

04.9

INNOVATION.

BANKIA'S DECISION TO PUT THE FOCUS ON THE CUSTOMER HAS IMPORTANT CONSEQUENCES. ONE IS THE NEED TO FIND INNOVATIVE WAYS OF IMPROVING THE CUSTOMER RELATIONSHIP. STATE-OF-THE-ART TECHNOLOGY SOLUTIONS ALSO HELP THE BANK MEET CUSTOMERS' DEMANDS.

The Relational Quality Directorate helps the commercial network build close, simple and transparent relationships with customers, so as to create lasting ties, grow alongside customers and become part of their life. In 2016 the bank started a model called "The Customer at the Centre", which was piloted in 125 branches in 31 sales areas throughout Spain.

The model is based on three core objectives: management of intensity, management of team commitment, and conversations with customers. "The Customer at the Centre" involves creating communication dossiers for high-impact actions and sales dialogues with customers, as well as participation in promotion workshops, to specify and exemplify the different aspects of the model.

The quantitative and qualitative follow-up process developed in the wake of the pilot helps detect alerts and alarms, so that action can be taken in the branches as necessary (face-to-face meetings with branch managers and teams, specific training sessions, etc.).

Similar models are being used in other parts of the organisation.

The Relational Quality Directorate has other projects under way, although the main project for 2017 is what is known as the Customer at the Centre rollout project, which will be tried in 600 retail branches. There are also plans to extend the Relational Warmth pilot to the existing 130 agile branches and the 26 branches in the "Conecta con tu Experto" programme.



BUSINESS INTELLIGENCE

A customer-centred strategy needs to start from as accurate as possible a knowledge of the customer's needs, and that is where technology and data processing play a crucial role. Aware of this, the bank is working on two fronts:

- **Big Data.**

In 2016 Bankia completed its Big Data architecture and started to develop a new analytical environment. It also put in place the basic components of the Commercial Management System, which, among other things, enables the bank to prioritise and optimise commercial actions for multichannel purposes and select the best offer for each customer. More effective use of Big Data has allowed the bank to develop statistical models for the propensity to consume products and services, with daily data refresh, resulting in more targeted offers and a higher success rate in commercial actions. The bank is also developing models that improve the level of pre-classification of risks and the identification of customers at risk of leaving or curtailing the relationship.

BRANCHES THAT PILOTED 'THE CUSTOMER AT THE CENTRE'

125

- **Marketing actions.**

Last year, sales of products and services were simplified through the implementation of a system for categorising actions, prioritising customers and adapting tools, so as to facilitate day-to-day management in the branches. This new process will promote the value of closeness to customers in the network, as it will result in an increase in proactive selling. In addition, a new measure of productivity was defined and implemented, focused on the sales that contribute most value to the bank, with the aim of improving efficiency in the network.

Also planned for 2017 is the completion of the Business Intelligence Transformation Project, aimed at prioritising customers by expected value, full adaptation of the bank's marketing tools and the implementation of a coordinated multichannel marketing system.

04.9

INNOVATION.

OTHER INITIATIVES

During 2016, besides laying the foundations for a higher quality relationship with customers and increasing the knowledge of customers' needs in order to provide a better service, Bankia also implemented other innovative initiatives, notably the following:

- **Bankia Fintech by Innsomnia.**

This fintech startup incubator and accelerator is based in the former America's Cup base in Valencia's Royal Marina. The 14 companies selected in the first round are all aiming to deliver solutions in fields that are of interest to the bank: risks, the self-employed customer segment, exports, security, cryptocurrencies, mobile payments, wealth, stock market, immigrants, business geolocation and real estate loans. Bankia Fintech by Innsomnia provides the selected startups with business plan support and mentoring, as well as training. The participants are from Madrid, Asturias, Castellón, Alicante, Valencia and Barcelona.

- **BeBankia.**

This mobile app uses geolocation to display to all users (customers and non-customers) the discounts and special offers available at nearby establishments. The user can save the most attractive offers and search by category (restaurants, health and beauty, sports, etc.) or location. The user can also

make payments, register bank cards and see each card's purchase history.

- **Business Trends Observatory.**

In July, Bankia and the Valencia Chamber of Commerce presented this initiative, which is intended to help companies obtain all the necessary information about their sector and its trends, in order to decide future strategies. The first sector analysed was food, which is considered strategic at a regional and national level. The Observatory is intended to detect the demand for labour, jobs and skills in the sector, so as to increase employability, as the basis of social cohesion, which helps to create a more fair and more balanced society.



Besides laying the foundations for a higher quality relationship with customers and increasing the knowledge of customers' needs in order to provide a better service, Bankia also implemented other innovative initiatives.