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**ISSUER IDENTIFICATION DETAILS**

YEAR END-DATE: 31/12/2020

TAX ID (CIF): A-14010342

Company name:

**BANKIA, S.A**

Registered office:

CL. PINTOR SOROLLA N.8 (VALENCIA)

**A. OWNERSHIP STRUCTURE**

A.1. Complete the table below with details of the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
22/03/2019	3,069,522.105.00.	3,069,522.105.	3,069,522.105.

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes

[ ✓ ] No

A.2. List the company's significant direct and indirect shareholders at year end, excluding directors:

Name or company name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ARTISAN PARTNERS ASSET MANAGEMENT INC.	0.00.	3.07.	0.00.	0.00.	3.07.
FROB	0.00.	61.83.	0.00.	0.00.	61.83.
BLACKROCK INC.	0.00.	1.23.	0.00.	1.77.	3.00.

It should also be noted that State Street Bank and Trust and Chase Nominees Ltd., as international custodian/depository banks, appear in the Company's shareholder register as at 31 December 2020, with shareholdings of 4.56% and 4.35%, respectively, in Bankia's share capital. Nevertheless, the Company understands that these shareholdings are held on behalf of third parties, none of which, to the best of the Company's knowledge, has a shareholding equal to or greater than 3% of the share capital or voting rights.

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights
ARTISAN PARTNERS ASSET MANAGEMENT INC.	ARTISAN PARTNERS LIMITED PARTNERSHIP	3.07.	0.00.	3.07.
FROB	BFA, TENEDORA DE ACCIONES, S.A.U.	61.83.	0.00.	61.83.
BLACKROCK INC.	Funds controlled by BLACKROCK INC.	1.23.	1.77.	3.00.

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

BFA, TENEDORA DE ACCIONES, S.A.U.:

As a result of Bankia shares coming into BFA's hands by virtue of the enforcement of judgments and out-of-court settlements to avoid or end litigation, BFA TENEDORA DE ACCIONES S.A.U.'s stake in Bankia was increased by +3 bp to 61.83% over the course of the year.

BLACKROCK INC.:

21/05/2020 BLACKROCK INC. informed the CNMV that its stake exceeded 3% of the share capital (3.129%).

01/06/2020 BLACKROCK INC. informed the CNMV its stake had fallen below 3% of the share capital (2.725%).

26/08/2020 BLACKROCK INC. informed the CNMV that its stake exceeded 3% of the share capital (3.014%).

25/09/2020 BLACKROCK INC. informed the CNMV its stake had fallen below 3% of the share capital (2.988%).

22/12/2020 BLACKROCK INC. informed the CNMV that its stake exceeded 3% of the share capital (3.005%).

**A.3.** Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares:

Name or company name of Director	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights	% of voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ	0.01.	0.00.	0.00.	0.00.	0.01.	0.00.	0.00.

MR. JOSÉ SEVILLA ÁLVAREZ	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. JOAQUÍN AYUSO GARCÍA	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. FRANCISCO JAVIER CAMPO GARCÍA	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MRS. EVA CASTILLO SANZ	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. CARLOS EGEA KRAUEL	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. JOSE LUIS FEITO HIGUERUELA	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MRS LAURA GONZALEZ MOLERO	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. ANTONIO GREÑO HIDALGO	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
MR. ANTONIO ORTEGA PARRA	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.	0.00.
Total percentage of voting rights held by the Board of Directors							0.01.

Breakdown of the indirect holding:

Name or company name of Director	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights	% of voting rights that <u>can</u> <u>be transferred</u> through financial instruments
MR. JORGE COSMEN MENÉNDEZ- CASTAÑEDO	QUINTORGE, S.L.	0.00.	0.00.	0.00.	0.00.

At 31 of December 2019, the directors of Bankia held the following shares of the Entity:

Mr. José Ignacio Goirigolzarri, direct owner of 271,091 shares of the Company (representing 0.008% of the share capital);  
Mr. José Sevilla Álvarez, direct owner of 66,933 shares of the Company (representing 0.002% of the share capital);  
Mr. Antonio Ortega Parra, direct owner of 86,921 shares of the Company (representing 0.002% of the share capital);  
Mr. Carlos Egea Krauel, direct owner of 15,595 shares of the Company (representing 0.001% of the share capital);

Mr. Joaquín Ayuso García, direct owner of 55,015 shares of the Company (representing 0.002% of the share capital);  
 Mr. Francisco Javier Campo García, direct owner of 50,315 shares of the Company (representing 0.002% of the share capital);  
 Ms. Eva Castillo Sanz direct, owner of 25,000 shares of the Company (representing 0.001% of the share capital);  
 Mr. Jorge Cosmen Menéndez-Castañedo, direct owner of 21 shares and indirect owner of (through Quintorge, S.L.) of 30,268 shares of the Company (representing 0.001% of the share capital);  
 Mr. José Luis Feito Higuera, direct owner of 49,452 shares of the Company (representing 0.002% of the share capital);  
 Mr. Fernando Fernández Méndez de Andés, direct owner of 16,358 shares of the Company (representing 0.001% of the share capital);  
 Ms. Laura González Molero, direct owner of 5,000 shares of the Company (representing 0.0002% of the share capital);  
 Mr. Antonio Greño Hidalgo, direct owner of 20,750 shares of the Company (representing 0.001% of the share capital);

**A.4.** If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:6:

Name or company name of related party	Nature of relationship	Brief description
No data		

**A.5.** If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Framework agreement governing the relations between BFA, Tenedora de Acciones S.A.U. (BFA) and Bankia, setting out the mechanisms necessary, within the legal limits, to ensure an appropriate level of coordination between Bankia and BFA and group companies at all times, and to manage and minimize any situations that may give rise to potential conflicts of interest between the two entities, while ensuring due respect for and protection of the rest of the shareholders in an atmosphere of transparency in dealings between the two entities.
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Service level agreement, a development of the framework agreement, enabling BFA to manage its activity appropriately using Bankia's human and material resources to prevent duplications.
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Cost-sharing agreement for lawsuits related to preference shares and subordinated bonds.

BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Agreement establishing an access mechanism allowing BFA, through Bankia, to avail of the liquidity and funding mechanisms set up by the ECB for credit institutions, as well as other transactions inherent in the business of credit institutions.
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Cost-sharing agreement for lawsuits related to the IPO.
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	BFA/Bankia cooperation protocol. Article 11 (2) of the CRR, the purpose of which is to govern the relations between BFA and Bankia with a view to defining and implementing the mechanisms and procedures necessary to permit Bankia to comply with the obligations laid down in 11.2 of Regulation (EU) number 575/2013 and, in particular, to ensure that BFA complies with the capital requirements imposed in applicable legislation.
BFA, TENEDORA DE ACCIONES, S.A.U.	Corporate	Agreement on the management of the FROB's indirect interest in Bankia, S.A. through BFA, Tenedora de Acciones, S.A.U:

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are related to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / post
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ	BFA, TENEDORA DE ACCIONES, S.A.U.	BANKIA, S.A.	PHYSICAL PERSON REPRESENTATIVE CHAIRMAN (FROB)
MR. JOSÉ SEVILLA ÁLVAREZ	BFA, TENEDORA DE ACCIONES, S.A.U.	BANKIA, S.A.	DIRECTOR
MR. ANTONIO ORTEGA PARRA	BFA, TENEDORA DE ACCIONES, S.A.U.	BANKIA, S.A.	DIRECTOR

There are no proprietary directors on Bankia S.A.'s Board of Directors. The Board of Directors was made up of 13 directors at 31 December 2020, 3 executive, 9 independent and 1 external.

BFA Tenedora de Acciones S.A.U. held shares representing 61.829 % of Bankia's share capital at 31 December 2020.

Since 27 June 2012, BFA has been wholly owned by the FROB, an institution under public law with its own legal personality and full public and private capacity to pursue its objectives, and the purpose of which is to manage credit institution restructuring and resolution processes.

In any event, at the General Meeting of Shareholders of Bankia, S.A. held on 29 June 2012, under item 3 of the Agenda, the proposals for the appointment and ratification of directors were approved with 95% of all valid votes and abstentions in favour, equivalent to 57% of Bankia, S.A.'s share capital at the date of the meeting.

At the General Meeting of Shareholders held on 15 March 2016, resolutions were adopted to appoint a new independent director and to re-elect 4 directors: 3 independent and 1 executive.

In addition, at the General Meeting of Shareholders held on 24 March 2017, to continue with the partial renovation of members of the Board of Directors commenced in the previous year, resolutions were adopted to re-elect 6 directors: 2 executive and 4 independents.

In addition, at the Extraordinary General Meeting of Shareholders held on 14 September 2017, pursuant to the Common Terms of Merger executed between Bankia, S.A. and Banco Mare Nostrum, S.A., a resolution was adopted to appoint a new external director, Mr. Carlos Egea Krauel. He was included on the Bank of Spain's Register of Senior Officers (Registro de Altos Cargos or RAC) on 12 January 2018. On 25 January 2018, this director changed category after being appointed executive director. In 2019, Mr. Egea resigned from his executive duties and since 28 June 2019 has been an external director.

To fill the vacancy arising in October 2017 as a result of the departure of an independent director, on 25 October 2018, after obtaining the pertinent regulatory authorisations, the Board of Directors agreed to appoint Mrs. Laura González Molero as independent director by means of co-optation. The appointment of Ms. González Molero was ratified by the shareholders at the General Meeting of 22 March 2019.

Finally, at the General Meeting of Shareholders held on 27 March 2020, it was resolved to appoint Ms. Nuria Oliver Ramírez as independent director of the Company. At the same General Meeting, it was also resolved to reappoint Mr. José Sevilla Álvarez as executive director, and Mr. Joaquín Ayuso García, Mr. Francisco Javier Campo García, Ms. Eva Castillo Sanz and Mr. Antonio Greño Hidalgo, as independent directors.

Agreement on the management of the FROB's indirect interest in Bankia, S.A. through BFA, Tenedora de Acciones, S.A.U:

On 25 January 2019, the FROB (holder of 100% of BFA's share capital), BFA (controlling shareholder of Bankia) and Bankia signed an agreement on the management of the FROB's indirect interest in Bankia (through BFA). Under the above agreement, the FROB undertook not to take part in the ordinary management of Bankia, which is the responsibility of Bankia's governing bodies and will be freely and independently exercised by Bankia's directors. Hence the FROB, through BFA, will not nominate proprietary directors for appointment to Bankia's Board of Directors as provided for in Article 529 duodecies (3) of Royal Legislative Decree 1/2010, of 2 July, approving the revised Corporate Enterprises Act.

**A.7.** Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish

Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes  
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes  
 No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

Not applicable.

**A.8.** Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes  
 No

Name or company name
BFA, TENEDORA DE ACCIONES, S.A.U.

BFA Tenedora de Acciones, S.A.U held shares representing 61.829% of Bankia, S.A.'s share capital at 31 December 2020. The Fund for Orderly Bank Restructuring (FROB) holds 100% of BFA, Tenedora, S.A.U's shares.

**A.9.** Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
31,985.200.		1.04.

(\*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain significant changes

Notification to the CNMV on 13/05/2020: Acquisitions with treasury shares reached the 1% threshold at 11/05/2020. At that date, the total position in treasury shares (29,205,776) amounted to 0.951% of share capital.

Based on privileged information published at the CNMV on 03/09/2020, on the analysis of the merger between Bankia and CaixaBank, Bankia's treasury share transactions in the market have ceased.

**A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:**

On 27 March 2020, a resolution was adopted at the General Meeting of Shareholders of Bankia, S.A. to grant "Authorisation to the Board of Directors for the derivative acquisition of treasury stock in accordance with the limits and requirements established in the Corporate Enterprises Act. Delegation of authority to the Board of Directors to implement this resolution, rendering without effect the delegation granted by the previous General Meeting":

To authorise the Board of Directors, on the broadest of terms, and per the provisions of article 146 of the Corporate Enterprises Act, to engage in the derivative acquisition of treasury shares of Bankia, directly or through companies in its Group, subject to the following limits and requirements:

- a. Forms of acquisition: acquisition by way of purchase, by way of any other "inter vivos" act for consideration or any other transaction permitted by law, including with a charge to profits for the fiscal year and/or unrestricted reserves.
- b. Maximum number of shares to be acquired: acquisitions may be made, from time to time, on one or more occasions, up to the maximum permitted by law.
- c. The price or countervalue will vary from a minimum equal to the lesser of par value or 75% of the stock market price on the date of acquisition, and a maximum equal to up to 5% more than the maximum price achieved for the shares in free trading (including the block market) in the Continuous Market session on the date of acquisition.
- d. Duration of the authorisation: five (5) years from the date of this resolution.

These transactions shall also be conducted in compliance with the rules in this regard contained in Bankia's Internal Rules of Conduct for Securities Markets Activities.

To authorise the Board of Directors so that it may sell the shares acquired or use the treasury shares acquired, in whole or in part, to implement remuneration schemes that have as their purpose or entail delivery of shares or option rights on shares, in accordance with the provisions of section 1 a) of article 146 of the Corporate Enterprises Act.

This delegation of authority to the Board of Directors replaces the delegation granted by the General Meeting of Shareholders of the Company held on 22 March 2019, which will therefore be rendered void.

The Board of Directors is authorised, on the broadest of terms, to use the authorisation covered by this resolution for full implementation and development thereof, it being entitled to delegate this authority, without distinction and as extensively as it sees fit, to the Executive Chairman, to any of the directors, to the General Secretary and to the Board Secretary or to any other such person as the Board expressly authorises for this purpose.

**A.11. Estimated floating capital:**

	%
Estimated floating capital	37.11.

The percentage free float reported was calculated after subtracting the percentage of capital held at 31 December 2020 by BFA Tenedora de Acciones S.A.U. - BFA (61.829%), as controlling shareholder, by members of the Board of Directors (0.023%) and by the Company in treasury shares (1.042%).

As to significant shareholders, only BFA has been considered a major shareholder (core). Other shareholders do not qualify as they are not major shareholders, their stakes have varied considerably over time and their exact ownership interest cannot be ascertained because they buy shares through different custodians.

However, for information purposes only, the free float resulting from also subtracting the interests owned by the other two shareholders that had disclosed significant shareholdings to the CNMV at 31 December 2020 (Artisan Partners Asset Management Inc., holding 3.07% and Blackrock Inc. holding 3.005%) is 31.032%.

The same criterion has been used to complete section B.4.

**A.12.** Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  
 No

Description of restrictions
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There are no restrictions on the transfer of securities of the entity except for the statutory restrictions.

Pursuant to article 17 of Law 10/2014 of 26 June 2014, on Governance, Supervision and Solvency of Credit Institutions, any natural or legal person which, acting alone or in collaboration with others, decides to directly or indirectly acquire a significant share in a Spanish credit institution or directly or indirectly increase its interest therein such that the percentage of voting rights or capital held therein equals or exceeds 20%, 30% or 50%, or such that control of the credit institution could be gained through the acquisition, must first notify the Bank of Spain, indicating the amount of the expected investment and any other information required by regulations. This information must be relevant for the evaluation, and proportional and appropriate to the nature of the potential acquirer and the proposed acquisition.

There are no statutory or bylaw restrictions on the exercise of voting rights. Article 32.2 of the Bylaws states that those attending the General Meeting will be entitled to one vote for each share owned or represented.

**A.13.** Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes  
 No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

**A.14.** Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes  
 No

If so, indicate each share class and the rights and obligations conferred.

**B. GENERAL SHAREHOLDERS' MEETING**

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**B.1.** Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes  
 No

**B.2.** Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided for in the Spanish Corporate Enterprises Act and, if so, give details:

Yes  
 No

**B.3.** Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The rules governing amendments to the Company's Bylaws are those set forth in the Corporate Enterprises Act. Any amendment to the Bylaws is the responsibility of the General Meeting of Shareholders and will require, at first call, shareholders holding at least fifty percent of the subscribed share capital conferring voting rights to be present in person or by proxy. At second call, shareholders representing twenty-five percent of the share capital shall be sufficient.

In particular, resolutions to amend by the Bylaws may be adopted by an absolute majority if shareholders representing over fifty percent of the share capital are present or represented by proxy at the General Meeting. However, a favourable vote of a two-thirds majority of the share capital present or represented at the meeting is required where, at second call, shareholders representing at least twenty-five percent but less than fifty percent of the subscribed capital with voting rights are in attendance.

In addition, according to 31.1 of the Bylaws, in line with article 197 bis of the Corporate Enterprises Act, in the case of amendment of the Bylaws, separate votes must be held on the amendment of each article or group of articles that is independent of the others, even where they appear in the same agenda item.

Moreover, article 3.1 of the Bylaws states that the Board of Directors has authority to resolve to change the registered office within the same municipality.

**B.4.** Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of general meeting	Attendance data				Total
	% physically present	% distance voting proxy	Electronic voting	Other voting	
10/04/2018	61.84	16.07	0.01	0.38	78.30
Of which floating capital:	0.04	16.07	0.01	0.38	16.50
22/03/2019	62.87	17.09	0.01	0.35	80.32
Of which floating capital:	0.45	17.09	0.01	0.35	17.90
27/03/2020	63.13	18.62	0.01	0.14	81.90
Of which floating capital:	0.45	18.62	0.01	0.14	19.22
01/12/2020	62.90	17.05	0.02	0.19	80.16
Of which floating capital:	0.03	17.05	0.02	0.19	17.29

The percentage free float reported was calculated after subtracting the percentage of capital held by BFA, as controlling shareholder, that held by members of the Board of Directors, and that held by the Company in treasury shares, at the date of the General Meetings indicated in the heading.

As regards the percentage of shareholders attending the General Meeting held on 27 March 2020 in person, as a result of the state of emergency declared by Royal Decree 463/2020 of 14 March 2020, and the provisions of Royal Decree-Law 8/2020, of 17 March 2020, on extraordinary urgent measures to address the economic and social impact of Covid-19, the Meeting was held with the shareholders and shareholders' representatives attending electronically.

As regards the percentage of shareholders attending the Extraordinary General Meeting held on 1 December 2020 in person, this meeting was held with shareholders and shareholders' representatives attending both in person and electronically.

**B.5.** Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes  
 No

**B.6.** Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes  
 No

Number of shares required to attend General Meetings	500
Number of shares required for voting remotely	1

**B.7.** Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes  
 No

**B.8.** Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The Company's website address is: [www.bankia.com](http://www.bankia.com), the domain name of which is entered at the Mercantile Registry.

In accordance with article 52 of the Bylaws of Bankia, S.A., the Company must have, for the purposes envisaged in the applicable laws, a website ([www.bankia.com](http://www.bankia.com)) through which its shareholders, investors and the market in general will be advised of material or significant matters related to the Company, and any notices it may legally be required to publish.

On the Company's website, upon call of general meetings, an electronic shareholder forum must be set up, to which both individual shareholders and such voluntary associations as they may establish on the terms contemplated by law must have appropriately secure access, to facilitate their communication prior to the holding of general meetings.

In this respect, the [www.bankia.com](http://www.bankia.com) home page includes a menu with a heading entitled "Shareholders and Investors" which has a "Corporate Governance and Remuneration Policies" section containing information on the entity's corporate governance. This section contains a specific sub-section providing access to the entity's annual corporate governance reports, and one providing access to documentation regarding the General Meeting of Shareholders among others containing information on corporate governance at the Company.

The Company website can be accessed in Spanish and English.

**C. STRUCTURE OF THE COMPANY'S ADMINISTRATION**

**C.1. Board of Directors**

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	13

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ		Executive	CHAIRMAN	09/05/2012	24/03/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. JOSÉ SEVILLA ÁLVAREZ		Executive	CHIEF EXECUTIVE OFFICER	25/05/2012	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. JOAQUÍN AYUSO GARCÍA		Independent	DIRECTOR	25/05/2012	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. FRANCISCO JAVIER CAMPO GARCÍA		Independent	DIRECTOR	25/05/2012	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MS. EVA CASTILLO SANZ		Independent	INDEPENDENT LEAD DIRECTOR	25/05/2012	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO		Independent	DIRECTOR	25/05/2012	24/03/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. CARLOS EGEA KRAUEL		Other external	DIRECTOR	14/09/2017	14/09/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure
MR. JOSÉ LUIS FEITO HIGUERUELA		Independent	DIRECTOR	25/05/2012	24/03/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS		Independent	DIRECTOR	25/05/2012	24/03/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MS. LAURA GONZALEZ MOLERO		Independent	DIRECTOR	25/10/2018	25/10/2018	CO-OPTATION
MR. ANTONIO GREÑO HIDALGO		Independent	DIRECTOR	15/03/2016	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MS. NURIA OLIVER RAMIREZ		Independent	DIRECTOR	27/03/2020	27/03/2020	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
MR. ANTONIO ORTEGA PARRA		Executive	DIRECTOR	25/06/2014	24/03/2017	RESOLUTION OF GENERAL MEETING OF SHAREHOLDERS
Total number of directors			13			

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
No data					

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS
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Name or company name of Director	Post in organisation chart of the company	Profile
<p>MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE</p>	<p>EXECUTIVE CHAIRMAN</p>	<p>Born in 1954, Mr. Goirigolzarri holds a degree in Economics and Business Studies from the Universidad Comercial de Deusto (Bilbao). Finance and Strategic Planning from the University of Leeds (United Kingdom). He has been Chairman of Bankia and BFA, Tenedora de Acciones, S.A.U. since 9 May 2012. He is also Chairman of the Bankia Technology and Innovation Committee. He is Vice Chairman of CECA, trustee of CEDE, Pro Real Academia Española Foundation and honorary trustee of the Spain-USA Board Foundation, Chairman of the Deusto Business School, Chairman of the Advisory Board of the Instituto Americano de Investigación Benjamin Franklin and Chairman of Garum Foundation.</p> <p>He is also Chairman of the Fundación Bankia por la Formación Dual. He began his professional career in Banco de Bilbao in 1977, where he served as general director of BBV and member of the Management Committee, with responsibilities in commercial banking in Spain and operations in Latin America. Mr. Goirigolzarri was responsible for Retail Banking at BBVA and served as Chief Executive Officer there until 2009. During that period, he also held directorships in BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He furthermore served as Vice Chairman at Telefónica and Repsol and was Spanish Chairman of the Spain-USA Foundation.</p>
<p>MR. JOSÉ SEVILLA ÁLVAREZ</p>	<p>CHIEF EXECUTIVE OFFICER</p>	<p>Born in 1964, Mr. Sevilla holds a degree in Economics and Business Studies from CUNEF. He is Chief Executive Officer of Bankia and Chairman of the Board Risk Committee. He is also a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. Before joining Bankia he held various management positions in BBVA, where he served as general manager of Risks and member of the Management Committee, head of the Office of the Chairman and of the Division of Strategy and Finance for the Americas in BBVA and director of BBVA Bancomer. He is a director of the Asociación para el Progreso de la Dirección (APD). He began his professional career in the investment banking field, working at Merrill Lynch and FG Inversiones Bursátiles.</p>

<p>MR. ANTONIO ORTEGA PARRA</p>	<p>EXECUTIVE DIRECTOR, AND GENERAL MANAGER OF PEOPLE, RESOURCES AND TECHNOLOGY</p>	<p>Born in 1947, Mr. Ortega has a PhD in Business Studies from the Antonio de Nebrija University and holds a degree in Law from the Universidad Nacional de Educación a Distancia. He is a member of the Board of Directors of Bankia and of its Technology and Innovation Committee. He has been general director of People, Resources and Technology at Bankia since 16 May 2012. He has been a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. since June 2012. Before joining the bank, he was director of the Master's Degree in Human Resources at Centro de Estudios Garrigues and a member of its academic council. At the same time, he provided business consultancy services and was director of the School of Banking at the Universidad Virtual of the Instituto Tecnológico de Monterrey (Mexico). He spent a large part of his career at the BBVA Group, where he held various management positions. He has been a director of BBVA Bancomer and BBVA Continental, Vice Chairman of Banca Nazionale del Lavoro, general director of Human Resources and Quality at BBVA and a member of the Group's Management Committee. He is a trustee of the Fundación Bankia por la Formación Dual. He is also a director of Cecabank, S.A.</p>
<p>Total number of executive directors</p>	<p>3</p>	
<p>Percentage of Board</p>	<p>23.08</p>	

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of Director	Name or company name significant shareholder represented or that nominated the director	Profile
<p>No data</p>		

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of Director	Profile
MR. JOAQUÍN AYUSO GARCÍA	Born in 1955, he holds a degree in Civil Engineering from Universidad Politécnica de Madrid. He is a member of the Board of Directors of Bankia and until March 2019 he was Independent Lead Director. He is Chairman of its Risk Advisory Committee and a member of its Appointments and Responsible Management Committee and of its Remuneration Committee. He has spent his professional career at Ferrovial, where he was Chief Executive Officer and Vice-Chairman of the Board of Directors. Currently, he is Chairman of Adriano Care Socimi. He was Chairman of Autopista del Sol, Concesionaria Española, and a member of the boards of directors of National Express Group PLC and Hispania Activos Inmobiliarios. He is a member of the Advisory Board of the Instituto Benjamin Franklin at the Universidad de Alcalá de Henares and of the advisory board of Kearney. He is also vice-Chairman of the management board of the Real Sociedad Hípica Española Club de Campo.
MR. FRANCISCO JAVIER CAMPO GARCÍA	Born in 1955, he holds a degree in Industrial Engineering from Universidad Politécnica de Madrid. He is a member of Bankia's Board of Directors, Chairman of the Audit and Compliance Committee and a member of the Appointments and Responsible Management Committee and the Technology and Innovation Committee. He is chairman of Asociación Española del Gran Consumo (AECOC), director of Meliá Hotels International and chairman of its Audit and Compliance Committee. He is also a member of the Advisory Board of Kearney (senior advisor) and of the Advisory Board of the Palacios Alimentación Group and IPA Capital S.L. (Pastas Gallo). He is a director of the Asociación para el Progreso de la Dirección (APD) and trustee of the Fundación Bankia por la Formación Dual, the Fundación F. Campo and the Fundación Iter. He began his professional career at Arthur Andersen and served as worldwide Chairman of the Día Group, as a member of the Worldwide Executive Committee of the Carrefour Group and Chairman of the Zena and Cortefiel Groups.
MS. EVA CASTILLO SANZ	Born in 1962, she holds a degree in Law and Business Studies from Universidad Pontificia de Comillas (E-3) in Madrid. She is a member of Bankia's Board of Directors, chairwoman of the Appointments and Responsible Management Committee, member of its Board Risk Committee and its Technology and Innovation Committee and Independent Lead Director. She is an independent director of Zardoya Otis and International Consolidated Airlines Group (IAG), a member of the Council for the Economy of the Holy See, and a member of the Boards of Trustees of Fundación Comillas-ICAI, and Fundación Entreculturas She has been a director of Telefónica, S.A., and chairwoman of the Supervisory Board of Telefónica Deutschland. Previously, Ms. Castillo worked at Merrill Lynch, where she became chairwoman of its Spanish subsidiary.
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	Born in 1968, he holds a degree in Business Administration and an MBA from Instituto de Empresa. He is a member of the Board of Directors of Bankia and of its Remuneration Committee. Chairman of ALSA and vice-Chairman of National Express Group, PLC, he is also a member of the Fundación Consejo España-China and of Fundación Integra. Previously, he worked in companies in the tourism, banking and international trade sectors in Spain, Switzerland, Hong Kong and China.

