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The Impacts of TV News, Interest Rate, and Exchange Rate on Depositors: The Effects of Russia-Ukraine Conflict in Belarus

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Abstract

The paper studies why Belarusian individuals didn't withdraw deposits, but increased them at the beginning of the Russia-Ukraine military conflict. The correlation and regression methods are used to analyze daily data from 9214 individuals' banking deposits on short notice in the Republic of Belarus from 01.09.2021–31.12.2022. As a result, the interest rate volatility had the highest impact on financial behavior in Belarus during the first months of the Russia-Ukraine military conflict. The rise of the interest rate of 1% increased the number and amount of deposits by 3.62–5.66%. The depositors from Minsk reacted by 1.2–1.89 pp. more actively than those from other regions of Belarus. The USD/BYN exchange rate volatility had a lower effect on the depositors. They converted their deposits from foreign currency into local currency under the influence of the interest rate hike rather than devaluation expectations. There was no evidence that the popularity rise of TV political news programs influenced the financial behavior of the Belarusian population in 2022.

Keywords: financial behavior, political economy, interest rate, exchange rate

1. Introduction

1.1 Research Motivation

There is a consensus among scholars that the start of a large-scale Russian-Ukrainian military conflict in February 2022 has negatively affected financial institutions and financial markets in different countries (Batten et al., 2023; Josh et al., 2023). During this conflict, the financial reaction proved to be typical and confirmed the general rule of negative impact on the financial behavior of events such as border disputes, terrorist attacks, violent conflicts, and wars (Chesney et al., 2011; Kumari et al., 2022). Even though this topic seems to have been studied enough, there is a small number of research on why and how the financial behavior of individuals adapts to a long-term military conflict and to the instruments used by the economic authorities. Moreover, if one double-checks the rules identified for groups of countries on specific examples in individual political, social, and economic contexts, it does not always provide the expected results.

The case of Belarus during the Russian-Ukrainian conflict raises multiple scientific interests in the impact of military events on the financial behavior of the population.

Firstly, Russian-Ukrainian military news probably influenced Belarusian society more than residents of other third countries due to the historical, territorial, and mental proximity of Belarusians to Russians and Ukrainians. Theoretically, the population of Belarus should have closely perceived the events of the conflict, assessed the scenarios of its development, the possibilities of their direct participation, adapting their financial behavior to this.

Secondly, it is assumed that the growing popularity of political television programs in Belarus in February – April 2022, dedicated to Ukrainian military events, could give an impetus to a change in financial behavior. At the same time, it should be noted that, in general, television news has a significant, but no longer monopolistic and content-critical impact on Belarusian society. In 2022, the share of TV viewers in the Belarusian media market was 30%, and consumers of news via the Internet – 50%, which in similar studies is characterized as loyalty to the official and alternative news agenda (Greene, 2022; Rosenberg & Tarnikova, 2023; Wijermars & Lokot, 2022).

Thirdly, the financial reaction of the Belarusian population to non-standard events in recent years, such as the COVID-19 pandemic, the President's election in 2020, street protests, and Western sanctions, is reflected mainly in the deposit, credit, and foreign exchange markets (Rudy, 2021). The stock market in the country has a smaller capitalization and poor variety of instruments. Taking this into account, the banking regulator and banks of Belarus have also influenced the financial behavior of the population through interest rates, loans, and currency restrictions since the beginning of the military events in Ukraine.

The motivation of this article became the search for the effects of the Russian-Ukrainian military conflict on the financial behavior of the population in Belarus. In the course of the study, the emphasis was placed on comparing the impact of television military news, the interest rate, and the exchange rate on the behavior of individual bank depositors in the capital city and regions of the country. The article consists of an introduction, literature review, methodology, results, discussion, and conclusions.

The hypotheses of this paper were formulated here based on several issues:

(a) the review of research on information channels influencing financial behavior;

(b) the analysis of broadcasts on Belarusian television devoted to the Russian-Ukrainian conflict;

(c) the general economic effects of these military events on the performance of the banks, as well as on the financial behavior of the population in Russia, Ukraine, and Belarus in 2022.

1.2 Literature Review

There are studies of such factors of the influence of news on financial behavior as the type of information channel, the design and presentation of news, the evidence base, and the short- and long-term focus of the news. For example, there is a study on how the positive and negative presentation of news in the *Financial Times* led, respectively, to the revaluation and undervaluation of assets in the financial market (Frank & Sanati, 2018). Another paper describes how social networks, for example, *Twitter (X)*, transmitting bad news, provoked a bank run (Cookson et al., 2023). Television can influence financial behavior both directly through news programs and indirectly through advertising in the background noise format (Liaukonyte & Zaldokas, 2019), reality shows (Rasure, 2015), and TV series (Crawford et al., 2018). In general, research shows that bad or good news (especially unexpected ones) lead, respectively, to the containment or activation of financial behavior, devaluation, or revaluation of a financial asset. Military news is considered to be bad and has a negative impact on financial behavior (Pandey et al., 2023). Based on the analysis of the news, financial institutions build appropriate business strategies for working in financial markets (Feuerriegel & Prendinger, 2016).

