



National Bank  
of Ukraine

# Interim Concise Consolidated Financial Statements

for the period ended 30 September 2024



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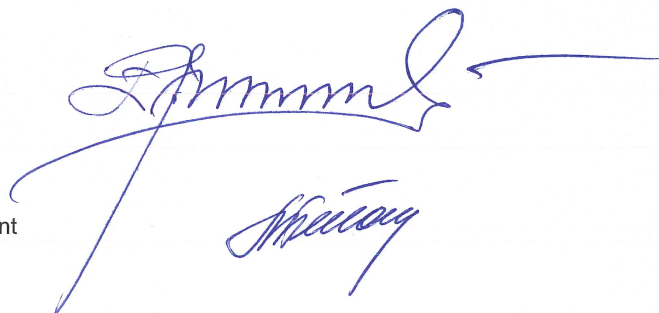
## Interim Concise Consolidated Statement of Financial Position

	Notes	As of 30 September 2024	As of 31 December 2023
(UAH millions)			
<b>Assets</b>			
Funds and deposits in foreign currency and investment metals	5	300,897	373,440
Foreign securities	6	1,216,669	1,073,099
SDR holdings	7.1	1,522	35,570
Monetary gold		86,835	62,387
Domestic securities	8	715,934	727,818
Loans to banks and other borrowers	9	4,650	5,691
Domestic public debt		1,273	1,347
IMF quota contributions	7.2	112,333	102,521
Property and equipment and intangible assets		3,929	4,044
Other assets		7,778	6,670
<b>Total assets</b>		<b>2,451,820</b>	<b>2,392,587</b>
<b>Liabilities</b>			
Banknotes and coins in circulation		796,676	764,598
Accounts of banks	10	256,004	216,261
Accounts of government and other institutions	11	157,376	140,102
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	–	38,643
Certificates of deposit issued by the NBU	12	467,542	621,667
Liabilities to the IMF, apart from IMF quota contributions	7.3	57,626	86,027
Liabilities to the IMF with respect to quota contributions	7.3	112,319	102,509
Other liabilities		2,039	2,609
<b>Total liabilities</b>		<b>1,849,582</b>	<b>1,972,416</b>
<b>Equity</b>			
Statutory capital	19	100	100
General reserves and retained earnings	19	335,091	137,690
Revaluation reserves for assets and liabilities	19	267,003	282,336
<b>Total equity</b>		<b>602,194</b>	<b>420,126</b>
<b>Noncontrolling interest</b>		<b>44</b>	<b>45</b>
<b>Total capital</b>		<b>602,238</b>	<b>420,171</b>
<b>Total equity and liabilities</b>		<b>2,451,820</b>	<b>2,392,587</b>

Approved by the NBU Assets and Liabilities Management Committee on 26 November 2024.

Signed on 28 November 2024.

Governor



Andriy PYSHNYI

Chief Accountant,  
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 8 through 42 are an integral part of these interim concise consolidated financial statements.



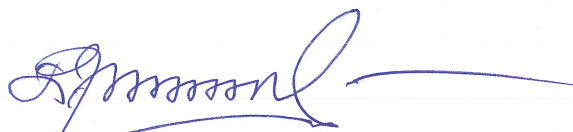
## Interim Concise Consolidated Statement of Profit and Loss and Other Comprehensive Income

		For the period ended 30 September 2024		For the period ended 30 September 2023	
	Note	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)					
Interest income	14	24,410	71,842	29,284	98,360
Interest expenses	14	(19,364)	(65,103)	(27,893)	(75,168)
Net interest income before (losses) / gains from (impairment) / reversal of impairment		5,046	6,739	1,391	23,192
(Losses) / gains from (impairment) / reversal of impairment on interest-bearing financial assets	17	30	(220)	724	980
Net interest income after (losses) / gains from (impairment) / reversal of impairment		5,076	6,519	2,115	24,172
Fee and commission income		198	591	164	409
Fee and commission expense		(14)	(44)	(11)	(35)
Net fee and commission income		184	547	153	374
Gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	15	35,246	130,924	495	8,231
Gains or losses on transactions with financial instruments at fair value through profit or loss	16	19,847	47,950	12,902	28,377
Other income		375	962	623	1,456
Total net income		60,728	186,902	16,288	62,610
Staff costs	21	(889)	(2,657)	(754)	(2,261)
Costs related to the production of banknotes, coins, souvenirs, and other products		(786)	(1,672)	(598)	(1,333)
Administrative and other expenses	22	(419)	(1,292)	(430)	(1,243)
Release of provisions for probable contingencies		–	–	95	95
(Losses)/gains from (impairment)/reversal of impairment on other assets	17	(2)	(11)	–	10
Profit before income tax		58,632	181,270	14,601	57,878
Income tax expense of subsidiary		(2)	(4)	(1)	(2)
Profit for the period		58,630	181,266	14,600	57,876
Other comprehensive income not to be reclassified subsequently to profit or loss:					
Revaluation of investment metals		351	805	(34)	(302)
Other comprehensive income / (expenses) for the period		351	805	(34)	(302)
Total comprehensive income for the period		58,981	182,071	14,566	57,574
Profit for the period attributable to:					
National Bank of Ukraine		58,629	181,263	14,599	57,874
Noncontrolling interest		1	3	1	2
		58,630	181,266	14,600	57,876
Total comprehensive income attributable to:					
National Bank of Ukraine		58,980	182,068	14,565	57,572
Noncontrolling interest		1	3	1	2
		58,981	182,071	14,566	57,574

Approved by the NBU Assets and Liabilities Management Committee on 26 November 2024.

Signed on 28 November 2024.

Governor



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Chief Accountant,  
Director of Accounting Department



Liudmyla SNIHURSKA

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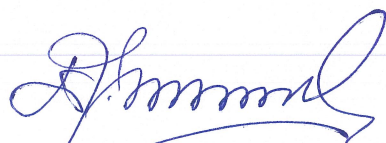
## Interim Concise Consolidated Statement of Changes in Equity

	Statutory capital	General reserves and retained earnings	Revaluation reserve for assets and liabilities	Total equity	Noncontrolling interest	Total capital
(UAH millions)						
<b>Balance as of 1 January 2023</b>	<b>100</b>	<b>99,712</b>	<b>228,346</b>	<b>328,158</b>	<b>43</b>	<b>328,201</b>
Total comprehensive income for nine months in 2023	–	57,874	(302)	57,572	2	57,574
Gain / (loss) on transfer of assets		(16)		(16)		(16)
Realized result on revaluation of disposed investment metals	–	65	(65)	–	–	–
Realized gain / (loss) on revaluation of disposed securities and derivatives	–	2,920	(2,920)	–	–	–
<b>Balance as of 30 September 2023</b>	<b>100</b>	<b>160,555</b>	<b>225,059</b>	<b>385,714</b>	<b>45</b>	<b>385,759</b>
<b>Balance as of 1 January 2024</b>	<b>100</b>	<b>137,690</b>	<b>282,336</b>	<b>420,126</b>	<b>45</b>	<b>420,171</b>
Total comprehensive income for nine months in 2024	–	181,263	805	182,068	3	182,071
Realized result on revaluation of disposed investment metals	–	79	(79)	–	–	–
Realized gain/(loss) on revaluation of disposed securities and derivatives	–	16,059	(16,059)	–	–	–
Dividends distributed to holders	–	–	–	–	(4)	(4)
<b>Balance as of 30 September 2024</b>	<b>100</b>	<b>335,091</b>	<b>267,003</b>	<b>602,194</b>	<b>44</b>	<b>602,238</b>

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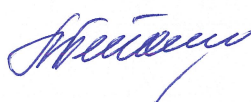
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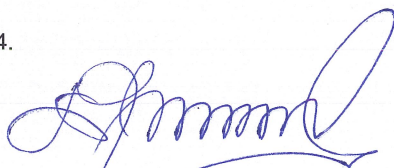
## Interim Concise Consolidated Statement of Cash Flows

	Note	As of 30 September 2024	As of 30 September 2023
(UAH millions)			
<b>Operating activities</b>			
Interest received		71,550	103,685
Fees and commissions received		590	410
Other income		958	1,451
Interest paid		(67,188)	(67,838)
Fees and commissions paid		(45)	(35)
Other costs		(5,137)	(3,177)
Taxes, duties, and charges paid		(971)	(829)
Transfers to the State Budget of Ukraine	20	(38,643)	(71,868)
Decrease in loans to banks and other borrowers		1,192	34,916
Domestic public debt repaid		99	66
Increase in accounts of banks		39,561	119,891
Increase in accounts of government and other institutions		4,449	234,883
Decrease in other assets		955	405
Decrease in other liabilities		(96)	(1,621)
Other flows		(424)	(337)
<b>Net change in cash flows from operating activities</b>		<b>6,850</b>	<b>350,002</b>
<b>Investing activities</b>			
Increase in term deposits placed in gold		(1,549)	(53)
Net increase in foreign securities		(3,555)	(269,748)
Net decrease in domestic securities		12,404	13,869
Dividends from the associated company		3	2
Acquisition of property and equipment, and intangible assets		(210)	(239)
<b>Net cash flows from investing activities</b>		<b>7,093</b>	<b>(256,169)</b>
<b>Financing activities</b>			
Banknotes and coins issue in circulation	13	32,078	11,795
Repayment of liabilities to the IMF	13	(34,392)	(49,932)
Net change in certificates of deposit issued by the NBU	13	(152,336)	49,574
<b>Net cash flows from financing activities</b>		<b>(154,650)</b>	<b>11,437</b>
<b>Effect of changes in exchange rate</b>		<b>30,253</b>	<b>2,197</b>
<b>Net change in cash and cash equivalents</b>		<b>(110,454)</b>	<b>107,467</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>402,930</b>	<b>298,461</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	13	<b>292,476</b>	<b>405,928</b>

Approved by the NBU Assets and Liabilities Management Committee on 26 November 2024.

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# Notes to Interim Concise Consolidated Financial Statements

## Section I. Basis for Preparing Financial Statements

### 1. Principal Activities

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

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

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

As of 30 September 2024 and 31 December 2023, the NBU's structure comprised the Head Office and the Banknote Printing and Minting Works – a standalone unit of the central bank. These units operate exclusively within the NBU's mandate, which is enshrined in the Law of Ukraine *On the National Bank of Ukraine*.

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

The NBU's shareholding in the authorized capital of the Settlement Center was 83.55% as of 30 September 2024 (flat from 83.55% as of 31 December 2023).

