FORM OF ANNEX I
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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Company Name: BANKIA, S.A.

Registered Office: C/ PINTOR SOROLLA Nº 8, 46002 VALENCIA.

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A. REMUNERATION POLICY OF THE COMPANY FOR THE YEAR IN COURSE

A.1

1. Explain the current director remuneration policy applicable to the current fiscal year. To the extent relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided that the incorporation is clear, specific and concrete.

   A description should be given of the specific determinations for the current fiscal year, both of directors' remuneration for their status as such and for the performance of executive duties, which the board has carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

   - Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.

   - Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.

   - Information on whether any external advisor has participated and, if so, the identity of the advisor.

Current director remuneration policy applicable to the current fiscal year

The current remuneration policy of the directors of Bankia, S.A. ("Bankia", the "Entity" or the "Company") is the one approved, on proposal of the Board of Directors, by the General Meeting of Shareholders held on 24 March 2017 with a favourable vote of 98.59% ("Remuneration Policy 2017-2020" or the "Remuneration Policy"), applicable for the fiscal years 2017, 2018, 2019 and 2020.

Without prejudice to the foregoing, a new Remuneration Policy is expected to be submitted for approval at the General Meeting of Shareholders to be held on 22 March 2019, in order to introduce the following changes:

- Include references to Mr. Egea and his remuneration in his capacity as executive director of the Company.

- Link the annual variable remuneration scheme of executive directors to overall and individual objectives, and remove the old references to objectives V1, V2 and V3. In addition, the Board of Directors, on proposal of the Remuneration Committee, taking into account the results of the Entity, may make a reasoned adjustment to the final degree of achievement of the Overall and Individual Objectives of the executive directors by +/- 25 percent.

- Incorporate the target amounts of the annual and multi-year variable remuneration of the executive directors, established for a 100% level of achievement of the objectives.

It is proposed that these changes be reflected in a new remuneration policy for Bankia directors ("Remuneration Policy 2019-2021"), which will be submitted for approval by the Annual General Meeting of Bankia, the text of which will fully replace that approved by the Annual General Meeting on 24 March 2017.

The proposed amendments to the one approved by the General Meeting of Shareholders on 24 March 2017 are as indicated above, maintaining the same principles, fundamentals and remuneration scheme as the previous policy, in compliance with the regulations on credit institutions' remuneration schemes, in accordance with article 49 of the Bankia Bylaws and article 27 of the Board of Directors Regulations.

The Remuneration Policy is based on strict compliance with the following rules:

- Rules related to remuneration schemes of credit institutions: Act 10/2014 of 26 June 2014 on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*, or "LOSS"), Royal Decree 84/2015 of 13 February 2015 implementing Act 10/2014 ("RD 84/2015"), Bank of Spain Circular 2/2016 of 2 February 2016 ("Circular 2/2016") and Guidelines of the Banking Authority on remuneration policies appropriate under articles 74, section 3 and 75, section 2 of Directive 2013/36/EU and the disclosure of information under article 450 of Regulation (EU) No 575/2013 ("EBA Guidelines").

- Rules related to the remuneration schemes of the entities financially supported by the Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria*, or "FROB"): Royal Decree Law 2/2012 of 4 February 2012, on reorganisation of the financial sector (*Real Decreto-Ley 2/2012, de 3 de febrero, de saneamiento del sector financiero*, hereinafter "Royal Decree Law 2/2012"), Act 3/2012 of 6 July 2012 on urgent measures to reform the labour market (*Ley 3/2012, de 6 de julio, de medidas urgentes para la reforma del mercado laboral*, hereinafter "Act 3/2012") and Order ECC/1762/2012 of 3 August 2012 (hereinafter "Order ECC/1762/2012").

- The Spanish Corporations Act, the Bylaws and the Bankia Board of Directors Regulations.

According to the aforesaid Remuneration Policy, the basic characteristics of the remuneration of Bankia directors are as follows:

- Non-executive directors receive a specified annual amount. Said amount is determined by the Board of Directors and, in compliance with the current regulations applicable to Bankia, the annual amount in no case is in excess of 100,000 euros.

- Executive directors receive fixed remuneration the annual amount of which, in compliance with the aforesaid regulations, in no case is in excess of 500,000 euros. No provision is made for the payment of any remuneration for membership on or attendance at meetings of the Board of Directors or its Committees, without prejudice to reimbursement of the corresponding expenses.

- Order ECC/1762/2012 provides that the variable remuneration of the directors of entities that have received support from the Fund for Orderly Bank Restructuring, but are not majority-owned by it, may reach 60% of annual gross fixed remuneration, receivable starting three years after it accrues.

  In this regard, the Entity's Remuneration Policy for executive directors includes an annual variable remuneration scheme and a multi-year variable remuneration scheme. The design of these schemes complies with the requirements established in the LOSS, Royal Decree Law 2/2012 and Order ECC/1762/2012, and in the EBA Guidelines. In any event, the Competent Authority must expressly authorise the amount, accrual and payment of this variable remuneration.

- None of the directors of Bankia receives any remuneration for such duties as they may perform within BFA.

In accordance with article 8 of the Board Regulations, shareholder status is not required for appointment to the Bankia Board of Directors. Without prejudice to the foregoing, once appointed, the members of the Board of Directors must acquire and maintain a shareholding in the Company. In application of this article, the directors of Bankia are holders of shares of the Entity, with a full account thereof having been given through the corresponding communications to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, or "CNMV"), with the exception of the director Ms. Laura González Molero who currently does not own shares of Bankia.

The Remuneration Policy applicable to directors who perform executive functions is governed by the following criteria, which are also subject to compliance with the aforesaid regulations:

- Balance of components of remuneration: The remuneration scheme is balanced and efficient as among the fixed and variable components, with the fixed component constituting a sufficiently high part of total remuneration in accordance with the applicable regulations.

- Orientation to results and recognition of excellence: The remuneration policy recognises the achievement of extraordinary results, applying performance-based payment criteria.

- Strategy and timeframe: The remuneration of executive directors is structured as a tool promoting strategic action of executive directors with a view to the medium and long term.

- Relationship of the Entity with its shareholders: The amount of executive director remuneration is directly correlated to the degree of achievement of the objectives of Bankia and the interests of the shareholders.

- Simplicity of regulation and communication: The various schemes comprising the remuneration policy are governed in such manner that an executive director can determine the amount of total remuneration it can achieve at the end of the year, as well as the conditions that must be fulfilled in order to do so.

- Risk and management: The remuneration policy is compatible with appropriate and effective risk management and with business strategy, values and long-term interests.

- External competitiveness: Both the remuneration policy and the corresponding amounts that may derive therefrom take account of market trends, and are positioned in respect thereof in accordance with the strategic planning of the Entity.

- Gender equality: The remuneration conditions applicable to Bankia executive directors are determined by the content of the position held, without distinguishing based on the gender of the person occupying it, with discriminatory elements on that basis not being acceptable.

The remuneration policy to be applied during fiscal year 2019 will therefore be Remuneration Policy 2017-2020, approved by the General Meeting of Shareholders on 24 March 2017, which sets out the principles and fundamentals described above, and which will include the proposals to amend this policy to be presented at the next General Meeting of Shareholders. Notwithstanding the foregoing, if the General Meeting of Shareholders approves Remuneration Policy 2019-2021, the latter will be applicable for the period 2019-2021, which, as indicated above, maintains the same principles, fundamentals and remuneration scheme as Remuneration Policy 2017-2020.

Specific determinations, both of the remuneration of directors in their capacity as such and for the performance of executive functions.

In relation to the specific determinations of the remuneration of directors in their capacity as such and for the performance of executive functions, the Remuneration Committee and the Board of Directors of Bankia will apply the provisions of the Remuneration Policy on the strict terms approved by the General Meeting of Shareholders.

The General Meeting is to fix the annual allocation that may be paid by the Entity to its group of directors in their capacities as such, with the Board of Directors being responsible for distributing that amount, being entitled reduce the amount if it considers it to be appropriate.

For these purposes, the General Meeting of Shareholders held on 22 April 2015 approved a maximum annual fixed amount of remuneration of directors in their capacities as such of 3,000,000 euros, which remains unchanged until the Meeting otherwise resolves.

Within the maximum authorisation of the General Meeting of Shareholders, the Board of Directors has determined that directors in their capacities as such will, for so long as financial support of the FROB continues, receive fixed remuneration for performance of the duties inherent in the position of 100,000 euros per annum, without receipt of per diems or any other kind of allowance, or any remuneration for membership on the Committees of the Board of Directors.

With respect to the executive directors, for fiscal year 2019 Bankia has four executive directors:

Director	Position	Date appointed
Mr. José Ignacio Goirigolzarri Tellaeche	Executive Chairman	09.05.2012
Mr. José Sevilla Álvarez	Managing Director	25.05.2012
Mr. Antonio Ortega Parra	Executive Director	25.06.2014
Mr. Carlos Egea Krauel	Executive Director	14.09.2017*

* Mr. Egea was appointed as a director of Bankia, in the category of "other external directors", by resolution of the Annual General Meeting held on 14/09/2017, being noted in the registry of senior officers on 12/01/2018, which means remuneration in all categories of 100,000 euros per year. Subsequently, he was appointed Executive Director and on 27 April 2018 the contract as Executive Director entered into effect with remuneration in all categories of 300,000 euros per year.

With respect to executive directors, article 49 of the Bylaws establishes that they will be entitled to receive, in addition to the remuneration received as directors in their capacity as such, remuneration composed of the following elements:

- a fixed part, appropriate to the services and responsibilities assumed;
- a variable part, tied to any indicator of the performance of the director or the company;
- a welfare part, which will contemplate the appropriate social security and insurance schemes;
- indemnification in the event of separation or any other form of extinction of the legal relationship with the Company not attributable to breach of the director; and
- the economic amounts deriving from exclusivity, post-contractual noncompetition and minimum term or loyalty clauses, if any, set forth in the contract.

Notwithstanding the foregoing, for so long as financial support from the FROB continues while this Remuneration Policy is in effect, the executive directors will only receive remuneration for performance of their executive functions. The Entity does not contemplate that directors will be beneficiaries of welfare schemes.

