General Meeting of Shareholders

José Ignacio Goirigolzarri

23 March 2021

Good morning, dear shareholders.

First of all, I want to thank you again for attending this general meeting, both to all those who are present here and to those following us online.

I would also like to express my gratitude for your understanding of the measures we have been forced to take due to the current health crisis.

That said, it is my honour to appear before all of you once again, dear shareholders.

This is our twelfth general meeting since Bankia was founded and, as is our tradition, we are holding it in Valencia, the city where we are headquartered and for which we feel a special closeness.

This will also be Bankia's last general meeting as an independent entity. Last December, you approved our bank's merger with CaixaBank, without a doubt the most important milestone in Bankia's recent history.

Today I will arrange my presentation in four parts.

- In the first one, I will give an assessment of the year 2020, paying special attention to the most important advances in the bank's corporate governance.
- I will then review the completion of our 2018-2020 strategic plan.
  For now I can tell you that we have achieved a large part of the objectives we charted, despite a much more adverse macroeconomic scenario than we anticipated three years ago.
- Third, I will review Bankia's path from 2012 down to the present.
- And I will end by sharing with all of you some reflections on the future.
- After my presentation, our chief executive officer will give an indepth analysis of the 2020 annual accounts

To begin with the evaluation of 2020, this was a year of great complexity.

For one, we have had to face a health crisis that is still affecting us intensely, in the loss of human lives and in economic and social setbacks.

This has been, beyond doubt, one of the most important challenges that we as a society have had to confront in recent years.

This crisis has hit our economy severely despite the support measures that have been implemented.

All sectors of the economy have suffered to a greater or lesser degree the effects of the strict lockdown and its harsh aftermath on consumer spending and investment, as well as the consequences of the great uncertainty as to the course of the disease.

And the banking industry, as a cyclical sector, has not been immune to the pandemic or to its fallout.

The outlook is now more hopeful and, though there may be new surges of contagion, the effectiveness of the vaccines should gradually get us back to normal.

This situation has also changed the financial environment.

The monetary policy reaction to the pandemic crisis has pushed interest rates down into negative territory never seen before.

In fact, the 12-month Euribor at the end of last year stood at -0.50%, and it is clear that we will have negative rates in Europe for a long time to come.

The market is in fact discounting that rates will not return to positive ground in the euro zone until February of 2025.

Also as a result of the pandemic, we have seen during these months how society, our clients, have made great strides in digitisation, a change that is here to stay and that, no doubt, will greatly affect our business model.

Faced with such swift and abrupt change in the conditions of our environment, banks are obliged to summon up a strategic response.

Given these prospects, the board of directors —which had in the past already dedicated several meetings to analysing the sector's consolidation in Spain and the role that Bankia could possibly play in that process— understood that anticipation was a key strategic lever.

Not only does anticipation broaden the options we have, but it also allows us to undertake the integration of the two banks from a stronger financial position.

And that is why the board felt that this anticipation needed to take the form of the search for a partner with whom we could together ensure three key factors:

- A critical mass to reach economies of scale and thus improve efficiency, while wielding greater capacity for sustained investment in technology and innovation.
- Greater financial robustness, with a soundly provisioned and well capitalised balance sheet, placing us in position of greater strength to deal with the consequences of the economic crisis.
- And third, sustainable profitability, thanks to a well balanced business mix and strong capacity to generate revenue from diversified sources.

The result was the proposed merger with CaixaBank, which we presented at the extraordinary general meeting this past December 1st and was approved by you, our shareholders.

As you can see, the challenges we faced in 2020 were not minor.

And those challenges inspired an extraordinary reaction from our bank.

First, in managing the pandemic.

The lockdown in March 2020 spurred us to make great efforts to stay close to our customers at a time when they needed us more than ever.

Ours is an essential activity and, as such, we kept nearly all of our branches open with the aim of giving our customers the best possible service.

This, together with our operational excellence and the security of our digital channels, allowed our bank to provide the financial services that our customers needed.

