ATTRIBUTABLE PROFIT
+39.2%

OPERATING EXPENSES
-4.8%

OPERATING PROFIT
+12.5%

CUSTOMER FUNDS
+€3.795 BN

CONSUMER AND BUSINESS LOAN BOOK
+3.5%

FULLY-LOADED CAPITAL RATIO
+166 BP

KEY INDICATORS AND FINANCIAL INFORMATION FOR 2015

Bankia hit its targets in 2015, ending the year as the most profitable, robust and solvent bank. Off the back of this progress, it proposed increasing the dividend by 50%, thereby taking a further step to repaying the aid received from taxpayers.

RESULTS

Bankia's strength in 2015 enabled it to confidently face the challenge it has set itself of becoming the best commercial bank in Spain.

Two key achievements stand out: the increase in customer funds and the excellent performance of lending to the bank's core segments such as consumer loans and finance for SMEs and independent contractors. The NPL book was also slashed by over 3.5 billion euros, and Bankia attained the highest level of solvency of all Spain's large banks.

PROFITABILITY: IMPROVEMENTS ACROSS THE BOARD

Attributable profit reached 1.04 billion euros, having risen by 39.2%, while the return on equity climbed from 8.6% in 2014 to 10.6% in 2015; outstripping the target set in the Strategic Plan. These figures do not take into account the provisions recognised in the last two years to cover the litigation in connection with the IPO. Had they been includes, ROE would have been 6.6% in 2014 and 9% in 2015.

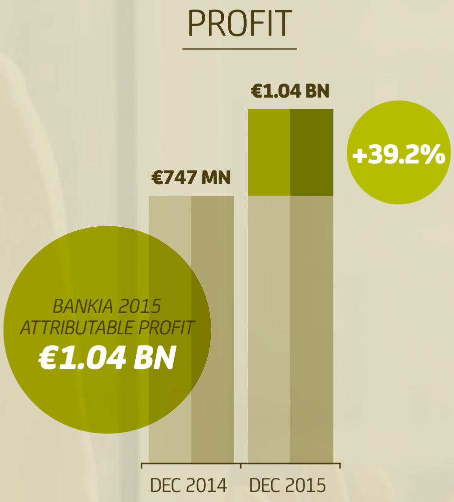
Net interest income totalled 2.74 billion euros, registering a decrease of 6.4% as a result of the downward pricing of the SAREB bonds. Stripping out this effect, net interest income would have risen 1.7%, despite the highly competitive environment, drop in interest rates to zero, and Bankia's decision to withdrawn floor clauses. New lending and lower funding costs contributed to this increase.

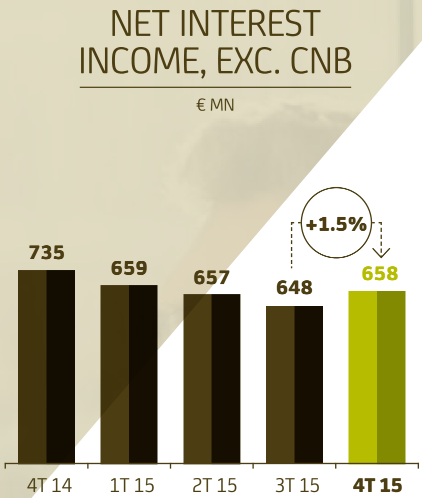
Fee and commission income basically remained stable (-1%) at 938 million euros. In contrast, gains on financial assets and liabilities (281 million euros) were up 29.2%, mainly from the rotation of the ALCO (fixed-income) portfolio.

Operating expenses fell 4.8% to 1.66 billion euros, helping offset the squeeze on income and maintain the efficiency ratio at 43.6% over the whole year (43.5% in 2014).

Although the balance of non-performing loans and foreclosed assets shrank, it was necessary to set aside provisions of 724 million euros; however, this was 34.6% less than in 2014. The cost of risk (volume of provisions as a percentage of loans) dropped from 0.60% to 0.43%.

As a result of all of the above, operating profit amounted to 1.6 billion euros (+12.5%) and profit before tax, 1.64 billion euros (+33.6%). After tax, profit attributable to non-controlling interests and the effect of the provisions for the IPO litigation, reported profit attributable to the group totalled 1.04 billion euros.





