2018 ANNUAL REPORT

Risks

More loans and receivables and high asset quality

Once again, Bankinter grew in terms of loans and receivables above the sector average and at the same time, maintained the high quality of its assets, which is its main hallmarks, and its rates of return.

Risk management is one of the central cornerstones of Bankinter's competitive strategy. The Bank has a model of proven effectiveness that is in line with regulatory standards and best international practices, in proportion to the scale and complexity of its business activities.

The ultimate responsibility for risk management rests with the board of directors, which approves the risk strategy and, in particular, defines the risk appetite framework. This tool establishes the type of different risks that the Bank considers reasonable to take on in developing its business strategy. Furthermore, it defines a series of metrics and key indicators to be monitored and managed, covering variables such as risk levels and cost, returns, liquidity and capital, amongst other variables. A tolerance level and thresholds are established for each metric which, if reached, lead to the adoption of corrective measures.

Ultimate responsibility for risk management lies with the Board of Directors.

The risk strategy rests on two pillars:

- **Risk appetite statement.** Bankinter carries out its business activities with a prudent risk profile, pursuing a stable balance sheet and a recurring and sound income statement, to maximise the bank's long-term value.

- **Risk management principles**. The risk appetite and tolerance that the Bank assumes rest on the following principles:

  - Strategies, policies, organisation and management systems are prudent and adjusted to the size, environment and complexity of Bankinter's activities, based on quality banking practices.

  - The Bank's respect for and conformance to established requirements, limits and regulatory restrictions, in addition to proper compliance with current regulatory documents.

  - Maintenance of a low or moderate exposure to credit risk with a non-performing loan ratio in the lowest range of the Spanish financial system.

  - Appropriate hedging of problematic assets.

  - Appropriate return on invested capital, ensuring a minimum level of profitability over the risk-free rate throughout the cycle.

  - Maintenance of a low level of market risk, so that losses incurred in stress scenarios have a reduced impact on the Bank's earnings.

  - Growth in the priority strategic segments of medium-sized and large enterprises.

  - Balance of the lending portfolio of individuals and legal entities.

  - Balanced growth in retail financing resources.

  - Sources of wholesale funding are diversified from the viewpoint of both instruments and markets, and maintenance of a balanced maturity profile.

- Optimised retail financing costs, ensuring a balance between loan book returns and market interest rates.

- Use of a risk diversification policy to avoid excessive concentration levels that might translate into difficulties for the Bank.

- Limited activities in sensitive industries that might pose a risk to Bankinter's sustainability, such as those associated with property development or construction, or that might have a negative impact on its reputation and/or respectability.

- Moderate appetite for interest rate risk.

- Very small structural position in foreign currencies.

- Strengthened control of the Bank's reputational position (Good Corporate Governance and systemic risks, etc.).

- Desire to round out the level of service that Bankinter offers its customers, both in Private Banking and Enterprise Banking, offering limited-risk investment banking services.

- Optimisation of the efficiency ratio.

- Maximisation of the creation of value for shareholders throughout the cycles through both dividends and increases in share price, all on a strong base of capital and liquidity.

- Common Equity Tier 1 (CET1) kept within the fluctuation band set by Bankinter, above the regulatory minimums.

Bankinter also has a Corporate Governance model that is in line with the most demanding supervisory standards. To stimulate and reaffirm its solid risk culture, it has a highly qualified team supported by advanced information systems.

Adaptation to regulations

Once again, 2018 was a very intense year in terms of the processes for adapting to new supervision criteria and regulations, the development of which has compromised significant resources. Some of these processes began in previous years and require efforts that can extend for several years. Among the projects undertaken, the following are of particular note:

- Adaptation to the new IFRS 9 accounting standard.On 1 January 2018, the calculation of provisions adapted to IFRS 9 criteria was fully functional. Over the course of 2018, management, expected loss calculation and monitoring procedures were all consolidated.

- Internal models. As the Targeted Review of Internal Models (TRIM) project of the European Central Bank is at an advanced stage of development, the supervisor unified the criteria for standardising the interpretation of regulations. Furthermore, the technical standards and guidelines of the European Banking Authority (EBA) require significant work in terms of adaptation, which is recognised implicitly in the deadlines for their entry into force.

