

Economic and Financial Sector Resilience

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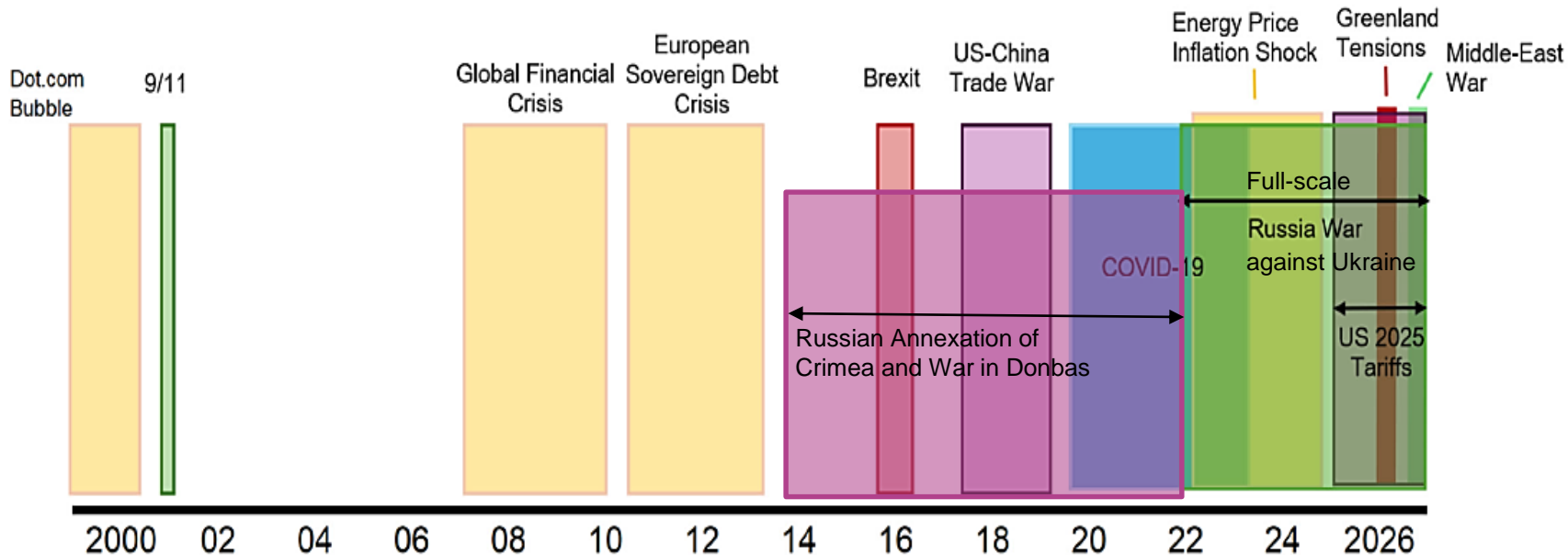
94th East Jour Fixe of the Oesterreichische Nationalbank
*“Ukraine: War-time economic resilience and reconstruction
with a focus on the energy sector”*

Vienna, Austria
April 21, 2026



Russia's full-scale war against Ukraine has become a major shock for both Ukraine and the global system

Geoeconomic and Geopolitical shocks with implications: 2000-2026



Source: Adapted from Alfred Kammer, European Regional Economic Outlook, IMF (2026).

Ukraine is the eastern outpost of the Western world

- Ukraine stands at the epicenter of extreme shocks and challenges – a reality it has been living through for 1 518 days of the full-scale war
- Ukraine's resilience is a system of interconnected elements:
 - Pillar of Defense: the Armed Forces of Ukraine, who every day repel large-scale russian aggression
 - Ukrainian Society: Ukrainians are champions of resilience. This resilience is embedded in our collective DNA, shaped over centuries.
 - The economy and the financial sector, which – despite unprecedented shocks – not only continue to function, but also adapt, transform, and provide the foundation for recovery
 - International Support: strong synergy with our partners is now more critical than ever
- Without this balance, the system simply would not withstand the pressure

