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Executive Summary

By the end of the fourth year of the full-scale war, Ukraine has managed to preserve macro-financial stability despite unprecedented fiscal pressures, a difficult security environment, and growing uncertainty in the global geopolitical landscape. It was achieved in part due to the support of the EU, which was the largest, as well as Canada, the UK, Japan, and the remainder of US financial assistance allocated by the previous US administration. Financing under the G7-led Extraordinary Revenue Acceleration loan initiative – guaranteed by frozen Russian assets and thus carrying no additional debt servicing burden – was particularly significant. Such stable and predictable support from partners allowed the government to direct domestic revenues primarily to defence needs. In 2025, fiscal performance benefited from higher domestic revenues, driven largely by continued large-scale EU assistance, as well as from tax policy changes adopted at the end of 2024 that expanded the tax base and increased selected tax rates.

Ukraine's intensive collaboration with international partners and creditors has resulted in a substantial increase in debt, driven by external debt growth. At the same time, domestic borrowings were predominantly directed toward the repayment and servicing of internal debt. Overall, 2025 was marked by an active debt management policy, culminating in the government's approval of the Medium-Term Debt Management Strategy at the end of the year. An additional important achievement was the government's ability to ease creditor requirements at the end of the year and reach agreements on state derivative liabilities debt restructuring, which helped contain financing risks and reinforced overall fiscal sustainability.

Ukraine's fiscal position in 2025 remained sustainable but increasingly dependent on external support, as expenditure pressures from the war continued to outpace revenue growth and widened the budget[1] deficit. Rapidly rising defence needs resulted in a higher fiscal gap, with the overall deficit (incl. grants) reaching $39.2 bn, while reliance on domestic financing remained limited and largely absorbed by debt servicing. External concessional financing therefore continued to play a decisive stabilizing role, despite a moderate decline in volumes compared to 2024. Looking ahead, the approval of the €90 bn Ukraine Support Loan for 2026-2027 significantly improves medium-term financing prospects, strengthening the government's ability to finance defence needs and core budget expenditures, while underscoring the continued centrality of predictable international support for fiscal sustainability.

Budget revenues (excl. grants) increased by 19.5% to $78,8 bn in 2025, driven primarily by tax receipts, which surged by 17.9%. VAT remained the dominant revenue source, contributing 22.1% of total budget revenues and 42.1% of total tax revenues. The most significant growth was observed around personal income taxation – in particular, in 2025, the amount of PIT and military levy collected increased by 45.4%. At the same time, military personnel paid 55.7% of all PIT, which highlights the fiscal implications of defence spending. Budget revenues in 2026 are set to moderate in nominal terms but remain heavily reliant on tax-based growth. Tax revenues are expected to increase further, supported by higher taxation of bank profits, new excise duties, and the expansion of taxation to digital platforms, as well as by improved tax and customs administration. At the same time, a notable share of projected revenues is driven by one-off factors, including a larger transfer from the National Bank of Ukraine and continued, though limited, grant support from international partners, which adds uncertainty to the medium-term revenue outlook.

Budget expenditures were overwhelmingly driven by defence and security needs, which accounted for 71% of total spending ($93.3 bn) amid a 22.1% y-o-y increase in overall expenditures to $131.4 bn. Defence outlays alone reached $72 bn (54.8% of total expenditures),