- Data aggregates (RDA): Efforts to adapt to the risk data aggregation principles continued in 2019. Furthermore, over the course of the year, a new information infrastructure was rolled out, the objective of which is to construct a common environment that responds to global information needs for management, reporting and analysis, including Big Data techniques.

- Capital and liquidity self-assessment: The European Central Bank published new guidelines, in force since January 2019, for institutions to have a general overview of their capital and liquidity needs in order to cover all material, financial and non-financial risks. In turn, the EBA approved guidelines for the development of stress test exercises, which have also been in force since January 2019. These publications represent an essential element in the capital self-assessment process.

In addition the above, other specific developments must be added, including the quantification of interest rate risk based on the new regulatory guidelines or the revision of the general risk management and control framework, adapting to the criteria set out in the new guidelines issued by the EBA on internal governance.

Bankinter continues dedicating significant funds to compliance with these regulatory developments and their application in risk management.

More detailed information on these risks can be found in the Prudential Relevance Report, in the Group's Consolidated Legal Report and the Annual Corporate Governance Report.

Increasingly healthier assets

Credit risk is the possibility of incurring losses if debtors fail to meet their contractual obligations. Changes in credit risk are conditional on the economic and financial environment.

During 2018, the Spanish economy continued in the expansionary phase, although growth slowed down over the course of the year. Internationally, trade tension was evident, there was an increase in political uncertainty in Europe and the dollar appreciated against emerging currencies, causing financial tensions in certain countries. In Spain, the indebtedness of companies and families continued to fall and, in aggregate terms, lending to the private sector was lethargic for the large part. Against this backdrop, Bankinter's trend towards moderate growth remained for another year. Lending to customers grew by 4.1% whilst computable risk (including off-balance-sheet risk) grew by 4.6%. Asset quality continued to improve. Once again, the ratio of problem assets dropped, as can be seen in the following table.

Loans to customers

+4.1%

Asset quality

Thousands of €	31-12-2018	31-12-2017	Amount	%
Computable risk	61,508,726	58,824,461	2,684,265	4.56
Doubtful risk (includes contingent risk)	1,785,160	2,029,908	(244,747)	-12.06
Provisions for credit risk	881,088	903,865	(22,777)	-2.52
NPL ratio (%)	2.90	3.45	-0.55	-15.94
Coverage ratio (%)	49.36	44.53	4.83	10.85
Foreclosed assets	348,201	411,555	(63,355)	-15.39
Provision for foreclosures	154,522	186,130	(31,608)	-16.98
Foreclosure coverage (%)	44.38	45.23	-0.85	-1.88

Non-performing loan coverage

The non-performing loan ratio ended the year at 2.90%, a 55 basis-point or 16% decrease year-on-year. The non-performing loans ratio in Spain at year-end was 2.84%, 47% of the median for the industry (6.08% according to Banco de España data from November 2018). At the end of December 2018, the foreclosed asset portfolio was €348 million which was 0.6% of the total credit risk, following a reduction of 15% in the year.

Balance in the portfolio

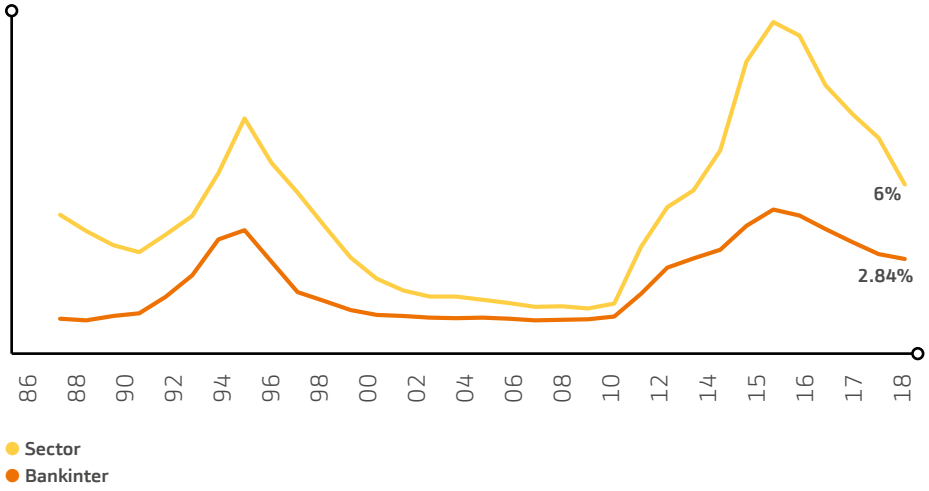
Over the years, Bankinter has tried to balance the distribution of its loan book between individuals and legal entities. At year-end 2018, the computable risk for individuals was 49.9% of the total, and that for legal entities was 50.1%. The most important characteristics are described below by segments:

- **Individuals**. In 2018, the housing market and the financial situation of households continued to improve. Lending to individuals grew by 3.8% and the most dynamic segments were consumer finance, personal banking and private banking, The individual lending portfolio amounted to €27,330 million at year-end, with a non-performing loans ratio of 2.7%.

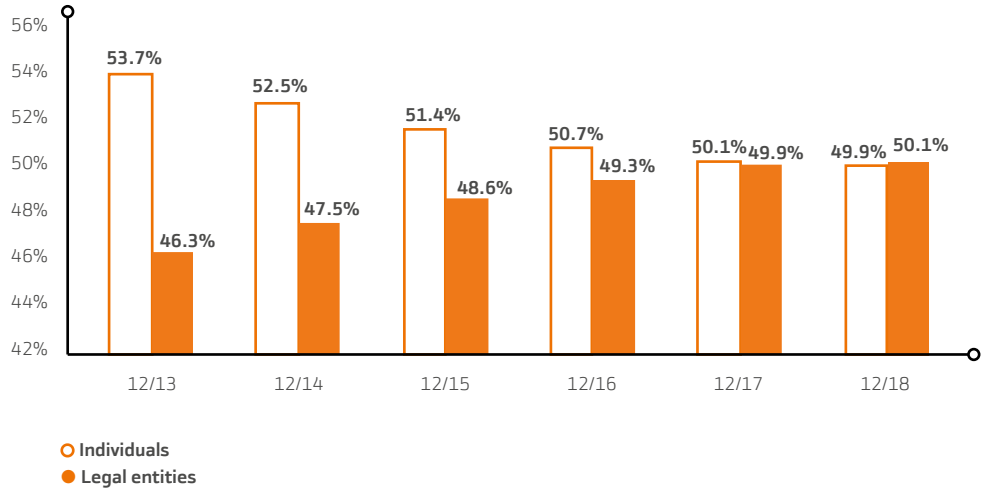
  The residential mortgage loan portfolio for individuals showed a loan-to-value (LTV) ratio of 59% at 2018 year-end and 87% are secured by the primary residence of the owners. The average effort (measured as the proportion of income that the customer allocates to paying mortgage loan instalments) remained at very low levels (21%).

- **Corporate Banking**. Credit risk in Corporate Banking grew by 3.9% to €15,245 million with a non-performing loans ratio of 0.9%. Bankinter pays close attention to this segment, the business activities of which are more international and less exposed to Spain's economic cycle and which has a solid competitive position based on specialisation, understanding the customer, flexibility and quality of service.

Evolution of NPL ratio (%) - Spain



Loan portfolio performance



- **Small and medium enterprises.** The small and medium enterprises segment grew by 6.0% during the year and its loan book stood at €11,792 million with a non-performing loan ratio of 6.1%. The Bank applies automated decision-making models for managing this segment, along with teams of highly-experienced risk analysts.

- **Consumer finance.** This business, operated through Bankinter Consumer Finance, grew by 29% up to €1,842 million 3.0% of credit risk. The risk-adjusted margin, and the non-performing loans ratios and costs, are controlled and remain in line with the typical levels in this type of business.

- **Portugal.** The loan book contributed a risk of €5,789 million to the balance sheet, with a significant reduction in the non-performing loan ratio to 3.5%, and with provisions recognised for 81.8% of doubtful assets. In carrying out the business in Portugal, the Bank's usual high lending standards are applied.

