

## MATERIAL DISCLOSURE

Pursuant to article 228 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015 of 23 October, Bankia, S.A. hereby submits the complete text of the resolutions adopted by the Extraordinary General Shareholders' Meeting held today, at first call, in relation to the points included on the agenda in the call of the meeting, which was reported via material disclosure number 255.417 on 31 July 2017.

It should be noted that all of the proposals made by the Board of Directors of Bankia, S.A. were approved by the Extraordinary General Shareholders' Meeting.

The above is notified as a material disclosure for all pertinent purposes.

Madrid on 14 September 2017

BANKIA, S.A.

## RESOLUTIONS ADOPTED BY GENERAL MEETING OF SHAREHOLDERS OF BANKIA, S.A.

14 September 2017

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### **POINT ONE ON THE AGENDA:**

- 1. Approval of the merger by absorption of Banco Mare Nostrum, S.A. by Bankia, S.A. in accordance with the common draft terms of the merger of 26 June 2017. Consideration of the Bankia, S.A. annual balance sheet closed at 31 December 2016 as merger balance sheet. Capital increase in BANKIA, S.A. through the issue of a maximum of 205,684,373 ordinary shares with a par value of one euro each to execute the merger share exchange and consequent amendment of article 5 of the Bylaws. Application for admission to trading of the new shares. Filing for special tax regime. Delegation of authority, with authority to subdelegate.**

Approve the merger by absorption of Banco Mare Nostrum, S.A. (“**BMN**” – absorbed) by Bankia, S.A. (“**Bankia**” – absorbing), with the termination by winding up without liquidation of BMN and *en bloc* transfer of all its assets and liabilities to Bankia, which acquires by universal succession the whole of the assets, liabilities and rights and obligations of the absorbed (the “**Merger**”), on the terms and conditions provided in the merger common draft terms signed by the directors of Bankia and BMN on 26 June 2017 (the “**Draft Merger Terms**”).

Toward that end, in accordance with the provisions of Act 3/2009 of 3 April 2009 on structural modifications of business corporations (“**Act 3/2009**”) and other applicable provisions, the following resolutions are adopted as part of one single operation:

- 1. Consideration of the Bankia, S.A. annual balance sheet closed at 31 December 2016 as merger balance sheet**

In accordance with the provisions of article 36.1 of Act 3/2009, approve as merger balance sheet of Bankia for the purposes of the Merger the balance sheet for the year ended 31 December 2016 included in the Bankia 2016 financial statements.

Said Bankia 2016 financial statements were audited by its statutory auditor, Ernst & Young, S.L., who issued their audit report without qualifications on 10 February 2017, and were approved by the Annual General Meeting of Shareholders of Bankia held on 24 March 2017.

- 2. Approval of the Draft Merger Terms**

Approve the Draft Merger Terms in its entirety and without modification, with said proposal being considered incorporated herein by reference for all relevant purposes.

In accordance with article 32 of Act 3/2009, the Draft Merger Terms has been posted on the corporate websites of Bankia ([www.bankia.com](http://www.bankia.com)) since 27 June 2017 and of BMN ([www.bmn.es](http://www.bmn.es)) since that same date, where it may be downloaded and printed out.

The fact of the Draft Merger Terms in the Bankia and BMN corporate websites was published in the Commercial Registry Official Gazette, with expression in each case of the corresponding corporate web site as well as from the date of their inclusion in the same.

### **3. Approval of the merger resolution in accordance with article 40 of Act 3/2009 and article 228 of the Regulations of the Commercial Registry**

Approve the Merger strictly on the terms and conditions of the Draft Merger Terms.

As provided in article 228 of the Regulations of the Commercial Registry and as an integral part of this merger resolution, the following circumstances are expressly stated:

#### **(1) Identity of the Participating Entities**

**Absorbing:** Bankia, S.A., with registered office at Calle Pintor Sorolla no. 8, 46002 Valencia, registered in the Commercial Registry of Valencia in volume 9341, book 6623, folio 104, page V-17274 and holding Corporate Taxpayer Identification Code number A-14010342.

