

## Trends

### Ukrainian Eurobonds Slide as Hungary Blocks EUR 90bn EU Loan, Citing Druzhba Oil Transit

Market quotations for Ukrainian sovereign Eurobonds fell by an average 2.8% after Hungary blocked a 90 billion-euro EU loan package for Ukraine.

Budapest refused to back one of three measures approved by the European Parliament that are required to unlock the funding — specifically, amendments to the EU’s long-term budget. The package had been scheduled for adoption by the Council of the European Union and signature at the European Parliament on Feb. 24. While the first two measures can pass with a qualified majority of member states, changes to the EU’s multiannual budget framework require unanimous approval.

Hungary’s foreign minister said the country would continue to block the 90 billion-euro EU loan to Ukraine until oil transit to Hungary via the Druzhba pipeline is restored.

As Russia’s firmest ally in the EU, Hungarian Prime Minister Viktor Orbán has frequently threatened to block the EU’s financial support to Ukraine.

In other political developments, U.S.-mediated peace talks between Ukraine and Russia wrapped up Wednesday in Geneva after only about two hours on the second day of the negotiations. Ukraine’s President Volodymyr Zelenskyy said progress toward a deal to end Russia’s four-year war against his country was “uneven,” and he accused Moscow of playing for time.

Ukraine’s 2035 sovereign issue declined 3.7% over the week to 62.2 cents on the dollar, implying a yield to maturity of about 14.2%. The 2029 notes fell 2.1% to 77.9 cents, with yields at 16.9%.

Indicative prices for Ukrainian corporate Eurobonds were broadly unchanged. MHP’s 2029 bonds were quoted at 103.7 cents on the dollar, yielding 9.7%, while Metinvest’s 2029 notes last traded at 87.8 cents, for a yield of 11.9%.

## Highlights

- Ukrainian Banks’ Assets Rise 17% in 2025 to UAH 4.0tr (USD 94bn) as Business Lending Jumps 35%

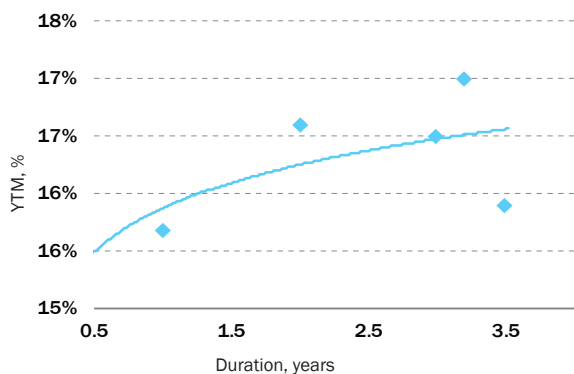
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank’s official website under the link below:

[www.bank.gov.ua/en/about/support-the-armed-forces](http://www.bank.gov.ua/en/about/support-the-armed-forces)

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:

[www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine](http://www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine)

### UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg, Eavex Capital

### FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.0%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond yield	15.4%	-0.1 p.p.	-1.0 p.p.
Ukraine-2029 yield	16.9%	1.0 p.p.	-1.1 p.p.
Ukraine-2036 yield	13.9%	0.6 p.p.	-0.6 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	43.45	0.4%	2.7%
EUR/UAH	51.30	-0.3%	2.7%

Source: Eavex Capital

## Ukrainian Banks' Assets Rise 17% in 2025 to UAH 4.0tr (USD 94bn) as Business Lending Jumps 35%

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### NEWS

Net assets of Ukraine's banking sector increased 17.2% in 2025 to UAH 4.0 trillion (USD 94bn), driven largely by a rebound in corporate lending, according to data from the National Bank of Ukraine.

The expansion was fueled by stronger lending to state-owned enterprises, particularly in the energy sector. Loans to state companies rose to 14.8% of the net UAH-denominated corporate portfolio by year-end.

Foreign-owned banks posted the fastest growth, with their loan portfolios expanding 46% over the year.

Retail lending across the system accelerated by 34%, while the two leading consumer lenders accounted for 55% of the segment.

Mortgages made up just 14% of banks' total loan portfolios at the end of 2025. The segment continued to be dominated by loans issued under the government's eOselia program, with volumes largely dependent on available budget funding. At the same time, the introduction of the interest compensation model by the eOselia strategy has been delayed, limiting the near-term growth potential of the mortgage market.

State-owned banks accounted for 52.4% of total banking system assets.

Average hryvnia lending rates stood at 18.4% for corporate borrowers and about 28% for households, the central bank said.

The sector's capital adequacy ratio was 16% as of year-end, above the 10% regulatory minimum.

Among major systemic lenders, capital adequacy stood at 15.4% for Raiffeisen Bank, 12.6% for PrivatBank, 15.4% for A-Bank, 18.6% for Credit Agricole Bank and 16.2% for UkrGasBank.

### COMMENTARY

The number of operating banks in Ukraine stood at 60 at the end of December. Two lenders exited the market in 2025: RVS Bank in December and Bank Portal, which voluntarily surrendered its license in March.

So far this year, the National Bank has declared First Investment Bank and Motor-Bank insolvent, underscoring the regulator's close supervision of capital and liquidity standards.

In our view, the banking system remains broadly stable. The share of non-performing loans declined sharply after PrivatBank fully removed legacy bad loans linked to its former owners from its balance sheet. As of end-2025, the system-wide NPL ratio fell to 13.9%, the lowest level in 15 years.

SELECTED UKRAINIAN EUROBONDS								
Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>								
Ukraine, 2029	77.9	-2.1%	16.9%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	64.8	-1.4%	11.6%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	63.3	-3.5%	14.4%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	62.2	-3.7%	14.2%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	61.3	-3.5%	13.9%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
<b>Corporate Eurobonds</b>								
MHP, 2029	103.7	0.0%	9.7%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	95.6	-0.1%	9.6%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	80.6	0.6%	20%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	98.4	0.0%	18%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	87.8	0.0%	11.9%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	79.4	0.6%	17.8%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	79.3	2.9%	n/a	8.25%	9 Jul 2026	500	USD	/CC/C

<sup>1</sup> Moody's/S&P/Fitch

Source: Boerse-Berlin, Boerse-Stuttgart. TR Data, Eavex Research

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