

# **The impact of corporate sustainability and digitalization on international banks' performance**

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## **Abstract-**

**We analyse the implications for international banks of two contemporary megatrends: corporate sustainability (CS) and digitalization. The digital environment and the availability of massive data from customers generate asymmetric information for banks to the detriment of customers, who experience individual vulnerabilities such as privacy rights. This can hinder the positive influence of digitalization in banks' performance, with relevant managerial and political implications. In this context, the reputation generated by CS strategies can constitute a credence factor that reduces customers' fears of opportunistic behavior and information asymmetries. We test and find support for our hypothesis over a panel data of large international banks from developed countries. Our findings shed light on the mutual reinforcement of CS and digitalization strategies in enhancing banks' market performance and efficiency.**

## **Index Terms-**

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