



# Results Presentation Bankinter 1H21

22 July 2021

---

bankinter.

HG2  
TECHS

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



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

# Summary

	<b>1H21</b>	<b>vs 1H20</b>	<b>vs 1H19</b>
Loan Book	€67bn	+5%	+13%
Gross Operating Income	€915M	+6%	+14%
Pre-provision profit	€504M	+7%	+18%
NPL ratio	2,34%	-16bps	-37bps
Coverage ratio	62%	+4.p.p.	+11p.p.
Group Net Profit	€1,140M	n.a.	n.a.
Net Profit ex-LDA spin-off	€245M	+124%	-3%*
CET1 FL	12,2%	+44bps	+69bps
ROE	9,5%	+2,0p.p.	-3,3p.p.

\* Excluding of 57 million badwill from EVO transaction

# Content

**01.**  
**Results**

**02.**  
**Risk Management**

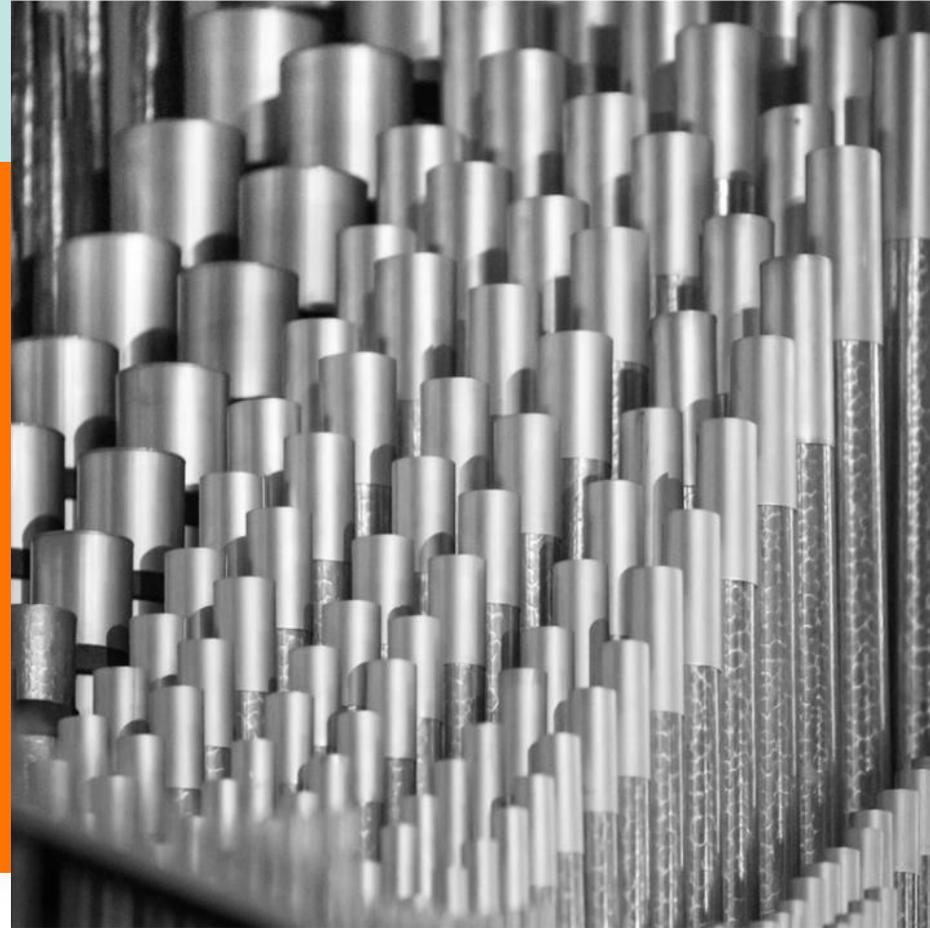
**03.**  
**Business**

**04.**  
**Summary**



01.

# Results



## 1H21 Profit &amp; Loss statement

- In million of euros-	Bankinter Group				
	1H21	1H20	1H19	Dif. € 21/20	Dif. % 21/20
Net Interest Income	639,4	612,4	556,5	26,9	4,4%
Net fees and commissions	264,9	243,9	231,2	21,0	8,6%
Other Income/Expenses	10,4	6,9	14,4	3,6	51,7%
<b>Gross Operating Income</b>	<b>914,7</b>	<b>863,2</b>	<b>802,1</b>	<b>51,4</b>	<b>6,0%</b>
Operating expenses	-410,6	-393,5	-374,4	-17,0	4,3%
<b>Pre-provision profit</b>	<b>504,1</b>	<b>469,7</b>	<b>427,7</b>	<b>34,4</b>	<b>7,3%</b>
Cost of risk and other provisions	-216,5	-407,9	-140,1	191,4	-46,9%
<b>Profit before taxes Banking activity</b>	<b>287,6</b>	<b>61,8</b>	<b>344,8</b>	<b>225,8</b>	<b>365,1%</b>
Net Income Línea Directa*	39,9	61,8	48,1	-21,9	-35,4%
<b>Net Income ex-LDA spin-off</b>	<b>244,5</b>	<b>109,1</b>	<b>251,8**</b>	<b>135,4</b>	<b>124,1%</b>
Net income LDA spin-off	895,7	-	-	-	-
<b>Total Group Net Income</b>	<b>1.140,3</b>	<b>109,1</b>	<b>251,8**</b>	<b>1.031,1</b>	<b>n.a.</b>

\* 1H21 only accounts four months of Línea Directa income

\*\* excluding €57million of badwill from the acquisition of EVO Banco

# 2Q21 Profit & Loss statement

	Bankinter Group						
	2Q21	1Q21	2Q20	Dif. € QoQ	Dif. % QoQ	Dif. € YoY	Dif. % YoY
- In million of euros-							
Net Interest Income	327,5	311,8	304,6	15,7	5,0%	22,9	7,5%
Net fees and commissions	135,1	129,8	120,9	5,2	4,0%	14,1	11,7%
Other Income/Expenses	-12,9	23,3	1,4	-36,2	-155,2%	-14,3	-1.028,9%
<b>Gross Operating Income</b>	<b>449,7</b>	<b>465,0</b>	<b>426,9</b>	<b>-15,2</b>	<b>-3,3%</b>	<b>22,8</b>	<b>5,3%</b>
Operating expenses	-208,6	-202,0	-204,5	-6,6	3,3%	-4,1	2,0%
<b>Pre-provision profit</b>	<b>241,1</b>	<b>263,0</b>	<b>222,4</b>	<b>-21,9</b>	<b>-8,3%</b>	<b>18,7</b>	<b>8,4%</b>
Cost of risk and other provisions	-114,1	-102,4	-123,1	-11,8	11,5%	9,0	-7,3%
<b>Profit before taxes Banking activity</b>	<b>127,0</b>	<b>160,6</b>	<b>-78,2</b>	<b>-33,6</b>	<b>-20,9%</b>	<b>205,2</b>	<b>-262,4%</b>
Net Income Línea Directa*	8,0	31,9	32,7	-23,9	-74,9%	-24,6	-75,4%
<b>Net Income ex-LDA spin-off</b>	<b>96,2</b>	<b>148,3</b>	<b>-21,2</b>	<b>-52,0</b>	<b>-35,1%</b>	<b>117,4</b>	<b>-555,1%</b>
Net income LDA spin-off	895,7						
<b>Total Group Net Income</b>	<b>992,0</b>	<b>148,3</b>	<b>-21,2</b>	<b>843,7</b>	<b>569,0%</b>	<b>1.013,1</b>	<b>n.a.</b>

