

Networks and channels



Bankinter's branches,
increasingly digitalised.



Bankinter Blog, 2.2
million visits, a 34.1%
increase on last year.



Notable improvement
in the results of the
agent network.

Branch network

We continue to grow

At the end of 2017 Bankinter had 364 universal offices, 72 business centres, 48 private banking centres and 22 corporate banking management centres.

The universal offices distribute and manage customer business for the segments of individual retail banking, personal banking and SMEs. The private banking centres provide management and advisory services to high net worth customers, who are included in this segment of private banking.

Medium-sized enterprises are distributed among the business centres and corporate banking customers among the specialist management centres.

There was a significant increase in the attraction of new customers in 2017, which took place at the same time as the rise in customer satisfaction resulting from the excellent service provided in branches and the support of remote advisers.

Bankinter's branches are becoming increasingly digitalised, where the use of remote signatures or of advanced management tools by managers, are increasingly common. The use of these new systems and devices makes operations with customers quicker and easier, avoiding unnecessary visits to the branch for routine matters, and at the same time freeing up managers' time which can then be spent on those tasks which provide greater added value for customers.

The branch network staff made a major effort in 2017, to ensure they complied with the training requirements of the Financial Services Advice Certificate (CAF) and the Financial Services Information Certificate (CIF).

The help of the internet

The work of the branches also benefits from the growing use of the internet among customers, who have shown their satisfaction with the launch of the Bank's new transactional website and the improvements in its operation during 2017.

In this area, Bankinter has a traditional advantage over the rest of the banks operating in the Spanish market, which is the high percentage of digitalisation of its customers, who are used to dealing with the Bank through the different channels available to them, especially the digital ones. 91% of customers use both digital and traditional 'in-person' channels interchangeably for their transactions and interaction with the Bank, with only 9% of customers wanting to be served exclusively by these more traditional channels.

The objective in 2018 is to maintain the branch network structure in Spain and further develop the strategy of converting the branch into a point of sale, whose professionals are among the most skilled and best trained in the sector, so as to improve the customer experience.

Agent network

Notable improvement in results

The agent network has confirmed itself as a benchmark business model in the sector. It comprises professionals with their own office that work with Bankinter to provide private banking services. The agents provide their knowledge and their customers, while the Bank contributes its product portfolio, structure and brand. Generated profits are shared in accordance with the provisions of the corresponding commercial agreements.

At the end of 2017, the network was formed by 400 agents, who were highly qualified and focused on the wealth management of high net worth customers. All of them are fully qualified to provide the functions of the advisory services they carry out and have received the training required by the MiFID 2 directive, that tightens up the protection of customers in financial transactions.

The balance sheet of the agent network totalled 11.801 billion euros at 31 December, which is practically triple the amount of six years ago. The average balance managed per agent is 29 million euros, compared to 21 million euros at the same date in 2016, with a rise of almost 40% in just 12 months.

New customers

The commercial activity and the attraction of new professionals (34 in 2017) saw 1,241 new private banking customers join Bankinter in 2017 through the agent network, 26% of the total, with the resulting impact on sales volume and fee income.

The agent network contributed 41.4 million euros to the Bank's gross operating income and 21 million euros in pre-tax profit, up 14% and 38% on 2016, respectively. Just three years ago, in 2015, this business had EBT of 10.7 million euros; in other words, a little over half that of 2017.

Alongside this improvement in earnings, in 2017 two major challenges were undertaken: the construction of a training database and the adaptation of all the agent's agreements to the new regulations, the Internal Code of Conduct and a Code of Ethics specific to the agent network.

In 2018, it is planned to carry on with the adaptation of MiFID 2, improve the control environment, make further progress with digitalisation, maintain the rate of attracting new agents and increase the contribution of profit to the Bank.

	2017	2016	% Dif.
Active customers (No of customers)	37,368	36,053	3.6%
Total customer funds (€ bn)	7.541	5.999	26%
Customer deposits (€ bn)	1.912	1.872	2%
Customer loans (€ bn)	1.463	1.491	-2%

Banca Partnet

25 years making the difference

Banca Partnet is a network based on partnership agreements with large companies to develop customised financial products and services with them. The project enables the creation of virtual bank branches: that is, with no physical location, inside the company itself. The Bank provides the technology and knowledge, while the company promotes its services among employees, customers and suppliers. The profits from the common income statement are distributed between the two parties.

This innovative business model, which is practically unique in the market, will have been in existence for 25 years in 2018.

In 2017, Banca Partnet made further progress in carrying out its new strategic plan, the objective of which is to make the partner network more efficient, offer customers a better service and grow its contribution to the Bank's profits. The results for 2017, the first year of the plan, were as follows:

- An increase of almost 60% in attracting new customers, reversing the trend of previous years.
- The targets set for profits, customer base and the rest of the indicators in the business plan were comfortably met.
- The capillarity of the network itself was adjusted to adapt it to the new strategic lines.

- A major investment was made to update the technological developments, with special attention being paid to improving information to the end customer.

