

THE MANAGEMENT OF CREDIT RISK OF THE COMMERCIAL BANK

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The article deals with the issues of credit risk management on the example of one of the commercial banks of Ukraine.

Actuality of the topic is that bank managers in most cases decide as the main problem is not the getting of maximum operating profit, but the problem of achieving the optimal balance between profitability and riskiness of operations. Balance between profit and risk and researching their optimal correlation is considered as one of the most important and complicated tasks which are facing the management of the bank.

The value of the scientific contribution that was made by different scientists, for today, there are a number of unresolved problems of a theoretical and methodological nature that related to the detection of the principles and factors of persistent functioning and development of the banking sector, in particular, the management of credit risks; the lack of a single concept that integrates the various methods and models of risk management to provide the development of banks.

An analysis of the current state of credit activity of Ukrainian banks allows to emphasize the negative aspects that make it necessary to strengthen control over credit risks and find ways to minimize them. There

are some of the negative aspects: the deterioration of the quality of credit portfolios of banking institutions, which is manifested in the growth of the share of overdue arrears; significant volumes of credits that issued by banks in foreign currency, which, with a depreciation of the national currency, leads to an increase in the debt burden on borrowers and an increase in the level of credit risk; increase of credit risk in the banking system of Ukraine for operations with bank related persons.

The main purpose of the article is to analyze the credit risks that take place in banking activities and to provide recommendations on how to improve the efficiency of credit operations.

Realization of the purpose is conditioned by the necessity of setting up and carrying out the analysis of:

- structure of the credit portfolio of the bank;
- problem of arrears of the bank;
- dynamics of analytical indicators of the credit portfolio;
- effectiveness of managing a bank's credit portfolio.

The analysis will be conducted on the example of PJSC “UkrSibbank”.