

Bankinter
FY2021

Results Presentation

20 January 2022

bankinter.

Member of
**Dow Jones
Sustainability Indices**
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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

KPI's

	2021	vs 2020	vs 2019
Loan Book	€68 bn	+6%	+13%
Gross Operating Income	€1.855M	+9%	+12%
Pre-provision profit	€1.002M	+14%	+19%
NPL ratio	2,24%	-13bps	-27bps
Coverage ratio	64%	+3p.p.	+15p.p.
Group Net Profit	€1.333M	n.a.	n.a.
Net Profit ex-LDA spin-off	€437M	+38%	-21%*
CET1 FL	12,1%	-24bps	+43bps
ROE adjusted ex-LDA spin-off	9,6%	+3p.p.	-3p.p.

* Including the extraordinary €57mn badwill arising from the Evo purchase in 2019

01.
Results

02.
Risk Management

03.
Businesses

04.
Summary



01.

Results



FY2021 Profit & Loss statement

	Bankinter Group				
	2021	2020	2019	Dif. % 21/20	Dif. % 21/19
- in million of euros -					
Net Interest Income	1.275,3	1.247,0	1.167,9	2,3%	9,2%
Net fees and commissions	603,5	496,8	479,0	21,5%	26,0%
Other Income/Expenses	-23,4	-34,7	2,6	32,6%	n.a.
Gross Operating Income	1.855,3	1.709,0	1.649,5	8,6%	12,5%
Operating expenses	-853,2	-828,9	-806,8	2,9%	5,8%
Pre-provision profit	1.002,1	880,2	842,7	13,9%	18,9%
Cost of risk and other provisions	-465,4	-649,6	-297,8	28,4%	n.a.
Net income ex-LDA spin-off	437,4	317,1	550,7	37,9%	-20,6%
Total Group Net Income	1.333,1	317,1	550,7	n.a.	n.a.

4Q21 Profit & Loss statement

	Bankinter Group				
	4Q21	3Q21	4Q20	Dif. % QoQ	Dif. % YoY
- in million of euros -					
Net Interest Income	320,2	315,7	320,0	1,4%	0,1%
Net fees and commissions	160,8	177,8	138,2	-9,5%	16,3%
Other Income/Expenses	-48,6	14,7	-45,5	n.a.	6,8%
Gross Operating Income	432,4	508,2	412,8	-14,9%	4,8%
Operating expenses	-229,0	-213,6	-227,2	7,2%	0,8%
Pre-provision profit	203,5	294,6	185,5	-30,9%	9,7%
Cost of risk and other provisions	-109,5	-139,4	-108,3	-21,4%	1,2%
Total Group Net Income	82,5	110,4	97,1	-25,3%	-15,0%

Results Balance sheet

Loan book

In billion of euros



+3,7bn

+5,7%



■ Bankinter (ESP+PT+IRL) ■ EVO Banco

Retail funds

In billion of euros



+7,5bn

+11,5%



*BdE as of November-21

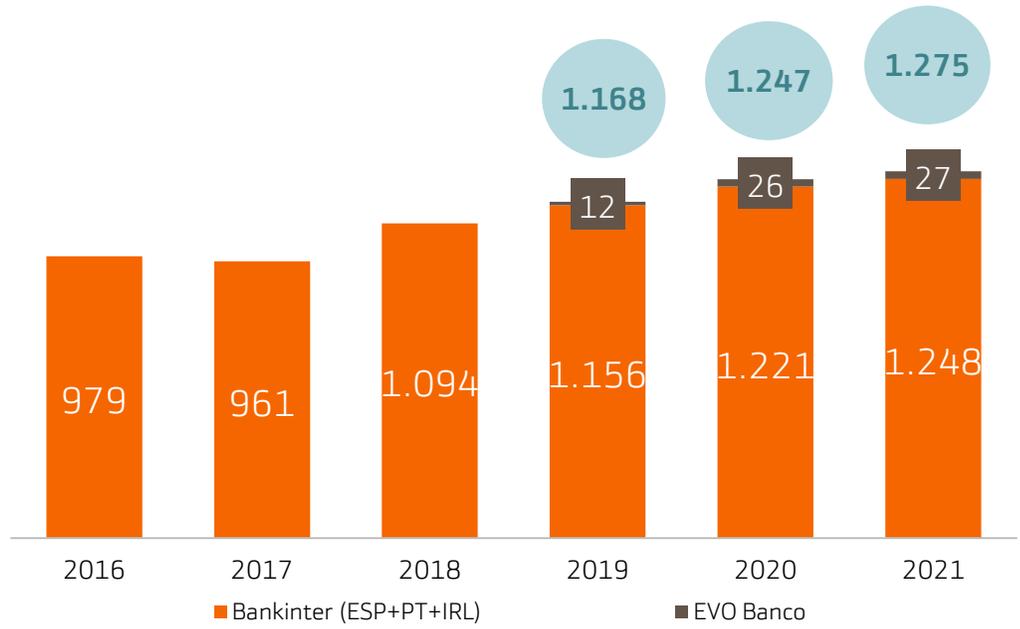
Net Interest Income

NII

In million of euros

+2,3%
vs 2020

+9,2%
vs 2019



Customer margin

in %



ALCO portfolio

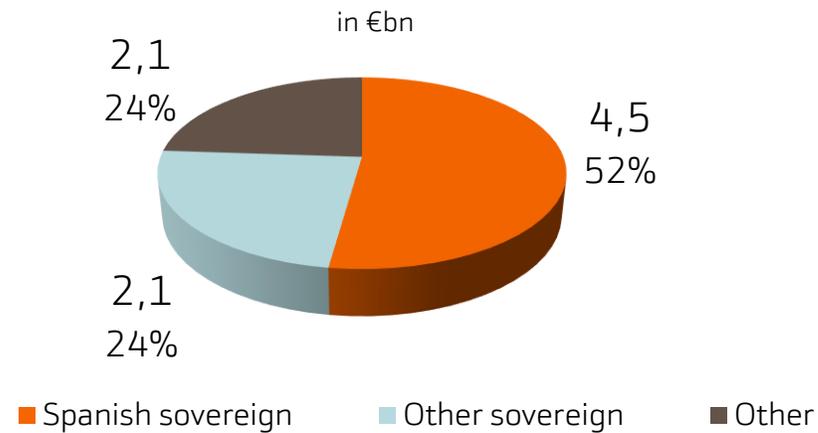
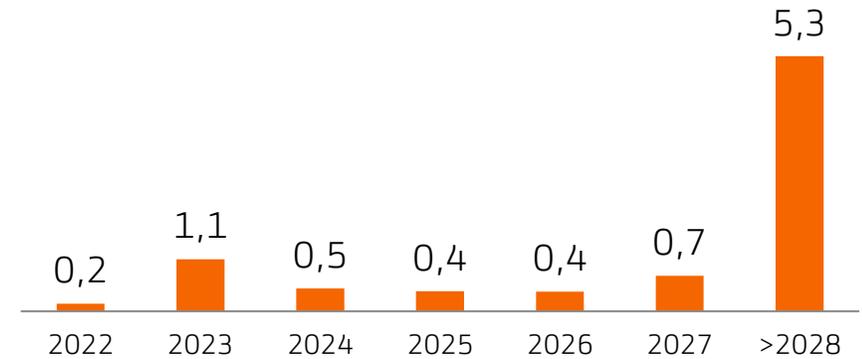
Alco portfolio

In billion of euros

	Amort.	Fair Value	Total
Nominal amount (€bn)	6,6	2,1	8,6
Duration (years)	5,3	2,0	4,5
Avg. maturity (years)	10,7	2,7	8,8
Yield (%)	1,3	3,0	1,7
Unrealised gains (€bn)	0,36	0,07	0,43

