

Results

A decade with an annual profit growth rate of 15%

Bankinter's commercial efforts in a year of strong economic recovery, such as 2021, brought the Group record results. This demonstrates Bankinter's financial strength, the consistency of its value proposition and the potential of some of its lines of business that are starting to thrive and become increasingly diversified.

All margins experienced strong growth, with the pre-provision operating profit reaching record figures: 1.0021 billion euros, 13.9% more than in 2020 and 19% more than in 2019, that is, before the outbreak of the pandemic.

Net profit amounted to 1.3331 billion euros, including the capital gain of 895.7 million euros generated by the successful IPO of Línea Directa Aseguradora (LDA). Excluding this capital gain, the Group's recurring net profit stood at 437.4 million euros (+37.9%).

As a result, Bankinter achieved a CAGR for profit after tax of 15% between 2012 and 2021, despite the low level of earnings in 2020 caused by extraordinary provisions.

Return on Equity (ROE). Without taking into account the capital gain from LDA, this stood at 9.6%, compared to 7.03% in 2020, which was the year in which this ratio suffered from the higher provisions made to prevent the macroeconomic environment from worsening due to the health crisis.

Capital. The Bankinter capital maintains a CET1 fully-loaded ratio (of the highest quality) of 12.1%, well above the requirements of the European Central Bank, set at 7.68%.

Non-performing loans. As at 31 December, the non-performing loans ratio stood at 2.24%, down 13 basis points from the year-earlier figure, with little impact from the end of the mortgage moratoriums. The non-performing loan coverage ratio was 63.56%, an improvement of 302 basis points from year-end 2020.

Liquidity. Bankinter has a negative customer funding gap, with a deposit-to-loan ratio of 108.5%.



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Margins

The stronger commercial activity boosted margins, which in all cases were not just higher than in 2020, but also than in 2019, enabling the Bank to post record revenue figures.

The diversity of the source of revenue and the fact that our business includes activities that have already been consolidated along with new activities, with much greater potential, means we can predict strong figures in future, which will compensate for LDA leaving the Group.

Net interest income. Closed the year at 1.2753 billion euros, up 2.3% from 2020, driven by higher volumes and price optimisation, even amid low interest rates.

Gross operating income. Up 8.6% from one year ago, reaching 1.8553 billion euros. Revenue from commissions already represents 33% of this margin and totals 603 million (+21%). The bulk of these fees and commissions come from the asset management, brokerage and customer advisory business, all high value-added services.

Operating profit. This figure, before taxes, exceeded 1 billion euros for the first time in the bank's history, standing at 1.0021 billion (+13.9% compared to 2020 and +19% compared to 2020), with operating costs growing to 3%.

Balance sheet

Total assets closed 2021 at 107.5841 billion euros (+11.8%), while customer loans and receivables grew to 68.0488 billion (+5.7%) and retail funds reached 72.4849 billion (+11.7 %).

In Spain, the increase in loans and receivables was 3.9% and that of retail funds was 10.8%, compared to -0.3% and +4.9% for the banking system as a whole, according to data from November.

Businesses

Bankinter ended 2021 with excellent results in commercial activity in all types of products and businesses and in all markets where it is present.

Companies. Loans and receivables amounted to 28,700 million euros, with the portfolio in Spain increasing by 1%, compared with a 1.4% contraction in the sector until November. This improvement was achieved despite the absence of ICO-backed loans, which were very important in 2020. Bankinter's market share increased from 5.3% to 5.4%.

Commercial Retail Banking. Strong growth in all customer segments. The Private Banking assets under management amounted to 49.9 billion euros, compared to 42.8 billion in 2020, with 3.6 billion in net new assets. In Retail Banking, growth has been driven by magnificent customer acquisition figures of 107,503 customers, up 20% on the previous year. All commercial retail banking products performed positively. The balance for salary accounts in Spain increased from 12,700 million euros to 14,900 million euros. 2021 was one of the best years ever for Bankinter's mortgage business, with new loans (including EVO Banco) amounting to 5,900 million euros, a 58% increase on the previous year. The mortgage portfolio totalled 31,300 million euros at 31 December, with 8.6% growth in Spain, compared to 1.3% for the sector as a whole, according to figures to November from the Banco de España.

