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ISSUER IDENTIFICATION:

Year-end Date: [12/31/2019]

CIF: [A-14010342]

Corporate Name:

[**BANKIA, S.A**]

Registered office:

[PINTOR SOROLLA N° 8, 46002, VALENCIA]

A. Ownership structure

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

Date of last change	Share Capital(€)	Number of shares	Number of voting rights
03/22/2019	3,069,522,105.00	3,069,522,105	3,069,522,105

Please state whether there are different classes of shares with different associated rights:

[] Yes

[] No

Following authorisation from the European Central Bank, on 25 April 2019 the Board of Directors resolved to partially implement the capital reduction through redemption of treasury shares that had been approved at the General Meeting of Shareholders held on 22 March 2019. As a result, share capital was reduced by the amount authorised by the European Central Bank, EUR 15,440,845 euros, by redemption of 15,440,845 treasury shares. The share capital resulting from the reduction was set at EUR 3,069,522,105, corresponding to 3,069,522,105 shares of EUR 1 par value each.

On 3 May 2019 the deed of reduction of share capital was filed at the Companies Register of Valencia. And, effective 20 May 2019, the 15,440,845 redeemed shares were removed from trading on the stock exchanges.

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

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Personal or corporate name of shareholder	% of shares carrying voting rights		% 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	61.80	0.00	0.00	61.80

Breakdown of the indirect holding:

Personal or corporate name of indirect shareholder	Personal or corporate name of direct shareholder	% of shares carrying voting rights	% 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.	61.80	0.00	61.80

State the most significant shareholder structure changes during the year:

Most significant movements

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

On 20 May 2019, Bankia reduced capital by EUR 15,440,845 through redemption of 15,440,845 treasury shares with a par value of EUR 1 each, leaving share capital at EUR 3,069,522,105. Following the capital reduction, the stake of BFA TENEDORA DE ACCIONES S.A.U. (BFA) in the share capital of Bankia increased by +31 bp.

Furthermore, the change in the number of voting rights held by BFA as a result of Bankia shares coming into BFA's hands by virtue of execution of judgments and out-of-court settlements to avoid or end litigation had the effect that BFA's stake increased during the year by +42 bp to 61.80%.

Also reported is that State Street Bank and Trust and Chase Nominees Ltd., as international custodian/depository banks, appear in the Company's shareholder registry as at 31 December 2019, with shareholdings of 6.43% and 5.15%, 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.

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A.3. In the following tables, list the members of the Board of Directors with voting rights in the company:

Personal or corporate name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% 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. JOSÉ 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 GONZÁLEZ 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:

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Personal or corporate name of Director	Personal or corporate name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	QUINTORGE, S.L.	0.00	0.00	0.00	0.00

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

Mr. José Ignacio Goirigolzarri direct owner of 259,170 shares of the Company (representative of a 0.008% of the share capital);
 Mr. José Sevilla Álvarez direct owner of 55,012 shares of the Company (representative of a 0.002% of the share capital);
 Mr. Antonio Ortega Parra direct owner of 75,000 shares of the Company (representative of a 0.002% of the share capital);
 Mr. Joaquín Ayuso García direct owner of 55,015 shares of the Company (representative of a 0.002% of the share capital);
 Mr. Francisco Javier Campo García direct owner of 50,315 shares of the Company (representative of a 0.002% of the share capital);
 Mrs. Eva Castillo Sanz direct owner of 25,000 shares of the Company (representative of a 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 (representative of the 0.001% of the share capital);
 Mr. Carlos Egea Krauel direct owner of 15,595 shares of the Company (representative of a 0.001% of the share capital);
 Mr. José Luis Feito Higuera direct owner of 49,452 shares of the Company (representative of a 0.002% of the share capital);
 Mr. Fernando Fernández Méndez de Andés direct owner of 16,358 shares of the Company (representative of a 0.001% of the share capital);
 Mrs. Laura González Molero direct owner of 5,000 shares of the Company (representative of a 0.002% of the share capital);
 Mr. Antonio Greño Hidalgo direct owner of 20,750 shares of the Company (representative of a 0.001% of the share capital);

A.4. If applicable, state 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, except those that are reported in Section A.6:

Personal or corporate name of related Party	Nature of relationship	Brief description
Without data		

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

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Personal or corporate 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 to, within the legal limits, ensure at all times an appropriate level of coordination between Bankia and BFA and group companies, and to manage and minimize any situations that may give rise to potential conflicts of interest between the two entities, while ensuring due observance and protection of the rest of the shareholders in an atmosphere of transparency in relations between the two entities.
BFA, TENEDORA DE ACCIONES, S.A.U.	Contractual	Service level agreement, development of the framework agreement, enabling BFA to manage its activity adequately 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 preferred participating securities 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 private deals 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	Master Agreement between BFA and Bankia. Article 11 (2) of the CRR, to govern the relations between BFA and Bankia with respect to defining and implementing the necessary mechanisms and procedures so that Bankia can comply with the obligations laid down in 11.2 of Regulation (EU) number 575/2013 and, in particular, verify that BFA complies with the capital requirements imposed in applicable legislation.

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BFA, TENEDORA DE ACCIONES, S.A.U.	Corporate	Agreement regarding the management of the FROB's indirect shareholding in Bankia, S.A., through BFA Tenedora de Acciones, S.A.U.
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A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

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

Personal or corporate name of related director or representative	Personal or corporate 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.	REPRESENTATIVE PHYSICAL PERSON - PRESIDENT (FROB)
MR. ANTONIO ORTEGA PARRA	BFA, TENEDORA DE ACCIONES, S.A.U.	BANKIA, S.A.	DIRECTOR
MR. JOSÉ SEVILLA ÁLVAREZ	BFA, TENEDORA DE ACCIONES, S.A.U.	BANKIA, S.A.	DIRECTOR

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There are no proprietary directors on Bankia S.A.'s Board of Directors. The Board of Directors was made up of 12 directors at 31 December 2019, 3 executives, 8 independent and 1 external.

BFA Tenedora de Acciones S.A.U. held shares representing 61.80 % of Bankia's share capital at 31 December 2019.

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

At any rate, at the General Meeting of Shareholders of Bankia, S.A. held on 29 June 2012, on item 3 of the Agenda, the proposed appointments and ratification of directors were approved with 95% votes in favour of all valid votes and abstentions, 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 during the year before, resolutions were adopted to re-elect 6 directors: 2 executive and 4 independent.

In addition, at the Extraordinary General Meeting of Shareholders held on 14 September 2017, pursuant to the Common Terms of Merger 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 in the Bank of Spain's Register of Senior Offices (Registro de Altos Cargos or RAC) on 12 January 2018. On 25 January 2018, this director changed category after being designated executive director. In 2019, Mr. Egea resigned from his executive duties. On 28 June 2019 he thus became an external director.

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

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 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, introducing the consolidated text of the Corporate Enterprises Act.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the "*Ley de Sociedades de Capital*" ("*Corporate Enterprise Act*" or "*LSC*"). If so, describe these agreements and list the party shareholders:

Yes
 No

State 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 modified or terminated during the year, please specify expressly:

[Not applicable.]

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A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

Yes

No

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

BFA Tenedora de Acciones, S.A.U held shares representing 61.80% of Bankia, S.A.'s share capital by 31 December 2019.

The FROB held 100% of BFA, Tenedora de Acciones, S.A.U's shares by 31 December 2019.

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
22,350,560	-	0.73

The number of shares includes shares traded until 12/31/2019. Regarding settlement at the Spanish Central Securities Depository (Iberclear), the settlement records of the transactions of 30 December (sale of 210,000 shares) and 31 December (acquisition of 90,752 shares) were 01/02/2020 and 01/03/2020, respectively.

(*) Through:

Personal or corporate name of direct shareholder	Number of direct shares
Without data	

Explain any significant changes during the year:

Explain significant changes

On 20 May 2019, the capital reduction was carried out through the cancellation of treasury shares. The capital reduction amounted to EUR 15,440,845, with the cancellation of 15,440,845 treasury shares (representing 0.50% of share capital). As a result, Bankia's share capital amounted to EUR 3,069,522,105, represented by 3,069,522,105 shares of EUR 1 par value each. The purpose of the capital reduction was to cancel treasury shares.

Notification to the CNMV dated 22 May 2019: Modification of the number of voting rights of the issuer dated 20 May 2019 as a result of this capital reduction. At that date, the total position in treasury shares amounted to 0.595% of share capital.

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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 22 March 2019, a resolution was adopted at the General Shareholders' Meeting 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":
Authorisation for the Board of Directors, in the broadest terms, to engage in the derivative acquisition of own 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 out of profits for the fiscal year and/or unrestricted reserves.
- b. Maximum number of shares to be acquired: the 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 by 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.

The conduct of these transactions also will be in compliance with the rules in this regard contained in Bankia's Internal Rules of Conduct for Securities Markets.

To authorise the Board of Directors so that it may sell the shares acquired or use the own shares acquired, in whole or in part, for implementation of remuneration schemes that have delivery of shares or option rights on shares as their purpose or result therein, 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 10 April 2018, which will therefore be rendered void.

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

A.11. Estimated working capital:

	%
Estimated working capital	37.45

The percentage free float reported was calculated after subtracting the percentage of capital at 31 December 2019 held by BFA (61.798%), as controlling shareholder, by members of the Board of Directors (0.023%) and held in treasury shares (0.727%).

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

However, for information purposes only, the free float that results from also subtracting the interest owned by the other shareholder that as at 31 December 2019 had disclosed a significant shareholding to the CNMV (Artisan Partners Asset Management Inc., holding - 3.070%) is 34.382%.

The response to section B.4 reflects this same view.

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes

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for the 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

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

Pursuant to article 17 of Law 10/2014 of 26 June 2014, on Governance, Supervision and Solvency of Credit Institutions any natural person or body corporate 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 whereby the percentage of voting rights or capital held therein equals or exceeds 20%, 30% or 50%, or where control of the credit institution is 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 legal 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 entitled or represented.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes

No

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

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes

No

If so, please list each type of share and the rights and obligations conferred on each.

B. GENERAL SHAREHOLDER'S MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail.

Yes

No

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B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

[] Yes
 [√] No

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The rules governing amendments to the Company's Bylaws are those set forth in the Corporate Enterprise. 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 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, adoption of resolutions to amend by the Bylaws requires an absolute majority if over fifty percent of the share capital is 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 when, at second call, at least twenty-five percent but less than fifty percent of the subscribed capital with voting rights is in attendance.

In addition, according to 31.1 of the Bylaws, in line with article 197 bis of the Corporate Enterprises Act, that separate votes must be held on matters regarding amendment of the Bylaws, that of each article or group of articles that are independent of each other, even if 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 address within the same municipality.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

Date of General Meeting	Attendance data				Total
	% physically present	% Present By Proxy	% Electronic Voting	Other Voting	
03/24/2017	66.97	12.21	0.00	0.61	79.79
Of which, free float	0.06	12.21	0.00	0.61	12.88
09/14/2017	67.81	14.25	0.01	0.41	82.48
Of which, free float	0.04	14.25	0.01	0.41	14.71
04/10/2018	61.84	16.07	0.01	0.38	78.30
Of which, free float	0.04	16.07	0.01	0.38	16.50
03/22/2019	62.87	17.09	0.01	0.35	80.32

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Of which, free float	0.45	17.09	0.01	0.35	17.90
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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 in treasury shares, at the date of the General Meetings indicated in the heading.

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

- Yes
 No

B.6. Indicate whether there are any restrictions in the Bylaws establishing a minimum number of shares needed to attend the General Shareholders' Meetings, or to vote absentee:

- Yes
 No

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

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

- Yes
 No

B.8. State the address and manner of access to the page on the company website where one may find 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, 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 will have, for the purposes envisaged in the applicable laws, a website (www.bankia.com) through which its shareholders, investors and the market will be generally advised of material or significant matters related to the Company, and the notices legally required to be published.

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

In this respect, the www.bankia.com home page includes a menu entitled "Shareholders and Investors" with 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.

The Company's website is available in Spanish and English.

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C.1.1 Maximum and minimum number of directors established in the Articles of Association 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	12

C.1.2 Please complete the following table on directors

Personal or corporate name of director	Natural person	Director Category	Position on the board	Date first Appointed to Board	Las re-election date	Method of selection to Board
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE		EXECUTIVE	CHAIRMAN	05/09/2012	03/24/2017	SHAREHOLDER MEETING AGREEMENT
MR. JOSÉ SEVILLA ÁLVAREZ		EXECUTIVE	CHIEF EXECUTIVE OFFICER	05/25/2012	03/15/2016	SHAREHOLDER MEETING AGREEMENT
MR. JOAQUÍN AYUSO GARCÍA		INDEPENDENT	DIRECTOR	05/25/2012	03/15/2016	SHAREHOLDER MEETING AGREEMENT
MR. FRANCISCO JAVIER CAMPO GARCÍA		INDEPENDENT	DIRECTOR	05/25/2012	03/15/2016	SHAREHOLDER MEETING AGREEMENT
MRS. EVA CASTILLO SANZ		INDEPENDENT	LEAD INDEPENDENT DIRECTOR	05/25/2012	03/15/2016	SHAREHOLDER MEETING AGREEMENT
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO		INDEPENDENT	DIRECTOR	05/25/2012	03/24/2012	SHAREHOLDER MEETING AGREEMENT

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MR. CARLOS EGEA KRAUEL		OTHER EXTERNAL	DIRECTOR	09/14/2017	09/14/2017	SHAREHOLDER MEETING AGREEMENT
MR. JOSÉ LUIS FEITO HIGUERUELA		INDEPENDENT	DIRECTOR	05/25/2012	03/24/2017	SHAREHOLDER MEETING AGREEMENT
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS		INDEPENDENT	DIRECTOR	05/25/2012	03/24/2017	SHAREHOLDER MEETING AGREEMENT
MRS. LAURA GONZÁLEZ MOLERO		INDEPENDENT	DIRECTOR	10/25/2018	10/25/2018	CO-OPTION
MR. ANTONIO GREÑO HIDALGO		INDEPENDENT	DIRECTOR	03/15/2016	03/15/2016	SHAREHOLDER MEETING AGREEMENT
MR. ANTONIO ORTEGA PARRA		EXECUTIVE	DIRECTOR	06/25/2014	03/24/2017	SHAREHOLDER MEETING AGREEMENT
Total number of directors					12	

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Personal or corporate name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
Without data					

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

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EXECUTIVE DIRECTORS		
Personal or corporate name of director	Post in organisational chart of the company	Profile
MR. JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	EXECUTIVE CHAIRMAN	<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 is Chairman of Bankia and of BFA, Tenedora de Acciones, S.A.U. since 9 May 2012.</p> <p>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. He is also Chairman of the Fundación Bankia por la Formación Dual.</p> <p>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.</p> <p>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 Spanish Chairman of the Spain-USA Foundation.</p>
MR. JOSÉ SEVILLA ÁLVAREZ	CHIEF EXECUTIVE OFFICER	<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.</p> <p>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 a directorship in BBVA Bancomer. He is a director of the Asociación para el Progreso de la Dirección (APD).</p> <p>He began his professional career in the investment banking field, working in Merrill Lynch and FG Inversiones Bursátiles.</p>

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<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 general director of People, Resources and Technology at Bankia since 16 May 2012. He is a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. since June 2012.</p> <p>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).</p> <p>A large part of his career has been spent 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.</p> <p>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>25.00</p>	
<p>PROPIETARY DIRECTORS</p>		
<p>Personal or corporate name of Director</p>	<p>Company, director or shareholder to whom the director is related</p>	<p>Profile</p>
<p>Without data</p>		

