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NRS | NATIONAL RESOLUTION SYMPOSIUM 2024

23 - 24 September 2024

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PANEL SESSION 2:
Crisis communication

Moderator:

MELISA IDRIS

Assistant Vice President,
Lead Editor and Anchor,
Astro Awani News Network

Panelist:

SHAHRIL HAMDAN

Managing Director,
Watchtower Advisory

Panelist:

SAMY HARRAZ

Head of International
Relations and Institutional
Negotiations,
Single Resolution Board

Panelist:

**DATO' ZAINUL ARIFIN
MOHAMMED ISA**

Group Chief Executive
Officer, SCOOP

Panelist:

**MOHAMMAD ABDUL
HAMID**

Public Policy Consultant,
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Shahril Hamdan

Managing Director, Watchtower Advisory

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Crisis Communication – the SRB approach

Samy Harraz

Head of Unit, International Relations and Negotiations

Single Resolution Board

Overview:

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1. The role of communication for managing financial crises
   - Experience from recent crisis cases; positive aspects and challenges
2. Relations with media and the public
3. Emerging challenges: the role of social media and technology

1. The role of communication for managing financial crises – Timeline

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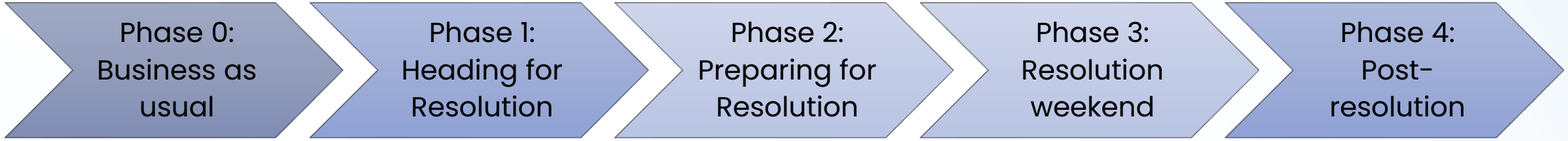

→ fast evolving crises may compress the available time for periods 1 to 3 and even merge them

1. Experience from recent crisis cases

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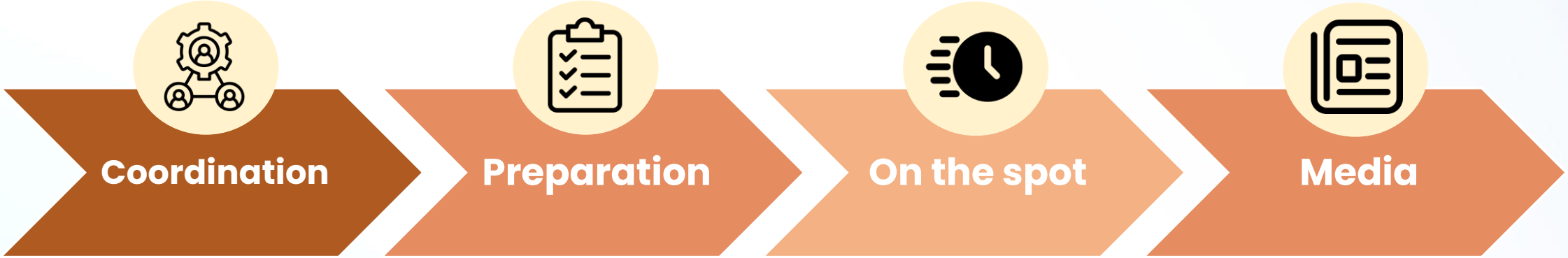
Positive aspects



1. Experience from recent crisis cases

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Challenges

- Complexity
- Timing
- Interaction with media
- Messaging

2. Relations with media and the public

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Good crisis interaction with media and journalists needs to be prepared in peace times:

- Background interviews
- Press releases
- Press breakfasts on resolution-related topics
- Educational events surrounding the SRB Annual conference

Financial education is also important to ensure SRB's messages are understood:

- Explanatory videos
- Outreach to stakeholders
- Priority of the new Commission

3. Emerging challenges: the role of social media and technology

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The rise of social media and technology brings a variety of new challenges:

- Fake news; rumours, amplification of deposit outflows, difficulties to control the narrative; leak risks