Net interest income

€ **1.28**
bn

+2.3%



Gross operating income

€ **1.86**
bn

+8.6%

Operating income

€ **1.00**
bn

+13.9%

Total assets

€ **107.58**
bn

+11.8%

Loans and receivables

€ **68,05**
bn

+15.7%

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Asset Management. The bank's commercial and advisory activity resulted in a 26.9% increase in off-balance-sheet managed funds compared to 2020, to 39,533.6 million euros. The improvement was especially significant in investment funds, both proprietary and third party, which increased by 30% to 29,800 million euros, with some products being among the most profitable in their categories.

Investment banking. Bankinter Investment, the company responsible for investment banking, has become a benchmark for activities such as alternative investment. It has launched 16 investment vehicles in a wide range of economic sectors, attracting 3,200 million euros of capital from more than 3,000 private banking and institutional customers. The balance for structured financing stands at 4,000 million euros. As a result, Bankinter Investment's gross operating income increased to 187 million euros, from 116 million in 2020.

Bankinter Portugal. It made a pre-tax profit of 50 million euros, which is reflected in all of its business indicators and margins. The loan book grew by 6% to 6,900 million euros, while customer deposits increased by 23% to 5,900 million euros. Off-balance sheet assets under management increased by 22%, to 4,400 million euros. Net interest income was 99 million euros (+5%) while gross operating income was 152 million euros (+10%), due to the strong performance of fee income, at 61 million euros.

Bankinter Consumer Finance At 31 December, the consumer business brand had a loan book of 3,500 million euros (+23%), with 1,500 million in new production. Consumer loans accounted for 1,900 million euros, with the remainder relating to various types of cards and the mortgages marketed in Ireland. Activity in Ireland, through the Avant Money brand, expanded considerably in 2021, with 1,000 million euros in the loan book at year-end, of which 400 million euros was accounted for by new mortgages. The bank has already become a major player in this market, despite only having started this business there recently. Avant Money's NPL ratio is 0.6%.

EVO Banco. Evo is continuing to consolidate its position among the younger and digital customer segments, with 678,000 customers at year-end 2021 and loans and receivables of 1,860 million euros, compared to 1,224 million in 2020. New mortgages amounted to 729 million euros (395 million in 2020). This reflects the level of recovery caused by the digital bank in this business.

Bank has become a benchmark in some activities, e.g. alternative investment.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2021 AND 2020

(Thousands of euros)

ASSETS	31.12.2021	31.12.2020 (*)
Cash, cash balances at central banks and other demand deposits	22,373,090	15,044,317
Financial assets held for trading	4,038,256	2,158,742
Derivatives	342,071	498,922
Equity instruments	197,862	181,834
Debt securities	1,246,748	400,254
Loans and advances	2,251,575	1,077,732
Central banks	-	-
Credit institutions	2,251,575	1,020,568
Customers	-	57,164
Memorandum items: loaned or pledged	667,722	136,949
Non-trading financial assets mandatorily at fair value through profit or loss	131,316	119,555
Equity instruments	130,328	118,865
Debt securities	738	690
Loans and advances	250	-
Central banks	-	-
Credit institutions	-	-
Customers	250	-
Memorandum items: loaned or pledged	-	-
Financial assets designated at fair value through profit or loss	-	-
Debt securities	-	-
Loans and advances	-	-
Central banks	-	-
Credit institutions	-	-
Customers	-	-
Memorandum items: loaned or pledged	-	-
Financial assets at fair value through other comprehensive income	2,751,517	2,629,598
Equity instruments	304,893	-
Debt securities	2,446,624	2,629,598
Loans and advances	-	-
Central banks	-	-
Credit institutions	-	-
Customers	-	-
Memorandum items: loaned or pledged	868,516	560,373
Financial assets at amortised cost	76,285,363	72,861,812
Debt securities	7,595,987	7,579,330
Loans and advances	68,689,376	65,282,482
Central banks	-	-
Credit institutions	2,407,309	2,122,461
Customers	66,282,067	63,160,021
Memorandum items: loaned or pledged	7,095,267	4,303,136
Derivatives – hedge accounting	170,077	210,773
Fair value changes of the hedged items in portfolio hedge of interest rate risk	46,124	195,805
Investments in joint ventures and associates	169,971	109,526
Joint ventures	91,329	36,679
Associates	78,642	72,847
Assets under reinsurance and insurance contracts	-	-
Tangible assets	450,436	455,070
Property, plant and equipment	450,436	455,070
For own use	441,728	435,540
Leased out under an operating lease	8,708	19,530
Assigned to welfare projects (savings banks and credit cooperatives)	-	-
Investment property	-	-
Of which: Leased out under operating leases	-	-
Memorandum items: Acquired under finance leases	130,740	115,221
Intangible assets	269,685	258,075
Goodwill	2,276	2,276
Other intangible assets	267,409	255,799
Tax assets	638,444	380,085
Current tax assets	364,636	110,053
Deferred tax assets	273,808	270,032
Other assets	153,645	120,326
Insurance contracts linked to pensions	-	-
Inventories	-	-
Other assets	153,645	120,326
Non-current assets and disposal groups classified as held for sale	106,184	1,708,409
TOTAL ASSETS	107,584,108	96,252,093

