Earnings Report

January-September 2015

2 November 2015

Bankia

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CONTENTS

Basis of presentation and comparability of information

The Bankia Group audits financial information for the periods closing 30 June and 31 December each year. Consequently, the financial information contained in this document at the end of September 2015 has not been audited.

The audit reports included in the consolidated financial statements at 31 December 2014 and the interim financial statements for the first half of 2015 contained the following emphasis of matter paragraph on litigation related to Bankia's initial public offering in July 2011: "We draw users' attention to the information provided in Notes 2.19.1 and 22 (1.9.1 and 14) to the accompanying consolidated financial statements, which describes the uncertainties related to the final outcome of litigation regarding the Initial Public Offering of shares carried out in 2011 for the stock market listing of Bankia S.A. and to the provisions recognised by the Group to cover the estimated costs of this litigation. Our opinion is not qualified in respect of this matter". At 30 September 2015, the aforementioned uncertainties remain and the financial data contained in this document should therefore be read in this context and alongside the information contained in the indicated notes to the consolidated financial statements for the year ended 31 December 2014 and the interim financial statements for the first half 2015.

Also, in light of changes brought in by IAS 8 and IFRIC 21 on accounting for levies, the allocation of earnings between quarters in 2014 has been restated from the published 2014 quarterly results. This had no impact on the full-year results for 2014. However, the comparative quarterly information for 2014 shown in this report has been restated to reflect the accounting changes.

BANKIA ACHIEVES A 9.9% ROE

Efficiency improvements and reductions in cost of risk continue to drive Bankia Group's attributable profit, which improves by 7.3% compared to September 2014

- Bankia Group's gross income reflects its resilience to a declining Euribor: €3,030 million at the end of September 2014, in line with the first nine months of 2014.
- Operating expenses continue the downward trend of previous quarters, reducing by 1.3% on the quarter and 3.8% compared to the first nine months of 2014. The efficiency ratio stands at 41.5% at the end of September 2015, a year-on-year improvement of 0.9 percentage points.
- Cost of risk continues its progressive fall to 50 bps in the first nine months, a 13 bps improvement year-on-year. This is reflected in a 25.1% decline in provisions compared to the first nine months of 2014.
- As a result of the resilience of gross income and improvements in efficiency and cost of risk, attributable profit increases 7.3% in the first nine months of 2015 compared to September 2014.
- The Group concludes the nine-month period generating a ROE of 9.9%.

Business lending and consumer finance increase 5.1% and new customer funds continue to grow

- New loans total €11,407 million since the start of the year, up 57.6% compared to the same period in 2014, with an increase of 43.9% in consumer finance and 58.8% in business lending. The back book in these two segments grows by 5.1% compared to September 2014.
- Customer funds increase since December 2014. The main focus of growth continues to be securities mutual funds (+17.7%), current accounts (+16.4%) and savings accounts (+5.6%). Bankia increases its share of the securities mutual funds market by 42 bps since the start of the year, to 5.40% at the end of September 2015.

The divestment of non-strategic assets continues and risk management, liquidity and solvency improve further. CET1 Fully Loaded ratio reaches 11.73%

- Loan portfolios sold since the beginning of 2015 total €1,660 million. Over the same period the Group has sold 6,100 real estate assets, a 77% increase on the same period in 2014.
- NPLs decrease by €2,463 million year-to-date and by €1,224 million in 3Q alone, with a 1.5 pp reduction in the NPL ratio to 11.4%. Despite the sales, the NPL coverage ratio rises by 4.1 pp to 61.7%.
- The commercial gap narrows by 17.9% since the start of the year and the loan-to-deposit (LTD) ratio is 103.8% at the end of September (-1.7 p.p. reduction vs December 2014).
- The CET1 BIS III Phase in ratio stands at 13.20% (+92 bps of additional capital since the beginning of the year). The CET1 Fully Loaded BIS III ratio increases to 11.73% (+113 bps of additional capital since the beginning of the year).
- The asset divestment plan has continued in 4Q15 with the sale of City National Bank of Florida in October, a deal which has generated 70 bps of CET1 BIS III Fully Loaded capital for the Bankia Group.

1. KEY DATA

	Sep-15	Dec-14	Change
Balance sheet (€ million)			
Total assets	217,456	233,649	(6.9%)
Loans and advances to customers (net)	110,190	112,691	(2.2%)
Loans and advances to customers (gross)	118,501	121,769	(2.7%)
Loans and advances to the resident private sector (gross)	94,143	96,550	(2.5%)
Secured loans and advances (gross)	70,730	74,075	(4.5%)
On-balance-sheet customer funds	131,062	131,200	(0.1%)
Customer deposits and clearing houses	105,620	106,807	(1.1%)
Borrowings, marketable securities	24,409	23,350	4.5%
Subordinated liabilities	1,034	1,043	(0.9%)
Total managed customer funds	153,364	152,242	0.7%
Equity	11,968	11,331	5.6%
Common Equity Tier I - BIS III Phase In	11,403	10,874	4.9%
Capital adequacy (%)			
Common Equity Tier I - BIS III Phase In	13.20%	12.28%	+92 p.b.
Total capital ratio - BIS III Phase In	14.75%	13.82%	+93 p.b.
Ratio CET1 BIS III Fully Loaded	11.73%	10.60%	+113 p.b.
Risk management (€ million and %)			
Total risk (1)	123,410	128,584	(4.0%)
Non performing loans	14,084	16,547	(14.9%)
NPL provisions	8,691	9,527	(8.8%)
NPL ratio (1)	11.4%	12.9%	-1.5 p.p.
NPL coverage ratio	61.7%	57.6%	+4.1 p.p.

	Sep-15	Sep-14	Change
Results (€ million)			
Net interest income	2,075	2,163	(4.0%)
Gross income (2)	3,030	3,079	(1.6%)
Operating income before provisions (2)	1,773	1,772	0.1%
Profit/(loss) attributable to the Group (2)	855	797	7.3%
Key ratios (%)			
Cost to Income ratio	41.5%	42.4%	-0.9 p.p.
R.O.A. (Profit after tax / Average total assets) (3)	0.5%	0.4%	+0.1 p.p.
R.O.E. (Profit attributable to the group / Equity) (4)	9.9%	8.4%	+1.5 p.p.

	Sep-15	Dec-14	Change
Bankia share			
Number of shareholders	448,427	457,377	(2.0%)
Number of shares in issue (million)	11,517	11,517	-
Closing price (end of period)	1.158	1.238	(6.5%)
Market capitalisation (€ million)	13,337	14,258	(6.5%)
Earnings per share (5)	0.10	0.08	30.3%
Tangible book value per share (6)	1.09	1.07	2.2%
Additional information			
Number of branches	1,974	1,978	(0.2%)
Number of employees (7)	14,042	14,382	(2.4%)

(1) NPL ratio excludes the Repo transactions with BFA reclassified as loans to customers since January 2015 (1,100 million euro in Sep 15)
(2) Due to the application of IFRIC 21, in 2015 the contribution to the Deposit Guarantee Fund (FGD) will be recognized in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year. For comparison purposes, the 2014 data is adjusted in the same way.
(3) Annualized profit after tax divided by the average total assets
(4) Annualized attributable profit divided by the average equity.
(5) Annualized attributable profit divided by the number of shares in issue
(6) Total Equity less intangible assets divided by the number of shares in issue
(7) Number of employees involved in financial activities in Spain and abroad

2. ECONOMIC AND FINANCIAL ENVIRONMENT

The performance of the global economy in the third quarter 2015 was again somewhat disappointing. Global growth was between 2.0% and 2.5% in annualised terms, once again below its long-term average, and forecasts for 2016 were downgraded. Doubts about the world economy were revived by a loss of dynamism in the United States, uncertainty about the German economy following the Volkswagen crisis and, particularly, a creeping loss of confidence in China following its stock market slump, devaluation of the yuan and weak signals from most economic indicators. Commodity prices felt the impact – the most cyclical fell back to their 2009 lows during the quarter – prolonging the downward pressure on inflation. Inflation in the euro area and United States was again negative and zero, respectively, in September.

