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## Banking System in Ukraine 2022: Before and in the Wartime

### Abstract

The article presents a study of the main determinants shaping the banking system of Ukraine in the 2018–2021 period, before the Russian invasion. In particular, the level of capitalization of the banking system, the number of banks in liquidation, the dynamics of assets growth and other indicators of the banking system were analyzed. Then the paper analyses the main measures introduced by the National Bank of Ukraine after February 24, when the Russian Federation started the war with Ukraine. These operational measures included: regulation of the foreign exchange market, ensuring the liquidity of the banking system, the operation of the electronic payment system and support for social benefits, the liquidation or preparation for the nationalization of Russian-controlled banks in Ukraine. The article also presents the assessment of the financial situation in Ukraine, after the first month of the war.

**Key words:** Ukrainian banking system, National Bank of Ukraine, banking regulation in the wartime, currency market, securing of the liquidity, bank liquidation and nationalization

**JEL:** E58, F31, G18

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## System bankowy na Ukrainie 2022: przed i w czasie wojny

### Streszczenie

W artykule przedstawiono studium głównych determinant kształtujących system bankowy Ukrainy w okresie 2018–2021, przed inwazją rosyjską. W szczególności analizowano poziom kapitalizacji systemu bankowego, liczbę banków w likwidacji, dynamikę wzrostu aktywów oraz inne wskaźniki systemu bankowego. Następnie autorzy analizują główne środki wprowadzone przez Narodowy Bank Ukrainy po 24 lutego, kiedy Federacja Rosyjska rozpoczęła wojnę z Ukrainą. Te działania operacyjne obejmowały: regulację rynku walutowego, zapewnienie płynności systemu bankowego, funkcjonowanie systemu płatności elektronicznych i wsparcie świadczeń socjalnych, likwidację lub przygotowanie do nacjonalizacji banków kontrolowanych przez Rosję na Ukrainie. W artykule przedstawiono również ocenę sytuacji finansowej Ukrainy po pierwszym miesiącu wojny.

**Słowa kluczowe:** ukraiński system bankowy, Narodowy Bank Ukrainy, regulacje bankowe w czasie wojny, rynek walutowy, zabezpieczenie płynności, likwidacja banków i nacjonalizacja

### Introduction

The Ukrainian banking system has developed dynamically since the events of 2014, despite the difficulties caused by the Covid-19 pandemic, which affected some individual indicators, but not the overall dynamics. Banks ended 2021 with profits and only with a very small number of banks in liquidation, which created an excellent basis for further growth, lower lending rates, dedollarization of the economy and the introduction of new financial instruments.

Everything changed on February 24, 2022. Russia, without declaring war, in the morning, insidiously attacked and began to seize the territory of Ukraine. During the first day of the war, her troops approached the capital, Kyiv. This put a lot of pressure on the banking system, the electronic payment system and the foreign exchange market. This article analyzes the main measures taken by the National Bank of Ukraine in the first days of hostilities to stabilize the financial markets, ensure the smooth operation of the banking system and ensure the performance of all its possible functions. Thanks to these actions, even in the midst of the war, all social payments and domestic payments were made on time, the sharp devaluation of the national currency was restrained, and military expenditures of the state budget of Ukraine were financed. These actions were unique and required a thorough analysis of their results. Thus the Ukrainian example analysed in this paper may be beneficial to other countries which may find themselves in similar conditions.

## The analysis of the banking system of Ukraine in the period of 2014–2021

Since the beginning of 2014, the banking system of Ukraine has experienced one of the most difficult crises. The Revolution of Dignity, Russia's annexation of Crimea and the anti-terrorist operation in Donbass led to the withdrawal of tens of billions of US dollars by investors in Ukraine, the devaluation of the national currency and the loss of liquidity by banks.

Immediately after the end of the revolution in 2014, the new leadership of the National Bank of Ukraine began to reform the banking sector. Among the priority areas of reform were:

- cleansing the banking sector of troubled and fictitious banks;
- introduction of flexible exchange rate system;
- reorganization of the National Bank of Ukraine;
- stress testing of banks;
- fighting against money laundering.