We shifted to telework in all areas where physical presence was not indispensable and drew up prevention and protection protocols that we continuously adapted as the pandemic evolved.

This was only made possible by the commitment of Bankia's employees, who over the course of the year demonstrated their great capacity to adapt to the new context brought on by the pandemic, their strong sense of responsibility and an overarching dedication to customer service.

Second, in view of the economic fallout from the health crisis, we designed solutions and products to support households, the self-employed and businesses hit by the shutdown of activity.

We have granted moratoria for mortgage and consumer loans for families who went without a good part of their income during the year.
And we teamed up with ICO to finance thousands of enterprises and independent contractors, extending new lines of credit to keep making their business projects viable.

Our CEO will discuss these points in greater depth later.

Our bank, together with the sector as a whole, has thus become part of the solution to the problems generated by the crisis, helping to maintain household incomes and the productive fabric of our country.

In addition, thirdly, toward the end of the year, once the merger had been approved, we began to plan out the integration of the two banks, which are now making steady progress toward the goal of achieving their technological integration by the end of this year 2021.

And, at the same time, we have been doing the legal and organisational groundwork needed to carry the merger into effect, which I expect will take place very soon.

As you can see, this was a very intense year of management challenges.

And it has also been intense for our corporate governance, where we have achieved major milestones that I will share with all of you in the following minutes.

As regards to the composition of our board of directors and board committees, after last year's annual general meeting of shareholders in March 2020 where several directors were reelected, the board of directors proceeded to reelect Mr. José Sevilla as CEO and to ratify Ms. Eva Castillo as lead independent director, along with the renewal of the composition of the committees of the board of directors.

In May 2020, the board of directors resolved to renew the risk advisory committee, appointing Ms. Laura González Molero to that committee in place of Ms. Eva Castillo.

Also in May, the board of directors approved the creation of the technology and innovation committee, tasked with advising the board on technology, innovation, cybersecurity and data analytics.

In relation to our corporate governance, in May of 2020 the board of directors approved the company's internal governance policy, which systematises Bankia's governance structure by implementing the recommendations of the EBA guidelines.

Also, after the CNMV's review of its Good Governance Code of Listed Companies in 2020, the board of directors resolved to amend:

- The board of directors regulations,
- The regulations of the audit and compliance committee and
- The regulations of the appointments and responsible management committee, to adapt them to the new content of the Code.

The recommendations set out in the Good Governance Code have thus become mandatory rules in our bank.

More detailed information on the modifications of the three regulations is provided under point five of the agenda of this general meeting.

The board also reviewed and updated the company's corporate governance system and various corporate policies in order to reflect the latest regulatory changes, as well as recent recommendations issued by supervisory bodies.

Specifically, the following policies, among others, have been updated:

- The corporate governance policy and the definition of the group's structure;
- The policy on suitability of directors and general managers or similar offices and other key function holders;
- The policy on selection, diversity, integration and training of directors;
- The policy on conflicts of interest;
- The investment and funding policy;
- The dividend policy; and
- The policy on communication, contacts and engagement with shareholders, institutional investors, proxy advisors and other stakeholders.

Lastly, I want to mention the degree of compliance with the recommendations of the Good Governance Code, on which you can find more detailed information in the annual corporate governance report that has been made available to you.

The overall picture reflects the board of directors' commitment to good governance and to complying with the Code.

Out of the 64 recommendations contained in the Good Governance Code, five are not applicable to our company.

And in the rest of the recommendations, Bankia is in full compliance with 58 of them and partly compliant in one, recommendation number 15, given that the number of female directors at year-end was less than 30%.

In regard to our partial compliance with that recommendation, we must take into account that the circumstances deriving from the Covid-19 pandemic and the proposed merger with CaixaBank approved in the last quarter of the year did not allow us to undertake the additional changes that are needed in the company's board of directors.

Fulfilling that objective of representation on the board will therefore now rest with CaixaBank.

