Abstract: The article defines the content and structure of the management system for developing banking business. It was investigated that the management system for the development of banking business is a coherent set of methods, tools and leverage that are used in the management of the bank to effectively organize its functioning, which promote development and getting the bank more profit. To direct the development of the bank singled methods of financial and non-financial management. Management tools for the development of banking business are divided into payment, financial and legal. The considered levers of influence are grouped into economic, organizational and social.

Keywords: bank, system, management, methods, tools, levers

INTRODUCTION

The restructuring of world and domestic economy, the strengthening of globalization processes led to changes in the system of functioning of banks. As there is an increase in the influence of external economic factors on the activity of banks, the internal paradigm of management of the development of banking business also changes. Classic form of business management becomes less actual day by day, as management entities seek not only the current stability but also the flexibility and long-term performance of the business. According to such conditions, becomes actual forming efficient management system of developing banking system. In case of the crisis, it is especially important, as development of banking business depends on results of subjects of market relations and the economy. Intensified competition between banks caused necessary of development and usage by bank system, which will contribute efficient functioning and growing competitiveness of banks.

The purpose of this study is to formulate and substantiate a comprehensive system of management the development of banking business

MATERIALS AND METHODS

In modern economic literature, foreign and domestic scholars do not pay enough attention to the problem of forming a management system for the development of banking business. Some aspects are considered in the works of Radkovska (2005) and Sinkey (2007). It should be taken into account that the main tasks of the conceptual nature remained undiscovered. Existing developments contain a generalized nature without creating a systematic idea of managing banking business.
RESEARCH RESULTS

The "system" in economics and particular in banking science is considered by the majority of scientific workers as a summation of forms, methods and levers of the use of finance in order to solve the tasks of economic and social development of the bank (Radkovska, 2005). We consider the management system for the development of banking business as a summation of methods, tools and levers that are used in the management of the bank to effectively organize its operation, which contribute to the development and receipt of higher profit by the bank.

The application of methods for managing the development of banking business should anticipate a preliminary analysis of the effects of their impact on the finances of the bank. They should also be the main basis for managers of different levels to take the necessary measures wherever and whenever necessary. Depending on the way of influencing the elements of the banking management system, Sinkey (2007) successfully allocated administrative and economic methods. Administrative methods are methods by which management subjects affect the employees and the activities of the bank. These methods are based on the principles of centralized management, which have a direct influence of regulatory nature on subordinate links of the organizational system of the bank. These include orders, commands, regulations, principles, instructions, etc. Economic methods have an impact on the elements of the management system of the bank through financial instruments (profit, interest rate, material liability, value of reserves). Each object of bank management has its own specificity, which determines the choice of appropriate methods. Economic methods are aimed at profit and risk reduction. They should be used in a complex, as they form a single system of influence on the activities of the bank. To improve the efficiency of managing the development of banking business, we have identified a system of more specific methods through which the subjects of management can influence the activities of the bank (Table 1).

Proposed methods for managing the development of banking business should be applied only systematically, which will help to build an effective system of influence on the bank activities in order to effectively manage business development. This system is determined by the ability of management subjects to establish effective management of profitability, assets, own equity, balance, bank risks, liquidity, obligations, as well as organizational structure, innovations, marketing, technology and staff.

The next component of the management system for the development of banking business is tools. Tool is a mean to achieve a certain goal and the accomplishment of tasks (Perun, 2005).