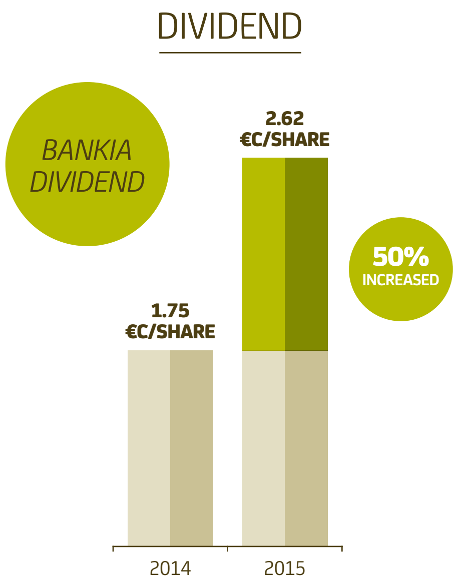
DIVIDEND: 50% HIGHER

Given these results, the Board of Directors resolved to propose to the General Meeting the distribution of a dividend of 2.625 euros per share with a charge to 2015 profit, compared to 1.75 euros in 2014. The pay-out (percentage of profit distributed as dividends) stands at close to 30%.

In absolute terms, Bankia will return to its shareholders 302 million euros, 194 million euros of which will got to the State, through the parent BFA which controls 64.2% of the bank and is solely owned by the FROB. A total of 1.63 billion euros of public aid will have been refunded (after the dividend pay-out).

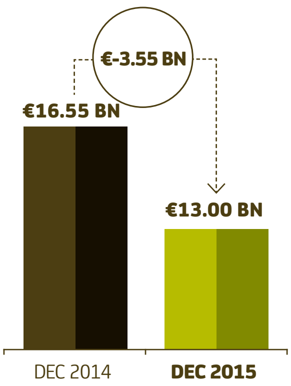
CLEAN-UP: A MORE ROBUST BALANCE SHEET

Bankia is consistently paring down the balance of non-performing loans each quarter, both organically and by selling off loan books. Last year, the NPL portfolio was reduced by 3.55 billion euros to just under 13 billion euros. The NPL ratio (10.8%) was cut by more than two points, while the coverage ratio for NPLs on the balance sheet rose from 57.6% to 60%.

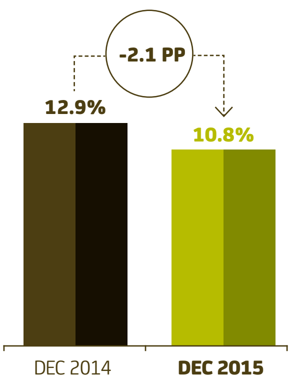


As well as reducing the NPL ratio, Bankia also managed to offload 9,190 foreclosed assets (52% more year on year), whereby the net on-balance sheet value of these assets fell from 2.88 billion euros at year-end 2014 to 2.69 billion euros at December 2015.

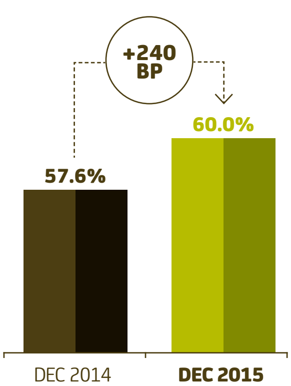
NPL BOOK



NPL RATIO



NPL COVERAGE RATIO



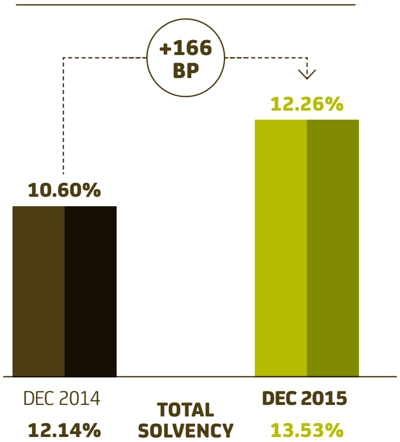
SOLVENCY: EARLY FULFILMENT OF BASEL III REQUIREMENTS

Bankia ended the year with a fully-loaded Basel III common equity (CET1) ratio of 12.26%; complying ahead of schedule with the requirements that will come into force in 2019. In 2015, the bank bolstered its solvency by 166 basis points, while the fully-loaded total capital ratio climbed from 12.14% to 13.53%. The phase-in CET1 ratio – applicable under prevailing regulations – stood at 13.89% at 31 December and the phase-in total capital ratio at 15.16%. These figures are well above the minimum requirement set by the European Central Bank and the Bank of Spain for 2016: phase-in CET1 ratio of 10.31%.