\* 2Q21 only accounts one month of Línea Directa income

# Balance sheet

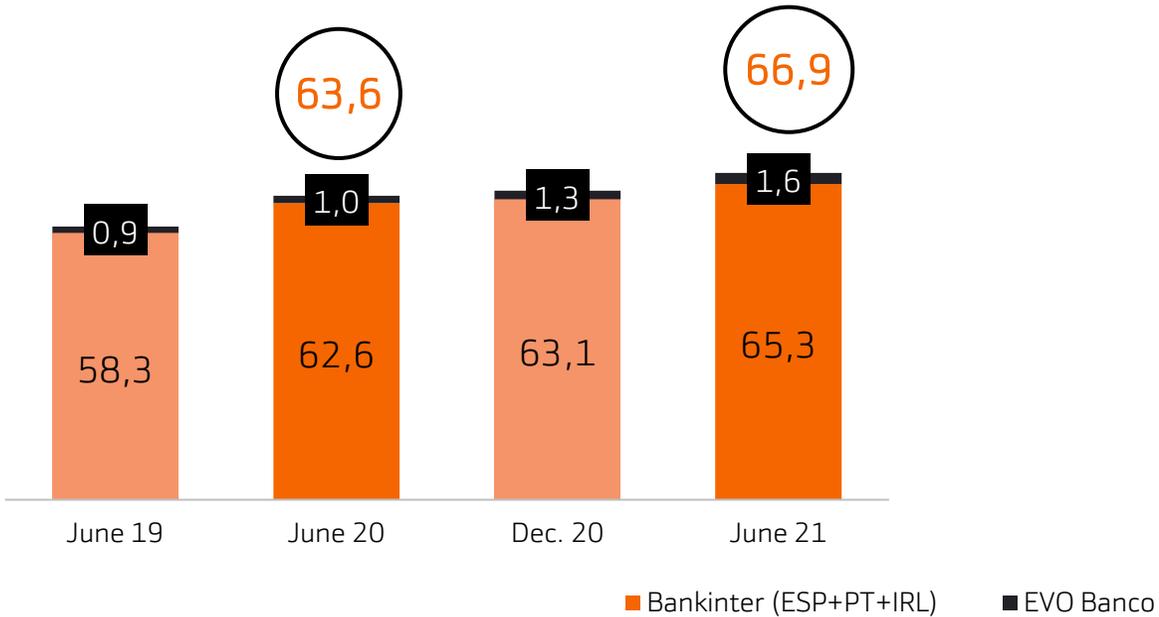
## Loan book

In billion of euros

**+3,3bn**

**+5,2%**

+4,0% Spain / Sector\* -1,0%



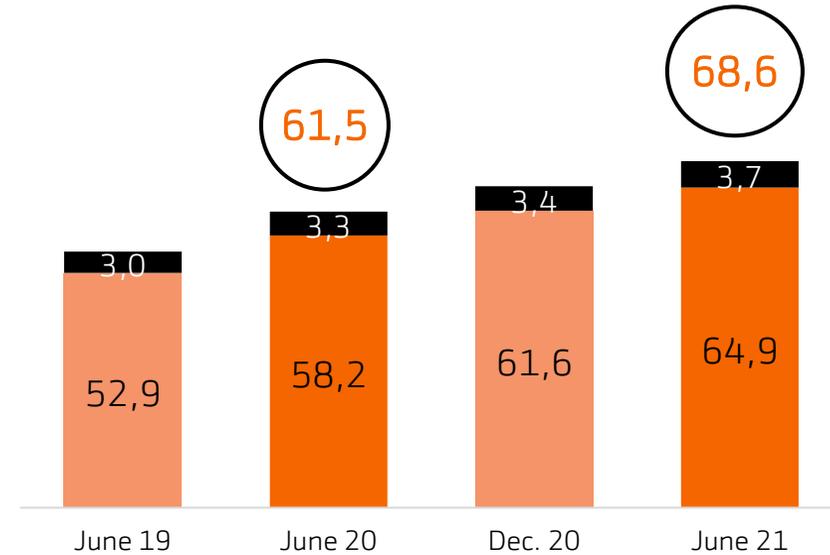
## Retail funds

In billion of euros

**+7,1bn**

**+11,5%**

+11,0% Spain / Sector\* +4,9%

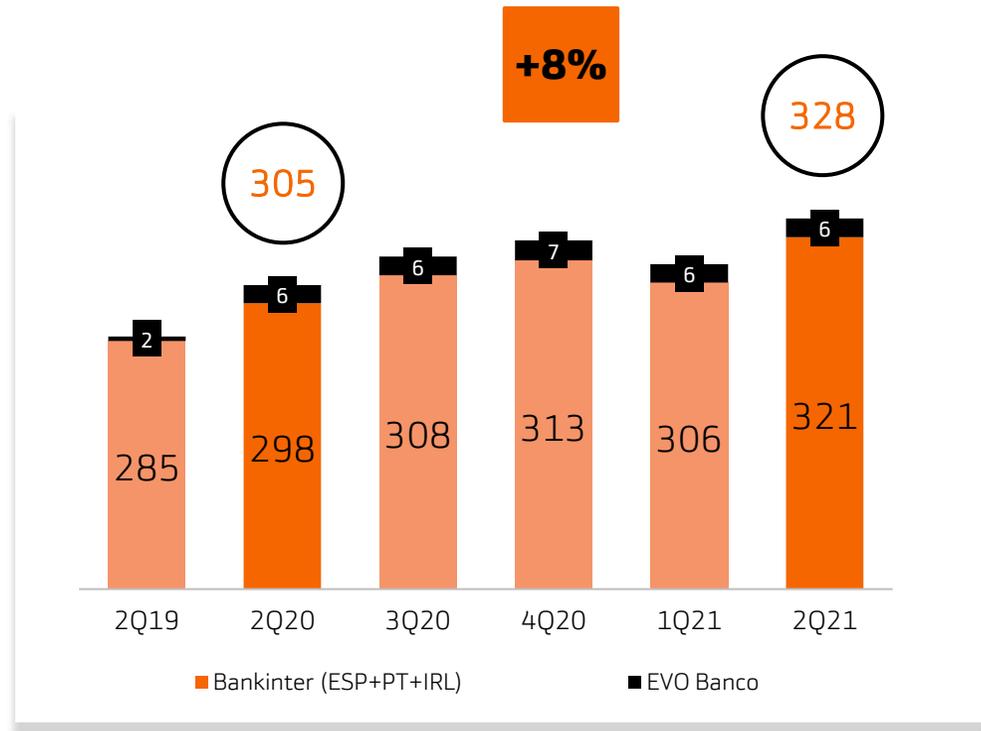


\*BdE data as of May-21

# Net Interest Income

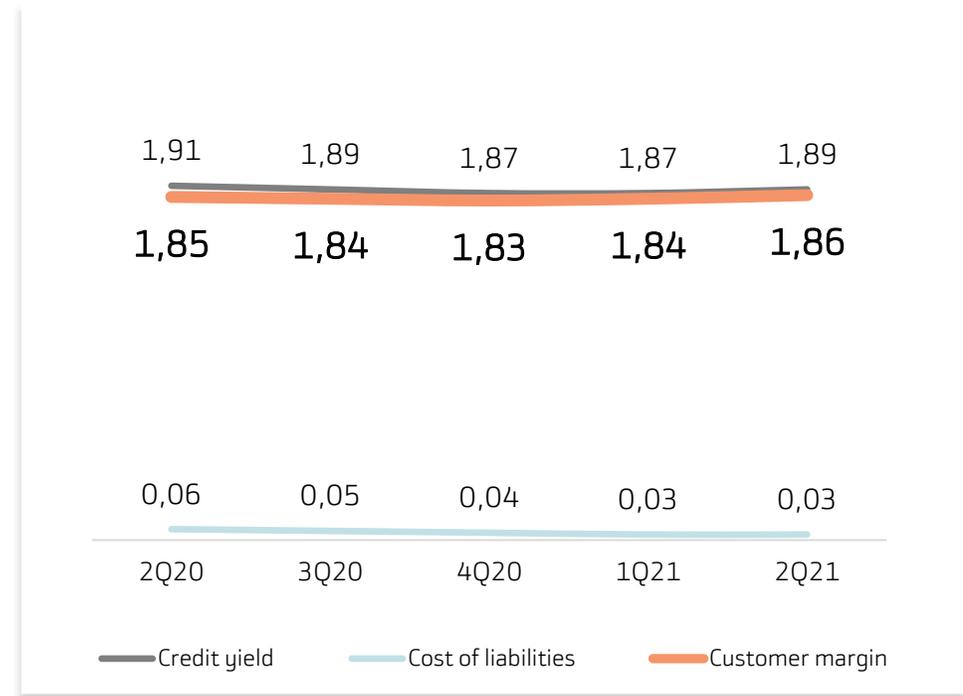
## Quarterly NII

In million of euros



## Customer margin

in %



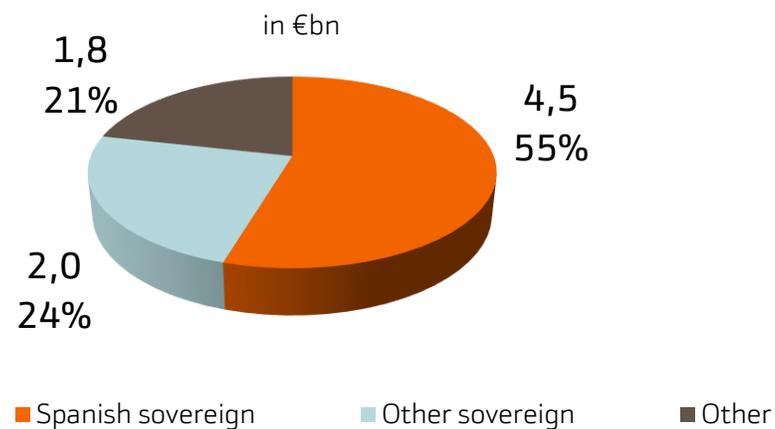
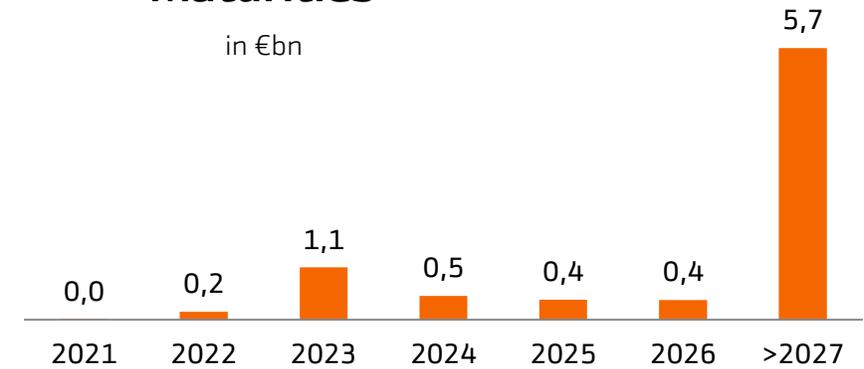
# ALCO portfolio

in €bn

ALCO portfolio	Amort.	Fair Value	Total
Nominal amount (€bn)	6,2	2,1	8,3
Duration (years)	5,4	2,4	4,7
Avg. maturity (years)	10,6	3,2	8,7
Yield (%)	1,2	2,7	1,6
Unrealised gains (€bn)	0,42	0,11	0,53

## Maturities

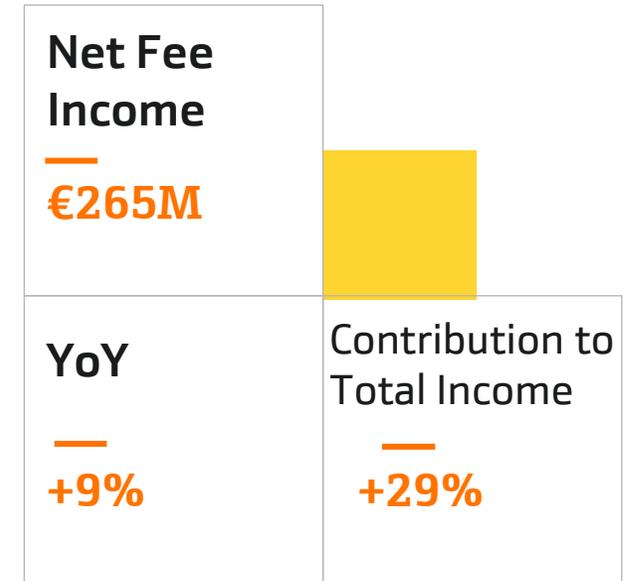
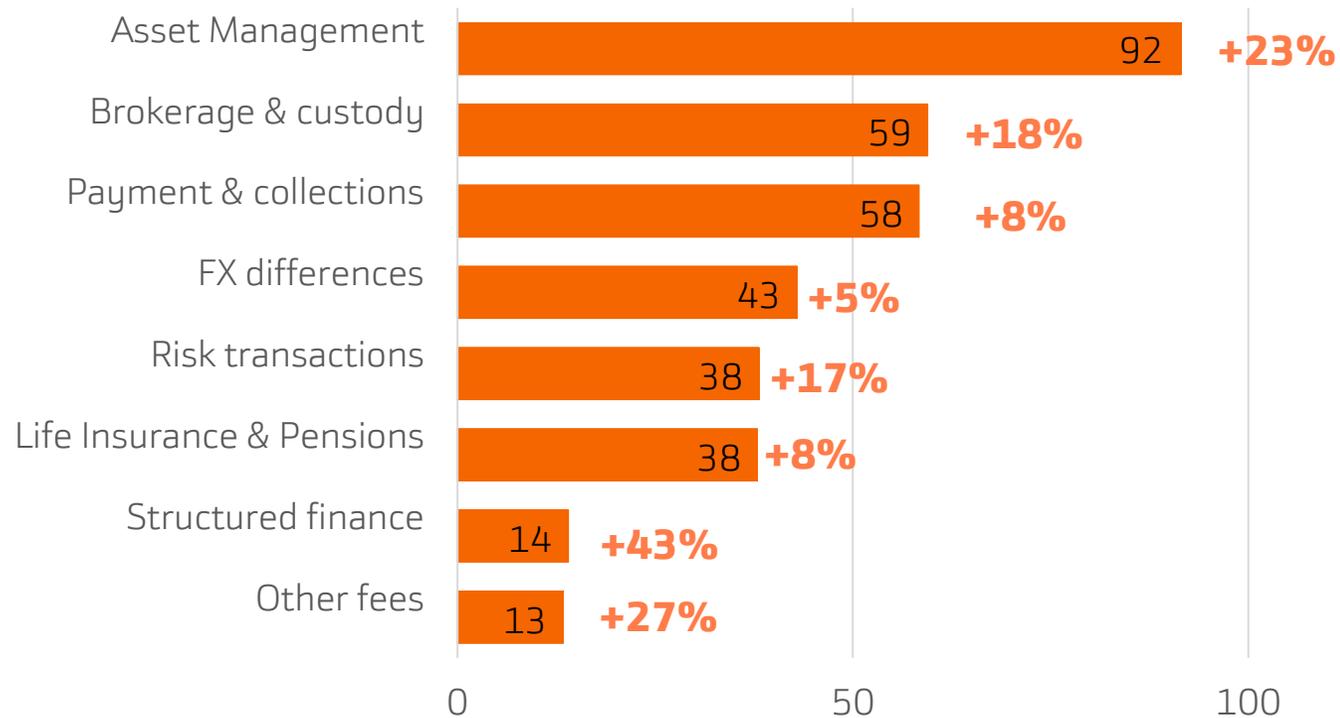
in €bn