It is worth noting that in international practice the term "financial instrument" is most often used and interpreted "as any contract that results in the emergence of a financial asset of one bank and a financial obligation of another bank's capital" (Dyakiv, 2002). It is stated, "a financial instrument is any document that is evidence of debt, the sale or transfer of which provides the seller with the obtaining of finance. Examples of financial instruments include bills, bonds and other securities, as well as deposit certificates" (Ibid).
## Table 1

<table>
<thead>
<tr>
<th>Groups of methods</th>
<th>Names of methods</th>
<th>Characteristics of methods</th>
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<tbody>
<tr>
<td>Financial</td>
<td>Profitability management</td>
<td>Ensure maximum profit from banking activities in the long run</td>
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<td></td>
<td>Asset management</td>
<td>Ensure yield from various types of active bank operations, maintaining an appropriate balance of assets</td>
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<td></td>
<td>Own equity management</td>
<td>Attract and maintain sufficient capital to create protection from possible risks and in order to promote the development of banking business</td>
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<td></td>
<td>Balance management</td>
<td>Management of the bank balance as a single integer in the interconnection and interdependence of its components</td>
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<td></td>
<td>Bank risk management</td>
<td>Development and implementation of measures to minimize losses that may arise under the influence of external and internal factors during the conduct of banking activities</td>
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<td></td>
<td>Liquidity management</td>
<td>Ensure implementation of requirements for obligations, satisfaction of demand for credit resources, optimization of cost of attracted resources in the financial market</td>
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<tr>
<td></td>
<td>Management of obligations</td>
<td>Attraction of funds with the least expenses for financing active operations carried out by the bank</td>
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<tr>
<td>Non-financial</td>
<td>Management of organizational structure</td>
<td>Development of a system of coordination of activities and rules of internal regulations aimed at coordinated and effective functioning of the bank at all its levels</td>
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<tr>
<td></td>
<td>Innovation management</td>
<td>Implementation of effective innovations for the development and stability of the bank in a dynamic market environment</td>
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<tr>
<td></td>
<td>Marketing management</td>
<td>Implementation of marketing measures that increase the volume of sales of banking products, increase the bank's share in the market and meet the needs of existing and potential clients of the bank</td>
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<tr>
<td></td>
<td>Technology management</td>
<td>The process of selection and use of software and hardware that meets the needs of customers and opportunities of the bank, which helps to expand the range of products and services offered</td>
</tr>
<tr>
<td></td>
<td>Personnel Management</td>
<td>Exercise influence on employees and teams by coordinating and controlling their activities to improve the efficiency of the bank</td>
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</tbody>
</table>

*Source: compiled by author*

We believe that the tools for managing the development of the banking business, which means certain forms of information that confirm the monetary or other rights or obligations; have legal form and are used by the bank to organize its efficient functioning, as well as profit. Their function is the information transfer, and their main task is to assist in the development of the bank. We identified the following groups of tools for managing the development of banking business, viz. (1) payment; (2) financial; (3) legal (Figure 1). Payment instruments are the means of payment that perform a function of information transfer, which includes details of the funds transfer and payment. The main elements of this instrument are an obligation to be fulfilled; the payer is the party making the payment; the recipient is the receiving party; type of payment; banks that write down the required amount from the account of the payer and charge it to the recipient's account.

When making payments, the following instruments are used:

1) Cash: money in a tangible form: paper money and coins. By accepting cash from customers, banks increase their free reserves, thereby expanding their active transactions and providing rise of income. By issuing cash to customers, banks charge a commission that replenishes their income. In addition, in cash transactions, banks can offer additional services to their clients (cash logistics, self-service), which also bring income.
2) Payment card: an electronic payment instrument in the form of an issued plastic or other type of card issued in accordance with the law, used to initiate the transfer of funds from the payer's account or from the corresponding bank account in order to pay the cost of goods and services, transfer funds from the accounts of the cardholder to the accounts of other persons, receipt of funds in cash at banks' cash offices through automatic teller machines, as well as other transactions provided by the relevant contract (Ibid). For many banks, payment cards have become a new business direction and an effective financial instrument. This is due to the interest of customers to the convenient and reliable means of payment, through which you can receive wages and pension, pay for services in the distributing facilities, make orders and pay for various services, make bank transfers and obtain credits.

3) Bank transfer order: an accounting document that contains the instruction of the payer of the bank to transfer the money specified in it from its account to the recipient's account. Making money transfer, the bank receives commission allocations for services rendered, increasing their interest yields.