Assessed control of terrain in Ukraine as of April 19, 2026, 3:00 PM EST

Reported Ukrainian Territorial Gains in the Past 24 Hours



Claimed Ukrainian Counteroffensives



Assessed Russian Gains in the Past 24 Hours



Assessed Russian Advances in Ukraine



Assessed Russian Infiltration Areas



Claimed Russian Territory in Ukraine

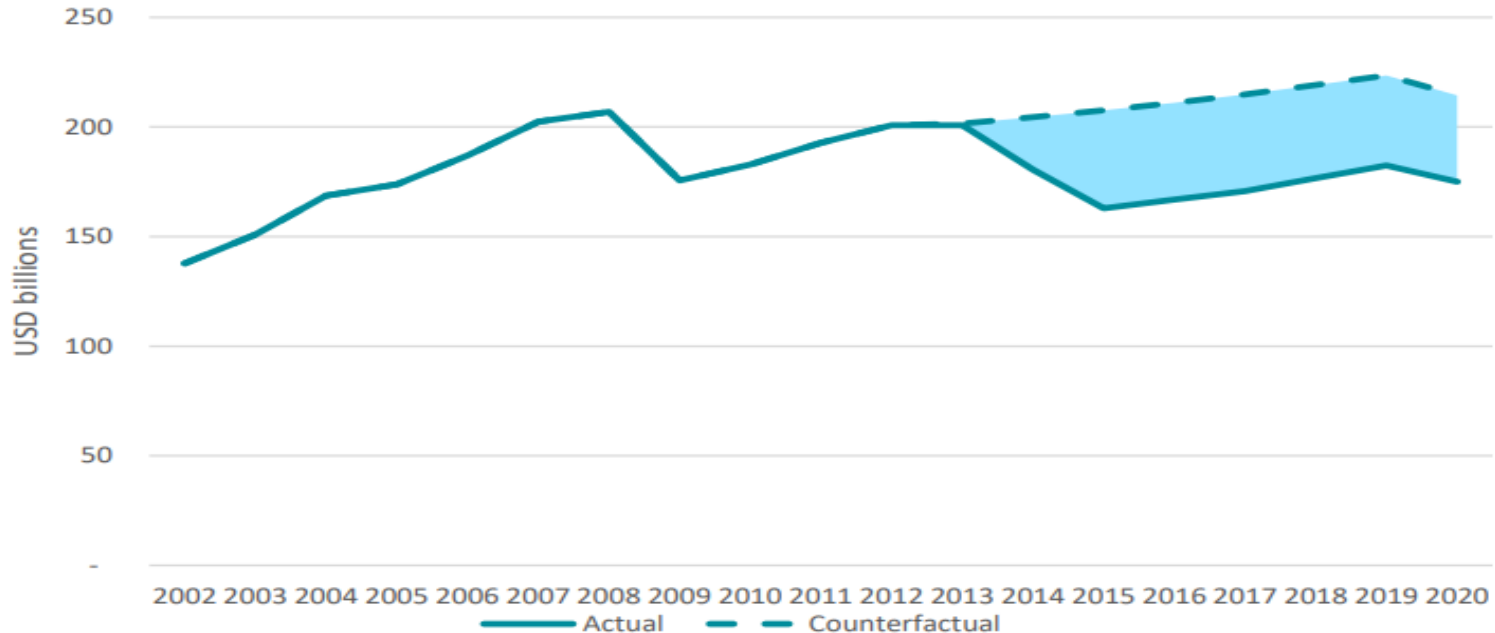


Russian-controlled before February 24, 2022



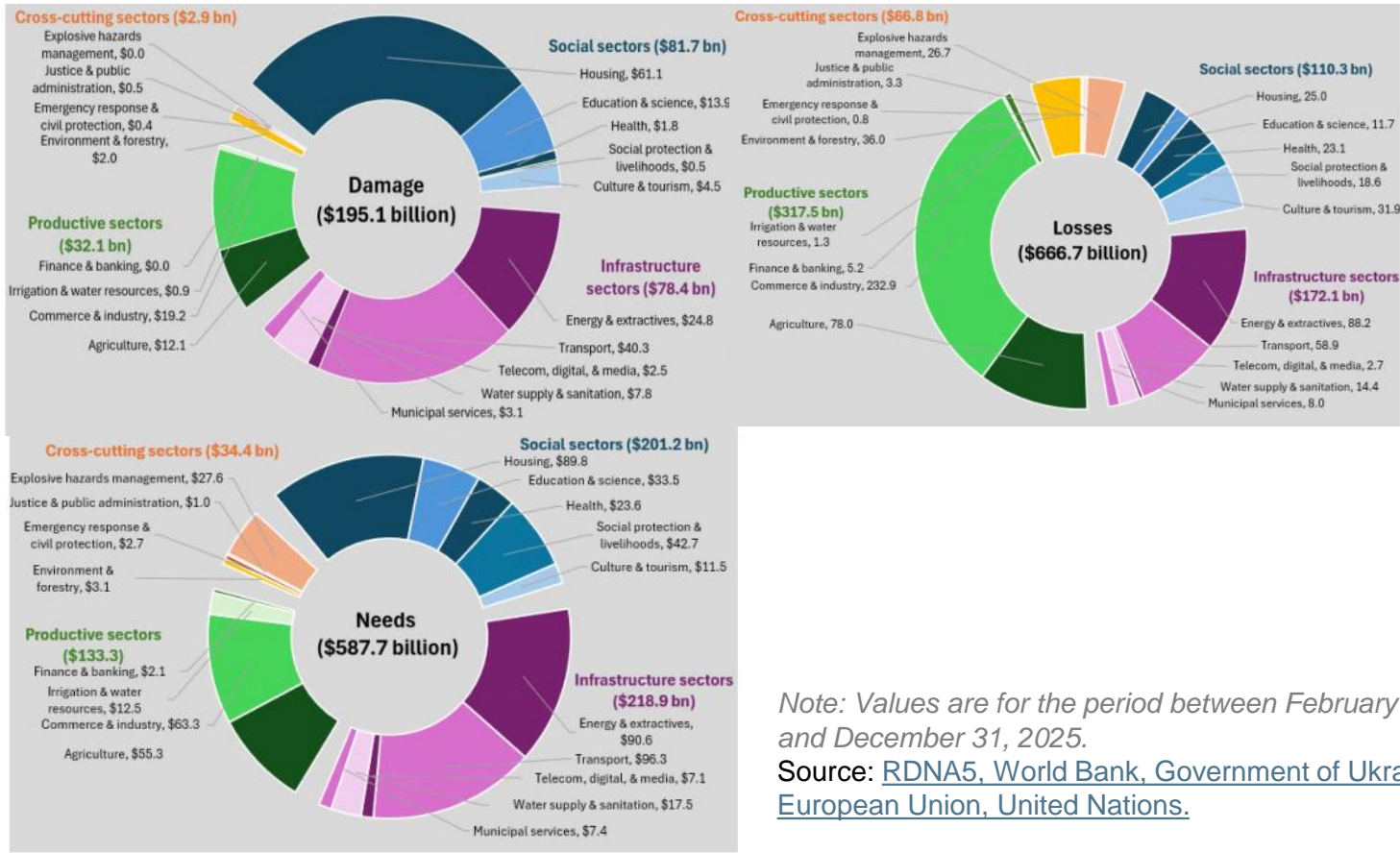
Shocks and Ukraine's losses over recent decades: the onset of the war (2014)

Ukraine real GDP, 2021 constant prices, 2002 – 2020, actual and counterfactual



**The estimate for Ukrainian output in the absence of the conflict is based on Cebr's 2013 World Economic League Table (WELT) forecasts with pandemic adjustment*

Shocks and Ukraine's losses over recent decades: the full-scale war (2022-Present)



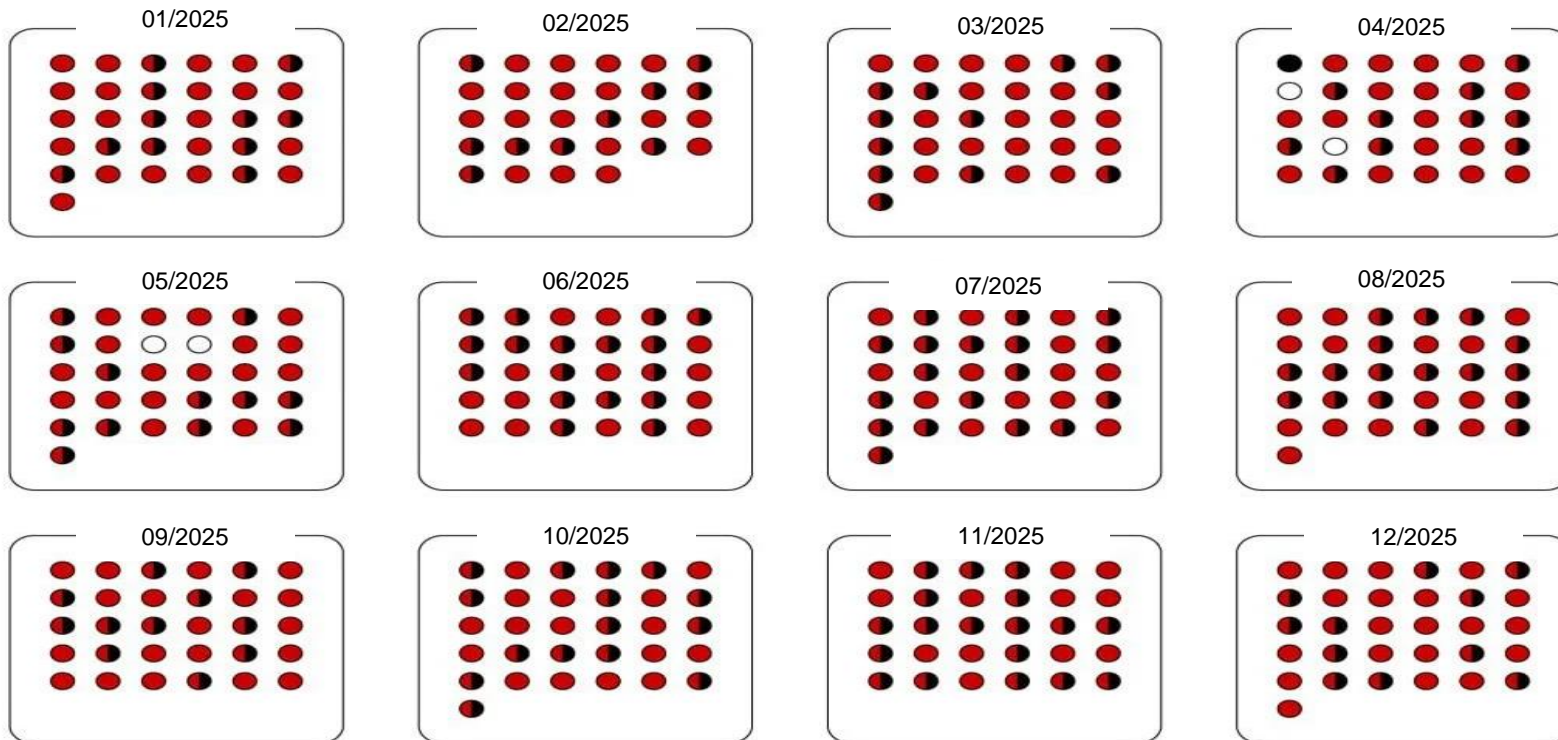
Note: Values are for the period between February 24, 2022, and December 31, 2025.

Source: [RDNA5](#), [World Bank](#), [Government of Ukraine](#), [European Union](#), [United Nations](#).

