

BUSINESSES

2019 INTEGRATED ANNUAL
REPORT



Commercial Retail Banking is now the largest contributor to gross operating income

The Salary Account was once again the star product, due to its pace of growth and capacity for attracting customers.

Economic slowdown, negative interest rates and geopolitical uncertainty in 2019 gave rise to a complex environment for Commercial Retail Banking, Bankinter's business line for individuals. Further, the loss of confidence by investors after the stock market slump in 2018 held the segment back early in the year, although it later gained ground in tandem with the market recovery. Another distorting factor was the entry into force in June of the new Real Estate Credit Act which significantly changed the procedures and conditions for the concession of mortgages, triggering a hiatus in activity during the summer.

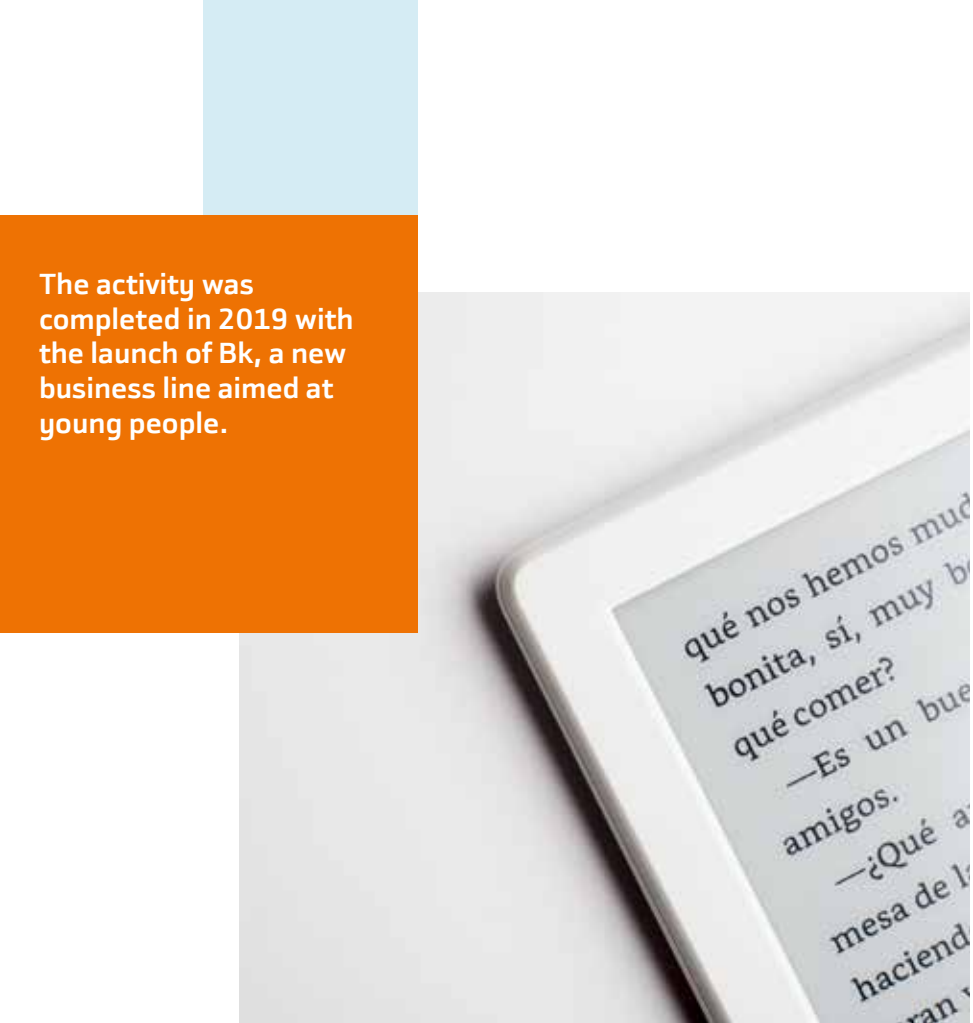
In this unfavourable scenario, the Commercial Retail Banking unit reported positive revenues and profitability and by the close of the year the business line had become the main contributor to the Bankinter Group's gross operating income.

This performance owes largely to the success of the Salary Account programme, which was once again the star product, with growth of over 10,000 million euros, and its traction on the individual banking business. 40 of every 100 customers attracted by the entity are Salary Account customers, which, in contrast to other offers, has maintained its advantages since it was first launched in 2012, making it

a leading product on the market. Bankinter's aim is to become the primary bank for all its Salary Account customers, increasing their loyalty through mortgages, personal loans and credit cards, among other products.

It was also a satisfactory year for mortgages, despite the difficulties caused by the new law. New mortgage loans increased by 17%, to 2,956 million euros, with an outstanding 6.39% market share at the end of November. Another standout from the year was the growth in fixed rate mortgages, which accounted for around a third of all new transactions. In terms of stock, the mortgage portfolio grew, in contrast to the general decrease marked by the sector as a whole.

In the breakdown by type of customer, the Private Banking area (which includes people with liquid assets of over one million euros) grew at a significant pace, in terms of both new net assets (more than 2,000 million euros), assets under management (more than 40,000 million euros) and customer numbers (around 40,000). This led to a further increase in gross operating income. The good performance marked by Private Banking was due partly to the market recovery, but above all to the entity's differentiation strategy, which increased and improved its offer for this



The activity was completed in 2019 with the launch of Bk, a new business line aimed at young people.

type of customer with the launch of different alternative investment vehicles. In 2019, for instance, an innovative investment fund was launched to take positions in technology companies in the Silicon Valley ecosystem. The well-known technology entrepreneur, Martín Varsavsky, is working with the fund to identify investment opportunities.

In the area of Personal Banking (customers with assets of between 75,000 and one million euros), the fall of the markets in 2018 and investors' subsequent loss of confidence was noted in early 2019. However, the good performance of the Salary Account, mortgages and consumer loans (with new loans rising by over 20% in this segment), among other transactions, led to a 9% increase in gross operating income. Looking ahead to 2020, Bankinter is working to complete the digitalisation of its commercial management, a process considered key to expanding the Personal Banking customer base.