Meanwhile, fears of a Chinese hard landing stoked pessimism about emerging markets, already experiencing a significant deterioration in their terms of finance due to expected rate rises in the United States. Growth in most emerging economies remained at lows for the current expansionary phase. Capital flight worsened (more than a trillion dollars since August 2014, double the volume seen in the 2008-09 crisis) and currencies lost more ground against the dollar, in many cases to lows unseen in more than a decade or ever.

Policy at the world's leading central banks was marked by caution. The Fed pushed back the timing of rate hikes and the ECB bolstered expectations that it would extend its asset purchase programme. Their attitude succeeded in mollifying, although not eliminating, doubts about risky assets prompted by the deterioration in the international outlook and a number of bad news stories in the corporate context (most notably VW and Glencore). United States indices lost an average 7% and euro area indices close to 9%. This worsening global outlook, coupled with downward revisions for inflation forecasts, drove a strong performance by sovereign bonds in the United States and Europe.

The Spanish economy continued its expansionary path, although the pace of growth slackened slightly. The Bank of Spain estimates quarterly GDP growth at 0.8% in 3Q15, compared to 1% in the prior quarter. The slowing recovery was also evident in the labour market, which continued to create jobs but less prolifically. Social security registrations were back to end-2011 levels but only rose by 0.2% in the quarter (+1.3% in 2Q15). Net exports marked an improvement thanks to stronger exports, particularly of autos, and cheaper oil imports. The housing market meanwhile continued to show signs of returning life, in transaction numbers, new mortgages and prices, although the figures remain deeply depressed a long-way off the highs seen during the boom.

In the banking sector, the recovering trend continues, with progress on asset quality thanks to on-going falls in NPLs and improving levels of liquidity and solvency. On this last point, recent changes to the treatment of deferred tax assets have been helpful for the banking system and eliminated a major source of uncertainty. On business volumes, banks continue to deleverage while simultaneously increasing new lending. The shift from strict deposits to off-balance sheet products also continues. Overall, the sector's results reflect a continuation of the improving trend begun in 2014 driven by a tight grip on costs and lower provisioning charges. That said, the low-interest rate environment, low levels of new business and regulatory requirements maintain pressure on future prospects.

3. SUMMARY OF RESULTS

3.1 Attributable profit increases 7.3% year-on-year, with a significant improvement in provisions and cost containment

- The Bankia Group ended September 2015 with a year-to-date **attributable profit** of €855 million, **an increase of 7.3% compared to September 2014**. This positive result has been driven by the good performance of the Group's key income statement lines since last year: resilient gross income despite extraordinarily low market interest rates, tight cost management and a focus on risk management that has substantially reduced provisions and write-downs.

- **Net interest income** totals €2,075 million, a slight 4% fall on 3Q14. Quarter-on-quarter, net interest income changed little, falling 1.0% compared to 2Q15.

  It is worth highlighting the resilience of the Group's net interest income in a market context in which the profitability of the mortgage book has been under pressure from an all-time low Euribor (Euribor 12-month rates fell to 0.154% in September 2015) and the removal of floor clauses, just when the transfer of lower financing costs to assets limits the new lending rates. Added to this, in Bankia's case, there is the impact of the downward repricing suffered by the bonds issued by SAREB. Excluding the repricing effect, the Group's NII would have grown by 4.3% year-on-year (+1.9% on the quarter).

  The on-going reduction in the costs of liabilities and new lending to higher-yielding segments like business and consumer finance underlie the resilience of NII to the current interest rate climate. In the first nine months of 2015, the front book of term deposits was paying an average 0.43%, 69 basis points less than in the same period in 2014, while the back book rate was 1.15%, compared to 2.10% for the period during the previous year.

  As a result, the customer margin in 3Q15 stands at 1.47%, an additional 21 bps compared to 3Q14 and above the 1.44% of the previous quarter. Interest margin on total average assets is 1.20%, 5 bps above the 1.15% of 3Q14.

- **Net fee and commission income** has reached similar levels to September 2014, totalling €708 million year-to-date, a 1% increase year-on-year. It is worth noting the good performance of fees and commissions generated from the management and sale of insurance (+61%) and mutual funds (+15.7%), as well as from increased commission income from the sale of loan portfolios. Together, these offset a fall in other fee and commission income that is more linked to the core banking business.

- The contribution of **Net trading income (NTI)** to the consolidated income statement has increased, reaching a total of €224 million at the end of September 2015. Quarter-on-quarter, NTI for 3Q15 was in line with previous quarters.

- The income statement includes a €21 million gain from **exchange differences**, compared to a €2 million gain in September 2014. This reflects the shift in the euro/dollar exchange rate during 2015 and the resultant impact on the exchange rate hedges that the Group has on its balance sheet against foreign currency financing.

- **Other operating income and expenses** have resulted in a net expense of €28 million compared to a €30 million net gain in the previous year, due to lower income from non-financial activities and the management of the Group's real estate assets.

- Taken together, the above items led to **gross income** of €3,030 million in the first nine months to September 2015, a modest fall of 1.6% on 9M14. Much of this came from the core banking business (net interest and fee and commission income), which at the end of September 2015 represents almost 92% of the Group's gross income.

- Even though the restructuring process has been concluded, operating expenses have continued to improve over previous quarters, falling by 1.3% on 2Q15 and 3.8% year to date on 9M14. This underlines the effectiveness of Bankia's cost-reduction and resource maximisation policy. The biggest fall has been in general expenses, down by €22 million compared to September 2014 (-5.1%). Staff costs and depreciation and amortisation also fall, by €12 million and €15 million, respectively, or 1.6% and 12.5% in percentage terms. Consequently, the **efficiency ratio is 41.5%**, nearly a point down on a year ago.

- As a result of the above, **pre-provision profit** at September 2015 is €1,773 million, in line with the same period in 2014 (€1,772 million).

- As with operating expenses, there has been an **excellent performance** by total provisions and write-downs – including impairment losses on financial, non-financial and foreclosed assets and other net provisions – which total €612 million at the end of September 2015. This is a 25.1% **reduction** on the same period in 2014 and reflects the improvements in the quality of the Group's assets and reinforced recovery management. As a result, at the end of September 2015 the **cost of credit risk** is 50 **bps for the nine month period**, an improvement of **13 bps** on the end of September 2014. The quarterly trend shows that the cost of risk in 3Q15 has been 0.44%, down by 7 bps on 2Q15.

- Finally **other gains and other losses**, which include impairment of foreclosed assets, record a loss of €131 million, greater than the €67 million loss at September 2014. This has been due to lower gains on the sale of equity investments. Profit attributable to minority interests is €20 million in the first nine months of the year.

3.2 New lending to key segments increases and new customer funds grow

- **New lending** grows 57.6% year-on-year, with increases in key segments: +43.9% in consumer finance and +58.8% in lending to business. This growth is reflected in the total volume of the Group's loan book to these segments, which has increased by 5.1% compared to September 2014.

