

RELEVANT EVENT

Pursuant to article 226 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015 of 23rd October 2015, it is hereby notified that at the beginning of 2018, Bankia launched a Strategic Plan for the years 2018 to 2020 that relied on a series of management levers:

- (i) The integration of BMN and the achievement of 190 million euros of synergies in three years (in 2020). The company expects to achieve this objective by 2019.
- (ii) The relaunching of the commercial activity with a special focus on credit to retail mortgages, consumer loans and corporate loans; the sales of mutual funds, payment methods and insurance product. The evolution of commercial data for these first 18 months is in line with the objectives set.
- (iii) The accelerated reduction of non-performing assets (NPAs) with an objective to reduce them by more than 50% through the plan. After the first 18 months of the Plan have gone by, the non-performing assets of the company have already been reduced by more than 41%.
- (iv) The organic generation of capital as the sum of distributed dividends plus the excess capital over a 12% CET Fully Loaded ratio. In the same sense, the evolution of capital in these first 18 months is in line with the path set in the Strategic Plan.

The evolution of all these lines of work during the first half of the Plan has been satisfactory and the company is confident that the established objectives will be achieved during the second half of the Plan. Notwithstanding the foregoing, and due to the recent communications by the European Central Bank and their negative impact in short-term interest rates, which affect the net interest income of the company, Bankia estimates that it will not reach the target of 1,300 million euros of net profit that the Plan established for 2020.

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

Madrid, 29th July 2019

BANKIA, S.A.