

RELEVANT EVENT

Pursuant to article 227 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015 of 23 October 2015, it is hereby notified that today it has completed the placement of a Euro 1,000,000,000 issue of subordinated notes under its € 10,000,000,000 Euro Medium Term Note Programme (the "**Issue**" and the "**Subordinated Notes**"), the base prospectus of which, dated 5 July 2018, was approved by the Central Bank of Ireland as competent authority.

The Subordinated Notes will be issued in the denomination of Euro 100,000 each, at an issue price of 100% and will bear interest from (and including) the issue date up to (but excluding) 15 February 2024 at an annual rate of 3.750%. From that date (included) on, the Subordinated Notes will bear fixed annual interest at the then prevailing 5-year EUR Mid Swap rate, plus a margin of 3.624%.

The final maturity date of the Issue will be on 15 February 2029. The Subordinated Notes may be called by Bankia on 15 February 2024, subject to the prior permission of the competent authority. Likewise, the Subordinated Notes may be called at any time, subject to the prior permission of the competent authority, if a) the tax regime of the Subordinated Notes is modified, or b) a capital event occurs, in both cases in accordance with the requirements set forth in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 ("**CRR**").

The issue date of the Subordinated Notes, as well as the settlement date of the Issue, is expected to be 15 February 2019. An application will be made for the Subordinated Notes to be listed on the Main Securities Market of the Irish Stock Exchange, currently denominated Euronext Dublin.

Bankia will apply for the Subordinated Notes to be treated as tier 2 capital in accordance with the criteria of the CRR.

The above is notified as a relevant event for all pertinent purposes.

Madrid, 7th February 2019

BANKIA, S.A.

IMPORTANT INFORMATION

This relevant event does not constitute an offer to sell, or the solicitation of an offer to buy any securities, nor shall there be any sale of such securities in any state of the United States or in another jurisdiction in which such offer, solicitation or sale would not be permitted before registration or qualification under the securities laws of such state or jurisdiction. The securities described above have not been registered under the U.S. Securities Act of 1933, as amended, or any applicable securities laws of any other jurisdiction. Unless so registered, such securities may not be offered or sold in the United States or any other jurisdiction except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, and any applicable securities laws of such other jurisdiction.

As provided in the documentation for the offering of the Subordinated Notes, there are restrictions in other jurisdictions, such as the United Kingdom and Spain.

Restrictions on sale and resale to retail investors

*The target market for the Subordinated Notes is eligible counterparties and professional clients only (regardless of the distribution channel). The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA, as defined and/or applied in the rules established in (i) the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended); (ii) Regulation (EU) No. 1286/2014 on key information documents for packaged and retail insurance-based investment products (the PRIIPs Regulation); and Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments (as amended) ("**MiFID II**"), except in circumstances that there is no place for the contravention of the rules by any person. No key information document required by the PRIIPs Regulation has been prepared.*