As of 30 September 2024 and 31 December 2023, the statutory capital of the Settlement Center totaled UAH 206.7 million and comprised ordinary registered shares with a par value of UAH 1,000 each.

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

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

makes / ensures cash settlements under concluded derivative contracts and transactions with money market

instruments and assets admitted for trading in the organized commodity market, subject to settlements based on the delivery-versus-payment principle, and under transactions with securities subject to settlements based on the delivery-of-securities-versus-payment principle

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

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

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

The NBU manages and stores the CNPF's assets.

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

As of 30 September 2024 and 31 December 2023, the NBU's investments in associated companies were represented by its investments in the authorized capital of the NATIONAL DEPOSITORY OF UKRAINE PUBLIC JOINT STOCK COMPANY (hereinafter the National Depository).

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

As of 30 September 2024 and 31 December 2023, the NBU owned 2,580 ordinary registered shares of the National Depository with a face value of UAH 10,000 each and UAH 25.8 million in total. As of 30 September 2024, the NBU's shareholding in the statutory capital of the National Depository was 25% (25% as of 31 December 2023).



## 2. Basis of Accounting Policies and Reporting Presentation

*This section contains essential information on the NBU's accounting policy that relates to financial statements as a whole.*

The interim concise consolidated financial statements of the NBU were prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting," as approved by the International Accounting Standards Board.

These interim concise consolidated financial statements do not include all of the information required for complete financial reporting in line with IFRS, but contain only some notes explaining the events and transactions that are essential to understanding the changes in the NBU's financial standing and performance that have occurred since the publication of the central bank's latest consolidated financial statements.

These interim concise consolidated financial statements are to be read together with the NBU's annual consolidated financial statements compiled as of 31 December 2023 in line with the IFRS.

These consolidated financial statements have been prepared based on the assumption that the NBU will continue as a going concern in the foreseeable future.

In the first nine months of 2024, the NBU's financial risk management targets and policies remained unchanged.

Information on introducing new and amended standards and interpretations of financial statements is provided in Note 26.

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

	30 September 2024 (in UAH)	31 December 2023 (in UAH)
1 U.S. dollar	41.1664	37.9824
1 SDR	55.836942	50.95983
1 euro	45.9541	42.2079
1 GBP	55.1239	48.4883
1 Troy ounce of gold	109,765.68	78,861.34

### **Basic estimates and judgments in applying accounting principles**

The NBU makes estimates, assumptions, and professional judgments that affect the sums of assets and liabilities reported in its interim concise consolidated financial statements. Estimates and judgements are regularly revised and are based on NBU management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant estimates and judgments include:

basic assumptions and judgements about future events that could lead to substantial adjustments to the book value of assets and liabilities in the next reporting period

estimates of expected credit losses on demand deposits and term deposits in foreign currency and monetary gold

estimates of expected credit losses on securities that are measured at amortized cost

estimates of expected credit losses on loans granted to banks and other borrowers

depreciation of property and equipment and amortization of intangible assets

provisions for contingent liabilities under lawsuits filed against the NBU

related party transactions.

The same estimates and judgements applied in the recent annual consolidated financial statements were used in these interim concise consolidated financial statements.

### **Contingent Liabilities**

#### **Capital Commitments**

As of 30 September 2024, the NBU had capital commitments with respect to the acquisition, construction, and improvement of property and equipment and intangible assets totaling UAH 195 million (as of 31 December 2023: UAH 154 million).

#### **Legal Proceedings**

From time to time and in the normal course of business, certain lawsuits are filed against the NBU. As of 30 September 2024 and 31 December 2023, there were lawsuits for which the NBU estimates the probability of having to pay damages as low, but the NBU believes that disclosure in such property lawsuits may harm it in disputes with other parties on the subject matter of the lawsuit. For such lawsuits,

there are contingent liabilities. No provisions for potential liabilities were made.

As of 30 September 2024 and 31 December 2023, there were no lawsuits that had been filed against the NBU that had a high likelihood of resulting in losses, according to NBU estimates.

**Swap Transactions**

As of 30 September 2024, the NBU had 26 interest rate swap agreements in the total amount of UAH 7,470 million with maturity terms from four to five years (including: notional

value of transactions with a term of up to four years – UAH 4,470 million, up to five years – UAH 3,000 million).

As of 31 December 2023, the NBU had 40 interest rate swap agreements in the total amount of UAH 8,970 million with maturity terms from three to five years (including: notional value of transactions with a term of up to three years – UAH 1,500 million, up to four years – UAH 4,470 million, up to five years – UAH 3,000 million).

Changes that occurred in the first nine months of 2024 in contingent liabilities for loan commitments are laid out in Note 9.

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

In Q3 2024, real GDP grew by 4.0% yoy, by NBU estimates. Electricity shortages, caused by the extensive destruction of power facilities by Russia, were particularly severe in July. However, thanks to swift repairs and improved weather conditions, the energy situation stabilized in August and September. As a result, business expectations and economic activity in several sectors rebounded. Electricity imports and businesses' further adaptation to outages also helped mitigate the impact of the electricity shortage on the economy. The harvesting of late crops was faster than the previous year, although yields and quality were reduced due to the drought. The stable operation of the maritime corridor and loose fiscal policy also supported economic growth.

Labor market conditions remained challenging. Demand for labor was significantly higher than a year earlier, but still unevenly distributed by occupation. Further migration abroad and mobilization led to a significant shortage of workers. In particular, according to the UN, the number of migrants continued to rise in 2024, reaching 6.7 million by the end of September. Insufficient labor supply is holding back business activity and restraining the economic recovery. At the same time, the challenging labor market conditions are fuelling wage growth. Better employment and higher wages and other social benefits have contributed to the further increase in households' real incomes and thus to the steady growth in consumption.

Excluding grants from revenues, the consolidated budget deficit was over one trillion hryvnias in the first nine months of 2024 (over UAH 1,070 billion, excluding grants from revenues, in the). Although tax revenues are improving, including due to administrative measures, expenditures remain high, particularly due to significant military needs and the need to address the consequences of the devastation.

Domestic borrowing continued to play a crucial role in financing the budget deficit, with activity on the domestic debt market significantly increasing in Q3. Interest in government securities was bolstered by their yields and additional measures taken by the NBU to expand the capacity of the domestic government borrowing market, which helped the Government of Ukraine finance its budgetary needs without issuing new debt. As a result, the rollover of domestic government debt securities exceeded 154% in the first nine months of the year. According to the NBU, public and publicly guaranteed debt approached 90% of GDP by the end of September 2024.

In the first nine months of 2024, the current account deficit widened to USD 11 billion, compared to USD 6.1 billion in the same period of 2023, primarily due to lower official financing in the form of grants. This contributed to a significant reduction in the secondary income account surplus, which fell from USD 18.4 billion in the first nine months of 2023 to USD 13.7 billion in the same period of 2024. Meanwhile, the goods trade deficit remained largely unchanged and high, reaching USD 21.0 billion, compared to USD 20.8 billion in

the first nine months of 2023. Specifically, the sea corridor's operation helped expand the supply of products from the mining, metallurgical, and agricultural sectors, driving a 10.3% increase in merchandise exports compared to the same period last year. Merchandise imports also grew by 6.2% yoy, driven by strong domestic demand. Electricity shortages led to higher imports of power equipment and electricity. Imports for the defense sector at the expense of budget expenditures also continued. Moreover, amid stable consumer demand, imports of consumer goods went up. In contrast, the deficit in services trade narrowed significantly, falling to USD 4.3 billion from USD 7.1 billion in the first nine months of 2023, primarily due to a substantial reduction in travel services imports due to lower spending by Ukrainians abroad and a gradual change in their residency.

Capital inflows on the financial account decreased to USD 7.5 billion in the first nine months of 2024 from USD 15.5 billion in the corresponding period of 2023. Specifically, public sector capital inflows dropped noticeably due to less credit financing from international financial partners. Private sector capital outflows also increased (to USD 5.6 billion in the first nine months of 2024 from USD 3.1 billion in the same period of 2023), fueled by higher demand from households for FX cash and by a decrease in residents' debt on trade loans. As a result, the balance of payments ran a USD 3.3 billion deficit, while gross reserves edged lower, but remained high (USD 38.9 billion at the end of September).

In Q3, consumer inflation has, as expected, been rising: in September, it accelerated to 8.6% yoy. The main factors behind this acceleration in inflation were a reduction in the supply of certain food products due to challenging weather conditions, continued growth in production costs, and the impact of the hryvnia depreciation in previous months, which was passed on to prices. This year, the supply of food products was affected by the weeks-long heat wave in July and long periods of no precipitation in the summer and early fall. Spring frosts also affected harvests, driving up prices for both raw and processed foods. Underlying inflationary pressures intensified toward the end of Q3, with core inflation rising to 7.3% in September 2024 compared to the same month last year. In addition to rising food prices, core inflation was fueled by further increases in business costs due to higher wages amid staff shortages, as well as rising energy costs due to the difficult situation in the energy sector. Meanwhile, an important factor in curbing both headline inflation and its administered prices component remained the fixing of tariffs for natural gas, hot water, and heating. Furthermore, fuel price increases slowed significantly, driven by restrained demand while maintaining sufficient supply in the market.

With inflation subdued, the FX market situation under control, and risks to the inflation forecast sufficiently balanced, the NBU in March cut its key policy rate by 0.5 pp, to 14.5%, and reduced by 1 pp the spread between the key policy rate and the rates on NBU transactions, specifically on three-month

certificates of deposit and refinancing loans. The NBU also continued to adjust the parameter of transactions with three-month certificates of deposit to reinforce incentives for banks to build up portfolios of hryvnia retail term deposits. The NBU pressed forward with its easing cycle of monetary policy: in April, the key policy rate was cut by 1 pp, to 13.5%, and in June, by 0.5 pp, to 13%. These measures have allowed the NBU to balance the goals of achieving and ensuring price stability and promoting sustainable economic development. In July, the NBU suspended its interest rate easing and currently believes it expedient not to resume the cycle of key policy rate cuts. Accordingly, in September, the key policy rate was kept unchanged at 13%. This decision will help gradually bring inflation back to the target of 5% in the coming years and support the sustainability of the FX market.

In September, the NBU also applied a policy mix to increase the banks' flexibility in managing their own liquidity and to stimulate additional demand for domestic government debt securities, which will support the government's ability to raise the required funding on the domestic debt market without resorting to monetary financing. In particular, the NBU raised the required reserve ratios, while at the same time increasing the share of required reserves that the banks can cover with benchmark domestic government debt securities. The NBU also made several adjustments to the parameters of other monetary policy tools and operations. It lowered interest rates on three-month certificates of deposit to 15.5% and reduced the refinancing loan rate to 16%, while also limiting the maximum maturity of refinancing loans to 14 days.