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INDEPENDENT DIRECTORS	
Name of the director	Profile
MR. JOAQUÍN AYUSO GARCÍA	<p>He was born in 1955, he holds a degree in Civil Engineering from Universidad Politécnica de Madrid.</p> <p>He is a member of the Board of Directors of Bankia and until March 2019 he was Lead Independent Director. He is Chairman of its Risk Advisory Committee and a member of its Appointments and Responsible Management Committee and of its Remuneration Committee. Further, he was vice-Chairman of Ferrovial and member of its Executive Committee, where he worked his entire career, and is a member of its Executive Committee. 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 AT Kearney. He is also vice-Chairman of the management board of the Real Sociedad Hípica Española Club de Campo.</p>
MR. FRANCISCO JAVIER CAMPO GARCÍA	<p>He was 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 Remuneration Committee and a member of the Appointments and Responsible Management Committee and Audit and Compliance Committee. He is president of Asociación Española del Gran Consumo (AECOC) operators, and director in Meliá Hotels International. He is also a member of the Advisory Board of Kearney (senior advisor) and of the Advisory Board of the Palacios Food Group and IPA Capital S.L. (Pastas Gallo). He is a director of the Asociación para el Progreso de la Dirección (APD), and a trustee of the Fundación Bankia por la Formación Dual, the Fundación F. Campo and the Fundación Iter. Mr. Campo began his professional career in Arthur Andersen and served as worldwide Chairman of the Dia Group and as a member of the Worldwide Executive Committee of the Carrefour Group and Chairman of Zena Group and Cortefiel Group.</p>
MRS. EVA CASTILLO SANZ	<p>She was 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 Risk Advisory Committee and Lead Independent Director.</p> <p>She is an independent director of Zardoya Otis and a member of the Boards of Trustees of Fundación Comillas-ICAI, and Fundación Entreculturas.</p> <p>She has been a director of Telefónica, S.A., and chairwoman of the Supervisory Board of Telefónica Deutschland. Previously Ms. Castillo worked in Merrill Lynch, where she became chairwoman of its Spanish subsidiary.</p>
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	<p>He was born in 1968, he holds a degree in Business Administration and a Master MBAI 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 tourism, banking and international trade in Spain, Switzerland, Hong Kong and China.</p>

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<p>MR. JOSÉ LUIS FEITO HIGUERUELA</p>	<p>He was born in 1952, he holds a degree in Economics and Business from Universidad Complutense de Madrid. He is 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 Chairman and general manager of the Institute for Economic Studies (IEE). He is also an independent director of Red Eléctrica Corporación and he is a trustee of the Fundación Carlos III.</p> <p>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>He was 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 a member of its Audit and Compliance Committee. He has been a member of the Board of Directors of BFA, Tenedora de Acciones, S.A.U.</p> <p>He is a lecturer in economic 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>MRS. LAURA GONZÁLEZ 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, and higher Course in Marketing from the CECO and in innovation in IMD Lousanne. She is a member of the Board of Directors of Bankia and a member of its Appointments and Responsible Management Committee and its Remuneration 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 & Scandinavia. She is currently an independent director of Acerinox, Grupo Ezentis and Viscofan. She is chairwoman of the Asociación para el Progreso de la Dirección (APD), and a Trustee of the Adecco Foundation and a member of the Advisory Board of ISS in Spain.</p>
<p>MR. ANTONIO GREÑO HIDALGO</p>	<p>He was 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 and Chairman of the Audit and Compliance Committee, having been appointed the committee's Financial Expert, and member of its 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 of Liberty Seguros. He has served as a director representing the Deposit Guarantee Fund in Catalunya Bank.</p>
<p>Total number of other external directors</p>	<p>8</p>
<p>Percentage of the Board</p>	<p>66.67</p>

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State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the 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.

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

Personal or corporate name of the director	Description of the relationship	Statement of the Board
MR. JOAQUÍN AYUSO GARCÍA	Financing agreements between Bankia and the Ferrovial Group and Service agreements between Bankia and the Group Alsá (Group National Express) Financial Agreements between Bankia and Fundación Create 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, member of the Board of Directors of Ferrovial, S.A (until September 2019), Autopista del Sol Concesionaria Española S.A. -AUSOL- (Ferrovial Group) (until October 2019), National Express Group PLC (until December 2019), member of the Trustee of Fundación Créate (until June 2019), and 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 Ferrovial Group, the Alsá Group (National Express Group), Fundación Créate and la 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 construction and services, which were applied in this case; (iii) the nonintervention by this director in the negotiations and decision making processes of either party; and (iv) in this case, the express intervention of the Board of Directors and the Audit and Compliance Committee given the related-party nature of the relationship.

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Personal or corporate name of the director	Description of the relationship	Statement of the Board
MR. FRANCISCO JAVIER CAMPO GARCÍA	Financing agreements between Bankia and the Group Meliá Hotels International, Group Empresarial Palacios Alimentación 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 Francisco Javier Campo García, a member of the Board of Directors of Meliá Hotels International and senior advisor and minority partner of Grupo Empresarial Palacios Alimentación and Chairman of AECOC on behalf of Bankia, can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia, S.A. and Meliá Hotels International, Grupo Empresarial Palacios Alimentación and AECOC, and/or their group companies, 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 construction 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.
MRS. EVA CASTILLO SANZ	Financing and services agreements between Bankia and Zardoya Otis.	The Board of Directors of Bankia, S.A., based on report by the Appointments and Responsible Management Committee considers that Mrs. Eva Castillo Sanz, member of the Board of Directors of Zardoya Otis, S.A., can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia and Zardoya Otis, S.A., or group companies, given i) that they entail agreements and/or transactions arranged before he joined the board of Zardoya Otis, 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 construction and services, which were applied in this

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		case; and(iv) the nonintervention by this director in the negotiations and decision making processes of either party.
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	Financing and services agreements between Bankia and Grupo Alsa (Grupo National Express).	The Board of Directors of Bankia, S.A., based on a report by the Appointments and Responsible Management Committee, considers that Jorge Cosmen Menéndez-Castañedo, a member of the Board of Directors of the National Express Group 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 construction 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. JOSÉ LUIS FEITO HIGUERUELA	Financing and service agreements between Bankia and Red Eléctrica Corporación.	The Board of Directors of Bankia, S.A., based on a report by the Appointment and Responsible Management Committee considers that Mr. José Luis Feito Higuera, a member of the Board of Directors of Red Eléctrica, can continue to be classified as an independent director of Bankia, S.A. despite the commercial relations between Bankia, S.A. and Red Eléctrica, 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 construction 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.

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Personal or corporate name of the director	Description of the relationship	Statement of the Board
MRS LAURA GONZÁLEZ MOLERO	Financing agreements between Bankia and the Group Acerinox and between Bankia and the Group Ezentis, and between Bankia and the Group Viscofan and service agreements between Bankia and the group Integrated Service Solutions (ISS).	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., Exentis, 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 relations with Bankia, S.A. and Acerinox, Ezentis, Viscofan and Group ISS given (i) that they entail agreements and/or transactions arranged before she joined the board 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 construction and services, which were applied in this case; and (iv) the nonintervention by this director in the negotiations and decision making processes of either party.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Personal or corporate name of the director	Reason	Company, director or shareholder to whom the director is related	Profile
MR. CARLOS EGEA KRAUEL	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. The effects of Mr. Egea's resignation from his executive duties were in accordance with the terms of the contract under commercial law between Bankia and Mr. Egea.	BANKIA, S.A.	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. He is a member of Bankia's Board of Directors and member of Audit and Compliance Committee. He was vice-president of Ahorro Corporación, S.A. Member of the boards of directors of CASER, Enagás, S.A. and Iberdrola

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	<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, after seeing a report by the Appointments and Responsible Management Committee in favour of the measure, resolved to classify Mr. Egea to the status "other external director", with effect from 28 June 2019.</p>		<p>Renovables, S.A. and Secretary of the board of directors of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA). 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. from 2010 and until the merger with Bankia.</p>
<p>Total number of other external directors</p>	<p>1</p>		
<p>% Percentage of the Board</p>	<p>8.33</p>		

State any changes in status that has occurred during the period for each director:

Personal or corporate name of the director	Date of change	Previous status	Current status
MR. CARLOS EGEA KRAUEL	06/28/2019	EXECUTIVE	OTHER EXTERNAL DIRECTOR

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

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	Number of female directors				% of directors for each category			
	Year 2019	Year 2018	Year 2017	Year 2016	Year 2019	Year 2018	Year 2017	Year 2016
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	0	0	0	0	0.00	0.00	0.00	0.00
Independent	2	2	1	1	25.00	25.00	14.29	12.50
Other external	0	0	0	0	0.00	0.00	0.00	0.00
Total:	2	2	1	1	16.67	16.67	10.00	9.09

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

- [] Yes
 [] No
 [] Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

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

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

In 2019, the Board reviewed and updated the Policy.

With this policy, Bankia ensures that the members of its Board of Directors are suitable and have the right knowledge, skills and experience necessary to carry out their duties. It also promotes diversity in 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.

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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 before 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 interfere with the selection of persons of the least represented gender. 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 means, if any, agreed upon by the appointments 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 and which makes it possible to achieve a balance between men and women:

Explanation of means

Article 15 of the Board of Directors Regulations of Bankia stipulates that the Appointments and Responsible Management Committee is responsible for setting a goal of representation for the gender under-represented on the Board of Directors and develop guidance on how to increase the number of the under-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 Policy of Suitability for Directors, General Managers and Similar, and other key holders positions in Bankia and the and the Selection, Diversity, Integration and Training Policy for Directors to ensure that the Bankia director selection procedure favours a diversity of gender, experience and knowledge, facilitating the selection of women directors and, in general, does not have implicit biases that could imply any discrimination, seeking a diversity of profiles in the Board of Directors.

To encourage the presence of women directors, in 2019 it was decided to begin the process of searching for and selecting new women directors. Real progress was made in evaluating the suitability of female candidates for appointment to the Board, thus making strides in achieving the objective outlined in the gender diversity policy.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

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

At year-end 2019, the Board of Directors of Bankia was composed of three executive directors, one other external director, and eight independent directors, of which two were women. Therefore, women occupied 16.7% of board seats and represented 25% of independent directors. A woman was chair of one of the five Board of Directors' committees and there were women members of four of the committees.

Accordingly, the presence of women in the Board of Directors' delegate bodies stood at 25% of the Appointments and Responsible Management Committee, 25% of the Remuneration Committee, 25% of the Risk Advisory Committee, and 33 % of the Board Risk Committee.

As noted previously, to achieve the target gender diversity, it was agreed in 2019 to begin the process for search for and selecting two new women directors. Real progress was made in evaluating the suitability of female candidates for appointment to the Board.

The Entity will continue this search to achieve its diversity objectives.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to

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the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

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 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 expanded in 2018. At the meeting held on 26 June 2019, Policy of Suitability for Directors, General Managers and Similar, and other key holders positions in Bankia and the the Selection, Diversity, Suitability, Integration and Training Policy for Directors was approved. It guarantees that the bodies overseeing the director selection process at Bankia must ensure that the selection procedure favours a diversity of gender, experience and knowledge, facilitating the selection of women directors and promoting a diversity of profiles

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

It 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, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Personal or corporate name of the director	Reason
Not applicable	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

[] Yes
[] No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Personal or corporate name of the director	Brief explanation
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 authority vested in him except for those that cannot be delegated by law or the Bylaws.

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MR. JOSÉ SEVILLA ÁLVAREZ	<p>Mr. Sevilla has been delegated jointly and severally all authorities than can be delegated to him by law or the Bylaws in the areas of financial and risk management, financial control and internal audit, as well as real estate and investees, and legal, tax and regulatory compliance advice.</p> <p>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 discharged exercised in accordance with the system in place for each class of legal representative approved by the Board of Directors.</p>
MR. ANTONIO ORTEGA PARRA	<p>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.</p>
BOARD RISK COMMITTEE	<p>The Board Risk Committee has operational authority and, therefore, may adopt the corresponding decisions within the scope of authority delegated by the Board of Directors. The Board Risk Committee has the following functions: - Make decisions within the scope of the authority delegated by the Board of Directors in risk matters specifically provided for in the Board's current delegation resolution. - Within its scope of authority, set the overall preclassification limits for account holders or customer groups in relation to exposures by risk class. - 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 authorities of the Board Risk Committee will be those delegated by the Board of Directors at any given time. - Pursuant to the resolution for the delegation of authorities to the Board Risk Committee adopted on 29 June 2012, the Board Risk Committee has authority to rule on credit risk proposals within its remit and authorities. This delegation is for amounts between EUR 300 million, for transactions with the lowest rating level, and EUR 1,300 million for those with the highest, above which approval by the Board of Directors is required in all cases. There is a specific rule for major borrowers with reputational risk, in which the maximum amount authorised is EUR 10 million.</p>

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Personal or corporate name of director	Personal or corporate name of Group member	Position	Does the director have executive powers?
Not applicable			

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company

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Personal or corporate name of director	Personal or corporate name of listed Company	Position
MR. JOAQUÍN AYUSO GARCÍA	NATIONAL EXPRESS GROUP, PLC	DIRECTOR
MR. FRANCISCO JAVIER CAMPO GARCÍA	MELIÁ HOTELS INTERNATIONAL, S.A.	DIRECTOR
MRS. EVA CASTILLO SANZ	ZARDOYA OTIS, S.A.	DIRECTOR
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	NATIONAL EXPRESS GROUP, PLC.	VICE-CHAIRMAN
MRS. LAURA GONZÁLEZ MOLERO	GRUPO EZENTIS, S.A.	DIRECTOR
MRS. LAURA GONZÁLEZ MOLERO	ACERINOX, S.A.	DIRECTOR
MRS. LAURA GONZÁLEZ MOLERO	VISCOFAN, S.A.	DIRECTOR

Effective as of 31 December 2019, Joaquín Ayuso García stepped down as member of the Board of Directors of National Express Group, PLC.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

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 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	3,308
Amount of vested pension interests for current members (thousand euros)	0
Amount of vested pension interests for former members (thousand euros)	1,538

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In relation to the caption "Board remuneration in financial year":

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

On 26 March 2019, Carlos Egea Krauel stepped down from his executive duties on Bankia's Board of Directors, retaining his director status. The impact of his resigning from his executive duties prompted an adjustment to the terms of the commercial contract entered into between Bankia and Mr. Egea Krauel, leaving him with the status of "other external director" as of 28 June 2019. The amounts shown correspond to the period from 1 January to 27 June 2019 as executive director and from 28 June to 31 December 2019 as other external director.

The data corresponding to the annual bonuses accrued by Mr. Goirigolzarri, Mr. Sevilla and Mr. Ortega in 2019 is pending the authorisations and approvals contemplated in prevailing legislation.

In relation to the caption "Amount of vested pension interests for former members":

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

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

Name	Position	
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 GENERAL SECRETARY	
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	
Total senior manager remuneration (thousand euros)		5,705

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

With respect to 2018 the number of senior management members increased as disclosed at C.1.14. Hence total remuneration was higher in 2019 than in 2018.

Includes the target variable remuneration for 2019 of the nine Management Committee members, although the final assessment and approval is pending.