Maturities

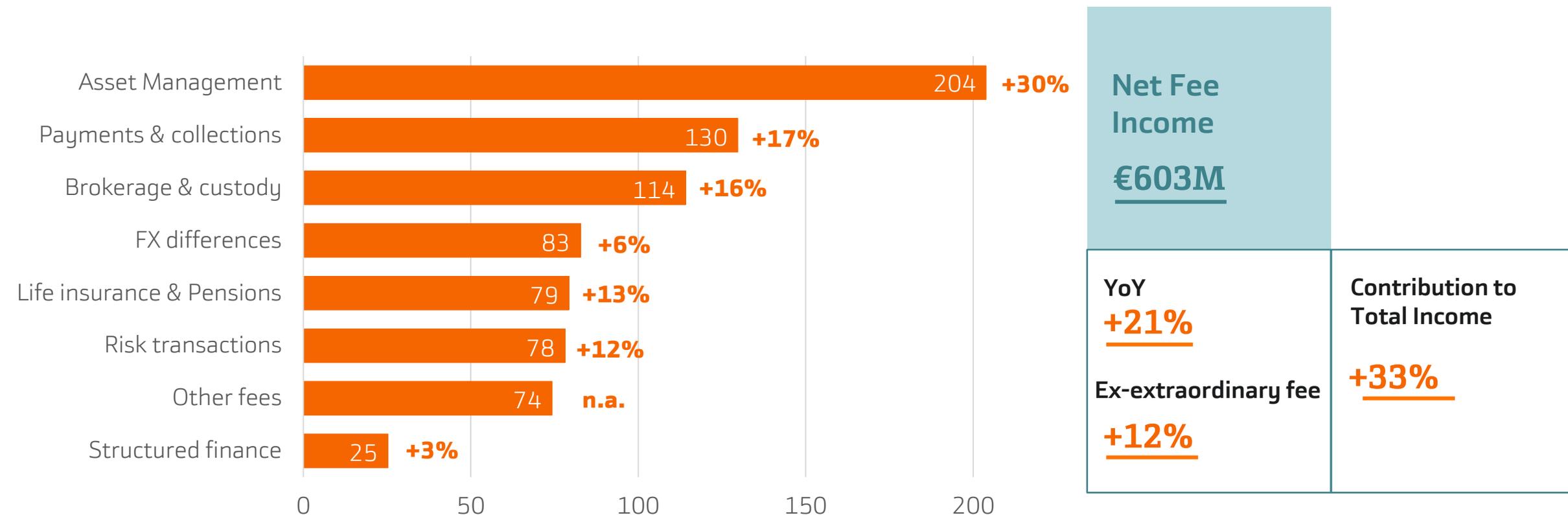
In billion of euros



Fee Income

Breakdown of fees received in 2021

In million of euros



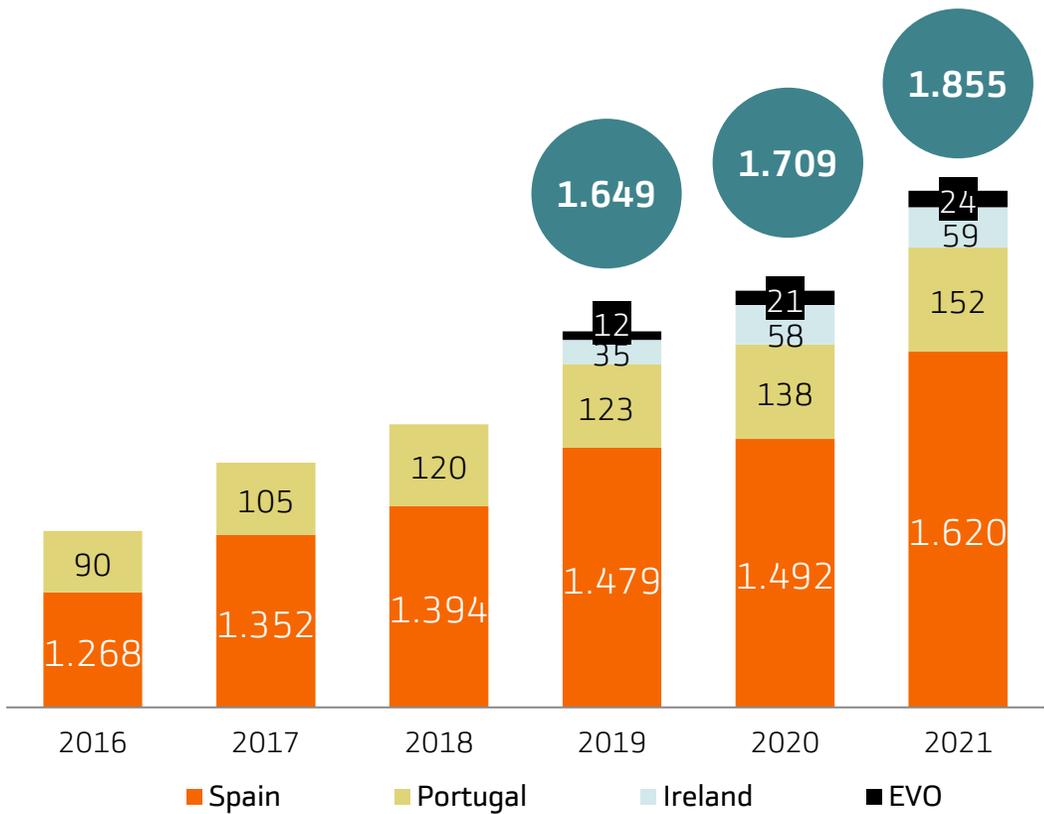
Other Income / Expenses

In million of euros	2021	2020	Dif. €	% Dif.
Equity method	33,4	28,8	4,6	16%
Trading income / losses / Dividends	94,9	68,1	26,8	39%
Regulatory charges	-123,6	-116,5	-7,1	6,1%
Other operating income/expenses	-28,0	-15,1	-12,9	85,7%
Total	-23,4	-34,7	11,3	32,6%

Total Operating Income

Total Income

In million of euros

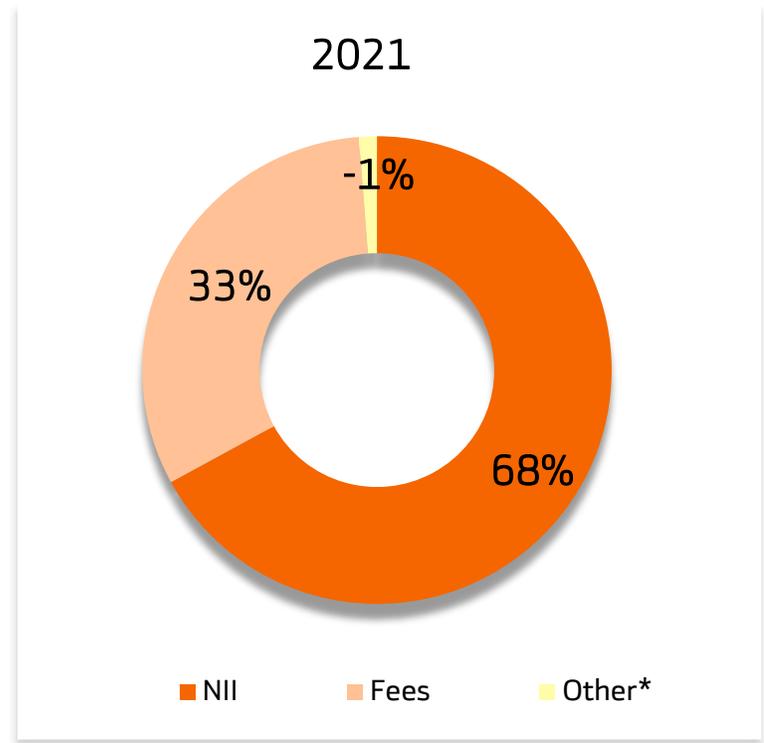


+8,6%
vs 2020

+12,5%
vs 2019

Contribution by income type

In % of total income



* Including regulatory charges

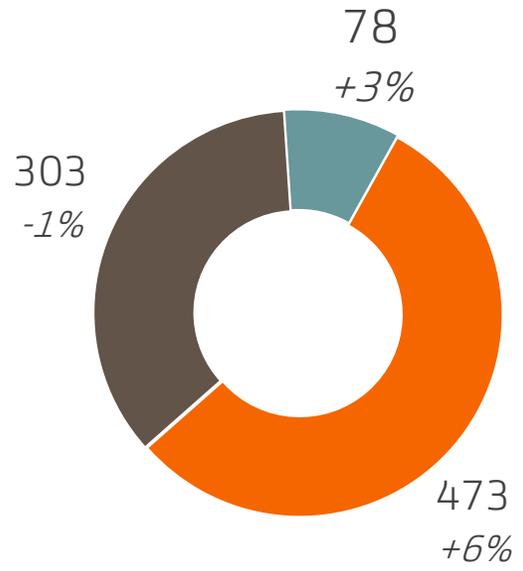
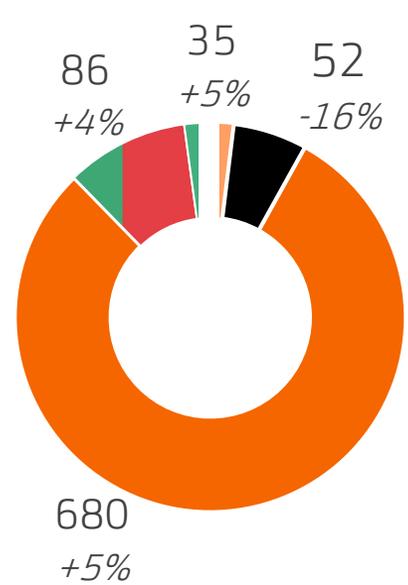
Operating expenses

Total expenses

In million of euros and YoY in %

€853M

+2,9% vs2020



- Spain
- Ireland
- Portugal
- EVO

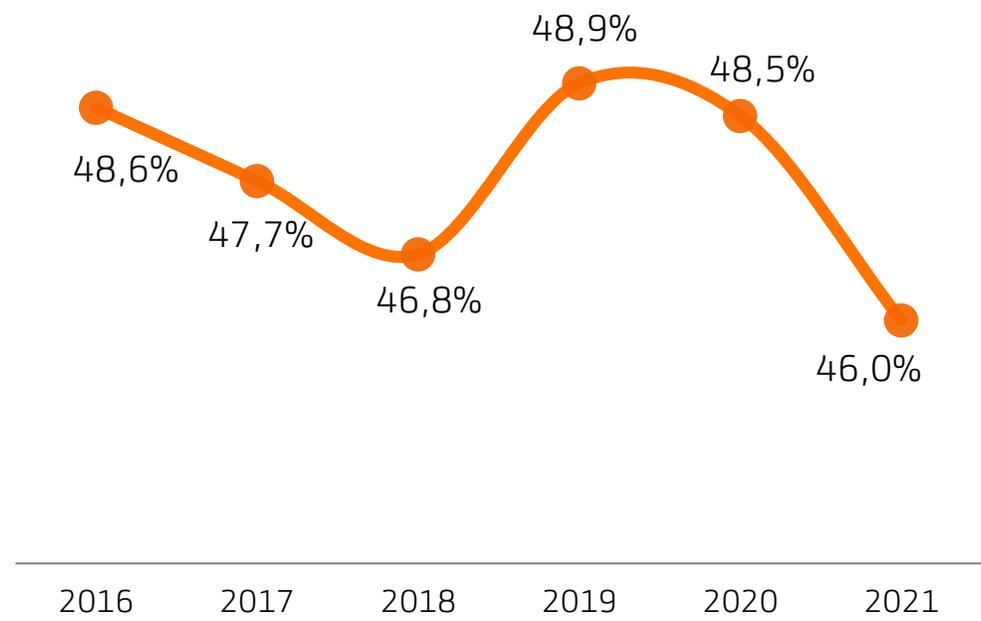
- Personal expenses
- General expenses
- D&A

