



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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The bank
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With a population of 38 million and a forecasted GDP of \$205bn in 2025, Ukraine is a country rich in both natural and business resources. The country has a diverse economy with significant sectors including, but not limited to, heavy industry, power generation, and agriculture.

Ukraine had a population of approximately 41 million people in 2021. However, this number is subject to change due to the full Russian invasion in 2022, and the figure has been halved for 2024.

Ukrainian GDP was \$152bn in 2020. In 2022, it fell by almost 30% due to Russia's full-scale invasion. However, in 2023, economic growth exceeded expectations, with the National Bank of Ukraine (NBU) estimating an annual real GDP growth rate of 5.7%. The intensity and duration of the Russian aggression remain major sources of uncertainty for forecasts. Even with the assumption that the war will wind down by the end of 2024, Ukraine's real GDP is only expected to reach its pre-war level by 2030. Over the last decade, Ukraine's economy has experienced fluctuations, with significant growth in some years and declines in others. The average real GDP growth was 3.1% over the last decade, with a nominal GDP of USD 159 billion in 2022.

Ukraine is the new market for multinational volunteer organisations: highlighting their interest in participating in projects for airports construction/reconstruction, hospitals construction, projects related to water supply systems and land irrigation, as well as renewable energy source (RES) projects. The sectors most affected include housing, transport, commerce and industry, agriculture, and energy.

Ukraine is relatively rich in mineral resources (coal, iron ore, uranium) and enjoys significant agricultural potential.

The country has experienced several political and economic crises over the past fifteen years. In 2013 - 2014, a political shift towards the West was followed by a loss of control over the Crimean peninsula and military conflict with Russia-backed separatists in the Eastern territories. The economy has recovered from the deep recession of 2013-2015 but remained quite fragile. The Ukrainian economy faced significant challenges due to the full-scale invasion by Russia in 2022. Still, growth is expected to continue in the coming years, with forecasts predicting a growth rate above 4%. The war has had a profound impact on Ukraine's productive capacity and infrastructure, with the total cost of reconstruction and recovery estimated at USD 486 billion over the next decade. The direct damage as of the end of 2023 was measured at USD 152 billion. The war has also led to significant human capital losses, with more than 6.4 million Ukrainian refugees registered worldwide and close to 3.7 million internally displaced people.

In 2024, Ukraine's economy is expected to grow by 3.0%, down from the 5.3% growth seen in 2023. The government has been working on securing external financing to support the economy, with a significant aid package from the EU reinforcing this effort. The NBU has been managing the exchange rate cautiously, with substantial foreign exchange interventions to stabilise the hryvnia (UAH). Overall, while the Ukrainian economy has shown resilience and signs of recovery, the road to full recovery remains long and uncertain, heavily dependent on the duration and intensity of the ongoing conflict.

Summary

BNP Paribas presence

BNP Paribas's subsidiary UKRSIBBANK has a long history in Ukraine, with the 3rd largest branch network in the country. The bank has a business center in Kyiv, and direct access to the local clearing system, serving the cash and trade management requirements of both local and multinational corporations. UKRSIBBANK BNP Paribas is a universal bank that follows a balanced development strategy in retail and corporate banking. UKRSIBBANK is the bank which 470+ International companies choose Ukraine for business activity. Over 100 of these companies use credit facilities (MNC credit portfolio has outstanding a loan-book size over USD 450 million, ~90% of which is drawn in Local Currency).

Currency

Currency

- Ukrainian hryvnia (UAH).

Exchange rates

	2020	2021	2022	2023	2024
Exchange rate:	26.96	27.29	32.34	36.57	44.00
UAH per USD					

Source: NBU, September 2024.

Central Bank

- The Ukrainian central bank is the National Bank of Ukraine (NBU - National Bank of Ukraine).

Bank supervision

- Ukrainian banks are supervised by the Banking Supervision Department within the NBU.

