

RESULTS PRESENTATION

Bankinter Results 9M2019

30 de octubre 2019

bankinter.

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.

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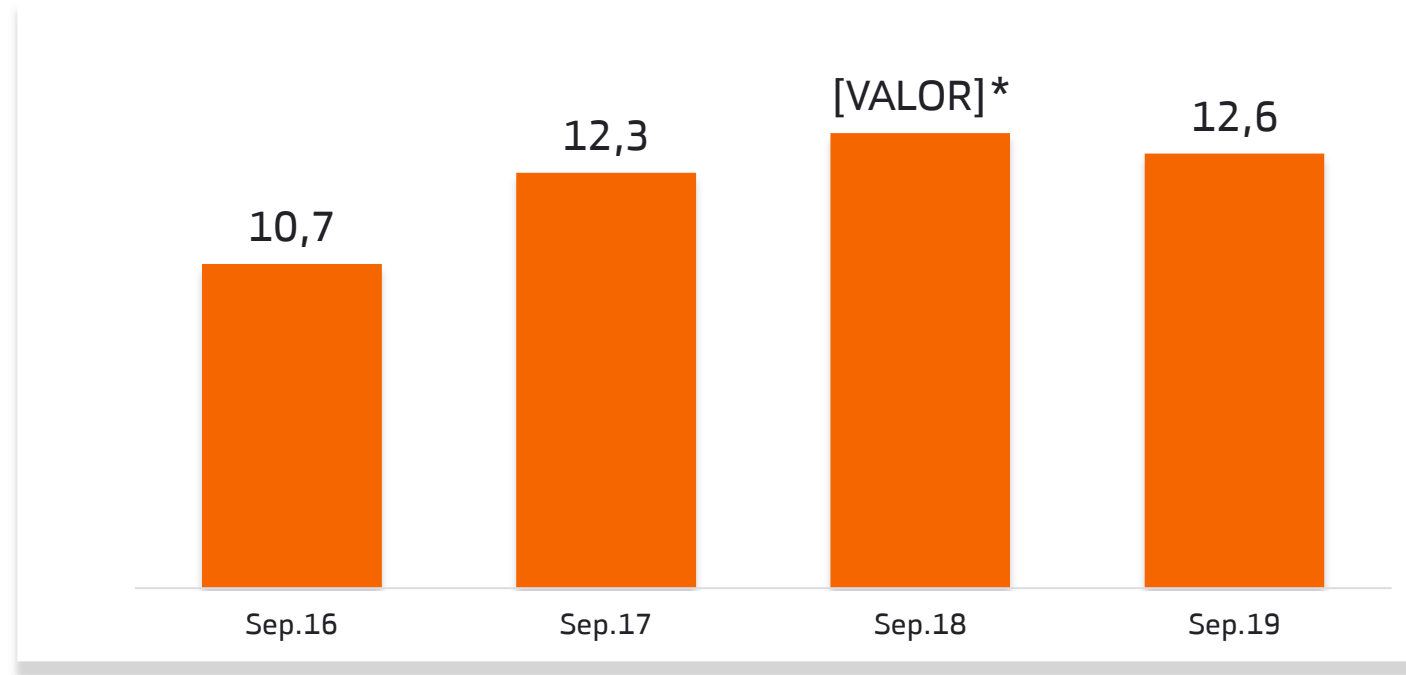
Summary

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	9M19	YoY
Loan book	59,4MM€	+8,4%
Gross operating income	1.545M€	+4,9%
Banking C/I	48,7%	+180pbs
NPL ratio	2,73%	-47pbs
Net profit	444M€	+10,1%
CET1 Fully Loaded	11,6%	-12pbs

ROE

- in % -



C

Content



- Results
- Risk management
- Businessess
- Summary



R

Results

9M19

P&L account 9M2019

- in millions of euros -

	Bankinter group			Bankinter group ex-EVO	
	9M2019	9M2018*	Dif. % 19/ 18	9M2019	Dif. % 19/ 18
Net interest income	875,7	816,3	7,3%	852,6	4,5%
Net fees and commissions	346,7	332,4	4,3%	342,3	3,0%
Other income/expenses	266,8	284,1	-6,1%	269,7	-5,0%
Trading income	55,7	40,3	38,1%	54,6	35,4%
Gross operating income	1.544,8	1.473,0	4,9%	1.519,2	3,1%
Operating expenses	-792,9	-752,3	5,4%	-745,0	-1,0%
Pre-provision profit	752,0	720,7	4,3%	774,2	7,4%
LLP and other provisions	-221,4	-167,7	32,0%	-206,4	23,1%
Extraordinary results	57,3		n.a.		n.a.
Earnings before tax	587,8	552,9	6,3%	567,8	2,7%
Net profit	444,4	403,6	10,1%	412,3	2,1%

* 2018 figures adjusted for comparative purposes due to IFRS16 implementation

P&L account 3Q2019

- in millions of euros -

	Bankinter group				
	3Q19	2Q19	3Q18*	Dif. % 3Q19/2Q19	Dif. % 3Q19/3Q18
Net interest income	307,7	292,6	273,4	5,2%	12,6%
Net fees and commissions	115,3	117,0	107,7	-1,5%	7,1%
Other income/expenses	100,9	67,0	103,5	50,6%	-2,5%
Trading income	16,2	22,7	10,6	-28,7%	52,7%
Gross operating income	540,1	499,3	495,2	8,2%	9,1%
Operating expenses	-278,4	-263,3	-248,5	5,8%	12,1%
Pre-provision profit	261,7	236,0	246,7	10,9%	6,1%
LLP and other provisions	-80,7	-85,0	-51,6	-5,0%	56,5%
Extraordinary results		57,3		n.a.	n.a.
Earnings before tax	181,0	208,3	195,1	-13,1%	-7,3%
Net profit	135,4	164,1	142,4	-17,5%	-5,0%

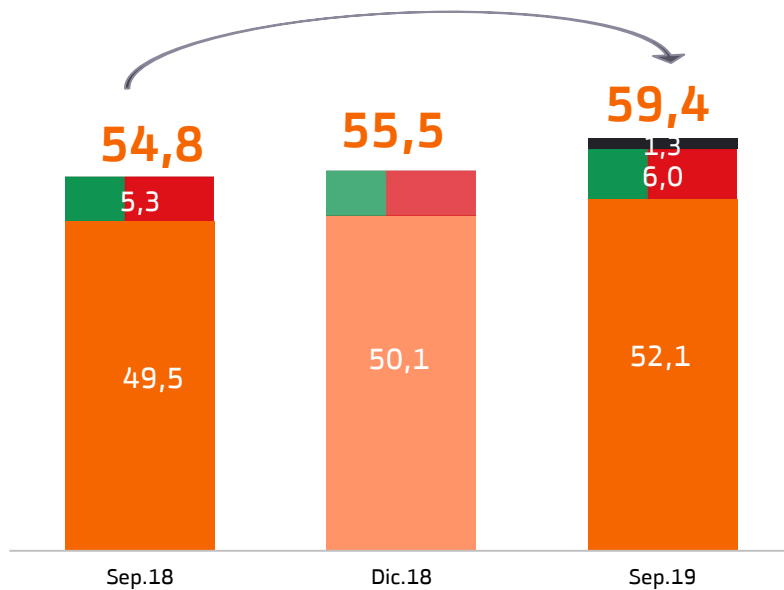
* 2018 figures adjusted for comparative purposes due to IFRS16 implementation

L Loans and receivables

- in billions of euros-

+4,6bn +8,4%

+5% Spain ex-EVO / Sector* -1%

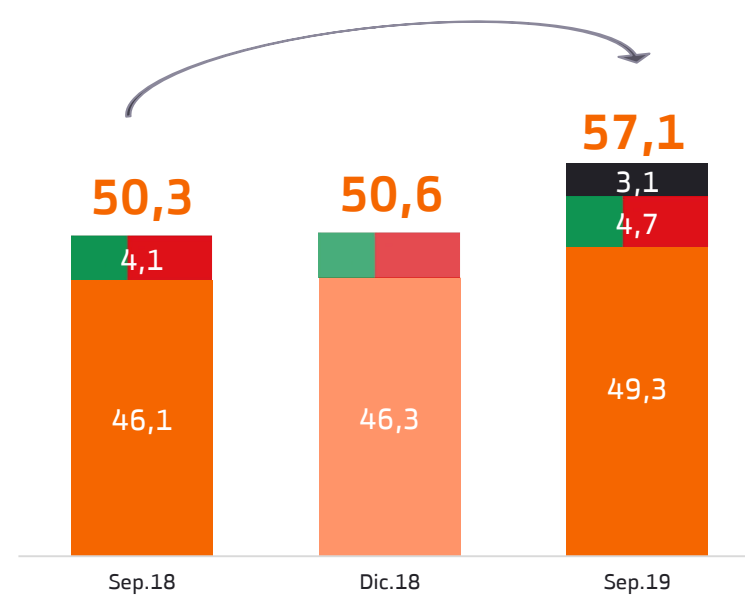


R Retail funds

- in billions of euros-

+6,1bn +13,6%

+7% Spain ex-EVO / Sector* +6%



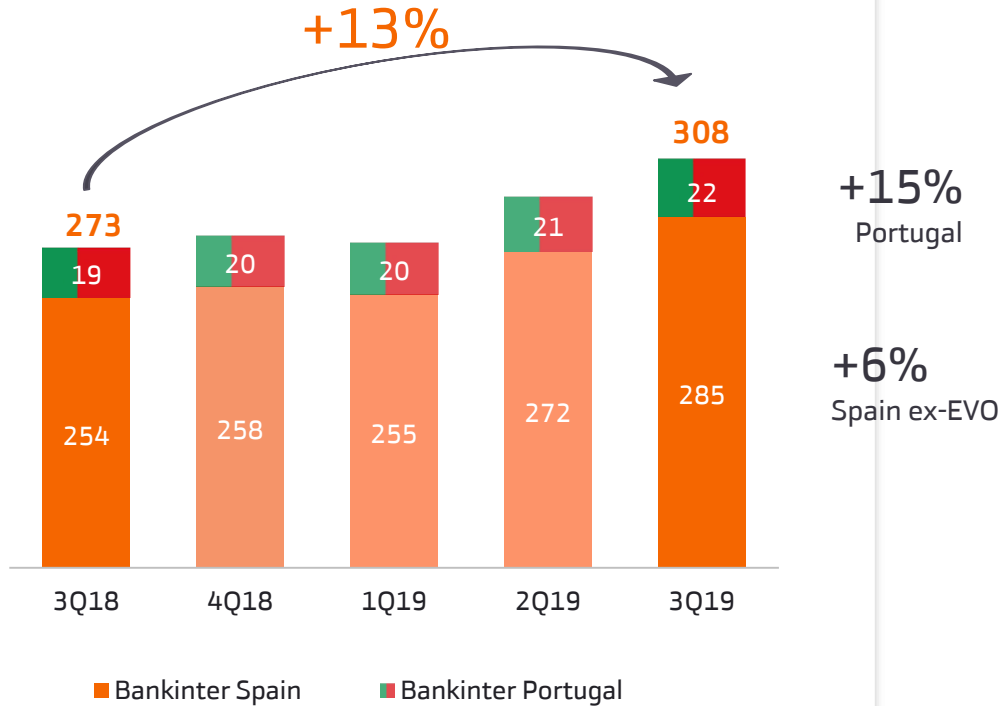
■ EVO ■ Bankinter Portugal ■ Bankinter Spain

