

Results Presentation Bankinter 1Q21

22 April 2021

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**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



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Regulatory framework



Bankinter presents its financial statements in accordance with the regulations that apply to the Group, set out in the Code of Commerce and other company regulations and in the International Financial Reporting Standards adopted by the European Union.

Bankinter advises that this presentation contains forward-looking statements. These can be found in various parts of this document and include, without limitation, statements concerning our future business development and economic performance. While these statements represent our judgement and future expectations about our business development, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, (1) the general market, and macro-economic, governmental and new regulations, (2) the variation in local and international securities markets, currency exchange rates and interest rates as well as change to market and operational risk, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and other counterparties.

Summary

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	1Q21	YoY
Loan book	€65bn	+6%
Gross operating income	€465M	+7%
Pre-provision profit	€263M	+6%
NPL ratio	2,37%	-21bps
Coverage ratio	62%	+13p.p.
Group net profit	€148M	+14%
CET1 FL	12,3%	+82bps
ROE	11,3%	+104bps

Content



- **Results**
- **Risk Management**
- **Businesses**
- **Summary**

P&L 1Q21

- in millions of euros -

	Bankinter group			
	1Q21	1Q20	Dif. € 21/20	Dif. % 21/20
Net interest income	311,8	307,8	4,0	1,3%
Net fees and commissions	129,8	123,0	6,9	5,6%
Other income/expenses	23,3	5,5	17,8	n.a.
Gross operating income	465,0	436,3	28,7	6,6%
Operating expenses	-202,0	-189,0	-12,9	6,8%
Pre-provision profit	263,0	247,3	15,7	6,4%
Cost of risk and other provisions	-102,4	-107,3	4,9	-4,6%
Profit before taxes Banking activity	160,6	140,0	20,6	14,7%
Profit before taxes Línea Directa*	39,4	38,6	0,9	2,2%
Group Net Income	148,3	130,3	18,0	13,8%

P&L 1Q21

- in millions of euros -

	Bankinter group						
	1Q21	4Q20	1Q19	Dif. € 21/20	Dif. % 21/20	Dif. € 21/19	Dif. % 21/19
Net interest income	311,8	320,0	269,8	-8,2	-2,6%	42,0	15,6%
Net fees and commissions	129,8	138,2	114,3	-8,4	6,1%	15,5	13,6%
Other income/expenses	23,3	-45,5	19,2	68,8	n.r.	4,1	21,6%
Gross operating income	465,0	412,8	403,3	52,2	12,6%	61,7	15,3%
Operating expenses	-202,0	-227,2	-179,1	25,3	-11,1%	-22,9	12,8%
Pre-provision profit	263,0	185,5	224,2	77,4	41,7%	38,8	17,3%
Cost of risk and other provisions	-102,4	-108,3	-55,1	5,9	-5,5%	-47,2	85,6%
Profit before taxes Banking activity	160,6	77,3	169,1	83,3	107,9%	-8,5	-5,0%
Profit before taxes Línea Directa*	39,4	46,7	35,4	-7,3	15,6%	4,0	11,3%
Group Net Income	148,3	97,1	145,0	51,2	52,8%	3,3	2,3%

Balance sheet

L Loan
book
- In billion of euros -

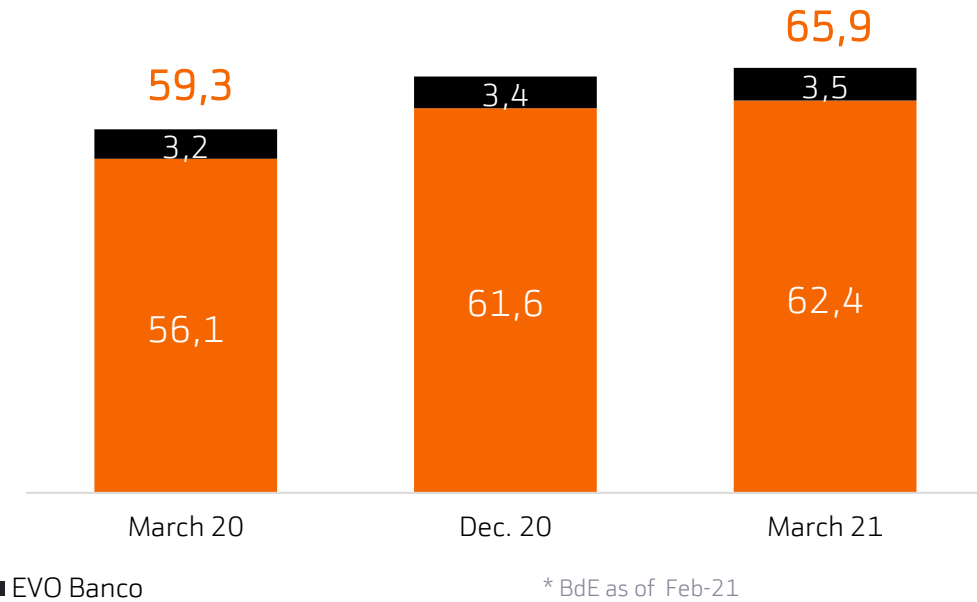
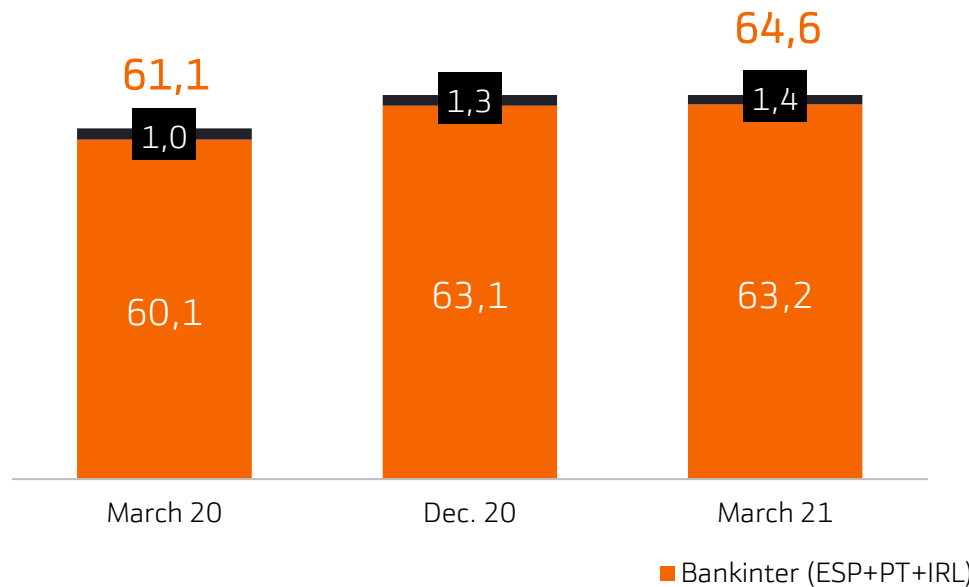
R Retail
funds
- In billion of euros -

