Reputational Risk
December 31, 2025

Reputational risk is a risk that arise as a result of the decline in the stakeholders' trust level that stemmed from negative perception on the Company.

Reputational Risk Management Framework

SMBC Indonesia's reputation is a crucial asset for business continuity. Therefore, all communication activities to external parties, whether involving conventional mass media or social media, that are deemed to impact the company's reputation, need to be coordinated with Corporate Communications and Corporate Brand. In addition to delivering messages to external parties, another parameter that influences the bank's reputation comes from customer complaints received through the official SMBCI Care channel, managed by the Customer Contact Center (CCC) Division.

One of Corporate Communications' functions is to serve as a pillar in managing the Bank's reputation through a series of publication efforts and managing emerging issues in the public. This effort is carried out by effectively and efficiently communicating (disseminating information) to internal and external parties, including the mass media, in accordance with the Bank's strategy, vision, mission, and values.

Regarding the Bank's reputation management function, Corporate Communications is responsible for and acts as the gateway for disseminating internal and external information through relevant communication channels. Corporate Communications, in synergy with other departments that is also responsible for reputational risk, also assists in the oversight (control and monitoring) of all general and specific Bank communication activities carried out by each business unit and supporting unit.

Policies, Procedures, and Limit Setting

In controlling reputational risk, the Bank has policies, procedures, and mechanisms to improve service quality, including handling complaints from stakeholders (customers and other stakeholders), which is carried out in an integrated manner.

The Bank prepares the steps outlined in the procedures as preparation and anticipation to respond if there are questions from the mass media or customers regarding events that affect the Bank's reputation.

Adequacy of Risk Identification, Measurement, Monitoring, Control and Risk Management System

The reputation risk identification process is performed through the preparation of reputational risk assessment for new products or activities or their development, as well as corporate actions that will be implemented, including material Bank transactions. The reputational risk measurement process is carried out through an independent assessment of reputational risk as part of the Bank's regular risk profile preparation.

The reputational risk monitoring process is carried out through media monitoring on negative issues and customers' complaints in the mass media.

There are 2 (two) main parameters in measuring reputational risk, namely (1) negative news and (2) frequency and time for resolving customer complaints.

Monitoring of these 2 (two) parameters is carried out continuously so that responses to negative news and customer complaints can be managed quickly and accurately so that it does not have an impact on the Bank's reputation. The reputational risk control process implemented, among other things, through Internal Audit investigation reports as input for the continuous improvement of operational processes.

Monitoring of reputational risk is carried out, among other things, through the Risk Management Committee. Internal Audit periodically conducts an investigation on the reputational risk management of each related party in accordance with the established Audit Plan.

Audit investigation is conducted on negative news and managing customer complaints, including documentation, follow-up, and reporting to mitigate reputational risk, reviewed during audit process.

Reputational Risk Control System

The Bank has an Internal Control System for reputational risk management, including regular monitoring of customer complaints or negative news that has a material impact on the Bank's reputation and a reputational risk control culture involving all business lines.

Reputational Risk Control and Reputational Risk Management in Times of Crisis

Referring to the Crisis Communication Manual, the Communications & Daya Division is responsible for reputational crisis communication at the head office and appoints the person responsible for reputational crisis communication at the regional level. This division provides support for all aspects of external and internal communications, from planning and implementation to monitoring and evaluating communication processes during a reputational crisis.
The main tasks during a reputational crisis situation include:

1. Develop a communication strategies and tactics to communicate;
2. Design and draft the key messages;
3. Consider the communication channels used;
4. Determine the spokesperson and person in charge of communication;
5. Coordinate with the person in charge of communications and appointed spokesperson;
6. Carry out intensive communication functions to external and internal parties;
7. Manage requests for information or interviews with the media; and
8. Monitor and evaluate the effectiveness of communication.