

**bankinter.**

RESULTS PRESENTATION

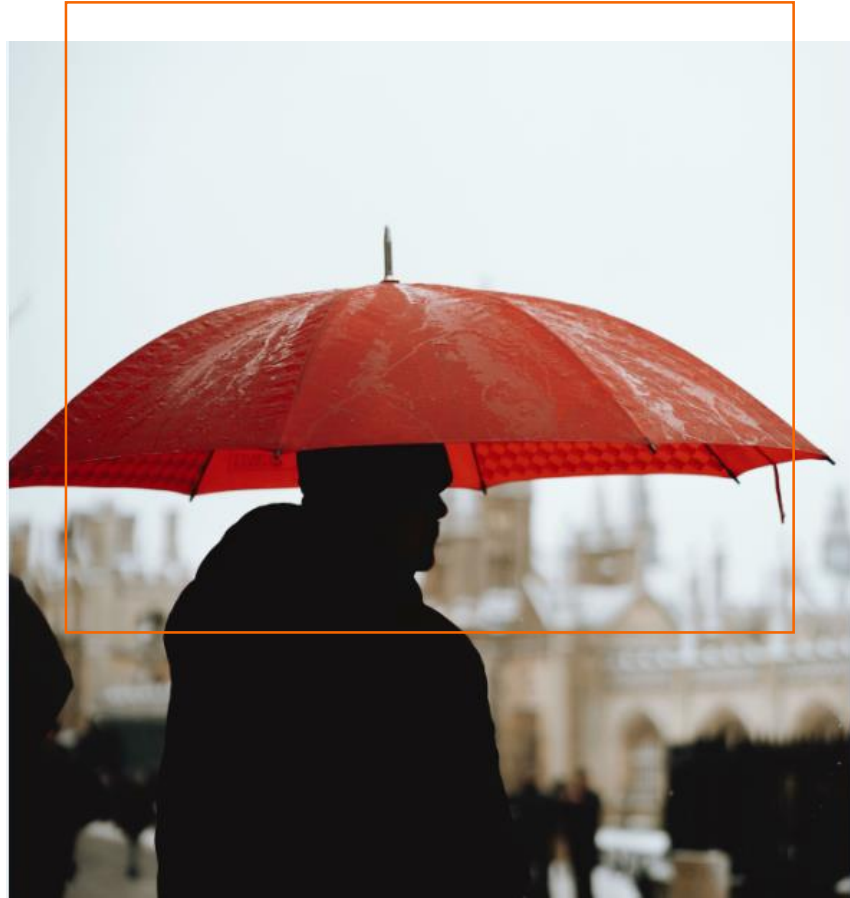
23 April 2020

# Bankinter Results

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



FTSE4Good



# 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.

# S

## Summary

.....

	1Q20	YoY
Loan book	€61,1bn€	+9%
Gross operating income	€436M	+8%
NPL ratio	2,58%	-29bps
Net profit	€130M€	-10%
CET1 Fully Loaded	11,5%	-33bps
RoE	10,2%	-239bps

# C

## Content



- Results
- Risk management
- Businessess
- Summary



# R

Results

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1Q20

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# P&L account 1Q2020

- in millions of euros -

	Bankinter group				Bankinter group ex-EVO	
	1Q2020	1Q2019	Dif. € 20/ 19	Dif. % 20/ 19	1Q20	Dif. % 20/ 19
Net interest income	307,8	269,8	38,0	14,1%	288,2	6,8%
Net fees and commissions	123,0	114,3	8,6	7,5%	120,1	5,0%
Other income/expenses	5,5	19,2	-13,7	-71,3%	4,8	-75,2%
<b>Gross operating income</b>	<b>436,3</b>	<b>403,3</b>	<b>33,0</b>	<b>8,2%</b>	<b>413,1</b>	<b>2,4%</b>
Operating expenses	-189,0	-179,1	-10,0	5,6%	-165,5	-7,6%
<b>Pre-provision profit</b>	<b>247,3</b>	<b>224,2</b>	<b>23,0</b>	<b>10,3%</b>	<b>247,5</b>	<b>10,4%</b>
Other provisions	-35,7	-28,6	-7,1	24,9%	-35,9	25,3
Cost of risk	-71,5	-26,5	-45,9	169,6	-67,4	154,1%
<b>Results before taxes Banking activity</b>	<b>140,0</b>	<b>169,1</b>	<b>-29,1</b>	<b>-17,2%</b>	<b>144,3</b>	<b>-14,7%</b>
<b>Results from Banking activity</b>	<b>101,1</b>	<b>122,4</b>	<b>-21,2</b>	<b>-17,4%</b>	<b>105,6</b>	<b>-13,7%</b>
<b>Results from Linea Directa Aseguradora</b>	<b>29,1</b>	<b>26,7*</b>	<b>2,4</b>	<b>8,9%</b>		
<b>Net income</b>	<b>130,3</b>	<b>145,0</b>	<b>-14,7</b>	<b>-10,1%</b>		

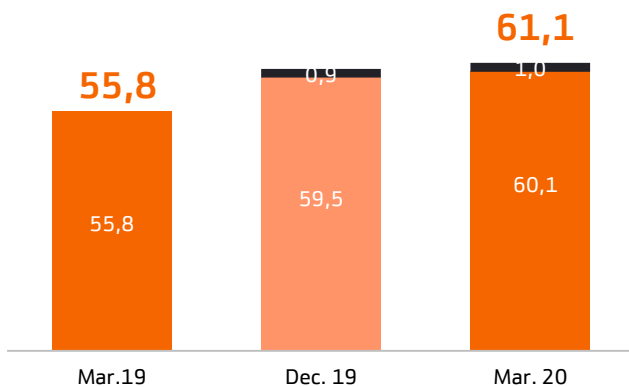
\* 1Q19 LDA result does not include 4,1mn of consolidation adjustments (related to amort. of intangible assets)