In the Individual Retail Banking segment the growth in active customers to over 373,000 stands out, thanks mainly to the control and management of departures. In this area, special relevance is given to process efficiency and services for customers with growth potential, to cross sell to other superior segments (23% of Personal Banking customers and 10% of Private Banking customers come from the Individual Retail

Banking segment). In the Foreign customers segment, both net interest income and fees rose substantially year-on-year.

In 2019, the Commercial Retail Banking business launched "Bk", a new business line to offer a global financial service to young people, with specific savings, loan and investment proposals. The offer varies according to the different age brackets: under 18s (reserved for customers' children), university students aged between 18 and 24 and professionals under 35. The acquisition of EVO Banco, which focuses on younger customers, covering their basic financial needs and exclusively for digital transactions, is also part of the strategy to expand and diversify the entity's customer base.

Corporate Banking, how to grow and protect margins at the same time

The Corporate Banking line faced a difficult environment in 2019. While GDP growth in Spain was reasonable (around 2%), the debt levels held by companies continued to fall, and a scenario of negative rates took hold, complicating the development of the business. Geo-economic uncertainty linked to the US-China trade conflict and the vicissitudes of Brexit did not help either.

Despite this unfavourable global context, the Corporate Banking loan book grew to 24,396 million euros, 6.5% more than the previous year, while the sector saw an overall decline of 2.2%, according to data from Banco de España to December. The Bank started to gain a share of investment in the corporate market in 2019. Half of all loans and receivables corresponded to Corporate Banking (including customers with annual income of over 50 million euros), while the remainder corresponded to medium sized companies (between 5 and 50 million) and SMEs (up to 5 million).

It should also be noted that the increase in loans and receivables was achieved with no impact on margins, largely thanks to the double digit growth in fees. The management

of this segment of income was therefore a key factor during the year, as it was accompanied by a substantial improvement in the customers' perceived quality of the services provided by Bankinter. This is of particular significance as it demonstrates that the increase in fees is consistent and based on increased value for the customer. The areas that made the largest contribution to fees were the International business, the Transactional business and Investment Banking.

These were the most dynamic lines in 2019. Loans and receivables in both the International and Transactional banking segments saw more than double digit growth. This strong pace of growth, which is carrying on from the positive trend seen in 2018, was made possible by the new workforce structure, the strengthening of partnership agreements with large international banks and the reinforcement of the branch network of specialist teams in the international and transactional business units.

In the Investment Banking area, the main business indicators were also favourable for the ordinary advisory and funding activities

for business transactions, which allows the Bank to offer customers differentiated products. The loan book increased by 17% and gross operating income by 21%, due mainly to the 37% rise in fees.

From an organisational standpoint, the highlight for the Corporate Banking segment was the implementation of a new portfolio management model that allows specialist professional teams to be set up for each customer income tranche, and includes advanced tools to improve the value added services and products offer. Additionally, as mentioned above, the service quality index rose significantly in the medium-sized enterprises and SME segments, while holding in the Corporate Banking area.

The global objective for 2020 is to increase the differentiation of products and solutions, which will enhance customer relations and fee management, with a focus on the International Banking businesses (boosting the activity of medium-sized enterprises and SMEs to increase diversification), Investment Banking and Transactional Banking. At the same time, Bankinter will work to increase the efficiency of its critical processes, such as

risk management and the entity's corporate website. According to the size of the customer, the objectives are to increase the specialisation of the Corporate Banking area (key to achieving differentiation), improve the return on equity of medium-sized enterprises (although some progress was made in 2019) and the efficiency of SMEs (especially in risks and attracting new business).

Despite corporate leverage, the loan book grew by 6.5%, leading to an increase in market share.

Private Banking

Strong growth of assets under management

- Strong growth in assets under management, which stood at 40,400 million euros, and funding extended (especially in mortgages and credits), with an average drawdown of over 4,000 million euros.
- Development of attractive investment alternatives, with nine vehicles at the close of 2019, with an average capital of 1,800 million euros and a total investment objective of 4,000 million euros.
- Startup of the customised and transparent Independent Advisory Service, with more than 100 million euros of assets under advisement at 31 December.

Private Banking

	2019	2018	% chg
Customer acquisition (no. of customers)	4,357	3,968	+9.8
Active customers (no. of customers)	39,022	35,899	+8.7
Total customer funds (millions of euros)	25,963	22,812	+13.8
Customer deposits (millions of euros)	11,990	10,296	+16.4
Customer loans (millions of euros)	4,221	3,780	+11.7

Personal Banking

The salary account attracts customers

- Acquisition of 32,368 new customers, due mainly to the 5% salary account, 19,086 of which were opened during the year.
- The volume of mortgages arranged totalled 1,480.3 million euros, 18% more than in 2018, despite the difficulties adapting to the new regulatory framework.
- Gross operating income was up 9%, standing at 200.6 million euros, overcoming the difficulties posed by the unfavourable interest rate environment.

Personal Banking

	2019	2018	% chg
Customer acquisition (no. of customers)	32,368	31,713	+2.1
Active customers (no. of customers)	248,766	230,403	+8.0
Total customer funds (millions of euros)	20,405	18,696	+9.1
Customer deposits (millions of euros)	13,724	12,507	+9.7
Customer loans (millions of euros)	9,638	9,020	+6.8

Individuals and foreign residents

Strong growth in mortgage loans

- New mortgage loans grew by 969 million euros (22%) and the total number of customers stood at 373,617, marking an increase of 15% in the past three years.
- To forge greater ties with the customers acquired, three projects were launched: one aimed at regulating the transfer of contracted products and the other two for different commercial actions through online channels.
- The new online bank in English was launched, which has a mobile app and offers service to our customers in this language.

