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# **Monthly Monitoring of Main Indicators of Budget and Banking Systems of Ukraine as of August 1, 2010**

*The Monitoring of Main Indicators of Budget and Banking Systems of Ukraine* is a monthly publication prepared based on the data of official statistics. It contains a brief analysis and selections of graphs and charts illustrating the main changes occurring in the budget and banking systems of Ukraine.

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## Tendencies of Execution of Consolidated, State and Local Budgets in Ukraine

**The actual revenues of the consolidated budget of Ukraine** totaled Hr 175.9bn in January-July 2010, which is Hr 24.7bn or 16.4% more year-on-year. The share of tax revenues amounted to 75.8% against 73.9% in the respective period of 2009. The annual plan was implemented by 53.4%. The actual execution of the consolidated budget revenues amounted to 52.4% in January-July 2009.

The consolidated budget revenues totaled Hr 30.6bn in July, which is 53.2% more than in July 2009.

**The actual revenues of the State budget of Ukraine** totaled Hr 132.6bn in January-July 2010, which is Hr 20.8bn or 18.6% more year-on-year. The annual State budget plan was executed by 51.2%. The actual execution of the State budget revenues amounted to 51.4% in January-July 2009.

The revenues of the State budget of Ukraine increased by 68.6% in July 2010 against July 2009 and amounted to Hr 23.7bn.

A sharp increase in non-tax revenues was a distinct feature of budget execution in July 2010: the revenues from this source were more than double the average monthly revenues in 2010. This is explained by transfer of Hr 4.0bn by the National Bank of Ukraine in July, as well as receipt of Hr 1.5bn from sale of the established greenhouse gas quotas as envisioned by Article 17 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

**The total local budget revenues (without intergovernmental transfers)** amounted to Hr 43.7bn in January-July 2010, which is Hr 3.9bn or 10.0% more than the respective indicator of 2009. The local budget revenues totaled Hr 6.9bn in July, showing an increase of 16.3% year-on-year.

A 17.2% increase was observed in the actual amount of local budget tax revenues in July 2010 compared to July 2009 (at the same time, the amount of such revenues increased by 10.9% in January-July against the same period of last year). Overall, local budgets received nearly Hr 6.0bn in tax revenues in July (Hr 36.7bn in January-July 2010).

Revenues from the personal income tax totaled Hr 4.4bn in July, which is 15.6% more than in July 2009. In total, Hr 27.5bn from this tax was received in January-July 2010 (growth of 10.1%).

Similarly to the year 2009, the first seven months of 2010 show a stable growth in revenues from the payment for land, which increased by Hr 845.1mn in July or by 12.6% against the same period in 2009 (Hr 5.4bn received year-to-date, with the respective growth of 14.6%).

Non-tax revenues of local budgets totaled Hr 623.2mn in July (they amounted to Hr 557.7mn in July 2009). The amount of non-tax revenues increased by 4.4% in January-July 2010 against the respective period in 2009.

The revenues from capital transactions totaled Hr 200.0mn in July 2010, which is 19.1% more year-on-year. These revenues totaled Hr 1.4bn in January-July 2010, which is 9.4% more year-on-year.

**The State budget deficit totaled Hr 27.7bn in January-July 2010**, which is 1.8 times more year-on-year, including the General Fund deficit of Hr 25.2bn and Special Fund deficit of Hr 2.5bn.

The General Fund deficit was financed in January-July 2010 at the expense of internal borrowing incurred at the amount of Hr 25.4bn, which is Hr 6.3bn or 1.3 times more compared to the same period of last year; as well as external borrowing incurred at the amount of Hr 15.8bn, which is Hr 21.1bn or 57.0% less year-on-year. The debt repayment totaled Hr 13.8bn, which is Hr 10.0bn or 3.6 times more year-on-year. Financing for debt transactions at the expense of surplus of borrowing over repayment for the General Fund of the State budget totaled Hr 27.4bn (to compare, budget borrowing exceeded debt repayment by Hr 52.2bn in January-July of last year).

Financing for active transactions for the General Fund of the budget totaled Hr (-2.2bn) in January-July 2010, including Hr (-2.4bn) for change in the balance of budget funds and Hr 0.2bn for change in the amount of deposits and securities used for liquidity management.

The emergence of a Special Fund deficit of Hr 2.5bn is mostly due to incurring a debt at the amount of Hr 9.0bn in the period under review.

The balance of funds totaled Hr 24.1bn in general at the end of July 2010, including Hr 6.2bn in the General Fund and Hr 17.9bn in the Special Fund.

**In July 2010, the State budget deficit** totaled Hr 1.2bn or 2.3% of the annual ceiling (a deficit of Hr 4.7bn was noted in July 2009). A surplus of Hr 37.7mn accrued in the General Fund of State budget in July, with a Special Fund deficit of Hr 1.2bn. The debt was incurred at Hr 4.2bn, with debt repayment of Hr 1.9bn in July, which amounts to 7.9% of the 2010 debt repayment plan; the financing for active transactions totaled Hr (-1.2bn) in July.

**The expenditures of the consolidated budget of Ukraine** totaled Hr 202.1bn in **January-July 2010** (including General Fund expenditures of Hr 167.2bn and Special Fund expenditures of Hr 34.9bn), which is Hr 34.2bn or 20.4% more year-on-year. It should be noted that the expenditures for social protection and social security increased by 49.3%, for healthcare by 16.7%, and for education by 15.1% in January-July compared to similar indicators of 2009. At the same time, the expenditures for agriculture, forestry, game-preserves, and fisheries decreased by 17.4% in this period year-on-year.

**The actual expenditures of the consolidated budget of Ukraine in July 2010** totaled Hr 30.9bn, which is 26.4% more year-on-year (to compare: the year-on-year increase in July expenditures in the period of 2007-2009 amounted to 114.5%, 140.3%, 100.6%, respectively).

The year-on-year growth trends were demonstrated in July of this year by expenditures in such sectors as social protection and social security (by 29.9%), healthcare (by 26.3%), education (by 19.0%), and agriculture, forestry and game-preserves, and fisheries (by 3.5%).

**The expenditures of the State budget of Ukraine (with intergovernmental transfers)** totaled Hr 164.9bn in **January-July 2010** (including General Fund expenditures of Hr 134.9bn and Special Fund expenditures of Hr 30.0bn), which is Hr 34.8bn or 26.7% more year-on-year. At the same time, the expenditures for housing and communal services increased 4.8 times year-on-year, for debt servicing - 2.1 times, those for spiritual and physical development - by 99.7%, for social protection and social security - by 62.0%, and for general government - by 35.1%. Simultaneously, the expenditures for economic activity decreased by 14.9% in the said period, including those for agriculture, forestry, game-preserves, and fisheries - by 17.5%, for transport - by 17.4%, and for the fuel and energy complex - by 15.4%. Also, expenditures for healthcare decreased by 0.9%.

**Expenditures of the State budget (with intergovernmental transfers)** totaled Hr 25.4bn in **July 2010**, including General Fund expenditures of the State budget of Hr 19.5bn and Special Fund expenditures of Hr 5.9bn.

The expenditures of the State budget of Ukraine increased by 30.9% in July 2010 year-on-year.

Also, the July 2010 expenditures for spiritual and physical development increased 2.5 times year-on-year, those for debt servicing - by 62.1%, and for economic activity - by 58.7%. At the same time, the expenditures for healthcare decreased by 1.7% against the same indicator of 2009.

**The total local budget expenditures (without intergovernmental transfers)** amounted to Hr 79.2bn in **January-July 2010**, which is 14.2% more year-on-year. At the same time, the first seven months of 2010 demonstrate a 19.5% growth in social expenditures of local budgets, and a 32.9% decline in expenditures for economic activity, housing and communal services, and environmental protection.

**The total local budget expenditures (without intergovernmental transfers)** amounted to Hr 12.6bn in **July 2010**, which is 25.3% more year-on-year. The social expenditures of local budgets increased by 28.0% in July. The expenditures for economic activity, housing and communal services, and environmental protection demonstrated an overall growth by +12.8% for the first time in 2010. Other expenditure items of local budgets increased by 17.1% in general compared to the indicators of July 2009 .

# State Budget Revenues

Diagram 1

## Structure of State Budget Revenues in July 2010

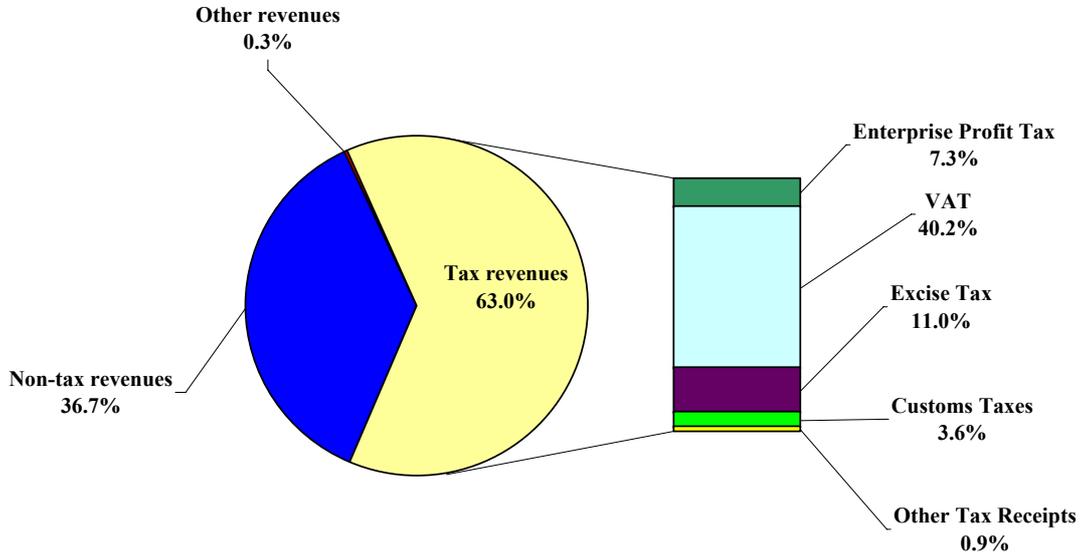
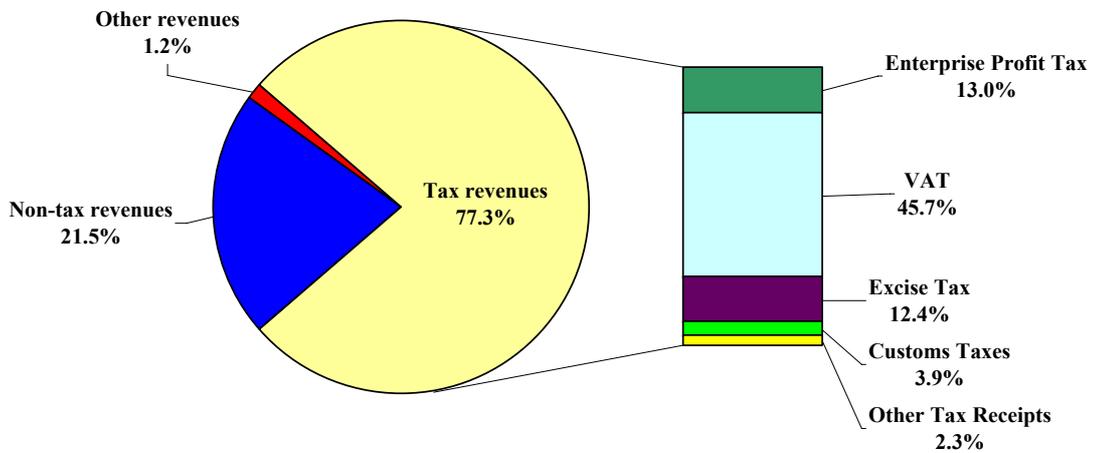


Diagram 2

## Structure of State Budget Revenues in July 2009



### State Budget Total Revenues Monthly Trends in 2005-2010

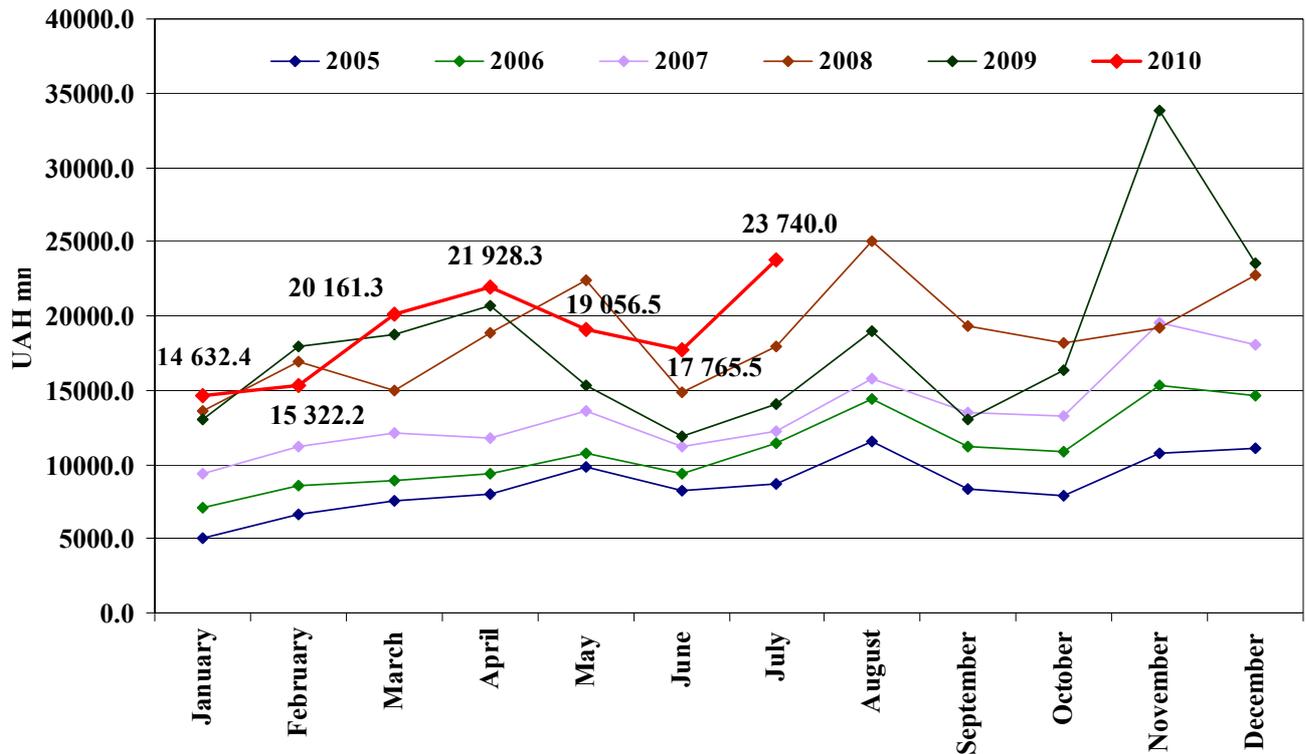
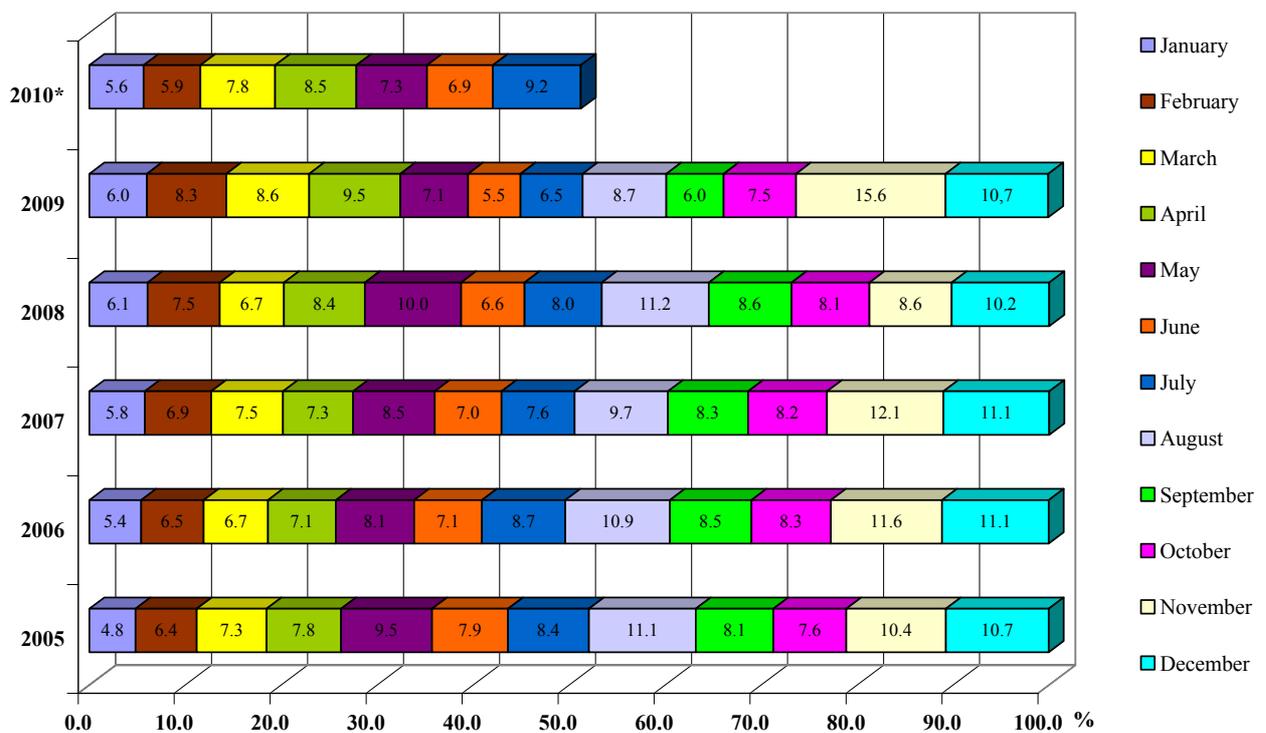


Diagram 3

### Dynamics of the Share of Ukraine's State Budget Revenues in Annual Amounts in 2005-2010



\* A share of total revenues according to the planned annual index

Graph 2

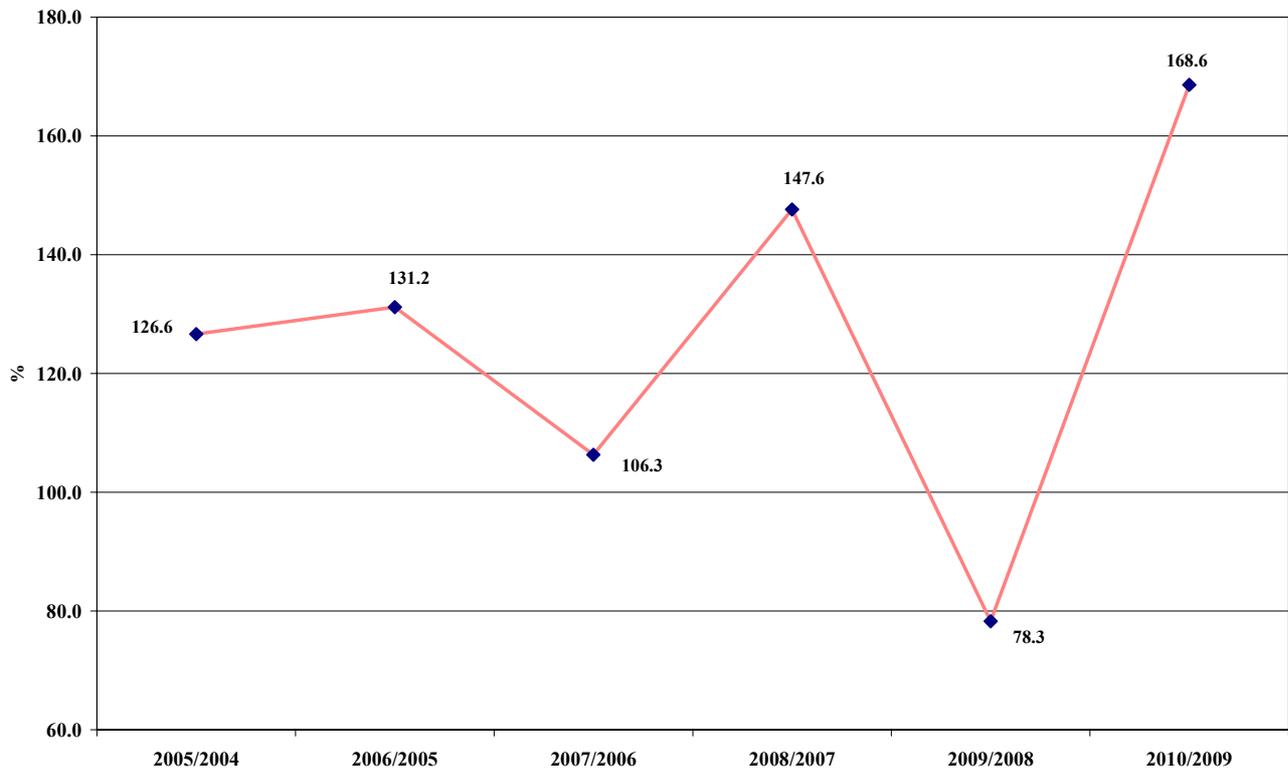
### Dynamics of the Share of Ukraine's State Budget Revenues in January-July 2005-2010 in Annual Amounts



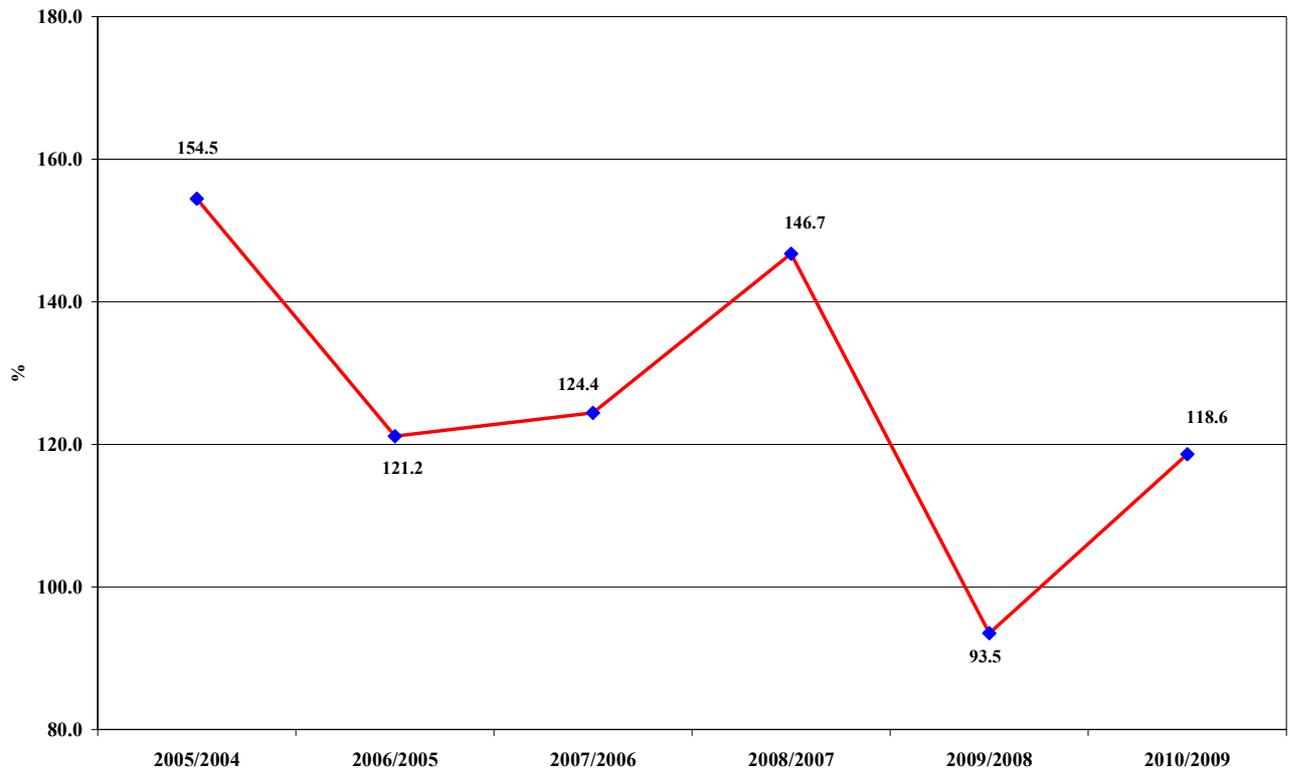
\* A share of total revenues according to the planned annual index

Graph 3

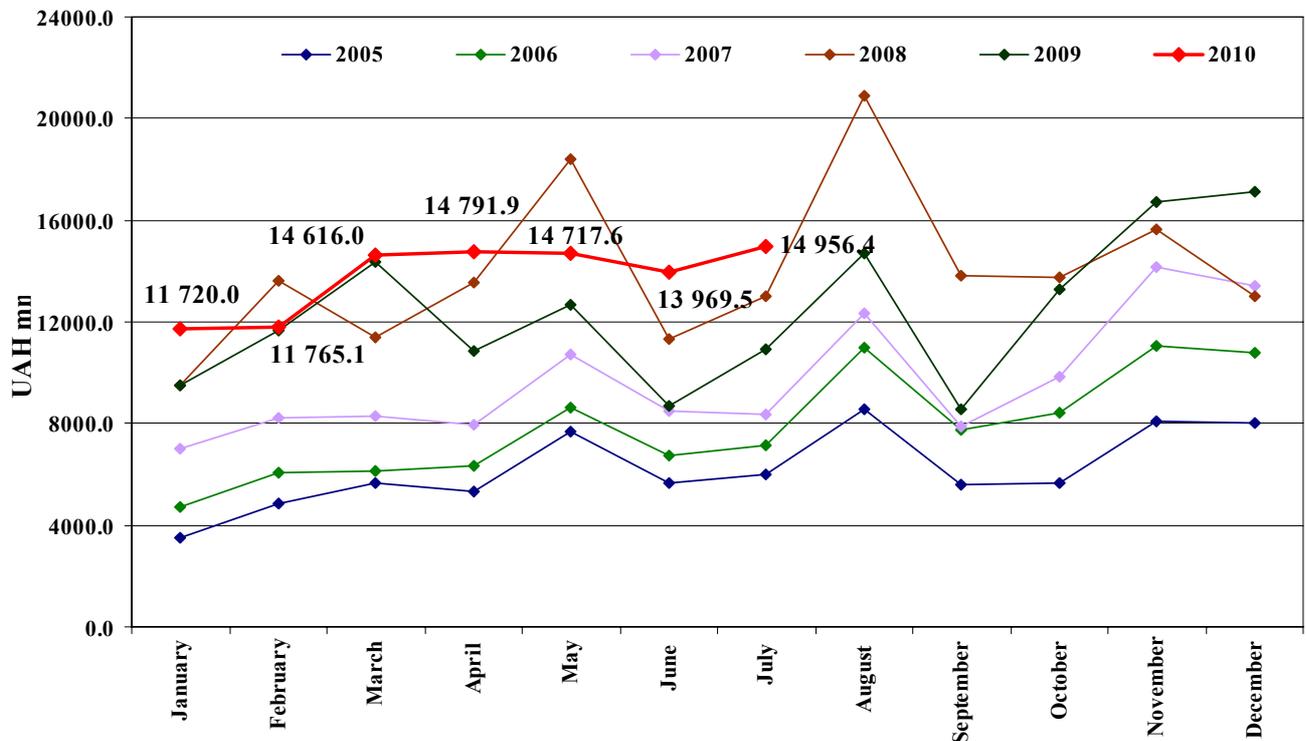
### Growth Rates of Ukraine's State Budget Revenues in July 2005-2010



