

2015–2016

WEBRANKING BY COMPREND

19th EDITION

EUROPEAN BANKING SECTOR

May 2016

TRANSPARENCY STRESS TEST

In an increasingly challenging and competitive environment, this analysis investigates how well leading European banks meet the growing expectations of stakeholders in terms of transparency and dialogue through digital channels. Who is taking the lead?

Europe's leading survey of corporate websites and the only global ranking based on stakeholders' demands

Spotlight on the banking sector **2**

The banking sector must address stakeholders' issues to restore trust **4**

Best in class **8**

Seen through the lens of Europe's 52 largest banks by market capitalisation, Webranking by Comprend evaluates the industry's ability to distinguish itself in an increasingly competitive and challenging business environment.

The research provides a useful perspective from which to observe how the industry in Europe is responding to mounting public pressure and scrutiny to see which banks are leading the way in translating those expectations into credible communications. ”

Key Figures

Webranking by Comprend is Europe's leading survey of digital corporate communications

19th international edition

497 largest companies ranked in Europe

802 companies ranked globally

52 banks ranked in Europe

19 sectors in

22 countries

100 maximum number of points from the protocol that cover all aspects of corporate communication

460+ responses to the two Webranking by Comprend questionnaires dedicated to the financial community (Capital Market Survey) and to job seekers

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Spotlight on Europe's banks as they face the communications stress test

Based on the demands of stakeholders, Webranking works as a stress test by measuring the fundamentals of online corporate communications and digital dialogue. To measure how effectively European banks are responding to market demands, the latest edition of the research has increased the weight of "core" information, i.e. information that stakeholders consider to be most important. According to this year's results, banks are still lagging significantly behind other industries when it comes to digital transparency.

This year, over 400 analysts, job seekers, investors and business journalists have been engaged to define the assessment criteria. Their perspective matters: 4 out of 5 use corporate websites to gather information about companies on a daily basis.

Seen through the lens of the Europe's 52 largest banks by market capitalisation, the research evaluates the sector's ability to distinguish itself in an increasingly competitive and challenging environment: aside from the overall positioning, the assessment looks at aspects that are critical for banks such as **strategy, investment proposition, governance, remuneration, risk management and strength of employer branding**.

Being able to articulate the company's position on corporate issues through **digital channels** and demonstrating **engagement in social media** translates not only into an ability to respond to **potential crises** but to generate day in-day out an opportunity to build a competitive advantage and regain trust from an increasingly sceptical consumer and stakeholder base.

Pass rate improves...

Considering 50 points out of 100 points as the threshold at which companies respond adequately to market requirements, only 1 in 4 of Europe's top banks passed the test in 2015 (only a slight increase from 2014, where 1 in 5 passed the test). The banking sector saw an increase in its average score, hitting 39.5 points (in 2014 the sector scored 36.4 points). This, however, falls below the European average of 41.9 points.

Danish bank **Danske Bank** tops the ranking with 69.5 points out of 100. The company is followed by Swedish bank **Swedbank** (63.4 points) and Austrian bank **Erste Group** (60.5 points), which also wins the title of best improver, improving by an impressive 15.2 points. Other best improvers includes Spanish bank **Bankia** and Italian bank **Mediobanca**, which both improve by over 9 points.

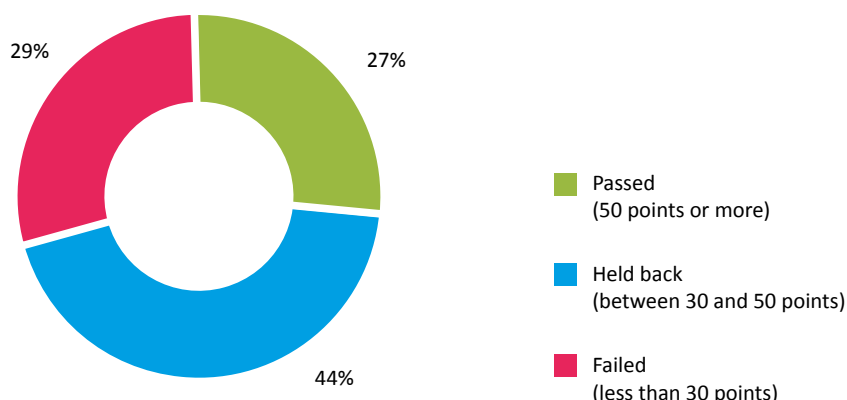
...but most banks still not meeting capital market needs

The failure rate, or those companies at the bottom of the ranking which do not meet the minimum content required by the market, decreased significantly from 40% to 29% this year.