# Fee Income

## Breakdown of fees received in 1H21

In million of euros



## Other Income / Expenses

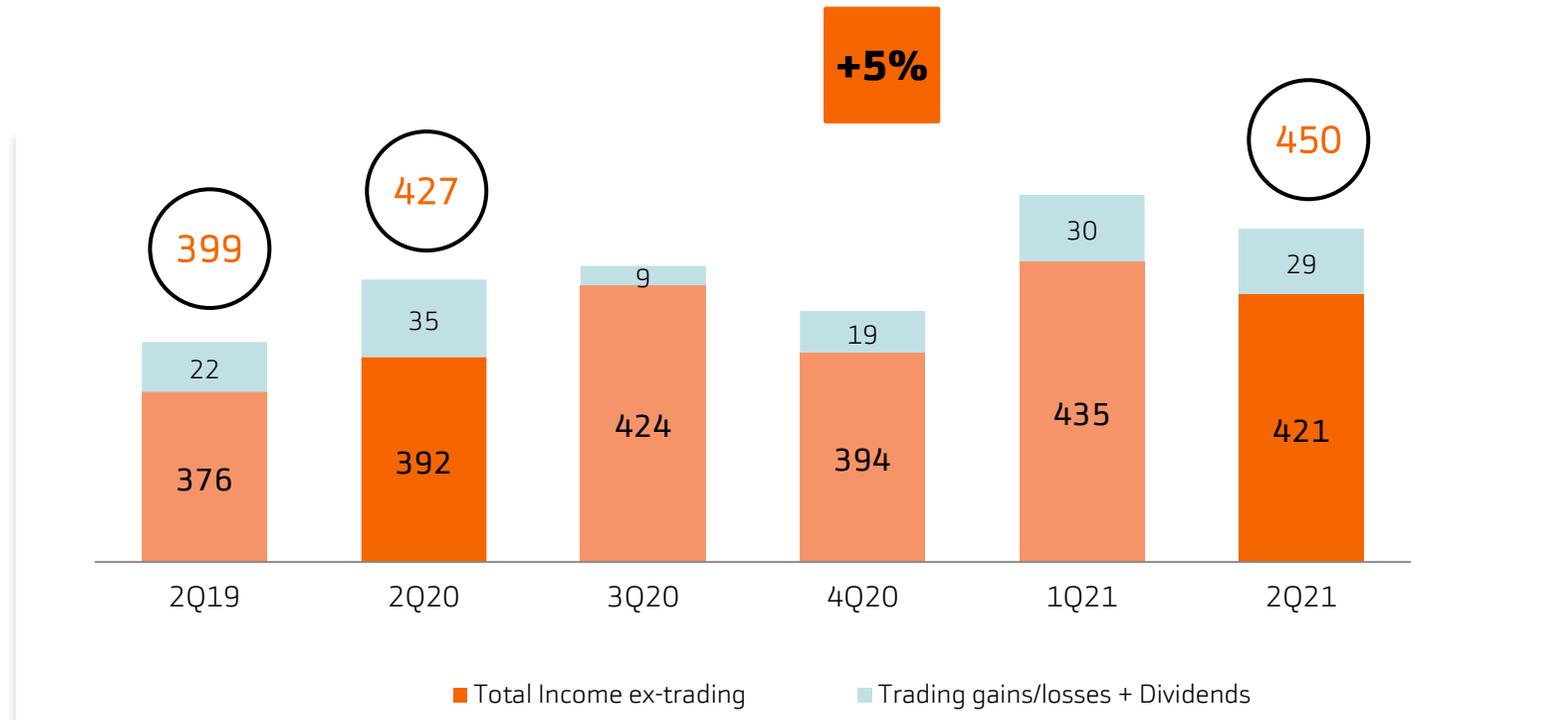
In million of euros

	1H21	1H20	Dif. €	% Dif.
Equity method	14,2	14,7	-0,5	-3,3%
Trading income / losses / Dividends	59,1	40,8	18,3	44,8%
Regulatory charges	-53,8	-47,0	-6,8	14,4%
Other operating income/expenses	-9,1	-1,6	-7,5	462,2%
<b>Total</b>	<b>10,4</b>	<b>6,9</b>	<b>3,6</b>	<b>51,7%</b>

