



Annual Report on Director Remuneration

Board of Directors
20 March 2013

ANNUAL REPORT ON DIRECTOR REMUNERATION AT BANKIA, S.A.

The structure and content of this report on the remuneration of the directors of Bankia, S.A. (“BANKIA” or the “Company”) has been prepared having regard to the most up-to-date Good Corporate Governance practices at both national and international level.

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT YEAR (2013)

A.1 Remuneration Policy of the Company (2013)

1. Composition of the Board of Directors

Pursuant to article 37 of the Bylaws of BANKIA, the Board of Directors shall be comprised of no fewer than five and no more than nineteen members, and responsibility for establishing the exact number of members falls to the General Meeting.

The term of office is six years, and directors may be re-elected for successive periods of the same duration.

On the Board of Directors of BANKIA, the external or non-executive directors (eight) account for a wide majority, all of them independent, as compared to the number of BANKIA’s executive directors (two).

Below is a table listing all members of the Board of Directors as at 31 December 2012, with details of the type of directorship, the date of appointment and the positions held at the Company.

Director	Position	Type	Date of appointment	Other positions held at the Company
Mr José Ignacio Goirigolzarri Tellaeché	Chairman	Executive	09/05/2012	
Mr José Sevilla Álvarez	Member	Executive	25/05/2012	Board Risk Committee
Mr Joaquín Ayuso García	Member	Independent	25/05/2012	Appointments and Remuneration Committee
Mr Francisco Javier Campo García	Member	Independent	25/05/2012	Appointments and Remuneration Committee / Board Risk Committee
Ms Eva Castillo Sanz	Member	Independent	25/05/2012	
Mr Jorge Cosmen Menéndez-Castañedo	Member	Independent	25/05/2012	Audit and Compliance Committee
Mr Jose Luis Feito Higuera	Member	Independent	25/05/2012	Audit and Compliance Committee
Mr Fernando Fernández Mendez de Andés	Member	Independent	25/05/2012	Appointments and Remuneration Committee / Board Risk Committee
Mr Alfredo Lafita Pardo	Member	Independent	08/06/2012	Audit and Compliance Committee
Mr Álvaro Rengifo Abbad	Member	Independent	08/06/2012	Appointments and Remuneration Committee

2. Remuneration policy for non-executive directors (2013)

In accordance with article 49 of the Bylaws of BANKIA, the office of director is remunerated.

The Board of Directors shall strive to ensure that the remuneration policy for directors is in accordance with the limits stipulated in Royal Decree-Law 2/2012 of 3 February 2012 on the regulation of the financial sector (“Royal Decree-Law 2/2012”) and Order ECC/1762/2012 of 3 August 2012 (the “Ministerial Order”).

In relation to this, the total individual remuneration of non-executive directors may not exceed €100,000.

In accordance with the foregoing, the remuneration of non-executive directors is formed as follows:

- Directors receive a specified amount on a regular basis. This amount will be established by the Board of Directors. In 2013, this amount will in no event exceed the above mentioned limit of €100,000.
- No per diem payments are envisaged for attending meetings of the Board of Directors or of their committees. This is without prejudice to the reimbursement of the appropriate expenses.

BANKIA has in place directors’ civil liability insurance mechanisms with conditions that are suitable for the Company’s situation and circumstances.

In accordance with the Bylaws and the Regulations of the Board of Directors, non-executive directors shall not receive any remuneration for their membership of the Board of Directors of BANKIA if they are in receipt of any remuneration from the Company’s majority shareholder; i.e. Banco Financiero y de Ahorros, S.A. (“BFA”).

However, none of the non-executive directors of BANKIA receive any remuneration for any duties that they may carry out at BFA.

Finally, at its meeting of 13 February 2013, the Appointments and Remuneration Committee agreed to adjust the remuneration of certain directors on the basis of the degree of attendance at Board Meetings during 2012. The adjustment was made to the remuneration paid in the month of February 2013.

3. Remuneration policy for executive directors (2013)

Regardless of the provisions of article 49 of the Bylaws of BANKIA, in the year 2013, the remuneration of the executive directors will be comprised solely of the fixed annual remuneration, subject to the limit stipulated in Royal Decree-Law 2/2012; i.e. €500,000.

With regard to the other remuneration components, the following should be noted:

- There is no variable annual pay in the year 2013.
- No contributions to the social welfare systems will be made.

- In the event that any severance has to be paid during 2013 in cases of dismissal, this would in any event be subject to the limits set forth in Law 3/2012 of 6 July 2012 on urgent measures to reform the employment market (“Law 3/2012”).

In addition and in accordance with the provisions of both the above mentioned article 49 of the Bylaws and of article 28 of the Regulations of the Board of Directors of BANKIA, those executive directors who receive any remuneration for performing executive functions at the financial institution which is BANKIA’S majority shareholder; i.e. Banco Financiero y de Ahorros, S.A., shall not be entitled to any remuneration for their executive functions at BANKIA. This is without prejudice to the reimbursement of any appropriate expenses.

