

Company Flash Note

Reason: Company results (preview)

16 April 2024

Buy

Recommendation unchanged

Share price: EUR 6.89

closing price as of 15/04/2024

Target price: EUR 8.58

from Target Price: EUR 8.00

Upside/Downside Potential 24.5%

Reuters/Bloomberg

BKT.MC/BKT.SM

Market capitalisation (EURm) 6,195

Current N° of shares (m) 899

Free float 70%

Daily avg. no. trad. sh. 12 mth (k) 3,169

Daily avg. trad. vol. 12 mth (k) 14,573.60

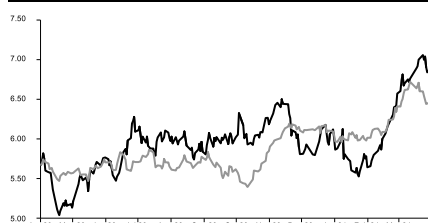
Price high/low 12 months 7.06 / 5.04

Abs Perfs 1/3/12 mths (%) 4.87/12.61/22.11

Key financials (EUR)	12/23	12/24e	12/25e
Total Revenue (m)	2,661	2,807	2,716
Pre-Provision Profit (PPP) (m)	1,667	1,764	1,640
Operating profit (OP)	1,249	1,342	1,212
Earnings Before Tax (m)	1,229	1,334	1,204
Net Profit (adj.) (m)	816	880	789
Shareholders Equity (m)	5,323	5,747	6,116
Tangible BV (m)	5,021	5,445	5,814
RWA (m)	39,018	40,586	42,943
ROTE	16.2%	16.2%	13.6%
Total Capital Ratio (B3)	16.1%	16.5%	16.5%
Cost/Income	37.3%	37.2%	39.6%
Price/Pre-Prov Prof	3.1	3.5	3.8
P/E (adj.)	6.4	7.0	7.9
P/BV	1.0	1.1	1.0
P/TBV	1.0	1.1	1.1
Dividend Yield	6.8%	7.4%	6.6%
Pre-Prov Prof per share	1.85	1.96	1.82
EPS (adj.)	0.91	0.98	0.88
BVPS	5.92	6.39	6.80
TBVPS	5.59	6.06	6.47
DPS	0.47	0.51	0.46

Shareholders

Cartival 23%; C. Masaveu 5%; Lazard 3%;



Source: FactSet

Analyst(s)

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Previsión de resultados 1T24

Bankinter presentará sus resultados de 1T24 el próximo jueves 18 de abril. Esperamos un beneficio neto atribuible de 192mnEUR (+4,0% a/a) favorecido por el comportamiento del margen de intereses y las comisiones y penalizado por el aumento hasta 100mnEUR del impuesto a la banca. Hemos revisado nuestro precio objetivo a diciembre 2024 hasta 8,58EUR por acción. Comprar.

- ✓ **Beneficio neto atribuible de 192mnEUR.** Nuestras estimaciones están alineadas con las de consenso. En este trimestre destacamos el aumento del margen de intereses hasta 580mnEUR (+11,0% a/a y +0,9% t/t), el buen desempeño de las comisiones (+7,0% a/a y -1,1% t/t), unos costes de explotación relativamente contenidos (+5,0% a/a y -21,5% t/t), un coste de riesgo de unos 40pb y una tasa impositiva 39% al no ser el impuesto a la banca deducible de impuestos. No hay que olvidar tampoco que LDA no paga dividendos (que sí estaban en 1T23),
- ✓ **Actividad crediticia, “al tran tran”.** Tras la fuerte evolución del último trimestre del ejercicio, el primer trimestre se suele comportar mostrar una mayor debilidad. Así, el crédito vivo del sistema a febrero de 2024 retrocedió un -1,0% respecto a diciembre de 2023 y un -2,7% respecto a febrero de 2023. Como dato positivo, la producción de crédito aumentó un +8,6% a/a en los dos primeros meses del año (-16,0% respecto a nov.-dic 2023). En este contexto, estimamos un crecimiento del crédito del +5,0% a/a +0,1% t/t debido al dinamismo del negocio en Irlanda y de EVO Banco.
- ✓ **Buen desempeño en los recursos de clientes.** Tras cerrar el ejercicio 2023, con un crecimiento de los recursos minoristas en balance del +8,5% a/a y del +18,1% en los recursos fuera de balance, esperamos que estos últimos mantengan la tendencia debido al buen comportamiento de los mercados de renta variable. Esta evolución incidirá en un crecimiento de las comisiones que nosotros esperamos se sitúe en el +7%, dentro del *guidance* de dígito simple alto provisto por el banco.
- ✓ **Se mantiene la buena calidad de activos.** Bankinter mantiene una ratio de mora del 2,11% en 4T23 y una cobertura del 64,7%, trimestre en el que no se observó un incremento significativo de las entradas en morosidad. En un entorno de creación de empleo, las entradas en mora siguen en niveles muy bajos por lo que el coste del riesgo de 35-40pb que ha guiado la entidad juzgamos que es suficiente.
- ✓ **¿Modificarán el *guidance* del margen de intereses?** El retraso en la bajada de tipos de interés frente a lo que se pensaba en enero, así como la menor profundidad de esa bajada pensamos que debería tener un impacto positivo en la evolución del margen de intereses de 2024. Nosotros esperamos un aumento del mismo del +1.9% frente al margen estable que dio como guía la entidad.
- ✓ **Hemos revisado el precio objetivo de Bankinter hasta 8,58EUR por acción.** Según nuestros cálculos, y asumiendo un tipo de interés a 12 meses del 2,5% y la perpetuación del impuesto a la banca, la ROTE recurrente después de costes de AT 1 podría situarse en 2027e en el 11,8% (el impuesto resta aproximadamente 1,8pp a la ROTE). Aunque los resultados de 2025 pudieran descender por la esperada bajada de tipos de interés, la acción cotiza a una rentabilidad por dividendo 2025 del 6,6%. Comprar.