# Total Operating Income

## Total Income

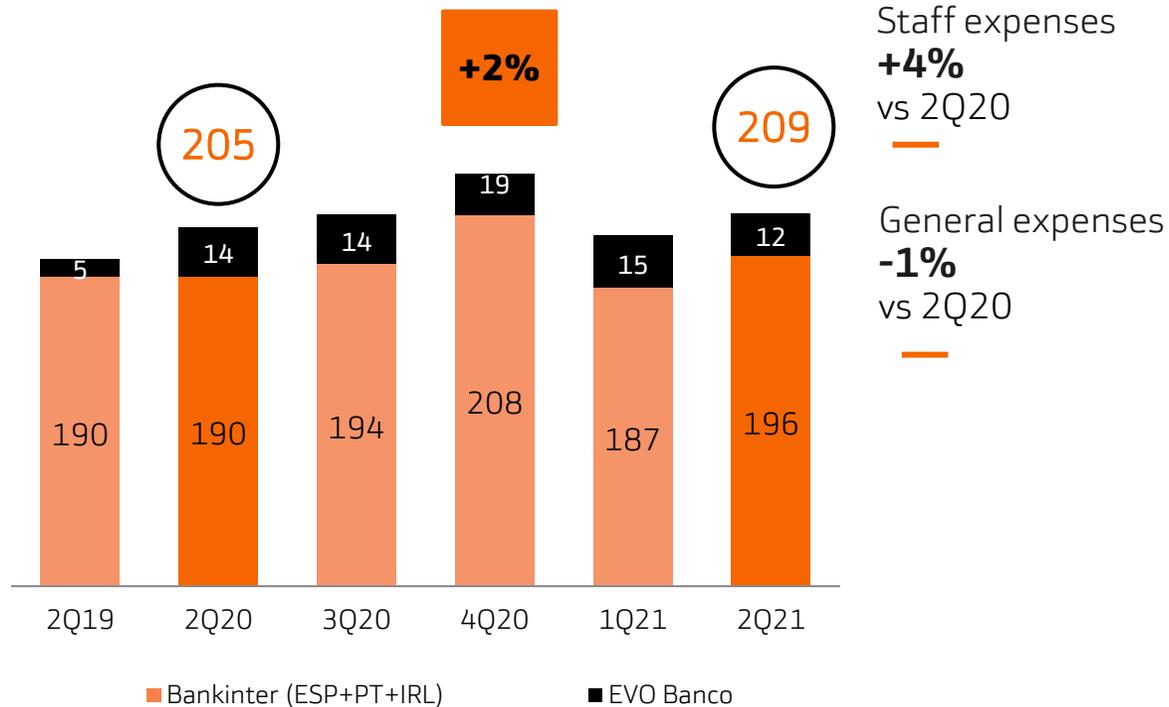
Quarterly in million of euros



# Operating expenses

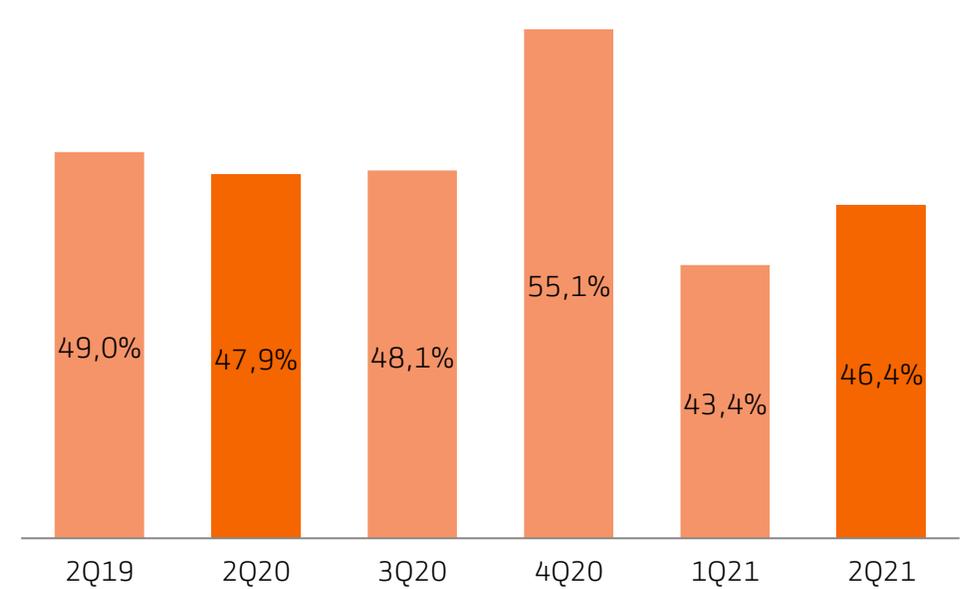
## Total expenses

In million of euros and YoY dif. in %



## Cost-to-income ratio

in %

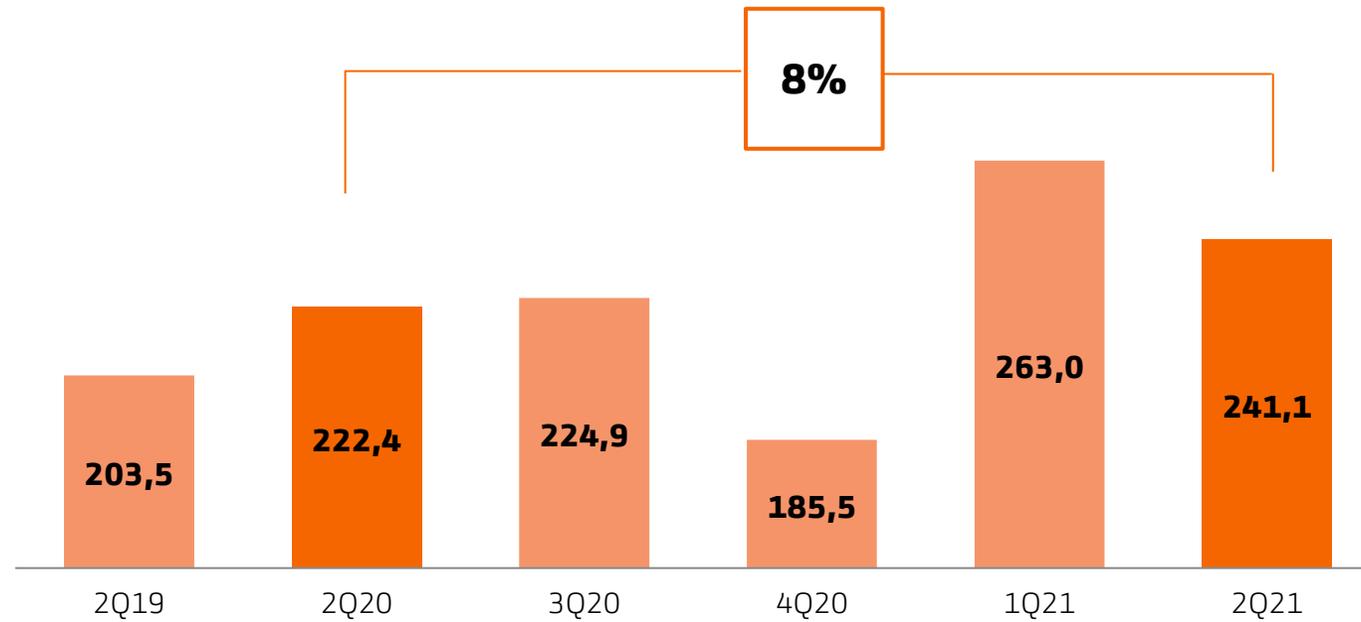


14  
Results 1H21

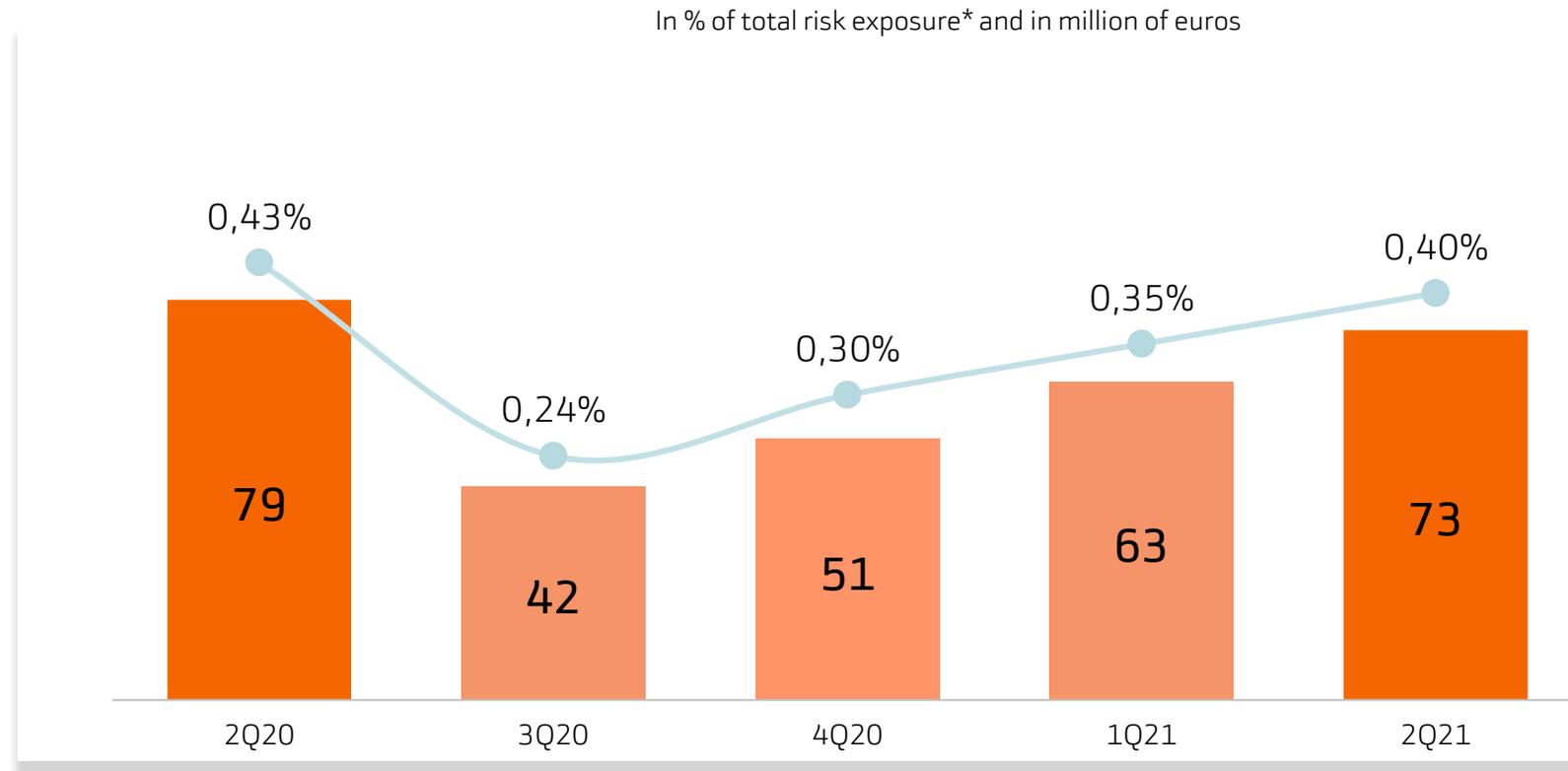
# Pre-Provision Profit

## Quarterly PPP

In million of euros and YoY dif. in %



# Cost of Recurrent Credit Risk

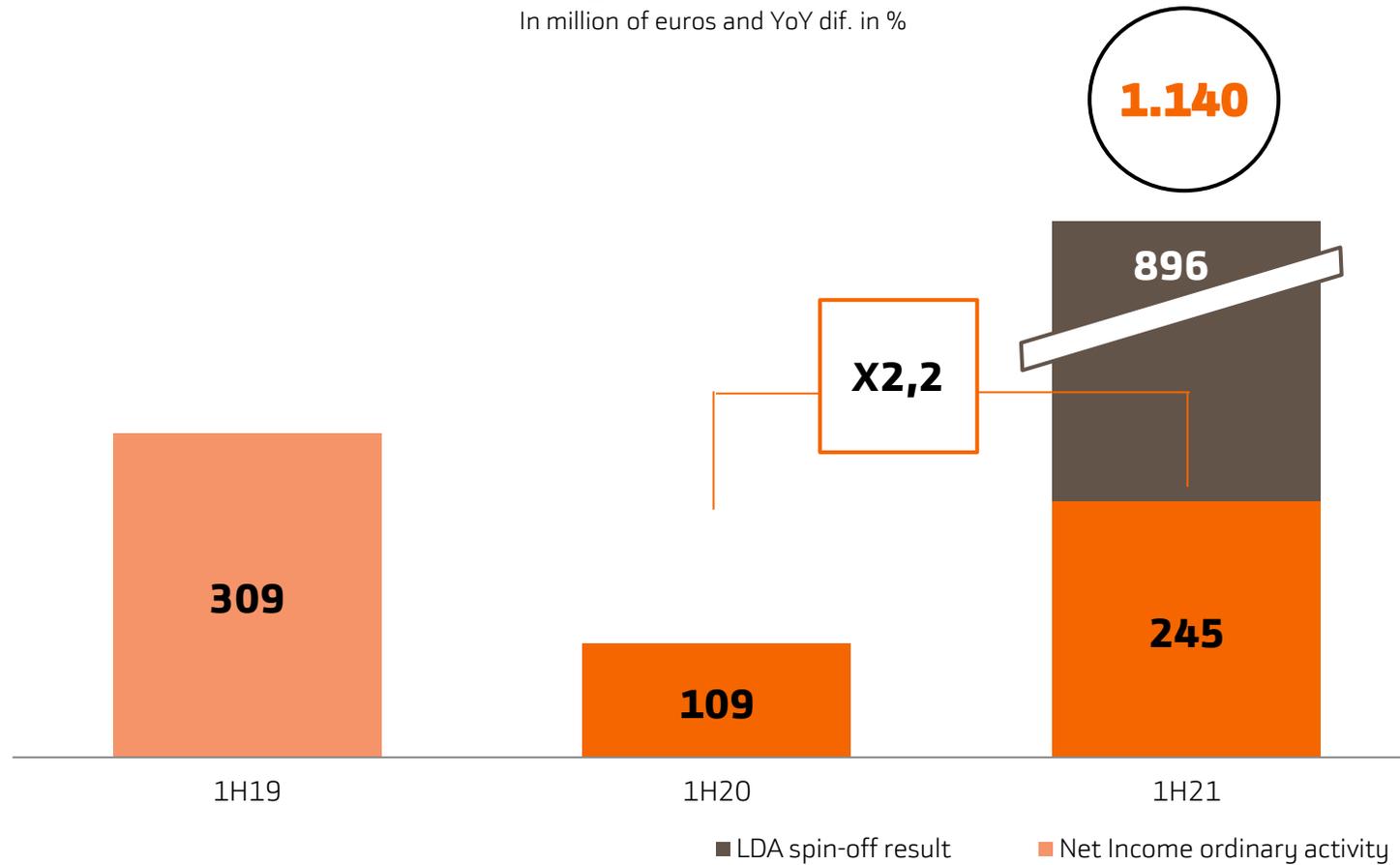


\* CoR includes impairments & gains/losses on asset disposals

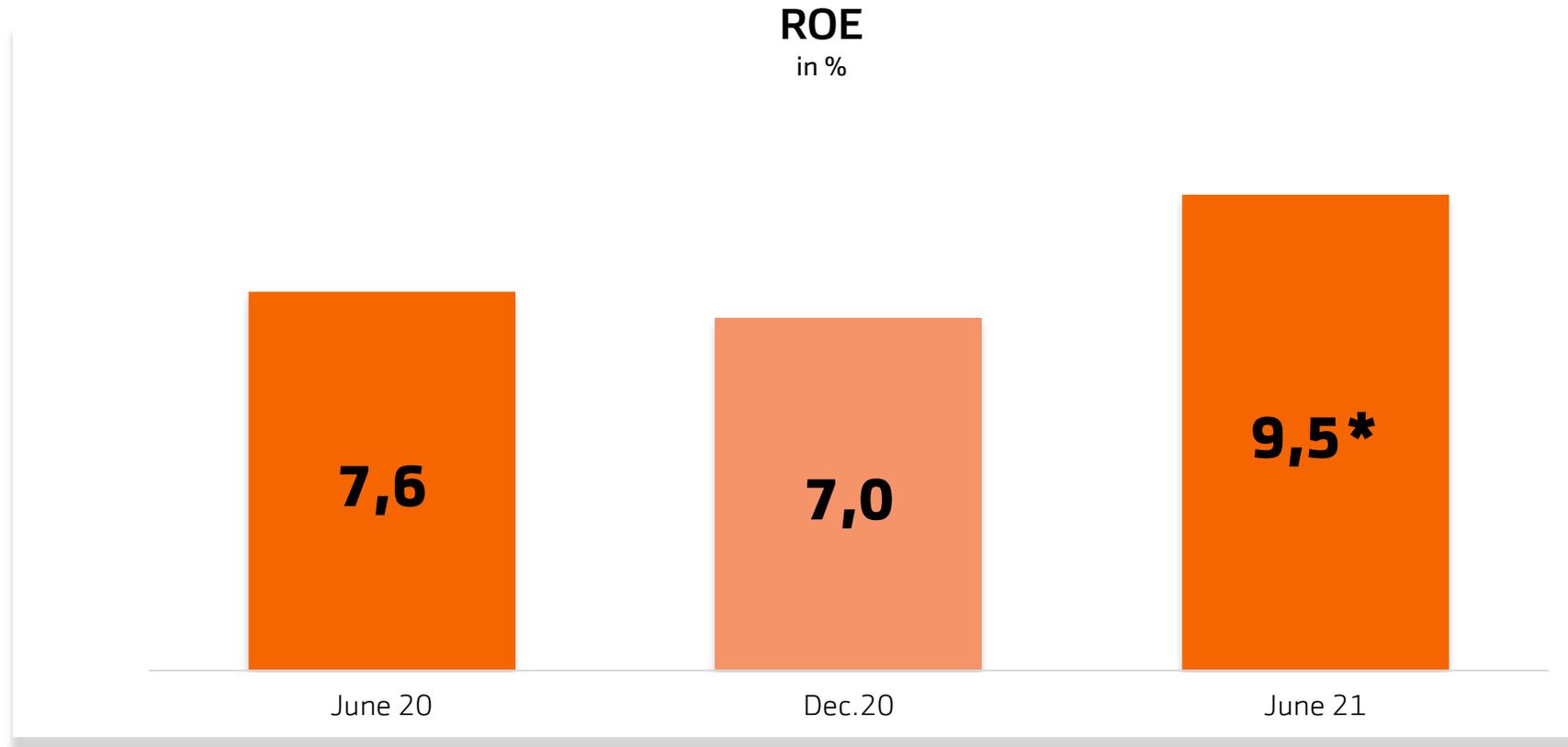
# Total Group Net Income

## Half year Net Income

In million of euros and YoY dif. in %



# Profitability



\* Excluding the extraordinary impact of Linea Directa spin-off

02.

