



Annual Corporate Governance Report

bankinter.

Year end-date: 31-12-2022

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Bankinter's board of directors, on the recommendation of the sustainability and appointments committee, decided to prepare this annual corporate governance report using the free format as permitted by Circular 2/2018 of the Spanish National Securities Market Commission (CNMV), as it did in previous years, accompanied by the statistical annex of the annual corporate governance report which includes the "Degree of compliance with Corporate Governance Recommendations". There is also an annex with a table of cross-references indicating other sections of this report where the information contained in each section of the standardised format outlined in Circular 5/2013 of 12 June establishing the templates for the annual corporate governance reports of listed public limited companies, among others.

The purpose is to provide a comprehensive view of Bankinter Group's general corporate governance practices and those of its parent company, Bankinter, S.A. in a single document with a more rational and organised structure with a view to enhancing the transparency of the Company's corporate governance system while at the same time ensuring that the report contains all the required disclosures in that regulation.

1. IMPROVEMENTS IN CORPORATE GOVERNANCE AT BANKINTER GROUP IN 2022

Bankinter has a strong commitment to sustainability; i.e., responsible performance in all its areas of operations. In the area of internal governance, this implies a robust corporate governance model underpinned by a board and board committees with the right size and composition to ensure diversity and effectiveness; sound internal decision-making processes; and a clear corporate structure, with well-defined lines of responsibility to guarantee that risks are properly identified, assessed and managed.

Under the board's leadership and oversight, this model helps achieve the core objective of long-term value creation for all stakeholders: shareholders, customers, employees and society in general.

Some of the new features and improvements made in 2022 are discussed below, although more detailed descriptions are provided in later sections of this report.

1.1 Changes in the composition and the effectiveness of the governing bodies

Act 5/2021 of 12 April, amending the consolidated text of the Spanish Companies Act (Ley de Sociedades de Capital, or "LSC"), as enacted by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regards to the encouragement of long-term shareholder engagement at listed companies, amended section 1 of article 529 bis of the consolidated text of the Spanish Companies Act to state that directors of listed companies must be natural persons. Transitional provision one of that law set as the effective date for application to appointments and renewals the first month after publication of the law in the Official State Gazette; i.e., 13 May 2021 .

Proprietary director CARTIVAL, S.A.'s term of office ended in 2022, triggering application of that legal provision. Accordingly, Alfonso Botín-Sanz de Sautuola y Naveda was appointed new proprietary director. Until then, he had represented CARTIVAL on Bankinter, S.A.'s board of directors. Following approval of his appointment at the Annual General Meeting held on 23 March 2022, Mr. Botín-Sanz de Sautuola, on the same date, was appointed executive vice chairman of Bankinter, S.A.'s board of directors.

Director Teresa Martín-Retortillo Rubio was re-elected external independent director at the Annual General Meeting held on 23 March 2022.

A total of 11 directors now sit on the board of directors, distributed among the following categories:

- six (6) external independent directors,
- two (2) executive directors,
- two (2) external proprietary directors, and
- one (1) other external director.

Therefore, the board of directors still has both the necessary size to favour its efficient operation, participation by all the directors and agility in decision-making, and a structure that reflects the existing proportion between the capital of the company, represented by proprietary directors, and the rest of the capital, by having 54.5% independent directors. Bankinter adheres to national and international best practices and recommendations.

With regard to gender diversity:

- The representation of women on the board of directors (45.5%) still surpasses the internal target and the target level set for future years in recommendations and Spanish and international best practices. Four of the female directors are external independent directors and another is executive director and the Company's chief executive.
- The members of Bankinter's board of directors overall possess sufficient and appropriate knowledge and experience to cover all the areas necessary for running the entity's operations, including: a) the business and the key related risks; b) each of the material lines of business; c) the relevant areas of industry/financial expertise, including financial and capital markets, solvency and modelling; d) accounting and financial reporting; e) risk management, compliance and internal audit; f) information technology and security; g) local and regional markets; h) legal and regulatory environment; i) management skills and leadership experience; and j) strategic planning capability.

As a result, the current composition of Bankinter's board of directors fully complies with the diversity targets established by the board regarding national and international knowledge and experience, gender and age.

- **Board committees:**

Bankinter's board committees had the same composition in 2022 after the significant changes made in the second half of 2021, when the distribution of their power also underwent considerable changes.

- **Sustainability:**

Given the importance Bankinter attaches to environmental, social and governance (ESG) goals, as set out in its strategic sustainability plan, which entails 17 strategic lines of action divided into the three ESG dimensions, it reinforced the monitoring and oversight function of the relevant committees -the sustainability and appointments committee and the risk and compliance committee- in terms of both the content and the frequency of their reports.

1.2. Other priorities and objectives accomplished in relation to corporate governance in 2022

- **Annual General Meeting**

Since 2021, Bankinter's corporate by-laws have allowed meetings to be held exclusively through remote means, making all the required provisions to ensure that shareholders can attend such meetings and exercise all their rights. The possibility affords greater flexibility to the Bank, which can be extremely useful when it is advisable to do so without depending on the adoption of exceptional legislative measures.

In 2022, with the pandemic largely behind, Bankinter decided to hold the meetings using a mixed format, whereby shareholder could choose to attend either physically or remotely with the aim of facilitating their participation at all times.

- **Fluid dialogue with investors and proxy advisors. Communication and engagement policies.**

Bankinter, in a bid to further the corporate interest and consider the legitimate interests of shareholders, investors and other stakeholders, has a policy for communication with shareholders, institutional investors and proxy advisers, according to which it implements a communication and engagement strategy, receiving feedback on their priorities and criteria regarding, e.g. matters related to the Entity's corporate governance.

- **Reinforcement of the Group's internal governance model**

Internal rules and regulations are a pillar of Bankinter's robust corporate governance system. They comprise frameworks, policies and procedures that govern the various areas of its corporate life and activity in accordance with applicable external regulations and best practices. Work continued in 2022

on the regulatory pyramid articulated in the Bankinter Group corporate governance policy, which was reflected in the Group's Corporate Governance Policy in 2021. This aim is to ensure that the internal rules and regulations have a coherent and efficient structure at all times, with clear and well-defined scopes of application and powers of proposal, approval and monitoring, thereby facilitating the board's oversight function.

Meanwhile, as regards relations with Bankinter Group subsidiaries, Bankinter has a sound approach for coordinating its internal governance systems. According to the Bankinter Group corporate governance policy, the board of directors establishes the appropriate guidelines to ensure information is exchanged as required for the strategic coordination of the activities carried out by the various Group companies.

Bankinter also made progress in adapting the internal corporate governance rules and regulations of subsidiaries to the general policies approved for the Group. This guarantees uniformity in the application of the Group's corporate governance principles, while respecting the unique features of their respective areas of operation and the principle of proportionality.

Lastly, under the corporate governance policy, Bankinter, S.A.'s board committees continued to play an important role in coordinating and overseeing Bankinter Group companies on those matters that fall within their remits, thus helping to maintain transparency and simplicity within the Group's organisation. In this respect, Bankinter, S.A.'s board committees are called upon to carry out supervisory work at Group companies that do not have their own committees due to their relatively small size or composition, but still require supervision on matters that fall within the committees' remits. This is the case of the functions exercised by the remuneration committee and the sustainability and appointments committee of Bankinter's parent company with regard to Bankinter Luxembourg, Bankinter Asset Management and the companies comprising the Consumer Group, of which Bankinter Consumer Finance is the parent.

The duties performed by each of these committees for the Group in 2022 will be detailed in the committees' activity reports, which will be made available to shareholders in the information prior to the General Meeting.

- **Evaluation of the board and board committees:**

The board of directors carried out its 2022 annual evaluation with the assistance of an external expert in line with Recommendation 36 of the Good Governance Code of Listed Companies. This specific chapter in this report on the evaluation of the board and board committees explains the objective and subjective scope of the evaluation and its results. The evaluation did not uncover any shortcomings requiring approval of an action plan by the board of directors to address them, although it did identify some areas of improvement to continue ensuring excellence in the operation of the Entity's governing bodies.

1.3 Priorities for 2023

The financial sector in general and Bankinter in particular are facing several challenges over the next few years that have shaped the board's priorities in terms of corporate governance for 2023.

Firstly, one of Bankinter's priorities, given its importance, will be to monitor the sustainability strategy and achievement of its ESG goals. Evaluation of the board's oversight in this area in 2022 was highly positive. However, the growing number of regulatory requirements will undoubtedly require greater dedication from board members and, especially, the cooperation and coordination of board committees with a remit related to this area to ensure that sustainability-related risks and opportunities are identified and managed and that the control processes in place are appropriate and efficient.

As a result, non-financial information is becoming an even more important part of reporting requirements if possible, with ongoing improvement another priority for 2023.

Dialogue with stakeholders will still be a priority for the bank in 2023, as a tool for guaranteeing alignment of its strategy and objectives with stakeholder expectations and ensuring, in accordance with Bankinter's corporate culture and values, the trust required to boost the return and sustained growth on their investments in the bank.

Meanwhile, the Group will continue to update its policies as needed in accordance with best practices identified at any given time. The overall aim is to continue preserving the Bank's and Group's long-term sustainability.

2. OWNERSHIP STRUCTURE

2.1 Share capital

Set out below are data on Bankinter's share capital, its characteristics and the distribution of shareholders by residence:

Breakdown of share capital



Characteristics of Bankinter's share capital

Share capital unchanged in 2022

No shares issued that are not traded on a regulated EU market

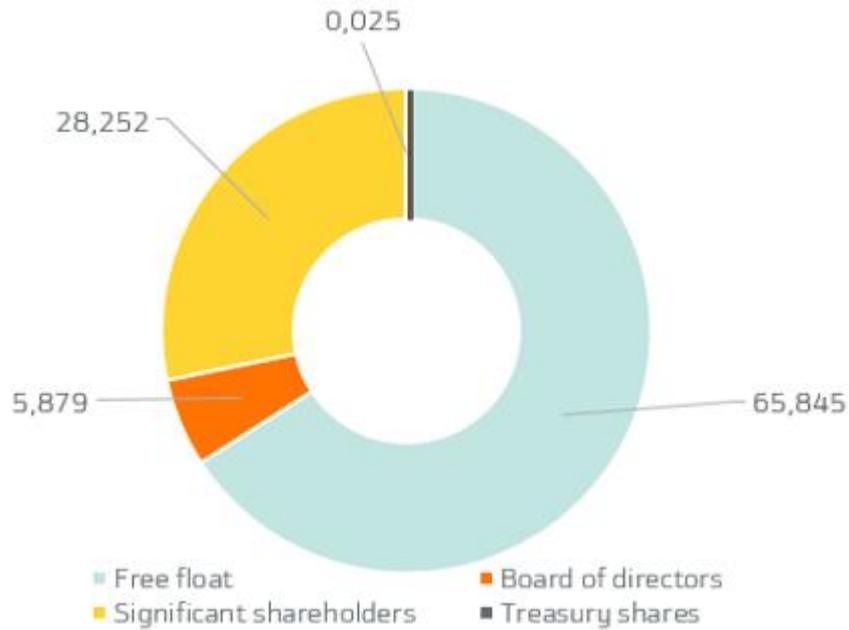
No loyalty shares
Same rights for all shares

No restrictions that might inhibit a takeover of the company through acquisition of its shares on the market

No restrictions on the transfer of shares and/or voting rights

No measures to neutralise a takeover bid

2.2 Distribution of share capital by shareholder category

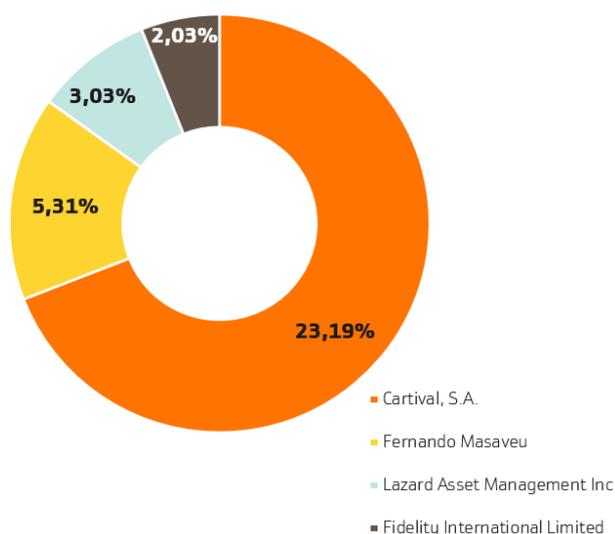


The **estimated floating capital**, understood as the percentage of share capital that is not in the hands of significant shareholders or directors, or which Bankinter holds as treasury shares, is 65.845%.

Shareholders are classified into the following categories:

- **Significant shareholders:**

Direct and indirect holders of significant shares in Bankinter, S.A., including the members of the board of directors (who, directly or indirectly, have significant shareholdings) as at 31 December 2022:



The data are based on disclosures sent by the obliged entities to the CNMV on voting rights and financial instruments of Bankinter. As explained above, Bankinter's corporate by-laws do not envision any loyalty shares. Therefore, no shares confer double voting rights to their holders.

Most significant changes in the shareholder structure during the year:

| Name or company name of shareholder | Transaction date | Description of the transaction |
|-------------------------------------|------------------|--------------------------------|
| INVESCO LTD. | 20.01.2022 | ↓ of 1% |
| BLACKROCK INC. | 20.04.2022 | ↓ of 3% |

- Board of directors**

As at 31 December 2022, the total percentage of voting rights held by the board of directors was 5.879% and the total percentage of voting rights represented on the board of directors was 29.07%. The breakdown is provided in the following table, which is updated on the corporate website. The acquisition or sale of shares by the members of Bankinter's board of directors is notified to the CNMV within the legally established period:

31.12.2022

Directors' stakes in share capital

| Board member | Voting rights attributed to shares | | | | % of voting rights through financial instruments (to be acquired if exercised) | | % of total voting rights attributed to shares and through financial instruments | % of voting rights that can be transmitted through financial instruments | | % of indirect voting rights that can be transmitted through financial instruments | |
|---|------------------------------------|-------------|------------|------------|--|---|---|--|-------|---|---|
| | Total | Direct | Indirect | % of total | Total | % | Total | % | Total | % | |
| PEDRO GUERRERO GUERRERO | 3,185,822 | 3,085,817 | 100,005 | 0.35 | 0 | 0 | 0.35 | 0 | 0 | 0 | 0 |
| ALFONSO BOTÍN SANZ DE SAUTUOLA Y NAVEDA | 24,674 | 24,674 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MARIA DOLORES DANCAUSA TREVIÑO | 1,431,890 | 1,426,288 | 5,602 | 0.16 | 0 | 0 | 0.17 | 105,245 | 0.01 | 0 | 0 |
| FERNANDO MASAVEU HERRERO (*) | 47,727,576 | 776,330 | 46,951,246 | 5.31 | 0 | 0 | 5.31 | 0 | 0 | 0 | 0 |
| MARCELINO BOTIN-SANZ DE SAUTUOLA | 253,045 | 253,045 | 0 | 0.03 | 0 | 0 | 0.03 | 0 | 0 | 0 | 0 |
| MARÍA TERESA PULIDO MENDOZA | 39,209 | 39,209 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| TERESA MARTÍN-RETORTILLO RUBIO | 10,000 | 10,000 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| ÁLVARO ÁLVAREZ-ALONSO PLAZA | 10,000 | 10,000 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| MARÍA LUISA JORDÁ CASTRO | 15,000 | 15,000 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| FERNANDO JOSÉ FRANCÉS PONS | 100,000 | 100,000 | 0 | 0.01 | 0 | 0 | 0.01 | 0 | 0 | 0 | 0 |
| CRISTINA GARCÍA-PERÍ-ÁLVAREZ | 50,000 | 50,000 | 0 | 0.01 | 0 | 0 | 0.01 | 0 | 0 | 0 | 0 |
| % of total voting rights held by the board of directors | 52,847,216 | 5,790,363 | 47,056,853 | 5.88 | 0 | 0 | 5.88 | 105,245 | 0.01 | 0 | 0 |
| Total % of voting rights represented on the board of directors (**) | 261,302,332 | 214,145,479 | 47,056,853 | 29.07% | 0 | 0 | 29.07% | 105,245 | 0.01 | | |

(*) Corporación Masaveu, S.A. holds 44,959,730 Bankinter shares, while other companies attached to the Masaveu Group hold 1,991,516 Bankinter shares. As discussed in previous reports, Fernando Masaveu Herrero, a proprietary director of Bankinter, notified the company on 4 March 2011 that he controlled the voting rights of the Bankinter shares held by various companies belonging to Masaveu Group. This information was disclosed by the director purely for good governance purposes and in order to comply with prevailing legislation concerning transparency of information at listed companies, and does not entail any change of ownership or assignment of rights.

(**) Includes the voting rights held by CARTIVAL, S.A., which has a seat on the board of directors, rights through financial instruments receivable from the annual and multi-year variable remuneration accrued as executive vice chairman, which it ceased hold on 23 March 2022.

Treasury shares



200,000

No. of direct shares



21,302

No. of indirect shares through subsidiary Hispamarket



0.025

% of total share capital

Significant changes (within the meaning of Royal Decree 1362/2007) during the year:

On 15 February 2022, Bankinter notified the Spanish Securities and Exchange Commission (CNMV) that the 1% threshold of treasury shares had been exceeded through consecutive share purchases, without deducting transfers, as shown below:

- Total number of direct shares acquired: 2,989,893
- Total number of indirect shares acquired: 5,995,321
- Total percentage of share capital: 1.00

On 20 July 2022, it sent a voluntary notification to the CNMV, without deducting the transfers, as shown below:

- Total number of direct shares acquired: 1,882,635
- Total number of indirect shares acquired: 5,331,579
- Total percentage of share capital: 0.803

The Annual General Meeting held on 19 March 2020 authorised the board of directors (with express authority to delegate such power to the executive committee) for the **derivative acquisition of treasury shares by the Company** and/or by its subsidiaries, under the terms and conditions established in applicable legislation and with express authority to dispose of or redeem such shares through a reduction in the amount of share capital, cancelling the power delegated by the shareholders at previous Annual General Meetings to the extent of the unused amount.

Such acquisitions may be made at any time, and as many times as is deemed appropriate, in any form or manner, including with a charge to profit for the year and/or to unrestricted reserves. The par value of the maximum number of shares to be acquired at any time may not exceed 10% of the Bank's share capital at any time or, where applicable, a higher figure that is legally permitted, notwithstanding the scenarios stipulated in article 144 referred by article 509 of the Spanish Companies Act. Any or all of the shares acquired by the Bank or its subsidiaries in use of this authorisation may be allocated to the Company's directors and employees when there is a recognised right, be it directly or as a result of the exercise of options held by such persons, for the purposes described in the last paragraph of article 146.1 of the Spanish Companies Act. The minimum price per share will be the par value, while the maximum price for purchase and sale transactions completed on an official secondary market will be 10 per cent above the stock market price of the shares at the time the transaction is executed or agreed.

If treasury shares are acquired in fulfilment of obligations contained in option agreements or contracts, forward purchase agreements or similar agreements previously entered into by the Bank, including those covering convertible or exchangeable shares and bonds that are, or must be delivered directly to the Bank's directors or employees, or that result from the exercise of option

rights held by such persons (such transactions as also covered by this authorisation), the applicable price shall be as agreed upon in the respective contract or agreement.

On the same date and by the same resolution, the board of directors was authorised, with express authority to delegate such power to the executive committee, to approve a reduction in share capital to redeem the treasury shares and to set the terms and conditions and purpose of the capital reduction, agree to delist the shares and amend article 5 of the corporate by-laws accordingly, and to modify the par value of the shares without increasing or reducing the amount of share capital. The authorisation granted is valid for five years from the date of the resolution and covers all treasury share transactions made in accordance with its terms. It remains in full force and effect at the date of this report.

2.3 Shareholders' agreements and other disclosures regarding relationships among shareholders.

The company has not been notified of any shareholders' agreements that may affect it.

Bankinter and/or the companies within its group are not aware of the existence of any family, commercial, contractual or corporate relations among the significant shareholders listed above.

No commercial, contractual or corporate relationships exist between significant shareholders and the company and/or its group except those arising in the ordinary course of business.

At Bankinter, there is no individual or company that exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act.

2.4 Authorisation to increase capital

Approval was given at the Annual General Meeting held on 21 March 2019 to delegate to the board of directors the power to increase capital on one or more occasions up to the maximum amount of 50% of the Bank's share capital at the time of the approval. However, this threshold is reduced 10% of the Bank's share capital at the time of the approval of the delegation for share capital increases with an exclusion or disapplication of pre-emptive subscription rights, in addition to other situations, as explained below.

The capital increases that the board approves under this delegation of powers must be settled in the form of monetary contributions and within the maximum time frame of five years running from the resolution adopted at the Annual General Meeting. Pursuant to article 286 of the Spanish Companies Act, directors must draw up a written report justifying any proposal to amend the corporate by-laws.

Therefore, the Company considers that this delegation of powers is an appropriate and flexible mechanism enabling it to swiftly and efficiently meet its financing, growth or own funds requirements at any given time, or to seize any related opportunities, in response to prevailing market conditions,

business performance, growth at the Company, earnings, or the need to meet capital adequacy requirements.

Share capital and share premium rank among the highest level instruments of all those that can make up an entity's regulatory capital, and can be used to meet any capital adequacy requirement. Prevailing regulations on capital adequacy and own funds applicable to credit institutions, including Bankinter, stipulate that such institutions must possess various capital instruments that enable them to cover the categories of regulatory capital that make up their own funds requirement. Accordingly, institutions must have a wide range of instruments at their disposal, enabling them to effectively capitalise on any opportunities that may arise when complying with capital adequacy and own funds requirements.

To ensure that capital increases are as efficient as possible, often it is important to act swiftly and to be able to obtain an immediate inflow of funds by choosing from whom the capital will be raised. This may require the board to disapply the preemptive subscription right if this proves to be in the Company's best interests and the board of directors therefore considers this to be an overriding objective. As evidenced by previous share capital transactions carried out in the market, rapid decision-making is often extremely important, with the shortest possible delay between decision and action, as this is key to successfully increasing and raising capital in the market.

If this delegation of powers entails disapplying or removing the pre-emptive subscription right, the nominal amount of the capital increases agreed upon by the board by virtue of these delegated powers may not exceed the maximum nominal amount, in cumulative terms, of 10% of the Bank's share capital at the time the delegation of powers is approved, rather than 50% of share capital, which will remain the general limit when the pre-emptive subscription right is not disappplied. This lower ceiling is in line with international standards and recommended good practices and is there to protect the interests of shareholders, which is particularly important in this case as the Company has always had a highly stable shareholding structure and been able to rely on the full support of its shareholders when growing the business.

This 10% limit shall also extend to capital increases carried out under the terms of the resolution carried at the 2019 Annual General Meeting (or under the terms of any other resolution on the matter carried by the Annual General Meeting) in order to meet the conversion of convertible bonds that are issued with the pre-emptive subscription right disappplied.

In the same resolution by the Annual General Meeting, the board of directors was granted authority to delegate such power. According to article 249 of the Spanish Companies Act, it may delegate all or some of powers delegated to it by the Annual General Meeting regarding resolutions to the executive committee.

3. DISCLOSURE OF INFORMATION AND SHAREHOLDER RIGHTS. 2022 ANNUAL GENERAL MEETING

3.1 Dialogue with shareholders

In line with best corporate governance practices and its own corporate culture and values, Bankinter strives continuously to earn and retain the trust of its shareholders and institutional investors, and to ensure the profitability and sustainable growth of their investments in the Bank.

Bankinter treats transparency with shareholders and institutional investors as a core pillar in its relations with these stakeholders and works continuously to live up to their expectations. This is achieved through:

| | | | |
|---|---|---|--|
| <p>1 Annual interaction through the Annual General Meeting</p> | <p>2 Presentations of quarterly earnings</p> | <p>3 Dialogue with key investors</p> | <p>4 Events with investors, proxy advisers, analysts on sustainability and other topics of interest</p> |
|---|---|---|--|

The Bank discloses information to all stakeholders **equally**. Therefore, the information on our activities and financial outlook and general information on the Bank is compliant with the CNMV's disclosure recommendations for analysts, institutional investors and other securities market professionals. The purpose of this ongoing dialogue is to provide a clearer understanding of the public information available to all investors and to directly address and understand the issues of the greatest importance for these stakeholders.

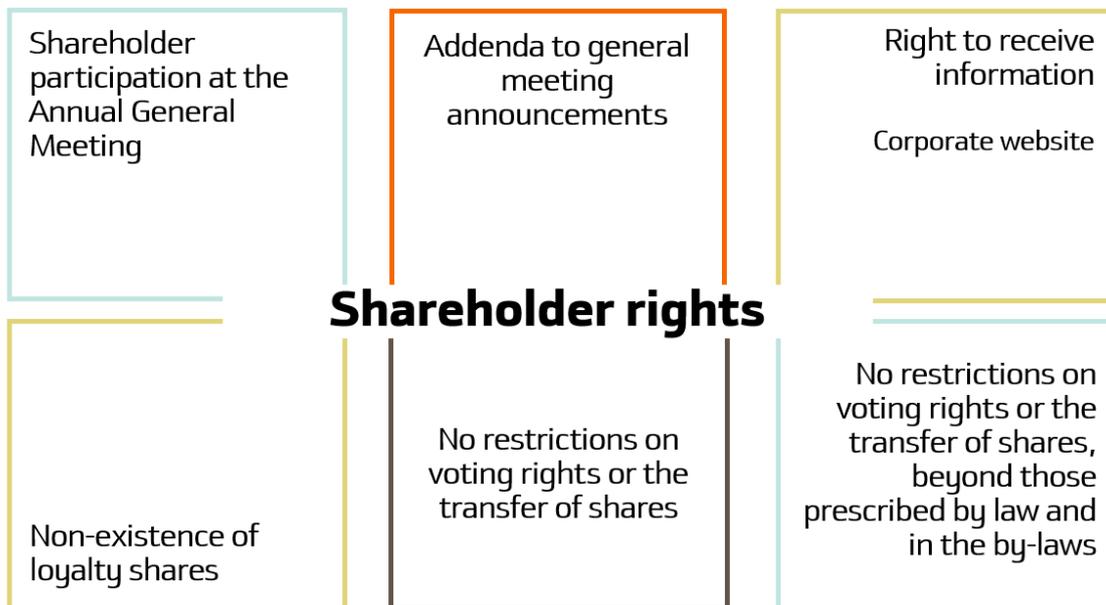
To this end, Bankinter has the following policies approved by the board of directors:

| | |
|---|--|
| <p>Bankinter policy for communication with shareholders, institutional investors and proxy advisors</p> <p>Sets out rules and practices applicable in this area and is fully compliant with rules on market abuse and treats all shareholders equally (available on the Bankinter corporate website)</p> | <p>Policy on the communication of economic-financial, non-financial, risk management and corporate information</p> <p>Framework of action for the management and dissemination by the Company of business, financial and non-financial information, in terms of corporate and risk management</p> |
|---|--|

3.2 Shareholder rights

Bankinter's corporate by-laws envision a single share class conferring the same rights upon all shareholders. Therefore, each Bankinter shares confers one voting right. The by-laws contain no voting caps, thus remaining true to the principle of one voting right and one dividend right per share.

The main rights of Bankinter shareholders are as follows:



Specifically, as regards **the absence of restrictions on voting rights or the transfer of shares**, beyond what is prescribed by law, note that:

- There are no legal or by-law restrictions on the exercise of voting rights, except those resulting from non-compliance with applicable legislation and regulations.
- There are no shares without voting rights or with multiple voting rights; no special privileges when distributing dividends; no restrictions on the number of votes that can be cast by a single shareholder; and no special quorums or supermajorities beyond those provided for at law.
- There are no restrictions on the transfer of shares above and beyond the legal restrictions.
- There are no by-law restrictions on the exercise of voting rights, unless the shares in question were acquired in breach of the by-laws or applicable law.
- Bankinter's by-laws contain no measures to neutralise a takeover bid as defined in the Spanish Securities Market Act.

There are no further restrictions on the acquisition of significant stakes beyond legal and regulatory restrictions which apply due to Bankinter's status as a credit institution and listed company, meaning that the acquisition of significant holdings is subject to regulatory approval or non-objection, among other possible requirements.

Lastly, as regards **shareholder rights at the Annual General Meeting** we highlight:

- **Shareholder participation at the Annual General Meeting.** All holders of shares that have been registered in their name at least five days ahead of the scheduled date of the Annual General Meeting will be entitled to attend that meeting. Bankinter also allows shareholders to exercise their rights of attendance, voting and proxy voting through remote systems, which is also conducive to their full participation at the Annual General Meeting. As explained previously, at the Annual General Meeting held in April 2021, approval was given to amend the corporate by-laws and the rules and regulations of the Annual General Meeting to govern attendance exclusively by electronic means. Another communication channel that the Company makes available to shareholders is the Electronic Shareholders' Forum, which can be found on Bankinter's corporate website ahead of every general meeting. This forum allows shareholders to post motions they wish to add to the meeting agenda contained in the announcement; request other shareholders to back such motions; launch initiatives to reach the percentage required to exercise a legally conferred minority right; and make offers or requests for voluntary representation.
- **Addenda to general meeting announcements.** Shareholders representing, at least, 3% of share capital may insist on the publication of a supplement to the announcement of the general meeting or submit a reasoned motion in respect of business already included, or that should be included, on the agenda of a meeting that has already been called. Any such request must include the names of the shareholders exercising the right and the number of shares they hold. It must also include a description of the matters to be added to the agenda, accompanied by a justification or reasoned motion in relation to those matters and any other documentation deemed relevant. These rights shall be exercised by means of reliable notice sent to the Company's registered office within five days of the publication of the general meeting announcement.
- **Right to receive information.** From the time the Annual General Meeting announcement is published to the fifth day before it is held on first call, shareholders may send written requests for information or clarification, or raise written questions regarding matters they consider relevant in relation to the items included on the meeting agenda. Shareholders may also use this same procedure to send written requests for clarification regarding information that the Company has disclosed to the CNMV since the last Annual General Meeting or regarding the audit reports. The information requested by shareholders and the answers provided by the Company shall be published on its corporate website. This right to information may also be exercised during the meeting. If the Company is unable to entertain the request at the meeting itself, it may respond instead within seven days of the meeting.

Bankinter has a **corporate website** that includes information on corporate governance, as required by law. In particular, it includes: (i) Bankinter's internal regulations (corporate by-laws, rules and regulations of the board of directors, committee rules and regulations (where applicable), rules and regulations of the Annual General Meeting, etc.); (ii) information on the board of directors and board committees, and the biographies of directors; and (iii) information related to Annual General Meetings. Bankinter's corporate website can be found here: www.bankinter.com/webcorporativa, this being the address filed at the Companies Registry.

3.3 Dividend policy

After the European Central Bank repealed restrictions on, among others, the payment of dividends, in a communication dated 23 July 2021, Bankinter's board of directors resumed its usual interim dividend payment schedule, i.e. during the month in which the corresponding quarterly results presentation was made.

