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THE IMPACT OF GLOBAL CRISIS PROCESSES ON BEHAVIORAL FINANCIAL DECISIONS AND BANKING MANAGEMENT IN UKRAINE

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INTRODUCTION

Currently, the development of the banking system is taking place under the influence of large-scale changes in the global financial environment. The increasing frequency of crisis phenomena, growing economic instability, and rising uncertainty are transforming the conditions of banking institutions' operations. These processes affect the financial performance of banks and the nature of decision-making by all participants in the financial market.

Within the traditional banking management system, primary attention is focused on assessing financial indicators, risk levels, and the efficiency of resource utilization. At the same time, crisis transformations demonstrate that the behavior of clients and counterparties is determined not only by economic calculations. Expectations, risk perception, the level of trust in banking institutions, and the characteristics of the information environment also have a significant impact. Therefore, behavioral finance, by examining the processes of financial decision-making, expands traditional approaches to analyzing the activities of the banking sector. Accordingly, the consideration of psychological and cognitive factors makes it possible to better assess the causes of changes in the financial behavior of economic entities during periods of instability, which is particularly important for banking management, as the effectiveness of managerial decisions depends on the ability to respond promptly to changes in clients' behavioral patterns. Therefore, the study of this issue is aimed at identifying the specific features of banking management adaptation to conditions of global instability and finding effective tools for ensuring the financial stability of banking institutions.

1. Theoretical Foundations of Research into the Impact of Global Crisis Processes on Behavioral Financial Decisions and Banking Management

Behavioral finance emerged at the intersection of psychology, economic theory, and financial science. Its conceptual foundation is based on the recognition that financial decisions made by economic entities do not always correspond to the principles of complete rationality.

The decision-making process is largely determined by psychological, emotional, and cognitive factors[1].

The intensification of global crisis processes significantly transforms the nature of financial decisions. Under such conditions, the psychological perception of risk often has a substantial impact on the choice of financial instruments, the level of trust in banking institutions, and the propensity for saving or investing. Accordingly, the reactions of financial market participants are shaped not only by economic indicators, as the information environment also plays a significant role in strengthening behavioral deviations. Therefore, a comprehensive consideration of these interrelationships ensures a deeper understanding of the patterns of banking system functioning, which creates a foundation for developing managerial decisions aimed at increasing its resilience to external crisis challenges.

The potential of behavioral finance also extends to the development of modern financial technologies. Their effective functioning is closely associated with the digital transformation of the economy. The effectiveness of relevant technological solutions, in turn, depends on the behavioral characteristics of financial market participants and their readiness to adopt digital innovations. Accordingly, the consideration of psychological factors, combined with the use of financial logistics tools, contributes to improving the efficiency of financial sector development. Given this, when implementing financial technologies, it is advisable to consider the specific behavioral patterns of economic entities, which may be both rational and irrational, significantly affecting the effectiveness of individual technological solutions[2].

The formation of behavioral financial decisions in the modern market environment occurs under the influence of a set of cognitive, emotional, and social factors. Their impact, combined with institutional mechanisms of financial regulation, ensures the transformation of individual preferences into collective financial flows. Therefore, researchers pay considerable attention to the effects of overconfidence, information cascades, fear, and panic expectations. These factors significantly alter the investment activity of market participants and intensify fluctuations in financial indicators. Institutional mechanisms, including procyclical lending, incentives in credit relations, deposit guarantee systems, and state

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[1] Чудаєва І. Б., Сукач О. М. Науково-методологічні засади дослідження впливу поведінкових фінансів на процес прийняття управлінських рішень. *Економічний вісник Донбасу*. 2025. № 2(80). С. 20. DOI: https://doi.org/10.12958/1817-3772-2025-2(80)-19-28

[2] Povod T. Behavioral finance: essence and approaches to definition. *Таврійський науковий вісник. Серія: Економіка*. 2022. № 14. С. 107. https://doi.org/10.32782/2708-0366/2022.14.13

lending support programs, simultaneously adjust risk perception and the level of trust in the financial system[3].

The study of behavioral finance should be expanded by considering the interaction between psychological and macroeconomic factors. This approach provides a more comprehensive explanation of the causes behind changes in financial behavior during crisis periods. Accordingly, the decisions of economic entities are formed under the influence of objective economic indicators. An important role in this process is played by individual perception of information, expectations, and the level of trust in financial institutions, which enables a more complete assessment of financial market responses to global shocks and creates a basis for improving banking management tools and increasing the effectiveness of managerial decisions.

