



MINISTRY OF
FINANCE OF
UKRAINE

Ukraine: Debt Dynamics in Times of Uncertainty

Yuriy Butsa

Government Commissioner for
Public Debt Management

15 May, 2025



Russian Aggression has significant negative impact on the public finances

State Budget general fund revenues (excl. grants), expenditures and deficit (UAH bn)

*Budget deficit,
% of GDP*

1.8%

5.2%

3.1%

26.8%

27.3%

17.0%

18.1%

*Budget deficit,
UAHbn²*

(70)

(217)

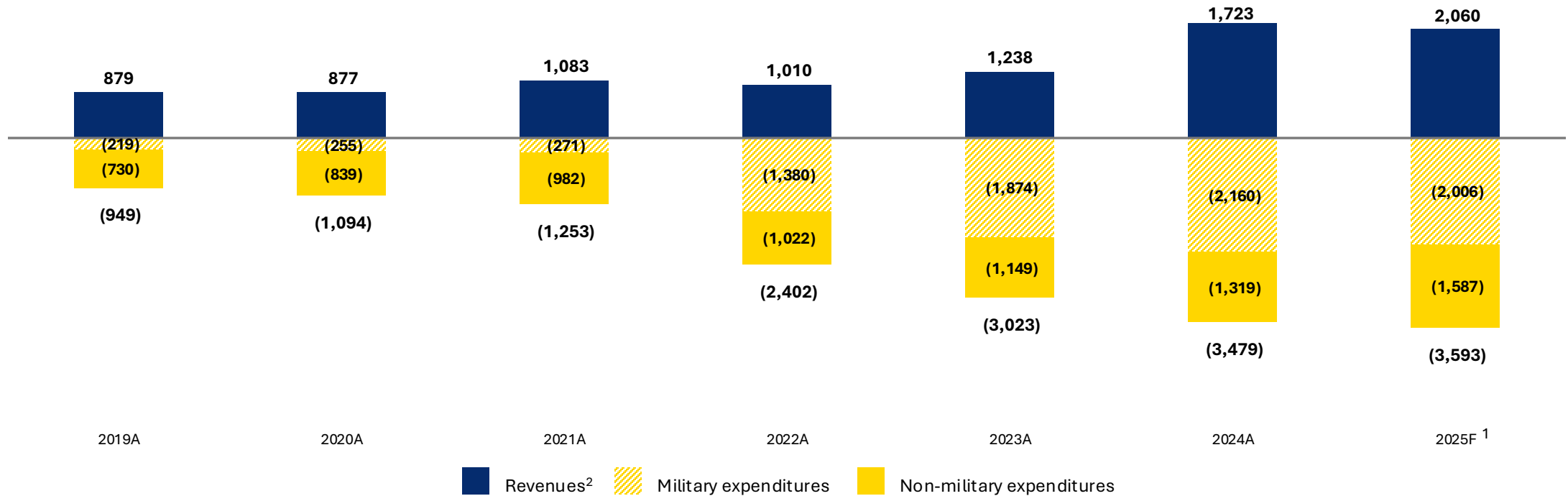
(170)

(1,392)

(1,786)

(1,302)

(1,532)



