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## EFFICIENCY OF CREDIT PORTFOLIO MANAGEMENT IN CONDITIONS OF ECONOMIC INSTABILITY

**Introduction.** The active development of integration processes causes the necessity of applying high-level approaches to management of the banking system, which is an essential part of the financial sector. Due to the importance of credit operations in the portfolio of banking assets, development of efficient and flexible credit management system is the basis for financial and market stability of banks.

**Purpose.** Analyze the condition of the credit portfolio of banking institutions under the influence of economic processes and make conclusions and recommendations about the effectiveness of managing the bank's credit portfolio and generalize ways of improving the structure and quality of the bank's credit portfolio.

**Results.** Over the last six years, the quality of the credit portfolio has become worse because of the bad debts growing and, as a result, decreasing in revenues. The calculated

coefficient of management efficiency of a credit portfolio shows the dependence of this indicator on the value of risk and yield. In order to confirm the dependence and determine the degree of influence of these indicators on the efficiency of management of a loan portfolio, an economic-mathematical model was constructed on the example of both individual banks and the banking system as a whole. Detected dependence of factors is quite logical, therefore, the model can be recommended for practical use.

**Conclusion.** Using this method of determining the management efficiency of a credit portfolio will allow the management of the bank to make reasonable decisions. It will allow the possibility of forming a more justified credit portfolio, taking into account not only the profitability, but also the real level of risk of credit operations.

**Keywords:** *estimation, credit portfolio, credit risks, profitability, efficiency, management measures, diversification, forecasting, regression*

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