LIABILITIES AND EQUITY	31.12.2021	31.12.2020 (*)
LIABILITIES	102,731,948	91,287,936
Financial liabilities held for trading	3,696,496	1,382,300
Derivatives	438,795	440,711
Short positions	1,472,331	496,886
Deposits	1,785,370	444,703
Central banks	-	-
Credit institutions	245,677	-
Customers	1,539,693	444,703
Debt securities issued	-	-
Other financial liabilities	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Deposits	-	-
Central banks	-	-
Credit institutions	-	-
Customers	-	-
Debt securities issued	-	-
Other financial liabilities	-	-
Memorandum items: subordinated liabilities	-	-
Financial liabilities at amortised cost	97,809,974	87,472,834
Deposits	87,995,644	78,028,886
Central banks	14,190,714	12,885,116
Credit institutions	3,026,174	2,072,639
Customers	70,778,756	63,071,131
Debt securities issued	7,689,865	7,623,285
Other financial liabilities	2,124,465	1,820,663
Memorandum items: subordinated liabilities	1,693,190	1,167,074
Derivatives – hedge accounting	275,264	482,033
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,957	38,775
Liabilities under reinsurance and insurance contracts	-	-
Provisions	419,911	438,511
Pensions and other post-employment defined benefit obligations	1,669	1,265
Other long-term employee benefits	-	-
Pending legal issues and tax litigation	136,609	100,098
Commitments and guarantees given	38,216	37,787
Other provisions	243,417	299,361
Tax liabilities	254,543	220,102
Current tax liabilities	139,054	90,490
Deferred tax liabilities	115,489	129,612
Share capital repayable on demand	-	-
Other liabilities	273,803	264,433
Of which: welfare fund (savings banks and credit cooperatives only)	-	-
Liabilities included in disposal groups classified as held for sale	-	988,948
TOTAL LIABILITIES	102,731,948	91,287,936

The accompanying notes 1 to 52 and appendices I through VI attached hereto form an integral part of the consolidated balance sheet as at 31 December 2021.

(*) Presented for comparison purposes only.

LIABILITIES AND EQUITY (continued)	31.12.2021	31.12.2020 (*)
Shareholders' equity	4,736,621	4,816,054
Capital	269,660	269,660
a) Paid up capital	269,660	269,660
b) Unpaid capital which has been called up	-	-
Memorandum items: uncalled share capital	-	-
Share premium	-	1,184,265
Equity instruments issued other than share capital	-	-
a) Equity component of compound financial instruments	-	-
b) Other equity instruments issued	-	-
Other equity	6,162	7,482
Retained earnings	3,306,854	3,051,137
Revaluation reserves	-	4,806
Other reserves	(12,092)	(14,778)
Reserves or accumulated losses of investments in joint ventures and associates	(12,092)	(14,778)
Other	-	-
(-) Treasury shares	(1,025)	(3,641)
Profit or loss attributable to owners of the parent	1,333,108	317,123
(-) Interim dividends	(166,046)	-
Accumulated other comprehensive income	115,539	148,103
Items that will not be reclassified to profit or loss	57,602	6,200
a) Actuarial gains or (-) losses on defined benefit pension plans	3,272	(976)
b) Non-current assets and disposal groups classified as held for sale	-	7,176
c) Share of other recognised income and expense of investments in joint ventures and associates	-	-
d) Fair value changes of equity instruments measured at fair value through other comprehensive income	54,330	-
e) Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	-	-
f) Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-
Items that may be reclassified to profit or loss	57,937	141,903
a) Hedge of net investments in foreign operations [effective portion]	-	-
b) Foreign currency translation	-	-
c) Hedging derivatives. Cash flow hedges [effective portion]	(452)	(962)
d) Fair value changes of debt instruments measured at fair value through other comprehensive income	53,951	99,711
e) Hedging instruments [not designated elements]	-	-
f) Non-current assets and disposal groups classified as held for sale	-	37,550
g) Share of other recognised income and expense of investments in joint ventures and associates	4,438	5,604
Minority interests [Non-controlling interests]	-	-
Accumulated other comprehensive income	-	-
Other items	-	-
TOTAL EQUITY	4,852,160	4,964,157
TOTAL EQUITY AND LIABILITIES	107,584,108	96,252,093
MEMORANDUM ITEMS: OFF-BALANCE-SHEET EXPOSURES		
Loan commitments given	15,963,920	16,985,633
Financial guarantees given	1,676,285	1,749,716
Other commitments given	8,405,185	7,028,444

