Earnings Report

January-March 2015

27 April 2015

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CONTENTS

	Page
Introduction	**3**
1. Relevant data	**4**
2. Economic and financial environment	**5**
3. Summary of results	**6**
4. Income statement	**9**
5. Balance sheet	**15**
6. Risk management	**18**
7. Funding structure and liquidity	**20**
8. Solvency	**21**
9. Share performance and shareholder structure	**22**
10. Rating	**23**

Note: The financial information contained in this document has not been audited and as a result could be subject to potential changes in the future.

As a result of the application of IFRIC 21 on accounting for levies and NIC 8, **the distribution of the quarterly results for 2014 published previously has been re-expressed**, **without any impact on the aggregate** result of financial year 2014. Thus, a re-estimation has been made of the historical financial information of 2014 affected by such re-expression.

HIGHLIGHTS OF THE PERIOD

Attributable profit increases 12.8% compared to 1Q 2014, with a positive performance in costs and provisions, in an environament of continued falling interest rates

- The Bankia Group obtains attributable profit of €244 million in 1Q 2015, 12.8% more than in 1Q 2014.
- Net interest income stands at €693 million, similar to that of 1Q 2014 (€698 million), despite the lower contribution from the SAREB bonds portfolio and a low interest rate environment.
- Net fee and commission income remains stable (+0.8%) compared to 1Q 2014, with a particularly good performance in mutual funds and insurance products.
- Operating expenses continue the downward trend seen in recent quarters, falling 4.2% compared to 1Q 2014 and bringing the efficiency ratio to 42.6% at the end of 1Q 2015, down 2.8 percentage points on 1Q 2014.
- The positive performance of expenses allows the Group to increase pre-provision profit by 7.2% compared to 1Q 2014.
- The volume of provisions and impairment losses falls to €219 million at the end of 1Q 2015, the lowest level since 1Q 2014.
- As a result of the increase in net operating income and the containment of the levelo of provisioning , attributable profit shows an increase of 12.8% when compared to 1Q 2014.

Positive commercial dynamics continue, with growth in new lending to consumers and businesses, and an increase in retail customer funds

- New credit grows 69.2% compared to 1Q 2014 (+74.7% in businesses and +17.3% in consumer finance), totalling €3,447 million in 1Q 2015.
- Strict customer deposits are up 1.2% in the quarter (+5.8% year-on-year), while off-balance-sheet customer funds grow +6.6% (+3.3% year-on-year).
- Improvement in Bankia's market shares, both in household and businesses term deposits (10.57% in February 2015 vs 9.58% in March 2014), and in securities mutual funds (5.09% in March 2015 vs 4.85% in March 2014).

Strong capital position of the Group and additional improvements in liquidity and asset credit quality

- CET 1 BIS III Phase in ratio stands at 12.52% (+24 bps of capital generation in the quarter), while the CET 1 BIS III Fully Loaded ratio is 11.01% (+41 bps of capital generation in the quarter).
- The stock of non-performing loans (NPLs) is down €462 million in the quarter, while the NPL ratio falls 30 basis points in 1Q 2015 to 12.6%.
- There is also an improvement in the NPL coverage ratio, which is up 1.8 percentage points compared to December 2014, at 59.4%.
- The commercial gap narrows by €1,376 million in the quarter (-10.1%) and the loan-to-deposit (LTD) ratio reaches a new low at 104.6%.

1. RELEVANT DATA

	Mar-15	Dec-14	Change
Balance sheet (€ million)			
Total assets	231,972	233,649	(0.7%)
Loans and advances to customers (net)	115,344	112,691	2.4%
Loans and advances to customers (gross)	124,469	121,769	2.2%
Loans and advances to the resident private sector (gross)	95,724	96,550	(0.9%)
Secured loans and advances (gross)	72,914	74,075	(1.6%)
On-balance-sheet customer funds	131,684	131,200	0.4%
Customer deposits and clearing houses	106,679	106,807	(0.1%)
Borrowings, marketable securities	23,950	23,350	2.6%
Subordinated liabilities	1,056	1,043	1.2%
Total managed customer funds	154,118	152,242	1.2%
Equity	11,582	11,331	2.2%
Common Equity Tier I - BIS III Phase In	11,027	10,874	1.4%
Capital adequacy (%)			
Common Equity Tier I - BIS III Phase In	12.52%	12.28%	+24 p.b.
Total capital ratio - BIS III Phase In	14.07%	13.82%	+25 p.b.
CET 1 Fully Loaded	11.01%	10.60%	+41 p.b.
Risk management (€ million and %)			
Total risk (1)	127,366	128,584	(0.9%)
Non performing loans	16,084	16,547	(2.8%)
NPL provisions	9,554	9,527	0.3%
NPL ratio (1)	12.6%	12.9%	(0.3) p.p.
NPL coverage ratio	59.4%	57.6%	+1.8 p.p.

	Mar-15	Mar-14	Change
Results (€ million)			
Net interest income	693	698	(0.6%)
Gross income (2)	992	972	2.0%
Operating income before provisions (2)	569	531	7.2%
Profit/(loss) attributable to the Group (2)	244	217	12.8%
Key ratios (%)			
Cost to Income ratio	42.6%	45.4%	(2.8) p.p.
R.O.A. (Profit after tax / Average total assets) (3)	0.4%	0.3%	+0.1 p.p.
R.O.E. (Profit attributable to the group / Equity) (4)	8.7%	7.8%	+0.9 p.p.

	Mar-15	Dec-14	Change
Bankia share			
Number of shareholders	451,702	457,377	(1.2%)
Number of shares in issue (million)	11,517	11,517	-
Closing price (end of period)	1.298	1.238	4.8%
Market capitalisation (€ million)	14,949	14,258	4.8%
Earnings per share (5)	0.09	0.08	13.9%
Additional information			
Number of branches	1,978	1,978	-
Number of employees (6)	14,329	14,382	(0.4%)

(1) Total risks excludes the Repo transactions with BFA reclassified as loans to customers since January 2015 (3.269 million euro in Mar 15)
(2) Due to the application of IFRIC 21, in 2015 the recognition of the contribution to the Deposit Guarantee Fund (FGD) will be reflected in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year.
(3) Annualized profit after tax / average total assets
(4) Annualized attributable profit / average equity.
(5) Annualized attributable profit / number of shares
(6) Number of employees involved in financial activities in Spain and abroad

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2. ECONOMIC AND FINANCIAL ENVIRONMENT

At the macro level, the first quarter of 2015 was positive, especially for Europe. The strengthening of the dollar has helped to distribute activity from United States towards the euro area and the differential between the growth rates of the two main economies is narrowing. Overall, economic data for the United States was disappointing and growth forecasts have been revised sharply downward in 1Q15, although this weakening of growth is associated mainly with short-term factors and is not a cause for concern. Meanwhile, the improvement in the euro area has intensified and spread, exceeding expectations, although the financial situation of Greece continues to generate great uncertainty.

