Bankia is a financial institution that operates throughout Spain and whose activity is centred on retail and business banking. Its main shareholder is the State and its corporate headquarters are in Valencia.
THE RESPONSIBLE MANAGEMENT POLICY HELPS ORIENT THE BUSINESS, PREVENT RISKS AND LAY THE FOUNDATIONS FOR STAKEHOLDER DIALOGUE.

RESPONSIBILITY, SUPERVISION AND ASSESSMENT

Responsible Management at Bankia is overseen by the Board of Directors, although since 2015 over-sight authority has been delegated to the Appointments and Responsible Management Committee.

Made up of three independent directors, the Appointments and Responsible Management Committee’s functions include reviewing and evaluating the Bank’s corporate social responsibility policy and practices and overseeing relations with the different stakeholder groups.

Initiatives and projects in this area are put forward by the Responsible Management...
Committee, which includes executives from the units that have direct contact with stakeholders. Ordinary meetings of the committee are held every quarter.

The Responsible Management Committee is chaired by the Deputy General Directorate of Communication and External Relations, while the role of secretary is taken by the Corporate Social Responsibility Directorate, which analyses trends, makes proposals, and coordinates and drives responsible management at Bankia.

During 2018, the committee addressed issues including the new Responsible Management Plan, climate change, reputational risk, relations with analysts and investors, analysis of new regulations and trends, SRI policies, new products with a social and environmental focus, approval of social agreements and investment, and workforce training in responsible management, as well as the approval of the new 2019-2020 Responsible Management Plan.
To adapt the Bank’s activity to the expectations of the environment it operates in, Bankia performs regular analyses of the most relevant aspects and those that have most impact on its relationships with stakeholders. A team of external consultants ensures the reliability of the methodology used and the accuracy of the results.

At the end of 2017, through active listening to its stakeholders, both internal and external, Bankia conducted a materiality analysis to identify the aspects that are most important for the bank’s Responsible Management.

This analysis of material issues for Bankia and its stakeholders served as input for the new 2019-2020 Responsible Management Plan, which was approved at the beginning of 2019.

The issues the external and internal stakeholders (i.e. shareholders and investors, customers, suppliers and society as a whole vs. employees) considered most important were those relating to economic strength, how business relationships are established and honesty in the conduct of the bank’s employees, as well as keeping pace with technology.

The external perspective has helped understand how each of these issues influences stakeholders’ decisions and their opinion of Bankia.

The internal perspective reflects the importance of stakeholder trust for the business, or in other words, how each issue affects the ability to create value for the bank.

The reputational risk variable was included in the materiality analysis so as to gauge stakeholders’ tolerance, trust and attitudes in the event that the bank’s performance in some respect fails to meet their expectations and so be able to anticipate such incidents.
RANKING OF MATERIAL ISSUES

(based on importance for Bankia and for stakeholders)

RESPONSIBLE MARKETING
CORPORATE GOVERNANCE
SOLVENCY
ETHICS
CONTRIBUTION TO SOCIETY
TALENT MANAGEMENT
TRANSPARENCY
INNOVATION AND MULTICHANNEL MARKETING
DATA SECURITY
FUNDING STRUCTURE
PRODUCTS THAT HAVE A POSITIVE IMPACT
ASSET QUALITY MANAGEMENT
ENVIRONMENTAL MANAGEMENT
ACCESSIBILITY AND FINANCIAL INCLUSION
MANAGEMENT OF RISKS IN THE ENVIRONMENT
MANAGEMENT OF INDIRECT ENVIRONMENTAL AND SOCIAL IMPACTS
RESPONSIBLE PURCHASING

RISK LEVEL (1)

HIGH
MEDIUM
LOW

(1) The risk level represented is explained by the stakeholders' reaction or attitude towards Bankia if the bank disappoints their expectations on each issue.
The general, group-wide frame of reference for Bankia in matters of corporate social responsibility is the Responsible Management Policy, which helps to guide the business, manage risks, identify and exploit opportunities and lay the foundations for stakeholder dialogue, so as to align the Bank’s activity with the common goal of ensuring Bankia’s sustainability. The principles of this policy are:

1. Value creation: putting the how before the what.
2. Transparency and good governance: saying what is done and what we do.
3. Ethics and integrity: doing what we say.
5. Active listening and dialogue: satisfaction orientation.
6. Clarity, simplicity and understanding: identification with the customer.
7. Recognition and respect: basis of the relationship with the bank’s professionals.
9. Climate change: global demand.
10. Social commitment: local development and community closeness.

