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MANAGEMENT OF THE QUALITY OF THE BANK'S CREDIT PORTFOLIO DURING THE PERIOD OF MARITAL STATE

ZAPOROZHETS Svitlana*PhD in Economics, Associate Professor of the**Department of Finance and Accounting**Territorially separated structural unit**“Cherkasy Educational - Scientific Department of**Ivan Franko National University of Lviv”**ORCID ID: <https://orcid.org/0000-0002-8378-5549>***TRIGUB Yulia***Student,**Territorially separated structural unit**“Cherkasy Educational - Scientific Department of**Ivan Franko National University of Lviv”*

Abstract. *The article examines the essence of the concept of financial inclusion from the standpoint of forming an ecosystem of interdependent determinants of its provision, substantiates the role of the regulatory component as an important prerequisite for financial inclusion and identifies regulatory areas for intensifying the development of financial inclusion in Ukraine.*

Key words: *financial inclusion, financial inclusion ecosystem, financial inclusion regulation, financial literacy, financial services.*

The article notes the impact of Ukraine's European integration intentions and the deployment of a full-scale war on the country's territory on changes in the development of its economy. These changes significantly affected the development of the banking system, which is an important link in the financial sphere. Stable, effective functioning of the banking system is the main direction of ensuring stable socio-economic development of Ukraine in the conditions of globalization of financial processes, integration of the country's economy into the world economy and, in particular, in conditions of martial law.

The stability of the bank's activity, its image, competitiveness, and financial results depend on the effective management of the credit portfolio. The article provides an algorithm for effective management of the bank's loan portfolio, which consists of three main stages: risk management of the bank's loan portfolio, management of the quality of the bank's loan portfolio, management of the profitability of the bank's loan portfolio.

Taking into account the current geopolitical situation in Ukraine, in the process of managing the quality of the bank's loan portfolio, special attention should be paid to the identification, assessment,

monitoring and control of non-performing loans (NPLs). The article proves that Russia's full-scale military invasion of Ukraine reversed the trend toward a gradual reduction in the share of non-performing loans (NPLs) that had been ongoing since 2018.

A full-scale war expectedly had a negative impact on the solvency of borrowers, leading to an increase in credit risk losses and the share of NPLs. Timely response of banks to credit risks and, if

necessary, taking measures to overcome problem debt, in particular restructuring, is a guarantee of further stability of banks. Work on NPLs arising during the current crisis will continue after the end of its deep phase. An important task of Ukrainian banks will be to update strategies for reducing the share of non-performing loans after the termination or abolition of martial law. That will serve as a prerequisite for increasing their investment attractiveness in the future.

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