Despite this improvement, just under half of companies (44%) achieve between 30-50 points (finding themselves in the "held back" category), meaning that 1 out of 3 companies are not passing the test. In line with the European findings, low scores were predominantly found in areas related to investor relations, where banks average a mere 24%. This is a disappointing figure given that over 80% of stakeholders request easy access to IR-related information (such as information on debt, risk management, investments & divestments and so forth).

Webranking 2015-2016 Europe 500

52 largest banks in Europe



Source:
Webranking by Comprend 2015-2016
Europe 500 (banking sector)

As we move into an increasingly digital age, it is critical for banks to have responsive communications capabilities that allow them to interact in a more significant manner with their customers' digital lives.

Our research shows that they need to play catch up with other industries, and fast.

Staffan Lindgren,
Managing Partner, Comprend



More weight given to stakeholder priorities

The protocol is revised annually, and this year the protocol evolved even further – giving more weight to what stakeholders expect. It increased the importance given to core information (which is the information most highly requested by stakeholders, such as strategy, growth drivers, market position, geographical data and sustainability).

In this way, Webranking becomes an important stress test regarding the effectiveness of digital corporate communications.

Webranking 2015-2016 Europe 500

52
European banks evaluated

+39.2
banking sector average

+3.1
improved average score
since 2014

European banks passing the test

	<i>points</i>
1. Danske Bank	69.5
2. Swedbank	63.4
3. Erste Group.....	63.4
4. SEB	59.9
5. UniCredit	59.7
6. Credit Suisse	59.6
7. Royal Bank of Scotland	58.3
8. UBS.....	55.3
9. Deutsche Bank	55.0
10. Intesa Sanpaolo	53.1

The banking sector must address stakeholders' issues to restore trust

From the recent Panama Papers and the issue of tax avoidance to scandals around market rigging, responsible banking remains a hot topic. With scrutiny on banks' activities in this area widening in scope, transparency, managing reputational risk and restoring trust are a priority for the business. Webranking by Comprend provides a useful perspective from which to observe how the industry in Europe is responding to these public pressures and see which banks are leading the way in translating those expectations into credible communications

Banking industry beset by reputational crises

It hasn't been an easy ride for the banking industry, which since the financial crash in 2008 has been the focus of tough regulations amid public scrutiny. It hasn't helped that since then the industry has been beset with a number of scandals.

Take the HSBC files, in which its Swiss banking arm allowed illegal activities of arms dealers to take place and helped wealthy people evade taxes, or the more recent Panama Papers, which exposed a system of crime, corruption and wrongdoing, hidden by secretive offshore companies. These wrongdoings were exposed by whistle-blowers, and a team of investigative journalists, perpetuating the notion even further that banks lack transparency and are untrustworthy.

Issues of liquidity and wrongful management also hit smaller European regional banks in Italy and the UK, making international headlines. Shareholders reacted strongly and angrily as this again showcased the dangers of how the shortcomings of a small institution can lead to a nation-wide, or even Europe-wide, contagion. Fears of a bank run (i.e. people withdrawing their deposits) and a hasty retreat from investors leading to a potential domino effect of banks going bust stoked a real fear and a hasty response on European shores. Covered by the world's largest international newspapers, the banking industry was put under the spotlight again – and not for the right reasons.

Credible comms to restore public & stakeholder trust

The reputational consequences of leaks, or the mismanagement of banking funds, can have a tremendous effect not only on customer retention, but on shareholder trust – the lifeblood of the industry.

With this macro scenario in mind, Webranking by Comprend provides a useful perspective for observing which European banks are communicating transparently via digital channels on critical issues deemed key to the public and stakeholders.