### Growth Rates of Ukraine's State Budget Revenues in January-July 2005-2010

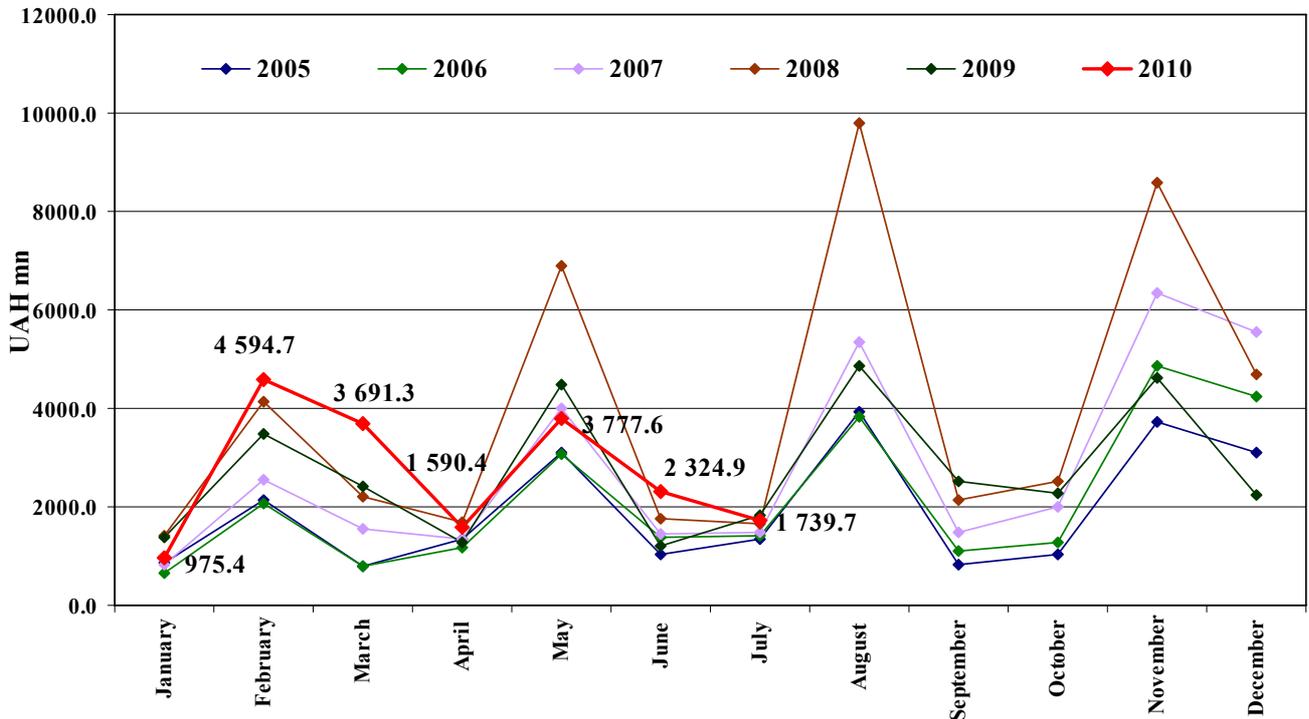


### State Budget Tax Revenues Monthly Trends in 2005-2010



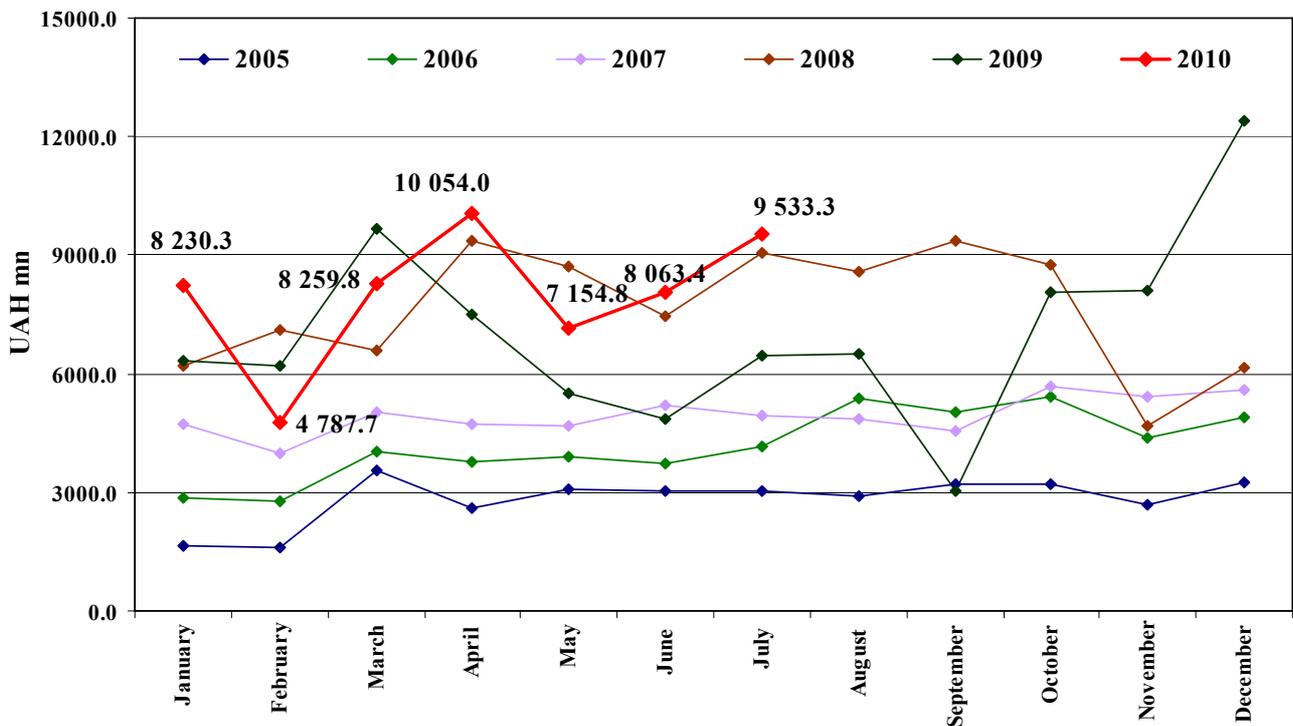
Graph 6

### State Budget Enterprise Profit Tax Monthly Trends in 2005-2010



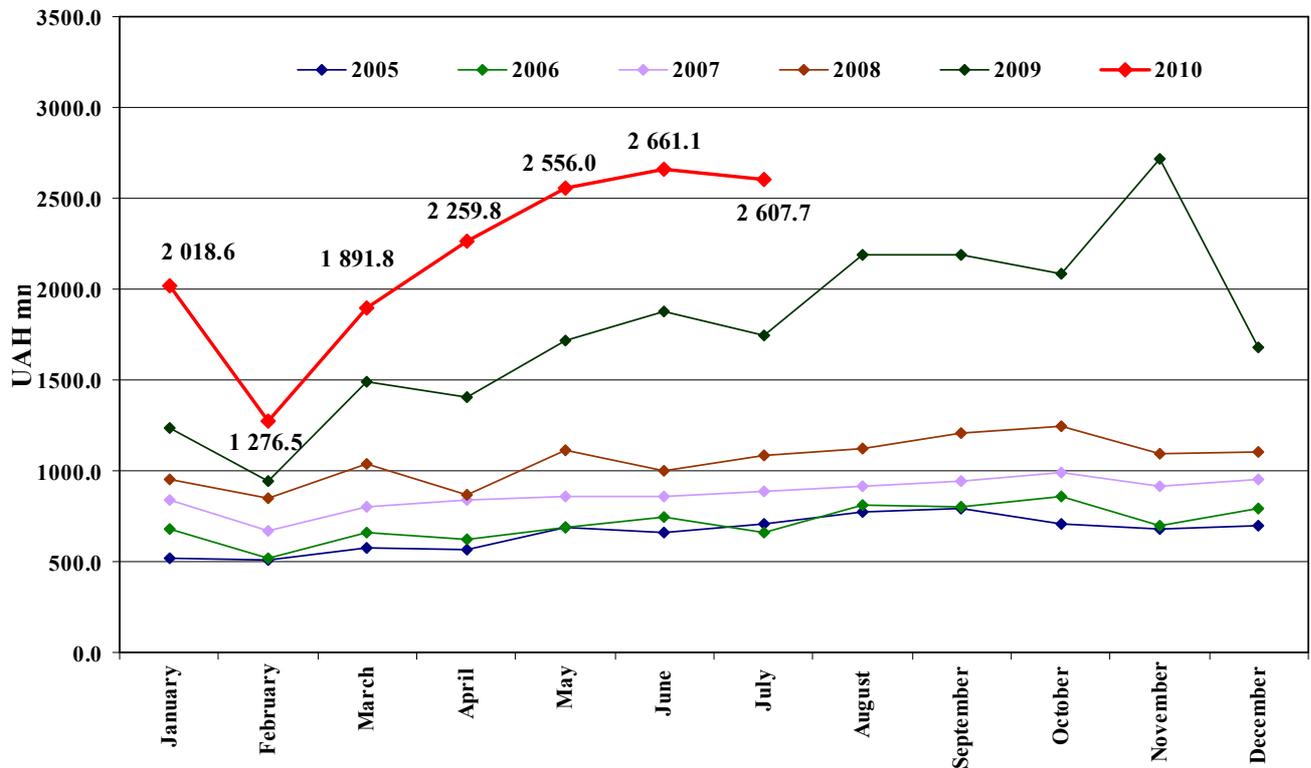
Graph 7

### State Budget Value Added Tax Monthly Trends in 2005-2010



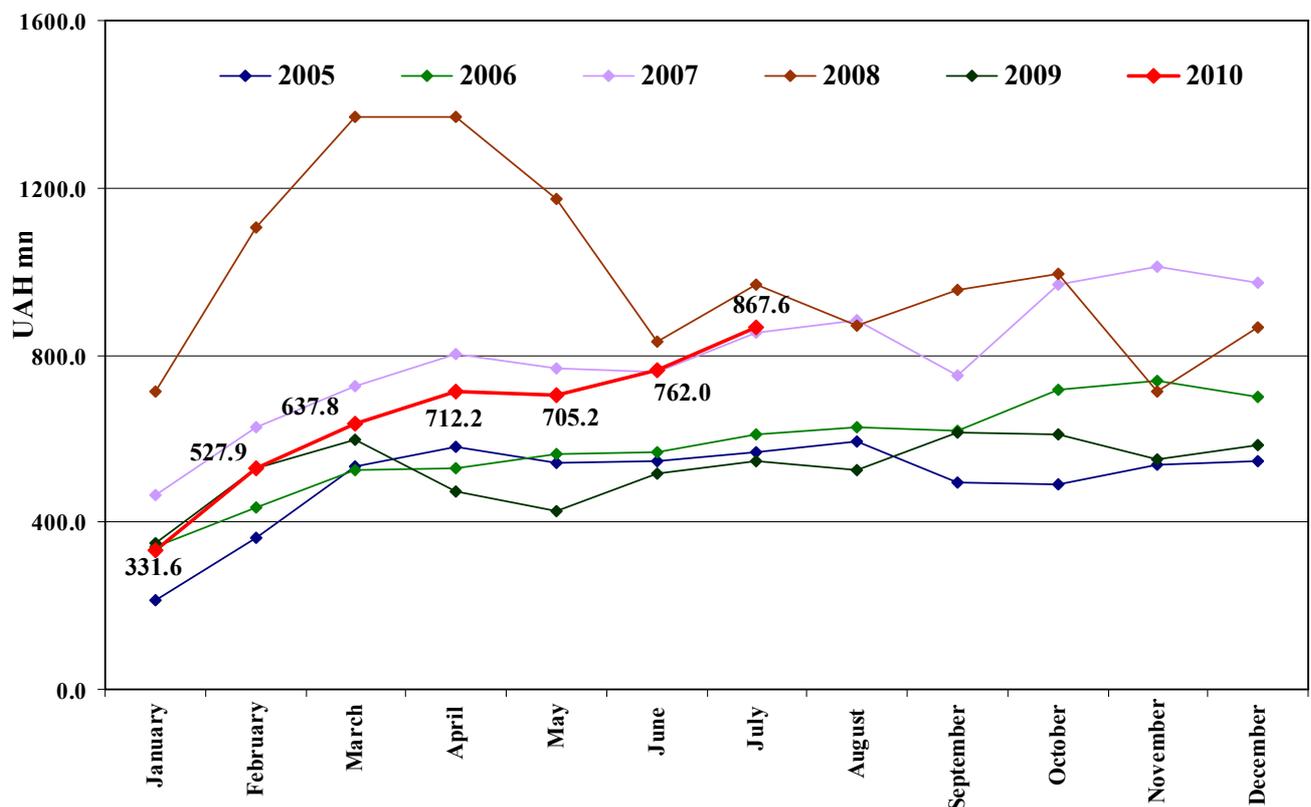
Graph 8

### State Budget Excise Tax Monthly Trends in 2005-2010

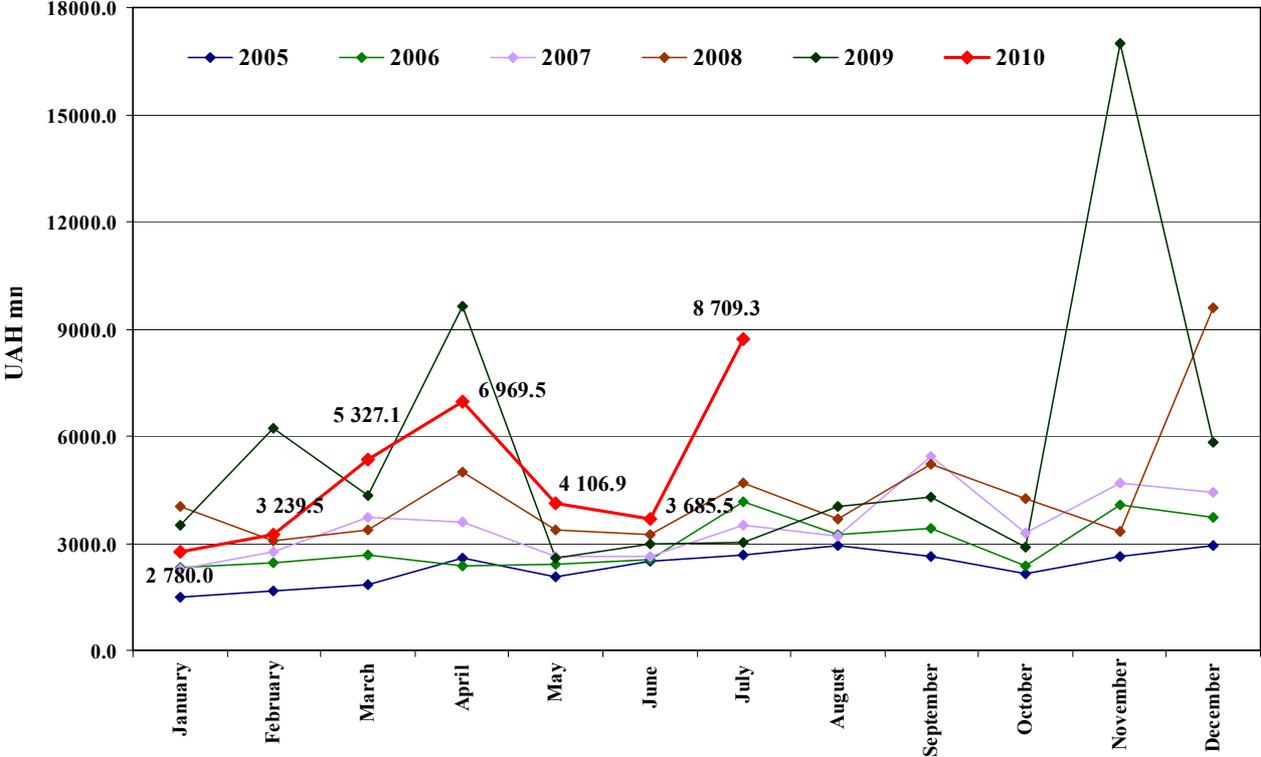


Graph 9

### Taxes on Foreign Trade and External Operations Monthly Trends in 2005-2010



### State Budget Non-tax Revenues Monthly Trends in 2005-2010



# Local Budget Revenues

Graph 11

## Local Budget Revenues Monthly Trends (Less Intergovernmental Transfers) in 2005-2010

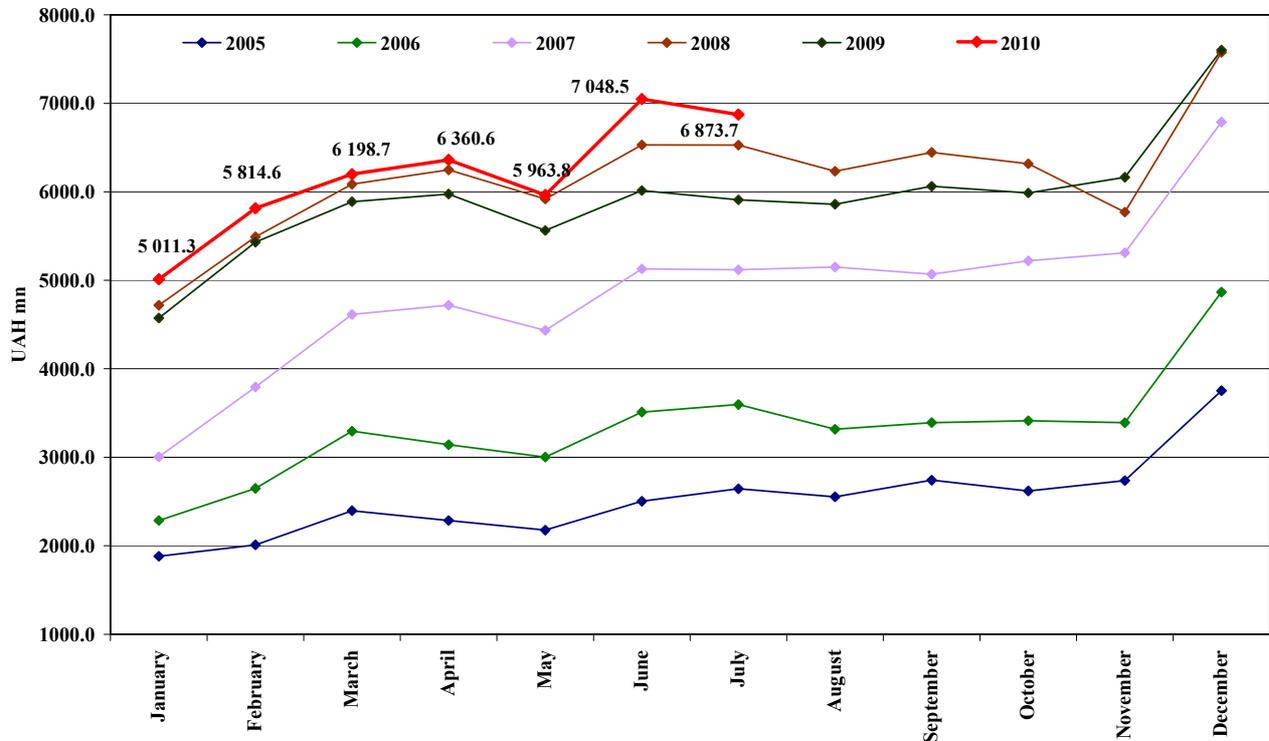
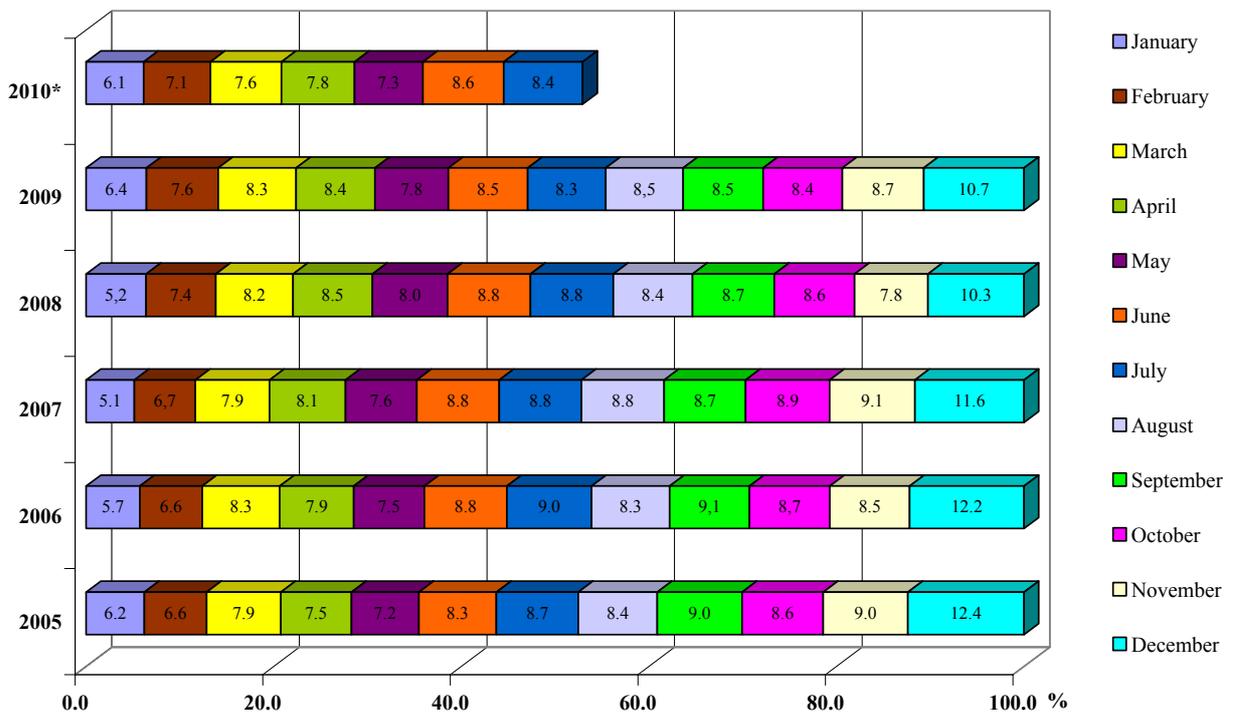


Diagram 4

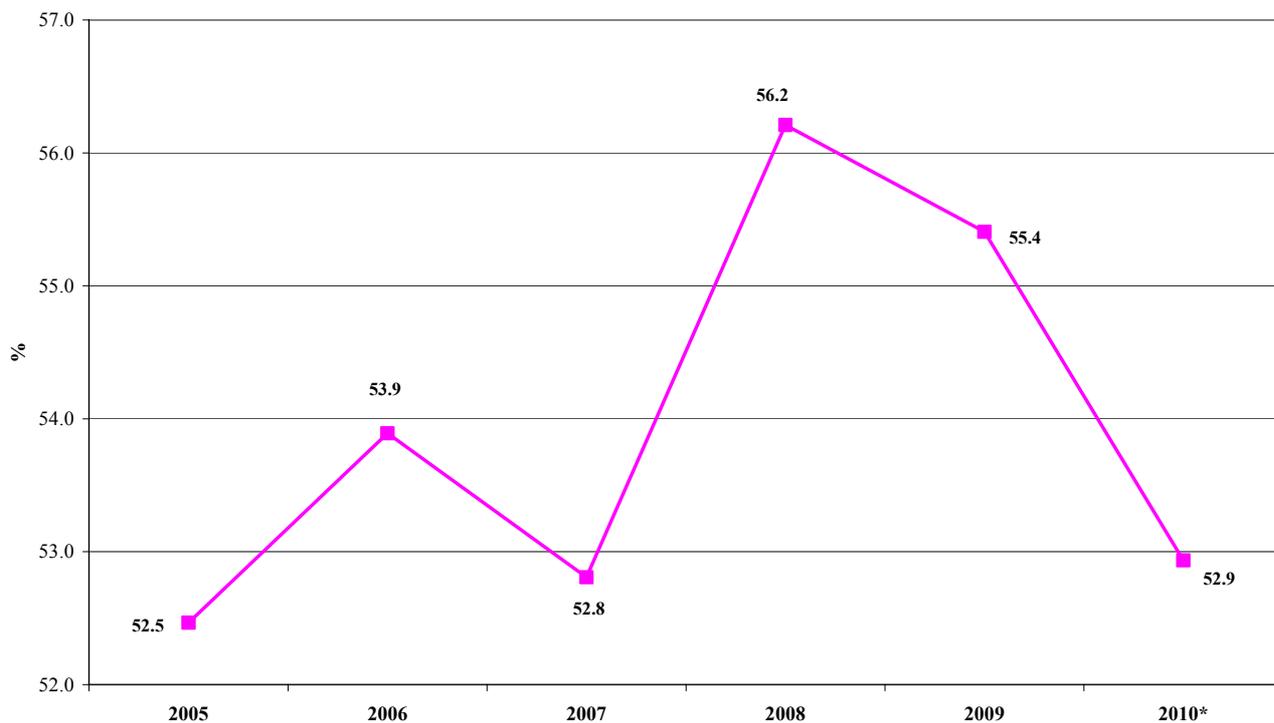
## Dynamics of the Share of Local Budget Revenues in Annual Amounts in 2005-2010



\* A share of total revenues according to the planned annual index

Graph 12

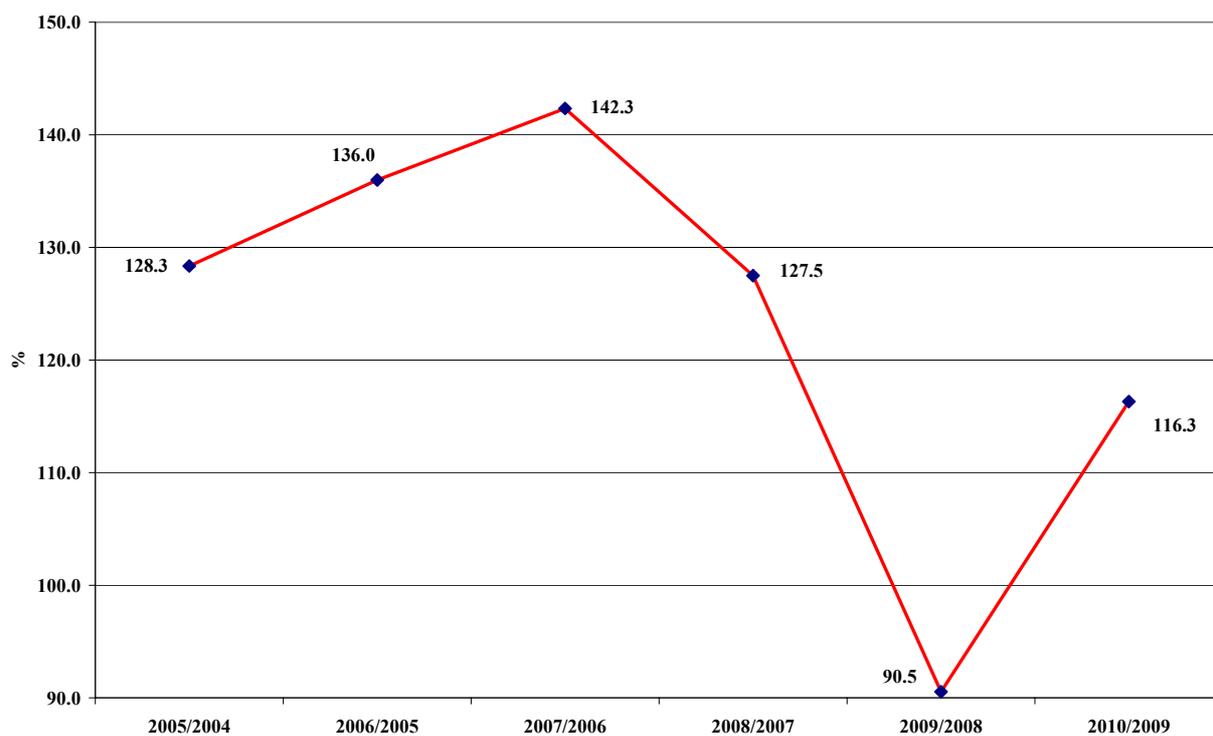
### Dynamics of the Share of Local Budget Revenues in January-July 2005-2010 in Annual Amounts



\* A share of total revenues according to the planned annual index

Graph 13

### Growth Rates of Local Budget Revenues in July 2005-2010



### Growth Rates of Local Budget Revenues in January-July 2005-2010

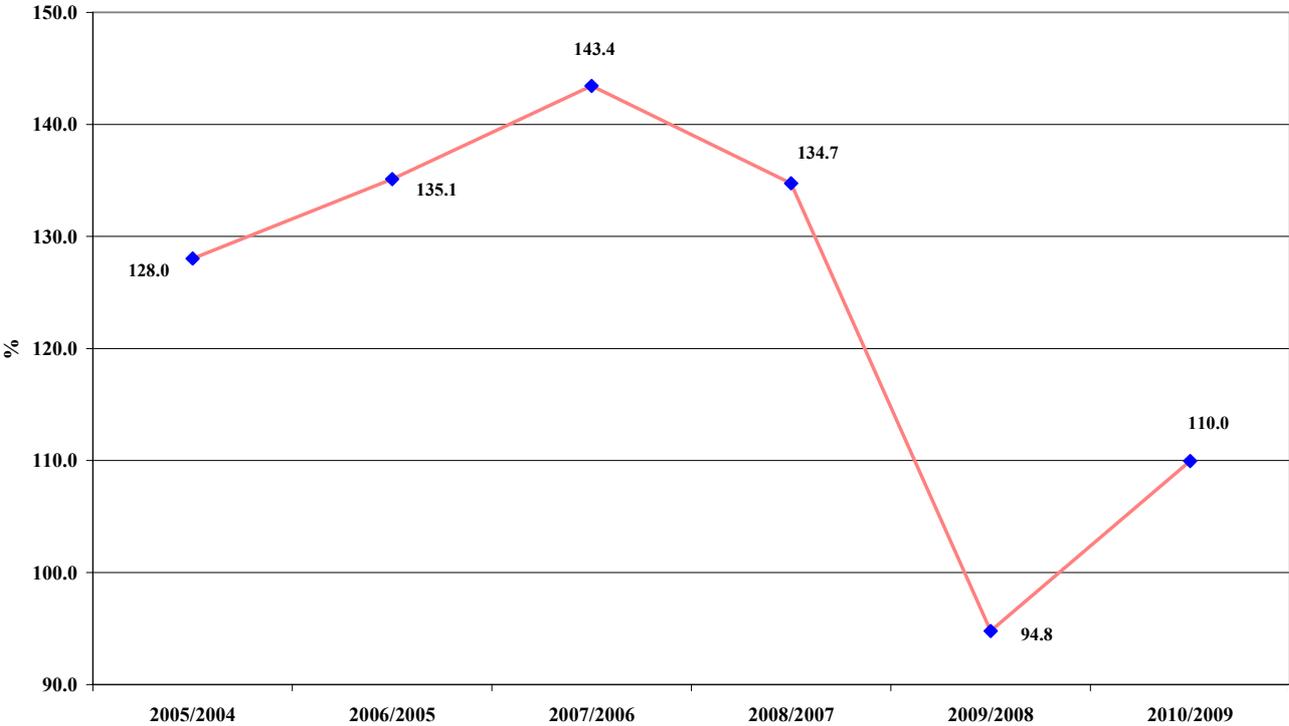


Diagram 5

### Structure of Actual Local Budget Revenues in July 2005-2010

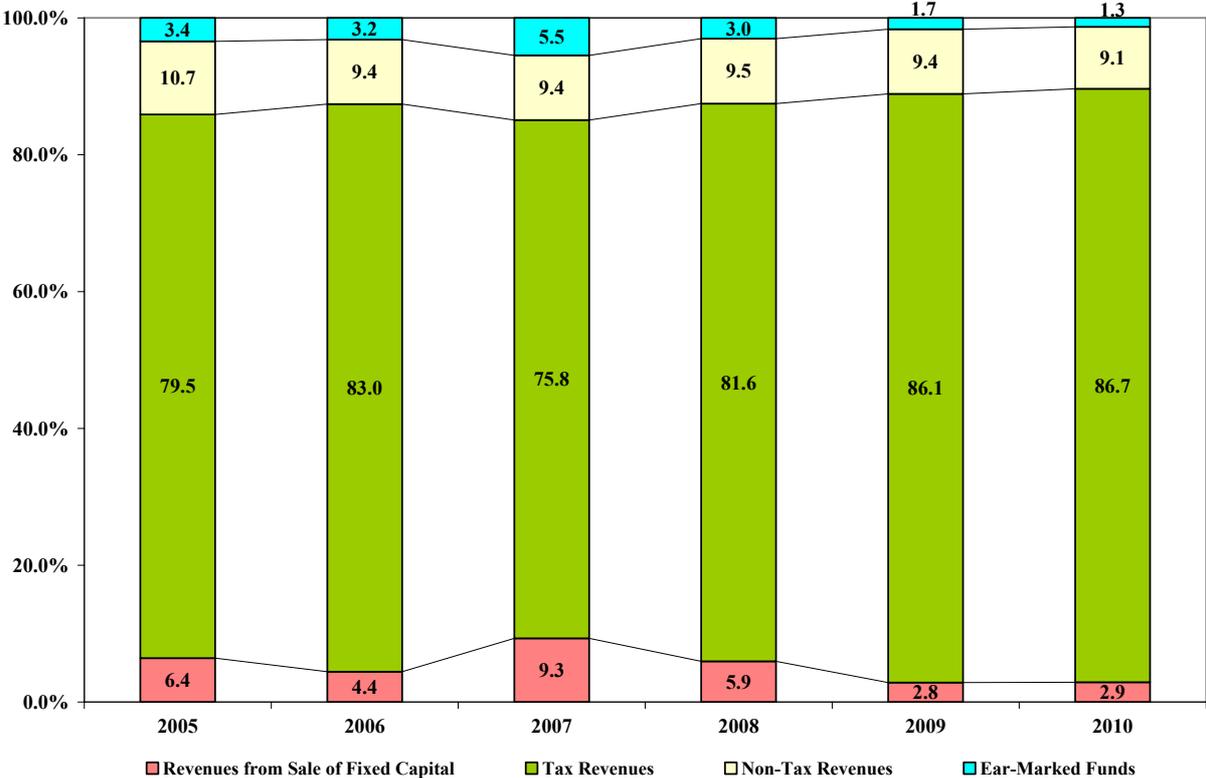
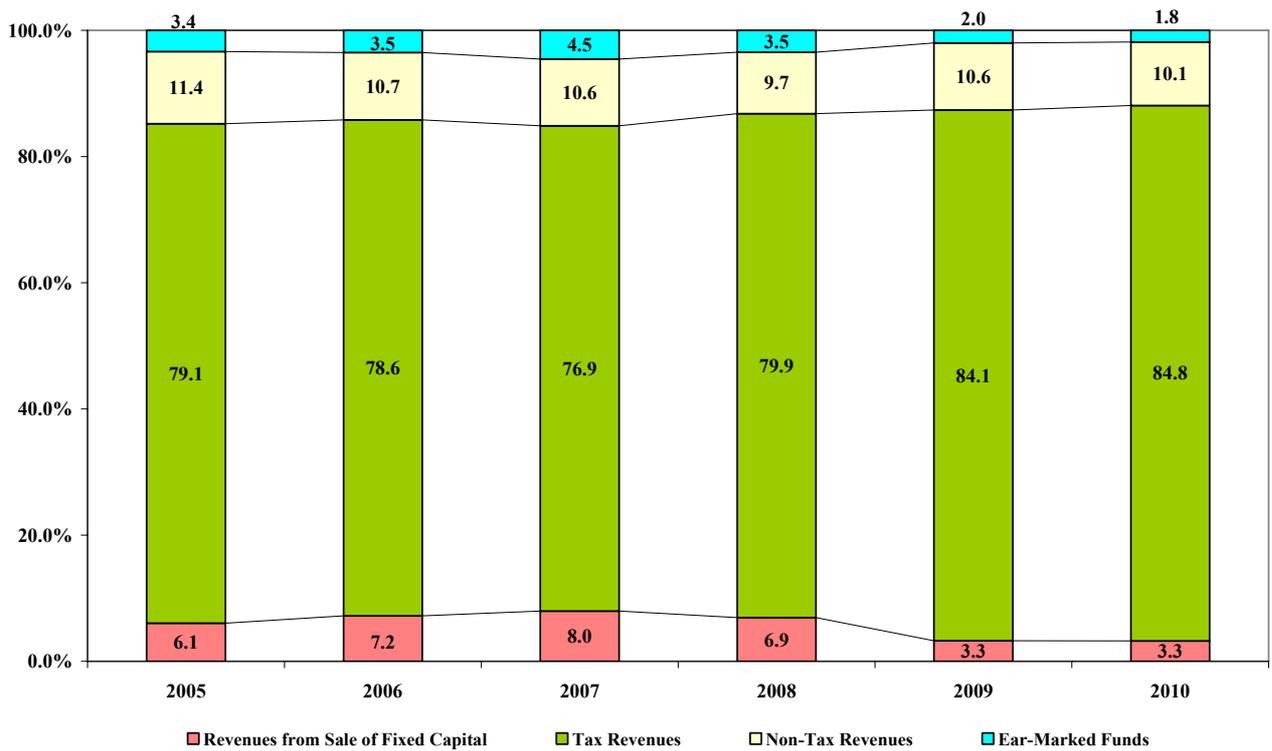


Diagram 6

## Structure of Actual Local Budget Revenues in January-July 2005-2010



Graph 15

## Local Budget Tax Revenues Monthly Trends in 2005-2010

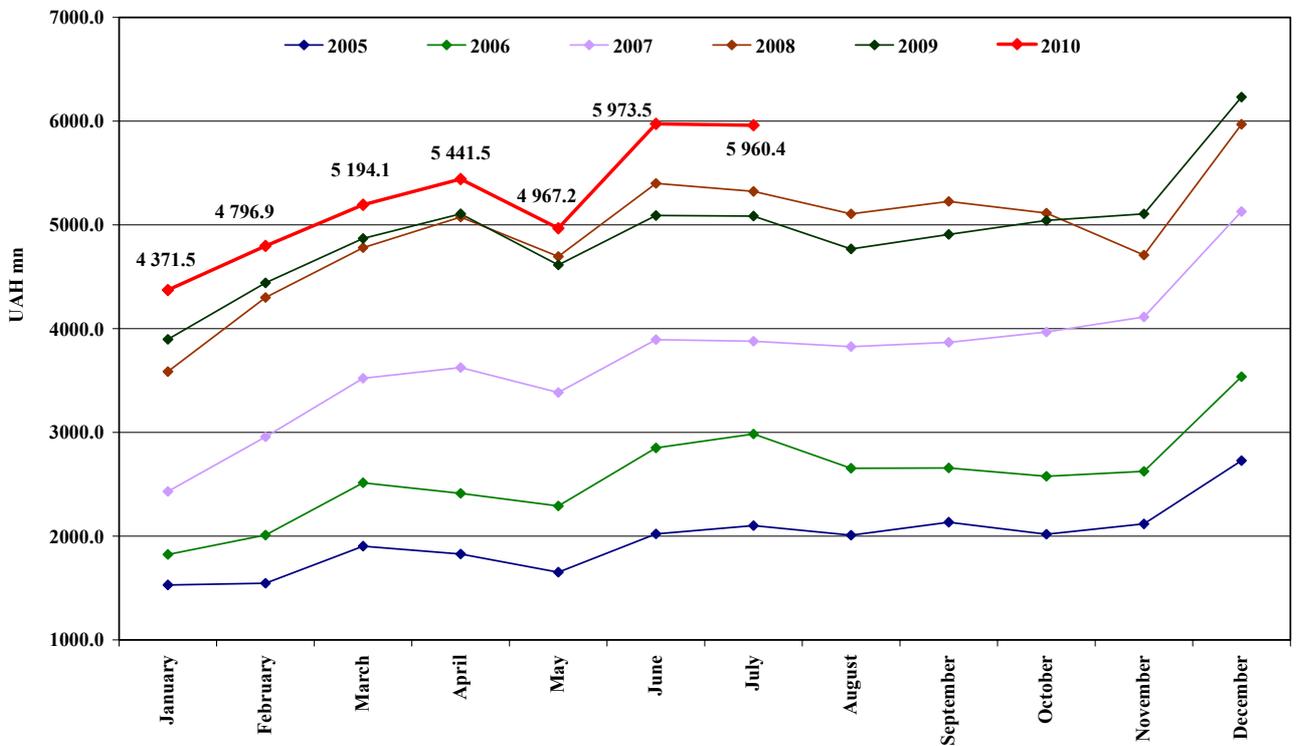


Diagram 7

### Structure of Actual Local Budget Tax Revenues in July 2005-2010

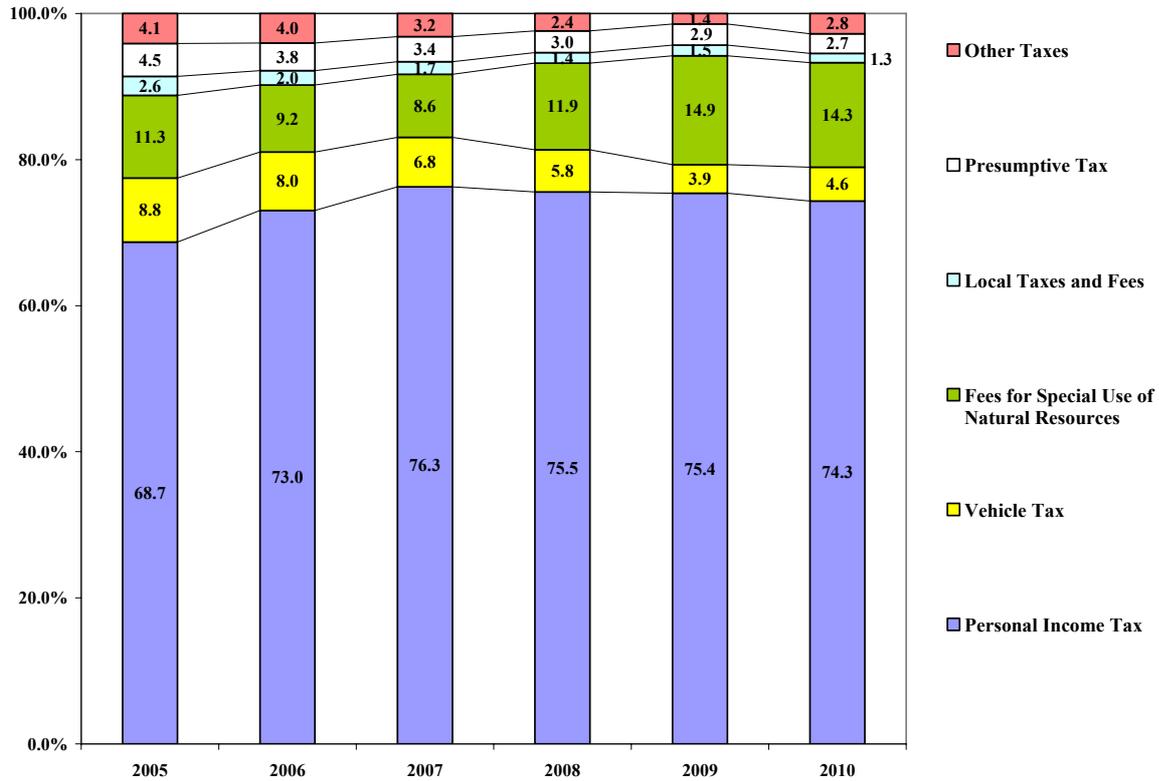
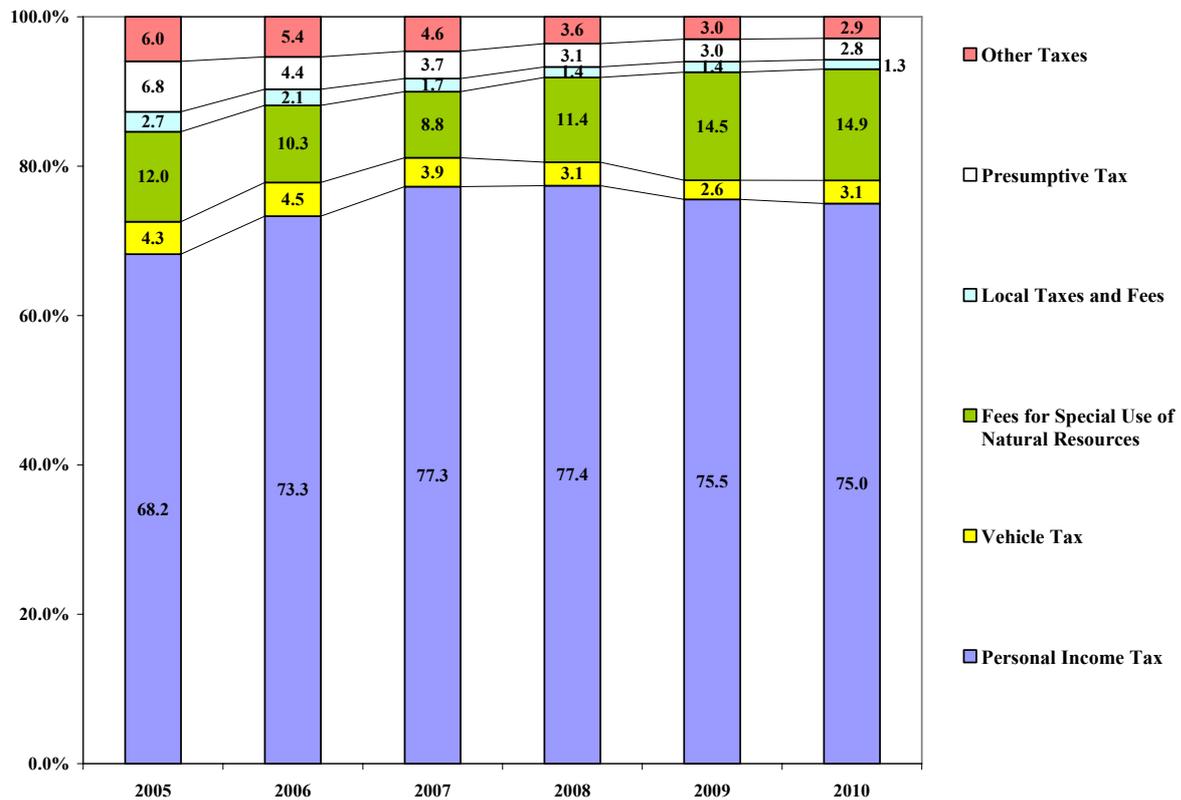