Consolidation projects

The projects for 2018 include strengthening the attraction of new customers, completing the transformation of technological resources and opening new branches in the sectors considered as strategic (consulting, auditing and large law firms, technology companies and pharmaceutical cooperatives), concentrating agreements on those companies with the greatest potential. The aim is, in short, to consolidate the initiatives started in 2017 and move towards an increasingly profitable business model. The Bank also proposes to open the first Banca Partnet branch in Portugal, together with Accenture, the Bank's main partner.

Remote network

Quality of service

Bankinter has a significant remote banking network, centred on managing, attending to and advising those customers who have begun their relationship with the Bank through the website or telephone banking. The remote network allows them to carry out transactions without going to branch offices, and they can also receive personalised service through different channels: telephone, e-mail or on the website, which offer long customer service hours.

The network platform has been developed and enhanced with the aim of improving the quality of service. After this vital objective, the next step is to direct its activity towards achieving commercial results, both through telephone banking and remote advisers, who are professionals that manage customers of the Bank's various remote networks and segments, offering them products and services that match their profile.

Personal banking advisory service

Within the framework of these objectives, in 2017 the remote network worked on improving personal banking advisory procedures in order to help customers do things like make direct payroll deposits or make changes to bill payments and adapt the Bank's guidelines to their life cycle. Other areas that received special treatment were the retention of company insurance policies

and the monitoring of suppliers of customers in China and India by the team of international business specialists.

In addition, further communication was made with those people who carry out website simulations for mortgages or personal loans and more resources were made available for customer service through social networks.

The basic objective for 2018 is to focus on increasing the efficiency of the telephone platform, which is the remote network's main channel, with the aim of increasing its contribution to earnings. The Bank also plans to roll out a project, already outlined in 2017, to create a help centre for franchisees of corporate customers. The initiative enables service and support to be provided in such matters as registering customers, financing, installation of point-of-sale terminals and so on.

Social networks

Another generator of business

Social networks have gone from being something of a novelty in any company to becoming a department which supports, invigorates and generates business for the most advanced companies with the clearest ideas.

At Bankinter, this evolution took place a long time ago, and its presence in social networks provides frequent and transversal assistance to different areas and departments, including Communication, CRM, corporate banking, Marketing and the Customer Service.

The Social Networks department's chief responsibility is to be the guarantor of the Bank's digital communication. However, the multidisciplinary character of its team allows it to explore and engage in a whole host of other projects in which the business is always at the centre of the activity.

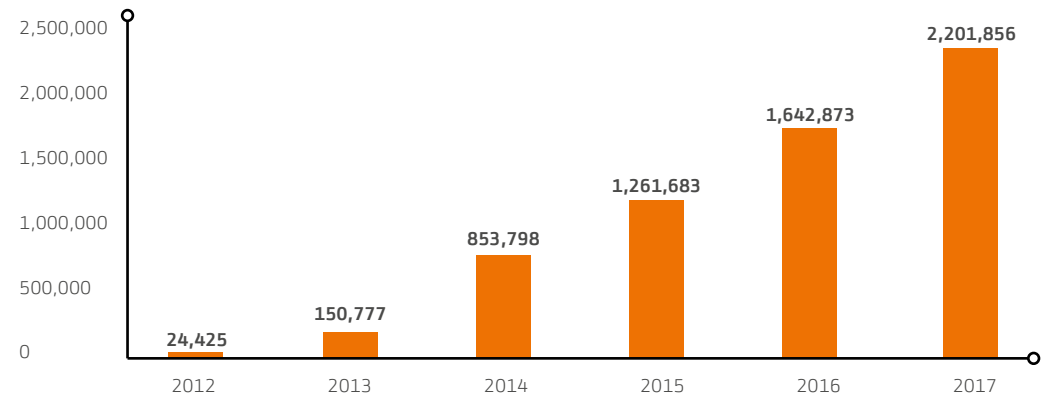
As part of its main task of looking after and boosting the Bank's good image and reputation, Bankinter closed 2017, for the fifth year running, as the best Spanish bank in this channel, with 74.4% positive mentions, according to independent measurements by Acceso.

Bankinter blog

A decisive contribution to this was Bankinter's commitment to its own digital content, as a support tool for existing and potential customers and to increase the Bank's positive presence on social networks.

The large majority of this content was distributed through the Bankinter blog, a digital space that regularly provides information on loans, homes, finances and taxation. In 2017, the blog received 2.2 million visits, 34.1% more than the year before, according to data from Google Analytics.

Annual evolution of Bankinter blog's audience (visits)



More than half of them (53.0%) came via search engines, compared to 32.7% in 2016, reflecting the growing weight in the Bank's SEO positioning. The blog also allows audience segmentation on the basis of their reading interests, which is key data for the CRM and digital marketing activities.

Since 2017, the Social Networks department has been in charge of editing all of the Bank's own digital content. These include, the blog for Coinc (Bankinter's savings platform) and the magazine for Popcoin (the new investment funds management platform).

The department also participates in more strategic tasks. This is the case with the plans to increase sales in corporate banking and other areas through social selling via social networks, and employee and departmental training with the aim of optimising sales. It is also involved in the roll out of a digital brand promotion campaign and communication of the Bank's activities through employees' social profiles.

At 31 December, Bankinter became the fifth Spanish bank with over 100,000 fans (likes) on Facebook and was the leader on Twitter, with 57,597 followers.

Facebook

>100,000
fans

Leader on Twitter

57,597
followers

