,347
IMF quota contributions	102,521	–	–	–	–	–	102,521
Other financial assets	133	–	–	6	12	9	160
Total financial assets	662,029	185,823	742,699	56,210	666,268	685	2,313,714
Financial liabilities							
Banknotes and coins in circulation	764,598	–	–	–	–	–	764,598
Accounts of banks	216,261	–	–	–	–	–	216,261
Accounts of government and other institutions	140,102	–	–	–	–	–	140,102
Certificates of deposit issued by the NBU	528,530	93,137	–	–	–	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	–	15,934	21,222	44,717	–	4,154	86,027
Liabilities to the IMF with respect to quota contributions	102,509	–	–	–	–	–	102,509
Other financial liabilities	17	–	432	780	–	1,300	2,529
Off-balance sheet liabilities							
Loan commitments	3,000	–	–	–	–	–	3,000
Total financial liabilities	1,755,017	109,071	21,654	45,497	–	5,454	1,936,693
Liquidity gap arising from financial instruments	(1,092,988)	76,752	721,045	10,713	666,268	(4,769)	377,021
Cumulative liquidity gap	(1,092,988)	(1,016,236)	(295,191)	(284,478)	381,790	377,021	

The amounts stated in the tables below do not correspond to the amounts recorded in the Consolidated Statement of Financial Position, since the below information includes maturity analysis of financial liabilities which reflects the total

amount of future undiscounted contractual payments (including interest payable) not recognized in the Consolidated Statement of Financial Position.

Repayment periods under contractual undiscounted cash flows from financial liabilities in line with agreements as of 31 December 2024 were as follows:

	On demand and up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Maturity date not determined	Total
(UAH millions)							
Financial liabilities other than derivative financial instruments							
Banknotes and coins in circulation	822,635	–	–	–	–	–	822,635
Accounts of banks	233,091	–	–	–	–	–	233,091
Accounts of government and other institutions	278,205	–	–	–	–	–	278,205
Certificates of deposit issued by the NBU	531,263	18,502	–	–	–	–	549,765
Liabilities to the IMF, apart from IMF quota contributions	–	17,159	16,378	17,539	1,668	4,468	57,212
Liabilities to the IMF with respect to quota contributions	110,283	–	–	–	–	–	110,283
Other financial liabilities	30	–	–	–	–	1,657	1,687
Total financial liabilities other than derivative financial instruments	1,975,507	35,661	16,378	17,539	1,668	6,125	2,052,878
Derivative financial instruments							
Liabilities under swaps settled on a net basis							
amounts due to	–	(15)	–	–	–	–	(15)
Total amounts due from/(due to) under derivative financial instruments	–	(15)	–	–	–	–	(15)
Total future payments on financial liabilities	1,975,507	35,676	16,378	17,539	1,668	6,125	2,052,893

Repayment periods under contractual undiscounted cash flows from financial liabilities in line with agreements as of 31 December 2023 were as follows:

	On demand and up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Maturity date not determined	Total
(UAH millions)							
Financial liabilities other than derivative financial instruments							
Banknotes and coins in circulation	764,598	–	–	–	–	–	764,598
Accounts of banks	216,261	–	–	–	–	–	216,261
Accounts of government and other institutions	140,102	–	–	–	–	–	140,102
Certificates of deposit issued by the NBU	528,996	95,702	–	–	–	–	624,698
Liabilities to the IMF, apart from IMF quota contributions	–	15,972	21,322	45,252	2,006	4,154	88,706
Liabilities to the IMF with respect to quota contributions	102,509	–	–	–	–	–	102,509
Other financial liabilities	6	–	–	–	–	1,300	1,306
Off-balance sheet liabilities							
Loan commitments	3,000	–	–	–	–	–	3,000
Total financial liabilities other than derivative financial instruments	1,755,472	111,674	21,322	45,252	2,006	5,454	1,941,180
Derivative financial instruments							
Liabilities under swaps settled on a net basis							
amounts due to	(23)	(65)	–	–	–	–	(88)
Total amounts due from/(due to) under derivative financial instruments	(23)	(65)	–	–	–	–	(88)
Total future payments on financial liabilities	1,755,495	111,739	21,322	45,252	2,006	5,454	1,941,268

Section IV. Capital Management

28. Capital Management

The NBU's capital function is to ensure economic independence and its ability to perform the functions defined by the legislation of Ukraine. As of 31 December 2024, the total amount of capital managed by the NBU was UAH 567,619 million (UAH 420,126 million as of 31 December 2023). No requirements are set for the NBU's equity, except for the amount of statutory capital and general reserves established by the Law of Ukraine *On the National Bank of Ukraine*.

Statutory Capital

According to the Law of Ukraine *On the National Bank of Ukraine*, the statutory capital is UAH 10 million. It was increased to UAH 100 million by the decision of the NBU Council based on 2007 performance.

General Reserves

The NBU creates general reserves, which are used to cover its losses, in accordance with the Law of Ukraine *On the National Bank of Ukraine*.

General reserves made in the reporting year must equal 10% of the average annual monetary liabilities of the NBU, which in 2024 amounted to UAH 1,561,492 million (in 2023 – UAH 1,376,417 million).