<p>MR. JOSÉ LUIS FEITO HIGUERUELA</p>	<p>Born in 1952, he holds a degree in Economics and Business Studies from Universidad Complutense de Madrid. He has been a member of the Board of Directors of Bankia and of its Audit and Compliance Committee since June 2012. Qualified as a State Trade Expert and Economist and former ambassador of the Kingdom of Spain, at present he is member of the Economic and Financial Policy Commission of the CEOE and trustee of the Fundación Carlos III. He has been Chairman and general manager of the Institute for Economic Studies (IEE) and an independent director of Red Eléctrica Corporación. Previously, he worked in the Spanish Ministry of the Economy, the International Monetary Fund, the OECD, the Banco de España and AB Asesores Bursátiles.</p>
<p>MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS</p>	<p>Born in 1956, he holds a doctorate in Economics. He is a member of the Board of Directors of Bankia and of its Board Risk Committee, Risk Advisory Committee and Audit and Compliance Committee. He has been a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. He is a lecturer in economics at the IE Business School specialized in Macroeconomics, International Economics and Financial Stability. He has served as Chief Economist of the International Monetary Fund and as Chief economist and head of the Research Service at Banco Central Hispano and Banco Santander and director of Red Eléctrica.</p>
<p>MS LAURA GONZALEZ MOLERO</p>	<p>Born in 1965, she holds a degree in Pharmacy, specializing in Industrial Pharmacy, from the Complutense University in Madrid, an Executive MBA from the IE Business School, a higher course in INSEAD Fontainebleau and a higher course in innovation from IMD Lousanne. She is a member of Bankia's Board of Directors, the Appointments and Responsible Management Committee, the Remuneration Committee and the Board Risk Committee. She has spent her career in major international corporations in the health and chemical sectors; she was Chairwoman of Bayer HealthCare Latin America, Chairwoman of Merck Serono Latin America, Chief Executive Officer of Merck Group Spain, and Vice-Chairwoman of Serono Iberia &amp; Scandinavia. She is currently an independent director of Acerinox, Grupo Ezentis and Viscofan. She is also chairwoman of the Asociación para el Progreso de la Dirección (APD) and a member of the Advisory Board of ISS Facility Management in Iberia.</p>
<p>MR ANTONIO GREÑO HIDALGO.</p>	<p>Born in 1956, he holds a degree in Business Science and is a Certified Public Accountant. He is a member of the Board of Directors of Bankia, Chairman of the Remuneration Committee and member of its Audit and Compliance Committee and Risk Advisory Committee. Previously, he was a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U.</p> <p>He has made his career at PricewaterhouseCoopers (PwC), where in 1995 he was appointed International Partner and from 2003 to 2010 was the partner responsible for the financial sector at PwC in Spain and he was a member of the PwC EMEA (Europe, Middle East and Africa) Financial Sector Management Committee. He is also an independent director at Liberty Seguros. He has served as a director representing the Deposit Guarantee Fund in Catalunya Bank.</p>

<p>MS. NURIA OLIVER RAMIREZ</p>	<p>Born in 1970, she holds a higher degree in Telecommunications Engineering from the Universidad Politécnica de Madrid and a Doctorate with honours in Media Arts and Sciences from the Massachusetts Institute of Technology (Massachusetts - United States). She is a member of the Board of Directors of Bankia and of its Technology and Innovation Committee. She has pursued her professional career in internationally recognised companies as researcher, innovator and director of research in artificial intelligence, intelligent and interactive systems, mobile IT and big data. She has been a researcher at Microsoft Research, scientific director at Telefónica I+D and global director of data science research at Vodafone. She is chief data scientist at Data-Pop Alliance and advisor to universities, thinktanks, governments and institutions such as the European Commission and the World Economic Forum. She is co-founder and vice-chairwoman of the European Laboratory of Learning and Intelligent Systems (ELLIS), a European network that seeks to foster scientific excellence in Artificial Intelligence. She has an honorary doctorate from the Universidad Miguel Hernández de Elche and academic member of the Royal Academy of Engineering. She is also the Commissioner of the Office of the President of the Region of Valencia for Artificial Intelligence and, specifically to coordinate data intelligence in the face of the COVID-19 epidemic.</p>
<p>Total number of independent directors</p>	<p>9</p>
<p>Percentage of Board</p>	<p>69.23</p>

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
MR. JOAQUÍN AYUSO GARCÍA	Finance lease agreements between Bankia and the Real Sociedad Hípica Española Club de Campo.	The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that Joaquín Ayuso García, a member of the management board of the Real Sociedad Hípica Española Club de Campo, can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia, S.A. and the Real Sociedad Hípica Española Club de Campo given (i) the ordinary nature of the relations, with business conducted under general market terms; (ii) Bankia, S.A.'s generally rigorous procedures for engaging works and services, which were applied in this case; (iii) the non-intervention by this director in the negotiations and decision-making processes of either party; and (iv) the express intervention of the Board of Directors and the Audit and Compliance Committee given the related-party nature of the relationship.
MR. FRANCISCO JAVIER CAMPO GARCÍA	Financing agreements between Bankia and the Meliá Hotels International Group, the Palacios Alimentación Business Group, IPA Capital, S.L. and guarantee agreement between Bankia and AECOC.	The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that Mr. Francisco Javier Campo García, member of the Board of Directors of Meliá Hotels International, minority shareholder and Senior Advisor of the Palacios Alimentación Group, minority shareholder and Senior Advisor of IPA Capital, S.L. and chairman of AECOC representing Bankia, can continue to be classified as an independent director of Bankia, S.A., despite the commercial relations between Bankia, S.A. Meliá Hotels International, the Palacios Alimentación Group, IPA Capital, S.L. and AECOC, and or the companies of their groups, given (i) the ordinary nature of the relations, with business conducted under general market terms; (ii) Bankia, S.A.'s generally rigorous procedures for engaging works and services, which were applied in this case; (iii) the non-intervention by this director in the negotiations and

		decision-making processes of either party; and (iv) the express intervention of the Board of Directors and the Audit and Compliance Committee given the related-party nature of the relationship.
MS. EVA CASTILLO SANZ	Financing and services agreements between Bankia and Zardoya Otis and financing and service agreements between Bankia and the IAG Group.	The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that Ms. Eva Castillo Sanz, a member of the board of directors of Zardoya Otis, S.A. and that of International Consolidated Airlines Group, S.A. (IAG) (since 31 December 2020) can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia and Zardoya Otis, S.A., and its group companies and between Bankia and IAG and its group companies, given i) that in the case of IAG they entail agreements and/or transactions arranged before she joined the board of directors, whose terms and conditions have not been modified since; (ii) the ordinary nature of the relations, with business conducted under general market terms; (iii) Bankia, S.A.'s generally rigorous procedures for engaging works and services, which were applied in this case; and (iv) the non-intervention by this director in the negotiations and decision-making processes of either party.
MR. JORGE COSMEN MENÉNDEZ- CASTAÑEDO	Service agreements between Bankia and the Alsa Group (National Express Group).	The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that that Mr. Jorge Cosmen Menéndez-Castañedo, a member of the Board of Directors of the National Express Group

		<p>PLC, can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia, S.A. and the ALSA Group (National Express Group), given (i) the ordinary nature of the relations, with business conducted under general market terms; (ii) Bankia, S.A.'s generally rigorous procedures for engaging works and services, which were applied in this case; (iii) the non-intervention by this director in the negotiations and decision-making processes of either party; and (iv) the express intervention of the Board of Directors and the Audit and Compliance Committee given the related-party nature of the relationship.</p>
<p>MS. LAURA GONZALEZ MOLERO</p>	<p>Financing agreements between Bankia and the Acerinox Group, between Bankia and the Ezentis Group, and between Bankia and the Viscofan Group and service agreements between Bankia and the Integrated Service Solutions Group (ISS).</p>	<p>The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that Laura González Molero, member of the boards of directors of Acerinox, S.A., Ezentis, S.A. and Viscofan, S.A. and of the advisory board of Integrated Service Solutions, S.L. (ISS), may continue to be classified as an independent director of Bankia, S.A. despite the commercial relations with Bankia, S.A. and Acerinox, Ezentis, Viscofan and the ISS Group, given (i) the ordinary nature of the relations, with business conducted under general market terms; (ii) Bankia, S.A.'s generally rigorous procedures for engaging works and services, which were applied in this case; and (iii) the non-intervention by this director in the negotiations and decision making processes of either party and, (iv) the express intervention of the Board of Directors and Audit and Compliance Committee given the related-party nature of the relationship.</p>

OTHER EXTERNAL DIRECTORS			
Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:			
Name or company name of Director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
MR. CARLOS EGEEA KRAUEL	<p>On 26 March 2019, Mr. Egea tendered his resignation from his executive duties on the Bankia Board of Directors, while remaining a director. Mr. Egea explained that his resignation from his executive duties was prompted by the completion of the integration of Banco Mare Nostrum, S.A. with Bankia, S.A., and by strictly personal reasons.</p> <p>The effects of Mr. Egea's resignation from his executive duties were in accordance with the terms of the contract for services between Bankia and Mr. Egea.</p> <p>As a result of this resignation from executive duties, on 26 June 2019, in accordance with Article 529 duodecies of the Corporate Enterprises Act, the Board of Directors, based on a report by the Appointments and Responsible Management Committee in favour of the measure, resolved to assign Mr. Egea to the category of "other external director", with effect from 28 June 2019.</p>	BANKIA, S.A.	<p>Born in 1947, he has an Industrial Engineering degree from Escuela Técnica Superior de Ingenieros Industriales de Madrid and a PhD in Economics and Business from Universidad Autónoma de Madrid.</p> <p>He is a member of the Board of Directors of Bankia and its Audit and Compliance Committee.</p> <p>He was vice-president of Ahorro Corporación, S.A. Member of the boards of directors of CASER, Enagás, S.A. and Iberdrola Renovables, S.A. and Secretary of the board of directors of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA).</p> <p>He started his career in the industrial sector, with the company Fraymon. From there, he joined the financial sector through Banco Atlántico. In 1976, he joined Caja de Ahorros de Murcia, where he was appointed General Manager in 1983 and President in 2008. Since June 2008, he has been President of Fundación Caja Murcia, of which he had previously (since its creation in 2001) been Vice-President.</p> <p>He was the chairman of the board of directors of Banco Mare Nostrum, S.A.</p>

			from 2010 and until the merger with Bankia.
Total number of other external directors		1	
Percentage of Board		7.69	

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2020	Year 2019	Year 2018	Year 2017	Year 2020	Year 2019	Year 2018	Year 2017
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	3	2	2	1	33.33	25.00	25.00	14.29
Other External					0.00	0.00	0.00	0.00
Total	3	2	2	1	23.08	16.67	16.67	10.00

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

In 2018, Bankia's Board of Directors approved the Selection, Diversity, Suitability, Integration and Training Policy for Directors, which brings together and completes the various policies in place at the Bank until then.

Also, during the year 2020, a review and updating of it has been carried out by the Board of Directors.

With this policy, Bankia ensures that the members of its Board of Directors are suitable and together have the right knowledge, skills and experience necessary to carry out their duties. It also promotes diversity in terms of nationality, gender, knowledge and experience to enrich decisions and provide a broad range of viewpoints. Moreover, it seeks a diversity of profiles in the Board of Directors.

Therefore, the Board of Directors and the Appointments and Responsible Management Committee have set an objective of ensuring that the following areas of diversity are upheld at all times:

- a) Academic and professional profile.
- b) Gender.
- c) Age.
- d) Geographical origin.
- e) Non-discrimination.

In addition, to achieve the gender diversity target Bankia has established (i.e. having at least 30% of total board places occupied by women directors by the year 2020) the Board of Directors and the Appointments and Responsible Management Committee shall ensure, when new vacancies arise, that the selection procedures do not involve hidden biases that could result in any discrimination whatsoever and, in particular, that they facilitate the selection of sufficient female directors to ensure an equal number of men and women on the Board. In this respect, it shall not establish any requirements and/or apply any criteria that in any way could result in any type of discrimination.

Bankia operates a policy on replacements on the Board based on balancing the principles of representativeness, diversity and independence in the light of domestic and international good governance recommendations, ensuring stability in the composition of the Board of Directors and its Committees, and complying with the duration of directors' mandates in accordance with appointments, re-elections and ratifications.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures

Article 15 of the Board of Directors Regulations of Bankia stipulates that the Appointments and Responsible Management Committee is responsible for setting a representation objective for the least-represented gender on the Board of Directors and developing guidance on how to increase the number of the least-represented gender to achieve this objective.

In this respect, the Board of Directors, on a proposal by the Appointments and Responsible Management Committee, has approved the Suitability Policy for Directors, General Managers or Similar, and other key position holders at Bankia and the Director Selection, Diversity, Integration and Training Policy to ensure that the Bankia director selection procedure favours a diversity of gender, experience and knowledge, facilitating the selection of female directors and, in general, does not involve hidden biases that could imply any discrimination, seeking a diversity of profiles on the Board of Directors.

Likewise, with a view to increasing the presence of female directors, in 2020 the General Meeting of Shareholders resolved to appoint and incorporate a new female independent director to the Board of Directors.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

The progressive increase in gender diversity over recent years is noteworthy.

In 2018, the number of female directors on the Board of Directors of Bankia increased with the incorporation of Ms. Laura Gonzalez Molero.

Additionally, as noted above, the number of female directors increased again in 2020 with the incorporation of Ms. Nuria Oliver Ramirez to the Board of Directors as an independent director.

At year-end 2020, the Board of Directors of Bankia was composed of three executive directors, one "other external director", and nine independent directors, of which three were women, one of whom was an Independent Lead Director.

This means that 23.1% of the board seats were occupied by women, representing a 6.4% increase on the previous year.

Women also account for 33.3% of the independent directors, with one of the six board committees chaired by a woman and female directors present on five board committees in total.

Accordingly, as regards the presence of women in the Board of Directors' delegate bodies, they currently account for 50% of the Appointments and Responsible Management Committee, which is also chaired by a woman, 25% of the Remuneration Committee, 25% of the Risk Advisory Committee, and 33 % of the Board Risk Committee and 40% of the Technology and Innovation Committee.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Pursuant to the Board of Directors Regulations, the Appointments and Responsible Management Committee is the body responsible for periodically reviewing the policy, submitting to the Board of Directors its findings or making the proposals for amendments or improvements it deems appropriate.

The Appointments and Responsible Management Committee is also responsible for running an annual check, based on the report submitted to it by the People, Resources and Technology Department, on compliance with the Policy.

As a result, in 2018, the Board of Directors approved an amendment to Bankia, S.A.'s Director Selection Policy which, at the request of the Appointments and Responsible Management Committee, was reviewed in 2020. At the meeting held on 24 April 2020, the Board approved the Suitability Policy for Directors, General Managers and Similar, and other key position holders at Bankia and the Director Selection, Diversity, Suitability, Integration and Training Policy, to guarantee that the bodies overseeing the director selection process at Bankia seek to ensure that the selection procedure favours a diversity of gender, experience and knowledge, facilitating the selection of female directors and promoting a diversity of profiles.

This ensures a diverse composition with directors of varying professional and personal profiles (e.g. age, gender, nationality) that enriches and brings different viewpoints to the debates and decision-making of the governing bodies.

Bankia has maintained the diversity objective pursued by the previous selection policy of having at least 30% of total board places occupied by women directors before the year 2020.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose

request proprietary directors have been appointed. If so, explain why the requests were not granted:

[ ] Yes

[  ] No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name or company name of director or committee	Brief description
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ	The Chairman of the Board of Directors has broad powers of representation and administration in accordance with the characteristics and requirements of the position of executive Chairman of the Company, with all powers vested in him except for those that cannot be delegated by law or per the Bylaws.
MR. JOSÉ SEVILLA ÁLVAREZ	Mr. Sevilla has been delegated, jointly and severally, all powers delegable to him by law or per the Bylaws in the areas of financial and risk management, financial control and internal audit, those related to real estate and investees, and legal, tax and regulatory compliance advice. The Company also granted Mr. Sevilla general powers of attorney, subject in any event, to the Bankia Group's Catalogue of General Powers, which shall be exercised in accordance with the system in place for each class of legal representative approved by the Board of Directors.
MR. ANTONIO ORTEGA PARRA	The Company also granted Mr. Ortega general powers of attorney, subject in any event to the Bankia Group's Catalogue of General Powers, which shall be exercised in accordance with the system in place for each class of legal representative approved by the Board of Directors.
BOARD RISK COMMITTEE	The Board Risk Committee is an executive body and may therefore adopt the corresponding decisions within the scope of the powers delegated to it by the Board of Directors. The Board Risk Committee has the following delegated powers: - To make decisions within the scope of the powers delegated to it by the Board of Directors in risk matters specifically provided for in the Board's delegation resolution in force from time to time. - Within the scope of its authority, to set the overall pre-classification limits for account holders or customer groups in relation to exposures by risk class. - To report to the Board of Directors on risks that may affect the Company's capital adequacy, recurring results, operations or reputation. - With respect to the approval of risk types other than credit risk, the powers of the Board Risk Committee will be those delegated to it by the Board of Directors at any given time. - Pursuant to the resolution for the delegation of powers to the Board Risk Committee adopted by the Board of Directors on 29 June 2012, the Board Risk Committee has powers to decide on credit risk proposals falling within its remit and delegated powers. Such powers are currently limited to between EUR

	300 million, for transactions with the lowest rating level, and EUR 1,300 million for those with the highest, above which amount approval by the Board of Directors is required in all cases. There is a specific rule for specific groups with reputational risk, with respect to which the maximum amount authorised is EUR 10 million.
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C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
No data			

C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed entity	Position
MR. FRANCISCO JAVIER CAMPO GARCÍA	MELIÁ HOTELS INTERNATIONAL, S.A.	DIRECTOR
MS. EVA CASTILLO SANZ	ZARDOYA OTIS, S.A.	DIRECTOR
MS. EVA CASTILLO SANZ	INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A. (IAG)	DIRECTOR
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	NATIONAL EXPRESS GROUP, PLC.	VICE-CHAIRMAN
MS. LAURA GONZÁLEZ MOLERO	GRUPO EZENTIS, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	ACERINOX, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	VISCOFAN, S.A.	DIRECTOR

Bankia, S.A., as a credit institution, is subject to the restrictions contained in Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, which sets out the rules for incompatibilities and restrictions to which members of the Board of Directors and general managers or similar of a credit institution are subject, and which regulates the number of Boards on which the directors of credit institutions may sit at the same time.

In this respect, article 8 of the Board of Directors Regulations states that the number of Boards on which directors may sit at the same time shall not exceed that set out in banking and company laws applicable at any given time.

It should also be noted that Ms Eva Castillo Sanz was appointed independent director of International Consolidated Airlines Group, S.A. (IAG) on 31 December 2020.

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

[  ] Yes  
[  ] No

Explanation of the rules and identification of the document where this is regulated

Bankia, S.A., as a credit institution, is subject to the restrictions contained in Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, which sets out the rules for incompatibilities and restrictions to which members of the Board of Directors and general managers or similar of a credit institution are subject, and which regulates the number of Boards on which the directors of credit institutions may sit at the same time.

In this respect, article 8 of the Board of Directors Regulations states that the number of Boards on which directors may sit at the same time shall not exceed that set out in banking and company laws applicable at any given time.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	2.474
Amount of pension rights accumulated by directors currently in office (thousands of euros)	
Amount of pension rights accumulated by former directors (thousands of euros)	1.541

In relation to the caption "Remuneration accruing in favour of the Board of Directors in the financial year":

It includes the remuneration of both executive and non-executive directors.

Ms. Oliver Ramirez was appointed as a Board member with effect as of 3 April 2020, with total remuneration of EUR 100,000 per year. The amounts shown correspond to the period running from that date to 31 December 2020.

Mr. Goirigolzarri, Mr. Sevilla and Mr. Ortega have waived any variable remuneration in 2020.

In relation to the caption "Amount of pension rights accumulated by former directors":

Total amount related to accumulated and updated pension interests as at 31 December 2019 of Mr. Rodrigo de Rato Figaredo, Mr. Francisco Verdú Pons, Mr. José Luis Olivas Martínez and Mr. José Manuel Fernández Norriella. The latest contribution by Bankia was in 2012.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
MR. GONZALO ALCUBILLA POVEDANO	DEPUTY GENERAL MANAGER OF BUSINESS BANKING
MR. LEOPOLDO ALVEAR TRENOR	DEPUTY GENERAL DIRECTOR OF FINANCIAL MANAGEMENT
MRS. AMALIA BLANCO LUCAS	DEPUTY GENERAL MANAGER OF COMMUNICATION AND EXTERNAL RELATIONS
MR. MIGUEL CRESPO RODRÍGUEZ	DEPUTY GENERAL MANAGER OF THE GENERAL SECRETARIAT
MR. MANUEL GALARZA PONT	DEPUTY GENERAL DIRECTOR OF CREDIT RISKS
MR. DAVID LÓPEZ PUIG	DEPUTY GENERAL DIRECTOR OF PEOPLE AND CULTURE

MR. FERNANDO SOBRINI ABURTO	DEPUTY GENERAL DIRECTOR OF ASSET MANAGEMENT AND INVESTEES	
MR. EUGENIO SOLLA TOMÉ	DEPUTY GENERAL DIRECTOR OF RETAIL BANKING	
MR. CARLOS TORRES GARCÍA	DEPUTY GENERAL DIRECTOR OF TRANSFORMATION AND DIGITAL STRATEGY	
MR. IÑAKI AZAOLA ONAINDIA	CORPORATE DIRECTOR OF INTERNAL AUDIT	
Number of women in senior management		1
Percentage of total senior management		10.00
Total remuneration of senior management (thousands of euros)		5.945

In relation to the caption "total remuneration of senior management":

The amount of variable remuneration granted in 2020 is pending the pertinent authorisations and approvals envisaged in current legislation.

- Clarification regarding "senior managers":

Mr. Iñaki Azaola Onaindia, Corporate Director of Internal Audit, is included in this group following the instructions to fill in this document.

C.1.15 Indicate whether the Board regulations were amended during the year:

[  ] Yes  
[  ] No

Description of amendment(s)
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On 27 May 2020, based on a favourable report by the Audit and Compliance Committee, the Board of Directors resolved to include in the Board of Directors Regulations an article 14 bis, to regulate the Technology and Innovation Committee, with a view to regulating its functioning, composition and rules of operation. On the same date, the Board of Directors resolved to appoint the members of that Committee.

Likewise, on 23 December 2020, based on a favourable report by the Audit and Compliance Committee, the Board of Directors resolved to amend the Board of Directors Regulations in order to bring them into line with the provisions of the Code of Good Governance Code for Listed Companies reviewed by the CNMV in June 2020. The Audit and Compliance Committee Regulations were also amended on that date, and for the same purpose.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Directors shall be appointed, re-elected and ratified by the General Meeting of Shareholders or by the Board of Directors in conformity with the provisions set forth in prevailing legislation and in articles 37 to 40 of the Company's Bylaws, article 21 of the Board of Directors Regulations, articles 12 and 13 of the Appointments and Responsible Management Committee Regulations and applying Bankia's Policy on the Suitability of Directors, General Managers and Other Key Function Holders and Policy on the Selection, Diversity, Suitability, Integration and Training of Directors.

In particular, the Board of Directors may appoint directors by the co-optation system to cover vacancies arising during the term of office of the directors. Directors appointed by co-optation shall provisionally hold the post until the date of the first General Meeting of Shareholders after being appointed by co-optation, inclusive, which may resolve to ratify their appointment, whereby the appointment as director shall become permanent. In any event, from the date of appointment, directors appointed by co-optation shall have the same rights and obligations as directors appointed directly by the General Meeting of Shareholders.

Directors appointed by co-optation shall immediately stand down if their appointment is not ratified in the first General Meeting of Shareholders after they are appointed. Moreover, should any vacancies arise once a General Meeting is called but

before it is held, the Board of Directors may appoint a director to fill the vacancy until the new General Meeting of Shareholders.

Any proposals for the appointment, re-election and ratification of directors which the Board of Directors submits to the General Meeting of Shareholders and any appointment decisions made by the Board itself under its powers of co-optation are the responsibility of the Appointments and Responsible Management Committee, in the case of independent directors, or the Board itself, in the case of all other directors, subject to a report by the Appointments and Responsible Management Committee, and must in turn be accompanied by the relevant Board report assessing the competence, experience and merits of the proposed candidate, which will be attached to the General Meeting or Board meeting minutes.

In selecting proposed directors, care will be taken to select persons of recognised business and professional good standing, competence, reputation and experience in the financial sector who are equipped to exercise good governance of the Company, in accordance with applicable laws and regulations in the matter.

The persons appointed as directors must satisfy the conditions imposed by Law or the Bylaws, at the time of taking office formally covenanting to fulfil the obligations and duties contemplated therein and in the Board of Directors Regulations. Specifically, candidates proposed for appointment, re-election or ratification as directors of Bankia must meet the suitability requirements set forth in the Policy on the Suitability of Directors, General Managers and Other Key Function Holders at Bankia.

Any legal person who is appointed a director must appoint a single natural person to perform the director's functions on a permanent basis. Any revocation of such an appointment by the legal person director will have no effect until a replacement is appointed. In addition, the appointment of a natural person to act as representative will be subject to a report by the Appointments and Responsible Management Committee.

The natural person who is permanently appointed to perform the functions of a legal person director must meet the same suitability requirements, shall be subject to the same rules of incompatibility, have the same duties and be jointly and severally liable with the legal person director.

There is no age limit for appointment to or serving in this position.

According to article 23 of the Board of Directors Regulations, directors will cease to serve as such when the term for which they were appointed elapses, when so decided by the General Meeting or when they are to resign.

Where, due to resignation or resolution of the General Meeting of Shareholders, a director stands down before the end of his or her term of office, the director must offer a sufficient explanation of the reasons for his or her decision, or in the case of non-executive directors, their opinion of the reasons for their removal by the General Meeting, in a letter addressed to all members of the Board of Directors. The reasons for the decision shall be explained in the annual corporate governance report. Likewise, insofar as it is relevant to investors, the company must make public the director's removal as soon as possible, adequately referring to the reasons or circumstances adduced by the director.

(CONTINUED IN SECTION H)

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
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It has not given rise to any relevant changes.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
---

In 2020 the entity carried out an internal assessment which essentially consisted of the surveying of Board Members, in order to assess the Chairman, the Chief Executive Officer, the Coordinating Director, the operation of the Board of Directors, and each Board member. The internal assessment is connected to and completes the previous external assessment (the external assessment is mandatory every three years under the Bankia Bylaws) and provides a means of evaluating the Board of Directors and its most relevant offices and has mainly focussed on the following:

Chairman, Chief Executive Officer and General Secretary:

-Activities and performance in 2020.

Assessment of the chairs of the Board Committees:

-Structure, composition, education, operation and competencies of the board committees.  
-Activities and objectives in 2020.

Assessment of the Independent Lead Director.

- Activities and performance in 2020.