Where applicable, the Company’s executive directors will not be entitled to simultaneously receive any remuneration by way of per diem for their membership of any governing body of the majority shareholder of BANKIA; i.e. Banco Financiero y de Ahorros, S.A.

In accordance with the provisions of article 33.3 of the Regulations of the Board of Directors, Directors may not carry out, either directly or indirectly, professional or commercial operations with the Company unless they report the conflict of interest in advance and the Board approves the operation following a report from the Appointments and Remuneration Committee. There have been no situations such as those described in this paragraph with regard to the current Directors.

At present, none of the executive directors of BANKIA are in receipt of any remuneration of any kind, including per diems, for the functions that they carry out at BFA.

In any event, the Board of Directors of BANKIA, following a favourable report of the Appointments and Remuneration Committee, has adapted the contracts of the Executive Chairman and the Executive Director to adjust their salaries to the limits established in Royal Decree-Law 2/2012 and Law 3/2012.

4. ‘Remuneration mix’ of executive directors (2013)

Pursuant to article 4 of the Ministerial Order, the variable annual remuneration of managers and directors of entities that have received financial support from the FROB may not exceed 60 percent of the gross fixed annual remuneration.

Without prejudice to the foregoing and taking into account the Company’s current situation, BANKIA has decided to cancel the payment of the 2013 variable remuneration for its executive directors.

Therefore, as mentioned in the preceding section, there is no ‘remuneration mix’ for the executive directors in 2013 since the remuneration is comprised solely of fixed components.

A.2 Process for determining the remuneration policy and the role of the Appointments and Remuneration Committee

1. Composition of the Appointments and Remuneration Committee

The Regulations of the Board of Directors and the Bylaws of BANKIA stipulate that the Appointments and Remuneration Committee will be comprised of no fewer than three and no more than seven directors, who must be external or non-executive directors.

The composition of the Committee as at 31 December 2012 was as follows:

Director	Position	Type	Date of appointment
Mr Joaquín Ayuso García	Chairman	Independent	01/06/2012
Mr Francisco Javier Campo García	Member	Independent	01/06/2012
Mr Fernando Fernández Méndez de Andés	Member	Independent	01/06/2012
Mr Alvaro Rengifo Abbad	Member	Independent	08/06/2012

No director who is a member of the Committee performs any executive functions at the Company. They all have proven ability to carry out their functions within the Committee due to their extensive experience in banking and/or senior management positions and to their knowledge with regard to remuneration, which allows them to exercise effective independent control of the remuneration policies and practices and of the incentives created to manage risk, capital and liquidity.

2. Functions of the Appointments and Remuneration Committee

According to the Regulations of the Board of Directors and to the Bylaws of BANKIA, the Appointments and Remuneration Committee has general powers in matters of remuneration and in the appointment and removal of directors and senior managers. In particular, it performs the following functions:

- To submit to the Board of Directors the proposals for independent directors to be appointed by co-option or, if applicable, for submission to decision by the General Meeting of Shareholders, as well as proposals for the re-election or removal of such directors by the General Meeting;
- To inform, on a non-binding basis, of the proposals of the Board of Directors for the appointment of the other directors to be appointed by co-option or, if applicable, for submission to a decision by the General Meeting of Shareholders, as well as proposals for the re-election and dismissal of such Directors by the General Meeting;
- To inform, on a non-binding basis, of the Board resolutions relating to the appointment or removal of senior managers of the Group;
- To propose to the Board of Directors:
 - The remuneration policy for directors and senior managers.

- The individual remuneration and other contractual terms of executive directors.
- The standard terms of senior managers' contracts;
- To periodically review the remuneration programmes, considering their appropriateness and utility;
- To ensure the transparency of remuneration and the inclusion in the annual report on director remuneration and in the annual corporate governance report of information regarding the remuneration of directors and, to that end, to submit any appropriate information to the Board;
- To ensure compliance with the remuneration policy established by the Company; and
- To safeguard the independence, impartiality and professionalism of the Secretary and Vice-Secretary of the Board of Directors, and to report on their appointment and dismissal for approval by the full Board.

3. Meetings of the Appointments and Remuneration Committee

BANKIA's Appointments and Remuneration Committee meets whenever it is convened by means of a resolution of the Committee itself or of its Chairman, and no less than four times a year. It also meets whenever the Board of Directors or its Chairman requests the issue of a report or the adoption of proposals.

Resolutions are adopted by a majority vote of those present or represented at the meeting, and the Chairman has the casting vote in the event of a tie.

As at the date of this report, the Committee has met on six occasions during 2013.

4. External Advice

BANKIA has received the advice of J&A Garrigues, S.L.P. for the preparation of this report.