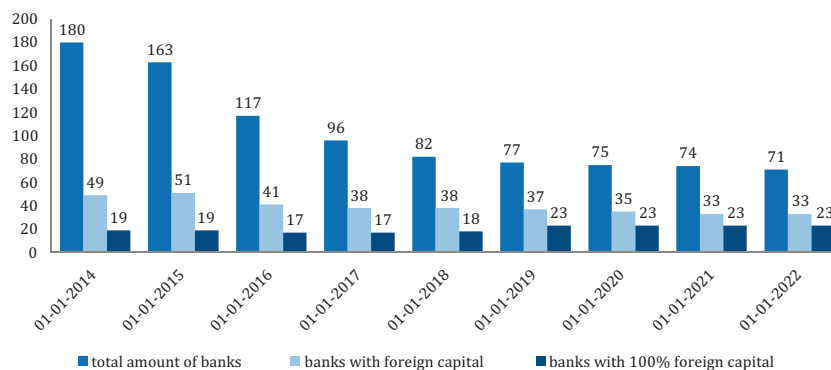
The implementation of the decision to eliminate from the banking sector troubled banks was one of the most painful measures both for the population and for the economy. The rate of decrease in the number of banks is illustrated in Fig. 1. In alone 2015, the NBU revoked the licenses of 46 banks. Most of the banks that ceased operations were banks that serviced the enterprises of local oligarchs and were unable to recapitalize, became insolvent or were active participants in the shadow economy.

After 2014, the share of state-owned banks in the structure of Ukraine's banking system began to grow. Currently, there are 4 state-owned banks:

- JSC Ukreximbank,
- JSC Oschadbank,
- JSC Ukgasbank,
- JSC Privatbank.

They are market leaders in terms of the size of assets – together they account for almost 46% of total assets. Oschadbank and Ukreximbank were established by the state in the turn of 1991 and 1992. Ukgasbank and Privatbank were established as private banks, controlled by private shareholders. During the two banking crises of 2008–2009 and 2014–2016, these banks became insolvent. They were nationalized, and their losses (lack of capital) were covered by the State budget. In the future it is planned to sell these banks to private investors.

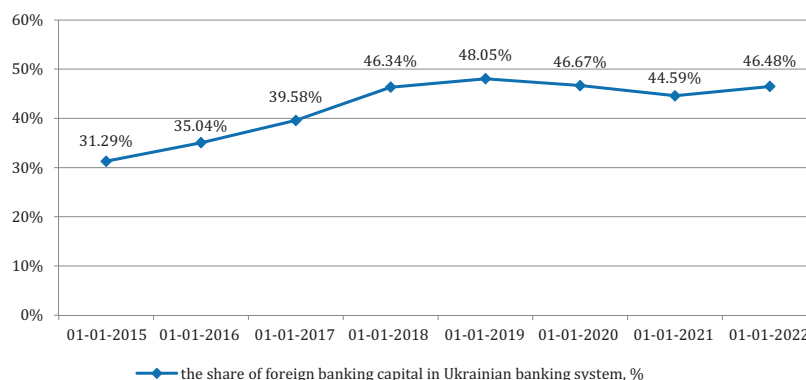
**Figure 1. The total number of banks in Ukraine, 2014–2021**



Source: Own presentation based on data from NBU.

Along with the bankruptcy of a significant number of Ukrainian banks, the share of foreign banking capital in the market has increased significantly (Fig. 2). In addition, during the analyzed period, the number of banks with 100% foreign capital increased from 19 to 23.

**Figure 2. The share of foreign capital in Ukrainian banking system, 2014–2021**



Source: Own presentation based on data from NBU.

The crisis has significantly affected the profitability of Ukrainian banks. As can be seen from Table 1, at the beginning of 2014 the net financial result of Ukrainian banks amounted to UAH 1.4 billion, but at the next few years they were unprofitable. Since 2018, the banking sector has set historical records for profitability. The net financial result amounted to UAH 77.5 billion on January 1, 2022. This was facilitated not

only by the NBU's tight monetary policy and high interest rates, but also by a more prudent credit policy of the banks. A significant increase in the profitability of the banking system was made possible by reducing contributions to reserves with a steady increase in interest and commission income.

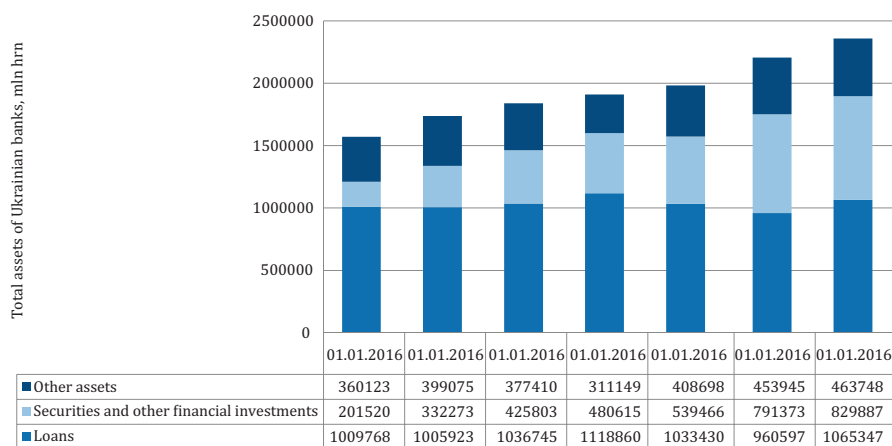
**Table 1. The main profitability indicators of Ukrainian banks, 2013–2021**  
(data of 1<sup>st</sup> of Jan. each year, in billions of UAH)