An analysis of the data from the media meter (https://mediameter.by) in Belarus showed that since the beginning of the Russian-Ukrainian military conflict in February 2022, the rating (Rtg, %) of information and political broadcasts on Belarusian television has jumped (Figure 1). Of the top twenty most popular TV shows, almost half are occupied by political programs with military news from Ukraine. At the same time, Russian information programs broadcasted on Belarusian television became more popular than Belarusian ones, although both had a similar agenda and tone of military news. For example, the most popular informational TV shows in Belarus in February–April 2022, broadcasting news at the peak of attention to the Russian-Ukrainian conflict, were *Russia: Vesti Nedeli; NTV: Itogi Nedeli s Iradoi Zeynalovoi; NTV: Segodnya v 19.00*.

Studies show a direct connection between wars and the negative behavior of bank depositors. On the one hand, military conflicts and political instability can lead both to an outflow of deposits and to a banking crisis (Ouedraogo et al., 2021). On the other hand, banking crises can create prerequisites for the formation of political conditions that can lead to war (Doerr et al., 2022). A review of the literature showed that the Russian-Ukrainian military conflict affected banks through changes in the financial behavior of customers influenced by the news of the outbreak of military activity, mobilization; through financial sanctions SSI, SDN, intrabank restrictions on payments and loans; through cybersecurity risks (Bowling, 2022). The general conclusion of several studies is the presence of a negative effect of the Russian-Ukrainian conflict outbreak on the profitability of shares of commercial banks (Batten et al., 2023; Martins et al., 2023), shares of different types of companies (Clancey-Shang & Fu, 2023) in different financial markets (Umar et al., 2023) and prices on commodity markets (Fang & Shao, 2022).

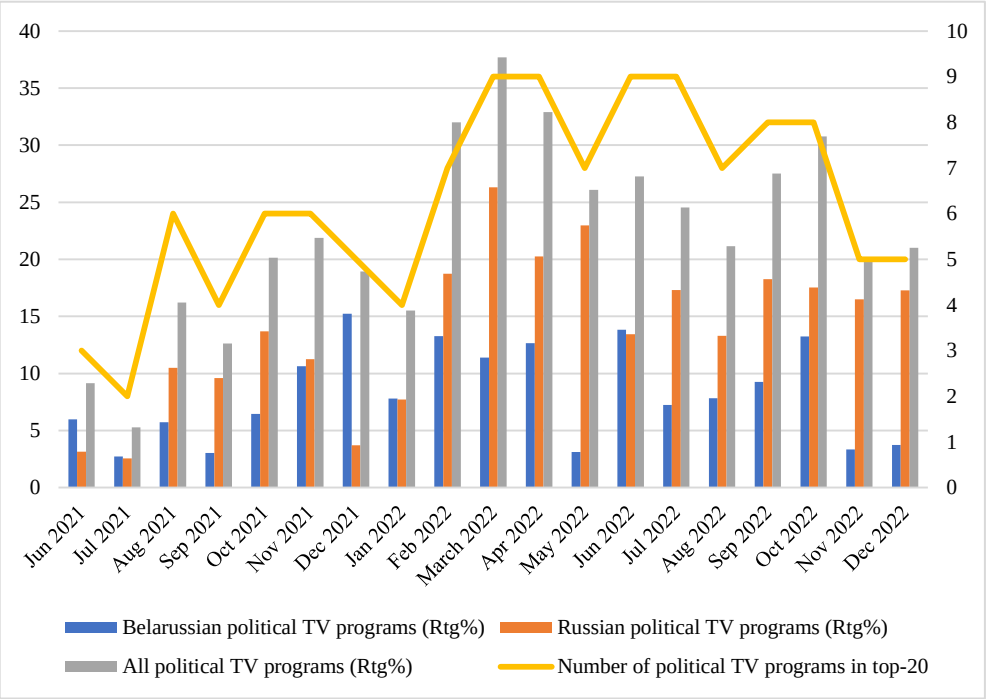

Figure 1. Ratings of political programs on Belarusian television (left axis, Rtg, %), as well as the number of such programs in the top 20 most rated (right axis), June 2021 – December 2022

Note. Calculation of the authors based on data from https://mediameter.by/

1.3 Statistical Data Review

An analysis of statistical data from the websites of the central banks of Russia and Ukraine showed that the beginning of the Russian-Ukrainian conflict was accompanied by an outflow of bank deposits of individuals in the two countries in February 2022: in Russia by 3.5%, in Ukraine by 2.8%. It is noteworthy, that deposits of individuals in Belarus did not decrease, but increased by 1.9% in February 2022. Such abnormal financial behavior of the Belarussians is of interest, especially considering that at the end of the year in three countries the dynamics of deposits of individuals was the same: it decreased in foreign currency and grew in national currency. In 2022, the outflow of individuals' deposits in foreign currency in Russia amounted to 41%, in Ukraine – 4.9%, in Belarus – 9.1%; in national currency, deposits of individuals increased in three countries by 18%, 6.6%, 28.3%, respectively. Such similar long-term behavior can be explained by the reaction of depositors to foreign currency restrictions imposed by the monetary authorities and banks, as well as to an anti-inflationary raise of the key interest rate and an increase in deposit rates in the national currency. In addition, the data show that the financial behavior of bank depositors in the Russian capital differed from the regions: residents of Moscow reduced deposits in 2022, while residents of Russian regions increased them (RIA Rating, 2023).