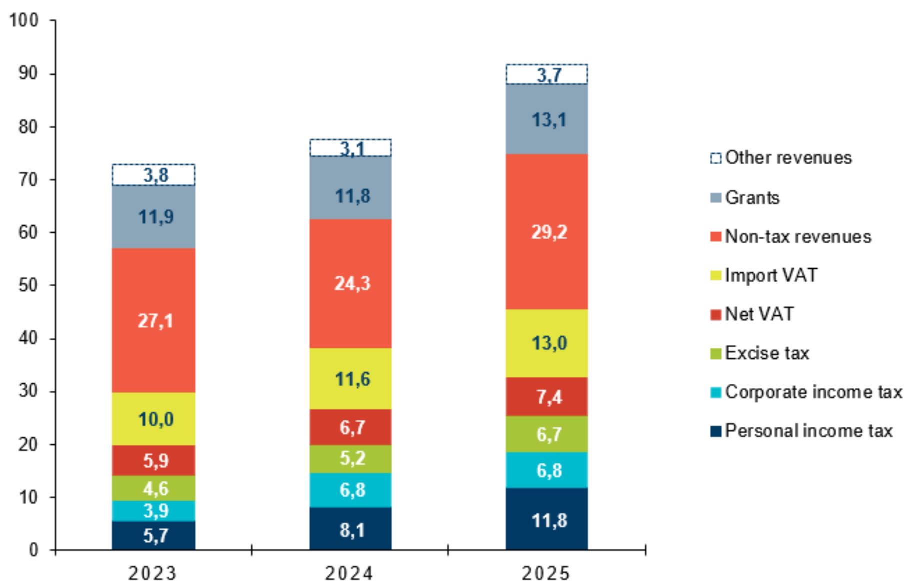
[1] Here and after term "budget" is used for the central (state) level budget

reflecting substantial increases in operational spending for the Armed Forces and in weapons procurement, modernization, and repair, and pushing average monthly defence spending to $6 bn. Persistently high execution levels led to significant deviations from initial budget plans, requiring two large in-year budget amendments and increased reliance on external borrowing to close an estimated $20 bn funding gap. At the same time, non-military expenditures showed mixed dynamics: spending on general public administration rose due to higher debt servicing costs, while social protection declined by 6.2% following legislative changes and the partial shift of pension obligations to the social security system, alongside tighter eligibility requirements for support to vulnerable groups and IDPs. Looking ahead, the 2026 budget projects lower nominal expenditures, particularly for defence and security, largely due to exchange rate assumptions and the exclusion of in-kind military assistance; however, once such assistance is considered, total and defence spending are expected to remain elevated. The 2026 framework also signals a relative rebalancing toward non-military priorities, including higher allocations for education, healthcare, and social programmes, despite an overall moderation in social protection spending.

Budget Revenues

Ukraine's budget revenues increased to $92 bn in 2025 (+18.3% y-o-y). This trend was additionally supported by a $5.6 bn (+22.2% y-o-y) increase in non-tax revenues, largely reflecting international in-kind military assistance. In addition, grant inflows from international partners exceeded expectations by 11.4%, reaching $13.1 bn. At the same time, revenue targets were not fully met: overall revenue execution stood at 95.5%, with the shortfall primarily driven by lower-than-expected tax receipts, for which plan execution reached 95.2%.

Figure 1. Structure of budget revenues in 2023-2025, $bn



Source: Ministry of Finance of Ukraine, Openbudget

Taxes continued to remain the backbone of Ukraine's budget financing and the principal domestically generated source for covering defence and security expenditures. In 2025, tax revenues reached $48.4 bn, increasing by $7.4 bn (+17.9% y-o-y) and accounting for 52.6% of total budget revenues. This result was driven primarily by stronger receipts from PIT and the military levy. At the same time, tax revenues fell short of plan by $2.3 bn (or 4.8%). This deviation was mainly attributable to two factors: (i) a deterioration in the security environment – most notably recurrent Russian attacks on the energy sector, which intensified in Q4 2025 and constrained production and business activity; and (ii) deviations of actual macroeconomic parameters from planned assumptions, particularly a stronger-than-expected exchange rate (which reduced the hryvnia-denominated import tax base) and lower-than-expected volumes/share of taxable imports.

VAT remained the main source of tax revenue, accounting for 42.1% of total tax collections. In 2025, however, VAT underperformed against the plan, with execution at 93.6% overall (91.4% for import VAT and 96.4% for domestic VAT). This shortfall largely reflects the underlying macro assumptions diverged from projections – most notably a stronger-than-expected hryvnia (budgeted at 45 UAH/USD vs an average of 41.7 UAH/USD) and a lower share of taxable imports (76% in 2025 vs 81% in 2024), which reduced the hryvnia value of the import tax base and dampened VAT receipts – while heightened security risks and intensified strikes on energy infrastructure in Q4 2025 additionally suppressed consumption and domestic VAT accruals.