Remedies:

- Preparedness is even more important since reaction times might be reduced; proactive, coordinated and confident messages & defensives should be prepared in advance and be ready for use in fast-track
- Social media-monitoring for emerging risks
- Banks must re-develop and adapt communication plans as well

Conclusion:

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- Preparation of messaging, establishment of effective processes and testing in peace times enhances preparedness and ensures consistency
  → strategy needs to be adapted depending on the case at hand
- SRB's communication readiness and effectiveness has increased considerably over time
- Building a trusted relationship with media and public in peace times is beneficial for credible and consistent messaging during crisis
- Social media and technology may considerably accelerate events and shorten the available timeline, thus exerting additional pressure

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BE PREPARED, BUILD MUSCLES

Communication Strategy When Managing Crisis

Zainul Arifin Mohammed Isa
Big Boom Media

Prepare for the Olympics

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Build your crisis management muscle

- Assess vulnerabilities
- Pick one of them, and workshop it
- Craft your responses
- Assets needed
- Your team
- Draw out an SOP

Behavior

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- Take the lead
- How you respond
- Stand up and be counted
- You are not the bad guy
- In a crisis trust is the currency you have

Know your environment

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- Record level of mistrust of the government, politicians, authorities, corporations, etc.
- Everyone has a megaphone and an opinion
- Know your stakeholders
- Who can you trust?
- Social Media rules – it’s a wild wild west

Build relationship

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- With the media
- Industry analyst
- Opinion leaders
- Staff

Internal is gold

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- Get it right with employees they become an army of songbirds
- Share what can be shared publicly
- Keep them up to speed

Beyond truth

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Is there anything better than the truth?

Believability

Facts are less important now

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- Information is now at our fingertips, but we are too lazy
- “Cut ‘n paste”, “forward as received” even if they are untruths
- Internet also makes the world less tolerant, angrier, more susceptible to lies, fake news, etc

Content-driven agenda

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- People try to further their agenda
- Ideological
- Fake news

Build your own media real estate/assets

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- Digital platforms/social media
- Facebook
- Twitter
- Instagram

Imagine that you are NOT who you are?

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- What do you want to know?
- Do you care the problems a bank has?
- Is there contrition, apology or regret, and if there are any, is it sincere?
- Has the buck stopped at the institution?
- Is the institution pointing its finger at someone else?

What you need

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- Statements
  - Holding statements
  - Updates
  - Information
- Spokesperson
- Social media monitoring