The behavior of bank depositors could also be influenced by the exchange rate. The exchange rate sometimes reacts to extreme events, such as violent street protests (Rudy, 2023). Studies show that the outbreak of military activity in Ukraine led to the devaluation of the Russian ruble in February – March 2022 (Xu et al., 2023), as well as the currencies of third countries (Akarsu & Gharehgozli, 2023, Chortane & Pandey, 2022). The exchange rate of the Belarusian ruble to the US dollar practically followed the exchange rate of the Russian ruble to the US dollar throughout 2022, with a Pearson correlation coefficient between them of 0.894 (Figure 2). In theory, the military news was supposed to provoke an increase in the demand of the Belarusian population for foreign currency and lead to the devaluation of the Belarusian ruble. But it wasn't like that. The net demand of the Belarusian population for foreign currency at the beginning of war activity was negative, and became positive only in September – December 2022, when the exchange rate relatively stabilized (Figure 3).

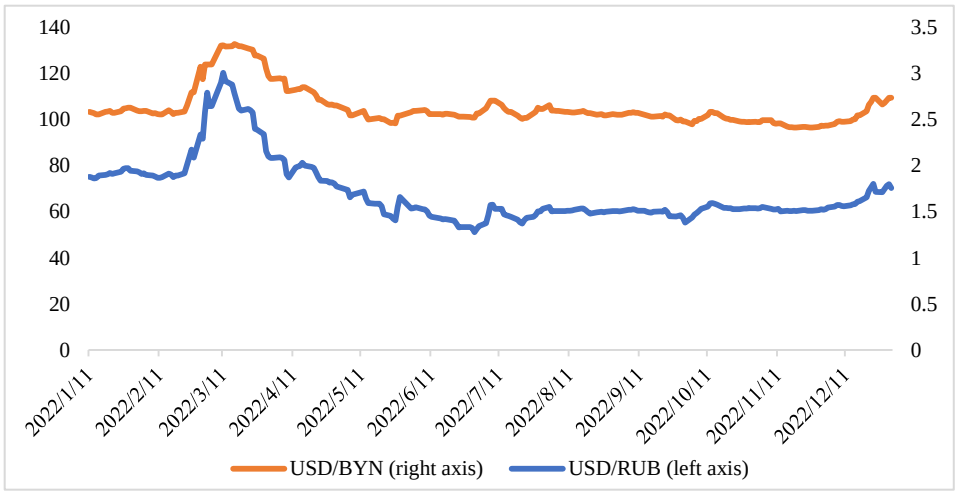

Figure 2. Daily changes in the exchange rates of the US dollar to the Russian ruble (USD/RUB) and to the Belarusian ruble (USD/BYN), 11.01.2022 – 31.12.2022

Note. Data from the www.cbr.ru, www.nbrb.by.

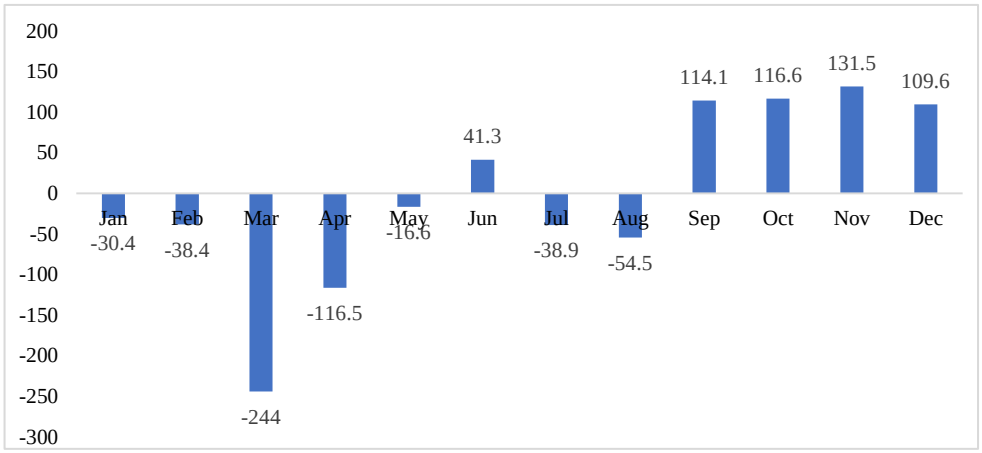

Figure 3. Monthly net demand for foreign currency by individuals in Belarus in 2022 in millions of US dollars

Note. Data from the National Bank, 2023.