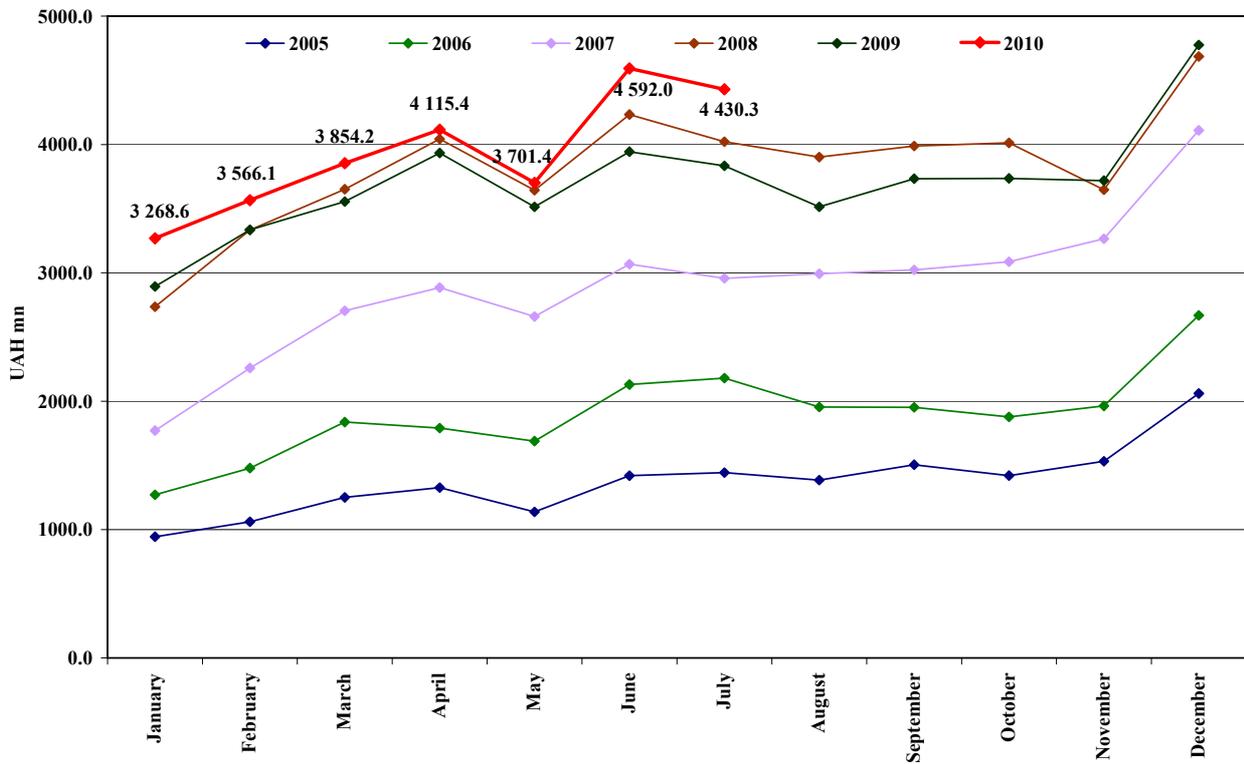
Diagram 8

### Structure of Actual Local Budget Tax Revenues in January-July 2005-2010



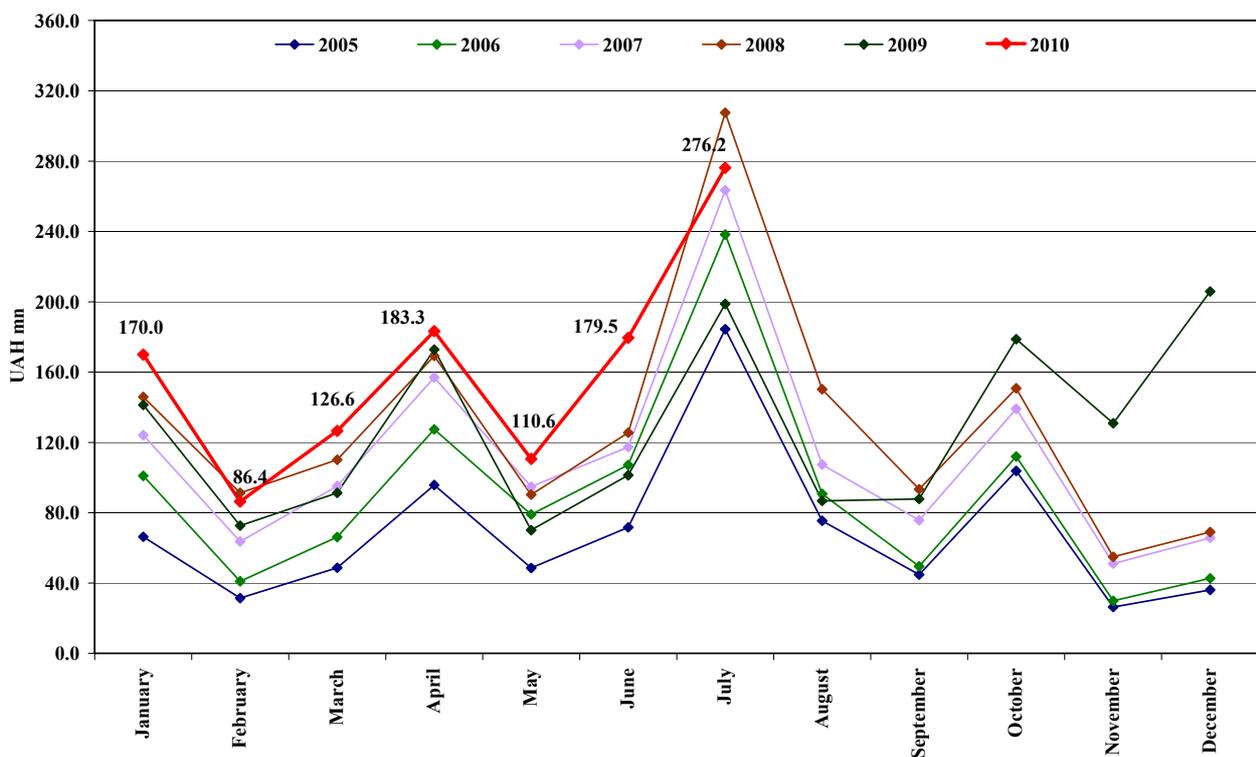
Graph 16

### Local Budgets Personal Income Tax Monthly Trends in 2005-2010



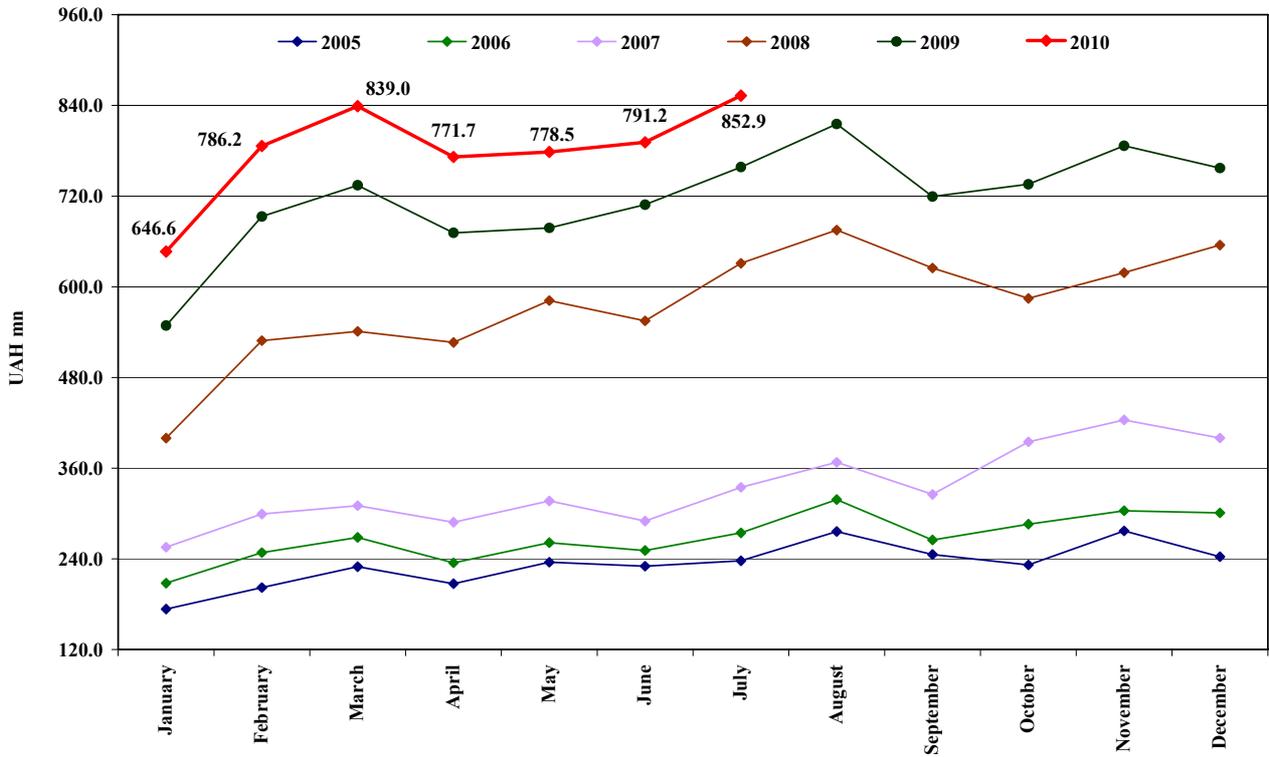
Graph 17

### Vehicle Tax Monthly Trends in 2005-2010



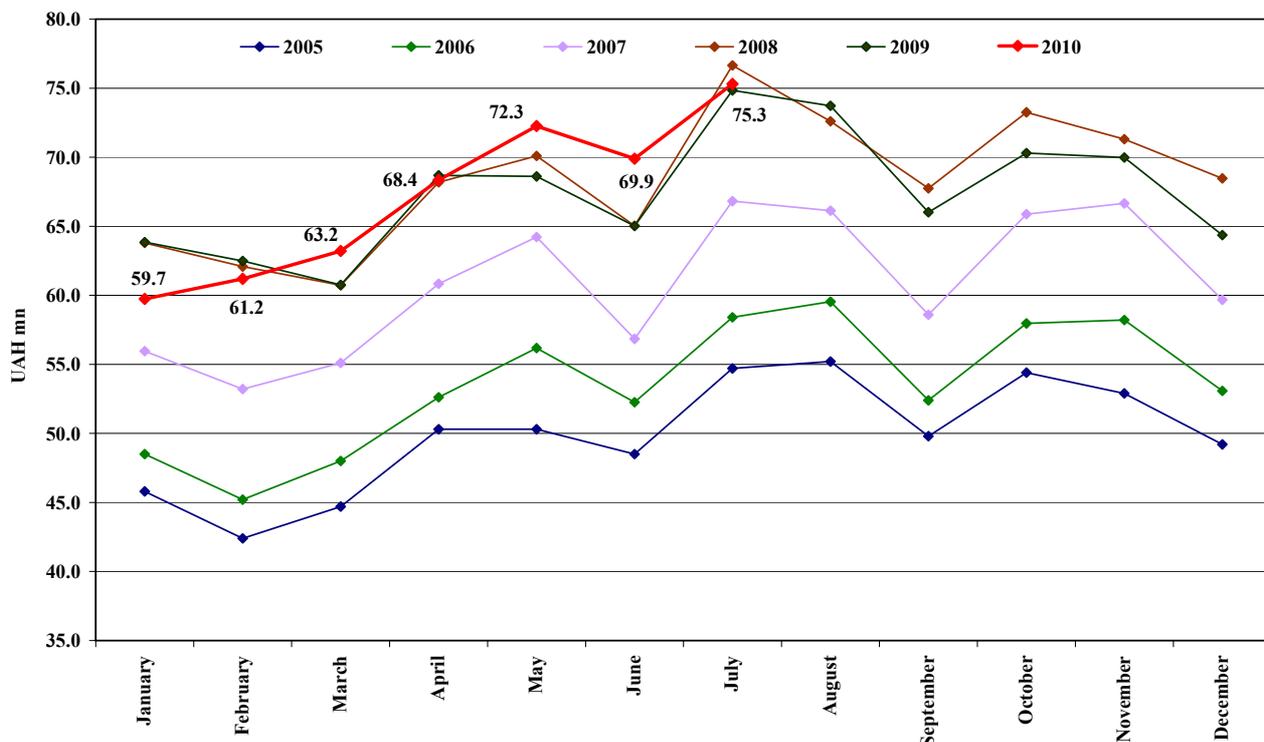
Graph 18

### Fees for Special Use of Natural Resources Monthly Trends in 2005-2010

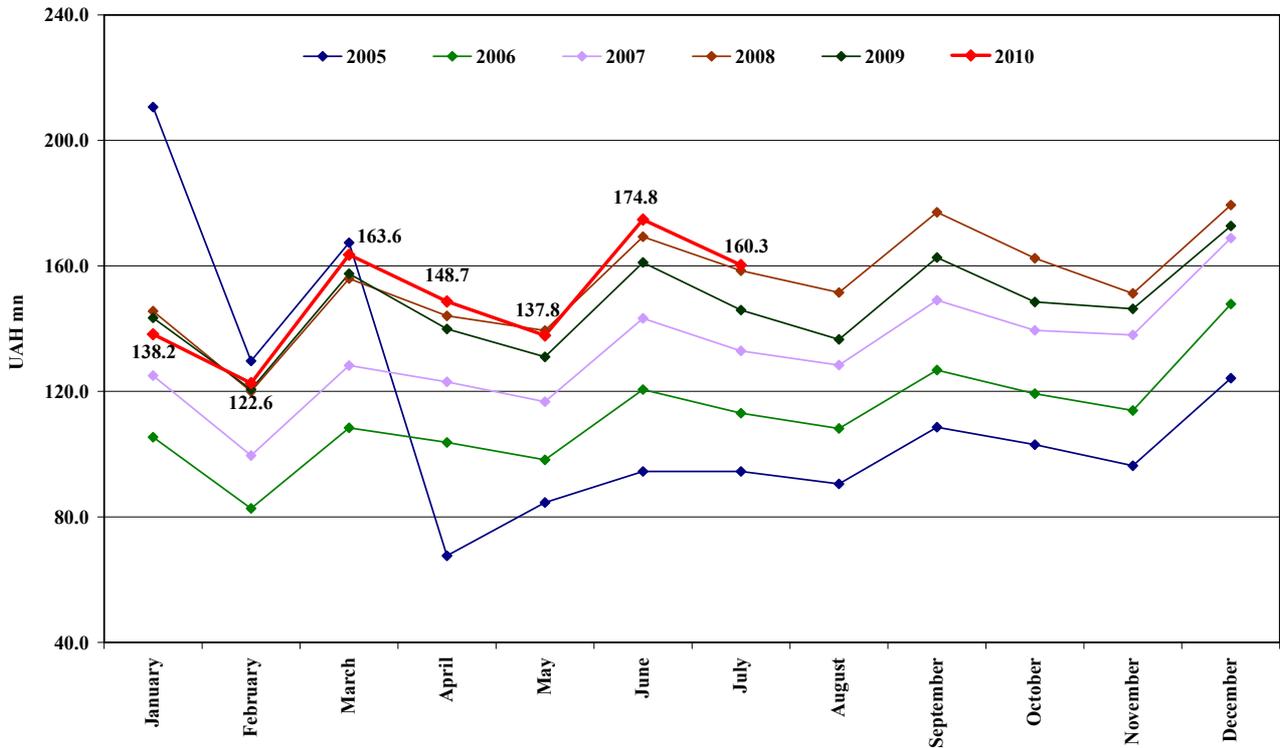


Graph 19

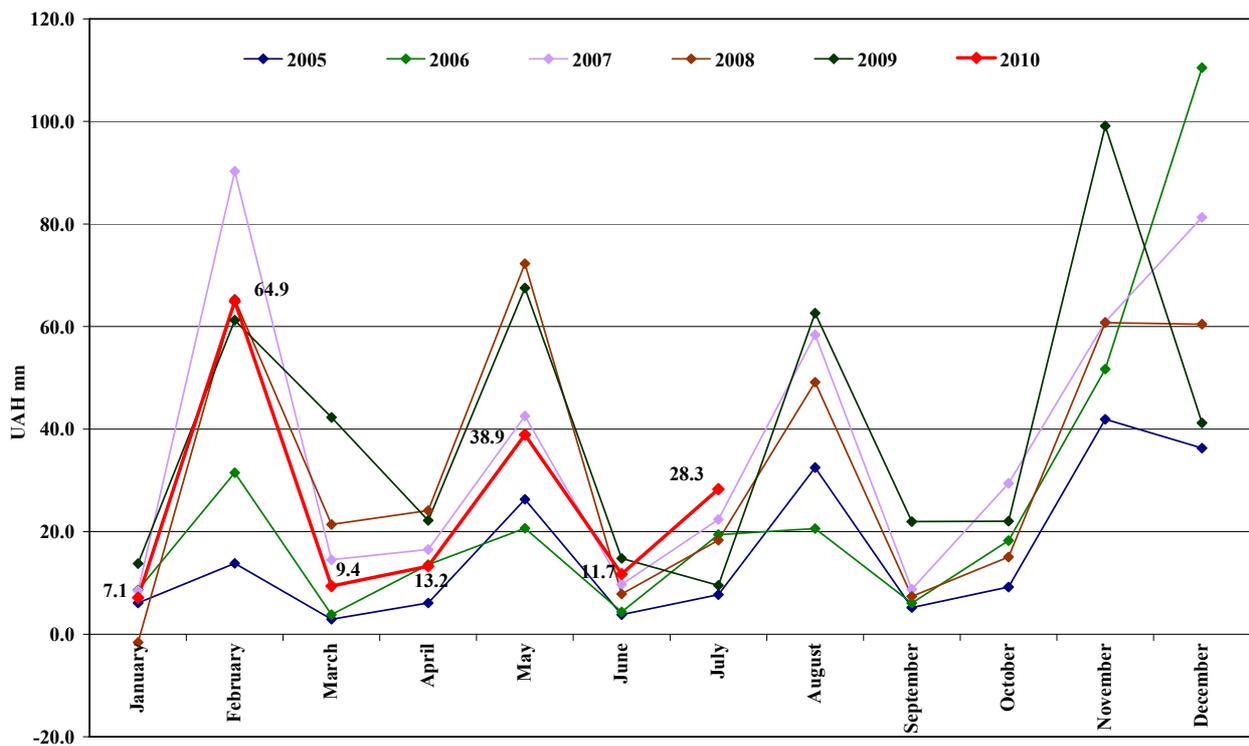
### Local Taxes Monthly Trends in 2005-2010



### Presumptive Tax Monthly Trends in 2005-2010

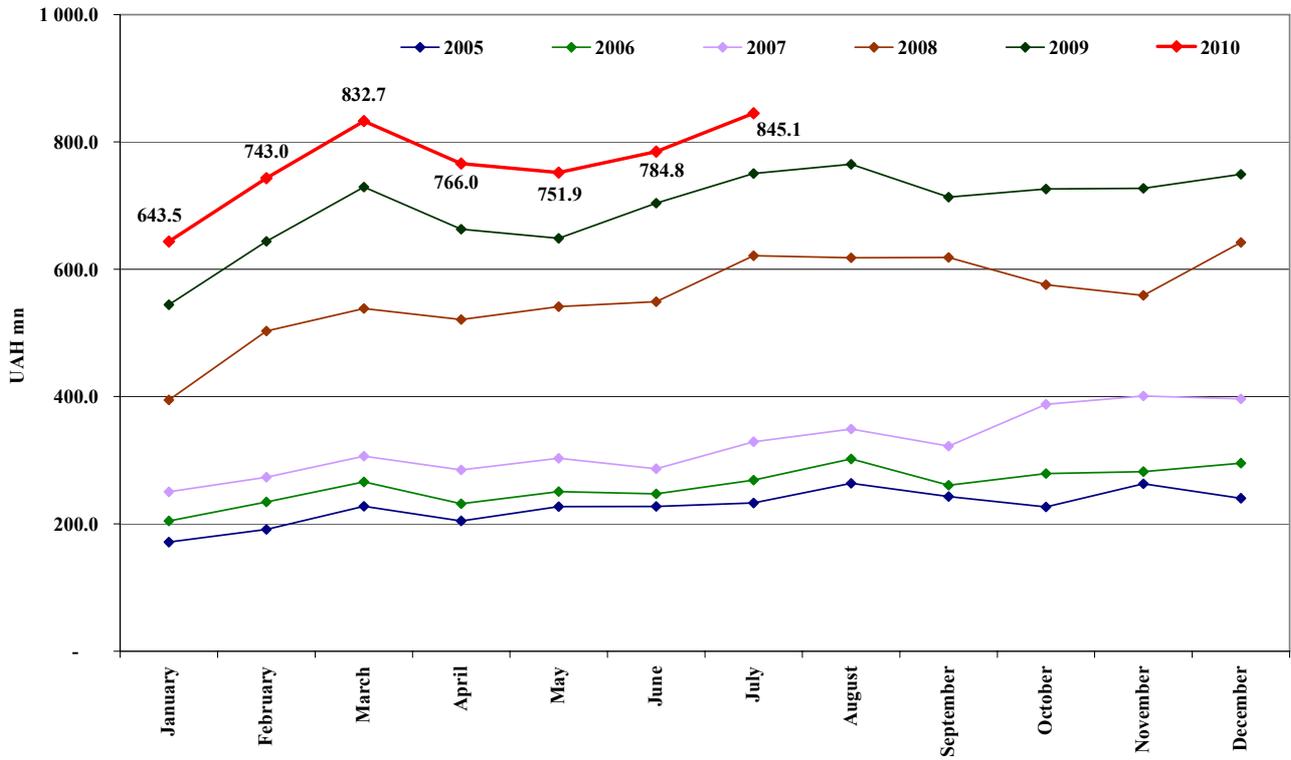


### Tax on Profit of Municipal Enterprises Monthly Trends in 2005-2010



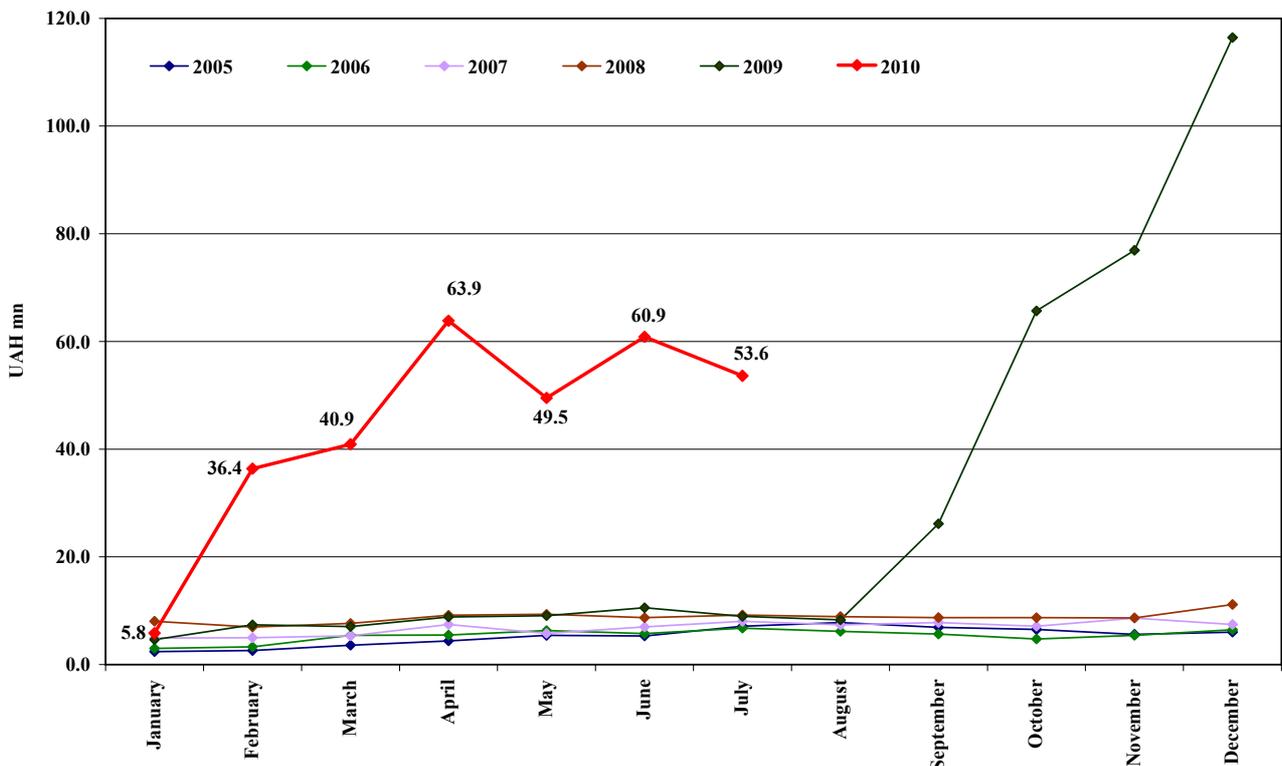
Graph 22

### Land Tax Monthly Trends in 2005-2010



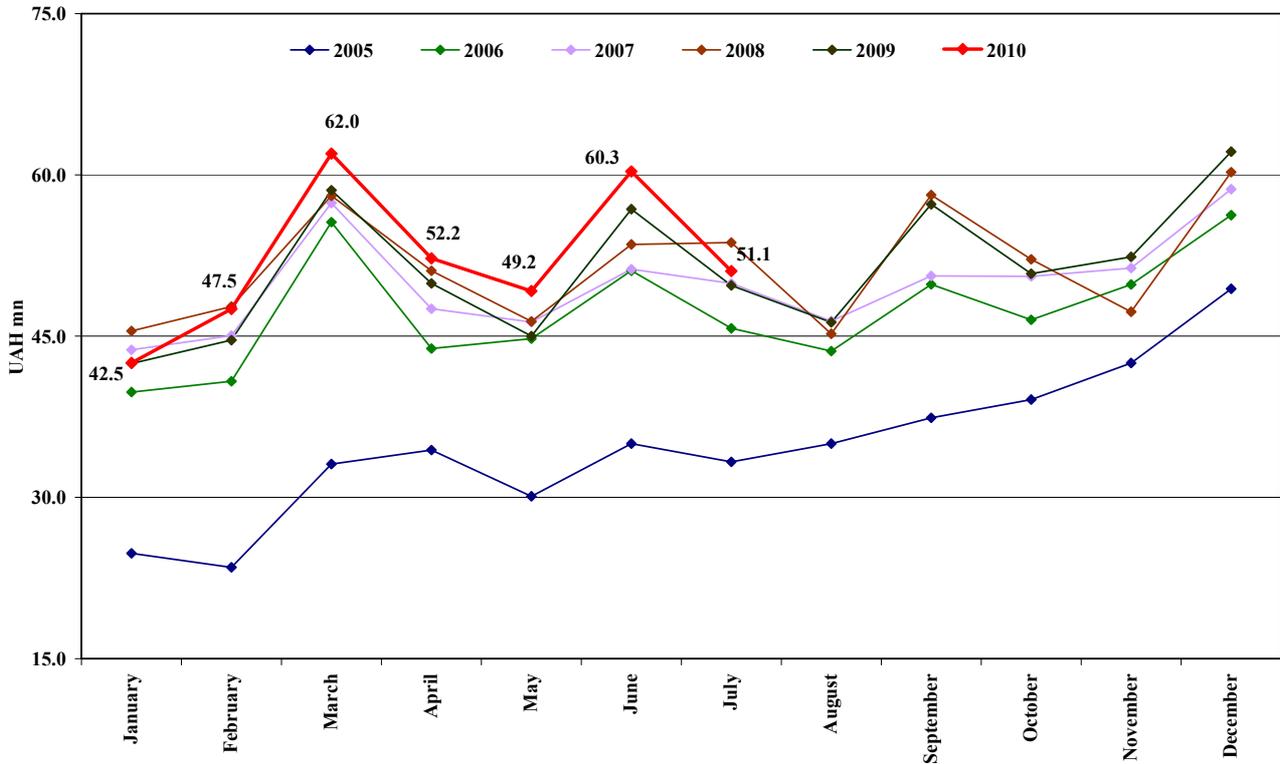
Graph 23

### Local Budget Excise Tax Monthly Trends in 2005-2010



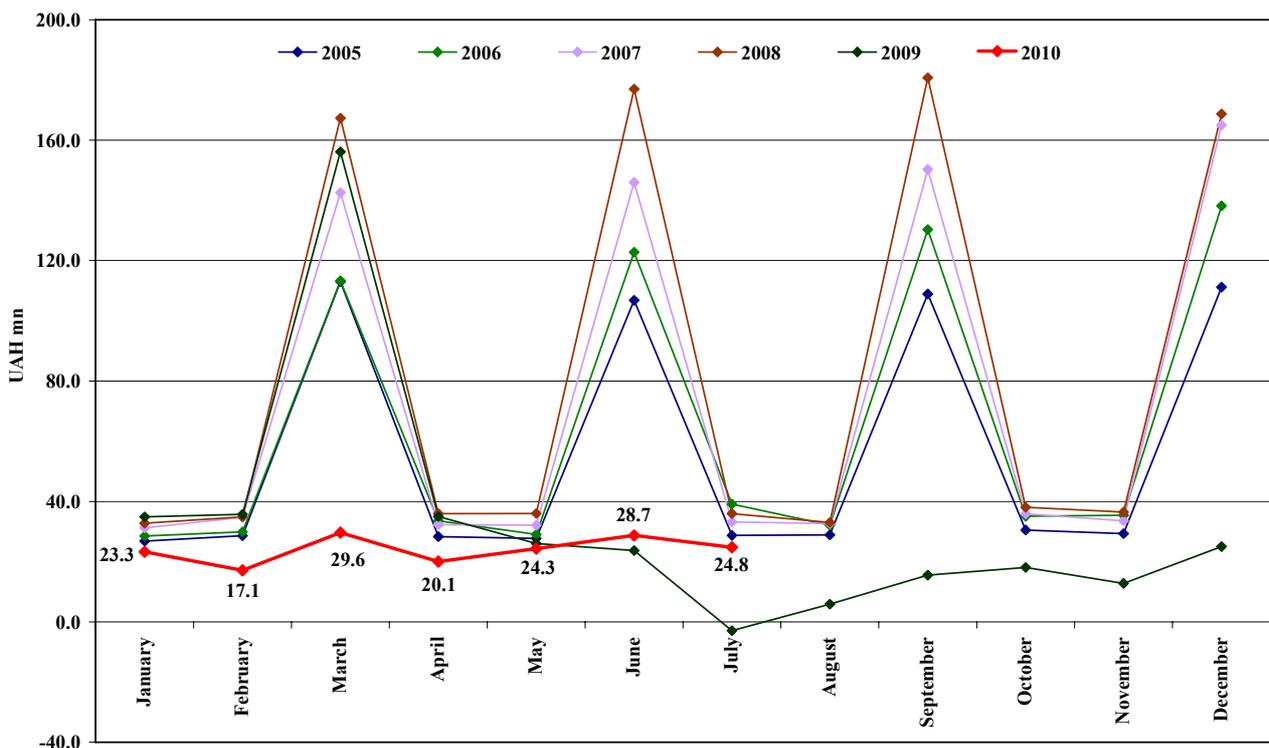
Graph 24

### License Fee for Certain Types of Economic Activities Monthly Trends in 2005-2010

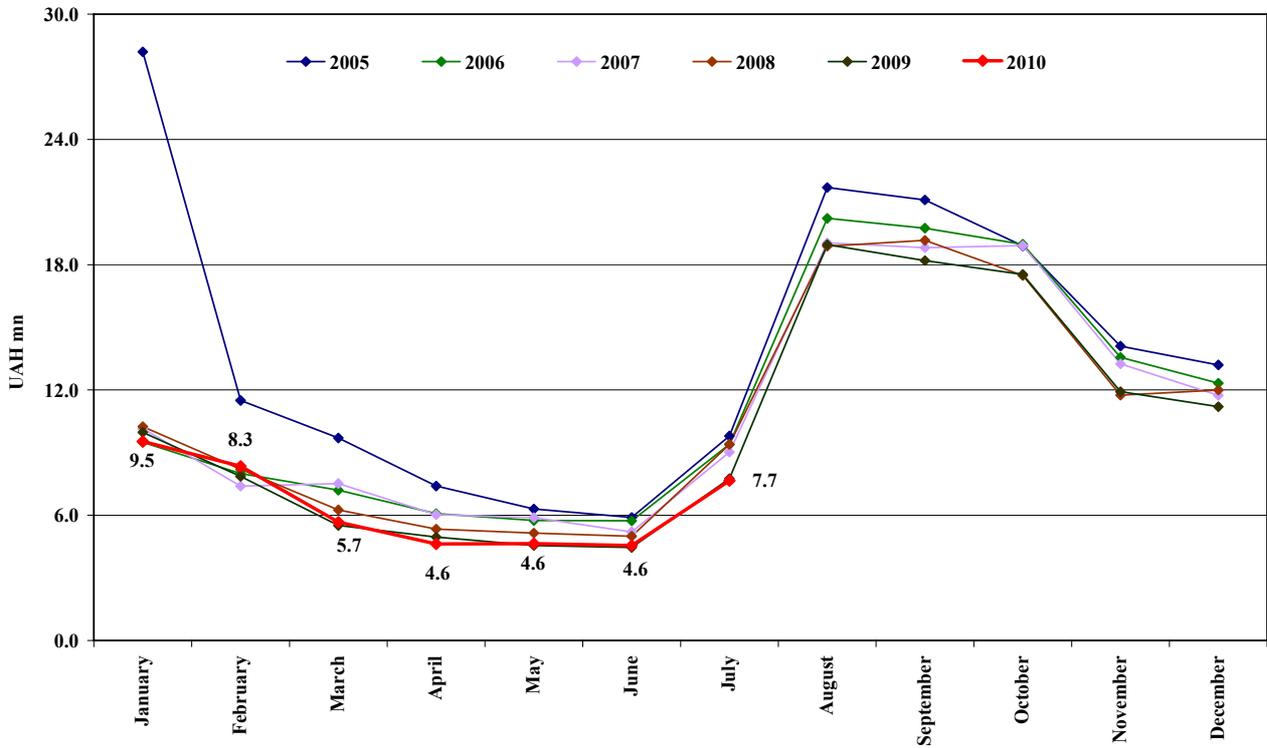


Graph 25

### Trade License Fee for Certain Types of Entrepreneurial Activities Monthly Trends in 2005-2010



### Fixed Agricultural Tax Monthly Trends in 2005-2010



### Local Budget Non-tax Revenues Monthly Trends in 2005-2010

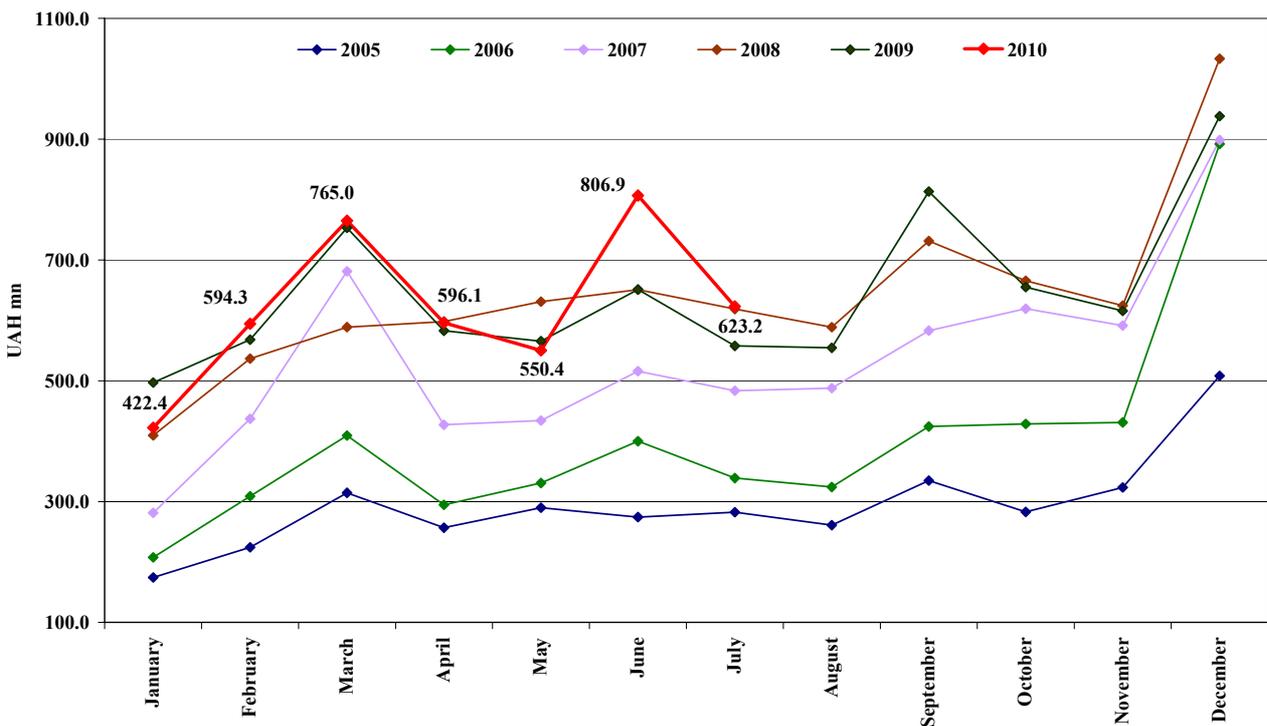


Diagram 9

### Structure of Local Budget Actual Non-tax Revenues in July 2005-2010

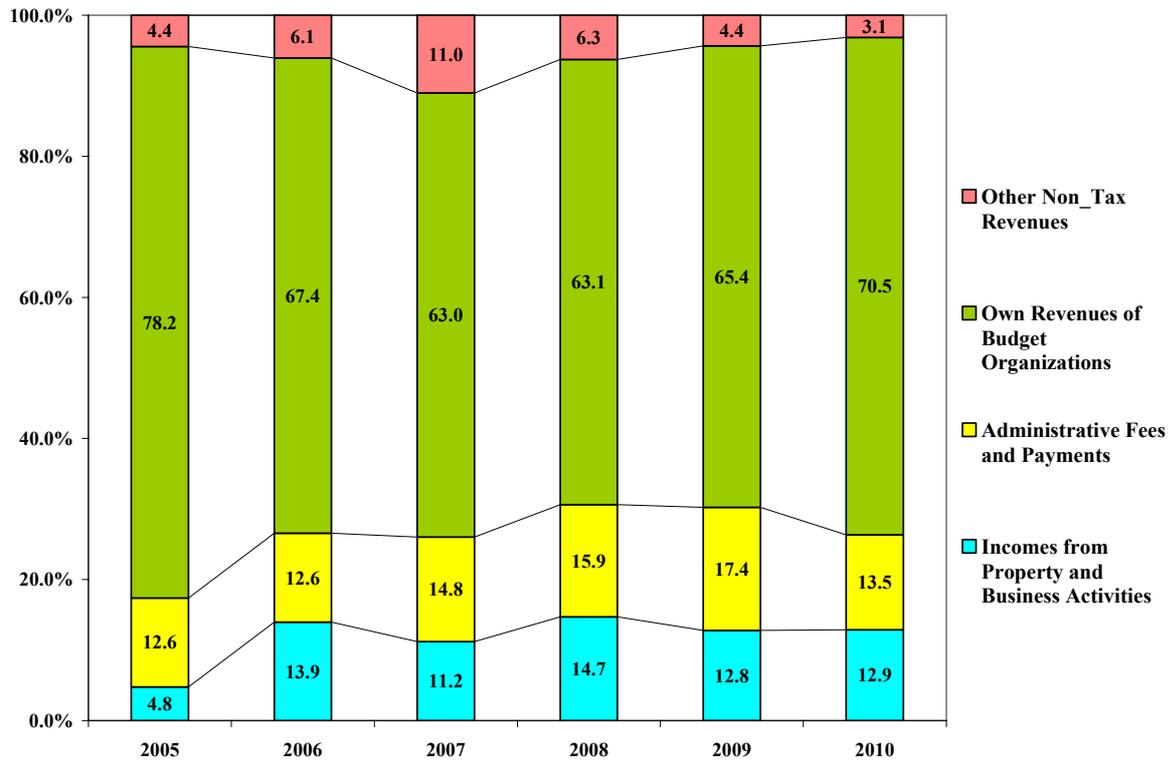
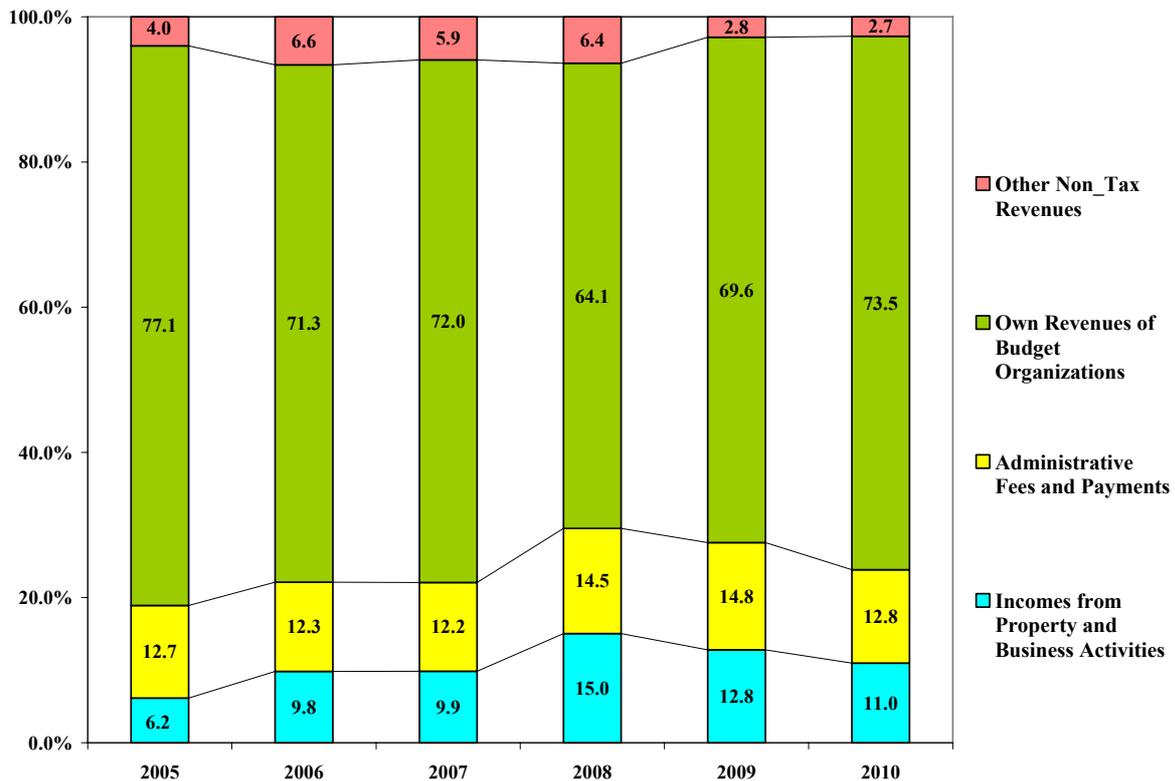