Operation of the Board of Directors and individual assessment of each board member:

-Assessment of the operation of the Board: overall assessment (structure, composition, education and competencies of the Board of Directors)  
-Individual assessment of each director: performance and contribution of each one.

The findings were presented to the Appointments and Responsible Management Committee and the Board of Directors.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

An internal evaluation has been carried out, without support from an external consultant.

C.1.19 Indicate the cases in which directors are obliged to resign.

According to article 23 of the Board of Directors Regulations, directors will cease to serve as such when the term for which they were appointed elapses, when so decided by the General Meeting or when they are to resign.

Without prejudice to the above, directors must place their offices at the Board of Directors' disposal and, if the Board deems it appropriate, tender their resignation in the following cases:

- a) When they are affected by any of the scenarios of incompatibility or prohibition or unsuitability prescribed by law.
- b) When they are tried for or accused of alleged criminal offenses or subject to disciplinary proceedings for serious or very serious infractions brought by the supervisory authorities.

For these purposes, directors of the Company must inform the Board of Directors of the existence of any circumstances - related to their activities at the Company or otherwise - that could be detrimental to the standing and reputation of the Company, and, in particular, of any criminal actions in which they are the party under investigation, as well as subsequent procedural developments.

Where the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, having regard to the specific circumstances, decide, based on a report from the Appointments and Responsible Management Committee, whether or not any measures must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be removed by the General Meeting. These events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be placed on record in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, upon implementation of the corresponding measures.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

[ ] Yes

[  ] No

If so, describe the differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes  
 No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes  
 No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes  
 No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

According to article 18.1 of the Board of Directors Regulations, the directors will do everything possible to attend meetings of the Board. When they cannot do so in person, they will arrange to grant voting proxies to another member of the Board. Proxies will be granted on a special basis for the meeting of the Board of Directors in question, when possible with instructions. Notice thereof may be given in any of the ways contemplated in section 2 of article 17 of the Board of Directors Regulations, although non-executive directors may only grant proxies to another director in accordance with applicable legislation.

Similarly, article 30.4.b) of the Board of Directors Regulations states that directors are required to attend the meetings of the bodies of which they are members and actively participate in the deliberations so that their judgment effectively contributes to decision-making. If, for a justified reason, a director is unable to attend meetings to which he has been called, he to the extent possible must instruct the director who will represent him.

According to article 17.6 of the Board of Directors Regulations, the agendas of Board meetings shall clearly indicate the items on which directors must arrive at a decision or resolution, so they can study the matter beforehand or gather together the material they need to make a decision.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	21
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the RISK ADVISORY COMMITTEE	19
Number of meetings held by the APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE	13
Number of meeting held by the REMUNERATION COMMITTEE	10
Number of meetings held by the TECHNOLOGY AND INNOVATION COMMITTEE	2
Number of meetings held by the BOARD RISK COMMITTEE	27
Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	20

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	21
Attendance in person as a % of total votes during the year	98.86
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	21
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

- [  ] Yes  
[  ] No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
MR. LEOPOLDO ALVEAR TRENOR	DEPUTY GENERAL DIRECTOR OF FINANCIAL MANAGEMENT

Mr. Alvear reported that he would leave the entity after the formulation of the annual Bankia/BFA accounts.

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

Article 53.3 of the Bylaws of Bankia, S.A. states that the Board of Directors will seek to definitively authorise the accounts for issue such that the auditor's report is unqualified. Nevertheless, when the Board believes it must maintain its position, it will, through the Chairman of the Audit and Compliance Committee, publicly explain the substance and scope of the discrepancy and will also seek to have the statutory auditor explain its observations in this regard.

Through the Audit and Compliance Committee, the Board of Directors oversees the entire process of preparing and authorising for issue the annual accounts of the Bank and its Group, and any quarterly and half-yearly financial reports that are prepared. One of the aims of this control and ongoing contact with the auditor is to avoid qualifications in the auditor's report.

Bankia's Audit and Compliance Committee, which is formed exclusively by non-executive directors, all of them independent, shall perform all the duties set forth in applicable legislation. In particular, without limitation, its basic responsibilities include:

Reviewing the Company's accounts to ensure compliance with legal requirements and proper application of generally accepted accounting principles and reporting on any proposals for changes to accounting standards and principles put forward by management, basing its opinion on internal audit reports, other expert reports, and management analysis and opinion, as well as information on the results of the statutory audit, although the Committee must use its judgement to draw its own conclusions. The Committee must also consider in what cases it makes sense and is feasible to involve the statutory auditors in the review of reports other than the financial statements.

Additionally, in the interests of effective supervision the Committee must hold individual meetings with management and internal audit and maintain a free flow of communication with the statutory auditor for the purpose of analysing the following matters:

- (i) The appropriateness of the scope of consolidation.
- (ii) Any judgements, criteria, valuations or estimates that have a material impact on the financial statements and related non-financial reports.
- (iii) Any changes in the significant criteria applied.
- (iv) Where applicable, the reasons why in its public reports the Company uses certain alternative performance measures (APMs) instead of the measures directly defined in the accounting standards, the extent to which those APMs provide useful information to investors and the extent to which the Company complies with international recommendations and best practice in this regard.
- (v) Any material weaknesses in internal control.
- (vi) Any material adjustments identified by the statutory auditor or resulting from reviews performed by internal audit, and management's position on such adjustments, taking into account any demands sent in the current or a previous period by the Comisión Nacional del Mercado de Valores (CNMV), in order to ensure that the incidents identified in those demands are not repeated in future financial statements.

The Committee's independence must be respected in all meetings and communications. In particular, the statutory auditor must not be invited to take part in the decision-making part of Committee meetings.

The Committee must carry out this supervisory task continuously but also on an ad hoc basis at the request of the Board of Directors.

- Reporting to the General Meeting of Shareholders on questions that are posed regarding matters falling within the competence of the Committee and, in particular, on the audit findings, explaining how the audit has contributed to the integrity of the financial information and the Committee's role in this process.
- Overseeing the effectiveness of internal control at the Company, seeking to ensure that the internal control policies and systems in place are effectively applied in practice, internal audit, regulatory compliance, the systems in place to manage and control financial and non-financial risk at the Company and, as the case may be, the Group, and discussing with the statutory auditor any material weaknesses in the internal control system that may have been detected in the audit, without jeopardizing its independence. To this end, where appropriate the Committee may make recommendations or submit proposals to the Board of Directors, including regarding the related follow-up period.
- Supervising and assessing the preparation and filing of regulatory financial and non-financial information and submitting to the Board of Directors recommendations or proposals designed to safeguard the integrity of such information and, in particular:
  - Reporting to the Board of Directors, in advance, on the financial information that the Company must publish periodically;
  - Reviewing the Company's accounts;
  - Reviewing issue prospectuses and any periodic financial information the Board is required to provide to the markets and market supervisory bodies.
- Submitting proposals to the Board of Directors for the selection, appointment, re-election and removal of the statutory auditor, and oversee the selection process in accordance with EU legislation and the terms and conditions of engagement.
- Building an appropriate relationship with the external auditors so as to receive information on any matters that could jeopardize the external auditor's independence for examination by the Committee, and on any other matters arising from the audit of the Company's accounts and, as appropriate, authorising the services permitted under the terms of EU legislation and regulations regarding independence, and making any other disclosures required under the applicable auditing legislation and standards. In particular:
  - Acting as a communication channel between the Board of Directors and the internal and external auditors, evaluating the results of each audit and the responses of the management team to its recommendations and mediating in the event of disputes between the former and the latter regarding the principles and criteria applicable to the preparation of the financial statements. In particular, the Committee must ensure that the statutory auditor holds at least one meeting each year with the full board of directors to report on the work carried out and any changes in the Company's accounting situation and risks.
  - Requesting regular information from the external auditor on the audit plan and its implementation and ensuring that senior management acts on the external auditor's recommendations;
    - Ensuring that the external auditor meets, at least once a year, with the Board in full to inform it of the work undertaken and developments in the Company's risk and accounting positions;
  - Supervising compliance with the audit contract, seeking to ensure that the opinion on the annual accounts and the principal content of the auditor's report are drafted clearly and accurately;
  - Ensuring the independence of the external auditor, as set out in section C.1.30 of this Report.

Issuing a report each year, prior to the release of the auditor's report, expressing an opinion on whether the independence of the external auditor or audit firms has been compromised. This report must contain a reasoned assessment of any additional services other than the statutory audit provided, considered individually and in the aggregate, as well as of the auditor's independence and compliance with auditing standards.

C.1.29 Is the secretary of the Board also a director?

- Yes  
 No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MR. MIGUEL CRESPO RODRÍGUEZ	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Specific mechanisms implemented by the Company to preserve the independence of the external auditors:

As stipulated in article 14 of the Board of Directors Regulations, and in article 13 of the Audit and Compliance Committee Regulations, the Audit and Compliance Committee of Bankia S.A. is responsible, among other things, for ensuring the independence of the external auditor in the exercise of its duties to which end it must:

- Request and receive from the external auditors a declaration of their independence with respect to the Company or entities directly or indirectly related thereto, as well as detailed and individualised information on additional services of any kind provided to, and the corresponding fees received from, such entities by the external auditor or persons or entities related thereto, pursuant to the rules regulating the audit profession.
- Annually, prior to the issue of the audit report, issue a report stating an opinion as to whether the independence of the auditors has been compromised. This report must contain a reasoned assessment of any additional services other than the statutory audit provided, considered individually and in the aggregate, as well as of the auditor's independence and compliance with auditing standards.
- Maintain the relationship with the statutory auditor in order to receive information about any matters that might jeopardise the auditor's independence and assess the effectiveness of the safeguards put in place. Also, understand and assess, in aggregate, all dealings between the audited entity and its related entities, on the one hand, and the statutory auditor and its network, on the other, that involve the provision of non-audit services or any other type of relationship.
- Ensure that the company and the external auditor comply with applicable rules regarding the provision of non-audit services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditor independence.
- Ensure that the remuneration of the statutory auditor for its work does not compromise its quality or independence, taking into account the rules on fees set out in auditing standards.
- In the event that the external auditor resigns, examine the circumstances leading to such resignation.
- Make sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- Establish internal sources, within the Company, to obtain relevant information on the independence of the statutory auditor, from financial management, other executive functions, internal audit, or other assurance functions such as regulatory compliance or risks, or external sources such as information supplied by the statutory auditor itself.
- Seek explanations from the statutory auditor about the internal quality control system it has in place to safeguard its independence, as well as information on internal practices regarding the rotation of the audit partner and audit team and whether those practices comply with applicable Spanish and EU regulations in this respect.
- Analyse any changes in the overall remuneration of the statutory auditor.

The Bankia Group has a Policy on Monitoring the Independence of the External Auditor, which is approved by the Board of Directors and reviewed annually. The Policy specifies the control actions designed to ensure compliance with current laws and regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other specific requirements in relation to the independence of the statutory auditor, in accordance with Ley 22/2015 (the Audit Law) and its implementing regulations (Royal Decree 1517/2011) and the recommendations issued by the CNMV in Technical Guide 3/2017 on audit committees at public interest entities.

Policy on Monitoring the Independence of the External Auditor.

In particular, the Policy on Monitoring the Independence of the External Auditor, approved annually by the Board of Directors, sets out the mechanisms in place for overseeing the independence of the external auditor. These mechanisms are:

Conflicts of interest arising from personal situations:

- Document provided by the external auditor describing the internal control policies and procedures designed and implemented at the audit firm (and at all firms in its network) with a view to ensuring strict compliance with the independence rules applicable to audit firms.
- The Corporate Internal Audit Department requests an update of this information from the external auditor every six months, which is submitted to the Audit and Compliance Committee along with the half-yearly independence report.
- Half-yearly confirmation of the external auditor's independence implies compliance with this requirement.
- At the beginning of the period to be audited, the external auditor is asked to fully identify the team confirming the people that form it at the date of reference. The team list is updated on completion of the engagement.
- The list is sent to the Executive and People Management Department for reference in selection and hiring processes.

Prohibited services:

- The external auditor informs the Corporate Internal Audit Department of proposals submitted to the Bank before they are signed.

- The Corporate Internal Audit Department reviews proposals for services to be provided by the external auditor prior to their approval.
- The requesting department is asked by the Internal Audit Department to explain why the audit firm is suitable to provide the services by reason of its knowledge and experience.
- The external audit delivers its analysis and assessment of the collaboration proposal, from an independence perspective.
- The internal auditor submits to the Audit and Compliance Committee a monthly report setting out the engagements to be analysed and, as the case may be authorised.
- The Audit and Compliance Committee authorises services on a monthly basis.
- The authorisation of certain engagements ("with no risk to independence") is delegated to the Corporate Internal Audit Department:
- Where required or envisaged by law and/or the supervisor.
- Agreed-upon procedures and other review engagements relating to accounting and financial reporting.
- Translations.

These proposals are ratified by the Audit and Compliance Committee.

- Once the Deputy Secretariat confirms that the Audit and Compliance Committee has authorised the proposal, the external auditor and the Procurement Department are informed so that the relevant contract may be signed, as the case may be.
- The audit firm identifies the members of its team so that any previously unscreened proposals can be retrieved from our systems.
- The conflict of interest arising from providing otherwise non-prohibited services to relations of the principal auditor falls within the scope of "conflicts of interest arising from personal situations".
- The provision of services referred to in Article 5.3 (EU Regulation 537/2014) shall be limited, in its effect on the financial statements, to 5% of the materiality determined by the auditor or 10% of the account item affected. However, if lower limits are set by law, those lower limits shall apply.

(CONTINUED IN SECTION H)

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes

No

Outgoing auditor	Incoming auditor
ERNST & YOUNG, S.L.	KPMG Auditores, S.L.

If there were any disagreements with the outgoing auditor, explain their content:

Yes

No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes

No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	400	0	400

Amount invoiced for non-audit work/Amount for audit work (in %)	17.36	0.00	17.36
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Non-audit work refers to services rendered for the issue of comfort letters and translations, as well as tax advisory and other services.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes  
 No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	1	1
	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	4.00	10.00

Considering that Bankia, S.A., was set up as a business enterprise in 1995 under the name Altae Banco, S.A., its individual annual accounts have been audited for 25 years. This does not take into account the fact that Banco Altae, S.A. used to be Banco de Crédito y Ahorro, S.A.

A total of 10 years have been taken into account in the case of the consolidated annual accounts.

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes  
 No

Details of the procedure

The procedure to ensure that the Directors of Bankia, S.A. have the information necessary to prepare the meetings of the governing bodies with sufficient time is regulated in Article 17.2 of the Board of Directors Regulations, which provides that the Board of Directors will be called by individual notice, stating the agenda for the meeting in sufficient detail. This notice will be sent by fax, e-mail or letter to each of the directors, at least five days in advance of the envisaged date of the meeting, unless the Chairman considers the urgency of the matters to require an urgent call, which may be made

by telephone, fax, e-mail or any other telematic means, sufficiently in advance to allow the directors to fulfil their duty to attend.

Agendas for meetings will clearly indicate those points in respect of which the Board of Directors must adopt a decision or resolution, so that the directors may, in advance, study or collect the information necessary for the adoption thereof, in accordance with the Board of Directors Regulations.

When, exceptionally, for reasons of urgency, the Chairman wishes to submit decisions or resolutions not appearing on the agenda for approval of the Board of Directors, the express prior consent of the majority of the directors present will be required, with that consent to be reflected in the minutes.

The directors may gather all the additional information they consider necessary concerning the matters for which the Board of Directors is competent. In the context of this duty of directors to demand and their right to receive from the Company all the information they need in order to perform their obligations, article 26 of the Board of Directors Regulations states that directors have the broadest authority to seek information on any aspect of the Company, to examine its books, records, documents and other background information pertaining to the Company's transactions, and to inspect all its facilities.

In order not to interfere with ordinary management of the Company, exercise of information rights must be channelled through the Chairman or Secretary of the Board of Directors who will respond to director inquiries by providing the information directly, making the appropriate spokesmen within the organisation available as appropriate, or arranging for appropriate on-site review and inspection.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

[  ] Yes

[  ] No

Explain the rules
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According to article 40 of the Bylaws, the members of the Board of Directors of Bankia, S.A. must satisfy the requirements of banking regulations to be considered to be persons of good repute who are suited to exercise of such function. In particular, they must have a reputation of business and professional integrity, have knowledge and experience appropriate to the performance of their duties and be in a position to exercise good governance of the Company. Supervening failure to satisfy the above requirements will be grounds for removal of the director.

As per article 23 of the Board of Directors Regulations, directors must place their directorships at the disposal of the Board of Directors and formally tender their resignations, if the Board deems it to be desirable, in the following circumstances:

- a) When they are affected by any of the scenarios of incompatibility or prohibition or unsuitability prescribed by law.
- b) When they are tried for or accused of alleged criminal offenses or subject to disciplinary proceedings for serious or very serious infractions brought by the supervisory authorities.

For these purposes, directors of the Company must inform the Board of Directors of the existence of any circumstances - related to their activities at the Company or otherwise - that could be detrimental to the standing and reputation of the Company, and, in particular, of any criminal proceedings in which they are the party under investigation, as well as subsequent procedural developments.

Where the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, having regard to the specific circumstances, decide, based on a report from the Appointments and Responsible Management Committee, whether or not any measures must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be removed by the General Meeting. These events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be placed on record in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, upon implementation of the corresponding measures.

- c) When they are seriously admonished by the Audit and Compliance Committee for violating their duties as directors.
- d) When their remaining as directors could present a reputation risk to the interests of the Company.
- e) When they cease to hold the positions, offices or functions with which their appointment as executive directors was associated.

f) In the case of proprietary directors, when the shareholder at whose initiative they were appointed disposes of its interest in the Company or reduces its interest to a level that requires a reduction in the number of proprietary directors.

g) In the case of independent directors, when they no longer satisfy the conditions for being considered independent directors.

In addition, if a natural person representing a legal person director is in any of the situations described in the previous sections, that person will be disqualified from acting as representative.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

[ ] Yes

[ ✓ ] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Not applicable.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	23
Type of beneficiary	Description of the agreement
EXECUTIVE DIRECTORS, MEMBERS OF THE MANAGEMENT COMMITTEE AND OTHER EXECUTIVES.	<p>EXECUTIVE DIRECTORS: The contracts of Mr. Goirigolzarri, Mr. Sevilla and Mr. Ortega provide for a termination benefit of one year of fixed remuneration if the Company decides to terminate their employment unilaterally or in the event of a change of control of the Company. The contracts of Mr. Sevilla and Mr. Ortega also provide for a post-contractual non-compete clause, as well as a three-month notice period. Pursuant to prevailing legislation, Bankia has amended these contracts, establishing that any compensation and/or amounts received by these executive directors must comply with Royal Decree-Law 2/2012, Law 3/2012 and Law 10/2014.</p> <p>MEMBERS OF THE MANAGEMENT COMMITTEE: The contracts of the nine senior executives include clauses that set compensation for all items at two years' fixed remuneration if they are dismissed on lawful grounds, except in the case of disciplinary dismissals declared valid by the courts. Pursuant to prevailing legislation, Bankia has amended these contracts, establishing that any compensation and/or amounts received by senior executives must comply with Royal Decree-Law 2/2012, Law 3/2012 and Law 10/2014.</p> <p>OTHER EXECUTIVES: In no circumstances may the maximum severance recognised in the case of dismissal</p>

	on lawful grounds, except in the case of disciplinary dismissal declared valid by the courts, exceed two years' fixed remuneration.
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Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General shareholders' meeting
Body authorising the clauses	√	

	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

Indemnity or golden parachute clauses are authorised by several bodies:

-Executive Directors: Authorised by the Board of Directors and reported at the General Meeting of Shareholders.

-Members of the Management Committee and persons reporting to the Board or any of its members: Authorised by the Board of Directors at the proposal of the Remuneration Committee.

Other executives: Authorised in accordance with delegated powers and authority regarding Human Resources approved by the Board of Directors.

## C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

RISK ADVISORY COMMITTEE		
Name	Position	Category
MR. JOAQUÍN AYUSO GARCÍA	CHAIRMAN	Independent
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS	COMMITTEE MEMBER	Independent
MS. LAURA GONZÁLEZ MOLERO	COMMITTEE MEMBER	Independent
MR. ANTONIO GREÑO HIDALGO	COMMITTEE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	
% of independent directors	100.00	
% of other external directors	0.00	

On 27 March 2020, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to re-elect Mr. Joaquín Ayuso García, Ms. Eva Castillo Sanz and Mr. Antonio Greño Hidalgo as members of the Risk Advisory Committee, as well as to re-elect Mr. Joaquín Ayuso García as Chairman of the Risk Advisory Committee.

On 27 May 2020, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Mrs. Laura González Molero as a member of the Risk Advisory Committee, replacing Mrs. Eva Castillo Sanz who stood down as a member of that Committee.

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

**FUNCTIONS:**

Bankia's Risk Advisory Committee is assigned all of the duties required by law, particularly by banking regulations. In view of the extent of such duties, they are presented in section H of this Report.

**RULES OF ORGANISATION AND FUNCTIONING:**

With respect to its rules of organisation and functioning, article 47 ter of the Bylaws and article 16 of Board of Directors Regulations state that the Risk Advisory Committee will be comprised of a minimum of three and maximum of five directors, who may not be executive directors, without prejudice to attendance, when so expressly resolved by the members of the Committee, by other directors, including executive directors, senior executives and any employee. In any event, the number of members of the Risk Advisory Committee will be determined directly by means of an express resolution in this regard, or indirectly by the filling of vacancies or appointment of new members within the established maximum.

The members of the Risk Advisory Committee must have as a whole the appropriate knowledge, skills and experience to fully understand and control the risk strategy and risk propensity of the Company. At least one third of its members must be independent directors. In any event, the Chairman of the Committee will be an independent director. The Chairman of the Committee must be replaced every four years, and may be re-elected one or more times for terms of the same length.

The members of the Risk Advisory Committee will be appointed by the Board of Directors, taking into account the directors' knowledge, skills and experience and the Committee's duties.

There will be a quorum for Committee meetings when the majority of the directors that are a part thereof are present, in person or by proxy. It will adopt its resolutions by absolute majority of the members of the Committee present at the meeting in person or by proxy. In the event of a tie, the Chairman will have the casting vote.

For the proper performance of its duties, the Risk Advisory Committee will have unrestricted access to the information on the risk status of the Company and, if necessary, to the risk management unit and specialised external advisors.

The Director of the risk unit will be a senior executive, meeting the requirements set forth in the applicable regulations and having direct access in the performance of his/her duties to both the Board of Directors and the Board and Advisory Risk Committees, that Director being removable in accordance with the provisions of applicable regulations.

**ACTIONS:**

Regarding the main actions carried out in 2020, the Risk Advisory Committee advised the Board of Directors on the following key matters:

- Advice on the definition of the overall propensity to risk of the Company and the Group, set out in the Risk Appetite and Tolerance Framework and in the Risk Budget.
- Advice on the approval of the risk control and management policy of the Company and the Group, identifying the various types of risk assumed by the Company and the Group, the information and internal control systems for managing and controlling risks, the levels of risk they are willing to take and the necessary corrective measures to limit their impact.
- Advice on the approval of Risk Manuals and Policies.
- Regular monitoring of the loan portfolio and the risks assumed by the Company and the Group, in the broadest sense, proposing to the Board the necessary corrective measures to adapt the risk assumed to the approved risk profile.
- Regular monitoring of projects and activities related to the supervisory bodies.

(CONTINUED IN SECTION H)

APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE		
Name	Position	Category
MS. EVA CASTILLO SANZ	CHAIRWOMAN	Independent
MR. JOAQUÍN AYUSO GARCÍA	COMMITTEE MEMBER	Independent
MS. LAURA GONZÁLEZ MOLERO	COMMITTEE MEMBER	Independent
MR. FRANCISCO JAVIER CAMPO GARCÍA	COMMITTEE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	
% of independent directors	100.00	
% of other external directors	0.00	

On 27 March 2020, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to re-elect Ms. Eva Castillo Sanz, Mr. Joaquín Ayuso García and Mr. Francisco Javier Campo García as members of the Appointments and Responsible Management Committee, as well as to re-elect Ms. Eva Castillo Sanz as Chairwoman of the Appointments and Responsible Management Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

**FUNCTIONS:**

Bankia's Appointments and Responsible Management Committee is assigned all the duties required in company law and banking regulations, as well as those set out in the Good Governance Code of Listed Companies revised by the CNMV in June 2020 and in Technical Guide 1/2019, of the Spanish National Securities Market Commission (CNMV), on appointments and remuneration committees, which, in view of their extent, are presented in section H of this Report.

The main role of the Appointments and Responsible Management Committee is to contribute to attracting and retaining talent, seeking to ensure that the Company has the best professionals in its governing bodies and senior management. The Committee's tasks also include reviewing the Company's corporate social responsibility and environmental and social sustainability policy, and ensuring that the Company's environmental and social practices are in alignment with the established strategy and policy. In addition to any other tasks assigned to it by the Board, the Committee has general powers to report on and propose the appointment and removal of directors and senior executives, on matters relating to responsible management and, in particular, without limitation, on the responsibilities within the scope of the Committee's Regulations.

**RULES OF ORGANISATION AND FUNCTIONING:**

The Committee's rules of organisation and functioning are set forth in Article 47 of the Bylaws and Article 15 of the Board of Directors Regulations and, specifically, in the Appointments and Responsible Management Committee Regulations.

The rules provide that the Appointments and Responsible Management Committee shall be made up of non-executive directors and a majority of independent directors, with a minimum of three and a maximum of five directors.

The members of the Appointments and Responsible Management Committee shall be appointed by the Board of Directors, having regard to their knowledge, skills and experience and the duties of the Committee. The members of the Committee, as a whole, must have knowledge and experience in the following areas:

- a) Corporate governance;
- b) Analysis and strategic evaluation of human resources;
- c) Selection of directors and senior executives, including assessment of any suitability requirements that may be required under the regulations applicable to the Company; and
- d) Performance of senior management duties.

Efforts will be made to ensure that the membership of the Committee is diverse, taking into account gender, career record, skills, personal capabilities and expertise. When the Company appoints an Independent Lead Director, it shall endeavour to appoint him/her as a member of the Appointments and Responsible Management Committee.

The Committee must be chaired by an independent director appointed by the Board of Directors. Previous experience as a member of appointment committees or as an executive director or member of senior management in comparable companies in terms of size and complexity is particularly valued. The Chairman of the Committee must be replaced every four years, and may be re-elected one or more times for terms of the same length.

The Chairman of the Committee shall act as its spokesperson at the meetings of the Board of Directors and, where appropriate, the General Meeting of Shareholders of the Company.

The Chairman of the Committee shall ensure that the members of the Committee receive sufficient information to perform their duties, and the members may request any additional information they require to do so.

The Committee will have a Secretary and, optionally, a Vice-Secretary, who need not be directors and may be different to the Secretary and Vice-Secretary of the Board of Directors, respectively.

The Committee shall meet suitably in advance of Board meetings whenever convened by a resolution of the Committee itself or its Chairman, and at least four times a year. It shall also meet whenever the Board of Directors or its Chairman requests the issue of a report or adoption of proposals.