A.3 Amount and nature of the fixed remuneration components (2013)

In accordance with section 3 of article 5 of Royal Decree-Law 2/2012, the remuneration policies of entities that have received financial support from the FROB without the latter being their majority shareholder must adhere to the following restrictions:

- The total remuneration for the members of the Board of Directors that do not perform executive functions shall be limited to €100,000.
- With regard to the executive members of the Board, there will be a maximum total annual fixed remuneration of €500,000, including all the remuneration received within the Group.

For the calculation of the limits set forth in the preceding articles, all the remuneration received from the various entities belonging to the BANKIA Group shall be taken into account. All payments, per diems or assimilated amounts received by managers and directors from entities

in which they hold any position on BANKIA's account or on its behalf shall also count as part of remuneration.

In accordance with the foregoing, the fixed remuneration of the directors of BANKIA has been established as follows:

- The individual fixed amount to be received by the non-executive directors in 2013 shall in no event exceed the sum of €100,000 per year.
- The annual amount to be received by each of the executive directors (Mr José Ignacio Goirigolzarri Tellaeche and Mr José Sevilla Alvarez) in 2013 shall be €500,000.

A.4 Amount, nature and main features of the variable remuneration components (2013)

1. System of annual variable remuneration (2013)

As explained in section A.1.4 of this Report, BANKIA has decided to cancel the payment of the variable remuneration for 2013 for its executive directors.

Therefore, no variable remuneration will be earned or be paid in the year 2013.

2. Deferral of the payment of annual variable remuneration (2013)

As explained below, BANKIA did not pay the executive directors any amount of variable remuneration in 2012. In consequence, in 2013 there will be no deferred payments relating to 2012.

With regard to the annual variable remuneration of 2013, since this has been cancelled, there will be no outstanding deferred amounts pending payment in respect thereof.

3. Clause to adjust annual variable remuneration

Adjustment clauses of this kind shall not apply since the annual variable remuneration of 2013 has been cancelled, and there will be no outstanding deferred amounts pending payment in this regard.

A.5 Main features of long-term savings systems (2013)

At present, BANKIA does not have long-term savings systems with its directors.

A.6 Severance agreed or paid in the event of termination of directorship (2013)

In accordance with the provisions of the Seventh Additional Provision of Law 3/2012, until BANKIA has repaid the financial support received, it may not meet, in the event of dismissal due to the termination of the relationship between the executive directors and BANKIA, any amounts of compensation that exceed the lesser of the following amounts:

- €1,000,000; or
- Two years of the stipulated fixed remuneration.

The term 'compensation for termination of contract' includes any amount of compensation that may be received by a manager or director a result of the termination of his or her contract,

regardless of the cause, origin or purpose thereof, so that the sum of all the amounts received may not exceed the specified limits.

In compliance with Law 3/2012 and the Ministerial Order, BANKIA has adapted the contracts of its executive directors and senior managers to the limits described above. Both Mr Goirigolzarri's contract and Mr Sevilla's contract provide that the maximum amount of compensation to be received in any event for termination of contract shall conform to the limits stipulated in Law 3/2012.

A.7 Features of the contracts between the executive directors and BANKIA

- Term

The contracts of the executive directors are for an indefinite term. Article 23 of the Regulations of the Board of BANKIA stipulate that directors may be appointed for a maximum term of six years and may be re-elected for successive terms of the same duration.

- Civil liability

BANKIA has in place Directors' civil liability insurance mechanisms with conditions that are suitable for the Company's situation and circumstances.

- Professional secrecy and duty of confidentiality

The contracts of the executive directors of BANKIA include an obligation to maintain professional secrecy. The duty of confidentiality is governed by article 31 of the Regulations of the Board of Directors of BANKIA and applies even after the directors have left office.

- Non-compete obligation

The directors may not, either on an employed or on a self-employed basis, engage in any activity that is the same, similar or supplementary to the type of activity constituting BANKIA's corporate aim, except for the positions or offices that may be held at other Group companies.

A.8 Additional remuneration earned by directors for services other than those inherent in their office (2013)

There is no additional remuneration for services provided to the Company other than those already included in this Report.

A.9 Measures adopted in the remuneration policy on reducing exposure to excessive risks and adapting it to the Company's long-term objectives, values and interests (2013)

The current remuneration policy does not induce excessive risk-taking on the part of the executive directors and conforms to the long-term objectives, values and interests of the Company's shareholders. The measures taken in this regard respond to the application of Royal Decree-Law 2/2012 and its implementing Ministerial Order:

- Limitation of the annual compensation of each director:

- For non-executive directors: €100,000 per year in total.
- For executive directors: €500,000 per year.
- Cancellation of the annual variable remuneration.
- Cancellation of the contributions to social welfare systems.