A review of the literature and statistical data allowed us to propose some hypotheses.

Hypothesis 1 (H1): An increase in the consumption of military-related television news on Belarusian television should lead to a negative financial reaction in the form of an outflow of individuals' bank deposits.

Hypothesis 2 (H2): Financial response of bank depositors in Belarus to the Russian-Ukrainian military conflict depended more on changes in the interest rate on deposits than on the exchange rate volatility.

Hypothesis 3 (H3): Negative financial reaction of bank depositors to television military news and interest rate changes, which are more prominent in Minsk than in the regions.

2. Methods

Hypothesis testing was carried out on the basis of daily data from 9214 deposit agreements of individuals for the placement of term revocable deposits in one of the commercial banks of the Republic of Belarus. The sample also included agreements of different deposit terms: 4242 agreements for short-term revocable deposits and 4972 agreements for long-term deposits. Agreements in different currencies: 5669 agreements in Belarusian rubles and 2817 agreements in US dollars. Agreements in different regions of the country: 5566 agreements in Minsk (the capital city) and 3648 agreements in the regions of Belarus. Sample period: from 1.09.2021 to 31.12.2022. The analysis was carried out both by the number of agreements and by their monetary value. In addition, daily data on the exchange rate and the average monthly deposit rate in Belarusian rubles from the website of the National Bank of the Republic of Belarus, as well as the rating of information and political television broadcasts (Rtg, %)

from the media meter of Belarus were used.

As a rule, the event analysis method is used in studies of the effects of the Russian-Ukrainian military conflict on financial markets and behavior (Yousaf et al., 2022). Sometimes it's correlation and regression methods. Here, three sequential methods were used to identify the relationships between the number, and monetary value of deposits in different currencies, terms, and locations with changes in the interest rate on deposits, exchange rate, and rating of political television broadcasts.

2.1 Method 1

Correlation analysis of dynamics series using a *modified correlation coefficient*, which is based on an assessment of the coincidence or discrepancy of the signs of absolute increments of two values to characterize the strength of the relationship between the levels of dynamic series (Lukashin, 2003). This coefficient was adjusted here: the absolute increases in factor and performance indicators were calculated using the logarithms of the initial levels, which made it possible to remove the influence of the dimension and units of measurement of the analyzed quantities, as well as to "smooth out" the bursts of their dynamics (1).

$$r_{mod} = \frac{\sum_{t=1}^{T} \Delta \ln x_{t+1i} \Delta \ln y_{t+1i}}{\sum_{t=1}^{T} |\Delta \ln x_{t+1i} \Delta \ln y_{t+1i}|} \quad (1)$$

where

T — number of levels in a series of dynamics;

t — sequence number of the time period, $t = 1,2,\ldots T$;

i - sequence number of the indicator, $i = 1,2, \ldots n$;

x_i- average interest rate on term revocable bank deposits; average monthly exchange rate of the US dollar to the Belarusian ruble; rating of political television broadcasts;

y_i - average daily number of individuals' deposits; average daily amount of individuals' deposits; average daily number of short- and long-term individuals' deposits; average daily amount of short- and long-term individuals' deposits;

$\ln x_{ti}$, $\ln y_{ti}$— logarithms of the levels of the series of factor and performance indicators dynamics, respectively;

$\Delta \ln x_{ti}$, $\Delta \ln y_{ti}$ — absolute increments of logarithms of the levels of the series of factor and performance indicators dynamics, respectively;

$$\Delta \ln x_{t+1i} = \ln x_{t+1i} - \ln x_{ti}$$
$$\Delta \ln y_{t+1i} = \ln y_{t+1i} - \ln y_{ti}$$

2.2 Method 2

Regression single-factor analysis was used to identify the relationship between performance indicators and factor indicators. The analysis was carried out using logarithms of the initial levels, which subsequently made it possible to conduct a comparative analysis of regression coefficients for factor features in the context of the Republic of Belarus, Minsk, periphery, followed by checking the quality of models based on the values of the determination coefficient, Fisher's F-test, Student's t-test. Taking into account the specifics of constructing regression models over time series, the following algorithm was used: 1) checking for cointegration of dynamic series using Engle-Granger criterion; 2) calculation of Durbin-Watson criterion for detecting autocorrelation of remains; 3) autoregressive transformation using a first-order autoregressive scheme in the case of autocorrelation of remains, followed by calculation of Durbin-Watson test. The general view of the series of regression models was as follows (2).

$$\ln Y_t = \alpha_0 + \alpha_1 \ln X_t + \varepsilon \quad (2)$$

Y_t – levels of a series of dynamics of the effective indicator: the average daily number of short-term deposits of individuals; the average daily amount of short-term deposits of individuals;

X_t – levels of a series of dynamics of the factor indicator: average interest rate on term revocable bank deposits; average daily exchange rate of the US dollar to the Belarusian ruble; rating of television political broadcasts;

ε – remains of the model.

