



EARNINGS PRESENTATION

21 January 2021

Bankinter Results FY2020



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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	FY2020	s/ FY2019
Loan book	€64bn	+7%
Gross operating income	€1,709M	+4%
Pre-provision profit	€880M	+4%
NPL ratio	2.37%	-14bps
Coverage ratio	61%	+12p.p.
Group net profit	€317M	-42%
CET1 FL	12.3%	+67bps
ROE	7.0%	-6p.p.
TBV per share	€5.24	+7%

Content



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

P&L FY2020

- in million of euros -

	Bankinter group				Bankinter group ex-EVO	
	2020	2019	Dif. € 20/ 19	Dif. % 20/ 19	2020	Dif. % 20/ 19
Net interest income	1.247,0	1.167,9	79,1	6,8%	1.171,2	3,9%
Net fees and commissions	496,8	479,0	17,8	3,7%	487,7	3,4%
Other income/expenses	-34,7	2,6	-37,3	n.a.	-28,5	n.a.
Gross operating income	1.709,0	1.649,5	59,6	3,6%	1.630,4	1,8%
Operating expenses	-828,9	-806,8	-22,1	2,7%	-730,3	0,7%
Pre-provision profit	880,2	842,7	37,5	4,5%	900,1	2,8%
Cost of risk and other provisions	-407,2	-297,8	-109,4	36,7%	-394,6	44,9%
Profit of recurrent Banking activity	473,0	544,9	-71,9	-13,2%	505,5	-16,3%
Extraordinary "macro scen." provision	-242,5	0	-242,5	n.a.	-240,5	n.a.
Negative goodwill from business comb.	0,0	62,1	-62,1	n.a.	0,0	n.a.
Profit before taxes Banking activity	230,5	607,0	-376,4	-62,0%	265,0	-56,1%
Profit before taxes Línea Directa*	179,6	142,9	36,7	25,7%	179,6	25,7%
Group Net Income	317,1	550,7	-233,5	-42,4%		

*LDA PBT does not include business discontinuity adjustments, accounting those effects FY20 PBT will be €190mn, and €134mn for FY19 PBT. These adjustments relate to asset amortizations at LDA.

P&L 4Q2020

- in million of euros -

	Bankinter group				
	4Q20	3Q20	4Q19	Dif. % 4Q20/3Q20	Dif. % 4Q20/4Q 19
Net interest income	320,0	314,5	309,3	1,8%	3,5%
Net fees and commissions	138,2	114,6	132,6	20,6%	4,2%
Other income/expenses	-45,5	3,9	-32,0	n.a.	42,0%
Gross operating income	412,8	433,0	409,9	-4,7%	0,7%
Operating expenses	-227,2	-208,1	-217,5	9,2%	4,5%
Pre-provision profit	185,5	224,9	192,4	-17,5%	-3,5%
Cost of risk and other provisions	-109,3	-82,5	-76,9	32,5%	42,1%
Profit of recurrent Banking activity	76,3	142,4	115,5	-46,5%	-34,0%
Extraordinary "macro scen." provision	1,0	-51,0	0,0	-102,0%	n.a.
Negative goodwill from business comb.	0,0	0,0	4,8	n.a.	n.a.
Profit before taxes Banking activity	77,3	91,4	120,3	-15,5%	-35,7%
Profit before taxes Línea Directa *	46,7	54,4	34,7	-14,1%	34,4%
Group Net Income	97,1	110,9	106,3	-12,5%	-8,7%

*LDA PBT does not include business discontinuity adjustments, accounting those effects 4Q20 PBT is €50mn, 3Q20 €58mn and 4Q19 €33mn. These adjustments relate to asset amortizations at LDA.

Balance sheet

L Loan
book
- In billion of euros -

R Retail
funds
- In billion of euros -

+4,0bn +6,6%

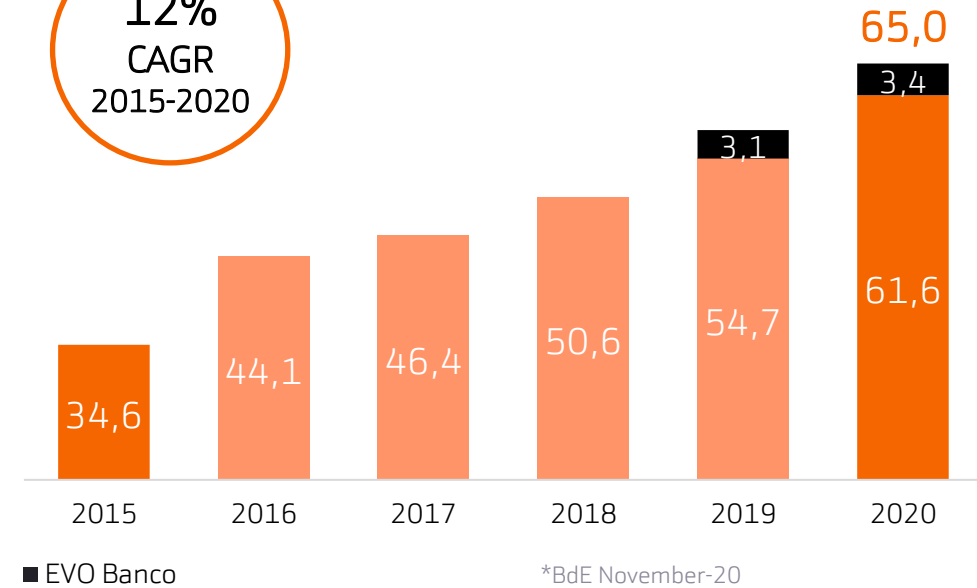
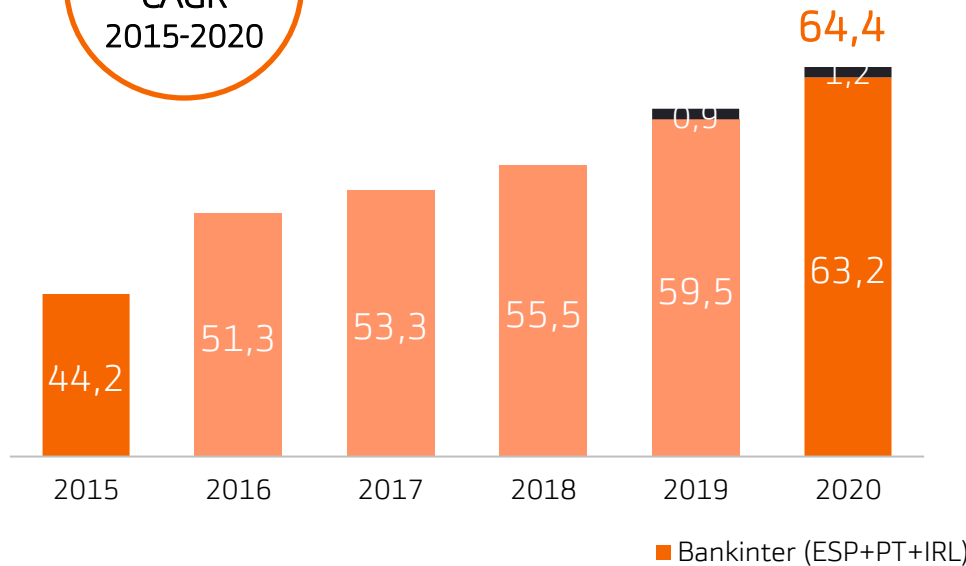
+7,2bn +12,4%