  Despite this, gross loans and advances to customers have fallen by 2.7% from December 2014, to €118,501 million as the rise in new lending failed to offset portfolio sales and the natural maturity of the back book. Excluding portfolio sales, gross lending falls by 1.6%.

  This reduction in gross loans and advances to customers is due to doubtful loans, (-14.8% as a result of portfolio sales), and loans with collateral (-4.5%), mainly home mortgages. In contrast, personal guarantee loans grow by 5.6% year to date and commercial loans by 1.6%. These include new lending to businesses, consumer finance and the self-employed.

- As regards **retail funds**, strict customer deposits and off-balance sheet managed funds total €116,890 million, increasing €923 million since December 2014. A key factor in this growth is the increase, since the start of the year, of assets managed in mutual funds (+17.7%), current accounts (+16.4%) and savings accounts (+5.6%), which are attracting customer balances from term deposits. This has helped boost the Group's **share of the securities mutual fund market** by 42 bps to 5.40% at end-September 2015.

3.3 On-going improvements in risk management, liquidity and solvency

- In September 2015 the improvement in NPLs already seen in previous quarters has continued. Total non-performing loans have ended the quarter at €14,084 million, having fallen €2,463 million since December 2014 (-€1,224 million in 3Q15 alone). Of this reduction, €1,093 million has been organic, i.e., due to fewer NPL entries and the Group's reinforced recovery management. Another €1,192 million is due to the sale of portfolios.

  As a result, the Group's NPL ratio is 11.4%, an improvement of 80 bps on the quarter and 150 bps on December 2014. Bankia has also continued its prudent approach in risk coverage and this, coupled with the fall in NPLs, has helped boost the **NPL coverage ratio** to 61.7% at the end of September 2015, a 1.1 point increase on the previous quarter and 4.1 points since the start of the year.

Similarly, under its strategy to reduce housing stock, the Group has sold 6,100 real estate assets since the start of 2015, 77% more than in the same period in 2014. Foreclosed assets held by the Group have been reduced by 7.5% in gross terms so far this year.

- Deleveraging of the balance sheet, coupled with the stabilisation of strict customer deposits, has helped narrow the **commercial gap** by 17.9% in the year to September 2015, to €11,216 million. As a result of the improved commercial gap, at the end of September 2015 the Group's **LTD ratio** is 103.8%, 1.7 points down from December 2014.

- During 3Q15 the Group has issued an additional mortgage covered bond for €1.25 billion, leading to a total issuance thus far in 2015 of €2.25 billion.

- As regards solvency, the Bankia Group has ended September 2015 with a **CET 1 BIS III Phase in ratio of 13.20%**, accumulating €316 million (+43 bps) of capital during the quarter. This robust solvency position largely stems from recurrent organic income growth (+26 bps over the quarter), discounting a potential dividend payment, but also reflects the deleveraging of the balance sheet and the improvement in the portfolio's credit quality (+17 bps), which since June has been influenced by the sale of non-strategic assets (i.e. NPL portfolios).

  In the third quarter of 2015 the Group has generated an additional 42 bps of CET1 Fully Loaded capital, of which 27 bps came from organic income growth. As a result at the end of September 2015 the **CET 1 BIS III Fully Loaded ratio stands at 11.73%.**

4. INCOME STATEMENT

YEAR-TO-DATE INCOME STATEMENT

(€ million)	9M 2015	9M 2014 (1)	Change Amount	Change %
Net interest income	**2,075**	**2,163**	**(87)**	**(4.0%)**
Dividends	5	4	1	26.1%
Share of profit/(loss) of companies accounted for using the equity method	24	29	(5)	(16.7%)
Total net fees and commissions	708	702	7	1.0%
Gains/(losses) on financial assets and liabilities	224	149	75	50.1%
Exchange differences	21	2	19	-
Other operating income/(expense)	(28)	30	(58)	-
Gross income	**3,030**	**3,079**	**(48)**	**(1.6%)**
Administrative expenses	(1,150)	(1,184)	34	(2.9%)
Staff costs	(736)	(748)	12	(1.6%)
General expenses	(414)	(436)	22	(5.1%)
Depreciation and amortisation	(107)	(123)	15	(12.5%)
Operating income before provisions	**1,773**	**1,772**	**1**	**0.1%**
Provisions	(473)	(657)	185	(28.1%)
Provisions (net)	40	111	(71)	(63.7%)
Impairment losses on financial assets (net)	(513)	(768)	255	(33.2%)
Operating profit/(loss)	**1,301**	**1,115**	**185**	**16.6%**
Impairment losses on non-financial assets	(14)	(3)	(11)	361.3%
Other gains and other losses	(131)	(67)	(63)	93.6%
Profit/(loss) before tax	**1,156**	**1,045**	**111**	**10.7%**
Corporate income tax	(281)	(296)	15	(5.0%)
Profit/(loss) from continuing operations	**875**	**749**	**126**	**16.8%**
Profit/(loss) from discontinued operations (net) (2)	0	46	(46)	(100.0%)
Profit/(loss) after tax	**875**	**795**	**80**	**10.1%**
Profit/(Loss) attributable to minority interests	20	(2)	22	-
Profit/(loss) attributable to the Group	**855**	**797**	**58**	**7.3%**
Cost to Income ratio (3)	**41.5%**	**42.4%**	**-0.9 p.p.**	**(2.2%)**
Recurring Cost to Income ratio (4)	**45.1%**	**44.6%**	**+0.5 p.p.**	**1.2%**

(1) Due to the application of IFRIC 21, in 2015 the contribution to the Deposit Guarantee Fund (FGD) will be recognized in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year. For comparison purposes, the 2014 data is adjusted in the same way.

(2) 9M2014 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

CONSOLIDATED QUARTERLY RESULTS

(€ million)	3Q 15	2Q 15	1Q 15	4Q 14 (1)	3Q 14 (1)	2Q 14 (1)	1Q 14 (1)
Net interest income	**688**	**695**	**693**	**765**	**735**	**730**	**698**
Dividends	1	3	1	1	2	2	1
Share of profit/(loss) of companies accountes for using the equity method	7	12	6	4	11	11	7
Total net fees and commissions	228	248	233	246	234	237	231
Gains/(losses) on financial assets and liabilities	73	78	73	68	75	53	21
Exchange differences	10	13	(1)	6	(19)	6	14
Other operating income/(expense)	(4)	(11)	(13)	(159)	14	16	(0)
Gross income	**1,001**	**1,037**	**992**	**930**	**1,052**	**1,055**	**972**
Administrative expenses	(376)	(384)	(390)	(402)	(389)	(392)	(403)
Staff costs	(242)	(244)	(250)	(240)	(242)	(250)	(256)
General expenses	(134)	(140)	(140)	(163)	(147)	(143)	(146)
Depreciation and amortisation	(38)	(36)	(33)	(34)	(42)	(42)	(39)
Operating income before provisions	**587**	**617**	**569**	**494**	**621**	**620**	**531**
Provisions	(151)	(147)	(175)	(189)	(202)	(226)	(229)
Provisions (net)	5	12	23	(7)	46	17	49
Impairment losses on financial assets (net)	(156)	(159)	(198)	(182)	(248)	(243)	(277)
Operating profit/(loss)	**436**	**470**	**394**	**305**	**419**	**394**	**302**
Impairment losses on non-financial assets	(4)	(9)	(2)	(3)	(3)	2	(3)
Other gains and other losses	(29)	(45)	(57)	(122)	(23)	(35)	(10)
Profit/(loss) before tax	**403**	**417**	**336**	**179**	**394**	**362**	**289**
Corporate income tax	(90)	(105)	(86)	(24)	(112)	(94)	(89)
Profit/(loss) from continuing operations	**314**	**312**	**250**	**155**	**281**	**268**	**200**
Profit/(loss) from discontinued operations (net) (2)	-	-	-	39	17	14	15
Profit/(loss) after tax	**314**	**312**	**250**	**194**	**298**	**282**	**215**
Profit/(loss) attributable to minority interests	14	1	5	26	(0)	0	(1)
Profit/(loss) attributable to the Group	**300**	**311**	**244**	**168**	**299**	**282**	**217**
Effect of IPO provision (net)				(218)			
Reported profit attributable to the Group	**300**	**311**	**244**	**(50)**	**299**	**282**	**217**
Cost to Income ratio (3)	**41.4%**	**40.5%**	**42.6%**	**46.9%**	**40.9%**	**41.2%**	**45.4%**
Recurring Cost to Income ratio (4)	**45.1%**	**44.3%**	**46.0%**	**44.4%**	**45.2%**	**45.6%**	**49.3%**