Individual Retail Banking

	2019	2018	% chg
Customer acquisition (no. of customers)	50,538	51,638	-2.1%
Active customers (no. of customers)	373,617	352,923	5.9%
Total customer funds (millions of euros)	5,864	5,015	16.9%
Customer deposits (millions of euros)	5,014	4,241	18.2%
Customer loans (millions of euros)	12,463	12,615	-1.2%



Foreigners

	2019	2018	% chg
Customer acquisition (no. of customers)	3,800	4,163	-8.7%
Active customers (no. of customers)	30,435	28,893	5.3%
Total customer funds (millions of euros)	317	280	13.0%
Customer deposits (millions of euros)	294	258	13.9%
Customer loans (millions of euros)	660	645	2.3%

Corporate Banking

Loans and receivables grew 6%

- Implementation of a new portfolio management model that allows specialist professional teams to be set up for each customer income tranche, and inclusion of advanced management tools.
- Loans and receivables increased by 665 million euro (+6%), with a focus on strategic activities: commercial credit, transactional banking, the International business and Investment Banking.
- Non-financial fees for value added services rose by 11% and average income on the loan book (interest rate plus fees) was 2.1%.

Corporate Banking

	2019	2018	% chg
Customer acquisition (no. of customers)	860	860	0.0
Active customers (no. of customers)	5,791	5,788	0.1
Total customer funds (millions of euros)	7,794	8,774	-11.2
Customer deposits (millions of euros)	7,585	8,530	-11.1
Customer loans (millions of euros)	12,229	11,564	5.8

Mid-corporate Banking

Lending rose 8.5%

- Gross operating income increased by 9.2%, due largely to good fee performance (up 16.2% and accounting for 44% of this income at the close of the year).
- Lending grew by 8.5%, at around 500 million euros, with that aimed at working capital growing sharply to account for 46% of the total.
- Good performance of the segment's two key business units: international and transactional banking. The former increased by 20.6% and the latter by 14.1%.

Mid-corporate Banking

	2019	2018	% chg
Customer acquisition (no. of customers)	3,855	4,299	-10.3%
Active customers (no. of customers)	24,899	24,033	3.6%
Total customer funds (millions of euros)	5,367	4,568	17.5%
Customer deposits (millions of euros)	5,137	4,342	18.3%
Customer loans (millions of euros)	6,708	6,184	8.5%

SMEs

The level of quality perceived by customers increased to 33.6%

- The number of customers in this segment, attended by the 276 specialist managers at the Bank's universal offices, rose from 70,660 to 74,079; lending volume grew by 6%; off-balance sheet exposure by 11%, and gross operating income by 9%.
- There were two key launches: an app used to carry out the main transactions for SMEs and the VIP and VIP+ area, which offers more competitively priced services according to the company's level of loyalty to the bank.
- The level of quality perceived by customers increased to 33.6%, marking an improvement of 6.5 points in only two years.

SMEs

	2019	2018	% chg
Customer acquisition (no. of customers)	14,575	13,430	+8.5%
Active customers (no. of customers)	74,079	70,660	+4.8%
Total customer funds (millions of euros)	4,496	4,065	+10.6%
Customer deposits (millions of euros)	4,219	3,795	+11.2%
Customer loans (millions of euros)	5,458	5,153	+5.9%



Bankinter Investment the drive of a new brand



Bankinter's investment banking area managed over 3,000 million euros in assets, with capital of 1,800 million euros acquired from private banking customers and institutional investors.

The Investment Banking business made a qualitative leap in 2019 with the launch of an own brand: Bankinter Investment, strengthening the identity of an area with growing weight in the business that spans the advisory, investment and funding activities of the Investment Banking segment.

At the close of 2019, Bankinter Investment had nine vehicles, with capital of 1,800 million euros deriving from private banking customers and Spanish institutional investors, with an investment of over 3,000 million euros in assets including leverage.

With the boost of this new brand, stronger teams and internationalisation, the aim of Bankinter Investment for the next three years is to double its capital and achieve investment of 8,000 million euros in different types of alternative assets.

These alternative assets are the Bank's value proposition for high net wealth individuals and for institutional clients in the current market scenario of low interest rates and volatility, which makes it necessary to seek alternatives to traditional investment products.

The new vehicles, which make up the best platform of this type in Spain, include:

- Atom (SOCIMI): an investment vehicle for hotel assets, which started trading on the Alternative Stock Market (Mercado Alternativo Bursátil or MAB) in 2018 and carried out a capital increase in 2019 after all its initial capital had been successfully invested.
- Ores (SOCIMI): a vehicle based on the acquisition and management of commercial real estate assets that has been listed on the MAB since 2017. Given the positive results of Ores, in December 2019, Ores Portugal was launched, with a similar investment target, which will start trading on the Euronext Access in the first quarter of 2020.
- Helia Renovables (venture capital fund): a vehicle that invests in a key sector for environmental sustainability. Three releases of the fund have been made, due to its success.
- VStudent Aulis (venture capital fund): a vehicle that focuses on the acquisition and management of opportunities in the largely unexplored segment of student residences.

- The Titán fund, recently registered by Bankinter Investment, which will invest in northern European infrastructure.
- MBV Fund, a pioneering fund of funds launched in 2019, which invests in the highest-potential technology companies in Silicon Valley, in which Bankinter is partnered by the entrepreneur and investor in new technologies, Martín Varsavsky.

Bankinter's strategy is to find the best possible professional manager for each type of investment and co-invest with them, playing an active role in the control and monitoring of the investment vehicle. In this way, the Bank is represented in the decision-making bodies of all vehicles, with a veto over any decisions that do not fit with the strategy agreed with investors.

Other core activities carried out by Bankinter Investment are:

- Advisory services for mergers and acquisitions.
- Capital markets.
- Real estate transactions.
- Funding (through the Bank's own balance sheet) of entrepreneurial projects.

Advisory: The private market remained very active, both on account of transactions between manufacturers and acquisitions, which venture capital and real estate funds played an important part in. The advisory team performed 30 transactions during the year in the area of mergers and acquisitions, capital markets and real estate. In 2020, the number of transactions is expected to increase, thanks to the visibility with which the year has started compared to 2019.

