



National Bank
of Ukraine

Interim Concise Consolidated Financial Statements

for the period ended 30 June 2024



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Interim Concise Consolidated Statement of Financial Position

	Notes	As of 30 June 2024	As of 31 December 2023
(UAH millions)			
Assets			
Funds and deposits in foreign currency and investment metals	5	269,323	373,440
Foreign securities	6	1,195,507	1,073,099
SDR holdings	7.1	1,970	35,570
Monetary gold		74,312	62,387
Domestic securities	8	711,180	727,818
Loans to banks and other borrowers	9	4,664	5,691
Domestic public debt		1,350	1,347
IMF quota contributions	7.2	107,270	102,521
Property and equipment and intangible assets		3,892	4,044
Other assets		8,113	6,670
Total assets		2,377,581	2,392,587
Liabilities			
Banknotes and coins in circulation		801,142	764,598
Accounts of banks	10	282,807	216,261
Accounts of government and other institutions	11	59,825	140,102
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	—	38,643
Certificates of deposit issued by the NBU	12	510,386	621,667
Liabilities to the IMF, apart from IMF quota contributions	7.3	70,806	86,027
Liabilities to the IMF with respect to quota contributions	7.3	107,257	102,509
Other liabilities		2,101	2,609
Total liabilities		1,834,324	1,972,416
Equity			
Statutory capital	19	100	100
General reserves and retained earnings	19	272,169	137,690
Revaluation reserves for assets and liabilities	19	270,945	282,336
Total equity		543,214	420,126
Noncontrolling interest		43	45
Total capital		543,257	420,171
Total equity and liabilities		2,377,581	2,392,587

Approved by the NBU Assets and Liabilities Management Committee on 22 August 2024.

Signed on 27 August 2024.

Governor



Andriy PYSHNYI

Chief Accountant,
Director of Accounting Department



Liudmyla SNIHURSKA

Notes on pages 8 through 41 are an integral part of these interim concise consolidated financial statements.


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

	Note	For the period ended 30 June 2024		For the period ended 30 June 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)					
Interest income	14	23,297	47,432	35,014	69,076
Interest expenses	14	(21,574)	(45,739)	(24,483)	(47,275)
Net interest income before (losses)/gains from (impairment)/reversal of impairment		1,723	1,693	10,531	21,801
Gains or losses from the (impairment)/reversal of impairment on interest bearing financial assets	17	(266)	(250)	189	256
Net interest income after (losses)/gains from (impairment)/reversal of impairment		1,457	1,443	10,720	22,057
Fee and commission income		164	393	121	245
Fee and commission expense		(15)	(30)	(11)	(24)
Net fee and commission income		149	363	110	221
Gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	15	49,699	95,678	239	7,736
Gains or losses on transactions with financial instruments at fair value through profit or loss	16	14,763	28,103	7,690	15,475
Other income		403	587	363	833
Total net income		66,471	126,174	19,122	46,322
Staff costs	21	(887)	(1,768)	(754)	(1,507)
Costs related to the production of banknotes, coins, souvenirs, and other products		(590)	(886)	(384)	(735)
Administrative and other expenses	22	(411)	(873)	(399)	(813)
(Losses)/gains on (impairment)/reversal of impairment of other assets	17	–	(9)	1	10
Profit before income tax		64,583	122,638	17,586	43,277
Income tax expense of subsidiary		(1)	(2)	(1)	(1)
Profit for the period		64,582	122,636	17,585	43,276
Other comprehensive income not to be reclassified subsequently to profit or loss:					
Revaluation of investment metals		425	454	(173)	(268)
Other comprehensive income/(expenses) for the period		425	454	(173)	(268)
Total comprehensive income for the period		65,007	123,090	17,412	43,008
Profit for the period attributable to:					
National Bank of Ukraine		64,581	122,634	17,584	43,275
Noncontrolling interest		1	2	1	1
		64,582	122,636	17,585	43,276
Total comprehensive income attributable to:					
National Bank of Ukraine		65,006	123,088	17,411	43,007
Noncontrolling interest		1	2	1	1
		65,007	123,090	17,412	43,008

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Chief Accountant,
Director of Accounting Department



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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)						
Balance as of 1 January 2023	100	99,712	228,346	328,158	43	328,201
Total comprehensive income for H1 2023	–	43,275	(268)	43,007	1	43,008
Gain/(loss) on transfer of assets	–	(16)	–	(16)	–	(16)
Realized result on revaluation of disposed investment metals	–	65	(65)	–	–	–
Realized result on revaluation of disposed securities and derivatives	–	2,674	(2,674)	–	–	–
Balance as of 30 June 2023	100	145,710	225,339	371,149	44	371,193
Balance as of 1 January 2024	100	137,690	282,336	420,126	45	420,171
Total comprehensive income for H1 2024	–	122,634	454	123,088	2	123,090
Realized result on revaluation of disposed investment metals	–	79	(79)	–	–	–
Realized gain/(loss) on revaluation of disposed securities and derivatives	–	11,766	(11,766)	–	–	–
Dividends distributed to holders	–	–	–	–	(4)	(4)
Balance as of 30 June 2024	100	272,169	270,945	543,214	43	543,257

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Signed on 27 August 2024.

