



Ukraine

Banks are gradually regaining the Ukrainians' trust while businesses are searching for reliable banks

In the second quarter of 2009, bank cards and current accounts represented 52% of the places where Ukrainians placed their savings whilst 8% of Ukrainians save their money in bank deposit or savings accounts. Ukrainians have begun to look at the current situation with a greater sense of optimism, seeing the present time as being one conducive to opening a deposit account. These are the results of the regular research on the Retail Banking Services Market conducted by GfK Ukraine in the second quarter of 2009.

Ukrainians returning to the banks

8% of Ukrainians have term deposit and savings accounts, with 86% of saving accounts being in the national currency – an increase of 9 p.p. over the figure seen in the first quarter of this year. 53% of account holders plan to extend their use of this banking service and the proportion of respondents planning to open a deposit account has remained steady at 5.4%. Overall, results for the second quarter show that Ukrainians have begun to see the current situation as one which is conducive to the opening of saving accounts.

At the same time, Ukrainians have begun to make more active use of bank cards as an alternative form of saving. The number of active card users has grown from 42.5% to 44.7%, as has the number of those planning to use cards for this purpose. Also in Q2 2009, the number of respondents holding their savings in cash has decreased by 2 p.p. to 33%.

With loans in short supply, Ukrainians rely on their own financial resources

Over the period of April-May 2009, the number of consumers with bank loans has decreased: respondents are gradually paying off their loans, while new loans are in short supply. In addition, the number of respondents with loans taken out to buy consumer goods has also decreased from 9% to 7.7% (10.9% one year ago.)

Due to the lack of available loans, Ukrainians looking to make big-ticket purchases are having to use their own financial resources. In the second quarter of 2009, the number of respondents self-financing or planning to self-finance such purchases increased: for those already financing their purchases by 7 p.p. to 58%, and for those planning to do so by 6 p.p. to 55%. 7% of respondents plan to obtain loans from banks or other credit institutions to make their purchases.

Reference Information

The aim of research in the financial and telecommunication services markets is to provide regular and prompt information-gathering on the state of the individual banking, insurance and telecommunication service markets.

Research in the banking services market is carried out with the help of the standard licensed method FMDS (Financial Market Data Service) Personal. All GfK Group companies in Central and Eastern Europe use this method.

Our conclusions have been drawn on the basis of the results of the population survey conducted in April, May and June 2009 and during the first quarter of 2009. The sample for the survey is 1000 respondents at every stage and is representative of the population of Ukraine over the age of 16 years according to sex, age, region and settlement size indicators. The survey was conducted by the personal interview method.



Businesses are searching for reliable banks

In 2009, company loyalty with regard to banks declined, and the overall image of banks suffered a negative downturn. 15% of corporate clients plan to cancel their contracts with at least one bank over the next 3 months. Solvency, timeliness of payments and returns of deposits are all features which corporate clients use to assess whether a bank is reliable or not. Raiffeisen Bank Aval and PrivatBank are considered the most reliable banks. These are the results of GfK Ukraine's "Research on the Ukrainian Corporate Banking Services Market, 2009".

Companies' loyalty to banks melts away

Over the course of 2009, the enterprise loyalty index with regard to banks has dropped significantly with a fall from 85% last year to this year's 80%.

15% of corporate clients plan to cancel their contracts with at least one bank in the next 3 months with the main reasons being cited as perceived instability of the bank (42%) or a delay by the bank in processing payments (40%).

The best bank is a reliable bank...

As with the loyalty index, the overall bank image index has declined over 2009 from 85.1% in 2008 to 79.4% most recently.

The most important factor influencing overall bank image is reliability, defined as the bank's cash reserves being safe in times of instability (16%) and the bank being reliable and trustworthy (15%).

Raiffeisen Bank Aval and PrivatBank are considered to be the most reliable banks, with 30% of respondents listing them among the most reliable, whilst the state bank Oshadbank (21%) lies in second place.

...a reliable bank is a solvent bank

In 2009, 18% of respondents spontaneously added a new factor in determining a bank's reliability, which took fourth place in a list of key factors: stability and solvency. At the same time, the indicators that companies (39% of respondents) look at in seeking a reliable bank are solvency, timeliness of payment processing and easy access to deposits.

