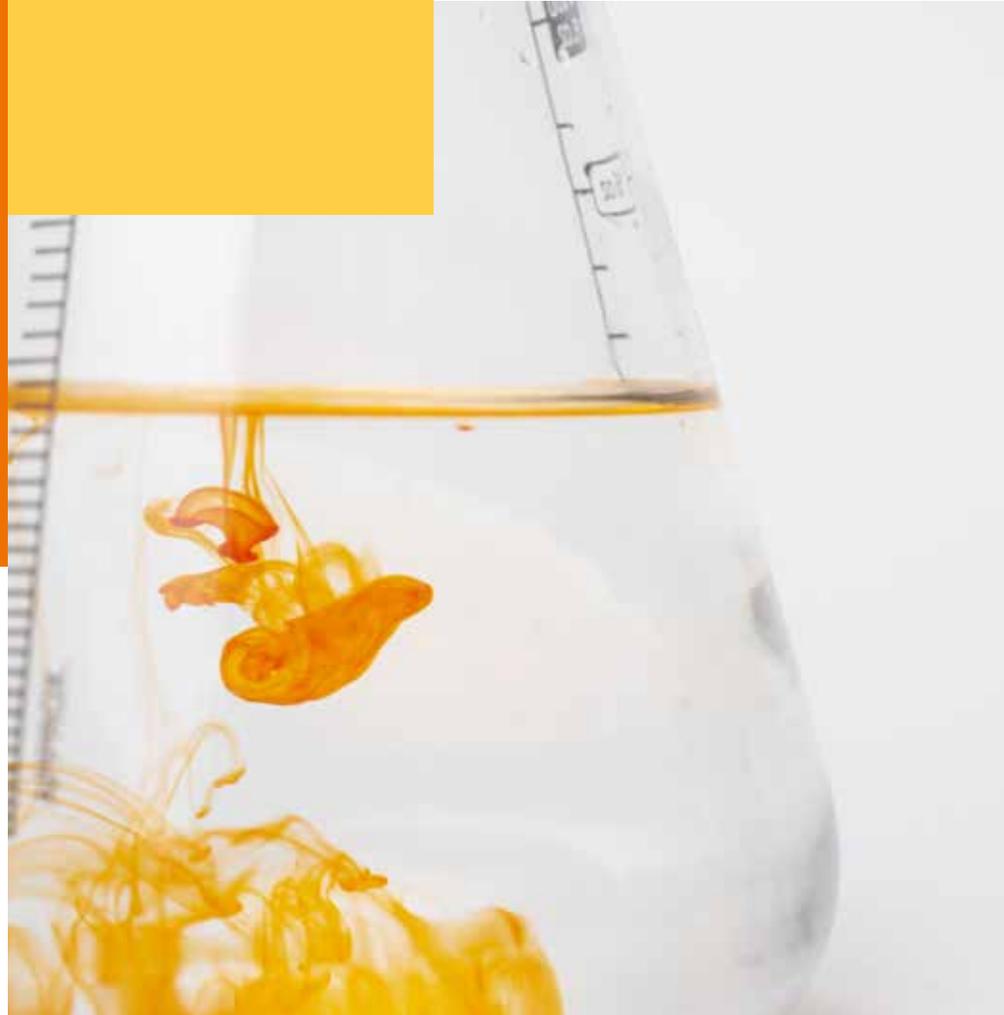


2018 ANNUAL REPORT

# Customer relations



# Notoriety and enhanced commercial activity

In 2018, the Marketing area, whose mission is to develop the Bank's marketing plan with the aim of acquiring new customers and creating loyalty among existing customers, spared no efforts in supporting commercial activities.

In line with the advertising communication employed in previous years, oriented towards generating notoriety and to enhance the Bank's activities, in January 2018, the creative concept entitled Upgrade your bank was launched onto the market, around which all the year's advertising activities rotated, with a significant presence on television, in digital media, social networks, etc. As part of different activities performed, the campaign was based on the message 'if

you aspire to more in life, you need a better bank' and depicted different situations and professionals associated with the Bank's different products and services (Payroll Account, personalised mortgages, personal manager or the new 'Despreocúpate' receipt management service).

The Upgrade your bank concept this reflected the idea that Bankinter does things differently and offers an exceptional service. Following this campaign, Bankinter ended 2018 as the second highest advertiser in the financial sector on TV in terms of GRPs (number of impacts), thus consolidating the growth seen in previous years.