Bank accounts

Resident / non-resident status

- A company is considered resident in Ukraine if it is incorporated in Ukraine.

Bank accounts for resident entities

	Within UKRAINE	Outside UKRAINE
Local Currency	Permitted, convertible when an obligation to a non-resident exists	Not permitted
Foreign Currency	Permitted	Permitted

Bank accounts for non-resident entities

	Within UKRAINE	Outside UKRAINE
Local Currency	Permitted, convertible	Not permitted
Foreign Currency	Permitted, convertible	Not applicable

Lifting fees

- Lifting fees are not applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	

SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	●
Card issuing	✓

Channels

Local e-Banking	✓
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

- This trend has positioned Ukraine among the top 10. The National Bank of Ukraine (NBU) operates the System of Electronic Payments (SEP), which processes the majority of interbank payments in the national currency, the hryvnia. SEP is a real-time gross settlement system that operates 24/7.
- Despite the increasing popularity of digital payment methods, cash remains a significant mode of transaction, making up around 60% of transactions. Cards, particularly those issued by Mastercard and Visa, are widely used, with a growing trend towards cashless payments, and contactless payments also becoming increasingly popular.
- There is no national electronic banking standard in Ukraine, so companies use banks' proprietary services. Domestic companies primarily use the Client-Bank system for balance reporting and transaction initiation. BankID, is a system of remote identification, allowing users to access banking and commercial services via the internet. Thirty-nine banks participate in the scheme.
- The NBU is committed to fostering financial inclusion by making payment services more accessible to underserved populations, including those in rural areas. Overall, the NBU's plans for 2024-2027 reflect a comprehensive approach to modernise Ukraine's payment system, with a focus on innovation, security, and inclusivity.

- BankID, is a system of remote identification, which allows users to access banking and commercial services via the internet. Fifteen banks and 23 non-banks participate in the scheme.
- Online and mobile banking services are provided by Ukraine's leading banks. The NBU has introduced standards for the use of QR codes to initiate credit transfers.

Payment Systems

SEP	Type SEP 4.0	<ul style="list-style-type: none"> • Real-time gross settlement.
	Participants	<ul style="list-style-type: none"> • 62 banks, the NBU, and the State Treasury.
	Transaction types processed	<ul style="list-style-type: none"> • UAH denominated credit transfers and direct debits.
	Operating hours	<ul style="list-style-type: none"> • 24/7.
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> • Payments can be processed in both real-time mode and batch mode. • Paper-based payment instructions are truncated into electronic items before being processed via SEP. • Transactions processed in real-time mode are settled in real time. Transactions processed in batch-mode are processed and settled continuously within 15 to 20 minutes.
	System holidays	<ul style="list-style-type: none"> • The system operates seven days a week.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers.
- Paper-based and electronic credit transfers are both available. Electronic credit transfers are typically used by companies.
- Credit transfers can be settled on a same-day basis via SEP.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks and/or bank branch networks abroad.

Direct debits

- Direct debits are used for regular payments, such as utility payments. Their usage is limited.
- Direct debits are settled on a same-day basis via SEP.

Cheques

N/A in Ukraine.

Card payments

- Card payments in Ukraine have seen significant growth and development in recent years. The NBU has been actively working to enhance the digital payment infrastructure and promote cashless transactions. One of the key developments is the widespread use of NFC (Near Field Communication) gadgets for contactless payments. According to Mastercard, six out of ten contactless payments in Ukraine are made using digital devices.
- This trend has positioned Ukraine among the top ten countries globally for the number of payment NFC payments with Mastercard digital cards.
- The NBU has imposed certain limits on card payments abroad. Despite these restrictions, the overall adoption of digital payments continues to grow.
- In 2023, the number of payment card transactions exceeded 7.9 million. The number of contactless cards in circulation also saw a substantial rise, increasing from 23.9 million in 2020 to 75.3 million in 2023, at a compound annual growth rate (CAGR) of 33.2%.
- The PROSTIR National Payment System is the national card system. Mostly government organisations use PROSTIR cards for their employees.
- PROSTIR-branded payment cards, Visa and MasterCard-branded payment cards are the most widely issued. American Express and UnionPay credit cards are also available.