2.3 Method 3

Correlation analysis of time series using *an adaptive correlation coefficient*, which shows the dynamics of correlations. The indicator was used here to assess changes in the strength and direction of coherence between the

dynamics of the factor and performance indicators in case of a low value of the modified correlation coefficient (*Method 1*) and poor quality of regression models (*Method 2*). As before, calculations were carried out using logarithms of the initial levels of the analyzed values (3).

$$r_{t+1}(\alpha) = \frac{S_{t+1}}{d_{t+1}} \quad (3)$$

where

S_{t+1} — exponentially weighted moving averages of products of increments of two series of dynamics levels, $S_{t+1} = (1-\alpha)S_t + \alpha(\Delta \ln x_{t+1i}\, \Delta y_{ti+1})$

d_{t+1}— exponentially weighted moving averages of absolute products of increments of two series of dynamics levels, $d_{t+1} = (1-\alpha)d_t + \alpha|\, \Delta \ln x_{t+1i}\, \Delta y_{t+1i}\,|$,

α — smoothing constant (adaptation parameter). The range of values for the parameter α is from 0 to 1. An increase in the weight of the latest observations is achieved by increasing the value of α; on the contrary, to smooth out random deviations, the value of α should be reduced. The initial values of S_1 and d_1 are calculated as the average of the products and absolute values of the products of the increments determined over the period T_1.

Methods 1 and 3 were used to test Hypothesis 1 (H1), Methods 1 and 2 - for Hypothesis 2 (H2), and Method 2 – for Hypothesis 3 (H3).

3. Results

Methods 1—3 were used sequentially. Firstly, the modified correlation coefficient was calculated by *Method 1*. Then, with high correlation rates, a regression analysis of the variables was performed using *Method 2*. If the regression models turned out to be of poor quality, then an adapted correlation coefficient was used by *Method 3*.

3.1 Results from Method 1

Calculations by *Method 1* showed the results shown in Table 1.

Table 1. Modified correlation coefficients calculated by logarithms

Factor x_i	Result y_i	Value of the modified correlation coefficient calculated by logarithms	Assessment of the dynamics coherence degree
Average monthly interest rate on term revocable bank deposits	Average daily number of individuals' deposits	0.954	Very high degree of dynamics coherence. Direct coherence.
	Average daily amount of individuals' deposits	0.840	The high degree of dynamics coherence. Direct coherence.
	Average daily number of short-term deposits of individuals	1.000	Full dynamics coherence. Direct coherence.
	The average daily amount of short-term deposits of individuals	0.987	Very high degree of dynamics coherence. Direct coherence.
	The average daily number of long-term deposits of individuals	0.040	Absence of the dynamics coherence.
	The average daily amount of long-term deposits of individuals	-0.225	Absence of the dynamics coherence.
Average monthly exchange rate of the US dollar to the Belarusian ruble	Average daily number of individuals' deposits	-0.718	The high degree of dynamics coherence. Inverse coherence.
	Average daily amount of individuals' deposits	0.332	Low degree of the dynamics coherence. Direct coherence.
	Average daily number of short-term deposits of individuals	-0.706	The high degree of dynamics coherence. Inverse coherence.
	The average daily amount of short-term deposits of individuals	0.204	Absence of the dynamics coherence.
	Average daily number of long-term deposits of individuals	-0.137	Absence of the dynamics coherence.
	The average daily amount of long-term deposits of individuals	0.598	Obvious degree of dynamics coherence. Direct coherence.

Rating of political broadcasts on Belarusian television	Average daily number of individuals' deposits	-0.249	Absence of the dynamics coherence. Inverse coherence.
	Average daily amount of individuals' deposits	0.387	Low degree of the dynamics coherence. Direct coherence.
	Average daily number of short-term deposits of individuals	-0.201	Absence of the dynamics coherence.
	The average daily amount of short-term deposits of individuals	0.380	Low degree of the dynamics coherence. Direct coherence.
	Average daily number of long-term deposits of individuals	-0.111	Absence of the dynamics coherence.
	The average daily amount of long-term deposits of individuals	0.232	Absence of the dynamics coherence.

Note. Calculations of the authors.

The *interest rate* turned out to be the most vivid factor, and the highest degree of coherence of dynamics is observed with the number and amount of short-term deposits of individuals. This fact is the justification for the subsequent use of the regression analysis method. At the same time, there are low indicators of coherence between the dynamics of the interest rate and the number and amount of long-term deposits of individuals. The number of individuals deposits, the number of short-term deposits of individuals, and the *dollar exchange rate* had a high inverse coherence of dynamics. Since the number and amount of short-term deposits were selected as the most representative performance indicators, the construction of a regression model for the number of short-term credits and the dollar exchange rate is justified. Extremely low rates of coherence of dynamics are observed in indicators characterizing the deposits of individuals and the *rating of political broadcasts*. There is an inverse relationship of this factor with the number of deposits and a direct relationship with the amount of deposits. Since the construction of the regression equation using the latter factor is impractical, as an alternative, it is possible to consider determining the levels of the adaptive correlation coefficient, which reflects the change in the strength of the connection (coherence of dynamics) over time.

