

A close-up photograph of a hand holding a fountain pen with an orange barrel and a silver nib, poised to write on a sheet of musical notation. The pen is held in a tripod grip. In the background, a glass inkwell filled with dark ink sits on another sheet of music. The scene is lit with soft, natural light, creating a warm and focused atmosphere. The text 'summary of the year' is overlaid in a bold, orange font across the lower portion of the image.

summary of the year

Net profit

€275.9

million, up by 45.3%

The best results posted by the Bank in the last seven years

Gain in the stock price

34.4%

The bank with the biggest gain on the Spanish stock exchange for the second year running

Business lending portfolio

+6.7%

in 2014

Bankinter Asset Management

€11,045

million

in funds under management and marketed

NPL rate

4.72

the lowest rate of non-performing loans in the sector

The best results obtained by any Spanish listed bank in the EU-wide stress tests.

The only Spanish bank forming part of Standard & Poor's select list of 'rising stars'.

The only financial institution to have paid all its dividends in 2014 in cash and quarterly.

Biggest riser in the Merco Personas 2014 rankings.

Consolidated balance sheets as at 31 December 2014 and 2013 (€000s)

ASSETS	31/12/2014	31-12-2013 (*)	LIABILITIES AND EQUITY	31/12/2014	31-12-2013 (*)
CASH AND BALANCES WITH CENTRAL BANKS	357,327	886,118	LIABILITIES		
FINANCIAL LIABILITIES HELD FOR TRADING	5,353,482	4,346,573	FINANCIAL LIABILITIES HELD FOR TRADING	2,441,491	1,751,721
Deposits with credit institutions	544,528	920,112	Deposits from credit institutions	270,621	-
Loans and advances to customers	1,967,180	979,439	Customer deposits	451,559	193,482
Debt instruments	2,345,496	1,736,671	Trading derivatives	322,598	252,537
Equity instruments	59,320	66,662	Short positions in securities	1,396,713	1,305,702
Trading derivatives	436,958	643,689	OTHER FINANCIAL LIABILITIES AT FAIR VALUE		
<i>Memorandum items: Loaned or advanced as collateral</i>	1,700,679	961,805	WITH CHANGES THROUGH PROFIT AND LOSS	-	-
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	49,473	18,158	Customer deposits	-	-
Equity instruments	49,473	18,158	FINANCIAL LIABILITIES AT AMORTISED COST	49,990,680	48,986,085
<i>Memorandum items: Loaned or advanced as collateral</i>	-	-	Deposits from central banks	3,240,433	3,243,794
AVAILABLE-FOR-SALE FINANCIAL ASSETS	3,013,813	2,483,171	Deposits from credit institutions	5,249,425	4,587,188
Debt instruments	2,845,308	2,321,671	Customer deposits	29,966,129	29,624,282
Equity instruments	168,505	161,500	Marketable debt securities	9,311,034	9,516,372
<i>Memorandum items: Loaned or advanced as collateral</i>	746,292	799,412	Subordinated liabilities	608,198	612,438
LOANS AND RECEIVABLES	44,006,521	42,607,050	Other financial liabilities	1,615,461	1,402,011
Deposits with credit institutions	1,113,441	1,182,215			
Loans and advances to customers	42,446,723	41,307,010	MACRO-HEDGING ADJUSTMENTS TO FINANCIAL LIABILITIES	-	-
Debt instruments	446,357	117,825	HEDGING DERIVATIVES	20,241	25,608
<i>Memorandum items: Loaned or advanced as collateral</i>	356,515	365,847	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	-	-
HELD TO MATURITY INVESTMENTS	2,819,482	3,220,721	LIABILITIES UNDER INSURANCE CONTRACTS	614,780	607,794
<i>Memorandum items: Loaned or advanced as collateral</i>	2,805,745	2,886,655	PROVISIONS	88,236	53,753
MACRO-HEDGING ADJUSTMENTS TO FINANCIAL ASSETS	-	-	Pension funds and similar obligations	818	1,456
HEDGING DERIVATIVES	148,213	84,481	Provisions for contingent risks and commitments	7,499	8,642
NON-CURRENT ASSETS HELD FOR SALE	356,671	369,210	Other provisions	7,141	4,697
INVESTMENTS	29,726	36,362	Allowances for taxes and other legal contingencies	72,778	38,958
Associates	28,857	35,932	TAX LIABILITIES	312,416	217,766
Jointly controlled entities	869	430	Current	135,054	68,119
PENSION-LINKED INSURANCE AGREEMENTS	714	1,327	Deferred	177,362	149,647
REINSURANCE ASSETS	3,006	3,244	OTHER LIABILITIES	221,686	162,744
TANGIBLE ASSETS	467,362	434,931	TOTAL LIABILITIES	53,689,530	51,805,471
Property, plant and equipment	412,838	421,887	EQUITY	3,643,445	3,352,197
For internal use	388,181	394,933	EQUITY	3,513,914	3,309,025
Assigned on lease	24,657	26,954	Capital	269,660	268,675
Real estate investments	54,524	13,044	Registered	269,660	268,675
<i>Memorandum item: acquired under finance lease</i>	-	-	Issue premium	1,184,268	1,172,645
INTANGIBLE ASSETS	282,327	300,703	Reserves	1,853,783	1,718,309
Goodwill	164,113	164,281	Accumulated reserves (losses)	1,860,226	1,713,628
Other intangible assets	118,214	136,422	Accumulated reserves (losses) of entities accounted for using the equity method	(6,440)	4,681
TAX ASSETS	298,172	237,951	Other equity instruments	-	12,609
Current	154,294	105,651	Remaining equity instruments	-	12,609
Deferred	143,878	132,300	Less: treasury shares	(771)	(511)
OTHER ASSETS	146,685	127,668	Profit (loss) attributable to owners of the parent company	275,887	189,900
Other	146,685	127,668	Less: dividends and remuneration	(68,913)	(52,602)
TOTAL ASSETS	57,332,974	55,157,668	VALUATION ADJUSTMENTS	129,531	43,172
MEMORANDUM ITEMS:			Financial assets available for sale	123,727	41,605
CONTINGENT RISKS	2,736,529	2,401,895	Exchange differences	220	201
CONTINGENT COMMITMENTS	13,527,713	13,548,719	Other valuation adjustments	1,162	
			Entities valued under the equity method	4,422	1,366
			MINORITY INTERESTS		
			TOTAL LIABILITIES AND EQUITY	57,332,974	55,157,668