PIT and the military levy ranked as the second-largest source of tax revenues, accounting for 24.4% of total tax collections, and recorded the fastest growth in 2025 (+45.4% y-o-y). This surge was primarily policy-driven: tax amendments raised the military levy rate from 1.5% to 5% and broadened its base to include micro and small individual entrepreneurs, resulting in military levy receipts of $3.9 bn in 2025 (+$2.6 bn vs 2024) and explaining the bulk of the $3.7 bn y-o-y increase in combined PIT and military levy revenues. Additionally, the increase was supported by rising average wages in Ukraine over 2025. In particular, the average monthly wage grew from $539 in December 2024 to $652 in December 2025, providing an additional nominal boost to revenue mobilization.

Other tax revenues accounted for 33.5% of total tax collections ($16.2 bn). The largest contributors were the CIT (14.1%) and the excise tax (13.9%), while all remaining taxes combined—including resource rents/royalties, customs duties, the environmental tax, and other minor levies—generated only 5.5%.

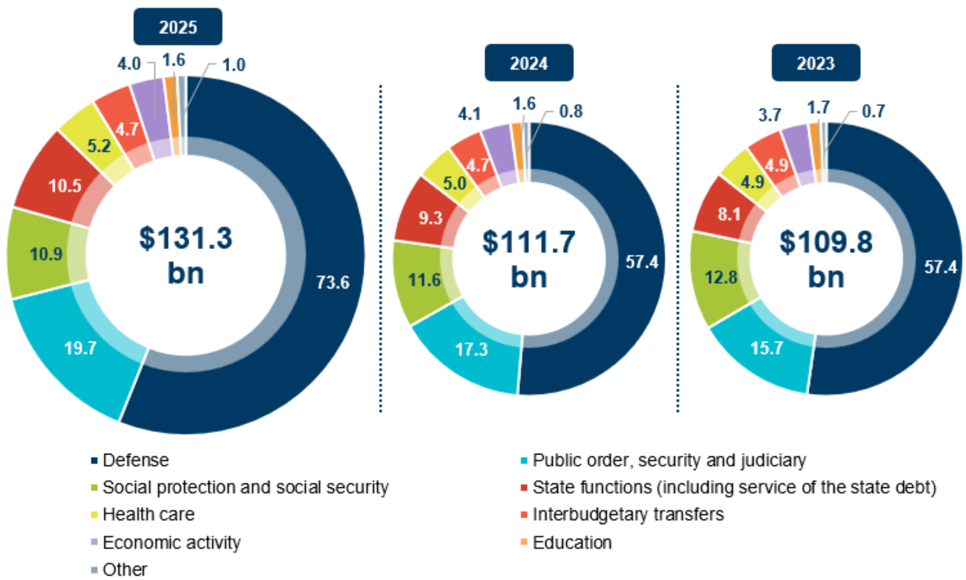
Grants from international partners remained one of the key sources of Ukraine's budget revenues, accounting for 14.3% of total revenues and indicating the continued stability of donor support. In 2025, Ukraine received $13.1 bn in external grants, slightly exceeding the $11.8 bn received in 2024. Most of the grants – $12.1 bn – came from the World Bank under the ERA mechanism, which provides financing guaranteed by revenues from frozen Russian assets. Other non-tax revenues also played a significant role in the revenue structure. In 2025, they amounted to 33.1% of total budget revenues, or $30.5 bn, representing a 22.2% y-o-y increase. The dominant contributor was international in-kind military assistance totalling $22.9 bn, while a further $2 bn was transferred by the National Bank of Ukraine as a profit remittance.

In the 2026 budget, total revenues are projected at $63.6 bn, of which $54.4 bn are tax revenues (+12.4% y-o-y). The projected growth in revenues is driven predominantly by discretionary tax policy decisions and administrative measures rather than by an expansion of the macroeconomic tax base. The main identified fiscal effects include approximately $750 mn from increasing the CIT rate on banks to 50%, around $186 mn from the planned introduction of excise taxation on sweetened beverages in 2026, and an estimated $306.3 mn from the taxation of income generated through digital platforms, also scheduled for implementation in 2026. In addition, around $1.9 bn in additional revenues is expected from de-shadowing and improvements in tax and customs administration. A significant share of revenues is provided by the transfer of profits from the National Bank of Ukraine amounting to $3.2 bn (+58.4% y-o-y), equivalent to approximately 5% of total planned revenues. Grants are projected at $833.7 mn (1.3% of total revenues).

