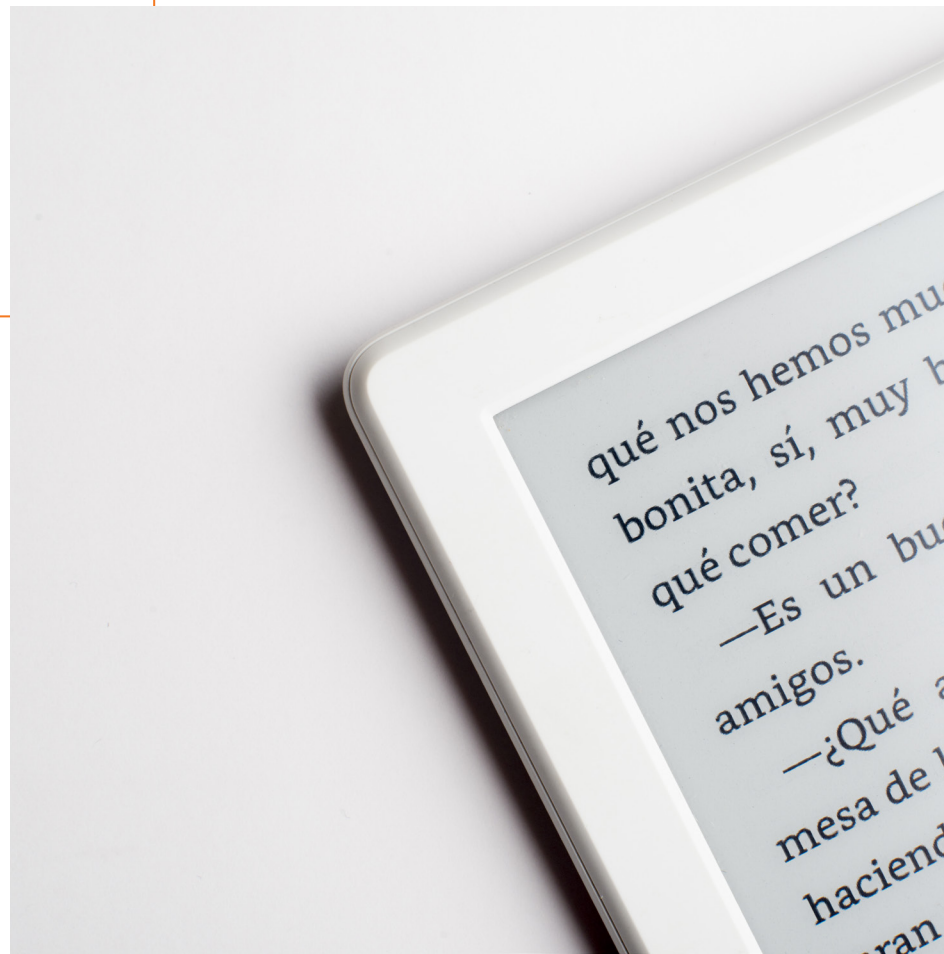


Innovation



2020 INTEGRATED
ANNUAL REPORT



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Digital banking

The pandemic, another boost to the Bank's digitalisation

Bankinter's performance in digital banking in 2020 was greatly affected by the health crisis and, in particular, by the declaration of a state of emergency. The latter made it necessary to provide the necessary tools so that all the Bank's employees could work from home, practically overnight.

The same happened to remote channel use by customers, which skyrocketed as a result of the mobility restrictions imposed by the Spanish authorities from March to curb the spread of the coronavirus.

One of the year's greatest challenges consisted in processing the ICO/CESCE loans, to alleviate the economic effects of the pandemic, in just over two months and for a volume equivalent to that which is managed under normal conditions for a whole year. Teams had to be reorganised and specific training given in record time, although the key factor for success was the dedication of the Bank's professionals.

Acceleration

The health crisis acted as an accelerator for the Bank's digitisation, just as it happened in society as a whole, and helped to complete the new framework for customer relations, increasingly characterised by self-service and the freeing up of dedicated resources to advise, either in person or remotely.

The urgent need to face the demands derived from the coronavirus affected, naturally, Bankinter's 2020 pre-COVID objectives set for digital banking. But the Bank was able to meet them anyway, and without significant delays.

As a result, the Bank now has a powerful business website, which greatly facilitates operations with customers. The digitisation of business processes has been further developed, and a new adaptive security architecture has begun to be implemented, more comfortable and with greater guarantees.

To support the risk department, last year Bankinter undertook a redesign of the approval processes, especially the manuals. With regard to regulatory compliance, the Bank took new steps towards optimising and digitising the updating of proceedings aimed at preventing money laundering.

This meant it was possible to improve process efficiency and the perception of the Bank, although there is still a long way to go in terms of robotisation of operations, customer profiling or digital advice, among other aspects.

Today, the Bank has a powerful business website that greatly facilitates operations for customers.