(1) Due to the application of IFRIC 21, in 2015 the contribution to the Deposit Guarantee Fund (FGD) will be recognized in the profit and loss account as a single payment at the year end rather than being accrued during the accounting year. For comparison purposes, the 2014 data is adjusted in the same way.

(2) 2014 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 in 2014)

YIELDS AND EXPENSES

(€ million & %)	3 Q 2015 Average Amount	3 Q 2015 Weight (%)	3 Q 2015 Revenues /Expenses	3 Q 2015 Yield	3 Q 2014 Average Amount	3 Q 2014 Weight (%)	3 Q 2014 Revenues /Expenses	3 Q 2014 Yield
Loans and advances to credit institutions	5,917	2.8%	3.3	0.22%	18,581	7.6%	5	0.12%
Net Loans and advances to customers (a)	109,729	51.3%	563	2.03%	114,815	46.9%	676	2.34%
Debt securities	60,702	28.4%	297	1.94%	68,323	27.9%	439	2.55%
Other interest earning assets [1]	365	0.2%	2	2.58%	174	0.1%	1	2.71%
Other non-interest earning assets	37,065	17.3%	-	-	42,786	17.5%	-	-
Total Assets (b)	**213,778**	**100.0%**	**865**	**1.61%**	**244,679**	**100.0%**	**1,122**	**1.82%**
Deposits from central banks and credit institutions	49,572	23.2%	29	0.23%	71,149	29.1%	54	0.30%
Customer deposits (c)	103,916	48.6%	148	0.56%	105,752	43.2%	287	1.08%
Strict Customer Deposits	*93,451*	43.7%	*128*	*0.54%*	*94,548*	38.6%	*259*	*1.09%*
Repos	*3,269*	1.5%	*0.05*	*0.01%*	*2,949*	1.2%	*0.4*	*0.06%*
Single-certificate covered bonds	*7,196*	3.4%	*20*	*1.09%*	*8,255*	3.4%	*28*	*1.34%*
Marketable securities	23,724	11.1%	28	0.47%	26,455	10.8%	62	0.92%
Subordinated liabilities	1,026	0.5%	9	3.30%	1,018	0.4%	10	3.71%
Other interest earning liabilities [1]	1,184	0.6%	4	1.27%	1,309	0.5%	3	0.86%
Other liabilities with no cost	21,676	10.1%	-	-	26,374	10.8%	-	-
Equity	12,680	5.9%	-	-	12,622	5.2%	-	-
Total equity and liabilities (d)	**213,778**	**100.0%**	**217**	**0.40%**	**244,679**	**100.0%**	**416**	**0.67%**
Customer margin (a-c)				**1.47%**				**1.26%**
Net interest margin (b-d)			**648**	**1.20%**			**706**	**1.15%**
City National Bank Contribution	***5,551***		***40***		***3,963***		***29***	
Consolidated Net interest margin	**219,330**		**688**	**1.24%**	**248,642**		**735**	**1.17%**

(€ million & %)	2 Q 2015 Average Amount	2 Q 2015 Weight (%)	2 Q 2015 Revenues /Expenses	2 Q 2015 Yield	1 Q 2015 Average Amount	1 Q 2015 Weight (%)	1 Q 2015 Revenues /Expenses	1 Q 2015 Yield
Loans and advances to credit institutions	7,587	3.4%	2	0.12%	9,140	4.0%	0.3	0.02%
Net Loans and advances to customers (a)	111,016	50.2%	580	2.10%	112,444	49.1%	606	2.18%
Debt securities	60,645	27.4%	310	2.05%	62,501	27.3%	330	2.14%
Other interest earning assets [1]	372	0.2%	3	3.01%	380	0.2%	5	4.81%
Other non-interest earning assets	41,348	18.7%	-	-	44,731	19.5%	-	-
Total Assets (b)	**220,967**	**100.0%**	**895**	**1.62%**	**229,196**	**100.0%**	**940**	**1.66%**
Deposits from central banks and credit institutions	53,666	24.3%	29	0.22%	58,575	25.6%	31	0.22%
Customer deposits (c)	103,579	46.9%	170	0.66%	105,700	46.1%	205	0.79%
Strict Customer Deposits	*93,289*	42.2%	*148*	*0.64%*	*94,346*	41.2%	*181*	*0.78%*
Repos	*2,941*	1.3%	*0.1*	*0.01%*	*3,678*	1.6%	*0.5*	*0.05%*
Single-certificate covered bonds	*7,348*	3.3%	*21*	*1.16%*	*7,676*	3.3%	*24*	*1.25%*
Marketable securities	23,595	10.7%	30	0.51%	23,133	10.1%	33	0.59%
Subordinated liabilities	1,038	0.5%	9	3.35%	1,049	0.5%	9	3.41%
Other interest earning liabilities [1]	1,363	0.6%	0.2	0.06%	1,399	0.6%	2	0.59%
Other liabilities with no cost	24,974	11.3%	-	-	26,659	11.6%	-	-
Equity	12,754	5.8%	-	-	12,681	5.5%	-	-
Total equity and liabilities (d)	**220,967**	**100.0%**	**238**	**0.43%**	**229,196**	**100.0%**	**281**	**0.50%**
Customer margin (a-c)				**1.44%**				**1.40%**
Net interest margin (b-d)			**657**	**1.19%**			**659**	**1.17%**
City National Bank Contribution	***5,311***		***38***		***4,783***		***34***	
Consolidated Net interest margin	**226,278**		**695**	**1.23%**	**233,979**		**693**	**1.20%**

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

NET FEE AND COMMISSION INCOME

(€ million)	9M 2015	9M 2014	Change Amount	Change %
Contingent risks and commitments	70	80	(9)	(11.9%)
Payments services	257	311	(54)	(17.3%)
Bills of exchange	31	39	(8)	(20.9%)
Debit and credit cards	133	163	(30)	(18.3%)
Means of payment	28	30	(3)	(8.2%)
Other	66	79	(13)	(16.8%)
Securities brokerage service	40	41	(1)	(3.1%)
Marketing of products	216	187	29	15.4%
Investment funds	80	69	11	15.7%
Pension funds	45	62	(17)	(26.7%)
Insurance and other	91	57	35	61.0%
Other	186	149	37	24.4%
FEES AND COMMISSIONS RECEIVED	**770**	**769**	**1**	**0.1%**
FEES AND COMMISSIONS PAID	**62**	**68**	**(6)**	**(8.7%)**
TOTAL NET FEE AND COMMISSION INCOME	**708**	**702**	**7**	**1.0%**
(*) of which: City National Bank of Florida	**8**	**6**	**2**	**25.0%**

