

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY**

**Name of the faculty**            **EDUCATION AND RESEARCH INSTITUTE  
"KARAZIN BANKING INSTITUTE"**

**Name of the department**        **Management, Business and Professional  
Communications**

**Specialty:**                        **073 Management**

**Educational program:**        **Management of Organizations and Administration**

**Group:**                            **AM-25M (full-time mode of study)**

**QUALIFYING MASTER'S THESIS**

on the topic:


**MANAGEMENT OF THE COMPETITIVENESS OF THE  
COMPANY'S PRODUCTS**

student of higher education **Zhang Yinghua**

**The work is accepted for defence in the EC**


Head of Department

**PhD in Economics, Associate Professor**

  
\_\_\_\_\_ **Nadiia Morozova**

Scientific Adviser

**PhD in Public Administration, Associate  
Professor**


  
\_\_\_\_\_ **Timur Malafieiev**

Kharkiv 2024

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY

Faculty EDUCATION AND RESEARCH INSTITUTE  
"KARAZIN BANKING INSTITUTE"  
Department Management, Business and Professional  
Communications  
Level of higher education Master  
Specialty 073 Management  
Educational program Management of Organizations and Administration

**APPROVED**

Head of the Department  
of Management, Business and Professional Communications  
PhD in Economics, Associate Professor  Nadiia Morozova  
(initials, last name)

25 September 2024

**TASK**  
**FOR A QUALIFYING MASTER'S THESIS**  
Zhang Yinghua

1. Topic of work: "MANAGEMENT OF THE COMPETITIVENESS OF THE COMPANY'S PRODUCTS".

Scientific adviser Timur Malafieiev, PhD in Public Administration, Associate Professor  
(full name, academic degree, academic title)

Approved by order of the university dated September 17, 2024 № 4601-5/1025.

2. The deadline for student submission of work November 18, 2024.

3. List of topics to be developed:

• In Chapter 1: to conduct a theoretical and methodological analysis of the basic concepts of "competition" and "competitiveness"; to systematize the methods of assessing the competitiveness of the bank and banking services; to determine the conceptual foundations of benchmarking as a tool for increasing the bank's competitiveness.

• In Chapter 2: to provide technical and economic characteristics of BANK VOSTOK PJSC; to conduct a comprehensive analysis of the bank's competitiveness indicators on

the financial services market of Ukraine; to investigate the bank's competitiveness using matrix methods.

• In Chapter 3: to determine the organizational and economic aspects of increasing the competitiveness of a banking institution; to justify directions for improving the competitiveness of bank products of PJSC "BANK VOSTOK" on the basis of benchmarking; to evaluate the effectiveness of using marketing tools of BANK VOSTOK PJSC to ensure its competitiveness.

#### 4. Plan of qualifying master's thesis

No	Names of work sections
1	THEORETICAL BASICS OF MANAGEMENT OF THE COMPETITIVENESS OF BANKS
2	RESEARCH OF THE LEVEL OF COMPETITIVENESS IN PJSC "BANK VOSTOK"
3	WAYS OF IMPROVING MANAGEMENT OF STRATEGIC DEVELOPMENT OF BANKING INSTITUTIONS

5. Date of issue of the task September 25, 2024.

Student Zhang Yinghua Zhang Yinghua  
signature, full name

Scientific Adviser Timur Malafieiev Timur Malafieiev  
signature, full name

## ABSTRACT

The qualifying master's thesis contains 85 pages, 17 figures, 23 tables, and a list of 56 references.

**The object of research** is the process of managing the competitiveness of banking institutions.

**The subject of research** includes the theoretical-methodological and practical aspects of managing a bank's competitiveness in the financial market under modern conditions.

**The purpose of the master's thesis** is to deepen scientific and methodological approaches and substantiate practical aspects of managing the competitiveness of banks in the current economic environment.

**Tasks of a qualifying master's thesis include:**

- to conduct a theoretical and methodological analysis of the key concepts of "competition" and "competitiveness";
- to systematize the methods for assessing the competitiveness of banks and their services;
- to define the conceptual foundations of benchmarking as a tool for enhancing a bank's competitiveness;
- to provide the technical and economic characteristics of PJSC "BANK VOSTOK";
- to perform a comprehensive analysis of the bank's competitiveness indicators in the financial services market of Ukraine;
- to investigate the bank's competitiveness using matrix methods;
- to identify the organizational and economic aspects of increasing the competitiveness of banking institutions;
- to justify directions for improving the competitiveness of PJSC "BANK VOSTOK" products using benchmarking techniques;

- to evaluate the effectiveness of the marketing tools employed by PJSC "BANK VOSTOK" in ensuring its competitiveness.

**The obtained results** are of significant practical importance. The theoretical provisions, conclusions, and recommendations of the research have been transformed into methodological tools that can be directly applied in banking institutions to enhance the management of competitiveness.

The practical application of the research results extends beyond PJSC "BANK VOSTOK" and can be adapted by other banking institutions seeking to enhance their competitiveness. These findings contribute to the development of a robust competitiveness management system that aligns with the dynamic conditions of the modern financial market.

**Year of completion of the qualifying master's thesis: 2024.**

**Year of defense of the qualifying master's thesis: 2024.**

## CONTENT

INTRODUCTION.....	7
CHAPTER 1. THEORETICAL BASICS OF MANAGEMENT OF THE COMPETITIVENESS OF BANKS.....	10
1.1. Theoretical and methodological analysis of the basic concepts of "competition" and "competitiveness".....	10
1.2. Methods of assessing the competitiveness of the bank and banking services.....	17
1.3. Benchmarking as a tool for increasing the bank's competitiveness.....	26
CHAPTER 2. RESEARCH OF THE LEVEL OF COMPETITIVENESS IN PJSC "BANK VOSTOK".....	32
2.1. Technical and economic characteristics of the bank.....	32
2.2. Comprehensive analysis of bank competitiveness indicators on the financial services market of Ukraine.....	38
2.3. Assessment of bank competitiveness using matrix methods..	48
CHAPTER 3. WAYS OF IMPROVING THE COMPETITIVENESS OF BANKS IN MODERN CONDITIONS.....	56
3.1. Organizational and economic aspects of increasing the competitiveness of a banking institution.....	56
3.2. Directions for improving the competitiveness of banking products of PJSC "BANK VOSTOK" based on benchmarking.....	61
3.3. Effectiveness of using marketing tools of BANK VOSTOK PJSC to ensure its competitiveness.....	68
CONCLUSIONS .....	75
REFERENCES.....	80

## INTRODUCTION

In today's environment, when economic, political and social circumstances are constantly changing, the assessment and management of bank competitiveness have become extremely important. In particular, in the conditions of war, this problem acquires special importance. War creates numerous challenges for the banking sector, including economic instability, increased risk of financial losses, and market volatility.

The assessment of the bank's competitiveness makes it possible to determine how effectively it functions in crisis situations and to identify key factors affecting its stability. This includes analysis of financial indicators, risk management strategies, adaptation to new market conditions and competitive advantages. In the conditions of war, when traditional business models can be destroyed, banks need to be flexible and able to quickly respond to changes.

In particular, it is important to consider how external factors of war affect banking, such as reduced customer solvency, changes in legislation, and disruptions in supply chains. Managing competitiveness in such conditions requires the development of new strategies that will allow banks not only to survive, but also to find new opportunities for growth and development. Agomanagement of the bank's competitiveness is critically important for ensuring its stability and successful operation even in the most difficult conditions.

The object of the study is the process of managing the competitiveness of banking institutions.

The subject of the research is the theoretical, methodological and practical aspects of managing the bank's competitiveness on the financial market in modern conditions.

The purpose of the qualifying master's work is to deepen the scientific and methodological approaches and substantiate the practical aspects of managing the bank's competitiveness in modern conditions.

The following tasks were defined for the realization of the research goal:

- to conduct a theoretical and methodological analysis of the basic concepts of "competition" and "competitiveness";

- to systematize the methods of assessing the competitiveness of the bank and banking services;
- to determine the conceptual foundations of benchmarking as a tool for increasing the bank's competitiveness;
- provide technical and economic characteristics of PJSC "BANK VOSTOK";
- conduct a comprehensive analysis of the bank's competitiveness indicators on the financial services market of Ukraine;
- to investigate the bank's competitiveness using matrix methods;
- to determine the organizational and economic aspects of increasing the competitiveness of the banking institution;
- justify directions for improving the competitiveness of bank products of PJSC "BANK VOSTOK" on the basis of benchmarking;
- evaluate the effectiveness of using marketing tools of PJSC "BANK VOSTOK" to ensure its competitiveness.

To achieve the goal, various scientific research methods were applied, among them: theoretical generalization for a clear definition of the concepts of "competition" and "competitiveness", deductive and inductive approaches for the analysis of theoretical and methodological aspects of the classification of factors affecting the bank's competitiveness, as well as statistical methods for data processing and graphical methods for their visualization.

For this study, the information base is the current legislative and regulatory acts that regulate the issue of competitiveness, in particular: Laws of Ukraine "On the National Bank", "On Banks and Banking", "On Protection of Consumer Rights", "On Protection from Unfair Competition", "On the protection of economic competition" etc.

The information base of the research is the bank's legal documentation, financial statements, statistical data, materials of scientific conferences and periodicals.

A large number of scientific works are devoted to issues of competitiveness and competitive advantages. The main theoretical aspects are considered in the studies of such foreign scientists as I. Ansoff, M. Porter, P. Rose, H. Hemel. Among domestic scientists researching this topic, it is worth highlighting O. Dzyublyuka, M. Zveryakova,

V. Kovalenko, V. Korneeva, O. Miroshnichenko, V. Mishchenko, L. Ryabinin, F. Spy and others.

The implementation of the recommendations proposed in the work will help to generalize approaches to strengthening the competitive positions of Ukrainian banks and will contribute to the development of processes of increasing their competitiveness in the market of banking services.

# CHAPTER 1

## THEORETICAL BASICS OF MANAGEMENT OF THE COMPETITIVENESS OF BANKS

### 1.1. Theoretical and methodological analysis of the basic concepts of "competition" and "competitiveness"

Competition is a key factor in economic development, affecting all levels of the economy: from local to global. It acts as a special economic incentive that forces the participants of economic processes to improve and contributes to the improvement of the quality of their activities.

The term "competition" comes from the Latin word "concurrentia", which means "competition, struggle, rivalry". Until the 1990s, issues of competition in Ukraine were hardly studied, since this term was not used in the Soviet economic system. The terminology used in domestic scientific literature is quite ambiguous and includes several approaches: behavioral, structural and functional. The behavioral approach focuses on the actions and strategies of economic entities in a competitive environment. The structural approach analyzes the market structure that affects the level of competition. The functional approach considers competition as a mechanism that ensures efficient functioning of the economy and stimulates development [1-3].

In Ukraine, there are a number of laws and regulations regulating competition issues. The main ones are: the Constitution of Ukraine (Article 42) [4], the Law of Ukraine "On Protection of Consumer Rights" [5], the Law of Ukraine "On Protection of Economic Competition" [6], the Law of Ukraine "On Protection from Unfair Competition" [7 ], as well as the Law of Ukraine "On Banks and Banking Activities" (Article 53) [8].

In the Law of Ukraine "On the Protection of Economic Competition", competition is defined as "competition between economic entities with the aim of

obtaining advantages over other economic entities due to their own achievements, as a result of which consumers, economic entities have the opportunity to choose between several sellers, buyers, and a separate business entity cannot determine the conditions of the turnover of goods on the market" (Article 1) [6].

Fathutdinov R. A. defines competition as competition between business entities, in which their independent actions significantly limit the ability of each of them to unilaterally influence the general conditions of circulation of goods in the relevant market [3].

Yudanov F. Yu. describes competition as the struggle of companies for a limited volume of solvent consumer demand that occurs in available market segments [3].

Therefore, the concept of "competition" in the course of evolutionary changes has passed from a simple rivalry between sellers or buyers to a civilized, legalized form of struggle for survival. Competition is an integral part of the market and an element of the economic mechanism, which is characterized by competition between producers and is the driving force of economic development.

The analysis of the works of foreign and domestic researchers showed that the problems of market competition are widely covered in the economic literature, while banking competition in Ukraine has not been studied enough. The term "banking competition" is a type of market competition.

O.V. Dubovik considers banking competition as an economic phenomenon, which consists in the fact that a number of participants are active in the banking market, interested in achieving the same goals and striving to strengthen their positions, which forms a certain interaction between the elements of the market system (Fig. 1.1) [9].

The effective mechanism of interaction of the elements of the specified markets will contribute to the development and implementation of competitive banking services, which is a key indicator of the bank's stability and its ability to effectively use financial and scientific and technical potential.

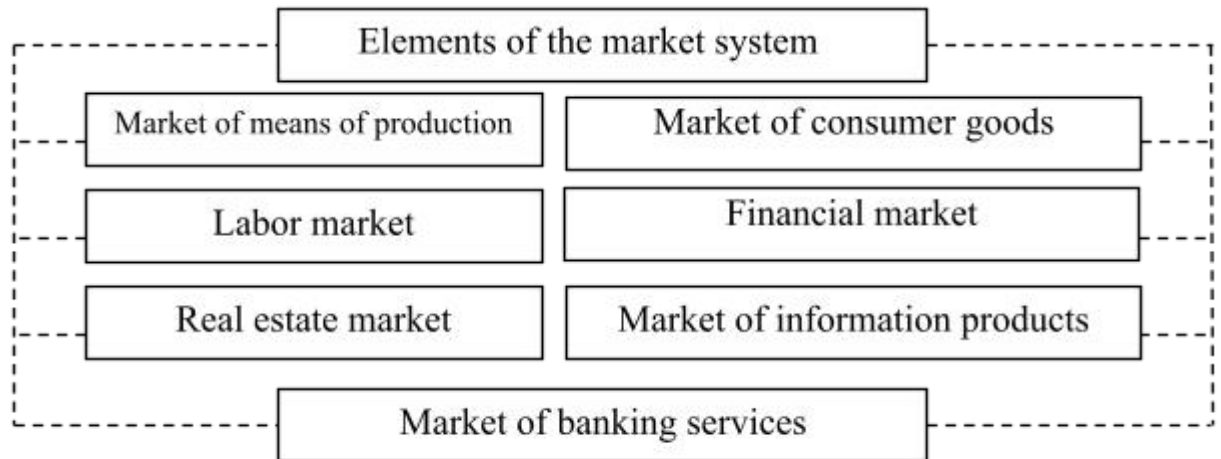


Fig. 1.1. Interaction of the market of banking services with the components of the market system.

The analysis of scientific approaches to the interpretation of the concept of banking competition shows that there are no significant differences among researchers in the interpretation of this term.

Banking competition covers various aspects of the activity of financial institutions and manifests itself through their rivalry for resources, customers and market positions. The classification of competition makes it possible to more clearly define its forms, levels and the nature of the interaction of banks in a competitive environment. Consideration of different types of competition — from price to non-price, domestic and international — helps to systematize the processes that affect the stability and development of the banking system, summarized in Figure 1.2 [9].

Thus, according to the above classification, banking competition is divided into intra-industry (subject and type) and inter-industry. Subject competition occurs between banks offering the same services with different quality and price, such as deposits. Specific competition refers to services of the same type, but with differences in the conditions defined by individual contracts, for example, lending to enterprises.

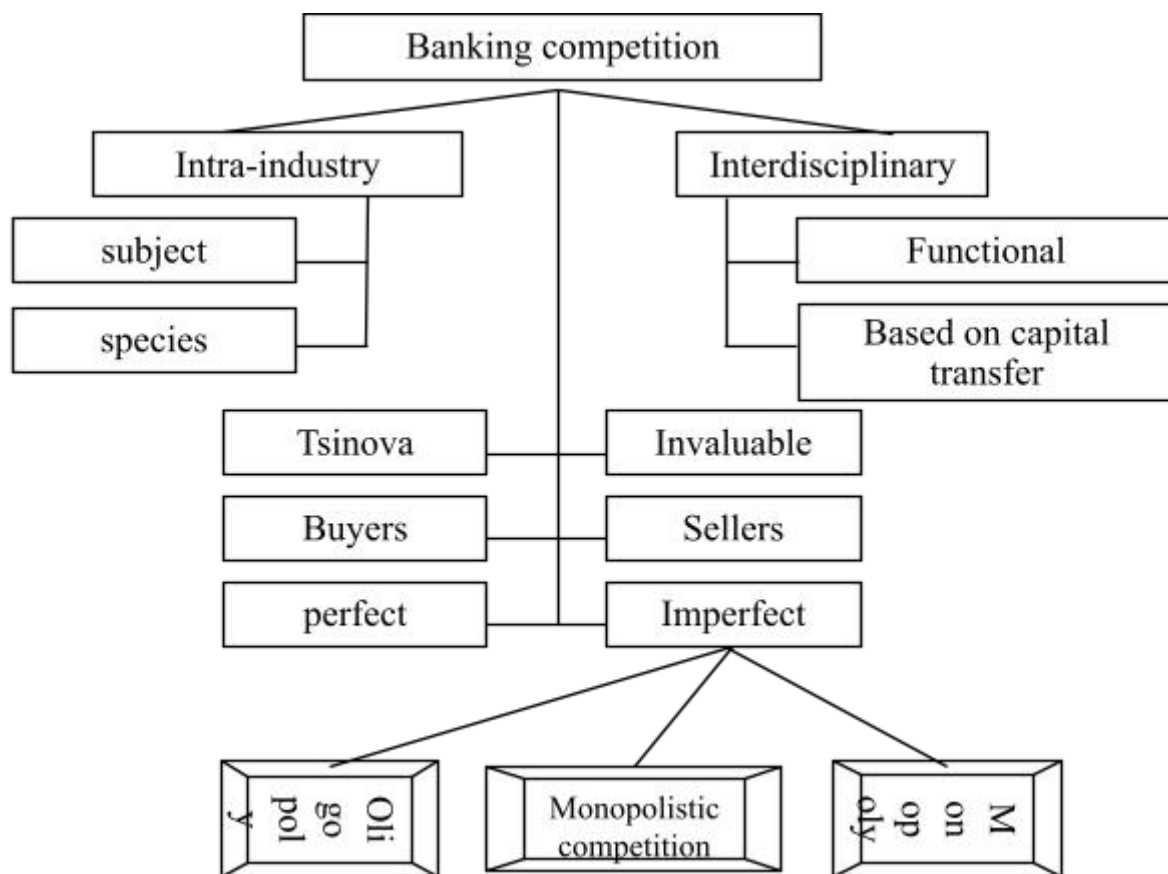


Fig. 1.2. Types of banking competition.

Inter-industry competition arises between subjects of different spheres of activity, its basis is the capital transfer. Functional competition, which consists in replacing services with analogues, is rarely found in the banking sector due to the specificity of services.

Price competition (difference in prices and tariffs) and non-price competition (quality of service, assortment expansion, advertising) are also distinguished.

A more detailed comparative classification of price and non-price types of competition methods is shown in Figure 1.3 [9, 10].

It should be noted that banks try to maintain a high level of interest rates and actually do not compete in the field of prices for services. This is due to the state regulation of interest rates and the presence of a minimum rate limit below which the bank cannot make a profit.



Fig. 1.3. Methods of price and non-price competition.

Therefore, banking competition is a process of rivalry between participants in the banking services market aimed at achieving common goals. The overall competitiveness of a bank is a more complex market characteristic that encompasses more aspects than just the stability and reliability of the institution.