+3,5bn +5,8%

+6,6bn +11,2%

+5,0% BKT Spain / Sector* +2,6%

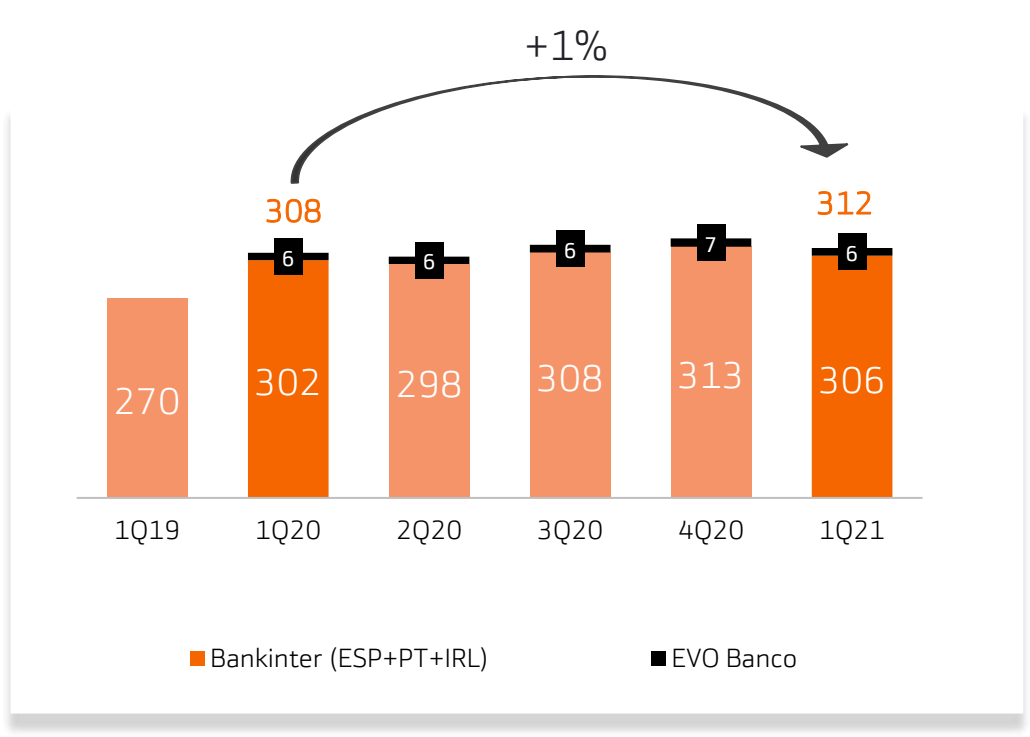
+11,4% BKT Spain / Sector* +9,2%



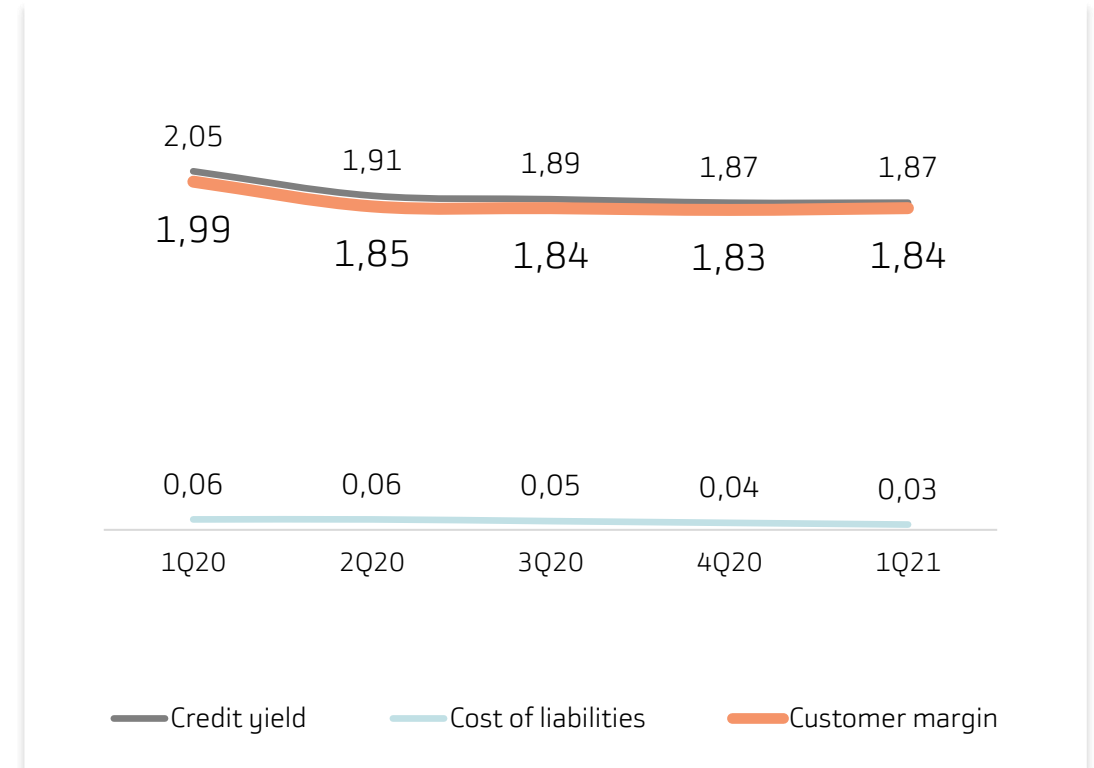
* BdE as of Feb-21

Net Interest Income

- Quarterly NII in million of euros -

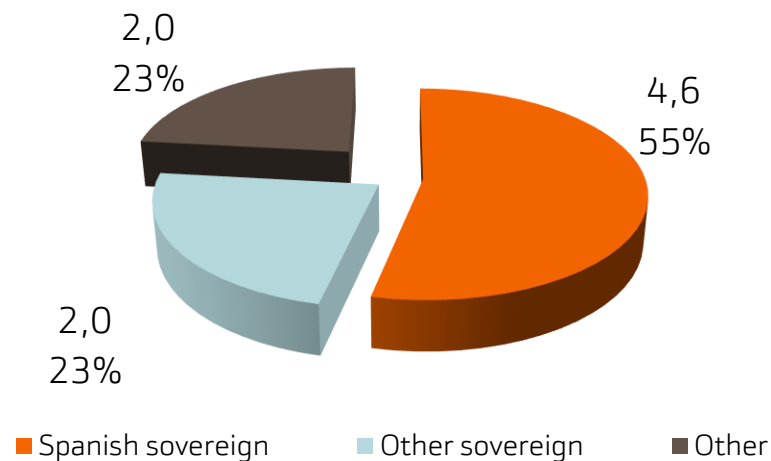
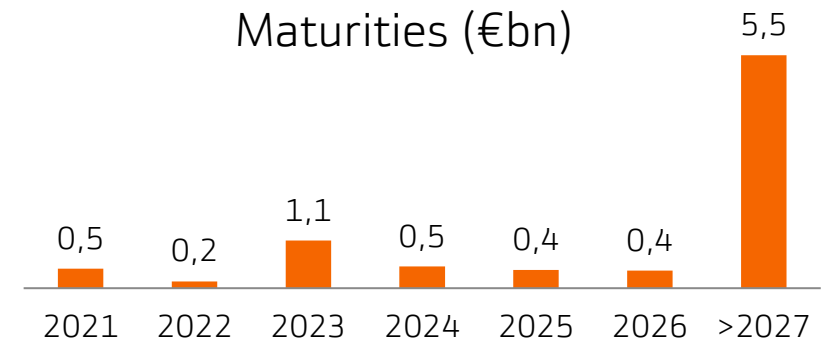


- Customer margin -



ALCO portfolio

ALCO portfolio	Amort.	Fair Value	Total
Nominal amount (€bn)	6,5	2,1	8,6
Duration (years)	5,3	2,5	4,6
Avg. maturity (years)	9,9	3,3	8,2
Yield (%)	1,2	2,7	1,6
Unrealised gains (€bn)	0,51	0,12	0,63



Fee Income

Net Fee Income

130M€

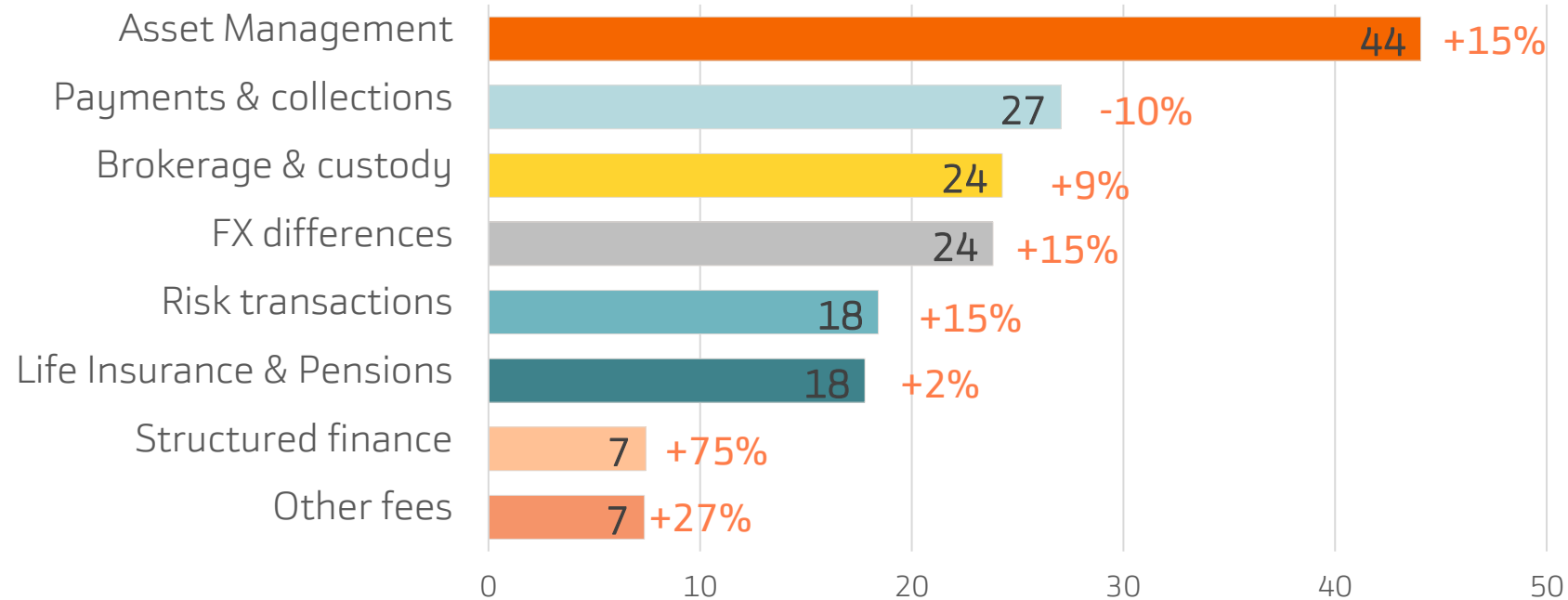
YoY

+6%

Contribution to Total Income

28%

- Breakdown of fees received in million of euros -



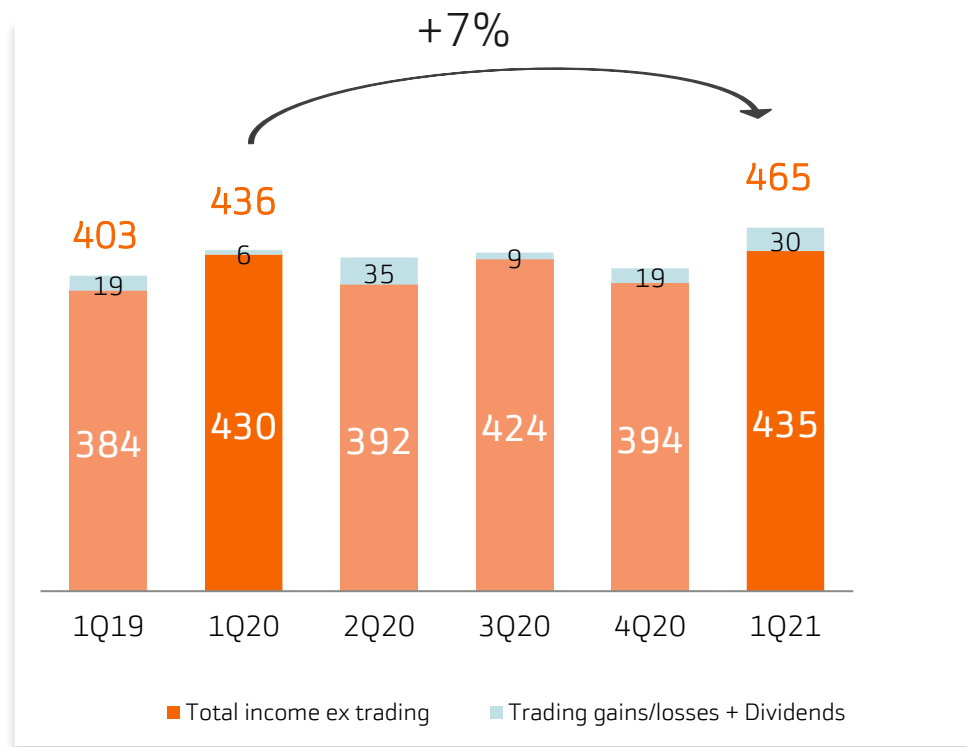
Other Income/ Expenses

- In million of euros -	1Q21	1Q20	Dif. €	% Dif.
Equity method	6,4	6,7	-0,3	-5,1%
Trading income/losses & Dividends	29,9	6,0	23,9	25,0%
Other operating income/expenses	-13,0	-7,2	-5,8	79,8%
Total	23,3	5,5	17,8	n.a.