Previsión de resultados de 1T24e.

Bankinter: Resultados 1T24e

(mEUR)	1T23	4T23	1T24e	% inc.		Cons.
				a/a	t/t	
Margen de intereses	522	575	580	11.0	0.9	579
Comisiones	153	165	163	7.0	-1.1	162
ROF	16	-8	15	-5.3	nm	
Otros	-75	-77	-105	39.9	36.9	
Margen bruto	616	655	654	6.1	-0.3	651
Gastos operativos	-220	-294	-231	5.0	-21.5	-235
R. explotación	396	362	423	6.7	16.9	416
Provisiones insolvencias	-75	-112	-85	12.6	-24.1	
Otras provisiones	-26	-18	-22	-16.3	17.9	
No-recurrentes	-1	-6	-2	nm	-68.1	
BAI	294	225	314	6.8	39.6	312
Impuesto sobre beneficios	-110	-65	-122	11.4	87.7	
Rdo. ops. interrumpidas	0	0	0	nm	nm	
Minoritarios	0	0	0	nm	nm	
Bº neto atribuible	185	160	192	4.0	20.0	192

Fuente: Compañía y GVC Gaesco

Bankinter: Summary tables

PROFIT & LOSS (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Interest Income	1,275	1,537	2,213	2,254	2,149	2,119
Commissions	603	606	624	659	672	689
Financial Operations Revenues	74.3	70.8	35.5	40.0	40.0	40.0
Other Operating Income	-97.7	-129.3	-212.8	-145.8	-144.6	-147.9
Non-Interest Income	580	548	447	553	567	581
Total Revenue	1,855	2,084	2,661	2,807	2,716	2,700
Operating Costs	-853.2	-918.0	-993.4	-1,043.0	-1,076.1	-1,100.3
-of which Personnel Expenses	-472.8	-508.9	-557.9	-585.8	-603.4	-615.5
Pre-Provision Profit (PPP)	1,002	1,166	1,667	1,764	1,640	1,600
Other Operating Provisions	-182.8	-107.0	-79.7	-74.6	-69.1	-57.0
Loan Impairment Charge (LIC)	-263.1	-253.0	-338.2	-348.0	-358.4	-369.2
Operating profit (OP)	556	806	1,249	1,342	1,212	1,173
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Income/Loss(Exceptional)	-19.5	-21.2	-20.5	-8.0	-8.0	-8.0
Earnings Before Tax (EBT)	537	785	1,229	1,334	1,204	1,165
Tax	-139.3	-224.8	-384.1	-422.9	-384.7	-373.3
<i>Tax rate</i>	<i>26.0%</i>	<i>28.6%</i>	<i>31.3%</i>	<i>31.7%</i>	<i>31.9%</i>	<i>32.0%</i>
Discontinued Operations	936	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (Reported)	1,333	560	845	911	819	792
Earnings Before Tax (Adj.) (1)	556	806	1,249	1,342	1,212	1,173
Net Profit (Adj.)	-557.5	545	816	880	789	761
BALANCE SHEET (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Due from Banks	27,032	18,430	22,122	22,122	22,122	22,122
Customer Loans	66,282	72,166	74,337	77,298	79,662	82,097
Securities	11,632	14,125	13,662	13,661	13,661	13,661
Interest Earning Assets (IEA)	104,946	104,722	110,121	113,081	115,445	117,881
Unit Linked Investments	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	2.3	2.3	2.3	2.3	2.3	2.3
Other Assets	2,635	2,783	2,888	2,708	2,708	2,708
