

Bankia

Quarterly Earnings Report

> **January-March 2019**

29 April 2019

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Basis of presentation of the information

The Bankia Group audits financial information for the periods closing 30 June and 31 December each year. Consequently, the financial information as at the end of March 2019 and March 2018 contained in this document has not been audited.

The Bankia Group posts an attributable profit of 205 million euros, while improving the quality of its assets and generating capital

Growth in performing loans stabilises net interest income, which, combined with the synergies obtained from the merger with BMN and the lower cost of risk, underpins the Group's earnings in the first quarter of the year

- Net interest income stabilises in the quarter on a deseasonalised basis, reflecting growth in performing credit and stabilisation of the gross customer margin
- Cost synergies harvested from the merger with BMN reduce operating expenses by 6% with respect to the first quarter of 2018 and 2.5% in the quarter, allowing the Group to post “core” earnings (net interest income plus fees and commissions less operating expenses) of 306 million euros in March 2019, in line with the figure recorded in March of the previous year (305 million euros)
- The reduction of non-performing assets has meant lower provisions and an improvement in the year-on-year cost of risk of 9 basis points to 0.14% at the end of March 2019
- The favourable trend in expenses and lower cost of risk support earnings in a macroeconomic environment that has been more challenging than initially envisaged in the Strategic Plan, allowing the Group to close the first quarter of 2019 with an attributable profit of 205 million euros

Good dynamics of the commercial model, with greater customer satisfaction and stronger growth in value-added products and digitalisation of the business

- The healthy credit book (performing credit) reverses the trend of previous quarters and grows 0.5% with respect to December 2018. New mortgage lending is up 14.6% over the first quarter of 2018 and new consumer lending posts year-on-year growth of 25.8%
- The perception of quality rises amongst our customers. The satisfaction index improves significantly from 86.9 points in December 2018 to 90.1 points at the end of March 2019
- Since March 2018 the Group records 137,000 net new customers (+43%), customers with payroll and pension direct deposit arrangements rise by 133,000 (+40%), in-store cards turnover grows 14.1% and Point of Sale Terminals turnover is up 13%
- Developments continue in the multichannel strategy. In March 2019 sales through digital channels reach 23.5% of total sales and the number of digital customers is up by 586,000 over March 2018
- Customer funds increase at a good pace, which rise 2% year-on-year and 2.1% in the quarter, with an outstanding performance of demand deposits (current accounts and savings accounts) and mutual funds. In March 2019 Bankia's share of the mutual funds market is up 21 basis points year-on-year reaching 6.63%, lifting the Group to second position in the ranking of net new customer funds

Non-performing assets continue to decline and solvency strengthens

- Non-performing loans are down 5.3% from December 2019, cutting the Group's NPL ratio to 6.2%, an improvement of 30 basis points in the quarter and 250 basis points from March 2018
- The reduction of non-performing loans brings the gross NPA ratio to 7.9% in March 2019, 30 basis points below the figure registered in December 2018 (8.2%)
- In terms of capital adequacy, the Group continues to generate capital organically and achieves a CET1 Fully Loaded ratio of 12.43% (excluding sovereign gains in the fair value portfolio), a gain of +15 basis points in the quarter
- New issuances of Tier 2 subordinated debt (1,000 million euros) and senior preferred debt (500 million euros) in the quarter increase the base of instruments with loss-absorbing capacity required by the MREL, strengthening the Group's solvency

1. RELEVANT DATA

	Mar-19	Dec-18	Change
Balance sheet (€ million)			
Total assets	208,760	205,223	1.7%
Loans and advances to customers (net)	118,812	118,295	0.4%
Loans and advances to customers (gross)	122,808	122,505	0.2%
On-balance-sheet customer funds	147,188	144,680	1.7%
Customer deposits and clearing houses	128,419	126,319	1.7%
Borrowings, marketable securities	14,781	15,370	(3.8%)
Subordinated liabilities	3,987	2,990	33.4%
Total customer funds	175,358	171,793	2.1%
Equity	12,859	13,030	(1.3%)
Common Equity Tier I - BIS III Phase In	11,372	11,367	0.1%
Solvency (%)			
Common Equity Tier I - BIS III Phase In	13.78%	13.80%	-0.02 p.p.
Total capital ratio - BIS III Phase In	17.51%	17.58%	-0.07 p.p.
Ratio CET1 BIS III Fully Loaded	12.61%	12.39%	+0.22 p.p.
Risk management (€ million and %)			
Total risk	129,369	129,792	(0.3%)
Non performing loans	7,969	8,416	(5.3%)
NPL provisions	4,381	4,593	(4.6%)
NPL ratio	6.2%	6.5%	-0.3 p.p.
NPL coverage ratio	55.0%	54.6%	+0.4 p.p.
	Mar-19	Mar-18	Change
Results (€ million)			
Net interest income	502	526	(4.7%)
Gross income	813	939	(13.3%)
"Core" result (Net interest income + Net fees and commissions - Operating Expenses)	306	305	0.3%
Pre-provision profit	357	453	(21.2%)
Profit/(loss) attributable to the Group	205	229	(10.8%)
Key ratios (%)⁽⁴⁾			
Cost to Income ratio (Operating expenses / Gross income)	56.1%	51.7%	+4.4 p.p.
R.O.A. (Profit after tax / Average total assets) ⁽¹⁾	0.4%	0.4%	-
RORWA (Profit after tax / RWA) ⁽²⁾	1.0%	1.1%	-0.1 p.p.
ROE (Profit attributable to the group / Equity) ⁽³⁾	6.6%	7.5%	-0.9 p.p.
ROTE (Profit attributable to the group / Average tangible equity) ⁽⁴⁾	6.7%	7.7%	-1.0 p.p.
	Mar-19	Dec-18	Change
Bankia share			
Number of shareholders	183,472	184,643	(0.63%)
Number of shares in issue (million)	3,085	3,085	-
Closing price (end of period, €) ⁽⁵⁾	2.31	2.56	(9.8%)
Market capitalisation (€ million)	7,126	7,898	(9.8%)
Earnings per share ⁽⁶⁾ (€)	0.27	0.23	18.1%
Tangible book value per share ⁽⁷⁾ (€)	4.14	4.18	(1.0%)
PER (Last price ⁽⁵⁾ / Earnings per share ⁽⁶⁾)	8.58	11.23	(23.6%)
PTBV (Last price ⁽⁵⁾ / Tangible book value per share)	0.56	0.61	(8.8%)
Additional information			
Number of branches	2,298	2,298	-
Number of employees	16,069	15,924	0.9%

(1) Annualized profit after tax divided by average total assets for the period

(2) Annualized profit after tax divided by risk weighted assets at period end

(3) Annualized attributable profit divided by the previous 12 months average equity, excluding the expected dividend payment

(4) Annualized Attributable profit divided by the previous 12 months average tangible equity, excluding the expected dividend payment

(5) Using the last price as of 29 March 2019 and 31 December 2018.

(6) Annualized attributable profit divided by the number of shares in issue.

(7) Total Equity less intangible assets divided by the number of shares in issue

2. ECONOMIC AND FINANCIAL ENVIRONMENT

International economic scenario

Global growth posted modest numbers in the first quarter of 2019, coming in below potential for the third consecutive quarter. Uncertainty over trade wars and Brexit continue to undermine the confidence of economic operators and curb investment. According to our estimates, GDP growth was similar to the 4Q 2018 figure in the USA (0.5%), in the EMU (around 0.3%) and in the main emerging economies (1.0%).

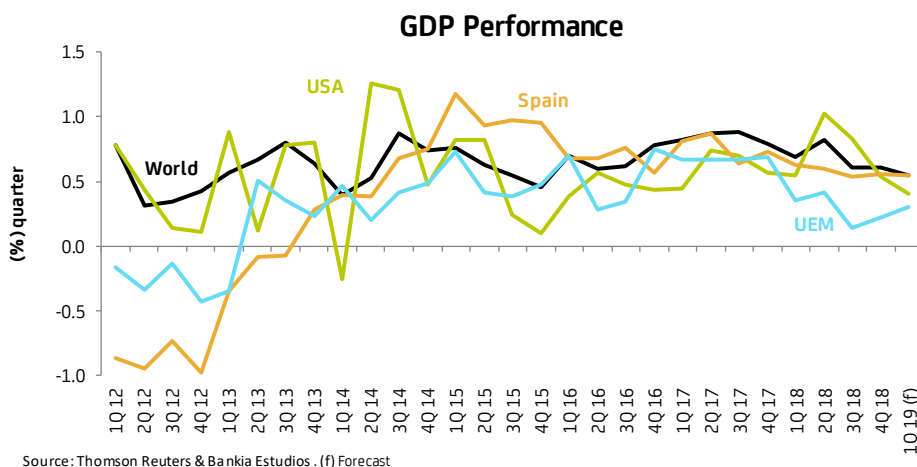
The sense of vulnerability persists, especially in the EMU, and the risk of recession is high for 2020, but the latest indicators are more consistent with stabilisation of growth and even a slight uptick in 2Q 2019 than with further deterioration. The services sector remains notably dynamic (the weakness is concentrated mainly in manufacturing), the confidence of economic agents appears to have bottomed out, risk markets are recovering from the late-2018 drop, there is greater optimism for a solution to the trade dispute between the USA and China and some of the factors that were hampering growth in the EMU are beginning to recede (social turmoil in France and the shock in the automotive industry).

Nevertheless, the risks that are still pending and containment of inflation have led central banks to embrace more caution. The Fed has moderated its projected rate hikes (and the market is even discounting cuts) and has stopped paring its balance sheet. The ECB, for its part, has postponed a tightening of its monetary policy and now foresees no moves in that direction until at least 2020, while announcing the rollout of a new targeted longer-term refinancing operations (TLTRO) program. Additionally, it has begun studying the possibility of taking measures to mitigate the adverse effects of the negative Deposit Facility rate on bank margins.

Economic scenario in Spain

In contrast to slowing activity in Europe, the Spanish economy continued recording solid numbers, with GDP having possibly advanced in the first quarter of 2019 by a quarterly 0.6%, similar to the rate it has been posting since one year ago. The deterioration in exports is being offset by solid domestic demand, above all investment in construction and consumption (public and private), against a backdrop of brisk job creation and rising household incomes. Although on a downslide, and weighed down by the deterioration of the external environment, Spain continues to generate net lending capacity: in 2018 it stood at 1.5% of GDP, allowing it to reduce its trade deficit (77.2% of GDP, the lowest in 12 years).