7%
CAGR
2015-2020

+6,1% BKT Spain / Sector* +2,4%

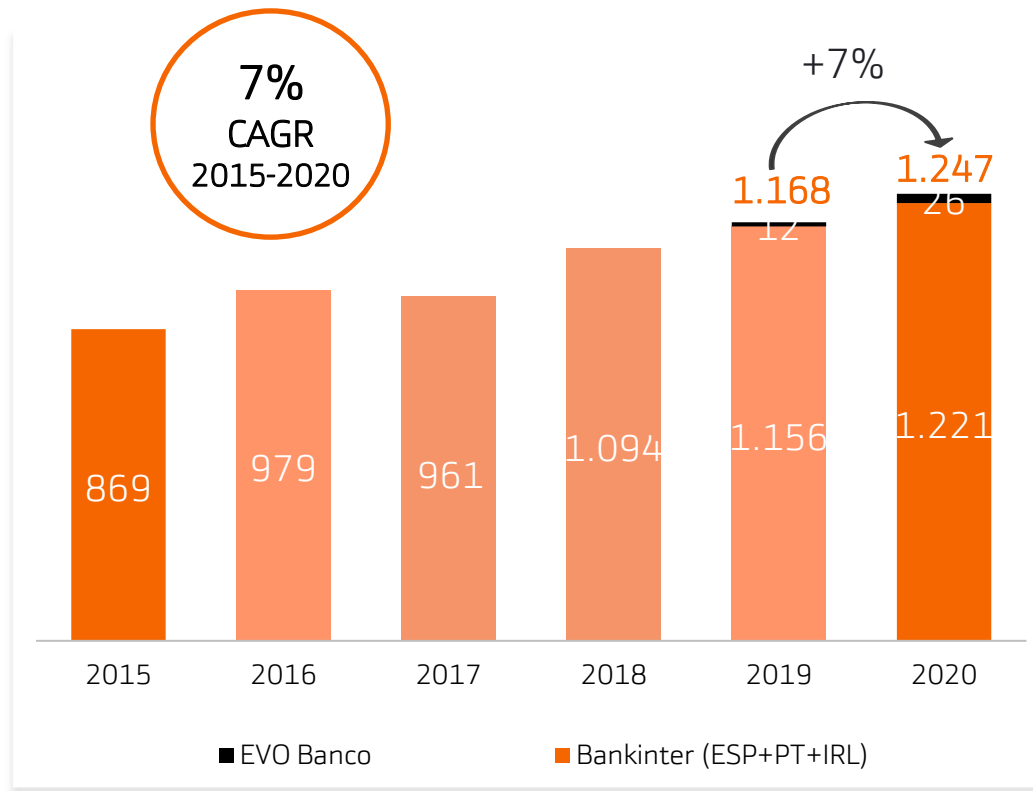
12%
CAGR
2015-2020

+13,3% BKT Spain / Sector* +8,4%

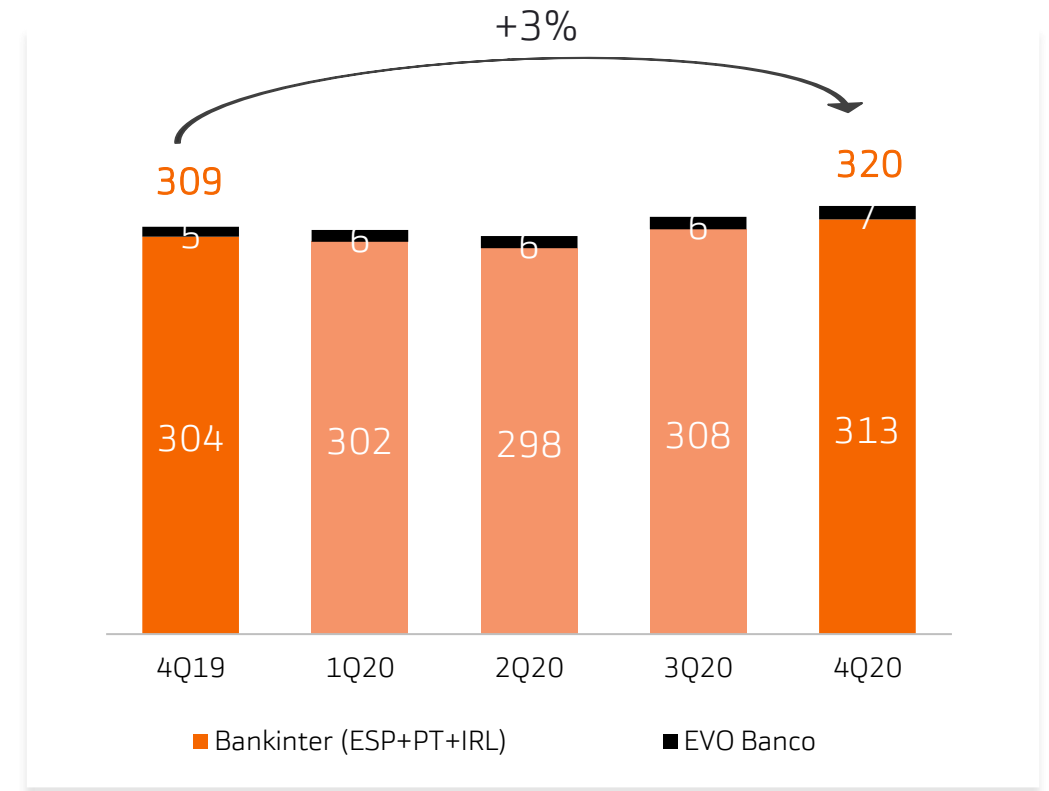


Net Interest Income

- Yearly NII in million of euros -

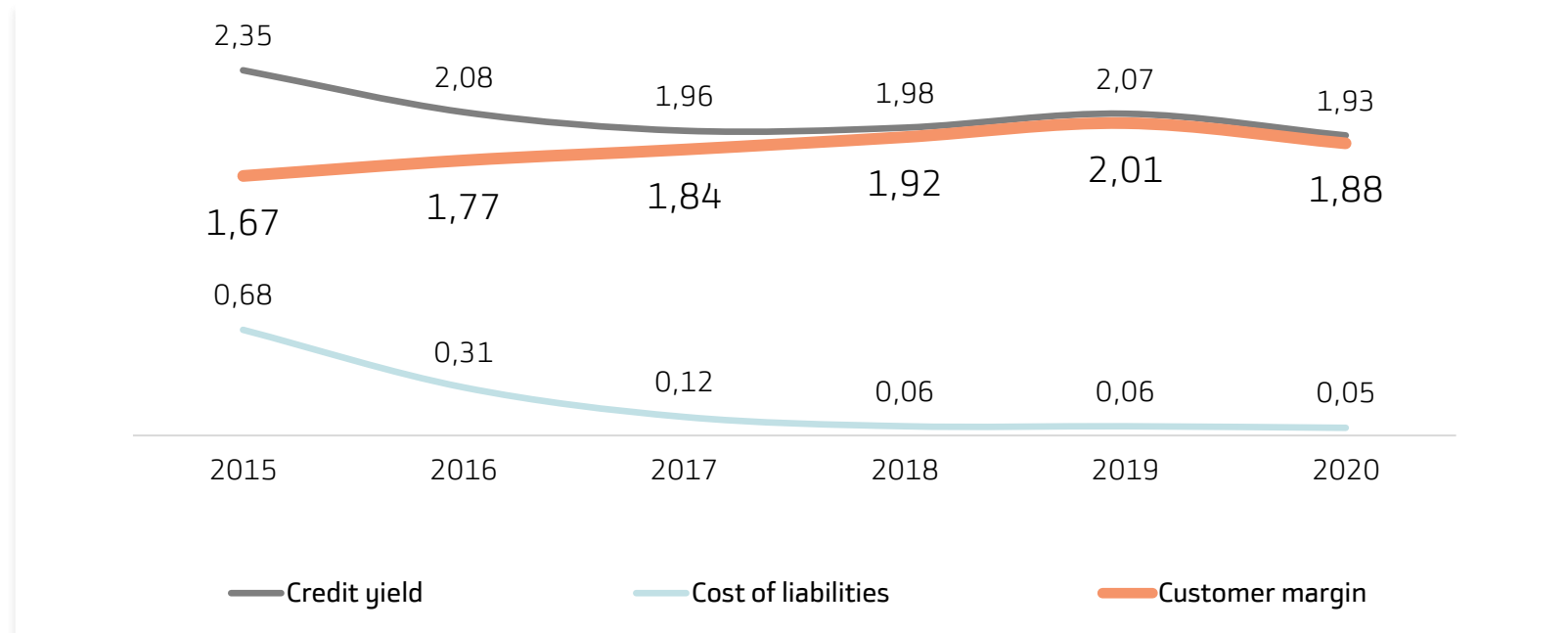


- Quarterly NII in million of euros -



Net Interest Income

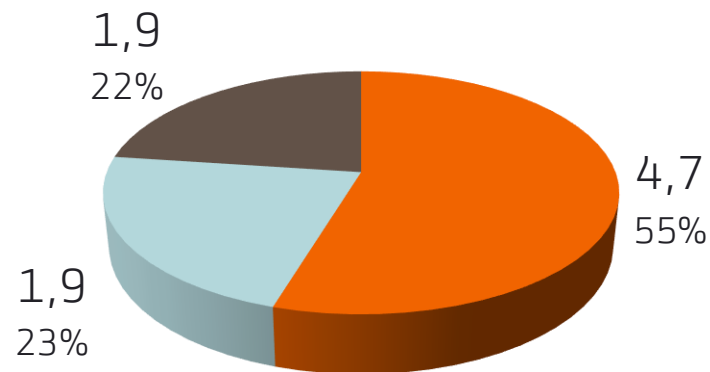
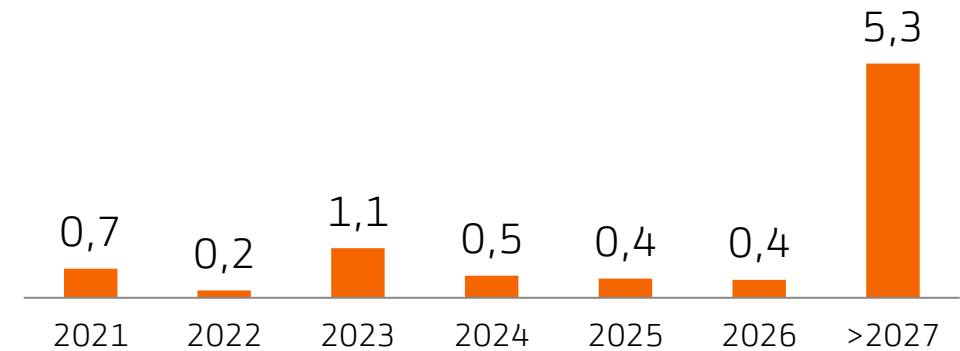
- Customer margin -
- in %-



Alco portfolio

ALCO portfolio	Amort.	Fair Value	Total
Nominal amount (€bn)	6,4	2,1	8,5
Duration (years)	5,1	2,4	4,4
Avg. maturity (years)	9,5	3,6	8,0
Yield (%)	1,2	2,7	1,5
Unrealised gains (€bn)	0,57	0,13	0,70

Maturities (bn €)



■ Spanish sovereign
 ■ Other sovereign
 ■ Other

Fee Income

Net Fee Income

€497M

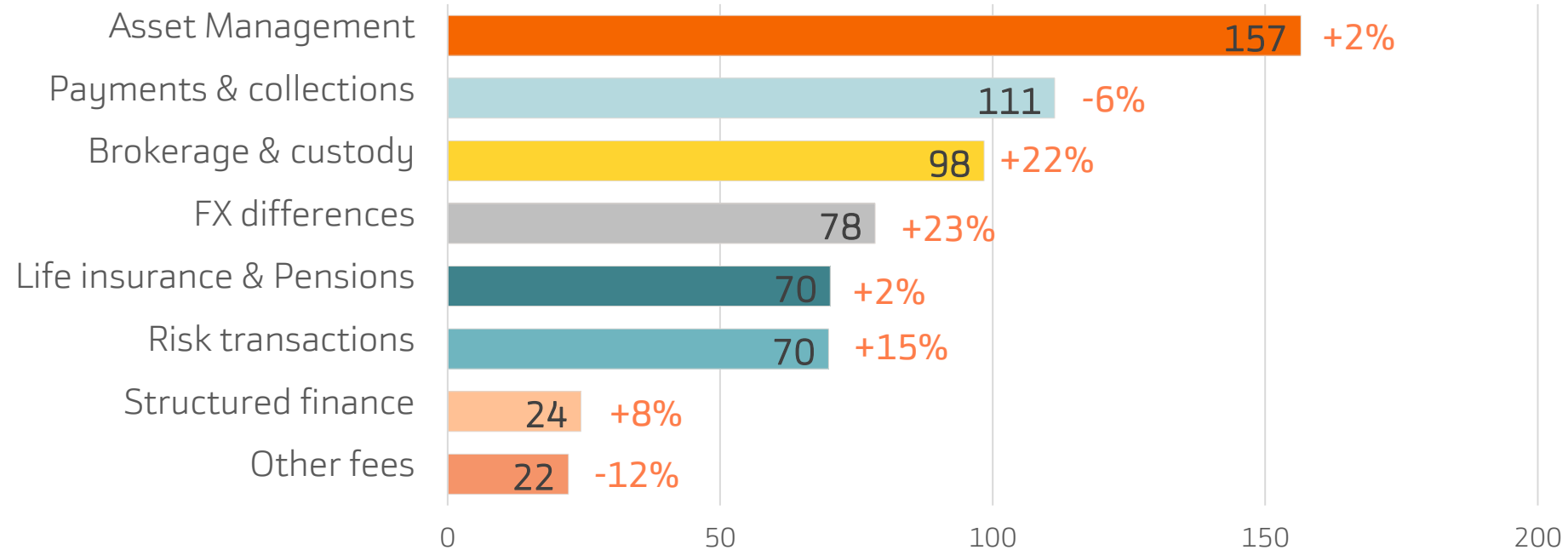
YOY %

+4%

Contribution to Total Income

29%

- Breakdown of fees received in million of euros-



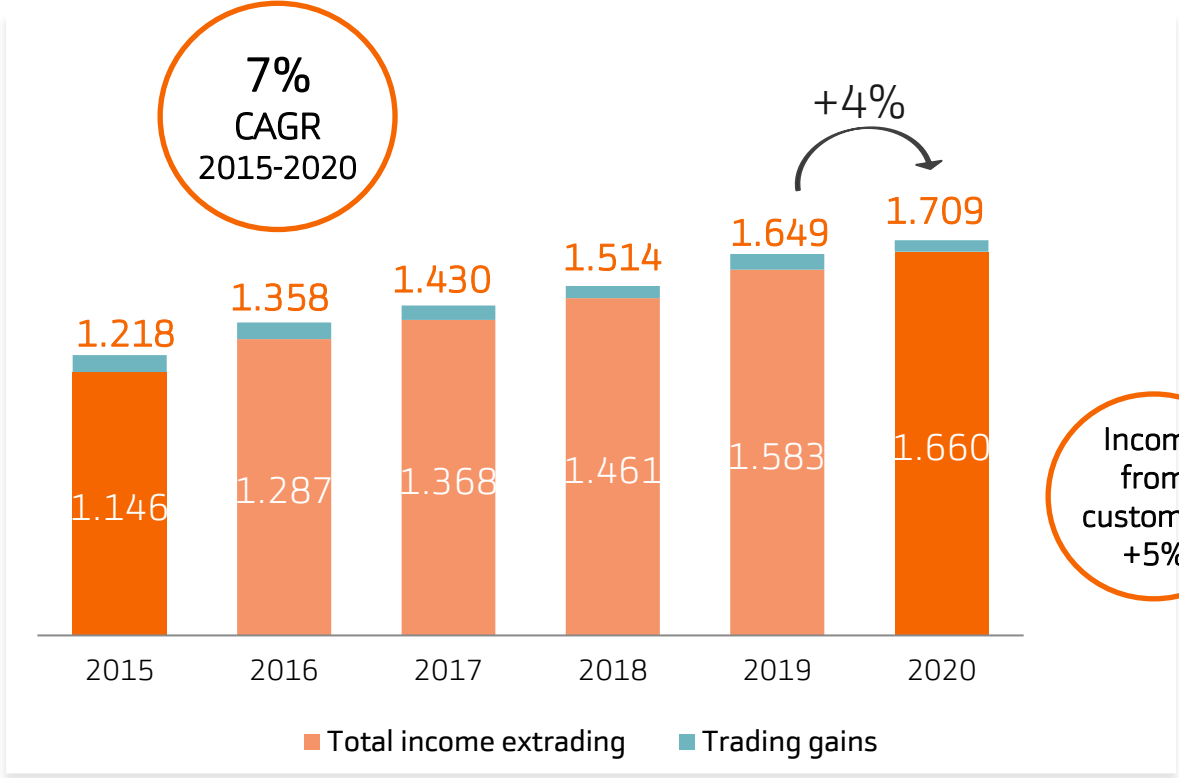
Other Income/ Expenses

- in million of euros -	2020	2019	Dif. €	% Dif.
Equity method	28,8	30,6	-1,8	-6,0%
Dividend income	19,0	10,3	8,7	84,5%
Trading income	49,1	66,6	-17,5	-26,3%
Other operating income/expenses	-131,6	-104,9	-26,7	25,5%
of which regulatory charges	-115,4	-95,2	-20,2	21,2%
Total	-34,7	2,6	-37,3	n.a.