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Interim Concise Consolidated Statement of Cash Flows

	Note	As of 30 June 2024	As of 30 June 2023
(UAH millions)			
Operating activities			
Interest received		51,365	73,507
Fees and commissions received		393	244
Other income		582	830
Interest paid		(47,567)	(41,696)
Fees and commissions paid		(30)	(24)
Other costs		(3,187)	(2,807)
Taxes, duties, and charges paid		(634)	(549)
Transfers to the State Budget of Ukraine	20	(38,643)	(71,868)
Decrease in loans to banks and other borrowers		1,024	32,763
Domestic public debt repaid		33	66
Increase in accounts of banks		66,409	116,872
(Decrease)/increase in accounts of government and other institutions		(87,116)	258,341
Decrease in other assets		203	188
(Decrease)/increase in other liabilities		(107)	517
Other flows		(882)	1,121
Net change in cash flows from operating activities		(58,157)	367,505
Investing activities			
Increase in term deposits placed in gold		(15)	(66)
Net increase in foreign securities		(20,762)	(148,251)
Net decrease in domestic securities		12,404	12,716
Dividends from the associated company		3	2
Acquisition of property and equipment, and intangible assets		(84)	(120)
Net cash flows from investing activities		(8,454)	(135,719)
Financing activities			
Issue/(withdrawal) of banknotes and coins in/from circulation	13	36,544	(4,196)
Repayment of liabilities to the IMF	13	(18,151)	(29,624)
Repayment of certificates of deposit issued by the NBU	13	(109,650)	15,831
Net cash flows from financing activities		(91,257)	(17,989)
Effect of changes in exchange rate		18,866	3,050
Net change in cash and cash equivalents		(139,002)	216,847
Cash and cash equivalents at the beginning of the reporting period		402,930	298,461
Cash and cash equivalents at the end of the reporting period	13	263,928	515,308

Approved by the NBU Assets and Liabilities Management Committee on 22 August 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 June 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 June 2024 (83.55% as of 31 December 2023).

As of 30 June 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 June 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 June 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 June 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 H1 2024, the NBU's financial risk management targets and policies remained the same.

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 June 2024 (in UAH)	31 December 2023 (in UAH)
1 U.S. dollar	40.5374	37.9824
1 SDR	53.320653	50.95983
1 euro	43.3547	42.2079
1 GBP	51.2433	48.4883
1 Troy ounce of gold	93,934.88	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 June 2024, the NBU had UAH 297 million in capital commitments related to the acquisition, construction, and improvement of property and equipment, and intangible assets (up from UAH 154 million as of 31 December 2023).

Legal Proceedings

From time to time and in the normal course of business, certain lawsuits are filed against the NBU. As of 30 June 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 June 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 June 2024, the NBU had 31 interest rate swap agreements in the total amount of UAH 7,970 million with maturity terms from three to five years (including: notional value of transactions with a term of up to three years – UAH 500 million, 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 H1 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

Real GDP growth decelerated in Q2 2024 (to 3.7% yoy, by NBU estimates). This was primarily due to more destruction by Russia of Ukraine's energy infrastructure and because of long-term blackouts for households. As a result, business and consumer sentiment deteriorated significantly, and economic activity weakened in a number of sectors, primarily energy-intensive ones. In Q2 2024, economic activity was also restrained by greater staff shortages and longer air-raid alerts. Meanwhile, economic growth was driven by an increase in budget expenditures that was faster than a year ago, the harvesting of early grains, further recovery in livestock farming, and the stable functioning of the sea corridor. Specifically, capital investment by the government went primarily towards defense projects and remained a significant driver of growth in investment demand.

The labor market situation remained complicated. Demand for labor was significantly higher than a year earlier, but still unevenly distributed by occupation. Further migration abroad and mobilization reduced the supply of labor and made it harder for businesses to cope with worker shortages. In particular, the number of migrants abroad rose in H1 2024 by almost 240,000, to 6.6 million, according to UN data. The tight labor supply is holding back business activity and restraining the economic recovery. However, tight labor market conditions have improved employment, including through greater involvement of women, and are fueling 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.

The consolidated budget deficit widened in Q2 compared to the previous quarter and came in at more than UAH 602 billion in H1 2024, excluding revenues in the form of grants (down from over UAH 683 billion in H1 2023, excluding revenues in the form of grants). The shrinking of the deficit relative to a year ago was driven by an improvement in own funding. However, the deficit remained significant in view of substantial expenses, which primarily went towards financing the demands of the armed forces, humanitarian needs, and measures to relieve the consequences of destruction.

The domestic debt market is playing an increasingly important role in financing the budget deficit, given the significant spending and the shift in the regularity of international aid disbursements this year, which come in at certain intervals. Specifically, small inflows of international assistance at the beginning of the year were replaced by record amounts in March and moderate ones in Q2 2024. Therefore, the FX "margin" that accumulated in late March was used up in Q2 2024, while disbursements from the EU in end-June 2024 replenished the funding pool for upcoming periods. Under such circumstances, the need to set aside and smooth out funding to cover budget needs has intensified. Market appetite for government securities held steady (the rollover of hryvnia domestic government debt securities had exceeded 153% since the start of the year) due to their relatively high real yield. Public and publicly guaranteed debt reached about 88% of GDP in end-June 2024, by NBU estimates.

