

Informe Anual
Annual Report

2015,
we continue
looking to the
future.

bankinter.

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Interview with the Chairman, Pedro Guerrero

"Bankinter is well equipped to face the great challenges of the banking system"

What assessment can be made at a macroeconomic level of the 2015 financial year?

For the Spanish economy, 2015 was undoubtedly a good year. GDP grew by more than 3%, which is a similar rate to those before the financial crisis and one of the highest in Western economies during the year.

As a result, the job market improved noticeably. The current account balance had a surplus and the public deficit continued to correct itself, although perhaps less than what would have been desirable.

The evolution of the European economy was worse, as it has not completely come out of the temperate zone of the recovery, despite the monetary policy stimuli. The Eurozone grew barely 1.5%.

From a more global point of view, the world economy went through some delicate moments in 2015. The reduction of the growths expectations in China slowed down some emerging economies, which depend to a great extent on the consumption of the Asian giant. The activity suffered most notably in Latin America, which barely grew at all, burdened by Brazil's entry into recession. In the world as a whole, average GDP growth was slightly above 3%, one of the lowest rates so far this century.

And if we look ahead, what is the outlook for 2016?

I believe that we can be moderately optimistic for 2016 about the macroeconomic outlook in Spain. Once the question that parliamentary elections



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always represent is resolved, the rate of growth can be expected to remain high, close to 3%, which will allow the unemployment rate to fall to 20%, still a very high percentage but it compares favourably with the 26% of late 2012.

In the European Union, we expect for 2016 a slight acceleration of the growth, as a result of the weakening of monetary policy and of the price of crude oil. Here I would like to mention the situation in Portugal, given our recent entry into the country's retail banking and insurance market. Almost five years after being bailed out by the IMF and by the European Union, the Portuguese economy is still digesting the weight of its debt. Its growth rate, under 2%, is still weak, but there are already positive signs that they are moving towards a recovery.

On a global scale, the expectations for 2016 are relatively modest. The IMF and other international organisations believe that the global GDP will grow less than in 2015 and without major changes in its geographical composition. The great question is over how China's economy will unfold. Similarly, the rise of interest rates in the USA in December 2015 (the first in almost ten years) raises questions on its potential repercussions on developing economies and generates uncertainties due to the lack of synchronicity with the monetary policy in Europe and Japan. All of this, together with the drastic reduction of oil prices and the recent uncertainty unleashed on some European banks, mostly the Italian ones, has generated sharp declines in the markets and high volatility at the start of the year.

In this future scenario, what are the expectations for the banking sector?

We could say that the sector finds itself at a crossroads. The new regulatory requirements have a high cost in capital and in resources, and simultaneously margins have been narrowed as a result of low interest rates. Furthermore, technological advances have generated new ways of engaging with the client. As a result, the sector has to find another way of doing banking in order to reconcile security, profitability and the adjustment to the new needs of the market.



"We are going to work hard to adapt to the European requirements of regulation, supervision and resolution"

In this complex sectoral context, what role does Bankinter play? How has it solved the problems posed in the past and how does it plan to respond to the challenges of the future?

The first thing that we must take into account is that Bankinter is starting from a differential positive position. The financial crisis affected us less than other entities, thanks to our lower exposure to the property sector. And the quality of our credit risk management allowed us to maintain a non-performing loans ratio well below that of the sector. So the inheritance of the financial crisis has been less heavy for Bankinter than for the other Spanish banks and we have even been able to continue to grow in credit investment and in number of employees, against the general trend.

Of course, that does not mean that the situation of the sector does not affect us. Like all the other entities, we have to deal with very significant challenges related to strong competition, the business model, the technological revolution and the changes in customers' behaviour. But our solvency and the strength of our value proposition cause us to be optimistic.

In addition, we have a strategy that works, aimed at the Business sector, at the Private Banking business and at Personal insurance. We also have a natural inclination, I would almost say a genetic one, to take action and to innovate in products, in service channels and in processes. And of course we guide ourselves by the basic principles that must govern our activity: rigour, prudence, ethics and responsibility. I consider, therefore, that Bankinter is well equipped to face the great challenges of the industry.

Are the 2015 results the consequence of that line of work?

I believe so, I think they are a very good demonstration of what we are capable of. It is not just that profits have been the highest in the company's history, which of course they are, but that they are also firmly cemented in the recurring and ordinary business. 87% of the total of the profits came from the activity with customers, which is the best guarantee that the income statement is healthy and sustainable.

I would also like to talk about the dividend. Last year we distributed 50% of the financial year's profits in the form of a cash dividend, which represented 0.23 euros per share. And for this year, the Board of Directors has proposed to the General Shareholders' Meeting to distribute the same percentage and, of course, also in cash. It is a payout that is part of a prudent policy that contributes to the conservation of capital and allows the company to maintain a suitable level of solvency, whereupon we fulfill the criteria of the European Central Bank with ease.

The development of the Banking Union, which is already underway, represents a major transformation of the European banking system and the culture of its companies. How is Bankinter tackling this process?

With regard to the bank's equity situation, the exercises that have been carried out up to now within the framework of the Banking Union have been very positive. In the tests that were performed in 2014, Bankinter obtained an outstanding result, both in the evaluation of the quality of the assets and in the stress test. At the end of 2015, the European Banking Authority completed a comparison exercise which highlighted that our solvency indicators, profits and quality of assets are well above the sector average in Europe. Therefore, we are satisfied, although we know that there are still many things to do before completing the process of the Banking Union and, as a result, we are going to continue to work hard in the coming months in order to adapt to the new requirements.

And how do all of these projects and corporate strategies fit in with the bank's commitments with regard to sustainability?

They fit completely naturally. Ethics, integrity and responsibility are the conduct guidelines of all of our activity. In the body of this integrated annual report, detailed information is included on what we are doing in this area, which is proof that we understand sustainability, not as a separate activity, but as a value that is entirely built into our day to day activities.

From this point, our commitment with the various interest groups of Bankinter is articulated in two ways.

On the one hand, we have an advanced Corporate Governance model, in line with international best practices. This year we have fulfilled once again almost all the recommendations of the Good Governance Code.

On the other hand, our Sustainability Plan, which we call the "Tic Tac Toe" plan, aligns the business with the management of the three business dimensions: the economic, the social and the environmental.

In the economic sphere, during 2015 we strengthened our policy of supporting entrepreneurs, as a group that is fundamental for invigorating the economy, developing various initiatives especially aimed at the youngest ones.

From the point of view of the social dimension, we identify people with disabilities as a priority interest group. The goal is to provide all of the bank's service channels the maximum degree of accessibility, in an attempt to eliminate the physical and technological barriers and those derived from knowledge. Lastly, with regard to the environmental sphere, in 2015 Bankinter registered its carbon footprint with the Spanish Office for Climate Change, becoming the first Spanish bank to do so.

From another angle, the company's commitment with sustainability is also solidified through the projects of the Bankinter Foundation for Innovation. In 2015, it continued to make progress in its three core programmes, which are the FTF (FutureTrendsForum), Akademia and Entrepreneurs, and the new programme put into operation in the period, the so-called Cre100do project. This project aims to contribute to improving the size of Spanish companies by working with successful but mid-sized companies, in order to put tools and knowledge within their reach that allow them to approach the mythical figure of a billion euros in revenue.

Interview with the CEO, María Dolores Dancausa

"The quality of these results strengthens our confidence in Bankinter's capacity to generate future profits "

How can 2015 be qualified?

I believe it can be qualified as excellent. But, not to fall into triumphalism, let's simply say that the results of the year were very satisfactory. It is the highest level of profits obtained to date by the Bankinter Group, predominantly coming from the recurring business of customers, not from financial operations or unusual profits; and this, despite an environment of unusually low rates. The quality of these results strengthens our confidence in Bankinter's capacity to generate future profits.

Similarly, in 2015 we underscore our traditional strengths of the quality of assets and solvency. The non-performing loans ratio reduced to 4.1%, less than half the average rate of the sector. Línea Directa was also the company with the best combined ratio, that is, with the best insurance margin in the market. With regards to solvency, Bankinter maintained a solid CET1 capital ratio (fully loaded - at the end of the transition process) of 11.6%, among the highest in the banking system and well above regulatory requirements. Similarly, we have a profitability index, measured in terms of ROE, that is the highest in the sector in Spain, and an efficiency ratio that is among the best.

Even the quotation price of our share strengthened its position in 2015, being the only one in the sector that offered a return to its shareholders, combining price increases with dividends.

Bankinter generated employment and it increased credit in 2015, when the sector is immersed in a process of reducing its capacity. Why this trend against the tide?

It is fair to say that we are moving somewhat against the tide. In fact, Bankinter was the only bank in Spain that created employment consistently in 2015. Additionally, we grew in total assets, in deposits and in credit. With regard to the credit portfolio, I would like to point out that, in a period in which one of the main complaints has been the lack of credit, Bankinter has increased the total balance of its portfolio for the second consecutive year.

The majority of the main parameters of our business' health show greater dimension and strength than in 2007, the year that preceded the long period of recession. This has been thanks to a healthy business model, with potential and scope for growth, together with a set of lines of business in which we are permanently investing in order for them to continue their development and growth.

What are these encouraging results down to, in a financial context marked by complexity and uncertainty?

The positive performance of the economy in Spain and its rate of growth helped us, as well as the monetary policy of the European Central Bank, low oil prices, and another series of factors.

And as for the internal causes, those attributable to the decisions of the different people that make up Bankinter, I have to say that the first of them is the quality, dedication, attitude and effort of all of them. That is the key of everything else. That is why it is so important to persevere in the rigour of

the selection process, in the attention given to the training opportunities we provide, in the care of the enormous potential we have before our own eyes and that sometimes goes unnoticed.

As a second cause of our achievements, I consider to be significant the investments made in previous years in each and every one of the lines of business, which have matured and have borne fruit.



And lastly, I would mention the improvements in the control systems we have, so important when it comes to maintaining balance between the different forces, different stimuli and different incentives.