Structured and alternative financing. There was once again growth with respect to previous years in terms of investment volume and the number of transactions arranged. The greatest activity was seen in project financing, mainly in brownfield and renewable energy projects.

The volume approved surpassed 1,300 million, taking the portfolio (including corporate) to above 2,500 million euros.

The target to 2022 is to double the capital acquired from national and international investors.

The combination of colour, photography and tone of voice makes the Bankinter Investment brand a clearly sophisticated brand, reflecting the nature of its services.

The result, Bankinter Investment, has its own style and character, but is still closely associated with Bankinter, enriching the main brand with new perceptions and gaining the support and reputation of a leading brand.

Its own character makes it:

- A sophisticated brand, reflecting the nature of its services, but always based on good taste and sobriety. A brand that exudes closeness, that is comfortable creating real relationships between people but is also able to express itself with artistic sensitivity.
- A brand with the pragmatic nature of a specialist but the personality of an open-minded expert with a restless spirit.
- A brand that defends and expounds the value of alternative thinking, based on the conviction and reputation of Bankinter.

Its main colour, green, is one of the brand's most notable features. A colour that stands out in the Bankinter universe.



New banking partnerships in Europe and Latin America

- Development of internal technology infrastructure, able to provide new working capital funding capacity in the area of corporate banking.
- Structured financing with foreign export credit agencies, hedging banking risk with multilateral organisations and launch of customised financing solutions for enterprises and large corporations.
- New banking partnerships in Europe and Latin America, strengthening the International Business specialist team and implementation of a new distribution model for SMEs and companies with turnover of up to 10 million euros.



Significant growth in customers and business

Bankinter's activity in Portugal grew substantially in 2019, thanks to the work carried out in the main business segments. This work, together with the progressive expansion of the brand, led to uptake of more than 20,000 new customers over the year.

One of the keys to this success was the strong investment in training for both the central services and network teams. As a result, Bankinter today has one of the best financial advisory services in the Portuguese banking sector.

This in turn has produced a clear improvement in the customer satisfaction index, which in November 2019 stood at 28.4%, more than five percentage points above the figure seen in the same month of the previous year.

Commercial Retail Banking

The 19% increase in customers led to the acquisition of 689 million euros in new net assets (on- and off-balance-sheet funds), 28% more than in 2018. The rise in new lending (34%), totalling 797 million euros, was another standout.

Mortgage loans of 693 million euros were extended, marking an increase of 35%, putting the Bank's market share at 6.63%, according to figures for October. One key initiative was the introduction of fixed interest rates for terms of two to 30 years, which is an unprecedented move in Portugal.

Corporate Banking

In the SME segment (turnover of up to five million euros a year), turnover increased by 291 million euros (25%) to 1,500 million euros, while the process to digitalise and adapt services for each type of enterprise continued.

Four new centres were opened, specialising in medium-sized enterprises and Corporate Banking, giving the network a truly nationwide reach. The number of customers under management increased by 25% and gross operating income by 26%.

Bankinter Investment launched the country's first real estate management investment fund (Ores Portugal), while in the capital markets area the Bank structured three issuances and acted as placement agent for

two of the most significant debenture loans of the year in Portugal.

In the International Business area, the priority was to gain maximum visibility in a highly competitive market, by strengthening web solutions to reach more companies.

Consumer finance

In Portugal, Bankinter Consumer Finance reported more than 200 million euros in loans and over 120,000 customers. Its main task was to expand products and functions, and achieve faster and more efficient contracting, carried out solely through digital channels.

In the area of direct financing through the Bankintercard brand, the focus was on growing the cards business, where the forging of partnership agreements remains the main strategy.

Asset management and insurance

Total assets under management at 31 December stood at 680 million euros, of which 133 million euros correspond to investment funds, a 24% increase compared to 2018. In the third-party portfolio management business, assets totalled 547 million euros, a rise of 9%.

In regard to life insurance, assets under management grew by 154 million euros, an improvement of 11% compared to the previous year, largely on the back of the success of insurance policies associated with business and consumer finance. With more than 100,000 active policies, mathematical reserves exceeded 1,500 million for the first time.

Capital markets

Historic highs

- The percentage of investment financed with customer deposits was at a historic high at the close of the year (very close to 100%), thanks in part to the acquisition of EVO. Two senior debt issuances were made for a total of 1,250 million euros. The second of these (for 750 million euros) was its first non-preferred senior debt issuance.
- Strong growth in the Distribution area, especially foreign exchange and fixed income markets, due to the focus on International Business and Private Banking customers respectively.
- The Trading area was active in the foreign exchange, equities (spot and derivatives) and fixed income markets, with limited market risk exposure. Bankinter remains a market maker for Spanish government debt.

Bankinter Asset Management

Growth of profiled funds

- The recovery of the financial markets in 2019 triggered a significant increase in the volume of assets under management, rising 7% from 13,000 to 14,000 million euros.
- Profiled funds, which are structured according to the investors' risk appetite or aversion, also grew substantially (24%), standing at 4,100 million euros at 31 December.
- A dedicated team was set up to attend the customer network, thereby boosting the management company's commercial activity.

Equity

20 years of Bróker Bankinter

- Bróker Bankinter has been active for 20 years since its launch in October 1999, with a share of 27.8% of the Spanish retail equity market.
- A new app was released that makes trading on the stock markets using a mobile more intuitive and visual, with new tools and interactive charts, in addition to complete real time market information.
- A total of 12,500 customers attended the Bróker Bankinter academy, Fórum Bolsa, the initiation master class and our Trader Lab.

Bankinter Consumer Finance: the challenge of internationalisation

Bankinter Consumer Finance, the business line specialising in consumer loans, continued to grow at a sharp pace in 2019. This is one of the Group's key strategic areas, as its high margins are a positive exception in a scenario in which interest rates are close to zero, and where lending has doubled in the last four years. It has also benefitted from the increase in consumption in the Spanish economy but has held out against the gradual slowdown in GDP growth.