Indicators	2014	2015	2016	2017	2018	2019	2020	2021
Income	168,9	210,2	199,1	190,7	178,1	204,5	250,17	273,84
Interest income	129,9	151,3	135,1	135,8	124,0	140,8	154,30	168,75
Commissions	24,9	28,3	28,4	31,4	37,1	50,9	62,10	93,20
Net financial result	1,4	-53	-66,7	-159,3	-26,4	22,3	39,70	77,50

Source: Own presentation based on data from NBU.

Despite the fact that the number of Ukrainian banks has more than halved, in the period of 2015–2021 there was a positive trend to increase the assets of the banking system by more than 50%.

**Figure 3. The size of banking assets (including reserves for active operations), 2017–2021**



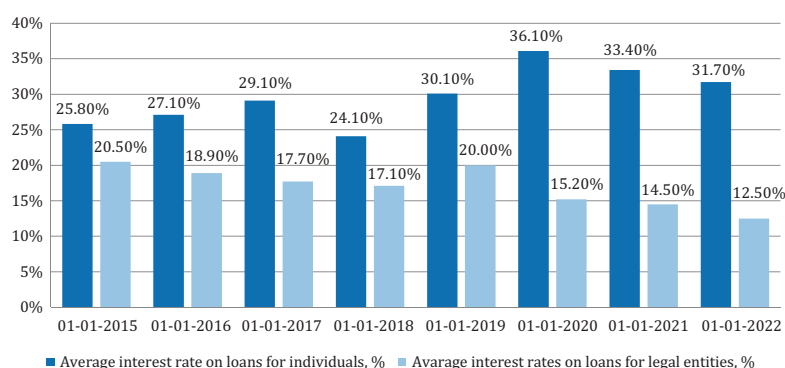
Source: Own presentation based on data from NBU.

The analysis of the structure of bank assets (Fig. 3) shows that during 2015–2021 the volume of lending to individuals and legal entities remained virtually unchanged.

Moreover, during 2020–2021, lending volumes in Ukraine decreased and even as of January 1, 2022 did not reach the 2019 level. The main reason for this was the coronavirus pandemic. Prolonged lockdown, declining business, increased risk and uncertainty have reduced demand for bank loans. It should be added that the state tried to stimulate lending by introducing affordable lending programs for businesses (at 5–9% per annum in UAH), as well as mortgage lending to individuals (state program “Affordable Mortgage” at 7% per annum in UAH).

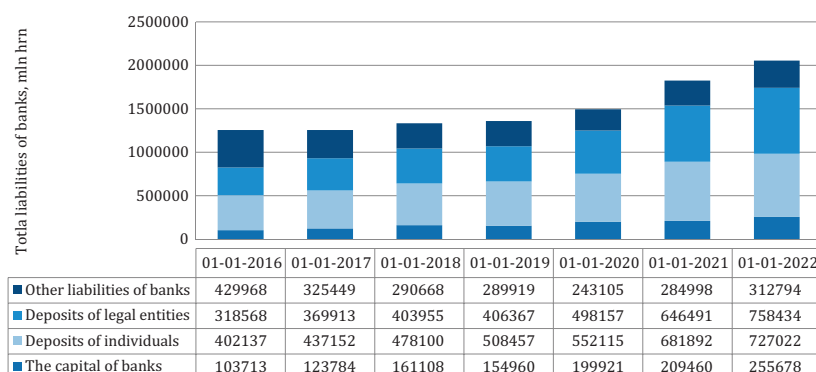
As can be seen from Figure 3, the growth of banks’ assets was mainly due to securities transactions. In particular, during this period the volume of these operations increased by almost 88%. This increase was due to the fact that state-owned banks were actively buying up domestic government bonds.

**Figure 4. The dynamic of average interest rates on loans for individuals and legal entities loans during 2014–2021 years, %**



Source: Own presentation based on data from NBU.