All of this, together with our firm determination to keep within rigorous principles of activity and conduct, has been at the root of Bankinter's success in the last financial year. And those same variables are going to remain equally critical for achieving success in 2016 and in successive years.

What were the most outstanding business areas in 2015?

I am very satisfied with the results of the vast majority of the business areas. I would distinguish between the areas that we have relaunched and that still have limited experience, and those that have reached a higher level of maturity.

Among the former, we should emphasise the positive performance of the Consumer Financing division, propelled through Bankinter Consumer Finance, one of our strategic commitments in 2015, with a growth in its investment figures of 71%. Additionally, I have to mention the Personal Banking sector, which obtained in that same financial year growth in gross profit margin above 50%.

Among the traditional lines of business, with consecutive years of success, Private Banking stands out once again, with managed assets reaching 28,000 million euros, 21.2% more than in the previous year. Or our business in the Business Banking division, in which investment increased by 5.6% and in which I also want to underline the successes achieved in the products and services of the International Business.

"The Portugal operation allows us to create value for the shareholders from the first instant"

And lastly, but by no means least, we must highlight the magnificent financial year of Linea Directa Aseguradora, whose contribution to the Group's income and profits is, year on year, exceptional. In 2015, its policies increased by 6.4%, reaching a total of 2.37 million, and within that general growth trend, the Household branch was the one that achieved the most growth, with 18%.

The big news of 2015 was the acquisition of the business of Barclays in Portugal. To what extent does that operation change the company's strategy?

It has been, undoubtedly, a new initiative and experience for us, but it does not entail any strategic shift whatsoever. It is a change because never before had we grown by acquiring other assets or other networks, and never before had we chosen to expand our business beyond the domestic Spanish

market. With this decision, we have expanded and opened our options for growing by acquisition and for growing outside of Spain. But our strategy, what we do and how we do it, the principles on which we operate, remain the same.

This decision is going to enrich our experience and knowledge. And it is going to be positive for everyone: for those we acquire and for those we integrate into our company.

If we measure it in figures, how does the appearance of Bankinter change with the Portugal operation?

The retail business of Barclays in Portugal had, at the close of 2015, a credit portfolio of 4,590 million euros, 2,785 million euros in off-balance sheet managed assets, a network of 84 branches, a workforce of 940 employees and 177,000 customers, of which 15,200 are companies. That means that the operation allows us to increase our volumes and our customer base, and by no means trivially, since it represents increases of between 7% and 20% in the different parameters through which we measure the business.

The acquisition will consume 320 million in capital, of which 120 million will be financed with the negative goodwill and the rest with an issue of bonds. We believe, therefore, that the repercussion of the operation on the company's balance sheet, on its income statement and on its level of solvency is perfectly permissible and it allows us to create value for our shareholders from the first instant.

Having opened that path, are there any possibilities to continue to grow via acquisitions and to participate in the consolidation process that is anticipated in the sector?

We do not have any plans, although we will continue, as before, to pay attention to any opportunity that may arise in the market, provided that it fits with our model and, of course, that it provides value. In Spain, it will be difficult to find that type of opportunity, since the reduction in the number of banking entities has been very sharp.

In addition, I believe that at this time we should not get distracted and we should focus all our efforts on successfully concluding the recent acquisition in Portugal.

What are the expectations for 2016?

Our expectations are to finish the year with a greater dimension than that which we had at the close of 2015, measured in terms of customers, volumes of investment and resources, and measured also in terms of income.

At the same time, there are external effects that will also be decisive in whether or not the expectations are fulfilled. I trust, however, that the uncertainty derived from the fragmentation of the Spanish Parliament after December's general election will be managed properly and that, within a reasonable time frame, it will all be cleared in order for 2016 to be a good year for the Spanish economy again.

Lastly, in the financial sector, it is foreseeable that the scenario of interest rates close to zero will continue, which will mean another year of very low margins for credit institutions. But, on the other hand, if the trend in the Spanish economy were to consolidate and employment levels were to continue rising, the rate of non-performing loans would continue to reduce and domestic consumption would be invigorated, which would be very positive for our sector.

"Our main indicators show greater dimension and strength than in the years prior to the financial crisis"

Following on from this, how is Bankinter going to tackle the challenges of the technological revolution in the financial industry?

Over the 50 years of Bankinter's life, technological advances have always been present, and we can state with pride that very good use has been made of them by our bank. What is more, we have been pioneers in it. But the truth is that in none of previous phases have those technological advances had the impact on business life that they are having today, nor has the acceleration of those advances and those changes ever had the astounding rate of change that they have today.

These advances are having a greater impact than all previous transformations in our relationships with customers, and they are also giving companies a "scalability" never known before, which allows volumes that are several orders of magnitude larger to be managed for only marginal increases in costs.

So, precisely because of that opportunity to do much more without there hardly being any increase in costs, and because of the enormous possibilities that are becoming available to us, both on the traditional front of banking processes and in the ways we engage with our customers, we have to pay them the attention they deserve, and select very carefully the projects that will apply new technologies to our business. Because the playing field is practically infinite, and as a result it requires us to be very selective, and to get those decisions right, choosing those which provide the greatest return to the business in the least amount of time.

What I would wish for the least, the last of my intentions, would be to go along with a fad. Fortunately, we do not have the need to resort to any fads. Among other things, our size does not allow us to. Therefore, everything we do in the sphere of new technologies has to produce results; results that are measurable and clearly appreciated by those who have to account for their lines of business.

Net profit

375.9

million euros + 36.3%

The highest in the bank's
history

Non-performing loans

4.1%

Less than half the sector
average

Credit

+4.1%

Unlike what occurred in the
sector as a whole

Solvency

11.6%

Capital ratio
CET 1 fully loaded, among the
highest in the banking system

ROE

10.9%

Among the highest in the sector

Capitalisation

The stock market value of the bank has
tripled during the last three years

Quality of service

Bankinter continues to be one of the
most recognised banking entities



Bankinter Group. Consolidated Balance Sheets as at 31 December 2015 and 2014 (Thousands of Euros)

ASSETS	31-12-2015	31-12-2014 (*)	LIABILITIES AND EQUITY	31-12-2015	31-12-2014 (*)
CASH AND DEPOSITS WITH CENTRAL BANKS	925,361	357,327	LIABILITIES		
HELD-FOR-TRADING PORTFOLIO	4,473,638	5,353,482			
Deposits with credit institutions	1,009,596	544,528	HELD-FOR-TRADING PORTFOLIO	3,769,080	2,441,491
Customer credit	808,476	1,967,180	Deposits by credit institutions	735,427	270,621
Debt securities	2,264,761	2,345,496	Customer deposits	995,019	451,559
Capital instruments	34,764	59,320	Derived from trading	464,958	322,598
Derived from trading	356,041	436,958	Short positions in securities	1,573,676	1,396,713
<i>Memorandum items: Loaned or pledged</i>	1,790,311	1,700,679	OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	57,209	49,473			
Capital instruments	57,209	49,473	FINANCIAL LIABILITIES AT AMORTISED COST	49,836,994	49,990,680
<i>Memorandum items: Loaned or pledged</i>	-	-	Deposits by central banks	3,017,983	3,240,433
AVAILABLE-FOR-SALE FINANCIAL ASSETS	3,530,153	3,013,813	Deposits by credit institutions	1,792,316	5,249,425
Debt securities	3,377,008	2,845,308	Customer deposits	32,820,400	29,966,129
Capital instruments	153,145	168,505	Debt securities	10,484,882	9,311,034
<i>Memorandum items: Loaned or pledged</i>	460,940	746,292	Subordinated liabilities	594,563	608,198
LOANS AND RECEIVABLES	45,479,314	44,006,521	Other financial liabilities	1,226,850	1,615,461
Deposits with credit institutions	850,451	1,113,441	ADJUSTMENTS TO FINANCIAL LIABILITIES DUE TO MACRO HEDGES	-	-
Customer credit	44,182,633	42,446,723	HEDGING DERIVATIVES	11,489	20,241
Debt securities	446,230	446,357			
<i>Memorandum items: Loaned or pledged</i>	294,267	356,515	LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	-	-
PORTFOLIO OF INVESTMENTS HELD TO MATURITY	2,404,757	2,819,482			
<i>Memorandum items: Loaned or pledged</i>	-	2,805,745	LIABILITIES UNDER INSURANCE CONTRACTS	630,983	614,780
ADJUSTMENTS TO FINANCIAL LIABILITIES DUE TO MACRO-HEDGES	-	-	PROVISIONS	95,868	88,236
HEDGING DERIVATIVES	160,073	148,213	Provisions for pensions and similar obligations	458	818
NON-CURRENT ASSETS HELD FOR SALE	318,287	356,671	Provisions for risks and contingent commitments	8,312	7,499
INVESTMENTS	39,424	29,726	Other provisions	3,938	7,141
Associates	38,681	28,857	Provisions for taxes and other legal contingencies	83,160	72,778
Joint ventures	743	869	TAX LIABILITIES	314,940	312,416
INSURANCE CONTRACTS LINKED TO PENSIONS	343	714	Current	172,949	135,054
REINSURANCE ASSETS	2,889	3,006	Deferred	141,991	177,362
TANGIBLE ASSETS	493,114	467,362	OTHER LIABILITIES	202,279	221,686
Property, plant and equipment -	417,280	412,838	TOTAL LIABILITIES	54,861,623	53,689,530
For own use	395,348	388,181	EQUITY	3,798,177	3,643,445
Leased out under operating leases	21,932	24,657	SHAREHOLDERS' EQUITY	3,689,436	3,513,914
Investment property	75,834	54,524	Share capital	269,660	269,660
<i>Memorandum items: acquired under finance leases</i>	-	-	Authorised	269,660	269,660
INTANGIBLE ASSETS	266,693	282,327	Share premium account	1,184,268	1,184,268
Goodwill	164,113	164,113	Reserves	1,996,421	1,853,783
Other intangible assets	102,580	118,214	Retained earnings (losses)	1,995,683	1,860,226
TAX ASSETS	348,238	298,172	Retained earnings (losses) of companies accounted for by the equity method	738	(6,440)
Current	201,391	154,294	Other equity instruments	1,339	-
Deferred	146,847	143,878	Other equity instruments	1,339	-
OTHER ASSETS	160,317	146,685	Less: treasury shares	(988)	(771)
Other	160,317	146,685	Profit (loss) for the year attributable to the parent company	375,920	275,887
			Less: dividends and similar payments	(137,184)	(68,913)
			VALUATION ADJUSTMENTS	108,741	129,531
			Available-for-sale financial assets	107,084	123,727
			Foreign exchange differences	(3,337)	220
			Other valuation adjustments	1,288	1,162
			Entities accounted for by the equity method	3,706	4,422
			NON-CONTROLLING INTERESTS	-	-
TOTAL ASSETS	58,659,810	57,332,974	TOTAL LIABILITIES AND EQUITY	58,659,810	57,332,974
MEMORANDUM ITEMS:					
CONTINGENT RISKS	3,229,661	2,736,529			
CONTINGENT COMMITMENTS	10,989,833	13,527,713			

(*) Presented for comparative purposes only.