Total Assets	107,584	107,507	113,012	115,792	118,156	120,591
Due to Banks	17,463	15,064	11,597	11,935	10,724	9,459
Customer Deposits	72,318	74,190	81,006	83,023	86,230	89,568
Bonds & Debt Capital	7,690	6,433	8,546	8,546	8,546	8,546
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities	5,261	6,915	6,540	6,540	6,540	6,540
Shareholders Equity	4,852	4,905	5,323	5,747	6,116	6,478
Minorities Equity	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	107,584	107,507	113,012	115,792	118,156	120,591
Tangible Book Value (2)	4,582	4,626	5,021	5,445	5,814	6,176
REGULATORY CAPITAL (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Risk Weighted Assets	36,781	36,200	39,018	40,586	42,943	44,258
CT1 ratio (B3 fully loaded)	12.1%	12.0%	12.3%	12.9%	13.0%	13.5%
CT1 ratio (B3 phased-in)	12.1%	12.0%	12.3%	12.9%	13.0%	13.5%
Total Capital Ratio (B3)	15.4%	15.3%	16.1%	16.5%	16.5%	16.8%
Leverage Ratio (fully loaded)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<i>Tangible equity as % of Assets</i>	<i>4.3%</i>	<i>4.3%</i>	<i>4.4%</i>	<i>4.7%</i>	<i>4.9%</i>	<i>5.1%</i>

Bankinter: Summary tables

GROWTH RATES %	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Revenue Growth	8.6%	12.3%	27.6%	5.5%	-3.3%	-0.6%
Operating Cost Growth	2.9%	7.6%	8.2%	5.0%	3.2%	2.3%
Interest Income Growth	2.3%	20.5%	44.0%	1.9%	-4.7%	-1.4%
Non Interest Income Growth	25.5%	-5.6%	-18.4%	23.7%	2.6%	2.4%
Pre-Provision Profit Growth	13.9%	16.4%	42.9%	5.8%	-7.1%	-2.4%
Customer Loan Growth	4.8%	8.9%	3.0%	4.0%	3.1%	3.1%
Deposits Growth	13.9%	2.6%	9.2%	2.5%	3.9%	3.9%
Change in NPLs	0.5%	2.4%	4.5%	-0.7%	4.3%	4.2%

KEY RATIOS %	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Interest Income/Avg. IEA	1.3%	1.5%	2.1%	2.0%	1.9%	1.8%
Interest Income/Avg. RWA	3.5%	4.2%	5.9%	5.7%	5.1%	4.9%
Total Revenue/Avg. RWA	5.1%	5.7%	7.1%	7.1%	6.5%	6.2%
Non-Interest Income/Total Revenue	31.3%	26.3%	16.8%	19.7%	20.9%	21.5%
Cost/Income ratio (4)	46.0%	44.0%	37.3%	37.2%	39.6%	40.8%
LIC/Avg. Customer Loans	0.41%	0.37%	0.46%	0.46%	0.46%	0.46%
LIC/Avg.RWA	0.72%	0.69%	0.90%	0.87%	0.86%	0.85%
Loan Loss Provisions (Balance Sheet)/Loans	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%
NPL Ratio (gross)	2.2%	2.1%	2.5%	2.4%	2.0%	2.1%
NPL Coverage	64.0%	66.3%	55.0%	52.0%	70.5%	71.7%
Loans/Deposits Ratio	91.7%	97.3%	91.8%	93.1%	92.4%	91.7%
ROE	27.1%	11.1%	15.3%	15.3%	12.9%	11.8%
ROTE (5)	28.7%	11.8%	16.2%	16.2%	13.6%	12.3%
Payout Ratio	16.4%	50.0%	50.0%	50.0%	50.0%	50.0%
Dividend Yield (gross)	5.4%	5.0%	6.8%	7.4%	6.6%	6.4%