(€ million)	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Contingent risks and commitments	23	23	24	26	25	28	27
Payments services	83	89	85	97	97	107	107
Bills of exchange	10	11	10	12	12	13	14
Debit and credit cards	43	46	43	52	52	57	54
Means of payment	8	10	9	9	9	11	11
Other	22	22	22	24	25	26	28
Securities brokerage service	13	14	14	11	10	18	13
Marketing of products	72	78	66	71	58	71	58
Investment funds	27	27	25	24	24	23	22
Pension funds	15	15	15	15	16	30	16
Insurance and other	30	35	26	32	18	18	20
Other	57	66	63	61	52	42	56
FEES AND COMMISSIONS RECEIVED	**248**	**271**	**251**	**266**	**243**	**266**	**260**
FEES AND COMMISSIONS PAID	**21**	**22**	**19**	**20**	**9**	**29**	**30**
TOTAL NET FEE AND COMMISSION INCOME	**228**	**248**	**233**	**246**	**234**	**237**	**231**
(*) of which: City National Bank of Florida	**2**	**3**	**3**	**2**	**2**	**2**	**2**

ADMINISTRATIVE EXPENSES

			Change	
(€ milllon)	9M 2015	9M 2014	Amount	%
Staff cost	**736**	**748**	**(12)**	**(1.6%)**
Wages and salaries	553	562	(9)	(1.7%)
Social security costs	132	136	(4)	(2.7%)
Pension plans	32	21	11	51.2%
Others	19	29	(9)	(32.8%)
General expenses	**414**	**436**	**(22)**	**(5.1%)**
From property, fixtures and supplies	92	103	(11)	(10.8%)
IT and communications	124	131	(8)	(6.0%)
Advertising and publicity	40	44	(5)	(10.8%)
Technical reports	34	35	(1)	(2.9%)
Surveillance and security courier services	11	12	(1)	(9.2%)
Levies and taxes	42	46	(4)	(7.8%)
Insurance and self-insurance premiums	4	4	-	-
Other expenses	68	60	8	12.7%
TOTAL ADMINISTRATIVE EXPENSES	**1,150**	**1,184**	**(34)**	**(2.9%)**
(*) of which: City National Bank of Florida	**57**	**44**	**14**	**31.2%**

(€ milllon)	3Q 2015	2TQ2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Staff cost	**242**	**244**	**250**	**240**	**242**	**250**	**256**
Wages and salaries	182	185	185	184	182	189	192
Social security costs	42	44	46	43	45	45	46
Pension plans	10	12	10	7	7	7	7
Others	7	3	10	5	8	10	11
General expenses	**134**	**140**	**140**	**163**	**147**	**143**	**146**
From property, fixtures and supplies	31	29	31	37	34	34	35
IT and communications	39	43	42	43	43	46	42
Advertising and publicity	12	13	15	19	17	12	14
Technical reports	15	8	11	20	16	10	9
Surveillance and security courier servic	4	4	4	4	4	4	4
Levies and taxes	14	14	14	14	10	17	18
Insurance and self-insurance premiums	1	1	1	2	3	1	1
Other expenses	19	27	22	24	20	18	22
TOTAL ADMINISTRATIVE EXPENSES	**376**	**384**	**390**	**402**	**389**	**392**	**403**
(*) of which: City National Bank of Florida	**19**	**19**	**19**	**16**	**15**	**13**	**15**

PROVISIONS

			Change	
(€ million)	9M 2015	9M 2014	Amount	%
Impairment losses on financial assets (net)	(513)	(768)	255	(33.2%)
Impairment losses on non-financial assets	(14)	(3)	(11)	361.3%
Foreclosed assets	(126)	(157)	31	(19.9%)
Provisions (net)	40	111	(71)	(63.7%)
TOTAL RECURRENT PROVISIONS	**(612)**	**(817)**	**205**	**(25.1%)**

(€ million)	3Q 15	2Q 15	1Q 15	4Q 14	3Q 14	2Q 14	1Q 14
Impairment losses on financial assets (net)	(156)	(159)	(198)	(182)	(248)	(243)	(277)
Impairment losses on non-financial assets	(4)	(9)	(2)	(3)	(3)	2	(3)
Foreclosed assets	(28)	(55)	(43)	(99)	(48)	(38)	(71)
Provisions (net)	5	12	23	(7)	46	17	49
TOTAL RECURRENT PROVISIONS	**(182)**	**(211)**	**(219)**	**(291)**	**(253)**	**(262)**	**(303)**
IPO contingency provision	-	-	-	(312)	-	-	-
TOTAL PROVISIONS INCLUDING IPO CONTINGEN(	**(182)**	**(211)**	**(219)**	**(603)**	**(253)**	**(262)**	**(303)**

5. BALANCE SHEET

(€ million)	Sep-15	Dec-14	Change Amount	Change %
Cash and balances at central banks	1,365	2,927	(1,562)	(53.4%)
Financial assets held for trading	15,807	18,606	(2,799)	(15.0%)
Of which: loans and advances to customers	-	-	-	-
Available-for-sale financial assets	33,481	34,772	(1,291)	(3.7%)
Debt securities	33,481	34,772	(1,291)	(3.7%)
Equity instruments	-	-	-	-
Loans and receivables	116,108	125,227	(9,119)	(7.3%)
Bank deposits	4,381	10,967	(6,587)	(60.1%)
Loans and advances to customers	110,190	112,691	(2,501)	(2.2%)
Rest	1,538	1,569	(31)	(2.0%)
Held-to-maturity investments	25,417	26,661	(1,245)	(4.7%)
Hedging derivatives	4,703	5,539	(836)	(15.1%)
Non-current assets held for sale	8,462	7,563	899	11.9%
Equity investments	267	298	(31)	(10.6%)
Tangible and intangible assets	2,246	2,058	188	9.1%
Other assets, prepayments and accrued income, and tax assets	9,601	9,997	(396)	(4.0%)
TOTAL ASSETS	**217,456**	**233,649**	**(16,193)**	**(6.9%)**
Financial liabilities held for trading	15,707	18,124	(2,417)	(13.3%)
Financial liabilities at amortised cost	179,449	193,082	(13,633)	(7.1%)
Deposits from central banks	22,472	36,500	(14,028)	(38.4%)
Deposits from credit institutions	24,980	23,965	1,015	4.2%
Customer deposits and funding via clearing houses	105,620	106,807	(1,187)	(1.1%)
Debt securities in issue	24,409	23,350	1,059	4.5%
Subordinated liabilities	1,034	1,043	(10)	(0.9%)
Other financial liabilities	935	1,417	(482)	(34.0%)
Hedging derivatives	1,737	2,490	(753)	(30.3%)
Liabilities under insurance contracts	-	-	-	-
Provisions	1,491	1,706	(215)	(12.6%)
Other liabilities, accruals and deferred income, and tax liabilities	6,259	5,714	545	9.5%
TOTAL LIABILITIES	**204,643**	**221,115**	**(16,473)**	**(7.4%)**
Minority interests	53	(13)	66	-
Valuation adjustments	792	1,216	(423)	(34.8%)
Equity	11,968	11,331	637	5.6%
TOTAL EQUITY	**12,813**	**12,533**	**280**	**2.2%**
TOTAL EQUITY AND LIABILITIES	**217,456**	**233,649**	**(16,193)**	**(6.9%)**