Reserve Capital

Reserve capital includes a reserve fund raised by the NBU's subsidiary – in accordance with the Law of Ukraine *On Joint Stock Companies* – by paying in annual contributions from the subsidiary's net profit. Contributions to the reserve fund

must be at least 5% of the net profit until the reserve fund reaches 15% of the subsidiary's authorized capital.

Revaluation Reserves for Assets and Liabilities

According to the Law of Ukraine *On the National Bank of Ukraine*, unrealized gains from revaluation of foreign currency and monetary gold due to changes in the official exchange rate of the hryvnia to foreign currencies/accounting price of gold throughout the reporting year, unrealized gains from revaluation of securities, capital instruments, and derivative financial instruments in connection with their revaluation to fair value, and unrealized gains or losses from revaluation of bank metals due to changes in the accounting price of bank metals are attributed by the NBU to the item *Revaluation Reserves for Assets and Liabilities* in the *Equity* section of the consolidated statement of financial position and the consolidated statement of changes in equity.

The amount of revaluation reserves is used to offset the amount of unrealized expenses from revaluation of foreign currency, monetary gold, securities, capital instruments, and derivative financial instruments carried at fair value if they accumulate throughout the reporting year.

The amount of revaluation reserves for foreign currency, monetary gold, securities, capital instruments, derivative financial instruments, and investment metals that are disposed of or narrow the open foreign currency position is included into the distributable profit in the corresponding reporting periods.

As of 31 December 2024 and 2023, the equity of the NBU consisted of the following components:

	2024	2023
	(UAH millions)	
Statutory capital	100	100
General reserves	137,642	99,675
Retained earnings	18,516	37,984
Reserve capital	36	31
Revaluation reserves of foreign currency and monetary gold	389,744	261,180
Revaluation reserves of investment metals	1,838	1,330
Revaluation reserves of financial instruments to their fair value	19,743	19,826
Total equity	567,619	420,126

29. Liabilities to transfer distributable profit to the State Budget of Ukraine

Accounting Policy

Pursuant to the Tax Code of Ukraine, the NBU makes settlements with the State Budget in line with Article 5¹ of the Law of Ukraine *On the National Bank of Ukraine*.

The NBU transfers its portion of distributable profit to the State Budget of Ukraine in accordance with the Law of Ukraine *On the National Bank of Ukraine*. Distributable profit is determined by reducing the profit by the amount of unrealized gains for the reporting period, which are directed to revaluation reserves. Unrealized gains becoming realized in the following periods is recognized in the distributable profit of the respective reporting periods. The NBU redeems the excess of unrealized expenses over revaluation reserve against the current year's profit, and in the case of shortage – against general reserves. These transactions are

presented in the Consolidated Statement of Changes in Equity.

Upon validation by an external auditor and approval by the NBU Council of the NBU's annual consolidated financial statements, a part of the distributable profit that remains after allocating general reserves is subject to transferring to the State Budget of Ukraine.

As of 31 December 2024, the NBU's liabilities to the State Budget for transferring a share of distributable profit for 2024 amounts to UAH 84,158 million (UAH 38,643 million, as of 31 December 2023).

In April 2024, the NBU transferred UAH 38,643 million to the State Budget of Ukraine (UAH 71,868 million in 2023).

Reconciliation of the operating profit with the profit of the NBU for 2024:

	NBU's income and expenses	Consolidation adjustments	Income and expenses according to the Consolidated Statement of Profit or Loss and Other Comprehensive Income
			(UAH millions)
Net interest income	17,610	39	17,649
Interest income on financial assets at fair value through profit or loss	20,127	–	20,127
Net fee and commission income	719	–	719
Net increase in reserves for assets and liabilities	(190)	(1)	(191)
Other income and expenses	(6,796)	(42)	(6,838)
Operating profit	31,470	(4)	31,466
Gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	158,536	–	158,536
Result on transactions with financial instruments at fair value through profit or loss (net of interest income)	41,060	–	41,060
Results on financial instruments	199,596	–	199,596
Profit for the year	231,066	(4)	231,062

Net increase in reserves for assets and liabilities includes the following items of the Consolidated Statement of Profit or Loss and Other Comprehensive Income: (Losses)/gains from (impairment)/reversal of impairment on interest-bearing financial assets and (Losses)/gains on (impairment)/reversal of impairment of other assets. Other income and expenses include the following items of the Consolidated Statement of

Profit or Loss and Other Comprehensive Income: Staff Costs, Costs Related to Production of Banknotes, Coins, Souvenirs and Other Products, Administrative and Other Expenses, Expenses on Income Tax of the Subsidiary, and Other Income; and other comprehensive income as adjusted for profit attributable to non-controlling interests.