Total operating income

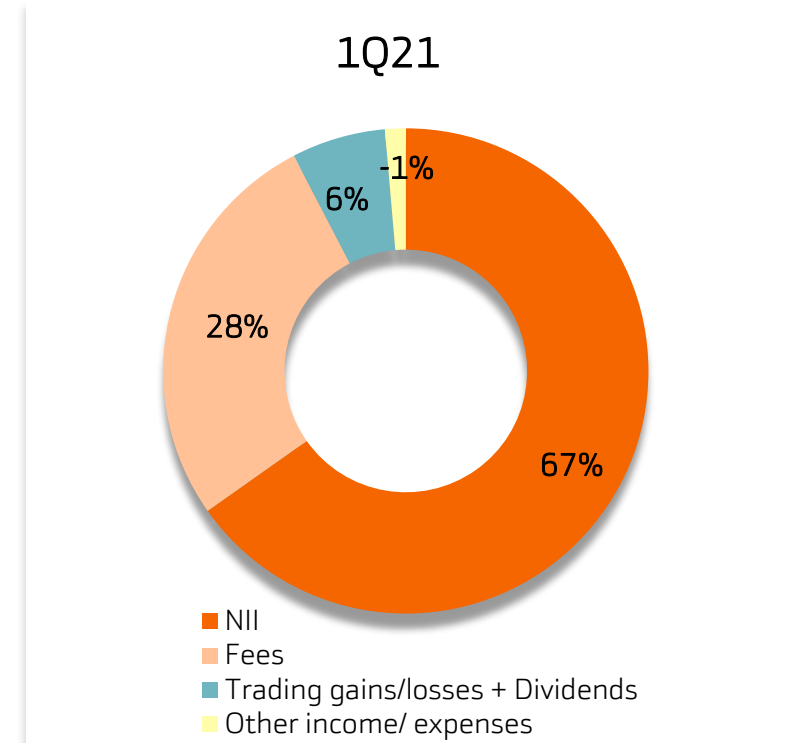
Total Income

- In million of euros -



Breakdown by income type

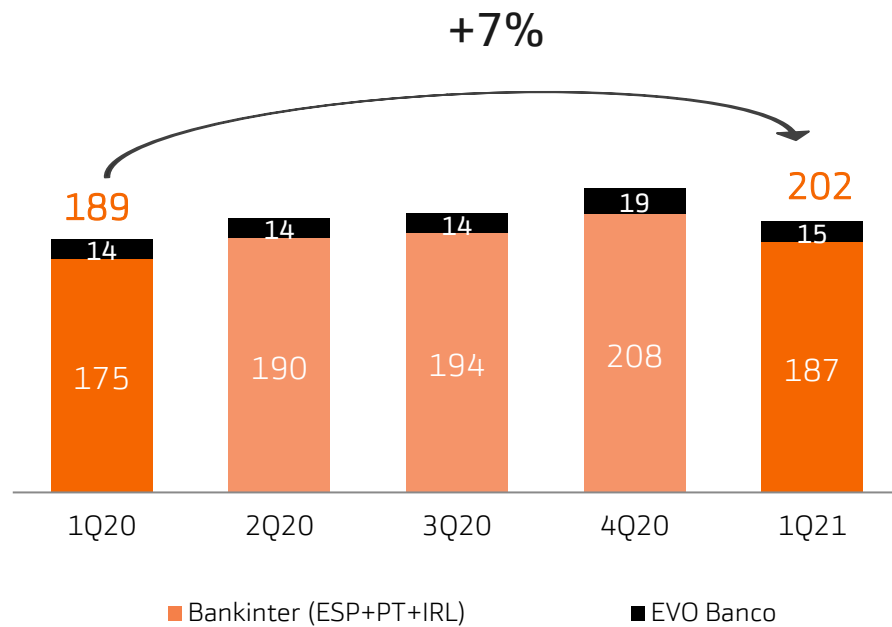
- in % -



Operating expenses

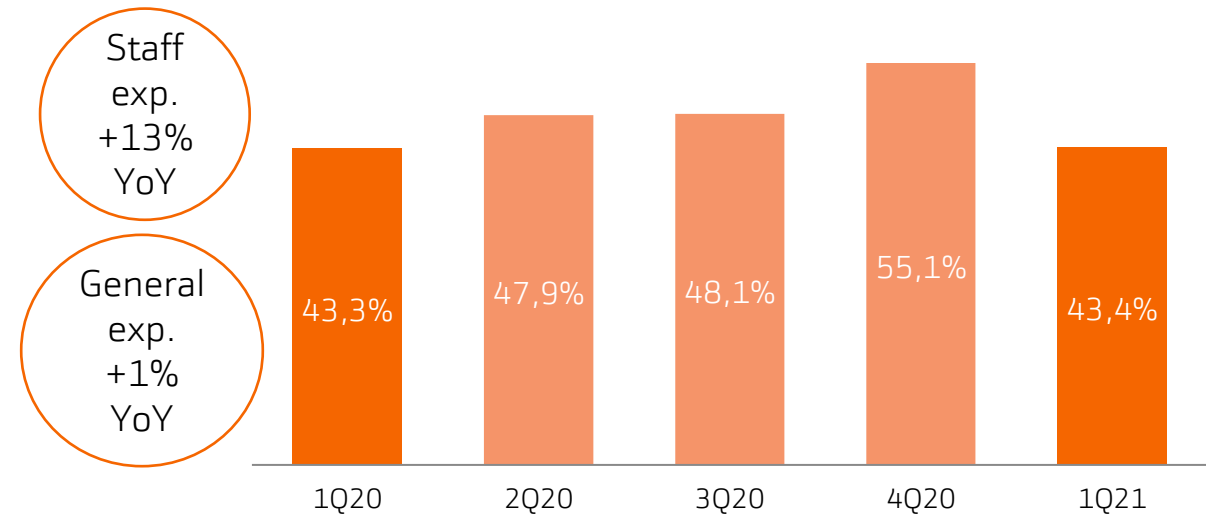
Total expenses

- In million of euros and yoy dif. in % -



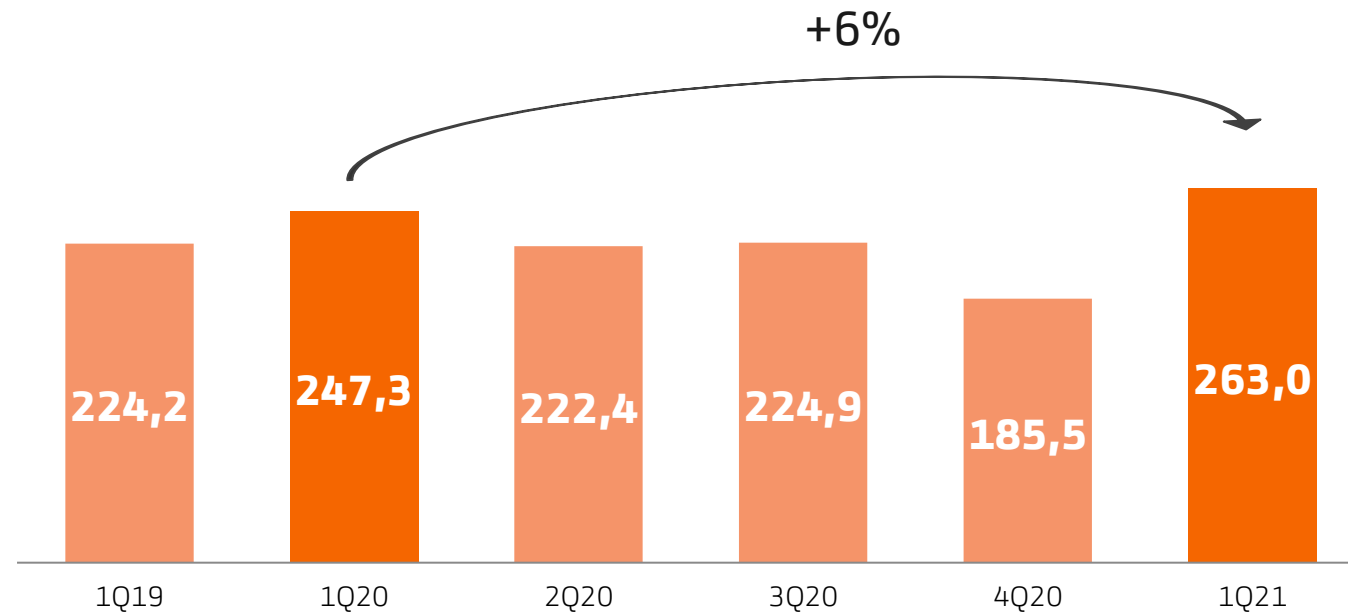
Cost-to-income ratio

- in % (incl. D&A) -



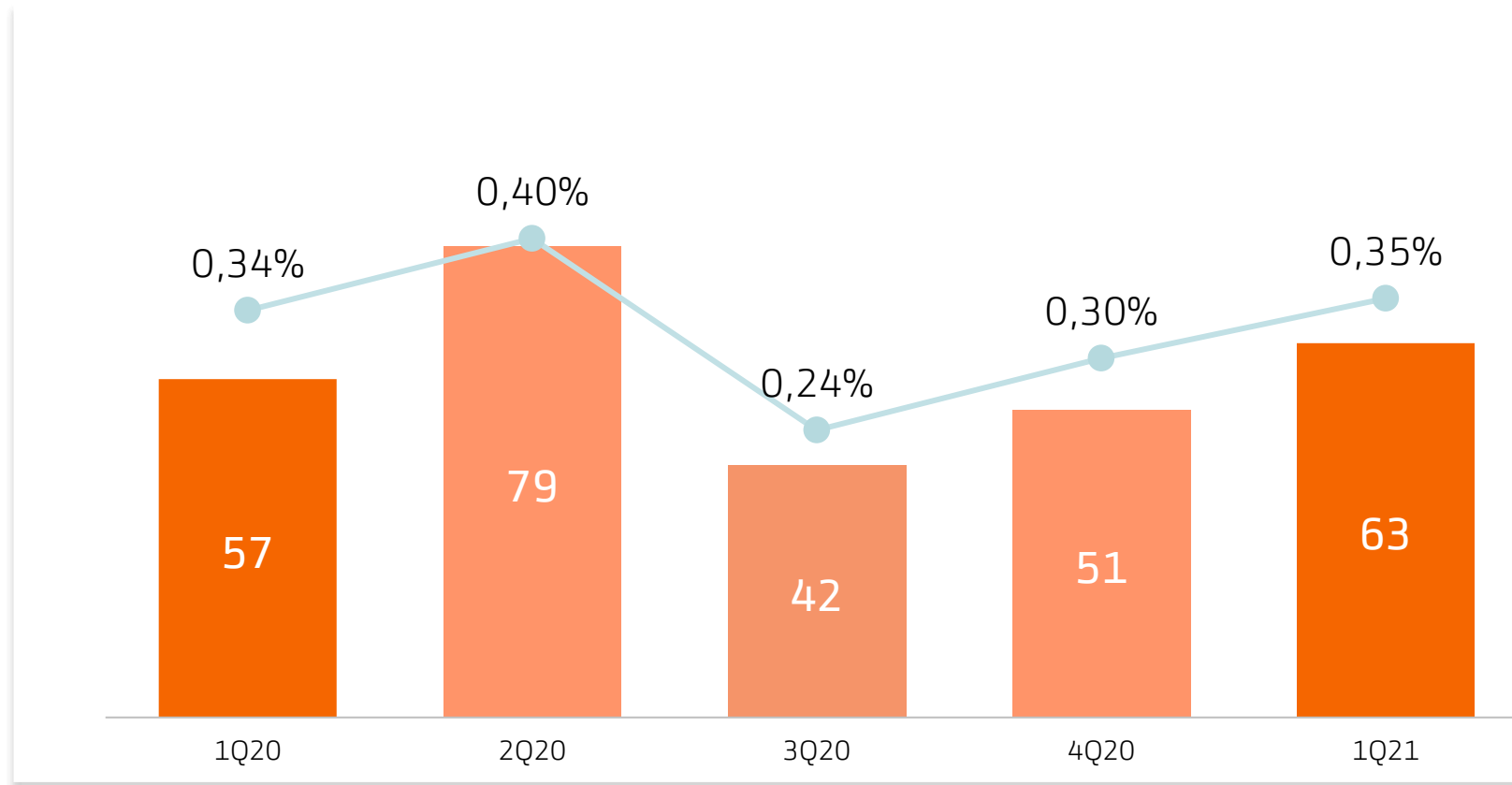
Pre-Provision Profit

- in million of euros and yearly dif. in % -



Cost of Recurrent Credit Risk

- in % of total risk exposure* and in million of euros -

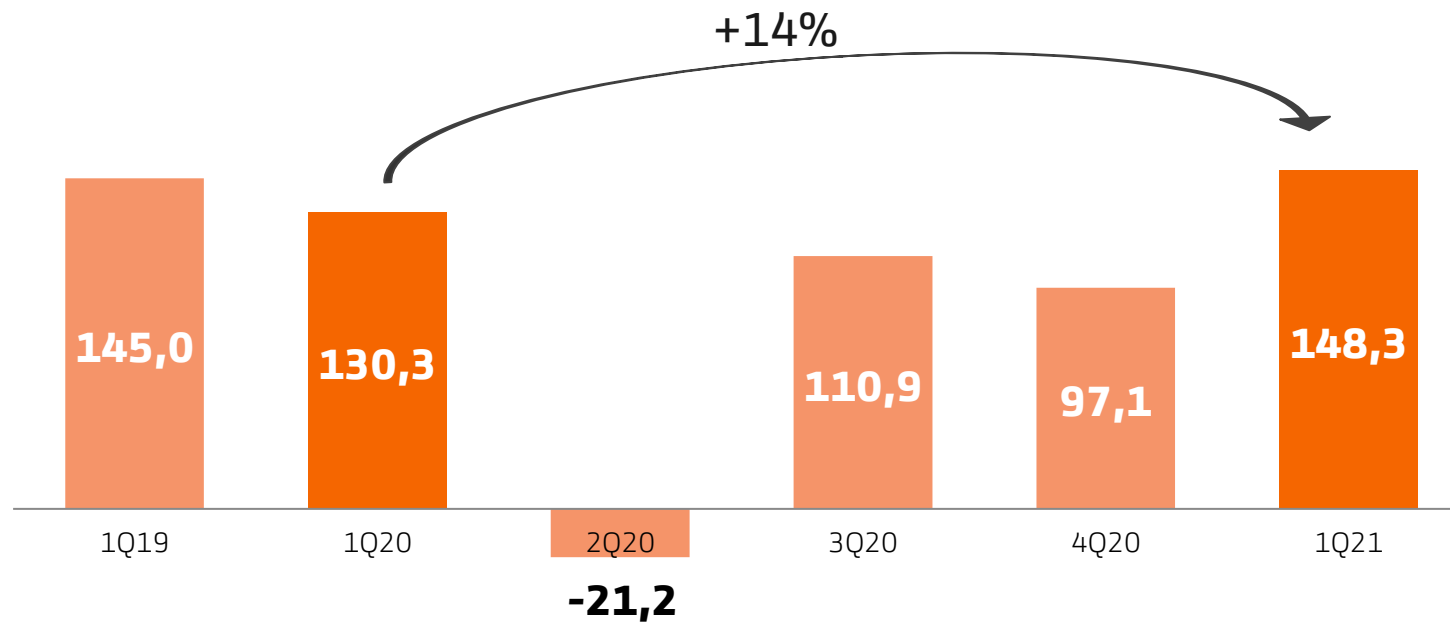


* CoR includes impairments & gains/losses on asset disposals