The accompanying notes 1 to 52 and appendices I through VI attached hereto form an integral part of the consolidated balance sheet as at 31 December 2021.

(*) Presented for comparison purposes only.

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CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of euros)

	(Debit)/Credit 31.12.2021	(Debit)/Credit 31.12.2020 (*)
Interest income	1,446,347	1,385,745
Financial assets at fair value through other comprehensive income	58,164	71,069
Financial assets at amortised cost	1,273,523	1,275,012
Other interest income	114,660	39,664
Interest expenses	(171,069)	(138,745)
Expenses on share capital repayable on demand	-	-
A) NET INTEREST INCOME	1,275,278	1,247,000
Dividend income	20,611	19,032
Share of the profit or loss of entities accounted for using the equity method	33,368	28,766
Fee and commission income	787,772	631,565
Fee and commission expenses	(184,313)	(134,805)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	36,073	45,807
Financial assets at amortised cost	32,134	31,156
Other financial assets and liabilities	3,939	14,651
Gains or losses on financial assets and liabilities held for trading, net	16,559	6,017
Reclassification of financial assets out of fair value through other comprehensive income	-	-
Reclassification of financial assets out of amortised cost	-	-
Other gains or losses	16,559	6,017
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	19,401	5,025
Reclassification of financial assets out of fair value through other comprehensive income	-	-
Reclassification of financial assets out of amortised cost	-	-
Other gains or losses	19,401	5,025
Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net	-	-
Gains or losses from hedge accounting, net	12	63
Exchange differences [gain or loss], net	2,254	(7,813)
Other operating income	28,556	36,928
Other operating expenses	(180,244)	(168,545)
Of which: compulsory transfers to welfare funds (only savings banks and credit cooperatives)	-	-
Income from assets under insurance and reinsurance contracts	-	-
Expenses from liabilities under insurance and reinsurance contracts	-	-
B) GROSS OPERATING INCOME	1,855,327	1,709,040
Administrative expenses	(775,417)	(753,281)
a) Staff expenses	(472,786)	(446,695)
b) Other administrative expenses	(302,631)	(306,586)
Depreciation and amortisation	(77,787)	(75,577)
Provisions or reversal or provisions	(182,835)	(204,766)
Impairment or reversal of impairment and gains or losses on modifications of cash flows of financial assets not measured at fair value through profit or loss or modification gains or losses, net	(263,071)	(425,429)
a) Financial assets at fair value through other comprehensive income	166	567
b) Financial assets at amortised cost	(263,237)	(425,996)
Impairment or reversal of impairment of investments in joint ventures and associates	-	-
Impairment or reversal of impairment on non-financial assets	(7,185)	(2,084)
Tangible assets	(1,142)	-
Intangible assets	(6,046)	(2,082)
Other	3	(2)
Gains or losses on derecognition of non-financial assets	(742)	(1,190)
Negative goodwill recognised in profit or loss	-	-
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(11,581)	(16,174)
C) PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	536,709	230,539
Tax expense or income related to profit or loss from continuing operations	(139,276)	(56,413)
D) PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS	397,433	174,126
Profit or loss after tax from discontinued operations	935,675	142,997
E) PROFIT OR LOSS FOR THE PERIOD	1,333,108	317,123
Attributable to minority interests (non-controlling interests)	-	-
Attributable to the owners of the parent	1,333,108	317,123
EARNINGS PER SHARE:		
Basic	1.49	0.35
Diluted	1.46	0.33

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(*) Presented for comparison purposes only.