Total operating income

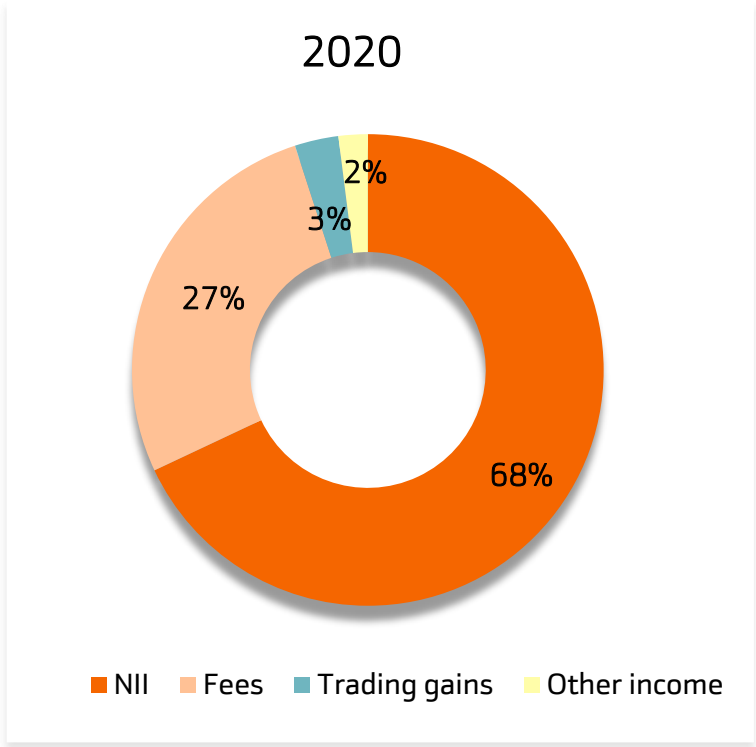
Total Income

- In million of euros -



Breakdown by income type*

- in % -

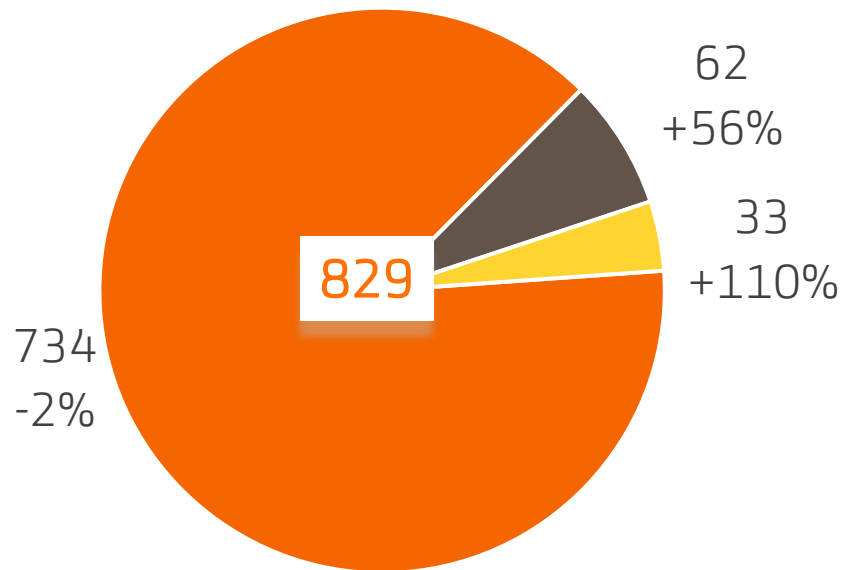


*excluding regulatory charges

Operating expenses

Total expenses

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



■ Bankinter (ESP+PT) ■ EVO Banco ■ Avantcard

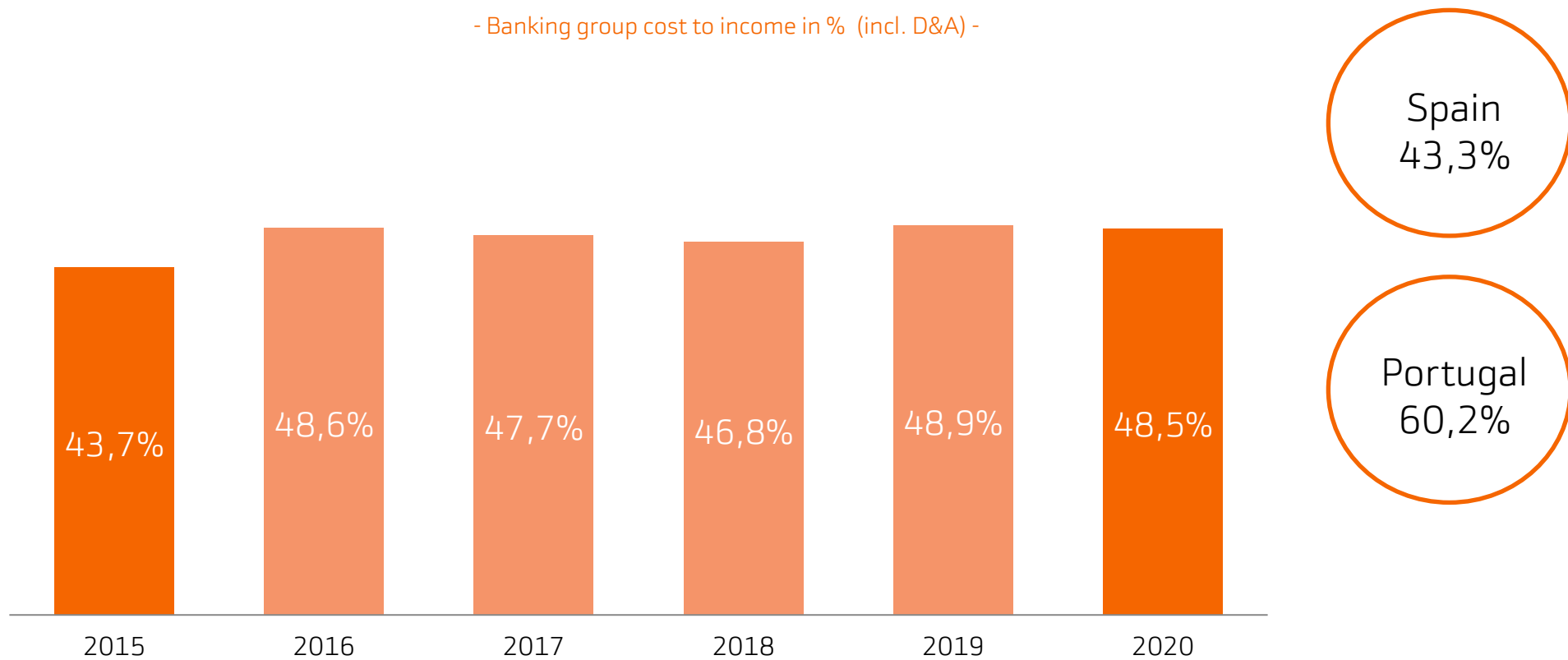
+2,7% Total expenses vs.2019



Cost to income

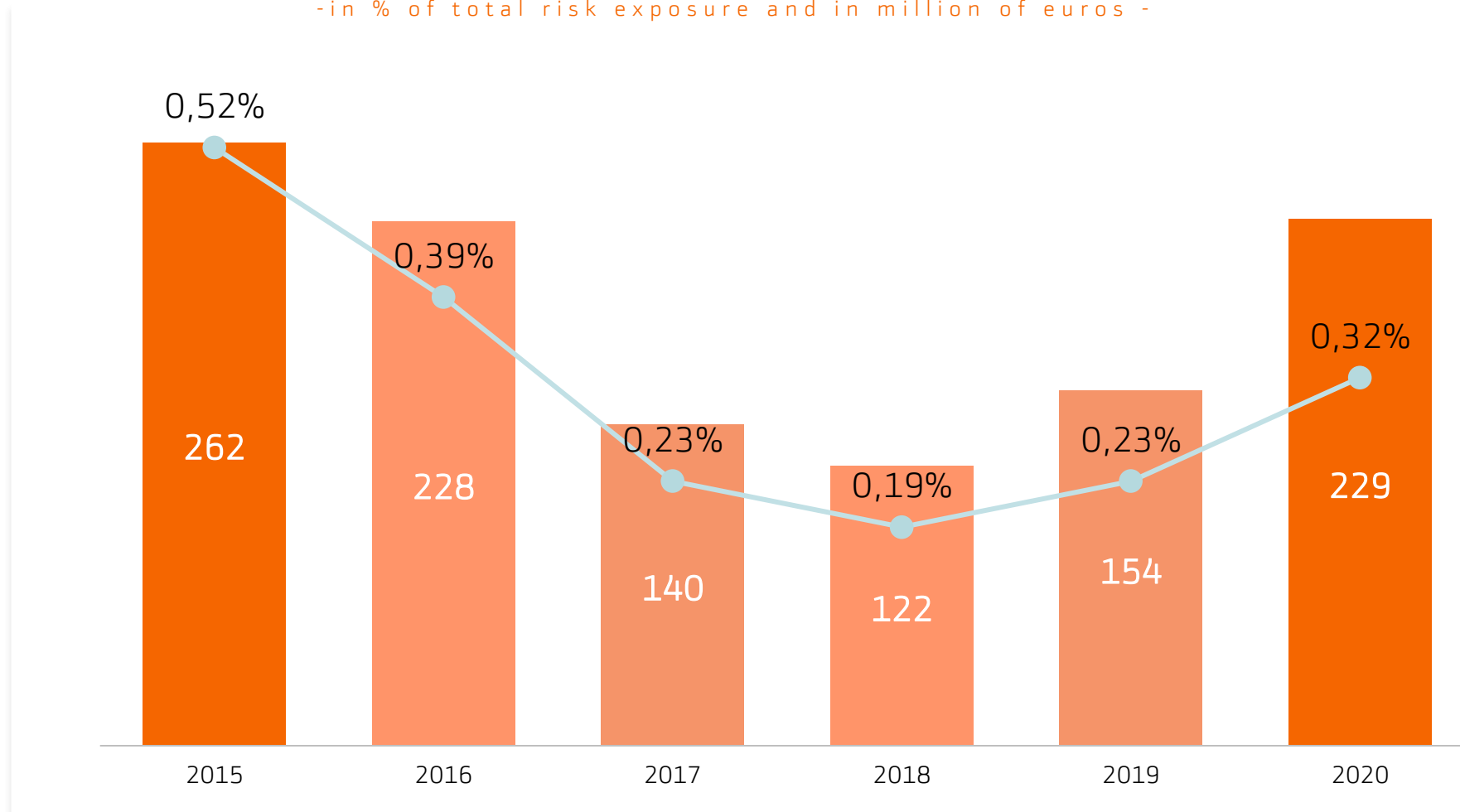
Cost to income ratio

- Banking group cost to income in % (incl. D&A) -



Cost of Credit Risk (Recurrent)

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



* CoR includes impairments & gains/losses on asset disposals

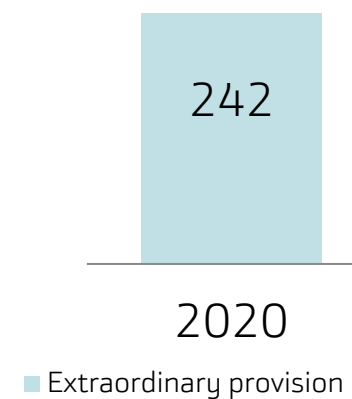
Cost of credit risk (Extraordinary)

Macro assumptions

	Bank of Spain (central scenario)				Bank of Portugal			Central Bank of Ireland		
	2020e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
GDP	-11,1%	6,8%	4,2%	1,7%	3,9%	4,5%	2,4%	3,4%	4,7%	n.d.
Unemployment rate	15,8%	18,3%	15,6%	14,3%	8,8%	8,1%	7,4%	8,0%	7,5%	n.d.