NII

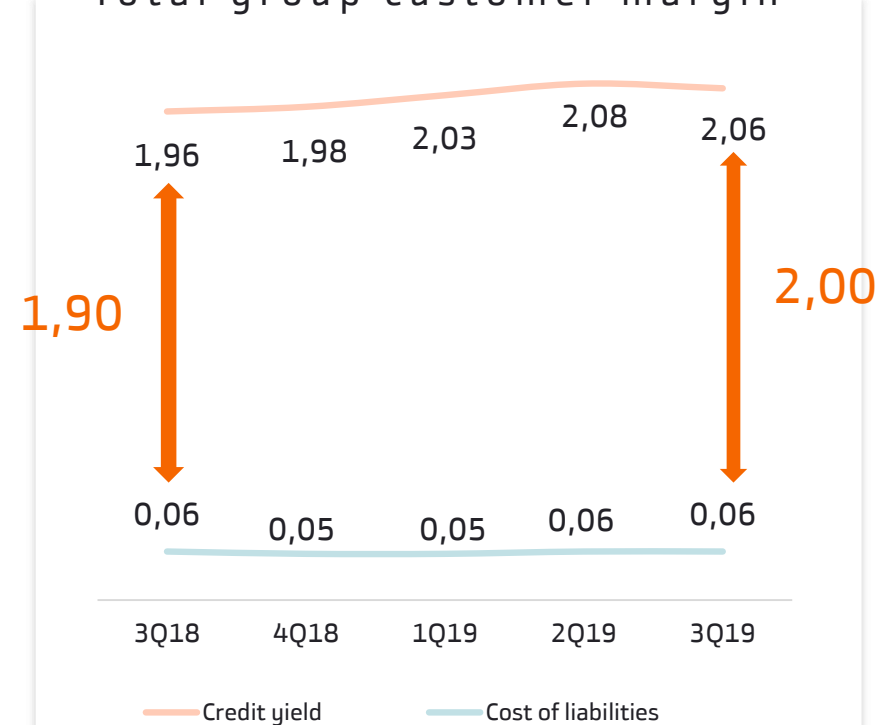
Net Interest Income

- Quarterly performance in millions of euros -

Total group quarterly NII



Total group customer margin



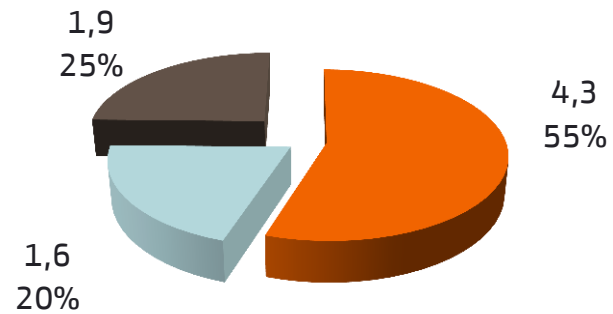
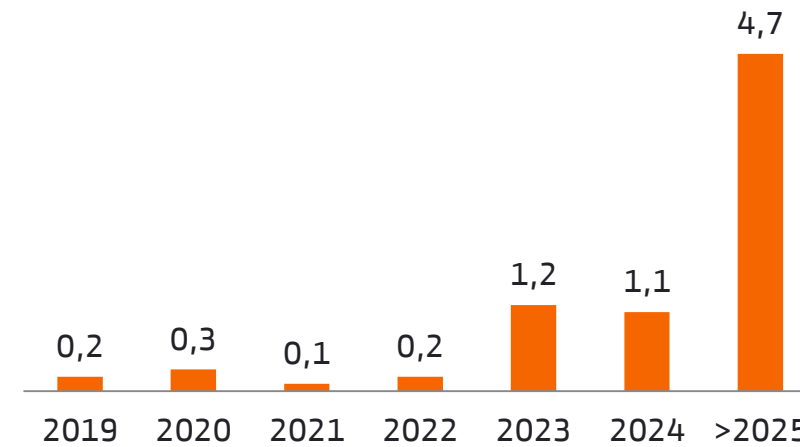
AL

ALCO portfolio

- in billions of euros -

ALCO portfolio	Amort.	Fair Value	Total
Nominal amount (€bn)	3,9	3,8	7,7
Avg. maturity (years)	13,0	4,6	8,9
Yield (%)	1,8	2,2	2,0
Unrealised gains (€bn)	0,47	0,24	0,71

Maturities (bn €)



Spanish sovereign Other sovereign Other

F

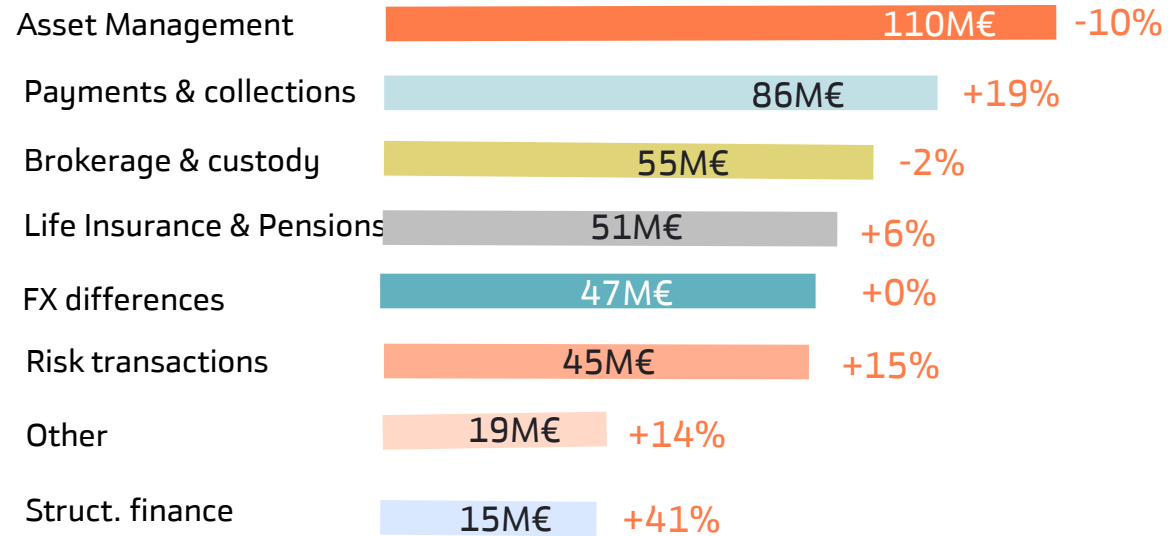
Fee Income

Net fee income
347M€

YoY dif.
+4,3%

Contribution to Total Income
22%

- Breakdown of received fees in millions of euros-



OI

Other Income/Expenses

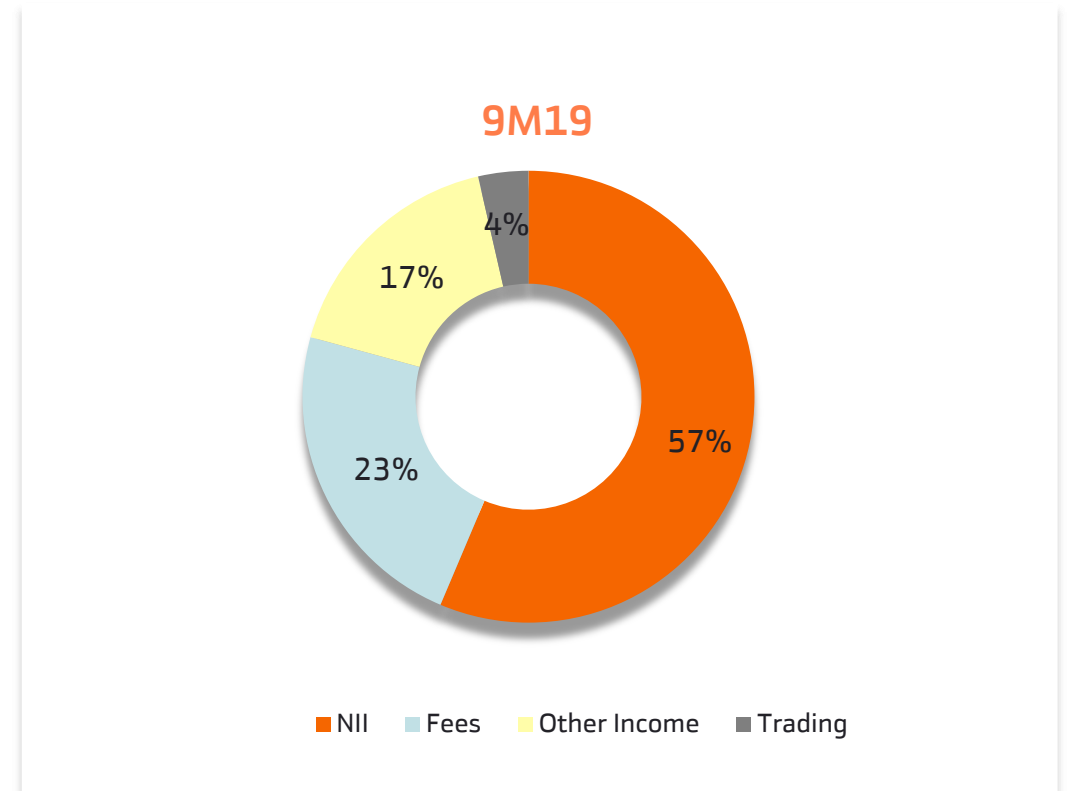
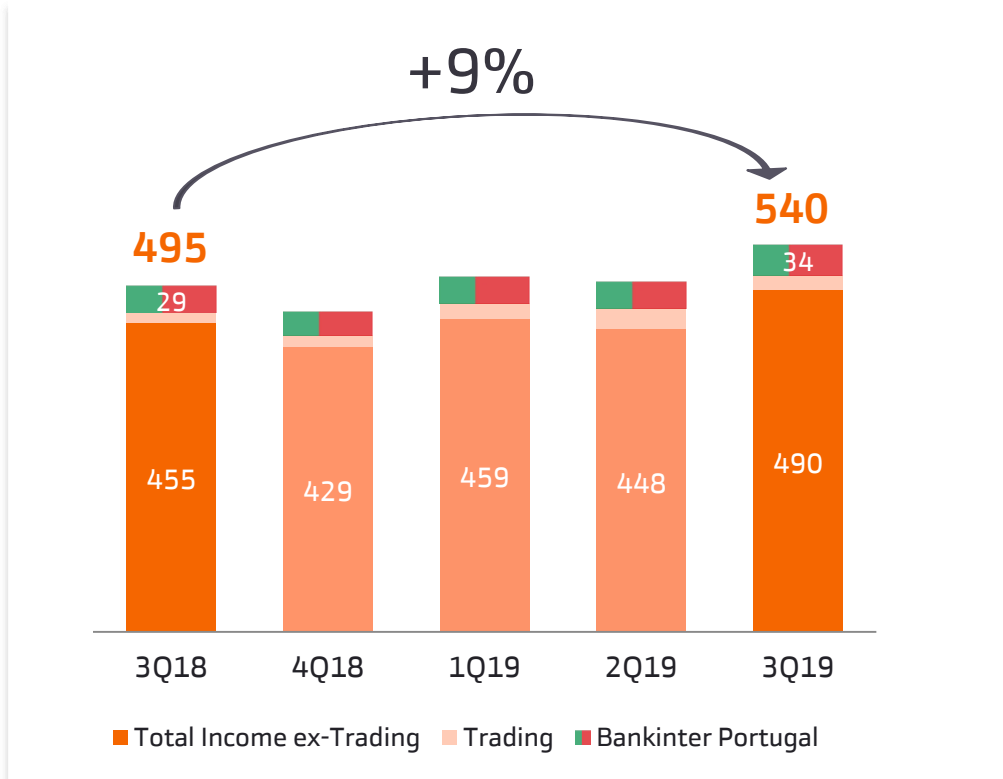
- in millions of euros -