The Responsible Management Policy is approved by the Board of Directors and is reviewed periodically to ensure that it remains aligned with the corporate values and the bank’s strategy, as well as with the expectations, requests and demands of our stakeholders.

The Appointments and Responsible Management Committee is responsible for ensuring effective implementation of the strategy and commitments set out in this policy and for assessing compliance.
The channels of dialogue the bank uses to give account of its daily activity also allow stakeholders to participate in preparing this report and in identifying priority issues.

### CHANNELS OF DIALOGUE

**CONTINUOUS DIALOGUE**

- Letters and e-mails to the Chairman
- Commercial network
- Customer service
- Social networks - Corporate websites
- Confidential whistleblowing channel

**SHAREHOLDERS AND INVESTORS**

- Commercial network
- Shareholder’s office
- Corporate websites

**EMPLOYEES**

- People managers
- Intranet
- Online forums
- HR people line
- Corporate websites
- Confidential whistleblowing channel

**SUPPLIERS**

- Supplier portal
- Supplier service centre
- Specialised strategic supplier manager
- Corporate websites
- Confidential whistleblowing channel

**SOCIETY**

- Commercial network
- CSR mailbox
- Volunteers’ portal
- Social media
- Corporate websites

**GOVERNING BODIES**

- E-mails from the chairman

**PERIODIC DIALOGUE**

- ‘Bankia actualidad’ (Bankia News) monthly newsletter
- Surveys and interviews
- Specific seminars and event days

**SHAREHOLDERS AND INVESTORS**

- General meeting of shareholders
- Road shows
- International conferences
- Shareholder and investor information service

**EMPLOYEES**

- Focus groups
- ‘Bankia online’ magazine
- ‘Bankia en 30 segundos’ (Bankia in 30 seconds) weekly newsletter
- Seminars and event days

**SUPPLIERS**

- Satisfaction surveys

**SOCIETY**

- ‘Bankia actualidad’ (Bankia News) monthly newsletter

**GOVERNING BODIES**

- Directors’ blog on CSR
- Internal and external work days
- Meetings with employees
BRAND

BANKIA LISTENS TO ITS CUSTOMERS’ NEEDS AND THE TRENDS IN CUSTOMER DEMANDS, SO AS TO PRESENT RELEVANT VALUE PROPOSITIONS.

Brands only have a place in society if society’s members so decide. That is why it is crucial to discover the reason why people choose the Bankia brand. They will do so based on their experience with the bank and the Bank’s ability to connect emotionally with consumers.

Bankia realises that for that to happen, it must present customers with a value proposition that is relevant to them and motivates them to act. To discover what is relevant, and because it is in the bank’s DNA, Bankia listens to customers’ needs and the trends they follow and asks itself how it can help satisfy those needs.

“MAKING THINGS EASY” AS A MOTTO

One of the things customers want is for banking to be easy, to have an account manager who explains things in simple terms and to be able to find the information they need, perform transactions and get answers to
their questions about products and services quickly and easily.

For that purpose the bank has created ‘Bankia Fácil’, a programme that pulls together all the digital and analog solutions that quickly and simply meet customers’ most common needs: withdrawing cash without a card, access to an account manager in a secure channel, always knowing what financing is available or cancelling a product if they are not happy with it.

One of the bank’s fundamental goals is to bring the principle of making things easy to bear on the world of payments. Consumers are no longer afraid of shopping online and, although it can be convenient to shop in local stores, we can find everything we want on the Web.

Technology has become a basic necessity and we increasingly use our smartphones to browse the internet and make purchases. For that reason, last year Bankia reached an agreement with the main digital partners to enable all the bank’s customers, whatever the platform they use (Apple, Samsung, Paypal, Google or Bizum), to make payments from their devices. Hence the ‘No uses dinero’ campaign, because paying with Bankia is easy and safe.

Another tendency observed in society is that pets, particularly dogs, have become a very important part of many households, with 40% of households having a dog. Aware of the close ties between owners and pets, Bankia has become the first dog-friendly financial institution: dogs are welcome in Bankia branches.

This initiative, together with sponsorship of Perrotón (the biggest urban race with dogs) and the collaboration with Pipper (the travelling dog who recommends places for people who travel with pets), has started to create a space in which Bankia is positioning itself so as to connect with a large part of its audience, showing sensitivity on matters that are crucial to them.