Reconciliation of the operating profit with the profit of the NBU for 2023:

	NBU's income and expenses	Consolidation adjustments	Income and expenses according to the Consolidated Statement of Profit or Loss and Other Comprehensive Income
			(UAH millions)
Net interest income	27,520	33	27,553
Interest income on financial assets at fair value through profit or loss	9,006	–	9,006
Net fee and commission income	527	–	527
Net decrease in reserves for assets and liabilities	1,031	–	1,031
Other income and expenses	(5,222)	(22)	(5,244)
Operating profit	32,862	11	32,873
Gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	63,522	–	63,522
Result on transactions with financial instruments at fair value through profit or loss (net of interest income)	34,246	–	34,246
Results on financial instruments	97,768	–	97,768
Profit for the year	130,630	11	130,641

Liabilities for transferring a part of distributable profit to the State Budget, which are determined in accordance with the Law of Ukraine On the National Bank of Ukraine, are calculated as follows:

	Note	2024	2023
			(UAH millions)
Operating profit of the NBU		31,470	32,862
Realized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	18	29,971	25,793
Realized result on transactions with financial instruments at fair value through profit or loss	19	23,298	14,943
Unrealized losses not compensated by revaluation reserves of financial instruments to their fair value	19	(189)	(19)
Unrealized result on revaluation of previous years that was realized in the current year on disposed securities and derivatives (financial instruments)		18,035	2,982
Realized result on disposed investment metals		81	65
Result of free transfer of assets		–	(17)
Distributable profit for the year		102,666	76,609
General reserves created		(18,508)	(37,966)
Portion of distributable profit subject to transfer to the State Budget		84,158	38,643

Section V.I. Nonfinancial Assets and Liabilities

30. Property and Equipment and Intangible Assets

Accounting Policy

Property and equipment (PE) items are carried at initial cost, less accumulated depreciation and impairment loss.

Costs on enhancement of any PE item which increases the expected economic benefits are included in the cost of such PE items. Costs on minor repairs and maintenance and obtaining initially estimated future economic benefits from using PE are expensed when incurred. Costs of replacing major parts or components of PE items are capitalized and the residual value of the replaced part is charged to expenses in the consolidated income statement of the reporting period.

In case of impairment of PE the cost is reduced to the expected recoverable amount. The decrease of carrying amount is reported as profit or loss in the consolidated statement of profit or loss and other comprehensive income. Impairment cost of assets recognized in previous periods is reversed if estimates were changed used to determine the expected recoverable amount.

Result of disposal of property and equipment determined as the difference between the proceeds and the asset's carrying amount are recognized in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

Capital investments in progress are carried at initial cost. Upon completion of construction, assets are included in the buildings and constructions entry and are measured at initial cost. Capital investments in progress are not depreciated until the asset is ready for use.

Depreciation of Property and Equipment

Depreciation of property and equipment commences in the month following the commissioning of assets and ceases upon disposal of assets or at completely depreciated PE (in

case of the latter, useful life is reviewed and adjusted as necessary). Depreciation is calculated using the straight-line method for an even decrease in initial cost to residual value over the estimated useful lives as follows:

buildings and facilities	20–50 years
Vehicles	7–28 years
machinery and equipment	4–20 years
tools, fixtures, and fittings	4–10 years
Other	2–25 years

Land and capital investments in progress are not depreciated.

The residual value of an asset is equal to nil if the NBU expects to use the asset until the end of its useful life.

Intangible Assets

All of the NBU's intangible assets have definite useful lives and primarily include computer software and licenses for its use.

Acquired intangible assets are amortized on a straight-line basis over the expected useful lives from two to twenty years and shall not exceed the period of contractual or other legal rights to the asset, and subsequently are measured at initial cost less accumulated amortization and impairment loss.

Accounting Estimates and Judgements Include:

Impairment of Property and Equipment and Intangible Assets

As of each reporting day, the NBU's management reviews tangible and intangible assets for impairment taking into account the analysis of certain events or circumstances that evidence on impairment.

	Buildings and structures	Vehicles	Machinery and equipment	Tools, fixtures, and fittings	Other fixed assets	Capital investments in progress	Intangible assets	Total
	(UAH millions)							
Cost as of 1 January 2023	4,305	157	5,385	98	253	195	541	10,934
Depreciation and amortization as of 1 January 2023	(2,274)	(139)	(3,620)	(94)	(224)	(9)	(457)	(6,817)
Carrying value as of 1 January 2023	2,031	18	1,765	4	29	186	84	4,117
Additions	5	–	291	1	6	64	16	383
Transfers to other categories, including:	8	(2)	(5)	2	13	(12)	(4)	–
cost	8	(2)	(5)	2	13	(12)	(4)	–
Disposals, including:	(17)	–	–	–	–	(2)	–	(19)
cost	(26)	(1)	(14)	(1)	(3)	(2)	(2)	(49)
depreciation and amortization	9	1	14	1	3	–	2	30
Depreciation and amortization charges in the current reporting period	(86)	(3)	(302)	(2)	(14)	–	(30)	(437)
Cost as of 31 December 2023	4,292	154	5,657	100	269	245	551	11,268
Depreciation and amortization as of 31 December 2023	(2,351)	(141)	(3,908)	(95)	(235)	(9)	(485)	(7,224)
Carrying value as of 31 December 2023	1,941	13	1,749	5	34	236	66	4,044
Additions	3	9	220	1	22	93	21	369
Transfers to other categories, including:	7	3	41	–	28	(76)	(3)	–
cost	7	3	36	–	28	(76)	2	–
depreciation and amortization	–	–	5	–	–	–	(5)	–
Disposals, including:	–	–	(1)	–	–	–	–	(1)
cost	–	–	(19)	–	(2)	–	(3)	(24)
depreciation and amortization	–	–	18	–	2	–	3	23
Depreciation and amortization charges in the current reporting period	(85)	(3)	(329)	(1)	(19)	–	(30)	(467)
Cost as of 31 December 2024	4,302	166	5,894	101	317	262	571	11,613
Depreciation and amortization as of 31 December 2024	(2,436)	(144)	(4,214)	(96)	(252)	(9)	(517)	(7,668)
Carrying value as of 31 December 2024	1,866	22	1,680	5	65	253	54	3,945