Global crisis processes significantly transform the nature of interaction between the behavior of depositors, borrowers, and banking institutions. The level of uncertainty, increasing during crisis periods, strengthens the tendency of economic entities toward emotional responses. Such changes necessitate the revision of traditional models for assessing financial risks. Therefore, behavioral indicators should be integrated into the analytical system alongside classical economic indicators, which will improve the accuracy of forecasting changes in the financial sector. At the same time, banking management, adapting to such conditions, will gain additional opportunities for timely responses to crisis challenges.

A high level of economic and social uncertainty significantly affects the process of financial decision-making. Under such conditions, psychological factors determine the behavior of economic entities much more strongly than in a stable environment. This limits the explanatory potential of classical models based on the assumption of complete rationality of economic agents[4].

Therefore, a comprehensive study of behavioral financial decisions requires consideration of the interaction between crisis processes, the information environment, and institutional mechanisms. Their combination determines the level of adaptation of the banking system to external shocks. In this context, the effectiveness of banking management depends not only on financial resources but also on the ability to timely forecast clients' behavioral responses, which enables more rapid adjustment of banks' lending, deposit, and risk-oriented policies.

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[3] Гуменюк О. Г. Економічні механізми формування поведінкових фінансових рішень у сучасному ринковому середовищі. *Економіка та суспільство*. 2025. Випуск 82. DOI: https://doi.org/10.32782/2524-0072/2025-82-75

[4] Недільська Л., Гайдучок Т., Сус Л. Фінансові рішення в умовах невизначеності: біхевіористичний підхід. *Acta Academiae Beregsasiensis. Economics*. 2026. № 12. С. 328. DOI: https://doi.org/10.58423/2786-6742/2026-12-316-330

Crisis phenomena significantly strengthen the influence of behavioral factors on the process of financial decision-making. This pattern becomes much more evident, particularly under conditions of military threats. Emotional reactions, cognitive biases, and a high level of uncertainty, interacting with each other, lead to deviations from the principles of rational choice. As a result, managerial decisions do not always correspond to the long-term strategic goals of an organization. Therefore, identifying key behavioral factors creates a foundation for developing effective behavioral control mechanisms. Their application makes it possible to minimize the negative impact of psychological deviations on the management process[5].

The current stage of transformation of the banking sector is characterized by a reorientation of banking activities. The priority is gradually shifting from traditional lending operations toward an ecosystem-based investment model. Operating within such a model, banks combine the roles of financial intermediaries, technology providers, and risk management entities, which ensures the diversification of income sources and expands the range of financial services. At the same time, the dependence of banking activities on the reliability of digital infrastructure and the quality of the regulatory environment is increasing[6].

In view of the above, it should be emphasized that the ecosystem-based model of banking system functioning requires a reconsideration of approaches to behavioral risk management. The interaction of clients with digital financial services is changing under the influence of crisis expectations, information asymmetry, and the level of trust in banking institutions. At the same time, banking management, responding to such changes, gains the opportunity to adjust financial products and communication policies more promptly. The combination of technological innovations with behavioral management mechanisms, in turn, enhances the efficiency of managerial processes. Therefore, the comprehensive consideration of digital and behavioral factors contributes to strengthening the financial stability of banks and improving the effectiveness of their activities under conditions of global instability.

Thus, the impact of global crisis processes simultaneously changes customer behavior and the mechanisms of strategic bank management. The psychological responses of economic agents, combined with digital

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[5] Бабяк Н. Д., Туманов О. В. Поведінковий контролінг у кризових ситуаціях: покращення прийняття фінансових та управлінських рішень в часи війни. *Актуальні проблеми економіки*. 2024. № 5. С. 227. DOI: https://doi.org/10.32752/1993-6788-2024-1-275-223-233

[6] Тарасенко І. О., Середа О. О. Трансформація банківського сектору в умовах глобалізаційних викликів та процеси інвестування в Україні. *Часопис економічних реформ*. 2025. № 4(60). С. 68. DOI: https://doi.org/10.32620/cher.2025.4.07

technologies and institutional conditions, form a new configuration of financial relations. Accordingly, banking management, adapting risk management tools to the behavioral characteristics of clients, improves the effectiveness of financial flow management, which enables the timely identification of potential threats and the reduction of their negative impact.