At Bankia we believe we are on the right track and that the work we have done is bearing fruit, as the results of the main brand health indicators show. We shall therefore stick to our principles of proximity, transparency and accessibility during 2019.
01.8 SHAREHOLDING STRUCTURE

THE CAPITAL STRUCTURE PUT IN PLACE AT THE BEGINNING OF 2018, WITHIN THE FRAMEWORK OF THE MERGER WITH BMN, CONSOLIDATED THE BANKIA GROUP’S SHAREHOLDING STRUCTURE.

At the beginning of 2018 Bankia carried out a capital increase through the issue of 205,630,814 shares, which were delivered to the shareholders of Banco Mare Nostrum (BMN) in the merger exchange. As a result, Bankia’s total capital was increased to 3,085 million shares. At 31 December, the number of shareholders was 184,643.

38.61% of the bank’s capital trades freely on the stock market, while 61.38% of the shares are held by BFA Tenedora de Activos, Bankia’s parent company, which is owned by the State through the FROB (Fondo de Reestructuración Ordenada Bancaria, or Fund for Orderly Bank Restructuring).

Besides BFA, Bankia also has 22.5% of non-Spanish institutional shareholders and 7.04% of Spanish institutional shareholders, plus 9.07% of small shareholders.
**BFA Tenedora de activos is Bankia’s main shareholder, holding 61.38% of the bank’s share capital.**

### BANKIA’S MAIN SHAREHOLDERS BY INVESTOR TYPE

<table>
<thead>
<tr>
<th></th>
<th>% SHARE CAPITAL AT 31/12/2018</th>
<th>% SHARE CAPITAL POST MERGER EXCHANGE (12/01/2018)</th>
<th>% SHARE CAPITAL AT 31/12/2017</th>
<th>Y-O-Y CHANGE (PP) / No.</th>
<th>Y-O-Y CHANGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFA</td>
<td>61.38%</td>
<td>60.98%</td>
<td>60.68%</td>
<td>0.70</td>
<td>1.15%</td>
</tr>
<tr>
<td>Spanish institutional</td>
<td>7.04%</td>
<td>6.76%</td>
<td>4.87%</td>
<td>2.17</td>
<td>44.60%</td>
</tr>
<tr>
<td>Foreign institutional</td>
<td>22.50%</td>
<td>23.30%</td>
<td>24.92%</td>
<td>-2.42</td>
<td>-9.70%</td>
</tr>
<tr>
<td>Minority interests</td>
<td>9.07%</td>
<td>8.96%</td>
<td>9.53%</td>
<td>-0.46</td>
<td>-4.86%</td>
</tr>
<tr>
<td>REGISTERED</td>
<td>3,084,962,950</td>
<td>3,084,962,950</td>
<td>2,879,332,136</td>
<td>205,630,814</td>
<td>7.14%</td>
</tr>
<tr>
<td>SHAREHOLDERS</td>
<td>184,643</td>
<td>192,055</td>
<td>190,655</td>
<td>-6,012</td>
<td>-3.15%</td>
</tr>
</tbody>
</table>

**BANKIA’S CAPITAL**

- **BFA** 61.38%
- **Foreign Institutional** 22.50%
- **Minority Interests** 9.07%
- **Spanish Institutional** 7.04%
Bankia shareholders can raise questions about the General Meeting through channels such as the Electronic Forum.

GENERAL MEETING OF SHAREHOLDERS

The 2018 Ordinary General Meeting took place in Valencia on 10 April and was attended, in person or by proxy, by shareholders representing 78.31% of the capital, corresponding to 3,432 shareholders.

From the moment the Notice of General Meeting is published, all the information is available to shareholders on the Bankia website and at the General Meeting Service Office.

Shareholders who wish to raise any matter relating to the agenda may do so through the channels of communication placed at their disposal for that purpose, including the Shareholders’ Electronic Forum.

ADVANTAGES FOR SHAREHOLDERS

In 2018, retail shareholders continued to benefit from the “No fees” strategy, without having to have direct income deposit. The only requirement is that they hold one thousand or more shares deposited at the bank.

They are thus exempted from paying service and maintenance fees on all their demand accounts, on all the usual debit cards, on credit transfers through any channel (Oficina Internet, Oficina Móvil and ATMs) and on the paying-in of Spanish cheques.