	9M19	9M18	% Dif.
LDA insurance margin	287,3	297,1	-3%
Other income/expenses	-20,5	-13,0	57%
of which regulatory expenses	-43,6	-35,7	22%
Total other operating income	266,8	284,1	-6%

TI

Total Income

- in millions of euros -

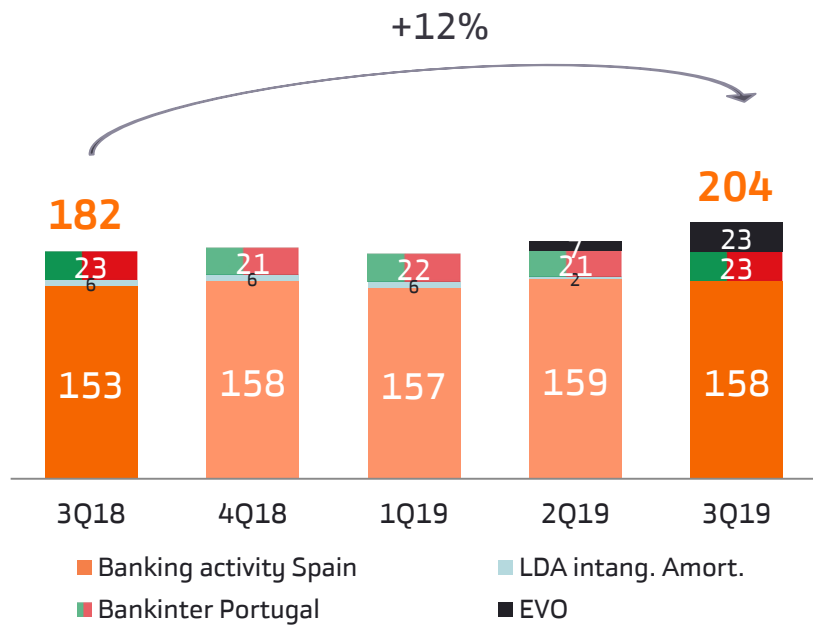


E

Operating expenses

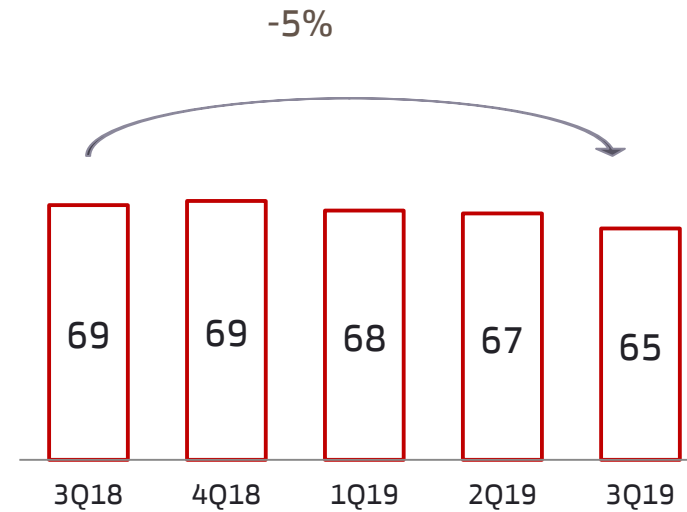
- in millions of euros -

Recurrent Banking expenses



+3%
Spain ex-EVO

Línea Directa



Total expenses
9M19
€793M
+5%

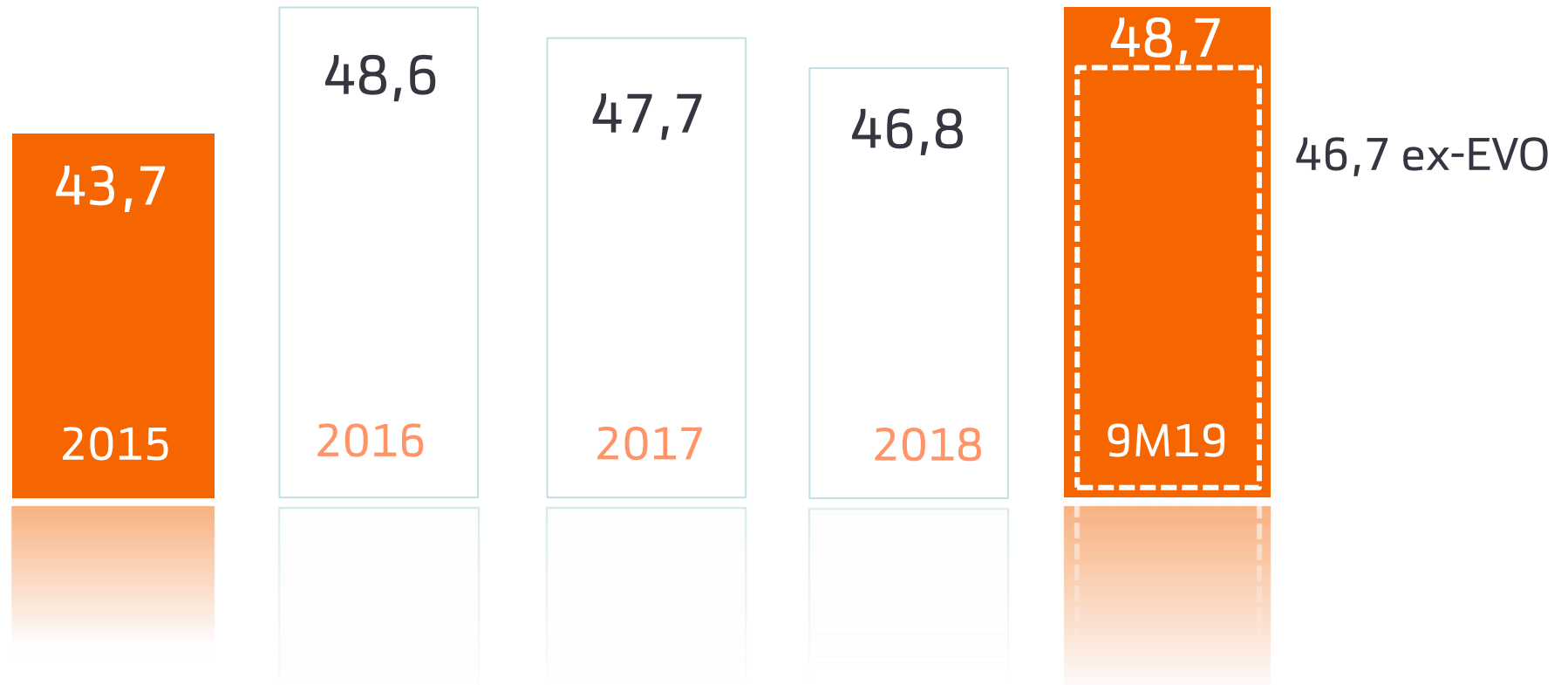
15

RESULTS

C/I

Cost-to-income

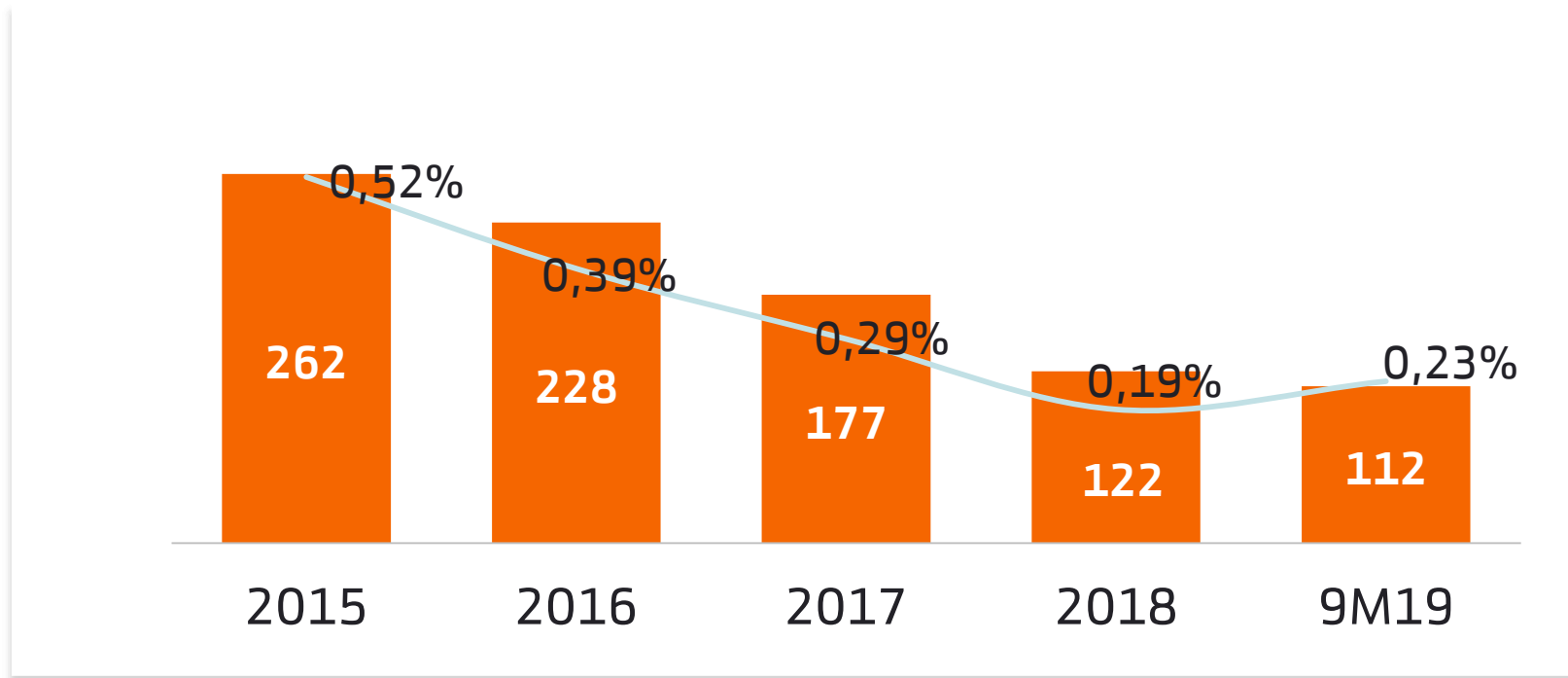
- Including depreciation and amortization -




