

Models of location and restructuring bank branches network

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In countries with transitional economies financial institutions, particularly banks, are actively developing, despite the crisis. Bank branches are the main means of attracting new bank customers, as well as a place of service of existing customers. In competitive environment effective branch network is one of the key factors of banks' success. Existing methods of analysis of location problems and restructure the network of bank branches were analyzed. The author proposed a group of new models for analyzing the problem of restructuring the branch network of the bank. These models (stated as optimization problems), unlike the existing ones, take into account the heterogeneity of demand for banking services, as well as the specificity of banking sector in transition economies. Proposed models allows us to analyze and choose the best way of location or restructuring the bank branches network in different situations: market entry in new area, the merger of two banks, reducing the branch network to minimize costs, etc. With the help of one of the proposed models was analyzed branch network of a large bank in Moscow, opportunities for improvements were identified.

Keywords: bank branches, location-allocation, optimization problem