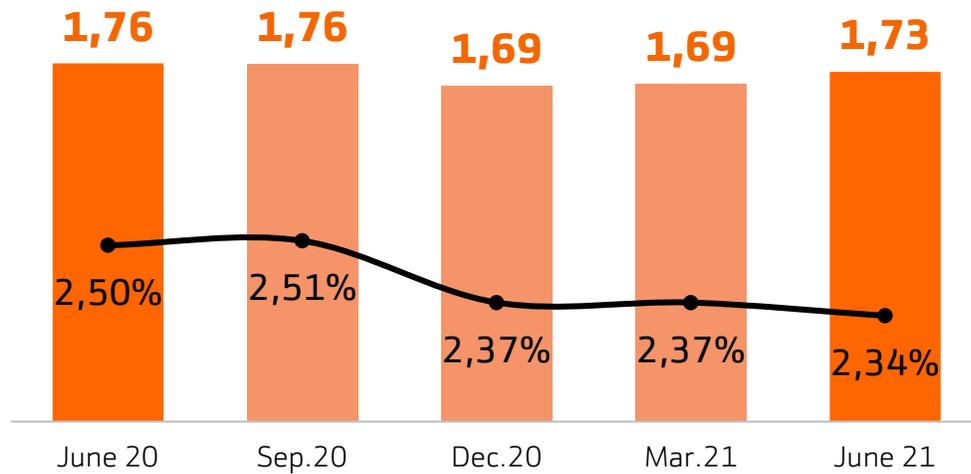
# Risk Management



# Credit Risk

## Non-performing loans

In billion of euros & ratio in %



## NPL ratio by segment

in %

Sector*	Bankinter June'21	Bankinter June'20
Sector* <b>4,53%</b>		
Households**	2,30%	2,37%
Corporates/ SME's**	2,74%	2,74%
<b>Total</b>	<b>2,34%</b>	<b>2,50%</b>

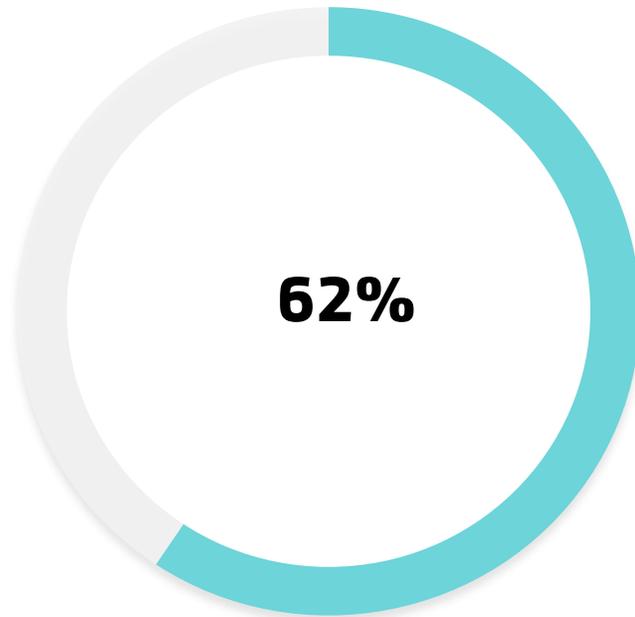
\*BdE data as of April-21

\*\*Bankinter Spain

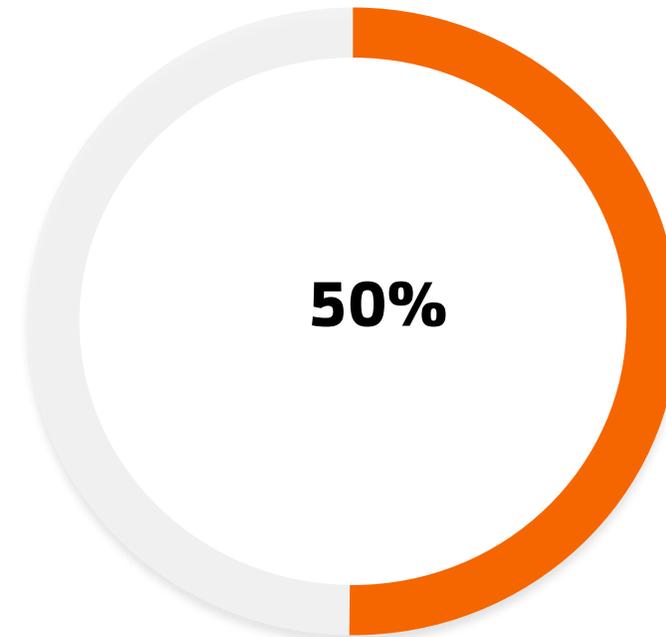
# Provision coverage

in %

### Coverage ratio



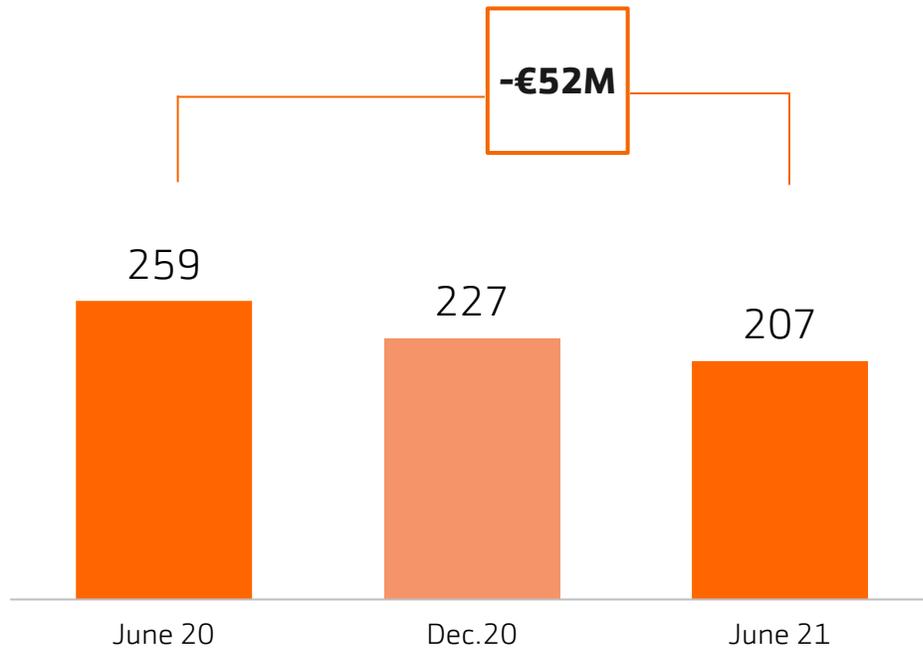
### Foreclosed assets coverage



# Foreclosed assets

## Stock of foreclosed assets

In million of euros



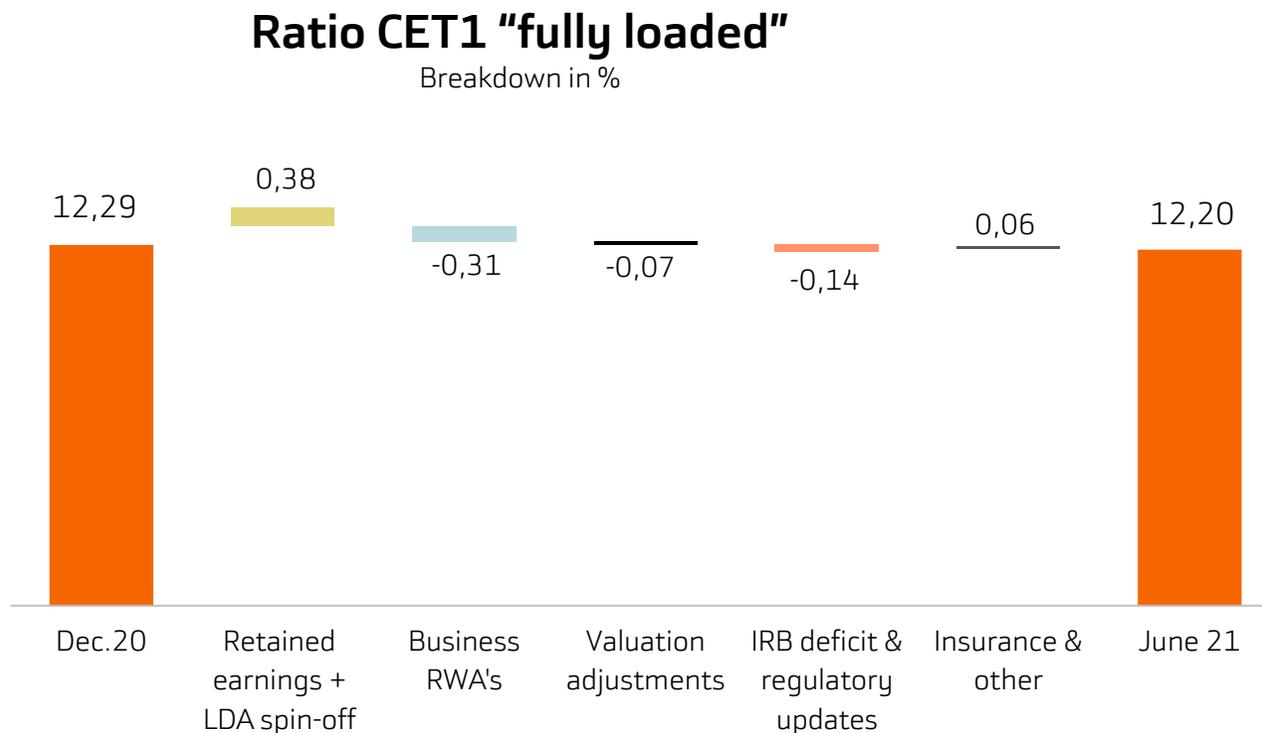
## June - 21

<b>-20%</b>	Book value of sold assets	Total Price of sold assets
	<b>€40M</b>	<b>€25M</b>
	Average discount on sold assets	Average coverage on sold assets
	<b>-38%</b>	<b>37%</b>

