

## STRESS-TESTING IN THE BANKING PROFIT MANAGEMENT SYSTEM

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The article is devoted to topical issues of formation of the system of banks' profit and the use of stress tests for predicting profitability.

It is determined that the profit and profitable activities is essential factor in ensuring financial stability and competitiveness of banks. This is due to the fact that it is income that provides a formation of adequate funds and reserves, which funds are allocated to unforeseen risks, encourages staff and management for the expansion and improvement of banking operations and services, reduce of costs and minimization of banking risks.

The main goal of the article is to develop theoretical and methodological principles of forming the system of banking profit and predict its level based on the model of stress testing.

The authors determined that the management of profit for banks often view the process and system approaches. The article has a scheme of the management of banks'

profit based on universal, process and system approaches.

The authors consider the use of stress testing method to determine the influence of factors on projected final financial result – net profit banks. Risk factors are gross domestic product, inflation, interest income and expense, commission income and expense that affect the profit of banks. The results of stress tests are important: the optimistic scenario predicted net profit may reach the size – 66.376 million USD, while pessimistic, the damage will reach 66.419 million USD.

The author of the article suggests the main directions of the banking profit management. They are competitive selection; strict control over the cost of borrowed resources; development and respect for the limits that restrict the level of risk taken; allocation of resources at the rates that provide a refund of the cost plus sufficient for the maintenance and development of the bank's margin.