CUSTOMER LOANS

(€ million)	Sep-15	Dec-14	Change Amount	Change %
Spanish public sector	5,774	5,786	(12)	(0.2%)
Other resident sectors	94,143	96,550	(2,406)	(2.5%)
Secured loans and advences	70,730	74,075	(3,345)	(4.5%)
Personal guarantee loans	15,082	14,277	805	5.6%
Business loans and other credit facilities	8,331	8,198	133	1.6%
Non-residents	3,268	3,254	15	0.5%
Repo transactions	1,112	27	1,085	3967.8%
Of which: reverse repurchase agreements with BFA (1)	*1,110*	-	*1,110*	-
Other financial assets	824	469	356	75.9%
Other valuation adjustments	6	(13)	19	(144.1%)
Non-performing assets	13,373	15,696	(2,323)	(14.8%)
Gross loans and advances to customers	**118,501**	**121,769**	**(3,268)**	**(2.7%)**
Loan loss reserve	(8,311)	(9,077)	766	(8.4%)
NET LOANS AND ADVANCES TO CUSTOMERS	**110,190**	**112,691**	**(2,501)**	**(2.2%)**
Gross loans and advances to customers excluding balances with BFA	**117,389**	**121,769**	**(4,380)**	**(3.6%)**
NET LOANS AND ADVANCES TO CUSTOMERS EXCLUDING BALANCES WITH BF/	**109,078**	**112,691**	**(3,614)**	**(3.2%)**

(1) 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)	Sep-15 (1)	Dec-14 (1)	Change Amount	Change %
ALCO Portfolio	29,807	29,745	62	0.2%
NO ALCO Portfolio	5,542	8,235	(2,693)	(32.7%)
SAREB Bonds	18,057	18,057	-	-
ESM Bonds	3,398	3,398	-	-
Total Fixed Income Portfolio	**56,804**	**59,435**	**(2,631)**	**(4.4%)**

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

CUSTOMER FUNDS

(€ million)	Sep-15	Dec-14	Change Amount	Change %
Spanish public sector	6,041	6,299	(258)	(4.1%)
Repo transactions	251	2,003	(1,752)	(87.5%)
Other resident sectors	96,978	97,965	(986)	(1.0%)
Current accounts	15,459	13,276	2,183	16.4%
Savings accounts	25,523	24,178	1,345	5.6%
Term deposits and other	55,997	60,511	(4,515)	(7.5%)
Repo transactions	2,359	868	1,491	171.8%
Singular mortgage securities	7,197	7,736	(539)	(7.0%)
Rest	46,441	51,908	(5,466)	(10.5%)
Non-residents	2,600	2,543	58	2.3%
Repo transactions	1,225	1,275	(50)	(3.9%)
Funding via clearing houses and customer deposits	**105,620**	**106,807**	**(1,187)**	**(1.1%)**
Debentures and other marketable securities	24,409	23,350	1,059	4.5%
Subordinated loans	1,034	1,043	(10)	(0.9%)
TOTAL ON-BALANCE-SHEET CUSTOMER FUNDS	**131,062**	**131,200**	**(138)**	**(0.1%)**
Mutual funds	12,232	10,392	1,840	17.7%
Pension funds	6,275	6,581	(305)	(4.6%)
Insurance	3,794	4,069	(275)	(6.8%)
Off-balance-sheet customer funds	**22,302**	**21,042**	**1,260**	**6.0%**
TOTAL CUSTOMER FUNDS	**153,364**	**152,242**	**1,122**	**0.7%**

STRICT CUSTOMER DEPOSITS

(€ million)	Sep-15	Jun-15	Mar-15	Dec-15	Change Amount	Change %
Spanish public sector	**5,790**	**6,142**	**5,229**	**4,297**	**1,494**	**34.8%**
Other resident sectors	**87,423**	**87,630**	**89,564**	**89,361**	**(1,938)**	**(2.2%)**
Current accounts	15,459	15,088	15,645	13,276	2,183	16.4%
Savings accounts	25,523	25,506	24,056	24,178	1,345	5.6%
Term deposits	46,441	47,036	49,863	51,908	(5,466)	(10.5%)
Non-residents	**1,376**	**1,274**	**1,259**	**1,268**	**108**	**8.5%**
Strict Customer Deposits	**94,589**	**95,045**	**96,052**	**94,925**	**(337)**	**(0.4%)**
Off-balance-sheet customer funds	**22,302**	**22,221**	**22,434**	**21,042**	**1,260**	**6.0%**
Total customer funds + off-balance funds	**116,890**	**117,267**	**118,486**	**115,967**	**923**	**0.8%**

6. RISK MANAGEMENT

GROSS EXPOSURE BY SECTOR AND COVERAGE RATIOS

(€ million)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14	Sep-15 / Dec-14 Amount	Sep-15 / Dec-14 %
Gross exposure							
Individuals	73,901	76,352	76,491	77,583	78,884	(3,682)	(4.7%)
Businesses	34,962	34,714	35,324	35,176	35,070	(214)	(0.6%)
Developers	2,108	2,479	2,733	2,956	3,309	(848)	(28.7%)
Public sector & others	6,419	6,159	6,651	6,053	5,603	366	6.1%
Gross Credit [1]	**117,391**	**119,704**	**121,200**	**121,769**	**122,866**	**(4,378)**	**(3.6%)**
Gross credit ex developers [1]	**115,283**	**117,225**	**118,467**	**118,813**	**119,557**	**(3,530)**	**(3.0%)**
Impairments							
Individuals	2,450	2,724	2,728	2,693	2,733	(243)	(9.0%)
Businesses	4,702	4,842	4,974	4,939	5,578	(238)	(4.8%)
Developers	1,159	1,321	1,423	1,445	1,563	(286)	(19.8%)
Total Impairments	**8,311**	**8,887**	**9,125**	**9,078**	**9,874**	**(767)**	**(8.4%)**
Coverage ex developers	**7,152**	**7,566**	**7,702**	**7,633**	**8,311**	**(480)**	**(6.3%)**
Coverage (%)							
Individuals	3.3%	3.6%	3.6%	3.5%	3.5%		-0.2 p.p.
Businesses	13.4%	13.9%	14.1%	14.0%	15.9%		-0.6 p.p.
Developers	55.0%	53.3%	52.1%	48.9%	47.2%		+6.1 p.p.
Total coverage	**7.1%**	**7.4%**	**7.5%**	**7.5%**	**8.0%**		**-0.4 p.p.**
Coverage ex developers	**6.2%**	**6.5%**	**6.5%**	**6.4%**	**7.0%**		**-0.2 p.p.**

(1) Gross Credit excludes the Repo transactions with BFA

NPL RATIO AND NPL COVERAGE RATIO

(€ million and %)	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14	Sep-15 / Dec-14 Amount	Sep-15 / Dec-14 %
Non-performing loans	14,084	15,308	16,084	16,547	17,666	(2,463)	(14.9%)
Total risk-bearing assets	123,410	125,955	127,366	128,584	129,580	(5,174)	(4.0%)
Total NPL ratio [1]	**11.4%**	**12.2%**	**12.6%**	**12.9%**	**13.6%**		**-1.5 p.p.**
Total provisions	8,691	9,271	9,554	9,527	10,352	(837)	(8.8%)
Generic	233	153	153	153	153	80	52.4%
Specific	8,430	9,091	9,380	9,356	10,175	(926)	(9.9%)
Country risk	28	27	21	19	25	9	46.4%
NPL coverage ratio	**61.7%**	**60.6%**	**59.4%**	**57.6%**	**58.6%**		**+4.1 p.p.**