As of 31 December 2024, cost of fully depreciated property and equipment that were still in operation amounted to UAH 3,146 million (as of 31 December 2023: UAH 2,600 million).

As of 31 December 2024 and 2023, based on the results of impairment test, no signs of impairment were identified.

The carrying value of property, plant and equipment and intangible assets of a subsidiary has been adjusted by the amount of depreciation (accumulated depreciation) and amortization charges calculated in accordance with the NBU's accounting policies.

In 2024, no free-of-charge transfer of items of state property rights from the NBU's area of responsibility to the area of responsibility of other bodies authorized to manage state property took place.

In 2023, pursuant to the regulatory acts of the Cabinet of Ministers of Ukraine, free-of-charge transfer of items of state property rights from the NBU's area of responsibility to the area of responsibility of other bodies authorized to manage state property took place. The result of the transfer of those assets amounted to UAH 17 million, which are recognized in equity as a transaction with the founder.

Capital Commitments

As of 31 December 2024, the NBU had capital commitments with respect to the acquisition, construction, and improvement of property and equipment and intangible assets totaling UAH 184 million (as of 31 December 2023: UAH 154 million).

31. Other Nonfinancial Assets

Accounting Policy

Investment and Other Precious Metals

Investment metals are the reserves of non-monetary gold, silver, platinum and palladium reported by weight in Troy

ounces and their value in hryvnias according to accounting price of investment metals.

The accounting price of investment metals under which the investment metals are reported in consolidated financial statements, was as follows:

	31 December 2024 (in UAH)	31 December 2023 (in UAH)
1 Troy ounce of gold	110,222.47	78,861.34
1 Troy ounce of silver	1,238.40	924.01
1 Troy ounce of platinum	38,809.98	37,993.79
1 Troy ounce of palladium	38,600.21	43,325.76

Unrealized revaluations of investment metals due to change of accounting price of investment metals are included into other comprehensive income in the consolidated statement of profit or loss and other comprehensive income recognized in the period in which they occurred. Realized revaluations of investment metals are included into the retained earnings.

Investment metals deposited in foreign banks for which the interest income is accrued, are included into the Funds and deposits in foreign currency and investment metals (Note 6). Revaluations of investment metals deposited in foreign banks due to change of accounting price of investment metals are included into other comprehensive income in the consolidated statement of profit or loss and other comprehensive income recognized in the period in which they occurred.

Investment metals include gold ingots that do not meet the established standards, scrap gold and other metals, and are accounted at average weighted cost in stocks of tangible assets.

Investment and precious metals are included into *Other assets* in the consolidated statement of financial position.

Noncurrent Assets Held for Sale

The NBU recognizes its noncurrent assets as held for sale when the carrying amount of asset is recovered rather through sale than current use.

The noncurrent assets recognized as held for sale are recognized at whichever is lower: carrying amount or fair values less cost to sell.

Investment Property

Investment property items include:

- the land a future designation of which is undetermined
- a building not occupied by the NBU and designed for renting out under one or several leases
- a building owned by the NBU or managed under lease agreement and rented out under one or several lease agreements
- immovable property under construction or improvement for future use as investment property.

The NBU carries its investment property at cost. Investment property items are depreciated using the straight-line method over the period specified in Note 30.

The NBU recognizes its investment property using the following criteria:

- immovable property is transferred under leases
- immovable property is removed from the list of property used by the NBU according to the NBU's resolution on making decision to rent out the immovable property
- economic benefits are received, which are related to such investment property
- it is probable to estimate reliably the cost of immovable property.

Expenditures on current maintenance of investment property are recognized as expenses when they arise. Expenditures on improvement of investment property items that lead to increase in initially expected benefits from their use, increase the initial cost of those items.

Investment property items are derecognized in the event changes occur in the mode of their functional use.

	2024	2023
		(UAH millions)
Other nonfinancial assets		
Investment metals	3,505	2,919
Current tangible assets	2,772	1,851
Precious metals and stones	988	1,231
Advance payments	303	245
Commemorative and investment coins, souvenirs and other products	137	180
Investment property	43	44
Investments in associated company	36	37
Noncurrent tangible assets held for sale	4	4
Other	14	9
Impairment from other nonfinancial assets	(9)	(5)
Impairment of investments	(2)	(5)
Total other nonfinancial assets	7,791	6,510

32. Other Nonfinancial Liabilities

Accounting Policy

Provisions for Probable Contingencies

The NBU's provisions for probable contingencies include provisioning for legal or constructive obligations (as a result of past events), particularly under lawsuits the settlement of which was very likely (an adverse scenario being more probable than a positive one) to cause an outflow of resources that carry economic benefits and the amount (expenses) under which they can be reliably assessed. Provisions are recognized in profit or loss of the consolidated income statement and other comprehensive income in the period in which they arise.