During the year, activity was focused on consumer loans, which rose by 44%, to 1,352 million, thanks largely to the effort made to increase their popularity through preapproved transactions. In the cards segment (both those paid at the end of the month and revolving loans) the performance was more contained, boosted by the alliances forged with different business groups.

In 2019, work was also carried out to improve the usability of the website, to make funds easily available. As a result, 89% of consumer loans were arranged online. Innovative projects were also launched such as the Combo card with two sides that can be used for different types of payment.

Another development in the year, which boosts the Group's internationalisation plan, was the acquisition of Avantcard, the Irish subsidiary of EVO Banco, dedicated to consumer finance on 31 May. Avantcard is actively used in the Irish market (lending of 466 million euros in 2019, +23%), is already turning a profit and provides a great opportunity to export Bankinter's know how. In the international arena, it was also an excellent year for the business in Portugal, where the loans and cards strategy was replicated.

As a result of this work, Bankinter's Consumer Finance figures performed very well. The customer portfolio reached 1.4 million euros, +8% vs. 2018; with 917 million euros of new loans, up 45%, and a loan book of 2,411 million euros, an increase 21% from 2018. Its contribution to gross operating income increased to 13%, from 11% in 2018.

The targets for 2020 are to strengthen the role of consumer loans as a key vehicle for customers, focusing on preapproved loans, sign new agreements and alliances for the cards business, and expand the internationalisation strategy. Bankinter Consumer Finance has far-reaching plans to expand the activities of Avantcard in the Irish market and to consolidate its business in Portugal.

The inclusion of Irish company Avantcard, which has great potential, was one of the highlights of the year.

The loan book stood at 2,411 million euros and the contribution to Group gross operating income increased to 13%.

Insurance and pension plans

Growth in the insurance and pension plans portfolio

- At the close of 2019, the life insurance portfolio stood at 89.7 million euros, representing a year-on-year increase of 5.4%. Individual insurance policies increased by 4.9% and group insurance policies by 14.7%.
- Assets under management in pension plans exceeded 2,650 million euros on the back of strong commercial activity and the positive performance of the financial markets, with the number of customers rising by more than 6.5%.
- In regard to multirisk and civil liability insurance, essential products in the correct undertaking of business activities, the portfolio increased by 10%.

Bankinter in Luxembourg

Positive results and upwards trend

- Customers surpassed the one million mark, establishing Bankinter Luxembourg as a clear alternative for geographic diversification and mitigation of risk.
- Customer assets under management and the assets of our investment funds, which have grown steadily over the past few years, exceeded 3,400 million euros in 2019, ending the year on a very positive note and marking an upwards trend.
- The volume of Lombard credits (zero default) increased by 60%, doubling in only two years and contributing to the increase in the entity's net interest income.

**Bankinter
Global
Services**

In pursuit of maximum efficiency

- In the Operations area, all changes deriving from the entry into force of the new Real Estate Credit Act were implemented at the mortgage centre.
- In regard to processes, the Argo plan was completed, in addition to the omnichannel activation process and manual approval for legal entities.
- In the area of Technology, 30% more of the projected developments were delivered and in the Digital area phase 1 of the trial launch of corporate website was completed.

**Línea
Directa
Aseguradora**

Digitalisation plan underway

- In 2019, the company grew twice as much as the sector in the auto and home insurance sectors, while its health insurance brand (Vivaz) has attracted 70,000 customers in only two years of activity.
- A far-reaching digitalisation plan was launched, which will halve the time spent by insurance holders on procedures related to their policies and the aim is to have 1.5 million digital customers in 2020.
- As part of its focus on research and raising social awareness on road safety last year Línea Directa Foundation carried out three studies that attracted a record number of media hits.
- Bankinter will issue a proposal at its 2020 annual general meeting to float Línea Directa Aseguradora on the stock exchange, keeping 17.4% of the capital. In the transaction, the Bank's shareholders would receive one free share of Línea Directa for each Bankinter share held, as a share premium.

EVO

A reference in digital banking

- Its acquisition by Bankinter on 31 May gave the Bank more than 450,000 customers, over 3,000 million euros in deposits and close to 750 million euros in mortgage loans.
- The improvement in its commercial offer in the second half of the year, coupled with the advertising campaign entitled, 'Mejor Easy, Mejor EVO' (Better Easy, Better EVO), increased awareness of the brand as a benchmark in digital banking, attracting 50,000 new customers and 85 million euros in mortgages.
- In 2019, EVO was recognised by The World Finance as the 'most innovative bank in Europe' for its ability to anticipate future banking trends using disruptive technologies.

Agent network

Stringency and professionalisation

- The average balance sheet of agents increased to 37 million euros, thanks to increased stringency, improved controls and professionalisation of profiles.
- The good performance of this activity led to an increase in funds under management and the arrangement of new asset transactions, putting the total balance at over 13,400 million euros, with all items seeing significant growth.
- The successful inclusion of new agents, with vast experience in Private Banking and suitable profiles, was key to increasing lending and attracting customers.

Agent network

	2019	2018	% chg
Customer acquisition (no. of customers)	3,468	2,989	16.0%
Active customers (no. of customers)	38,188	36,980	3.3%
Total customer funds (millions of euros)	8,506	7,506	13.3%
Customer deposits (millions of euros)	2,434	2,101	15.9%
Customer loans (millions of euros)	1,626	1,445	12.5%

Banca Partnet

Restructuring and outstanding figures

- Conclusion of the strategic plan started in 2016, leading to the restructuring of this business and outstanding figures achieved in the area of deposits, loans and the number of active customers.
- After signing 25 new agreements in 2019, Banca Partnet ended the year with 258 open branches and 37,902 customers.
- Gross operating income rose by 5.3% to 59 million euros and profit before tax was 37.8 million euros after shareholder payments.

