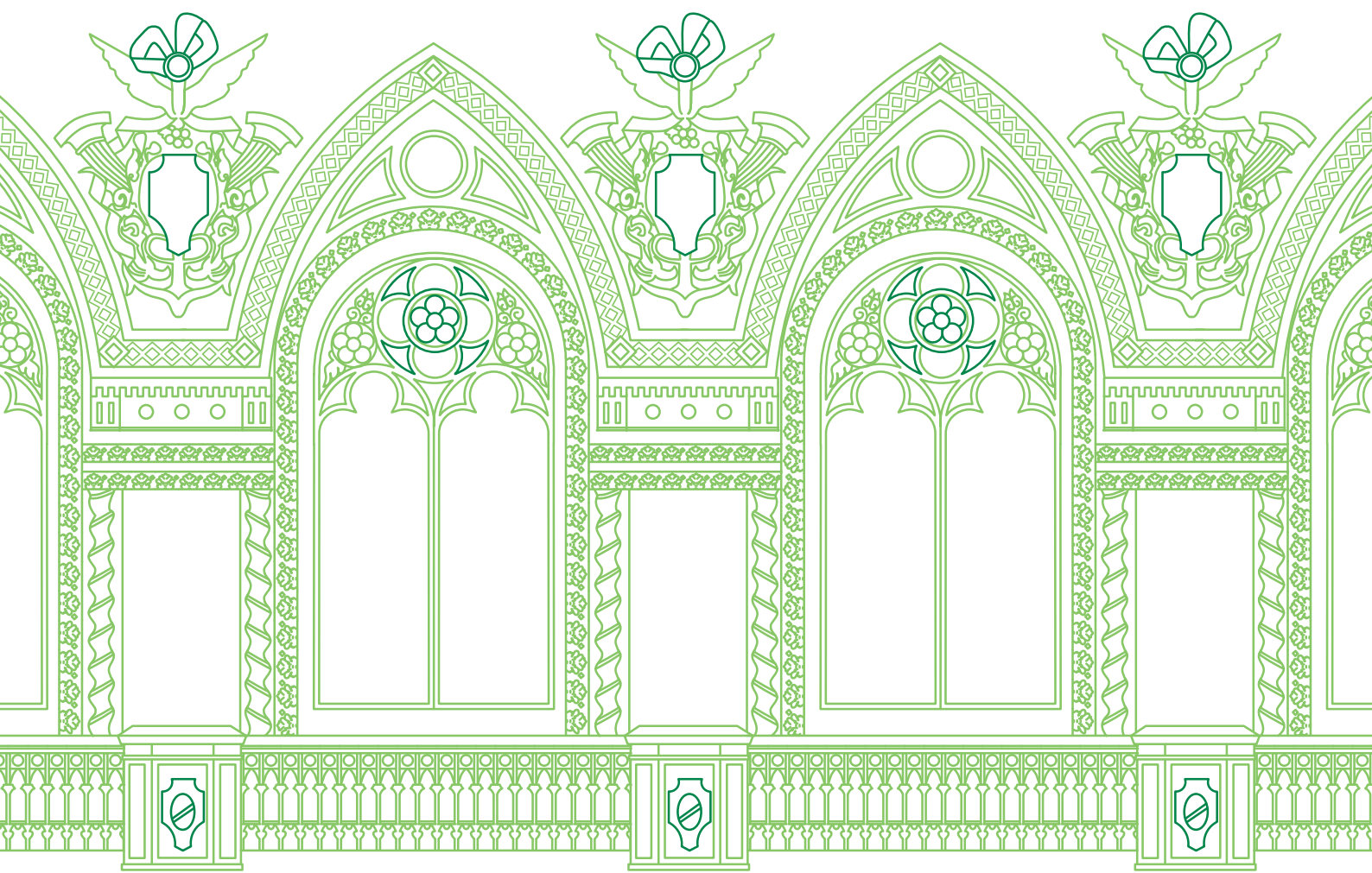




National Bank
of Ukraine

OPEN. INDEPENDENT. MODERN





MISSION of the National Bank of Ukraine

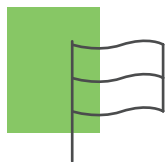
To ensure price and financial stability,
contributing to Ukraine's sustainable
economic development



VISION of the National Bank of Ukraine

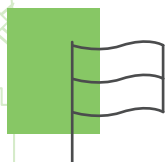
A modern, open, and independent
central bank enjoying public trust
and integrated into the European
community of national central banks

VALUES of the National Bank of Ukraine



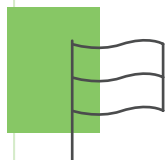
Patriotism

We act for the benefit of the nation and society.