In 2024, the banking system has continued to operate with a significant liquidity surplus. However, average daily balances in correspondent accounts and certificates of deposit slightly decreased, from UAH 781 billion in Q1 to UAH 774 billion in Q2, and further to UAH 756 billion in Q3.

The FX market situation remained under control, with the NBU taking additional measures to control the situation. After increased market turbulence in July, the NBU stepped up verbal interventions and enhanced its presence in the FX market. This helped reduce the amplitude of hryvnia exchange rate fluctuations, stabilize foreign currency demand and reassure market participants.

Despite occasional spikes, the difference between the cash and official exchange rates in Q3 remained at an acceptable level and did not exceed 1.1%. Moderate exchange rate fluctuations in response to underlying and situational market factors did not unanchor inflation expectations, which remained relatively resistant to price and exchange rate movements throughout the quarter. This, together with the rather high yields on hryvnia instruments, is an important factor in maintaining FX market sustainability, and anchoring inflation expectations in the future.

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

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

Going forward, Russia's full-scale military aggression, and the materialization of risks that come with it, might affect the NBU's performance and financial standing, but the magnitude of such an impact cannot be measured at this point. NBU management is closely watching the current situation and developments and is taking necessary action to mitigate the influence of adverse factors.



## Section II.I. Financial Instruments

### 4. Presentation of Financial Instruments by Measurement Categories

#### Transactions with Financial Instruments

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

accounting discrepancies. The NBU does not classify any assets in to the category at fair value through other comprehensive income.

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

As of 30 September 2024, financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
(UAH millions)			
<b>Financial assets</b>			
Funds and deposits in foreign currency	–	290,987	<b>290,987</b>
Foreign securities	1,216,669	–	<b>1,216,669</b>
SDR holdings	–	1,522	<b>1,522</b>
Domestic securities	1,232	714,702	<b>715,934</b>
Loans to banks and other borrowers	–	4,650	<b>4,650</b>
Domestic public debt	–	1,273	<b>1,273</b>
IMF quota contributions	–	112,333	<b>112,333</b>
Other financial assets	5	434	<b>439</b>
<b>Total financial assets</b>	<b>1,217,906</b>	<b>1,125,901</b>	<b>2,343,807</b>

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

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

## Section II.II. Financial Assets and Liabilities

### 5. Funds and Deposits in Foreign Currency and Investment Metals

	As of 30 September 2024	As of 31 December 2023
		(UAH millions)
<b>Financial assets at amortized cost</b>		
Foreign currency cash	44,771	41,278
Demand deposits in foreign currency	244,301	293,879
Short-term deposits in foreign currency	1,915	32,356
Allowances for expected credit losses on term deposits in foreign currency	–	(5)
<b>Total financial assets at amortized cost</b>	<b>290,987</b>	<b>367,508</b>
<b>Nonfinancial assets</b>		
Short-term deposits in gold	9,910	5,932
<b>Total nonfinancial assets</b>	<b>9,910</b>	<b>5,932</b>
<b>Total funds and deposits in foreign currency and investment metals</b>	<b>300,897</b>	<b>373,440</b>

All funds and deposits in foreign currency are not backed by collateral as of 30 September 2024 and 31 December 2023.

As of 30 September 2024, the gross carrying value of demand deposits in foreign currency was UAH 244,301 million and it changed in the first nine months 2024 mostly due to decrease in balances on nonresident correspondent accounts (as of 31 December 2023 it was UAH 293,879 million).

In the first nine months of 2024 and 2023, all FX demand deposits were at stage 1 for assessing expected credit losses. In the first nine months of 2024 and 2023, the NBU did not recognize any allowances for expected credit losses on FX demand accounts.

As of 30 September 2024, the gross carrying value of short-term deposits in foreign currency was UAH 1,915 million, allowances for expected loan losses were not formed (as of

31 December 2023, the gross carrying value of time deposits in foreign currency was UAH 32,356 million, and allowances for expected credit losses was UAH 5 million). The changes in gross carrying amount of term deposits in foreign currency were caused by decrease of amount of available term deposits in foreign currency and changes in allowances were due to the release of allowances against returned deposits.

In the first nine months of 2024 and 2023, short-term FX deposits were at stage 1 for assessing expected credit losses.

For the purposes of the consolidated statement of cash flows, the cash flows on short-term deposits in gold are classified as investment activities.

Information on funds and deposits in foreign currency and investment metals broken down into current and noncurrent funds is available in Note 24.

## 6. Foreign Securities

As of 30 September 2024, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
(UAH millions)			
<b>Foreign securities at fair value through profit or loss</b>			
<b>Debt securities by issuers:</b>			
securities issued by U.S. issuers:			
denominated in USD	1,033,443	2,420	<b>1,035,863</b>
securities issued by EU issuers:			
denominated in USD	–	79,094	<b>79,094</b>
denominated in AUD	–	517	<b>517</b>
securities issued by other issuers:			
denominated in USD	1,512	89,774	<b>91,286</b>
denominated in GBP	2,130	976	<b>3,106</b>
denominated in AUD	–	980	<b>980</b>
denominated in Chinese renminbi	–	3,277	<b>3,277</b>
denominated in JPY	431	1,439	<b>1,870</b>
<b>Total debt securities</b>	<b>1,037,516</b>	<b>178,477</b>	<b>1,215,993</b>
<b>Equity instruments:</b>			
shares of the Black Sea Trade and Development Bank	–	676	<b>676</b>
<b>Total equity instruments</b>	<b>–</b>	<b>676</b>	<b>676</b>
<b>Total foreign securities at fair value through profit or loss</b>	<b>1,037,516</b>	<b>179,153</b>	<b>1,216,669</b>

Securities issued by international agencies, banks and other issuers include debt securities issued by foreign central and investment banks, international agencies and other issuers.

Information on securities broken down into current and noncurrent ones is available in Note 24.

As of 31 December 2023, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
(UAH millions)			
<b>Foreign securities at fair value through profit or loss</b>			
<b>Debt securities by issuers:</b>			
securities issued by U.S. issuers:			
denominated in USD	889,466	362	<b>889,828</b>
securities issued by EU issuers:			
denominated in USD	263	109,723	<b>109,986</b>
denominated in GBP	–	1,927	<b>1,927</b>
denominated in AUD	–	860	<b>860</b>
securities issued by other issuers:			
denominated in USD	2,140	55,326	<b>57,466</b>
denominated in GBP	–	2,405	<b>2,405</b>
denominated in AUD	437	–	<b>437</b>
denominated in Chinese renminbi	–	7,766	<b>7,766</b>
denominated in JPY	404	1,344	<b>1,748</b>
<b>Total debt securities</b>	<b>892,710</b>	<b>179,713</b>	<b>1,072,423</b>
<b>Equity instruments:</b>			
shares of the Black Sea Trade and Development Bank	–	676	<b>676</b>
<b>Total equity instruments</b>	<b>–</b>	<b>676</b>	<b>676</b>
<b>Total foreign securities at fair value through profit or loss</b>	<b>892,710</b>	<b>180,389</b>	<b>1,073,099</b>



Information about the nominal value, coupon rate and maturities of foreign debt securities as of 30 September 2024 is presented in the table below:

	Total nominal value in foreign currency, in millions	Total nominal value in hryvnia equivalent, UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
<b>Debt securities measured at fair value through profit or loss by issuers</b>					
<b>Government bonds:</b>					
securities issued by U.S. issuers:					
denominated in USD	25,225	1,038,429	0–5.0	Quarterly, every 6 months, without coupon payments	From 15 days to 1 year
securities issued by other issuers:					
denominated in USD	36	1,498	1.5–2.875	Every 6 months	From 16 days to 4.5 months
denominated in GBP	39	2,150	0.625–5.0	Every 6 months	From 5.3 months to 11.4 months
denominated in JPY	1,500	431	0.02	Every 6 months	8.8 months
<b>Bonds issued by international agencies, banks and other issuers:</b>					
securities issued by U.S. issuers:					
denominated in USD	58	2,388	2.625–5.69286	Quarterly, every 6 months	From 6.8 months to 4 years
securities issued by EU issuers:					
denominated in USD	1,961	80,741	0–6.17424	Quarterly, every 6 months, once a year, without coupon payments	From 16 days to 1 year
denominated in AUD	19	525	0	Without coupon payment	4.3 months
securities issued by other issuers:					
denominated in USD	2,220	91,401	0–6.59286	Quarterly, every 6 months, without coupon payments	From two days to 3.4 years
denominated in GBP	18	992	0	Without coupon payment	3.8 months
denominated in AUD	36	1,008	0	Without coupon payment	From 6.8 months to 8.7 months
denominated in Chinese renminbi	550	3,229	3.4	Every 6 months, once a year	From 1.2 months to 10.7 months
denominated in JPY	5,000	1,438	0.295	Every 6 months	18 days

Information about the nominal value, coupon rate and maturities of foreign debt securities as of 31 December 2023 is presented in the table below:

	Total nominal value in foreign currency, millions	Total nominal value in the hryvnia equivalent, UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
<b>Debt securities measured at fair value through profit or loss by issuers</b>					
<b>Government bonds:</b>					
securities issued by U.S. issuers:					
denominated in USD	23,642	897,997	0–5.471199	Quarterly, every 6 months, without coupon payments	From two days to 1.6 years
securities issued by EU issuers:					
denominated in USD	7	266	0	Without coupon payment	2.7 months
securities issued by other issuers:					
denominated in USD	56	2,138	1.75–7.125	Every 6 months	From 23 days to 9.7 months
denominated in AUD	17	436	2.75	Every 6 months	3.7 months
denominated in JPY	1,500	404	0.02	Every 6 months	1.5 years
<b>Securities issued by international agencies, banks and other issuers:</b>					
securities issued by U.S. issuers:					
denominated in USD	9	356	5.51–5.64	Every 6 months	From 3.1 months to 8.7 months
securities issued by EU issuers:					
denominated in USD	2,972	112,898	0–6.318882	Quarterly, every 6 months, without coupon payments	From 1 month to 1.7 years
denominated in GBP	40	1,940	0	Without coupon payment	1.3 months
denominated in AUD	34	870	0	Without coupon payment	From 1.2 months to 5.7 months
securities issued by other issuers:					
denominated in USD	1,500	56,981	0–6.601415	Quarterly, every 6 months, once a year, without coupon payments	From 16 days to 1.4 years
denominated in GBP	50	2,424	0	Without coupon payment	From 16 days to 3.6 months
denominated in Chinese renminbi	1,450	7,756	0–3.4	Every 6 months, once a year, without coupon payments	From 22 days to 1.6 years
denominated in JPY	5,000	1,347	0.295	Every 6 months	9.7 months

## 7. Transactions with the IMF

### 7.1. SDR Holdings

SDR holdings are demand deposits denominated in SDR on the account opened at the IMF for Ukraine.