**Absorbed:** Banco Mare Nostrum, S.A., with registered office at Paseo de Recoletos no. 17, 28004 Madrid, registered in the Commercial Registry of Madrid in volume 28378, section 8, folio 1, page M-511037 and holding Corporate Taxpayer Identification Code number A-86104189.

#### **(2) Bylaws amendments**

The merger will not require amendment of the bylaws of the absorbing, except as regards the share capital figure (article 5 of the Bankia bylaws), due to the capital increase carried out to execute the Merger share exchange.

#### **(3) Share exchange ratio**

The exchange ratio for BMN shares and Bankia shares, which has been determined on the basis of the real value of the net assets of both companies, will be, without any supplementary cash compensation, ONE (1) ordinary share of Bankia, with a par value of one euro, for every SEVEN POINT EIGHT TWO NINE EIGHT SEVEN (7.82987) ordinary shares of BMN, with a par value of one euro each.

#### **(4) Exchange procedure and date as from which the new shares will entitle their holders to share in the company profits**

Bankia will carry out the exchange of BMN shares, according to the share exchange ratio specified above, using newly issued ordinary shares.

Toward this end Bankia will increase its capital in the amount necessary to be able to execute the exchange of BMN shares by issuing and placing in circulation the requisite number of new ordinary shares with a par value of one euro each, of the same single class and series as the ones currently outstanding, represented as book entries. Those shares may only be subscribed for by the BMN shareholders, and, in accordance with the provisions of article 304.2 of the Spanish Corporations Act, there will be no preferential subscription right.

Pursuant to article 26 of Act 3/2009, there will be no exchange of BMN shares owned by Bankia or of any own shares that BMN may hold as treasury stock, which will be retired.

After (i) the approval of this merger by the General Meetings of Shareholders of Bankia and BMN; (ii) the presentation of the equivalent document referred to by articles 26.1.d) and 41.1.c) of Royal Decree 1310/2005 of 4 November 2005; (iii) the fulfilment of the conditions precedent referred to further below; (iv) the execution before notary public of the public deed of the Merger and the related capital increase in Bankia; and (v) the registration of that Merger deed in the Commercial Registry of Valencia, the exchange of BMN shares for Bankia shares will take place, as from the date specified in the notices to be published in accordance with the applicable laws and regulations.

The exchange of BMN shares for Bankia shares will be carried out through the custodians of the former shares, in accordance with the procedures stipulated for the book-entries system and, in particular, according to the terms of Royal Decree 878/2015 of 2 October 2015, on clearing, settlement and registration of negotiable securities represented as book entries and applying the provisions of article 117 of the Corporations Act insofar as relevant.

As a consequence of the Merger, the BMN shares will be retired.

The owners of a number of BMN shares that according to the agreed exchange ratio does not allow them to receive an integer number of Bankia shares may acquire or transfer shares in order to proceed to exchange them according to that exchange ratio.

Without prejudice to the above, the Participating Entities may set up mechanisms to facilitate the exchange of the BMN shares for Bankia shares, by appointing a fractions agent to act as counterparty for the purchase of fractions or remainders. Thus, all BMN shareholders who, in view of the stipulated share exchange ratio and the number of BMN shares they hold, are not entitled to receive at least one whole share of Bankia or are entitled to receive an integer number of Bankia shares and who have a remaining number of BMN shares that is not sufficient to allow them to receive one additional Bankia share, may transfer those excess BMN shares to the fractions agent, who will pay their cash value.

The new shares issued by Bankia to execute the merger exchange will be ordinary shares of the same single class and series as those currently outstanding, and enjoy the same rights as from the time the Merger deed is registered in the Commercial Registry of Valencia.

In particular, those new shares will entitle their owners, as from the date of the merger deed's registration in the Commercial Registry of Valencia, to share in the company profits on the same terms as the rest of the owners of Bankia shares outstanding at that date.