Note 1 State budget law for 2025

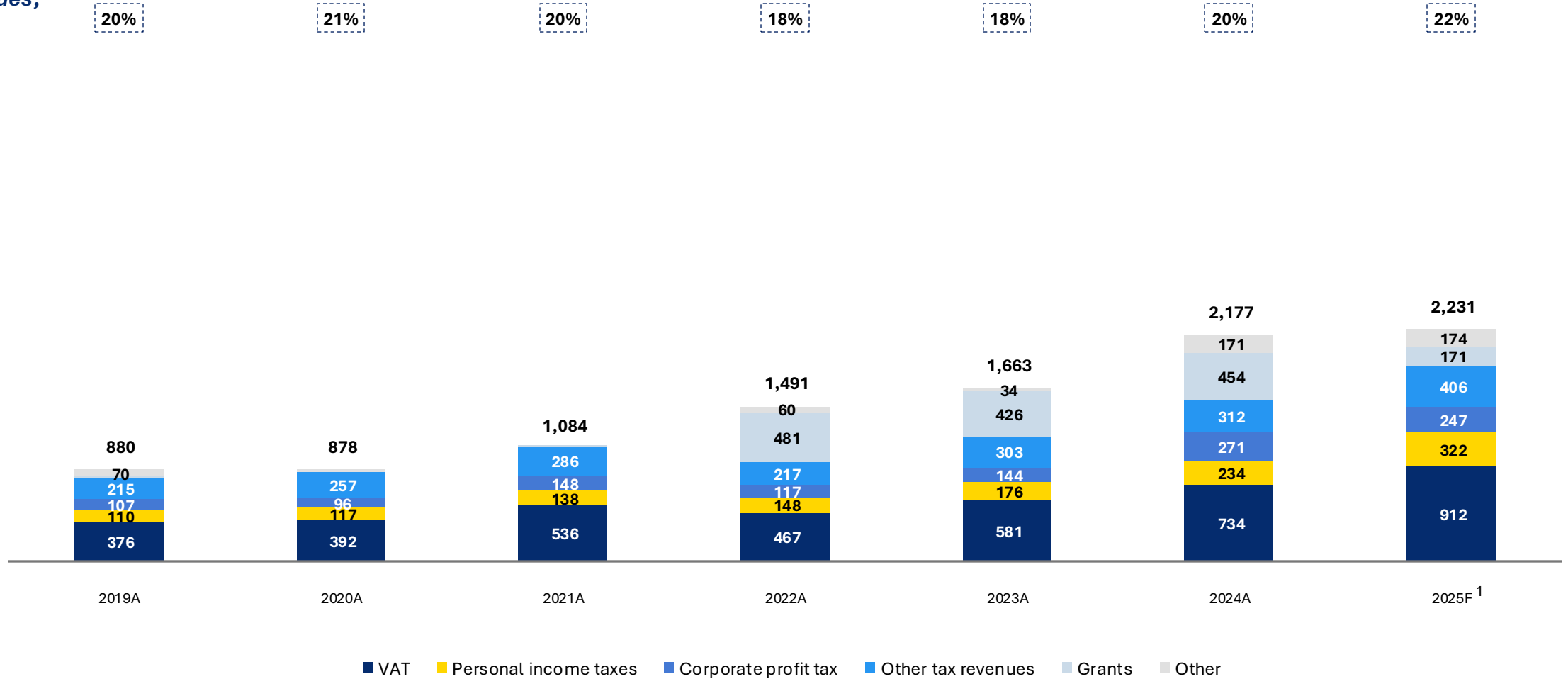
Note 2 Excluding grants

Source Ministry of Finance of Ukraine

The revenue mobilization remains stable taking into account the contraction of the economy

State Budget general fund revenues (incl. grants) (UAH bn)

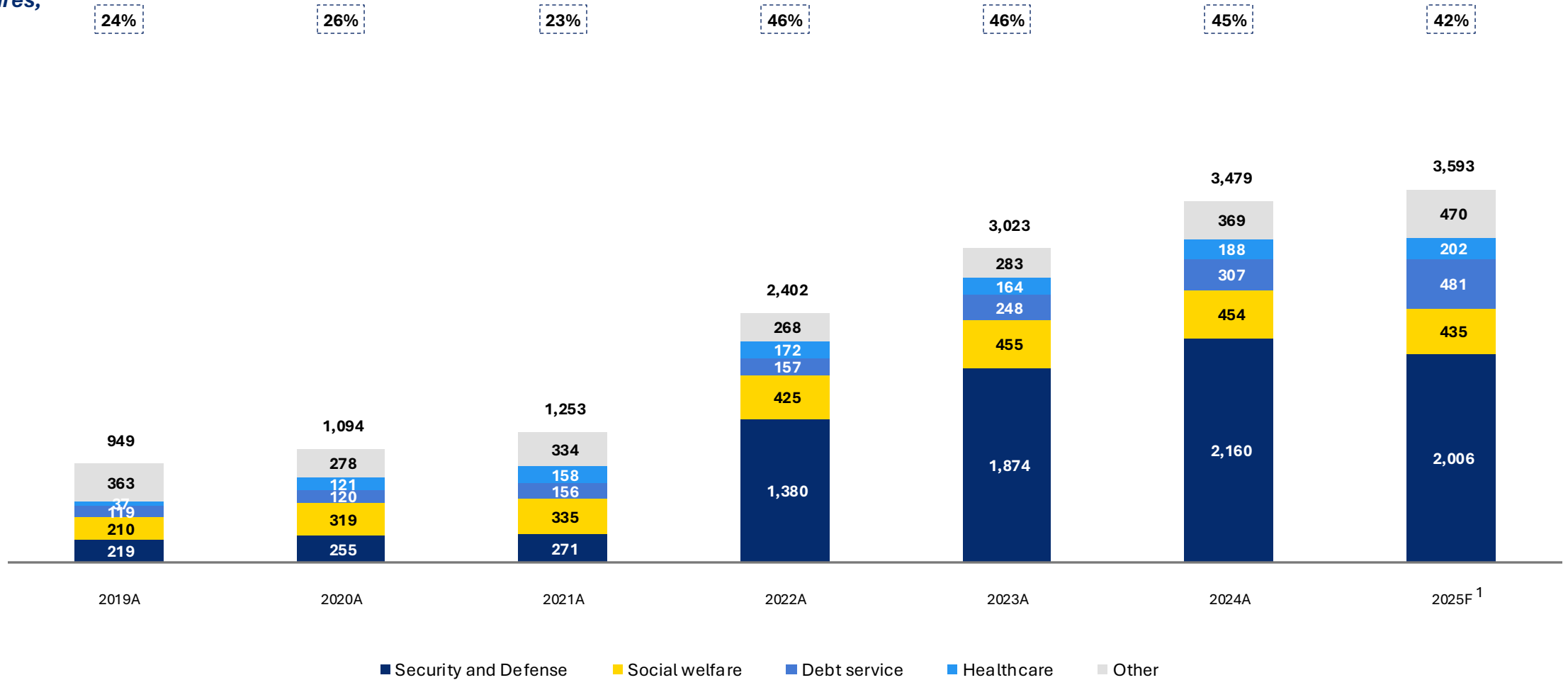
*Tax revenues,
% of GDP*



Spendings increased significantly due to the significant increase of security and defense expenditures