Cost-to-income ratio

in %

C/I in BKT Spain 2021

42,1%

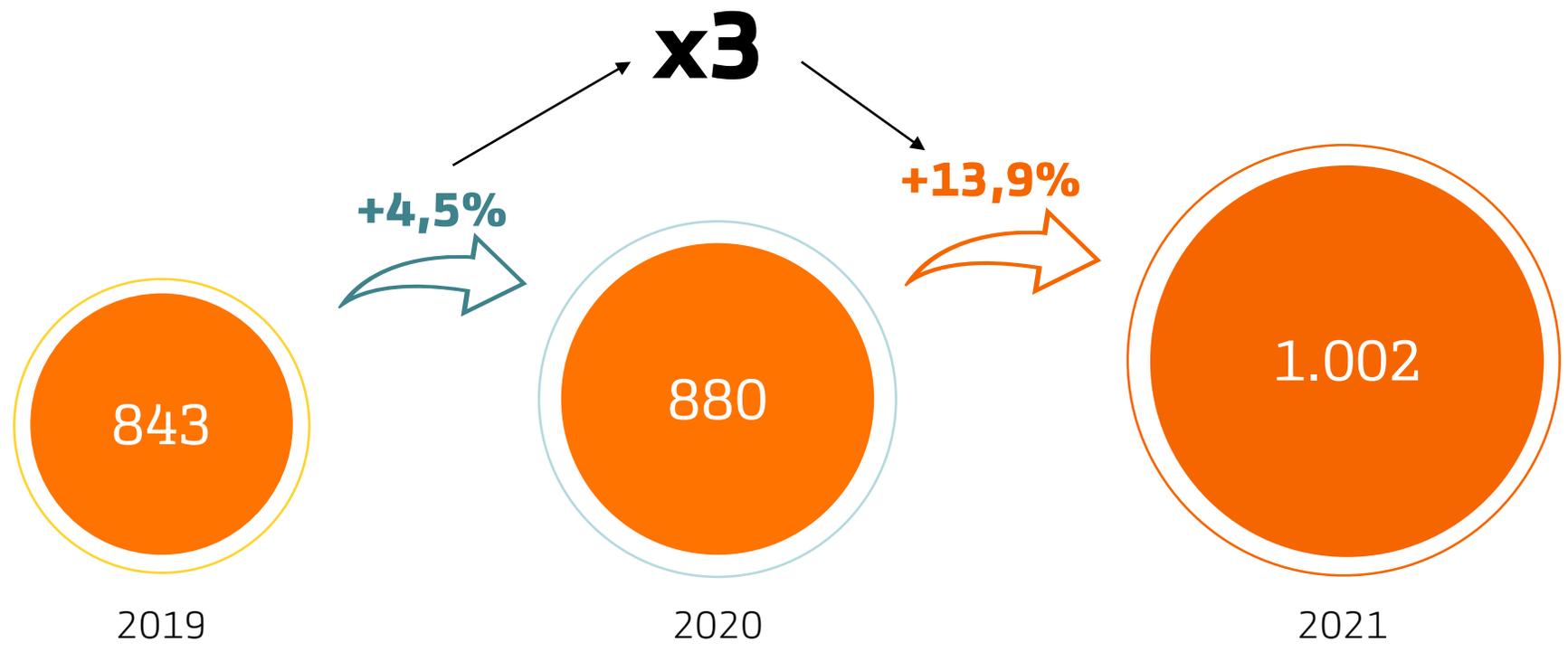


14 Results 2021

Pre-Provision Profit

PPP

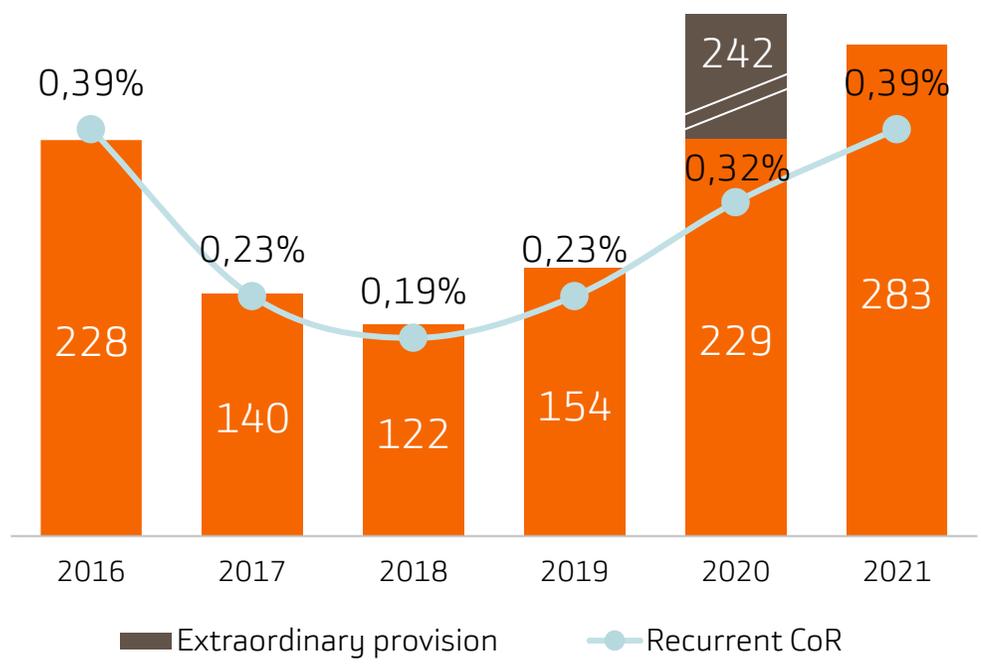
In million of euros and YoY in %



Cost of risk & Other provisions

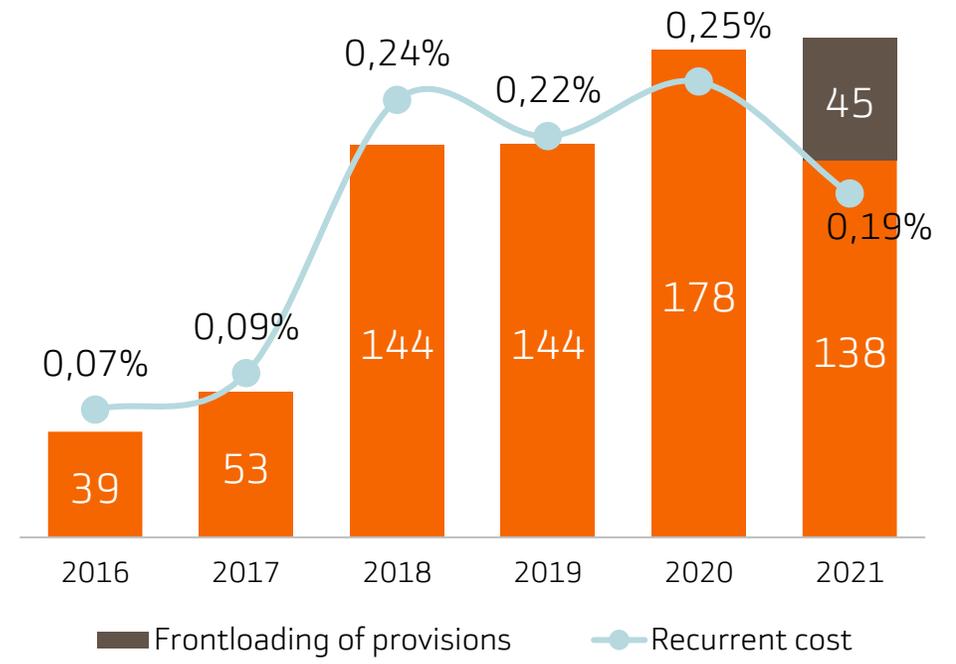
Cost of Credit risk

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



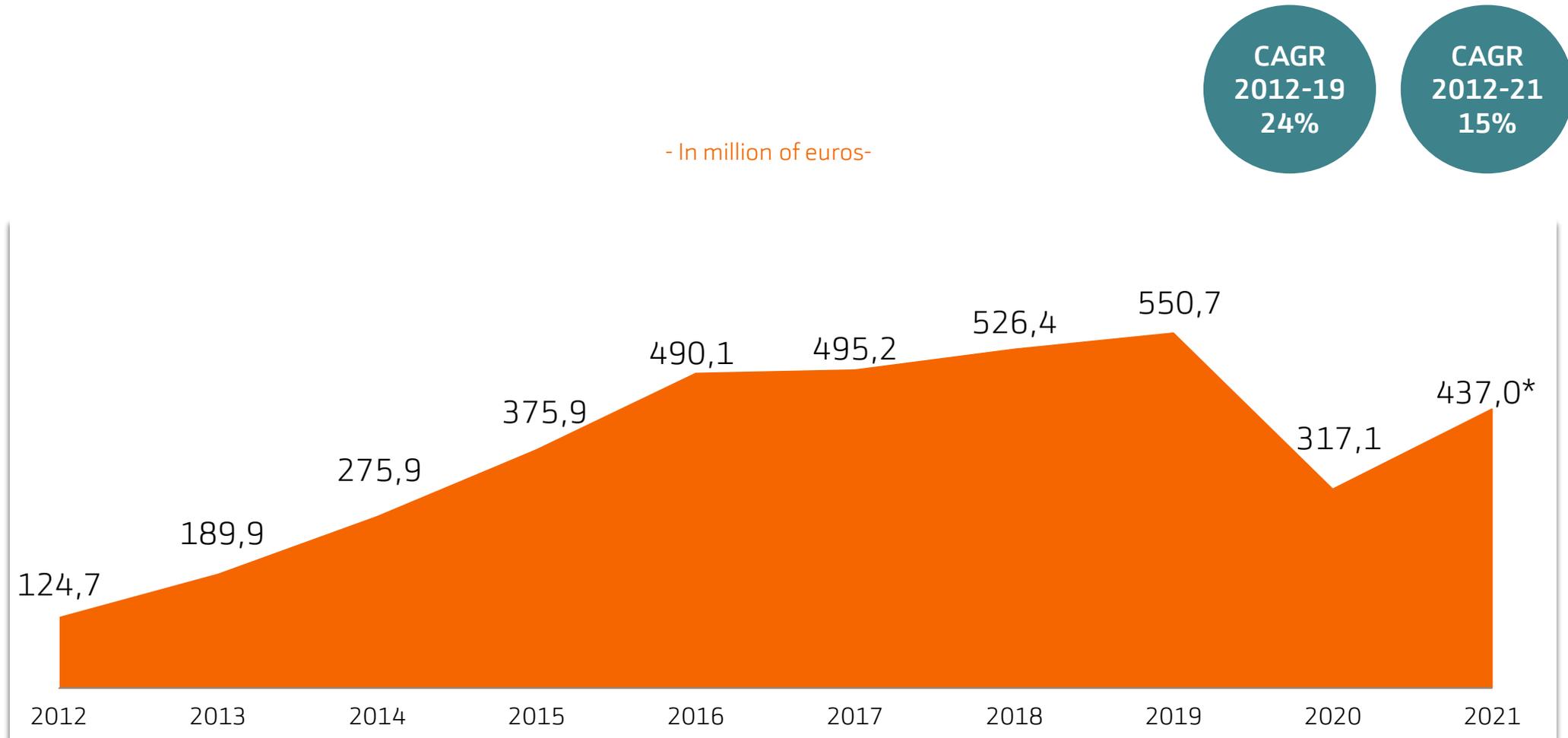
Other provisions

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



* CoR includes impairments & gains/losses on asset disposals. Extraordinaries are not included

