

2019
ANNUAL
REPORT



Bankia

Bankia is a financial institution operating in Spain that is listed in one hundred or more national and international stock indices and is a constituent of the main sustainability indices. It is the fourth largest bank in Spain by volume of assets and the market leader in six autonomous communities. It has a multi-channel business model, focused especially on retail banking and business banking.

At Bankia we work from the principles of being society's bank of choice.



**S&P Dow Jones
Indices**
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**CONSOLIDATED
FINANCIAL STATEMENTS
2019**



<https://informes.bankia.com/2019/en/>



**ANNUAL REPORT 2019
ONLINE**

STRATEGIC POSITIONING/01

TRANSPARENT CORPORATE GOVERNANCE



Bankia is an independent corporation that seeks sustainable, profitable development and that is convinced that the only way to create value is by listening to and satisfying all its stakeholders.

Bankia's corporate governance system is built on the Group's corporate values and is driven by the good governance principles adopted and set forth in the Bankia Group's Corporate Governance and Organisational Structure Policy.

It seeks to apply ethical standards in its management, prevent and resolve potential conflicts of interest, and build a framework of relations between the bank and its stakeholders based on transparency.

Bankia remains committed to the Code of Good Governance of Listed Companies and to a high degree of compliance with its recommendations: of the Code's 64 recommendations, the bank complies fully with all 58 that are applicable to it.

PROGRESS

Over the course of 2019, Bankia worked to consolidate its corporate governance model. In the process, it adapted its organisation to support its transformation and that of its businesses, becoming more customer-centric, more agile and more self-driven and ambitious.

The remodelling involved creating four new deputy general directorates—Financial, Credit Risks, People and Culture, and Digital Transformation and Strategy—whose directors became members of the Management Committee. The committee thus grew from eight to twelve members.

In January 2019, BFA, Bankia and the FROB (indirectly, through BFA, the bank's main shareholder) signed an agreement setting out the terms of their relationship. In that agreement it was stated that the FROB would not take part in Bankia's management and would give Bankia's governing bodies and directors the greatest possible independence and autonomy to exercise professional judgment in the performance of their duties. The ultimate aim is to promote the repayment of state aid through efficient use of public resources, while safeguarding the stability of the financial system.

In July 2019, the bank approved two sets of regulations, the Appointments and Responsible Management Committee Regulations and the Remuneration Committee Regulations, which implement the recommendations of the 1/2019 Technical Guide on Appointments and Remuneration Committees published in February by the CNMV with a view to reinforcing the powers these two committees.

Bankia's Corporate Governance system is evaluated by a number of proxy advisors, including the most influential one, ISS. ISS publishes the 'Governance QualityScore' indicator of potential corporate governance risk, in which Bankia has an overall score of 1, the best possible score on a scale of 1 to 10. This score indicates that Bankia's governance risk is very low. ISS Governance QualityScore analyses some 200 corporate governance indicators, grouped in four categories: board structure, compensation/remuneration, shareholder rights, and audit and risk oversight.

DIRECTORS' SUITABILITY

At annual intervals, Bankia reviews the suitability of directors, chief executives or similar, and key personnel. All the persons subject to this assessment confirmed that they met the commercial and professional suitability requirements set out in the Bankia Group's Suitability Manual.

In particular, as regards the Board of Directors, the review includes an assessment of directors' business and professional standing, whether they have the knowledge and experience their role requires, and their ability to exercise good governance of the institution.

DIRECTORS' AND SENIOR MANAGEMENT REMUNERATION

The remuneration policy for members of Bankia's Board of Directors and senior management is based on a number of principles, including customer orientation, links to shareholders, gender equality, balance of remuneration components, and compatibility with appropriate, effective risk management.

The fixed remuneration of the bank's executive directors must not exceed 500,000 euros per year and their variable remuneration is limited to a maximum of 60% of their annual fixed remuneration.

Thus, in 2019, the chairman, José Ignacio Goirigolzarri, the CEO, José Sevilla, and the executive director Antonio Ortega, each received a fixed salary of 500,000 euros. These three directors generated variable remuneration of 270,000 euros each, which they will receive between 2023 and 2025. Half of this amount will be paid in cash and the other half, in Bankia shares. The shares will be retained for one year after delivery.

Non-executive directors receive a maximum fixed remuneration of 100,000 euros per year and no variable remuneration. The members of Bankia's Board of Directors do not receive any additional amount in the form of attendance fees or for membership of Board committees.

BOARD OF DIRECTORS REMUNERATION IN 2019

NAME	SALARY	FIXED REMUNERATION	SHORT-TERM VARIABLE REMUNERATION ⁽²⁾	LONG-TERM VARIABLE REMUNERATION ⁽²⁾	REMUNERATION FOR SERVING ON BOARD COMMITTEES	BENEFITS	TOTAL 2019
José Ignacio Goirigolzarri Tellaeche	500	-	213	57	-	-	770
José Sevilla Álvarez	500	-	213	57	-	-	770
Antonio Ortega Parra	500	-	213	57	-	-	770
Carlos Egea Krauel ⁽¹⁾	147	51	-	-	-	-	198
Joaquín Ayuso García	-	100	-	-	-	-	100
Francisco Javier Campo García	-	100	-	-	-	-	100
Eva Castillo Sanz	-	100	-	-	-	-	100
Jorge Cosmen Menéndez-Castañedo	-	100	-	-	-	-	100
José Luis Feito Higuera	-	100	-	-	-	-	100
Fernando Fernández Méndez de Andés	-	100	-	-	-	-	100
Antonio Greño Hidalgo	-	100	-	-	-	-	100
Laura González Molero	-	100	-	-	-	-	100

Figures in thousands of euros.

(1) On 26 March 2019, Carlos Egea Krauel resigned from his executive position, while remaining a member of Bankia's Board of Directors. The effects of this resignation from executive office were as provided for in the service agreement entered into between Bankia and Mr. Egea Krauel, who as of 29 June 2019 is included in the category of "other non-executive directors". The amounts shown relate to the period from 1 January to 27 June 2019 as an executive director and from 28 June to 31 December 2019 as a non-executive director.

(2) The variable remuneration accrued in 2019 by Messrs. Goirigolzarri, Sevilla and Ortega is awaiting the authorisations and approvals required by law.

SENIOR MANAGEMENT REMUNERATION IN 2019

	SHORT-TERM REMUNERATION ⁽¹⁾	LONG-TERM REMUNERATION ⁽¹⁾	POST-EMPLOYMENT BENEFITS ⁽²⁾	TERMINATION BENEFITS	TOTAL 2019 ⁽³⁾
Senior Management	4,558	405	287	-	5,250

Thousands of euros.

(1) The figure for variable remuneration accrued in 2019 is awaiting the authorisations and approvals required by law.

(2) Relates to pension and life insurance contributions.

(3) This includes the remuneration of Messrs. Alvear, Galarza, López, Solla and Torres for the period from 24 January 2019 to 31 December 2019 and the amount accrued by Mr. Cánovas for the period from 1 January to 23 January 2019. It should also be noted that Mr. Cánovas has not received any compensation, as he has a two-year post-contractual non-compete agreement for an amount equivalent to two years' fixed remuneration.

STRATEGIC POSITIONING/01

TRANSPARENT CORPORATE GOVERNANCE

COMPETENCY MATRIX BOARD OF DIRECTORS

- (1) Audit and Compliance Committee
- (2) Appointments and Responsible Management Committee
- (3) Remuneration Committee
- (4) Risk Advisory Committee
- (5) Board Risk Committee

- (A) BFA, Tenedora de Acciones, S.A.U.
- (B) Confederación Española de Cajas de Ahorros (CECA)
- (C) Cecabank, S.A.
- (D) Adriano Care Socimi, S.A.
- (E) Zardoya Otis, S.A.
- (F) National Express Group, Plc
- (G) Meliá Hotels International, S.A.
- (H) General Técnica Industrial, S.L.U.
- (I) Quintorge, S.L.
- (J) Liberty Seguros, Compañía de Seguros y Reaseguros, S.A.
- (K) Acerinox, S.A.
- (L) Grupo Ezentis, S.A.
- (M) Viscosfan, S.A.

	José Ignacio Goirigolzarri	José Sevilla	Antonio Ortega	Carlos Egea	Joaquín Ayuso
Status	Executive	Executive	Executive	Other external	Independent
Number of years on the Bankia Board	7	7	5	2	7
Committee membership	-	(5)	-	(1)	(2) (3) (4)
Membership of other boards	(A) (B)	(A)	(A) (C)	-	(D)
Prior experience					
Senior management experience in banks/ financial institutions	■	■	■	■	
Senior management experience in other (non-financial) industries	■		■	■	■
Areas of experience/competency					
Credit institutions	■	■	■	■	■
Financial markets	■	■	■	■	■
Risk management	■	■	■	■	■
Auditing / Accounting	■	■	■	■	■
Strategy consulting			■		■
Legal / Regulatory framework	■	■	■		■
Public sector					
Technology sector	■	■	■		
Tourism / Transport					■
Industrial sector				■	■
Consumer goods / Distribution					
Real estate sector					■
Teaching / Research	■	■	■	■	
Diversity					
Gender	H	H	H	H	H
Training /International Experience	USA, China, Portugal, Mexico, Argentina, Chile, Peru, Colombia, Puerto Rico, Brazil, Venezuela, Italy	Mexico, Argentina, Chile, Peru, Colombia, Puerto Rico, Brazil, Venezuela	Portugal, Belgium, Morocco, Puerto Rico, Mexico, Peru, Colombia, Venezuela, Argentina, Chile, Italy		USA, Canada, UK, Italy, Chile, Colombia, Portugal, Ireland, Australia
Length of service as director	33	10	26	30	25

**SUCCESSION PLAN
AND BOARD OF
DIRECTORS SKILLS**

Bankia has a Succession Plan in line with regulatory requirements, the regulators’ recommendations and corporate governance best practice. The plan is designed to ensure business and leadership continuity and identify successors for top positions in the bank.

One of its objectives is to create development and career plans to ensure that candidates for senior positions in the bank are properly prepared to take on responsibility when the time comes.

To deepen and update directors’ knowledge of economic and corporate matters, Bankia has set up a training programme, which is updated each year based on directors’ needs, regulatory requirements and international best practice.

During 2019, the directors received training in Agile methodology, Risk Data Aggregation (RDA), internal capital adequacy assessment (ICAAP), cyber security, Spain’s new mortgage act, the ECB’s supervisory activity, procedures for the governance and supervision of retail banking products, the prevention of money laundering and the financing of terrorism, and internal risk control.

Fco. Javier Campo	Eva Castillo	Jorge Cosmen	José Luis Feito	Fernando Fernández	Laura González	Antonio Greño
Independent	Independent lead director	Independent	Independent	Independent	Independent	Independent
7	7	7	7	7	1	3
(1) (2) (3)	(2) (4) (5)	(3)	(1)	(1) (4) (5)	(2) (3)	(1) (4)
(G)	(E)	(F) (H) (I)	-		(K) (L) (M)	(J)
	■		■	■		
■	■	■	■	■	■	■
■	■	■	■	■		■
■	■	■	■	■		■
■	■	■	■	■	■	■
■	■	■	■	■	■	■
■	■		■	■		■
■	■	■		■	■	
■	■	■	■	■	■	
■			■	■	■	
■				■	■	
■				■	■	
			■	■	■	
H	M	H	H	H	M	H
France, Portugal, Greece, Turkey, Argentina, Brazil, China, Italy	Netherlands, Belgium, Luxembourg, Denmark, Norway, Sweden, France, Italy, UK, Germany, Czech Republic, Slovakia, Ireland, Russia, Greece, Portugal, Turkey, United Arab Emirates, Saudi Arabia, Bahrain, Lebanon, Israel, USA, Brazil, Argentina, Mexico, South Africa	USA, UK, France, Portugal, Switzerland, Belgium, China	USA, France	USA, Chile, Peru, Bolivia, Colombia, Costa Rica, Argentina, Vietnam, Portugal	Portugal, Greece, Norway, Denmark, Finland, Sweden, USA, Hong Kong, Brazil, Mexico, Colombia, Panama, Costa Rica, Guatemala, Venezuela, Ecuador, Peru, Chile, Uruguay, Argentina	UK, Mexico, Honduras
34	14	8	18	7	12	4

STRATEGIC POSITIONING/02

SUSTAINABLE BUSINESS AND FINANCING



Bankia is committed to following a sustainable approach to its activity and aspires to become a model of sustainable financing. To that end, it has created the Sustainable Business and Financing Directorate, whose mission is to drive the mobilisation of resources within an action framework committed to environmental, social and governance criteria (ESG) and to promote the financing of investments under those same criteria.

This new directorate has an enterprise-wide remit to lead an internal project involving the entire organisation.

One of the initiatives it implemented in 2019 was to define a sustainable financing framework that lays the foundations for the development and marketing of products and services that respond to customers' demands. In this context, any financing opportunities that arise in the world of companies and individuals in response to the foreseeable and necessary transformation towards a low-carbon economy are subjected to careful analysis.

At the same time, Bankia is making climate risk management a part of its governance and risk maps and

is working on a series of sector-specific guides that will set conditions for the financing of sectors which, by their nature, are liable to have an environmental or social impact.

To promote sustainable consumption and investment in companies and among the self-employed and households, Bankia's product offering includes products such as the Sustainable Credit facility, the Sustainable Business Loan, hybrid or zero-emission vehicle leasing, and special insurance for solar PV installations and for farmers.

Other sustainable products include the Bankia Futuro Sostenible Fund, which already has 24 million euros of assets under management; the Bankia Futuro Sostenible Mixed Fund (7.5 million euros in assets); and the Valores Responsables Guaranteed Fund, which guarantees 100% of the principal invested and a payment of 0.15% per year, in addition to the possible appreciation of a basket of sustainable shares selected according to the 'best in class' criterion.

With the aim of providing a differentiated range of sustainable financing, in 2018 Bankia signed a pioneering agreement with the European Investment Bank (EIB) to co-finance the construction

of low-emission, energy-efficient residential buildings with an environmental sustainability certificate. This is the first time the EIB has promoted this type of mortgage in the European Union.

The collaboration with the EIB was extended with the creation of a line of credit for the hotels and restaurants sectors to finance investments that entail energy savings or the use of renewable energy, offering attractive terms thanks to the EIB funding.

The bank also entered into a number of financing arrangements in 2019 that include financial clauses linked to the achievement of certain sustainability goals or indicators, so as to give clients incentives to meet sustainable targets.

In Project Finance, where it has its own specialised team, Bankia financed investments in renewable wind, solar PV and solar thermal energy, applying the Equator Principles, and acted as bookrunner for sustainable bonds issued by certain clients.

In the fields of corporate finance, project finance and real estate development finance, in 2019 Bankia financed transactions for a combined total of more than 900 million euros, helping to mobilise sustainable financial resources totalling almost 9 billion euros.

In savings and investment products, Bankia Asset Management offers specific occupational pension plans and investment funds that incorporate ESG criteria, with a total of 1,068.27 million euros of assets managed under these criteria.

CHALLENGES FOR 2020

In 2020 Bankia aims to strengthen its portfolio of financing products, both for individuals and for businesses. Already in January it launched sustainable leasing for solar PV self-consumption and other sustainable assets related to renewable energy, energy efficiency, sustainable vehicles and waste management.

Furthermore, Bankia Asset Management’s Strategic Plan includes the deployment of responsible, sustainable management as a key project. To bring about these changes, Bankia Asset Management will implement a shift towards a holistic model of sustainable management: governance, non-financial risk management, and development of investment solutions.



ESG-ORIENTED PRODUCTS

Sustainable credit and sustainable business loans

Financing for hybrid or electric vehicles, purchase of energy-efficient home appliances, and home/local improvements that increase energy efficiency

Leasing and insurance

for hybrid or zero-emission vehicles

EIB agri-food facility

Financing of investments by self-employed entrepreneurs and agribusiness firms in new light commercial vehicles and passenger cars that meet a certain level of CO₂ emissions

EIB youth employment facility

Investment financing and working capital finance for SMEs, midcaps and self-employed business owners who undertake to hire or create traineeships for young people aged 15-30

EIB sustainable financing for the hotel sector

for energy-efficiency projects in accommodation or catering services (food and beverages)

Sustainable leasing

for solar PV self-consumption and financing of other sustainable assets and facilities related to renewable energy, sustainable vehicles or waste management

Damage insurance

for solar PV plants and wind turbines

ICO Sustainable Leasing

Within the framework of the ICO 2020 facilities

Finance for renewable energy projects

linked to compliance with sustainability metrics or targets (Green loans/ Sustainable loans)

Green housing loans

Financing for real estate developments with BREEAM certification

Bankia Futuro Sostenible Fund and Bankia Futuro Sostenible Mixed Fund,
managed under ESG criteria

Valores Responsables Guaranteed Fund,
offering additional return based on the share price of three world ESG leaders (according to Sustainalytics)

Occupational pension plans
that manage their assets under ESG criteria

Solucionamos Empresas tools
for companies to assess their own energy efficiency and obtain voluntary energy and environmental management certification

EIB facility

to finance access to low-emission, energy-efficient housing

STRATEGIC POSITIONING/03

SDG CONTRIBUTION

In its commitment to the UN's Sustainable Development Goals (SDGs), Bankia's strategy is centred on promoting a transition towards a low-carbon economy and implementing responsible, sustainable banking.

The bank has identified the specific initiatives, programmes and measures it will promote in order to increase its contribution to the 2030 Agenda goals.