Article 41 of the corporate by-laws relating to the distribution of dividends states that dividend distributions that are made in a way other than cash or equity instruments will be subject to compliance with the conditions set forth in the applicable legislation and must in any case have the pre-authorization of the competent authority.

Dividends paid in 2022:

| PAYMENT DATE | EX-DIVIDEND DATE | GROSS AMOUNT | NET AMOUNT | CURRENCY | TYPE | CONCEPT |
|--------------|------------------|--------------|------------|----------|---------|----------|
| 28.12.2022 | 23.12.2022 | 0.08371622 | 0.06781014 | Euro | Interim | For 2022 |
| 28.09.2022 | 26.09.2022 | 0.06453401 | 0.05227255 | Euro | Interim | For 2022 |
| 29.06.2022 | 27.06.2022 | 0.07412058 | 0.06003767 | Euro | Interim | For 2022 |
| 30.03.2022 | 28.03.2022 | 0.05857824 | 0.04744837 | Euro | Final | For 2021 |

3.4 Annual General Meeting

Bankinter's Annual General Meeting is regulated by the Spanish Companies Act and the corporate by-laws, as well as by its own set of rules and regulations, which are available on the Company's corporate website. The latest amendments to the rules and regulations of the Annual General Meeting were approved by shareholders at the Annual General Meeting held on 23 March 2022.

Bankinter's rules and regulations of the Annual General Meeting govern the process for calling, preparing for, announcing, convening and holding general meetings of shareholders of Bankinter, S.A. (the

Company's supreme council). They set out the principles for organising and conducting them based on matters regulated by law and by the corporate by-laws; as well as laying down shareholders' right to obtain information, take part in meetings and vote. Those rules and regulation establish the majorities and quorum required to approve motions submitted at the Annual General Meeting, as follows:

Quorums and majorities required to approve resolutions submitted at the Annual General Meeting

General resolutions regarding the General Meeting

The system of majorities set out in the corporate by-laws and in the rules and regulations of the Annual General Meeting for the valid constitution of the Annual General Meeting and for carrying resolutions is effectively the system envisioned under the laws of Spain.

Thus, **on first call, shareholders representing at least twenty-five per cent of subscribed share capital conferring the right to vote are required to attend.** If this quorum is not met, the general meeting shall be held on second call, for which there is no minimum quorum. When determining whether a general meeting is quorate, shareholders who voted by mail or electronic channels prior to the meeting will be counted as shareholders present, as established in the Company's rules and regulations of the Annual General Meeting. **Broadly speaking, a resolution will be adopted when it receives more votes for than against among the share capital present or represented.**

Amendments to the corporate by-laws.

The Annual General Meeting has exclusive power to agree on any amendment to the corporate by-laws, except to relocate the registered office within national territory, the resolution for which must also be agreed by the board of directors. In the case of by-law amendments, the directors or shareholders who tabled the amendment must draft the full text of the proposed amendment, along with a written report in support of the amendment, all of which shall be made available to shareholders upon announcing the general meeting voting on it. Further, the general meeting announcement must clearly state the points to be amended and remind shareholders that they are entitled to examine the full text of the proposed amendment and accompanying report at the registered office, or request that such documents be delivered or sent to them free of charge.

When the by-law amendment imposes new obligations on shareholders, the resolution shall require the consent of all affected parties.

By-law amendments must be authorised by the competent authority. However, amendments for the following purposes are excluded from this authorisation requirement (but must still be disclosed to the competent authority): (i) to move the registered office within national territory; (ii) to increase share capital; (iii) to include, verbatim in the corporate by-laws mandatory legal or regulatory provisions or prohibitions, or the recasting of articles to comply with court or governmental orders; and (iv) to make any other amendments for which the competent authority, in response to a prior consultation made in that regard, has decided to waive with the authorisation on the understanding that the matter is immaterial.

- **Quorum:** if a general meeting is called to deliberate on amendments to the corporate by-laws, **shareholders representing at least fifty per cent of the subscribed share capital carrying voting rights must attend on first call.** If this quorum is not met, the general meeting shall be held **on second call**, and the presence of twenty-five per cent of that capital **will suffice.**
- **Majorities for approval:** when shareholders representing **less than fifty per cent of subscribed voting capital are present**, resolutions on by-law amendments may be validly carried **with the favourable vote of two thirds of capital, present or represented**, at the meeting. However, when shareholders representing **fifty per cent or more of the subscribed voting capital are present**, resolutions shall require **an absolute majority.**

Other specific majorities

According to applicable law and regulations governing credit institutions, any motion to raise the **ratio of variable to fixed remuneration components to above 100% (subject to a cap of 200%)** for executive directors and other key function holders shall require a **supermajority of two-thirds of the share capital present or represented at the general meeting if the quorum exceeds 50% and a majority of three quarters of share capital present or represented at the general meeting if that quorum is not reached.**

Bankinter's corporate by-laws do not require decisions entailing the acquisition, disposal or contribution to another company of core assets or similar corporate transactions to be laid before shareholders at an Annual General Meeting for approval, except where legally required.

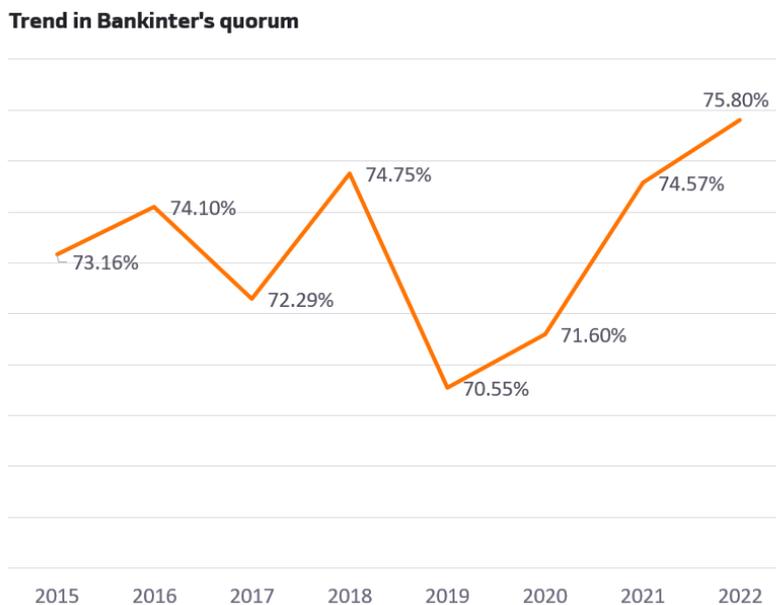
• **Right to attend:**

| | | |
|--|---|--------------------------|
| <p>Minimum no. of shares to attend in person</p> <p style="text-align: center;">600 shares</p> | <p>No restrictions on voting through remote means</p> | <p>Unpaid attendance</p> |
|--|---|--------------------------|

• **Trend in quorum at Annual General Meetings of recent years:**

The 2022 Annual General Meeting achieved a quorum of 75.80%, above that of the previous two years.

The following chart shows the trend in quorum in recent years.



The following table sets out the quorum at the Annual General Meetings of the past three years by attendance, proxy and electronic voting, along with the percentage corresponding to free float:

| Date of general meeting | % physically present | Attendance data | | | Total (**) |
|-----------------------------|----------------------|------------------------|-------------------|-------|------------|
| | | % present by proxy (*) | % voting remotely | | |
| | | | Electronic | Other | |
| 19.03.2020 | 0.35 | 70.22 | 1.03 | 0.00 | 71.60 |
| Of which, floating capital: | 0.00 | 37.81 | 1.03 | 0.00 | 38.84 |
| 21.04.2021 | 0.39 | 70.40 | 3.78 | 0.00 | 74.57 |
| Of which, floating capital: | 0.05 | 34.42 | 3.78 | 0.00 | 38.25 |
| 23.03.2022 | 0.61 | 73.4 | 1.79 | 0.00 | 75.80 |
| Of which, floating capital: | 0.27 | 36.34 | 1.79 | 0.00 | 38.40 |

(*) Almost all directors attending the Annual General Meeting instructed the chairman of the board of directors to vote on their behalf.

(**) Including treasury shares

- **2022 Annual General Meeting**

Bankinter's Annual General Meeting was convened on 21 February 2022 and held on 23 March 2022. It was also broadcast live on the corporate website.

To ensure that shareholders wishing to exercise their right to vote at the Annual General Meeting could attend, Bankinter's board of directors offered the possibility of participating in the following ways: (i) physical attendance, (ii) remote attendance, (iii) proxy issued to the chairman of the meeting through remote communication means, (iv) early voting through remote communication means, and (v) other means available, as detailed in the meeting announcement.

- **Voting results and 2022 Annual General Meeting resolutions**

All items on the agenda of the 2022 Annual General Meeting were approved, with the percentage of votes in favour exceeding 89%, as shown in the following table of approval figures for the motions submitted to the Annual General Meeting held on 23 March 2022. This information is also available on Bankinter's corporate website:

| Resolution/motion | % against vs. proxies/ in attendance | % abstaining vs. proxies / in attendance | % blank votes vs. proxies/in attendance | % approved vs. proxies/in attendance |
|---|--------------------------------------|--|---|--------------------------------------|
| 1. Review and approval of the 2021 annual accounts | 0.004% | 0.178% | 0.004% | 99.815% |
| 2. Review and approval of the non-financial statement for 2021 | 0.003% | 0.073% | 0.009% | 99.914% |
| 3. Approval of the board's performance in 2021 | 0.546% | 1.558% | 0.006% | 97.890% |
| 4. Review and approval of the distribution of earnings and dividend for 2021 | 0.314% | 0.024% | 0.003% | 99.659% |
| 5.1 Amendment of article 25 of the corporate by-laws regarding the composition of the board of directors | 0.021% | 0.035% | 0.005% | 99.939% |
| 5.2 Amendment of article 36 of the corporate by-laws regarding the appointments, sustainability and corporate governance committee | 0.020% | 0.030% | 0.005% | 99.944% |
| 6. Amendment of article 16 of the rules and regulations of the Annual General Meeting | 0.014% | 0.028% | 0.007% | 99.951% |
| 7. Re-election of the auditor for 2022 | 0.065% | 0.019% | 0.003% | 99.913% |
| 8.1 Appointment of Alfonso Botín-Sanz de Sautuola y Naveda as proprietary director. | 3.072% | 0.077% | 0.002% | 96.848% |
| 8.2 Re-election of Teresa Martín-Retortillo Rubio as external independent director | 0.766% | 0.074% | 0.003% | 99.157% |
| 8.3. Establishment of the number of directors | 0.050% | 0.037% | 0.003% | 99.910% |
| 9. Approval of a restricted capitalisation reserve in accordance with the Spanish Corporate Income Tax Act | 0.013% | 0.020% | 0.003% | 99.964% |
| 10.1 Approval of the delivery of shares to executive directors and senior management as part of the variable remuneration accrued in 2021. | 0.469% | 0.079% | 0.004% | 99.448% |
| 10.2 Cap on the variable remuneration for certain staff whose professional activities have a material impact on the company's risk profile | 4.926% | 0.052% | 0.006% | 95.016% |
| 11. Delegation of the power to execute resolutions | 0.018% | 0.024% | 0.005% | 99.953% |
| 12. Annual report on the remuneration of directors | 10.460% | 0.029% | 0.003% | 89.508% |

4. BOARD OF DIRECTORS

| | | | |
|-------------------------------|----------------------------------|---|--|
| No. of directors 11 | Term of office 4 years | Percentage of independent directors 54.5% | Percentage of women ^(*) 45.5% |
|-------------------------------|----------------------------------|---|--|

(*) One as chief executive officer and highest ranking executive of the company since 2010.

4.1 Rules and regulations of the board of directors

The internal operation and workings of the board of directors and board committees shall be governed by the rules and regulations of the board of directors, in accordance with applicable law and the corporate by-laws. The rules and regulations of the board of directors shall regulate such matters as the rights and duties of directors, the rules of conduct in the securities market to which directors are subject and the role of board advisor, together with specific measures to ensure the best possible management of the Company. The approval and any subsequent amendment of these regulations must be ratified by two thirds of its members in the form of a resolution.

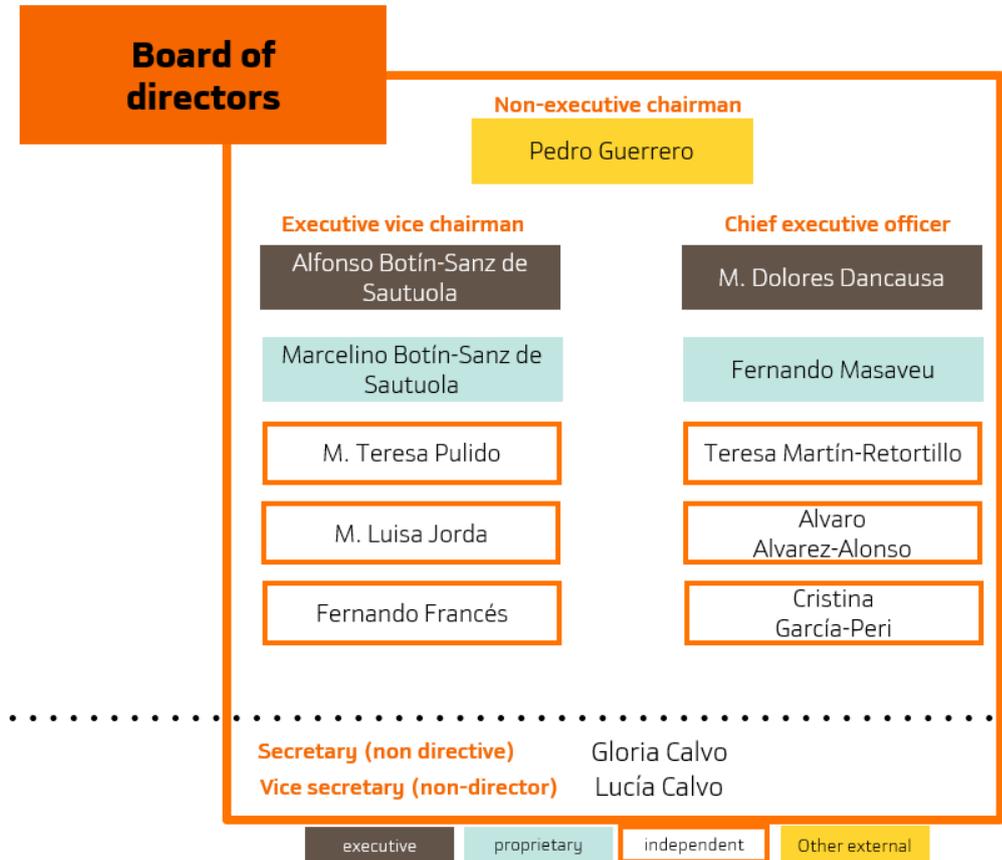
After the Annual General Meeting held on 23 March 2022, the board of directors, at meetings held on 18 May and 22 June 2022, approved the following amendments to the rules and regulations of the board of directors to align them with the amendments to the by-laws approved at that General Meeting:

- To eliminate any reference to the possibility of appointing a legal person as a board member.
- To change the name of the appointments, sustainability and corporate governance committee to the sustainability and appointments committee, without changing its remit.

All these amendments have already been filed at the Madrid Companies Register.

4.2 Composition of the board of directors

The composition of board of directors at the date of approval of this report had not changed from 31 December 2022 and was as follows:



The following table sets out the dates directors were first appointed and their last re-election date, with all appointments and re-elections based on a favourable report from the sustainability and appointments committee and the board committees on which the directors sat as at the date of approval of this report:

| Director | Category | Position | Date first appointed | Date of last appointment | Committees |
|--|----------------|-------------------------|----------------------|--------------------------|---|
| Pedro Guerrero Guerrero | Other external | Chair | 13.04.2000 | 21.04.2021 |   |
| Alfonso Botín-Sanz de Sautuola y Naveda | Executive | Executive vice chairman | 23.03.2022 | 23.03.2022 |  |
| María Dolores Dancausa Treviño | Executive | Chief executive officer | 21.10.2010 | 21.03.2019 |  |
| Fernando Masaveu Herrero | Proprietary | Director | 14.09.2005 | 21.04.2021 |   |
| Marcelino Botín-Sanz de Sautuola y Naveda | Proprietary | Director | 21.04.2005 | 21.04.2021 |  |
| Teresa Martín-Retortillo Rubio | Independent | Director | 07.11.2017 | 23.03.2022 |    |
| María Teresa Pulido Mendoza | Independent | Director | 23.07.2014 | 21.03.2019 | |
| Álvaro Álvarez-Alonso Plaza | Independent | Director | 21.03.2019 | 21.03.2019 |     |
| María Luisa Jordá Castro | Independent | Director | 21.03.2019 | 21.03.2019 |   |
| Fernando José Francés Pons | Independent | Director | 19.03.2020 | 19.03.2020 |    |
| Cristina García-Peri Álvarez | Independent | Director | 21.04.2021 | 21.04.2021 |   |



No directors resigned in 2022 and none were removed through a resolution of the Annual General Meeting and there were no changes in category of current directors.

Regarding re-elections, as explained previously CARTIVAL, S.A.'s term of office as proprietary director of Bankinter ended in 2022. CARTIVAL, S.A. also held the status of executive vice chairman of the Bankinter, S.A.'s board of directors.

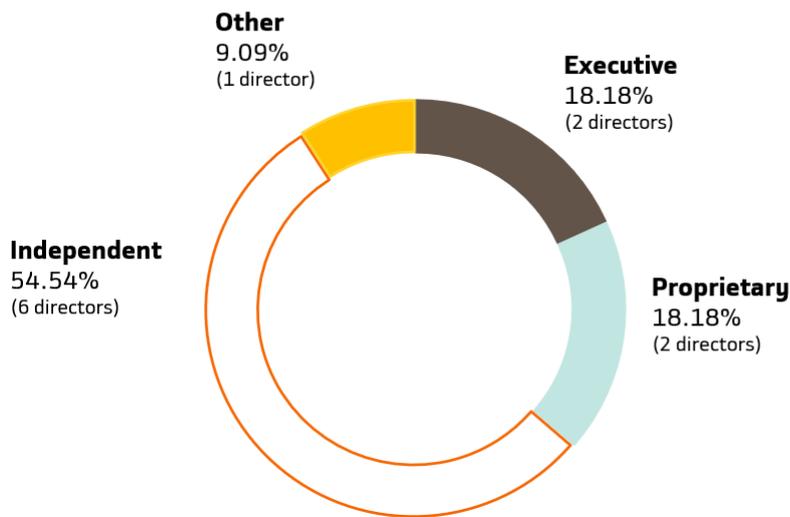
In accordance with Law 5/2021 of 12 April amending the consolidated text of the Spanish Companies Act, when CARTIVAL, S.A.'s term of office ended, Alfonso Botín-Sanz de Sautuola y Naveda was appointed the new proprietary director as its replacement via a resolution of the Annual General Meeting held on 23 March 2022. On the same date, Mr. Botín-Sanz de Sautuola y Naveda, who until then represented CARTIVAL on Bankinter, S.A.'s board of directors, was appointed executive vice chairman pursuant to an agreement by Bankinter's board of directors.

In addition, the 2022 Annual General Meeting also approved the re-election of Teresa Martín-Retortillo Rubio, as external independent director, on the recommendation of the sustainability and appointments committee, in accordance with Article 529 decies of the Spanish Companies Act and the rules and regulations of the board of directors of Bankinter. Lastly, regarding the board of directors approval was given at that Annual General Meeting to set the number of members of the board of directors at 11, within the bounds of the corporate by-laws (i.e. from five to 15).

No proprietary directors were appointed on the request of shareholders with a shareholding of less than 3% and no formal requests for a seat on the board was received from shareholders with shareholding equal to or greater than the shareholding of others upon whose request they were been appointed proprietary directors.

The board of directors has a balanced membership between executive and external directors. Most of the external directors are independent directors. The sustainability and appointments committee verified each director's category. The following table shows the percentages of each director category on the board:

Breakdown by category of director Board of directors



The rules and regulations of the board of directors do not set a limited term of office for independent directors beyond that prescribed by law (12 years). The average tenure of external independent directors at year-end 2022 was 4.1 years.

None of the external independent directors receives, from Bankinter or its group, any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior manager of a company that has or has had such a relationship.

- Positions held on Bankinter's board of directors**

| | | | |
|---|--|--|---|
| <p>Chairman of the board (non-executive)</p> | <p>Executive directors</p> <ul style="list-style-type: none"> ✓ Executive vice chairman ✓ Chief executive officer | <p>Coordinating director</p> <p>Only where the chairman is also an executive director</p> | <p>Secretary of the board (non-director)</p> |
|---|--|--|---|

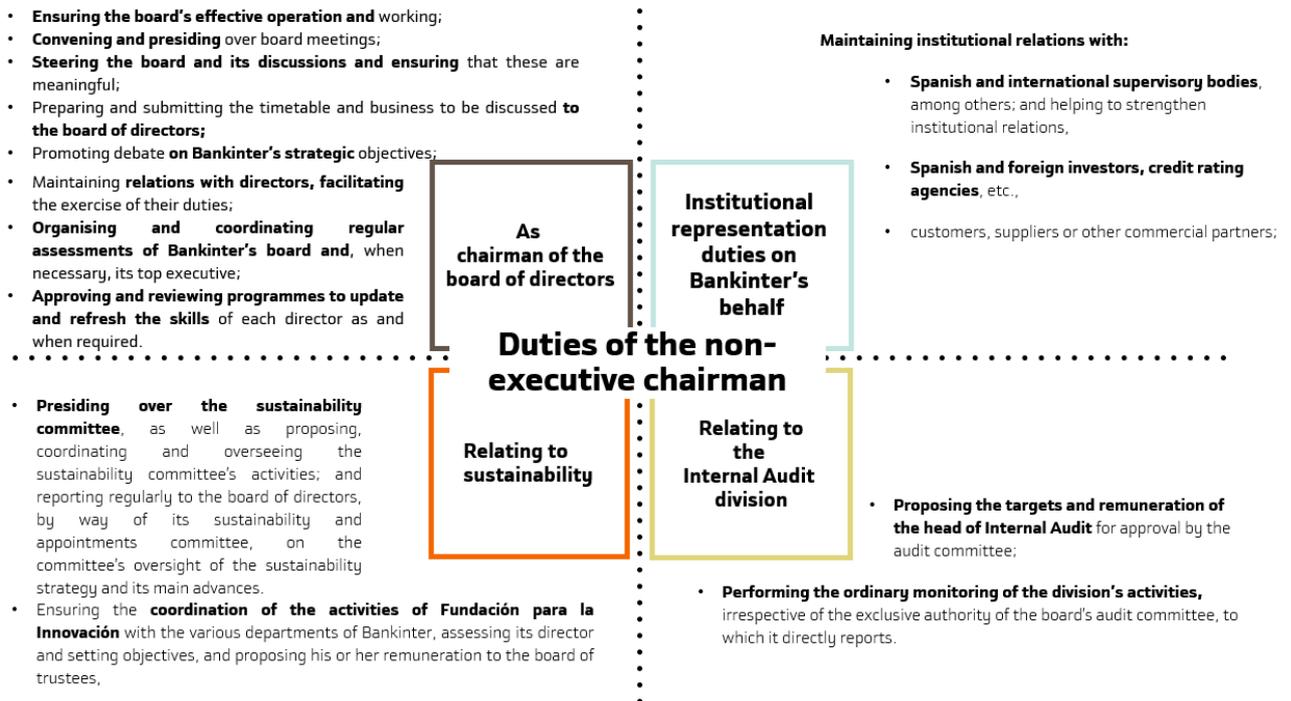
The various positions on the board of directors and the persons who currently hold them are as follows:

Chairman of the board
(non-executive)

According to article 26 of the corporate by-laws and article 27 of the rules and regulations of the board of directors, the board of directors shall appoint a chairman from among its ranks, based on a favourable report from the sustainability and appointments committee.

Pedro Guerrero Guerrero was appointed chairman of Bankinter's board of directors on 19 April 2007, under the category of executive director. On 1 January 2013, Pedro Guerrero Guerrero ceased to be an executive director, making Bankinter the first bank to separate the duties of its chairman from his executive duties.

Pursuant to Bankinter's corporate by-laws and the rules and regulations of the board of directors, the chairman of the board of directors is ultimately responsible for the effective operation and working of the board. Bankinter's chairman also discharges the following duties, none of which are executive:



Executive directors

- ✓ Executive vice chairman
- ✓ Chief executive officer

Articles 26 and 27 of the corporate by-laws and articles 29 and 30 of the rules and regulations of the board of directors govern the positions of executive directors. The rules and regulations of the board of directors allows for the permanent delegation of powers to executive directors.

The board of directors currently has the following executive positions:

Alfonso Botín-Sanz de Sautuola y Naveda

Executive vice chairman

- Chairs the **executive committee**
- Has duties related directly to the **risk management of the institution, interest rates (ALCO portfolio)**
- Business and corporate development, strategy
- Investment banking.

María Dolores Dancausa Treviño

Chief executive officer

Tasked with the **day-to-day management of the business and discharges the highest management and executive duties at the Company.**

Following is a description of the general features of the contracts binding the non-executive chairman and executive directors to the company and the existing separation of powers, including:

Commercial or services contracts

The Chairman has a services contract with the company, and the executive vice president and chief executive officer management contracts with the company. No other directors have signed contracts with the company.

The annual report on the remuneration of directors provides details on the terms and conditions of those contracts.

Segregation of duties

Bankinter staunchly defends the importance of a **proper balance of power in decision-making processes and**, to this end, has established a clear **segregation of duties between the non-executive chairman, the executive vice chairman and the chief executive officer**, as explained in the preceding sections of this report.

Coordinating director

Only where the chairman is also an executive director

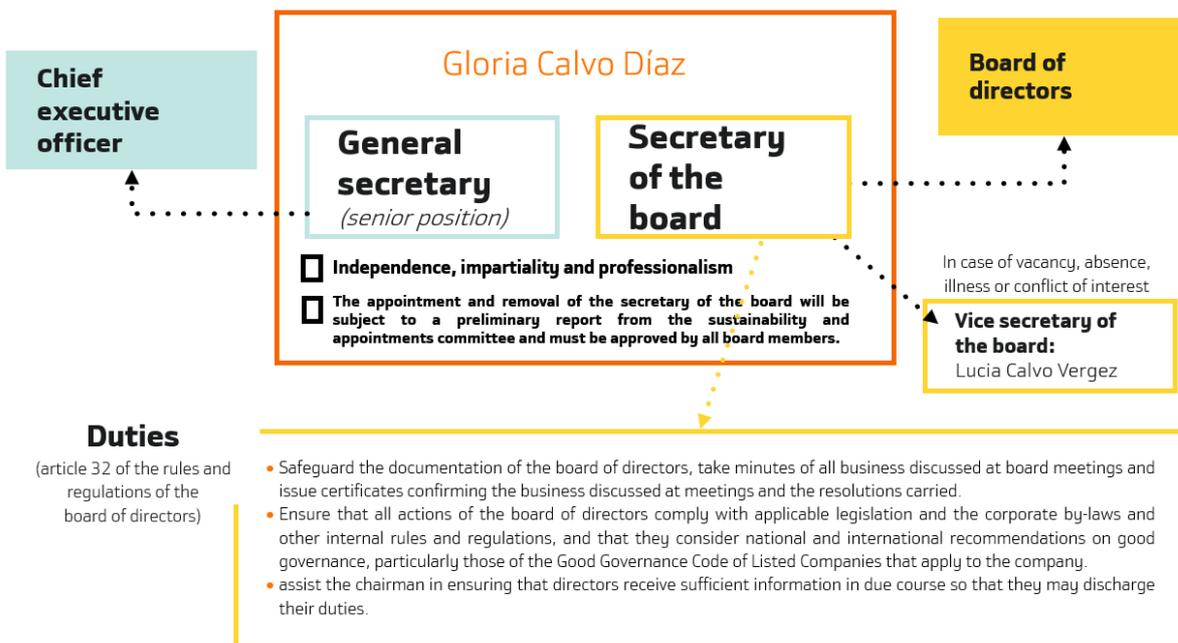
Bankinter's corporate by-laws and the rules and regulations of the board of directors (article 31) envision the possibility of appointing a coordinating director, if and when the board chairman is executive. In its current configuration, the board of directors has no need to appoint a coordinating director from among the independent directors.

Secretary of the board
(non-director)

Article 32 of the rules and regulations of the board of directors states that the duties of secretary of the board shall be performed by the person appointed by the board for that purpose, who may or may not be a director.

To ensure the independence, impartiality and professionalism of this post:

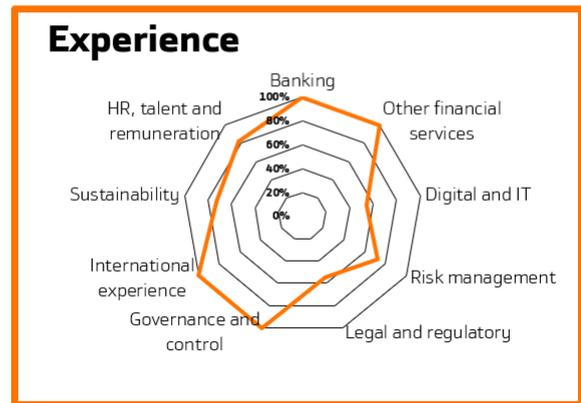
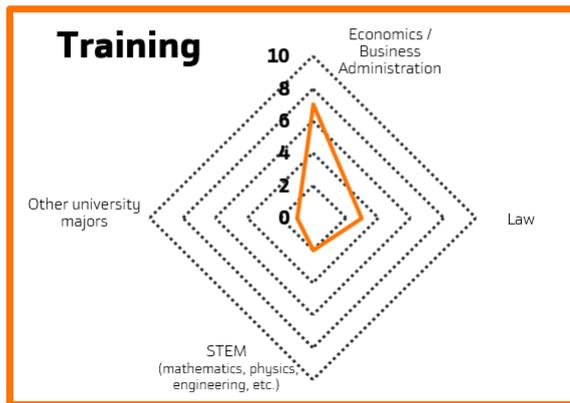
- The secretary of the board, acting in his or her position as such, shall report only to the board of directors and its chairman.
- The appointment and removal of the secretary of the board will be subject to a preliminary report from the sustainability and appointments committee and must be approved by all board members.



4.3 Diversity in the board of directors

- Diversity of knowledge and experience:

Knowledge and experience
Board of directors



Director profiles

Set out below are disclosures on the knowledge and experience/skills and competencies and other information of interest of each board member based on the composition of the board of directors as at the date of approval of this report, which was unchanged from 31 December 2022:

Executive directors:

Alfonso Botín-Sanz de Sautuola y Naveda

| | |
|-------------------------------|-------------------------|
| Position on the board: | Executive vice chairman |
| Director category: | Executive |
| Nationality: | Spanish |

 **Education:** Graduated magna cum laude from Boston University with a degree in economics (major) and classical civilisation Clásicas (minor).