Coordination mechanisms shall be established with the Remuneration Committee to ensure consistency in the policies and criteria applied by the Committee to attract talent, and with the Audit and Compliance Committee to coordinate their respective functions as regards communications and dealings with shareholders, investors and proxy advisors. In particular, joint meetings shall be held with the Remuneration Committee when warranted by the situation and when thought appropriate. A member may form part of both committees.

There will be a quorum for the Appointments and Responsible Management Committee meetings when the majority of the directors that are a part thereof are in attendance, in person or by proxy.

The Committee shall adopt resolutions by absolute majority of the members present at the meeting in person or by proxy. In the event of a tie, the Chairman will have the casting vote.

The Remuneration Committee must consult with the Chairman and the first executive of the Company, especially on matters relating to executive directors and senior executives.

The Chairman and any director may submit suggestions to the Committee regarding matters that fall within their remit and, in particular, may put forward potential candidates to fill vacancies on the Board.

(CONTINUED IN SECTION H)

REMUNERATION COMMITTEE		
Name	Position	Category
MR. ANTONIO GREÑO HIDALGO	CHAIRMAN	Independent
MR. JOAQUÍN AYUSO GARCÍA	COMMITTEE MEMBER	Independent
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	COMMITTEE MEMBER	Independent
MRS. LAURA GONZÁLEZ MOLERO	COMMITTEE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	
% of independent directors	100.00	
% of other external directors	0.00	

On 27 March 2020, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to re-elect Mr. Joaquín Ayuso García as a member of the Remuneration Committee and to appoint Mr. Antonio Greño Hidalgo as a member and Chairman of the Remuneration Committee in lieu of Mr. Francisco Javier Campo García, who stood down as member and Chairman of the Remuneration Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

**FUNCTIONS:**

Bankia's Remuneration Committee is assigned all the duties required in company law and banking regulations, as well as those set out in the Good Governance Code of Listed Companies and in Technical Guide 1/2019, of the Spanish National Securities Market Commission (CNMV), on appointments and remuneration committees, which, in view of their extent, are presented in section H of this Report.

In addition to any other tasks assigned to it by the Board, the Remuneration Committee has general powers to report on and propose the remuneration of directors and senior executives, and, in particular and without limitation, the powers set out in the Committee's Regulations.

**RULES OF ORGANISATION AND FUNCTIONING:**

The rules on functioning and organization are set out in article 47 bis of the Bylaws and article 15 bis of the Board of Directors Regulations and, specifically, in the Remuneration Committee Regulations.

The rules provide that the Remuneration Committee shall be made up of non-executive directors and a majority of independent directors, with a minimum of three and a maximum of five directors.

The members of the Appointments and Responsible Management Committee shall be appointed by the Board of Directors, having regard to their knowledge, skills and experience and the duties of the Committee. The members of the Committee, as a whole, must have knowledge and experience in the following areas:

- a) Corporate governance;
- b) Analysis and strategic evaluation of human resources;
- c) Performance of senior management duties; and
- d) Design of policies and remuneration plans for directors and senior executives.

Efforts will be made to ensure that the membership of the Committee is diverse, taking into account gender, career record, skills, personal capabilities and industry expertise. When the Company appoints an Independent Lead Director, it shall endeavour to appoint him/her as a member of the Remuneration Committee.

The Committee must be chaired by an independent director appointed by the Board of Directors. Previous experience as a member of remuneration committees or as an executive director or member of senior management in comparable companies by reason of size and complexity is particularly valued. The Chairman of the Committee must be replaced every four years, and may be re-elected one or more times for terms of the same length.

The Chairman of the Committee shall act as its spokesperson at the meetings of the Board of Directors and, where appropriate, the General Meeting of Shareholders of the Company.

The Chairman of the Committee shall ensure that the members of the Committee receive sufficient information to perform their duties, and the members may request any additional information they require to do so.

The Committee will have a Secretary and, optionally, a Vice-Secretary, who need not be directors and may be different to the Secretary and Vice-Secretary of the Board of Directors, respectively.

The Committee shall meet suitably in advance of Board meetings whenever convened by a resolution of the Committee itself or its Chairman, and at least four times a year. It shall also meet whenever the Board of Directors or its Chairman requests the issue of a report or adoption of proposals.

Coordination mechanisms shall be established with the Appointments and Responsible Management Committee to ensure consistency of the policies and criteria applied by the Committee to attract and retain talent. In particular, joint meetings shall be held when warranted by the situation. A member may form part of both committees.

There will be a quorum for Remuneration Committee meetings when the majority of the directors that are a part thereof are in attendance, in person or by proxy.

In addition to the attendance of all members of the Committee at its meetings, the presence at meetings of other directors, executive or otherwise, of senior executives or of any third party may only occur at the invitation of the Chairman of the Committee and shall be limited to the specific items on the agenda in connection with which they are invited.

The Committee shall adopt resolutions by absolute majority of the members present at the meeting in person or by proxy. In the event of a tie, the Chairman will have the casting vote.

The Remuneration Committee must consult with the Chairman and the first executive of the Company, especially on matters relating to executive directors and senior executives.

To perform its functions more effectively, the Committee may use whatever resources it considers appropriate, including taking advice from outside professionals in matters falling within its remit, ensuring suitable alignment of interests and that no potential conflicts of interest compromise the independence of the external advice given to the Committee. The Committee shall receive adequate funds for this purpose and shall submit to the Board for approval an annual budget, or alternative mechanisms.

If advisors are retained to assist the Committee in its remuneration policy role, an effort shall be made to ensure that they are different from any advisors who might assist the Appointments and Responsible Management Committee in its selection, appointment and assessment roles.

(CONTINUED IN SECTION H)

TECHNOLOGY AND INNOVATION COMMITTEE		
Name	Position	Category
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	Executive
MR. FRANCISCO JAVIER CAMPO GARCÍA	COMMITTEE MEMBER	Independent
MS. EVA CASTILLO SANZ	COMMITTEE MEMBER	Independent
MS. NURIA OLIVER RAMÍREZ	COMMITTEE MEMBER	Independent
MR. ANTONIO ORTEGA PARRA	COMMITTEE MEMBER	Executive
% of executive directors	40.00	
% of proprietary directors	0.00	
% of independent directors	60.00	
% of other external directors	0.00	

On 27 May 2020, following a favourable report by the Audit and Compliance Committee and the Appointments and Responsible Management Committee, the Board of Directors resolved to create a new Board Committee - the Technology and Innovation Committee -, to be formed by five directors: Mr. José Ignacio Goirigolzarri Tellaeché (chairman), Mr. Francisco Javier Campo García (member), Ms. Eva Castillo Sanz (member), Ms. Nuria Oliver Ramírez (member), Mr. Antonio Ortega Parra (member) and Mr. Miguel Crespo Rodríguez (non-director secretary).

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

On 27 May 2020, the Board of Directors resolved to amend the Board of Directors Regulations to include article 14 bis, in order to regulate the functions, composition and rules of operation of the Technology and Innovation Committee.

The Technology and Innovation Committee is a permanent internal body of the Board of Directors. It is an advisory body, without executive functions and with powers to report on, oversee, advise on and make recommendations on matters falling within its area of activity. It is governed by the provisions of the Law, the Bylaws and the Board of Directors Regulations.

FUNCTIONS:

The functions of the Technology and Innovation Committee are as follows:

- a) To assist the Board of Directors with its supervisory and decision-making responsibilities as regards technology-related matters affecting activities and strategy with an impact on the Bank's business, taking a holistic approach.
- b) To familiarise itself with and report on the technology, innovation, cyber security and data analytics policies prior to their submission to the Board of Directors for approval.
- c) To supervise and monitor any specific plans and projects of particular relevance deriving from such policies.
- d) To discuss these matters, proposing initiatives for the consideration of the Board.

To fulfil its remit and discharge its duties, the Technology and Innovation Committee must, inter alia:

- a) Examine and report on plans and actions relating to IT systems.
- b) Examine and report on plans and actions relating to innovation.
- c) Familiarise itself with, examine and report on data analytics plans and their use in order to gain a better knowledge of customers and improve their experience, as well as in relation to new business solutions, fraud detection, preparation of risk models and other fields.
- d) Examine and report on plans and actions relating to the efficacy, reliability and strength of technological systems and cybersecurity management.
- e) Make proposals to the Board of Directors in relation to the technology and data management frameworks at the Company.
- f) Assist the Board of Directors with the analysis and approval of strategic lines of technology and innovation.
- g) Report to the Board of Directors on the annual systems plan.
- h) Assist the Board of Directors with the technological service quality assessment.
- i) Assist and collaborate with other Board Committees with specific powers in relation to which technology and innovation may be relevant, particularly in the areas of risk, regulation and compliance.

**RULES OF ORGANISATION AND FUNCTIONING:**

As regards its rules of organisation and functioning, article 14 bis of the Bylaws states that the Technology and Innovation Committee will be comprised of a minimum of three and maximum of seven directors, without prejudice to attendance, when so expressly resolved by the members of the Committee, of other directors, senior executives and any other employees. The majority of the members of the Technology and Innovation Committee must be non-executive directors, reflecting, as the case may be, the guidelines on the composition of the Board. The Chairman of the Technology and Innovation Committee may either be an independent director or an executive director, appointed by the Board of Directors. The Chairman of the Committee must be replaced every four years, and may be re-elected one or more times for terms of the same length.

The members of the Technology and Innovation Committee will be appointed by the Board of Directors, taking into account the directors' knowledge, skills and experience and the matters dealt with by the Committee.

The Committee will have a Secretary and, optionally, an Assistant Secretary, who need not be directors and may be different to the Secretary and Assistant Secretary of the Board of Directors, respectively.

To permit it to discharge its duties the executive directorates responsible for activities relating to technology, new digital business models, data analytics and artificial intelligence and any other considered appropriate shall report to the Committee as often as is deemed fit.

The persons called to the meetings of the Technology and Innovation Committee shall appear at the invitation of the Committee Chairman on the terms decided by the Committee, and shall be obliged to cooperate and facilitate access to the information they have at their disposal.

To fulfil its mandate and functions, the Technology and Innovation Committee shall approve an annual calendar of meetings which shall include at least four meetings. In any event, the Technology and Innovation Committee shall meet as often as it is called by resolution of the Committee itself or its Chairman.

Meetings of the Technology and Innovation Committee will be validly constituted when more than half of its members are present in person or by proxy. Resolutions will be adopted by a majority of the members present at the meeting in person or by proxy. In the event of a tie, the Chairman will have the casting vote. Committee members may delegate their vote to another member, bearing in mind that non-executive directors may only delegate their votes to another non-executive director.

The Technology and Innovation Committee, via its chairman, shall report to the Board of Directors on its activity and work. The supporting documentation provided to the Technology and Innovation Committee and a copy of all of the minutes of the Committee's meetings shall be made available to all directors.

(CONTINUED IN SECTION H)

BOARD RISK COMMITTEE

Name		Position	Category
MR. JOSÉ SEVILLA ÁLVAREZ		CHAIRMAN	Executive
MS. EVA CASTILLO SANZ		COMMITTEE MEMBER	Independent
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS		COMMITTEE MEMBER	Independent
% of executive directors	33.33		
% of proprietary directors	0.00		
% of independent directors	66.67		
% of other external directors	0.00		

On 27 March 2020, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to re-elect Mr. José Sevilla Álvarez and Ms. Eva Castillo Sanz as members of the Board Risk Committee, as well as to re-elect Mr. José Sevilla Álvarez as Chairman of the Board Risk Committee.

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

**FUNCTIONS:**

The Board Risk Committee is governed by article 48 of the Bylaws and article 16 bis of the Board of Directors Regulations. The Board Risk Committee is the body responsible for approving risks within the scope of the authority delegated to it and for overseeing and administering the exercise of the authority delegated to lower-ranking bodies, all this without prejudice to the oversight authority vested by law in the Audit and Compliance Committee. A list of this Committee's functions is provided in section H of this Report.

**RULES OF ORGANISATION AND FUNCTIONING:**

As regards the rules of organisation and functioning, article 48 of the Bylaws and article 16 bis of the Board of Directors Regulations state that the Board Risk Committee will be made up of no fewer than 3 and no more than 7 directors. The Chairman of the Committee will be a director appointed by the Company's Board of Directors.

The Board Risk Committee shall be validly constituted when a majority of the directors forming part of it are present, in person or by proxy. Committee resolutions shall be adopted by an absolute majority of members present at the meeting, in person or by proxy. In the event of a tie, the Chairman will have the casting vote.

The Board Risk Committee is an executive body and, therefore, may adopt the corresponding decisions within the scope of authority delegated by the Board.

The Board Risk Committee will have the delegated powers specifically contemplated in the delegation resolution.

Also, copies of the minutes of meetings of this Committee's meetings will be made available to all directors.

**ACTIONS:**

Regarding the main actions carried out in 2020, the Board Risk Committee's principle activity consists of approving risks within the scope of the authority delegated to it and overseeing and administering the exercise of the authority delegated to lower-ranking bodies.

Given the executive nature of the Board Risk Committee, at its meetings the Committee analyses and, where appropriate, approves all specific risk transactions, finance programmes and the overall limits of pre-classification falling within the

scope of the authority delegated to it by the Board of Directors. It also assesses and puts forward, as appropriate, proposals of this nature, which must be approved by the Board of Directors.

(CONTINUED IN SECTION H)

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
MR. FRANCISCO JAVIER CAMPO GARCÍA	CHAIRMAN	Independent
MR. CARLOS EGEA KRAUEL	COMMITTEE MEMBER	Other external
MR. JOSE LUIS FEITO HIGUERUELA	COMMITTEE MEMBER	Independent
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS	COMMITTEE MEMBER	Independent
MR. ANTONIO GREÑO HIDALGO	COMMITTEE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	
% of independent directors	80.00	
% of other external directors	20.00	

On 27 March 2020, following a favourable report by the Appointments and Responsible Management Committee, the Board of Directors resolved to re-elect Mr. Francisco Javier Campo García and Mr. Antonio Greño Hidalgo as members of the Audit and Compliance Committee, as well as to appoint Mr. Francisco Javier Campo García as Chairman of the Audit and Compliance Committee, in lieu of Mr. Antonio Greño Hidalgo, who had held such office until then.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

**FUNCTIONS:**

The Audit and Compliance Committee of Bankia is assigned all the duties required in company law and banking regulations, as well as those set out in the Good Governance Code of Listed Companies revised by the CNMV in June 2020 and in Technical Guide 1/2019, of the Spanish National Securities Market Commission (CNMV) on audit committees at public interest entities, which, in view of their extent, are presented in section H of this Report.

**RULES OF ORGANISATION AND FUNCTIONING:**

With respect to its rules of organisation and functioning, article 14 of the Board of Directors Regulations and the Audit and Compliance Committee Regulations state that the Audit and Compliance Committee will have no fewer than three and no more than five members, all of whom will be non-executive directors and a majority, independent. Where the members of the committee expressly so agree, and subject to invitation by the Chairman, its meetings may also be attended by other directors, including executive directors, senior executives and any other employees, to deal only with the specific business on the agenda in connection with which they are invited, and they shall leave the meeting prior to deliberation and decision-making in such regard.

The members of the Audit and Compliance Committee will be appointed by the Board of Directors taking account of their knowledge, skills and experience in accounting, auditing and financial and non-financial risk management as well as the duties of the Committee and, together, the committee members must possess all of the above expertise, as well as the relevant technical knowledge in relation to the banking industry.

The Committee will be chaired by an independent director who must also possess the relevant knowledge, skills and experience in accounting, auditing and financial and non-financial risk management and, in general, any other duties of the Committee. The Chairman of the Committee must be replaced every four years, and may be re-elected after a period of one-year elapses since he left office. The Chairman of the Committee may, at any time, request information on the internal audit activities underway from the head of internal audit at the Company. Also, independently of organisational reporting lines, the head of internal audit will maintain a constant functional relationship with the Audit and Compliance Committee and its Chairman. In any event, the Committee shall oversee the performance of the internal audit unit.

The Committee will have a Secretary and, optionally, a ViceSecretary, who need not be directors and may be different to the Secretary and Vice-Secretary of the Board of Directors, respectively.

The Committee must meet as many times as it is convened by resolution of the Committee itself or its Chairman and no less than four times per year. Any members of the Company's management team or staff who are called upon to do so are obliged to attend the meetings of the Committee and to cooperate with it and make available any information they may have at their disposal. The Committee may also call upon the statutory auditor to attend, although it must not be invited to take part in the decision-making part of Committee meetings. The Committee must always meet on the occasion of the publication of annual or interim financial information and in these cases may be attended by the internal auditor and, if it has issued any type of review report, the statutory auditor, to provide input on the agenda items for which they have been invited to attend. At least part of these meetings with the internal or statutory auditor must take place without the management team being present, so that any specific issues arising from the audit reviews can be discussed exclusively with the auditor.

One of the Committee's meetings must be used to assess the efficiency of the Company's governance rules and procedures and the extent of the Company's compliance with them and to prepare the information the Board must approve and include in the annual public documentation.

At least twice a year, the Committee must hold joint sessions with the Risk Advisory Committee to discuss common concerns and any other matters that fall within the remit of both committees and so must be examined and supervised by both.

Meetings of the Audit and Compliance Committee will be validly constituted when a majority of the Committee's members are present in person or by proxy. Resolutions will be adopted by absolute majority of the members present at the meeting in person or by proxy. In the event of a tie, the Chairman will have the casting vote. The members of the Committee may extend proxies to other members. The resolutions of the Audit and Compliance Committee will be recorded in a minutes book, each entry in which will be signed by the Chairman and the Secretary.

Before they attend their first meeting, new members of the Audit Committee must complete an orientation programme that will quickly equip them with sufficient knowledge of the Company to be able to participate actively from the outset.

(CONTINUED IN SECTION H)

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	MR. FRANCISCO JAVIER CAMPO GARCÍA / MR CARLOS EGEA KRAUEL / MR JOSÉ LUIS FEITO HIGUERUELA / MR FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS / MR. ANTONIO GREÑO HIDALGO
Date of appointment of the chairperson	27/03/2020

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year 2020		Year 2019		Year 2018		Year 2017	
	Number	%	Number	%	Number	%	Number	%
RISK ADVISORY COMMITTEE	1	25.00	1	25.00	1	33.33	1	33.33
APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE	2	50.00	2	50.00	1	25.00	0	0.00
REMUNERATION COMMITTEE	1	25.00	1	25.00	1	25.00	1	25.00
TECHNOLOGY AND INNOVATION COMMITTEE	2	20.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
BOARD RISK COMMITTEE	1	33.33	1	33.33	1	25.00	1	25.00
AUDIT AND COMPLIANCE COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

#### AUDIT AND COMPLIANCE COMMITTEE

The regulations governing the Audit and Compliance Committee are set out in the Bylaws (articles 44 and 46), in the Board of Directors Regulations (articles 12 and 14) and in the Audit and Compliance Committee Regulations.

The Audit and Compliance Committee Regulations were modified in 2020 to bring the Committee's functions into line with the provisions of the Good Governance Code of Listed Companies reviewed by the Spanish National Securities Market Commission (CNMV) in June 2020.

The Audit and Compliance Committee presented the Board of Directors with a report on its activities, detailing the tasks performed by the Committee in relation to the duties falling within its remit for 2019. This report was made available to the shareholders for the General Meeting of Shareholders held on 27 March 2020.

#### APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE

The regulations governing the Appointments and Responsible Management Committee are set out in the Bylaws (articles 44 and 47), in the Board of Directors Regulations (articles 12 and 15) and in the Appointments and Responsible Management Regulations.

The Appointments and Responsible Management Committee Regulations were modified in 2020 to bring the Committee's functions into line with the Good Governance Code of Listed Companies reviewed by the Spanish National Securities Market Commission (CNMV) in June 2020.

The Appointments and Responsible Management Committee also presented the Board with a report on its activities, detailing the tasks performed by this Committee in relation to the duties falling within its remit for 2019. This report was made available to the shareholders for the General Meeting of Shareholders held on 27 March 2020.

#### REMUNERATION COMMITTEE

The regulations governing the Remuneration Committee are set out in the Bylaws (articles 44 and 47 bis), in the Board of Directors Regulations (articles 12 and 15 bis) and in the Remuneration Committee Regulations.

The Remuneration Committee presented the Board with a report on its activities, detailing the tasks performed by this Committee in relation to the duties falling within its remit for 2019. This report was made available to the shareholders for the General Meeting of Shareholders held on 27 March 2020.

#### RISK ADVISORY COMMITTEE

The Risk Advisory Committee Regulations are set out in the Bylaws (articles 44 and 47 ter) and the Board of Directors Regulations (articles 12 and 16).

In the 2020 period, the Risk Advisory Committee regulations were not amended.

The Risk Advisory Committee presented the Board with an annual report on its activities, detailing the tasks performed by this Committee in relation to the duties falling within its remit for 2019.

#### BOARD RISK COMMITTEE

The regulations governing the Board Risk Committee are set out in the Bylaws (articles 44 and 48) and the Board of Directors Regulations (articles 12 and 16 bis).

In the 2020 period, the Board Risk Committee regulations were not amended.

The Board Risk Advisory Committee presented the Board with an annual report on its activities, detailing the tasks performed by this Committee in relation to the duties falling within its remit for 2019.

#### TECHNOLOGY AND INNOVATION COMMITTEE

The regulations governing the Technology and Innovation Committee are set out in article 14 bis of the Board of Directors Regulations.

On 27 May 2020 the Board of Directors resolved to amend the Board of Directors Regulations to include an article 14 bis, in order to regulate the functions, composition and rules of operation of the Technology and Innovation Committee. The Technology and Innovation Committee Regulations have not been amended between that date and the close of 2020.

The Bylaws, the Board of Directors Regulations, the Audit and Compliance Committee Regulations, the Appointments and Responsible Management Committee Regulations and the Remuneration Committee Regulations, as well as the compositions of the aforementioned Committees, are permanently available on Bank's website: [www.bankia.com](http://www.bankia.com) (in the "Corporate Governance and Remuneration Policy" section of "Shareholders and Investors" area).

**D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

**D.1.** Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

Article 35 of the Board of Directors Regulations

According to article 35 of the Board of Directors Regulations of Bankia, S.A., the Board of Directors must review any transactions the Company engages in, directly or indirectly, with directors, shareholders or persons related to them.

Engaging in such transactions will require authorisation of the Board, after a favourable report from the Audit and Compliance Committee. The aforesaid transactions will be evaluated from the point of view of equal treatment and market terms, and will be included in the periodic public reporting on the terms contemplated in the applicable regulations.

There will be no obligation to advise the Board, or seek the authorisation contemplated in the preceding section, in the case of transactions with shareholders that simultaneously satisfy the following three conditions:

- a) they are pursuant to contracts the terms of which are basically standardised and are customarily applied to customers contracting the type of product or service in question;
- b) they are at prices or tariffs established on a general basis by the party acting as the supplier of the goods or services in question or, when the transactions relate to goods or services for which there are no established tariffs, they are on customary market terms, comparable to those applied in commercial relationships maintained with customers with similar characteristics; and
- c) the amount is no more than 1% of the Company's annual revenues.

Transactions with directors will at all times be subject to the authorisation of the Board of Directors, except in the case of credit, loan or guarantee transactions the amount of which is not more than the amount determined by the Board of Directors, simultaneously satisfying conditions (a) and (b) as set forth in the section above.

Directors will be in breach of their duty of loyalty to the Company if, with prior knowledge, they allow or fail to disclose the existence of related-party transactions not subject to the conditions and oversight referred to in Article 35 of the Regulations.

In 2020, prior to approval by the Board of Directors, the Audit and Compliance Committee reported on the transactions that, in accordance with article 35 of the Board of Directors Regulations, are considered related-party transactions.

Framework agreement

With respect to relations between Bankia and BFA, on 28 February 2018, the entities signed a Framework Agreement, providing, inter alia, that the relations between Bankia and BFA in effect at that time, and any relations, services or transactions that might be arranged in future, will be referred to as the "Related-Party Transactions". For the purposes of the Framework Agreement, "related-party transactions" means the performance, between the parties, of any financial or non-financial transaction, service, transfer, acquisition or investment or disposal concluded directly between them or through any companies belonging to their consolidated groups. Bankia and BFA undertook to ensure that any intra-group service or transaction will always have a contractual basis and, subject to the provisions of each individual contract, that all related-party transactions are governed by the general principles set out in the Framework Agreement.

The Framework Agreement is available for consultation on the corporate website ([www.bankia.com](http://www.bankia.com)).

**D.2.** Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of the significant shareholder	Name or company name of the company or group entity	Nature of the relationship	Type of transaction	Amount (thousands of euros)
No data				N.A.

No significant shareholder or any party related thereto concluded relevant transactions with the Bank outside the ordinary course of business or not at arm's length, in accordance with Order EHA/3050/2004 of 15 September 2004, on related-party transactions to be disclosed in half-yearly reporting by issuers of securities listed on official secondary markets.

**D.3.** Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name or company name of the directors or executives	Name or company name of the company or group entity	Relationship	Nature of the transaction	Amount (thousands of euros)
No data				N.A.

See note 43 of the separate financial statements and note 46 of the consolidated financial statements for 2020 of Bankia, S.A. as a supplement to this section and notwithstanding the fact that they are not related-party transactions for the purposes of the provisions of Order EHA/3050/2004 of 15 September 2004, on related-party transactions to be disclosed in half-yearly reporting by issuers of securities listed on official secondary markets.

None of the members of the Board of Directors or other member of the senior management at the Bank, or any company at which these individuals are directors, members of senior management, significant shareholders or any parties related thereto, have carried out any transactions that were outside the Company's ordinary course of business, not performed on an arm's length basis or relevant to the Bank, as far as the Bank is aware, pursuant to Order EHA/3050/2004 of 15 September 2004, on related-party transactions to be disclosed in half-yearly reporting by issuers of securities listed on official secondary markets.

**D.4.** Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the transaction	Amount (thousands of euros)
No data		N.A.

There have been no transactions with such characteristics.

**D.5.** Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N.A.

There have been no transactions with such characteristics.

**D.6.** List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

Article 32 of the Board of Directors Regulations regulates conflicts of interest that may affect directors, providing for an obligation on directors to notify the Board of Directors of any direct or indirect conflict they, or persons related to them, may have with the interests of the Bank. Also, per article 31 of the Board of Directors Regulations, directors must refrain from deliberating or voting on any resolutions or decisions in which they, or persons related to them, have a direct or indirect conflict of interest.

In addition, under the scope of the Internal Rules of Conduct in the Securities Markets (RIC), article 37 establishes the duties of covered persons and article 38 the general rules for managing conflicts. The mechanisms for detecting conflicts of interest are based fundamentally on the obligation to disclose any situation of conflict of covered persons to the Regulatory Compliance Department .

Moreover, the Bankia Group has a Code of Ethics and Conduct which must be complied with by all persons who have any type of professional relationship with the group. The purpose of the Code of Ethics is to establish ethical principles and general rules that shape the activities of the Group and the individuals subject to the Code, both within the Group and in dealings with clients, partners, suppliers and any individuals and public and private companies with which the Group has direct or indirect relations.

The Group has a Confidential Whistleblowing Channel, where the staff can report any breach of the Code of Ethics and Conduct, involving directors, employers or suppliers. The Ethics and Conduct Committee is ultimately responsible for resolving conflicts of interest and its decisions are binding.

