

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:

- The European Central Bank (ECB) notifies Bankia, S.A, once completed and known the results of the supervisory review and assessment process, that it has maintained stable its requirement with respect to the year 2018, a Pillar 2 requirement of 2.0%.
- Thus, during 2019 a minimum Common Equity Tier 1 (CET 1) of 9.25% and a minimum Total Capital ratio of 12.75% are required, both measures in relation to transitional (“Phase-In”) regulatory capital.
- These capital ratios include the Pillar 1 minimum requirement (4.5% CET1 and 8.0% Total Capital); the Pillar 2 requirement (2.0%); the capital conservation buffer (2.5%); and the requirement arising from the Bank’s status as and Other Systemically Important Institution (O-SII), which for 2019 has been set at 0.25%.

Summary table of capital position of the Group compare to the minimum prudential requirements for 2019:

(€ millions y %)	dic -18	
	Phase In	Fully Loaded
Common Equity Tier 1 (%) - CET 1	13.80%	12.39%
Total capital (%)	17.58%	16.17%
CET1 minimum requeriment (*)	9.25%	9.25%
of which Pilar 1	4.50%	4.50%
of which Pilar 2R	2.00%	2.00%
of which Buffers	2.75%	2.75%
Total Capital minimum requeriment (*)	12.75%	12.75%
of which Pilar 1	8.00%	8.00%
of which Pilar 2R	2.00%	2.00%
of which Buffers	2.75%	2.75%
Excess CET1 Capital over minimum requirement	455 bps	314 bps
Excess Total Capital over minimum requirement	483 bps	342 bps

(*) The transitional period end in 2019, so the phase-in and fully loaded requirement are equal.

This decision by the ECB means that the consolidated¹ CET1 level below which Bankia, S.A. would be obliged to calculate the maximum distributable amount that would limit its discretionary distributions (dividend payments, AT1 coupons payment and/or variable remuneration), commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), stands at 9.25% for CET 1 and 12.75% for Total Capital, which implies that any potential capital shortfalls with respect to the minimum Pillar 1 requirements in Additional Tier 1 level (1.5%) or in Tier 2 level (2%) should be covered with CET1 for this purpose².

Considering the capital levels mentioned above, these regulatory requirements are not affected by any of the limitations mentioned before.

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

Madrid, 11th February 2019

BANKIA, S.A.

¹ At an individual level, as of 31 December 2018, Bankia's Phase-in CET1 ratio stood at 13,03% while its Total Capital ratio was 16,72%, compared to a minimum requirement of 7,25% and 10,75% respectively.

² As of 31 December 2018, there is no shortfall at Additional Tier 1 and Tier 2 levels.