Budget Expenditures

In 2025, total budget expenditures reached $131.4 bn (+22.1% y-o-y), the highest level in Ukraine's history. This surge was primarily driven by continued growth in defence and security spending (up 33.2% and 18.3% y-o-y, respectively), aimed at sustaining adequate support for the Armed Forces and security services throughout the year. As a result, 71% of total expenditures ($93.3 bn) were allocated to defence and security, while the remaining 29% financed socio-economic sectors.

Figure 2. Structure of budget expenditures in 2023-2025, $bn2



Source: Ministry of Finance of Ukraine, Openbudget

Financing for the defence and security sectors remained consistently high throughout the year, with actual expenditures significantly exceeding initial budget plans. At the start of the year, the budget envisaged only $53.9 bn for defence and security, as the Ministry of Finance's planning methodology did not account for in-kind military assistance (around $20 bn during the year). Given the continuation of full-scale war, ongoing mobilization, and expanded domestic arms production consistent with 2024 trends, it was already evident that the initially planned funding would be insufficient to maintain combat readiness along the frontline. Consequently, persistently high actual spending relative to initial plans created a risk of underfunding key programs, including military salaries and equipment procurement, by around $20 bn by year-end. To address this gap, the government amended the budget twice in 2025. The first amendment, adopted in July, allocated an additional $9.6 bn to defence and security to cover the existing shortfall. The second amendment in October added a further $7.6 bn for core defence and security programs, with external borrowing serving as the main financing source, including €6 bn under the ERA mechanism. As a result, total defence and security spending reached $93.3 bn by year-end – 25% (or $18.6 bn) higher than in 2024.

Ministry of Defence expenditures increased 34.7% compared to 2024 ($72 bn, or 54.8% of total budget expenditures). Due to higher funding for the operations of the Armed Forces of Ukraine, which increased by 31.1% (to $37.2 bn), as well as for the development, procurement, modernization, and repair of weapons, which grew by 39.1% y-o-y (to $32.7 bn). As a result, average monthly defence spending increased by 30.4% and reached $6 bn per month in 2025.

[2] The state functions sector includes the state's debt servicing

In non-military sectors, a notable increase was observed in state functions (incl. debt servicing), which rose by 13.1%, or $1.2 bn, mainly due to higher debt servicing costs (13.3% or $1 bn increase y-o-y). The highest percentage increases were recorded in relatively small sectors: housing and utilities (due to increased funding for water infrastructure development and the restoration of energy supply) and environmental protection (due to the reallocation of spending authorities across sectors), which grew by 79.9% and 25.9%, respectively (by $0.2 bn and $0.1 bn). Meanwhile, social protection spending declined by 6.2%, falling from $11.6 bn to $10.9 bn, although a significant share of these expenditures continued to be directed toward pensions and social benefits.

Social expenditures declined across key sectors due to recent legislative changes, including the reallocation of certain pension obligations from direct budget financing to the solidarity pension system and the tightening of eligibility criteria for social assistance programs. Total spending on social protection and social security amounted to $10.9 bn, a 5.4% y-o-y decrease. The structure of social expenditures has notably changed compared to the previous year. While the main categories continued to include pension payments, support for people in difficult life circumstances, assistance to low-income families, and programs for children, families, and persons with disabilities, the funding priorities shifted significantly. As a direct result of the pension obligations being transferred to the solidary system, transfers to the Pension Fund recorded the largest drop in falling 15.2% from $6.8 bn in 2024 to $5.8 bn in 2025. Additionally, spending on vulnerable groups, including IDPs, decreased by 8.3% to $2 bn due to stricter eligibility rules that reduced the number of beneficiaries. Support for low-income families also declined by 15.6% to $357 mn, driven by the introduction of more rigorous financial and property-based criteria.