(1) NPL ratio: (non-performing loans and advances to customers and contingent liabilities) / (loans, advances and contigent risks)
Excludes the Repo transactions with BFA (1,110 million euro in Sep-15)

NON-PERFORMING LOANS

(€ million and %)	9M 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014
Non-performing loans at the begining of the period	**16,547**	**15,308**	**16,084**	**16,547**	**17,666**	**18,576**
+ Gross entries	2,464	746	857	861	1,297	921
- Recoveries	(3,557)	(1,065)	(1,273)	(1,219)	(1,524)	(1,320)
= Net entries	(1,093)	(319)	(416)	(358)	(227)	(399)
- Write offs	(178)	(29)	(44)	(104)	(50)	(50)
- Sales [1]	(1,192)	(876)	(316)	-	(842)	(462)
Non-performing loans at the end of the period	**14,084**	**14,084**	**15,308**	**16,084**	**16,547**	**17,666**

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

BREAKDOWN OF FORECLOSED ASSETS

(€ million)	Gross value				
	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
Property assets from financing intended for construction and property development	510	551	553	550	584
Of which: finished buildings	324	329	329	326	333
Of which: buildings under construction	42	42	42	44	44
Of which: Land	144	180	182	180	207
Property acquired related to mortgage loans to homebuyers	2,927	3,038	3,074	3,114	3,156
Other foreclosed assets	614	599	587	561	518
Total	**4,051**	**4,188**	**4,213**	**4,225**	**4,258**

(€ million)	Impairments				
	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
Property assets from financing intended for construction and property development	202	236	237	235	251
Of which: finished buildings	88	88	86	84	83
Of which: buildings under construction	20	20	20	20	20
Of which: Land	94	128	131	130	147
Property acquired related to mortgage loans to homebuyers	883	916	912	960	1,028
Other foreclosed assets	165	161	159	154	148
Total	**1,249**	**1,313**	**1,308**	**1,348**	**1,427**

(€ million)	Net value				
	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14
Property assets from financing intended for construction and property development	308	315	316	316	333
Of which: finished buildings	235	241	243	242	249
Of which: buildings under construction	22	22	22	24	24
Of which: Land	51	52	51	50	59
Property acquired related to mortgage loans to homebuyers	2,044	2,122	2,161	2,154	2,127
Other foreclosed assets	450	438	428	407	370
Total	**2,802**	**2,875**	**2,905**	**2,877**	**2,830**

7. FUNDING STRUCTURE AND LIQUIDITY

COMMERCIAL GAP

(€ million)	Sep-15	Dec-14	Change Amount	Change %
Net Loans and advances to customers	**110,190**	**112,691**	**(2,501)**	**(2.2%)**
o/w Repo transactions RPS[1]	-	27	(27)	(100.0%)
o/w Repo transactions NRE[1]	2	-	2	-
o/w Repo transactions with BFA[1]	1,110	-	1,110	-
o/w collateral delivered to BFA	2	-	2	-
Strict Net Loans and advances to customers	**109,076**	**112,664**	**(3,588)**	**(3.2%)**
(-) Strict customer deposits and retail commercial paper	94,589	94,925	(337)	(0.4%)
(-) ICO/EIB deposits	3,271	4,083	(812)	(19.9%)
Strict Comercial GAP	**11,216**	**13,656**	**(2,440)**	**(17.9%)**

(1) Repo: reverse repurchase agreements

LTD RATIO

(millones de euros)	Sep-15	Dec-14	Change Amount	Change %
Net Loans and advances to customers	**110,190**	**112,691**	**(2,501)**	**(2.2%)**
o/w Repo transactions RPS[1]	-	27	(27)	(100.0%)
o/w Repo transactions NRE[1]	2	-	2	-
o/w Repo transactions with BFA[1]	1,110	-	1,110	-
o/w collateral delivered to BFA	2	-	2	-
a. Strict Net Loans and advances to customers	**109,076**	**112,664**	**(3,588)**	**(3.2%)**
Strict customer deposits and retail commercial paper	94,589	94,925	(337)	(0.4%)
Single-certificate covered bonds	7,197	7,736	(539)	(7.0%)
ICO/EIB deposits	3,271	4,083	(812)	(19.9%)
b. Total Deposits	**105,056**	**106,744**	**(1,687)**	**(1.6%)**
LTD ratio (a/b)	**103.8%**	**105.5%**		**-1.7 p.p.**

(1) Repo: reverse repurchase agreements

8. SOLVENCY

SOLVENCY AND LEVERAGE

RATIOS PHASE IN

(€ million and %)	Sep -15 (*) BIS III	Dec -14 (*) BIS III
Eligible capital	12,738	12,238
Common equity Tier I (CET 1)	11,403	10,874
Tier I	11,403	10,874
Tier II	1,334	1,363
Risk-weighted assets	86,373	88,565
Minimum requirements	6,910	7,085
Surplus capital	5,828	5,152
Common equity Tier I Phase In (CET 1) (%)	**13.2%**	**12.3%**
Tier I	13.2%	12.3%
Tier II	1.6%	1.5%
Solvency ratio - Total capital ratio (%)	**14.8%**	**13.8%**
Leverage ratio (phase in)	**5.6%**	**-**
Total exposition leverage ratio	**205,018**	**-**

(*) The solvency ratios take into account the regulatory dividend deduction from profit (€230.7 millions in the first nine months of the year)

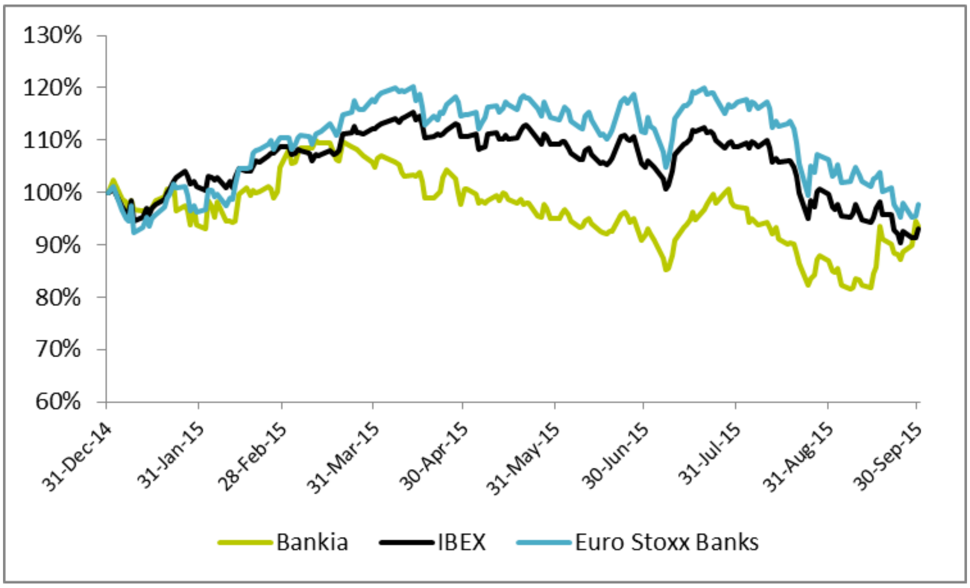
RATIOS FULLY LOADED

(€ million and %)	Sep -15 (*) BIS III	Dec -14 (*) BIS III
Eligible capital	11,464	10,755
Common equity Tier I (CET 1)	10,128	9,388
Tier I	10,128	9,388
Tier II	1,336	1,367
Risk-weighted assets	86,373	88,565
Minimum requirements	6,910	7,085
Surplus capital	4,554	3,670
Common equity Tier I Phase In (CET 1) (%)	**11.7%**	**10.6%**
Tier I	11.7%	10.6%
Tier II	1.6%	1.5%
Solvency ratio - Total capital ratio (%)	**13.3%**	**12.1%**
Leverage ratio (fully loaded)	**5.0%**	**-**
Total exposition leverage ratio	**203,717**	**-**