# L Loans and receivables

- In billions of euros -

+5,3bn +9,4%

+6% Spain ex-EVO / Sector\* -1%



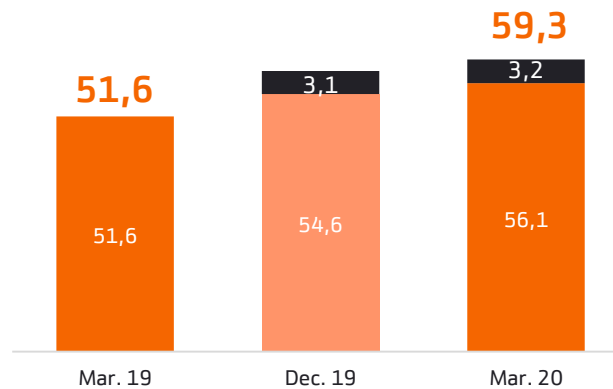
■ Bankinter ex-EVO Banco

# R Retail funds

- In billions of euros -

+7,7bn +14,9%

+9% Spain ex-EVO / Sector\* +4%

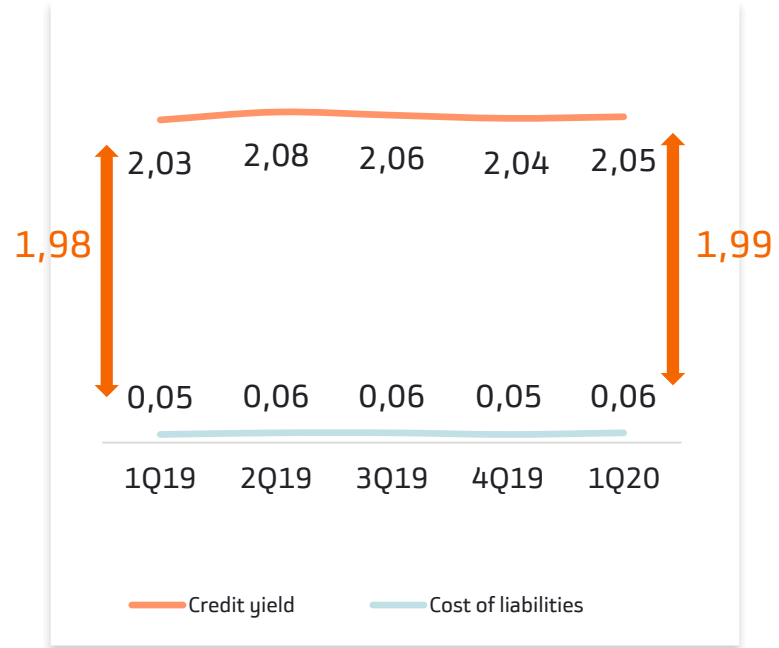
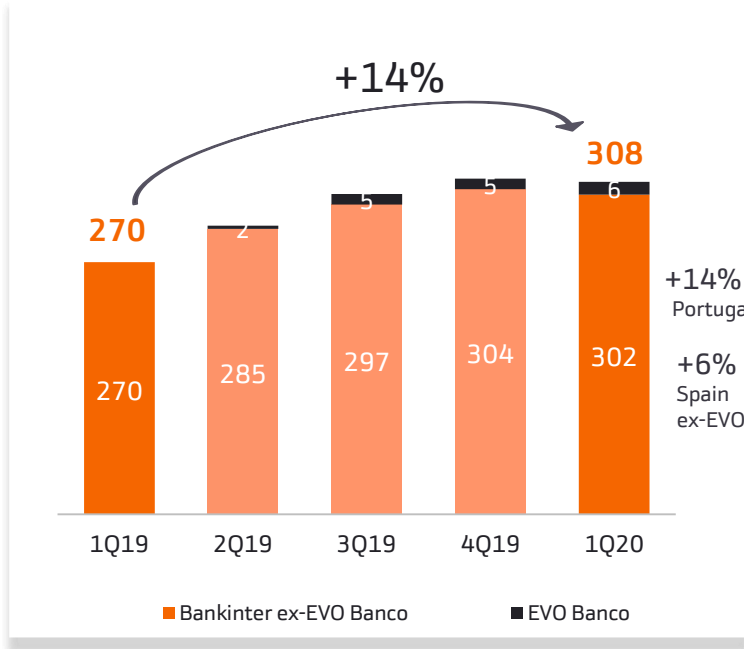


■ EVO Banco

# NII

## Net Interest Income

- Quarterly series in millions of euros and Customer margin in % -





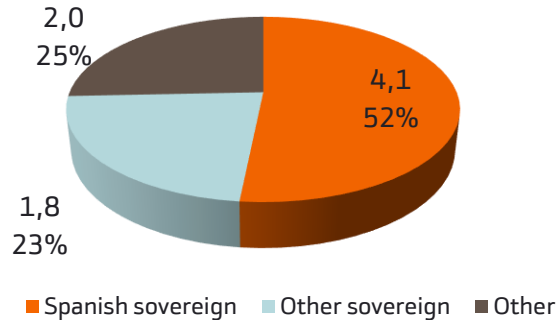
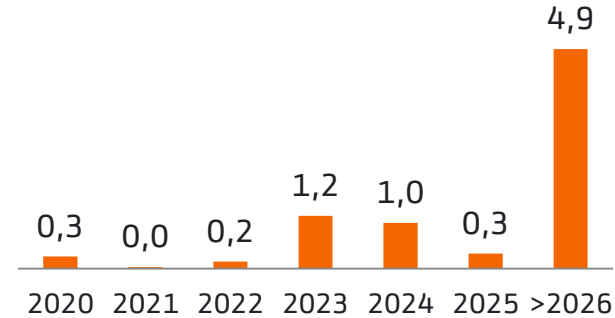


# ALCO portfolio

- in billions of euros -

ALCO portfolio	Amort.	Fair Value	Total
Nominal amount (€bn)	4,0	3,9	7,9
Duration (years)	5,6	3,3	4,4
Avg. maturity (years)	12,5	4,7	8,6
Yield (%)	1,5	2,0	1,7
Unrealised gains (€bn)	0,17	0,02	0,20

Maturities (bn €)



# FI

## Fee Income

Net Fee Income

123M€

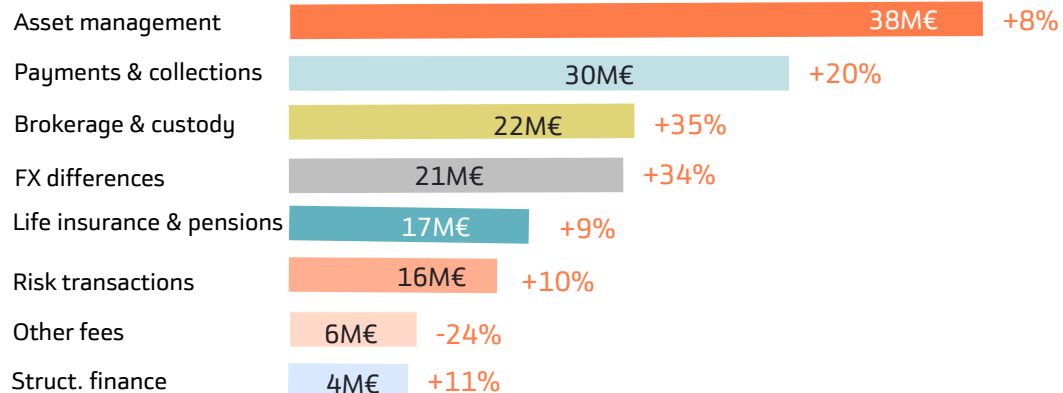
YoY dif.