ATM/POS

- This trend has positioned Ukraine among the top 10 of 2022, there are a total of 28,279 ATMs in Ukraine. Many of them are equipped with features like braille keyboards and connectors for headphones, ensuring accessibility for people with disabilities.
- The Power Banking Project is a network of standby banks that can operate autonomously during power outages. This project ensures stability and reliability for regular bank branches to continue serving customers even in the event of prolonged blackouts.
- As of the latest data, there are approximately 460,070 POS terminals in the country, the number is expected to grow further.

Electronic wallet

- Electronic wallets, or eWallets, have been gaining popularity in Ukraine, transforming the way people conduct transactions.

- The rise of eWallets in Ukraine is part of a broader trend towards digital payments. Despite the country's historical reliance on cash, there has been a noticeable shift towards cashless transactions.
- Mobile wallet apps include Apple Pay and Google Pay are available. Adoption of mobile wallet payments is very high.
- Electronic money in Ukraine has seen significant developments in recent years, particularly with the introduction of the e-hryvnia by the NBU.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted.

Demand deposits

- Demand deposits are available in UAH, EUR or USD.

Time deposits

- Time deposits are available in UAH, EUR or USD for terms of three, six and nine months and one year.

Certificates of deposit

- Domestic banks and the NBU issue certificates of deposit.

Treasury (government) bills

- The Ministry of Finance issues treasury bills via regular auctions held by the NBU with terms of three, six, nine months and one year.

Commercial paper

- Commercial paper is not issued in Ukraine.

Money market funds

- Money market funds are available.

Repurchase agreements

- Repurchase agreements made on government securities are available.

Bankers' acceptances

- These are not used in Ukraine.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	●
Payables	●

Inventory	●
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Trade channels

Connexis Trade	●
Connexis Supply Chain	●
SWIFTNet Trade for Corporates	●
Connexis Connect	●
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- Please contact your BNP Paribas Global Trade Solutions (GTS) relationship manager for more information.

International trade

General trade rules

- As an associate member of Independent States (CIS), Ukraine is a signatory to the CIS Free Trade Area (CISFTA) agreement alongside Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan. To date, the treaty has been ratified in Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine and Uzbekistan. The CISFTA between Ukraine and Russia has been suspended since 1 January 2016; Ukraine's other CISFTA agreements remain in effect.

Trade agreements

- Ukraine has signed free trade agreements with the EU, European Free Trade Association (EFTA) member states, Georgia, Macedonia, Montenegro, Georgia, Azerbaijan, Uzbekistan, Tajikistan, Turkmenistan.

- The Ukraine has a bilateral investment treaty with the USA.
- Ukraine has several free trade and strategic partnership agreements. Some notable agreements include:

Political, Free Trade and Strategic Partnership Agreement with the United Kingdom: This agreement was signed in 2020 and has been amended multiple times, including in 2024.

Free Trade Agreement with Turkey: This agreement has been under negotiation for several years and was finally signed, strengthening the economic partnership between the two countries.
- Additionally, Ukraine is actively working on new agreements, such as a historic 100-year partnership agreement with the United Kingdom.

Imports / exports

Imports	Refined petroleum	Petroleum gasCars	Petroleum gas	Packaged medicaments	Broadcast equipment	
Import sources	Poland (17.1%)	China (12.4%)	Germany (8.51%)	Turkey (6,17%)	Hungary (3.92%)	Germany (8.51%)
Exports	Corn	Seed oils	Wheat	Iron ore	Rape seed	
Export markets	Poland (14.2%)	Romania (8.37%)	Turkey (6.42%)	China (5.52%)	Germany (5.15%)	Hungary (4.85%)

Import / export volumes



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