Internal Risk Management models

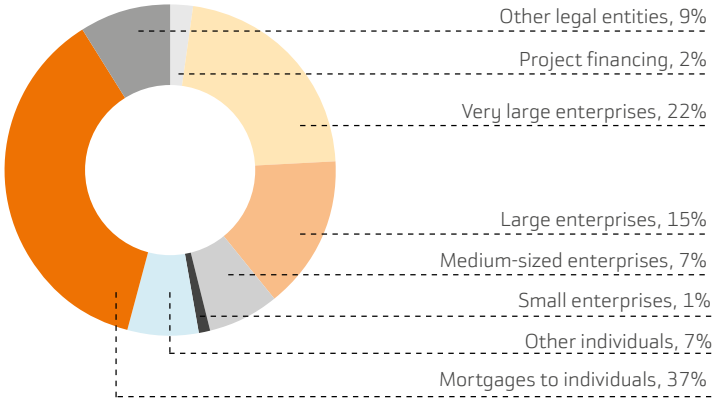
Bankinter has used internal rating models as a tool for supporting its decisions regarding credit risk since the 90s. These models enable the Bank to assess the credit quality or solvency of transactions and customers, providing quantitative measurements of its credit risk. These models are mainly used to support approvals, set prices, quantify the coverage for impairment or provisions, estimating regulatory capital, monitor loan books, support recovery and facilitate active management of the loan books' risk profile.

The internal rating models provide homogeneous classes of solvency and levers that group together customers and transactions with a comparable probability of non-compliance. These models are also calibrated to assess expected and unexpected losses. These metrics are fundamental for managing and monitoring credit risk at Bankinter.

The Bank has rating models both for retail segments (mortgages, consumer spending, SMEs and so on) and wholesale segments, such as Corporate Banking. These statistical models are developed using customer, operational and macroeconomic information, combined in the wholesale segment with expert analysis. The models are updated and monitored on a regular basis to ensure their power of discrimination, stability and accuracy under a strict governance structure. The models committee and the executive risk committee are responsible for approving Bankinter's models. The risk committee also receives information on a regular basis on the status and monitoring of these models.

The distribution of Exposure at Default (EAD) by internal segments or categories is shown in the following graph.

Exposure at default distribution according to internal categories



Increase in volatility

From the viewpoint of structural and market risks, last year was once again characterised by low inflation in the main economies and by the actions of central banks, which provided liquidity and intervened in the public debt financial markets. In certain markets, the systematic purchases of public debt by central banks triggered a reduction in market depth.

During the last months of 2018, the equities markets experienced a significant increase in volatility, with all indexes registering losses, generally speaking. This downward trend can be traced to different uncertainties, such as the weakening of the economy, the Federal Reserve interest hikes and the renegotiation of trade agreements demanded by the United States. Emerging markets were affected significantly.

Structural Interest Rate Risk

Actions to protect the margin

Structural interest risk is defined as the Bank's exposure to changes in market interest rates, deriving from the different timing structure of maturities and repricing of global balance sheet items. Bankinter actively manages this risk with the aim of safeguarding its net interest income and preserving its economic value.

The exposure of net interest income to different scenarios of interest rate changes is analysed monthly using dynamic simulation measures. With a more long-term outlook, the Bank also analyses the sensitivity of its economic value to movements in interest rates.

The interest rate risk exposure of net interest income of parallel changes of +/- 100 basis points in market interest rates is +9.9/-11.4%, for a 12-month horizon.

The sensitivity of the economic value to parallel increases of 100 basis points was +2.1% of its own funds at year-end 2018. Given the current level of interest rates, the limit for parallel downward shifts was set at 25 basis points and the change in the economic value would be around -0,5% of own funds.

The Bank's working assumption is used to calculate both measures, which considers negative interest rates, except for those items with a Euribor floor.

Liquidity Risk

A comfortable buffer

Structural liquidity risk is associated with the Bank's ability to meet its payment obligations and fund its lending activities. The Bank actively monitors liquidity and its forecasts, as well anticipating the measures to be taken in both normal and exceptional situations resulting from internal causes or market behaviour.

The instruments used for liquidity risk control include monitoring changes in the liquidity gap or map, and the specific analysis of the balances resulting from sales transactions, wholesale maturities, interbank assets and liabilities and other sources of funding. These analyses are performed under normal conditions or simulating different scenarios of liquidity needs depending on he different business conditions or market variations.