Movements in the SDR holding account in the first nine months of 2024 and the same period in 2023 were as follows:

	2024	2023
	(UAH millions)	
<b>Balance of SDR holdings as of 1 January</b>	<b>35,570</b>	<b>62,174</b>
Proceeds from the IMF:		
in favor of the government	<b>124,074</b>	131,371
Proceeds from international donor financial aid to Ukraine:		
in favor of the government	<b>57,594</b>	64,235
Purchase of SDRs	<b>57,891</b>	4,967
Other proceeds and payments	<b>238</b>	224
Loan repayment:		
on behalf of the NBU (Note 7.3)	<b>(34,392)</b>	(49,932)
on behalf of the government	<b>(46,973)</b>	(24,513)
Payment of fees and commissions related to transactions with the IMF	<b>(1,066)</b>	(1,077)
Conversion of SDRs to other foreign currencies:		
in favor of the NBU	<b>(166,707)</b>	(155,394)
Payment of interest for the use of IMF loans:		
on behalf of the NBU	<b>(3,788)</b>	(5,609)
on behalf of the government	<b>(20,607)</b>	(12,865)
Payment of interest for the use of funds received under SDR allocation:		
on behalf of the NBU	<b>(130)</b>	(102)
on behalf of the government	<b>(5,047)</b>	(3,952)
Other payments	<b>(1)</b>	(2)
Income on SDR holdings	<b>1,033</b>	1,698
FX difference	<b>3,833</b>	(506)
<b>Balance of SDR holdings as of 30 September</b>	<b>1,522</b>	<b>10,717</b>

In the first nine months of 2024 and 2023, there were no proceeds from the IMF under credit programs in favor of the NBU.

Information on SDR holdings broken down into current and noncurrent ones is available in Note 24.

## 7.2. IMF Quota Contributions

The quota balance is a special type of asset that represents Ukraine's contribution as an IMF member. Quotas vary based on the economic size of each country and are determined by the IMF Board of Governors. The quota determines a member's voting power in the IMF, the limits of its access to the financial resources of the fund, and a participant's share in the allocation of SDRs, the fund's unit of accounting. The major part of Ukraine's quota was paid in the form of non-interest bearing promissory notes issued by the NBU to the IMF, with the remainder being credited to IMF accounts No. 1 and No. 2 (Note 7.3).

As of 30 September 2024, Ukraine's total quota in the IMF amounted to SDR 2,012 million (UAH 112,333 million at the official UAH/SDR exchange rate as of the end of the reporting period) (as of 31 December 2023, it was SDR 2,012 million, or UAH 102,521 million at the year-end official exchange rate). The quota does not earn interest.

The reserve position in the IMF is a specific type of asset that is created by converting a part of the contribution of a member country to the IMF liquidity quota. The reserve position is a part of the country's currency reserves.

As of 30 September 2024, the reserve position of Ukraine in the IMF amounted to SDR 241,031, or UAH 13.5 million at the official UAH/SDR exchange rate as of the end of the reporting period (as of 31 December 2023, it was SDR 241,031, or UAH 12.3 million at the year-end official exchange rate). The amount of the reserve position is included into the item *IMF quota contributions* of the Interim Concise Consolidated Statement of Financial Position.

Information on IMF quota contributions broken down into current and noncurrent ones is available in Note 24.

## 7.3. Liabilities to the IMF

	As of 30 September 2024	As of 31 December 2023
	(UAH millions)	
Liabilities to the IMF for SDR purchases	53,047	81,844
Liabilities to the IMF for SDR allocations	4,576	4,179
IMF account No. 2	3	4
<b>Liabilities to the IMF apart from quota contributions</b>	<b>57,626</b>	<b>86,027</b>
Liabilities to the IMF on quota contributions	112,037	102,252
IMF account No. 1	282	257
<b>Liabilities to the IMF on quota contributions</b>	<b>112,319</b>	<b>102,509</b>
<b>Total liabilities to the IMF</b>	<b>169,945</b>	<b>188,536</b>

Liabilities to the IMF for SDR allocation represent funds received by the NBU as a result of the special SDR allocation.

Liabilities to the IMF for purchases of SDRs represent loans received from the IMF to accounts with the NBU. In the first nine months of 2024 and 2023, there were no proceeds from the IMF to the NBU (Note 7.1).

IMF account No. 1 is the IMF account with the NBU in domestic currency that is used for transactions with the IMF related to the servicing and repayment of IMF loans. IMF account No. 2 is the IMF account with the NBU in the domestic currency that is used by the IMF for receipts and administrative expenses in UAH in Ukraine. In the first nine months of 2024, the IMF administrative expenses in the amount of UAH 0.98 million were paid from account No. 2 (in the first nine months 2023, there were no IMF administrative expenses).

Liabilities to the IMF on quota contributions represent liabilities for quota settlement.

In the first nine months of 2024 and 2023, no changes occurred in the size of the quota (Note 7.2).

In the first nine months of 2024, liabilities worth SDR 649 million (UAH 34,392 million at the official exchange rate at the transaction date, or UAH 32,877 million at the annual exchange rate of the IMF) were repaid to the IMF [in the first nine months of 2023, repayments of liabilities to the IMF worth SDR 1,024 million (UAH 49,932 million at the official exchange rate at the transaction date, or UAH 45,690 million at the annual exchange rate of the IMF) were repaid] (Note 7.1).

Information on liabilities to the IMF broken down into current and noncurrent ones is available in Note 24.



## 8. Domestic Securities

	As of 30 September 2024	As of 31 December 2023
		(UAH millions)
<b>Securities at fair value through profit or loss</b>		
in foreign currencies:		
government derivatives denominated in US dollars	1,232	729
<b>Total securities at fair value through profit or loss</b>	<b>1,232</b>	<b>729</b>
<b>Debt securities at amortized cost:</b>		
in domestic currency:		
domestic government debt securities (at a fixed interest rate)	263,279	277,351
domestic government debt securities (at a floating interest rate)	451,423	449,738
<b>Total debt securities at amortized cost</b>	<b>714,702</b>	<b>727,089</b>
<b>Total domestic securities</b>	<b>715,934</b>	<b>727,818</b>

According to Article 54 of the Law of Ukraine On the National Bank of Ukraine, the NBU has no right to acquire securities in the primary market, which are issued by the Cabinet of Ministers of Ukraine, a state institution, or other legal entity whose property is state-owned.

However, according to Law of Ukraine No. 2118-IX On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine Regarding the Specific Taxation and Reporting Under Martial Law dated 3 March 2022, this article was temporarily suspended from 7 March 2022 for the duration of martial law in Ukraine.

In the first nine months of 2024 and 2023, the NBU did not purchase domestic government debt securities in the primary market. In March-December 2022, the NBU acquired on a primary market from the issuer, the Ministry of Finance of

Ukraine, domestic government debt securities at a fixed interest rate and domestic government debt securities at a floating interest rate with the total nominal value of UAH 400,000 million. Those domestic government debt securities have nominal value UAH 1,000 each, with UAH 120,000 million falling on securities at a fixed interest rate and UAH 280,000 on securities at a floating interest rate.

Each government derivative has a notional value of USD 1,000 or such aggregate value that is an integer multiple equal to USD 1,000 (hereinafter referred to as the "notional value"). Payments on government derivatives depend on reaching certain GDP indicators and the indicator of real GDP growth for 2019–2039.

Information on domestic securities broken down into current and noncurrent ones is available in Note 24.

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 30 September 2024 is presented in the table below:

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
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**Securities at fair value through profit or loss:**

in foreign currencies:

government derivatives	1,805	44	–	–	–	Up to 16.7 years
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**Debt securities at amortized cost:**

in domestic currency:

domestic government debt securities (at a fixed interest rate)	252,615	–	11.37–16.93	8.12–19.75	Once a year, every 6 months	From 5 months to 12.6 years
domestic government debt securities (at a floating interest rate)	425,173	–	6.96–13.50	9.80–15.29	Once a year	From 8.7 years to 27.6 years

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 31 December 2023 is presented in the table below:

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
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**Securities at fair value through profit or loss:**

in foreign currencies:

government derivatives	1,665	44	–	–	–	Up to 17.4 years
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**Debt securities at amortized cost:**

in domestic currency:

domestic government debt securities (at a fixed interest rate)	265,018	–	11.30–19.35	8.12–19.75	Once a year, every 6 months	From 0.6 months to 13.3 years
domestic government debt securities (at a floating interest rate)	425,173	–	6.74–13.59	4.10–21.86	Once a year	From 9.4 years to 28.4 years

In the first nine months of 2024 and 2023, all debt securities at amortized cost (government securities) were at stage 1. In the first nine months of 2024 and 2023, the NBU did not make allowances for expected credit losses on government securities.

## 9. Loans to Banks and Other Borrowers

Loans to banks and other borrowers by their designated purpose are classified as follows:

	As of 30 September 2024	As of 31 December 2023
	(UAH millions)	
Loans granted to banks to support their liquidity:		
for stabilizing banking activities	36,604	36,915
through tenders conducted by the NBU:		
long-term	1,564	2,480
short-term	282	282
Other	10	10
Loans granted under credit lines to support small and medium businesses using funds received from the European Bank for Reconstruction and Development (the EBRD)	21	21
Allowances for expected credit losses on loans to banks and other borrowers	(33,831)	(34,017)
<b>Total loans to banks and other borrowers</b>	<b>4,650</b>	<b>5,691</b>

In the first nine months of 2024, the NBU supported the liquidity of banks via a standing refinancing line (overnight loans), bank refinancing with maturities up to 14 days and one year by holding tenders [during 2023: via a standing refinancing line (overnight loans), bank refinancing with maturities up to one year by holding tenders].