01. Results
Total Group Net Income



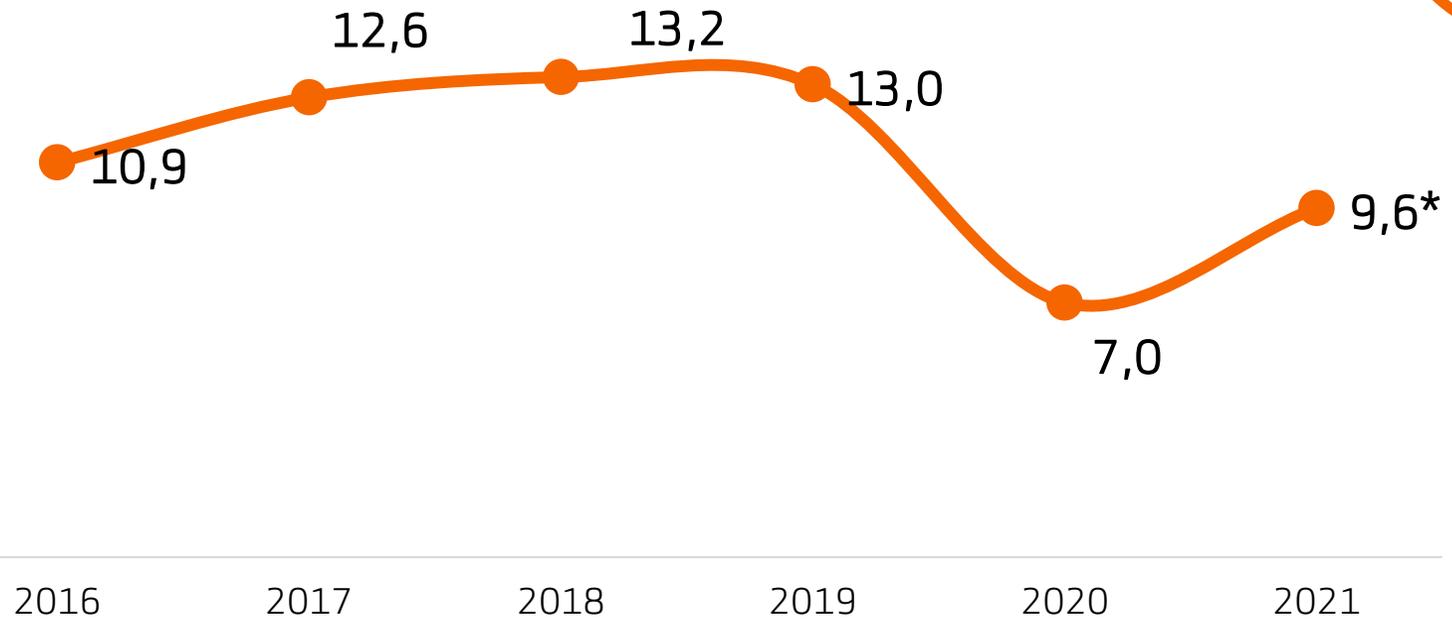
* Net income excluding Linea Directa spin-off result

Results Profitability

ROE

in %

ROE
2021
10,2%

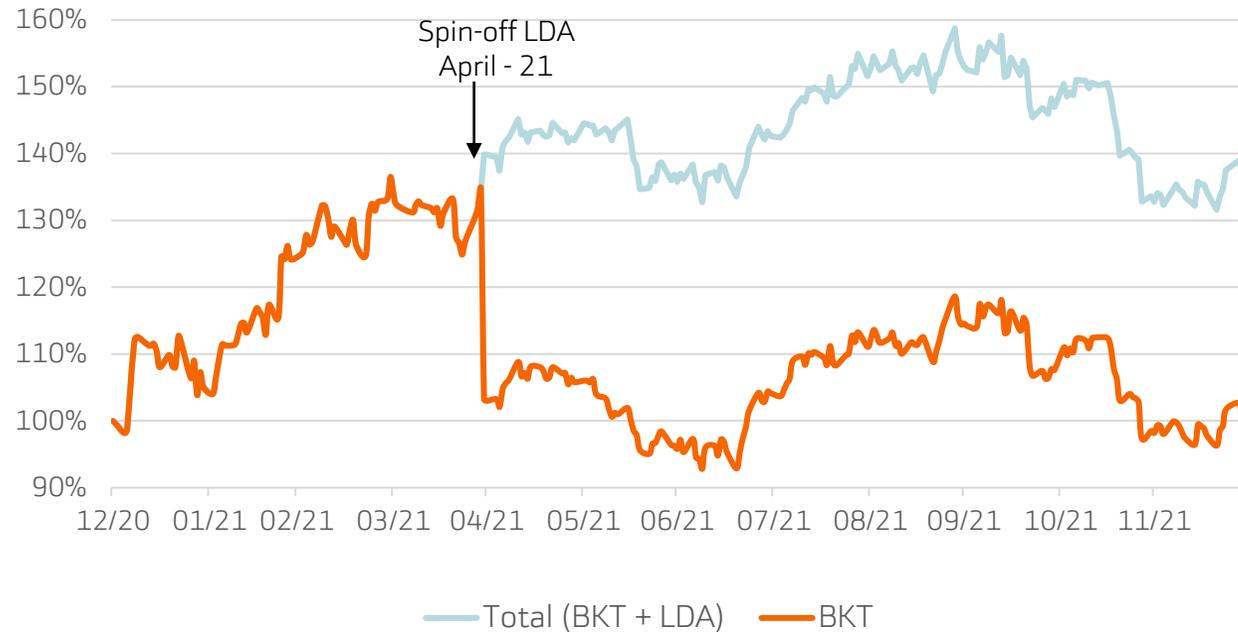


* Excluding the extraordinary impact of Linea Directa spin-off, total ROE is 29%

01. Results
Return for shareholders

Share price. Relative variation LTM (Dec-20 base 100)

in %



**Total share
Price variation**

+38%

Dividend yield

5,3%

**Interim
dividends
growth
+31%
vs'19***

* Interim dividends 2019 (June, Sep & Dec -19) vs. Interim dividends 2021 (Oct, Dec-21) and Linea Directa '21 dividends

02.