Although inflation remains close to zero or negative in many developed economies, fears of deflation are gradually disappearing. The stabilisation of oil prices, at around 55 dollars for Brent crude, and the improvement in the economy in Europe have slowed the fall in medium-term expectations and balanced the risks.

Despite the reduction of the main macro risks (recession and deflation), the prospects of a tightening of the money supply in the United States and the United Kingdom have receded. Most important of all, however, has been the launch by the ECB of its quantitative easing programme, with a purchase target of €60 billion per month over the period to September 2016 (including asset-backed securities, mortgage covered bonds, agency debt and sovereign debt). The ECB's debt purchase programme has been the main factor behind: i) the good start to the year for government bonds in the euro area, reaching negative yields at the shorter maturities and close to zero at the longer end, in the case of the highest-rated issues; and ii) additional weakness of the euro (which depreciated more than 11% against the dollar).

In Spain, thanks to economic stimulus (ECB stimulus, oil price reduction, depreciation of the euro, improved economic expectations in Europe, tax reduction), the rate of expansion of the economy has been reinforced at the start of 2015. We estimate quarterly GDP growth of 0.8% in 1Q15, the fastest rate in seven years (+0.7% previous quarter). This buoyancy of the economy is reflected in the labour market, which in the first quarter reported its best performance since 2005 (+162,275 affiliates in seasonally adjusted terms). On the downside, despite the reduction in the energy bill and the resilience of exports, largely due to the efforts being made to improve our competitive capacity, the trade balance continues to deteriorate, as a consequence of the pick-up in imports, in line with the rebound in domestic spending.

The improved economic situation has helped to consolidate the trends in the banking system that emerged more than a year ago. Credit contraction has slowed, with sustained growth of new lending to households and SMEs. Deposits have remained fairly stable, despite the shift towards investment funds, whose assets under management are back at pre-crisis levels. Asset quality continues to improve, thanks to the steady decline in NPLs, while profitability has remained strong in a complex and unfavourable operating environment. The solvency level is well above the regulatory minimums.

On 1 January, with the entry into force of the directive on bank resolution, the single resolution mechanism came into operation in Europe, marking another historic milestone along the road to banking union. In Spain, the directive will be transposed into law in the coming months, once the bill has been passed.

3. SUMMARY OF RESULTS

The results obtained by the Bankia Group in the first quarter of 2015 report an improvement on those obtained in the same period of the previous year. In a environment of continuouslly falling interest rates, the Group has succeeded in increasing pre-provision profit by 7.2%, while controlling the level of provisioning. As a result of both these factors, the Group's attributable profit grows 12.8% in the first quarter of 2015 compared to the first quarter of 2014. At the same time, the Group has continued to strengthen its balance sheet by once again reducing the stock of non-performing loans, increasing NPL coverage and improving both risk management and the main indicators of liquidity and solvency.

3.1 Attributable profit up 12.8% compared to 1Q 2014, with a positive performance in costs and provisions

- In the first quarter of 2015 the Bankia Group has obtained an **attributable profit** of €244 million, an **increase of 12.8%** compared to the same period of 2014. Considering Deposit Guarantee Fund contributions accrued on a straight line basis, attributable proft would have reached €216 million, 15.1% more than in 1Q 2014.

  One of the highlights of the quarter is the reduction in operating expenses and provisions and write-downs, contributing significantly to the growth of attributable profit in the first quarter of 2015. In the current low interest rate scenario, Bankia continues to regard cost management as a key aspect for future improvement in profitability.

- **Net interest income** has totalled €693 million, a figure similar to that recorded in the first quarter of 2014 (€698 million). The factor that contributed most to this stability was the decline in the costs of liabilities, offsetting the impact of factors such as the fall in the Euribor, which dropped to a new low at the start of 2015, and the lower contribution from the fixed income portfolio, mainly due to the repricing of the bonds issued by SAREB.

  Excluding the effect of the lower contribution from the SAREB bonds, net interest income was up 8.2% compared to the first quarter of 2014.

  As already mentioned, the costs of liabilities have continued to follow the same downward trend as in previous quarters. In the first quarter of 2015, the interest rate on the front book of term deposits have averaged 0.54%, 84 basis points less than in the first quarter of the previous year, while the rate on the back book of term deposits have averaged 1.32%, as against 2.37% in 1Q 2014. As a result, in the first quarter of 2015 the customer margin has been 1.40%, 28 bps higher than in 1Q 2014 and in line with the figure recorded in 4Q 2014 (1.41%).

- **Net fee and commission income** has totalled €233 million in the quarter, slightly above the level recorded in 1Q 2014 (+0.8%). The best performance was seen in fee and commission income from the marketing of insurance and investment funds, up 29.2% and 13.7%, respectively, offsetting the decline in the other sources of fee and commission income that are more linked to the traditional banking business. In general terms, the Group's net fee and commission income in 1Q 2015 has remained at the same level as in previous quarters, once the seasonality of the fourth quarter of the previous year is taken out, given that fee and commission income is typically higher in the last quarter due to the surge in activity at that time of year.

- **Net trading income (NTI)** for the quarter has been €73 million, more than in 1Q 2014 (€21 million) and similar to the last two quarters. This result is mainly due to the gains made through the turnover of the bond portfolio.

- In the first quarter of 2015, **income from equity-accounted investments** include the profits of Aseval and Laietana Vida, together with those of Bankia Mapfre Vida, whose results were already included under this heading in 1Q 2014.

- **Other operating income and expenses** amount to €13 million. Due to the application of IFRIC 21 on accounting for levies, in 2015 the amounts related to the Deposit Guarantee Fund will be recognised in the P&L account as a one time payment at the end of the period. instead of accruing them during the year.

- All the above, together with dividends received, income from equity-accounted investments and the exchange differences recorded in the quarter, have allowed the Bankia Group to report **gross income** of €992 million for the first quarter of 2015, an increase of 2.0% on 1Q 2014. The biggest contributor to gross income is the core customer banking business (net interest income and fee and commission income), which accounts for slightly more that 93% of the total, in line with previous quarters. In the case of a straight line accrual of the Deposit Guarantee Fund contributions, gross income would have totalled €951 million, 2.2% more than in Q1 2014.

- As already mentioned, one of the highlights of the first quarter of 2015 was the **favourable performance of operating expenses** (administrative expenses and depreciation and amortisation expense), which despite the fact that the Group's restructuring process has concluded, have continued to decline, as in previous quarters, especially operating expenses, which were down 4.2% compared to 1Q 2014 and 3.0% compared to 4Q 2014. Consequently, the efficiency ratio was 42.6%, 2.8 percentage points less than the previous year.

- As a result of the stability of the core banking business and the good performance of costs, **pre-provision profit** increases 7.2% compared to 1Q 2014. In the case of the accrual of the Deposit Gauarantee Fund contributions, this increase would have been 8%.