Concerning Digital Marketing, progress continued to be made in the control and optimisation of campaigns, thanks to greater knowledge of the digital behaviour of customers and the improved capacity to segment the audience and customise messages.

## Commercial Banking

In the Commercial Banking line of business, different actions were taken, including the New Private Customer Development Programme, the aim of which was to engage more quickly with our newest customers through a series of communications and other actions to present products and services. The High Income Private Customer Development Programme was also implemented, entailing a cycle of communications that help with the combined sale of savings and investment products (funds, pension plans, Payroll Account, equities and insurance) in a customer profile that is of high interest to the Bank.

Another of the actions taken in 2018, in collaboration with the CRM team, was the prevention of customer abandonment, offering products and services to reverse any potential departure from the Bank. A similar plan was aimed at the reactivation of dormant customers. Furthermore, in the final quarter, a range of actions that sought to inform customers about retirement savings were rolled out. In addition, a strategic plan was developed for the Equities business, with more than 342 online and in-person events that made it possible to reach out to almost 13,000 people.

## Corporate Banking

Amongst the marketing actions aimed at potential customers and companies, worth special mention are the financial and innovation training days, at which topics of interest to business managers, such as the use of blockchain and other innovative technologies were addressed.

Sector meetings were also held, bringing together different players from the public and infrastructure sectors, facilitating the exchange of opinions on the Spanish and international economy. At a sector level, the Bank also participated, for the first time, in Fruit Attraction 2018, the largest fruit and vegetable fair.

Another line of action was the support to international trade: the Bank was present at the leading foreign trade fairs in Spain (Imex Madrid, Imex Tarragona, Imex Seville and Imex Albacete, which brought together a large number of existing and potential customers.

## Offices as supports

Bankinter uses the offices as supports for outdoor advertising. Thus, posters at branches become another part of advertising campaigns, thanks to their great pickup and creative potential. In 2018, advertising in the point of sale continued to evolve, with new formats that helped to grab the attention of the public and generate traffic towards branches. As is the case with outdoor posters, internal supports are used in branches to generate impacts that

help market products that are more goal oriented.

Leaflets in branches are not only a form of advertising, but are also a work tool, representing a great support during the sales process. Therefore, over the past year, we have worked to improve their presentation and orientation towards different existing and potential customer profiles, offering a general overview of the range of products and services at the bank.

In addition to general advertising actions, various individual communication initiatives were taken. The goal of this is to inform customers about regulatory and legal changes affecting the products and services sold by the Bank.

Other actions in the year were as follows:

- Contribution of commercial content on the new Bankinter Corporate website was generated, together with the Digital area (writing texts, image management and designing the landing pages for the advertising campaigns in digital media).
- Consolidation of the strategic marketing plan for the equities business. The training programme and content of each programme was expanded; a communication programme was also rolled out associated with the life cycle of this customer profile.

- Adaptation of all marketing materials to Bankinter's new image, defined by the Brand and Corporate Identity area. The content of leaflets, scripts and commercial documentation were also updated.
- Development of an innovative materials and communications programme for existing and potential self-employed customers, with details adapting to each of the four professional branches detected as being most closely related to the bank.
- Participation in advertising campaigns organised during the year.
- Multiple events to attract and enhance the loyalty of high-income customers: breakfasts, exclusive lunches with the Chairman and Chief Executive Officer, financial workshops, concerts (with the conductor of the Inma Shara orchestra), equities events and the Dialogue between Art and Architecture exhibition at Bankinter.

## Data as a huge opportunity

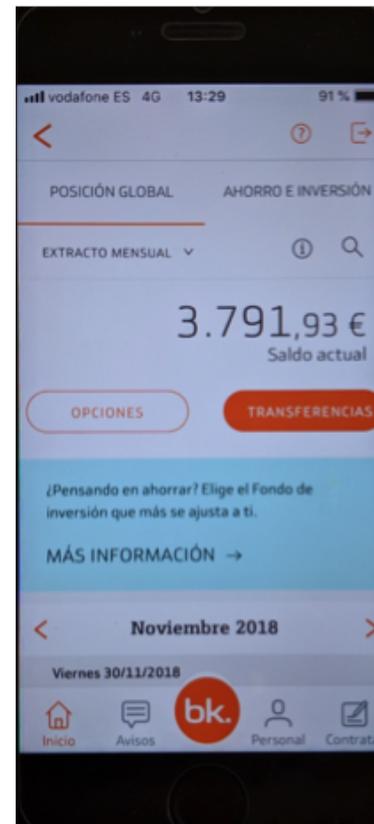
Bankinter has been a pioneer in transforming data into commercial opportunities. That's why the evolution of banking towards the digital world and the intensive use of data is inherent to the nature of the entity. In this connection, Bankinter has come a long way, both from the perspective of more digital customers and the perspective of networks and channels, which are highly accustomed to harnessing commercial opportunities based on data, algorithms and models.

