

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 reports that today its Board of Directors has agreed to execute the capital reduction resolution passed by the General Meeting of Shareholders held on 24 March 2017 under point two of the agenda.

The same meeting of the Board also agreed to execute the reverse share split agreed by the same General Meeting of Shareholders under point three of the agenda.

Specifically, it has been agreed to perform a reverse share split of the 11,517,328,544 shares into which Bankia's current share capital is divided in order to swap them for 2,879,332,136 newly issued shares in the proportion of one new share for every four pre-existing shares, increasing the par value of the shares from 0.25 euros to 1.00 euro, with no change to the company's share capital figure, which remains at 2,879,332,136.00 euros, with the subsequent reduction in the number of shares in circulation representing its share capital.

The share swap shall take effect from 5 June 2017, provided that the resolution on the reverse split and the subsequent amendment to the company's bylaws have been previously recorded in the company's registry page. On this date, the pre-existing Bankia shares shall be technically excluded from trading and the new shares shall be simultaneously admitted to trading on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, and included in the Spanish stock market interconnection system, SIBE (Continuous Market).

Bankia shareholders with rightful standing as such, according to the accounting records of Iberclear and its affiliated participants at the close of the stock market trading day preceding the effective date of the share split, shall be entitled to receive one new share for every four old shares they hold. This swap will occur automatically.

Shareholders that hold a number of shares that is not a multiple of four, may choose to either purchase or sell the necessary number of shares to bring the number of shares they hold to a multiple of the established swap ratio, or may pool their shares with other shareholders to attain a number of shares that is a multiple of the established swap ratio.

If at the close of the trading session preceding the effective date of the share split any shareholder still holds a number of shares that is not a multiple of four, GVC Gaesco Beka, S.V., S.A., acting as the agent,

shall purchase the remaining shares on behalf of and representing Bankia. The purchase price will be the share price at the close of trading that day, and the sale will not generate any cost for the holders of those surplus shares, other than the expenses and brokerage charges that may be passed on to them by their respective custodians.

The amount payable for the purchase of those surplus shares will be paid by the Company to the Iberclear affiliated entities for payment into the accounts of the shareholders who hold their Bankia shares with them. This payment shall be coordinated by the agent, GVC Gaesco Beka, S.V., S.A., and shall take place between the effective date of the share swap and the second working day thereafter.

As a result of the reverse share split, article 5 (“Share Capital”) of Bankia’s Bylaws shall be amended to reflect the number of new shares and the new par value.

A copy of the announcement of the reverse share split is attached, which the company will publish in the next few days in the Companies Registry Official Gazette (BORME), its own corporate website, in one of the most widely circulated daily newspapers in Madrid and in the stock market Official Quotation Bulletins.

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

Madrid, 16 May 2017

BANKIA, S.A.

BANKIA, S.A.

Reverse stock split announcement

The Board of Directors of Bankia, S.A. ("**Bankia**" or "**the Company**") resolved in a meeting on 16 May 2017 to execute a reverse stock split as agreed under agenda point 3 of the ordinary General Meeting of Shareholders on 24 March 2017.

Fulfillment of a condition precedent was required for said resolution to take effect, the former consisting of the approval of a resolution to reduce the par value of the Company's shares by €0.55 per share to €0.25 per share each, which was submitted for approval by shareholders as agenda point 2 of the same General Meeting. This capital reduction was approved by shareholders at said General Meeting and executed by the Board of Directors, leaving share capital at €2,879,332,136.00, divided into 11,517,328,544 shares.

Specifically, it was resolved to group and cancel the 11,517,328,544 shares representing Bankia's current share capital, replacing them with 2,879,332,136 newly issued shares in the proportion of one new share for four old shares. This action will involve the par value of each share rising from €0.25 to €1.00, without a change in share capital, which will remain at €2,879,332,136.00. The number of outstanding shares representing share capital will therefore decrease.

The new shares will be represented by book entries, with the accounting register being kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities. They will be of the same series and class and will have the same economic and voting rights as the existing shares, in proportion to their par value.

GVC Gaesco Beka, S.V., S.A. will act as agent during the reverse stock split.

Exchange ratio: Bankia shareholders will receive one new share with a par value of €1.00 each for every four old shares with a par value of €0.25 each. This will leave the 11,517,328,544 shares into which the current share capital is divided in issue, each with a par value of €0.25, grouped and cancelled for their exchange for 2,879,332,136 newly issued shares with a par value of €1.00 each, represented by book entries. Bankia's share capital will therefore remain unchanged at €2,879,332,136.00.

Reverse stock split effective date: The reverse stock split will take effect as from 5 June 2017, provided the reverse stock split resolution and subsequent bylaw amendment have been filed in the Companies Register. On the effective date, Bankia's old shares will be de-listed and the new shares

simultaneously listed for trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, and listed on the electronic stock market (Mercado Continuo).

Share exchange procedure and treatment of “fractions”: Any person legitimately registered as a Bankia shareholder at market session end on the trading day prior to the reverse stock split effective date as per the accounting register of Iberclear and its participating entities, will be entitled to a new share for every four old shares held. The share exchange will be automatic and will be carried out pursuant to the procedures established for book-entry securities, through the pertinent participating entities as per the instructions issued for this purpose by Iberclear and the agent, GVC Gaesco Beka, S.V., S.A.

Shareholders with a number of shares that is not a multiple of four may choose to acquire or transfer the quantity of shares needed to achieve a number of shares that is a multiple of that established in the exchange ratio, or join other shareholders until they hold a number of shares that is a multiple of that established in the exchange ratio.

As agent, GVC Gaesco Beka, S.V., S.A. will acquire in the name and on behalf of Bankia any remaining shares if at market session end on the trading day prior to the reverse stock split effective date there are any shareholders retaining a quantity of shares that is not a multiple of four. The acquisition price of these shares will be the share price at the end of said session. Shareholders retaining any fractions will not incur any cost for the transaction, except any brokerage fees and charges that their depositories may pass on to them.

The Company will pay the acquisition price for the remaining shares to Iberclear participating entities, to be credited to the accounts of the shareholders who have deposited their shares in the Company with these entities. Said payment will be coordinated by the agent, GVC Gaesco Beka, S.V., S.A., and will be made between the reverse stock split effective date and the second trading day thereafter.

Amendment of the Bylaws: As a result of this transaction and as authorised by shareholders at the General Meeting of 24 March 2017, once the reverse stock split has been fully executed, Article 5 of the Bylaws will be amended to ensure the par value and number of outstanding shares are changed to the new amounts.

The new wording of Article 5 of Bankia’s Bylaws will read as follows:

“ARTICLE 5. SHARE CAPITAL

1. *The share capital is two billion, eight hundred and seventy-nine million, three hundred and thirty-two thousand, one hundred and thirty-six euros (€2,879,332,136.00).*

2. *It is represented by a single series and class and a total number of two thousand eight hundred and seventy-nine million, three hundred and thirty-two thousand, one hundred and thirty-six (2,879,332,136) shares.*
3. *The shares will have a par value of one euro (€1) each.*
4. *The shares representing the share capital are fully subscribed and paid up.”*

Madrid, May 16, 2017.- The General Secretary and of the Board of Directors of Bankia, S.A., Miguel Crespo Rodriguez.