- Like operating expenses, the total volume of **provisions and write-downs**, which include impairment losses on financial assets, non-financial assets and foreclosed assets and other net provisions, have shown a **very positive performance** in the first quarter of the year, reaching a total of €219 million. This represents a **decrease** of 27.7% compared to 1Q 2014, due to the improvement in the quality of the Group's assets and the reinforcement of the recovery activity. Thus, at the end of March 2015 the **cost of credit risk** stood at 0.55%.

  Meanwhile, the Bank continues to apply extreme prudence in its risk coverage, thus allowing the Group to **increase coverage ratios** in the different loan segments. At the end of the first quarter of 2015 the NPL coverage ratio stands at 59.4%, up 1.8 percentage points on December 2014 and more than 2 percentage points higher than in 1Q 2014.

- In the first quarter of 2015, unlike 1Q 2014, the Group obtained no significant gains on equity divestments but generated a profit attributable to minority interests in the amount of €5 million.

3.2 Increased supply of consumer finance and lending to businesses, and increase in retail customer funds

- **New lending** was up 69.2% compared to 1Q 2014, with year-on-year increases of 17.3% in consumer credit and 74.7% in new lending to businesses.

  Backed by the Group's supply of new credit and the slowdown of deleveraging in Spain, **gross loans and advances to customers decreased more slowly** than in previous quarters, standing at €121,200 million at the end of March 2015, a figure very similar to that recorded in December 2014 (-0.5%), excluding the balances of securities purchased under resale agreements with BFA, which have been included under this heading since January 2015 due to the change in BFA's industry classification.

  It's worth noting the increase in commercial loans in the quarter (+4.7%) and the stabilisation of personal guarantee loans (-0.3%), which include new lending to businesses, consumer finance and the self-employed. In contrast, there are declines in loans with collateral (-1.6%), which mainly include home mortgage loans, and non-earning assets (non-performing loans are down 2.5%). This lending performance reflects the banks' strategy aimed at reducing the NPL ratio and increasing new lending to key segments such as consumer finance, SMEs and corporates.

- As regards **retail funds**, strict customer deposits and off-balance-sheet customer funds continued to perform well, as in previous quarters, growing 1.2% (+€1,127 million) and 6.6% (+€1,392 million), respectively. Particularly noteworthy in this positive performance is the growth in sight accounts (+17.8%) and assets managed in mutual funds (+12.0%).

  Higher retail deposit growth translates into **year-on-year gains in market share** for the Bankia Group, both in term deposits of households and businesses (+99 bps, reaching 10.57% in February 2015) and in securities mutual funds (+24 bps, reaching 5.09% at the end of March 2015).

3.3 Further improvement in credit quality, liquidity and solvency indicators

- In the first quarter of 2015, the main indicators related to credit risk management showed a positive trend, in line with that seen in the last few quarters. The balance of NPLs at the end of 1Q 2015 was €16,084 million, having decreased €462 million in the quarter organically, that is to say, through a decrease in the volume of loans entering non-performing status and the reinforcement of the recovery activity, as there were no sales of portfolios of non-performing loans during the period.

  The Group's **NPL ratio** thus ended the quarter at 12.6% (excluding the reverse repos with BFA), **down** 30 bps compared to the end of December 2014 and down 170 bps compared to 1Q 2014. The **NPL coverage ratio**, meanwhile, is 59.4%, 1.8 basis points higher than in December, as a result of the decrease in NPLs and the Group's prudent approach to provisioning.

- The Bankia Group has continued to improve its **liquidity** parameters**.** The commercial gap has been reduced by €1,376 million in the quarter (-10.1%), while the loan-to-deposit (LTD) ratio was down 0.9 percentage points to 104.6%, after eight consecutive quarters of improvement.

- As regards **solvency**, the Bankia Group achieved a CET1 BIS III Phase in ratio of 12.52%. Thus consolidating the positive trend of previous quarters, demonstrating the Group's capital strength. The Bankia Group has managed to accumulate €191 million (+24 bps) CET1 BIS III Phase in capital in the quarter through organic income growth (+28 bps), balance sheet deleveraging and improvement in portfolio credit quality (+7 bps). This increase helped to absorb the adverse impact (-11 bps) resulting from a further step in the phase-in of the Basel III rules.

  At the end of March 2015, the CET1 BIS III Fully Loaded ratio was 11.01%, with €345 million of CET1 capital generation in the quarter (+41 bps).

4. INCOME STATEMENT

INCOME STATEMENT FOR THE QUARTER

(€ million)	1Q 2015 [(1)]	1Q 2014 [(1)]	Change Amount	Change %
Net interest income	**693**	**698**	**(4)**	**(0,6%)**
Dividends	1	1	-	-
Share of profit/(loss) of companies accounted for using the equity method	6	7	(2)	(22,4%)
Total net fees and commissions	233	231	2	0,8%
Gains/(losses) on financial assets and liabilities	73	21	52	248,0%
Exchange differences	(1)	14	(15)	-
Other operating income/(expense)	(13)	(0)	(13)	-
Gross income	**992**	**972**	**20**	**2,0%**
Administrative expenses	(390)	(403)	13	(3,1%)
Staff costs	(250)	(256)	6	(2,2%)
General expenses	(140)	(146)	7	(4,7%)
Depreciation and amortisation	(33)	(39)	6	(14,9%)
Operating income before provisions	**569**	**531**	**38**	**7,2%**
Provisions	(175)	(229)	54	(23,6%)
Provisions (net)	23	49	(26)	(52,5%)
Impairment losses on financial assets (net)	(198)	(277)	80	(28,7%)
Operating profit/(loss)	**394**	**302**	**92**	**30,6%**
Impairment losses on non-financial assets	(2)	(3)	1	(40,5%)
Other gains and other losses	(57)	(10)	(47)	465,6%
Profit/(loss) before tax	**336**	**289**	**47**	**16,1%**
Corporate income tax	(86)	(89)	3	(3,2%)
Profit/(loss) from continuing operations	**250**	**200**	**50**	**24,8%**
Profit/(loss) from discontinued operations (net) [(2)]	0	15	(15)	(100,0%)
Profit/(loss) after tax	**250**	**215**	**34**	**16,0%**
Profit/(Loss) attributable to minority interests	5	(1)	7	-
Profit/(loss) attributable to the Group	**244**	**217**	**28**	**12,8%**
Cost to Income ratio [(3)]	**42,6%**	**45,4%**	**(2,8) p.p.**	**(6,1%)**
Recurring Cost to Income ratio [(4)]	**48,1%**	**49,3%**	**(1,2) p.p.**	**(2,4%)**

(1) Due to the application of IFRIC 21, in 2015 the recognition of the contribution to the Deposit Guarantee Fund (FGD) will be reflected in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year.