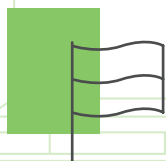
Professionalism

We are focused on results, strive for perfection, and create a favorable environment for the development and sharing of new ideas.



Transparency

We are consistent and logical in decision-making, open, and responsible.



Integrity

We are honest and profoundly principled, we understand and respect diversity of ideas and views, and always observe ethical business standards.



Partnership

We support dialogue and partnership, we have a common vision, and we work together to implement the NBU's mission.



KEY TASKS OF THE NATIONAL BANK OF UKRAINE



PRICE STABILITY



Delivering price stability is the primary objective of the NBU. In order to achieve this, the NBU operates according to an inflation targeting framework. The NBU's monetary policy steers toward gradually bringing inflation down to the medium-term inflation target of 5%.

The key policy rate is the main monetary policy tool for achieving low and stable inflation. By altering the key policy rate, the NBU influences the interest rates set by banks and therefore the value of money and inflation.

The focus of the NBU on ensuring price stability implies a floating exchange rate regime. This means that the NBU does not aim to maintain the exchange rate at a certain level. When conducting FX interventions, the NBU doesn't counteract the underlying trends determined by market forces, however it ensures that excessive hryvnia exchange rate volatility is smoothed out, and international reserves are accumulated.

**The NBU pursues
transparent
and independent
monetary policy**

FINANCIAL STABILITY



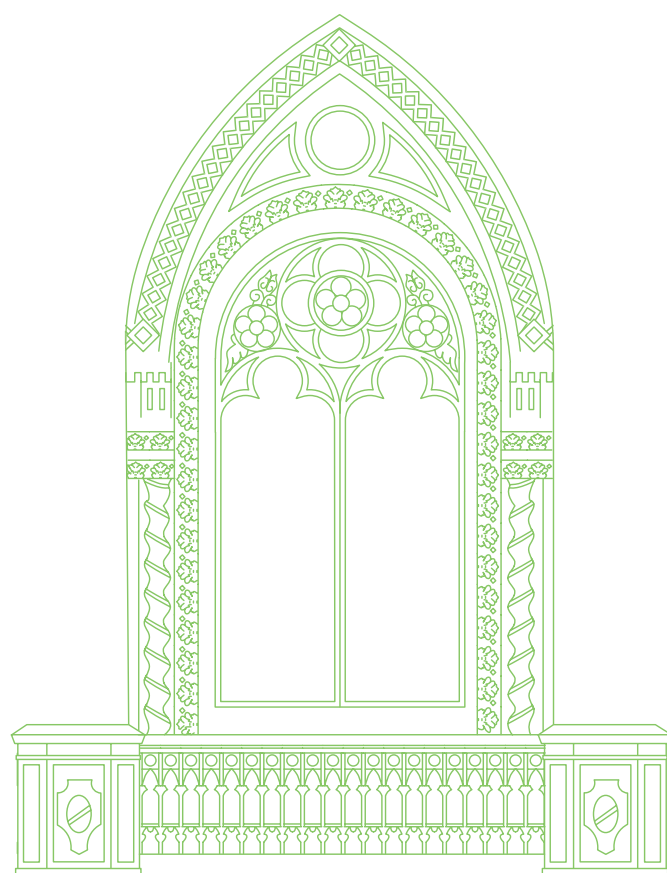
Promoting financial stability is the second key part of the NBU's mandate after ensuring price stability. To this end, the NBU has the authority to regulate, license and supervise banks, and payment and settlement systems. It aligns its approaches with best international practices.