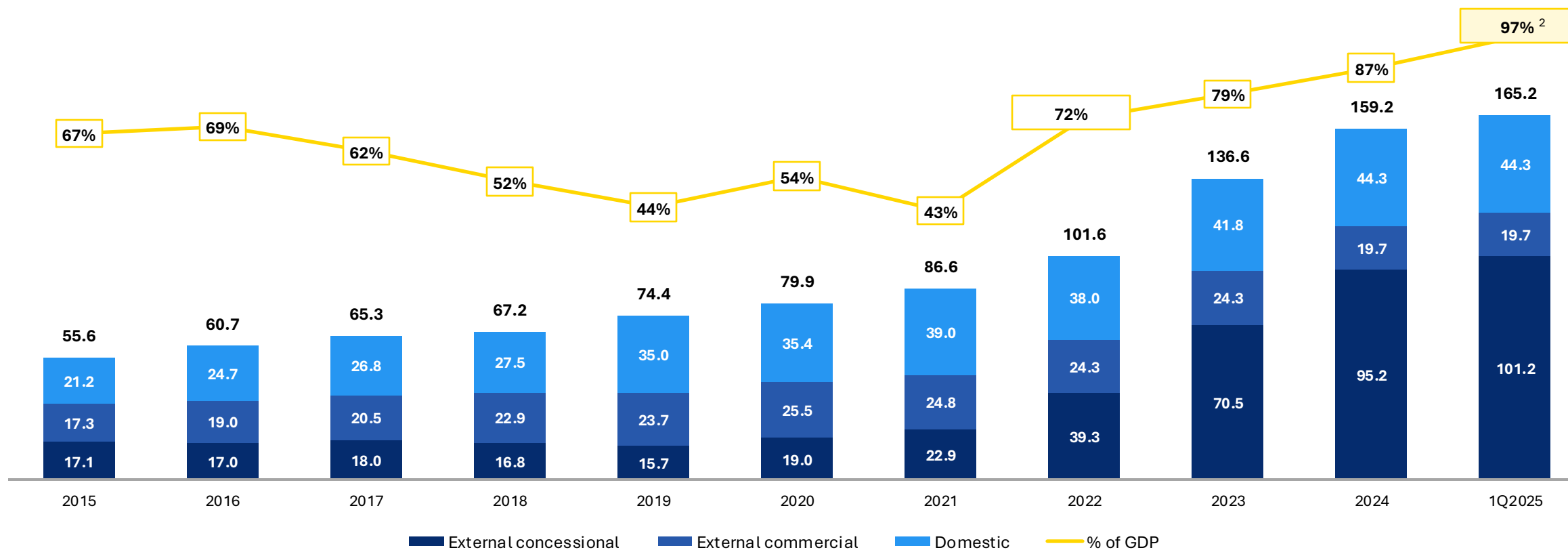
State Budget general fund expenditures (UAH bn)

*Expenditures,
% of GDP*



Budget deficit widening resulted in significant deterioration of Debt to GDP ratio due to elevated financing needs

Evolution of State Debt by type (USD bn)



