



# Reputational risk and its cases



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1. RISK MANAGEMENT AND  
TYPES OF RISKS

2. REPUTATION RISK AS ONE  
OF THE MAIN RISKS

3. REPUTATION RISK CASES

# TYPES OF RISKS IN BANKING

**CREDIT RISK**

**MARKET RISK**

**OPERATIONAL  
RISK**

**REPUTATIONAL  
RISK**

# IMPORTANCE OF REPUTATION

- ⌘ **Employees:** Are more loyal to a company with good reputation. Help with recruiting
- ⌘ **Investors and business partners:** Will take risk in a company that they can trust based upon its reputation. (More than 90% think about reputation in investment decisions: 40% care about reputation, 50% care partially).
- ⌘ **Lawmakers and regulators:** Reputation can help lessen the legal burden on a company.
- ⌘ **Public at large:** Preserve —social license to operate
- ⌘ **Customers and suppliers:** Support loyalty to company
- ⌘ **Competition:** Barrier to entry

# Managing reputation risks

Vision  
expansion

Employee  
belief

Employee  
satisfaction

Knowledge  
banks

Enterprise-  
wide  
solutions

Analytics

Social  
media

# Reputation Risk Cases

Brent Spa

Fuel price protests

Onshore drilling operations

Changing rescue and recovery

# Conclusion

Building a financial institution's reputation may take years, but it certainly can be damaged or even destroyed very quickly.

Reputational risk exists in a combination of factors that financial institutions face every day

THANKS!