The current account deficit widened to USD 8.7 billion in H1 2024 (up from USD 1.8 billion in H1 2023) primarily due to lower levels of official financing in the form of grants. This resulted in a significant narrowing of the secondary income account surplus (from USD 12.9 billion in H1 2023 to USD 5.5 billion in H1 2024). In addition, the goods trade deficit widened (from USD 11.8 billion in H1 2023 to USD 12.8 billion in H1 2024). Specifically, the sea corridor's operation helped expand the supply of metallurgical products and iron ores, driving a 4.7% increase in merchandise exports compared to the same period last year. However, the growth in merchandise imports (6.1%) outpaced the increase in exports. The loss of a range of power generation capacities as a result of Russian missile and UAV attacks led to the need for more imports of both energy equipment and power. Budget expenditures on procurement for the defense sector continued to grow. Moreover, amid stable consumer demand, imports of consumer goods went up. In contrast, the services trade deficit narrowed significantly (to USD 2.8 billion, down from USD 5.5 billion in H1 2023) due to a significant slump in travel services imports amid a decrease in spending by Ukrainians abroad and their gradual change of residency.

Financial account capital inflows narrowed to USD 6.1 billion in H1 2024 (down from USD 9.5 billion in H1 2023).

Specifically, public sector capital inflows edged lower due to less credit financing from international financial partners. Private sector capital outflows also increased (to USD 4.8 billion in H1 2024 from USD 2.8 billion in H1 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 2.5 billion deficit, while international reserves edged lower, but remained high (USD 37.9 billion at the end of June 2024).

Following a long downtrend, inflation reversed its trajectory in May 2024, accelerating to 4.8% in June 2024, up from the same month a year ago. The main driver behind the pickup in inflation was the fading of the impact of temporary factors that had long restrained inflation, primarily favorable weather at the start of 2024 and last year's ample harvests. The growth in power tariffs for households had a significant pro-inflationary effect. Underlying inflationary pressures also strengthened in late Q2 (core inflation rose to 5.0% in June 2024 compared to the same month a year earlier), reflecting further growth in business costs due to persistently high security risks, higher wages amid worker shortages, and a difficult situation in energy. Price pressures were restrained by a higher supply of certain foods due to the early arrival of warm weather this year, less pressure from raw material costs thanks to last year's generous harvest, as well as controlled conditions in the FX market. An important factor in curbing both headline inflation and its administered prices component remained the fixing of tariffs for natural gas, hot water, and heating.

With inflation subdued, the 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 parameters of transactions with three-month certificates of deposit to reinforce banks' incentives to build up portfolios of hryvnia retail term deposits. The NBU pressed forward with its easing cycle of monetary policy: in April 2024, 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 ensuring price stability and promoting sustainable economic development.

In 2024, the banking system has continued to operate amid a significant liquidity surplus. Average daily balances of correspondent accounts and certificates of deposit reached more than UAH 780 billion in Q1 and almost held steady at UAH 774 billion in Q2 (up from UAH 710 billion in Q4 2023).

The FX market situation remained in check in H1 2024. The NBU maintained an active presence in the FX market and made up for structural deficits of foreign currency to ensure that the exchange rate fluctuated moderately in either direction as market conditions changed. Coupled with smoothing out excessive exchange rate volatility, this helped keep inflation expectations and exchange rate expectations under control, maintain confidence in the hryvnia, and make sure inflation remained subdued.

Under such conditions, Ukraine's FX market continued to show positive structural changes. In particular, the volume of the banks' transactions without the NBU's participation continued to increase. Furthermore, despite ad-hoc upticks in the cash segment, the gap between the cash and official exchange rates remained low. Efforts to minimize the multiplicity of exchange rates and to better "synchronize" FX market segments are improving the NBU's ability to maintain control over exchange rate developments, while steps to increase the depth of the interbank FX market are enhancing its ability to self-balance.

What is more, because the prerequisites were in place, the NBU in Q2 introduced its largest package of measures to ease the FX restrictions since the onset of the full-scale war. The purpose of these changes is to improve the conditions for doing business in Ukraine and enable local companies to expand their business abroad, as well as to support the economic recovery and new investment inflows into Ukraine. To increase Ukraine's investment attractiveness and support the country's defense capabilities, the NBU also updated and revised a number of other FX restrictions. In addition, the NBU has updated the regulatory framework to ensure that foreign investors have direct access to Ukraine's reconstruction instruments, including municipal bonds, infrastructure bonds, international financial organizations' bonds, and more.

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 talks between the country's government and private creditors about restructuring its commercial foreign debt.

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. The NBU's leadership 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 June 2024, financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
(UAH millions)			
Financial assets			
Funds and deposits in foreign currency	–	262,257	262,257
Foreign securities	1,195,507	–	1,195,507
SDR holdings	–	1,970	1,970
Domestic securities	863	710,317	711,180
Loans to banks and other borrowers	–	4,664	4,664
Domestic public debt	–	1,350	1,350
IMF quota contributions	–	107,270	107,270
Other financial assets	5	515	520
Total financial assets	1,196,375	1,088,343	2,284,718

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

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

Section II.II. Financial assets and liabilities

5. Funds and Deposits in Foreign Currency and Investment Metals

	As of 30 June 2024	As of 31 December 2023
		(UAH millions)
Financial assets at amortized cost		
Foreign currency cash	43,786	41,278
Demand deposits in foreign currency	196,338	293,879
Short-term deposits in foreign currency	22,139	32,356
Allowances for expected credit losses on term deposits in foreign currency	(6)	(5)
Total financial assets at amortized cost	262,257	367,508
Nonfinancial assets		
Short-term deposits in gold	7,066	5,932
Total nonfinancial assets	7,066	5,932
Total funds and deposits in foreign currency and investment metals	269,323	373,440

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

As of 30 June 2024, the gross carrying value of demand deposits in foreign currency was UAH 196,338 million and it changed in H1 2024 mostly due to decrease in balances on nonresident correspondent accounts (as of 31 December 2023 it was UAH 293,879 million).