2. Analysis of the Impact of Global Crisis Processes on Behavioral Financial Decisions and the Development of Banking Management in Ukraine

The Ukrainian banking sector operates under conditions of deep integration into the global financial space. Such interaction in the modern globalized environment increases its dependence on international financial systems, which necessitates continuous analysis of global financial trends and their timely consideration in the formation of managerial decisions. The growth of international trade and capital flows, on the one hand, expands the development opportunities for Ukrainian banks. At the same time, dependence on external financial flows increases the sensitivity of the banking sector to global crisis phenomena. Global financial shocks, spreading rapidly through integrated markets, significantly affect the stability of banking institutions' operations[7].

Therefore, the strengthening of global financial interdependence requires a revision of traditional approaches to banking management, as the effectiveness of managerial decisions is determined not only by financial indicators. Alongside this, the behavioral responses of clients, investors, and depositors play an important role, ensuring a more comprehensive assessment of the potential consequences of crisis processes.

The resilience of the banking sector is determined not only by the structure of assets. The adequacy of equity capital and the balance of liabilities are of crucial importance. Share capital ensures risk coverage and supports the financial independence of a bank. At the same time, its volume characterizes the ability of a banking institution to withstand crisis phases of the economic cycle. Therefore, an increase in capital indicates the expansion of a bank's activities and the willingness of owners to support its development. Conversely, a reduction in capital may reflect temporary financial difficulties or deeper structural imbalances that require detailed analysis[8].

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[7] Березовик В. М., Свистун А. О., Хмеловський Т. Г. Вплив глобальних фінансових тенденцій на стабільність банківського сектору України. *Здобутки економіки: перспективи та інновації*. 2024. № 8. DOI: https://doi.org/10.5281/zenodo.12700439

[8] Жаворонок А. В. Стійкість банківського сектору в умовах прискорення фаз економічного циклу. *Науковий вісник Одеського національного економічного університету*. 2026. № 2(339). С. 55. DOI: https://doi.org/10.32680/2409-9260-2026-2-339-53-60

Therefore, the assessment of banks' financial stability should be carried out taking into account changes in the behavior of financial market participants. Bank clients, responding to crisis processes, often change the structure of their savings. They increase demand for highly liquid assets or transfer funds to institutions perceived as more reliable. Such changes directly affect the resource base of banks. A practical example is the active use of remote banking services during periods of instability. Taking these trends into account, banking management gains the opportunity to adjust deposit, lending, and investment policies in a timely manner, which increases the adaptability of the banking system to the impact of external shocks.

Thus, the formed behavioral responses of financial market participants directly transform the structure of bank balance sheets and determine the dynamics of key liquidity and asset quality indicators. In this context, it is important to analyze changes in the loan portfolio, the share of non-performing assets, and the structure of banking operations over time, since the quantitative assessment of these parameters makes it possible to identify trends in the impact of crisis processes on the functioning of the banking sector (Table 1).

Table 1

Volumes of active operations and non-performing assets in the banking system as a whole

Active operation	Total								
	01.01. 2018	01.01. 2019	01.01. 2020	01.01. 2021	01.01. 2022	01.01. 2023	01.01. 2024	01.01. 2025	01.05. 2026
Credit operations:									
Loans to the corporate sector	892900	959601	847259	795405	835658	847586	828444	891619	940195
Non-performing loans	500263	535770	456074	371157	301665	363321	365532	347379	144289
Loans to individuals (including individual entrepreneurs)	174448	202202	214252	208383	256291	224260	240825	295563	403519
Non-performing loans	93353	93086	73077	58230	43210	68272	56636	45771	41838
Interbank loans and deposits (excluding correspondent accounts)	22046	28888	31368	34057	30581	36917	43144	97918	131971
Non-performing loans	1372	1073	946	984	256	4	0	0	328
Loans to state and local government authorities	1519	2867	4717	11734	27037	24800	18361	13151	6392
Non-performing loans	10	838	683	0	0	507	191	67	0
Total loans	**1090914**	**1193558**	**1097595**	**1049579**	**1149567**	**1133563**	**1130774**	**1298250**	**1482077**
Including banks:									
State-owned banks, including:	558974	643564	624856	540326	539403	609131	693215	769346	762436
JSC CB "PrivatBank"	269532	293725	305163	245013	249621	258532	285836	309185	260122
State-owned banks excluding JSC CB "PrivatBank"	289442	349839	319693	295313	289782	350599	407380	460161	502314
Foreign banking groups	382417	392683	330599	344206	400930	315381	204437	237073	316407
Privately owned banks	125270	135715	142140	164673	209234	209051	233122	291465	403234

