

Key Group figures

€ million / %	January - December		Change	4Q21	Quarter-on-quarter
	2021	2020			
PROFIT/(LOSS)					
Net interest income	5,975	4,900	21.9%	1,559	(1.9%)
Net fee and commission income	3,705	2,576	43.8%	1,101	14.1%
Core income	10,597	8,310	27.5%	2,889	2.8%
Gross income	10,274	8,409	22.2%	2,563	(9.3%)
Recurring administrative expenses, depreciation and amortisation	(5,930)	(4,579)	29.5%	(1,577)	(1.9%)
Pre-impairment income	2,225	3,830	(41.9%)	888	(24.2%)
Pre-impairment income stripping out extraordinary expenses	4,344	3,830	13.4%	987	(19.2%)
Profit/(loss) attributable to the Group	5,226	1,381	-	425	(31.5%)
Profit/(loss) attributable to the Group ex M&A impacts	2,359	1,381	70.8%	337	(54.7%)
MAIN RATIOS (Last 12 months)					
Cost-to-income ratio	78.3%	54.5%	23.9	78.3%	2.6
Cost-to-income ratio stripping out extraordinary expenses	57.7%	54.5%	3.3	57.7%	2.5
Cost of risk ¹ (last 12 months)	0.23%	0.75%	(0.52)	0.23%	(0.02)
ROE ¹	6.4%	5.0%	1.4	6.4%	(1.7)
ROTE ¹	7.6%	6.1%	1.5	7.6%	(2.1)
ROA ¹	0.3%	0.3%	0.1	0.3%	(0.1)
RORWA ¹	1.1%	0.8%	0.2	1.1%	(0.3)
BALANCE SHEET					
Total assets	680,036	451,520	50.6%	685,738	(0.8%)
Equity	35,425	25,278	40.1%	35,124	0.9%
BUSINESS ACTIVITY					
Customer funds	619,971	415,408	49.2%	607,331	2.1%
<i>Customer funds, excluding the Bankia integration</i>	<i>458,980</i>	<i>415,408</i>	<i>10.5%</i>	-	-
Loans and advances to customers, gross	352,951	243,924	44.7%	355,929	(0.8%)
<i>Loans and advances to customers, gross, excluding the Bankia integration</i>	<i>231,935</i>	<i>243,924</i>	<i>(4.9%)</i>	-	-
RISK MANAGEMENT					
Non-performing loans (NPL)	13,634	8,601	5,032	13,955	(322)
<i>Non-performing loans (NPL), excluding the Bankia integration</i>	<i>8,207</i>	<i>8,601</i>	<i>(394)</i>	-	-
Non-performing loan ratio	3.6%	3.3%	0.3	3.6%	0.0
Provisions for insolvency risk	8,625	5,755	2,870	8,955	(330)
<i>Provisions for insolvency risk, excluding the Bankia integration</i>	<i>5,006</i>	<i>5,755</i>	<i>(748)</i>	-	-
NPL coverage ratio	63%	67%	(4)	64%	(1)
Net foreclosed available for sale real estate assets	2,279	930	1,349	2,289	(10)
<i>Foreclosed available for sale real estate assets, excluding the Bankia integration</i>	<i>1,096</i>	<i>930</i>	<i>166</i>	-	-
LIQUIDITY					
Total Liquid Assets	168,349	114,451	53,898	173,125	(4,777)
Liquidity Coverage Ratio (last 12 months)	320%	248%	72	304%	16
Net Stable Funding Ratio (NSFR)	154%	145%	9	151%	3
Loan to deposits	89%	97%	(8)	91%	(2)
CAPITAL ADEQUACY					
Common Equity Tier 1 (CET1)	13.2%	13.6%	(0.4)	13.0%	0.2
Tier 1	15.5%	15.7%	(0.2)	15.3%	0.2
Total capital	17.9%	18.1%	(0.2)	17.9%	-
MREL	26.2%	26.3%	(0.1)	25.6%	0.6
Risk-Weighted Assets (RWAs) ²	215,429	144,073	71,356	220,201	(4,772)
Leverage ratio	5.3%	5.6%	(0.3)	5.2%	0.1
SHARE INFORMATION					
Share price (€/share)	2.414	2.101	0.313	2.684	(0.270)
Market capitalisation	19,441	12,558	6,883	21,615	(2,174)
Book value per share (€/share)	4.39	4.22	0.17	4.36	0.04
Tangible book value per share (€/share)	3.73	3.49	0.24	3.72	0.01
Net income (ex M&A impacts) attributable per share (€/share) (12 months)	0.28	0.21	0.07	0.35	(0.07)
PER (Price/Profit, ex M&A impacts ; times)	8.65	10.14	(1.49)	7.74	0.90
Tangible PBV (Market value/ book value of tangible assets)	0.65	0.60	0.05	0.72	(0.07)
OTHER DATA (units)					
Employees ^{3,4}	49,762	35,434	14,328	50,980	(1,218)
Branches ³	5,317	4,210	1,107	6,145	(828)
of which: retail branches in Spain	4,615	3,571	1,044	5,415	(800)
ATMs ³	12,952	10,283	2,669	15,118	(2,166)

(1) These ratios do not include in the numerator the results generated by Bankia before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.