The basis of a stable banking system is the ability of banks to effectively adapt to the changing external environment, quickly reacting to market conditions and developing new products to meet the needs of consumers. All these factors affect the bank's ability to increase its competitiveness.

Next, it is advisable to consider the essence of the concept of "competitiveness". Economic science defines several key levels of competitiveness, which are hierarchically interdependent: competitiveness of products, enterprise (or bank), industry and country (Fig. 1.4) [11].

In the hierarchy of concepts of competitiveness, the main one is the "competitiveness of the banking product".

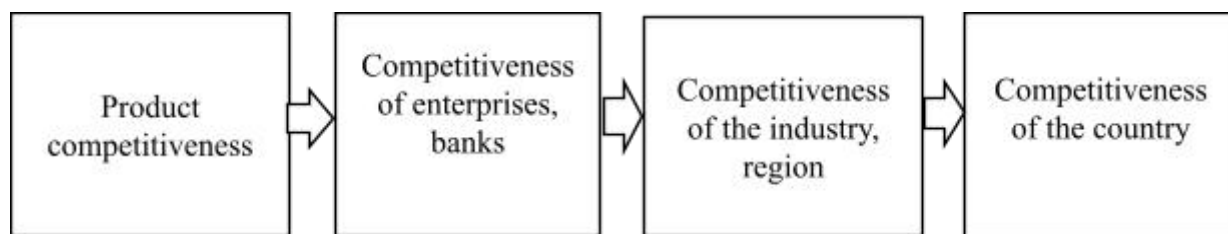


Fig. 1.4. The relationship between the levels of the concept of "competitiveness"

Therefore, the category of competitiveness has not only a relative character, but also a hierarchical structure. To improve the overall competitiveness of the country, it is necessary to focus on improving competitiveness at each individual level: increasing the competitiveness of products, enterprises (banks) and industries.

The main approaches of scientists to the interpretation of the essence of the concept of "competitiveness" are summarized in Table 1.1 [2, 3, 12].

Table 1.1

The main approaches of scientists to the interpretation of the essence of the concept of "competitiveness"

Author	The essence of the concept	Approach
V. Ivanyut	The competitiveness of the enterprise is determined by its ability to work more efficiently and adapt to changes in the economic situation compared to competitors, as well as to satisfy the needs of consumers.	The comparative approach evaluates the competitiveness of the enterprise by comparing it with direct competitors or with a reference enterprise that has similar products and operates in the same market.
L. Kryvenko	Competitiveness reflects the difference in the development of a particular enterprise compared to others, in particular in the aspects of meeting the needs of consumers with goods and the efficiency of production activities.	
E. Tsybulska, V. Matsigura	Competitiveness is the ability of an enterprise to ensure higher production efficiency and profitability of selling goods compared to competitors.	
V.V. Kovalenko	The bank's competitiveness is its ability to effectively carry out activities to achieve profitable implementation of services in a competitive market.	
I. Britchenko, I. Ladunka	The competitiveness of the enterprise is determined by its position among similar business entities and depends on the ability to use different types of resources more efficiently compared to competitors.	The resource approach emphasizes the availability and ability to effectively use the company's resources to win a
K. Kuznetsova	Competitiveness is the presence of special advantages (resources) and the ability to effectively use them in competition with others to achieve one's goals.	
I. I. Mazaraki	The competitiveness of the enterprise is a general assessment of its competitive advantages in the context of	

	the formation of resource potential, the quality of satisfaction of consumer demand and the achieved efficiency of the functioning of the economic system, which takes into account the situation at the time or during the evaluation period.	significant market share.
O. Unknown	Competitiveness of banks is the ability to function effectively in the market, maintain and expand market positions, using resources to obtain a profit that is not lower than the profit of competitors, at a moderate risk.	
M. Korinko	Organizational competitiveness is the ability of a firm to produce products that are competitive and provide an advantage over other companies in the same industry both domestically and internationally.	The product approach determines the competitiveness of the enterprise with the competitiveness of the products it manufactures (or the services it offers)
S. Sprinkled	The competitiveness of the enterprise is the ability to ensure the production and sale of products that are competitive.	
Yu.O. Zaruba	The bank's competitiveness is determined by its ability to effectively maintain and expand market positions, provide services that meet the needs of consumers, and face external challenges.	
M. Litovchenko, S. Tatianina	Bank competitiveness is the ability to provide more services of higher quality compared to other banks, effectively using its competitive potential, developing existing and creating new competitive advantages at minimum costs per unit of services.	

Therefore, the essence of the economic category "competitiveness" lies in the subject's ability to have or acquire qualities that affect the success of its activities in the conditions of economic competition. The competitiveness of the bank is determined by its ability to effectively manage business activities, achieve profitability in the implementation of banking services and resist risks in the competitive market.

It is worth noting that the competitiveness indicator is determined by analyzing a group of organizations belonging to the same industry, it is a relative indicator, since for its evaluation it is necessary to compare all objects among the selected group of institutions.

It is appropriate to define the following features of banking competition [12]:

- competition is not focused on goods, but on resources that the bank uses to carry out its operations;
- a bank can be both a seller and a buyer in the market of banking services;

- production and implementation of banking services can take place within one bank without the need for additional sales channels;
- the activity of banks is regulated by the National Bank of Ukraine;
- competition occurs not only among banking institutions, but also among non-banking institutions.

Competitiveness is a dynamic category and changes under the influence of external and internal factors, many of which are controllable.

Banking competition in the country is influenced by a number of factors, among them: demand for financial services, branch network development, complexity of products, bank reputation, standardization of services, implementation of IT technologies, market barriers, innovative strategies and the total number of banks on the market.

Thus, banking competition is a key element of a market economy that affects the quality of services and innovation in the banking sector. It is defined as competition between banks for customers, markets and resources. The main goal of competition is to provide optimal conditions for consumers, improve the quality of financial services and reduce costs. Banking competition can have a positive effect on the economy by increasing the efficiency of banks and expanding access to financial products.

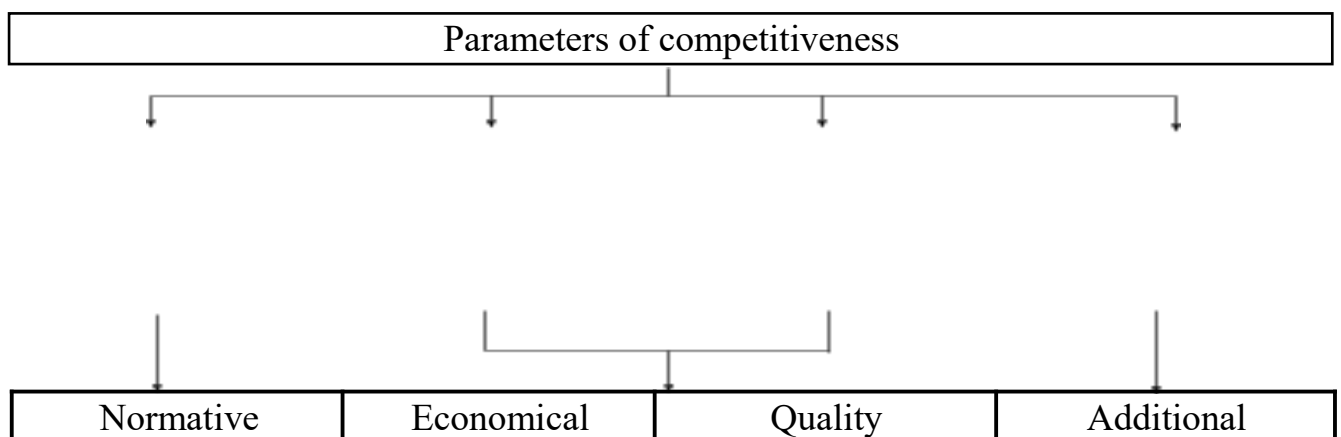
## 1.2. Methods of assessing the competitiveness of the bank and banking services

Analysis of the competitiveness of a bank and its services is a critically important aspect to ensure its success in the financial market. In today's dynamic environment, the banking sector faces numerous challenges, such as increased competition, rapid development of financial technologies and changing consumer needs. In order for the bank to be able to compete effectively, it is necessary to assess its competitive positions, identify strengths and weaknesses, as well as opportunities and threats arising in the market.

Analysis of bank competitiveness includes the study of various aspects such as financial stability, service quality, innovation, marketing strategy and operational efficiency. It is also important to compare these indicators with competitors in order to understand the position of the bank in comparison with other market participants. This analysis helps identify opportunities for strategy improvement and adaptation, which is necessary to maintain and strengthen competitive advantages.

For effective management of competitiveness, it is necessary to conduct a comprehensive analysis of the bank, which is based on parameters that reflect the quality of the bank's products and take into account the specifics of the industry (Fig. 1.5) [9].

Regulatory parameters include compliance with international standards (such as the Basel Accords), compliance with national and regional requirements, and consideration of customer needs and expectations, which may include requirements for product functionality, safety, and usability. Economic parameters cover the assessment of competitiveness by comparing the prices of banking products with similar offers of competitors (tariffs, fees, transaction costs, administrative costs and other operational costs). Quality parameters assess product reliability and functionality, service conditions, as well as the level of professionalism and speed of service. Additional parameters cover the effectiveness of management processes and the bank's innovative potential, as well as the assessment of image and reputation, which includes customer trust, social responsibility and general perception in society.



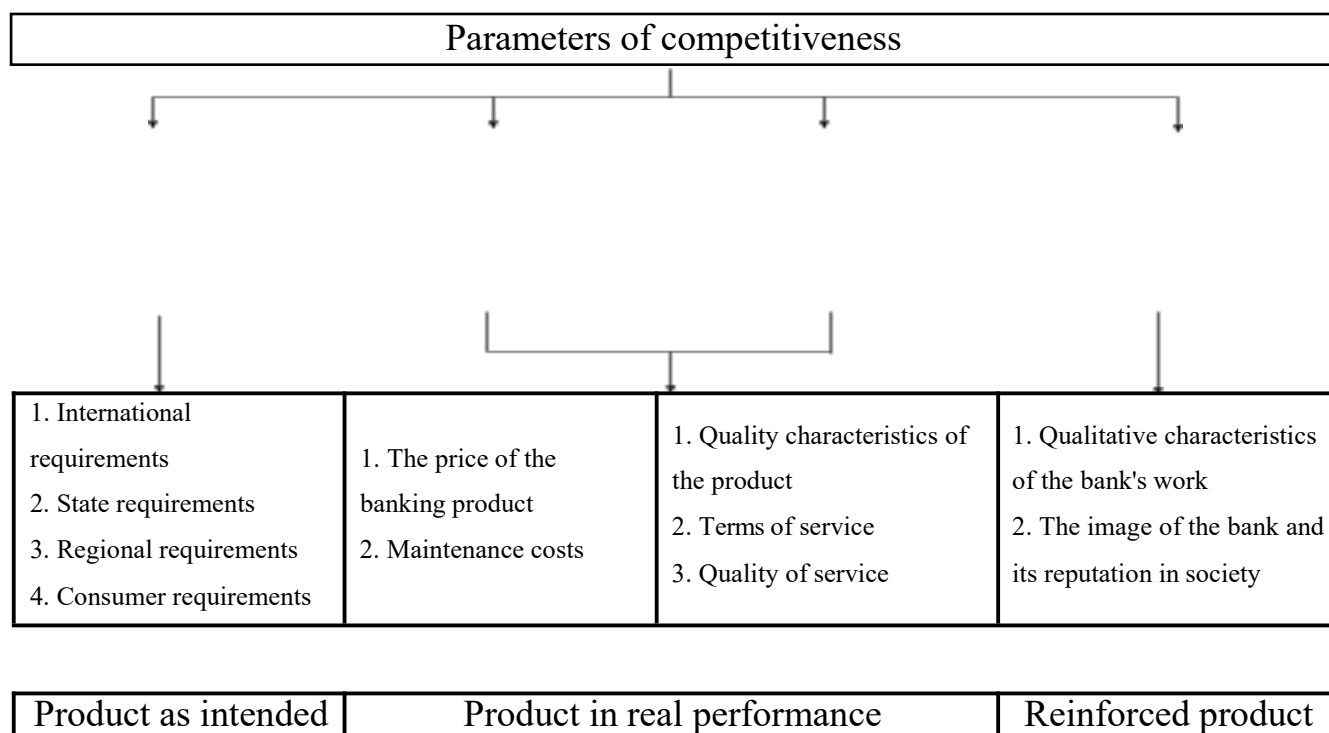


Fig. 1.5. Parameters of the bank's competitiveness.

A single methodology for assessing the competitiveness of banking services has not yet been developed due to the complexity and variety of banking products. Most of the existing methods were originally developed for other sectors of the economy.

Thus, analyzing the available scientific approaches to the classification of methods for assessing bank competitiveness, they can be systematized in Figure 1.6 [14-16].

Matrix methods for assessing bank competitiveness use matrices for data systematization and analysis. They allow you to visually present and evaluate various aspects of competitiveness. The SWOT matrix analyzes the strengths and weaknesses of the bank, as well as the opportunities and threats of the external environment. The Boston Consulting Group (BCG) matrix assesses the competitiveness of business units based on their market growth and market share.

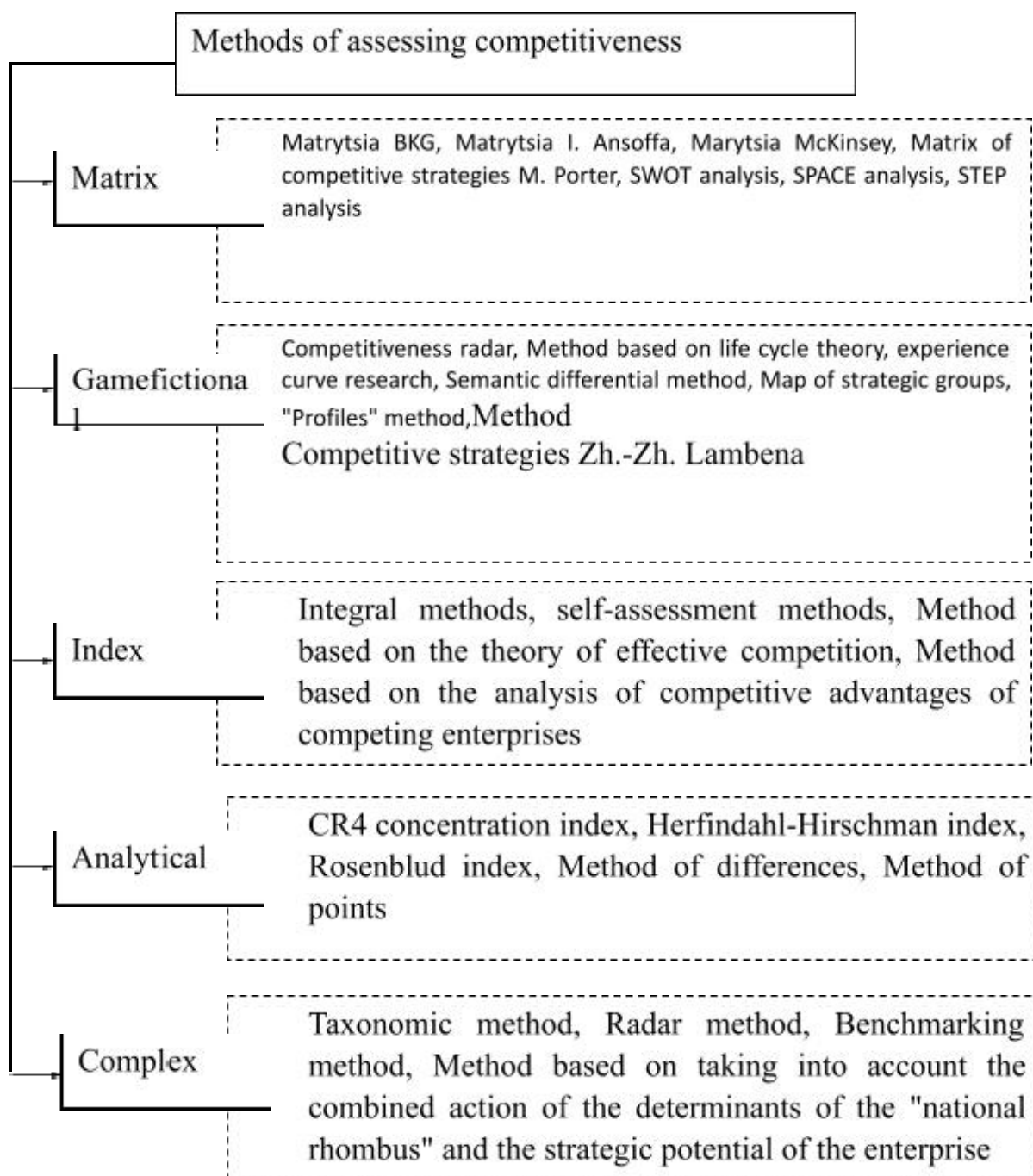


Fig. 1.6. Mmethods of assessing the competitiveness of the enterprise/bank.

Graphical methods use data visualization to assess competitiveness, they allow you to quickly read information and compare different indicators. Graphs and charts include histograms, pie charts, and line graphs that help visualize the distribution of market shares, the dynamics of financial indicators, and other aspects. A Pareto chart

displays the distribution of significant factors affecting competitiveness, grouped by their impact.

Index methods use various indices to assess competitiveness, on the basis of which conclusions can be drawn about the bank's performance.

Analytical or calculation methods of assessing the competitiveness of the enterprise are based on the performance of calculation and analytical operations with input data. Depending on the specific technique, these methods can include both simple arithmetic calculations and complex calculations.

Complex methods are the most thorough for assessing the competitiveness of the enterprise, which is explained by their ability to cover all important parameters of the enterprise's functioning. The main advantage of such methods is their ability to provide accurate and reliable information about competitiveness, revealing both the strengths and weaknesses of the enterprise based on an expanded set of comparative criteria.

Therefore, these methods can be used individually or in combination to get a complete picture of the bank's competitiveness in the market.

Table 1.2 shows the essence of analytical methods in more detail [14-16].

Table 1.2

### Indicators of competition in the financial market

The name of the indicator	Essence	Formula for calculation
The Herfindahl-Hirschman index is an indicator for assessing the degree of monopolization of the industry.	It is calculated as the sum of the squares of the shares of the bank's activity indicator in the total volume of the system.	$HHI = \sum_{i=1}^n X_i^2$ <p>n – the number of participants in the deposit market;  X – the share of the ith participant in the total volume of the product sold within this segment, %.</p>
Linda index	Determines the level of uneven distribution of market shares among the largest companies and outlines the boundaries of oligopoly in the market.	$L = \frac{1}{K(K-1)} \times \sum_{i=1}^K Q_i$ <p>K-number of key companies;</p>

		is the ratio of the average market share of the kth company to the share of other companies; and is the number of leaders among k large companies.
Lerner index	Shows the difference between prices and marginal costs arising from the inefficient allocation of resources under monopoly conditions. Reflects the degree of market power of an individual company.	$L = \frac{P - MC}{P}$ P – price of services; MC is marginal cost
Concentration coefficient	Determining the total share of several major players in the financial market.	$CR = \sum_{i=1}^n \frac{q_i}{n} \times 100$ — - the share of the i-th player in a certain segment of the financial market; n is the total number of market participants.
Rosenbluth coefficient	Reflects the relative size of companies that are key providers of financial services. Allows you to rank companies according to the level of their importance.	$HT = \frac{1}{2 \sum_{i=1}^R q_i - 1}$ 1,2,3... - rating of the i-th company on the market (maximum R=1); is the market share of the ith company on the market

Based on the data presented in Table 1.2, it turns out that none of the known indicators provides an accurate assessment of the level of competition in the financial market. Although the Herfindahl-Hirschman index is the closest to the realities of global financial markets and is widely used by regulators, it does not fully meet modern requirements. To ensure the bank's competitive advantages, it is important to have a clear idea of the quantitative aspects of the competitiveness of banking services.