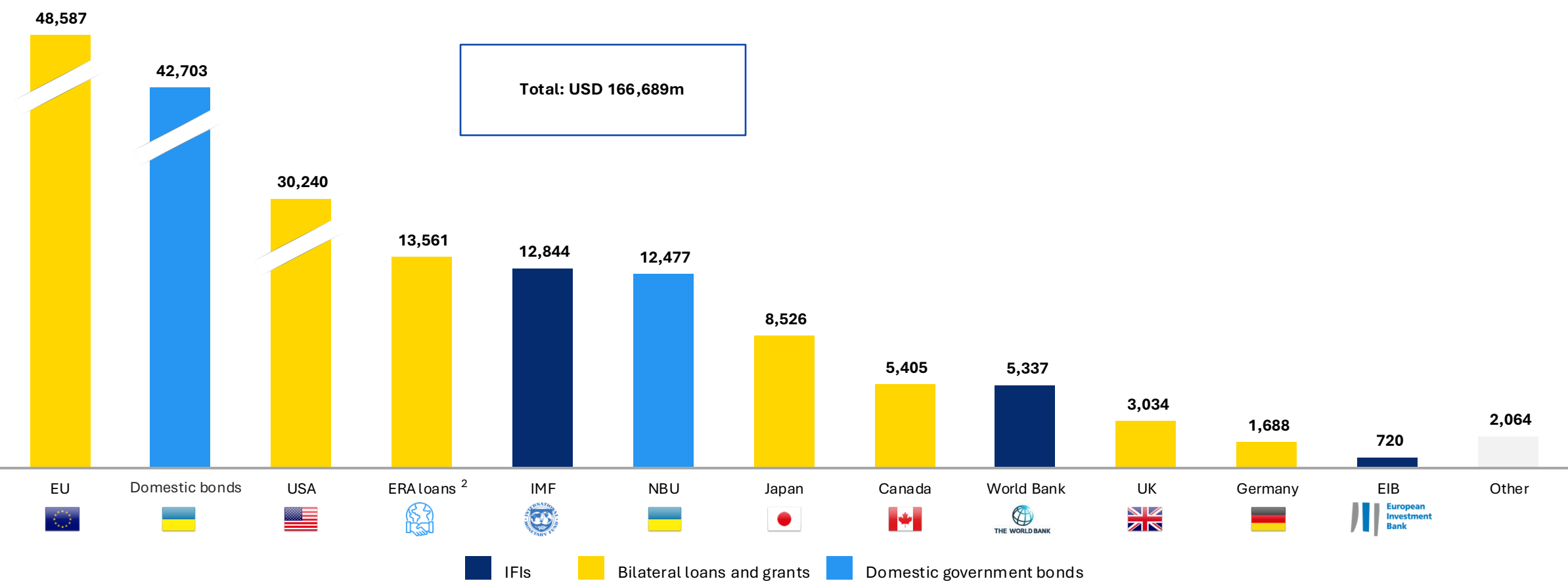
Note 1 As of 01.04.2025

Note 2 Budget forecast for the end of 2025

Source Ministry of Finance of Ukraine

Concessional Financing and Domestic Borrowings were key funding sources since 2022

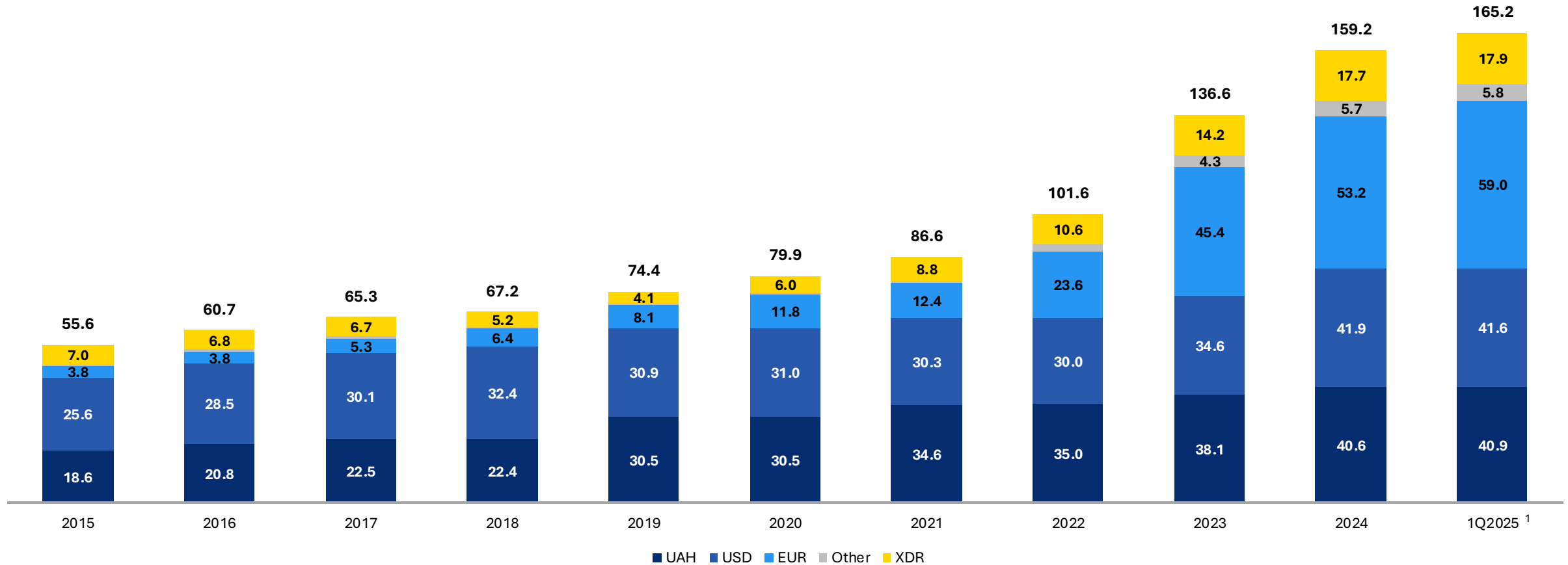
Received budget general fund financing since February 24, 2022 split by sources (USD m)¹



Note 1 As of 07.05.2025
Note 2 Including UK ERA loans channeled to the special fund of the state budget
Source Ministry of Finance of Ukraine