Extraordinary cost of risk in 2020

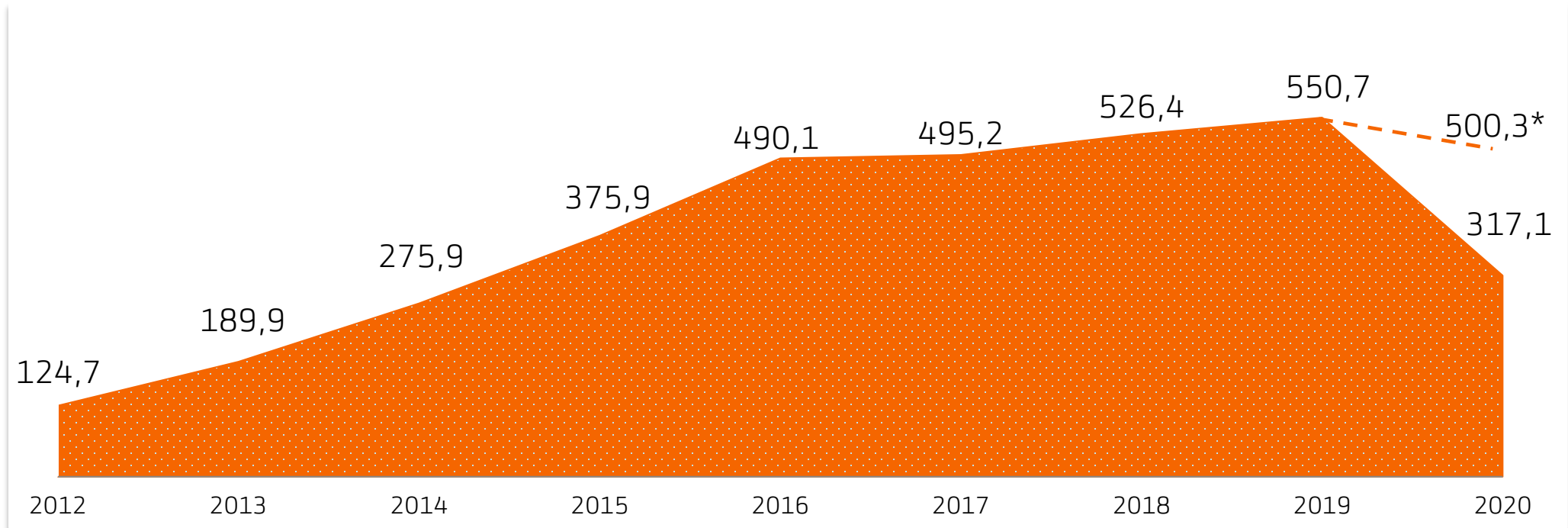
- in million of euros -



Macro impact cost of risk 35bps

Total group Net Income

- In million of euros -

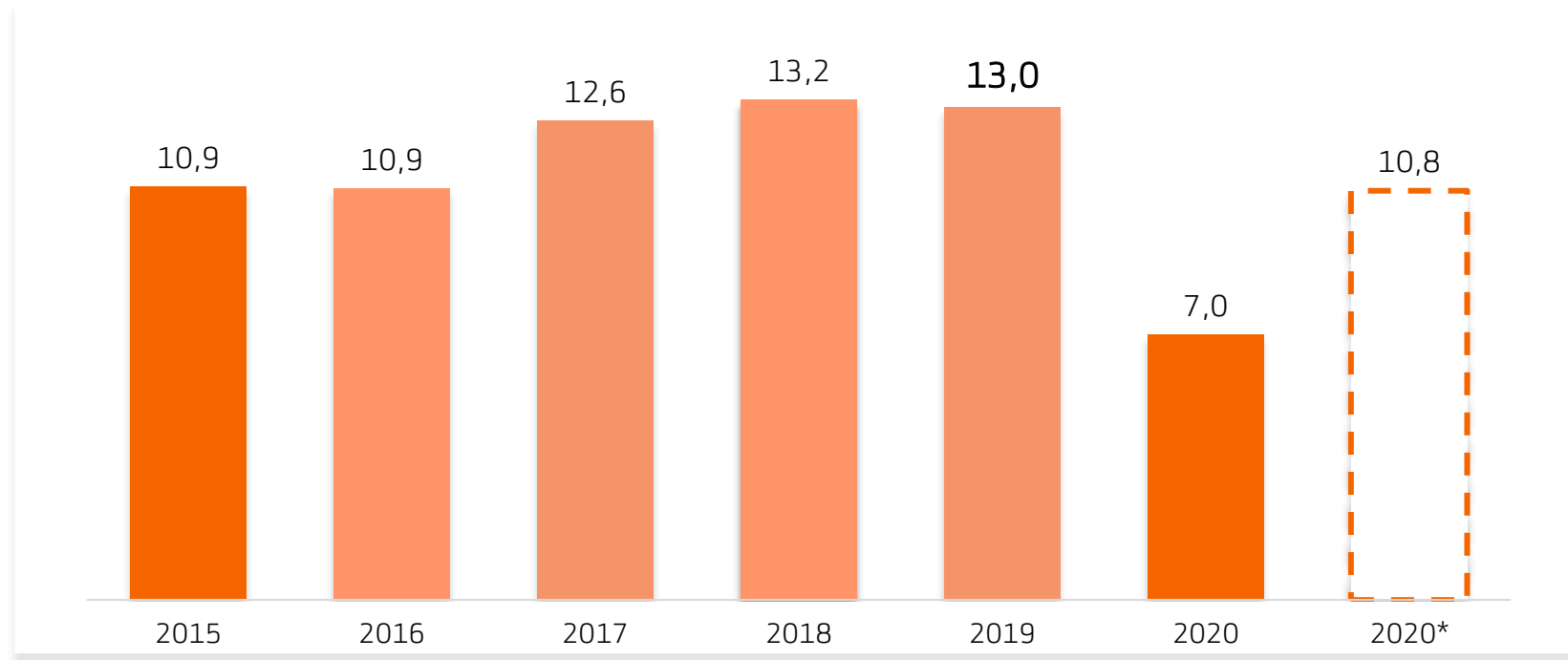


* Net income excluding extraordinary macro provisions impact

Profitability

ROE

- in % -

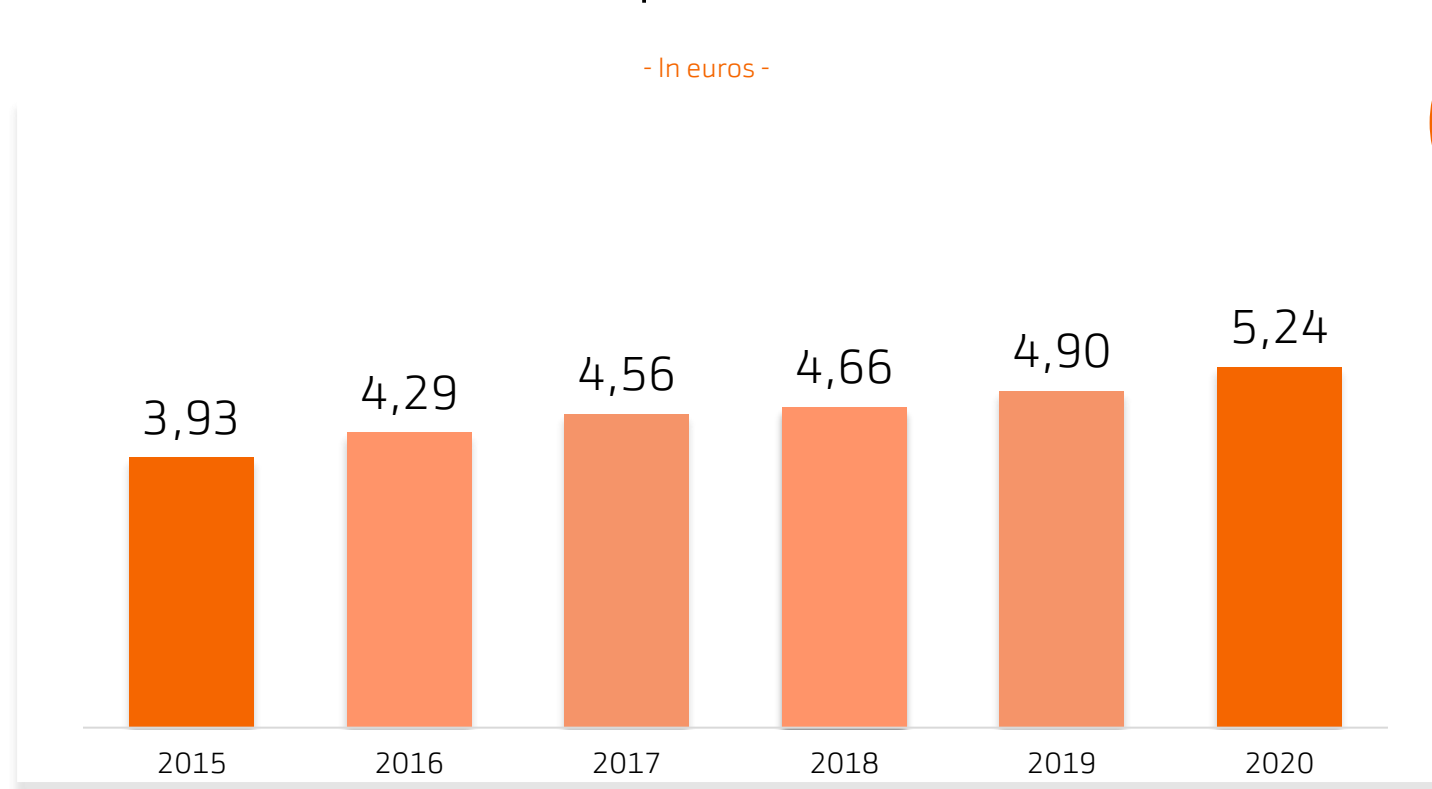


* ROE excluding extraordinary macro provisions impact

Tangible Book Value

TBV per share

- In euros -



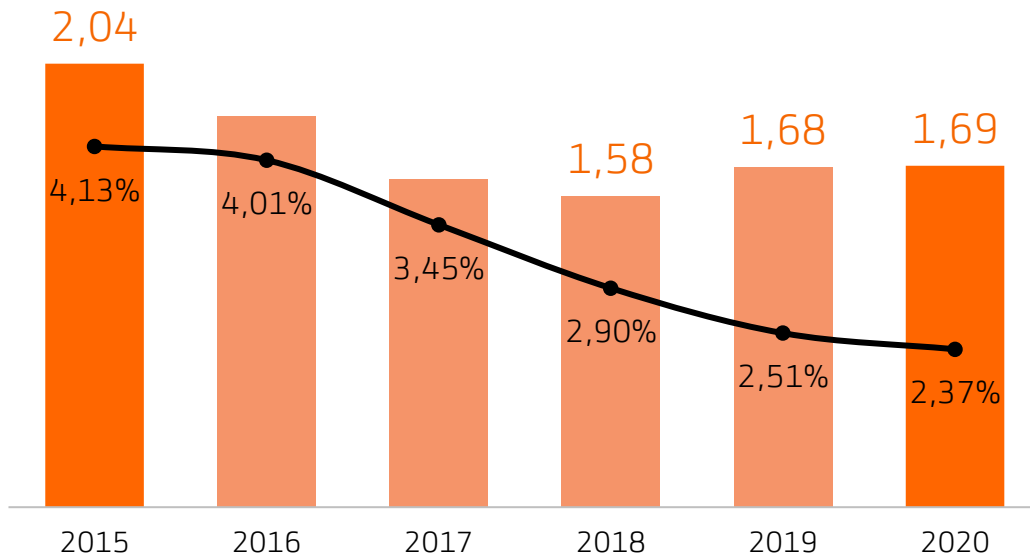
Risk, Solvency & Liquidity management



Credit Risk

Non-performing loans

- In billion of euros & ratio in % -



NPL ratio by segment

- in % -

	Bankinter Dec'20	Bankinter Dec'19
Households	2,2%	2,3%
Corporates/ SME's	2,7%	2,9%
Total	2,4%	2,5%

4,57% Sector*

*BdE Oct-20

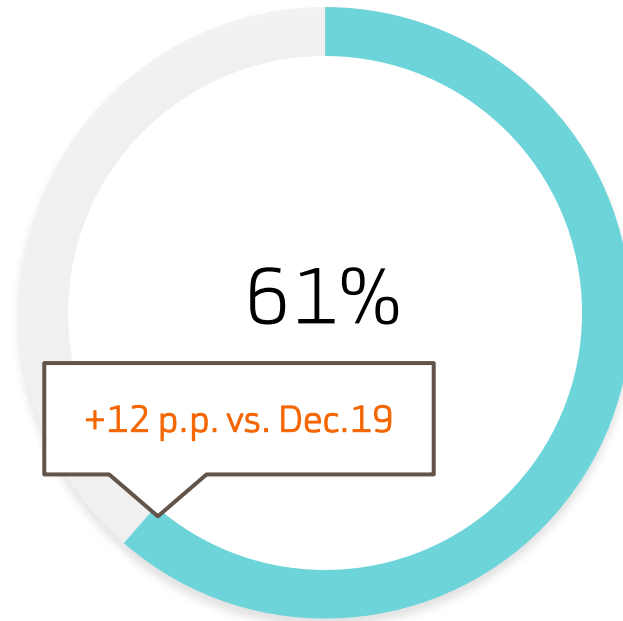
Credit Risk Portfolio

Risk exposure evolution

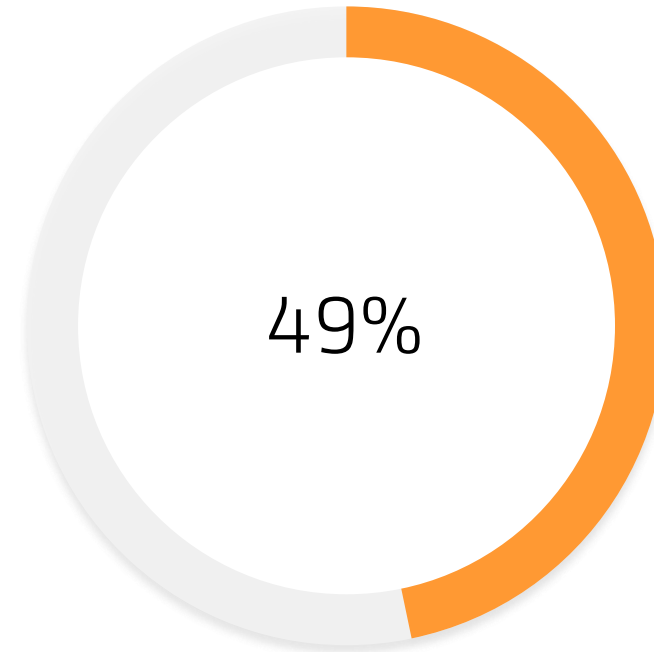
	December 2020			January 2018		
	% of total risk exposure	NPL balance (€ millions)	Npl ratio	% of total risk exposure	NPL balance (€ millions)	Npl ratio
Households	42%	633	2,20%	44%	694	2,71%
<i>of which BKConsumer</i>	4%	168	6,41%	3%	111	7,62%
Corporate/SME's	45%	879	2,70%	46%	935	3,52%
<i>of which Small SME's</i>	9%	444	7,36%	8%	425	9,11%
<i>of which Large SME's</i>	12%	283	3,40%	10%	248	4,09%
<i>of which Large Corporates</i>	24%	111	0,65%	25%	187	1,28%
Total Spain	88%	1.514	2,42%	91%	1.633	3,09%
Total Portugal	10%	150	2,14%	9%	386	7,51%
Evo Banco	2%	17	1,30%	n.a.	n.a.	n.a.
Total Credit Risk Exposure	100%	1.685	2,37%	100%	2.019	3,48%