The NBU performs bank refinancing by providing the banks with overnight loans and refinancing loans and has the outstanding debts under refinancing loans as of 30 September 2024 and 31 December 2023. The NBU grants to banks the overnight and refinancing loans secured by a pool that may consist of the following asset (property) types: securities [Ukrainian government bonds, bonds of international financial institutions (issued in accordance with the Ukrainian laws), corporate bonds placed against the CMU's guarantees, domestic municipal bonds], including property rights to future cash flows in national and/or foreign currency as payment of income and/or repayment of pledged securities to separate bank accounts at the NBU; the NBU's certificates of deposit, including property rights to future cash receipts as payment of income and/or repayment of pledged certificates of deposit to separate bank accounts at the NBU; foreign currency (U.S. dollars, euros, GB pounds, Swiss francs, Japanese yens); cash in national and/or foreign currency transferred as payment of income and/or repayment of pledged securities and/or certificates of deposit, property rights to future receipts pledged as collateral.

The securities (Ukraine's government bonds, corporate bonds, including those placed under the CMU's guarantees), foreign currency, shares of the owners of a bank's qualifying holding, real estate, and property rights under loan agreements were accepted as collateral against stabilization loans issued to banks to support their liquidity before 2017 and which remained outstanding as of 30 September 2024 and 31 December 2023. Since 2017, the NBU has not granted the stabilization loans. Instead of stabilization loans, the NBU may issue to banks loans for emergency liquidity assistance, but no such loans have been issued yet.

As of 30 September 2024, the gross carrying value of loans to banks was UAH 36,604 million, allowances for expected loan losses under stabilization loans were UAH 33,517 million (as of 31 December 2023, the gross carrying value of stabilization loans to banks was UAH 36,915 million, and allowances for expected credit losses were UAH 33,659 million).

As of 30 September 2024, the gross carrying value of loans to banks provided through tenders conducted by the NBU was UAH 1,846 million, loan loss provisions under loans provided through tenders conducted by the NBU were UAH 283 million (as of 31 December 2023, the gross carrying value of loans to banks provided through tenders conducted by the NBU was UAH 2,762 million, and loan loss provisions were UAH 327 million).

As of 30 September 2024 and 31 December 2023, other loans were at stage 3, gross carrying value was UAH 10 million, allowances for expected credit losses were UAH 10 million.

As of 30 September 2024 and 31 December 2023, loans granted under credit lines to support small and medium entities from funds received from the EBRD and other loans remained at stage 3, their gross carrying value was UAH 21 million, allowances for expected credit losses were UAH 21 million.

The estimated fair value of loans to banks and other borrowers is presented in Note 18. Information on loans to banks and other borrowers broken down into current and noncurrent ones is available in Note 24.

### Loan Commitments

As of 30 September 2024 and 31 December 2023, the NBU had commitments for granting loans to the Deposit Guarantee Fund under an open revocable revolving credit line totaling UAH 3,000 million.

## 10. Accounts of Banks

	As of 30 September 2024	As of 31 December 2023
	(UAH millions)	
Correspondent accounts:		
in domestic currency	252,742	212,227
Other accounts of banks on demand:		
in domestic currency	4	–
in foreign currency	635	1,269
Bank accounts on special use terms:		
in domestic currency	1,422	1,676
in foreign currency	791	425
Funds placed to ensure the repayment of bank debts to the NBU:		
in foreign currency	410	662
Bank funds to ensure the execution of liabilities to the NBU:		
in domestic currency	–	2
<b>Total accounts of banks</b>	<b>256,004</b>	<b>216,261</b>

As of 30 September 2024 and 31 December 2023, setting the interest rates on the balances in the domestic currency in the correspondent accounts was not provided for by NBU regulations, therefore the interest was not accrued.

Other demand accounts of banks included the funds placed by resident banks with the NBU in line with NBU regulations and signed agreements. As of 30 September 2024, balances of other foreign-currency demand deposits of banks bore an interest rate of 4.75% (5.25% as of 31 December 2023).

Accounts of banks on special-use terms include funds placed for the purposes of making settlements in the cases specified by the laws of Ukraine and the NBU's regulations, in particular settlements by liquidation committees in the cases of terminating activities of banks.

Funds placed to ensure the repayment of bank debts to the NBU include the funds of resident banks placed in accounts with the NBU as collateral for liabilities under loans granted under loan agreements and as security for interest rate swap transactions.

Funds of banks used to ensure discharge of liabilities to the NBU include funds of the pool of assets (property) that ensure the fulfillment of obligations under refinancing loans, transferred as payment of income and/or repayment of pledged securities, property rights for future proceeds of which had been pledged. Interest on said funds was not accrued.

Information on accounts of banks broken down into current and noncurrent ones is available in Note 24.

## 11. Accounts of Government and Other Institutions

	As of 30 September 2024	As of 31 December 2023
		(UAH millions)
Funds of budgets and budget entities:		
in domestic currency	31,858	52,885
in foreign currency	121,964	85,060
Deposit Guarantee Fund:		
in domestic currency	2,146	539
Other:		
in domestic currency	821	867
in foreign currency	587	751
<b>Total accounts of government and other institutions</b>	<b>157,376</b>	<b>140,102</b>

The NBU services the accounts of the State Budget of Ukraine and local budgets, which are consolidated into a single Treasury account.

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, all budget accounts are non-interest-bearing, except for the accounts of the Deposit Guarantee Fund,

which set the interest rate of 4.21% as of 30 September 2024 (as of 31 December 2023: 4.60%).

Information on accounts of government and other institutions broken down into current and noncurrent ones is available in Note 24.

## 12. Certificates of Deposit Issued by the NBU

The certificates of deposit issued by the NBU are one of its monetary policy instruments. They are debt securities issued by the NBU in non-documentary form evidencing the placement of banks' funds with the NBU and the right of banks to receive on their maturity the funds placed, together with the interest accrued. The expenses (yield for the banks) on the certificates of deposit is set based on the NBU's interest rate policy framework, taking into account its current objectives.

During the reporting period, the NBU gradually cut the rate on both the overnight certificates of deposit (from 15.00% per annum at the beginning of the reporting period to 14.50% per annum as of 15 March 2024, to 13.50% as of 26 April 2024, and 13.00% as of 14 June 2024), and the limited certificates of deposit (from 19.00% at the beginning of the reporting period to 17.50% as of 15 March 2024, to 16.50% as of 26 April 2024, 16.00% as of 14 June 2024, and 15.50% as of 20 September 2024).

The calculation of the interest rate on limited deposit certificates was also changed, in particular, starting from 15 March 2024, their interest rate was calculated as "NBU discount rate +3 pp" versus "NBU discount rate + 4 pp", as it was at the beginning of the reporting period. Effective 20 September 2024, the NBU modified the parameters of certain monetary policy instruments and operations, in particular, the interest rate on three-month limited deposit certificates was cut to 15.50%. The interest rate on overnight certificates of deposit will continue to equal the key policy rate.

Effective 19 April 2024, the NBU changed the parameters for calculating the limit on the purchase of three-month certificates of deposit by banks by switching to a 12-month rolling variable base for calculating the growth of time deposit balances and deposits of individuals in the national currency, which is used to calculate the maximum amount of limited deposit certificates purchased by a bank.

	As of 30 September 2024	As of 31 December 2023
		(UAH millions)
<b>Certificates of deposit at amortized cost:</b>		
overnight certificates of deposit	318,157	441,457
certificates of deposit with maturities up to 100 days	149,385	180,210
<b>Total amount of certificates of deposit at amortized cost</b>	<b>467,542</b>	<b>621,667</b>

As of 30 September 2024 and 31 December 2023, the nominal value of the certificates of deposit issued by the NBU was UAH 1 million each.

Information on the nominal value, weighted average loss, interest rate and maturities of domestic securities as of 30 September 2024 is presented in the table below:

	Total nominal value of certificates of deposit, UAH millions	Weighted average cost, % p.a.	Interest rate, % p.a.	Frequency of interest payments	Period of placement, calendar days
<b>Certificates of deposit at amortized cost</b>					
overnight certificates of deposit	318,044	13.00	13.00	One time during repayment	1
certificates of deposit with maturities up to 100 days	145,144	16.00	15.50–16.00	One time during repayment	91

Information on the nominal value, weighted average loss, interest rate, and period of placement as of 31 December 2023 is presented in the table below:

	Total nominal value of certificates of deposit, UAH millions	Weighted average loss, % p.a.	Interest rate, % p.a.	Frequency of payment interest payments	Period of placement, calendar days
<b>Certificate of deposit at amortized cost</b>					
overnight certificates of deposit	440,913	15.00	15.00	One time during repayment	3
certificates of deposit with maturities up to 100 days	174,611	19.82	19.00–20.00	One time during repayment	91

Information on certificates of deposit broken down into current and noncurrent ones is available in Note 24.



### 13. Cash and Cash Equivalents

	Note	As of 30 September 2024	As of 31 December 2023
(UAH millions)			
Foreign currency cash	5	44,771	41,278
Demand deposits	5	244,314	293,884
Short-term FX deposits with maturities of up to three months (other than deposits in gold)	5	1,914	32,285
SDR holdings	7.1	1,477	35,483
<b>Total cash and cash equivalents</b>		<b>292,476</b>	<b>402,930</b>

Changes in liabilities that resulted from financial activities, in the first nine months of 2024:

	Note	As of 1 January 2024	Issued / raised/ (repaid) liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 September 2024
(UAH millions)								
Banknotes and coins in circulation		764,598	32,078	–	–	–	–	796,676
Liabilities to the IMF	7.1, 7.3	188,536	(34,392)	(3,918)	16,093	3,589	37	169,945
Certificates of deposit issued by the NBU	12	621,667	(152,336)	(63,131)	–	61,342	–	467,542

The NBU classifies interests paid as cash flows from operating activity in the consolidated statement of cash flows.