Includes the remuneration of Mr. Alvear, Mr. Galarza, Mr. López, Mr. Solla and Mr. Torres for the period from 24 January to 31 December 2019 and the amount accrued by Mr. Cánovas for the period from 1 January to 23 January 2019. Mr. Cánovas was not paid any amount as severance indemnity. He is subject to a post-contractual non-competition undertaking for a period of two years, in exchange for an amount equivalent to two years' fixed remuneration.

-Clarification about "senior managers":

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

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C.1.15 State whether the Board rules were amended during the year:

Yes

No

Description of amendment

<p>On 24 July 2019, the Board of Directors, following a favourable report from the Audit and Compliance Committee, the Appointments and Responsible Management Committee and the Remuneration Committee, approved amendments of Articles 15 (the Appointments and Responsible Management Committee) and 15 <i>bis</i> (the Remuneration Committee) of the Regulations of the Board of Directors to accommodate recommendations and guidelines set out in the <i>Guía Técnica 1/2019</i> (Technical Guide) issued by the Spanish National Securities Market Commission (CNMV) on appointments and remuneration committees and, specifically, to establish that the provisions of these articles may be further implemented in the Regulations of the Appointments and Responsible Management Committee and in the Regulations of the Remuneration Committee.</p>

<p>Therefore, on the same day, the Board of Directors approved the Regulations of the Appointments and Responsible Management Committee and the Regulations of the Remuneration Committee.</p>
--

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: 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 and (article 21) of the Board of Directors Regulations, in the Appointments and Responsible Management Committee

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Regulation (articles 12 and 13) and applying the policy of Selection, Diversity, Suitability, Integration and Training of Directors of the Entity.

In particular, the Board of Directors may appoint directors by the co-option system to cover vacancies arising during the term of office of the directors. Directors appointed by co-option shall provisionally hold the post until the date of the first General Meeting of Shareholders after being appointed by co-option, 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-option shall have the same rights and obligations as directors appointed directly by the General Meeting of Shareholders.

Directors appointed by co-option 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 submit the General Meeting of Shareholders and any appointment decisions made by the Board itself under its powers of co-option 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, and must be preceded by a 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 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.

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.

A natural person who is permanently appointed to perform the functions of a legal person director will meet the same suitability requirements, is subject to the same rules of incompatibility, has the same duties and is 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.

Directors who give up their place before their tenure expires, through resignation or otherwise, shall state their reasons in a letter to be sent to all members of the Board of Directors. The motivating factors shall be explained in the annual corporate governance report.

In the event that the Board of Directors proposes the removal of any external director before the end of the bylaws term for which the director was appointed, the proposal must be motivated and have the corresponding 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 just cause is found much appreciated by the Board of Directors, after a report from the Appointments and Responsible Management Committee. The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction produces changes in the capital structure of the Board, 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 Regulations of the Board of Directors, as described in section C.1.19 of this report.

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

Description of changes

It has not given rise to any relevant change.

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Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors engaged an external advisor as facilitator and promoter in the self-evaluation of the performance of the Board of Directors. For the Board's self-evaluation, an interview script was prepared in line with international best corporate governance practices.

The external facilitator conducted individual interviews with each member of the Board of Directors in which it analysed various aspects of the operations and composition of the Board of Directors, its committees and the positions. In this respect, the following were evaluated:

- the structure, composition, education, operation and competencies of the Board of Directors;
- the structure, composition, education, operation and competencies of the board committees;
- the performance of the Chairman, the Chief Executive Officer, the Lead Independent Director and the Secretary of the Board; and
- the performance and contribution of each director.

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

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

At present, the external expert is only still engaged to evaluate the overall performance of the Board of Directors.

C.1.19 State the situations in which directors are required 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 rules on incompatibility or prohibition or unsuitability prescribed by law.
- b) When they are tried for alleged criminal offenses or subject to disciplinary proceedings for serious or very serious infractions brought by the supervisory authorities.

For these purposes, any director of the Company must report to the Board of Directors of the existence of circumstances that could be detrimental to the credit and reputation of the Company, in particular of criminal actions in which the director is an accused, as well as subsequent procedural developments.

If a director is indicted or tried for any of the crimes specified in article 213 of the Corporations Act, the Board will examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not it is appropriate for the director to remain in the position.

- 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.

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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.

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

Under Article 12 of the Regulations of the Appointments and Responsible Management Committee, when a director resigns or for any other reason leaves his or her position before the end of his or her mandate, the Committee shall ensure that the Company acts transparently with regard to the process and its causes. When the director's departure is due to resignation, the Committee shall consider any information provided in the letter submitted by the outgoing director to the Board. If the Committee believes such information is insufficient, it shall approach the director to ascertain the reasons for his or her resignation (whether personal - health, family commitments, excess work, etc. - or of another nature, for example, disagreement with the Company's strategy, with other members of the Board or senior management, with significant shareholders or with any other party involved in the Company's corporate governance).

Moreover, the Committee shall ensure that the Board of Directors suitably discloses the reasons and circumstances of the director's departure and provides an explanation of the reasons for the departure in the annual corporate governance report.

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

Yes

No

If so, please describe any differences:

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

Yes

No

C.1.22 State whether the articles of association or the board rules establish any limit as to the age of directors:

Yes

No

C.1.23 State whether the articles of association or the board rules establish any term limits or other stricter limits for independent directors other than those required by law:

Yes

No

C.1.24 State whether the articles of association or board rules establish specific proxy rules for votes at board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

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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 the 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 a director is required to attend the meetings of the bodies of which he is a member and actively participate in the deliberations so that his 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 on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need to make a decision.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the Chairman present. Meetings where the Chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	15
Number of Board meetings without the Chairman	0

State 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
--------------------	---

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Risk Advisory Committee	29
Number of meetings held by the Appointments and Responsible Management Committee	13
Number of meetings held by the Remuneration Committee	9
Number of meetings held by the Board Risk Committee	31
Number of meetings held by the Audit and Compliance Committee	18

C.1.26 State the number of meetings held by the Board of Directors during the year and the details of members' attendance:

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Number of Board meetings attended by at least 80% of the board members	15
% of attendance over total votes during the year	98.33
Number of meetings in situ or representations made with specific instructions of all directors	15
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	100.00

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

- Yes
 No

Identify, where applicable, the person or persons who certified the company's individual and consolidated financial statements, for their authorisation by the Board:

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

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

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Article 53.3 of the Bylaws of Bankia, S.A. states that the Board of Directors will arrange for definitive preparation of the accounts in a manner that will not result in qualifications by the statutory auditor. 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 difference and, also, will arrange for the statutory auditor also to state its comments in this regard. .

Through the Audit and Compliance Committee, the Board of Directors oversees the entire process of preparing and issuing the financial statements 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 on-going contact with the auditor is to avoid qualifications in the audit report.

Bankia's Audit and Compliance Committee, all of whom will be non-executive directors and a majority, independent, shall perform all the duties set forth in applicable legislation. In particular, without limitation, its basic responsibilities include the following:

- Review the Company's accounts to ensure compliance with legal requirements and proper application of generally accepted accounting principles and report 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 about 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 fluid 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 defined directly by 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

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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.

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.

- Report to the General Meeting of Shareholders on questions that are posed regarding matters 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.

- Supervise the effectiveness of the internal control of the Company, the internal audit, the regulatory compliance and risk management systems, and discuss with the statutory auditor any material weaknesses of 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.

- Supervise the preparation and filing of regulatory financial information and submit to the Board of Directors recommendations or proposals designed to safeguard the integrity of the financial information and, in particular:

- Report to the Board of Directors, in advance, on the financial information that the Company must publish periodically;

- Review the Company's accounts

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

- Propose to the Board of Directors for the selection, appointment, reelection and removal of the statutory auditor, and oversee the selection process in accordance with EU legislation and the terms and conditions of engagement.

- Establish appropriate relations with the external auditors so as to receive information on matters that could jeopardise 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, authorise the services permitted under the terms of EU legislation and regulations regarding independence, and make any other disclosures required under applicable legislation and auditing standards. In particular:

- Act as a communications channel between the Board of Directors and the 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.

- Request regular information from the external auditor on the audit plan and the results of the audit and ensure that senior management acts on the external auditor's recommendations;

- Ensure 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;

- Supervise 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;

- Ensure the independence of the external auditor in the exercise of its functions, as set out in section C.1 .30 of this Report.

- Issue a report each year, prior to the release of the auditors' report, expressing an opinion on whether the independence of the external auditor or audit firms has been compromised. This report will contain a reasoned assessment of any additional non-audit services provided considered individually and in the aggregate, other than that of the legal audit and in relation to the auditors' independence and compliance with auditing standards.

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

- [] Yes
[√] No

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

Personal or corporate name of the secretary	Representative
MR. MIGUEL CRESPO RODRÍGUEZ	-

C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

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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 Regulation, the Audit and Compliance Committee of Bankia S.A. has among other competencies to ensure the independence of the external auditor and therefore:

- Request and receive from the external auditors a declaration of their independence as regards 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 perceived from such entities by the external auditor or persons or entities related thereto, pursuant to the rules regulating the activity of auditing accounts.
- Annually, prior to the issue of the audit report, issuing a report stating an opinion as to whether the independence of the auditors of the accounts or audit companies has been compromised. This report in any event must contain a reasoned evaluation of the provision of each and every one of the additional services referred to in the preceding section that have been provided, taken individually and as a whole, other than the legal audit, as regards the scheme of independence of the auditors and regulations governing the activity of auditing accounts.
- Conduct relations 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 the relationships between the Company 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 auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' 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 of resignation of the external auditor, investigate the reasons for the resignation.
- Ensure that the Company notifies any change of external auditor as a material disclosure, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
- 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, approved by the Board of Directors and reviewed annually. The Policy specifies control actions designed to ensure compliance with current laws and regulations on 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 Act) and its implementing regulations (Royal Decree 1517/2011) and the recommendations issued by the CNMV in Guía Técnica 3/2017 (Technical Guide) on audit committees at public interest entities.

Policy on Monitoring the Independence of the External Auditor

In particular, the Policy for 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. Those mechanisms are:

- Conflicts of interest arising from personal situations:
 - The external auditor's own Quality and Independence Manual summarising the internal control procedures designed and implemented by the external auditor to ensure strict compliance with the independence rules applicable to audit firms.
 - The Corporate Internal Audit Department requests the current Manual from the external auditor every six months. The Manual is then submitted to the Audit and Compliance Committee alongside the half-yearly independence report.
 - Half-yearly confirmation of the external auditor's independence entails compliance with this requirement.
 - At the beginning of the period to be audited, the external auditor is asked to fully identify the team and confirm, with respect to a reference date, that team members are aware of the regulatory restrictions. The team list is updated on completion of the engagement.
 - The list is sent to the Corporate Human Resources Department for reference in selection and hiring processes.

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- 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 to explain why the audit firm is best suited to provide the services by reason of its knowledge and experience.
- The Audit and Compliance Committee authorises services on a monthly basis.
- The authorisation of some engagements ("no risk to independence") is delegated to the Corporate Internal Audit Department.
- Where required or allowed 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 Assistant Secretary confirms that the Audit and Compliance Committee authorised the proposal, the situation is reported to the external auditor and the Procurement Department for an appropriate contract to 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.
- Conflicts of interest arising from providing otherwise non-prohibited services to relations of the principal auditor come 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 apply.

(Keep in Note H)

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

- Yes
 No

If there were any disagreements with the outgoing auditor, please provide an explanation.

- Yes
 No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

- Yes
 No

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	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	527	0	527
	Company	Group Companies	Total
Amount invoiced for non-audit services/Amount for audit work (in %)	24.00	0.00	24.00

Non-audit work includes services related to auditing accounts (Asset Protection Report) Clients, Agreed Procedures Report on the information submitted to the FUR, etc.), as well as the review of non-financial information, the issuance of comforts letters, the agreed procedures report on the report with prudential relevance, expert reports and external expert report on money laundering prevention.

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the Chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes
 No

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7
	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	29.17	77.78

The separate financial statements, considering that Bankia, S.A., as a business enterprise started in 1995 under the name Altae Banco, S.A., have been audited for 24 years. Banco Altae, S.A. is not considered to have come from the former Banco de Crédito y Ahorro, S.A.

Respect to the Consolidated Financial Statements 9 years have been taken into account.

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes
 No

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Explanation procedure

The procedure for the Directors of Bankia, S.A. to count with the necessary information to prepare the meetings of the governing bodies with sufficient time is governed in Article 17.2 of the Regulation of the Board of Directors. This Regulation establishes 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 date contemplated for the meeting, unless, in the judgment of the Chairman, the urgency of the matters to be considered requires an urgent call, which may be made by telephone, fax, e-mail or any other remote 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 adoption thereof, in accordance to the Regulations of the Board of Directors.

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

The directors can gather all the additional information they consider necessary for the matters which compete the Board of Directors. Under the duty of directors to demand, and a right to request, from the Company all the information they need in order to perform their obligations, article 26 of the Regulations of the Board of Directors states that directors have the broadest authority to seek information on any aspect of the Company, to examine its books, records, documents and other evidence of 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 will be channelled through the Chairman or secretary of the Board of Directors. They 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 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

[] Yes
[] No

Explain the rules

According to article 40 of the Bylaws, the members of the Board of Directors of Bankia, S.A. must satisfy the requirements of banking regulation to be considered to be honourable persons, suitable for exercise of that function. In particular, they must be of high commercial and professional integrity, have knowledge and experience appropriate to the performance of their

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duties and be willing to exercise good governance of the Company. Supervening failure to satisfy those 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 rules on incompatibility or prohibition or unsuitability prescribed by law.
- b) When they are tried for alleged criminal offenses or subject to disciplinary proceedings for serious or very serious infractions brought by the supervisory authorities.

For these purposes, any director of the Company must inform the Board of Directors of the existence of circumstances that could be detrimental to the credit and reputation of the Company, in particular of criminal actions in which the director is an accused, as well as subsequent procedural developments.

If a director is indicted or tried for any of the crimes indicated in article 213 of the Corporations Act "Ley de Sociedades de Capital", the Board will examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not it is appropriate for the director to remain in the position.

- 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 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

- 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 for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

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Number of beneficiaries	22
Type of beneficiary	Description of agreement
EXECUTIVE DIRECTORS, MEMBERS OF THE MANAGEMENT COMMITTEE AND OTHER DIRECTORS.	<p>EXECUTIVE DIRECTORS: The contracts of Mr. Goirigolzarri, Mr. Sevilla y Mr. Ortega contain 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 also contain a post-contractual non-compete clause, as well as a three-month notice period in the contracts of Mr. Sevilla and Mr. Ortega. 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 included clauses that set compensation for all items if they are dismissed for legal reasons, except for disciplinary reasons considered legally valid, equivalent to two years' fixed compensation. 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 DIRECTORS: It states that in no circumstances may the maximum severance recognised in the case of dismissal for legal reasons, except for disciplinary reasons considered legally valid, exceed two years' fixed compensation.</p>

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	√	

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

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Indemnity or golden parachute clauses are authorised by several bodies:

- Executive directors: Authorised by the Board of Directors and reported at the General Shareholders' Meeting.
- Members of the Management Committee: Authorised by the Board of Directors at the proposal of the Remuneration Committee.
- Other senior managers: Authorised in accordance with delegated powers and authorities regarding Bankia 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 membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

RISK ADVISORY COMMITTEE		
Name	Post	Category
MR. JOAQUÍN AYUSO GARCÍA	CHAIRMAN	Independent
MRS. EVA CASTILLO SANZ	COMMITTE MEMBER	Independent
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS	COMMITTE MEMBER	Independent
MR. ANTONIO GREÑO HIDALGO	COMMITTE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	
% of independent directors	100.00	
% of external directors	0.00	

On 25 February 2019, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Mr. Joaquín Ayuso García, replacing Mr. Francisco Javier Campo García, and Mr. Antonio Greño Hidalgo as members of the Risk Advisory Committee. The Board of Directors also resolved to appoint Mr. Joaquín Ayuso García as Chairman of the Risk Advisory Committee, replacing Mr. Francisco Javier Campo García.

