

Секція 1

ФІНАНСОВІ МЕХАНІЗМИ ЗБАЛАНСОВАНОГО РОЗВИТКУ УКРАЇНИ В УМОВАХ ЦИФРОВОЇ ЕКОНОМІКИ

ANALYSIS OF CREDIT TRANSACTIONS IN MODERN TIMES

Vladyka Yu., Candidate of Sciences (Economics), Associate Professor

Behchenkova A., student

National Aviation University

In the modern market economy, loans are an integral part of the economic system, relationships between its subjects and an important component of economic relations. Today, credit mediates all stages of the production process and contributes to the effective use of limited resources, as well as increasing the profitability of production.

The totality of credit relations, financial and credit institutions and established organizational legal norms, which in their interaction ensure the possibility of movement of loan capital in various forms between subjects of the economy at the national and international levels, forms the credit market. The credit market of Ukraine is the main component of the financial market, which enables business entities to quickly mobilize financial resources.

One of the main tasks facing the bank's management is the correct development of credit activities. Credit activity should include the most important elements and principles of the organization of credit work in the bank, determine the priority areas of crediting, as well as the list of loans that should not be included in the credit portfolio. Today, the credit activity of any commercial bank is part of the philosophy of the banking business, which determines the intrabank loan issuance procedure, document flow, monitoring of the loan portfolio, work with problem loans, setting loan interest rates. The leading role in solving significant problems belongs to credit relations and banks, which is explained not only by the increase in their role in the development of the economy, but also by the available opportunity to quickly and effectively respond to the introduced new management mechanisms. Thus, the chosen issue of methodological formation of credit activity is quite relevant, as it affects the activity of a commercial bank, and because of this, the development of the economic and banking system in the country.

The purpose of the study is to analyze the economic essence of banking credit activity institutions as a determining prerequisite for ensuring the financial stability of the banking system in conditions of instability.

Presentation of the main research material. The reason for the need for a loan is the fluctuation of the need for funds and the sources of their formation in both enterprises and individuals. When some funds are released, others lack them. This discrepancy is resolved with the help of a loan, which is needed by the borrower to expand production, more fully meet his own needs.

The overall economic reason for the appearance of credit relations is commodity production. After all, credit is a loan, a debt. The essence of credit as an expression of the specific has many different shades. It is very difficult to include them in one definition. In this regard, there may be several definitions of the essence of the loan, and each of them may express one or another of its qualities, one or another detail characteristic of its structure, the composition of participants, the stages of movement and the basis of the loan. It can be assumed that the loan is:

- relations between the creditor and the borrower;
- reverse movement of value;
- movement of means of payment on the principles of reversibility;
- the movement of the borrowed value;
- movement of loan capital, etc. [1].

It is believed that balanced credit activity of the bank is fundamental for the correct management of credit risk. Risk, as an integral part of any loan provided by the bank, is minimized. At the same time, the bank must earn a profit, which provides stimulation and attraction of a sufficient inflow of capital. Credit activity determines the limits of credit risk, and since it is approved at the highest level by management, the latter thereby limits itself from the point of view of conducting high-risk operations. Permanent provision of the optimal level of credit risk while simultaneously achieving the planned level of profit from credit investments in conditions of instability of the external environment requires the introduction of scientifically based credit activity in banks, which is based on the reliability and representativeness of data from the analysis of the current situation and possible ways of its development in the future, the bank's ability to promptly respond to changes in various factors affecting the market of credit services [2].

The main goal of the credit activity of any bank is to achieve commercial growth thanks to strengthening and increasing the reliability of the quality of the bank's credit portfolio. Also among the main tasks of credit activity:

- creation of high-quality assets that ensure a constant planned level of profitability;
- investment of loan funds in economically promising, profitable projects;
- development and active implementation of new credit products;
- strengthening and increasing competitiveness in the market; improving the quality of provided services [3].

However, credit operations are also the most risky type of active bank activity. This is clearly evidenced, in particular, by the specific weight of problem loans in their loan portfolios [4].

Thus, credit operations occupy an important place in the activity of a commercial bank. They include operations to provide funds to the borrower on terms of timeliness, return, payment in accordance with the terms of the contract between

the creditor and the borrower. Types of loan operations are extremely diverse, they can be classified according to various features and criteria.

Abroad, the classification of loans is mostly drawn up and followed by the banks themselves. A systematic method of monitoring the quality of the bank's loan portfolio consists in classifying loans depending on the extent to which the borrower adheres to the terms and conditions of loan agreements, in particular, regarding loan servicing conditions.

The conducted study of the current state of credit activity in Ukraine, as well as the analysis of many scientific works, made it possible to develop proposals aimed at improving the credit activity of banking institutions, namely:

- 1) strengthen state regulation of credit activities of banking institutions;
- 2) stimulate the attraction of cash deposits by providing state guarantees;
- 3) improve the legal framework;
- 4) establish benefits for banks that lend to the real sector of the economy;
- 5) strengthen control over the use of refinancing funds;
- 6) stimulate banks to invest in long-term securities.

The main factor in improving the state of the domestic banking system is the trust of the population and its confidence in the stable state of the country's economy. There is a need for banks to improve their credit policy to prevent the emergence of problem debt by applying strict conditions for granting credit. The National Bank is working on new instruments for providing financing to banks, which will help banks satisfy business demand for hryvnia funds and continue to properly perform their main function of supporting the economy. This is important today and will be no less important after the end of the quarantine, when the economy returns to full functioning. In particular, for this, changes have already been made to the operational design of monetary policy, which will give banks greater flexibility in managing their own liquidity, and a long-term refinancing tool has been introduced to support lending and bank liquidity.

References:

1. Nechyporenko A.A.. Ekonomichna sutj bankivsjkogho kredytu ta kredytnykh vidnosy [The economic essence of bank credit and credit relations]. Available at: <https://www.sworld.com.ua/konferu5/36.pdf> (accessed 6 April 2020).
2. Solodka O. O.. Efektyvnistj kredytnoji dijajlnosti mekhanizmi bankivsjkogho marketynghu [The effectiveness of credit activities in the mechanism of banking marketing]. Finance of Ukraine, no. 20, pp. 119-127.
3. Kovalenko V.V. (2018) Kredytna dijajlnistj bankiv Ukrajinj: problemy ta perspektyvy rozvytku [Credit activity of Ukrainian banks: problems and prospects]. Odessa : ATLANT
4. . Vladyka J. P., Bezuhla L.S. and Turova L.L. Zdobutky ta novi vyklyky u dijajlnosti systemno vazhlyvyh bankiv v Ukrajinj. Elektronnyj naukovopraktychnyj zhurnal «Infrastruktura rynku»