The NBU is paying increasing attention to the financial system as a whole, analyzing and mitigating systemic risks to financial stability. In 2018, the NBU published its Macroprudential Policy Strategy, which outlined its objectives, tentative toolkit, and current policy focus, thus increasing its transparency.

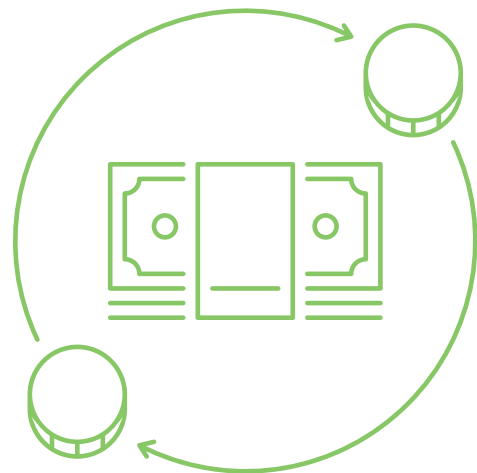
At the micro level, the NBU has now shifted to an effective, risk-based banking supervision mode, and has banned fraudulent practices. Since the cleanup in 2014–2017, the banking system has enjoyed a steady recovery.

The NBU shares responsibility for maintaining financial stability with the Ministry of Finance, the National Securities and Stock Market Commission, the National Commission for the State Regulation of Financial Services Markets, and the Deposit

Guarantee Fund. In March 2015, a Financial Stability Council comprised of heads of these regulators was established by presidential decree. The NBU governor and the finance minister co-chair the council, and the NBU supports and coordinates its functioning.



EFFICIENT PAYMENT SYSTEMS



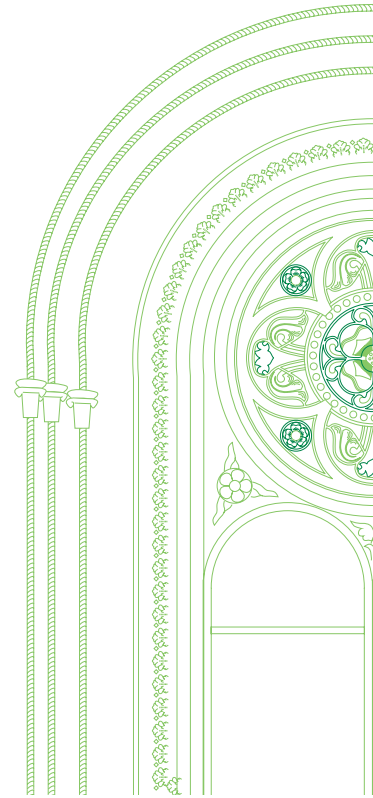
The NBU is the sole institution authorized to issue the domestic currency, the hryvnia. The NBU controls cash in hryvnias throughout its lifecycle to ensure its maximum convenience and security for the public. The hryvnia is a highly secured currency, that is less likely to be counterfeited than other currencies. Thus, in 2018, for every million authentic hryvnia banknotes there were 2.5 counterfeits, while in the EU states this figure was 27 forged banknotes for every million euros (according to the official website of the European Central Bank).

The NBU has the authority to ensure that electronic payments are not disrupted and that customers can pay for goods and services in the most convenient way. The regulator is responsible for the stable operation of the payment system in the country. It controls the payment infrastructure and oversees the operation of payment systems. Another responsibility of the NBU is to introduce cutting-edge cashless technologies in Ukraine.

**Hryvnia is
a highly secured
currency that
is less likely to be
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than other
currencies**



MILESTONES



20 March
1991

**Law of Ukraine
On Banks and
Banking**

The decision on establishing the National Bank of Ukraine of the basis of the Ukrainian Republican Office of the State Bank of the USSR (Resolution of the Verkhovna Rada of Ukraine No. 873-XII)

7 October
1991

Approval of the Articles of Association of the NBU (Resolution of the Presidium of the Verkhovna Rada of Ukraine No. 1605-XII)