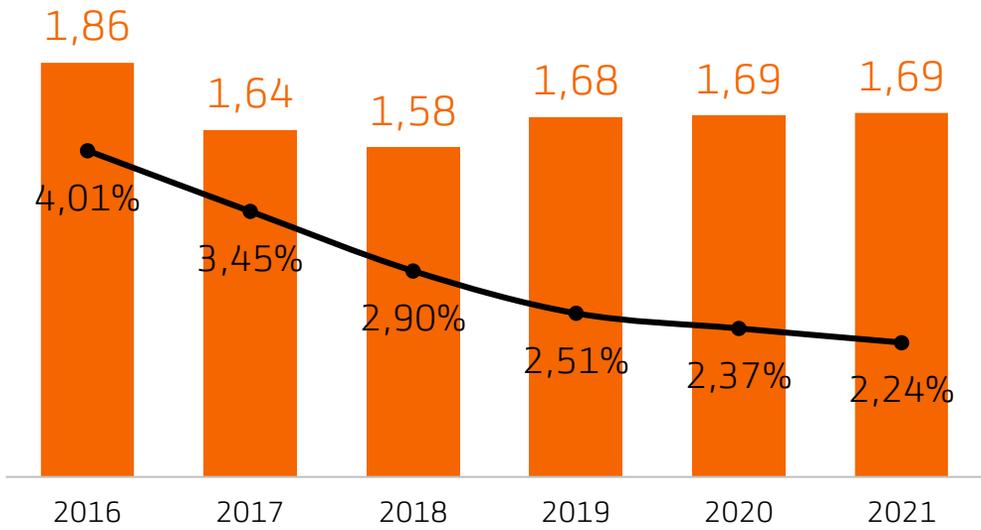
Risk Management



Non-performing loans

In billion of euros and ratio in %

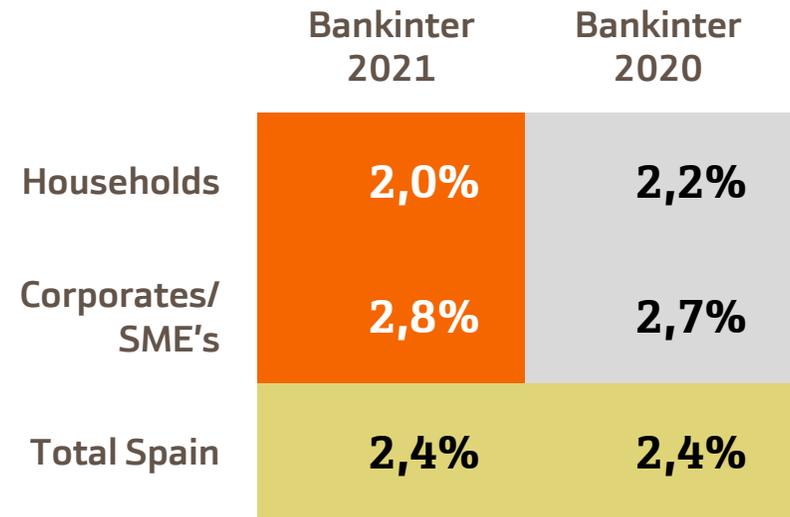
64%
Coverage ratio



NPL ratios in Spain

in %

Sector in Spain*
4,36%



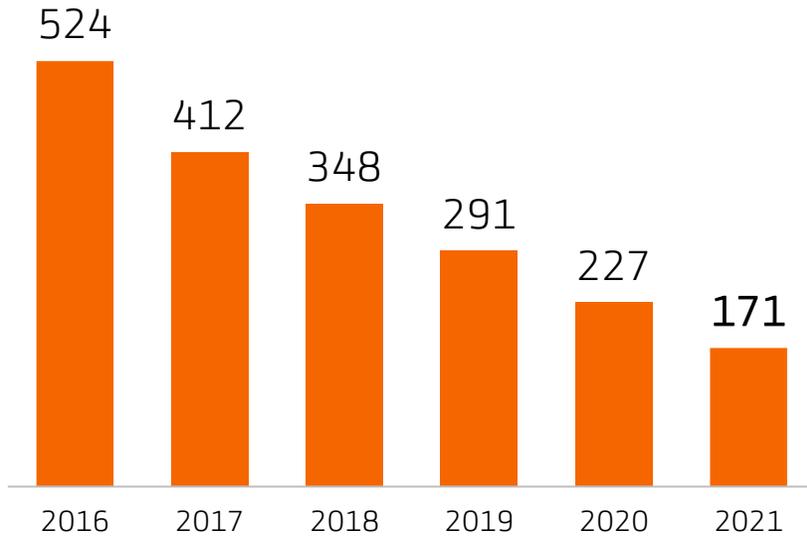
21
Results 2021

*Data BdE as of Oct-21

Foreclosed assets

Stock of foreclosed assets

In million of euros



-25%
vs2020

Activity in 2021

53%
Coverage ratio

Book value of sold assets
83M€

Total price of sold assets
52M€

Average discount of sold assets
37%

Average coverage on sold assets
41%

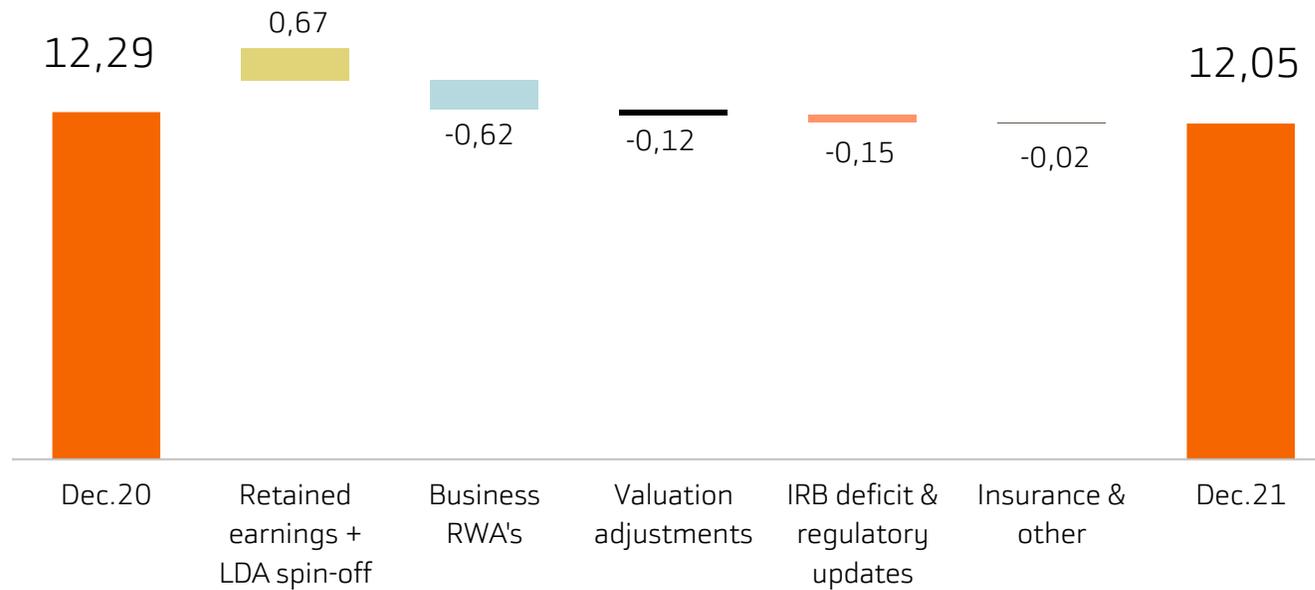
CET1
"fully loaded"
12,1%
 Min. 7,675%

Leverage ratio
4,9%

Total Capital ratio
15,4%

CET1 ratio "fully loaded"

Breakdown in %



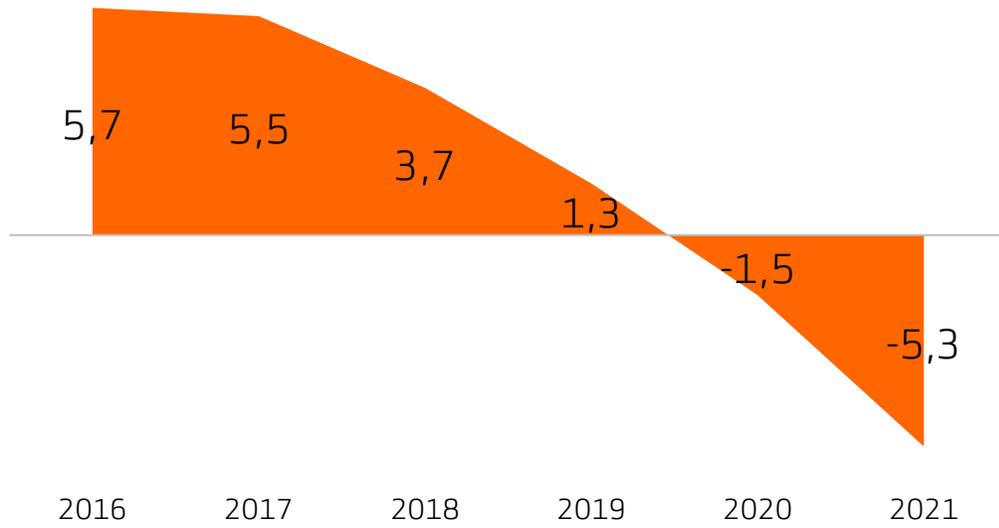
N# 3 EBA stress test

N# 1 of the Spanish banks

MREL
21,7%
 Min. '22 18,7%

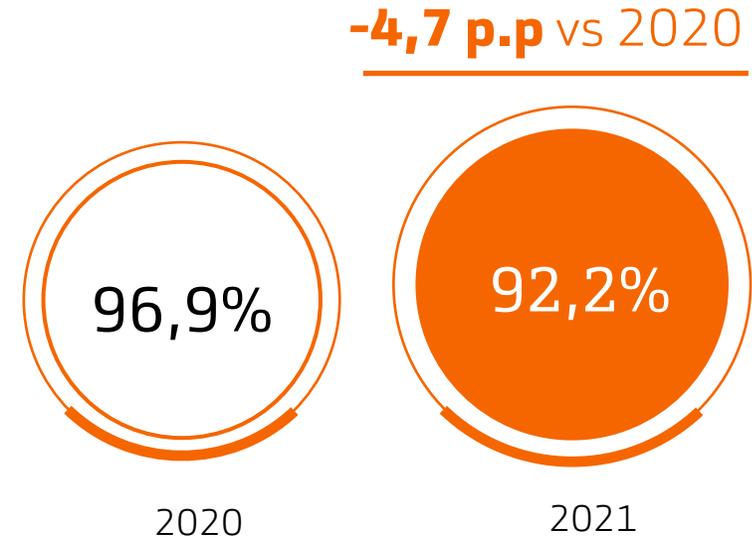
Commercial gap

In billion of euros



Loan-to-deposits ratio

in %





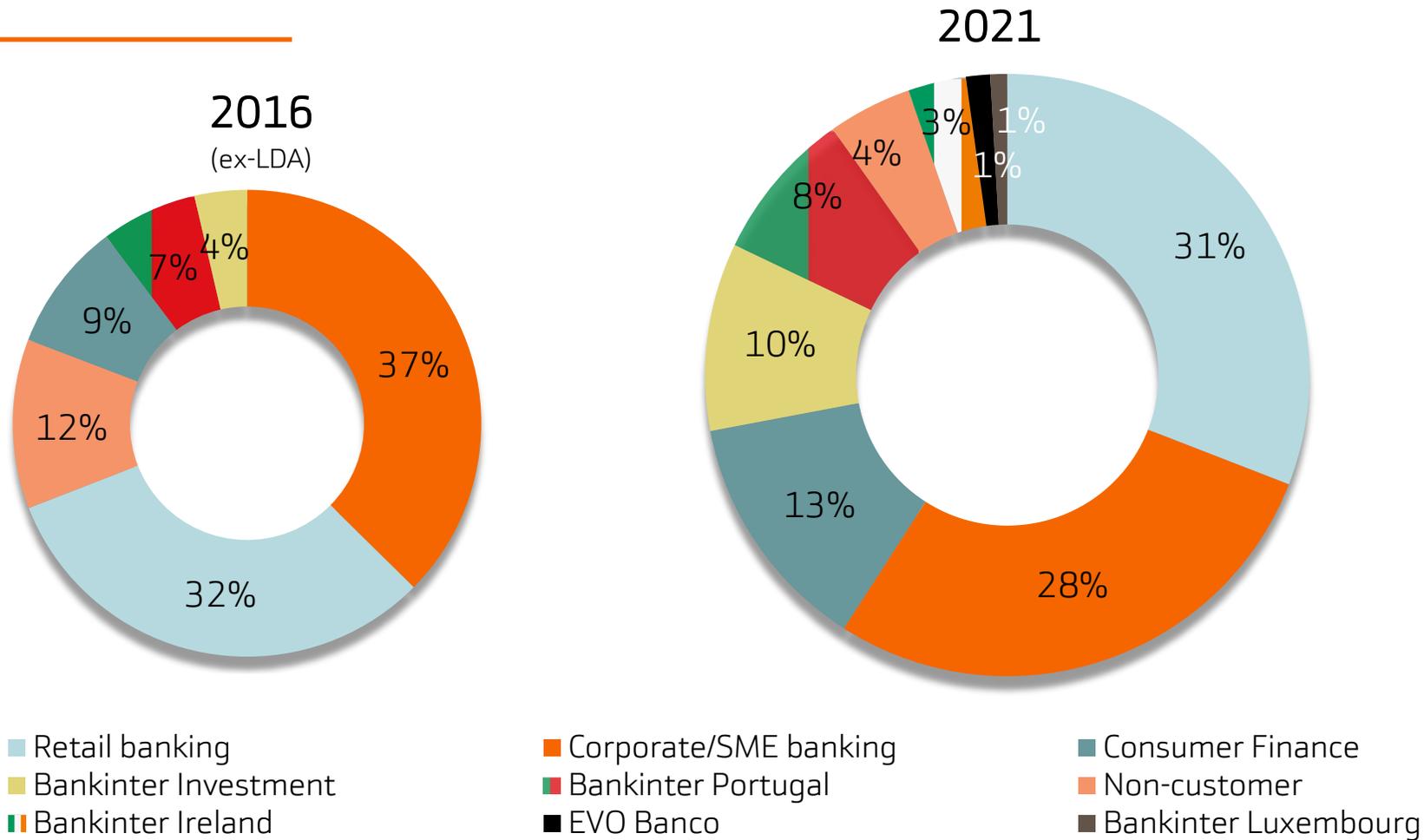
03.

