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FORMATION OF THE RESOURCE BASE OF BANKING INSTITUTIONS DURING

ФОРМУВАННЯ РЕСУРСНОЇ БАЗИ БАНКІВСЬКИХ УСТАНОВ В УМОВАХ НЕВИЗНАЧЕНОСТІ

Анотація: *У статті досліджено формування ресурсної бази банків України в умовах війни. Здійснено аналіз впливу основних чинників на динаміку пасивів банків, регуляторну політику НБ України. Обґрунтовано, що фінансова стійкість банків у воєнний період стало можливим завдяки запровадженню системи антикризових інструментів, серед яких ключову роль мали гарантії вкладів, обмеження валютних операцій, механізми рефінансування та облікова ставка. Доведено, що депозити є основним джерелом ресурсної бази банків; розроблено рекомендації щодо її зміцнення.*

Abstract: *This study explores how Ukrainian banks have adjusted their funding strategies during the full-scale war that began in February 2022. The research focuses on key factors that influenced changes in the structure of bank liabilities, such as shifts in depositor behavior, monetary policy responses by the National Bank of Ukraine, inflows from international partners, and the transformation of deposits by currency and maturity.*

The resilience of the banking system is attributed to swift and targeted stabilization measures — particularly the expansion of deposit insurance for individuals, restrictions on currency transactions, improved access to central bank *liquidity, and interest rate adjustments aimed at preserving financial stability. The findings highlight the central role of customer deposits, with substantial growth in hryvnia-denominated accounts and a stronger market position for state-owned banks. Additionally, the issuance of patriotic savings products supported wartime funding needs.*

At the same time, the research points to ongoing challenges, including dependence on short-term resources, gradual decline in foreign currency deposits, and increasing competition from government bonds. Empirical data show that total client deposits grew by more than 85% during the war period, while hryvnia savings gained significant momentum.

Based on these findings, the study suggests policy directions to improve funding resilience: diversification of deposit portfolios, lengthening of funding terms, engagement with the Ukrainian diaspora, and digital tools to enhance remote deposit attraction.
Keywords: *banking resource base, capital, resource formation, deposit policy, currency, structure of deposits, financial stability of banks, foreign exchange expectation risks, liquidity*

Ключові слова: *ресурсна база банків, капітал, формування ресурсів, депозитна політика, валютна структура депозитів, фінансова стійкість банків, ризики валютних очікувань, ліквідність*

Problem Statement. The resource base of the banking system serves as the foundation of a country's financial stability, particularly under conditions of profound macroeconomic shocks. Russia's full-scale military aggression against Ukraine, which began in February 2022, posed a serious threat to the integrity and reliability of the domestic banking sector. In the first weeks of the war, there was a significant outflow of funds from banks, a surge in demand for cash and foreign currency, and a decline in public and business trust in financial institutions. Nevertheless, Ukraine's banking system not only withstood these challenges but also demonstrated the capacity to swiftly restore stability and strengthen its resource base.

As of early 2025, the volume of client deposits in banking institutions exceeded the pre-war level by more than 85%. Following a sharp downturn in 2022, time deposits began to recover gradually. This improvement was largely driven by regulatory measures introduced by the National Bank of Ukraine. Moreover, substantial volumes of budgetary support and international aid contributed to stabilizing the banking resource base. Thus, the formation of sustainable and long-term funding for the banking system under wartime conditions emerges as a key task influencing the country's ability to finance post-war recovery.

However, a high level of liquidity does not in itself ensure the structural balance of the banking resource base — particularly in the context of growing foreign exchange expectations, dedollarization trends, limited investment demand, and competition from government securities. Given these challenges, it is especially important to analyze the transformation of the resource base of Ukrainian banking institutions during 2022–2024 and identify the instruments that influenced its preservation, diversification, and development [1; 2; 5].

Analysis of Recent Research and Publications. The issue of the stability of banks' funding sources under crisis conditions has been studied by both Ukrainian and international researchers. In Ukrainian academic discourse, the adaptation of banks to wartime conditions was examined in the works of Boyko S.V. and Herasymenko D.D., who emphasized the dynamics of client funds and the dominance of short-term funding in 2022 [1]. Rumyk I., Boyko A., and Shylko I. systematized changes in the structure of bank liabilities and the increase in liquidity ratios during 2022–2023, highlighting the impact of monetary policy on the formation of long-term liabilities [2].

