

## INVESTMENT FUNDS

*ASSETS***€11.96 BN (+23.34%)***UNITHOLDERS***515,308**

## PENSION FUNDS

*ASSETS***€6.86 BN (+1.17%)***UNITHOLDERS WITH BALANCES***834,848**

# ASSET MANAGEMENT

Bankia supplies investment products to its commercial network through Bankia Fondos and Bankia Pensiones, which at 31 December 2015 managed a joint total of 18.82 billion euros of assets, 14% more than the 16.48 billion euros managed the previous year.

If Bancassurance is added, the volume of savings managed by Bankia at year-end 2015 was 24.17 billion euros, which is 1.39 billion euros, or 6%, more than in 2014.

The growth in these three savings lines (funds, pensions and insurance) has been steady over the last four years, thanks to the launch of products increasingly tailored to customers' needs and the circumstances of the environment. The 2012 total of 19.28 billion euros grew to 20.55 billion euros in 2013, 22.79 billion euros in 2014 and 24.17 billion euros in 2015. This represents growth of 25% over that period.

Bankia is committed to responsible investing and one of its goals is to continue to apply ESG (environmental, social and good governance) criteria in asset analysis and selection.

## BANKIA FUNDS

Bankia's fund manager offers a wide range of competitive, high quality products in all categories (money market, fixed-income, equity, mixed, guaranteed, global, etc.) and all geographical areas (national and international). This variety allows it to meet the needs of different customer profiles, from the most conservative, whose priority is capital preservation, to the more adventurous, who are willing to take certain risks in the interest of a higher return.

At the end of 2015, Bankia Fondos held 11.96 billion euros in securities, well above the 9.7 billion euros held in 2014. This 23.34% increase in the volume of assets managed coincided with an improvement in return, despite the turmoil that shook the equity market during the year. All this put Bankia Fondos in fifth place among Spanish fund managers, with a share of 5.44%, compared to the previous year's 4.98%, according to Inverco, the Spanish Association of Investment and Pension Funds.

During 2015, risk-profiled products were the ones that attracted the most interest among Bankia Fondos clients, reaching a total of 4.56 billion euros, an increase of 3.18 billion euros compared to 2014. Risk-profiled products, which already account for more than 38% of the fund manager's volume, invest most of their assets in other funds, resulting in a highly diversified portfolio, both in terms of assets and in terms of geographical areas.

Bankia has two ranges of risk-profiled products, each made up of three products with different risk levels for the customer to choose from. The "Soy Así" range is made up of directional funds, designed to obtain income in line with market performance. The "Evolución" range aims for a positive return in the medium term, regardless of any short-term oscillations that may occur.

Lastly, the assets placed in the 48 open-ended investment companies (SICAVs) administered by Bankia remained practically stable. At the end of 2015 they were valued at 273 million euros.

## BANKIA PENSIONES

Bankia has for many years been making significant efforts to encourage long-term saving to supplement the future state pension. To do this it continually offers advice through its commercial network and has effective simulation tools to resolve any queries that may be raised in this respect.

As regards supply, Bankia owns 100% of two pension fund management companies and also has an interest in, and distribution agreements with, the insurance company Caser. This allows it to offer savers various different types of pension fund (individual, employment and associated), always following the principle of tailoring the product as far

as possible to each customer's needs and retirement horizon.

At 31 December 2015, the total value of Bankia's pension funds was 6.86 billion euros, compared to 6.78 billion euros in 2014. Of the end-of-year total, 71.96% related to individual plans and the rest, to employer and associated plans.

## RESPONSIBLE INVESTMENT

In 2015 the bank improved its system for evaluating investments according to environmental, social and corporate governance criteria. Through an international provider of socially responsible investment services, investments are categorised based on a hybrid criterion, using best-in-class screening combined with two exclusion criteria: non-compliance with the principles of the Global Compact and involvement in controversial weapons.

*BANKIA HAS FOR MANY YEARS BEEN MAKING SIGNIFICANT EFFORTS TO ENCOURAGE LONG-TERM SAVING TO SUPPLEMENT THE FUTURE STATE PENSION*



## AT BANKIA PENSIONES, COVERAGE UNDER SRI CRITERIA

# €1.017 BN\*

(APPROXIMATELY 61% OF THE ASSETS  
MANAGED IN EMPLOYER PENSION PLANS)

\*Figure amended after the report went to print.

The Asset Management Risk Management Directorate, which is responsible for controlling these non-financial risks, presents and analyses the information provided by the SRI provider, along with the changes in the ESG ratings of the issuers of financial assets, in the Risks Committee. It also prepares detailed information on the ESG ratings of the pension fund portfolios and the implementation of ESG criteria and actions taken, so that the Commercial Directorate can present them to the control committees of each employer fund.

The Investments Directorate has incorporated ESG criteria into all the decision making that previously was based on fundamental and market criteria. This also allows it to monitor the company's commitment, compliance and future plans in ESG matters.

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