Provision coverage

- in % -



Coverage ratio

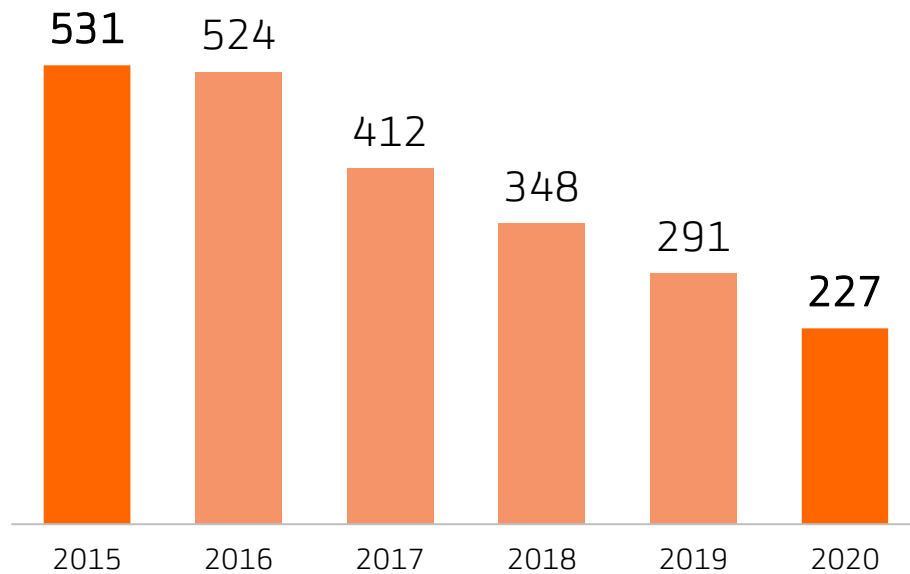


Foreclosed assets coverage

Foreclosed assets

Outstanding foreclosed assets

- In million of euros -



December -20

Total outstanding: €227M

-22%

Book value of sold assts
€98M

Total price of sold assets
€62M

Average discount on sold assets
-37%

Average coverage on sold assets
37%

Capital

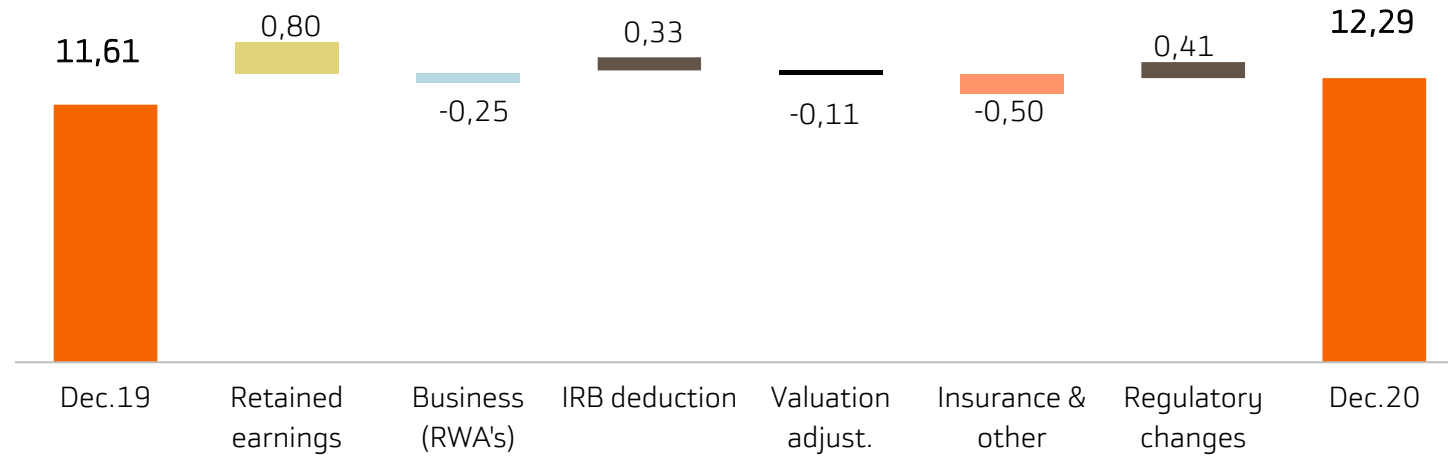
CET1
"fully loaded"
12,3%
Min. 7,675%

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

Leverage ratio
5,2%

Total capital
15,0%

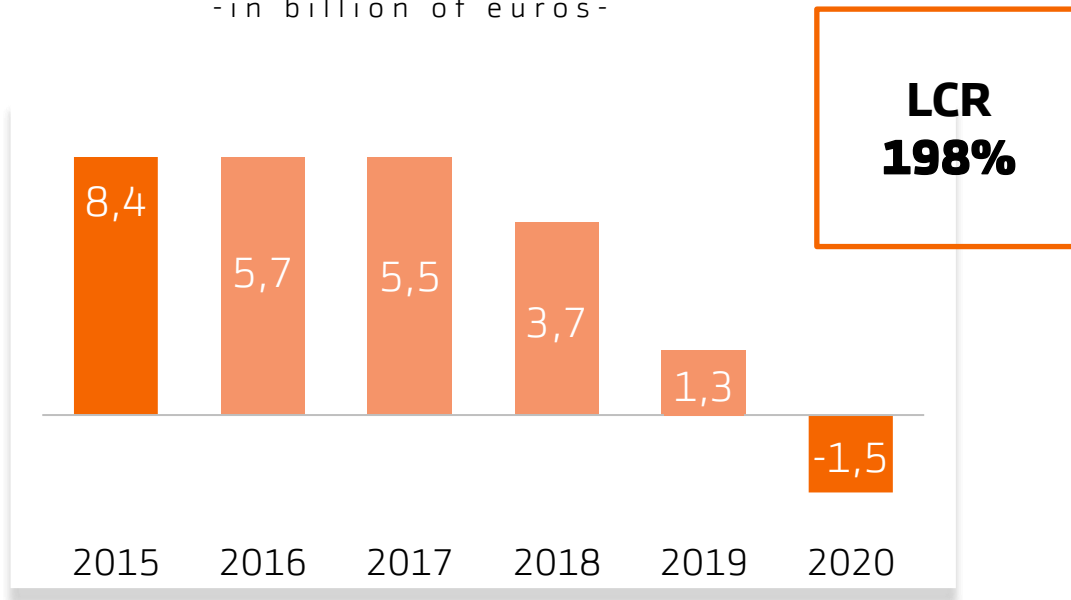
CET1 "fully loaded" breakdown in %



Liquidity

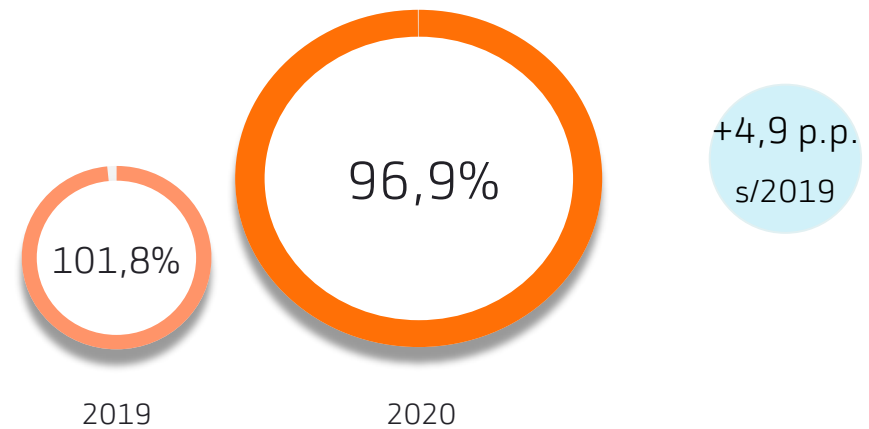
Commercial gap

- in billion of euros -



Loan-to-deposit ratio

- in % -

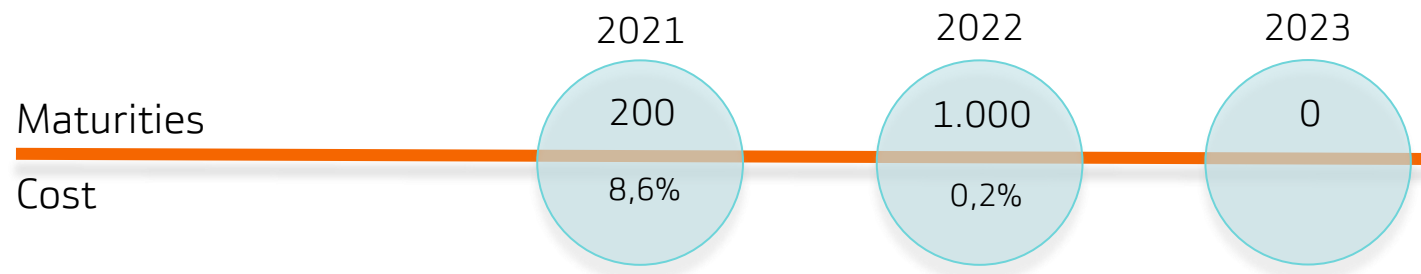


Wholesale funding maturities

- In million of euros -

Liquid assets

20.700



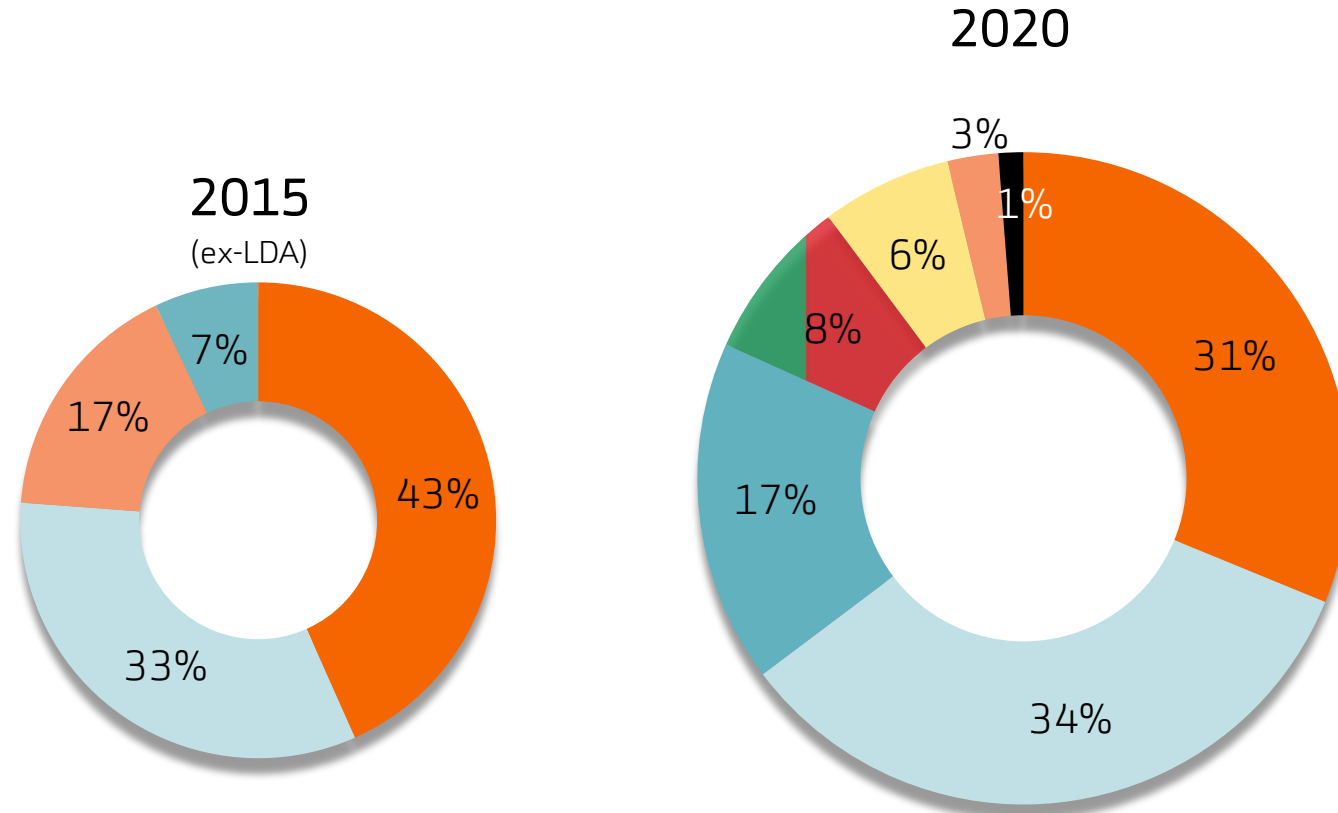
Covered bond issuance capacity

3.500

B **Business**

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

Contribution by business to Total Income



- Corporate/ SME banking
- Commercial/ Retail banking
- Consumer Finance
- Bankinter Portugal
- Investment banking
- Non-customer
- EVO Banco