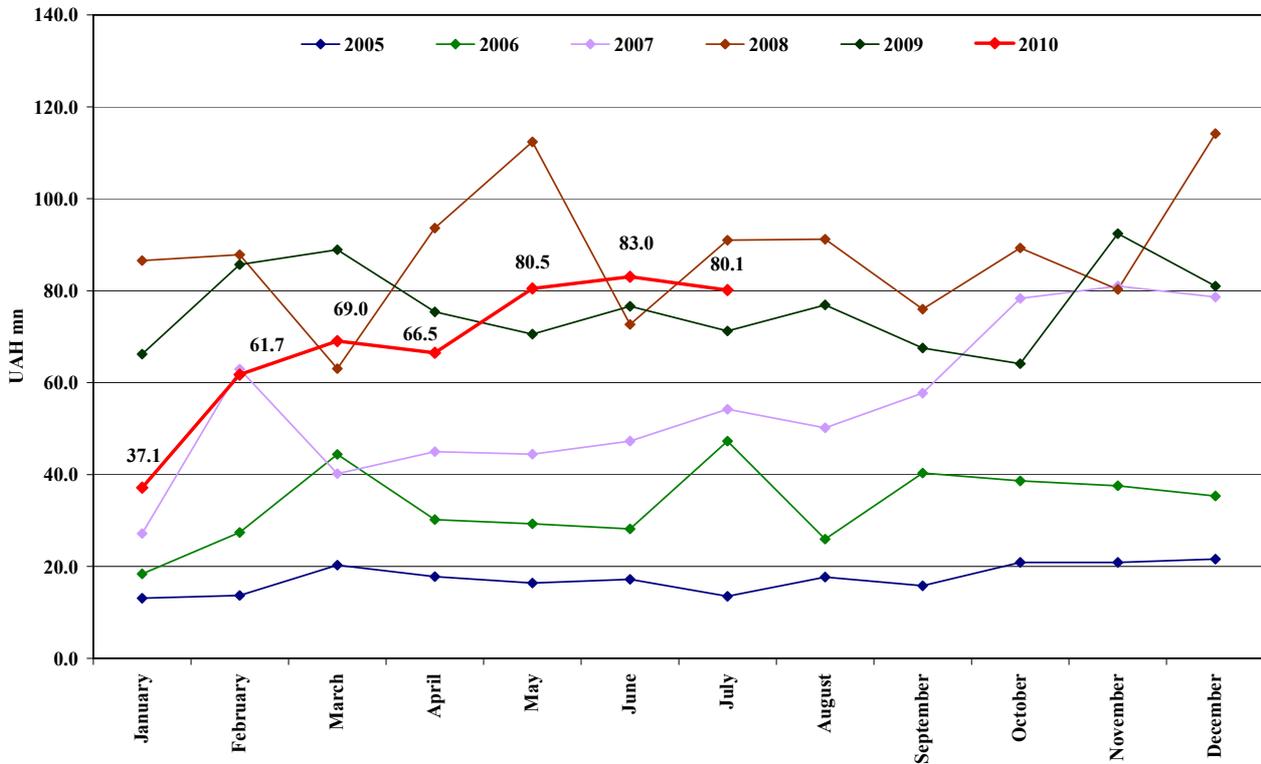
Diagram 10

### Structure of Local Budget Actual Non-tax Revenues in January-July 2005-2010



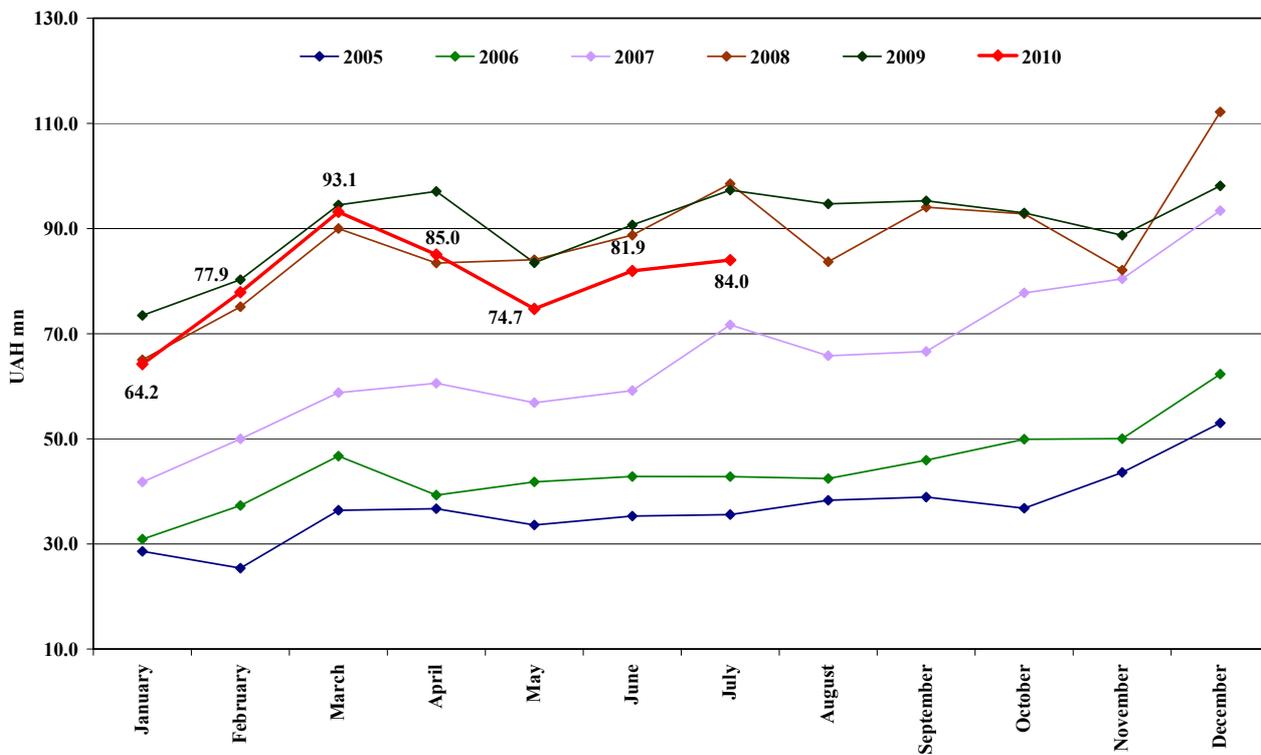
Graph 28

### Local Budget Revenues from Property and Entrepreneurial Activities Monthly Trends in 2005-2010

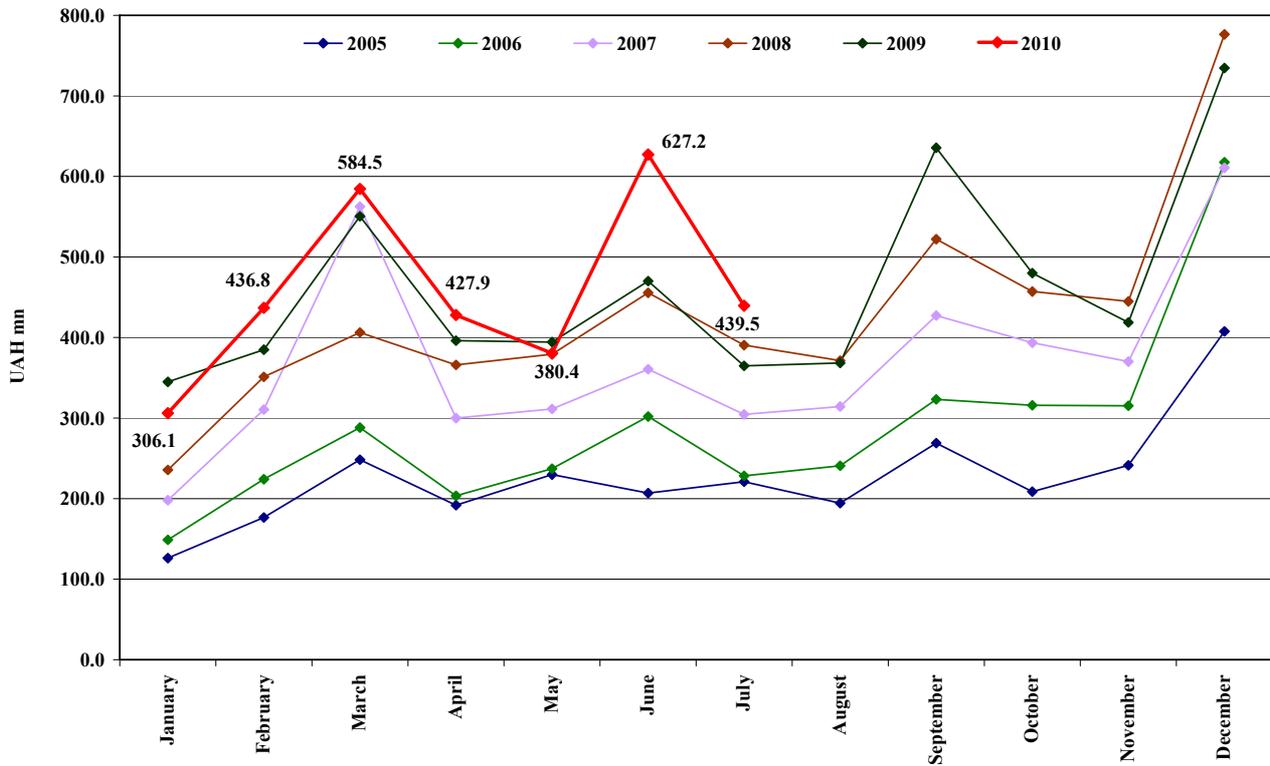


Graph 29

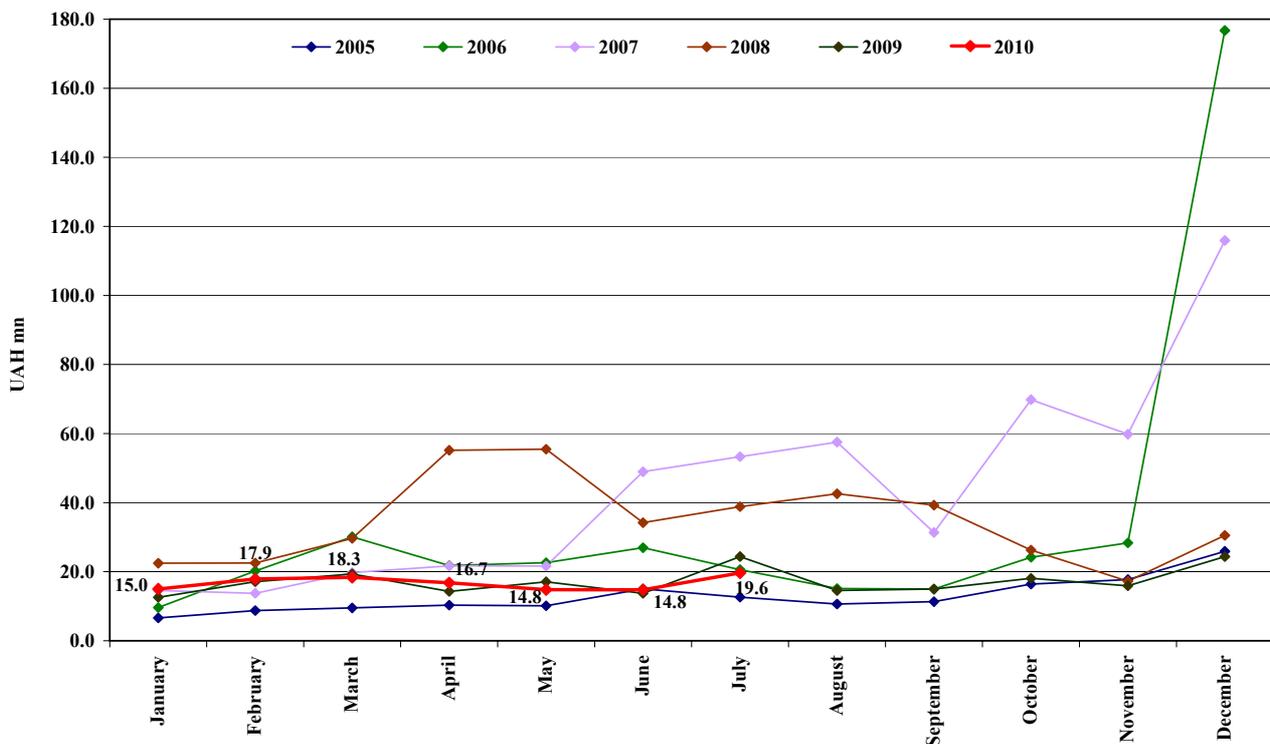
### Dynamics of Monthly Local Budget Revenues from Administrative Fees in 2005-2010



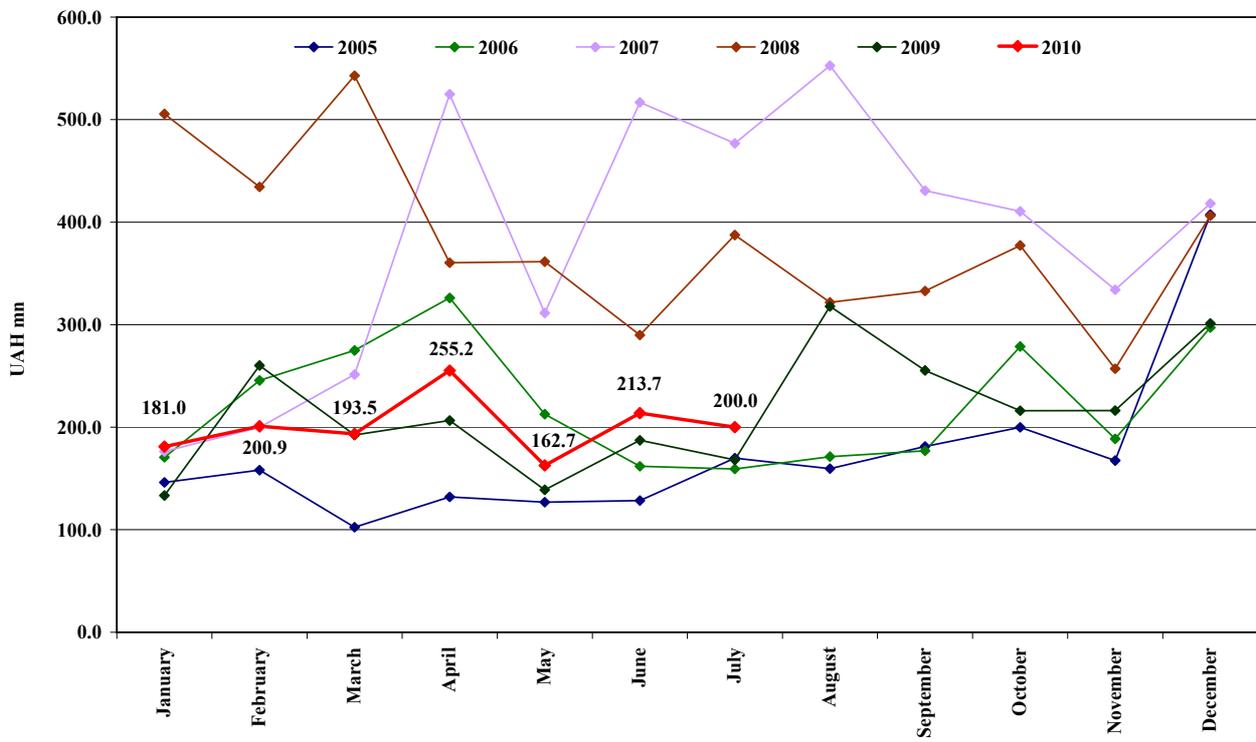
### Budgetary Institutions Own Revenues Monthly Trends in 2005-2010



### Local Budget Miscellaneous Other Non-tax Revenues Monthly Trends in 2005-2010



### Revenues from Capital Transactions Monthly Trends in 2005-2010



# State Budget Deficit

Diagram 11

## Budget Deficit/Surplus Monthly Trends in 2005

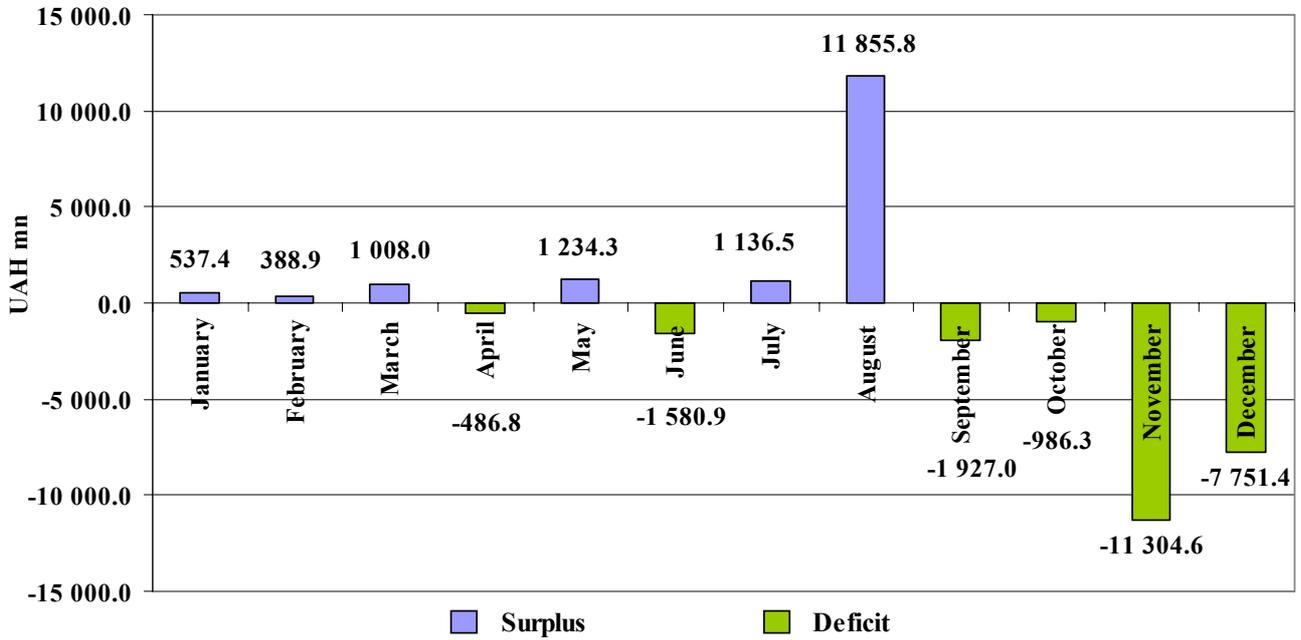


Diagram 12

## Budget Deficit/Surplus Monthly Trends in 2006

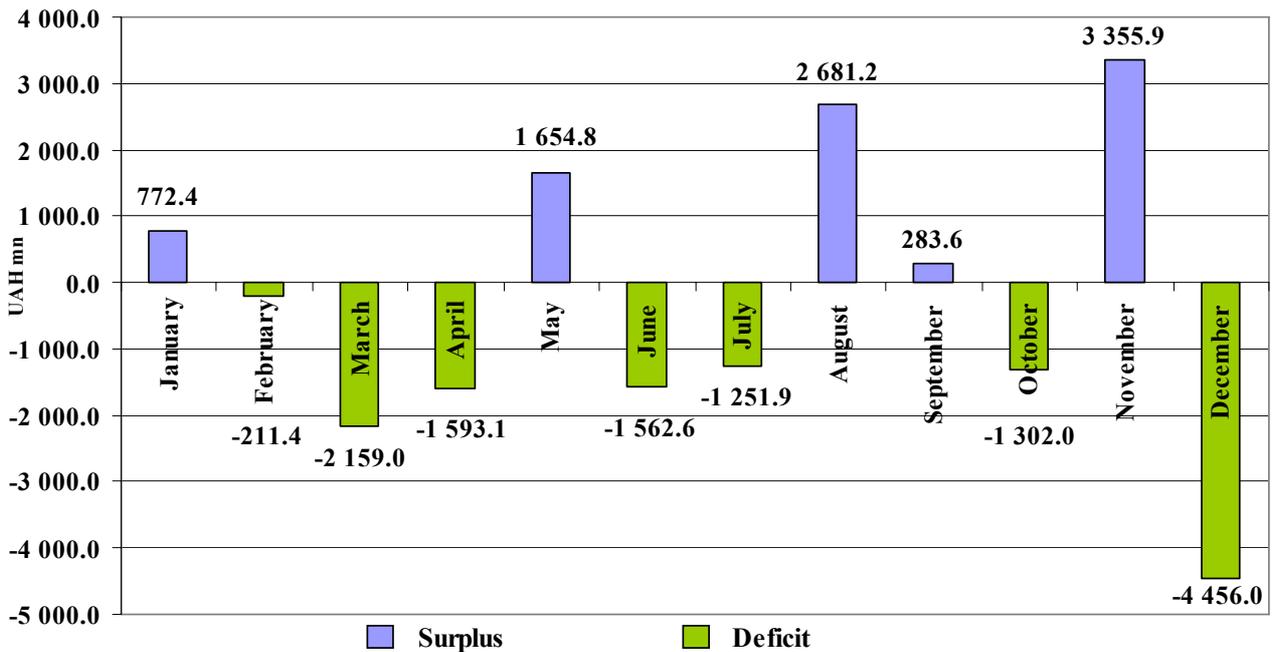


Diagram 13

### Budget Deficit/Surplus Monthly Trends in 2007

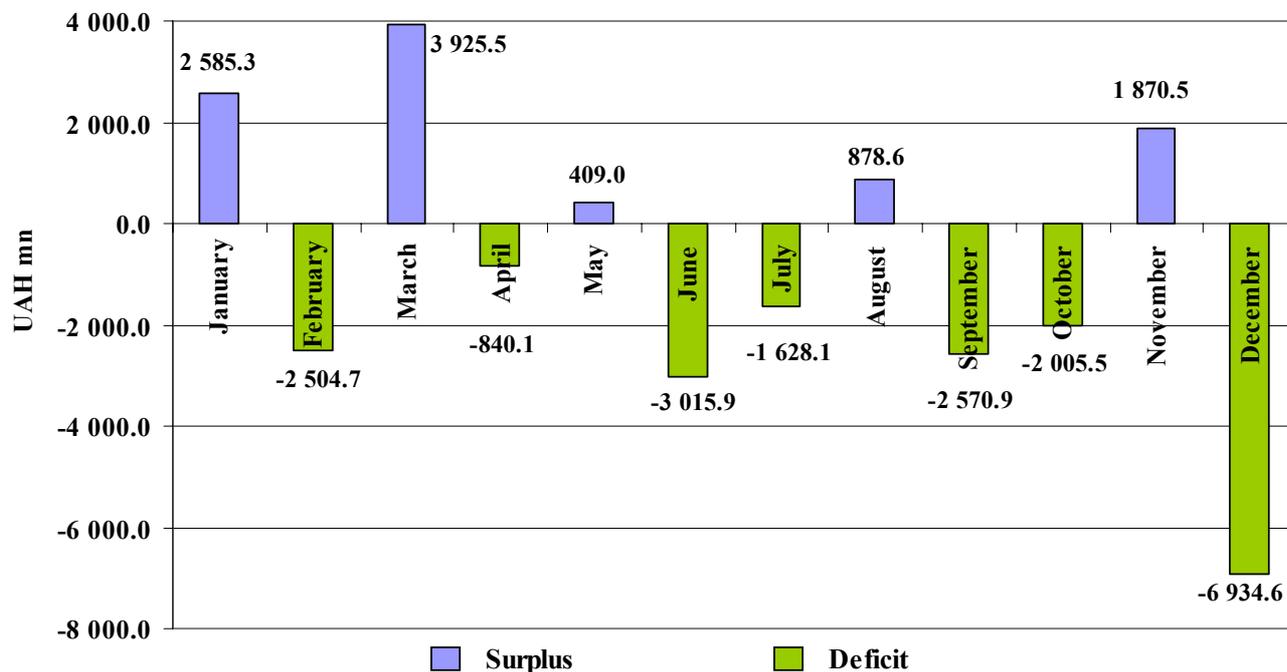


Diagram 14

### Budget Deficit/Surplus Monthly Trends in 2008

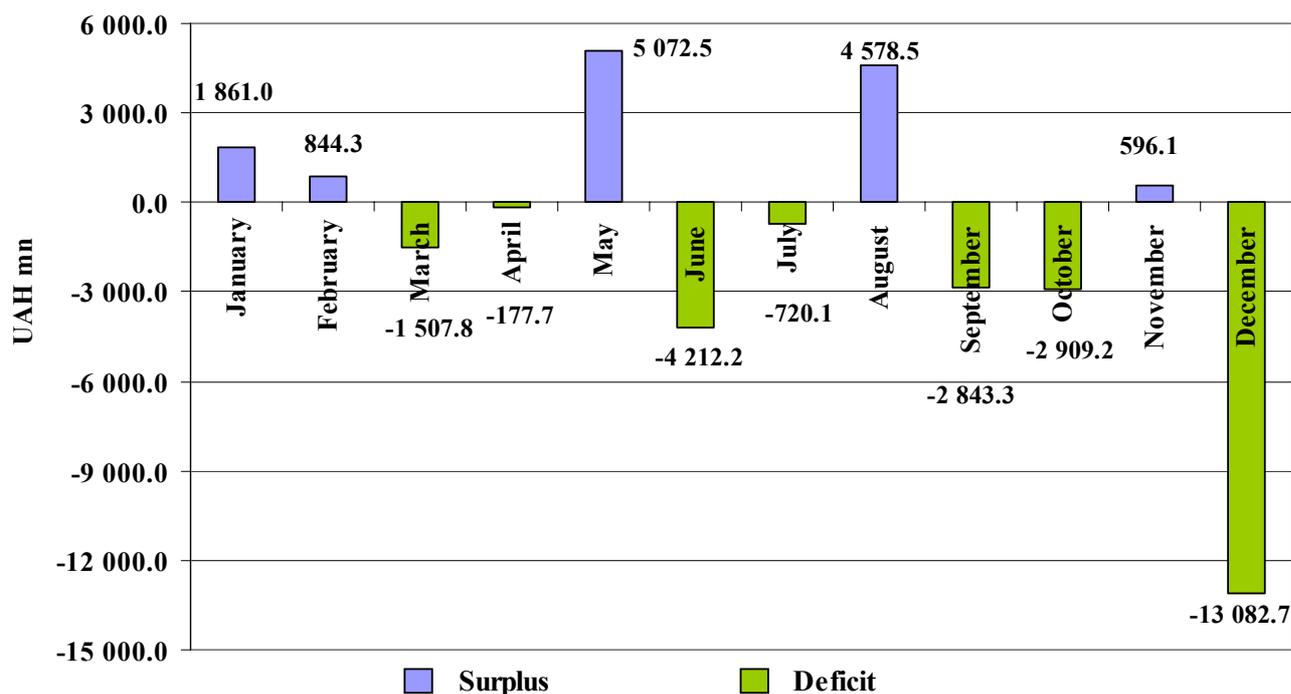


Diagram 15

### Budget Deficit/Surplus Monthly Trends in 2009

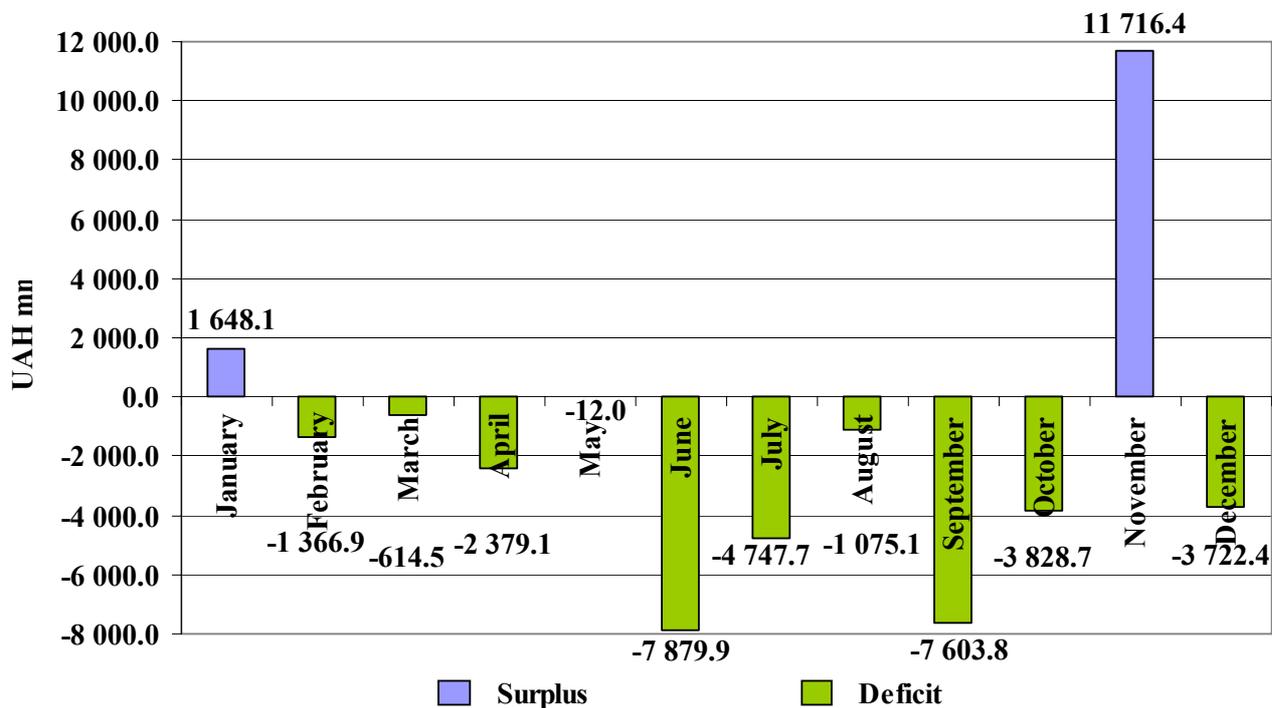
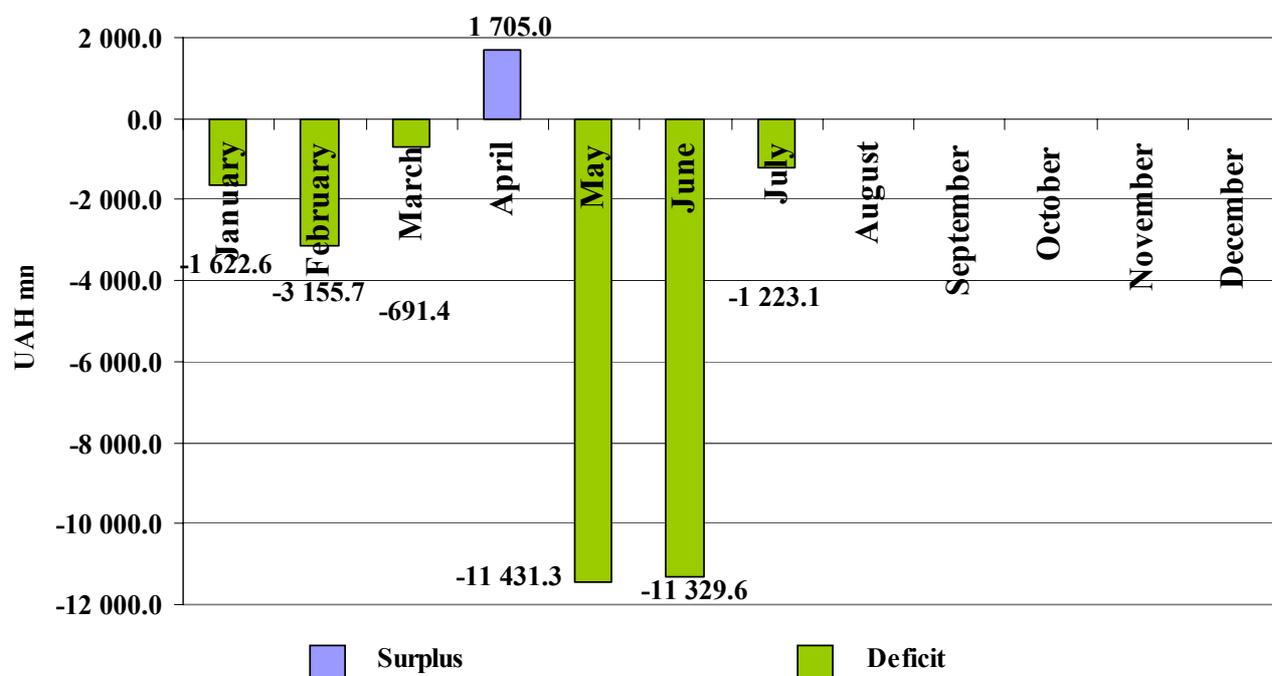


Diagram 16

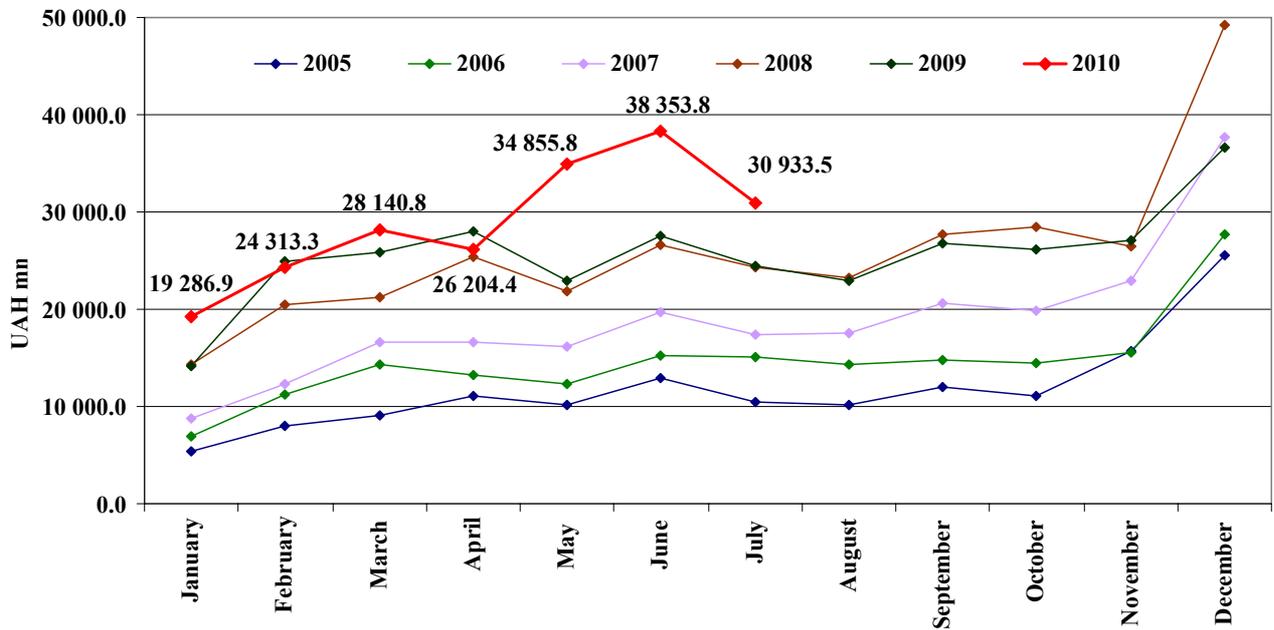
### Budget Deficit/Surplus Monthly Trends in 2010