Total group Net Income

Quarterly Net Income

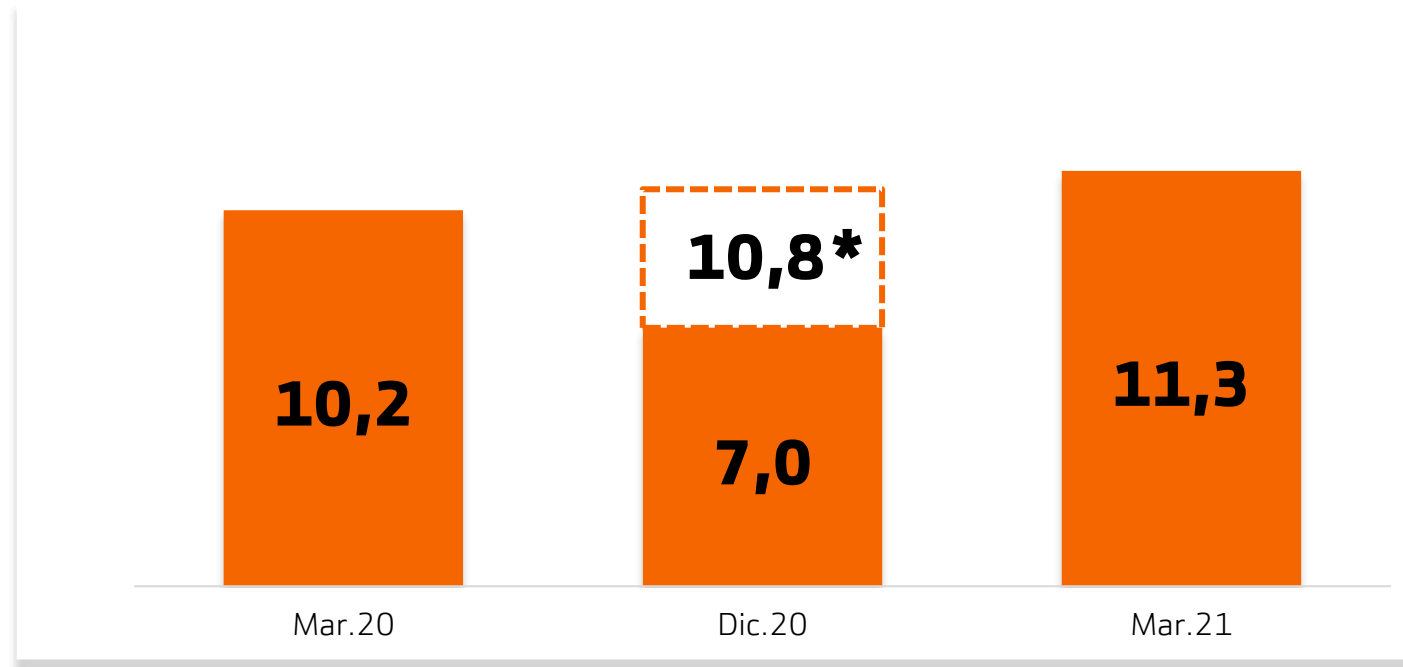
- In million of euros and yearly dif. in % -



Profitability

ROE

- in % -

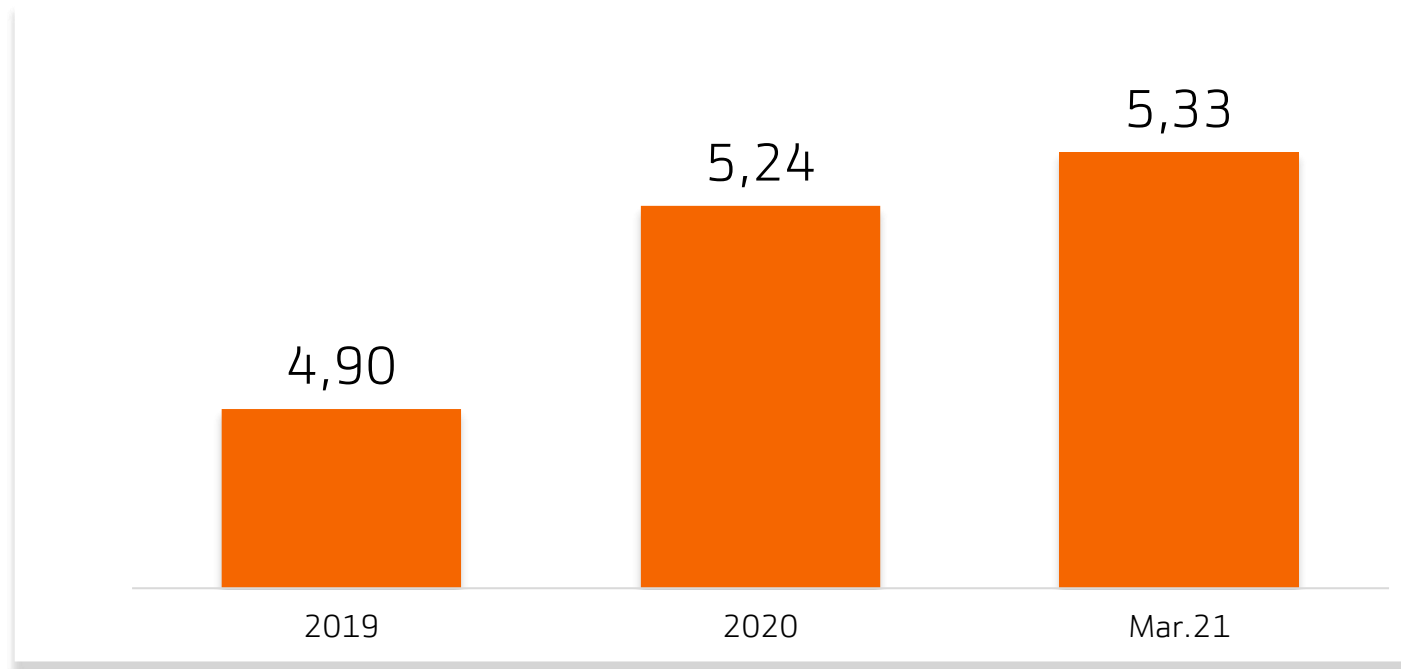


** ROE excluding extraordinary macro provisions impact

Tangible Book Value

TBV per share

- in euros -





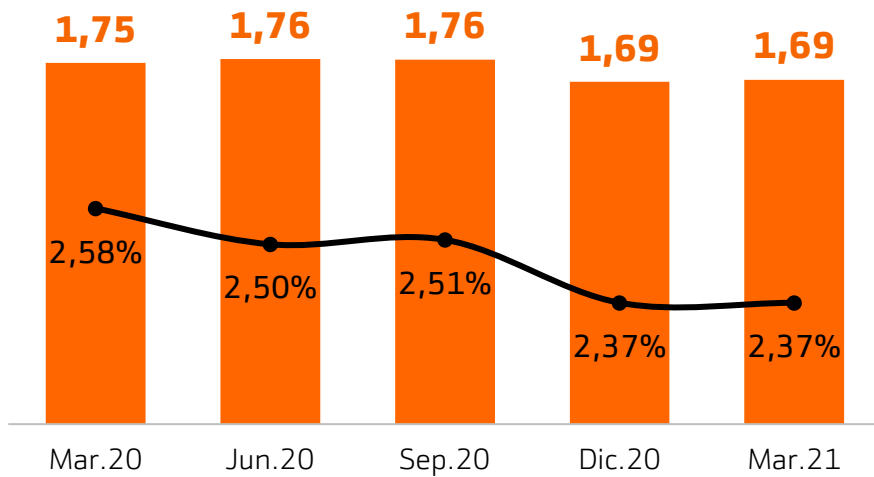
Risk, Solvency & Liquidity management



Credit Risk

Non-performing loans

- In billion of euros & ratio in % -



NPL ratio by segment

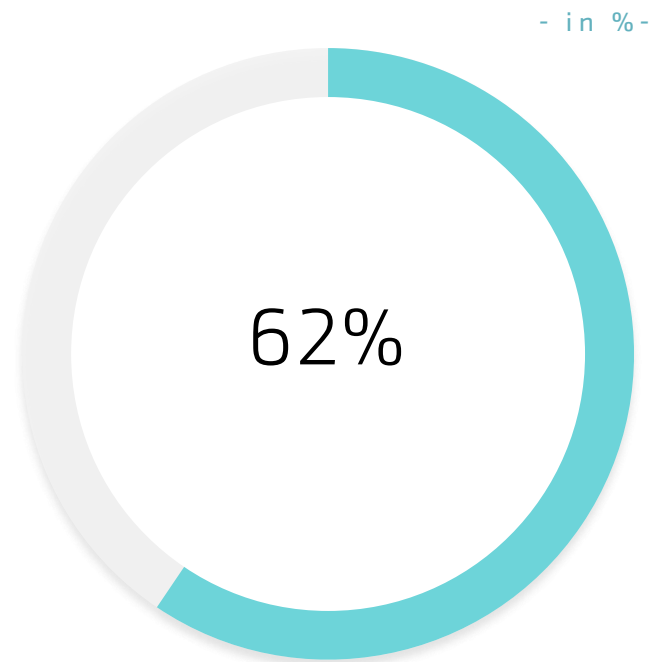
- in % -

4,54%
Sector*

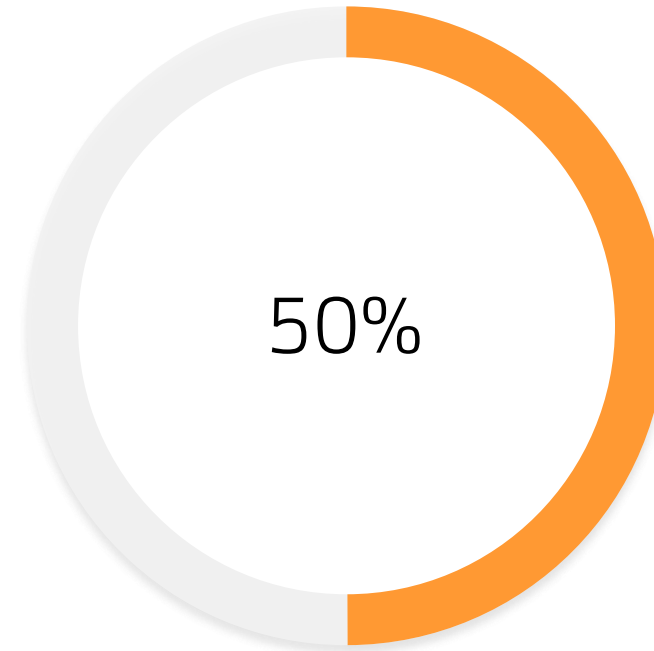
	Bankinter Mar'21	Bankinter Mar'20
Households	2,2%	2,3%
Corporates/ SME's	2,8%	3,0%
Total	2,4%	2,6%