In H1 2024 and 2023, all demand deposits in foreign currency were at stage 1 for assessing expected credit losses. In H1 2024 and 2023, the NBU did not make provision for expected credit losses on demand deposits.

As of 30 June 2024, the gross carrying value of short-term deposits in foreign currency was UAH 22,139 million, provisions for expected loan losses were UAH 6 million (as of 31 December 2023, the gross carrying value of time deposits

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

In H1 2024 and 2023 all term deposits in foreign currency 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 June 2024, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
(UAH millions)			
Foreign securities at fair value through profit or loss			
Debt securities by issuers:			
securities issued by U.S. issuers:			
denominated in USD	964,871	2,578	967,449
securities issued by EU issuers:			
denominated in USD	–	123,619	123,619
denominated in AUD	–	486	486
securities issued by other issuers:			
denominated in USD	1,793	90,189	91,982
denominated in GBP	1,915	896	2,811
denominated in AUD	–	920	920
denominated in Chinese renminbi	–	5,924	5,924
denominated in JPY	378	1,262	1,640
Total debt securities	968,957	225,874	1,194,831
Equity instruments:			
shares of the Black Sea Trade and Development Bank	–	676	676
Total equity instruments	–	676	676
Total foreign securities at fair value through profit or loss	968,957	226,550	1,195,507

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

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

	Total nominal value in foreign currency, in millions	Total nominal value in hryvnia equivalent, UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Debt securities measured at fair value through profit or loss by issuers					
Government bonds:					
securities issued by U.S. issuers:					
denominated in USD	24,027	973,982	0–5.44395	Quarterly, every 6 months, without coupon payments	From 1 day to 1.1 years
securities issued by other issuers:					
denominated in USD	44	1,800	1.5–2.875	Every 6 months	From 3 months to 7.5 months
denominated in GBP	37	1,896	2.75–5	Every 6 months	From 2.3 months to 8.3 months
denominated in JPY	1,500	379	0.02	Every 6 months	11.8 months
Bonds issued by international agencies, banks and other issuers:					
securities issued by U.S. issuers:					
denominated in USD	63	2,554	2.625–5.70243	Quarterly, every 6 months	From 9.9 months to 4.3 years
securities issued by EU issuers:					
denominated in USD	3,117	126,362	0–6.32043	Quarterly, every 6 months, once a year, without coupon payments	From 8 days to 1.2 years
denominated in AUD	19	499	0	Without coupon payment	7.4 months
securities issued by other issuers:					
denominated in USD	2,271	92,060	0–6.60296	Quarterly, every 6 months, once a year, without coupon payment	From 2 days to 3.6 years
denominated in GBP	18	922	0	Without coupon payment	6.8 months
denominated in AUD	35	957	0	Without coupon payment	From 9.9 months to 11.8 months
denominated in Chinese renminbi	1,050	5,856	0–3.4	Every 6 months, once a year, without coupon payments	From 26 days to 1.1 years
denominated in JPY	5,000	1,263	0.295	Every 6 months	3.7 months

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

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

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 H1 2024 and the same period in 2023 were as follows:

	2024	2023
		(UAH millions)
Balance of SDR holdings as of 1 January	35,570	62,174
Proceeds from the IMF:		
in favor of the government	34,551	131,371
Proceeds from international donor financial aid to Ukraine:		
in favor of the government	57,594	64,235
Purchase of SDRs	27,800	4,967
Other proceeds and payments	104	224
Loan repayment:		
on behalf of the NBU (Note 7.3)	(18,151)	(29,624)
on behalf of the government	(27,748)	(7,748)
Payment of fees and commissions related to transactions with the IMF	(619)	(1,077)
Conversion of SDRs to other foreign currencies:		
in favor of the NBU	(90,485)	(155,394)
Payment of interest for the use of IMF loans:		
on behalf of the NBU	(2,618)	(3,756)
on behalf of the government	(12,804)	(7,203)
Payment of interest for the use of funds received under SDR allocation:		
on behalf of the NBU	(85)	(63)
on behalf of the government	(3,292)	(2,440)
Other payments	(1)	(2)
Income on SDR holdings	741	1,267
FX difference	1,413	(232)
Balance of SDR holdings as of 30 June	1,970	56,699

In H1 2024 and H1 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 June 2024, Ukraine's total quota in the IMF amounted to SDR 2,012 million (UAH 107,270 million at the official UAH/SDR exchange rate as of the end of 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 June 2024, the reserve position of Ukraine in the IMF amounted to SDR 241,031, or UAH 12.9 million at the official UAH/SDR exchange rate as of the end of the reporting period (as of 31 December 2023, it was SDR 241,031, or UAH 12.3 million at the year-end official UAH/SDR exchange rate). The amount of the reserve position is included into the item *IMF quota contributions* of the 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 June 2024	As of 31 December 2023
		(UAH millions)
Liabilities to the IMF for SDR purchases	66,431	81,844
Liabilities to the IMF for SDR allocations	4,372	4,179
IMF account No. 2	3	4
Liabilities to the IMF apart from quota contributions	70,806	86,027
Liabilities to the IMF on quota contributions	106,988	102,252
IMF account No. 1	269	257
Liabilities to the IMF on quota contributions	107,257	102,509
Total liabilities to the IMF	178,063	188,536

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

Liabilities to the IMF for purchases of SDRs represent loans received from the IMF to accounts with the NBU. In H1 2024 and H1 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 H1 2024, the IMF administrative expenses in the amount of UAH 0.65 million were paid from account No. 2 (in H1 2023, there were no IMF administrative expenses).