(2)1Q 14 figure includes the result of Aseval

(3) Operating expenses / Gross income

(4) Operating expenses / Gross income (excluding gains/losses on financial assets and liabilities and exchange differences and including the contribution to the FGD on a straight-line basis)

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CONSOLIDATED EARNINGS

(€ million)	1Q 15 (1)	4Q 14 (1)	3Q 14 (1)	2Q 14 (1)	1Q 14 (1)
Net interest income	**693**	**765**	**735**	**730**	**698**
Dividends	1	1	2	2	1
Share of profit/(loss) of companies accountes for using the equity method	6	4	11	11	7
Total net fees and commissions	233	246	234	237	231
Gains/(losses) on financial assets and liabilities	73	68	75	53	21
Exchange differences	(1)	6	(19)	6	14
Other operating income/(expense)	(13)	(159)	14	16	(0)
Gross income	**992**	**930**	**1,052**	**1,055**	**972**
Administrative expenses	(390)	(402)	(389)	(392)	(403)
Staff costs	(250)	(240)	(242)	(250)	(256)
General expenses	(140)	(163)	(147)	(143)	(146)
Depreciation and amortisation	(33)	(34)	(42)	(42)	(39)
Operating income before provisions	**569**	**494**	**621**	**620**	**531**
Provisions	(175)	(189)	(202)	(226)	(229)
Provisions (net)	23	(7)	46	17	49
Impairment losses on financial assets (net)	(198)	(182)	(248)	(243)	(277)
Operating profit/(loss)	**394**	**305**	**419**	**394**	**302**
Impairment losses on non-financial assets	(2)	(3)	(3)	2	(3)
Other gains and other losses	(57)	(122)	(23)	(35)	(10)
Profit/(loss) before tax	**336**	**179**	**394**	**362**	**289**
Corporate income tax	(86)	(24)	(112)	(94)	(89)
Profit/(loss) from continuing operations	**250**	**155**	**281**	**268**	**200**
Profit/(loss) from discontinued operations (net) (2)	-	39	17	14	15
Profit/(loss) after tax	**250**	**194**	**298**	**282**	**215**
Profit/(loss) attributable to minority interests	5	26	(0)	0	(1)
Profit/(loss) attributable to the Group	**244**	**168**	**299**	**282**	**217**
Effect of IPO provision (net)		(218)			
Reported profit attributable to the Group	**244**	**(50)**	**299**	**282**	**217**
Cost to Income ratio (3)	**42.6%**	**46.9%**	**40.9%**	**41.2%**	**45.4%**
Recurring Cost to Income ratio (4)	**48.1%**	**53.6%**	**45.2%**	**45.6%**	**49.3%**

(1) Due to the application of IFRIC 21, in 2015 the recognition of the contribution to the Deposit Guarantee Fund (FGD) will be reflected in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year.

(2)1Q 14 figure includes the result of Aseval

(3) Operating expenses / Gross income

(4) Operating expenses / Gross income (excluding gains/losses on financial assets and liabilities and exchange differences and including the contribution to the FGD on a straight-line basis)

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REVENUES AND EXPENSES

(€ million & %)	1 Q 2015 Average Amount	1 Q 2015 Weight (%)	1 Q 2015 Revenues /Expenses	1 Q 2015 Yield	1 Q 2014 Average Amount	1 Q 2014 Weight (%)	1 Q 2014 Revenues /Expenses	1 Q 2014 Yield
Loans and advances to credit institutions	9,140	4.0%	0.3	0.02%	13,439	5.4%	7	0.21%
Net Loans and advances to customers (a)	112,444	49.1%	606	2.18%	119,796	47.9%	722	2.44%
Debt securities	62,501	27.3%	330	2.14%	70,136	28.0%	448	2.59%
Other interest earning assets (1)	380	0.2%	5	4.81%	197	0.1%	1	2.44%
Other non-interest earning assets	44,731	19.5%	-	-	46,629	18.6%	-	-
Total Assets (b)	**229,196**	**100.0%**	**940**	**1.66%**	**250,196**	**100.0%**	**1,178**	**1.91%**
Deposits from central banks and credit institutions	58,575	25.6%	31	0.22%	69,260	28.7%	73	0.43%
Customer deposits (c)	105,700	46.1%	205	0.79%	110,796	44.3%	363	1.33%
Strict Customer Deposits	*94,346*	41.2%	*181*	*0.78%*	*90,702*	36.3%	*328*	*1.47%*
Repos	*3,678*	1.6%	*0.5*	*0.05%*	*10,904*	4.4%	*6.9*	*0.26%*
Single-certificate covered bonds	*7,676*	3.3%	*24*	*1.25%*	*9,190*	3.7%	*28*	*1.25%*
Marketable securities	23,133	10.1%	33	0.59%	28,050	11.2%	68	0.98%
Subordinated liabilities	1,049	0.5%	9	3.41%	-	-	-	-
Other interest earning liabilities (1)	1,399	0.6%	2	0.59%	1,736	0.7%	3	0.69%
Other liabilities with no cost	26,659	11.6%	-	-	28,769	11.5%	-	-
Equity	12,681	5.5%	-	-	11,586	4.6%	-	-
TOTAL EQUITY AND LIABILITIES (d)	**229,196**	**100.0%**	**281**	**0.50%**	**250,196**	**100.0%**	**507**	**0.82%**
Customer margin (a-c)				**1.40%**				**1.12%**
Net interest margin (b-d)			**659**	**1.17%**			**670**	**1.09%**
City National Bank Contribution	***4,783***		***34***		***3,159***		***28***	
Consolidated Net interest margin	**233,979**		**693**	**1.20%**	**253,355**		**698**	**1.12%**