Changes in liabilities that resulted from financial activities, in the first nine months of 2023:

	Note	As of 1 January 2023	Issued / raised/ (repaid) liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 September 2023
(UAH millions)								
Banknotes and coins in circulation		715,330	11,795	–	–	–	–	727,125
Liabilities to the IMF	7.1, 7.3	239,176	(49,932)	(5,711)	(2,136)	5,558	69	187,024
Certificates of deposit issued by the NBU	12	457,464	49,574	(61,933)	–	69,359	–	514,464

## Section II.III. Financial Performance by Financial Instruments

### 14. Interest Income and Expenses

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
<b>Interest income</b>				
Income on domestic securities at amortized cost	20,965	61,027	23,590	81,931
Income on accounts and deposits in foreign currencies	2,943	9,115	4,808	11,130
Income on SDR holdings	292	1,033	431	1,698
Income on loans to banks	182	582	424	3,509
Income on domestic public debt	28	84	30	90
Other	–	1	1	2
<b>Total interest income at the effective interest rate</b>	<b>24,410</b>	<b>71,842</b>	<b>29,284</b>	<b>98,360</b>
<b>Interest expenses</b>				
Expenses on certificates of deposit issued by the NBU	(18,194)	(61,342)	(26,047)	(69,359)
Expenses on operations with the IMF	(1,118)	(3,626)	(1,804)	(5,627)
Expenses on Deposit Guarantee Fund accounts	(44)	(100)	(23)	(59)
Expenses on banks' funds	(8)	(35)	(19)	(123)
<b>Total interest expenses at the effective interest rate</b>	<b>(19,364)</b>	<b>(65,103)</b>	<b>(27,893)</b>	<b>(75,168)</b>
<b>Net interest income</b>	<b>5,046</b>	<b>6,739</b>	<b>1,391</b>	<b>23,192</b>

Other interest income includes interest income, in particular those on loans to employees.

In the first nine months of 2024, income on domestic securities at amortized cost included UAH 14,332 million of income on floating-rate domestic government securities in Q3 2024, UAH 40,847 million cumulative from the beginning of 2024 (UAH 16,487 million in Q3 2023, UAH 60,284 million cumulative from the beginning of 2023).

In the first nine months of 2024, the expenses on certificates of deposit issued by the NBU included:

UAH 11,731 million on overnight certificates of deposit in Q3 2024, and UAH 38,596 million cumulative since the beginning of 2024 (UAH 14,175 million in Q3 2023, UAH 51,506 million cumulative since the beginning of 2023)

UAH 6,463 million on overnight certificates of deposit in Q3 2024, and UAH 22,746 million cumulative since the beginning of 2024 (UAH 11,872 million in Q3 2023, UAH 17,853 million cumulative since the beginning of 2023).

## 15. Gains or Losses on Transactions with Financial Assets and Liabilities in Foreign Currency and Monetary Gold

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
Unrealized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	24,987	106,219	(5,049)	(5,767)
Realized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	10,259	24,705	5,544	13,998
<b>Total gains or losses on operations with financial assets and liabilities in foreign currency and monetary gold</b>	<b>35,246</b>	<b>130,924</b>	<b>495</b>	<b>8,231</b>

## 16. Gains or Losses on Transactions with Financial Instruments at Fair Value through Profit or Loss

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
<b>Foreign securities at fair value through gains or losses</b>				
<b>Interest income</b>	<b>5,503</b>	<b>13,888</b>	<b>2,447</b>	<b>5,739</b>
Unrealized results on foreign securities at fair value through gains or losses	5,405	19,418	5,715	12,294
Realized results on foreign securities measured at fair value through profit or loss (previously unrealized results of the current year that were realized)	8,481	13,758	3,736	8,743
<b>Total gains or losses from foreign securities at fair value through profit or loss</b>	<b>19,389</b>	<b>47,064</b>	<b>11,898</b>	<b>26,776</b>
<b>Derivative financial instruments</b>				
Unrealized gains or losses from derivative financial instruments	504	1,229	699	2,434
Realized gains or losses on derivative financial instruments (previously unrealized gains or losses of the current year that were realized)	(46)	(343)	305	(833)
<b>Total amount of gains or losses from derivative financial instruments</b>	<b>458</b>	<b>886</b>	<b>1,004</b>	<b>1,601</b>
<b>Total results on transactions with financial instruments at fair value after revaluation in profit or loss</b>	<b>19,847</b>	<b>47,950</b>	<b>12,902</b>	<b>28,377</b>

In the first nine months of 2024, interest received on foreign securities included in the net increase in foreign securities in the Interim Concise Consolidated Cash Flow Statement

amounted to UAH 13,301 million (UAH 3,778 million in the first nine months of 2023).

## 17. Losses / (Gains) from (Impairment) / Reversal of Impairment of Financial and Nonfinancial Assets

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
Gains / (losses) from reversal of impairment / (impairment) on deposits in foreign currency at amortized cost	6	5	1	1
(Losses) / gains from (impairment)/reversal of impairment on loans to banks	23	(226)	722	978
Gains / (losses) from reversal of impairment/(impairment) on other loans to employees	1	1	1	1
<b>(Losses) / gains from (impairment) / reversal of impairment on interest-bearing financial assets</b>	<b>30</b>	<b>(220)</b>	<b>724</b>	<b>980</b>
(Losses) / gains from (impairment)/reversal of impairment on receivables	(2)	(11)	–	3
Gains / (losses) from reversal of impairment / (impairment) on other nonfinancial assets	–	–	–	7
<b>(Losses) / gains from (impairment) / reversal of impairment on other assets</b>	<b>(2)</b>	<b>(11)</b>	<b>–</b>	<b>10</b>

## Section II.IV. Fair Value of Financial Assets and Liabilities

### 18. Fair Value of Financial Assets and Liabilities

The market where the NBU usually performs transactions to sell an asset or transfer a liability is deemed to be the principal market or, in the absence of a principal market, the most advantageous one for the asset or liability. The NBU should have access to the principal or the most advantageous market as of the measurement date. The NBU measures the fair value of an asset or liability using the same assumptions used by market participants for forming a price for the asset or liability, and assuming that the market participants act in their economic interests.

If the principal market for an asset or liability exists, fair value measurement represents a price on this market (irrespective of the fact whether the price is publicly available, or it was calculated using a different measurement method), even if the price on other market is potentially more advantageous at the measurement date.

To establish the fair value of financial instruments regarding which no information on market prices is available from external sources, such valuation methods are used as discounted cash flow and analysis of financial information on investment objects. The use of the valuation methods may require the assumptions not supported with market data. In these consolidated financial statements, the information on assumptions is disclosed in the cases when the replacement of such assumption with a possible alternative option may lead to substantial change in amounts of profits, income, losses, the total amount of assets or liabilities.

The NBU uses the valuation methods in conformity with the circumstances and for which the data are sufficient to evaluate fair value, using at maximum the proper, publicly available inputs and minimizing the use of confidential inputs.

All assets and liabilities whose fair value is measured or disclosed in consolidated financial statements are classified according to the hierarchy of fair value.

The NBU determines the estimated fair value of financial assets and liabilities using available market information, where it exists, and the appropriate evaluation methodologies. However, professional judgment is required to interpret market data to measure fair value. Given the low activity in Ukraine's financial market, the estimated fair value may not always reflect the value that could be realized by the NBU in the current circumstances.

#### Financial Assets and Liabilities Carried at Fair Value

Financial instruments carried at fair value include foreign securities and derivative financial instruments.

The fair value of foreign debt securities (except for capital instruments) is defined on quoted prices on the active market (Level 1 inputs), other quotations from trading information systems (Level 2 inputs), or in the absence of information on

quoted prices on the active market, the fair value is based on an income approach and Level 3 inputs (the yield of the securities during their initial placement by the issuer and the assumption that the yield will remain unchanged until the maturity date of the relevant securities, taking into account their short maturities). The fair value of capital instruments is determined by an external appraiser using the revenue method based on Level 3 inputs.

The fair value of derivative financial instruments (government derivatives) is determined on the basis of quoted prices on an active market (Level 1 inputs).

When determining the fair value of derivative financial instruments such as interest rate and currency swaps, a valuation method is used for data that is openly observed on the market (Level 2). Fair value is determined with valuation models based on the current market-based and contractual value of the underlying instruments and other drivers. The models include various data, namely forward and spot exchange rates, exchange rate volatility, interest rate indices on interbank markets, yield curves, and so on.

#### Financial Assets and Liabilities at Amortized Cost

The NBU has determined that the fair value of certain financial assets and liabilities carried at amortized cost does not materially differ from their carrying value for the purposes of disclosing the fair value. These financial assets and liabilities include funds and deposits in foreign currencies, SDR holdings and IMF quota contributions, other financial assets, banknotes and coins in circulation, accounts of banks, accounts of state and other institutions, NBU certificates of deposit, liabilities to the IMF, and other financial liabilities.

Financial instruments carried at amortized cost, the fair value of which may differ significantly from their carrying values, include domestic securities, domestic public debt in domestic currency, and loans to banks and other borrowers. None of these financial instruments have an active market.

For the purposes of disclosing in its consolidated financial statements the fair values of financial assets and liabilities for which no active market exists, the NBU estimates the fair values of such assets and liabilities using the discounted cash flow method (the income approach). The said model takes into account future interest payments and principal repayments, the repayment period, and the discount rate.

The NBU estimates the fair value of domestic securities on the basis of the income approach and the following information:

for long-term inflation-indexed government bonds – Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and

executed agreements on domestic government debt securities, using the Svensson parametric model, and the actual consumer price index calculated month-on-month over the period from October 2023 to August 2024), and Level 3 inputs (the September 2024 FOCUSECONOMICS consensus forecast of consumer price indices for 2024–2028 and target consumer price indices established by the NBU for the period from 2029 to 2047)

for other Ukrainian government bonds – Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and executed agreements on domestic government debt securities, using

the Svensson parametric model, key policy rates from the NBU's forecasts).

To measure the fair value of domestic public debt in the domestic currency, the NBU's weighted average rate on recent refinancing instruments (Level 3 inputs) of the reporting period is used as the discount rate.

As of 30 September 2024 and 31 December 2023, the NBU applied the market rate [the NBU's key policy rate established by the NBU's rate policy as a margin interest rate (the lower point of the range) for loans to banks] at the measurement date (Level 3 inputs) as the discount rate used to measure the fair value of loans to banks and other borrowers.

The discount rates used were as follows:

	As of 30 September 2024 discount rate, in % per annum	As of 31 December 2023 discount rate, in % per annum
Domestic securities in domestic currency:		
domestic government debt securities (at a fixed interest rate)	11.37–16.93	11.30–19.35
domestic government debt securities (at a floating interest rate)	6.96–13.5	6.74–13.59
Domestic public debt in domestic currency (1994–1996)	17.00	22.00
Loans to banks and other borrowers in domestic currency	13.00	15.00

The following table summarizes the carrying value and estimated fair values of the financial assets that do not appear in the NBU's Interim Concise Consolidated Statement of Financial Position at their fair values:

	As of 30 September 2024		As of 31 December 2023	
	carrying value	fair value	carrying value	fair value
(UAH millions)				
Domestic securities in domestic currency:				
domestic government debt securities (at a fixed interest rate)	263,279	238,528	277,351	248,153
domestic government debt securities (at a floating interest rate)	451,423	379,366	449,738	396,526
Domestic public debt	1,273	935	1,347	833
Loans to banks and other borrowers	4,650	4,666	5,691	5,735

Taking into account that fair value estimates are based on certain assumptions, it should be noted that the information provided above may not be fully reflective of the value that could be realized.



