



EMPLOYEES RECEIVED  
TRAINING ON CODE OF  
ETHICS AND CONDUCT

**179**

REPORTS RECEIVED  
THROUGH THE  
CONFIDENTIAL WHISTLE-  
BLOWING CHANNEL SINCE  
IT WAS LAUNCHED IN 2013

**23**

MEETINGS OF THE ETHICS  
AND CONDUCT COMMITTEE

**12**

# CORPORATE INTEGRITY

Bankia's Code of Ethics and Conduct has four cornerstones: ethical principles and values, corporate ethics, market integrity and ethics, and personal ethics.

## CODE OF ETHICS AND CONDUCT

The Bankia Group has a Code of Ethics and Conduct. The Code sets out the rules and criteria on professional conduct that must be adhered to and applied by all the institution's staff and officers and across all the group's activities and businesses. The requirement of ethical standards of behaviour and corporate integrity is an indispensable requirement to preserve confidence in and respect for the bank.

The objectives of the Code of Ethics and Conduct are as follows:

- Regulate permitted and prohibited conduct by the institution.
- Establish the ethical principles and general rules to guide actions of the group and employees among themselves and in their relationships with customers, shareholders, suppliers and, in general, all persons and entities with which the group has direct or indirect relationships.

The Bankia Code of Ethics and Conduct has various elements:

### ETHICAL PRINCIPLES AND VALUES

They are commitment, integrity, professionalism, proximity and a performance-focused approach.

### CORPORATE ETHICS

The Code establishes the values that

must guide relations between the Bankia Group and its staff, customers, suppliers and society as a whole. In particular, institutional conflicts of interest are prevented using Chinese walls to avoid the possibility of abusive or unlawful use of the non-public information on its investment decisions and other activities obtained through its relations with customers, suppliers or privileged institutional relations.

### ETHICS AND INTEGRITY IN MARKET DEALINGS

A series of procedures and controls has been defined and implemented to ensure compliance with international standards in this regard. In particular, policies have been established to prevent market manipulation and the use of insider information, and to encourage free competition and transparency. Policies have also been developed to prevent the commission of corruption offenses. Bankia in this regard has various control mechanisms and training plans for managers and other employees. There also are various specific recommendations combating corruption in contracting with suppliers, incentives and credit risk.

### ETHICAL STAFF

Acceptance of any kind of gift, gratuity, income or fee in relation to transactions of Bankia and influencing matters that could give rise to actual or potential conflicts of interest are expressly prohibited.

The Corporate Governance System covers and guarantees proper functioning of internal governance, thus ensuring sound and prudent management of the bank and its group.

The group employees are required to know the Code of Ethics and Conduct, complying with it and cooperating in facilitating compliance therewith. This commitment includes reporting any indication or certainty of violation thereof of which they are aware through channels established for that purpose.

To facilitate application of the code and the internal flow of information, the Audit and Compliance Committee approved the establishment of a Confidential Whistle-blowing Channel. It may be used to report any non-compliance by way of an internal digital platform or by email.

The channel has a regulation approved by the Audit and Compliance Committee, establishing mechanisms for receiving, filtering, classifying and resolving reports of misconduct submitted, in accordance

with the criteria of the Spanish Data Protection Agency.

This channel is managed by a specialist firm outside the Bankia Group (currently PwC), overseen by the Ethics and Conduct Committee; ensuring all reports of misconduct received are analysed by an independent party, and that only those people who are strictly necessary to the investigation and resolution have access to the information. The reporting process is totally confidential and the anonymity of the communication through the channel is respected, except for those persons that are directly involved in responding and/or act to verify the reported facts.

The Code of Ethics and Conduct and the Confidential Whistle-blowing Channel are key elements of the crime detection and prevention model. Both tools are available on the Bankia corporate website and the employee intranet.

In application of the Code of Ethics and Conduct rules, during 2015 170

*THE CONFIDENTIAL  
WHISTLE-BLOWING  
CHANNEL IS MANAGED  
BY A THIRD PARTY  
ENSURING THAT ALL  
COMPLAINTS RECEIVED  
ARE HANDLED AT  
ARM'S LENGTH*



## REPORTS TO THE CONFIDENTIAL WHISTLE- BLOWING CHANNEL

# 11

sanctions were imposed for non-compliance therewith. The sanctioned practices were for breaching instructions/inappropriate conduct, financing of employees and third parties, violation of the Data Protection Act and falsification/manipulation. Of the total instances of non-compliance, 39 were considered to be very serious and resulted in 27 disciplinary dismissals and 12 demotions. The remaining 131 were resolved by way of written reprimands or warnings.

11 submissions received in 2015, one of which was an inquiry and ten complaints.

<b>TYPE OF REPORTS OF MISCONDUCT RECEIVED</b>	<b>2014</b>	<b>2015</b>
Market abuse		
Workplace bullying	1	1
Irregular conduct with suppliers	1	2
Misappropriation or syphoning off of resources	1	
Accounting and auditing aspects	1	2
Confidentiality or use of insider information		
Conflicts of interest	1	
Question/Suggestion	3	1
Falsification of contracts, reports or records		
Infringements regarding securities or equities trading		
Environmental protection		
Information security		1
Physical security		
Bribery or corruption		
Infringement of employee rights		1
Other	4	3
<b>Total reports of misconduct submitted</b>	<b>12</b>	<b>11</b>