Bankia will request to have the new shares it issues to execute the Merger swap admitted to trading on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, to be traded through the Spanish stock market interconnection system known as the Sistema de Interconexión Bursátil (Continuous Market), complying with all legal formalities required for that purpose.

**(5) Date as from which the operations of the absorbed will be considered executed for accounting purposes for the account of the absorbing**

The date as from which the operations of the absorbed will be considered executed for accounting purposes for the account of the absorbing will be the one that applies under the Spanish General Accounting Plan (Plan General de Contabilidad) approved by Royal Decree 1514/2007 of 16 November 2007 and, in particular in standard 19 thereof, as well as under International Financial Reporting Standard 3, and, in particular, paragraphs 8 and 9 thereof, with which the former is consistent. In any event, in the event of inconsistency between the two standards, the latter will prevail.

According to said standards in effect at the date of the Draft Merger Terms, the effective accounting date of the Merger will be the date on which, the Merger having been approved by the General Meetings of Bankia and of BMN, the last of the administrative authorisations to which the merger's effectiveness is subject is obtained, as that is the date on which the absorbing will be considered to have acquired control of the absorbed on the terms referred to by said standards.

**(6) Rights to be granted in the absorbing to holders of special classes, to holders of preferred participating securities and to holders of special rights or, as applicable, the options offered thereto**

Neither of the Participating Entities has special shares or holders of special rights other than simple share ownership; nor will any special rights or options be granted to the holders of non-equity securities. Consequently, there is no need to grant any special right or to offer any type of option.

**(7) Advantages of any kind to be attributed in the absorbing to the independent expert and to the directors of the Participating Entities**

No advantage of any type has been attributed to the directors of any of the Participating Entities or to the independent expert who issues the relevant report on the Draft Merger Terms.

In accordance with the terms of the Draft Merger Terms, it is noted that the effectiveness of the Merger is subject upon authorisation from the Minister of Economy, Industry and Competitiveness, as stipulated in the twelfth additional provision of Act 10/2014 of 26 June on regulation, supervision and solvency of credit institutions, as well as upon attainment of all such other authorisations as may be required from the Spanish Directorate General for Insurance and Pension Funds, from the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission), from the Comisión Nacional de los Mercados y de la Competencia (Spanish Markets and Competition Commission) and any other administrative body or entity.

**4. Capital increase in Bankia, S.A. through the issue of a maximum of 205,684,373 ordinary shares with a par value of one euro each to execute the merger share exchange and consequent amendment of article 5 of the Bylaws regarding the share capital. Application for admission to trading of the new shares**

As a consequence of the Merger and in order to execute the share swap to which it gives rise, increase the share capital of Bankia by a maximum nominal amount of 205,684,373.00 euros, by issuing and placing in circulation a maximum of 205,684,373 ordinary shares of the Company of the same single class and series as those currently outstanding, each with a par value of one euro each, on the terms and conditions set out below:

- (i) Amount of the increase:** The amount of the share capital increase will be for a maximum of 205,684,373.00 euros, through the issue and placement in circulation of a maximum of 205,684,373 new ordinary shares of the same class and series and carrying the same rights as those currently outstanding, each with a par value of one euro. The Board of Directors will have the authority, with express authority to subdelegate this power, to determine the final amount of the capital increase within the maximum envisaged as a function of the final number of BMN shares entitled to participate in the exchange.
- (ii) Issue price and issue premium:** The new shares will be issued for their par value of one euro per share plus the issue premium calculated as indicated below. The difference between the

fair value of the BMN net assets received by Bankia by virtue of the Merger and the nominal value of the new shares will be allocated to the issue premium.