Accordingly, the remuneration scheme for Bankia executive directors applicable for fiscal year 2019, in accordance with Remuneration Policy 2017-2020, will consist of:

- Fixed annual remuneration subject to quantitative limitations established in Royal Decree Law 2/2012 and Order ECC/1762/2012. The amount of the fixed remuneration will include the monetary remuneration and such in-kind remuneration, if any, as may be paid by the Company.

Currently, Bankia pays the cost of the health insurance premiums of the executive directors, with the exception of Mr. Egea, who does not have health insurance recognised as remuneration in kind. As beneficiaries this health insurance may include the director, spouse and children.

- If the executive directors receive per diems from other group entities or investees, the remuneration of the director will be adjusted by subtracting from the fixed remuneration the amount corresponding to the aforesaid per diems, so that the annual fixed remuneration in no case will be greater than the maximum 500,000 euros established by Royal Decree Law 2/2012 and Order ECC/1762/2012.

- Annual Variable Remuneration ("AVR") in line with (i) the interests of the shareholders, (ii) prudent risk management and (iii) creation of long-term value for the Entity. The executive directors participate in AVR, with the exception of Mr. Carlos Egea Krauel, whose contract as executive director does not provide for his participation in the variable remuneration schemes of the Entity.

- Multi-year-referenced variable remuneration ("MVR"). The General Meeting of Shareholders of 24 March 2017 approved participation by the Bankia executive directors in the multi-year-referenced variable remuneration plan ("MVRP"), the purpose of which is (i) to incentivise sustainable achievement of the Entity's strategic objectives, (ii) to align its remuneration scheme with the recommendations of the supervisory bodies and (iii) to achieve maximum motivation and loyalty of the key executives to the Entity. Since 2017, the executive directors have participated in the MVRP, with the exception of Mr. Carlos Egea Krauel, whose contract as executive director does not provide for his participation in the variable remuneration schemes of the Entity.

The design of these variable remuneration schemes complies with the requirements established in the LOSS, Royal Decree Law 2/2012 and Order ECC/1762/2012, and in the EBA Guidelines. In any event, the Competent Authority must expressly authorise the amount, accrual and payment of the variable remuneration.

Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.

The bodies involved in the configuration of the Remuneration Policy are the Board of Directors, the Remuneration Committee and the Risk Advisory Committee. In accordance with article 21 of the Bankia Bylaws, the General Meeting of Shareholders is responsible for approving the director remuneration policy, in accordance with the applicable legislation.

According to the Spanish Corporations Act, the Board of Directors of the Entity is responsible for the following decisions regarding the Remuneration Policy:

- The decisions related to remuneration of directors, within the framework set by the bylaws and, if applicable, the remuneration policy approved by the general meeting.

- Approval of the terms and conditions of the contracts of the directors that are given executive functions.

- Fixing the remuneration of directors for performance of their executive functions.

<u>Mandate to the Remuneration Committee</u>

In accordance with the Board of Directors Regulations and the Bankia Bylaws, the Remuneration Committee has general authority to propose director and senior management remuneration policy to the Board of Directors, as well as the individual remuneration and other contractual terms of executive directors, and to ensure compliance therewith.

In addition, the Remuneration Committee has the following authority:

- Reporting on remuneration of senior management. In any event it will oversee the remuneration of the heads of Internal Audit, Risk and Regulatory Compliance;

- Periodically reviewing the remuneration programmes, weighing their adequacy and performance, the remuneration policy applied to the directors and senior management, including share-based remuneration schemes and their application, as well as ensuring that their individual remuneration is proportionate to what is paid to the other directors and senior managers of the Entity.

- Ensuring the transparency of remuneration and inclusion in the annual report on director remuneration and the annual corporate governance report of information regarding remuneration of directors and, to that end, submitting such information as may be appropriate to the Board.

- Verifying that the remuneration policy set by the Entity is observed.

- Referring to the Board proposals related to remuneration, including those having an effect on risk and risk management of the Company that are to be adopted by the Board of Directors, taking account of the long-term interests of the shareholders, investors and other stakeholders in the Company, as well as the public interest, all of the foregoing without prejudice to the functions entrusted to the Risk Advisory Committee in this regard.

- Seeing to it that possible conflicts of interest do not compromise the independence of the external advice provided to the committee.

- Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on remuneration of directors, for which purpose it will submit a report to the Board of Directors.

Composition of the Remuneration Committee

The Board of Directors Regulations and the Bylaws of Bankia provide that the Remuneration Committee will be composed of a majority of independent directors, with a minimum of three and maximum of five directors. In addition, the Remuneration Committee will be chaired by an independent director.

At the date of preparation of this Report, the composition of the Remuneration Committee is as follows:

Director	Position	Status	Date appointed
Ms. Eva Castillo Sanz	Chairperson	Independent	22.10.2014
Mr. Joaquín Ayuso García	Member	Independent	22.10.2014
Mr. Jorge Cosmen Menéndez-Castañedo	Member	Independent	22.10.2014
Mr. Fernando Fernández Méndez de Andés	Member	Independent	31.03.2016

The composition of the Remuneration Committee complies with the requirements of article 36 of the LOSS, since all members are independent directors. All of them have demonstrated capacity to perform their duties on the Committee by reason of their extensive experience in banking and/or senior management positions and their knowledge in the field of remuneration, allowing them to exercise effective and independent control of the remuneration policies and practices and incentives created for the management of risk, capital and liquidity.

Meetings of the Remuneration Committee

Bankia's Remuneration Committee meets whenever it is called by resolution of the Committee itself or its Chairman, with a minimum of four meetings per year. It also will meet whenever the Board of Directors or its Chairman requests the issue of a report or adoption of proposals.

Resolutions are adopted by absolute majority vote of the members of the Committee, in attendance in person or by proxy at the meeting, with the Chairman having a casting vote in the event of a tie.

Throughout 2018, the Remuneration Committee met officially on 8 occasions, together with frequent informal and preparatory sessions. In fiscal year 2019, up to the date of preparation of this Report, the Remuneration Committee met on another 2 occasions.

Section B.1 of this Report gives a full account of the actions, matters and decisions adopted by the Remuneration Committee and the Board in 2018, in accordance with the powers described above.

The Risk Advisory Committee:

In accordance with the Board of Directors Regulations, the Risk Advisory Committee works to ensure that the remuneration policies and practices established in the Entity are rational. In this regard, without prejudice to the functions of the Remuneration Committee, the Risk Advisory Committee monitors whether the incentives policy contemplated in the remuneration scheme takes account of risk, capital, liquidity and the probability and timing of profits.

In addition to the foregoing, there is an Objectives Committee, the function of which is to guarantee and certify the deployment, monitoring, assessment and calculation of the variable remuneration, in accordance with the established criteria, methodology and process, ensuring that that scheme does not limit the capacity of the entity to maintain a sound capital base and is aligned with effective risk management. This Committee on a permanent basis is composed of Audit, Personnel, Risks, Legal Services, Retail Network, Business Banking, Credit Risk and, by express call, the other Offices.

Comparable companies for establishment of the company's remuneration policy.

As Bankia is an entity that has received support from the Fund for Orderly Bank Restructuring, without being majority owned, the design and amounts of the remuneration of its directors are subject to limitations established in Royal Decree Law 2/2012, Order ECC/1762/2012 and Act 3/2012.

Notwithstanding the foregoing, Bankia is advised on an annual basis by the consultancy Willis Towers Watson, carrying out comparative studies of the remuneration of members of the Board of Directors and Senior Management, and every year it is noted that there is a significant difference between the remuneration of Bankia's directors and that of the directors of other comparable companies.

Information on whether any external advisor has participated and, if so, the identity of the advisor

As regards definition of the remuneration policy, Bankia has been advised by Willis Towers Watson.

For preparation of this report Bankia has been advised by J&A Garrigues, S.L.P.

2. Relative importance of variable remuneration categories with respect to fixed ones (remuneration mix) and which criteria and objectives have been taken into account in their determination in order to guarantee an appropriate balance between fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to align it with the company's long-term objectives, values and interests, including, where appropriate, a reference to measures contemplated to ensure that the remuneration policy takes account of the company's long-term results, measures taken in relation to those categories of personnel the professional activities of which have a material impact on the entity's risk profile and measures contemplated to avoid conflicts of interest, where appropriate.

   Likewise, state whether the company has established any period of accrual or vesting of certain variable remuneration categories, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and vested, or whether any clause has been agreed to reduce deferred remuneration or require the director to return remuneration received, when such remuneration has been based on data the inaccuracy of which has subsequently been clearly demonstrated.

Determination of variable remuneration categories with respect to fixed remuneration categories (remuneration mix)

Only executive directors are participants in short and long-term variable remuneration schemes. Thus, they comply with Recommendation No. 57 of the Code of Good Governance of Listed Companies of the CNMV, which establishes that variable remuneration must be limited to executive directors.

In this sense, in order to determine the relative importance of variable remuneration categories with respect to fixed remuneration categories ("Remuneration Mix"), the following are considered in the case of executive directors:

- Fixed remuneration limited to a maximum amount of 500,000 euros per year for each executive director.

- Variable remuneration limited to a maximum amount that can be granted each year (considering both annual and multi-year variable remuneration), once the achievement of the objectives set has been verified and it is authorised by the Competent Authority, of 60 percent of the fixed annual remuneration (up to 300,000 euros per year), in accordance with article 4 of Order ECC/1762/2012.

  The executive directors participate in both Bankia variable remuneration schemes, annual and multi-year, with the exception of Mr. Carlos Egea Krauel, whose contract as executive director does not provide for his participation therein.

Actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, accrual period and deferral of payment.

The Remuneration Policy currently in effect does not encourage excessive risk-taking by the executive directors and is in accordance with the objectives, values and long-term interests of the Entity.

In this regard, the Bankia Remuneration Policy, as it is an entity that has received financial support from the FROB, in its design and amounts is limited by the provisions set forth in Royal Decree Law 2/2012 and Order ECC/1762/2012.