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

In H1 2024 and H1 2023, no changes occurred in the size of the quota (Note 7.2).

In H1 2024, liabilities worth SDR 355 million (UAH 18,151 million at the official exchange rate as of the transaction date, or UAH 17,500 million at the annual exchange rate of the IMF) were repaid to the IMF [in H1 2023, repayments of liabilities to the IMF equaled SDR 605 million (UAH 29,624 million at the official exchange rate as of the transaction date, or UAH 25,046 million at the annual exchange rate of the IMF)] (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 June 2024	As of 31 December 2023
		(UAH millions)
Securities at fair value through profit or loss		
in foreign currencies:		
government derivatives denominated in US dollars	863	729
Total securities at fair value through profit or loss	863	729
Debt securities at amortized cost:		
in domestic currency:		
domestic government debt securities (at a fixed interest rate)	257,902	277,351
domestic government debt securities (at a floating interest rate)	452,415	449,738
Total debt securities at amortized cost	710,317	727,089
Total domestic securities	711,180	727,818

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

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

In H1 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 June 2024 is presented in the table below:

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,777	44	–	–	–	Up to 16.9 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government debt securities (at a fixed interest rate)	252,615	–	11.21–16.77	8.12–19.75	Once a year, every 6 months	From 8 months to 12.8 years
domestic government debt securities (at a floating interest rate)	425,173	–	7.24–13.03	7.00–18.00	Once a year	From 8.9 years to 27.9 years

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

	Total nominal value and notional value in the UAH equivalent, UAH millions	Total nominal value and notional value in foreign currency, millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,665	44	–	–	–	Up to 17.4 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government debt securities (at a fixed interest rate)	265,018	–	11.30–19.35	8.12–19.75	Once a year, every 6 months	From 0.6 months to 13.3 years
domestic government debt securities (at a floating interest rate)	425,173	–	6.74–13.59	4.10–21.86	Once a year	From 9.4 years to 28.4 years

In H1 2024 and 2023, all debt securities at amortized cost (government securities) were at stage 1. In H1 2024 and 2023, the NBU did not make provisions 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 June 2024	As of 31 December 2023
		(UAH millions)
Loans granted to banks to support their liquidity:		
for stabilizing banking activities	36,773	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
Provisions for expected credit losses on loans to banks and other borrowers	(33,986)	(34,017)
Total loans to banks and other borrowers	4,664	5,691

During H1 2024 and 2023, the NBU supported the liquidity of banks via a standing refinancing line (overnight loans) and 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 June 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 qualifying holders, 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 June 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 June 2024, the gross carrying value of stabilization loans to banks was UAH 36,773 million, loan loss provisions under stabilization loans were UAH 33,672 million (as of 31 December 2023, the gross carrying value of stabilization loans to banks was UAH 36,915 million, and loan loss provisions were UAH 33,659 million).

As of 30 June 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 bank provided through tenders conducted by the NBU was UAH 2,762 million, and loan loss provisions were UAH 327 million).

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

As of 30 June 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, allowance for expected credit losses was 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 June 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 June 2024	As of 31 December 2023
		(UAH millions)
Correspondent accounts:		
in domestic currency	278,421	212,227
Other accounts of banks on demand:		
in domestic currency	3	–
in foreign currency	640	1,269
Bank accounts on special use terms:		
in domestic currency	2,359	1,676
in foreign currency	595	425
Funds placed to ensure the repayment of bank debts to the NBU:		
in foreign currency	789	662
Bank funds to ensure the execution of liabilities to the NBU:		
in domestic currency	–	2
Total accounts of banks	282,807	216,261

As of 30 June 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 June 2024 and 31 December 2023, balances of other foreign-currency demand deposits of banks placed with the NBU bore an interest rate of 5.25%.

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 June 2024	As of 31 December 2023
		(UAH millions)
Funds of budgets and budget entities:		
in domestic currency	14,540	52,885
in foreign currency	38,880	85,060
Deposit Guarantee Fund:		
in domestic currency	4,912	539
Other:		
in domestic currency	608	867
in foreign currency	885	751
Total accounts of government and other institutions	59,825	140,102

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

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

which bore interest rates of 4.57% as of 30 June 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, and 16.00% as of 14 June 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 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 June 2024	As of 31 December 2023
		(UAH millions)
Certificates of deposit at amortized cost:		
overnight certificates of deposit	355,972	441,457
certificates of deposit with maturities up to 100 days	154,414	180,210
Total amount of certificates of deposit at amortized cost	510,386	621,667

As of 30 June 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 expenses, interest rate, and maturity as of 30 June 2024 is presented in the table below:

	Total nominal value of certificates of deposit, UAH millions	Weighted average cost, % p.a.	Interest rate, % p.a.	Frequency of interest payments	Period of placement, calendar days
Certificates of deposit at amortized cost					
overnight certificates of deposit	355,593	13.00	13.00	One time during repayment	3
certificates of deposit with maturities up to 100 days	150,281	17.01	16.00–17.50	One time during repayment	91

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

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

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 June 2024	As of 31 December 2023
			(UAH millions)
Foreign currency cash	5	43,786	41,278
Demand deposits	5	196,342	293,884
Short-term FX deposits with maturities of up to three months (other than deposits in gold)	5	22,092	32,285
SDR holdings	7.1	1,708	35,483
Total cash and cash equivalents		263,928	402,930

Changes in liabilities that resulted from financial activities in H1 2024:

	Note	As of 1 January 2024	Issued/raised/(repayment) of liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 June 2024
								(UAH millions)
Banknotes and coins in circulation		764,598	36,544	–	–	–	–	801,142
Liabilities to the IMF	7.1, 7.3	188,536	(18,151)	(2,703)	7,873	2,483	25	178,063
Certificates of deposit issued by the NBU	12	621,667	(109,650)	(44,779)	–	43,148	–	510,386

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 H1 2023:

	Note	As of 1 January 2023	Issue/raised/(repayment) of liabilities	Interest expenses paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 June 2023
								(UAH millions)
Banknotes and coins in circulation		715,330	(4,196)	–	–	–	–	711,134
Liabilities to the IMF	7.1, 7.3	239,176	(29,624)	(3,819)	76	3,774	49	209,632
Certificates of deposit issued by the NBU	12	457,464	15,831	(37,737)	–	43,312	–	478,870

Section II.III. Financial Performance by Financial Instruments

14. Interest Income and Expenses

	For the period ended 30 June 2024		For the period ended 30 June 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)			
Interest income				
Income on domestic securities at amortized cost	19,407	40,062	29,216	58,341
Income on accounts and deposits in foreign currencies	3,092	6,172	3,830	6,322
Income on loans to banks	195	400	888	3,085
Income on SDR holdings	575	741	1,050	1,267
Income on domestic public debt	28	56	30	60
Other	–	1	–	1
Total interest income at the effective interest rate	23,297	47,432	35,014	69,076
Interest expenses				
Expenses on certificates of deposit issued by the NBU	(20,362)	(43,148)	(22,531)	(43,312)
Expenses on operations with the IMF	(1,167)	(2,508)	(1,887)	(3,823)
Expenses on banks' funds	(11)	(27)	(45)	(104)
Expenses on Deposit Guarantee Fund accounts	(34)	(56)	(20)	(36)
Total interest expenses at the effective interest rate	(21,574)	(45,739)	(24,483)	(47,275)
Net interest income	1,723	1,693	10,531	21,801

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

In H1 2024, income on domestic securities at amortized cost included UAH 12,826 million of interest income on domestic government securities with a floating rate – in Q2 2024, UAH 26,515 million – on a cumulative basis from the beginning of 2024 (UAH 22,065 million in Q2 2023, UAH 43,797 million on a cumulative basis in the same period from the start of 2023).

In H1 2024, the expenses on certificates of deposit issued by the NBU included:

UAH 12,568 million on overnight certificates of deposit in Q2 2024, UAH 26,865 million cumulatively since the beginning of 2024 (UAH 16,550 million in Q2 2023, UAH 37,331 million cumulatively since the beginning of 2023)

UAH 7,794 million on certificates of deposit with a maturity of up to 100 days in Q2 2024, UAH 16,283 million cumulatively from the beginning of 2024 (UAH 5,981 million in Q2 2023, UAH 5,981 million cumulatively from 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 June 2024		For the period ended 30 June 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	48,281	81,232	239	(718)
Realized gains or losses on transactions with financial assets and liabilities in foreign currency and monetary gold	1,418	14,446	–	8,454
Total gains or losses on operations with financial assets and liabilities in foreign currency and monetary gold	49,699	95,678	239	7,736

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

	For the period ended 30 June 2024		For the period ended 30 June 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)
Foreign securities at fair value through gains or losses				
Interest income	4,491	8,385	1,889	3,292
Unrealized results on foreign securities at fair value through gains or losses	6,207	14,013	1,693	6,579
Realized results on foreign securities measured at fair value through profit or loss (previously unrealized results of the current year that were realized)	4,098	5,277	3,313	5,007
Total gains or losses from foreign securities at fair value through profit or loss	14,796	27,675	6,895	14,878
Derivative financial instruments				
Unrealized gains or losses from derivative financial instruments	94	725	1,398	1,735
Realized gains or losses on derivative financial instruments (previously unrealized gains or losses of the current year that were realized)	(127)	(297)	(603)	(1,138)
Total amount of gains or losses from derivative financial instruments	(33)	428	795	597
Total results on transactions with financial instruments at fair value after revaluation in profit or loss	14,763	28,103	7,690	15,475

In H1 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 7,492 million (down from UAH 2,637 million in H1 2023).