Analysts from the international German Economic Team (Poluschkin G., Repko M., Kirchner R.) noted the exceptional resilience of Ukraine's banking system as early as May 2022, despite asset losses in temporarily occupied territories, and emphasized the effectiveness of regulatory measures [3]. Stoyka V. analyzed the shift in the currency structure of deposits over 2022–2023, identifying dedollarization as a key trend [4].

Official publications by the National Bank of Ukraine — the Financial Stability Report (December 2024) and Annual Report 2023 — provide detailed statistics on the evolution of deposits, currency structure, deposit maturity terms, and liquidity levels in the banking sector [5; 8]. During the KROK 2024 conference, Boyko A. and Rumyk I. presented innovative tools to strengthen the deposit base, including the use of premium yield curve instruments and strategies to promote long-term savings. At the same time, modern approaches have emerged regarding the strategic role of banks in mobilizing financial resources under unstable conditions.

Identification of Previously Unresolved Aspects of the General Problem.
Despite the availability of numerous studies, a comprehensive analysis of the formation of the banking resource base under conditions of war and uncertainty—taking into account macroeconomic, monetary, and behavioral factors—has not yet been sufficiently conducted. Most publications focus on the short-term period of 2022 and do not reflect the structural shifts that occurred during 2023–2024, particularly the impact of the gradual liberalization of the foreign exchange market, changes in deposit rates, and competition from government securities.

Insufficient attention has been paid to the effectiveness of banks' measures aimed at promoting time deposits, the role of governmental and international programs in shaping a stable core funding base, and the development of new approaches to resource diversification in the context of post-war reconstruction.

Therefore, there is a clear need for a generalized analysis of the transformation of the resource base of Ukrainian banking institutions in 2022–2024, with an emphasis on identifying the main sources of funding, assessing their structure, maturity, currency composition, and future development prospects.

Research Objective. The objective of this study is to conduct a comprehensive analysis of the processes of formation, transformation, and structural changes in the resource base of Ukrainian banking institutions under the conditions of the full-scale war that has persisted since 2022. During martial law, the banking system faced unprecedented challenges: a rapidly changing macro-financial environment, currency and interest rate restrictions, risks of depositor trust erosion, and an increased role of the state as both a creditor and a guarantor of deposits. Within this context, it is highly relevant to investigate how banks have adapted their mechanisms for attracting financial resources, how the sources of funding have evolved, how the maturity and currency structure of liabilities have shifted, and what measures have supported the financial resilience of the banking system.

The study aims to identify the key stages of transformation of the banking resource base during 2022–2024, compare the structure of deposit funding before and during the war, and determine the key factors that influenced depositor behavior, including changes in adjustments to the key interest rate, full government guarantees on deposits, the deployment of military bonds, and external financial support. A central aim is to evaluate how effectively the National Bank of Ukraine utilized these tools to maintain funding stability.

Furthermore, the study aims to create suggestions for enhancing the banking resource base's quality and growth stage, especially by bringing in financial tools that encourage extended family savings, merging the deposit market with Main Research Results Exhibition.

Presentation of the Main Research Findings. The creation of the financial foundation for Ukrainian banks during the war was a complex task, involving the banks' own financial plans, the NBU's rules, how people put their money in banks, and broader economic and political influences. After February 24, 2022, banks experienced a rapid withdrawal of customer money, a higher need for cash, a major drop in long-term savings, a change in public interest towards foreign currency options, In the early stages of the conflict, people quickly took out money from their savings accounts because they were unsure, worried about the banking system failing, and needed cash on hand for sudden or unexpected expenses — like moving to To tackle the emergency, the central bank set moderately high war-time restrictions on cash withdrawals. Temporary caps at UAH 100,000 daily allowed customers to address their immediate monetary requirements. Also, limits on taking out foreign money were relaxed. Quick and efficient measures by the overseer and business banks led to a rapid fix of money supply problems at the start of the conflict.

Prompt and effective actions by the regulator and commercial banks allowed for a swift resolution of cash availability issues in the early days of the war. Within a relatively short period, funds began returning to bank deposit accounts, initiating a growth trend that signaled a resurgence of public trust in the banking system despite wartime risks [9].

