

**SUPPLEMENT DATED 6 FEBRUARY 2019 TO THE BASE PROSPECTUS DATED 5 JULY 2018 AS SUPPLEMENTED BY THE SUPPLEMENT DATED 9 NOVEMBER 2018**

The logo for Bankia, featuring the word "Bankia" in a bold, sans-serif font. The letters are a light green color with a slight gradient and a soft shadow effect, giving it a three-dimensional appearance.

**Bankia, S.A.**

*(incorporated as a limited liability company (sociedad anónima) in Spain)*

**€10,000,000,000**

**Euro Medium Term Note Programme**

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 5 July 2018 as supplemented by the supplement dated 9 November 2018 (together, the "**Base Prospectus**") prepared by Bankia, S.A. (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 10,000,000,000 in aggregate principal amount of notes (the "**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of Directive 2003/71/EC and amendments thereto including Directive 2010/73/EU (the "**Prospectus Directive**").

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**") in its capacity as competent authority under the Prospectus Directive. The CBI only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

## **IMPORTANT NOTICES**

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be supplemented and/or amended in the manner described below:

### DOCUMENTS INCORPORATED BY REFERENCE

The information set out below shall supplement the section of the Base Prospectus headed "*Documents incorporated by reference*" on page 48 of the Base Prospectus.

"an English language translation of Bankia's unaudited annual earnings report under management criteria for the full year ended 31 December 2018 ("**Bankia's Annual Earnings Report for 2018**") available on:

<https://www.bankia.com/recursos/doc/corporativo/20121001/ingles/informe-trimestral-resultados-4t-2018-eng.pdf>

### GENERAL INFORMATION

The section headed "*Significant or Material Change*" of the "*General Information*" section on page 144 of the Base Prospectus, as well as the section headed "*Material/Significant Change*" of the "*Description of the Issuer*" section on page 120, are deleted and replaced by the following:

#### "Significant or Material Change

There has been no material adverse change in the prospects of the Issuer or the Group since the date of its last published audited financial statements (i.e. 30 June 2018).

Additionally, there has been no significant change in the financial position of the Group since 31 December 2018 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2018."

## **FINANCIAL INFORMATION INCORPORATED BY REFERENCE IN THIS SUPPLEMENT**

The financial information included in Bankia's Annual Earnings Report for 2018 is unaudited and, accordingly, is subject to change.

The unaudited consolidated balance sheet and the unaudited consolidated income statement as at and for the year ended 31 December 2018 and 2017, the three month periods ended 31 December 2018 and 2017, the nine month periods ended 30 September 2018 and 2017, the six month periods ended 30 June 2018 and 2017, the three month periods ended 31 March 2018 and 2017, together with the corresponding breakdowns of consolidated balance sheet and income statement items provided in this supplement, are presented according to management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2017 of the Bank of Spain of 22 December, as subsequently modified, has also been taken into account as it adapts IFRS-EU to Spanish credit institutions.

Such information has been prepared from the accounting records of Bankia and the other Group companies, and includes certain adjustments and reclassifications required to apply the policies and criteria used by the Group companies on a consistent basis with those of Bankia.

The basis of presentation for the balance sheet and income statement has been established in accordance with Circular 5/2015 of the Spanish securities market regulator (CNMV).

## DESCRIPTION OF THE ISSUER

The section headed "*Credit Ratings*" on page 130 of the Base Prospectus is deleted and replaced by the following:

### **"Credit Ratings**

As at the date of this Base Prospectus, the Issuer has been assigned long-term debt ratings of BBB (stable outlook) by S&P, BBB (stable outlook) by Fitch Ratings España, S.A.U., BBB (high) (stable outlook) by DBRS Ratings Limited and BBB+ (stable outlook) by Scope.