Judgement

Provisions for Probable Contingencies under Lawsuits Filed against the NBU

The NBU's management analyzes lawsuits, in which it figures as defendant, in order to identify a high probability of potential losses to occur, as a result of which the NBU shall make payments in favor of the other party, the plaintiff. The NBU determines the probability of potential losses as high mainly when the court of appeal rules unfavorably against the NBU.

	2024	2023
		(UAH millions)
Other nonfinancial liabilities		
Accounts payable	76	79
Deferred revenue	1	1
Other	4	–
Total other nonfinancial liabilities	81	80

Contingent Liabilities

Legal Proceedings

From time to time and in the normal course of business, certain lawsuits are filed against the NBU. As of 31 December 2024 and 2023, there were lawsuits for which the NBU estimates the probability of having to pay damages as low, but the NBU believes that disclosure in such property lawsuits may harm it in disputes with other parties on the subject matter of the lawsuit. For such lawsuits, there are contingent

liabilities. No provisions for probable contingencies were made.

As of 31 December 2024 and 2023, there were no lawsuits against the NBU for which the likelihood of resulting in losses can be assessed as low. Over 2023, provision for contingent liabilities in the amount of UAH 94.7 million was released as a result of a court decision in favor of the NBU, which is final and not subject to appeal.

Section V.II. Other Income and Expenses (except for Financial Results on Financial Instruments)

Accounting Policy

Recognition of Income and Expenses

Other income and expenses are recognized on accrual basis depending on stage of certain transaction completion that is assessed as ratio of provided (received) services to total services as established under agreement.

The expenses are recognized as expenses of a certain period simultaneously with recognition of the income for which they were incurred. The expenses which cannot be related to income of a certain period, are recognized as expenses of the reporting period during which they were incurred.

Costs related to the production of banknotes, coins, souvenirs, and other products

The NBU carries out the production of banknotes and coins of the Ukrainian domestic currency. Costs for production of banknotes and coins (except for commemorative coins produced from precious and nonprecious metals and investment coins) are recorded in the NBU's expenses accounts as the finished products are transferred by the Banknote Printing and Minting Works to the NBU's Central Vault. Costs for production of banknotes and coins include depreciation of production machinery, labor costs, other production costs.

Value of commemorative coins produced from precious and nonprecious metals and investment coins, is recognized as

asset in the NBU's consolidated statement of financial position in Other assets and is written off as expenses as the coins are sold.

Personnel Costs

Labor costs, payment of a single contribution for mandatory state social insurance, contributions to the NBU Corporate Nonstate Pension Fund, and costs on personnel training and skill enhancement, are recognized in the period in which they were incurred by the NBU.

Costs for annual (principal, additional, and social) leaves not used by the NBU employees for the past work years and transferred to next years, and other future employee benefits are recognized as liabilities on employee benefits.

The NBU is the founder of the Corporate Nonstate Pension Fund which is the fund with fixed contributions. The NBU pays contributions to this fund on a contractual basis, and after funds transfer, the NBU has no liabilities regarding these payments. The contributions to the NBU Corporate Nonstate Pension Fund are recognized in Personnel costs when the liabilities on funds transfer arise. After the NBU employee's retirement all payments are performed by the NBU Corporate Nonstate Pension Fund.

Taxes except for payment of distributable profit paid by the NBU, are included into Administrative and other expenses.

33. Other Income

	2024	2023
	(UAH millions)	
Income from sale of investment and commemorative coins, souvenir and other products	831	886
Fines, penalties, forfeit received	304	757
Income from license registration and issue	15	3
NBU's share of profit of associated company	2	4
Income from real estate sales	–	4
Other	129	119
Total other income	1,281	1,773

34. Staff Costs

	2024	2023
		(UAH millions)
Payroll of staff	3,182	2,685
Expenses related to mandatory social security insurance	591	489
Contributions to the Corporate Nonstate Pension Fund	82	70
Financial assistance and other social benefits	25	15
Other	46	25
Total staff costs	3,926	3,284

Other staff costs include costs for training and development, expenditures for voluntary medical insurance of employees, etc.

35. Administrative and Other Expenses

	2024	2023
		(UAH millions)
Banknote Printing and Minting Works' expenses not included in production cost	680	678
Depreciation and amortization	292	266
Utilities and household expenses	283	260
Expenses for maintenance of noncurrent tangible and intangible assets	276	192
Telecommunication services and maintenance	66	52
Business trips	42	57
Contributions to the Primary Labor Union Organization of the NBU	40	33
Cost of sewage facility services	34	29
Other	120	175
Total administrative and other expenses	1,833	1,742

Depreciation and amortization charges for 2024 exclude depreciation worth UAH 175 million (UAH 171 million in 2023) for property and equipment used in the production of banknote paper, banknotes, coins, and other products. This portion of depreciation and amortization charges is included in costs related to the production of banknotes, coins, and other products.