The banking sector continues to make moderate advances in household lending, while the drop-in lending to businesses grew less severe. New mortgage and consumer lending continue to grow, although below the rate of previous months. Customer funds were boosted by growth in retail deposits, while mutual fund assets were recovering, lifted by the rebound in markets from the poor previous quarter. One of the sector's key priorities is focused on promoting digitalisation, as witnessed by the increasing investment being allocated to these initiatives as banks move to meet new challenges and improve their efficiency and margins. A notable development on the regulatory front was the approval of a new law regulating real estate credit agreements, which transposes the EU Directive into Spanish law and is scheduled to come into effect this June.



3. SUMMARY OF RESULTS

The Bankia Group closes the first quarter of 2019 with an attributable profit of 205 million euros. Improving asset quality and cost synergies reaped after the merger with BMN continue to underpin earnings

- Although “core earnings” (net interest income + fees and commissions - expenses) remained stable with respect to the first quarter of 2018, the attributable profit falls 10.8% as a result of the decrease in revenue from sales of portfolios (net trading income). Compared to the previous quarter, the comparison of attributable profit was affected by the recognition in the fourth quarter of 2018 of the annual contribution to the Deposit Guarantee Fund (160 million euros, included under “Other operating income/(expense)”).

INCOME STATEMENT

(€ million)	1Q 2019	1Q 2018	Change on 1Q 2018	
			Amount	%
Net interest income	502	526	(25)	(4.7%)
Dividends	1	1	(0)	(36.0%)
Share of profit/(loss) of companies accounted for using the equity method	14	12	3	23.2%
Total net fees and commissions	260	264	(3)	(1.2%)
Gains/(losses) on financial assets and liabilities	37	139	(102)	(73.3%)
Exchange differences	3	1	2	278.6%
Other operating income/(expense)	(4)	(3)	(0)	13.1%
Gross income	813	939	(125)	(13.3%)
Administrative expenses	(407)	(437)	30	(7.0%)
Staff costs	(285)	(305)	20	(6.5%)
General expenses	(122)	(132)	11	(8.1%)
Depreciation and amortisation	(50)	(48)	(1.5)	3.0%
Pre-provision profit	357	453	(96)	(21.2%)
Provisions	(65)	(103)	38	(36.9%)
Provisions (net)	(10)	13	(23)	-
Impairment losses on financial assets (net)	(55)	(116)	61	(52.5%)
Operating profit/(loss)	292	350	(58)	(16.6%)
Impairment losses on non-financial assets	(3.5)	(4.1)	0.6	(13.6%)
Other gains and other losses	(19)	(49)	29	(60.2%)
Profit/(loss) before tax	269	297	(28)	(9.4%)
Corporate income tax	(64)	(67)	3	(4.4%)
Profit/(loss) after tax from continuing operations	205	230	(25)	(10.9%)
Net profit from discontinued operations	0	0	-	-
Profit/(loss) in the period	205	230	(25)	(10.9%)
Profit/(Loss) attributable to minority interests	(0.0)	0.3	(0.4)	-
Profit/(loss) attributable to the Group	205	229	(25)	(10.8%)
Cost to Income ratio ⁽¹⁾	56.1%	51.7%	+4.4 p.p.	4.4%
Recurring Cost to Income ratio ⁽²⁾	59.0%	60.7%	(1.7) p.p.	(1.7%)
PRO-MEMORY				
"Core" Result	306	305	1	0.3%

(1) Operating expenses / Gross income.

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

(3) Net interest income + total net fees and commissions - administrative expenses - depreciation and amortization

QUARTERLY RESULTS

(€ million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Net interest income	502	507	495	521	526
Dividends	1	3	0	7	1
Share of profit/(loss) of companies accounted for using the equity method	14	13	14	18	12
Total net fees and commissions	260	266	265	270	264
Gains/(losses) on financial assets and liabilities	37	30	90	152	139
Exchange differences	3	4	5	5	1
Other operating income/(expense)	(4)	(160)	(5)	(70)	(3)
Gross income	813	662	865	903	939
Administrative expenses	(407)	(425)	(415)	(419)	(437)
Staff costs	(285)	(278)	(287)	(291)	(305)
General expenses	(122)	(147)	(128)	(128)	(132)
Depreciation and amortisation	(50)	(43)	(42)	(40)	(48)
Pre-provision profit	357	194	407	444	453
Provisions	(65)	(192)	(73)	(68)	(103)
Provisions (net)	(10)	(46)	(0)	24	13
Impairment losses on financial assets (net)	(55)	(146)	(73)	(91)	(116)
Operating profit/(loss)	292	1	334	376	350
Impairment losses on non-financial assets	(4)	(19)	(3)	36	(4)
Other gains and other losses	(19)	(31)	(43)	(28)	(49)
Profit/(loss) before tax	269	(49)	288	384	297
Corporate income tax	(64)	7	(63)	(99)	(67)
Profit/(loss) after tax from continuing operations	205	(42)	224	285	230
Net profit from discontinued operations ⁽¹⁾		1	5		
Profit/(loss) in the period	205	(40)	229	285	230
Profit/(Loss) attributable to minority interests	(0.0)	(0.0)	0.1	(0.1)	0.3
Profit/(loss) attributable to the Group	205	(40)	229	285	229
Cost to Income ratio ⁽²⁾	56.1%	70.7%	53.0%	50.8%	51.7%
Recurring Cost to Income ratio ⁽³⁾	59.0%	74.6%	59.4%	61.6%	60.7%
PRO-MEMORY					
Profit/(loss) attributable to the Group	205	(40)	229	285	229
Extraordinary profit/(loss) for the period ⁽⁴⁾		(85)			
Recurrent Profit/(loss) attributable to the Group	205	44	229	285	229
"Core" Result ⁽⁵⁾	306	305	302	332	305

(1) 4Q18 and 3Q18 includes the result from Caja Murcia Vida and Caja Granada Vida since the acquisition of 100% of equity in both companies on 10 July 2018. In 1Q 2019 the results from Caja Murcia Vida and Caja Granada Vida are accounted for the equity method after the sale of 51% in both companies to Mapfre Vida.

(2) Operating expenses / Gross income.

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

(4) 4Q18 includes net extraordinary provisions associated with the impact of the sale of non-performing assets to an institutional investor.

(5) Net interest income + total net fees and commissions - administrative expenses - depreciation and amortization.

- **Net interest income totals** 502 million euros, -4.7% less than in March 2018 due to the impact of sales and rotation of fixed-income securities portfolios in 2018 and to the scheduled maturities in the credit book. **With respect to the fourth quarter of 2018, net interest income dipped 1.1%**, reflecting the difference in days between the quarters.

REVENUES AND EXPENSES

(€ million & %)	1Q 2019			1Q 2018			1Q 2019			4Q 2018		
	Avg. Amount ⁽¹⁾	Revenues /	Yield	Avg. Amount ⁽¹⁾	Revenues /	Yield	Avg. Amount ⁽¹⁾	Revenues / Expenses	Yield	Avg. Amount ⁽¹⁾	Revenues / Expenses	Yield
Loans and advances to credit institutions ⁽²⁾	7,536	23	1.24%	6,982	22	1.29%	7,536	23	1.24%	7,906	21	1.04%
Net Loans and advances to customers (a)	117,970	496	1.70%	121,071	512	1.71%	117,970	496	1.70%	119,507	510	1.69%
Debt securities	51,775	83	0.65%	53,970	96	0.72%	51,775	83	0.65%	50,064	74	0.59%
Other interest earning assets ⁽³⁾	1,026	3	1.32%	431	2	1.87%	1,026	3	1.32%	519	2	1.51%
Other non-interest earning assets	27,580	-	-	27,011	-	-	27,580	-	-	26,528	-	-
Total Assets (b)	205,888	605	1.19%	209,465	632	1.22%	205,888	605	1.19%	204,516	606	1.18%
Deposits from central banks and credit ⁽²⁾	36,024	16	0.18%	37,294	12	0.13%	36,024	16	0.18%	37,116	12	0.13%
Customer deposits (c)	126,550	33	0.10%	126,613	43	0.14%	126,550	33	0.10%	125,402	35	0.11%
<i>Strict Customer Deposits</i>	<i>120,266</i>	<i>11</i>	<i>0.04%</i>	<i>118,186</i>	<i>18</i>	<i>0.06%</i>	<i>120,266</i>	<i>11</i>	<i>0.04%</i>	<i>118,942</i>	<i>13</i>	<i>0.04%</i>
<i>Repos</i>	<i>36</i>	<i>1</i>	<i>6.20%</i>	<i>1,092</i>	<i>1</i>	<i>0.20%</i>	<i>36</i>	<i>1</i>	<i>6.20%</i>	<i>71</i>	<i>1</i>	<i>3.20%</i>
<i>Single-certificate covered bonds</i>	<i>6,248</i>	<i>21</i>	<i>1.36%</i>	<i>7,335</i>	<i>24</i>	<i>1.34%</i>	<i>6,248</i>	<i>21</i>	<i>1.36%</i>	<i>6,388</i>	<i>21</i>	<i>1.31%</i>
Marketable securities	14,560	30	0.84%	17,118	35	0.83%	14,560	30	0.84%	15,246	36	0.93%
Subordinated liabilities	3,493	18	2.12%	2,515	14	2.22%	3,493	18	2.12%	2,991	14	1.87%
Other interest earning liabilities ⁽³⁾	1,834	7	1.56%	1,293	3	0.81%	1,834	7	1.56%	1,074	3	1.02%
Other liabilities with no cost	10,181	-	-	11,188	-	-	10,181	-	-	9,466	-	-
Equity	13,246	-	-	13,444	-	-	13,246	-	-	13,222	-	-
Total equity and liabilities (d)	205,888	103	0.20%	209,465	106	0.21%	205,888	103	0.20%	204,516	99	0.19%
Customer margin (a-c)			1.60%			1.57%			1.60%			1.58%
Net interest margin (b-d)			0.99%			1.01%			0.99%			0.99%

(1) Calculated over monthly balances at each closing date.

(2) Loans and advances to credit institutions include revenues arising from the negative interest rates applicable on "Deposits from central banks and credit institutions" (mainly income from TLTRO II and repo transactions) due that following accounting standards, income arising from the application of negative interest rates are accounted for according to its nature. On the liabilities side, the contrary occurs with regards to "Deposits from central banks and credit institutions"

(3) Insurance contracts related to pensions, liabilities under insurance contracts and other financial liabilities, including those associated with IFRS 16 ("Financial Leasing") starting January 2019.