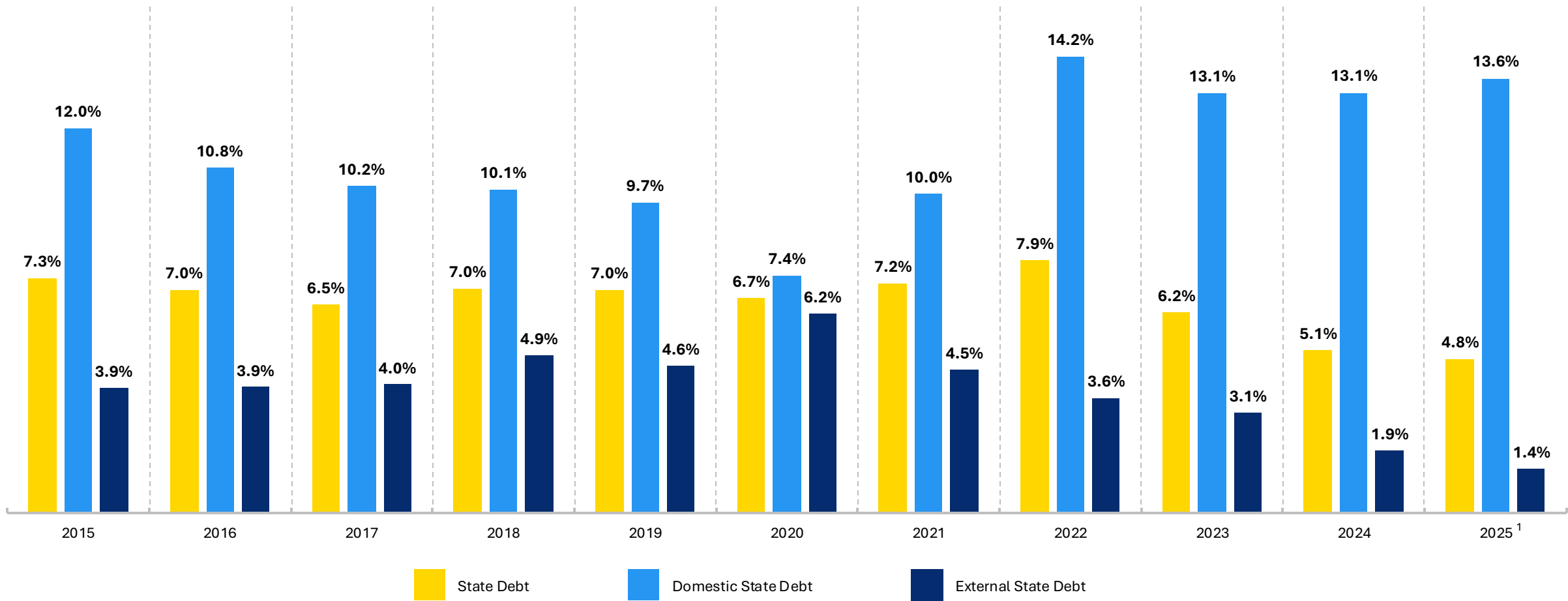
Reliance on the concessional financing resulted in significant change of the currency mix

Evolution of State Debt currency breakdown (USD bn)



Concessional nature of the funding helped to keep debt service expenditures under control...

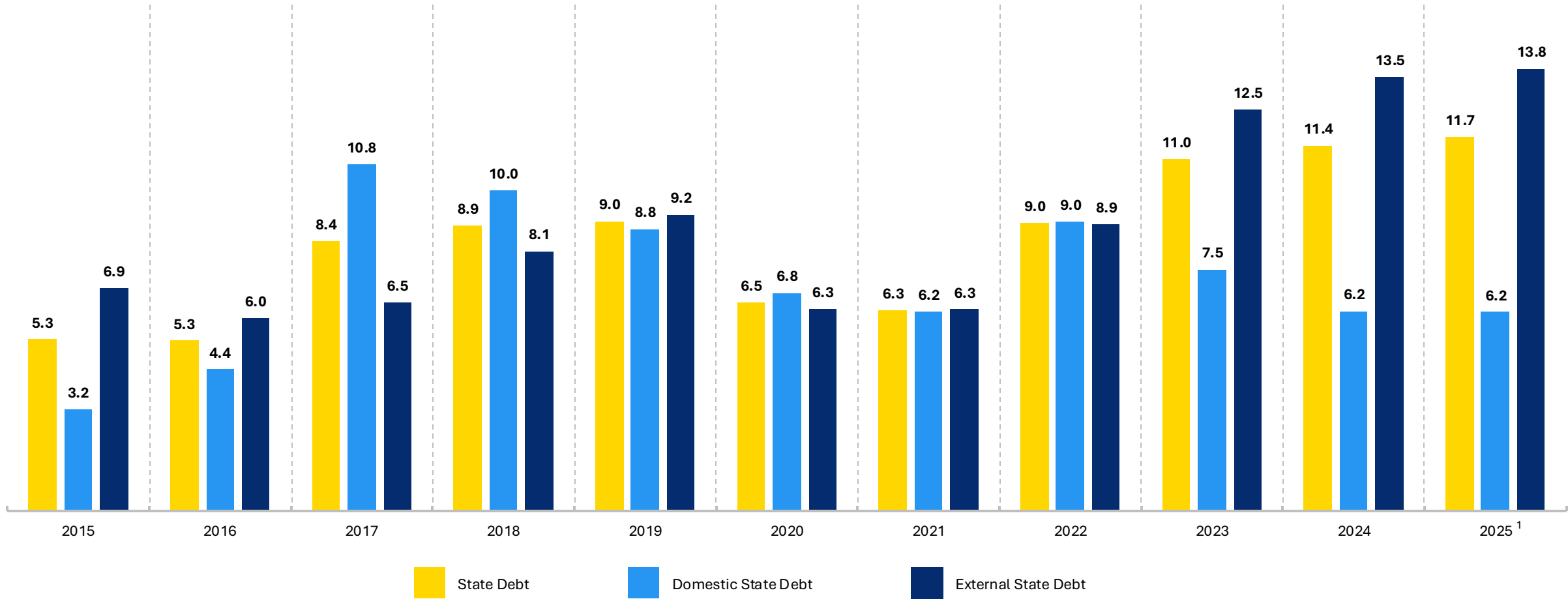
Evolution of State Debt weighted average interest rates (%)