Regarding the variable remuneration scheme, both annual and multi-year, the Bankia Board of Directors, on proposal of the Remuneration Committee, has undertaken identification of objectives, defining the parameters to adjust the kinds of risks affecting the risk profile of the Entity, taking account of the cost of capital and the necessary liquidity.

For its part, without prejudice to the functions of the Remuneration Committee, the Risk Advisory Committee monitors whether the incentives policy contemplated in the remuneration scheme takes account of risk, capital, liquidity and the probability and timing of profits.

In this regard, this Committee has reviewed the following elements of the remuneration policy to verify that they are aligned with the risk profile of the Entity:

- Annual and multi-year objectives: the metrics used take account of the capital base, liquidity and the timing of profits.

- Before-the-fact adjustments: the Board of Directors on proposal of the Remuneration Committee or the Risk Advisory Committee may temporarily suspend variable remuneration when it constitutes a risk to maintenance of a sound capital base.

- Adjustments upon assessing performance: Bankia has introduced the adjustments required by rule 39.4 of Circular 2/2016, detailed in section 4.2.2 of the Remuneration Policy for Bankia Directors, which establishes that the variable remuneration will be reduced at the time of performance assessment, in the event of negative performance of the Entity's results or capital ratios.

- After-the-fact adjustments: regarding the procedure for payment of the variable remuneration, the scheme contemplates the after-the-fact adjustments (payment in shares, deferral and retention periods, *malus* clauses and clawback clauses).

- In addition, the Objectives Committee that certifies the deployment, monitoring, assessment and calculation of the variable remuneration, in accordance with the established criteria, methodology and process, makes sure that that scheme does not limit the capacity of the Entity to maintain a sound capital base and is aligned with effective risk management.

- Finally, Bankia has undertaken internal, centralised and independent evaluation of the application of the remuneration policy, in order to verify whether the remuneration procedures and guidelines adopted by the Remuneration Committee in its supervisory function have been complied with, and to establish whether the latter is compatible with appropriate and effective risk management. The result of this evaluation was positive.

3. The amount and nature of the fixed components that directors are expected to earn during the fiscal year in their capacity as directors.

Fixed remuneration is the basic component of the Remuneration Policy. This component is commensurate with the services and responsibilities assumed by the directors.

In the specific case of Bankia, the annual fixed remuneration of the directors is subject to quantitative limitations established in Royal Decree Law 2/2012 and Order ECC/1762/2012 described above.

When calculating limits, account is taken of all remuneration received from the various entities in the Bankia Group, as well as the remuneration, per diems, indemnifications or similar items that the executives and directors receive from entities in which they hold any position for or on behalf of Bankia.

In accordance with the foregoing, the fixed remuneration of the Bankia non-executive directors in 2019 will be 100,000 euros per annum. In this regard, the directors do not receive any amount as per diems or any other allowance, or any remuneration for membership on the Board of Directors Committees.

4. Amount and nature of the fixed components that will be earned in the year by the performance of senior management functions of the executive directors.

The fixed annual remuneration that each executive director will receive as fixed remuneration in 2019 will not exceed the maximum amount of 500,000 euros; in the case of Mr. Egea the annual amount will be 300,000 euros.

For the executive directors, this amount will be the result of the sum of the cash remuneration and the in-kind remuneration corresponding to the amount of the medical insurance premiums paid by Bankia in favour of these directors, with the exception of Mr. Egea, who does not have health insurance recognised as payment in kind.

If the executive directors receive per diems from other group entities or investees, the remuneration of the director will be adjusted by subtracting from the fixed remuneration the amount corresponding to the aforesaid per diems, so that the annual fixed remuneration in no case will be greater than 500,000 euros.

5. Amount and nature of any remuneration in kind to be accrued in the fiscal year including, but not limited to, the insurance premiums paid in favour of the director.

Bankia pays the cost of the health insurance premiums of the executive directors, with the exception of Mr. Egea who does not have such insurance contracted.

For 2019, the cost of each executive director's health insurance premium is expected to rise to:

Director	Position	Estimated health insurance cost
Mr. José Ignacio Goirigolzarri Tellaeche	Executive Chairman	€1,818
Mr. José Sevilla Álvarez	Managing Director	€5,455
Mr. Antonio Ortega Parra	Executive Director	€909

6. Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine the variable remuneration for the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to their risk profile, and the methodology, required period and techniques contemplated to determine, at the end of the year, the degree of compliance with the parameters used to design the variable remuneration.

   Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

Amount and nature of the variable components, differentiating between those established in the short and long term

As mentioned above, the variable remuneration scheme for executive directors includes two variable components: annual variable remuneration ("AVR") and long-term variable remuneration ("MVRP").

Described below are the essential aspects of each of the aforesaid elements of the variable remuneration.

1. Annual Variable Remuneration ("AVR").

a) Key objective. Access to the annual variable remuneration scheme

At the beginning of each year, the Board of Directors approves the budget, with an estimated distribution of dividends for the fiscal year. The fiscal year having ended, the amounts of variable remuneration resulting from the variable remuneration scheme will be multiplied by certain factors, depending on the proposed payment of dividends recommended by the Board of Directors:

b) Objectives to which annual variable remuneration is tied

Annually, or even during the year in course, the Board of Directors, on proposal of the Remuneration Committee and the Objectives Committee, establishes the corresponding objectives upon the achievement of which the possible receipt of annual variable remuneration depends, and the degree of achievement thereof. In this regard, the Board of Directors of Bankia identifies the objectives that, inter alia, take account of the requirements deriving from self-evaluation of capital, planning of liquidity needs, control policies and risk management. Based on their scope, the objectives included in the Bankia annual variable remuneration scheme will be as follows:

- Overall Objectives: Quantitative objectives reflecting the overall results of the Company, representing the priorities most important to Bankia's strategy. They are based on maintaining a sound capital base and fulfilment of the Strategic Plans and/or Reorganisation Plans.

- Unit Objectives: Objectives that measure the individual contribution to achievement of the objectives of the business unit or control function for which the director is responsible.

- Individual Objectives: Objectives that measure the quantitative aspects of the director's performance.

On the occasion of the Remuneration Policy 2019-2021 proposal to be submitted for approval at the next General Meeting of Shareholders, the executive directors' AVR will be linked to achievement of Overall and Individual Objectives.

c) Calculation of annual variable remuneration:

The annual variable remuneration to be paid will be determined by applying the following formula:

Annual Variable Remuneration = (Annual Target Variable Remuneration) x (Overall Achievement %) x (Dividend Factor)

Where:

- Annual Variable Remuneration: Incentive consisting of a cash amount and a determined number of shares. The cash amount represents 50% of the variable remuneration and the value of the shares represents the remaining 50%.

- Annual Target Variable Remuneration: for executive directors, with the exception of Mr. Carlos Egea Krauel, this amounts to 250,000 euros, for

100 percent achievement of objectives. Mr. Carlos Egea Krauel does not have the right to receive variable remuneration in his contract.

- Overall Achievement Percentage: it will be determined by the weighted sum of results obtained, using the following formula:

  OAP = (%CV1 x PV1) + (%CV2 x PV2) + (%CV3 x PV3)

  Where:

  - OAP: Overall Achievement Percentage.
  - %CV(n): Achievement Percentage reached for each of the objectives.
  - PV(n): Weighting of each of the objectives, provided that a minimum level of achievement of objectives is reached.

  The weighting of each of the objectives is established by the Board of Directors on proposal of the Remuneration Committee and the Objectives Committee.

On the occasion of the Remuneration Policy 2019-2021 proposal to be presented for approval at the next General Meeting of Shareholders, the previous formula relating to the Overall Achievement Percentage will only contemplate the achievement percentage and weightings of the Overall and Individual Objectives.

(d) Assessment of the objectives:

The Entity's Objectives Committee is responsible for ensuring and certifying the deployment, monitoring, assessment and calculation of the variable remuneration, in accordance with the established criteria, methodology and process, ensuring that that scheme does not limit the capacity of the Entity to maintain a sound capital base and is aligned with effective risk management.

The assessment of the Individual Objectives of the Executive Chairman is performed by the Board of Directors on proposal of the Remuneration Committee and the Appointments and Responsible Management Committee. The assessment of the Individual Objectives of the rest of the executive directors is performed by the Executive Chairman.

The Board of Directors, on proposal of the Remuneration Committee, will be responsible for assessing the degree of achievement of the other objectives.

In addition:

- Failure to obtain a minimum achievement of 55 percent in the assessment of Overall Objectives prevents receipt of the part of variable remuneration corresponding to these objectives.

- Failure to obtain a minimum achievement of 60 percent in the assessment of Unit Objectives prevents receipt of the variable remuneration corresponding to these objectives.

- Failure to obtain 55% of the maximum score in the assessment of the Individual Objectives prevents receipt of the variable remuneration corresponding to these objectives.

- The Overall Achievement Percentage of the objectives to which the annual variable remuneration of executive directors is linked may not exceed 100 percent.

On the occasion of the Remuneration Policy 2019-2021 proposal to be presented for approval at the next General Meeting of Shareholders, a minimum 55 percent achievement of Overall and Individual Objectives will be required in order to be entitled to receive the annual variable part of remuneration.

e) Adjustment of annual variable remuneration:

Once the levels of achievement of the annual objectives established for calculation of the annual variable remuneration have been determined, the Entity may reduce the total amount resulting from annual variable remuneration under the circumstances described in rule 39.4 of Circular 2/2016 and detailed in section 4.2.2 of the Remuneration Policy.

f) Procedure for payment of the annual variable remuneration:

The annual variable remuneration amount, calculated in accordance with the formula detailed in section c) above, is paid: 50 percent in cash and 50 percent in Bankia shares.

In accordance with Royal Decree Law 2/2012, payment of the variable remuneration, both in cash and in shares, must be deferred for three years after accrual. At the same time, the EBA Guidelines requires significant entities like Bankia to establish a deferral period of five years in the case of the executive directors, permitting partial payments.