CR

Cost of Risk

- in millions of euros & % annualized cost of credit risk



* CoR includes impairments and gains/losses on disposals of assets



Risk, Solvency & Liquidity management

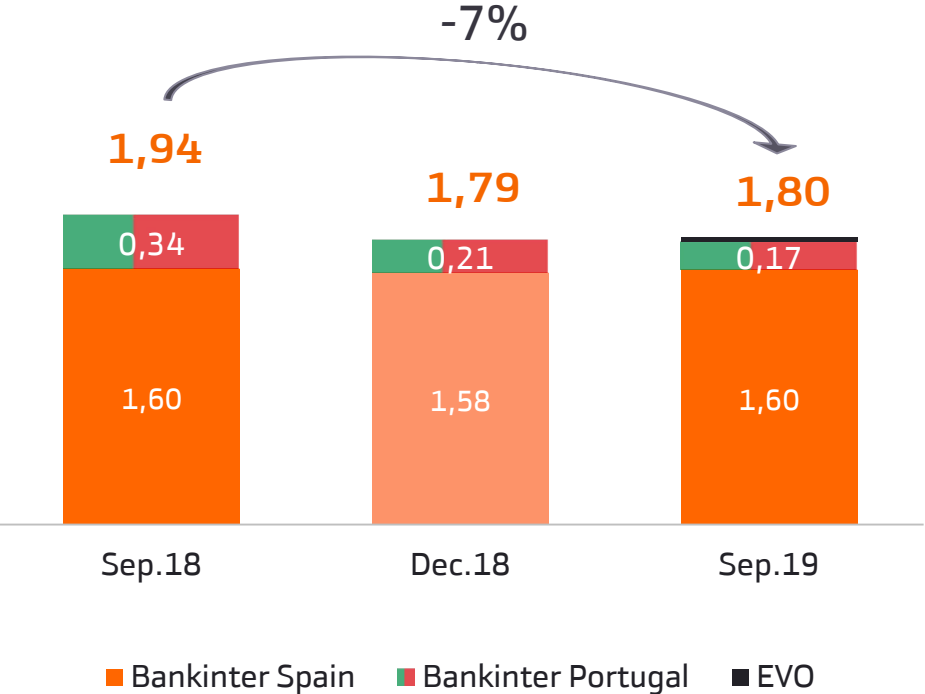
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CR