Business

1. Banking activity (Spain & Portugal)
2. Consumer Finance activity (Spain, Portugal & Ireland)
3. EVO Banco

Contribution to Total income by Business

in % of Total Income



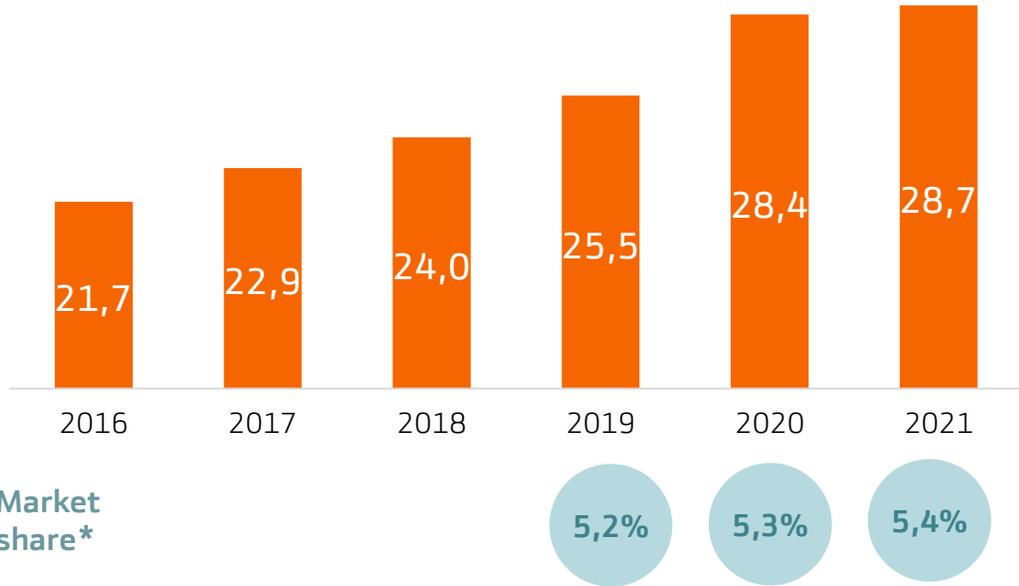
Corporate / SME banking

Loan book

In billion euros

Spain
+1,0%

Sector*
-1,4%



ICO lines

(December 2021)

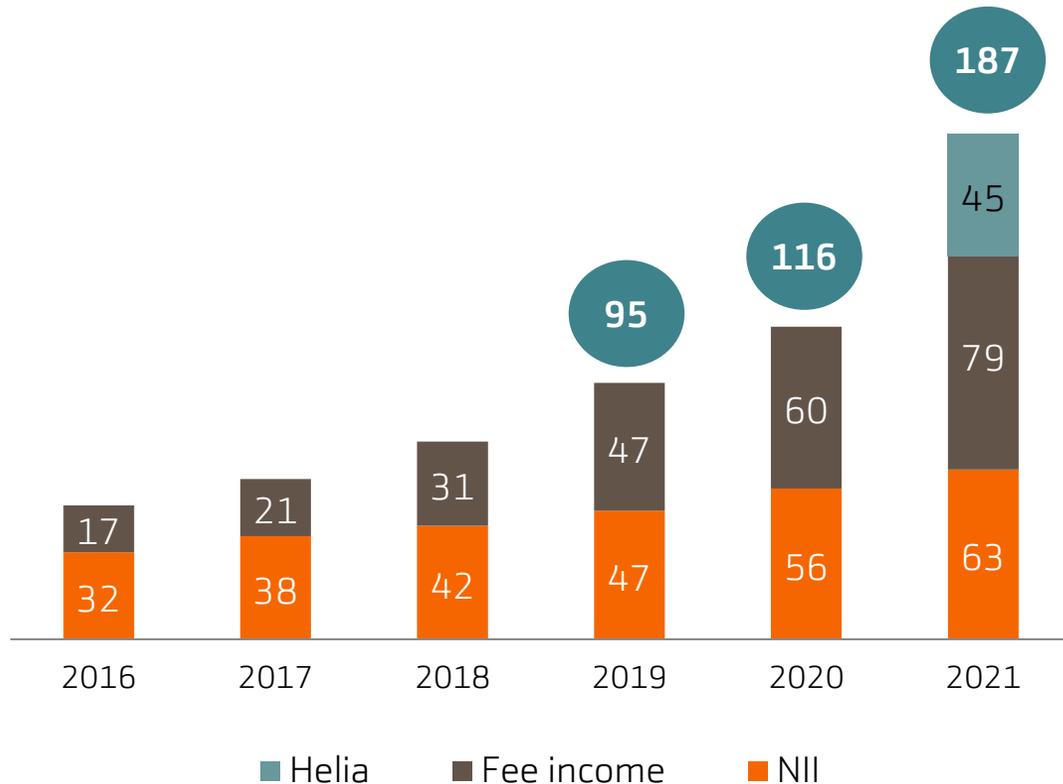


*BdE as of November-21

Investment banking

IB Total Income

In million of euros



Alternative Investment vehicles

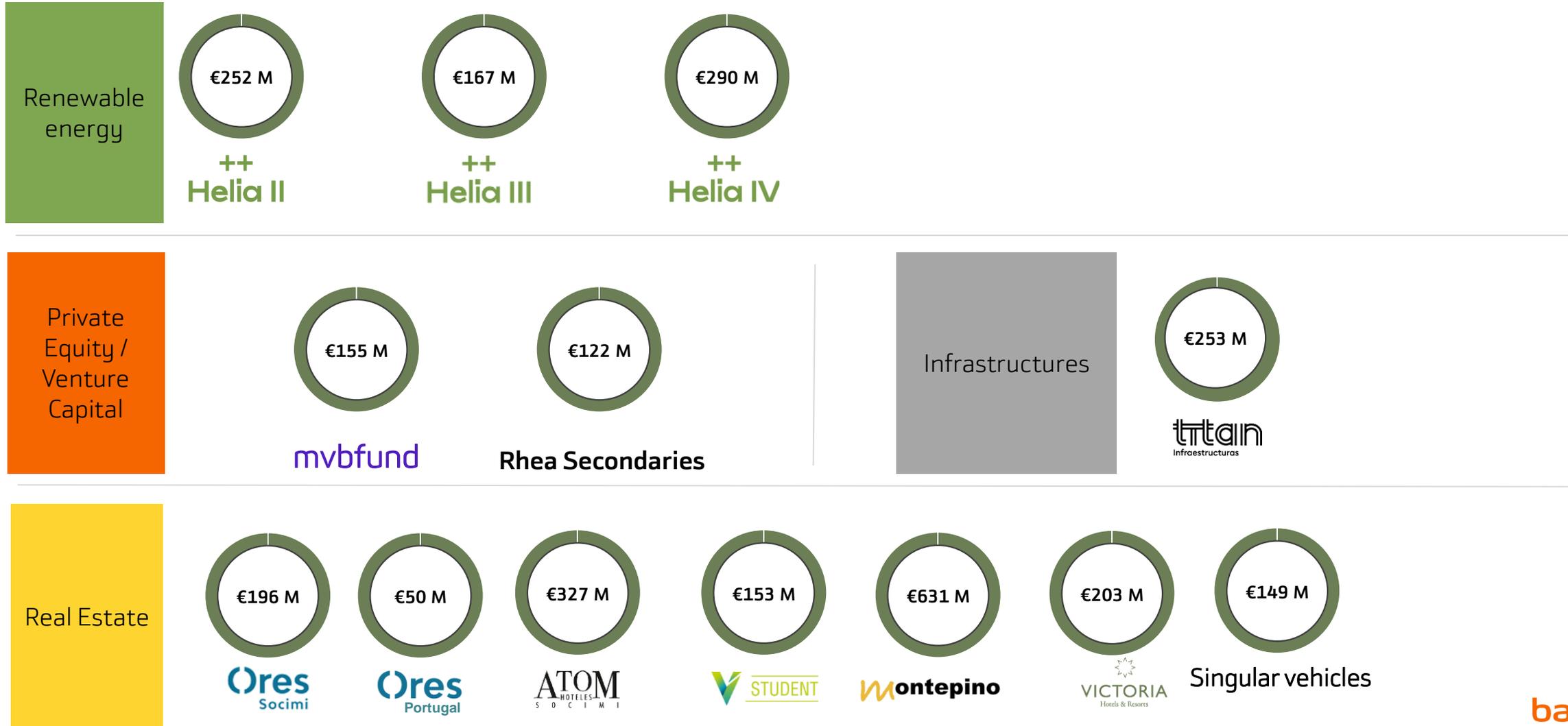
16	#	Structured vehicles
>3.200	Mn	Committed capital
>3.000	#	Bankinter investors
686	Mn	Cumulative pay-out

Debt management

4.000	Mn	Structured finance
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○ size of the fund

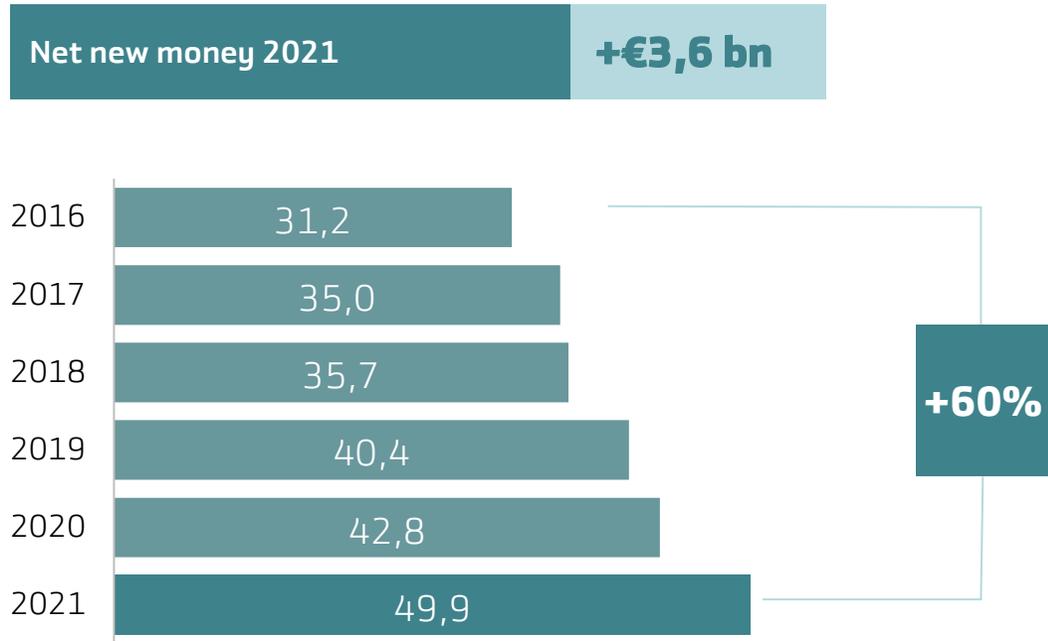
Summary of alternative Investments vehicles