Other expenses include expenses for taxes, duties and mandatory payments, payments to the NBU Council members, expenses for audit, consulting and legal services,

maintenance of intangible assets, financial assistance and other social benefits to pensioners, etc.

The amount of taxes, duties, and mandatory payments, together with mandatory state social insurance contributions, as well as taxes and duties withheld from accrued personal income for which the NBU is a tax agent, in the amount of UAH 755 million for 2024 (UAH 628 million for 2023) (Note 34) are included in "Taxes, duties, and charges paid" in the Consolidated Statement of Cash Flows.

Section VI. Other Notes

36. Related Party Transactions

Related Party Transactions. Judgement

The NBU carries out transactions with related parties, mainly with the government, banks and organizations controlled by the state, key management personnel, etc. In accordance with IFRS 9, financial instruments are initially recognized at

fair value. If no active market exists for specific market interest rates, the NBU applies professional judgement. A basis for the judgement is pricing for similar types of transactions with nonrelated parties and analysis of the effective interest rate, as specified in Note 21.

Balances of transactions with related parties as of 31 December 2024 and 2023 are as follows:

	Note	2024			2023		
		Government and state-controlled entities	associated company	other related parties	Government and state-controlled entities	associated company	other related parties
(UAH millions)							
Funds and deposits in foreign currency and investment metals		21	–	–	39	–	–
Domestic securities (gross carrying value)	9	714,787	–	–	727,818	–	–
Loans due from banks and other borrowers (gross carrying value)		2,996	–	–	3,007	–	–
Loss allowances for loans to banks and other borrowers		(2,993)	–	–	(3,000)	–	–
Domestic public debt		1,248	–	–	1,347	–	–
Other assets		54	34	–	83	32	–
Accounts of banks		112,961	–	–	109,936	–	–
Accounts of government and other institutions (excluding the accounts of the Deposit Guarantee Fund)	13	275,677	19	14	139,401	91	11
Accounts of the Deposit Guarantee Fund	13	2,463	–	–	539	–	–
Liabilities to transfer distributable profit to the State Budget of Ukraine	29	84,158	–	–	38,643	–	–
Certificates of deposit issued by the NBU		193,489	–	–	261,374	–	–
Other liabilities		126	1	–	724	1	–

Other related party transactions of the *Accounts of Government and Other Institutions* item include balances on accounts of the Corporate Nonstate Pension Fund.

The terms and conditions of the transactions above were as follows:

As of 31 December 2024, the NBU had no commitments for granting loans (as of 31 December 2023, the NBU had commitments for granting loans to the Deposit Guarantee Fund under an open revolving credit line totaling UAH 3,000 million) (Note 10).

Balances held by state-owned banks on correspondent accounts in national currency with the NBU (included in accounts of banks in the table above) earned no interest as of 31 December 2024 and 2023 (Note 12).

Balances of other foreign-currency demand deposits of banks (included in accounts of banks in the table above) as of 31 December 2024 bore an interest rate of 4.25% (5.25% as of 31 December 2023) (Note 12).

Accounts of government and other institutions did not bear any interest as of 31 December 2024 and 2023 (Note 13).

Accounts of the Deposit Guarantee Fund bore an interest rate of 4.35% as of 31 December 2024 (4.60% as of 31 December 2023) (Note 13).

The terms and conditions of the transactions involving domestic public debt are disclosed in Note 26 and of those involving domestic securities – in Note 9.

Income and expense items for transactions with related parties were as follows:

	2024			2023		
	Government and state-controlled entities	associated company	other related parties	Government and state-controlled entities	associated company	other related parties
	(UAH millions)					
Interest income	85,505	–	–	107,530	–	–
Interest expenses	(29,801)	–	–	(29,788)	–	–
Fee and commission income	259	–	–	211	–	–
Fee and commission expense	(5)	–	–	(5)	–	–
Other income	441	6	–	617	8	–
Gains or losses on transactions with financial instruments at fair value through profit or loss	800	–	–	824	–	–
Costs related to the production of banknotes, coins, souvenirs, and other products	(140)	–	–	(133)	–	–
Top management and NBU Council members costs and remuneration	–	–	(62)	–	–	(68)
Administrative and other expenses	(48)	–	(82)	(94)	–	(70)
Gains from the reversal of impairment on interest-bearing financial assets	5	–	–	4	–	–
Gains from reversal of impairment on other assets	–	4	–	–	–	–

Other related parties in the item Administrative and economic and other expenses include the NBU's contributions to the CNPF.

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, the NBU provides services to the State Treasury of Ukraine on a free-of-charge basis.

In 2024, expenses for the short-term benefits (salary and social security tax) of key management personnel were UAH 62.3 million, including remuneration of members of the NBU Council of UAH 16.5 million [in 2023, the expenses for the short-term benefits of key management personnel were UAH 68.4 million, including remuneration to members of the NBU Council of UAH 21.9 million].