B. REMUNERATION POLICY PLANNED FOR THE FUTURE (2014 ONWARDS)

B.1 Remuneration policy for the future (2014 onwards)

The remuneration policy of the Board of Directors, taking into account that BANKIA is currently one of the entities envisaged in article 5 of Royal Decree 2/2012, will continue to conform to the requirements set out in the said rule, in Law 3/2012, in the Ministerial Order and in any other provisions that may replace it in future.

The Appointments and Remuneration Committee, in the exercise of the functions given to it by the Regulations of the Board of Directors and described in sub-section 2 of section A.2 above, shall periodically review the remuneration policy of the Board of Directors, and shall submit to it, where applicable, any proposals it may deem appropriate.

In particular, the Appointments and Remuneration Committee will closely monitor compliance with the limits to remunerations stipulated by Royal Decree-Law 2/2012 and any amendments that may be made to the rules on remuneration systems at financial institutions.

The Appointments and Remuneration Committee will draw up a report on the remuneration of the members of the Board of Directors on an annual basis. This report will be submitted for the consultative approval of the General Meeting of Shareholders as a separate item on the agenda.

In addition, at least once a year the Appointments and Remuneration Committee will order an independent central assessment of the application of the remuneration policy in order to verify that it meets the guidelines and procedures on remuneration adopted by the Appointments and Remuneration Committee in its supervisory role.

B.2 Incentives established by the Company in the remuneration system to reduce exposure to excessive risks and adapt it to the Company's long-term objectives, values and interests (2014 onwards)

In subsequent years, the Board of Directors of BANKIA, within the framework of the applicable legislation, on a proposal from the Appointments and Remuneration Committee, will analyse the desirability of reintroducing annual variable remuneration within the remuneration system for executive directors. Such proposal will be submitted to the authorisation of the Bank of Spain, with regard to amount, accrual and payment.

In any case, both the design and the payment process of the annual variable remuneration whose reintroduction may be decided on will comply with the requirements of Royal Decree 771/2011, Royal Decree-Law 2/2012 and the Ministerial Order. These are:

- The annual variable remuneration of executive directors may not exceed 60% of their gross fixed annual remuneration.

- 50% of the variable remuneration of executive directors would be paid in the form of shares. These shares would be unavailable for a period of one year following after their delivery.
- The beginning of the receipt of the annual variable pay will be deferred for three years from its accrual. In other words, the variable remuneration will be paid in full during the fourth year, after the end of the three years of deferment counting from the accrual date, as provided by Royal Decree-Law 2/2012. On the payment date, the remuneration will be paid 50% in cash and 50% in shares.
- Introduction of a clause to reduce variable remuneration or ‘*malus*’ clause. The annual variable remuneration of executive directors which is pending payment under this system may be reduced or cancelled on the occurrence of any of the following events:
 - Poor financial performance of the consolidated group to which the Company belongs, which is attributable to the executive director’s management.
 - Breach of internal rules by the executive director including, in particular, the rule relating to risk.
 - Significant material reformulation of the financial statements of the Company as a result of the executive director’s management, unless this is appropriate as a result of an amendment to accounting legislation; or significant variations in the economic capital and in the qualitative evaluation of the risks.
- Objectives of the variable annual remuneration: The objectives that must be met in order to receive the variable annual remuneration would include factors such as current and potential risks, capital consumption and cash flow.

C. THE REMUNERATION IN THE LAST FINANCIAL YEAR (2012)

C.1 Overview of how the remuneration policy for executive and non-executive directors was applied during the last financial year (2012)

The year 2012 saw the following important changes in the Company in relation to remuneration.

- Due to the entry into force of Royal Decree-Law 2/2012 and Law 3/2012 on 16 March 2012, the Board of Directors adjusted the remuneration of its directors in accordance with the limits stipulated in the new legislation.
- In May 2012 there was a change in the composition of the Board of Directors of the Company. BANKIA did not pay any compensation to its outgoing directors in 2012.
- With effect from 1 July 2012, BANKIA resolved not to make any new contributions to the insurance covering the events of retirement, total disability, death or severe or high dependency.
- On 21 September 2012, in response to the letters sent by BANKIA regarding the proposed settlement of the annual variable remuneration of 2011, the Bank of Spain informed the Company of its decision not to authorise the payment of the variable remuneration accrued during 2011 in relation to the entire group identified, including the executive and non-executive directors.

- The Appointments and Remuneration Committee has passed the necessary resolutions to comply with the Bank of Spain's Resolution of 21 September 2012 resolving not to authorise the annual variable remuneration of 2011. In relation to this, we have implemented the appropriate mechanisms and procedures to, as applicable, recover or refund the amounts of annual variable remuneration or assimilated remuneration acknowledged for the group identified.
- Similarly, at the Appointments and Remuneration Committee's meeting of 13 December 2012, it was reported that the annual variable remuneration of 2012 would not be paid.
- In the exercise of its functions, the Appointments and Remuneration Committee met 19 times in 2012 to discuss and propose to the Board the approval of the main issues regarding remuneration. During 2013 and up to the date of the report, the Appointments and Remuneration Committee has met 6 times.

