

INNOVATION

2019 INTEGRATED ANNUAL
REPORT



Technology at the service of business strategy

The objective of the Digital Banking area is the smart application of technology to contribute to the success of the Bank's global business strategy. This objective has two main lines: improving customer experience and transforming processes to reduce the time and resources spent on them.

In regard to customer experience, Bankinter is focusing on self-service, taking advantage of the benefits offered by the omnichannel approach. This means that customers are not only able to perform more and more transactions on their own (from registering to contracting products), but they will also have the opportunity to change the channel they use at any point in the process at their convenience.

In this area, the Bank has been fostering mobility, i.e. customer relations through the mobile, for many years.

Processes

In regard to process transformation, the aim is to build a scalable operational model, i.e. one that can handle business growth without the need to increase resources proportionally. For this reason, among other actions, most administrative tasks are being moved to central services, thereby freeing up time for commercial management in-branch, while at the same time reducing operating risk, for instance, in the area of contracting.

Over the past few years, the Bank has redesigned its main administrative and risk sanction processes and has invested in a process management infrastructure and architecture (Business process management) that automatically runs administrative and business support tasks, improving service quality and reducing processing times.

Other types of technology designed to give scalability to the Bank's operating model are robotics and artificial intelligence, which automate processes with inefficient systems integration and mechanically execute repeated tasks of little added value.

Looking ahead, the Digital Banking pipeline contains:

- Take advantage of the new microservices architecture to generate new open banking business models, marketing the Bank's products through third-party channels.
- Further explore the omnichannel concept, breaking down barriers between the different channels for relating to the Bank.
- Development of adaptive security. The objective is to make information security into a competitive advantage, improving the user experience based on knowledge of their behaviour and biometrics.
- Leverage on technology to make our operating and commercial model more scalable to guarantee optimal efficiency levels.

Innovate to create wealth

The mission of the Bankinter Innovation Foundation is to promote the creation of sustainable wealth in Spain and Portugal through innovation and entrepreneurship. To achieve this goal, the Foundation is implementing the following programmes:

- **Future Trends Forum**, an international think tank as part of which experts from around the world identify and analyse innovative trends that will affect our society of tomorrow.
- **Startups**, a programme run in collaboration with Bankinter Venture Capital to invest in high-potential entrepreneurial companies.
- **Akademia**, a training platform bringing experience of innovation to universities.
- **Cre100do**, a business transformation programme to foment the growth of the middle market in Spain. This programme was created in 2014, in collaboration with ICEX and the Círculo de Empresarios, and in 2019 evolved into the Cre100do Foundation.

One of the main features of the Bankinter Innovation Foundation is the composition of its board of trustees. This is formed by 22 world experts in innovation from the business world, the public sector and academia. In 2019, two new members joined the board: Dongmin Chen, dean of the School of Innovation and Entrepreneurship and head of the Scientific and Technology Development Office at Peking University, and Robert Metzke, head of sustainability at Philips and global expert in innovation, strategy, social impact and leading change.

Bankinter Foundation board of trustees

Name	Surname	Nationality
Jose M ^a	Fernández-Sousa	Spain
John	de Zulueta	Spain
Rafael	Mateu de Ros	
Angel	Cabrera	
Antonio	Damasio	Portugal
Dongmin	Cheng	China
Charles	Bolden	United States
Emilio	Méndez	Spain
Chris	Meyer	United States
Carlos	Mira	Spain
M ^a Dolores	Dancausa	Spain
Gloria	Ortiz	Spain
Pedro	Guerrero	Spain
Philip	Lader	United States
Richard	Kivel	United States
Robert	Metzke	Germany
Eden	Schochat	Israel
Jens	Schulte-Bockum	Germany
Soumitra	Dutta	India
Tan Chi	Nam	Singapore
Stephen	Trachtenberg	United States
Wilfried	Vanhonacker	Belgium

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Future Trends Forum

The Future Trends Forum (FTF) is the only multidisciplinary and international think tank focused on innovation. Comprising 642 experts, the FTF anticipates and detects innovation trends, analysing their impact on society and future business models. It has been recognised for the eighth year running as the best think tank specialised in science and technology in Spain and ranks 31st in the University of Pennsylvania's Global Go-To Think Tank index. Among the new additions in 2019, the following experts stand out: Dava Newman, professor of Aeronautics and Astronautics at Harvard-MIT Health and deputy administrator of NASA during the Obama administration, Kush R Varshney, artificial intelligence researcher at IBM Research, and José Carmena, founder and CEO of Iota Biosciences and professor of Electrical Engineering and Neuroscience at the University of California.