(€ million & %)	1 Q 2015 Average Amount	1 Q 2015 Weight (%)	1 Q 2015 Revenues /Expenses	1 Q 2015 Yield	4 Q 2014 Average Amount	4 Q 2014 Weight (%)	4 Q 2014 Revenues /Expenses	4 Q 2014 Yield
Loans and advances to credit institutions	9,140	4.0%	0	0.02%	14,999	6.4%	3	0.07%
Net Loans and advances to customers (a)	112,444	49.1%	606	2.18%	113,359	48.1%	676	2.36%
Debt securities	62,501	27.3%	330	2.14%	66,855	28.4%	412	2.44%
Other interest earning assets (1)	380	0.2%	5	4.81%	202	0.1%	1	2.33%
Other non-interest earning assets	44,731	19.5%	-	-	40,337	17.1%	-	-
Total Assets (b)	**229,196**	**100.0%**	**940**	**1.66%**	**235,752**	**100.0%**	**1,091**	**1.84%**
Deposits from central banks and credit institutions	58,575	25.6%	31	0.22%	66,721	28.3%	37	0.22%
Customer deposits (c)	105,700	46.1%	205	0.79%	105,608	44.8%	253	0.95%
Strict Customer Deposits	*94,346*	41.2%	*181*	*0.78%*	*93,769*	39.8%	*226*	*0.96%*
Repos	*3,678*	1.6%	*0*	*0.05%*	*3,882*	1.6%	*1*	*0.11%*
Single-certificate covered bonds	*7,676*	3.3%	*24*	*1.25%*	*7,956*	3.4%	*26*	*1.28%*
Marketable securities	23,133	10.1%	33	0.59%	24,424	10.4%	56	0.91%
Subordinated liabilities	1,049	0.5%	9	3.41%	1,036	0.4%	7	2.81%
Other interest earning liabilities (1)	1,399	0.6%	2	0.59%	1,211	0.5%	3	0.84%
Other liabilities with no cost	26,659	11.6%	-	-	24,022	10.2%	-	-
Equity	12,681	5.5%	-	-	12,730	5.4%	-	-
TOTAL EQUITY AND LIABILITIES (d)	**229,196**	**100.0%**	**281**	**0.50%**	**235,752**	**100.0%**	**357**	**0.60%**
Customer margin (a-c)				**1.40%**				**1.41%**
Net interest margin (b-d)			**659**	**1.17%**			**735**	**1.24%**
City National Bank Contribution	***4,783***		***34***		***4,211***		***30***	
Consolidated Net interest margin	**233,979**		**693**	**1.20%**	**239,963**		**765**	**1.26%**

(1) Includes insurance contracts related to pensions, liabilities under insurance contracts and other financial liabilities

NET FEE AND COMMISSION INCOME

(€ millIon)	1Q 2015	1Q 2014	Change Amount	Change %
Contingent liabilities and commitments	24	27	(3)	(10.8%)
Collection and payment services	85	107	(22)	(20.5%)
Cheques and Bills	10	14	(4)	(26.2%)
Cards	43	54	(11)	(19.7%)
Payment services	9	11	(2)	(14.5%)
Others	22	28	(6)	(21.4%)
Securities services	14	13	1	6.3%
Non-banking financial product sales	66	58	8	14.0%
Mutual funds	25	22	3	13.7%
Pension funds	15	16	(1)	(4.6%)
Insurances and others	26	20	6	29.2%
Other fee and commission	63	56	7	12.7%
Fee and commission income	**251**	**260**	**(9)**	**(3.4%)**
Fee and commission expenses	**19**	**30**	**(11)**	**(36.4%)**
Total net fee and commission	**233**	**231**	**2**	**0.8%**
(*) City National Bank of Florida contribution	**3**	**2**	**1**	**49.2%**

(€ millIon)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Contingent liabilities and commitments	24	26	25	28	27
Collection and payment services	85	97	97	107	107
Cheques and Bills	10	12	12	13	14
Cards	43	52	52	57	54
Payment services	9	9	9	11	11
Others	22	24	25	26	28
Securities services	14	11	10	18	13
Non-banking financial product sales	66	71	58	71	58
Mutual funds	25	24	24	23	22
Pension funds	15	15	16	30	16
Insurances and others	26	32	18	18	20
Other fee and commission	63	61	52	42	56
Fee and commission income	**251**	**266**	**243**	**266**	**260**
Fee and commission expenses	**19**	**20**	**9**	**29**	**30**
Total net fee and commission	**233**	**246**	**234**	**237**	**231**
(*) City National Bank of Florida contribution	**3**	**2**	**2**	**2**	**2**

ADMINISTRATIVE EXPENSES

(€ milllon)	1Q 2015	1Q 2014	Change Amount	Change %
Staff cost	**250**	**256**	**(6)**	**(2.2%)**
Wages and salaries	185	192	(7)	(3.5%)
Social security costs	46	46	-	-
Pension plans	10	7	2	30.1%
Others	10	11	(1)	(7.4%)
General expenses	**140**	**146**	**(7)**	**(4.7%)**
From property, fixtures and supplies	31	35	(4)	(11.8%)
IT and communications	42	42	-	-
Advertising and publicity	14.7	14.4	0.3	2.0%
Technical reports	11	9	2	20.2%
Surveillance and security courier services	4	4	(1)	(16.8%)
Levies and taxes	14	18	(4)	(22.3%)
Insurance and self-insurance premiums	1	1	-	-
Other expenses	22	22	-	-
TOTAL ADMINISTRATIVE EXPENSES	**390**	**403**	**(13)**	**(3.1%)**
(*) of which: City National Bank of Florida	**19**	**15**	**4**	**24.7%**

(€ milllon)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Staff cost	**250**	**240**	**242**	**250**	**256**
Wages and salaries	185	184	182	189	192
Social security costs	46	43	45	45	46
Pension plans	10	7	7	7	7
Others	10	5	8	10	11
General expenses	**140**	**163**	**147**	**143**	**146**
From property, fixtures and supplies	31	37	34	34	35
IT and communications	42	43	43	46	42
Advertising and publicity	15	19	17	12	14
Technical reports	11	20	16	10	9
Surveillance and security courier services	4	4	4	4	4
Levies and taxes	14	14	10	17	18
Insurance and self-insurance premiums	1	2	3	1	1
Other expenses	22	24	20	18	22
TOTAL ADMINISTRATIVE EXPENSES	**390**	**402**	**389**	**392**	**403**
(*) of which: City National Bank of Florida	**19**	**16**	**15**	**13**	**15**

PROVISIONING

(€ milllon)	1Q 2015	1Q 2014	Change Amount	Change %
Impairment losses on financial assets (net)	(198)	(277)	80	(28.7%)
Impairment losses on non-financial assets	(2)	(3)	1	(40.5%)
Foreclosed assets	(43)	(71)	29	(40.2%)
Provisions (net)	23	49	(26)	(52.5%)
TOTAL PROVISIONS	**(219)**	**(303)**	**84**	**(27.7%)**

(€ milllon)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Impairment losses on financial assets (net)	(198)	(182)	(248)	(243)	(277)
Impairment losses on non-financial assets	(2)	(3)	(3)	2	(3)
Foreclosed assets	(43)	(99)	(48)	(38)	(71)
Provisions (net)	23	(7)	46	17	49
TOTAL RECURRENT PROVISIONS	**(219)**	**(291)**	**(253)**	**(262)**	**(303)**
IPO contingency provision	-	(312)	-	-	-
TOTAL PROVISIONS INCLUDING IPO CONTINGENCY	**(219)**	**(603)**	**(253)**	**(262)**	**(303)**