3.2 Results from Method 2.

Within the framework of *Method 2*, a family of 6 regression models has been built. The simulation results are presented in Table 2.

Table 2. Results of regression simulation

Model:	Y	X	R^2	D-W	F	p-value
$\ln Y_t' = -1{,}09 + 4{,}97 \ln X_t' + \varepsilon$	Average daily number of short-term deposits of individuals	Average interest rate on term revocable bank deposits	0.698	1.64	20.855	0.0135
$\ln Y_t' = 1{,}18 + 4{,}45 \ln X_t' + \varepsilon$	The average daily amount of short-term deposits of individuals	Average interest rate on term revocable bank deposits	0.771	1.36	30.463	0.0037
$\ln Y_t' = -5{,}27 + 5{,}66 \ln X_t + \varepsilon$	Average daily number of short-term deposits of individuals (Minsk)	Average interest rate on term revocable bank deposits (Minsk)	0.872	1.342	68.25	8.87E-06
$\ln Y_t' = -0{,}23 + 3{,}77 \ln X_t' + \varepsilon$	Average daily number of short-term deposits of individuals (Regions)	Average interest rate on term revocable bank deposits (Regions)	0.49	1.32	8.8	0.0158
$\ln Y_t' = 1{,}87 + 4{,}82 \ln X_t' + \varepsilon$	Average daily amount of short-term deposits of individuals (Minsk)	Average interest rate on term revocable bank deposits (Minsk)	0.806	1.34	37.41	0.00017
$\ln Y_t' = 0{,}09 + 3{,}62 \ln X_t' + \varepsilon$	Average daily amount of short-term deposits of individuals (Regions)	Average interest rate on term revocable bank deposits (Regions)	0.548	1.15	10.9	0.0091

Note. Calculations of the authors.

The results of regression simulation showed that with an increase in the average interest rate by 1%, the average daily number of short-term deposits of individuals in the Republic of Belarus (according to one of the

commercial banks) increased by 4.97%, and the average daily amount of short-term deposits of individuals increased by 4.45%. With an increase in the average interest rate by 1%, the average daily number of short-term deposits of individuals in Minsk increased by 5.66%, and in the regions — by 3.77%. In turn, with an increase in the average interest rate by 1%, the average daily amount of short-term deposits of individuals in Minsk increased by 4.82%. And in the regions — by 3.62%. In general, it should be noted that the quality of the models by region is average, but the parallel construction of the capital-regions models made it possible to conduct a comparative analysis of depositors' behavior in the context of reaction to changes in the interest rate on deposits. In general, Minsk reacted more vividly to changes in the interest rate than the regions, as evidenced by higher values of regression coefficients for the factor variable.

Models with factor variables of the rating of television political broadcasts and the exchange rate were of poor quality and, accordingly, the results were not presented. In this regard, these variables were analyzed using the following method.

3.3 Results from Method 3

The use of *Method 3* showed the following relationships of deposits with political television broadcasts and the exchange rate in Figures 4-7.

Figure 4. The adaptive correlation coefficient between the rating of television political broadcasts and the number of short-term deposits of individuals in 2022

Note. Calculations of the authors.

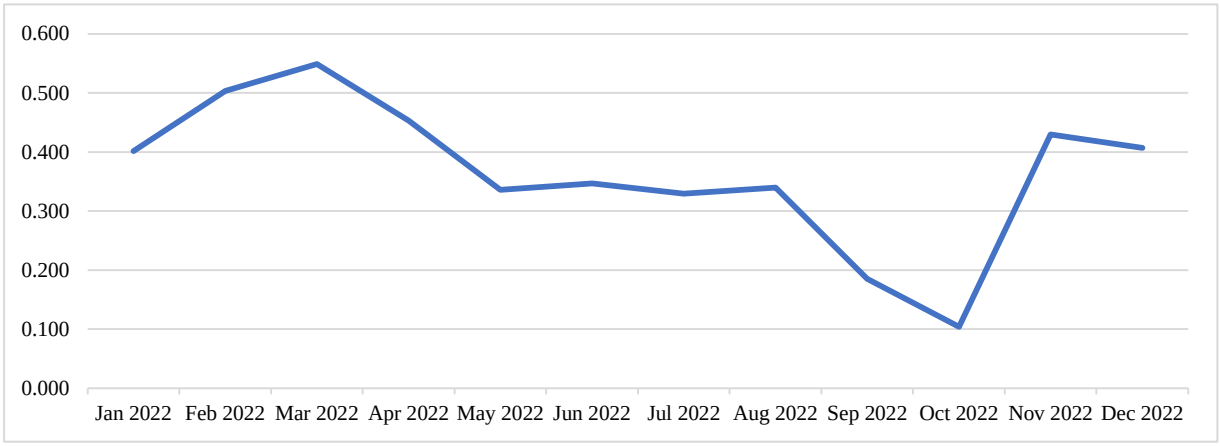

Figure 5. The adaptive correlation coefficient between the rating of television political broadcasts and the amount of short-term deposits of individuals in 2022

Note. Calculations of the authors.

