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UKRAINE MONTHLY ECONOMIC UPDATE

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EXECUTIVE SUMMARY

In its ***Ukraine Monthly Economic Update***, KSE Institute assesses the **state of Ukraine's economy** across the real sector, external accounts, public finances, prices, monetary policy, exchange rate, banking system, and labor market. Each section closes with a **KSE Institute comment**, which sets out the Institute's own reading and forward view; these are our judgments and distinct from the reported data. The underlying series and their sources are presented in the statistical annex. The data and events **cut-off date is August 18, 2026**.

The key takeaways from KSE Institute's **August 2026 *Ukraine Monthly Economic Update*** are:

- **In the external sector, the maritime corridor is the key story.** June's USD 6.3 billion current account surplus (the first since December 2024) reflects USD 11.8 billion of official transfers rather than an improvement in the underlying external balance; in fact, the January–June trade deficit widened 44% to USD 31.5 billion, and the halt of port calls at Greater Odesa threatens the only growing export sector (i.e., agriculture, which accounted for 63.1% of exports in January–June). We expect the trade gap to widen from both the exports and imports side, with risks of further deterioration depending on the severity and targets of Russian attacks.
- **The budget position deteriorated in July.** The general fund deficit reached UAH 185 billion against a planned UAH 109 billion, as UAH 89.7 billion of expected grants did not arrive and most major taxes underperformed; borrowing of UAH 121.7 billion (2.3 times the monthly plan, with the IMF tranche) largely covered the gap. With Russian attacks narrowing the tax base, a predictable and sufficient flow of foreign financial support remains critical, as does the implementation of reforms, on which it is conditional.
- **Inflation accelerated to 7.7% y-o-y in July from 7.2% in June**, with core inflation unchanged at 8.1% and the strongest new impulse from administered prices (11.8% y-o-y; water tariffs +31.9% m-o-m). Services inflation (13.7%) remains the sticky component. We expect headline inflation near 11% by end-2026, with risks tilted upward through logistics costs, administered-price increases, and renewed hryvnia depreciation pressure.
- **The NBU turned to tightening** with a preemptive 0.5 pp key policy rate hike to 15.5% on July 31, and 16% signaled for September. This was a surprise in timing but not in direction: last month, we argued the need for a hike amid the persistent build-up of fundamental price pressures and elevated inflation risks but expected it in October. The hike also offset the initial decline in three-month CD rates under the NBU's new operational framework, averting a de-facto easing, though abundant liquidity may continue to weaken transmission.
- **Credit is growing faster than deposits.** Net loans rose to UAH 1.26 trillion, with hryvnia corporate lending up 4.2% m-o-m (+33% y-o-y) and three sectors supplying almost 84% of the June increment, while deposits added only 0.9% m-o-m and the whole increase came from companies. The one-year government bond trades at 15.1% against 13.6% on a term deposit, or 10.5% after tax, thus we expect the rotation into government paper to continue, with the sharpest funding pressure on the foreign-owned banks.
- **Exchange rate stability is driven by external financing, and the pressure behind it keeps building.** USD/UAH averaged 44.70 with the lowest volatility of 2026, yet the client-market deficit reached USD 3.5 billion and net interventions USD 4.8 billion, among the largest on record; reserves held at USD 51.2 billion, after a dip in previous months, while import coverage fell to 4.2 months from 5.2 as the projected import bill grew. We expect USD/UAH to drift toward 46.0–46.5 by end-2026.
- **Real-sector performance remains highly uneven, with strong growth in defense-linked manufacturing contrasting with export-oriented sector, which are now also hit by port disruptions.** Q2 GDP grew 0.6% y-o-y (SSSU estimate), with June industrial output rising 1.1%. Defense-linked machinery production (+58.2%) against contracting mining, agriculture (-8.4%), and rail freight turnover (-27.7%) highlights the dynamics across sectors, with weaker ones also being more influenced by the ports shock. With ports closed, we expect industrial output growth to hover near zero and even turn negative in Q4 if the situation persists.

- **Wage pressures remain strong, while a booking rule taking effect on September 1 could add further pressures in low-paying sectors.** Average wages rose to USD 733 (real growth 16.5%), and candidate salary expectations (USD 750) moved above wages actually paid for the first time this year; six of nineteen sectors pay below the new three-minimum-wage threshold (UAH 25,941) for critical-enterprise status; thus, we expect faster wage growth at the bottom of the scale this autumn and potentially some de-shadowing effect.
- **Reform commitments grew at a time when the Cabinet had the least capacity to address them amid the change of government.** The first Extended Fund Facility (EFF) review (July 20, USD 0.69 billion) added seven structural benchmarks, the EUR 8.3 billion Ukraine Support Loan (USL) now carries close to 30 conditionalities, and Hungary twice blocked cluster screening. Moreover, the situation with ports required emergency measures, including agricultural package (August 3) and the 30% rail tariff rise to address a shock whose binding constraint is physical, and interceptor scarcity exposes ports and gas at once.

EXTERNAL SECTOR

Ukraine's **goods trade deficit** stood at **USD 5.6 billion** in June and USD 31.5 billion cumulatively over January–June, USD 9.6 billion, or 44%, higher than a year earlier. **Goods exports**, **USD 19.8 billion**, rose 4.6% y-o-y, but the entire gain came from **agriculture** (up **USD 1.3 billion**, +11.3%), which now accounts for 63.1% of the export basket against 59.3% a year ago; every other major category contracted: **machinery** (**-25%**), **mineral products** (**-14%**), **metals** (**-5%**), and **chemicals** (**-4%**), so **non-agricultural exports** were about **USD 0.4 billion** lower than in 2025. **Imports**, **USD 51.3 billion**, rose by USD 10.5 billion (+25.7%) and increased across all categories. **Machinery and equipment** alone contributed **USD 5.9 billion** of that increase (+40%) and now make up 40.3% of the import bill, followed by **mineral products** (up **USD 2.3 billion**, +45.1%). **Services exports** were **USD 8.1 billion** against **imports** of **USD 12.2 billion**, leaving a **services deficit** of **USD 4.1 billion**, while the **primary income** balance was **USD -0.9 billion**.

The **current account** in June showed a **USD 6.3 billion** surplus (first time since December 2024), as **secondary income** reached **USD 12.8 billion**, of which USD 11.8 billion were official transfers to the general government under current international cooperation, reflecting the arrival of EU and World Bank-channeled support. Cumulatively, the **current account deficit** narrowed to **USD 11.8 billion** from USD 16.3 billion a year earlier, but only because **secondary income inflows** rose **2.5 times**. Financing through the financial account thinned accordingly: **non-resident inflows** fell to **USD 10.0 billion** (-48%), with **loans to the public sector** down to **USD 5.4 billion** from USD 15.1 billion, while **Foreign Direct Investment (FDI)** held at **USD 1.1 billion** (+8%). **Resident capital outflows** of **USD 5.8 billion** were close to last year's level, though the June figure reflects the placement of earmarked partner funds in non-reserve foreign assets, not private outflows.

KSE Institute comment

June's current account surplus is an accounting event and will not affect the overall trade deficit. Grants pass through the current account while loans pass through the financial account, so the shift of partner support toward grant-classified instruments mechanically flatters the headline balance while leaving the overall financing position unchanged. Stripping out transfers, the gap is still widening: Q3 2026 Ukraine's Macroeconomic Handbook projects a current account deficit excluding grants of USD 72.2 billion in 2026, against USD 47.9 billion in 2025.

The dominant near-term risk is the loss of the maritime export corridor. After a sharp escalation of strikes on Greater Odesa, with 28 civilian vessels hit between June 20 and July 20, daily port calls fell from roughly fifteen to one or two by end-July, and traffic effectively stopped in August as shipowners suspended calls despite the ports remaining formally open. Grain shipments in the first days of August were down about 80% m-o-m, and market forecasts for the 2026/27 season have been cut to around 30 million tonnes from more than 60 million tonnes. This hits the only export line still growing. Land and Danube routes cannot absorb the tonnage, and the EU outlet is capped: wheat tariff-rate quotas under the revised Deep and Comprehensive Free Trade Area (DCFTA) were already exhausted by June, so rerouted grain must transit instead of being sold into the EU.

Renewed strikes on gas production (thirteen on Naftogaz assets in the week of August 10–17) raise import needs ahead of the heating season, on top of mineral-product imports already up 45% y-o-y. Machinery imports (+40%) are structurally locked in by defense procurement and by USL-financed defense-industrial investment, which by design raises the import bill. The trade gap should therefore widen from both sides through year-end.

Two variables matter most for H2: reform conditionality, where the parcel-tax bill was not submitted before the parliamentary recess and the IMF flagged delayed structural benchmarks at the first review; and the restoration of logistics, which requires air-defense coverage of the ports and a functioning war-risk insurance market. Reopening the corridor would do more for the balance of payments this year than any plausible improvement in terms of trade. Risks remain skewed toward a wider deficit and faster reserve drawdown than the official projections assume.

FISCAL SECTOR

In July, **general fund revenues of the state budget** amounted to **UAH 165.8 billion** (USD 3.7 billion), reaching 61.8% of the planned level. The shortfall was primarily driven by **UAH 89.7 billion** in planned **grant revenues** that were not received, while most major **tax revenues** also fell below their monthly targets, reaching **UAH 154 billion**. **General fund expenditures** totaled **UAH 350 billion** (USD 7.8 billion), equivalent to 92.7% of the revised monthly plan. During the month, the expenditure plan was reduced by UAH 36.7 billion, with part of the planned resources shifted to subsequent months. The **general fund deficit** was estimated at **UAH 185 billion** (USD 4.1 billion), compared with a planned UAH 109 billion. State budget financing was secured through **domestic** (**UAH 69 billion** or USD 1.5 billion) and **external** (**UAH 52.8 billion** or USD 1.2 billion) borrowing. Key external sources included **the IMF's second EFF tranche** (**UAH 30.6 billion** or USD 690 million) and a **World Bank loan** (**UAH 22.2 billion** or USD 0.5 billion). Total **borrowing** in July amounted to **UAH 121.7 billion** (USD 2.7 billion), or 2.3 times the monthly plan.