5. BALANCE SHEET

			Change	
(€ million)	Mar-15	Dec-14	Amount	%
Cash and balances with central banks	1,632	2,927	(1,295)	(44.2%)
Financial assets held for trading	20,496	18,606	1,890	10.2%
Of which: loans and advances to customers	-	-	-	-
Available-for-sale financial assets	34,035	34,772	(736)	(2.1%)
Debt securities	34,035	34,772	(736)	(2.1%)
Equity instruments	-	-	-	-
Loans and receivables	123,421	125,227	(1,806)	(1.4%)
Loans and advances to credit institutions	6,506	10,967	(4,462)	(40.7%)
Loans and advances to customers	115,344	112,691	2,653	2.4%
Rest	1,572	1,569	3	0.2%
Held-to-maturity investments	25,843	26,661	(819)	(3.1%)
Hedging derivatives	5,819	5,539	281	5.1%
Non-current assets held for sale	8,288	7,563	725	9.6%
Equity investments	305	298	7	2.2%
Tangible and intangible assets	2,220	2,058	162	7.9%
Other assets, prepayments and accrued income, and tax asse	9,912	9,997	(85)	(0.9%)
TOTAL ASSETS	**231,972**	**233,649**	**(1,677)**	**(0.7%)**
Financial liabilities held for trading	20,097	18,124	1,973	10.9%
Financial liabilities at amortised cost	188,863	193,082	(4,219)	(2.2%)
Deposits from central banks	32,868	36,500	(3,632)	(10.0%)
Deposits from credit institutions	23,111	23,965	(854)	(3.6%)
Customer deposits	106,679	106,807	(128)	(0.1%)
Marketable debt securities	23,950	23,350	600	2.6%
Subordinated liabilities	1,056	1,043	12	1.2%
Other financial liabilities	1,200	1,417	(216)	(15.3%)
Hedging derivatives	2,421	2,490	(69)	(2.8%)
Liabilities under insurance contracts	-	-	-	-
Provisions	1,611	1,706	(94)	(5.5%)
Other liabilities, accruals and deferred income, and tax liabil	6,148	5,714	434	7.6%
TOTAL LIABILITIES	**219,140**	**221,115**	**(1,975)**	**(0.9%)**
Minority interests	(7)	(13)	7	(50.0%)
Valuation adjustments	1,256	1,216	41	3.3%
Equity	11,582	11,331	251	2.2%
TOTAL EQUITY	**12,832**	**12,533**	**298**	**2.4%**
TOTAL EQUITY AND LIABILITIES	**231,972**	**233,649**	**(1,677)**	**(0.7%)**

CUSTOMER LOANS

(€ million)	Mar-15 (1)	Dec-14 (1)	Change Amount	Change %
Spanish public sector	5,929	5,786	143	2.5%
Other resident sectors	95,724	96,550	(826)	(0.9%)
Secured loans and advances	72,914	74,075	(1,161)	(1.6%)
Personal guarantee loans	14,230	14,277	(47)	(0.3%)
Business loans and other credit facilities	8,580	8,198	382	4.7%
Non-residents	3,271	3,254	18	0.5%
Repo transactions	3,271	27	3,244	-
Of which: repo transactions with BFA (2)	*3,269*	-	*3,269*	-
Other financial assets	950	469	481	102.7%
Other valuation adjustments	21	(13)	34	-
Non-performing loans(**)	15,303	15,696	(393)	(2.5%)
GROSS LOANS AND ADVANCES TO CUSTOMERS	**124,469**	**121,769**	**2,701**	**2.2%**
Loan loss reserve	(9,125)	(9,077)	(48)	0.5%
NET LOANS AND ADVANCES TO CUSTOMERS	**115,344**	**112,691**	**2,653**	**2.4%**
GROSS LOANS AND ADVANCES TO CUSTOMERS EX. BFA REPO	**121,200**	**121,769**	**(568)**	**(0.5%)**
NET LOANS AND ADVANCES TO CUSTOMERS EX. BFA REPO	**112,075**	**112,691**	**(616)**	**(0.5%)**

(1) Net Loans include credit of financial assets held for trading

(2) The Repo transactions with BFA was reclassified as loans to customers since January 2015, due to the segmentation change of BFA after the removal of the banking license

COMPOSITION OF FIXED-INCOME PORTFOLIOS

(€ million)	Mar-15 (1)	Dec-14 (1)	Change Amount	Change %
ALCO Portfolio	29,745	29,745	-	-
NO ALCO Portfolio	6,769	8,235	(1,466)	(17.8%)
SAREB Bonds	18,057	18,057	-	-
ESM Bonds	3,398	3,398	-	-
Total Fixed Income Portfolio	**57,969**	**59,435**	**(1,466)**	**(2.5%)**

(1) Nominal values of the "available for sale" and "held to maturity" portfolios

CUSTOMER FUNDS

(€ million)	Mar-15	Dec-14	Change Amount	Change %
Spanish public sector	6,845	6,299	545	8.7%
Repo transactions	1,616	2,003	(387)	(19.3%)
Other resident sectors	97,446	97,965	(519)	(0.5%)
Current accounts	15,645	13,276	2,369	17.8%
Savings accounts	24,056	24,178	(122)	(0.5%)
Term deposits and other	57,745	60,511	(2,767)	(4.6%)
Repo transactions	504	868	(364)	(41.9%)
Singular mortgage securities	7,378	7,736	(358)	(4.6%)
Rest	49,863	51,908	(2,045)	(3.9%)
Non-residents	2,388	2,543	(154)	(6.1%)
Repo transactions	1,129	1,275	(146)	(11.5%)
Customer deposits	**106,679**	**106,807**	**(128)**	**(0.1%)**
Debentures and other marketable securities	23,950	23,350	600	2.6%
Subordinated loans	1,056	1,043	12	1.2%
TOTAL ON-BALANCE-SHEET CUSTOMER FUNDS	**131,684**	**131,200**	**484**	**0.4%**
Mutual funds	11,641	10,392	1,249	12.0%
Pension funds	6,708	6,581	127	1.9%
Insurance	4,085	4,069	16	0.4%
Off-balance-sheet customer funds	**22,434**	**21,042**	**1,392**	**6.6%**
TOTAL CUSTOMER FUNDS	**154,118**	**152,242**	**1,876**	**1.2%**

STRICT CUSTOMER DEPOSITS

(€ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Change % Mar-15 / Dec-14
Spanish public sector	**5,229**	**4,297**	**5,232**	**3,931**	**2,800**	**21.7%**
Other resident sectors	**89,564**	**89,361**	**87,975**	**87,151**	**86,798**	**0.2%**
Current accounts	15,645	13,276	12,655	12,104	11,881	17.8%
Savings accounts	24,056	24,178	23,602	23,993	23,037	(0.5%)
Term deposits	49,863	51,908	51,718	51,055	51,880	(3.9%)
Retail commercial paper	-	-	-	-	-	-
Non-residents	**1,259**	**1,268**	**1,224**	**1,173**	**1,154**	**(0.6%)**
Strict Customer Deposits	**96,052**	**94,925**	**94,432**	**92,255**	**90,752**	**1.2%**

