

INDIVIDUALS

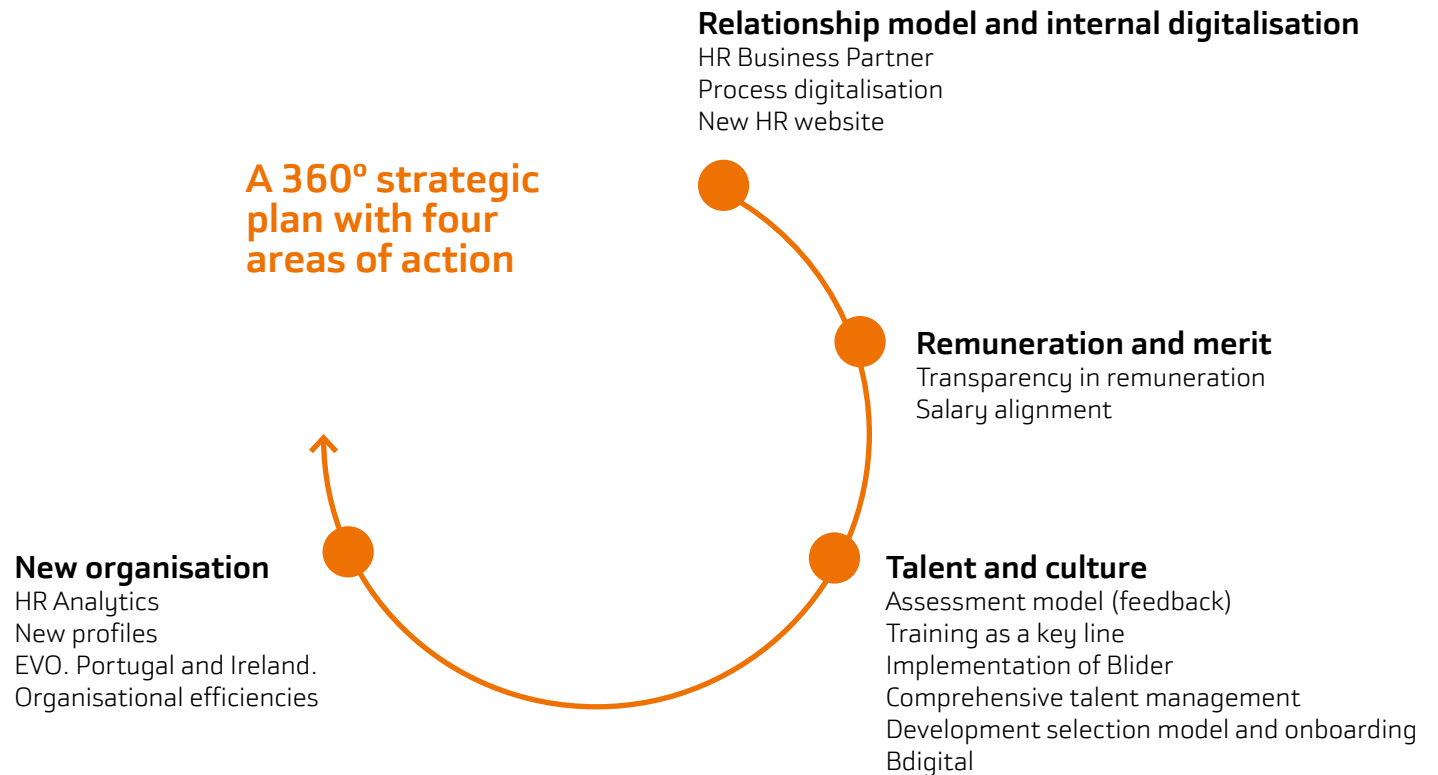
2019 INTEGRATED ANNUAL
REPORT



A true cultural transformation.

In 2019, the Bank implemented improvements in the development of new skills and the talent required to address future challenges, with the aim of moving towards a real cultural transformation in structures and in the way of working. During the year, we saw the results of a relationship model that is much closer to the employee and to business, thanks to the HR business partner and the digitalisation of several internal processes, which allow us to offer a more efficient and faster service.

In this way, we are consolidating our HR strategy plan in four areas.



Training and talent

In 2019, a full annual training plan was implemented to help develop the knowledge, skills and abilities of the Bank's workforce, and create culture. The plan had four main areas of action:

1. Regulatory compliance. The increasing regulatory requirements were addressed. To comply with EU directive MIFID II a training programme in providing financial advisory services for customers was developed, leading to 98% of the people requiring this certification having an updated version. Training was also given in relations to the Insurance Mediation Law, with an attendance rate of 97%. The first steps were also taken to address the new Real Estate Credit Act, through the accreditation of 140 supervisors and the start of a training plan for 2,500 employees.

2. Rollout of the BLíder programme. Started in late 2017, the programme reached maturity in 2019 as a sound leadership development and cultural transformation tool, involving 830 HR managers. Based on 360° feedback, the participants designed an individual development plan (through workshops, coaching, monitoring, etc.) to reach their highest leadership potential.