Table 1 (continuance)

Insolvent banks	24253	21596	0	374	0	0	0	367	1
Non-performing loans	**594999**	**630767**	**530780**	**430371**	**345131**	**432105**	**422360**	**393218**	**186455**
Other assets:									
Accounts receivable									
Accounts receivable not subject to credit risk assessment	0	0	0	0	0	0	0	0	0
Accounts receivable subject to credit risk assessment	20274	21879	18097	17942	18457	21331	19978	22293	24980
Non-performing assets	8627	8898	7211	7128	5155	6233	4874	7248	3732
Securities and other financial investments:									
Securities and other financial investments	458403	517679	564674	819719	861246	1075304	1508504	1714126	1937827
Non-performing assets	5019	4770	4591	5035	1922	3064	1132	1215	2734
Funds in correspondent accounts with other banks:									
Funds in correspondent accounts not subject to credit risk assessment	37357	35708	76144	47385	54466	84898	216416	232630	257412
Funds in correspondent accounts subject to credit risk assessment	102734	91359	121830	182626	182890	326775	359133	369546	329929
Non-performing assets	5214	5357	4083	5129	160	1163	2049	759	1069
Derivative financial assets:									
Derivative financial assets	56269	317	894	631	1580	4105	1204	256	154
Non-performing assets	3	61	56	1	0	0	0	0	0
Total for active operations (excluding financial liabilities)	**1765951**	**1860501**	**1879323**	**2117882**	**2268207**	**2645975**	**3236008**	**3637102**	**4032379**
Other assets	*110086*	*74687*	*103305*	*92765*	*90776*	*70908*	*72613*	*139043*	*199758*
Total assets	**1876037**	**1935188**	**1982628**	**2210647**	**2358982**	**2716883**	**3308621**	**3776145**	**4232137**
Non-performing assets	**613863**	**649852**	**546722**	**447663**	**352367**	**442564**	**430414**	**402440**	**193991**
Financial liabilities (off-balance sheet):									
Financial liabilities not subject to credit risk assessment	264929	322981	386519	484571	662070	591930	762037	864080	1072025
Financial liabilities subject to credit risk assessment	57 736	64 559	63 807	121740	149 604	137 717	142 739	179 203	217014
Non-performing assets	8954	8338	5855	4 979	1 675	5 265	2 710	2 442	4206
Total assets and financial liabilities	**2198703**	**2322728**	**2432955**	**2816958**	**3170656**	**3446530**	**4213398**	**4819428**	**5521176**
Non-performing assets	**622817**	**658190**	**552577**	**452642**	**354042**	**447829**	**433124**	**404882**	**198197**

Source: compiled based on data from the National Bank of Ukraine[9]

The analysis of the indicators presented in Table 1 demonstrates that the development of the banking system of Ukraine was influenced by global financial crises, the pandemic, military risks, and the accelerated digitalization of the economy. The combined impact of these factors significantly transformed the structure of banks' active operations. At the same time, the behavior of the main participants in the financial market

[9] Обсяги активних операцій та частка непрацюючих активів в цілому по системі. Статистика Національного банку України, 2026. URL: https://bank.gov.ua/ua/statistic/supervision-statist

underwent substantial changes. Responding to new challenges, banking management revised approaches to the management of credit risk, liquidity, and asset structure, which contributed to a gradual increase in the resilience of the banking system even amid prolonged uncertainty.

First of all, the positive dynamics of the total loan portfolio can be observed. Its volume increased from UAH 1,090.9 billion at the beginning of 2018 to UAH 1,482.1 billion as of May 1, 2026. The retail lending segment demonstrates the highest level of activity. The volume of corresponding loans, exceeding the initial level by more than two times, increased from UAH 174.4 billion to UAH 403.5 billion. Corporate lending, in turn, after a decline in 2020–2021, has gradually recovered and reached UAH 940.2 billion. This trend indicates the intensification of economic activity, although borrowers' behavior continues to be influenced by a high level of risk expectations.

The change in the structure of the loan portfolio is directly associated with the transformation of behavioral financial decisions. Households and enterprises, assessing the economic situation, are often guided not only by interest rates. A significant role is played by the level of confidence in the banking system, the predictability of government policy, and the information environment, which influence motivation when choosing credit products. The experience of recent years confirms the growing demand for short-term lending, government support programs for businesses, and loans with partial risk guarantees. Therefore, adapting their products to these changes, banks actively use digital service channels, scoring models, and automated systems for assessing customers' creditworthiness, which improves the efficiency of loan portfolio management under conditions of global instability.