Table 1. Budget expenditures on social payments in 2023-2025, $bn

Indicator	2023	2024	2025	Change (%, y-o-y, 2025 vs 2024)
Pension Fund funding for pension payments & covering deficit	7.4	6.8	5.8	(15.2)
Support for vulnerable citizens	2.8	2.2	2.0	(8.3)
Support for low-income families (incl. housing and utility subsidies)	1.30	0.42	0.36	(15.6)
Support for children & families	0.66	0.58	0.54	(7.0)
Support for persons with disabilities	0.10	0.13	0.18	37.1

Source: Ministry of Finance of Ukraine, KSE Institute

The government adjusted its approach to supporting IDPs[3] by tightening eligibility for cash-based subsistence allowances due to fiscal constraints, which reduced coverage. At the same time, housing affordability was identified as the key need, prompting a shift toward housing-focused support. A rent subsidy for IDPs was introduced in January 2025 for households whose rental costs exceed 20% of income. The average subsidy amounted to $122 per month. In 2025, $25.4 mn was allocated, with planned coverage of up to 39,743 beneficiaries, though actual uptake remained significantly lower. To support longer-term housing solutions, additional mortgage assistance for IDPs was launched under the eOselia programme in September 2025. The scheme covers 70% of the down payment, 70% of mortgage instalments during the first year, and up to $959 in related costs. In 2025, $105.5 mn was allocated, with planned coverage of up to 7,213 beneficiaries. By the end of the year, over 1,200 applications had been submitted, and more than 100 approved.

[3] IDPs are the largest vulnerable group in Ukraine (4.6 mn people)

The budget for 2026 was largely planned in line with previous years, while introducing new initiatives for both the defence sector and social-oriented programs. Total expenditures are set at $104.3 bn (21.5% decrease y-o-y), incl. $61.4 bn (34.2% decrease y-o-y) for defence and security.[4] These are substantially lower than the actual outturns in 2025, mainly reflecting significant changes in the exchange rate assumptions embedded in the 2026 State Budget Law and the Ministry of Finance's approach of excluding projections for in-kind military assistance, which is expected to significantly increase effective funding for the defence and security sectors and, consequently, overall expenditure levels. At the same time, the 2026 budget envisages a substantial expansion of funding for both military and civilian sectors. A key innovation in defence and security is the creation of a $4.4 bn reserve under the Ministry of Finance to address urgent needs in the event of crises or potential geopolitical shifts. Major social initiatives include higher teacher salaries – supported by an additional $1.5 bn for education – and the introduction of preventive medical check-ups for people aged 40 and over, funded with $0.2 bn. Despite a 2.8% nominal decline in total social protection expenditures to $10.6 bn in 2026 due to exchange-rate effects, budget support for key programmes is expanding, with increased financing for pensions, vulnerable groups, families with children, and persons with disabilities.

Budget Financing

In 2025, Ukraine's budget deficit widened amid slower revenue growth relative to expenditures, driven by elevated defence outlays. The budget deficit (excl. grants) reached $52.4 bn, reflecting an 14.8% increase y-o-y, and deficit incl. $13.1 bn of grants, amounted to $39.2 bn. Receiving a larger volume of grants in 2025 compared to the previous year helped narrow the deficit by reducing reliance on costly borrowing and easing pressure on domestic financing resources.

Budget deficit financing, as in previous periods, depends on a combination of domestic instruments, including government bonds and privatization income, and external financial aid. Despite an acceleration in domestic government bond issuance in Q4 2025 – the Ministry of Finance actively tapped both hryvnia and foreign currency-denominated (particularly USD) bonds for rollover purposes, driven by substantial repayment needs during this period – the role of domestic financing has diminished in 2025. Most domestic borrowings in 2025 were allocated to servicing internal debt obligations, with only a small share used to cover the budget deficit. Gross domestic bond issuance in 2025 amounted to $13.9 bn, down 12.3% y-o-y. Net domestic financing (excl. debt repayments) amounted to $2.2 bn.

External financing remained the primary source of budget deficit coverage in 2025. However, the volume of external financing has noticeably declined compared to the previous year. In 2025, gross external loans amounted to $44.5 bn – 6% lower compared to $47.3 bn in 2024. Most of these loans were obtained on concessional terms, which also helps maintain debt sustainability. This amount also includes $3.5 bn accounted for in financing through GDP warrant debt restructuring but did not actually enter the budget.