**Figure 5. The size of liabilities of Ukrainian banks, 2015–2021**

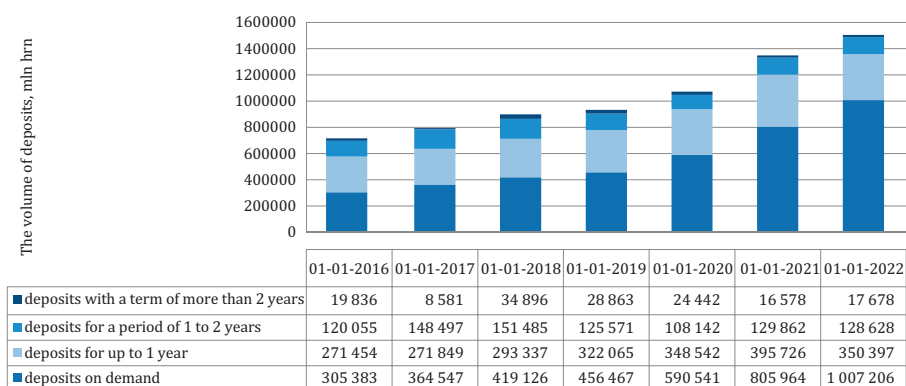


Source: Own presentation based on data from NBU.

During 2015–2021, the liabilities of Ukrainian banks grew steadily, mainly due to an increase in deposits from individuals and legal entities. Thus, over the past six years, retail deposits increased by 80% or UAH 324,885 million, while corporate deposits increased by 138% or UAH 439,866 million. It should be added that the largest increase was in the last two years (Fig. 5).

A more detailed analysis of the structure of deposits of individuals and legal entities by terms of attraction (Fig. 6) shows that the largest share belongs to deposits on demand – 67% of the total number of deposits. In addition, this figure increased more than 3 times during the analyzed period. The main reasons for such a sharp increase are the high level of investor distrust in banks, uncertainty in the future due to the coronavirus pandemic, as well as the rapid decline in interest rates on deposits (Fig. 7). The inflation rate is much higher than the average interest rates on deposits, which makes it unprofitable to invest in the long run.

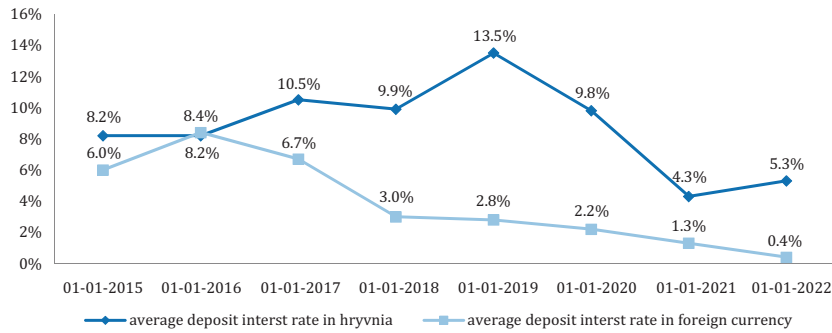
**Figure 6. The structure of deposits according to their terms, 2014–2021, mln. UAH**



Source: Own presentation based on data from NBU.

On the other hand, there are not many tools for investing in Ukraine – the domestic stock market is underdeveloped, investing in real estate requires significant initial investment, investing in securities of foreign companies is quite complex in organizational terms and before the war was just beginning to develop. Therefore, bank deposits remain a popular, though not very effective, investment tool.

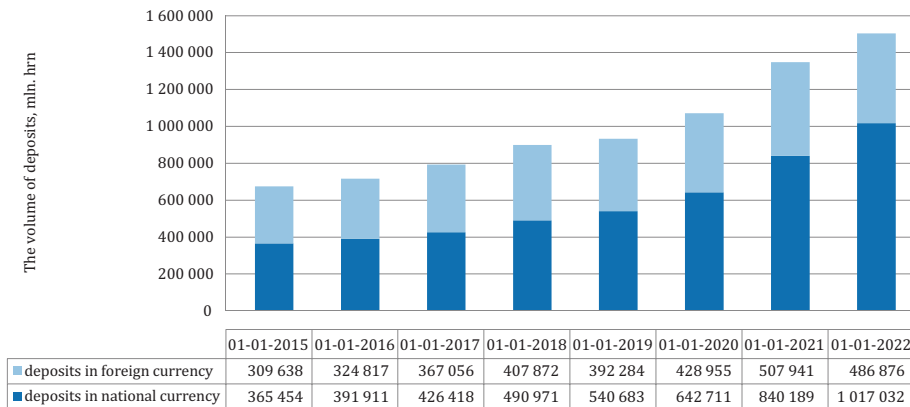
**Figure 7. The dynamic of interest rates on deposits in national and foreign currency, 2014–2021**



Source: Own presentation based on data from NBU.