The increase in solvency would have been higher still without the IPO provision.

In terms of liquidity, the customer funding gap continues to narrow, falling from 13.66 billion euros to 8.45 billion euros year on year (-38.1%). The LTD ratio shrank from 105.5% to 101.9%, which ultimately shows that practically all loans are financed using customer deposits.

BANKIA FL CET1 RATIO



BUOYANT SALES

Bankia's commercial network continued to perform strongly last year. Customer funds rose by 3.3% or 3.8 billion euros. The volume of deposits rose 2.2%, while the volume of insurance, pension plans and investment funds climbed by 8.2%.

The volume of new loans went up consistently, especially consumer loans (+38%) and loans to SMEs and the self-employed (+16%). This resulted in the balance of loans to both segments, including repayments, going up by 3.5% to 46.8 billion euros.

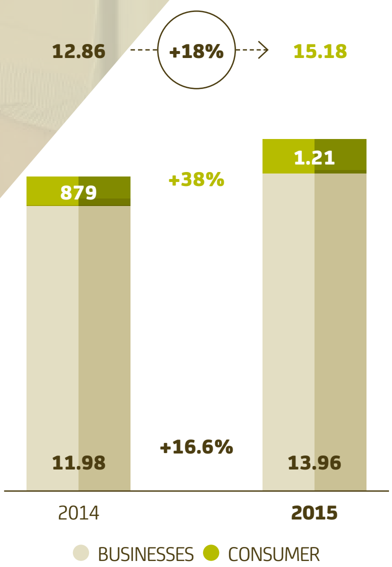
GROWTH AT BFA

Bankia's parent, BFA, posted a pre-tax profit of 1.6 billion euros, practically four times higher than in the previous year, including the IPO provisions (780 million euros in 2014 and 1.06 billion euros in 2015).

Looking at the BFA Group's solvency, its fully-loaded CET1 ratio was 12.88% at year-end, having risen by 253 basis points over the year. The phase-in CET1 ratio increased from 13.28% to 14.58%.

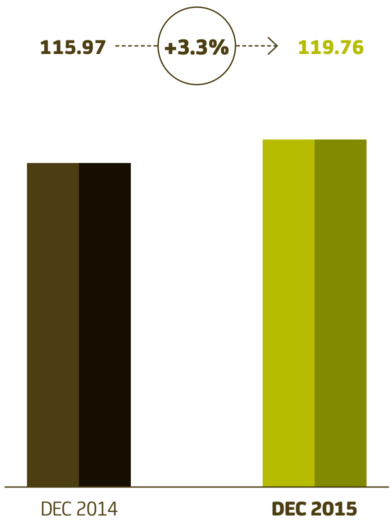
NEW LOANS GRANTED

€ BN



CUSTOMER FUNDS

€ BN



NUMBER OF SHARES IN ISSUE

11,517,328,544

SHARE PRICE PERFORMANCE

The financial markets picked up somewhat in 2015 in the advanced economies, although there was a slowdown in the emerging economies. The US also hiked interest rates for the first time since June 2006, oil prices slumped, and stock markets fluctuations became gradually more pronounced.

In this climate, the IBEX lost 7.15%, with the financial sector clearly losing ground. Bankia's share closed the year at 1.074 euros, 13.25% down year on year, although it still outperformed the shares of the six big listed Spanish banks. The average volume of Bankia shares traded stood at 34.3 million shares, equivalent to an average cash amount of 41.3 million euros per session.