Shareholders holding one thousand or more shares are also eligible for benefits such as special conditions on the Gold and Platinum cards and a free electronic newsletter (to which they must first subscribe) to keep them up to date with Bankia news.

Shareholders who buy Bankia securities through the bank are also entitled to an exemption from fees on the purchase, administration and custody of the securities. Only the brokerage fee (expenses of the broker-dealer that executes the purchase) and stock exchange fees are passed on.
COMMUNICATION CHANNELS

Bankia maintains various communication channels to meet its commitment to ongoing dialogue with its shareholders:

Corporate website

Through its website the bank puts the principles of information equality and symmetry into practice. Available in both Spanish and English, the website content is continuously updated. One of the most practical sections of the website is the Investor’s Calendar, which shows the dates of earnings announcements and notices of General Meetings, as well as information about conferences, dividend payments and other material events.

In 2018, the corporate website for shareholders was updated and upgraded, with notable changes to the structure and design of the shareholder and investor sections. The new portal was launched in March 2018.

Besides the continually updated content (dividends, share capital, rating, FAQs, shareholding structure, calendar, presentations, financial reports), other value-added information for shareholders has been added, including:

- Infographics of earnings and the strategic plan, factsheets, in-depth studies, etc.
- A new Analysts’ Consensus section, with regularly updated analyst estimates.
- Historical information about the shareholding structure, including monthly data for the last year.
- A new benefit for shareholders, consisting of an exemption from bank fees on the purchase, administration and custody of Bankia shares.
01.8 SHAREHOLDING STRUCTURE

Shareholder’s Office

The Shareholder’s Office provides information about the group’s business and share price performance and about the benefits of being a Bankia shareholder. During 2018 it answered 680 telephone calls from shareholders and 64 email inquiries.

Other communication channels used include text messages (131,720 text messages sent with the quarterly results, compared to 99,328 the previous year), social media, quality surveys and the branches.

Shareholder and Investor Information Service newsletter

This free digital publication is emailed to all subscribers, who may choose to receive it in Spanish or in English. It is issued quarterly, coinciding with the quarterly results presentation, although special editions are issued for important milestones such as the General Meeting, dividend payments or specific operations.

The newsletter provides information about the bank’s results, financial reports, news, material disclosures, indicators, studies and presentations, events, videos, infographics and other useful links. Seven newsletters were sent in 2018, both in Spanish and in English.

680 EMAIL INQUIRIES ANSWERED THROUGH THE SHAREHOLDER’S OFFICE

131,720 TEXT MESSAGES SENT DURING 2018 WITH THE QUARTERLY RESULTS
INSTITUTIONAL INVESTORS

During the year, the Investor Relations and Ratings Directorate took part in 12 road shows, 15 international conferences, 12 field trips (investor group visits to Madrid) and numerous individual meetings and conference calls to explain the bank’s performance and results, answer questions and share opinions.

In all, 474 contacts were seen in these meetings, of which 410 were institutional investors (both equity and fixed income) or investment management companies, 43 were analysts and 21 belonged to rating agencies and counterparties. A total of 289 investment firms from 28 different countries, 86.2% of them international, 32 analyst firms and 10 rating agencies and counterparties were represented at the meetings.

Bankia also took part as a speaker in five financial conferences addressed to global investors. It broadcast five webcasts, four with the quarterly results and one announcing the 2018-20 Strategic Plan (also with a live audience), using a platform that allows live questions and answers.

NOT ONLY FINANCIAL INFORMATION

Following the principles of proactivity and transparency, Bankia keeps its various stakeholders (analysts, investors, management companies, shareholders, rating agencies, bank counterparties, proxy advisors and other institutions and public bodies) constantly informed through periodic communications and meetings.

Apart from the financial content, the bank also provides information on social, environmental and corporate governance matters, which are increasingly demanded by the public. In fact, 62.8% of Bankia’s institutional investors apply responsible investment policies.

In order to protect the right to equal treatment and non-discrimination, all the information is published in the corporate portal or via the CNMV.
ACTIVE DIVERSITY MANAGEMENT HELPS GENERATE MORE INCLUSIVE LEADERSHIP WITHIN THE ORGANISATION AND REINFORCES WOMEN’S PROGRESS TOWARDS MORE SENIOR POSITIONS.

People management during 2018 was affected by the workforce adaptation and commercial network restructuring motivated by the absorption of BMN.

As regards the workforce, in February Bankia reached an agreement with organisations representing more than 90% of the Group’s unionised workforce for the elimination of 2,000 jobs through voluntary redundancies and functional and geographic mobility.