Webranking claims that responding to stakeholder needs is crucial in restoring trust, which is a major priority for the industry. It shows that a bank has an awareness of critical issues and can engage in its own self-assessment, which can drive change. For this reason, the research ranks banks according to whether they publish information deemed crucial to stakeholders across a number of different topics via their digital channels (see graph below).

Key comms areas identified within report

Identified within this report are five key areas that are critical for major banks in understanding how they are positioned from a credible communications perspective in the digital landscape. From transparency on financial numbers, to reporting on matters related to sustainability, the report uncovers which banks are leading the way in restoring trust through credible communications.

Banks are increasingly being held to account for previous wrongdoings. It is therefore crucial that they rebuild trust through transparent communication and show clear evidence of how they are addressing critical issues.

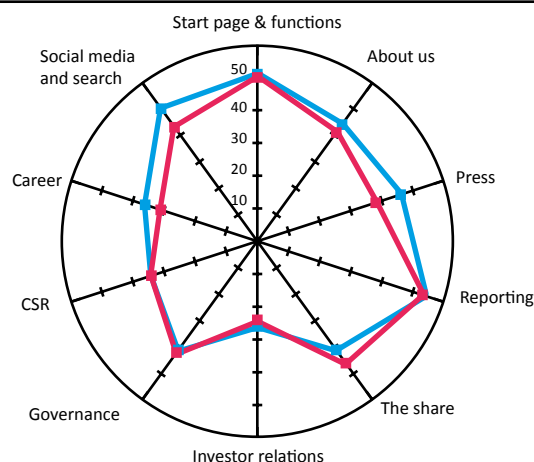
Joakim Lundquist, CEO of Lundquist and Head of Comprend in Austria, Italy and Switzerland



Webranking data

Banking sector performance by section compared with top EU500 company performance

- Average banking score (% of max score)
- Average EU500 companies (% of max score)



Source: Webranking by Comprend 2015-2016

A deep dive into the Webranking findings

The gap between what the public and stakeholders expect banks to communicate on, and what banks are actually saying, remains wide. Banks score higher for transparency in sustainability comms than they do in matters related to investor relations.



Best in class in investor relations

- Danske Bank
- Swedbank
- Erste Gruppe

1

Despite recent scandals, digital transparency on matters related to IR still low priority for banks

Post the financial crisis, banks are required by law to publish information on their debt levels, and numerous Basel stipulations require them to be open and transparent on their risk management processes. While this information is buried deep in their annual reports, only 19% of banks publish their total levels of debt on their corporate website (compared to 26% of the companies in our analysis of Europe's biggest companies by market cap), and less than 40% present their risk management processes online.

Compared to last year, the Investor Relations area improved only very slightly (23.8% vs. 23% in 2014). More banks are now presenting their business strategy (75% vs 50% in 2014), yet only 15% delve deeper by providing concrete actions, lagging behind the European average of 25.4%.

However, the gap between external expectations and company communications remains wide. Our survey highlights that 89% of investors and analysts consider banks communicating their market outlook as "very important." Only 11% of banks publish this information on their corporate website, well under half of their European counterparts (25%).



Best in class in sustainability

- Lloyds Banking Group
- Intesa Sanpaolo
- Royal Bank of Scotland

2

Sustainability as the backbone to restoring customer trust

Where banks are doing a little better is in communicating on matters related to sustainability, with over 90% broaching the topic. The key to sustainability is defining material issues via stakeholder engagement both internally and externally. When it comes to restoring trust, and managing reputational risk, engaging with key players to see what is important to them (known in the world of sustainability as a materiality analysis) not only increases credibility, **but also makes business sense.**

Yet this engagement with the outside world is often missing from CSR communications (only 26% of banks present the results of a materiality analysis), leaving the suspicion that the industry is working on their own agenda. In the same way, while over 70% of banks present a CSR report, many fail to present even basic environmental data while less than half are publishing sustainability targets.