There is also a sharp decline in interest rates on foreign currency deposits, which are now almost the same as in other European countries (Fig. 7). As a result, the share of foreign currency deposits began to decrease significantly during the analyzed period. If as of 01.01.2015 foreign currency deposits accounted for 45% of the total volume of deposits, then as of 01.01.2022 – already 32%.

**Figure 8. The structure of deposits according to their currency, 2014–2021, mln. UAH**



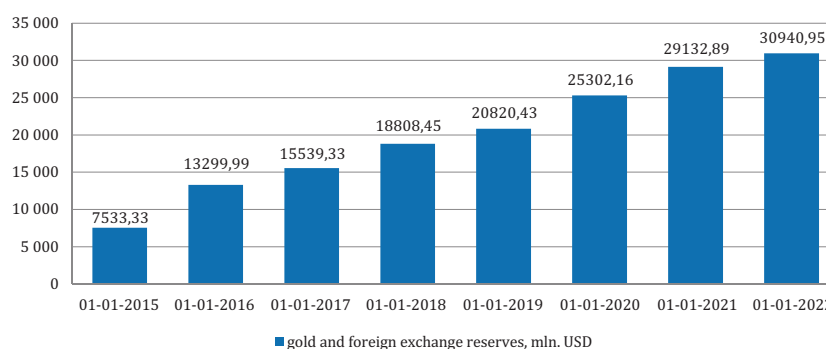
Source: Own presentation based on data from NBU.

In the analysis of the banking system of Ukraine before the start of hostilities on the part of Russia, it is appropriate also to indicate the size of gold and foreign exchange reserves. At the turn of 2014–2015, Ukraine’s gold and foreign exchange reserves fell to a catastrophically low level. Then, against the background of



financial and economic chaos and fears of a possible collapse of the country, a huge amount of foreign currency was withdrawn from the banking system by non-residents, households and domestic businesses. Despite various negative factors and instability, over the past 6 years, the National Bank of Ukraine has managed to increase annual gold and foreign exchange reserves and to accumulate by the beginning of 2022 almost 31 billion USD.

**Figure 9. The dynamics of Ukrainian gold and foreign exchange reserves, mln USD**



Source: Own presentation based on data from NBU.

In May 2021, the National Bank of Ukraine published a development strategy until 2025, which identified the main goals for future development of the banking system. The main priority areas of the new strategy were:

1. Promoting economic recovery and development:
  - maintaining macrostability;
  - resumption of lending to the economy;
  - development of the financial services market;
  - development of capital markets infrastructure.
2. Digital finance as a driver for digitalization of the economy:
  - development of non-cash economy;
  - increasing the level of financial inclusion;
  - development of innovations in the financial sector;
  - cybersecurity of the financial sector.

Unfortunately, on February 24, 2022, all plans changed...

## How the banking system of Ukraine worked at the beginning of the war

At 5 a.m. on February 24, Russia launched massive missile strikes throughout Ukraine and began landing 20 kilometers from Kyiv, attacking Kherson and Kharkiv. The first reaction of the population was panic. People rushed to refuel cars, buy food, medicine and withdraw money from ATMs. The banking system kept performing in almost all regions, except for those where there were active fights. No withdrawal limits have been set by the National bank, but they were set up by banks at their own discretion. They were sufficient to meet the social needs, 90% of trade establishments accepted bank cards.

As of February 24, it was no longer possible to officially buy dollars from banks. The interbank foreign exchange market and the stock exchange closed. The dollar could only be handed over at the fixed exchange rate – 29.25 hryvnias for one US dollar. It could be bought on the black market, for 2–3 days its value increased to 42–43 hryvnias per dollar, but by March 25 the price had dropped to 32.5 hryvnias per dollar.

This created some problems for people who went abroad, as it was almost impossible to exchange hryvnia for foreign currency in cash, but there was no problem with non-cash payments with Ukrainian cards abroad.

The next problem was the provision of social benefits, salaries for public sector employees, and the financing of pensions. Revenues to the budget have virtually stopped. The National Bank and other government agencies urgently transferred to the budget certain part of profits for 2021 and organized the urgent issue of military bonds, which were redeemed by the NBU.

Below is a detailed description of the actions and measures taken by the National Bank of Ukraine in the first and subsequent days of wartime, aimed at maintaining the stability of the financial and banking system of Ukraine.