Bankinter Innovation Foundation

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 where experts from around the world identify and analyse innovative trends that will affect our society of tomorrow.
- **Startups**, a programme aimed at promoting the development of the entrepreneurial ecosystem through investment and support.
- **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 21 world experts in innovation from the business world, the public sector and academia.

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Bankinter Foundation board of trustees

Name	Surname	Nationality
Jose M ^a	Fernández-Sousa	Spain
John	de Zulueta	Spain
Rafael	Mateu de Ros	Spain
Angel	Cabrera	Spain
Antonio	Damasio	Portugal
Dongmin	Cheng	China
Charles	Bolden	United States
Emilio	Méndez	Spain
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	Shochat	Israel
Jens	Schulte-Bockum	Germany
Soumitra	Dutta	India
Tan Chi	Nam	Singapore
Stephen	Trachtenberg	United States
Wilfried	Vanhonacker	Belgium
Wilfried	Vanhonacker	Belgium

Future Trends Forum

The Future Trends Forum (FTF) this is the only multidisciplinary and international think tank focused on innovation. Comprising 664 experts, the FTF anticipates and detects innovation trends, analysing their impact on society and future business models. It has been recognised for the ninth 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 2020, the following experts stand out: Mark Post, CSO at Mosa Meat, Renée A. Vassilos, agricultural economist, Ethan Zuckerman, Director of the Institute for Digital Public Infrastructure at the University of Massachusetts Amherst, and Tricia Wang, co-founder of Sudden Compass.

During 2020, the FTF team demonstrated astonishing flexibility and speed in designing and delivering a new virtual FTF experience in response to the pandemic. The results of the first FTF in this new format were very positive with a perceived quality of 4.4/5 by the experts. Future Trends Forum analysed the trends in innovation that it believes will have the greatest influence in the near future. They are as follows:

Food of the future

How will we feed ourselves in a few years, when they are 10 billion of us? Will there be a change in food as radical as the ones we are seeing in communications, the way we work or the way we interact?

Will we consume eggs without chickens, milk without cows, tomatoes without a garden?

The experts of the Future Trends Forum answer these questions, from how to achieve the UN Sustainable Development Goals to what role epigenetics plays in food, through the most interesting innovations of Foodtech, such as cellular agriculture and the necessary leadership in the sector.

<https://www.fundacionbankinter.org/ftf/tendencias/futuro-comida>

Trust and digital society

In the new digital age, there is an erosion of trust in all areas of business and society. How to create trust? How to maintain it? How to increase it? Even more difficult, how to regain it if we have lost it?

The report with the conclusions of this analysis will be published in the first quarter of 2021.

Other very topical issues have been discussed through a series of webinars with experts from the Future Trends Forum.

Neuroscience

Driven by new technologies, information about the brain is growing at an unprecedented rate. Neuroscience is mapping the connections within the brain, observing behaviours, simulations, or revisiting mental models. The Future Trends Forum has detected the main areas of work in neuroscience and debated how neuroscience will help us to know ourselves better, improve our intellectual capacities, heal diseases or the possibility of connecting our brain with machines.

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

Innovation and COVID

The Foundation has asked its experts about the most relevant aspects to consider in order to understand and combat the crisis caused by COVID-19 and, in turn, the opportunities that will arise.

In the report Innovation: the opportunity in times of Covid-19, you can find the results of the survey on the most relevant aspects of the impact of the COVID-19 crisis and a series of conclusions that are also drawn as recommendations to deal with this crisis in the best possible way.

<https://www.fundacionbankinter.org/ftf/innovacion-covid19>

Artificial intelligence

Artificial intelligence has been analysed from various angles: technological development and the capacities and impacts it will have on our lives in the next ten years. Experts have identified the challenges and opportunities posed by this trend for society and above all for our businesses.

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

In 2020, work continued 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. As of today, the trends 'The future of money', 'Internet of things', 'Cloud Computing', 'Disruptive cities', 'Longevity' and 'Digital Health' have been updated.

In total, 20 online events were held on various trends, involving 20,903 people around the world, compared to 925 in 2019.

In 2020, the FTF Spanish Council was created, a group made up of people related to innovation, entrepreneurship and new technologies, which will advise the forum on the issues of greatest impact for Spain.

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

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

Startups

The Startups programme supports entrepreneurs as one of the main levers for boosting innovation in Spain. A joint investment programme is being developed between Bankinter Venture Capital and the Bankinter Innovation Foundation, called the Venture Capital Programme. This programme focuses on identifying and investing in high-potential startups with the Bank's funds, through Bankinter Venture Capital.

The 'Venture Capital Programme' invests in startups with a presence in the countries where Bankinter operates, irrespective of the sector (with the exception of biotechnology), and providing they have a scalable business model and a technological base. Initially, a ticket between 50 and 250 thousand euros is invested in the first phases (seed) in companies with valuations of up to €4mn, always co-investing with other players in the ecosystem. As requirements for investment, the startup must have launched its product to the market (or at least a Minimum Viable Product or MVP) and begin to have some metrics. Due to the investment model used, it is possible to continue investing in successive rounds of the company without a maximum stipulated per company.