 **Experience:** He worked at the Corporate Finance and M&A department of Salomon Brothers until 1995. Since then, he has held various positions at Bankinter, including Business Manager of the Risk division, Account Manager of Corporate Banking and Managing Director of Bankinter's venture capital subsidiary. He is also the founding shareholder of Aleph Capital SGECR, S.A. He sat

on Bankinter's board in his own name from 2002 through to 2005 and from 2005 to 2022 he was the natural person representative of legal person director CARTIVAL, S.A. as executive vice chairman of the board. He is currently the natural person director and executive vice chairman of Bankinter, S.A. and chairman of the executive committee, performing duties related to risk management, interest rates (ALCO portfolio), business and corporate development, strategy and investment banking.

Since the end of 2022, he has presided over the board of subsidiary Bankinter Investment SAU.

He was chairman of the board of Línea Directa Aseguradora, with executive duties, from 2005 until the company's spin-off from the Group in 2021 (when he ceased to perform executive duties), helping drive the company's internal and market share growth. Línea Directa Aseguradora is a leader in telemarketing and digitalisation in the insurance market.



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated ? |
|---|-------------------------|--|---------------|
| CARTIVAL, S.A. <i>(significant shareholder of Bankinter)</i> | Chief executive officer | Yes | Yes |
| Other companies of the CARTIVAL holding company | Sole administrator | Yes | No |
| Línea Directa Aseguradora, S.A. de Seguros y Reaseguros | Proprietary chairman | No | Yes |
| Fundación Línea Directa | Chairman | No | No |



Positions at other Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|---------------------------|-----------------------|--|--------------|
| Bankinter Investment, SAU | Chairman of the board | No | No |

María Dolores Dancausa Treviño

| | |
|-------------------------------|-------------------------|
| Position on the board: | Chief executive officer |
| Director category: | Executive |
| Nationality: | Spanish |



Education: She has a law degree from CEU San Pablo University. She also completed an AMP (Advance Management Programme) at INSEAD Business School (Fontainebleau) and several management programmes at Harvard Business School.



Experience: Has spent her entire career in the financial sector, first at Banco Exterior and then at Bankinter.

When Línea Directa Aseguradora was created in 1994, she was appointed general secretary of the company and of the board of directors, holding these posts until 2008, when she was appointed the company's chief executive officer.

After her appointment in 2010 as Bankinter chief executive officer, she remained on Línea Directa Aseguradora's board of directors until the company's IPO in 2021.

From 2013 to 2018, she served as external independent director of British firm ESURE, one of the UK's leading insurance companies.

Since June 2021, she is an independent director at Acciona, S.A. and member of its audit and sustainability committee.



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|---------------|--|--|--------------|
| ACCIONA, S.A. | External independent director and member of the audit and sustainability committee | No | Yes |



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|---------------------------------|-----------------------|--|--------------|
| Bankinter Consumer Finance, EFC | Chairman of the board | No | No |
| EVO Banco, S.A. | Chairman of the board | No | No |
| Bankinter Global Services, S.A. | Chairman of the board | No | No |
| Avantcard, DAC | Chairman of the board | No | No |
| Bankinter Investment, SAU | Proprietary director | No | No |
| Bankinter Innovation Foundation | Patron | No | No |

External directors:

Pedro Guerrero Guerrero

| Position on the board: | Non-executive chairman | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--------------|---------------------|---|----|-----|------------------------------|----------------------------|-----|----|--------------------------|---------|----|----|------------------------|---------|----|----|--|
| Director category: | Other external director ¹ | | | | | | | | | | | | | | | | | | | | |
| Nationality: | Spanish | | | | | | | | | | | | | | | | | | | | |
|  Education: | Degree in law from the Complutense University of Madrid. | | | | | | | | | | | | | | | | | | | | |
|  Experience: | <p>He is a state lawyer, exchange agent and stockbroker, and Madrid notary public (on leave). He was chairman of governing company of the Madrid Stock Exchange, Sociedad Rectora de la Bolsa de Madrid and Sociedad de Bolsas. Founding member and vice chairman of A.B. Asesores Bursátiles, S.A. and chairman of A.B. Asesores Gestión and A.B. Asesores Red, the first company to channel foreign investment in Spain's securities market. He was Managing Director of private banking for Spain, Italy, Portugal and Greece at Morgan Stanley.</p> <p>He has been chairman of Bankinter's board of directors since April 2007, exercising executive duties until 2010, and is chairman of its sustainability committee.</p> <p>He was a director at PROSEGUR, S.A. from 2005 to 2017 and director at Línea Directa Aseguradora until its IPO in 2021.</p> <p>He has been vice chairman of Prosegur Cash, S.A. and member of its sustainability, corporate governance, appointments and remuneration committee since 2017.</p> | | | | | | | | | | | | | | | | | | | | |
|  OTHER POSITIONS HELD CURRENTLY: | | | | | | | | | | | | | | | | | | | | | |
| Positions at non-Bankinter Group companies: | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company name</th> <th>Position</th> <th>Does the director have executive duties?</th> <th>Remunerated?</th> </tr> </thead> <tbody> <tr> <td>Prosegur Cash, S.A.</td> <td>Vice chairman and member of its sustainability, corporate governance, appointments and remuneration committee</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>Corporación Villanueva, S.A.</td> <td>Joint and several director</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Línea Directa Foundation</td> <td>Trustee</td> <td>No</td> <td>No</td> </tr> <tr> <td>Fundación Lealtad 2001</td> <td>Trustee</td> <td>No</td> <td>No</td> </tr> </tbody> </table> | Company name | Position | Does the director have executive duties? | Remunerated? | Prosegur Cash, S.A. | Vice chairman and member of its sustainability, corporate governance, appointments and remuneration committee | No | Yes | Corporación Villanueva, S.A. | Joint and several director | Yes | No | Línea Directa Foundation | Trustee | No | No | Fundación Lealtad 2001 | Trustee | No | No | |
| Company name | Position | Does the director have executive duties? | Remunerated? | | | | | | | | | | | | | | | | | | |
| Prosegur Cash, S.A. | Vice chairman and member of its sustainability, corporate governance, appointments and remuneration committee | No | Yes | | | | | | | | | | | | | | | | | | |
| Corporación Villanueva, S.A. | Joint and several director | Yes | No | | | | | | | | | | | | | | | | | | |
| Línea Directa Foundation | Trustee | No | No | | | | | | | | | | | | | | | | | | |
| Fundación Lealtad 2001 | Trustee | No | No | | | | | | | | | | | | | | | | | | |

¹ The binding definition of independent director found in the Spanish Companies Act states that one of the circumstances barring a director from qualifying as an independent director is where that director has been an employee or executive director of the company or its group, unless three or five years, respectively, have elapsed since the end of that relationship. Pedro Guerrero Guerrero served as executive chairman of Bankinter until 31 December 2012, when he ceased to discharge executive duties.

Although at 31 December 2018 five years had already passed since Mr Guerrero stepped down from his executive position, he was in fact appointed director of Bankinter on 13 April 2000, making it over 12 years of continuous service as a Bankinter director. According to the Spanish Companies Act, any board member who has been a director for a continuous period of more than 12 years may not be considered an independent director. Accordingly, Mr Guerrero falls within the category of 'Other external directors'.

 **Positions at Bankinter Group companies:**

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------------------------------|----------|--|--------------|
| Fundación de la Innovación Bankinter | Trustee | No | No |
| Cre100do Foundation | Trustee | No | No |

Marcelino Botín-Sanz de Sautuola y Naveda

| | |
|---------------------------|----------------------|
| Director category: | External proprietary |
| Nationality: | Spanish |

 **Education:** Degree in naval architecture and yacht design from the University of Southampton, United Kingdom (1994).

 **Experience:** He designs sport boats for his company Astilleros Mouro, S.L. He represented CARTIVAL, S.A. on Bankinter's board of directors from 1997 to 2005. Since 2005, he has been a member of Bankinter's board of directors, as proprietary director, and its sustainability and appointments committee. In 2022, he was appointed chief executive officer of CARTIVAL, S.A., a significant shareholder of Bankinter.

 **OTHER POSITIONS HELD CURRENTLY:**

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|---|--------------------|--|--------------|
| CARTIVAL, S.A. <i>(significant shareholder of Bankinter)</i> | CEO | Yes | Yes |
| Botín Partners, S.L. | Sole administrator | Yes | No |

 **Positions at Bankinter Group companies:**

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

Fernando María Masaveu Herrero

Director category: External proprietary

Nationality: Spanish

 **Education:** Degree in law from the University of Navarre

 **Experience:** He joined the Masaveu Group in 1993 and has held various positions there, currently serving as chairman of the Group, which operates in various sectors, including energy, finance, industry, cement and real estate. He is executive chairman of Corporación Masaveu, S.A. and, within the Group, chairman of Cementos Tudela Veguin, S.A., Oppidum Capital, S.L. and the American companies of Masaveu Real Estate US Delaware LLC, Oppidum Renewables USA Inc. and Oppidum Green Energy USA LLC, among others. He also sits of the boards of American Cement Advisors Inc., EGEO Internacional and EGEO SGPS. He is a joint administrator at Flicka Forestal, S.L. He sits on the general and supervisory committee of EDP, S.A. and is a member of the on corporate governance and sustainability committee and director of EDP España, S.A. He is a proprietary director of Línea Directa Aseguradora, S.A. de Seguros y Reaseguros. He is also chairman of Fundación María Cristina Masaveu Peterson and Fundación San Ignacio de Loyola. He is a trustee and member of the executive committee and heritage committee of Fundación Princesa de Asturias. He is a trustee Fundación ProRAE. He is an international trustee of Fundación Amigos Museo del Prado. He also a member of the international council of the Metropolitan Museum of Art of New York.

 **OTHER POSITIONS HELD CURRENTLY:**

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--|---|--|--------------|
| Corporación Masaveu, S.A. (*) <i>(significant shareholder of Bankinter)</i> | Chairman | Yes | Yes |
| Fundación María Cristina Masaveu Peterson | Chairman | No | No |
| Fundación San Ignacio de Loyola | Chairman | No | No |
| Flicka Forestal, S.L. (**) | Joint administrator | Yes | Yes |
| American Cement Advisors, Inc EGEO Internacional EGEO SGPS | Director Director Director | No | No |
| EDP, S.A. | Member of GSB (General Supervisory Board) and member of the corporate governance and sustainability committee | No | Yes |
| EDP España, S.A. | Director | No | Yes |
| Línea Directa Aseguradora, S.A. | Proprietary director | No | Yes |

(*) Fernando Masaveu is chairman of the board of directors / member of the administrative body in several companies of the Group whose parent is Corporación Masaveu, S.A.

(**) Fernando Masaveu is chairman of the board of directors / member of the administrative body in several companies controlled by Flicka Forestal, S.L.



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

María Teresa Pulido Mendoza

Director category: External independent

Nationality: North American / Spanish



Education: Degree in Economics from Columbia University and a MBA from MIT - Sloan School of Management.



Experience: She has more than 25 years of professional experience in strategic consultancy (McKinsey & Co), private and corporate banking (Citi and Deutsche Bank) and infrastructure (Ferrovial). At these companies, she worked mainly on strategy, business development and transformation projects. She is senior manager of strategy and Ferrovial and member of its management committee.



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|-----------------|------------------------------------|--|--------------|
| FERROVIAL, S.A. | Member of the Management Committee | Yes | Yes |



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

Teresa Martín-Retortillo Rubio

Director category: External independent

Nationality: Spanish



Education: Graduated from the Colegio Universitario de Estudios Financieros (CUNEF) affiliated with Universidad Complutense de Madrid, with a degree in business administration with a double concentration in auditing and finance. MBA from Harvard Business School (1995).



Experience: Executive president of IE Exponential Learning (including IE's executive education division) since September 2016. She was previously senior vice president of strategy and business development at McGraw-Hill Education in the United States. Before that, she was a partner at the global management consulting firm Bain & Company where, for 19 years, she held several positions of responsibility in both Spain and the United States, focusing in particular on investment advice (venture capital and M&A). She also worked at Goldman Sachs as a corporate finance analyst in London. She has an eminently international profile, given her past and current track record.



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|-------------------------|-----------------|--|--------------|
| IE Exponential Learning | Executive chair | Yes | Yes |



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|-----------------|-------------------------------|--|--------------|
| EVO Banco, S.A. | External independent director | No | Yes |

Álvaro Álvarez-Alonso Plaza

Director category: External independent

Nationality: Spanish



Education: The Choate School, Wallingford, Connecticut, USA. Pre-university studies (high school graduate). Faculty of Economic Sciences, Complutense University



Experience: He has extensive experience on the boards of such companies as FOCSA (now FCC), FILO (listed company operating in the real estate sector); HEINEKEN ESPAÑA and Cervezas EL ÁGUILA (as chairman of the board); Europistas, Eurovías and Autopistas del Sol (as proprietary director of JOHN LAING INVESTMENTS). He also has extensive experience in the realm of investment banking, as president for Spain of MERRILL LYNCH, at which he worked for over 15 years, with responsibilities in various areas and departments, including international stock market services, corporate finance and asset management. While serving as co-director of the Madrid office of E.F. HUTTON & CO., the company introduced the very first financial futures transactions in Spain. He also founded IBERMER, a firm specialising in investment banking and capital development operations, focusing in the audiovisuals sector, having advised CANAL+ on how best to enter the Spanish market; he served as vice chairman of the board of directors of BANCAPITAL

up until its sale to BANQUE INDOSUEZ; and he sat on the board of directors of BARÓN DE LEY, S.A. He was also consultant and adviser to TEXACO (oil company since merged with CHEVRON Inc) for its businesses in Spain. In 2001, he founded AVANZA S.A., an outsourcing services company where he was chairman until 2015.



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

María Luisa Jordá Castro

Director category: External independent

Nationality: Spanish



Education: She holds a degree in Business Science and MBAs from Instituto de Empresa and Centro Estudios Financieros (1985-1987) and a masters in Digital Business from The Valley Business School (2016-2017). She completed a business angel course at Deusto Business School Madrid (2018). She is a member of Spain's Officer Register of Account Auditors (ROAC) and the Institute of Chartered Accountants of Spain, as chair of the technical advisory committee.



Experience: She has extensive experience and a long track record in auditing, control and finance, having served as CFO, head of investment, head of internal audit and corporate governance, and board member at various financial companies and enterprises operating within the real estate, consumer and telecoms sectors, and at organisations such as Corporación Empresarial ONCE, gaining ample executive experience in finance and auditing. She has also accumulated a wealth of experience in corporate governance at multinational enterprises and listed companies, in relation to auditing, strategy and control; and in telecommunications, having sat on the board at JAZZTEL. She was also on the board of BANCO EUROPEA DE FINANZAS (wholly-owned by Unicaja).



OTHER POSITIONS HELD CURRENTLY:

Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------------------------|--|--|--------------|
| Merlin Properties Socimi, S.A. | External independent director (and member of the audit committee and chair of the appointments and remuneration committee) | No | Yes |
| Grupo Bimbo | External independent director (and member of the audit committee and member of the evaluation and nomination committee) | No | Yes |
| Orange España | External independent director (and member of the audit committee) | No | Yes |



Positions at Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

Other remunerated activities: Consulting activities in Laboratorios NORMON

Fernando José Francés Pons

Director category: External independent

Nationality: Spanish



Education: He graduated from the Complutense University of Madrid with a degree in mathematics (major in statistics and operational research).



Experience: He has worked in consulting for his entire professional career, in the area of technology and telecommunications, first at IBM (two years) and then at Arthur Andersen and now Accenture (10 years). In 1996 he founded DMR Consulting in Madrid, then known as Everis, a company of which, in addition to being the founder, he was chairman until March 2018. Everis (now NTT Data) is a consulting services company that grew from 1 to 23,000 employees during the 22 years that he was the chairman. It has a presence throughout Spain and offices in Europe, Latin America and the United States.

 **OTHER POSITIONS HELD CURRENTLY:**
Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|---------------|------------------------|--|--------------|
| Zityhub, S.L. | Non-executive chairman | No | No |

 **Positions at Bankinter Group companies:**

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| - | - | - | - |

Cristina García-Peri Álvarez

| | |
|---------------------------|----------------------|
| Director category: | External independent |
| Nationality: | Spanish |

 **Education:** Degree in economics and finance, sum cum laude, from ICADE, and an MBA from Harvard Business School, as well as an Executive Masters' in digital capabilities and innovation (DIBEX) from the Instituto ISDI business school.

 **Experience:** She has vast experience in the financial sector, gained mainly at international level, and in investment banking and capital markets and derivatives, mostly from positions held at J.P. MORGAN, BANK OF AMERICA MERRILL LYNCH, GOLDMAN SACHS and MCKINSEY & CO. In addition experience in the financial sector, she also has experience in the real estate sector from her work at Azora Group since 2011. She also has experience in defining and implementing of environmental, social and governance (ESG) policies and goals as member of Azora Group's INREV - ESG and sustainability committees. Until July 2022, she was a director at EVO Banco, a Bankinter subsidiary.

 **OTHER POSITIONS HELD CURRENTLY:**
Positions at non-Bankinter Group companies:

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------------------|------------------|--|--------------|
| Azora Capital S.L. | Managing partner | Yes | Yes |
| Plan International Spain | Chair | No | No |

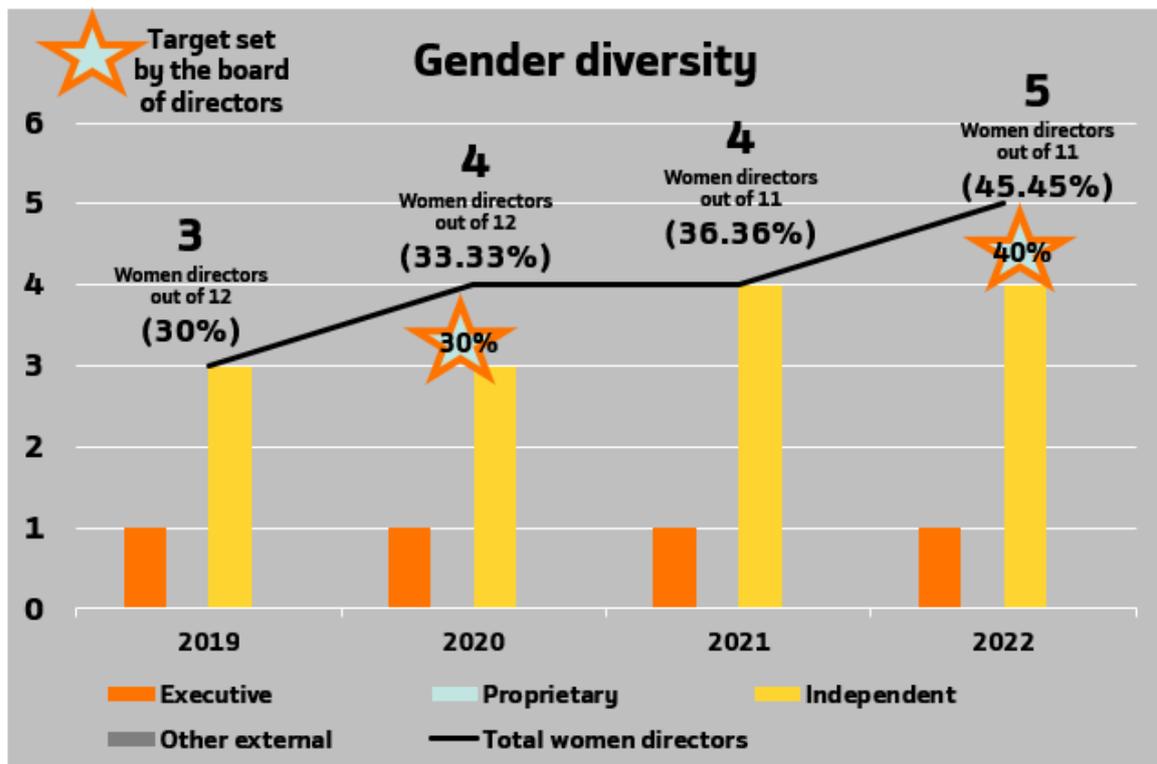
 **Positions at Bankinter Group companies:**

| Company name | Position | Does the director have executive duties? | Remunerated? |
|--------------|----------|--|--------------|
| | | | |

Regarding **positions held on other administrative bodies**, as a credit institution, Bankinter is subject to the restrictions set down in Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, regarding the number of boards on which its directors may sit in addition to the seat on Bankinter's board. Bankinter has included this restriction in its rules and regulations of the board of directors. Bankinter also has a policy on incompatibilities and restrictions for Bankinter senior officers and other executives approved by the board of directors on 20 December 2017. This policy is available on the corporate website.

- **Gender diversity**

The following chart shows changes in the number of female directors sitting on Bankinter's board of directors, as well as the category of each.



The above chart shows Bankinter's firm commitment to equal opportunities for men and women, for every time it appoints members to its board of directors, it engages in an objective selection process that is free from any determining conditions or biases that might hinder the access of women to positions as independent directors on the board, evaluating in each case the nominee's independence and professional merits, capacity and experience in the industry. The selection process seeks to ensure that women are always included among the nominees.

The sustainability and appointments committee imposes no constraints or biases on the selection of female directors when entrusting external advisers with selection processes and actively encourages the inclusion of women in the lists of candidates to be evaluated. Bankinter prioritises the professional merits and experience of its directors, without placing any constraints in relation to the gender of the nominees.

**Gender diversity targets:**

Bankinter was also a pioneer in guaranteeing both female directors and female senior managers. After the director appointments approved at the 2015 Annual General Meeting, Bankinter achieved the target representation of female directors of 30% of the total number of directors, which was set for 2020. This percentage has increased over the past few days.

Following the amendment of recommendation 15 of the Good Governance Code of Listed Companies in 2020 and considering the size of Bankinter's board of directors, the sustainability and appointments committee proposed to the board of directors a new target for the representation for women (currently the least represented gender) on the board of at least 40% by the end of 2022, in line with the aforementioned recommendation. Bankinter again achieved this target early, as following the appointment of Cristina García-Peri at the 2021 Annual General Meeting, female directors represent 45.5% of the total number of members.

María Dolores Dancausa Treviño became a board member and was appointed executive director and the Company's chief executive officer in 2010.

With regard to promoting the presence of women in senior management, the composition of which is detailed below, the management committee has a majority of women and the chief executive officer who chairs it is a woman.

Number of female members on Bankinter's various board committees at the end of the last four years:

| | Number of female directors | | | | % of directors for each committee | | | |
|---|----------------------------|------|------|------|-----------------------------------|---------|-------|-------|
| | 2022 | 2021 | 2020 | 2019 | FY 2022 | FY 2021 | 2020 | 2019 |
| Executive committee | 1 | 1 | 1 | 1 | 20 | 20 | 16.66 | 16.66 |
| Audit committee | 1 | 1 | 1 | 0 | 25 | 25 | 20 | 0 |
| Risk and compliance committee | 3 | 3 | 1 | 0 | 75 | 75 | 25 | 0 |
| Remuneration committee | 1 | 1 | 1 | 1 | 25 | 25 | 16.66 | 20 |
| Sustainability and appointments committee | 2 | 2 | 1 | 1 | 50 | 50 | 16.66 | 20 |

4.4 Director selection

On 18 November 2015, Bankinter's board of directors approved the **director selection and succession policy** (available on the corporate website) according to which director selection and succession processes must adhere to the following general principles:

- i. These processes shall comply with applicable legislation and regulations at all times and will be carried out in accordance with the board composition set out in the corporate by-laws and the rules and regulations of the board of directors.
- ii. They shall seek to ensure that there is a clear majority of independent directors on the board of directors and that the number of executive directors remains at a bare minimum, in view of the Group's complexity.
- iii. They shall ensure that there is an adequate balance between proprietary and independent directors, reflecting, wherever possible, the proportion between share capital carrying voting rights represented by proprietary directors and the rest of the share capital.
- iv. They shall ensure diversity of nationality, gender and experience, such that decision-making is enriched and a variety of standpoints are heard when debating matters that fall within the board's remit.
- v. They shall guarantee the stability of the board of directors in line with the measures taken by the Company to ensure, wherever possible, that the appointment or re-election of directors does not affect more than one fourth of total board members in any given year.

Further, the board of directors, by virtue of the EBA and ESMA joint guidelines on suitability assessments released on 30 June 2018, approved a policy on the suitability assessment of directors and key function holders at Bankinter, dated 25 July 2018.

To ensure that the director selection and succession policy is suitably aligned with the suitability assessment policy mentioned in the preceding paragraph, on the same date the board approved a number of amendments to the selection and succession policy. Moreover, provision was made for the

succession of the chairs of the board committees. As a result, Bankinter has a procedure in place that guarantees an agile, transparent and robust succession process.

Director selection processes invariably start with an analysis of the Company's needs and those of the companies belonging to its group. The board of directors carries out such analysis while relying on the advice of the sustainability and appointments committee.

As a general rule, candidates for directorships at the Company must also be persons of integrity, good name and suitability and have recognised expertise, skill, experience, qualifications, training, availability and commitment to their duties.

The sustainability and appointments committee assesses the balance of competencies, expertise, diversity and experience necessary for the board of directors. For this purpose, it defines the functions and aptitudes required of candidates for each vacancy, and assesses the time and dedication needed for them to properly discharge their duties.

- **Practical illustration of the director selection process in 2021-2022:**

For the proposed appointment of Alfonso Botín-Sanz de Sautuola y Naveda in place of CARTIVAL, S.A., at its meeting of 4 October 2021, the sustainability and appointments committee issued a report assessing his suitability, both individually and for the board of directors as a whole, based on his vast experience, and the importance of his proven contribution to Bankinter's performance and professional honour and integrity.

Pursuant to the applicable procedure, the European Central Bank issued its non-opposition on 14 December 2021.

With the formalities now completed, the Annual General Meeting held on 23 March 2022 approved the appointment of Alfonso Botin-Sanz de Sautuola y Naveda as proprietary director, filling the vacancy left by CARTIVAL, S.A. Also on that date, following his director appointment, he was appointed executive vice chairman by the board of directors.

4.5 Appointment, re-election and removal of directors

The appointment of directors rests with the Annual General Meeting or, where appropriate, with the board of directors by co-option if a position falls vacant, in accordance with the Spanish Companies Act, the corporate by-laws and the rules and regulations of the board of directors.

Proposals submitted by the board of directors to the general meeting regarding the appointment, ratification or re-election of directors shall require a preliminary recommendation or report from the sustainability and appointments committee (depending on the category of director concerned),

following a formal and transparent procedure. If the board decides not to follow the recommendation of the sustainability and appointments committee, it must give the specific reasons in its decision.

Because Bankinter is a financial institution, the appointment of new board members requires, among other matters, compliance with the procedures and requirements set forth in Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, and in Royal Decree 84/2015 of 13 February, enacting that Act.

Article 9 of the rules and regulations of the board of directors states that persons caught by any the prohibitions prescribed by applicable law or regulations or any by-law incompatibility may not be appointed director, nor may individuals who, either directly or through a related party, encounter a conflict of interest with the Company or another Bankinter Group company, or those proposed by one or more shareholders to have encountered any such conflict of interest. Also not eligible to be appointed directors are persons, whether national or foreign, and whether operating in the financial sector or some other industry, competitors of the Company or another Bankinter Group company, nor their directors, senior managers or any persons nominated by any of them in their capacity as shareholders.

The board may not co-opt or submit proposals or motions to the general meeting regarding the appointment, re-election or ratification of directors where the person in question is caught by any of the circumstances just described and must oppose other proposals or motions that run contrary to article 9 of those regulations.

The rules and regulations of the board of directors, in accordance with the corporate by-laws, regulates the causes and the procedure of removal and dismissal of directors. In accordance with article 11, directors shall step down from office when they have completed the mandate for which they were appointed, whereupon they may be re-elected, and when so decided by shareholders convened at a general meeting or by the board of directors by virtue of the powers conferred upon them under applicable law or the corporate by-laws.

Directors must offer to resign and, if the board of directors sees fit, tender that resignation in the following cases:

- if, having been appointed on the nomination of a significant shareholder, the significant shareholder informs the Company, at any time, that it does not intend to re-nominate the director once their term of office comes to an end;
- when they are caught by any of the ineligibilities, prohibitions or legal grounds for dismissal or resignation, as set out in the rules and regulations of the board of directors, including conflicts of interest and the duty not to engage in competing activities;
- where the director acts or omits to act in a way that falls short of the duty of care expected of their position, or where they seriously breach their duties as director, including the duty of secrecy and all other responsibilities and obligations set out in the rules and regulations of the board of directors;

- where their continuance on the board could harm the Company's interests, whether directly or through the director's links with related persons;
- where, for any other reason, they cause serious damage or loss to the Company's interests, its good name or reputation, or to the board's own operation or, in general, where they lose the board's trust for any justifiable reason; and
- where any other circumstance exists warranting a director's resignation in accordance with applicable recommendations on good corporate governance in force in Spain and embraced by the Company, insofar as the board considers that circumstance to exist.

The director shall be obliged to inform the board of directors of any such situation and of any criminal proceedings in which they may be under investigation, including the ongoing status of such proceedings.

In all of the cases described above, the board of directors may propose a director's dismissal after previously ordering the director to step down. Resolutions of the board of directors confirming that valid reasons exist warranting the director's resignation, as provided for in the regulations, and accepting the resignation tendered by the director, shall be carried out on a recommendation from the sustainability and appointments committee, unless the matter is urgent and there is no time to wait for such a report.

As established in the rules and regulations of the sustainability and appointments committee, when, due to resignation or for any other reason, a director leaves their position before the end of their mandate, the sustainability and appointments committee will ensure that the Company acts in a transparent manner with respect to the process and its causes. Accordingly, when the departure is due to the director's resignation, the committee shall evaluate the information in the outgoing directors' letter to the board, where appropriate. If it deems that insufficient information is available, it shall liaise with the director to ascertain the reasons for their resignation. The committee shall also ensure that the board of directors publishes the reasons and circumstances of the departing director in an appropriate manner, including an explanation of the reasons for the departure in the annual corporate governance report.

Since 2015, Bankinter has also had a policy for the prevention of conflicts of interest for senior officers, which sets down the general operating principles for the prevention of such conflicts. This policy was most recently updated in November 2016.

Lastly, neither the corporate by-laws nor the rules and regulations of the board of directors set any age limit for directors.

4.6 Director succession plans

Pursuant to the policy on director selection and succession approved by the board, as described above, director succession processes must be suitably planned and coordinated so as to ensure business continuity without any delay or setback.

The sustainability and appointments governance committee seeks to ensure the existence of up-to-date succession plans for the Company's chairman and executive directors. It may also be required to submit proposals to the board of directors so as to ensure that the succession process proceeds in a planned and orderly manner.

