

Onufrienko M.P. International Experience in Credit Risk Management in the Banking System

Annotation

Some credit risk assessment methods used in international banking practice are analyzed. We developed the summary table of common and distinguishing characteristics of international methods of credit risk assessment which clearly shows the basic criteria used in assessing credit risk in the world. Having analyzed international methods for credit risk assessment, it is estimated that national banking sector should improve such methods as limitation, reserve funds under cover expected and unexpected losses, diversification, insurance conditions for early recovery, etc. The use of international experience is supposed to allow reducing errors in the evaluation and management of credit risk and also creating conditions for the formation of new organizational structures (rating agencies), which will help optimize credit risk management system, will encourage investors to share the risks and the bank, however, will enable them to receive significant profit.

Keywords: credit risk evaluation system, the borrower, methodology, rating agency capital, liquidity ratio.

Summary

Modern trends in the credit sector forced Ukrainian banking analysts and bankers immediately show interest in credit risk assessment models and methods of its administration. The issue of credit risk was not relevant for the planned command economy of the Soviet period, because our scientists are faced with the need to address it only with the development and market economy. In this regard, it is clear shortage of research analysts and practitioners Ukrainian banking.

The aim of this work is to analyze and compare the credit risk in Europe and the world at large, consider their effective implementation in the credit system of Ukraine. The result of the study based on the analysis and the comparison is to develop the author of the summary table, which clearly shows that the most common international methodology for assessing credit risk pay attention to the reputation of potential borrowers, the feasibility study loan, the ability to repay the loan, provision for credit cards and financial condition of the borrower. In the background study pay attention on credit transaction, the conditions in the developing business borrower reward which could receive creditor bank.

By carrying out an analysis of international methods of credit risk evaluation author came to the following conclusions that the national banking sector is necessary on the basis of international banking experience to improve these methods of credit risk as a limitation, reserve funds under cover expected and unexpected losses, diversification, insurance conditions for early recovery of amounts etc. The usage of the experience of foreign banks in Ukraine will reduce the number of errors in the evaluation and management of credit risk. It is possible to make subject to adaptation and implementation of at least one of the techniques of credit risk in the credit activity of banks Ukraine: model "Z", "PARSER", "CAMPARI", "5 C" and others. It is necessary to create the conditions for new organizational structures (rating agencies), which will help optimize credit risk management system will encourage investors to separate banking risk and at the same time, they will receive substantial profits.