VALUATION (x)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
P/Pre-Provision Profit per Share	4.0	4.8	3.1	3.5	3.8	3.9
P/E (reported)	3.0	10.1	6.2	6.8	7.6	7.8
P/E (adj.)	n.m.	10.3	6.4	7.0	7.9	8.1
P/BV	0.8	1.1	1.0	1.1	1.0	1.0
P/TBV	0.9	1.2	1.0	1.1	1.1	1.0

PER SHARE DATA (EUR)(6)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Average diluted number of shares	898.9	898.9	898.9	898.9	898.9	898.9
Pre-Provision Profit per Share	1.11	1.30	1.85	1.96	1.82	1.78
EPS (reported)	1.48	0.62	0.94	1.01	0.91	0.88
EPS (adj.)	-0.62	0.61	0.91	0.98	0.88	0.85
BVPS	5.40	5.46	5.92	6.39	6.80	7.21
TBVPS (2)	5.10	5.15	5.59	6.06	6.47	6.87
DPS	0.24	0.31	0.47	0.51	0.46	0.44

PRICE & SHARES & MKT CAP (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Price** (EUR) (7)	4.5	6.3	5.8	6.9	6.9	6.9
Outstanding number of ordinary shares (m)	899	899	899	899	899	899
Total Market Cap (8)	4,053	5,634	5,210	6,195	6,195	6,195
Assets Under Management (bn)	39,533.6	37,215.5	43,937.0	45,721.0	47,577.5	49,509.3

Source: Company, GVC Gaesco Valores estimates.

Notes

(1) Earnings Before Tax (adj.) = EBT +/- Exceptional Items

(2) Tangible Book Value = Shareholders Equity less Goodwill

(3) Core Tier1 Ratio (ESN adj.) = Tier1 capital less Tier1 Hybrid capital and less preference capital divided by risk weighted assets

(4) Cost/Income = Operating Costs divided by Banking Revenues

(5) ROE = Net Profit (adj) divided by the two-years (according to fiscal year end) average of Tangible Book Value (Goodwill adjusted)

(6) EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs

(7) Price (in local currency): Historical Price for Historical Years and Current Price for current and forecast years

Sector: Banks/Banks

Company Description: Bankinter is the 5th largest bank in Spain. The group emerged as a "primus inter pares" in the prior crisis obtaining the largest ROE of domestic groups.

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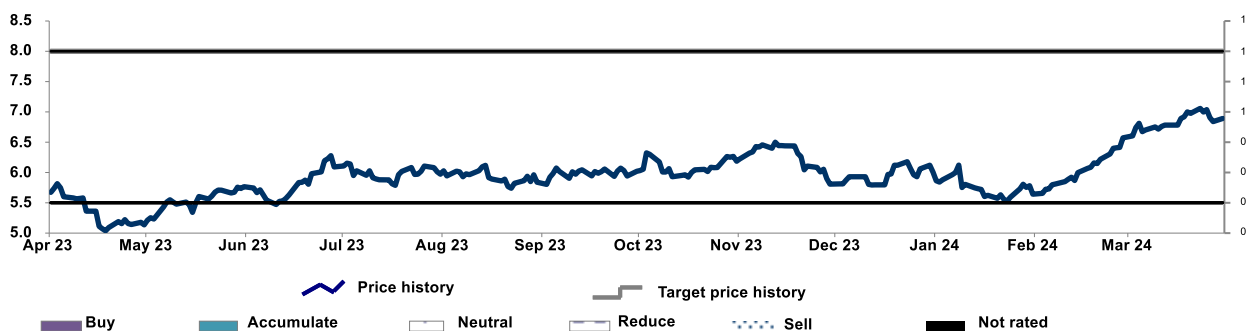
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Recommendation history for BANKINTER

Date	Recommendation	Target price	Price at change date
20-Oct-22	Buy	8.00	6.23
21-Jan-22	Buy	6.00	5.18
23-Dec-21	Buy	5.18	4.50
23-Nov-21	Accumulate	5.18	4.58
11-Oct-21	Neutral	5.18	5.14
30-Apr-21	Buy	5.18	4.56

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Valores continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Marisa Mazo, Ph.D, CFA (since 23/10/2020)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	64	78%
Accumulate	7	9%
Neutral	8	10%
Reduce	2	2%
Sell	0	0%

ESN Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	236	67%
Accumulate	24	7%
Neutral	84	24%
Reduce	2	1%
Sell	3	1%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

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