It focuses its efforts on four priority SDGs and one cross-cutting SDG:



COMMITMENT TO ACHIEVE CARBON NEUTRALITY BY 2020

CONTRIBUTION TO MOBILISING 9 BILLION EUROS IN GREEN FINANCE

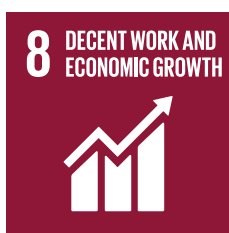
TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Bankia aims for sustainability in its business model and works to foster growth that fully respects the environment. For that reason it is implementing a 2017-2020 Eco-Efficiency and Climate Change Plan and is committed to international initiatives for the decarbonisation of the economy. In addition, it has created the Sustainable Business and Financing Directorate to drive the marketing of 'green' products.

MILESTONES

Endorsement of the UN's Principles for Responsible Banking to drive the decarbonisation of the economy.

Sustainable financing products for individuals, real estate developers and businesses (loans and mortgages) and sustainable investment products such as Bankia Futuro Sostenible.



3,456 MILLION EUROS OF FINANCE TO SMES

43,663 DIRECT BENEFICIARIES OF THE BANK'S EMPLOYMENT AND ENTRY-TO-WORK PROJECTS

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

As a financial institution, Bankia provides high quality, diverse employment, ensuring decent conditions for its employees and value chain, while also driving entrepreneurship, technological innovation and financing for SMEs and the self-employed. Through its social action, the bank also supports employment projects with a focus on vulnerable groups.

MILESTONES

268 professionals promoted internally in the last year, 50.4% of them women.

Bankia recognised by Fundación Diversidad and Fundación Alares as a 'Socially Responsible Company in relation to its Staff'



MORE THAN FOUR MILLION EUROS INVESTED IN EDUCATION AND EMPLOYABILITY IMPROVEMENT PROJECTS

4,070 STUDENT BENEFICIARIES OF PROJECTS PROMOTED BY FUNDACIÓN BANKIA POR LA FORMACIÓN DUAL

ENSURE INCLUSIVE, EQUITABLE AND QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Through Fundación Bankia por la Formación Dual, Bankia brings together companies and training centres, boosting young people's employability. Moreover, it is committed to inclusive education that promotes the skills required for better personal and professional management. It also promotes financial education to assist the understanding of financial products and services and economic decision-making.

MILESTONES

Launch of 10 free online financial education courses through Bankademia, focused on expanding knowledge in basic finance, housing, savings and investment for individuals and businesses.

739 companies participating in Dual Vocational Education and Training projects.



6.39 MILLION EUROS INVESTED IN LOCAL AND RURAL DEVELOPMENT PROGRAMMES, WITH MORE THAN 251,000 DIRECT BENEFICIARIES

BANKIA AND THE EIB LAUNCH A 300 MILLION EURO 'GREEN MORTGAGE' FACILITY, A FIRST FOR EUROPE

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Bankia promotes investment, financing and innovation in infrastructure and services that improve the quality of life and sustainability of cities. It also promotes agriculture-oriented solutions to drive rural development.

MILESTONES

Bankia offers specific funding to real estate developers to build homes with BREEAM energy efficiency certification.

374 branches with agribusiness specialists to promote the financing of innovation and energy efficiency projects in the sector.



ENDORSEMENT, TOGETHER WITH INTERNATIONAL BANKS, OF THE UN'S COLLECTIVE COMMITMENT ON CLIMATE ACTION

800 MILLION EUROS TO FINANCE SMES AND MID-CAPS, AS WELL AS COMPANIES IN THE FARMING, AGRI-FOOD, FISHING AND LIVESTOCK INDUSTRIES, THROUGH AN EIB FACILITY

STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Building alliances is key to sharing knowledge, improving technical capacity and promoting projects that contribute to the achievement of the Sustainable Development Goals. Through industry groups and public-private partnerships, Bankia defends the interests of its stakeholders in economic, social, environmental and corporate governance matters.

MILESTONES

Partnerships with various civil society actors at national and international level (Global Compact, UN, Spainsif, Forética, Fundación Alares, Fundación Ecodes, Fundación Seres, Fundación Corporate Excellence, LIMNE Foundation, COTEC, CECA, APD and CEOE).

Collaboration with public financial institutions, including ICO, EIB and mutual guarantee companies (SGR), to finance SMEs and large companies.

STRATEGIC POSITIONING/04

THAT SIMPLE

At the beginning of the decade, Spain was struggling under the impact of a global crisis that affected the financial system as a whole; and in Spain, Bankia was at the epicentre of that crisis, to the extent that it became a subject of discussion in Europe.

At the end of 2012, following the approval of a restructuring plan, Bankia entered a new phase. A watershed campaign was launched under the slogan 'Let's start with principles', a message that appealed to deeper values and called on the bank's team to seize the initiative.

The bank's professionals internalised the importance of doing things right in Bankia, so as to help the bank and Brand Spain recover. After that came the 'Let's keep working' campaign, a statement of intent launched in 2015 and continuing until mid-2019.

Over that period, Bankia created a new style, one that established it as a brand that communicates with clear, simple concepts, a brand in which the customer leads the way.

That is why, in 2019, Bankia felt the need to do better and convey the message that it is now in a new phase by adopting the slogan 'That simple'.

Simplicity is the territory Bankia has come to occupy because somehow that has always been its home. Who puts this slogan into effect and how? The bank's professionals and IT solutions, which create new possibilities for customers.

'That simple' expresses Bankia's desire to build a lasting relationship with its customers by doing its best to ensure that the service, whether online or offline, is always accessible, agile, simple, convenient and satisfactory.

The 'That simple' concept encompasses three sets of attributes: on the one hand, availability, operability and agility; on the other, having an efficient, high quality service; and lastly, the values of closeness and commitment.





Simplicity is having a personal account manager in whatever channel you choose, being able to pay however you like, having open-access solutions to help your company sell more, being able to withdraw cash from ATMs without a card, or being able to open an account through any channel.

THE START OF A NEW PHASE

'That simple' marks the start of a new phase for the brand and, above all, for the institution. This phase is strongly anchored to the customer and the goal of making Bankia society's bank of choice. Customer satisfaction is therefore one of the key elements, as set out in the bank's 2018-2020 Strategic Plan.

The launch of the new positioning expresses a vision of the brand as defining a unique and differentiating experience and relationship for the customer.

The bank wants to be part of the most important moments in its customers' lives, maintaining a close relationship and communicating with them efficiently. That way, Bankia's professionals will be able to provide customers with the information that best suits their profile whenever they need it most.

When it comes to transferring this way of doing things to the business, 'That simple' means identifying the primary touch points and converting the brand proposition into a brand experience.



01/
WHO WE ARE



“MAKING BANKING SIMPLE IS A CHALLENGE. ACCEPTING THAT CHALLENGE DIFFERENTIATES US IN THE MARKET AND POSITIONS US AS A BANK THAT IS COMMITTED TO ITS CUSTOMERS AND THEIR NEEDS”

JOSÉ IGNACIO GOIRIGOLZARRI
(EL CONFIDENCIAL, 13/09/2019)



01/1 CHAIRMAN'S STATEMENT



For the banking sector, 2019 was a year in which interest rates remained stubbornly stuck in negative territory, confirming that this is the 'new normal'.

This situation, which has been going on for four years now, has a direct effect on banks' revenue streams.

To cope with this complex environment, we at Bankia have important strengths, including our branch sales momentum and the solvency of our balance sheet.

2019 was a great year for sales, the best since Bankia was created. Two factors made that possible: first, the continued trust of our customers and, second, the efforts of Bankia's professionals, who have driven customer satisfaction to new highs.

This sales momentum is reflected in our ability to grow in the more profitable, high-value products. We have become market leaders in investment fund sales and have significantly increased our market shares in business banking and consumer finance.

To me it seems particularly important to highlight these factors because I believe they demonstrate our focus on adding value to our customers.

In the year just ended, after stabilising recurring revenue and reducing costs more than initially projected, we achieved a profit of 541 million euros. As a result, our core earnings grew 3.5%. However, our profit has been affected by lower trading income and the decision to reduce non-performing assets by more than planned, which meant having to increase provisions.

In spite of this complex environment, our ability to generate capital organically allowed us to further strengthen our capital ratio, which ended the year above 13%, well above the regulatory minimum, prompting us to recommend that the dividend be maintained at 355 million euros.

Our goal at Bankia is to offer our customers the best financial products and services and to do so in a sustainable manner.

Over the last few years, we have taken on board all the main international commitments on social and environmental sustainability. Bankia remains firmly committed to the Ten Principles of the United Nations Global Compact, which it adopted in 2013. Moreover, with the approval of the 2030 Agenda in 2015 and our signing of the United Nations Principles for

Responsible Banking, we are working to identify potential risks and new opportunities to actively contribute to the achievement of the Sustainable Development Goals.

These are commitments which I am sure are shared by our customers, our shareholders and the entire Bankia team.

We are convinced that this strategy points the way for us to continue to serve our customers, generate value for our shareholders and help to create a more innovative, sustainable and inclusive society with higher levels of well-being.

JOSÉ IGNACIO GOIRIGOLZARRI
CHAIRMAN OF BANKIA

01/2

MILESTONES



JANUARY

Bankia modifies its organisational structure to support the bank's transformation, creating four new deputy general directorates (Finance, Credit Risk, People and Culture, and Digital Transformation and Strategy) and increasing the number of members of its Management Committee from eight to twelve.



FEBRUARY

Bankia's Board of Directors elects Eva Castillo Sanz as lead independent director to take the place of Joaquín Ayuso García.



MARCH

The General Meeting of Shareholders approves a proposal to increase the dividend by 5% to 357 million euros, which entails a payment of 11.576 euro cents per share.



APRIL

Bankia completes the sale of 51% of Caja Granada Vida and Cajamurcia Vida to Mapfre for 110.3 million euros, thus bringing the reorganisation of the bancassurance business in the wake of the BMN merger to a conclusion.



MAY

Scope Ratings has ratified Bankia's issuer rating at 'BBB' with a stable outlook and S&P has ratified Bankia's long-term rating at 'BBB' with a stable outlook.



JUNE

Bankia completes the sale of 500 million euros of five-year senior non-preferred bonds.



JULY

Bankia and the EIB launch a pioneering 300 million euro 'green mortgage' facility.



AUGUST

Bankia announces the creation of the Sustainable Business and Financing Directorate.



SEPTEMBER

Bankia joins the Dow Jones European Sustainability Index as one of the world's most sustainable companies and, together with 130 other banks from around the world, launches the UN's Principles for Responsible Banking.



OCTOBER

Bankia announces the creation of a fund to invest 20 million euros over five years in projects carried out by financial startups.



NOVEMBER

Bankia issues 750 million euros of seven-year senior non-preferred bonds, which were 2.5 times oversubscribed.



DECEMBER

Bankia steps up its commitment to the internationalisation of Spanish companies by opening a representative office in Casablanca (Morocco).

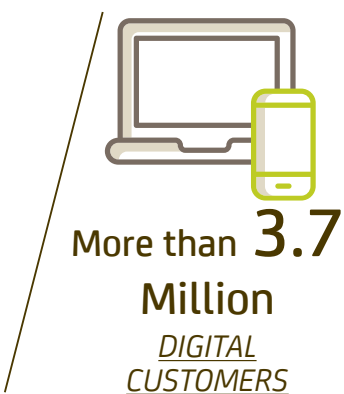
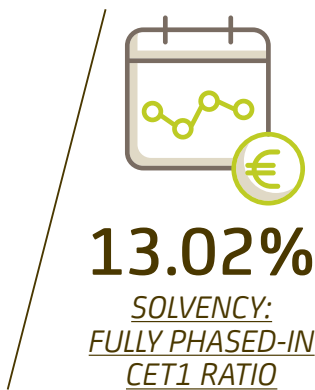


01/3

HIGHLIGHTS

OF THE YEAR

BANKIA IS A LISTED SPANISH FINANCIAL INSTITUTION. IT OPERATES THROUGHOUT SPAIN, WITH A UNIVERSAL BANKING MODEL BASED ON MULTI-CHANNEL MANAGEMENT AND SPECIALISED IN RETAIL BANKING AND BUSINESS BANKING.



01/4

ASPIRATION

AND VALUES

Bankia is committed to a set of values that determine its business strategy, management model and working philosophy in relation to its stakeholders (customers,

shareholders, employees, suppliers and society at large) and guide it on its way to becoming the bank of choice for society.

ASPIRATION

We work from principles of being society's bank of choice.

VALUES



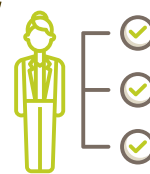
WE ARE HONEST

We behave honestly and decently at all times, both in our dealings with customers and institutions and in our relationships with the other people in Bankia, always in accordance with the principles set out in our ethics code.



WE ARE CLOSE

We are constantly alert and attentive to the needs of customers and of Bankia's people and communicate with them proactively and plainly, listening, exchanging information and building relationships of mutual trust.



WE ARE PROFESSIONAL

We apply the bank's guidelines and standards in all our dealings with external and internal customers, with total transparency, giving priority to their interests and those of the institution above any personal interest.



WE ARE PASSIONATE

We firmly and resolutely meet all our commitments to customers and the institution, making whatever efforts may be needed to do so.



WE ARE BRAVE

We accept challenges and take action, undertaking ambitious and transformational new projects that will enable us to grow as people and as an institution, so as to always serve customers' interests and needs in the best way possible.



WE MAKE IT POSSIBLE

In our work we are oriented to achieving the goals and targets set for us, seeking maximum agility and effectiveness.

01/5

BOARD OF DIRECTORS

Bankia's Board of Directors represents the company and has the broadest powers to oversee its management, except in matters reserved to the General Meeting of Shareholders, which is the highest decision-making body. The board is responsible for approving the strategic or business plan, the management objectives and the annual budget. It also determines the company's overall policies and strategies and supervises the work of board committees and other delegated bodies.

The board is made up of 12 directors: three executive, eight independent and one other external.

EXECUTIVE CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI

CEO
JOSÉ SEVILLA

EXECUTIVE DIRECTOR
ANTONIO ORTEGA

OTHER EXTERNAL
CARLOS EGEA

LEAD DIRECTOR
EVA CASTILLO

INDEPENDENT DIRECTORS
JOAQUÍN AYUSO
FRANCISCO JAVIER CAMPO
JORGE COSMEN
JOSÉ LUIS FEITO
FERNANDO FERNÁNDEZ
LAURA GONZÁLEZ
ANTONIO GREÑO

NON-DIRECTOR SECRETARY
MIGUEL CRESPO

NON-DIRECTOR VICE-SECRETARY
ANTONIO ZAFRA

BOARD COMMITTEES

AUDIT AND COMPLIANCE COMMITTEE

CHAIRMAN
ANTONIO GREÑO

MEMBERS
FRANCISCO JAVIER CAMPO
CARLOS EGEA
JOSÉ LUIS FEITO
FERNANDO FERNÁNDEZ

SECRETARY
MIGUEL CRESPO

APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE

CHAIRWOMAN
EVA CASTILLO

MEMBERS
JOAQUÍN AYUSO
FRANCISCO JAVIER CAMPO
LAURA GONZÁLEZ

SECRETARY
MIGUEL CRESPO

RISK ADVISORY COMMITTEE

CHAIRMAN
JOAQUÍN AYUSO

MEMBERS
EVA CASTILLO
FERNANDO FERNÁNDEZ
ANTONIO GREÑO

SECRETARY
MIGUEL CRESPO

REMUNERATION COMMITTEE

CHAIRMAN
FRANCISCO JAVIER CAMPO

MEMBERS
JOAQUÍN AYUSO
JORGE COSMEN
LAURA GONZÁLEZ

SECRETARY
MIGUEL CRESPO

BOARD RISK COMMITTEE

CHAIRMAN
JOSÉ SEVILLA

MEMBERS
EVA CASTILLO
FERNANDO FERNÁNDEZ

SECRETARY
MIGUEL CRESPO





01/6 MANAGEMENT COMMITTEE

The Management Committee is the bank's most senior management body.

CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI

CEO
JOSÉ SEVILLA

EXECUTIVE DIRECTOR AND
DIRECTOR OF PEOPLE,
RESOURCES AND TECHNOLOGY
ANTONIO ORTEGA

DG DIRECTOR OF
BUSINESS BANKING
GONZALO ALCUBILLA

DGD FINANCIAL
MANAGEMENT
LEOPOLDO ALVEAR

DG DIRECTOR OF
COMMUNICATION AND
EXTERNAL RELATIONS
AMALIA BLANCO

GENERAL SECRETARY
AND DGD OF THE
GENERAL SECRETARIAT
MIGUEL CRESPO

DG DIRECTOR OF
CREDIT RISK
MANUEL GALARZA

DG DIRECTOR
PEOPLE AND CULTURE
DAVID LÓPEZ

DG DIRECTOR
ASSET MANAGEMENT
AND INVESTEEES
FERNANDO SOBRINI

DG DIRECTOR
RETAIL BANKING
EUGENIO SOLLA

DG DIRECTOR OF
TRANSFORMATION AND
DIGITAL STRATEGY
CARLOS TORRES





01/7

SHAREHOLDER STRUCTURE

At year-end 2019, Bankia's share capital amounted to 3,069,522,105 euros, represented by 3,069,522,105 fully subscribed and paid-up registered shares, with a nominal value of 1 euro per share, all of the same class and series.

All the shares have the same voting and economic rights, no shareholder having different voting rights from any other.

The only change in the institution's share capital during the period was a reduction of 15,440,845 euros through the cancellation, on 20 May, of 15,440,845 treasury shares with a nominal value of 1 euro per share.

38.2% of Bankia's capital trades freely on the stock market, while 61.8% of the shares are held by BFA Tenedora de Acciones, Bankia's parent company, which is owned by the State through the FROB (Fondo de Reestructuración Ordenada Bancaria, or Fund for Orderly Bank Restructuring).

COMMUNICATION WITH SHAREHOLDERS

Bankia maintains various communication channels to fulfil its commitment to ongoing dialogue with shareholders, most notably the Bankia.com corporate website, the shareholder and investor newsletter, the new Shareholder Alerts subscription service, face-to-

face meetings with shareholders, the General Meeting, and the Shareholders' Office.