In the second quarter of 2022, the banking system demonstrated signs of stabilization, driven by the introduction of a 100% government guarantee on individual deposits and the coordinated actions of the NBU in foreign exchange regulation and liquidity support. At the same time, the recovery in client funds had its particularities: the primary source of growth was demand deposits, especially those held in current accounts.

Table 1. **Dynamics of Deposit Structure by Maturity, 2019–2024**

Year	On Demand		Up to 1 Year		Over 1 Year		Total (UAH ths.)
	UAH.ths.	%	UAH.ths.	%	UAH.ths.	%	
2019	960 000	52,89	570 000	31,40	285 000	15,70	1 815 000
2020	1 105 000	53,82	630 000	30,69	318 000	15,49	2 053 000
2021	1 130 000	52,82	655 000	30,61	354 500	16,57	2 139 500
2022	1 250 000	66,00	500 000	26,40	143 851	7,60	1 893 851
2023	1 354 000	56,53	610 000	25,47	431 074	18,00	2 395 074
2024	1 515 000	54,54	665 000	23,94	597 686	21,52	2 777 686

Source: based on NBU`s data [5]

Time deposits remained less attractive due to a relatively small maturity premium and clients' preference for liquidity and flexibility. The share of time deposits in banks' liabilities declined from 42% in 2021 to 31% in 2024, indicating a weakening of banks' long-term funding capacity [2].

Table 2. **Dynamics of Deposits by Sector (UAH / FX), 2019–2024**

Year	Households		Enterprises		Government		Total (UAH ths.)
	UAH	FX	UAH	FX	UAH	FX	
2019	1 025 000	25 000	630 000	85 000	38 000	12 000	1 815 000
2020	1 280 000	32 000	800 000	88 000	40 000	13 000	2 053 000
2021	1 415 000	33 500	830 000	90 000	41 000	14 000	2 139 500
2022	1 045 731	27 862	703 538	95 185	56 952	24 129	1 893 851
2023	1 228 546	32 837	1 031 122	164 300	67 182	27 059	2 395 074
2024	1 381 875	40 411	1 227 642	212 381	77 213	31 326	2 777 686

Source: based on NBU`s data [5]

The growth of demand and short-term deposits reflects households' preference for flexible management of their savings in a context of heightened uncertainty. While long-term savings have continued to decline, the general government sector recorded the most pronounced growth in deposit volumes.

The most significant increase in deposit volumes occurred in the general government sector, primarily due to international financial support provided to Ukraine during the war. Household deposits continue to make up the largest share of total deposits. The dominant portion of deposits remains denominated in the national currency, indicating a sustained level of trust in the hryvnia, even in the context of low interest rates [9].

Table 3. **Dynamics of Hryvnia and Foreign Currency Deposits, 2019–2024**

Year	Hryvnia Deposits (UAH ths.)	Foreign Currency Deposits (UAH equivalent, ths.)
2019	1 030 450	350 000
2020	1 296 318	390 000
2021	1 448 500	402 000
2022	1 569 269	324 582
2023	1 732 728	369 059
2024	1 942 508	395 178

Source: based on NBU`s data [5]

Deposits across the banking sector have shown strong and sustained growth. At the start of 2022, client assets totaled about UAH 1.5 trillion, rising to UAH 2.4 trillion in 2023 and reaching nearly UAH 2.78 trillion by early 2025. Hryvnia-denominated deposits from households increased by more than 70% during this period, while business deposits rose by nearly 30%, reflecting renewed confidence in the banking system and a gradual return of liquidity to the real economy [5].

At the same time, a process of dedollarization was observed: the share of foreign currency deposits declined from 37% in 2021 to 33% in 2024. This trend was driven by the fixed exchange rate policy, restrictions on foreign currency transactions, and the more favorable returns on hryvnia-denominated instruments. Simultaneously, banks adapted their deposit products to match depositor expectations — particularly in the context of prolonged wartime conditions and concerns over potential loss of purchasing power [4].