Pro-active not re-active

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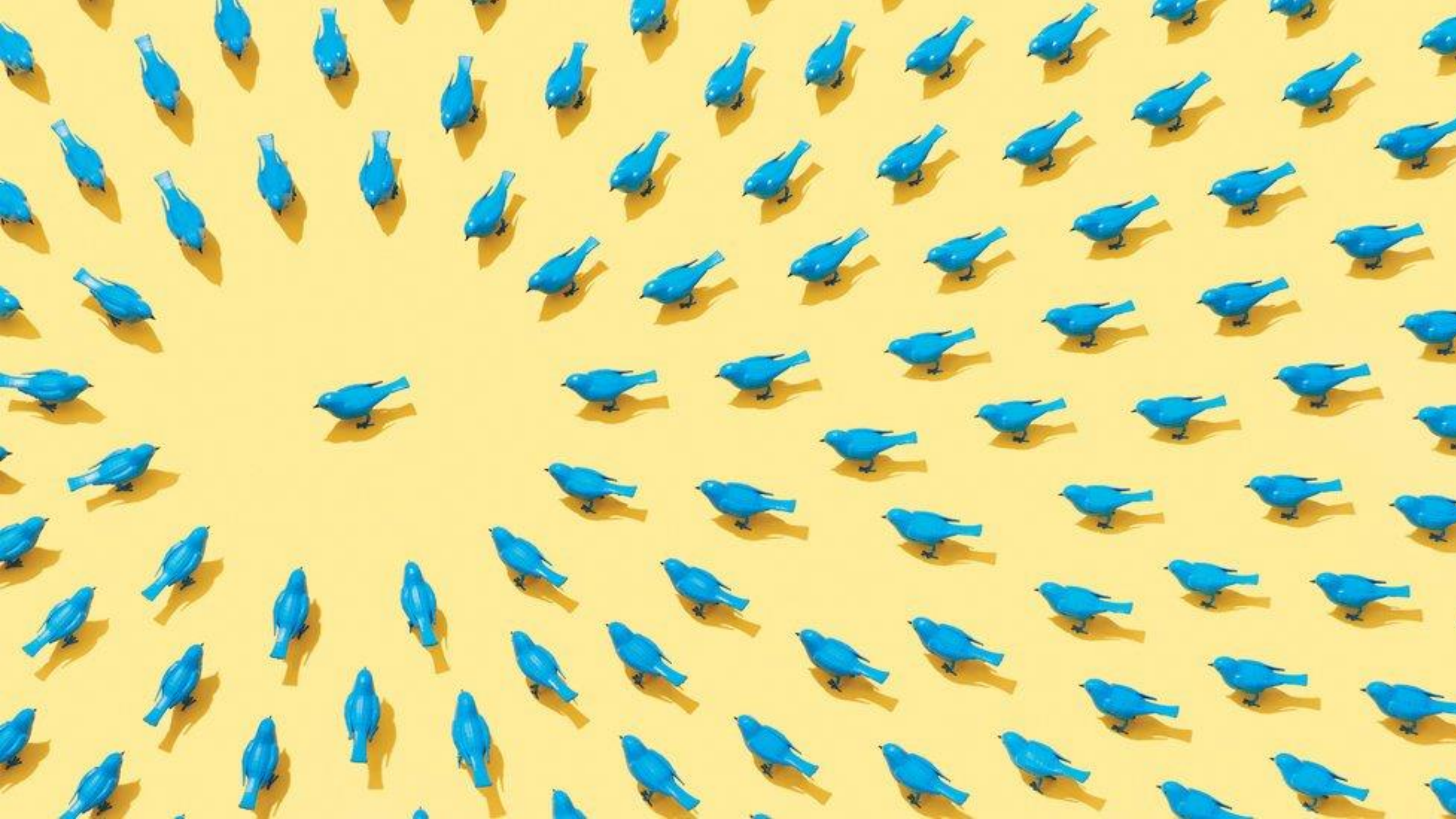
- Transparency
- Sincerity
- Consistency



An incident happens – the world finds out first

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Old ways (Linear)

- Gather information
- Coordinate response
- Prepare statement and get it approved
- Address the media
- Do it again tomorrow

New ways (Non-Linear)

- Cellphone share with the rest of the world (Facebook, Twitter) immediately
- Do not wait, come up with statement
- 24-7
- Non-linear, back and forth
- Amplified
- Speed, engagement as well as rumors and opinion management

Kill “No comment”

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Phrases you should not use

- Re-accommodate*
- We don’t know
- We never knew
- We didn’t plan for it
- It was not our responsibility
- No comment

Build your own media real estate/assets

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- First person, less official, more human
- Maybe reduce press release, at times not the right response these days
- Be more thorough
- FAQs
- Time to build

Different approaches to handling crisis

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- Defensive
- Serious
- Sincere
- Legalese
- Humility
- Contrition
- Combative
- Righteous, etc.

Pros and cons of social media

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Negatives

- Frequency
- Speed
- Reach,
- Visibility,
- Permanence

Positives

- Measurable
- More dialogue
- Duration

Google doesn't forget

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- We do not have the absolute control of information… but we can shape opinion
- Don’t allow interpretation... facts in context better than bare facts
- You are what you are made out to be
- It’s nothing personal… most of the time

