



03.4

CORPORATE INTEGRITY.

BANKIA'S CORPORATE INTEGRITY PRINCIPLES ARE SET OUT IN THE CODE OF ETHICS AND CONDUCT, WHICH IS THE CENTRE PIECE OF THE FRAMEWORK FOR THE PREVENTION AND DETECTION OF MISCONDUCT. THE CONFIDENTIAL WHISTLEBLOWING CHANNEL IS ANOTHER KEY TOOL.

CODE OF ETHICS AND CONDUCT

The Bankia Group has a Code of Ethics and Conduct, which sets out rules and criteria for professional conduct that apply to and are binding on all the bank's professionals and directors and across all the group's activities and businesses. Enforcement of ethical standards of behaviour and corporate integrity is essential in order to preserve trust in, and respect for, the bank.ad.

The goals of the code are as follows:

- Specify the conduct that is permitted and the conduct that is prohibited by the bank.
- Establish the ethical principles and general rules that must govern the behaviour of the group and its professionals towards

one another and towards customers, shareholders, suppliers and all the individuals and institutions with which the group, directly or indirectly, has relations.

The code revolves around various themes:

- **Ethical principles and values.** Commitment, integrity, professionalism, proximity and achievement orientation.
- **Corporate ethics.** The code establishes the values that should guide the group's relations with its professionals, customers, suppliers and society at large. In particular, it is intended to prevent institutional conflicts of interest by erecting barriers that will stop non-public information on its investment decisions and other activities from being used abusively or unlawfully.
- **Ethics and integrity in the markets.** Various procedures and controls have been designed and implemented to ensure



compliance with international standards in this area. In particular, policies have been put in place to prevent market manipulation and misuse of inside information and to foster free market competition and transparency. Policies have also been developed to prevent corruption crimes. Bankia has various control mechanisms for this purpose and has training plans for managers and other professionals. There are also various specific recommendations to prevent corruption in supplier selection, incentives and credit risk.

- **Personal ethics.**

Accepting gifts, presents, money or commissions of any kind for operations carried out by Bankia and influencing matters in which there are actual or potential conflicts of interest is expressly prohibited.

The group's professionals have an obligation to know, comply with and help to enforce the Code of Ethics and Conduct. This includes the obligation to report any evidence or proof of infringement through the channels made available for that purpose.

CONFIDENTIAL WHISTLEBLOWING CHANNEL

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To facilitate enforcement of the code and internal reporting, the Audit and Compliance Committee approved the establishment of a confidential whistleblowing channel, which allows employees to notify any misconduct through a special online platform or by email.

The channel has its own regulations, approved by the Audit and Compliance Committee, which establish mechanisms for the receipt, filtering, classification and resolution of reports in accordance with Spanish Data Protection Agency standards.

03.4

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The channel is managed by a specialised external company (currently PwC), under the oversight of the Ethics and Conduct Committee, which is responsible for ensuring that all reports received are assessed independently and that the information is shared only with persons whose collaboration is strictly necessary to research and resolve the matter. The reporting procedure is completely confidential and the anonymity of the whistleblower is guaranteed, except for the persons directly involved in responding to the report and checking the facts.

Both the Code of Ethics and Conduct and the Confidential Whistleblowing Channel are available on Bankia's corporate website and the employee intranet.



100%

Employees
must know and follow
the Code of Ethics and Conduct.



29

Reports received
via the Whistleblowing Channel
since it was created.



11

**Meetings of
the Ethics and
Conduct Committee.**

In the last year, six reports or inquiries were received via the Confidential Whistleblowing Channel. After internal analysis, it was found that in none of the cases was there any violation of the Code of Ethics and Conduct.

TYPES OF REPORTS OF MISCONDUCT RECEIVED

2016 2015

TYPES OF REPORTS OF MISCONDUCT RECEIVED	2016	2015
Market abuse		
Workplace bullying	2	1
Irregular conduct with suppliers		2
Misappropriation or syphoning off of resources		
Accounting and auditing aspects	1	2
Confidentiality or use of insider information		
Conflicts of interest		
Question/Suggestion	1	1
Falsification of contracts, reports or records		
Infringements regarding securities or equities trading		
Environmental protection		
Information security	1	1
Physical security		
Bribery or corruption		
Infringement of employee rights		1
Other	1	3
Total reports of misconduct submitted	6	11