

SUPPLIER SATISFACTION INDEX
75.8

ACTIVE APPROVED SUPPLIERS
82.37%

SUPPLIERS CLASSIFIED
WITH CSR CRITERIA
1,288

NEW SUPPLIERS
508

ACTIVE SME SUPPLIERS
448

SUPPLIER PAYMENTS
MADE WITHIN 30 DAYS
97.08%

CONTRACTS MANAGED
VIA E-CONTRACT
88.1%

SUPPLIERS

In 2015, Bankia was the first Spanish financial institution to receive UNE-CWA 15896 accreditation for its procurements management system.

This standard aims to achieve excellence in the purchasing departments of organisations through a standard quality commitment that adds value to the company and ensures that all environmental, ethical and sustainability aspects are observed. AERCE (the Spanish Association of Purchasing, Procurement and Provisioning Professionals) of which Bankia is a member, helped develop the UNE-CWA 15896 standard.

In 2015, the bank also approved specific rules of conduct for the procurements team in accordance with the Code of Conduct signed off by the Board of Directors and the rules of the International Federation of Purchasing and Supply Management (IFPSM). These rules are based on criteria including: mutual benefit, loyalty and honesty, objective decision-making, transparency and equal opportunities, confidentiality, integrity and independence in relations, and corporate social responsibility.

In 2015, Bankia received three awards in the categories of “Innovation”, “Transformation of the procurements function” and “Procurements manager of the year” at the sixth edition of the Procurements Diamond Awards handed out each year by AERCE.

PROCUREMENTS POLICY AND PROCESS IMPROVEMENTS

During 2015, Bankia redoubled its commitment to diversifying its supply chain, pledging to bring in a number of new suppliers every year equivalent to at least a tenth of the total. In 2015, 508 new suppliers were included among a total of 3,398 authorised suppliers, representing 14.95% of the total list of authorised suppliers.

Furthermore, the bank decided to give priority to suppliers that show respect for their employees and focus on quality and protection of the environment and human rights. It also blocks any procurement from suppliers that fail to comply with legal, tax, employment, environmental, health and safety or human rights requirements. Supplier contracts also include environmental clauses and an annex related to occupational risk prevention if the service is being provided at the bank’s own facilities.

The Supplier Certification Process is based on best social responsibility practices, with a special 30% weighting for CSR, HR and environmental criteria, while breaches of various requirements results in exclusion.

As part of its push to achieve excellence in this area, Bankia has established that the Supplier Certification Process is intrinsic to forging commercial relations with suppliers. The process allows it to identify any economic, social and environmental risks by evaluating the information all suppliers are required to provide. This information is submitted through the Suppliers Portal, where the results of such evaluations are also published. 3,398 suppliers had been approved at year-end 2015.

As well as adopting a more stringent approach when contracting suppliers, Bankia has introduced several pledges vis-à-vis procurement request approvals whereby no less than 80% of requests are signed off by the agreed deadline. Work continues to roll out e-contracts and e-billing, speeding up processes and facilitating compliance with the obligations assumed. In 2015, 88.1% of contracts were paperless, while e-billing accounted for 47.18% of the total. This latter development drove down payment times, with 97.08% of invoicing being settled within 30 days.

TOTAL PAYMENTS
TO SUPPLIERS

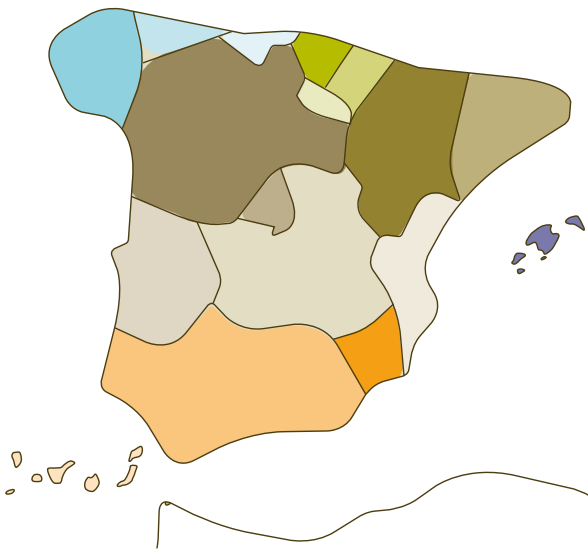
€747.67 MN

SUPPLIER RELATIONS CHANNEL

The different channels through which suppliers can contact Bankia were reinforced in 2015:

- The Confidential Whistleblower Channel, created in 2013 to detect potential breaches of the bank's Code of Ethics and Conduct. This is available to suppliers and managed by an independent third party. The Supplier Service Department, enabling suppliers to submit complaints, claims and suggestions related to invoice payments and the provision of contract related services, and disagreements related to supplier selection processes.
- All submissions via SAP are dealt with by the Chairman's Office. Satisfaction surveys, assessing the perception of Bankia's suppliers about aspects such as the courtesy shown to them, the bank's willingness to deal with complaints, the negotiating process, and compliance with payment commitments.
- The May 2015 survey was sent to more than a thousand suppliers. The results showed that 75.5% of suppliers scored their level of satisfaction with the bank equal to or greater than 7 out of 10.
- Supplier "sponsors", created in 2013 to facilitate contact and to effectively monitor collaboration with suppliers. Strategic suppliers are assigned a sponsor who is responsible for resolving any doubts or problems that may arise in their dealings with Bankia.

MAP OF ACTIVE SMEs



ANDALUSIA	15	ARAGÓN	5	ASTURIAS	3	BALEARIC ISLANDS	3
CANARY ISLANDS	11	CASTILE-LEON	4	CASTILE-LA MANCHA	8	VALENCIA	27
MADRID	285	CATALONIA	44	GALICIA	7	LA RIOJA	2
MURCIA	3	NAVARRRE	2	BASQUE COUNTRY	11	EXTREMADURA	1
		CEUTA	1				

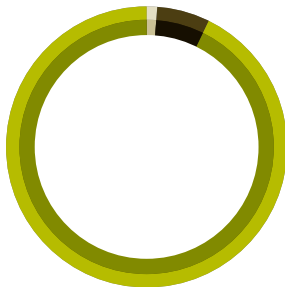
TOTAL, AUTONOMOUS COMMUNITIES **432** (*FOREIGN SMEs **18**)

AVERAGE SUPPLIER PAYMENT PERIOD

11,66 DAYS

SUPPLIER PROFILE

CLASSIFICATION OF APPROVED SUPPLIERS



- TOTAL NUMBER OF APPROVED SUPPLIERS CLASSIFIED AS STRATEGIC **1.49**
- TOTAL NUMBER OF APPROVED SUPPLIERS CLASSIFIED AS PREFERRED **5.99**
- TOTAL NUMBER OF APPROVED SUPPLIERS CLASSIFIED AS TRANSACTIONAL **92.52**

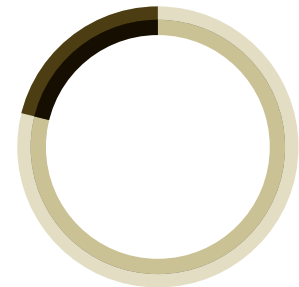
CLASSIFICATION OF ACTIVE SUPPLIERS BY SECTOR*



- UTILITIES, SERVICES AND OTHERS SECTOR **36.12**
- FINANCIAL AND MEDIA SECTOR **29.96**
- IT SECTOR **9.79**
- CONSTRUCTION SECTOR **6.74**
- ENGINEERING AND ELECTRIC SECTOR **4.37**
- WOOD, PAPER AND PRINTING SECTOR **4.37**
- OTHERS SECTOR **8.64**

* With annual turnover exceeding 3,000 euros

SMEs THAT ARE ACTIVE SUPPLIERS



- IN THE BANK'S MAIN AREAS OF ACTIVITY **82.59%**
- OUTSIDE THE MAIN AREAS SERVED BY BANKIA **17.41%**

A TOTAL OF 3,398 APPROVED SUPPLIERS, 2,799 OF WHICH ARE ACTIVE SUPPLIERS



- TOTAL NUMBER OF INACTIVE APPROVED SUPPLIERS **599**
- TOTAL NUMBER OF ACTIVE APPROVED SUPPLIERS **2,799**

ACTIVE SUPPLIERS DOMICILED LOCALLY



- TOTAL NUMBER OF FOREIGN ACTIVE APPROVED SUPPLIERS (OUTSIDE LOCAL AREA) **4.00**
- TOTAL NUMBER OF SPANISH ACTIVE APPROVED SUPPLIERS (IN LOCAL AREA) **96.00**

% BILLING FROM LOCAL SUPPLIERS



- PAYMENTS TO FOREIGN SUPPLIERS AS A PERCENTAGE OF TOTAL BILLING **2.56**
- PAYMENTS TO SPANISH SUPPLIERS AS A PERCENTAGE OF TOTAL BILLING **97.44**