(€ million & %)	1Q 2019		4Q 2018		3Q 2018		2Q 2018		1Q 2018	
	Weight (%)	Yield	Weight (%)	Yield	Weight (%)	Yield	Weight (%)	Yield	Weight (%)	Yield
Loans and advances to credit institutions ⁽¹⁾	3.7%	1.24%	3.9%	1.04%	3.6%	1.14%	3.4%	1.31%	3.3%	1.29%
Net Loans and advances to customers (a)	57.3%	1.70%	58.4%	1.69%	58.8%	1.62%	58.0%	1.68%	57.8%	1.71%
Debt securities	25.1%	0.65%	24.5%	0.59%	24.5%	0.61%	25.6%	0.71%	25.8%	0.72%
Other interest earning assets ⁽²⁾	0.5%	1.32%	0.3%	1.51%	0.2%	1.87%	0.2%	1.87%	0.2%	1.87%
Other non-interest earning assets	13.4%	-	13.0%	-	12.9%	-	12.8%	-	12.9%	-
Total Assets (b)	100.0%	1.19%	100.0%	1.18%	100.0%	1.15%	100.0%	1.21%	100.0%	1.22%
Deposits from central banks and credit ⁽¹⁾	17.5%	0.18%	18.1%	0.13%	18.6%	0.10%	18.2%	0.14%	17.8%	0.13%
Customer deposits (c)	61.5%	0.10%	61.3%	0.11%	61.1%	0.11%	61.0%	0.13%	60.4%	0.14%
<i>Strict Customer Deposits</i>	<i>58.4%</i>	<i>0.04%</i>	<i>58.2%</i>	<i>0.04%</i>	<i>57.8%</i>	<i>0.05%</i>	<i>57.2%</i>	<i>0.06%</i>	<i>56.4%</i>	<i>0.06%</i>
<i>Repos</i>	<i>0.0%</i>	<i>6.20%</i>	<i>0.0%</i>	<i>3.20%</i>	<i>0.0%</i>	<i>2.24%</i>	<i>0.4%</i>	<i>0.29%</i>	<i>0.5%</i>	<i>0.20%</i>
<i>Single-certificate covered bonds</i>	<i>3.0%</i>	<i>1.36%</i>	<i>3.1%</i>	<i>1.31%</i>	<i>3.3%</i>	<i>1.28%</i>	<i>3.4%</i>	<i>1.26%</i>	<i>3.5%</i>	<i>1.34%</i>
Marketable securities	7.1%	0.84%	7.5%	0.93%	7.3%	0.93%	7.7%	0.85%	8.2%	0.83%
Subordinated liabilities	1.7%	2.12%	1.5%	1.87%	1.3%	2.09%	1.2%	2.20%	1.2%	2.22%
Other interest earning liabilities ⁽²⁾	0.9%	1.56%	0.5%	1.02%	0.6%	0.71%	0.5%	1.09%	0.6%	0.81%
Other liabilities with no cost	4.9%	-	4.6%	-	4.8%	-	5.1%	-	5.3%	-
Equity	6.4%	-	6.5%	-	6.4%	-	6.3%	-	6.4%	-
Total equity and liabilities (d)	100.0%	0.20%	100.0%	0.19%	100.0%	0.19%	100.0%	0.20%	100.0%	0.21%
Customer margin (a-c)		1.60%		1.58%		1.51%		1.55%		1.57%
Net interest margin (b-d)		0.99%		0.99%		0.96%		1.01%		1.01%

(1) Loans and advances to credit institutions include revenues arising from the negative interest rates applicable on "Deposits from central banks and credit institutions" (mainly income from TLTRO II and repo transactions) due that following accounting standards, income arising from the application of negative interest rates are accounted for according to its nature. On the liabilities side, the contrary occurs with regards to "Deposits from central banks and credit institutions"

(2) Insurance contracts related to pensions, liabilities under insurance contracts and other financial liabilities, including those associated with IFRS 16 ("Financial Leasing") starting January 2019.

- **Net fee and commission income** totals 260 million euros at the end of March 2019, some 1.2% less than in the same period of 2018, with the decline concentrated in maintenance fees for demand accounts. Conversely, fees for collection and payment services were up, gaining 8.3% year-on-year.

NET FEE AND COMMISSION INCOME

(€ million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	Change on:	
						1Q 2018	4Q 2018
Assets under management	100	96	96	100	102	(1.5%)	4.3%
Securities brokerage service	17	13	15	15	14	16.8%	31.5%
Mutual funds, Pension funds and insurances	84	84	81	84	88	(4.4%)	0.2%
Payments services	79	82	77	76	73	8.3%	(3.2%)
Bills of exchange	5	5	5	4	5	12.7%	(2.3%)
Debit and credit cards	59	62	59	58	54	9.2%	(5.3%)
Payments services	15	14	13	14	15	3.5%	5.9%
Origination	49	52	48	50	49	(0.5%)	(7.0%)
Contingent risks and commitments	24	25	27	26	24	2.2%	(4.5%)
Forex	9	9	10	9	8	23.3%	3.1%
Structuring and design of transactions and others	15	18	12	16	18	(14.4%)	(15.6%)
Management of NPLs, write offs and others	33	35	46	39	27	21.6%	(3.3%)
Management of NPLs and write offs	0	2	16	2	2	(79.8%)	(80.1%)
Claims on Past due	33	33	30	36	26	27.8%	0.5%
Accounts maintenance (Sight deposits)	19	21	21	27	33	(42.0%)	(7.9%)
Fees and commissions received	281	285	288	292	284	(1.2%)	(1.7%)
Fees and commissions paid	20	20	23	22	20	(1.4%)	2.9%
TOTAL NET FEE AND COMMISSION INCOME	260	266	265	270	264	(1.2%)	(2.0%)

- **Operating expenses decline 6% year-on-year (-2.5% quarterly)** to 456 million euros at the end of March 2019, reflecting the synergies generated after the integration with BMN. These lower costs brought the efficiency ratio to 56.1% at the end of the first quarter of 2019, while operating expenses over RWAs moved to 2.24%, 5 basis points below the March 2018 level.

The first quarter of 2019 registered the impact of applying IFRS 16 (“Financial Leasing”), which reduced the costs of leasing properties by an approximate amount of 17 million euros with respect to the previous quarters, registering an equivalent increase in the amortisations.

OPERATING EXPENSES

(€ million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	Change on:	
						1Q 2018	4Q 2018
Staff costs	285	278	287	291	305	(6.5%)	2.7%
Wages and salaries	208	207	218	220	236	(12.1%)	0.1%
Social security costs	57	53	53	56	58	(2.3%)	7.8%
Pension plans	14	11	11	6	4	251.0%	33.6%
Others	7	7	5	9	6	1.5%	(5.0%)
General expenses	122	147	128	128	132	(8.1%)	(17.5%)
From property, fixtures and supplies	15	29	30	29	32	(53.7%)	(49.9%)
IT and communications	52	48	49	47	48	9.6%	7.7%
Advertising and publicity	14	13	13	13	12	13.1%	6.3%
Technical reports	6	15	1	6	6	7.5%	(56.4%)
Surveillance and security courier services	4	4	5	5	4	(0.7%)	(0.2%)
Levies and taxes	7	9	7	7	7	(0.0%)	(22.3%)
Insurance and self-insurance premiums	1	1	1	1	1	10.7%	11.1%
Other expenses	22	28	23	21	23	(1.0%)	(19.9%)
ADMINISTRATIVE EXPENSES	407	425	415	419	437	(7.0%)	(4.3%)
AMORTISATIONS	50	43	42	40	48	3.0%	14.9%
TOTAL OPERATING EXPENSES	456	468	458	459	485	(6.0%)	(2.5%)

- The positive impact of the costs performance took the Group's **core earnings** (net interest income plus fees and commissions less operating expenses) to 306 million euros, in line with the figure recorded in March of the previous year and in the fourth quarter of 2018 (305 million euros).
- **Provisions and impairment losses amounted to 100 million euros**, some 25.7% lower than at March 2018 and 57.8% less than the previous quarter, which included the impairment impact of the sale of non-performing assets to institutional investors of 3,100 million euros that was realised in the fourth quarter. The performance of provisions took the cost of risk to 0.14% at the end of March 2019, 9 basis points below the figure at March 2018 and 4 basis points less than in December 2018.

PROVISIONING

(€ million)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018	Change on:	
						1Q 2018	4Q 2018
Impairment losses on financial assets (net)	(55)	(146)	(73)	(91)	(116)	(52.5%)	(62.1%)
Impairment losses on non-financial assets	(4)	(19)	(3)	36	(4)	(13.6%)	(81.6%)
Foreclosed assets	(31)	(26)	(29)	(23)	(27)	15.8%	22.1%
Provisions (net)	(10)	(46)	(0)	24	13	(178.0%)	(78.3%)
TOTAL GROUP PROVISIONS	(100)	(237)	(104)	(55)	(134)	(25.7%)	(57.8%)

- **The Bankia Group's attributable profit reached 205 million euros at the end of March 2019**, 10.8% less than in the first quarter of 2018 due to the lower volume of gains/(losses) on financial assets and liabilities.