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Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

FUNCTIONS:

The Risk Advisory Committee of Bankia has attributed to it all the duties required in by law, especially banking regulations. Given their length, 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 states that the Risk Advisory Committee will be comprised of a minimum of 3 and maximum of 5 directors, who may not be executive directors, without prejudice to attendance, when so expressly resolved by the members of the Committee, of other directors, including executive directors, senior managers and any employee. In any event the number of members of the Risk Advisory Committee will be determined directly by way of establishment of that number by express resolution, or indirectly by way of filling vacancies or appointment of new members within the established maximum.

The members of the Risk Advisory Committee must have the appropriate knowledges, skills and experience to fully understand and control the risk strategy and risk tolerance 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 the Committee when the majority of the directors that are a part thereof are in attendance, 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 a 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 manager, meeting the requirements set forth in the applicable regulations and in the performance of his/her duties having direct access 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 2019, the Risk Advisory Committee advised the Board of Directors on the following key matters:

- Advice on the definition of the Company's and Group's overall propensity of risk, set out in the Risk Appetite and Tolerance Framework and in the Risk Budget.
- Advice on the approval of the Company's and the Group's risk control and management policy, identifying the various types of risk assumed by the Company and the Group, 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.

(Keep in Note H)

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APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE		
Name	Post	Category
MRS. EVA CASTILLO SANZ	CHAIRMAN	INDEPENDENT
MR. JOAQUÍN AYUSO GARCÍA	COMMITTEE MEMBER	INDEPENDENT
MR. FRANCISCO JAVIER CAMPO GARCÍA	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 external directors	0.00	

On 25 February 2019, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Mrs. Eva Castillo Sanz as a member of the Appointments and Responsible Management Committee, replacing Mr. Fernando Fernández Méndez de Andés. The Board of Directors resolved to appoint Mr. Eva Castillo Sanz as Chair of the Appointments and Responsible Management Committee, replacing Mr. Joaquín Ayuso García, who remains a member of the Committee.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

FUNCTIONS:

The Appointments and Responsible Management Committee of Bankia has attributed to it 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 the *Guía Técnica 1/2019* (Technical Guide), of the Spanish National Securities Market Commission (CNMV), on appointments and remuneration committees, which, given their length, 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, ensuring that the Company has the best professionals in its governing bodies and senior management. The Committee is also responsible for reviewing the Company's Corporate Social Responsibility Policy, seeing that it is aimed at the creation of value, and monitoring the corporate social responsibility strategy and practices and evaluating the degree of compliance thereof. 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 managers, 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 Regulations of the Board of Directors and, specifically, in the Regulations of the Appointments and Responsible Management Committee.

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 3 and a maximum of 5 directors.

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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 managers, 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 a Lead Independent Director, it shall endeavour to appoint him/her as a member of the Appointments and Responsible Management Committee.

The Committee shall 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 by reason of size and complexity will be 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.

The Committee will have a Secretary and, optionally, an Assistant Secretary, who need not be directors and may be other than the Secretary and Assistant 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. Further, 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 of the policies and criteria applied by the Committee to attract talent. In particular, joint meetings shall be held 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 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 a casting vote.

The Committee shall consult with the Company's Chairman and, where appropriate, the Chief Executive of the Company on matters relating to executive directors and senior officers.

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

(Keep in Note H)

REMUNERATION COMMITTEE		
Name	Post	Category
MR. FRANCISCO JAVIER CAMPO GARCÍA	CHAIRMAN	Independent
MR. JOAQUÍN AYUSO GARCÍA	COMMITTE MEMBER	Independent
MR. JORGE COSMEN MENÉNDEZ-CASTAÑEDO	COMMITTE MEMBER	Independent
MRS. LAURA GONZÁLEZ MOLERO	COMMITTE MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	0.00	

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% of independent directors	100.00
% of external directors	0.00

On 25 February 2019, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Mr. Francisco Javier Campo García and Mrs. Laura González Molero as members of the Remuneration Committee, replacing Mrs. Eva Castillo Sanz and Mr. Fernando Fernández Méndez de Andés. The Board of Directors also resolved to appoint Francisco Javier Campo Garcia as Chairman of the Remuneration Committee, replacing Mrs. Eva Castillo Sanz.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

FUNCTIONS:

The Remuneration Committee of Bankia has attributed to it 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 the *Guía Técnica 1/2019* (Technical Guide), of the Spanish National Securities Market Commission (CNMV), on appointments and remuneration committees, which, given their length, 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 remuneration for directors and senior managers, and, in particular, without limitation, the responsibilities within the scope of the Committee's Regulations.

RULES OF ORGANISATION AND FUNCTIONING:

With respect to the rules on functioning and organization in the article 47 of the Bylaws and, article 15 bis of the Board of Directors Regulations and, specifically, in the Regulations of the Remuneration Committee.

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 3 and a maximum of 5 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 managers.

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 a Lead Independent Director, it shall endeavour to appoint him/her as a member of the Remuneration Committee.

The Committee shall 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 will be 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.

The committee will have a secretary and, optionally, an assistant secretary, who need not be directors and may be other than the secretary and assistant secretary of the Board of Directors, respectively.

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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. Further, 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 the Remuneration Committee 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 managers or of any third party may only occur at the invitation of the Chairman of the Committee and shall be limited to the specific business 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 a casting vote.

The Committee shall consult with the Company's Chairman and, where appropriate, the Chief Executive of the Company on matters relating to executive directors and senior officers.

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 ensuring 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, they shall be different from any advisors who might assist the Appointments and Responsible Management Committee in its selection, appointment and assessment roles.

(Keep in Note H)

BOARD RISKS COMMITTEE		
Name	Post	Category
MR. JOSE SEVILLA ALVAREZ	CHAIRMAN	Executive
MRS. EVA CASTILLO SANZ	COMITTEE MEMBER	Independent
MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS	COMITTEE MEMBER	Independent
% of executive directors	33.00	
% of proprietary directors	0.00	
% of independent directors	66.67	
% of external directors	0.00	

On 25 February 2019, following a favorable report from the Appointments and Responsible Management Committee, by a resolution of the Board of Directors Mr. Francisco Javier Campo García stepped down from the Board Risk Committee, having been appointed a member and Chairman of the Remuneration Committee and a member of the Audit and Compliance Committee.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

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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 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 states 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 a casting vote.

The Board Risk Committee will have operational authority and, therefore, may adopt the corresponding decisions within the scope of authority delegated by the Board.

The Board Risk Committee will have the specific delegated authority contemplated in the delegation resolution.

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

ACTIONS:

Regarding the main actions carried out in 2019, the Board Risk Committee's principle activity is the approval of risks within 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 meeting the Committee analyses and, where appropriate, approves all specific risk transactions, finance programmes and the overall limits of prequalification attributed to it within the scope of authority delegated by the Board of Directors. It shall also assess and put forward, as appropriate, proposals of this nature, which must be approved by the Board of Directors.

(Keep in Note H)

AUDIT AND COMPLIANCE COMMITTEE

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

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On 25 February 2019, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Francisco Javier Campo García and Fernando Fernández Méndez de Andés as members of the Audit and Compliance Committee, replacing Joaquín Ayuso García and Jorge Cosmen Menéndez-Castañedo.

At its meeting of 26 June 2019, following a favourable report from the Appointments and Responsible Management Committee, the Board of Directors resolved to appoint Carlos Egea Krauel as a member of the Audit and Compliance Committee, with effect from 28 June 2019.

All the members of the Audit and Compliance Committee were appointed by the Board of Directors with regard to their knowledge and experience in accounting, auditing, or both, and the duties of the Committee.

Therefore, overall, the members of the Committee have the appropriate knowledge and experience, and the technical expertise regarding the banking industry.

According to the Regulations of the Audit and Compliance Committee, a member of the Committee is considered to have knowledge and experience in accounting, auditing or both, when he or she has.

- a) Knowledge of the Accounting regulation, auditing regulation, or both.
- b) Ability to value and interpret the implementation of Accounting regulation.
- c) Experience in preparing, auditing, analysing or evaluating the financial statements with a certain level of complexity, similar to the Entities one, or experience supervising one or more individuals performing such tasks.
- d) Understanding of the internal control mechanisms related to the elaboration process of financial information.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

FUNCTIONS:

The Audit and Compliance Committee of Bankia has attributed to it all the duties required in company law and banking regulations, and in the technical Guide 3/2017 of the CNVM, on as well as those set out in the Good Governance Code of Listed Companies which, given their length, 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 states that the Audit and Compliance Committee will have no fewer than three 3 and no more than five 5 members, all of whom will be non-executive directors and a majority, independent. Where the members of the committee expressly so agree, its meetings may also be attended by other directors, including executive directors, senior managers and any other employee. The members of the Audit and Compliance Committee will be appointed by the Board of Directors taking account of their knowledge, aptitudes and experience in accounting or auditing or both, and the overall technical expertise in relation to the banking industry.

The Committee will be chaired by a non-executive director that, in addition, has knowledge, skills and experience in accounting, auditing or risk management and, in general, any tasks of the committee. The Chairman of the Committee must be replaced every four years, and may be re-elected after the term of one year elapses since he left office. The Chairman of the Committee may, at any time, apply to the senior manager responsible for the Company's internal audit for information on internal audit activities. Also, independently of organisational reporting lines, the head of internal audit will maintain a 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, an Assistant Secretary, who need not be directors and may be other than the Secretary and Assistant 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. The members of the committee have an obligation to be properly informed and prepared for meetings. 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, but he must not be invited to take part in the decision-making part of Committee meetings. always in accordance with the provisions of these Regulations. The committee must always meet on the occasion of the publication of annual or interim financial information and in these cases may

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request the presence of the internal auditor and, if it has issued any review report, the statutory auditor to provide input on any agenda item 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 held 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 a casting vote. The members of the Committee may extend proxies to other members. The resolutions of the Audit and Compliance Committee will be maintained 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.

(Keep in Note H)

Identify the directors who are member 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 that the Chairperson of this committee was appointed.

Name of directors with experience	MR. ANTONIO GREÑO HIDALGO / MR. FRANCISCO JAVIER CAMPO GARCÍA / MR. CARLOS EGEA KRAUEL / MR. JOSÉ LUIS FEITO HIGUERUELA / MR. FERNANDO FERNÁNDEZ MÉNDEZ DE ANDÉS
Date of appointment of the chairperson	03/31/2016

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 2019		Year 2018		Year 2017		Year 2016	
	Number	%	Number	%	Number	%	Number	%
RISK ADVISORY COMMITTEE	1	25.00	1	33.33	1	33.33	1	33.33
APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE	2	50.00	1	25.00	0	0.00	0	0.00
REMUNERATION COMMITTEE	1	25.00	1	25.00	1	25.00	1	25.00

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BOARD RISK COMMITTEE	1	33.33	1	25.00	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 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

AUDIT AND COMPLIANCE COMMITTEE

The regulation of the Audit and Compliance Committee is set forth 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.

In the 2019 period, the Audit and Compliance Committee regulations were not amended.

The Audit and Compliance Committee presented the Board of Directors with a report on its activities, highlighting the tasks performed by the Committee in relation to its own duties for 2018. This report was made available to all shareholders for the General Meeting of Shareholders held on 22 March 2019.

APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE

The regulation of the Appointments and Responsible Management Committee is included 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

In 2019, article 15 of the Regulations of the Board of Directors was amended via a resolution passed by the Board on 24 July 2019 in order to include the recommendations and guidelines of Technical Guide 1/2019, of the Spanish National Securities Market Commission (CNMV) on nomination and remuneration committees and, among them, state that the rules governing the Audit and Responsible Management Committee may be implemented in the Regulations of the Audit and Responsible Management Committee, which were approved the same day, 24 July 2019.

The Appointments and Responsible Management Committee also presented the Board with a report on its activities, highlighting the tasks performed by this committee in relation to its own duties for 2018. This report was made available to all shareholders for the General Meeting of Shareholders held on 22 March 2019.

REMUNERATION COMMITTEE

The regulation of the Remuneration Committee is included in the Bylaws (articles 44 and 47 ter), in the Regulations of the Board of Directors (articles 12 and 15 bis) and in the Remuneration Committee Regulations.

In 2019, article 15 of the Regulations of the Board of Directors was amended via a resolution passed by the Board on 24 July 2019 in order to include the recommendations and guidelines of Technical Guide 1/2019, of the Spanish National Securities Market Commission (CNMV) on nomination and remuneration committees and, among them, state that the rules governing the Remuneration Committee may be implemented in the Regulations of the Remuneration Committee, which were approved the same day, 24 July 2019.

The Remuneration Committee presented the Board with a report on its activities, highlighting the tasks performed by this committee in relation to its own duties for 2018. This report was made available to all shareholders for the General Meeting of Shareholders held on 22 March 2019.

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RISK ADVISORY COMMITTEE

The regulation of the Risk Advisory Committee is included in the Bylaws (articles 44 and 47 ter) and the Regulations of the Board of Directors (articles 12 and 16).

In the 2019 period, the Risk Advisory Committee regulations were not amended.

The Risk Advisory Committee presented the Board with a report on its activities, highlighting the tasks performed by this committee in relation to its own duties for 2018.

BOARD RISK COMMITTEE

The regulation of the Board Risk Committee is set forth in the Bylaws (articles 44 and 48) and the Board of Directors Regulations (articles 12 and 16 bis).

In the 2019 period, the Board Risk Committee regulations were not amended.

The Board Risk Advisory Committee presented the Board with a report on its activities, highlighting the tasks performed by this committee in relation to its own duties for 2018.

The Bylaws, the Regulations of the Board of Directors, the Regulations of the Audit and Compliance Committee, the Regulations Appointments and Responsible Management and the Regulations of the Remuneration Committee, in addition to the compositions of the aforementioned committees, are permanently available on Bank's website: www.bankia.com (in the Corporate Governance and Remuneration Policy" section of "Shareholders and Investors").

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D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

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

Article 35 of the Regulations of the Board of Directors

According to article 35 of the Board of Directors Regulations of Bankia, S.A., the Board of Directors shall review the 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 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 customarily are applied to customers contracting for the type of product or service in question;
- b) they are at prices or tariffs established on a general basis by the one 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 having similar characteristics; and
- c) the amount is no more than 1% of the Company's annual revenue.

Transactions with directors in any event will be subject to the authorisation referred to in this article, 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 section above.

A director violates his duty of loyalty to the Company if, with prior knowledge, he allows or does not disclose the existence of transactions related thereto, undertaken by the persons indicated in Article 35 of the Board of Directors Regulations.

In 2019, the Audit and Compliance Committee reported, prior to approval by the Board of Directors, on the transactions that, in accordance with article 35 of the Regulations of the Board of Directors, are considered related-party transactions.