4) Bill: a security paper that certifies the money obligation of the drawer or its order to a third party to pay a specified amount to the holder of the bill (promisee) after the due date. Using of bills by bank encourages the development of banking transactions with use of bills, which are composed of lending, guarantee and commission. Paper credits provide an important part of the bank's income. Guarantee and commission operations increase the convenience of bank customers bill payments, and are the source of low-risk income.
5) Account: a type of bank accounting that is opened by banks to legal entities and individuals on a contractual basis for the keeping of cash assets and payments clearing and settlement in accordance with the terms of the contract and the requirements of legislation. Opening of the accounts by banks for legal entities and individuals promotes the preservation and extension of clients. The bank becomes a center of the customer service for a long time, and new sources of income for credits granting are formed.

In general, effecting of payment transactions increases the financial market role of banks as settlement centers and intermediaries, which make payments and transfer funds. With the expansion of the range of payment transactions, banks increase their commission income and contribute to the income growth and own development.

Financial instruments for managing the development of banking business are different assets and liabilities of the bank that are rotated in the financial market and are legal requirements of their owners for the receipt of financial income or other benefits and through which banking transactions are implemented. Financial instruments for managing the development of banking business (Figure 1) include:

1. Credits: the funds provided by banks to customers for temporary use on terms of return, payment, maturity and intended use. Granting credits is one of the most important functions of the bank, because credit is the main source of its income, which enable to increase financial resources, expand and develop banking business.

2. Deposits: cash funds that can be in cash and non-cash form, as well as in native and foreign currency, which are put by customers on their personal banking accounts on a contractual basis and for a specified period and are paid to the depositor according to the terms of the contract and the applicable law. Deposits are the main source of formation of the bank's resource base.

3. Security papers: the certificates that certify the participation of their owners in the capital of the enterprise or provision of a loan. Security papers are the form of financial capital, because their owners get the income. Although security papers are bought and sold on the market, they have no real value; this capital is often fictitious.

4. Bank guarantee: a bank's obligation to make a payment within the specified amount for its client in case of failure to fulfil the terms of the contract. One of the biggest advantages of this instrument is that the bank guarantee can cover foreign trade transactions. By providing the bank guarantee, banks receive commission income, although the interest rate is usually less than for credit operations.

5. Bank reserves: mobilized funds of the bank for recovery of unforeseen losses from various types of active transactions or other types of uncertain risks. To cover bank business losses, banks create special reserve funds and general reserves to cover losses that may arise in the banking activities.

For the effective functioning of the banking business development instruments, rules are needed to regulate the rights and obligations of all participants in the transaction or payment. These are the rules formed by legal instruments for the banking business development management, which include the methods and techniques of the influence of the management subjects on the management objects, which is based on the legally established "authority" of the leadership.
Legal instruments for the banking business development management regulate the functioning of payment and financial instruments of the bank. They are subject to such legal acts as the Constitution of Ukraine, the Civil Code of Ukraine, Banks and Banking Act of Ukraine, other acts of the legislation of Ukraine and subordinate legislation of Ukraine.

The basic tools for development of banking business include (Figure 1):

1. Charter of the bank: a set of rules that regulate the organization and order of the activities of the bank, its relationship with the parties concerned the rights and obligations of the governing bodies.
2. The orders of the manager: the documents issued by the bank's officials within their competence, which are effective on the employees to whom the order is addressed.
3. Instructions: the documents, in which the rules are established to govern the obligations of the activity parties and the relationships of institutions or conduct of the employees in performance of the official duties.
4. Administrative letters: the main documents that provide the administrative activity of the bank.

Indicated legal instruments for the banking business development management, viz. the Charter of the bank, orders of the manager, instructions and administrative letters are the main elements of the administrative management of the bank, because they ensure the coordinated work of the bank at all levels, and also regulate the obligations of all participants in banking activities. Seeing that the bank is the manufacturer of a specific product, it needs the appropriate instruments to conduct transactions. Banking development management instruments are designed to provide and promote the objectives of the bank, which ultimately reduce to profit and increase the cost of the bank.