KSE Institute comment

July marked a significant deterioration in the state budget's short-term fiscal balance, primarily due to the failure to receive planned grant revenues. At the same time, the underperformance of most major taxes points to growing pressure on the domestic revenue base. Personal income tax (PIT) revenues were also affected by the transfer of the military levy to the special fund from July, while lower import volumes and high VAT refunds weighed on VAT revenues. Corporate income tax was the main exception, exceeding its monthly target, although part of the strong July result may reflect the timing of tax payments. The trend may worsen amid Russian attacks on critical infrastructure, ports, and logistics.

On the expenditure side, the downward revision of the July plan was unusual compared with previous months, when the expenditure envelope had generally been increased. The adjustment largely reflected a redistribution of resources between months instead of a reduction in planned annual spending. In particular, resources were shifted toward August–September and December. The reduction may also have been influenced by procedural constraints related to the change in government and the need to update budget documentation. At the same time, continued high defense and security needs leave limited room for reducing overall expenditure pressures.

The financing position remained dependent on both external and domestic borrowing. The July IMF tranche and World Bank financing provided important external resources amid the shortfall in budget revenues, while domestic borrowing helped cover the remaining financing gap. Continued use of debt exchanges also helps smooth the government's refinancing needs by shifting part of repayments toward later periods. However, the relatively high financing requirement against weaker domestic revenues highlights the importance of maintaining a predictable flow of international support.

Fiscal risks remain elevated in the second half of the year. Further attacks on transport, logistics, energy, and production infrastructure could narrow the tax base and weaken revenues from corporate income tax, PIT, VAT, excise and resource payments. At the same time, the potential expansion of government support programs for businesses affected by war-related disruptions could add to expenditure pressures. Maintaining stable external financing, strengthening the resilience of domestic revenues, and carefully managing the timing of expenditures will therefore remain critical for fiscal stability through the remainder of 2026.

INFLATION

Headline inflation resumed its acceleration in July, rising to **7.7% y-o-y** from 7.2% in June, increasing by **0.3% m-o-m** after declining by 0.1% in the previous month. **Core inflation** remained unchanged at **8.1% y-o-y,** suggesting that the increase in the headline figure was not driven by a broad-based strengthening of underlying pressure. **Food and non-alcoholic beverage prices** declined by **0.2% m-o-m,** with **eggs** **(-6.0%)** and **vegetables** **(-5.9%)** recording the largest decreases. Despite the monthly decline, annual food and non-alcoholic beverage inflation increased to 6.5% from 5.6% in June, partly reflecting a shift in harvest seasonality: the arrival of the new crop was concentrated earlier this year than in 2025, making the July comparison less favorable. Similarly, annual **raw-food inflation** turned positive at **2.2%**, with the vegetables prices increasing 7.8% y-o-y, even as they fell m-o-m, which supports the logic behind the shift in seasonality. **Meat and meat products** declined by **0.6% m-o-m** (+2.4% y-o-y), while **milk prices** rose by **0.7% m-o-m** (+8.0% y-o-y). **Processed-food inflation** eased to **10.0% y-o-y**, while **services inflation** remained elevated at **13.7%**. **Non-food inflation** edged up to **0.8% y-o-y**, partly reflecting the lagged pass-through from earlier hryvnia depreciation. The strongest new impulse came from **administered prices**, which accelerated to **11.8% y-o-y,** as July tariff revisions pushed **water-supply** and **wastewater prices** up **31.9%** and **29.8% m-o-m,** respectively, while public transport fares also increased in several cities. **Tobacco** and **alcoholic beverage** prices rose by **1.8%** and **1.1%** m-o-m in July respectively, while annual price growth remained elevated at 23.6% for tobacco and 6.5% for alcoholic beverages. Meanwhile, **fuel inflation** continued to slow, to **28.0% y-o-y** from 33.4% in June, although gasoline and diesel prices began rising again toward the end of July as global oil prices rebounded.

KSE Institute comment

The July rebound confirms that the disinflation of recent months was temporary. As anticipated in the previous Ukraine Monthly Economic Update, the unusually strong contribution from cheaper seasonal food is beginning to weaken while administered prices are becoming a more visible source of inflation. At the same time, the composition of July inflation shows that core inflation did not accelerate, processed-food inflation moderated and annual fuel inflation continued to decline. The rise in raw-food inflation should also be interpreted cautiously, as it partly reflects the unusually early arrival of this year's harvest instead of an outright deterioration in food supply. The more persistent concern remains services, where inflation is still at 13.7%, indicating that domestic labor, logistics, housing and other operating costs are proving considerably stickier than volatile food prices

We expect headline inflation to move back toward 11% by the end of the year, with the dominant driver shifting from the direct fuel shock toward its second-round effects, domestic costs, administered prices and devaluation pressure. Producer-price dynamics supports this view: industrial producer prices declined by 4.1% m-o-m in June, but remained 39.1% above their level a year earlier, down from 45.2% in May but still pointing to substantial upstream cost pressure that can continue to pass through into consumer prices with a lag. The NBU's latest forecast is broadly consistent with this trajectory, putting headline and core inflation at 10.0% and 9.2%, respectively, at end-2026. Its decision in late July to raise the KPR from 15% to 15.5% also signals that the central bank increasingly views underlying price pressures as persistent rather than purely transitory (see Monetary Policy). Administered-price adjustments will add directly to the inflation path, but their importance extends beyond their mechanical CPI contribution: repeated and highly visible tariff increases may also reinforce already-elevated inflation expectations and make second-round effects more persistent. Firms' inflation expectations deteriorated in Q2, with firms expecting 11.6% inflation over the following 12 months, up from 11.1% in the previous survey, while the July MPC discussion noted that expectations remained elevated for most respondent groups despite divergent recent dynamics. However, twelve-month-ahead household expectations fell to 10.0% from 12.7%, and banks' expectations to 8.7%. The steadiness of the professional groups indicates that confidence in the framework itself is intact, but the household series has swung 4.4 pp in six months, which is hard to read as anchored. Households respond sharply to exchange rate movements and to the prices of everyday goods and services, such as fuel, transport fares, and utility tariffs. A sustained breach of the 10% attention threshold amid rising inflation pressure would amplify the pass-through of any subsequent shock disproportionately.

The balance of risks remains tilted upward, as disruptions to Ukraine's port infrastructure work mainly through pro-inflationary channels: higher logistics costs and weaker export receipts, which can amplify cost and FX-market pressures. Together with renewed energy or infrastructure shocks, stronger-than-expected fiscal stimulus, further administered-price adjustments, or renewed hryvnia pressure, these factors could push inflation above the baseline path. One possible disinflationary channel from the port blockade, however, is that difficulties exporting agricultural products could leave more supply on the domestic market and thereby restrain food-price growth. This channel will likely stay limited, given the composition of goods and the depth of the domestic market; it may, however, become a push for reinvestment into quick processing solutions that raise the margin on the product. Alongside a strong harvest and sustained normalization of global fuel prices, it would at most keep the increase more contained. Infrastructure shocks can propagate simultaneously through supply, logistics, external balances, production costs and expectations (see Ukraine's Risk Matrix for more details).

MONETARY POLICY AND MONEY MARKET

Six months after cutting the **key policy rate (KPR)** to **15%** in January, the NBU reversed course: at its July meeting, it raised the rate by 0.5 pp to **15.5%**. The Board pointed to a sustained strengthening of fundamental price pressures and to an expected pickup in headline inflation toward year-end. The hike, the NBU stressed, serves to preserve the **appeal of hryvnia assets**, the **sustainability of the FX market**, and control over **inflation expectations**, so that inflation can return to a path toward the **5%** target in 2027. The July forecast round lifted the projected **KPR** trajectory: the baseline now features a further increase to **16%** in September 2026, a hold until easing starts in Q2 2027 (with an initial 1 pp step in April), and the rate closing 2027 at **14%**, against **13%** in the April trajectory.

The Summary of the Monetary Policy Committee (MPC) discussion laid bare a decisive shift in balance: nine of eleven members backed the hike to **15.5%** and only two favored a hold — only six weeks after just three of eleven had voted to tighten. Several participants warned that an inert policy stance could let inflation not merely revisit double digits but settle there. On the path ahead, a clear majority expects the NBU will have to continue raising the KPR this year, while a few members see the risk balance potentially shifting down, which would make further tightening unnecessary.

In parallel, the NBU launched the first stage of an overhaul of its **interest-rate operational framework**: from August 7, **three-month certificates of deposit (CDs)** are allotted through fortnightly rate tenders with a preannounced volume — replacing the full satisfaction of banks' bids within individual limits — at a rate capped at "KPR + 3.5 pp", with the stated aims of activating the money market, developing market-based interest-rate benchmarks, and ultimately sharpening monetary transmission.

July brought the first monthly contraction of the hryvnia liquidity surplus since March. **Total liquidity (correspondent accounts (CAs) plus NBU CDs)** averaged **UAH 928 billion** (-2% m-o-m, still +24% y-o-y). Average **CAs** eased to **~UAH 287 billion** (-1% m-o-m, +14% y-o-y) and **CDs** to **~UAH 641 billion** (-2% m-o-m, +28% y-o-y), with the drop concentrated in **overnight CDs** (-UAH 18 billion to **~UAH 443 billion**). **Three-month CDs**, by contrast, added ~UAH 3 billion to **~UAH 198 billion** — nearly double a year earlier — nudging their **share of total CDs** up to **~31%**. The **effective (weighted-average) policy rate** stayed near **16%**, or **8.4%** ex post and **4.5–8.2%** ex ante in real terms across respondent groups — a visibly narrower ex-ante span than a month earlier as household inflation expectations improved. Flows told much the same story as in June, only quieter: **State Treasury Service (STS) operations** supplied +UAH 202 billion, but massive **NBU FX sales** sterilized even more (~UAH 213 billion or USD 4.79 billion — the third-largest monthly volume in the series, after June 2026 and December 2024), so the FX channel out-drained the fiscal impulse for a second month running. Cash operations withdrew another ~UAH 7 billion, while demand for **refinancing loans** stayed marginal at **~UAH 28 billion** (-10% y-o-y).