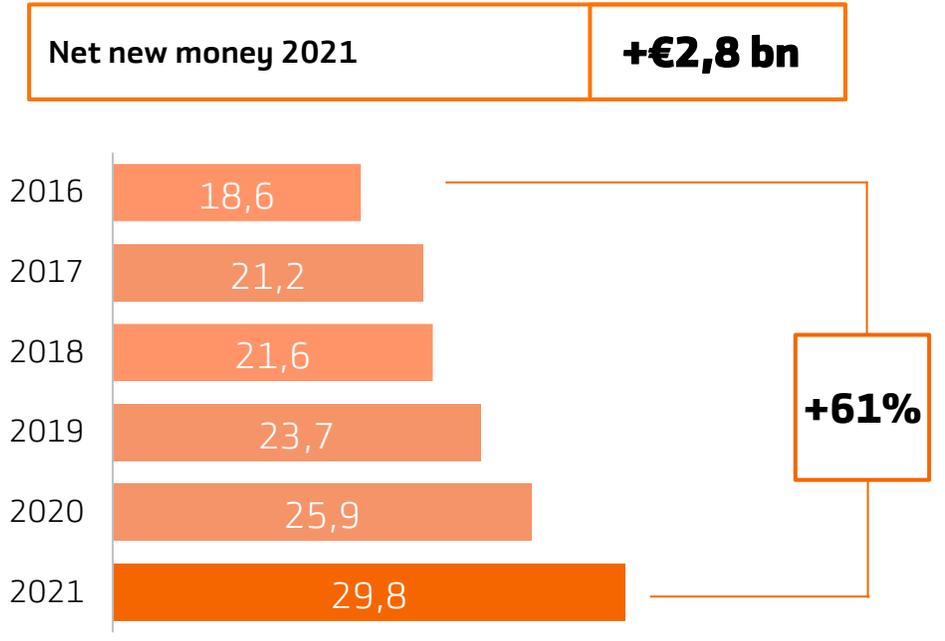
Private & Personal banking

Customer wealth

In billion of euros



Private Banking

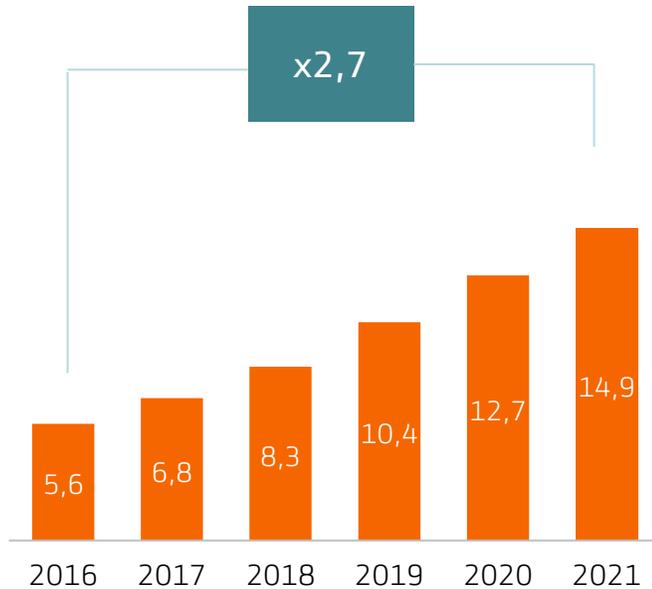


Personal Banking

Retail banking

Salary account balances in Spain

In billion of euros



Mortgage back book

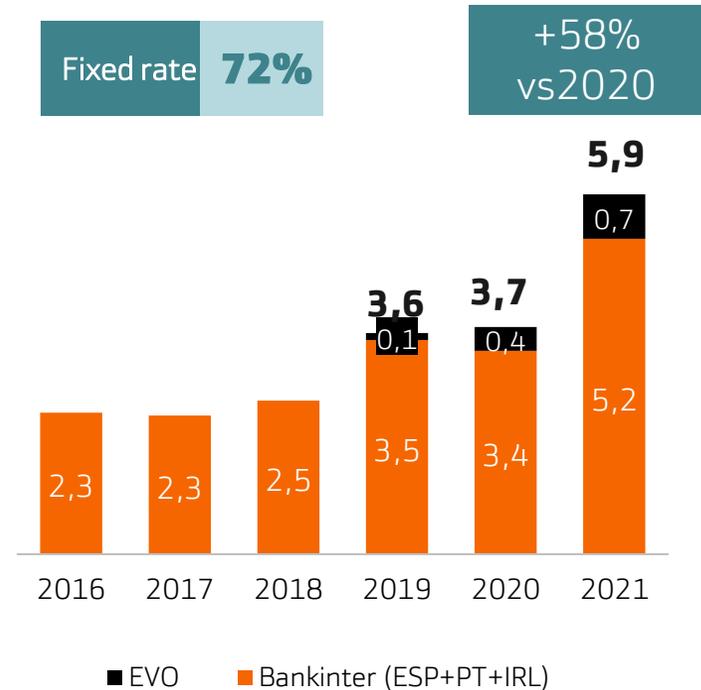
In billion of euros



*BdE as of November-21

New mortgage production

In billion of euros



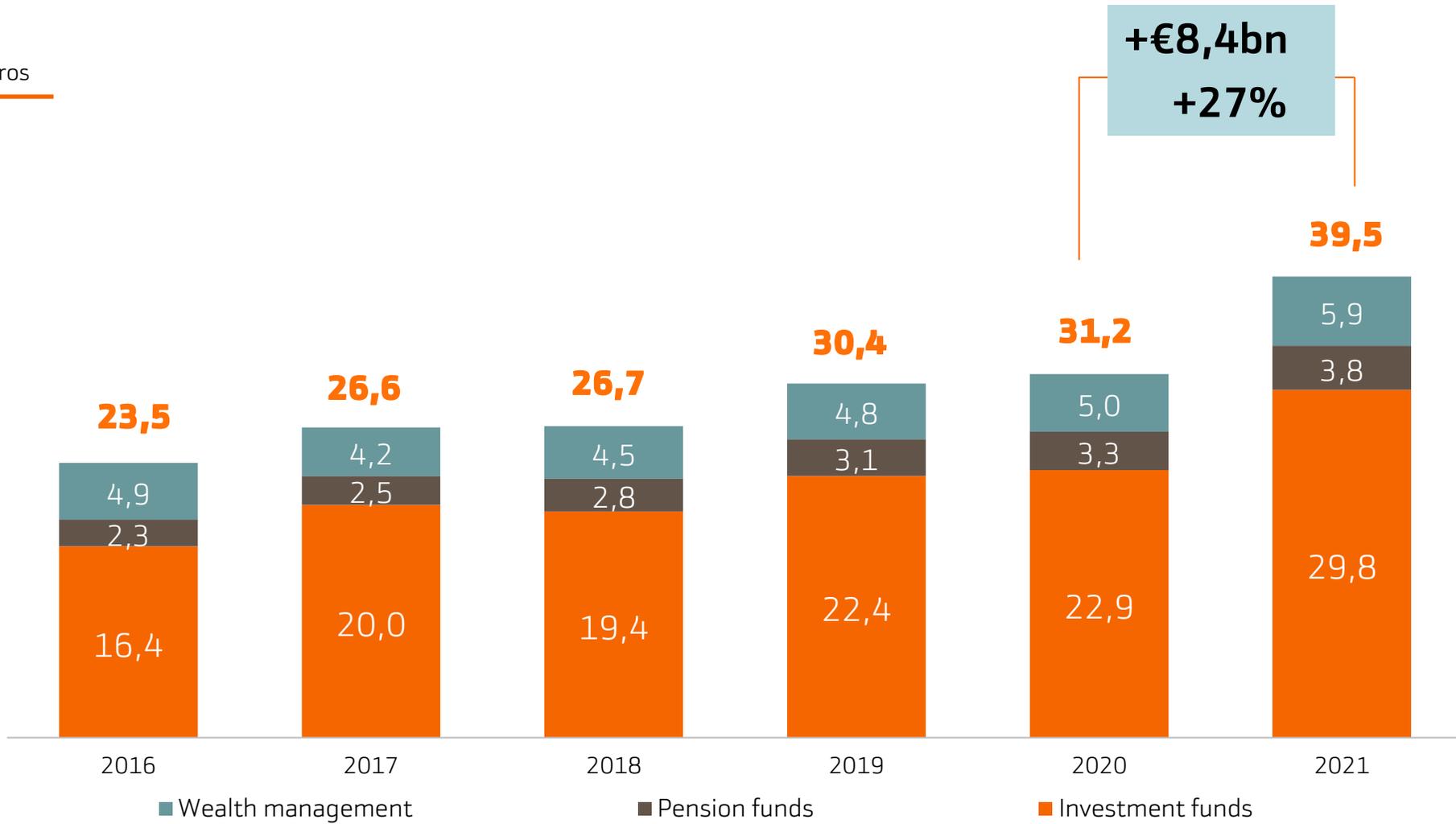
**INE october-21. Market share LTM in Spain