The third component of the mechanism for banking business development management are levers. In the "Unabridged Explanatory Dictionary of the Ukrainian Language" the term "lever" is described as "...means by which actions can be promoted; which contribute to the development of something, or enliven, intensify the activity of someone or something" (Dyakiv, 2002). Although this definition has a generalized character, it also clearly emphasizes the effective nature of the levers.

The considered concept of "lever" gives us the opportunity to determine that the banking lever is a combination of means used by the bank creating favorable conditions for the development of its activities in accordance with the tasks and objectives. We believe that the levers of the banking business development management are a combination of means used by the bank to effectively organize its functioning by creating favorable conditions for the implementation of the tasks and objectives that will contribute to the profit realization and development of the bank.

Levers of the banking business development management are composed of three groups: economic, organizational and social (Table 2). The proposed groups of levers are designed to ensure the effective functioning of the economic, organizational and social activities of the bank. Economic levers are a combination of economic means of influencing the bank's activities, which are designed to ensure maximum profit in the long run and the development of banking business. These levers pertain: income
distribution, customer engagement, banking business transparency, pricing and more. The use of economic levers will contribute to the achievement of the objectives set in the process of the banking business development management. The administrative levers of the bank are designed for the formation and implementation of measures to create favorable conditions for the efficient functioning and development of the bank. The types of administrative levers are objectives, principles, internal guidelines and planning of the bank's activities. They provide management impact on the bank's activities and provide compliance with the relevant regulatory internal documents, rules and norms by all participants.

Table 2

<table>
<thead>
<tr>
<th>Groups of levers</th>
<th>Types of levers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>distribution of income; customer engagement; banking business transparency; pricing; other</td>
</tr>
<tr>
<td>Organizational</td>
<td>bank's objectives; bank's principles; internal guidelines; activity planning; other</td>
</tr>
<tr>
<td>Social</td>
<td>staff work motivation; social responsibility; creation of the appropriate staff morale; constant relationship between the leadership and staff; organizational culture; public relations; other</td>
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</tbody>
</table>

Source: compiled by author

Social levers are a combination of means for influencing the bank's activities designed to ensure staff motivation, social responsibility, creation of the appropriate staff morale in the working environment, constant relations between the leadership and staff, organizational culture and public relations. The effect of these levers is designed to create the appropriate conditions for banking business through the bank's operational potential and can be realized effectively only in a coherent manner. Each of the levers of the banking business development management finds its application in the context of ensuring the effective functioning and development of the bank. Using the proposed levers, management entities should take into account their specifics, carefully choose each element and take into account the market situation and the interests of the target audience.

The mutually agreed set of methods, instruments and levers considered in the research, forms a holistic mechanism for managing the development of banking business forming a single system of impact on the activities of the bank (Figure 2). Provided that, the development of banking business is determined by the actions of leadership, viz. competent management of the bank's net worth, assets and liabilities of the bank, risks, liquidity, staff, ability to build an effective organizational structure and others.

CONCLUSION

At this point of economic development, the activity of banks is characterized by a high level of riskiness, dynamism and instability. This is precisely what determines the necessity to find new ways and methodological approaches that would contribute to the successful development of the banking business. The process of the banking business development management is based on the use of the proposed methods, instruments and levers, which are collectively, create a single integrated mechanism.
In recent years, the problems associated with the banking business development management have become relevant. Global trends have become the main motivating processes. The internal motives objectively arose as a result of the negative change in the conditions of banks functioning, which led to the necessity to develop the banking business development management mechanism, which is the basis for the effective functioning of the bank, its profit realization and development. In the context of the banking business development management, the study of practical aspects of the proposed mechanism introduction to the bank's activities acquires particular significance and it will be the subject of further research activities.

REFERENCES