The systematic transformation of data into commercial opportunities is channelled through the Customer Relationship Management (CRM) division, which comprises mathematicians, engineers, economists, IT specialists and data scientists. Here, data is analysed in depth, creating business rules, algorithms or models and commercial actions are defined and customer interactions overseen.

In 2018, the new General Data Protection Regulation came into force in the European Union, regulating aspects including but not limited to the extent to which customers are willing to be contacted by the company, the type of data they want the bank to use and the type of offers they want to be informed about. This regulation, in addition to being positive for consumers, emphasises the dedication with which Bankinter interacts with its customers, ensuring compliance with the regulations at all times.

Over the course of the year, progress has also been made on the construction and improvement of models. In Corporate Banking, efforts have focussed mainly on predicting investment demand, whilst in Commercial Banking, work has centred around models for predicting the contracting of specific products, systems of recommendation and foreseeing possible abandonment. To this end, Bankinter employs new Big Data technologies and programming languages (R and Python). Furthermore, Bankinter uses the power of analysis in CRM in all aspects essential to the business, which helps to appraise corporate expansion opportunities.

On the other hand, CRM harnesses the greater level of customisation possible on the entity's website and app to develop customer interaction, which is increasingly necessary in the digitalised world in which the sector operates.



In 2018, Bankinter continued to increase its commercial activities. Sales managers and private bankers increased their commercial endeavours by 10%. The same rate of growth was seen in dispatches. However, the biggest leap occurred in digital interaction, where the commercial impact doubled.

Other relevant actions in the year were as follows:

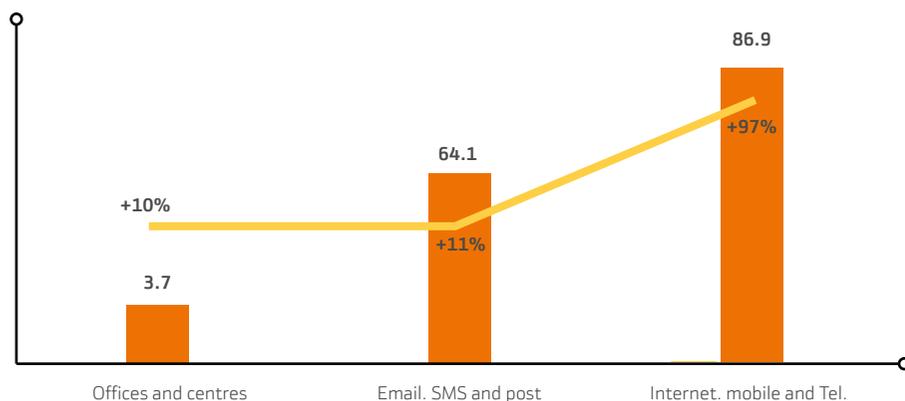
- **Commercial banking.** Further actions were taken in terms of savings and consumption. What's more, two new lines of growth were promoted: young people, with services adapting better to their profile (like Bizum or Cuenta Joven) and customer digitalisation, with new methods of payment (Apple Pay and the Bankinter wallet). In this digital environment, the entity has incorporated machine learning technology to discover what customers are most interested in based on the channel they use.

- **Enterprise Banking.** The entity remains focussed on the objective of increasing loans and receivables, accompanying companies in their day-to-day activities. One action taken was to finance the short-term payment of taxes, which contributes to investment, fees and collateral business. When advertising this product, the entity used a technology solution acquired last year to perform push notifications sent to devices from which our customers had accessed Bankinter's website, having obtained prior consent.