Consolidated income statement corresponding to the financial years ended 31 December 2015 and 2014
(Thousands of Euros)

	(Debit)/ Credit	
	2015	2014 (*)
INTEREST AND SIMILAR INCOME	1,283,765	1,404,321
INTEREST EXPENSE AND SIMILAR CHARGES	(414,311)	(648,963)
NET INTEREST INCOME/EXPENSE	869,454	755,358
RETURNS ON EQUITY INSTRUMENTS	6,681	8,004
SHARE OF PROFIT OR LOSS OF COMPANIES ACCOUNT FOR BY THE EQUITY METHOD	18,223	16,962
FEE AND COMMISSION INCOME	390,148	365,298
FEE AND COMMISSION EXPENSE	(80,275)	(73,891)
GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES (net)	66,151	90,084
Held for trading	12,360	14,982
Other financial instruments at fair value with changes in profit and loss	(3,183)	1,163
Financial liabilities not valued at fair value through profit or loss	57,707	74,058
Other	(733)	(119)
FOREIGN EXCHANGE DIFFERENCES (net)	52,956	43,211
OTHER OPERATING INCOME	695,783	682,500
Income from insurance and reinsurance contracts written	669,031	651,549
Other operating income	26,752	30,951
OTHER OPERATING EXPENSES	(450,306)	(438,703)
Expenses from insurance and reinsurance contracts written	(361,734)	(362,487)
Other operating expenses	(88,572)	(76,216)
GROSS PROFIT MARGIN	1,568,815	1,448,823
ADMINISTRATIVE EXPENSES	(699,401)	(655,473)
Personnel costs	(393,459)	(368,738)
Other general administrative expenses	(305,942)	(286,735)
REPAYMENT	(61,653)	(63,773)
PROVISIONING EXPENSE (NET)	(25,254)	(41,536)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)	(189,301)	(237,390)
Loans and receivables	(178,979)	(233,874)
Other financial instruments not valued at fair value through profit or loss	(10,322)	(3,516)
OPERATING PROFIT (LOSS)	593,206	450,651
IMPAIRMENT LOSSES ON OTHER ASSETS (net)	(442)	(118)
Goodwill and another intangible assets	-	(168)
Other assets	(442)	50
GAINS (LOSSES) ON THE DISPOSAL OF ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	(2,001)	(2,980)
NEGATIVE GOODWILL ARISING IN BUSINESS COMBINATIONS	-	-
GAINS (LOSSES) ON NON-CURRENT ASSETS HELD FOR SALE NO CLASSIFIED AS DISCONTINUED OPERATIONS	(70,433)	(54,714)
PROFIT BEFORE TAX	520,330	392,839
CORPORATION TAX	(144,410)	(116,952)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	375,920	275,887
PROFIT FROM DISCONTINUED OPERATIONS (net)	-	-
CONSOLIDATED PROFIT FOR THE YEAR	375,920	275,887
Profit (loss) attributable to the parent company	375,920	275,887
Profit (loss) attributable to non-controlling interests	-	-
EARNINGS PER SHARE		
Basic earnings (euros)	0.42	0.31
Diluted earnings (euros)	0.42	0.31

(*) Presented for comparative purposes only.

Consolidated statement of recognised income and expense corresponding to the financial years ended 31 December 2015 and 2014 (Thousands of Euros)

	Financial year 2015	Financial year 2014 (*)
CONSOLIDATED PROFIT FOR THE YEAR	375,920	275,887
OTHER RECOGNISED INCOME AND EXPENSE	(20,790)	86,359
Items that will not be reclassified to income statement;	126	1,162
Actuarial gains and losses in defined benefit plans	180	1,659
Non-current assets held for sale	-	-
Entities accounted for by the equity method	-	-
Corporation tax related to items that will not be reclassified to income statement	(54)	(497)
Items that may be reclassified to income statement;	(20,916)	85,197
Available-for-sale financial assets -	(30,149)	117,317
Revaluation gains (losses)	1,845	159,725
Amounts transferred to income statement	(31,994)	(42,408)
Other reclassifications	-	-
Cash flow hedges -	-	-
Revaluation gains (losses)	-	-
Amounts transferred to income statement	-	-
Amounts transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
Hedges of net investments in foreign operations -	-	-
Revaluation gains (losses)	-	-
Amounts transferred to income statement	-	-
Other reclassifications	-	-
Foreign exchange differences -	(5,081)	27
Conversion gains (losses)	(4,321)	27
Amounts transferred to income statement	(760)	-
Other reclassifications	-	-
Non-current assets held for sale -	-	-
Revaluation gains (losses)	-	-
Amounts transferred to income statement	-	-
Other reclassifications	-	-
Actuarial gains (losses) in pension plans	-	-
Companies accounted for by the equity method -	(715)	3,056
Revaluation gains (losses)	(715)	3,056
Amounts transferred to income statement	-	-
Other reclassifications	-	-
Other recognised income and expense	-	-
Corporation Tax	15,029	(35,203)
TOTAL RECOGNISED INCOME AND EXPENSE	355,130	362,246
Attributable to parent company	355,130	362,246
Attributable to non-controlling interests	-	-

(*) Presented for comparative purposes only.

Consolidated statements of changes in equity corresponding to the financial years ended 31 December 2015 and 2014 (Thousands of Euros)

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY											
	SHAREHOLDERS' EQUITY											
	Share capital	Share premium	Retained Earnings (Losses)	Other equity instruments	Less: Treasury Shares	Profit (loss) for the year attributable to the parent company	Less: Dividends and Similar Payments	Total Shareholders' Equity	Valuation Adjustments	Total	Non-controlling interests	Total net assets
Opening 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
Adjustments due to changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to correct errors	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted opening balance	269,660	1,184,268	1,853,783	-	(771)	275,887	(68,913)	3,513,914	129,531	3,643,445	-	3,643,445
Total recognised income and expense	-	-	-	-	-	375,920	-	375,920	(20,790)	355,130	-	355,130
Other changes in equity	-	-	142,638	1,339	(217)	(275,887)	(68,271)	(200,398)	-	(200,398)	-	(200,398)
Share capital increases	-	-	-	-	-	-	-	-	-	-	-	-
Share capital reductions	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends and similar payments to shareholder	-	-	-	-	-	-	(206,215)	(206,215)	-	(206,215)	-	(206,215)
Transactions with/contributions to treasury shares (net)	-	-	249	-	(217)	-	-	32	-	32	-	32
Transfers between equity items	-	-	137,943	-	-	(275,887)	137,944	-	-	-	-	-
Increases (reductions) in equity resulting from business combinations (net)	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary transfer to social projects and funds (Savings banks)	-	-	-	-	-	-	-	-	-	-	-	-
Payments in equity instruments	-	-	(12)	1,339	-	-	-	1,327	-	1,327	-	1,327
Other increases (reductions) in equity	-	-	4,458	-	-	-	-	4,458	-	4,458	-	4,458
Closing balance as at 31/12/2015	269,660	1,184,268	1,996,421	1,339	(988)	375,920	(137,184)	3,689,436	108,741	3,798,177	-	3,798,177

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY											
	SHAREHOLDERS' EQUITY											
	Share capital	Share premium	Retained Earnings (Losses)	Other equity instruments	Less: Treasury Shares	Profit (loss) for the year attributable to the parent company	Less: Dividends and Similar Payments	Total Shareholders' Equity	Valuation Adjustments	Total	Non-controlling interests	Total net assets
Opening balance as 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 policy	-	-	(25,824)	-	-	(25,524)	-	(51,348)	-	(51,348)	-	(51,348)
Adjustments to correct 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 recognised income and expense	-	-	-	-	-	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)
Share capital increases	985	11,623	-	(12,609)	-	-	-	-	-	-	-	-
Share capital reductions	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities to equity	-	-	-	-	-	-	-	-	-	-	-	-
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends and similar payments to shareholder	-	-	-	-	-	-	(70,167)	(70,167)	-	(70,167)	-	(70,167)
Transactions with/contributions to treasury shares (net)	-	-	846	-	(260)	-	-	586	-	586	-	586
Transfers between equity items	-	-	136,044	-	-	(189,900)	53,856	-	-	-	-	-
Increases (reductions) in equity resulting from business combinations (net)	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary transfer to social projects and funds (Savings banks)	-	-	-	-	-	-	-	-	-	-	-	-
Payments in 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

(* Presented for comparative purposes only.