The bank also fosters dialogue with institutional investors. For example, the Investor Relations and Ratings Directorate took part in 10 roadshows, 19 international conferences, 9 field trips and numerous individual meetings and calls to present the bank's performance and results, answer questions and share opinions.

Apart from financial content, Bankia also offers stakeholders information on social, environmental and corporate governance matters, which is increasingly demanded by the public. In fact, 64.9% of Bankia's institutional investors apply responsible investment policies.

BANKIA'S MAIN SHAREHOLDERS BY INVESTOR TYPE

	% SHARE CAPITAL AT 31/12/2019	% SHARE CAPITAL AT 31/12/2018	Y-O-Y CHANGE (PP.)	Y-O-Y CHANGE (%)
BFA	61.80%	61.38%	0.42	0.68%
Spanish institutional	6.09%	7.04%	-0.95	-13.48%
Foreign institutional	23.07%	22.50%	0.57	2.51%
Retail	9.05%	9.07%	-0.02	-0.27%
REGISTERED SHARES	3,069,522,105	3,084,962,950	-15,440,845	-0.50%
SHAREHOLDERS	173,949	184,643	-10,694	-5.79%



At year-end, a total of 30 analyst firms actively covered and provided a target price for the Bankia share (the average price was 1.86 euros at that time). 6.67% of the recommendations were buy, 46.67% sell and 46.67% hold.

Number of shares in issue	3,069,522,105
Average daily trading volume (no. of shares)	7,701,986
Average daily trading volume (euros)	16,043,278
Share price – high (euros)	2.69
Share price – low (euros)	1.55
Quoted price at 31/12/2019 (euros)	1.90
Market capitalisation at 31/12/2019 (euros)	5,839,765,805

* Data at 31 December 2019

BANKIA'S RATING

	S&P Global	FITCH Ratings	DBRS	SCOPE
ISSUER RATINGS				
LONG TERM	BBB	BBB	BBB (high)	BBB+
SHORT TERM	A-2	F2	R-1 (low)	S-2
OUTLOOK	Stable	Stable	Positive	Stable
DATE	31-05-2019	20-12-2019	02-07-2019	09-05-2019
MORTGAGE COVERED BOND RATINGS				
LONG TERM	AA	A+	AAA	AAA
OUTLOOK	Stable	Stable	---	Stable
DATE	04-10-2019	18-12-2019	20-09-2019	12-07-2019

01/8 PEOPLE

As of year-end 2019, a total of 15,609 professionals worked in Bankia: 13,355 in the business divisions and 2,254 in central services. Of this total, 15,603 worked in Spain and six abroad.

Bankia's workforce is made up of 8,775 women and 6,834 men, with an average age of 45 and an average length of service of 19 years. 100% of the bank's professionals have an open-ended contract and 100% of them are entitled to receive variable remuneration. 100% of the professionals are covered by a collective agreement and 99.97% receive a contribution from the bank to the employee pension plan.

During 2019, a total of 28,046 of the bank's professionals and family members (spouses or civil partners and children up to age 25) were covered by the employee health insurance policy and 13,357 employees received payroll advances, loans or subsidised mortgages during the year.

Bankia set aside 310,000 euros for study assistance for its professionals. It also allocated 970,000 euros to 914 professionals for the education of their children with disabilities or for nights spent away from home, and 10.6 million euros to 10,804 professionals for their children's schooling.

During the year, 387 professionals took maternity leave and 192 took paternity leave. At year-end, a total of 85 employees were on leave of absence for personal reasons.

The percentage of women managers reached 42.68%, as against 57.32% of men. This figure includes central services managers as well as branch managers and assistant branch managers.

Bankia supports freedom of association and the right to collective bargaining. The bank respects the right of all workers to form unions and to freely join the union they choose, as well as the right to engage in union activity within the company. Accordingly, there is no discrimination against employees who do so.

At year-end 2019, Bankia had 477 union representatives. During the year, a total of 54,955 hours were devoted to union activity.

CODE OF ETHICS AND CONDUCT

Bankia has a Code of Ethics and Conduct setting out rules and standards of professional conduct that must be complied with and put into effect by all the bank's employees and directors across all the Group's activities and businesses. Enforcing standards of ethical conduct and corporate integrity is essential in order to preserve trust in, and respect for, the bank.

The code's objectives are to specify what is acceptable and unacceptable conduct for Bankia and to set out the ethical principles and general rules that must guide the conduct of the Group and its employees towards one another and towards customers, partners, suppliers and any other persons or institutions with which the bank has dealings, whether directly or indirectly.

The code is implemented at the corporate, market and personal levels. The Ethics and Conduct Committee is responsible for ensuring compliance and, for that purpose, reports annually to senior management and submits proposals for amendments to the code to adapt it to changes in the business.

EMPLOYEE PROFILE



15,609
PROFESSIONALS
WORKING IN BANKIA
AT YEAR-END 2019

13,355
PEOPLE IN
BUSINESS
UNITS

2,254
PEOPLE IN
CENTRAL
SERVICES



6,834
MEN



8,775
WOMEN



45 Years
AVERAGE AGE
OF THE
WORKFORCE



19 Years
AVERAGE LENGTH
OF SERVICE



15,603
PEOPLE ASSIGNED TO
POSITIONS IN SPAIN



6
PEOPLE ASSIGNED
TO POSITIONS
ABROAD

100%
OF PROFESSIONALS
COVERED BY COLLECTIVE
AGREEMENT

100%
OF PROFESSIONALS
WITH OPEN-ENDED
CONTRACTS

100%
OF PROFESSIONALS
ENTITLED TO RECEIVE
VARIABLE PAY



99.97%
OF PROFESSIONALS RECEIVE
BANK CONTRIBUTION TO
EMPLOYEE PENSION PLAN



01/8

PEOPLE

In disciplinary matters, the committee makes decisions within the powers and authority delegated to it in human resources and organisational matters, especially where the proposal or resolution entails disciplinary dismissal.

To supplement the Code of Ethics and Conduct, Bankia also has a Confidential/ Anonymous Whistleblowing Channel, which facilitates the flow of information and internal detection of bad practices.

This channel is managed by PwC under the oversight of the Ethics and Conduct Committee, which ensures that all reports received are assessed independently and that the information is shared only with people whose involvement is strictly necessary to investigate and resolve each matter.

Since February 2019, the communication procedure has been confidential or anonymous, at the whistleblower's choice. During the year, eight reports were received through this channel: four relating to workplace harassment, one on accounting and auditing issues, and three relating to other matters. Of these, seven were resolved and the whistleblower was notified of the decision. Only one of the reports resulted in a mild disciplinary sanction, which

was resolved with an internal reprimand.

EMPLOYEE SELECTION

Most of the vacancies that arose in Bankia during 2019 were filled internally. However, to drive the bank's ongoing transformation, there has been a need to recruit external talent to fill specific, markedly technical or technological positions (121 hired, 19% of them with an executive profile).

In the last few years 42 Bankia Dual Vocational Education and Training students have joined the bank's workforce as customer account managers, 12 of them in 2019. This programme has become one of the main drivers of talent acquisition in the bank's branches.

In addition, to equip the bank with junior talent, 141 sales managers have joined Bankia's workforce in the Individuals and Companies network.

REMUNERATION POLICY

The remuneration of each of Bankia's professionals remunerates everything that person does in the performance of his or her duties, both in the bank and in other bodies or investees. It is made up of a fixed part, linked to the level of responsibility, the job role and the principles of internal equity and external competitiveness; and a variable part, linked to the additional, extraordinary contribution in job performance and determined by the degree of achievement of agreed targets.

The variable remuneration policy helps prevent conflicts of interest that may work to customers' disadvantage, ensures compliance with the rules of conduct for the provision of investment services, and prevents incentives from arising that might lead professionals to put their own or the company's interests before those of customers.

	2019
Average employee remuneration (excluding the total annual remuneration of the highest-paid individual). (euros)	52,543
Median annual total compensation for all employees (excluding the highest-paid individual). (euros)	49,106



SAFETY AND HEALTH

Bankia has an Occupational Risk Prevention policy that is approved by the Management Committee. Any updates to this policy are reviewed each year by the Deputy General Directorate of People and Culture.

	2019	2018
Absenteeism rate	3.53%	3.24%
Occupational accident rate	0.10%	0.17%
No. of ordinary sick leaves	4,771	4,852

EQUALITY AND DIVERSITY

Bankia aspires to be recognised as an organisation that defends gender diversity by raising awareness and involving both women and men in the promotion of equality, introducing the gender perspective into the workplace, reinforcing women's leadership through promotion to managerial positions, and mentoring women to support their professional development.

Since 2016 the bank has had an Equality Plan that sets goals and measures to achieve equality treatment and opportunity for men and women and to eliminate of any trace of gender discrimination.

This plan sets out the commitment to promote access to senior management positions for the under-represented gender, so that by 2020 at least 40% of new executive vacancies are filled by people of the under-represented gender. The plan includes, in an annex, a protocol for the prevention of workplace, sexual or gender-based harassment.

To close the gap between men and women at the different management levels, the Management Committee approved the 2018-2020 Gender Diversity Plan, aimed at balancing the presence of women in management positions and ensuring sustainability in the medium term through talent identification and development programmes that guarantee women's growth.

To promote women's equality, the bank has signed the Eje&Con Code of good practice for talent management and company competitiveness improvement, renewed its commitment to the Diversity Charter until 2021, joined the Closingap Women for Healthy Economy platform, and signed the #CEOPorLaDiversidad Alliance promoted by Fundación Adecco and Fundación CEOE.

In early 2020, Bankia joined Bloomberg's 2020 Gender Equality Index, which has given recognition to the equality policies the bank has implemented in recent years.

01/8

PEOPLE

TALENT MANAGEMENT

In 2019, the challenges for People Management lay mainly in assisting the bank's cultural and digital transformation by managing talent and diversity as major drivers of change.

During the year, the talent groups were reviewed and expanded, with a view to strengthening internal talent identification and development processes and succession processes. As a result, the organisation's talent horizons were extended to more than 1,200 professionals.

At the same time, a programme was rolled out for advertising internal vacancies through the intranet, with the aim of giving the bank's professionals easier access to posts as they fall vacant. This opens up new career development opportunities and allows the bank to take full advantage of its people's knowledge, skills and expectations, consolidating the meritocratic culture and facilitating internal mobility.



€ 6.15 Million
INVESTED ANNUALLY
IN TRAINING



15,577
PROFESSIONALS
RECEIVED TRAINING

The work done during 2019 to identify talent and develop the bank's professionals resulted in a total of 268 promotions: 38 in the TOP 300 group, 56 in the TOP 600, 108 branch managers and 66 assistant branch managers. Between January and December,

a total of 135 women and 133 men were promoted internally.

A total of 48 initiatives, involving 1,018 people, were carried out to develop internal talent. They included the Senior Management programme, the



'Take the initiative' leadership programme, various development programmes for commercial network and central services managers and candidates for manager, and the 'Lidera T Leader' workshops on digital change. The newly started 'Acelera' and 'Dinamización' programmes are focused, respectively, on developing female talent and fast-tracking the bank's rising management talent.

TRAINING

Over the course of the year, more than 1.3 million hours of training were given, with a focus on digital knowledge and skills, cultural transformation, advisory and product marketing, risk management, and regulatory changes and updates.

Training was also provided to the professionals working in central services to reinforce their technical skills, while support for high-level specialised training continued to be provided through the Scholarships of Excellence programme.

Specifically, an investment fund advisory programme was launched for 2,589 financial advisors and training was provided for office managers who handle agricultural business. Also, a training plan was put in place for more than 500 branch managers in the commercial management of micro-enterprises and self-employed customers, reinforcing with practical cases the skills required for dealing with these customer groups.

Another focus in 2019 was commercial insurance training, where a learning process was carried out for branch managers and assistant managers and SME account managers to reinforce insurance product advisory skills.

To support best practices in risk management, training was provided for branch managers, covering the ten steps for credit approval, going from basic concepts such as the purpose of the financing, the parties involved and the guarantees to more advanced concepts such as the sources of repayment and the impact on the loan portfolio.

To respond to regulatory, training and certification or re-certification requirements, a set of training plans was launched, most notably a training series to allow new groups of professionals to acquire the financial advisory certification required by MiFID II and the MiFID II re-certification process.

AGILE

To underpin the organisation's cultural transformation and drive the digital transformation, Bankia is implementing the Agile framework, aimed at strengthening the customer focus, results orientation, ability to adapt to uncertainty, team empowerment, autonomy, and employee motivation and satisfaction.

During the year, Bankia launched 19 'squads' to work on Agile. These squads brought together 215 people from different units, including Technology and Business

BANKIA HAS IMPLEMENTED THE AGILE WORK METHOD TO PUT THE FOCUS ON THE CUSTOMER AND CREATE A RESULTS ORIENTATION WITHIN THE BANK.

units, to tackle objectives ranging from developing the digital marketing platform to defining a new talent development model. Two digital communities (CoDis) –customer data driven and mobile app development– remained active throughout this period.

A total of 392 people have received face-to-face training in Agile, while 4,677 professionals have been trained through digital channels.

The goal for 2020 is to set up nine digital communities covering most of the bank's strategic lines. This will involve creating 26 'squads', bringing together an estimated 465 people (both internal and external) from the business units and central services.

02/
BUSINESS
MODEL





“2019 HAS BEEN THE BEST YEAR IN TERMS OF SALES SINCE BANKIA WAS CREATED, THANKS TO OUR CUSTOMERS’ TRUST AND THE EFFORTS MADE BY THE BANK’S PROFESSIONALS”

JOSÉ IGNACIO GOIRIGOLZARRI
(FORBES, 28/01/2020)

02/1 STRATEGY

IN 2018, BANKIA PRESENTED ITS 2018-2020 STRATEGIC PLAN, AIMED AT ENHANCING EFFICIENCY AND COST CONTROL, STRENGTHENING THE BALANCE SHEET, IMPROVING BUSINESS PERFORMANCE, AND INCREASING THE BANK'S MARKET SHARES IN MORTGAGE LENDING, LENDING TO COMPANIES, CONSUMER LOANS, MUTUAL FUNDS, PAYMENT SERVICES AND INSURANCE.

STRATEGIC PLAN

2019 was the second year of the three-year Strategic Plan presented in February 2018. The four main components of the bank's roadmap are: integration with BMN; efficiency and cost control; revenue growth through increased sales of value-added products; and accelerated reduction of non-performing assets.

The plan's financial targets were calculated assuming Spanish GDP growth of more than 2% over the three years, a Euribor of 0.73% at the end of the period, and a gradual recovery of credit. The fact that interest rates are negative

has affected the goal of reaching a profit of 1.3 billion euros at the end of the period.

Over the last two years, Bankia has succeeded in capturing the synergies of the BMN merger earlier than projected and in boosting the estimated amount of the synergies from 190 to 220 million euros. The bank has also increased its pay-out ratio to 65%, up from 50% in 2018, and has continued to generate capital above the Fully Loaded CET1 ratio of 12%.

ECONOMIC FORECASTS FOR 2020

In 2020, Bankia will be operating in a Spanish economy that is still expanding, but with GDP growth easing to 1.7%. Forecasts suggest that to the extent that agents' confidence and expectations begin to stabilise or recover, the slowdown could be moderate.

Unlike in the past, the current expansionary phase is more balanced and has a sounder basis. Growth is proving compatible with the correction of the traditional macroeconomic imbalances, which tended to cut short any expansion. The economy is thus showing itself capable of growing while at the same time generating current-account surpluses and reducing the indebtedness of private agents.

Only a negative external impact could drive the country into recession.

The main external risks to this scenario include a further weakening of Spain's export markets, especially the European Union; a resurgence of protectionism; possible geopolitical tensions affecting the oil market; and the uncertainty arising from the outcome of Brexit.

BUSINESS PROSPECTS FOR THE BANKIA GROUP

Throughout the last year of its strategic plan, Bankia will continue to work to consolidate the business, with the primary aim of strengthening its competitive position, improving its profitability and growing so as to generate capital organically.

The bank will seek to grow its revenues through increased sales of high-value products and through the new lines of business it has been able to start since the restrictions imposed under the Restructuring Plan that ended in December 2017 were lifted. These businesses include real estate development financing, long-term lending to large corporations with access to capital markets, both in Spain and abroad, and other fee-generating products (project and acquisition finance).

Meanwhile, it will continue to reduce problem assets organically, so as to improve the quality of the balance sheet and free up liquidity and resources for new loans in segments in which Bankia wishes to increase its new lending and market shares.

The increase in lending will therefore be accompanied by further reductions in non-performing loans and foreclosed assets (an estimated 8.9 billion euros in the period 2018-2020).

CHANGES IN THE BANK'S MANAGEMENT TARGETS STRATEGIC PLAN 2018-2020

EFFICIENCY AND COST CONTROL	2018	2019	Strategic Plan Target
Synergies (Million euros)	130	220	190

CUSTOMERS	2018	2019	Strategic Plan Target
	Individuals/Businesses	Individuals/Businesses	Individuals/Businesses
Satisfaction	86.9% / 93.6%	90.3% / 93.6%	92% / 95%

DIGITISATION	2018	2019	Strategic Plan Target
Digital customers (percent of total customers)	45.4%	53.3%	65%
Digital sales	25.8%	36%	35%

SHARE OF LENDING AND HIGH-VALUE PRODUCTS	2018	2019	Strategic Plan Target
Balance of mortgage lending	13.22%	12.46%	12.6%
Balance of lending to businesses	7.42%	7.83%	7.7%
Balance of consumer finance	5.58%	6.08%	6.6%
Balance of Mutual funds	6.55%	7.05%	7.2%

MIX OF STOCK OF PERFORMING LOANS	2018	2019	Strategic Plan Target
Housing	64%	61%	58%
Consumer finance	4%	5%	5%
Businesses and real estate developers	31%	34%	37%

BALANCE SHEET QUALITY	2018	2019	Strategic Plan Target
Reduction of non-performing assets* (Billion euros)	5.9	8.4	8.9
NPL ratio	6.5%	5.0%	3.9%
Coverage ratio	54.6%	54.0%	~ 56%

* Reduction of non-earning assets accumulated since December 2017.

