



ANNUAL EVALUATION OF
SUITABILITY OF BOARD MEMBERS

ALL BOARD MEMBERS HAVE
RECEIVED TRAINING ON **SOCIAL
AND ECONOMIC** MATTERS

COMPLETE, CLEAR AND
UNDERSTANDABLE
INFORMATION ON **THE BOARD
REMUNERATION POLICY**

DIRECTORS

Through the Appointments Committee, the Board of Directors evaluates the competencies, knowledge, capacity, diversity and experience required of this body, and sets a target for the number of Board positions occupied by the minority gender group.

EVALUATION AND TRAINING OF DIRECTORS

The Chairman of the Board of Directors organises and coordinates regular evaluations of Board members with the chairperson of the Audit and Compliance Committee and the chairperson of the Appointments Committee. These evaluations are performed by an independent expert selected from among leading firms in the market.

Once a year, under the guidance of the lead director, the Board of Directors also evaluates the Chairman's performance, based on a prior report from the Appointments Committee.

Bankia carries out an evaluation of the suitability of the members of the Board of Directors, considering that members must be individuals with a track record of commercial and professional repute, and suitable knowledge and experience to perform their duties, and be in a position to properly govern the bank, without overlooking the suitability of the Board of Directors taken as a whole. Failure to satisfy these requirements will be grounds for removal of a director.

On the other hand, the entity has an ongoing training programme to broaden the knowledge of members of the Board of Directors regarding economic and social matters. The

content thereof is adapted on an annual basis in accordance with the needs of the directors, regulatory requirements and recommendations related to best international practices. In 2015, Board members received a total of around 100 hours of training.

CONTENT OF TRAINING PROVIDED

INVESTMENT PRODUCTS AND INSTRUMENTS

BUSINESS INTELLIGENCE

LABOUR MARKET: WORKFORCE SIZE AND WORKING CONDITIONS

TALENT MANAGEMENT

INTERNATIONAL TRADE

IT SECURITY

RISKS: SUPERVISORY REVIEW AND EVALUATION (SREP)

RISKS: PILLAR II

RISKS: ASSET ALLOCATION

REMUNERATION

Each year, the Board of Directors approves the director remuneration policy. This policy is put before the General Meeting of Shareholders and submitted to an advisory vote as a separate point on the agenda. The report includes complete, clear and comprehensible information on the approved policy for the year in progress, as well as any policy planned for future years.

Nevertheless, given the current circumstances of the bank, which has public financial support, the limitations on remuneration established by law are applicable.

The remuneration of Board members not performing executive duties, for example, is capped at a maximum of 100,000 euros per annum for all components of their pay. Moreover, no consideration is paid by way of per diems for attending meetings of the Board or the standing committees.

Executive director remuneration is capped at 500,000 euros per annum for

all categories, including compensation from within the group, while their variable remuneration cannot exceed 60% of this amount.

As proposed by the Remuneration Committee, Bankia's Board of Directors has identified targets that must be met for entitlement to variable remuneration, giving priority to fulfilment of the Restructuring Plan and defining the parameters for adjusting the types of risks affecting the institution's risk profile, taking into account the cost of capital and liquidity required.

Express approval is required from the Bank of Spain before variable remuneration can be paid, which if approved, will be settled three years after it is accrued, pursuant to prevailing rules.

Based on all of the foregoing, the distribution of remuneration among the members of the Board of Directors (see attached table) was the same as in 2014: executive directors received 500,000 euros, after waiving collection of variable remuneration, and independent non-executive directors, 100,000 euros.

EXECUTIVE DIRECTORS RECEIVED FIXED REMUNERATION OF 500,000 EUROS LAST YEAR, AFTER WAIVING COLLECTION OF VARIABLE REMUNERATION, AND INDEPENDENT NON-EXECUTIVE DIRECTORS, 100,000 EUROS



REMUNERATION OF THE BOARD OF DIRECTORS

NAME	SALARY	FIXED	VARIABLE ⁽¹⁾	OTHER ⁽²⁾	PSC	PER DIEMS	TOTAL
Goirigolzarri Tellaeché, José Ignacio	498	0	0	2	0	0	500
Sevilla Álvarez, José	495	0	0	5	0	0	500
Ortega Parra, Antonio	500	0	0	0	0	0	500
Ayuso García, Joaquín	0	100	0	0	0	0	100
Campo García, Francisco Javier	0	100	0	0	0	0	100
Castillo Sanz, Eva	0	100	0	0	0	0	100
Cosmen Menéndez-Castañedo, Jorge	0	100	0	0	0	0	100
Feito Higuera, José Luis	0	100	0	0	0	0	100
Fernández Méndez de Andés, Fernando	0	100	0	0	0	0	100
Lafita Pardo, Alfredo	0	100	0	0	0	0	100
Rengifo Abbad, Álvaro	0	100	0	0	0	0	100
Directors total	1,493	800	0	7	0	0	2,300

Figures in thousands of euros.

MANAGEMENT COMMITTEE

	FIXED	VARIABLE	OTHER ⁽²⁾	PSC	PER DIEMS	TOTAL
Total	1,525	678	47	99	0	2,349

Figures in thousands of euros. Does not include the three executive directors

(1) The target amount of variable remuneration for 2015 for the three executive directors was 250,000 euros each. The executive directors waived their entitlement to variable remuneration for 2015.

(2) Corresponds to remuneration in kind for 2015.

CONFLICTS OF INTEREST

The detection and management of potential conflicts of interest is one of the priorities of the corporate governance policy. To that end, the bank has various reporting and decision-making mechanisms, the most notable of which are as follows:

- The directors must report to the Board any direct or indirect conflicts of interest they or their related parties may have with Bankia. Also, they must refrain from attending and participating in deliberations regarding matters directly or indirectly affecting them personally or their related persons.
- Board members must take the necessary measures to avoid situations in which their interests – either on their own account or someone else’s – can be in conflict with the bank’s interests and their duties towards it. They must also perform their duties under the principle of personal responsibility, freely using their judgment or criteria and independence regarding third party instruments and relationships.
- All directors must make a first declaration of potential conflicts upon becoming a director. The declaration must be updated immediately in the event of any change in the circumstances declared, or the appearance of new circumstances.