It is also important to consider the dynamics of non-performing loans. Their total volume decreased from UAH 595.0 billion in 2018 to UAH 186.5 billion as of May 2026. The reduction exceeds two-thirds of the initial value. The most significant changes are observed in the corporate segment. The volume of non-performing debt decreased from UAH 500.3 billion to UAH 144.3 billion. At the same time, the retail loan portfolio is characterized by a gradual decline in non-performing loans, which confirms the effectiveness of improving credit risk management systems and cleaning up banks' balance sheets.

The improvement in the quality of the loan portfolio is explained not only by financial measures. A significant impact is also exerted by changes in the behavioral models of banks and their clients. Banking institutions actively carry out continuous risk monitoring, using behavioral indicators when assessing borrowers. Clients, seeking to avoid excessive debt burdens, often choose more conservative financial decisions. Examples include the growing share of restructured loans, the use of remote financial consulting, and the active implementation of digital scoring systems.

The structure of banking system assets demonstrates significant changes. Total assets increased from UAH 1.88 trillion to UAH 4.23 trillion. The most dynamic growth was observed in investments in securities and other financial assets. Their volume increased from UAH 458.4 billion to almost UAH 1.94 trillion. By diversifying their asset structure, banks seek to limit credit risk and maintain an adequate level of liquidity. At the same time, the volume of funds held in correspondent accounts is increasing, creating an additional reserve of financial stability.

The transformation of the asset structure reflects changes in the priorities of banking management. Management decisions in this area are focused on ensuring financial stability and directly maximizing profitability. The practical implementation of this mechanism is manifested in the increase in investments in government bonds, maintaining a significant volume of highly liquid assets, and developing digital cash management services, which enables banks to respond promptly to potential changes in depositors' behavior during crisis periods. Accordingly, the efficiency of liquidity and operational risk management is improving. Therefore, the comprehensive consideration of behavioral and financial factors forms a modern model of banking management adapted to the conditions of global crisis processes.

An important indicator of financial stability is the dynamics of non-performing assets. Their total volume decreased from UAH 622.8 billion to UAH 198.2 billion, indicating a gradual improvement in the quality of banks' balance sheets. Despite the positive trend, the absolute level of problem assets remains significant. This situation confirms the need for further improvement of early risk detection systems, behavioral monitoring of clients, and forecasting of crisis scenarios. The combination of traditional financial instruments with behavioral analysis methods creates a basis for timely management decision-making and strengthening the financial stability of the banking system of Ukraine under conditions of global economic instability.

Taking into account the identified changes in the asset structure and the quality of the loan portfolio, further generalization of the financial results of the banking sector is appropriate, as it allows for assessing the effectiveness of management decisions under crisis conditions (Table 2).

Table 2

Income and Expenses of Ukrainian Banks

Indicators	2018	2019	2020	2021	2022	2023	2024	2025	January – May 2026
INCOME	*204554*	*243102*	*250171*	*273863*	*357549*	*446737*	*507637*	*579671*	*269585*
Interest income	140803	152 954	147 743	168 746	217053	304437	351588	410764	196393
Fee and commission income	50 969	62 057	70 640	93 162	85622	97572	110859	124353	54861
Result from revaluation and trading operations	1853	16225	21507	-77	43482	30264	34398	30468	13024
Other operating income	8589	8147	6813	7488	8126	8364	6735	9017	3101
Other income	1809	2809	2705	3175	2413	4043	1965	2084	1012
Recovery of written-off assets	532	909	763	1370	853	2056	2092	2984	1195
EXPENSES	*182215*	*184746*	*210445*	*196488*	*335628*	*363699*	*416730*	*453143*	*224585*
Interest expenses	67760	74062	62895	51097	65358	103043	117290	138864	68043
Fee and commission expenses	13159	18096	24132	35186	35449	46457	54317	60943	28731
Other operating expenses	16800	11790	16405	18244	17 875	18481	19553	22347	10140
General administrative expenses	53670	62936	69437	78293	82 434	92325	110927	131087	60738
Other expenses	2011	2379	2728	3855	5951	8727	9103	10190	4630
Provisioning expenses	23758	10714	31037	3448	121204	17657	9638	4899	7702
Income tax	5057	4769	3811	6364	7356	77009	95903	84813	44602
NET PROFIT (LOSS)	*22339*	*58 356*	*39 727*	*77376*	*21921*	*83039*	*90907*	*126527*	*45000*