KSE Institute comment

A preemptive hike is a surprise in timing, not in direction. We broadly share the case for a monetary response to the persistent build-up of fundamental price pressures amid elevated inflation risks: sticky underlying costs, consequences of massive shelling of businesses, energy, and logistics, and the possibility that renewed Middle East tensions reignite fuel prices — all against expectations that remain elevated and volatile. We revised our end-2026 CPI forecast upward earlier and further than the NBU — to 11% y-o-y against the regulator's updated 10% — and accordingly saw the need for a hike as a matter of time. Judging by the NBU's past, expressively data-driven reaction function, we expected the flexibility of the current regime to be used in full, with a signaling, reassuring hike closer to October — when fading seasonal food effects, re-accelerating inflation, and likely higher FX volatility would start to weigh on expectations and the appeal of hryvnia assets. Last month we argued the hawks' case would firm up toward Q4; it consolidated more rapidly — a full quarter earlier — and the vote swing from three to nine of eleven in just six weeks shows how surprisingly quickly the Committee's center of gravity can shift under a changing risk environment.

Offsetting the effects of the operational framework overhaul was likely a further argument for tightening already in July. A drift lower in the three-month CD rate under the new rationed tenders was predictable — and with it a decline in the effective rate on the NBU's sterilization operations, which ultimately feeds into banks' deposit and lending rates. The first tender, on August 7, bore this out: the NBU rejected five of the 74 bids submitted, worth just over UAH 7.1 billion, creating a supply deficit of ~19%, even though the allotted volume (UAH 30 billion) slightly exceeded this year's average of UAH 29.3 billion. The weighted-average placement rate settled at 18.71%, roughly 0.3 pp below the ceiling. The 0.5 pp KPR hike compensated for that slippage: on our estimates, the effective policy rate rose ~0.4 pp on net, averting a de facto easing of interest-rate policy amid inflation pickup.

For monetary transmission, the effects of the operational framework modernization could be contradictory in the short term. Room remains for the three-month CD rate to drift lower at subsequent tenders if the supply deficit is maintained or widened. Reducing the volume of three-month CD placements does not automatically generate market demand for liquidity, a precondition for reviving the interbank market at this juncture. Quite the opposite: it partially removes the NBU as an absorber of banks' liquidity, adding to an already abundant supply. That could dilute the transmission of KPR hikes in the short run or, in the worst case, reverse it: lower, less predictable returns and placement volumes of three-month could soften banks' incentives to compete for expensive term hryvnia deposits. Moreover, the Ministry of Finance shows no clear sign of interest in stepping up domestic borrowing. So, with yields on the OVDP alternative standing mostly still, banks face less competitive pressure to reprice term deposits upward — one more reason this KPR hike may transmit less forcefully than usual. Meanwhile, sustained FX sales coupled with active lending are already doing part of the work of tighter policy: where credit funds imports (energy equipment, defense components, or energy resources), the hryvnia migrates to the FX market and is ultimately absorbed by interventions, as recent data show. And where banks expand lending, borrowers spend the proceeds in other institutions, so the distribution of liquidity can tighten even where the system-wide surplus does not. Further withdrawing hryvnia from the system could prompt banks to start trading the excess liquidity (which will be rationed at tenders) in the interbank market or seek other market alternatives for its parking. If it does, monetary transmission will strengthen over time.

The NBU's new rate path sits above our baseline, and the September decision looks to be hawkish. Our July forecast envisaged a single 0.5 pp hike in October 2026, cuts starting in March 2027, a policy rate of 13% by end-2027, and around 11% through the 2028–29 recovery. The NBU's updated trajectory — 16% from September 2026, easing only from April 2027 to 14% by end-2027 — is both earlier on the way up and slower on the way down. With nine of eleven MPC members behind the July move and a majority signaling more tightening this year, another 0.5 pp step in September is highly likely, tilting the risks to our 2027 KPR profile to the upside.

BANKING SECTOR

Capital and liquidity ratios stayed comfortably above regulatory minimums in July, with **regulatory capital adequacy** easing to **17.2%** from 17.6% and the median **net stable funding ratio (NSFR)** firming to **193%**, while profitability held up (**ROE** at **22.5%** and **ROA** at **2.7%** in June). **Lending** extended its run: **net corporate loans** rose to **UAH 896 billion** (+3.3% m-o-m) and **net retail loans** to **UAH 359 billion** (+3.4% m-o-m), lifting **total net loans** to **UAH 1.26 trillion**. Hryvnia lending again did the heavy lifting, with **net hryvnia corporate loans** adding UAH 25.4 billion (+4.2% m-o-m) to **UAH 627 billion** (+33% y-o-y). The **5-7-9% program** portfolio reached **UAH 199 billion** (+4.8% m-o-m, +35% y-o-y). Sectoral data for June (latest available) show **trade** contributing **~33%** (UAH 8.0 billion) of fresh loans to non-financial corporations, **agriculture** **~26%** (UAH 6.3 billion), and **manufacturing** **~24%** (UAH 5.8 billion), though trade remains 27% below its year-earlier level while agriculture and manufacturing are up 30% and 21%, respectively. Loan quality improved in June: the aggregate **non-performing loan (NPL) ratio** fell back to **12.5%** from 12.8%, declining across all bank groups, including state-owned banks (**18.0%**). **New hryvnia loan rates** to businesses rose to **15.9%** from 15.0%, while consumer rates held at **36.6%**. **Deposit** growth slowed to 0.9% m-o-m (**UAH 3.31 trillion**, +16% y-o-y), running at half the pace of credit in annual terms but still adding more in absolute volume (UAH 464 billion against UAH 307 billion over the past twelve months). Deposit growth came entirely from companies: **corporate hryvnia deposits** jumped UAH 32.7 billion (+2.6% m-o-m) to **UAH 1.30 trillion** (+22% y-o-y), whereas **retail hryvnia deposits** slipped UAH 1.9 billion to **UAH 1.02 trillion** (+19% y-o-y) after June's record. The maturity mix is not improving: the **share of term deposits** in retail hryvnia deposits eased to **33.9%** in June from 34.4%. **Private banks** ran ahead (+27% y-o-y), yet **state-owned banks** still hold **56%** of retail term money. **Deposit dollarization** fell to **24.9%** for corporates but edged up marginally to **32.9%** for households. **Household OVDP portfolios** averaged **UAH 155 billion** (+60% y-o-y, with hryvnia paper up 84%), and households rebuilt hryvnia holdings (+UAH 8.3 billion, eop). Primary-market pricing barely moved: the **weighted average yield on hryvnia OVDPs**, excluding reserve-eligible benchmark issues, edged up to **15.7%** from 15.6%, and only because the Ministry of Finance sold a four-year bond at the end of July. At comparable maturities, yields eased in July: the two-year point slipped to **15.6%** from 15.8% and the three-year to **16.0%** from 16.1%, while the one-year held at **15.1%**. Part of issuance stays outside that market: **benchmark bonds**, which banks may count toward part of their required reserves, were sold at **12.8%** in June and **12.7%** in July, roughly 3.7 pp below comparable market paper of the same three-and-a-half-year maturity, at UAH 5 billion a month in both months.

KSE Institute comment.

The credit expansion is concentrated and more subsidy-driven than the headline growth implies. Three sectors (trade, agriculture, and manufacturing) hold about 79% of the hryvnia corporate book and supplied almost 84% of the June increment. The subsidized channel is also doing more work than its stock share suggests: the 5-7-9% program accounted for roughly a third of the monthly increase in gross hryvnia corporate loans in both June and July, above its ~30% share of the book. The August extension of the program to working-capital loans for farmers, with an envelope of up to UAH 80 billion, will push the subsidized share and the agricultural concentration higher in H2 2026.

Three weeks after the hike: transmission has modestly reached the bond market but not deposits. The key policy rate hike took effect only on July 31, so it cannot have shaped July averages, and the 0.9 pp jump in new corporate loan rates that month looks compositional, not policy-driven. What has happened since is a modest repricing of government paper and nothing at all on deposits. On constant-maturity curves the one-year point added 3 bp between July and August and the eighteen-month point 18 bp, reversing a steady July drift lower. The same securities compared across auctions tell the same story, with the July-2027 bond moving from 15.13% on July 28 to 15.19% on August 18 and the April-2028 paper from 15.46% to 15.65%, and the Ministry of Finance lifting its cutoff caps by a similar margin. Retail deposit pricing has not moved at all: the Ukrainian Index of Retail Deposit Rates[1] has been broadly unchanged since July 10 at 13.49% for three months and 14.00% for twelve, while daily bank reporting[2] puts new hryvnia household term rates at 13.4% on average in the first half of August against 13.6% in July.

Government paper is becoming a more attractive savings instrument, and banks can at best slow the rotation into it. A one-year government bond yielded 15.1% in July against 13.6% on a new retail term deposit, which leaves 10.5% once the 23% tax is paid. No plausible deposit repricing closes a gap of that size; only banks competing for longer liquidity have a reason to narrow it at all. Should the Ministry of Finance step up domestic borrowing, yields would rise further, widen the gap, and force at least some banks to adjust their rates. So far, however, the opposite is visible: placements averaged UAH 3.8 billion per auction in August against UAH 7.4 billion in July.

For the banks actually doing the lending, funding could tighten faster than the aggregate figures suggest. Two mechanisms are at work alongside the policy rate. Part of the new corporate credit funds purchases abroad, so a share of every hryvnia lent leaves the domestic circuit via the FX market and is retired once the NBU meets that demand. In addition, the expansion is led by the group least able to fund it with household money. Foreign-owned banks grew hryvnia corporate loans the fastest in June, by 5.2% m-o-m, and now hold 30% of that book, yet command only 11% of retail hryvnia term deposits, compared with 56% at state-owned banks. Moreover, loan proceeds settle locally, wherever the borrower's counterparties maintain their accounts, so a lender's own funding position can tighten even as the sector-wide surplus remains unchanged. It is this group, not the system as a whole, that has the strongest incentive to bid up term deposit rates.

EXCHANGE RATE

In July, the official **USD/UAH** rate averaged **44.70**, essentially unchanged m-o-m (-0.1%), while **EUR/UAH** eased to **51.03** (-1.0%) as the euro corrected globally. The volatility within the month was the lowest in 2026: the official

[1] NBU: Ukrainian Index of Retail Deposit Rates (source: Thomson Reuters)
[2] NBU: Cost of time deposits based on the statistical reporting of Ukrainian banks

exchange rate (ER) against USD moved within a band of **44.48–44.93**. The path was two-sided, with the amplitude of each move narrowing.

