

ABSTRACTS

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SCIENTIFIC AND METHODOLOGICAL FOUNDATIONS OF CREATING THE MODEL FOR QUALITY ESTIMATION OF BANK'S CREDIT PORTFOLIO

On the basis of scientific research, concerning the estimation of credit portfolio quality of the banking institutions it was established that the present methods determine the quality of the loan portfolio based on the indexes, which do not fully reflect the state of the loan portfolio and incur indirect informative load.

Determining the factors, affecting the quality of the loan portfolio, there is the possibility in principle to build a model of assessing the quality of the credit portfolio of the bank. The quality of the loan portfolio of the bank is proposed to evaluate by calculating the integral index, which consists of the following elements: quality of loan collateral; quality of borrower's solvency. Each of these elements is characterized by certain components: the collateral consists of quality assessments of movable property, immovable property, and the real value of the property; the quality of borrower's solvency includes assessment of its financial condition, as well as evaluating the risk.

The proposed approach will provide an opportunity to investigate objectively the quality of the loan portfolio of the banking institution from the point of view of possible risks. The developed methodology can be useful for many activities of banking institutions. However, the crucial role it plays in the work of risk management, business lending, divisions of internal security and the direction of recovery. The essence of the proposed approach is to study the quality of the loan portfolio of the banking institution by creating a scoring system, i.e. through the assignment of a certain amount of loan funds a certain number of points in the case, when these funds meet certain criterion that affects the loan portfolio.