Bane of the data plan

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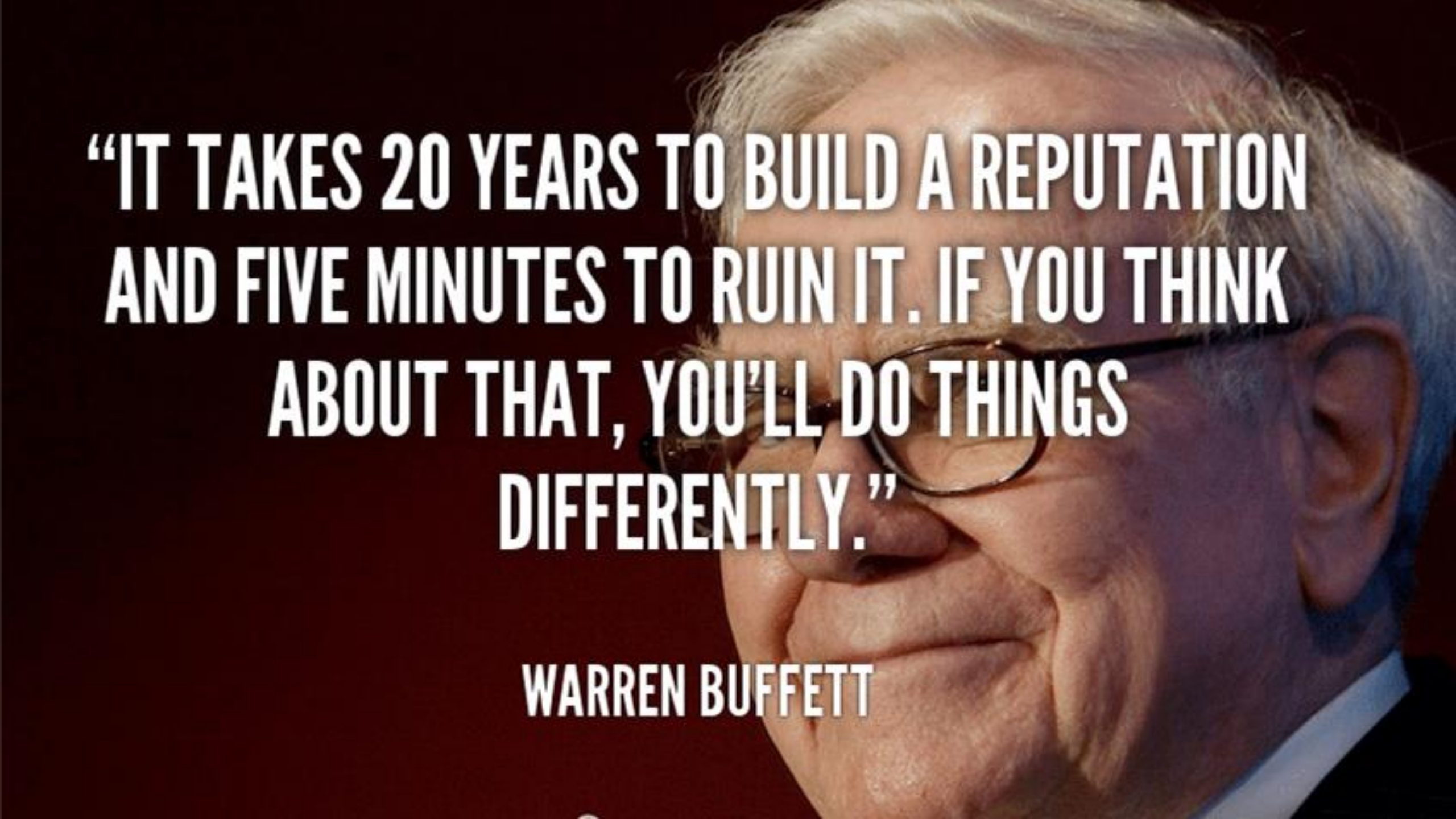
- Information now available in all manners, at any time, anywhere
- Everyone has an opinion and wants to share them
- Shoot first, verify later… maybe


"IT TAKES 20 YEARS TO BUILD A REPUTATION AND FIVE MINUTES TO RUIN IT. IF YOU THINK ABOUT THAT, YOU'LL DO THINGS DIFFERENTLY."
WARREN BUFFETT

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Behavioral Insights Perspective

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Fight or flight?

Panic?

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According to the Disaster Research Centre, University of Delaware:

- **panic** "was of very little practical or operational importance"
- not found to be a significant influence on outcomes during crisis/disaster events
- mitigating panic may not be useful…

GCS Behavioural Science Team (2022)

Fight or flight?