The policy has the following to say on the succession of the chairman and the chief executive officer:

Director selection and succession policy

(25 July 2018)

General principles for selection and succession

- **Assessment** by the board **of the Company's and Group's needs.**
- **Selection of candidates** by the sustainability and appointments committee **with the assistance, if deemed necessary, of external advisors.**
- **Suitability assessment.**
- Succession must be **planned and coordinated**, protection the continuity of the business without any setbacks.

Succession of the chairman

- The vice chairman** of the board of directors shall **call a board meeting, to decide upon which of its members will take up the position:**
 - **If there is an internal candidate:** there is an internal suitability assessment and one with the Supervisor.
 - **If there is no internal candidate:** selection of external candidates by the sustainability and appointments committee in accordance with the principles and **general director selection process.**
- The board will seek to ensure that it **has a sufficient number of qualified members** to discharge the duties of chairman.
- The board reviews the list **each year.**

Succession of the chief executive officer

- Every year, the **chief executive** officer will submit a list of candidates to hold the role **of chief executive officer to the sustainability and appointments committee for the short, medium and long term.**
- Nominations for director succession should **take into account candidates' special personal and professional skills, in addition to their ability to spearhead the devising and implementation of the entity's** strategy.
- After analysing and defining such **candidates**, it will escalate **the related succession plan to the board of directors to be approved.**

The rules and regulations of the board of directors shall govern the occasional absence of the chairman of the board or the chief executive officer.

The director selection and succession policy contains a provisional succession system for the chairs of the various board committees, while the corporate governance policy governs the succession of Bankinter's senior officers.

4.7 Director training plans

On 25 October 2017, the board of directors approved the policy on the training of board members (available on the corporate website). This policy aims to define the required principles and planning for guaranteeing that board members' qualifications are up to date through training, in order to ensure that they, at all times, have the abilities required to perform their supervisory duties objectively and with independent judgement. This policy considers two types of training:

Training on joining the board

When board members are selected, to ensure that the directors have sufficient and adequate specialised knowledge to discharge their duties efficiently, they are given a training programme to teach them about the organisational structure of entity and its group, focusing especially on the regulations that apply to their business activities and on any other matters considered necessary for new board members to know how to fully perform their duties while serving on the board. This training plan has been applied to new board members.

Continuous training

At the request of the board members themselves or following an analysis conducted by the bank, Bankinter will provide board members group and/or personalised training based on their individual skill set and role on the board, bearing in mind the diverse profiles, training,

experience and expertise that Bankinter may require. Training was given to board members in 2022 on the following topics:

- To members of the audit committee: i) the EU Capital Requirements Regulation (CRR) and ii) market trends in the internal audit function.
 - To all board members: i) risk models and impact on capital, ii) climate risk (ESG) and iii) anti-money laundering and counter terrorist financing.
-

The policy on the training of board members is available on Bankinter's corporate website.

4.8 Preparation and conduct of board meetings

In accordance with the rules and regulations of the board of directors, the board shall approve, before the start of each financial year, a calendar of meetings for the following year and a provisional agenda for each meeting. Directors are entitled to propose additional items to be added to the agenda. Calendars and agendas may be amended via a board resolution or a decision by the chairman, who shall make the amendment known to the directors sufficiently in advance, unless the urgency of the amendment renders this impossible. The minimum number of meetings will be 10 per year (well above the legal requirement to hold meetings once a quarter).

- **Preparation of meetings:**

On 16 December 2015, Bankinter's board of directors approved a procedure for preparing meetings of the board of directors of Bankinter, S.A. and its committees, in compliance with the rules set out above, so as to ensure that board and committee members are fully aware of the business being discussed and resolutions being carried and have sufficient time ahead of the meeting to scrutinise each matter.

Announcements must be delivered sufficiently ahead of the date of meetings, except where this proves impossible due to the urgency of the matter or some other pressing need. The procedure for preparing for meetings of the board and board committees includes the following aspects, among others:

- Calendar of meetings for the board and board committees.
- The method and venue for holding meetings
- The notice and agenda for each meeting.
- The time and means for making the documentation available that will be the subject of analysis and debate at each meeting.

- Channels and media for communicating with the directors responsible for compliance with this procedure.

The Bank guarantees the right of directors to receive, before the board or committee meeting is held, the necessary information in order to adequately assess the corresponding transactions or decisions so that they may reasonably prepare for the meetings and actively take part in discussions.

In addition, as already indicated in other reports, Bankinter has set up a director's website, where directors can access all the information needed to grant a proxy and give instructions on how to vote.

The board secretary will be responsible for managing and providing the information and communication to board members, through online services, the director website and by maintaining and regularly updating such information. They shall also ensure that the relevant deadlines are observed.

Furthermore, the procedure approved in 2015 provides that "*Directors may ask the chairman, doing so through the secretary's office, for any documentation or information they may need in order to properly prepare for meetings, enjoying full access to the minutes, reports and presentations relating to meetings held.*"

During the external and internal assessment processes conducted in recent years, directors confirmed that they had received enough information sufficiently ahead of the meetings.

- **Operation of meetings:**

Conduct of meetings The board of directors, either directly or through its committees, fully exercised its supervisory function in 2022. It was kept well informed of the workings and activities of Bankinter Group's various business units and of general matters that fall within the scope of its supervisory functions. Most notably, the board continued to monitor the Bank's strategic objectives, which were periodically discussed under specific items on the respective agendas. Similarly, board members were informed of the conclusions of the various internal and external audit reports, among many other matters addressed, including risk management and control at Bankinter Group.

Voting on motions Resolutions shall be carried in meetings by an absolute majority of directors in attendance (either in person or by proxy), unless the law or the by-laws call for a supermajority. The chairman is authorised to hold secret ballots when the board of directors is to vote on directors' appointment, re-election or removal from office, or any other matters deemed of particular importance. Directors affected by a conflict of interest in connection with an order of business must abstain from discussing and voting on the related motion. If there is any doubt, the chairman shall decide whether the proxies granted by the directors are valid. The chairman shall also steer proceedings, give the floor, end discussions and ask the meeting to vote as, when and in any order he or she sees fit.

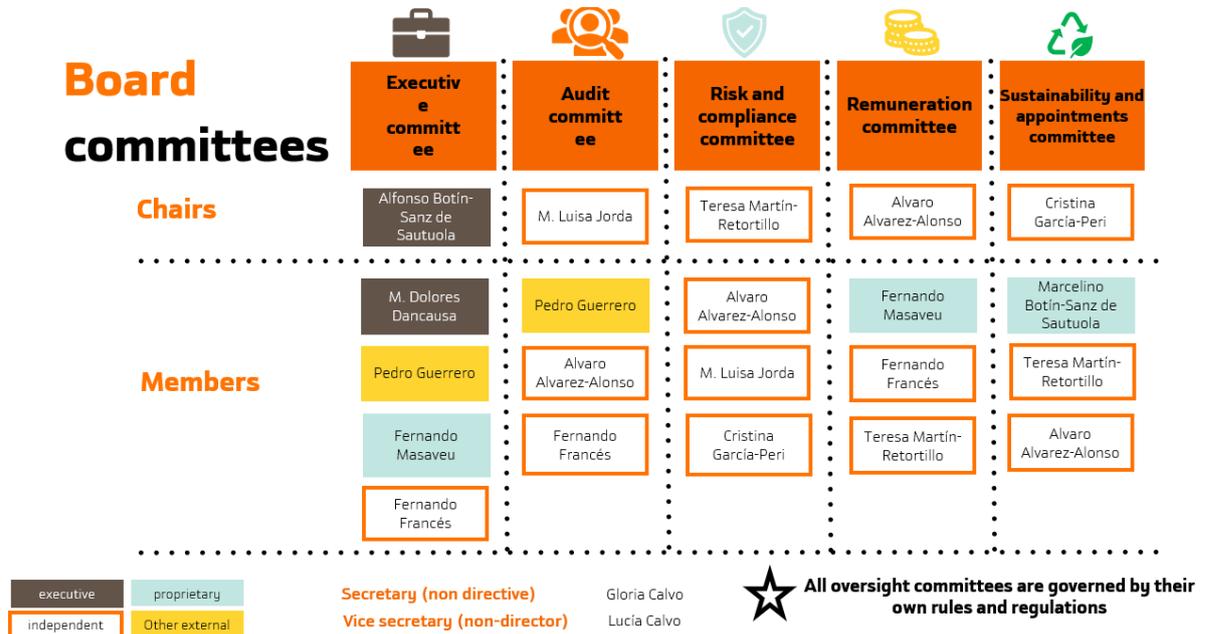
| | |
|---|---|
| <p>Granting of voting proxies on other board members</p> | <p>The rules and regulations of the board of directors of Bankinter provide that for each meeting, the directors may grant their right to vote, and issue instructions with regard to how that right to vote is to be exercised, to any other director by letter, fax, telegram, e-mail, or any other means considered to be valid by the rules and regulations. Proxies must be delivered to the chairman or secretary of the board before the start of the meeting. One director may hold a number of proxies.</p> <p>Since the amendments to the Spanish Companies Act became effective, non-executive directors at listed companies may not give their proxy to an executive director; they may only give the proxy to a fellow non-executive director.</p> <p>Under all circumstances, failure to attend by directors should be limited to unavoidable cases only.</p> <p>In 2022, a director unable to attend delegated his vote with specific instructions, as discussed in the following section.</p> |
| <p>External advice</p> | <p>The rules and regulations of the board of directors provide that in those matters that fall within the remit of the board and the board's committees, the directors may ask the Company to engage the services of auditors, consultants, advisers or other independent experts, in order to assist the board or the committee concerned in relation to such matters.</p> |

4.9 Board committees

The board has set up an executive committee, with delegated powers. Furthermore, the board of directors has the following four committees with oversight, reporting and advisory powers and authority to issue proposals and recommendations:

-  Executive committee
-  Audit committee
-  Risk and compliance committee
-  Remuneration committee
-  Sustainability and appointments committee

As at the date of approval of this report, all the committees had the same composition as at 31 December 2022, as follows:



The rules governing the committees are included in the rules and regulations of the board of directors, which are available on the company's website: www.bankinter.com/webcorporativa. In order to foster the independence of the board's supervisory committees and determine the principles of action and the basic rules of their composition, operation and powers, in accordance with best corporate governance practices in the commercial field, the board of directors, on the recommendation of the audit committee, the risk and compliance committee, the remuneration committee and the sustainability and appointments committee, respectively, approved their respective rules and regulations, all of which are available on the Company's corporate website.

All board committees with non-executive oversight duties draw up an annual report on their activities, which is then made available to shareholders at the time the Annual General Meeting is announced on the Company's corporate website. www.bankinter.com/webcorporativa.

All committees report to the board, through the committee chairman, on all work and activities performed, whether at specific meetings convened for that purpose or at the next board meeting, if the chairman deems this necessary.

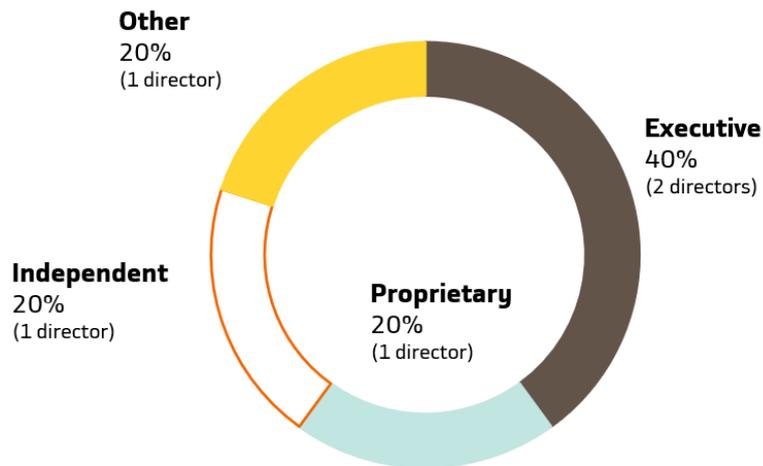
In those matters that fall within the remit of the board's committees, the committee members shall have access to all information and documents required for the discharge of their duties and may ask the Company to engage the services of auditors, consultants, advisers or other independent experts, as appropriate, in order to assist the committee concerned in relation to such matters. It is up to the competent committee to take the appropriate measure.

 **Executive committee:**

The rules and regulations of the board of directors (article 38) provide that the executive committee shall consist of no fewer than three and no more than seven directors, at least two of whom must be non-executive directors and at least one of whom must be independent. They must all be appointed by the board of directors, on the recommendation of the sustainability and appointments committee.

Breakdown by category of director

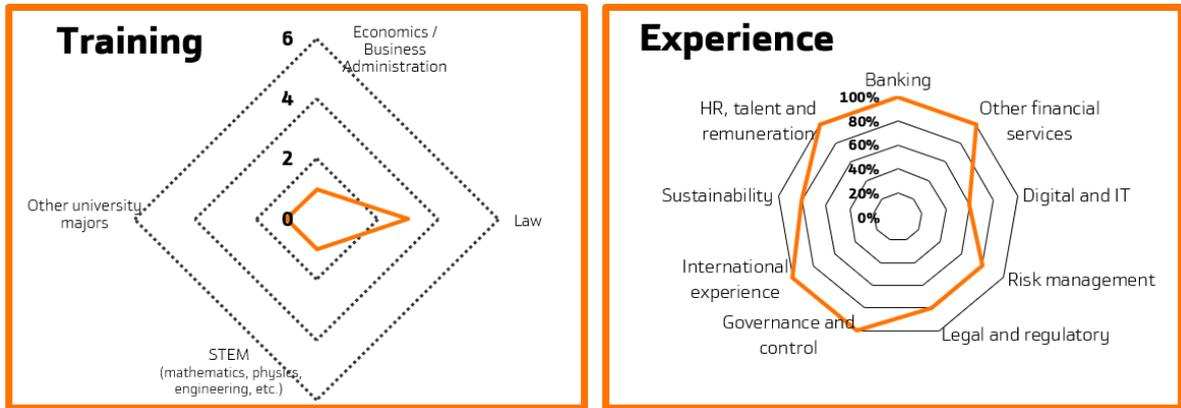
Executive Committee



This composition complies with recommendation 37 of the Good Governance Code following its amendment in June 2020: "*at least two of whom are non-executive directors, and at least one of whom is independent*", which was transposed into article 38 of the rules and regulations of the board of directors in December 2020.

Committee members shall be appointed for such term as the board of directors sees fit. The committee chairmen shall be named by the board of directors from among its ranks. The secretary of the board of directors shall act as secretary to board committees.

Knowledge and experience Executive committee



Delegation of powers and tasks Executive committee

In general, all powers vested in the board of directors may expressly and permanently be delegated, save for those that may not be delegated by law, the corporate by-laws, or the rules and regulations of the board of directors.

Specifically, irrespective of the general delegation of powers, the executive committee is empowered to:

Generally authorise credit transactions up to the limit set by the board of directors.

Transactions involving directors, senior officers and other related transactions are excluded from this delegation of powers and must be approved by a fully-formed board of directors.

Authorise new businesses and individual transactions, provided they are non-strategic and do not carry any special tax risk for the Company or its group.

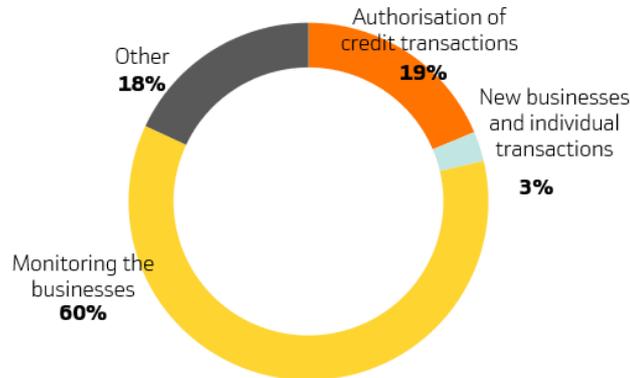
Monitor the different businesses, types of customers and their segmentation across the Bank, the Bank's sales networks and organisations, as well as the products and services offered, all in line with the strategic plan or business plan approved by the board of directors for such purpose.

Monitor **any significant changes in the shareholding structure**.

In 2022, the executive committee scrutinised and authorised credit transactions that were later submitted to the board of directors for approval, and monitored Bankinter's business units and other matters related to its delegated functions:

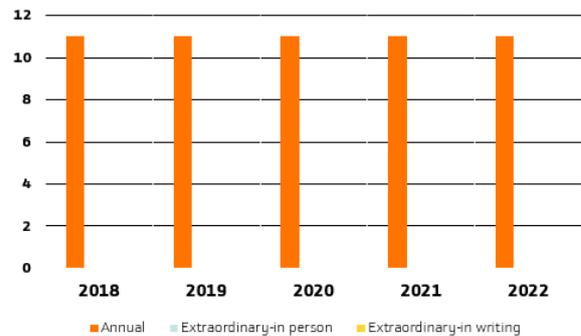
2022 tasks:

Distribution of time spent



The executive committee shall meet as often as is convened by its chairman. The executive committee may also be called at the request of three or more directors sitting on the committee. The executive committee shall report to the board of directors on the matters discussed and the decisions taken in its meetings, and shall make copies of the minutes of such meetings available to the board members.

Trend in number of annual meetings



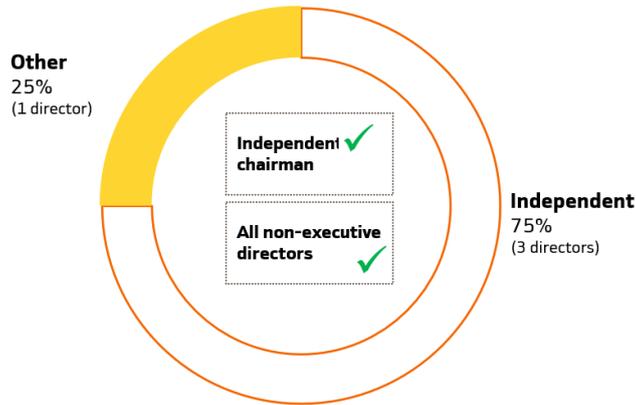
Audit committee

The rules and regulations of the board of directors of Bankinter (article 39), available on the corporate website, describes the functions and rules of organisation and operation of the audit committee. As mentioned previously, the board of directors, at a meeting held on 23 January 2019, approved a specific set of regulations for the audit committee (available on the corporate website), on the recommendation to such effect from that same committee. These regulations are there to ensure the committee's independence and establish the principles of action and basic rules governing its composition, workings and remit.

The audit committee shall comprise a minimum of three and a maximum of seven non-executive directors appointed by the board of directors, on the recommendation of the sustainability and appointments committee, and feature a majority of independent directors. The committee chairman shall be an independent director and must be replaced every four years at least. The committee chairman may be re-elected once one year has passed from the time he or she stepped down. The current chair of the audit committee was appointed in April of 2020.

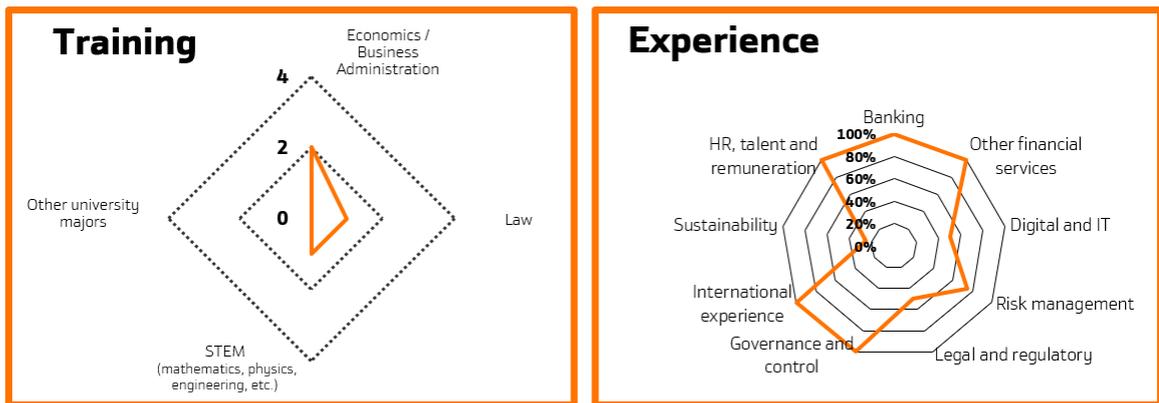
The secretary of the board of directors acts as secretary of the committee.

Breakdown by category of director Audit committee



All members of the audit committee have been appointed on the basis of their knowledge and/or experience in the field of accounting, auditing or risk management.

Knowledge and experience Audit committee



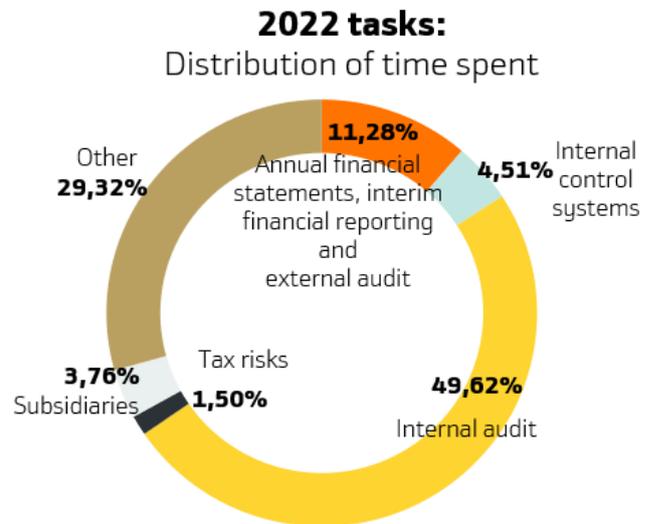
Tasks

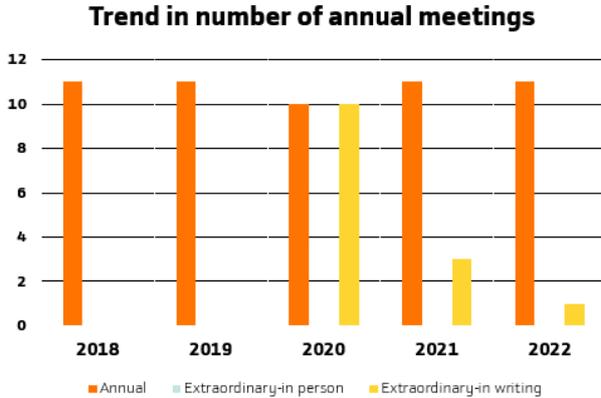
Audit committee

| | | | |
|---|---|--|--|
| <p>To safeguard the reliability and transparency of the internal and external information on the Bank's results and activities.</p> | <p>To regularly improve and monitor internal control systems and procedures in relation to the risks inherent in the Bank's activities, while also reviewing the general risk map for the Bank and its group.</p> | <p>To carry out annual evaluations of the performance of the head of Internal Audit and take part in the process of determining his or her remuneration, the allocation of audit staff, and approval of its budget, including IT development.</p> | <p>Other duties outlined in the committee's rules and regulations</p> |
| <p>To safeguard the whistle-blowing channel established and regulated in the Code of Ethics of Bankinter Group approved by the board of directors at its meeting of 25 January 2017.</p> | <p>Functions related to the duties of fidelity and loyalty of directors, for example, any, direct or indirect, conflict of interest. The is the competent body for resolving any issues arising in this regard and is likewise authorised to waive or release directors from their fiduciary duties and their obligation to comply with the rules of conduct in the securities market.</p> | <p>To approve an activity report or annual activity report that is made available to all shareholders upon announcing the Annual General Meeting, and which is included on the corporate website of Bankinter, S.A.</p> | |

Among other activities, the audit committee: i) approved the set of activities to be performed by Internal Audit over the year; ii) verified the key management information, the business report and the corporate governance report; and iii) took note of the internal audit reports relating to the Bank's main subsidiaries.

All of the committee's activities are included in the annual activity report for 2022, approved by the board of directors on the recommendation of the committee, in February 2023, and will be posted on Bankinter's corporate website when the Annual General Meeting is called.





Broadly speaking, the committee shall meet as often as the board of directors.

The head of Internal Audit may attend committee meetings, as rapporteur and not in the capacity as member. The external auditors shall attend committee meetings whenever the chairman sees fit and, in any event, they shall attend all meetings at which the report by said auditors on the financial statements and management report of the Bank and the Group is examined, as well as any other meetings called to verify half-yearly and quarterly results prior to their publication.

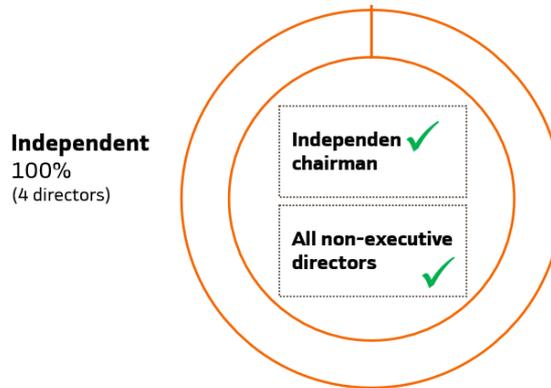
 **Risk and compliance committee**

The rules and regulations of the board of directors of Bankinter (article 40), available on the corporate website, describes the functions and organisational and operational rules of the risk and compliance committee. As mentioned previously, at a meeting on 17 November 2021 the board of directors approved a specific set of regulations for the risk and compliance committee (available on the corporate website), following a recommendation from that committee. These regulations are there to ensure the committee's independence and establish the principles of action and basic rules governing its composition, workings and remit.

The risk and compliance committee shall comprise a minimum of three, and a maximum of seven, directors appointed by the board of directors on the recommendation of the sustainability and appointments committee. The secretary of the board of directors acts as secretary of the committee.

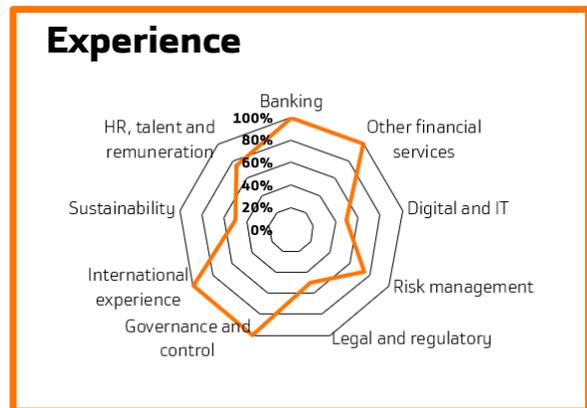
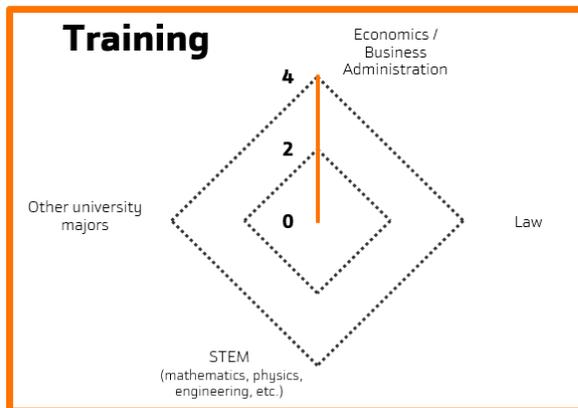
The secretary of the board of directors acts as secretary of the committee.

Breakdown by category of director Risk and compliance committee



Members of the risk and compliance committee have been appointed taking into account their knowledge and/or experience in regulatory risks, control and compliance matters and in the matters entrusted to the committee. The committee members as a whole shall provide this knowledge and experience and relevant professional knowledge and experience in relation to the banking sector.

Knowledge and experience Risk and compliance committee

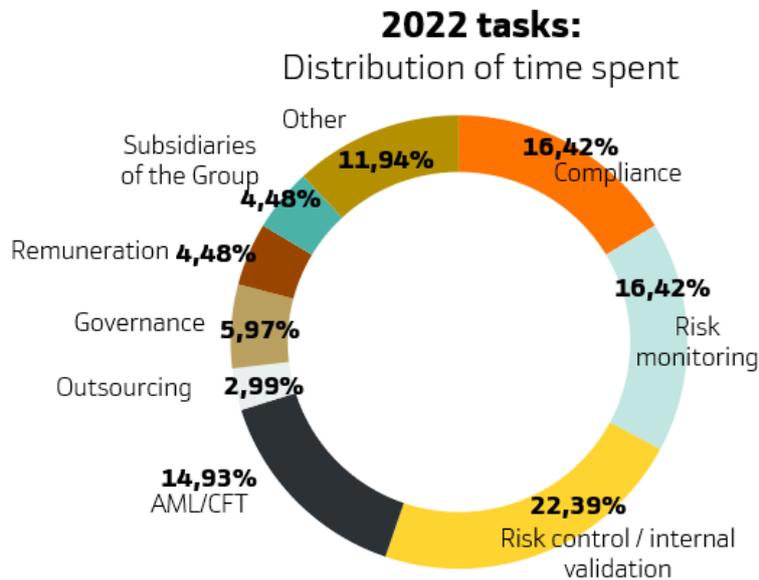


Tasks

Risk and compliance committee



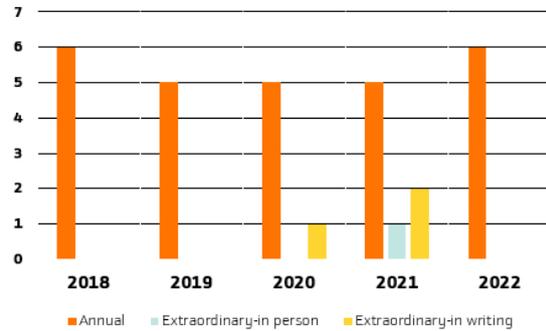
All of the committee's activities are included in the annual activity report for 2022, which the committee approved in January 2022 and which will be posted on Bankinter's corporate website when the Annual General Meeting is called.



The activities discussed in this report include: (i) the committee's involvement in modifying the risk management and control framework and the risk appetite framework, (ii) monitoring the various metrics included in the risk appetite framework, and (iii) knowing the activities and reports of the various units comprising the corporate control and compliance division (described in greater detail in section 6 of this report), among other activities.

For the proper performance of its duties, the risk and compliance committee shall meet as often as it is convened by the committee itself or by its chairman. Any person belonging to the Company may attend committee meetings if the committee sees fit.

Trend in number of annual meetings



The committee’s meetings may be attended, as speakers but not as members, by the chief risk officer (CRO) and by the head of control and compliance, who shall attend whenever they are invited by the committee. At the decision of the committee chairman, other persons from the Risk division and/or any manager or employee of the Company may be asked to attend meetings.