Framework agreement

With respect to relations between Bankia and BFA, signed a Framework Agreement in 2011, which was updated on 28 February whereby the relations between Bankia and BFA in effect at that time and any relations, services or transactions that might be arranged in future are 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 that any intra-group service or transaction shall always have a contractual basis and, subject to the provisions of each individual contract, all related-party transactions are governed by the general principles set out in the Framework Agreement

The Framework Agreement is available at the corporate website (www.bankia.com).

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

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Name of significant shareholder	Name of Company within the group	Nature of the relationship	Type of transaction	Amount (Thousand of euros)
Without data				N.A.

No significant shareholder or any party related to it concluded transactions with the Bank outside the ordinary course of business or not at arm's length, in accordance with *Orden EHA/3050/2004, de 15 de septiembre*, 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 subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or senior manager	Name of related party	Relationship	Type of transaction	Amount (Thousand of euros)
Without data				N.A.

See note 43 of the separate financial statements and note 46 of the consolidated financial statements for 2019 of Bankia, S.A. as a supplement to this section and notwithstanding that they are not related-party transactions for the purposes of the provisions of *Orden EHA/3050/2004* (Ministerial Order), 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 Bank's senior management, or company in which these individuals are directors, members of senior management, significant shareholders, or any related parties 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 *Orden EHA/3050/2004* (Ministerial Order), 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 preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered to be tax havens:

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Name of entity within the group	Brief description of the transaction	Amount (Thousand of euros)
Without data		N.A.

There have been no transactions with such characteristics.

D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections:

Name of entity within the group	Brief description of the transaction	Amount (Thousand of euros)
Without data		N.A.

There have been no transactions with such characteristics.

D.6. Describe 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 the situation of conflicts of interest. This article place the obligation for directors to notify the Board of director's any situations of direct or indirect conflict of interest they, or persons related to them, may have with the interests of the Bank. Also, article 31 of the Board of Directors Regulations, directors must refrain from deliberating or voting on 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 for Securities Markets activities (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 to Regulatory Compliance Department any situation of conflict of covered persons.

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

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The Group has a Confidential Whistleblowing Channel, where the staff can report any irregularities they detect in the compliance with the Code of Ethics and Conduct, involving directors, employers or suppliers. The Ethics and Conduct Committee are 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 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 of issues at the heart of the conflict, (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 shall refrain from being involved in the matters set forth in the Framework Agreement.

Regarding related-party transactions, the Framework Agreement establishes that related party transactions will be governed by the principles of transparency and the undertaking or render thereof on reasonable and equitable market terms, preferred treatment, and following diligence and confidentiality criteria. Bankia's Audit and Compliance Committee shall 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 shall approve all related-party transactions. Section 6.6 of the aforementioned Framework Agreement establishes the requirements to be met in the event of Bankia were to grant financing to BFA.

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

The Conflict of Interest Policy was updated by the Board of Directors on 24 July 2019. In conformity 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 social interests of Bankia or any other Group company and the interest of its (i) directors; (ii) senior management personnel, (iii) shareholders, (iv) employees, (v) suppliers; or (vi) clients; or third parties directly or indirectly related thereto; or between clients.

D.7. Is more than one company in the group listed in Spain?

- Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

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

Risk management is a strategic pillar in 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 appetite and risk tolerance levels set by the Governing Bodies. To this end, the Organization provides tools that allow for the assessment, control and monitoring of the requested and approved risk, delinquency management and the recovery of non-

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payment risks. The Group's risk strategy is implemented with the aim to guarantee stable and recurring earnings, with an overall medium-low risk profile. To this effect, the key pillars of this strategy are as follows:

1. An effective internal control framework based on the three lines of defence approach governed by general principles, covering all types of relevant risks for the Group as a whole, independence of the risk function and the commitment of senior management, bringing 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 this domain and based on a transparent organisational structure that includes clear allocation of duties and responsibilities, from senior management down to the Company's lowest levels. It has a responsible management team and an active internal control system, in which the Board of Directors is charged with setting the risk control and management policies and overseeing 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 risk management departments, which own the risk processes and are responsible for executing the established controls, comprise the first line of defence. Specifically, the first line comprises the business units and any Company unit that takes risks. These units carry out their activities in compliance with the Group's risk profile base on the approved risk appetite and policies.

To perform its day-to-day risk management function within the scope of its activity and responsibility, the first line of defence has resources to identify, measure, address and reports the risks taken. It applies appropriate control and reporting procedures in accordance with the internal control framework in place and the procedures for monitoring the risk limits approved in the Group's RAF and policies.

- The second line of defence consists of the areas that oversee risks and define controls to mitigate them. It comprises the Corporate Risk Department and the Corporate Compliance Department.

In April 2015, the Board of Directors appointed the Group's Chief Risk Officer ("CRO"), setting the conditions necessary for performance, its main responsibilities, and the rules and powers for appointment and removal. The position reinforces the independence of the Chief Risk Officer, which must maintain constant functional reporting to the Risk Advisory Committee and its Chairman. The CRO has two-way direct access to Senior Management and the governing bodies. Under the CRO's oversight, the Corporate Risk Department's main task is to monitor, control and oversee all the Group's risks from a comprehensive and forward-looking vision. Accordingly, there is ongoing dialogue between the department and the Board of Directors through the Risk Advisory Committee.

The Corporate Compliance Directorate is in charge of identifying and assessing compliance risk by checking compliance with the internal policies and procedures in place and exercising appropriate controls, and coordinating the preparation and execution of action plans to mitigate compliance risk. It reports to Senior Management on the results of this activity. It is also responsible for liaising with regulatory and supervisory agencies.

- The third line of defence is composed of the Corporate Internal Audit Department. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Group's operations. The role of Internal Audit is to enhance and protect value in Bankia and its Group by providing objective assurance, risk-based advice and expertise, helping the Group to meet its goals by providing a systematic and disciplined approach to assess and improve the effectiveness of governance, risk management and control processes.

(KEEP IN SECTION H)

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

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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 is articulated in a capital requirements directive and a capital requirements regulation, known as CRD IV and CRR, respectively.

One of the main features of this regulation compared to previous regulations is the introduction of Corporate Governance as a core element of risk management. In this regard, Bankia answers fully to 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 the assumption, management, control and reduction of risks to which the Group is exposed. It has several internal Committees, 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 included those from the Board Risk Committee and those in the draft 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 authorities delegated to it and being responsible for 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 the others. With respect to credit risk, the risk approval structure and the risks, which 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 catalogued in accordance with their credit rating ("rating" or "scoring") based on models endorsed by the supervisor.

The organisational model described is rounded off with a number of committees, including:

- a) Management Committee. This committee is presented with the documentation analysed at previous meetings by 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 capital initiatives being carried out within the Group and the main changes in RWAs.

- c) Assets and Liabilities Committee. This committee is charged with monitoring and managing structural balance sheet and liquidity risks, reviewing the balance sheet structure, business and market performance, the overall financial landscape, product profitability, earnings, and so on, with due regard to the policies and powers approved by the Board of Directors. It must also decide on investment and hedging strategies to keep risks within the approved limits and the budget for the year.

- d) Risk Committee. This committee oversees the operation 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. Its main function is to lay before the Board of Directors proposals for approval of new models and the extension/modification of existing models, and the proposed plan for implementing the models.

(KEEP IN SECTION H)

E.3. State the primary risks, including tax compliance 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.

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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.

The loans and advances to customers continuing the trend of the last year, 34% in the wholesale segment (including public sector), 66% in the retail segment.

Personal mortgages account for 56% of gross lending.

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

Market risk

Market risk is the risk of loss caused by adverse fluctuations in prices of the financial instruments in which Bankia operates. Another risk related to market risk is 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 which can cause the price to be negatively affected in the case of sale.

Structural balance sheet interest rate risk

Structural balance sheet 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 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. In addition to the various metrics, the entity has a clearly established a 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 reputation risk.

IT and cybersecurity risk

A business risk arising from the use, ownership, operation, participation in and influence and adoption of IT systems in the Bank. Within IT risk, cybersecurity risk is the risk of breaches of confidentiality, completeness or availability of the Bank'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 effect on transactions, the reform to the 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 these companies is ultimately responsible in this respect.

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Crime risk

Crime risk arises from the infringement by directors, employees or third parties of criminal regulations in carrying out their business that could result in potential sanctions that give rise to a liability for the Entity.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

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

Risk appetite is understood to be the level and type of risk that the Entity is prepared to accept in the course of its business to achieve its objectives, respecting regulatory restrictions and any commitments made. 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 RAFT and the Strategic Plan, Business Model, Capital Planning, Recovery Plan and Budget, as well as the adaption of indicators, in order to adjust same to the various Supervisor requirements and to the risk control and monitoring needs.

E.5. State which risks, including tax compliance risks, have materialised during the year.

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The Bankia Group has reduced doubtful exposures during 2019 in the amount of EUR 1,866 million. With a total amount by 31 December 2019 of EUR 5,869 million.

The decrease in the doubtful portfolio led to a reduction in the NPL ratio for loans and receivables to 4.91 %.

Also worth noting is the breakdown of doubtful assets. At 31 December 2019, 37% of assets were classified in the doubtful category for subjective criteria or are in the "curing" period. Accordingly, no loans in this portfolio are past-due that imply subjective arrears, or refinancing agreements have been reached with the 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 institution counterparties, 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 2019, there were 2,381 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 237 collateral agreements signed (124 derivatives, 75 repos and 38 securities loans). These agreements reduced the credit risk of the derivatives activity by 91.48%.

The valuation adjustment as at 31 December 2019 was EUR 96.710 million.

Market risk

Bankia's average VaR in 2019 was EUR 0.84 million, with a maximum of EUR 1.31 million and a minimum of EUR 0.52 million.

Interest rate VaR (EUR 0.43 million, including volatility) accounted for the largest share of average VaR, followed by credit spread VaR (EUR 0.17 million).

Structural balance sheet interest rate risk

In adverse movement in the yield curve could have a negative effect on the value of the Entity's assets and liabilities and its net interest margin. The rest of sensitivity measures calculated during the year were within the regulatory limits, which establish 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 the 2019 period is EUR 48.3 million. The most important operational risks relate to "execution, delivery and process management" (EUR 21.4 million) and "client practice" (EUR 12.4 million) and "external fraud" (EUR 7.1 million). These data do not include non-recurring losses relating to past behavioural risks (Annulled Shares, Preference Shares, Floor Clauses, 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 proceedings against the Bank in the tax realm.

Crime risk

Bankia has in place a crime risk prevention model in line with best practice in the industry that identifies activities to be monitored. We implement protocols and procedures to prevent conduct that could lead to criminal offences and ensure compliance with our Code of Ethics and Conduct.

The model reflects Bankia's Crime Prevention Policy and the governance model for the prevention, management and control of crime risks, both of which were approved by the Board of Directors.

The model is based on the identification of risks, as well as the implementation and regular execution of general and specific controls through software applications that can detect potential circumstances that entail heightened risk. The results of executing these controls are reported annually to the Audit and Compliance Committee and the Board of Directors.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, 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.

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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 approves policies for the various risks to which the Bank 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 topic 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), 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), 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 daily analysis of exposures to counterparties in order to assess cumulative risk and control potential excesses, reconciles the derivative portfolios of each counterparty regularly and calculates 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 we must make to the value of derivatives assuming that they are risk-free to obtain their value adjusted for the risk of the counterparty's 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 maximum exposure approved annually by Senior Management and distributed among the different areas and business centres.

The main tools used to measure and control market risk are VaR with a 1-day time horizon and a 99% confidence level and 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,

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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 appropriate liquidity contingency plans in place it may use in the hypothetical event of a liquidity crisis.

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

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. 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; (ii) their implementation; and (iii) their supervision.

Article 4 of the Board of Directors Regulations expressly states the Board of Directors shall 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 financial reporting the Company must regularly publish.

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 responsibility 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 in the Audit and Compliance Committee responsibility for overseeing that ICFR operates correctly.

In relation to its risk management and control oversight duties, the Audit and Compliance Committee considers the criteria of supervisory bodies 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, which performs any activities required to ensure that ICFR operates correctly, and through the other directorates involved, which must cooperate with this directorate.

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

F.1.2. State whether the following are present, especially if they relate to the creation of financial information:

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

Organisation Management is responsible for defining and proposing for adoption, in accordance with established regulatory requirements, strategic guidelines and policies, structure, size and functions of the Bank's different organisational

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groupings, as well as the operational procedures that regulate the performance of these functions in order to achieve the most efficient distribution of functions and resources possible.

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 website, both the organisational structure, the Process Map, which provides an overall view of the Bank's key processes. Specifically, the latter provides information on the activities carried out, the parties involved in carrying them out and the tools used in the different processes.

Such updates are duly approved by the pertinent authorised party in accordance with the prevailing system of Authorities and Delegated responsibilities in place for Human Resources and Organisational matters and and properly communicated to the organization.

- Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a 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 to create a corporate culture and extend behavior patterns based on corporate values: integrity, professionalism, commitment, and achievement orientation.

The Code of Ethics and Conduct is mandatory for all Bankia professionals and governs their relationships both within the Company and with customers, suppliers, shareholders and others that have dealings with Bankia. It sets the standards that must their behaviour in their daily work and in their decision making. It sets forth the rules and guidelines of professional conduct applicable to all employees and directors of the Entity and all the Bankia Group's businesses and activities.

The objective of the Code of Ethics and Conduct is to regular permitted and prohibited conduct and set out the ethical principles and general rules that must guide the actions of the Group and the people within the scope of application.

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 sets up for all professionals of the Entity. The objectives of this programme include teaching these professionals how to apply Code of Ethics and Conduct correctly and report any behaviour that breaches the Code by using the Confidential Whistleblowing Channel.

Bankia has an Ethics and Conduct Committee, whose functions are decided by the Board of Directors. These include operating the measures necessary to handle ethically questionable conduct; overseeing compliance with the Code of Ethics and Conduct; as well as performing annual assessments of the degree of compliance with the Code and drafting reports for Senior Management.

- Whistleblower channel, that allows 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, reporting, as the case may be, if this is of a confidential nature.

The Bankia Group has a Confidential Whistleblowing Channel provided for by the Code of Ethics and Conduct, which all Entity employees and suppliers may use to file a confidential, and anonymous, if requested, written report on any possible financial or accounting irregularities that may potentially relevant or on any other behavior breaching the Code of Ethics and Conduct, found in any of the entities of the Group.

The Confidential Whistleblowing Channel has a set of regulations 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 as it is managed by an external firm with broad experience in the field which refers complaints, queries or suggestions to the Ethics and Conduct Committee.

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

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

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- Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

Bankia has established mechanisms to ensure individuals involved directly 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 prevailing legal requirements and are sufficiently able to efficiently perform their tasks and duties.

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

Presently, the Internal Control System for Financial Information Policy can be found in the Corporate Intranet available to every employee, as well as an online learning module specific of the ICFR.

As well as induction training, during the year further training may be provided to attend to specific training needs not envisaged at the offset, such as training in response to regulatory changes or in response to specific requests from departments for certain courses.

In this respect, the Deputy General Directorate of Finance is in charge of dissemination and updating, so that staff involved in ICFR have the necessary knowledge to perform their duties and responsibilities. Actions relate to the addition or modification of ICFR officers and identification of changes in processes, risks or controls arising both internally and externally. In addition, in 2019 the Controller Department has provided a training on ICFR, within the scope of the Deputy General Directorate of Finance.

F.2. Assessment of financial information risks

Report on at least the following:

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

- Whether the process exists and is documented.