The most widely used methods for assessing bank competitiveness in global practice are RATE, CAMELS, Sheshukoff Bank, the "informational observation" method, and the bank scoring method [17]:

1. The RATE (Relative Assessment of Total Efficiency) method is used to assess the bank's performance by comparing its results with similar indicators of other banks. RATE takes into account various aspects of operations, including financial performance,

service quality and strategic goals of the bank. This method allows you to determine the relative efficiency of the bank in comparison with competitors.

2. CAMELS is a system for evaluating the financial stability of banks, which includes six key components: Capital adequacy, Asset quality, Management quality, Earnings, Liquidity, and Sensitivity to market risk (sensitivity to market risks). This method allows for a comprehensive assessment of the bank's financial condition and its ability to cope with risks.

3. The Sheshukoff Bank method is based on the analysis of the bank's financial indicators, such as liquidity, profitability and capital adequacy, as well as on the assessment of the external environment and strategic areas of activity. The method includes an assessment of risks that may affect the bank's competitiveness, and offers recommendations for their management.

4. The "information surveillance" method focuses on collecting and analyzing information about banking activities from various sources, including financial reports, market data and information from customers. The goal is to identify trends and changes in the competitive environment, which allows the bank to adapt its strategy in a timely manner to increase competitiveness.

5. The bank scoring method uses statistical models and algorithms to assess the creditworthiness of clients and the risks associated with lending. This method helps banks make informed decisions about granting loans and managing credit risks, which affects their overall competitiveness.

Each of these methods has its advantages and disadvantages, so it is advisable to use several methods together to obtain the most accurate results.

Among the effective methods of assessing the bank's competitiveness, it is also worth noting the system of credit ratings. This approach provides investors with information about the risks that may be associated with investments in the bank. At the same time, for the bank itself, the credit rating affects access to capital and its cost [17].

Analysis of the bank's competitiveness can be classified according to several criteria:

- firstly, intra-bank (assessment of the competitiveness of the bank itself and its products) and inter-bank (comparison with other banks) are distinguished by spatial feature;

- secondly, according to the content of the analysis program, comprehensive (covers all aspects of competitiveness) and thematic (focuses on individual aspects) are distinguished;

- thirdly, one-time (for significant one-time changes) and periodic (regular analysis) are distinguished according to the frequency of conducting;

- fourthly, according to the object of analysis, the following are distinguished: analysis of the bank's competitiveness (study of the general influence of factors), analysis of bank products (assessment of the quality and efficiency of products) and analysis of competitors (study of their strategies and methods);

- as well as by the period of implementation — preliminary analysis (to identify factors before planning), current analysis (to control the implementation of measures in real time) and final analysis (to evaluate the results for the reporting period).

The key part of the methodical support of the analysis of the bank's competitiveness is the tools that are used at various stages of the analytical process. The choice of specific tools is determined by the purpose and complexity of the research, as well as available information and technological resources.

The stages of bank competitiveness analysis are summarized in Figure 1.7.

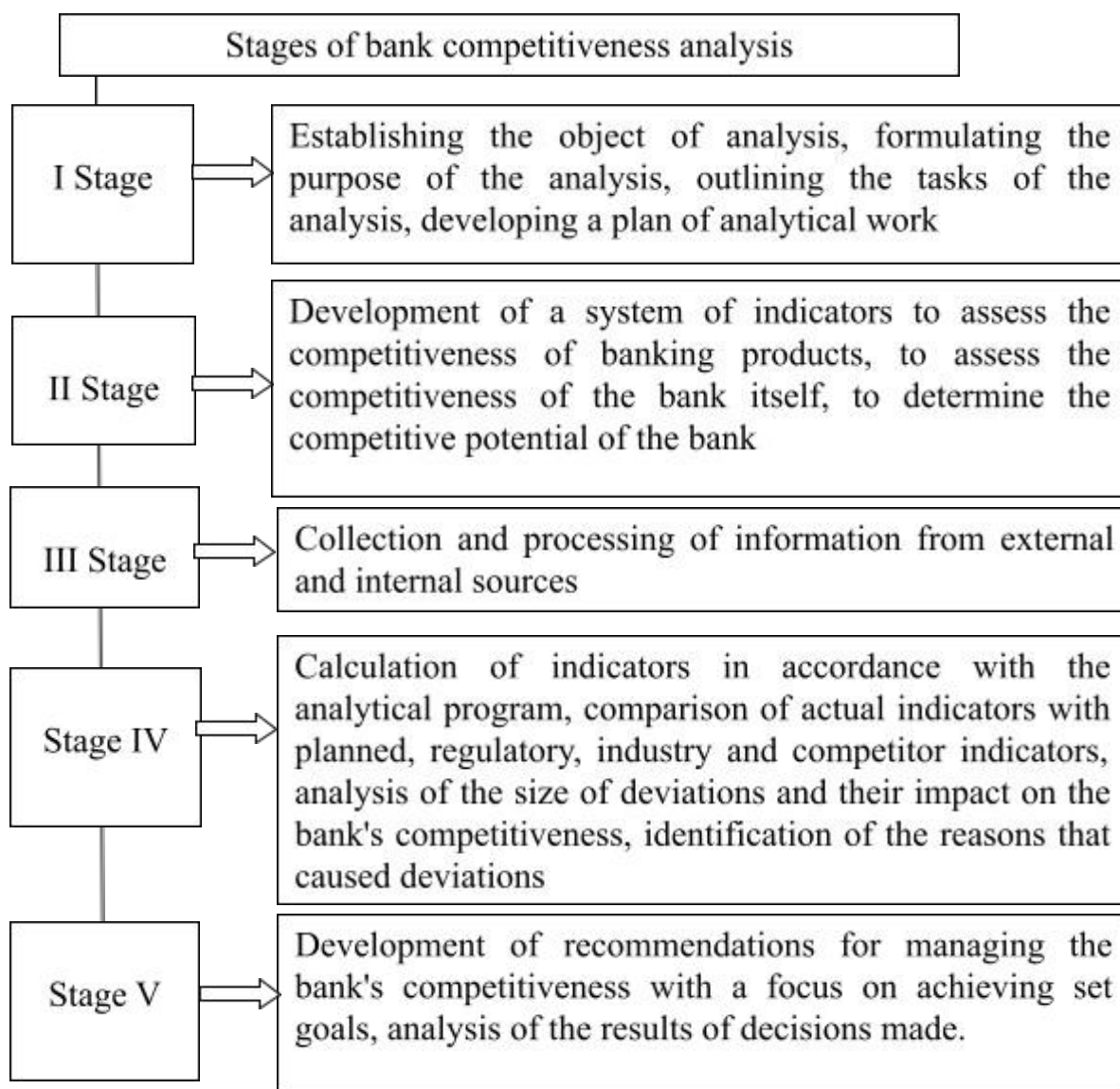


Fig. 1.7. Stages of bank competitiveness analysis

Analysis of the bank's competitiveness includes the determination of goals and criteria, assessment of internal resources and capabilities, analysis of competitors, assessment of the external environment, comparison with competitors, development of strategies and recommendations, as well as monitoring and evaluation of results. These stages help banks systematically approach the question of their competitiveness, adapt to the changing market environment and remain competitive.

Thus, the methods of assessing bank competitiveness vary in their nature and approaches, covering different aspects of financial activity analysis. The main methods include evaluation through financial indicators such as CAMELS, analysis through rating systems, as well as through various analytical and comprehensive techniques.

Each of these methods has its strengths and weaknesses, which necessitates a comprehensive approach to assessment. The fragmentary nature of the existing methods often does not allow to fully cover all important aspects of the bank's competitiveness. Therefore, in order to achieve the most accurate and comprehensive results, it is recommended to use a combination of several methods, which allows for a deeper and more accurate understanding of the bank's competitive position on the market.

### 1.3. Benchmarking as a tool for increasing the bank's competitiveness

One of the effective tools for achieving and maintaining high competitive positions of any company is benchmarking. For banks, benchmarking is not only a way to evaluate their financial performance, but also an important tool for improving strategies, increasing the efficiency of operations and improving the quality of customer service. Through a systematic analysis of the activities of competitors and leading market players, banks can find innovative solutions, adapt advanced technologies and implement best practices, which will directly affect their ability to maintain and expand their market share.

In today's conditions, benchmarking allows banks to stay abreast of current trends and adapt their strategies to new challenges. This not only improves the efficiency of internal processes, but also ensures stable growth and development in the long term. In this context, it is important to understand exactly how benchmarking can become a strategic tool for increasing the competitiveness of banking institutions and what steps must be taken for its effective implementation.

Figure 1.8 presents generalized approaches to understanding the definition of the term "benchmarking" [18, 19].

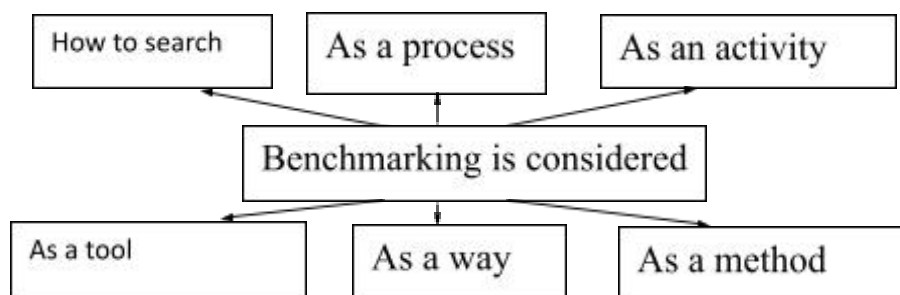


Fig. 1.8. Generalized approaches to understanding the definition of the term "benchmarking".

The main approaches of scientists to the interpretation of the essence of the concept of "benchmarking" are summarized in Table 1.3 [18, 19].

Table 1.3.

The main approaches of scientists to the interpretation of the essence of the concept of "benchmarking"

Approach	The essence of the concept	Author
How to search	Benchmarking is a process of finding best practices and solutions applied in other organizations or sectors that can be adapted to improve one's own performance.	Dovgan L., Karakai Yu., Artemenko L., Karpenko N.
As a process	As a process, benchmarking covers all stages from information gathering to analysis and implementation of changes that contribute to increasing efficiency and competitiveness.	Rader R., Kryvoruchko O., Sukach Yu.
As an activity	As an activity, benchmarking involves a constant and conscious effort to analyze and improve one's own organization through comparison with others, which allows one to maintain competitiveness and stay abreast of best market practices.	Petryashov D.
As a tool	As a tool, benchmarking provides banks and businesses with a structured methodology for evaluating and comparing their performance with that of competitors or industry leaders.	Lyutikova M., Morozova R., Sukharev
As a method	As a method, benchmarking includes a systematic analysis and comparison of various aspects of business processes, which allows you to determine effective strategies and practices for improving your own work.	Makarchuk O., Martynenko O.

As a way	As a method, benchmarking provides specific approaches and techniques for improving business processes based on the obtained data and comparisons.	Voevodyna N., Kulagina A., Loginova E.
----------	--	--

Therefore, benchmarking is a complex and multifaceted concept and contributes to the achievement of competitive advantages through the systematic study and implementation of best practices.

The implementation of benchmarking includes several key stages, each of which is critical to achieving success in the process of comparing and improving business processes or products. The main stages of benchmarking implementation are systematized in Figure 1.9 [18, 20].

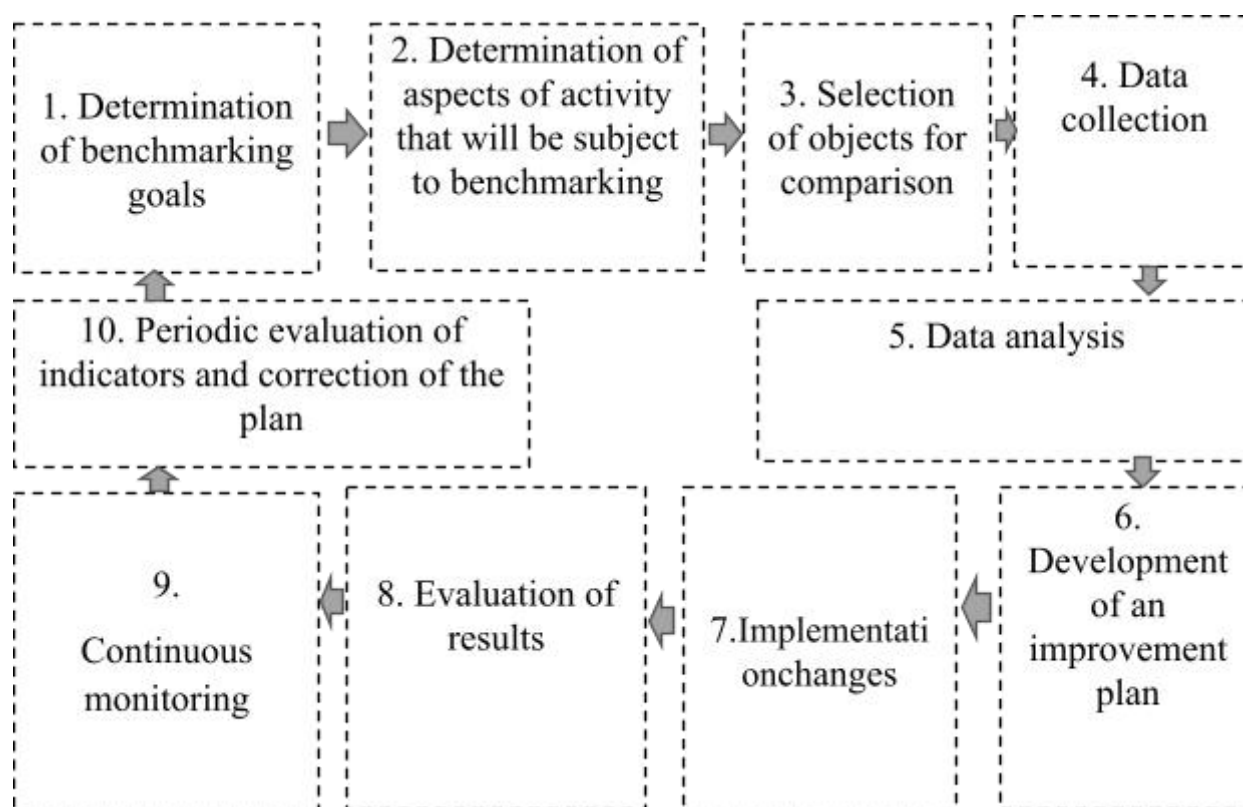


Fig. 1.9. The main stages of benchmarking implementation.

Therefore, the implementation of benchmarking is a complex and multi-step process that requires a systematic approach to achieve significant results.

First, the objectives and aspects of benchmarking must be defined, that is, the organization must clearly outline what results it wants to achieve through benchmarking, for example, improving a certain business process or improving the quality of customer service. It is also important to determine which aspects of the activity will be subject to analysis, whether it will be financial indicators, technologies, business processes, products or services[18].

The next step is to select objects for comparison. Here you need to identify the organizations or companies with which the comparison will be made. These can be direct competitors, industry leaders, or companies from other sectors that demonstrate successful practices. It is important to define criteria for the selection of objects to ensure the relevance and accuracy of the comparison.

After selecting the objects, the stage of data collection follows. At this stage, the organization must choose methods for gathering the necessary information, which may include surveys, interviews, analysis of public reports, or the use of secondary sources.

The collected data is then analyzed, where a comparative analysis is carried out to identify key differences and advantages. It helps identify gaps between the organization's current performance and industry best practices or standards.

Based on the analysis, an improvement plan is developed, which includes specific recommendations for improving business processes or implementing new practices. The development of an action plan involves the determination of specific steps, resources and deadlines for the implementation of the proposed changes.

Implementation of changes is the next stage, where the developed recommendations are implemented in accordance with the action plan. After the implementation of changes, it is important to monitor the process and evaluate the effectiveness of the innovations.

Evaluation of the results allows you to analyze the effectiveness of the implemented changes and compare them with the initial goals. If necessary, adjustments are made to the strategy or processes to achieve better results.

Continuous monitoring and improvement or correction of the plan are the last stages of benchmarking implementation. Thus, regular analysis and repeated

benchmarking ensure constant improvement and adaptation to new market conditions. The organization must update its practices according to new trends and best practices to maintain competitiveness.

Thus, each of these stages is important for the successful implementation of benchmarking and ensuring effective improvement of business processes.

When conducting a benchmarking comparison, one should focus on the main indicators of competitiveness. It is important to analyze such key aspects as the quality of products and services in accordance with market needs, the effectiveness of sales and product promotion methods, the use of production potential, personnel management, the productivity of technologies and production processes, the organization of production and enterprise management, as well as the level of innovative development of the company.

Benchmarking can be implemented both in-house and with the help of external consultants, and each of these approaches has its advantages and disadvantages.[20-21].

In-house benchmarking allows the organization to maintain control over all stages of the process, including goal setting, data collection, analysis and implementation of changes. This can be cost-effective as there is no need to spend money on external consultants. However, implementing benchmarking within a company also has its challenges. First of all, it requires significant resources and time from employees who may not have sufficient experience or specialized knowledge in this area. There is also a risk of a biased approach or lack of objectivity in data collection and analysis.

Bringing in external consultants to conduct benchmarking can provide an enterprise with access to specialized knowledge and experience that may be lacking within the organization. Consultants have extensive experience in conducting similar studies, use proven methods and can provide an objective view of the company's activities. They can also help with data collection and analysis, which provides a more accurate and objective comparison with competitors or industry leaders. However, this approach can be more expensive and require significant financial costs. In addition, there is a risk that external consultants may not fully understand the specifics of the business or may not be aware of all the nuances of the organization.

Therefore, the choice between conducting your own benchmarking and engaging consultants depends on the company's resources, its specifics and goals. In some cases, it may be appropriate to combine both approaches, using internal resources to collect primary data and external consultants to conduct detailed analysis and develop recommendations. This approach can provide a balance between economic efficiency and the quality of the obtained results.

Thus, benchmarking is a powerful tool for improving business processes and increasing the competitiveness of an enterprise. Among its key advantages is the ability to identify best practices in the industry and adapt them to improve your own operations. This allows you to increase efficiency, reduce costs, and improve the quality of products or services. Through systematic comparison with competitors or market leaders, companies can clearly assess their strengths and weaknesses, identify gaps and develop strategies to eliminate them. In addition, benchmarking promotes innovation as it encourages businesses to adopt new technologies and approaches that have already proven to be effective. The use of benchmarking also allows enterprises to keep abreast of market trends and adapt to changes in the external environment, which is an important factor in long-term development and preservation of competitive positions. Benchmarking not only provides businesses with current improvement, but also creates a foundation for sustainable growth and development in the future.

## CHAPTER 2

### RESEARCH OF THE LEVEL OF COMPETITIVENESS IN PJSC "BANK VOSTOK"

#### 2.1. Technical and economic characteristics of the bank

BANK VOSTOK PJSC is a Ukrainian commercial bank owned by Vostok Capital. The bank was founded in 2002 as Agrobank CJSC, which was later reorganized into BANK VOSTOK PJSC. In 2011, all shares of the bank were purchased by a group of legal entities and individuals through Vostok Capital LLC. The main shareholders of this company are V.M. Kostelman, the owner of Fozzy Group, as well as V.V. Morochovskyi and Morokhovska L.S.