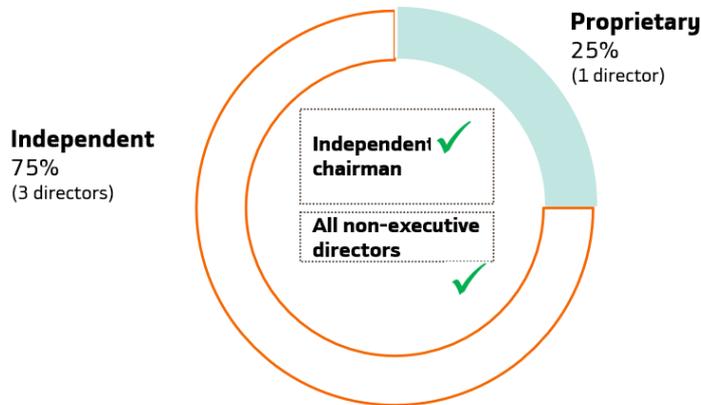
 **Remunerations committee**

The rules and regulations of the board of directors of Bankinter (article 41), available on the corporate website, describes the functions and organisational and operational rules of the remunerations committee. In addition, at a meeting on 22 June 2020 the board of directors approved a specific set of regulations for the remuneration committee (available on the corporate website) to ensure the committee's independence and establish the principles of action and basic rules governing its composition, workings and remit.

The remuneration committee shall comprise a minimum of three and a maximum of seven directors, to be appointed by the board of directors on the recommendation of the sustainability and appointments committee.

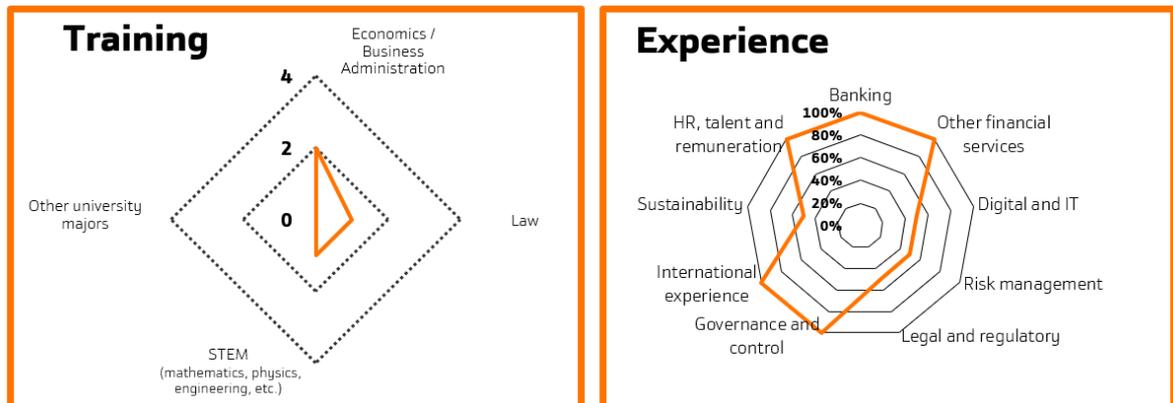
The secretary of the board of directors acts as secretary of the committee.

Breakdown by category of director Remunerations committee



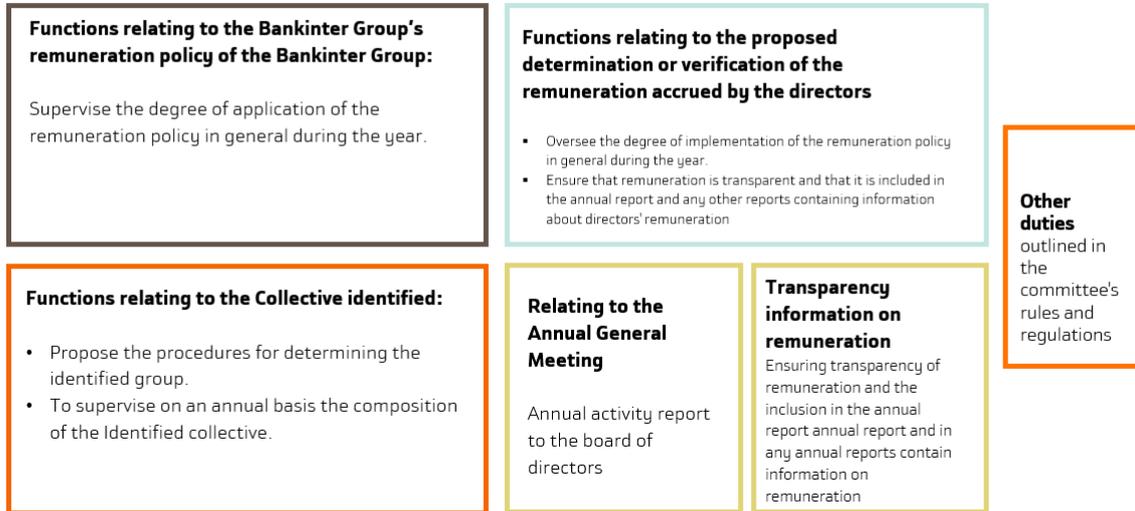
In appointing remuneration committee members, the board of directors took into account the candidates' knowledge and/or experience in corporate governance and the design of remuneration policies and plans for directors and senior managers, and in the committee's tasks in general. The committee members as a whole shall provide this knowledge and experience, as well as relevant professional knowledge and experience in relation to the banking sector.

Knowledge and experience Remunerations committee

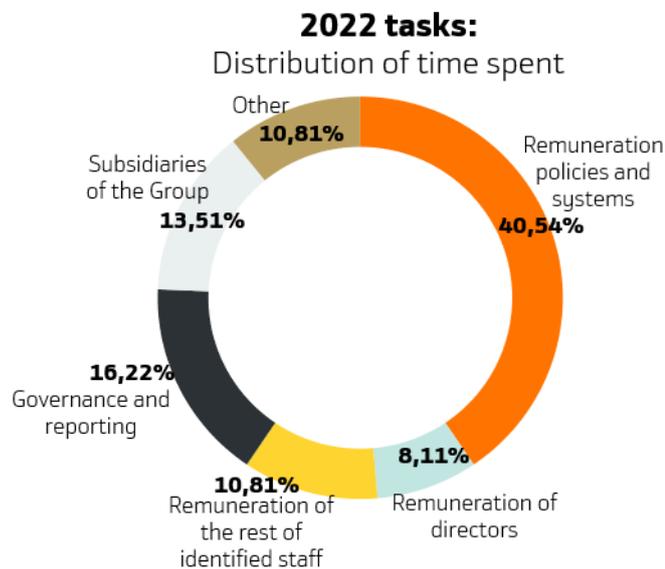


Tasks

Remunerations committee



All of the committee's activities are included in the annual activity report for financial year 2022, which the committee approved in February 2023 and which will be posted on Bankinter's corporate website when the Annual General Meeting is called.

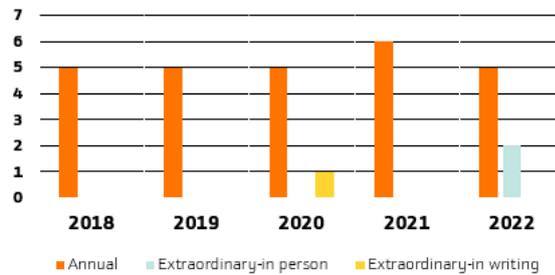


The activities discussed in this report include: advising the board on the remuneration of executive directors and senior management members (individuals), and advising on the approval of the remuneration of the board of directors for its oversight duties; submitting a proposed annual report on director remuneration; verifying information on the remuneration of directors and senior management

members contained in corporate documents; monitoring compliance with the remuneration policy established by the Company and conducting regular reviews, among other matters.

In order to fully discharge its duties, the remunerations committee shall meet as often as it or its chairman agrees to convene a meeting.

Trend in number of annual meetings



The committee may instruct its own chairman to invite the Bank's chairman, vice chairman (if executive), chief executive officer, or any other executive directors or senior officers to attend committee meetings called to discuss and vote on executive directors or senior members other than those in attendance, or to discuss matters concerning the remuneration of senior officers. The committee must always consult the chairman, vice chairman (if executive) and the chief executive officer before carrying any resolution or drawing up any report in relation to those matters.



Sustainability and appointments committee

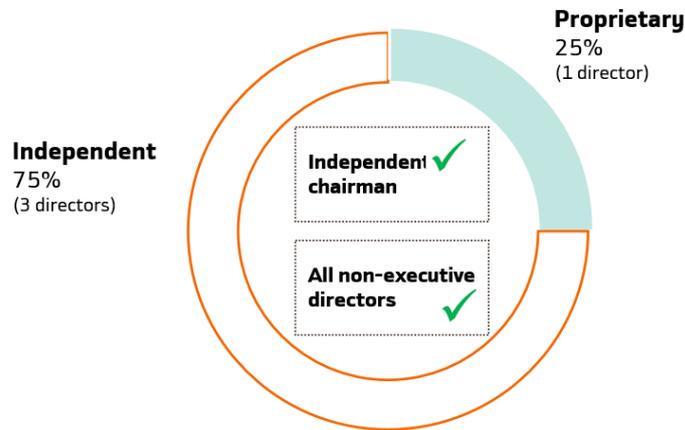
The rules and regulations of the board of directors of Bankinter (article 42), available on the corporate website, describes the functions and organisational and operational rules of the sustainability and appointments committee. As mentioned previously, at a meeting on 21 October 2020 the board of directors approved a specific set of rules and regulations for the sustainability and appointments committee (available on the corporate website), following a recommendation from that committee. These regulations are there to ensure the committee's independence and establish the principles of action and basic rules governing its composition, workings and remit.

In 2022, the committee changed its name to the sustainability and appointments committee, although since 2021 the board reflected this committee's important role in supervising the Bank's objectives and strategy in the area of sustainability, which it historically played, while preserving the criterion of efficiency in the functioning of the board that characterises Bankinter. In the same vein, the committee's 2022 activity plan was reinforced in this area by including follow-up and assessment of the plans and objectives set by the board in the sustainability policy in all its meetings.

The sustainability and appointments committee shall comprise a minimum of three, and a maximum of seven, directors appointed by the board of directors on the committee's own recommendation.

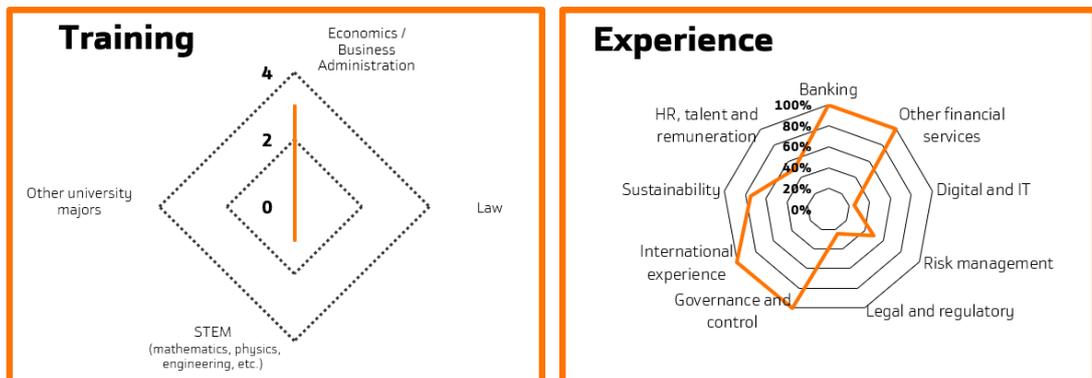
The secretary of the board of directors acts as secretary of the committee.

Breakdown by category of director Sustainability and appointments committee



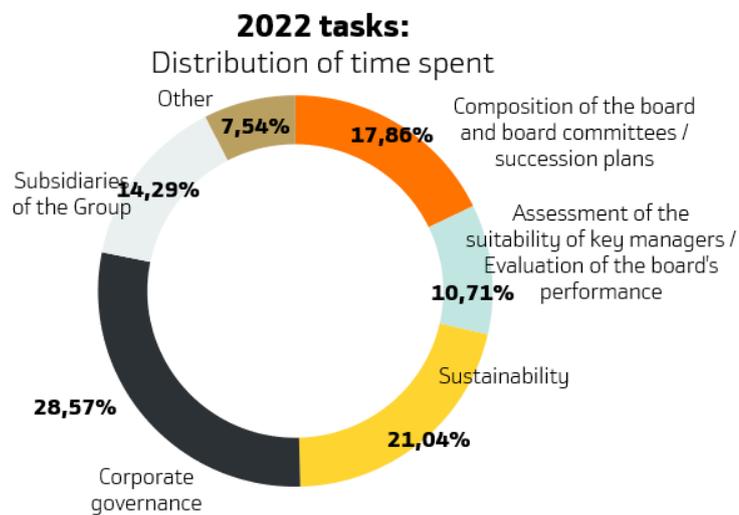
Members of the sustainability and appointments committee shall be appointed by the board of directors taking into account their knowledge and/or experience in corporate governance and the design of corporate and sustainability policies, and in the selection of directors and senior managers, including the assessment of any suitability requirements in regulations applicable to the Company and in the committee's tasks in general. The committee members as a whole shall provide this knowledge and experience and relevant professional knowledge and experience in relation to the banking sector.

Knowledge and experience Sustainability and appointments committee



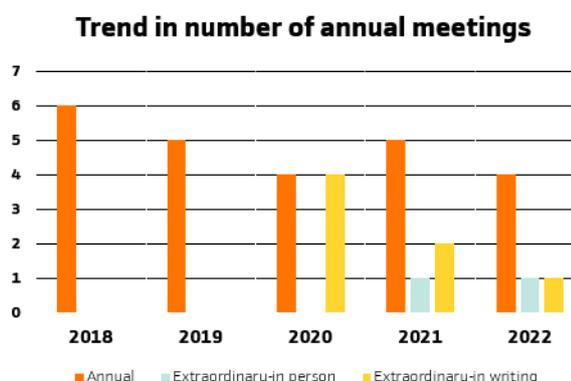
Tasks

Sustainability and appointments committee



All of the activities performed by the committee are discussed in the annual activity report for 2022, which the committee approved in January 2023, which will be posted on Bankinter's corporate website when the Annual General Meeting is called.

In order to perform its duties correctly, the appointments, sustainability and corporate governance committee will meet as often as it is called via resolution of the committee itself or the committee chairman.



The committee may instruct its chairman to invite the Bank’s chairman, vice-chairman (if executive), chief executive officer or any other executives or senior managers to attend committee meetings. In general terms, the chairman, vice chairman (if executive) and/or chief executive officer shall be called to attend committee meetings addressing matters relating to executive directors or senior managers other than the attendees or relating to the appointment and remuneration of senior managers. The committee must always consult the chairman, vice-chairman (if executive) and the chief executive officer before carrying any resolution or drawing up any report in relation to those matters.

4.10 Number of board and board committee meetings in 2022

| | No. of meetings | | | TOTAL |
|---|-----------------|---------------|------------|-------|
| | Ordinary | Extraordinary | | |
| | | In situ | In writing | |
| Board of directors | 11 | 1 | 1 | 13 |
| Executive committee | 11 | 0 | 0 | 11 |
| Audit committee | 11 | 0 | 1 | 12 |
| Risk and compliance committee | 6 | 0 | 0 | 6 |
| Remuneration committee | 5 | 2 | 0 | 7 |
| Sustainability and appointments committee | 4 | 1 | 1 | 6 |

4.11 Director attendance

Directors are required to devote the necessary time and effort in order to effectively discharge their duties and must, in all cases, comply with legal limits on the maximum number of boards on which they may sit.

Directors shall ensure that absences from meetings of the board of directors and the committees on which they sit are limited to unavoidable cases only.

These requirements have been adequately met by all members of Bankinter's board of directors, with an attendance rate of 97.20% (100%, if attendance via proxy with specific instructions is included) and who displayed full commitment to analysing and discussing the issues that were placed before them by scrutinising the supporting documentation and any other information required for such purpose.

If a director fails to attend a board or committee meeting, they shall forfeit their attendance allowance, even if they granted a proxy.

Details of attendance at board and board committee meetings held during 2022 overall and individually by director, are provided below:

- **Level of attendance in person and/or by proxy by collective body:**

| Board of directors | |
|--|-------|
| Number of board meetings | 13 |
| Number of board meetings held without the chairman's presence | 0 |
| Number of meetings in which at least 80% of directors were present in person | 13 |
| Attendance in person as a % of total votes during the year | 97.20 |
| Number of meetings with attendance in person or proxies given with specific instructions, by all directors | 13 |
| Votes cast in person and by proxies with specific instructions, as a % of total votes during the year | 100 |

| Board committees | | |
|---|--|---|
| Committee | Attendance in person as a % of total votes during the year | Votes cast in person and by proxies with specific instructions, as a % of total votes during the year |
| Executive committee | 90.91 | 100 |
| Audit committee | 100 | 100 |
| Risks and compliance committee | 100 | 100 |
| Remunerations committee | 92.86 | 100 |
| Sustainability and appointments committee | 100 | 100 |

- **Level of attendance in person in 2022.** In all cases where a director was unable to attend a meeting of the corresponding body, for justified reasons, he or share issued a proxy with voting instructions to another board member, usually the chairman of the relevant body:

| Director | Board of directors | Executive committee | Audit committee | Risks and compliance committee | Remunerations committee | Sustainability and appointments committee |
|---|--------------------|---------------------|-----------------|--------------------------------|-------------------------|---|
| PEDRO GUERRERO GUERRERO | 13/13 | 10/11 | 12/12 | - | - | - |
| ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA (*) | 10/10 | 8/8 | - | - | - | - |
| MARIA DOLORES DANCAUSA TREVIÑO | 13/13 | 11/11 | - | - | - | - |
| FERNANDO MASAVEU HERRERO | 13/13 | 7/11 | - | - | 5/7 | - |
| MARCELINO BOTIN-SANZ DE SAUTUOLA | 13/13 | - | - | - | - | 6/6 |
| MARÍA TERESA PULIDO MENDOZA | 11/13 | - | - | - | - | - |
| TERESA MARTÍN-RETORTILLO RUBIO | 13/13 | - | - | 6/6 | 7/7 | 6/6 |
| ÁLVARO ÁLVAREZ-ALONSO PLAZA | 13/13 | - | 12/12 | 6/6 | 7/7 | 6/6 |
| MARÍA LUISA JORDÁ CASTRO | 12/13 | - | 12/12 | 6/6 | - | - |
| FERNANDO JOSÉ FRANCÉS PONS | 13/13 | 11/11 | 12/12 | - | 7/7 | - |
| CRISTINA GARCÍA-PERI ÁLVAREZ | 12/13 | - | - | 6/6 | - | 6/6 |

(*) Was appointed member of Bankinter's board of directors at the Annual General Meeting held on 23 March 2022. Previously, he attended the board and executive committee meetings as the natural person representative of legal person director CARTIVAL, S.A. This director did not miss any meeting between 1 January 2022 and the date that CARTIVAL, S.A. ceased to hold a directorship (23 March 2022).

The attendance data —with very little in the way of proxy voting and always with specific voting instructions given— illustrate the full commitment shown by committee members in analysing and deliberating on the matters laid before the committees and scrutinising all supporting documentation and any other information the committee members may have requested.

4.12 Audit

The board of directors, through its audit committee, controls the entire process of drawing up and presenting the annual and half-yearly financial statements of the Bank and its Group, along with quarterly financial information.

This ultimate purpose of this control process, coupled with permanent contact with the external auditor, is to avoid qualifications in the audit report.

As at 31 December 2022, the audit committee had the duties set out in section 4.10.

The firm PricewaterhouseCoopers, S.L. was appointed auditor of the separate and consolidated financial statements of Bankinter Group for 2022, following a resolution carried by shareholders at the Annual General Meeting held on 23 March 2022 (with an approval percentage of 99.815%).

PricewaterhouseCoopers has been the Group auditor without interruption since 2016 and is one of the leading audit firms in Spain and worldwide. The board of directors has decided that the auditor should be engaged for a further year, based, among other things, on the reasons outlined in the annual report of the audit committee (posted on the Bank's corporate website), specifically in the section on the auditor's independence.

The following table shows the number of consecutive years over which PricewaterhouseCoopers has been auditing Bankinter's separate and/or consolidated financial statements, and the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited.

| | Separate | Consolidated |
|-----------------------------|----------|--------------|
| Number of consecutive years | 7 | 7 |

| | Separate | Consolidated |
|--|----------|--------------|
| Number of years audited by the current audit firm/number of years in which the company has been audited (in %) | 59.5 | 59.5 |

The external auditor attends meetings of the audit committee if the committee's chairman considers it to be in the committee's interests and whenever a meeting is called to scrutinise the report drawn up by the external auditor on the annual and half-yearly financial statements, as well as meetings to verify quarterly results prior to their release. In practice, the external auditor attended all the meetings of the audit committee, both ordinary and extraordinary, in 2022.

To date, the separate and consolidated financial statements have always been submitted for approval at the Annual General Meeting with no qualifications in the audit report.

- **Independence of the auditor**

The board of directors, acting through its audit committee, oversees the objectivity of relations between the Company and its Group and the external auditors, ensuring their complete independence. Specifically, the board ensures that auditors are rotated, that conflicts of interest are prevented and that the information included in the annual report regarding the remuneration paid to auditors as such and for other reasons (if any) is transparent. The legal note to the financial statements indicates and breaks down all the remuneration received by the external auditor.

The remit of the audit committee includes the duty to uphold and safeguard the independence of the external auditor. This committee is responsible for proposing the appointment, re-election or replacement of external auditors to the board and determining their terms and the scope of their

engagement, and overseeing activities that are unrelated to account auditing. In exercising these functions, the committee is responsible for:

- Approving the annual budget for the fees to be paid for the services of auditing the accounts of both the Bank and the Group, setting the maximum percentage of the total invoice that may be represented by billing for non-audit services and, in accordance with generally accepted customs, applying a protocol adopted by the committee to ensure that the engagement of these services is always authorised by the committee beforehand and overseen at all times by the Group's internal audit function. The audit committee may delegate the authorisation of services other than audit services to the internal auditor, provided that the services do not exceed a certain quantitative threshold and the qualitative characteristics defined by the committee. If the internal auditor makes use of this delegation, they must subsequently report to the audit committee.
- Overseeing the rotation of the audit team in compliance with applicable legislation and regulations.

The audit committee, in compliance with the Spanish Companies Act, also issues an annual report containing an opinion on whether the independence of the external auditor has been compromised. This report is always released prior to the issuance of the audit report. This report examines whether the appropriate relations and channels of communication have been established with the auditors in order to receive, for scrutiny by the committee, information on any issues that may threaten their independence, and any other matters related to the process of auditing the accounts, as well as other communications provided for in applicable legislation and in technical auditing standards. The chairman of the Audit committee reports to the Annual General Meeting on the findings contained in this report.

Meanwhile, the external auditors provide the board of directors with an annual report on the findings of the audit and on the status of risk management at the Bank and the Group, before delivering their report to the audit committee.

This report details the remuneration received by PricewaterhouseCoopers for all audit and non-audit work carried out for Bankinter. The following table shows what this non-audit work represents out of the total amount invoiced by PricewaterhouseCoopers in 2022.

| | Company | Group | Total |
|---|---------|-------|-------|
| Amount invoiced for non-audit services (thousands of euros) | 262.0 | 0 | 262.0 |
| Amount invoiced for non-audit services/Amount for audit work (in %) | 18% | 0% | 11% |

In 2022, the external auditor completed eight non-audit engagements for Bankinter Group, with fees ranging from 5,000 to 150,000 euros and representing 11% of the total amount invoiced by the external auditor.

For all such work, the Bank ensured the non-existence of any threats to the independence of the external auditor that might have required safeguards and could have led to incompatibilities. In addition, all such work was previously authorised by the audit committee

- **Preliminary certification of the annual financial statements**

The separate and consolidated financial statements are certified by the chief executive officer and the chief financial officer before being submitted to the board of directors.

The separate and consolidated financial statements for 2022 were certified by:

| Name | Position |
|--------------------------------|-------------------------|
| María Dolores Dancausa Treviño | Chief executive officer |
| Jacobo Díaz García | Chief financial officer |

4.13 Evaluation of the board and board committees

Article 5 of the rules and regulations of the board of directors requires the board to conduct an annual assessment of its own performance and that of its committees, its chairman and its executive directors, and to draw up an action plan based on a report from the sustainability and appointments committee to correct any detected shortcomings.

On 21 October 2015, the board of directors decided that this assessment would be carried out by an independent external expert at least once every three years. Accordingly, as the assessment in 2019 was conducted by an independent external expert, the evaluation of the board and board committees for 2020 and 2021 was carried out internally. That of 2022 was conducted by an external consultant.

The aspects reviewed in these evaluations were:

- a) the quality and efficiency of the workings and operation of the board of directors and its committees;
- b) the size, composition and diversity of the board and board committees;
- c) the performance of the chairman of the board and the executive directors;
- d) the performance and contribution made by each director, paying close attention to the chairmen of the board committees;
- e) meeting frequency and length;

- f) the content of the agenda and the adequacy of the time devoted to dealing with the various items, according to their importance (taking into account specific examples or cases);
- g) the quality of the information received;
- h) the scope and extent of debates, avoiding groupthink; and
- i) whether the decision-making process within the board is dominated or strongly influenced by one member or a small group of members.

- **Evaluation of the board and board committees in 2022:**

The external expert was selected by the sustainability and appointments committee taking into account its independence and the absence of any conflict of interest with Bankinter or Bankinter Group. The external expert did not provide any other consulting services to Bankinter or Bankinter Group and there was no evidence of any significant business relationships between Bankinter and the external consultant or any other company in its group. It also did not provide any advice on the appointment of directors or senior managers or on any matters related to remuneration systems.

The scope of the evaluation included: (i) the board of directors as a whole and board committees as collegial bodies and (ii) the following board members or individual positions: the chairmen of the board, the vice chairman, the chief executive officer and the chairmen of the various committees.

The external expert analysed Bankinter's policies and procedures and conducted written questionnaires and a face-to-face interview with the chairman of the board and the various chairs of the oversight committees.

The report highlights as Bankinter's strengths: i) the operation of the board and board committees, ii) the skill of the board's and committees' performance, which received high marks, iii) the supporting documents of meetings, assessed for quality, rigour and detail of the executive summaries, iv) the information all directors have on the issues discussed at any committee meeting, even if they are not members, and v) the directors ability attend meetings of another committee as guests.

The evaluation did not detect any deficiencies or shortcomings that would require the implementation of an action plan under any of the areas evaluated: quality and efficiency of the board of directors; ii) operation and composition of its committees; iii) diversity in the composition and duties of the board of directors; iv) performance of the chairman of the board of directors and the Company's chief executive; and v) performance and contribution of each director (especially the chairs of the committees).

Nevertheless, from assessment of the outcome of this external evaluation, in addition to the immediate challenges facing the sector and Bankinter's own business, future challenges facing the members of the board were also identified that will require additional efforts in certain areas.

4.14 Remuneration received by the board of directors as a whole

| | Thousands of euros |
|---|--------------------|
| Remuneration accruing in favour of the board of directors in the financial year | 5,136 |
| Funds accumulated by current directors for long-term savings systems with vested economic rights | 0 |
| Funds accumulated by current directors for long-term savings systems with non-vested economic rights | 3,381 |
| Funds accumulated for former directors from long-term savings schemes | 0 |

5. SENIOR MANAGEMENT

5.1 Composition of senior management (excluding executive directors)

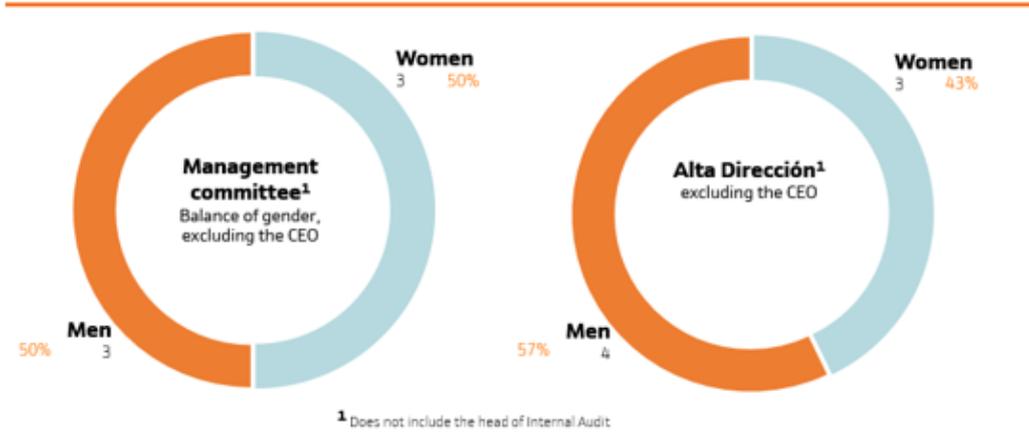
Composition of senior management as at the date of approval of this report, unchanged from 31 December 2022:

Composition of senior management

| | | | |
|--|--|--|---|
| <p>Fernando Moreno Marcos Head of corporate banking</p> <p>Degree in law and business studies from ICADE, PMD, Harvard Business School. Senior Executive Program - ESADE. He joined Bankinter in 1988, and is currently head of corporate banking, although previously he was head of commercial retail banking. He has seats on the boards of several Bankinter subsidiaries and investees. She is a member of the management committee.</p> | <p>Gloria Ortiz Portero Head of commercial retail banking</p> <p>Degree in economics and business studies from ICADE and a BA Honours from Middlesex University (London). She has been a member of the Bankinter management committee since 2013 and is also a member of the administrative bodies of various Bankinter subsidiaries and investees. Between September 2008 and 2016 she was head of finance and investor relations at Bankinter and in 2016 she was appointed head of digital banking. She held this position until February 2021, when she was appointed head of commercial retail banking, a position she still holds. She is a member of the management committee.</p> | <p>Iñigo Guerra Azcona Head of investment banking</p> <p>Degree in law and business studies from ICADE. State lawyer on leave of absence. PLD, Harvard Business School. He joined Bankinter in 2004 as head of legal counsel and taxation until 2009 when he was appointed general secretary. He remained in that post until 2013, when he was appointed to his current position as head of investment banking, reporting directly to the vice chairman of the board of directors. He was recently appointed director of Bankinter Investment, S.A.U. and natural person representative of Bankinter Investment, S.A.U., the legal person chairman of Bankinter Investment SGEIC.</p> | <p>Gloria Calvo Díaz General secretary and secretary of the board</p> <p>State lawyer on leave of absence. Before joining Bankinter, her career included various positions in the public sector. As government attorney, she had a range of duties, including agent of the Kingdom of Spain before the Court of Justice of the European Union from 1990 to 1996. She was also director at Spain's Telecommunications Market Commission, the watchdog for regulating and overseeing the deregulation of the telecommunications industry in Spain. Between 2012 and 2015, she was head of the state attorney's office for the Spanish Secretary of State for the Economy and the Ministry of Economy and Competitiveness, providing advice on all matters within that department's remit. She was the state attorney's office represent on the FROB's steering committee. She joined Bankinter in 2015 in her current position. She is a member of the management committee.</p> |
| <p>Julio G. Zapatero Gaviria Managing director of risk / CRO</p> <p>Degree in economics and business studies from Universidad Complutense de Madrid. Degree from HARVARD BUSINESS SCHOOL (PMD Program for Management Development). He is currently general manager of risks / chief risk officer of Bankinter, having held this position since 2013. He previously held several positions of responsibility in Bankinter Group: head of non-performing loans, head of the individual retail banking division, head of private banking, general director of Bankinter Consumer Finance, EFC, and others. He has seats on the boards of several Bankinter subsidiaries. He is a member of the management committee.</p> | <p>Jacobo Díaz García Chief financial officer</p> <p>Degree in Economics and Business Administration from the Universidad Pontificia de Comillas. Executive MBA from the Booth Business School of the University of Chicago. Senior Executive Program from Columbia University. He joined Bankinter in 2000, after ten years in the consultancy sector, where he held the position of Chief Financial Officer and Investor Relations, and subsequently held the position of Director of Corporate Development, Products and Markets. He is currently Chief Financial Officer, a position for which he was appointed in December 2018. He sits on the management bodies of various Bankinter subsidiaries. He is a member of the management Committee.</p> | <p>Marta Centeno Robles Head of digital banking</p> <p>Degree in economics from the University of Valladolid. She has spent a large part of her professional career at Bankinter, where she has held positions of responsibility such as head of individual's risk, head of control, recoveries and real estate assets, head of territorial organisation (Madrid east), head of private banking and head of corporate development, products and markets. She is currently head of digital banking, having held this position since February 2021. She is also and a member of Bankinter's management committee (since December 2018). She has seats on the boards of several Bankinter subsidiaries. She is a member of the management committee.</p> | |

In addition, the head of Internal Audit, as at the date of this report, was Francisco Martínez García.