In fact, once the merger has been completed, as provided in the merger project proposal, 40% of the directorships in the new board of directors will be held by women.

I will end this overview of 2020 by briefly referring to our financial performance during the year, which will be discussed in more detail afterwards by our CEO.

Despite the great commercial strength shown over the year, the economic consequences of the crisis have had a direct impact on our earnings for the year.

We set aside extraordinary provisions of 505 million euros to deal with the effects that the Covid-19 crisis may have on our loan book in the future.

These provisions hit our bottom line directly and our profit before tax would have been 8% higher without them.

In the end, the profit attributable to the group for the year amounted to 230 million euros, 58% lower than the previous year.

As for the allocation of that profit, in step with the recommendations of the European Central Bank for heightened prudence in the present economic context, and in accordance with the terms of the merger project proposal, it is proposed that our net income for the year be allocated to voluntary reserves and that no dividends to be paid out.

It will be the new CaixaBank board that will bring a proposal before the CaixaBank general meeting for a dividend distribution. All Bankia shareholders at the distribution date will be entitled to that distribution, on the same terms as the CaixaBank shareholders.

I would like to emphasise that, in all cases, after the merger, the new CaixaBank will have the financial might to generate sustainable returns.

And that is the necessary condition for being able to maximise cash dividends, which is the goal we all share.

In any event, our bank's capacity to generate capital, even in so complicated an environment as this year's, has allowed us to continue boosting our capital ratio, which ended the year above 15%, some 246 basis points higher than one year earlier.

In short, the assessment that I can make of 2020 is that in a situation of enormous complexity marked by the pandemic and its health, economic and social fallout, we were able to:

- Continue delivering excellent service to our customers,
- We have responded to the financing needs of households and businesses,
- We have continued generating capital organically, and
- We have made a key strategic decision to merge with CaixaBank, as you approved this past December and which we have been working to prepare in recent months.

Now, in the second part of my presentation I will discuss with all of you the conclusion of our 2018-2020 strategic plan.

The strategic plan we launched in 2018 had two cornerstones.

It was a growth plan in which we sought to gain market share in important business lines and in value products and, at the same time, it was a plan focused on our digital and cultural transformation.

Its execution was conditioned by the major changes in the environment that we have seen in recent months.

With respect to the overall economy, the expansion of gross domestic product and labour market were in line with our initial projections until the first quarter of last year when Covid-19 disrupted that trend dramatically.

But what is more, another enormous differential factor has been the evolution of interest rates.

The divorce between what the market was expecting for the Euribor and its actual behaviour began to be seen from the very beginning.

In fact, comparing what we had projected for the end of 2020 and what actually occurred in the 12-month Euribor, we see a difference of 1.5 percentage points.

In 2018 the market was anticipating that by year-end 2020 the Euribor would return to positive ground at close to 1%. What actually happened is that we closed the year with a negative Euribor at all-time lows of around -0.50%, as I mentioned earlier.

I would now like to review the results we recorded against this enormously complicated backdrop.

I will begin with our business objectives, then discuss margins and end this review with how the quality of our assets and capital has fared.

From the standpoint of commercial momentum, we set ambitious goals for our market share in different areas, but above all, in businesses and in value products such as investment funds and cards.

Looking at our performance in business banking, we met our investment target, allowing our market share to break the 8% barrier and close the year at 8.20%, 130 basis points more than at the start of the plan.

In mutual funds, we have been able to widen our market share by more than 100 basis points in these three years, up to 7.5%, likewise topping the target we had charted.

And in card revenue, a key lever for generating fee income in payment systems, we lifted our share from 11.5% to over 13%, clearly exceeding our projections.

I am going on now to analyse our most recurring margin, being the key components operating expenses, fee and commission income and net interest income.

Starting with operating expenses, we bettered the target set in our plan by 120 million euros.

This was partly due to the greater synergies we harvested after the merger with BMN (30 million higher than the anticipated 190 million euros), but also to the cost containment we were able to manage in other expense lines during this period.