Loans contingent on reform implementation are gaining increasing prominence. Most external loans for the budget – $23.9 bn (inc. $20.5 bn from EU and $3.4 bn from Canada) – were received through the ERA Initiative, which is backed by future revenues from frozen Russian assets. Another significant portion ($11.1 bn) was received from the European Union under the Ukraine Facility program. The IMF provided an additional $900 mn in the eighth tranche of its four-year Extended Fund Facility (EFF) program.

[4] According to KSE estimates, defense and security spending in 2026 could reach $102.9 bn, while total expenditures may amount to $144.3 bn once such assistance is accounted for

Table 2. Budget funding sources (revenues and gross financing) in 2023-2025, $bn

Resources	2023	2024	2025	Change (%, y-o-y, 2025 vs 2024)
Internal budget resources	**48.0**	**56.9**	**62.3**	**9.4**
Domestic government bonds	15.1	15.9	13.9	(12.3)
Own budget revenues (w/o grants)	32.9	41.0	48.4	17.9
Share of internal budget resources	52.6%	49.1%	52.0%	x
External budget resources	**43.3**	**59.1**	**57.6**	**(2.5)**
External loans	31.5	47.3	44.5	(6.0)
Grants	11.9	11.8	13.1	11.4
Share of external budget resources	47.4%	50.9%	48.0%	x

Source: Ministry of Finance of Ukraine, KSE calculations

Table 3. External loans to Ukraine in 2025

Foreign loans received in 2025	$ bn
EU	**31.9**
o/w ERA	*20.5*
o/w Ukraine Facility	*11.4*
Canada	**3.4**
World Bank	**1.2**
IMF	**0.9**

Source: Ministry of Finance of Ukraine

In December 2025, the European Council approved a new support instrument for Ukraine: the Ukraine Support Loan. It provides financial support to Ukraine totalling €90 bn for 2026-2027 and will be repaid by Ukraine only after receiving reparations. Until then, Russian assets will remain frozen, with the EC reserving the right to utilize them for loan repayment. The proposed support will be structured in two components: €30 bn provided as general budget support and €60 bn allocated for military aid. Budget support will be provided in the form of macro-financial assistance, along with financial aid through the updated Ukraine Facility mechanism.

Additionally, the IMF and Ukraine have reached a staff-level agreement on a new four-year program under the Extended Fund Facility amounting to $8.1 bn. Under this program, the Government of Ukraine commits to strengthening policies that ensure fiscal, external, price, and financial stability, as well as supporting economic recovery.

Ukraine is expected to receive $46.6 bn from foreign partners in 2026. This includes financial support from the European Union under the Ukraine Facility program, financing from the governments of the United States, Japan, and Canada under the ERA mechanism guaranteed by revenues from frozen Russian assets, IMF and World Bank loans, and others. Significantly lower volumes of financing are planned to be raised through domestic government bonds – $9.2 bn in 2026 compared to $13.9 bn this year.