02/1

STRATEGY

RESPONSIBLE MANAGEMENT PLAN

In 2019, Bankia started its 2019-2020 Responsible Management Plan, aimed at driving the bank's leadership in the area of sustainability. This plan, founded on sound corporate governance, has four strategic lines of action:

1. Customer satisfaction and customer relationship.
2. Sustainable development and transition to a low-carbon economy.
3. Talent and commitment.
4. Support for society.

In total, there are 57 projects and initiatives in progress that contain 129 specific targets and involve 17 management units. In 2019, 80.7% of the projects have been completed having achieved their target or are at a positive stage of development.

To monitor the Responsible Management Plan, Bankia has a specific dashboard, which is reported quarterly to the Responsible Management Committee and semi-annually to the Appointments and Responsible Management Committee, made

up of four independent directors, so that decisions can be made and action plans designed based on the results obtained.

During 2019, this committee analysed and/or approved or discussed the following topics:

- Responsible Management Plan.
- Application, requirements and reporting of the Non-Financial Information Act.
- Climate change training.
- Adaptation to TCFD recommendations.
- Human Rights due diligence.
- Strategy and reporting of contribution to SDGs.
- Signing of the Principles for Responsible Banking.
- Result of the Reputational Risk Assessment.
- Results of the main analysts and sustainability indices.
- Proposal for improvements and projects to be carried out.
- Adoption of the Collective Commitment on Climate Action.
- Agreements reached at COP25.

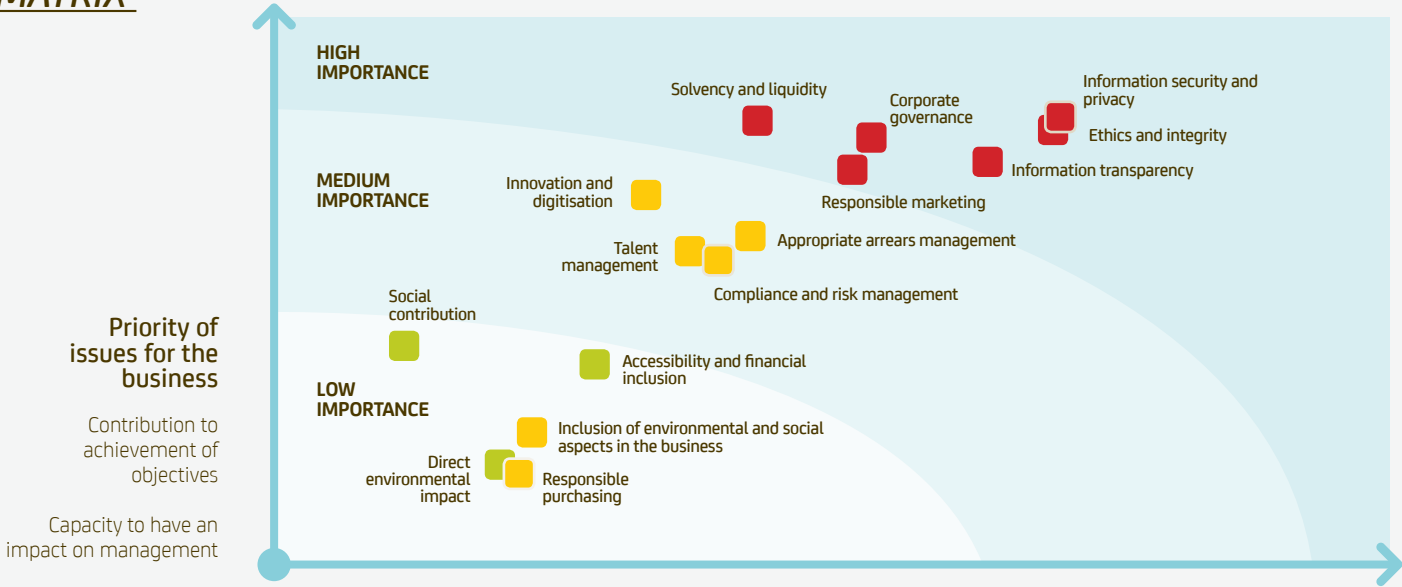
MATERIALITY

Over the course of 2019, the bank conducted another materiality exercise to identify the most relevant issues to stakeholders. Stakeholders consider that Bankia's overall reputation has improved in recent years, thanks to having a management team that has proven its professionalism, independence of political influence and commitment to high ethical and social standards; the absence of reputational crises; its public status, which ensures closer supervision compared to other banks; and the efficiency it has shown in its response to the crises suffered by the financial sector.

The issues that matter most to stakeholders are information security and privacy, ethics and integrity, information transparency, and corporate governance. Also included among the priorities are responsible marketing, and solvency and liquidity.



MATERIALITY MATRIX



RANKING OF MATERIAL ISSUES

(Order of importance for Bankia and for stakeholders)

- INFORMATION SECURITY AND PRIVACY
- ETHICS AND INTEGRITY
- INFORMATION TRANSPARENCY
- CORPORATE GOVERNANCE
- SOLVENCY AND LIQUIDITY
- RESPONSIBLE MARKETING
- APPROPRIATE ARREARS MANAGEMENT
- INNOVATION AND DIGITISATION
- COMPLIANCE AND RISK MANAGEMENT
- TALENT MANAGEMENT
- ACCESSIBILITY AND FINANCIAL INCLUSION
- SOCIAL CONTRIBUTION
- INCLUSION OF ENVIRONMENTAL AND SOCIAL ASPECTS IN THE BUSINESS
- RESPONSIBLE PURCHASING
- DIRECT ENVIRONMENTAL IMPACT

RISK LEVEL (1)

- HIGH
- MEDIUM
- LOW

1) The risk level represented is explained by the stakeholders' reaction or attitude towards Bankia if the bank disappoints their expectations on each issue.

02/1

STRATEGY

INNOVATION

Innovation has become an enterprise-wide lever for Bankia's organisation to assist the creation of new business models and the development of products and services that make life easier for customers, without neglecting profitability, sustainable development or the bank's contribution to society and the environment.

The bank's Corporate Innovation and Cyber Security Directorate is implementing a Strategic Innovation Plan. Trend and competition analyses have helped build a portfolio of innovation challenges. Areas the bank has studied and analysed – and in many cases has embraced and is scaling up to the entire organisation – include artificial intelligence, chatbots, virtual assistants, roboadvisoring, robo4Advisoring, agile, neobanks, payments and P2P lending.

Among the main innovation projects undertaken in 2019 are the development of startups to implement new projects in the banking sector; support for fintech through financial investment products; the development of new models of customer communication that improve the bank's customer response and support; and the incorporation

of new technologies, such as blockchain, in the development of innovative projects in the field of sustainability.

BANKIA FINTECH

Bankia Fintech by Innsomnia, a project driven by Bankia and managed by Innsomnia, has established itself as Spain's largest open innovation centre. Headquartered in the Valencia Royal Marina, in 2019 it expanded its capacity with the opening of new offices in the centre of Madrid.

Since 2016, Bankia Fintech by Innsomnia has issued five national and international calls for proposals, with a total of 493 applications submitted and 65 national and international projects selected for development.

The aim of the programme is to encourage collaboration between startups and Bankia in meeting their strategic challenges, addressing technological change as an opportunity and developing proof of concept and minimum viable products that can be incorporated into the bank's production and management.





In investment, Bankia has created the Bankia Fintech Venture fund, through which it aims to invest up to 20 million euros over a period of five years in fintech projects carried out by financial startups.

IN 2019 BANKIA OPENED THE FIRST OFFICIAL WHATSAPP ACCOUNT FOR A BANK IN SPAIN.

WHATSAPP AND GOOGLE ASSISTANT

Bankia has opened the first official Whatsapp account of any bank in Spain, to give its customers an easy and convenient way of contacting the bank. Initially, the account is being used to answer questions and respond to inquiries about mortgages, although the aim is to expand the service offered by this channel and incorporate other products.

The bank is also present in the virtual voice assistants of Google (Google Assistant) and Amazon (Alexa), offering a service to help customers and non-customers find branches or ATMs nearby or at a certain address or location.

COMMITMENT TO ENVIRONMENTAL PROTECTION

In collaboration with Aenor and Everis Ingeniería, Bankia has launched a project to create a national market for the generation and exchange of carbon credits. The platform allows individuals or companies wishing to offset their carbon footprint to access carbon credits generated in projects in Spain.

In this project, for which it has become a member of the World Bank's advisory group, Bankia contributes its Stockmind asset tokenisation platform, which uses blockchain technology to create an immutable registry that avoids double counting of GHG emission reductions, bringing transparency to the exchange and clearing of verified credits.

Besides acting as financial intermediary and facilitator of the CO₂ Market Place tool, Bankia will be able to create specific financial products for real estate developers who support the energy transition by carrying out emission reduction projects in Spain.

This initiative is expected to be operational and officially launched in May 2020 at the Innovation4Climate fair to be held in Barcelona.

02/1

STRATEGY

DIGITAL TRANSFORMATION

To further promote the transformation programme set out in the 2018-2020 Strategic Plan, the Digital Transformation and Strategy Directorate has continued to develop and implement the 2019-2020 IT Plan.

The main digital transformation tasks set out in that plan are:

1. Plan to evolve the digital channels.
2. Process redesign.
3. Artificial intelligence.
4. Chat assistants.
5. Optimisation and evolution of platforms.
6. Advanced analytics.

In this context, demonstrating the bank's strong commitment in this area, in January 2019 Bankia created the Deputy General Directorate for Transformation and Digital Strategy, whose mission is to put the bank at the forefront of digitisation in the industry. The bank therefore adopts a responsible approach in all its initiatives, giving priority to privacy and proper handling of customer data.

PLAN TO EVOLVE DIGITAL CHANNELS

During 2019, further development was done on Bankia Online, adding capabilities such as the possibility of aggregating products from other banks, single signature for procurement processes, a vehicle leasing simulator, and a benefits and contributions simulator for pension plans. Added to this was the launch of a new channel, Bankia Online for the Self-Employed, and an overhaul of Bankia Online Empresas.

The bank's digital insurance business has been reinforced with the launch of a range of online car insurance, which will be enriched during 2020 with other products, including payment of insurance in instalments, home insurance, life insurance and consumer credit protection.

Efforts have also been channelled into the development of digital financing products (Préstamo_ON and Hipoteca_ON) and digital investment products (portfolio management through Bankia Gestión Experta Online).

PROCESS REDESIGN

Work continued on the implementation of new digital signature processes, customer onboarding via video ID (not only in the digital channels but also in branches, with the installation of digital totems), and new operational processes that have made it possible to start to remove paper printers from branches.





ARTIFICIAL INTELLIGENCE

Over the course of 2019, Bankia promoted the development of artificial intelligence with a view to improving efficiency and customer service. This has been done by identifying cases that offer scope for relieving employees of administrative tasks or gaining a better understanding of customer problems in the bank's processes as a whole.

New capabilities have been added to the cognitive platform, so as to benefit from economies of scale in new artificial intelligence projects. These new cognitive capabilities relate mainly to artificial vision and natural language processing and are built as a robust, centralised system designed to meet customers' needs.

Bankia has expanded the cognitive platform with various new capabilities, including an initiative aimed at better understanding the interactions that take place in the customer service centre, so as to improve customer satisfaction.

CHAT ASSISTANTS

During the year the bank began deploying an ecosystem of chat assistants aimed at improving the customer and employee experience and achieving greater efficiency.

OPTIMISATION AND EVOLUTION OF PLATFORMS

The API platform has been used to give strong impetus to the Open Business solutions the bank offers its business and personal customers, which are expected to deliver significant results during 2020.

At the same time, Bankia has continued to expand its multi-cloud platform, which currently includes the largest public cloud providers in the market. Through this platform the bank is able to achieve an optimal balance of agility, scalability and cost reduction in digital channels, while maintaining data security and regulatory compliance.

ADVANCED ANALYTICS

One of the main pillars of Bankia's digital transformation is the use of advanced analytics based on Big Data technologies. The marketing and sales process has been enhanced by using the knowledge generated from data to interact with customers at the most appropriate time and in the most appropriate channel and context.

Using this knowledge, the bank is able to respond to customers' actions with personalised, contextualised communications. This helps generate a differentiating customer experience based on knowledge and support.

Supplementing this scenario is a new system for analysing customer behaviour in digital channels, which is used to understand how and when customers use these channels, what types of transactions they carry out and what happens in the purchase process. Based on that information we can then offer them the products and services that will best meet their needs.

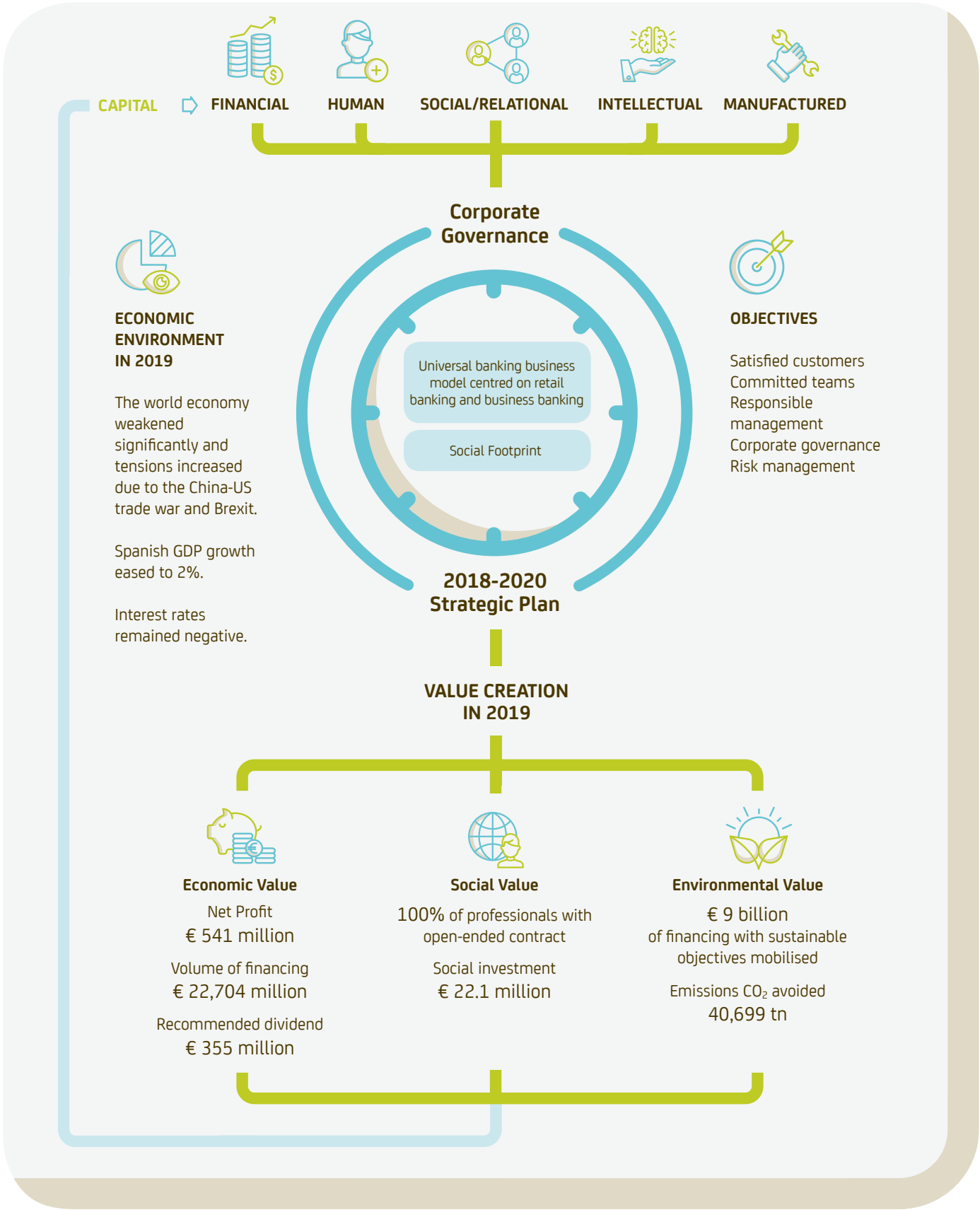
02/2 VALUE CREATION

Bankia's main objective as a financial institution is to generate value for its shareholders, which will enable it to make further progress in repaying the aid received from the State. Generating value requires listening to stakeholders and meeting their needs, because no

company can grow sustainably if it ignores the demands of society, its customers and its professionals. For that reason, the bank has transparent corporate governance, manages risk appropriately and conducts its business in a responsible manner.

*BANKIA HAS PAID BACK
3,303 MILLION EUROS
OF THE STATE AID
IT RECEIVED.*





02/3 BUSINESS MODEL

Bankia has a multi-channel business model in which the customer is at the centre of its strategy.

The bank sets out its commitment to customer responsibility in the Code of Ethics and Conduct, the Responsible Management Policy and the Responsible Marketing Code, which specifies how responsible behaviour should be reflected in a tangible way in daily operations by offering and marketing products and services suited to each customer profile and tailored to customers' needs.

People and technology are the cornerstones of Bankia's business and its ultimate goal is customer satisfaction.

To achieve this, the bank relies on active listening for its customers' needs, improves its processes to serve customers efficiently and adapts its distribution models to deliver the best service.