For fee and commission income we set a very ambitious objective that we have achieved, thanks, amongst other things, to the customer loyalty programme we implemented, as you can see on the screen.

Yet, we were not able to meet our target for net interest income. Our announced goal was to reach 2,900 million euros in 2020, but came in at 1,900 million, some 1,000 million lower.

Analysing the reasons for this deviation, 90% is explained by the evolution of the interest rate curve. In short, by that difference of 1.5 percentage points I mentioned earlier between what the market was expecting for the Euribor and its actual behaviour.

As regards asset quality, we have also attained the objectives we set for ourselves:

- We have practically halved the balance of gross problematic assets.
- We boosted coverage of non-performing loans to 58.2%.
- And, as a result, working toward our 2020 target of bringing the net NPA ratio down to below 3%, we came in at 2.98%.

And, certainly, what has been an enormous success story is our capacity to generate capital.

When we launched the plan, we set a goal of generating 2,500 million euros over the three years of the plan to distribute to shareholders.

Now, not only have we achieved this objective, we actually surpassed it and generated nearly 3,000 million euros, to be exact: 2,932 million.

Or what amounts to the same thing, we boosted our CET1 capital ratio to 15.48%.

However, even though we met our capital generation objective, we have not been able to distribute it to shareholders, due to the supervisory and regulatory environment brought on by the pandemic.

But that capacity to generate capital has been key to the merger with CaixaBank.

In short, analysing our performance over the course of the strategic plan, I believe the assessment must be very positive.

We have met all of the objectives that depended on our management performance: the increase in market shares, cost containment and reduction of NPAs.

We have not, however, met our net interest income objective, due to the strong impact on this variable of interest rates, which as we have seen behaved radically worse than the market expected.

Despite this environment of such low negative rates, as I said earlier, we did succeed in generating the capital we had targeted.

The completion of the strategic plan marks a fitting finale to the cycle of transformation Bankia has undergone.

And here I will go on to the third part of my presentation.

As you are well aware, dear shareholders, this board joined Bankia in 2012.

Since then, our bank has carried out an extraordinary transformation.

- We have transformed our financial fundamentals and thus made Bankia the most solvent of the banking major banks in our country (with a fully loaded CET1 ratio of 15.48%), compared to 2012, when, after receiving the State aid we began at below the minimum required by regulators (6.82%).

  Today we have a very comfortable liquidity position.

  And our current NPL ratio is 10 percentage points below the 2013 ratio.

- We have transformed our commercial capacity, thanks to the enormous effort waged by the entire Bankia team, which has placed its focus on the customer and on the market in the longer term during all these years.

  This has translated into significant gains in market share.

Here I will only mention three markets where we have gained share.

In lending to businesses, we have improved from 5.5% to 8.2%.

In mutual funds, we have lifted our share from 4.4% to 7.5%.

And in card revenues we went from a 10.3% share to 13.2%.

- All this commercial capacity is without a doubt underpinned by the enormous change in how our customers perceive the service we give them.

  In fact, today more than 42% of our customers recommend us as main bank to work with, when back in 2013 only 3% did so.

- And, lastly, I think it is important to underscore in this brief review that we have embarked on a thoroughgoing digital transformation.

  At the close of last year, some 60% of our customers were digital customers, allowing us last December to reach the figure of 47% digital sales out of the bank's total sales.

This is the enormous transformation undergone by the bank owned by you, our shareholders, during this time.

Now then, behind all this transformation there stand certain solid principles of responsible management.

Responsible management has been part of our DNA during all these years.

I have personally always felt that the sustainability of a project, an industry or a company requires that society finds it useful, that society wants it to exist.

And for that to happen, the first thing one has to do is to listen to society and understand what it expects of us.

And our society is demanding excellent results, but ones achieved by unimpeachable means.