- **Bankinter Portugal.** All advances made in Spain have been transferred to Portugal, to enhance CRM capabilities in the country's business. Bankinter Portugal developed a new platform that made it possible to multiply customer communication and offers transferred to the commercial retail network.

The commercial intelligence function, allocated to the CRM division, provides the entity with in-depth knowledge of what is happening on the market and facilitates the process of allocating demanding yet achievable objectives.

Commercial shares CRM (€ million and % vs. 2017)



# Leading reputation in the media

The remit of the Communication and Corporate Responsibility Area includes managing the bank's communication with its different target audiences, both internally (employees) and externally: Media and Social Networks.

The area designs the different strategies that aim to disseminate the mission, vision and values of the company, in addition to its main results and actions.

To achieve its communication objectives and ensure its messages are communicated in a clear way, aligned with the management's requirements, the area decides not only the content, but also the spokespeople and formats that are most suitable in each occasion.

Through independent companies, the area periodically performs a quantitative and qualitative analysis of all the news and impacts concerning the bank, comparing them with its main competitors. The aim of this is to understand how this information has affected the Bank's reputation in the different parameters analysed, making it possible to draw up correction and improvement plans.

2018 was a good year for Bankinter in the media and on Social Networks: leading the media reputation ranking with the highest score. This is reflected by data from independent consultant firm, Acceso, which is responsible for analyzing news and mentions of Bankinter, assigning a score to each of them based on how positive they are depending on variables, such as the importance of the media or the space of the news.

According to this analysis, Bankinter ended 2018 with a score of 6.4, the highest of the main banks, and clearly above the industry average, of 5.8 and some way above the lowest score, 5.3.

The fact that despite only accounting for 5% of all mentions in the sector, Bankinter achieved the best score is significant. This is attributable, in large part, to the higher percentage of favourable news compared to negative or neutral news. 72% of news or mentions about the bank were positive, well above the average.

## Media

It has not been an easy year for the banking industry in the press, radio and television. The poor image that has plagued the sector for the past ten years, since the start of the financial crisis, intensified last year from October onwards, when controversy erupted concerning the Supreme Court's decision about who should pay stamp duty. Despite this, own news and positive news published by Bankinter in this context has contributed to increasing the score and achieving this result.

## Social networks

Specifically, in terms of social media, Bankinter has been ranked first once again in terms of positive presence (a position it has held since 2014). According to Acceso, the institution has achieved 81% positive mentions during the year, representing the Spanish bank with the best ratio on the market.

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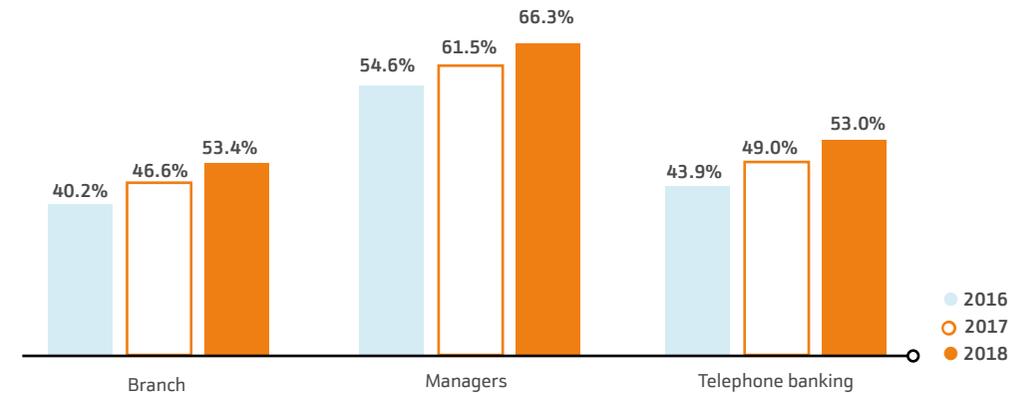
# Ever-increasing excellence

Against the backdrop of regulatory changes, Bankinter has once again spared no efforts in the permanent pursuit of excellence and improved its results in most quality indicators.

Against the backdrop of regulatory changes, Bankinter has once again spared no efforts in the permanent pursuit of excellence and improved its results in most quality indicators. The level of quality perceived by customers, measured using the Net Promoter Score (NPS), increased in 2018 by 21.7% and is now 36.5%. In 2018, the quality perceived by customers improved in all segments and commercial networks at the bank. 73% of centres in the Commercial Branch Office improved the quality perceived by customers.

