

Capital Adequacy and Reputation: The connectedness of the Financial Stability, Accounting Compliance, and Brand Trust in the Greek Banking Sector

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Abstract: This study examines the dynamic relationship between the capital reinforcement policies, accounting compliance, and the strategic management, of the reputation in the four Greek systemic banks (i.e., National Bank of Greece, Piraeus Bank, Alpha Bank and Eurobank). The successive recapitalization interventions, the gradual implementation of the International Financial Reporting Standards (especially the IFRS 9), and the slow adoption, of Basel III guidelines, banks were compelled not only to adjust their financial reporting, but also, to reinvent the public narrative of their stability. Reputation is examined, not merely as an intangible asset, but as a form of strategic communication, and institutional legitimation, particularly in periods of low trust, and the high regulatory uncertainty. The analysis focuses on how the practices, such as rebranding, ESG disclosures, and the crisis communication, have shaped public, and investor perceptions. Special emphasis is placed on the periods between the 2011 to 2015 and the 2016 to 2021 marked respectively by the financial turbulence and efforts toward, institutional readjustment. The theoretical framework combines the perspectives from reputation and the social capital theory, the signaling theory, and the corporate legitimacy. It also highlights the role of the fiscal reforms, and the instruments, like deferred tax assets (DTAs), in strengthening bank capital, and constructing the appearance of solvency. The study argues that the capital adequacy is not solely a regulatory measure, but also a question of strategic trust, and institutional, storytelling.

Keywords: Banking Sector, Financial Stability, Capital Adequacy

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