Toward this end, our responsible management rests on four pillars:

- Deep-rooted principles and values.
- Excellent corporate governance.
- Commitment to sustainability and the environment.
- A striving for a fairer and more inclusive society.

During these years I have shared with you the importance we give to each of these pillars.

You all know the importance this board gave to defining and implementing our values from the very first moment we arrived.

They are what underpins and inspires our corporate governance. And they have permeated the entire organisation.

You have heard me insist at different general meetings that excellent corporate governance is the necessary condition for a project's sustainability.

During this entire period we have also made a huge leap forward in sustainability, which has been recognised:

- In our presence in the last four years on the Dow Jones sustainability Index (DJSI) Europe
- And in our participation in top-level international initiatives sponsored by the UN.
- Notable amongst these are the recommendations on finance and climate change known as TCFD (Task Force on Climate-related Financial Disclosure), responsible banking principles and collective commitment to action on the climate.

And as the fourth pillar of our responsible management, we made a commitment to transforming our society into a fairer and more inclusive society, one with genuine equal opportunities for all people.

We have done this by working along three main lines:

- First, by fostering diversity in our bank and, in particular, the presence of women in executive positions. In 2020 women held 43% of management positions and earned 52% of promotions.

  The policies put in practice toward this end in recent years have allowed us to enter the Bloomberg's 2020 Gender Equality Index (GEI) which recognises us as a gender-equality standard-bearer among banks the world over.

- Secondly, I would like to emphasise our commitment to education through the Bankia Foundation for Dual Training, which is so necessary in our country and will be even more so in the future.

- And third, our social action programmes have in the last eight years contributed 147 million euros to social projects throughout all of Spain, benefiting 3.6 million persons and some 6,000 foundations and associations.

As you see, we have come a long way since we embarked on this project in 2012.

And we have gone through very hard times since that May of 2012. Our path has not always been easy.

But today I can say with great pride that the Bankia team has achieved what perhaps many doubted was even possible: we have made Bankia a sustainable and solvent bank, with high customer satisfaction ratings thanks to the service we provide.

Or, to put it in other words, Bankia has gone from being the main problem for the financial sector and for our country's stability in 2012, to being a reference in the sector and making a decisive contribution to socioeconomic progress in Spain in 2020.

And this brings me to the last part of my presentation, in which I will briefly share with all of you some reflections looking to the future.

The approval of our merger with CaixaBank marks the start of a new stage in our bank's life.

The merger timetable is proceeding on schedule and the legal close of the deal is pending clearance from the authorities.

We trust those authorisations will be received shortly.

Once those go-aheads have been granted, we will take the necessary steps to carry out the merger share swap and, consequently, apply for admission to trading of the new shares issued, which will have the same financial, voting and other rights as the currently outstanding shares.

That is when the real integration of the two banks begins. And it will culminate with their technological integration, which is initially anticipated will be achieved by the end of 2021.

We are therefore starting a new project, hand in hand with the best fellow traveller we could have for this new stage: CaixaBank.

The merger that you approved last December 1st has been received extraordinarily well in the market.

- As you can see on the screen, at the close of last week our share was up 69% over its trading price the day before the merger was announced.

  This is 20 percentage points better than the growth in the Eurostoxx Banks index and 48 percentage points stronger than the Ibex 35 index.

We approach this project with a very clear purpose, namely, to create a stronger bank that can better support our country's families and businesses.

Because operating from a position of strength is the only way to respond to the present needs of our main stakeholders:

- Only with an adequately sized bank will we be able to invest in and develop tools and products that satisfy the requirements of our customers.

  Because customer satisfaction will continue to be the fulcrum of our strategy.

- Only through a growing bank will we be able to offer our employees career development opportunities in the coming years.

  Although I am fully aware that adaptation will not be easy in the near term, I am convinced that in the medium term the doors will open for our professionals to find much greater possibilities for their career growth.

- And it is only through the creation of that new bank that you the shareholders will be able to obtain the value reaped by the synergies the merger is poised to generate.

  Those synergies come both from revenue growth and through economies of scale.