The bank's main activities include settlement and cash services, lending to individuals and legal entities, deposit services, investments in securities, payment transfers both within Ukraine and abroad, currency exchange and other related services.

PJSC "BANK VOSTOK" is distinguished by the active development and implementation of modern technologies to increase the convenience and safety of customer service. The bank is a member of the Individual Guarantee Fund.

As of June 30, 2024, the bank had 35 branches in Dnipropetrovsk, Odesa, Mykolaiv, Lviv, Cherkasy, Kharkiv, Poltava, Zaporizhzhya, Sumy regions, as well as in Kyiv. Activities of the department in Kherson remains suspended [22].

The organizational structure of the bank as of December 31, 2023 is summarized in Figure 2.1 [23].

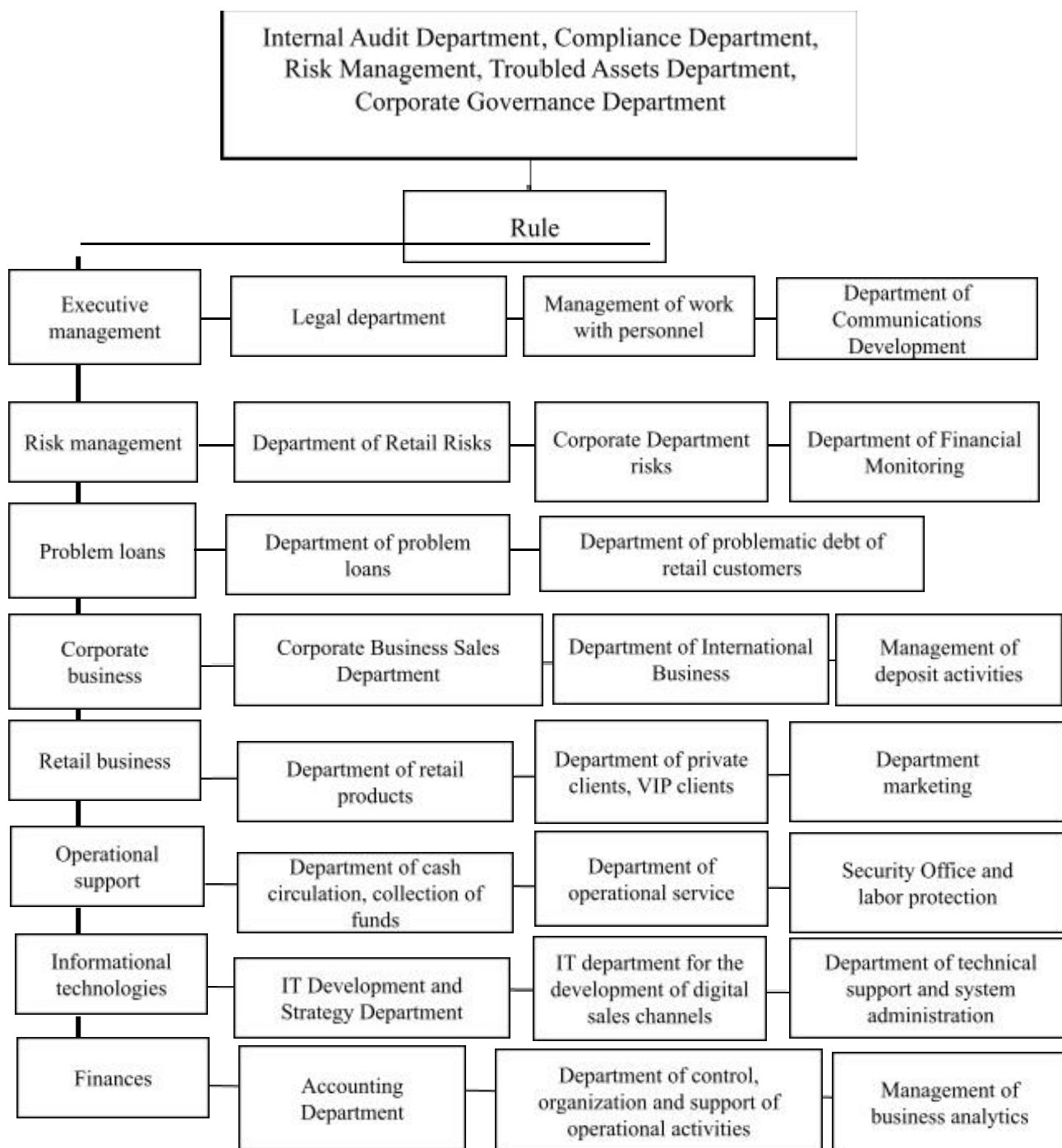


Fig. 2.1. Organizational structure of PJSC BANK VOSTOK.

In the first quarter of 2024, the average number of full-time bank employees was 1,137 (71% women and 29% men). The average number of freelancers was 8 people, and part-time employees - 7 people, 40 people worked part-time. The wage fund increased to 193,335 thousand. hryvnias, which is 38,033 thousand UAH more compared to 2023 [24].

In order to assess the impact of economic events in Ukraine, we will conduct an analysis of the bank's activity indicators for the last 4 reporting years, using data from the financial statements of PJSC BANK VOSTOK. The main indicators characterizing the technical and economic condition of the bank are assets, capital, liabilities, financial results, as well as profitability and efficiency ratios.

Table 2.1 presents the assets, liabilities and capital of PJSC "BANK VOSTOK" for 2021-2024 [22, 25, 26].

Table 2.1

Dynamics of the main indicators of PJSC "BANK VOSTOK" for 2021-2024, thousand UAH., %

Indicators	2021	2022	2023	30.06.2024	Deviation 2023-2022
Total assets	19486357	19970356	28182461	25218936	8212105
General obligations	18167960	18481556	26311745	23158903	7830189
Own capital	1318397	1488800	1870716	2060033	381916
Authorized capital	983950	1255432	1517172	1517172	261740
Retained earnings	286985	236978	276725	434532	39747
Ratio of capital to assets	6.76	7.45	6.63	8,16	-0.82

Analysis of the data for the reporting period shows that all absolute indicators of the bank have increased compared to 2022, with the exception of the relative indicator (capital to assets), which decreased by 0.82%. As of June 30, 2024, the bank's assets amount to 25,218,936 thousand. hryvnias, and equity equals UAH 2,060,033 thousand. hryvnias, which is an increase compared to 1,870,716 thousand UAH on December 31, 2023. Despite the increase in absolute indicators, the decrease in the relative ratio of capital to assets indicates the need for further improvement of the bank's capital structure in order to maintain financial stability and efficiency.

Next, we will analyze in detail the client base of the bank to determine the key segments of the bank (Table 2.2) [25, 26].

Table 2.2

## Dynamics and structure of clients' funds PJSC "BANK VOSTOK" for 2021-2023

Indicators	2021	Specific gravity, %	2022	Specific gravity, %	2023	Specific gravity, %	Deviation 2023-2022
1. Current accounts of legal entities, (thousand UAH)	9669945	77	10727332	76.8	16934514	82.8	6207182
2. Current accounts of individuals, (thousand UAH)	2880839	23	3242671	23.2	3499206	17.2	256535
<i>Total current accounts</i>	<i>12550784</i>	<i>72.2</i>	<i>13970003</i>	<i>79.9</i>	<i>20433720</i>	<i>82.2</i>	<i>19036717</i>
3. Deposits of legal entities, (thousand UAH)	2557690	52.9	1829005	52	2423931	54.8	594926
4. Deposits of individuals, (thousand UAH)	2275506	47.1	1686337	48	1995794	45.2	309457
<i>Total deposits</i>	<i>4833196</i>	<i>27.8</i>	<i>3515342</i>	<i>20.1</i>	<i>4419725</i>	<i>17.8</i>	<i>904383</i>
5. The total volume of clients' funds	17383980	100	17485345	100	24853445	100	7368100

During 2021-2023, the total amount of funds of customers of PJSC "BANK VOSTOK" increased by UAH 7,368,100 thousand. There is an increase in the share of current accounts of legal entities, which rose from 77% to 82.8%. This indicates an increase in the financial activity of enterprises and their greater trust in the bank. The share of current accounts of individuals decreased to 17.2%, but the amount of funds in these accounts increased by UAH 256,535,000. As for deposits, corporate deposits also increased, with the share rising from 52.9% to 54.8%. At the same time, the share of individual deposits decreased to 45.2%, although their total amount increased by UAH 309,457,000. The growth of the share of funds in the accounts of legal entities and the stable growth of deposits indicate an increase in the role of enterprises as key clients of the bank, which has a positive effect on the bank's financial results.

The structure of the bank's loan portfolio by economic sector is shown in Figure 2.2 [25].



Fig. 2.2. The structure of the loan portfolio by economic sectors of PJSC "BANK VOSTOK" for 2023, %

The bank's loan portfolio is mostly focused on clients from the trade sector (43%), which indicates the bank's significant exposure to this market segment. Other important sectors include agriculture (22%) and industry (19%), which together with trade form the bulk of the portfolio. The transport and communications and construction and real estate transactions sectors have relatively smaller shares, at 7% and 2% respectively, which may indicate less focus or risk in these areas. Loans to individuals and the other category also have a small share, which may be the result of specific lending strategies or the lower importance of these segments in the bank's portfolio.

Next, we will consider the bank's interest and commission income and expenses, as well as the main indicator of the efficiency of its economic activity - net profit (loss). In addition, we will analyze the ratio of the net financial result to assets and authorized capital, which reflects the level of their profitability (Table 2.3) [25, 26].

Table 2.3

Profitability indicators PJSC "BANK VOSTOK" for 2021-2023, UAH billion.

Indicators	2021	2022	2023	Deviation
Interest income	1371900	1697733	2667076	969343
Interest expenses	428851	618819	1079523	460704
Commission income	977663	1090455	1264842	174387
Commission costs	380285	392398	713444	321046
Profit	285784	275524	236034	-39490
Total assets	19486357	19970356	28182461	8212105
Authorized capital	983950	1255432	1517172	261740

Analysis of indicators for 2021-2023 showed a significant increase in interest and commission income, as well as a significant increase in total assets and authorized capital. However, at the same time, the level of interest and commission expenses also increased. Despite the positive dynamics of income and assets, the bank's profit decreased by 39,490 thousand. UAH This indicates a decrease in the efficiency of the bank's activities, which requires a review of the strategy to improve financial results.

We will analyze the compliance of PJSC "BANK VOSTOK" with the economic standards established by the NBU for 2023-2022 (Fig. 2.3) [27].

The regulatory capital adequacy ratio (H2) is 20.22%, which is significantly higher than the minimum 10% set by the NBU, confirming the sufficient level of capital to cover risks.

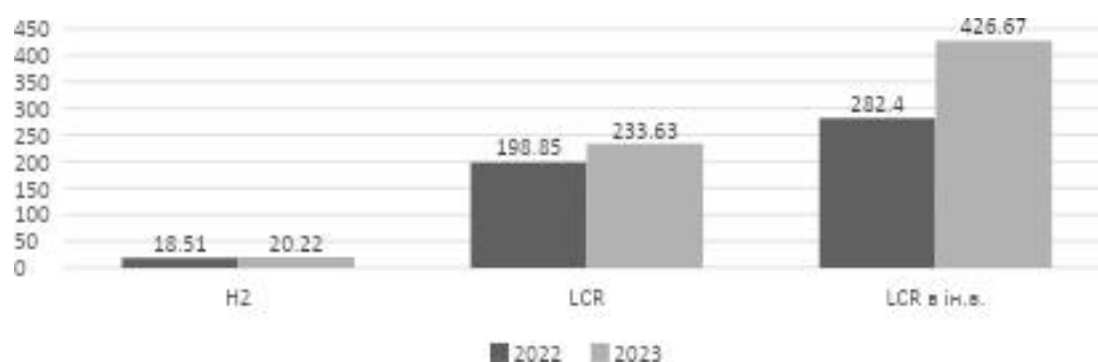


Fig. 2.3. Economic standards of the bank for 2022-2023, (%)

The liquidity coverage ratio (LCR) for all currencies is 233.63%, and for foreign currency is 426.67%, which exceeds the regulatory value of 100%. This confirms the availability of sufficient liquid assets to cover liabilities, which indicates high financial stability of the bank.

Therefore, PJSC "BANK VOSTOK" demonstrates stable development, despite the difficult situation in the country, with a noticeable increase in financial results and the expansion of deposit and loan portfolios, which indicates the trust of customers. The bank has a sufficient level of regulatory capital and fully complies with the regulator's requirements regarding economic standards.

## 2.2. Comprehensive analysis of bank competitiveness indicators on the financial services market of Ukraine

Analysis of the competitiveness of PJSC "BANK VOSTOK" allows us to assess its position on the financial services market and its ability to compete effectively with other banking institutions. Examining the bank's indicators, such as financial results, asset structure, level of customer service and innovative products, makes it possible to determine its strengths and weaknesses in the face of fierce competition. The study of the bank's key competitive advantages, as well as its compliance with market and consumer requirements, is an important element in the formation of a strategy for further development and strengthening of market positions.

Thus, according to NBU data, as of August 1, 2024, PJSC "BANK VOSTOK" is among the TOP-20 banks among 62 active banks in Ukraine. Table 2.4 shows the ranking of the NBU according to the main indicators of the bank [28].

Table 2.4

## NBU ranking by main indicators of BANK VOSTOK PJSC

NBU ranking	Key indicators of the bank
20	Assets and liabilities
17	The structure of the credit and investment portfolio
21	Capital and financial result
18	Deposits of legal entities
18	Deposits of individuals

According to the results of the NBU ranking among 62 banks, PJSC "BANK VOSTOK" occupies a stable position in key financial indicators. The bank ranks 20th in terms of assets and liabilities, 17th in terms of the structure of the credit and investment portfolio, and 21st in terms of capital and financial results. In the segment of deposits of legal entities and individuals, the bank occupies the 18th position. Such results testify to the reliability and stability of the bank in the market, in particular in the management of assets and liabilities, as well as in attracting deposits.

In 2023, PJSC "BANK VOSTOK" entered the TOP-25 leading banks of Ukraine according to the "Financial Club" rating, although in 2022 it was not represented in this rating. This achievement testifies to the growing role of the bank in the Ukrainian financial market, its stable financial position and the growing trust of clients (table 2.5) [29].

Table 2.5

## TOP-25 leading banks of Ukraine according to the version of the "Financial Club" rating (units, million hryvnias)

Bank	Number of nominations	Final rating score	Number of operating branches	Number of own ATMs	Amount of assets	Amount of loans issued	Amount of funds raised from clients	Profit/losses after taxation
PrivatBank	16	4122.7	1199	7298	777563	84311	488394	34399
OschadBank	14	3980.4	1159	2798	335579	80749	266629	8236

PUMB	14	3692.4	209	507	143717	44952	109735	4427
Ukrsibbank	9	3543.7	201	728	142383	11824	117293	4291
UkrGasbank	14	3379.8	218	657	172854	60217	136902	2886
Meaning bank	11	3376.1	139	448	95782	36342	63234	5360
Raiffeisen Bank	13	3343.8	298	1460	193923	49823	152269	3817
Taskombank	13	3265.7	93	121	37724	14495	30202	206
Credobank	12	3252.6	67	242	50124	11996	40610	1155
OTP Bank	12	3201.3	72	0	103530	23589	76086	3629
Credit Agricole Bank	12	3187.6	141	291	101438	19655	82056	1525
Ukreximbank	13	3063.3	51	365	281058	74538	219564	2326
Universal Bank	7	2782.7	14	20	102996	26303	78494	1964
Southern	11	2734.5	45	106	60720	15154	45410	887
MTB Bank	16	2609.2	43	183	14856	4456	12513	41
Pravex Bank	14	2515.5	43	85	11446	2748	9157	-30
A-Bank	7	2492.7	195	0	25180	6938	16993	305
AcordBank	10	2367.1	129	107	14545	770	12948	72
Idea bank	9	2338	118	24	9913	3505	3507	440
Bank Credit Dnipro	13	2327	30	92	21024	4568	16909	243
"Globe"	13	2273.1	30	6	9491	1835	7775	60
<i>Bank Vostok</i>	7	2250.9	34	74	23631	8223	19478	301
Alliance Bank	14	2160	34	8	11972	3867	7345	155
RadaBank	14	2153.5	28	28	5213	967	4065	26
Lviv	10	2115.9	19	22	8447	5428	5178	99

Therefore, PJSC "BANK VOSTOK" took the 22nd position in the rating among the 25 leading banks of Ukraine, gaining 2250.9 rating points. In 2023 the bank had 34 operating branches and 74 own ATMs. The bank's assets amounted to 23,631 million. hryvnias, and issued loans — 8,223 mln. UAH The amount of funds raised from clients amounted to 19,478 million. hryvnias, and profit after tax — 301 million. UAH Although the bank is in the lower part of the rating in terms of key indicators, it demonstrates stable financial results and continues to grow, maintaining profitability and customer confidence. Entry into this rating emphasizes the effectiveness of strategic management, development of products and services, as well as the bank's ability to adapt to market challenges and ensure competitiveness.

In 2023, the largest increase in balances of funds of legal entities was observed in Ukreximbank, Oschadbank, UkrGasbank, Sens Bank, PUMB, PrivatBank, Credit Agricole, Ukrsibbank, Raiffeisen Bank, Citibank, ING Bank, Kredobank,

Universalbank and BANK VOSTOK PJSC, this talks about that business prefers banks with state capital and subsidiaries with foreign investments [30]. PJSC "BANK VOSTOK" also showed a positive growth trend in the balance of funds of legal entities, which indicates the growing trust of business in this institution, which is an important indicator of the bank's stability and its ability to attract funds from corporate clients. Despite the competition with state banks and banks with foreign capital, PJSC "BANK VOSTOK" maintains its positions, demonstrating reliability and financial stability.

Also, in 2023, PJSC "BANK VOSTOK" demonstrated a significant increase in the loan portfolio of legal entities, competing with such banks as PrivatBank, FUIB, Bank "Lviv", Kredobank, MTB, "Pivdenny" and KIB [30]. This testifies to the active activity of the bank in the corporate lending market and emphasizes its ability to attract business clients and compete effectively with leading players in the banking sector of Ukraine.

Next, we will consider the stability rating of banks from the Ministry of Finance portal based on the results of the second quarter of 2024. The rating covers banks with retail deposits of 1 billion hryvnias and evaluates their stability and loyalty of depositors on a scale of 1 to 5 points, taking into account asset quality, liquidity, support, deposit growth and payment reputation (Table 2.6) [31].