For Bankia it is vital to protect its customers and have a complaints system that prevents, detects, corrects and minimises any risk of non-compliance with the obligations that apply to the bank.

For this reason, it has a Customer Service Policy designed to foster a good relationship with customers, seeking to preserve their trust, offering them protection and responding to their complaints and claims.

In 2020, the bank will increase information transparency, implement notifications to customers informing them about measures to prevent fraud in payment services, and improve the processing of physical documentation.

The customer service function will also have to deal with new legal criteria, possible retroactive decisions on consumer contracts, and further regulatory changes pending approval.



90.3%
RETAIL CUSTOMER
SATISFACTION



93.6%
BUSINESS
CUSTOMER
SATISFACTION WITH
THEIR RELATIONSHIP
MANAGER



94.7%
BUSINESS CUSTOMER
SATISFACTION WITH
THEIR BUSINESS
BANKING CENTRE



92.2%
CONNECT WITH YOUR
EXPERT CUSTOMER
SATISFACTION

	2019	2018
No. of complaints received from customers	43,206	54,366
No. of complaints accepted for investigation	41,304	51,823
No. of complaints resolved in the customer's favour	16,756	15,203
Amount of compensation paid for customer complaints (million euros)	5.1	6.3
Average response time for accepted customer complaints	9 days	19.8 days

Bankia's business model is structured in seven lines:

1. RETAIL BANKING

Retail Banking operates under a universal banking model, with the aim of acquiring new customers, increasing the loyalty and satisfaction of existing customers and deepening the customer relationship.

To improve customer service and personalisation, Bankia offers customers the possibility of interacting with the bank through any of its channels: the branches, the Connect with your Expert service, or digitally (Bankia Online, Bankia App and Bankia Online Autónomos).

With its new positioning, under the slogan 'That simple', Bankia is committed to delivering best-in-class services to its customers, financing its customers better and making life easier for them.

In 2019, the 'Por Ser Tú' programme helped towards this goal by giving almost 4.3 million of Bankia's individual and SME customers an exemption from fees for the services provided. In 2020, this programme will introduce new criteria with a view to increasing the number of loyal customers and building sustainably profitable relationships.

RETAIL CUSTOMER PROFILE



MEN

48.3%

PERCENT OF CUSTOMERS

49 years

AVERAGE CUSTOMER AGE

17.3%

PERCENT OF VERY LOYAL CUSTOMERS



WOMEN

51.7%

51 years

13.6%



7,386,168
NO. OF ACTIVE RETAIL CUSTOMERS

02/3

BUSINESS

MODEL

	2019
No. of customers with free exemption	4,266,441
No. of new direct income deposits (salary or unemployment benefit)	439,443
Total no. of customers with direct income deposit	3,491,855

Bankia thus continues to improve customer experience levels and will reward customers who have a closer relationship with the bank by offering them exemption from bank fees in return for direct income deposit or if they meet one of the following three conditions: two purchases per month paid by credit card; 135 euros in risk insurance premiums; or 30,000 euros in mutual funds, individual pension plans or savings insurance.

In this new framework of relations, the bank offers its customers the best services on conditions that are easy to understand and easy to comply with. Moreover, it specially targets the youth segment, who will pay no fees for the main services either.

The bank offers a wide range of products and services to suit to all customer profiles, taking the balance of risk and return into account. They include:

- Products that generate a positive impact, such as the 'dog friendly' account and card, funds with socially responsible investment criteria, and accounts with no fees for the young customers segment.
- The Bankia Gestión Experta portfolio management service has more than 3 billion euros of assets under management, with high returns for all portfolio profiles.
- Advances on salary through a preapproved line of credit for customers with direct salary or pension deposit and the Préstamo_ON loan.
- Hipoteca_ON mortgage loan with no fees, which can be set up without having to go to a branch. In 2019 the 'No-Fees'

Mortgage offering was expanded and accounted for 73% of total new mortgage lending during the year. At the end of December, new mortgages reached 2,937 million euros. Some 33% of those mortgages were for new customers.

- 'Equal Flat Rate' instalment payment service for grouping and splitting insurance policies into monthly instalments.

In October, Bankia and Crédit Agricole received authorisation from the Spanish Ministry of Economy and Enterprise, allowing their joint venture, SoYou, to operate as a specialised credit institution (EFC) in Spain. Bankia has a 49% share in SoYou, with Crédit Agricole Consumer Finance holding the remaining 51%.

Bankia will continue to pursue its consumer credit activity based mainly on pre-approved loans. The new joint venture will give it access to points of sale, thus expanding its business.



SoYou will start operating mainly in point-of-sale financing of new and second-hand vehicles, as well as other goods and services. Subsequently, it will start providing personal loans to end customers. It will offer 100% digital solutions for referrers and for product and service procurement processes.

During 2019 Bankia also implemented the plan to develop digital channels, incorporating car insurance and the classification of Personal Finance Management expenses and revenues into categories, with personalised alerts to help customers manage their household economy and with the possibility of including information on balances and movements in accounts held with other Spanish banks in their overall position.

Online leasing was introduced, and also an account transfer service for customers who wish to transfer their account from another bank, with Bankia's account managers handling all the formalities, including the transfer of any direct deposit and direct debit arrangements associated with the account. New features were developed for the mobile app, cross-border payment and credit transfer operations were improved, and Bankia Gestión Experta Online was launched.

Home insurance and single-premium personal loan insurance are expected to be available via Bankia Online and the app in the first quarter of 2020.

2019 also marked the take-off of mobile payments. More than 660,000 Bankia customers have their cards associated with Bankia Wallet, Apple Pay, Samsung Pay or

Google Pay. 6.6% of card purchases are made using this mobile technology.

The agreement with PayPal remains in full force and customers who have linked their account through Bankia already account for 11% of all PayPal purchases using a Bankia card. Meanwhile, Bizum has reached 780,000 users and e-commerce sites have included it as a new payment method.

Credit and debit cards, in-store transactions and online purchases also performed well and the instant payments service already accounts for 54% of the total transfers made in the bank.

	2019
No. of cards issued (million)	9.31
No. of contactless cards (million)	7.16
Value of e-commerce card transactions in Retail Banking (million euros)	3,434.9
No. of POS terminals	170,327
Value of card transactions (Bankia total, million euros)	30,981
Downloads of Bankia Wallet app	712,411

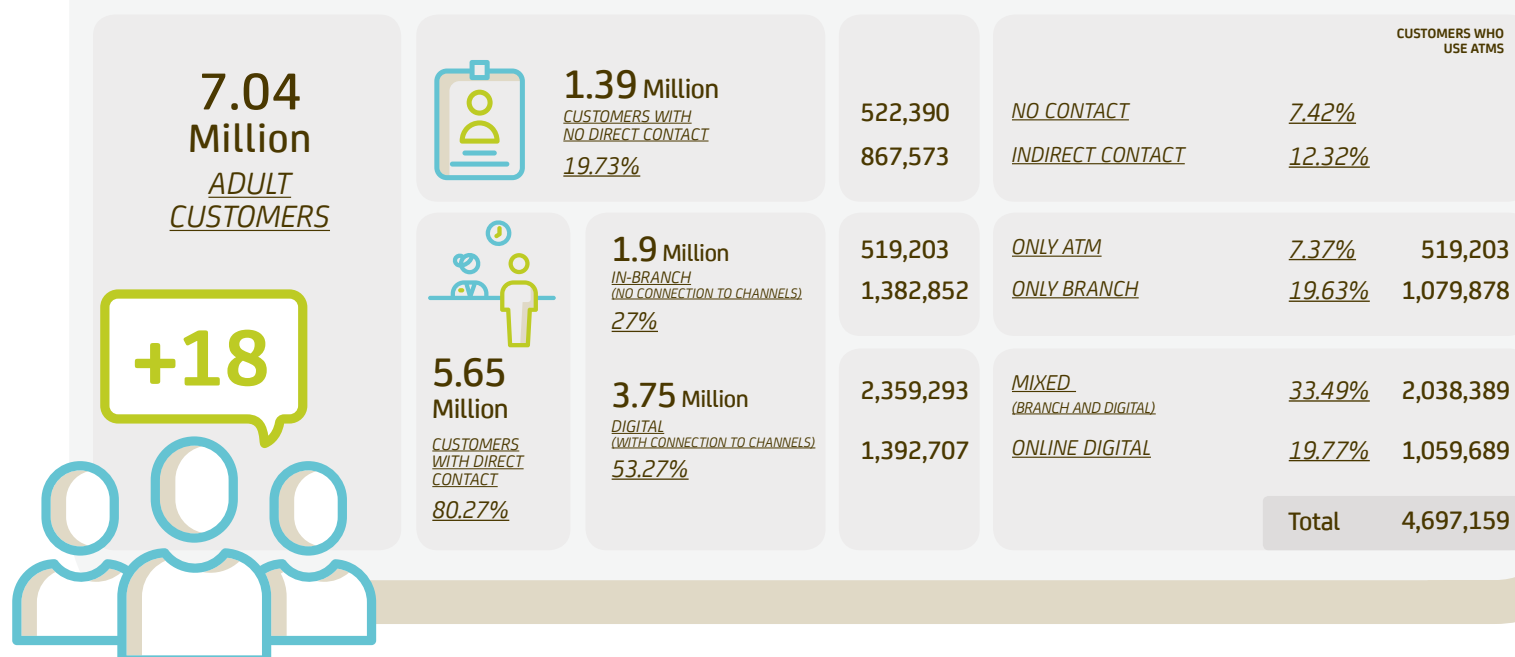
02/3

BUSINESS

MODEL

HOW INDIVIDUAL CUSTOMERS RELATE TO BANKIA

* Data on active customers of legal age.



2. BUSINESS BANKING

Business finance is a strategic business line for Bankia, which supports entrepreneurial activities on all scales, from SMEs to large corporations. In 2019, the bank maintained its financing for Spanish businesses, reaching a market share of 7.83%.

A total of 17,042 million euros of credit was granted to self-employed professionals, SMEs, real estate developers and companies in more than 47,153 individual transactions.

Within this segment, already 273,447 self-employed customers enjoy the benefits of the 'Por Ser

Tú' programme. This customer group also receive assistance through the Connect with Your Expert service. At year-end 2019, this latter platform had a portfolio of 46,301 self-employed customers.

As the self-employed are a priority group, the bank has

increased the number of account managers devoted to **self-employed professionals and retail establishments**. They are divided between SME account managers (for companies with sales of one million euros or more), business account managers (up to one million euros), retailer account managers (for retail clients in high-traffic retail areas)

	2019
No. of self-employed customers	533,738
No. of self-employed customers in the 'No fees' programme	273,447
Volume of financing granted to self-employed customers (million euros)	230.2
Market share of self-employed customers	16.20%



	2019
No. of SME customers	201,423
No. of SMEs customers in the 'No Fees' programme	44,553
Market share of SME customers	13.30%
Volume of financing granted to SMEs (million euros)	3,456

and retail branch managers (for all other self-employed and retail customers).

The growth in turnover was 12.8% with retail establishments and 22% with e-commerce customers.

Adaptations are being implemented to meet PSD2 requirements and be able to offer retailers a robust, low-friction solution that maximises transaction acceptance levels.

Throughout 2019, Bankia worked to remain the bank of choice for **SMEs**, resulting in a total of 3,456 million euros of financing transactions during the year.

In Business Banking, **agribusiness** has become another strategic sector for Bankia. Already the bank has 374 branches with an agribusiness specialist to attend to this type of customer and has appointed agribusiness managers to six of the twelve Regional Directorates that have the highest turnover in this segment. In 2020 the bank has started a plan to boost its market share in this business over the next few years.

48.9% of customers in the agriculture and livestock sector benefit from the bank fee exemption under the 'Por Ser Tú' programme, merely for having social security, taxes or farm subsidies paid by direct debit or direct deposit.



67,030
NO. OF AGRIBUSINESS
CUSTOMERS (BUSINESS
ACTIVITY)



32,778
NO. OF AGRIBUSINESS
CUSTOMERS IN THE 'NO FEES'
PROGRAMME



4,265.08
VOLUME OF FINANCING
(MILLION EUROS)



381
TOTAL NO. OF
AGRIBUSINESS ACCOUNT
MANAGERS

02/3

BUSINESS

MODEL

	2019
No. of Business Banking customers	29,697
No. of business account managers	216
Business Banking penetration rate	39%
Volume of credit granted (new lending) to business customers (million euros)	12,629
Volume of funds managed for Business Banking customers (million euros)	5,370

In 2019, the profile of the customers included in the companies portfolios was reorganised, migrating those with sales of more than 6 million euros to **Business Banking** and Corporate Banking, so as to optimise Bankia's SME business segment and right-size the advisory service by increasing the number of specialised account managers.

Business Banking has a total of 29,697 customers, a penetration rate of 39% and a loan book of 12,629 million euros. The volume of managed customer funds of Business Banking customers reached 5,370 million euros.

In **Corporate Banking**, Bankia achieved a notable increase both in its stock of loans to customers and in its market share. In 2019, the stock of credit to Corporate Banking customers reached 16,963 million euros, up 7.2% on the previous year.

Besides improving its product and service offering during the year (with the Solucionadora Empresas 'Certification' and 'Energy efficiency' tools, the increase in instant transfers and the digitisation of Bankia renting), the bank also opened a new representative office in Casablanca (Morocco) to support and advise its clients' foreign trade activities. This office joins those already operating in Havana (Cuba) and Shanghai (China).

In foreign trade, meanwhile, the bank increased its activity by 6%, reaching 14,200 million euros in 2019. This increase pushed

the bank's share of documentary credits up 53 basis points, to 12.44%.

In 2019, Bankia confirmed its position as the market leader in the distribution of the 'ICO Exportadores' export credit line, with a 70.34% share and 747 million euros of credit granted. Overall, it ranks second in the volume of ICO financing it has channelled to Spanish companies, with year-on-year growth of 29%.

As an **intermediary for multilateral development banks**, Bankia is very active in financing projects with European Investment Bank (EIB) funds, through the 'EIB SME and Midcap' and 'EIB Agrifood' facilities, which offer clients competitive advantages in price. During 2019, in collaboration with the European Investment Fund (EIF), Bankia continued to market the EIF's Innovfin credit line, launched



in mid-2018 and intended for financing innovation projects. A total of 127 million euros of financing was granted during the year.

Also in 2019, the bank launched the 'EIB Youth Employment' line, which has a strong social component, as it provides financing to companies that create jobs for young people.

3. CAPITAL MARKETS

In 2019, the fixed-income origination, market making, debt advisory, M&A and special transactions businesses were grouped under the **Corporate Finance Directorate**, reinforcing the bank's origination, structuring and specialized distribution capacity to help corporate customers attract alternative investment and access non-bank financing, supplementing the offer of traditional financial services for corporate and Business Banking customers.

In the fixed-income markets, Bankia acted as placement agent in 17 deals by Spanish private companies and public sector issuers, placing 8,650 million euros of debt among Spanish and international institutional investors. Major deals included the issues in several tranches by Abertis in March and July,

and issues marking the return to capital markets of regional governments, including the Junta de Castilla y León and the Government of the Balearic Islands.

In private placements, the bank placed a number of attractive issues, some in sustainable format, for clients including the Community of Madrid, the Principality of Asturias, ACS and Acciona.

In Financial Advisory, the Mergers & Acquisitions and Alternative Finance teams closed five deals in renewable energy, residential homes for the elderly, rolling stock leasing and food sectors. The bank also structured and distributed tranches of long-term debt in acquisition finance deals for international institutional investors.

By working closely with the EIB, Bankia's **Distribution Directorate** was able to sign a pioneering 300 million euro 'green mortgage' facility, the first of its kind in Europe, while also marketing the EIB's SME, Agribusiness and Innovation facilities, together with the EIB youth employment facility.

A major milestone for the **Derivatives Directorate** during 2019 was Bankia's registration as a member of the Madrid, Barcelona and Valencia Stock

Exchanges, the LATIBEX market and the Alternative Equity Market (MaB), allowing it to channel its customers' orders for the purchase or sale of securities on the domestic market directly to the stock exchange, without intermediaries.

As a result, Bankia now carries out all the value chain processes—trading, execution, clearing, settlement and custody—in the area of Spanish equity securities.

In **syndicated loans**, the bank took part in more than 100 deals during 2019 and was the market leader in project finance. Bankia helped to finance 1,527 MW of renewable energy, including wind, solar PV and solar thermal energy projects, providing 276 million euros of financing.

02/3

BUSINESS

MODEL

In acquisition finance, Bankia was the leader in deal structuring and underwriting, focusing on medium-sized companies and positioning itself as the financial institution of choice for the provision of banking services to these customers.

At the same time, the bank was actively involved in the financing of residential and non-residential real estate asset transactions (shopping centres, offices, student, residences...) Specifically, it financed the construction of more than 3,500 homes in Spain and various build-to-rent projects aimed at the rental market.

In non-residential real estate assets, the bank financed various projects in the shopping centre, hotel, office, student residence and logistics sectors.

4. PRIVATE BANKING

In 2019, interest rates fell to levels unforeseen at the beginning of the year, giving rise to major revaluations in the more conservative profiles in response to a significant rise in the profitability of fixed income, combined with the strong performance of equity shares. However, this very positive situation for diversified investors has brought about a paradigm shift for more traditional savers, owing

to the declining return on bank deposits.

In this context, Bankia Banca Privada offers its clients an open investment fund architecture, multi-asset portfolio management, a continuous offer of structured bonds, and various private equity alternatives for certain profiles. It also provides them with products related to responsible and sustainable development, technology and innovation, such as the Bankia Megatendencias fund.

	2019
No. of Bankia Banca Privada clients	10,628
No. of portfolios	7,938
Business volume (million euros)	7,313
No. of account managers	83





Bankia Banca Privada's business volume grew nearly 13% in 2019, while customer experience improved, advisory services were extended to a larger number of customers, and customers were offered the possibility of working with Banca Privada without changing their accounts in the retail branch network.