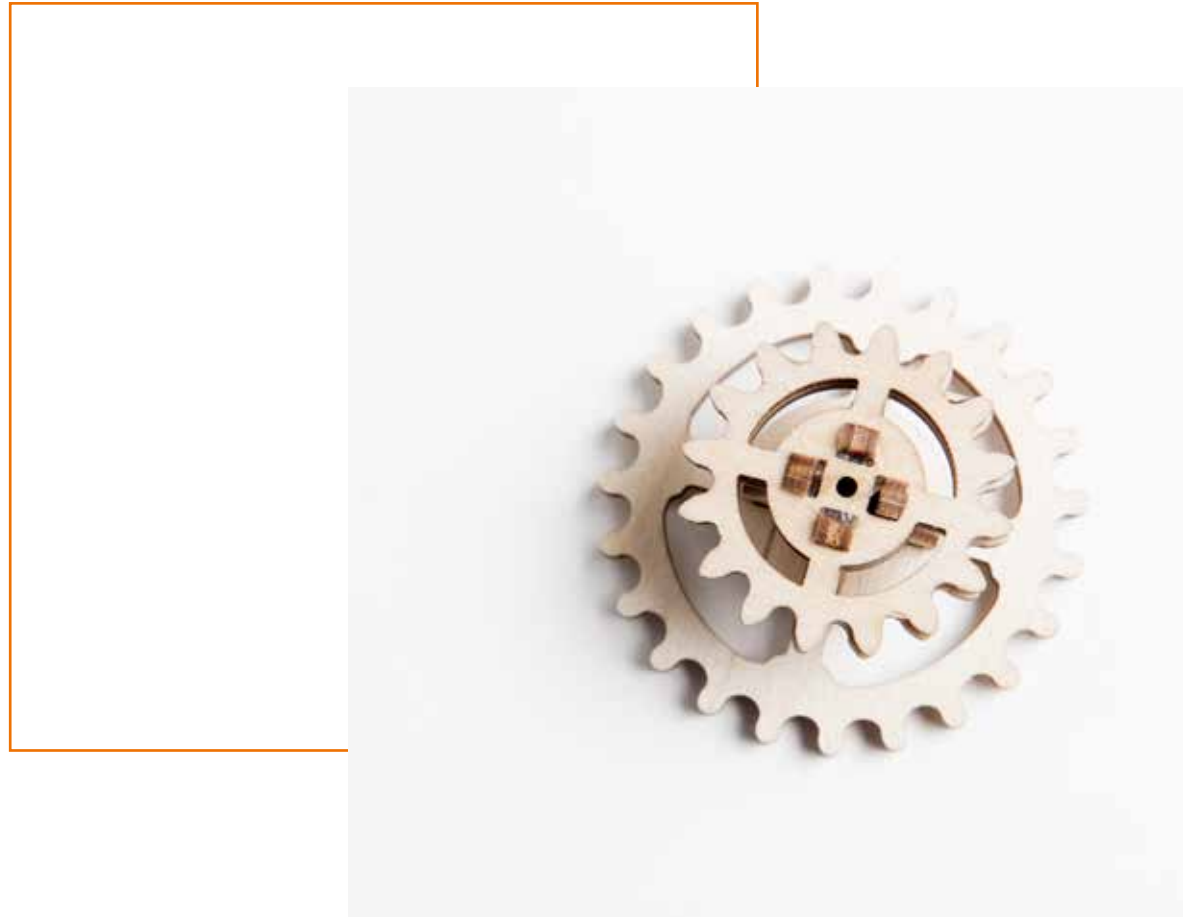
Banca Partnet

	2019	2018	% chg
Customer acquisition (no. of customers)	3,623	2,678	35.3%
Active customers (no. customers)	37,902	36,474	3.9%
Total customer funds (millions of euros)	5,978	5,643	5.9%
Customer deposits (millions of euros)	4,391	4,349	1.0%
Customer loans (millions of euros)	2,686	2,499	7.5%

Remote networks

Essential for the bank

- All new customers are managed through the omnichannel format thanks to technological advances, which allows them to be identified using a videoselfie and digital signature.
- New mortgages grew by 14% compared to 2018.
- At the close of 2019, remote networks had a total of 34,200 active customers, climbing by 9% during the year.



Telephone Banking

More efficient service

- The insurance and retention specialist services were merged to improve efficiency and their contribution to the Bank's results.
- The specialist international banking team successfully rolled out its new remote training services for companies with annual billing of between two and ten million euros.
- The groundwork was set for the inclusion of new digital channels for customer relations in 2020, in addition to the implementation of the corresponding organisational changes.

Tirelessly striving for excellence

Customers' perception of their relationship with Bankinter significantly improved in both Spain and Portugal in 2019. The aggregate Net Promoter Score (NPS) index rose to 38.9%, an increase of 9.3% compared to the previous year.

In Spain, the average for all segments and networks rose from 31.6% to 39.3%. Customer perception improved in two out of every three branches. In Portugal, there were improvements in 72% of the commercial network.

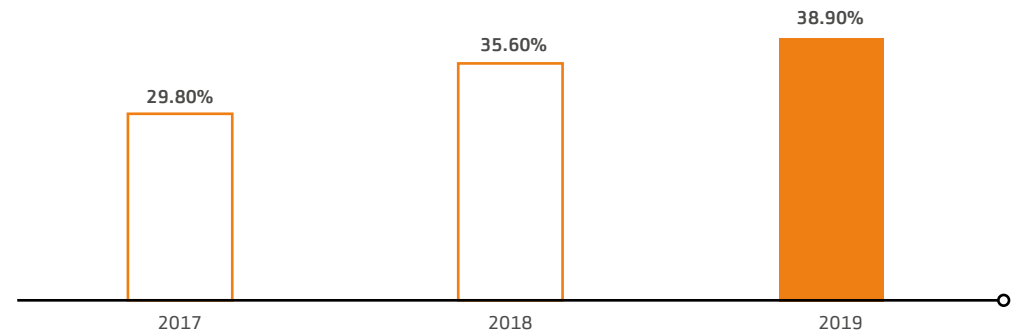
The percentage of customers who would recommend Bankinter Spain (awarding a higher score on a scale from 0 to 10) was 49.8% last year; i.e., 4.4% more than in 2018. For Bankinter Portugal, this figure was 44.4% (+8.3%).

