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THE IMPACT OF THE BANKING CRISIS ON CHANGES IN BANK LENDING CONDITIONS

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Summary. Based on the study of the methodological aspects of the development of banking and credit crises it was proposed indicators of early warning, which include: the rate of economic growth, the level of bank liquidity and capital adequacy, the pace of lending to the economy, the share of problem loans, the rate of devaluation and inflation, the rate of withdrawal of deposits, the banks' return on assets and equity and others. The research allowed to conclude that encourage

credit activity is a complex process that requires specific approaches and tools, including: decline in the discount rate; priority of the refinancing of banks, credit strategically important state programs; issue long-term government bonds; the increase in the amount of compensation of deposits of individuals and the development of mechanisms for guaranteeing the deposits of legal entities; the use of consortium lending to priority economic projects with the participation of the National Bank of Ukraine.

Key words: *banking crisis, crediting, credit crisis, credit climate, problem loans, credit risks, conditions of bank lending.*

Banking crises that occur in the context of economic and political instability and have a negative impact on all aspects of social life, have become an integral part of the modern stage of economic development. They are characterized by decline of production, the imbalance of the financial system and financial markets, high inflation, unemployment, slowdown of crediting and bankruptcy of banks.

The article highlights three banking crises in the history of independent Ukraine and the results of their comprehensive analysis, the features of the stimulation of credit activity in terms of the banking crisis and justified system of measures to stimulate lending process through the creation of a favourable investment and credit environment.

The main factors that cause banking crises are economic, political and social factors: causes of the banking crisis may be economic crises, crises of public finance, specific crises in the individual markets, insufficient capitalization of banks, external factors, accompanied by devaluation of the national currency, budget deficit, high inflation, depreciation of financial assets, the imperfection of the banking regulation and supervision.

Based on the study of the methodological aspects of the development of banking and credit crises it was proposed indicators of early warning, which in-

clude: the rate of economic growth, the level of bank liquidity and capital adequacy, the pace of lending to the economy, the share of problem loans, the rate of devaluation and inflation, the rate of withdrawal of deposits from the banking system, the banks' return on assets and equity and others.

The research allowed to conclude that support and encourage credit activity in the conditions of a banking crisis is a complex process that requires the use of specific approaches and tools, including: decline in the discount rate and ensure its active influence on the entire system of interest rates of the monetary market of Ukraine; priority of the refinancing of banks, credit strategically important state programs; issue long-term government bonds and direction of the received funds to finance investment and infrastructure projects; the increase in the amount of compensation of deposits of individuals and the development of mechanisms for guaranteeing the deposits of legal entities; the use of consortium lending to priority economic projects with the participation of the National Bank of Ukraine.

One of the most important directions of overcoming both the banking and credit crisis was defined restoring the confidence in the banking system and national currency.

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