Amid ER stabilization, market participants turned calmer even as the structural imbalance persisted. **Household net FX demand** eased to an average of **USD 19.4 million** per day (-11% m-o-m), even with the ~USD 33 million recorded in the early days of July, with the moderation concentrated in the cash segment (USD 21.7 million per day, -6%); in the non-cash segment, households remained net sellers of USD 2.3 million per day. Despite the June spike, demand remained below both its 2025 and H1 2026 averages (USD 447 million vs USD 588 million and USD 574 million per month, respectively), while **the cash-official ER spread** narrowed to **0.46%**. This came amid an improvement in **households' one-year-ahead USD/UAH expectations** to **46.4** from 47.1 in June, with households seemingly lulled by calm ER dynamics. By contrast, professional respondents — analysts and banks — marked their forecasts up (to **47.1** from 46.2 in June and to **46.5** from 45.7 in the April round, respectively), pricing in an upward shift in the balance of risks. Client operations of banks also told a more sober story: average daily FX purchases eased to USD 383 million (-4% m-o-m, but +24% y-o-y) while sales rose to USD 231 million (+2% m-o-m, +11% y-o-y), narrowing the **daily average gap** to **USD 152 million** from USD 172 million in June. Moreover, in monthly terms, the **client-market deficit** still reached **USD 3.5 billion** — the second-largest of 2026 after June's USD 3.8 billion and nearly double its 2025 monthly average — as government spending alone injected roughly USD 4.5 billion-equivalent of hryvnia liquidity (UAH 202 billion, -7% m-o-m, but +140% y-o-y).

This comes amid the NBU signaling a widening of structural FX demand — driven by the localization of weapons production, substantially financed via external assistance — that will require stepped-up interventions to meet the economy's needs while preserving FX market sustainability. **Net FX interventions** in June and July totaled **USD 5.1 billion** and **USD 4.8 billion**, respectively — among the largest monthly volumes historically, with June exceeded only by the December 2024 seasonal peak. The **NBU's share of interbank turnover** averaged **57%**, down from 59% in June but far above July 2025's 48%. Turnover between banks without the NBU was flat at about USD 0.8 billion per week in both months, so the added market depth came from the regulator rather than from banks. While **international reserves** remained flat at **USD 51.2 billion** as of 1 August (-0.1%), **import coverage** nonetheless fell to **4.2 months** from 5.2, reflecting a higher projected import bill. So, the market calm was paid for by the foreign partners through the NBU accounts and reserves.

On August 10, the NBU approved a large package of FX liberalization measures. The NBU stated that, based on its own estimates, the easing poses no risk to FX market sustainability and is already embedded in its forecast of international reserves rising to nearly USD 70 billion by end-2026. The package focused on households: the monthly limit on purchases of non-cash FX, bank metals and foreign securities was raised fourfold (to about USD 4,500), the daily limit on cash withdrawals from FX accounts at home and abroad was doubled to the same amount, as was the monthly limit on payments abroad from hryvnia accounts, extended to rent payments and made available via account-to-account transfers instead of cards alone; a separate UAH 200,000 monthly limit was set for transfers from FX accounts to recipients abroad. There were also changes for businesses and the financial sector, including to banks' open FX position limits.

KSE Institute comment.

Somewhat greater resistance to further depreciation is likely, but we continue to expect the NBU to tolerate moderate ER adjustments. An improved reserve outlook and the NBU's firmer concerns about the persistence of underlying price pressures argue for a firmer stance than the regulator displayed in the first half of 2026 — a shift that could also sit naturally with its own guidance on stepped-up interventions to absorb underlying pressure, which is intrinsic to the current war-financing model. Defending a particular level is a different matter. Currently, USD/UAH is increasingly pressing against resistance near 45 from below, with the amplitude of each rebound shrinking. However, each approach to 45 is drawing out sellers, not a defensive response from the NBU: the intervention record shows close tracking of the ER, with no excessive peaks near

45 in recent weeks. This is consistent with smoothing, not defending a certain level; thus, there is room for some further depreciation under genuine market pressure.

The liberalization package is a bet on the financing schedule, taken with the intervention bill already at a structurally elevated level. The NBU's stated preconditions, generally described in its Strategy, rest on indicators whose risks are skewed upward: underlying inflation pressures are intensifying and becoming more persistent (in the NBU's own reading), and headline inflation is expected to accelerate further toward the attention threshold, threatening real returns and the attractiveness of hryvnia assets. Risks to FX market sustainability are also rising. On the receipts side, the EU's new steel safeguard cut Ukraine's duty-free quota to well below actual 2025 supplies, while strikes on ports and logistics infrastructure threaten agricultural and metals exports going forward. On the payments side, a higher energy import bill and a firmer US dollar would likely widen the gap further. Easing FX restrictions adds to the intervention bill, while the buffer that justifies it is a projection: reserves near USD 70 billion rest on external financing conditional on reform benchmarks, a material share of which has repeatedly slipped. Easing is also asymmetric, since re-tightening would cost more credibility than never having eased. We read the package as the NBU converting part of its reserve buffer into normalization capital amid a moderate expected effect — a defensible trade while inflows arrive on schedule, an expensive one if they do not.

The stepped-up interventions and the USL defense component will change how the FX market should be read. As imports of components for localized weapons production widen structural demand, larger FX interventions are becoming a new reality and will increasingly reflect the intermediation of external financing, not market stress. At the same time, international reserve dynamics will also become a weaker standalone signal of pressure — particularly since earmarked tranches sit outside reserves until converted. Diagnosing market conditions will therefore require a broader set of indicators, particularly the client-market gap compared with budget-driven demand, the NBU's share of interbank turnover, and the cash-official spread.

Amid seasonal relief, the hryvnia could remain range-bound in the near term, but with risks tilted upward, further weakening is likely. Largely in line with our expectations, in July and the first ten days of August, the ER remained within the crawl-like corridor in place since late 2025, tracing a sideways path in its stronger half, closer to the lower bound. **USD/UAH** would probably fluctuate around 45 over the coming months. However, the balance of risks remains tilted toward depreciation. These factors would test the boundaries of ER flexibility: we expect a gradual drift toward UAH 46.0–46.5 per USD by the end of 2026, given the seasonal December spike — a path that assumes external financing continues to arrive broadly on schedule.

LABOR MARKET

In June 2026, the **average nominal wage** grew to **USD 733** (UAH 32,783) from **USD 702** (UAH 30,961) in May and **USD 632** a year ago, according to the State Statistics Service of Ukraine (SSSU), with the **Work.ua estimate** at USD **671** (UAH 30,000). **Real wages** accelerated to **16.5%**.

By mid-August, Work.ua data showed that **candidate salary expectations** increased to **USD 750** (UAH 33,510) from **USD 728** in mid-July, moving above the average wage actually paid in June for the first time this year, while volumes barely moved: **weekly active candidate CVs** reached **136,351** by mid-August against **136,264** a month earlier, the **number of vacancies** grew to **69,530** from **69,182**, and the **ratio of active CVs** to vacancies held at **1.96**.

In the June round of the monthly enterprise survey run by the Institute for Economic Research and Policy Consulting (IER), **the index of difficulty in finding qualified workers** fell sharply to **0.47** in June from **0.62** in May and **the index for unqualified workers** to **0.27** from **0.36**. The share of firms reporting that qualified staff had become harder to find fell from 60.6% to 46.3% and for unqualified staff from 38.4% to 30.4%. In the same round, 71% of firms named the shortage of labor caused by mobilization or the departure of employees as the sharpest war-related obstacle to business, the highest reading recorded in the survey, ahead of raw material prices (50%) and workplace safety (41%).

KSE Institute comment

A new pay rule takes effect on 1 September, and much of the economy sits on the wrong side of it. To shield an employee from mobilization — a procedure known as booking — a company must hold "critical enterprise" status. That status expires on 1 September and has to be earned again, and the government has raised the price of it: a company must now pay an average wage of at least three minimum wages, or UAH 25,941, against UAH 21,618 before. Five of the nineteen main sectors paid less than that in June — health care, water and waste utilities, hotels and restaurants, arts, and administrative services — and construction cleared the line by 1%. Education also sits below the threshold on paper, but is effectively exempt: the wage test does not apply to state and communal institutions, and teachers hold a deferment granted through school registers instead of enterprise booking — and its pay rises 20% on September 1 regardless, after 30% in January. Firms below the line now choose between raising pay to a level their revenue may not support and losing the right to keep their staff out of mobilization. We therefore expect more wage growth at the bottom of the scale this autumn.

The sectoral divide continues to widen, but its momentum is waning. In June 2026 average wages in information and telecommunications reached USD 1,743 (UAH 77,931), 4.6 times the level in libraries, archives, museums, and other cultural institutions, at USD 379 (UAH 16,952), and 4.4 times that in creative, arts and entertainment activities, at USD 396 (UAH 17,684); human health and social work remained the lowest-paid section of the economy at USD 498 (UAH 22,274). Education is the one genuine counter-case: its wages grew 34.5% y-o-y in June, against 19.4% in information and telecommunications, 17.9% in health and social work and 15.4% in cultural institutions. The last one is the constituency the 2027 reform targets: from January 2027, base salary rates under the Unified Tariff Scale rise by 70% for employees of state and municipal cultural institutions, the Ukrainian Cultural Foundation, and the Ukrainian Book Institute, and by 40% for categories set using uplift coefficients of up to 1.3 inclusive, which covers much of the sector's wage floor.

INDUSTRIAL OUTPUT

In June, **industrial production** increased by **1.1% y-o-y**, a modest acceleration from May's near-stagnation (+0.3%) but still indicative of a fragile and uneven recovery in industrial activity. The **mining industry** expanded by a modest **1.3%**, supported primarily by **natural gas extraction** (**+6.3%**) and related ancillary services, as producers continued to replenish gas storage ahead of the 2026–27 heating season. At the same time, other extractive activities remained weak, with **coal mining** contracting by **19.5%**, **metal ore extraction** by **3.2%**, and **other mining and quarrying** by **20.7%**, reflecting subdued demand from metallurgy and construction, weak export demand for raw materials, and high energy and logistics costs. The **electricity, gas, steam, and water supply sector** contracted by **10.1%**, remaining constrained by accumulated war-related damage to energy infrastructure, maintenance of generating capacity, and limited availability of domestic generation.