4. BALANCE SHEET PERFORMANCE

Performing loans and advances grew 0.5% in the quarter and customer funds increased by 2.1% from December 2018

(€ million)	Mar-19	Dec-18	Change on Dec.18	
			Amount	%
Cash and balances at central banks	3,975	4,754	(779)	(16.4%)
Financial assets held for trading	6,605	6,308	297	4.7%
Trading derivatives	6,435	6,022	413	6.9%
Debt securities	167	282	(115)	(40.8%)
Equity instruments	3	4	(1)	(28.2%)
Financial assets designated at fair value through profit or loss	10	9	10	5.3%
Debt securities	-	-	-	-
Loans and advances	10	9	10	5.3%
Financial assets designated at fair value through equity	16,637	15,636	1,002	6.4%
Debt securities	16,556	15,559	997	6.4%
Equity instruments	81	76	5	6.4%
Financial assets at amortised cost	159,458	156,461	2,997	1.9%
Debt securities	34,594	33,742	852	2.5%
Loans and advances to credit institutions	6,062	4,433	1,628	36.7%
Loans and advances to customers	118,802	118,286	516	0.4%
Hedging derivatives	2,629	2,627	2	0.1%
Investments in subsidiaries, joint ventures and associates	425	306	119	39.1%
Tangible and intangible assets	3,114	2,487	626	25.2%
Non-current assets held for sale	3,446	3,906	(461)	(11.8%)
Other assets	12,462	12,728	(267)	(2.1%)
TOTAL ASSETS	208,760	205,223	3,537	1.7%
Financial liabilities held for trading	6,884	6,047	837	13.8%
Trading derivatives	6,462	5,925	537	9.1%
Short positions	422	122	300	245.7%
Financial liabilities at amortised cost	185,444	181,869	3,575	2.0%
Deposits from central banks	13,881	13,856	25	0.2%
Deposits from credit institutions	22,741	21,788	954	4.4%
Customer deposits and funding via clearing houses	128,419	126,319	2,100	1.7%
Debt securities in issue	18,769	18,360	408	2.2%
Other financial liabilities	1,633	1,545	88	5.7%
Hedging derivatives	96	183	(87)	(47.5%)
Provisions	1,827	1,922	(95)	(4.9%)
Other liabilities	1,425	2,013	(588)	(29.2%)
TOTAL LIABILITIES	195,676	192,033	3,643	1.9%
Minority interests	13	12	0	2.2%
Other accumulated results	212	147	64	43.5%
Equity	12,859	13,030	(170)	(1.3%)
TOTAL EQUITY	13,084	13,189	(106)	(0.8%)
TOTAL EQUITY AND LIABILITIES	208,760	205,223	3,537	1.7%

- **Gross loans and advances to customers** closed the first quarter of 2019 at **122,808** million euros, 0.2% higher than in December 2018. The healthy credit book (gross loans and advances less NPLs and reverse repurchase agreements) reversed the trend of previous quarters and posts a growth of 0.5% (579 million euros). Non-performing loans continued to decline, dropping 431 million euros in the first quarter of the year.

LOANS AND ADVANCES TO CUSTOMERS

(€ million)	Mar-19	Dec-18	Change on Dec.18	
			Amount	%
Spanish public sector	4,952	4,846	106	2.2%
Other resident sectors	104,837	105,152	(315)	(0.3%)
Secured loans	72,419	73,275	(856)	(1.2%)
Other term loans	25,373	24,448	925	3.8%
Commercial credit	4,571	4,655	(83)	(1.8%)
Receivable on demand and other	2,474	2,774	(300)	(10.8%)
Non-residents	3,661	3,636	24	0.7%
Repo transactions	268	114	154	135.2%
<i>Of which: reverse repurchase agreements with BFA</i>	90	100	(10)	(10.0%)
Other financial assets	1,600	868	732	84.4%
Other valuation adjustments	204	173	31	17.9%
Non-performing loans	7,285	7,716	(431)	(5.6%)
Gross loans and advances to customers	122,808	122,505	302	0.2%
Loan loss reserve	(3,996)	(4,210)	214	(5.1%)
NET LOANS & ADVANCES TO CUSTOMERS	118,812	118,295	517	0.4%
GROSS LOANS & ADVANCES TO CUSTOMERS EX NPLs & REPOs	115,254	114,675	579	0.5%

- **Retail customer funds** on and off balance sheet reached 150,306 million euros, recording an increase of 2.1% with respect to December 2018 and 2% over the same period of the preceding year, lifted by strong performance in strict deposits (+1.7% in current accounts, savings accounts and the public sector) and assets managed and marketed in mutual funds (+4.7%).

CUSTOMER FUNDS

(€ million)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Change on Dec.18	
						Amount	%
Spanish public sector	7,135	6,608	6,129	6,970	5,393	527	8.0%
Other resident sectors	112,497	110,916	110,279	112,540	111,745	1,581	1.4%
Current accounts	39,499	37,905	37,713	38,377	37,115	1,594	4.2%
Savings accounts	38,155	37,334	36,088	36,127	34,453	821	2.2%
Term deposits	34,843	35,678	36,478	38,036	40,177	(834)	(2.3%)
Non-residents	2,504	2,511	2,120	2,080	2,162	(8)	(0.3%)
Strict Customer Deposits	122,136	120,036	118,529	121,591	119,300	2,100	1.7%
Mutual funds	20,012	19,114	19,925	19,993	19,711	898	4.7%
Pension funds	8,158	7,999	8,157	8,237	8,293	159	2.0%
Total customer off-balance funds ⁽²⁾	28,170	27,113	28,082	28,230	28,004	1,057	3.9%
TOTAL	150,306	147,149	146,611	149,821	147,304	3,157	2.1%

(1) Off-balance sheet products managed and marketed without SICAVS. Pension funds include mathematical provisions

TOTAL CUSTOMER FUNDS

(€ million)	Mar-19	Dec-18	Change on Dec.18	
			Amount	%
Spanish public sector	7,135	6,608	527	8.0%
Other resident sectors	118,781	117,200	1,581	1.3%
Current accounts	39,499	37,905	1,594	4.2%
Savings accounts	38,155	37,334	821	2.2%
Term deposits	34,843	35,678	(834)	(2.3%)
Repo transactions	36	36	(0)	(0.3%)
Singular mortgage securities	6,248	6,248	0	0.0%
Non-residents	2,504	2,511	(8)	(0.3%)
Funding via clearing houses and customer deposits	128,419	126,319	2,100	1.7%
Debentures and other marketable securities	14,781	15,370	(589)	(3.8%)
Subordinated loans	3,987	2,990	998	33.4%
TOTAL ON-BALANCE-SHEET CUSTOMER FUNDS	147,188	144,680	2,508	1.7%
Mutual funds	20,012	19,114	898	4.7%
Pension funds	8,158	7,999	159	2.0%
Off-balance-sheet customer funds⁽¹⁾	28,170	27,113	1,057	3.9%
TOTAL CUSTOMER FUNDS	175,358	171,793	3,565	2.1%

(1) Off-balance sheet products managed and marketed without SICAVS. Pension funds include mathematical provisions

- **Own debt issuances by Bankia** totalled 18,769 million euros (+2.2% quarterly). These figures include the placement of three new issues during the quarter (1,000 million euros in subordinated bonds and 500 million euros of senior debt to strengthen the Group's capital base, and 475 million euros in mortgage covered bonds).

5. RISK MANAGEMENT

The reduction of non-performing assets continues to improve risk indicators. The NPL ratio declined 30 basis points in the quarter to 6.2%

- Non-performing loans dropped 447 million euros in the first quarter of the year (-5.3%), both from sales and organic reduction, to bring the Group's NPL ratio down by 30 basis points to end the period at 6.2%. The reduction is 250 basis points from than at March 2018.
- The shedding of NPLs brings the volume of NPAs (non-performing loans and foreclosed assets) down to a gross amount of 10,428 million euros, placing the gross NPA ratio at 7.9% with respect to the Group's total risk-bearing assets at the end of March 2019.

NPL RATIO AND NPL COVERAGE RATIO

(€ million and %)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Change on Dec-18	
						Amount	% / p.p.
Non-performing loans	7,969	8,416	10,362	10,809	11,631	(447)	(5.3%)
Total risk-bearing assets	129,369	129,792	132,962	133,962	134,258	(423)	(0.3%)
Total NPL ratio ⁽¹⁾	6.2%	6.5%	7.8%	8.1%	8.7%		-0.3 p.p.
Total provisions	4,381	4,593	5,677	5,945	6,412	(212)	(4.6%)
NPL coverage ratio ⁽²⁾	55.0%	54.6%	54.8%	55.0%	55.1%		+0.4 p.p.

(1) NPL ratio: (Doubtfull risks of loans and advances to customers and contingent risks) / (Total risks of loans and advances to customers and contingent risks)

CHANGE IN NPLs

(€ million and %)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Non-performing loans at the beginning of the period	8,416	10,362	10,809	11,631	12,117
Net outflows	(92)	(389)	(370)	(754)	(297)
Write offs	(69)	(153)	(77)	(68)	(190)
Disposals related to NPLs sale of portfolios(1)	(286)	(1,404)			
Non-performing loans at the end of the period	7,969	8,416	10,362	10,809	11,631

(1) Mar-19 & Dec-18 data include mortgage NPLs allocated in "Non-current assets held for sale" after the sale agreements reached with institutional investors

NON-PERFORMING ASSETS (NPAs)

(€ million and %)	Mar-19 ⁽¹⁾	Dec-18 ⁽¹⁾	Sep-18	Jun-18	Mar-18	Change on Dec-18	
						Amount	% / p.p.
Gross Non-performing loans	7,969	8,416	10,362	10,809	11,631	(447)	(5.3%)
Gross foreclosed assets	2,459	2,462	4,170	4,397	4,562	(3)	(0.1%)
Gross NPAs	10,428	10,878	14,532	15,205	16,193	(450)	(4.1%)
NPL provisions	4,381	4,593	5,677	5,945	6,412	(212)	(4.6%)
Impairments on foreclosed assets	683	649	1,625	1,714	1,653	34	5.2%
NPAs provisions	5,064	5,243	7,302	7,659	8,065	(178)	(3.4%)
Net NPLs	3,588	3,823	4,685	4,864	5,219	(235)	(6.1%)
Net foreclosed assets	1,776	1,813	2,545	2,682	2,909	(37)	(2.1%)
Net NPAs	5,364	5,636	7,230	7,547	8,128	(272)	(4.8%)
Total risk	131,829	132,254	137,132	138,359	138,819	(426)	(0.3%)
Gross NPAs ratio	7.9%	8.2%	10.6%	11.0%	11.7%		-0.3 p.p.
Net NPAs ratio	4.1%	4.3%	5.3%	5.5%	5.9%		-0.2 p.p.
NPAs Coverage	48.6%	48.2%	50.2%	50.4%	49.8%		+0.4 p.p.