# Consolidated Budget Expenditures

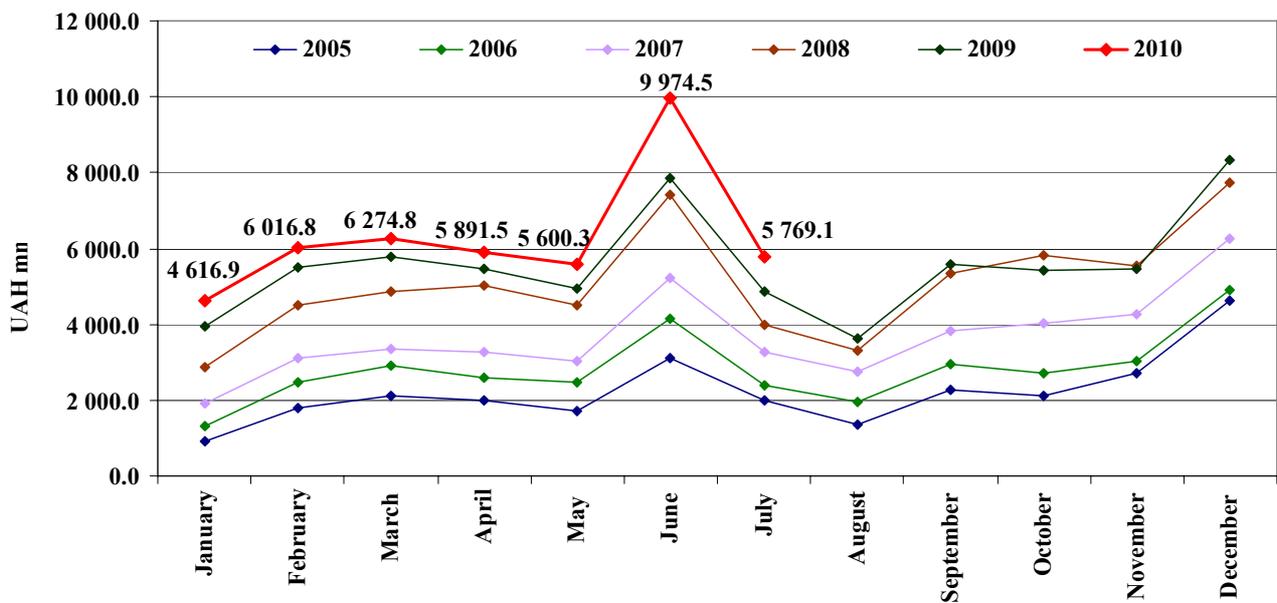
Graph 33

## Consolidated Budget Expenditures Monthly Trends in 2005-2010



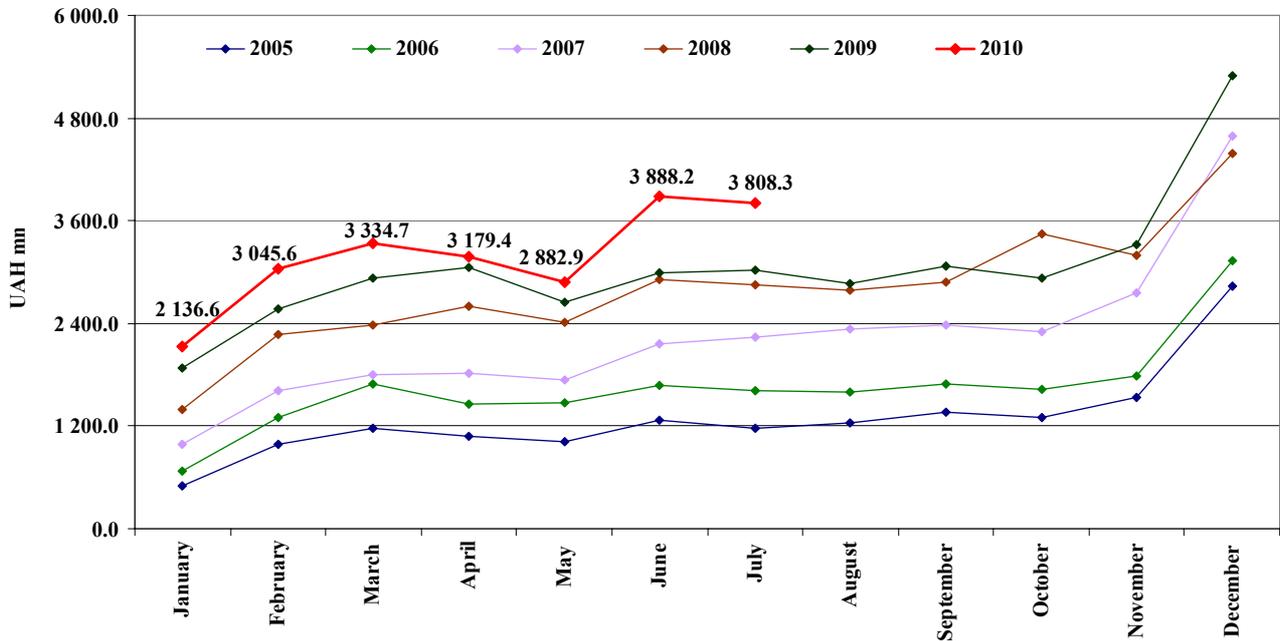
Graph 34

## Consolidated Budget Education Expenditures Monthly Trends in 2005-2010



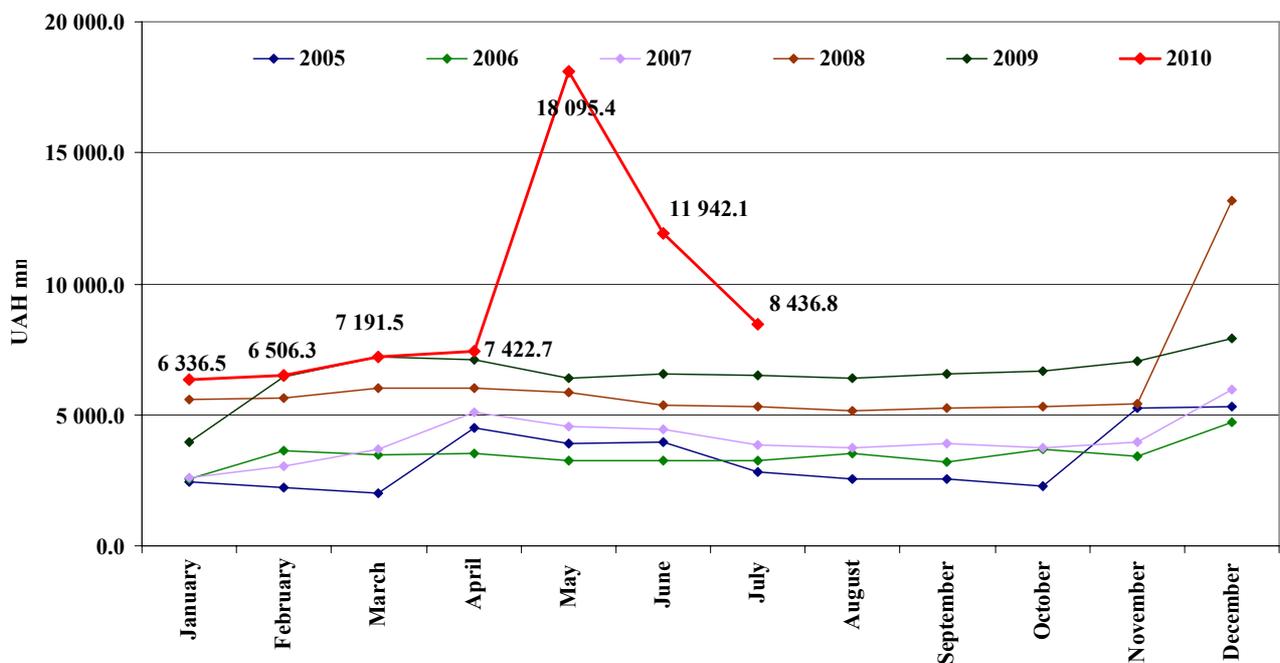
Graph 35

### Consolidated Budget Health Expenditures Monthly Trends in 2005-2010

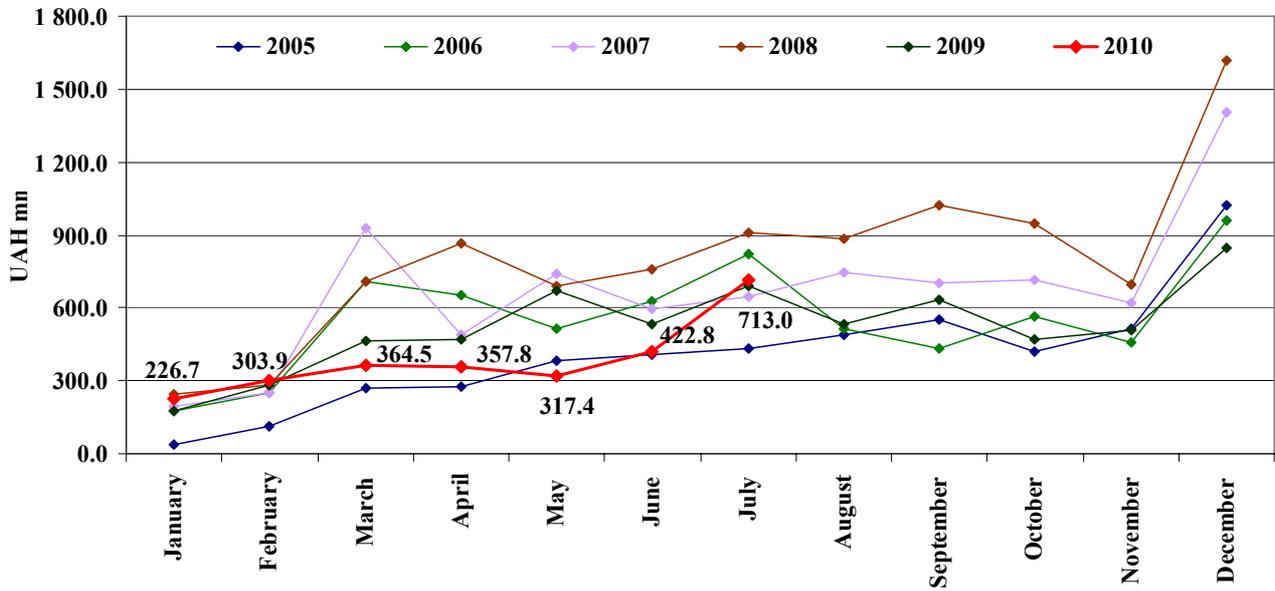


Graph 36

### Consolidated Budget Expenditures for Social Protection and Social Security Monthly Trends in 2005-2010



### Consolidated Budget Expenditures for Agriculture, Forestry, Game-Preserves, and Fisheries Monthly Trends in 2005-2010



# State Budget Expenditures

Diagram 17

## Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2005

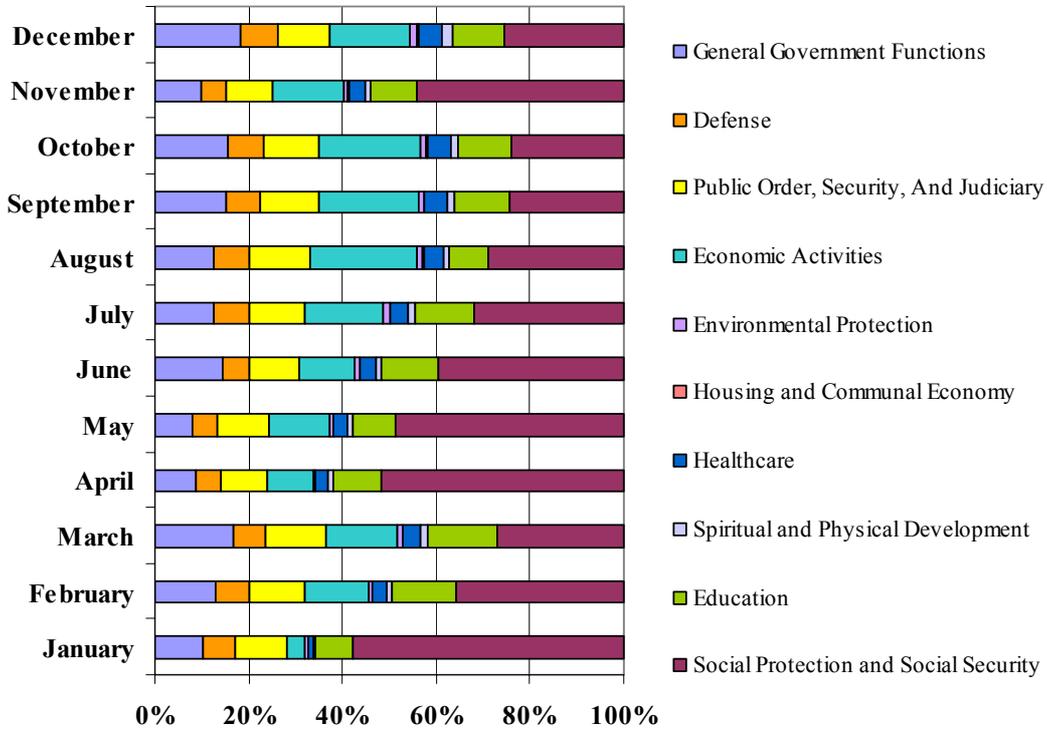


Diagram 18

## Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2006

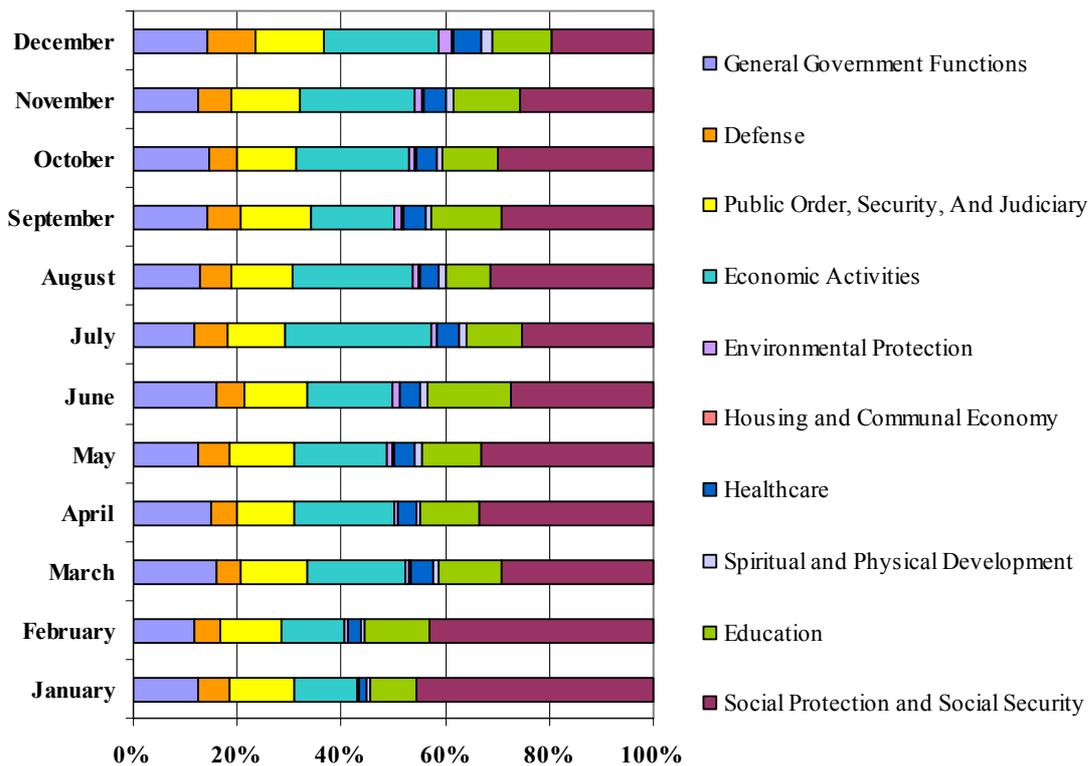


Diagram 19

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2007

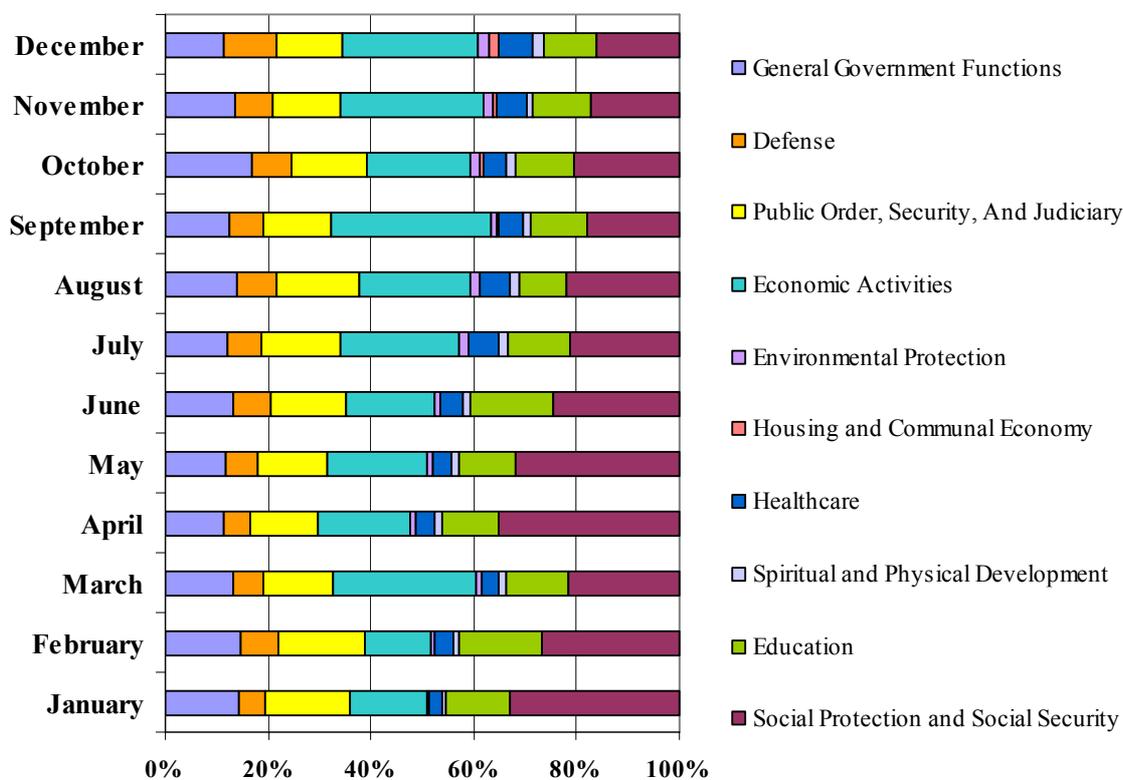


Diagram 20

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2008

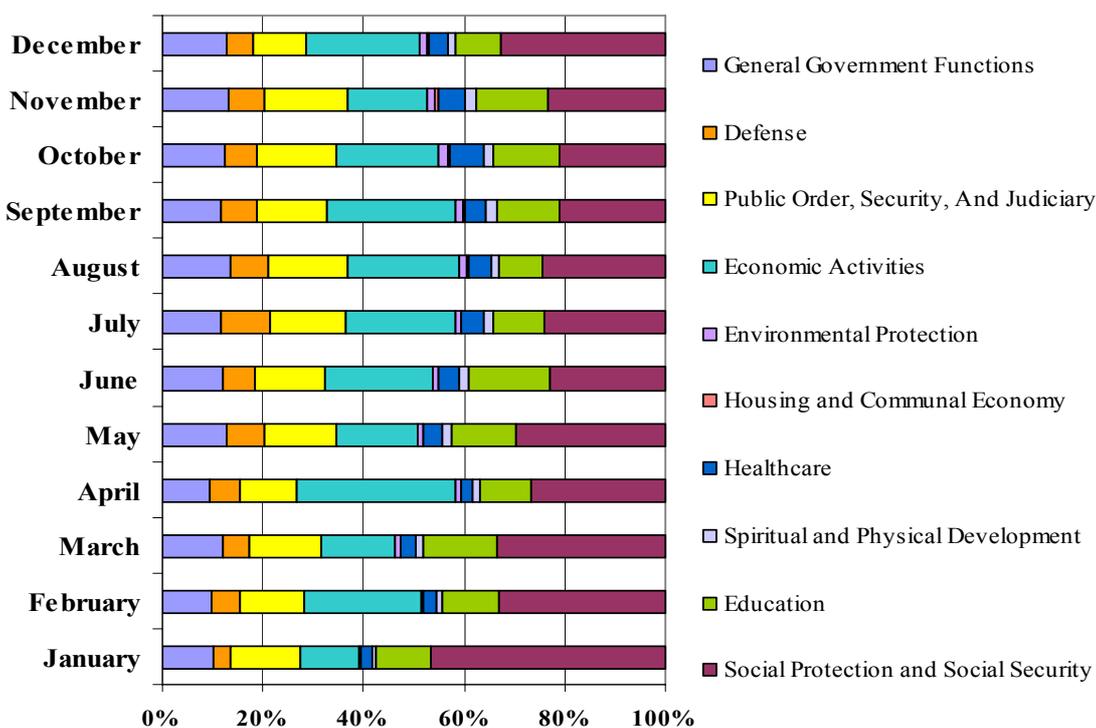


Diagram 21

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2009

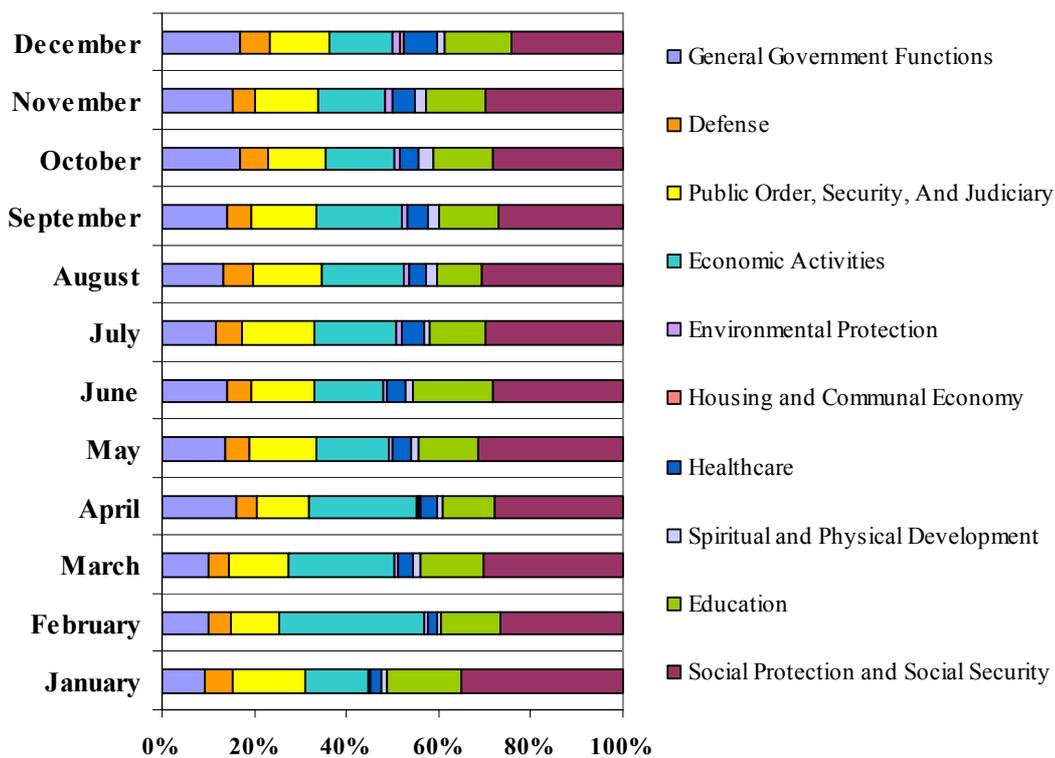
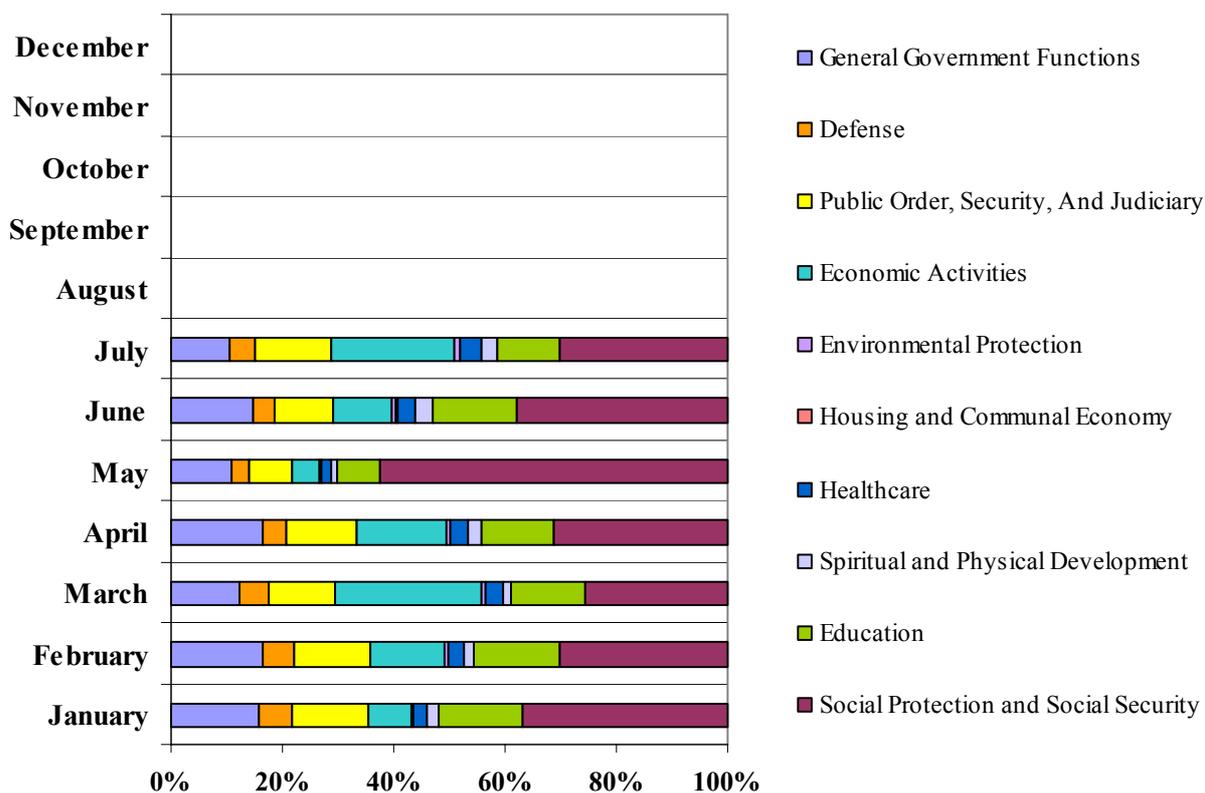


Diagram 22

### Structure of Actual Expenditures of Ukraine's State Budget by Functional Classification in 2010



### Monthly Trends of State Budget Expenditures in 2005-2010

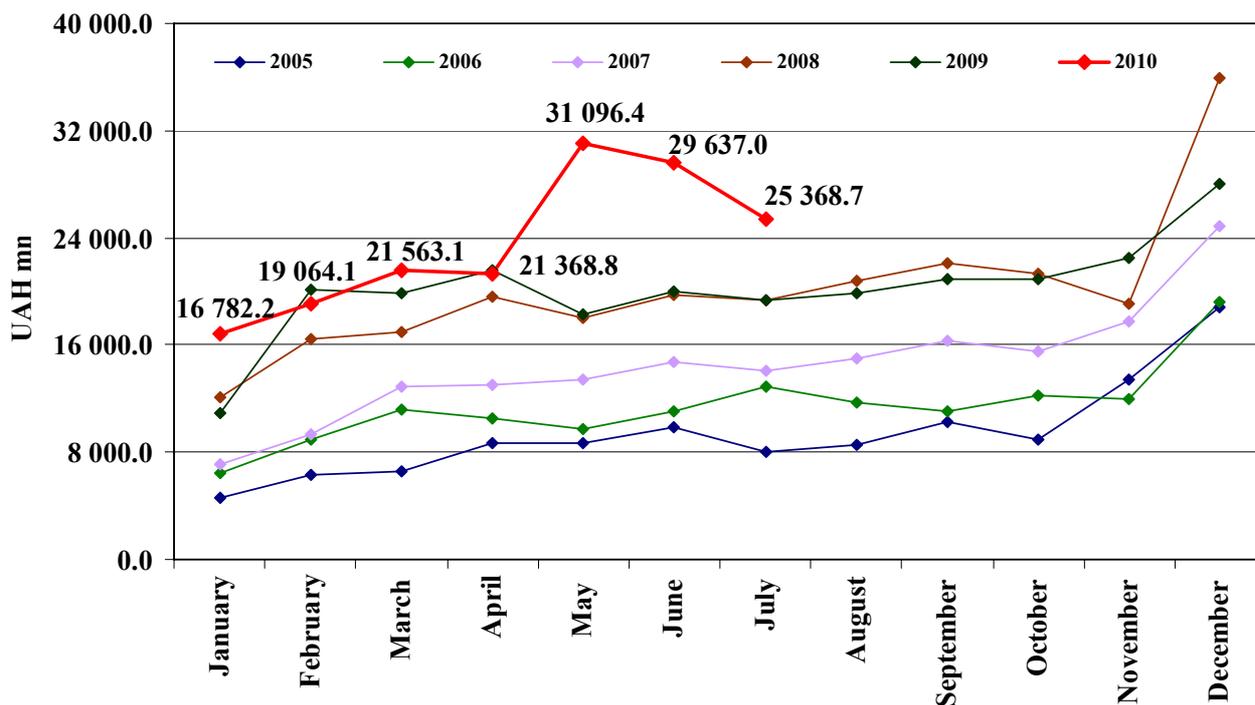
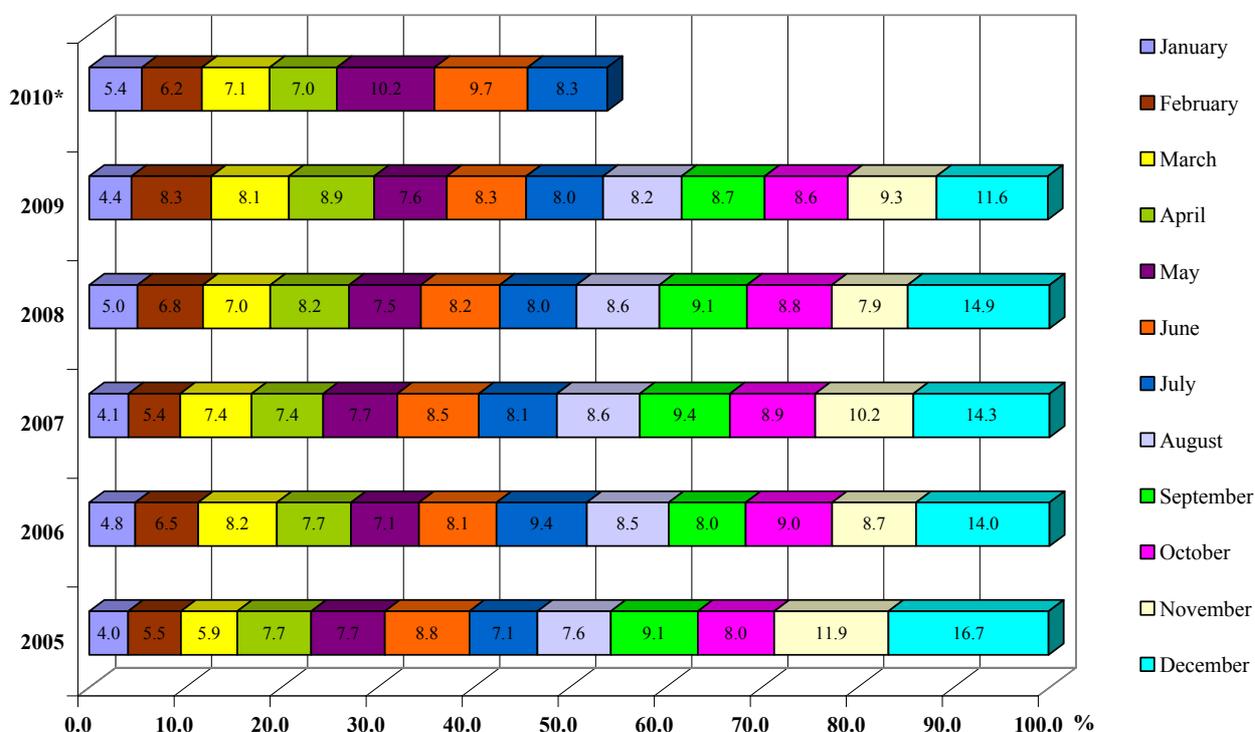


Diagram 23

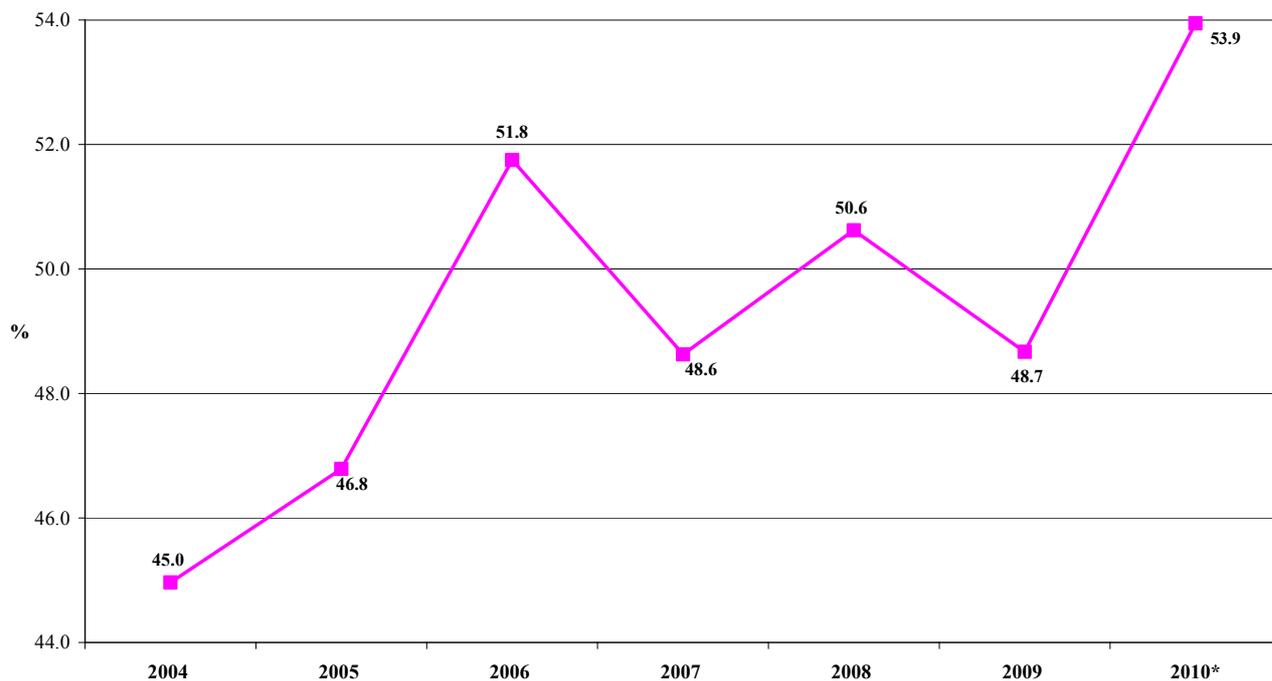
### Dynamics of the Share of Ukraine's State Budget Total Expenditures in Annual Amounts in 2005-2010



\* A share of total expenditures according to the planned annual index

Graph 39

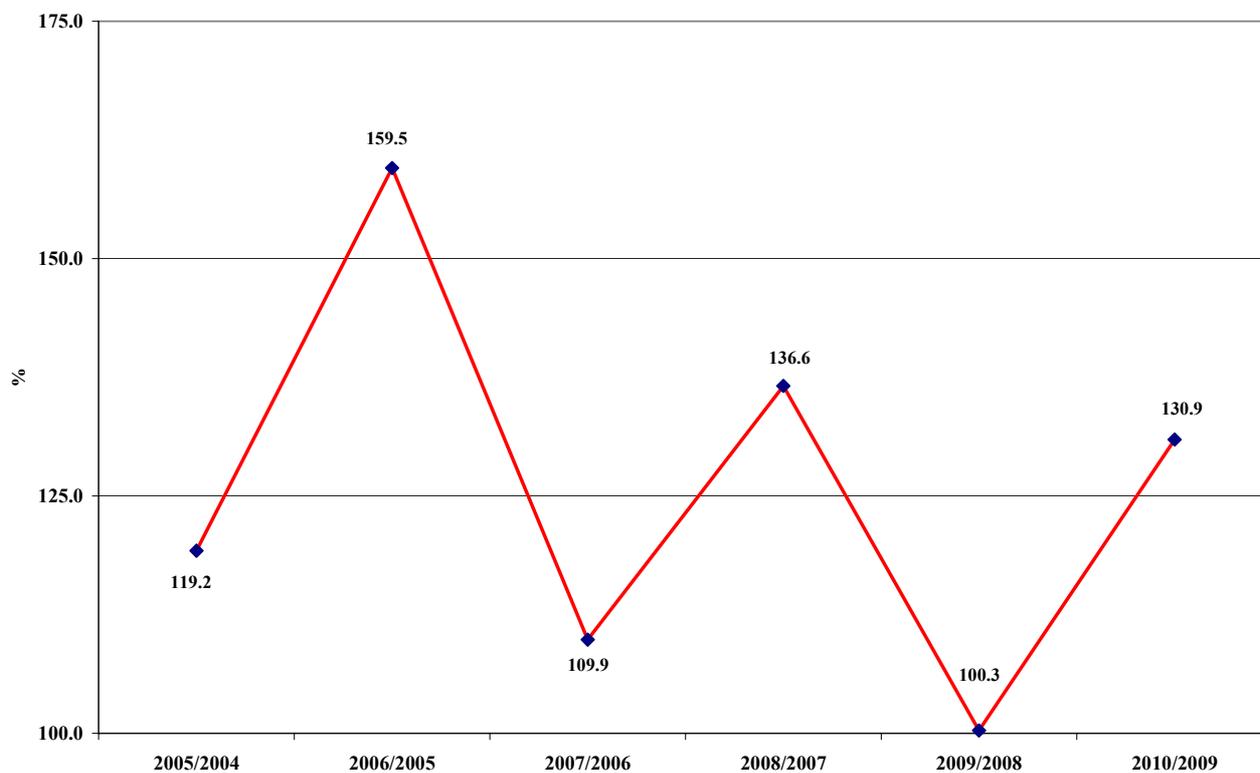
### Dynamics of the Share of Ukraine's State Budget Expenditures in January-July 2005-2010 in Annual Amounts