Gender diversity Senior management

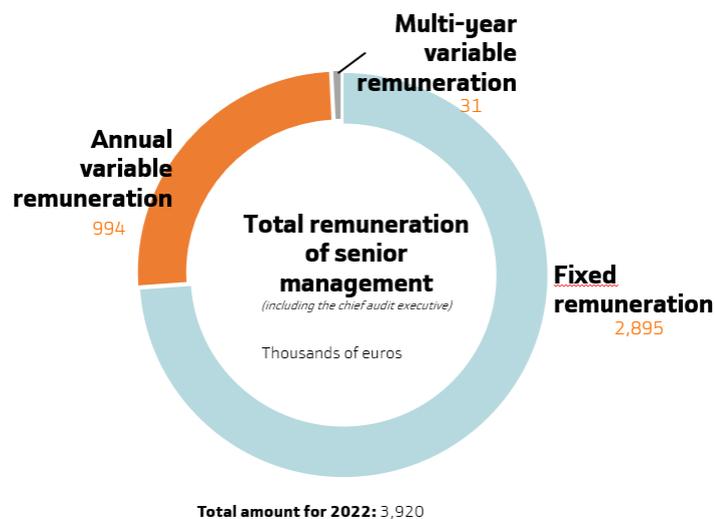


The majority of management committee members are women (57%) including the chief executive officer, who is the chair of this committee.

5.2 Remuneration of senior management as a whole

The remuneration of senior management in 2022, including remuneration received by the head of Internal Audit, in aggregate and by item was as follows:

Total remuneration Senior management



This amount does not include contributions made in 2022 to the long-term savings scheme for senior managers and the head of Internal Audit (with non-vested economic rights), which amounted to 780 thousand euros.

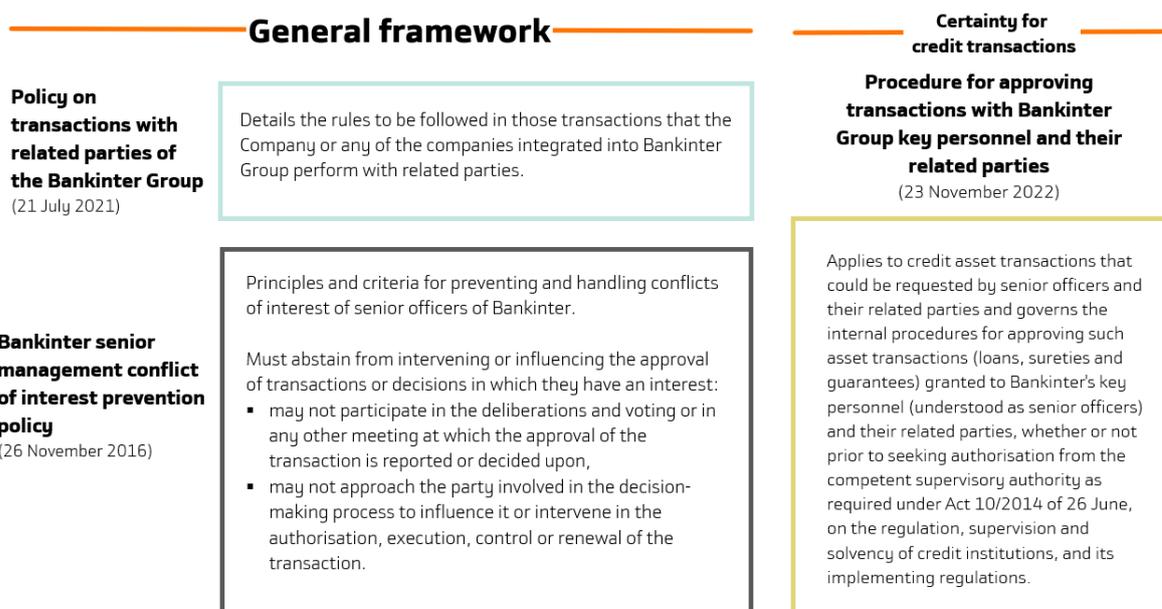
At Bankinter, there are no agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction. Therefore, no information on this matter is reported to the board or the general meeting.

6. RELATED PARTY AND INTRAGROUP TRANSACTIONS

This section of this report contains disclosures on the related party transactions referred to in recommendation 6 of the CNMV's Good Governance Code of Listed Companies. It also includes mechanisms to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, managers, significant shareholders and other related parties.

The rules and regulations of the board of directors ascribe the following duties to the board of directors, among others: *"To approve the Company's related party transactions with directors, significant shareholders, or shareholders represented on the board, or with any persons related to them, within the terms laid down in the rules and regulations of the board and based on the recommendation of the audit committee."*

Internal rules and regulations applicable in Bankinter to related party transactions are described below:



Law 5/2021 of 12 April, amending the consolidated text of the Spanish Companies Act (texto refundido de la Ley de Sociedades de Capital) approved by Royal Decree 1/2010 of 2 July and other financial

regulations, with regards to the encouragement of long-term shareholder engagement in listed companies, introduced amendments to the Law 5/2021 of 12 April, which amends the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, introduced amendments to the regulation of related party transactions applicable to listed companies whereby, while maintaining a general regime of related party transactions applicable to all Spanish companies, articulated around the conflict of interest and the waiver regime, it introduced amendments to the special features to be consider in related party transactions of listed companies. The current wording of the Policy on related party transactions of Bankinter Group was approved by the board of directors at a meeting held on 21 July 2021, along with the procedure for approving transactions with key personnel of Bankinter Group and their related parties, subsequently amended at the board meeting held on 23 November 2022.

Regarding the applicable regime, the Policy on transactions with related parties of Bankinter Group stipulates that related party transactions shall be subject to the **authorisation of the board of directors following a favourable report from the audit committee**, except in cases where approval must be given by the general meeting.

However, board authorisation shall not be required and may be **delegated to the audit committee or another internal body, in**, accordance with the nature of the transaction, for transactions that simultaneously meet the following three requirements:

| | | |
|---|---|---|
| <p>Those that are carried out under standard form contracts that are applied generally to a high number of customers</p> | <p>Those that are carried out at prices or rates generally set by the supplier of the related product or service</p> | <p>Those that are of little relevance:</p> <p>▼ 0.5% of Bankinter's turnover</p> |
|---|---|---|

Such related party transactions are reported to the audit committee on a half-yearly basis. The audit committee verified that Bankinter's related party transactions carried out in the year met these requirements for not requiring authorisation by the board of directors.

The audit committee is the body overseeing the list of all of the company's and directors' related parties, and putting in place appropriate procedures to keep it up to date, make it known and enforced by the operating units so that related party transactions are duly and promptly identified.

Significant transactions carried out with shareholders who hold 10% or more of the voting rights or are represented on the company's board of directors, and with subsidiaries of these shareholders:

In 2022, no shareholder holding more than 10% of the voting rights or represented on Bankinter's board of directors carried out transactions with Bankinter or its Group companies that were significant due to their amount or due to their subject matter.

Material transactions with company directors or managers, including transactions with entities over which the director or manager has control or joint control, and of other related parties classified as such in accordance with International Accounting Standards as adopted by the EU:

In 2022, Bankinter, or Group companies, did not carry out any transactions that were significant either due to their amount or due to their subject matter, with directors or managers or companies over which they have control or joint control.

The breakdown of related party balances is provided clearly and specifically in Appendix I of the 2022 financial statements. In addition, the note to the financial statements on director remuneration provides additional disclosures on the characteristics of transactions with board members and managers entailing loans, credits and/or guarantees provided during the ordinary course of the Entity's business, all of which were carried out at arm's length.

Significant intragroup transactions.

Bankinter Group is composed of companies that are wholly owned by Bankinter, directly or indirectly. Therefore, these transactions are scoped out of Chapter VII bis of Title XIV of the Spanish Companies Act in accordance with sections 2.a or 3 of article 529 vicies, and the required disclosures in this section, since they are considered related party transaction.

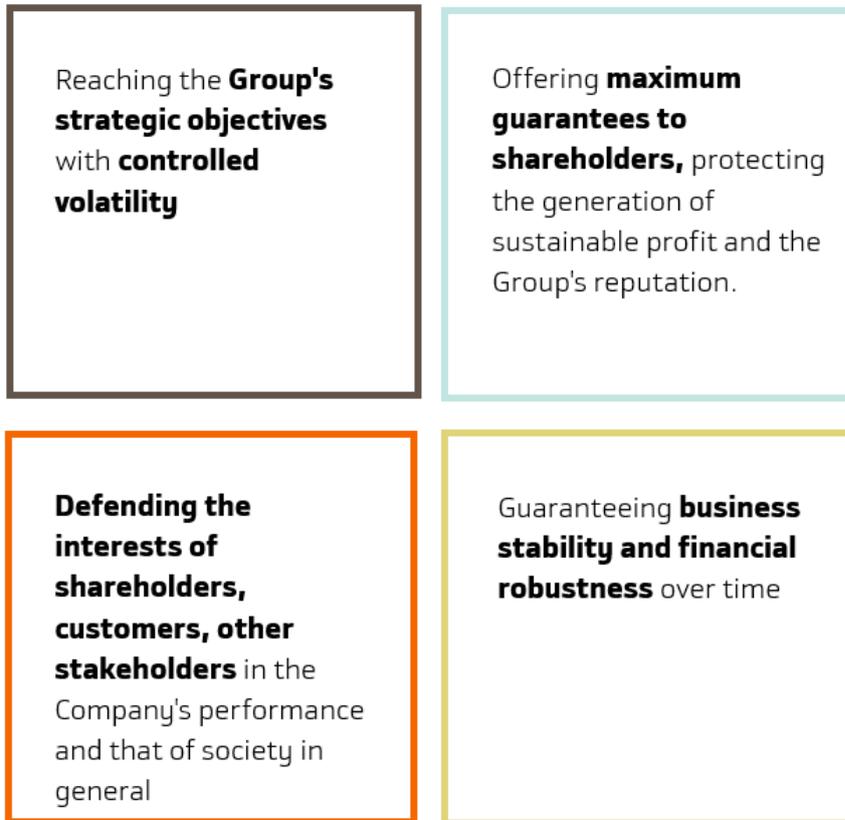
Of all the companies belonging to Bankinter Group, only its parent, Bankinter, S.A., is a listed company. For that reason, no information is provided on mechanisms for resolving potential conflicts of interest between Group companies.

7. RISK MANAGEMENT AND CONTROL SYSTEMS**7.1 Risk management and control system of the company**

The board of directors of Bankinter, S.A. has the power, which it cannot delegate, to establish a risk management and control framework that considers all the various types of financial and non-financial

risks that could arise, including credit, market, liquidity, concentration, operational, information management, IT, reputational, legal and conduct risks, risk of compliance with anti-money laundering and terrorist financing and other financial crimes, and environmental, social and governance (ESG) and strategic risks; and regular monitoring of the internal information and control systems.

Accordingly, the board of directors established the general risk management and control **framework**, identifying the main risks of the Company and other companies in the Group whose parent company, as defined by law, is Bankinter. It also set up the appropriate internal control and information systems to regularly monitor these systems so that the material risks in all of the Group's activities and businesses are adequately identified, measured, managed, controlled and reported, all with a **view** to:



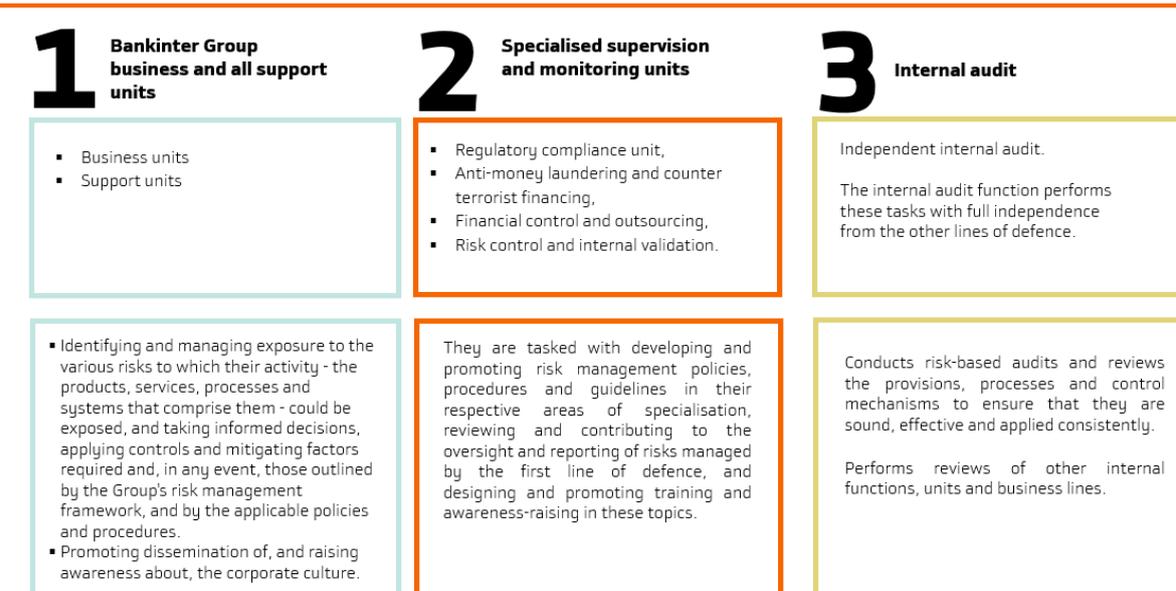
The board of directors also approves and reviews the **risk appetite framework**, which defines the risk appetite and tolerance that the Entity is willing to assume in its activities, on a regular basis. The framework contains a set of key metrics for the levels of the various risks, quality and frequency of the results, liquidity and solvency. Risk tolerance levels that Bankinter Group is willing to assume are defined for each metric. The appropriateness of the metrics and levels is reviewed by the risk and compliance committee on a quarterly basis, on the recommendation of the chief risk officer (CRO), where it is the committee that issues the recommendation to the board of directors for its update and approval of amendments, where appropriate. These metrics are also monitored on a quarterly basis. Where a negative trend is seen in any of them, action plans are drawn up and monitored until the metrics return to appropriate levels. Further information may be found in the "Risk management policies and objectives" section of the Pillar 3 disclosures report, available on Bankinter's corporate website.

Bankinter Group also conducts business in accordance with the principles and values established by the board of directors. These include respect and compliance with applicable rules and regulations and effective and prudent management of all the risks that could arise in the course of the Group's business.

These principles and values form part of Bankinter Group's corporate culture, as reflected in the entity's code of conduct, and must be adhered to, promoted and exercised by all companies and people that form part of the Group.

The board of directors is tasked with establishing and overseeing a sound and comprehensive internal control system for the institution and all the activities it carries out. In accordance with guidelines issued by supervisors and best practices in the market, Bankinter Group's internal control system is based on establishing the so-called "three lines of defence":

Three lines of defence model



For **tax risks**, and in accordance with article 529 ter 1b) of Royal Legislative Decree 1/2010 of 2 July, which enacted the consolidated text of the Spanish Companies Act, the tax risk control policy is listed as a non-delegable power vested in the company's board of directors. It is implemented through the Office of the General Secretary of Bankinter and through its Tax Advisory Department (which is assigned to and subordinate to the Office of the General Secretary).

Consequently, the board of directors of Bankinter, S.A. approved the Bankinter tax risk control policy on 18 September 2019. This policy establishes the principles and internal rules of governance for Bankinter's tax function, setting out:

- Obligations and responsibilities within the organisation.
- Description of the measures in place to mitigate tax risks.

- The ex-ante preventive controls and ex-post controls entailing the identification, measurement, analysis, monitoring and reporting of tax risks in line with Bankinter's Risk Management and Control Policy, Risk Appetite Framework (RAF) and Risk Map.

In the **fight against corruption and bribery**, Bankinter is acutely aware of the serious effects of corruption on economic activity and on society as a whole, and of the important role that entities in the financial sector play in preventing and combating such conduct. For this reason, as an associate and signatory of the United Nations Global Compact, and following national and international best practices, at its meeting on 22 April 2020, Bankinter's board of directors approved Bankinter Group's Anti-Corruption Policy, on the recommendation of the audit committee. This policy is published on the corporate website. This policy complements the Group's Code of Professional Ethics and Crime Prevention and is an essential tool for disseminating the Group's uncompromising attitude to corruption and establishing the rules and principles of action needed to prevent and act against any conduct involving corruption in the Group's corporate activity.

7.2 Bodies within the company responsible for preparing and executing the risk management and control system

As explained in the preceding section, the board of directors, in accordance with the rules and regulations of the board of directors, is responsible for approving the risk management and control framework and regularly monitoring the internal information and risk control systems.

To perform these functions, the board of directors is supported by the following board committees:

Executive committee

The executive committee is vested with all of the functions of the board, except those that cannot be delegated by law or under the corporate by-laws or the rules and regulations of the board of directors. It takes decisions for managing and monitoring all manner of risks and, in turn, delegates such powers to the following internal committees:

- Credit risk: in the executive risk committee, which in turn sets the limits on the delegation of powers to lower-ranking internal bodies, within the limits set by the board of directors. (The executive risk committee is the top risk committee, except for risks that are assigned to the management committee and the assets and liabilities committee).
- Business risk, to the management committee.
- Structural risk (liquidity, interest rate, foreign currency) and market risk, to the assets and liabilities committee (ALCO).

Risk and compliance committee

The risk and compliance committee is an advisory body that oversees the Entity's risks and provides advice on risks to the board of directors. The risk and compliance committee is also entrusted with monitoring the risk appetite framework.

Since 2021, this committee is also tasked with the oversight of the Regulatory Compliance and Anti-Money Laundering function as second lines of defence, which report monthly on their activity. The risk and compliance committee's remit also includes overseeing compliance with legal requirements, supervising the effectiveness of internal control and risk management systems, supervising compliance with the Group's code of conduct in securities markets, anti-money laundering manuals and procedures and, in general, the Bank's governance and compliance rules, and making any necessary proposals for their improvement, as well as reviewing fulfilment of any actions and measures arising from reports or actions by government supervisory and control authorities.

The committee is also responsible for oversight of the outsourced services control function, including overseeing compliance with prevailing regulations and provisions regarding outsourcing of services and scrutinising all reports and proposals it receives regularly from the Corporate Control and Compliance division, and remaining abreast of significant irregularities, breaches or risks observed during the outsourced services control actions.

Audit committee

The audit committee directs the internal audit activity. Its annual plan focuses closely on work related to the measurement, monitoring and management of risks.

The crime prevention and professional ethics committee reports annually and directly to the audit committee on any suspicious behaviour identified and any sanctions and penalties imposed.

Remunerations committee

The committee's remit includes annually reviewing the remuneration policy of directors and employees whose activities have a material impact on the Company's risk profile (in general all members of identified staff for remuneration purposes) to ensure that it is aligned with the Bank's short-, medium- and long-term situation and strategy and with market conditions and to assess whether it contributes to the creation of long-term value and to adequate control and risk management.

Sustainability and appointments committee

The committee is also involved in risk management by assuming the following specific duties relating to sustainability: i) reviewing Bankinter Group's sustainability policy and corporate governance policy and ensuring that it is aimed at creating value at all times; ii) monitoring the sustainability strategy and practices -best practices- and evaluating their level of achievement; iii) assessing all of the

- **Risk management**

The risk management function covers the main risks (credit and counterparty, market, liquidity, structural, operational and model), with global and corporate-wide responsibilities and provides support to Bankinter Group's governance bodies.

It is charged with defining the methods and executing the risk controls as the first line of defence. It is also geared towards executing and integrating the risk function into the management of the various businesses of Bankinter and Bankinter Group. It comprises the following first-line divisions and units:

- **Credit Risk:** tasked with defining the risk policies associated with each of the segments. It is delegated powers to authorise customer transactions. It is responsible for the entire risk process, from approval, which requires IT support capable of achieving the highest level of efficiency, to monitoring and recovering.
- **Global Risk Management:** responsible for developing, improving, controlling, implementing and regularly monitoring statistical and risk parameter models for the various credit portfolios, and enhancing the integration of these models into management. The internal models perform a key role in the approval process, in the calculation of regulatory and internal capital, in the collective estimation of provisions, in recovery processes and in the establishment of risk-adjusted return measures (RARORAC). It also oversees, together with the global risk division, the development of the specific policies and procedures that must be included in the framework for the risk management model. Its responsibilities also include supervisor relations, official announcements and regulatory reporting in regard to models, and monitoring the sequentially implementation plan for IRB models in the Bank.
- **Risk Assessment and Processes:** mainly defining and supporting risk reporting, and designing, implementing, maintaining and evolving credit risk approval and monitoring systems.
- **Global Risk:** coordinates the various Risk areas in activities and projects related to methodologies, policies, procedures and regulations, seeking to adopt industry best practices in the measurement and management of risks and, in particular, management of the Group's global risk profile.
- **The Risk Assessment unit acts on cross-cutting factors, coordinating and promoting:** a sectoral approach to credit portfolio management, analysing sectors and promoting the most appropriate information and management processes at all times. As managing climate- and environment-related factors and their translation into different risks.
- **Market Risk and Institutional Control:** Reporting to the managing director of risk/chief risk officer, its function is to control and monitor structural risks (liquidity, interest rate and foreign currency) and market risks arising from the Entity's institutional and trading operations.
- As discussed later, the Balance Sheet Management area and the Trading department, which report to the Treasury and Capital Markets division, are responsible, respectively, for managing **liquidity, interest and foreign currency risks (structural risks) and market risk.**

Market risk has the independent duty of measuring, monitoring and controlling changes in interest rate, liquidity, foreign currency, market and counterparty risks in 'institutional' positions; i.e., those taken by the assets and liabilities committee (ALCO) and by the treasury department for trading purposes.

- **Operational Risk:** responsible for promoting and coordinating the procedures and tools for the identification, measurement, control and reporting of operational risks, providing the organisation with a uniform vision of operational risk. First-line management of operational risk is delegated to the Group's various subsidiaries, support areas and business units. Operational risk is occasionally managed by specialised or centralised departments when necessary given the circumstances (complexity, size, cross-sector corporate processes, etc.).
- **Non-Performing Loans and Incidents:** responsible for running and managing the process for recovering outstanding loans in early stages of default, by implementing and promoting internal and external tools and actions for this purpose with a view to minimising new non-performing loans. It is also tasked with running and managing the control, monitoring and non-amicable recovery of loans in accordance with prevailing legislation by creating and developing automatic systems that make management more efficient and by implementing more efficient and effective mechanisms and processes to improve the recovery of past-due transactions. It is also responsible for all matters related to the policy, analysis, approval and monitoring of refinancing and forbearance arrangements.
- **Real Estate Assets:** sets and updates the price of foreclosed real estate assets and decides how they should be used. Its responsibilities include ensuring the technical and legal adequacy of these assets and monitoring them to prevent impairment. Its purpose and main responsibility is to proactively seek out buyers by publicising and managing assets in accordance with principles of transparency, sufficient publicity, competition and effectiveness in order to obtain the highest price possible. It prioritises quick selling.
- **Technical division:** This area is in charge of procedural aspects of the risk appetite framework and the corporate risk map, and oversight of the second line of defence of certain specific risks (e.g. reputational risk). It also oversees the second lines of Group subsidiaries.

- **Corporate control and compliance function**

The units comprising the second line of defence must be highly specialised and extremely knowledgeable about their areas of operation. However, in line with corporate governance recommendations and best practices, the actions of the second line of defence units must be coordinated, so that they share:

- (i) An comprehensive view of the set of risks to which the Group is exposed;
- (ii) A full scope, so that the second line of defence effectively impacts all Group entities and the activities they carry out;
- (iii) A common methodology, tools and resources;

- (iv) A level, recognition and independence of its function; and
- (v) A system of reporting and access to the Group's board of directors and senior management that provides a comprehensive overview of the entity's internal control situation.

As a result, at the end of 2020, the board of directors decided to set up the Corporate Control and Compliance division, whose functions and competencies extend to all Bankinter Group entities, subsidiaries and branches, so it could perform oversight, with independence and objectivity, under a single department reporting directly to the board of directors through the risk and compliance committee, and integrated into the Bank's organisational structure through the Risk division, of: (i) effective risk control within the general risk appetite framework; (ii) compliance with and implementation of Group policies; and (iii) compliance with operating procedures and regulations in the following areas of action (extending its functions and scope to all Bankinter Group entities, subsidiaries and branches):

- (i) Regulatory compliance: this comprises control over legal and compliance risks, including risks related to conduct and transparency with customers in the provision of banking, financial, insurance and investment products and services, and the prevention of market abuse and conduct in the securities markets. It reports to the risk and compliance committee on compliance with the code of conduct in securities markets; the requirements and ongoing inspections of regulatory bodies; advice provided to the Bank on regulatory matters through the various regulatory proposals; involvement in the configuration and development of new products; and training in the organisation, among other topics.
- (ii) Anti-money laundering and terrorist financing: this relates to risks arising from compliance with related regulations. It reports to the risk and compliance on matters including the analysis of risks to determine the Entity's risk appetite, in accordance with its Bank's risk framework, and the definition and monitoring of the oversight plan, identifying critical areas for action (e.g. governance, due diligence, detection, analysis and reporting, contact with regulators, training).
- (iii) Financial control and outsourcing: this includes control over the effectiveness of administrative and accounting procedures for the preparation of internal and external financial reporting and overseeing the control framework for the Group's outsourced services, especially critical services, and compliance with the outsourcing policy and external regulations.
- (iv) Risk control and internal validation: it is responsible for oversight of all material risks outside the scope of the other second line of defence control units. The internal validation unit is also in charge of validating the advanced risk models and their results. To do so, it analyses them and issues reports with opinions on their validity for risk management and on their use in managing risks, and issues the related recommendations. It also oversees credit risk management at regional organisations.
- (v) Any other responsibilities expressly entrusted to be by the board of directors.

On 17 January 2022, the risk and compliance committee approved the Corporate Control and Compliance department charter. Its purpose is to provide a regulatory framework for the Corporate Control and Compliance function, giving it the organisational elements required to discharge its duties effectively, and determine the related roles and responsibilities for the people and bodies that comprise it. This regulatory framework considers the unique features and specialisation of the units that comprise the Corporate Control and Compliance division. Therefore, it is complemented by the charter of each function:

- (i) Charter of the anti-money laundering and terrorist financing function;
- (ii) Charter of the regulatory compliance function;
- (iii) Charter of the risk control and internal validation function; and
- (iv) Charter of the financial control and outsourcing function.

- **Other risks managed indirectly by the managing director of risk/CRO**

- **Structural risks**

The board of directors sets the strategy and management policy for structural risks (interest rate, liquidity and foreign currency risks) and market risks and designates various bodies to manage, monitor and control them. It also sets the risks profile to be assumed by Bankinter, setting maximum limits that it delegates to such bodies, as defined in the risk management and control framework.

The board of directors confers powers upon the assets and liabilities committee (ALCO), authorising it to continuously monitor decisions regarding structural balance sheet risks (interest and liquidity risk), stock market risk and the exchange rates of the Bank's institutional positions, while also establishing financing policies. It reviews and approves the relevant limits for the management of all such risks every year and delegates such powers to the ALCO.

The ALCO is directly responsible for managing global interest rate and liquidity risks, as well as stock market risk and the risk of institutional change or changes in the Company financing policies, although Capital Markets (within its powers or following the instructions of the chairman, chief executive officer or chief financial officer and head of capital markets) may pursue action to protect the Bank from its risks or take advantage of any trading opportunities that may arise.

The board of directors reviews the framework and policies for managing these risks and the appropriateness of changing the operating limits established therein as often as it deems necessary and at least once a year.

The Balance Sheet Management Unit or, on its instructions, Treasury and Capital Markets, implements the decisions taken by the ALCO in relation to the Bank's institutional positions. Depending on the circumstances, it may act immediately to protect the Bank from potential adverse market movements, subsequently reporting its actions to the ALCO.

- **Climate and environmental risks:**

Climate change has certain unique features that require a completely different approach than other risks. Firstly, it has the potential to cause dramatic and irreversible damage. These impact would materialise over the long run, far beyond periods typically considered in financial planning exercises. Secondly, it is surrounded by uncertainty because its effect is so long term and, more importantly, considering the scope of the mitigation measures to be implemented; i.e. they must be global. Thirdly, there are no comparable historical references.

The corporate climate rating has been implemented in the risk approval process since October 2021. This aim is focus dialogue with customers, especially those exposed to higher levels of risk. By doing this, we incorporate climate and environmental factors into our risk decision-making and attempt to identify opportunities to assist these customers financially in their transition.

Definition of a new business strategy because of climate change risk. Bankinter is working on the four pillars that should underpin this:

- Sustainability policy. Bankinter has been managing sustainability for over a decade now through successive policies and strategic plans. It is also a signatory of the leading international sustainability and climate change initiatives and commitments; e.g. the United Nations Global Compact, the Equator Principles, UNEPFI (the United Nations Environment Programme Financial Initiative), the Responsible Banking Principles and the Net Zero Banking Alliance.
- Scenario analysis. Using the baseline scenario; i.e. Net Zero 2050, and assessing the entity's strength according to its strategy and assuming that a set of other plausible scenarios may occur.
- Decarbonisation strategy. Bankinter is well aware that the financial sector must assume its role as an enabler of the transformation towards a sustainable economic model that can mitigate or adapt to the impact of climate change and protect the environment. Its commitment in this respect is firm, as illustrated by its membership of the Global Compact Network Spain, UNEP FI and the Net Zero Banking Alliance. By belonging to this alliance, Bankinter undertakes a commitment to making its financial and investment activity emissions neutral by 2050, in line with the objectives of the Paris Agreement on Climate Change. To deliver on this commitment, in February 2022 the Group drew up its own decarbonisation strategy, approved by the Group's administrative body through the sustainability and appointments committee. This involved established specific quantitative targets for financed emissions intensity to 2030 in line with the emission reduction plans laid down in Spain's Integrated National Energy and Climate Plan. To meet its decarbonisation targets, Bankinter is firmly committed to an inclusive strategy that helps our customers transform and adapt to a lower-emission and more eco-friendly economy. That being said, we must remember that the combustion of fossil fuels is the main source of greenhouse gases, so efforts over the coming years must focus on considerably reducing our reliance on fossil fuels. Against this

backdrop, Bankinter will become increasingly demanding in terms of compliance with decarbonisation objectives, limiting funding of activities that are incompatible with emissions reduction or customers who are not willing to change.