AVERAGE DAILY TRADING VOLUME

34,339,691 NO. OF SHARES
€41,302,153

HIGH

€1.360

LOW

€1.011

SHARE PRICE AT 31/12/2015

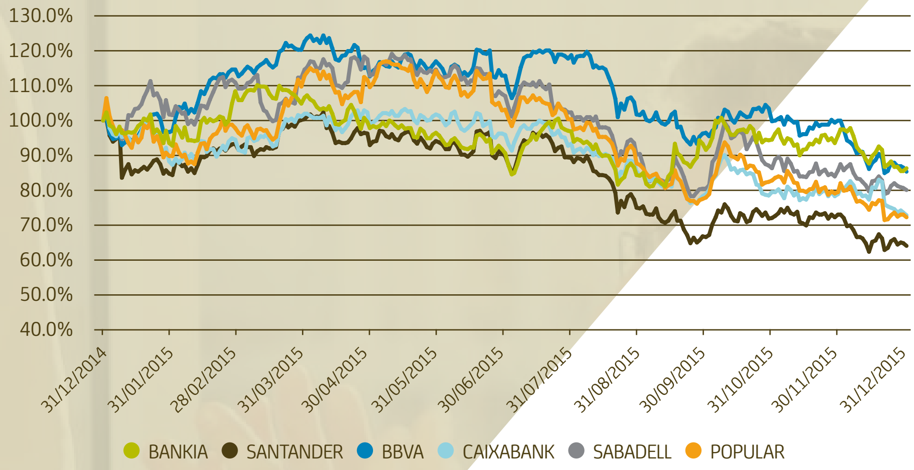
€1.074

MARKET CAPITALISATION AT YEAR-END 2015

€12.37 BN

BANKIA SHARE OUTPERFORMED SHARES OF SIX BIG LISTED SPANISH BANKS IN 2015

SHARE PRICE OF SPAIN'S BIG BANKS



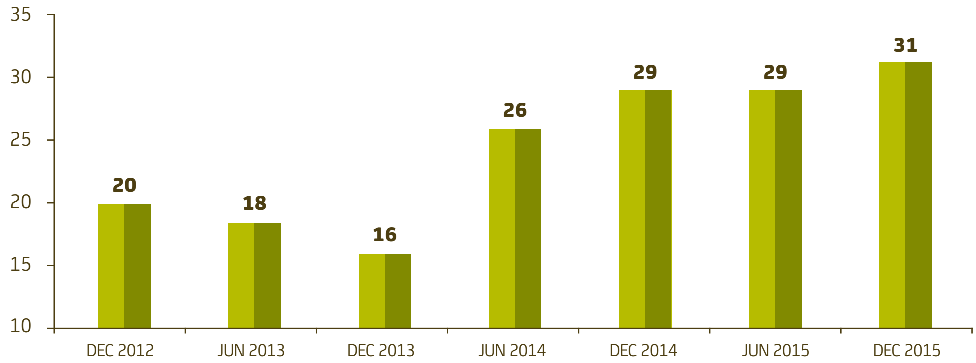
ANALYSTS' CONSENSUS

At 31 December, 31 stock analysts actively tracked and published target prices for the Bankia share – two more than in 2014. The consensus target share price was 1.23 euros at that time.

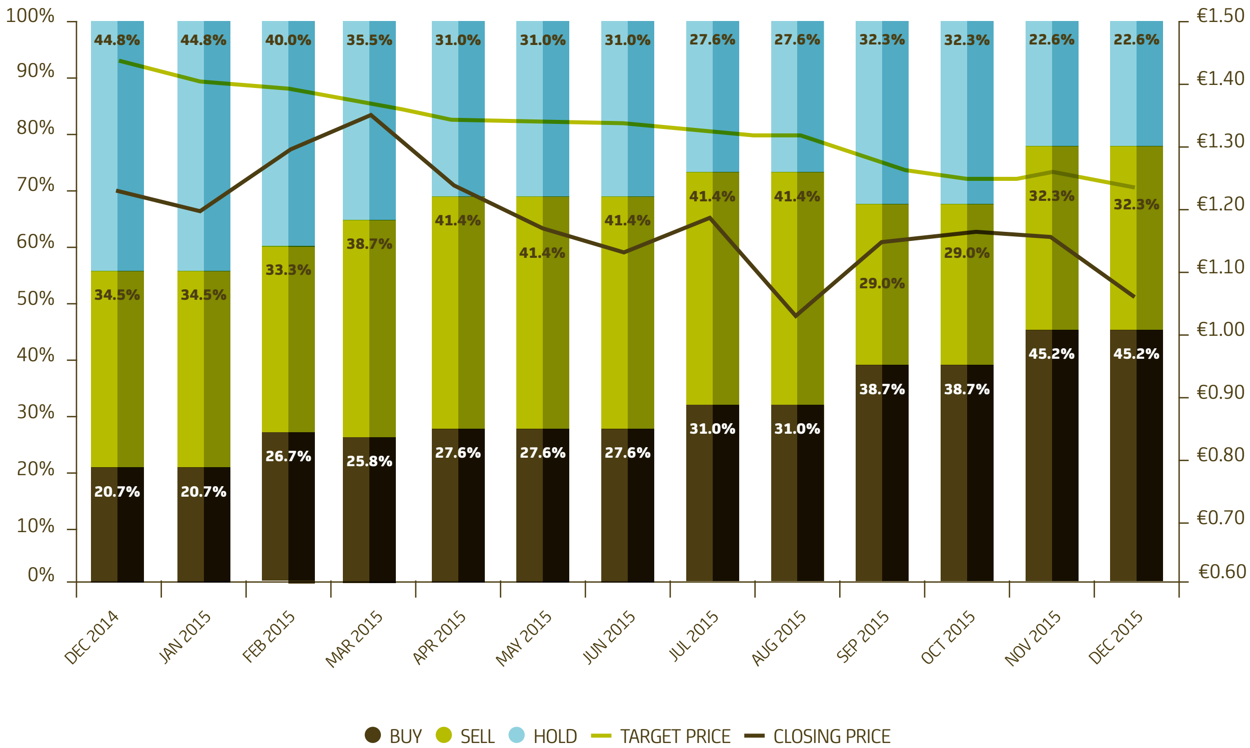
Most analysts issued Buy recommendations (45.16% compared to 20.7% a year earlier), while 22.58% recommended holding and 32.26% selling.