+8%

Contribution to total income

28%

- Breakdown of fees received in millions of euros -



# OI

## Other Income/expenses

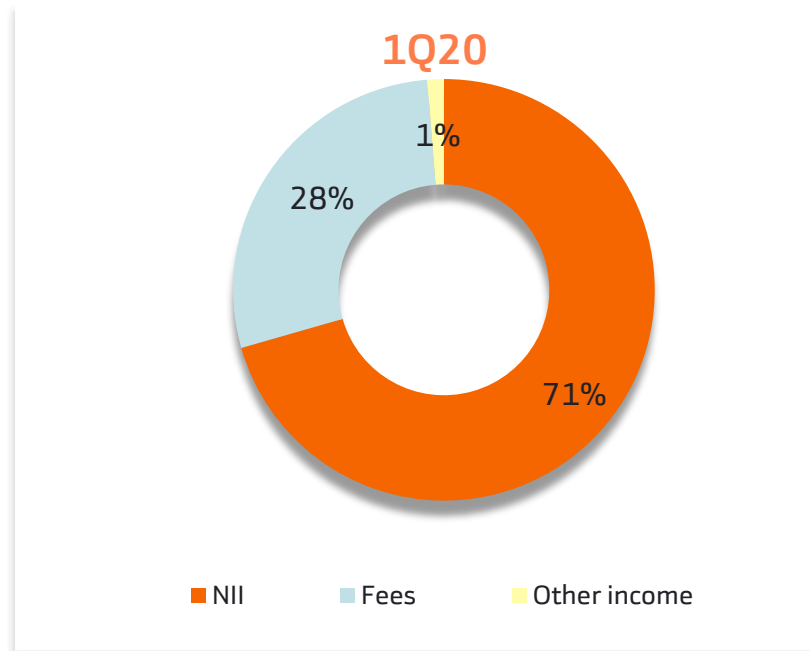
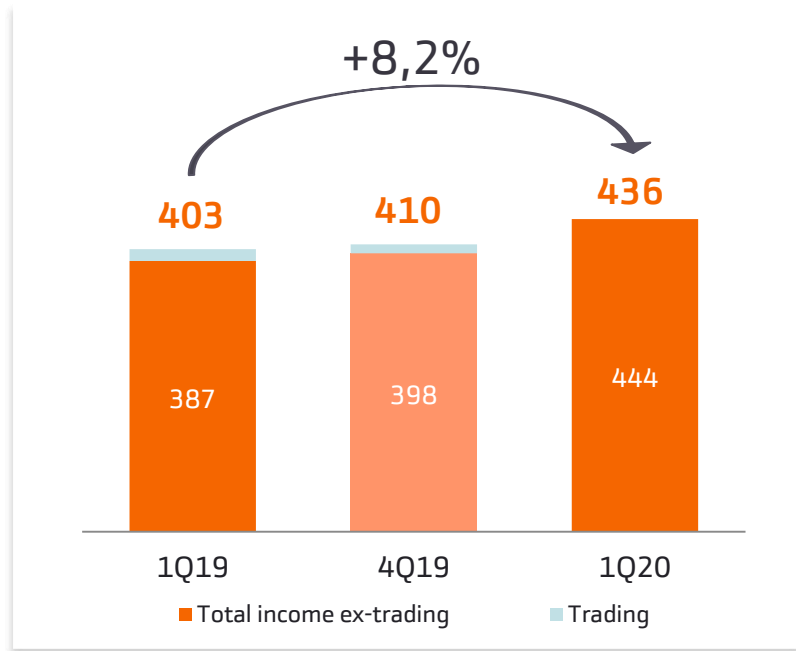
- in millions of euros -

	1Q20	1Q19	€ Dif.	% Dif.
Equity method	6,7	6,5	0,3	4,3%
Dividend income	14,0	3,1	10,9	352,6%
Trading income	-8,0	16,1	-24,1	-149,9%
Other operating income/expenses	-7,2	-6,5	-0,7	11,5%
<b>Total</b>	5,5	19,2	-13,7	-71,3%