Below is a breakdown of the remunerations received in 2012 by BANKIA's directors, distinguishing between the current members of the Board and those who have left the Company during that year.

C.2 Details of individual remuneration earned by the Directors in the last financial year (2012)

a) Remuneration earned at the Company:

i. Remuneration in cash (in thousands of €)

Current members of the Board of Directors			
Name	Salary	Per diems	Total Year 2012
Mr José Ignacio Goirigolzarri Tellaecbe	334	0	334
Mr José Sevilla Álvarez	342	0	342
Mr Joaquín Ayuso García		60	60
Mr Francisco Javier Campo García		60	60
Ms Eva Castillo Sanz		60	60
Mr Jorge Cosmen Menéndez-Castañedo		60	60
Mr Jose Luis Feito Higuera		60	60
Mr Fernando Fernández Mendez de Andés		60	60
Mr Alfredo Lafita Pardo		56	56
Mr Álvaro Rengifo Abbad		56	56

No current member of the Board of Directors of BANKIA has received any payment by way of variable remuneration, remuneration for membership of Board committees, compensation, or for any other reason.

As mentioned in section A.1.2) above, some of these payments have been adjusted on the basis of the degree of attendance at Board meetings during the year 2012. The adjustment was made to the remuneration paid in the month of February 2013. In consequence, the remuneration of Ms. Castillo and Mr. Feito for 2012 amounts to €54.53 thousand; that of Messrs. Ayuso and Fernandez adds up to €57.40 thousand; and that of Mr Rengifo amounts to €3.57 thousand.

Members of the Board leaving during May 2012			
Name	Salary	Per diems	Total Year 2012
Mr Rodrigo de Rato Figaredo	288	22	310
Mr José Manuel Fernández Norniella	137	30	167
Mr Claudio Aguirre Pemán		53	53
Ms Carmen Cavero Mestre		53	53
Mr Arturo Fernández Álvarez		48	48
Mr Alberto Ibáñez González		55	55
Mr Josep Ibern Gallart		47	47
Mr Javier López Madrid		53	53
Mr Juan Llopart Pérez		55	55
Mr Juan Martín Queralt		50	50
Ms Araceli Mora Enguídanos		49	49
Mr José Antonio Moral Santín		50	50
Mr Francisco Pons Alcoy	209	13	221
Mr Francisco Juan Ros García		53	53
Mr José Manuel Serra Peris		54	54
Mr Atilano Soto Rábanos		6	6
Mr Antonio Tirado Jiménez		54	54
Mr Álvaro de Ulloa Suelves		53	53
Mr Virgilio Zapatero Gómez		53	53

No members of the Board of Directors that left BANKIA in May 2012 received any payment by way of variable remuneration, compensation or for any other reason.

Members of the Board leaving after May 2012			
Name	Salary	Per diems	Total Year 2012
Mr Francisco Verdú Pons		3	454
Mr José Wahnón Levy		5	5

No members of the Board of Directors that left BANKIA after May 2012 received any payment by way of variable remuneration, compensation for any other reason.

ii. Remuneration systems based on shares

The current and outgoing directors of BANKIA did not earn any remuneration in shares during 2012.

iii. Long-term savings systems

Current members of the Board of Directors	
Name/period	Contribution by the company for the financial year (in thousands of €)
Mr José Ignacio Goirigolzarri Tellaeche	0
Mr José Sevilla Álvarez	0
Mr Joaquín Ayuso García	0
Mr Francisco Javier Campo García	0
Ms Eva Castillo Sanz	0
Mr Jorge Cosmen Menéndez-Castañedo	0
Mr Jose Luis Feito Higuera	0
Mr Fernando Fernández Mendez de Andés	0
Mr Alfredo Lafita Pardo	0
Mr Álvaro Rengifo Abbad	0

Members of the Board of Directors leaving during May 2012	
Name/period	Contribution by the company for the financial year (in thousands of €)
Mr José Ignacio Goirigolzarri Tellaeche	0
Mr José Sevilla Álvarez	0
Mr Joaquín Ayuso García	0
Mr Francisco Javier Campo García	0
Ms Eva Castillo Sanz	0
Mr Jorge Cosmen Menéndez-Castañedo	0
Mr Jose Luis Feito Higuera	0
Mr Fernando Fernández Mendez de Andés	0
Mr Alfredo Lafita Pardo	0
Mr Álvaro Rengifo Abbad	0
Mr Rodrigo de Rato Figaredo	12
Mr José Manuel Fernández Norniella	33
Mr Claudio Aguirre Pemán	12
Ms Carmen Cavero Mestre	12

