

METHODOLOGICAL APPROACHES OF EVALUATION OF RISKS OF LOSS OF BUSINESS REPUTATION BANKS

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The research carried out an assessment of reputational risk using a variety of techniques in ten commercial banks that are represented in the Odessa region and have confidence in legal and natural persons. Risks of loss of business reputation were assessed in banks with a state share ("Ukreximbank", "Oschadbank"); in banks of foreign bank groups (Prominvestbank, Raiffeisen Bank Aval, Marfinbank, OTP Bank and PJSC "UkrSibBank"), and in banks with domestic private capital ("PUMB", "Bank Vostok", "AB Pivdenyi"). The comparative analysis of existing methods of assessing the risk of loss of business reputation of commercial banks of Ukraine revealed the disadvantages and advantages of each methodology. It has been determined that among the main methodological approaches used on theory and practice, risk of management for the assessment of reputational risk predominate quality one and the most widespread method is a method of expert assessments. Among the disadvantages of existing methodological approaches are noted: incompleteness, unjustified of control data of indicators and

criteria for determining the levels of reputational risk. Quantitative assessment of the reputational risk of banks is complicated by the lack of sufficient statistical basis of their losses due to the deterioration of business reputation in the context of socio-economic events of varying proportions and the group of economic and mathematical methods practically is not involved. It is proved that the achievement of an adequate combination of qualitative and quantitative approaches to assessing of reputational risks of banks is quite difficult. Therefore, it is considered that the most objectively assesses of the risk of loss of business reputation of banks, is a method that takes into account all components of risks and is based on actual data and results of ratings. The author proposed a comprehensive methodology for assessing reputation risk of the bank on the basis of quantitative and qualitative approach. The banks' use of the proposed methodology and recommendations will help to improve the identification, evaluation and timely decision-making processes for minimizing potential losses due to reputational banking risks.