Since its creation in 2013, the programme has invested in 41 startups, adding three new companies to the portfolio in 2020 such as Kokoro Kids, a pioneering mobile app in the Edtech field for children, whose objective is to promote the development of cognitive and emotional skills among children from 2 to 6 years.

The programme had analysed 3,287 projects by 2020, with an investment rate of 1.25%. In 2020, 464 projects were assessed, with an investment rate of 0.65%.

The programme also organises 'Coffee with entrepreneurs' to foster entrepreneurship, where leading figures in the Spanish entrepreneurial ecosystem share their experience and the challenges they have faced.

In 2020, as a result of the pandemic, the Foundation organised all open editions for the first time. The events were organised through an online tool in webinar format.

Six meetings of this nature were held, with the participation of: Ramón Blanco, CEO and co-founder of Bewater Funds, co-founder and director of Indexa Capital; David Conde, CEO and co-founder of Coinscrap; Philippe Gelis, CEO and co-founder of Kantox; Pablo Viguera, CEO and founder of Belvo; Jaime Rodríguez de Santiago, General Manager for Spain at FREE NOW; Gerard Olivé, Co-Founder & Co-CEO of Antai Venture Builder.

The Programme also created the Startup Observatory in 2020: This initiative offers transparency and visibility of the state of investment in Spain in almost real time, through an interactive tool. In addition, quarterly and annual reports are prepared to present its progress and main trends. During 2020, there were 13,204 visits to the Observatory.

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

Akademia

Akademia is a programme focused on communicating innovation experience to Spanish university students. With a face-to-face programme that, before the pandemic, consisted of nine sessions, led by a leading expert in their sector, the objective is to help students understand the opportunities of the future and put into practice the knowledge acquired, regardless of the discipline they study.

In the 2019-2020 academic year, the Akademia programme was run at nine Spanish universities. Santiago de Compostela, Deusto, Salamanca, Pompeu Fabra, Barcelona, Carlos III, Pontificia de Comillas, Politécnica de Valencia and Loyola Andalucía. The course was attended by 146 students and it had a recommendation rate of 99%, 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 2019-2020, the programme's students presented their innovation projects and the winner was HALIA, from the Politécnica de Valencia.

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.

Due to the pandemic, the activities scheduled during the 2019-2020 edition transitioned to virtual format. The adaptability of both the students and the experts who are part of the Akademia programme made it possible to complete the course successfully.

Given current uncertainty, a digital native programme has been designed for the new 2020-2021 edition, where students from the nine universities choose the schedule that best suits their needs. The Akademia programme is thus able to connect students from different universities, who interact with innovation experts through eight sessions, 100% online.





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

CRE100DO Foundation

Cre100DO is a foundation that promotes business excellence by grouping outstanding companies in the Spanish middle market in order to stimulate their growth and cooperation, boosting growth in the Spanish economy and generating a positive impact on society.

CRE100DO was created in 2014 as a country programme promoted by the Bankinter Innovation Foundation, ICEX and the Círculo de Empresarios. In 2019, after the success of the first five years, it was established as a foundation.

In its journey to enhance the excellence of companies, CRE100DO promotes the values and capabilities that make this possible by incorporating the best management practices, stimulating the adoption of new

technologies, promoting collaboration between companies and promoting social and environmental responsibility. Its companies are a role model for smaller enterprises.

Currently, CRE100DO is a community of 118 companies, with a turnover of €16.5bn (equivalent to 1.3% of GDP). They generate 85,000 direct jobs and more than half a million indirect jobs; they are global, since 52% of their turnover comes from abroad; and they have grown 10% in the last three years, three times the national average.

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.

In 2020, CRE100DO had more than 118 participating companies, and the following joined the programme during the year: Adolfo Domínguez (Orense), Ale-Hop (Alicante), Babaria (Valencia), Grenergy (Madrid), Logifashion (Guadalajara), Quesos El Pastor (Zamora), Satec (Asturias), SPB (Valencia), Truck & Wheel (Navarre), Zental (Pontevedra).

In 2020, CRE100DO has carried out a total of 43 activities with investee companies:

- One (1) face-to-face workshop. Activities relating to subjects of interest, involving conferences held by experts and experience sharing initiatives.
- One (1) conference of CEOs in face-to-face format. Meetings with the most senior executives of participating companies to address strategy and global issues.
- 36 virtual monographs. Conferences relating to one subject.
- Five (5) virtual sessions for CRE100DO CEOs.

CRE100DO Foundation estimates that, in 2020, 873 senior executives from participating companies took part in these activities.



Communication

In 2020, the impact of communication at the Bankinter Innovation Foundation increased in terms of quantity and intensity. The number of followers on social media grew by more than 25% to 34,849, and visits to the website grew more than 2.5 times. More than 30 press appearances have reached a potential audience of more than 9 million.

The Bankinter Innovation Foundation has shown not only resilience, but also anti-fragility, by emerging stronger from the pandemic crisis, multiplying activities, events, repercussions and relevance.

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