State and State-Guaranteed Debt

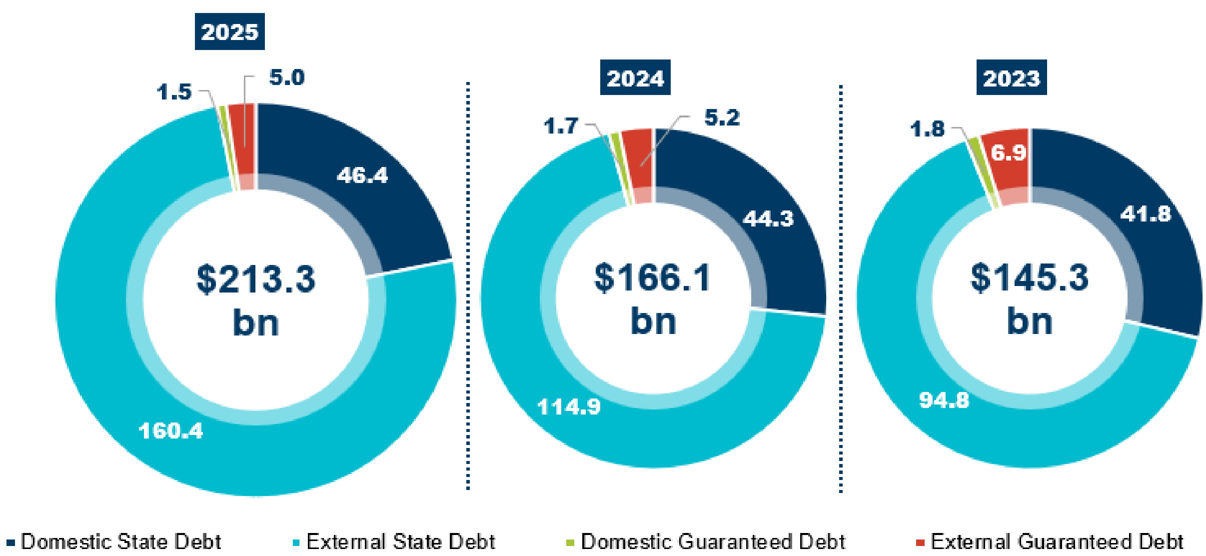
In 2025, Ukraine's state and state-guaranteed debt grew substantially amid a persistent budget deficit. By the end of the year, it reached $213.3 bn (nearly 101% of GDP[5] in 2025), marking a 28.4% rise compared to the end of 2024.

International borrowing to support the economy and cover the budget deficit, combined with currency fluctuations, fuelled rapid external debt growth. Ukraine's external state debt increased by 39.6% from the end of 2024 to $160.4 bn at the end of 2025. This ongoing reliance on foreign financing shifted the debt structure, with external debt comprising 77.5% of total state and state-guaranteed debt (up from 72.3% at the end of 2024). Although most new external loans during 2025 came on concessional terms that keep debt service costs manageable, the growing external share heightens exchange rate risks.

Domestic financing in 2025 was primarily used to repay internal debt, ensuring moderate growth of domestic debt. Ukraine's domestic state debt increased by 4.7% compared to the end of 2024, up to $46.4 bn. According to the NBU Depository, in 2025, the government of Ukraine raised $13.6 bn from offering domestic government debt securities through auctions and allocated $11.4 bn for redemption of domestic government debt securities.

In 2025, the government initiated a policy of reducing the issuance of guarantees, which leads to a gradual decrease in state-guaranteed debt. State-guaranteed debt for the period from the end of 2024 to the end of 2025 decreased by 5.8% from $6.9 bn to $6.5 bn. For 2026, the government has capped the maximum volume of state guarantees at 2.5% of planned revenues in the general fund of the budget (down from the previous 3%). Overall, the share of state-guaranteed debt has been declining for four consecutive years.

Figure 3. State and state-guaranteed debt in 2023-2025, $bn



Source: Ministry of Finance of Ukraine, KSE calculations

The end of the year saw active government debt management efforts aimed at maintaining debt sustainability. In December, the government successfully completed the restructuring of state derivative liabilities (GDP warrants). The operation garnered 99% investor support, fully

[5] The calculation uses the expected GDP for 2025 from the Ministry of Economy's official forecast underpinning the approved Budget for 2026

replacing this high-fiscal-risk instrument with predictable debt obligations. Under the restructuring terms, GDP warrants totalling $2.6 bn were exchanged for new Series C bonds maturing in 2032 with a total value of $3.5 bn, as well as Series B bonds maturing in 2030 and 2034, each valued at $16.9 mn. All GDP warrants were cancelled. According to Ministry of Finance estimates, without this restructuring, payments under GDP warrants for 2025-2041 could have reached $6-20 bn depending on economic growth rates. Consequently, potential payments for 2025-2041 were substantially reduced, enhancing debt sustainability and fiscal policy predictability.