(1) Mar-19 & Dec-18 data calculated assuming the asset disposal due to the sale of portfolios to institutional investors in 4Q18

FORECLOSED ASSETS

(€ million)	Gross Amount ⁽¹⁾				
	Mar-19 ⁽²⁾	Dic-18 ⁽²⁾	Sep-18	Jun-18	Mar-18
Total	2,888	2,909	4,516	4,761	4,938
(-) Assets assigned to the Social Housing Fund and rented ⁽³⁾	(429)	(446)	(346)	(364)	(376)
Total gross foreclosed assets	2,459	2,462	4,170	4,397	4,562

(1) Includes all assets acquired by the Group in payment of debt, regardless if they are classified as non-current assets held for sale, investment properties and inventories

(2) Mar-19 & Dec-18 data calculated assuming the asset disposal due to the sale of portfolios to institutional investors in 4Q18

(3) Includes assets assigned to the Social Housing Fund, assets with special rental terms to vulnerable collectives and rented assets yielding >3%

(€ million)	Impairments ⁽¹⁾				
	Mar-19 ⁽²⁾	Dic-18 ⁽²⁾	Sep-18	Jun-18	Mar-18
Total	756	762	1,706	1,788	1,749
(-) Assets assigned to the Social Housing Fund and rented ⁽³⁾	(73)	(113)	(81)	(74)	(96)
Total gross foreclosed assets	683	649	1,625	1,714	1,653

(1) Includes all assets acquired by the Group in payment of debt, regardless if they are classified as non-current assets held for sale, investment properties and inventories

(2) Mar-19 & Dec-18 data calculated assuming the asset disposal due to the sale of portfolios to institutional investors in 4Q18

(3) Includes assets assigned to the Social Housing Fund, assets with special rental terms to vulnerable collectives and rented assets yielding >3%

(€ million)	Valor neto contable ⁽¹⁾				
	Mar-19 ⁽²⁾	Dic-18 ⁽²⁾	Sep-18	Jun-18	Mar-18
Total	2,132	2,146	2,810	2,973	3,189
(-) Assets assigned to the Social Housing Fund and rented ⁽³⁾	(356)	(333)	(265)	(291)	(280)
Total gross foreclosed assets	1,776	1,813	2,545	2,682	2,909

(1) Includes all assets acquired by the Group in payment of debt, regardless if they are classified as non-current assets held for sale, investment properties and inventories

(2) Mar-19 & Dec-18 data calculated assuming the asset disposal due to the sale of portfolios to institutional investors in 4Q18

(3) Includes assets assigned to the Social Housing Fund, assets with special rental terms to vulnerable collectives and rented assets yielding >3%

RESTRUCTURED LOANS

(€ million and %)	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Change on Dec-18	
						Amount	% / p.p.
Gross exposure							
Non-performing loans	4,338	4,727	5,859	6,369	7,095	(388)	(8.2%)
Performing loans	3,772	4,133	4,736	4,635	4,874	(361)	(8.7%)
Total refinanced	8,111	8,860	10,594	11,005	11,969	(749)	(8.5%)
Impairments							
Non-performing loans	1,657	1,928	2,504	2,792	3,006	(271)	(14.0%)
Performing loans	177	204	234	239	265	(28)	(13.6%)
Total Impairments	1,834	2,132	2,738	3,032	3,271	(298)	(14.0%)
Coverage (%)							
Non-performing loans	38.2%	40.8%	42.7%	43.8%	42.4%		-2.6 p.p.
Performing loans	4.7%	4.9%	4.9%	5.2%	5.4%		-0.2 p.p.
Total coverage	22.6%	24.1%	25.8%	27.5%	27.3%		-1.5 p.p.

6. FUNDING STRUCTURE AND LIQUIDITY

- At the close of the first quarter of 2019 the Group's customer funds accounted for 66% of its financial resources. This retail funding structure brought the Group's LTD (loan-to-deposit) ratio to 90.1% at the end of March 2019.
- Three debt issuances were placed during the quarter with an aggregate volume of 1,975 million euros. Some 1,500 million euros of these were senior and subordinated debt issues carried out to roll maturing instruments and accumulate eligible liabilities in preparation for future regulatory requirements under MREL.

LTD RATIO AND COMMERCIAL GAP

(€ million)	Mar.19	Dec.18	Change on Dec-18	
			Amount	% / p.p.
Net Loans and advances to customers	118,812	118,295	517	0.4%
o/w Repo transactions ⁽¹⁾	178	14	164	1206.6%
a. Strict Net Loans and advances to customers	118,634	118,281	352	0.3%
Strict customer deposits and retail commercial paper	122,136	120,036	2,100	1.7%
Single-certificate covered bonds	6,248	6,248	0	0.0%
ICO/EIB deposits	3,329	3,424	(94)	(2.8%)
b. Total Deposits	131,713	129,707	2,006	1.5%
LTD ratio (a/b)	90.1%	91.2%		-1.1 p.p.

(1) Reverse repurchase agreements

(€ million)	Mar-19	Dec.18	Change on Dec-18	
			Amount	% / p.p.
Net Loans and advances to customers	118,812	118,295	517	0.4%
o/w Repo transactions ⁽¹⁾	178	14	164	1206.6%
Strict Net Loans and advances to customers	118,634	118,281	352	0.3%
(-) Strict customer deposits and retail commercial paper	122,136	120,036	2,100	1.7%
(-) ICO/EIB deposits	3,329	3,424	(94)	(2.8%)
Strict Comercial GAP	(6,831)	(5,178)	(1,653)	31.9%

(1) Reverse repurchase agreements

MATURITIES OF ISSUES

(€ million) ⁽¹⁾	2019 ⁽²⁾	2020	2021	>2021
Covered bonds	2,264	418	2,025	13,356
Senior debt	4	-	35	600
Subordinated debt	1,000	-	175	2,750
Securitisation	-	-	-	1,522
Total issuance maturities	3,269	418	2,235	18,227

(1) Maturities of Bankia group in nominal values net of treasury shares and retained issuance

(2) During 1Q19, €1,000mn of senior debt and €500mn of covered bonds have matured. It includes €1,000mn of subordinated debt which will be early amortised in May, having Bankia already received the authorisation from the Supervisor.

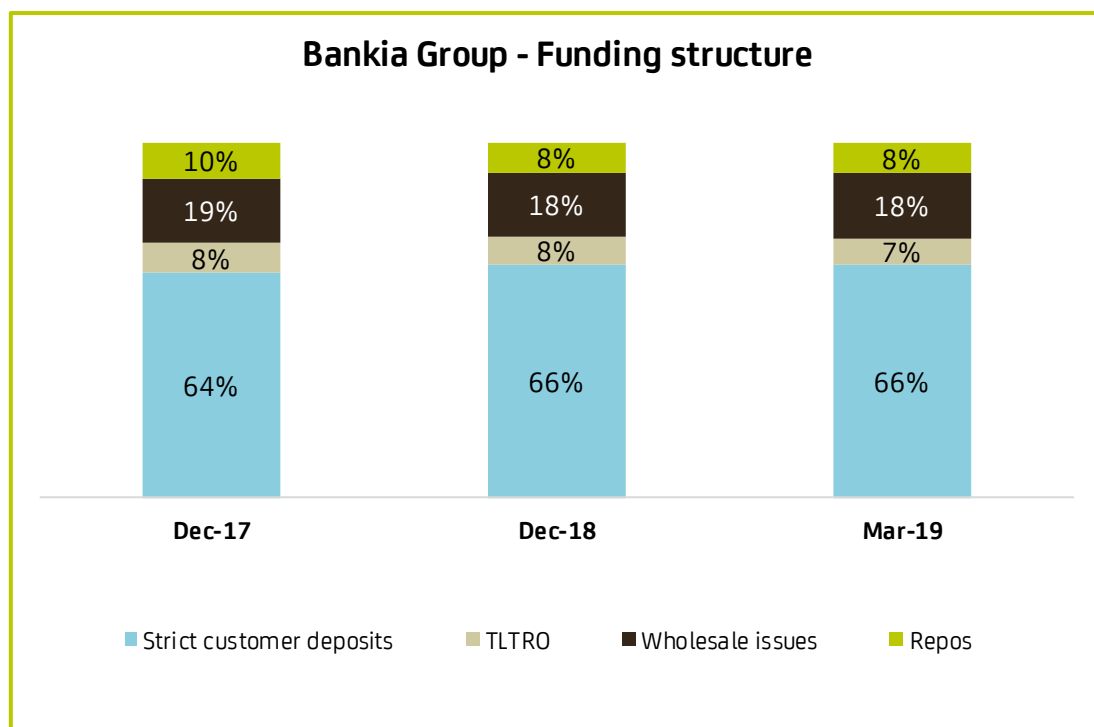
LIQUID ASSETS

(€ million)	Mar-19	Dec-18	Change on Dec-18	
			Amount	% / p.p.
Treasury account and deposit facility ⁽¹⁾	2,231	2,921	(690)	(23.6%)
Undrawn amount on the facility	13,017	11,339	1,678	14.8%
Available high liquidity assets ⁽²⁾	18,990	17,678	1,312	7.4%
Total	34,238	31,938	2,300	7.2%

(1) Cash and Central Banks accounts reduced by minimal reserves

(2) Market value considering ECB haircut

FUNDING STRUCTURE



7. EQUITY

- **The Group's equity** amounted to 13,084 million euros at the close of the first quarter of 2019. This figure already discounts the dividends that the Bankia General Meeting of Shareholders, held on 22 March, resolved to pay against 2018 profits.

EQUITY

(€ million)	Mar-19 ⁽¹⁾	Dec-18	Sep-18	Jun-18	Mar-18
Equity at the beginning of the period	13,030	13,120	12,894	12,960	13,222
+ Result from the period	205	(40)	229	285	229
+/- Movements in reserves:	(375)	(50)	(4)	(351)	(492)
- Dividend paid ⁽¹⁾	(357)	-	-	(340)	-
- AT1 coupon	(13)	(14)	(9)	(8)	(8)
+/- Other movements	(5)	(36)	5	(3)	3
- IRFS9 impact	-	-	-	-	(487)
Equity at the closing of the period	12,859	13,030	13,120	12,894	12,960
Global other accumulated result	212	147	113	299	531
Minority interests	13	12	15	15	25
Total Equity	13,084	13,189	13,248	13,209	13,516

(1) At 31 March 2019 the total equity amount discounts the dividend which the General Shareholders Meeting approved to pay against 2018 result (€357,1mn).

8. SOLVENCY

- **As of 31 March 2019, the Bankia Group had a CET1 Fully Loaded ratio of 12.43% excluding unrealised sovereign gains from the fair value portfolio** (under regulatory criteria i.e. including these gains, this ratio stood at 12.61%), which represents an increase of 15 basis points in the first quarter.
- At 31 March 2019, based on regulatory ratios, the CET1 Phase-in ratio was 13.78% and the Total Capital ratio was 17.51%. At These levels represent a CET 1 surplus over the SREP minimum capital requirements notified by the supervisor for 2019 (CET1 of 9.25% and Total Capital of 12.75%) of +453 basis points and a surplus over total capital of +476 basis points.