Taking the foregoing into account, the procedure for payment of the 2019 annual variable remuneration will be as follows:

- 100% of the annual variable remuneration, both in cash and in shares, will have a deferral term of three years.

- 50% of the annual variable remuneration, both in cash and in shares, will be paid in 2023.

- 25% of the annual variable remuneration, both in cash and in shares, will be paid in 2024.

- 25% of the remaining annual variable remuneration, both in cash and in shares, will be paid in 2025.

Shares that are delivered net of taxes will be locked up for a period of one year after delivery.

g) *Malus* and clawback clauses:

The annual variable remuneration of the executive directors that is pending payment pursuant to this scheme may be reduced (*malus* clause) if, during the vesting period, certain circumstances that are described in section 4.2.2 of the Remuneration Policy occur.

In addition if, during the three years following the calculation and payment of annual variable remuneration, any of the circumstances described in section 4.2.2 of the Remuneration Policy occurs, Bankia may demand that the director return up to 100% the aforesaid variable remuneration, or even set off such amounts to be returned against other remuneration of any kind the director is entitled to receive (clawback clause).

The aforesaid clauses will be applicable for both acting directors and those that have left the Entity and may have remuneration pending receipt.

2. Multi-year-referenced Variable Remuneration Plan ("MVRP").

The multi-year-referenced variable remuneration is awarded annually. Receipt thereof is conditioned on (i) meeting the annual objectives established for the annual (year "n") variable remuneration and, thereafter, (ii) meeting the multi-year objectives over a period of three years (years "n+1", "n+2" and "n+3"). Further, the MVRP has an additional deferral period of two years. Therefore, the duration of each MVRP cycle is six years.

a) Objectives to which the MVRP is tied:

The annual objectives upon which payment of the annual variable remuneration depends also must be met in the first year of each cycle of the MVRP.

In addition, the multi-year objectives upon which the MVRP will depend will be related to the tolerance level of certain indicators established in Bankia's Risk Appetite Framework. These objectives will be determined, defined and fixed by the Remuneration Committee, and may be modified each year to adapt them to the Risk Appetite Framework in effect from time to time.

In addition to the final assessment at 31 December of year "n+3", partial assessments will be established at 31 December of each year of deferral ("n+1" and "n+2"), in such manner that if during the deferral period any of the indicators falls below the established tolerance level, the degree of achievement of that objective will be 0, regardless of the value of that indicator at the end of the deferral period (31 December of year "n+3").

b) Calculation of the MVRP:

The Board of Directors will assign executive directors a reference amount or "target incentive" ("MVR_{target}") corresponding to the maximum amount they can receive in the event of 100% fulfilment of the objectives to which the MVRP is tied.

Subsequently, based on the achievement of the objectives of the first year of the MVRP, the conditionally awarded multi-year referenced variable remuneration ("Conditionally Awarded MVR") will be determined and awarded according to the following formula:

$$MVR_{Conditionally\ Awarded} = MVR_{target} \times DAI_{(year\ "n")} \times Dividend\ Factor$$

Where:

- $MVR_{Conditionally\ Awarded}$ = Incentive consisting of an amount in cash and a number of shares, conditional on fulfilment of the multi-year objectives. The cash amount represents 50% of the $MVR_{Conditionally\ Awarded}$ and the value of the shares represents the remaining 50%.

- MVR_{target} = Target amount of the multi-year referenced variable remuneration assigned individually.

- $DAI_{(year\ "n")}$ = Degree of Achievement of the Incentive, based on the degree of compliance using the following procedure:

  1. The Overall Objectives achievement percentage is applied to the MVR_{target}.

  2. Subsequently, on the amount resulting from step 1 above, the achievement percentage of the rest of the annual objectives is applied.

- Dividend Factor = Dividend Factor, on the same terms as established for the annual variable remuneration.

During the three years following the period for which the annual objectives have been measured, the amount corresponding to the Conditionally Awarded MVR may be maintained, reduced, or even eliminated, depending upon fulfilment of the multi-year objectives. In no case may the Conditionally Awarded MVR be increased, unless the Bankia share price on the calculation date is greater than on the date of calculation of the Conditionally Awarded MVR.

The application of the degree of achievement of the multi-year objectives will give the final multi-year-referenced variable remuneration ("Final MVR") as follows:

$$MVR_{Final} = MVR_{Conditionally\ Awarded}\ x\ (MDAI_{("n+3")}\ x\ Weight_{("n+3")})$$

Where:

- MVR_{Final} = Amount of cash and number of shares in the final multi-year variable remuneration.

- $MVR_{Conditionally\ Awarded}$ = Amount in cash and shares of the Conditionally Awarded MVR.

- $MDAI_{("n+3")}$ = Degree of Achievement of the Incentive, based on the degree of fulfilment of each multi-year objective by reference to year "n+3".

- $Weight_{("n+3")}$ = Weighting of each multi-year objective by reference to year "n+3".

c) Procedure for payment of the MVRP:

The executive directors will be entitled to receive the cash amount and shares of the Final MVR, when not less than 60 months and no more than 61 months have elapsed since the calculation of the Conditionally Awarded MVR.

Shares that are delivered net of taxes will be locked up for a period of one year after delivery.

d) *Malus* and clawback clauses:

The *malus* clauses established for the annual variable remuneration also will be applicable during the period of five years between the date of calculation of the Conditionally Awarded MVR and the date of payment of the Incentive.

In addition if, during the three years following the calculation and payment of the MVR, any of the circumstances described in the clawback clauses established for annual variable remuneration arises, Bankia may demand that the director return the MVR, or even set off such amounts to be returned against other remuneration of any kind the director is entitled to receive.

Financial and non-financial parameters selected to determine the variable remuneration in the current year

All aspects related to the variable components of remuneration are explained in the previous sub-section.

For fiscal year 2019, the parameters selected for annual and multi-year variable remuneration are:

- Key objective: The opening of the 2019 AVR and MVR schemes will be linked to the dividend payment proposal recommended by the Board of Directors, which will operate as a weighting on the annual and multi-year variable remuneration to be received. In this sense, the payment of the variable remuneration accruing in 2019 will be conditional on the payment of dividends, in accordance with the following table:

Proposed Payment of Dividends	Dividend Factor
Less than 50%	0.0
≥ 50% and Less than 60%	0.5
≥ 60% and Less than 70%	0.6
≥ 70% and Less than 80%	0.7
≥ 80% and Less than 90%	0.8
≥ 90% and Less than 100%	0.9
Not Less than 100%	1.0

- Annual objectives to which the 2019 AVR and MVR are linked:

  - Overall Objectives: quantitative objectives that reflect the overall results of the Entity, based on the maintenance of a sound capital base and the fulfilment of Strategic Plans and/or Reorganisation Plans.

    - Capital: CET 1 Fully Loaded: defined as CET FL with Risk Appetite Framework (*Marco de Apetito de Riesgo*, or "MAR") criteria (without capital gains and with capital losses), excluding dividend distributions above 50% and modifications derived from regulatory impacts. The achievement of 100% of this objective corresponds to obtaining the CET 1 FL established in Bankia's budget for 2019. The weighting of this objective is 20%.

    - Recurrent ROE: defined as net income adjusted for contingencies and significant unbudgeted capital gains/losses. Denominator: average equity calculated as an average from January to December (less dividends for the year). The achievement of 100% of this objective corresponds to obtaining the recurrent ROE established in Bankia's budget for 2019. The weighting of this objective is 20%.

    - Efficiency Ratio: defined as efficiency ratio ex ROF and exchange rate differences. The achievement of 100% of this objective corresponds to the achievement of the efficiency ratio established in Bankia's budget for 2019. The weighting of this objective is 20%.

    - NPAs: defined as the ratio of unproductive assets, where the numerator will be the sum of doubtful balances and the balance of Awarded Assets (VBC); and the denominator will be the sum of Total Risk including risk of contingent liabilities and the balance of Awarded Assets (VBC). The achievement of 100% of this objective corresponds to obtaining the ratio established in Bankia's budget for 2019. The weighting of this objective is 20%.

        - Quality: defined as the weighted average of the results of surveys of customer satisfaction with branches (60%), business centres (30%) and the *Conecta con tu Experto* tool (10%). The achievement of 100% of this objective corresponds to obtaining the result established in Bankia's budget for 2019. The weighting of this objective is 20%.

    - Unit Objectives: Objectives that will measure the individual contribution to achievement of the objectives of the business unit or control function for which the director is responsible.

    - Individual Objectives: Objectives that will measure qualitative aspects of the director's performance.

    The weighting of the objectives will be as follows:

    - Overall Objectives: 70 percent, except for the Executive Chairman, for whom it is 90 percent

    - Unit Objectives: 20 percent, except for the Executive President who does not have these objectives.

    - Individual Objectives: 10 percent.

    As indicated above, on the occasion of the proposal to approve Remuneration Policy 2019-2021 at the next General Meeting of Shareholders, the AVR of the executive directors will be linked to the achievement of the Overall and Individual Objectives, with a weighting of 70 percent and 30 percent respectively. In addition, the Board of Directors, on proposal of the Remuneration Committee, taking into account the results of the Entity, may make a reasoned adjustment to the final degree of achievement of the Overall and Individual Objectives of the executive directors by +/- 25 percent.

- Multi-year Objectives to which the 2019 MVR is linked:

    - Total Capital (Phase in): defined as Total Capital (CET1, AT1 and T2) reduced by computable sovereign latent capital gains from the fixed income portfolio at fair value with the regulatory APRs.

    - Liquidity Coverage Ratio (LCR): defined as the availability of sufficient high quality liquid assets to meet the liquidity needs for a 30 calendar day survival period.

    - Net additions to non-performing loans: defined as the additions to non-performing loans that occur in the year as a percentage of the total loan portfolio at the date of calculation of the indicator.

    - Recurrent CET1 ROE: defined as return on equity taking into account only the recurrent part of the result.

Partial assessments will be established at 31 December of each year of deferral (2020 and 2021), in such a way that if during the period of deferral any of these indicators falls below the established objective level, the degree of achievement of said objective will be 0 percent, regardless of the value it has at the end of the deferral period (31 December 2022).