In 2018, the commercial gap (the difference between customer loans and deposits) dropped by €1,700 million, given the increase in customer funds was much higher than the growth of investment. Therefore, 93.8% of loans and receivables were financed by customer deposits at year-end.

With regard to wholesale funding, the maturity dates in 2018 were partially replaced, thus reducing dependence on wholesale markets by €320 million. Over the course of the year, the liquidity buffer made it possible to maintain the liquidity coverage ratio (LCR) at levels comfortably above 100%, coming to 144.2% at year-end 2018.

Wholesale financing

144.2%

Measuring instability

Market risk is the possibility of incurring losses as a result of changes in the market prices of on- and off-balance-sheet positions of the trading portfolio. Bankinter measures value at risk using the historical VaR methodology using one-year data and a 95% confidence interval.

An asset portfolio's value at risk (VaR) is the estimated maximum potential loss that could be incurred for a specific time horizon with a particular confidence level. Given the instability in recent years, Bankinter has maintained the VaR limits from the previous year.

The following chart details the VaR values of the trading positions at 2017 year-end.

Moreover, the VaR of the portfolio positions of the subsidiary Línea Directa Aseguradora are monitored each month using historical simulation methodologies. The VaR of the insurance company's portfolio at 31 December was €1.25 million. The risk that may be incurred by the subsidiary Bankinter Luxembourg is also monitored. Using this same methodology, the VaR for 2018 was estimated at €0.43 million.

VaR 2018 TRADING

million euros	Latest
Interest rate VaR	0.64
Equity VaR	0.36
Exchange rate VaR	0.03
Volatility rate VaR	0.30
TOTAL VaR	0.80

TOTAL VaR

0.80

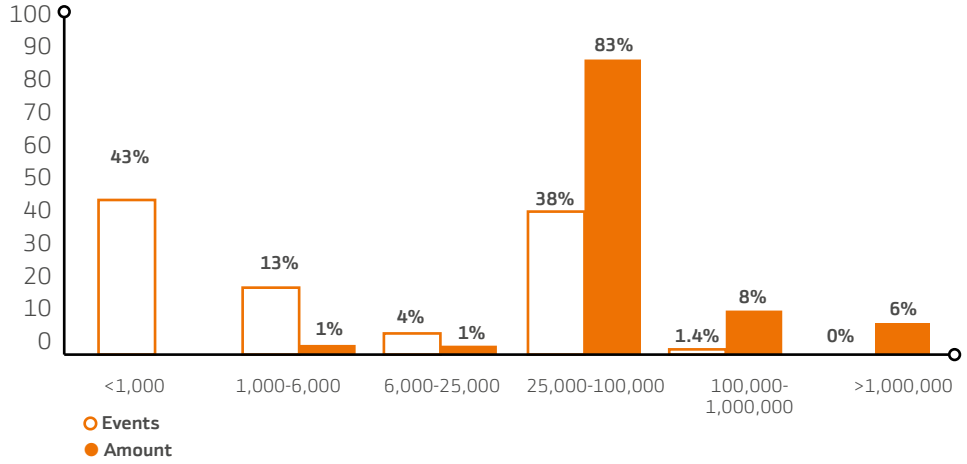
Access to best practices

Operational risk is the risk of incurring losses due to failures of processes, people or internal systems; or due to external events (such as natural disasters), including legal risks.