*BdE as of Jan-21

Provision coverage



Coverage ratio

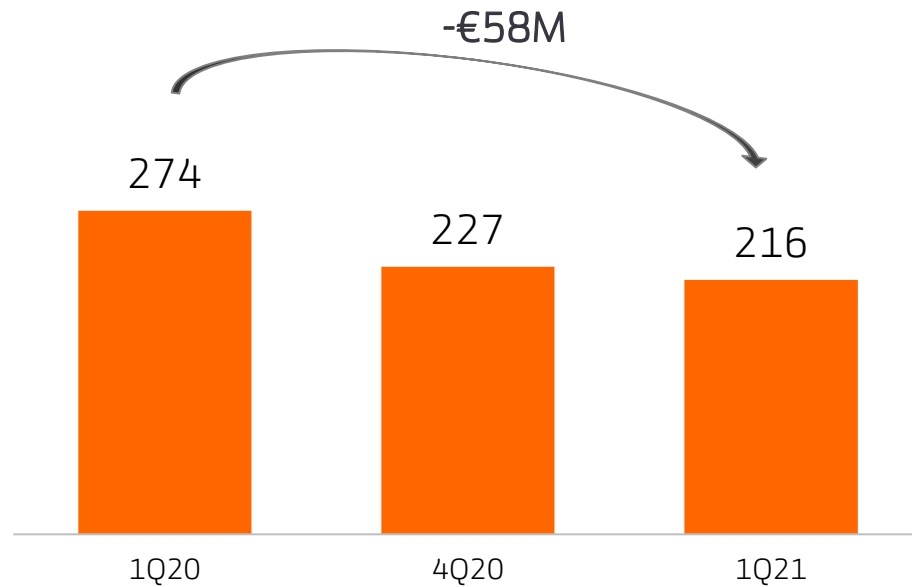


Foreclosed assets coverage

Foreclosed assets

Outstanding foreclosed assets

- In million of euros -



March -21

Total outstanding: €216M

-21%

Book value of sold assets
€20M

Total price of sold assets
€12M

Average discount on sold assets
-38%

Average coverage on sold assets
39%

Capital

CET1
"fully loaded"
12,3%
 Mín. 7,675%

MREL
21,6%
 of RWA's
 Min. 2022: 18,7%

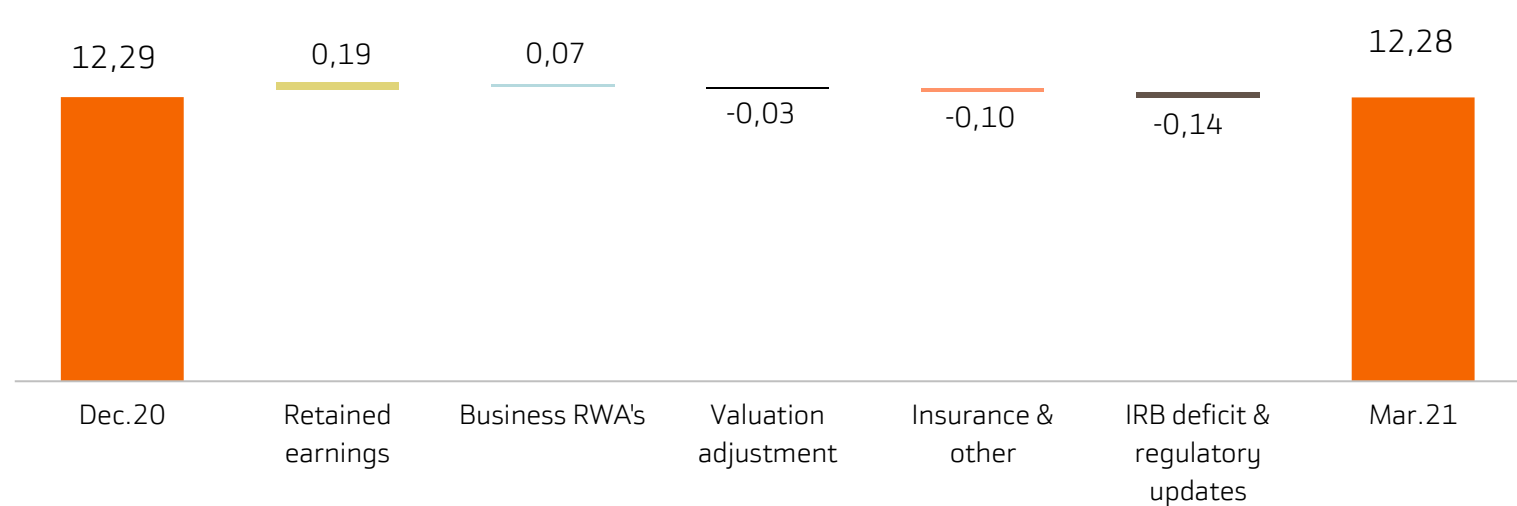
Leverage ratio

5,0%

Total Capital

15,0%

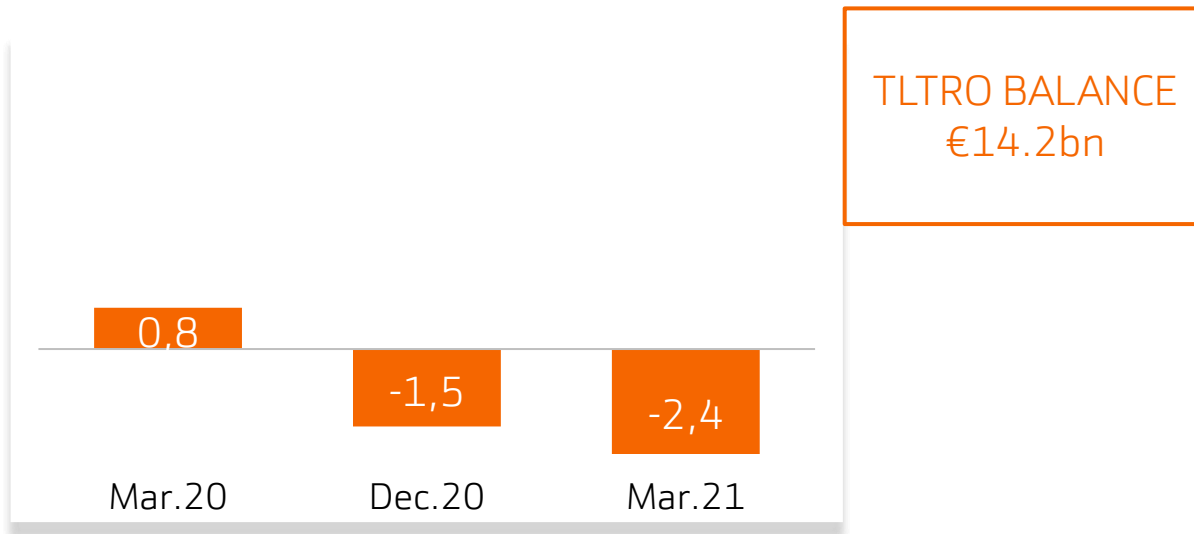
CET1 "fully loaded" bridge in %



Liquidity

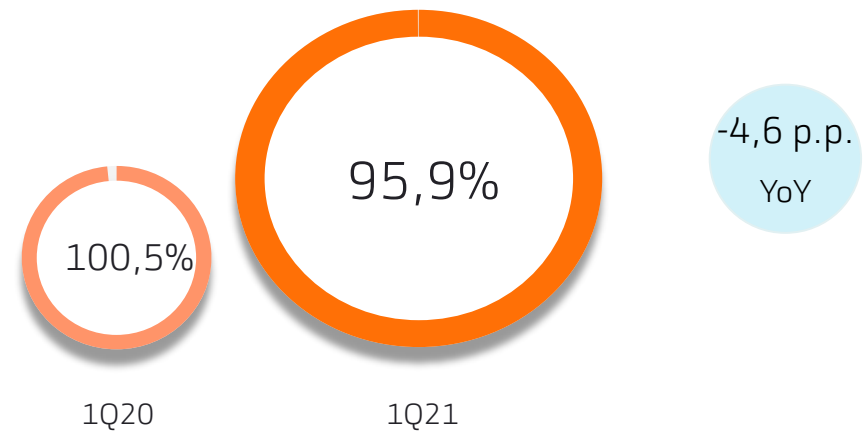
Commercial gap

- in billion of euros -



Loan-to-deposit ratio

- in %-



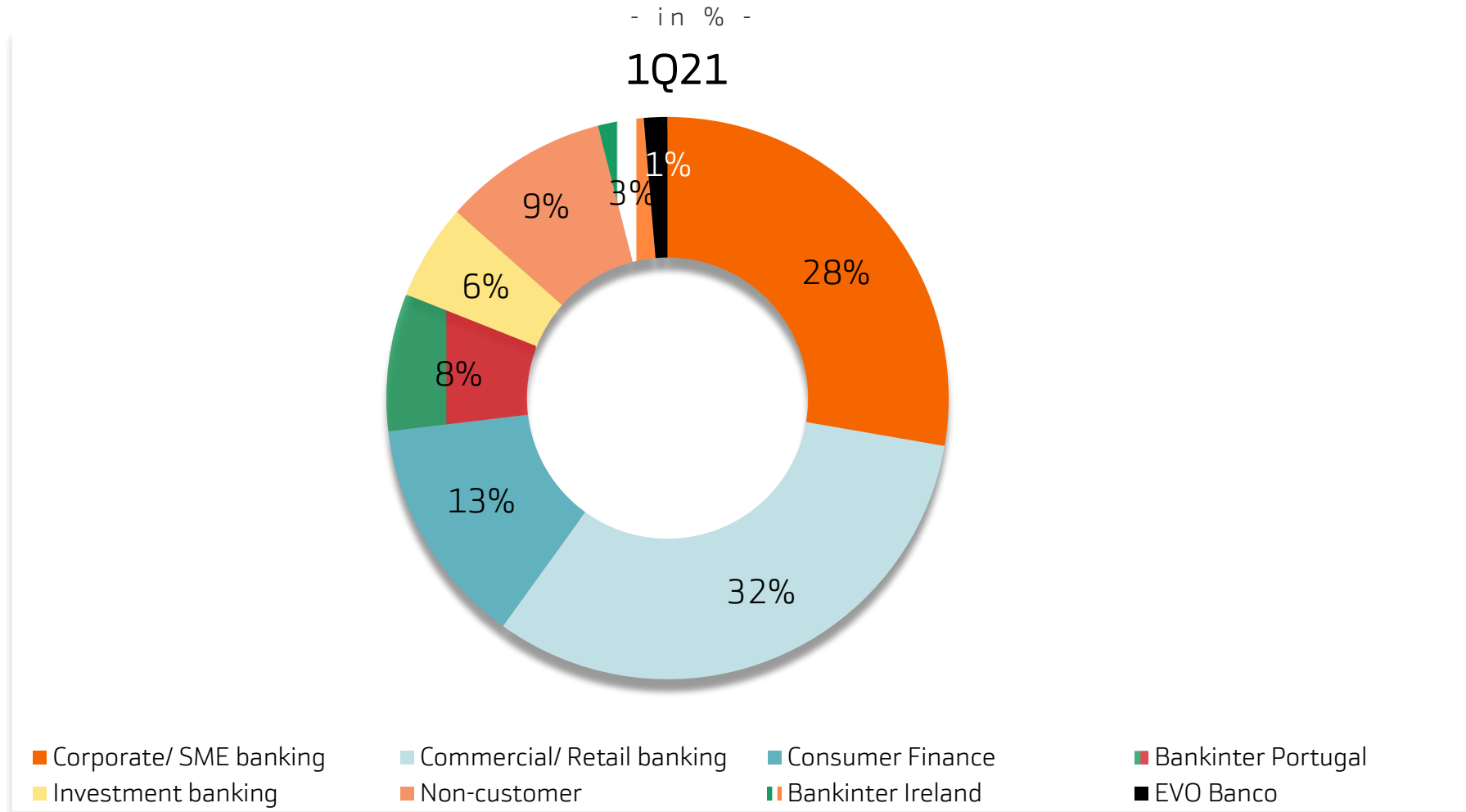


B **Business**

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- 1. Banking activity (Spain & Portugal)**
- 2. Consumer Finance activity (Spain, Portugal & Ireland)**
- 3. EVO Banco**
- 4. Linea Directa Aseguradora**