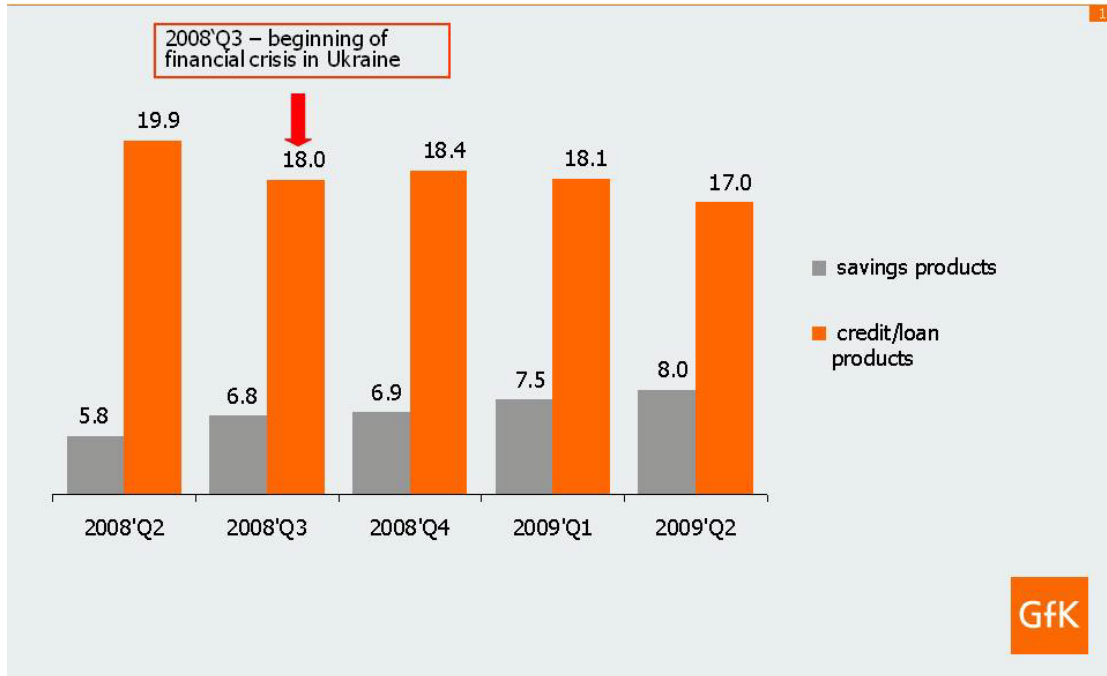
Reference information

These conclusions are based on enterprise survey data collected over the period February-March 2009. The sample for the survey comprises 1000 enterprises with the respondents being employees who exercise a role in decision-making on banks and banking services.

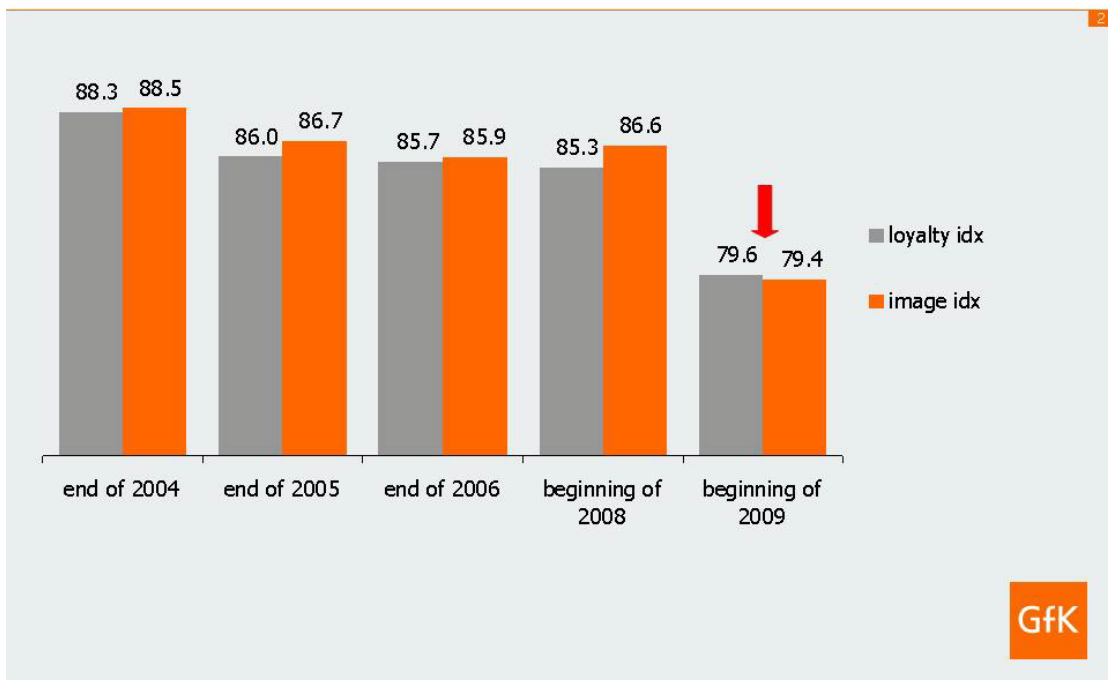
The research sample is representative for the numbers of active and Ukraine-registered enterprises. Enterprises for the survey were selected at random, using the enterprise database compiled by the Ukrainian State Committee for Statistics.

In 2009, we used telephone interviews for the survey, whereas in previous years we had used personal interviews. Maximal sample error of one survey round: 3.1%

Despite crisis number of saving accounts increases; loans decrease due to lack of supply



In 2009 companies are less loyal to banks than they have ever been





Contact:

Iryna Ippolitova
Senior Researcher
Financial Research

GfK Ukraine

34 Lesi Ukrainki blvd., off. 601
01601, Kyiv, Ukraine
Tel.: +380 44 230-0260
Mobile: +380 67 657-6420
Fax: +380 44 230-0262

iryna.ippolitova@gfk.com

www.gfk.ua