Throughout 2025 and early-2026, large-scale russian attacks using long-range weapons intensified

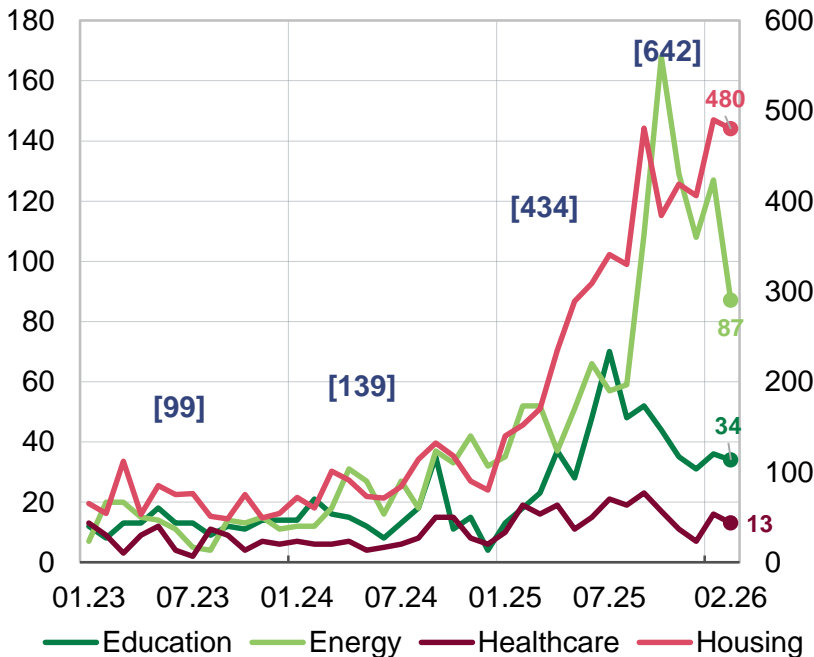
361 days of aerial terror in 2025

● Drones ● Missiles



Alongside energy infrastructure, transport infrastructure became increasingly frequent targets

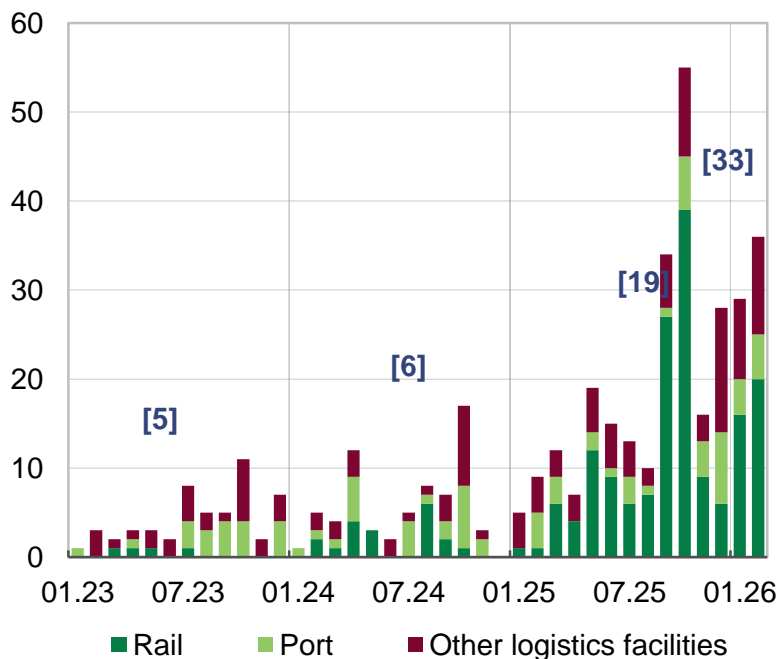
Number of new damages to housing and infrastructure due to russian shelling



* In square brackets is the average monthly number of damages to buildings of all types for the period

Source : ACLED, NBU staff estimates.

Number of damaged logistics facilities, railway and port infrastructure

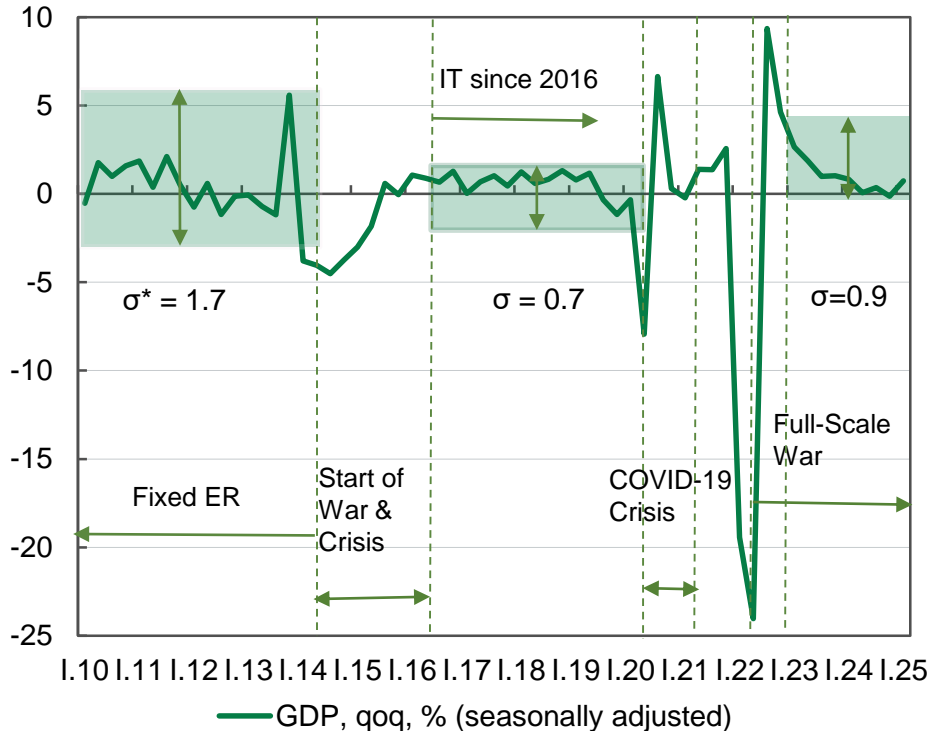


In square brackets is the average monthly number of incidents involving all types of infrastructure for the period

Source: ACLED, Railinsider, NBU staff estimates.

Despite unprecedented shocks, Ukraine's economy has demonstrated remarkable resilience

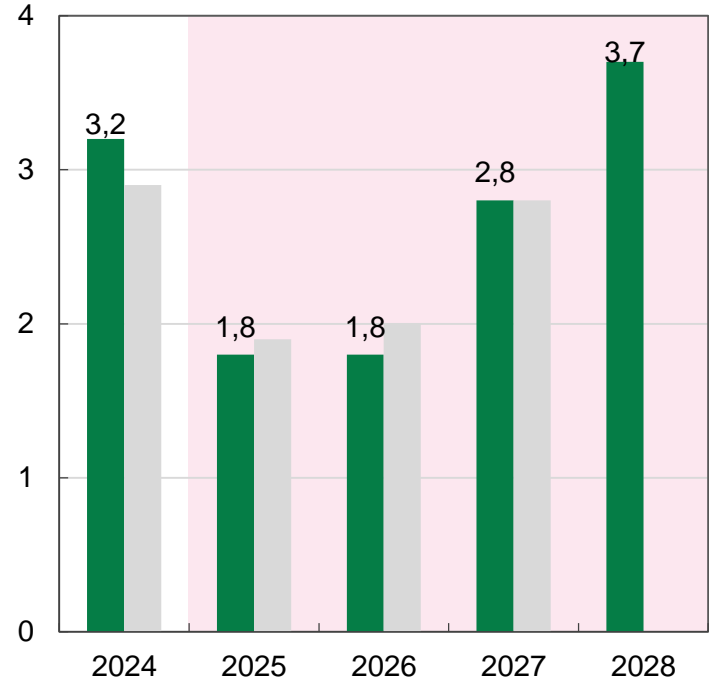
Real GDP, qoq, % (seasonally adjusted)