*\* A share of total expenditures according to the planned annual index*

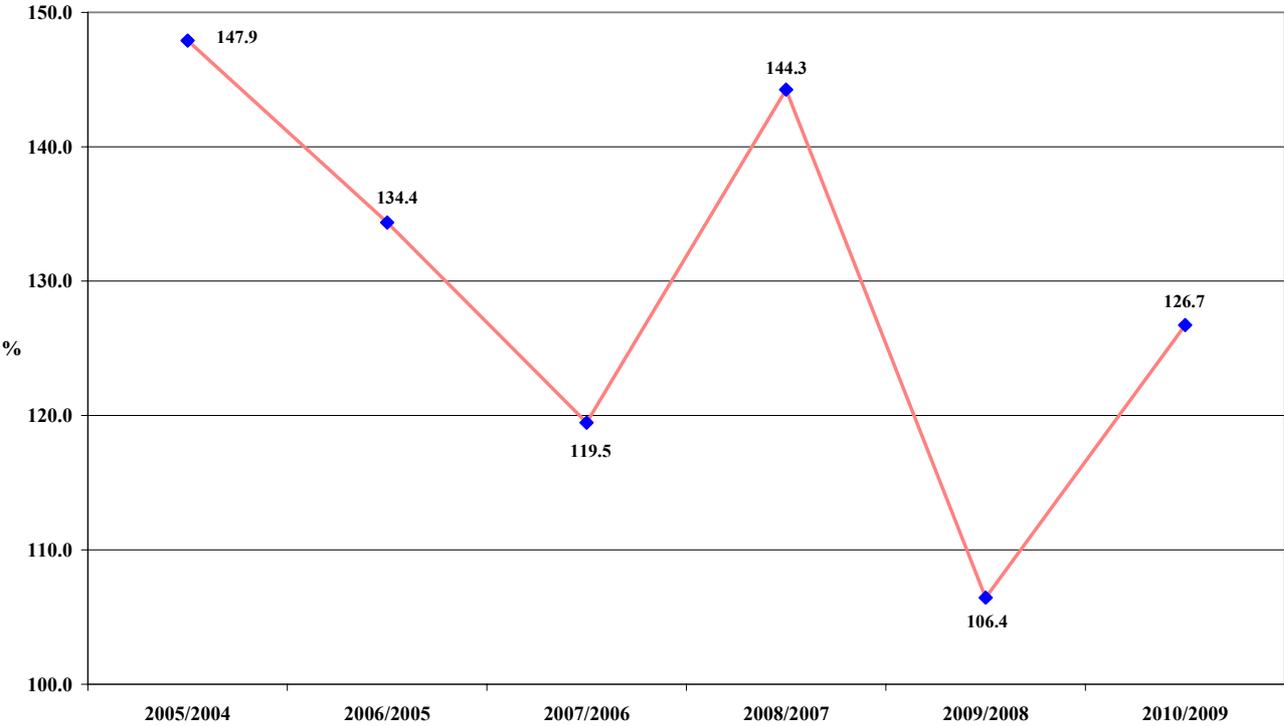
Graph 40

### Growth Rates of Ukraine's State Budget Expenditures in July 2005-2010



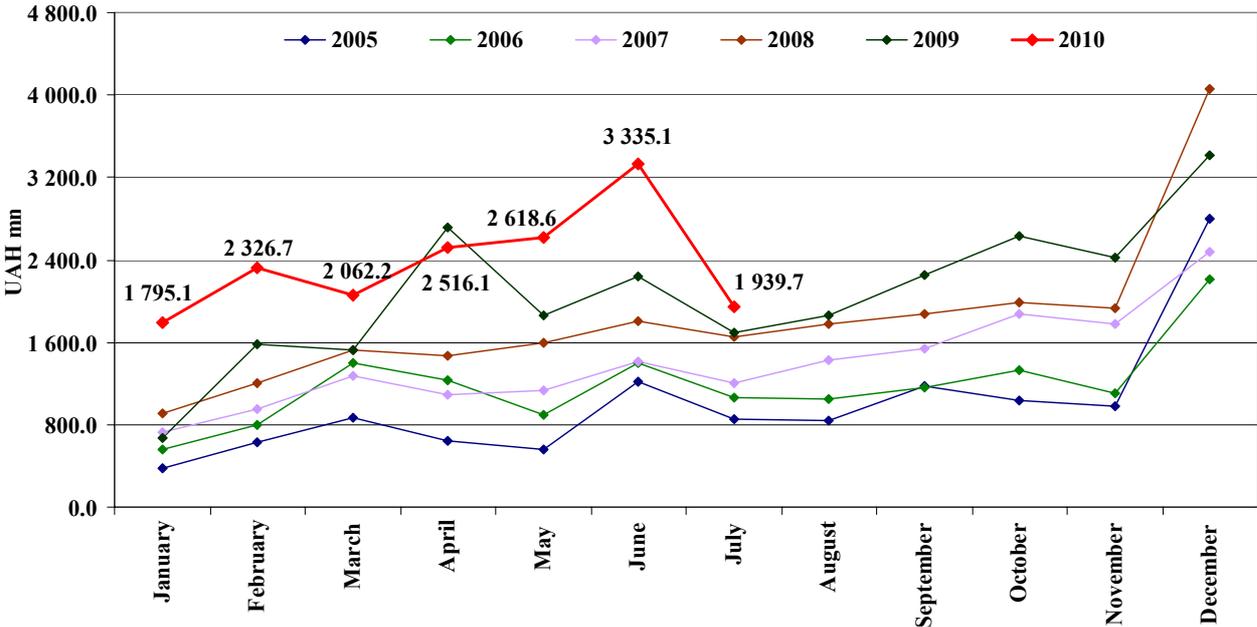
Graph 41

### Growth Rates of Ukraine's State Budget Expenditures in January-July 2005-2010



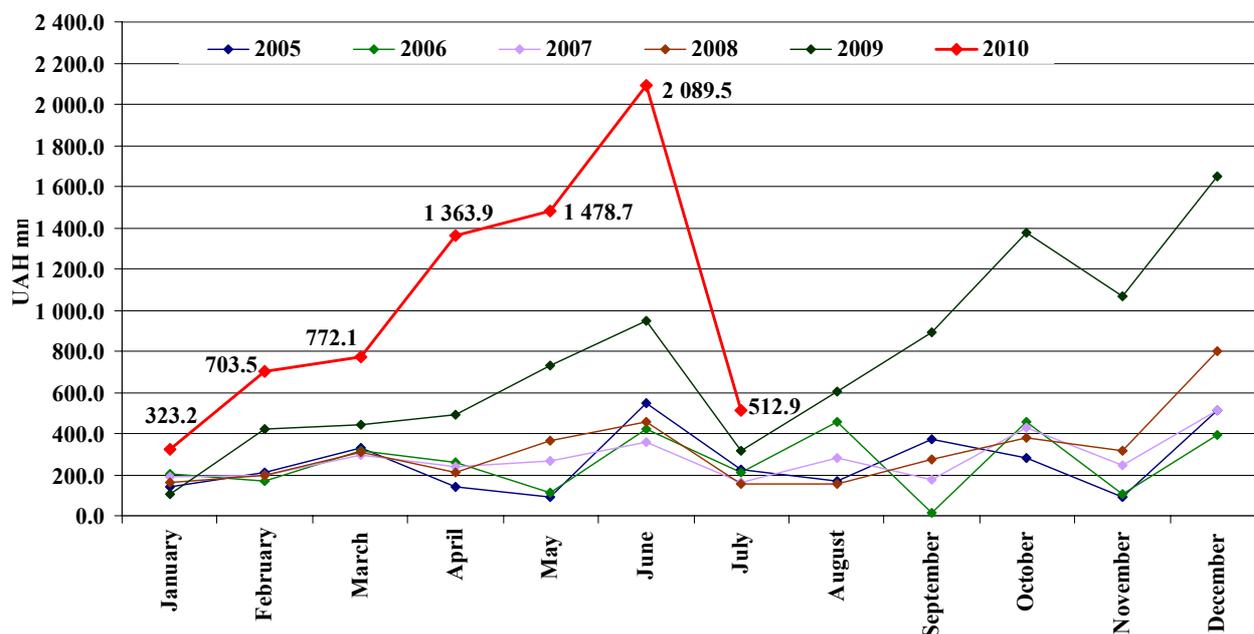
Graph 42

### State Budget Expenditures for General Government Functions Monthly Trends in 2005-2010



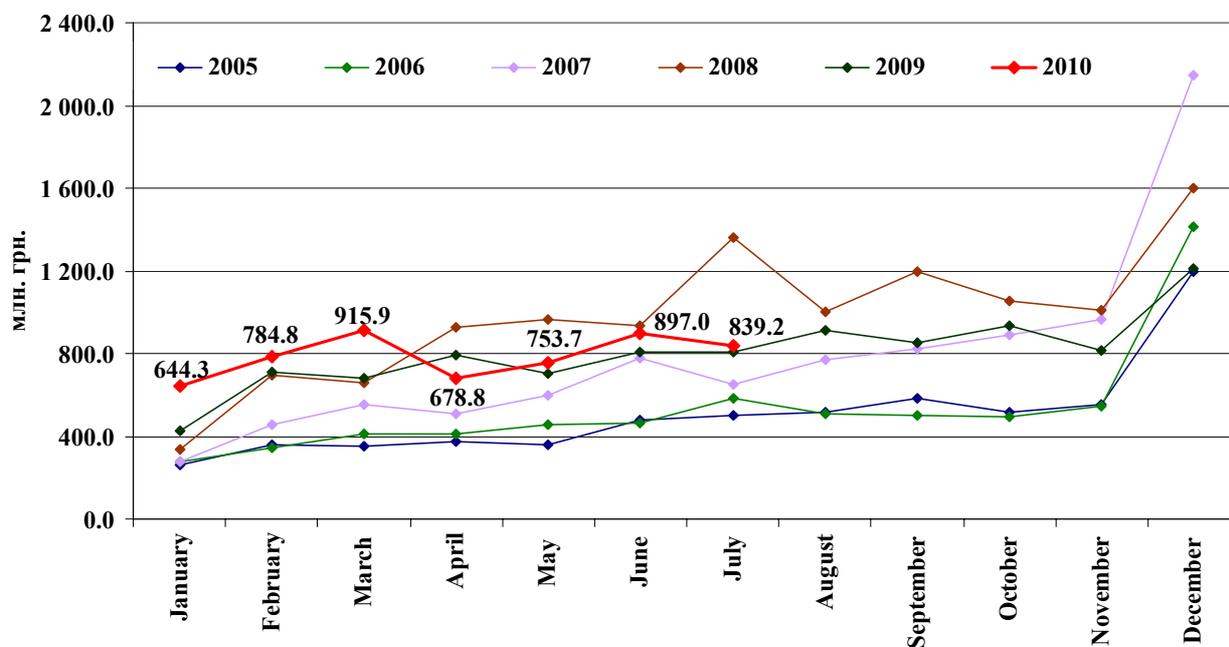
Graph 43

### State Budget Expenditures for Public Debt Servicing Monthly Trends in 2005-2010



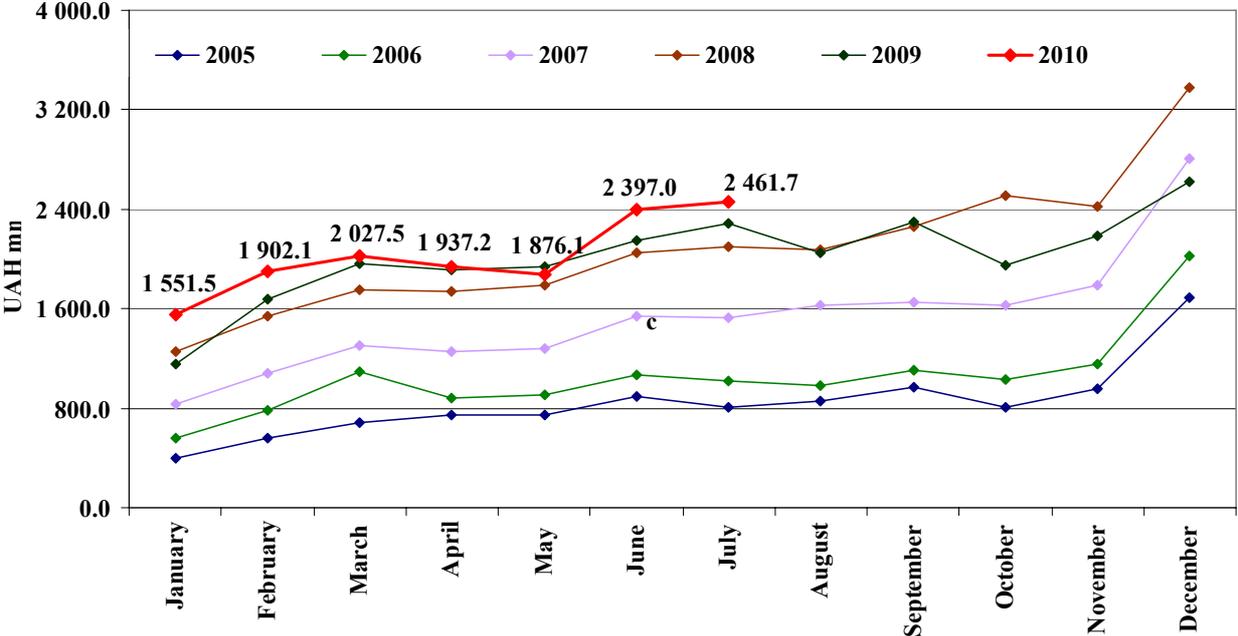
Graph 44

### State Budget Expenditures for Defense Monthly Trends in 2005-2010



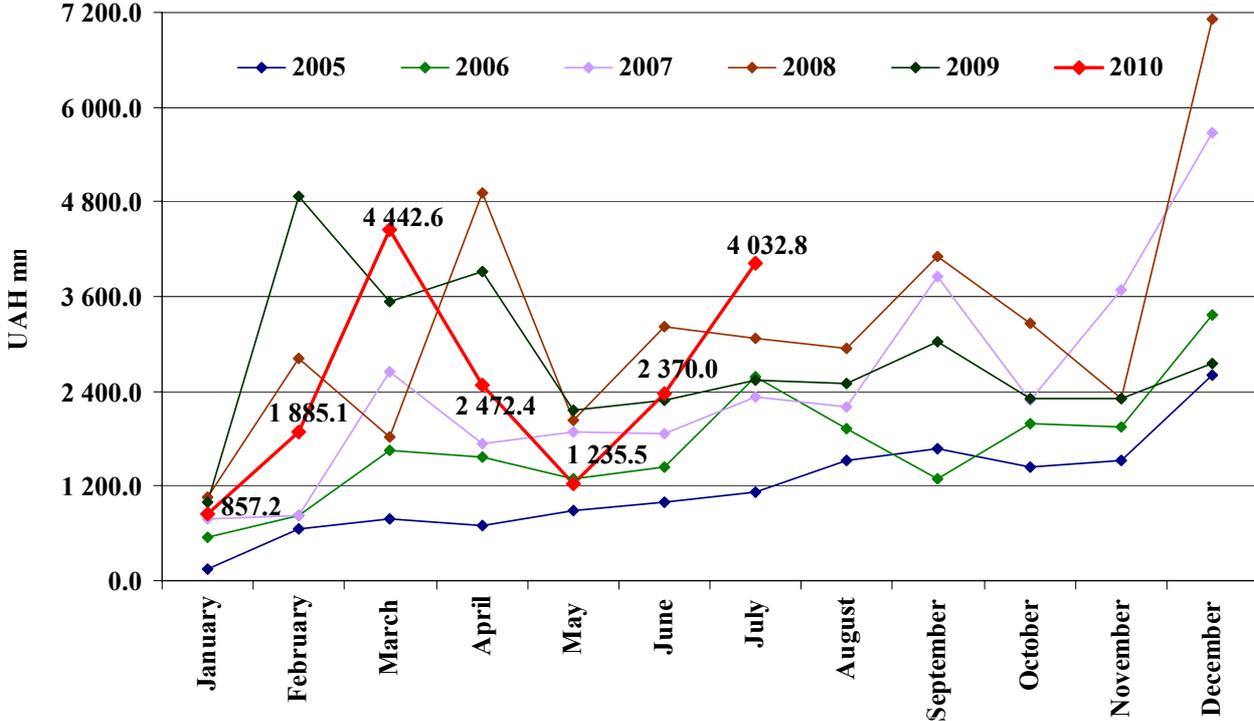
Graph 45

### State Budget Expenditures for Public Order, Security, and Judiciary Monthly Trends in 2005-2010



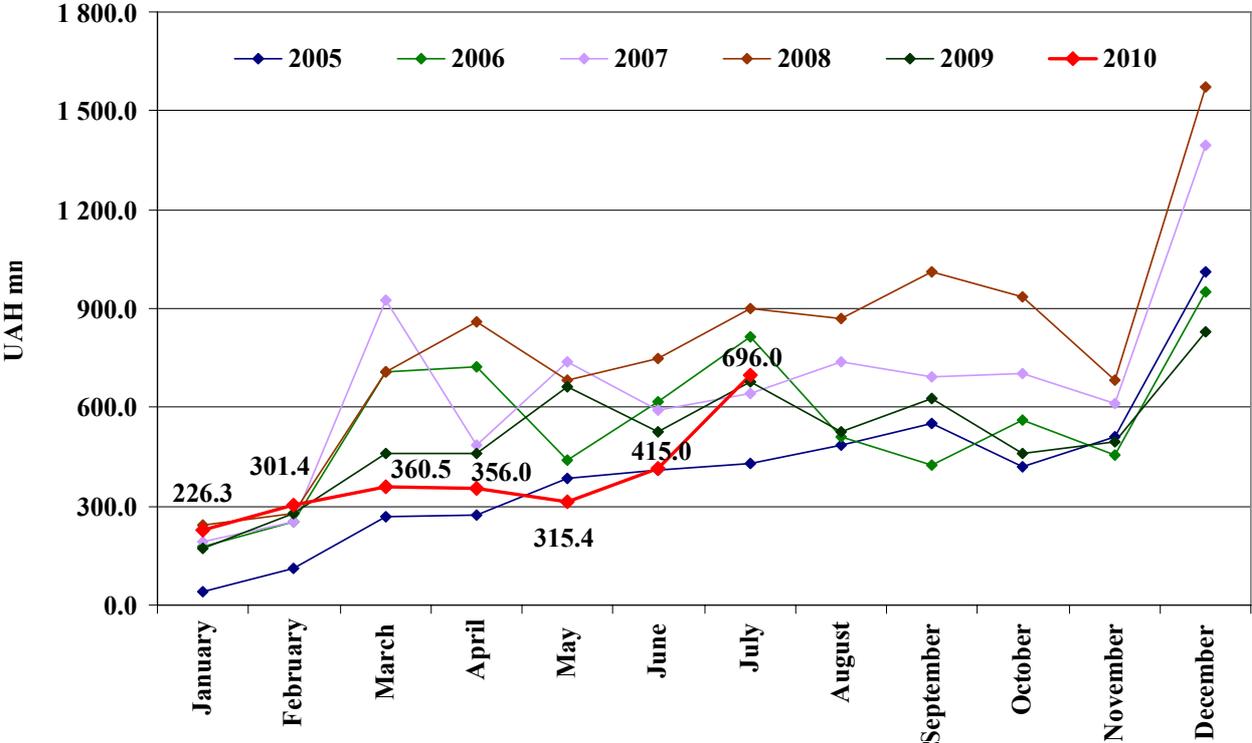
Graph 46

### State Budget Expenditures for Economic Activities Monthly Trends in 2005-2010



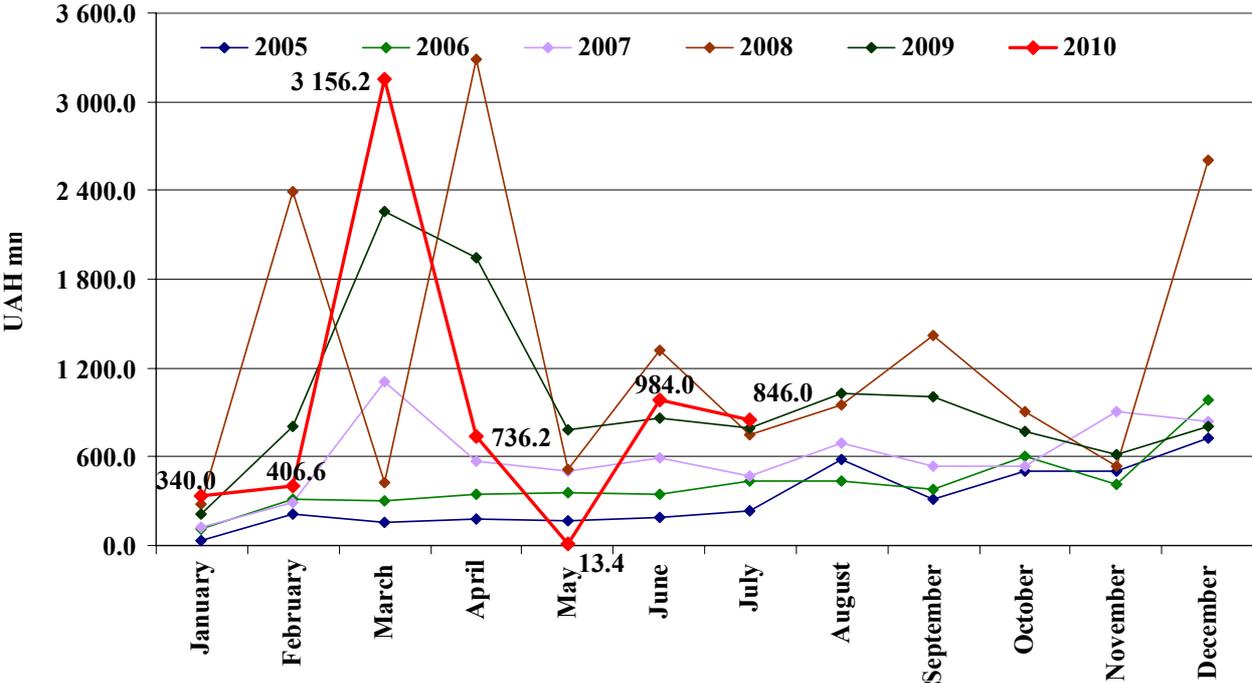
Graph 47

**State Budget Expenditures for Agriculture, Forestry and Game-Preserves, and Fisheries Monthly Trends in 2005-2010**



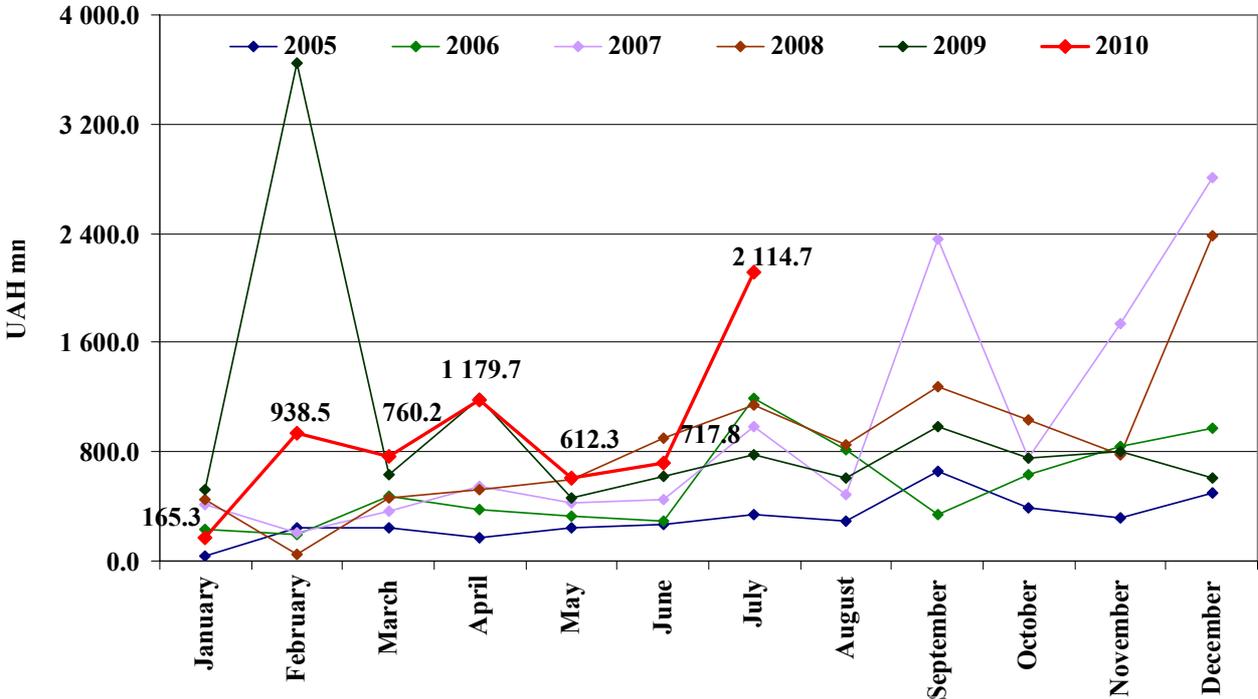
Graph 48

**State Budget Expenditures for Fuel and Energy Sector Monthly Trends in 2005-2010**



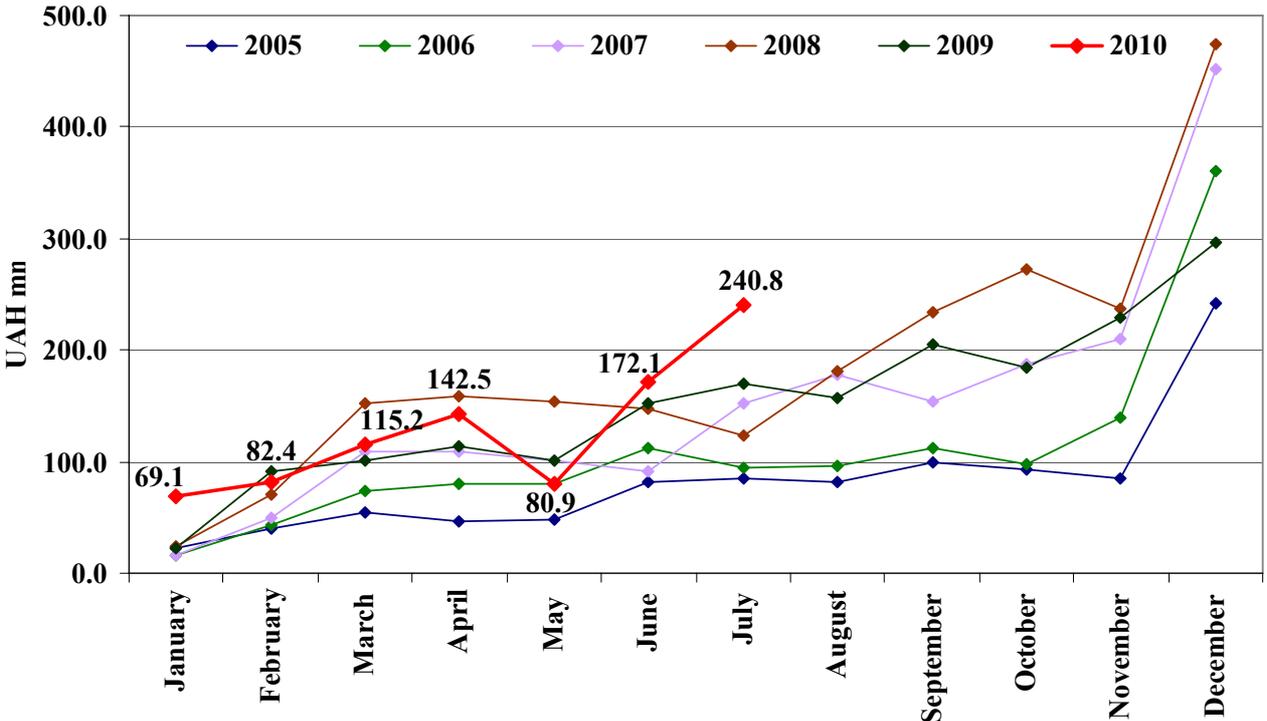
Graph 49

### State Budget Expenditures for Transport Monthly Trends in 2005-2010

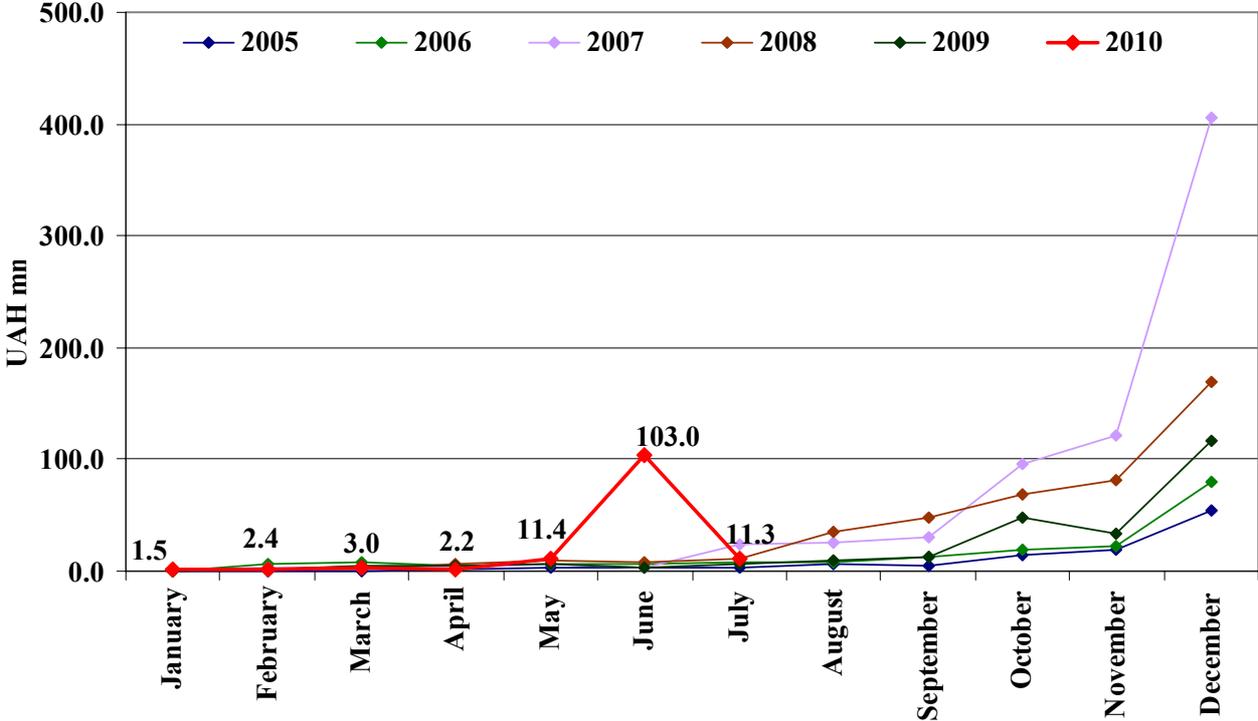


Graph 50

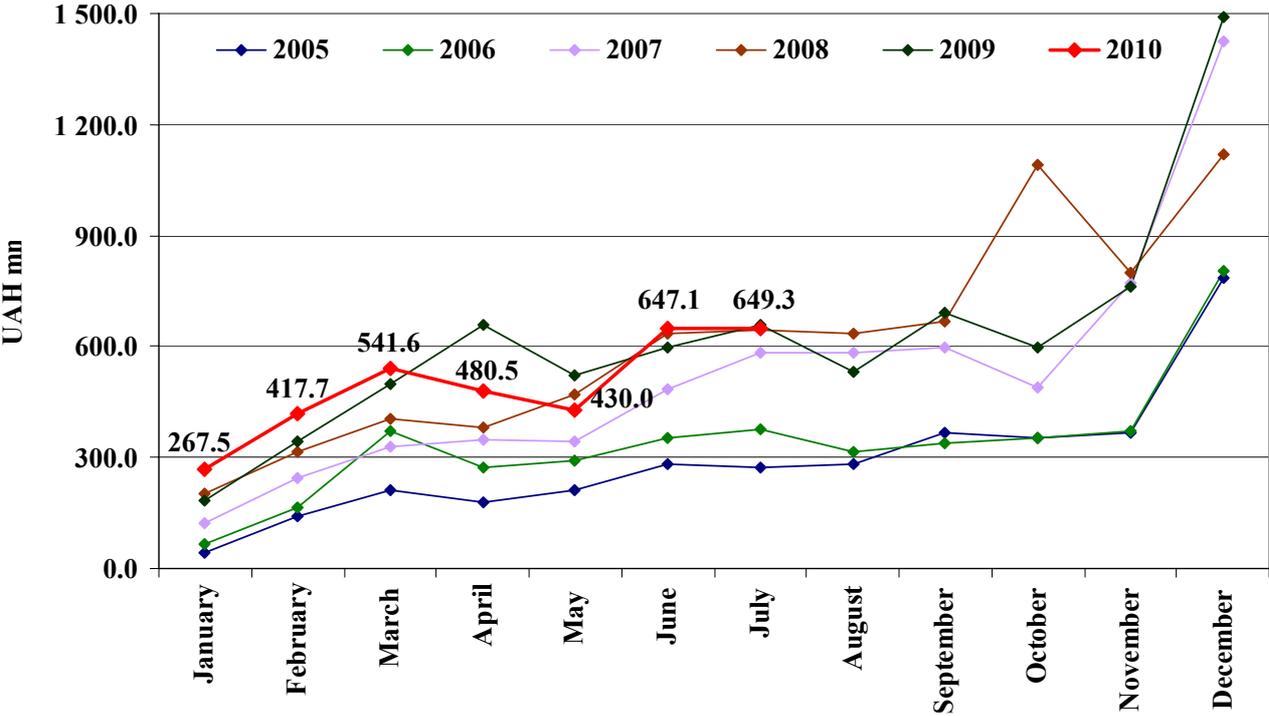
### State Budget Expenditures for Environmental Protection Monthly Trends in 2005-2010