Credit Risk

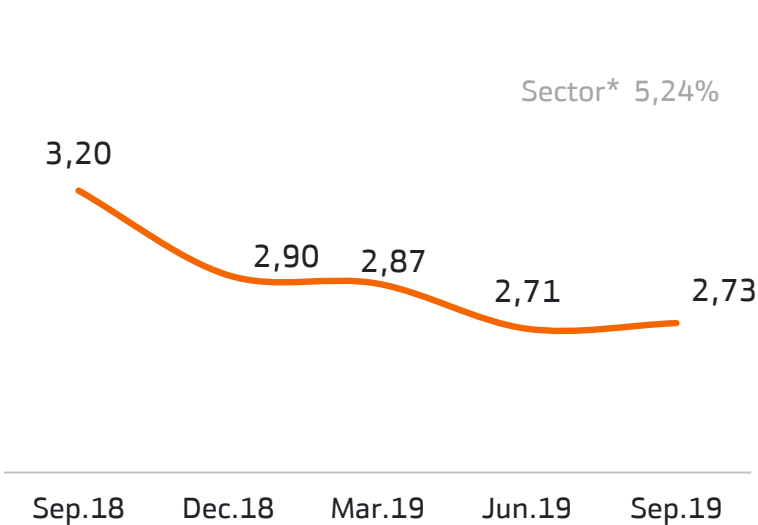
Non-performing loans

- in billions of euros -



NPL ratio

- in % -

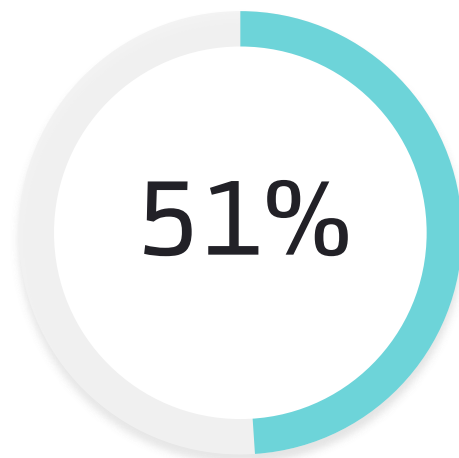


*BdE Aug-19

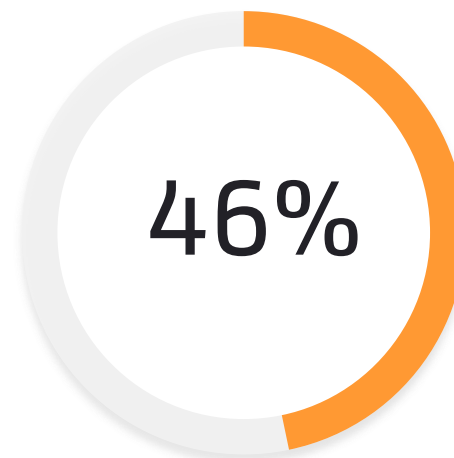
C

Provision coverage

- in % -



NPL coverage



Foreclosed asset coverage

A

Foreclosed assets

- in millions of euros -

September -19

Total balance: €308M

-16%
yoy

Book value of sold assets

€86M

Total price of sold assets

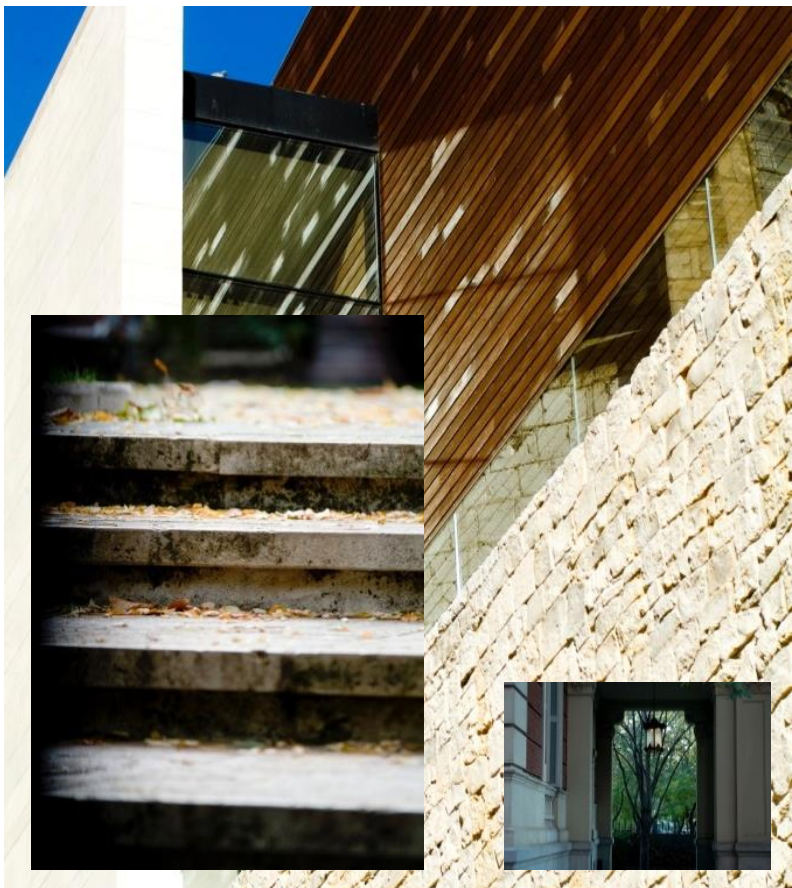
€60M

Average discount on sold assets

-30%

Average coverage on sold assets

33%



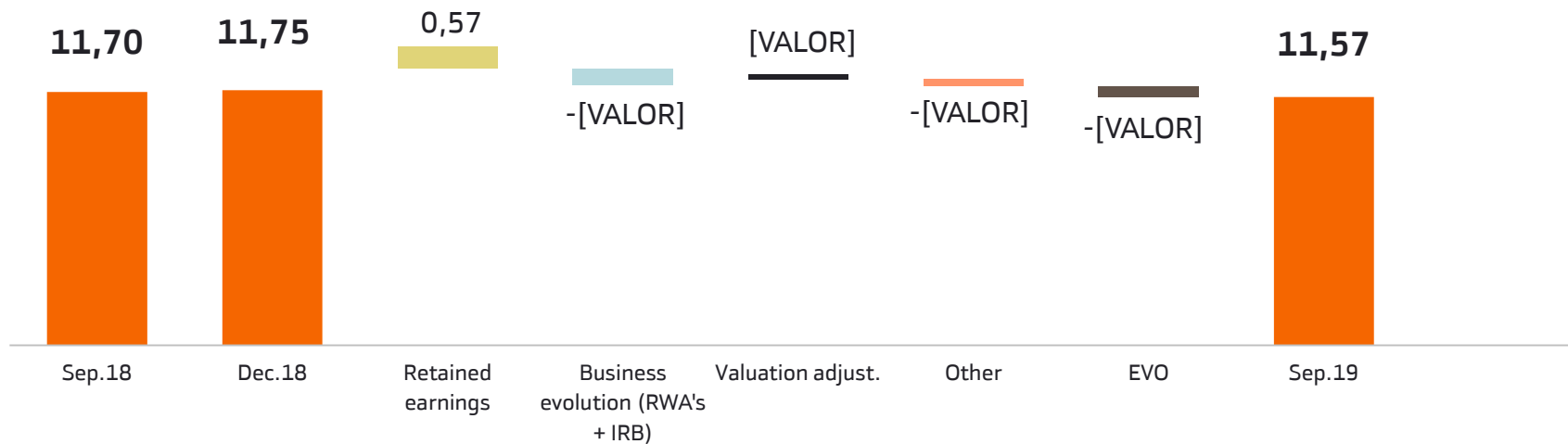
S Solvency

CET 1 "fully loaded"
11,57%

Leverage ratio
4,8%

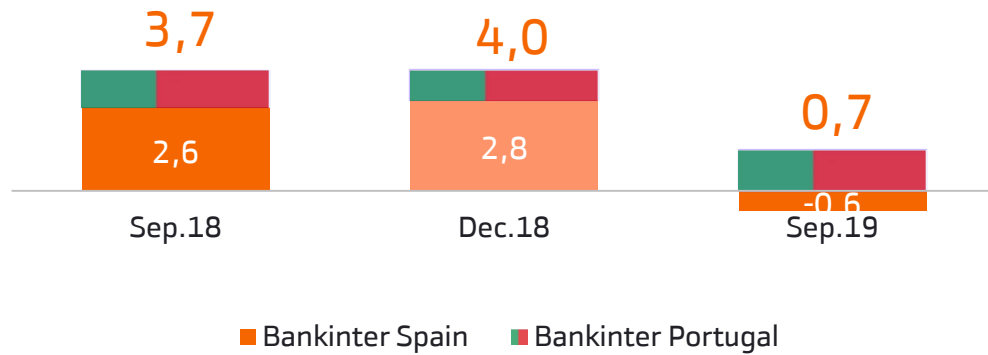
Solvency ratio
13,9%

CET1 "fully loaded" bridge in %

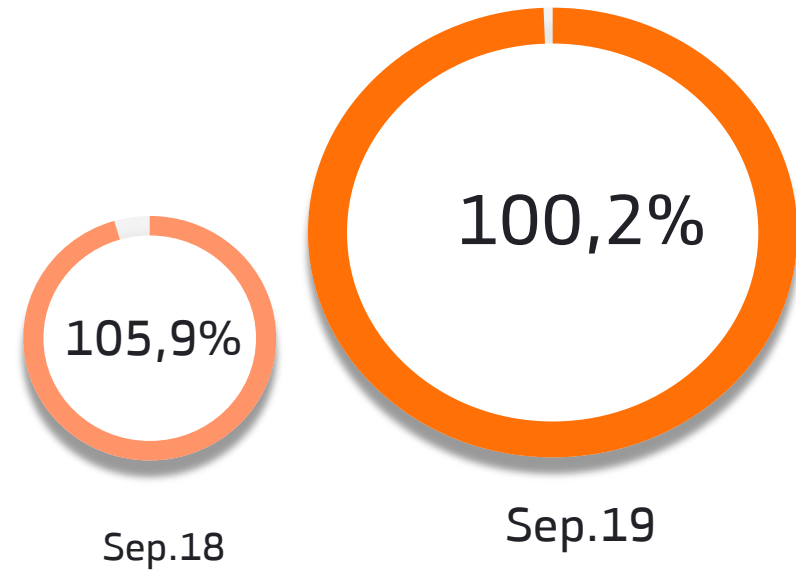


Liquidity

Commercial gap
- in billions of euros -



Loan-to-deposit ratio
- in % -



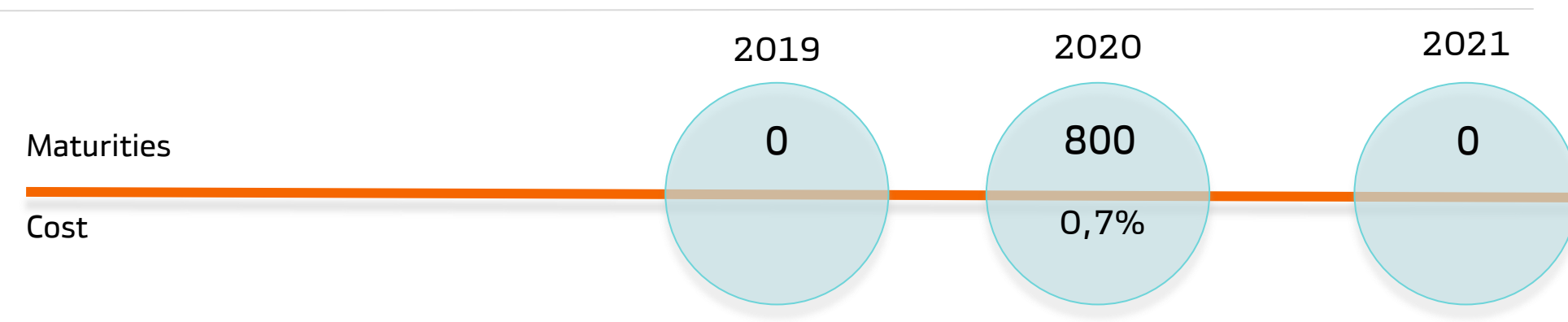


Wholesale funding maturities

- in millions of euros -

Liquid assets

14.700



Covered bond issuance capacity

6.000



B Businesses

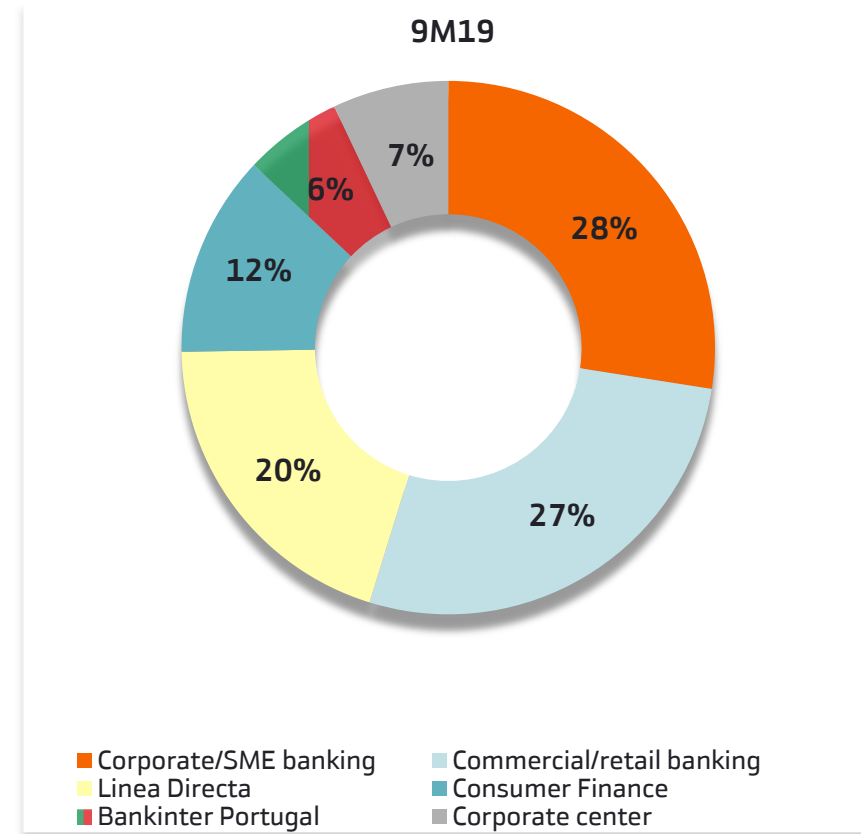
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CB

Contribution to Total Income by business

- in % -

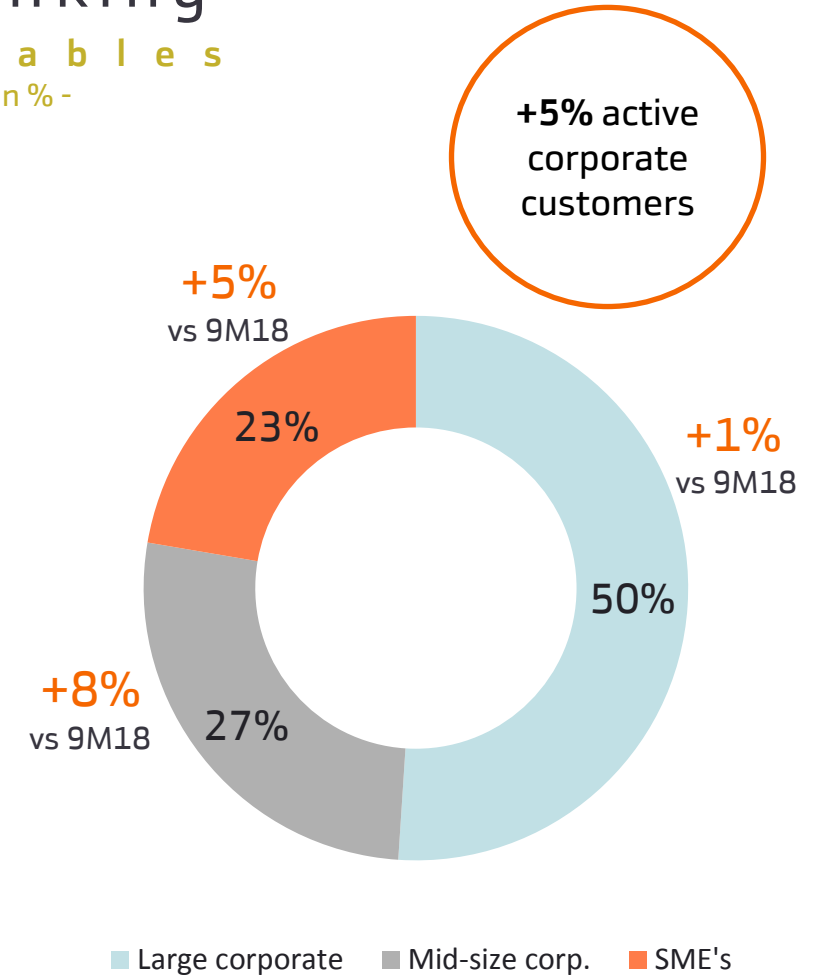
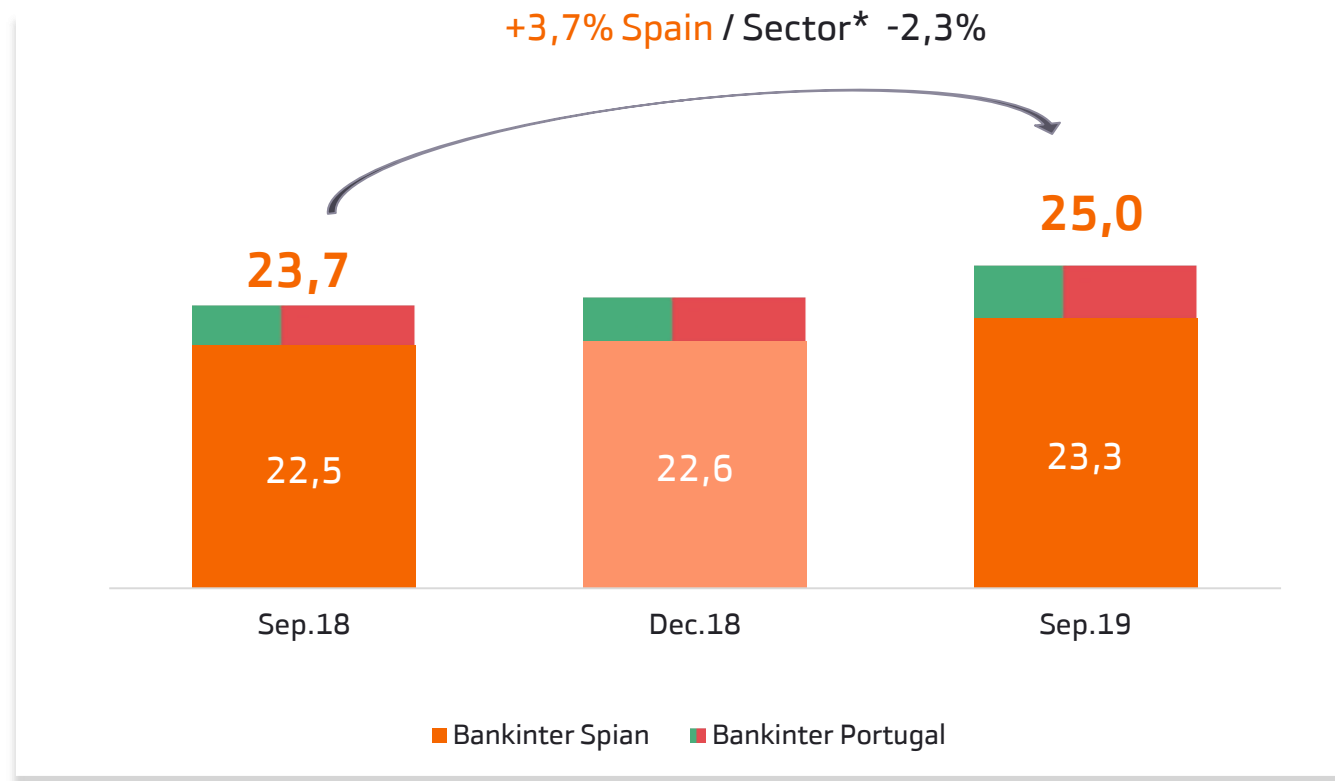