The fair value of financial instruments was categorized as follows:

	As of 30 September 2024			As of 31 December 2023		
	level 1	level 2	level 3	level 1	level 2	level 3
(UAH millions)						
<b>Assets measured at fair value</b>						
Foreign securities carried at fair value	1,056,316	11,277	149,076	901,668	27,915	143,516
Domestic securities carried at fair value:						
government derivatives	1,232	–	–	729	–	–
<b>Assets for which fair value is disclosed</b>						
Domestic securities in domestic currency:						
domestic government debt securities (at a fixed interest rate)	–	238,528	–	–	248,153	–
domestic government debt securities (at a floating interest rate)	–	249,411	129,955	–	268,588	127,938
Domestic public debt	–	–	935	–	–	833
Loans to banks and other borrowers	–	–	4,666	–	–	5,735
<b>Liabilities measured at fair value</b>						
Other financial liabilities at fair value:						
interest rate swap	–	362	–	–	1,223	–

Over the first nine months of 2024, there were neither material transfers of financial instruments between Levels 1 and 2 of the fair value hierarchy, nor transfers of financial instruments to or from Level 3 of the fair value hierarchy.

Long-term inflationary domestic bonds – the fair values of which are disclosed – are included in Level 3 of the fair value hierarchy.

The change in the fair value of foreign securities that are measured at the reporting date at fair value, and are included in Level 3 of the fair value hierarchy, is presented as follows:

Fair value of foreign securities that are measured at fair value through profit or loss and are attributed to Level 3 of the fair value hierarchy	
	(UAH millions)
<b>Foreign securities as of 1 January 2023</b>	<b>27,667</b>
Income / (expenses) recognized during the reporting period as part of profit or loss	187
Purchases of foreign securities	70,288
Redemptions of foreign securities	(27,105)
<b>Foreign securities as of 30 September 2023</b>	<b>71,037</b>
<b>Foreign securities as of 1 January 2024</b>	<b>143,516</b>
Income / (expenses) recognized during the reporting period as part of profit or loss	21,637
Purchases of foreign securities	107,194
Redemptions of foreign securities	(123,271)
<b>Foreign securities as of 30 September 2024</b>	<b>149,076</b>

Income and expenses from change in the fair value of foreign securities measured as of the reporting date and assigned to Level 3 of the fair value hierarchy are included in profits or losses from transactions with financial assets and liabilities in foreign currencies and monetary gold, and profits or losses from transactions with financial instruments at fair value through profit or loss of the interim concise consolidated statement of profit or loss and other comprehensive income (Notes 15 and 16, respectively).

The average weighted modified duration under financial assets at fair value that are included in Level 3 of the fair

value hierarchy (except for equity instruments at fair value through profit or loss) was 0.44 as of 30 September 2024 (0.53 as of 31 December 2023). An increase in the yield rates used to determine the fair value of these financial assets as of 30 September 2024 (Level 3 inputs) by 100 basis points would decrease the fair value of the relevant assets by UAH 646 million (by UAH 763 million as of 31 December 2023), while a decrease in these yield rates by 100 basis point would increase the fair value of these assets by UAH 646 million (UAH 763 million as of 31 December 2023).

## Section III. Capital Management

### 19. Capital Management

The NBU's capital function is to ensure economic independence and its ability to perform the functions defined by the legislation of Ukraine. As of 30 September 2024, the total amount of capital managed by the NBU was UAH 602,194 million (UAH 420,126 million as of 31 December 2023). No requirements are set for the NBU's equity, except for the amount of authorized capital and general reserves established by the Law of Ukraine *On the National Bank of Ukraine*.

#### Statutory Capital

According to the Law of Ukraine *On the National Bank of Ukraine*, the statutory capital is UAH 10 million. It was increased to UAH 100 million by the decision of the NBU Council based on 2007 performance.

#### General Reserves

The NBU creates general reserves, which are used to cover its losses, in accordance with the Law of Ukraine *On the National Bank of Ukraine*.

General reserves made in the reporting year must equal 10% of the average annual monetary liabilities of the NBU that in 2023 amounted to UAH 1,376,417 million.

#### Reserve Capital

Reserve capital includes a reserve fund raised by the NBU's subsidiary – in accordance with the Law of Ukraine *On Joint Stock Companies* – by paying in annual contributions from the subsidiary's net profit. Contributions to the reserve fund

must be at least 5% of the net profit until the reserve fund reaches 15% of the subsidiary's authorized capital.

#### Revaluation Reserves for Assets and Liabilities

According to the Law of Ukraine *On the National Bank of Ukraine*, unrealized gains from revaluation of foreign currency and monetary gold due to changes in the official exchange rate of the hryvnia to foreign currencies/accounting price of gold throughout the reporting year, unrealized gains from revaluation of securities, capital instruments, and derivative financial instruments in connection with their revaluation to fair value, and unrealized gains or losses from revaluation of bank metals due to changes in the accounting price of bank metals are attributed by the NBU to the item *Revaluation Reserves for Assets and Liabilities* in the *Equity* section of the consolidated statement of financial position and the consolidated statement of changes in equity.

The amount of revaluation reserves is used to offset the amount of unrealized expenses from revaluation of foreign currency, monetary gold, securities, capital instruments, and derivative financial instruments carried at fair value if they accumulate throughout the reporting year.

The amount of revaluation reserves for foreign currency, monetary gold, securities, capital instruments, derivative financial instruments, and investment metals that are disposed of or narrow the open FX position is included into the distributable profit in the corresponding reporting periods.

Equity of the NBU consisted of the following components:

	As of 30 September 2024	As of 31 December 2023
	(UAH millions)	
Statutory capital	100	100
General reserves	137,642	99,675
Retained earnings	197,412	37,984
Reserve capital	37	31
Revaluation reserves of foreign currency and monetary gold	261,180	261,180
Revaluation reserves of investment metals	2,055	1,330
Revaluation reserves of financial instruments to their fair value	3,768	19,826
<b>Total equity</b>	<b>602,194</b>	<b>420,126</b>

## 20. Liabilities to Transfer Distributable Profit to the State Budget of Ukraine

Pursuant to the Tax Code of Ukraine, the NBU makes settlements with the State Budget in line with Article 5<sup>1</sup> of the Law of Ukraine *On the National Bank of Ukraine*.

The NBU transfers its portion of distributable profit to the State Budget of Ukraine in accordance with the Law of Ukraine *On the National Bank of Ukraine*. Distributable profit is determined by reducing the profit by the amount of unrealized gains for the reporting period, which are directed to revaluation reserves. A gain becoming realized in the following periods is recognized in the distributable profit of the respective reporting periods. The NBU redeems the excess

of unrealized expenses over revaluation reserve against the current year's profit, and in the case of shortage – against general reserves. These transactions are presented in the Consolidated Statement of Changes in Equity.

A part of the distributable profit that is left after general reserves are made is subject to transferring to the State Budget of Ukraine.

In April 2024, the NBU transferred UAH 38,643 million out of its distributable profit to the State Budget of Ukraine (UAH 71,868 million in 2023).

## Section IV. Expenses Related to the Support of the NBU Operation

### 21. Staff Costs

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
Payroll of staff	711	2,145	610	1,837
Expenses related to mandatory social security insurance and contributions to private pension funds	156	470	133	398
Financial assistance and other social benefits	5	14	3	8
Other	17	28	8	18
<b>Total staff costs</b>	<b>889</b>	<b>2,657</b>	<b>754</b>	<b>2,261</b>

Other staff costs include costs for training and development, expenditures for voluntary medical insurance of employees, etc.

### 22. Administrative and Other Expenses

	For the period ended 30 September 2024		For the period ended 30 September 2023	
	for the current quarter	on a cumulative basis from the beginning of the year	for the current quarter	on a cumulative basis from the beginning of the year
(UAH millions)				
Banknote Printing and Minting Works' expenses not included in production cost	121	460	125	470
Depreciation and amortization	73	218	66	195
Utilities and household expenses	68	197	58	183
Expenses for maintenance of noncurrent tangible and intangible assets	65	170	46	129
Telecommunication services and maintenance	20	48	15	35
Business trips	9	31	14	41
Contributions to the Primary Labor Union Organization of the NBU	9	27	8	23
Cost of sewage facility services	8	25	7	22
Expenses on software maintenance	9	25	2	6
Problem assets expenses	5	19	62	63
Taxes, duties, and charges	7	17	6	18
Payments to NBU Council members	4	13	5	19
Consulting and legal services	8	12	6	8
Audit expenses	5	5	—	5
Other	8	25	10	26
<b>Total administrative and other expenses</b>	<b>419</b>	<b>1,292</b>	<b>430</b>	<b>1,243</b>

Depreciation and amortization charges over nine months of 2024 exclude depreciation worth UAH 131 million (nine months of 2023: UAH 127 million) for property and equipment used in the production of banknote paper, banknotes, coins, and other products. This portion of depreciation and

amortization charges is included in costs related to the production of banknotes, coins, and other products.

Other expenses include expenses for financial assistance and other social benefits to pensioners, other operational expenses related to cash processing, stationery, etc.

## Section V. Other Notes

### 23. Related Party Transactions

#### **Terms and Conditions of Related Party Transactions**

In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form. The related parties of the NBU include the Ukrainian government, state-controlled entities, key management personnel, etc.

In the normal course of its operations, the NBU enters into transactions with related parties. The outstanding balances as of 30 September 2024 and 31 December 2023 are presented in the table below:

	Note	As of 30 September 2024			As of 31 December 2023		
		Government and state-controlled entities	associated company	other related parties	Government and state-controlled entities	associated company	other related parties
							(UAH millions)
Funds and deposits in foreign currency and investment metals		2	–	–	39	–	–
Domestic securities (gross carrying value)	8	715,934	–	–	727,818	–	–
Loans due from banks and other borrowers (gross carrying value)		3,001	–	–	3,007	–	–
Loss allowances for loans to banks and other borrowers		(2,993)	–	–	(3,000)	–	–
Domestic public debt		1,273	–	–	1,347	–	–
Other assets		95	33	1	83	32	–
Accounts of banks		138,052	–	–	109,936	–	–
Accounts of government and other institutions (excluding the accounts of the Deposit Guarantee Fund)	11	155,177	20	5	139,401	91	11
Accounts of the Deposit Guarantee Fund	11	2,146	–	–	539	–	–
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	–	–	–	38,643	–	–
Certificates of deposit issued by the NBU		185,109	–	–	261,374	–	–
Other liabilities		184	1	–	724	1	–

Other related party transactions of the *Accounts of Government and Other Institutions* item include balances on accounts of the Corporate Nonstate Pension Fund.