Members of the Board of Directors leaving during May 2012	
Name/period	Contribution by the company for the financial year (in thousands of €)
Mr Arturo Fernández Álvarez	12
Mr Alberto Ibáñez González	12
Mr Josep Ibern Gallart	6
Mr Javier López Madrid	12
Mr Juan Llopert Pérez	12
Mr Juan Martín Queralt	12
Ms Araceli Mora Enguídanos	12
Mr José Antonio Moral Santín	12
Mr Francisco Pons Alcoy	38
Mr Francisco Juan Ros García	12
Mr José Manuel Serra Peris	12
Mr Atilano Soto Rábanos	6
Mr Antonio Tirado Jiménez	12
Mr Álvaro de Ulloa Suelves	12
Mr Virgilio Zapatero Gómez	12

Members of the Board of Directors leaving after May 2012	
Name/period	Contribution by the company for the financial year (in thousands of €)
Mr Francisco Verdú Pons	12
Mr José Wahnón Ley	0

b) Remuneration earned by the directors of the Company for their membership of Boards of Directors at other Group companies and subsidiaries:

i. Remuneration in cash (in thousands of €)

Current members of the Board of Directors	
Name	
Mr José Ignacio Goirigolzarri Tellaeché	20 ¹
Mr José Sevilla Álvarez	0
Mr Joaquín Ayuso García	0
Mr Francisco Javier Campo García	0
Ms Eva Castillo Sanz	0
Mr Jorge Cosmen Menéndez-Castañedo	0
Mr Jose Luis Feito Higuera	0
Mr Fernando Fernández Mendez de Andés	0
Mr Alfredo Lafita Pardo	0
Mr Álvaro Rengifo Abbad	0

¹ Mapfre, S.A. has paid Mr José Ignacio Goirigolzarri Tellaeché a remuneration of €19.68 thousand for his membership of the Board of Directors. This amount has been deducted from the remuneration paid by BANKIA to this director, so that the total fixed remuneration is under the maximum limit stipulated by RDL 2/2012.

Members of the Board of Directors leaving during May 2012		
Name	Per diems	Total Year 2012
Mr Rodrigo de Rato Figaredo		
Mr José Manuel Fernández Norriella	18	18
Mr Claudio Aguirre Pemán		
Ms Carmen Cavero Mestre		
Mr Arturo Fernández Álvarez	5	5
Mr Alberto Ibáñez González		
Mr Josep Ibern Gallart	2	2
Mr Javier López Madrid	5	5
Mr Juan Llopart Pérez	18	18
Mr Juan Martín Queralt		
Ms Araceli Mora Enguídanos		
Mr José Antonio Moral Santín	38	38
Mr Francisco Pons Alcoy		
Mr Francisco Juan Ros García		
Mr José Manuel Serra Peris	11	11
Mr Atilano Soto Rábanos		
Mr Antonio Tirado Jiménez		
Mr Álvaro de Ulloa Suelves		
Mr Virgilio Zapatero Gómez	13	13

No members of the Board of Directors that left BANKIA in May 2012 received from other group companies any payment in the form of salary, variable remuneration, remuneration for membership of Board committees, compensations or for other reasons.

Members of the Board of Directors leaving after May 2012	
Name	
Mr Francisco Verdú Pons	0
Mr José Wahnón Levy	0

ii. Remuneration systems based on shares

The current and outgoing directors of BANKIA did not earn during 2012 any amount of remuneration in shares for their membership of the boards of other group companies.

iii. Long-term savings systems

The current and outgoing directors of BANKIA did not take part during 2012 in any long-term savings systems on the basis of their membership of the Boards of Directors of other group companies.