Consolidated cash flow statements corresponding to the financial years ended 31 December 2015 and 2014 (Thousands of Euros)

	2015	2014 (*)
NET CASH FLOWS FROM OPERATING ACTIVITIES	270,219	(805,031)
Consolidated profit (loss) for the period	375,920	275,887
Adjustments to obtain cash flows from operating activities -	456,061	497,404
Depreciation and Amortisation	61,653	63,773
Other adjustments	394,408	433,631
Net increase/decrease in operating assets -	1,564,834	3,381,096
Held for trading	(879,844)	1,006,909
Other financial assets at fair value through profit or loss	7,736	31,315
Available-for-sale financial assets	550,440	416,840
Loans and receivables	1,805,692	1,781,966
Other operating assets	80,810	144,066
Net increase/decrease in operating liabilities:	1,158,713	1,907,753
Held for trading	1,327,589	689,769
Other financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	(119,698)	1,081,241
Other operating liabilities	(49,178)	136,743
Payments made / received in respect of corporation tax	(155,641)	(104,979)
CASH FLOWS FROM INVESTING ACTIVITIES	519,234	517,966
Payments -	(106,312)	(110,341)
Tangible assets	(83,021)	(83,976)
Intangible assets	(23,291)	(13,275)
Investments	-	(13,090)
Non-current assets and associated liabilities held for sale	-	-
Held-to-maturity investments	-	-
Payments received -	625,546	628,307
Tangible assets	29,440	34,627
Intangible assets	6,859	-
Investments	-	-
Non-current assets and associated liabilities held for sale	176,098	193,934
Held-to-maturity investments	413,149	399,746
CASH FLOWS FROM FINANCING ACTIVITIES	(219,275)	(175,643)
Payments -	(283,799)	(225,995)
Dividends	(206,215)	(90,097)
Subordinated liabilities	(13,300)	(86,300)
Acquisition of own equity instruments	(64,284)	(49,598)
Other payments related to financing activities	-	-
Payments received -	64,524	50,352
Subordinated liabilities	-	-
Issue of own equity instruments	-	-
Disposal of own equity instruments	64,524	50,352
Other payments received related to financing activities	-	-
EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	570,178	(462,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	878,704	1,341,412
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,448,882	878,704
MEMORANDUM ITEMS:		
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,448,882	878,704
Savings Bank	199,419	139,512
Cash equivalents at central banks	723,662	217,555
Other financial assets	525,801	521,637
Total cash and cash equivalents at end of period	1,448,882	878,704

(*) Presented for comparative purposes only.

Results



The Bankinter Group obtained the best results in its history in 2015. Its net profit was 375.9 million and the profit before tax reached 520.3 million, with increases of 36.3% and of 32.5%, respectively, on the previous year.

Those results were underpinned by an improvement of all the margins, particularly significant in the businesses in which the bank has been investing its efforts over the last few financial years. In some cases, they are traditional businesses (Private or Business Banking), while others have been bolstered more recently (Personal Banking and, above all, Consumer Financing).

In the commercial sphere, the encouraging performance of some financial products that generate a greater entailment with the customer, such as mortgages and salary accounts, were of particular note.



Net profit

375.9

million euros + 36.3%

Profit before
tax

520.3

million euros +32.5%



Non-performing loans

At the close of 2015, the rate was 4.1%, compared with 4.7% in the previous year. This represents an NPL ratio that is less than half of the sector average. The gross value of the portfolio of foreclosed assets amounted to 531.3 million euros, with a decrease of 9.3% on the previous year, and with a coverage of 40.1%.

The ratio of loans to deposit increased from 78.3% to 83.5%, placing the liquidity gap at 8,500 million euros, two billion less than in 2014. To address the outstanding maturities of wholesale issues up to 2019 (four billion euros), the bank had liquid assets valued at 9,100 million and a bond issuing capacity of 5,100 million.



Margins

Despite the current environment of low rates, the net interest income grew by 15.1%, reaching 869.5 million euros, supported by larger volumes and a reduction in the cost of capital. The gross operating income rose to 1,568.8 million euros (+8.3%), above all due to the positive performance of fees, the net amount of which grew by 6.3% over the previous year.

Businesses such as equities and asset management had a favourable performance, despite the downturn of the markets in the last half. Off-balance sheet resources not only increased by 24.7% in volume, but they did so to a large extent thanks to products that provide greater added value for the customer and greater returns for the bank.

As at 31 December, the profit margin before provisions amounted to 807.8 million euros, 10.7% more than on the same date of 2014. The growth of expenses to cover the costs of implementing new businesses and of optimising technological systems did not prevent the efficiency ratio of the banking activity with repayments from improving for the fifth consecutive year, reaching 43.7%.

Non-performing loans

4.1%

compared with 4.7%
in the previous year

Net interest income

+15.1%

up to 869.5 million euros



Asset and liabilities

Total assets closed 2015 at 58,659.8 million euros (+2.3%). The total volume of credit to customers was 44,182.6 million, with a net increase of 4.1%, unlike what occurred in the sector as a whole, which highlights the bank's firm response to the demand for financing from families and companies.

Controlled resources (65,317.5 million euros) experienced a notable growth, specifically of 17.8%. Retail resources increased by 14.2% and off-balance sheet managed resources (investment funds, pension funds and wealth management) did so by 24.7%.



Solvency

The capital ratio (CET1 fully loaded) was at 11.6%, one the highest in the Spanish banking system and well above regulatory demands.

Total assets

58,659.8

million euros, +2.3%

Capital ratio CET 1
fully loaded

11.6%

well above regulatory requirements

Shares

Bankinter shares did not fall victim to the general decline of the markets, although they lost only 2.34% of their value, far from the fall of 7.15% registered by the Ibex 35. Even so, the balance of the last few years is still very favourable for the bank, which on 31 December had a capitalisation of 5,882 million euros, three and a half times that registered at the close of 2012 (1,770 million). Considering the dividend of 3.5% distributed in 2015, the return for shareholders was 1.1% last year, the highest of the listed banks.

Dividends. They continued to be paid in cash and, moreover, quarterly, thanks to the solid growth of the business and to the bank's good position in terms of solvency, which allowed it to avoid the marked

restrictions in recent years by supervisors for the preservation of capital. The percentage of the profit that was distributed among shareholders was 50% up to September 2015. The fourth and last dividend, to be paid against the full results of the year, will need to be approved by the 2016 General Shareholders' Meeting.

Rating. Bankinter managed to maintain the positions earned in the previous year. All the rating agencies confirmed the investment grade in September, after the purchase of the retail business of Barclays in Portugal. According to Standard & Poor's, it is a "manageable" operation, which opens up business opportunities in the medium and long term, despite its reduced size.

Data per share for the period, as at 31/12/2015 (euros)

Earnings per share	0.42
Dividend per share	0.23
Theoretical account value per share	4.23
Share price at the start of the year	6.70
Minimum intraday share price	5.88
Maximum intraday share price	7.40
Last share price	6.54
Revaluation over last 12 months (%)	-2.34

Market ratios as at 31/12/2015

Price/Theoretical accounting value (times)	1.55
PER (price/earnings, times)	15.64
Dividend yield (%)	3.51
Number of shareholders	61,386
Number of shares	898,866,154
Number of shares of non-residents	397,261,143
Average daily trading (number of shares)	4,780,231
Average daily trading (thousands of euros)	32,198
Market capitalisation (thousands of euros)	5,882,180

Shareholders with significant holdings 31/12/15

Name	Total shares	%
Cartival, S.A.	205,505,462	22.86
Corporación Masaveu, S.A. (*)	44,959,730	5.00
Standard Life Investment (Holdings) Limited (**)	47,451,105	5.28

Share ownership structure by number of shares 31/12/15

Tranches	No. of shareholders	%	N° shares	%
From 1 to 100 shares	19,855	32.35	263,937	0.03
From 101 to 1,000 shares	18,031	29.37	8,873,528	0.99
From 1,001 to 10,000 shares	19,436	31.66	65,285,838	7.26
From 10,001 to 100,000 shares	3,769	6.14	89,839,446	9.99
More than 100,000 shares	295	0.48	734,603,405	81.73
Total	61,386		898,866,154	

Summary by type of shareholder

		%		%
Residents	60,574	98.68	501,605,011	55.80
Non-residents	812	1.32	397,261,143	44.20
Total	61,386		898,866,154	

(*) This stake in Bankinter's share capital held by Corporación Masaveu forms part of the indirect voting rights that the Bankinter director, Mr Fernando Masaveu, holds in the share capital of the company. Mr Fernando Masaveu possesses 5.31% of the voting rights of the share capital of Bankinter, directly or indirectly.

(**) Notified voting rights declared by the company on the website of the CNMV.

Earnings per share

0.42

euros

Shareholders

61,386

898,866,154 shares

Share price



Corporate Governance

The Board of Directors of Bankinter, S.A. is formed by ten members, that are characterised by their professional capability, integrity and independent judgement. The Appointments and Remuneration Committee annually verifies the status of each director, which is subject to the approval of the Board of Directors.





Of its ten members, two are executive directors and eight external. Of these eight, five are independent, two are proprietary and one is, in the Board's opinion, neither proprietary nor independent.

According to the Regulations, the Board shall, before the start of each financial year, approve the programme of meetings for the following year and the schedule planned for them, with the Directors being entitled to propose additional items for the agenda. The schedule and agenda may be amended

by the Board or by decision of the Chairman, who shall report the modification to the Directors well in advance except in urgent cases. The minimum number of meetings will be 10 per year (well above the legal requirement to hold meetings once a quarter).

Accordingly, the Board of Directors of Bankinter has met fourteen times during 2015.

In the notes to the financial statements, the remunerations received by each director are disclosed, on an individualised basis and detailing the amounts corresponding to each item of remuneration. Additionally these items appear individually in the report as well as the remuneration which corresponds to the executive functions entrusted to the company's executive directors.

-  Proprietary external director
-  Independent external director
-  Executive director
-  Other external directors



Risks

Bankinter has a risk management model of proven effectiveness, aligned with regulatory standards and international best practices, and proportional to the scale and complexity of its activities. The ultimate responsibility resides with the Board of Directors, which annually approves the strategy in this regard. To stimulate and reassert its solid risks culture, Bankinter has a highly qualified team of people and a set of information systems that are basic pillars of the company's management.

Credit risk. 2015 closed with a non-performing loan ratio of 4.13% (59 basis points less than the previous year), compared with 10.35% in the sector as a whole, according to data from the Banco de España corresponding to November 2015. The volume of problematic and foreclosed assets were also much lower than for the Group's main competitors. On 31 December, the exposure to credit with property developers was just 2% of the total credit risk.