Table 2.6

Bank stability rating from the Ministry of Finance portal based on the results of the 2nd quarter. 2024

Bank	Overall rating	Stress resistance	Loyalty of depositors	Analysts' assessment	Place in the ranking for deposits of individuals
Ukrsibbank	4.42	4.19	4.6	4.63	7
Credit Agricole Bank	4.35	4.42	4.1	4.63	11
Raiffeisen Bank Aval	4.27	4.1	4.5	4.26	4
Credobank	4.17	4.11	4.2	4.26	12
OTP Bank	4.12	4.39	3.7	4.26	10
PrivatBank	4.05	3.45	4.5	4.63	1

PUMB	3.76	3.28	4.4	3.74	5
ProCredit Bank	3.73	3.8	3.5	3.96	15
Savings Bank	3.71	3.13	4.1	4.33	2
Universal Bank	3.71	2.86	4.6	4.04	3
Ukreximbank	3.69	3.53	3.7	4.04	8
Ukrgasbank	3.67	3.46	3.7	4.11	9
Pravex Bank	3.56	3.53	3.7	3.37	22
Sense Bank	3.54	3.11	3.8	4.04	6
Southern	3.41	3.17	3.9	3.07	14
A-Bank	3.33	2.84	4.2	2.93	13
Taskombank	3.29	2.84	3.7	3.59	16
Idea Bank	3.27	3.21	3.5	3	23
Piraeus Bank	3.26	3.16	3.2	3.59	29
Poltava Bank	3.16	3.22	3.3	2.78	31
Agroprosperis Bank	3.15	3.17	3.2	3	34
Bank Credit Dnipro	3.13	2.68	3.6	3.3	19
Bank Lviv	3.07	2.46	3.8	3.15	20
<i>Bank Vostok</i>	<i>3.04</i>	<i>2.65</i>	<i>3.7</i>	<i>2.78</i>	<i>18</i>

Therefore, PJSC "BANK VOSTOK" took the 24th position in the rating and received 3.04 points based on the results of the assessment of the stability of banks by the Ministry of Finance portal. The bank has scores of 2.65 for stress resistance and 3.7 for depositor loyalty, indicating its moderate ability to withstand stressful situations and customer trust.

The analyst rating is 2.78. The bank ranks 18th in the NBU ranking by the volume of deposits of individuals. These results indicate that although BANK VOSTOK PJSC demonstrates stability and a certain level of customer loyalty, it still has room to improve its stress resistance indicators and analytical evaluation in order to improve its position among competitors.

More detailed information about indicators of depositor loyalty and stress resistance of PJSC "BANK VOSTOK" is given in Table 2.7 [31].

In the second quarter of 2024, PJSC "BANK VOSTOK" achieved significant success in the field of depositor loyalty, in particular, demonstrating a noticeable increase in the volume of retail deposits. The bank received high marks for its share in

the retail deposit segment and absolute increase in deposits, as well as for its market experience and payment reputation. However, in the area of stress resistance, the bank showed mixed results.

Table 2.7

Indicators of depositor loyalty and stress resistance based on the results of the second quarter of 2024.

Indicators	2nd quarter of 2024	
	%, million UAH	points
<b>Loyalty of depositors</b>		
1. The bank's share in the retail segment of deposits	0.52%	3
2. Absolute increase in the volume of retail deposits during the quarter	438.4 million UAH	3
	-0.79 million USD	
3. Relative increase in the volume of retail deposits during the quarter	16.33% in UAH.	3.5
	-1.11% in dollars	
4. Experience in the market	since 2002	4
5. Payment reputation of the bank	-	5
<i>Total score</i>		3.7
<b>Stress resistance</b>		
1. Dependence on individual contributions	25.86	4
2. Funding quality		1
3. Profitability	71.11	2.33
	1.56	
4. Liquidity	49.76	4
	231.73	
5. Capital adequacy	16,23	1.67
	10.36	
6. The scale of the bank's activities	-	3
<i>Total score</i>		2.65

Although dependence on individual deposits and liquidity have positive assessments, problems have been noted in the quality of funding and capital adequacy.

This indicates the need to improve capital management and improve funding to increase the stability of the bank.

03/07/2024 rating agency Moody's confirmed the ratings of PJSC "BANK VOSTOK" at the "Caa3/NP" level, improving the forecast from "negative" to "stable" and raising the national ratings to "Caa2.ua". 05/21/2024 Credit-Rating agency raised the bank's long-term credit rating to the uaAAA level with a "stable" forecast and set the deposit reliability rating at level 5[32].

Let's consider the bank's place in the People's rating of banks, which is formed on the basis of feedback from users of the Ministry of Finance regarding the quality of service in banks. The rating takes into account only those reviews that were checked by the moderators of the "Ministry of Finance" (Table 2.8) [33].

Table 2.8

The position of PJSC "BANK VOSTOK" in the People's Rating of banks from the Ministry of Finance portal as of September 11, 2024.

Bank	Rating	Average score	Problems solved	Reviews are included
1. A-Bank	23.1	3.07	767 out of 953	2019
2. Monobank	17.1	2.84	1507 of 1946	3689
3. Procredit Bank	13.9	3.62	8 out of 8	210
4. Globe	13.2	2.52	17 out of 70	214
5. Yunex Bank	13.1	2.72	7 out of 13	145
6. Izibank	12.8	1.73	4 out of 12	211
7. Alliance Bank	12.8	3.33	3 out of 6	103
8. O.Bank	12.7	2.29	16 of 29	107
9. Credobank	12.4	2.29	120 of 164	439
10. Vostok Bank	12.4	2.52	18 out of 35	189

As of September 11, 2024, Bank Vostok PJSC ranks 10th in the People's Rating of banks according to the Ministry of Finance portal, having a rating of 12.4 among 26

banks included in this list. The lowest position is occupied by JSC "Oschadbank" with a rating of 8.6. The average rating of the bank is 2.52, which indicates an average level of customer satisfaction. Out of 35 problematic situations, the bank resolved 18, which indicates a desire to resolve issues, although a certain part remains unresolved. A total of 189 reviews were included, which affected the bank's position in the rating. This rating affects the bank's competitiveness, as customers, guided by the ratings and reviews of other users, can make decisions about choosing a bank. A low average score and a relatively low level of problem solving can reduce trust in the bank and its attractiveness among potential customers. It can also make it difficult to compete with banks that have higher ratings and better performance in solving problemsituations.

It is worth noting that PJSC "BANK VOSTOK" was not included in the list of the best Internet banking in Ukraine [34]. The absence of a bank among the leaders in the field of Internet banking may indicate insufficient competitiveness in this segment, which may also reduce its attractiveness to customers who prefer modern digital services.

Next, we will analyze the competitiveness of deposit products for individuals (Table 2.9) [35].

Table 2.9

Analysis of the competitiveness of deposit products ("Classic deposit") for individuals of banks for January-July 2024.

Bank	Average annual deposit rate	Number of departments	Increase in the volume of time deposits of the population, bln. UAH	Market share of time deposits of the population, %
UkrGasbank	14.0	195	3.03	4.31
Acordbank	15.94	127	1.15	1.04
PUMB	13.25	222	4.74	7.15
Bank Credit Dnipro	14.5	29	0.95	1.06
Southern	13.25	49	1.31	1.56
<i>Globe</i>	<i>15.69</i>	<i>30</i>	<i>0.55</i>	<i>0.79</i>
Savings Bank	10.63	1159	11.95	26.0

Sense Bank	15	120	2.81	6.76
A-Bank	13.75	195	1.82	3.45
<i>Yunex Bank</i>	<i>16,13</i>	<i>18</i>	<i>0.61</i>	<i>0.35</i>
<i>Bank Vostok</i>	<i>12.5</i>	<i>34</i>	<i>0.17</i>	<i>0.70</i>

Analysis of deposit products for individuals for the period January-July 2024 shows that BANK VOSTOK PJSC offers an average annual deposit rate of 12.5% and has 34 branches. The amount of increase in time deposits of the population amounted to UAH 0.17 billion, which corresponds to a market share of 0.70%. We compare these indicators with the closest competitors. Globus Bank offers a higher average annual deposit rate of 15.69% and has 30 branches. Its increase in time deposits of the population is equal to UAH 0.55 billion, and the market share is 0.79%. Yunex Bank, in turn, has an even higher deposit rate — 16.13%, but with a smaller branch network (18) and an increase in time deposits of UAH 0.61 billion, Yunex's market share is 0.35%. Therefore, PJSC "BANK VOSTOK" offers competitive deposit terms for clients, but its market share and deposit growth are lower compared to Globus and Yunex banks. Globus and Yunex banks achieve higher market positions thanks to more attractive deposit rates, although Yunex has a smaller market share, possibly due to a limited branch network.

An important stage of a comprehensive assessment of a bank's competitive advantages is the analysis of its positions in key segments of the banking services market, in particular in the segment of lending to legal entities (Fig. 2.4) [25, 36].

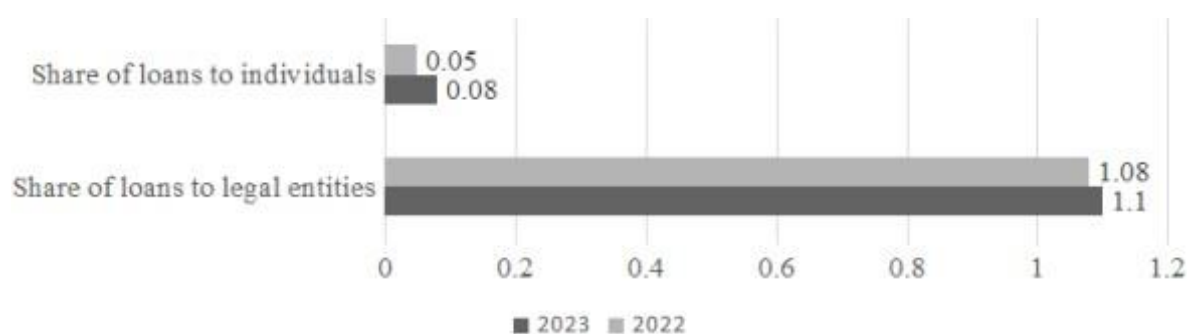


Fig. 2.4. The share of loans of PJSC "BANK VOSTOK" in the total volume of loans of banks of Ukraine

The share of loans to legal entities increased from 1.08% in 2022 to 1.1% in 2023. Although the growth is insignificant, it indicates a stable position of the bank in the segment of lending to legal entities, which can be a positive signal for business clients. The share of loans to individuals also increased from 0.05% in 2022 to 0.08% in 2023, which indicates a gradual development in the segment of lending to individuals, but the share remains low, which limits the bank's competitiveness in this direction. Therefore, PJSC "BANK VOSTOK" demonstrates certain progress in lending to both legal entities and individuals. However, its market shares remain quite small, which indicates low competitiveness compared to larger players in the market. The bank has the potential for further growth, but to strengthen its position, it is necessary to increase its presence in key segments.

Next, we will consider indicators of return on assets (ROA) and return on capital (ROE), which play a key role in the formation of competitive advantages and determine the organization's position on the market (Table 2.10) [25, 26].

Table 2.10

Dynamics of ROA, ROE PJSC "BANK VOSTOK", thous. UAH., %

Indicators	2021	2022	2023	Deviation
Profit	285784	275524	236034	-39490
Total assets	19486357	19970356	28182461	8212105
Own capital	1318397	1488800	1870716	381916
ROA, %	1.46	1.37	0.84	-0.53
ROE, % (%)	21.67	18.51	12.62	-5.89

Dynamics of indicators of profitability of assets (ROA) and profitability of capital (ROE) of PJSC "BANK VOSTOK" for 2021-2023. shows a decrease in efficiency. Despite an increase in total assets by UAH 8.2 billion and an increase in equity by UAH 381.9 million, the bank's profit decreased by UAH 39.5 million. As a result, ROA decreased from 1.46% in 2021 to 0.84% in 2023, and ROE fell from 21.67% to 12.62%. This indicates a decrease in the efficiency of the use of assets and capital in the bank

during the analyzed period. However, it is worth noting that the bank worked in war conditions in 2022-2023, which significantly affected financial stability and performance indicators. Despite the difficult circumstances, BANK VOSTOK PJSC continued its activities and demonstrated stability and profitability in a difficult economic environment.

Thus, PJSC "BANK VOSTOK" demonstrates a significant level of competitiveness in the market of financial services of Ukraine, which is confirmed by its sufficient positions in the ratings. This testifies to the effectiveness of management strategies, the stability of financial indicators and the ability to adapt to changing market conditions. Positive results in the ratings reflect not only the trust of clients and partners, but also the bank's potential for further growth and development in the conditions of the modern economy.

### 2.3. Assessment of bank competitiveness using matrix methods

In today's conditions of globalization and intense competition in the financial markets, the analysis of the competitiveness of banking institutions acquires special importance. In particular, for PJSC BANK VOSTOK, an effective assessment of competitive advantages and weaknesses is key to ensuring sustainable development and improving its market position. One of the powerful tools for such an assessment is the use of matrix methods, which allow a systematic and comprehensive analysis of various aspects of the bank's activity.

Matrix methods such as SWOT analysis, the Boston Consulting Group (BCG) matrix, and the GE/McKinsey matrix provide a structured approach to assessing competitiveness, taking into account both internal and external factors. These methods allow not only to identify the bank's strengths and weaknesses, but also to assess its strategic position on the market, as well as to develop effective strategies to improve competitive advantages.

PEST analysis evaluates the external environment according to four main groups of factors: political (changes in policy and legislation), economic (economic fluctuations, inflation, exchange rates), social (changes in values, demographic shifts), and technological (innovations, new technologies). This analysis helps the bank understand which of these factors significantly affect its operations.

The matrix for the PEST analysis is presented in Table 2.11.

Table 2.11

Matrix of PEST analysis of PJSC "BANK VOSTOK"

Factors	Description
Political	Changes in the tax policy of the state that affect the banking sector, innovations in the legislation regulating the activities of banking institutions, the level of bureaucracy and corruption, which may affect the efficiency of the bank's work, the impact of the war on political stability in the country, which may create uncertainty and risks for banking activities, changes in state regulation of the financial sector in wartime conditions.
Economical	Changes in the NBU discount rate, which affect credit rates and the cost of raising capital, economic instability in wartime conditions, which determines the general level of risks for the banking sector, a high level of inflation, which can reduce purchasing power and increase bank costs, an increase in the unemployment rate (in 2024, the unemployment rate is 15%), which affects the solvency of customers and the level of credit risks, fluctuations in resource prices, which increases the costs of operational activities of the bank, changes in currency rates that affect currency operations and financial results of the bank, The war has a negative impact on the economic situation in the Kharkiv region, reducing credit demand and increasing risks for the bank
Social	Changes in the activity of consumers in the use of banking services due to social upheavals and instability, the impact of war on the material well-being of the population, which can reduce the demand for financial products, demographic changes, such as migration and changes in the composition of the population, which can affect banking activities, social mobility of the population, which may change due to economic difficulties and military actions, increasing requirements for the quality of banking products and services due to increased expectations in the context of a crisis situation and distrust in the banking system in general, a low level of financial education

	among the population, rapid changes in the needs of the population due to military conflicts, which require adaptation of banking offers.
Technological	increasing costs for the implementation and support of modern technologies, which is exacerbated by the economic difficulties of the war, increased requirements for information security of banking systems due to increased risks of cyber threats and possible attacks in wartime, the need for rapid adaptation of technological solutions to ensure the continuity of customer service in unstable conditions.

PEST-analysis of a bank in war conditions allows for a comprehensive assessment of the impact of the external environment on its activities. Political factors, such as changes in tax policy, legislation and the level of corruption, can significantly affect the operation of the bank, creating additional risks and contingencies. Economic factors, including fluctuations in the NBU discount rate, high levels of inflation and unemployment, as well as changes in exchange rates, can affect the financial stability and costs of a banking institution. The war has a negative impact on the economic situation, especially in the Kharkiv region (which is constantly under fire and near the border with the aggressor), which, in turn, reduces credit demand and increases risks for the bank. This is especially critical when the key segment of the bank is legal entities that need a significant amount of credit to support their activities, investments and development. The instability of the economic situation and the decrease in credit demand can seriously affect the bank's financial results, reducing its income from lending and increasing the risks of non-repayment of loans. This creates additional challenges for the bank in managing the loan portfolio and maintaining financial stability. Therefore, in such a situation, it is important to focus on the development of strategies to reduce risks and ensure optimal service to legal entities, which are critically important for the preservation and development of the banking business.

Social factors, such as changes in consumer activity, demographic changes and requirements for the quality of banking products, can determine the level of demand for financial services and customer needs in crisis conditions. Increasing service requirements and social mobility of the population also play an important role in the bank's adaptation to new conditions. Technological factors, such as the development and

implementation of new technologies, requirements for information security and costs for innovation, are becoming critical for maintaining the bank's competitiveness. Rapid adaptation of technological solutions and ensuring security in conditions of war are key to the effective operation of a banking institution.

Thus, the PEST analysis in the conditions of war helps the bank to identify the main challenges and opportunities, contributing to the development of a strategy to minimize risks and maximize efficiency in difficult conditions.

Next, we will conduct a SWOT analysis, which is a powerful strategic management tool that allows the bank to systematically assess its internal resources and opportunities, as well as external threats and advantages. The application of SWOT analysis helps the bank better understand its competitiveness, identify key success factors and develop effective strategies to achieve its goals.

The matrix of the SWOT analysis of the competitive position of PJSC "BANK VOSTOK" (taking into account the activities of the 15th branch in Kharkiv) is shown in Table 2.12.

The general conclusion regarding the SWOT analysis of PJSC "BANK VOSTOK" shows that the bank has significant strengths, including a stable financial position, a variety of banking services, a high reputation in ratings and active participation in charitable initiatives. However, there are also weaknesses, such as insufficient development of digital banking and marketing, limited support for online services and increased credit risks due to economic instability.

Table 2.12

Matrix of SWOT analysis of the competitive position of PJSC "BANK  
VOSTOK"

Strengths	Weaknesses
<p>A variety of banking services, competitive prices, a stable financial position, entry into the top 20 by assets, participation in charitable initiatives (support of ZSU, Okhmatdyt (1 million hryvnias), assistance in business relocation to clients) and qualified staff increase the reputation and trust of clients , 100% of the bank's shares belong to the Vostok Capital Group (Fozzy Group), which ensures management stability, quick decision-making and financial support, which is important during the war.</p> <p>The bank participated in the competition from Ukrainian Fintech in the direction of digitalization of retail banking in 2023 as a nominee, did not win [37]</p>	<p>The insufficient development of digital banking and marketing reduces the attraction of customers, the war increases credit risks due to a drop in the solvency of customers (taking into account the peculiarities of the Kharkiv region), increased spending on security and infrastructure in wartime conditions,</p> <p>The absence of the bank in the rating "The best Internet banking in Ukraine" from the portal of the Ministry of Finance and from Ukrainian Fintech</p>
Opportunities	Threats
<p>Given the transition of customers to online services, there is an opportunity to improve digital banking and marketing; promotion of the bank's website in new regions to attract customers; expanding cooperation with businesses of the Kharkiv region, offering specialized credit programs for loyal customers; investments in improving information security and developing digital services can become important competitive advantages; updating the bank's product range in accordance with modern trends</p>	<p>The presence of a significant number of competitors who can quickly adapt to new conditions and offer more effective digital solutions; changes in the needs of customers in banking services, risks of non-return of loans provided by the bank, political and economic instability in the country and the number of cyber-attacks is increasing, which can affect the security of the bank during the war, reducing the demand for lending</p>

\*Source: compiled by the author based on [37-40]

At war, the bank has opportunities to develop digital services, expand its range of services and support local businesses, but it also faces threats such as economic instability and the rise of cyber threats. In general, the SWOT analysis helps the bank

identify key areas for improvement and determine strategies to maintain and increase competitiveness in a difficult environment.

The bank can choose one of the following development strategies: "Maxi-Maxi" strategy - using the bank's strengths to realize external opportunities; the "Maxi-Mini" strategy - using the bank's strengths to neutralize external threats, the "Mini-Maxi" strategy - minimizing the bank's weaknesses through the use of external opportunities, the "Mini-Mini" strategy - reducing the bank's weaknesses and avoiding external threats.