17. Losses /(Gains) on the (Impairment)/Reversal of Impairment of Financial and Nonfinancial Assets

	For the period ended 30 June 2024		For the period ended 30 June 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) on the (impairment)/reversal of impairment on deposits in foreign currency at amortized cost	-	(1)	2	-
(Losses)/gains on (impairment)/reversal of impairment of loans to banks	(266)	(249)	187	256
Gains /(losses) from (impairment)/reversal of impairment on interest bearing financial assets	(266)	(250)	189	256
(Losses)/gains on the (impairment)/reversal of impairment of receivables	-	(9)	(1)	3
Gains from reversal of impairment on other nonfinancial assets	-	-	2	7
(Losses)/gains on (impairment)/reversal of impairment of other assets	-	(9)	1	10

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 May 2024), and Level 3 inputs (the June 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 June 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 June 2024 discount rate, in % per annum	As of 31 December 2023 Rate discount rate, in % per annum
Domestic securities in domestic currency:		
domestic government debt securities (at a fixed interest rate)	11.21–16.77	11.30–19.35
domestic government debt securities (at a floating interest rate)	7.24–13.03	6.74–13.59
Domestic public debt in domestic currency (1994–1996)	19.50	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 June 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)	257,902	235,357	277,351	248,153
domestic government debt securities (at a floating interest rate)	452,415	382,088	449,738	396,526
Domestic public debt	1,350	928	1,347	833
Loans to banks and other borrowers	4,664	4,681	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 June 2024			As of 31 December 2023		
	level 1	level 2	level 3	level 1	level 2	level 3
(UAH millions)						
Assets measured at fair value						
Foreign securities carried at fair value	986,608	21,321	187,578	901,668	27,915	143,516
Domestic securities carried at fair value:						
government derivatives	863	–	–	729	–	–
Assets for which fair value is disclosed						
Domestic securities in domestic currency:						
domestic government debt securities (at a fixed interest rate)	–	235,357	–	–	248,153	–
domestic government debt securities (at a floating interest rate)	–	258,487	123,601	–	268,588	127,938
Domestic public debt	–	–	928	–	–	833
Loans to banks and other borrowers	–	–	4,681	–	–	5,735
Liabilities measured at fair value						
Other financial liabilities at fair value:						
interest rate swap	–	544	–	–	1,223	–

Over the first six 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)	
Foreign securities as of 1 January 2023	27,667
Income/(expense) recognized during the reporting period as part of profit or loss	122
Purchases of foreign securities	10,518
Redemptions of foreign securities	(27,105)
Foreign securities as of 30 June 2023	11,202
Foreign securities as of 1 January 2024	143,516
Income/(expense) recognized during the reporting period as part of profit or loss	16,844
Purchases of foreign securities	89,938
Redemptions of foreign securities	(62,720)
Foreign securities as of 30 June 2024	187,578

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 June 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 June 2024 (Level 3 inputs) by 100 basis points would decrease the fair value of the relevant assets by UAH 825 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 825 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 June 2024, the total amount of capital managed by the NBU was UAH 543,214 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 June 2024	As of 31 December 2023
	(UAH millions)	
Statutory capital	100	100
General reserves	137,642	99,675
Retained earnings	134,490	37,984
Reserve capital	37	31
Revaluation reserves of foreign currency and monetary gold	261,180	261,180
Revaluation reserves of investment metals	1,705	1,330
Revaluation reserves of financial instruments to their fair value	8,060	19,826
Total equity	543,214	420,126

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 5¹ of the Law of Ukraine *On the National Bank of Ukraine*.

The NBU transfers its portion of distributable profit to the State Budget of Ukraine in accordance with the Law of Ukraine *On the National Bank of Ukraine*. Distributable profit is determined by reducing the profit by the amount of unrealized gains for the reporting period, which are directed to revaluation reserves. 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 June 2024		For the period ended 30 June 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	717	1,434	612	1,227
Expenses related to mandatory social security insurance and contributions to private pension funds	160	314	132	265
Financial assistance and other social benefits	5	9	4	5
Other	5	11	6	10
Total staff costs	887	1,768	754	1,507

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 June 2024		For the period ended 30 June 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	131	339	161	345
Depreciation and amortization	72	145	64	129
Utilities and household expenses	62	129	59	125
Expenses for maintenance of noncurrent tangible and intangible assets	57	105	46	83
Telecommunication services and maintenance	16	28	11	20
Business trips	11	22	13	27
Contributions to the Primary Labor Union Organization of the NBU	9	18	7	15
Cost of sewage facility services	8	17	7	15
Expenses on software maintenance	10	16	3	4
Problem assets expenses	14	14	1	1
Taxes, duties, and charges	5	10	6	12
Payments to NBU Council members	5	9	7	14
Other	11	21	14	23
Total administrative and other expenses	411	873	399	813

Depreciation and amortization charges in H1 2024 exclude depreciation worth UAH 88 million (in H1 2023: UAH 84 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, consulting and legal services, 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 June 2024 and 31 December 2023 are presented in the table below:

	Note	As of 30 June 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		17	–	–	39	–	–
Domestic securities (gross carrying value)	8	711,180	–	–	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		1,350	–	–	1,347	–	–
Other assets		32	33	2	83	32	–
Accounts of banks		146,921	–	–	109,936	–	–
Accounts of government and other institutions (excluding the accounts of the Deposit Guarantee Fund)	11	54,864	24	7	139,401	91	11
Accounts of the Deposit Guarantee Fund	11	4,912	–	–	539	–	–
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	–	–	–	38,643	–	–
Certificates of deposit issued by the NBU		221,585	–	–	261,374	–	–
Other liabilities		269	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 June 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 June 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 June 2024 and 31 December 2023 bore an interest rate of 5.25% (Note 10).