# TI

## Total Income

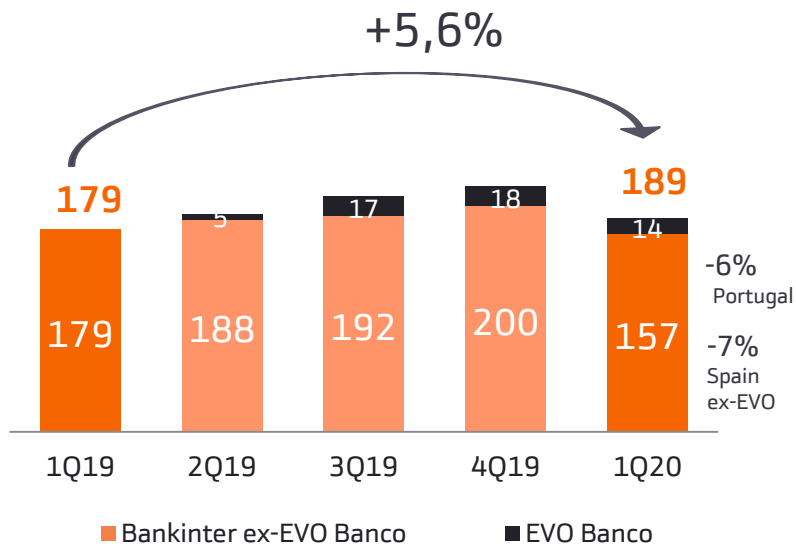
-in millions of euros -



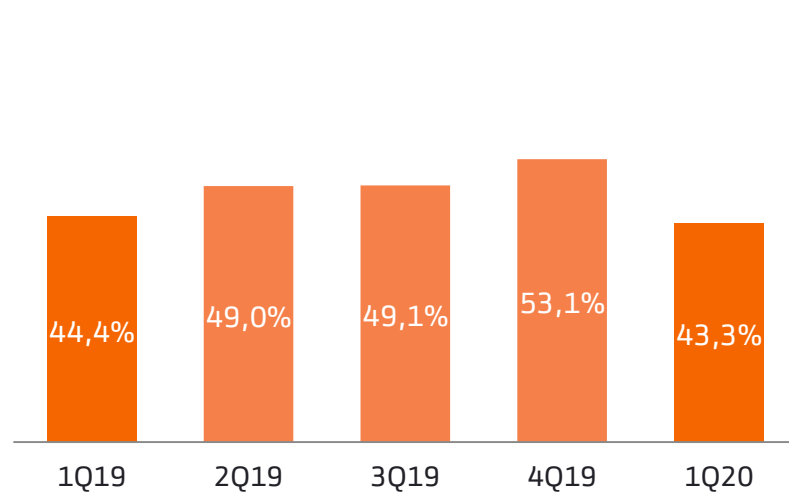
# E

## Operating expenses

- In million euros and differences in % -



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



13

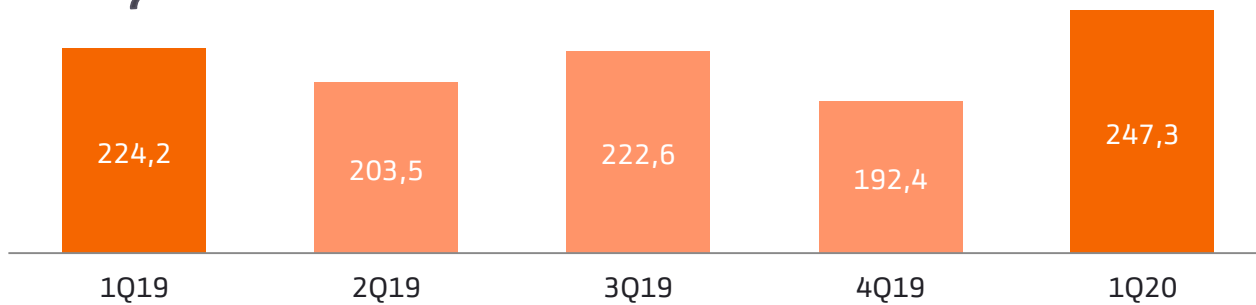
RESULTS

# P

## Pre-Provision Profit

- in millions of euros -

+10,3%



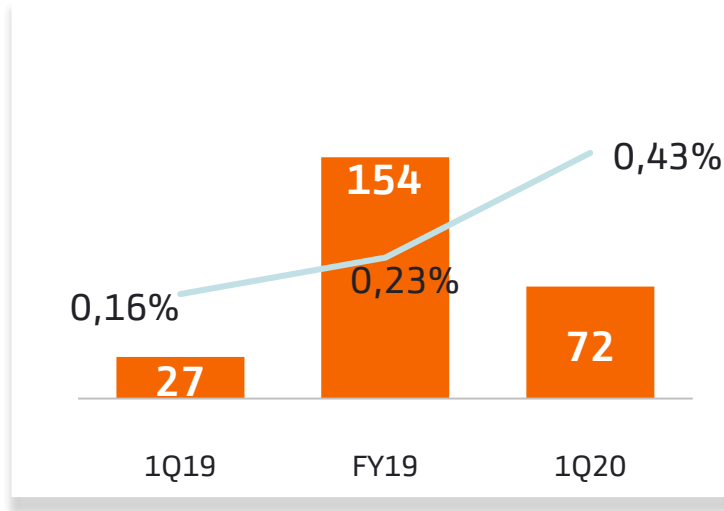
14

RESULTS

# CR

## Cost of Risk

- in millions of euros & % of total credit risk -



	1Q20	1Q19	Dif. €
Banking activity Spain	41,6	19,5	22,1
Banking activity Portugal	0,3	-12,0	12,3
Consumer activity	29,6	19,0	10,6
<b>Total</b>	<b>71,5</b>	<b>26,5</b>	<b>45,0</b>

\* CdR includes impairments & gains/losses on assets disposals



# Risk, Solvency & Liquidity management

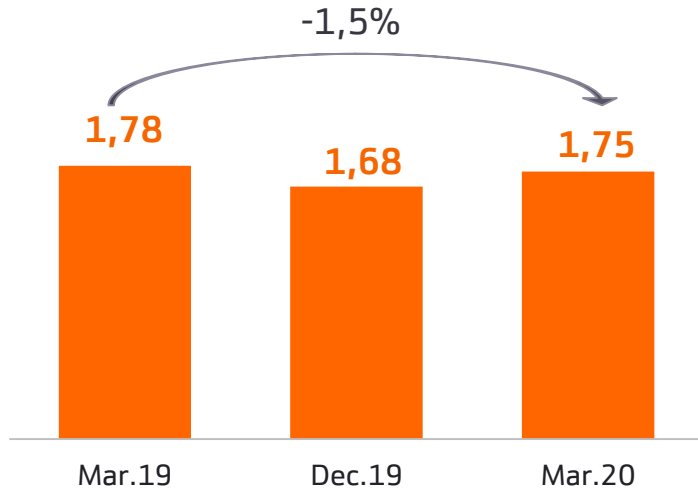
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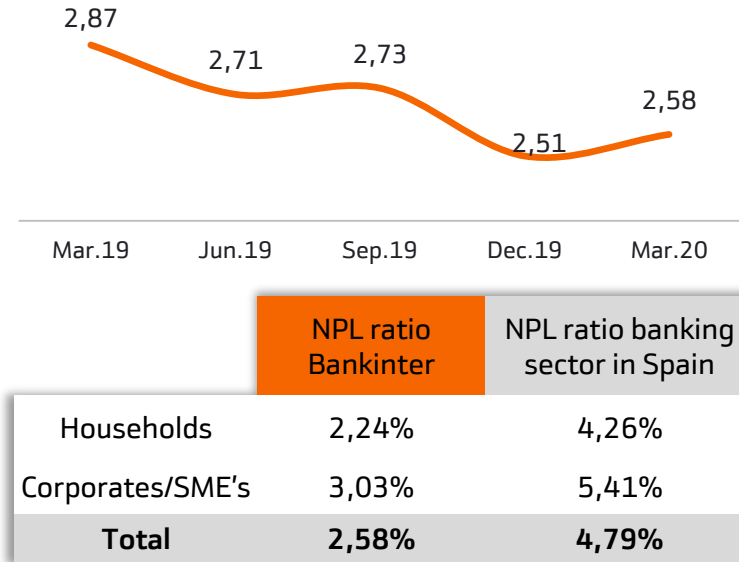
# CR