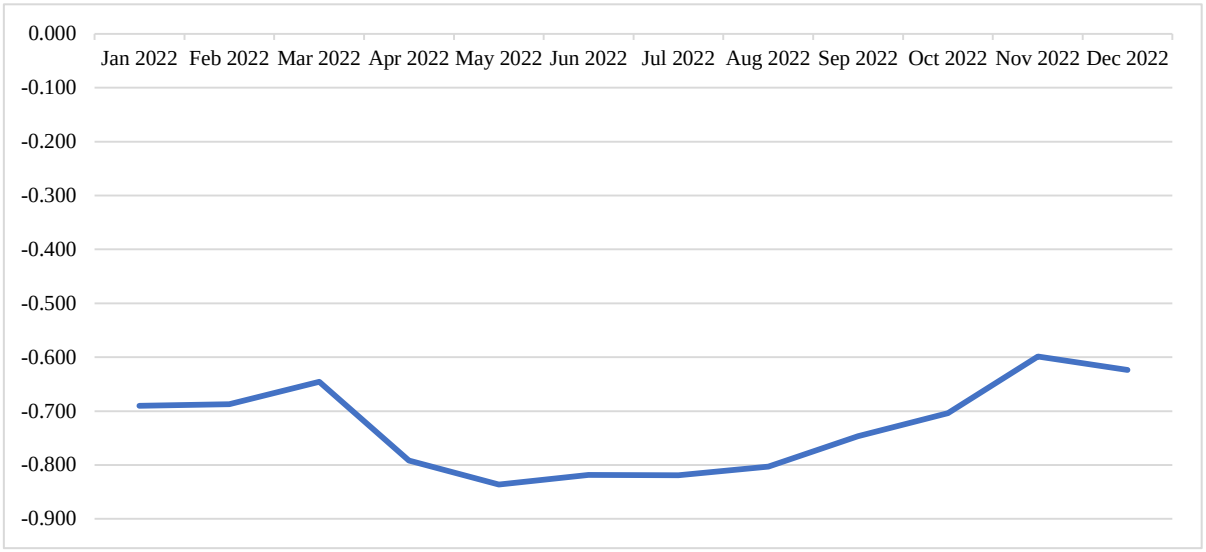

Figure 6. Adaptive correlation coefficient between the exchange rate and the number of short-term deposits of individuals in 2022

Note. Calculations of the authors.

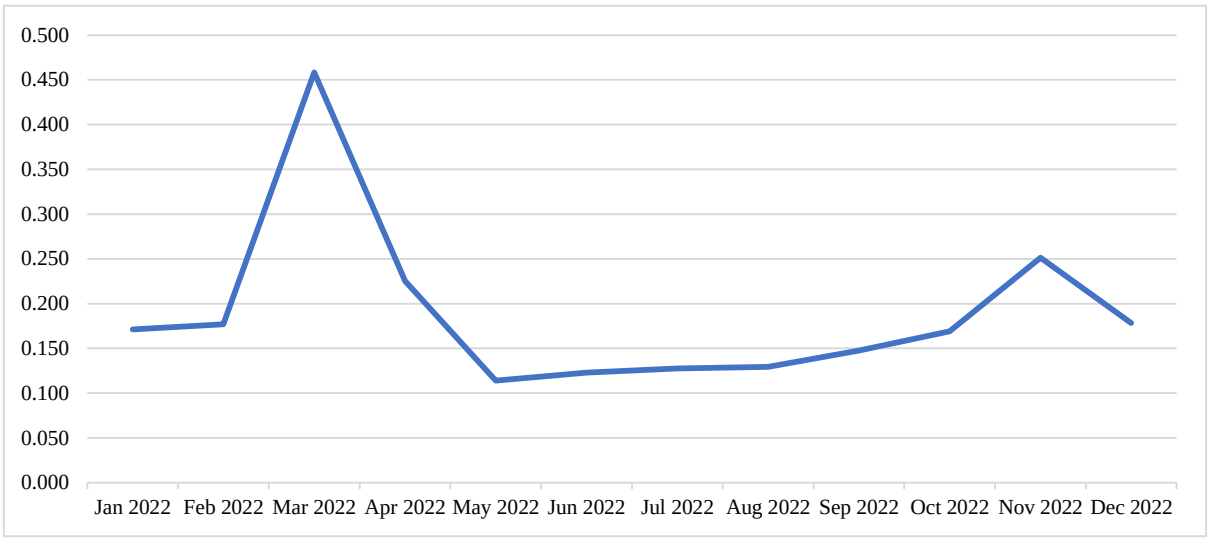

Figure 7. The adaptive correlation coefficient between the exchange rate and the amount of short-term deposits of individuals in 2022

Note. Calculations of the authors.

Only one of the four adaptive correlation coefficients showed a sufficiently high level of correlation — this is the coefficient between the exchange rate and the number of short-term deposits of individuals in 2022 (see Figure 6). At the same time, this method failed to identify the relationship between the rating of political television broadcasts and the number (amount) of deposits.