- (iii) **Payment of the new shares:** Both the par value of the new shares and the issue premium thereon will be wholly paid in as a result of the *en bloc* transfer of the BMN assets and liabilities to Bankia by virtue of the Merger.
- (iv) **Representation of the new shares:** The new shares will be represented by book entries; the related bookkeeping will be carried on by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR) and its affiliated participants on the terms of the applicable laws and regulations.
- (v) **Rights attaching to the new shares:** The new shares issued by Bankia to execute the merger exchange will be ordinary shares of the same single class and series as those currently outstanding, and enjoy the same rights as from the time the Merger deed is registered in the Commercial Registry of Valencia. In particular, those new shares will entitle their owners, as from that date, to share in the company profits on the same terms as the rest of the owners of Bankia shares outstanding at that date.
- (vi) **Preferential subscription right:** The subscription of the new shares is reserved for the owners of BMN shares by virtue of the Merger share exchange, and, in accordance with the provisions of article 304.2 of the Corporations Act, there is no preferential subscription right for Bankia shareholders.
- (vii) **Incomplete subscription:** In accordance with article 311 of the Corporations Act, the possibility is expressly envisaged of the capital increase not being fully subscribed. Thus, if the increase is not fully subscribed, the share capital will only be increased by the amount of subscriptions actually made.
- (viii) **Amendment of the company bylaws:** As a result of the capital increase, article 5 of the Bankia bylaws will be amended to reflect the new share capital figure.
- (ix) **Delegation of specific powers:** Pursuant to the terms of article 297.1.a) of the Corporations Act, authority is delegated to the Board of Directors, with express authority to subdelegate, to set the date on which the capital increase resolution is to be carried into effect and determine the conditions thereof insofar as regards matters not provided for in this resolution and, in particular, without limitation, to determine the final amount of the capital increase within the stipulated maximum and, if applicable, its incomplete subscription, and the consequent final number of ordinary shares to be issued to execute the Merger share exchange, as well as the amount of the issue premium, and to draw up the new wording of article 5 of the Bankia bylaws to adapt it to the new share capital figure and the resulting number of shares.

Approve the application for admission to trading of the new shares issued under this resolution on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, through the Interconnected Stock Market System (Continuous Market), making express record of Bankia's submission to the rules that exist or which may be issued on securities exchange matters and, especially, on trading, continued listing and delisting of securities.

## 5. Filing for special tax regime

In accordance with the provisions of article 89 of the Corporate Income Tax Act 27/2014 of 27 November 2014, approve the Merger's submission to the special tax regime provided in Chapter VII of Title VII and in the second additional provision of said Act. Toward that end, and as provided in

article 89 of Act 27/2014, the Merger will be notified to the tax authorities in the regulated manner and time limits.

## 6. Delegation of authority

Delegate to the Board of Directors, with express authorisation to subdelegate, the broadest powers required in law to execute and implement the preceding resolutions for the successful outcome of the Merger and to perform all such acts, legal dealings, contracts, declarations and operations and adopt all such resolutions and decisions as necessary or convenient for that purpose, with express powers of ratification, clarification, rectification and correction, and, in particular, and without limitation, to:

- (i) Fix, complete, develop, amend, remedy omissions and adapt the preceding resolutions to the oral or written assessment given by the Commercial Registry and by any other authorities, government officials or competent institutions.
- (ii) Draft, publish and issue all such notices or communications as may be necessary or convenient in relation to the Merger.
- (iii) Declare the fulfilment or non-fulfilment or waive, insofar as legally possible and consistent with the corporate interest, any conditions precedent to which the Merger has been made subject. This power includes authority to perform the acts and adopt the decisions needed for their fulfilment.
- (iv) Determine the date on which the resolutions regarding the Merger are to be executed and notarised and the public deed of the Merger filed for registration.
- (v) Notarise the Merger resolutions as well as the supplementary documents, public or private, that are needed for the integration of the assets and liabilities of the absorbed into the absorbing to take effect.
- (vi) Carry out all necessary acts to make the relevant settlements with and guarantee the credit rights of such creditors as who may oppose the Merger on the legally stipulated terms.
- (vii) Execute all deeds of inventory of property, where applicable, or such others as may be necessary or convenient to evidence the absorbing's title to the assets and rights absorbed as a consequence of the merger and obtain registration in the relevant public registers in the name of the acquirer of all registrable assets.
- (viii) Establish mechanisms designed to facilitate the execution of the swap of BMN shares for Bankia shares, by appointing a fractions agent (which may be Bankia itself) to act as counterparty to purchase share fractions or remainders, fixing the amount that must be paid in cash to carry out the acquisition of the remainders or fractions, and enter into all such contracts as may be necessary or convenient for that purpose.
- (ix) Appoint the affiliated entity or entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) who act as agent for the Merger swap (which may be Bankia itself) and for the issue of the new shares, and enter into all such contracts as may be necessary or convenient for that purpose.
- (x) Draft, sign and file the necessary documents before the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) regarding the Merger and, in