To resolve possible conflicts of interest between BFA and other group companies, efforts have been made to promote best practices in good governance in respect of relations between BFA and Bankia, including the signing of a Framework Agreement in 2011, which was updated on 28 February 2014. The objectives of this agreement are (i) to establish relations between both entities and between their respective group companies and ensure an adequate level of coordination, thereby minimizing and regulating each company's areas of activity - at arm's length - and any potential conflicts of interest that could arise in the future, (ii) to regulate the procedure to be followed should the members of Bankia's Board of Directors find themselves in a situation that conflicts directly or indirectly with the interests of BFA, establishing the obligation to declare this situation of conflict and refrain from taking part in the deliberation and discussion on the relevant decisions, and (iii) to regulate information flows between Bankia and BFA to ensure both parties comply with their statutory, accounting, tax and reporting obligations. In the event that a director is a member of the Boards of both BFA and Bankia, they must refrain from being involved in the matters set forth in the Framework Agreement.

Regarding related-party transactions, the Framework Agreement establishes that such transactions will be governed by the principles of transparency and the provision thereof on reasonable and equitable market terms, preferred treatment, diligence and confidentiality. Bankia's Audit and Compliance Committee will formally issue its opinion, by means of a report to the Company's Board of Directors, on whether the related-party transactions are at arm's length. Following a favourable report from the Audit and Compliance Committee, the Board of Directors will approve all related-party transactions. Section 6.6 of the aforementioned Framework Agreement establishes the requirements to be met in the event that Bankia grants financing to BFA.

In addition, on 17 December 2015, the Board of Directors approved the Conflicts of Interest Policy of Bankia, S.A., which sets forth the procedures for preventing conflicts of interests.

The Conflicts of Interest Policy was updated by the Board of Directors on 24 April 2020. In line with said Policy, a conflict of interest is understood to exist when there is a direct or indirect contradiction, clash and/or incompatibility between the corporate interests of Bankia or any other Group company and the interests of its (i) directors, (ii) senior management, (iii) shareholders, (iv) employees, (v) suppliers and (vi) customers; as well as any third parties related directly or indirectly thereto; or between customers.

D.7. Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

[  ] YES  
[  ] NO

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

[  ] YES  
[  ] NO

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

As noted in Section A of this Report, BFA Tenedora de Acciones S.A.U. held shares representing 61.829 % of Bankia's share capital at 31 December 2020.

In general terms, Bankia materially performs and provides to BFA the activities and services specific to the Deputy General Directorate of the General Secretariat, the General Directorate of People, Resources and Technology, the Deputy General Directorate of Communication and External Relations, the groups reporting to the Chief Executive Officer and, in general, any other general management and administration services as may be agreed on by BFA in the future.

On 28 February 2014, the two entities entered into the Framework Agreement governing the relations between BFA and Bankia, with a view to defining the mechanisms necessary, within the legal limits, to (i) ensure an appropriate level of coordination between Bankia and BFA and the Group companies at all times, and (ii) to manage and minimize any situations that may give rise to potential conflicts of interest between the BFA and Bankia (in particular, within the context of related-party transactions), while ensuring due respect for and protection of the interests of the BFA and Bankia shareholders, in an atmosphere of transparency in dealings between the two entities.

The Framework Agreement is available on the corporate website ([www.bankia.com](http://www.bankia.com)).

The Framework Agreement may be implemented in the form of the relevant service level agreements and, for such purpose, the two entities executed a Service Level Agreement 2011, subsequently replaced by another Agreement dated 31 October 2014. The above Agreement seeks to identify and regulate the services and activities to be materially provided and performed by Bankia in favour of BFA (concerning the activities and services specific to the Deputy General Directorate of the General Secretariat, the General Directorate of People, Resources and Technology, the Deputy General Directorate of Communication and External Relations, the groups reporting to the Chief Executive Officer and, in general, any other general management and administration services as may be agreed on by BFA in the future. Moreover, it aims to set out the general criteria for the provision of services between related parties on reasonable and equitable market terms, and to determine the mechanisms to ensure the proper flow of information between the parties in order to meet their management needs and obligations with the relevant regulators.

Meanwhile, on 24 January 2019, following a favourable report from the Audit and Compliance Committee, the Company's Board of Directors approved the signing of an agreement on the management of the FROB's indirect interest in Bankia, via BFA Tenedora de Acciones, S.A.U., executed on 25 January 2019. This agreement aims to specify the terms governing the relationship between Bankia, BFA and the FROB for the management by the FROB of its stake in Bankia, via BFA, whereby such management seeks to recover the subsidies granted to Bankia, ensuring the most efficient possible use of public funds and seeking to safeguard the stability of the financial system, in line with the applicable legislation on the resolution of credit institutions.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

In line with the provisions of the Framework Agreement and during such time as it remains in force, Bankia's Board members must avoid any potential direct or indirect conflicts of interest with the interests of BFA, serving notice on the Board of Directors, which, where such conflicts prove inevitable, will take the relevant action. In the event of conflict, the director affected must leave the meeting room, refraining from intervening in the Board's deliberations and decisions on the matter to which the conflict refers.

In any event, the proprietary directors representing BFA must leave the meeting room, refraining from the deliberations and decisions to be adopted by the Board of Directors in line with the Framework Agreement on the subject of related-party transactions and conflicts of interest.

In the event that a director is a member of the Boards of both entities, they must, needless to say, refrain from intervening in the matters set forth in the Framework Agreement.

**E. RISK MANAGEMENT AND CONTROL SYSTEMS**

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**E.1. Explain the scope of the company's Risk Management and Control System, including tax risk.**

Risk management is a strategic pillar of the organisation. The primary objective of risk management is to safeguard the Group's financial stability and asset base, while creating value and developing the business in accordance with the risk tolerance and appetite levels set by the governing bodies. For this purpose, it provides the tools to enable the valuation, control and monitoring of the different risks to which the Group is exposed. The Group's risk strategy is implemented with the aim of guaranteeing stable and recurring earnings, with an overall medium-low risk profile. The key pillars of this strategy are:

1. An efficient internal control framework based on a three lines of defence model governed by the following general principles including its scope, covering all types of relevant risks for the Group as a whole, independence of the risk function and the commitment of senior executives, adapting behaviour to the highest ethical standards and strict compliance with laws and regulations:
2. Efficient risk governance.
3. An organisational model that is consistent with the general principles of the function and has a transparent organisational structure in which functions and responsibilities are clearly assigned, encompassing senior executives right down to the lower levels of the Entity, with a responsible management team and an active internal control system, in which the Board of Directors is the body responsible for determining the risk control and management policies, as well as supervising the effectiveness of internal control.

Accordingly, the Group's risk management and control model is based on the three lines of defence approach, the main functions and responsibilities of which are:

- The first line of defence comprises the risk management directorates, owners of the risk processes and those responsible for carrying out the controls established in the first line of defence. Specifically, it comprises both the business units and any of the Entity's units that assume risks. These Directorates will perform their activities in compliance with the Group's risk profile, based on the risk appetite and approved policies.

In order to carry out its function of managing the risks on a daily basis within the scope of its activity and responsibility, the first line of defence avails of the means to identify, measure, address and report the assumed risks, applying adequate control and reporting procedures based on the Internal Control Framework in place and the procedures for monitoring the risk limits approved in the Risk Appetite Framework and the Group's policies.

- The second line of defence comprises the Directorates that oversee the risks and define the controls mitigating them, and is composed of the Corporate Risk Directorate and the Corporate Directorate of Regulatory Compliance.

In April 2015, the Board of Directors appointed the Group's Chief Risk Officer ("CRO"), setting the conditions necessary for performance of the function, the main responsibilities, and the rules and powers for appointment and removal. The status reinforces the independence of the Chief Risk Officer, who must maintain constant functional reporting with the Risk Advisory Committee and its Chairman. The CRO also has regular, direct two-way access to senior executives and the governing bodies. Under its management, the main activity of the Corporate Risk Directorate is to carry out the monitoring, control and supervision of all the Group's risks, from a global and forward-looking perspective and, to this end, to maintain a permanent dialogue with the Board of Directors, through the Risk Advisory Committee.

The Corporate Directorate of Regulatory Compliance is responsible for identifying and assessing the risk of non-compliance, by verifying compliance with internal policies and procedures and by exercising adequate controls and coordinating the preparation and implementation of action plans focused on mitigating the risk of non-compliance, reporting the results of this activity to senior executives. It is also responsible for maintaining dialogue with the regulatory and supervisory bodies.

- The third line of defence comprises the Corporate Directorate of Internal Audit. Internal Audit is an independent and objective assurance and consultation function, created to add value to and enhance the Group's operations. Its mission is to improve and safeguard the value of Bankia and its Group, providing objective assurance, advice and risk-based knowledge, helping the Group to meet its objectives by providing a systematic and disciplined approach towards assessing and enhancing the efficiency of the governance, risk management and control processes.

(CONTINUED IN SECTION H)

**E.2. Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.**

On 26 June 2013, the European Council approved a regulation which, from 1 January 2014, made application of the capital agreements known as BASEL III effective for the entire European Union. This regulation takes the form of a Capital Requirements Directive and a Capital Requirements Regulation, known as CRD IV and CRR, respectively.

One of the main features of this legislation when compared to previous regulations is the introduction of Corporate Governance as a core element of risk management. In this regard, Bankia fits completely with the spirit of the new regulation, with its governing bodies assuming responsibility for the oversight and control of risks:

- The Board of Directors is the highest governing body. It determines and approves the general internal control strategies and procedures, as well as the policies for assuming, managing, controlling and reducing the risks to which the Group is exposed. It has several internal committees, which are attributed different risk control and monitoring responsibilities.
- The basic responsibilities of the Audit and Compliance Committee include overseeing the efficiency of the internal control of the entity, the internal audit, where appropriate, and the risk management systems. Specifically, it is responsible for regularly reviewing internal control and risk management systems in order to properly identify, manage and report the main risks.
- Risk Advisory Committee. Article 38 of the Law on the Regulation, Supervision and Solvency of Credit Institutions (LOSSEC) establishes the need to create a Risk Committee whose members do not have executive duties. Therefore, in 2014, the Board Risk Committee was relieved of functions not related to authorisation of transactions (non-executive). These have been transferred to the new Risk Advisory Committee, whose functions include both those transferred from the Board Risk Committee and those envisaged in Royal Decree 84/2015, implementing the LOSSEC. The Risk Advisory Committee is currently the body responsible for overall risk management, taking the related decisions in accordance with the powers delegated to it and tasked with establishing and supervising compliance with the control mechanisms for the various types of risk, without prejudice to the supervisory authority legally corresponding to the Audit and Compliance Committee.
- The Board Risk Committee, with executive power and authority to approve the most significant transactions, may establish, as authorised by the Board of Directors, the overall limits in order for lower-ranking bodies to approve other transactions. Credit risk, the risk approval structure and any risks that, due to their amount, are reserved for the Board Risk Committee, are determined by the existing risk segments at any given time and the levels classified in accordance with their credit rating ("rating" or "scoring") based on models endorsed by the supervisor.

The organisational model described is rounded out by a number of committees, including:

- a) Management Committee. This committee is presented with the documentation analysed at previous meetings of the organisation's various units. Under the scope of the Risk Appetite Framework, this committee is in charge of proposing the pertinent measures when limits are approached.
- b) Capital Committee. Among this committee's responsibilities are the monitoring of the regulatory framework and its potential impact on the Group's regulatory capital, and the monitoring and analysis of the main capital ratios and their components, as well as the leverage ratio. It also monitors any capital initiatives carried out within the Group and the main changes in RWAs.
- c) Assets and Liabilities Committee. This committee is in charge of monitoring and managing structural balance sheet and liquidity risks, reviewing the balance sheet structure, business performance and market performance, as well as the financial scenario, product profitability, earnings, etc. bearing in mind the policies and authorities approved by the Board of Directors. This committee must also decide on investment and hedging strategies that enable risks to remain within the approved limits, and also the budget for the year.
- d) Risk Committee. This committee oversees the operations under its remit and performs a preliminary analysis and assessment of all credit risk which must be resolved by high-ranking levels (Board of Directors and the Board Risk Committee). It is also in charge of designing a risk authorisation system and interpreting regulations to improve operations in accordance with general criteria approved by the Board of Directors.
- e) Provisioning Committee. Its responsibility is to ensure compliance with prevailing standards for recognising impairments for credit risk, approve the framework of risk classification policies, criteria and approaches and allowances under the general framework of policies established by the Board of Directors.
- f) Models Committee. The main function of this committee is to provide the Board of Directors with a proposal for approving the new models and expanding/modifying already existing models, as well as to provide a proposal for approving the model implementation plan.

(CONTINUED IN SECTION H)

**E.3.** Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

Using the conventional classification of risks generally used in the financial sector, Bankia analyses, measures and manages the following risks:

#### Credit risk

Understood as the risk of loss arising from the failure of a counterparty to meet its contractual obligations. This is the Entity's main risk.

Loans and advances to customers are in line with the last year in terms of the breakdown between the wholesale segment (38%, including the public sector) and the retail segment (62%).

Personal mortgages account for 53% of gross lending.

The credit risk affecting the total loan investment in the property development portfolio is 0.5% and is highly provisioned.

#### Market risk

Market risk is the risk of loss caused by adverse fluctuations in prices of the financial instruments in which the Entity operates. Another risk related to market risk is the market liquidity risk.

Activity in financial markets also exposes the Entity to market liquidity risk, which arises from difficulties closing or covering positions due to an absence of counterparties in the market, causing the price to be adversely affected in the event of sale.

#### Structural interest rate risk

Structural interest rate risk relates to potential losses in the event of adverse trends in market interest rates. Interest rate fluctuations affect both net interest income and equity. The intensity of the impact depends to a large extent on the different schedule of maturities and the repricing of assets, liabilities and off-balance sheet transactions.

#### Liquidity and financing risk

Structural liquidity risk is defined as uncertainty, in adverse conditions, regarding the availability of reasonably priced funds that allow for punctual compliance with commitments undertaken by the entity and for the financing of investing activity growth. The entity has a broad range of metrics for managing and controlling this risk. In addition to the various metrics, the entity has a clearly established Contingency Plan, which identifies the alarm mechanisms and the procedures to follow in the event said plan is activated.

#### Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but not reputational risk.

#### IT and cybersecurity risk

A business risk arising from the use, ownership, operation, participation in and influence and adoption of IT systems at the organisation. Within IT risk, cybersecurity risk is the risk of breaches of the confidentiality, integrity or availability of the organisation's data and IT systems.

#### Reputational risk

Reputational risk is expressed as the probability of incurring losses due to the occurrence of any event that fails to meet stakeholder expectations to the point that this undermines the level of recognition obtained or prevents the desired level from being reached, resulting in an adverse attitude and/or behaviour that could have a negative impact on the business.

The Entity's approach includes mechanisms to assess, measure and manage new risks, enabling the Entity to respond quickly and efficiently to adverse situations that could pose reputational risk and result in financial losses. In this respect, the new corporate risk culture has led to a more demanding and rigorous risk management model embedded in the Entity's strategy and organisation that ensures comprehensive treatment of risks.

#### Tax risk

In view of the possibility of sustaining a higher-than-expected tax impact on transactions, the reform to the Spanish Corporations Act included a series of measures designed to improve corporate governance, such as Tax Risk Management (TRM). Listed companies are obliged to manage tax risk appropriately and the Board of Directors of such companies is ultimately responsible in this respect.

### E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

The entity has a Risk Appetite Framework approved by the Board of Directors.

Risk appetite is understood as the amount and type of risk the Entity is willing to assume in its activity in order to meet its objectives, complying with regulatory restrictions and the commitments undertaken. The Risk Appetite Framework establishes a set of elements that provide a complete view of the levels of appetite, tolerance and capacity for each of the risks and the comparison between same and the Entity's risk profile.

Furthermore, the Board of Directors approved the Capital Planning Framework which, together with the Risk Appetite Framework, sets out the Entity's strategic lines of action with respect to risk and capital in normal business circumstances. Both processes shape the planning of the Entity's activities and businesses.

The Recovery Plan (also approved and effective since February 2015) establishes the potential measures to be adopted in a hypothetical crisis situation. The measures would be triggered if the predefined level of any of the selected indicators in the plan were exceeded. They are consistent with those determined by the tolerance levels in the RAF.

Thus, the Board of Directors approved the necessary changes to the Risk Appetite statement, developing the relationship between the RAF and the Strategic Plan, Business Model, Capital Planning, Recovery Plan and Budget, bringing the indicators into line with the various requirements of the supervisory authorities and the risk control and monitoring needs.

**E.5. Indicate which risks, including tax risks, have materialised during the year.**

The Bankia Group reduced doubtful exposures by EUR 142 million, closing 2020 with a balance of EUR 5,721 million.

The decrease in the doubtful portfolio led to a reduction in the NPL ratio for loans and receivables to 4.70%

Also, worth noting is the breakdown of doubtful assets. At the close of 2020, 36% of assets were classified in the doubtful category based on subjective criteria or are in the "curing" period. Accordingly, no loans in this portfolio are past-due entailing objective default, nor have any refinancing agreements been reached with customers and, therefore, there is an apparent willingness to pay. This must be verified over a period of at least six months, but can be extended to the entire grace period where applicable.

**Counterparty risk**

To mitigate the risk of trading in derivatives with financial and non-financial institutions, Bankia has entered into CMOF or ISDA framework contracts, which enable it to net negative and positive positions of the same counterparty. At 31 December 2020, there were 2,040 netting agreements. In addition, Bankia has collateral agreements (Appendix III of CMOF and CSA) to mitigate exposure of collateralisation to the market value of positions with the contribution of cash or bonds. There are currently 234 collateral agreements signed (121 derivatives, 75 repos and 38 securities loans). These agreements reduced the credit risk of the derivatives activity by 92.66%.

The valuation adjustment as at 31 December 2020 was EUR 56,373 million.

**Market risk**

Bankia's average VaR in 2020 was EUR 1.48 million, with a maximum of EUR 2.87 million and a minimum of EUR 0.76 million.

Interest rate VaR (EUR 0.66 million, including volatility) accounted for the largest share of average VaR, followed by credit spread VaR (EUR 0.47 million).

**Structural interest rate risk**

Low interest rates have had an adverse impact on the entity's net worth and its financial margin in line with similar entities. The entity has in place policies and a framework concerning limits that enable it to measure and control the interest rate risk and maintain risk levels consistent with prudent management.

**Liquidity and financing risk**

The average liquidity and funding position by volume of liquid assets and status of regulatory ratios remained strong throughout the year and compatible with a low risk profile.

**Operational risk**

The operational risks materializing in 2020 amount to EUR 48.7 million. The most important operational risks relate to "client practices, products and businesses" (EUR 17.9 million), "execution, delivery and process management" (EUR 16.4 million) and "external fraud" (EUR 7.6 million). These data do not include non-recurring losses relating to past behavioural risks (Annulled Shares, Preference Shares, Floor Clauses, Formalisation Expenses, etc.) with legal proceedings that are still in progress and are exceptional in nature.

Losses from operational events include penalties, interest or surcharges arising from tax-related proceedings against the Bank.

**E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise**

The entity operates a Risk Appetite Framework that sets the desired and maximum levels of risk that the Group is willing to accept. The Risk Appetite Framework is approved annually by the Board of Directors, while the Risk Advisory Committee is responsible for advising the Board on the Company's current and future overall risk appetite and strategy. With advice from the Risk Advisory Committee, the Board also approves policies for the various risks to which the Entity is exposed. The Risk Appetite Framework and the Policies are reviewed annually to update the desired and maximum levels of risk indicators, add any further suitable tracking metrics and cover any new relevant aspects required by regulations or new risk trends and challenges.

Credit Risk. Credit risk is managed within the limits and guidelines established in the credit risk policy. It is supported by a set of tools that can be classified according to their functionality into the following categories:

- Risk classification.
- Risk quantification.
- Risk projection.
- Risk-adjusted return (RAR).
- Business revitalisation.
- Recovery management.
- Concentration risk management.

Counterparty risk. The following overall limits are established to control Counterparty Risk:

Overall Risk Limit (risk ceiling from all of Bankia's operations with financial institutions), Foreign Trade Framework (ceiling associated with foreign trade) Fixed-income Underwriting Framework (covers underwriting for different issuers assuming final assumption of zero), Limit on Trading in Government Debt (ceiling on all Bankia's trading with an issuer that is a state-owned entity), Limit on Trading in Fixed Income (fixed-income transactions with private issuers for the trading portfolio) Alco Portfolio Limit (structural portfolio allowing for fixed-income investment), and Derivatives Lines for Non-Financial Institutions (individual limits per counterparty).

To mitigate counterparty risk, the Entity performs a daily analysis of exposures to counterparties in order to assess cumulative risk and control potential excesses, periodically reconciling the derivative portfolios of each counterparty and calculating daily the margins to be exchanged with counterparties that have a collateral agreement signed. In addition, it calculates, on a daily basis, the credit value adjustment (CVA), which measures the adjustment to be made to the value of derivatives assuming that they are risk-free to obtain a value adjusted for the risk of counterparty default.

Market risk. Market risk is controlled through the establishment of limits based on VaR, calculated using the historical simulation method, sensitivity, maximum loss and size of the position. These limits are established according to the maximum exposure approved annually by senior management and notified to the different areas and business centres.

The main tools used to measure and control market risk are, on the one hand, VaR with a 1-day time horizon and a 99% confidence level and, on the other, sensitivity. The main movements in market factors used in sensitivity analysis are interest rates, equity prices, exchange rates, volatility and credit spreads.

Structural interest rate risk. The Entity has a structural risk management policies and procedures framework under which it monitors regulatory and other, stricter internal limits. Based on this, it controls and monitors the sensitivity of the interest margin and the value of its assets and liabilities by simulating different interest-rate scenarios to complement regulatory scenarios. The measurement scheme covers the entire balance sheet (focusing on the impact of changes in interest rates on profit or loss) and on portfolios of held-to-maturity financial assets (mainly fixed income).

#### Liquidity and financing risk

To monitor this risk, the Entity has management policies and procedures in place that enable it to identify, measure, monitor and control the risks inherent in the management of liquidity and financing. The analysis includes different approaches, the liquidity gap in accordance with maturity and the financial structure, including the current/non-current ratio, as well as the calculation of different liquidity coverage ratios, underpinned by the regulatory liquidity ratio, based on different assumptions.

In addition, the Entity has a clear Liquidity Contingency Plan, identifying the alert mechanism and procedures to be observed where necessary.

(CONTINUED IN SECTION H)

**F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)**

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Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system. **F.1. The entity's control environment**

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

Article 4 of the Entity's Board of Directors Regulations expressly states that the Board must provide the markets with prompt, accurate and reliable information ("particularly on ownership structure, substantial amendments to governance rules, trading in treasury shares and particularly significant related-party transactions"), and approve the financial reporting the Company must publish regularly.

In addition, article 36.2 of the Board of Directors Regulations stipulates that "The Board will adopt the measures necessary to guarantee that quarterly, semi-annual and any other financial information that is disclosed to the markets is prepared in accordance with the same professional practices, principles and policies as the annual financial statements and is equally reliable."

Meanwhile, the Audit and Compliance Committee's responsibilities include, inter alia, supervising the preparation and filing of regulatory financial information and, in particular, reviewing the Company's accounts.

The Board of Directors has delegated responsibility for overseeing the proper functioning of the ICFR to the Audit and Compliance Committee .

With respect to the above risk management and control oversight duties, the Audit and Compliance Committee has regard to the criteria of the supervisory authorities regarding anti-corruption and other irregular practices and the identification, management and control of the potential related impacts, acting with the utmost rigour.

Senior Management is responsible for designing and implementing the ICFR through the Deputy General Directorate of Finance, taking the steps required to ensure that it operates correctly, as well as through the other departments involved, which must cooperate with the Deputy General Directorate of Finance.

The Group has an Internal Control over Financial Reporting Policy (the "ICFR Policy"), approved by the Board of Directors, which describes the tools and internal risk management and control systems related to the process of publishing financial information and the related oversight.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Organisation Department is responsible for defining, proposing for adoption and implementing, in accordance with the established regulatory requirements, strategic guidelines and policies, the structure, scale and functions of the Bank's different organisational groupings, as well as the operational procedures and circuits regulating the performance of these functions, in order to achieve the most efficient distribution possible of functions and resources.

It is also responsible for defining and making any changes to the functions attributed to the Bank's groupings, upholding the principles of segregation of duties and organisational efficiency, as well as preparing and keeping up to date the Bank's Operations Manual and publishing the organisational chart on the intranet, together with the Process Map, which provides an overall, high-level view of the Bank's key processes. Specifically, the latter provides information on the activities carried out, the parties involved and the systems and tools used in the various processes.

Such updates are duly approved by the relevant party in accordance with the system of Human Resources and organisation-related delegated responsibilities and authorities in place and duly communicated to the organization.

Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

The Bankia group has a Code of Ethics and Conduct, approved by the Board of Directors, constituting one of the essential pillars of its System of Corporate Governance in order to create a corporate culture and encourage conduct based on its corporate values: integrity, professionalism, commitment, proximity and focus on achievement.

The Code of Ethics and Conduct is a mandatory regulation that seeks to regulate the types of conduct permitted and prohibited by the Entity and set out the ethical principles and general rules guiding the actions of the Group and the people included within the relevant scope of application. The Code of Ethics and Conduct governs relationships both within the Company and with customers, suppliers, shareholders and any other parties that have dealings with Bankia. It sets the standards that must guide their conduct in their daily work and in their decision making. It sets forth the rules and guidelines of professional conduct applicable to all of the Entity's employees and directors and all of the Bankia Group's businesses and activities. With respect to the recognition of transactions and the preparation of financial information, the Code of Ethics and Conduct refers to a commitment to compliance with the entity's policies, procedures and controls in order to meet international requirements and good practices. Moreover, Principles 3 and 4 (Protection of Bankia's Assets and Information Security) notes that information must be used solely for the pursuit of professional activities, observing suitable measures to safeguard the company's information.

Bankia's Board of Directors and governing bodies are responsible for ensuring all activities focus on this goal, dealing with potential breaches and, if needed, taking corrective measures as and when required through the competent bodies.

All people to whom the Code of Ethics and Conduct applies have received a copy. It has also been published on the corporate intranet and on the Company's website. In addition, a specific training programme has been set up for all professionals of the Entity. The objectives of this programme include teaching such professionals how to apply the Code of Ethics and Conduct correctly and report any conduct that breaches the Code by using the Confidential Whistleblowing Channel. Alongside the Code of Ethics and Conduct, there are the Internal Rules of Conduct for Securities Markets, with which employees must be familiar and comply in line with the prevailing securities market legislation, and which is signed by company employees on joining.

Bankia has an Ethics and Conduct Committee, whose functions are determined by the Board of Directors, including: adopting the measures necessary to handle ethically questionable conduct; overseeing compliance with the Code of Ethics and Conduct; and performing annual assessments of the degree of compliance with the Code and drafting reports for Senior Management.

Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential:

The Bankia Group has a Confidential Whistleblowing Channel, provided for in the Code of Ethics and Conduct, which all of the Group's employees and suppliers may use to file a confidential and anonymous (where so requested) written report on any possible financial or accounting irregularities that may potentially be relevant, or on any other conduct breaching the Code of Ethics and Conduct detected at any Bankia Group company.

The regulations governing the above Channel have been approved by the Audit and Compliance Committee, setting out the mechanisms for receiving, filtering, classifying and handling reports submitted, all in accordance with the criteria issued by the Spanish Data Protection Agency in this respect, and guaranteeing confidentiality, managed as it is by an external firm with broad experience in the field, which refers any complaints, queries or suggestions to the Ethics and Conduct Committee.

Both the Code of Ethics and Conduct and the Whistleblowing Channel are core elements of the crime prevention and detection model.

The Committee on Ethics and Conduct provides the Audit and Compliance Committee with an activity report at the end of each period, and regularly reports on the functioning of the Whistleblowing channel, in particular on the number of reports received, their origin and type, the results of the inquiries and the proposed actions.

Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

Bankia has established mechanisms to ensure that the individuals directly involved in collating financial information and preparing and reviewing financial reporting have the professional skills and competence to perform such duties. In this respect, these individuals are continuously updated on the prevailing legal requirements

Bankia's Personnel Strategy and Policy Department oversees the Group's training activities and programmes, and keeps an up-to-date record of all training courses delivered and the content thereof. Specifically, regular training and refresher courses are provided to personnel involved in the ICFR and its oversight, covering, at least, accounting standards, auditing, internal control and risk management.

The Internal Control System for Financial Information Policy is available to all employees on the corporate intranet, as is a specific online learning module on the ICFR, which was completed by 24 employees in 2020, joining the 22 in 2019 and the 188 employees trained between 2014 and 2017.

The aim of the course is to strengthen the culture of internal control at the organisation, based on the principles and good practices recommended by the CNMV, broken down into three sections: Establishing the (domestic and international) legislative framework applicable to ICFR. The objective of the course is to enhance the culture of internal control in the organization, based on the principles and best practices recommended by the CNMV, and is structured in three parts: regulatory framework for implementation to SCIIF; introduction to internal control and deepening the system of internal control implemented at the Bank, making known to people involved in the process of preparing financial information the importance of identifying and implementing instruments and mechanisms that contribute to ensuring their reliability; methodology implemented in Bankia, obligations and responsibilities of SCIIF participants, self-assessment and certification processes, as well as explanation of the computer support tool.

In addition to this training, additional training activities may be carried out throughout the year in the face of specific needs arising as a result of regulatory/regulatory changes, or by express requests from different areas of the organization. During the 2020 financial year, training has been provided on IFRS 9 - SPPI Test, mainly members of the Directorate-General Deputy Private Banking and the Corporate Directorate of Innovation and Cybersecurity.

In this respect, the Deputy General Directorate of Finance is in charge of awareness-raising and updating, ensuring that the staff involved in ICFR have the necessary knowledge to perform their duties and responsibilities. Such actions concern any additions or changes to the persons in charge of ICFR, and the identification of any changes to processes, risks or controls arising both internally and externally.

## **F.2. Assessment of risks in financial reporting**

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

Bankia has developed a procedure to identify material areas, relevant processes and potential risk events (including the risk of errors and fraud) that may significantly affect the Group's financial information.

This process is documented, setting out the frequency, methodology, types of risks, controls performed, and the frequency and supervisors of such controls, and the Deputy General Directorate of Finance is responsible for designing, implementing, maintaining and periodically updating said process, to this end drawing on the collaboration of the rest of the departments involved in the ICFR.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often:

This procedure, which has been designed with regard to all financial reporting objectives (existence and occurrence, integrity, valuation, presentation, breakdown and comparability, rights and obligations), is updated once a year, using the latest financial information, as well as wherever any previously unidentified circumstances arise that indicate the risk of significant errors in the regulated financial information, or where there are any material changes in operations that may uncover new material risks, calling for implementation of the pertinent mitigating controls.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

The Company has in place a monthly procedure for updating and verifying the consolidation perimeter performed by the Deputy General Directorate of Finance. This procedure is based on the Group's consolidation tool and enables Bankia to ensure any variations in the scope of consolidation in the different reporting periods are correctly included in the Group's consolidated financial statements. The Group's consolidation perimeter is reported on the corporate intranet every month.

The Board of Directors Regulations also authorise the Board of Directors to approve resolutions concerning the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might prove detrimental to the transparency of the Company and the Group.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The risk identification process takes account of the impact of other types of risks (e.g. operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that these could affect the Bank's financial reporting..

- The governing body within the company that supervises the process:

The Audit and Compliance Committee's duties include supervising the effectiveness of internal control and, specifically, periodically reviewing the internal control and risk management systems, so that the principal risks are identified, managed and appropriately disclosed.

### **F.3. Control activities**

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

As stated in section F.1.1, the Board of Directors has delegated the authority to oversee the correct functioning of the ICFR to the Audit and Compliance Committee.

The powers conferred on the above Committee are as follows:

1. Overseeing the effectiveness of internal control at the Company, seeking to ensure that the internal control policies and systems in place are effectively applied in practice, internal audit, regulatory compliance, the systems in place to manage and control financial and non-financial risk at the Company and, as the case may be, the Group, and discussing with the statutory auditor any material weaknesses in the internal control system that may have been detected in the audit, without jeopardizing its independence. To this end, where appropriate the Committee may make recommendations or submit proposals to the Board of Directors, including regarding the related follow-up period. With regard to information systems and internal control:

- Verifying the appropriateness and integrity of internal control systems and reviewing the appointment and replacement of those responsible for them.

- Reviewing and supervising the preparation and integrity of the financial information regarding the Company and, where appropriate, the Group, reviewing compliance with regulatory requirements, the appropriate definition of the consolidation perimeter and the proper application of accounting principles.

- Supervising and periodically evaluating the internal control and financial and non-financial risk management and control systems concerning the Company and, where applicable, the Group, including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption, to ensure that the key risks are identified,

managed and duly reported, regardless of the powers entrusted to the Risk Advisory Committee or other risk supervision committees.

-Establishing and supervising a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report (confidentially and, in certain cases, anonymously) any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the Company or its Group. Moreover, it will foster compliance with the Code of Ethics and Conduct approved by the company, overseeing the functioning of the Ethics and Conduct Committee within the scope of its powers, which will provide the Audit and Compliance Committee with an activity report at the end of each period.

-Establishing and supervising a system for preventing and detecting crimes that may result in criminal liability for the Company.

2. Supervising the preparation and filing of regulatory financial and non-financial information and submitting to the Board of Directors recommendations or proposals designed to safeguard the integrity of such information and, in particular:

-Reporting to the Board of Directors, in advance, on the financial and related non-financial information that the Company must publish periodically.

-Reviewing the Company's accounts to ensure compliance with legal requirements and proper application of accounting legislation and reporting on any proposals for changes to accounting standards and principles put forward by management.

In the interests of effective supervision, the committee must hold individual meetings with management and internal audit and maintain fluid communication with the statutory auditor for the purpose of analysing the following matters: the appropriateness of the scope of consolidation; any judgements, criteria, valuations or estimates that have a material impact on the financial statements and related non-financial reports; any changes in the significant criteria applied; where applicable, the reasons why in its public reports the Company uses certain performance measures instead of the measures defined directly by the accounting standards, the extent to which such measures provide useful information to investors and the extent to which the Company complies with international recommendations and best practice in this regard; any material weaknesses in internal control, any material adjustments identified by the statutory auditor or resulting from reviews performed by internal audit, and management's position on such adjustments, taking into account any demands sent in the current or a previous period by the Comisión Nacional del Mercado de Valores (CNMV), in order to ensure that the same incidents identified in those demands are not repeated in future financial statements.

-Reviewing issue prospectuses and any periodic financial information the Board is required to provide to the markets and market supervisory bodies.

The Deputy General Directorate of Finance's duties include, inter alia, overseeing accounting and tax management, and the preparation of the Bank's periodic financial statements, as well as the financial information disclosed to the markets and regulatory bodies.

Meanwhile, the Controller's Department is in charge of designing, implementing, ensuring, regularly updating and managing the ICFR, with the collaboration of the rest of the departments involved.

Responsibility for regulated financial information published within the time limits required by the regulations lies with the Deputy General Directorate of Finance:

-The preparation of regulatory half-yearly and annual financial information is the responsibility of the Controller's Department.

The preparation of quarterly financial information, as well as the Management report included in the regulated semi-annual and annual financial information, is the responsibility of the Directorate of Planning and Financial Management

The Annual Corporate Governance Report and the Non-Financial Statement attached to the Management Report within statutory annual financial reporting are prepared by the Deputy General Directorate of the General Secretariat and the Deputy General Directorate of Communication and External Relations, respectively.

When preparing this information, the Deputy General Directorate of Finance calls on the support of the departments responsible for collating certain supporting information that has to be disclosed in the periodic financial reports. In addition, once the information has been prepared, and before it is published, these departments are also required to review and give final approval of the information under their responsibility.

As part of the process of preparing half-yearly and annual reporting, the Controller's Department is responsible for designing the accounting circuits for recording transactions in the Bank and for applying key controls as specified in the accounting close process on the basis of defined materiality thresholds. In this preparation, control procedures have been defined and implemented that guarantee the quality of information and its reasonableness ahead of its presentation to management.

In this respect, the Corporate Directorate of Internal Audit is tasked with contributing, objectively and in an advisory capacity, to meeting the institution's goals, by systematically evaluating risk management and the oversight of the Bank's processes, issuing recommendations to improve their effectiveness.

The Audit and Compliance Committee is also involved in this review, notifying the Board of Directors, previously, of its conclusions on the financial and non-financial information that the Company must publish periodically.

Ultimately, the Board of Directors approves the financial information that the Company must periodically disclose. These duties are set forth in the Board of Directors Regulations, as described in point F.1.1 above. This approval is formalised in the minutes of the various Board and Committee meetings.

The description of the ICFR is examined by the Deputy General Directorate of Finance and the Corporate Directorate of Internal Audit.

Within the framework of the specific controls and activities regarding transactions that may significantly affect the financial statements, the Bankia Group has identified material areas and specific risks, as well as significant processes in these areas, differentiating between business processes and transversal processes, and has documented in detail each of the processes, flows of activities, existing risks, mitigating controls, the frequency thereof, and those responsible for carrying out these activities.

Critical areas and meaningful processes are determined by applying quantitative criteria, complemented by qualitative criteria, to the main figures of the consolidated public financial statements, taking into account the defined materiality thresholds.

The business processes identified affect the following critical areas:

- Financial assets held for trading.
  - Financial assets at fair value through other comprehensive income.
  - Financial assets at amortised cost.
  - Derivatives - Hedge accounting.
  - Investments in joint ventures and associates.
  - Non-current assets and disposal groups classified as held for sale.
  - Financial liabilities held for trading.
  - Financial liabilities at amortised cost.
  - Provisions.
  - Tax assets and liabilities.
- Commission earned on collection and payment services. The transversal processes identified are as follows:
- Accounting close.
  - Consolidation.
  - Judgements and estimates.
  - General IT controls.

Accordingly, the accounting close process includes the following phases:

- Accounting close. The accounting close entails review, analysis and control over the close of the individual financial statements.
- Preparation of financial statements.
- Process of planning, preparation and review of statutory public financial reporting.

The estimate and assumption process is supported by a specific Policy approved by the Board of Directors, the purpose of which is to address the most relevant elements subject to judgements and estimates, the classification thereof, generally used assumptions and/or estimates (be they objective or subjective) and the individuals responsible for making them. This policy applies to balances and transactions identified as significant within the Bankia Group and that entail estimates or assumptions to a significant degree due to the various tiers of the Group as a part of the process of preparing financial information, referring mainly to the following:

- The fair value of certain financial and non-financial assets and liabilities.
- Impairment and the classification by levels of certain financial assets, considering the value of the collateral received, and non-financial assets (mainly property), as well as contingent liabilities.
- Classification of financial assets, in the context of the assessment to determine whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and obligations and other long-term commitments.
- The estimation of the recoverable amount and costs to sell of non-current assets held for sale, investment property and inventories, based on their nature, condition and the purpose for which they are intended, acquired by the Group in payment of debt, regardless of the legal format pursuant to which they were acquired.
- The recoverability of recognised deferred tax assets.
- The estimation of the commitments included in the agreement for the sale of the CIU custodian business.
- The useful life, right-of-use value and recoverable amount of tangible and intangible assets.
- The assumptions used to quantify certain provisions and the probability of occurrence of certain losses to which the Group is exposed due to its activity.

The supervisor of each of the affected areas is responsible for preparing the estimates. Moreover, within the framework of the process of preparing the regulated financial information, the Deputy General Directorate of Finance is responsible for gathering said estimates and presenting them to the relevant bodies for the notification and approval thereof.

Such estimates are presented to the Managing Committee, at least once a year, prior to their inclusion in the Group's Annual Accounts, ultimately responsibility lying with the Board of Directors, as indicated in the Annual Accounts themselves.

The Entity has in place a certification model for key controls within the system of Internal Control over Financial Reporting based on a "bottom-up" approach, which starts at the lower levels of the organisational structure, identified as the persons in charge of ICFR, and then rises to the Deputy General Directorate of Finance, thus ensuring that half-yearly/annual financial reporting is reliable when released to the market. To this end, in the form of a survey for the relevant period, each of the persons in charge of the key controls identified certifies the effective implementation of the controls, rising up through the various hierarchical levels up to the Corporate Department/Deputy General Directorate in question, finalising with the Deputy General Directorate of Finance, bringing the certification process to a close.

The Certification Model, coupled with self-assessment of key controls, evolves by leveraging the risk management and internal control system and interdepartmental synergies, continuously monitoring business processes and creating a common language for both processes.

The Controller's Department, forming part of the Deputy General Directorate of Finance, is responsible for launching the Certification Process every six months and for monitoring timely compliance in due form so that the Deputy General Directorate of Finance can certify the ICFR system prior to the release of public financial reporting.

The Bank carried out two certification processes in 2020 for the preparation of the half-yearly and annual financial statements. No significant incidents were uncovered that could have a material effect on the reliability of the financial information.

For the preparation of financial statements, the Deputy General Directorate of Finance presents the results of the certification process to the Board of Directors and the Audit and Compliance Committee.

Moreover, the Corporate Directorate of Internal Audit carries out supervisory functions, as described in sections F.5.1 and F.5.2.

**F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.**

The Deputy General Directorate of Finance is responsible for preparing and publishing the public financial information.

The General Directorate of People, Resources and Technology is responsible for the Bank's IT and telecommunication systems. Its duties include defining and monitoring the cybersecurity policies, circulars and guides for applications and infrastructures, including the IT internal control model.

The key tasks assumed by this department in relation to IT systems are as follows:

- Surveillance and control of data access and physical security systems.
- Defining and setting in place the logical and technological architecture, development methodology and quality control of the Bank's software.
- Protecting Bankia's information as a key asset.

The Bankia Group has a set of cybersecurity rules and regulations, which are mandatory for all persons who process information, including the Cybersecurity Policy and Regulations. These documents are available to all employees on the Corporate intranet.

The Cybersecurity Policy sets out the general regulatory framework, setting for the responsibilities with respect to data protection and covering the general philosophy, the goals, the principles and the acceptable ways of proceeding with respect to information security, and constituting the first level of this set of rules and regulations. The objective is to duly protect the information of the Bankia Group.

The Cybersecurity Regulations detail the actions and controls applied to duly protect Bankia's information. Its aim is to support and facilitate the Policy. In this regard, it takes in the following aspects: Governance, Cyber-risk management, IT Asset Management, Information Classification, Access Control, Human Resources, Third-party Relations, Communications, Operations, Encryption, Physical Security, Vigilance and Response, Business Continuity, Compliance.

The Cybersecurity Rules and Regulations implement and define, inter alia, the measures and controls to protect access, operating procedures and guides documented and reviewed periodically to manage application security, defines the principles of segregation of duties, the management of back-up copies, the definition of responsibilities and functions regarding security, training and raising awareness among those who process data, as well as issues regarding confidentiality, integrity and availability of information and assets.

The Company's development process, which broadly encompasses the development of new applications or modification of existing applications and appropriate management of these projects, is based on SDLC maturity models.

The Entity has a Business Continuity Policy that sets out the lines of action to prevent or minimize the potential losses for the Entity caused by a disruptive event. This policy also guarantees that Bankia has defined and tested strategies for each critical function that ensure its business processes can be restored and recovered. These lines of action are reviewed periodically through a test plan to ensure that all continuity preparations are performed adequately and produce optimal results in the recovery of business processes.

Bankia also has eight information security operating processes and another five business continuity processes considered internal control procedures.

The entity has back-up architecture in its main processing centres. Back-up policies and procedures also ensure information is available and can be recovered in the event of a loss.

**F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.**

The Bankia Group has an outsourcing policy for services and functions approved by the Board of Directors, along with a governance model for outsourcing.

The outsourcing policy for services and functions, understood as delegating to a third party the provision of services and/or exercise of functions inherent in the normal or typical provision of banking or investment services, outlines the criteria and guidelines necessary to address specific aspects of delegation in order to: comply with applicable legislation; identify, measure, control and manage the inherent outsourcing risks (operational, reputational and cyberrisk); and adopt appropriate measures to prevent or mitigate exposure to potential risks, in particularly when essential services or functions are outsourced.

The Bankia Group's service and function outsourcing policy is supplemented with the Outsourcing Governance Model Functional Manual, which sets out the activities and responsibilities defined in this area, which are applied throughout the outsourcing arrangement (including, in light of the nature and complexity of the activities, as well as the characteristics of the service or function to be outsourced, an analysis of the reasons underlying the outsourcing, the arrangement of the outsourcing agreement, performance of the agreement until it is terminated, contingency plans and exit strategy).

Before outsourcing essential functions and services, the Entity conducts a feasibility study of the service or function and selects and evaluates providers.

The prior analysis of the outsourcing of services or functions takes into account, inter alia, the following factors: cost-benefit analysis of the outsourcing; policy aspects that could condition the outsourcing; the impact of the outsourcing on the Company's business and the evaluation of the risks incurred by the entity, as well as the requirements as regards internal control mechanisms provided for in the current applicable regulations; the entity's capacity and experience in order to effectively monitor outsourced functions and to adequately manage the risks associated with such outsourcing, above all where such outsourcing involves an essential service or function and/or the use of new technologies; and the development, implementation and maintenance of an emergency plan for disaster recovery and periodic inspection of computer security mechanisms, where necessary in view of the outsourced role or service.

Meanwhile, the selection and assessment of third parties is carried out taking into consideration several factors to ensure that the provider to which the function or provision of services is outsourced: has the appropriate competence, ability, experience, quality and stability, and, depending on the characteristics of the service or function, the appropriate resources and organisational structure; has the necessary authorisation required by applicable legislation to perform the outsourced function or services reliably and professionally; complies with the main laws and regulations applicable to it, in particular anti-money laundering and customer protection laws; performs the outsourced function or service effectively and in accordance with applicable legislation; cooperates with the supervisory authority in all matters relating to the activities outsourced to it; protects all confidential information related to the entity and its customers and, if it accesses, processes and/or stores personal data controlled the Bankia Group, offers sufficient guarantees that it applies appropriate technical and organisational measures so that such access, processing and/or storage complies with prevailing data protection regulations. And, in particular, for services or functions considered essential: supervises the correct performance of the outsourced functions; adequately manages the outsourcing risks and, in this respect, has the appropriate measures to this end, such as the performance of regular data back-ups and security checks, and has, applies and keeps up to date an emergency and contingency plan to enable it to continue its activity and limit losses in the event of serious business-related incidents.

The organisational unit that receives the services is responsible for the monitoring and continuing oversight of the services or functions performed by the outsourcing services provider, regarding both fulfilment of the contract and the effective performance of the outsourced service. For critical services or functions, the Outsourcing Control Centre prepares regular monitoring reports and, once their content has been reviewed by the Corporate Directorate of Internal Audit, which assesses both the risks and rewards of the outsourcing, presents them to the Board of Directors. To ensure proper control and monitoring of the service and depending on its nature, meetings are held regularly throughout the year with the outsourcing service provider. The contract sets out the frequency, the issues to be addressed and the persons attending these meetings.

The entity engages independent experts to obtain certain evaluations, calculations and estimates used to prepare the financial statements published on the securities markets. In general, the main areas that outsource these services are related to actuarial calculations, real estate appraisals, and the measurement of financial instruments and investments/disposals. In this regard, the individual person in charge of each area affected monitors the results of the reports produced to determine their consistency and reasonableness.

The Deputy General Directorate of Finance checks the consistency of the findings within the framework of preparing regulatory reporting, as does the external auditor under the framework of its review engagement, in addition to any review procedures that may be implemented by the Corporate Directorate of Internal Audit in accordance with the approved work plans.

#### **F.4. Information and communication**

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Deputy General Directorate of Finance is tasked with establishing and updating the accounting policies and complying with the Bankia Group's regulatory requirements. The functions performed include the following:

- Analysing the accounting standards issued by the various pertinent authorities that could have an impact on the Group's financial statements.
- Maintaining and updating existing accounting manuals and plans.
- Analysing and calculating the accounting impacts of the Group's new products, businesses and operations.
- Referring to and interpreting accounting standards in order to draft basic announcements, policies, judgments and estimates for subsequent practical application.
- Coordinating communication with the supervisory accounting authorities.
- Coordinating work schedules and liaising with external auditors.
- Preparing reports and developing specific rules.

The Deputy General Directorate of Finance is also responsible for receiving and resolving any doubts or disputes over interpretation of the accounting treatment of specific transactions in the Group (both the parent company and the subsidiaries included in the scope of consolidation).

The Bank has an Accounting Policies Manual, approved by the Board of Directors and updated at least once a year to include any applicable amendments to accounting standards. All areas affected are notified and the policy is published on the Corporate Intranet.

The Bank rounds off the Accounting Policies Manual with several policies and manuals for certain matters that include specific issues requiring more in-depth development.

Indeed, as a complement to the Manual, there is a Financial Disclosure Policy, approved by the Board of Directors, which sets out the main disclosures required in regulated financial reporting and establishes the principles governing consistency between the information disclosed in the Entity's regulated financial reports and that of other regulatory information (Basel Pillar III).

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Deputy General Directorate of Finance issues the accounting policies and procedures to be applied generally in the preparation of individual financial statements by companies that are majority owned by Bankia (subsidiaries, hereinafter "companies" or "investees"), to be reported to the Group so it may prepare its consolidated financial statements, as well

as precise instructions on the information to be reported, regulating the minimum content and deadlines of the information to be furnished by the various entities comprising the consolidated Group.

The Bankia Group boasts IT systems and applications that enable it to aggregate and standardise the individual accounting records of the Group's business areas and subsidiaries to the required level of detail, as well as to prepare the individual and consolidated financial statements ultimately disclosed to the markets.

Moreover, it has in place a procedure for centralising the gathering of information on companies comprising the group and which includes criteria and models ensuring the information is received in standardised form. There are also a series of controls implemented that allow the reliability and accuracy of the information received from the subsidiaries to be ensured.

The Deputy General Directorate of Finance is responsible for preparing public financial information of a regulatory nature.

#### **F.5. Supervision of the functioning of the system**

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

Bankia's Board of Directors Regulations establishes that the internal audit services must comply with any requests for information from the Audit and Compliance Committee in the performance of its duties.

Reporting functionally to the Audit and Compliance Committee and organically to the Chief Executive Officer, Bankia's Corporate Directorate of Internal Audit had 112 employees at 31 December 2020.

The functions of Bankia's Corporate Directorate of Internal Audit include supporting the Audit and Compliance Committee in ensuring the internal control system operates correctly, by performing periodic reviews of financial reporting procedures.

Bankia's Corporate Directorate of Internal Audit has annual audit plans which are submitted to the Audit and Compliance, for a favourable report, and which are subsequently approved by the Board of Directors. The reports issued refer, inter alia, to the assessment of risk management, internal control, corporate governance and IT systems processes, including an analysis of assets and their appropriate financial accounting classification.

The 2020 Audit Plan includes assessment activities covering aspects related to the process of preparing the financial information. Furthermore, in 2020, within the rotation plan established for the supervision of the ICFR and in line with the 3-year period recommended by CNMV, 8 of the processes identified at the Entity were reviewed. The scope for each of the reviewed periods is as follows:

- The sufficiency of the controls implemented to mitigate the risks identified.
- Evidence of execution of the controls identified in the ICFR documentation.
- Review of the outcome of the self-assessment and certifications corresponding to the processes analysed.

The outcome of the review is set out in a report which is circulated to the groups responsible for control, and to the Controller's Department (which ensures that the controls continue to work as intended). Recommendations in support of an action plan are proposed and approved by the areas involved to resolve any weakness detected, defining responsibilities and deadlines for implementing the action.

Once a quarter, the Corporate Directorate of Internal Audit provides the Audit and Compliance Committee with the results of the verification and validation procedures performed by the internal audit team, which also includes the action plans designed to remedy the most significant weaknesses detected.

The minutes of the meetings of the Audit and Compliance Committee set out the activities performed in relation to supervision, planning (approval of the annual operations plan, allocation of responsibilities to implement the plan, etc.) and review of the results obtained.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Bankia's auditor has direct access to Bankia's senior management, holding regular meetings to obtain the information needed to perform its work and to communicate any control weaknesses detected during the audit.

In addition, the auditor regularly informs the Audit and Compliance Committee of the findings of its audit and review of Bankia's financial information, including any aspect that it deems relevant, and assists this Committee when it presents financial information.

The Corporate Directorate of Internal Audit, with the frequency set out in the Internal Audit Policy approved by the Board of Directors, presents to Senior Management and the Audit and Compliance Committee the results of the assurance and validation work performed under the Annual Audit Plan previously approved by the Board, or those arising from specific reviews requested by the Audit and Compliance Committee, supervisory bodies or other associations, including the related action plans to address the most significant deficiencies uncovered.

The meeting minutes record the various activities performed in its supervisory work, both in terms of planning (approval of the annual operating plan, appointment of the persons in charge, etc) and the review of the results obtained.

#### **F.6. Other relevant information**

Not applicable.

#### **F.7. External auditor's report**

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

In 2020, Bankia's external auditor reviewed the information contained in section F of the annual corporate governance report regarding ICFR in accordance with generally accepted professional standards in Spain regarding the engagement of the agreed procedures and, in particular, as provided for in the guidance document on the audit report on information provided by listed companies on their ICFR issued by professional bodies and auditors, and published by the CNMV on its website.

The external auditors' report will be included as an appendix to the annual corporate governance report.

#### **G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

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Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies [ X ] Explain [ ]

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies [ X ] Complies partially [ ] Explain [ ]

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies [ X ] Complies partially [ ] Explain [ ]

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities

with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies [ X ] Complies partially [ ] Explain [ ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the workings of the audit and nomination and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies [ X ] Complies partially [ ] Explain [ ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies [ X ] Complies partially [ ] Explain [ ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies [ X ] Complies partially [ ] Explain [ ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [ X ] Complies partially [ ] Explain [ ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies [  ] Partially complies [  ] Explain [  ] Not applicable [  ]

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies [  ] Partially complies [  ] Explain [  ] Not applicable [  ]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies [  ] Complies partially [  ] Explain [  ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies [  ] Explain [  ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies [ X ] Complies partially [ ] Explain [ ]

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies [ ] Complies partially [ X ] Explain [ ]

The General Meeting of Shareholders held on 27 March 2020 resolved to set the number of members of the Board of Directors at 13.