Manufacturing output increased by **3.3% y-o-y**, but growth remained concentrated in a limited number of sectors. The strongest increases came from **metallurgy** (**+15.1%**), **machinery and equipment** (**+58.2%**), and **other non-metallic mineral products** (**+8.6%**). The strong performance of machinery and metal products was likely supported by continued defense procurement and demand for equipment and components used in defense production. The increase in non-metallic mineral products remained consistent with demand for fortification works, defense infrastructure, and reconstruction-related projects. Meanwhile, metallurgy showed signs of improvement compared with previous months, although the sector continued to operate under high energy and logistics costs and difficult export conditions. These gains, however, were partly offset by steep contractions in several civilian-oriented segments. The **manufacturing of electrical equipment** declined sharply by **29%**, likely reflecting weaker civilian investment demand and continued uncertainty around industrial activity, alongside high energy costs and disruptions affecting production planning and supply chains. Further declines came in the **manufacturing of basic pharmaceutical products and pharmaceutical preparations** (**-8.7%**) and **beverages** (**-5%**), pointing to continued weakness in selected consumer-oriented industries.

KSE Institute comment

The SSSU published preliminary estimates of Ukraine's GDP, which grew by 0.6% y-o-y in Q2 2026. We view this result as a partial recovery from the weak first quarter, supported by more stable energy supplies, resilient consumer spending, government expenditure, and continued growth in defense-related production. The recovery remained constrained by war-related disruptions to logistics and energy infrastructure, weak investment activity, and continued weakness in construction and transport, while agricultural output also declined sharply in June. <u>Our expectations were higher, with a more significant anticipated effect from defense-related manufacturing and a better risk environment, which deteriorated only recently.</u> Overall, the data point to a fragile recovery, with growth increasingly concentrated in domestic demand and selected defense-related industries, while the current infrastructure destruction may pin growth down further.

June is the last pre-blockade period, and its composition continues to show that the industrial sector is running on two tracks, with markedly negative trends for the weaker one. The entire acceleration sits in defense-linked manufacturing: machinery (+58.2%), metallurgy and fabricated metals (+15.1%), and non-metallic minerals (+8.6%) are driven by procurement and fortification demand that is financed, contracted, and largely insensitive to logistics. The export-oriented track was contracting before the ports closed: metal ore extraction (−3.2%), coal (−19.5%), and other mining (−20.7%) are consistent with the rail data, where freight turnover fell 27.7% on weaker bulk shipments. Company reporting confirms the squeeze predates the blockade: Zaporizhstal cut steel output 7.7% in H1, with producers citing the combination of the Carbon Border Adjustment Mechanism (CBAM), the tightened EU steel safeguard quota, and rising logistics costs even while the sea route still worked.

We expect the July–August dynamics to worsen significantly amid Russian attacks on logistics infrastructure that ultimately block exports. The suspension of Greater Odesa calls from July 23 removes the marginal buyer for iron ore and steel: on our estimates, roughly 30% of unexported ore and about 70% of unexported steel convert into output cuts within months, since inventories and domestic demand absorb only part of the flow, and each month of full blockade removes about USD 60–65 million of mining and metals value added. Machinery and defense-adjacent segments should hold their double-digit growth, so headline industrial output will likely hover near zero before turning negative in Q4 as the base effects of last winter fade. Gas extraction (+6.3%), the main support of the extractive index, is the swing variable: renewed strikes on production assets in August put at risk the one segment that was still adding, and would convert an output gain into import demand at the same time.

The risk balance is asymmetric and runs through logistics. Reopening the deep-sea route, if any actions improve vessel security (defense guarantees, a stronger Ukrainian Forces presence in the Black Sea, support from Ukraine's partners), would restore mining volumes within weeks, because capacity is idle; a strike campaign that reaches the Danube or accelerates locomotive attrition would instead push the sector toward the shutdown scenarios, where losses migrate from monthly output into productive capacity. Producer prices (+39.1%) add a second channel: costs accumulated upstream continue to pass through to the domestic-facing industries that are currently the only source of growth.

OTHER OUTPUT

Agricultural production declined by **8.4% y-o-y** in June, marking a sharp reversal from the broadly positive dynamics recorded in previous months. The decline was primarily driven by crop production, as harvesting activity remained limited at the beginning of the 2026 campaign, while uneven weather conditions further weighed on crop development and yields.

Transport activity remained uneven in June 2026. **Freight volumes** increased by only **0.7% y-o-y**, supported by continued strong growth in road transport (+33%), while **freight turnover** declined by **16.4%**, largely reflecting a sharp contraction in rail activity, with **rail freight volumes** falling by **17.8%** and **turnover** by **27.7%**. The decline in rail freight remained linked to weaker shipments of bulk raw materials amid continued weakness in domestic mining output, as well as subdued construction-related bulk demand.

Passenger transport showed a somewhat more moderate contraction in June. **Passenger numbers** declined by **1% y-o-y** and **passenger turnover** by **4.3%**. Rail passenger transport remained the weakest segment, with **rail passenger numbers** falling by **17.2%** and **turnover** by **8.1%**, reflecting continued security risks, attacks on railway infrastructure and disruptions to rail services. Road passenger transport was more resilient, with **road passenger numbers** increasing by **0.8%**, although **turnover** still declined by **2.1%**, suggesting that road transport continued to partially offset the weakness of rail amid its greater flexibility to adapt routes and schedules to changing security conditions.

Construction activity declined sharply in June (**-13.9% y-o-y**), driven by a **24.1%** contraction in **engineering structures**, while **building construction** returned to modest growth (**+1.4%**). Within building construction, **residential construction** remained broadly stable (**+0.2%**), while **non-residential construction** increased by **1.9%**, suggesting that the weakness was concentrated primarily in infrastructure, not in buildings. The continued contraction in engineering structures likely reflected delays in the implementation and financing of large public investment and reconstruction projects.

Retail trade remained resilient in June, with **turnover** increasing by **8.4% y-o-y**, despite a moderation in growth compared with the rates recorded in previous months. The continued expansion was supported by relatively stable household incomes and the ongoing adaptation of consumers and businesses to wartime conditions.

KSE Institute comment

Agricultural production turned sharply negative in June. Output fell by 8.4% y-o-y, marking a significant deterioration from broadly stable or positive growth in previous months. The decline was primarily associated with crop production as the 2026 harvesting campaign had only just started by the end of June, limiting the volume of crops recorded as harvested during the month. The comparison was also affected by the timing of the harvesting campaign in 2025, making the monthly year-on-year figure particularly sensitive to seasonal differences. At the same time, uneven weather conditions, including rainfall deficits and heat stress in some regions, created additional pressure on crop development and yields. Importantly, the sharp June decline does not necessarily imply a comparable deterioration in the full-year harvest outlook, as yields on the areas already harvested were relatively strong and the bulk of the 2026 harvest was still to come.

With Greater Odesa closed, the constraint on agricultural output is no longer what can be grown but what can be moved or stored: grain exports over August 1–12 ran at about 590 thousand tonnes, roughly 30% of the seasonal need, and the storage shortfall may reach 11 million tonnes after the harvest (see Focus areas). On our estimates, alternative routes carry about 21 million tonnes of agricultural exports against a 30 million tonne requirement, so several million tonnes settle into storage as unsold stock through November, pressing domestic prices down and farm working capital with them; the output index will register this only later, through reduced input purchases for the 2027 sowing campaign. Rail turnover should deteriorate further as attrition of the locomotive fleet compounds the loss of port-bound flows, while road cannot scale materially without border and permit relief.

The risk balance mirrors the industrial one: it hinges on the Danube and the railway. If both hold, the key scenario will be a redistribution of activity, costly but recoverable; if either fails, storage overflow converts deferred sales into final losses, and the transport series stop being a sensor of the shock and become its amplifier. Retail is the lagging indicator to watch: it stays resilient until the energy and fuel channel reaches household budgets in the winter quarters, even amid the recent attacks on storage facilities, which redistributed losses between retail and the smaller producers and suppliers.

REFORMS

In July, the Government continued to adapt its policies to wartime challenges, focusing on strengthening economic resilience, supporting businesses and vulnerable groups, preparing for the next heating season, and advancing Ukraine's EU integration agenda. Instead of introducing entirely new instruments, many decisions refined existing support mechanisms to make them more targeted, accessible, and effective.

A key decision was the improvement of the state compensation program for Ukrainian agricultural machinery. Previously, relocated farms from frontline and temporarily occupied territories often lost access to enhanced compensation because of formal land registration requirements. The updated rules allow eligibility to be confirmed through the State Agrarian Register and the State Service of Ukraine for Geodesy, Cartography and Cadastre, expanding access to support for agricultural producers operating under wartime conditions.

The Government also strengthened support for distributed energy generation by allocating an additional UAH 319 million to the National Development Institution and updating the financing mechanism for relevant projects. Businesses will be able to access loans ranging from EUR 1 million to EUR 25 million, or from EUR 0.5 million in areas affected by hostilities. The decision reflects Ukraine's continued shift toward decentralized energy solutions as a response to repeated attacks on critical energy infrastructure. Another important step was the refinement of the compensation mechanism for businesses whose property has been damaged or destroyed by the war. The amendments clarify procedures for documenting losses, improve the interaction between different compensation schemes, and increase the maximum reimbursement of war-risk insurance premiums to UAH 3 million per year. Together, these changes are expected to make risk-sharing instruments more accessible for businesses operating in an uncertain security environment.

To improve the country's recovery capacity, the Cabinet launched a pilot project establishing national recovery brigades that will be deployed to restore critical infrastructure and essential public services following Russian attacks. This initiative aims to reduce recovery time in affected communities and strengthen coordination between national and local authorities during emergency response operations. In preparation for the next heating season, the Government expanded the household energy resilience program by extending state support to autonomous and backup heating systems. The measure is intended to help households better withstand potential disruptions to electricity and heat supply during the winter.

Several decisions focused on strengthening human capital and improving the targeting of social support. A pilot program was launched to train persons with disabilities in cybersecurity, with state funding linked to participants' subsequent employment instead of course completion alone. This outcome-based approach combines labor market integration with workforce development in one of the fastest-growing sectors of the economy.

The Government also expanded social protection by introducing additional monthly payments for former prisoners of war undergoing long-term medical treatment and continued developing the "money follows the person" model for internally displaced older people and persons with disabilities, allowing beneficiaries greater choice over social service providers.