(*) Shown solely for purposes of comparison

Consolidated income statements for the years ended 31 December 2014 and 2013 (€000s)

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	(Debit) Credit	
	2014	2013 (*)
INTEREST AND SIMILAR INCOME	1,404,321	1,476,230
INTEREST EXPENSE AND SIMILAR CHARGES	(648,963)	(840,326)
NET INTEREST INCOME	755,358	635,904
INCOME FROM EQUITY INSTRUMENTS	8,004	8,946
SHARE OF RESULTS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	16,962	15,545
FEES AND COMMISSIONS INCOME	365,298	313,082
FEES AND COMMISSIONS EXPENSE	(73,891)	(64,063)
RESULT OF FINANCIAL OPERATIONS (net)	90,084	188,664
Held for trading	14,982	18,163
Other financial assets at fair value through profit and loss	1,163	8,228
Financial instruments not measured at fair value through profit and loss	74,058	162,907
Other	(119)	(634)
EXCHANGE DIFFERENCES (net)	43,211	40,090
OTHER OPERATING INCOME	682,500	676,019
Income from insurance and reinsurance policies issued	651,549	652,217
Other operating income	30,951	23,802
OTHER OPERATING EXPENSES	(438,703)	(475,188)
Expenses on insurance and reinsurance policies	(362,487)	(380,758)
Other operating expenses	(76,216)	(94,430)
GROSS INCOME	1,448,823	1,338,999
ADMINISTRATIVE COST	(655,473)	(616,759)
Personnel expenses	(368,738)	(356,833)
Other general administrative expenses	(286,735)	(259,926)
DEPRECIATION AND AMORTISATION	(63,773)	(63,088)
PROVISIONS (NET)	(41,536)	(14,259)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	(237,390)	(290,202)
Loans and receivables	(233,874)	(280,840)
Other financial instruments not measured at fair value through profit and loss	(3,516)	(9,362)
PROFIT FROM OPERATIONS	450,651	354,691
IMPAIRMENT LOSSES ON OTHER ASSETS (net)	(118)	(327)
Goodwill and other intangible assets	(168)	
Other assets	50	(327)
GAINS / LOSSES ON DERECOGNITION OF ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	(2,980)	(1,848)
NEGATIVE GOODWILL ON BUSINESS COMBINATIONS	-	1,379
GAINS / LOSSES ON NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS	(54,714)	(92,791)
PROFIT BEFORE TAX	392,839	261,104
INCOME TAX	(116,952)	(71,204)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	275,887	189,900
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (net)	-	-
CONSOLIDATED PROFIT FOR THE YEAR	275,887	189,900
Profit (loss) attributable to owners of the parent company	275,887	189,900
Profit (loss) attributable to non-controlling interests		
EARNINGS PER SHARE		
Basic earnings (euros)	0.31	0.24
Diluted earnings (euros)	0.31	0.23

(*) Shown solely for purposes of comparison

Consolidated statements of comprehensive income for the years ended 31 December 2014 and 2013 (€000s)