*σ - standard deviation

Source: SSSU, NBU staff estimates

Real GDP, % yoy



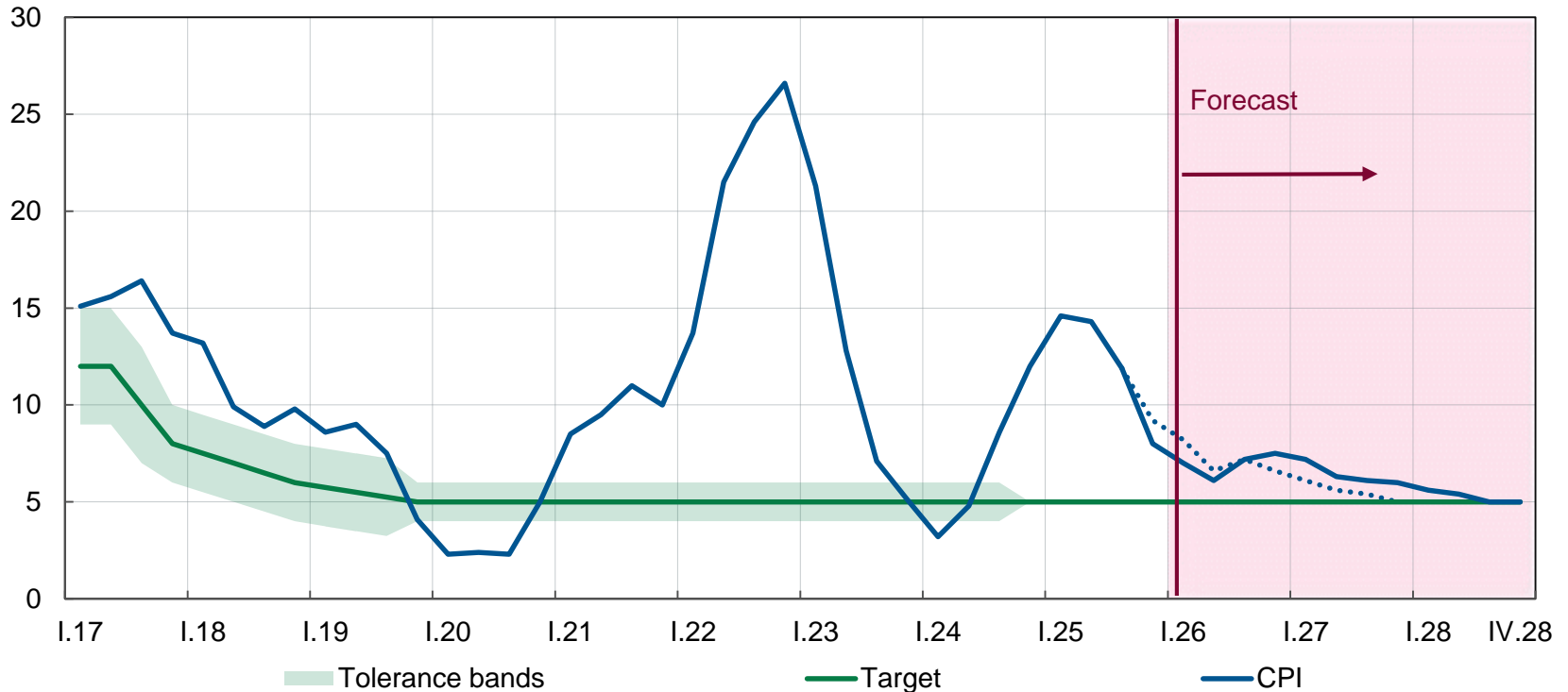
Gray bars are the previous forecast.

* The SSSU revised the estimate for 2024 from 2.9% to 3.2%.

Source: SSSU, NBU staff estimates.

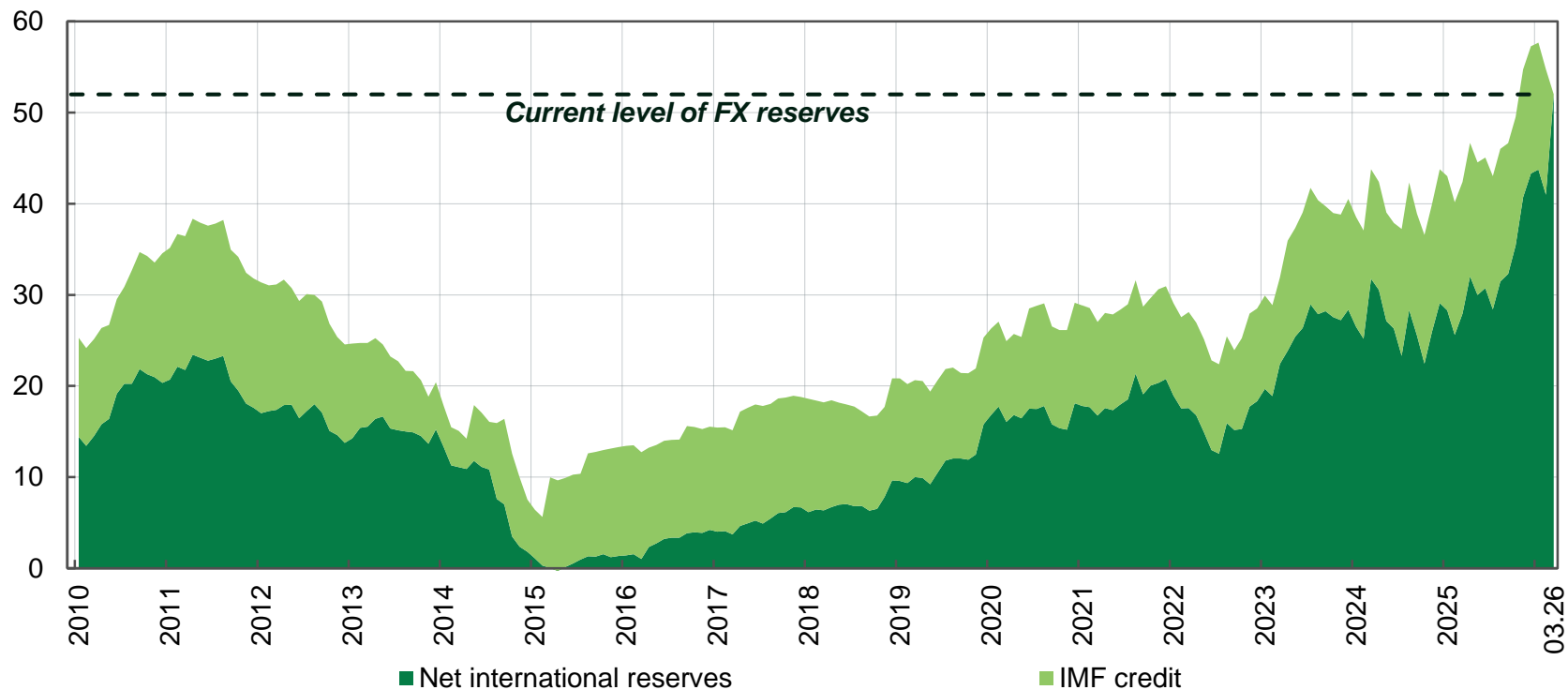
Inflation in 2026 could be 2 p.p. higher than the January forecast mainly due to events in the Middle East