6. RISK MANAGEMENT

GROSS EXPOSURE BY SECTOR AND COVERAGE RATIOS

						Mar-15 / Dec-14	
(€ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Amount	%
Gross exposure							
Individuals	76,491	77,583	78,884	80,775	81,055	(1,092)	(1.4%)
Businesses	35,324	35,176	35,070	35,848	36,784	148	0.4%
Developers	2,733	2,956	3,309	3,331	3,508	(222)	(7.5%)
Public sector & others	6,651	6,053	5,603	5,644	6,275	598	9.9%
Gross Credit (1)	**121,200**	**121,769**	**122,866**	**125,598**	**127,621**	**(568)**	**(0.5%)**
Gross credit ex developers (1)	**118,467**	**118,813**	**119,557**	**122,267**	**124,113**	**(346)**	**(0.3%)**
Impairments							
Individuals	2,728	2,693	2,733	2,849	2,852	35	1.3%
Businesses	4,974	4,939	5,578	6,064	6,030	35	0.7%
Developers	1,423	1,445	1,563	1,508	1,569	(21)	(1.5%)
Total Impairments	**9,125**	**9,078**	**9,874**	**10,421**	**10,452**	**48**	**0.5%**
Coverage ex developers	**7,702**	**7,633**	**8,311**	**8,913**	**8,882**	**69**	**0.9%**
Coverage (%)							
Individuals	3.6%	3.5%	3.5%	3.5%	3.5%		+10 p.b.
Businesses	14.1%	14.0%	15.9%	16.9%	16.4%		+10 p.b.
Developers	52.1%	48.9%	47.2%	45.3%	44.7%		+320 p.b.
Total coverage	**7.5%**	**7.5%**	**8.0%**	**8.3%**	**8.2%**		**-**
Coverage ex developers	**6.5%**	**6.4%**	**7.0%**	**7.3%**	**7.2%**		**+10 p.b.**

(1) Gross Credit excludes the Repo transactions with BFA

NPL RATIO AND NPL COVERAGE

						Mar-15 / Dec-14	
(€ million and %)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Amount	%
Non-performing loans	16,084	16,547	17,666	18,576	19,180	(462)	(2.8%)
Total risk-bearing assets (1)	127,366	128,584	129,580	132,347	134,000	(1,218)	(0.9%)
Total NPL ratio (2)	**12.6%**	**12.9%**	**13.6%**	**14.0%**	**14.3%**		**(0.3) p.p.**
Total provisions	9,554	9,527	10,352	10,946	11,012	26	0.3%
Generic	153	153	153	153	153	-	-
Specific	9,380	9,356	10,175	10,768	10,834	24	0.3%
Country risk	21	19	25	25	25	2	9.5%
NPL coverage ratio	**59.4%**	**57.6%**	**58.6%**	**58.9%**	**57.4%**		**+1.8 p.p.**

(1) Total risks excludes the Repo transactions with BFA

(2) NPL ratio: (non-performing loans and advances to customers and contingent liabilities) / (loans, advances and contigent risks)

NON-PERFORMING LOANS

(€ million and %)	Mar-15/Dec-14	Dec-14/Sep-14	Sep-14/Jun-14	Jun-14/Mar-14	Mar-14/Dic-13
Non-performing loans at the begining of the period	**16,547**	**17,666**	**18,576**	**19,180**	**20,022**
+ Gross entries	861	1,297	921	901	922
- Recoveries	(1,219)	(1,524)	(1,320)	(1,432)	(1,398)
= Net entries	(358)	(227)	(399)	(531)	(476)
- Write offs	(104)	(50)	(50)	(73)	(63)
- Sales [1]	-	(842)	(462)	-	(303)
Non-performing loans at the end of the period	**16,084**	**16,547**	**17,666**	**18,576**	**19,180**

(1) Book-value of NPLs disposals. This figure does not include any additional rights related to the portfolio sold.

BREAKDOWN OF FORECLOSED ASSETS

	Gross value				
(€ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Property assets from financing intended for construction and property development	553	550	584	590	650
Of which: finished buildings	329	326	333	339	341
Of which: buildings under construction	42	44	44	44	105
Of which: Land	182	180	207	206	204
Property acquired related to mortgage loans to homebuyers	3,074	3,114	3,156	3,150	3,091
Other foreclosed assets	587	561	518	500	464
Total	**4,213**	**4,225**	**4,258**	**4,240**	**4,206**

	Impairments				
(€ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Property assets from financing intended for construction and property development	237	235	251	252	287
Of which: finished buildings	86	84	83	84	84
Of which: buildings under construction	20	20	20	20	55
Of which: Land	131	130	147	148	148
Property acquired related to mortgage loans to homebuyers	912	960	1,028	1,033	1,036
Other foreclosed assets	159	154	148	145	141
Total	**1,308**	**1,348**	**1,427**	**1,431**	**1,464**

	Net value				
(€ million)	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Property assets from financing intended for construction and property development	316	316	333	337	364
Of which: finished buildings	243	242	249	256	257
Of which: buildings under construction	22	24	24	24	51
Of which: Land	51	50	59	58	56
Property acquired related to mortgage loans to homebuyers	2,161	2,154	2,127	2,117	2,055
Other foreclosed assets	428	407	370	355	323
Total	**2,905**	**2,877**	**2,830**	**2,809**	**2,742**

7. FUNDING STRUCTURE AND LIQUIDITY

COMMERCIAL GAP

(€ million)	Mar-15	Dec-14	Change Amount	Change %
Net Loans and advances to customers	**115,344**	**112,691**	**2,653**	**2.4%**
Repo transactions SPR	-	27	(27)	(99.1%)
Repo transactions NRE	2	-	2	-
Repo transactions with BFA	3,269	-	3,269	-
Strict Net Loans and advances to customers	**112,073**	**112,664**	**(591)**	**(0.5%)**
(-) Strict customer deposits and retail commercial paper	96,052	94,925	1,127	1.2%
(-) ICO/EIB deposits	3,741	4,083	(342)	(8.4%)
Strict Comercial GAP	**12,280**	**13,656**	**(1,376)**	**(10.1%)**

