

## INNOVATIVE APPROACHES TO THE BANK LENDING TO INDIVIDUALS

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Bank lending is the main function of banking, which brings earnings. Nowadays the amount of bank lending to businesses is declining because of the macroeconomic crisis. In these terms bank lending to individuals has become more attractive for banks. Bankers are trying to increase the volume of lending to individuals. It is important now to create innovative practices of bank lending to society. They include strategic partnership, bancassurance as well as peer-to-peer lending.

Strategic partnership should be used by banks in order to increase the pool of borrowers, to extend the product range of the bank. It has advantages for all participants of such partnership as well as for clients and leads to the growth of bank earnings.

Bancassurance is an innovative practice of bank cooperation with insurance companies. It is highly developed abroad and can also be implemented in Ukrainian banking.

Insurance is used by banks in the process of lending to individuals to minimize credit risk. So it would be efficient to provide such services to individual borrowers in the bank. On the one hand it benefits clients because they do not have to spend more time to find the insurance company. On the other hand banks can choose the most stable partner in order to minimize risks. Bancassurance also helps banks to improve services for individuals.

Banks can be involved into peer-to-peer lending by acting as founders, moderators or lenders. It will cause the increase of the consumer loans portfolio and recession of bank expenses for promotion of its products for individual borrowers.

So we can improve bank lending to individuals in the current situation in Ukraine by implementing modern methods, introducing innovative products and technologies.