CPI change (end of period, % yoy) and inflation targets



International reserves have steadily increased since 2015

International reserves, USD billions

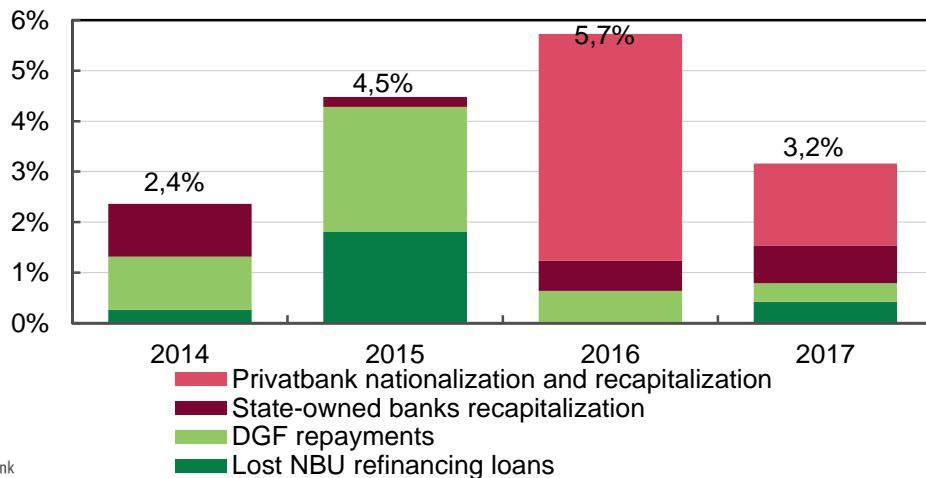


The impact of the war-related crisis on the banking sector is less profound despite the grave circumstances

2014-2016

- 97 banks left the system (~ 30% of 2013 sector's assets)
- 1 systemic bank was nationalized at the cost of UAH 155 bln (~EUR 5.5 bln)
- NPL ratio peaked at 58% (August 2017)
- Direct fiscal costs of resolving that crisis – 15.8% of annual GDP

Fiscal costs related to resolution of the banking crisis in Ukraine in 2014–2017, % GDP



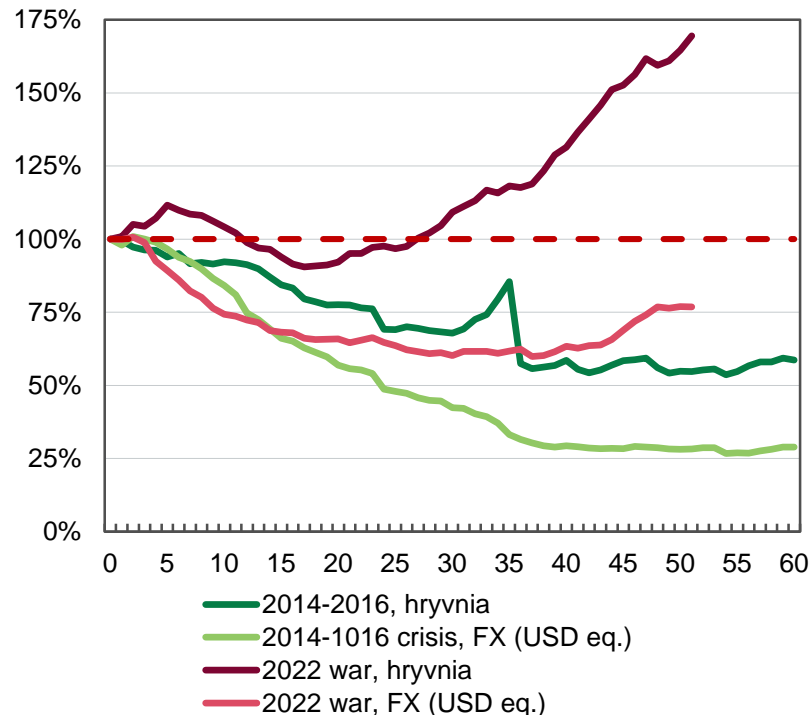
2022 - ...

- 12 banks left the system (~ 4% of end-2021 sector's net assets)
- 1 systemic bank was nationalized* at the cost of UAH 1
- NPL ratio peaked at 39.3% (May 2023)

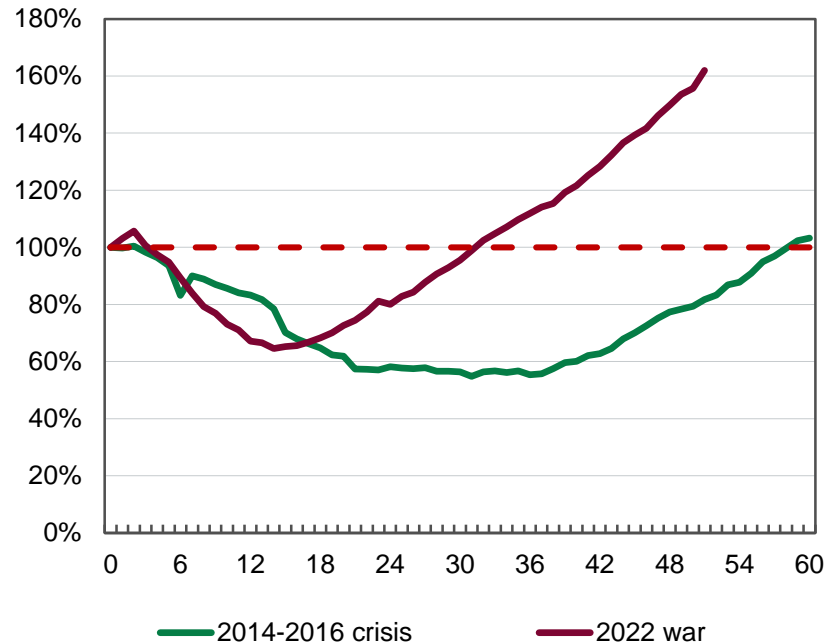
* Two smaller banks became state-owned as courts confiscated them from their sanctioned ultimate beneficiaries

The banks mitigated shock rather than amplified it

Net business loan portfolio during crisis episodes, January of the first year of crisis* = 100%



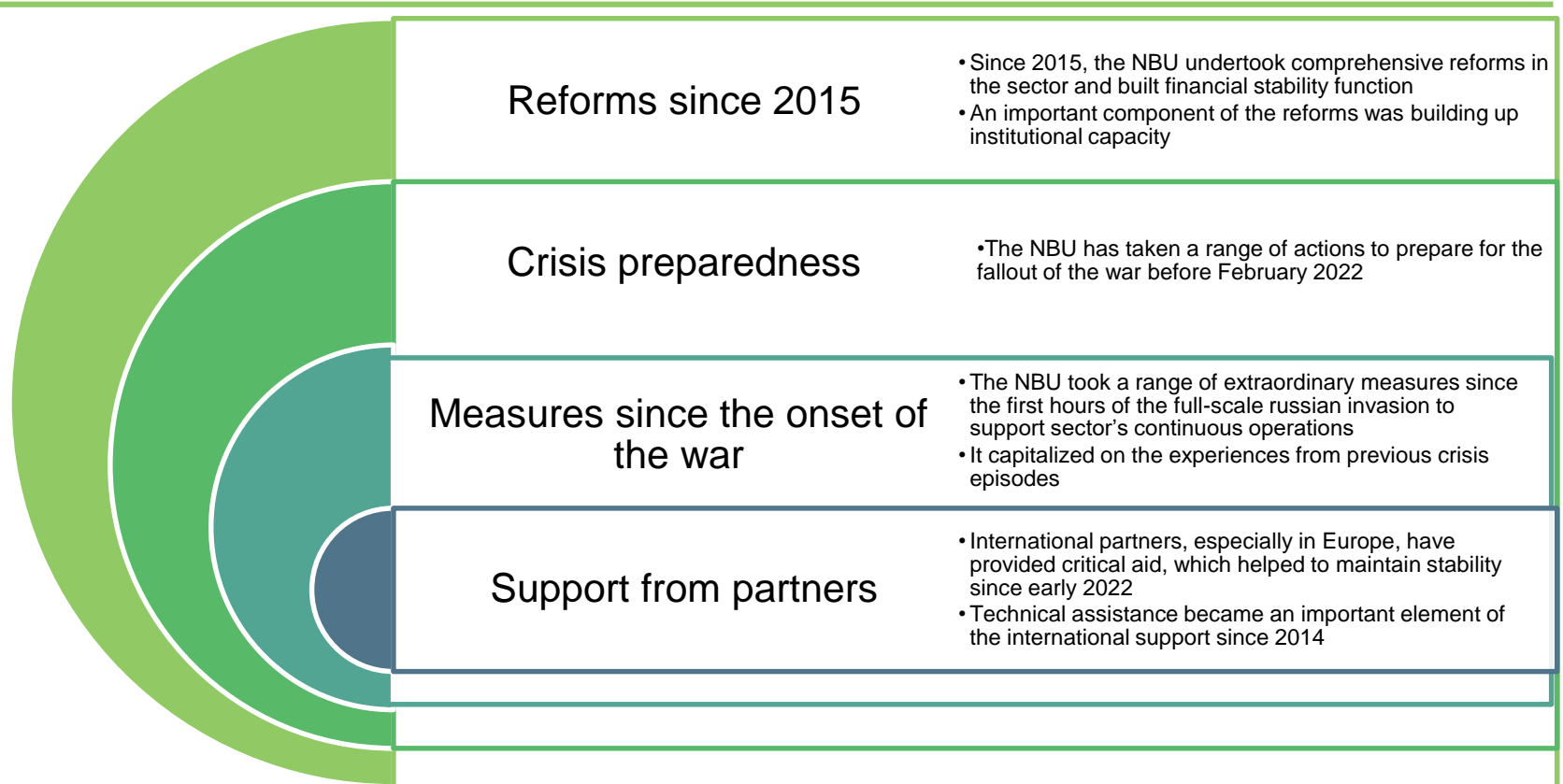
Net household loan portfolio in hryvnia during crisis episodes, January of the first year of crisis* = 100%