c) **Remuneration summary:**

Name	Remuneration earned at Bankia			Remuneration earned at group companies			
	Remuneration in cash	Contributions made to savings systems	Total 2012	Remuneration in cash	Contributions made to savings systems	Total 2012	TOTAL 2012
Mr José Ignacio Goirigolzarri Tellaeché	334	0	334	20	0	20	354
Mr José Sevilla Álvarez	342	0	342	0	0	0	342
Mr Joaquín Ayuso García	60		60				60
Mr Francisco Javier Campo García	60		60				60
Ms Eva Castillo Sanz	60		60				60
Mr Jorge Cosmen Menéndez-Castañedo	60		60				60
Mr Jose Luis Feito Higuera	60		60				60
Mr Fernando Fernández Mendez de Andés	60		60				60
Mr Alfredo Lafita Pardo	56		56				56
Mr Álvaro Rengifo Abbad	56		56				56
Mr Rodrigo de Rato Figaredo	310	12	322	0	0	0	322
Mr José Manuel Fernández Normiella	167	33	200	18	0	18	218
Mr Claudio Aguirre Pernán	53	12	65				65
Ms Carmen Cavero Mestre	53	12	65				65
Mr Arturo Fernández Alvarez	48	12	60	5		5	65
Mr Alberto Ibáñez González	55	12	67				67
Mr Josep Ibern Gallart (1)	47	6	53	2		2	55
Mr Javier López Madrid	53	12	65	5		5	70
Mr Juan Llopart Pérez	55	12	67	18		18	85
Mr Juan Martín Queralt	50	12	62				62
Ms Araceli Mora Enguñados	49	12	61				61
Mr José Antonio Moral Santín	50	12	62	38		38	100
Mr Francisco Pons Alcoy	221	38	259	0	0	0	259
Mr Francisco Juan Ros García	53	12	65				65
Mr José Manuel Serra Peris	54	12	66	11		11	77
Mr Atilano Soto Rábanos	6	6	12				12
Mr Antonio Tirado Jiménez	54	12	66				66
Mr Álvaro de Ulloa Suelves	53	12	65				65
Mr Virgilio Zapatero Gómez	53	12	65	13		13	78
Mr Francisco Verdú Pons	454	12	466	0	0	0	466
Mr José Wahnón Levy	5		5				5

(1) Mr. Ibern's fixed remuneration and per diems have been paid in favour of Caixa Laietana.

Bankia

**APPOINTMENTS AND REMUNERATION
COMMITTEE ACTIVITY REPORT**

FY 2012

COMPOSITION

The current composition of the Appointments and Remuneration Committee is as follows:

Appointments and Remuneration Committee		
Name	Position	Type of director
Mr Joaquín Ayuso García	Chairman	Independent
Mr Francisco Javier Campo García	Member	Independent
Mr Fernando Fernández Méndez de Andés	Member	Independent
Mr Álvaro Rengifo Abbad	Member	Independent

Mr Joaquín Ayuso García, Mr Francisco Javier Campo García and Mr Fernando Fernández Méndez de Andés were appointed members of the Committee on 1 June 2012. Mr Alvaro Rengifo Abbad was appointed member of the Committee on 8 June 2012.

No director who is a member of the Committee performs any executive functions at the Company. They all have proven ability to carry out their functions within the Committee due to their extensive experience in banking and/or senior management positions and to their knowledge with regard to remuneration, which allows them to exercise effective independent control of the remuneration policies and practices and of the incentives created to manage risk, capital and liquidity.

Its members' professional profiles can be found on the Company's web page: www.bankia.com

During 2012 the following members left the Committee: Mr José Manuel Serra Peris: Chairman; Mr Juan Llopert Pérez, Member; Mr José Antonio Moral Santín, Member. They all left on 25 May 2012 as a result of the total change of the Board of Directors on that date.

Mr Miguel Crespo Rodríguez, as non-Director Secretary of Banco Financiero y de Ahorros, S.A.U., is acting as non-Director Secretary of the Appointments and Remuneration Committee.

As at 31 December 2012, the composition of the Appointments and Remuneration Committee was as stated.

REGULATION AND POWERS

The Committee is governed by article 47 of the Bylaws and article 16 of the Regulations of the Board of Directors.

The Appointments and Remuneration Committee shall consist of a minimum of three and a maximum of seven directors who must be external or non-executive directors. One of the directors of the Committee must in any event be an independent Director.

At present, the Appointments and Remuneration Committee is composed of three Directors, and all its members are independent.

The members of the Appointments and Remuneration Committee are appointed by the Board of Directors, taking into account the Directors' knowledge, skills and experience and the tasks of the Committee. The Committee shall be chaired by an external Director appointed by the Board of Directors. The Chairman of the Committee must be replaced every four years and may be re-elected one or more times for periods of the same duration.

The Committee shall have a Secretary and may, at its discretion, have a Vice-Secretary. These persons do not need to be Directors and do not have to be the same as the Secretary and Vice-Secretary of the Board of Directors, respectively.

The Committee shall meet as often as it is convened pursuant to a resolution of the Committee itself or by its Chairman, and no less than four times a year. In addition, it shall also meet whenever the Board of Directors or its Chairman request the issue of a report or the adoption of proposals.

Meetings shall be validly established when they are attended, in person or by proxy, by half plus one of the Directors who are members of the Committee.

The Committee shall pass its resolutions by a majority vote of those attending the meeting, either in person or by proxy. In the event of a tie, the Chairman shall have a casting vote.