The private banking division continued its geographical expansion with the opening of a new branch in the Canary Islands and moved its headquarters to Calle Marqués de Villamejor, 7, in Madrid, not far from Plaza 53, Bankia's flagship branch.

The challenge for 2020 is to improve systems so as to provide more comprehensive, higher quality information, develop new platforms for the launch of specialised investment services within portfolio management, and continue to develop products and services that deliver best-in-class returns.

5. ASSET MANAGEMENT

Bankia groups all the collective investment management activities of its retail and institutional clients under the Bankia Asset Management brand, which is divided into two units: Global Investment and Commercial.

Global Investment encompasses all the investment activities and has overall responsibility for activities relating to mutual funds, occupational and individual pension plans, SICAVs and portfolio management. The Commercial division is responsible for bringing mutual fund and pension plan investors into the service, so as to enhance the bank's after-sales service.

Bankia Fondos manages collective investment schemes, i.e. investment funds and SICAVs. In 2019, it reached 19,497 million euros of assets under management, having added 2,639 million during the year. Bankia thus ended the year as the industry leader in net new funds, with 1,543 million euros of new funds and 368,692 new unitholders. In 2019, Bankia Fondos added 100,000 new contracts with unitholders, reaching almost one million contracts.

Over the year as a whole, Bankia Fondos grew at a rate of 15.7%, much faster than the sector as a whole (7.4%). As a result, its market share ended the year at 7.05%, up 50 basis points. Bankia Asset Management has thus established itself as the fourth largest Spanish investment manager in the Inverco ranking.

Much of this growth is attributable to the success of Bankia Gestión Experta, the investment fund portfolio management service launched in March 2018, which has 3,433 million euros of assets under management. This service manages 80,420 portfolios, with average assets per portfolio of 42,688 euros.

The best returns were obtained by the Tranquila portfolio (5.94%), Equilibrada portfolio (10.62%), Creciente portfolio (15.74%) and Avanzada portfolio (19.42%). This service is now available in the digital channel, Bankia Gestión Experta Online, launched in November 2019.

Another pillar of the asset management business is risk-profiled funds. Bankia offers its customers two ranges of risk-profiled funds, Bankia Evolución and Bankia Soy Así, each with conservative, moderate and dynamic profiles. As of December 2019, these funds had 8.5 billion euros of assets under management, representing 43.6% of total assets under management.

02/3

BUSINESS

MODEL

Building on its commitment to sustainable products, in 2019 Bankia Asset Management launched the Bankia Mixto Futuro Sostenible fund, which invests a maximum of 30% in equity and has a positive impact on six SDGs.

Looking to 2020, Bankia Fondos plans to improve its products and services following the principle of prudence and risk control, expand its portfolio management service, reinforce and stimulate socially responsible investing, and provide customers with the tools they need in order to continue to choose the products and services that best match their profile.

Bankia Pensiones, meanwhile, has 8,243 million euros of assets, distributed among personal, occupational and associated pension plans. In 2019, it launched the VIVE life-cycle pension plans, which offer customers a financial solution adapted to their age. The risk of the portfolio in which these plans invest is adjusted appropriately as the investor's retirement age approaches.

The growth in personal pension plans was assisted by the launch of the Bankia Protegido Rentas Premium XI, Bankia Protegido Rentas Premium XII and Bankia Protegido Rentas Premium XIV

guaranteed pension plans, with total assets of 45 million euros.

Bankia's market share in personal pension plans at year-end 2019 was 7.93%. Total pension plan members stood at 856,141 and the volume of assets managed reached 8,243 million euros.

6. BANCASSURANCE

Bankia's Bancassurance Directorate distributes life and non-life insurance and provides specialised support to the bank's sales network in relation to insurance for households (life, home, auto, deaths, health and savings) and companies (trade, credit, data protection and cyber risk, general liability and comprehensive).

In 2019 this business area posted 530 million euros of net premiums written, thanks to growth in new business, with increases of 24% in life business and 29% in non-life.

Sales of business insurance also increased during 2019, the strongest performers being general liability (+28%) and credit (+59%). The total number of risk and savings policies in place stood at 2.6 million and the number of risk and savings bancassurance customers reached 1.6 million.

A milestone of 2019 was the integration of BMN Brokerage with Bankia Brokerage after the merger with BMN in 2018.

On the distribution front, the Bancassurance division launched the first fully digital vehicle insurance service, in which the customer can simulate and purchase car insurance directly via Bankia Online. It also started to market products for homeowner associations, recreational craft and agricultural machinery.

In 2020, Bancassurance will work to cross-sell insurance as a driver of loyalty among Bankia's individual and business customers. It will also work to continuously improve sales dynamics, develop online sales in the various business lines, and reinforce sales tools and actions that will boost the productivity of the bank's bancassurance professionals.



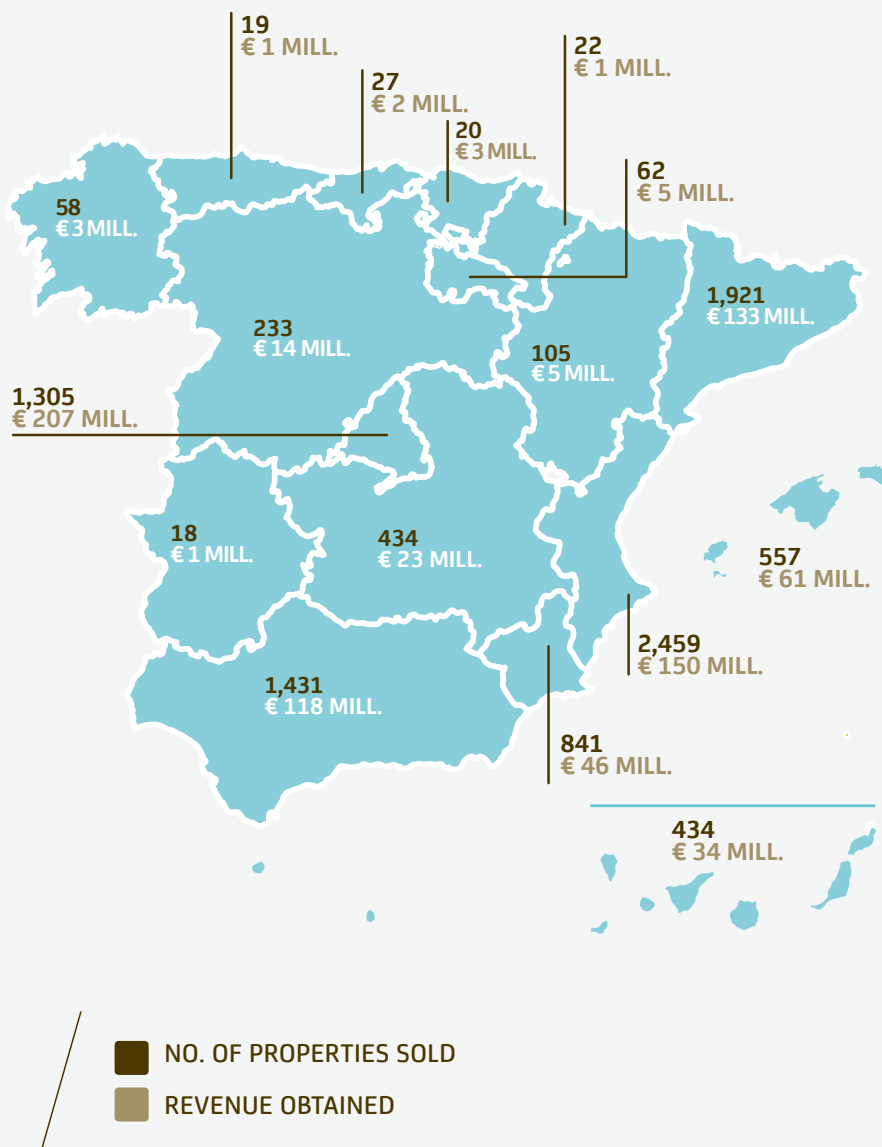
7. REAL ESTATE ASSETS

Since it was created in May 2016, the Property Management Directorate has had the mission of reducing the balance of non-performing assets, with minimum impact on the income statement, by coordinating sales and preparing packages of assets that can be sold outside the retail circuit.

For this purpose the directorate has improved the quality of the available information, so as to give greater visibility to the stock of assets, and collaborates with other areas of the bank to expedite the sale of newly foreclosed properties.

As of 31 December 2019, the property management activity had contributed 808 million euros to the bank, with the sale of 9,946 real estate assets (of which 7,399 were homes).

MAP OF SALES BY AUTONOMOUS COMMUNITY



02/4

BUSINESS

MAP

With the integration of BMN, Bankia strengthened its position as Spain's fourth largest financial institution, with a market share of 9.97% at the end of September 2019.

At that same date (the latest for which information is available), the market share was 9.15% in retail branches, 11.79% in card transactions and 6.56% in risk insurance.

At December 2019, the bank had a share of 12.46% in mortgages, 10.91% in loans to households and 11.01% in household deposits. Its share of mutual funds rose from 6.55% to 7.05%, while the share of personal pension plans stood at 7.93%.

The bank's multi-channel business model allows customers to interact with the bank through various channels:

PHYSICAL BRANCHES

Bankia ended the year with a network of 1,656 universal banking branches, 374 perimeter branches, 125 agile branches, 29 recovery centres and 16 private banking branches. A total of 115 of these branches are in sparsely populated areas.

CONNECT WITH YOUR EXPERT

A total of 749,881 customers used this service during 2019. Connect with your Expert has 571 specialised account managers.

DIGITAL CHANNELS

Bankia has 3.7 million digital customers. In 2019, the number of Bankia Online users reached 3.21 million, while the number of Bankia Online Empresas users grew to 191,190. The number of customers using the Bankia app reached 2.8 million and the number of transactions carried out through the app came to 32.1 million.

ATMS

Between January and December 2019, a total of 268.44 million transactions were carried out through Bankia's ATM network, which has 5,361 terminals, 5,080 of which are equipped with an audio system and 4,494 with NFC technology. The bank maintains 535 ATMs in sparsely populated areas of Spain.

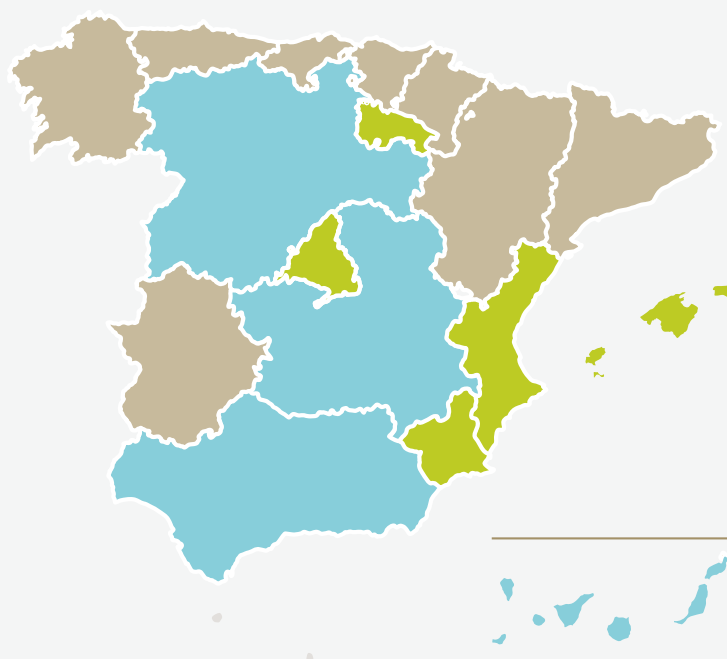
OFIBUS SERVICE

These 14 mobile branches bring financial services to almost 250,000 people at risk of financial exclusion in 373 small towns and villages across six autonomous communities. The Ofibuses also cover cultural and sporting events, such as the Madrid Book Fair or the World Motorcycle Grand Prix in Cheste. In 2019, the Ofibus service provided banking facilities to participants and attendees at the Climate Summit (COP25).

Bankia

BUSINESS VOLUME MARKET SHARE BY AUTONOMOUS COMMUNITY

- > 14% MARKET SHARE
- 6% - 14% MARKET SHARE
- < 6% MARKET SHARE



MARKET SHARES

	2019
Market share by business volume	9.97%*
Branches	9.15%*
Value of card transactions	11.79%*
Risk insurance	6.56%*
Mortgages	12.46%
Credit to households	10.91%
Household deposits	11.01%
Mutual funds	7.05%
Personal pension plans	7.93%

* Data as of September each year.
Sources: Banco de España, Inverco and ICEA.

MULTICHANNEL NETWORK

	2019
Universal banking branches	1,656
Perimeter branches	374
Agile branches	125
Recovery centres	29
Private banking branches	16
Branches in sparsely populated areas	115
'Connect with your Expert' account managers	571
ATMs	5,361
ATMs in sparsely populated areas	535
Ofibuses	14

03/
RESPONSIBLE
BANKING





B



“IT IS IMPORTANT TO MAKE A PUBLIC COMMITMENT THAT HIGHLIGHTS THE NEED FOR A RESPONSIBLE BUSINESS MODEL FOCUSED ON PROMOTING SUSTAINABLE DEVELOPMENT”

JOSÉ SEVILLA

(CINCO DÍAS, 22/09/2019)

03/1

RELATIONSHIP WITH THE ENVIRONMENT

BANKIA IS COMMITTED TO BEST BANKING PRACTICES, WHICH MEANS TREATING RISK MANAGEMENT AS A STRATEGIC PILLAR, HAVING FIRM CRITERIA FOR THE FINANCING OF SENSITIVE ACTIVITIES AND MAKING THE FIGHT AGAINST CLIMATE CHANGE A FACTOR IN DECISION-MAKING.

ENVIRONMENT

Bankia has made environmental management a part of its decision making process, aligning it with business strategy and including environmental governance in its management. As part of its environmental commitment, the bank has the 2017-2020 Eco-Efficiency and Climate Change

Plan, which sets out the path to achieving carbon neutrality (Scope 1 and 2) by 2020.

By following this path, the Bank has succeeded in reducing its CO₂ emissions by up to 40%, thanks to initiatives such as the switch to green electricity providers in former BMN offices and branches and the introduction of innovative

technologies such as the use of cogeneration systems in air conditioning equipment.

In 2019, Bankia formulated its internal strategy for setting an internal carbon price in 2020. Bankia's climate commitment and internal climate change management have allowed it to position itself as a green bank, a fact that has been recognised by the analysts at CDP Climate Change 2019, who awarded Bankia an A-rating as one of the leading companies in this field at world level.

Over the past year, Bankia also invested 7.6 million euros in making its facilities more efficient and continued its campaigns to reduce paper consumption, donate furniture and electronic and electrical equipment to non-profit organisations, and recycle writing materials (pens, highlighters, etc.) and plastic caps.



100%

OF THE ELECTRICITY CONSUMED IN BANKIA SINCE APRIL 2018 IS GREEN ELECTRICITY WITH A GUARANTEE OF ORIGIN



51.4%

CO₂ EMISSIONS (SCOPE 1 AND 2) OFFSET

The bank has five buildings that are acknowledged as models of efficient management—Pintor Sorolla, 8 in Valencia; Paseo de la Castellana, 189, and Las Rozas in Madrid; Triana, 20 in Las Palmas; and Miguel Villanueva, 9 in Logroño—all certified by AENOR to the ISO 14001 environmental management standard.

Bankia has also launched a circular economy initiative focused on the separation and composting of pruning waste in the Las Rozas building: the green waste is converted into compost, which is used as fertiliser in the gardens surrounding the facilities.

In the field of sustainable purchasing and procurement, Bankia has analysed in detail the CO₂ emissions associated with its suppliers and the services they provide.

In 2020, Bankia will continue to work towards meeting the targets of its Eco-Efficiency and Climate Change Plan, including environmental certification of two new work centres; the extension of environmental training to the professionals who joined Bankia in the recent merger; and progress towards direct carbon neutrality (Scope 1 and 2) by reducing emissions that can be avoided and offsetting those that cannot.

RESPONSIBLE PURCHASING

Bankia has a purchasing policy built around responsible management based on independence, transparency, ethical and

responsible behaviour, objectivity and diversification, with the aim of fostering balanced wealth generation and the pursuit of efficiency. This policy and the principles of Responsible Purchasing apply to all Bankia Group companies and employees, especially those

SUPPLIER PROFILE



€ 792.7 Million

*AMOUNT INVOICED BY
SPANISH SUPPLIERS
(LOCAL SCOPE)*

€ 36 Million

*AMOUNT INVOICED BY
FOREIGN SUPPLIERS
(OUTSIDE LOCAL SCOPE)*



€ 828.8 Million

*TOTAL AMOUNT INVOICED
(TOTAL VOLUME OF
PURCHASES)*



9.44 days

*AVERAGE PAYMENT
PERIOD TO SUPPLIERS*



98.66%

*% OF INVOICES PAID
WITHIN LEGAL TIME
LIMIT (30 DAYS)*



03/1

RELATIONSHIP WITH THE ENVIRONMENT



involved in the procurement of goods and services.

To enter into a business relationship with Bankia, a supplier must pass the approval process, which focuses on ethical, social and environmental performance. Suppliers are required to comply with the laws and regulations applicable in the jurisdictions in which the bank operates and preference is given to those that align themselves with the principles of the Global Compact, the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO). Economic, social and environmental risk is also taken into account.

In line with its digital transformation, the bank conducts relations with its suppliers through digital channels, facilitating transparency, impartiality, equal opportunities and active listening.

In 2019, Bankia passed the annual UNE 15896 audit, confirming the excellence of the bank's purchasing management system and certifying its conformity with best business practices at the European level.

