

Yulia Manachynska, Candidate of Economic Sciences,
Associate Professor,

<https://orcid.org/0000-0001-9155-3417>

Volodymyr Yevdoshchak, Candidate of Economic Sciences,
Associate Professor,

<https://orcid.org/0000-0001-6547-8927>

Chernivtsi Institute of Trade and Economics of KNUTE, Chernivtsi

ACCOUNTING FOR CREDIT OPERATIONS IN BANKS UNDER THE COVID-19 PANDEMIC CONDITIONS

Summary

The period of corona crisis prompted the emergence of new challenges for domestic corporate and individual businesses. In particular, small, medium-sized businesses and micro-enterprises experienced a significant lack of financial resources and an urgent need for credit funds. For the first time in history the banking system of Ukraine provided support on the appropriate lending level to both the corporate sector and individual borrowers during the crisis. The Cabinet of Ministers of Ukraine has developed and actively implemented in practice the Program "Affordable Loans 5-7-9%" by a number of banks which has become a kind of impetus to support small and medium enterprises. For the year of the COVID-19 pandemic during the quarantine regime banks have successfully and timely conducted restructuring, as evidenced by the Report on the Comprehensive Program Implementation for the Ukrainian Financial Sector Development in 2020. The information base for timely credit operations recording by banks is the traditional bank accounting system, which is implemented by modern, specialized banking software through the prism of balance sheet accounts in the context of the national economy comprehensive digitalization. This, in its turn, determines the study relevance.

The purpose of the article is to study and substantiate the peculiarities of accounting for bank credit operations to small, medium-sized businesses and micro-enterprises in the context of the COVID-19 pandemic.

In the research process general scientific theoretical methods of cognition were used: system analysis – to clarify the main categories of research; abstract-logical method – to conduct theoretical generalizations and conclusions about the current level of lending to corporate and individual borrowers by banks, tabular method – to visualize the typical correspondence of accounts for fixing in the accounting system of bank credit operations to corporate and individual borrowers, as well as schedules formation for loan repayment.

The article substantiates modern approaches to the classification of bank loans, identifies the features of documenting credit transactions for legal entities – borrowers. The specifics of lending methods and forms of loan accounts at banking institutions are revealed. The accounts characteristics used for the accounting of operations on bank clients' crediting are provided. On the example of JSC "Oschadbank" the authors reveal the main aspects of the credit case formation, specifics of interest accruing on loans method, as well as commissions and features of bank credit operations reflection in accounting. The necessity for further lending to domestic medium and small businesses, except for vulnerable industries, at low interest rates by banks in order to successfully overcome crisis manifestations in the economy and to attain national economy revival as a whole has been proved.

The peculiarities of banks credit operations accounting for small and medium business as well as micro-enterprises of Ukraine are comprehensively and broadly substantiated. It enables to follow the loan issuance algorithm, such procedure documentation, interest accrual method and specifics of their reflection in the accounting system as the main source for domestic entrepreneurship financial support in the context of the COVID-19 pandemic.

Prospects for further research consists of theoretical and practical justification of the need for legal entities and individuals comprehensive refusal from cash turnover; directing efforts to further digitalization and country's population transition to online bank payments; directing the settlement and payment discipline to non-cash turnover; substantiation of accounting reflection peculiarities of such settlement operations between individuals and legal entities in the banks accounting system in the context of IFRS.

Keywords: credit operations, agreement, accounting, interest, commission income, interest income, corona crisis.

Number of sources – 10; number of drawings – 2; number of tables – 3.

References:

1. *About banks and banking activities*, Law of Ukraine of 03.07.2020 № 928-VIII. URL: <https://zakon.rada.gov.ua/laws/show/2121-14#Text> (in Ukr.).
2. *On approval of normative legal acts of the National Bank of Ukraine on accounting: Chart of accounts of accounting of banks; Instructions on the application of the Chart of Accounts of banks of Ukraine*, Order of the Ministry of Finance of Ukraine of 11.09.2017 № 89. URL: <https://bank.gov.ua/document/download?docId=55228582> (Accessed 20 April, 2021) (in Ukr.).
3. Hladkykh, D.M. (2020). Priorities for intensifying bank lending in Ukraine. *Natsional'nyj instytut stratehichnykh doslidzhen'. Zvitna dopovid'*. [National Institute for Strategic Studies. Reporting report], pp. 1–13. URL: https://niss.gov.ua/sites/default/files/2020-08/bankivske-kredytuvannya-1_0.pdf (Accessed 16 April, 2021) (in Ukr.).
4. *Available loans 5-7-9%*, State program. Annex 1 to the Minutes of the meeting of the Board of the Entrepreneurship Development Fund of 03.07. 2020. URL: https://5-7-9.gov.ua/2020_approved_03.0.pdf (Accessed 14 April, 2021) (in Ukr.).
5. Lytvyn, N.B. (2017). *Finansovyj oblik u bankakh (u konteksti MSFZ)* [Financial accounting in banks (in the context of IFRS)]. Kyiv, 676 p. (in Ukr.).
6. Markus, O.V. (2017). Accounting for lending operations in the system of institutions of the Savings Bank of Ukraine. *Ekonomichnyj chasopys Skhidnoievropejs'koho natsional'noho universytetu imeni Lesi Ukrainky [Economic Journal of the Lesya Ukrainka East European National University]*, vol. 1. pp. 154–159. URL: **Ошибка! Недопустимый объект гиперссылки.** (Accessed 16 April, 2021) (in Ukr.).
7. Nezdojmynoha, O.Y. (2016). Reporting of banking institutions in accordance with IFRS. *Naukovyj visnyk Mykolaivs'koho natsional'noho universytetu imeni V.O. Sukhomlyns'koho. [Scientific Bulletin of Mykolayiv National University named after V.O. Sukhomlinsky]*, vol. 12, pp. 509–512. URL: <http://dspace.pdaa.edu.ua:8080/bitstream/123456789/1060/197.pdf> (Accessed 15 April, 2021) (in Ukr.).
8. Pohorelenko, N.P. & Yurchenko, A.Yu. (2020). Evaluation of loan portfolio management processes of JSC CB "Privatbank". *Biznesinform [Businessinform]*, vol. 10, pp. 325–332. URL: https://www.business-inform.net/export_pdf/business-inform-2020-10_0-pages-325_332.pdf (Accessed 16 April, 2021) (in Ukr.).
9. Storozhenko, O.O., Hirchenko, T.D. & Shejko, O.P. (2020). Credit operations of banks at the present stage of economic development. *Prychornomors'ki ekonomichni studii [Black Sea Economic Studies]*, vol. 52/2, pp. 128–133. URL: http://bses.in.ua/journals/2020/52_2_2020/21.pdf (Accessed 15 April, 2021) (in Ukr.).
10. Shtaher, A.O. & Aks'onova, L.O. (2018). Improving the management of credit activities of the bank in modern economic conditions. *Ekonomichnyj visnyk DVNZ UDKhTU [Economic Bulletin of UDKHTU]*, vol. 4(10), pp. 68–71. URL: <http://ek-visnik.dp.ua/wp-content/uploads/pdf/2018-1/Shtaher.pdf> (Accessed 17 April, 2021) (in Ukr.).