X axis shows months since the outbreak of the crisis. * 2014 and 2022 respectively.

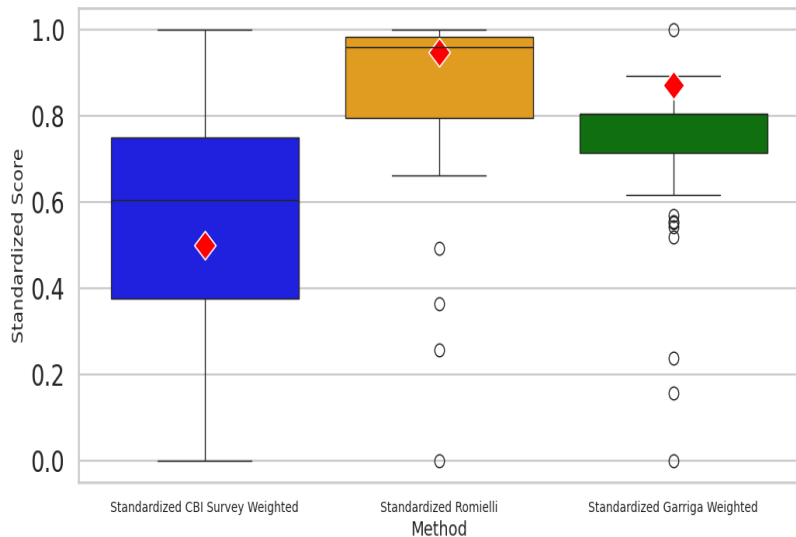
Source: NBU.

Several factors contributed to economic and financial sector resilience in 2022



The introduction of inflation targeting in 2015 became a catalyst for profound institutional changes

Ukraine CBI index among other countries in Europe

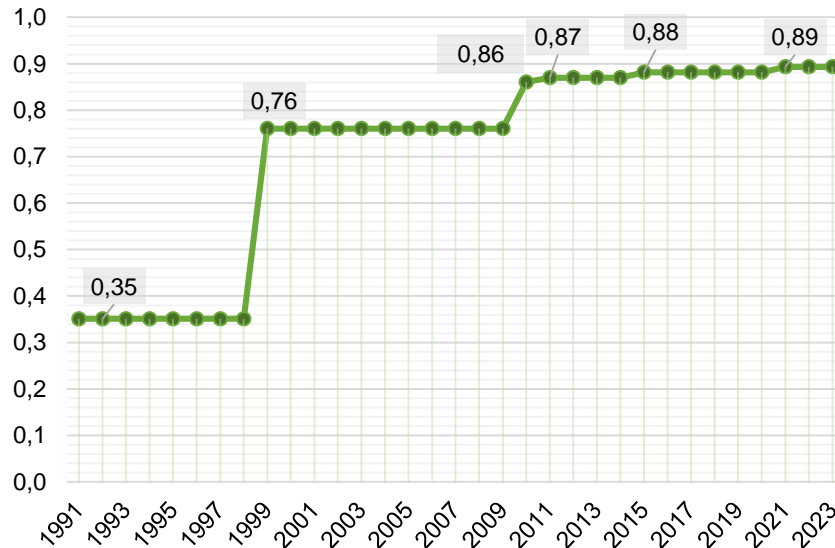


Notes:

Provided by Ashraf Khan (IMF) based on [Adrian, Khan, and Menand \(2024\)](#)

The assessment does not account for the temporary relaxation of monetary financing restrictions introduced in 2022 due to the full-scale war in Ukraine

Ukraine CBI index

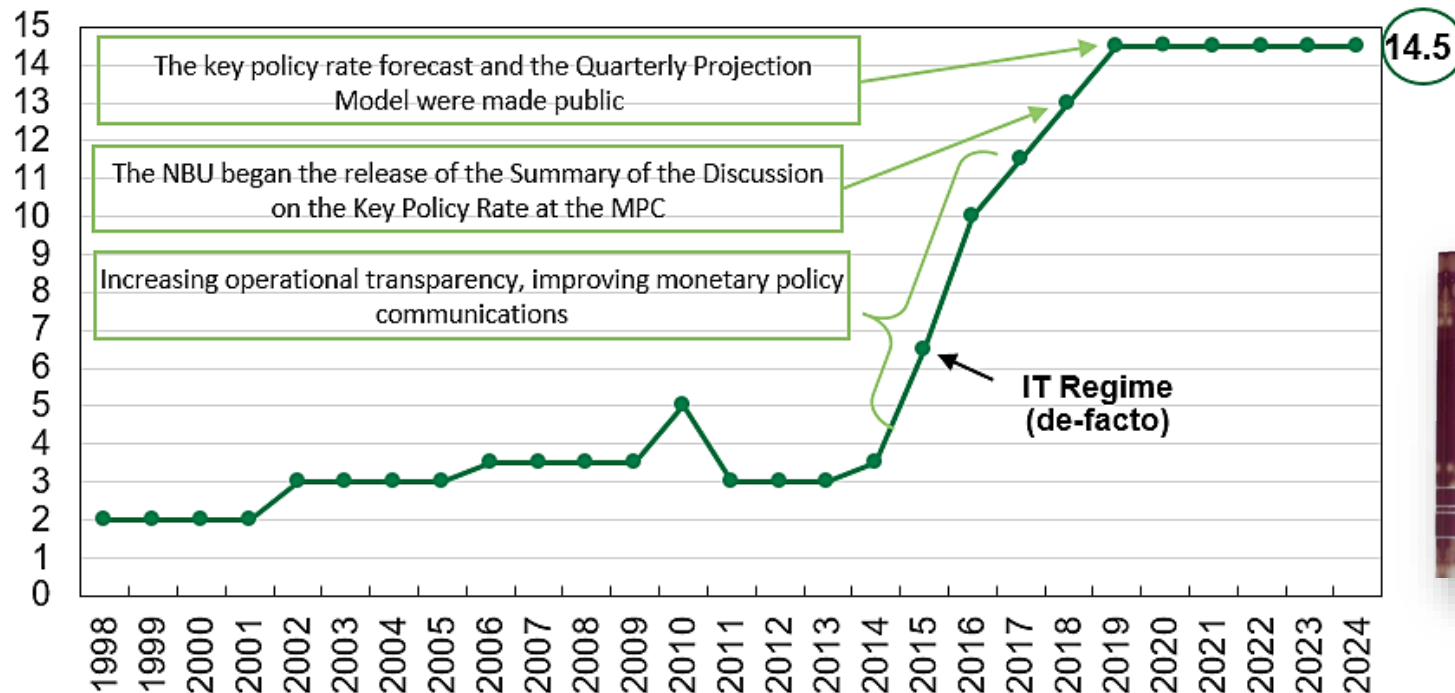


Notes:

Source: <https://cbidata.org/> (based on [Romelli \(2024\)](#))

Communication became a strategic pillar of the IT framework

Monetary Policy Transparency Index



Source: NBU staff estimates based on the methodology by [Dincer, Eichengreen and Geraats \(2022\)](#).