## Credit Risk

Non-performing loans  
- in billions of euros -



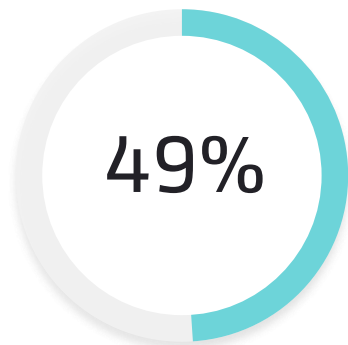
NPL ratio  
- in % -



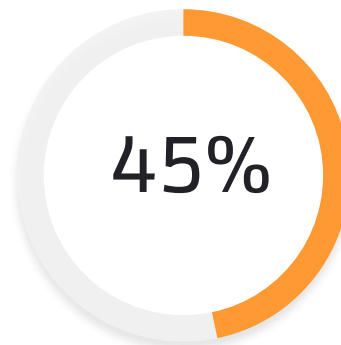
C

## Provision coverage

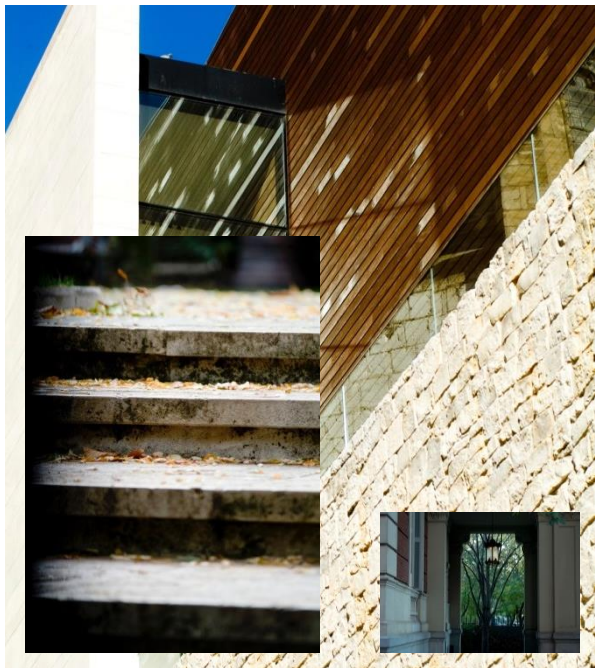
- in %-



NPL coverage



Foreclosed asset coverage



March -20

# F

## Foreclosed assets

- in millions of euros -

Total balance: 274M€

-17%

Book value of sold assets

€26M

Total price of sold assets

€17M

Average discount on sold assets

-36%

Average coverage on sold assets

40%

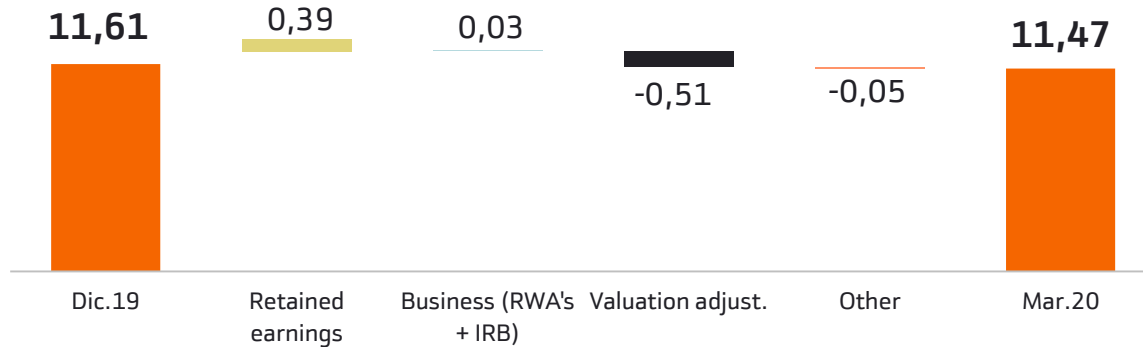
# S Solvency

CET 1 "fully loaded"  
11,47%

Leverage ratio  
4,6%

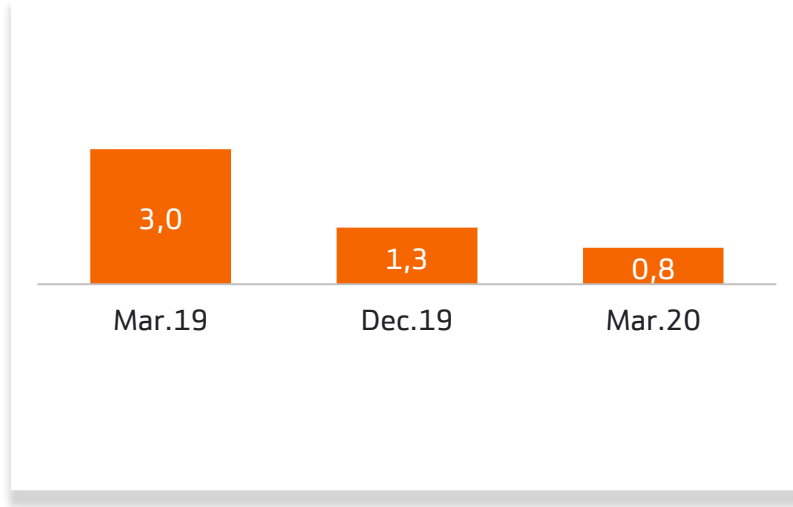
Solvency ratio  
13,8%

CET1 "fully loaded" bridge in %

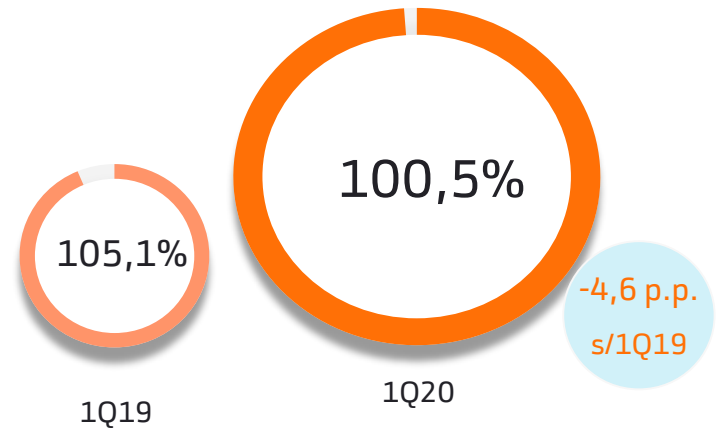


# Liquidity

Commercial gap  
-in billions of euros-



Loan-to-deposit ratio  
- in %-



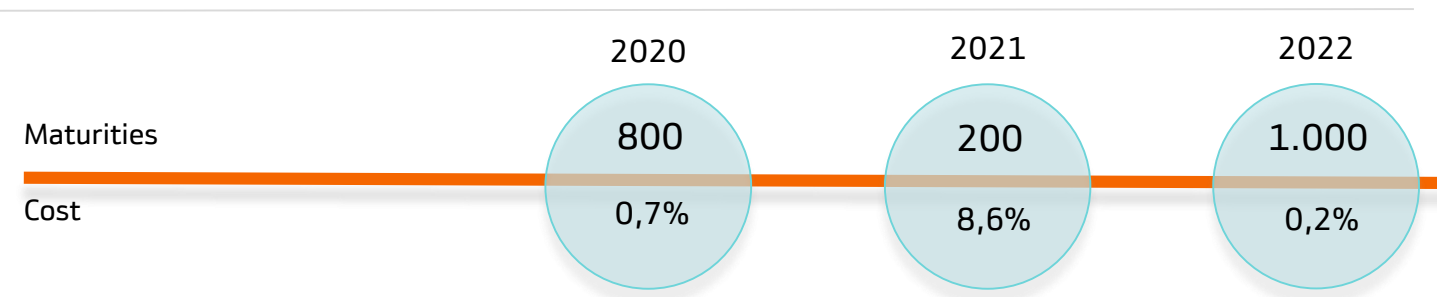
# F

## Wholesale funding maturities

- In millions of euros -

Liquid assets

13.600



Covered bond issuance capacity

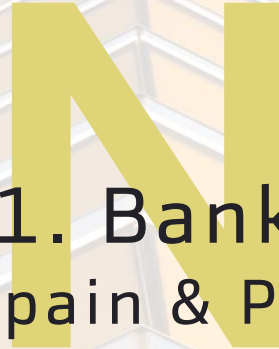
6.200



# B Businesses

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1. Bankinter (Spain & Portugal)
2. Consumer Finance activity
3. EVO
4. Línea Directa



# 1. Bankinter (Spain & Portugal)

.....