Investment in human capital remained another priority. More than UAH 860 million was allocated to modernize vocational education workshops and laboratories, while UAH 83.6 million was distributed to improve school meal provision in eight frontline regions. These measures aim to strengthen both educational infrastructure and equal access to quality education despite wartime conditions. The Government also advanced its state asset management policy by approving the privatization terms for the Odesa Port Plant, Demurinsky Mining and Processing Plant, and Motordetal-Konotop. The privatization framework combines investment obligations, production continuity requirements, and employee protection measures, signaling a broader emphasis on attracting investment while preserving the long-term viability of strategic enterprises.

Finally, Ukraine approved the National Strategy for Combating Fraud and Other Violations Affecting the Financial Interests of Ukraine and the European Union through 2028. The strategy strengthens the governance framework for managing EU financial assistance, particularly under the Ukraine Facility, and represents another practical step toward fulfilling Ukraine's EU accession commitments.

KSE Institute comment

July was largely an administrative month, as the Cabinet refined delivery while the political mandate was still being assembled. With the Svyrydenko government dismissed mid-month and Serhii Koretskyi confirmed on July 16, ministries given seven days from July 18 to draft work plans, and the Program of Activities reaching the Cabinet only on August 17, uninterrupted routine decision-making is itself a result. The shape of the decisions is the right response to a binding budget constraint: wider verification channels (the State Agrarian Register for relocated farms), funding paid on employment outcomes instead of course completion, clearer loss-documentation procedures. These raise the yield on money already committed instead of opening new envelopes.

The reform agenda, however, moved faster in July than the Cabinet did, and almost entirely in the direction of more conditionality. The IMF Board completed the first review of the EFF on July 20, releasing about USD 0.69 billion and lifting cumulative disbursements to USD 2.2 billion, but the updated program carries seven new structural benchmarks, six of them fiscal, and an explicit warning against backsliding after one Q1 benchmark was missed and two were delayed. On July 30 the Council folded the EUR 8.3 billion Ukraine Support Loan into the Ukraine Plan and attached close to 30 further conditionalities, weighted toward rule of law and anti-corruption, on top of the EUR 29.5 billion already disbursed under the Facility. Accession moved both ways: Cluster 6 (External Relations) opened on July 14, while Hungary blocked Clusters 2 and 3 twice in the same month, on July 17 and again on July 22, deferring the next attempt to September 1. The volume of commitments therefore grew in the month when the Cabinet had the least capacity to service them, and the constraint on 2027 financing is administrative throughput, not the availability of envelopes. The politically expensive fiscal items, the VAT exemption on low-value parcels and the simplified tax system, remain deferred, so the next review will test the same measures against a Cabinet with less political runway.

One July decision matters more for the macro picture than the program adjustments above. The UAH 40 billion released on July 15 under the regional Resilience Plans (UAH 67.8 billion from the state budget and UAH 9.6 billion locally to date) shapes how much energy-driven cost pressure feeds Q4 inflation and how much emergency import demand hits the FX market this winter, and it was signed off by the outgoing Cabinet, which says something about where continuity actually held. The distributed-generation window (EUR 1–25 million, from EUR 0.5 million in front-line areas) and the higher war-risk insurance ceiling push the same way, though both stay small next to the exposures they cover, and the insurance line will only bind if premiums, not just reimbursement caps, come down.

FOCUS AREAS AND RISKS

Key latest risks that require meticulous attention are concentrated primarily around Russian attacks on logistics, gas, and energy infrastructure. First, logistics: more than 70 strikes on port infrastructure and 62 on vessels in July and early August halted calls at Greater Odesa, cutting grain exports by about 75% y-o-y in the first half of August; the Ministry cut its 2026/27 export forecast to 38–40 million tonnes from 43 million tonnes on August 10, and the storage shortfall may reach 11 million tonnes after the harvest. Farm sector bank debt stood at about USD 3.6 billion in June, of which USD 1.45 billion falls due within twelve months. Second, energy: Naftogaz reported 13 strikes on its assets in the week to August 17 and close to 300 this year, while the EUR 5.4 billion energy resilience plan remains only partly funded and interceptor supply is reportedly around a third of early-2026 levels.

Another area is conditionality and accession amid government changes: the IMF completed the first EFF review on July 20 with seven new structural benchmarks, but the parcel-tax bill was not submitted before the parliamentary recess, and Hungary blocked the screening approval for the remaining negotiating clusters at COELA on July 22 for the second time, with the next attempt set for September 1. In July and August, government activity was dominated by the formation of the new Cabinet and by crisis management in agriculture and energy. On August 3 the Government adopted the first measures of an emergency support package for agriculture in response to the attacks on Black Sea infrastructure, temporarily lowering minimum allowable export prices for selected grains and oilseeds, which had become unworkable as logistics costs rose and domestic purchase prices fell, and extending the subsidized "5-7-9%" program to working-capital loans for farmers, with a potential envelope of up to UAH 80 billion. The Prime Minister also instructed ministries to prepare a plan to expand domestic processing and raise the share of higher value-added exports. Separately, a 30% increase in rail freight tariffs took effect on August 1, alongside a new Ukrenergo transmission tariff. On August 9 the Cabinet discussed additional financing for the Defense Forces through year-end while drafting the 2027 budget.

KSE Institute comment

The agricultural measures address prices and liquidity, but the binding constraint is physical. Adjusting minimum export prices restores the ability to contract at market-clearing levels and prevents a formal export stop; expanded working-capital lending buys farmers time. Neither moves tonnage. With more than 90% of agricultural exports normally moving by sea, the alternatives now under negotiation — Moldova's 600,000 tonne transit allowance, a temporary Constanța rail service, and talks with Poland on additional capacity — are worth a fraction of the lost throughput, and at materially higher unit cost. The plausible outcome is a compressed harvest sold at depressed domestic prices, a build-up of unsold stocks into November, and a squeeze on the next planting campaign. KSE Institute preliminary estimates of 1–1.5% of GDP lost by year-end look reasonable, and the fiscal cost arrives with a lag through weaker corporate income tax, VAT, and rent payments in 2027.

Two of these risks are correlated in a way that policy has not yet priced. The same interceptor scarcity that leaves ports exposed also leaves gas production and the grid exposed ahead of the heating season. If the autumn strike campaign proceeds as expected, Ukraine faces simultaneously lower export receipts and higher energy import needs, the two sides of the trade gap moving together, at the moment when the hryvnia is most sensitive to exporter FX supply. The 30% rail tariff increase, defensible on Ukrzaliznytsia's own finances, lands precisely when rail is being asked to substitute for the sea, and adds to the cost of the substitution.

TABLES: EXTERNAL INDICATORS

Current account, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-3.0	-0.3	-1.5	-1.8	-3.6	-3.4	-0.4	-2.6	-3.4	-2.1	-3.4	-1.4
2026	-0.8	-4.8	-4.1	-4.8	-3.7	6.3						

Goods balance, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-3.0	-3.2	-4.0	-3.6	-3.6	-4.5	-4.6	-4.1	-5.0	-4.5	-4.7	-6.5
2026	-4.0	-5.6	-5.9	-5.5	-4.9	-5.6						

Goods exports, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	3.0	2.9	3.5	3.2	3.4	2.9	3.1	2.9	3.0	3.5	3.4	3.4
2026	3.1	3.0	3.5	3.5	3.4	3.2						

Goods imports, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	6.0	6.1	7.5	6.8	7.1	7.4	7.7	7.0	8.0	8.1	8.1	9.9
2026	7.1	8.6	9.4	9.0	8.3	8.8						

Services balance, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-0.8	-0.4	-0.6	-0.6	-0.6	-0.8	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6
2026	-0.8	-0.7	-0.8	-0.6	-0.6	-0.7						

Primary income balance, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-0.2	-0.2	0.0	0.1	0.0	-0.2	-0.2	-0.2	-0.1	0.1	0.0	-0.2
2026	-0.2	-0.2	0.0	0.0	-0.3	-0.2						

Secondary income balance, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.0	0.8	3.0	2.4	0.6	2.0	1.2	2.4	2.3	3.1	2.1	0.6
2026	4.1	1.7	2.6	1.3	2.1	12.8						

Non-res. capital flows, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.8	-0.3	5.0	6.2	1.7	3.7	1.8	5.1	3.1	5.4	7.7	7.3
2026	0.6	0.4	0.8	1.6	0.6	4.5						

Loans to public sector, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	3.1	-0.1	3.8	5.4	1.1	0.0	1.8	4.6	1.5	4.9	7.0	6.7
2026	0.0	-0.1	0.0	0.9	-0.1	4.2						

Resident capital flows, USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	2.7	-0.2	1.5	1.0	0.6	-0.2	0.2	0.0	-0.4	0.8	-0.3	0.3
2026	0.9	-0.4	0.3	1.1	-0.7	4.7						

Reserves (eop), USD billion												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	43.0	40.1	42.4	46.7	44.5	45.1	43.0	46.0	46.6	49.5	54.8	57.3
2026	57.7	54.8	52.0	48.2	45.7	51.3						

Source: NBU, KSE Institute

TABLES: FISCAL INDICATORS

Budget revenues (General Fund), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	128	133	321	275	205	241	163	243	208	186	229	330
2026	242	225	268	303	319	542	166					

Budget revenues (State Budget), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	283	253	390	340	275	327	227	315	302	261	322	539
2026	304	321	394	410	417	681						

Tax Revenues (General Fund), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	132	136	225	146	186	144	159	201	159	153	197	178
2026	144	167	258	178	225	185	154					

Budget expenditures (General Fund), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	214	324	318	330	353	337	296	334	313	347	380	650
2026	244	303	369	433	449	432	350					

Budget expenditures (State Budget), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	354	413	397	391	431	432	360	460	401	440	462	933
2026	286	372	492	555	551	575						

Expenditures, defense & security (General Fund), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	135	211	228	208	223	192	190	219	215	225	226	454
2026	154	182	249	288	292	269						

Budget balance (General Fund), UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-86	-191	3	-55	-148	-96	-132	-91	-104	-161	-151	-321
2026	-2	-78	-101	-130	-130	110	-185					

Domestic Financing, UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	27	26	47	54	43	36	70	43	37	91	39	69
2026	61	64	25	26	16	38	69					