Since 2015, the NBU implemented a comprehensive reform in the banking sector*

NBU transformation

- enhanced central bank independence
- overhaul of the organizational structure: strengthening core functions, reducing non-core activities, optimizing regional branches
- establishment of internal committees
- streamlined informational flows within the NBU
- switching to inflation targeting with respective analytical support
- better communication
- better coordination with partners and planning

Financial sector clean-up and development

- switching to risk-oriented banking supervision
- removal of non-viable and non-transparent institutions from the market
- recapitalization of viable banks
- enhanced transparency and disclosure
- updated reporting requirements, introduction of new NPL resolution mechanism
- enhanced corporate governance
- introduction of IFRS
- update of AML rules, limiting related-party lending
- enhanced creditor rights protection

Building financial stability function

- maintaining financial stability is set as part of mandate under the law
- building financial stability framework (incl. interagency Financial Stability Council)
- development of instruments for financial stability analysis and publications including Financial Stability Report
- publication of NBU's Macroprudential Policy Strategy
- introduction of regular AQR and stress tests
- development of macroprudential toolkit
- gradual ongoing introduction of Basel and EU standards, especially on capital and liquidity

The full-scale war was not a shock the NBU faced unprepared



How Ukraine's Banking System and FX Market Will Work from 24 February 2022 Under Martial Law Throughout Ukraine

© 24 Feb 2022 9:52

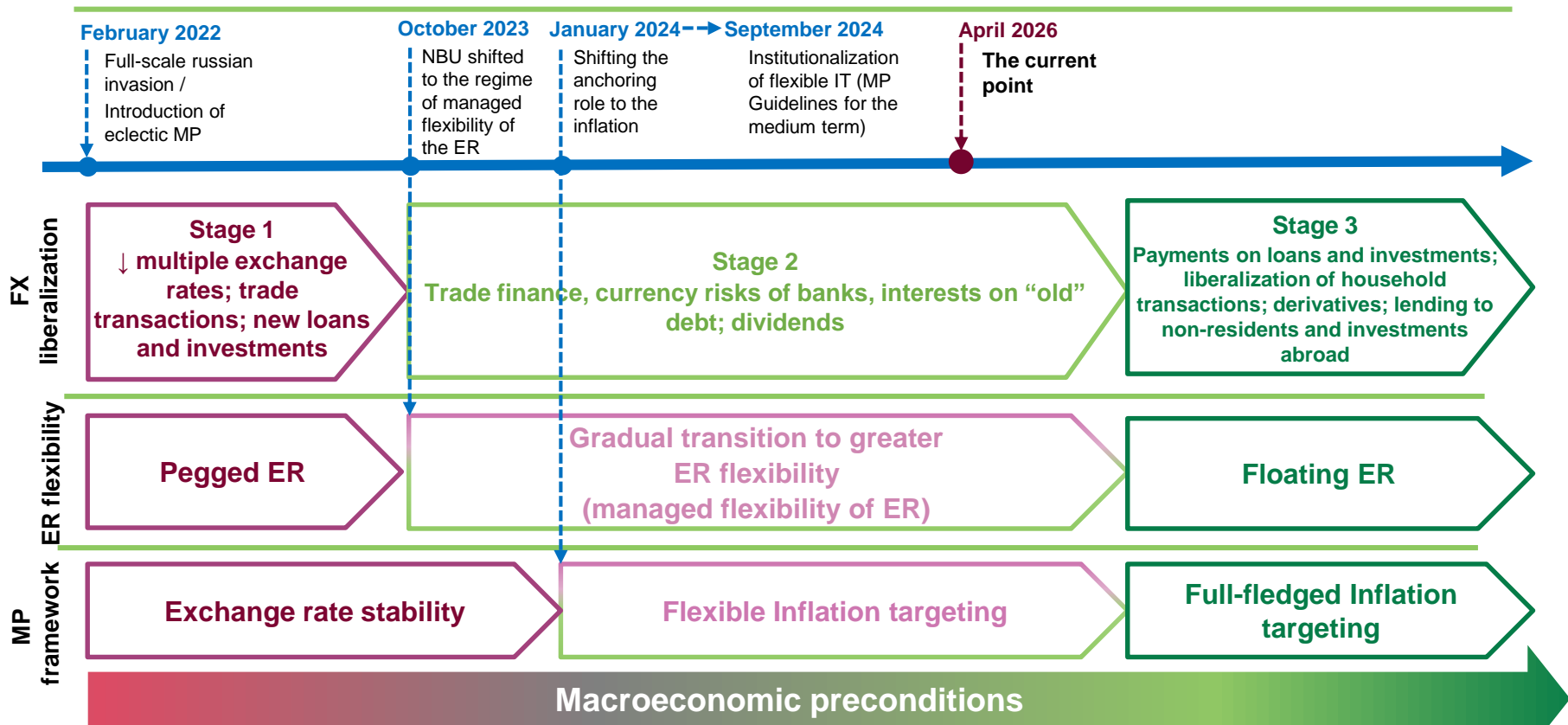
The NBU responded to the Russian invasion with a range of measures, which ensured the sector's stability

FX and capital controls	<ul style="list-style-type: none">•The NBU fixed hryvnia exchange rate against US dollar in early hours of war (NBU switched to managed floating regime in October 2023)• Capital controls introduced (being gradually relaxed since 2023; FX liberalization strategy is being implemented)
Capital Conservation	<ul style="list-style-type: none">• Capital distribution, including dividend payouts, are forbidden (except for state-owned banks)• Sanctions for breaching certain capital, liquidity, and FX requirements are not applied (mostly reimposed). Amendments to the legislation prohibited banks from collecting penalties / sanctions from borrowers for failing to repay in time.
Postponing new requirements	<ul style="list-style-type: none">• Introduction of capital buffers postponed (at the end of 2025, activation in 2027 was announced)• NSFR requirement kept at 90% (until April 2023; NSFR is 100% now)• Implementation of new capital requirements, including new capital structure, capital to cover market risk postponed (until 2024)
Easing pressure on operating activities	<ul style="list-style-type: none">• Banks' AQR and stress tests for 2022 were canceled (AQR conducted in 2023, full-fledged stress test – in 2025)• Submission of financial statements and some statistical reports postponed (mostly rolled back)• Revaluation and verification of collateral postponed (canceled in October 2023)
Opening up opportunities	<ul style="list-style-type: none">• The use of cloud data services allowed• Banks temporarily allowed not to recognize loans that have been restructured because of the war as in default. Moreover, the NBU promoted credit holidays and restructuring, e.g. by allowing banks to not count days past due (until July 2022)
Other	<ul style="list-style-type: none">• Transactions with related parties are forbidden / severely restricted (mostly cancelled except for early repayments, but to be done at arm's length)