So, in our opinion, in the conditions of war, the "Mini-Maxi" strategy may be appropriate for PJSC "BANK VOSTOK". Minimizing the weaknesses of the bank through the use of external opportunities allows you to focus on overcoming internal shortcomings and at the same time take advantage of the available opportunities for adaptation and development. This is especially important in times of crisis, when the bank may face significant challenges, but also has the ability to adapt to a changing environment and implement new strategies that will help maintain competitiveness and ensure effective management of operations.

Next, we will consider the product/service and market development matrix I. Ansoff, which is a useful tool for determining promising strategies for the bank's further development. It allows PJSC "BANK VOSTOK" to analyze its market opportunities both at the national and local levels in order to expand its influence on the market of banking services. With its help, you can evaluate and implement strategies for optimizing and expanding the bank's activities. On the basis of the conducted research, the corresponding Ansoff matrix was developed for BANK VOSTOK PJSC (Table 2.13).

Table 2.13

## Product/market development matrix I. Ansoff for PJSC "BANK VOSTOK"

Market/Product	Services are available	Services are new
Markets available	<p>Improving marketing campaigns to increase awareness of existing products.</p> <p>Expansion of service through existing channels (branches, mobile banking).</p> <p>Improving customer service to increase customer loyalty and retention.</p>	<p>Development of new financial products adapted to the needs of customers during the war (for example, specialized loans for affected businesses). Reduction of interest on loans; increase in credit holidays and loan repayment terms; increase in interest on deposits;</p> <p>Launching new services, such as services for migrants or support for small businesses.</p> <p>Investing in innovations such as digital platforms to facilitate access to banking services.</p>
New markets	<p>Expansion of presence in new geographic regions or in conditions of local economic stability.</p> <p>Promotion of existing products in new markets using digital channels.</p> <p>Studying the possibility of expansion into the markets of neighboring countries or new cities, where the risks are reduced.</p>	<p>Launching new products and services in new markets where there is potential for growth.</p> <p>Partnering with other companies to create new market opportunities.</p> <p>Researching new niches based on the need for innovative financial solutions in post-conflict zones or recovering regions.</p>

The given matrix will allow PJSC "BANK VOSTOK" to systematize information, assess risks and determine priorities, which will contribute to more effective management of resources and faster response to changes in the external environment. Formulate strategies for adaptation and development in war conditions, taking into account existing opportunities and constraints.

Thus, SWOT analysis, PEST analysis and the Ansoff matrix are powerful tools of competitive analysis, each of which evaluates different aspects of the bank's

development in its own way. SWOT analysis helps to identify internal strengths and weaknesses, as well as external opportunities and threats. PEST analysis allows you to assess macroeconomic and socio-political factors affecting the business environment. Matrix I. Ansoffa focuses on possible growth strategies through new or existing products and markets. However, none of these tools can provide a complete picture on their own, as each of them has its own limitations and focuses on certain aspects. Therefore, it is most effective to use these tools together to obtain a comprehensive analysis and develop strategies that take into account all the key directions of the bank's development.

## CHAPTER 3

### WAYS OF IMPROVING THE COMPETITIVENESS OF BANKS IN MODERN CONDITIONS

#### 3.1. Organizational and economic aspects of increasing the competitiveness of a banking institution

Organizational and economic aspects of increasing the competitiveness of banks are key factors in ensuring their stability and effective functioning in the conditions of a dynamic financial market. They cover a wide range of measures aimed at optimizing internal banking processes, introducing innovative technologies, improving management structures and adapting to changing market conditions. External factors, including economic policy, competition and changes in the regulatory environment, also play an important role. A comprehensive approach to organizational and economic aspects allows banks not only to maintain their positions on the market, but also to increase them, ensuring stable growth and development.

Today, the banking system of Ukraine faces a number of problems that negatively affect the competitiveness of banks and the level of public trust.

The main challenges include:

- high concentration of capital in the sector of the largest banks;
- insufficient level of capitalization of commercial banks;
- limited volumes of lending to the real sector of the economy;
- issues of reliability and security of issued loans;
- unavailability of loans due to their high cost for enterprises and the population.

In the conditions of war, these problems become even more important. Hostilities further complicate the situation by reducing economic activity and increasing risks to the banking sector, making addressing these issues critical to the stability of the financial system and the restoration of public confidence.

The system for ensuring the bank's competitiveness determines its ability to function effectively and maintain its position on the market in conditions of growing competition. It includes a complex of management approaches, innovations, and optimization of internal processes to increase efficiency. It is also important to be able to adapt to external challenges, such as economic crises or war, which ensures sustainable development and growth of customer trust.

Given the fact that the system of increasing the bank's competitiveness can be considered as a complex of interconnected subsystems that have different effects and means depending on the object of competitiveness, it is advisable to build it on the basis of an integrated approach. This approach involves the interaction of several key management subsystems: diagnostic, managed, functional and supply. Each of them performs its specific role: the diagnostic subsystem analyzes the current state of the bank, the managed one ensures the implementation of management decisions, the functional subsystem is responsible for the performance of basic operational functions, and the supporting one - for maintaining all the necessary resources for effective work (Fig. 3.1) [41].

In the conditions of modern challenges, in particular economic instability and war, the harmonious interaction of these subsystems becomes critically important for adapting banks to new realities, preserving their competitive positions and ensuring stability in the market.

The bank's competitiveness strategy should be oriented to the needs of customers and built on long-term relationships. The client should not only use the services once, but become permanent. In the conditions of economic challenges and fierce competition, traditional management methods are ineffective, therefore, for success, it is necessary to implement innovative approaches.

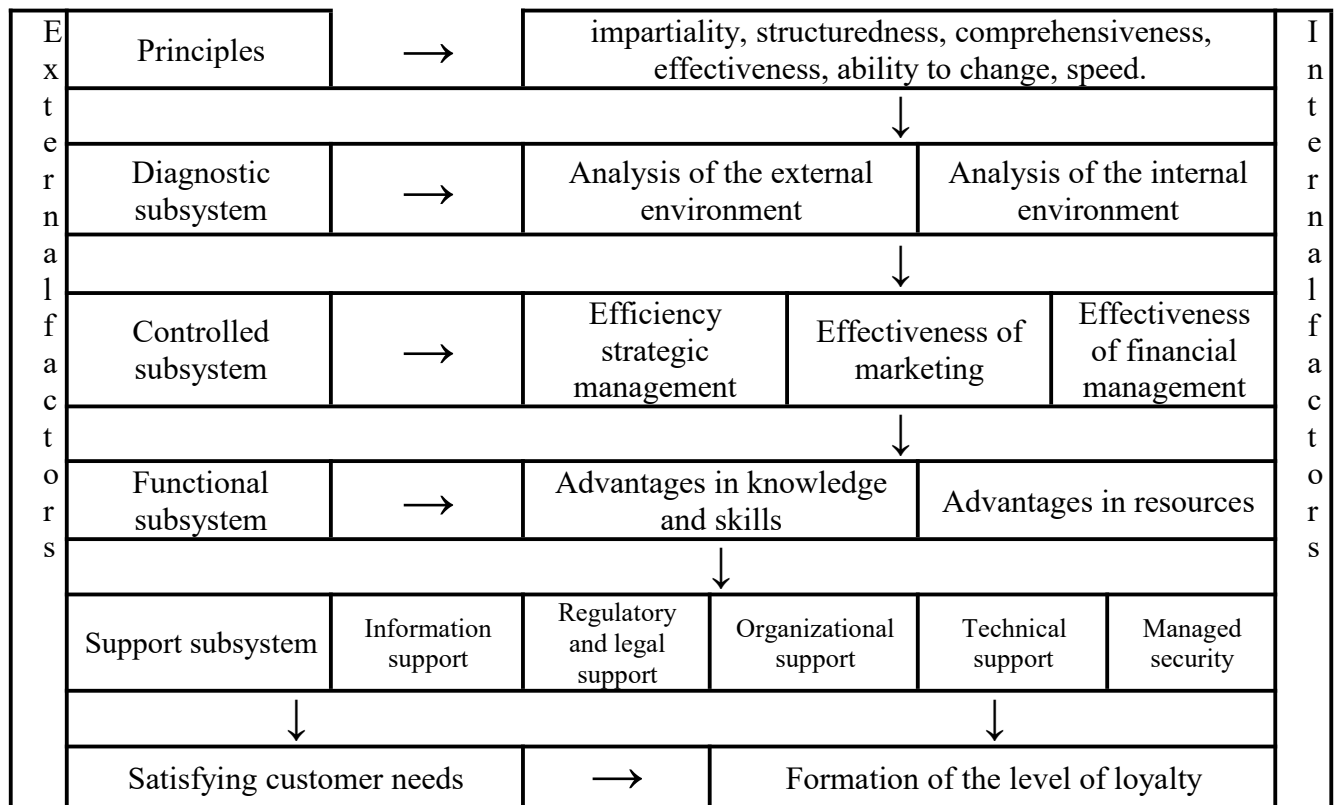


Fig. 3.1. A system for ensuring the competitiveness of a banking institution.

To increase the competitiveness of banks, it is important to develop a mechanism that takes into account the external and internal environment. It should ensure adaptation to change and innovation, optimizing internal processes and resources.

Increasing the competitiveness of banking products is a key element in the development strategy of banking institutions. The main goal of this system is to ensure the characteristics of banking products that meet market requirements and customer needs, as well as contribute to the optimization of the bank's internal processes and resources.

A comprehensive approach is required for the successful implementation of the competitiveness assurance system, which includes the analysis of market trends, the assessment of internal and external factors, as well as the development and implementation of a strategy that ensures the bank's ability to adapt to changes and maintain a high level of competitiveness of banking products (Fig. 3.2) [42 ].

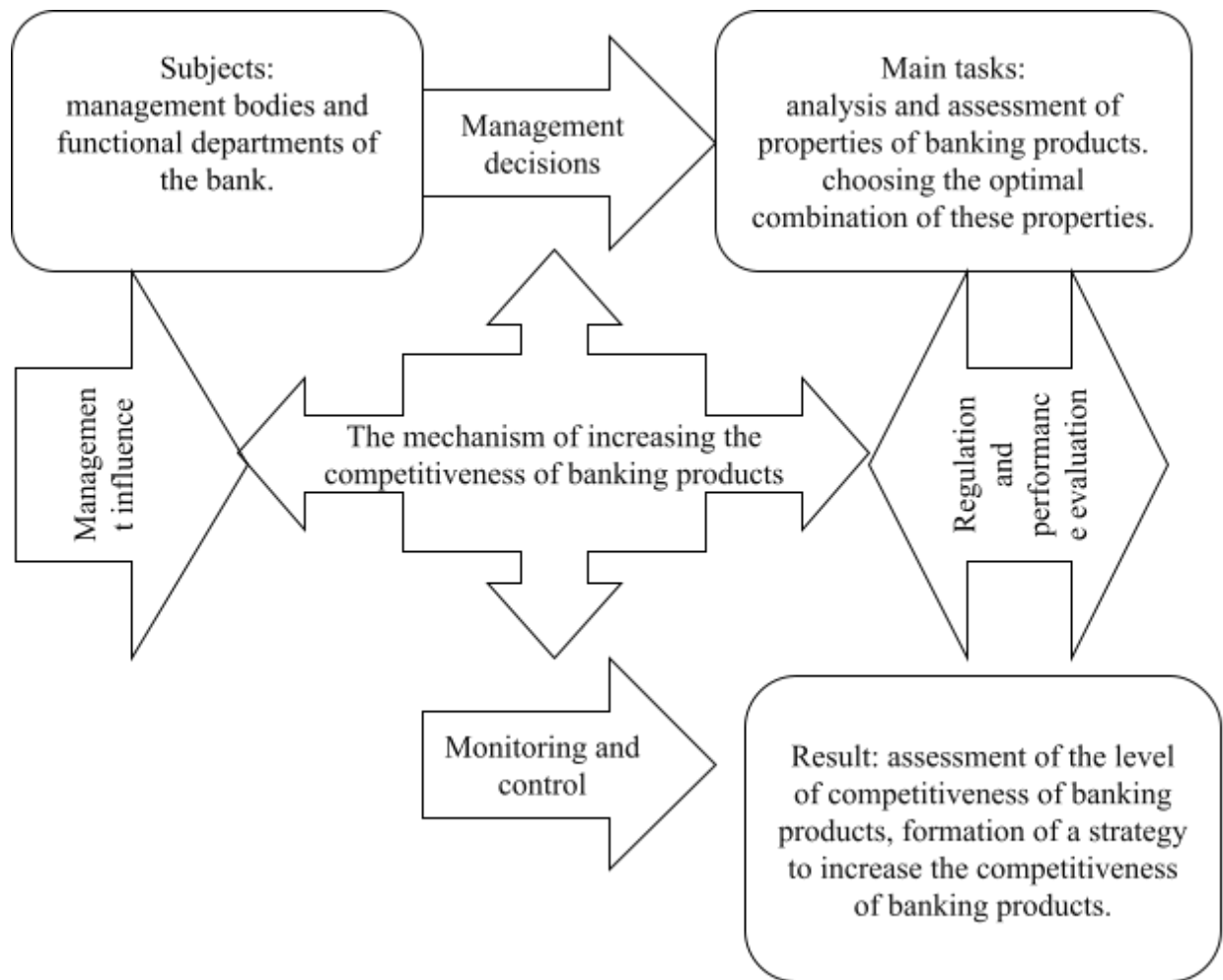


Fig. 3.2. A system for ensuring the competitiveness of banking products.

Ensuring the competitiveness of the banking product is a continuous process that includes a set of methods for organizing the bank's business processes and managerial influence on internal factors. It is aimed at adapting the bank to constant external changes and achieving the desired level of competitiveness of banking products (Table 3.1) [41, 43].

So, the presented system of managing the competitiveness of banking products covers four key categories: finance, customers, internal business processes and personnel. It is necessary to carry out a comprehensive analysis of available resources, customer needs, competitors' activities and personnel qualifications to identify ways to increase competitiveness.

Table 3.1

## System of managing the competitiveness of banking products

	Finances	Customers	Internal business processes	Personnel
Analysis and assessment	Assessment of available resources, development of a plan for their use and determination of priority directions	Systematic tracking of customer needs, activities of major competitor banks and characteristics of their products	Analysis of material, non-material, informational resources and technological potential to identify ways to improve them.	Assessment of experience and qualifications of employees and compliance of their skills with requirements.
Planning	Optimizing the use of financial resources	Development and implementation of measures to form and maintain a positive image of the bank	Assessment of the need for resources to perform business processes in accordance with established quality standards	Creating an optimal organizational structure and motivating employees.
Monitoring CONTROL	Monitoring the efficiency of resource use	Control and evaluation of the effectiveness of implemented measures	Quality control of business processes and banking product standards.	Verification of the reasonableness of the division of duties
Regulation	Adjustment of processes during the cycle of ensuring the competitiveness of banking products, detection of deviations from planned indicators, adjustment of target criteria, tasks, quality standards and parameters of business processes to achieve the desired level of competitiveness.			

It is also important to optimize financial resources, develop measures to form a positive image of the bank, assess resource needs for business processes, and create an effective organizational structure and motivation system for personnel.

Next, it is necessary to regularly monitor the efficiency of the use of resources, evaluate the effectiveness of implemented measures, as well as control the quality of business processes and compliance with the standards of banking products to ensure high standards. In addition, it is important to adjust processes at all stages of ensuring competitiveness, identify deviations from planned indicators and adjust target criteria, tasks and standards to achieve the desired level of competitiveness.

Thus, effective management of bank competitiveness in a wartime environment will require adaptation and flexibility. In order to maintain competitive advantages, it is necessary to implement a comprehensive approach, which includes regular monitoring and evaluation of the effectiveness of the use of resources, the effectiveness of implemented measures, as well as quality control of business processes and compliance with banking product standards. It is important to ensure timely correction of processes at all stages, to detect deviations from planned indicators and to make adjustments to target criteria, tasks and standards. This will allow banks to adapt to unstable conditions, ensure stability and achieve the desired level of competitiveness even in difficult situations.

### 3.2. Directions for improving the competitiveness of banking products of PJSC "BANK VOSTOK" based on benchmarking

In the conditions of rapid development of financial technologies and increased competition in the market of banking services, the issue of improving the competitiveness of banking products is becoming particularly relevant. BANK VOSTOK PJSC needs effective strategies to improve its position on the market and meet the growing demands of customers. One of the key tools for achieving these goals is benchmarking - the process of comparing the bank's products and processes with the best practices of other financial institutions.

Analysis of the competitiveness of banking products based on benchmarking allows you to identify weak points, improve existing offers and develop new solutions that will meet modern market requirements.

As mentioned in chapter 2, PJSC "BANK VOSTOK" participated in the competition from Ukrainian Fintech in 2023 in the category "Digitization of retail banking" with the "Bank Own Account" project, but did not win. To achieve strategic

goals and increase the bank's rating, it is necessary to improve this product, providing customers with reliable and convenient financial solutions.

The ATB bank card from Raiffeisen Bank JSC was chosen for the comparative analysis, which allows us to assess the competitiveness of the Bank Own Account program (Table 3.2).

Table 3.2

Benchmarking of banking products of PJSC BANK VOSTOK and JSC Raiffeisen

Bank

Criteria	"Bank Own Account" card from PJSC "BANK VOSTOK"		ATB card from Raiffeisen Bank JSC	
Monthly service fee	without commission	+	without commission	+
Reissue of cards in case of theft, damage, loss	the card is not renewed	-	without commission	+
Geography of card use	the card is accepted only on the territory of Ukraine	-	the card is accepted both on the territory of Ukraine and abroad	+
Cash top-up	at the bank's cash desk	+	at the bank's cash desk	+
	using self-service terminals	+	terminals located in ATB stores	+
	through the Online Bank system	+	through the Online Bank system	+
	at the cash desks of the "Silpo" retail network;	+	at the cash desks of the "ATB" retail network;	-
	at the cash desk of the Replenishment Agent	+	at the cash desk of the Replenishment Agent	-
Transfers from card to card	free through the app	+	for free through the MyRaif app	+
Paying for goods in the retail network using a card and making purchases on the Internet using the 3D-Secure service.	without commission	+	without commission	+
Maximum card balance	14,000 UAH.	-	unlimited	+

Cash withdrawal limit	UAH 500.00/day and UAH 4,000.00/month;	-	there is no	+
Card settlement limit	UAH 62,000.00 per year;	-	there is no	+
Additional conditions	acquisition of additional points for using the card when paying for goods and services in Ukraine (1 point = UAH 1)	+	stable additional discount of 5% on promotional prices for more than 700 products.	+
	no cashback	-	cashback for separate categories: 10% on movies and theaters 1.5% on marketplaces 4% in cafes and restaurants every Friday	+
Card opening	easy activation of the card without the need to contact the bank	+	easy activation of the card without the need to contact the bank	+
	get at the cash desk in Silpo or at the bank	+	get it at the counter at the ATB, at a bank branch or from a mobile banker	+

\* Source: own development based on [44-46]

The "Bank Own Account" program operates in the "Silpo" chain of stores throughout Ukraine and provides members with advantages when purchasing goods thanks to a system of bonuses and special offers. Program participants can receive benefits not only at Silpo stores, but also at program partners, which expands the possibilities of its use [44].