Ones to watch

However, don't be misled. A number of leading banks are paving the way for more transparent engagement in this area. Swiss bank UBS, ranked 7th overall and 4th for CSR comms, publishes a detailed materiality matrix outlining key areas of importance, but also shows how it came to prioritise these areas through stakeholder engagement. Intesa Sanpaolo, ranked overall in 9th place and 2nd for CSR comms, draws the connection between stakeholder

engagement and management of reputational risk. UK bank Lloyds Banking Group, communicates strongly on sustainability, presenting a well throughout strategy and report, as well as publishing its environmental and social target numbers, showcasing its transparency in the sector. A focus on sustainability is not just a "preventative measure", but also makes business sense. By understanding what is important to stakeholders, and by delving deep into risk management, banks can produce better products, and act more responsibly and in turn win more loyal customers. In a world where reputational risks continue to lurk, communicating more transparently on matters important to stakeholders could do just the trick in winning them over.

One to watch:

Royal Bank of Scotland (RBS)

In publishing its stakeholder engagement, the Scottish bank shows in a transparent manner how it responds to stakeholder concerns.

Responding to stakeholder concerns

We have a robust programme in place through which we identify our key stakeholders, gain feedback on material issues and respond appropriately.

In 2014 we undertook a number of initiatives across the bank following our stakeholder engagement activities. For example:

- We focused on becoming a smaller, simpler and leaner bank focused on our customers and centred in the UK. During 2014 the bank's seven divisions were transformed into three customer businesses, supported by shared central functions.
- We simplified communications with customers and ceased offering all higher rate credit cards. We also committed over £1 billion to improve and simplify banking for Commercial and Corporate customers.
- We rolled out training to help employees recognise and combat unconscious bias and engaged with employees on diversity and inclusion. Our efforts were recognised with several gender, race and equality awards.

Our Board level Sustainable Banking Committee held six face-to-face meetings with groups of external stakeholders to discuss topics such as climate change, privacy, employee engagement and supporting enterprise.

Banks continue to show reluctance in engaging with a wider audience on key issues, despite the clear need for the industry to take into account stakeholders' and the public's needs and issues.



Best in class in using social media as a tool to engage jobseekers

- Danske Bank
- Erste Gruppe
- Credit Suisse

3

Engagement on social media and a work-life balance top priorities for millennial jobseekers

The world of recruitment is changing. Finding work through social media has become the new norm, as companies compete for the best talent using channels such as Glassdoor, LinkedIn, Facebook and Twitter to post vacancies and interact with future employees. The Webranking Careers Survey, in fact, reveals that 79% of jobseekers use social media channels to hunt for relevant career information.

Despite this trend, only 36% of banks have a LinkedIn presence, and a mere 40% post their vacancies on this outlet.

Studies have shown that millennials, whilst ambitious, place greater importance than previous generations on having a work life balance. In fact, after a string of scandals involving deaths caused by over-working, serious questions have been raised as to how investment banks, in particular, expect to confront issues regarding work environment and conditions. It is therefore worrying to see that only 30% of banks publish detailed information with regards to this online.

4

Lack of transparency on issues of remuneration

It's been eight years since the financial crash and the scandals linked to the excessive pay of managers that came with it, and yet even to this day less than a quarter of banks show they

are tackling this issue by publishing their remuneration policy. Of the 52 banks analysed, only 3 publish the full remuneration of their executives on their corporate website, with 4 doing so for their board of directors, despite this being information required by the law.



Best in class on governance issues

- SEB
- Swedbank
- Danske Bank

5

Banks slow to adopt new technologies

Responsive websites (the ability to adapt web content to different devices) may seem the norm, but banks may as well still be in the stone age as our research reveals only 33% have a responsive website, almost half that of European companies (60%). While this is a

significant improvement from last year's figure (14%), the problem remains that many of these sites have slow loading speeds.

The Google site speed test reveals that a mere 33% of banks reach the fastest loading speed on a desktop and none of the banks at all reach this level on mobile platforms.

One to watch: Swedbank

The Swedish bank is one of the few in the industry to publish full remuneration details for its Board of Directors, Executive Committee and President.

Remuneration to the Board of Directors, the President and the Group Executive Committee

Remuneration to the Board of Directors

SEB's Annual General Meeting 2016 decided on a Directors' fee of SEK 13,710,000 to be distributed as follows:

- SEK 2,800,000 to the Chairman of the Board,
- SEK 7,660,000 to the other Directors elected by the AGM who are not employed in the Bank to be distributed with SEK 860,000 each to the Vice Chairmen and SEK 660,000 each to other Directors, and
- SEK 3,250,000 for Committee work to be distributed as follows:
 Risk & Capital Committee: Chairman SEK 510,000, other member SEK 325,000,
 Audit & Compliance Committee: Chairman SEK 387,500, other member SEK 200,000 and
 Remuneration & Human Resources Committee: Chairman SEK 387,500, other member SEK 195,000.