Customer perception of the service received from the Bank (in-branch or online) is measured daily using different procedures: telephone and online surveys, text messages and emails.

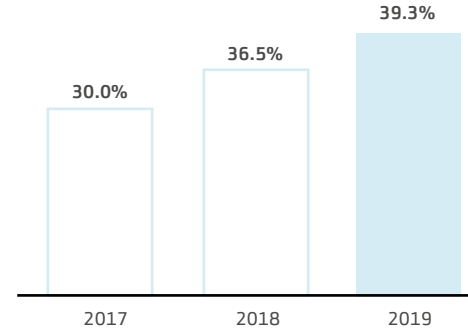
The internal quality of the commercial network support processes and services is also measured, with the objective of providing customers with the service that is best suited to their needs.

The findings of these continual measurements are disseminated in all areas of the organisation, so that they can make their conclusions and explore any possibilities for improvement.

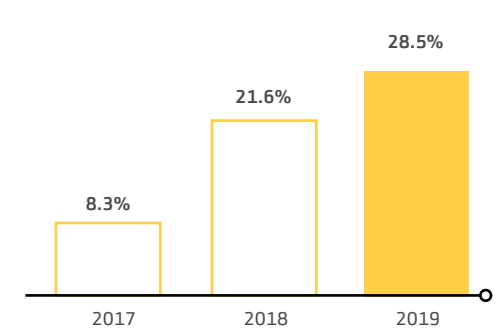
NPS Bankinter aggregate (Spain and Portugal)



NPS Bankinter Spain (cumulative data)



NPS Bankinter Portugal (cumulative data)



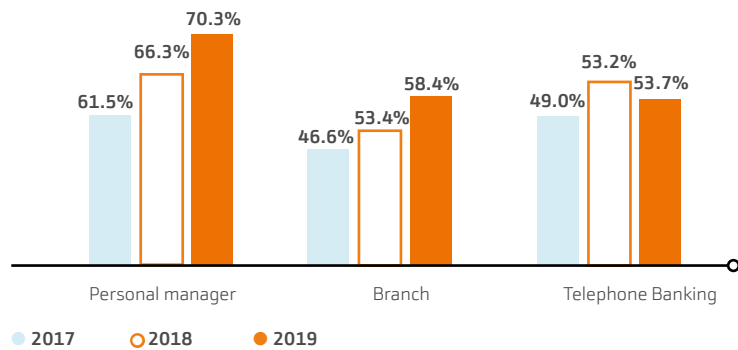
Personal service

The perceived quality of the service provided by branches and personal managers stands out in both Bankinter Spain and in Portugal.

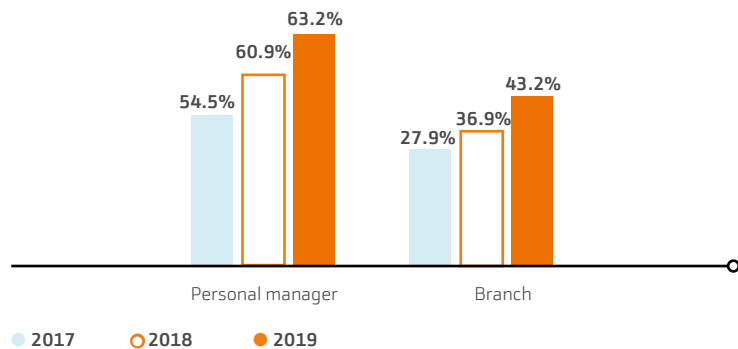
In 2019, the highest scoring centres contributed a total of 322 good practices, which will inspire other centres to improve their customer experience.

Digital Banking

NPS customer service channels. Spain



NPS customer service channels. Portugal

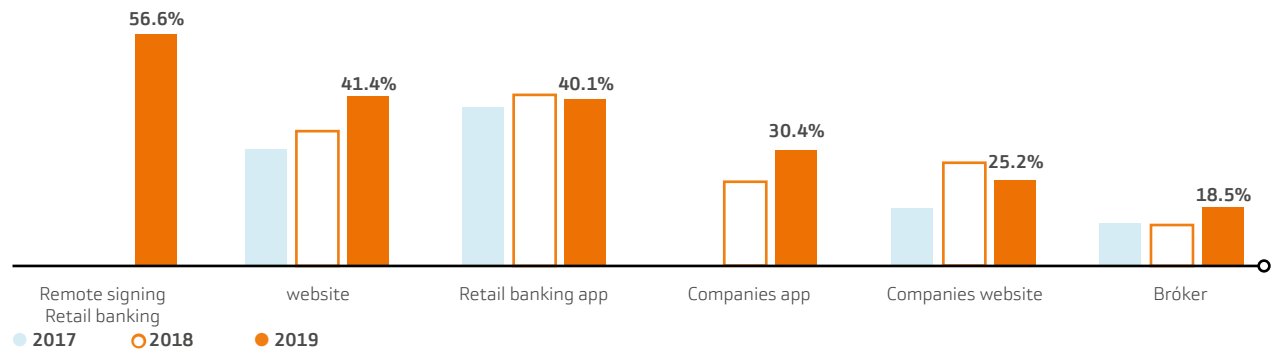


The NPS score increased by 2.1% in Spain compared to 2018, standing at 40.4%. Measurements in two strategic areas were strengthened: digital transformation and process transformation.

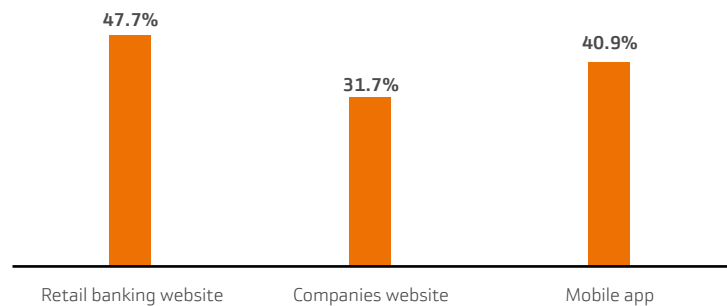
Bankinter Portugal also saw high levels of recommendation for its digital platforms and mobile banking segment.