LTD RATIO

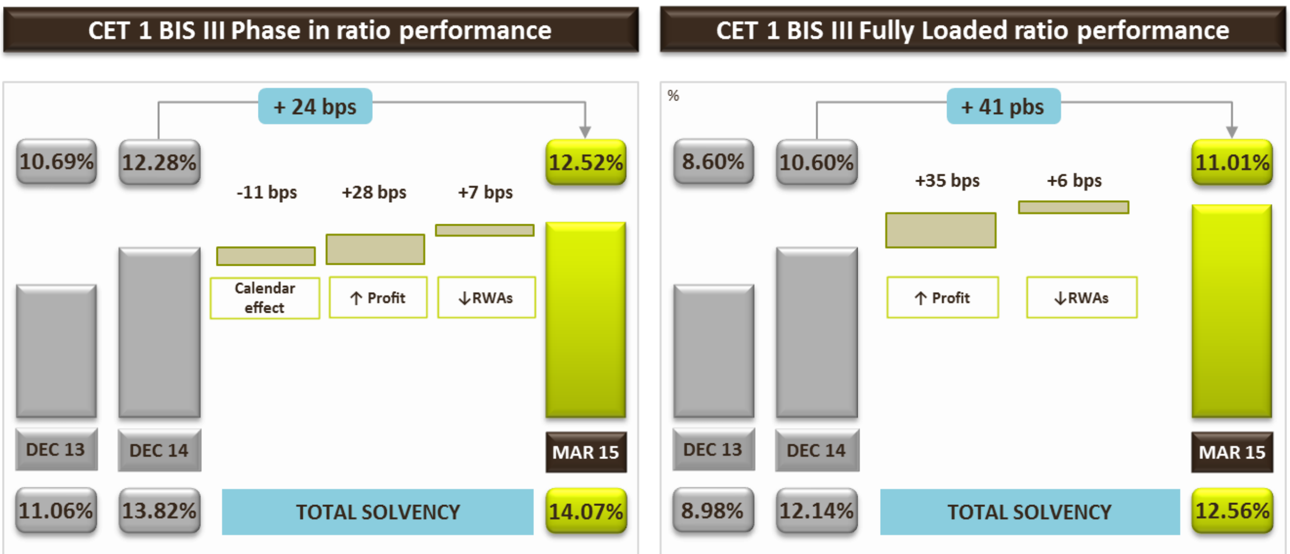
(€ million)	Mar-15	Dec-14	Change Amount	Change %
Net Loans and advances to customers	**115,344**	**112,691**	**2,653**	**2.4%**
Repo transactions SPR	-	27	(27)	(99.1%)
Repo transactions NRE	2	-	2	-
Repo transactions with BFA	3,269	-	3,269	-
a. Strict Net Loans and advances to customers	**112,073**	**112,664**	**(591)**	**(0.5%)**
Strict customer deposits and retail commercial paper	96,052	94,925	1,127	1.2%
Single-certificate covered bonds	7,378	7,736	(358)	(4.6%)
ICO/EIB deposits	3,741	4,083	(342)	(8.4%)
b. Total Deposits	**107,170**	**106,744**	**427**	**0.4%**
LTD ratio (a/b)	**104.6%**	**105.5%**		**(0.9) p.p.**

8. SOLVENCY

BASEL III SOLVENCY DATA

(€ million and %)	Mar-15 BIS III	Dec-14 BIS III
Eligible capital	12,396	12,237
Common equity Tier I (CET 1)	11,027	10,874
Tier I	11,027	10,874
Tier II	1,370	1,363
Risk-weighted assets	88,081	88,565
Minimum requirements	7,046	7,085
Surplus capital	5,350	5,152
Common equity Tier I Phase In (CET 1) (%)	**12.52%**	**12.28%**
Tier I	12.52%	12.28%
Tier II	1.55%	1.54%
Solvency ratio - Total capital ratio (%)	**14.07%**	**13.82%**
CET 1 Fully Loaded (%)	**11.01%**	**10.60%**

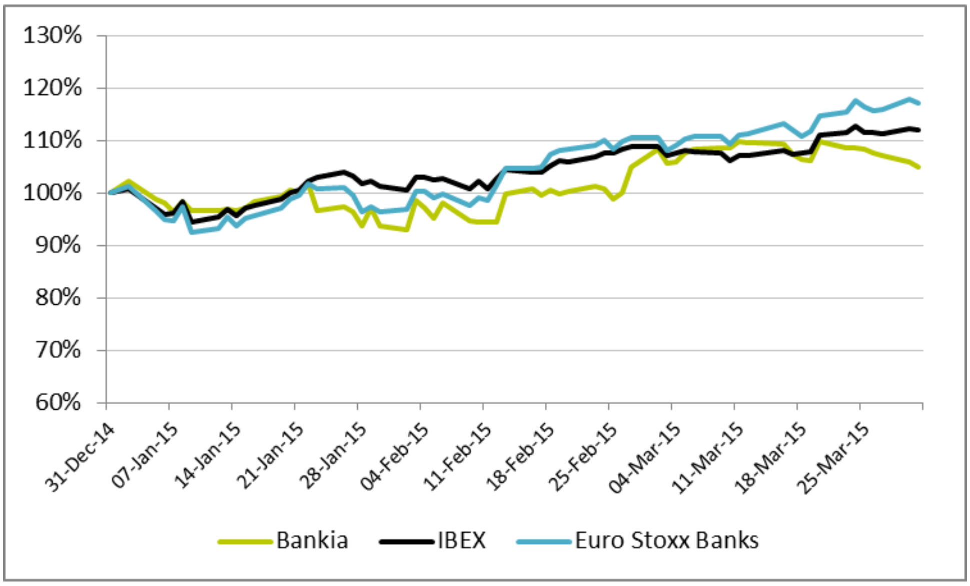
CET1 RATIO, PHASE-IN AND FULLY LOADED



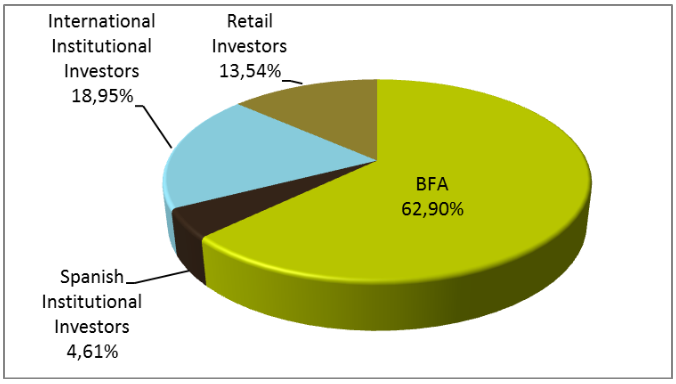
The ratios include the result of each period.

9. SHARE PERFORMANCE AND SHAREHOLDER STRUCTURE

SHARE PERFORMANCE



MAJOR SHAREHOLDERS AND STOCK MARKET DATA



BANKIA (stock data)	Mar-15
Number of shareholders	451,702
Daily average volume (num. shares)	45,195,872
Daily average turnover (euros)	60,352,232
Maximum closing price (€/share)	1.36 (11-mar)
Minimum closing price (€/share)	1.298 (31-mar)
Closing price (€/share)	1.298

10. RATING

Issuer Ratings	Standard & Poor's	Fitch Ratings
Long-term	BB	BBB-
Short-term	B	F3
Perspective	Stable	Negative
Date	22-Apr-15	1-Apr-15

Mortgage Covered Bonds Ratings	Standard & Poor's	Fitch Ratings	DBRS
Rating	A	A-	A (high)
Perspective	Negative	Stable	---
Date	5-Feb-15	6-Apr-15	26-Mar-15