	2014	2013 (*)
CONSOLIDATED PROFIT FOR THE YEAR	275,887	189,900
OTHER COMPREHENSIVE INCOME	86,359	40,120
Items that will not be reclassified to profit and loss;	1,162	-
Actuarial gains and losses on defined benefit plans	1,659	-
Non-current assets held for sale	-	-
Entities valued under the equity method	-	-
Income tax relating to items that will not be reclassified to profit and loss	(497)	-
Items that may be reclassified to profit and loss;	85,197	40,120
Financial assets available for sale	117,317	54,944
Gains (losses) on valuation	159,725	161,238
Amounts transferred to profit and loss	(42,408)	(106,294)
Other reclassifications	-	-
Cash flow hedging	-	-
Gains (losses) on valuation	-	-
Amounts transferred to profit and loss	-	-
Amounts transferred to the initial value of hedged items	-	-
Other reclassifications	-	-
Hedging of net investments in foreign operations	-	-
Gains (losses) on valuation	-	-
Amounts transferred to profit and loss	-	-
Other reclassifications	-	-
Exchange differences	27	(11)
Gains (losses) on translation	27	(11)
Amounts transferred to profit and loss	-	-
Other reclassifications	-	-
Non-current assets for sale	-	-
Gains (losses) on valuation	-	-
Amounts transferred to profit and loss	-	-
Other reclassifications	-	-
Actuarial gains (losses) on pension plans	-	-
Entities accounted for using the equity method	3,056	1,667
Gains (losses) on valuation	3,056	1,667
Amounts transferred to profit and loss	-	-
Other reclassifications	-	-
Statement of comprehensive income	-	-
Income tax	(35,203)	(16,480)
TOTAL COMPREHENSIVE INCOME	362,246	230,020
Attributable to owners of the parent company	362,246	230,020
Attributable to non-controlling interests	-	-

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Comprehensive statements of changes in consolidated equity for the years ended 31 December 2014 and 2013 (€000s)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY											Non-controlling interests	Total net worth
	EQUITY								Valuation adjustments	Total			
	Capital	Issue premium	Accumulated reserves (losses)	Other equity instruments	Less: Treasury Shares	End-of-year results attributed to the parent company	Less: Dividends and remunerations	Total Equity					
Opening balance at 31/12/2013	268,675	1,172,645	1,744,134	12,609	(511)	215,424	(52,602)	3,360,373	43,172	3,403,545	-	3,403,545	
Adjustments due to changes in accounting criteria	-	-	(25,824)	-	-	(25,524)	-	(51,348)	-	(51,348)	-	(51,348)	
Adjustments due to errors	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted opening balance	268,675	1,172,645	1,718,310	12,609	(511)	189,900	(52,602)	3,309,025	43,172	3,352,197	-	3,352,197	
Total comprehensive income	-	-	-	-	-	275,887	-	275,887	86,359	362,246	-	362,246	
Other changes in equity	985	11,623	135,473	(12,609)	(260)	(189,900)	(16,311)	(70,998)	-	(70,998)	-	(70,998)	
Increases in capital/endowment fund	985	11,623	-	(12,609)	-	-	-	-	-	-	-	-	
Capital reductions	-	-	-	-	-	-	-	-	-	-	-	-	
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution of dividends / Shareholder remuneration	-	-	-	-	-	-	(70,167)	(70,167)	-	(70,167)	-	(70,167)	
Operations with shares / contributions to equity (net)	-	-	846	-	(260)	-	-	586	-	586	-	586	
Transfer between net worth entries	-	-	136,044	-	-	(189,900)	53,856	-	-	-	-	-	
Increases (reductions) in equity due to business combinations (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Discretionary contributions to social funds and projects (Savings banks)	-	-	-	-	-	-	-	-	-	-	-	-	
Payments with equity instruments	-	-	(205)	-	-	-	-	(205)	-	(205)	-	(205)	
Other increases (reductions) in equity	-	-	(1,212)	-	-	-	-	(1,212)	-	(1,212)	-	(1,212)	
Closing balance as at 31/12/2014	269,660	1,184,268	1,853,783	-	(771)	275,887	(68,913)	3,513,914	129,531	3,643,445	-	3,643,445	