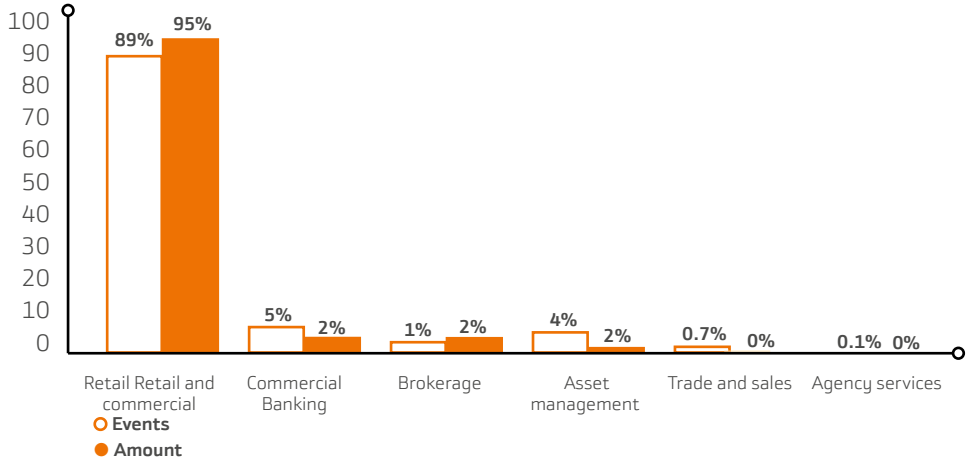
Bankinter's operational risk management model is known as the standard method in accordance with solvency regulations in force. This method requires the existence of systems for identifying. measuring and managing operational risks. prior authorisation from the Banco de España and an annual audit. Bankinter ensures access to best sector management practices by participating in the Spanish Operational Risk Consortium. which is a forum of financial institutions to exchange experiences regarding operational risk management.

With regard to loss events. Bankinter's operational risk profile is summarised in the following charts

Percentage breakdown by amount intervals



Percentage breakdown by line of business



A specific prevention model

Reputation risks are risks arising from a negative perception by customers, counterparties, shareholders, investors or regulators that can unfavourably affect a bank's capacity to remain in existence or establish new business relations and continue accessing sources of financing.

Given the wide variety of reasons that can lead to this type of risk, it must be managed under a single model, separate from other risks, although within the thresholds established in the Bank's risk appetite framework.

The purpose of managing these risks consists in their prevention, identification and control in such a way as to reduce the likelihood that they will occur and mitigate their potential impact and the Bank has various tools available to do this.

For example, the perceptions and expectations of the Bank's main stakeholders are diagnosed and measured on a regular basis. This system, based on the RepTrak® methodology, enables Bankinter to identify its key reputation drivers and actively influence them.

Trend monitoring

One of the most important aspects in preventing reputational risks is to understand market and environment trends, and monitor what is being said about the Bank in the mass media and on social networks. Bankinter therefore has a comprehensive system for monitoring, analysing and assessing its reputational impact.

Furthermore, Bank's Products Committee identifies and assesses potential reputational risks prior to launching a new product or service.

In accordance with the directives set by the European Banking Authority, this risk is monitored on a quarterly basis using a series of internal and external event indicators with reputational impact.

In addition, the Bank's Corporate Reputation department has developed a crisis management plan, for the purpose of establishing communication channels and action protocols for any emergency or crisis, in order to protect the Bank's reputation and ensure business continuity.

Bankinter also provides employees with different professional conduct and ethics manuals, with a view to raising awareness about the importance of this risk, in order for them to act as the first line of defence to protect the Bank's reputation.

One of the most important aspects in preventing reputational risks is to understand market and environment trends.

A legal and ethical commitment

The attainment of business targets has been compatible at all times not only with Regulatory Compliance but also with the development of best practices and standards required for its business activity. This issue therefore represents not only a legal obligation for Bankinter, but also an ethical commitment.

This commitment also serves as an opportunity to reflect, for Bankinter to become a leading institution adapted to the new reality of the finance industry, which is subject to the need to change relationships with customers and adjust the Bank's business model in line with new financial consumption habits and multiple reporting requirements.

The growing importance of Regulatory Compliance has been underscored with the entry into force, as a result of the economic and financial crisis, of several highly complex regulations and the launch of the new supervisory architecture, obliging the Bank to strengthen its available resources.

The purpose of the compliance function is to assess and provide guidelines for the lines of business that help define its strategy, ensuring compliance with applicable legislation at all times. With this in mind, all areas of the compliance function spare no efforts in enhancing the training activities of its commercial staff.

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Institutional framework

The Regulatory Compliance at Bankinter is subject to an internal institutional framework. The head of Regulatory Compliance, Regulation and Corporate Governance hierarchically reports to the Audit and Regulatory Committee under Bankinter's Board of Directors and functionally reports to the General Secretary of the Bank, through which it forms part of the Organisation as a whole, ensuring close cooperating with the other areas of Senior Management, particularly Risks and Legal Counsel in all areas for which they are responsible.