Contribution by business to Total Income



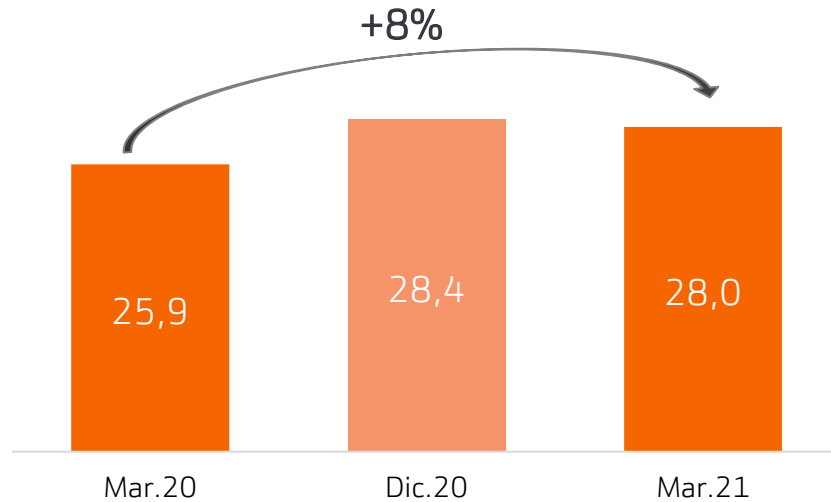
Volumes & activity

Corporate & SME banking

Loan book

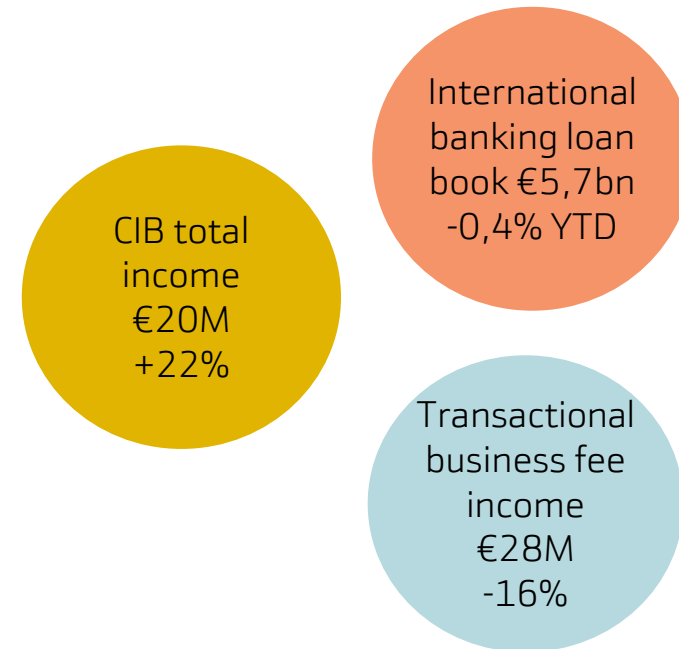
- In billion of euros -

+7,6% BKT Spain / Sector* +8,8%



*BdE as of Feb-21

Corporate banking drivers



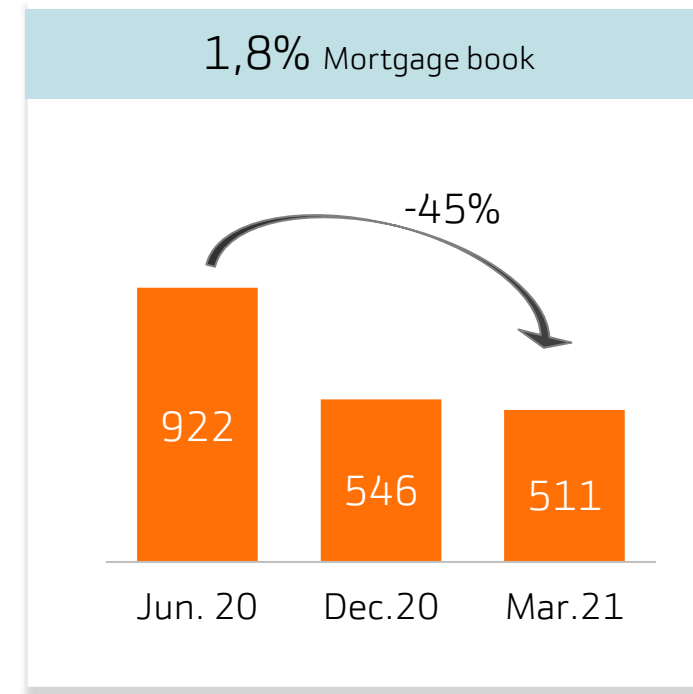
Covid-19 financing measures

ICO Credit lines



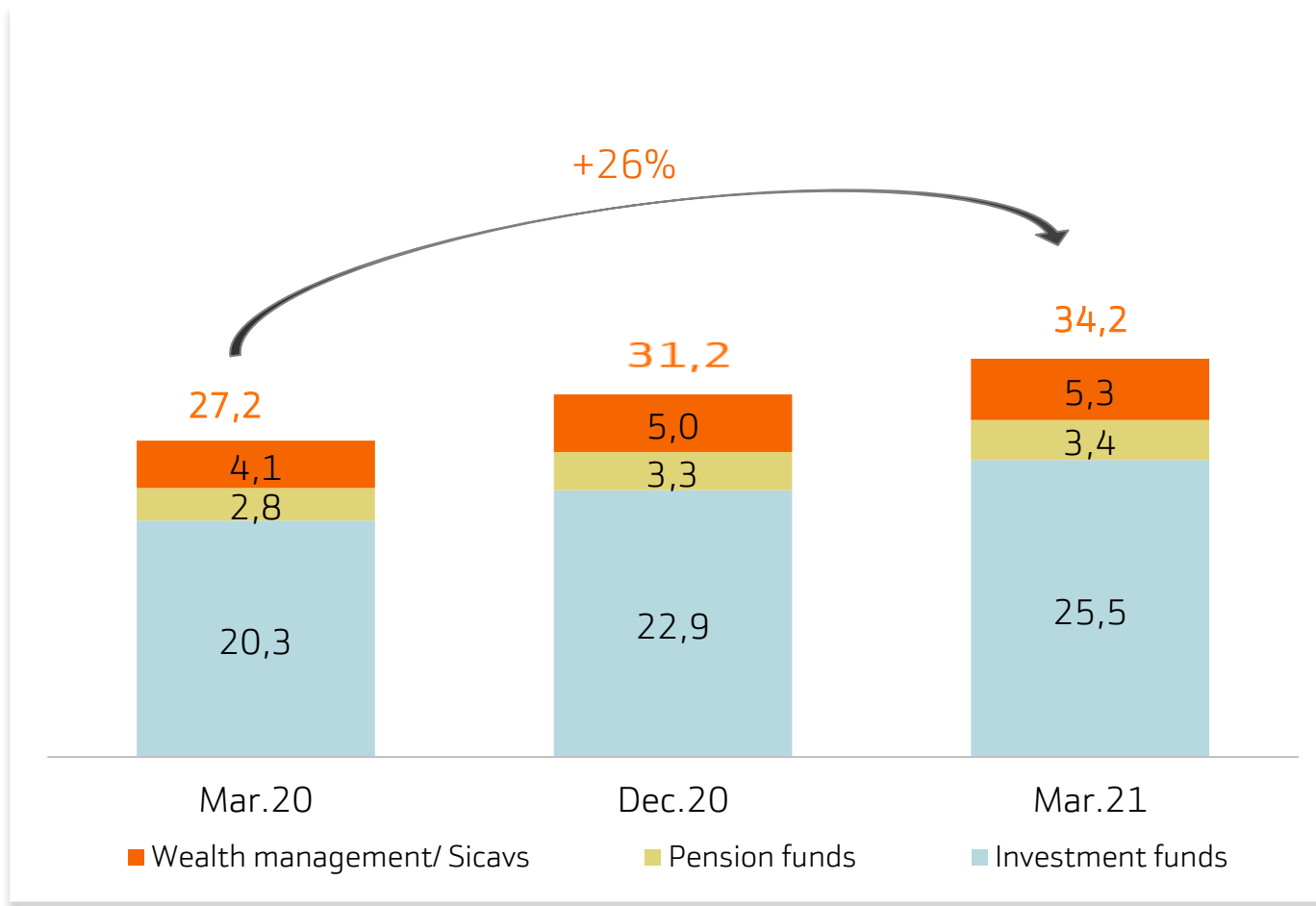
Commercial banking moratorium in Spain

- In million of euros -



Asset Management

- in billion euros-



Investment funds

Net new money
in 1Q21
+€1,1bn

Market effect
in 1Q21
+€1,5bn

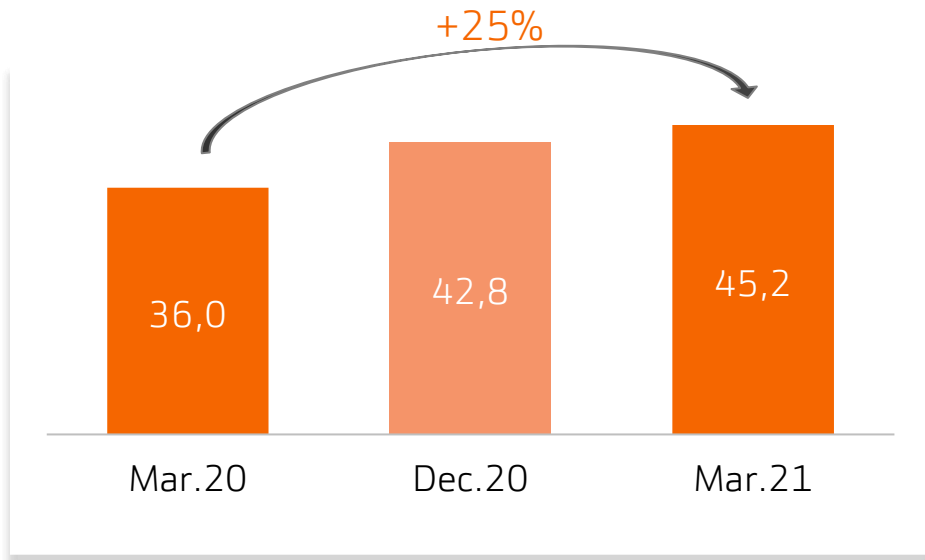
Wealth Management

- Spain & billion euros -

Private banking

Net new money
in 1Q21
+€0,8bn

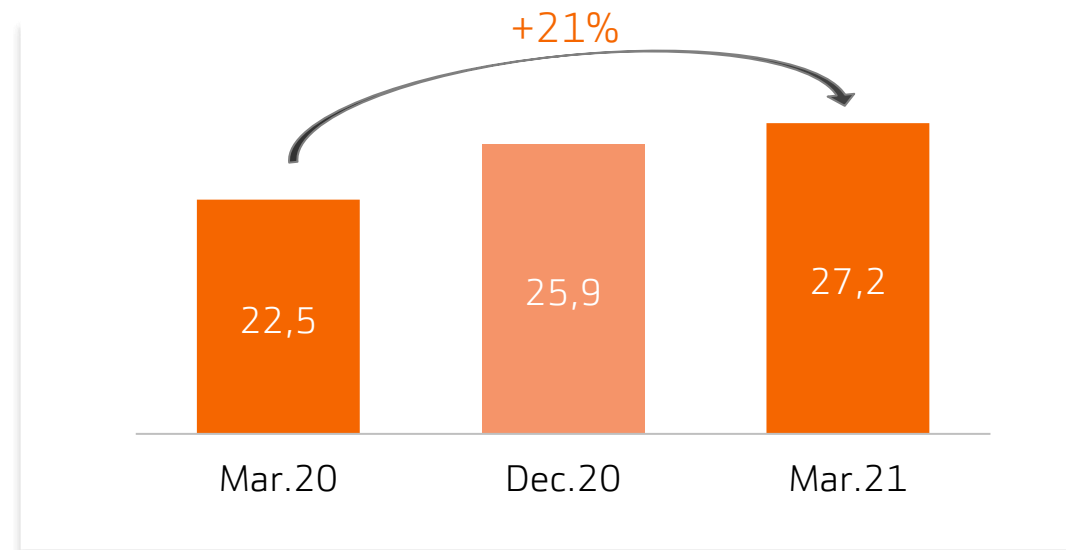
Market effect
in 1Q21
+€1,6bn



Personal banking

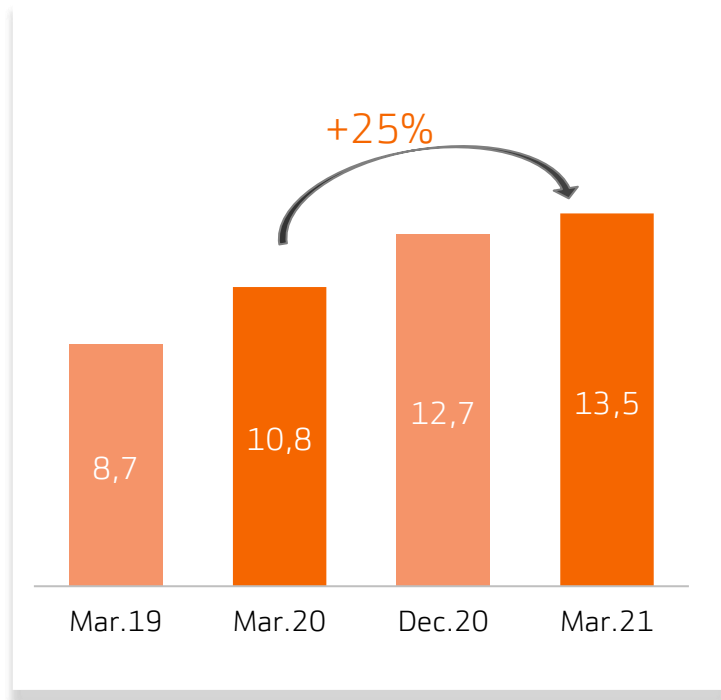
Net new money
in 1Q21
+€0,8bn

Market effect
in 1Q21
+€0,5bn

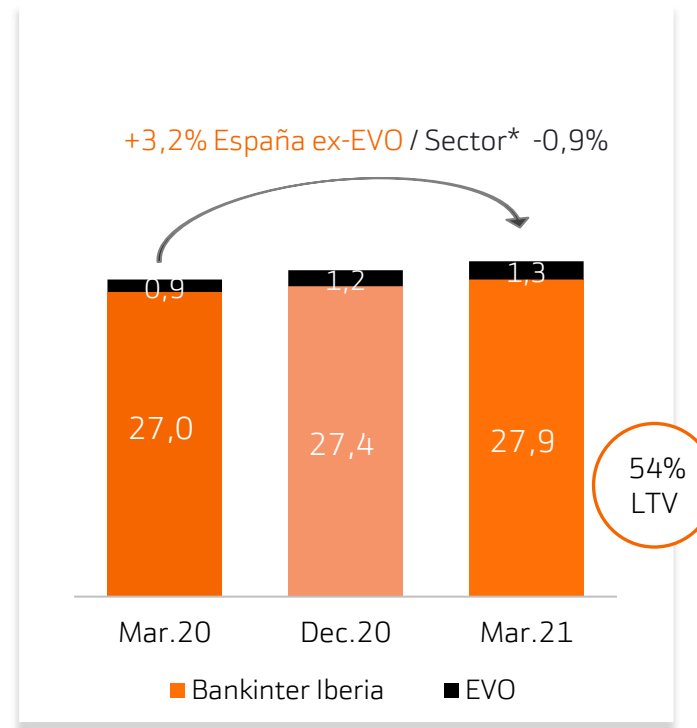


Retail banking

Salary account balances in Spain
(in billion of euros)