The current distribution of the above Board members is as follows: three executive directors, one external director and nine independent directors, so that independent directors account for an ample majority of the Board, representing 69% of its members.

It should also be noted that a new independent female director was appointed in 2020 to increase the number of female directors and attempt to reach the target for 30% of board members to be women in 2020.

The above target was ultimately only partially met as events this year, Covid 19 and the planned merger with CaixaBank approved in the last quarter of the year, have prevented further changes to the Company's Board.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.

- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [ X ] Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [ X ] Explain [ ]

18. That companies should publish the following information on their directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies [ X ] Complies partially [ ] Explain [ ]

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [ X ]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies [ X ] Explain [ ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies [ X ] Complies partially [ ] Explain [ ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the -cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [ X ] Complies partially [ ] Explain [ ]

26. That the Board of Directors meets frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [ X ] Complies partially [ ] Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [ X ] Complies partially [ ] Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are

not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [ X ] Complies partially [ ] Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [ X ] Explain [ ] Not applicable [ ]

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies [ X ] Complies partially [ ] Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [ X ] Complies partially [ ] Explain [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies [ X ] Complies partially [ ] Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to

liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [ X ] Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [ X ] Complies partially [ ] Explain [ ]

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [ X ]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [  ] Partially complies [  ] Explain [  ] Not applicable [ X ]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [ X ] Complies partially [  ] Explain [  ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [ X ] Complies partially [  ] Explain [  ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [ X ] Partially complies [  ] Explain [  ] Not applicable [  ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [ X ] Complies partially [ ] Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [ X ] Complies partially [ ] Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they materialise.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [ X ] Complies partially [ ] Explain [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [ X ] Complies partially [ ] Explain [ ]

47. That in designating the members of the nomination and remuneration committee - or of the nomination committee and the remuneration committee if they are separate - care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [ X ] Complies partially [ ] Explain [ ]

48. That large-cap companies have separate nomination and remuneration committees.

Complies [ X ] Explain [ ] Not applicable [ ]

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [ X ] Complies partially [ ] Explain [ ]

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:
- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
  - b) Verifying compliance with the company's remuneration policy.
  - c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
  - d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
  - e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [ X ] Complies partially [ ] Explain [ ]

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [ X ] Complies partially [ ] Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:
- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
  - b) That their chairpersons be independent directors.
  - c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
  - d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
  - e) That their meetings be recorded and be made available to all directors.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [ X ] Complies partially [ ] Explain [ ]

54. The minimum functions referred to in the foregoing recommendation are the following:
- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
  - b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
  - c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [ X ] Complies partially [ ] Explain [ ]

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [ X ] Complies partially [ ] Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [ X ] Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [ X ] Complies partially [ ] Explain [ ]

58. That, as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with

the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [ X ] Partially complies [ ] Explain [ ] Not applicable [ ]

#### **H. FURTHER INFORMATION OF INTEREST**

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1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

#### H.1. FURTHER INFORMATION OF INTEREST

Bankia has a System of Corporate Governance approved by the Board of Directors and inspired by the Bankia Group's corporate values with respect to business ethics and corporate social responsibility: integrity, professionalism, commitment, proximity and focus on achievement.

This system is also underpinned by the principles of good governance assumed and developed by the Company in the Bankia Group Corporate Governance and Organisational Structure Policy, as regards internal governance, approved by the Company's Board of Directors based on the recommendations of the Good Governance Code of Listed Companies approved by the Board of the CNMV.

Bankia's System of Corporate Governance comprises a set of internal policies, standards and procedures in accordance with prevailing legislation and the scope of corporate autonomy supported therein, ultimately aimed at satisfying the corporate interest, understood as the common interest of all the shareholders of an independent, public listed company focused on the profitable and sustainable pursuit of its objects and the creation of long-term value, which in the case Bankia entails a broad institutional and retail shareholder base.

Bankia's System of Corporate Governance comprises mainly (i) Corporate rules and regulations, (ii) Internal Procedures and Rules of Conduct and (iii) Corporate Policies.

(i) Corporate rules and regulations:

- Bylaws.
- General Meeting of Shareholders Regulations.
- Board of Directors Regulations.
- Audit and Compliance Committee Regulations.
- Appointments and Responsible Management Committee Regulations.
- Remuneration Committee Regulations.

(ii) Internal rules of conduct and procedures:

The Company and the Group also have other internal procedures and rules of conduct that comply with regulatory and statutory requirements or arise from good governance recommendations.

These include, among others, the following rules and procedures:

- Code of Ethics and Conduct.
- Internal Rules of Conduct for Securities Markets activities.

Said basic texts within the scope of the codes of conduct are developed and supplemented through other internal procedures and provisions addressing issues such as the prevention of money laundering and terrorist financing, the Customer Protection Rules of Bankia and its Group and the Whistleblowing Channel Regulations, all of which fall within the framework of Bankia's commitment to promoting an ethical corporate culture that complies with and encourages responsible behaviour at the Entity.

(iii) Corporate Policies:

These policies determine the general principles and guidelines that regulate the governing bodies, the duties, activities and processes of the Company and its Group, establishing a framework for action that offers legal certainty to the company and its Group. They are general in nature and are intended to be permanent. They were approved by the Board of Directors, taking into account the relevant legal requirements, such as good governance recommendations.

Specifically, Bankia's Corporate Governance System includes, inter alia, the following policies:

- Bankia Group Corporate Governance and Organisational Structure Policy.
- Internal Governance Policy.
- Policy on Information, Communication, Contacts and Involvement with Shareholders, Institutional Investors, Proxy Advisors and other Stakeholders.

- Policy on the Suitability of Directors, General Managers and other Key Function Holders at Bankia.
- Policy on the Selection, Diversity, Integration and Training of Directors.
- Bankia Senior Management Selection and Appointment Policy.
- Remuneration Policy for Directors, General Managers and Persons performing Senior Management Functions.
- Risk Management and Control Policies.
- Investment and Financing Policy.
- Sustainable Management Policy.
- Dividend Policy.
- Treasury Shares Policy.
- Conflicts of Interest Policy.
- Regulatory Compliance Policy.
- New Products Policy.

In 2020, the Board of Directors updated the corporate governance system and several policies; e.g., the Group Corporate Governance and Organisational Structure Policy, the Policy on the Suitability of Directors, General Managers and Other Key Function Holders, the Policy on the Selection, Diversity, Suitability, Integration and Training of Directors, the Senior Management Selection and Appointment Policy, and the Conflicts of Interest Policy.

#### H.2. FURTHER INFORMATION OF INTEREST

The Company is not subject to any legislation other than Spanish law for corporate governance purposes.

##### MERGER WITH CAIXABANK

At their Extraordinary General Meeting held on 1 December 2020, the shareholders resolved to approve the merger by absorption of Bankia, S.A. into CaixaBank, S.A., with the termination of the absorbed company and the transfer en bloc of all of its assets and liabilities as a whole to the absorbing company, under the general terms of merger of 17 September 2020.

The effectiveness of the merger is subject to the following conditions precedent:

- Authorisation by the Minister of Economic Affairs and Digital Transformation per the provisions of additional provision twelve of Law 10/2014 of 26 June 2014, on the organisation, supervision and solvency of credit institutions.
- Authorisation by the National Markets and Competition Commission for the economic concentration arising as a result of the merger, per the provisions of Competition Law 15/2007 of 3 July 2007, and related legislation.
- The absence of objections on the part of the Directorate-General for Insurance and Pension Funds, the CNMV and the Bank of Spain regarding the acquisition by CaixaBank, as a result of the merger, of significant shareholdings in companies subject to supervision by such bodies, be it by express declaration of the absence of objections, or due to the maximum period established in the applicable legislation elapsing without the relevant objections having been raised.
- The absence of objections by the European Central Bank regarding the acquisition of significant shareholdings by CaixaBank, as a result of the merger, be it by express declaration of the absence of objections, or due to the maximum period established in the applicable legislation elapsing without the relevant objections having been raised.
- Authorisation for or, as the case may be, the absence of objections by the relevant supervisory authorities (including, specifically, the European Central Bank, the Bank of Spain, the Directorate-General for Insurance and Pension Funds and the CNMV) of the acquisition by the future, post-merger shareholders of CaixaBank of significant indirect holdings in investees of CaixaBank subject to the supervision of such authorities.

##### SECTION C.1.16 (continued)

In the event that the Board of Directors proposes the removal of any external director before the end of the term for which the director was appointed under the Bylaws, the proposal must be explained and be supported by the relevant report of the Appointments and Responsible Management Committee. The Board of Directors will not propose the removal of any independent director before the expiry of that director's tenure as mandated by the Bylaws, except where the Board of Directors considers just cause to exist, after a report from the Appointments and Responsible Management Committee. The removal of independent directors may also be proposed as a result of a takeover bid, merger or similar corporate transaction entailing changes in the shareholder structure of the Company, where such changes in the structure of the Board are made in order to meet the proportionality criterion referred to in the good corporate governance recommendations.

Without prejudice to the foregoing, directors must place their directorships at the Board of Directors' disposal and, if the Board deems it appropriate, tender their resignation in the cases stated in article 23.4 of the Board of Directors Regulations, as described in section C.1.19 of this report.

##### SECTION C.1.30 (continued)

Contracting, rotation of appointment:

- Monitoring of contract expiry dates, signing of audit reports, submission of replacement options/tender in October. The selection process will be conducted according to the Procedure for selecting the external auditor in force from time to time.
- Verification of inclusion of the reference to rotation in the document provided by the external auditor describing the internal control policies and procedures designed and implemented at the audit firm (and at all firms in its network) with a view to ensuring strict compliance with the independence rules applicable to audit firms.

Fees and transparency:

- Monthly monitoring of the 70% limit on each new proposal submitted to the Audit and Compliance Committee. Additional control of amounts invoiced.
- Six-monthly reconciliation of billing recorded on Bankia's systems to proposals reviewed, accounting records and billing reported by the external auditor.
- Six-monthly review of billing for services provided to Bankia in proportion to the external auditor's total revenue.

Specific mechanisms established by the Company to safeguard the independence of financial analysts, investment banks and credit rating agencies:

Elsewhere, article 38 of the Board of Directors Regulations states that the Board of Directors will establish mechanisms for the regular exchange of information with institutional investors who are among the Company's shareholders, and that the relations between the Board of Directors and institutional shareholders may not result in delivery to such shareholders of information that could give them a privilege or advantage over other shareholders.

Article 36.5 of the Board of Directors Regulations states that the Board of Directors shall define, promote and publish on its website a policy for communication, contact and engagement with shareholders, institutional investors and proxy advisors that is fully consistent with the rules against market abuse and gives similar treatment to shareholders that are in the same position. The Board of Directors shall also define a general policy regarding the communication of economic-financial, non-financial and corporate information, through such channels as it may consider appropriate, that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

This policy is applicable to information and communications provided by the Company to financial analysts, investment banks and rating agencies. In the case of financial analysts, regulatory compliance recommendations are adhered to. In the case of investment banks, where they are advisors to the Bank, the relationship is governed by non-disclosure agreements and all parties involved are included on the lists of insiders as applicable in accordance with prevailing law. In the case of rating agencies, the relationship is governed by non-disclosure agreements. Credit rating agency analysts are subject to the specific regulations of the ESMA (European Securities and Markets Authority) that apply to them.

In this respect, the Policy of Information, Communication, Contacts and Engagement with Shareholders, Institutional Investors and Proxy Advisors and other Stakeholders approved by the Board of Directors and which forms part of the Company's corporate governance system, aims to engage and encourage permanent dialogue with each of the Company's stakeholders, particularly its shareholders, institutional investors and proxy advisors, in order to generate stable and sound relations and promote transparency within the framework of corporate interest, acting in accordance with the following principles: (i) transparent communication, (ii) ongoing information and dialogue, (iii) equal treatment and non-discrimination, (iv) commitment and integrity in the dissemination, communication and management of corporate information, (v) innovation, sustainability and development in the use of new technologies, and (vi) compliance with the law and the corporate governance system.

SECTION C.2.1. (continued)

FUNCTIONS OF THE RISK ADVISORY COMMITTEE (continued)

The Risk Advisory Committee will perform the following functions:

- a) Advise the Board of Directors on the Company's general propensity to risk, now and in the future, and its strategy in this respect, and assist the Board in overseeing the implementation of that strategy. Nevertheless, the Board of Directors will have ultimate responsibility for the risks taken by the Company.
- b) Ensure that the pricing of the assets and liabilities offered to customers takes the Company's business model and risk strategy fully into account. Where this is not the case, the Risk Advisory Committee will present the Board of Directors with a plan to remedy the situation.
- c) Determine, together with the Board of Directors, the nature, quantity, format and frequency of the risk reports the Risk Advisory Committee and the Board of Directors are to receive.
- d) Collaborate to establish rational remuneration policies and practices. For this purpose, without prejudice to the functions of the Remuneration Committee, the Risk Advisory Committee will monitor the incentives provided for in the remuneration system to ensure that it gives proper consideration to risk, capital, liquidity and the probability and timing of profits.
- e) Present risk policies to the Board of Directors.

- f) Propose the Company's and the Group's risk control and risk management policy to the Board of Directors through the Internal Capital Adequacy Assessment (ICAAP) Report, which must identify in particular:
- The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) facing the company and the Group, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
  - The report on the level-based risk management and control model, which will include the Risk Advisory Committee itself.
  - Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.
  - The level of risk that the Company considers to be acceptable.
  - Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- g) Present to the Board of Directors proposals concerning:
- The approval of policies for assumption, management, control and reduction of risks to which the Company is or may be exposed, including those arising from the macroeconomic environment in relation to the current stage of the economic cycle.
  - The approval of the general internal control strategies and procedures, on the status of which it periodically will be advised.
  - Periodic reports on the results of verification and control functions undertaken by the Company's units.
- h) Periodically monitor the loan portfolio of the Company and the Group to make proposals to the Board of Directors on control of matching the risks taken to the established risk profile, paying particular attention to the main customers of the Company and Group and the distribution of risk by sector of activity, geographical area and risk type.
- i) Periodically check the systems, processes, assessment methods and criteria for approving transactions.
- j) Make proposals to the Board of Directors for the assessment, monitoring and implementation of instructions and recommendations issued by supervisory bodies in the exercise of their function and, where applicable, refer to the Board of Directors any proposals for actions to be taken, while following the instructions received.
- k) Verify that the Company's risk reporting processes are appropriate for managing the risks taken and, where appropriate, propose any improvements that may be considered necessary to correct them.
- l) Make proposals to the Board of Directors in relation to the Company's credit risk authority framework.
- m) Supervise the internal control and risk management function. The officer in charge of this function shall provide the Committee, at the end of each year, with a report on activities, evaluating whether the risk unit has the processes, technical resources and personnel necessary for proper performance of its duties in an independent manner, consistent with the Company's risk profile.

In particular, the Risk Advisory Committee shall supervise the functions of the risks unit with respect to:

- Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the Company.
- Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

#### APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE (CONTINUED)

To perform its functions more effectively, the Committee may use whatever resources it considers appropriate, including taking advice from outside professionals in matters within its remit, ensuring suitable alignment of interests and scrutinising, at the time of engagement, any potential conflicts of interest that might exist. The Committee shall receive adequate funds for this purpose and shall submit to the Board for approval an annual budget, or alternative mechanisms.

If advisors are retained to assist the Committee in its selection, appointment and assessment roles, they shall be different from any advisors who might assist the Remuneration Committee in its remuneration policy work. The above is subject to the principle of proportionality and the specific circumstances of each case.

The Committee shall record any potential conflict of interest affecting the external advisors, the detail of the fees earned by each advisor over the year and the measures and actions taken to safeguard their independence. External advisors shall be required to disclose in their service provision proposals any conflicts of interest they may have with the Company, with the directors or with potential candidates for Chairman, CEO or director.

In the performance of its duties, the Appointments and Responsible Management Committee shall take into account, inasmuch as possible and on a continuing basis, the need to ensure that the Board of Directors' decision-making is not dominated by one individual or by a small group of individuals such as could harm the interests of the Bank as a whole.

**ACTIONS:**

With regard to the most important actions carried out during the 2020 financial year, the Appointments and Responsible Management Committee has mainly in the following areas, these being:

- Annual verification of the status of directors: The Committee verified the status of directors and was briefed on business relations between the Bank and the independent directors. Such relations are disclosed in the annual corporate governance report.
- Reports on appointments: In 2020, the Committee submitted reports and proposals to the Board of Directors for the appointment and ratification of directors and their specific positions, and regarding senior management. It also reported on the re-election of the Chief Executive Officer, the renewal of the members of the Board Committees, the appointment of a new independent lead director and the creation and composition of the Technology and Innovation Committee as well as the appointment of the Chief Risk Officer (CRO).
- Policy for the selection of directors and senior managers: In 2020, the Committee reported favourably on the proposal to update the Policy on the Suitability of Directors, General Managers and Other Key Function Holders at Bankia and the Policy on the Selection, Diversity, Integration and Training of Directors, and on the proposal to update the Senior Management Selection and Appointment Policy. The Committee was briefed on the annual verification of compliance with the Policy on the Suitability of Directors, General Managers and Other Key Function Holders at Bankia, the Policy on the Selection, Diversity, Integration and Training of Directors, and the Senior Management Selection and Appointment Policy. The Committee was informed at several meetings of the steps taken to meet the gender diversity target and of the start of the process of assessing the suitability of the selected female candidates.
- Assessment: The Committee was briefed on the commencement of the suitability assessment in respect of both members of the Board of Directors and key function holders, as the body responsible for assessing the suitability of directors and senior executives and for proposing updates to the Group's Suitability Manual. The Committee was also informed of the membership of the management bodies of Group companies and the suitability of their members. The Committee was briefed on the evaluation by an external expert of the effectiveness of the Board and its Committees, and on the specific performance assessments of the Chairman and the Chief Executive Officer.
- Responsible Management: In 2020, the Committee reviewed, monitored and evaluated the Responsible Management Policy and Plan and the update to the Responsible Management Policy. It was briefed on the sponsorship and social action policy, with details of the changes as regards social investment and key indicators for 2019. Bankia's Responsible Management Plan is monitored every six months by the Committee. The Committee was also briefed on the Sustainable Management Framework and the application of ESG (environmental, social and corporate governance) Criteria, on the results of the assessments by ESG analysts who evaluate Bankia's performance in this regard, on the proposed review of the Policy on the Protection of and Respect for Human Rights and the activity report of the Ethics and Conduct Committee, as well as on the renewal and monitoring of the Conventions Policy and the monitoring of Sustainable Development Goals.
- Succession plans: The Committee was informed of the Company's succession plans and their updates, which are intended to ensure the continuity of the business and its leadership.
- Annual Board Training Plan and New Directors Orientation Plan: The Committee was briefed on the Board Training Cycle Survey, the purpose of which was to gather the opinions of directors on the training cycle offered in 2019. In this regard, Directors were required to answer questions in the following areas: Content, Methodology, Summary and Comments/Suggestions: The Committee was also informed of the new independent director's progress with the New Directors Orientation Plan.
- Merger with CaixaBank: As regards governance matters, the Appointments and Responsible Management Committee held a specific meeting to analyse the governance structure resulting from the general terms of merger with CaixaBank S.A.. Among other issues, it analysed the composition of the future Board of Directors of the post-merger entity, the executive chairmanship, the chief executive status of the Chief Executive Officer and the remuneration systems to be applied at the post-merger entity to executive directors, senior executives and other categories of staff whose professional activities have a significant impact on the entity's risk profile. It was also briefed on the content of the Directors' Report concerning the draft terms of merger.
- Other activities in 2020: Report on the members of staff forming the Identified Personnel group in 2020, the assessment to determine the Identified Personnel for 2020, as well as any changes in relation to the criteria for establishing this group. It was also briefed on the monitoring of reputational risk (2019), the contracts of the members of the Management Committee, the Bankia Group's consolidated non-financial information statement, the Bankia labour agreement and the sector-specific collective bargaining agreement and the aspects of the Annual Corporate Governance Report falling within its area of authority, among other activities, as well as on the policy concerning personnel rendering real estate mortgage/loan services.

The Appointments and Responsible Management Committee produces a detailed annual activity report. The report is made available to shareholders when the General Meeting of Shareholders is called and can be accessed on the corporate website ([www.bankia.com](http://www.bankia.com)).

FUNCTIONS OF THE APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE (CONTINUED)

The Appointments and Responsible Management Committee will have general authority to propose and report on the appointment and removal of directors and senior executives. In particular, without prejudice to other tasks assigned to it by the Board, the Appointments and Responsible Management Committee shall have all the functions assigned to it by applicable legislation and, in particular and without limitation, the core responsibilities under Chapter III of the Committee Regulations, including:

- a) Assess the competencies, knowledge, skills, diversity and experience required of the Board of Directors and, in light of that assessment, define the roles and capabilities required of the candidates to fill each vacancy, and estimate the time and commitment that will be needed for them to perform their duties effectively, ensuring that non-executive directors have sufficient time available to discharge their responsibilities effectively;
- b) Identify candidates and make recommendations and proposals to the Board of Directors for the appointment of independent directors by co-optation or, if applicable, by vote of the General Meeting of Shareholders, and make proposals for the re-election or removal of such directors by the General Meeting;
- c) Identify candidates, make recommendations and submit reports to the Board of Directors on proposals for the appointment of the remaining directors by co-optation or by vote of the General Meeting of Shareholders, and make proposals for their re-election or removal at the General Meeting;
- d) At the request of the Chairman and on a non-binding basis, inform on Board resolutions concerning the appointment or removal of senior executives of the Group and the basic terms and conditions of their contracts, without prejudice to the powers of the Remuneration Committee with regard to remuneration, and conduct regular reviews of the Board's Policy concerning the selection and appointment of the Group's senior management, offering recommendations;
- e) Examine and update the succession plans for the Chairman, the Deputy Chairman and, as the case may be, the Chief Executive Officer and senior executives of the Company and, where appropriate, submit proposals to the Board of Directors with a view to ensuring an orderly, planned succession;
- f) To safeguard the independence, impartiality and professionalism of the Secretary and Vice-Secretary of the Board of Directors, submit reports on their appointment and removal for approval by the full Board;
- g) Set a target for the level of representation of the least-represented gender on the Board of Directors and draw up guidelines on how to increase the number of persons of the least-represented gender so as to meet that target. The Committee will also take steps to ensure that the selection procedures used to fill vacancies do not contain implicit biases that prevent the selection of persons of the least-represented gender;
- h) At regular intervals and at least once a year, assess the structure, size, composition and performance of the Board of Directors, making recommendations to the Board in respect of possible changes;
- i) At regular intervals and at least once a year, assess the suitability of the various members of the Board of Directors and of the Board as a whole and report the results to the Board;
- j) Report to the Board of Directors on issues of good corporate governance concerning matters falling within the Committee's remit (objectives, talent management, liability insurance, etc.) and make proposals for improvement;
- k) Propose the board diversity policy and director selection policy to the Board of Directors and run an annual check on compliance with the policy;
- l) Without prejudice to the responsibilities assigned to the Audit and Compliance Committee, the Ethics and Conduct Committee will submit to the Appointments and Responsible Management Committee periodically, and at least at the end of each year, a report on activities in relation to the performance of the duties assigned to it and, in particular, on the oversight and monitoring of the Code of Ethics and Conduct;
- m) Periodically evaluate and review the Company's corporate social responsibility and environmental and social sustainability policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- n) Supervise the Company's environmental and social practices to ensure that they are in alignment with the established strategy and policies.
- o) Supervise and evaluate the way in which relations with the various stakeholders are handled. Specifically, the Chairman and other Committee Members, along with the independent lead director, shall be involved in communication and contacts with shareholders and institutional investors, above all with those not represented on the Board. The Committee will also be involved with proxy advisors and shall liaise between all of the above stakeholders and the Board, sounding them out them on specific matters, particularly matters relating to corporate governance, and may also involve them in the improvement of any aspect. In any event, the Board will authorise these contacts and establish the basic outline of any messages to be conveyed, which may on no account include privileged information and it shall be informed of any matters dealt with.

The duties and responsibilities of the Appointments and Responsible Management Committee are set out in Article 15 of the Board of Directors Regulations and are further implemented by the Appointments and Responsible Management Committee Regulations. Both sets of regulations are available at the corporate website ([www.bankia.com](http://www.bankia.com)).

REMUNERATION COMMITTEE (continued)

The Committee shall record any potential situation of conflict of interest affecting external advisors, the detail of the fees earned by each advisor over the year and the measures and actions taken to safeguard their independence. External advisors shall be required to disclose in their service provision proposals any conflicts of interest they may have with the Company, with the directors or with potential candidates for Chairman, Chief Executive Officer or director.

ACTIONS:

With regard to the most important actions carried out during the 2020 financial year, the Remuneration Committee has mainly in the following areas, these being:

-Director and senior executive remuneration policy: in 2020, the Committee performed the periodic review of the remuneration policy applicable to directors and senior executives and was briefed on the report prepared by the independent expert on the evaluation of the 2019 Bankia Remuneration Policy and its compliance with the legislation in force on remuneration. As regards remuneration, the Committee was briefed on the resolutions of the 2020 General Meeting of Shareholders regarding the variable remuneration of directors, the request for authorisation to pay the variable remuneration for 2016 to executive directors and senior management, the accrual of the variable remuneration for 2018, the request for variable remuneration for 2019, the multi-year variable remuneration for 2020, the information on remuneration contained in the 2019 annual reports, the variable remuneration for Retail Banking and the amendments to the remuneration regulations. It was also briefed on the analysis of the Remuneration Policy and its alignment to the Risk Appetite Framework (RAF) and equal pay for men and women.

-2019 Annual Report on Directors' Remuneration and Annual Corporate Governance Report: The Committee reported favourably on the 2019 Annual Corporate Governance Report regarding matters falling within the scope of its authority and on the 2019 Annual Report on Directors' Remuneration.

-Other activities: In 2019, the Committee was briefed, among other matters, on the identities of and updates to the Identified Personnel, the proposed targets for 2020, the appointment of corporate managers, the contract of the Chief Executive Officer upon his proposed re-election, residential mortgage financing, and remote working.

The Remuneration Committee produces a detailed annual activity report. The report is made available to shareholders when the General Meeting of Shareholders is called and can be accessed on the corporate website ([www.bankia.com](http://www.bankia.com))).