Source: compiled based on data from the National Bank of Ukraine [10]

[10] Доходи та витрати банків України. Статистика Національного банку України, 2026. URL: https://bank.gov.ua/ua/statistic/supervision-statist

The analysis of the indicators presented in Table 2 demonstrates that the financial results of the banking system of Ukraine during the analyzed period were shaped by the influence of global crisis processes, structural economic transformation, and changes in the behavior of financial market participants. These conditions significantly affected the structure of banks' income and expenses. Thus, the total volume of income of the banking system increased from UAH 204.6 billion in 2018 to UAH 579.7 billion in 2025. The growth exceeding 183% indicates a significant expansion of banks' financial activity. Interest income remains the main source of revenue. Its volume increased from UAH 140.8 billion to UAH 410.8 billion. Fee and commission income, expanding alongside the digitalization of banking services, more than doubled and reached UAH 124.4 billion. This trend confirms the gradual transformation of the banking business structure, in which remote customer service, electronic payments, and digital financial services occupy an increasingly important position.

The income structure clearly demonstrates changes in customers' financial behavior. Individuals and business entities have increasingly adopted cashless payments, mobile banking, and digital payment instruments, encouraging banks to expand the range of fee-based services while simultaneously optimizing operational processes. This is confirmed by the active implementation of mobile applications, remote customer identify-cation, digital lending, and automated financial support services.

The positive dynamics of income are accompanied by an increase in the total volume of expenses. They grew from UAH 182.2 billion in 2018 to UAH 453.1 billion in 2025. The most significant increases were observed in interest and administrative expenses. Total administrative expenses increased more than 2.4 times, reaching UAH 131.1 billion. This dynamic reflects the expansion of banks' digital infrastructure, modernization of information systems, strengthening of cybersecurity, and improvement of internal risk management mechanisms.

Particular attention should be paid to the dynamics of provisions. The highest value of this indicator was recorded in 2022, when banks formed provisions amounting to UAH 121.2 billion. The subsequent reduction in provisioning to UAH 4.9 billion in 2025 indicates a gradual improvement in the quality of the loan portfolio and increased efficiency of risk management systems. Banking management, using the results of stress testing, behavioral forecasting, and scenario analysis, promptly adapts credit policy to changes in the external environment.

A high level of uncertainty changes the behavior of depositors and borrowers. Taking these changes into account, banks actively apply preventive risk management tools. Continuous monitoring of customer activity enables the timely identification of potential liquidity risks and forecasting of changes in demand for financial products, which contributes to strengthening confidence in the banking system while simultaneously reducing the likelihood of panic-driven behavioral reactions under crisis conditions.

An important indicator of the effectiveness of banking management is the dynamics of net profit. Its volume increased from UAH 22.3 billion in 2018 to UAH 126.5 billion in 2025. Despite a sharp decline in profit in 2022 to UAH 21.9 billion, the banking system recovered its financial performance relatively quickly, reflecting the high adaptability of management mechanisms to crisis challenges. A decisive role in this process is played by the diversification of income sources, the digital transformation of banking processes, and the integration of behavioral factors into the management decision-making system. Therefore, the consideration of financial, psychological, and institutional determinants, while forming a modern model of banking management, ensures the strengthening of financial stability and the improvement of the efficiency of Ukrainian banks' operations under conditions of global economic instability.

3. Directions for Improving Banking Management and Developing Effective Behavioral Financial Decisions in the Context of Global Crisis Transformations

The functioning of the banking sector under modern conditions is characterized by a high level of uncertainty, which significantly complicates forecasting its further development. Despite military risks, the deterioration of certain financial indicators, the growth of the share of non-performing loans, migration processes, and dependence on refinancing mechanisms, banking institutions demonstrate sufficient adaptability to external challenges. Accordingly, banks' operational performance is maintained through cost optimization and improvement of internal management procedures. The management of banking institutions and the regulator, acting in a coordinated manner, ensure a timely response to crisis processes, which makes it possible to minimize financial losses and risks, creating conditions for maintaining the stability of the banking system even under complex socio-economic circumstances[11].