# Capital

**CET1**  
**"fully loaded"**  
**12,2%**  
 Mín. 7,675%

**MREL**  
**22,1%**  
 of RWA's  
 Min. 2022: 18,7%



**Leverage ratio**  
**5,1%**

**Total Capital**  
**15,6%**

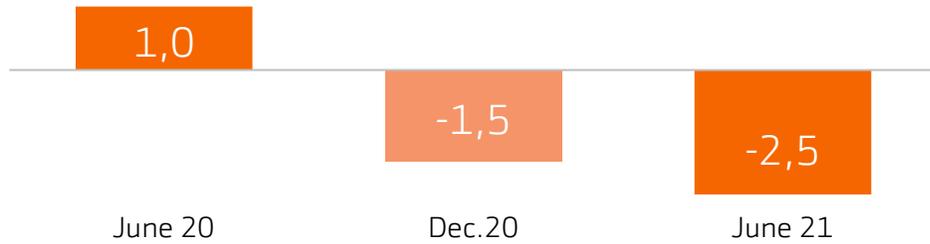
**S&P upgrades outlook to stable**

New Tier 2 issuance of €750M at Midswap +145bps

# Liquidity

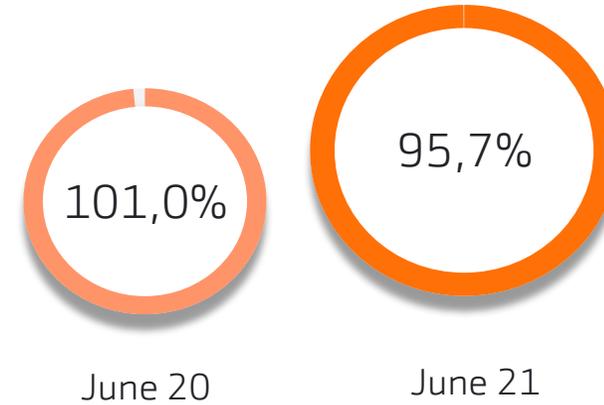
## Commercial gap

In billion of euros



## Loan-to-deposit ratio

in %



**-5,3 p.p.**  
YoY

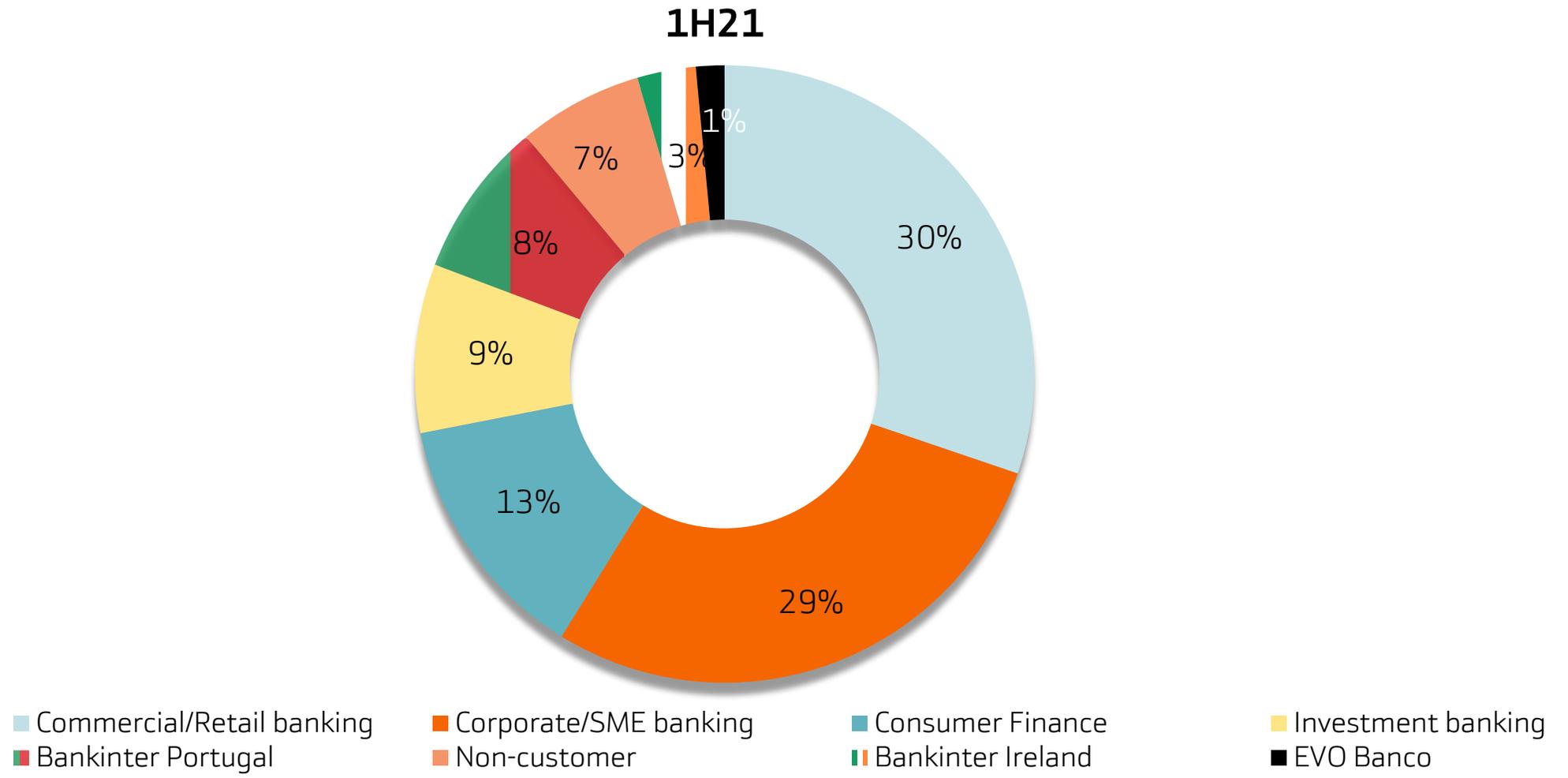


03.

## Business

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

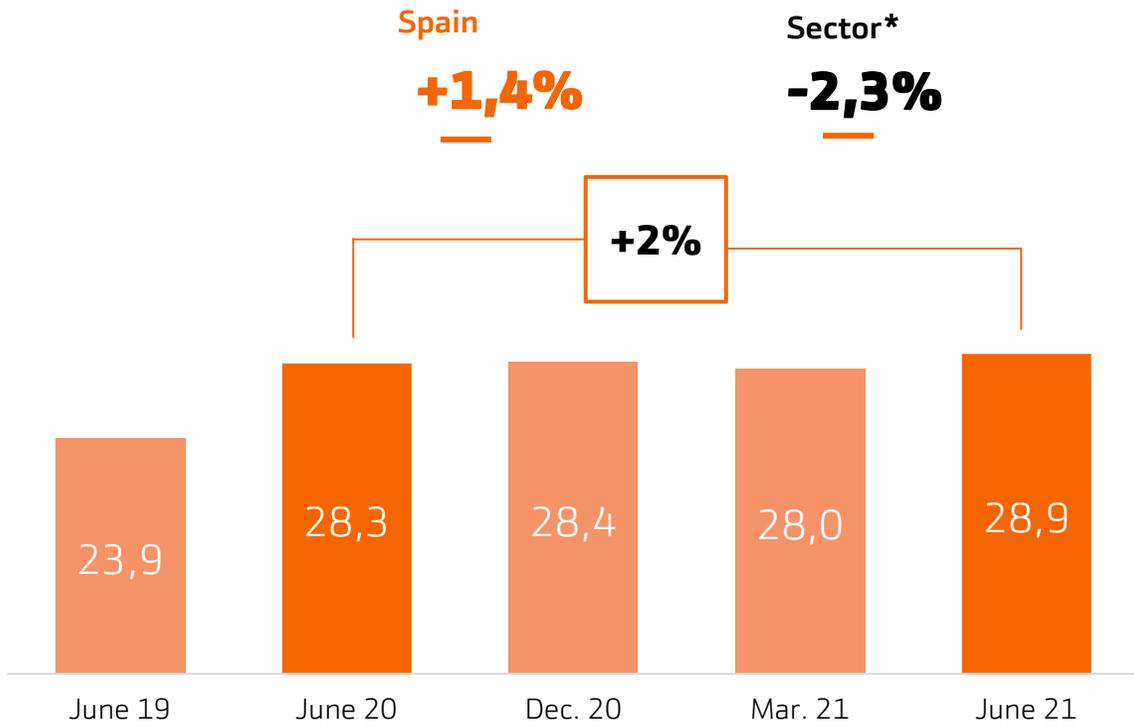
# Contribution by business to Total Income



# Corporate/SME banking

## Loan book

In billion of euros



\*BdE data as of May-21

CIB Corporate Total Income	
—	
<b>€44M</b>	
+27% YoY	
International banking loan book	Domestic Commercial bills
—	—
<b>€6,2bn</b>	<b>€2,7bn</b>
+7,5% YTD	+15% YoY