Note 1 As of 31.03.2025
Source Ministry of Finance of Ukraine

... and resulted in lengthening of the average maturities of the debt

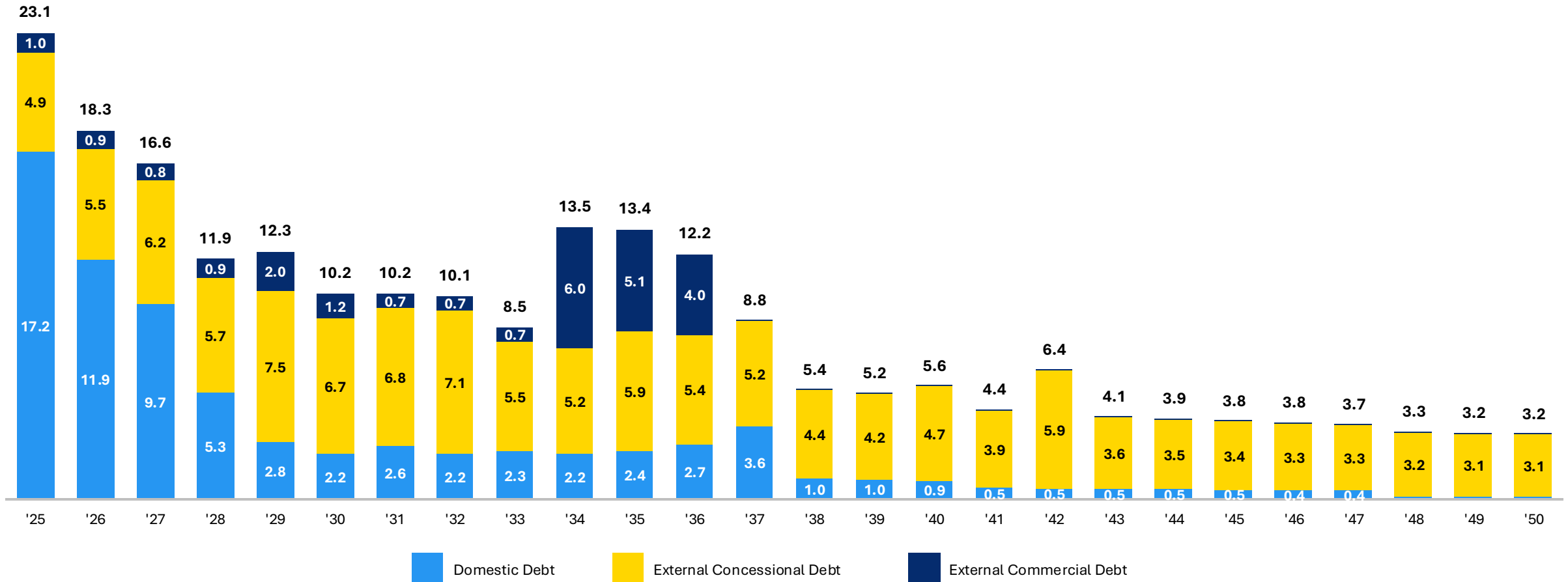
Evolution of State Debt weighted average maturities (years)