CONSENSUS TARGET SHARE PRICE WAS 1.23 EUROS PER SHARE, SUGGESTING A REVALUATION OF 15% VERSUS THE MARKET PRICE

NUMBER OF ANALYSTS TRACKING SHARE



VARIATION IN RECOMMENDATIONS, TARGET PRICE AND CLOSING PRICE



RATING

The ratings of European banks were affected in 2015 by the entry into force of Directive 2014/59/EU. Ratings agencies responded to this new directive by adapting their methodologies to reflect the decreased inclination of Member States to bail out banks. As a result, the long-term, ratings fell to converge with banks' viability ratings.

STANDARD & POOR'S

On 3 December, this agency ratified Bankia's BB/B rating, upgrading the outlook from Stable to Positive. The withdrawal of a notch for sovereign support was offset by an improvement in the risk profile of the bank, the stand-alone credit profile (SACP) of which rose from bb- to bb. In doing so, the agency recognised Bankia's success in strengthening risk management and the swift clean-up of its NPL book.

Previously, on 22 April Standard & Poor's also confirmed the long-term BB rating, upgrading the outlook from Negative to Stable due to the progress made in reducing exposure to problem assets and the potential benefits from an improvement in asset quality off the back of transforming the risk management model.

The rating of Bankia's mortgage covered bonds was upgraded from A/Negative to A+/Stable over the course of 2015.

FITCH

On 1 April, the agency upgraded Bankia's viability rating two notches from bb- to bb+. At the same time, it ratified the long-term BBB-/Negative rating, due to the downward pressure on the rating as a result of removing the sovereign support rating, having adapted and implemented the new methodology.

On 19 March, after the widespread withdrawal of the sovereign support rating for banks, Fitch downgraded Bankia's long-term rating a notch from BBB- to BB+, which therefore converged with the bb+ viability rating. The outlook was upgraded from Negative to Positive, reflecting the potential upside in the short to midterm if Bankia continued to reduce its stock of problem assets and bolster capital.

The rating for mortgage covered bonds was upgraded on 6 April from BBB+/Stable to A-/Stable, while the outlook was upgraded to Positive on 16 September.

DBRS

On 19 October, this agency upgraded the rating for mortgage covered bonds by two notches from A (high) to AA. Previously and after a full review of Bankia's bonds, the agency had ratified the A (high) rating on 24 September.

MOODY'S

In October 2013, Bankia announced that it had decided to end its contractual relationship with Moody's. The ratings Moody's continues to publish for Bankia are therefore classified as Unsolicited and Non-participating. While the agency has been asked on several occasions to stop publishing ratings for Bankia, it is Moody's unilateral decision when to stop doing so.

BANKIA RATINGS

	S&P		FITCH	
	DEC. 14	DEC. 15	DEC. 14	DEC. 15
LONG-TERM	BB	BB	BBB-	BB+
OUTLOOK	NEGATIVE	POSITIVE	NEGATIVE	POSITIVE
VIABILITY RATING	bb-	+1 bb	bb-	+1 bb+
SHORT-TERM	B	B	F3	B

MORTGAGE COVERED BOND RATING

	S&P		FITCH		DBRS	
	DEC. 14	DEC. 15	DEC. 14	DEC. 15	DEC. 14	DEC. 15
LONG-TERM	A	+1 A+	BBB+	+1 A-	A (high)	+2 AA
OUTLOOK	NEGATIVE	STABLE	STABLE	POSITIVE	–	–