3 September
1992

Membership of the IMF and the World Bank

5 January
1993

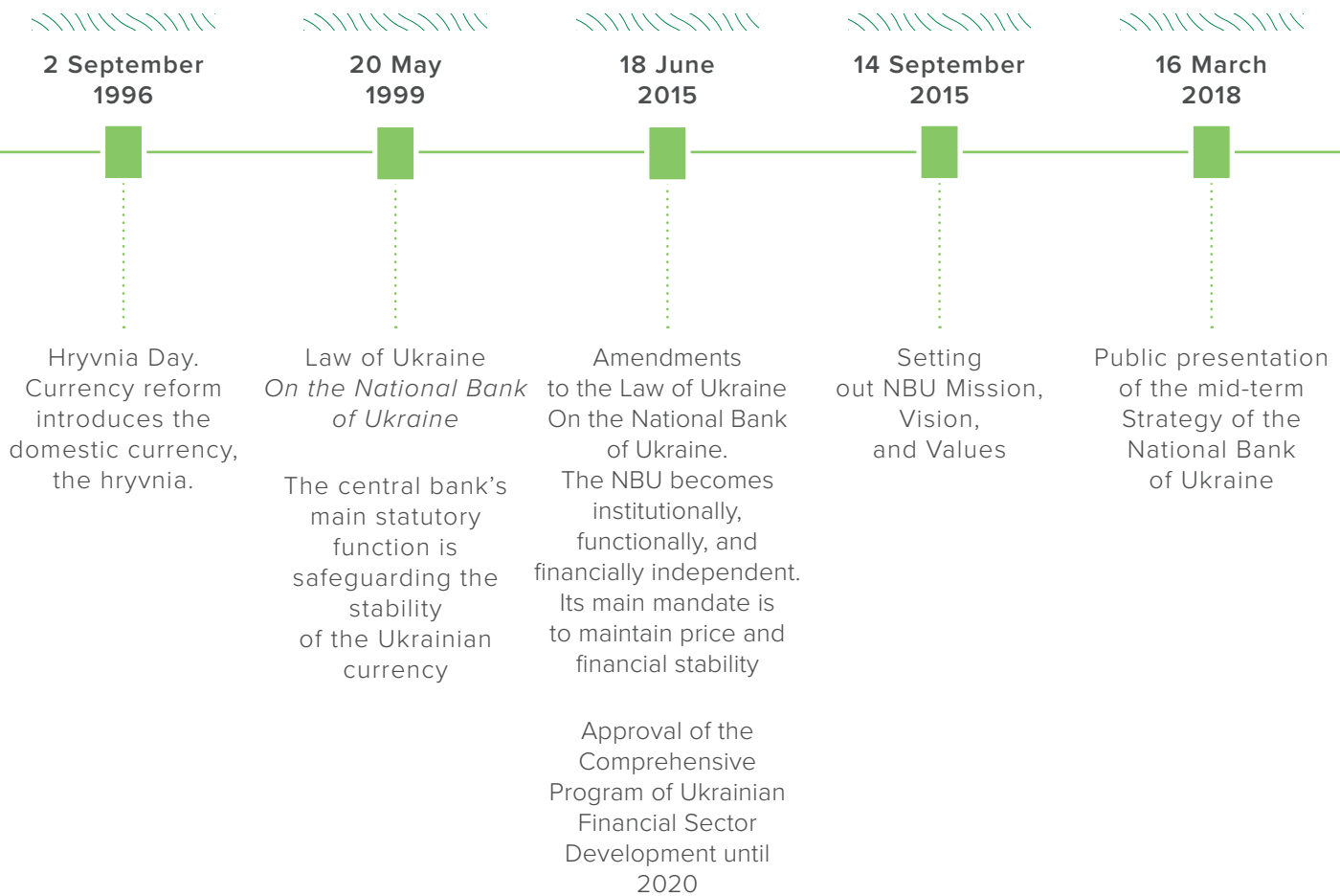
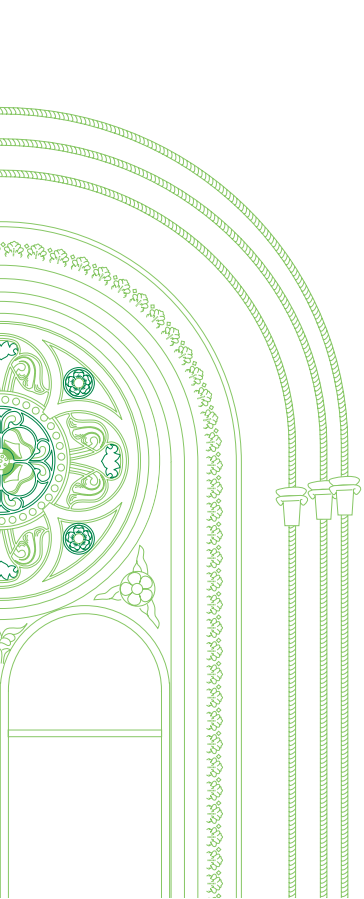
Launch of the System of Electronic Payments