Note 1 As of 31.03.2025
Source Ministry of Finance of Ukraine

As a result – debt service profile is relatively smooth

State debt service profile (incl. principal and interest), USD bn¹

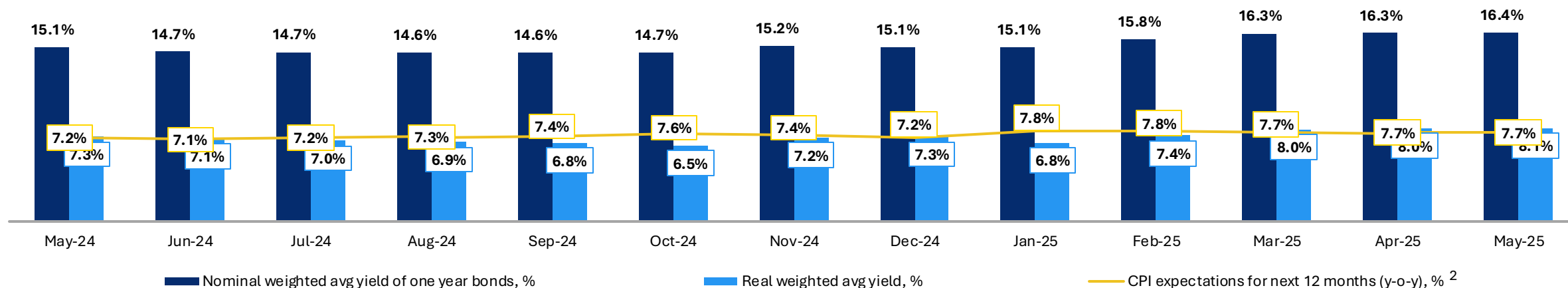


Note 1 As of 01.05.2025

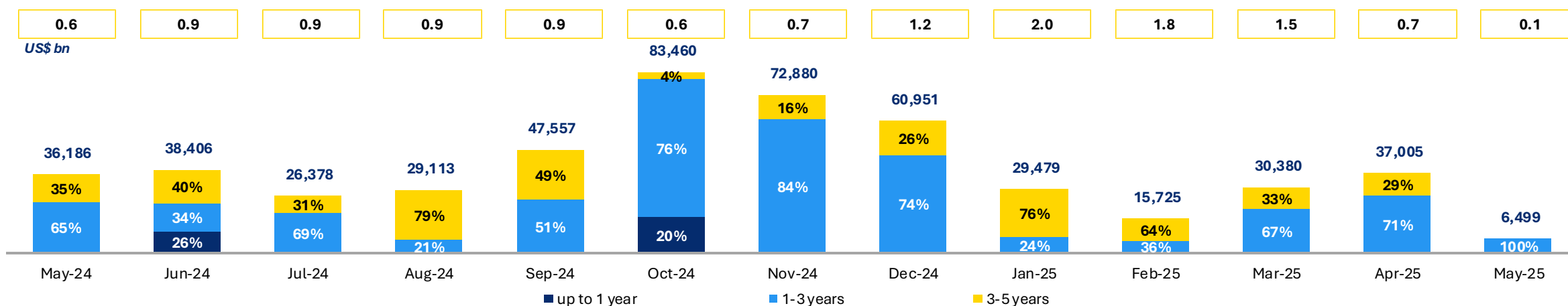
Source Ministry of Finance of Ukraine

Domestic market remains fully functioning and contributes to the budget financing

Nominal weighted average yields of one-year bonds at primary auctions and CPI expectations, %¹



Monthly composition of domestic UAH-denominated issuances by average maturities, UAHm¹