Expenses for Short-Term Benefits to the Chairperson and Members of the NBU Council:

	2024 (UAH millions)	Length of service in 2024 (in months)	2023 (UAH millions)	Length of service in 2023 (in months)
Bohdan Danylyshyn	–	–	2.7	9.8
Anatolii Barsukov	3.3	12	3.3	12
Ihor Veremii	3.3	12	3.3	12
Vasyl Horbal	3.3	12	3.3	12
Mykola Kalenskyi	–	–	1.0	3.6
Viktor Koziuk	–	–	1.7	6.2
Vasyl Furman	3.3	12	3.3	12
Olena Shcherbakova	3.3	12	3.3	12
Total remuneration	16.5	–	21.9	–
Single contribution for mandatory state social security	1.5	–	1.8	–
Total expenses for short-term benefits	18.0	–	23.7	–

Expenses for short-term benefits to NBU Governor and Board Members:

	2024 (UAH millions)	Length of service in 2024 (in months)	2023 (UAH millions)	Length of service in 2023 (in months)
Andriy Pyshnyy	7.0	12	7.6	12
Kateryna Rozhkova	6.0	12	5.9	12
Yuriy Heletiy	5.7	12	5.7	12
Yaroslav Matuzka	5.6	12	5.7	12
Sergiy Nikolaychuk	6.2	12	5.8	12
Dmytro Oliinyk	6.1	12	6.5	12
Oleksii Shaban	5.5	12	5.7	12
Total remuneration	42.1	–	42.9	–
Single contribution for mandatory state social security	2.2	–	1.8	–
Total expenses for short-term benefits	44.3	–	44.7	–

37. Current and Noncurrent Assets and Liabilities

The table below shows the classification of assets and liabilities by periods of their expected recovery or maturity into current (up to one year) and noncurrent (more than one year):

	Notes	2024			2023		
		current	noncurrent	total	current	noncurrent	total
(UAH millions)							
Assets							
Funds and deposits in foreign currency and investment metals	6	487,084	–	487,084	373,440	–	373,440
Foreign securities	7	1,235,168	751	1,235,919	1,072,423	676	1,073,099
SDR holdings	8.1	46,520	–	46,520	35,570	–	35,570
Monetary gold		–	87,197	87,197	–	62,387	62,387
Domestic securities	9	48,449	666,338	714,787	49,074	678,744	727,818
Loans to banks and other borrowers	10	3,808	1,206	5,014	3,291	2,400	5,691
Domestic public debt		113	1,135	1,248	112	1,235	1,347
IMF quota contributions	8.2	–	110,296	110,296	–	102,521	102,521
Property and equipment and intangible assets	30	–	3,945	3,945	–	4,044	4,044
Other assets	11, 31	4,314	3,598	7,912	3,661	3,009	6,670
Total assets		1,825,456	874,466	2,699,922	1,537,571	855,016	2,392,587
Liabilities							
Banknotes and coins in circulation		822,635	–	822,635	764,598	–	764,598
Accounts of banks	12	233,091	–	233,091	216,261	–	216,261
Accounts of government and other institutions	13	278,205	–	278,205	140,102	–	140,102
Liabilities to transfer distributable profit to the State Budget of Ukraine	29	84,158	–	84,158	38,643	–	38,643
Certificates of deposit issued by the NBU	14	548,911	–	548,911	621,667	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	8.3	36,387	16,596	52,983	41,337	44,690	86,027
Liabilities to the IMF with respect to quota contributions	8.3	110,283	–	110,283	102,509	–	102,509
Other liabilities	15, 32	1,914	78	1,992	1,827	782	2,609
Total liabilities		2,115,584	16,674	2,132,258	1,926,944	45,472	1,972,416

Contributions to the IMF quota are classified as noncurrent assets given that under Article XXVI of the IMF Articles of Agreement, a member country has the right to withdraw from the IMF at any time, but there is no current expectation that Ukraine will exercise this right.

Debt obligations to the IMF to pay the quota contribution are classified as current because, in accordance with the Articles of Agreement, the IMF has the right to demand and Ukraine has the obligation to pay the funds and redeem the respective securities. This item also includes funds under IMF Account No. 1, which are categorized as demand deposits and classified as current.

38. Events Subsequent to the Reporting Date

In 2025, the NBU raised its key policy rate twice (from 13.5% to 14.5% in January and to 15.5% in March) and adjusted the operational design parameters of its interest rate policy. These decisions aim to support the attractiveness of hryvnia savings, maintain the sustainability of the foreign currency market, and keep inflation expectations in check, which will allow bringing back the steady disinflation trajectory toward the 5% target within the policy horizon.

Between 1 January 2025 and the date of signing of these consolidated financial statements, the following funds designated for Ukraine were received to NBU accounts:

the equivalent of USD 7,933 million in financial assistance from the European Union

a USD 2,353 million grant from TRUST FUNDS through International Bank of Reconstruction and Development accounts

a GBP 753 million loan under an agreement between Ukraine and the United Kingdom.