FUNCTIONS OF THE REMUNERATION COMMITTEE (continued)

In addition to any other tasks assigned to it by the Board, the Remuneration Committee has general powers to report on and propose remuneration for directors and senior executives. In particular, and without limitation, the Committee shall have the powers under Chapter III of its Regulations, which include:

-Submitting proposals to the Board of Directors for the policy on the remuneration of directors and general managers or senior managers who report directly to the Board, executive committees or the CEO, as well as the individual remuneration and other contractual terms of executive directors, and oversee compliance;

-Reporting on senior management remuneration. Overseeing the remuneration of the heads of Internal Audit, Risks and Compliance;

-Periodically reviewing the Company's remuneration programmes, assessing their appropriateness and effectiveness, the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application, and ensuring that their individual compensation is proportionate to the amounts paid to other directors and senior executives in the Company;

-Ensuring transparency in remuneration and the inclusion of information about directors' remuneration in the annual report on directors' remuneration and the annual corporate governance report, submitting such information as may be necessary to the Board for that purpose;

-Verifying compliance with the Company's remuneration policy.

-Submitting proposals to the Board on any remuneration decisions to be made by the Board, including those that may have an impact on risk and the Company's risk management, taking the long-term interests of shareholders, investors and other stakeholders into account, as well as the public interest, all this without prejudice to the functions assigned to the Risk Advisory Committee in this matter;

-Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

-Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration, to which end it will submit a report to the Board of Directors.

The duties and responsibilities of the Remuneration Committee are set out in Article 15 bis of the Board of Directors Regulations and are further implemented by the Remuneration Committee Regulations. Both sets of regulations are available at the corporate website ([www.bankia.com](http://www.bankia.com)).

FUNCTIONS OF THE BOARD RISK COMMITTEE (continued)

The Board Risk Committee shall have the following functions, among others:

- a) To make decisions within the scope of the powers delegated to it by the Board of Directors in risk matters specifically provided for in the Board's current delegation resolution.
- b) Within the scope of its authority, to set the overall pre-classification limits for account holders or customer groups in relation to exposures by risk class.
- c) To report to the Board of Directors on risks that may affect the Company's capital adequacy, recurring results, operations or reputation.
- d) With respect to the approval of risk types other than credit risk, the powers of the Board Risk Committee will be those delegated to it by the Board of Directors at any given time.

TECHNOLOGY AND INNOVATION COMMITTEE (Continued)

ACTIONS:

Regarding the main actions carried out since its creation on 27 May 2020 and the close of year 2020, the Technology and Innovation Committee advised the Board of Directors on the following key matters:

- Digital Transformation: objectives and structure of the Digital Transformation and Strategy, the Digital Transformation Plan and reflections with respect to 2021.
- Technology and operations 2020: Technology and Operations presentation, IT 2020, 2020 Projects Plan, Transformation of IT and Operations, Annex, Core Banking transformation strategies.
- The road towards innovation as a culture: the aim of which is to give a comprehensive view of the role of innovation at Bankia and its lines of future development.

AUDIT AND COMPLIANCE COMMITTEE (CONTINUED)

ACTIONS:

- With regard to the most important actions carried out during the 2020 financial year, the Audit and Compliance Committee has mainly in the following areas, these being: Financial and non-financial reporting and related internal control mechanisms: In 2020, the Committee oversaw the preparation and fairness of the Company's individual and consolidated financial statements, as well as the key business figures and the Bankia Group's consolidated non-financial information statement. It was informed of the proposal to update the Accounting Policies Manual with a view to bringing it into line with the latest legislative developments. Moreover, over the year, the Committee regularly oversaw the effectiveness of the Company's internal control, internal audit and risk management systems and, in particular, the system of Internal Control over Financial Reporting (ICFR) and the Internal Control over Non-Financial Reporting (ICNFR) Policy. The Committee was briefed on the activities of the Ethics and Conduct Committee and the Whistleblowing Channel and their updated Regulations. It was also briefed on the proposed 2020-2022 Financial Plan, as well as the report on the observations concerning the key accounting impacts of Covid-19; the monitoring of contingencies, the report on the recoverability of deferred tax assets (DTAs), the report on the supervision of Bankia, S.A.'s dividends policy during 2019, the report on variations in legal and tax contingencies and the current status of the Action Plans concerning the Deposit Guarantee Fund Stress Test.
- Regulatory compliance: The Committee is the oversight body for the compliance risk control systems and monitors the Compliance function. The Committee was informed of the progress of the Annual Compliance Plan for 2019, and the 2019 Annual Compliance Report. The Committee was briefed on the progress of compliance control activities, including: activity reports on criminal risk and the updating of Bankia's Crime Prevention Policy, the prevention of money laundering and terrorist financing and reports by external experts. Reports on the Internal Rules of Conduct in the Securities Market, compliance with the Market Abuse Prevention Policy, personal data protection and the proposed modifications to the data protection governance model and policy, as well as the amendment to the Bankia Group's Compliance Model, with briefings on processing and reporting to the Chief Data Officer. The report on essential outsourcing, the Conflicts of Interest Policy and the related modifications, on notifications and inspections by the supervisory authorities, the periodic reports on investment services and reviews of the Treasury Stock Policy, the Policy on Commercial Communications and Algorithmic Trading, the reports on non-subject related-party transactions, the proposed review and update of the Document on Criteria, Related-Party Transactions and Credit Facilities, the 2019 Annual Compliance Report and specific activity reports and the proposed PBC-FT/Comex Action Plan, the Pension Plan Commercialisation Policy and the Compliance Training Plan, and progress with the Economic Systems Development for Compliance, as well as actions under the 2020 Action Plan.
- Corporate governance: The Committee oversaw the effectiveness of and compliance with governance rules and procedures, review and updating of the Company's Corporate Governance System and Corporate Policies, the 2019 Corporate Governance Report, the suitability of the content that the Board of Directors must include in annual public documentation, the proposed amendment to the Shareholders' Meeting Regulations in order to include, where applicable, the core principles of Directive (EU) 2017/828, certain provisions concerning recent legislative reforms, certain aspects in line with best good governance practices and certain technical specifications. Moreover, the Committee resolved to report favourably on the proposed amendment to the Board Regulations, introducing article 14 bis regulating the Technology and Innovation Committee. It was also briefed on the reform to the Code of Good Governance at Listed Companies approved by the CNMV on

26 June 2020, and on the update to and supervision of the Corporate Governance System in the first half of 2020 (Corporate Governance Management).

-Related-party transactions: In 2020, the Committee reported on related-party transactions involving members of the Board and transactions with significant shareholders, supervised the Framework Agreement between Bankia and BFA and was briefed on the proposed modification of the BFA-Bankia recovery services agreement, to this end drawing on the reports of several external experts. The Committee was also informed of the non-subject related-party transactions in 2019.

-Risk management and control: Within its sphere of concern, the Committee took part in the management and control of the Bank's risks, supervising risk management systems in the financial reporting process, including tax risks. The Committee also evaluated the Company's regulatory and litigation risks and was briefed on Bankia's Investment and Financing Policy over the year and the preliminary conclusions of the 2019 report on protection of customer assets. As part of its risk management and control duties, in 2020 the Committee held two joint meetings with the Risk Advisory Committee.

-Internal audit activity: Bankia's Corporate Internal Audit Department reports to the Audit and Compliance Committee. The Chairman of the Committee may approach the department at any time to request information on its activities. In this regard, the Committee was briefed on the progress of the internal audit in respect of the fourth quarter of 2019 and the Annual Report on the 2019 Audit Plan, the evaluation of the effectiveness of and compliance with Bankia's governance rules and procedures, the annual evaluation of the functioning of the internal audit unit, as well as the 2021 Audit Plan and the budget and proposed funds for the above unit in 2021. Furthermore, the Committee received monthly reports on the independence of the external auditors, on the reviews associated with the appointment of the external auditor and the follow-up report on the external auditor's recommendations. It was also informed of the Proposed New Criteria for the Reformulation of Recommendations (February/2020), the report on the profiles of the internal audit team and the report on the Covid-19 Financial Transactions Oversight Office. The Committee was also briefed on the review of the Internal Audit Regulations and Policy, as well as the 2020 report on Compliance with the Policy and Regulations.

-External audit: in line with the External Auditor Selection Policy, the Committee was briefed at several meetings on the process for reviewing the appointment of the external auditor for the coming years, a process that began in 2019. Following the reviews and analyses conducted, the Annual Shareholders' Meeting of 27 March 2020, at the proposal of the Audit and Compliance Committee, approved the appointment of KPMG Auditores, S.L. as the auditor of Bankia, S.A. and its consolidated group in 2020, 2021 and 2022. The external auditors (both outgoing and incoming) were invited to attend 7 meetings of the Committee in 2020, at which they confirmed their independence, presented the conclusions of the audit of the 2019 financial statements and the planning, scope and conclusions of the audit engagement as at 30 June 2020 and the financial statements for 2020. The Committee verified the fees paid to the external auditor for its engagements. The Committee received written confirmation from the external auditor of its independence from the Bankia Group and from entities directly or indirectly related to the Bank. The outgoing external auditor also presented the Committee with a report supplementing the audit report and the 2019 annual report on customer asset protection. The current auditor also provided the Committee with the strategy and planning for the audit of the individual and consolidated annual accounts at 31 December 2020.

-Follow-up to the Committee's action plans: The Audit and Compliance Committee received reports throughout 2020 on the schedule of planned and recurring matters to be examined, and regularly followed up action plans, meeting on a monthly schedule, in addition to ad hoc meetings convened as appropriate over the year.

-Other activities: in 2020, the Committee analysed and supervised, inter alia, the following matters: tax information, the dividends policy, treasury share transactions, policy on powers of attorney, registration documents and issuance programmes, documentation relating to the 2019 year-end, the annual report of the Customer Service Department, the annual report on the corporate website, the 2019 report on essential outsourcing and the proposed amendment to Bankia's Board Regulations, introducing article 14 bis regulating the Technology and Innovation Committee, as well as Judgment 13/2020 of 29 September 2020, of Panel 4 of the Criminal Chamber of the National Appellate Court /"Bankia Flotation" (Abbreviated Proceedings 1/2018). Moreover, the Committee was regularly informed of the planned merger between Bankia, S.A. (as the absorbed company) and CaixaBank, S.A. (as the absorbing company). The Committee was also informed of the updates to the Cybersecurity Policy and Regulations and the Bankia Group's Procurement Policy.

In 2020, the Bank did not create or acquire shares in special purpose vehicles or entities domiciled in countries or territories listed as tax havens. Therefore, the Audit and Compliance Committee did not report to the Board of Directors on this matter.

The Audit and Compliance Committee produces a detailed annual activity report. The report is made available to shareholders when the General Meeting of Shareholders is called and is accessible on the corporate website ([www.bankia.com](http://www.bankia.com)).

#### FUNCTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE (Continued)

Without prejudice to any other tasks that may be assigned to it at any time by the Board of Directors, and in accordance with article 14 of the Board of Directors Regulations and the Audit and Compliance Committee Regulations, the Audit and Compliance Committee has all the functions assigned to it under applicable law and, in particular and without limitation:

- a) Reporting to the General Meeting of shareholder on issues that fall within its remit and, in particular, on the audit findings, explaining how the audit has contributed to the integrity of the financial information and the Committee's role in this process.

- b) Overseeing the effectiveness of internal control at the Company, seeking to ensure that the internal control policies and systems in place are effectively applied in practice, internal audit, regulatory compliance, the systems in place to manage and control both financial and non-financial risk at the Company and the Group, and discussing with the statutory auditor any material weaknesses in the internal control system that may have been detected in the audit, without jeopardizing its independence. To this end, where appropriate the Committee may make recommendations or submit proposals to the Board of Directors, along with the related follow-up period.
- c) Supervising and assessing the preparation and filing of regulatory financial and non-financial information and making recommendations or submitting proposals to the Board of Directors to safeguard the integrity of the financial information.
- d) Making recommendations to the Board of Directors for the selection, appointment, re-election and removal of the statutory auditor, and overseeing the selection process in accordance with EU legislation and the terms and conditions of engagement.
- e) Establishing appropriate relations with the external auditors so as to receive information on matters that could jeopardize the external auditor's independence, so that they may be examined by the committee, and on any other matters arising from the auditing of the Company's accounts and, as appropriate, authorising the services permitted under the terms of EU legislation and regulations regarding independence, and making any other disclosures required under applicable legislation and auditing standards. In any event, the Committee must also receive an annual statement from the external auditor certifying its independence in relation to the Company or entities directly or indirectly related to it, as well as detailed information about any additional services of any kind provided and the fees received from these entities by the external auditor, or by individuals or entities related to it, in accordance with the laws on auditing.
- f) Issuing a report each year, prior to the release of the auditor's report, expressing an opinion on whether the independence of the external auditor or audit firms has been compromised. This report must contain a reasoned assessment of any additional non-audit services provided, considered individually and in the aggregate, other than the statutory audit and in relation to the auditors' independence and compliance with auditing standards.
- g) Examining and supervising compliance with the Board of Directors Regulations, the internal regulations on the Company's conduct in securities markets, the anti-money laundering manuals and procedures and, in general, the Company's governance and compliance rules, making the necessary proposals for improvement thereof, while seeking to ensure the corporate culture is in line with their purpose and values.
- h) Reporting to the Board on the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories classified as tax havens, and any other transactions or operations of a comparable nature the complexity of which could impair the transparency of the group.
- i) Reporting in advance to the Board of Directors on any matters within its remit under the law, the Bylaws or the Board Regulations.
- j) Any other functions which have been assigned to it, or for which it has been granted authority, by the Board.

The Audit and Compliance committee will also report to the Board on related-party transactions, before the Board makes any decision in this respect.

The Audit and Compliance Committee must be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

The duties and responsibilities of the Audit and Compliance Committee are set out in Article 14 of the Board of Directors Regulations, and are further implemented by the Audit and Compliance Committee Regulations. Both sets of regulations are available at the corporate website ([www.bankia.com](http://www.bankia.com)).

#### SECTION E.1 (CONTINUED)

The Board of Directors of the Company has a permanent commitment to ensuring that the risk control and management model, especially with regard to crime prevention, prevents or minimises the probability of irregular practices and ensures, when any such conduct is detected, that it is stopped and the persons responsible are brought to account, to the strictest standards. The Audit and Compliance Committee takes the above into account as part of its role of monitoring the effectiveness of internal control and internal audit, in accordance with the criteria of the supervisory bodies, notwithstanding, in any event, the mandatory disclosures to the markets via the Non-Financial Information Statement (NFIS) and this Annual Corporate Governance Report.

#### Tax risk:

Tax risk control was first implemented in 2015 and the associated process describing this control is documented. All transactions approved by Centralised Committees or Governing Bodies are backed, where necessary, by an opinion from Tax Advisory or, in its absence, a certified, external tax advisor. This is also required by the New Products Committee for the launch of each new product or service. For the remaining Committees, the groups responsible for making proposals must verify whether a tax opinion has been issued if so required in accordance with the established criteria.

Work will continue on the activities envisaged in the Entity's control process in 2020.

SECTION E.2. (CONTINUED)

g) Contingency Committee: This committee meets quarterly. Its duties include identifying, monitoring and measuring legal and tax contingencies, analysing their probability of occurrence and adopting mitigation measures, as well as analysing the sufficiency of the provisions set aside for the contingencies.

h) Global Risk Control and Oversight Committee: Its risk-related functions include controlling, overseeing and effectively evaluating trends in the Group's risk profile, the risk appetite approved by the Board of Directors, and the business model from a holistic and forward-looking perspective, analysing any deviations affecting the Group's risk profile, solvency and/or liquidity, proposing, where necessary, any measures considered appropriate.

i) Regulatory Compliance Committee: This committee meets monthly. Its risk-related duties mainly include identifying, assessing and managing compliance risks associated with the Group's operations; updating and managing codes of conduct; and drafting, maintaining and overseeing compliance manuals and policies.

j) Operational and Technological Risk Committee: Its functions related to risk include awareness of the Group's operational risk profile through a qualitative self-assessment, analysing actual operational losses and monitoring of various indicators. It must also propose the annual framework of appetite and tolerance to operational and technological risk and approve the implementation of specific policies and procedures affecting the field of operational and technological risk.

k) Cyber Security Committee: Its functions include monitoring the status of cybersecurity and reporting regularly to the Board of Directors. In addition, its competencies include strategic decision-making on cyber security investments.

SECTION E.6 (CONTINUED)

Operational risk. In 2013, the Entity chose the standardized approach for calculating its capital requirements, subsequently making improvements in operational risk management on several fronts, including the real loss database and the extension of the self-assessment to all Group companies.

For the follow-up of this risk, the Entity has in place management policies and procedures which allow it to identify, measure, monitor and control the operational risks of the Entity.

Bankia's operational risk management objectives are to foster a culture of operational risk management that is particularly geared to raising risk awareness, assuming responsibility for and a commitment to service quality, and to ensuring that operational risks are identified and measured in order to prevent possible damages that could affect results.

Bankia performs Operational and Technological Risk Management that not only covers the recognition of loss-generating events and the accounting thereof, but also promotes their control, in order to minimize their potential negative effects through the continuous improvement of processes and the reinforcement of operational controls.

Operational and Technological Risk Management must be implemented throughout the entity to contribute to the realisation of the institutional objectives, through the management, prevention and mitigation of associated risks.

Reputational risk: The entity has procedures in place that enable it to identify, measure, monitor and control its reputational risks. Based on these policies, the entity is able to identify and quantify this type of risk and to identify potential additional sources of reputational risk.

Tax risk. Tax risk control was first implemented in 2015 and the associated process is documented.

All transactions approved by Centralised Committees or Governing Bodies are backed, where necessary, by an opinion from Tax Advisory or, in its absence, a certified, external tax advisor. This is also required by the New Products Committee for the launch of each new product or service. For the remaining Committees, the groups responsible for making proposals must verify whether a tax opinion has been issued if so required in accordance with the established criteria.

SECTION G.6

The Company publishes the reports indicated in the recommendation sufficiently in advance of the General Meeting of Shareholders.

In particular, the Audit and Compliance Committee's annual report includes the information on auditor independence, related-party transactions and the functioning of the Audit and Compliance Committee.

SECTIONS G.37 AND G.38

The Bylaws and the Board of Directors Regulations provide for possibility of creating an Executive Committee. However, one has not been set up and no members have been appointed. Therefore, in accordance with article 45 of the Bylaws, where no Executive Committee is constituted, the Board of Directors will retain its authority.

SECTION G.62

The General Shareholders' Meeting of 22 March 2019 approved the Director Remuneration Policy, with a deferral of the annual variable remuneration of 6 years, and partial payments in the final three years of deferral. The variable multi-year remuneration is deferred over a 5-year period as from the accrual of the conditional remuneration granted.

With respect to the prohibition on directors from transferring the shares granted until at least three years have elapsed, in the case of Bankia, while the holding period is one year as from the date on which the shares are delivered to the directors, given the specific limitations and conditions for the accrual, payment and deferral of the remuneration of Bankia's executive directors, the above period is extended to at least 4 years. In other words, as from the date on which the number of shares is determined, plus the one-year holding period as from the effective date of delivery, at least 4 years must elapse before such executive directors may transfer their shares.

2020 was the first year in which the executive directors received the shares in respect of the 2016 annual variable remuneration, since they had expressly waived such shares in previous years, and such shares are therefore retained and may not be transferred until 2021.

H.3. FURTHER INFORMATION OF INTEREST

Institutional initiatives to which Bankia has signed up:

- Code of Best Tax Practices of the Spanish Tax Authorities (CBPT). In 2016, the Board of Directors of Bankia resolved to sign up to the Spanish Tax Authorities' Code of Best Tax Practices (CBPT). The Code of Best Tax Practices contains recommendations, which are undertaken voluntarily by the Spanish Tax Authorities and signatory companies, to enhance the enforcement of the Spanish tax system by increasing legal certainty, mutual cooperation based on good faith and legitimate trust between the Tax Authorities and companies, and the implementation of responsible tax policies at companies with the knowledge of the Board of Directors.

Sign-up date: 31 March 2016.

- The Code of Best Practices for the viable restructuring of loans secured by mortgages over normal residences. Signing up to the Code is voluntary and implies accepting a series of mechanisms designed to enable the restructuring of mortgage loans of borrowers experiencing extraordinary difficulties in meeting their payment obligations, as set forth in Royal Decree-Law 6/2012, of 9 March, on urgent measures to protect mortgagors without funds.

Sign-up date: 10 April 2012.

- Social Housing Fund. Created pursuant to an agreement spearheaded by the Ministry of Economy and Competitiveness Ministry, the Ministry of Health, Social Services and Equality, the Ministry of Development, and the Bank of Spain, the Spanish Federation of Towns and Provinces (FEMP), the Third Sector Platform (non-governmental organisations), the banking employers' association and 33 credit institutions. The Social Housing Fund provides housing to families in a particularly vulnerable situation that have been evicted since 1 January 2008 for default on a mortgage loan or other regulated circumstances. Bankia has contributed 2,921 homes to the Fund.

Sign-up date: 17 January 2013.

- United Nations Global Compact. Bankia promotes and embraces the 10 universal principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Sign-up date: 15 November 2013.

- SpainSIF. Platform created in Spain to promote socially responsible investment (SRI). The platform includes financial institutions, fund managers, SRI service providers and not-for-profit organisations.

Sign-up date: 1 January 2011.

- Forética (Forum for the Assessment of Ethical Management). A multi-stakeholder organisation that works together with companies to promote ethical and socially responsible management policies based on the engagement and participation of all stakeholders through decision forums.

Sign-up date: November 2012.

- Diversity Charter. Initiative falling under the framework of European Union non-discrimination directives implying a voluntary commitment to support diversity and non-discrimination in the workplace.

Sign-up date: 23 April 2014.

- Fundación SERES (Responsible Society and Businesses). Spanish non-governmental organisation comprising more than 100 companies set up to foster a commitment among companies to improve society through responsible actions aligned to the strategy of each company that create value for everyone.

Sign-up date: 29 July 2014.

- Fundación LEALTAD. A not-for-profit organisation that offers individuals and companies independent, objective and consistent information on NGOs to help them decide which one to collaborate with, and guide them in monitoring their donations. This information is based on free transparency analyses by the foundation of NGOs that voluntarily so request.

Sign-up date: 2 July 2014.

- Fundación ETNOR (foundation for ethics in business and organisations). Non-profit organisation founded in 1991 to promote acknowledgement and dissemination of and respect for the ethical values inherent in economic activity and quality at public and private organisations and institutions.

Sign-up date: 5 November 2015.

- Plan de Educación Financiera (financial literacy plan) of the CNMV and the Bank of Spain. Plan to enhance financial awareness in society, providing tools and knowledge to aid in financial decision-making.

Sign-up date: 1 January 2011.

- Association for the Self-regulation of Commercial Communications (Autocontrol). Platform comprising self-regulation systems, as the industry's response to society's demands for a degree of assurance of reliability and credibility in advertising. The platform is not intended to replace legal oversight, but rather to supplement it through joint regulation.

Sign-up date: 1 January 2011.

- The Spanish Association of Advertisers. The Spanish Association of Advertisers is the non-profit professional association that represents advertising companies in the defence of their interests in all matters affecting commercial communication. It represents advertising companies (more than 200 associates) with a view to fostering ethical, responsible and efficient communication and dialogue with society. The association defends the freedoms of communication and competition and seeks the recognition of the value of their brands' communication.

Sign-up date: 1 January 2011.

- Spanish Association of Social Responsibility Directors (DIRSE). The purpose of this association is to ascertain and clearly define and demarcate the professional status of CSR managers with a view to appropriate recognition of their management function and professional role. It also aims to identify and apply in Spain the trends of similar associations in other countries that have laid the groundwork.

Sign-up date: 16 December 2015.

- The Spanish Green Growth Group is an association that promotes public-private collaboration with a view to joint progress regarding environmental challenges, through solutions regarding climate change mitigation and adaptation, the decarbonisation of the economy and the promotion of a circular economy. This association encourages companies to participate in national and international discussion forums and shares information to identify opportunities for Spanish companies.

Sign-up date: 2 November 2017.

- The Business and Society Foundation is an organization that drives social change through business innovation and promotes innovative ideas through studies, collaborative forums and services. It works through a permanent observatory on business, the economy and society, and provides associative services to identify business solutions and content, form part of innovation committees and collaborate with corporate work groups.

Sign-up date: 6 September 2017.

- Dow Jones Sustainability Index (DJSI). Bankia was included on this index in 2016, which recognises it as one of the most sustainable companies in the world. Only 25 banks in the world (of which 9 are European, including three Spanish banks) are listed on the index. The DJSI evaluates companies' economic, environmental and social performance. Bankia was removed from the index in 2018. Nonetheless, following an analysis by RobecoSam, it was relisted on the Dow Jones Sustainability Index Europe in September 2019

Date of listing: 30 December 2016.

- CDP is an independent, not-for-profit organisation with the world's largest database of corporate information on climate change and representing more than 820 institutional investors. It provides the only global system for companies to report on their environmental impacts and the measures adopted to reduce them.

Sign-up date: 1 January 2012.

- Fundación Ecología y Desarrollo (ECODES) seeks to promote a sustainable economic and social development model by generating, implementing and disseminating activity models that factor in environmental and social costs in institutional, business and personal decision-making processes. Moreover, through ECODES, Bankia has become a strategic ally in the #PorElClima community, whose objective is to assist with and facilitate pro-climate actions and raise awareness about the efforts of social partners to stop climate change.

Sign-up date: 4 April 2018.

•Corporate Excellence - Centre for Reputation Leadership. Under the brand name "Corporate Excellence - Centre for Reputation Leadership", Fundación Excelencia Corporativa en Comunicación y Reputación (Fundación ECCR) aims to develop and encourage initiatives and actions that can contribute to enhancing corporate and business reputation. Its main objectives are: to boost organisations' competitiveness and legitimacy through excellent management of their reputation, brand, communications, public affairs, sustainability, metrics and training; to demonstrate the economic impact of intangible assets and resources; to promote long-term strategies with a multi-stakeholder vision; and to promote cooperation between different social actors as a means of regaining trust and generating economic, social and environmental value.

Sign-up date: 11 July 2018.

• TCFD. Bankia has undertaken to abide by the recommendations on financing and climate change of the Task Force on Climate-related Financial Disclosure (TCFD) promoted by the UN Financial Stability Board. Bankia will follow the recommendations of the UN Financial Stability Board (FSB) in assessing its climate-related risks and opportunities to promote a transition to a low-carbon economy. The recommendations of the Task Force on Climate-related Financial Disclosure focus on four areas: governance, strategy, risk management, and metrics and targets. Addressing these recommendations will help Bankia to measure and manage its climate-related risks.

Sign-up date: 5 June 2018.

• UNEPFI. UN Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. Bankia has signed up for two initiatives promoted by UNEPFI:

- Principles for Responsible Banking. This commitment implies that signatories of the principles recognise that they play an active role in creating a sustainable economy and are committed to integrating environmental and social considerations in their operations to achieve a sustainable banking industry.
- Collective Commitment to Climate Action. The entity is committed to developing products and services that facilitate the economic transition required to achieve climate neutrality. The signatories undertake to align their operations with the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

Sign-up date: 22 September 2019.

• Signature of the Women's Empowerment Principles. Launched by the UN Global Compact and UN Women in 2010. They offer a global framework for companies on how to empower women in the workplace, the market and the community. Bankia complies with the seven principles in the form of the policies and initiatives carried out under its equality and diversity plans and reported in the Non-Financial Information Statement.

Sign-up date: 22 May 2020

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

16/02/2021

Indicate whether any director voted against or abstained from approving this report.

[  ] Yes  
[  ] No