  This is the best way, as I have already said, to be able to reward all of you, dear shareholders, on the basis of profit levels that will be much higher for the combined entity.

- And, to finish, I will return to something I said earlier. Only through this new bank we will have the strength needed to become lead players in our country's recovery.

  Because it is only with great strength that we will be able to support Spanish society as a whole.

Toward this end, moreover, we will be able to leverage the special relation that exists between CaixaBank and the Fundación La Caixa, whose extraordinary social work will be able to continue on the basis of our earnings.

That function, Bankia's social work programmes, will also accompany us in the new bank and likewise be buoyed by our earnings.

And with this end I come to the end of my presentation here.

As I said at the beginning, this is our twelfth general meeting and, at the same time, the last general meeting for our company.

Over these years I have shared our results and our projects with all of you. Year by year we have together contemplated our bank's transformation.

And when one looks at it in perspective, Bankia has made an impressive transformation over all these years, as I have had the opportunity to review for you in my presentation.

And when I personally reflect on the reasons behind this transformation, I always conclude that they have a dual origin:

- On the one hand, our customers, who have trusted and stood with us and to whom we are enormously grateful.

- And on the other, beyond all doubt, the work of each and every person that forms part of the Bankia team.

I already mentioned this at the last general meeting and I will repeat it here: I am grateful to the Bankia team for many reason but, above all, for their example, the example they have given me during all these years.

An example of obsession with customer service, of professionalism, commitment and a spirit of adaptation and sacrifice.

And all of this, moreover, with profoundly ethical values and principles rooted in their behaviour.

This team was forced to face some extremely hard moments in 2012 and 2013, when it was difficult to take pride in being part of this project.
But faced with adversity, this team proved capable of demonstrating its professional worth and capacity to cope and thrive, carrying out the radical transformation of our bank that I have discussed in this presentation.

And our professionals have demonstrated all that again in their handling of the pandemic and in the unrivalled professionalism they have shown in recent months, in which the merger announcement, far from leading to a loss of focus on the customer, has seen them carry on extraordinary activity.

I have said this many times but today want to repeat that I take enormous pride in being part of this team.

And certainly, I also wish to make special mention of the members of the board of directors.

During all this time, the directors of the bank owned by you the shareholders have given a permanent example of dedication, professionalism and a profound sense of independence, and I emphasise profound independence.

I can assure you that each and every one of them, those who are still on the board and those who took part in the first years after we arrived, and whom we have always recalled very fondly: Alfredo Lafita, who was our first lead independent director, and Álvaro Rengifo.

All of them have given me their permanent support with an attitude of constructive and loyal critique.

I therefore wish once again to recognise and thank them.

And I would like to give special thanks to the two executive directors who have travelled this path with me: our CEO José Sevilla and our executive director Antonio Ortega. Thank you so much for your contribution, which for me has been absolutely decisive over these years.

And my gratitude to all of you, dear shareholders, the owners of Bankia, for the confidence you have shown during this entire period.

I can personally assure you that these years in Bankia have been extraordinary for me, both personally and professionally.

I am sure that all of us who have lived this experience will remember it with tremendous pride, with great affection and with enormous gratitude.

Thanks to everyone's work during all these years we are now set to close out one stage and embark on the new project spawned by our merger with CaixaBank.

It is an enormously exciting project, because we are going to create the number one financial group in Spain.

Beyond size, this is a project that will lead us to spearhead the profound transformation to be carried out in our sector.

And we want to continue moving forward, just as we have done thus far, on the basis of deeply rooted principles and values.

With the clear goal of supporting businesses and families, especially in such delicate times as we are now living.

And with an intense focus on a way of running the bank that brings us closer to our customers and to society as a whole.

Because we want to be the reference for responsible banking.

This is our objective.

This is an ambitious objective, one that will require us to give our very best, but it is beyond doubt an exhilarating objective.

Thank you for your attention.

I now turn the floor over to our CEO.