Sectors:

Banking sector trails behind peers, falling below the average

Achieving the best performance in Europe is the chemicals sector. The banking industry finds itself in 14th place.

The **banking** sector achieved a low average of 39.2 points, yet maintains its position above the other financial sectors, excluding insurance. Topping the banks ranking with the highest points are **Danske Bank** (69.5), **Swedbank** (63.4) and **Erste Group** (60.5).

The Chemicals sector in Europe comes out on top again (having held this place last year), with an average of 48.5 points, beating last year's average of 40.5 points. Leading German companies **BASF** and **Bayer** and Dutch company **DSM** make the top three for the second year in a row.

The insurance sector moves up an impressive five places to take joint second place with 45.8 points, up from 40.5 points last year. Italian insurance company **Generali** tops this group.

Financial companies as a whole continue to disappoint, with the financial services sector performing the worst in the overall ranking. The few exceptions in this group include **Investor**, **Deutsche Boerse** and **Schroders**.

Seven sectors, including banks, out of 19 achieved less than 41.9 points, which is the general average score for Europe.

Country ranking – Banking sector

The top 5 most transparent countries in the banking sectors are:

	points
1. Sweden (4 banks).....	51.3
2. Switzerland (4).....	47.0
3. Italy (5).....	46.8
4. Germany (2).....	45.4
5. UK (6).....	44.7