(€ million and %)	Mar-19 ⁽¹⁾	
	Phase In	Fully Loaded
Common equity Tier I - CET1 (%) ⁽²⁾	13.60%	12.43%
Total solvency ratio (%) ⁽²⁾	17.33%	16.16%
Regulatory capital ratios (incl. FV unrealised gains):		
Common equity Tier I - CET1	13.78%	12.61%
Total capital ratio (%)	17.51%	16.34%
CET1 2019 SREP requirement (incl. additional buffers)	9.25%	9.25%
Total solvency 2019 SREP requirement (incl. additional buffers)	12.75%	12.75%
CET1 surplus over 2019 SREP requirement	4.53%	3.36%
Total Solvency surplus over 2019 SREP requirement	4.76%	3.59%

(1) Solvency ratios include the result that is expected to be allocated to reserves

The total solvency ratio includes the early amortization of the €1,000mn Tier 2 issuance which will be executed in May 2019.

(2) Does not include unrealised gains on the fair value (FV) sovereign portfolio.

SOLVENCY RATIOS AND LEVERAGE

FULLY LOADED RATIOS

(€ million and %)	Mar -19 ^{(1) (2)}	Dec -18 ^{(1) (2)}
Eligible capital	13,489	13,318
Common equity Tier I (CET 1)	10,409	10,205
Capital	3,704	3,704
Reserves (as per reserve perimeter)	9,047	8,719
Result attributable net of dividend accrual	101	346
Deductions	(2,514)	(2,575)
Others (treasury stocks, Non-controlling interests and unrealised gains on FV portfolio)	70	11
Tier I Capital	11,659	11,455
Instruments	1,250	1,250
Tier II Capital	1,830	1,863
Instruments	1,672	1,672
Others	158	191
Risk-weighted assets	82,552	82,381
Common equity Tier I (CET 1) (%)	12.61%	12.39%
Tier I Capital	14.12%	13.91%
Tier II Capital	2.22%	2.26%
Solvency ratio - Total capital ratio (%)	16.34%	16.17%
Leverage ratio (Fully Loaded)	5.57%	5.56%
Leverage ratio total exposure	209,480	205,916

(1) Includes unrealised gains in the fair value (FV) sovereign debt portfolio which since October 2016 are included in regulatory capital due to Reglamento (UE) 2016/445 BCE. Without including unrealised gains in the FV sovereign debt portfolio (regulatory capital), as of 31st March 2019, the CET-1 Fully Loaded ratio stands at 12.43% and the Total Capital Fully Loaded ratio at 16.16%. And as of 31 December 2018 the CET 1 ratio would have been 12.28%, & Total Capital ratio 16.06%. The total solvency ratio includes the early amortization of the €1,000mn Tier 2 issuance which will be executed in May 2019.
(2) Solvency ratios include the result that is expected to be allocated to reserves

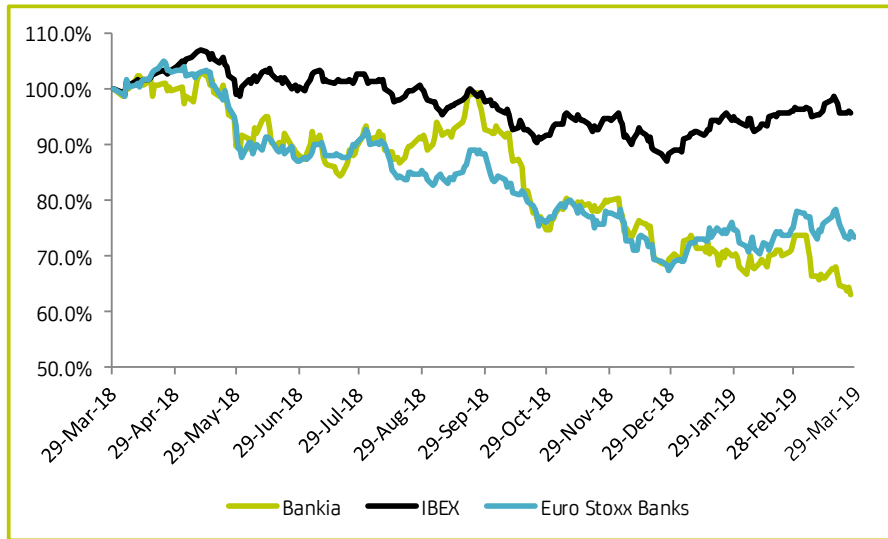
PHASE IN RATIOS

(€ million and %)	Mar -19 ^{(1) (2)}	Dec -18 ^{(1) (2)}
Eligible capital	14,453	14,480
Common equity Tier I (CET 1)	11,372	11,367
Capital	3,704	3,704
Reserves (as per reserve perimeter)	9,047	8,719
Result attributable net of dividend accrual	101	346
Deductions	(1,550)	(1,413)
Others (treasury stocks, Non-controlling interests and unrealised gains on FV portfolio)	70	11
Tier I Capital	12,622	12,617
Instruments	1,250	1,250
Others	0	0
Tier II Capital	1,830	1,863
Instruments	1,672	1,672
Others	158	191
Risk-weighted assets	82,552	82,381
Common equity Tier I (CET 1) (%)	13.78%	13.80%
Tier I Capital	15.29%	15.31%
Tier II Capital	2.22%	2.26%
Solvency ratio - Total capital ratio (%)	17.51%	17.58%
Leverage ratio (Phase In)	6.00%	6.09%
Leverage ratio total exposure	210,443	207,078

(1) Includes unrealised gains in the fair value (FV) sovereign debt portfolio which since October 2016 are included in regulatory capital due to Reglamento (UE) 2016/445 BCE. Without including unrealised gains in the FV sovereign debt portfolio (regulatory capital), as of 31st March 2019, the CET-1 Phase-in ratio stands at 13.60% and the Total Capital Phase-in ratio at 17.33%. And as of 31 December 2018 the CET 1 ratio would have been 13.69%, and Total Capital ratio 17.47%. The total solvency ratio includes the early amortization of the €1,000mn Tier 2 issuance which will be executed in May 2019.
(2) Solvency ratios include the result that is expected to be allocated to reserves

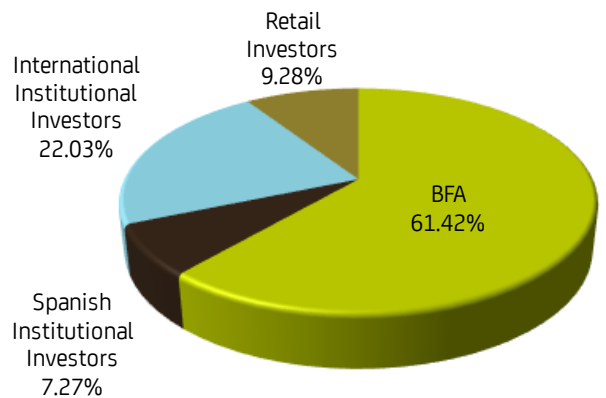
9. SHARE PERFORMANCE

SHARE PRICE



MAJOR SHAREHOLDERS AND STOCK MARKET DATA

BANKIA (stock data)	Mar-2019
Number of shareholders	183,472
Daily average volume (num. shares)	7,511,447
Daily average turnover (euros)	18,919,961
Maximum closing price (€/share)	2.689 (8-ene)
Minimum closing price (€/share)	2.295 (28-mar)
Closing price (€/share)	2.31 (29-mar)



10. RATING

- On 30 January **Fitch Ratings (Fitch) upgraded Bankia's long-term rating from “BBB-” to “BBB”, and moved its outlook from Positive to Stable.** According to the agency, the rating upgrade reflects the important reduction in problem assets (NPAs) in 2018 and a national franchise that has been bolstered by the merger with BMN, with the Group maintaining robust post-merger capital and adequate funding and liquidity.
- On 6 February **S&P Global Ratings affirmed Bankia's long-term rating of “BBB”, with a Stable outlook,** reflecting the advances made in cleaning up its balance sheet after the significant reduction of NPAs in 2018.
- On 5 February **Fitch upgraded the rating of Bankia's mortgage covered bonds from “A” to “A+”, and changed the outlook from Positive to Stable.** This action stemmed from the upgrade of Bankia's long-term rating this past 30 January and the current overcollateralisation of the portfolio, which is higher than the level required for the agency to assign an “A+” rating.

CREDIT AGENCY RATINGS

Issuer Ratings	S&P Global Ratings	Fitch Ratings	DBRS	Scope
Long-term	BBB	BBB	BBB (high)	BBB+
Short-term	A-2	F3	R-1 (low)	S-2
Outlook	Stable	Stable	Stable	Stable
Date	06-Feb-19	30-Jan-19	4-Jul-18	30-Nov-17
Mortgage Covered Bonds Rating:	S&P Global Ratings	Fitch Ratings	DBRS	Scope
Rating	AA-	A+	AAA	AAA
Outlook	Positive	Stable	---	Stable
Date	27-Mar-18	5-Feb-19	21-Sep-18	12-Jul-18

11. SIGNIFICANT EVENTS DURING THE QUARTER

Issue of MREL-eligible subordinated debt

On 15 February 2019 Bankia issued subordinated debts of 1,000 million euros with interest of 3.750% per annum and final due date 15 February 2029.

The subordinated debt instruments are targeted solely and exclusively at qualified investors and may be called in by Bankia on 15 February 2024, subject to prior authorisation from the competent authority. They may also be called in at any time upon prior authorisation from the competent authority if and when: a) there is a change in the tax treatment of the subordinated debentures, or b) there is a capital event, in both cases in accordance with the requirements set out in Community Regulation (EU) 575/2013 of 26 June 2013 of the European Parliament and of the Council (“CRR”).

In March Bankia obtained authorisation from the supervisor for the issue to qualify as Tier 2 capital of Bankia and/or its Group, which will allow the Bank to continue to strengthen its capital adequacy and widen the loss-absorbing capacity in relation to the MREL regulatory requirements.

This instrument replaces another issue of subordinated debt of the same amount that was being computed as Tier 2 capital of the Bank and its Group and which will be redeemed early with an effective date of 22 May 2019, the early redemption option date, after having obtained the requisite clearance from the European Central Bank.

Shareholder remuneration

On 11 April 2019, pursuant to the resolutions approved by the General Meeting of Shareholders on 22 March 2019, Bankia paid out a gross interim dividend against 2018 profits of 357.1 million euros (0.11576 euros per share). This marked a 5% increase with respect to the dividend distributed the previous year.

Reorganisation of the insurance business

In December 2018, Bankia reached an agreement with the Mapfre Group and the Caser Group to reorganise the bancassurance partnerships. In the non-life business line, this has entailed selling to Mapfre Vida 51% of the share capital of Caja Granada Vida and Caja Murcia Vida y Pensiones, without prejudice to the Caser Group retaining the exclusivity agreement in the Balearic Islands for the life assurance business and pensions business. Furthermore, in the non-life business line, Bankia agreed with the Caser Group to end their partnership for certain general insurance lines, while broadening the scope of Bankia’s existing partnership with the Mapfre Group for general insurance to include the branch network from BMN.