### State Budget Expenditures for Housing and Communal Sector Monthly Trends in 2005-2010

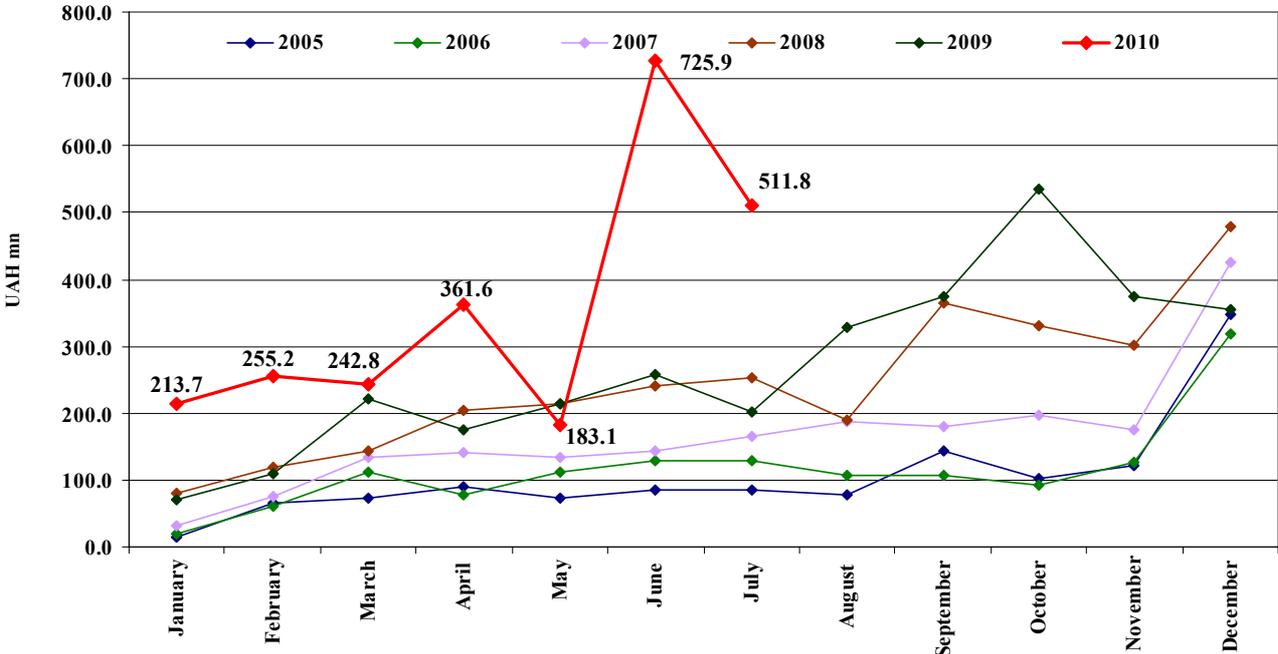


### State Budget Expenditures for Healthcare Monthly Trends in 2005-2010



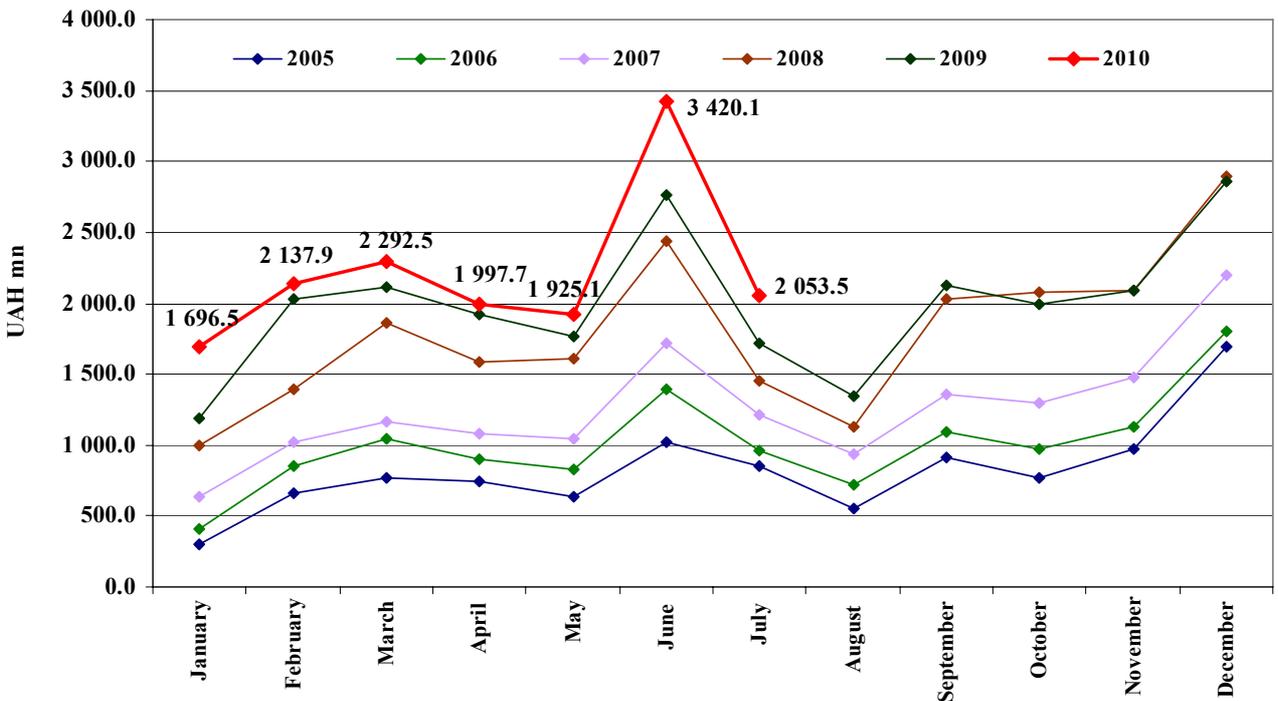
Graph 53

### State Budget Expenditures for Spiritual and Physical Development Monthly Trends in 2005-2010



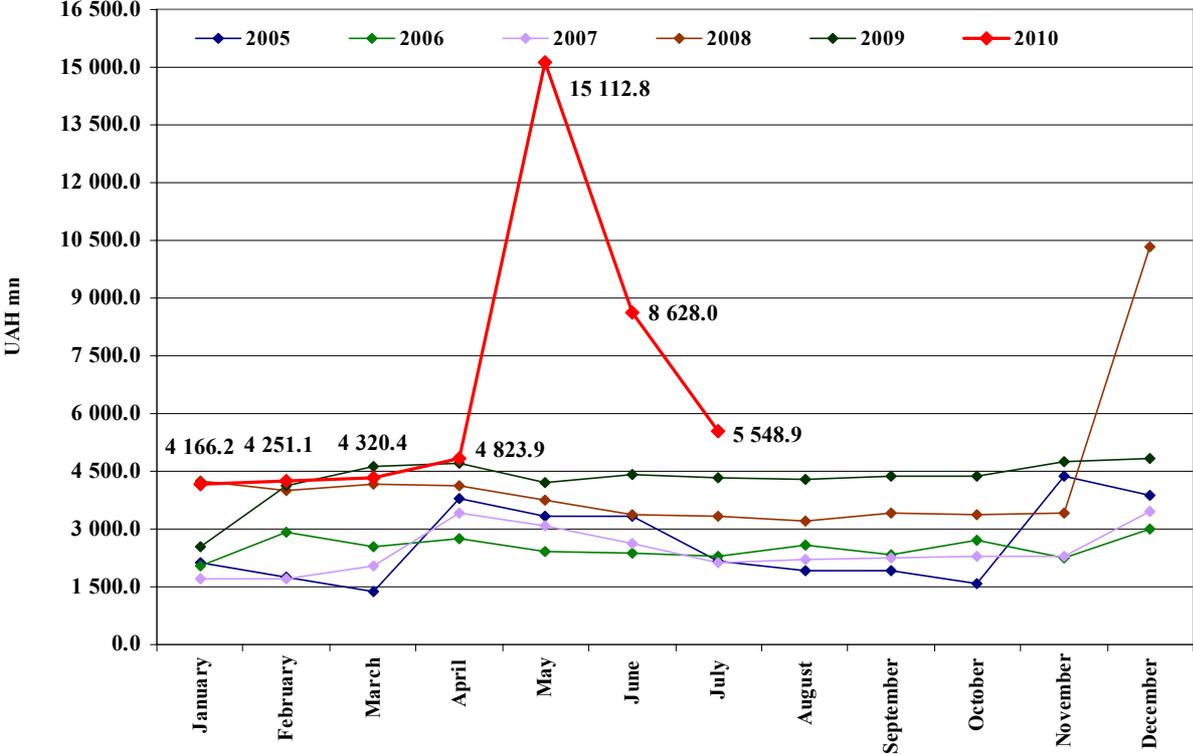
Graph 54

### State Budget Expenditures for Education Monthly Trends in 2005-2010



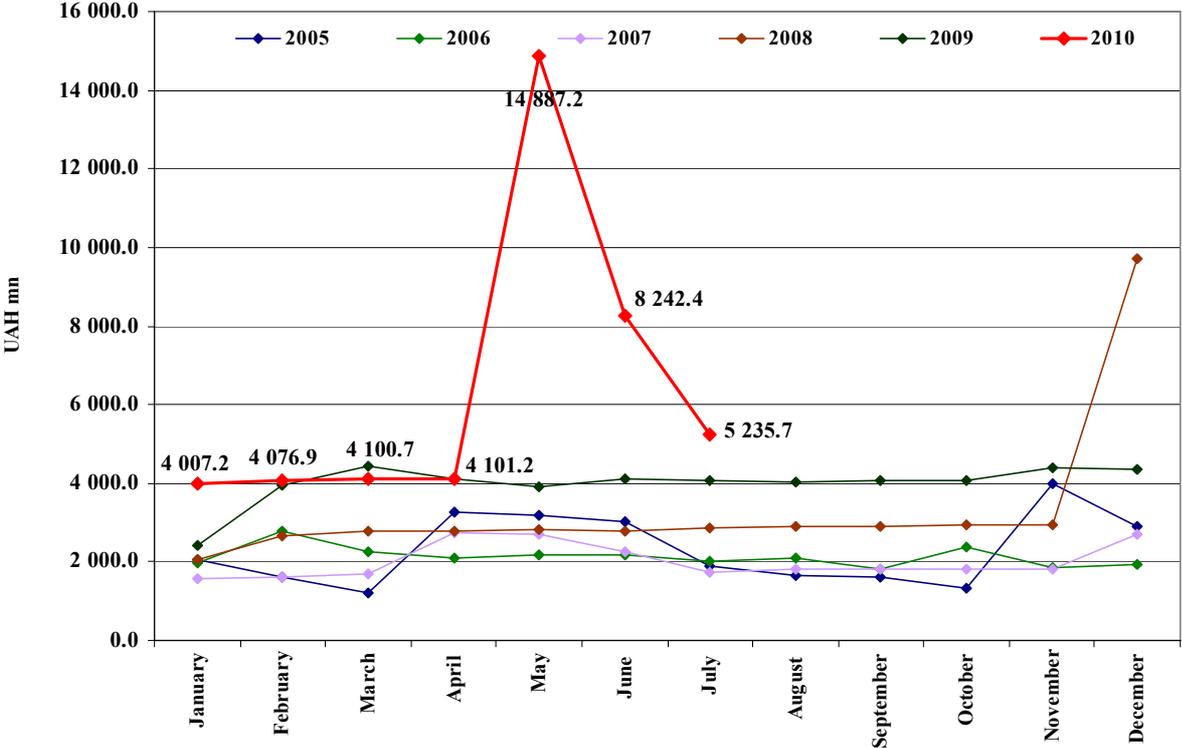
Graph 55

### State Budget Expenditures for Social Protection and Social Security Monthly Trends in 2005-2010



Graph 56

### State Budget Expenditures for Social Protection of Pensioners Monthly Trends in 2005-2010



# Local Budget Expenditures

Graph 57

## Total Local Budget Expenditures (Less Intergovernmental Transfers) Monthly Trends in 2005-2010

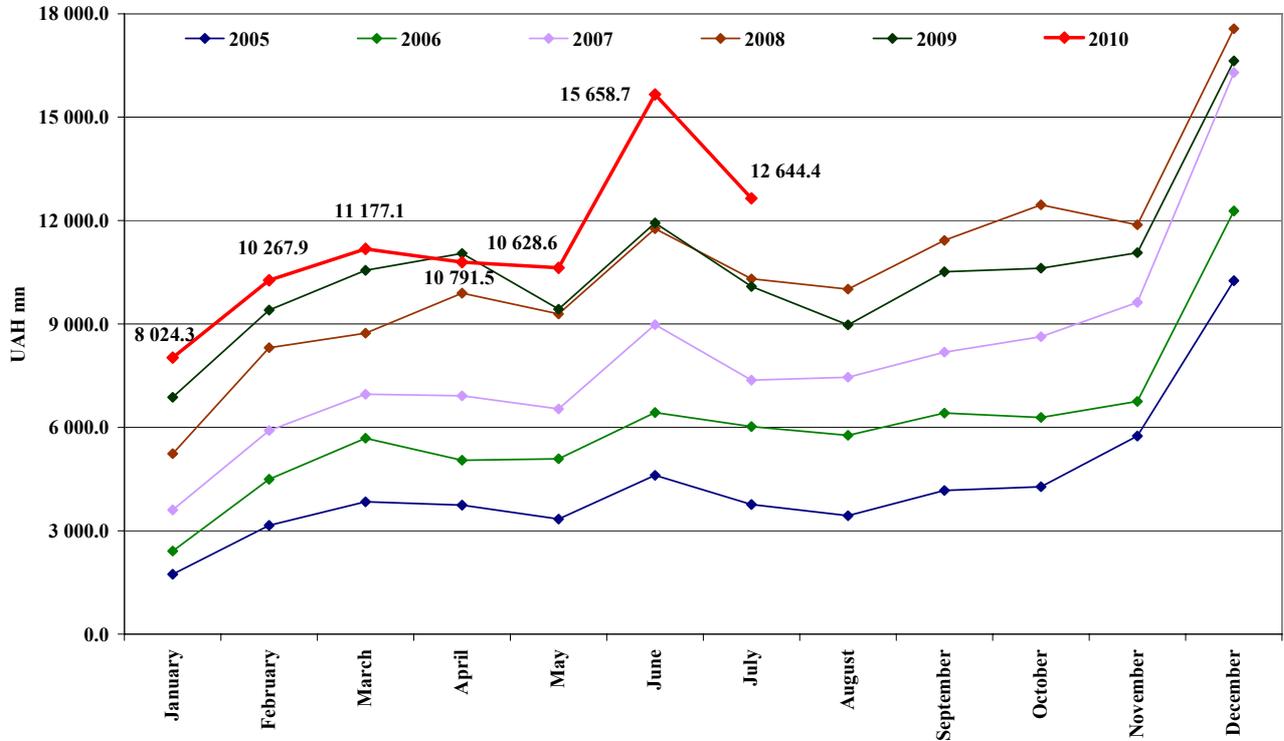
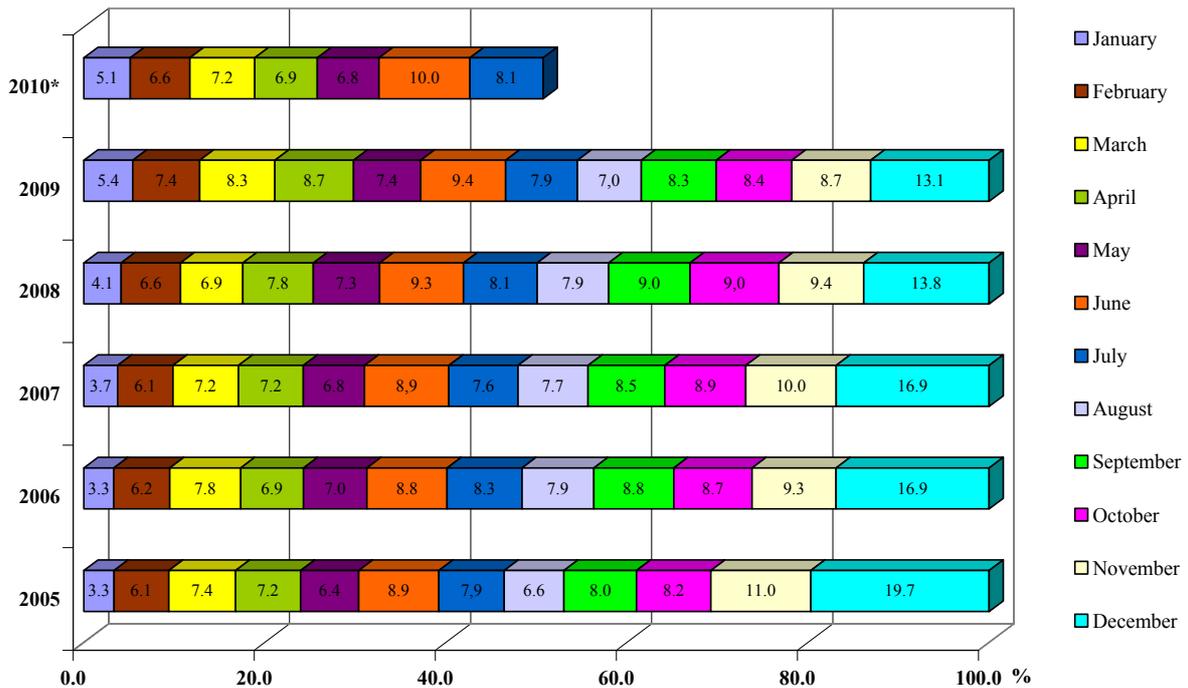


Diagram 24

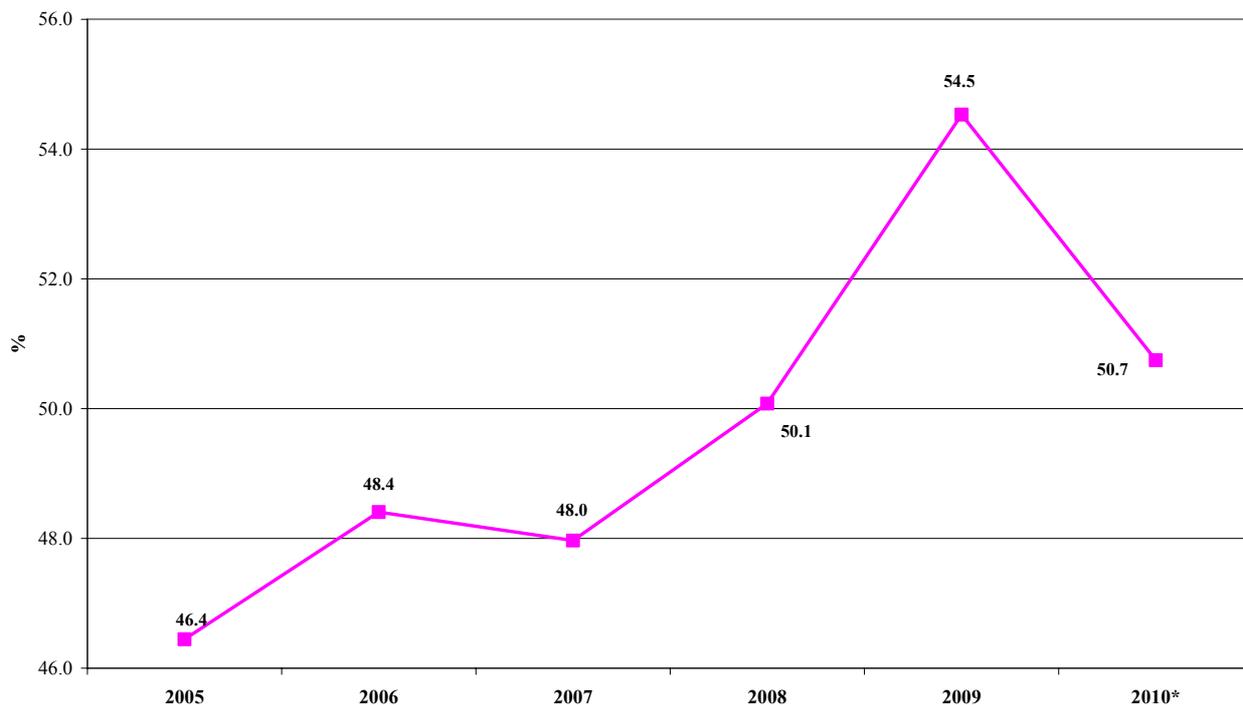
## Dynamics of the Share of Local Budget Expenditures in Annual Amounts in 2005-2010



\* A share of total expenditures according to the planned annual index

Graph 58

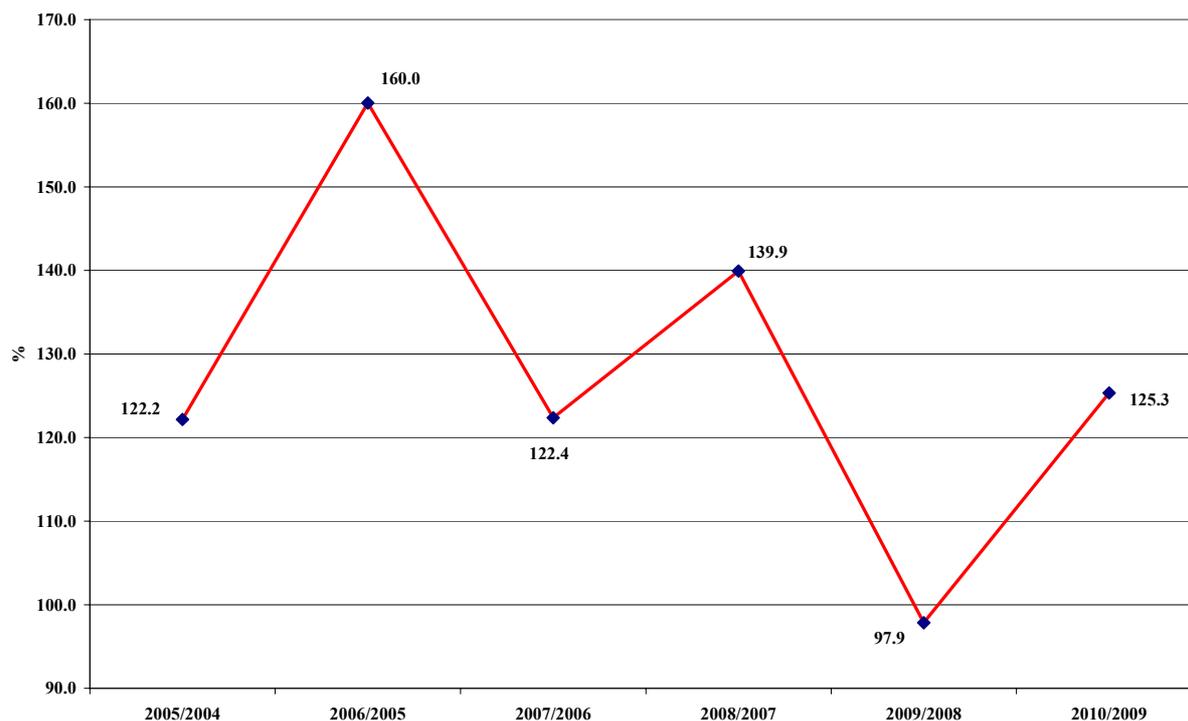
### Dynamics of the Share of Local Budget Expenditures in January-July 2005-2010 in Annual Amounts



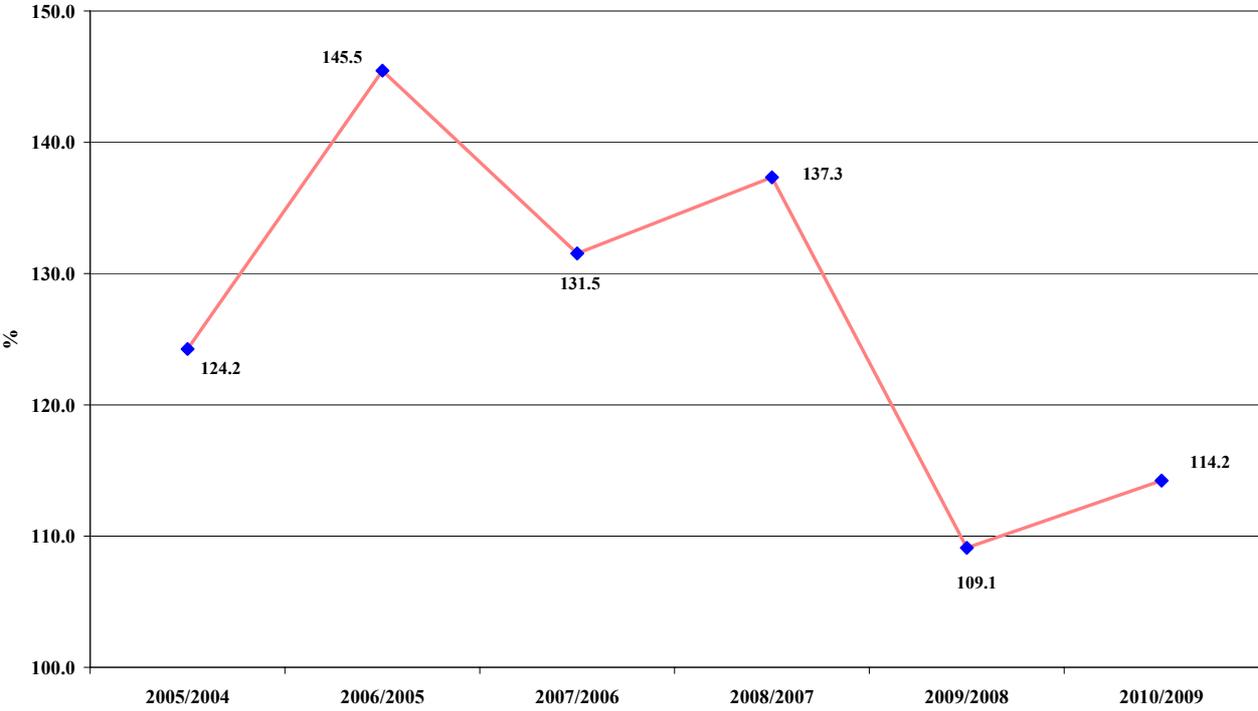
\* A share of total expenditures according to the planned annual index

Graph 59

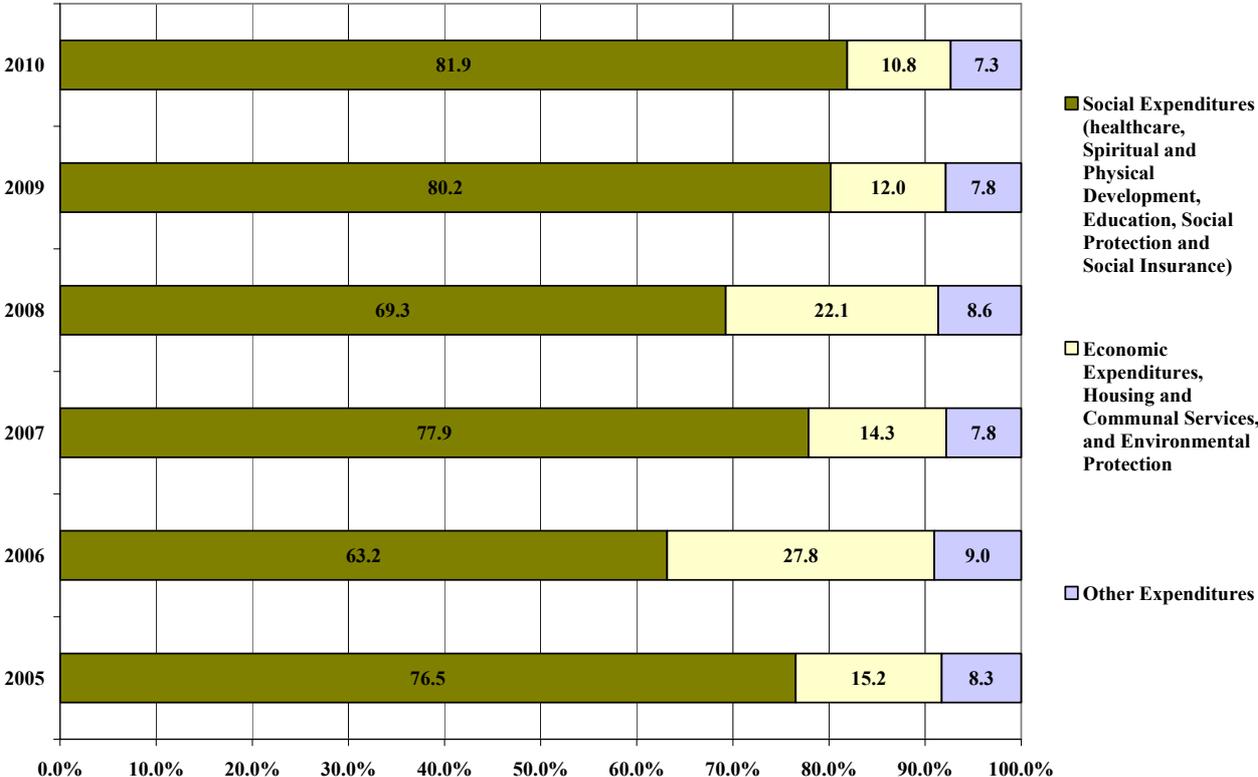
### Growth Rates of Local Budget Expenditures in July 2005-2010



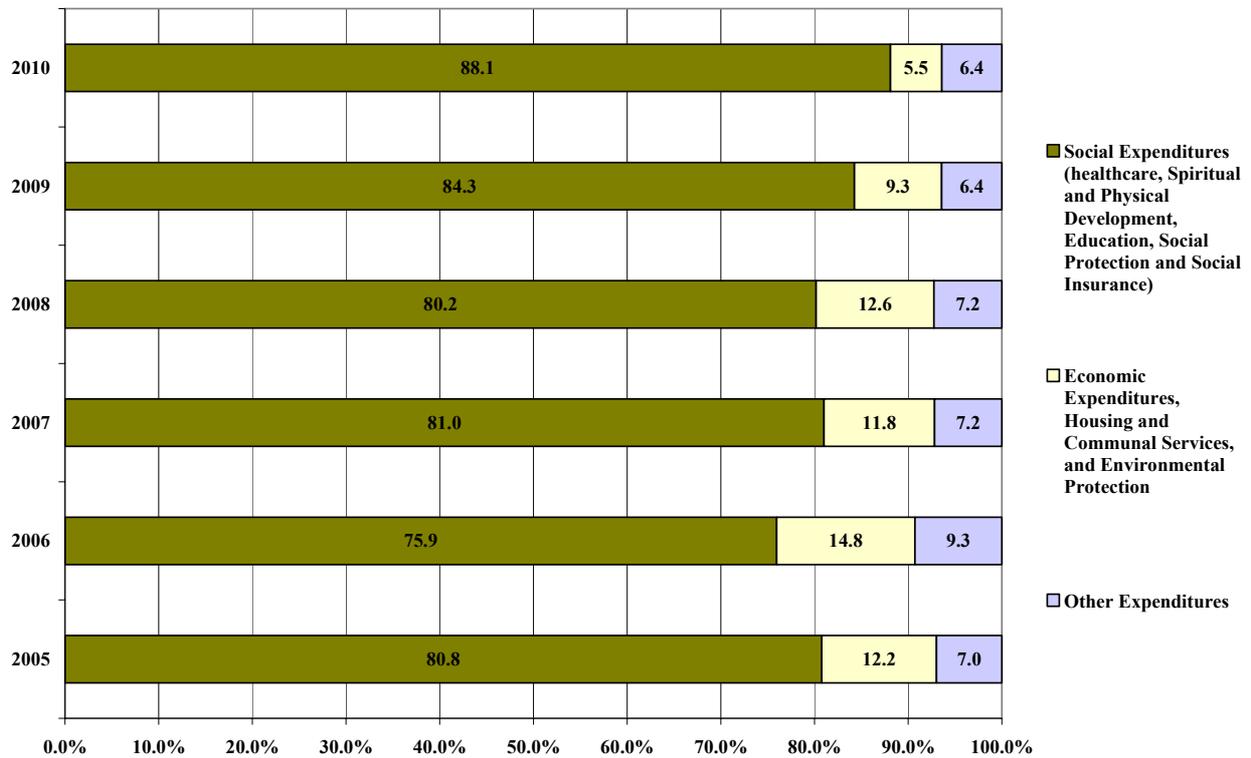
### Growth Rates of Local Budget Expenditures in January-July 2005-2010



### Structure of Actual Local Budget Expenditures in July 2005-2010

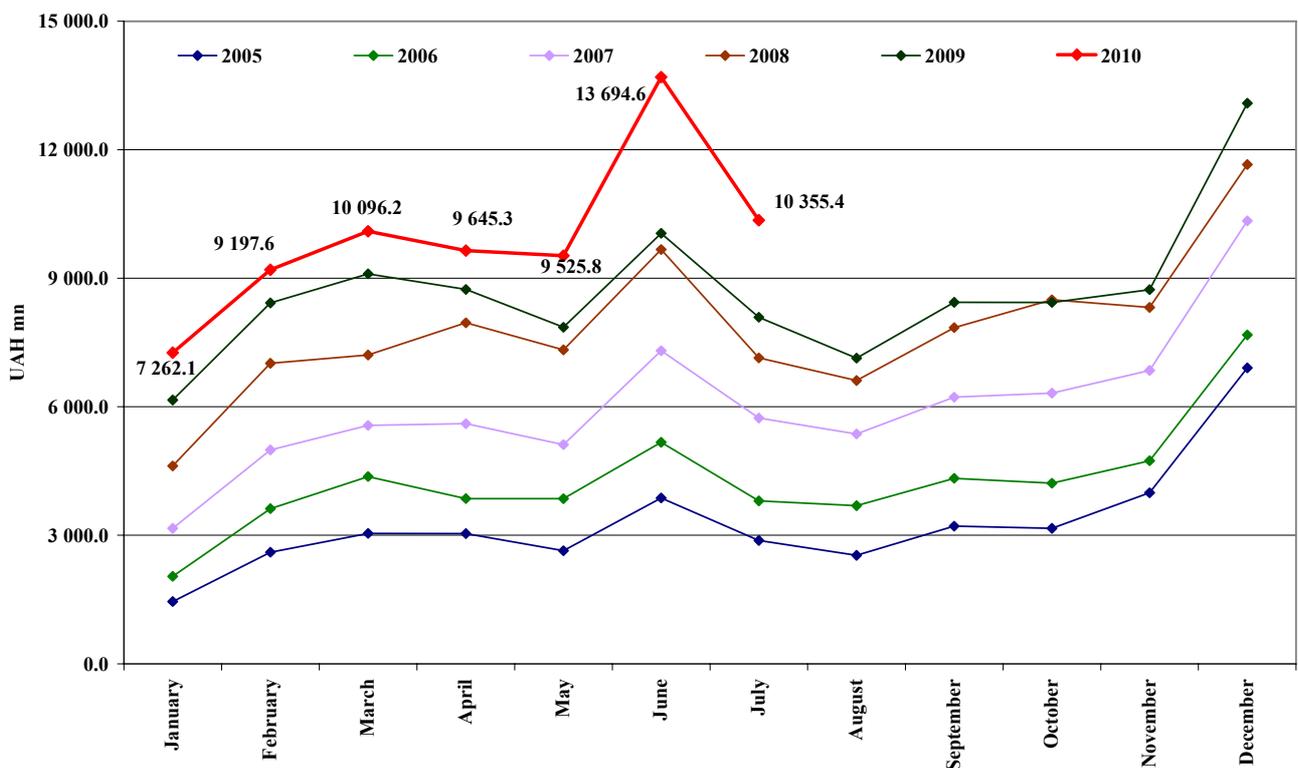


### Structure of Actual Local Budget Expenditures in January-July 2005-2010

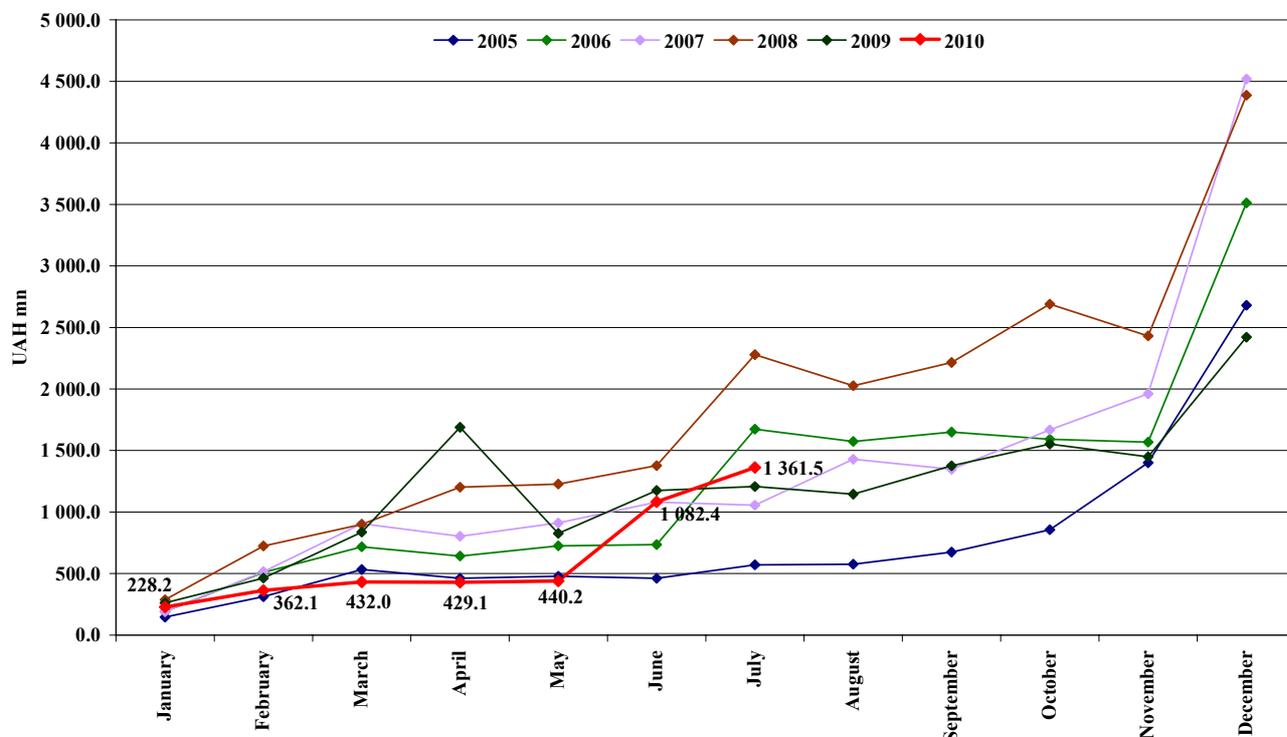


Graph 61

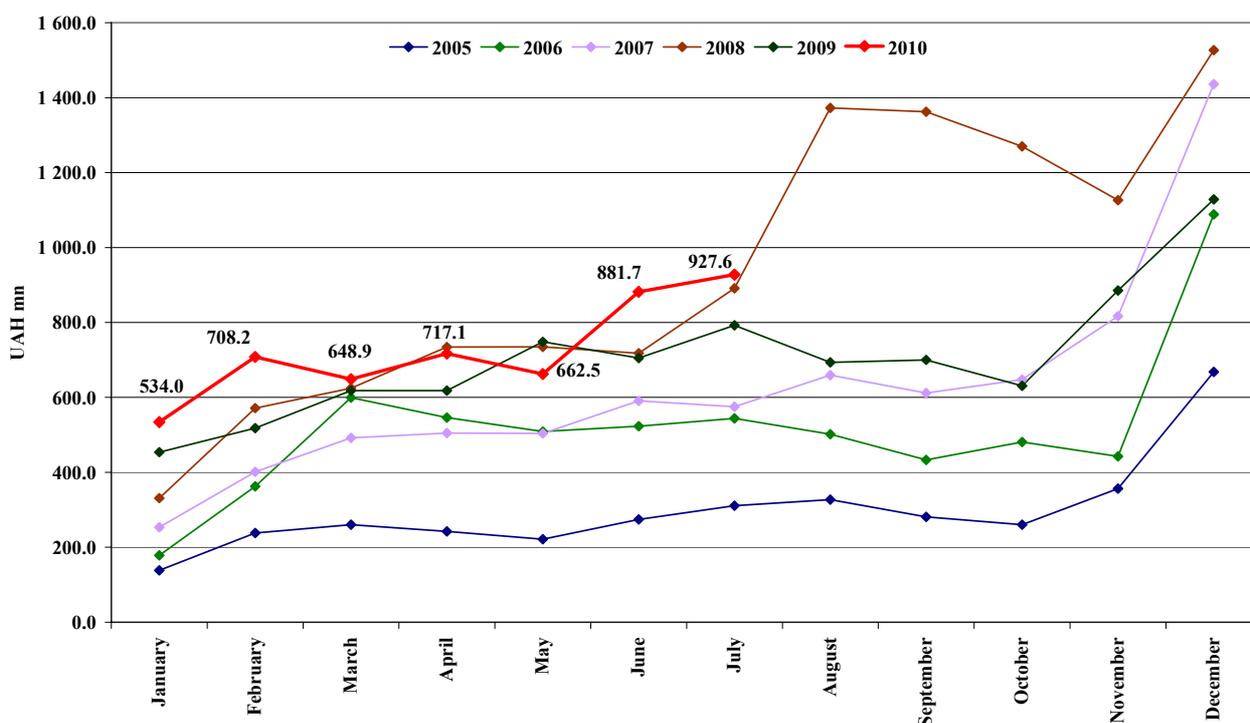
### Local Budget Social Expenditures (Healthcare, Education, Spiritual and Physical Development, Social Protection and Social Security) Monthly Trends in 2005-2010



### Local Budget Social Expenditures for Economic Activities, Housing and Communal Sector, and Environmental Protection Monthly Trends in 2005-2010



### Other Local Budget Expenditures Monthly Trends in 2005-2010



## Tendencies of the Banking System Development in Ukraine

In July 2010, the Ukrainian banking system was characterized by:

- **NBU's pursuing** a strict monetary and credit policy and taking steps to limit pressures on the currency exchange rate and **banks' conducting** a more flexible interest-rate policy;
- **an increase** in the aggregate assets of the banking system, including due to banks' growing lending activity;
- **further accelerated growth** of personal deposits and continued trends towards lowering of the cost of money;
- **National Bank's lowering** its discount rate from 9.5% to 8.5% annual as of 8 July 2010;
- **new requirements regarding the formation of regulatory capital of banks:** the minimum amount of bank's regulatory capital must be Hr 120mn. The banks with a regulatory capital below Hr 120mn are required to increase it to the stated amount by 1 January 2012. The banks whose regulatory capital is below Hr 120mn are allowed to attract personal deposits within the amount of attracted personal deposits as of 20 July 2010. It is also stipulated that a bank's regulatory capital may not be lower than its authorized capital.

As of 1 August 2010, 176 banks had licenses for conducting the banking business from the National Bank of Ukraine. Seventeen banks were in the process of liquidation, including sixteen banks liquidated by NBU decision and one bank liquidated by decision of commercial (arbitration) courts. Five banks continue under temporary administration.

Refinancing transactions decreased significantly in May-July against the outset of 2010, with the July growth of just Hr 35mn (Hr 20mn in June). Refinancing was carried out only at the expense of the loans secured for financial stabilization programs.

There was one refinancing transaction carried out at the rate of 10.5% annual in July 2010. The amount of mandatory reserves accumulated by banks (including the funds remitted to the separate account) totaled Hr 11.5bn.

A slight increase in the rate of development of the Ukrainian banking system was noted in July 2010, in particular with regard to growth of its aggregate assets. Thus, the aggregate assets of the Ukrainian banking system increased (by +2.2%) in July vs. June 2010 and amounted to Hr 1,041.6bn. The clients' loan portfolio remained virtually unchanged at Hr 705.5bn in July 2010.