Interest rate risk. This is the company's exposure to potential losses due to variations in the market interest rates, as a result of the different timing structure of maturities and repricings of the items on the overall balance sheet. Bankinter actively manages this risk in order to protect its net interest margin and to preserve its economic value in view of these variations.

Liquidity risk. During 2015 the commercial gap (difference between investment and customers' resources) was reduced by 2,430 million. As a result,

the percentage of credit investment that is financed by customer resources rose from 78.3% to 83.5%.

Market risk. This is the possibility of suffering losses due to adverse movements in the market prices of the tradable financial instruments with which the company operates and is measured using the VaR (value at risk) methodology. This methodology indicates the maximum potential loss that can occur in a portfolio in a certain time horizon, with a statistical level of confidence. In the case of Bankinter, in the time horizon of one day, with a confidence level of 95%, the total VaR is 0.48.

Operational risk. Losses caused by failures of processes, people or internal systems, excluding strategic risk and reputational risk, are mainly concentrated in the branch network (83%), even though the majority of transactions are carried out through remote channels. This highlights the significant role played by human error as a cause of operational errors and the strength of the automated systems and sign-up procedures of Bankinter's remote networks (Internet, Telephone Banking, Mobile phone).

Reputational risk. One of the important factors to foresee reputational risks is understanding market and environmental trends, as well as knowing what is being said about the company in the media and on social networks. To this end, Bankinter has a measurement system that analyses all this information and considers its reputational impact.

Strategy

The history of Bankinter has been marked by its ability to grow. The main business indicators of the bank did not stop increasing, even during the recent financial crisis. This growth, moreover, has traditionally occurred organically, without external acquisitions.

The purchase of Barclays's Retail Banking division in Portugal, last year, did not entail a strategic shift, but rather a turning point, the first step toward the internationalisation of a business model that has been successful in the market domestic.

Portugal offers great potential for growth, due to its geographical, economic and commercial proximity. The country's difficult economic situation is but another incentive, a challenge that can be turned into an opportunity for growth. Above all bearing in mind that the assets acquired are a business that is healthy, well managed and that fits perfectly into the strategic position of Bankinter, because of its orientation towards high-income customers, both in Private Banking and in Personal Banking.

The expansion into Portugal is also part of the company's strategic response to the increasing difficulties to make the traditional banking business model profitable, in a context of interest rates that are close to zero, which limits the capacity of credit

institutions to earn money by taking deposits and giving loans.

With the same goal, throughout 2015 Bankinter strengthened in Spain the lines of business that are less dependent on the net interest margin. This is the case for Enterprise Banking (with the increasing contribution of the International Business division), Private Banking (well supported by the Network of Agents and with the complement of the Luxembourg branch) and even Consumer Financing, which is indeed dependent on the fluctuation of interest rates, but which has a greater earning potential than other areas focused on credit operations.

Portugal offers great potential for growth, due to its geographical, economic and commercial proximity

From a strategic point of view, the key to innovation is to translate ideas into a sustainable source of business and to anticipate the major changes the industry faces

Innovation forms part of the company's corporate genetics and, during the latest two decades, it has allowed the company to position itself at the forefront of the supply of products and services of the national financial sector. From a strategic point of view, the key to innovation is to translate ideas into a sustainable source of business and to anticipate the major changes the industry faces.

The most obvious example of this policy is the financial services platform COINC, which goes beyond a project to apply digitisation to the traditional banking business and offers a complete digital ecosystem in itself, which is very simple to operate. Thanks to this, COINC has become a success formula to deal with disintermediation and the entry into the sector of large technology companies with which young people are familiarised.

The activity of Bankinter in 2016 will revolve around two major strategic axes. On the one hand, to delve further into the strategy of organic growth, to promote the activities of Private Banking, Enterprise Banking and Consumer Financing, and to integrate the business of Portugal. On the other hand, the development of transversal projects to renew the technological platform, to redesign the processes and to develop digital banking.



Business areas

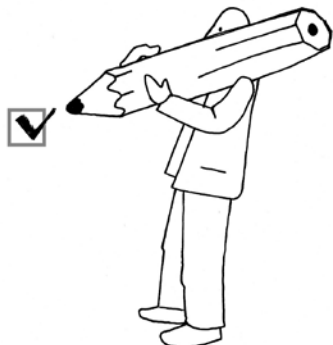
Bankinter is committed to growth on the basis of ever more personalised customer service in all its segments and, particularly, in those in which customers require solutions tailored to meet their needs. All of the bank's business areas are working with that idea, and in 2015 they managed to improve their results

Private Banking

Its priority goal was and is to widen its customer base, made up of individuals with assets of at least a million euros, that seek a reliable manager to get the greatest possible return for their money, within reasonable security margins.

Bankinter's Private Banking team is one of the most reputed in the sector and it is always available to offer the best investment and tax advice, the two topics that worry customers the most. The number of customers, moreover, continued to increase in 2015, which allowed the expansion of two centres in Madrid and the opening of the Barcelona, Elche and High Net Worth centres.

The improvement of the service and the renewal of the portfolio of Private Banking products translated into a new increase in the net assets managed, which closed the year at 28,000 million euros, 21% more than in 2014. The company also consolidated in 2015 its second position in the ranking of variable capital investment companies (SICAVS), with 461 and an annual increase of 20%.



Private Banking

28,000

million euros of capital under
management, +21%

Personal Banking

In 2015, Bankinter carried out a reinforcement of Personal Banking, the division dedicated to customers with assets between 75,000 and one million euros. In order to give them customised responses, the bank undertook a significant technological renovation, developed new products and made a particular effort to train specialised professionals.

The activity of Personal Banking revolves around the manager, who needs more and more sophisticated tools to properly perform their work: from detecting the financial products that suit the customer's risk profile to planning their retirement. Not to mention delegated investment, which entails an even greater degree of responsibility, because of the trust placed in the bank.

All the effort to improve and transform Personal Banking bore fruit in 2015, with an increase of 6.4% in the number of active customers.

Personal Banking

+6,4%

number of customers

Retail Banking

+21%

mortgages

Retail and Foreigners

The Retail Banking market was the scene of a dispute to attract customers, particularly intense in two business areas: mortgages and salary accounts.

In the first one, that competition brought with it a very significant decrease in the differentials of the interest rates offered and a greater diversification of products. Bankinter offered innovative formulas and, in particular, a mixed mortgage that allows customers to choose, in periods of time, whether the rate is fixed or variable. This strategy led to a 21% growth in sign-ups (658.1 million euros).

With regards to liabilities, companies redoubled their offers of linked products. Bankinter was one of the first banks to offer very competitive benefits in its salary account, such that, under certain conditions, the customer obtains a high return for the money deposited. The balance of this type of account increased in 2015 by 22%.

The bank also developed the "You and I Account" ("Cuenta Tú y Yo"), aimed at couples that combine separate and common accounts, and the "Non-Salary Account" ("Cuenta No Nómina"), in which the company offers various benefits in exchange for an entailment of balance, bills and card expenditure.

The market of foreign private individuals, focused above all on mortgage financing in coastal areas, was consolidated during 2015. The number of new customers reached 2,863, with a 7% increase of active clients. Total resources grew by 17.4%, up to 243 million euros.

Enterprise Banking

This area was the subject of a profound transformation in 2015, which segmented service to companies into three levels, according to their annual sales volume: SMEs (up to five million), Medium-sized Companies (from five to 50 million) and Corporate (starting from 50 million).

In order to better manage the needs of each segment, strengthen the quality of service and generate greater profitability, a large proportion of customers were relocated and today are assigned to new centres and custodians with a greater degree of specialisation.

On 31 December, the branch network had 361 SME Centres within universal branches, 78 Company Centres and 22 Corporate Centres.

In parallel with the restructuring, the Enterprise Banking division continued in 2015 with its ordinary activity, which translated into an increase of investment to almost 19,900 million euros, 1,100 million more (5.6%) than at the close of the previous year. The issuer's risk (guarantees and documentary business) reached 2,900 million euros, after increasing 21%. The market share of new operations increased to 5.4%, practically twice as much as four years earlier.

Enterprise Banking

19,900

million euros

of investment, +5.6

Investment Banking

In 2015, the Investment Banking service strengthened its position of leadership in small and medium-sized companies, becoming the benchmark in that segment of the financial activity. To this end, Bankinter's reputation from the point of view of profitability and risk management was of great importance, helping it to clear the barriers to entry and to access a market with great potential for growth.

Investment Banking has four general lines of growth:

Mergers and acquisitions, the outlook of which is very promising because it helps to narrow companies' margins and to decrease interest rates, which makes gearing cheaper.

Capital markets, where operations reached a record level in 2015 and Bankinter participated in some of the most significant ones.

Structured financing, which experienced a growth of one billion euros, bringing Bankinter's portfolio to 2,500 million.

Alternative financing, which deals with financing needs of companies not covered by the traditional channel and in which Bankinter has collaboration agreements with the fund Magnetar Capital and Mutua Madrileña.

The positive results of the Investment Banking service are based on a business strategy focused on the support of the company's Network. In this way, the customer benefits at the same time from the proximity of their usual adviser and from specialised corporate advice. The model is also efficient for the company, since it generates a lot of value in the long term for the Network, it strengthens the bank's brand and it builds customer loyalty.


International Business

Companies have stopped distinguishing between domestic and international business and seek joint solutions. Bankinter has adapted to this situation with an all-inclusive commitment to support the consolidation of Spanish companies in foreign markets. Its main products are guarantees and documentary letters of credit for imports and exports, which constitute off-balance sheet exposures and have a low cost of capital.

During 2015, Bankinter's International Business focused on the consolidation of strategic alliances with international banks, above all from France and

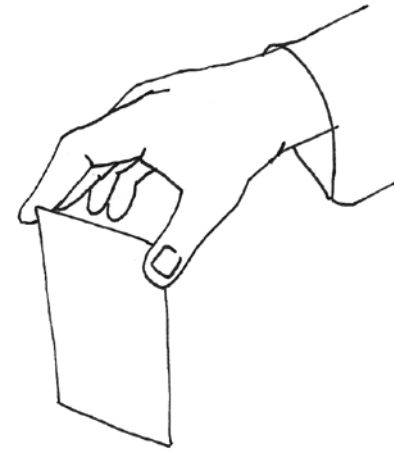
Germany; the participation in sectoral trade fairs, and the intensification of the training activities in the network in order to homogenise products and criteria.