Table 4. **Heat Map of Financial Market Risks, 2017–2023**

Risks	2017	2018	2019	2020	2021	2022	2023
Macroeconomic							
Credit (Households)							
Credit (Corporate)							
Capital							
Profitability							
Liquidity							
Foreign Exchange							
Average Risk Level							

Heat Map Legend

Low Risk Level	High Risk Level

Source: composed by author based on [5-9]

The Tier 1 capital adequacy ratio remained above 20% throughout the period, indicating strong capitalization. At the same time, banks placed large sums in correspondent accounts and NBU deposit certificates, which reduced the immediate need for costly funding. While this provided operational flexibility, it also introduced structural risks associated with passive liabilities [5].

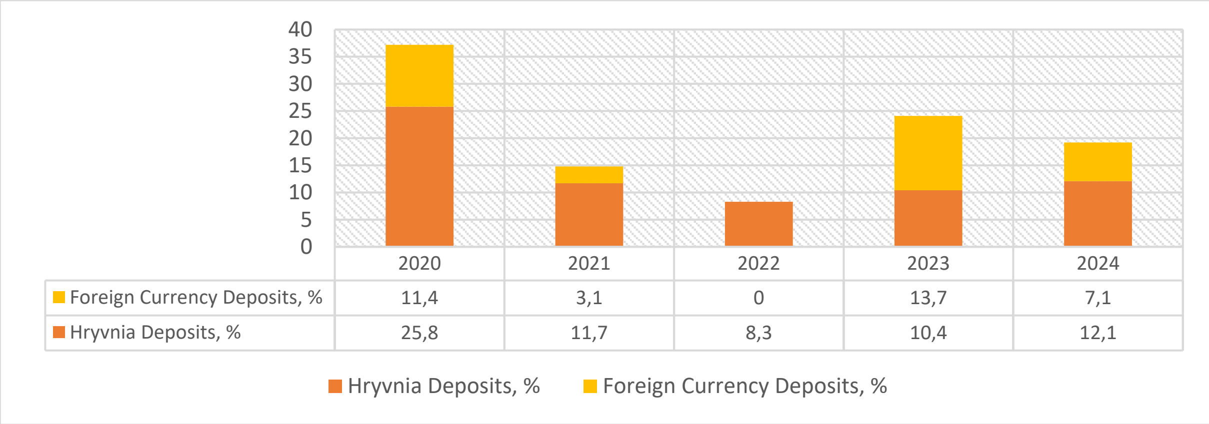

Fig. 1. Deposit Growth Rate (%) for 2020–2024

Source: based on NBU`s data [5]

An important component of the banks' resource base became wartime domestic government bonds (OVDPs), which were actively purchased by both individuals and businesses. As of October 2024, the portfolio of war bonds serviced by banks exceeded UAH 59 billion. Banks acted not only as infrastructure providers for these instruments but also integrated them into their own products (e.g., deposits with the option to purchase OVDPs) [7].

The role of the state in mobilizing funds through social payments channels is also worth emphasizing. In 2023, more than UAH 700 billion in budget transfers were allocated for pensions, support for internally displaced persons (IDPs), military salaries, and other social programs — most of which were distributed through bank accounts. As a result, banks actively involved in servicing government programs (particularly state-owned banks) received a steady inflow of funds. This effect can be regarded as an indirect form of budgetary support for banking system liquidity [6].

The banking sector's resilience during the war was largely the result of the regulator's timely and measured response to market pressures. In the early days of the invasion, the National Bank of Ukraine introduced a strict currency control regime, including a fixed exchange rate, bans on purchasing foreign currency from current accounts, and withdrawal limits. These actions significantly reduced capital flight and helped retain hryvnia liquidity. Additionally, in 2022–2023, the NBU offered flexible refinancing options and raised the key policy rate to a record-high level of 25% starting from June 2022. [5].

As part of its banking system support efforts, the NBU also raised interest rates on its own deposit certificates, offering an alternative placement tool for banks with excess liquidity. From September 2022 to August 2023, the daily volume of deposit certificates exceeded UAH 200 billion, which eased pressure on the interbank market and reduced the risk of overheating [5]. It is noteworthy that banks had little incentive to aggressively attract "expensive" term deposits, as the regulator effectively limited their risk exposure within the framework of its interest rate policy. As a result, the banking system maintained high liquidity and control over the maturity structure of liabilities.

The National Bank of Ukraine raised reserve norms for funds held in both hryvnia and foreign currency demand and current accounts, prompting banks to reconsider their funding strategies and focus more on attracting longer-term deposits. [9].