The terms and conditions of the transactions above were as follows:

As of 30 September 2024 and 31 December 2023, the NBU had commitments for granting loans to the Deposit Guarantee Fund under an open revocable revolving credit line totaling UAH 3,000 million (Note 9).

The balances of funds in domestic currency held by state-owned banks in the NBU's correspondent accounts (included in accounts of banks in the table above) earned no interest as of 30 September 2024 and 31 December 2023 (Note 10).

The balances of other foreign-currency demand deposits of banks (included in accounts of banks in the table above) as of 30 September 2024 bore an interest rate of 4.75% (5.25% as of 31 December 2022) (Note 10).

The accounts of the government and other institutions as of 30 September 2024 and 31 December 2023 were non-interest-bearing (Note 11).

The accounts of the Deposit Guarantee Fund bore interest rates of 4.21% as of 30 September 2024 (31 December 2023: 4.60%) (Note 11).

The terms of transactions with domestic securities are disclosed in the respective notes.



Income and expense items for transactions with related parties were as follows:

	For the period ended 30 September 2024			For the period ended 30 September 2023		
	Government and state- controlled entities	associated company	other related parties	Government and state- controlled entities	associated company	other related parties
	(UAH millions)					
Interest income	61,112	–	–	83,554	–	–
Interest expenses	(24,395)	–	–	(21,446)	–	–
Fee and commission income	190	–	–	149	–	–
Fee and commission expense	(4)	–	–	(4)	–	–
Other income	320	8	–	505	6	–
Gains or losses on transactions with financial instruments at fair value through profit or loss	681	–	–	896	–	–
Costs related to the production of banknotes, coins, souvenirs, and other products	(116)	–	–	(80)	–	–
Staff costs and remuneration of NBU Council members	–	–	(47)	–	–	(53)
Administrative and other expenses	(42)	–	(54)	(85)	–	(47)
Gains from reversal of impairment on interest- bearing financial assets	6	–	–	4	–	–

Other related parties in the item Administrative and economic and other expenses include the NBU's contributions to the CNPF.

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, the NBU provides services to the State Treasury of Ukraine on a free-of-charge basis.

In the first nine months of 2024, expenses for the short-term benefits (salary and social security tax) of key management personnel were UAH 46.67 million, including remuneration to members of the NBU Council of UAH 12.37 million (in the first nine months of 2023, the short-term benefits of key management personnel were UAH 52.57 million, including remuneration to members of the NBU Council of UAH 17.54 million).

## 24. Current and Noncurrent Assets and Liabilities

The table below shows the classification of assets and liabilities by periods of their expected recovery or maturity into current (up to one year) and noncurrent (more than one year):

	Notes	As of 30 September 2024			As of 31 December 2023		
		current	noncurrent	total	current	noncurrent	total
(UAH millions)							
<b>Assets</b>							
Funds and deposits in foreign currency and investment metals	5	300,897	–	<b>300,897</b>	373,440	–	<b>373,440</b>
Foreign securities	6	1,215,993	676	<b>1,216,669</b>	1,072,423	676	<b>1,073,099</b>
SDR holdings	7.1	1,522	–	<b>1,522</b>	35,570	–	<b>35,570</b>
Monetary gold		–	86,835	<b>86,835</b>	–	62,387	<b>62,387</b>
Domestic securities	8	43,260	672,674	<b>715,934</b>	49,074	678,744	<b>727,818</b>
Loans to banks and other borrowers	9	3,087	1,563	<b>4,650</b>	3,291	2,400	<b>5,691</b>
Domestic public debt		113	1,160	<b>1,273</b>	112	1,235	<b>1,347</b>
IMF quota contributions	7.2	–	112,333	<b>112,333</b>	–	102,521	<b>102,521</b>
Property and equipment and intangible assets		–	3,929	<b>3,929</b>	–	4,044	<b>4,044</b>
Other assets		4,020	3,758	<b>7,778</b>	3,661	3,009	<b>6,670</b>
<b>Total assets</b>		<b>1,568,892</b>	<b>882,928</b>	<b>2,451,820</b>	<b>1,537,571</b>	<b>855,016</b>	<b>2,392,587</b>
<b>Liabilities</b>							
Banknotes and coins in circulation		796,676	–	<b>796,676</b>	764,598	–	<b>764,598</b>
Accounts of banks	10	256,004	–	<b>256,004</b>	216,261	–	<b>216,261</b>
Accounts of government and other institutions	11	157,376	–	<b>157,376</b>	140,102	–	<b>140,102</b>
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	–	–	<b>–</b>	38,643	–	<b>38,643</b>
Certificates of deposit issued by the NBU	12	467,542	–	<b>467,542</b>	621,667	–	<b>621,667</b>
Liabilities to the IMF, apart from IMF quota contributions	7.3	37,311	20,315	<b>57,626</b>	41,337	44,690	<b>86,027</b>
Liabilities to the IMF with respect to quota contributions	7.3	112,319	–	<b>112,319</b>	102,509	–	<b>102,509</b>
Other liabilities		1,766	273	<b>2,039</b>	1,827	782	<b>2,609</b>
<b>Total liabilities</b>		<b>1,828,994</b>	<b>20,588</b>	<b>1,849,582</b>	<b>1,926,944</b>	<b>45,472</b>	<b>1,972,416</b>

Contributions to the IMF quota are classified as noncurrent assets given that under Article XXVI of the IMF Articles of Agreement, a member country has the right to withdraw from the IMF at any time, but there is no current expectation that Ukraine will exercise this right.

Debt commitments to the IMF to pay the quota contribution are classified as current because, in accordance with the Articles of Agreement, the IMF has the right to demand and Ukraine has the obligation to pay the funds and redeem the respective securities. This item also includes funds under IMF Account No. 1, which are categorized as demand deposits and classified as current.

## 25. Events That Followed the Reporting Date

In October 2024, the NBU left its key policy rate unchanged at 13%. Coupled with maintaining the sustainability of the FX market, this decision will allow keeping inflation expectations under control, slow down inflation next year, and bring it back to the 5% target going forward.

Throughout the period from 1 October 2024 to the date of signing these interim concise consolidated financial statements, Ukraine received an equivalent of USD 6,407 billion to accounts with the NBU as financial assistance from international partners.

Furthermore, in October 2024, SDR 1,052 million was received in the SDR holding account in favor of the Government (or UAH 57,859 million at the official UAH/SDR exchange rate as of the actual date of such funds' receipt), including SDR 835 million or UAH 45,927 million at the official

UAH/SDR exchange rate as of the actual date of such funds' receipt from the IMF under Extended Fund Facility, EFF.

During the period from 1 October 2024 up to the date the present interim concise consolidated financial statements were signed, the following repayments were made:

redemption of coupon on domestic government debt securities held in the NBU's portfolio in line with the redemption schedule for the amount of UAH 20,999 million

the NBU's liabilities toward the IMF in line with the repayment schedule to the total amount of SDR 61 million (UAH 3,392 million at the official exchange rate as of the payment date, or UAH 3,198 million at the annual exchange rate of the IMF).

## 26. Introducing New and Amended Standards and Interpretations of the Financial Statements

### Amended IFRS and interpretations that came into effect on 1 January 2024 and were adopted to be applied

Amendments to IAS 1. Presentation of Financial Statements – Classification of Liabilities as Current or Non-current are intended to clarify the approach to the classification of liabilities under IAS 1 based on the contractual terms in effect at the reporting date (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IAS 1. Presentation of Financial Statements – Noncurrent liabilities with covenants are intended to provide a more general approach to the classification of liabilities, both current and noncurrent (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IAS 7. Statement of Cash Flows and IFRS 7. Financial Instruments: Disclosures – Supplier Finance Arrangements tighten disclosure requirements and indicators within the effective disclosure requirements that require business entities to provide qualitative and quantitative information on supplier finance arrangements (apply to annual reporting periods beginning on or after 1 January 2024).

Amendments to IFRS 16. Leases – *Lease Liability in Sale-and-Leaseback Transaction* are intended to clarify the requirements applied by the seller lessee to assess the lease liability arising in the leaseback transaction (apply to annual reporting periods beginning on or after 1 January 2024).

Amended IFRS and interpretations had no significant effect on the NBU's financial results and financial position.

### New and Revised Standards that Have Been Issued but Are not yet Effective

Amendments to IFRS 10. Consolidated Financial Statements and IAS 28. Investments in Associates and Joint Ventures – Sale or distribution of assets between an investor and its associate or joint venture (apply to annual reporting periods beginning on or after the date to be specified. Early application is permitted).

Amendments to IAS 21. The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability, require companies to provide more useful information in their financial statements when a currency is not exchangeable into another (apply to annual reporting periods beginning on or after 1 January 2025).

Amendments to IFRS 9. Financial Instruments and IFRS 7. Financial Instruments: Disclosures clarify the classification of financial assets with ESG-related contingent features, the procedure for derecognition of financial liabilities as at the settlement date, introduce an accounting policy choice for derecognition of financial liabilities settled by electronic means before the settlement date, and introduce additional disclosure requirements for financial instruments with contingent features (e.g., ESG-related) and equity instruments classified at fair value through other comprehensive income (effective for annual periods beginning on or after 1 January 2026, with early adoption permitted for contingent features only).

Annual improvements to IFRSs (apply to annual reporting periods beginning on or after 1 January 2026):

amendments to IFRS 1. First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter

amendments to IFRS 7. Financial Instruments: Disclosures – Gain or loss on derecognition

amendments to IFRS 9. Financial Instruments – Lessee derecognition of lease liabilities, Transaction price


amendments to IFRS 10. Consolidated Financial Statements – Determination of a 'de facto agent'

amendments to IAS 7. Statement of Cash Flows – Cost method.

The new standard IFRS 18. Presentation and Disclosure in Financial Statements, which replaces IAS 1. Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The new standard IFRS 19. Subsidiaries without Public Accountability (effective for annual periods beginning on or after 1 January 2027).

The NBU did not apply the above new and revised standards before the effective date. The NBU's top managers expect the application of these standards and amendments will not have a significant effect on the NBU's performance and financial standing.

 November 2024  
Kyiv, Ukraine