28 June
1996

The hryvnia is stipulated to be the currency of Ukraine in the Constitution of Ukraine.

The appointment of the NBU Council. The Council of the National Bank of Ukraine is assigned to draft and control the implementation of the Monetary Policy Guidelines.





NATIONAL BANK OF UKRAINE

A NEW ERA IN THE NBU'S HISTORY

A new era in the NBU's history began after the victory of the Revolution of Dignity. In 2014, a new team took the helm at the NBU. Having a clear vision, the new team managed to keep the situation on the financial market under control, despite there being a severe political and economic crisis, and was able to commence full-scale reform of the financial sector. The Comprehensive Program of Ukrainian Financial Sector Development until 2020 charted out the roadmap for reform.



In recent years, renowned experts from various fields of economics have joined the NBU. At present, a project to improve the regulator's employer brand is underway. The project aims to make the institution more appealing to the brightest and most experienced professionals.

Some achievements (2014–2019):

decrease in inflation from **60.9% in 2015 to 8.6% in Q1 2019** through the new and effective monetary policy of inflation targeting.

a 100% reliable and transparent banking system: requirements on banks and reporting standards brought into line with international practice.

an increase in international reserves from USD 5.6 million (1 March 2015) to USD 20.6 billion (1 April 2019), in particular due to abandoning the fixed exchange rate regime, which had caused a misbalance in the economy and depleted its international reserves.

the NBU **gained global recognition after establishing** the regular cooperation with key international partners: the IMF, the World Bank, and the EBRD.

the NBU has been **transformed into a modern and efficient** institution.

NBU STRATEGY

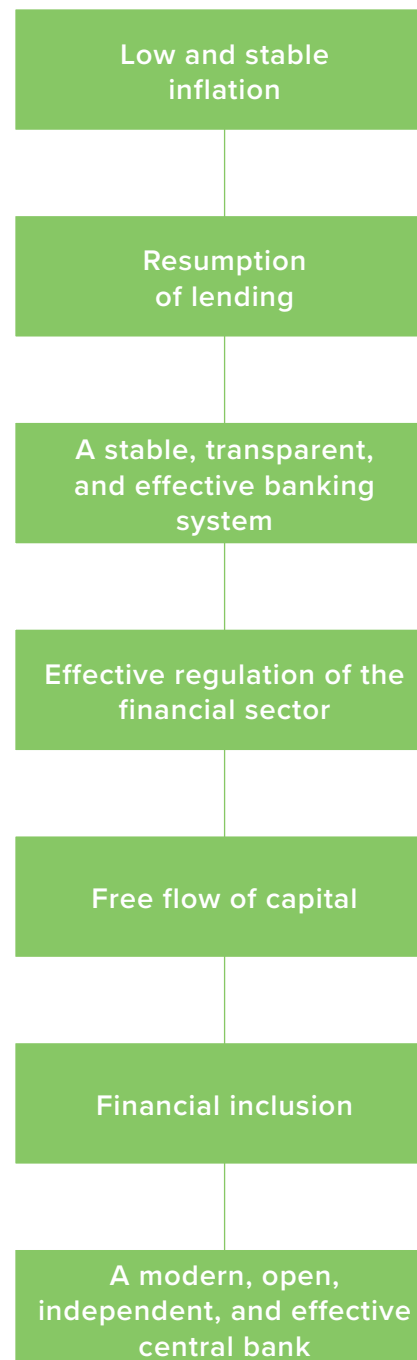
In January 2018, the NBU for the first time presented its strategy, setting out clear goals and the respective achievement criteria.

