

## **Abstract**

This thesis discusses causes of the liquidity crises in Ukraine. The topic is covered from both theoretical and practical point of view. The discussions on the policies implemented by Central Bank are presented as well as the analyses for three liquidity ratios, using time series data and ordinary least squares. The main hypotheses of the thesis are: there is a positive correlation between the liquidity level and proportion of foreign capital to total bank capital; higher capital adequacy ratio leads to better liquidity ratios; liquidity is procyclic and thus depends positively on the economic growth of the country and we presume negative correlation between discount rate and liquidity. In addition to the aforementioned hypotheses, we also examine the effect of additional explanatory variables such as inflation, total assets of banking sector, spread between loans and deposits, ratio of non-performing loans to capital, unemployment rate, returns on assets and equity, and investment in securities. The quick liquidity ratio, short-term liquidity ratio, and current ratio are used as dependent variables and separate model is constructed for each of them.