External Financing, UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	131	0	134	185	47	127	71	195	48	211	293	278
2026	0	0	66	2	0.3	187	53					

Source: Ministry of Finance, KSE Institute

TABLES: INFLATION INDICATORS (1/2)

Headline CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	12.9	13.4	14.6	15.1	15.9	14.3	14.1	13.2	11.9	10.9	9.3	8.0
2026	7.4	7.6	7.9	8.6	8.2	7.2	7.7					

Headline CPI, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.2	0.8	1.5	0.7	1.3	0.8	-0.2	-0.2	0.3	0.9	0.4	0.2
2026	0.7	1.0	1.7	1.4	0.9	-0.1	0.3					

Core CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	11.7	12.0	12.4	12.1	12.3	12.1	11.7	11.4	11.0	10.1	9.3	8.0
2026	7.0	7.0	7.1	7.6	7.9	8.1	8.1					

Raw-food CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	11.8	13.0	17.0	22.2	26.4	28.7	28.0	23.9	18.1	15.2	9.6	7.4
2026	8.2	9.6	8.4	8.3	4.6	-0.2	2.2					

Administered-price CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	17.5	18.1	19	19.5	19.8	10.9	11.0	10.8	10.7	10.6	10.4	9.7
2026	9.1	8.8	8.6	9.4	10.2	10.7	11.8					

Fuel CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	12.1	13.9	9.9	3.7	1.2	3.1	6.7	6.0	4.7	3.9	5.3	6.4
2026	5.7	8.0	23.4	36.1	38.7	33.4	28.0					

Processed-food CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	15.9	16.7	17.3	17.3	18.0	18.2	18.0	17.7	16.8	15.6	14.0	12.1
2026	10.8	9.9	10.0	10.2	10.4	10.4	10.0					

Non-food CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	4.3	4.4	4.7	3.8	3.8	3.6	3.2	2.8	2.3	1.6	0.8	0.0
2026	-0.4	-0.4	-0.5	0.3	0.3	0.5	0.8					

Services CPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	14.2	14.3	14.6	14.6	14.6	14.4	14.0	14.1	14.1	13.8	13.4	12.3
2026	11.2	12.3	12.8	13.3	13.6	13.7	13.7					

Industrial PPI, y-o-y, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	32.5	37.0	51.9	41.6	28.9	13.1	4.7	7.3	1.3	5.5	9.9	8.2
2026	11.2	34.5	36.6	40.2	45.2	39.1						

Source: NBU, SSSU, KSE Institute

TABLES: INFLATION INDICATORS (2/2)

Households' year-ahead inflation expectations, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	11.0	9.9	9.2	10.1	10.2	10.8	10.7	10.1	10.8	10.3	10.4	10.5
2026	10.9	13.5	14.4	10.9	13.7	12.7	10.0					

Firms' year-ahead inflation expectations, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025		11.5			10.9			11.4			11.1	
2026		11.1			11.6							

Water supply prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026	0.0	0.0	0.0	0.0	0.0	15.3	31.9					

Food and non-alcoholic beverage prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.2	1.2	1.7	1.8	2.8	1.4	-1.1	-0.8	-0.8	1.6	0.8	0.0
2026	0.8	1.4	1.3	1.9	1.2	-0.8	-0.2					

Egg prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-23.1	3.5	18.8	-2.5	-8.7	-1.1	1.5	2.3	-2.9	11.0	12.6	5.6
2026	-7.7	3.1	7.7	-3.4	-15.3	-27.8	-6.0					

Vegetable prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	5.5	0.9	1.6	0.9	1.2	-8.1	-23.9	-12.7	-10.6	10.4	4.6	0.8
2026	14.7	13	1.0	1.8	-1.7	-3.7	-5.9					

Meat prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.0	0.6	1.2	3.8	5.4	3.3	1.4	2.0	1.2	1.0	-0.7	-0.8
2026	-1.1	-1.2	0.3	1.9	0.4	0.0	-0.6					

Milk prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.0	1.0	0.7	0.0	-0.7	-0.7	0.3	1.0	0.4	3.8	0.8	0.7
2026	0.8	0.4	0.3	0.7	-1.3	-0.5	0.7					

Tobacco prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	2.3	2.0	2.4	2.2	2.0	1.8	2.6	2.0	1.4	2.2	1.9	1.9
2026	1.6	1.6	1.3	1.8	2.1	1.8	1.8					

Alcoholic beverage prices, m-o-m, %												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.7	0.5	1.2	0.0	0.6	0.2	0.8	-0.9	1.0	0.5	0.2	-0.2
2026	0.4	0.7	0.8	0.3	1.6	0.8	1.1					

Source: NBU, SSSU, KSE Institute

TABLES: MONETARY POLICY INDICATORS

Key policy rate, % (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	14.5	14.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
2026	15.0	15.0	15.0	15.0	15.0	15.0	15.5					

Effective policy rate, % (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	14.0	14.7	15.6	16.0	16.0	16.1	16.2	16.3	16.3	16.3	16.4	16.3
2026	16.1	16.0	16.1	16.1	16.0	16.0	16.1					

Total liquidity (CAs+CDs), UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	740.0	749.8	746.8	792.3	798.9	791.1	750.8	711.9	713.4	762.7	783.5	871.4
2026	979.0	935.5	865.1	876.8	936.6	945.6	927.7					

Correspondent accounts, UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	258.3	240.7	243.9	239.1	252.4	253.5	251.9	257.3	244.4	244.5	260.9	258.0
2026	260.2	290.0	265.7	269.0	274.7	289.2	286.6					

NBU certificates of deposit, UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	481.7	509.1	502.9	553.2	546.5	537.6	498.9	454.6	469.0	518.2	522.6	613.4
2026	718.8	645.5	599.4	607.8	661.9	656.4	641.0					

Overnight certificates of deposit, UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	458.4	435.8	475.7	464.6	450.3	397.6	348.6	356.3	401.8	395.5	481.9	458.4
2026	582.0	474.5	407.9	409.8	468.6	461.2	442.7					

3-month certificates of deposit, UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	51.2	50.7	67.0	77.4	81.9	87.3	101.3	105.9	112.7	116.4	127.1	131.5
2026	136.8	171.1	191.6	197.9	193.3	195.2	198.3					

Refinancing loans outstanding, UAH billion (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	32.2	32.1	32.1	31.8	31.5	31.6	31.4	31.4	31.4	31.2	31.0	30.9
2026	29.0	28.9	28.8	28.7	28.3	28.2	28.2					

Net treasury operations, UAH billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	76.2	188.0	68.5	167.2	110.6	122.2	84.3	95.5	131.9	160.9	147.4	422.8
2026	61.2	110.2	116.1	241.4	198.1	216.8	202.0					

Source: NBU, KSE Institute

TABLES: BANKING INDICATORS (1/3)

Regulatory capital adequacy, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	17.0	16.9	16.2	15.5	15.5	15.5	15.3	15.0	15.4	15.3	15.1	16.4
2026	16.0	15.8	15.8	17.6	17.7	17.6	17.2					

Net stable funding ratio, % (median)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	187	182	183	192	190	185	185	179	173	174	178	185
2026	185	177	176	181	186	185	193					

ROE, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	51.1	42.8	39.8	40.1	39.9	40.2	39.9	39.6	39.1	38.3	38.2	29.9
2026	26.0	22.5	21.8	21.7	22.5	22.5						

ROA, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	5.8	4.9	4.6	4.7	4.6	4.6	4.6	4.6	4.6	4.5	4.6	3.6
2026	3.1	2.7	2.6	2.6	2.7	2.7						

NPL ratio, eop, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	30.5	30.0	28.6	28.3	27.9	27.0	26.1	25.4	25.0	24.5	23.9	13.9
2026	13.9	13.3	12.9	12.6	12.8	12.5						

Total gross loans to residents, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1105	1122	1145	1165	1187	1211	1235	1265	1282	1314	1349	1198
2026	1213	1234	1264	1293	1316	1347	1388					

Total gross corporate loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	813.3	827.5	845.5	861.2	875.0	892.9	908.6	929.2	943.2	970.1	995.5	847.2
2026	854.4	870.2	887.8	912.7	922.6	943.4	971.0					

UAH gross corporate loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	570.3	585.4	602.0	610.1	627.1	640.9	656.1	673.3	678.3	689.8	707.0	555
2026	560.2	572	587.4	609.4	615.2	641.3	666.4					

Total gross retail loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	279.8	282.7	288.5	293.6	301.4	307.9	316.8	326.0	329.4	335.0	344.5	341.8
2026	350.8	355.9	368.8	374.2	387.5	396.7	408.0					

UAH gross retail loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	268.7	271.7	278.6	283.6	291.4	297.9	306.8	316.2	319.6	325.1	334.5	332.0
2026	340.9	345.8	358.7	364.0	377.3	386.3						

Total net loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	822	838	867	887	908	933	956	985	1006	1036	1070	1080
2026	1094	1113	1144	1171	1192	1221	1263					

Source: NBU, KSE Institute

TABLES: BANKING INDICATORS (2/3)

UAH net loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	615	632	657	670	694	716	738	764	775	791	818	818
2026	830	846	874	900	918	953	992					

Total net corporate loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	583.2	597.4	619.3	634.3	648.6	667.9	683.1	704.3	719.9	745.4	771.2	774.2
2026	780.6	796.2	815.3	838.2	847.8	867.8	895.9					

UAH net corporate loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	385.3	400.1	417.7	426.0	442.9	458.8	472.5	490.1	495.2	506.8	524.3	517.0
2026	522.1	533.5	549.7	570.8	576.3	601.7	627.1					

Total net retail loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	227.0	229.4	237.1	241.8	248.7	255.0	262.9	271.4	276.7	281.5	290.3	297.3
2026	304.8	309.1	321.4	326.3	338.4	347.0	358.6					

UAH net retail loans, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	226.0	228.4	236.1	240.8	247.8	254.1	261.9	270.4	275.8	280.6	289.3	296.4
2026	304.0	308.2	320.6	325.4	337.6	346.1	357.8					

Total resident deposits, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	2724	2734	2757	2815	2806	2851	2849	2851	2893	2955	2984	3239
2026	3172	3180	3165	3248	3249	3283	3313					