Thus, 80% of applications for the voluntary redundancy programme and 183 voluntary changes of geographical assignment within Spain were approved. The process was completed satisfactorily at the end of November, the agreed targets having been met seven months earlier than planned.

As regards the branch network, the absorption of BMN allowed not only an increase in business volume in many geographic areas but also further progress in the bank’s digitisation, with the expansion of multichannel business and the opening of additional ‘+Valor branches in Andalucía. As of year-end, Bankia had a total of 60 branches and 572 multi-channel account
managers, as well as 13 ‘+Valor’ branches with 129 sales advisers.

To coordinate the bank’s digital transformation, in October Bankia created the Digital Transformation and Strategy Corporate Directorate, which is divided into various specialised units, tasked with transforming the bank’s structures, culture and way of working.

To tackle these functional areas, Bankia is hiring talent internally and externally, while implementing a broad-based development and training process.

At the end of 2018, as part of its ongoing cultural transformation and to consolidate key components of its management style, the bank launched the ‘Conversaciones para el liderazgo digital’, as a continuation of the conversations conducted in 2017.

Through these conversations, all the corporate executives and the bank’s Top 300 managers had talks with their supervisors with a view to becoming more aware of and reflecting on their leadership style, so as to bring it into line with the ongoing transformation.

At the same time, to improve cross-organisational communication and knowledge, branch and central services managers completed 114 temporary assignments in different areas of the organisation.

Along the same lines of improving organisational empathy, the bank’s retail risk analysts are expected to be given temporary assignments in area head offices and the branch network over the course of 2019.

To help adapt and align the workforce to the new structures and business needs, a more in-depth knowledge of the bank’s professionals was acquired through an additional 1,404 interviews, on top of the 1,556 interviews of BMN employees conducted in the second half of 2017.

This enhanced knowledge of the workforce was used to adapt functions and assignments within the organisation, resulting in a total of 4,959 reassignments and 555 appointments, 82 of which were in the Top 300 group; 118 in the Top 600; 259 commercial network managers; and 96 deputy commercial network managers.
TALENT MANAGEMENT

In 2018 talent management was affected both by the digitisation process and by gender diversity considerations.

Diversity management helps to generate more inclusive leadership in the organisation and reinforces women’s progress towards more senior positions.

The following development actions focusing on these two levers of change were carried out in 2018:

Senior Management Development Programme (SMDP). Fourth edition in collaboration with CLA-FT (IE Business School), in which all the bank’s corporate executives took part. The programme paid special attention to strategic and operational decision making to anticipate future challenges and consolidate the inclusive leadership style in a diverse and changing digital environment.

“Take the initiative” Programme. Centred around gender diversity, this programme was delivered to 20 female commercial network and central services managers belonging to the talent group, who will be mentored over a period of approximately 18 months by another 20 managers selected from the bank’s Top 300. The main objective of this edition is to understand diversity as a driver of growth and competitiveness, promoting gender balance and the creation of an inclusive culture.

Equivalents Programme. Launched at the end of 2018 for a period of one year, the aim of this programme is to create awareness, generate debate and strengthen the bank’s positioning and sensitivity to existing gender paradigms in the company, enabling a change of habits and behaviours to become more tolerant, supportive and accepting of diversity.

Digital_eSports Development Programme. The 16 participants in the first edition, all of them managers from the talent group, had the opportunity to build digital skills such as critical thinking, forward vision, decision making, trust, drive, self-motivation and communication, all this in an innovative and disruptive environment that exploits the advantages offered by the new digital technologies. Further editions of this new programme are planned for 2019.

Lidera-T Sessions. The second edition of these skills workshops was started
in September 2018. The participants included 91 managers and 89 management candidates from the bank’s talent group, both from the commercial network and from central services. This line of work will continue in 2019.

**Senior Management Coaching (SMC).** The second edition of the programme, in which 22 talented managers from the commercial network and central services took part, concluded at the beginning of 2018.

**Development Programme for Commercial Network Managers.** Two further editions were carried out between October and November. A total of 30 talented managers from the commercial network are taking part in this programme, which is scheduled to end in mid-2019.

**Development Programme for newly appointed Commercial Network Managers.** A total of 29 people took part in the first two editions, started in 2018. Further editions will be held in 2019.

**Development Programme for newly appointed Central Services Managers.** The first edition of this programme, which follows a similar approach to the previous one, is scheduled for the first quarter of 2019, with a total of 15 participants.