Internal quality

NPS digital channels. Bankinter Spain



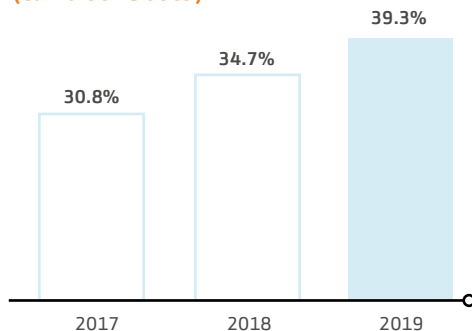
NPS digital channels. Bankinter Portugal



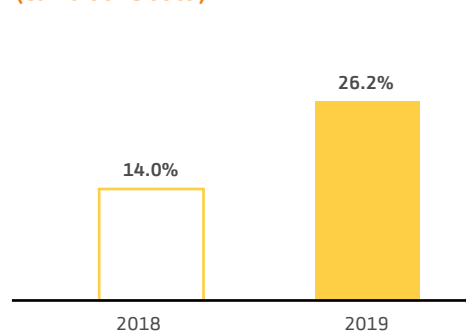
The suitability of the performance of central services with regard to internal customers was extremely positive. The level of net satisfaction in Spain was 39.3%, up 13.3%, and in Portugal it reached 26.2% (+87.1%).

As a result of the ratings and comments relating to the level of services, 233 initiatives were implemented to improve commercial, operating and technical support for the network and the different central services units.

Internal quality. Spain (cumulative data)



Internal quality. Portugal (cumulative data)

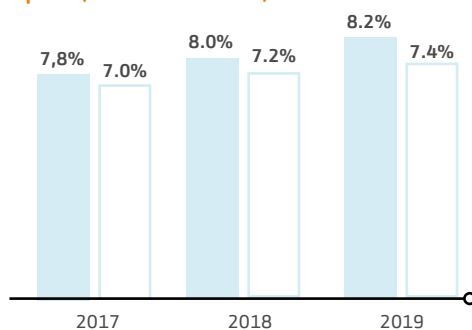


Peer comparison

The objective quality of Bankinter Spain's branches received a score of 8.2 out of 10, compared to 7.4 for the sector as a whole, according to the EQUOS study, performed using the mystery shopping technique (customer infiltration) in around 4,000 bank branches across the country.

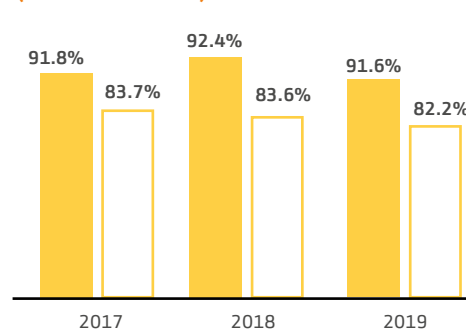
Bankinter Portugal is the uncontested leader in objective quality, with a score of 9.16 points, which is 9.4 points above the sector average for the country.

Objective quality. commercial network Spain (cumulative data)



● Bankinter ○ Sector

NPS Bankinter Portugal (cumulative data)



Attract and create loyalty



The Marketing unit has the mission of developing and implementing the Bank's marketing plan, through the design and launch of advertising campaigns, direct marketing and commercial events, with the aim of attracting new customers and creating loyalty among existing ones.

Some of the main actions in 2019 were as follows:

- Launch of the creative concept *Never stop searching*, which had an equal balance of emotional and rational drivers and was widely broadcast on television, digital media and social networks. For the launch of this new concept, all posters, digital and interior signage in branches, private and corporate banking centres were refurbished.
- Launch of Bk, the new business line designed with the Business and Brand segments to disseminate a range of products and services for younger customers: Bk Mini (0-17), Bk Joven (18-24) and Bk Salary (for those receiving a salary).
- Multiple events were also held throughout the year to attract and retain customers: lunches, financial workshops, concerts, equity events.

Stepping up the value contribution

Value contribution has been a beacon for all Bankinter's social media channels over the past few years. In a year which marked the 15th anniversary of Facebook (the social network that changed communication patterns and digital business), the Bank once again showed an enormous ability to study, adapt and make the most of any new innovations that arise.

The Entity's digital DNA allowed it to recognise early on that social media would trigger a change across the whole company, particularly affecting areas such as Communication, Marketing, CRM, Human Resources and Customer Services. This forward-looking vision and the pursuit of value were an advantage that allowed the Bank to develop an efficient strategy, focused solely on profitability and avoiding non-productive ventures.

Communication

Digital communication has become especially important in the new social context, where social media channels are widely used by a large part of the Bank's target audience. Bankinter's strategy is to establish a distinguished presence on this media, which is one of the tools used to measure its digital reputation.

In 2019, Bankinter once again obtained good results in these channels, partly due to its strategy of posting high quality content. The entity was once again top in terms of positive presence on social media, a position it has held since 2014. According to the independent expert, Rebold, the Bank achieved 76% favourable mentions, the Spanish bank with the best ratio on the market.

Bankinter blog

The Bankinter blog beat new records thanks to the good positioning and acceptance of its economic content, which helped customers and potential customers to streamline their finances and improved the Bank's image.

In 2019, the blog's audience grew to 5,169,031 visits, 41% up year-on-year, according to data from Google Analytics.

The most significant point is the blog's role as a generator of business, as it also optimises the profiling and sale of products to customers and non-customers alike.

Digitalisation support

The Digital Communication/Social Networks department was involved in numerous initiatives to promote the correct use of social media by employees.

Also during the year, it contributed to the capture of leads by mediating in webinars, improving Bankinter's position in search engines through the blog and the launch of its new Banca Joven project through the preparation and dissemination of content aimed at this population group.

Annual change in Bankinter blog's audience (visits)