## Actions to ensure the functioning of the financial, banking and foreign exchange markets in the first days of the war

On February 24, after the Russian Federation's military attack on Ukraine, the National Bank of Ukraine immediately imposed several decisions to prevent the collapse of Ukraine's financial system. The National Bank promptly adopted a resolution in connection with the declaration of martial law throughout Ukraine, which, in particular, provides that<sup>1</sup>:

<sup>1</sup> Official page of the National Bank of Ukraine. *Про роботу банківської системи та валютного ринку з 24 лютого 2022 року в умовах воєнного стану по всій території України*. <https://bank.gov.ua/ua/news/all/pro-robotu-bankivskoyi-sistemi-ta-valyutnogo-rinku-z-24-lyutogo-2022-roku-za-umovi-voyennogo-stanu-po-vsiy-teritoriyi-ukrayini>

- banks ensure the operation of branches in an uninterrupted mode in the absence of threat to life and health of the population;
- banks continue to operate subject to the restrictions set out in this resolution;
- access to safe deposit boxes is provided in uninterrupted mode;
- non-cash payments are made without restrictions;
- ATMs are supplied with cash without restrictions;
- NBU provides cash support without restrictions;

NBU carried out blank refinancing of banks to maintain liquidity without restrictions for the amount of up to one year with the possibility of extension for another year and payments to the Government of Ukraine were made without restrictions, in accordance with the legislation on the special period.

The relevant resolution also provided for the introduction of temporary restrictions from February 24, 2022, namely:

- suspend the operation of the foreign exchange market of Ukraine, except for operations on the sale of foreign currency by customers;
- to fix the official exchange rate for February 24, 2022;
- limit the withdrawal of cash from the client's account in the amount of UAH 100,000 per day (excluding salaries and social benefits), except for enterprises and institutions that ensure the implementation of mobilization plans (tasks), the Government and individual permits of the National Bank without accrual and withdrawal commissions;
- prohibit the issuance of cash from clients' accounts in foreign currency, except for enterprises and institutions that ensure the implementation of mobilization plans (tasks), the Government and certain permits of the National Bank;
- introduce a moratorium on cross-border foreign currency payments (except for enterprises and institutions that ensure the implementation of mobilization plans (tasks) and the Government, certain permits of the NBU);
- suspend the implementation of expenditure operations by servicing banks on the accounts of residents of the state that carried out the armed aggression against Ukraine etc.

Appropriate actions were necessary to ensure the reliable and stable functioning of the country's financial system and to maximize the activities of the Armed Forces of Ukraine, as well as the smooth operation of critical infrastructure.

On the same day, the Board of the National Bank of Ukraine amended this position, supplementing it with some important points<sup>2</sup>:

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<sup>2</sup> Official page of the National Bank of Ukraine. *Внесено зміни до постанови про роботу банківської системи у період впровадження військового стану.* <https://bank.gov.ua/ua/news/all/vneseno-zmini-do-postanovi-vid-24-lyutogo-2022-deadline-18-pro-robotu-bankivskoyi-sistemi-v-period-poruvadjennya-voyennogo-stanu>

The Board of the National Bank of Ukraine adopted amendments to the resolution of February 24, 2022 № 18 “On the operation of the banking system during martial law”, in particular:

- identified cases in which authorized institutions are allowed to trade currency values on behalf of clients, as well as the procedure for these transactions;
- the official exchange rate of hryvnia to foreign currencies, the official exchange rate of hryvnia to special borrowing rights, as well as the estimated price of bank metals are fixed at the levels at which they operated on February 24, 2022 (UAH 29.25 per US dollar);
- the calculation of the reference value of the hryvnia exchange rate against the US dollar was suspended until a separate decision in accordance with the agreements concluded on the foreign exchange market of Ukraine as of 12.00;
- identified cases in which authorized institutions are allowed to carry out cross-border transfers of currency values from Ukraine on behalf of clients;
- authorized institutions are prohibited from conducting any foreign exchange transactions using Russian rubles and Belarusian rubles; the participant of which is a legal or natural person who is located in the Russian Federation or in the Republic of Belarus; to fulfill obligations to legal or natural persons located in the Russian Federation or in the Republic of Belarus;
- the procedure for conducting daily operations on the purchase of US dollars by the National Bank of Ukraine from banks was determined;
- the right of banks to sell foreign currency to customers at the expense of their own currency position to fulfill these customers' own obligations under credit agreements (including interest) to banks;
- granted the right to banks that have balances of currency values at the box office at the time of adoption of this resolution, to sell them to customers within the balance of currency values.