3. Launch of the Bdigital. This programme is designed to promote the digital culture in the commercial network. In 2019, a pilot scheme was launched involving 1,037 people, to test the project's different initiatives and ensure the success of the full rollout in 2020. The programme starts

with a digital maturity test, followed by different customised training courses to develop knowledge and skills in this area. It is supported by 51 digital ambassadors, tasked with fostering digitalisation in their area and helping branches to define and monitor action plans.

4. Implementation of a new comprehensive talent management model. This defines the critical positions in the Bank and a succession plan for each one. After the first pilot involving 450 people, it was deployed to the whole commercial network, i.e. an additional 700 people. This establishes the talent maps for all the organisation's directors, sales force and branch/centre staff, and a succession pool for the posts of sales director and branch/centre manager.

In 2019, as in other years, the performance of Bank employees was assessed as part of the BKcrece programme, the main objective of which is to help drive their development, measuring their performance and contribution, identifying their strengths and areas of improvement, and providing quality feedback. During the year, 99.7% of the staff in Spain received a performance assessment and 85% of personnel managers were subject to a bottom-up assessment.

One of the main lines of Bankinter's training activity is the Corporate University, which puts forward the 70-20-10 learning model (in which 70% is learned from experience and self-development, 20% through interaction with colleagues and managers and the remaining 10% through structured, formal

training). Through this model, learning and self-development come from the proactive stance and responsibility of each employee.

The Corporate University is divided into eight schools:

In addition to the wide range of training, with 500 courses offered, the virtual campus provides other activities. In 2019, more than 300,000 training hours were provided, 66% of which were online. 99% of professionals received training over the year, with an average of 65 hours per employee. The NPS (satisfaction index) was 58% (moving annual average).



Selection

In 2019, the Selection area developed the transformation process associated with new technologies and the speed of change in business processes. The Bank continued to search for young talent and particularly professionals specialised in sciences, essential in the current 'data age', with the start up of four young talent programmes to find junior profiles in the areas of Private Banking, Consumer Finance, Data Management or Technology.

One line of work centred on the way of approaching talent, with the aim of involving specific groups of candidates, both active and passive, in a more compelling, transparent way, and with a consistent brand message reflecting our essence and adapted to our target audience.

Another action line involved the process for hiring the candidate and welcoming the new employee (onboarding), to support new professionals during this important change in their employment path and integration into a new culture and human team. The Bank also continue to look to internal talent. In 2019, 23.1% of all selection processes were internal, thereby strengthening its ability to adapt and the culture of continuous learning.

Health plan

In 2019, Bankinter developed initiatives to look after its employees and promote a healthier life style. As part of its health and well-being programme, the 'Bankinter, here to help' project was rolled out. This is an innovative digital programme, accessible to all employees, that offers comprehensive welfare solutions through different content, tools and expert advice (flexible training routines, food plans, emotional well-being techniques, etc.).

Further, the traditional health week included dynamic and current activities, addressing all types of well-being (physical, nutritional and emotional). Workshops were run by experts in these subjects and carried out at various centres to reach the widest number of employees possible. Highlights included showcooking, relaxation techniques and heart health.



Corporate benefits

Bankinter offers social benefits that go beyond legal requirements and apply to all employees. The main benefits are:

- Training for employees.
- Assistance in the education of employees' children.
- Medical insurance.
- Life insurance.
- Accident insurance.
- Advances on monthly salaries (those included in the banking sector collective bargaining agreement for the purchase of a computer, to pay for total immersion language courses abroad, or postgraduate studies relating to the employee's professional activity).
- Banking products and services with special conditions for employees, such as mortgage loans (including novation), both ordinary loans and building loans; review of interest rates on mortgage loans, loans aimed at primary residence buyers and other loans.
- Meal subsidies, depending on their working hours, which can be taken as an addition to salary or in the form of restaurant vouchers.

Another benefit offered by the Bank is a flexible remuneration system, whereby employees can partially substitute their fixed monetary remuneration for certain goods and services (remuneration in kind) such as nursery vouchers, shares, medical insurance, training, pension plan contributions, travels card or restaurant cards.

In this way, employee remuneration increases in two ways: through the Bank's bargaining power to get the best price possible for goods and services included in the system and through the tax advantages offered by certain products arranged through this system. Currently 59% of employees use this flexible remuneration tool.

Pension schemes

In long-term remuneration designed to cover certain contingencies, the Bank offers the following benefits:

- Supplementary cover additional to the benefits paid by Social Security for widowhood, orphanhood, permanent occupational disability, absolute permanent disability or severe disability. It is provided for the entire workforce.
- Coverage of pension commitments for employees in service since before 1 March 1980, as established in the sector collective bargaining agreement.
- Annual contribution of 450 euros to the pension plan of all employees, under the provisions of the banking collective agreement, who have more than two years' service in the industry and whose pension commitments are not covered by any other scheme.

Bankinter is also a member of the Employee Family Plan. This programme, promoted by the Adecco Foundation, provides a variety of types of assistance to employees with disabilities and/or family members in a similar situation so they can achieve real labour market and social integration or perform other activities, including leisure-related.

Total remuneration

Since 2018, Bankinter has had a total remuneration platform that allows employees to consult all the updated elements that form part of their pay package: fixed remuneration, variable remuneration, benefits and emotional compensation (i.e., the benefits offered by the Bank as salary supplements for employees, to cover their personal, family and professional needs, improve their quality of life and ensure a work-life balance).