The result of this effort was a volume of intermediated transactions of 48,000 million euros, supported by an investment of 2,700 million (50% more than in 2014). The priority sectors were the infrastructure, railway transportation, renewable energies and automotive sectors. Activity was particularly high in the Middle East, Europe, the USA, Canada, Latin America and Africa.



Europe, the USA, Canada, Latin America, the Middle East and Africa are the regions in which Bankinter is most active.

Other businesses



Bankinter Gestión de Activos

During 2015, collective investment performed less spectacularly than in the previous year and Bankinter Gestión de Activos focused on designing products and services more and more suited its customers' tastes, with dynamic products, capable of adapting to the changing circumstances of the markets.

As a result of that undertaking, the value of managed investment funds closed 2015 at 7,417 million euros, with a rise of 2.5%. If all the investment funds offered are added, both of the bank's own management company and of other international management companies, the figure increases to 13,605 million, which represents a growth of 23.2%.

With regard to pension funds, the extensive range of products on offer led it to manage assets of 2,086 million euros, with an improvement of 7.7% compared with the 1,936 million of 2014.

As at 31 December, there were 461 collective investment companies (SICAVS) under management, 20% more than in the previous year and, thanks to this, the bank held second place in the national ranking for that item, with a market share of 13.5%.

Finally, the value of the delegated portfolios was 3,320 million euros (+70%). Bankinter Gestión de Activos is one of the few companies in the sector to offer this option not only in Private Banking, but also in other retail sectors.

Equity

The volatility of the markets during 2015 made it necessary to professionalise investment decisions in order to meet customers' demands for higher levels of advice and increasingly precise management tools.

From a commercial point of view, Bankinter maintained its fixed rate for Equities for all customers, new and old. Additionally, periodic offers were launched to attract investors, whether they were new to this activity or they already had their portfolio in other entities. The range of exchange-trade funds (ETFs) was perfected and a new version of the management platform Broker Plus was brought into operation, improving its operational speed, as well as its design.

The Equities business provided the bank a profit of 53 million euros in 2015, with a growth of 14.2% compared with the previous year. Cash deposits increased even more: by 16%. The performance of the ETFs was spectacular, as they improved by 44% compared with 2014, thanks to their flexibility, which allows both more conservative customers and those that have less aversion to risk to invest in them.

Bankinter Consumer Finance

+51%
customers

Bankinter Consumer Finance

The company of the Group specialised in credit cards and consumer loans decided to implement last year a new businesses division, in order to service as best as possible its customers' demand for financing.

That division, among other things, is dedicated to offering back-to-back loans to holders of the Obsidiana credit card, who already enjoy the most flexible conditions on the market, as they can adjust the payments made by card to their income cash flows, without having to accumulate them at the end of the month.

Within new businesses, Bankinter Consumer Finance also designed a format of loans with a prescriber, aimed at financing purchases in certain establishments with which the bank holds the corresponding agreements and which will be placed on the market over the course of 2016. In addition, in 2015 the company continued to develop the two traditional pillars of its activity: the aforementioned Obsidiana card, which offers specific discounts on certain products and services, and classical consumer loans, whether automatic by card or with pre-authorisation.

Bankinter Consumer Finance managed to increase its customer base in 2015 by 51%. The number of cards issued reached 728,000, versus the 484,000 in 2014. The average investment per customer was 987 euros, which represented an increase of 14% compared to the previous year.

Insurance

+7%
pension funds

Insurance

Bankinter's Insurances business in 2015 experienced a year of frank consolidation, in which the fruits of the strategic decisions previously adopted were collected. One of them was the start up during 2014, together with Mapfre, of Bankinter Seguros Generales, which distributes comprehensive insurance policies for companies, businesses and offices, as well as various types of funeral expense cover policies.

Within the non-life insurance branch, civil liability and individual health insurance policies began to be offered in 2015, under a mediation system, in order to cover the increasing demand for these types of products.

On the other hand, the value of the pension funds managed by Bankinter increased by 7%, reaching 2,086 million euros, as a result of an intense activity to attract new customers carried out by Bankinter Seguros de Vida.

This company, created together with Mapfre in March 2007, currently offers a total of 22 funds: 19 individual pension funds, two employment funds and that of a voluntary social welfare company (EPSV). Its portfolio is very balanced, with 30% in equities, 28% short-term fixed income, 17% guaranteed fixed income and the remaining 25% invested in balanced funds and in long-term fixed income assets.

bankinter. Banking in Luxembourg

Bankinter in Luxembourg

The fact that Bankinter continues to be the only Spanish bank with its own banking licence in Luxembourg gives it a differential element and allows it to offer its customers a service that is complete, global and in line with their needs.

Bankinter's resources in Luxembourg and its SICAV reached 1,312 million euros in 2015, 68% more than at the close of the previous year.

Apart from this significant growth, the Luxembourg subsidiary stood out in the discretionary management of assets, which experienced a growth of 107%.

The outlook is promising for Bankinter in Luxembourg, both because of the ever increasing awareness among customers of the need to diversify their assets geographically, and because of the opening of a new market to actively attend to following the Group's recent acquisition of Barclays Portugal.

bankinter. Global Services

Bankinter Global Services

In 2015, Bankinter decided to change the name of its technology and operating services company (the former Gneis became known as Bankinter Global Services) in order to strengthen the brand image and, more importantly, it reoriented its strategy in order to focus exclusively on the internal function. The organic growth of the Group and its operational and technological transformation needs made this change of approach advisable. The subsequent acquisition of the Barclays retail business in Portugal, which necessitated additional work for this merger in 2015, which will continue into 2016, simply confirmed the advisability of Bankinter Global Services working exclusively to provide its services within the organisation of the bank.

This company plays an integral role in the incorporation of the bank on the international market, as it already demonstrated with the opening of the branch in Luxembourg. In addition, it is studying a plan to transform the current technological and operational structure of Bankinter and to adapt its operations to the most advanced trends of the national and international financial sector.





Línea Directa Aseguradora

Línea Directa, wholly-owned by Bankinter, is the leading company in terms of direct sales of insurance in Spain, with a market share of almost 60% among companies that operate over the telephone and online. Its business model, without intermediaries, is based on direct contact with customers, prudence in selecting risks and sales strength.

During 2015, the company recorded a net increase of around 144,000 policies (6.4% compared with the previous year) and the total volume of its portfolio exceeded 2.3 million customers. These figures are particularly impressive considering that the number of insured vehicles in Spain only rose 1.1% last year.

With regards to the volume of premiums issued, Línea Directa reached 679.7 million euros (+4.5%), thanks to the recovery of the motor branch (+2.8%) and to the strong growth experienced by the home branch (+20.5%), both well above the overall increase in the sector.

Profit before tax was 139 million euros (+4%), and net profit reached 99.4 million (+6%), the highest in the company's history.

Línea Directa's strategy is based on quality, flexibility and specialisation. During the last few years, various commercial proposals adapted to every customer have been developed, such as Penélope Seguros (a product designed for women) and Nuez, which is revolutionising the sale of insurance online and through social networks.



Bankinter Securities

The Group's securities company, previously known as Mercavalor, became known as Bankinter Securities, a more familiar name for national and international investors, with which the bank hopes to give a greater boost to its activity.

Besides adopting a brand image aligned with the corporate identity of Bankinter and of the rest of its subsidiary companies, the company strengthened its workforce with a new sales team focused on foreign markets. As a result of these new hires and the investments made in technology, the traditional activity will also benefit; that is, intermediation in national equities and in related products.

Bankinter Securities increased its income from fees by 36% in 2015, with a volume of intermediation of 34,352 million euros (+1.8%). Profit before tax was 6.7 million, 62% more than in 2014.

Línea Directa
premiums issued
679.7
million euros
+4.5%

Channels and networks

The possibility for interacting through different channels, easily and instantaneously and without loss of information, is fundamental to adapt the service to customers' behaviour, wherever they are and whatever situation they are in, without prejudice to the traditional network

361
General Branches

78
Business Centres

48
Private Banking Centres

22
Enterprise Banking Centres

Branches

As at 31 December, Bankinter had 509 centres and branches. Of this number, 361 were general branches; 78 Business Centres; 22 centres dedicated to Enterprise Banking; and 48 to Private Banking. The general branches are mainly in medium and large urban centres, while the Business Centres are located in industrial estates. Enterprise Centres and Private Banking Centres are distributed across the primary cities in Spain.

Those who have returned to frequent branches with the first indications of recovery have found them completely adapted to the brand image and in the midst of a digitisation process. Most managers now have tablets at their work stations, with which they can carry out tasks ranging from collecting a biometric signature to expediting cash flows.

Additionally, the use of email continues to be encouraged for communicating bills debited, reports and even to subscribe investment funds using the passcode card.

The Network of Agents

The Agent Network is a business model that in 2015 contributed more than 2,000 million euros of resources under management to Bankinter, both on and off-balance sheet. In virtue of that model, the company is associated with highly qualified professionals, with whom it shares the profits. The priority of the Network is to attract high-net worth individuals and, for this reason, it directs its attention towards Private Banking customers.

In 2015, more than a hundred new agents were added, which allowed the company to increase the assets under management to 11,300 million euros. Of this amount, more than 3,000 million correspond to investment funds, whose amount increased by more than 60%. Furthermore, the number of SICAVS under management rose considerably, jumping from 78 to 125.

Although the professionals included in the Network are independent and usually work from their own offices, a selected group of them are physically located in the so-called Agent Centres, which are facilities of high standing that the company provides them in order to establish a more direct connection between the customer and the Bankinter brand. There are nine centres like this in Madrid (two), Barcelona, Zaragoza, Seville, Valencia, Alicante, Las Palmas and Logroño.