- Sustainable businesses. Bankinter has designed several products linked to sustainability criteria; e.g. sustainable investment funds, green mortgages, debt issues, renewable energy project finance, alternative venture capital funds, pension funds managed using criteria of sustainability and financing of energy efficiency activities in homeowners' associations.

- **Technological risks**

These risks are supervised by the Digital Security area, which reports hierarchically to the Digital Banking division. Functionally, it reports regularly to Bankinter's chief risk officer (CRO). Its main responsibilities regarding management of these risks include: training and awareness-raising on information security; coordination of technology environment improvement plans; management of system vulnerabilities; coordination of certified risk management systems; cryptographic key custody; identification and definition of the security requirements for new projects and developments; definition, approval and maintenance of business continuity plans, technological contingency and incident response plans; implementation of security measures on operating systems, databases and middleware; and identification and management of any vulnerabilities detected.

- **Reputational risk**

The first-line management of this risk is delegated to the various subsidiaries, support areas and business units, operating within the scope of the policies and guidelines issued by the Corporate Reputation unit. This unit in the corporate communications and responsibility area draws up reputational risk metrics, overseeing the preventive management of this risk and mitigation of potential reputational risks by participating in crisis response actions.

- **Other control units**

- **Privacy and data protection**

The board of directors of Bankinter, S.A., as Bankinter Group parent, must ensure that the Bank and Group have appropriate policies in place to guarantee respect for the right to privacy and personal data protection of customers, employees, shareholders and suppliers (the "data subjects"). To this end and to ensure that a real compliance culture in this respect exists in the company, the board of directors approved the Bankinter Group Privacy Policy, which sets out the following organisational structure:

- **Privacy committee**, comprising mainly the Bank's senior management and representatives of subsidiaries that promote and approve initiatives that are strategically important for Bankinter Group.

The privacy committee is entrusted with the following duties:

- Approving initiatives that affect the right to privacy and the protection of personal data of strategic importance to the Bank.
- Approving the internal procedures necessary to ensure that the right to privacy is duly respected.
- Approving the control system and measures to remedy any deficiencies detected.
- Regularly verifying the measures approved by the committee.
- Fostering the culture of compliance.
- Making decisions on the disclosure of security breaches that pose a high risk to the rights and freedoms of data subjects.

The privacy committee has its own internal rules and regulations and reports on its activity to the audit committee.

As a further show of its commitment to proactive responsibility, the Bank has appointed a **corporate data protection officer**, who has been assigned the following duties:

- Coordinating the privacy and data protection officers of Group companies, to guarantee that they apply the same criteria in matters of privacy and personal data protection.
- Approving new initiatives that affect the right to privacy and personal data protection that are different to those already approved in the organisation the responsibility for which exceeds that of the privacy and data protection officers of the Group entities.

Lastly, Bankinter Group entities that process personal data have appointed a **data protection and private officer** with the duties outlined in Regulation 2016/ 679/ EU of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), including:

- Advising the data controller of their obligations in relation to data privacy and protection.
- Approving initiatives that affect the right to privacy and the protection of data similar to those already approved at corporate level.
- Overseeing compliance with applicable regulations governing privacy and data protection.

Each data privacy and protection officer (DPO) is supported by a DPO office, comprising the necessary profiles (recruited internally and externally, as required) to ensure that they can perform their duties. The DPO office also has its own set of rules and regulations.

- **Crime prevention and professional ethics committee**

Over the years Bankinter has demonstrated its zero-tolerance for crime, having adopted all measures necessary to convey this commitment and the obligation to prevent, detect and persecute crime in all its forms and to the full extent at all levels of the Bank's structure.

On 21 October 2015, the board of directors of Bankinter, S.A., in accordance with the reform of the Criminal Code, approved by Organic Law 1/2015, of 30 March, which entered into force on 1 July 2015, approved the creation of the crime prevention and professional ethics committee, which is responsible for overseeing the functioning and compliance of the criminal risk prevention model and has autonomous powers of initiative and control.

The regulations implementing the powers and functions of this committee have been updated for the criminal compliance systems in Bankinter Consumer Finance, Luxembourg and Evo, to ensure proper harmonisation and integration with the Bank's system. This was presented to the audit committee at its meeting on 20 July 2020 and was submitted for approval by the board of directors at its meeting on 22 July 2020.

The chairman of the crime prevention and professional ethics committee reports annually and directly to the audit committee, informing the board of directors.

A report on the general criminal compliance model was also completed, with legal effects and certification of implementation in Bankinter by the external expert, the Cuatrecasas law firm. The conclusions of this report state:

"Based on the information and documents provided, we consider that Bankinter's existing corporate compliance model for crime prevention and control complies outstandingly with the requirements of the current Criminal Code.

The crime prevention system implemented in Bankinter:

- *Adequately identifies the risks that may generate criminal liability for the Bank, in accordance with article 31 bis and related articles of the Criminal Code.*
- *Features the generic and specific tools needed to prevent the commission of criminal offences internally.*
- *Has a complete internal control structure in relation to crime prevention.*
- *Has an adequate model of financial resources through which it applies economic resources directly to criminal regulatory compliance functions.*
- *Is subject to continuous review, updating and improvement.*
- *Focuses in particular on continuous training for employees in criminal risk prevention, in order to generate an appropriate ethical and compliance culture in the Bank.*

Bankinter has implemented a compliance programme to mitigate the risk of criminal offences being committed, as the Supreme Court has recognised that such internal control systems can exonerate legal entities from criminal liability in the event that its managers and employees commit criminal offences (Supreme Court ruling no. 136/2018, of 28 June).

In our opinion, Bankinter's crime prevention model has the capacity to prevent the commission of crimes effectively and to enable the Bank to be exempt from criminal liability of the legal entity pursuant to article 31 bis 2 of the Criminal Code."

In addition, the audit committee and the board of directors approved Bankinter Group's Anti-Corruption Policy at their meetings on 20 and 22 April 2020, respectively.

In addition to the mandatory Circulars and Policies that have to be complied with, Bankinter currently also has:

- Code of Professional Ethics for Bankinter Group employees, available to all employees through the intranet.
- Code of Professional Ethics for Agents, available to agents through the agents' extranet.
- Code of Professional Ethics for suppliers, available to suppliers through the suppliers' portal.

The Bankinter whistleblowing channel is available to employees through the intranet, to agents through the agents' extranet and to suppliers through the suppliers' portal.

7.3 Main risks which may affect the achievement of business objectives

Bankinter carries out almost all of its lending activity in Spain and Portugal, and to a lesser extent in Ireland. As such, it is subject to the normal risks in the banking and financial sector, such as: credit, counterparty, market, balance sheet exchange and interest rate, liquidity, operational, business, reputational and compliance risks.

Bankinter has traditionally maintained a prudent risk policy, which has allowed it to outperform within the industry over the years and across different cycles of the economy.

For credit risk, the Group concentrates on lending to individuals with moderately-high and high income with a solid residential mortgage portfolio and significant advisory and asset management activities. In recent years, the Bank has developed its consumer financing business with a limited risk appetite. As regards target companies, the focus is on medium-sized and large businesses that have performed relatively well during crises and have higher international growth potential.

For market risk, the exposure is very limited and as far as structural risks are concerned, the institution follows a policy of neutralising interest rate and exchange rate risks deriving from the Group's businesses.

The risks that may affect the achievement of business objectives are those inherent to banking activities in Spain, Portugal and Ireland.

As explained in the "Risks that materialised during the year" section of this report, in 2022 economic activity, coupled with the effectiveness of government aid, helped keep default and non-performing loans at extremely low levels throughout the year.

The outlook for coming periods will depend on the scale of the economic downturn and inflationary pressures. Households, businesses and government agencies alike are facing prospects of tougher financing conditions. Therefore, 2022 may have marked the bottom for NPL rates in the current economic cycle.

That being said, the financial sector is much more resilient now than in previous crises. Moreover, the normalisation of interest rates bodes well for higher returns in the sector. Bankinter has been taking steps to shore up its balance sheet and management abilities to tackle adverse scenarios, particularly in terms of early warning and recovery systems. Note 46 of the Consolidated Legal Report provides much more details on this front.

Bankinter is preparing for potential risks by maintaining a prudent risk profile (as demonstrated by the risk appetite framework), by monitoring its risk tolerances and limits closely, and by actively managing the sources of market risk and its liquidity profile, as well as its asset quality and capital levels.

Other, more indirect, risks are also emerging, such as technological risk and disruption in financial business models, climate change, and cyber attacks. These issues and the measures that Bankinter is taking to prevent them are discussed in the Non-Financial Statement.

In relation to tax risks, it is not believed that the risks that have been detected will have any impact on the Bank's business objectives.

In relation to corruption and bribery, the measures and response plans described in section 6.6 have effectively diluted their impact on the business objectives.

7.4 Risk tolerance level

The risk appetite and tolerance that the Group assumes in performing its activity are subject to the following principles:

- Prudent strategies, policies, organisation and management systems adapted adjusted to the size, environment and complexity of the Group's activities, based on quality banking practices.
- The entity's respect for and conformance to established regulatory requirements, limits and restrictions, ensuring proper compliance with prevailing legislation at all times and maintaining the principle of anticipating new regulatory developments, to reduce their potential impact.
- Maintenance a low or moderate credit-risk exposure, in line with the values shown by the lowest NPL ratio in Spain's financial system and the lowest expected losses under stress scenarios.

- Work with first-class financial institutions in every country, of recognised solvency and sufficient rating to limit counterparty risks.
- Appropriate hedging of problematic assets.
- Work with first-class financial institutions in every country, of recognised solvency and sufficient rating to limit counterparty risks.
- Adequate return on capital invested, ensuring a minimum return over the risk-free rate throughout the cycle and complying at all times with target capital levels and operating profitably.
- Maintenance of a low level of market risk in the trading portfolio, so that the losses generated in stress scenarios have an extremely limited impact on the Bank's income statement.
- An ALCO portfolio comprising low-risk securities and a return commensurate with the entity's RoE requirements, designed to reduce the volatility of net interest income and adjust the impact of any changes in interest rates.
- Intense growth in the priority strategic medium-sized and large enterprise segments, characterised by higher-quality risk and its notable contribution to earnings through the generation of income, fees and commissions, and other recurring income.
- Balance of the loan book to boost profitability.
- Reducing dependence on wholesale markets for funding the business by seeking balanced growth in retail funds.
- Diversification of wholesale funding sources, from the viewpoint of both instruments and markets, maintaining a balanced maturity profile.
- Optimisation of retail financing costs, maintaining a balance between returns on loans and market interest rates, ensuring its stability and avoiding excessive concentration of maturities.
- Use of a risk diversification policy to avoid excessive concentration levels that might translate into difficulties for the Institution.
- Contribution to the sustainable development of society, including the preservation of environmental resources.
- Limitation of business in sensitive sectors that could entail a risk for the Entity's sustainability or have a negative impact on its reputation and/or honourability
- Moderate appetite for interest rate risk.
- Maintenance of a very low structural foreign currency position (excluding trading activity, which is measured and limited by other means), trending continuously towards zero.
- Reinforced control of the Bank's reputational positioning (e.g. good corporate governance, systemic risks).
- Minimisation of exposure to pension obligation risk through the most appropriate mitigating measures (e.g. outsourcing, hedging instruments, diversification).
- Desire to round out the level of services that Bankinter offers its customers, both in private banking and merchant banking, offering limited-risk investment banking services.
- Optimisation of the cost-to-income ratio, considering aggregate costs and revenue.
- Maximisation of shareholder value creation throughout cycles, all underpinned by a strong capital and liquidity base.

- Diversification lines of business by leveraging opportunities in companies in the financial sector that are related or complementary to the core business model.
- Maintaining a Common Equity Tier 1 (CET1) ratio within the fluctuation band set by the Entity, above the regulatory minimum and with a medium-term target of around 12%.

In addition, the Risk Control and Management Framework established by the board (the "Framework") clearly describes the Bank's risk policies and the systems of limits and powers for all material risks ensure that the policies are implemented within the established tolerance margins. This Framework and the provisions developed internally establish precise metrics and limits for each type of risk and organisational unit, which are summarised below:

- For credit risk, quantitative limits are assigned in the Framework and developed under the delegated powers system to the amount of risk approved, based on organisational level and the nature and duration of the transaction.
- For structural and market risks, there are specific metrics (exposure level, value at risk (VaR), maturity mismatches, liquidity mismatches) and limits are established for the various management levels.
- For operational risk, the Framework establishes the risk control environments, adjusting them to the amount of risk (higher inherent risk requires a better control environment). An estimate of potential risks is made in the risk map to prioritise risk management and losses from operating risks events are tracked in detail.

For tax risks, it should be noted that by means of a resolution dated 20 May 2015, the Bank's board of directors approved the final version of Bankinter Group's tax strategy, stating that the policy is primarily aimed at ensuring responsible compliance with tax rules, while best serving the Group's corporate interests and supporting its business strategies. For these purposes, within the framework of its social and corporate responsibility, Bankinter recognises the social value and worth of the tax system and therefore aims to ensure that its own tax function serves the Group's best interests and those of its stakeholders, while also ensuring that the local community believes and trusts in the Group.

On 22 April 2014, the board of directors of Bankinter, S.A. approved such items as an agreement to adhere to the entire Code of Best Tax Practices sponsored by the Spanish Tax Administration Agency (Agencia Estatal de la Administración Tributaria), both in Bankinter's own name and as the parent company of tax group 13/01 to file consolidated corporate income tax returns and tax group 128/09 for the value added tax (VAT) regime for groups of companies. In compliance with the commitments under this agreement, in 2019, 2020, 2021 and 2022, Bankinter filed transparency reports for 2018, 2019, 2020 and 2021, respectively, with the AEAT, demonstrating its commitment to collaboration with the tax administration.

7.5 Risks that materialised during 2022

2022 featured positives, like emerging from the pandemic, but also negatives, such as the war in Ukraine, which led to increasing concerns regarding economic recovery throughout the year.

Activity in the first half of the year received a boost from the easing of health restrictions. This momentum then lost steam, mostly due to the impacts of the war in Ukraine which are affecting the entire world and are likely to continue for some time. These impacts are more structural than anything, hurting energy markets and supply chains, undermining growth, pushing up inflation and causing tighter financing conditions, the scale and duration of which are anyone's guess right now.

In our 2021 annual report, we said that the rollout of initiatives during the pandemic gave rise to a major class of government aid instruments (i.e. moratoria, public guarantees). At year-end, Bankinter Group had 2,068 million euros of loans in moratorium, 98,3% of which had already expired (and therefore the original repayment schedule resumed), and 6,524 million euros of financing under state-guarantee schemes. The balance of loans in moratorium had decreased to 1,703 million euros and those under state-guarantee schemes to 5,743 million euros by the end of the reporting period. These instruments were redeemed over the course of the year with hardly any incidents, clearly illustrating their effectiveness in mitigating the adverse short-term impacts of the health crisis.

Note 44 of the Consolidated Legal Report provides in-depth disclosures on these extraordinary measures, estimates of their economic impact and the Group's policy for hedging the related risks.

Against this backdrop, Bankinter's activity remained buoyed by lending growth, mostly in the corporate banking and residential mortgage businesses, which featured the activity rolled out by the newest business units, e.g. the EVO Banco subsidiary in Spain and Avantmoney in Ireland. As explained in greater detail later, Group loans and advances to customers grew by 8.3% and eligible exposures (which include off-balance-sheet exposures) by 8.9%, to 82,427 million euros at the end of the reporting period.

Underperforming loans increased by 35.2% (to 742 million euros) due mostly to the reclassification of customers in the sectors affected most by the pandemic and the energy crisis. The NPL ratio fell from 2.24% to 2.10%; i.e. a reduction of 6% in the year. The NPL ratio is 62% of the sector average (3.77% according to Banco de España data from October 2022). Provisions for credit risk rose by 6.9% during the year, as is explained in detail in Note 44 of the Consolidated Legal Report. The NPL coverage ratio stood at 66.34% at the end of the reporting period.

At the end of December 2022, the foreclosed asset portfolio stood at 123 million euros, representing 0.1% of total credit risk, after falling by 28.0% during the course of the financial year.

For more information about the impact of these risks on the Entity's financial statements, see sections "Risk policies and management", "Financial assets at amortised cost", "Non-current assets", "Additional information on risks: refinancing and restructuring transactions" in the Consolidated Legal Report

(available on Bankinter's corporate website under the section titled "Shareholders and Investors" - Financial information".

Bankinter believes that the control and monitoring systems are functioning properly, as indicated by having one of the lowest non-performing loan ratios in the sector.

No tax risks materialised during the year that might have affected the business objectives.

As concerns tax proceedings affecting Bankinter Group –currently pending since the Bank's income statements were challenged before the tax appeal boards and other competent bodies– we refer readers to the notes to the Group's financial statements. In any event, adequate provisions have been recognised for any tax-related liability that might arise from these proceedings, based on figures for 2022 and previous periods.

7.6 Response and oversight plans for the company's main risks

As mentioned in previous sections, Bankinter actively manages these risks using various pillars, which are essentially as follows:

- A clear organisational structure that is independent of the business function, which starts at the board of directors and features a specific structure and functions for identifying, measuring, controlling and managing the various risks.
- Risk policies clearly established by the board that have become crystallised in specific structures involving limits, powers and internal reporting and decision-making processes.
- Specific control systems and procedures, strongly supported by IT information, control and management systems.
- A solid risk culture established over years.

Bankinter's capacity to respond to major risks (as demonstrated during the crisis and anticipated for the immediate future) can be summarised as follows:

- The risk acceptance policy is prudent and business plans are primarily aimed at low to moderate-risk customer segments, both for individuals and legal entities. The credit risk control, monitoring and recovery systems are continually strengthened and supported by investments in IT systems. All these measures and actions are reflected in the 2.10% NPL ratio at year-end 2022, which 62% of the industry average (3.77% according to Banco de España figures through October 2022).
- There is active management of structural interest rate risk aimed at protecting net interest income and the Bank's economic value vis-à-vis changes in interest rates.

- Liquidity risk is monitored and actively managed, working primarily on liquid asset cushions, concentration on wholesale funding, diversification of funding sources and improvement of the resulting balances on commercial transactions.
- Operational risk is actively managed using self-evaluations, risk maps, specific improvement plans, key operational risk indicators and contingency plans for the most significant risks.
- The Institution maintains certain capital adequacy levels above the regulatory minimums. At year-end 2022, the fully-loaded CET1 (Common Equity Tier I) ratio was 12.01%.

As noted previously, Bankinter Group's internal control system is based on establishing the so-called "three lines of defence".

The Corporate Control and Compliance division, which brings together the second lines of defence, draws up policies, procedures, limits and controls, so that Bankinter Group can implement the right approach, in its areas of responsibility, for identifying, monitoring, assessing, measuring, managing and reporting risks. This approach must entail:

- (i) Identification of the risks that could affect Bankinter Group's business performance;
- (ii) Assessment of the risk inherent to Bankinter Group's operations to encourage implementation of prevention plans by proposing the approval of policies, the establishment of systems, IT tools and procedures, and the right resources that the first and second lines of defence should execute to mitigate the risk;
- (iii) A systematic programme for overseeing and verifying compliance with regulations, policies and procedures and respect for the risk appetite framework in its area of responsibility. In carrying out this approach, the division and the units it comprises are tasked with:
 - (a) Defining, based on the risk assessment and, where appropriate, in agreement with the first line of defence, a programme of controls or indicators that must be put in place to verify compliance with the risk mitigation measures (i.e. monitoring);
 - (b) Defining and regularly performing specific actions to verify the level of implementation of some of the mitigation measures;
 - (c) Following up on the recommendations of internal auditors, external auditors and supervisory bodies;
- (iv) Managing those controls expressly attributed to it as the second line of defence;
- (v) Participating in the procedures for approving new products and activities so as to ensure that the potential risks they may give rise to are properly assessed and that the required mitigating factors are implemented to prevent them and comply with applicable regulations;
- (vi) Reporting to the Group's board of directors and senior managers, on a regular basis, on the control of the Group's risks, the application of risk-prevention policies and procedures and, as applicable, any situations of material risks, proposing the appropriate mitigation or correction measures that must be implemented;
- (vii) Advising the board of directors, senior management and the rest of the Group's units, informing them about the measures that must be implemented to comply with regulations

and recommendations related to their scope of action and, with support of the regulatory area, on relevant legislative, regulatory or supervisory developments;

- (viii) Developing a risk and compliance culture and ensuring that everyone in the Group is aware of the applicable rules, external regulations and internal policies providing specific training for staff based on Bankinter Group's operations, strategy and risk profile; and
- (ix) Reviewing and updating, on a regular basis, its charter, proposing amendments where needed to the board of directors.

The results of monitoring and verification activities, and external review processes (internal and external audits and inspections by supervisory bodies, customer complaints) complement the risk assessment, enabling the division to verify the effectiveness of existing controls, propose modifications or adaptations to control where necessary and, as appropriate, review the validity of, or add to, the mitigation measures in place.

In 2022, the Control and Compliance division executed the annual plan it had submitted to the risk and compliance committee. Progress on the plan quarterly activity reports is presented to the board risk and compliance committee. Reports were also provided to the committee regarding requests for key information received from the Spanish National Securities Market Commission and Banco de España, and on the status and progress of the various inspection proceedings to which the Bank is currently subject in relation to the provision of investment services or regulatory compliance matters.

A total of 7,307 employees received training on anti-money laundering (AML) in 2022 through a new course, with a total of 5,587 hours of training.

As for tax risks, Bankinter has a robust control system, as accredited in an assessment performed by independent entity, which was reported to the board of directors through the entity's audit committee.

Internal audit control

The Internal Audit Department runs corruption risk and anti-money laundering controls.

All Bankinter agencies in Spain were assessed in 2022 through the automatic auditing programmes.

Internal Audit audited and reviewed control procedures at 10 business units attached to the branch network in Spain, representing 2.2% of the total (unchanged from 2021).

In Portugal, it performed on-site audits and control procedures at 10 centres in the branch network (12 in 2021), representing 11.5% of the total (13.8% in 2021).

It also analysed 100% of the agencies in Portugal via automatic audits.

The money laundering risk framework is also reviewed at internal process level. In 2022, a further eight audit engagements were carried out centred on anti-money laundering and terrorist financing

in Bankinter Group entities (Bankinter, S.A., Bankinter Portugal, Avant Money, EVO and Bankinter Luxembourg).

The whistleblowing channel received 12 confidential reports (19 in 2021), which were processed by the relevant departments.

Crime prevention and professional ethics

In 2022, the Bankinter crime prevention and professional ethics committee processed 16 disciplinary cases (35 in 2021) related to breaches by employees of the Code of Professional Ethics (eight in Spain vs. 18 in 2021; 0 in Portugal vs. 12 in 2021, and eight agents -seven in Spain and 1 in Portugal- vs. five in 2021), of which three in Spain ended in terminations.

Training

A criminal compliance course was held in 2022 for new Bankinter hires and all employees of subsidiaries Bankinter Consumer Finance, EFC, S.A. and EVO Banco, S.A.

Contributions to foundations and NGOs

Bankinter Group's main contribution was through Fundación Innovación Bankinter which, through entrepreneurship programmes, an innovation think-tank and training programmes.

Bankinter Group also forges strategic alliances with the third sector across the communities in which it operates, working alongside them to identify and address local community needs.

With the objective of making its external social management more effective, the Bank adopted the London Benchmarking Group (LBG) methodology for measuring, managing, assessing and reporting the contributions, achievements and impacts of the Bank's social action on the community and the environment. Based on this methodology - which encompasses financial and in-kind donations and management costs - contributions to foundations and NGOs made by the Group in 2022 amounted to 2.9 million euros.

Bankinter is also a partner of Fundación Lealtad, a non-profit institution that promotes NGO transparency and best practices, helping donors decide what charity to collaborate with through the assessment reports it prepares on accredited charities.

Responsible supply chain management

As for responsible management in the supply chain, Bankinter has integrated ethical, and environmental, social and governance criteria into its supplier certification process. It has also included clauses related to environmental, social and governance management in contracts with suppliers, in which they undertake to prevent corruption, ensure data protection, avoid child labour and guarantee stable employment, among other requirements.

8. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

8.1 The entity's control environment in relation to financial reporting

Bankinter's board of directors is ultimately responsible for the reliability of the financial information and for maintaining an adequate system of internal control over financial reporting. In addition, article 39 of the rules and regulations of the board of directors has delegated to the audit committee the duty:

'To safeguard the reliability and transparency of the internal and external information on the Bank's results and activities and, in particular, to verify the quarterly and half-yearly financial statements of the Bank and the Group, as well as the annual financial statements, the notes to the annual financial statements and the management report prior to their approval by or submission to the board of directors and their publication, and to supervise the Bank's policy in relation to prospectuses and other forms of public information.'

Bankinter has a manual of accounting policies and financial reporting procedures (the "Manual of Accounting Policies"), which the board of directors approves on the recommendation of the audit committee.

According to article 5 of the rules and regulations of the board of directors, among other responsibilities, the board of directors is responsible for *"approving the risk management and control policy, while regularly monitoring internal reporting and control systems..."*. Section 11.6 of article 38 of the rules and regulations of the board of directors further provides that the audit committee has the duty of *"supervising the efficacy of internal controls, internal auditing services at the Company and systems to control risks (including tax risks), so as to safeguard the independence and effectiveness of the internal audit function."*

The Bank's chief executive also supervises the process of designing systems of internal control over financial reporting at Bankinter Group.

Meanwhile, the effective implementation of the systems of internal control over financial reporting is the direct responsibility of the Financial Control area, which was set up to ensure the reliability and transparency of the Bank's information. It is also the responsibility of the Finance area of the Bank and of each Group subsidiary, as well as the various sub-divisions and departments that are involved in or otherwise have an impact on the quality and reliability of the financial information used to draw up the Group's financial statements.

The audit committee addresses, among other matters, possible weaknesses in the control system, as well as the reliability and accuracy of the financial statements, in order to evaluate possible corrections,

after receiving the necessary information and clarifications from the areas responsible for or otherwise involved in preparing such statements. When attempting to detect these weaknesses, the audit committee relies on the support of the Group's external auditor and the internal audit area, both of which verify the effectiveness of the system put in place to control the quality of financial information and detect possible deviations that might ultimately lead to material errors in such information.

Bankinter's board of directors is responsible for approving and reviewing Bankinter's organisational structure, on the recommendation of the sustainability and appointments committee. On 18 November 2015, Bankinter's board of directors approved the policy on the organisational structure of Bankinter Group, which lays the foundations for the optimal organisation and governance of both the Company and its Group in view of its multi-company structure and presence across different businesses and sectors. The policy also responds to current demands and expectations of the Company and its Group in terms of corporate purpose and interests.

The existing organisational structure of Bankinter Group seeks to ensure a sound internal control model for financial reporting.

The Manual of Accounting Policies, approved by the board of directors on the recommendation of the audit committee, lays down the lines of responsibility and authority regarding the financial reporting process. It also sets out certain ethical principles applicable to all persons with accounting and financial reporting responsibilities and functions. This manual provides a detailed description of the ethical principles and the procedures to be observed when recording transactions and in the preparation and communication of financial information.

In summary, the applicable ethical principles are independence, integrity, responsibility, professionalism, dedication and confidentiality.

General guidelines for conduct also provide that all transactions must be recorded in accordance with generally accepted accounting principles, specifically, in accordance with the applicable rules set forth in the Manual of Accounting Policies.

Other direct responsibilities of employees with financial and accounting duties are the following:

- Maintain up-to-date knowledge of the accounting regulations and the policies and procedures of Bankinter Group, and perform their duties in accordance with them. Employees have the duty to request professional advice internally if they deem it necessary.
- Be on the alert for possible violations of Bankinter's financial and accounting policies that may be detected in financial reporting analyses and report them immediately.
- Communicate and report financial information in a fully transparent manner.
- Keep the documents supporting accounting records under custody, in accordance with Bankinter Group's policy.
- Immediately report any pressures from management to manipulate estimates and/or accounting valuations in order to alter financial results.

In addition, senior management with responsibility for financial reporting must:

- Ensure that all accounting employees have adequate professional experience and resources to perform their duties properly.
- Prevent and detect pressures to alter accounting valuations or estimates in order to wrongfully influence or alter financial results.
- Take the necessary measures to reasonably ensure that **the** financial statements and communications **concerning** financial matters made by **the institution** are **complete** and correct.
- Establish, specifically, measures to warn of:
 - i. Accounting records that improperly reflect the nature of the transaction.
 - ii. Pressure to produce incorrect accounting profit or loss.
 - iii. Resistance from persons or heads of processes with financial and accounting duties to avoid such processes being reviewed or audited.
 - iv. Existence of unreported funds or unrecorded assets or liabilities
 - v. Estimates of valuations, allowances, reserves, etc. that are not supported by facts or proper documentation.

The Group has a confidential whistle-blowing channel in place, providing direct contact with the audit committee.

The existence of and access to this channel are made known to all members of the organisation so they may use it to report financial, accounting and other irregularities.

This channel is a channel of communication at Bankinter to receive complaints or reports on a confidential basis in connection with bad practices in financial and accounting matters that may be potentially significant for the company, protecting the identity of the whistle-blower. It was also created to preserve the Bankinter Group's corporate values, in addition to the mere personal liability for individual actions, and requires the commitment of employees to report, through their timely communication, those situations which, while not related to their actions or area of responsibility, they consider to be ethically questionable in accordance with the content of the Code of Ethics.

Such reports shall be sent to an e-mail address provided for such purpose, and the recipient of such reports shall be the head of the Internal Audit division under the authority of the audit committee, or by writing to the head of the Internal Audit division, thus ensuring absolute and strict confidentiality both in the reporting process and in any investigation process. Reports are reviewed in the order in which they are received, provided they meet the requirements established in the procedures governing them.

Bankinter Group employees involved in the various processes for the preparation of financial information regularly participate in training and refresher programmes so as to allow them to perform their duties effectively.

Training plans for financial and accounting personnel are designed and approved by the financial divisions of the Bank and subsidiaries, as well as the various general divisions involved in drawing up financial information. Such training plans are supervised and managed by the People Management Division.

