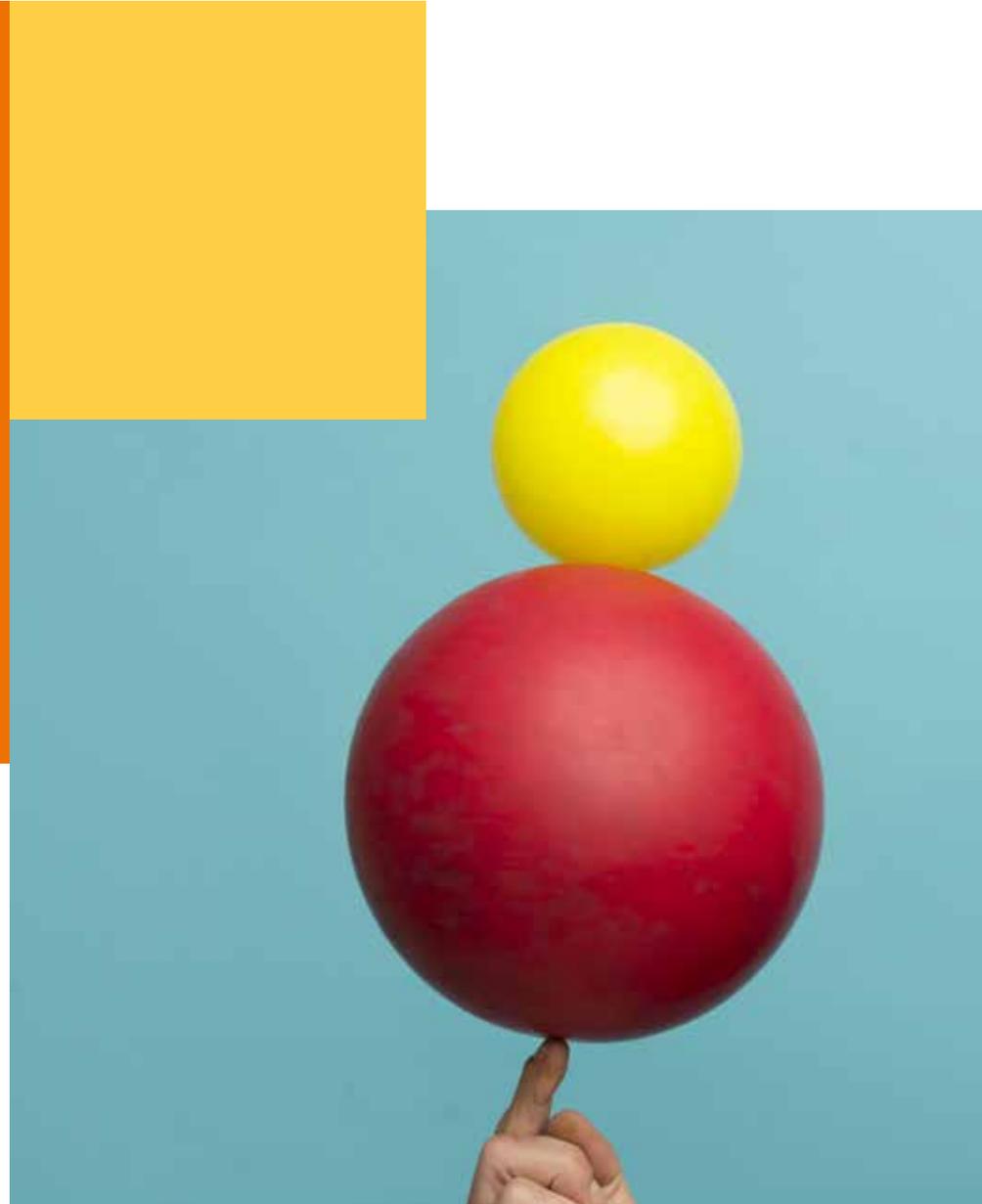


2018 ANNUAL REPORT

Efficiency and Transformation



Greater demands for purchases

The purchase process at Bankinter has been transformed in recent years as a result of the guidelines and requirements of European regulation and supervision organisations, in particular, the European Central Bank, the European Banking Authority (EBA) and the Single Resolution Board.

Previously, to start a deal, all that was needed was budgetary approval and as comprehensive a definition as possible of the project or requirement to draw up the RFQ. Now, this is no longer enough. Before filing the request with the Purchasing Department and launching the RFQ, the requestor must follow the procedures recommended by Internal Audit, Technological Risks, the Data Protection Office and those included in the bank's procurement and outsourcing policy. Furthermore, it must obtain validation from Technical Risks and the Head of Data Protection, in addition to express authorisation from the Outsourced Services Management Area if it entails a new service.

Over the course of 2018, the Area has to respond to greater demand for services from the entity as a result of the transformation plan under way at the bank. In order to improve the efficiency of purchase processes, over the course of the year, the following initiatives were embarked upon:

- Creation of a sole repository for contracts, enhancing the professionalisation of their physical safekeeping and the digital management of documents with an indexing and search system.
- Procurement of a contracts management service that formally arranges agreements adjudicated under the different contracts/ documents. This was, it is possible to homogenise and apply strict criteria in the construction of documents, communication with stakeholders and evidence of validation.
- Continuous improvement of processes and use of management tools for the purchase process and control and monitoring of services. Amongst the action taken, improvements have been made to the procurement platform implemented in 2017 and the design completed to implement the outsourced services management policy in an internal tool.
- Incorporation of new functionalities in information systems that manage the supplier certification process.
- Definition and identification of critical Group functions, according to regulatory requirements for outsourced services.
- Inclusion of all the bank's activities, and those of affiliates, in the integrated expenditure management circuit, with a particular emphasis on the inclusion of businesses in Portugal.

The objectives for 2018 involve making inroads with the lines developed in recent years (in particular, completing the service outsourcing policy) and working on the integration of EVO Banco banking activity in Spain, and its Irish consumer finance subsidiary.

Bidding processes

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