Also, in March 2025, the following funds came to SDR holding accounts in favor of the government:

SDR 1,304 million, or UAH 72,044 million at the official UAH/SDR exchange rate as of the date the funds were credited, from Canada

SDR 300 million, or UAH 16,534 million at the official UAH/SDR exchange rate in effect the day the funds were credited, from the IMF under the Extended Fund Facility (EFF).

From 1 January 2025 up to the date these consolidated financial statements were signed, the following repayments were made:

a total of UAH 4,608 million (UAH 984 million in principal, and UAH 3,624 million in interest payments) in repayments on domestic government debt securities as per the redemption schedule

a total of SDR 294 million (UAH 16,161 million at the official exchange rate on the day the payment was made, or UAH 15,376 million at the IMF's annual exchange rate) in repayments of the NBU's liabilities to the IMF in line with the repayment schedule.

S&P Global Ratings agency affirmed Ukraine's long-term foreign-currency credit rating at "SD" on 7 March 2025.

39. Introducing New and Amended Standards and Interpretations of the Financial Statements

Amended IFRS and interpretations that came into effect on 1 January 2024 and were adopted

Amendments to IAS 1. Presentation of Financial Statements – Classification of Liabilities as Current or Non-current are intended to clarify the approach to the classification of liabilities under IAS 1 based on the contractual terms in effect at the reporting date (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IAS 1. Presentation of Financial Statements – Noncurrent liabilities with covenants are intended to provide a more general approach to the classification of liabilities, both current and noncurrent (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IAS 7. Statement of Cash Flows and IFRS 7. Financial Instruments: Disclosures – Supplier Finance Arrangements tighten disclosure requirements and indicators within the effective disclosure requirements that require business entities to provide qualitative and quantitative information on supplier finance arrangements (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IFRS 16. Leases – Lease Liability in Sale-and-Leaseback Transaction are intended to clarify the requirements applied by the seller lessee to assess the lease liability arising in the leaseback transaction (apply to annual reporting periods beginning on or after 1 January 2024).

Amended IFRS and interpretations had no significant effect on the NBU's financial results and financial position.

New and Revised Standards that have been Issued but are not yet Effective

Amendments to IFRS 10. Consolidated Financial Statements and IAS 28. Investments in Associates and Joint Ventures – Sale or distribution of assets between an investor and its associate or joint venture (apply to annual reporting periods beginning on or after the date to be specified. Early application is permitted).

Amendments to IAS 21. The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability require that more useful information be provided in financial statements when a currency is not exchangeable into another (apply to annual reporting periods beginning on or after 1 January 2025).

Amendments to IFRS 9. Financial Instruments and IFRS 7. Financial Instruments: Disclosures clarify the classification of financial assets with ESG-related contingent features, the procedure for derecognition of financial liabilities as of the settlement date, introduce an accounting policy choice for derecognition of financial liabilities settled by electronic means before the settlement date, and impose additional disclosure requirements for financial instruments with

contingent features (e.g., ESG-related) and equity instruments classified at fair value through other comprehensive income (effective for annual periods beginning on or after 1 January 2026, with early adoption permitted for contingent features only).

Annual improvements to IFRSs (apply to annual reporting periods beginning on or after 1 January 2026):

amendments to IFRS 1. First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter

amendments to IFRS 7. Financial Instruments: Disclosures – Gain or loss on derecognition

amendments to IFRS 9. Financial Instruments – Lessee derecognition of lease liabilities, Transaction price

amendments to IFRS 10. Consolidated Financial Statements – Determination of a “de facto agent”

amendments to IAS 7. Statement of Cash Flows – Cost method.

The new standard IFRS 19. Subsidiaries without Public Accountability (effective for annual periods beginning on or after 1 January 2027).

The NBU did not apply the above new and revised standards before the effective date. The NBU's management expects the application of these standards and amendments will not have a significant effect on the NBU's performance and financial position.

The new standard IFRS 18. Presentation and Disclosure in Financial Statements, which replaces IAS 1. Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2027).

IFRS 18 establishes requirements for the presentation and disclosure of information in general-purpose financial statements to ensure that relevant data is provided that fairly reflects the assets, liabilities, equity, income, and expenses of a business entity. The implementation of IFRS 18 will change the way profits or losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and in the notes to the financial statements.

IFRS 18 standardizes the formats for presenting profits and losses, eliminates discrepancies that previously made it hard to compare financial performance between different companies, and introduces the term “operating profit” as an important indicator for assessing operating performance. The standard requires a clear breakdown of income and expenses into operational, investment, and financial

categories, taking into account specific types of core activities. The new standard defines, and requires entities to disclose, performance indicators identified by management (management performance indicators). Information must be disclosed about how these indicators are reconciled with the most comparable interim financial performance results that are filed under IFRS 18.

The standard also refines the requirements for aggregation and disaggregation of information in the primary financial statements and/or notes.

IFRS 18 is aimed at improving the quality of reporting by business entities, the level of trust from investors and other users, and the consistency of data for analysis and comparison.

The NBU has begun to study and prepare for reporting under the new standard in order to determine the impact of applying IFRS 18 on the primary financial statements and notes to them.

 April 2025
Kyiv, Ukraine