

RELEVANT EVENT

Pursuant to article 228 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 Bankia, S.A. ("**Bankia**" or the "**Bank**") has carried out a placement of perpetual contingent securities convertible into newly issued ordinary shares of the Bank, excluding pre-emptive subscription rights of its shareholders and for a nominal value of EUR 500,000,000 (the "**Issue**" and the "**Securities**").

The Issue has been carried out through an accelerated bookbuilding process and has been targeted only to qualified investors.

The Securities are issued at par and its remuneration has been set at 6.375% on an annual basis for the first five years. The payment of the remuneration of the Securities is subject to certain conditions and to the discretion of the Bank. After the first five years, the remuneration will be reviewed by applying a margin of 622.4 basis points on the 5-year Euro Mid-Swap Rate. The remuneration of the Securities will be payable quarterly in arrears.

The Securities are perpetual, but they may be called under certain circumstances and would be converted into newly issued ordinary shares of the Bank if the Common Equity Tier 1 (CET1) ratio of the Bank or its consolidated group, calculated in accordance with European Regulation 575/2013, were to fall below 5.125%. The conversion price of the Securities will be the higher of: (i) the average of the daily volume weighted average price of an ordinary share of Bankia on each of the five consecutive dealing days ending on the dealing day immediately preceding the day on which it is announced that the conversion event has taken place; (ii) EUR 2.20 (Floor Price); and (iii) the nominal value of an ordinary share (being today €1).

Bankia will request to consider the Securities eligible as additional tier 1 capital of the Bank and/or its Group in accordance with Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities and European Regulation 575/2013.

The Bank will request the admission to trading of the Securities on the Global Exchange Market of Euronext Dublin.

The Bank also informs that the reports of the directors of the Bank and the independent expert/auditors' firm other than the Bank's auditor on the Issue have both been issued in accordance with articles 414, 417 and 511 of the Spanish Companies Act. Both reports will be disclosed and made available to the

shareholders of the Bank in the context of the next general shareholders' meeting held after the issue of the Securities.

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

Madrid, 10th September 2018

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 Securities, 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 Preferred Securities is eligible counterparties and professional clients only (regardless of the distribution channel). The Securities 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.*