The Appointments and Remuneration Committee shall have general proposal and reporting powers with regard to remuneration and to the appointment and dismissal of Directors and senior managers. In particular and without prejudice to any other tasks that may be assigned to it by the Board, the Appointments and Remuneration Committee shall have the following duties:

- (a) to submit to the Board of Directors its proposals for the appointment of independent Directors to be appointed by co-option or, where applicable, for submission to decision by the General Meeting of Shareholders, as well as proposals for the re-election or removal of such directors by the General Meeting;
- (b) to report, on a non-binding basis, on the proposals of the Board of Directors for the appointment of the other Directors for their appointment by co-option or, where applicable, for submission to decision by the General Meeting of Shareholders, as well as proposals for the re-election or dismissal of such Directors by the General Meeting.
- (c) to report, on a non-binding basis, on the resolutions of the Board regarding the appointment or dismissal of senior managers of the Group that may be proposed to the Board by the Chairman;
- (d) to propose to the Board of Directors:
 - (i) the remuneration policy for Directors and senior managers;
 - (ii) the individual remuneration and other contractual terms of executive Directors; and
 - (iii) the standard terms of the contracts of senior managers;
- (e) to periodically review the remuneration programmes, considering their appropriateness and utility;
- (f) to ensure the transparency of remuneration and the inclusion in the annual report on director remuneration and the annual corporate governance report of information regarding the remuneration of Directors and, to that end, to submit such information to the Board as may be appropriate;
- (g) to ensure compliance with the remuneration policy established by the Company; and
- (h) to safeguard the independence, impartiality and professionalism of the Secretary and Vice-Secretary of the Board of Directors, and to report on their appointment and removal for approval by the full Board;
 - (i) when there are no or very few Directors, the Committee shall strive ensure that, when filling new vacancies, the selection procedures are not affected by implicit biases that hinder the selection of Directors, seeking to include among the potential candidates women who meet the professional profile sought;
- (j) to submit to the Board of Directors a report on the performance of the duties of the Chairman of the Board.

In order to achieve a better performance of its duties, the Committee may seek the advice of external professionals in relation to matters within their competence.

MAIN ACTIVITIES OF THE APPOINTMENTS AND REMUNERATION COMMITTEE IN 2012

In the exercise of its functions, the Appointments and Remuneration Committee met on 19 occasions in 2012. During the year it discussed and submitted to the Board the approval of the main issues regarding remuneration.

During 2012, on 16 March 2012, Royal Decree-Law 2/2012 and Law 3/2012 entered into force, and, following the appropriate proposals of the Commission, remunerations were adjusted in accordance with the new limits established by the new legislation. This is the area in which the Committee has mainly carried out its activities during the year.

The following significant actions of the Appointments and Remuneration Committee are worth noting: it has passed the necessary resolutions to comply with the Bank of Spain's Resolution of 21 September 2012 under which the annual variable remuneration of 2011 is not authorised. In relation to this, we have implemented the appropriate mechanisms and procedures to, as applicable, recover or refund the amounts of annual variable remuneration or assimilated remuneration acknowledged for the group identified.

It should also be noted that the Board of Directors of Bankia, S.A., following a favourable report of the Appointments and Remuneration Committee, has adapted the contracts of the Executive Chairman and the Executive Director to adjust their salaries to the limits established in Royal Decree-Law 2/2012 and Law 3/2012.

In relation to its powers regarding appointments, during the year and as a result of the changes that have taken place in the Company's governing bodies, the Appointments and Remuneration Committee has submitted or reported the proposals for the appointment of members of the Board, their positions, and the appointments of the delegated Committees of the Board as well as of the management team.

During 2012, the Committee reported favourably on the Annual Corporate Governance Report and on the Remuneration Report for 2011.

ACTIONS FOR 2013

The main goals and challenges of the Appointments and Remuneration Committee include ensuring that the Company's remuneration policy, taking into account that Bankia, S.A. is currently one of the entities envisaged in article 5 of Royal Decree 2/2012, will continue to conform at all times to the requirements set out in the said rule, in Law 3/2012, in the Ministerial Order and in any other provisions that may replace it in future.

The Appointments and Remuneration Committee, in the exercise of the functions given to it by the Regulations of the Board of Directors, shall periodically review the remuneration policy of the Board of Directors, and shall submit to it, where applicable, any proposals it may deem appropriate.

In relation to this, at its meeting of 13 February 2013, the Appointments and Remuneration Committee agreed to adjust the remuneration of certain Directors on the basis of the degree of attendance at Board Meetings during 2012. The adjustment was made to the remuneration paid in the month of February 2013.

In particular, the Appointments and Remuneration Committee will closely monitor compliance with the limits to remunerations stipulated by Royal Decree-Law 2/2012 and any amendments that may be made to the rules on remuneration systems at financial institutions.

The Appointments and Remuneration Committee will draw up a report on the remuneration of the members of the Board of Directors on an annual basis. This Report will be submitted for the consultative approval of the General Meeting of Shareholders as a separate item on the agenda.

In addition, at least once a year the Appointments and Remuneration Committee will order an independent central assessment of the application of the remuneration policy in order to verify that it meets the guidelines and procedures on remuneration adopted by the Appointments and Remuneration Committee in its supervisory role.