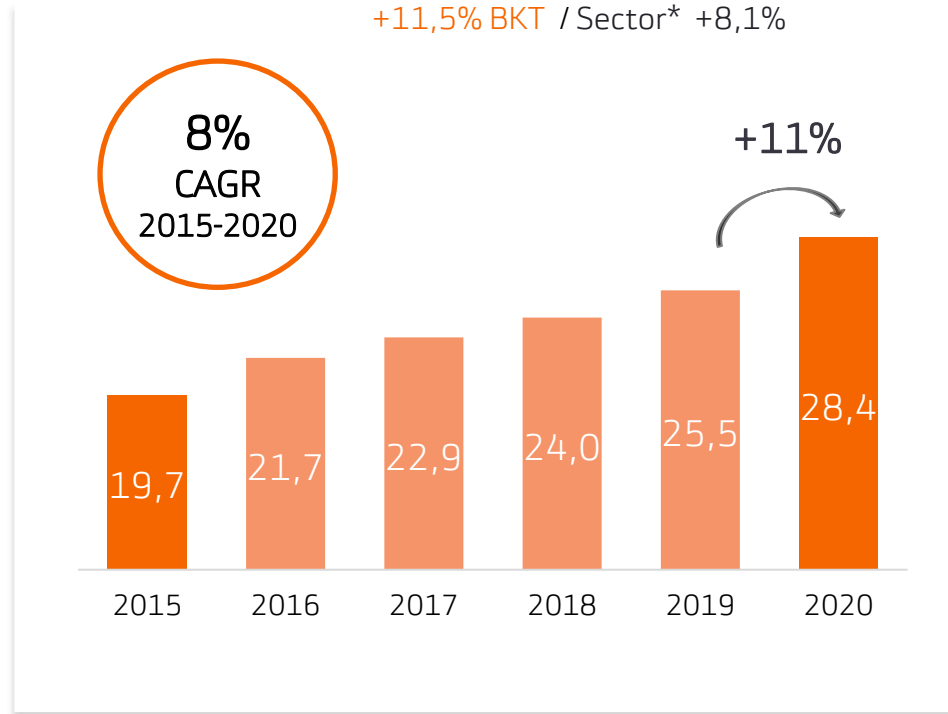
Volumes & activity

Corporate & SME banking

Loan book

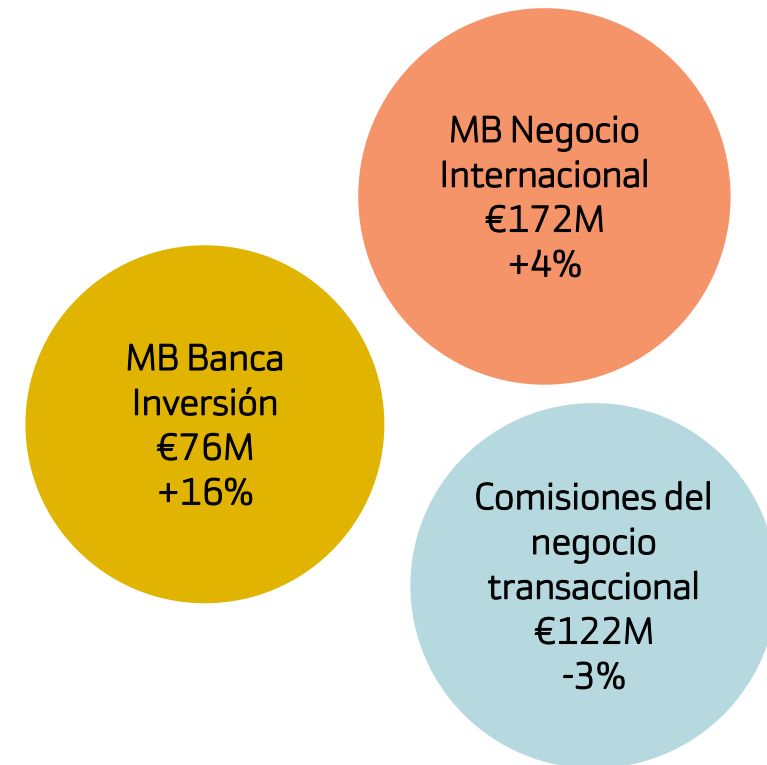
- In billion of euros -

+11,5% BKT / Sector* +8,1%



*BdE Nov-20

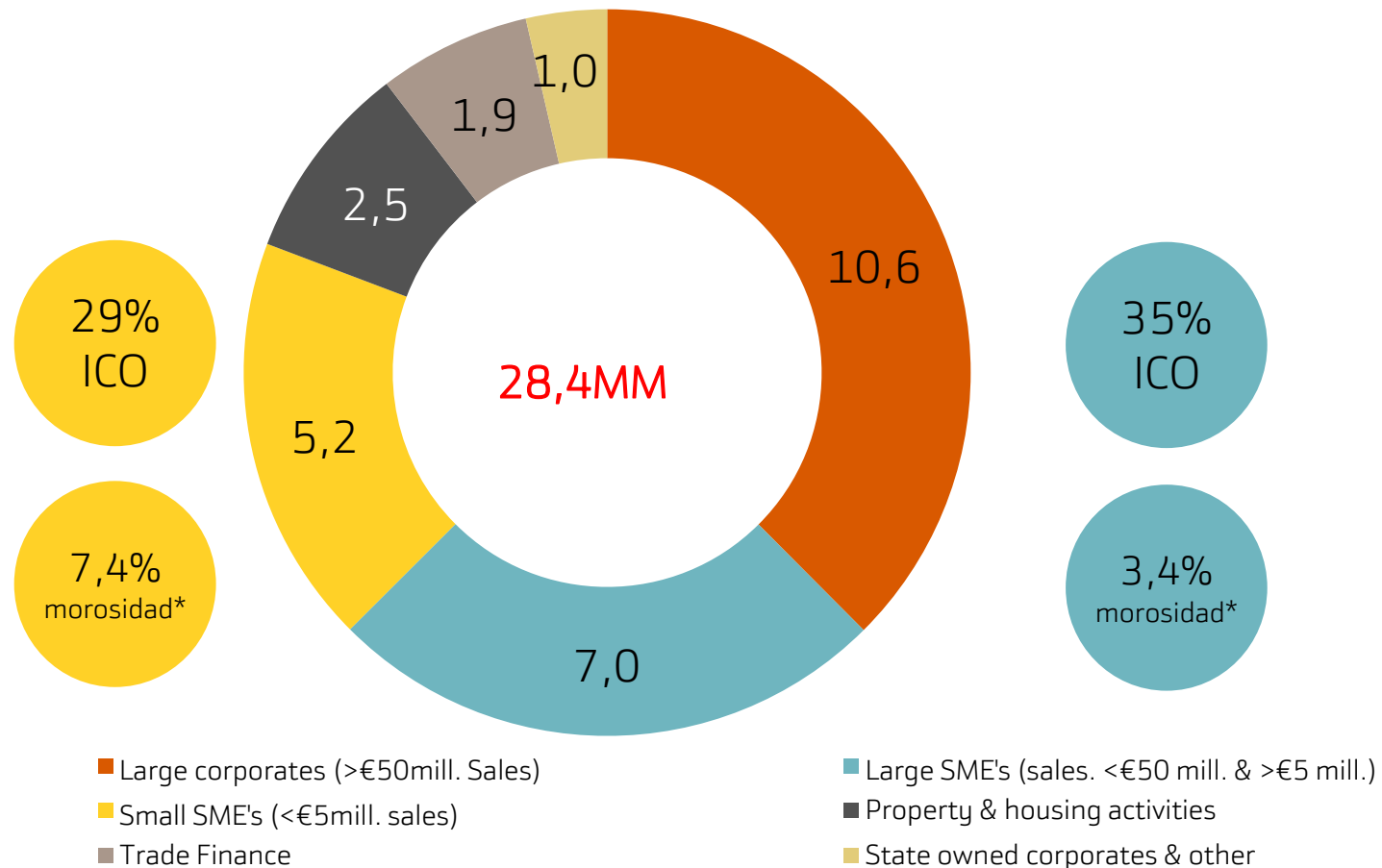
Corporate banking drivers



Loan book breakdown

Corporate & SME's*

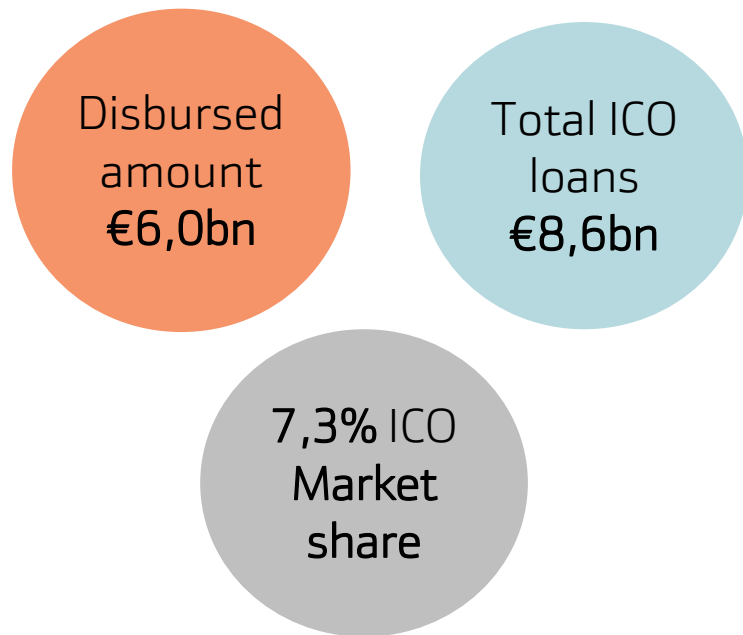
- In billion of euros -



*Bankinter Spain

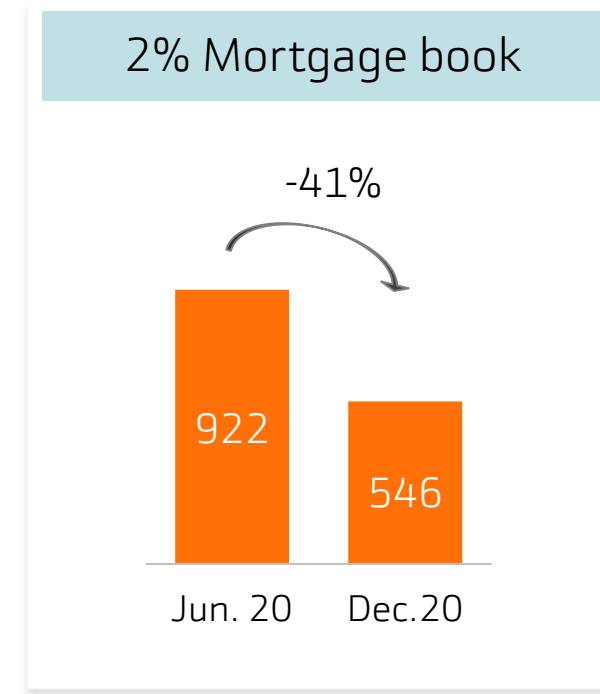
Covid-19 financing measures

ICO Credit lines



Commercial banking moratorium in Spain

- In million of euros -



Customer assets

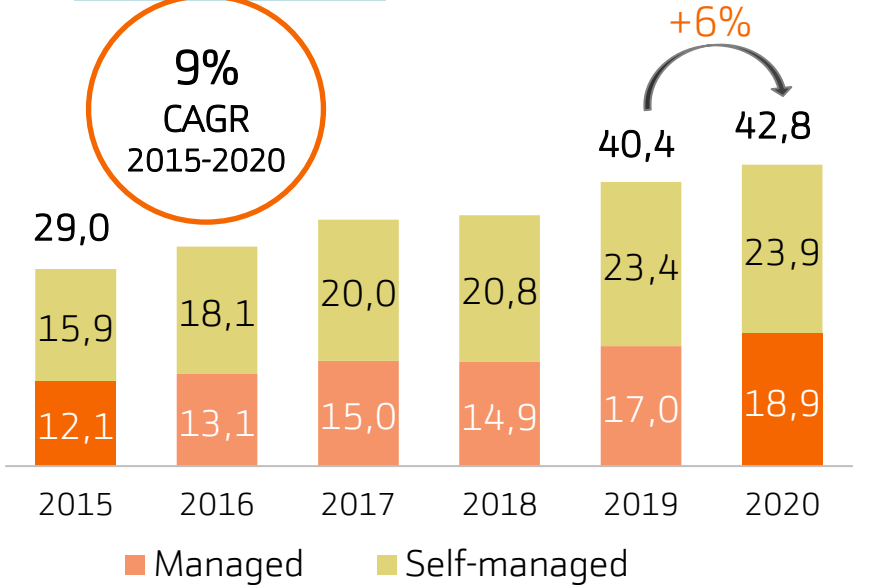
- In Spain in billion of euros -

Private banking

Net new money
in 2020
+€2,7bn

Market effect in
2020
-€0,4bn

9%
CAGR
2015-2020

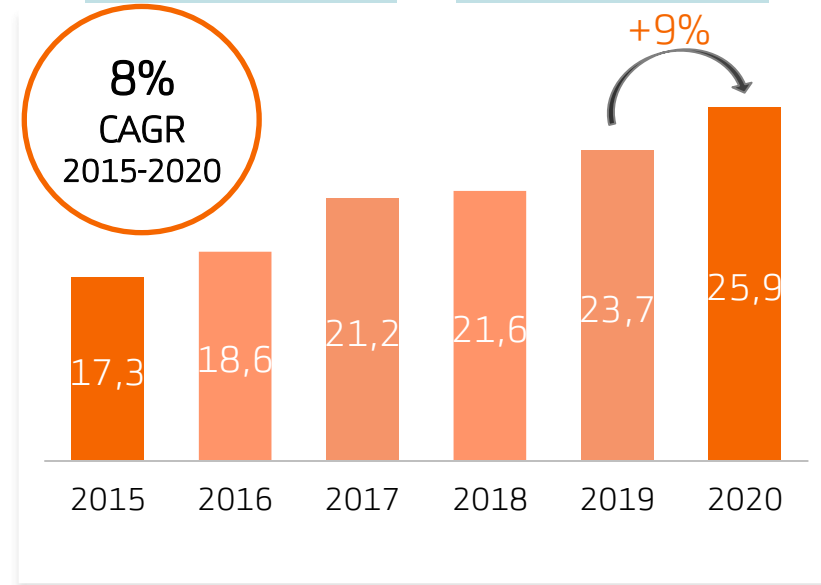


Personal banking

Net new money
in 2020
+€2,3bn

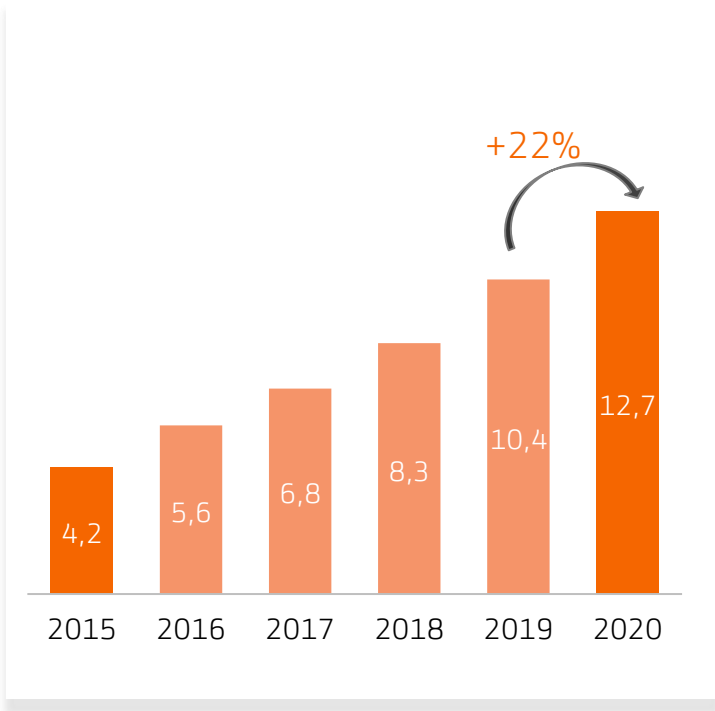
Market effect in
2020
-€0,2bn

8%
CAGR
2015-2020

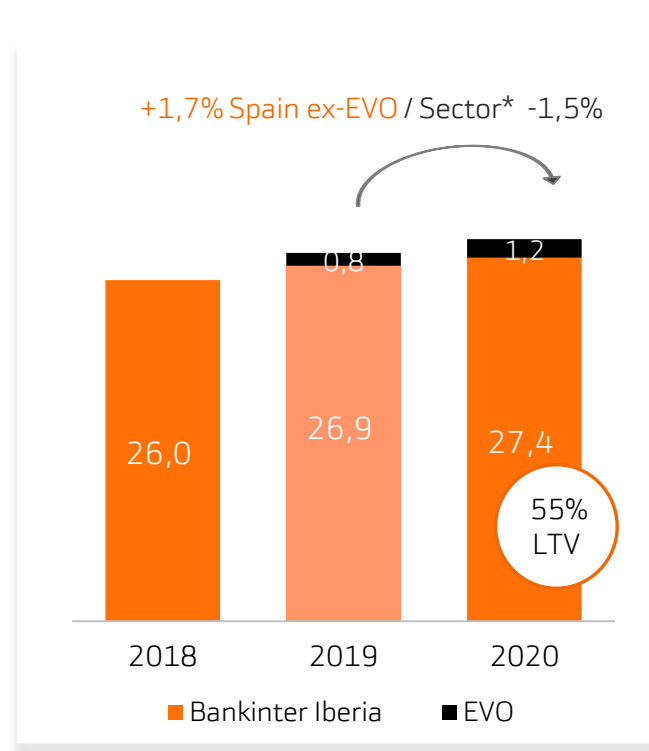


Retail banking

Salary account balances in Spain
(in billion of euros)

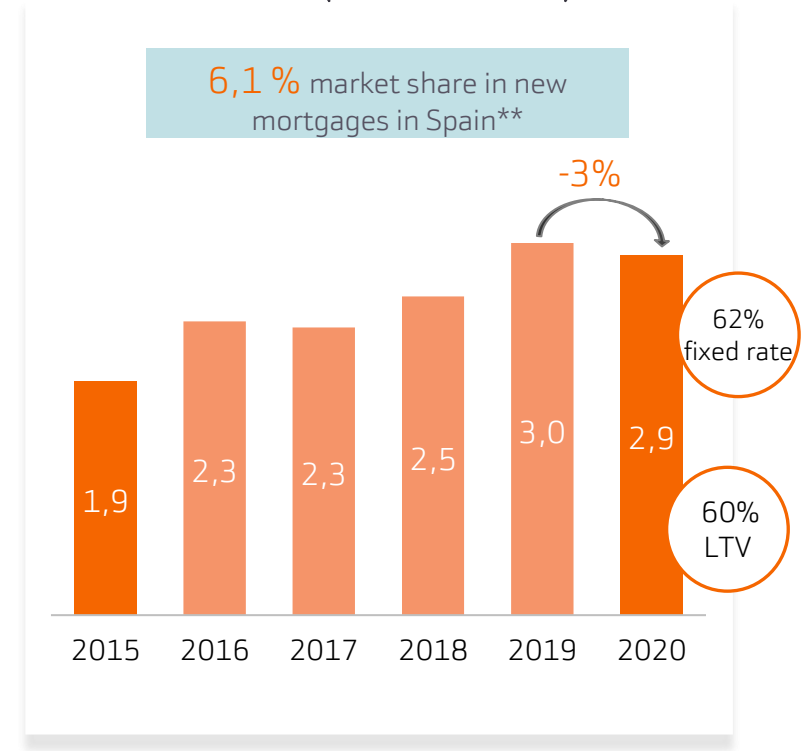


Mortgage back book
(in billion of euros)



*BdE Nov-20

New mortgage production in Spain
(in billion of euros)



**INE Oct-20

Bankinter Portugal

Business indicators

€6,6bn