Future Trends Forum
<https://www.fundacionbankinter.org/ftf>

In 2019, Future Trends Forum analysed the trends in innovation that it believes will have the greatest influence in the near future. They are the following:

- **Commercialisation of space.** Advances in technology and scientific research are permitting the commercialisation of space and development of new industrial applications in orbit, such as manufacturing and research or new communication and observation technologies. The experts of Future Trends Forum have concluded that the commercialisation of space is already a business opportunity on Earth because, while it poses risks, it also offers viable business development opportunities. Spain plays a significant role in this trend, with a business volume that already stands at around 800 million euros.



<https://www.fundacionbankinter.org/ftf/tendencias/espacio>

- **Artificial intelligence.** Artificial intelligence has been analysed from various angles: technological development and the capacities and impacts it will have on people's lives in the next ten years. Experts have identified the challenges and opportunities posed by this trend for society and above all in the field of business.
- **Neuroscience.** Information about the brain is growing at an unprecedented rate and experts of the Future Trends Forum have discussed its impact on society and on the economy.



<https://www.fundacionbankinter.org/ftf/tendencias/inteligencia-artificial>



<https://www.fundacionbankinter.org/ftf/tendencias/neurociencia>



In 2019, work was also done to update the content of past trends analysed by the Future Trends Forum to observe how they have developed and whether the challenges identified have materialised. To date, the Future of Money and Internet of Things trends have been updated. Reports are pending on Cloud Computing and Disruptive Cities.

The challenges and conclusions identified by the Future Trends Forum were presented at 10 events held in cities such as Madrid, Valencia, Bilbao and Malaga, attracting over 900 attendees. In 2019, a new exclusive event format was introduced, the Innovation Forum, which brought together the leading experts of a trend and the Spanish agents involved (from business owners to academics) to discuss its challenges and opportunities. Last year, two forums of this type were held in Madrid on artificial intelligence and neuroscience.

Startups

The Startups programme supports entrepreneurs, which the Foundation considers one of the main levers to boost innovation in Spain.

To do this, it invests alongside Bankinter Venture Capital in innovative technology-based startups in Spain and Portugal with scalable business models and an international bias. To assess potential investment, it is necessary to have at least a first version of their product on the market and initial metrics of use and/or revenue.

Investment is made at the seed stage, in the capital of the company and with an initial ticket of between 100,000 and 300,000 euros. The rule is not to lead the investments but to coinvest with other professional investors. Bankinter Venture Capital helps the companies in the subsequent investment stages (*follow ons*).



<https://www.fundacionbankinter.org/proyecto/enviarproyecto>



<https://www.fundacionbankinter.org/startups>

In 2019, a new startup was added to the portfolio of investees in Bankinter Innovation Foundation's Startups programme, putting the number of investments at 36. The inclusion of Citibeats, an adaptive social intelligence platform that analyses and interprets any item of data in text generated by people in any language, structuring the information to make it actionable.

To 2019, the programme has analysed 2,667 projects, with an investment rate of 1.35%. In 2019, 328 were assessed, with an investment rate of 0.3%.

Another objective of the Startups programme is to bring innovation in the entrepreneurial ecosystem to large companies, such as Bankinter. This is the basis of our 'Coffee with entrepreneurs' events, where leading Spanish entrepreneurs share their experience with Bankinter employees. In 2019, there were five meetings, with the participation of Javier Megias, exCEO of Startupxplore; Diego Arroyo, CEO of Lagaam; Carlos Rodríguez-Mirabona, cofounder of Keatz; Manuel Marina and José María Lillo, CEO and CTO of Idovent, and Iván Caballero, CEO of Citibeats.