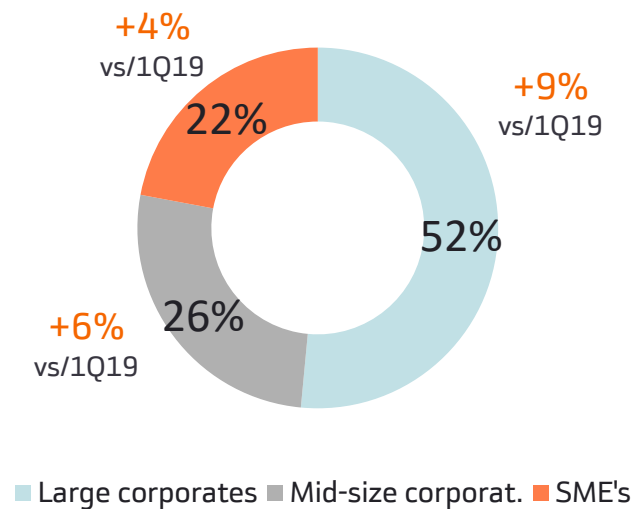
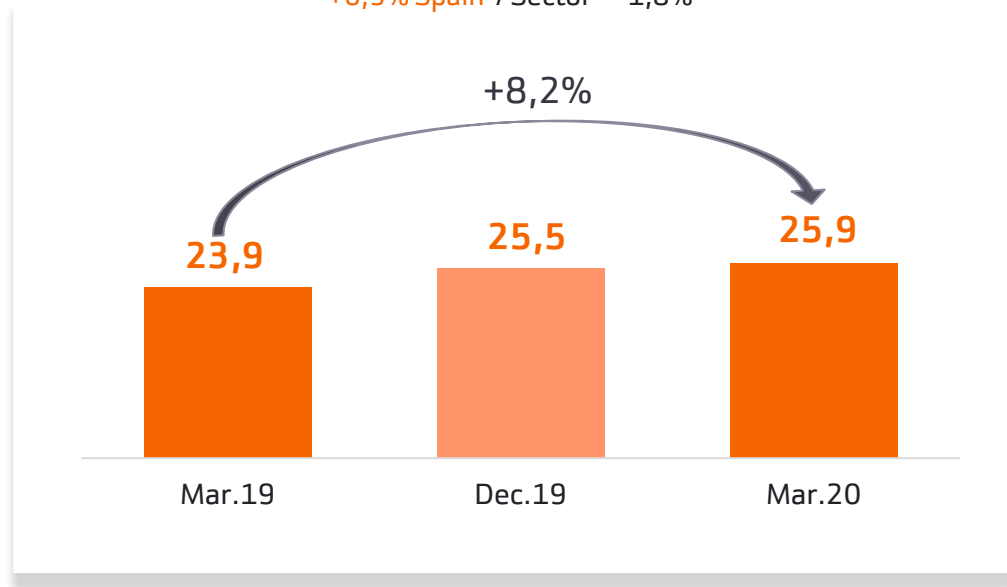
# CB

## Corporate/ SME banking

L o a n s & r e c e i v a b l e s

- in billions € & by segment in % -

+6,9% Spain / Sector\* -1,8%



25

RESULTS

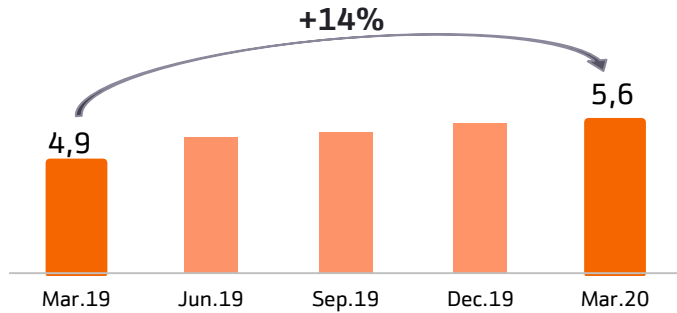
# CB

## Corporate/ SME banking

Income levers

### International trade & export finance

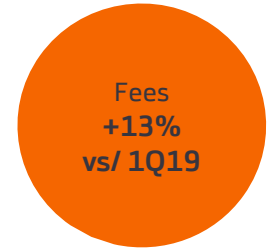
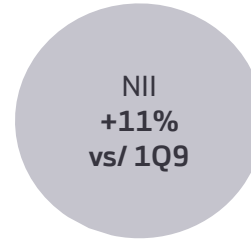
- Loan book in billions of euros -



Fee income account with 52% to total income

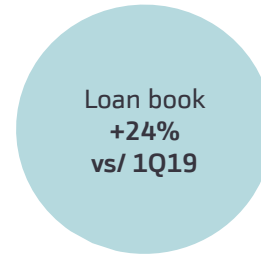
### Transactional business

- In % -



### Investment banking

- In % -



# PB

## Private & Personal banking

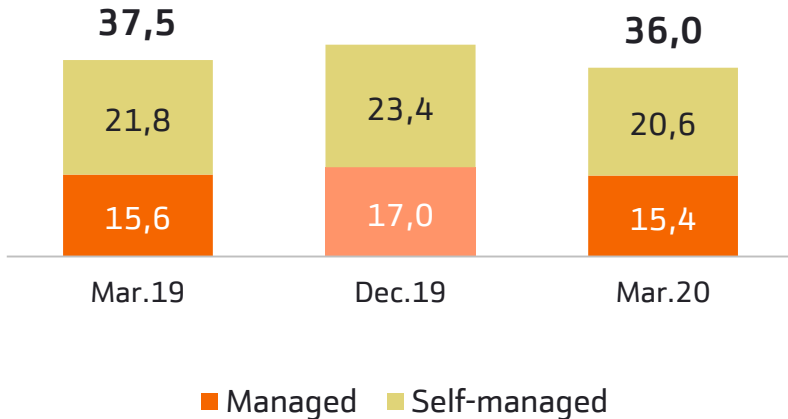
Customer assets  
-in billions of euros-