In particular it sits on the following Bodies at the institution:

- **The Regulatory Compliance Committee.** The Senior Management body responsible for monitoring the bank's policies within this scope. The Committee executes the policies in relation to the regulatory and Regulatory Compliance matters that are established by the audit and regulatory compliance committee of the board of directors.
- **The Products Committee.** which approves the launch, modification or cancellation of products and services offered to customers. During 2018, the product and service governance procedures were consolidated, adapting the institution's practice to their design and the roll-out of standards required by regulators, in particular those in relation to establishing the target customer.
- **The internal control body.** Establishes policies regarding the prevention of money laundering and the financing of terrorism, in accordance with Law 10/2010, and ensures compliance with them.

This organisational structure enables the Bank to adequately manage the risk of Regulatory non-Compliance which involves significant reputational risk, with a potential negative impact on the relationship with customers, markets, employees and the authorities. In particular, Regulatory non-Compliance may lead to sanctions, damages or cancellation of contracts, with the resulting damage to the Bank's image.

Regulatory changes

In 2018, the Regulatory Compliance area focussed its efforts on the entry into force of the MiFID II Directive and its implementing regulations, the MIFIR Regulation (relating to markets in financial instruments) and PRIIPs Regulation (relating to documents with key information relating to packaged retail and insurance-based investment products), given its cross-sector impact on the provision of investment services by the Group.

The new regulation represents a challenge not only from a regulatory point of view but also strategically, given that it requires the professionalisation of investment services and introduces significant changes to the structure of revenue arising from the provision of them. In 2018, the adaptation to MiFID II, MIFIR and PRIIPs has become a priority and the Regulatory Compliance area advised the Group on the adaptation work and on the analysis and decisions that need to be adopted as a result of European regulatory changes and their transposition into Spanish law.

Another important regulatory change was the entry into force of the General Data Protection Regulation. The Regulatory Compliance area actively participated in the adaptation of Bankinter's policies and processes to these new regulations.

Furthermore, the Bankinter Group assigned the management of regulatory change competencies to the Regulatory Compliance Division through the Regulation area. Thus, the function was made stronger, providing it with greater consistency and unity, facilitating the early detection of the possible impact of regulatory changes and reducing the corresponding risks. This assignment of competencies is related to the EBA guidelines (EBA/GL/2017/11), which strengthen the internal governance systems, procedures and mechanisms that credit institutions and investment service firms must implement to guarantee effective and prudent management.

Basic areas

Under this regulatory and institutional framework, the Bank developed the basic areas of the compliance function in 2018: control and advisory services regarding Regulatory Compliance in relation to investment and banking products, and the prevention of money laundering and the financing of terrorism.

In relation to the compliance control function, Bankinter implemented a methodology based on the risk approach that enables the risk of default in each area of activity to be assessed in relation to the provision of investment and banking services.

In terms of the prevention of money laundering and the financing of terrorism, 2018 was marked by the international strengthening of the control framework, both in the customer scope of knowledge and the controls applicable to international financial sanctions and correspondent banking.

In Spain, Royal Decree Law 11/2018 of 31 August was published, containing the amendments resulting from the transposition of Directive (EU) 2015/849 of the European Parliament and the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

At Group Bankinter, the prevention of these activities represents a strategic objective and an ethical commitment to society as a whole and to compliance with control standards in this area. With this objective in mind, in 2018 Bankinter bolstered the IT tools dedicated to this function.

Outlook for 2019

In 2019, work at the institution to adapt to the regulation of investment services will conclude, following the completion of the transposition of MiFID II rules. Furthermore, it will be necessary to promote the institution's adaptation to the regulatory framework of reporting transparency in the provision of banking services, in particular in relation to mortgage lending, to the framework deriving from the transposition of Directive 2014/828 in terms of the promotion of the long-term involvement of shareholders, and Directive 2015/849 on the prevention of money laundering and terrorist financing.

Furthermore, the area will oversee compliance with the new regulatory requirements set out in the Payment Services Directive (PSD2) and the Insurance Distribution Directive (IDD). Finally, the institution will closely monitor the regulatory aspects related to the Action Plan of the European Union on sustainable finances, which shall be reflected in amendments of the MiFID and IDD regulations.