A total of 38 courses on financial reporting were delivered in 2022 to personnel attached to the banking business. A total of 1.300 training hours were given. The main areas receiving this training were:

- Analysis and financial planning
- General accounting
- Control over financial reporting
- Financial control
- Finance management

8.2 Assessment of financial reporting risks

The process for identifying risks in financial reporting is described and formalised in Bankinter Group's Manual of Accounting Policies.

The control system over financial reporting must establish a balance between the effective level of control and the related cost. In line therewith, the Group's Accounting Policies Manual establishes a process for the identification of risks in financial reporting that is designed following a standard of relative importance and taking into account all the reported and published financial reporting.

The risk identification system for financial reporting at Bankinter Group follows a "top down" process framed within the criteria of relative importance approved by the board of directors and culminating in the monitoring of the financial reporting risks including: Group companies and relevant processes and sub-processes.

The Financial Control area is responsible for checking, at least once a year, that the financial reporting risks it monitors have not undergone any significant change.

All business processes flagged as significant have been assigned a responsible area, which is in charge of documenting the process, identifying the associated risks and evaluating existing controls, while also establishing and implementing new controls if deemed necessary.

Both the procedures to identify financial information risks and the controls designed to control significant processes and activity take into account all the financial reporting objectives, following quantitative and qualitative materiality standards, focusing on the areas and processes carrying the greatest risk of fraud and error in estimates, and taking into account the principles of

occurrence, integrity, breakdown and comparability. Specifically, the Manual of Accounting Policies sets out the following objectives:

- **Existence:** All assets (rights) and liabilities (obligations) recorded in the bank's balance sheet exist, and the transactions recorded have been made in the respective period.
- **Completeness:** Not only do they exist, but all assets and liabilities as of the end of the reporting period and the transactions made during the period are recorded.
- **Valuation:** The carrying amount of assets and liabilities, as well as revenues and expenses, have been determined in accordance with generally accepted principles.
- **Presentation:** The information is sufficient, adequate, and is correctly described and classified.

The Risk division includes the Group's financial reporting function, which is tasked with determining the scope of consolidation of the Group.

The full consolidation procedure will be applied for the annual **financial statements** of subsidiaries. Accordingly, all significant balances and transactions between consolidated **entities** shall be eliminated in the consolidation process.

The profits and losses generated by entities that Bankinter Group may acquire during a reporting period will be consolidated based solely on the profits and losses they generated from the time they are acquired until the end of the relevant reporting period. Furthermore, the profits and losses generated by entities that Bankinter Group may sell in a year will be consolidated based solely on profits and losses generated from the beginning of relevant reporting period to date on which they are sold.

The equity method will be applied in such processes for the financial statements of jointly controlled entities, with the exceptions provided in current accounting regulations. Associates are also accounted for using the equity method.

Once the Finance area is informed of the acquisition of a company in which Bankinter Group is a shareholder, its inclusion within the scope of consolidation is analysed and determined in the manner described above.

Note 13 to the annual consolidated financial statements includes important disclosures on investments in subsidiaries, jointly controlled entities and associates, as well as any changes in the scope of consolidation. The same note also includes information about the most significant acquisitions and disposals during the year. The Finance area shall be responsible for reviewing, at least on an annual basis, whether there have been any changes in the risks identified in drawing up the consolidated financial statements and shall report any changes therein to the Audit division.

The Manual of Accounting Policies of the Group establishes standards for assessing significant influence and/or control, which are essential for deciding on consolidation and the consolidation method of the various associates and subsidiaries, and special purpose vehicles.

A detailed description of the main accounting policies, including those relating to the identification of Bankinter Group's scope, is provided in the notes to the financial statements.

The Bank monitors all the risks to which it is exposed, which includes an assessment of the financial reporting risks to which it is exposed.

When assessing each financial reporting process and associated control, the Bank is mindful of whether valuation risk exists or whether estimates made by the managers have been relied on when calculating the information.

The board of directors, through the audit committee, is ultimately responsible for supervising the process, with the support of the internal audit area.

8.3 Financial reporting control activities

As already mentioned, the board of directors delegates to the audit committee the duty of "Ensuring the reliability and transparency of all internal and external information on the Bank's earnings and activities and, in particular, verifying the integrity and consistency of the Bank's and the Group's quarterly and half-yearly financial statements, as well as the annual financial statements, the notes to the financial statements and the management report prior to their approval by or submission to the board of directors and subsequent release; and supervising the Bank's policy in relation to prospectuses and other forms of public information."

The audit committee, through the external auditor and the internal audit function, reviews the quarterly and half-yearly financial statements of both the Bank and its Group, as well as the annual financial statements, the notes to the financial statements and management report, prior to their approval.

The system of internal control over financial reporting (ICFR) at Bankinter focuses on ensuring the proper recognition, measurement, presentation and disclosure of transactions that are material and that may therefore affect the financial information. The Manual of Accounting Policies provides a detailed description of the types of transactions covered and establishes the necessary procedures for the updating thereof.

All the Group's critical processes and activities that, because of their significance, could have an impact on financial reporting are documented in the Manual of Accounting Policies. Such documentation

establishes the procedures and controls that must be observed at all times by employees responsible for them.

The accounting of the Bank and its subsidiaries is automated practically in its entirety and is triggered automatically by the recording of the transaction. For that reason, the **ICFR system** pays particular attention to manual accounting processes and the **launch** of new products, operations or special **transactions**.

As regards manual accounting operations, it should be noted that accounting through manual entries is limited to specialist users in the Operations and Accounting area, Customer Care area, BK Consumer Finance and Life Insurance and Market Risks. Most of the entries made are perfectly traceable, as they are recorded together with the user who made them and the description thereof.

New products and services released on the market or the beginning of a new activity, special transactions or any other event that has an impact on the financial statements must be recorded, from an accounting and tax perspective, to ensure that financial information is reliable and compliant with current accounting laws and regulations. In this sense, the Finance area is advised by the departments and areas undertaking the different initiatives, as are the operational areas, so that they may review and determine the applicable accounting policies, required accounting treatment, inventories and regulatory information, and any other aspect that might have an impact on the financial statements.

Bankinter has set up a new products committee to ensure a strict mechanism for the supervision and control of operational and reputational risks that might arise in the ordinary course of banking activities with customers. In particular, the committee approves the launch of new products and services, adjusts and fine-tunes business practices, establishes marketing policies and controls business agreements with other entities or possible partners; ultimately ensuring that legal requirements and operational and reputational standards established by the Bank are duly met.

In addition to controls at the process and activity levels, second-level controls are performed in order to detect material errors that could affect financial reporting. Worth noting among such controls are the reconciliation of inventories and accounting databases, controls of input-output and other accounts, control of items pending allocation, reconciliation of current accounts, fairness of changes in balances, returns and costs in relation to changes in interest rates and activities, budgetary deviations and control of allocations of sizeable amounts.

As regards the process for the closing of accounts and the review of litigation and significant estimates, valuations and projections, updates on this matter are made in accordance with the provisions of the Group's Manual of Accounting Policies, which are described in detail in the Group's legal report, and they are made by the areas specialising in each of the issues and checked by the Finance area of the Bank or of each subsidiary, as the case may be.

In addition, in all quarterly closings, the results are reviewed by the audit committee, for ultimate approval by the board of directors. When performing these duties, it draws on the reviews and considerations in that regard of the Internal Audit division and the external auditor.

8.4 Main characteristics of the process of drawing up financial information

i) Performance of analytical procedures that make it possible to assess aspects of the income statement, such as:

- Consistency of financial reporting with the performance and growth of Bankinter Group's business and of the wider financial system.
- Analytical procedures designed to identify unusual operations and items, which include:
 - Comparisons with income statements from previous periods.
 - Comparison of actual results with budgeted results where these have been defined.
 - Comparisons of income statement items with those expected based on the past experience of Bankinter Group and the financial system.
 - Effect of resolutions adopted by the shareholders at the Annual General Meeting, by the board of directors, etc., on the income statement.
- Meetings with senior officers responsible for financial and accounting matters in order to, based on the information obtained from the aforementioned analytical procedures, evaluate matters such as:
 - Whether the income statement was prepared in accordance with current accounting standards.
 - Changes that may have occurred in the activities of Bankinter Group or when implementing accounting standards.
 - Significant aspects relating to changes in activities, new products or new lines of business that may affect the income statement.
 - Statements concerning changes in the income statement and changes in certain line items, especially any unexpected or unusual changes.
 - Information, documents and/or data obtained to assess the reasonableness of the representations made.

ii) Review and performance of calculations and comparisons of a similar nature.

The above procedures are applied based on the principle of materiality. Accordingly, the Bank does not analyse items or transactions that, given their low amounts relative to the Group's income statement, are not material for consideration by the audit committee, and those items whose changes are consistent with the changes seen in their underlying variables.

Furthermore, a system based on the key processes and controls identified to ensure the accuracy and reliability of monthly financial reporting is implemented.

The control system has been designed following quantitative and qualitative materiality standards, focusing on the areas and processes with the greatest risk (fraud, estimates, valuations, errors, etc.). All business processes identified as significant have been assigned a responsible area, which is in

charge of documenting the process, identifying the risks thereof and evaluating existing controls, as well as of establishing and implementing new controls if deemed necessary.

The financial control and analysis area has designed an agile, dynamic and efficient system for controls established by those responsible for them.

The process is essentially as follows:

- On a monthly basis:
 - Each of the areas and/or heads is sent a report with the controls that must be checked ahead of the close date for earnings and results.
 - This report must be returned by the person responsible for such control, along with a status description, ahead of the final close date of the Bank's earnings and results. Several controls are performed at intervals that are different from those mentioned due to their respective types, since they would not have an impact on Bankinter's earnings.
 - All this information is grouped and sent to the heads of the financial area for information and control of the situation prior to the closing of results of the current month, which will allow them to act to resolve possible incidents and/or circumstances, if any, that may have occurred, preventing an incorrect impact on results.

A total of 369 controls have been sent to date (December 2022), the status of which, as reported by those responsible for them, has been favourable, given that they have all been reviewed and classified as without noteworthy qualifications.

- On an annual basis:
 - A report sent to each area and/or manager with the processes and controls established by them for review.
 - This report must be returned by the person responsible for such processes/controls validating, modifying and/or increasing all processes and/or controls that have been modified and/or altered which modify both the structure of the process and the control performed, achieving a dynamic control system.

8.4.1 Internal control policies and procedures for financial reporting systems

Bankinter's information systems relating to the processes for preparing financial reporting, be it directly or indirectly, ensure at all times that financial reporting is properly prepared and published using a specific internal control system. Bankinter has an information security policy that sets out regulations to identify, develop and implement the necessary technical and organisational measures for

guaranteeing the security of the information and information reporting systems, in accordance with technology risk analyses, good practices within the financial system and legal and contractual requirements to which Bankinter Group is bound.

In June 2017, the ISP was formalised as Bank Circular #4323 at the request of the Bank's information security and business continuity committee (S&C committee). As a living document, it underwent several changes in 2022: in April, the reference to Línea Directa was eliminated, since it no longer formed part of the Group; Digital Security's organisational structure changed following the creation of the new continuity and response to incidents area; and the number of information security dimensions was reduced, from five to three (confidentiality, completeness, availability) following the change in the risk assessment approach; and in May two clarifications were added, one that the S&C committee is tasked with approving the ISP and one specifying the role of the second line of defence in validating the Security Regulatory Framework.

Bankinter has specific internal controls governing access to the applications and systems, based on a system of profiles adapted to the duties of each post.

Management of access to information systems and applications is clearly established and standardised. Access is managed by the Technical Administration Management department. Every year, usernames created in the main systems are reviewed to determine if they remain active. Bankinter has specific controls for data processing centres to ensure security. User names authorised to access these centres are revised on a quarterly basis and recertified by managers. To perform these tasks, it has a cutting-edge tool in the market that allows control of IDs throughout the organisation to be centralised.

Within the Digital Security division, there is a Business Continuity and Incident Response area tasked with drawing up and maintaining the is responsible for preparing and maintaining the Company's business continuity plan (BCP).

The BCP is divided up by business process, each of which has its own plan based on disaster recovery strategies. These strategies include the teleprocessing contingency plan. The main measure of the teleprocessing IT continuity plan is based on the availability of two data processing centres in geographical locations that are sufficiently far apart from each other whose data are replicated simultaneously.

Data and IT systems can be recovered in the event of a contingency without any data loss thanks to this measure. Tests are performed at least annually to check that it is functioning properly. Bankinter's BCP is ISO 22301:2019 certified, which directly entails testing contingency plans (including the aforementioned test of teleprocessing).

8.4.2 Internal control policies and procedures for overseeing the management of outsourced activities, and the engagement of independent experts for appraisal, calculation or valuation services, when these may have a material impact on the financial statements

As a general rule, it is the Bank's policy not to outsource any activity that is considered significant because of its impact on financial reporting. Almost no valuation processes, lawsuits or calculations to be made for the preparation and publication of the financial statements have been outsourced.

Outsourcing of activities is always supported by a service level agreement (SLA) that clearly sets out the services provided and the required service quality levels, in accordance with Bankinter Group's outsourcing policy.

Processes and procedures outsourced to third parties can be audited and are subject to regular audits by the internal audit area, which verifies the suitability of the services and controls in place.

On 16 December 2015, Bankinter's board of directors approved an outsourcing policy, which establishes, among other things, the principles, the services that may be outsourced, the persons responsible for outsourcing, limitations and the outsourcing procedure.

On 24 January 2018, Bankinter's board of directors approved the supplier code of conduct, on the recommendation of the audit committee.

In February 2019, Bankinter's board of directors approved an updated outsourcing code, on the recommendation of the audit committee.

In April 2020, Bankinter's board of directors approved a new updated outsourcing policy, on the recommendation of the audit committee.

In February 2021, Bankinter's board of directors approved a further update of the outsourcing policy, on the recommendation of the audit committee.

In February 2022, Bankinter's board of directors approved a new update of the outsourcing policy, on the recommendation of the risk and compliance committee.

8.5 Information and communication

8.5.1 Specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation

The Finance area works alongside the Audit area in ensuring the quality, transparency and timeliness of the separate financial information of Bankinter S.A. and the consolidated financial information of Bankinter Group, in accordance with appropriate accounting methods.

In order to achieve these basic financial reporting objectives, it has been deemed necessary to formally set up a specific function tasked with developing and updating Bankinter's accounting policies, while resolving all queries or conflicts arising from the interpretation of accounting laws and regulations.

This function is assumed by the Financial Reporting division, which is responsible for resolving any conflict of interest that may arise among the various areas and divisions of the Bank, and for deciding how to include or interpret the financial information in the various reports that must be drawn up, in accordance with applicable law and regulations and the accounting principles and policies set out in the Manual of Accounting Policies. Any material changes in criteria are submitted to the audit committee for approval. The Manual of Accounting Policies is updated annually. If there are substantial changes in prevailing legislation, it must be updated immediately.

8.5.2 Measures for capturing and preparing financial information

Bankinter Group's systems are fully integrated for the most part. Once transactions are recognised, they are automatically recorded in accounting records and inventories are updated accordingly.

The automated accounting is parametrised and defined following review and verification, by the Accounting Definition department (part of the Finance area) so as to ensure compliance with applicable laws and regulations and with the Group's own accounting policies.

The consolidation of the Group's financial statements is a fully automated process that is based on the use of a standard tool that is fully integrated within the internal systems.

All the subsidiaries included within the Bankinter Group scope report their financial statements to the Finance area of the parent company on a monthly basis in accordance with the Group's accounting plan.

The Hyperion tool, which standardises and harmonises accounting information and consolidation of the perimeter of the consolidated Group, is used for accounting consolidation purposes.

8.6 Supervision of the functioning of the system

8.6.1. Supervision of ICFR and scope

Pursuant to the rules and regulations of the board of directors of Bankinter, S.A., the Internal Audit division reports to the audit committee but is functionally attached to the chairman of the board of

directors, thus ensuring the independence, autonomy and Group-wide remit of the internal audit function.

In accordance with these regulations and the corporate by-laws of Bankinter, S.A., the remit of the audit committee includes: supervising and controlling the Company's operations and the accuracy, objectivity and transparency of its accounting records; supervising the process of drawing up and the integrity of financial information and the internal control systems, ensuring compliance with regulatory requirements and the correct application of accounting rules and standards. It also has the duty to promote and periodically review the sound operation of adequate internal control systems to ensure the proper management of Company risks; and to verify the integrity and consistency of the quarterly and half-yearly financial statements of the Bank and the Group, and the annual financial statements, notes to the financial statements and management report prior to their approval by or submission to the board of directors and their eventual release.

Significantly, Internal Audit presents the audit committee with a quarterly report verifying the accuracy of Bankinter Group's consolidated income statement, with the support of the external auditor. The same applies to the half-yearly report on the income statement.

In accordance with the internal audit charter approved by the audit committee, Internal Audit is responsible for assessing the effectiveness of risk management and control, internal control, regulatory compliance and corporate governance processes, among others, providing added value and raising alarms if any changes need to be made, while recommending operational and organisational improvements. One of its main functions is to provide added value for the management bodies and other areas of the organisation with control functions, so as to further improve and consolidate the internal control system, control activities and procedures applied, without prejudice to the independence and autonomy of the internal audit function.

In relation to the internal control over financial reporting (ICFR) system, the rules and regulations of the audit committee of Bankinter, S.A., the current text of which was approved in April 2021 by the board of directors, state that the committee's remit also includes supervising the effectiveness of the Company's internal control, knowing, understanding and supervising the effectiveness of the internal control over financial reporting (ICFR) system and discussing with the auditor any significant weaknesses in the internal control system.

The audit plan of Bankinter Group's internal audit function envisions a Group-wide review and audit of ICFR over a three-year period. The 2022 audit plan, which includes a review of controls of the internal control over financial reporting (ICFR) system, was approved by the audit committee at a meeting held in December 2021.

The internal control over financial reporting (ICFR) system of subsidiaries was reviewed in October 2022. This review focused on the design, implementation and monitoring of the controls included in the ICFR system to assess their effectiveness.

The final report was issued on 24 October 2022. It found that Bankinter S.A.'s and Bankinter Portugal's control over financial reporting was generally satisfactory, with an adequate design as well as a correct review and reporting of the ICFR system controls.

The findings of the review process have been reported to Bankinter Group's management team and submitted to the Group's audit committee. The observations arising from the audit are to be monitored closely in accordance with internal rules and regulations. A monthly follow-up report on the status of the observations and recommendations given as a result of both external and internal audit reports is made available to all audit committee members on the director website.

8.6.2 Discussion procedure for significant weaknesses encountered and action plan

The rules and regulations of the board of directors state that the remit of the audit committee includes discussing with the auditors any significant weaknesses they may have detected in the internal control system when conducting their audit. It also states that the external auditors shall attend meetings of the audit committee whenever the committee's chairman sees fit to invite them. They must always attend any meeting held to scrutinise their audit report on the Bank and the Group's annual and half-yearly financial statements and annual control report, as well as any other meetings that may be held to verify earnings before the relevant reports are released.

In accordance with the law and the rules and regulations of the board of directors, the audit committee shall also: serve as a channel of communication between the board of directors and the external and internal auditors; evaluate the results of audit reports and compliance with the qualifications and conclusions found therein; and discuss with the auditors any significant weaknesses they may have detected in the internal control system when conducting their audit.

The rules and regulations of the audit committee of Bankinter also state that the committee shall supervise Internal Audit, monitoring, among other things, the appropriateness of the conclusions reached by Internal Audit, the sound implementation of action plans in due course and timely reporting to the audit committee on how matters are progressing.

We would highlight that the action plans put in place to address the findings and recommendations given by both the internal and external auditor are subject to strict oversight and monitoring in accordance with the Internal Circular on Internal Audit Reports, the latest version of which was approved by the audit committee at its meeting of 21 June 2021. This Circular contains the general framework governing the management process for reports issued by Bankinter Group's internal audit function and the observations and recommendations included in those reports, as well as the binding action plans rolled out to mitigate the risks observed.

8.7 Other relevant information: review by the auditor of information about the ICFR model

Audit firm PricewaterhouseCoopers Auditores, S.L., as auditor of the financial statements of the Bank and of Bankinter Group, conducts an annual review of the information sent to the market through the financial reporting system model described above. Attached hereto is the report of the auditor titled "Information relating to the Internal Control over Financial Reporting (ICFR) System" of Bankinter Group for 2022.

9. OTHER ADDITIONAL INFORMATION

Adherence to codes of ethics and good practices:

At the board meeting held on 22 April 2014, the shareholders resolved that Bankinter and its Group should adhere to the entire Code of Best Tax Practices, approved at the Large Businesses Forum on 20 July 2010.

This annual corporate governance report was approved by the board of directors of the Company on the recommendation of the sustainability and appointments committee at its meeting held on 22/02/2023.

State whether any directors voted against or abstained from voting on this report.

Yes

No

Table of cross references between the report and sections of the annual corporate governance report using the CNMV template.

| Section in the CNMV template | Included in the statistical model | Line item in this report |
|-------------------------------|-----------------------------------|---|
| A. OWNERSHIP STRUCTURE | | |
| A.1 | YES | 2.1 Share capital |
| A.2 | YES | 2.2 Distribution of share capital by shareholder category |
| A.3 | YES | 2.2 Distribution of share capital by shareholder category |
| A.4 | NO | 2.3 Shareholders' agreements and other disclosures regarding relationships among shareholders |
| A.5 | NO | 2.3 Shareholders' agreements and other disclosures regarding relationships among shareholders |
| A.6 | NO | 4.3 Diversity in the board of directors |
| A.7 | YES | 2.3 Shareholders' agreements and other disclosures regarding relationships among shareholders |
| A.8 | YES | 2.2 Distribution of share capital by shareholder category |
| A.9 | YES | 2.2 Distribution of share capital by shareholder category |
| A.10 | NO | 2.2 Distribution of share capital by shareholder category |
| A.11 | YES | 2.2 Distribution of share capital by shareholder category |

| | | |
|---|-----|---|
| A.12 | No | 2.1 Share capital / 3.2 Shareholder rights |
| A.13 | NO | 2.1 Share capital / 3.2 Shareholder rights |
| A.14 | YES | 2.1 Share capital |
| B. GENERAL MEETING | | |
| B.1 | NO | 3.4 Annual General Meeting |
| B.2 | NO | 3.4 Annual General Meeting |
| B.3 | No | 3.4 Annual General Meeting |
| B.4 | YES | 3.4 Annual General Meeting |
| B.5 | YES | 3.4 Annual General Meeting |
| B.6 | YES | 3.4 Annual General Meeting |
| B.7 | No | 3.4 Annual General Meeting |
| B.8 | NO | 3.2 Shareholder rights |
| C. STRUCTURE OF THE COMPANY'S ADMINISTRATION | | |
| C.1 Board of directors | | |
| C.1.1 | YES | 4.2 Composition of the board of directors |
| C.1.2 | YES | 4.2 Composition of the board of directors |
| C.1.3 | YES | 4.2 Composition of the board of directors/4.3 Diversity in the board of directors |
| C.1.4 | YES | 4.3 Diversity in the board of directors |
| C.1.5 | No | 4.3 Diversity in the board of directors |
| C.1.6 | No | 4.3 Diversity in the board of directors |
| C.1.7 | No | 4.3 Diversity in the board of directors / 4.4 Director selection / 4.5 Appointment, re-election and removal of directors |
| C.1.8 | No | 4.2 Composition of the board of directors |
| C.1.9. | No | 2.4 Authorisation to increase capital |
| C.1.10 | No | 4.3 Diversity in the board of directors |
| C.1.11 | YES | 4.3 Diversity in the board of directors |
| C.1.12 | YES | 4.3 Diversity in the board of directors |
| C.1.13 | YES | 4.15 Remuneration received by the board of directors as a whole |
| C.1.14 | YES | 4.16 Members of senior management (excluding executive directors) and their total remuneration |
| C.1.15 | YES | 4.1 Rules and regulations of the board of directors |
| C.1.16 | No | 4.4 Director selection / 4.5 Appointment, re-election and removal of directors |
| C.1.17 | No | 4.14 Evaluation of the board and board committees |
| C.1.18 | No | 4.14 Evaluation of the board and board committees |
| C.1.19 | No | 4.5 Appointment, re-election and removal of directors |
| C.1.20 | No | 4.9 Preparation and conduct of board meetings |
| C.1.21 | YES | 4.6 Director succession plans |
| C.1.22 | No | 4.5 Appointment, re-election and removal of directors |
| C.1.23 | YES | 4.2 Composition of the board of directors |
| C.1.24 | No | 4.9 Preparation and conduct of board meetings |
| C.1.25 | YES | 4.11 Number of board and board committee meetings in 2022/ 4.12 Director attendance |
| C.1.26 | YES | 4.12 Director attendance |
| C.1.27 | YES | 4.13 Audit |
| C.1.28 | No | 4.13 Audit / 7. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR) |
| C.1.29 | YES | 4.2. Composition of the board of directors |
| C.1.30 | No | 4.13 Audit |
| C.1.31 | YES | 4.13 Audit |
| C.1.32 | YES | 4.13 Audit |
| C.1.33 | YES | 4.13 Audit |
| C.1.34 | YES | 4.13 Audit |
| C.1.35 | YES | 4.9 Preparation and conduct of board meetings |
| C.1.36 | No | 4.5 Appointment, re-election and removal of directors |
| C.1.37 | NO | N/A |
| C.1.38 | No | N/A |
| C.1.39 | YES | 4.2 Composition of the board of directors |

| | | |
|---|-----|--|
| C.2 Board committees | | |
| C.2.1 | YES | 4.10 Board committees |
| C.2.2 | YES | 4.3 Diversity in the board of directors |
| C.2.3 | No | 4.10 Board committees |
| D. RELATED PARTY AND INTRAGROUP TRANSACTIONS | | |
| D.1 | NO | 6. Related party and intragroup transactions |
| D.2 | YES | 6. Related party and intragroup transactions |
| D.3 | YES | 6. Related party and intragroup transactions |
| D.4 | YES | 6. Related party and intragroup transactions |
| D.5 | YES | 6. Related party and intragroup transactions |
| D.6 | NO | 6. Related party and intragroup transactions |
| D.7 | No | 6. Related party and intragroup transactions |
| E. RISK MANAGEMENT AND CONTROL SYSTEMS | | |
| E.1 | No | 7.1 Risk management and control system of the company |
| E.2 | NO | 7.2 Bodies within the company responsible for preparing and executing the risk management and control system |
| E.3 | NO | 7.3 Main risks which may affect the achievement of business objectives |
| E.4 | NO | 7.4 Risk tolerance level |
| E.5 | NO | 7.5 Risks that materialised during the year |
| E.6 | NO | 7.6 Response and oversight plans for the company's main risks |
| F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR) | | |
| F.1 | NO | 8.1 The entity's control environment in relation to financial reporting |
| F.2 | NO | 8.2 Assessment of financial reporting risks |
| F.3 | NO | 8.3 Financial reporting control activities |
| F.4 | NO | 8.4 Main characteristics of the process of drawing up financial information |
| F.5 | NO | 8.5 Information and communication |
| F.6 | NO | 8.6 Supervision of the functioning of the system |
| F.7 | NO | 8.7 Other relevant information: review by the auditor of information about the ICFR model |
| G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS | | Statistical annex 9. Other Additional Information |

DECREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business

relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Not applicable

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:
 - a) Changes that have occurred since the last General Shareholders' Meeting.
 - b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders."

Complies

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:
 - a) Report on the auditor's independence.
 - b) Reports on the workings of the audit and nomination and remuneration committees.
 - c) Report by the audit committee on related party transactions

Complies

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:
 - a) Should immediately distribute such complementary points and new proposals for resolutions.

- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:
- a) Is concrete and verifiable;

- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior managers favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or reelection of each director is submitted. The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies

Following the amendment of recommendation 15 of the Good Governance Code of Listed Companies in 2020, and considering the size of Bankinter's board of directors, the sustainability and appointments committee proposed to the board of directors a new target for the representation for women (currently the least represented gender) on the board of at least 40% by the end of 2022, in line with this recommendation. Bankinter has again delivered this target early as since April 2021 45.5% of its board members are women.

16. That the number of proprietary directors as a percentage of the total number of nonexecutive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies

Independent directors currently represent 54.5% of Bankinter's board of directors.

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new

obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for

this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
- a) The quality and efficiency of the Board of Directors' work.

- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee. Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:
1. With regard to information systems and internal control:
 - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
 - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
 - c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
 - d) Generally ensuring that internal control policies and systems are effectively applied in practice.
 2. With regard to the external auditor:
 - a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
 - b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
 - c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

Complies

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies

45. That the risk management and control policy identify or determine, as a minimum:

- i. The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- ii. A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- iii. The level of risk that the company considers to be acceptable.
- iv. Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- v. Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies

- 47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies

- 48. That large-cap companies have separate nomination and remuneration committees.

Complies

- 49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies

- 50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.

- b) Verifying compliance with the company's remuneration policy.

- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies

- 51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:
- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
 - b) That their chairpersons be independent directors.
 - c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
 - d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
 - e) That their meetings be recorded and the minutes be made available to all directors.

Complies

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies

54. The minimum functions referred to in the foregoing recommendation are the following:
- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
 - b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
 - c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting

the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

Complies

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies

Under regulations applicable to credit institutions, clauses for the deferral (for five years in 2022) of payment are applied to variable remuneration of executive directors, payment in shares (of at least 50% of variable remuneration), ex-post adjustments to remuneration and withholding and balancing periods with respect to fixed remuneration.

And Bankinter's executive directors have a net economic exposure for an amount that is much greater than twice the amount of their fixed annual remuneration through the ownership of shares, options or other instruments.

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies

No severance payments of any kind have been established for the chairman, executive vice chairman and other board members in the event of their removal for any reason. The severance payments for the chief executive officer set out in her contract with Bankinter apply solely to cases similar to those defined in the Workers' Statute for ordinary employment relations. They feature a severance limit that may not, under any circumstances, exceed the limit set in labour regulations for all Bankinter

employees. Pursuant to best corporate governance practices, severance payments shall not exceed twice the amount of total annual remuneration.

In any case, there is no right to receive severance payments relating to changes of ownership of the Entity.

Only the chief executive officer's contract provides a post-contractual non-competition clause for a period of 18 months as of the date of termination, whereby she may not carry out any work-related activities or render professional services independently or under the employ of others, if these compete with those of Bankinter or Bankinter Group companies. Compensation for the non-competition clause consists of a sum equal to 50% of the last total annual fixed remuneration approved by the board of directors, which will be paid once the 18-month period has elapsed.

The chief executive officer is the only beneficiary of contributions to a pension scheme. However, the rights derived from those obligations are not at vested the time of termination of the contractual relationship with the Company, but only when one of the contingencies specifically provided for such vesting in accordance with the Policy and Regulations of the Bankinter senior management pension scheme is met: retirement, death or disability. Payment is not associated with termination for any reason.

Indicate whether any director voted against or abstained from approving this report.

No

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the company.