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DOI: https://doi.org/10.30525/978-9934-26-569-3-34

PROBLEMS OF MANAGING CREDIT RISKS OF ENTERPRISES IN THE CONDITIONS OF WAR AND ECONOMIC CRISIS

In the context of the full-scale war in Ukraine, the economic situation for businesses has become unprecedentedly unstable. Decreased solvency, disruption of supply chains, loss of assets and sales markets have led to a significant increase in credit risks. In such circumstances, financial liability management becomes a critical factor for business survival. The issue of credit risk is particularly acute for both companies and financial institutions that cooperate with them. That is why it is important to find effective strategies for managing this risk in the context of martial law and a deep economic crisis.

Credit risk is the probability that an enterprise will be unable to meet its credit obligations in full or in part when due. In the context of the war, Ukrainian businesses face the following types of credit risks:

– insolvency risk – due to falling revenues, lost assets, and blocked markets;

– the risk of losing access to financing due to stricter bank requirements and instability of the banking system;

– debt restructuring risk – the need to change the terms of loan repayment due to force majeure;

– the risk of changes in the exchange rate and interest rates, which affects the servicing of foreign currency loans.

Credit risk management is key to ensuring the financial stability and solvency of Ukrainian businesses. In times of war, it helps to minimize losses, avoid defaults and maintain creditor confidence. Effective risk management helps to attract new investments and restore economic activity. Without proper credit risk management, businesses risk losing not only their financial stability but also their market position.

The main ways to reduce credit risks of Ukrainian enterprises in the current environment are as follows:

1. Diversification of funding sources. Enterprises should reduce their dependence on a single lender or a single type of loan. Alternative sources of financing, such as crowdfunding, leasing, factoring, grants or government support programmes, can spread risks and reduce the likelihood of financial difficulties in the event of a single source of support ceasing.
2. Improving financial reporting and transparency. Clear, reliable and timely financial reporting increases the confidence of banks and investors. Transparent financial activities allow for better lending conditions and timely adjustment of financial strategies in response to threats.
3. Formation of an internal reserve (financial cushion). The accumulation of a part of the profit in the form of a reserve fund allows the company to maintain liquidity in crisis situations and not to violate loan servicing schedules. This approach is an element of anti-crisis financial planning.
4. Improving the risk management system. It is important to implement modern tools for credit risk analysis, scenario modelling and automated risk management systems. Continuous monitoring of key financial indicators allows for a prompt response to potential threats of insolvency.
5. Active work with creditors and debt restructuring. In a crisis, it is advisable to negotiate with creditors to revise the terms of lending - changing terms, repayment schedules, interest rates, etc. Constructive cooperation helps to avoid delays and preserve business reputation.
6. Use of credit risk insurance instruments. Participation in credit insurance programmes, loan guarantees (including international ones) or agreements with relevant financial institutions helps to minimize the consequences of defaults and increase creditor confidence.
7. Optimization of the capital structure. A rational ratio between equity and debt helps to reduce financial risks. The company should strive for a balanced use of borrowings to avoid overloading with debt obligations.
8. Upskilling financial personnel. Competent financial management plays a crucial role in timely risk identification and effective management decision-making. Investing in training and analytical tools is an investment in the stability of the company [1; 2].

Credit risk management in times of war is not only a financial necessity, but also a matter of strategic business viability. It is important for businesses to implement adaptive risk management mechanisms based on flexibility, transparency and partnership with creditors. Government policy should play a supportive role, encouraging the resilience of the business sector through financial guarantees, SME support programmes, and international assistance.

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