7. Main characteristics of long-term savings schemes. The information indicated will include, inter alia, the contingencies covered by the scheme, if it is a defined contribution or defined benefit scheme, the annual contribution to be made to defined contribution schemes, the benefit to which the beneficiaries are entitled in the case of defined benefit schemes, the conditions of vesting of the economic rights in favour of the directors and their compatibility with any type of payment or indemnification for termination or early departure, or arising from the termination of the contractual relationship, on the terms provided, between the company and the director.

   Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short and long-term performance of the director.

   Bankia currently has not undertaken any long-term savings schemes with its directors.

8. Any type of payment or indemnification for termination or early departure or arising from the termination of the contractual relationship on the terms provided between the company and the director, whether termination at the will of the company or the director, as well as any agreed clauses, such as exclusivity, post-contractual noncompetition and minimum term or loyalty, which give the director the right to any type of receipt.

   Payments or indemnities for termination or early departure or arising from the termination of the contractual relationship on the terms provided between the company and the director, in its capacity as such, whether the termination is at the will of the company or the director.

   As provided in the Seventh Additional Provision of Act 3/2012, until Bankia returns the financial support received, in the case of termination of a relationship binding executive directors with Bankia, it may not pay indemnifications exceeding the lesser of the following amounts:

   - 1,000,000 euros; or

   - Two years of the established fixed remuneration.

   Indemnification for termination of contract includes any amount of an indemnifying nature that the manager or administrator may receive as a result of termination of the contract, whatever the reason, source or purpose, so the sum of all amounts that may be received may not exceed the stated maximums.

   In compliance with the provisions of the aforesaid regulations, the contracts of the executive directors currently contemplate indemnification upon their departure that amounts to one year of fixed remuneration of the director, without prejudice to setoff on the basis of post-contractual noncompetition clauses as described below. In the case of Mr. Egea, the maximum indemnification is two years of fixed remuneration, which will be reduced in proportion to the time of service as executive director of Bankia. Once the two-year period has elapsed, no indemnification will be owed.

In addition, the contracts of the executive directors include a clause that provides that any remuneration, indemnification or amount received by the director in the event of extinction of the contract will be adjusted to the provisions of the LOSS and its implementing regulations.

In any case, the indemnifications, if any, paid to the executive directors will be based on the results obtained by the Company over time, will not reward poor results or improper conduct, and will include the adjustments, before and after the fact, required by Circular 2/2016 and the EBA Guidelines.

Agreed clauses, such as exclusivity, post-contractual noncompetition and minimum term or loyalty, that entitle the director to any type of receipt.

In accordance with Bankia's Remuneration Policy and article 49 of the Bylaws, the clauses agreed with the executive directors that entitle them to some type of payment, in addition to the payments for early termination of contract indicated above, are those of post-contractual noncompetition.

In this sense, the executive directors may not, on their own behalf or on behalf of another, engage in an activity that is the same as or analogous or complementary to Bankia's corporate purpose during the year following their departure from the Entity.

As remuneration they will receive one time their fixed remuneration. In the event of breach, the director must return the remuneration and six additional monthly amounts.

In any case, the executive directors' contracts include a clause that establishes that any compensation, indemnification or amount, regardless of its origin and nature, received by the director in the event of the termination of its contract will comply with the legislation in force at any given time, specifically Royal Decree Law 2/2012, Act 3/2012 and the LOSS.

In the case of Mr. Carlos Egea Krauel, his contract does not contain any post-contractual noncompetition agreement.

9. Indicate the conditions to apply to the contracts of executive directors exercising senior management functions. The report is to include, inter alia, the duration, the limits on amounts of indemnification, minimum terms of employment (minimum term clauses), terms of advance notice, as well as payment as a substitute for the aforesaid advance notice, and any other clauses related to hiring bonuses, indemnification or golden parachutes for early termination or termination of the contractual relationship between the company and the executive director. Include, inter alia, noncompetition, exclusivity, minimum term or loyalty and post-contractual noncompetition clauses or agreements, except as explained in the previous paragraph.

The contracts of the executive directors are adapted to the limits on remuneration and payments for termination of contract established by Royal Decree Law 2/2012, Act 3/2012 and Order ECC/1762/2012.

The principal terms of these contracts are described below:

- Term: the contracts of the executive directors are for an indefinite term.

- Advance notice periods: the contracts of Mr. José Sevilla Álvarez, Mr. Antonio Ortega Parra and Mr. Carlos Egea Krauel have a three-month advance notice period.

- Civil liability insurance: the Company at its expense maintains a civil liability insurance policy covering liability for acts or conduct of directors as a result of performance of their duties.

- 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 regulated in article 31 of the Bankia Board of Directors Regulations, and applies even when the director has left office.

- Noncompetition: as explained in the previous sub-section of this section A.1.

- Termination by decision of the Entity: if Bankia unilaterally terminates a director or there is a change in control of the entity, and there has been no material breach of the contract by the director, the director will be entitled to receive indemnification equivalent to one year's fixed remuneration. In the case of Mr. Carlos Egea Krauel, his contract establishes that after two years from the beginning of his contract, whatever the cause of extinction, he will not receive any type of indemnification or compensation for noncompetition or other clauses.

- Amounts to be received in the event of early termination of the contract: in accordance with the contracts signed with the executive directors, in application of legislation currently in effect, the amounts and quantities in that category received by them, independently of their origin and nature, in particular including indemnification for termination or resignation and the post-contractual noncompetition provision, together in no case will exceed the total amount of two years of the annual fixed remuneration of the executive director. These amounts in all cases will be paid in accordance with the requirements established in the LOSS and its implementing regulations.

10. The nature and estimated amount of any additional remuneration to be earned by directors in the current fiscal year in consideration for services rendered other than those inherent in their position.

There is no additional remuneration for services rendered to the Entity other than as already indicated in this Report.

11. Other remuneration categories such as those derived, where applicable, from the grant by the company to the director of advances, loans and guarantees and other remuneration.

    There is no remuneration to the directors in the form of advances, loans and guarantees granted.

12. The nature and estimated amount of any other expected supplementary remuneration not included in the preceding paragraphs, whether paid by the entity or another entity of the group, to be earned by the directors in the current period.

    There are no remuneration categories other than those already indicated in this Report.

A.2 Explain any significant changes in the remuneration policy applicable in the current year arising from:

- A new policy or a modification of the policy already approved by the Board.

- Significant changes in the specific determinations established by the Board for the current year of the remuneration policy in force with respect to those applied in the previous year.

- Proposals that the board of directors has resolved to submit to the general meeting of shareholders to which this annual report will be submitted and which are proposed to be applicable to the current fiscal year.

There are no significant changes in the Director Remuneration Policy proposed for approval at the next General Meeting of Shareholders with respect to that applied in the previous year.

The modifications proposed to the one approved by the General Meeting of Shareholders on 24 March 2017 are those indicated in the first sub-section of this section A.1, maintaining the same principles, fundamentals and remuneration scheme as the previous policy.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.bankia.com/recursos/doc/corporativo/20170530/remuneracion-directors/politica-remuneracion-directors-bankia-2017-2020.pdf

A.4 Explain, taking into account the data provided in section B.4, how the shareholders' vote was taken into account in the general meeting to which the annual remuneration report for the previous year was submitted for an advisory vote.

The annual remuneration report for fiscal year 2017 was approved in an advisory manner by the General Meeting of Shareholders with the favourable vote of 98.98% of the votes cast, on the terms set out in section B.4. Taking into account the shareholders' vote on the previous year's report, the principles, fundamentals and criteria that inspire the Remuneration Policy for Bankia directors approved in 2017, contained in the annual remuneration report for 2017, have been maintained.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE MOST-RECENTLY CLOSED PERIOD

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration reflected in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy in the closed fiscal year.

The remuneration policy applied in 2018 was Remuneration Policy 2017-2020, approved by the General Meeting of Shareholders on 24 March 2017.

In relation to the actions taken by the Remuneration Committee in 2018 in its work supervising the application of the Remuneration Policy, the various decisions adopted by the Remuneration Committee in the exercise of its functions are listed below:

- Analysis of Bankia's variable remuneration policy.
- Favourable report on the procedure for determining Bankia's Variable Remuneration 2017.
- Favourable report on the proposal for part of the annual variable remuneration of executive directors to be paid in Bankia shares.
- Review of the internal, centralised and independent evaluation of the Remuneration Policy for Bankia's 2017 fiscal year.
- Favourable report on the proposal of V2 Objectives of the Management Committee for 2018.
- Acknowledgment of the report on Alignment of the Budget and Objectives to the Risk Appetite Framework ("MAR").
- Favourable report on the proposal related to remuneration of the Identified Group.
- Favourable report on the proposal of 2018 Multi-year-referenced Variable Remuneration.
- Commencement of the procedure to request authorisation from the European Central Bank for the payment of the variable remuneration for 2017 of the executive directors and senior managers.

In order to assess the degree of compliance with Bankia's Remuneration Policy with current regulations, the Remuneration Committee has relied on the firm J&A Garrigues, S.L.P.

B.2 Explain the different actions taken by the company in relation to the remuneration scheme and how they have contributed to reducing exposure to excessive risks and adjusting it to the objectives, values and long-term interests of the company, including a reference to the measures that have been adopted to ensure that remuneration earned has taken into account the long-term results of the company and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

In relation to the actions taken to reduce the risk exposure of the Entity's remuneration scheme, the Bankia Board of Directors, on proposal of the Remuneration Committee, has undertaken identification of the objectives, defining the parameters to adjust the kinds of risks affecting the risk profile of the Entity, taking account of the cost of capital and the necessary liquidity.

For its part, without prejudice to the functions of the Remuneration Committee, the Risk Advisory Committee monitors whether the incentives policy contemplated in the remuneration scheme takes account of risk, capital, liquidity and the probability and timing of profits.

The various actions taken by the Entity to (i) reduce exposure to excessive risks, (ii) adjust remuneration to the long-term interests of the Entity and (iii) strike a balance between the fixed and variable components of directors' remuneration are described in sub-section 2 of section A.1 of this Report.