Market share of new mortgages in Spain**

9%

Asset Management

In billion of euros



Bankinter Portugal

Business indicators

In billion of euros

€6,9bn

Loan book

+6% YoY

Retail banking
€4,9bn +6%

Corporate/SME
€2,0bn +6%

€5,9bn

Retail funds

+23% YoY

€4,4bn

Off-balance sheet funds

+22% YoY

FY2021 P&L

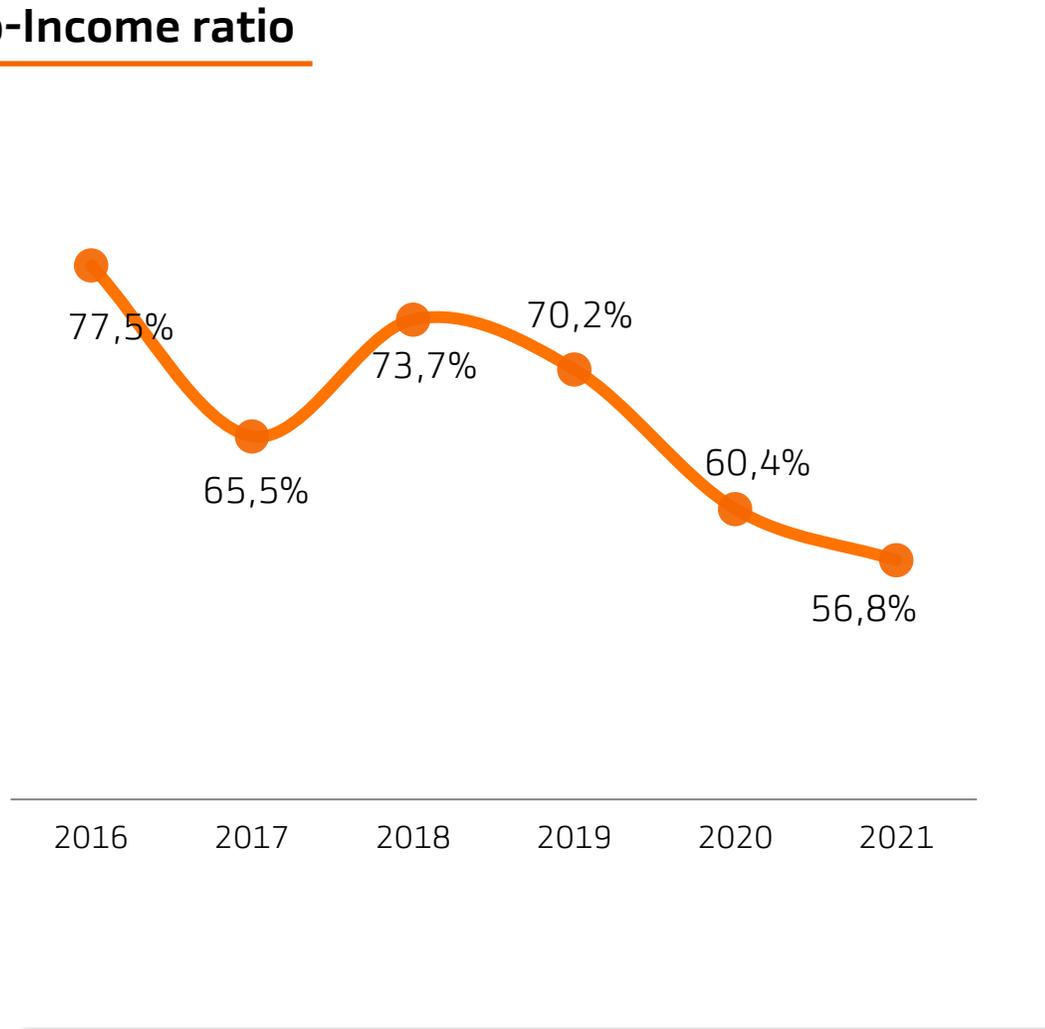
In million of euros

	2021	2020	Dif. %
Net Interest Income	99	94	5%
Net fees and commissions	61	50	22%
Other income/expenses	-7	-6	17%
Gross operating income	152	138	10%
Operating expenses	-86	-83	4%
Pre-provision profit	66	55	20%
LLP and other provisions	-15	-9	67%
Earnings before taxes	50	45	11%

Bankinter Portugal

Cost-to-Income ratio

in %



Portugal C/I
2021

57%
-4 p.p.

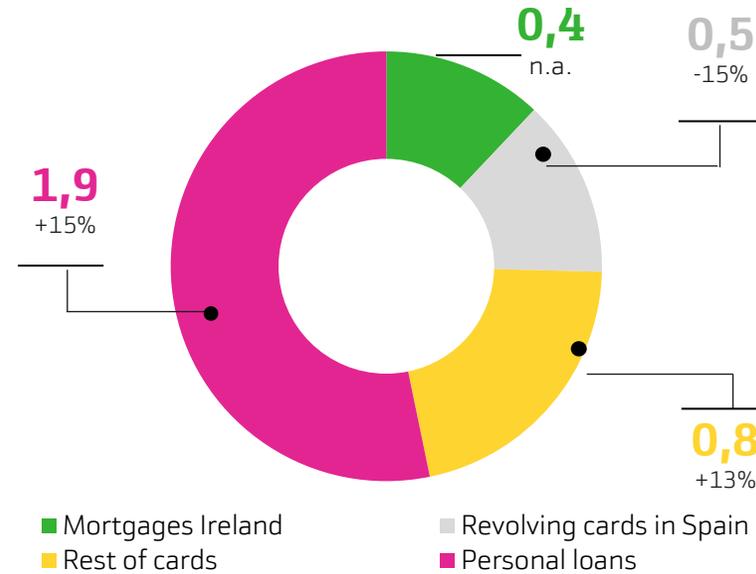
Bankinter Consumer Finance



Cost of risk 3,5%	€3,5bn Loan book +23% YoY
Risk-adjusted return 5,7%	
NPL ratio 5,0%	New production €1,5bn +94% vs2020
Cost to income 29%	

Breakdown by product in 2021

In million of euros and dif. in % YoY



Bankinter Ireland



Cost of risk
1,2%

NPL ratio
0,6%

€1,0bn
Loan book
+97% YoY

€ 0,4bn
New mortgages
in 2021

Ireland's **best value** mortgages*

Lower your monthly repayments and save thousands over the life of your mortgage with Avant Money.*

Save thousands on your mortgage

Lower your monthly repayments with Ireland's best value mortgages rates.

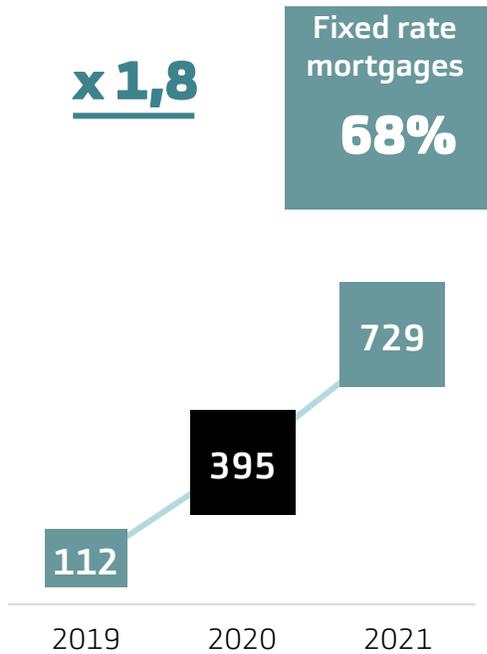
An award-winning consumer finance company.



EVO Banco

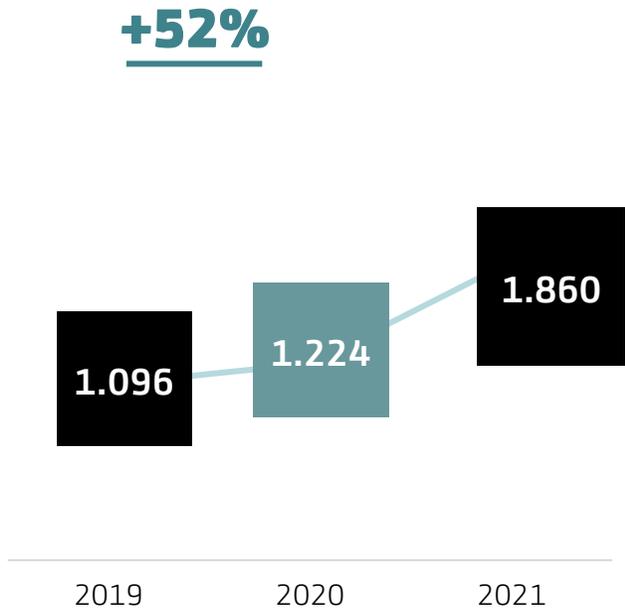
New Mortgages in 2021

In million of euros



Loan book

In million of euros



678k Customers as of Dec.21

Sustainability Indices

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FTSE4Good



STOXX Member 2020/2021
ESG Leaders Indices

Environmental

- Bankinter is now part of the **Net Zero Banking Alliance**
- Sustainable Investment Funds
Own Managed: € 126 bn
Third-party distributed: € 7.860 bn



- Clean energy financing
8 agreements green hydrogen
€ 800 bn
- Renewable energy Project Finance
24 new projects
€ 416,6 bn
- Carbon footprint
Neutral in Scopes 1 & 2
100% "green" electricity



Social

- 27.462 beneficiaries of financial education programs
- 43 NGO's and foundations beneficiaries
- Ranked 4th TOP EMPLOYER



Governance

- 54,5% Independent Board Members
- 45,5% Women Board Members
- New Sustainability Policy
- Board Committee of Appointments, Sustainability & Corporate Governance
- Third party audit of the alignment of our strategy with the SDG's



04.

Summary



Balance Sheet

€1.855M
Total Income
+9%
NII +2% Fees +21%

€1.002M
Pre-Provision Profit
+14%

€437M
Net recurrent income
+38%

€ 1.333M
Net Income
n.a.

€68bn
Loan book
+ 6%

€72bn
Retail funds
+ 11%

ROE
9,6%

NPL ratio
2,24%

Coverage ratio
64%

CET1 FL
12,1%

Executive summary

Commercial Activity

 A **record year** in commercial activity: with Mortgage production growing over 58%, Deposits at 12% and Mutual funds at 30%; with this performance happening in all of our geographies: Spain, now with EVO, Portugal, Ireland and Luxembourg.

Risk Management

 **Asset quality** remains solid , improving provision coverage and reducing cost of risk in the year.

Results

 **Pre-Provision Profit** reached 1,002 million euros growing 14%, to a new record high that reinforces the strong performance of the customer business in the year.

 After a successful **spin-off** of Línea Directa last April, a recovery of the group's **net profit** to 437 million euros, growing 38% over 2020 its on the way.

 In management ratios: **ROE** at 9.6%, without extraordinaries and **Efficiency** at 46% are kept "best in class" in the sector; And more relevant, Shareholders return in the year has been 38%, plus dividends paid.

Thank you

20 January 2022

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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