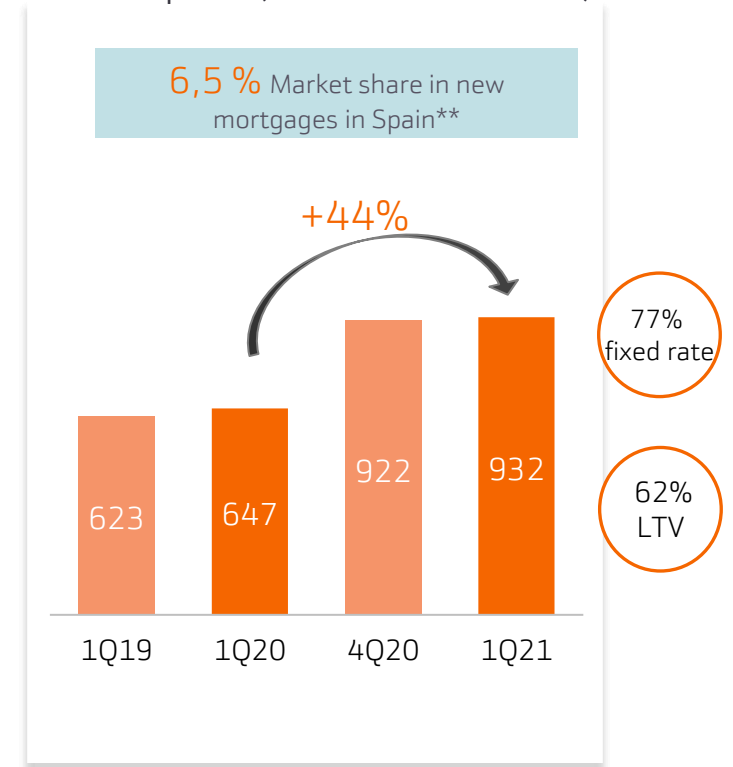


Mortgage back book
(in billion of euros)



*BdE as of Feb-21

New mortgage production
in Spain (in billion of euros)



**INE as of Jan-21 (L12M)

Bankinter Portugal

Business indicators

€6,7bn

Loan book **+7%** YoY

Retail banking
€4,7bn +5%

Corporate/ SME's
€1,9bn +13%

€5,0bn

Retail funds
+10% YoY

€3,8bn

Off-balance sheet funds
+21% YoY

1Q21 P&L
-in million of euros -

	1Q21	1Q20	Dif. %
Net Interest Income	24	23	6%
Net fees and commissions	13	12	15%
Other income/expenses	-1	-1	-20%
Gross operating income	37	33	10%
Operating expenses	-20	-21	-2%
Pre-provision profit	17	13	28%
LLP and other provisions	-3	-2	53%
Earnings before taxes	14	11	25%

Bankinter Consumer Finance



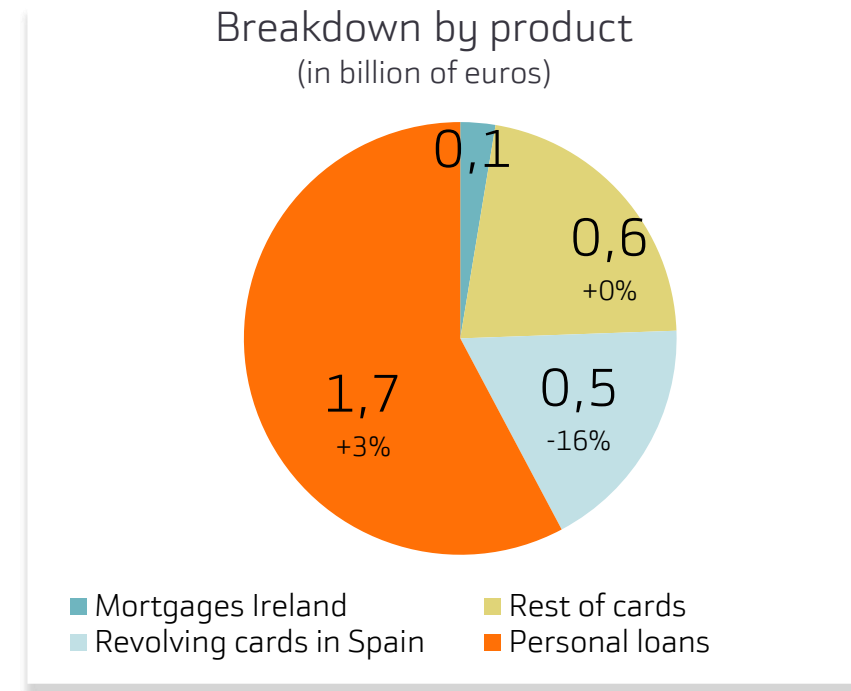
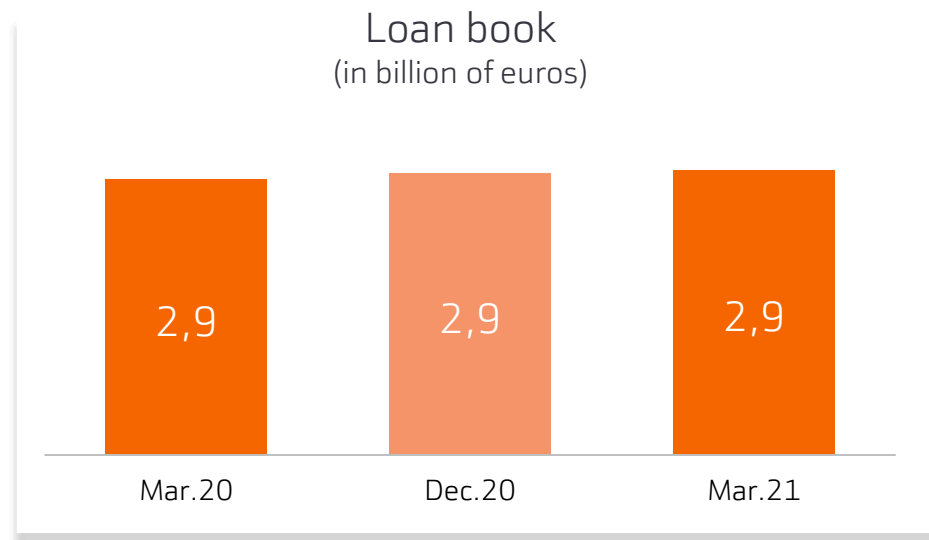
€2,9^{bn}
Loan book
+1% YoY

€0,3^{bn}
Gross new loans
+4% YoY

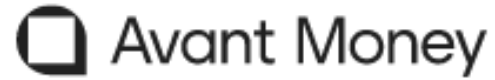
Risk-adjusted return
6,7%

NPL ratio
7,0%

Cost of risk
3,5%



Bankinter Ireland



€0,5^b€

Loan book
+10% YoY

€56 M

New
mortgages
in 1Q21

NPL ratio
1,0%

Cost of risk
1,8%

Avant Money

Mortgages

Personal Loans

Credit Cards

Support

Mortgages

Ireland's **lowest** new mortgage rates*

Introducing our new mortgage products, from Avant Money, a company you know well.

How to apply



Avant Money

Mortgages

Personal Loans

Credit Cards

Credit Cards

Want more from your **credit card?**

Avant Money credit cards give you up **56 days of interest free credit** plus get hundreds of offers from the **Best Rewards & Loyalty Programme in Ireland.**

One card

Reward+ card

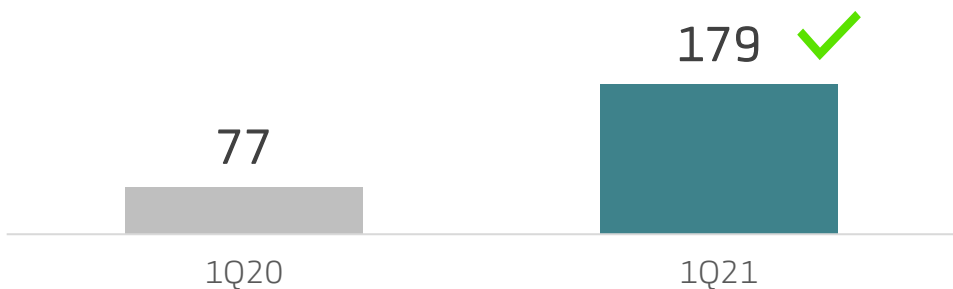




EVO Banco

X 2,3

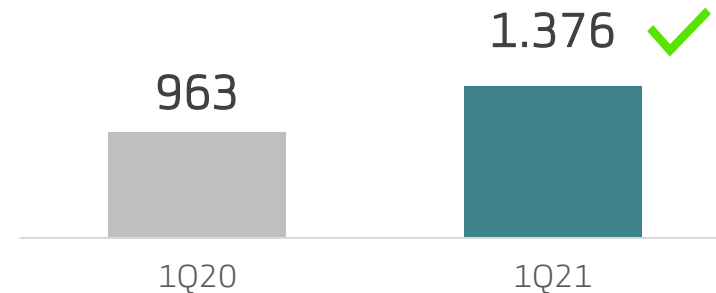
New mortgages in 1Q21
in million of euros