CB

Corporate/ SME banking

Loans and receivables

- in billions of euros and broken down in % -



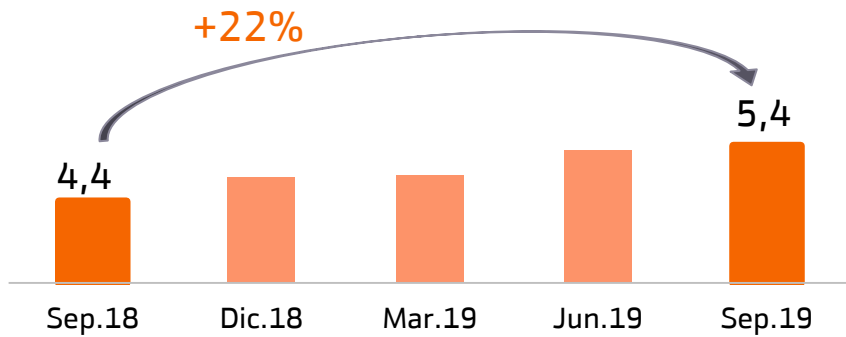
*BdE Agosto-19

CB

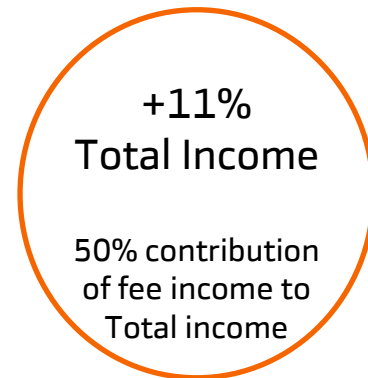
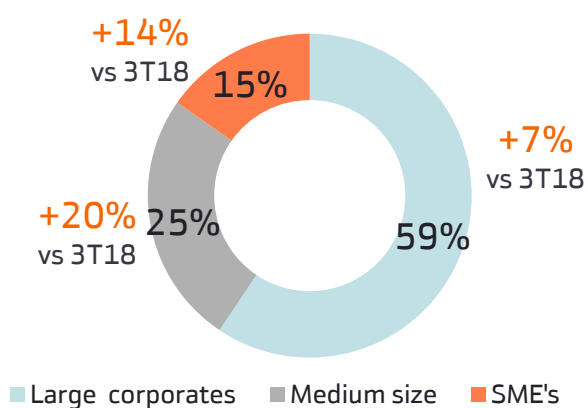
Corporate/ SME banking Income drivers

International trade & export finance

- Loan book in billions of euros -

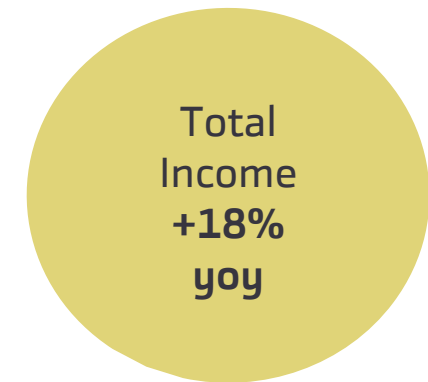
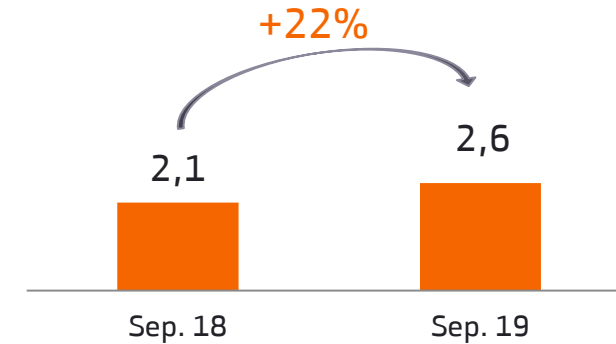