### Private banking

Net new money in  
1Q20 +€0,5bn

Market  
effect  
-€5,1bn in  
1Q20

-4%



### Personal banking

€0,5bn Net new money  
Market effect -€1,7bn in 1Q20

-0,1%

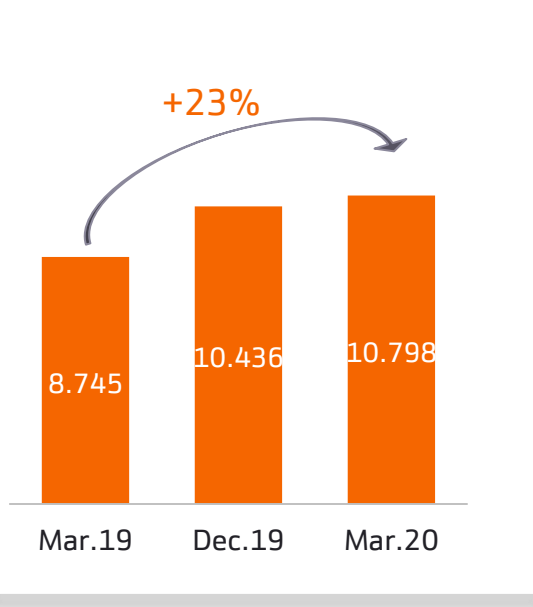


# RB

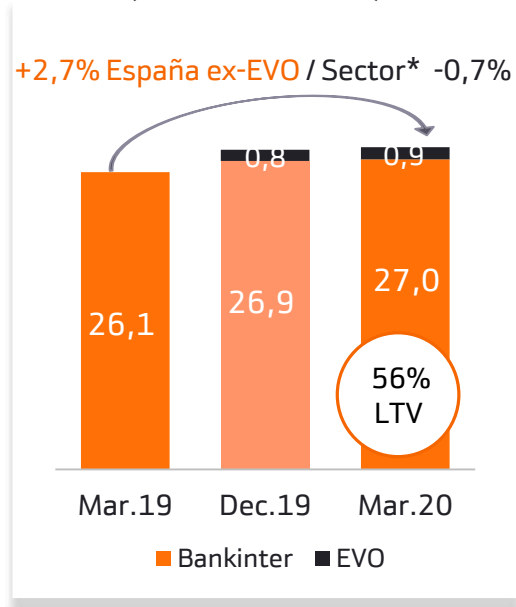
## Retail banking

Customer deposits & loans  
-in millions of euros-

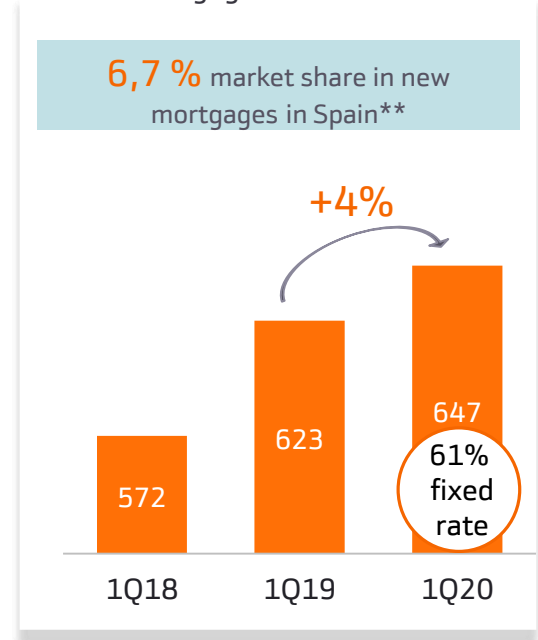
### Payroll account balances



### Mortgage back book (in billions of euros)



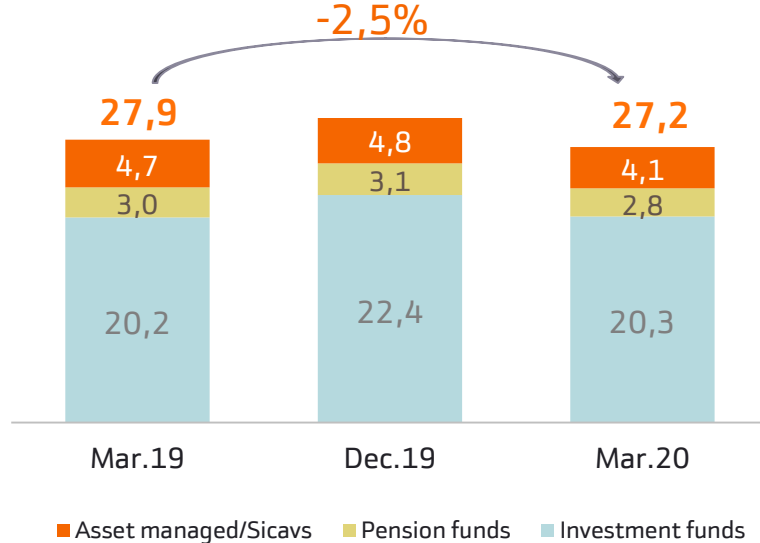
### Mortgage front book



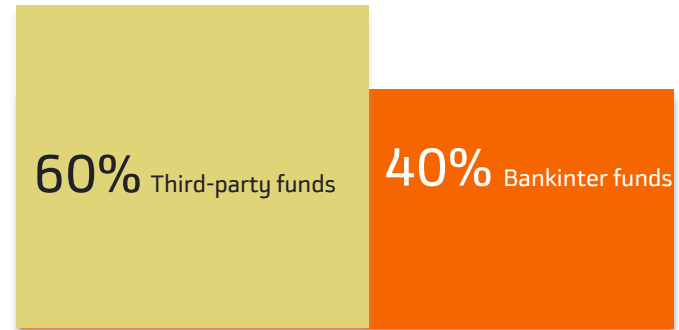
# AM

## Asset management

Off-balance sheet funds  
-in billions of euros-



Investment funds by type  
-in % -



# Bk Portugal

## Business indicators

**€6,2bn**

Loan book **+12%** YoY

Retail banking  
€4,5bn +8%

Corporate/ SME  
€1,7bn +23%

**€4,6bn**

Retail funds **+6%** YoY

Off-balance sheet funds  
**-6%** YoY

P&L account  
- in million of euros -

	1Q20	1Q19	Dif. %
Net Interest Income	23	20	14%
Net fees and commissions	12	12	1%
Other income/expenses	-1	-2	-45%
<b>Gross operating income</b>	<b>33</b>	<b>30</b>	<b>13%</b>
Operating expenses	-21	-22	-6%
<b>Pre-provision profit</b>	<b>13</b>	<b>8</b>	<b>65%</b>
LLP and other provisions	-2	14	-112%
<b>Earnings before tax</b>	<b>11</b>	<b>22</b>	<b>-49%</b>

# 2. Consumer Finance activity

## Business indicators

1,7 million

Customers

+ 9% vs 1Q19

€280 million

New loans in 1Q20

+29% vs 1Q19

€2,9<sup>bn</sup>

Loan book

+16% vs 1Q19

Risk-adjusted return

7,7%

NPL ratio

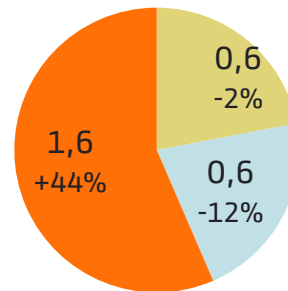
5,6%

Cost of risk

4,1%

Loans by type

-in billions of euros and annual dif. in % -



Rest of cards Revolving cards Spain Personal loans



# 3. EVO

## Business indicators

### KEY INDICATORS

**494.000**

TOTAL  
CUSTOMERS

**893**

MILLION EUROS  
MORTGAGE BOOK

**3.200**

MILLION EUROS  
CUSTOMER  
DEPOSITS

**232**

MILLION EUROS  
OFF BALANCE  
SHEET

### BUSINESS FOCUS 1Q

**56.800**

NEW  
CUSTOMERS

**77**

MILLION EUROS  
NEW  
MORTGAGES

**1,57%**

NPL RATIO

### INNOVATION FOCUS 1Q

**NEW GENERATION OF ONLINE BANKING** with the latest trends in user experience, simple usability and personalized features.