Tranches of Notes may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

The text below shall be inserted following the section titled "*History and Development of the Issuer*" which begins on page 106 of the Base Prospectus:

### **"Recent Developments**

#### *Completion of €500 million Additional Tier 1 Preferred Securities issuance*

On 10 September 2018 Bankia completed the placement of perpetual contingent securities convertible into newly issued ordinary shares of Bankia, excluding the pre-emptive subscription rights of its shareholders, for a nominal value of €500 million (the "**Securities**").

The issuance of the Securities was carried out through an accelerated bookbuilding process and was targeted to qualified investors only. The Securities were issued at par and its remuneration was set at 6.375% on an annual basis for the first five years. 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 Securities are perpetual, but they may be called under certain circumstances and would be converted into newly issued ordinary shares of Bankia 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%.

*Agreement with Grupo Mapfre and Grupo Caser for the reorganisation of the bancassurance alliances*

On 5 December 2018, Bankia reached an agreement with Grupo Mapfre and Grupo Caser for the reorganisation of its bancassurance alliances

In the life business, the agreement reached with Grupo Mapfre involves the sale of 51% of the shares of Caja Granada Vida, Compañía de Seguros y Reaseguros, S.A. and Cajamurcia Vida y Pensiones de Seguros y Reaseguros, S.A. to Mapfre Vida Sociedad Anónima de Seguros sobre la Vida Humana ("**Mapfre Vida**") for a total consideration of €110,306,000 notwithstanding that Bankia will maintain its exclusive bancassurance agreement with Caser in the Balearic Island for life and pensions businesses.

The effectiveness of the aforementioned transaction is subject to the pertinent regulatory and competition authorities' approval. In addition, in the non-life business, Bankia has agreed to terminate its alliance with Grupo Caser, while extending the current alliance with Grupo Mapfre to the former Banco Mare Nostrum, S.A. distribution network.

*Agreement with Lone Star for the incorporation of a company to manage, develop and have available a portfolio of foreclosed real estate assets and transfer a portfolio of non-performing loans*

On 17 December 2018, Bankia reached an agreement with two subsidiaries of Lone Star Fund XI for (i) the incorporation of a company to manage, develop and have available a portfolio of foreclosed real estate assets and (ii) the transfer a portfolio of non-performing loans, for a total gross book value amount of approximately 3,070 million euros. The foreclosed assets portfolio has a gross book value of approximately €1,650 million and the nonperforming loans portfolio of approximately €1,420 million.

It is expected that the transaction will be closed during the second quarter of 2019, once the conditions to which is subject to have been met. Once the transaction is closed, the assets will be derecognised from the balance sheet of the Group.

*Dividends*

On 24 January 2019, the Board of Directors of Bankia resolved to propose to the next General Meeting of Shareholders the payment of a cash dividend, out of 2018 profit, for a gross amount of 11.576 euro cents per share.

## Management

Bankia's senior management consists of three executive directors (José Ignacio Goirigolzarri Tellaeché, José Sevilla Álvarez and Antonio Ortega Parra) and a Management Committee. As resolved by the Board of Directors of Bankia on 24 January 2019, following the favourable report of the Appointments and Responsible Management Committee, the table below sets out the new composition of the Management Committee:

<b>Date of appointment</b>	<b>Name</b>	<b>Office</b>
16 May 2012	Mr. Miguel Crespo Rodríguez	General Secretary
25 June 2014	Mr Gonzalo Alcubilla Povedano	Deputy General Director of Business Banking
24 January 2019	Mr. Leopoldo Alvear Trenor	Deputy General Director, Chief Financial Officer
25 May 2012	Ms. Amalia Blanco Lucas	Deputy General, Director of Communication and External Relations of the Group
24 January 2019	Mr. Manuel Galarza Pont	Deputy General Director of Credit Risks
24 January 2019	Mr. David López Puig	Deputy General Director of People and Culture
25 June 2014	Mr. Fernando Sobrini Aburto	Deputy General Director of Investees and Asset Management
24 January 2019	Mr. Eugenio Solla Tomé	Deputy General Director of Retail Banking
24 January 2019	Mr. Carlos Torres García	Deputy General Director of Transformation and Digital Strategy

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