B.3 Explain how the remuneration earned during the fiscal year complies with the provisions of the remuneration policy in force.

Report also on the relationship between directors' remuneration and the entity's short and long-term results or other measures of performance, explaining, where appropriate, how changes in the company's performance may have influenced the variation in directors' remuneration, including remuneration earned that has been deferred, and how these contribute to the company's short and long-term results.

The remuneration earned during the year complies with the provisions of the remuneration policy in force.

In compliance with the provisions of the Remuneration Policy, the remuneration earned in 2018 by the Directors was as follows:

- The non-executive directors in 2018 received the amounts determined in the Remuneration Policy and detailed in section C.1, i.e. fixed annual remuneration amounting to 100,000 euros, with the exception of two directors who joined in 2018 and received the portion of their fixed annual remuneration proportional to the time they served as directors in their capacity as such.

  In this sense, the total amount earned by all the directors in their capacity as such (non-executive) in 2018 was 744,543 euros, complying with the maximum total annual limit established in the Remuneration Policy (3,000,000 euros).

- In accordance with the Remuneration Policy, in 2018 the executive directors are entitled to:

  (i) Fixed remuneration of 500,000 euros, including remuneration in kind derived from Bankia's payment of the cost of the executive directors' health insurance premiums. In the case of Mr. Carlos Egea Krauel, his fixed remuneration for 2018 corresponds to the period of provision of services from the entry into force of his contract as executive director (27 April 2018) until 31 December 2018, having an established fixed annual remuneration of 300,000 euros.

  (ii) AVR as detailed in section C.1 of this Report.

  (iii) MVR as detailed in section C.1 of this Report.

  The maximum amount of the variable remuneration granted (AVR and MVR) for 2018 will in no case exceed the maximum limit of 300,000 euros per year provided for in the Remuneration Policy.

  In compliance with the applicable regulations, 50% of the aforesaid variable remuneration is paid in cash, and the remaining 50% is delivered in shares of the Entity. Shares that are delivered net of taxes will be locked up for a period of one year after delivery.

  All components of the executive directors earned in 2018 therefore comply with the provisions of the current Remuneration Policy.

Relationship between remuneration obtained by directors and the results or other measures of short and long-term profitability of the entity, if applicable explaining how the changes in profitability of the company may have influenced changes in remuneration of directors.

To align executive directors' remuneration with Bankia's short and long-term performance, the Remuneration Policy establishes two variable remuneration components:

(i) annual variable remuneration linked in a significant percentage (70%, and 90% in the case of the Executive Chairman) to quantitative financial objectives that represent the most important priorities for Bankia's strategy. They are based on maintaining a sound capital base and fulfilment of the Strategic Plans and/or Reorganisation Plans.

(ii) multi-year variable remuneration, the objectives of which are linked to the maintenance of a sound capital base. They are related to the tolerance level of certain indicators established in Bankia's Risk Appetite Framework.

The indicated annual and multi-year variable remuneration schemes incorporate measures that take into account possible variations in the Entity's results, among which are:

- They include achievement scales defined for each objective based on the results achieved by the Entity. Consequently, any variation in the performance of the Entity in the short or long term will affect the degree of achievement of the objectives, and directly affect the amount of Variable Remuneration that may correspond, where appropriate, to the executive directors.

- Shares obtained as part of annual and multi-year variable remuneration must be locked up for a period of one year.

- The Board of Directors, on proposal of the Remuneration Committee or the Risk Advisory Committee, may temporarily suspend variable remuneration when it constitutes a risk to maintenance of a sound capital base.

- When assessing performance, Bankia introduces the adjustments required by rule 39.4 of Circular 2/2016, detailed in section 4.2.2 of the Remuneration Policy for Bankia Directors, which establishes that the variable remuneration will be reduced at the time of performance assessment, in the event of negative performance of the Entity's results or capital ratios.

- All variable remuneration of executive directors is subject to *malus* and clawback clauses, which allow the Entity to reduce the deferred amount to be paid, as well as to claim reimbursement of variable components of remuneration when they have been paid, as established in section 4.2.2 of the Remuneration Policy. The aforesaid clauses will be applicable for both acting directors and those that have left the Company and may have remuneration pending receipt.

B.4 Report on the result of the advisory vote of the general meeting on the annual report on remuneration for the prior period, indicating the number of negative votes, if any:

	Number	% of total
Votes cast	2,396,317,988	77.677367%

	Number	% of total
Votes against	10,905,852	0.455109%
Votes for	2,371,984,036	98.984527%
Abstentions	13,428,100	0.560363%

B.5 Explain how the fixed components earned during the year by directors in their capacity as directors were determined, and how they varied from the previous year.

In the specific case of Bankia, the annual fixed remuneration of the directors is subject to quantitative limitations established in Royal Decree Law 2/2012 and Order ECC/1762/2012, described in section A.1 of this Report.

The accrued fixed components have not changed with respect to the previous year.

In accordance with the foregoing, the individual fixed remuneration of Bankia directors received by non-executive directors in 2018 was 100,000 euros per year. In this regard, the directors do not receive any amount as per diems or any other allowance, or any remuneration for membership on the Board of Directors Committees.

Specifically, the amount of individual remuneration earned in 2018 by non-executive directors was as follows:

- Mr. Carlos Egea Krauel (until his appointment as executive director): 29,265 euros of cash remuneration.
- Mr. Joaquín Ayuso García: 100,000 euros of cash remuneration.
- Mr. Francisco Javier Campo García: 100,000 euros of cash remuneration.
- Ms. Eva Castillo Sanz: 100,000 euros of cash remuneration.
- Mr. Jorge Cosmen Mendez-Castañedo: 100,000 euros of cash remuneration.
- Mr. Jose Luis Feito Higueruela: 100,000 euros of cash remuneration.
- Mr. Fernando Fernandez Mendez de Andes: 100,000 euros of cash remuneration.
- Mr. Antonio Greño Hidalgo: 100,000 euros of cash remuneration.
- Ms. Laura Gonzalez Molero: 15,278 euros of cash remuneration.

In accordance with the foregoing, the total amount earned by all non-executive directors in 2018 amounts to 744,543 euros, which represents a reduction of 35,027 euros with respect to the total amount received by all non-executive directors in 2017.

This variation is explained by the departure of one of the directors in the previous year, and by the entry of a new director, who was only a non-executive director of the Entity from 12 January to 26 April 2018, and by the entry on 6 November 2018 of a new non-executive director.

B.6 Explain how the salaries earned during the closed year by each executive director for the performance of management duties were determined, and how they varied from the previous year.

In the specific case of Bankia, the annual fixed remuneration of the executive directors is subject to quantitative limitations established in Royal Decree Law 2/2012 and Order ECC/1762/2012, described in section A.1 of this Report.

The accrued fixed components have not changed with respect to the previous year.

Specifically, the amount of the individual fixed remuneration earned in 2018 by the executive directors was as follows:

- Mr. José Ignacio Goirigolzarri Tellaeche: 500,000 euros.
- Mr. José Sevilla Álvarez: 500,000 euros.
- Mr. Antonio Ortega Parra: 500,000 euros.
- Mr. Carlos Egea Krauel: 203,333 euros.

The amount of the fixed remuneration comprises the sum of the monetary remuneration and the remuneration in kind derived from Bankia's payment of the cost of the executive directors' health insurance premiums, with the exception of Mr. Egea, who has no health insurance policy in his favour.

The total amount earned by all executive directors in 2018 amounts to 1,703,333 euros, which represents an increase of 203,333 euros over the amount received in 2017.

This variation is due to the fact that in fiscal year 2017 the Board of Directors had three executive directors, while in fiscal year 2018, the Entity has one more executive director, following the appointment as such of Mr. Carlos Egea Krauel.

B.7 Explain the nature and main characteristics of the variable components of the remuneration schemes earned in the closed year.

In particular:

- Identify each of the remuneration plans that determined the variable remuneration earned by each of the directors during the closed year, including information on its scope, date of approval, date of implementation, accrual and validity periods, the criteria used to evaluate performance and how this affected the determination of the variable amount earned, as well as the measurement criteria used and the period necessary in order to be in a position to adequately measure all the stipulated criteria and conditions.

  In the case of share option plans or other financial instruments, the general features of each plan will include information about the conditions both for vesting and for exercising those options or financial instruments, including the price and term of exercise.

- Each of the directors and their category (executive directors, proprietary external directors, independent external directors and other external directors) that are beneficiaries of remuneration schemes or plans that incorporate variable remuneration.

- If applicable, the information is to include a report on the established payment accrual or deferral periods that have been applied and/or the periods for retaining or not disposing of shares or other financial instruments, if any.

The main characteristics of the short and long-term variable components earned in 2018 by the executive directors (with the exception of Carlos Egea Krauel, who does not participate in the Entity's variable remuneration schemes) are set out below.

- Annual variable remuneration ("AVR").
  - Accrual period: The AVR has been accrued as at 31 December 2018.
  - Target amounts: The target AVR for executive directors, for a 100% level of achievement of the objectives set for 2018, amounted to 250,000 euros.
  - Achievement of the annual objectives to which the 2018 AVR is linked:
    - Key objective: Dividend Factor: 1.0 (102.94%).
    - Overall Objectives (V1):
      - Capital: CET 1 Fully Loaded (weighting 20%): 100.5%
      - Recurrent ROE (weighting 20%): 61.0%
      - Efficiency Ratio ex ROF (weighting 20%): 76.7%
      - NPAs (weighting 20%): 114.6%
      - Quality (weighting 20%): 87.8%

      Total Overall Objectives (V1): 88.14%
    - Unit Objectives (V2) and Individual Objectives (V3):
      - Mr. José Ignacio Goirigolzarri Tellaeche: 120%.
      - Mr. José Sevilla Álvarez: 109.39%.
      - Mr. Antonio Ortega Parra: 108.31%.
  - Weighting: The weighting of each of the aforesaid objectives was as follows:
    - Overall Objectives (V1): 70%, except for the Executive Chairman, for whom it is 90%.
    - Unit Objectives (V2) and Individual Objectives (V3): 30% (20% V2 and 10% V3), except for the Executive Chairman, for whom it is 10%.