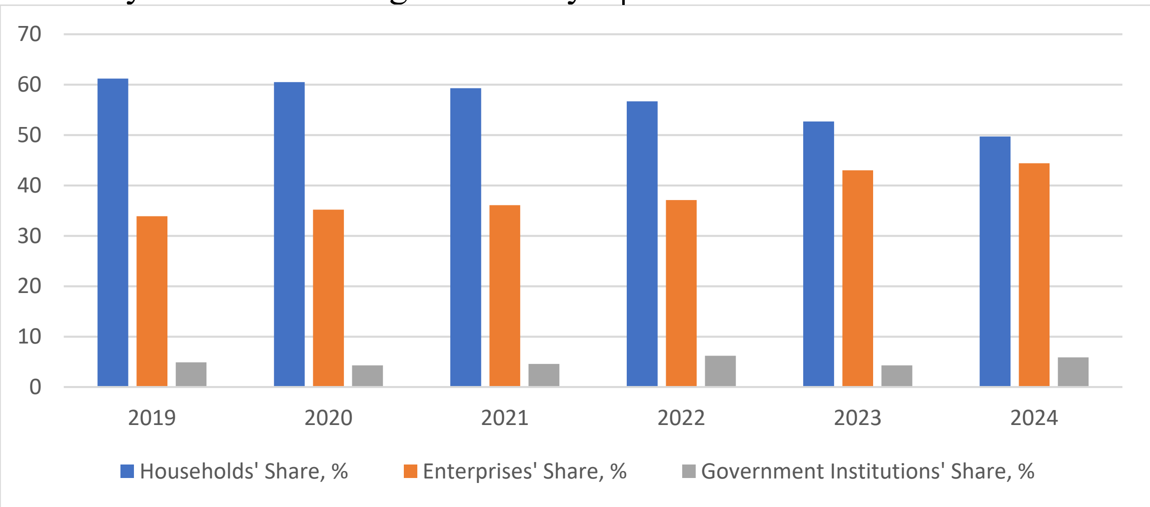

Fig. 2. Sectoral Share in Total Deposit Volume, 2019–2024

Source: based on NBU`s data [5]

Throughout 2023, banks also changed their method to focus on particular funding areas. Banks actively involved themselves with soldiers, people forced to leave their homes, those receiving social help, and global assistance. This customer group showed good payment habits and growing account totals. Also, numerous state and business banks launched new saving options tied to military aid (such as accounts that allocate a part of interest to the Armed Forces, "Victory" bonds), which drew extra money from patriotic individuals [6]. Home-to-home transfers and global help also had a big impact on the banks' resources, as they were directed through the banking system. In 2023, social and pension payments surpassed UAH 700 billion, with a significant portion of these funds being transferred through personal bank cards. More than three-quarters of account holders kept their balances, not taking out all their money, which helped banks stay liquid, especially those handling government payments. Between 2022 and 2024, Ukraine also got more than USD 40 billion in direct financial help and loans for its budget, with a lot of this going through Ukrainian bank accounts [7]. By the close of 2024, the banking sector showed a strong financial steadiness. The NBU reports that the capital adequacy ratio is over 21%, well above the required minimum. The portion of bad loans was shrinking and fell under 10% in some banks, while the banking industry's earnings hit UAH 85 billion in 2023 — a record high in recent times.

This indicates that the system not only preserved its funding potential but also managed it efficiently.

Public trust in banks plays a decisive role in the functioning of the deposit market. A high level of trust contributes to the stability and growth of deposit volumes, better conditions for depositors, reduced risks for banks, and overall support for financial stability.

Amid a changing risk landscape shaped by wartime conditions, banks must continue adapting to emerging risks, regulatory updates, and rapid technological advancement. Effective deposit risk management requires a systematic approach and modernization of depositor protection tools [9].

Ongoing threats include the potential decline in foreign exchange reserves, which could trigger a revision of the fixed exchange rate regime and increase dollarization expectations. In such a scenario, a portion of the resource base may shift to foreign currency or shrink in hryvnia-equivalent terms. Additionally, there is a growing risk of competition from the government bond market, especially as the retail secondary market gains momentum. However, banks are already beginning to implement a new integration model — offering clients the ability to purchase government bonds (OVDPs) directly through mobile banking applications, thus helping retain customers within the banking ecosystem [7].