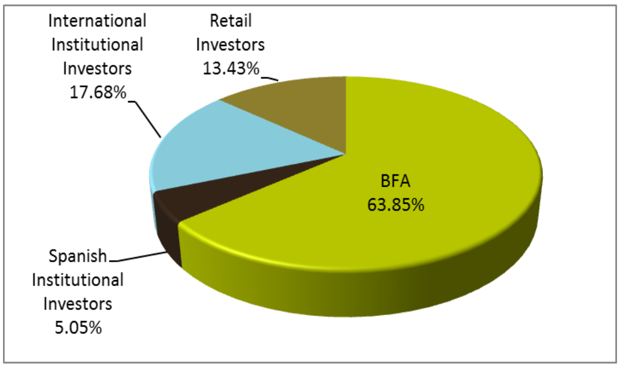
(*) The solvency ratios take into account the regulatory dividend deduction from profit (€230.7 millions in the first nine months of the year)

9. SHARE PERFORMANCE AND SHAREHOLDER STRUCTURE

SHARE PERFORMANCE



MAJOR SHAREHOLDERS AND STOCK MARKET DATA



BANKIA (stock data)	Sep-15
Number of shareholders	448,427
Daily average volume (num. shares)	37,201,200
Daily average turnover (euros)	45,026,187
Maximum closing price (€/share)	1,360 (11-Mar)
Minimum closing price (€/share)	1,011 (7-Sep)
Closing price (€/share)	1.158

10. RATING

Rating emisor	Standard & Poor's	Fitch Ratings
Long-term	BB	BB+
Short-term	B	B
Perspective	Stable	Positive
Date	22-Apr-15	19-May-15

Mortgage Covered Bonds Ratings	Standard & Poor's	Fitch Ratings	DBRS
Rating	A+	A-	AA
Perspective	Stable	Positive	---
Date	13-Oct-15	16-Sep-15	19-Oct-15

11. SIGNIFICANT MATERIAL DISCLOSURES DURING THE QUARTER

The Group's first dividend

On 7 July 2015 Bankia S.A., in accordance with the resolutions passed at the General Shareholders' Meeting of 22 April 2015, paid the first dividend to its shareholders since it was founded.

The dividend totalled €201,553,249.52 and was charged against 2014 earnings. It was paid in cash via participating members (custodians) of the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (Iberclear) where shareholders had deposited their shares.

Sale of City National Bank of Florida to Banco de Crédito e Inversiones

In May 2013, Bankia's Board of Directors approved the sale of City National Bank of Florida, through the transfer, on behalf of the Group's subsidiary Bankia Inversiones Financieras Inc., of 100% of the shares of CM Florida Holdings Inc. to Chile's Banco de Crédito e Inversiones (BCI).

On 21 September 2015 the US Federal Reserve Board authorised BCI's acquisition of these shares.

The sale of City National Bank of Florida was completed on 16 October 2015, generating an estimated net gain to the Bankia Group of €117 million and adding around 70 bps to Bankia's Ordinary Tier I BIS III Fully Loaded Capital ratio at completion.

Sale of Globalvia Infraestructuras

On 30 June 2015, Bankia and Fomento de Construcciones y Contratas, S.A. (FCC) agreed to the sale of 100% of the shares in Globalvia Infraestructuras, S.A. to the Malaysian Government's strategic fund Malasia Khazanah Nasional Berhad, which was 50:50 owned by Bankia and FCC. Completion of the deal was subject to the conditions precedent set in the sale agreement. These include a waiver by the funds USS, OPTrust and PGGM, who hold a €750 million convertible bond, of their right to acquire the shares in Globalvia Infraestructuras, S.A..

Following the exercise of the funds' preferential subscription rights, on 23 October 2015, Bankia and FCC signed a sale agreement with the funds USS, OPTrust and PGGM for the sale 100% of the shares in Globalvia Infraestructuras, S.A..

In order to complete the agreement, a number of conditions precedent are pending, including authorisations from the different governmental bodies who granted the concessions owned by Globalvia Infraestructuras, S.A..

The sale price was structured with an initial payment of €166 million at the moment the shares are transferred, plus a deferred payment that has to be made in the first half of 2017, and which could be up to €254 million, depending on the value of the company at the time the bond is converted.

12. APPENDIX

INCOME STATEMENT EXCLUDING CITY NATIONAL BANK OF FLORIDA

(€ million)	9M 2015	9M 2014	Change Amount	Change %
Net interest income	**1,964**	**2,081**	**(118)**	**(5.7%)**
Dividends	4	3	1	21.2%
Share of profit/(loss) of companies accounted for using the equity me	24	29	(5)	(16.7%)
Total net fees and commissions	701	695	5	0.7%
Gains/(losses) on financial assets and liabilities	223	149	74	49.3%
Exchange differences	21	2	19	1145.1%
Other operating income/(expense)	(26)	33	(60)	-
Gross income	**2,910**	**2,993**	**(83)**	**(2.8%)**
Administrative expenses	(1,092)	(1,140)	47	(4.2%)
Staff costs	(697)	(719)	22	(3.0%)
General expenses	(396)	(421)	26	(6.1%)
Depreciation and amortisation	(107)	(118)	11	(9.2%)
Operating income before provisions	**1,710**	**1,735**	**(25)**	**(1.5%)**
Provisions	(472)	(665)	193	(29.0%)
Provisions (net)	40	111	(71)	(63.7%)
Impairment losses on financial assets (net)	(512)	(775)	264	(34.0%)
Operating profit/(loss)	**1,238**	**1,070**	**168**	**15.7%**
Impairment losses on non-financial assets	(14)	(3)	(11)	361.3%
Other gains and other losses	(131)	(68)	(63)	92.3%
Profit/(loss) before tax	**1,093**	**999**	**94**	**9.4%**
Corporate income tax	(261)	(280)	19	(6.6%)
Profit/(loss) from continuing operations	**832**	**719**	**112**	**15.6%**
Profit/(loss) from discontinued operations (net) (1)	0	46	(46)	(100.0%)
Profit/(loss) after tax	**832**	**766**	**66**	**8.7%**
Profit/(Loss) attributable to minority interests	20	(2)	22	-
Profit/(loss) attributable to the Group	**812**	**767**	**45**	**5.8%**
Cost to Income ratio (2)	**41.2%**	**42.0%**	**-0.8 p.p.**	**(1.9%)**
Recurring Cost to Income ratio (3)	**45.0%**	**44.3%**	**+0.7 p.p.**	**1.7%**

(1) 9M2014 figure includes the result of Aseval

(2) Operating expenses / Gross income

(3) Operating expenses / Gross income (excluding gains/losses on financial assets and liabilities and exchange differences

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