In 2017, performance remained very positive in terms of service quality in the different customer service and remote channels:

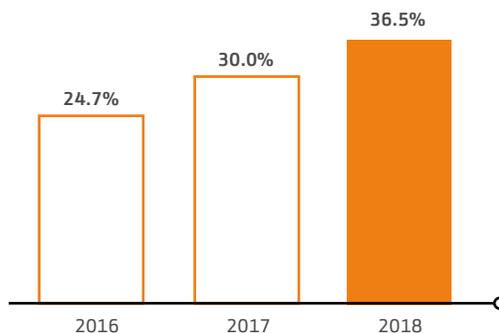
NPS branches and manager (cumulative annual data)



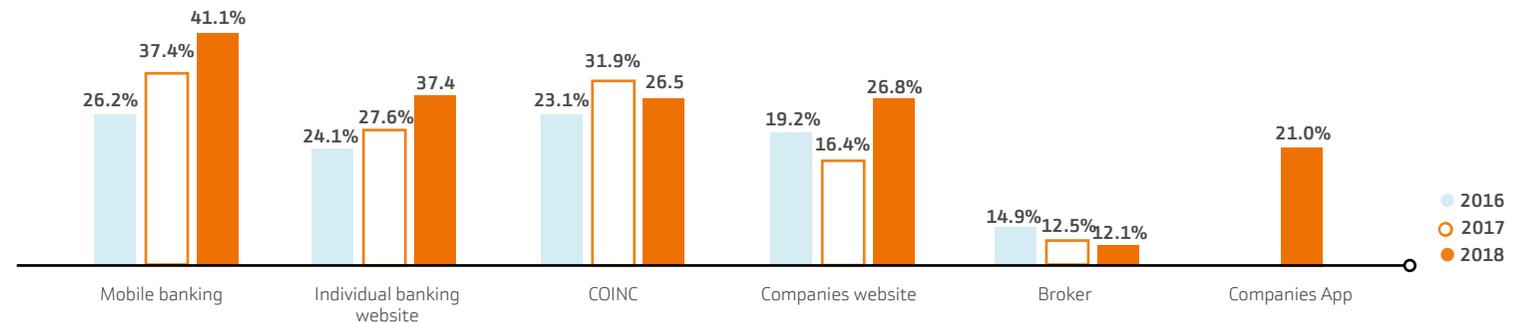
NPS (Net Promoter Score): obtained from the question about customer likelihood to recommend Bankinter on a scale of 0 to 10. Responses are divided between Promoters (scores of 9 and 10) and Detractors (scores of 0 to 6). The result is calculated as follows: NPS = % Promoters - % Detractors, with the scale of the indicator ranging from -100 to +100.

At the same time, the number of customers who recommend the bank, providing a score of 9 or 10 (on a scale of 0 to 10) increase by 10.7%, to 47.7%.

NPS bank (cumulative annual data)



NPS digital channels (cumulative annual data)



The positive evolution of quality levels at Bankinter Portugal is also sustainable, where, over the course of 2018, the same internal service and customer quality management platform as in Spain was rolled out. Bankinter Portugal significantly improved the level of quality perceived by customers and its NPS reached 21.6%. Furthermore, the percentage of prescribing customers grew to 41%.

In terms of the objective quality of the commercial network, which is measured using the mystery shopper approach, in 2018, the commercial network in Spain obtained a score of 8.2 out of 10, compared to 7.8 in 2017. The average for the banking sector was 7.2. In Portugal, Bankinter also boasts an outstanding difference at the head of the sector.

These data confirm that Bankinter maintains a high level of objective quality in its commercial network, helping the company to stand out in terms of customer service from the rest of the sector.