The Government has approved the Medium-Term Debt Management Strategy for 2026–2028, which aims to ensure fiscal and debt sustainability and predictability of debt policy, strengthen trust among international partners and investors, and reduce key debt risks such as high borrowing costs, refinancing and liquidity risks, and exposure to currency fluctuations. Key priorities include increasing the share of grants and non-debt financing, mitigating debt risks through cost and maturity optimization, and fostering investor relations alongside development of the domestic government bond market as a tool for economic recovery.

State and state-guaranteed debt will continue to grow in 2026, reaching 106% of GDP ($239.1 bn) by the end of the year due to the mobilization of new borrowings. The growth will primarily occur due to the accumulation of external debt through active mobilization of funding from international partners, as outlined in the previous section. Internal debt repayments are planned to exceed new domestic borrowings in 2026, with $11.4 bn allocated for domestic state debt servicing—driving an expected decline in overall domestic debt levels.

Key Risks for 2026

Macroeconomic and security vulnerability of revenues. Despite the planned growth in revenues, their actual performance in 2026 will remain sensitive to the military situation and overall economic dynamics. A deterioration in the security environment could narrow the tax base due to production stoppages, logistics disruptions, and reduced exports, increasing the risk of revenue shortfalls and making the revenue side of the budget more volatile.

Institutional and behavioural risks of tax administration. A significant part of the revenue growth is based on de-shadowing and improving administration, primarily in customs and tax debt management; the effectiveness of this depends on the real capacity of institutions to implement reforms. At the same time, increased taxation of banks and the introduction of new taxes may encourage tax evasion, shift the tax burden to consumers, or curb investment activity, which together will limit the real fiscal effect and weaken the budget revenue base.

Risks related to international financial assistance. The overwhelming majority of confirmed financial support commitments from international partners are conditional on the Ukrainian government meeting specific policy and reform requirements, without which disbursements will not be made. The newly announced €90 bn EU support package is no exception. In the context of a fragile domestic political environment and a weak parliamentary coalition – which has already manifested in difficulties passing required legislation – there is a heightened risk of delays or partial non-compliance with conditionalities, potentially disrupting the timely receipt of external financing. Overall, the final framework of this program has yet to be determined, as have the ultimate funding volumes to be provided in line with Ukraine's needs. The same applies to the new IMF program, which is not yet approved, with a risk that it may not be implemented or could proceed with different funding amounts.

Political-cycle risks to expenditure discipline. Expectations related to the launch of a new electoral cycle may create incentives for expanding populist spending initiatives that are not supported by stable and sustainable financing sources. Such pressures could complicate fiscal planning, increase demands for additional revenues or debt financing, and weaken adherence to budgetary discipline, particularly in the pre-election period.

Table 4. Ukrainian budget indicators for 2023-2026, $bn

Indicators	2023	2024	2025	2026E	Change (%, y-o-y, 2025 vs 2024)
Total revenues	**73.1**	**77.8**	**92.0**	**63.6**	**18.3**
Grants	11.9	11.8	13.1	0.8	11.4
Non-tax and other revenues	**40.2**	**36.7**	**43.6**	**9.1**	**18.7**
Tax revenues	**32.9**	**41.0**	**48.4**	**54.4**	**17.9**
PIT	5.7	8.1	11.8	12.3	45.4
CIT	3.9	6.8	6.8	7.1	1.1
Rent	1.5	1.2	1.0	1.2	(12.3)
Excise tax	4.6	5.2	6.7	7.2	28.6
Domestic VAT (net)	5.9	6.7	7.4	8.6	10.0
Import VAT	10.0	11.6	13.0	15.0	12.1
Import and export duty	1.1	1.2	1.3	1.6	11.7
Total expenditures	**109.8**	**111.7**	**131.3**	**104.3**	**17.5**
Defence	57.4	57.4	73.6	46.1	28.3
Deficit	**(36.4)**	**(33.8)**	**(39.2)**	**(41.6)**	**16.0**
Deficit (net of grants)	**(48.3)**	**(45.6)**	**(52.4)**	**(42.5)**	**14.8**
Net borrowings	34.7	35.6	44.1	41.4	24.0
Loans	46.6	63.2	58.4	55.8	(7.6)
Repayments	(11.9)	(27.6)	(14.3)	(14.4)	(48.2)

Source: Ministry of Finance of Ukraine, KSE calculations

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