So, each of the banking products has its own advantages, but in general, the ATB card from JSC Raiffeisen Bank is more flexible and profitable for wide use. The "Bank Own Account" card from PJSC "BANK VOSTOK" is distinguished by the absence of service fees, convenient top-up options (including at the counters of the "Silpo" trading network), free transfers through the application and the accrual of additional points

when making payments in Ukraine. However, it has significant limitations such as: the card is valid only in Ukraine, there are balance limits, cash withdrawals and calculations, and there is no cashback.

Thus, for users who value international availability, unlimited limits, and the possibility of receiving cashback, a card from JSC Raiffeisen Bank is the best choice. A card from "Bank Vostok" can be convenient for those who use the services of the "Silpo" network and do not need international use or large limits.

Next, we will analyze the feedback of customers who use the "Bank Vlasnyi Rakhunok" card and application from PJSC "BANK VOSTOK" in order to better understand their needs and identify the shortcomings of the product. This will make it possible to determine directions for improving the card and improving the service, in particular, taking into account the expectations of customers and possible problems they face when using the product.

Table 3.3 summarizes the reviews of customers who use the "Bank Vlasnyi Rakhunok" card and application from PJSC "BANK VOSTOK".

So, customer reviews of the "Bank Vlasnyi Rakhunok" card and application from PJSC "BANK VOSTOK" demonstrate several main problems that require attention. Customers often complain about the blocking of accounts and cards without warning and clear explanations, which causes considerable inconvenience. Issues with transfer limits and transaction processing are also significant.

Table 3.3

Reviews of customers who use the "Bank Own Account" card and application from PJSC "BANK VOSTOK".

Response	The essence of the feedback	Date/source
1. The bank blocked the card with money	The client faced the blocking of his account and funds in "Bank Vlasnyi Rakhunok" due to suspicious payments in favor of BTS Broker LLC, although there were no violations. The bank's support did not solve the problem even after several weeks of explanations, which caused the customer's indignation	[47] 10.09. 2024

	The client encountered the blocking of the card and funds in "Bank Vlasnyi Rakhunok" after several small transactions as a FOP. Her account was blocked without explanation and the bank's support did not provide clear information. Even after submitting documents and explanations, the account remained blocked, which created significant difficulties for her family.	[47] from 22.06. 2024
2. Limit of incoming transfers	The client faced blocking of the card due to exceeding the limit of incoming transfers without warning from the bank. Support did not provide clear explanations, and only 2 days later the client learned about the limit of 200 incoming transfers per month. As a result, he closed the account and no longer recommends the bank.	from 23.08. 2024
3. SEP transfers work only on working days	The client is dissatisfied with the fact that "Bank Vlasnyi Rakhunok" processes transfers only on working days from 9 to 18, even on weekends, when payments are not made. He considers this an outdated practice, especially given that the NBU has been allowing transfers 24 hours a day for five years.	from 16.06. 2024
4. The possibility of opening a deposit	The client wants to open a hryvnia deposit online. The top-up card is a credit card and you have to pay off the debt first, which is inconvenient. He asks to create the possibility of opening an online hryvnia debit card for storing own funds and opening a deposit.	[48] from 4.08. 2024
5. Credit limit	The customer complains that she is unable to reduce the credit limit in the app despite several attempts and is unable to select 0.	[48] from 4.08. 2024
6. Statement in English	Unable to generate statement in English.	[48] from 29.04. 2024
7. Technical problems	Inability to register through Diya, many problems with registration due to allegedly low-quality photos, Difficult authorization for people with old-style documents. Clients' suggestions regarding the possibility of turning off advertising messages from the bank.	[48] from 19.02. and 02.02. 2024

8. Incompetent bank staff	Incompetent bank staff and weak support service	[48] from 24.10. 2023
---------------------------	---	--------------------------------

In particular, the limits on incoming transfers and the processing of transfers only on working days caused dissatisfaction. In addition, technical problems with registration and providing statements, as well as incompetence of the staff, contribute to the general negative perception of the bank. It is important to note that while there are some negative customer reviews of the bank, there are also numerous positive reviews, indicating that there are successful aspects to its service and products. Taking into account both positive and negative aspects emphasizes their importance in the process of service improvement. Therefore, the improvement of this product will help the bank not only to increase its competitiveness, but also to strengthen the trust of customers, especially in difficult times.

Table 3.4 presents recommendations for improving the "Bank Own Account" card and application for PJSC "BANK VOSTOK".

Table 3.4

Recommendations for improving the card and the "Bank Own Account"  
application for PJSC "BANK VOSTOK".

Direction	The essence of the offer
Geography of card use	Consider the possibility of using the card outside of Ukraine, which will allow customers to make purchases while traveling
Improvement of the account blocking process	Implement a clear and transparent process for unblocking accounts, including prompt processing of explanations and documents. Implement automatic block notifications and account unlock requirements.
Updating information about limits	Ensure transparency of limits on incoming transfers and warn clients about approaching the limit via SMS or email. Consider increasing the limit or providing individual conditions for loyal customers.
Extension of transfer processing hours	Change the policy of processing transfers so that they are processed 24/7. This will reduce delays and increase customer satisfaction.

The possibility of opening a deposit online	Develop and implement the possibility of opening a hryvnia debit card online, which will allow customers to save funds and open deposits without the need to repay credit debt.
Improvement of the functionality of the credit limit in the application	Fix technical errors preventing the change of the credit limit in the application, including the ability to reduce it to zero.
Add the possibility of creating extracts in English	Implement the function of creating statements in English for the convenience of users who need such documents.
Improvement of the registration and authorization process	Improve registration through Diya, ensure high-quality document verification and simplify the authorization process for people with old-style documents. Consider opting out of promotional messages to improve customer experience.
Improving the quality of customer service	Conduct training for bank staff and strengthen control over the quality of customer service. Implement a monitoring and feedback system to improve the efficiency of the support service.
Cashback	Introduce a cashback program for purchases, which will allow customers to receive a refund of part of the costs when shopping in certain categories, for example, in pharmacies, gas stations

Therefore, in order to improve the card and the application "Bank Vlasnyi Rakhunok", PJSC "BANK VOSTOK" is recommended to expand the possibilities of using the card outside of Ukraine, improve the process of blocking accounts, ensure transparency of limits and round-the-clock processing of transfers. It is important to implement online opening of deposits, improve the functionality of the credit limit in the application, add statements in English and simplify registration, also improve the quality of customer service and introduce a cashback program. The proposed recommendations for improving the "Bank Own Account" card and application will help increase customer satisfaction and the overall level of service, which, in turn, will improve the bank's competitiveness, strengthen its market position and ensure sustainable development.

### 3.3. Effectiveness of using marketing tools of BANK VOSTOK PJSC to ensure its competitiveness

The use of marketing tools such as social networks, content marketing, paid advertising and other channels can significantly affect the effectiveness of attracting new customers and maintaining relationships with existing ones. Therefore, it is important not only to implement these tools, but also to regularly evaluate their effectiveness to ensure high results and achieve competitive advantages in the market.

So, with the help of the Similarweb online platform, we will analyze the visitation of the BANK VOSTOK PJSC website and the effectiveness of digital marketing channels. Figures of visits to the website of PJSC "BANK VOSTOK" on personal computers and mobile devices during the last months of 2024 are presented in Figure 3.3 [49].

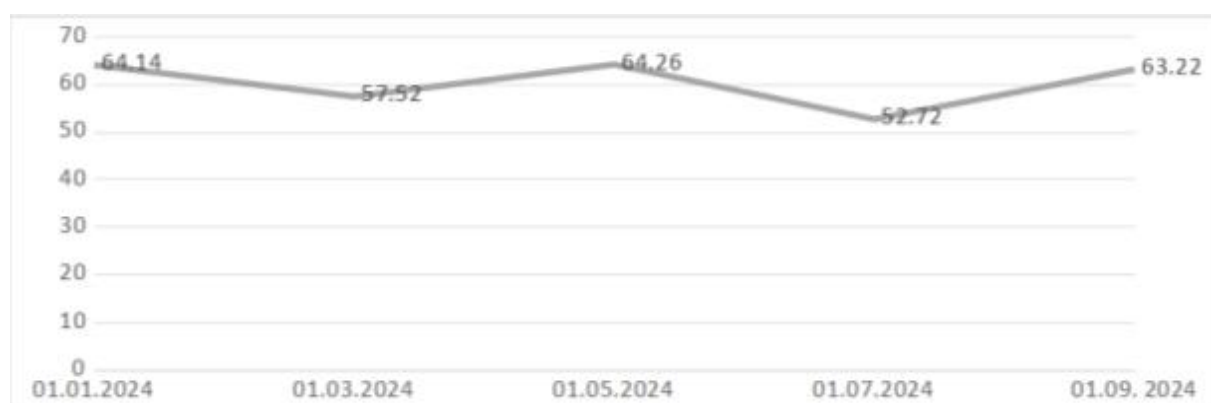


Fig. 3.3. Visits to the website of BANK VOSTOK PJSC (thousands)

The highest activity is observed in January and May with indicators of 64.135 and 64.257, respectively. However, March and July saw a marked drop in attendance to 57,515 and 52,724. In September, attendance increased slightly to 63,217, indicating some recovery in user activity after the summer slump. Overall, attendance remains volatile, with notable fluctuations throughout the year.

Next, we will analyze the effectiveness of digital marketing channels that direct traffic to the website of PJSC "BANK VOSTOK" (Table 3.5) [49].

Table 3.5

Digital marketing channels driving traffic to BANK VOSTOK PJSC website as of August 2024

Digital marketing channels	Characteristic	Share, %
Direct	The largest share of traffic comes from direct actions, where users directly enter the URL of the bank's website. This may indicate high brand recognition and customer loyalty.	56.57%
Organic search	Much of the traffic comes from organic search, when users find a site through search engines like Google without paying for advertising. This indicates good search engine optimization (SEO) of the site.	37.21%
Referrals	A small part of visitors go to the site through links from other web resources (partner sites, articles, etc.).	3.34%
Social	Traffic from social networks such as Facebook, Instagram or Twitter is a small part of the total visits. This may indicate low activity or little impact of social media marketing.	2.8%
Email	A very small proportion of traffic comes from emails, which may indicate limited use or ineffectiveness of email marketing.	0.03%
Display Ads	Traffic from banner advertising (display advertising) is minimal, which may mean little investment or low efficiency of this channel.	0.05%
Paid search	The absence of traffic from paid search ads indicates that the bank does not use this tool or does so to a very limited extent.	0%

Therefore, the main sources of traffic to the website of PJSC "BANK VOSTOK" in August 2024 were direct measures (56.57%) and organic search (37.21%), which indicates high brand recognition and effective SEO optimization. Other channels, such as referral sources (3.34%) and social networks (2.8%), have little influence. Email marketing (0.03%) and banner advertising (0.05%) are used minimally, and paid search is not involved at all.

Next, Figure 3.4 shows the social networks that direct traffic to the website of PJSC BANK VOSTOK [49].

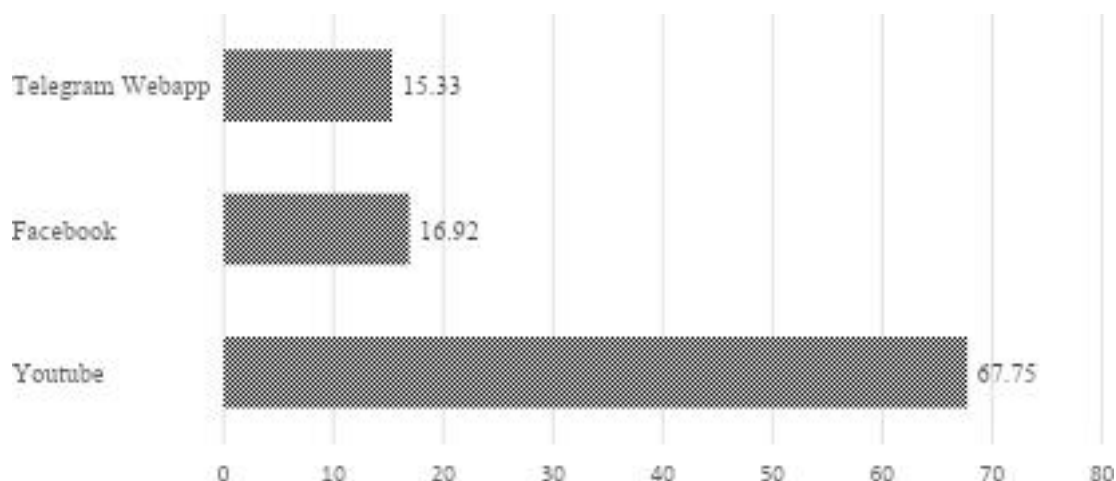


Fig. 3.4. Social networks directing traffic to the bank's website, (%).

So, in terms of the effectiveness of social networks that drive traffic to the analyzed website, YouTube has the greatest influence, which generates 67.75% of traffic, indicating the high effectiveness of video content and activity on the platform. Facebook also makes a notable contribution, providing 16.92% of traffic, which shows the feasibility of focusing on this platform. Telegram Webapp provides another 15.33% of traffic, confirming the importance of messengers for communication. At the same time, the share of other social networks is zero, which indicates underestimated or undeveloped opportunities in these channels.

Next, we will evaluate the effectiveness of marketing activities and key indicators of the bank (Table 3.6) [51-56].

Table 3.6

Assessment of the effectiveness of marketing activities and key indicators of PJSC "BANK VOSTOK" as of Q2. 2020-2024, (million hryvnias, %)

Indicators	2024	2023	2022	2021	2020
The bank's share in the market of retail deposits, %	0.52	0.54	0.62	0.74	0.61
Absolute growth of the retail portfolio of deposits for the quarter, mln. UAH	438.4	324.32	-244.28	177.18	276.88
Dependence on deposits of individuals, %	25.86	25.9	30,36	34,55	31.91
Net profit, mln. UAH	209.35	249.45	106	93	74
Additional profit, mln. UAH	-	143.45	13	19	-
Marketing and advertising expenses, mln. UAH	19,998	16,345	5,731	9,953	12,189
Expenses for sponsorship and charity, mln. UAH	16,121	14,738	5,556	-	-
Royalties for the use of TM "Own Account", thousand UAH	53969	-	-	-	-
ROI, %	-	777.63	126.83	90.89	-
Ratio of marketing expenses to profit, %	9.55	6.5	5.4	10.7	16.47

Consequently, the bank's market share of retail deposits continues to gradually decrease: in 2020 it was 0.61%, and in 2024 it decreased to 0.52%. This indicates the possible loss of the bank's position in the market of retail customers and the need to review the strategy, especially regarding work with legal entities. In addition, the bank's dependence on individual deposits also decreased — from 31.91% in 2020 to 25.86% in 2024, which may indicate a desire to diversify funding sources.

A significant increase in marketing and advertising costs in 2024, which reached UAH 19.998 million, compared to previous years, may be evidence of the activation of the marketing strategy in order to maintain the bank's competitive position. At the same time, sponsorship and charity expenses increased to 16,121 thousand. hryvnias, which demonstrates the increase in social activity and the bank's responsibility to society. An important innovation was the royalty for the use of the "Own Account" trademark, which appeared in 2024 and reached UAH 53.969 million, which may indicate the introduction of a new business model or the creation of additional sources of income through branded services.

The ratio of marketing expenses to profit in 2024 was 9.55%, which is higher than in 2023 (6.5%), but lower than in 2020 (16.47%). Although the bank's net profit decreased from UAH 249.45 million in 2023 to UAH 209.35 million in 2024, it is still significantly higher than previous years' profits, despite the challenges associated with the war.

In general, the bank continues to demonstrate stability. However, the decline in market share and dependence on retail deposits raises some concerns. At the same time, the active growth of marketing expenses and new initiatives, such as the introduction of TM "Own Account", can ensure a positive impact on the further development of the bank and its position on the market.

Table 3.7 provides recommendations for expanding the bank's presence in the online space and effective use of marketing tools to increase its competitiveness.

Table 3.7

Recommendations on expanding the presence of BANK VOSTOK PJSC in the online space and effective use of marketing tools to increase its competitiveness.

Directions	Recommendations
Digital marketing	<p>Activate social media marketing to attract new audiences and increase customer engagement.</p> <p>Expand the use of paid search (Paid Search) to attract additional traffic to the website.</p> <p>Invest in content marketing and blogging to increase organic visibility and expertise.</p>

	<p>Boost email marketing through personalized offers.</p> <p>Increase the use of banner advertising and retargeting to attract potential customers and return those who have already interacted with the bank.</p> <p>Given the growth of marketing and advertising costs, it is worth optimizing advertising campaigns, focusing on the most effective channels. Using digital tools such as targeting and customer behavior analytics will help reduce costs and increase efficiency.</p> <p>Develop clear KPIs to measure the effectiveness of marketing initiatives and allocate budget more efficiently between the campaigns that bring the most results.</p>
Optimization of banking products	<p>Regularly update and adapt products to current market conditions and customer requests.</p> <p>The use of the "Own Account" trademark can be a significant growth driver, so it is advisable to expand and improve the portfolio of services offered under this brand.</p> <p>Development of additional sources of income through innovative products and services will help diversify the business model and reduce dependence on classic banking operations.</p> <p>Review the conditions of retail deposits and develop more competitive offers, in particular for individuals. It may be worth considering the introduction of flexible deposit products with more attractive rates or bonuses for loyal customers.</p> <p>Increase emphasis on attracting new legal entities, as the market share of individuals is gradually decreasing. Develop specialized offers for small and medium-sized businesses.</p>
Improving the customer experience	<p>Implement personalized offers for customers based on their preferences and behavior.</p> <p>Increase the effectiveness of feedback through active customer support channels (chatbots, mobile applications).</p>
CSR	<p>Strengthen communication of the bank's social activity through participation in charity programs and sponsorship projects. This will help strengthen the bank's brand as a responsible institution that cares about society and attract new customers for whom social values are important.</p> <p>Implement CSR (corporate social responsibility) strategies as part of image activities, using this direction to improve reputation and customer loyalty.</p> <p>Development of financial products supporting social initiatives and environmental projects, cooperating with Silpo and Fozi within the framework of corporate social responsibility. For example, products from which part of the income is directed to charitable purposes or environmental projects.</p>

Therefore, in order to increase the bank's competitiveness, it is recommended to activate digital marketing, in particular through social networks, paid search, content marketing, email marketing and banner advertising. It is also important to regularly update banking products and implement innovative solutions, as well as improve the customer experience through personalized offers and feedback. In addition, analytics should be used to optimize productivity and reduce costs, as well as invest in staff training to improve their skills, especially in the field of digital technologies.

## CONCLUSIONS

Based on the results of the research, the following conclusions were made:

1. Various approaches of scientists and practitioners to the definition of the concept of "competition", which in the process of evolutionary development changed from a simple rivalry between sellers or buyers to a civilized, legalized form of struggle for survival, are summarized. Banking competition is a key element of a market economy that affects the quality of services and innovation in the banking sector. The main goal of competition is to provide optimal conditions for consumers, improve the quality of financial services and reduce costs. Banking competition can have a positive effect on the economy by increasing the efficiency of banks and increasing access to financial products. The essence of the economic category "competitiveness" lies in the subject's ability to have or acquire qualities that affect the success of its activities in the conditions of economic competition. The competitiveness of the bank is determined by its ability to effectively manage business activities, achieve profitability in the implementation of banking services and resist risks in the competitive market.