The implementation of the Strategy covers seven areas of development. Six out of the seven goals are external and aimed at meeting the needs of financial ecosystem participants. One of their prerequisites is to ensure the high institutional capacity of the central bank, which is the seventh, internal goal.

According to the Strategy, the NBU draws up an annual Action Plan and determines its key projects.

According to the Strategy, the NBU draws up the annual Action Plan and determines the key projects

Strategic Goals



INTERNATIONAL EFFORTS

The NBU cooperates with international community with the purpose of enhancing the stability of Ukraine's financial system, and driving reforms. While integrating into the global financial community and drawing closer to the European Union, the NBU is coordinating its actions with international institutions.



The NBU also cooperates with international and European institutions and donors to implement technical assistance projects for Ukraine's financial sector. Furthermore, the NBU is gradually turning into an expertise hub, sharing its best practices with other central banks.

The NBU's international cooperation focuses on the following main areas:

- 1 European integration: the NBU is implementing over 20 EU acquis acts, in line with EU-Ukraine Association Agreement
- 2 membership of eight international field-specific unions, initiatives and organizations
- 3 bilateral cooperation: agreements with central banks and financial regulators of 38 countries
- 4 cooperating with international financial institutions such as the International Monetary Fund (IMF), the World Bank Group, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Black Sea Trade and Development Bank, and the Bank for International Settlements (BIS)
- 5 working with international investors

TRANSPARENCY AND ACCOUNTABILITY

An effective communications policy is a key tool in carrying out the NBU's mission of ensuring price and financial stability. The management of inflation expectations, which can be guided through effective communications, is an instrument that helps the central bank implement its mandate.

The NBU, similar to other central banks, publishes regular reports, such as the Financial Stability Report and the Inflation Report, and hosts public events for the media and the banking and expert communities. Furthermore, the NBU actively communicates with the Verkhovna Rada of Ukraine, ministries, agencies and other state authorities within its remit and for the purpose of performing its functions.

At the same time, the NBU is tracking global trends in communications and developments in the digital field, so as to build a broad dialogue with the public, without intermediaries.

Along with the large-scale reforms of the banking sector and the transformation of processes within the central bank, there is a burning need for visual compliance with these developments. Thus, in 2018, the NBU took on a new visual identity:

relinquishing archaic symbols while preserving the heritage of its main feature, the hryvnia.

More trust in the NBU and the banking system, the enhanced impact of NBU policy on the behavior of its target audience, as well as less uncertainty in the economy through the disclosure of information required for informed decision-making, are the main goals of the NBU's Communications Strategy.



TRANSPARENCY AWARD AS THE PROOF OF HIGH STANDARDS OF COMMUNICATION

On 13 March 2019, for the first time, the NBU received the prestigious international Central Banking Transparency Award for making strong progress in improving its transparency and advancing communication with stakeholders. The prize is awarded to the most successful central banks.

According to the Central Banking Awards, since 2014, the NBU has faced numerous problems, including the conflict in Ukraine's east, increased inflation, and a malfunctioning banking system. Under these conditions, the central bank could have been tempted to withhold all information and even make itself less transparent. But the NBU opted to do just the opposite.

The NBU significantly expanded the scope of the information it publishes, and is working hard to make this information accessible, intelligible and available in a timely manner to everyone who needs it, the Central Banking Awards said in its statement.



**On 13 March 2019,
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the NBU received
the prestigious
international
award**

MONEY MUSEUM

The exhibitions at the NBU's Money Museum are dedicated to the history of the development of the domestic currency, the hryvnia, from a unit of counting and weight in the 9th century, to silver bullion in 11–13th centuries, and from the first hryvnias issued by the Ukrainian People's Republic (1917–1920) to today's money. Here you can also find an exclusive collection of Ukrainian commemorative coins minted by the NBU.

Visits to the NBU's Money Museum are free of charge. You can register for a tour on the NBU's web-site.

In 2022, the NBU intends to open an Information and Communications Center located in the historical center of Kyiv, at Kontraktova Ploshcha.



Learn more about the NBU
on the web-site



Annual Report 2018