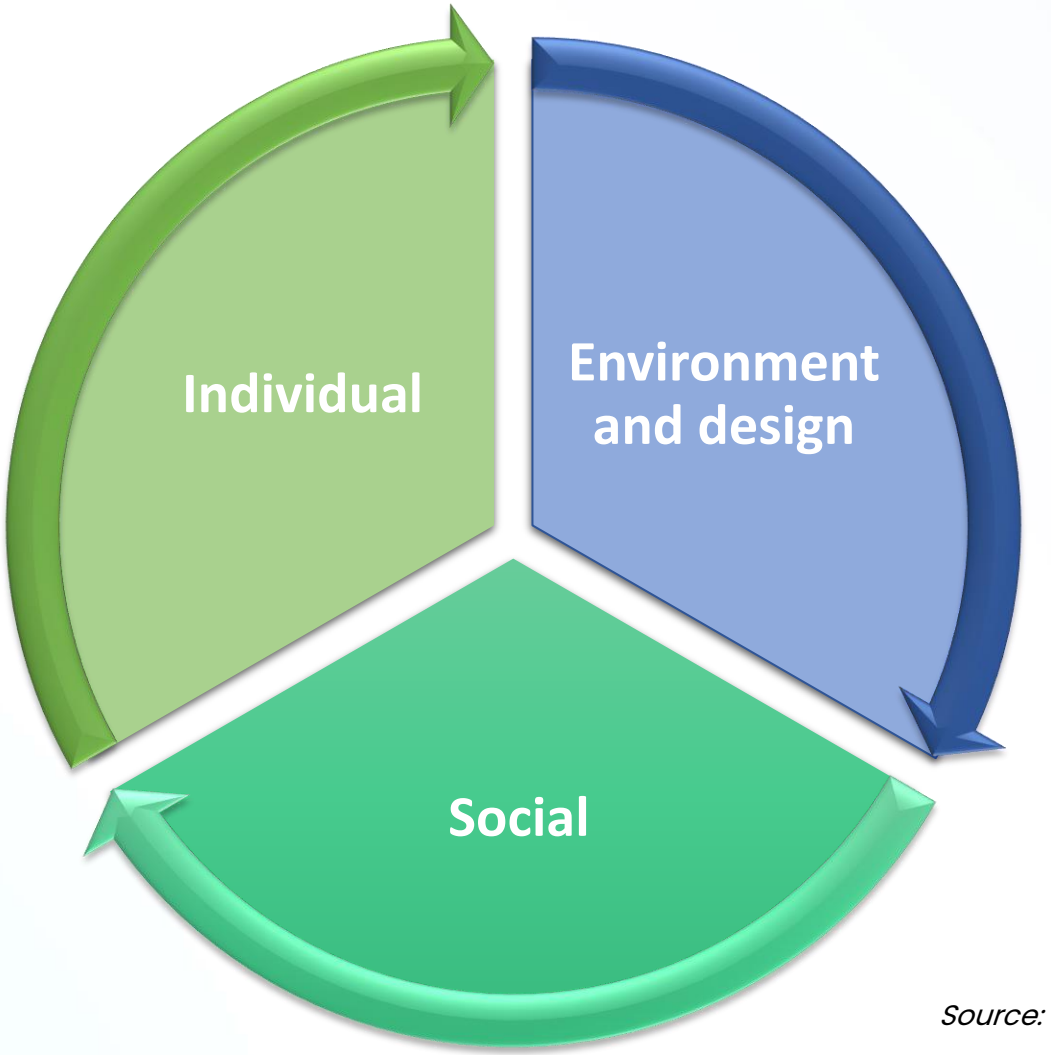
Uncertainty, ambiguity, conflict

Probability judgment

Heuristics & biases

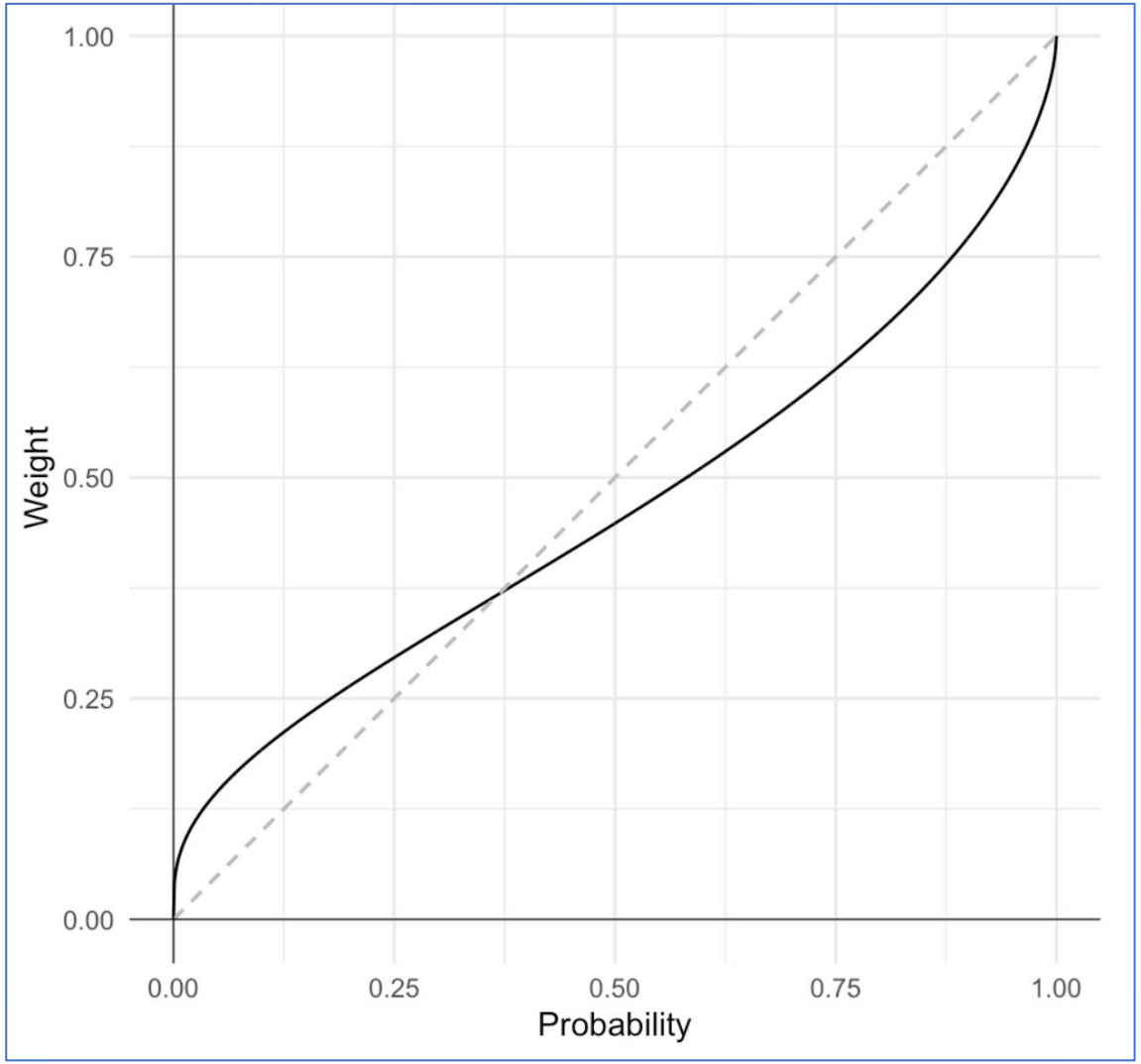
Social dimension

Behavioural influences



Source: IRS

Risk perception



Source: Collins, J

“Prior crisis” – prerequisites & BAU

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Build trust

- transparent
- communicate

Understand your stakeholders & customers

- Can we anticipate?

Awareness and education

Suggest risk management strategy

Media relations

How to anticipate behaviour?

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Identify essential needs

Identify barriers to needs

Identify behaviours

Identify consequences & how to mitigate

GCS Behavioural Science Team (2022)

How do we apply BI?

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What **behaviour** to promote?

Risk perception

Control **danger** or **fear?**

How do we apply BI?

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Policy experiment	test communication material	effectiveness of mediums
Steer people in the "right" direction	prompt, timely, simple, clear & social	customised messaging
Recognise boosting too!	educate	
Digital communication	push notification	trusted messengers

Nudging

Game plan

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Are we irrational?

- What's the rational/right things to do?

Lessons from past crisis

- Covid-19
- Financial crisis

Evidence prior crisis

- Baseline
- Policy experiment

Strategy

- Organisation
- Coordination
- Action

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