

LIQUIDITY OF THE BANK AND THE BANKING SYSTEM AS AN INDICATOR OF THE EFFECTIVENESS OF THE BANK AND ITS IMPACT ON THE PROFITABILITY OF COMMERCIAL BANKS

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Liquidity is always one part from a number of indicators, which are obligatory even in the superficial analysis of any enterprise, including a bank. Therefore, most of the scientists who researched a banking system and/or separate bank also studied liquidity of commercial bank, factors that influence it, results from its change, and methods of its regulation. However, not often scientists compare liquidity to indicators of efficiency of activity, though it is constantly noted that liquidity and profitability in the management of commercial banks are mutually exclusive concepts. Thus in the article, indicators of liquidity of a banking system, group of banks with the foreign capital and concrete bank are analysed for the purpose of identification of problems of regulation of liquidity and ways to increase the efficiency of activities of the bank through a change of its liquidity level.

Today, most banks work in a condition of a constant stress and risks. On the one hand, they have to receive enough the income completely to cover expenses and to satisfy interests of other participants of the

market of banking services: clients, state, other banks, investors, owners, and so forth. And for the purpose of receiving profit, it is forced to use most actively all free money at the order. However, it also means that in the case of unpredictable circumstances, it will not be able to answer at the same time the majority of obligations. And by means of liquidity indicators, the state, commercial bank and each client can analyse how banking institution is reliable, whether its activity is effective, and what needs changes.

To improve the current financial state, changes have to occur at the macrolevel through the change of the legislation, revision of standards of liquidity and adjustment of security systems of a banking system against aggressive factors. But at the microlevel – reorganization of the internal system of indicators and methods of regulation on liquidity, reconsider the structure of balance indicators, the formation of a more reliable system of regulation of various bank risks, which influence liquidity and financial condition of the commercial bank.