- Determination of the 2018 AVR: the 2018 AVR has been determined by applying the following formula, the details of which have been indicated in section A.1 above:

  Variable Remuneration = (Target Variable Remuneration) x (Overall Achievement %) x (Dividend Factor)

- Overall Achievement Percentage: The Percentage of Overall Achievement of the objectives of each executive director, established as the weighted sum of the results obtained for each objective, was as follows:

  - Mr. José Ignacio Goirigolzarri Tellaeche: 91.33%.
  - Mr. José Sevilla Álvarez: 94.51%.
  - Mr. Antonio Ortega Parra: 94.19%.

  Taking into account that the Annual Target Variable Remuneration for 2018 amounts to 250,000 euros for each executive director (with the exception of Mr. Carlos Egea Krauel), the amount of AVR corresponding to 2018 was as follows:

  - Mr. José Ignacio Goirigolzarri Tellaeche: 228,325 euros.
  - Mr. José Sevilla Álvarez: 236,275 euros.
  - Mr. Antonio Ortega Parra: 235,475 euros.

  In accordance with article 15 bis of the Board of Directors Regulations of the Company, the Remuneration Committee has informed the Board of Directors of the proposal relating to the determination and assessment of the degree of achievement of the objectives established for the 2018 AVR of executive directors.

- 2018 AVR payment procedure: In compliance with the applicable regulations, 50% of the aforesaid remuneration is paid in cash, and the remaining 50% is delivered in shares of the Entity.

  In accordance with the Remuneration Policy, the 2018 AVR payment procedure will be as follows:

  - 100% of the AVR, both in cash and in shares, will have a deferral term of three years.
  - 50% of the AVR, both in cash and in shares, will be paid in 2022.
  - 25% of the AVR, both in cash and in shares, will be paid in 2023.
  - 25% of the remaining AVR, both in cash and in shares, will be paid in 2024.

For these purposes, the General Meeting of Shareholders of 10 April 2018 approved the maximum number of shares to be delivered in relation to the 2018 AVR, which was set at 93,798 shares, with the following breakdown:

- For Mr. José Ignacio Goirigolzarri Tellaeche: 31,266 shares.
- For Mr. José Sevilla Álvarez: 31,266 shares.
- For Mr. Antonio Ortega Parra: 31,266 shares.

In determining the number of shares finally delivered as part of the 2018 AVR, the average share price of Bankia in the last three months of 2018 (2.898 euros per share) will be used.

- Retention period: The shares to be received as part of the 2018 AVR will be delivered net of taxes, which will in any case be borne by the executive directors, and the shares will be locked up for a period of one year after delivery.

- *Malus* and clawback clauses: The 2018 AVR of the executive directors may be reduced (*malus* clause) if, during the vesting period, there are certain circumstances described in section 4.2.2 of the Remuneration Policy.

  In addition if, during the three years following the calculation and payment of 2018 AVR, any of the circumstances described in section 4.2.2 of the Remuneration Policy occurs, Bankia may demand that the director return up to 100% the aforesaid AVR, or even set off such amounts to be returned against other remuneration of any kind the director is entitled to receive (clawback clause).

  The aforesaid clauses will be applicable for both acting directors and those that have left the Company and may have remuneration pending receipt.

2. Multi-year-referenced variable remuneration ("MVR")

- Accrual period: The MVR is awarded annually. Each MVRP cycle is for six years.

- Target amounts: The 2018 MVR target for executive directors, for a 100% level of achievement of the objectives set for 2018, amounted to 150,000 euros.

  However, taking account of the limitations on variable remuneration established in Order ECC/1762/2012, in no case may the sum of the AVR and the MVR that may be granted each year to the executive directors be greater than 60% of the annual fixed remuneration, that is, 300,000 euros for each executive director.

- Achievement objectives to which the 2018 MVR is linked:

  - Annual objectives upon which the 2018 AVR depends as described above that are required in the first year of the 2018 MVR cycle.

  - Multi-year objectives related to the tolerance level of the following indicators established in Bankia's Risk Appetite Framework:

    - Total Capital FL.

    - Liquidity Coverage Ratio (LCR).

    - Net inflows in arrears.

    - Recurrent CET1 ROE.

    These objectives will be measured on 31 December 2021. As a result of the partial assessment of these objectives carried out at 31 December 2018, none of the indicators was below the established tolerance level.

- Determination of the 2018 Conditionally Awarded MVR:

  In application of the Overall Achievement Percentage of the annual objectives indicated in the section relating to the 2018 AVR, the 2018 Conditionally Awarded MVR has been obtained for each of the executive directors, which is subject to the achievement of the multi-year objectives to be measured on 31 December 2021.

  Although the MVR Target for 2018 amounts to 150,000 euros for each executive director (with the exception of Mr. Carlos Egea Krauel, who does not have the right to receive annual or multi-year variable remuneration in his contract), the amount of the Conditionally Awarded MVR for 2018, taking into account the limitation established by Royal Decree Law 2/2012 and Order ECC/1762/2012, was as follows:

  - Mr. José Ignacio Goirigolzarri Tellaeche: 71,675 euros.

  - Mr. José Sevilla Álvarez: 63,725 euros.

  - Mr. Antonio Ortega Parra: 64,525 euros.

  In accordance with article 15 bis of the Board of Directors Regulations of the Company, the Remuneration Committee has informed the Board of Directors of the degree of achievement of the annual objectives established to determine the 2018 Conditionally Awarded MVR of the executive directors.

- 2018 MVR payment procedure: In compliance with the applicable regulations, 50% of the aforesaid remuneration is paid in cash, and the remaining 50% is delivered in shares of the Entity.

  In accordance with the Remuneration Policy, the 2018 MVR ("Final MVR") will be paid no less than 60 months and no more than 61 months after its calculation date.

  In determining the number of shares to be delivered as part of the 2018 MVR, the average share price of Bankia in the last three months of 2018 (2.898 euros per share) will be used.

- Retention period: The shares to be received as part of the 2018 MVR will be delivered net of taxes, which will in any case be borne by the executive directors, and the shares will be locked up for a period of one year after delivery.

- *Malus* and clawback clauses: The *malus* clauses established for the annual variable remuneration also will be applicable during the period of five years between the date of calculation of the Conditionally Awarded MVR for 2018 and the date of payment of the Final MVR.

  In addition if, during the three years following the calculation and payment of the 2018 MVR, any of the circumstances described in the clawback clauses established for annual variable remuneration arises, Bankia may demand that the director return the aforesaid MVR, or even set off such amounts to be returned against other remuneration of any kind the director is entitled to receive.

B.8 Indicate whether certain variable components have been reduced or reclaimed when, in the first case, payment has vested and been deferred or, in the second case, vested and paid, on the basis of data the inaccuracy of which has subsequently been manifestly demonstrated. Describe the amounts reduced or returned by the application of the clawback clauses, why this was done, and the years to which they relate.

The variable components have not been reduced or reclaimed.

B.9 Explain the main characteristics of long-term savings schemes the amount or equivalent annual cost of which appears in the tables in Section C, including retirement and any other survivor benefits that are partially or totally financed by the company, whether funded internally or externally, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the vesting conditions of the economic rights in favour of the directors and its compatibility with any type of indemnification for early termination or termination of the contractual relationship between the company and the director.

Bankia currently has not undertaken any long-term savings schemes with its directors.

B.10 Explain, if applicable, the indemnities or any other type of payment deriving from early departure, whether at the will of the company or of the director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the directors during the closed fiscal year.

No indemnification or other payment has been made for early departure or termination of contracts in the closed period.

B.11 Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.

In 2018 there was no change in relation to the contracts in force for executive directors, with the exception of the contract with Mr. Carlos Egea Krauel.

With respect to the new executive director, appointed in 2018, Mr. Carlos Egea Krauel, his contract respects the main conditions of the contracts of the Entity's executive directors established in Remuneration Policy 2017-2020, which have been described in subsection 9 of section A.1, with the following particularities:

- Duration: indefinite.

- Variable remuneration: Mr. Carlos Egea Krauel is not expected to be able to participate in the variable remuneration schemes of the Entity.

- indemnification: his contract may be terminated by the Entity's free will for any cause, without reference to a serious or culpable breach of Mr. Egea's duties. In such a case, Mr. Egea will be entitled to receive an indemnification equal to the difference between two years' fixed remuneration and the fixed remuneration he has already received since the beginning of his contract. The resulting amount will be subject to the legal limitations that may be applicable at any given time.

  In the event of termination by mutual agreement, no compensation or indemnification will be paid for the termination of the contract. After two years from the beginning of the contract, whatever the cause of termination (unilateral decision of Mr. Egea, free will of the Entity for any cause, or succession of the company) it will not result in any indemnification or compensation for noncompetition or any other clauses

- Covenant not to hire: if the contract is terminated, for the 24 months after the termination date Mr. Carlos Egea Krauel covenants not to promote the hiring of Bankia employees for the company, if any, that hires him.

B.12 Explain any additional remuneration accrued to directors as consideration for services rendered other than those inherent in the position.

No additional remuneration whatever has been earned by the directors as consideration for services rendered other than those inherent in the position.

B.13 Explain any remuneration derived from the grant of advances, loans and guarantees, indicating the interest rate, the essential features and the amounts eventually repaid, as well as the obligations assumed on their behalf by way of guarantee.

There are no advances, loans or guarantees granted by the Entity to its directors.

B.14 Detail the remuneration in kind earned by the directors during the fiscal year, briefly explaining the nature of the different salary components.

Bankia pays the cost of health insurance premiums for three of the executive directors, the amounts of which are part of the director's fixed annual remuneration, within the annual maximum limit of 500,000 euros. Mr. Egea does not have such insurance contracted on his behalf.