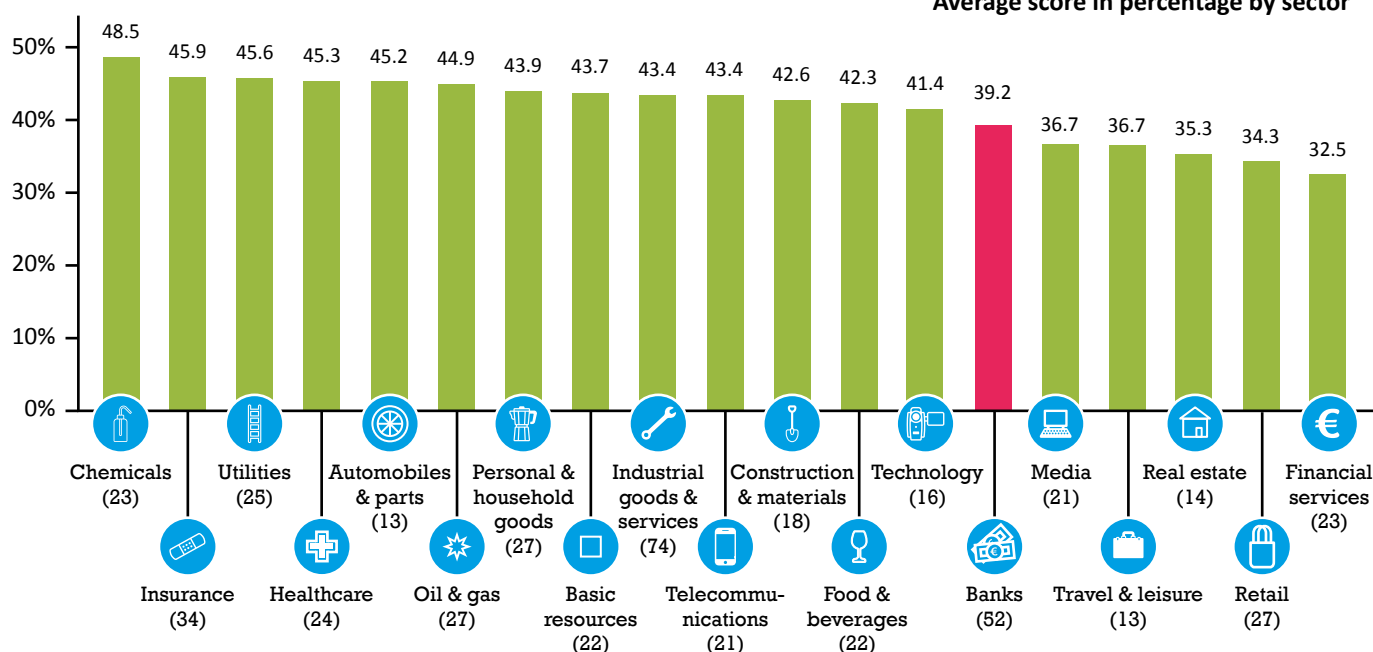
Publication of sector analyses

A new series of sector reports was introduced last year. These reports tell us how companies identify and address the most pertinent sector issues they are facing. It also offers a direct peer group comparison, giving companies an in-depth look into how their competitors are operating in the space.

Look out for further sector reports on insurance, healthcare and construction.

Webranking data

Average score in percentage by sector



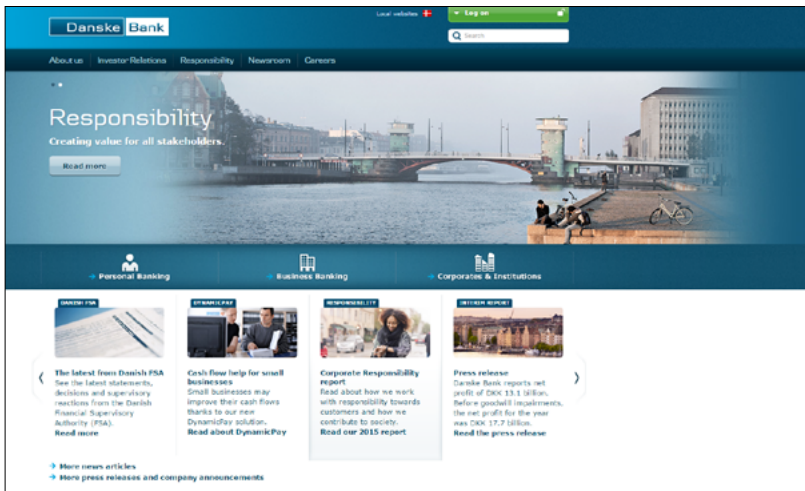
Note: Webranking by Comprend 2015-2016.

The companies included in Webranking by Comprend are categorised in 19 supersectors according to the ICB (Industry Classification Benchmark) methodology.

Best in class

Banks in Europe 500

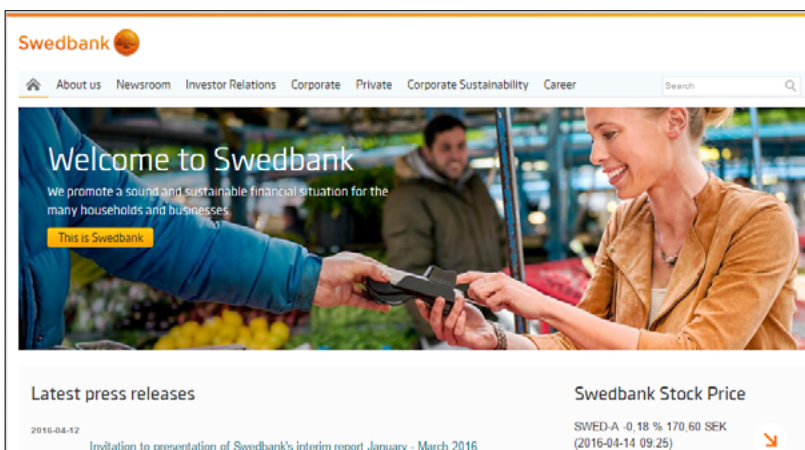
1 *danskebank.com*



Danske Bank retains its position in first place with **69.5** points.

The bank gains the highest points in the Investor Relations section, scoring full points for its detailed investor story and for providing key information on its investments, debt levels and risk management processes, information deemed key by the capital market.