From March 1, foreign exchange transactions were allowed between banks within the 1st group of the Classifier of Foreign Currencies and Bank Metals<sup>3</sup>. Thus, from March 1, 2022, instead of a complete ban on the issuance of cash from the client's account in foreign currency, a limit of up to 30 thousand UAH per day was set up. In addition, the NBU determined that:

- cash restrictions will continue to be withdrawn from the accounts of enterprises and institutions that ensure the implementation of government mobilization plans (tasks) and on the basis of separate permits of the NBU;
- withdrawal of cash currency in branches and outlets of banks located in territories under threat of occupation by Russia will be carried out within the balance of funds on the account, subject to their availability. The decision on the issuance of funds will be made by the head of the branch or bank branch.

<sup>3</sup> Official page of the National Bank of Ukraine. *Національний банк послабив низку заборон на операції в іноземній валюті*. <https://bank.gov.ua/ua/news/all/natsionalniy-bank-poslabiv-nizku-zaboron-na-operatsiyi-v-inozemniy-valyuti>

In addition, the National Bank provided for the possibility of using payment cards abroad for payments and cash, adding them to the list of exceptions to the ban on cross-border transfers of currency values from Ukraine on behalf of customers. At the same time, since the introduction of martial law, the NBU has not imposed any restrictions on non-cash payments, including abroad.

The National Bank also forbade crediting funds to the accounts of individual customers on transfers initiated using electronic means of payment issued by members of international payment systems operating in the Russian Federation and the Republic of Belarus. It is also prohibited to accept in Ukraine electronic means of payment (including transfers, settlements and cash withdrawals) issued by members of the relevant international payment systems.

The National Bank of Ukraine also:

- established recommendations for collection. In particular, it is recommended that banks first collect business entities in the field of retail trade, provided that these business entities accept payment cards for payment at all outlets;
- expanded the list of exceptions to the ban related to the implementation of foreign exchange trading by authorized institutions on behalf of clients;
- established how the exchange rate will be determined, according to which the authorized institutions will carry out operations on purchase on behalf of clients (which are allowed) and sale of non-cash foreign currency, as well as purchase of cash foreign currency from clients;
- clarified the procedure for conducting currency supervision;
- determined the features of operations with banks on the purchase and sale of US dollars and euros carried out by the National Bank, and the exchange rate for such operations.

### **Supporting the liquidity of the banking system and maintaining the sustainability of budget payments**

After the start of hostilities, the National Bank also took urgent measures to ensure an adequate level of bank liquidity. As part of these measures, the NBU Board Resolution of February 24, 2022 № 22 “On the peculiarities of maintaining the liquidity of banks during martial law” approved the procedure of blank (without providing) refinancing of banks to maintain the liquidity of the banking system. This tool strengthens the ability of banks to properly and fully fulfill their obligations to customers – legal entities and individuals.

On February 25, 2022, the new blank refinancing instrument was used for the first time together with standard liquidity support instruments. Two tenders were held to support liquidity, in which banks were provided with refinancing in the amount of UAH 51.5 billion.

In order to ensure all budget payments under martial law, the Ministry of Finance has launched the issue of "Military Bonds". This is an analogue of government bonds, which has a purpose – to finance the budget during the war. To do this, a relevant document was published. In order to ensure the implementation of the Decree of the President of Ukraine "On the imposition of martial law in Ukraine" of February 24, 2022 № 64 and in accordance with the Law of Ukraine "On the legal regime of martial law" the Cabinet of Ministers of Ukraine resolves:

1. Carry out state internal borrowings in the amount of up to UAH 400 billion by gradual issuance of domestic government bonds "Military Bonds" (hereinafter – bonds) with the following basic conditions:
  - nominal value of one bond – UAH 1,000;
  - coupon period – one year;
  - income rate – 11 percent per annum;
  - circulation period – up to 15 years.

Funds raised from the placement of bonds are credited to the state budget.

As of March 14, two series of bonds were issued, maturing in April 2022 and March 2023. Most of the bonds were repurchased by the National Bank of Ukraine (for two auctions – in the amount of UAH 8 and 20 billion). Of course, this is an additional issue of money in circulation. On the positive side, individuals can also buy these bonds through a network of banks and financial brokers.

## Liquidation and nationalization of Russian banks

Already on February 25, the National Bank made another long-awaited decision, revoking the banking license and liquidate the banks under the control of the Russian Federation<sup>4</sup>:

JSC INTERNATIONAL RESERVE BANK, which is 100% owned by PJSC Sberbank of Russia, and PJSC Joint-Stock Commercial Industrial and Investment Bank (PJSC Prominvestbank), which is 99.77% owned by the State Development Corporation, fell under this decision.

