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ESSENCE AND VALUE OF FINANCIAL RESULTS OF COMMERCIAL BANK ACTIVITY

Introduction. Financial results of the banking institution activity are one of the most important indicators of its functioning. They characterize the stability and reliability of a commercial bank, which is necessary to create reserve funds, to encourage staff and offer guidance to develop and improve operations on the market, reduce costs and improve the quality of services provided.

Purpose. The purpose of the study is to determine the composition and significance of financial results for the functioning of the banking institution in the existing competitive environment.

Results. The article considers the concept of financial results of a commercial bank as an important element of its activity for achieving competitive advantages in the banking services market. The composition and structure of financial results, factors of possible impact on them are determined. The source of the mapping and recording of the results of the activity is indicated. Attention is paid to the significance of profit as a positive financial result of a commercial bank activity and the priority

directions of its distribution are formed. The importance of the relative indicator of the effective activity of a commercial bank as one of the elements of the formation of financial results is substantiated.

Conclusions. Thus, in today's market conditions, one can talk about the expediency of determining the composition of financial results and their significance to ensure the main directions of the functioning of a commercial bank. First of all, in order to increase the level of profitability it is necessary to carry out a comprehensive analysis of income and expenditure, to identify the factors of influence on them, to increase the reserves of activity. Receiving a positive or negative value of financial performance depends primarily on the effectiveness of the interaction of each component of the organization of a modern commercial bank. The ability to correctly identify and manage input and output cash flows will enable a commercial bank to derive significant benefits from its activities, both in the interests of the banking institution itself and in the interests of its clients.

Keywords: *income, expenses, profit (loss), profitability, financial result, commercial bank.*

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