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Akademia


Akademia is a programme focused on transmitting innovation experience to Spanish university students. With an on-site programme consisting of nine two-hour sessions, directed by an expert in the field, the aim is to help students understand the opportunities offered by the future, regardless of their field of study.


In the 2018-2019 academic year, the Akademia programme was run at 10 Spanish universities: Santiago de Compostela, Deusto, Salamanca, Pompeu Fabra, Barcelona, Carlos III, Cunef, Pontificia de Comillas, Politécnica de Valencia and Loyola Andalucía. 180 students attended the course and it had a recommendation rate of 97.1%, two percentage points higher than in the previous year.

Students also worked in teams to create innovative projects to compete for an incubation scholarship on the Bridge for Billions entrepreneurship platform. In the 2018-19 academic year, 32 projects were created and the winner was Valentira, from Barcelona University.

Additionally, in 2019 the fourth edition of the Business Akademia course was held at Bankinter, run by Bankinter professionals. 30 employees took part from different Group areas and territories, including Portugal. During the course, five work teams were formed to create innovation projects based on the banking business. The NPS (recommendation indicator) of the course was 52.

One of the main features valued by Akademia students is the personal contact with the programme's experts, which include more than 60 professionals, FTF members, managers of Cre100do companies, entrepreneurs, investors and professors, all involved in innovation.

 <https://www.fundacionbankinter.org/akademia>

 <https://www.fundacionbankinter.org/akademia/claustro>

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Cre100do Foundation

The Cre100do Foundation, the body resulting from the development of the programme of the same name, started its activity in February 2019 thanks to the contributions made by its founding institutions: Bankinter Innovation Foundation, ICEX and the Círculo de Empresarios. It became a success story of a public-private initiative with the pro bono collaboration of leading experts in a nationwide programme.

From the very beginning, the purpose of Cre100do has been to actively contribute to the development of the country's production structure, fostering the creation of larger, more innovative, more international and more competitive companies. To achieve this, it helps companies to anticipate change, ready themselves to compete successfully in the coming three to five years and learn best practices and the keys to growth.

Cre100do is a reference among middle market Spanish companies and has achieved its first goal by selecting and including in its programme 100 excellent companies from this segment in Spain over five years. These companies account for over 1% of Spanish GDP, with an aggregate turnover of 14,000 million euros and 75,000 employees.

The Cre100do Foundation appointed a board of trustees in 2019, chaired by Carlos Mira and made up of representatives from founding and collaborating institutions, in addition to CEOs of companies taking part in the programme. <https://www.cre100do.org/fundacion/>

In 2019, Cre100do had more than 100 participating companies, and the following joined the programme during the year: Asti (Burgos), Astilleros Gondan (Burgos), Crimidesa (Burgos), Frías Nutrición (Burgos), Grupo Petroprix (Jaén), Zamora Company (Murcia), Grupo Wind (Murcia), HMY (Zaragoza), Ingeniería Sampol (Balears) and Trops (Malaga).

In 2019, Cre100do organised different types of events:

- **16 workshops.** Activities relating to subjects of interest, involving conferences held by experts and experience sharing initiatives.

- **5 dedicated meetings.** Conferences relating to one subject.
- **3 talks.** Debates involving participants on a subject previously contextualised by an expert.
- **2 CEOs works shops.** Meetings with the most senior executives of participating companies to address strategy and global issues.

Cre100do Foundation estimates that during the year 638 senior executives from participating companies took part in these activities.



<https://www.cre100do.org/fundacion/>



<https://www.cre100do.org/programa/>



Communication

In 2019, the impact of communication at Bankinter Innovation Foundation increased in terms of quantity and intensity. The number of followers on social media grew by 24% to 27,777, and visits to publications on the new web format were up by 400%.

Further, in 2019 the new Bankinter Foundation brand was approved, updating the previous image and the image used for its programme, bringing it closer to the Bankinter brand and adapting it to digital formats.

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