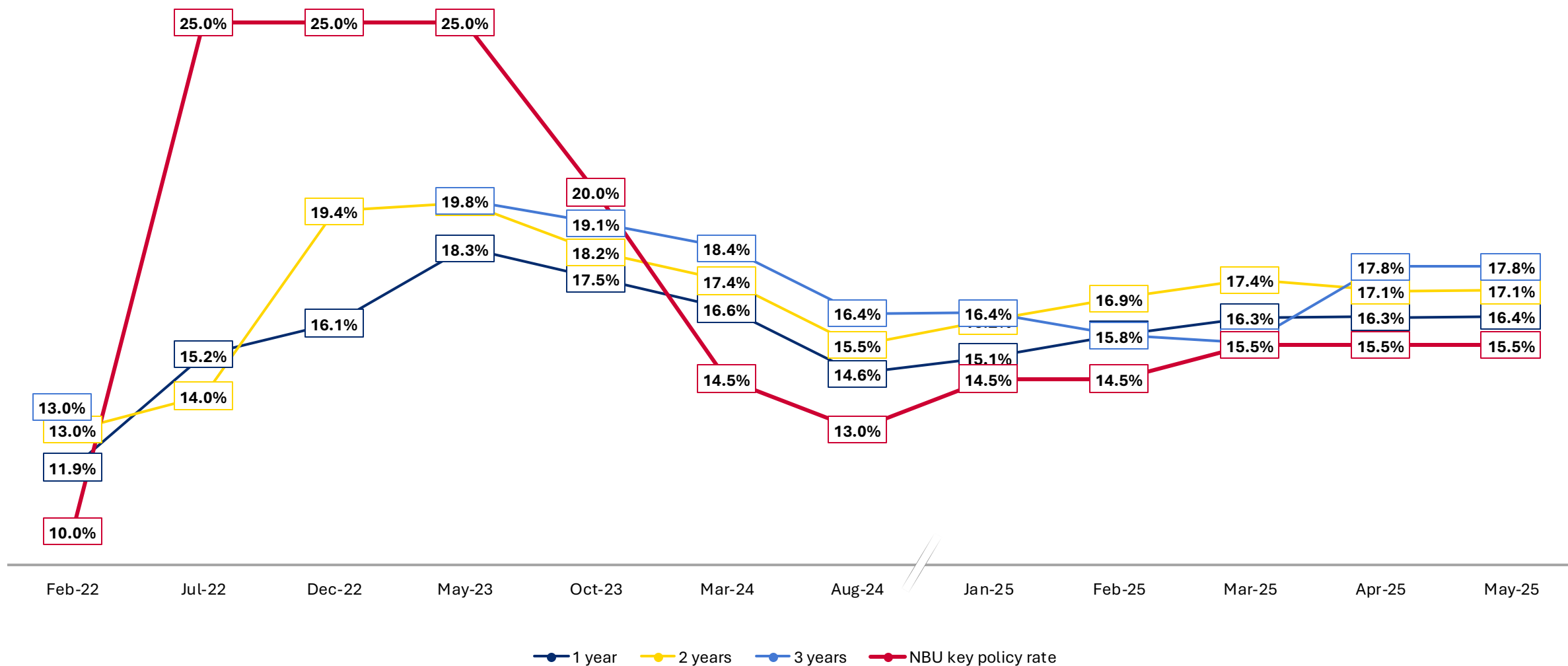
Note 1 As of 06.05.2025

Note 2 According to the NBU's survey about inflation expectations of financial analysts for the next 12 months

Source Ministry of Finance of Ukraine

The yields on new issuances on domestic government bond market stabilized

Weighted average yields on new issuances, %¹

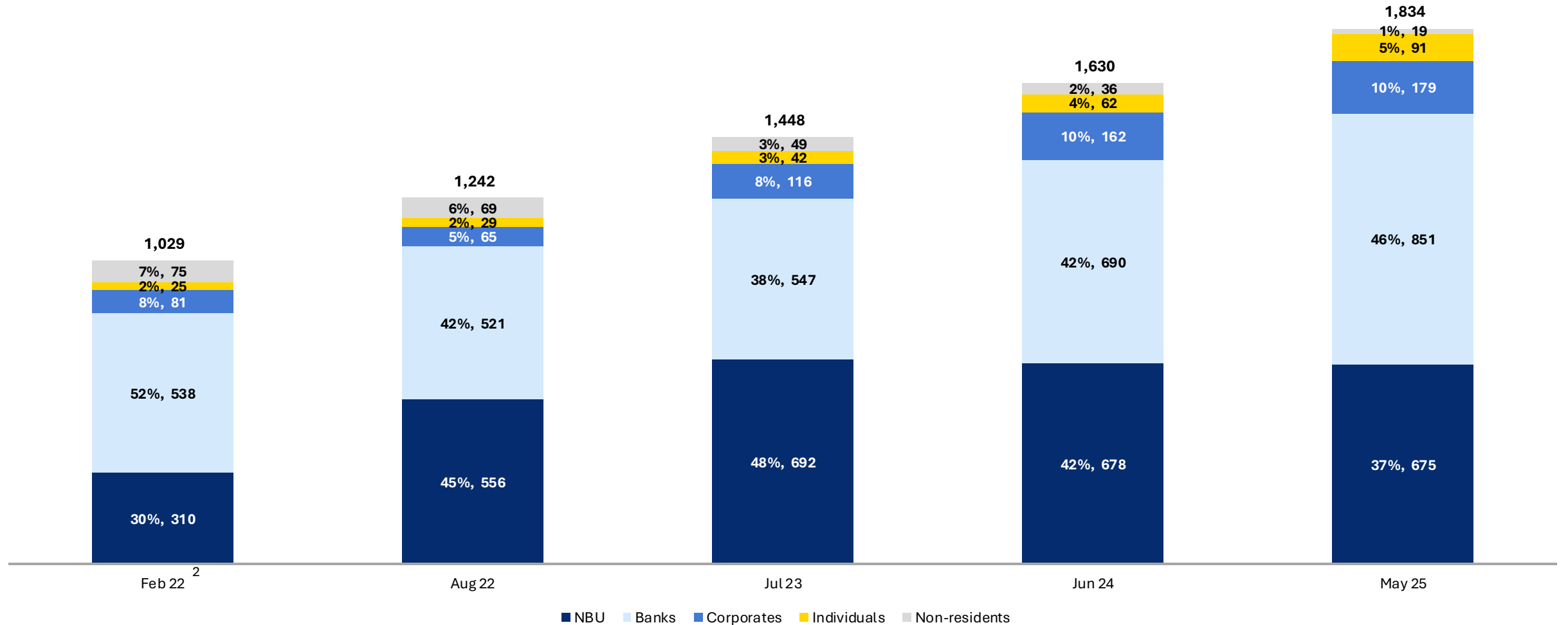


Note 1 As of 06.05.2025

Source Ministry of Finance of Ukraine

The structure of investors in local debt changed

Evolution of domestic debt holders, % and UAHbn¹



Note 1 As of 08.05.2025

Note 2 As of 23.02.2022

Source Ministry of Finance of Ukraine