(2) At 31 March 2021, €66,165 million have been integrated from Bankia.

(3) At 31 March 2021, 15,911 employees, 2,101 branches (of which 2,013 retail) and 5,156 ATMs have been integrated from Bankia. Does not include branches outside Spain and Portugal or representative offices.

(4) Early in the fourth quarter of 2021, 1,201 employees terminated their employment within the framework of the labour agreement (2,721 additional employees at the beginning of 2022).

Results

The Group's Income Statement

Year-on-year accounting performance

€ million	2021	M&A one offs	2021 ex M&A	2020	Change	Chg. %
Net interest income	5,975		5,975	4,900	1,075	21.9
Dividend income	192		192	147	44	30.1
Share of profit/(loss) of entities accounted for using the equity method	425		425	307	118	38.5
Net fee and commission income	3,705		3,705	2,576	1,129	43.8
Trading income	220		220	238	(18)	(7.6)
Income and expense under insurance or reinsurance contracts	651		651	598	53	8.9
Other operating income and expense	(893)		(893)	(356)	(537)	
Gross income	10,274		10,274	8,409	1,865	22.2
Recurring administrative expenses, depreciation and amortisation	(5,930)		(5,930)	(4,579)	(1,351)	29.5
Extraordinary expenses	(2,119)	(2,118)	(1)		(1)	
Pre-impairment income	2,225	(2,118)	4,343	3,830	512	13.4
Pre-impairment income stripping out extraordinary expenses	4,344		4,344	3,830	513	13.4
Allowances for insolvency risk	(838)		(838)	(1,915)	1,078	(56.3)
Other charges to provisions	(478)	(93)	(384)	(247)	(137)	55.6
Gains/(losses) on disposal of assets and others	4,405	4,464	(59)	(67)	8	(12.1)
Profit/(loss) before tax	5,315	2,252	3,062	1,601	1,461	91.3
Income tax expense	(88)	614	(702)	(219)	(483)	
Profit/(loss) after tax	5,227	2,867	2,360	1,382	979	70.8
Profit/(loss) attributable to minority interest and others	1		1	0	1	
Profit/(loss) attributable to the Group	5,226	2,867	2,359	1,381	977	70.8

Year-on-year proforma performance

€ million	2021	2020	Change	Chg. %
Net interest income	6,422	6,816	(394)	(5.8)
Dividend income	192	149	43	28.7
Share of profit/(loss) of entities accounted for using the equity method	436	366	70	19.1
Net fee and commission income	3,987	3,736	251	6.7
Trading income	230	398	(168)	(42.2)
Income and expense under insurance or reinsurance contracts	651	598	53	8.9
Other operating income and expense	(934)	(752)	(182)	24.2
Gross income	10,985	11,311	(326)	(2.9)
Recurring administrative expenses, depreciation and amortisation	(6,374)	(6,311)	(63)	1.0
Extraordinary expenses	(1)	(1)	(1)	
Pre-impairment income	4,610	5,000	(390)	(7.8)
Pre-impairment income stripping out extraordinary expenses	4,611	5,000	(389)	(7.8)
Allowances for insolvency risk	(961)	(2,959)	1,999	(67.5)
Other charges to provisions	(407)	(213)	(194)	91.0
Gains/(losses) on disposal of assets and others	(82)	(1)	(81)	
Profit/(loss) before tax	3,160	1,826	1,334	73.0
Income tax expense	(734)	(215)	(520)	
Profit/(loss) after tax	2,426	1,612	814	50.5
Profit/(loss) attributable to minority interest and others	1	0	1	
Comparative proforma Profit/(loss)	2,424	1,611	813	50.5
- Profit/(loss) Bankia pre-merger stripping out extraordinary expenses, net	(65)	(230)	164	
+ M&A impacts, net	2,867		2,867	
Profit/(loss) attributable to the Group (accounting profit/(loss))	5,226	1,381	3,844	