29% Fixed rate mortgages

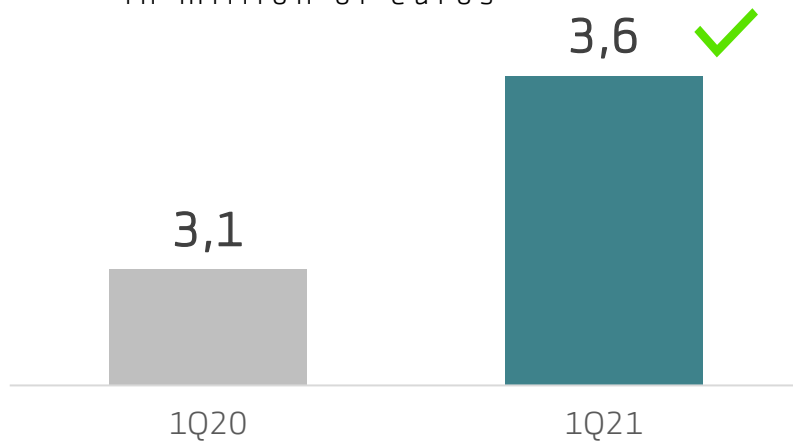
+43%

Loan book
in million of euros



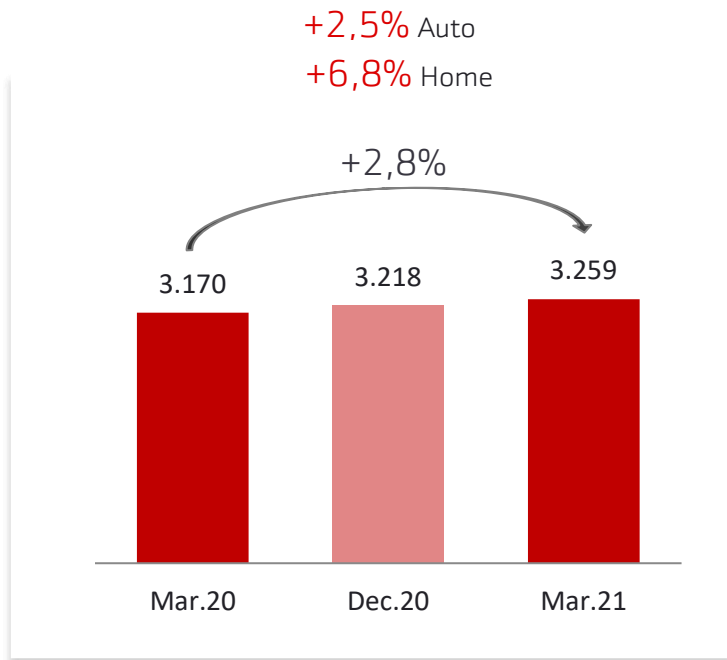
+17%

Customer net interest income
in million of euros



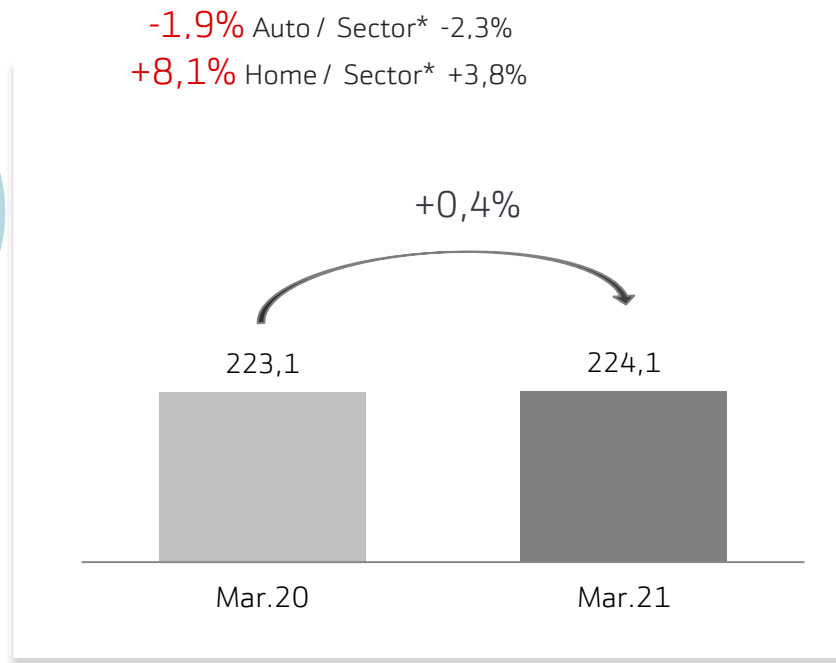
Linea Directa Aseguradora

Number of insured risks
- in thousands -



vivaz
92k health policies
+26% YoY

Issued premiums
- In million of euros -

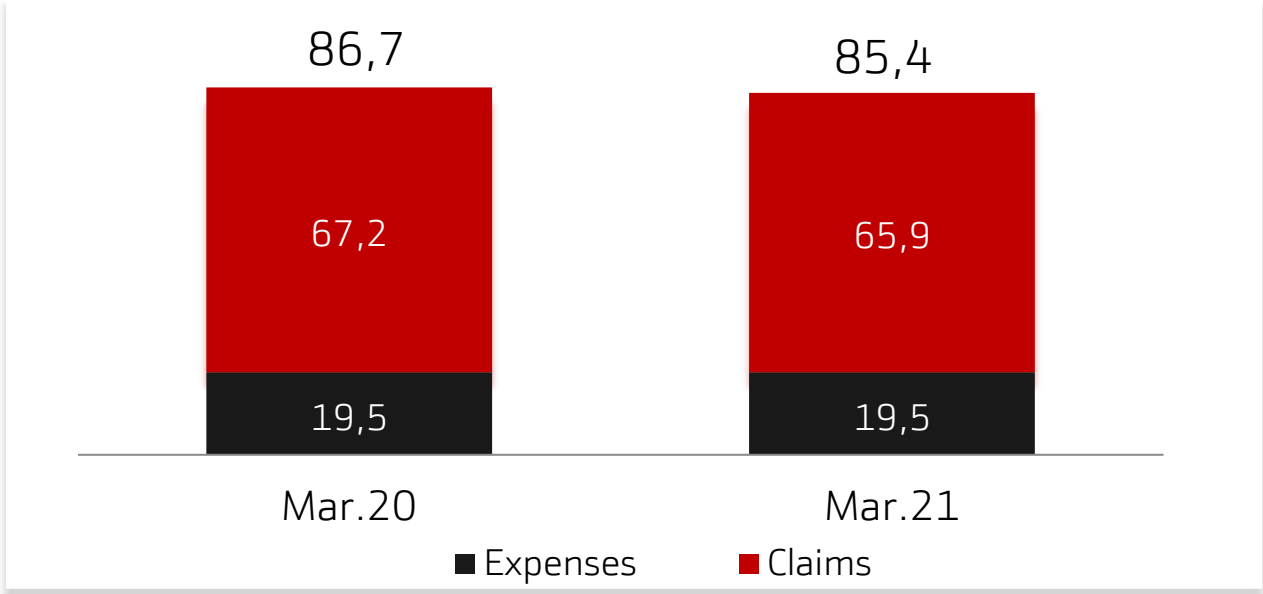


*sector as of Feb-21

Linea Directa Aseguradora

Combined ratio

- in %-



Linea Directa Aseguradora

P&L account 1Q21

- In million of euros -



	1Q21	1Q20	Dif. %
Net written premium	224,1	223,1	0,4%
Net earned premium	216,4	218,0	-0,7%
Net claims cost	-142,6	-146,5	-2,6%
Operating expenses and other	-42,3	-42,5	-0,6%
Technical result	31,5	29,0	8,9%
Net investment income	6,9	7,8	-11,2%
Underwriting result	38,5	36,8	4,6%
Other income/expenses	0,9	1,8	-47,2%
Earnings before tax	39,4	38,6	2,2%
Net profit	29,6	29,0	1,9%

ROE
32%

Solvency II ratio
266%*



* Solvency ratio adjusted by the extraordinary €120mn dividend would be 208%

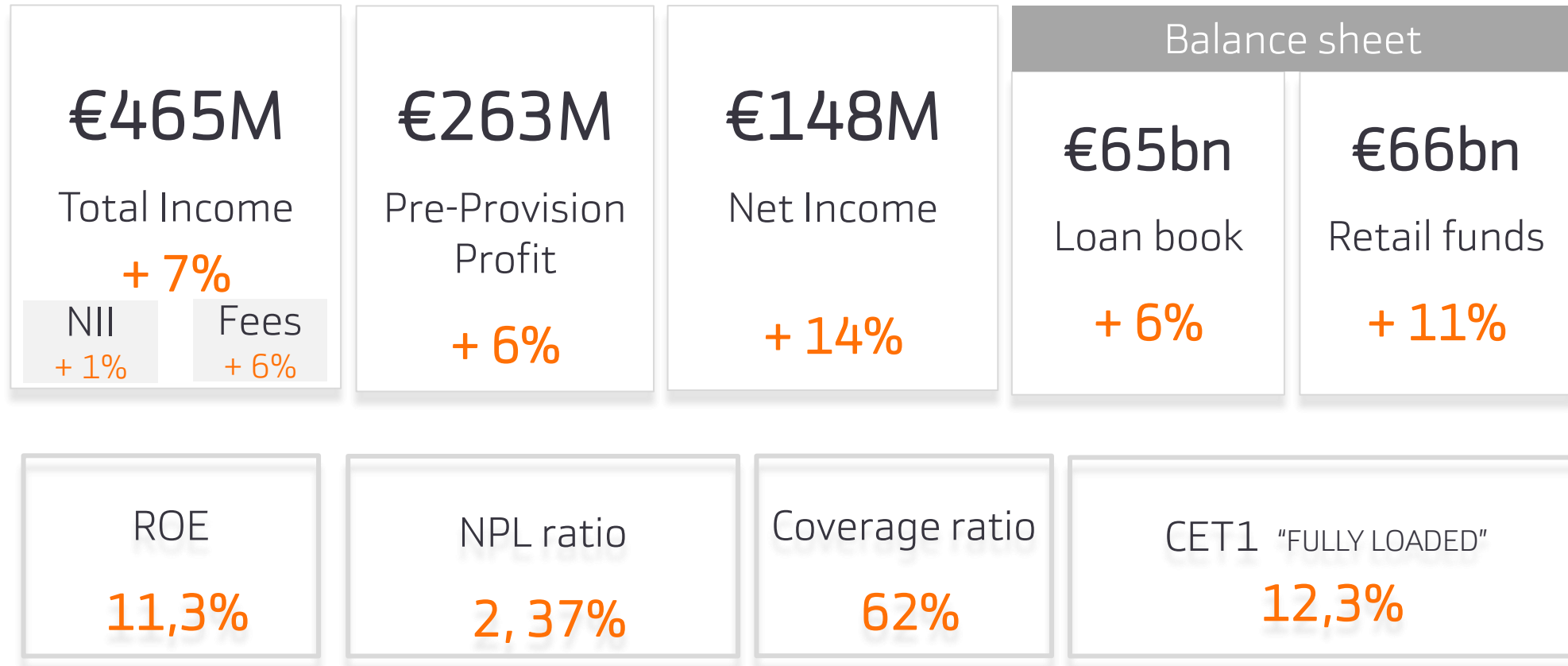


S

Summary

1Q21

Summary



Results Presentation Bankinter 1Q21

22 April 2021

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Sustainability Indices**
In Collaboration with RobecoSAM  FTSE4Good 

bankinter.

Glossary

In addition to financial information prepared in accordance with IFRS Standards, this document includes alternative performance measures ('APMs'), based on the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 30 July 2015 (ESMA/2015/1057) ("the ESMA Guidelines"). Bankinter uses certain APMs, which have not been audited, in order to provide a better understanding of the company's financial performance. These measures should be considered additional information, and in no case do they substitute the financial information prepared in accordance with the IFRS Standards. Furthermore, the manner in which Bankinter defines and calculates these measures may differ from other similar measures calculated by other companies and, therefore, may not be comparable. The ESMA guidelines define APMs as a financial measure of past or future financial performance, of financial situation or of cash flows, except for a financial measure defined or detailed in the applicable financial reporting framework. Pursuant to the recommendations set out in the guidelines previously mentioned, the APMs that have been used are described below.

Alternative performance measure	Definition
ALCO	Asset - Liability Committee
CET1	Common Equity Tier 1
Combined ratio	Indicator that measures the net earned premium from non-life insurance policies. It is the sum of the net claims ratio and the cost ratio, divided by net earned reinsurance premiums.
Cost of risk	This metric includes the total NPL cost as of the reporting date. It includes losses from impaired assets (NPL provisions) and gains and losses on asset disposals.
Cost-to-income ratio	This is the result of dividing the sum of the staff costs, other general administrative expenses and depreciation and amortisation expenses, by the gross margin.
Foreclosed assets	Available-for-sale foreclosed assets
Foreclosure coverage	Calculated as the balance of the provisions divided by the balance of foreclosed assets.
Loan-to-deposit ratio	The loan-to-deposit ratio is the quotient of total loans divided by customer deposits.
NPL coverage	Calculated as the balance of the provisions divided by the balance of doubtful loans (with off-balance sheet exposure).
NPL ratio	Calculated as the balance of doubtful loans (with off-balance sheet exposure) divided by the balance of the total risk.
RoE (Return on equity)	This is the result of dividing attributed net profit by shareholders' equity on the date (excluding the profit/loss for the year, dividends and remunerations and valuation adjustments). In the denominator, average own funds are the average of own funds for the reporting period.
RWAs	Risk-weighted assets
SREP	Supervisory Review and Evaluation Process
MREL	Minimum requirement for own funds and eligible liabilities. Calculated over Risk Weighted Assets