For the year 2018, the cost of the health insurance premiums of the executive directors was as follows:

Director	Position	Health insurance cost
Mr. José Ignacio Goirigolzarri Tellaeche	Executive Chairman	1,778 euros
Mr. José Sevilla Álvarez	Managing Director	5,335 euros
Mr. Antonio Ortega Parra	Executive Director	889 euros

B.15 Explain the remuneration earned by a director by virtue of payments made by the listed company to a third party entity within which the director serves, when the purpose of such payments is to remunerate the director's services within the company.

There is no remuneration earned by the directors of Bankia by virtue of payments made by the listed company to a third party entity within which the director serves.

B.16 Explain any category of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be considered to be a related party transaction or when payment thereof distorts the true and fair view of the total remuneration received by the director.

The directors have not earned any remuneration other than as already described in this Report.

C. DETAILS OF INDIVIDUAL REMUNERATION OF EACH OF THE DIRECTORS

Name	Type	Accrual period during year 5
Mr. José Ignacio Goirigolzarri Tellaeche	Executive	From 01/01/2018 to 31/12/2018
Mr. José Sevilla Álvarez	Executive	From 01/01/2018 to 31/12/2018
Mr. Antonio Ortega Parra	Executive	From 01/01/2018 to 31/12/2018
Mr. Carlos Egea Krauel	Executive	From 27/04/2018 to 31/12/2018
Mr. Carlos Egea Krauel[1]	Other External Director	From 12/01/2018 to 26/04/2018
Mr. Joaquín Ayuso García	Lead Independent	From 01/01/2018 to 31/12/2018
Mr. Francisco Javier Campo García	Independent	From 01/01/2018 to 31/12/2018
Ms. Eva Castillo Sanz	Independent	From 01/01/2018 to 31/12/2018
Mr. Jorge Cosmen Menéndez-Castañedo	Independent	From 01/01/2018 to 31/12/2018
Mr. Jose Luis Feito Higueruela	Independent	From 01/01/2018 to 31/12/2018
Mr. Fernando Fernández Méndez de Andés	Independent	From 01/01/2018 to 31/12/2018
Mr. Antonio Greño Hidalgo	Independent	From 01/01/2018 to 31/12/2018
Ms. Laura González Molero	Independent	From 06/11/2018 to 31/12/2018

[1] Effective 14/09/2017 Mr. Egea was appointed as a director of Bankia, in the category of "other external directors", by resolution of the Annual General Meeting held on 14/09/2017, being noted in the registry of senior officers on 12/01/2018.

C.1 Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for performance of executive duties) earned during the period.

a) Remuneration from the reporting company:

i) Cash remuneration (€ 000s)

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remunerati on	Long-term variable remunerati on	Indemnification	Other categories	Total year t	Total year t-1
Mr. José Ignacio Goirigolzarri Tellaeche				498	114	36		2	650	650
Mr. José Sevilla Álvarez				495	118	32		5	650	650
Mr. Antonio Ortega Parra				499	118	32		1	650	650
Mr. Carlos Egea Krauel	29			203					232	0
Mr. Joaquín Ayuso García	100								100	100
Mr. Francisco Javier Campo García	100								100	100
Ms. Eva Castillo Sanz	100								100	100
Mr. Jorge Cosmen Menéndez-Castañedo	100								100	100

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other categories	Total year t	Total year t-1
Mr. Jose Luis Feito Higueruela	100								100	100
Mr. Fernando Fernández Méndez de Andés	100								100	100
Mr. Antonio Greño Hidalgo	100								100	100
Ms. Laura González Molero	15								15	0

Comments
This includes the remuneration earned during the fiscal year by Mr. Carlos Egea Krauel, both in his capacity as non-executive director of the Entity (from 12 January 2018 to 26 April 2018) and in his subsequent capacity as executive director (from 27 April 2018 to 31 December 2018). With regard to the amount corresponding to the long-term variable remuneration, it should be pointed out that it is subject to the achievement of the multi-year objectives over a period of 3 years and to an additional deferral period of 2 years.

ii) Table of movements of share-based remuneration schemes and gross benefit of vested shares or financial instruments

Name	Name of the Plan	Financial instruments at beginning of year t		Financial instruments awarded during year t		Financial instruments vested in the year				Instruments matured and not exercised	Financial instruments at end of year t	
		No. of instruments	Equiv. No. of Shares	No. of instruments	Equiv. No. of Shares	No. of instruments	Equiv. No. of Shares / vested	Price of the vested shares	Gross benefit of vested shares or financial instruments (€ 000s)	No. of instruments	No. of instruments	Equiv. No. of Shares
Mr. José Ignacio Goirigolzarri Tellaeche	2018 AVR in shares				39,394				114			
	2018 MVR in shares				12,366				36			
Mr. José Sevilla Álvarez	2018 AVR in shares				40,765				118			
	2018 MVR in shares				10,995				32			
Mr. Antonio Ortega Parra	2018 AVR in shares				40,627				118			
	2018 MVR in shares				11,133				32			

Comments
2018 AVR in shares: None of the shares has been delivered. Rather all of them are subject to a deferral period of up to 5 years. In this regard, of the 120,786 shares, 60,393 shares will be delivered in 2022 (50% of the total of the shares), 30,196 shares will be delivered in 2023 (25% of the total of the shares) and 30,197 shares will be delivered in 2024 (the remaining 25% of the total of the shares). 2018 MVR in shares: None of the shares has been delivered. Rather they are subject to fulfilment of the multi-year objectives over a term of 3 years, with an additional deferral period of 2 years. In this sense, all the shares will be delivered in 2024

iii) Long-term savings schemes

During the 2018 Bankia made no contribution whatever to long-term savings schemes with its directors as beneficiaries.

iv) Details of other categories

Bankia's directors did not receive any "other categories" of remuneration in 2018, apart from those indicated above.

b) Remuneration to directors of the company for membership on boards of other group companies:

The Bankia directors earned no amount whatever by reason of their membership on Boards of other Group companies.

c) Summary of remuneration (€ 000s):

The summary must include the amounts corresponding to all remuneration categories included in this report that have been earned by the director, in thousands of euros.

	Remuneration earned in the Company					Remuneration earned in group companies				
Name	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments (€ 000s)**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Company year t total**	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Group year t total**
Mr. José Ignacio Goirigolzarri Tellaeche	650	150			800					
Mr. José Sevilla Álvarez	650	150			800					
Mr. Antonio Ortega Parra	650	150			800					
Mr. Carlos Egea Krauel	232				232					
Mr. Joaquín Ayuso García	100				100					
Mr. Francisco Javier Campo García	100				100					
Ms. Eva Castillo Sanz	100				100					
Mr. Jorge Cosmen Menéndez-Castañedo	100				100					
Mr. Jose Luis Feito Higueruela	100				100					

	Remuneration earned in the Company					Remuneration earned in group companies				
Name	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments (€ 000s)**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Company year t total**	**Total cash remuneration**	**Gross benefit of vested shares or financial instruments**	**Remuneration from savings schemes**	**Remuneration from other categories**	**Group year t total**
Mr. Fernando Fernández Méndez de Andés	100				100					
Mr. Antonio Greño Hidalgo	100				100					
Ms. Laura González Molero	15				15					
Total	2,897	450			3,347					

Comments
This includes the remuneration earned during the fiscal year by Mr. Carlos Egea Krauel, both in his capacity as non-executive director of the Entity (from 12 January 2018 to 26 April 2018) and in his subsequent capacity as executive director (from 27 April 2018 to 31 December 2018). With regard to the amount corresponding to the long-term variable remuneration, it should be pointed out that it is subject to the achievement of the multi-year objectives over a period of 3 years and to an additional deferral period of 2 years.

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect of director remuneration that it has not been possible to include in the other subsections of this report, but that it is necessary to include in order to set forth more complete and reasoned information regarding the remuneration practices and structure of the company as regards its directors, briefly explain.

Regarding the quantitative information in section C of this Report, we wish to note the following:

- Quantitative information regarding Mr. Goirigolzarri:
  - The amount indicated in the "other categories" section of table a).i under point C.1 above is in respect of the cost of medical insurance in the amount of 1,778 euros.
  - The amounts indicated in the "short-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending the corresponding authorisations and approvals contemplated in current legislation.
  - The amounts indicated in the "long-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending both fulfilment of the multi-year objectives and the corresponding authorisations and approvals contemplated in current legislation.
  - The 650 thousand euros indicated in the "total cash remuneration" section of table c) under point C.1 include the fixed remuneration, variable cash remuneration and the cost of medical insurance in the amount of 1,778 euros.
- Quantitative information regarding Mr. Sevilla:
  - The amount indicated in the "other categories" section of table a).i under point C.1 above is in respect of the cost of medical insurance in the amount of 5,335 euros.

- The amounts indicated in the "short-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending the corresponding authorisations and approvals contemplated in current legislation.

- The amounts indicated in the "long-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending both fulfilment of the multi-year objectives and the corresponding authorisations and approvals contemplated in current legislation.

- The 650 thousand euros indicated in the "total cash remuneration" section of table c) under point C.1 include the fixed remuneration, variable cash remuneration and the cost of medical insurance in the amount of 5,335 euros.

- Quantitative information regarding Mr. Ortega:

  - The amount indicated in the "other categories" section of table a).i under point C.1 above is in respect of the cost of medical insurance in the amount of 889 euros.

  - The amounts indicated in the "short-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending the corresponding authorisations and approvals contemplated in current legislation.

  - The amounts indicated in the "long-term variable remuneration" section of table a).i. under point C.1 and in the "Equivalent No. of Shares" section of table a).ii. under point C.1 are pending both fulfilment of the multi-year objectives and the corresponding authorisations and approvals contemplated in current legislation.

  - The 650 thousand euros indicated in the "total cash remuneration" section of table c) under point C.1 include the fixed remuneration, variable cash remuneration and the cost of medical insurance in the amount of 889 euros.

* * *

This annual remuneration report was approved by the Board of Directors of the Company at its meeting of 18 February 2019.

State whether there are any directors who voted against or abstained from voting to approve this Report.

Yes ☐ No ☒

Names of the members of the Board of Directors not voting in favour of approval of this report	**Reason (opposed, abstained, not in attendance)**	**Explain the reason**