Bankia has developed a procedure to identify material areas and relevant processes that provide for 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, where the Deputy General Directorate of Finance is responsible for implementing and updating said process, counting with the collaboration of the rest of Departments involved in the ICFR.

- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.

This procedure, it has been designed taking into account all financial reporting objectives (existence, occurrence integrity, valuation, presentation and disclosures, and rights and obligations), it is up dated once a year, using the latest financial information. As well as when there are material changes in processes or transaction flows due to internal changes in changes outside the Entity that may uncover material risks not identified previously that require 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 company structures, shell companies, or special purpose entities.

The Company therefore avails of a monthly procedure for updating and verifying the scope of consolidation performed by the - Deputy General Directorate of Finance. This procedure is based on the Group's consolidation tool and enables Bankia to

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ensure any variations in the scope of consolidation in the different reporting periods are correctly included in the Group's consolidated financial statements. The Groups scope is monthly reported in the corporate intranet.

The Regulations of the Board of Directors also authorise the Board 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 impair the transparency of the Company and the Group.

- If 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, and environmental) 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 published by the stock markets and a description of the ICFR, 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 financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

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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 said Committee are as follows:

1.- Supervise the effectiveness of the Company's internal controls, internal audit, regulatory compliance and risk management systems, financial and non-financial, and discuss with the statutory auditor any material weaknesses of the internal control system that may have been detected in the audit, all while safeguarding 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. In particular, regarding internal reporting and control systems:

- Verify the appropriateness and integrity of internal control systems and review the appointment and replacement of those responsible for them.
- Review and supervise the preparation and integrity of the financial information regarding the Company and, where appropriate, the Group, reviewing compliance with regulatory requirements and the proper application of accounting principles.
- Periodically review the internal control and risk management systems, so that the principal risks are identified, managed and appropriately disclosed.
- Establish and supervise a mechanism whereby staff can confidentially report any irregularities with potentially serious implications they detect within the Company, in particular financial or accounting irregularities.
- Establish and supervise a system for preventing and detecting crimes that may result in criminal liability for the Company.

2.- Supervise the preparation and filing of regulatory financial information and make recommendations or submit proposals to the Board of Directors to safeguard the integrity of the financial information, and in particular:

- Report to the Board of Directors, in advance, on the financial information that the Company must publish periodically; especially considering its completeness and accuracy.
- Review the Company's accounts, to ensure compliance with legal requirements and proper application of generally accepted accounting principles, and report on changes to accounting principles and criteria proposed 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: (i) 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 alternative performance measures (APMs) instead of the measures defined directly by 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; 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

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Mercado de Valores (CNMV), in order to ensure that the same incidents identified in those demands are not repeated in future financial statements.

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

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

The Controller's Department is in charge of designing, implementing, ensuring, regularly updating and fostering the System of Internal Control Over Financial Reporting (ICFR) with the collaboration of the rest of departments involved.

Responsibility for regulated financial information published within the time limits required by the regulations lies with the Directorate-General Deputy Financial

- 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 financial information semi-annual and annual, it 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 produced by the Office of the Company Secretary and by the External Communications and Relations Department, respectively.

When preparing this information, the Deputy General Directorate of Finance call on the support of the departments and/or units 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 and units 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 Internal Audit Department is in charge of the proper functioning of the internal control and risk management system, as well as compliance with regulations and procedures, issuing any recommendations for improvement it deems appropriate.

The Audit and Compliance Committee is also involved in this review, notifying the Board of Directors, previously, of its conclusions on the 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 Internal Audit Department.

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, mitigate 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:

- Loans and receivables.
- Financial liabilities at amortised cost.
- Debt securities and equity instruments.
- Derivatives (hedging and trading).
- Non-current assets held for sale.
- Investments.
- Tax assets and liabilities.
- Provisions.
- Fees and comisions for service transactions.

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-Active and non-active treasury.

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 separate financial statements, followed by the consolidation process.

-Preparation of financial statements and other relevant information based on public statutory 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 hypotheses 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 an extensive degree due to the various tiers of the Group as a part of the process of preparing financial information, these mainly refer to the following:

- The fair value of certain financial and non-financial assets and liabilities.
- Impairment losses on certain financial assets, considering the value of the guarantees or collateral received and non-financial assets (mainly real estate), as well as the contingent liabilities.
- Financial assets classification, according to the evaluation to determine if the contractual cash flows are solely payments of principal and interest.
- The assumptions used in the actuarial calculation of post-employment benefit liabilities and obligations and another long term obligations.
- The estimate of costs to sell and the recoverable amount of non-current assets held for sale, investment properties and inventories acquired by the Group in payment of debt, by nature, condition and purpose.
- The useful life, fair value and recoverable amount of tangible and intangible assets.
- The recoverability of recognised tax assets.
- The estimate, at each date, of the potential impacts of legal proceedings and claims lodged against the Group in the course of its business.

The supervisor of each of the affected areas is responsible for preparing the estimates. The Directorate-General Deputy Financial is responsible for gathering said estimates and presenting them to the relevant bodies for the notification and approval thereof.

Said estimates are presented at least on an annual basis to the Management Committee, prior to being included in the Group's Annual Accounts, where ultimately the Board of Directors is the body responsible therefor, as indicated in the Annual Accounts.

The Bank 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 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. In this process, each person in charge of the key controls identified certifies, for the given period, the effective execution of the controls.

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, which is a section of the Deputy General Directorate of Finance, is responsible for launching the Certification Process every six months and for monitoring timely compliance in the proper form so that the Finance Department can finally certify the ICFR system prior to the release date of public financial reporting.

The Bank carried out two certification processes in 2019 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 Internal Audit Department carries out supervisory functions, as described in sections F.5.1 and F.5.2.

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F.3.2 Policies and procedures for the internal control of the information systems (including, access security, change control, operational aspects, continuous operability and segregation of functions) that support the relevant processes of the company in relation to the drafting and publication of the financial reporting.

The Deputy General Directorate of Finance prepares specifications for the policies and procedures concerning IT systems that are used to prepare and publish financial information.

The Information Security General Policy and Regulations rolled out across the Entity's IT systems are applied to the systems on which financial reporting is based and those used for its preparation and control.

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 security policies, circular and guides, and standards 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 data access and physical security systems.
- Surveillance and control data access and logical security systems.
- Back-up management.
- Management of scheduled tasks.
- Incident management.
- Systems incident management.

The Bankia Group has set of rules regulations, including the Information Security General Policy and Regulations, which are mandatory for all persons who process information, within which the General policy and the General safety regulations of information are integrated. These documents are available to all employees on the Corporate intranet.

The Information Security General Policy constitutes 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 adequately protect the information of the Bankia Group.

The General Security Regulations detail the actions and controls applied to protect the Bankia Group's information. Its aim is to support and facilitate the Policy. In this respect, it sets out governance of information security, defining the access-protection measures and controls, and implementation of the documented operational procedures and guidelines, which are reviewed periodically in order to manage security in applications. It 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 maturity models that guarantee software quality and, especially, the appropriate processing of transactions and the reliability of information.

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 the Bankia has defined and tested strategies for each critical function that ensure its business processes are 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 Company has back-up architecture in its main processing centers. Back-up policies and procedures also ensure information is available and can be recovered in the event of a loss.

Back-up procedures and recovery plans are evaluated by independent units to ensure they are effective and that transactions involving financial information are appropriately processed and registered.

F.3.3 Internal control policies and procedures for the supervision of the activities subcontracted to third parties, as well as the assessment, calculation or valuation aspects thereof that are commissioned to independent experts, that may substantially affect the financial statements.

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

The delegation 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 to: comply with applicable legislation; identify, measure, control and management 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 outsourcing Delegation Policy for the services and functions is supplemented with information and monitoring procedures, which are applied until the outsourcing arrangement is concluded (including the preparation on reasons underlying the outsourcing, the arrangement of the outsourcing agreement, completion of the agreement until its conclusion, contingency plans, exit strategy).

Before delegation 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 delegation of service or functions takes into account, among others, the following factors: cost-benefit analysis of the delegation; policy aspects that could be conditional on delegation; the impact of the delegation on the Company's business and the evaluation of the risks incurred by the entity, as well as the requirements on internal control mechanisms provided for in the current regulations resulting from implementation; the entity's capacity and experience to effectively monitor delegated functions and to adequately manage risk associated with such delegation, especially where such delegation is an essential service or function and/or involves the use of new technologies; and the development, implementation and maintenance of an emergency plan for disaster recovery and verification computer security mechanisms, where necessary in view of the delegated 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 that, depending on the characteristics of the service or function, the appropriate resources and organisational structure; 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, especially 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 that are responsibility of 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 for this, 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 incidents in the business.

The organisational unit that receives the services is responsible for the monitoring and continuing control over 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, after their content is reviewed by the Corporate Internal Audit Department, which assesses both the risks and rewards of the outsourcing, presents them to the Board of Directors. For adequate control and monitoring of the service and depending on its nature, meetings are held regularly throughout the year with the outsourcing service provider. The arrangement sets out the frequency, the issues to be addressed and the persons attending these meetings.

In any event, no functions that are relevant or could materially affect the Group's financial information are currently outsourced by Bankia.

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 Internal Audit Directorate in accordance with the approved engagement planning.

F.4. Information and communication:

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

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F.4.1A specific assigned function for the purpose of defining and keeping the accounting policies (accounting policy area or department) up-to-date and for resolving doubts or disputes in relation to the interpretation thereof, while maintaining fluid communication with the persons and units responsible for operations within the organisation, as well as an updated accounting policies manual that is provided to the units pursuant to which the company operates.

Amongst the duties of General Directorate Deputy Financial, dependant of the Chief Executive Officer, would be 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 on and developing specific rules.

The General Directorate Deputy Financial 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, which is the responsibility of the Corporate Financial Controller's Department. The policy is 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 (e.g. Basel Pillar III disclosures).

F.4.2 Mechanisms for the capture and preparation of financial reporting with homogeneous formats, that are applicable and used by all of the units of the company or group, that support the main financial statements and the notes, as well as the detailed information out regarding the ICFR.

The General Directorate Deputy Financial is responsible for define 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") for their reporting to the Group so it can prepare its consolidated financial statements, and compiling and listing Bankia's reporting obligations. It also regulates the minimum content and deadlines of the reporting to be provided by Group companies and the deadlines for submitting such information.

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, in order to prepare the individual and consolidated financial statements disclosed to the markets.

Likewise, Bankia has a procedure in place for centralising the compiling of information corresponding to companies that compose the Group which includes the criteria and models to assure receipt of consistent information. 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 General Directorate Deputy Financial is responsible for preparing public financial information of a regulatory nature.

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F.5. Supervision of system performance

Describe at least the following:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the 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 prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

Bankia's Board of Directors Regulations establishes that the internal audit function shall fulfil the information requirements of the Audit and Compliance Committee needed to perform its duties.

Bankia's Corporate Internal Audit Department, which reports functionally to the Audit and Compliance Committee and organically to the Chief Executive Officer. At 31 December 2018, the Corporate Internal Audit Department had 99 employees.

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

The Bankia Group's Corporate Internal Audit Department has annual audit plans which are submitted to the Committee of Audit and Compliance, for its favorable 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 audit for the year 2019 Plan includes assessment activities that have covered aspects related with the process of preparation of the financial information. Furthermore, in the 2019 period, within the established rotation plan for the supervision of the internal financial information control system (SCIIF) and pursuant to the 3-year period recommended by CNMV, 7 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 identified risks.
- Evidence of execution of the controls identified in the ICFR documentation.
- The result of the self-assessment of controls defined and certifications corresponding to the processes analyzed.

The outcome of the review is set out in a report which is circulated to the groups responsible for control execution 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, which defines responsibilities and deadlines for implementing the action.

The Corporate Internal Audit Department regularly provides the Audit and Compliance Committee with outcomes of the verification and validation procedures performed by the internal audit team, which also includes the action plans designed to correct 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 the review of the results obtained.

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F.5.2 If there is a discussion by which the accounts auditor (in accordance with the provisions of the NTA), internal auditor and other experts may communicate senior management and the audit committee or senior managers of the company of the significant internal control weaknesses identified during the review of the annual accounts or during any other processes carried out thereby. Furthermore, state whether an action plan exists for the correction or mitigation of the weaknesses detected.

Bankia's auditor has direct access to Bankia's senior management, holding regular meetings to obtain the information needed for it to conduct its engagements 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 Internal Audit Directorate, 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 engagements arising from the Annual Audit Plan or those arising from specific reviews requested by the Audit and Compliance Committee, supervisory bodies or other associations, and the related action plans to address the most significant deficiencies uncovered.

The minutes of the meetings 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 the review of the results obtained.

F.6. Other relevant information

N/A

F.7. External auditor's report

Report from:

F.7.1 If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

In 2019, 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.

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G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Code of Good Governance of listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to assess the company's actions. General explanations are unacceptable.

1. That the Articles of Association of listed companies do 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 shares on the market.

Complies [] Explanation []

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

- a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies [] Complies Partially [] Explanation [] Not applicable []

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the Chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

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

Complies [] Complies Partially [] Explanation []

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

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And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies Complies Partially Explanation

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies Complies Partially Explanation

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and Remuneration Committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies Complies Partially Explanation

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies Explanation

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the Chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies Complies Partially Explanation

9. That the company permanently maintains on its web page 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.

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

Complies Complies Partially Explanation

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies Complies Partially Explanation Not applicable

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies Complies Partially Explanation Not applicable

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is 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, and the promotion of continuity and maximisation of 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 in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies Complies Partially Explanation

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies Explanation

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14. That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies [X] Complies Partially [] Explanation []

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

Complies [X] Complies Partially [] Explanation []

16. That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explanation []

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

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the

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number of independent directors represents at least one third of the total number of directors.

Complies [X] Explanation []

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies [X] Complies Partially [] Explanation []

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies [] Complies Partially [] Explanation [] Not applicable [X]

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. 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 representing this shareholder.

Complies [X] Complies Partially [] Explanation [] Not applicable []

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments 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 attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

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The dismissal of independent directors may also be proposed as a result of a public share offer, mergers or similar 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 the proportionate representation criteria provided for in Recommendation 16.

Complies [X] Explanation []

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies [X] Complies Partially [] Explanation []

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 in the case of the secretary of the Board of Directors, despite not being a director.

Complies [X] Complies Partially [] Explanation [] Not applicable []

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies [X] Complies Partially [] Explanation [] Not applicable []

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

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

Complies [X] Complies Partially [] Explanation []

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

Complies [X] Complies Partially [] Explanation []

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies [X] Complies Partially [] Explanation []

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, upon a request from the protesting party.

Complies [X] Complies Partially [] Explanation [] Not applicable []

29. That the company 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 [] Explanation []

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

Complies [X] Complies Partially [] Explanation []

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

When, under 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 [] Explanation []

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

Complies Complies Partially Explanation

33. That the Chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, 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 so dictate.

Complies Complies Partially Explanation

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: Chairman of the Board of Directors in the absence of the Chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; 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 coordinate a succession plan for the Chairman.

Complies Complies Partially Explanation 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 the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies Explanation

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 of membership and competence of the Board of Directors.
- d) Performance of the Chairman of the Board of Directors and 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.

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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 appointments committee.