The influence of the Ukrainian diaspora and digital solutions also deserves special attention. In 2023–2024, banks — particularly those with foreign capital — launched "global hryvnia deposits," tailored for Ukrainians abroad. These products offered secure instruments with fixed yields, denominated in hryvnia but guaranteed for repayment in EUR or USD. Such models strengthen the resource base without relying on traditional foreign currency funding that carries exchange rate risk [6].

Furthermore, 2024 saw a rise in the role of lending programs supported by the EBRD, IFC, KfW, and other international partners. Many of these programs were implemented through the banking system — either as interest rate compensation or via subsidized credit lines. The financing of recovery-related programs (e.g., housing, energy efficiency, SMEs) created additional demand for funding, prompting banks to extend the maturity of their liabilities. Among the proposed solutions were population-targeted bonds issued alongside traditional deposits — so-called "deposit bonds" — which included options for early redemption or secondary trading [7].

Conclusion. During wartime, Ukraine's banking system demonstrated its ability to adapt, accumulate, and retain a stable funding base, thereby avoiding a systemic crisis. The system became an example of effective cooperation among the regulator, commercial banks, the government, and the public. The mechanisms developed during this period may serve as the foundation for a new banking model — characterized by longer-term funding, greater diversification of sources, enhanced financial inclusion, and improved transparency in governance.

Securing the resource base of the banking sector under martial law proved to be a critical element in maintaining the country's overall financial stability. The analysis conducted in this study provided a comprehensive overview of the changes in the composition of bank funding sources between 2022 and 2024, identified the key determinants affecting the currency and maturity structure of liabilities, and proposed directions for strengthening the resilience of the banking system.

The analysis revealed that customer deposits remained the cornerstone of bank funding, with their total value rising by over 85% during the war period. This growth highlights not only the resilience of deposit dynamics but also the role of trust and regulatory support in stabilizing the financial system.

There was also an increase in the portion of deposits in hryvnia and those in government-run banks, indicating ongoing public confidence in the financial institutions. The study of patterns in Ukraine's savings market during wartime showed that, even in tough times, banks were very flexible and kept the trust of families and companies. One of the main discoveries was the prevalence of brief-term savings, indicating cautious actions by savers during continuous unpredictability. Despite attempts by the NBU and banks to encourage them, long-term savings are still less appealing — a reason that hinders the enduring solidity of the financial support. At the same time, it's crucial to note that Ukraine's savings market remained fairly strong, thanks to the well-functioning Deposit Protection Scheme, the banks' ability to keep working smoothly, and Between 2020 and 2024, the amount of money people kept in banks increased steadily, showing that trust in the financial institutions was being rebuilt. In particular, the amount of hryvnia time deposits slowly rose, due to active bank plans with better interest rates and the updating of deposit product lines. A critical problem is creating a lasting method to draw long-term funds and boost short-term savings, essential for extended borrowing and financing the nation's economic revival.

Improving the efficiency of deposit management is critically important for ensuring a reliable funding base for banks, particularly in view of the needs of the real sector and public investment programs. These conclusions align with the strategic priorities for restoring the banking sector amid ongoing wartime threats and economic instability.

The NBU promptly implemented a system of anti-crisis tools, including foreign exchange restrictions, refinancing mechanisms, 100% deposit guarantees, adjustments to the key policy rate, and incentives for time deposits. As a result, banking institutions preserved liquidity, expanded their funding base, and minimized the risk of financing shortages.

A significant contribution to the formation of financial resources was made by social payments, external financial assistance, war bonds, and the introduction of specialized deposit programs. At the same time, challenges persist, including the short-term nature of liabilities, insufficient attraction of external capital market resources, and competitive pressure from government bonds (OVDPs).

Given the realities of wartime, it is advisable to continue improving the resource strategy of the banking sector by developing mechanisms to extend deposit maturities, integrating digital technologies for resource mobilization, and strengthening cooperation with the Ukrainian diaspora and international partners.

In conclusion, Ukraine's banking system under martial law has demonstrated significant flexibility and the ability to maintain an adequate level of funding stability — laying a solid foundation for the expansion of lending, economic stimulation, and the implementation of post-war recovery programs.

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