4. Discussion

Testing of hypotheses by the proposed methods showed that *Hypothesis 1 (H1) was not confirmed*. In Belarus, as well as in the regions of Russia, unlike Moscow (RIA Rating, 2023), there was no negative financial reaction of depositors to the growth of consumed television military and political news. The modified correlation coefficient between the consumption of political TV programs and the behavior of depositors, calculated using logarithms, showed a low value. Regression models turned out to be unacceptable, and the adaptive correlation coefficient had a low negative value for the number of deposit agreements and a rather low positive value for the amount of deposits with a peak value in March 2022 at 0.55. In fact, Belarusian investors turned out to be indifferent to

television news, even despite the increase in consumption of information and political news in the first months of the military events in Ukraine. This can be explained both by the influence of other factors on the behavior of depositors and by the multidirectional consumption of news through different information channels and with different tones of information presentation.

Hypothesis 2 (H2) was confirmed both in terms of the influence of the interest rate and the exchange rate on the behavior of depositors, and the greater impact on depositors of changes in the interest rate than the exchange rate in the framework of the Russian-Ukrainian case under consideration. The modified correlation coefficient of the interest rate with the number and amount of deposits turned out to be positive and high, especially for short-term deposits. Regression models showed that a 1% increase in the interest rate increased the inflow of deposits and their amounts by about 4.5-5%. In turn, the exchange rate had an ambiguous effect on the behavior of depositors. With the growth of the US dollar, the number of deposits, especially short-term ones, decreased, and the amount of deposits increased. This can be explained by the assumption that small depositors reacted to fluctuations in the exchange rate by withdrawing foreign currency and ruble deposits, and large depositors transferred their foreign currency deposits into rubles, under the influence of an increase in the interest rate.

Hypothesis 3 (H3) was only partially confirmed in terms of the more pronounced effect of the interest rate increase on the increase in the number and amount of deposits in Minsk compared to the regions. At the same time, there is a lack of diversified influence of television military news on investors from the capital and regions. The result of the regression analysis showed that with an increase in the interest rate by 1%, the number of deposits in Minsk increased by 1.89 percentage points more than in the regions, and the number of deposits increased by 1.2 percentage points more than in the regions. Among the explanations for the more vivid reaction of the capital in comparison with the regions, one could probably attribute its higher financial literacy and adaptability to changing economic realities. However, some studies show that during the beginning of the Russian-Ukrainian military conflict, less experienced and less financially literate investors increased their activity in the financial market, unlike more experienced and literate ones (Priem, 2022). Therefore, it is possible to expand the search for reasons for a more active financial position of the capital compared to the regions, as, perhaps, groups of capital investors with higher incomes and a more active political position with greater immersion in military and political news.

5. Conclusions

The case of Belarus showed, on the one hand, the atypical financial response of depositors to the news about the beginning of a large-scale Russian-Ukrainian military conflict in February 2022. Unlike Russia, Ukraine, and a number of other countries in similar conditions, Belarusian depositors in the first months of the conflict did not reduce but increased their deposits. This can be explained by fluctuations in the exchange rate and an increase in the interest rate on ruble deposits. Under the influence of these factors, Belarusian depositors, especially those with large deposits, withdrew their deposits in foreign currency, converted them into Belarusian rubles, and placed them in deposits in national currency at high rates. Such a behavioral pattern is probably due to the fact that there were certain expectations for the limit of devaluation of the Belarusian ruble during that period, and the amount of the established interest rate in the national currency exceeded devaluation expectations. As a result, a picture emerged when the population of Belarus, reacting to negative events in Ukraine, fluctuations in the exchange rate, and an increase in the interest rate, focused mainly on the latter and did not reduce, but increased their deposits.

On the other hand, the calculation results showed that the Belarusian case turned out to be typical for Russian regions, which, unlike Moscow, increased deposits in 2022, rather than reduced them. Differences in the financial behavior of the capital from the regions are a common practice and are confirmed here by the example of Minsk and six regions. Although Minsk's reaction was stronger than other Belarusian regions, Minsk and the regions reacted the same way to the change in the interest rate.

To conclude, it is possible to answer the question of what influenced the financial behavior of Belarusian depositors more in the context of the Russian-Ukrainian military conflict: television political news, the interest rate, or the exchange rate. The greatest effect on Belarusian depositors was the increase in the interest rate, which blocked the effect of the Belarusian ruble devaluation. Fluctuations in the exchange rate also had an effect on the behavior of depositors, but that effect was secondary to the effect of the interest rate. It is noteworthy that the effect of television political news on Belarusian depositors was not revealed: the increase in consumption of political-military TV news did not affect the financial behavior of the Belarusian population.

Authors Contributions

Prof. Rudy was responsible for data collection, hypotheses formulation, literature review, study design, and

revising. Dr. Sharilova was responsible for the methods used and research results. All authors read and approved the final manuscript.

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