Total corporate deposits, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1458	1452	1481	1500	1481	1492	1485	1484	1503	1544	1556	1755
2026	1685	1649	1643	1682	1705	1704	1731					

UAH corporate deposits, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1029	1050	1079	1091	1077	1083	1066	1059	1078	1108	1142	1328
2026	1255	1217	1217	1239	1263	1268	1301					

Total retail deposits, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1213	1227	1222	1257	1265	1296	1300	1302	1322	1341	1355	1399
2026	1408	1449	1439	1478	1478	1519	1521					

UAH retail deposits, UAH billion (eop)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	792.6	808.8	798.2	823.4	834.0	855.6	854.7	867.0	885.4	897.3	905.2	940.3
2026	940.0	969.0	955.0	986.0	988.0	1022	1020					

Share of term deposits in total retail UAH deposits, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	33.9	33.5	34.3	34.0	34.1	34.0	34.4	34.2	33.9	34.1	34.3	33.8
2026	34.5	34.0	34.8	34.1	34.4	33.9	34.5					

Source: NBU, KSE Institute

TABLES: BANKING INDICATORS (3/3)

Retail deposits dollarization, % (eop)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	34.6	34.1	34.7	34.5	34.1	34.0	34.2	33.4	33.0	33.1	33.2	32.8
2026	33.3	33.1	33.6	33.3	33.2	32.7	32.9					

Corporate deposits dollarization, % (eop)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	29.4	27.7	27.2	27.3	27.3	27.4	28.2	28.6	28.3	28.3	26.6	24.3
2026	25.5	26.2	26.0	26.3	25.9	25.6	24.8					

Total G-bonds holdings, UAH billion (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1862	1861	1831	1831	1832	1840	1858	1871	1878	1882	1899	1923
2026	1986	1996	2014	2015	1996	1988	1992					

UAH G-bonds holdings (firms), UAH billion (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	145.4	147.9	146.8	149.5	150.6	149.8	147.8	149.6	145.7	140.7	143.7	155.7
2026	192.1	195.5	199.6	200.8	199.9	197.1	195.2					

UAH G-bonds holdings (households), UAH billion (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	39.3	41.4	42.0	46.7	48.4	49.7	52.1	55.1	56.3	57.2	60.3	63.9
2026	68.4	73.7	81.1	84.9	89.5	92.4	96.1					

Interest rate on new UAH corporate loans, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	16.6	15.4	15.6	16.8	15.4	15.5	16.9	15.1	15.0	16.2	15.2	15.1
2026	16.5	15.1	14.8	15.8	15.1	15.0	15.9					

Interest rate on new FX corporate loans, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	6.3	6.2	6.3	6.3	6.2	5.8	5.9	5.9	6.0	5.9	5.5	6.7
2026	5.9	5.7	5.9	6.1	5.8	6.0	5.8					

Interest rate on new UAH retail loans, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	35.1	35.0	35.9	35.7	35.8	35.9	36.2	36.2	35.9	35.9	35.0	35.2
2026	37.0	36.5	36.6	37.0	36.7	36.7	36.6					

Interest rates on UAH corporate deposits, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	8.7	9.1	9.4	9.7	9.9	10.1	10.2	10.2	10.3	10.4	10.3	10.3
2026	10.2	10.0	9.8	9.9	10.0	10.1	10.3					

Interest rates on UAH retail deposits, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	10.5	10.5	10.5	10.6	11.0	11.1	10.9	10.6	10.6	10.6	10.5	10.6
2026	10.8	9.9	10.2	10.5	10.4	10.9	10.7					

Interest rates on UAH retail term deposits, % (avg)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	12.4	12.5	12.4	12.8	12.9	13.0	12.9	12.9	12.7	12.6	12.7	12.9
2026	12.8	12.5	12.2	12.8	12.8	12.9						

Source: NBU, KSE Institute

TABLES: EXCHANGE RATE INDICATORS

USD/UAH official (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	42.1	41.7	41.5	41.4	41.5	41.6	41.8	41.4	41.3	41.6	42.1	42.2
2026	42.9	43.1	43.8	43.8	44.1	44.7	44.7					

EUR/UAH official (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	43.6	43.4	44.7	46.4	46.8	47.8	48.9	48.2	48.5	48.5	48.7	49.4
2026	50.3	51.0	50.7	51.1	51.5	51.5						

USD/UAH spread (official/cash(ask)), % (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1.1	0.8	0.7	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.5	0.6
2026	0.7	0.6	0.7	0.7	0.5	0.5	0.5					

Households' net FX demand, USD million (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1480	958	720	190	248	282	270	351	356	736	737	724
2026	821	541	1019	349	231	482	447					

Households' net FX demand, USD million (daily avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	64	48	34	9	11	13	12	16	16	32	35	33
2026	36	26	46	16	10	22	19					

Bank clients' net demand for FX, USD million (avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	1832	1711	1360	1563	1958	2021	2332	1541	1261	1453	1423	3010
2026	2268	1864	2968	2563	2207	3778	3492					

Bank clients' net demand for FX, USD million (daily avg)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	80	86	65	71	85	96	101	73	57	63	68	131
2026	99	89	135	116	100	172	152					

NBU net FX interventions, USD billion

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-3.7	-3.1	-2.6	-2.2	-2.9	-3.0	-3.4	-2.7	-2.3	-2.9	-2.9	-4.5
2026	-3.7	-3.0	-4.8	-3.6	-3.2	-5.1	-4.8					

Share of interbank FX turnover without the NBU, %

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	38	49	54	59	52	52	51	55	63	60	55	49
2026	48	51	42	50	55	41	43					

Source: NBU, KSE Institute

TABLES: LABOR INDICATORS

Average nominal wage, USD												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	555	559	597	606	606	632	642	623	632	638	645	733
2026	652	657	693	697	702	733						
Real wage growth, % y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	12.6	9.9	10.9	6.4	5.7	7.0	7.3	7.9	5.3	8.3	8.9	5.7
2026	14.3	14.8	14.7	12.7	14.4	16.5						
Nominal wage Work.ua, USD												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	543	568	578	590	600	604	605	601	606	623	641	
2026	641	645	651	662	680	671	671					
Qualified workers shortage, index												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.50	0.46	0.48	0.46	0.48	0.50	0.45	0.48	0.53	0.47	0.51	0.57
2026	0.53	0.53	0.61	0.65	0.62	0.47						
Unqualified workers shortage, index												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.29	0.29	0.35	0.33	0.34	0.31	0.35	0.33	0.37	0.30	0.31	0.31
2026	0.29	0.30	0.31	0.31	0.36	0.27						

Source: SSSU, Work.ua, IER, KSE Institute

TABLES: OUTPUT INDICATORS (1/2)

Agricultural prod. Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-5.7	-2.7	-4.0	-7.8	-6.7	-35.5	-19	20.8	-23.7	-1.1	84.7	-18.9
2026	3.2	0.1	0.4	2.9	0.5	-8.4						

Industry prod. Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-2.7	-8.2	-5.1	-5.4	0.1	4.3	4.5	1.9	1.8	-3.0	-4.9	-2.1
2026	-8.1	-2.6	4.5	1.2	0.3	1.1						

Mining prod. Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-0.7	-24.4	-19.7	-17.3	-7.7	-5.4	-1.6	-3.9	0.5	-19.4	-14.5	-10.1
2026	-9.7	9.0	10.8	8.9	2.8	1.3						

Manufacturing production Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-1.1	-3.9	2.2	-3.1	3.2	7.5	5.7	3.7	1.3	2.1	1.5	4.6
2026	-6.0	-1.2	6.2	1.1	1.8	3.3						

Energy production Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-10.8	2.3	-8.7	7.8	0.5	9.9	11.8	6.0	7.5	2.9	-17.5	-16.1
2026	-12.7	-21.2	-11.8	-10.7	-11.5	-10.1						

Construction production Index, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	13.4	9.8	-22.3	-15.4	9.1	48.6	45.1	23.2	22.4	-7.8	6.9	15.9
2026	3.3	-8.4	-9.4	2.8	-17.8	-13.9						

Buildings, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	22.3	15.7	16.2	7.0	29.7	37.3	23.8	28.6	31.3	10.2	22.1	20.7
2026	-6.5	-17.3	-14.3	-3.5	-14.5	1.4						

Residential buildings, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	0.0	-4.9	5.0	-14	14.9	36	2.8	30.5	24.5	10.9	28.4	25.6
2026	-12	-15.9	-16.2	5.8	-5.9	0.2						

Non-residential buildings, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	36.7	28.1	21.9	19.2	36.9	37.9	34.6	27.8	34.2	9.9	19.9	19.3
2026	-4.0	-18.0	-13.4	-7.4	-18.1	1.9						

Engineering structures, %, y-o-y												
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	4.0	3.3	-43.8	-31.1	-3.6	57.2	64.8	18.9	15.2	-19.9	-5.1	11.5
2026	15.5	2.7	-3.7	9.7	-20.4	-24.1						

Source: SSSU, KSE Institute

TABLES: OUTPUT INDICATORS (2/2)

Cargo transported, %, y-o-y	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-9.3	-12.3	-24.1	-22.7	-4.6	3.5	-5.7	-1.8	-4.8	-12	-7.4	-4.8
2026	-5.3	-7.3	12.6	22	1.4	0.7						

Freight turnover, %, y-o-y	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	-7.0	-11.3	-23.7	-27.1	-4.8	4.7	-20.4	-14.8	-11.8	-18.1	-14.9	-18.1
2026	-18.4	-19.6	0.9	10.5	-16.3	-16.4						

Passengers carried, %, y-o-y	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	3.7	-6.1	0.3	0.2	-0.2	2.9	2.0	0.2	3.0	-1.7	0.5	-1.4
2026	-8.3	-15.3	-3.1	-2.4	-0.4	-1.1						

Passenger turnover, %, y-o-y	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	5.4	3.5	4.8	6.9	3.0	9.7	5.0	6.7	6.0	1.8	-0.6	-2.0
2026	19.8	-39.4	-7.2	-4.6	-3.0	-4.3						

Retail trade turnover, %, y-o-y	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
2025	5.9	4.0	5.3	6.6	7.0	7.3	3.9	6.3	7.1	10.1	14.1	16.5
2026	13.4	7.5	12.8	7.8	10.9	8.4						

Source: SSSU, KSE Institute