2. The classification of methods for assessing the bank's competitiveness is systematized: matrix, which compares competitive positions according to various parameters; graphics visualizing the assessment results; analytical, based on the analysis of financial indicators and market factors; index, which use indices to determine competitive advantages; and comprehensive, combining different approaches for a comprehensive assessment. Each of these methods has its strengths and weaknesses, which necessitates a comprehensive approach to assessment. The fragmentary nature of the existing methods often does not allow to fully cover all important aspects of the bank's competitiveness. Therefore, in order to achieve the most accurate and comprehensive results, it is recommended to use a combination of several methods, which allows for a deeper and more accurate understanding of the bank's competitive position on the market.

3. It is proved that benchmarking is a powerful tool for improving business processes and increasing the competitiveness of an enterprise. Among its key advantages is the ability to identify best practices in the industry and adapt them to improve your own operations. This allows you to increase efficiency, reduce costs, and improve the quality of products or services. Through systematic comparison with competitors or market leaders, companies can clearly assess their strengths and weaknesses, identify gaps and develop strategies to eliminate them. In addition, benchmarking promotes innovation as it encourages businesses to adopt new technologies and approaches that have already proven to be effective. The use of benchmarking also allows enterprises to keep abreast of market trends and adapt to changes in the external environment, which is an important factor in long-term development and preservation of competitive positions. Benchmarking not only provides businesses with current improvement, but also creates a foundation for sustainable growth and development in the future.

4. The technical and economic characteristics of PJSC "BANK VOSTOK", which demonstrates stable development, despite difficult economic conditions in the country, are provided. The bank shows growth in financial results and is actively expanding its deposit and loan portfolios, which indicates high customer confidence. It maintains an appropriate level of regulatory capital and fully complies with the requirements of the National Bank of Ukraine regarding economic standards. In addition, the bank actively pursues social policy, supporting social projects, charitable initiatives and programs of corporate social responsibility.

5. A comprehensive analysis of PJSC "BANK VOSTOK" confirms its high level of competitiveness in the market of financial services of Ukraine, which is reflected in its sufficient positions in the ratings. This testifies to the effectiveness of management strategies, the stability of financial indicators and the ability to adapt to changing market conditions. Positive results in the ratings not only demonstrate the trust of clients and partners, but also confirm the bank's potential for further growth and development in modern conditions.

6. It has been established that matrix methods of assessing competitiveness are powerful tools of competitive analysis. SWOT analysis helps to identify internal strengths and weaknesses, as well as external opportunities and threats. PEST analysis allows you to assess macroeconomic and socio-political factors affecting the business environment. Matrix I. Ansofa focuses on possible growth strategies through new or existing products and markets. It is most effective to use these tools together to obtain a comprehensive analysis and develop strategies that take into account all the key directions of the bank's development. The general conclusion regarding the SWOT analysis of PJSC "BANK VOSTOK" shows that the bank has significant strengths, including a stable financial position, a variety of banking services, a high reputation in ratings and active participation in charitable initiatives. However, there are also weaknesses, such as insufficient development of digital banking and marketing, limited support for online services and increased credit risks due to economic instability. In the conditions of war, the "Mini-Maxi" strategy may be appropriate for PJSC "BANK VOSTOK". Minimizing the weaknesses of the bank through the use of external opportunities allows you to focus on overcoming internal shortcomings and at the same time take advantage of the available opportunities for adaptation and development. This is especially important in times of crisis, when the bank may face significant challenges, but also has the ability to adapt to a changing environment and implement new strategies that will help maintain competitiveness and ensure effective management of activities.

7. It has been proven that effective management of bank competitiveness in wartime will require adaptation and flexibility. In order to maintain competitive advantages, it is necessary to implement a comprehensive approach, which includes regular monitoring and evaluation of the effectiveness of the use of resources, the effectiveness of implemented measures, as well as quality control of business processes and compliance with banking product standards. It is important to ensure timely correction of processes at all stages, to detect deviations from planned indicators and to make adjustments to target criteria, tasks and standards. This will allow banks to adapt

to unstable conditions, ensure stability and achieve the desired level of competitiveness even in difficult situations.

8. The competitiveness of the "Bank Own Account" program of PJSC "BANK VOSTOK" was analyzed with the help of benchmarking, which allows identifying weak points, improving existing offers and developing new solutions that meet modern market requirements. For comparison, the ATB bank card from Raiffeisen Bank JSC was chosen. Each of the banking products has its own advantages, but in general, the ATB card from JSC "Raiffeisen Bank" is more flexible and profitable for wide use. The "Bank Own Account" card from PJSC "BANK VOSTOK" is distinguished by the absence of service fees, convenient top-up options (including at the counters of the "Silpo" trading network), free transfers through the application and the accrual of additional points when making payments in Ukraine. However, it has significant limitations such as: the card is valid only in Ukraine, there are balance limits, cash withdrawals and calculations, and there is no cashback. In order to improve the card and the application "Bank Vlasnyi Rakhunok", PJSC "BANK VOSTOK" is recommended to expand the possibilities of using the card outside of Ukraine, to improve the process of blocking accounts, to ensure transparency of limits and round-the-clock processing of transfers. It is important to implement online opening of deposits, improve the functionality of the credit limit in the application, add statements in English and simplify registration, also improve the quality of customer service and introduce a cashback program. The proposed recommendations for improving the "Bank Own Account" card and application will help increase customer satisfaction and the overall level of service, which, in turn, will improve the bank's competitiveness, strengthen its market position and ensure sustainable development.

9. With the help of the Similarweb online platform, the visitation of the BANK VOSTOK PJSC website and the effectiveness of digital marketing channels were analyzed. In August 2024, the main sources of traffic were direct traffic (56.57%) and organic search (37.21%), indicating high brand awareness and effective SEO. Referral sources (3.34%) and social networks (2.8%) have little influence. Email marketing (0.03%) and banner advertising (0.05%) are used minimally, and paid search is not

involved. Among social networks, the largest traffic to the analyzed bank's website is generated by YouTube (67.75%), which confirms the effectiveness of video content. Facebook provides 16.92% of traffic, and Telegram Webapp - 15.33%. Other social networks do not bring traffic, which indicates the underestimated potential of these channels. To increase the bank's competitiveness, digital marketing through social networks, paid search, content marketing, email marketing and banner advertising should be activated. In addition, analytics should be used to optimize productivity and reduce costs, as well as invest in staff training to improve their skills, especially in the field of digital technologies.

The obtained results are of practical importance, since the theoretical provisions, conclusions and proposals of the research have been transformed into methodological developments that can be directly implemented in the practice of banking institutions to improve the management system of the bank's competitiveness in modern conditions.

## REFERENCES

1. Gretskey R. Theoretical approaches to determining the nature and essence of competition. Formation of market relations in Ukraine. 2015. No. 2. P.35–38.
2. Bochko O., Kozhushko P. Theoretical approaches to the definition of "enterprise competitiveness. Economy and society. 2024. No. 61. P. URL:<https://economyandsociety.in.ua/index.php/journal/article/view/3813/3733> (date of application: 5.09.2024)
3. Chikov I. I. Competition: theoretical approaches to understanding the essence of the concept. Agroworld 2019. No. 10. P. 74–80. URL:[http://www.agrosvit.info/pdf/10\\_2019/12.pdf](http://www.agrosvit.info/pdf/10_2019/12.pdf) (date of application: 5.09.2024)
4. Constitution of Ukraine dated January 1, 2020 No. 254k/96-VR URL:<https://www.president.gov.ua/documents/constitution> (date of application: 5.09.2024)
5. On the protection of consumer rights: Law of Ukraine dated 10.06.2023 No. 3153-IX. URL: <https://zakon.rada.gov.ua/laws/show/3153-20#Text> (date of application: 2.09.2024)
6. On the protection of economic competition: Law of Ukraine dated 16.05.2024 No. 3613-IX URL:<https://zakon.rada.gov.ua/laws/show/2210-14#Text> (date of application: 2.09.2024)
7. On protection against unfair competition: Law of Ukraine dated October 16, 2020, No. 124-IX URL:<https://zakon.rada.gov.ua/laws/show/236/96-%D0%B2%D1%80#Text> (date of application: 2.09.2024)
8. Law of Ukraine "On Banks and Banking Activities" dated September 3, 2024 No. 2121–III URL:<https://zakon.rada.gov.ua/laws/show/2121-14#Text> (date of application: 2.09.2024)
9. Dubovik O.V. Formation of bank competitiveness: monograph / O.V. Dubovyk, A.Ya. Kuznetsova, T.D. Girchenko. L.: LBI NBU, 2005. 215 p.

10. Zaruba Yu.O. Competitiveness of a commercial bank. *Finances of Ukraine*. 2011. No. 2. P. 119–124.

11. Management of product competitiveness: training. manual for students of the second (master's) level of higher education, field of knowledge 07 "Management and administration", specialty 076 "Entrepreneurship, trade and stock market activity". Ternopil: ZUNU, 2021. 272 p.

12. Vyadrova I. M., Morozov M. V. The essence of competitiveness in the banking sector: state and problems. *BUSINESS INFORMATION*. 2020. No. 11. P.324-330.

URL:[https://www.business-inform.net/export\\_pdf/business-inform-2020-11\\_0-pages-324\\_330.pdf](https://www.business-inform.net/export_pdf/business-inform-2020-11_0-pages-324_330.pdf) (date of application: 2.09.2024)

13. Yu. V. Dyatlov Competitiveness of the banking system: scientific views and practical implementation. *Financial studies*. 2018. No. 2 (5). URL:<https://fr.stu.cn.ua/tmppdf/125.pdf> (date of application: 2.09.2024)

14. Levitska A. Methods of assessing enterprise competitiveness: domestic and foreign approaches to classification. *Mechanism of regulation of economies*. 2013. No. 4. P. 155–163.

15. Toryanyk Z.I., Kopylets V.I. Methodical approaches to assessing the competitiveness of the bank and banking services. *Economy and society*. 2018. No. 19. P.1189–1197. URL:[https://economyandsociety.in.ua/journals/19\\_ukr/178.pdf](https://economyandsociety.in.ua/journals/19_ukr/178.pdf) (date of application: 2.09.2024)

16. Competitiveness of the enterprise: study guide / I.A. Dmitriev, I.M. Kirchata, O.M. Shershenyuk–Kh.: FOP Brovin O.V., 2020. 340 p.

17. Starch O. V., Baranovska O. I. Bank and banking product competitiveness: influencing factors and assessment. *Efficient economy*. 2014. No. 5. URL:<http://www.economy.nayka.com.ua/?op=1&z=3023> (date of application: 2.09.2024)

18. Morshchenok T.S. Benchmarking as a tool for increasing the competitiveness of business structures. *Economy and society*. 2017. No. 9. P. 533-540. URL: [https://economyandsociety.in.ua/journals/9\\_ukr/92.pdf](https://economyandsociety.in.ua/journals/9_ukr/92.pdf) (date of application: 25.09.2024)

19. Poddubna V.G. Benchmarking as an innovative tool for ensuring the financial stability of banks. Market infrastructure. 2017. No. 17. P. 303-309. URL:[http://www.market-infr.od.ua/journals/2017/13\\_2017\\_ukr/54.pdf](http://www.market-infr.od.ua/journals/2017/13_2017_ukr/54.pdf) (date of application: 25.09.2024)

20. Shostak I.V., Plysenko H.P. Benchmarking of ESG components: theoretical and methodological aspect. Actual problems of the economy. 2024. No. 4 (274). P. 105-112.

URL:[https://eco-science.net/wp-content/uploads/2024/04/4.24.\\_topic\\_Inna-Shostak-%D0%9Dalyna-Plysenko-l-105-112.pdf](https://eco-science.net/wp-content/uploads/2024/04/4.24._topic_Inna-Shostak-%D0%9Dalyna-Plysenko-l-105-112.pdf) (date of application: 25.09.2024)

21. Suprun A.A., Suprun N.V., Petrishyna T.O. Functional financial benchmarking in the insurance market of Ukraine. Pryazovsky Economic Bulletin. 2023. No. 1 (33). P. 53-60. URL:[http://pev.kpu.zp.ua/journals/2023/1\\_33\\_ukr/11.pdf](http://pev.kpu.zp.ua/journals/2023/1_33_ukr/11.pdf) (date of application: 25.09.2024)

22. Interim abbreviated financial statements of Pat "BANK VOSTOK" for 6 months of 2024 URL:<https://bankvostok.com.ua/Content/Entities/SparkFile/3915/> (date of application: 5.09.2024)

23. Basic information of PJSC "BANK VOSTOK" URL:<https://clarity-project.info/smida/26237202?year=2020> (date of application: 5.09.2024)

24. Interim report of PJSC "BANK VOSTOK" for the 1st quarter of 2024 URL:<https://bankvostok.com.ua/Content/Entities/SparkFile/3875/ru/Promigna%20informacia%20emitenta%201%20kv%202024.pdf?v=638560237450000000> (date of application: 5.09.2024)

25. Management report, financial reporting and independent auditor's report of BANK VOSTOK PJSC for 2023. URL: [https://bankvostok.com.ua/Content/Entities/SparkFile/2768/ru/Vostok%20Bank\\_23fsu\\_ISA\\_with%20signatures%20%D1%83%D0%BA%D1%80.pdf?v=638500793870000000](https://bankvostok.com.ua/Content/Entities/SparkFile/2768/ru/Vostok%20Bank_23fsu_ISA_with%20signatures%20%D1%83%D0%BA%D1%80.pdf?v=638500793870000000) (date of application : 11.09.2024)

26. Management report, financial reporting and independent auditor's report of BANK VOSTOK PJSC for 2022. URL:

<https://bankvostok.com.ua/Content/Entities/SparkFile/2197/ru/Auditor%60s%20Report%202022%20ukr.pdf?v=638243093510000000> (date of application: 11.09.2024)

27. Report of the Board of PJSC "BANK VOSTOK" for 2023  
URL:<https://bankvostok.com.ua/Content/Entities/SparkFile/2783/> (date of application: 7.09.2024)

28. NBU ranking from the Ministry of Finance portal  
URL:<https://minfin.com.ua/ua/banks/ranking/assets/> (date of application: 7.09.2024)

29. 25 leading banks of Ukraine 2023  
URL:<https://banksrating.com.ua/news/25-providnyh-bankiv-ukrayiny-2023/> (date of application: 7.09.2024)

30. Bank Viability Rating - 2024. URL Durability Check:  
<https://mind.ua/publications/20269589-rejting-zhittezdatsnosti-bankiv-2024-perevirka-na-vitrivalist>(date of application: 7.09.2024)

31. Bank sustainability rating based on the results of the 2nd quarter of 2024  
URL: [yearhttps://minfin.com.ua/ua/banks/rating/](https://minfin.com.ua/ua/banks/rating/) (date of application: 7.09.2024)

32. Ratings of PJSC "BANK VOSTOK" URL:<https://bankvostok.com.ua/about#/>  
(date of application: 7.09.2024)

33. People's rating of banks URL:<https://minfin.com.ua/ua/banks/top/>(date of application: 11.09.2024)

34. Catalog of the best Internet banking in Ukraine  
URL:<https://sp.minfin.com.ua/banks-online> (date of application: 11.09.2024)

35. Return of Deposits  
URL:<https://banksrating.com.ua/analytics/povernennya-depozytiv/> (date of application: 7.09.2024)

36. Supervisory statistics of NBU URL:  
<https://bank.gov.ua/ua/statistic/supervision-statist#3> (date of application: 11.09.2024)

37. Award from Ukrainian Fintech Awards  
URL:<https://fintechawards.com.ua/#about> (date of application: 11.09.2024)

38. Report of the Board of PJSC "BANK VOSTOK" for 2022  
URL:<https://bankvostok.com.ua/Content/Entities/SparkFile/2210> (date of application: 11.09.2024)

39. Bank Vostok transferred UAH 1 million to support "Okhmatdit"  
URL:<https://bankvostok.com.ua/en/about/news/1979#/> (date of application: 11.09.2024)

40. How Bank Vostok worked during the war  
URL:<https://bankvostok.com.ua/about/news/858#/> (date of application: 19.09.2024)

41. Medvid T. I. Innovative basis of banking business development. Foreign trade: law and economics. 2017. No. 1. P.25–31.

42. Vyadrova I.M., Ivanova S.E. Organizational and economic aspects of increasing the competitiveness of Ukrainian banks. Electronic scientific publication on economic sciences "Modern Economics". 2017. No. 6. P.69–77.

43. Koverza V. S., Nevidomy O. V., Shendrygorenko M. T., Ivanova N. S. Ways to increase the competitiveness of banks in the context of EU integration. Efficient economy. 2020. No. 11.

URL:[http://www.economy.nayka.com.ua/pdf/11\\_2020/77.pdf](http://www.economy.nayka.com.ua/pdf/11_2020/77.pdf) (date of application: 1.10.2024)

44. Rules for using the URL Bank Card:<https://bankvostok.com.ua> (date of application: 1.10.2024)

45. ATB card from Raif  
URL:<https://raiffeisen.ua/uk/aem/pryvatnym-osobam/vidkryty-rakhunok/payment-cards/kartka-atb.html> (date of application: 1.10.2024)

46. Tariff models of service packages for individuals  
URL:<https://raiffeisen.ua/storage/files/raifcard-tariff-25062024.pdf> (date of application: 1.10.2024)

47. Reviews about Bank Own Account  
URL:<https://minfin.com.ua/ua/company/vlasnyy-rahunok/review/> (date of application: 14.09.2024)

48. Bank Own Account: online

<https://play.google.com/store/apps/details?id=com.bank.vr&hl=uk> URL: (date of application: 1.10.2024)

49. Similarweb platforms for site analysis of PJSC "BANK VOSTOK"  
URL:[https://pro.similarweb.com/#/digitalsuite/websiteanalysis/overview/website-performance/\\*/999/1m?webSource=Total&key=bankvostok.com.ua](https://pro.similarweb.com/#/digitalsuite/websiteanalysis/overview/website-performance/*/999/1m?webSource=Total&key=bankvostok.com.ua) (date of application: 15.09.2024)

50. Biletska I., Romanchukevich M. Marketing tools for promoting products to the market. Scientific journal "MODELING THE DEVELOPMENT OF THE ECONOMIC SYSTEMS". 2023. No. 2. P. 34-41.  
URL:[file:///C:/Users/User/Downloads/MDES-2023-N2+\(8\)+34-41.pdf](file:///C:/Users/User/Downloads/MDES-2023-N2+(8)+34-41.pdf) (date of application: 15.09.2024)

51. Interim condensed financial statements according to International Financial Reporting Standards for 6 months until June 30, 2021  
URL:<https://bankvostok.com.ua/Content/Entities/SparkFile/1399/ru/2%20kvartal%2021.pdf?v=637637693490000000> (date of application: 15.09.2024)

52. Financial results of Vostok Bank in 2021  
URL:<https://minfin.com.ua/ua/company/bank-vostok/rating/?date=2021-08-16> (date of application: 15.09.2024)

53. Financial results of Vostok Bank in 2020  
URL:<https://minfin.com.ua/ua/company/bank-vostok/rating/?date=2020-07-01> (date of application: 15.09.2024)

54. Financial results of Vostok Bank in 2022  
URL:<https://minfin.com.ua/ua/company/bank-vostok/rating/?date=2022-07-01> (date of application: 15.09.2024)

55. Financial results of Vostok Bank in 2023  
URL:<https://minfin.com.ua/ua/company/bank-vostok/rating/?date=2023-10-01> (date of application: 15.09.2024)

56. Financial results of Vostok Bank in 2024 URL:  
<https://minfin.com.ua/ua/company/bank-vostok/rating/?date=2024-07-01> (date of application: 15.09.2024)