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY											Non-controlling interests	Total net worth
	EQUITY								Valuation adjustments	Total			
	Capital	Issue premium	Accumulated reserves (losses)	Other equity instruments	Less: Treasury Shares	End-of-year results attributed to the parent company	Less: Dividends and remunerations	Total Equity					
Opening balance at 31/12/2012	169,142	1,118,186	1,789,781	72,633	(226)	124,654	(46,125)	3,228,045	3,052	3,231,097	-	3,231,097	
Adjustments due to changes in accounting criteria	-	-	(24,956)	-	-	(868)	-	(25,824)	-	(25,824)	-	(25,824)	
Adjustments due to errors	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted opening balance	169,142	1,118,186	1,764,825	72,633	(226)	123,786	(46,125)	3,202,221	3,052	3,205,273	-	3,205,273	
Total comprehensive income	-	-	-	-	-	189,900	-	189,900	40,120	230,020	-	230,020	
Other changes in equity	99,533	54,459	(46,516)	(60,024)	(285)	(123,786)	(6,477)	(83,096)	-	(83,096)	-	(83,096)	
Increases in capital/endowment fund	99,533	54,459	(93,967)	(60,024)	-	-	-	1	-	1	-	1	
Capital reductions	-	-	-	-	-	-	-	-	-	-	-	-	
Conversion of financial liabilities into capital	-	-	-	-	-	-	-	-	-	-	-	-	
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution of dividends / Shareholder remuneration	-	-	-	-	-	-	(67,977)	(67,977)	-	(67,977)	-	(67,977)	
Operations with shares / contributions to equity (net)	-	-	924	-	(285)	-	-	639	-	639	-	639	
Transfer between net worth entries	-	-	62,285	-	-	(123,786)	61,500	(1)	-	(1)	-	(1)	
Increases (reductions) in equity due to business combinations (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Discretionary contributions to social funds and projects (Savings banks)	-	-	-	-	-	-	-	-	-	-	-	-	
Payments with equity instruments	-	-	(16,970)	-	-	-	-	(16,970)	-	(16,970)	-	(16,970)	
Other increases (reductions) in equity	-	-	1,212	-	-	-	-	1,212	-	1,212	-	1,212	
Closing balance as at 31/12/2013	268,675	1,172,645	1,718,309	12,609	(511)	189,900	(52,602)	3,309,025	43,172	3,352,197	-	3,352,197	

(*) Shown solely for purposes of comparison

Consolidated statements of cash flows for the years ended 31 December 2014 and 2013 (€000s)

	2014	2013(*)
NET CASH FLOW FROM OPERATING ACTIVITIES	(805,032)	846,619
Consolidated profit for the year	275,887	189,900
Adjustments to obtain cash flow from operating activities	497,405	471,645
Depreciation and Amortisation	63,773	63,088
Other adjustments	433,631	408,558
Net increase/decrease in operating assets	3,381,097	3,439,237
Held for trading	(1,006,909)	(2,237,308)
Other financial assets at fair value through profit or loss	(31,315)	21,703
Financial assets available for sale	(416,840)	3,694,903
Loans and receivables	(1,781,966)	1,907,794
Other operating assets	(144,066)	52,146
Net increase/decrease in operating liabilities	1,697,794	(3,303,671)
Held for trading	689,769	(45,602)
Other financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	871,282	(3,255,277)
Other operating liabilities	136,742	(2,792)
Corporation tax collections/payments	104,979	49,507
NET CASH FLOW FROM INVESTING ACTIVITIES	517,966	(350,650)
Payments	(110,341)	(530,362)
Tangible assets	(83,976)	(27,174)
Intangible assets	(13,275)	(12,758)
Investments	(13,090)	(23,025)
Non-current assets held for sale and associated liabilities	-	-
Held to maturity investments	-	(467,405)
Collections	628,307	179,712
Tangible assets	34,627	1,035
Intangible assets	-	-
Investments	-	-
Non-current assets held for sale and associated liabilities	193,934	178,677
Held to maturity investments	399,746	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(175,643)	(174,876)
Payments	(225,995)	(213,254)
Dividends	(90,097)	(63,441)
Subordinated liabilities	(86,300)	(111,348)
Acquisition of own equity instruments	(49,598)	(38,465)
Other payments linked to financing activities	-	-
Collections	50,352	38,378
Subordinated liabilities	-	-
Issue of own equity instruments	-	-
Disposal of own equity instruments	50,352	38,378
Other inflows linked to financing activities	-	-
EFFECT OF EXCHANGE-RATE VARIATIONS	-	-
NET INCREASE/DECREASE IN CASH AND CASHEQUIVALENTS (A+B+C+D)	(462,708)	321,093
CASH AND CASHEQUIVALENTS AT START OF PERIOD	1,341,412	1,020,319
CASH AND CASH EQUIVALENTS AT END OF PERIOD	878,704	1,341,412
MEMORANDUM ITEMS:		
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	878,704	1,341,412
Cash	139,512	118,909
Balances equivalent to cash with central banks	217,555	767,209
Other financial assets	521,636	455,294
Total cash and cash equivalents at end of period	878,704	1,341,412

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