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CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of euros)

	31.12.2021	31.12.2020 (*)
A) PROFIT OR LOSS FOR THE PERIOD	1,333,108	317,123
B) OTHER COMPREHENSIVE INCOME	(32,564)	(39,518)
Items that will not be reclassified to profit or loss	51,403	8,097
a) Actuarial gains or (-) losses on defined benefit pension plans	6,029	5,159
b) Non-current assets and disposal groups held for sale	(9,567)	9,567
c) Share of other recognised income and expense of investments in joint ventures and associates	-	-
d) Fair value changes of equity instruments measured at fair value through other comprehensive income	52,875	(3,627)
e) Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-
f) Fair value changes of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-
g) Fair value changes of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-
h) Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-
i) Income tax relating to items that will not be reclassified	2,066	(3,002)
Items that may be reclassified to profit or loss	(83,967)	(47,615)
a) Hedge of net investments in foreign operations [effective portion]	-	-
Valuation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
b) Foreign currency translation	-	-
Translation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
c) Cash flow hedges [effective portion]	727	(1,414)
Valuation gains or (-) losses taken to equity	727	(1,414)
Transferred to profit or loss	-	-
Transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
d) Hedging instruments [not designated elements]	-	-
Valuation gains or (-) losses taken to equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
e) Debt instruments at fair value through other comprehensive income	(65,365)	(117,052)
Valuation gains or (-) losses taken to equity	(61,544)	(64,605)
Transferred to profit or loss	(3,821)	(6,544)
Other reclassifications	-	(45,903)
f) Non-current assets and disposal groups held for sale	(50,067)	50,067
Valuation gains or (-) losses taken to equity	(50,067)	4,164
Transferred to profit or loss	-	-
Other reclassifications	-	45,903
g) Share of other recognised income and expense of investments in joint ventures and associates	(1,166)	65
h) Income tax relating to items that may be reclassified to profit or (-) loss	31,904	20,719
C) TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,300,544	277,605
Attributable to minority interests (non-controlling interests)	-	-
Attributable to the owners of the parent	1,300,544	277,605

The accompanying notes 1 to 52 and appendices I through VI attached hereto form an integral part of the consolidated statement of recognised income and expense for the year ended 31 December 2021.

(*) Presented for comparison purposes only.

CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of euros)

	Share capital	Share premium	Equity instruments issued other than share capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income	Minority interests		Total
												Accumulated other comprehensive income	Other items	
Closing balance at 31/12/2020	269,660	1,184,265	-	7,482	3,051,137	4,806	(14,778)	(3,641)	317,123	-	148,103	-	-	4,964,157
Effects of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance 01/01/2021	269,660	1,184,265	-	7,482	3,051,137	4,806	(14,778)	(3,641)	317,123	-	148,103	-	-	4,964,157
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,333,108	-	(32,564)	-	-	1,300,544
Other changes in equity	-	(1,184,265)	-	(1,319)	255,716	(4,806)	2,686	2,616	(317,123)	(166,046)	-	-	-	(1,412,541)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital reductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or shareholder remuneration)	-	(1,184,265)	-	-	-	-	-	-	-	(210,769)	-	-	-	(1,395,034)
Purchase of treasury shares	-	-	-	-	733	-	-	(48,836)	-	-	-	-	-	(48,103)
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	51,452	-	-	-	-	-	51,452
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	272,400	-	-	-	(317,123)	44,723	-	-	-	-
Increases or decreases in equity arising from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	(1,319)	-	-	-	-	-	-	-	-	-	(1,319)
Other increases or (-) decreases in equity	-	-	-	-	(17,417)	(4,806)	2,686	-	-	-	-	-	-	(19,537)
Of which: discretionary transfer to welfare funds (only savings banks and credit cooperatives)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance at 31/12/2021	269,660	-	-	6,163	3,306,853	-	(12,092)	(1,025)	1,333,108	(166,046)	115,539	-	-	4,852,160

The accompanying notes 1 to 52 and appendices I through VI attached hereto form an integral part of the consolidated statement of total changes in equity for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of euros)

