

ABSTRACTS

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THE MAIN CAUSES OF PROBLEMATIC CREDIT DEBTS IN BANKS
OF UKRAINE ON THE MODERN STAGE OF ECONOMIC DEVELOPMENT

Today the quality of loan portfolios of domestic banks remains at a critical level. The domestic credit market was characterized by a high level of credit risk, as evidenced by the increase in the share of problem credit debt from 7,7 % in 2013 to 13,5% in 2014, and at the end of 2015, the share of problem loans in total amounted to 22,1 %.

According to the survey, the main causes of bad loans in banks of Ukraine were singled out into three groups: macroeconomic causes; causes that depend on the activities of banking institutions; causes, which depend on the borrower. These indicated causes have an impact immensely on the level of problematic credit debts. However, we can accept and adjust to the influence of the objective group of macroeconomic courses. A different situation concerns the activities of the banking institutions and borrowers, which reasons have a subjective character. The reasons of a subjective character are to be influenced in order to improve the efficiency of the banking business, minimizing credit risks and problem loans.

Due to the results of analysis, problematic credits are one of the most destabilizing factors in the context of a single bank and the banking system of Ukraine as a whole. Therefore, the primary task of the banks in order to counteract the problematic debt is to use their own internal measures designed and aimed at reducing the volume of distressed loan portfolios, maintenance of corporate principles, following strategic goals and putting the financial interests of the banking institution above all.