Loan book **+7%** YoY

Retail banking
€4,7bn +4%

Corporate / SME's
€1,9bn +12%

€4,8bn

Retail funds
+6% YoY

€3,6bn

Off-balance sheet funds
+2% YoY

2020 P&L account -in million of euros-

	2020	2019	Dif. %
Net Interest Income	94	85	10%
Net fees and commissions	50	45	11%
Other income/expenses	-6	-7	-21%
Gross operating income	138	123	13%
Operating expenses	-83	-86	-3%
Pre-provision profit	55	37	50%
LLP and other provisions	-9	29	-132%
Macro scenario impact	0	n.a.	
Earnings before tax	45	66	-31%

Bankinter Consumer Finance



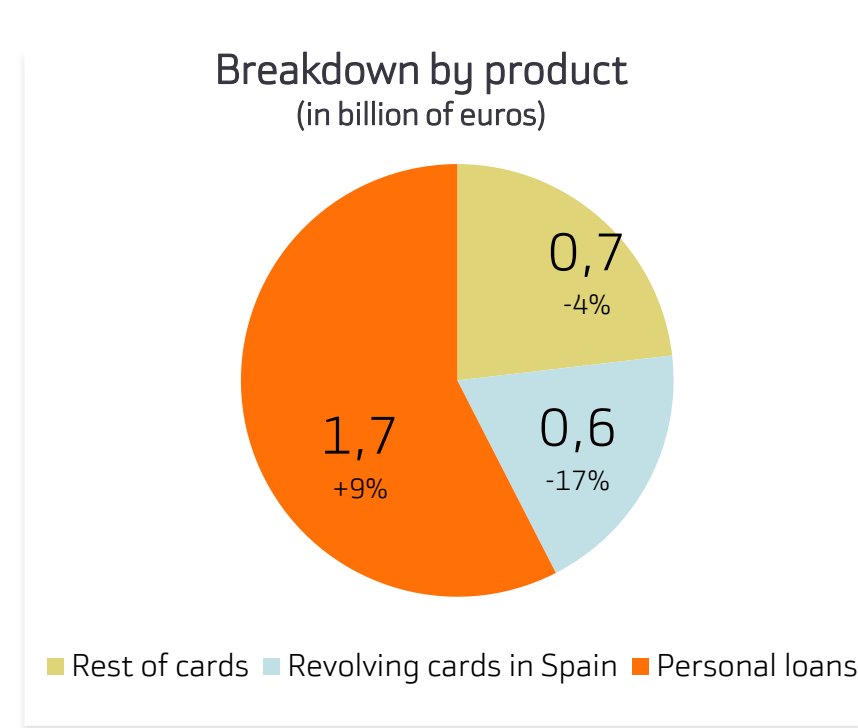
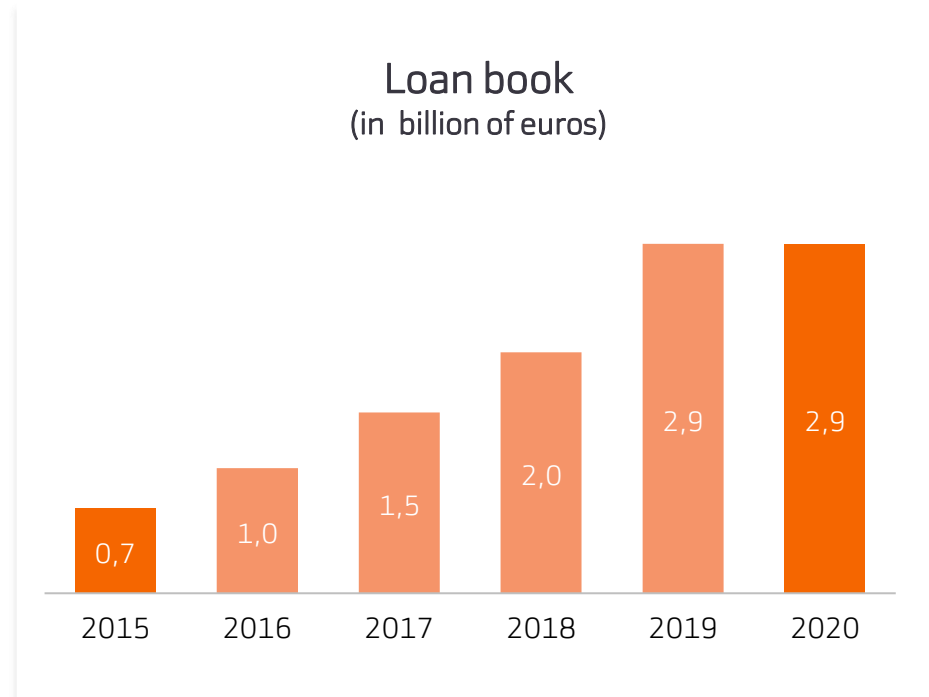
€2,9^{bn}
Loan book
+0% vs 2019

€0,8^{bn}
Gross new loans
-25% vs 2019

Risk-adjusted
return
5,7%

NPL ratio
6,2%

Cost of risk
5,1%



Bankinter Consumer Finance



Avantcard
Loans

€0,5_{bn}

Loan book
+6% vs 2019

€0,2_{bn}

New mortgage
applications

NPI ratio
1,0%

Cost of risk
2,7%

 Avant Money

Independent.ie  News Opinion Business Sport Life Style Entertainment Travel

Premium 

Home-loan price war: lowest rates in 10 years as new lender shakes up market



Stock picture

 Charlie Weston  
September 14 2020 02:30 AM



A new mortgage lender backed by a Spanish banking giant is set to shake up the market here with the lowest lending rates.