After approval was obtained from the competition authority and the Directorate General for Insurance and Pension Funds stated its non-objection, on 29 March 2019 the sale to Mapfre Vida of the aforesaid Bankia shareholdings in Caja Granada Vida and Caja Murcia Vida y Pensiones was closed. The price of the sale was 110.3 million euros.

Execution of the sale-purchase marked the culmination of the reorganisation of its bancassurance business which Bankia began after the merger with Banco Mare Nostrum (BMN).

12. APPENDIX

COMPOSITION OF FIXED-INCOME PORTFOLIOS

(€ million and %)	Mar-19 ⁽¹⁾	Dec-18 ⁽¹⁾	Change on Dec-18	
			Amount	%
ALCO Portfolio	28,523	26,804	1,719	6.4%
NON ALCO Portfolio	707	762	(55)	(7.2%)
SAREB Bonds	18,932	19,155	(223)	(1.2%)
Total Fixed Income Portfolio	48,162	46,721	1,441	3.1%

(1) Nominal values of the "fair value" and "amortised cost" portfolios

PRO FORMA INCOME STATEMENT INCLUDING IFRS 16 IMPACT IN 2018

(€ million)	1Q 2019	1Q 2018 ⁽¹⁾	Change on/1Q 2018	
			Amount	%
Net interest income (1)	502	524	(22)	(4.2%)
Dividends	1	1	(0)	(36.0%)
Share of profit/(loss) of companies accounted for using the equity method	14	12	3	23.2%
Total net fees and commissions	260	264	(3)	(1.2%)
Gains/(losses) on financial assets and liabilities	37	139	(102)	(73.3%)
Exchange differences	3	1	2	278.6%
Other operating income/(expense)	(4)	(3)	(0)	13.1%
Gross income	813	936	(123)	(13.1%)
Administrative expenses	(407)	(420)	14	(3.3%)
Staff costs	(285)	(305)	20	(6.5%)
General expenses (1)	(122)	(115)	(6)	5.3%
Depreciation and amortisation (1)	(50)	(63)	13.6	(21.4%)
Pre-provision profit	357	452	(95)	(21.1%)
Provisions	(65)	(103)	38	(36.9%)
Provisions (net)	(10)	13	(23)	-
Impairment losses on financial assets (net)	(55)	(116)	61	(52.5%)
Operating profit/(loss)	292	349	(57)	(16.4%)
Impairment losses on non-financial assets	(3.5)	(4.1)	0.6	(13.6%)
Other gains and other losses	(19)	(49)	29	(60.2%)
Profit/(loss) before tax	269	296	(27)	(9.1%)
Corporate income tax	(64)	(67)	3	(4.0%)
Profit/(loss) after tax from continuing operations	205	229	(24)	(10.6%)
Net profit from discontinued operations	0	0	-	-
Profit/(loss) in the period	205	229	(24)	(10.6%)
Profit/(Loss) attributable to minority interests	(0.0)	0.3	(0.4)	-
Profit/(loss) attributable to the Group	205	229	(24)	(10.5%)
Cost to Income ratio (2)	56.1%	51.7%	+4.4 p.p.	4.4%
Recurring Cost to Income ratio (3)	59.0%	60.7%	(1.7) p.p.	(1.7%)
PRO-MEMORY				
"Core" Result (4)	306	304	2	0.7%

(1) In 1Q18 includes the estimated impact of applying IFRS 16 ("Financial Leasings") in order to make it comparable with 1Q19.

(2) Operating expenses / Gross income.

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

(4) Net interest income + total net fees and commissions - administrative expenses - depreciation and amortization.

QUARTERLY EARNINGS REPORT – MARCH 2019

(€ million)	1Q 2019	4Q 2018 ⁽¹⁾	3Q 2018 ⁽¹⁾	2Q 2018 ⁽¹⁾	1Q 2018 ⁽¹⁾
Net interest income ⁽¹⁾	502	504	492	518	524
Dividends	1	3	0	7	1
Share of profit/(loss) of companies accounted for using the equity method	14	13	14	18	12
Total net fees and commissions	260	266	265	270	264
Gains/(losses) on financial assets and liabilities	37	30	90	152	139
Exchange differences	3	4	5	5	1
Other operating income/(expense)	(4)	(160)	(5)	(70)	(3)
Gross income	813	659	862	900	936
Administrative expenses	(407)	(408)	(398)	(402)	(420)
Staff costs	(285)	(278)	(287)	(291)	(305)
General expenses	(122)	(130)	(111)	(111)	(115)
Depreciation and amortisation	(50)	(59)	(58)	(55)	(63)
Pre-provision profit	357	193	406	443	452
Provisions	(65)	(192)	(73)	(68)	(103)
Provisions (net)	(10)	(46)	(0)	24	13
Impairment losses on financial assets (net)	(55)	(146)	(73)	(91)	(116)
Operating profit/(loss)	292	0	333	375	349
Impairment losses on non-financial assets	(4)	(19)	(3)	36	(4)
Other gains and other losses	(19)	(31)	(43)	(28)	(49)
Profit/(loss) before tax	269	(50)	287	383	296
Corporate income tax	(64)	7	(63)	(99)	(67)
Profit/(loss) after tax from continuing operations	205	(42)	224	284	229
Net profit from discontinued operations ⁽²⁾	0	1	5		
Profit/(loss) in the period	205	(41)	228	284	229
Profit/(Loss) attributable to minority interests	(0.0)	(0.0)	0.1	(0.1)	0.3
Profit/(loss) attributable to the Group	205	(41)	228	284	229
Cost to Income ratio ⁽³⁾	56.1%	70.8%	52.9%	50.8%	51.7%
Recurring Cost to Income ratio ⁽⁴⁾	59.0%	74.7%	59.4%	61.6%	60.7%
PRO-MEMORY					
Profit/(loss) attributable to the Group	205	(41)	228	284	229
Extraordinary profit/(loss) for the period ⁽⁵⁾		(85)			
Recurrent Profit/(loss) attributable to the Group	205	43	228	284	229
"Core" Result ⁽⁶⁾	306	304	301	331	304

(1) Every quarter of 2018 includes the estimated impact of applying IFRS16 ("Financial Leasing") in order to make the comparable with 1Q 2019.

(2) 4Q18 and 3Q18 includes the result from Caja Murcia Vida and Caja Granada Vida since the acquisition of 100% of equity in both companies on 10 July 2018. In 1Q 2019 the results from Caja Murcia Vida and Caja Granada Vida are accounted for the equity method after the sale of 51% in both companies to Mapfre Vida.

(3) Operating expenses / Gross income.

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

(5) 4Q18 includes net extraordinary provisions associated with the impact of the sale of non-performing assets to an institutional investor.

(6) Net interest income + total net fees and commissions - administrative expenses - depreciation and amortization.

INFORMATION RELATING TO ALTERNATIVE PERFORMANCE MEASURES (APMS)

In addition to the financial information prepared in accordance with generally accepted accounting principles (IFRS), the Bankia Group uses certain alternative performance measures (“APMs”) that are normally used in the banking sector as indicators for monitoring the management of the Group’s assets and liabilities and its financial and economic position. In compliance with the ESMA guidelines on transparency and investor protection in the European Union, published in October 2015, the following tables give details of all the APMs used in this document, including their definition and a reconciliation with the balance sheet and income statement line items used in their calculation.

ALTERNATIVE PERFORMANCE MEASURES

PERFORMANCE MEASURE	DEFINITION	MANNER OF CALCULATION AND ACCOUNTING DATA USED
Total customer funds on- and off-balance-sheet	Sum of customer deposits, senior and subordinated wholesale issues and resources managed and marketed off-balance-sheet	Balance sheet items: - Customer deposits - Marketable debt securities Third-party resources managed and marketed by the Group: - Mutual funds - Pension funds
NPL ratio (%)	Relationship between non-performing loans and the total balance of customer credit risk and contingent risks	Gross book amount (before provisions) of non-performing loans and advances to customers and contingent liabilities (NPEs) as a percentage of total gross loans and advances to customers and contingent liabilities.
NPL coverage ratio (%)	Measures the degree of impairment of NPLs for which impairment allowances have been recognised	Book amount of allowances for impairment of loans and advances to customers and contingent liabilities as a percentage of the gross book amount of non-performing loans and advances to customers and contingent liabilities (NPEs).
Gross NPAs ratio (%)	Relationship existing between sum of gross non-performing loans and gross foreclosed assets as a percentage of total loans and advances to customers, contingent liabilities and foreclosed assets of the Group.	Gross book amount (before provisions) of non-performing loans and advances to customers, contingent liabilities and foreclosed assets (NPAs) as a percentage of total gross loans and advances to customers (before provisions), contingent risks and gross foreclosed assets (before impairment).
NPAs coverage ratio	Measures the degree of impairment of contingent liabilities and foreclosed assets for which impairment allowances have been recognised	Book amount of allowances for impairment of loans and advances to customers, contingent liabilities and foreclosed assets as a percentage of the gross book amount of non-performing loans and advances to customers, contingent liabilities (NPEs) and foreclosed assets.
LTD ratio (%)	Relationship between loans granted to customers and deposits taken from customers	Loans and advances to customers divided by customer deposits plus funds raised through second-floor loans received from the EIB and ICO. - Loans and advances to customers excluding reverse repos. - Customer deposits exclude repurchase agreements.
Net trading income	Sum of the gains or losses obtained from management of portfolios of financial assets and liabilities and accounting hedges.	Sum of the gains or losses from the following income statement items: - Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net - Gains or (-) losses on financial assets and liabilities held for trading, net - Gains or losses on financial assets not held for trading that are mandatorily measured at fair value through profit or loss, net. - Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net. - Gains or (-) losses from hedge accounting, net