As of 1 August 2010, the loan portfolio of legal entities totaled Hr 489.9bn or 69.4% of the total clients' loan portfolio. The total amount of credits issued to legal entities increased by Hr 9.3bn (or by 1.9%) in July vs. June. The loan portfolio of legal entities increased both in the national and foreign currencies (by Hr 5.5bn and \$0.5bn, respectively) in July 2010.

As of 1 August 2010, the loan portfolio of individuals totaled Hr 215.6bn or 30.6% of the total clients' loan portfolio. The total credits issued to individuals decreased by Hr 0.6bn in July vs. June, and the rate of repayment of individuals' loan portfolio is still higher than the growth in newly issued credits. The loan portfolio of individuals in foreign currencies decreased (by -\$0.05bn) in July 2010, while a growth of Hr 0.07bn was noted for the national currency.

As of 1 August 2010, the deposit portfolio of economic agents totaled Hr 126.9bn or 16.4% of total liabilities, and the deposit portfolio of individuals totaled Hr 248.81bn or 32.1%.

The age structure of deposits improved in April-July 2010. Thus, the share of long-term deposits increased from 24.4% to 26.8% of the total during the seven months of the year.

The total amount of funds attracted from legal entities increased by Hr 3.6bn in July vs. June. However, when looking at the currency structure dynamics, the increase occurred due to growth in deposits both in the national and foreign currencies (by Hr 1.8bn and \$0.24bn).

The total amount of funds attracted from individuals increased by Hr 8.3bn in July vs. June 2010. This occurred mostly due to an increase of funds in the national currency (by +Hr 4.4bn), while foreign-currency deposits of individuals also increased by \$0.5bn.

The age structure of private deposits at banks is as follows. Time deposits amounted to Hr 187.0bn or 75.6% of total personal deposits, and call deposits amounted to Hr 60.3bn or 24.4%.

The amount of cash outside of banks increased by 4.0% to Hr 175.1bn in July (by 11.5% year-to-date). The share of cash in the money supply structure increased to 31.7% in July (compared to 31.5% in June and 32.2% at the beginning of 2010).

The growth in the amount of personal deposits and cash outside of banks in July 2010 reflected accordingly on the dynamics of money supply, whose amount increased by 3.4% up to Hr 551.7bn in July (up 13.2% year-to-date). The monetary base growth rate was quite low at 1.9% (up 14.8% year-to-date) to Hr 223.8bn in July 2010.

The banking system experienced no shortage of liquidity since the beginning of 2010. The amount of banks' correspondent accounts decreased by 8.3% in July 2010 (up 50.4% year-to-date) to Hr 26.2bn.

A sustainable recovery of banks' resource base and a sufficiently high level of liquidity in the banking system have contributed to lowering the cost of money both in the national and foreign currencies. In particular, an average weighed interest rate on credits in the national currency decreased from 14.1% in June to 13.5% in July, and from 13.9% to 10.4%, respectively, for foreign-currency credits. An average weighted cost of national-currency deposits decreased from 9.6% to 9.3% in the reviewed period, and from 7.8 % to 7.3% for foreign-currency deposits.

An average weighted rate for contracts at the interbank credit market decreased from 2.5% annual in June 2010 (including 1.3 % for overnight credits) to 1.8 % (1.1 % for overnight credits) in July.

As of 1 August 2010, the equity of banks amounted to Hr 132.8bn or 14.6% of liabilities and had the following structure: the registered authorized capital accounts for 101.0 % in the equity structure, with 0.3% for the dividends used to increase the authorized capital; 5.5 % for issue difference; 9.9% for general provisions and other funds of banks; -18.2 % for results of previous years; -3.8 % for results of the reporting year pending approval; -3.0 % for results of the reporting year; and 8.3 % for revaluation of fixed assets, intangibles, securities for sale in bank portfolios, and investments into associated companies.

# Banking System

Diagram 23

## Dynamics of Total Assets and Clients' Loan Portfolio of the Ukrainian Banking System in 2009-2010

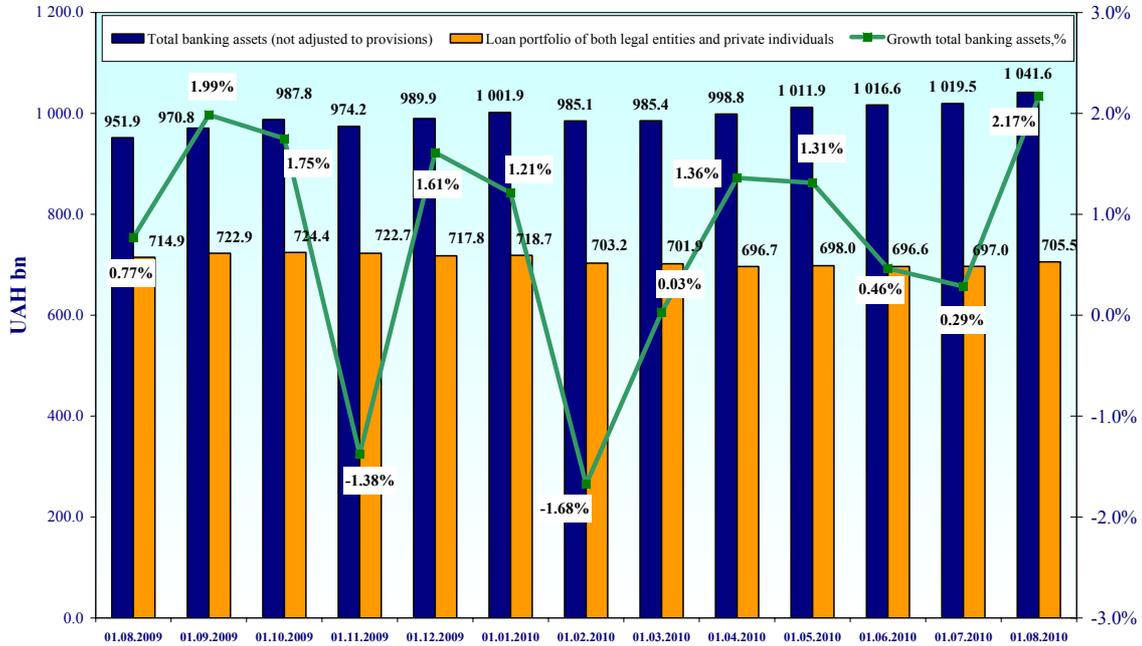
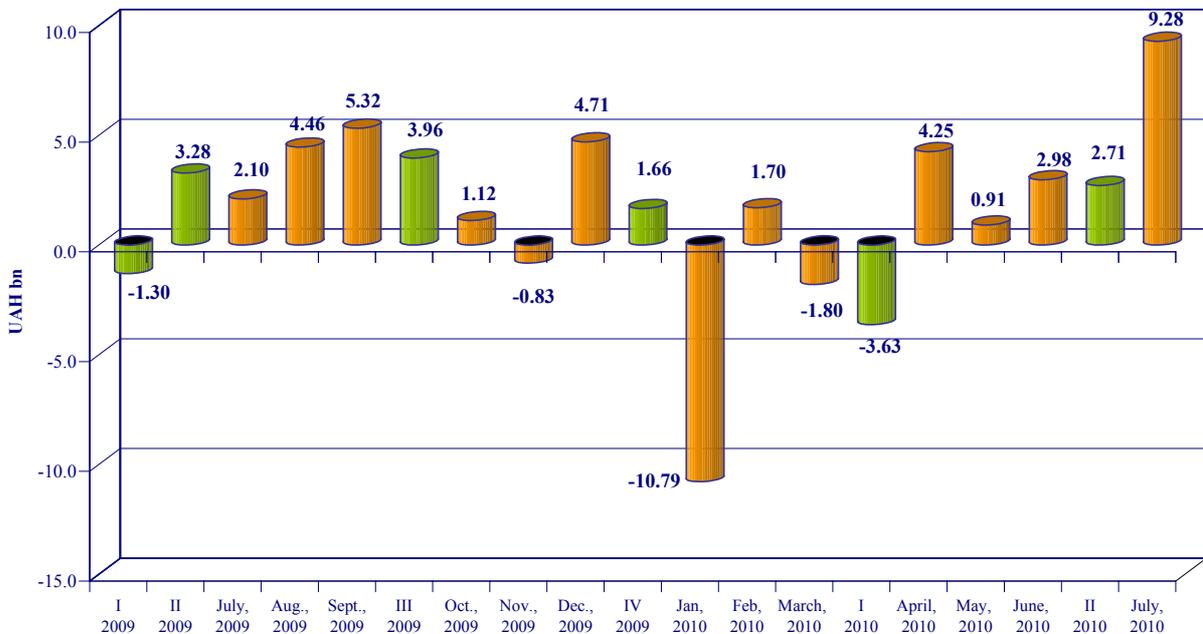


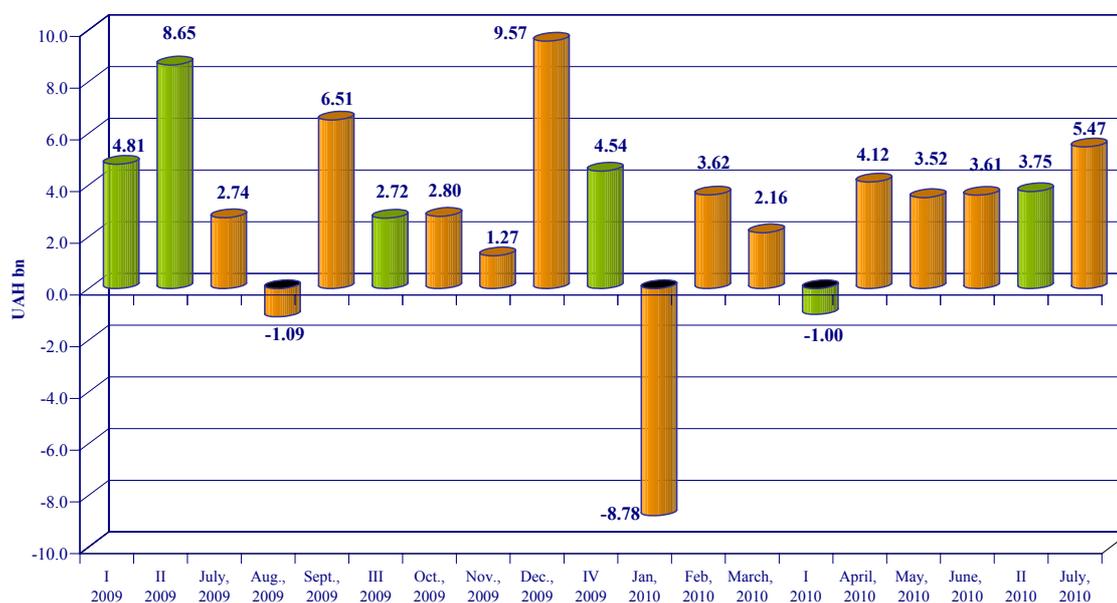
Diagram 24

## Changes in the Amount of Legal Entities Loan Portfolio



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities loan portfolio, UAH bn	468.57	473.03	478.36	479.48	478.65	483.36	472.57	474.27	472.47	476.72	477.63	480.61	489.89
Growth rate of legal entities loan portfolio, %	0.45	0.95	1.13	0.23	-0.17	0.98	-2.23	0.36	-0.38	0.90	0.19	0.62	1.93

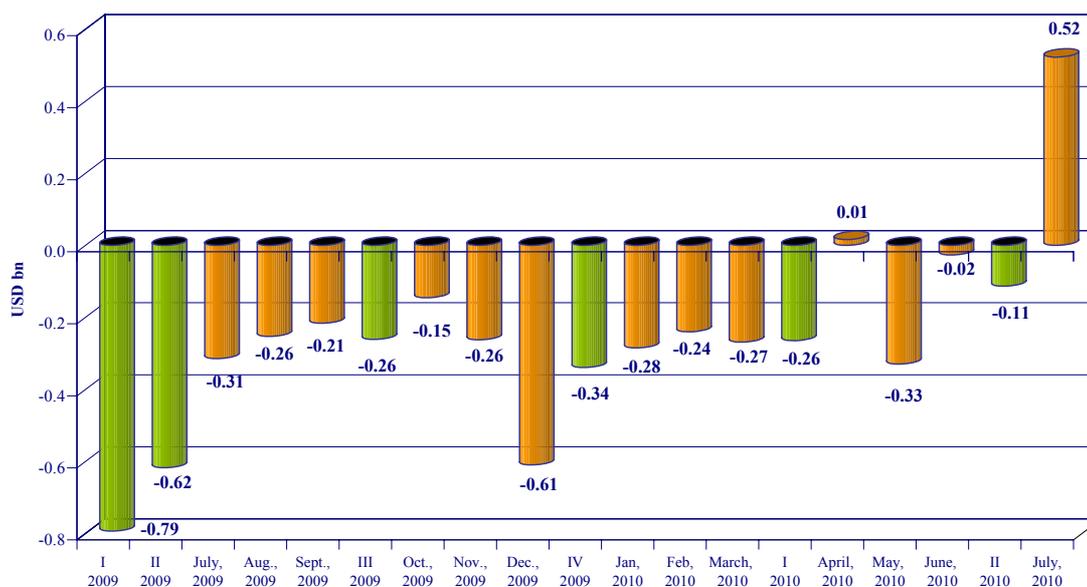
## Changes in the Amount of Legal Entities Loan Portfolio in the National Currency



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities loan portfolio in national currency, UAH bn	268.22	267.13	273.64	276.44	277.71	287.28	278.50	282.12	284.28	288.40	291.92	295.53	301.00
Growth rate of legal entities loan portfolio in national currency, %	1.03	-0.41	2.44	1.02	0.46	3.45	-3.06	1.30	0.77	1.45	1.22	1.24	1.85

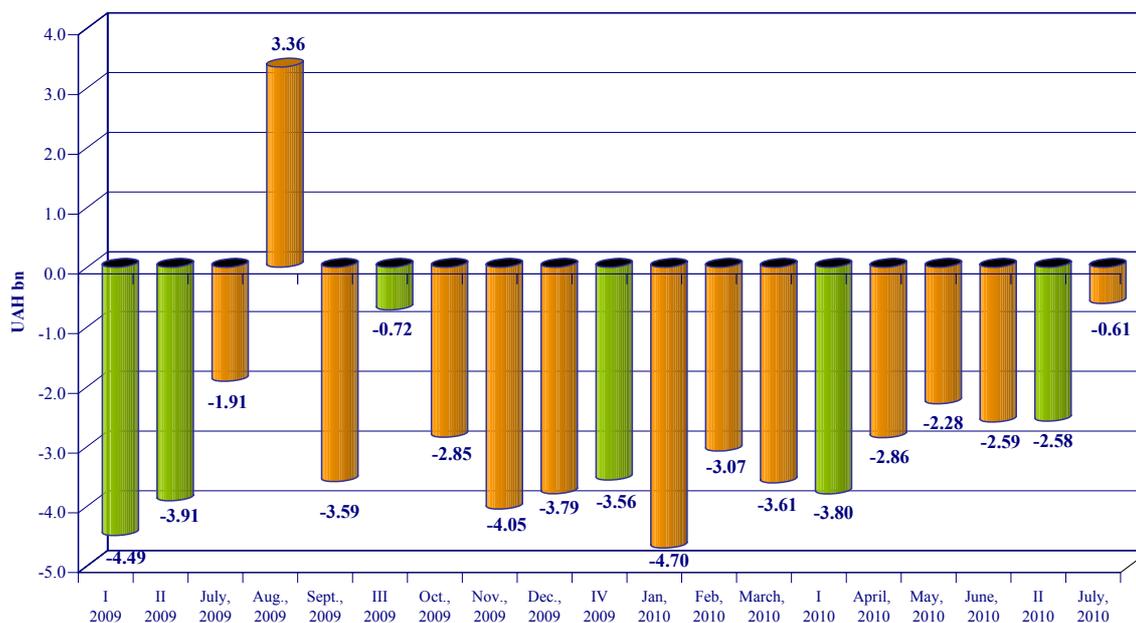
Diagram 26

## Changes in the Amount of Legal Entities Loan Portfolio in Foreign Currencies



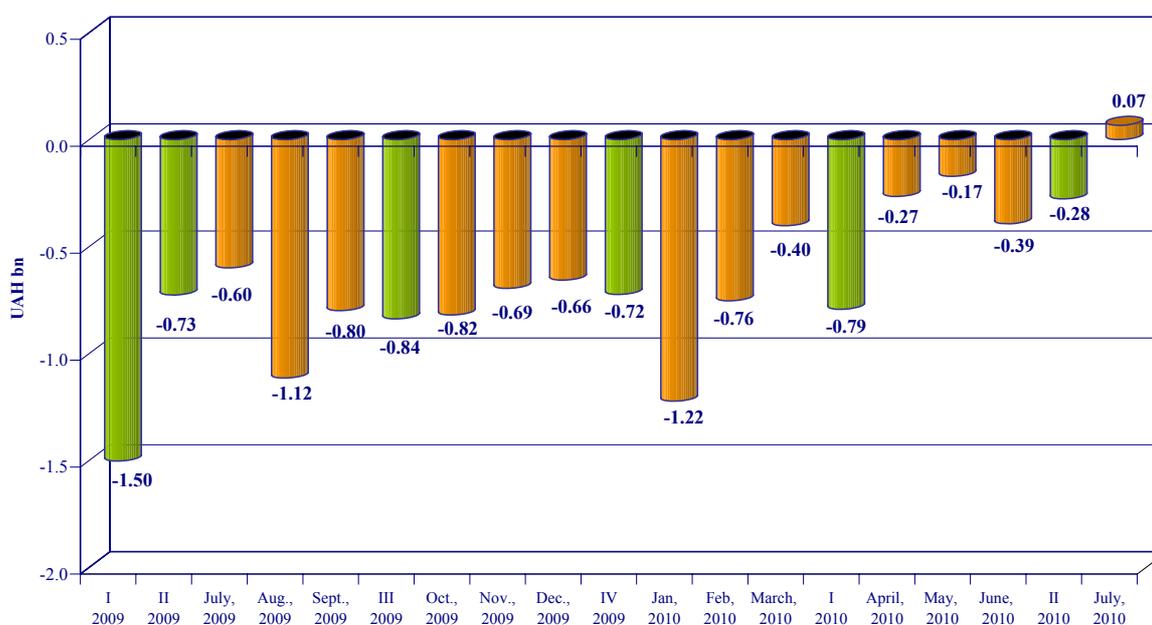
Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities loan portfolio in foreign currencies, USD bn	26.03	25.77	25.56	25.41	25.15	24.54	24.26	24.02	23.75	23.76	23.43	23.41	23.93
Growth rate of legal entities loan portfolio in foreign currencies, %	-0.32	2.77	-0.58	-0.82	-1.03	-2.42	-1.02	-0.99	-2.06	0.07	-1.39	-0.34	2.06

## Changes in the Amount of Individuals Loan Portfolio



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Individuals loan portfolio, UAH bn	246.28	249.64	246.05	243.20	239.15	235.36	230.66	227.59	223.98	221.12	218.84	216.25	215.64
Growth rate of individuals loan portfolio, %	-0.77	1.36	-1.44	-1.16	-1.66	-1.59	-2.00	-1.33	-1.59	-1.27	-1.03	-1.18	-0.28

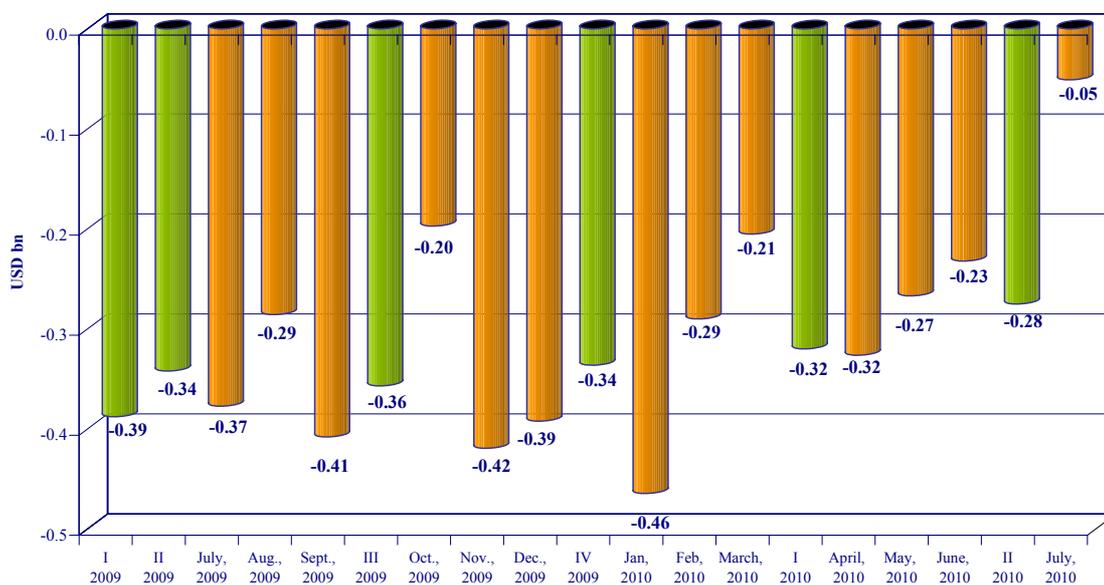
## Changes in the Amount of Individuals Loan Portfolio in the National Currency



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Individuals loan portfolio in national currency, UAH bn	67.73	66.61	65.81	64.99	64.30	63.64	62.42	61.66	61.26	60.99	60.82	60.43	60.50
Growth rate of individuals loan portfolio in national currency, %	-0.88	-1.65	-1.20	-1.25	-1.07	-1.02	-1.92	-1.21	-0.65	-0.43	-0.28	-0.65	0.11

Diagram 29

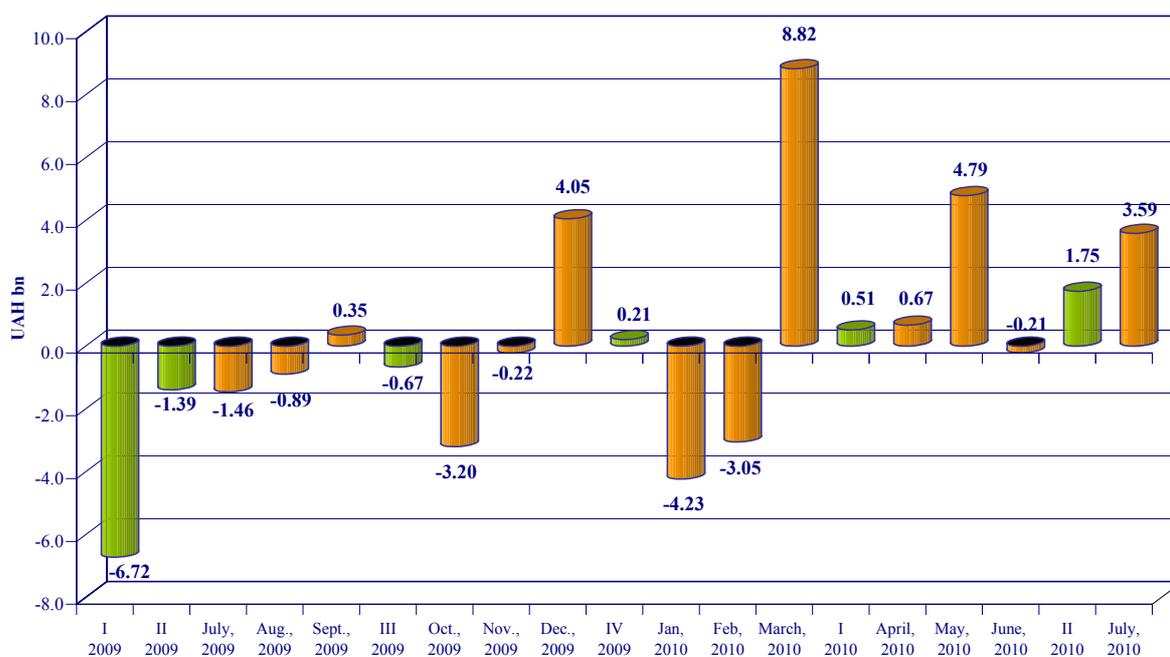
## Changes in the Amount of Individuals Loan Portfolio in Foreign Currencies



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Individuals loan portfolio in foreign currencies, USD bn	23.20	22.91	22.50	22.30	21.88	21.49	21.03	20.74	20.53	20.21	19.94	19.71	19.66
Growth rate of individuals loan portfolio in foreign currencies, %	-0.73	2.50	-1.52	-1.12	-1.88	-1.79	-2.02	-1.38	-1.93	-1.59	-1.32	-1.39	-0.43

Diagram 30

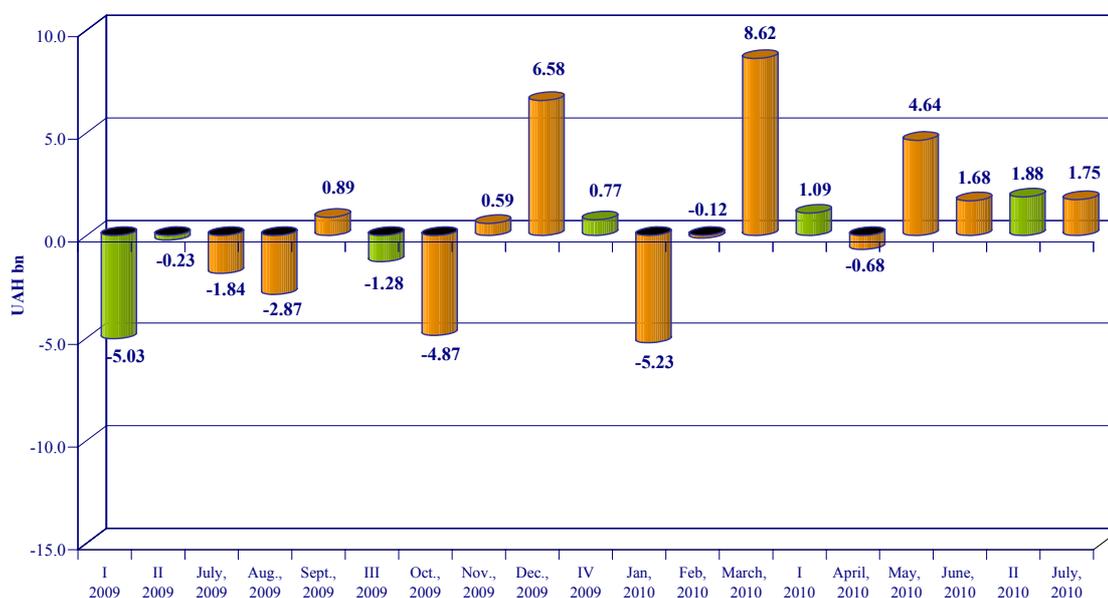
## Changes in the Amount of Legal Entities Deposit Portfolio



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities deposit portfolio, UAH bn	116.46	115.57	115.92	112.72	112.50	116.55	112.32	109.27	118.09	118.76	123.55	123.34	126.93
Growth rate of legal entities deposit portfolio, %	-1.24	-0.77	0.30	-2.76	-0.20	3.60	-3.63	-2.72	8.08	0.56	4.03	-0.17	2.91

Diagram 31

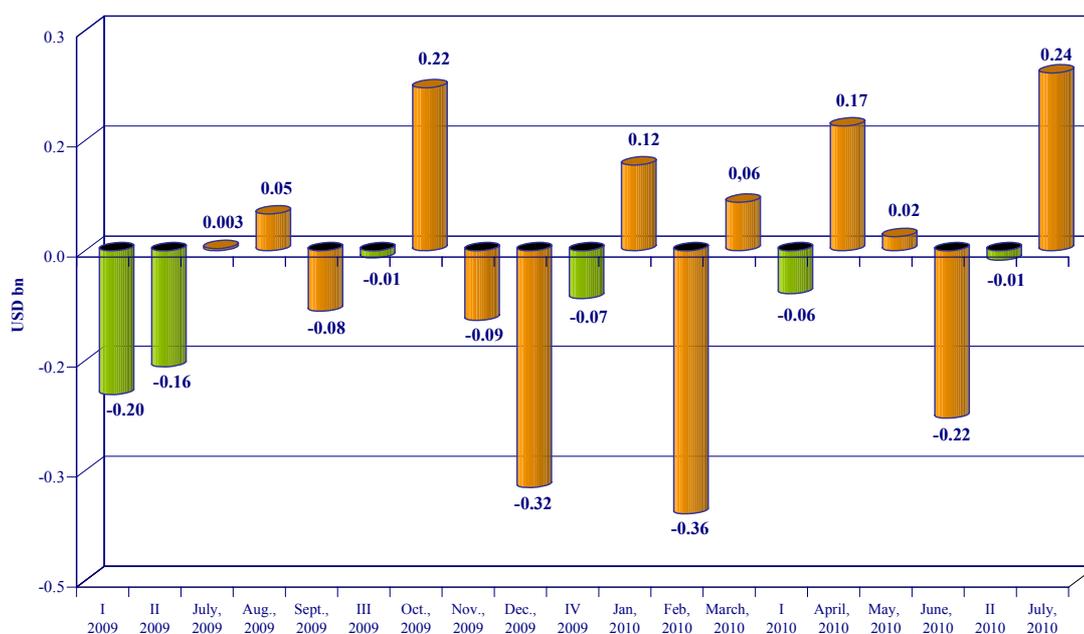
## Changes in the Amount of Legal Entities Deposit Portfolio in the National Currency



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities deposit portfolio in national currency, UAH bn	74.68	71.81	72.70	67.83	68.42	75.00	69.77	69.65	78.27	77.59	82.23	83.91	85.66
Growth rate of legal entities deposit portfolio in national currency, %	-2.41	-3.84	1.24	-6.69	0.87	9.62	-6.97	-0.18	12.39	-0.87	5.97	2.05	2.08

Diagram 32

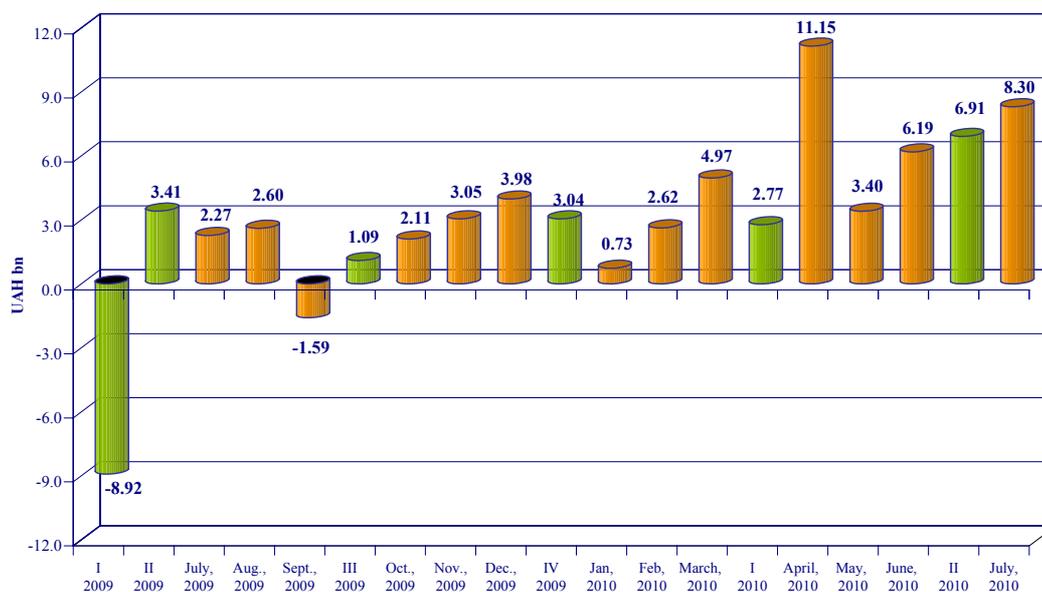
## Changes in the Amount of Legal Entities Deposit Portfolio in Foreign Currencies



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Legal entities deposit portfolio in foreign currencies, USD bn	5.43	5.48	5.40	5.62	5.52	5.20	5.32	4.96	5.02	5.19	5.21	4.99	5.23
Growth rate of legal entities deposit portfolio in foreign currencies, %	0.94	4.74	-1.25	3.86	-1.80	-5.74	2.39	-6.88	0.51	3.39	0.37	-4.60	4.68

Diagram 33

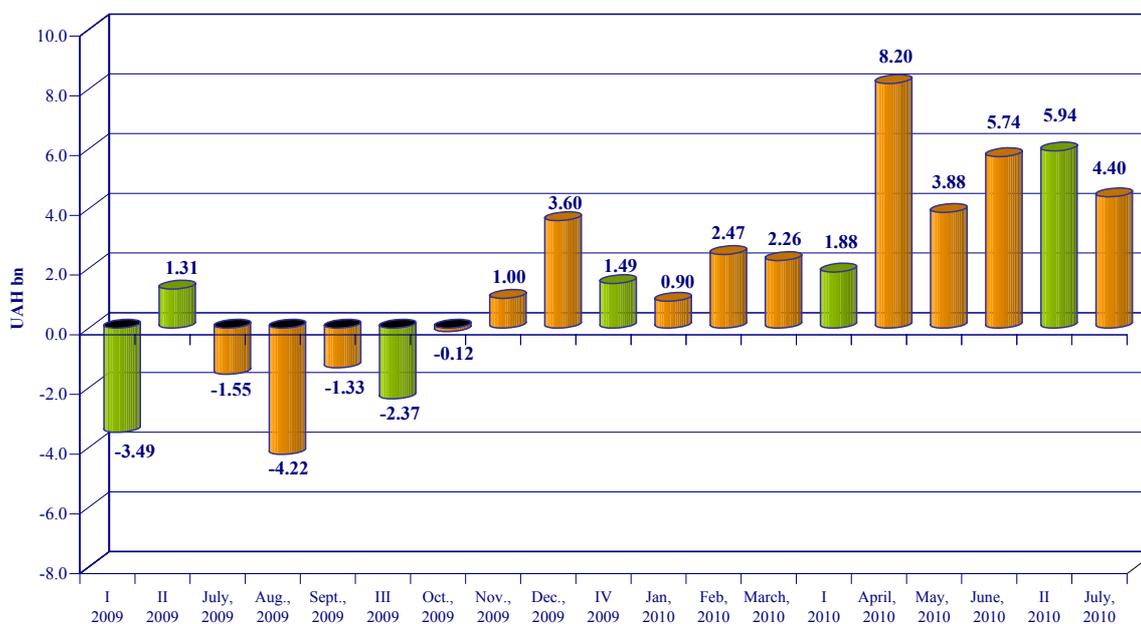
### Changes in the Amount of Individuals Deposit Portfolio



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Individuals deposit portfolio, UAH bn	201.30	203.90	202.31	204.42	207.47	211.45	212.18	214.80	219.77	230.92	234.32	240.51	248.81
Growth rate of individuals deposit portfolio, %	1.14	1.29	-0.78	1.04	1.49	1.92	0.35	1.24	2.31	5.07	1.47	2.64	3.45

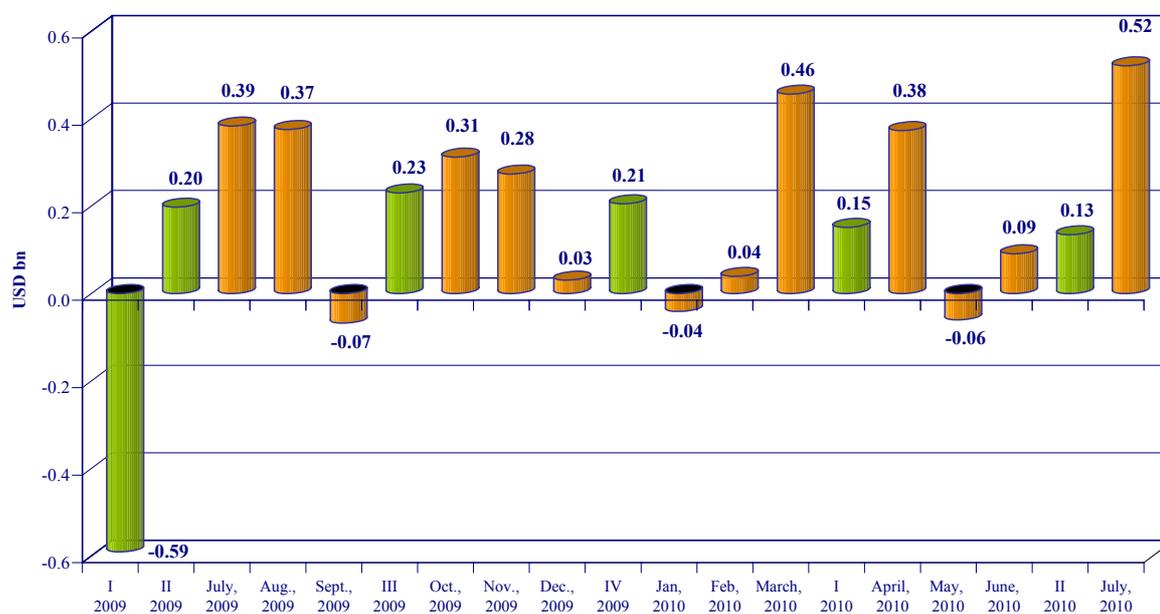
Diagram 34

### Changes in the Amount of Individuals Deposit Portfolio in the National Currency



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
Individuals deposit portfolio in national currency, UAH bn	99.87	95.65	94.32	94.20	95.20	98.80	99.70	102.17	104.43	112.63	116.51	122.25	126.65
Growth rate of individuals loan portfolio in national currency, %	-1.52	-4.23	-1.39	-0.12	1.06	3.78	0.91	2.48	2.22	7.85	3.44	4.93	3.60

## Changes in the Amount of Individuals Deposit Portfolio in Foreign Currencies



Indicator	01.08.09	01.09.09	01.10.09	01.11.09	01.12.09	01.01.10	01.02.10	01.03.10	01.04.10	01.05.10	01.06.10	01.07.10	01.08.10
<b>Individuals deposit portfolio in foreign currencies, USD bn</b>	13.18	13.55	13.48	13.79	14.07	14.10	14.06	14.10	14.55	14.93	14.87	14.96	15.48
<i>Growth rate of individuals deposit portfolio in foreign currencies, %</i>	3.91	6.73	-0.24	2.06	1.86	0.33	-0.15	0.14	2.40	2.56	-0.40	0.38	3.30