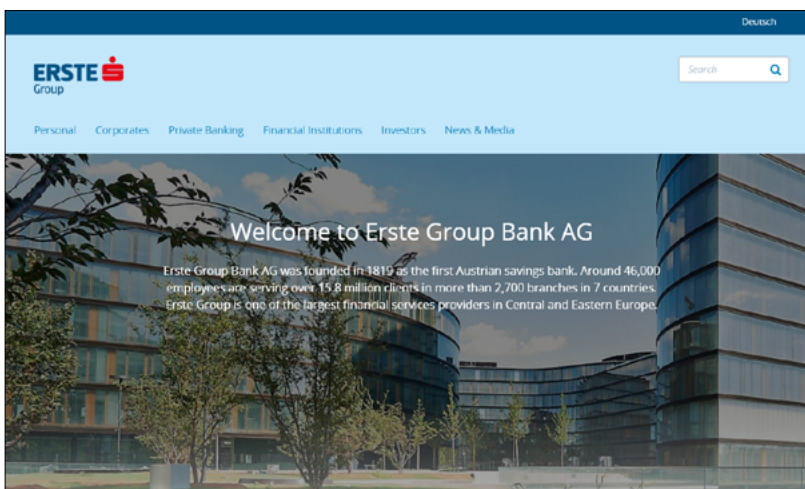
2 *swedbank.com*



For the second year in a row, Swedbank holds steady at second place with **63.4** points.

The Swedish bank receives top scores in the governance and reporting sections. It is one of the few banks that presents detailed information on its Board of Directors and Executives.

3 + BEST IMPROVER *erstegroup.com*



Closing the top three with a gain in 11 positions is Austrian bank Erste Gruppe, for the first time in the podium with **60.5** points, improving an impressive 15.2 points.

The bank gains top points for a well-organized press section, which includes ample visual content in its press releases and updated social media feeds.

How we conducted the research

Over the past 20 years, the Webranking research has become the most recognised analysis in Europe regarding digital corporate communication. The objective of the research is to help businesses better communicate with stakeholders and to understand their priorities. This year, the research has been improved to reflect the needs of stakeholders even more.

52 banks assessed along with more than 800 companies globally

Comprend's Webranking research is the most well-known analysis of corporate and financial communications in Europe. The study is a well-honed instrument not only for measuring the efficiency of online communications, but also to help companies compare with national and international peers. The European ranking evaluates companies that are in the Financial Times Europe 500.

Sector rankings of the companies in the FT Europe 500 index are based on the ICB sector classification. The European classification included 52 banks in 2015.

The research also includes a global ranking that evaluates the largest 100 companies in the world included in the Global 100 index by the Financial Times. Taking into account the ranking of companies based in the Middle East and North Africa, a total of 802 companies worldwide were assessed.

The study evaluates the English language version of corporate websites.

The stages of the research

The research consists of three steps. First, every year Webranking criteria are updated based on the results of questionnaires dedicated to the capital market and jobseekers in order to reflect new stakeholder needs.

The second stage applies to stakeholder expectations, in the form of an evaluation protocol, to all the companies included in the research to test how well they perform. Then, each company is given a score.

The last step is the data analysis and the presentation of the research results, in addition to the collection of international best practices and trends.

How are the companies evaluated?

The evaluation protocol of Webranking by Comprend 2015-2016 is composed of 100 criteria, divided in 10 sections, making for a total score of 100 points.

Financial information (the presentation of financial statements, investor relations information, title information and corporate governance) have grown in importance over the last year, making up a total of 48 points. The criteria dedicated to the site's positioning on search engines and the presence and use of social media make up a total of 6.2 points. They are integrated within the sections, as in previous years.

Major focus on information relevant to stakeholders

This year Webranking focuses more on the needs of the most important stakeholders. In this way, the research becomes even more of a stress test on the effectiveness of digital corporate communications.