*"When our army selflessly and bravely defends every piece of land from Russian aggression, we in the central bank cannot allow the» daughters «of state-owned banks of the invading country to continue working in Ukraine and operate with Ukrainian money»* said NBU Chairman Kyrylo Shevchenko.

The Russian Federation is a shareholder and owner of 50% of the authorized capital of PJSC «Sberbank of Russia» and 100% of the authorized capital of the State Development Corporation «WEB.RF». Thus, their Ukrainian subsidiaries are under the indirect control of Russia and its leadership. The right to make such decisions

<sup>4</sup> Information about banks with a part of Russian capital. <https://www.jakda.com.ua/news/2022/02/25/682777/>

is given to the Board of the National Bank by the resolution of February 24, 2022 № 19 *“On the peculiarities of the termination of banks in martial law”*, – explained in the National Bank.

Back in 2017, by the decision of the National Security and Defense Council of Ukraine, sanctions were imposed on JSC “INTERNATIONAL RESERVE BANK” (former name of JSC “SBERBANK”) and PJSC “Prominvestbank” to prevent the outflow of capital outside Ukraine in favor of persons related to the bank. In particular maternal structures. These actions covered only those banking institutions that were directly controlled by the state structures of the Russian Federation. In addition, on March 3, the Verkhovna Rada of Ukraine passed a law on the nationalization of Russian assets. The implementation of this law allows the transfer to state ownership of property belonging directly or indirectly to Russia and its citizens. If this law is implemented, several more banking institutions may go to the Ministry of Finance of Ukraine. These include:

Alfa-Bank is one of the largest banks in Ukraine, defined by the NBU as a system. Its majority shareholder is Russian oligarch of Ukrainian descent Mikhail Friedman, who owns 32.86% of the shares. Almost 21% belongs to Herman Khan, 16.3% – to Alexei Kuzmichev, 12.4% – to Pyotr Avenue. They are all Russian.

According to Russia’s Forbes, Friedman is among the richest people in the occupying power. His fortune is estimated at \$ 15.5 billion. Almost immediately after the start of the war against Friedman and Aven, the EU imposed sanctions.

In early March, Alfa-Bank reported that sanctioned Russian businessmen would hand over their shares in the Ukrainian “daughter” to Ukrainian citizens or Ukrainian companies, which would be approved by the NBU, but so far this has not happened.

On January 1, 2022, the bank’s assets amounted to UAH 125.4 billion. Net profit in 2021 reached UAH 3.35 billion.

Forward Bank is 100% owned by Russian businessman Rustam Tariko, owner of the Russian Bank Russian Standard and the vodka brand of the same name.

In 2016, Tariko’s fortune was estimated at \$ 0.5 billion. He ranked 168th in the ranking of the richest Russians. In 2021, he was not included in the top 200 richest people in the terrorist state. The assets of Forward Bank amount to UAH 2.76 billion, in 2021 it earned UAH 107 million in net profit.

Pin Bank is owned by Russian businessman Yevgeny Giner, a native of Kharkiv, and the owner and president of Moscow’s CSKA football club. This is one of the small banks. According to the NBU, its total assets on January 1, 2022 amounted to UAH 3.26 billion, a quarter of which the bank held in IGLBs. In 2021, the institution earned UAH 422.2 million.

At the end of 2021, Ukrainian businessman Oleksandr Yaroslavskiy submitted a request to the AMCU to allow the purchase of Pin Bank. At the beginning of 2022, the National Bank also received a corresponding appeal. They did not have time to agree on the agreement.

## Conclusion

On March 25, 2022 the war has been going on for more than a month. Despite the active fightings in Ukraine, banks operate on a full-time basis and all domestic interbank payments are made without delay. Cards issued by Ukrainian banks operate smoothly abroad. All salaries and pensions are paid on time. Despite its difficult financial situation, Ukraine is paying all its external and internal obligations. The exchange rate of Ukrainian hryvnia to USD and euro has stabilized and it is already possible to withdraw currency in banks from individual accounts, with certain quantitative restrictions – up to 3400 USD per one day. The interbank foreign exchange market is gradually starting to work, the stock market is partially working.

Not only economists, but all Ukrainians understand the terrible consequences of the war for the economy and the financial system of Ukraine, and despite the difficult times ahead, Ukrainians are ready to rebuild their country, hoping for financial support from global financial organizations.

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