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

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies Complies Partially Explanation

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies Complies Partially Explanation Not applicable

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 Complies Partially Explanation Not applicable

39. That the members of the audit committee, in particular its Chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies Complies Partially Explanation

40. That under the supervision of the audit committee, there must 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 Complies Partially Explanation

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies Complies Partially Explanation Not applicable

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

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure 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) Monitor that the company communicates relevant facts with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure 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 accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies [X] Complies Partially [] Explanation []

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies [X] Complies Partially [] Explanation []

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 draft a report beforehand to the

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Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies Partially [] Explanation [] Not applicable []

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

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies [X] Complies Partially [] Explanation []

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

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies [X] Complies Partially [] Explanation []

47. That members of the appointment and Remuneration Committee -or of the appointments committee and the Remuneration Committee if they are separate- are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies [X] Complies Partially [] Explanation []

48. That high market capitalisation companies have formed separate appointments and Remuneration Committees.

Complies [X] Complies Partially [] Explanation []

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49. That the appointments 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 may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies [X] Complies Partially [] Explanation []

50. That the Remuneration Committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose to the Board of Directors basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies [X] Complies Partially [] Explanation []

51. That the Remuneration Committee consults with the Chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies [X] Complies Partially [] Explanation []

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are composed exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen 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 detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.

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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 the minutes be made available to all directors.

Complies [X] Complies Partially [] Explanation [] Not applicable []

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53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non-financial information in accordance with applicable rules and international benchmarks.

Complies [X] Complies Partially [] Explanation []

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Methods or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
- e) Mechanisms of supervising non-financial risk, ethics, and business conduct.

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- f) Communication channels, participation and dialogue with stakeholders
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X] Complies Partially [] Explanation []

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies [X] Complies Partially [] Explanation []

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 judgment of non-executive directors.

Complies [X] Explanation []

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies [X] Complies Partially [] Explanation []

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon 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 undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

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Complies] Complies Partially] Explanation] Not applicable]

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies] Complies Partially] Explanation] Not applicable]

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies] Complies Partially] Explanation] Not applicable]

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies] Complies Partially] Explanation] Not applicable]

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies] Complies Partially] Explanation] Not applicable]

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies] Complies Partially] Explanation] Not applicable]

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies] Complies Partially] Explanation] Not applicable]

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H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or 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 redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. 3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010.

H. 1.-OTHER INTEREST INFORMATION

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, closeness and focus on achievement.

This system is also underpinned by the principles of good governance assumed and developed by the Company in the Corporate Governance Policy and Definition of the Bankia Group Structure, and as regards internal governance approved by the Company's Board of Directors based on the recommendations of the Good Governance Code for Listed Companies approved by the Board of the CNMV in 2015.

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 shareholders of an independent, public listed company (sociedad anónima) 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 Texts, (ii) Internal Procedures and Rules of Conduct and (iii) Corporate Policies.

(i) Corporate texts:

- Bylaws.
- General Meeting of Shareholders Regulations.
- Board of Directors Regulations.
- Audit and Compliance Committee Regulations.
- Appointments and Responsible Management Regulations.
- Remunerations Committee Regulations.

(ii) Internal Procedures and Rules of Conduct:

The Company and the Group also have other internal procedures and rules of conduct that comply with regulatory requirements in legal or statutory provisions, or those arising 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.

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Said basic texts within the scope of codes of conduct are developed and complemented through other internal procedures and provisions, such as the Client Protection Regulations and the Confidential Whistleblowing Channel Regulations, as well as others addressing issues like of the prevention of money laundering and terrorist financing, all of which falls within the framework of Bankia's commitment to promote an ethical corporate culture and the fulfilment and advancement of the Entity's responsible behavior.

(iii) Corporate Policies:

These policies determine the general principles and guidelines that regulate the governing bodies, duties, activities and processes of the Company and its Group, establishing a framework for action that grants legal security to the company and its Group. They are general in nature and permanent. They were approved by the Board of Directors, taking into account the relevant legal requirements, such as good governance recommendations.

Specifically, Bankia's System of Corporate Governance includes, inter alia, the following:

- Bankia Corporate Governance Policy and Definition of the Bankia Group Structure.
- Information, communication and contacts policy with shareholders, institutional investors and voting advisors.
- Policy of Suitability of Directors General or Similar, and other holders of key bankia functions and Selection Policy, Diversity, Integration and Training of Directors.
- Policy of Selection and Appointment of the members of the Senior Management of Bankia.
- Remuneration policy of directors and directors-general or those who develop their senior management functions.
- Risk management and control policies.
- Investment and financing policy.
- Responsible management policy.
- Dividend policy.
- Policy on treasury shares.
- Conflicts of interest policy.
- Compliance policy.
- Policy of new products.

In 2019, 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 Policy on the Selection and Appointment of Senior Managers, and the Conflicts of Interest Policy.

H.2.-OTHER INTEREST INFORMATION SECTION A5

SECTION A.5.

On 25 January 2019, was subscribed an agreement related to the management of the indirect ownership of the FROB through BFA Tenedora de Acciones, S.A.U. in Bankia S.A.

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SECTION C.1.30 (continuation)

- Engagement under contract, rotation of appointment:

- Monitoring of contract expiry dates, signing of audit reports, submission of replacement options/competition in October.
- The external auditor's Quality and Independence Manual sets out their policy on rotation of partners and key personnel.

- Fees and transparency:

- Monthly monitoring of the 70% limit on each new proposal submitted to the Audit and Compliance Committee.
- 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:

Moreover, article 38 of the Regulations of the Board of Directors states that the Board of Directors will establish mechanisms for the regular sharing 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 Regulations of the Board of Directors states that the Board of Directors shall define, promote and publish on its website a policy for communication 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.

This policy is applicable to information and communications provided by the Company to financial analysts, investment banks and rating agencies. For financial analysts, regulatory compliance recommendations are adhered to. For 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. For 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 and Contacts with shareholders, institutional investors and proxy advisors 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 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) information and ongoing 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. (continuation)

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 risk appetite, 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 by 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.

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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 different types of financial and non-financial risk the Company and Group are exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

- The internal reporting and control systems of the Company or the Group for the management and control of risks, including contingent liabilities and off-balance-sheet risks.

- The risk levels assumed by the Company.

- The corrective measures to limit the impact of the identified risks, should they materialise.

g) Refer to the Board of Directors proposals regarding:

- 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.

- Approval of the general internal control strategies and procedures, on the status of which it periodically will be advised.

- Periodic reports of the results of verification and control functions undertaken by the Company's units.

h) Periodically monitor the credit quality 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 business sector, 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 year shall provide the Committee, at the end of each year, with a report of 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 the Risk Advisory Committee shall supervise the functions of the risks unit with respect to:

- Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the Company is exposed to are correctly identified, managed and quantified.

- Participate actively in the preparation of risk strategies and in key decisions about their management.

- Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE (CONTINUATION)

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 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.

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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:

In 2019, the Appointments and Responsible Management Committee's key actions focused on:

- 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 2019, 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. The Committee reported on replacements of Board Committee members and the appointment of the Lead Independent Director.
- Policy for the selection of directors and senior managers: In 2019, 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 policy on selection and appointment of members of senior management. The Committee was briefed on the annual verification of compliance with the policy for the selection of directors, the report on the annual verification of compliance with the policy for the selection and appointment of senior managers and the report on the annual verification of compliance with the Board diversity 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 informed of the 2019 Suitability Assessment Report, which covers some 80 people, including directors, general managers or similar positions and key personnel of Bankia, and of the proposal to update 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 of the Board and its Committees, and on performance assessment of the Chairman, the Chief Executive Officer, the Lead Independent Director and individual directors.
- Responsible management: In 2019, the Committee reviewed, monitored and evaluated the Responsible Management Policy and Plan. The Committee was informed about the sponsorship and social action policy and the results of proxy advisors' evaluations, the proposed policy for the protection of human rights and the activity report of the Ethics and Conduct Committee. The Committee was also informed about the management of responsible and sustainable investments and the ESG criteria (Environmental, Social and Governance).
- Succession plans: At meetings throughout the year, 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 informed about the 2020 Board Training Plan. The Committee was also informed of the New Directors Orientation Plan.
- Other activities in 2019: Monitoring and assessment to determine the identified group, amendment of the Regulations of the Board of Directors and approval of the Regulations of the Appointments and Responsible Management Committee, contracts of the members of the Management Committee, voting recommendations for the General Meeting of Shareholders, the consolidated statement of non-financial information, relations with supervisory bodies, modification of the management structure of the Bank and the Annual Corporate Governance Report within the scope of its remit, among other activities.

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 is accessible on the corporate website (www.bankia.com).

FUNCTIONS OF THE APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE (CONTINUATION)

The Appointments and Responsible Management Committee will have general authority to propose and report on the appointment and removal of directors and senior managers. 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 Regulations of the Committee, including:

- Assess the competencies, knowledge, diversity and experience required on 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;
- Identify candidates and make recommendations and proposals to the Board of Directors for the appointment of independent directors by co-option or, if applicable, by vote of the shareholders in general meeting, and make proposals for the re-election or removal of such directors by the general meeting;

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- Identify candidates, make recommendations and submit reports to the Board of Directors on proposals for the appointment of the remaining directors by co-option or by vote of the shareholders in General Meeting, and make proposals for their re-election or removal at the General Meeting;
- Advise, at the request of the Chairman and on a non-binding basis, to the Board on the appointment or removal of senior managers 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 on the selection and appointment of senior managers of the Group, offering recommendations;
- Examine and organise the succession plan for the Chairman, the Deputy Chairman, as appropriate, and the Chief Executive Officer and, where appropriate, submit proposals to the Board of Directors with a view to ensuring orderly, planned succession;
- To safeguard the independence, impartiality and professionalism of the Secretary and Assistant Secretary of the Board of Directors, submit reports on their appointment and removal for approval by the full Board;
- Set a target for the level of representation of the less well represented gender on the Board of Directors and draw up guidelines on how to increase the number of people of the less well 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 have implicit biases that prevent the selection of people of the less well represented gender;
- 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;
- 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;
- Report to the Board of Directors on matters of good corporate governance in areas within the Committee's remit (objectives, talent management, liability insurance, etc.) and make proposals for improvement;
- Propose the director selection policy to the Board of Directors and run an annual check on compliance with the policy;
- Without prejudice to the responsibilities attributed to the Audit and Compliance Committee, the Ethics and Conduct Committee will submit to the Appointments Committee periodically, and at least at the end of each year, a report of activities regarding the performance of the duties assigned to it and, in particular, on the oversight and monitoring of the Code of Ethics and Conduct;
- Review the Company's corporate social responsibility policy, ensuring that it is geared to value creation;
- Monitor corporate social responsibility strategy and practices and assess compliance with them;
- Oversee relations with the various stakeholder groups;
- Evaluate all matters related to social, environmental, political and reputational risks of the Company, independently of the powers that rest with the Risk Advisory Committee and other committees for supervising risks;
- Coordinate the process of reporting non-financial and diversity information, in accordance with applicable regulations and international standards of reference, independently of the powers that rest with other committees;

The duties and responsibilities of the Appointments and Responsible Management Committee are set out in Article 15 of the Regulations of the Board of Directors, and are further implemented by the Regulations of the Appointments and Responsible Management Committee. Both sets of regulations are available at the corporate website (www.bankia.com).

REMUNERATION COMMITTEE (CONTINUATION)

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 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.

ACTIONS:

The main actions carried out in 2019 by the Remuneration Committee addressed the following:

- Remuneration policy for directors and senior managers: In 2019, the Committee regularly reviewed the remuneration policy for directors and senior managers, reported on the modification of the remuneration policy for directors, updated the remuneration policy for Bankia's employees and was informed on the alignment of the 2019 objectives with the Risk Appetite Framework (RAF), variable remuneration for 2018, the remuneration of the new members of the Management Committee, multi-year variable remuneration for 2019 and the disclosures on remuneration to be included in the financial statements for 2018 and in the half-yearly financial statements for 2019. The Committee was also briefed on authorisation from the European Central Bank as to payment of variable remuneration.

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- 2018 Annual Report on Directors' Remuneration and Annual Corporate Governance Report: The Committee reported favourably on the 2018 Annual Corporate Governance Report regarding matters within its scope of concern and on the 2018 Annual Report on Directors' Remuneration.

- Other actions: In 2019, the Committee was briefed on, among other matters, the identification and updating of the Identified Group, the process of setting targets for 2019 and performance review for 2018, the Group's consolidated statement of non-financial information, voting recommendations for the 2019 General Meeting of Shareholders issued by the main proxy advisors, and the amendment of the Regulations of the Board of Directors and approval of the Regulations of the Remuneration Committee. The Committee was informed about the amendments under CRD V (Directive EU 2019/878 of the European Parliament and of the Council) regarding remuneration, and the impact on the Company's remuneration policy of Ley 5/2019, on mortgage lending.

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 is accessible on the corporate website (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 managers. In particular, and without limitation, the Committee shall have the powers under Chapter III of its Regulations, including but not limited to:

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- Submit 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, an executive committee or the CEO, as well as the individual remuneration and other contractual terms of executive directors, and oversee compliance;
- Report on senior management remuneration. The Committee will oversee the remuneration of the heads of Internal Audit, Risks and Compliance;
- Periodically review the Company's remuneration programmes, assessing their appropriateness and effectiveness, the remuneration policy applied to directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the Company;
- Ensure 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;
- Monitor compliance with the remuneration policy set by the Company;
- Submit proposals to the Board on any remuneration decisions to be made by the Board 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;
- Ensure that conflicts of interest do not undermine the independence of any external advice the Committee engages;
- Verify the information on director and senior managers' pay contained in corporate documents, including the annual report on directors' remuneration, which shall require a report to the Board of Directors.

The duties and responsibilities of the Remuneration Committee are set out in Article 15 *bis* of the Regulations of the Board of Directors, and are further implemented by the Regulations of the Remuneration Committee. Both sets of regulations are available at the corporate website (www.bankia.com).

FUNCTIONS OF THE BOARD RISK COMMITTEE (continued)

The Board Risk Committee shall have the following functions, among others:

- a) Make decisions within the scope of the authority delegated by the Board of Directors in risk matters specifically provided for in the Board's current delegation resolution.
- b) Within its scope of authority, set the overall preclassification limits for account holders or customer groups in relation to exposures by risk class.
- c) 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 authorities of the Board Risk Committee will be those delegated to it by the Board of Directors at any given time.

AUDIT AND COMPLIANCE COMMITTEE (CONTINUATION)

ACTIONS:

In 2019, the Audit and Compliance Committee's key actions focused on:

- Financial and non-financial reporting and related internal control mechanisms: In 2019, the Committee oversaw the preparation and fairness of the Company's separate and consolidated financial statements and the Bankia Group's consolidated non-financial statement. The Committee was briefed on the proposals and update reports on accounting policies and manuals (Financial Disclosure Policy, Accounting Policies Manual, IFRS 9 Business Models Manual (an implementation of the Accounting Policies Manual), IFRS 9 SPPI Test Manual (an implementation of the Accounting Policies Manual) and Internal Methodology Manual for Repossessed Assets. 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 ICFR Policy update. The Committee was briefed on the activities of the Ethics and Conduct Committee and the Whistleblowing Channel and their updated Regulations.

The Committee was briefed on the activities of the Ethics and Conduct Committee and the Whistleblowing Channel and their updated Regulations.

