

Reputational risk

Progress in the management model

Reputational risk is the risk arising when the expectations of stakeholders (e.g. customers, shareholders, employees, investors, etc.) are not met and their reaction can adversely affect existing or new business relationships with them.

It is essential to understand the unique nature of such risks to manage them. They are unique because they depend on external assessments and can originate from a wide variety of sources, including other risks.

In 2021, the entity made advances in the management model for this type of risk, updating the prioritisation of stakeholders and the repertoire of reputational risk events, and developing a global indicator for exposure.

The management model for these risks is based on prevention. Identifying and controlling them proactively is key to reducing the likelihood they will occur and mitigating their impact. The Bank has various tools at its disposal for this:

- Regular measurement of the perception and expectations of the Bank's main stakeholders based on RepTrak®, the international standard for measuring and managing reputation.
- Monitoring and analysis of mentions of the entity in conventional and social media, in addition to active listening to gauge trends in the market and environment.
- Assessment of reputational risk before marketing a product or outsourcing a service.
- Monitoring and quarterly reporting to senior management of metrics for each stakeholder.
- Crisis management protocol to preserve reputation and business continuity.

All employees are responsible for safeguarding the entity's reputation, guided by a number of professional conduct and ethics manuals. Therefore, training and awareness of all staff is crucial for creating a strong internal culture of prevention.