particular, prepare, verify and register a document that qualifies as the equivalent of a prospectus under the applicable laws and regulations.

- (xi) Carry out any act, declaration, notification or formality before the Minister of Economy, Industry and Competitiveness, the European Central Bank, the Bank of Spain, the Spanish Securities Market Commission, the National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia — CNMC), the Spanish Directorate General for Insurance and Pension Funds, the Governing Corporations of the Stock Exchanges, Sociedad de Bolsas, the securities registration, clearing and settlement service known as Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), the Directorate General for the Treasury and Financial Policy and any other public or private body or entity or registry, in Spain or out of Spain, in relation to the Merger.
- (xii) Carry out all formalities and actions that are necessary or convenient to request and obtain admission to trading for the new shares on the Madrid, Barcelona, Valencia and Stock Exchanges, through interconnected stock market system known as the Sistema de Interconexión Bursátil (Continuous Market).
- (xiii) Draw up, sign, execute and, if applicable, certify any other type of document regarding the Merger.
- (xiv) Determine, in short, all other circumstances that are needed, adopting and implementing the necessary resolutions, executing the requisite documents and carrying out all other pertinent formalities before any public or private body, entity or registry, in Spain or abroad, and proceed to fulfil all other conditions required by law to give the Merger full effect.
- (xv) And in general, perform all such acts as may be necessary or merely convenient for the successful conclusion of the Merger.

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## **POINT TWO ON THE AGENDA:**

### **2. Fixing of the number of members of the Board of Directors. Appointment of director.**

#### **2.1. Fixing of number of members of the Board of Directors at 12 members.**

Set the number of members of the Board of Directors at twelve.

#### **2.2. Appointment of Mr. Carlos Egea Krauel, in the category of other external director, for the bylaws mandated term of four years, effective as from registration in the Commercial Registry of Valencia of the deed of merger by absorption of Banco Mare Nostrum, S.A. by BANKIA, S.A.**

Appoint, upon prior report from the Appointments and Responsible Management Committee, Mr. Carlos Egea Krauel as director of the Company, in the category of other external director, for the bylaws mandated term of four years, effective as from, and conditional upon, registration in the Commercial Registry of Valencia of the deed of merger by absorption of Banco Mare Nostrum, S.A. by Bankia, S.A.

It is noted that the effectiveness of Mr. Carlos Egea Krauel appointment is furthermore subject to the relevant regulatory authorisations, according to the provisions of Royal Decree 84/2015 of 13 February 2015 implementing Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions.

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**POINT THREE ON THE AGENDA:**

**3. Delegation of authority to the Board of Directors, with authority to subdelegate, for the formal execution, interpretation, correction and implementation of the resolutions adopted at the General Meeting.**

Delegate authority to the Board of Directors, which may subdelegate without distinction to the Chairman of the Board of Directors, any of the directors, the General Secretary of the company and the Secretary of the Board of Directors, as broadly as may be necessary in law, so that any of them, indistinctly, may formalise, interpret, develop, correct and arrange for attestation as a public document of the resolutions adopted at this General Meeting, as well as executing such public or private documents as may be necessary until obtaining the corresponding registration of the resolutions adopted in the Commercial Registry, including requests for partial registration, including with authority for correction or rectification in light of the verbal or written review undertaken by the Registrar.

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