

Ukraine

Money transfers – anti-crisis banking service

Whilst the use of most banking services decreased in Ukraine in the crisis period, in contrast, the use of money transfers grew. Overall, in the year 2010, money transfer services were used by 15% of the population. PrivatBank, UkrPoshta and OschadnyBank remain constant leaders in the market for money transfers. This information is based on the results of the regular research on the personal banking services market conducted by GfK Ukraine.

In spite of the crisis, the use of money transfers has increased over the last three years so that, whereas about 7% of population carried out money transfers in 2007, by 2010 this figure had risen to about 15%.

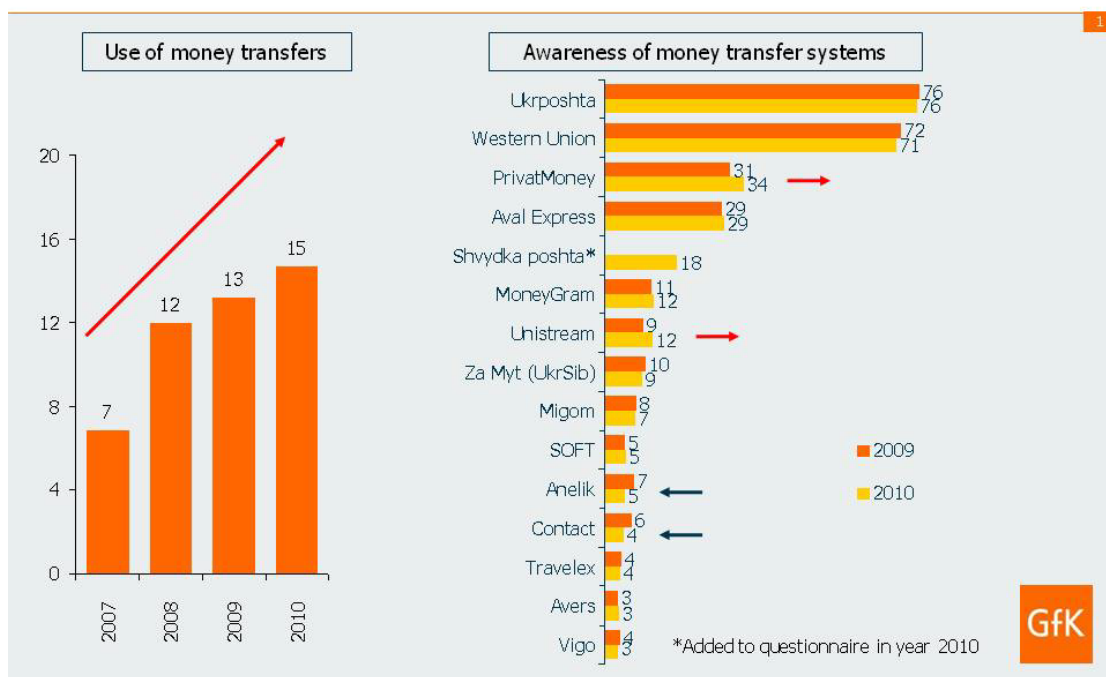
“This increase is connected with the growth of family support in a time of crisis”, comments Dmytro Yablonovskyy, Head of the GfK Ukraine Financial Research Department. “The use of money transfers will increase in the future but, in the meantime, banks will try to persuade the Ukrainians to use more technologically-savvy and less costly methods of money transfer – for example, from card to card via an ATM or by means of topping-up of a family member’s account, in particular, by using Internet-banking”.

Brands in the money transfer market

PrivatBank, UkrPoshta and OschadnyBank remain consistent leaders in the money transfer market in terms of the service use level. About 57% of users sending money and 56% of those receiving money made use of their services in 2010.

With regard to the brands of money transfer systems, in 2010 the best known were mail transfers by UkrPoshta (76% of users) with Western Union in second place (71%). They were followed at a distance by PrivatMoney and Aval Express. This order remains the same for the analysis according to use level indicators.

Use of money transfers and awareness of money transfer systems



Transfers are most often made within Ukraine whilst, amongst other countries, Russia occupies a leading position both for the sending and the receipt of money. Italy and the USA also have a high share of senders.

User portraits

Remitter

Men send money more often than women and there is a relatively high proportion of people aged between 30 and 59 years amongst the remitters. In addition, in most cases the remitters are employed and have a higher level of education. In summarizing the image, we can say that remitters are relatively more active in business and represent well-to-do population categories. A relatively higher percentage of remitters resides in the southern region whilst a relatively higher percent of those who send money to Russia lives in the east.

Recipient

Most recipients are aged between 16 and 29 years, especially amongst those receiving money within Ukraine. A relatively higher percentage of those receiving money transfers resides in the west. Students form a considerable share of the recipients of money with unemployed pensioners representing a slightly lower share.

Certain peculiarities characterize those receiving transfers from Russia: such recipients mostly reside in the east. Most of them are people aged 60 years and over, pensioners and people without a higher level of education. They also have a relatively poor financial status.

According to Dmytro Yablonovskyy, students and pensioners in advanced countries are often able to rely on state support or assistance from financial institutions, in that students are able to get grants and pensioners receive allowances from private pension funds or accumulative life insurance programs. In Ukraine, the state support of such groups is inadequate and the other financial tools are quite poorly developed. This leads to the necessity for financial support to be provided by one generation for another. Alongside a high level of population migration it also encourages the development of the money transfer market.

Both remitter and recipient are relatively more active users of banking services with remitters making use of bank cards more often.

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