Partnet Banking

This network, parallel to that of the conventional branches, based on alliances with large businesses to develop financial services with them, continues to give very good results. The agreement consists of placing a Bankinter branch in the client's facilities, with the bank supplying the technology and the knowledge, while the company promotes its services among employees, suppliers, etc. The net profits are normally shared at the rate of 50%.

Partnet Banking gained 2,054 new customers in 2015, which raises the total to 33,380. Overall, nearly 400 companies have this type of collaboration with Bankinter. The profit before tax was 31 million euros, thanks to the very low rate of non-performing loans (1%, ten times less than the sector average), a well-balanced balance sheet and a very low level of structural expenses.

If up to now Partnet Banking has worked effectively, the future is even more promising. Its main lines of growth are: to concentrate efforts on Private Banking, which is the area with the most potential; to refine the network of partners in order to homogenise the performance of the branches; to expand the activity radius, reaching collaboration agreements with securities agencies and international banks for the custody of their instruments; and to take advantage of Bankinter's expansion into Portugal following the acquisition of Barclays' business in that country.

Remote network and multi-channel

Customers increasingly require the company to be available via email, over the telephone and online to attend to their needs. Bankinter's remote network services respond to this demand and are also able to take the initiative and to act proactively. The professionals of Telephone Banking, for example, not only receive calls but also offer products and services to seek results.

The remote channel that is used the most, by far, is the Internet. Of the total number of transactions made in Bankinter during 2015, 58.6% were carried out online. In the case of business customers, the percentage is 87.1%. Private Banking has 66.8%; Retail Banking, 63.2%; and Personal Banking, 66.9%.

In 2015, the company launched a renewed version of its mobile banking service, much more innovative and agile, which allows the customer, regardless of the device they use (tablet or smart phone), to consult movements in their accounts, carry out national and international transfers, operate with investment funds, take out deposits and even return any charge.

The system includes customised notifications, as well as the possibility to continue receiving notifications via text message.

At the end of 2015, coinciding with new charges for ATM services, Bankinter launched an app to let its customers know, by means of geolocation, where the closest ATMs are located at which they can withdraw cash without being charged.

In 2015 a new and very simple online registration system was also made available to potential consumers, without the need to go to physical branches, as well as new functionalities in operations involving ETFs (exchange-traded funds) and a system for obtaining financing for business activities abroad.

The Communication Room, on the other hand, gained greater functionality and was adapted to any device in order to respond to the needs of the media, faster and with multimedia areas adapted to social networks.



58.6%
of transactions online

Social Networks

Bankinter maintained its strategy in 2015 for the growth and use of Social Networks, which allow the company to become better acquainted with, to attract and to attend to the needs of customers, to inform them about matters of interest to them and to promote products. They are also extraordinarily useful to keep track of the company's public image and, as a result, to carry out actions to improve its reputation.

On 31 December, Bankinter had 69,043 followers on Facebook (30.6% more than in 2014) and 42,811 on Twitter (+18.4%). During the year, the monitoring firm Alto Analytics detected 97,672 digital appearances of the brand, which represents a growth of 10.8% over the previous year. Together with this quantitative progress, the bank once again closed the year as the financial institution with the highest percentage of positive mentions on social networks (72%), according to data from Acceso.

The Bankinter Blog increased its audience by 49%, reaching 1,261,683 annual visits. This digital space has become an information centre for clients and potential clients, which attracts more and more readers who are interested in financial news.

Marketing

This year's advertising campaigns included both direct means of communication and mass media, as well as digital media (especially search engines and affiliate marketing). Continuing support was also provided to the branches network, with communication materials and events for the development of the commercial activity.

The most significant campaigns of 2015 were that of the 'Bankinter 5% Salary Account' and that of the '1.50% Mortgage', with which 8,942 customers were attracted.

Among the events, of particular note were: the 'Bankinter Tour' ('Gira Bankinter'), with the singer Estrella Morente, which toured ten Spanish cities; the master class 'Discovers your Blue Ocean' ('Descubre tu Océano Azul'), for Enterprise Banking customers and potential customers; the concert 'Fusion Suite' ('Fusión Suite'), with the violinist Ara Malikian and the guitarist José Luis Montón, for Enterprise Banking customers; five Suite Operas starring the soprano Pilar Jurado; and five gastro-experiences with a number of Michelin star chefs.

CRM (Customer Relationship Management)

CRM is the area responsible for getting to know the customer and for having a single vision of them, in order to effectively and efficiently develop the relationship, both from a commercial point of view and in terms of experience with the bank.

In 2015, the commercial actions with Retail Banking customers were focused on the development and entailment of customers. In Enterprise Banking, the focus was on detecting and making available to the network opportunities to increase quality credit investment and to gain business based on customer relations.

The company also continued to make progress in actions high-quality prospective customers, using Big Data techniques, georeferencing and synergies between businesses, which continue to have significant scope for development.

In digital transformation, a breakthrough was achieved, offering products and services of the bank via smartphones and tablets.

Quality

Bankinter continued in 2015 the transformation of its measurement systems and quality indicators in all the customer and market surveys, which makes it difficult to establish a homogenous comparison in some variables, although in others it was possible to update the 2014 indicators to enable them to be monitored.

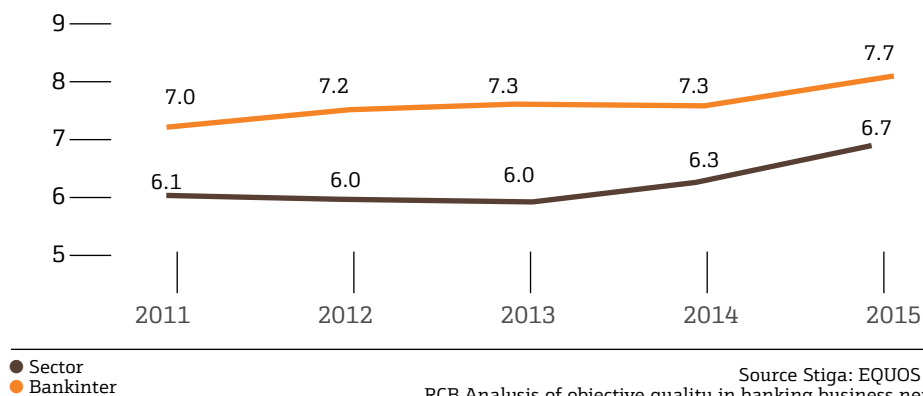
The improvement of the procedures, based on internal satisfaction surveys and in customer opinions, materialised in the review of activities such as customer registration online and of that of companies and the internal processing of incidents and complaints.

The principal initiative developed in 2015 was, however, the development of the mobile banking

service, the design and navigation of which were completely renovated and new functionalities were added that help customers to monitor their accounts and investments from the smartphone or tablet. The possibility of transferring pension plans from another entity or making additional contributions, reactivating passwords and finding ATMs, among other operations, enriched this service.

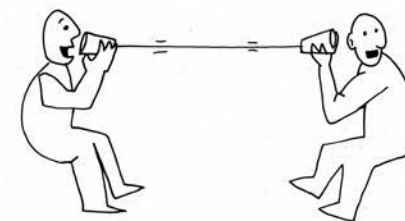
In addition, a new notifications system was designed related to contracted products and services (anti-fraud, movement and account balance variation alerts, etc.) that can be activated free of charge from Bankinter's mobile banking application and allows customers to stay permanently informed about their balances and investments.

Objective quality of the financial sector



Source Stiga: EQUOS study,
RCB Analysis of objective quality in banking business networks

Customer Service



Complaints and claims handled by the Customer Service Department fell by 13.43% against 2014, down to 4,400. That represents 1.52 per million transactions, versus 2.19 in the previous year. 47.9% of them were resolved in less than 48 hours. There were 3,433 of a financial nature, of which 44.9% were resolved in the customer's favour.

As well as the Customer Service Department, customers can also send complaints and claims to a body independent of the Bank: the External Ombudsman. They can contact this body directly or because they disagree with Bankinter's resolution of an issue.



Innovation



The Centre for Innovation responds to Bankinter's challenges with three basic objectives: to better understand the relationship between the customer and technology (what they want and how they want it) in order to offer them suitable services; to generate greater efficiency in the organisation, having the same services at a lower cost; and to seek new business models.

A large part of the resources of the Centre for Innovation were dedicated last year to developing the COINC project, which was launched in 2012 and has had a major impact on the Spanish market. The challenge is to transform COINC, which was born as a savings product, into a complete digital platform of financial services.

The main innovations introduced in COINC during 2015 were the creation of the Junior version, which

encourages savings among children and young people, and the update of the website's interface, which delves deeper into the original idea of simplifying the account procedures as much as possible and making it easier to operate.

The results of this commitment to enrich the project are very encouraging. In 2015, around one billion euros were managed through COINC, which represents a growth of 46% versus the 684 million of 2014. In customers numbers, the progress was also very notable. Registered users went from 60,583 to 83,105.

Together with COINC, Bankinter's Centre for Innovation prioritised two other projects in 2015: the search for new mobile wallet solutions and the improvement of mobile services for customers.

Technological milestones

The effectiveness of the organisation demands systems that are available, robust and equipped with maximum user-friendliness. In 2015, the development of Bankinter's technological architecture was deployed in four levels:

The customer platforms

were improved:

- Corporate site: webcorporativa.bankinter.com
- Commercial site: bankinter.com
- Broker service: broker.bankinter.com
- The business services area: empresas.bankinter.com

Improvements were introduced in the computer infrastructure related to the capacity to absorb the increase in the influx of customers, response times, the ability to operate 24 hours a day in the event of an incident of any kind and a lower cost of the systems.

The internal working tools improved the working environment of the employees to increase their productivity and to gain efficiency in the relationships with customers.

Computer security and data confidentiality increased the guarantees that the bank's systems or services are protected against any kind of cyber attack.

Bankinter Foundation for Innovation

The Bankinter Foundation for Innovation undertook new initiatives in 2015 aimed at promoting innovation and entrepreneurship as drivers of the creation of sustainable wealth, supported on its four basic pillars: the Future Trends Forum, the Akademia programme, the Entrepreneurs ('Emprendedores') programme and the Cre100do programme.