- Total income from International business by segments -



Investment banking

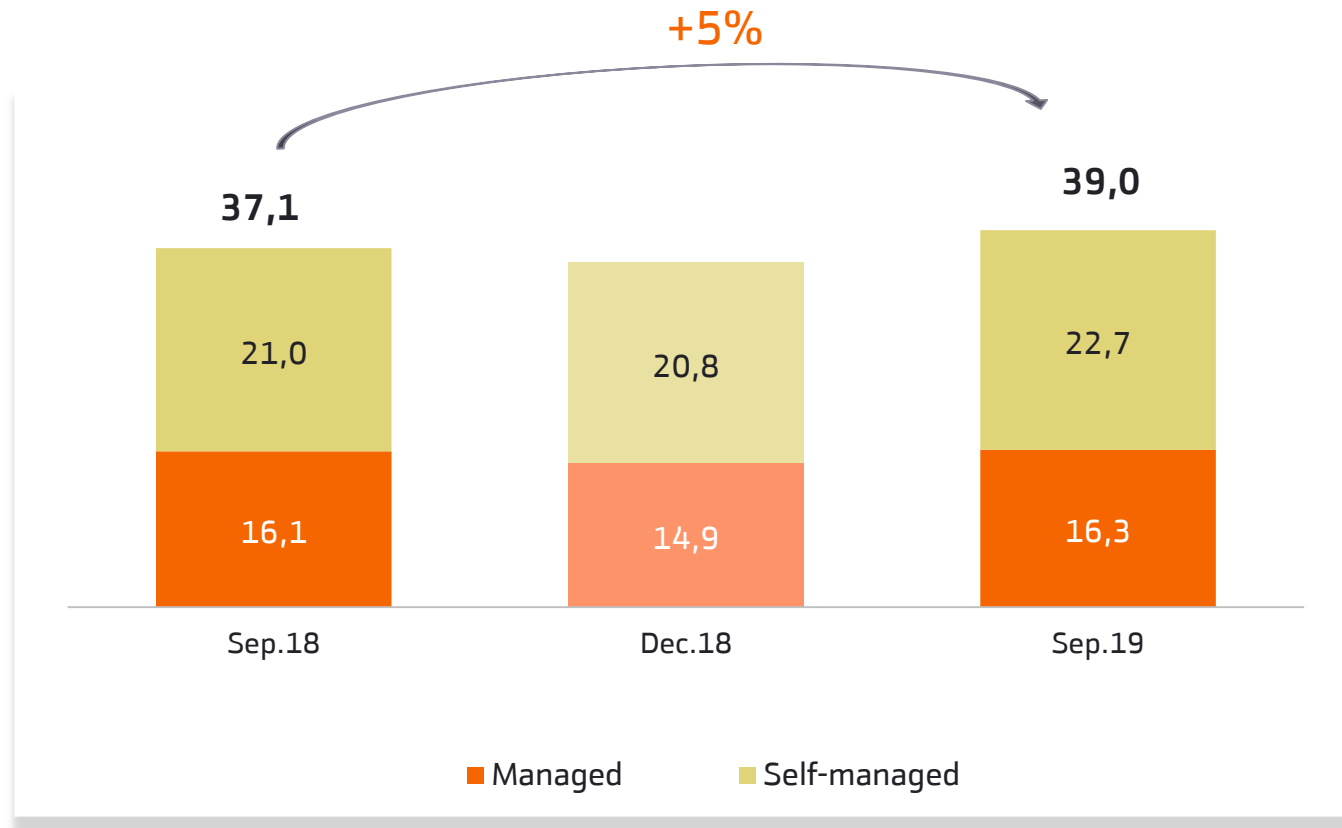
- Loan book in billions of euros -



PB

Banca Privada

Customer assets
- in billions of euros -



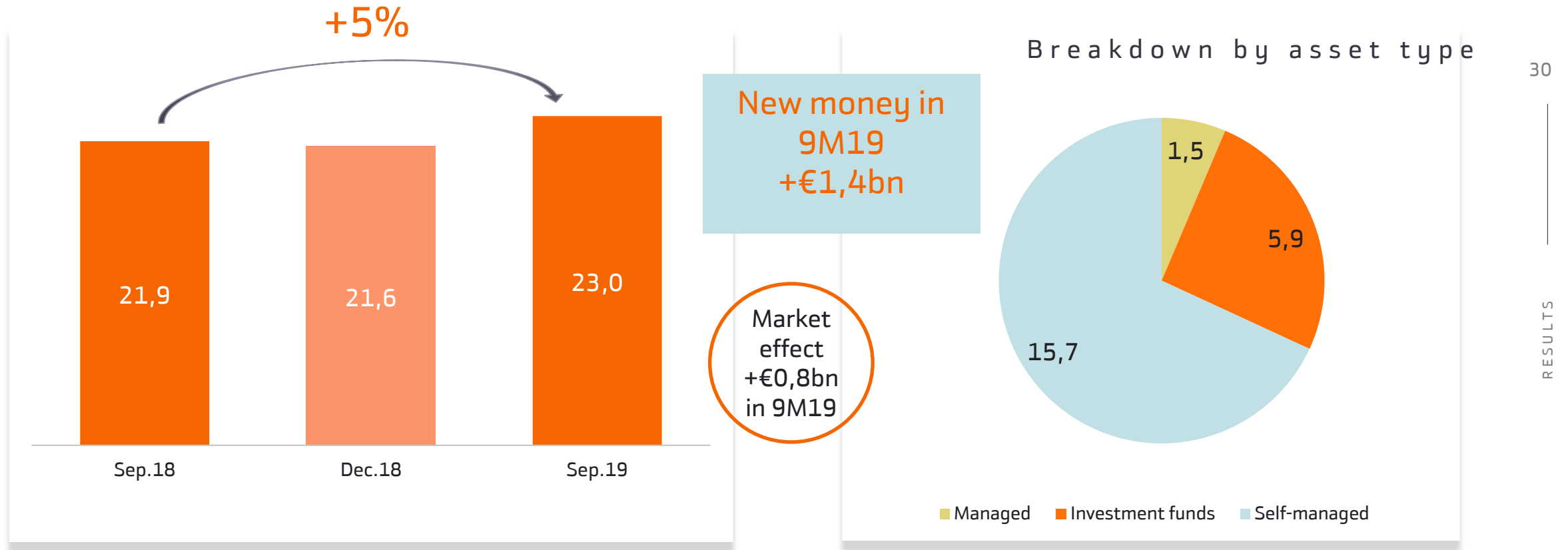
New money in
9M19
+€3,3bn

Market
effect
+€1,2bn
in 9M19

PB

Personal banking

Customer assets
- in billions of euros -



30

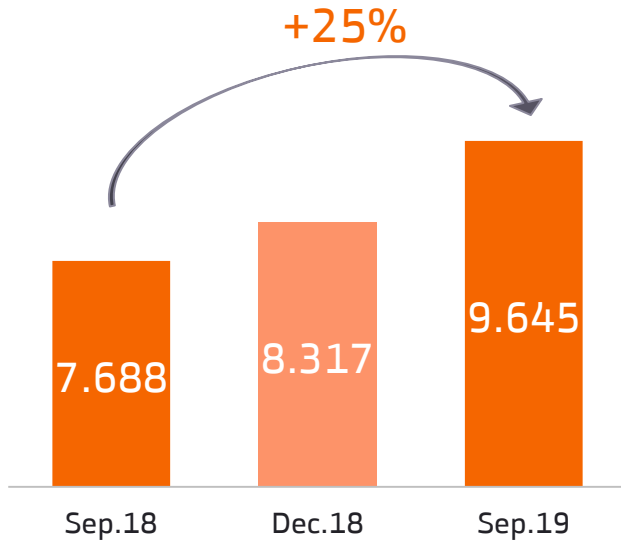
RESULTS

RB

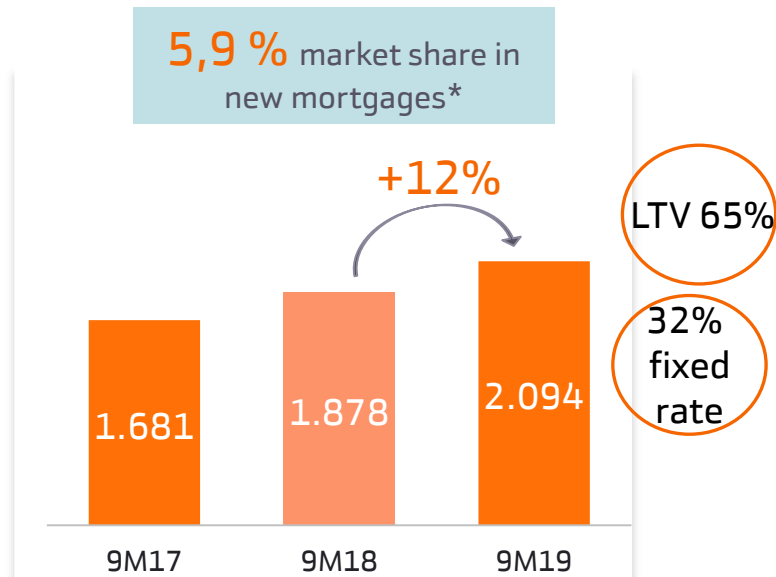
Retail banking

Customer deposits and loans

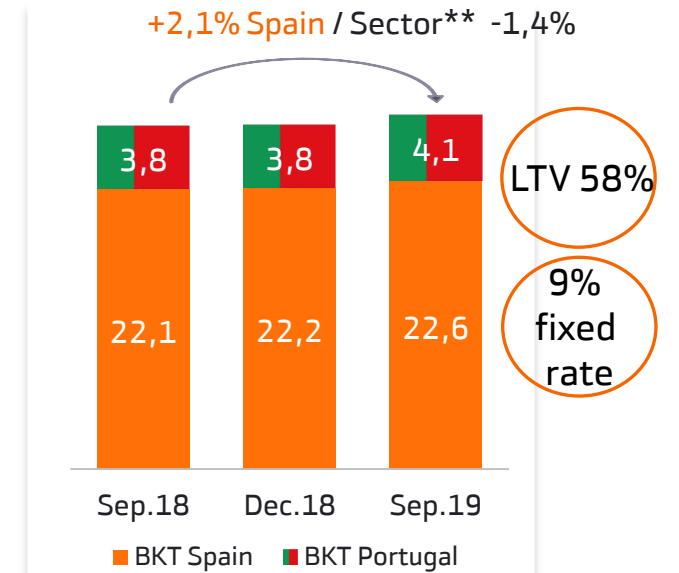
Payroll account balances
- in billions of euros -