# ICO & Moratorium

## ICO Loans (June '21)

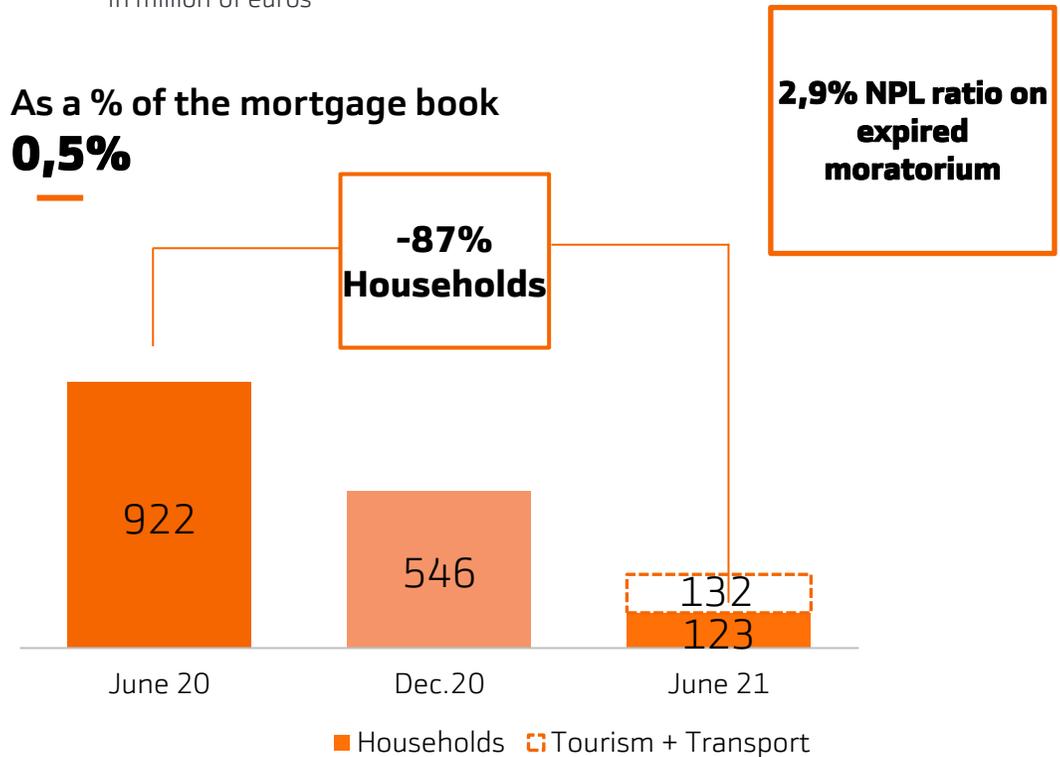


**38% maturity & grace period extended**

## Commercial banking moratorium in Spain

In million of euros

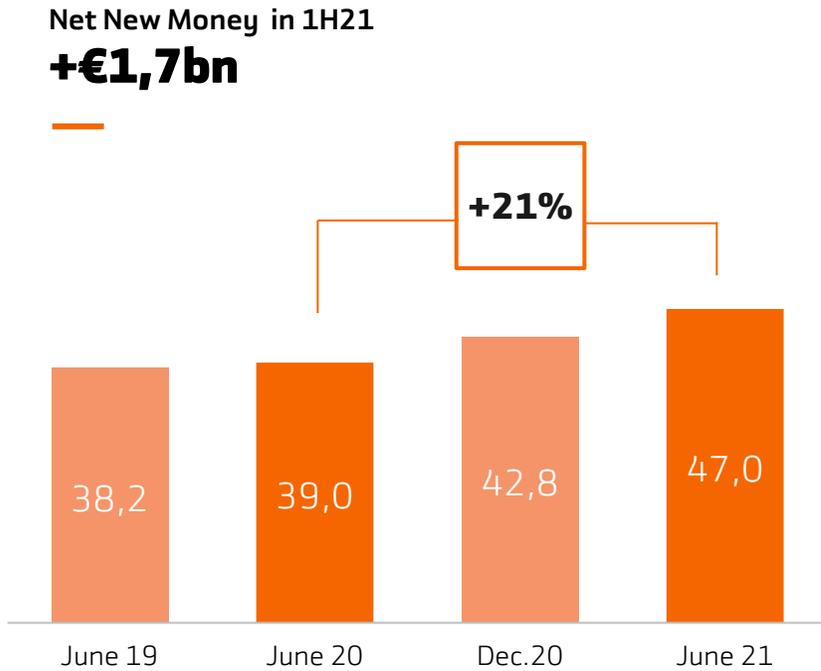
As a % of the mortgage book  
**0,5%**



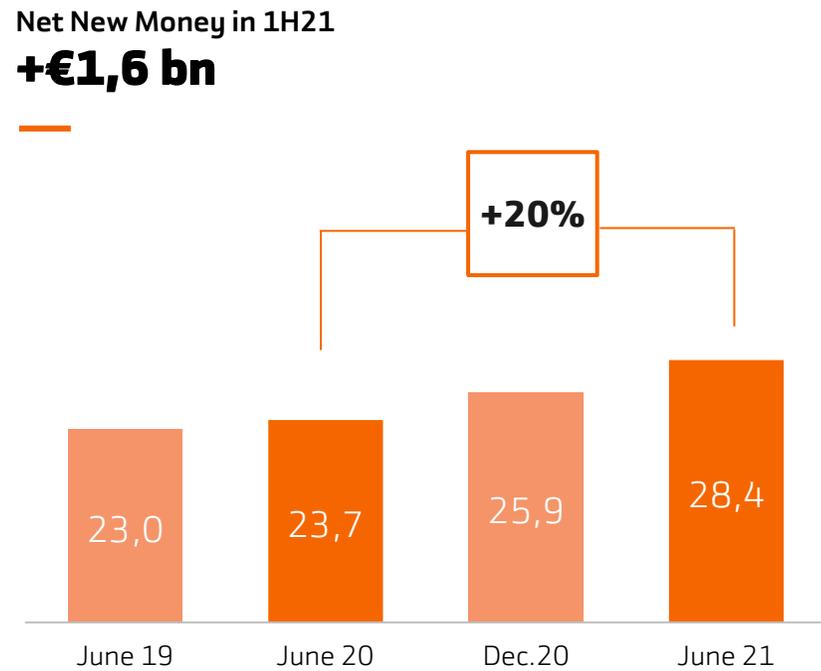
# Private and Personal banking

## Customer wealth

In billion of euros



Private Banking



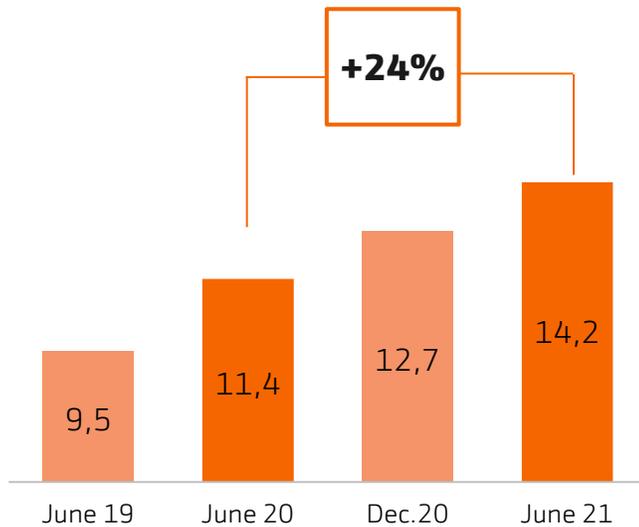
Personal Banking

# Retail banking

Market share of new mortgages in Spain\*\*  
**7,5 %**

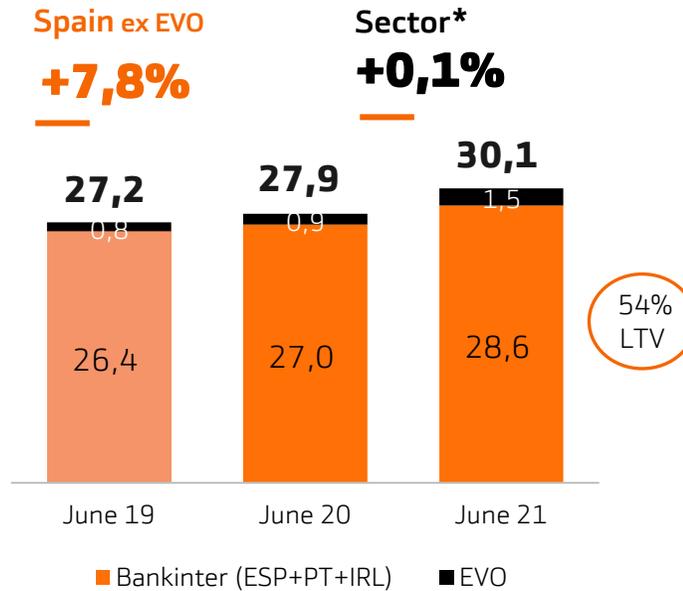
## Salary account balances in Spain

In billion of euros



## Mortgage back book

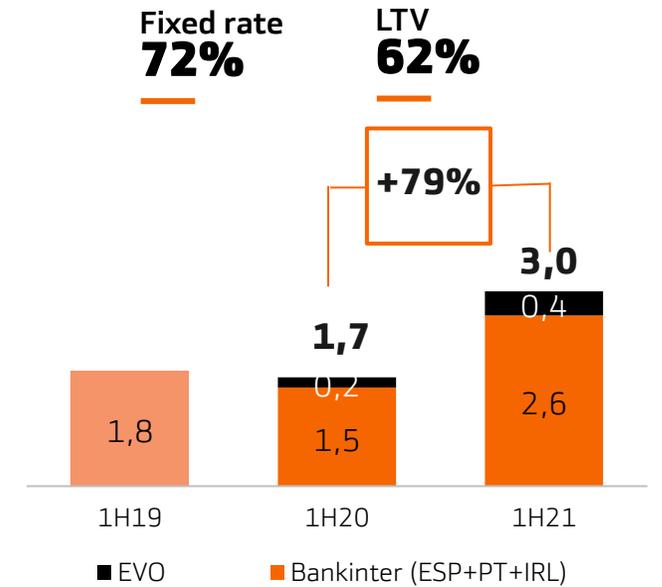
In billion of euros



\*BdE data as of May-21

## New mortgage production

In billion of euros

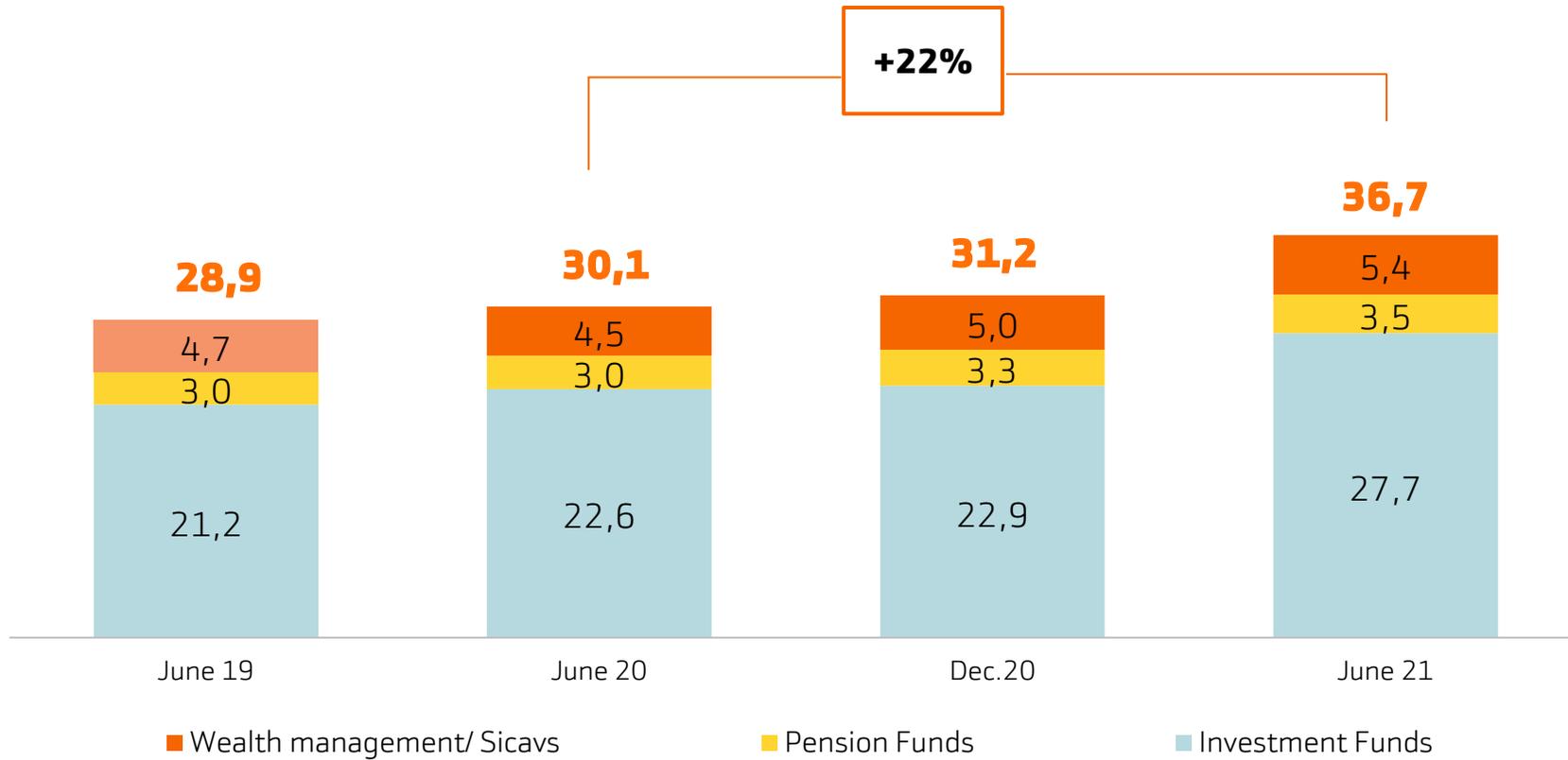


\*\*INE as of April-21 (market share LTM)