**NEW ACCOUNTS AGGREGATOR** allowing EVO App customers to monitor all their bank accounts in one single place

**PERSONALIZED CARDS** customers can choose withdraw limits in ATM's and purchases with plastic or contactless cards or when online shopping

**UPGRADE TO BANCA INTELIGENTE TO EVO LOVERS:** financial health analysis and other advantages in technological products and leisure for non financial customers.

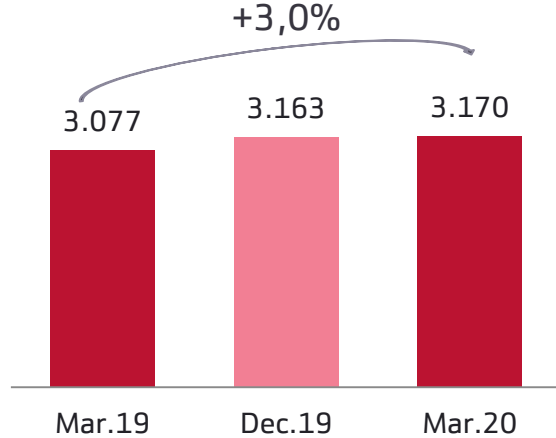




# 4. Linea Directa

Number of insured risks  
- in thousands -

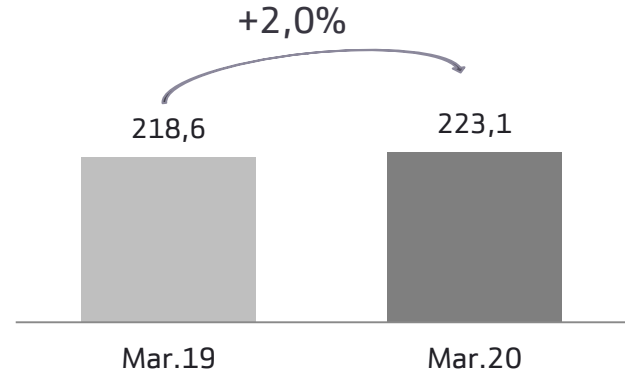
+2,3% Auto  
+8,8% Home



**vivaz**  
73k Health policies  
+74% YoY

Issued premiums  
- In millions of euros -

-0,4% Auto  
+10,3% Home



# LD

## P&L account 1Q20

- in millions of euros -



linea directa

	1Q20	1Q19	Dif. %
Net written premium	223	219	2%
Net earned premium	218	209	4%
Net claims cost	-146	-141	4%
Operating expenses and other	-43	-42	2%
<b>Technical result</b>	<b>29</b>	<b>26</b>	<b>12%</b>
Net investment income	8	8	-4%
<b>Underwriting result</b>	<b>37</b>	<b>34</b>	<b>8%</b>
Other income/expenses	2	1	20%
<b>Earnings before tax</b>	<b>39</b>	<b>35</b>	<b>9%</b>
<b>Net profit</b>	<b>29</b>	<b>27</b>	<b>9%</b>

ROE

33%

Solvency II ratio

220%

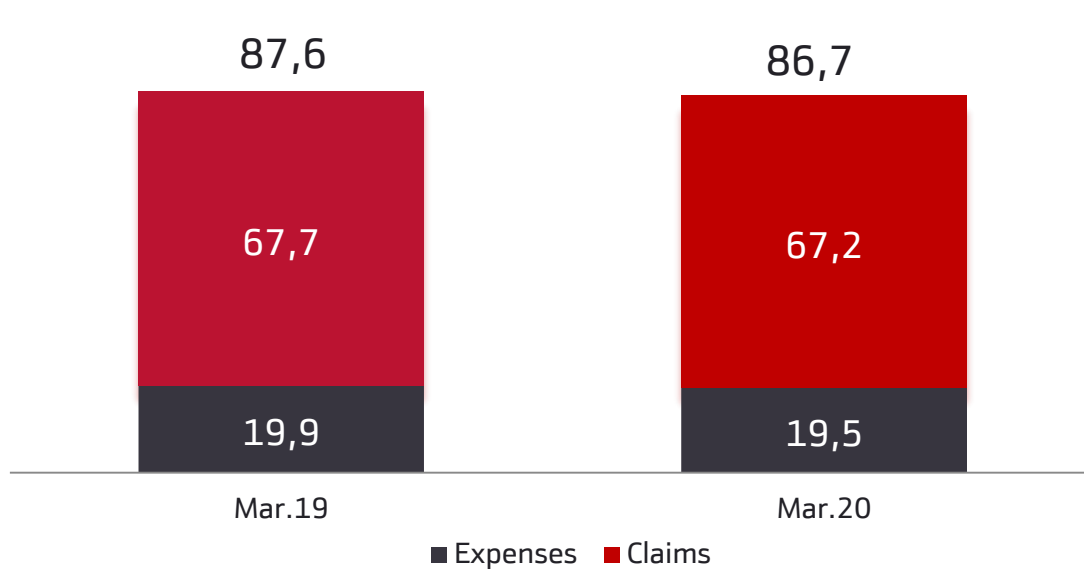
34

RESULTS

# LD

## Combined ratio

- in % -



35

RESULTS

# COVID-19 measures for customers

## Households

- Mortgage moratorium and consumer credit products, acc. RD (3 months max.)
- Bankinter mortgage payment holiday and consumer credit products (4 months on principal, extendable)
- Early payment of pensions and unemployment benefits
- Salary account requirements relaxed to maintain perks
- Intense reporting by fund manager and bankers in contact with customers

## Businesses and self-employed

- ICO Covid-19 Guarantee Line. €100bn. €40bn activated. Bankinter's amount: €2.25bn
- Remote signing on Covid-19 loans
- New product: **ICO Covid-19 guarantee multi-use** loan
- Time scale in place to include ICO guarantee within **renewals**.
- Option of using **pre-approved loans for tax payments** for other purposes
- **Post-financing for reverse factoring**
- **CESCE and EIF** lines anticipated



# S Summary

.....

# R Resumen

**130M€**

Net Income

**- 10%**

**436M€**

Total income

**+ 8%**

NII  
**+ 14%**

Fees  
**+ 8%**

## Balance sheet

**61MM€**

Loan book

**+ 9%**

**59MM€**

Retail funds

**+ 15%**

ROE

**10,2%**

NPL ratio

**2,58%**

CET1 ratio "FULLY LOADED"

**11,5%**

# 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