	Share capital	Share premium	Equity instruments issued other than share capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the parent	(-) Interim dividends	Minority interests			Total
											Accumulated other comprehensive income	Accumulated other comprehensive income	Other items	
Closing balance at 31.12.2019 (*)	269,660	1,184,265	-	12,567	2,762,882	4,716	4,252	(1,222)	550,665	(175,442)	187,621	-	-	4,799,964
Effects of correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1.1.2020	269,660	1,184,265	-	12,567	2,762,882	4,716	4,252	(1,222)	550,665	(175,442)	187,621	-	-	4,799,964
Total comprehensive income for the period	-	-	-	-	-	-	-	-	317,123	-	(39,518)	-	-	277,605
Other changes in equity	-	-	-	(5,085)	288,255	90	(19,030)	(2,419)	(550,665)	175,442	-	-	-	(113,412)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or maturity of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital reductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or shareholder remuneration)	-	-	-	-	-	-	-	-	-	(87,757)	-	-	-	(87,757)
Purchase of treasury shares	-	-	-	-	(340)	-	-	(59,003)	-	-	-	-	-	(59,343)
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	56,584	-	-	-	-	-	56,584
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between equity components	-	-	-	-	287,466	-	-	-	(550,665)	263,199	-	-	-	-
Increases or decreases in equity arising from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	(5,085)	-	-	-	-	-	-	-	-	-	(5,085)
Other increases or (-) decreases in equity	-	-	-	-	1,129	90	(19,030)	-	-	-	-	-	-	(17,811)
Of which: discretionary transfer to welfare funds (only savings banks and credit cooperatives)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance at 31.12.2020 (*)	269,660	1,184,265	-	7,482	3,051,137	4,806	(14,778)	(3,641)	317,123	-	148,103	-	-	4,964,157

(*) Presented for comparison purposes only.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of euros)

	31.12.2021	31.12.2020 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	7,050,834	8,538,308
Profit or loss for the period	1,333,108	317,123
Adjustments to obtain cash flows from operating activities	(182,434)	860,390
Depreciation and amortisation	77,787	75,577
Other adjustments	(260,221)	784,813
Net increase/(decrease) in operating assets	5,615,322	4,355,843
Financial assets held for trading	1,879,514	(1,689,408)
Non-trading financial assets mandatorily at fair value through profit or loss	11,511	(10,748)
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	(140,270)	(1,816,622)
Financial assets at amortised cost	3,599,962	7,946,282
Other operating assets	264,605	(73,661)
Net increase/(decrease) in operating liabilities	11,877,918	11,837,451
Financial liabilities held for trading	2,314,196	(1,441,548)
Financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortised cost	9,971,341	13,296,974
Other operating liabilities	(407,619)	(17,975)
Income tax recovered/(paid)	(362,436)	(120,813)
B) CASH FLOWS FROM INVESTING ACTIVITIES	(63,908)	(120,860)
Payments	(121,156)	(189,627)
Tangible assets	(18,304)	(17,911)
Intangible assets	(49,019)	(68,773)
Investments in joint ventures and associates	-	-
Subsidiaries and other business units	(53,833)	-
Non-current assets and liabilities classified as held for sale	-	(102,943)
Other payments related to investing activities	-	-
Proceeds	57,248	68,767
Tangible assets	7,685	-
Intangible assets	-	-
Investments in joint ventures and associates	-	228
Subsidiaries and other business units	-	-
Non-current assets and liabilities classified as held for sale	49,563	68,539
Other proceeds related to investing activities	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	341,847	219,823
Payments	(459,605)	(186,761)
Dividends	(210,769)	(87,758)
Subordinated liabilities	(200,000)	(40,000)
Redemption of own equity instruments	-	-
Acquisition of own equity instruments	(48,836)	(59,003)
Other payments related to financing activities	-	-
Proceeds	801,452	406,584
Subordinated liabilities	750,000	350,000
Issuance of own equity instruments	-	-
Disposal of own equity instruments	51,452	56,584
Other proceeds related to financing activities	-	-
D) EFFECT OF EXCHANGE RATE CHANGES	-	-
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	7,328,773	8,637,271
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,044,317	6,407,046
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,373,090	15,044,317
Of which: Interest received	1,317,773	1,413,935
Of which: Interest paid	198,439	168,193

The accompanying notes 1 to 52 and appendices I through VI attached hereto form an integral part of the consolidated statement of cash flows for the year ended 31 December 2021.

(*) Presented for comparison purposes only.