Avant Money's entry is set to put massive pressure on existing lenders to slash their rates, as the launch today is set to spark a new price war.



The new name for
mortgages in Ireland



Avant Money

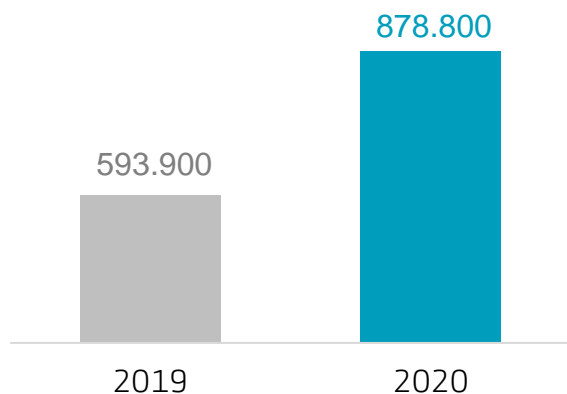
bankinter.



EVO Banco

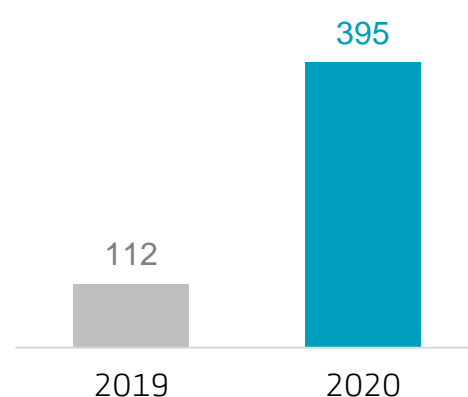
+48%

TOTAL No. CUSTOMERS vs 2019



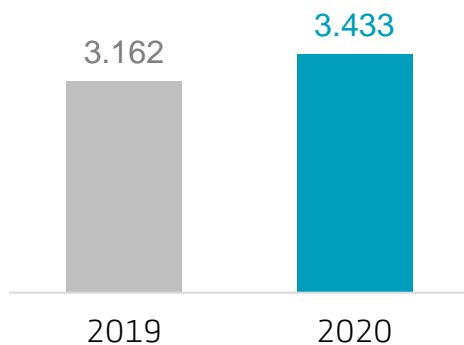
X3,5

NEW MORTGAGES vs 2019 (€M)



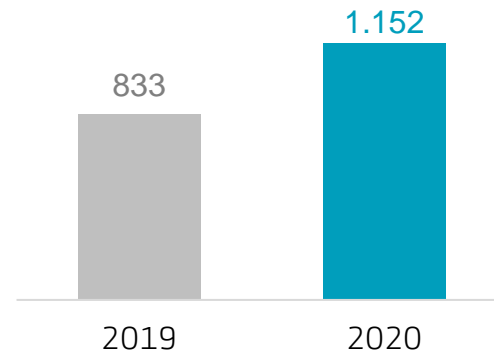
+8,5%

RETAIL FUNDS vs 2019 (€M)



+38%

OUTSTANDING MORTGAGES (€M)



1,35% NPL RATIO

INNOVATION



Two International awards: World Finance Best Digital Bank & Best Financial App in Spain in 2020.

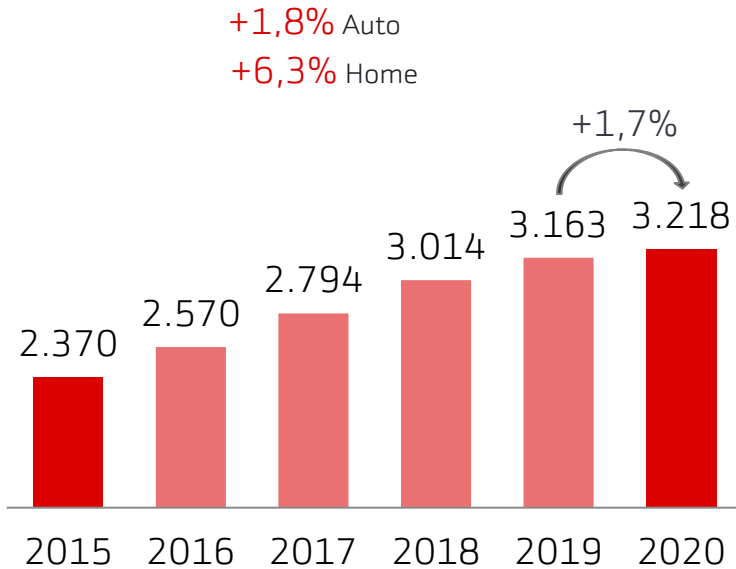
First 100% digital mortgage in Spain

Added value mobile app: digital availability of all products, third party account integrator, robo advisor, mobile payments, intelligent analysis of financial activity, etc.

Voice financial assistant integrated into the app and customer telephone service, with access from smart speakers.

Línea Directa Aseguradora

Number of insured risks
- in thousands -

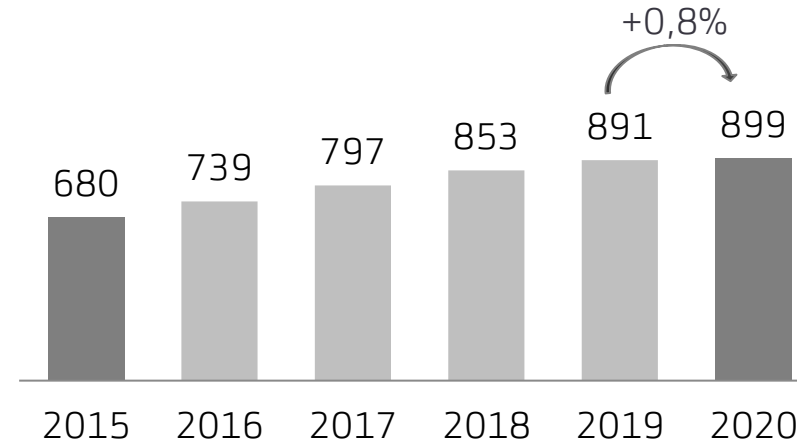


vivaz

89k health policies
+29% YoY

Issued premiums
- In million of euros -

-0,9% Auto / Sector* -1,9%
+8,3% Home / Sector* +2,7%

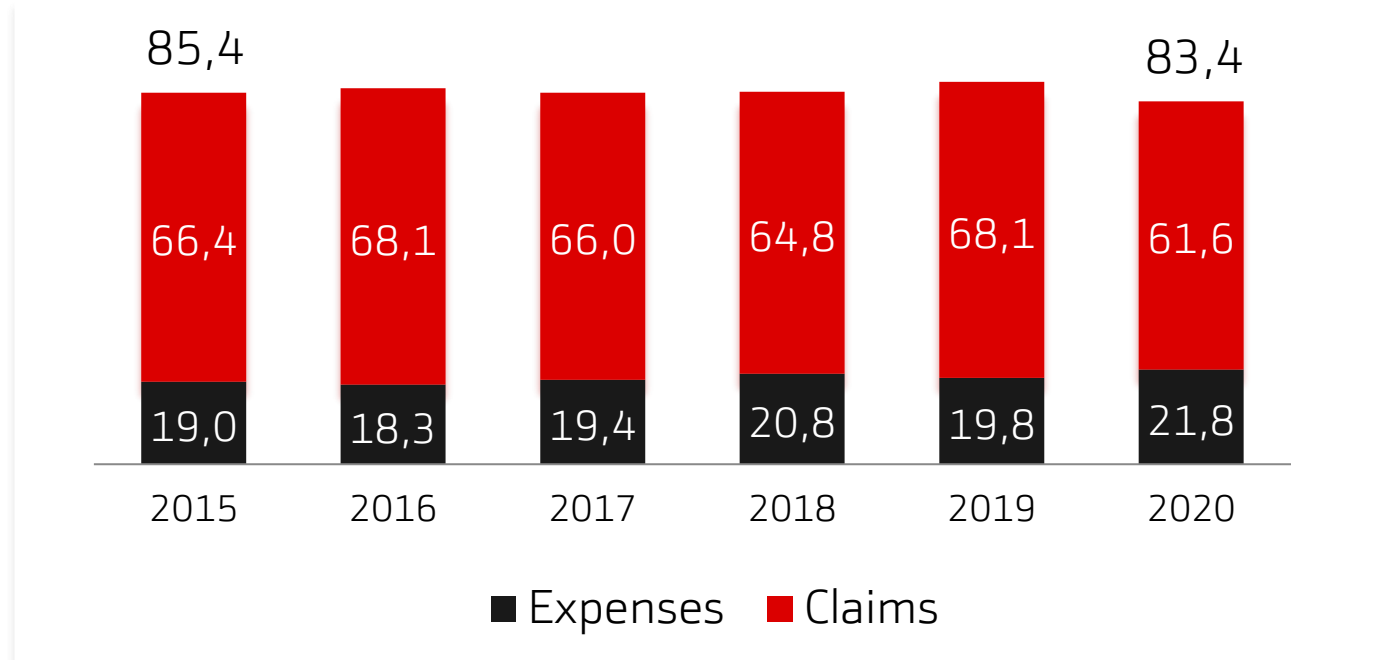


* Nov-20

Línea Directa Aseguradora

Combined ratio

- in %-



Línea Directa Aseguradora

P&L account 2020

- In million of euros -



	2020	2019	Dif. %
Net written premium	899	891	1%
Net earned premium	878	855	3%
Net claims cost	-541	-582	-7%
Operating expenses and other	-191	-169	13%
Technical result	146	104	41%
Net investment income	29	32	-8%
Underwriting result	175	135	30%
Other income/expenses	4	8	-42%
Earnings before tax	180	143	26%
Net profit	135	107	26%

ROE

35%

Solvency II ratio

276%



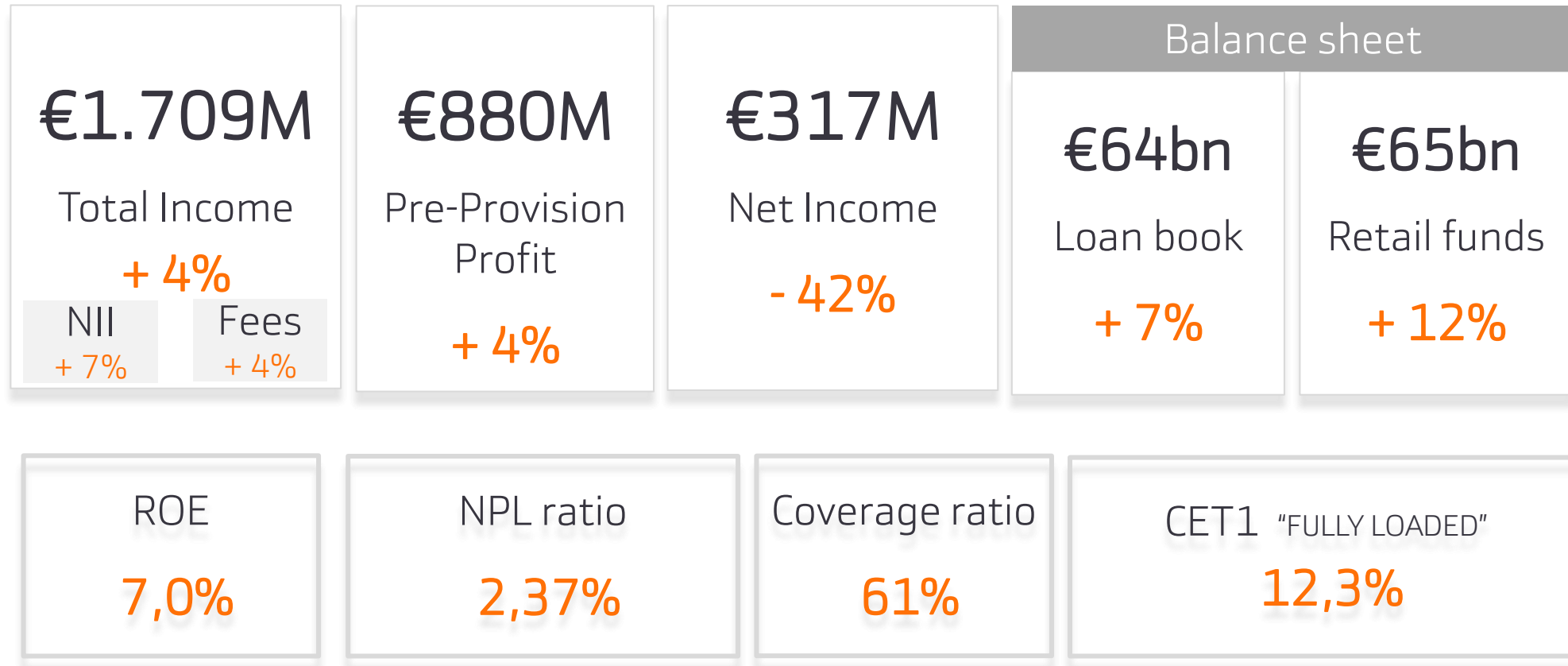


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Summary

2020

Summary





EARNINGS PRESENTATION

21 January 2021

Bankinter Results FY2020



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