The various phases of the research



Key numbers

19th
European edition

52
European banks
evaluated

497
FT Europe 500
companies
evaluated

Comprend Webranking 2015-2016

Banking

Rank 2015-2016		Rank 2014	Company	Score 2015
1	●	1	Danske Bank	69.5
2	▼	2	Swedbank	63.4
3	▲	14	Erste Group	60.5
4	▲	6	SEB	59.9
5	▼	5	Unicredit	59.7
6	▼	3	Credit Suisse	59.6
7	▼	4	UBS	55.3
8	▲	11	Deutsche Bank	55
9	▼	10	Intesa Sanpaolo	53.1
10	▼	9	Royal Bank Of Scotland	58.3
11	▲	12	BNP Paribas	52.4
12	▲	13	Barclays	49.6
13	▼	7	Nordea	51.6
14	▼	8	Ubi Banca	51.3
15	▲	22	HSBC	46.3
16	▲	21	Mediobanca	48.4
17	▼	16	KBC Group	46.4
18	▼	17	BBVA	44.3
19	▼	25	Lloyds Banking Group	43.5
20	▼	17	Standard Chartered	42.3
21	▲	23	Societe Generale	43.1
22	▼	15	DnB NOR	41.2
23	▲	24	Credit Agricole	40.3
24	▲	32	CaixaBank	39.5
25	▲	36	Julius Baer	37.2
26	▲	40	Bankia	35.8
27	-	NEW	Banque Cantonale Vaudoise	35.8
28	▼	19	Commerzbank	35.7
29	▲	35	Turkiye Garanti Bankasi	34.9
30	●	30	Santander	33.7
31	▼	29	VTB Bank	33.6
32	▼	30	Bank of Ireland	33.2
33	▲	37	Sberbank of Russia	32.9
34	-	43	Komercni Banka	32.8
35	▲	38	Banco Sabadell	32
36	▲	41	M Bank	30.9
37	▼	32	Handelsbanken	30.2
38	-	NEW	Millennium BCP	29.3
39	▼	28	Natixis	28.6
40	▲	53	Akbank	26.2
41	-	NEW	Bank Zachodni WBK	26.1
42	▲	44	Bankinter	25.7
43	▲	46	OTP Bank	25.1
44	▲	49	PKO Bank	24.9
45	▼	42	Banco Popular	23.8
46	▼	39	Aberdeen Asset Management	28.3
47	-	NEW	Bank Pekao	22.9
48	▼	54	Turkiye Is Bankasi	22.7
49	▼	47	Yapi ve Kredi Bankasi	21.8
50	▲	55	ING Bank Slaski	21.7
51	▼	50	Banco Popolare	21.3
52	▼	50	Turkiye Halk Bankasi	19

Note

The maximum score is 100 points. The 52 banks were selected from the FT Europe 500 Index 2015 and belong to the ICB supersector 8300 Banks. Each site was evaluated twice by different researchers between the beginning of July and August 29th.

The companies included in Webranking by Comprend categorized in 20 supersectors according to the ICB (Industry Classification Benchmark) methodology.

Previous rankings can be found at

To read the complete results, click below:

comprend.com/webranking

Compared to last year, 4 banks entered the FT Europe 500. These include Banque Cantonale Vaudoise, Millennium BCP, Bank Zachodni WBK and Bank Pekao.

Close the gap: order the report

The Webranking Report is an online tool that identifies the gap between your key stakeholder demands and your digital corporate communication. It provides you with tools to reach your goals, meet stakeholder demands, benchmark against peers and competitors, or reach your anticipated ranking position.

The Webranking Report

- Your company's score and ranking
- Your strengths and weaknesses, overall and by section
- Benchmark analysis with 3 selected peers
- Detailed description of all 100 criteria
- 300 best practice examples to be inspired from while planning for your improvements
- Interactive tool that lets you test how improvements would affect your results
- Access to the data from the background research surveys

The Webranking Plus Report also includes

- A qualitative analysis with detailed recommendations on how to improve your digital corporate communication
- A face-to-face presentation of your results where we also share current trends and suggest possible ways forward for continuous improvement, including a review on design, message and findability

We are Comprend

comprend 

Digital Corporate Communications

At Comprend we believe in creating stronger, more engaging Digital Corporate Communications solutions for our clients. We combine communications knowledge with digital expertise. Our international clients rely on us for their IR, media, CSR, employer branding, internal communications and social media. Our work has global reach and successfully supports worldwide as well as local market-specific initiatives.

We are a team of 60+ professionals with offices in Stockholm, London and Lisbon. We have partners in Milan (Lundquist), as well as group partners in the H&H Group: Hallvarsson & Halvarsson, Involve, Jung and Springtime.

For further information check the website comprend.com

To order your Webranking by Comprend 2016-2017 report or to get more information and insights please contact:

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