Under such conditions, the effectiveness of banking management is often determined by the ability to timely consider customers' behavioral responses. The decisions of depositors and borrowers are formed under the

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[11] Маринчак Л. Р., Савчин Л. М. Антикризове банківське управління в умовах надзвичайних ситуацій. *Науковий вісник ІФНТУНГ.Серія: Економіка та управління в нафтовій і газовій промисловості*. 2023. № 1(27). С. 109. DOI: https://doi.org/10.31471/2409-0948-2023-1(27)-101-110

influence of the information environment, the level of trust in financial institutions, and expectations regarding economic development. Therefore, adapting their own strategies to these changes, banks actively apply tools for forecasting customer behavior.

Cognitive biases and emotional factors have a significant impact on the process of financial decision-making. Such influence, especially under conditions of uncertainty and increased risk, reduces the objectivity of economic situation assessment. Overconfidence, the anchoring effect, and confirmation bias, in particular, contribute to errors in forecasting, risk assessment, and the selection of management strategies. Therefore, the integration of behavioral finance principles into the banking management system makes it possible to consider subjective factors when forming financial decisions, while improving the quality of managerial actions and significantly strengthening the effectiveness of risk management[1].

Accordingly, the improvement of banking management should be carried out through the combination of traditional financial methods with behavioral analysis tools. The assessment of customers' creditworthiness based on behavioral characteristics enables more accurate forecasting of the probability of fulfilling financial obligations. Therefore, the implementation of this approach involves the introduction of behavioral scoring models, the use of artificial intelligence technologies for analyzing financial activity, and automated monitoring of risky transactions, which will ensure the timely identification of potential threats.

The effectiveness of behavioral financial decisions largely depends on the level of customers' financial literacy and the transparency of banks' information policies. Open communication, regular risk disclosure, and the availability of digital consultations simultaneously reduce the impact of panic-driven sentiments during crisis periods. Accordingly, the efficiency of mobile applications with personalized financial recommendations, interactive savings management services, and digital customer support platforms is increasing. Such tools contribute to the formation of balanced financial decisions and strengthen confidence in the banking system. Therefore, the combination of behavioral analysis, modern digital technologies, and adaptive management mechanisms, ensuring a prompt response to crisis challenges, forms an integrated model of banking management capable of effectively operating under conditions of global transformations.

To ensure the long-term sustainability of banking institutions, it is advisable to comprehensively review the instruments of financial supervision, internal risk management, and strategic planning. Regulatory requirements should be differentiated by taking into account the systemic importance of a bank, the specifics of its business model, and its individual risk profile. This will simultaneously increase the efficiency of supervisory procedures and ensure a more rational allocation of regulatory resources. Macroprudential analysis should be strengthened by expanding cooperation between regulators and introducing modern supervisory technologies (SupTech). Automated monitoring, carried out in real time, enables the timely identification of potential deviations and prompt adjustment of management decisions[12].

The practice of Ukrainian banks confirms the effectiveness of digital transformation as one of the important instruments of crisis management. In particular, during the full-scale war, PrivatBank transferred its critical IT infrastructure to a cloud environment, ensuring the continuity of financial services provision and customers' access to their funds. The implemented technological solution, minimizing the risk of information loss and operational disruptions, increases the resilience of banking infrastructure to external threats[13].

A high level of effectiveness of crisis banking management is ensured through continuous interaction between banks, the regulator, and customers. Open information exchange, supported by modern digital platforms, contributes to strengthening confidence in the financial system and reduces the impact of panic-driven behavioral reactions. Banking institutions, improving digital communication channels, provide customers with faster information on potential risks, changes in service conditions, and available financial instruments, which creates a basis for making more informed financial decisions both at the level of individual customers and within the banking management system[14].

However, overcoming the banking crisis under conditions of global transformations in the international economy requires a combination of macroeconomic stabilization, monetary policy, and the development of the credit mechanism. Achieving macroeconomic equilibrium, combined with effective regulation of the money market, creates the prerequisites for sustainable economic growth. The credit activity of the banking sector supports the real economy while simultaneously increasing the system's

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[12] Свистун А. О., Ухналь, Н. М., Пистогов Є. А. Вплив глобальних фінансових криз на стійкість банківських установ. *Актуальні питання економічних наук*. 2025. № 12. DOI: https://doi.org/10.5281/zenodo.15614533

[13] Фінансова безпека понад усе. ПриватБанк завершив міграцію у «хмару». URL: https://privatbank.ua/news/2022/4/29/finansova-bezpeka-ponad-use-privatbank-zavershiv-migraciyu-u-hmaru

[14] Rybalchenko S, Lukianykhina O., Alamanova C., Saienko V., Sunduk T. Anti-crisis management of banking institutions: current problems and prospects for improvement. *Financial and Credit Activity Problems of Theory and Practice*. 2022. № 5(46). С. 36. DOI: https://doi.org/10.55643/fcaptp.5.46.2022.3907

sensitivity to external shocks. Regulatory policy aimed at stabilizing the national currency and strengthening banking supervision contributes to enhancing confidence in the financial system and stimulating investment processes[15].