**Measures that were relaxed or canceled are shown in grey, those still in effect in full – in black.*

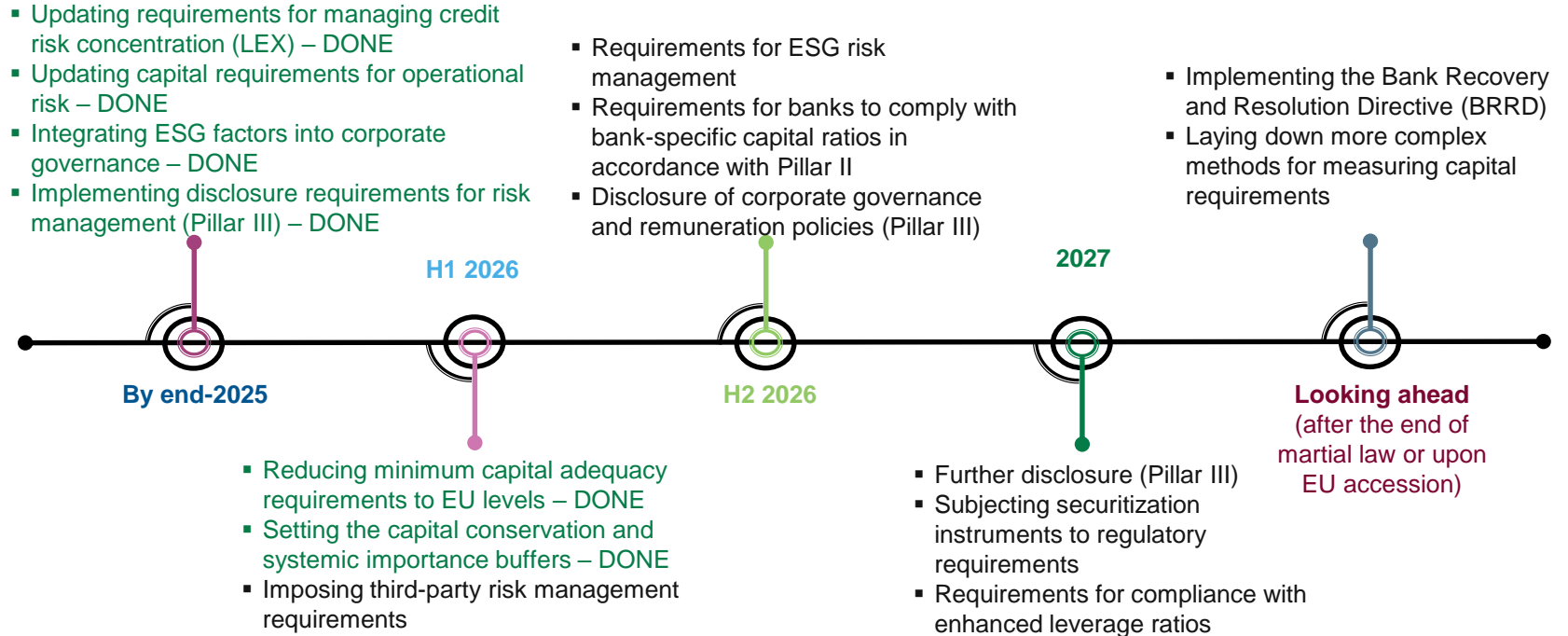
- Moreover, the parliament introduced a blanket guarantee for retail deposits for the time of martial law
- Also, the war forced to seek a legal balance between protecting clients' interests and ensuring stability. One such attempt brought moratoria on foreclosure

NBU plans to return gradually to a full-fledged IT with floating exchange rate as proper preconditions are in place



Ukraine's financial sector is already moving toward deeper integration with the EU

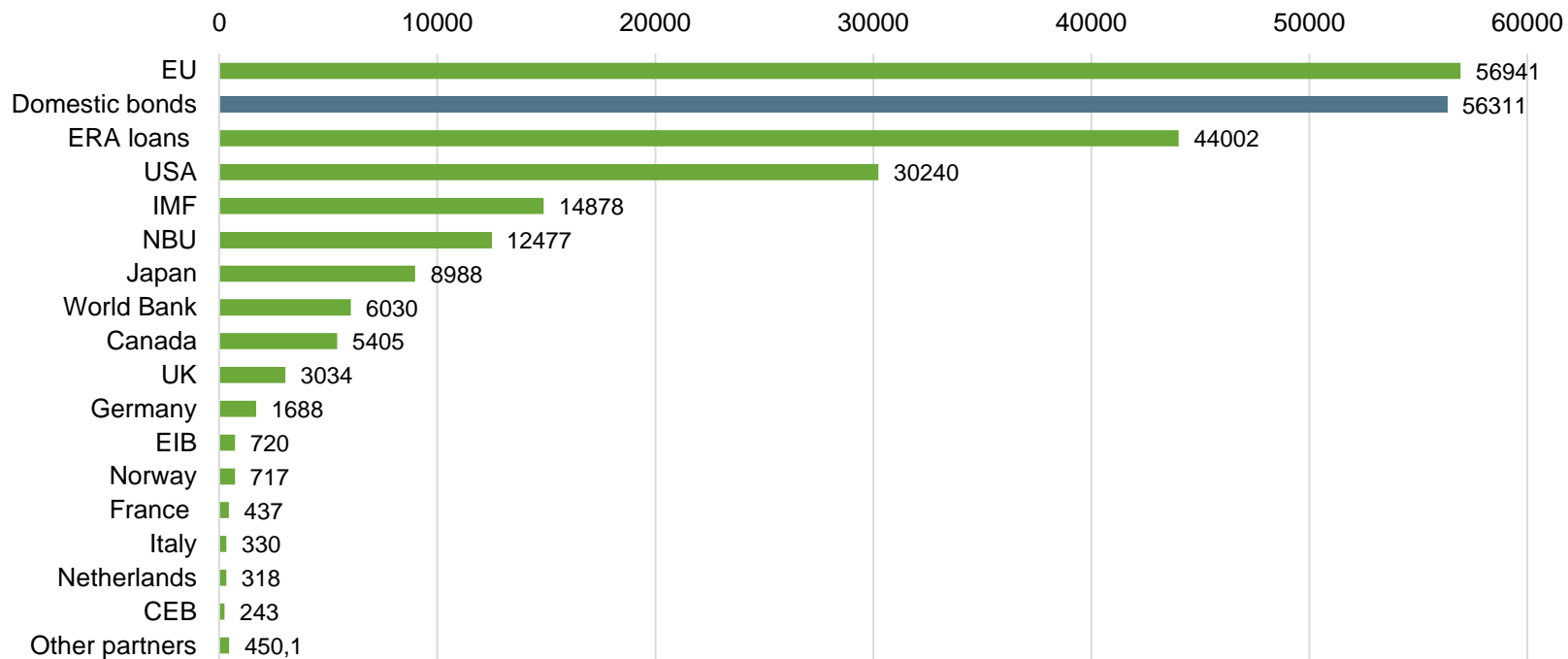
Timeline for preparing regulatory changes



Source: NBU Financial Stability Report, December 2025.

International financing remains a key pillar of Ukraine's macrofinancial resilience

Ukraine State Budget Financing during the Wartime (Feb 2022- March 2026) Split by Sources, USD M



Conclusions: Vision for the Future and Ukraine's Path Forward

- Today, Ukraine stands at a unique intersection – as the eastern outpost of Europe and a future full member of the European Union, with a competitive economy and strong growth potential.
- To achieve our priorities and support the resilience to pave the way to victory, the NBU focuses on:
 - Maintaining monetary and financial stability
 - Maximizing the financial sector contribution into the economic recovery
 - Ensuring the full alignment with EU regulatory standards
- We also continue to strengthen institutional resilience through professionalism, transparency, accountability, and independence
- The NBU is not only responding to today's challenges, but also actively shaping the future as an integral part of the European financial architecture



National Bank of Ukraine

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