Future Trends Forum

The only think tank in Spain specialised in science and technology and one of the 25 best in the world, with around 400 first-rate international experts that, during 2015, analysed the following trends: 'Big data and human performance', 'The revolution of machines' and 'Cybersecurity'.

This latter topic was one of the three also discussed in two series of conferences held for the first time throughout the year under the generic name 'NextPractice'. The other two were: 'The second age of machines' and 'Open innovation'. The goal of 'NextPractice' is to convey to the customers of the Enterprise the opportunities and effects of the trends analysed by the Future Trends Forum.

Akademia

The programme aimed at promoting an innovative approach in the leaders of the future took place during the 2014-2015 academic year in nine universities and was attended by 218 students. The 2015-2016 programme began in 12 universities, versus the two (Deusto and Polytechnic of Valencia) of the first year (2006). More than 40 professionals make up the teaching staff.

The main novelty of 2015 was the birth of Akademia Open Project, which aims to open the Akademia experience to everyone that wishes to learn about the trends analysed in the Future Trends Forum, through online courses. The first one was entitled 'Innovation applied to medicine: health à la carte'.



Entrepreneurs

Since its creation in 2013, around 1,200 projects have been submitted to this programme that supports entrepreneurship in its early stages of development and in which Bankinter's Venture Capital Area participates. Of these projects, 17% pass the initial filter and 1.6% access investment. In 2015, it was decided to finance seven projects:

- The cloud gaming distribution platform **PlayGiga**.
- The recruitment software **TalentClue**, which automates staff selection processes.
- A support tool for development and operation teams **Clarive**.
- **QaShops**, which helps manufacturers and suppliers to publish their catalogues all around the world in every channel.
- The startup community **Starupxplore**, which connects all the players of the European ecosystem.
- **Viuing**, the first portable device based on TV technology, disposable, simple and functional, capable of broadcasting in real-time and precisely everything that happens in large public or private events.
- The meta-search engine for tourist apartments and holiday homes **Hundredrooms**, which compares between more than a million accommodations from one hundred different websites, offered by private individuals.

Cre100do

The objective of this programme is to contribute to increasing the size of one hundred Spanish companies. To this end, between 15 and 25 companies with turnover between 25 and 250 million euros are chosen each year, and they are given help to multiply their turnover in five years. The companies selected in 2015 were: Mascaró, Matholding, Gocco, GMV, Egile, Natura Bissé, Premo, Jobelsa, Istobal, Fini, Normon, Ibi, Textil Santanderina, Atarfil, Pikolinos and Chocolates Valor.

Cre100do has the support of the Instituto de Comercio Exterior (the Spanish Institute for Foreign Trade, ICEX) and of the Cículo de Empresarios, which participated in setting it up. Other companies also collaborated, such as Acenture, Asesores Financieros Internacionales, AT Kearney, Bankinter, Deloitte, ESADE, Garrigues, IBM, IESE, McKinsey, Ramón y Cajal, PwC, Telefónica and the Foro de Marcas Renombradas Española (Leading Brands of Spain Forum), as well as first-rate independent professionals.

Cre100do.es
Nuevas Grandes Empresas



People

Bankinter created net employment in 2015 for the third consecutive year. The workforce increased by 409 people, bringing the total number of staff as at 31 December to 4,405. The growth was focused mostly in senior and specialised profiles in order to strengthen Risks and Compliance. Additionally, key areas were strengthened with new offices, such as Investment Banking and Private Banking.

The distinctive features of Bankinter's policy with regard to people management are the search for excellence, valuing merit and the commitment to equal opportunities. With that objective, the company implements programmes to attract professionals, takes care of their training, facilitates the improvement of the working environment, stimulates motivation and promotes professional development.

Attracting junior talent. This is supported by a work placement programme aimed at new graduates and students in the final year of their degrees. Last year, a total of 190 young people took part in the programme, of which around 10% stayed. In addition, Bankinter promotes agreements with universities and business schools to complete the training of graduates, and it set up with Cunef the Master's degree in Financial Markets and Banking.

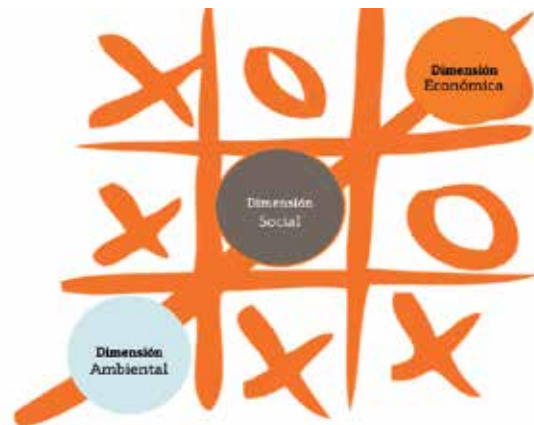
Training. Its backbone is the Corporate University, which has consolidated itself as an initiative that not only completes and develops the professional skills and abilities of its employees, but also embeds the values of Bankinter. It has a physical campus located in the Tres Cantos building (Madrid) and a virtual campus which can be accessed via the new Intranet. One of the updates in 2015 was the creation of the Summer School, with intensive programmes of a voluntary nature on team management, handling tools, sales and communication techniques, etc.

Internal promotion policy. It revolves around the Horizon Programme, which has two objectives: to identify the people with the best abilities and to provide them the training tools and the experience necessary for them to develop that potential as quickly as possible. It includes a corporate management development plan with the University of Deusto, a mentoring plan in which the bank's senior management are involved and another plan of rotation by areas.

Bankinter also promotes talent through the People Managers Programme, which is aimed at team leaders and which aims to achieve a management style that connects with the culture and values of the bank.

Sustainability

Bankinter concluded last year the 2012-2015 edition of the Tic Tac Toe plan, the goal of which is to promote a sustainable management of the bank in three dimensions aligned with its activity (the economic, social and environmental dimensions), in accordance with the guidelines of the international guide ISO 26000 and the Spanish standard SGE21 by Forética



Economic axis

Bankinter maintained its support for entrepreneurs. Apart from the projects that the Foundation carries out directly, the bank continued to collaborate with the school SECOT, it participated in the 10th edition of the Mashumano Awards and it sponsored several conferences organised by the startup Greenweekend.

With regard to sustainable products and investments, the Bankinter Sustainability Fund ('Bankinter Sostenibilidad') increased its assets from 9 to 76 million euros. The Solidarity Visa card ('Visa Solidaria'), the returns of which are given by the bank to social projects, reached 1,270 holders. In addition, the agreement with the European Investment Fund for the financing, under favourable terms, of Spanish companies with fewer than 500 employees that carry out research and innovation projects remains in force.

Bankinter Sustainability Fund

76

million euros of assets,
15.8% return in 2015

Social axis

During 2015, the process for the improvement of physical, technological and cognitive accessibility continued, not only in Bankinter's facilities, but also in its remote service channels. The collaboration agreement with the National Confederation of Deaf People (Confederación Nacional de Personas Sordas, CNSE) for training in banking concepts, both basic and advanced, was renewed. And the bank joined the Inserta Programme of the Fundación ONCE, among other initiatives.

The support for financial education materialised in the participation in the project "Your Finances, your Future", promoted by the Spanish Banking Association (AEB) and the Fundación Junior Achievement, and in the elaboration, together with the Instituto de Empresa, of the Dictionary of Clear Finances, which is available to customers in the Branch Network and online.

Through the volunteer management platform Mueve.te, a total of 52 educational activities were put into practice throughout 2015 with people with disabilities, in the areas of finance, sport, the environment and culture.

Environmental axis

Bankinter became in 2015 the first Spanish financial institution to register its carbon footprint in the corresponding registry of the Ministry of Agriculture, Food and Environment.

For the third consecutive year, it submitted the calculation of its organisational carbon footprint to an external verification, in accordance with the Greenhouse Gases Protocol and the requirements of the Intergovernmental Panel on Climate Change.

The bank offset its direct emissions of 2014 by participating in the Zero CO₂ initiative of the Ecology and Development Foundation ('Fundación Ecología y Desarrollo') in the project "Conservation of the Amazon in Madre de Dios in Peru".

There are various initiatives for the reduction of electric energy and paper consumption. To the latter, the implementation of biometric signatures is making a decisive contribution. 100% of the paper used is recycled.

Renewal of the Sustainability Plan

In order to give continuity to the first plan 'Tic Tac Toe', which covered the period 2012-2015, the company has designed another for 2016-2020, which keeps the same name and is also drafted in three core areas, and it extends its strategic lines with their corresponding programmes. The objective is still to respond to the three great crises (economic because of the change of model, social because of demographic change, and environmental because of climate change) detected in 2012 and that are still present in 2016.

Awards



- **Cambio 16 Award** for the IBEX 35 financial institution with the best financial results.
- **Merco Empresas 2015:** Bankinter in the top 50 companies with the Best Reputation.
- **Brand Finance Banking 500**, ranked at 265.



- **CIO Directions Award** for the most innovative financial institution.
- **UBS** ranks Bankinter as the **Spanish bank that is best positioned** in Mobile Banking at a global level.
- **Global Go-To Think Tank Index:** Bankinter Foundation, Best Think Tank in Spain and 26th worldwide.



- **Telefónica Ability Award**, in the category of professional development and promotion.
- **FTSE4Good** Member of the index since it was started in 2001.
- **European Business Awards** National finalist in the Sustainability category.
- **Corresponsables Awards** Finalists for its financial integration programme.



- **Top Employer Spain 2015** for the seventh consecutive year.
- **Merco Talento**, earning 16th place overall, and 4th in the sector.



- **Expansión-Allfunds Awards:** Bankinter Gestión de Activos, best Spanish manager for the second consecutive year and for the fund BK Short-Term Fixed Income.
- **Morningstar Award** for the pension fund Bankinter Mixto 20 Bolsa FFPP and the fund Bankinter Renta Fija Corto Plazo (Short-Term Fixed Income).

Edit

External Communications Department of Bankinter

Design and development

gosban reporting