Projects to be addressed in 2020 include the renewal of UNE 15896 Purchasing Management certification and the organisation of the fifth annual Suppliers Day.

SOCIAL ACTION

During 2019, the bank strengthened its strategy, methodology and priority lines of Social Action, which are centred on:

Employment
(981,825 euros invested and 43,600 beneficiaries)

Main initiatives:

- Retraining programme, in collaboration with the Red Cross, for people over 45 affected by the crisis and women victims of gender violence (3,211 participants, 1,425 placed in jobs).
- Programme with Fundación Konecta to provide training for women victims of gender violence (15 beneficiaries).

- Programme with Fundación Integra to help former prisoners, victims of gender violence and people with disabilities find employment (90 beneficiaries).
- Programme with SECOT and Caritas for entrepreneurs (1,400 beneficiaries).
- Programme with Randstad to provide training, guidance and counselling to unemployed customers and family members (86 people served and 39 placed in jobs).

Local and rural development
6.3 million euros invested and 251,300 beneficiaries)

Main initiatives:

- Calls for project proposals, in collaboration with the bank's 11 original foundations (229,000).



608,499
BENEFICIARIES OF BANKIA'S SOCIAL ACTION



846
FOUNDATIONS AND ASSOCIATIONS SUPPORTED

SOCIAL INVESTMENT 2019



€ 22.1 Million



- Support for welfare and socio-cultural programmes, local entrepreneurship and the fight against depopulation.
- Support for the conferences organised by Fundación Lo Que De Verdad Importa, which fosters values among young people (12,000 attendees).

Environment

(619,331 euros invested and 5,600 beneficiaries)

Main initiatives:

- Launch of the first calls for environmental project proposals in the Valencian Community, the Community of Madrid and Castilla-La Mancha (23 beneficiary entities).
- Support for environmental and sustainable development projects, in collaboration with the original foundations (22 projects supported).
- Opening of a credit line for environmental emergencies. In 2019, credit was provided to repair the damage caused by the fire on Gran Canaria and the torrential rains in Murcia, southern Valencia and parts of Castilla-La Mancha.

- Collaboration project with WWF Adena to recover 60 hectares of the Tablas de Daimiel wetlands.

Disability

(2.48 million euros invested and 172,000 beneficiaries)

Main initiatives:

- Support for Fundación Randstad's 'Integrados' programme for the labour market inclusion of people with disabilities.
- Support for Fundación ONCE's 'Oportunidad al talento' scholarships.
- With Fundación Bancaja, 'Capaces' call for projects to support the social and labour market inclusion of people with functional diversity.
- Encouragement for procurement of services by Bankia through Special Employment Centres. Amount invoiced: 1.3 million euros.

Housing and new poverty

(3.38 million euros invested and 95,700 beneficiaries)

Bankia maintains a pool of homes for vulnerable people, who are offered a social rent on favourable terms adapted to their ability to pay. In 2019, the bank signed 377 social rent agreements (108 homes ceded under Catalonia's Law 4/2016), bringing the total number of social rent housing agreements to 3,766. The bank set aside 3.29 million euros to cover maintenance and repair of the homes.

Bankia also has agreements to expedite social housing allocation in the Community of Madrid, Castilla-La Mancha, the Canary Islands, Catalonia, the Valencian Community and La Rioja. The agreements with local governments help streamline the process by which homes are allocated through social services.

Corporate volunteering

During the year, Bankia's professionals have a wide range of opportunities to contribute to the bank's Social Action, including volunteering in financial education and environmental events, sitting on local juries for calls for project proposals, working with local NGOs through Bankia's 'Solidarity Network', or taking part in the 'Planta tu Proyecto' programme, in which volunteers within the bank present their NGOs to colleagues in order to receive financial support.

In 2020, Social Action will promote innovative environmental projects that support sustainable development, further encourage the involvement of its professionals by promoting professional volunteering and financial education, and improve the measurement of project impact in terms of achievement of objectives.

03/1

RELATIONSHIP WITH THE ENVIRONMENT

FUNDACIÓN BANKIA POR LA FORMACIÓN DUAL

For the Fundación Bankia por la Formación Dual, after four years of increasing activity in which it has promoted almost a hundred projects, 2019 was a year of consolidation.

The Foundation aims to once again benefit more than 3,500 students in 2020, giving them a better training and making them more employable. To do that, it will maintain its main lines of action, which include the Dualiza grants for VET centres throughout Spain that implement projects in collaboration with companies.

For the first time, the Foundation will promote more active career guidance by the VET schools that propose new initiatives. All this without neglecting the commitment to research, which will produce new studies to help understand and improve the current VET system.

LINES OF ACTION	PROMOTION AND IMPROVEMENT OF VET/ DUAL VET	STIMULUS, PROMOTION AND DISSEMINATION OF VET/ DUAL VET	RESEARCH AND INNOVATION	PROFESSIONAL, ACADEMIC AND PERSONAL CAREER GUIDANCE
Initiatives	Dualiza grants to encourage VET projects in collaboration with FPEmpresa	Dualiza meetups to assess the situation of VET in a given region or sector	Start-up of the VET and Dual VET Observatory in Spain	Informe 'Aproximación a la orientación profesional en Educación Primaria y Secundaria'
	Training actions to improve the vocational qualifications of teachers and the employability of young people: COMEX and DITEC programmes	Dual VET fairs in collaboration with the Spanish Chamber of Commerce	Preparation of regional and sectoral reports on the situation of VET and Dual VET	Report "Approach to Vocational Guidance in Primary and Secondary Education"
	Initiatives to stimulate innovation in VET: Dualiza Challenge, 24 Hours of Innovation, Sanec Scholarships	Presence at local, regional and national conferences, meetings and events		Teaching resources on vocational guidance to bring VET closer to primary, secondary and baccalaureate students
	Projects around strategic sectors (energy, cybersecurity, blue economy)	Dual VET dissemination campaign, focusing on high employability, educational and training quality, and adaptation to the labour market		Vocational guidance days for secondary and baccalaureate students
	Support for associations, business organisations and chambers of commerce wishing to promote VET	Development of the corporate website www.dualizabankia.com		Call for proposals for Active Vocational Guidance Projects



BANKADEMIA

Bankia implements its commitment to financial education through Bankademia. One of the differentiating features of this online multiplatform system is that it delivers financial education through videos, podcasts, articles and GIFs and through insights organised by topic, so that users can easily find what they need to know or study. One of the challenges this project addresses is the need make financial education as attractive as possible to the learner.

SPONSORSHIP

Bankia is engaged in a number of projects aimed at contributing to the local community in the fields of culture, sport and business.

CULTURAL SPONSORSHIP	SPORTS SPONSORSHIP	BUSINESS SPONSORSHIP
Bankia Symphony Orchestra	Youth Sport Gran Canaria, Valencia, Óbila, Estudiantes, Granada, Joventut de Badalona, TAU Castellón, UCAM Murcia and B the travel brand Mallorca basketball clubs; El Pozo futsal club; and Bathco-Fusodeba youth rugby team and Pozuelo rugby club	Trade fairs: Fenavin, Fuit Attraction, ExpOlive Forums and conferences: Forinvest, Manager Business Forum, ADN Pymes, Spain Startup South Summit, eFintech Show, Congreso Nacional de Innovación, CEO Congress
Bankia Escolta València	"Triple Solidario" campaigns with the first teams of the Valencia, Gran Canaria and Estudiantes basketball clubs	Éxito Empresarial, In4NBankia, Competitividad Digital, Innobankia, Tu Economía, Compreendedor, Andaluces del Futuro and Talento Joven awards
Gran Teatro Bankia Príncipe Pío	Game against Gran Canaria basketball club for the benefit of the Food Bank	Bankia Forward
Madrid Book Fair	Sponsorship of the Sierra Nevada adaptive ski school	
Las Edades del Hombre	Women in Black (Estudiantes women's teams) Valencian pilota	

03/2 GOOD BANKING PRACTICES

Bankia has internal control and risk management systems to ensure compliance with applicable standards and good banking practices.

CRIMINAL RISK PREVENTION

Bankia has a best-practice criminal risk prevention model that allows it to identify activities that must be prevented and implement

protocols and procedures to prevent conduct liable to result in the commission of criminal offences, while ensuring compliance with the bank's Code of Ethics and Conduct.

The model is based on identifying criminal risks in the bank's activity and putting in place and regularly executing both general and specific controls, using software applications to detect any circumstances that might entail a heightened risk.

PREVENTION OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM

Bankia's Anti-Money Laundering and Financing of Terrorism (AMLFT) Directorate is responsible for proposing and developing internal AMLFT regulations and the application of international financial sanctions and countermeasures in the bank, in accordance with current legislation, as well as for carrying out checks to ensure compliance.

Following the risk-based approach stipulated in Law 10/2010, this directorate establishes, applies and maintains procedures for preventing and detecting money laundering and the financing of terrorism, together with mechanisms for the correct application of international financial sanctions and countermeasures, proposing measures to correct and minimise any risk of non-compliance.

It also adapts and revises screening tools and the risk-based approach (RBA) for assigning risk to customers and analyses operational alerts and alerts relating to the acceptance or monitoring of customers liable to be related to money laundering and the financing of terrorism.



273

NO. OF EMPLOYEES TRAINED IN CRIMINAL RISK PREVENTION



999

NO. OF EMPLOYEES TRAINED IN THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM

In addition, as provided for in Law 10/2010, the AMLFT Directorate has one of the main market tools for generating and managing alerts, whose parameterisation is reviewed periodically and adapted to relevant money laundering risks. At the same time, a series of 'dynamic scenarios' has been developed and implemented to facilitate alert detection and analysis.

Given Bankia's commitment to the prevention of money laundering and financing of terrorism and in the knowledge that this is a task that concerns the entire bank, the AMLFT Directorate is divided into three units, based on business type (retail or wholesale) and operational specialisation (UFICs), so as to provide better assistance and support to the network. The aim is to perform the aforementioned general tasks while providing specialised assistance for each area. The main obligations of each area are as follows:

Retail:

- Support, monitor and control the business of the retail branches.
- Report the regulatorily required information to the supervisor, along with the monthly transactions report and the account holders file.

- Train and sensitise front-line staff in anti-money laundering and anti-terrorist financing matters.

Wholesale:

- Support, monitor and control the business of the Private Banking, Corporate Banking and Corporate Banking centres, banking correspondents and the agency network.

- Foreign trade transactions.

- Real estate transactions and divestments.

UFICs:

- Operational and strategic analysis of risk groups.
- Financing of terrorism: alerts, cases and models.

At national level, the EU's Fifth Money Laundering Directive is due to be transposed during 2020, amending the current Law 10/2010 and its implementing regulation (Royal Decree 302/2014), which does not yet include the new provisions of the Fourth Directive (transposed on 31 August 2018 by Royal Decree-Law 11/2018).

At European level, on 16 April 2019 the European Parliament adopted new rules to strengthen the systems of financial supervision, giving the

European Banking Authority (EBA) greater powers to combat money laundering and the financing of terrorism.

PREVENTION OF MARKET ABUSE

Following the entry into force of the European Market Abuse Regulation (Regulation (EU) No 596/2014 of 16 April 2014) and its implementing regulations, the bank took steps to comply with the resulting new obligations and requirements, so as to strengthen market integrity and comply with the implementation and supervision mechanisms at the European level. Employee tools and training were adjusted to foster a culture of detection and prevention of suspected market abuse and adapt to changes in the Penal Code.

03/2

GOOD BANKING

PRACTICES

NEW STANDARDS FOR INVESTMENT SERVICES

In 2019, Bankia worked to consolidate its model for the distribution of investment products, while preserving the MiFID II goal of providing the greatest possible customer protection. To that end, employees receive continuous training, senior management are involved in the launch of new products and the monitoring of marketing activities, and automatic controls have been established in the bank's various investment channels and services to ensure that products are sold only if they are appropriate to the customer profile. Customer communication procedures have also been strengthened, giving greater transparency, and portfolio management has been made accessible through the Bankia Gestión Experta service.

REGULATION OF HOME LOAN AGREEMENTS

Since the beginning of 2019, Bankia's Regulatory Compliance Directorate has been working with the other units concerned on a project to regulate home loan agreements at the enterprise level. The ultimate purpose of

such regulation is to provide more robust guarantees for borrowers in the lending process and so avoid loan enforcement actions and the consequent loss of the home.

INTERNAL AUDIT AND CONTROL

During 2019, in line with the digital transformation currently under way in the bank, the Internal Audit Corporate Directorate carried out various initiatives to improve information gathering, increase the volume of checks carried out and develop more efficient information systems.

INFORMATION SYSTEMS

Bankia's goal in this area is to optimise data use to generate value on the basis of sound ethical and privacy principles. To achieve this, the bank has implemented a sustainable data quality and data governance model and has built a single, well governed information system that meets most of the information needs of internal users and the supervisor.

The challenge is to make Bankia a data-driven organisation in which data is a strategic asset and all decisions are founded on data,



980
FRAUD PREVENTION ALERTS

with a transparent, collaborative culture and the highest standards of security, privacy and ethics in management.

TAX POLICY

Fostering responsible tax management is key to Bankia's financial activity, with the creation of tools to prevent and combat fraud and the implementation of tax transparency programmes.

The Board of Directors defines the bank's tax strategy. It is responsible for approving any presence in territories considered tax havens and the creation of tax structures, which on no account are used to facilitate tax evasion or violate regulations. Bankia does not operate in tax havens to avoid its tax obligations.



The Board of Directors must also give its approval for divestments in companies, the use of tax incentives and the hiring of external tax advisers.

Bankia maintains a transparent policy on tax management and the payment of its taxes and applies the tax regulations applicable in Spain, which is where it carries out all its activities. It also follows the guidelines issued by international bodies such as the Organisation for Economic Cooperation and Development (OECD).

It also performs an analysis of all transactions that entail special tax risk, based on, among other things, their impact on the bank's reputation, on shareholders and customers and on its relationship with the tax authorities.

The bank is a member of the Large Businesses Forum, which promotes a more cooperative relationship between companies and the Spanish Tax Agency (AEAT), and is a signatory to AEAT's Code of Best Tax Practices.

DATA PROTECTION AND ETHICS

For Bankia, its customers' information and the security of that information is a vital asset. Protecting that information is therefore one of the bank's top priorities in the face of the continual advances in technology.

The bank aims to ensure proper application of data protection principles and customers' data protection rights, respecting their privacy, all this in the context of the responsible digitisation process outlined in the 2018-2020 Strategic Plan.

The purpose of data protection is to guarantee and protect the fundamental rights of natural persons with regard to their personal data, especially their personal reputation and their personal and family privacy. The relevant regulations are Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, better known as the GDPR, and the Spanish Organic Law 3/2018 of 5 December on the protection of personal data and safeguarding of digital rights.

03/2

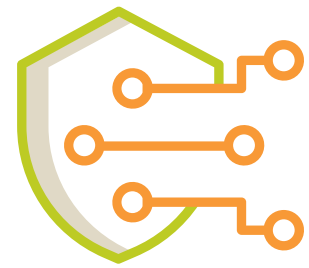
GOOD BANKING PRACTICES



1,501
NO. OF EMPLOYEES TRAINED IN DATA PROTECTION



8
MEETINGS OF THE CYBER SECURITY COMMITTEE



€ 5.78 Million
INVESTMENT IN CYBER SECURITY RISK PREVENTION

DATA SECURITY

Bankia is in the process of implementing the 2019-2021 Strategic Cyber Security Plan (PECI), which is focused on risk management and assurance of the effectiveness of the controls put in place. Over the course of 2019, the cyber risk and assurance model was overhauled with a view to quantifying the risk to which the bank would be exposed in the event of a threat.

At the same time, security became more deeply embedded in the software development cycle and the governance model for fraud prevention was transformed.

Also in 2019, the Business Impact Analyses (BIAs) underwent a comprehensive review aimed at identifying critical activities, recovery time requirements, and the means and resources for business continuity.

Challenges for 2020 include adaptive automation of cyber

security controls based on cyber risk; optimisation and automation of reporting models; user behaviour analysis; agile adaptation to new cyber risks and threats; intelligent information security perimeter; optimisation of hardware and software security integration models; and optimisation of internal and third-party analysis of compliance with information security standards.



MEMBERSHIP OF ADVOCACY GROUPS



HUMAN RIGHTS

In July 2019, Bankia's Board of Directors approved a new policy on the Protection of and Respect for Human Rights. This policy defines the responsibilities the bank assumes in regard to respect for human rights in its dealings with professionals, customers, suppliers, business partners and society as a whole, with the implementation of prevention, reporting and sanction mechanisms.

It also sets out a commitment to human rights focused on assessing and understanding the social and economic environment, recognising and respecting the identity of individuals and their communities, establishing a system of proactive dialogue with stakeholders, and promoting an awareness of and compliance with this commitment.

In addition, the bank undertakes to perform due diligence to identify and assess potential impacts and include the assessment findings in internal processes in order to

take steps to prevent and mitigate possible impacts, monitor and verify their effectiveness and communicate them externally.

03/3 RISK MANAGEMENT

Risk management is a strategic pillar for Bankia. Its main purpose is to preserve the group's financial and capital strength, driving value creation and business development in accordance with the risk appetite and risk tolerance set by the bank's management bodies.

Bankia therefore has an Internal Control Framework, which includes a series of risk control and risk management policies defined by the bank's Board of Directors. The board also approves the Risk Appetite and Risk Tolerance Framework, which together with the Capital Planning Framework defines the bank's strategic lines of action in matters of risk and capital under

normal business conditions. Both these frameworks influence the planning of the bank's activities and businesses.

The bank also has a Recovery Plan, which sets out the measures that may be taken in a hypothetical crisis situation and which is triggered if the level set in the plan is exceeded.