New mortgage production
- in millions of euros -



Mortgage stock
- in billions of euros -



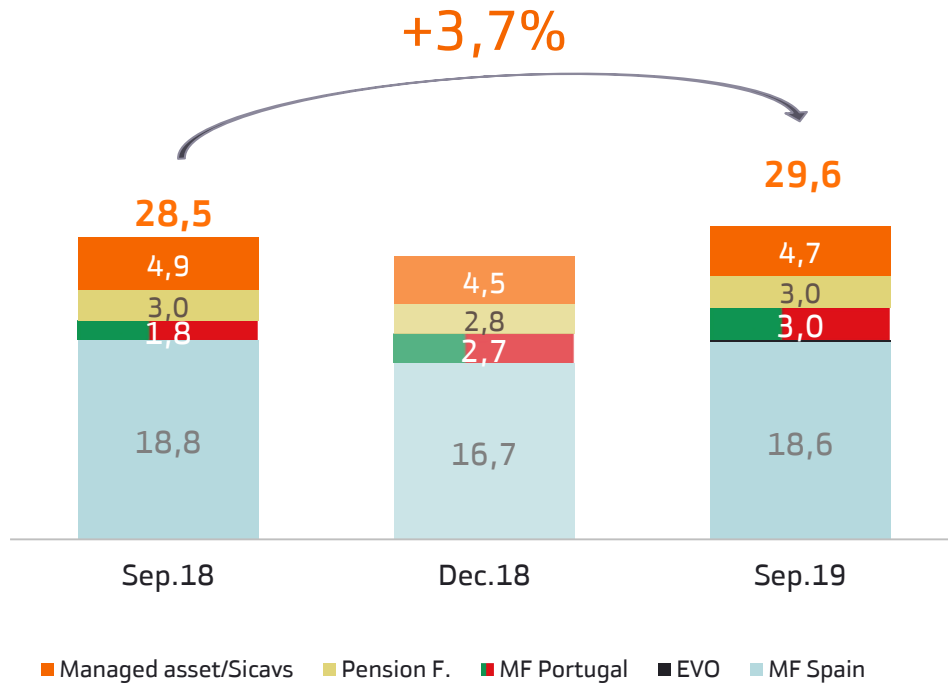
*INE Julio-19 last 12 months

**BdE Aug-19

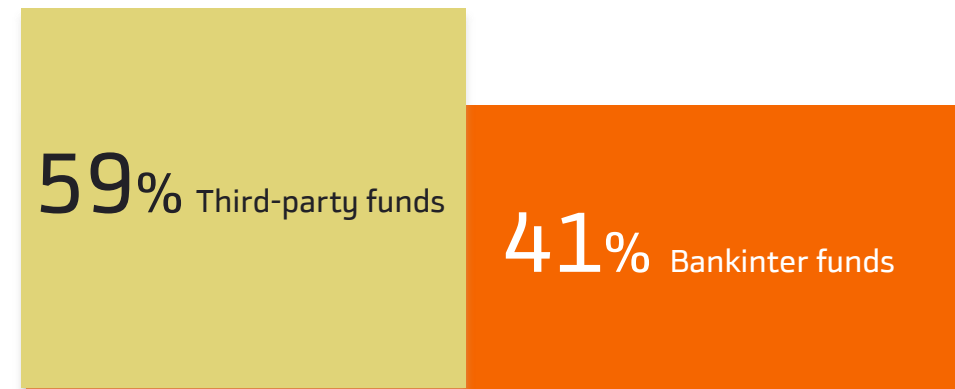
AM

Asset Management

Off-balance sheet funds
- in billions of euros -



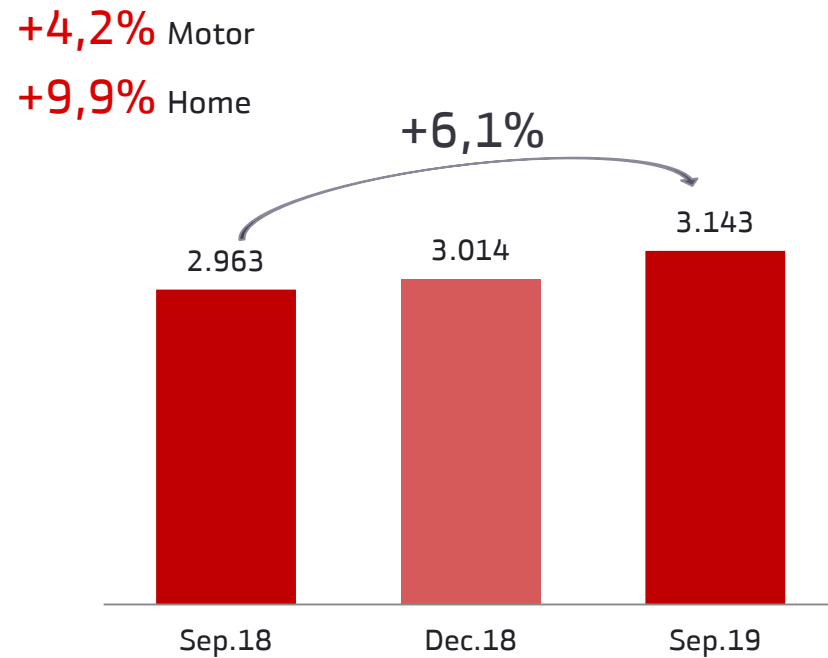
Investment funds by type
- in % -



LD

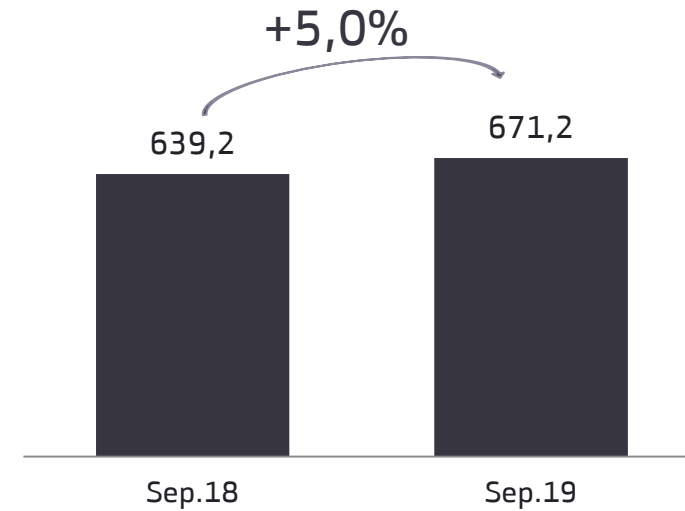
Línea Directa

Number of risks insured
- in thousands -



Issued premiums
- in millions of euros -

+3,1% Motor vs. 1,6% sector*
+10,9% Home vs. 4,3% sector*



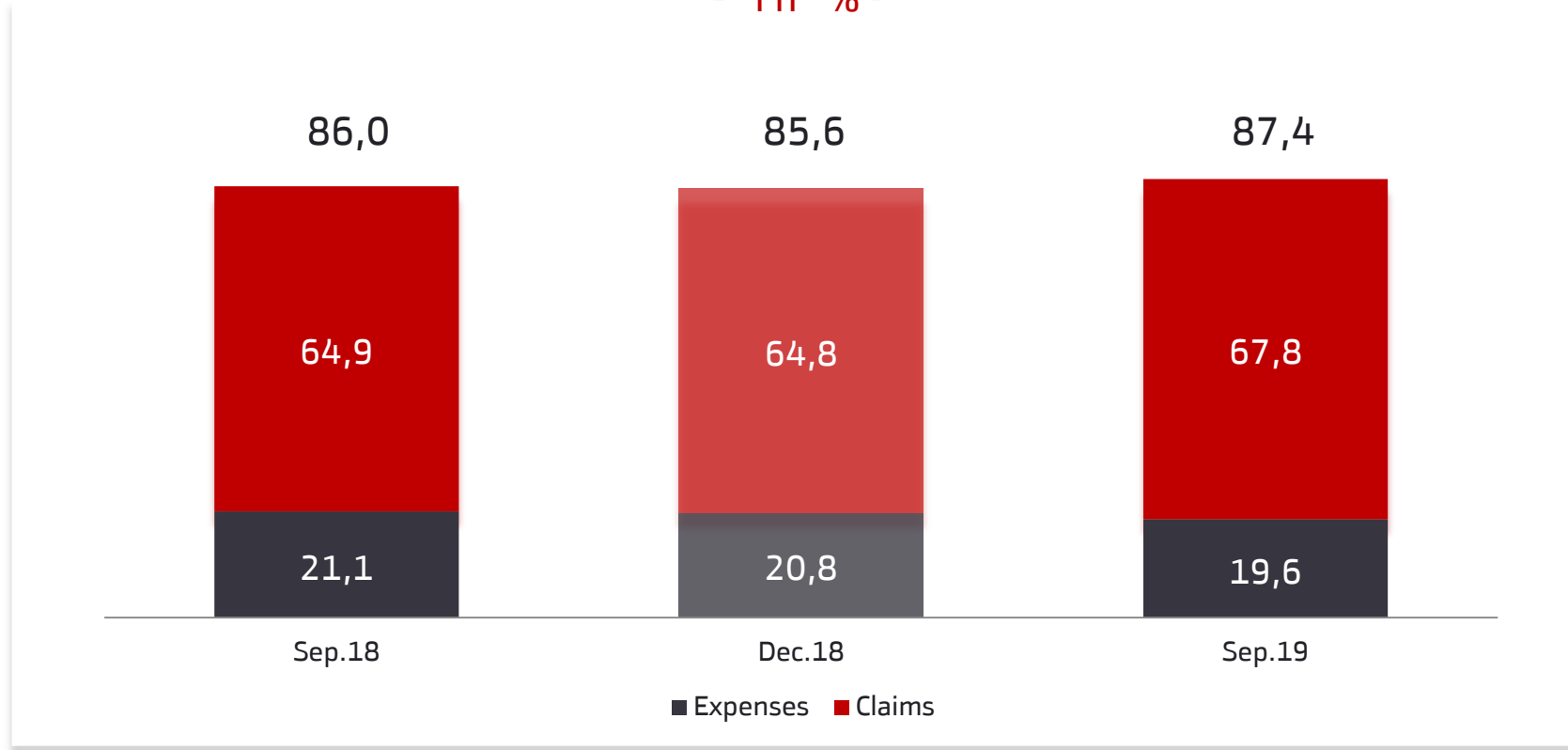
33

RESULTS

LD

Group combined ratio

- in % -



34

RESULTS

LD

P&L account 1Q2019

- in millions of euros -



linea directa

	9M19	9M18	Dif. %
Net written premium	671,2	639,2	5%
Net earned premium	641,4	605,6	6%
Net claims cost	-434,9	-392,9	11%
Operating expenses and other	-125,8	-128,0	-2%
Technical result	80,7	84,7	-5%
Net investment income	21,6	25,0	-13%
Underwriting result	102,3	109,7	-7%
Other income/expenses	5,8	4,5	30%
Earnings before tax	108,1	114,2	-5%
Net profit	81,5	85,7	-5%

ROE

36%

Solvency II ratio

216%

35

RESULTS

BC

Bankinter Consumer Finance

1,4 million

Customers

+ 13% s/9M18

622 millions

New Loans in 9M19

+37% YoY

€2,3bn

Loan book

+27% YoY

€1,1MM Credit cards
(€0,8bn revolving)

€1,2bn Personal loans

Risk-adjusted return

8,4%

NPL ratio

8,9%

Cost of risk

3,5%

NPL coverage

101%

Bk Portugal

Business Indicators

€6,0bn

Loans **+14%** YoY

Retail banking

€4,4bn +8%

Corporate/ SME

€1,6bn +34%

€4,7bn

Retail funds **+15%** YoY

€3,6bn

Off-balance sheet

+7% YoY

P & L account

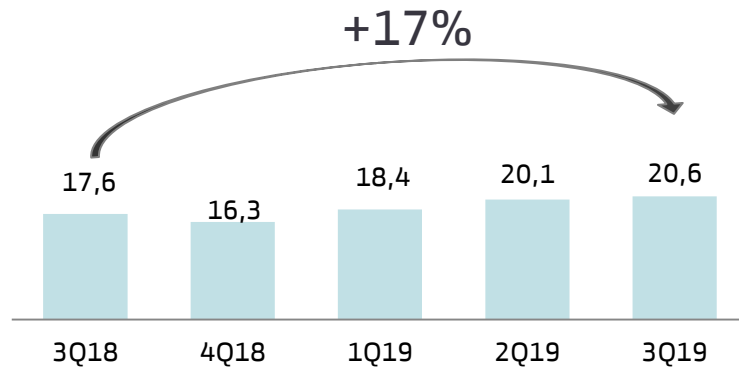
- in millions of euros -

	9M19	9M18	Dif. %
Net Interest Income	63,4	62,6	1%
of which purchased portfolio	4	12	-63%
Net fees and commissions	33	32	4%
Gross operating income	92	93	-1%
Operating expenses	-66	-67	-2%
Pre-provision profit	26	26	1%
LLP and other provisions	25	17	41%
of which purchased portfolio	12	12	-3%
Earnings before tax	51	43	17%

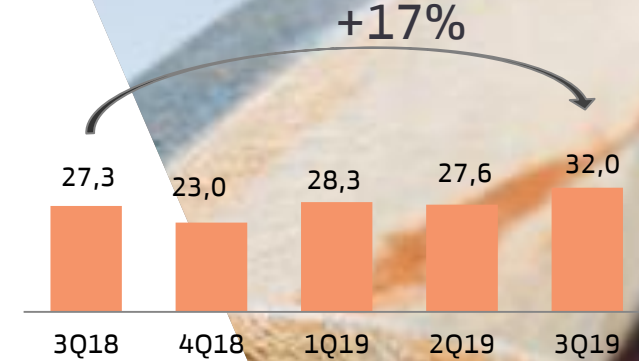
Bk Portugal

Financial indicators

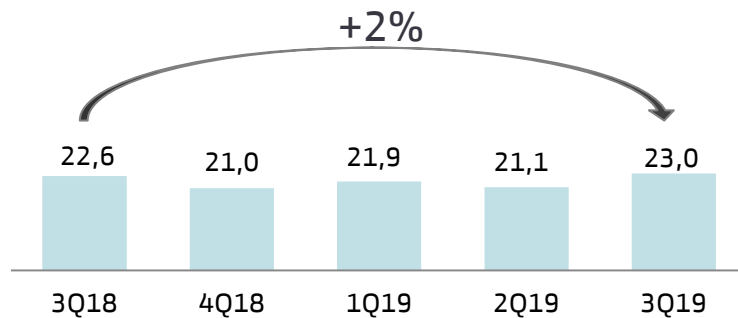
Quarterly recurrent NII
- in millions of euros -



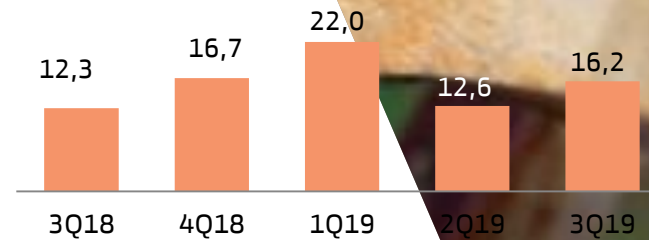
Quarterly recurrent total income
- in millions of euros -



Quarterly op. expenses
- in millions of euros -



Quarterly PBT
- in millions of euros -



EVO

Business Indicators



New customers (jun-sep): 25k

Customer margin: 1,71%

NPL ratio: 1,65%

NPL coverage: 61%



Loan growth: +19% YoY

Customer margin: 12,8%

NPL ratio: 1,34%

Loan book breakdown:
Credit cards 69%
Personal loans 31%



S Summary

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S Summary

€444M

Net Income

+ 10%

€1.545M

Total Income

+ 5%

NII

+ 7%

Fees

+ 4%

Balance sheet

€59bn

Loan book

+ 8%

57MM€

Retail funds

+ 14%

ROE

12,6%

NPL ratio

2,7%

CET1 ratio "FULLY LOADED"

11,6%

RESULTS PRESENTATION

Bankinter Results 9M2019

30 de octubre 2019

bankinter.

MEMBER OF
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Sustainability Indices**
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FTSE4Good

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