30  
Results 1H21

# Asset Management

In billion of euros



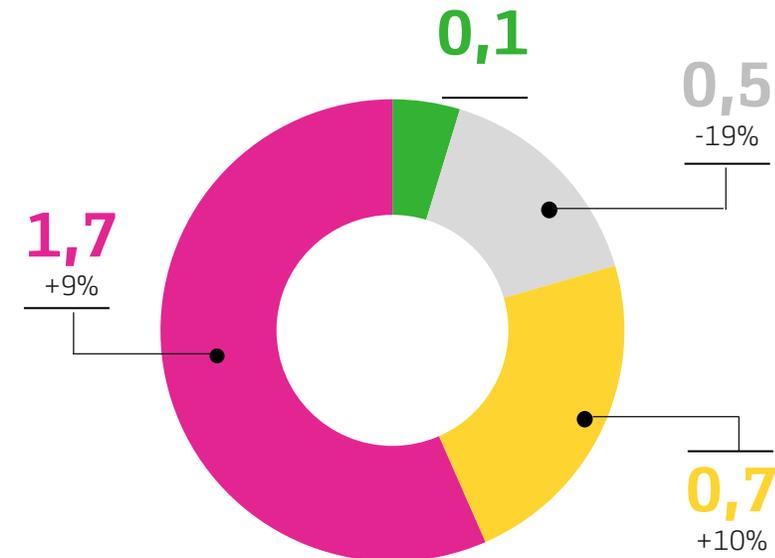
# Bankinter Consumer Finance



Cost of risk <b>3,6%</b>	<b>€3,1bn</b> Loan book +9% YoY
Risk-adjusted return <b>6,3%</b>	
NPL ratio <b>7,3%</b>	New production <b>€0,6 bn</b> +66% YoY
Cost to income <b>28,1%</b>	

## Breakdown by product as of 1H21

In billion of euros and dif. in % YoY



- Mortgages Ireland
- Rest of cards
- Revolving cards in Spain
- Personal loans

# Bankinter Ireland



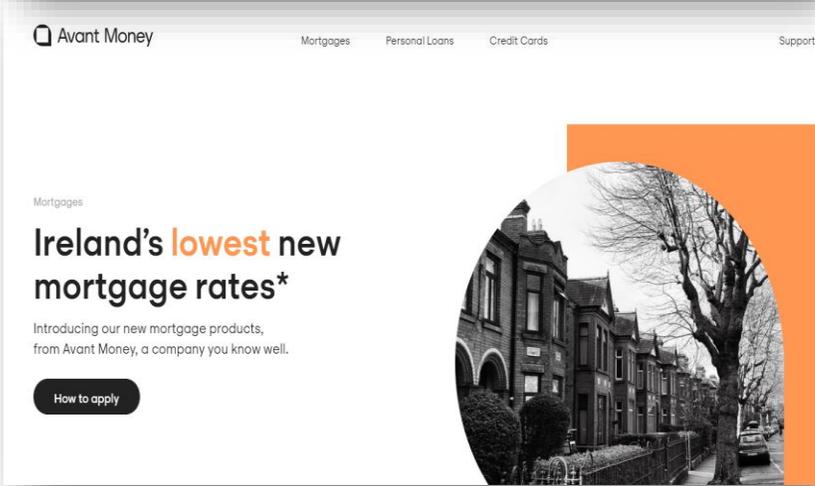
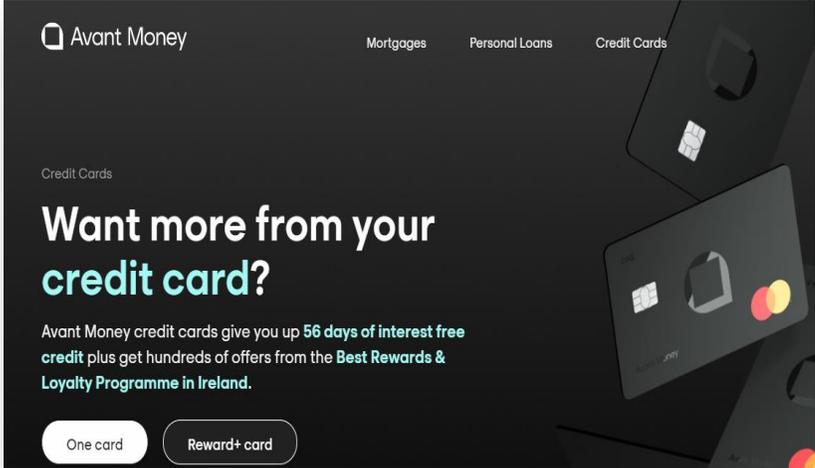
Cost of risk  
**1,6%**

---

NPL ratio  
**0,7%**

**€0,6bn**  
Loan book  
+39% YoY

**€127M**  
New mortgages in  
1H21



# Bankinter Portugal

## Business indicators

In billion of euros

### €6,8bn

Loan book **+6%** YoY

Retail banking  
€4,8bn +5%

Corporates/SME's  
€2,0bn +7%

### €5,5bn

Retail funds  
**+19%** YoY

### €3,9bn

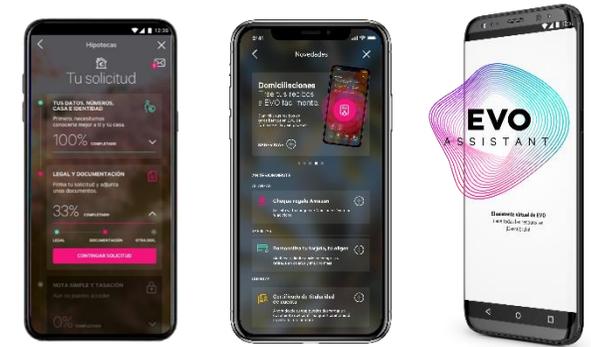
Off-balance sheet funds  
**+14%** YoY

## 1H21 P&L

In million of euros

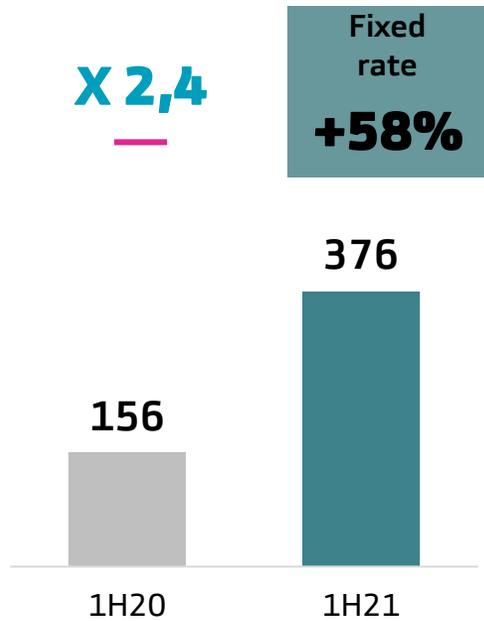
	1H21	1H20	Dif. %
Net Interest Income	49	46	7%
Net fees and commissions	29	23	26%
Other income/expenses	-3	-4	-13%
<b>Gross operating income</b>	<b>75</b>	<b>65</b>	<b>15%</b>
Operating expenses	-42	-40	4%
<b>Pre-provision profit</b>	<b>33</b>	<b>25</b>	<b>33%</b>
LLP and other provisions	-7	-5	53%
<b>Earnings before taxes</b>	<b>26</b>	<b>17</b>	<b>50%</b>

# EVO Banco



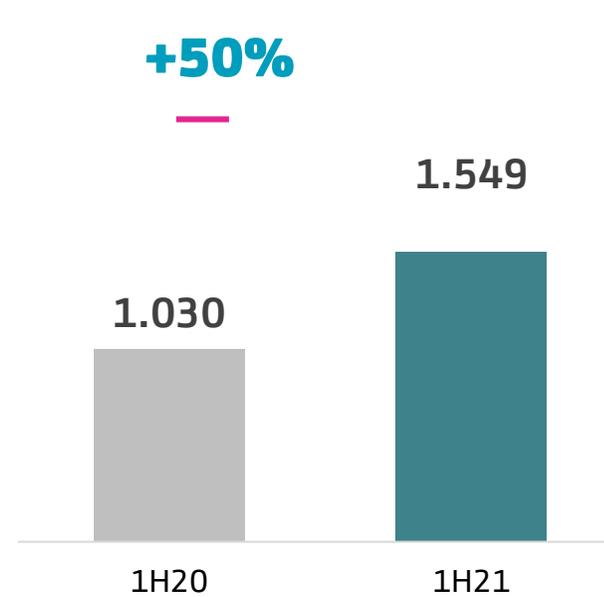
## New mortgages in 1H21

In million of euros



## Loan book

In million of euros



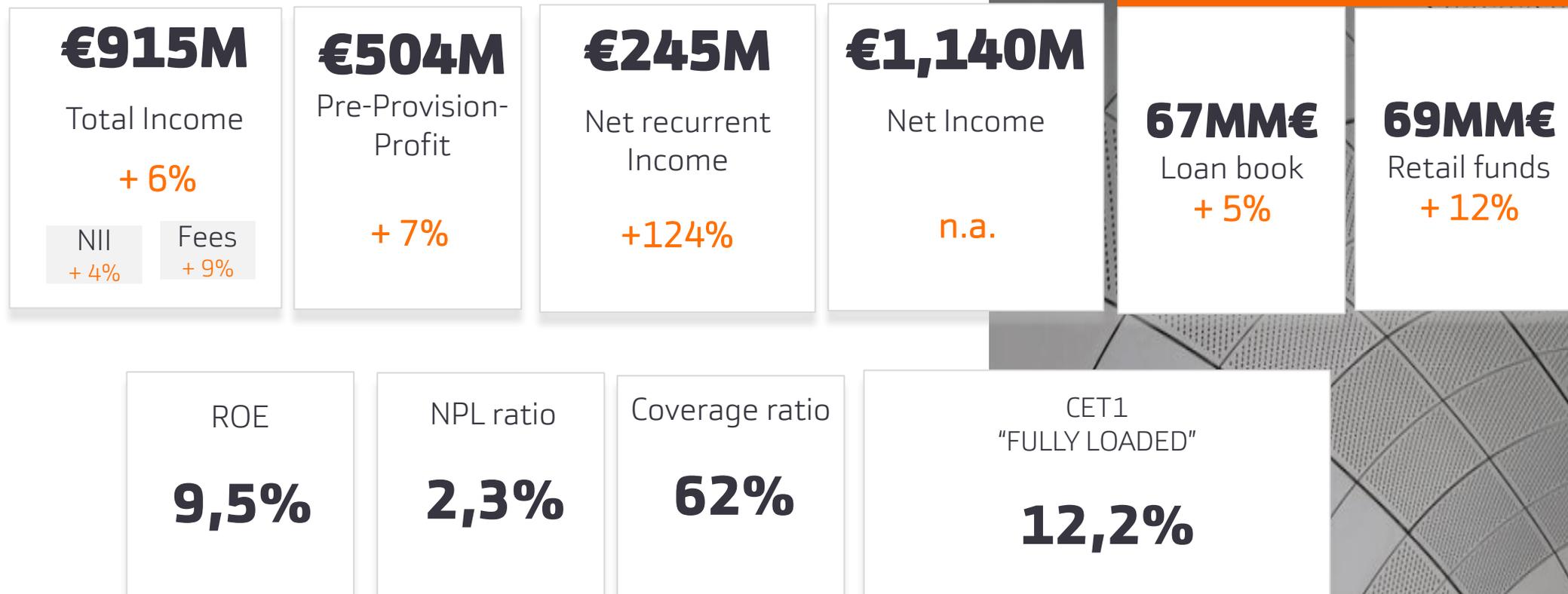
**663k Customers  
June-21**



04.

Summary

# Key Performance Indicators





bankinter.

Thank you



# 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