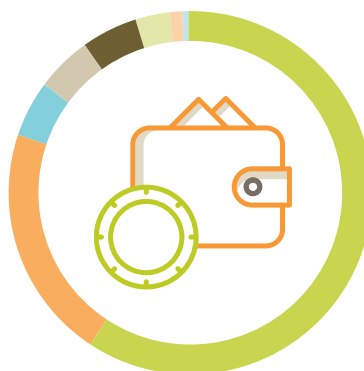
CREDIT RISK PROFILE

DISTRIBUTION BY RWAS



- CREDIT RISK **89%**
- OPERATIONAL RISK **9%**
- MARKET RISK **2%**

LOAN PORTFOLIO MIX



- MORTGAGE **56%**
- BUSINESSES **24%**
- PUBLIC SECTOR **5%**
- CONSUMER FINANCE AND CARDS **5%**
- MICRO-ENTERPRISES AND SELF-EMPLOYED **5%**
- SPECIALISED LENDING **3%**
- FINANCIAL INTERMEDIARIES **1%**
- REAL ESTATE DEVELOPERS **0.5%**

NON-PERFORMING ASSETS BY COMPONENT



- DOUBTFUL IN ARREARS **63%**
- DOUBTFUL FOR REASONS OTHER THAN ARREARS OR IN CURE PERIOD **37%**



CREDIT RISK POLICIES

Bankia's credit risk policies are approved each year by the Board of Directors, following the bank's best practice. These policies set out general criteria for the lending activity, most notably:

- Responsible lending.
- Transparency. Provision of information to customers, especially retail customers, so that they know and understand the risks associated with the product offered to them.
- Consideration of the environmental and social impact of the activities of corporate borrowers. Refusal to finance transactions or projects linked to companies involved in human rights violations.

Bankia's goal is to have a loan book that is as diversified as possible, across borrowers and sectors. This goal is taken into account when granting loans by applying a diversification policy at individual and sector level.

An important aspect of the bank's risk policies is the refinancing and restructuring of debt to adapt the financing to the customer's current

ability to pay and, where feasible, to ensure that the borrower or its group has sufficient financial stability to continue operating.

MARKET RISK

Market risk is the loss that would be incurred in the event of adverse changes in the prices of the financial instruments in which Bankia trades. Bankia has a general framework for managing market risk whose purpose is to maintain the bank's level of solvency and prevent any impact on results due to the complexity and scale of the risks taken.

Last year, the bank took part in six market risk exercises organised by the European Banking Authority (EBA) and the European Central Bank (ECB). In 2020, Bankia plans to complete the integration of the revised standardised approach for the calculation of capital requirements for market risk; adapt market risks to the new framework; review and adapt internal policies to the new capital requirements framework for market risk; improve business frameworks, processes and controls; and participate in all the exercises proposed by the EBA and the ECB in relation to market risk.

COUNTERPARTY CREDIT RISK IN FINANCIAL MARKETS

Counterparty credit risk is the risk that a counterparty will fail to meet its contractual obligations, giving rise to a loss for the bank in its financial market activity.

Bankia's Board of Directors is responsible for approving the Policy Manual for Credit Risk in Market Activities.

In this area, in 2019, the bank worked to implement the calculation of the Initial Margin to meet EMIR requirements. The project will be completed in September 2020, which is the EMIR effective date for Bankia. In addition, the bank signed contracts and set limits for new counterparties due to Brexit, automated a number of reports and promoted the securities lending project. The bank also took part in various counterparty credit risk exercises organised by the EBA and the ECB.

03/3

RISK

MANAGEMENT

Challenges for 2020 include integrating the latest regulatory changes in the calculation of counterparty credit risk exposure for derivatives under the Standardised Approach for Counterparty Credit Risk (SA_CCR); studying the impact of the regulation on capital requirements for counterparty credit risk and the CVA (credit value adjustment); and participating in all the exercises proposed by the EBA and the ECB.

INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk in the banking book is the risk of loss resulting from adverse movements in market interest rates, which affect net interest income and the value of assets and liabilities.

Over the course of 2019, further improvements were made to the model architecture and to the efficiency of the processes associated with the calculation engine. A baseline risk model for information and data quality was developed, the European Banking Federation's approach to credit spread risk in the banking book (CSRBB) was adopted and work proceeded on a baseline risk model.

In 2020, Bankia's priorities will be to improve information, start the adaptation to the Risk Data Aggregation (RDA) rules, develop a stress testing programme to assess interest rate risk under stressed conditions, and make more intensive use of dynamic models to integrate interest rate risk in the banking book (IRRBB) more fully into management.

LIQUIDITY AND FUNDING RISK

The Group's goal is to maintain a long-term funding structure in line with the liquidity of its assets, with maturity profiles that are compatible with the generation of stable and recurrent cash flows, so that the balance sheet can be managed without liquidity strains in the short term. To that end, the bank's liquidity position is identified, controlled and monitored daily.

To supplement the monitoring of liquidity risk under normal business conditions, an action framework has been designed that will help prevent and manage liquidity stress events.

In 2019, to strengthen the liquidity and funding risk management framework, a range of qualitative

aspects were assessed to determine the extent to which the management framework complies with regulatory and supervisory principles and guidelines. A number of weaknesses and points for improvement were identified, helping to further enhance the quality of the liquidity risk management framework.

The challenges for 2020 in the field of liquidity and funding will be concentrated in regulatory reporting; automation of risk metrics and regulatory reporting; improvements in data and the start of adaptation to the RDA guidelines; the completion of developments associated with securitisations; and effective implementation of the best transfer pricing methodologies in the institution's internal processes.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. This definition includes legal risk but excludes reputational risk.

To manage operational risk, Bankia works to promote an operational risk management culture that emphasises awareness building, acceptance of responsibility and



commitment, and service quality. The bank also aims to reliably identify and measure operational risk; implement systems for continuous improvement of processes, control structure and mitigation plans; and develop new risk transfer mechanisms that will limit exposure, while also ensuring that contingency and business continuity plans are in place.

In 2019, the bank carried out the risk self-assessment exercise, reviewing its degree of exposure and the application of the controls over the most important risks. Additionally, new roles and responsibilities were created in the operational risk unit, following the Three Lines of Defence model. In the last quarter of the year, the operational risk and internal risk control functions were unified under a single Non-Financial Risk Control Directorate, with the aim of exploiting synergies and common methodologies and tools that will help strengthen the bank's control framework and expand these functions' role as a second line of defence in the fields of technology and cybersecurity.

During the year, the information from the IT risk control indicator reported in the Risk Appetite Framework was consolidated, complementing the information already reported in relation to cyber risk.

In the field of regulatory reporting, the automation of IT risk reporting was completed, so that the Chief Data Officer (CDO) is able to generate the required information. As regards the management of outsourcing in the bank, the updated Policy on the Outsourcing of Services and Functions, which has been adapted to the EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02), was approved. Together with the General Outsourcing Model and its Functions Manual, this Policy sets out the roles and responsibilities in procurement management and control.

In 2020, the bank will work to consolidate the integration of operational risk and internal risk control methodologies; advance the implementation of a technology solution for the comprehensive risk management process; monitor the IT, cybersecurity and outsourcing risk management system; and continue the process of assessing and including emerging risks in the Group's risk taxonomy, in line with current concerns.

REPUTATIONAL RISK

In 2019, Bankia integrated this risk type into its risk model, using a quantification methodology based on a monitoring indicator within the Risk Appetite Framework. During the year, the number of directorates involved was expanded to cover practically the whole of the bank's organisation, allowing for a more comprehensive view that facilitates decision making.

SOCIAL RISK

Bankia continues to promote policies to protect borrowers who, due to unforeseen circumstances, find themselves in financial difficulties, offering negotiated solutions to help them meet their obligations.

Bankia has adopted the Code of Good Practices created by Royal Decree Law 6/2012 of 9 March on urgent measures to protect mortgage debtors without resources, and subsequent amendments.

03/3

RISK

MANAGEMENT

It also applies voluntary measures aimed at resolving, as far as possible, situations where families face the loss of their primary residence and preventing situations where family units with any kind of vulnerability find themselves with nowhere to live.

As a result of this policy, in 2019 a total of 387 mortgage modifications (more flexible terms to adapt the loans to the household's ability to pay) were implemented, representing a total amount of 40.01 million euros, compared to 1,127 modifications in 2018.

At the same time, the bank accepted 2,464 debt-for-asset transactions (agreements to cancel the mortgage debt in return for surrender of the home) in the amount of 311.66 million euros,

compared to 991 the previous year. In all cases, these were negotiated solutions, aimed at avoiding evictions among especially vulnerable social groups, while at the same time seeking to minimise the loss to the bank.

Since 2012, Bankia has accepted a total of 12,047 home surrenders and has executed 77,025 mortgage

modifications. In doing so it has helped palliate the loss of the family home for many vulnerable families and groups.

Foreclosed assets (i.e. assets the bank has recovered under a court order) totalled 2,170 in 2018, compared to 1,823 in 2017.

SINCE 2012 BANKIA HAS CARRIED OUT 77,025 MORTGAGE MODIFICATIONS.





In 2019 the bank also renegotiated the terms of 7,003 consumer loans (4,671 in 2018), in an amount of 96.7 million euros; and 1,449 loans to self-employed individuals and companies (1,085 in 2018), in an amount of 98.59 million euros. The cumulative totals since 2012 are 73,498 consumer loans and 20,466 loans to self-employed individuals and companies.

EMERGING RISKS

Bankia has a continuous, dynamic risk identification and assessment procedure, involving all the directorates affected by potential risks, to assess any risks it incurs, or may incur, as a result of its activity.

This procedure takes a standardised, economic approach to the assessment of emerging risks, so that the Board of Directors can decide which are material and which will be covered by capital and accordingly include them in the bank's risk map.

FINANCING OF CONTROVERSIAL SECTORS

Bankia has a series of principles in its Lending Policy that reflect the guidelines set out in the framework for the provision of finance:

- The environmental impact of the borrower's business activity must be taken into account.
- Companies are required to comply with applicable environmental laws and regulations.
- No new loans or project finance will be granted to companies which the bank knows to have been involved in human rights violations.
- Environmental and social aspects, as well as compliance with the Equator Principles, will be taken into account in assessing investment projects.
- The environmental and social risks associated with assets taken as collateral will be assessed.

APPENDIX/ KEY HISTORICAL DATA

KEY HISTORICAL DATA	2019		2018		2017		2016		2015		2014		2013	
	BANKIA GROUP	CHANGES 2019-2018	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP	BANKIA GROUP
NET INTEREST INCOME (MILL.)	2,023	(1.30%)	2,049	1,968	2,148	2,740	2,927	2,567 ⁽¹⁾						
GROSS INCOME (MILL.)	3,245	(3.60%)	3,368	3,064	3,166	3,806	4,009	3,772 ⁽¹⁾						
OPERATING PROFIT (BEFORE PROVISIONS.) (MILL.)	1,428	(4.60%)	1,498	1,038	1,619	2,148	2,267	1,867 ⁽¹⁾						
ATTRIBUTABLE PROFIT/(LOSS) (MILL.)	541	(23%)	703	505	804	1,040	747	608 ⁽¹⁾						
MARKET EFFICIENCY	56.0%	0.5 p.p.	55.50%	51.6% *	48.9%	43.6%	43.7%	50.50% ⁽¹⁾						
ROA	0.3%		0.30%	0.4% ⁽¹⁾	0.4% ⁽¹⁾	0.5%	0.3%	0.23% ⁽¹⁾						
ROE	4.2%	(1.4 p.p.)	5.60%	6.6% ⁽²⁾	6.7% ⁽²⁾	10.6%	8.6% ⁽¹⁾	5.61%						
TOTAL ASSETS (MILL.)	208,468	1.60%	205,223	213,932	190,167	206,970	233,649	251,472						
NET LOANS AND ADVANCES TO CUSTOMERS (MILL.)	120,623	(1.50%)	122,505	123,025	104,677	110,570	112,691	119,118						
TOTAL MANAGED CUSTOMER FUNDS (MILL.)	174,267 ⁽¹⁾		171,793 ⁽¹⁾	152,860 ⁽³⁾	145,097 ⁽³⁾	155,402	152,242	108,543						
BUSINESS VOLUME (MILL.)	128,156	(1.30%)	129,792	295,669	249,773	265,971	264,933	276,631						
TOTAL NPL RATIO	5.0%	(1.50 p.p.)	6.50%	8.9%	9.8%	10.8% ⁽¹⁾	12.9%	14.70%						
LOAN LOSS PROVISIONS (MILL.)	3,491	(24%)	4,593	6,151	6,323	7,794	9,527	11,312						
NPL COVERAGE	54.00%	(0.6 p.p.)	54.60%	50.8%	55.1%	60.0%	57.6%	56.50%						
LOAN-TO-DEPOSIT RATIO	91.8%	0.6 p.p.	91.20%	93.9%	97.3%	101.9% ⁽¹⁾	105.5%	115.40%						
BASEL III CET 1 FULLY LOADED	13.02%	0.63 p.p.	12.39%	12.66% ⁽⁴⁾	13.02%	12.26% ⁽²⁾	10.60%	11.71%						
BASEL III CET 1 PHASE-IN	14.32%	0.53 p.p.	13.80%	14.15% ⁽⁵⁾	14.70%	13.89% ⁽²⁾	12.28%							
NUMBER OF SHARES (MILL.)	3,070	(0.50%)	3,085	3,085	2,879 *	11,517	11,517	11,517						
YEAR-END SHARE PRICE (IN EUROS)	1.90	(25.70%)	2.56	3.99	3.88 *	1.074	1.238	1.23						
MARKET CAPITALISATION	5,840	(26.10%)	7,898	12,300	11,183	12,370	14,258	14,212						
EARNINGS PER SHARE	0.18 ⁽²⁾	(22.60%)	0.23 ⁽²⁾	0.26	0.28 **	0.09	0.07	0.07						
NUMBER OF BRANCHES	2,275	1%	2,298	2,406	1,866 ⁽⁴⁾	1,941	1,978	2,009						
NUMBER OF EMPLOYEES *	15,609	0.79%	15,486	17,217	13,159	13,318	14,382	15,392						
VOLUME OF NEW LOANS GRANTED (IN MILLIONS OF EUROS)	22,704	4.25%	21,777	17,497	14,669	16,600	14,756	14,903						
MORTGAGE MODIFICATIONS (NO.)	387	(65.60%)	1,127	1,236	5,628	12,341	14,079	23,178						
SOCIAL RENTS (NO.)	377	(23.70%)	494	554	549	638	654	300						
HOURS OF TRAINING	1,300,000	27%	1,024,411	917,435	666,624	774,667	669,293 ⁽²⁾	589,000						
DIVERSITY: MEN / WOMEN (%)	43.8% / 56.2%		43.8% / 56.2%		45.4% / 54.6%	45.55% / 54.45%	45.87 / 54.13 ⁽²⁾	46.38 / 53.62						
OPEN-ENDED CONTRACTS	100%		100%	100%	100%	100%	99.85% ⁽²⁾	99.24%						
ELECTRICITY CONSUMPTION (GJ)	357,357	1.04%	353,651	312,950	326,127	379,638	369,051 ⁽²⁾	461,490						
ELECTRICITY ACQUIRED FROM RENEWABLE ENERGY SOURCES (GREEN ENERGY)	100%		100% ⁽³⁾	100%	100%	100%	100% ⁽²⁾	100%						
EMISSIONS AVOIDED THANKS TO ACQUISITION OF ELECTRICITY FROM RENEWABLE SOURCES (T CO ₂)	40,699	2.20%	39,822.9	31,295	36,236	39,018	36,905.10 ⁽²⁾	42,944.20						
RECYCLED PAPER USED (DIN A4) (%)	99.75%		99.79%	99.77%	99.8%	99.78%	99.80% ⁽²⁾	99.50%						

* Employees Bankia S.A.

2019

(1) Managed customer funds include on-balance-sheet funds (customer deposits and debt securities issued) and off-balance-sheet funds (mutual funds and pension funds).
(2) Attributable profit divided by number of shares.

2018

(1) Managed customer funds include on-balance-sheet funds (customer deposits and debt securities issued) and off-balance-sheet funds (mutual funds and pension funds).
(2) Attributable profit divided by number of shares.
(3) In April 2018 the former BMN branches were included in Bankia's contract for a 100% green energy supply.

2017

(1) Profit after taxes as a percentage of average total assets for the period. Excludes BMN merger costs.
(2) Profit for the year attributable to equity holders of the controlling company as a percentage of average equity. Excludes BMN merger costs.
(3) Made up of customer deposits, debt securities in issue and assets managed off-balance-sheet.
(4) Ratio according to the definition that will apply when the phase-in is complete.
(5) Ratio according to the transitional definition of Tier 1 capital.
* Without taking the costs of the BMN merger into account.

2016

(1) Profit after taxes as a percentage of average total assets for the period.
(2) Profit for the year attributable to equity holders of the controlling company as a percentage of average equity.
(3) Made up of customer deposits, debt securities in issue and assets managed off-balance-sheet.
(4) Number of branches according to the 2017 financial statements.
* Data on the number of shares and the share price in 2016 as the base year are calculated pro forma after the reverse split carried out in June 2017.
** Attributable profit divided by number of shares. In 2017, in calculating the group perimeter, the integration costs arising from the merger with BMN are excluded from attributable profit.

2015

(1) In 2015, the loans and receivables item does not include either the balances with BFA, mainly for reverse repurchase agreements, or the amounts recoverable from BFA as a result of BFA's having agreed to bear 60% of the estimated contingent liabilities arising from the proceedings associated with the Bankia IPO.
(2) Includes the net profit for the year which is expected to be allocated to reserves.

2014

(1) Calculated as attributable profit/equity in order to facilitate comparison with the criterion used in the strategic plan.
(2) Information referring to Bankia, S.A.

2013

(1) Pro forma data.