PERFORMANCE MEASURE	DEFINITION	MANNER OF CALCULATION AND ACCOUNTING DATA USED
Pre-provision profit	Gross margin less administrative expenses and depreciation and amortisation	Sum of the following items on the income statement: <ul style="list-style-type: none"> - Gross income - Administrative expenses - Depreciation and amortisation
Customer margin (%)	Difference between the average interest rate charged on loans and advances to customers and the average interest rate paid on customer deposits	Average interest rate on loans and advances to customers: <ul style="list-style-type: none"> - Interest income on loans and advances to customers recognised in the period divided by the average month-end balance of loans and advances to customers in the period Average interest rate paid on customer deposits: <ul style="list-style-type: none"> - Interest expenses on customer deposits recognised in the period divided by the average month-end balance of customer deposits in the period Interest income and interest expenses are annualised at the March, June and September accounting closes
Interest margin (net interest income) (%)	Difference between the average return on assets and the average cost of liabilities and equity	Average return on assets: <ul style="list-style-type: none"> - Interest income in the period divided by average month-end balances of recognised assets Average cost of liabilities and equity: <ul style="list-style-type: none"> - Interest expenses in the period divided by average month-end balances of total equity and liabilities in the period Interest income and interest expenses are annualised at the March, June and September accounting closes
ROA (%)	Measures the return on the Group's assets	After-tax profit or loss for the year divided by the average month-end balance of recognised assets in the period. After-tax profit/(loss) for the year is annualised at the March, June and September accounting closes
RORWA (%)	Measures the return on average risk-weighted assets	After-tax profit/(loss) for the year divided by regulatory risk-weighted assets at the end of the period After-tax profit/(loss) for the year is annualised at the March, June and September accounting closes
ROE (%)	Measures the return obtained from own funds	Profit/(loss) for the year attributable to equity holders of the Group divided by average value of equity of the 12 months preceding the period-end adjusted for expected dividends Profit/(loss) for the year attributable to equity holders of the Group is annualised at the March, June and September accounting closes
ROTE (%)	Measures the return on equity excluding intangible assets	Profit/(loss) for the year attributable to equity holders of the Group divided by average value of equity of the 12 months preceding the period-end adjusted for expected dividends Profit/(loss) for the year attributable to equity holders of the Group is annualised at the March, June and September accounting closes
Efficiency ratio (%)	Measures operating expenses as a percentage of gross income	Administrative expenses + depreciation and amortisation expense divided by gross income for the period.
Cost of risk (%)	Measures the relationship between non-performing loan provisions and the total balance of customer credit risk and contingent risks	Sum of losses from impairment of financial assets and provisions for contingent risks included under "Provisions (net)" on the income statement divided by the average value of loans and advances to customers, gross (before provisions) and contingent risks in the period The impairment losses on financial assets are measured net of extraordinary, non-recurrent provisions, the external costs of recoveries and the movement in impairment losses on fixed-income instruments. The total amount of the impairment losses on financial assets and provisions for contingent liabilities is annualised at the March, June and September accounting closes.
Market capitalisation	Economic metric indicating the total value of a business as per the market price of its shares	Sum of share price multiplied by the number of shares outstanding at period-end
Earnings per share	Measures the part of profit attributable to each of the bank's shares	Profit/(loss) attributable to equity holders of the Group divided by the number of shares outstanding at period-end Profit/(loss) for the year attributable to equity holders of the Group is annualised at the March, June and September accounting closes
Tangible book value per share	The book value of the company per each share issued, minus intangible assets	The Group's equity, after deducting intangible assets, divided by the number of shares outstanding at period-end.
P/E ratio	Measures the price per share as a multiple of the earnings per share	Share price at period-end divided by earnings per share in the period
Price to tangible book value ratio	Ratio comparing the bank's share price as a proportion of its tangible book value	Share price at period-end divided by tangible book value per share in the period

ACCOUNTING FIGURES USED TO CALCULATE ALTERNATIVE PERFORMANCE MEASURES

ACCOUNTING FIGURES (except where specified otherwise, figures are in millions of euros and %)	Mar-19	Dec-18
Sum of customer funds managed on and off balance sheet	175,358	171,793
- Customer deposits	128,419	126,319
- Marketable debt securities	18,769	18,360
- Mutual funds	20,012	19,114
- Pension funds	8,158	7,999
NPL ratio (%)	6.2%	6.5%
- Non-performing loans and advances to customers and contingent liabilities	7,969	8,416
- Total loans and advances to customers and contingent liabilities	129,369	129,792
NPL coverage ratio (%)	55.0%	54.6%
- Loan impairment and customer advances and contingent risks	4,381	4,593
- Non-performing loans and advances to customers and contingent liabilities (NPEs).	7,969	8,416
Gross NPA ratio (%)	7.9%	8.2%
- Non-performing loans and advances to customers and contingent liabilities (NPEs).	7,969	8,416
- Gross foreclosed assets ⁽¹⁾	2,459	2,462
- Total loans and advances to customers and contingent liabilities	129,369	129,792
NPA coverage ratio (%)	48.7%	48.2%
- Non-performing loans and advances to customers and contingent liabilities (NPEs)	7,969	8,416
- Gross foreclosed assets ⁽¹⁾	2,459	2,462
- Loan loss provisions	4,381	4,593
- Impairment of foreclosed assets	696	649
LTD ratio (%)	90,1%	91,2%
- Loans and advances to customers	118,812	118,295
- Reverse repo transactions	178	14
- Customer deposits	128,419	126,319
- Repo transactions	36	36
- Funds for intermediated loans received from the EIB and ICO	3,329	3,424
Market capitalisation	7,126	7,898
- Shares outstanding at period-end (million)	3,085	3,085
- Share price at period-end (euros)	2.31	2.56
Earnings per share (euros)	0.27	0.23
- Profit/(loss) attributable to the Group in the period	205	703
- Profit/(loss) attributable to the Group annualised	831	703
- Number of shares outstanding at period-end (millions)	3,085	3,085
Tangible book value per share (euros)	4.14	4.18
- Total equity	13,084	13,189
- Intangible assets	322	298
- Total equity less intangible assets	12,761	12,892
- Number of shares outstanding at period-end (millions)	3,085	3,085
P/E ratio	8.58	11.23
- Share price at period-end (euros)	2.31	2.56
- Earnings per share in the period (euros)	0.27	0.23
Price to tangible book value	0.56	0.61
- Share price at period-end (euros)	2.31	2.56
- Tangible book value per share (euros)	4.14	4.18

(1) At Mar-19 and Dec-18 the data are calculated taking into account the disposal of foreclosed assets in the sale of portfolios to institutional investors in the fourth quarter of 2018.

ACCOUNTING FIGURES USED TO CALCULATE ALTERNATIVE PERFORMANCE MEASURES

ACCOUNTING DATA (except where stated otherwise, the figures are in millions of euros and %)	Mar-19	Mar-18
Net trading income	37	139
- Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	37	130
- Gains or (-) losses on financial assets and liabilities held for trading, net	7	16
- Gains or losses on financial assets not held for trading that are mandatorily measured at fair value through profit or loss, net.	-	-
- Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net.	-	-
- Gains or (-) losses from hedge accounting, net	(7)	(7)
Pre-provision profit	357	453
- Gross income	813	939
- Administrative expenses	(407)	(437)
- Depreciation and amortisation	(50)	(48)
ROA (%)	0.4%	0.4%
- Profit after tax for the period	205	230
- Profit after tax for the period annualised	830	932
- Average month-end balance of assets recorded on the balance sheet for the period	205,888	209,465
RORWA (%)	1.0%	1.1%
- Profit after tax for the period	205	230
- Profit after tax for the period annualised	830	932
- Regulatory risk-weighted assets at the end of the period	82,552	85,771
ROE (%)	6.6%	7.5%
- Profit or loss for the period attributable to the Group	205	229
- Profit or loss for the period attributable to the Group annualised	831	931
- Average month-end balance of equity for the 12 months preceding the end of the period, adjusted for the expected dividend	12,678	12,381
ROTE (%)	6.7%	7.7%
- Profit or loss for the period attributable to the Group	205	229
- Profit or loss for the period attributable to the Group annualised	831	931
- Average month-end balance of tangible equity for the 12 months preceding the end of the period, adjusted for the expected dividend	12,389	12,143
Efficiency ratio (%)	56.1%	51.7%
- Administrative expenses	407	437
- Depreciation and amortisation	50	48
- Gross income	813	939
Cost of risk (%) a/(b+c)	0.14%	0.23%
- Impairment losses on financial assets	(55)	(116)
- External cost of recoveries	13	22
- Impairment of fixed-income instruments	-	3
- Provisions/release of provisions for contingent risks	(2)	13
- Total impairment losses for calculating the cost of risk	(44)	(78)
- Total impairment losses for calculating the cost of risk annualised (a)	(177)	(317)
- Average gross loans and advances to customers for the period (b)	120,872	127,219
- Average value of contingent risks in the period (c)	8,253	8,964

ACCOUNTING DATA (except where stated otherwise, the figures are in millions of euros and %)	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2019
Customer margin (%)	1.60%	1.58%	1.51%	1.55%	1.57%
Average interest rate on loans and advances to customers (%):	1.70%	1.69%	1.62%	1.68%	1.71%
- Interest income on loans and advances to customers in period	496	510	490	506	512
- Average interest rate on loans and advances to customers (%)	2,011	2,022	1,946	2,029	2,076
- Average month-end balances of loans and advances to customers	117,970	119,507	120,124	120,426	121,071
Average interest rate paid on customer deposits (%):	0.10%	0.11%	0.11%	0.13%	0.14%
- Interest expenses on customer deposits in the period	33	35	36	40	43
- Annualised interest expenses on customer deposits	132	137	141	160	173
- Average month-end balances of customer deposits	126,550	125,402	124,834	126,642	126,613

INFORMATION RELATING TO THE ISSUE OF CONTINGENT CONVERTIBLE BONDS (AT1)

Solvency and leverage (%)	Bankia ⁽¹⁾ 31-Mar-2019
Common equity Tier I (CET1) (Group) BIS III Phase In (incl. FV unrealised gains) ⁽²⁾	13.78%
Common equity Tier I (CET1) (Group) BIS III Fully Loaded (incl. FV unrealised gains) ⁽²⁾	12.61%
Common equity Tier I (CET1) (Individual) BIS III Phase In (incl. FV unrealised gains) ⁽²⁾	12.90%
Common equity Tier I (CET1) (Individual) BIS III Fully Loaded (incl. FV unrealised gains) ⁽²⁾	11.76%
Total capital ratio (Group) BIS III Phase In (incl. FV unrealised gains) ⁽²⁾	17.51%
Total capital ratio (Group) BIS III Fully Loaded (incl. FV unrealised gains) ⁽²⁾	16.34%
Solvency (€mn)	
Available distributable items (Individual) ⁽³⁾	8,515

(1) Solvency ratios include the result that is expected to be allocated to reserves

The total solvency ratio includes the early amortization of the €1,000mn Tier 2 issuance which will be executed in May 2019.

(2) Unrealised gains and losses of the Fair Value portfolio

(3) Excluding the regulatory expected dividend and the accrual AT1 coupon payment

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