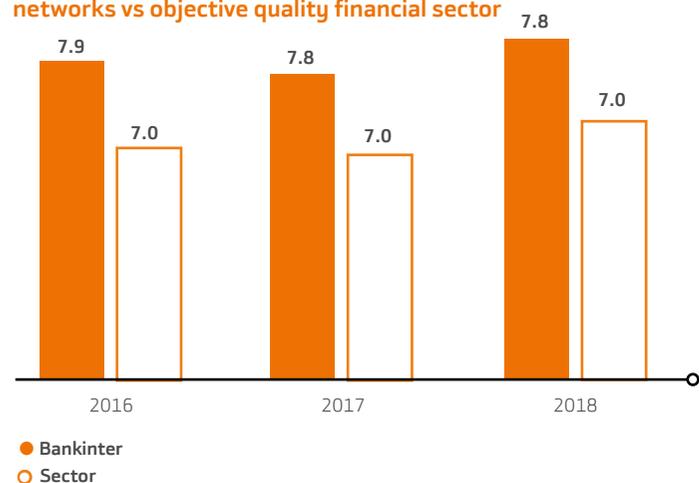
### Internal quality

Progress has also been seen in the internal quality indexes of the different departments. The score for quality experience at the Branch Network gathered by Central Services increased by 3.9 points, at 12.8%, with net satisfaction (NSS) at 34.7% (in part, following the implementation of 243 improvement measures to enhance internal customer satisfaction); at Bankinter Portugal, internal quality has also improved notably, with net satisfaction standing at 14%.

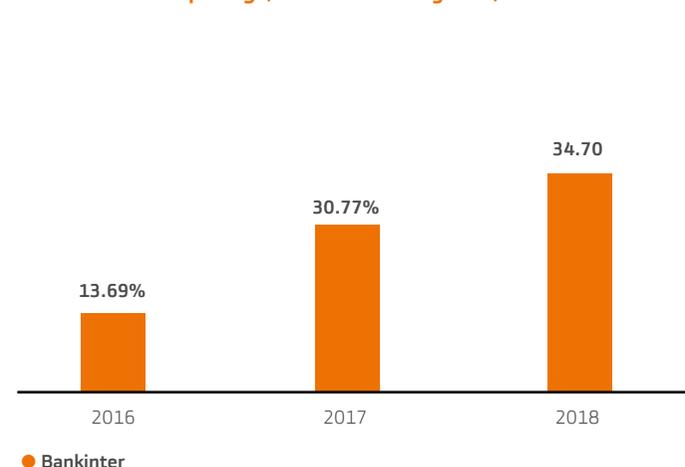
The **outlook for 2019** appears to be dedicated to pursuing excellence, both with customers and internally, to maintain the positive score compared to other institutions in the financial sector in Spain and Portugal. In particular, the objectives are as follows:

- Support digital transformation projects. The online measurement of the customer experience will be expanded on different platforms and mobile devices to improve the functionality of each application.
- Enhance the measurement of internal experience of employees with the operating procedures at the entity.
- Support business, support and operations centres to improve service quality and internal and external customer service.
- Perfect management information obtained from customer and employee surveys to speed up the implementation of improvement initiatives throughout the entity.

### Evolution objective quality in commercial banking networks vs objective quality financial sector



### Central service quality (accumulated figures)



## Customer Service Area

# A faster, more effective response

In 2018, the Customer Service Area (SAC), which receives complaints and claims from Bankinter's customers, significantly improved its response times, with 45% of cases resolved in just 48 hours.

Furthermore, the apps used to improve the service were also optimised, allowing customers to access details of their complaints online and using telephone banking. For the recording and control of complaints and claims, the Customer Service Area has a specific tool for monitoring, analysing cases, the cause of claims and controlling response times.

Furthermore, over the course of the year, work stepped up on the training plan for all members of the department. The main objective is to expand the team's legal and regulatory knowledge, and to improve practical aspects of banking management.

As part of its activities in 2018, the SAC resolved 17,867 cases (2,618 complaints and 15,249 claims). Of these claims, 71.2% were resolved in favour of Bankinter and 28.8% in favour of the customer.

### Other authorities

Customers can send their complaints and claims to other authorities, as well as the Customer Service Area. This is the summary of its activities in 2018:

- **Ombudsman.** Resolved 440 cases. Of these, 144 were in favour of the customer and 296 in favour of the bank. Another 24 cases remained outstanding.
- **Banco de España ('Banco de España').** In total, 276 cases were filed. 44 were resolved in favour of the customer, 119 in favour of the entity, 41 were not pursued (when the bank accepts the claimant's contentions), 27 were not contested and 45 remained outstanding.
- **Spanish National Securities Market Commission (CNMV).** In 2018, a total of 20 cases were handled by this supervisory body. 1 was resolved in the Bank's favour, 9 in the customer's favour and the other 10 remained pending.



Resolution time for 45% of cases

48<sub>h</sub>