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

The accounts of the Deposit Guarantee Fund as of 30 June 2024 bore interest rates of 4.57% (4.60% as of 31 December 2023) (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 June 2024			For the period ended 30 June 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	40,119	–	–	59,876	–	–
Interest expenses	(16,817)	–	–	(13,035)	–	–
Fee and commission income	123	–	–	91	–	–
Fee and commission expense	(2)	–	–	(2)	–	–
Other income	215	6	–	323	5	–
Gains or losses on transactions with financial instruments at fair value through profit or loss	262	–	–	300	–	–
Costs related to the production of banknotes, coins, souvenirs, and other products	(59)	–	–	(21)	–	–
Staff costs and remuneration of NBU Council members	–	–	(31)	–	–	(36)
Administrative and other expenses	(37)	–	(36)	(16)	–	(31)
Gains from reversal of impairment on interest-bearing financial assets	6	–	–	–	–	–

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 H1 2024, expenditures for the short-term benefits (salary and social security tax) of key management personnel were UAH 30.96 million, including remuneration to members of the NBU Council of UAH 8.25 million (in H1 2023, the short-term benefits of key management personnel were UAH 36.01 million, including remuneration to members of the NBU Council of UAH 12.53 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 June 2024			As of 31 December 2023		
		current	noncurrent	total	current	noncurrent	total
(UAH millions)							
Assets							
Funds and deposits in foreign currency and investment metals	5	269,323	–	269,323	373,440	–	373,440
Foreign securities	6	1,194,831	676	1,195,507	1,072,423	676	1,073,099
SDR holdings	7.1	1,970	–	1,970	35,570	–	35,570
Monetary gold		–	74,312	74,312	–	62,387	62,387
Domestic securities	8	37,322	673,858	711,180	49,074	678,744	727,818
Loans to banks and other borrowers	9	3,101	1,563	4,664	3,291	2,400	5,691
Domestic public debt		133	1,217	1,350	112	1,235	1,347
IMF quota contributions	7.2	–	107,270	107,270	–	102,521	102,521
Property and equipment and intangible assets		–	3,892	3,892	–	4,044	4,044
Other assets		4,730	3,383	8,113	3,661	3,009	6,670
Total assets		1,511,410	866,171	2,377,581	1,537,571	855,016	2,392,587
Liabilities							
Banknotes and coins in circulation		801,142	–	801,142	764,598	–	764,598
Accounts of banks	10	282,807	–	282,807	216,261	–	216,261
Accounts of government and other institutions	11	59,825	–	59,825	140,102	–	140,102
Liabilities to transfer distributable profit to the State Budget of Ukraine	20	–	–	–	38,643	–	38,643
Certificates of deposit issued by the NBU	12	510,386	–	510,386	621,667	–	621,667
Liabilities to the IMF, apart from IMF quota contributions	7.3	42,976	27,830	70,806	41,337	44,690	86,027
Liabilities to the IMF with respect to quota contributions	7.3	107,257	–	107,257	102,509	–	102,509
Other liabilities		1,738	363	2,101	1,827	782	2,609
Total liabilities		1,806,131	28,193	1,834,324	1,926,944	45,472	1,972,416

Contributions to the IMF quota are classified as noncurrent 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 July 2024, the NBU left its key policy rate unchanged at 13%. This decision is intended to ensure the sustainability of the FX market and bring inflation closer to its 5% target within the forecast horizon. The NBU is also maintaining an active presence on the FX market to cover the structural deficit of foreign currency, support two-way fluctuations in the exchange rate, and smooth out excessive volatility.

On 22 July 2024, Ukraine released a statement on the London Stock Exchange on the principal agreements reached with the Committee of Holders of Ukraine's Eurobonds on the restructuring of sovereign debt securities issued on the international capital markets (in the amount of USD 23.4 billion). Reaching the principal agreements is considered an important stage of the process of comprehensive restructuring of Ukraine's external commercial debt. The said agreements are supported by the Committee of Ukraine's Creditors and by official partners, and correspond to the targets of the IMF's Extended Fund Facility.

Throughout the period from 1 July 2024 to the date of signing these interim concise consolidated financial statements, financial assistance received by Ukraine from international partners to accounts with the NBU totaled USD 8.4 billion in the equivalent, including a tranche of direct budget support of USD 3.9 billion from the United States through the IBRD, and a tranche of EUR 4.2 billion from the European Union, consisting of a concessional loan of EUR 2.7 billion (USD 2.9 billion) and a grant of EUR 1.5 billion (USD 1.6 billion) under the macro-financial assistance from

the European Union provided within the framework Ukraine Facility financial instrument.

Also, in July 2024, the Ukrainian government received to its SDR holding accounts financing from the IMF under the Extended Fund Facility (EFF) in the amount of SDR 1,670 million, or UAH 89,523 million at the official UAH/SDR exchange rate as of the date the funds were received.

During the period from 1 July 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 in line with the redemption schedule to the total amount of UAH 11,184 million

the NBU's liabilities toward the IMF in line with the repayment schedule to the total amount of SDR 98.5 million (UAH 5,374 million at the official exchange rate as of the payment date, or UAH 5,150 million at the annual exchange rate of the IMF).

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. On 2 August 2024, S&P 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.

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).

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 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.

 August 2024
Kyiv, Ukraine