Therefore, further development of the banking sector should be associated with the expanded use of artificial intelligence, predictive analytics, and automated risk management systems. Processing large volumes of financial information in real time enables the identification of changes in customer behavior and the forecasting of potential crisis scenarios. This will ensure the timely adjustment of credit, investment, and deposit policies of banking institutions. Consequently, the integration of digital technologies with behavioral finance will form the basis of an adaptive management model focused on long-term financial stability.

CONCLUSIONS

Modern global crisis processes have a significant impact on the functioning of the banking system and transform approaches to the formation of financial decisions by its participants. The study demonstrates that the behavior of economic entities depends not only on traditional financial indicators but also on psychological, informational, and institutional factors. Taking into account the principles of behavioral finance within the banking management system enables a more comprehensive assessment of risks and the development of adaptive management decisions.

Under conditions of increasing crisis phenomena, cognitive, emotional, and social factors that determine the behavior of depositors, borrowers, and investors also become important. Changes in the level of trust in financial institutions, the influence of the information environment, and growing uncertainty directly affect the structure of financial flows and the nature of demand for banking services. Therefore, the use of behavioral indicators alongside traditional financial metrics allows for more accurate forecasting of potential changes in the activities of the banking sector.

The analysis of the indicators of the banking system of Ukraine demonstrates the ability of banking institutions to adapt to challenging external conditions. Despite the impact of global crises, pandemic-related restrictions, and military risks, the banking sector has demonstrated a gradual strengthening of financial stability. The growth of lending volumes, the increase in assets, and the reduction in non-performing loans characterize improved risk management efficiency and the enhancement of banking

[15] Крилова О. В., Федорова О. Г., Маковін І. В. Перспективи розвитку банківського бізнесу України в умовах глобальних викликів. *Економічний вісник Дніпровської політехніки*. 2022. № 3. С. 101. DOI: https://doi.org/10.33271/ebdut/79.097

management mechanisms. At the same time, structural changes in banks' activities indicate a reorientation of management approaches toward maintaining liquidity, diversifying assets, and ensuring long-term stability. The expansion of investments in highly liquid instruments, the development of digital services, and the improvement of internal control systems form the foundation of a modern model for managing banking institutions under conditions of instability.

Digital transformation of the banking sector plays an important role, contributing to the enhancement of its adaptability to crisis challenges. Therefore, the use of artificial intelligence technologies, automated risk analysis systems, and behavioral analytics expands banks' capabilities in assessing customers' financial behavior. At the same time, digital solutions improve the quality of communication between banks and users of financial services, which has a positive impact on the level of trust in the financial system.

Thus, further development of banking management requires the combination of traditional financial instruments with behavioral analysis methods and modern digital technologies, which will enable consideration of the current financial condition of customers and banking institutions, as well as possible changes in their behavior under the influence of crisis factors. Therefore, considerable attention should be devoted to the development of early risk detection systems, forecasting behavioral responses, and the use of adaptive management models.

SUMMARY

The impact of global crisis processes on the formation of behavioral financial decisions and the development of modern banking management has been studied. The theoretical foundations of the relationship between behavioral factors, financial instability, and mechanisms for managing banking activities have been considered. It has been determined that crisis phenomena change the nature of financial decision-making under the influence of psychological, informational, and institutional factors. The dynamics of the main indicators of the banking system of Ukraine has been analyzed, including changes in the volumes of active operations, the quality of the loan portfolio, and the income and expenses of banking institutions. The role of digital transformation, behavioral analytics, and modern risk management tools in ensuring the stability of the banking sector has been substantiated. It have been established that the adaptation of banking management to crisis conditions requires the combination of traditional financial methods with behavioral finance approaches. Directions for improving management mechanisms through the use of digital technologies, predictive analytics, and early risk detection systems have been proposed. It has been proven that the integration of financial,

behavioral, and technological instruments creates the foundation for enhancing the effectiveness of banking management and strengthening the financial stability of banking institutions under conditions of global transformations.

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