- Regulatory Compliance: The Committee is the oversight body for our compliance risk control systems and monitors the Compliance function. The Committee was informed on the progress of the Annual Compliance Plan for 2018 and the content and monitoring of the Plan for 2019, which it regularly monitors, and the Compliance Transformation Plan. The Committee was briefed on the progress of compliance control activities, including: activity reports on crime risk and the updating of Bankia's Crime Prevention Policy, anti-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

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Policy, personal data protection and related compliance initiatives, the updating of the Outsourcing Policy, the Conflicts of Interest Policy, monitoring of requirements and inspections by supervisory bodies, quarterly reports on investment and banking services, reports on related-party transactions, the Order Execution Policy and the Customer Asset Protection Policy, inter alia.

- 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 2018 Corporate Governance Report, the suitability of the content that the Board of Directors includes in annual public documentation, the amendment of the Regulations of the Board of Directors and the approval of the Regulations of the Appointments and Responsible Management Committee and the Regulations of the Remuneration Committee.

- Related-party transactions: In 2019, 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 agreement for the management by the FROB of its indirect interest in Bankia (through BFA).

- 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 Lending and Funding Policy over the year and on the report on protection of customer assets. As part of its risk management and control duties, in 2019 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 domain, the Committee was briefed on the progress of the 2018 Audit Plan and the 2019 Plan, the assessment of the performance of the internal audit unit, and the department's budget and resource plan. 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.

- External audit activity: The external auditors were invited to attend 7 meetings of the Committee in 2019, at which they confirmed their independence, presented the conclusions of the audit of the 2018 financial statements and the planning, scope and conclusions of the audit engagement as at 30 June 2019 and for the financial statements for 2019. 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 external auditor also presented the Committee with a report supplementing the audit report and the annual report on customer asset protection. Among other activities in this domain, the Committee was informed of the survey on the external auditor's performance. In compliance with Bankia's External Auditor Selection Policy, the Committee was briefed on a timely basis on the progress of the selection process.

Having analysed the proposals, verified compliance with the External Auditor Selection Procedure and examined the proposals submitted within the competitive process, the Audit and Compliance Committee stated that it had been properly informed, and, free from any third-party influence, expressed a preference for the audit firm KPMG to audit the financial statements for 2020, 2021 and 2022. The Committee resolved to lay this recommendation before the Board of Directors for consideration and, as the case might be, submission to the shareholders at a General Meeting.

- Follow-up to the Committee's action plans: The Audit and Compliance Committee received reports throughout 2019 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 2019, the Committee examined and supervised the following matters, inter alia: tax information, supervision of dividend policy, treasury share transactions, policy on signing powers, registration documents and issuance programmes, documentation relating to the 2018 year-end and the annual report of the Customer Service Department.

In 2019, 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).

FUNCTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE (CONTINUATION)

Without prejudice to any other tasks that may be assigned to it by the Board of Directors, and in accordance with article 14 of the Regulations of the Board of Directors and the Regulation of the Audit and Compliance Committee, the Audit and Compliance Committee has all the functions assigned to it under applicable law and, in particular and without limitation:

- Report to the General Meeting 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.

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- Supervise the effectiveness of the internal control of the Company, the internal audit (where applicable), and risk management systems, and discuss with the statutory auditor any material weaknesses of the internal control system that may have been detected in the audit, without comprising 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.
- Supervise the preparation and filing of regulatory financial information and make recommendations or submit proposals to the Board of Directors to safeguard the integrity of the financial information.
- Make recommendations 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.
- Establish 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, authorise the services permitted under the terms of EU legislation and regulations regarding independence, and make any other disclosures required under applicable legislation and auditing standards. In any event, the Committee will also receive an annual statement from the external auditors certifying their 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 independent auditor, or by individuals or entities related to it, in accordance with the laws on auditing.
- Issue a report each year, prior to the release of the auditors' report, expressing an opinion on whether the independence of the external auditor or audit firms has been compromised. This report will contain an assessment of any additional non-audit services provided, as referred to in the previous section, considered individually and in the aggregate, in relation to the auditors' independence and compliance with auditing standards.
- Examine and supervising compliance with the Regulations of the Board of Directors, 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.
- Report 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.
- Report in advance to the Board of Directors on any matters within its remit under the law, the Bylaws or the Regulations of the Board.
- 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 shall be informed of any fundamental changes or corporate transactions the Company is planning, so the Committee can analyse the operation and report to the Board of Directors beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

The duties and responsibilities of the Audit and Compliance Committee are set out in Article 14 of the Regulations of the Board of Directors, and are further implemented by the Regulations of the Audit and Compliance Committee. Both sets of regulations are available at the corporate website (www.bankia.com).

SECTIONS E.1 (CONTINUATION)

The Board of Directors of the Company is consistently committed to ensure 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 and mandatory disclosures to the markets via the Non-Financial Statement and this Annual Corporate Governance Report.

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• Tax risk:

A tax risk control procedure has been in place since 2015. The associated process describing this control is documented. In accordance with this procedure, all transactions approved by Centralised Committees or Governing Bodies are backed, where necessary, by an opinion from a tax advisor or, in his 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 planned activities in the Entity's transformation process in 2020.

SECTION E.2. (CONTINUATION)

g) Contingency Committee. This committee meets quarterly and 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) Risk Control and Oversight Committee. Its risk-related functions include controlling, overseeing and exercising effective challenge to 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 duties related to risk include mainly identifying, assessing and managing compliance risks related to 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 knowing the Group's operational risk profile through a qualitative self-assessment, analysing actual operational losses and monitoring various indicators. It must also propose the annual operational and technological risk appetite and tolerance framework and approve the implementation of specific policies and procedures affecting operational and technological risk.

k) Cybersecurity 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 cybersecurity investments and deciding the Cybersecurity Risk Appetite Framework.

SECTION E.6. (CONTINUATION)

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 counts with management policies and procedures established which allow us 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, especially with regard to risk awareness, assume responsibility and commitments, and service quality, ensure 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 events that generate losses and the accounting thereof, but also promotes the control thereof, in order to minimize potential negative effects through the continuous improvement of the 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. To monitor this 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 describing this control was documented. Where required, all transactions approved by centralized committees or governing bodies are backed by an opinion from a tax advisor or, in his 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.

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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 is included in the information on auditor independence, related-party transactions and the functioning of the Audit and Compliance Committee.

SECTION G.37 Y G.38

The Bylaws and the Board of Directors Regulations allow the Board of Directors to create an Executive Committee. However, one has not been set up and no members to it have been appointed. Therefore, in accordance with article 45 of the Bylaws, when the Executive Committee is not constituted, the Board of Directors will retain its authority.

SECTION G.62

To date, no executive directors have received shares from remuneration schemes because they have expressly waived their entitlement to the variable remuneration system or because the deferral period has not elapsed.

In addition, for Bankia, based on the restrictions to variable remuneration provided in Ministerial Order ECC/1762/2012, the variable remuneration that may be awarded each year to executive directors may not exceed 60% of their annual fixed remuneration; i.e. a maximum of EUR 300,000, of which 50% is received in shares (maximum of EUR 150,000 gross), over a deferral and retention period of 4-6 years.

H.3.- OTHER INTEREST INFORMATION

In terms of Corporate Governance, the Company is not subject to other than Spanish Legislation.

Institutional initiatives adhered to by Bankia:

- Code of Best Tax Practices of the Spanish Tax Authorities (CBPT). In 2016, the Board of Directors of Bankia agreed to adhere to the Code of Best Tax Practices of the Spanish Tax Authorities (CBPT). The Code of Best Tax Practices contains recommendations, which are undertaken voluntarily by the Spanish Tax Authorities and signatories, to enhance the application of the Spanish tax system by increasing legal security, mutual cooperation based on good faith and legitimate trust between the Tax Authorities and companies, and the application of responsible tax policies at companies with the knowledge of the Board of Directors.

Date of adhesion: March 31, 2016

- The Code of Best Practices for the able restructuring of mortgage loans for normal residence. Adhesion 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.

Date of adhesion: April 10, 2012.

- Housing Social Fund. The fund was created pursuant to an agreement spearheaded by the Economy and Competitiveness Ministry, the Health, Social Services and Equality Ministry, the Development Ministry, 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 non-payment of a mortgage loan or other regulated circumstances. Bankia has contributed 2,921 homes to the Fund.

Date of adhesion: January 17, 2013.

- United Nations Global Compact. Bankia promotes and embraces the 10 universal principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Date of adhesion: November 15, 2013.

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- 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.

Date of adhesion: January 1, 2011.

- Forética (Forum for the Assessment of Ethical Management). A multi-stakeholder organisation that works together with companies to promote ethical and socially responsible policies based on the engagement and participation of all stakeholders through decision forums.

Date of adhesion: November 2012.

- Diversity Charter. Initiative framed under European Union non-discrimination policies implying a voluntary commitment to support diversity and non-discrimination in the workplace.

Date of adhesion: April 23, 2014.

- Fundación SERES (Responsible Society and Businesses). Spanish non-governmental organisation (NGO) comprising more than 100 companies set up to foster commitment of companies to improve society through responsible actions aligned to the strategy of each company that creates value for everyone.

Date of adhesion: July 29, 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 analysis of transparency by the foundation of NGOs that request it voluntarily.

Date of adhesion: July 2, 2014.

- Fundación ETNOR (foundation for ethics in business and organisations). Non-profit organisation founded in 1991 to promote acknowledgement, dissemination and respect for the ethical values inherent to economic activity and the quality of public and private organisations and institutions.

Date of adhesion: November 5, 2015.

- Plan de Educación Financiera (financial literacy plan) of the CNMV and the Bank of Spain. Plan to spread a financial culture in society, providing tools and knowledge to aid in financial decision-making.

Date of adhesion: January 1, 2011.

- Asociación para la Autorregulación de la Comunicación Comercial (Autocontrol). Platform comprising self-regulation systems, as industry's response to the demands of society for guarantees of confidence and credibility in advertising, without intending to replace legal control, but rather to complement this was co-regulation.

Date of adhesion: January 1, 2011.

- 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) so that they can communicate and dialog with society ethically, responsibly and efficiently. The association defends the freedoms of communication and competition and seeks the recognition of the value of their brands' communication.

Date of adhesion: January 1, 2011.

- Spanish Association of Social Responsibility Directors (DIRSE). The purpose of this association is to know, define and demarcate the status of the profession of CSR managers with rigour and, accordingly, dignify their management function and professional performance. It also aims to identify and transfer to Spain the trends of similar associations in other countries that have provided inspiration.

Date of adhesion: December 16, 2015.

- The Spanish Green Growth Group is an association that promotes public-private collaboration to make 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 debate forums and shares information to point out opportunities for Spanish companies.

Date of adhesion: November 2, 2017.

- The Company 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, economy and society, and provides associative services to identify business solutions and contents, form part of innovation committees and collaborate with business work groups.

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Date of adhesion: September 6, 2017.

- Dow Jones Sustainability Index (DJSI). Bankia was included in this index 2016, which recognises it as one of the most sustainable companies in the world. Only 28 banks in the world (of which 11 are European, including three Spanish banks) are included in the index. The DSJI evaluates companies' economic, environmental and social performance. Bankia left the index in 2018, but on recognition by analyst RobecoSam, it rejoined the Dow Jones Sustainability Index Europe in September 2019

Date of adhesion: September 9, 2016.

- FTSE4Good Index. This is an internationally renowned index, in which Bankia was included for the first time in 2016. It is designed to facilitate investment in companies that manage their businesses in accordance with ESG (environmental, social and Corporate Governance) criteria and that are international benchmarks for sustainability (understood as corporate social responsibility).

Date of adhesion: December 30, 2016.

- CDP is an independent organization, 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.

Date of participation: January 1, 2012.

- Fundación Ecología y Desarrollo (ECODES) It promotes achievement of 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 help and facilitate pro-climate actions and raise awareness about the efforts of social agents to stop climate change.

Date of adhesion: April 4, 2018.

- Corporate Excellence - Centre for Reputation Leadership. Fundación Excelencia Corporativa en Comunicación y Reputación (Fundación ECCR), under the brand name "Corporate Excellence - Centre for Reputation Leadership", whose purpose is to develop and encourage initiatives and actions that can help enhance corporate and business reputation. Its main objectives are: to boost organisations' competitiveness and legitimacy through excellent management of their reputation, brand, communication, 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.

Date of adhesion: 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 its transition to a low-carbon economy. The recommendations of the Task Force on Climate-related Financial Disclosure focus on four thematic areas: governance, strategy, risk management, and metrics and targets. Addressing these recommendations will help Bankia to measure and manage its climate-related risks.

Date of adhesion: 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 their active role in creating a sustainable economy and their commitment 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).

Date of adhesion: 22 September, 2019.

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This Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting held on:

[21/02/2020]

Indicate whether Board Members voted against or abstained from voting for or against the approval of this Report.

[] Yes
[✓] No

**Report for 2019 on the Information Relating to the System of Internal
Control over Financial Reporting (ICFR)**

BANKIA, S.A.



**Building a better
working world**

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Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF BANKIA, S.A.

To the Board of Directors of Bankia, S.A.:

As requested by the Board of Directors of Bankia, S.A. ("the Company") and in accordance with our engagement letter dated 23 September 2019, we have applied certain procedures to the "Information relating to the ICFR system" contained in the Section "F. Internal control over financial reporting (ICFR) risk control and management systems" of Bankia, S.A.'s 2019 Annual Corporate Governance Report, which summarises the internal control procedures of the Company in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying information relating to the system of ICFR.

It should be noted in this regard, irrespective of the quality of the design and operating capacity of the internal control system adopted by the Company in relation to its annual financial reporting, the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Auditing Standards generally accepted in Spain, the sole purpose of our assessment of the internal control of the Company was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Company's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission (CNMV), on its website, which sets out the work to be performed, the minimum scope of this work, and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Company's annual financial reporting for 2019 described in the accompanying information relating to the system of ICFR. Therefore, had procedures additional to those provided for in the engagement letter been applied or an audit or a review of the system of internal control over the regulated annual financial reporting been performed, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Understanding of the information prepared by the Company in relation to the system of ICFR - disclosure information included in the managements' report- and assessment of whether this information addresses all the information required in section F, relating to the description of the system of ICFR, of the Annual Corporate Governance Report model established in Circular nº 5/2013 of the National Securities Market Commission, dated June 12, 2013 as modified by Circular nº 7/2105 of the National Securities Market Commission, dated December 22, 2015 and by Circular nº 2/2018 of the National Securities Market Commission, dated October 12, 2018.
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Company.
3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit and Compliance Committee.
4. Comparison of the information detailed in point 1 above with the Company's knowledge of the system of ICFR obtained as a result of the application of the procedures carried out as part of the audit of its financial statements.
5. Reading the minutes of meetings of the Board of Directors, the Audit and Compliance Committee and of other Company committees in order to assess the consistency between the ICFR issues addressed therein and the information detailed in point 1 above.
6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel in charge of the preparation of the information detailed in point 1 above.

The procedures applied to the Information relating to the system of ICFR did not disclose any inconsistencies or incidents that might affect the Information.

This report has been prepared exclusively under the framework of the requirements established by article 540 of the Consolidated Text of the Corporates Act (Ley de Sociedades de Capital) and Circular nº 5/2013 of the National Securities Market Commission, dated June 12, 2013 as modified by Circular nº 7/2105 of the National Securities Market Commission, dated December 22, 2015 and by Circular nº 2/2018 of the National Securities Market Commission, dated October 12, 2018 for the purposes of describing ICFR in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(signed in the original version)

February 24, 2020

Jaume Pallerols Cat