Security and confidentiality

Over the past two years, Bankinter has worked on the implementation of the General Data Protection Regulation 2016/679 (GDPR) and the new Organic Law 3/2018 on Personal Data Protection and Digital Right Guarantees, as part of its commitment to the privacy of its customers, employees and suppliers and with transactional confidentiality.

In compliance with the new requirements under these regulations, a Data Protection delegate has been appointed, for both Bankinter and its subsidiaries that process personal data. Furthermore, internal procedures have been updated to adapt them to the requirements of the new European Regulation, which must be adhered to by all individuals providing services at the Group.

Customer control

So that its customers receive more details and have greater control over their data, in 2018, Bankinter designed a procedure to request their consent once again, as part of which customers can choose the types of processing that they are willing to authorise.

Customers are informed about what their personal data is used for; who receives this data; the legitimate bases for the different types of processing; where and how they can exercise their rights of access, amendment, deletion, opposition, portability and limitation, and how to make contact with the Data Protection delegate.

At year-end 2018, Bankinter had not received any significant data protection penalties.

The Group guarantees at all times that personal and transactional data is transmitted using suitable, reliable and secure channels, preserving their integrity and confidentiality.

Information Security

A protection strategy against a growing threat

Information security is a great priority at Bankinter. The objective is to always guarantee high levels of confidentiality, integrity and availability for customers, employees, shareholders and suppliers. In this connection, during 2018, projects set out in the Information Security Master Plan were undertaken; additionally, the duration of this Plan has now been extended to 2020.

The model for the fight against cybercriminals is based around 3 lines of defence: the first line is technology, business, operations and so on; the second line is made up of risk control and Regulatory Compliance bodies; and the third line is the Internal Audit department, which monitors that the first and second lines act independently and are focused on continuous improvement.

From an organisational viewpoint, a new model has been implemented in the first line within the Data Security Department consisting of three management areas:

- **Technological risks.** Focussed on Regulatory Compliance, policies, business continuity plan and risk analysis, etc.
- **Cybersecurity.** Its priority is the protection of customer data, simulation of constant attacks on the Group's systems and continuous improvement in combatting cyberattacks.
- **Security monitoring and e-fraud prevention.** Overseeing communications and transactions in addition to analysing the security of applications.

With this new structure, in 2018 Bankinter began a protection strategy with various phases. Firstly, the basis of the new strategy was created, optimising procedures such as network access control and data protection to prevent data leaks.

Following this phase, which was extended to the first half of 2018, a series of processes will be rolled out, including attacks against the bank's infrastructure, forensic data analysis or advanced intrusion detection systems, amongst others. Finally, more complex projects will be undertaken, with more advanced technology, and a review performed on the complex external subcontracting regime in relation to cybersecurity.

One of the most important objectives for 2019, is the implementation of an adaptive security system, which offers customers the possibility of deciding how to manage their own security (whether or not to make overseas transfers, restrict their credit card activity and so on), depending on their risk sensitivity.

One of the key objectives for 2019 is the implementation of an adaptive security system, which will offer customers the option of deciding how to manage their security.

Training programmes

The activity of the information security department is completed by the development of awareness plans for users, who are the weakest link in the security chain. The Bank provides online training programmes to employees and carries out simulations to obtain confidential information (passwords, personal details and so on) through emails, text messages or telephone calls. The aim is to discover people's reaction in situations that can be exploited by cybercriminals.

The growing importance of information security highlights the rapid expansion of cybercrime, the activities of which have evolved and become much more dangerous. Initially it involved the actions of individual hackers, who were not only motivated by money. Nowadays, cybercrime has created large and sophisticated business structures that are capable of attacking entire economic sectors.

The theft of confidential big data from companies, the denial-of-service attacks and phishing (using the identity of companies or public bodies in order to obtain confidential information from the victim) are the main strategies used by cybercriminals. Financial institutions are particularly exposed to this kind of manipulation and fraud as a result of their permanent contact with the public and the nature of their business, part of which involves payment systems.

The Bank provides online training programmes to employees via the Intranet and carries out simulations to discover the reaction of employees.