**Development Programme for Central Services Managers.** The seventh edition of this programme, in which 14 managers from the talent group took part, ended during the last quarter of 2018. The eighth edition, scheduled to end in 2019, with 15 participants, started in that same quarter.

**Communication Coaching Programme.** This programme was created in 2017 to strengthen managers’ skills in issuing and preparing persuasive messages. 12 managers from the bank’s Top 300 took part in 2018.

**Transformational Leadership Programme.** Three Top 300 managers took part in the two editions held by Fundación CEDE’s International Center for Leadership Development (ICLD) in 2018.

**Scholarships for Excellence 2018.** A total of 25 scholarships were granted. The scholarships, for a maximum amount of 10,000 euros, are for professionals who have presented high-level training projects, mainly relating to the new digital environment and business transformation.

**Bankia Dual Vocational Training Programme.** This programme has already trained two groups of customer account managers. A third edition, with 50 students, will be held during 2019. A fourth group will start training in 2019.

**Coverage of vacancies.** Most of the vacancies that arose in the bank during 2018 were filled internally. However, various external selection processes were conducted and 30 people were hired to fill specific, markedly technical or technological positions.
EMPLOYMENT CONDITIONS

- 100% PERCENT OF WORKFORCE COVERED BY A COLLECTIVE AGREEMENT
- 100% PROFESSIONALS WITH AN OPENENDED CONTRACT (99.99% FULL-TIME, 0.01% PART-TIME)
- 100% PROFESSIONALS ENTITLED TO RECEIVE VARIABLE REMUNERATION
- 7,226 PROFESSIONALS WITH FLEXIBLE WORKING HOURS
- 100% PROFESSIONALS REPRESENTED IN THE SAFETY AND HEALTH COMMITTEES
- 146,760 PROFESSIONALS WHO RECEIVED ADVANCES, LOANS OR MORTGAGES WITH A SUBSIDISED INTEREST RATE DURING THE YEAR

EMPLOYEE BENEFITS

- 99.97% PERCENT OF PROFESSIONALS WHO RECEIVE A CONTRIBUTION FROM BANKIA TO THE EMPLOYEE PENSION PLAN
- 30,053 PROFESSIONALS AND FAMILY MEMBERS (SPOUSES OR CIVIL PARTNERS AND CHILDREN UP TO AGE 25) COVERED BY THE EMPLOYEE HEALTH INSURANCE POLICY
- 14,752 PROFESSIONALS WHO RECEIVED ADVANCES, LOANS OR MORTGAGES WITH A SUBSIDISED INTEREST RATE DURING THE YEAR
- 319 PROFESSIONALS WHO RECEIVE EDUCATIONAL GRANTS, IN THE TOTAL AMOUNT OF € 270,922.01
- 962 PROFESSIONALS WHO RECEIVE GRANTS FOR THE EDUCATION OF DISABLED CHILDREN OR CHILDREN WHO SLEEP OUTSIDE THE HOME, IN THE TOTAL AMOUNT OF €1,011,194.71
- 11,657 PROFESSIONALS WHO RECEIVE GRANTS FOR CHILDREN’S SCHOOLING, IN THE TOTAL AMOUNT OF €10.92 MILLION
- 74 PROFESSIONALS ON LEAVE OF ABSENCE FOR PERSONAL REASONS
- 497 PROFESSIONALS WORKING REDUCED HOURS
- 697 PROFESSIONALS WHO HAVE TAKEN MATERNITY LEAVE (456 PEOPLE) AND PATERNITY LEAVE (241 PEOPLE)
TRAINING

Bankia has an annual training plan that contributes to the development of its professionals’ knowledge, competencies and skills.

More than one million hours of training were given in 2018, 62% of them through digital channels. The professionals who joined as a result of the BMN merger received more than 100 hours of induction training.

Other training actions included the following:

- Nearly 2,000 people (area managers, branch managers and a group of senior managers) took part in programmes to foster the bank’s culture, values, management style and business model. A business simulator was developed which, through gamification, reinforces the key points of our customers’ experience and the sales framework.

- A new training course, aimed at enabling more than 5,700 professionals to obtain the financial adviser certification required by the MiFID II directive, achieved a more than 83% success rate. The training lasted seven months, combining online learning with face-to-face sessions.

- Other important training programmes include those given to meet, among other things, the regulatory requirements for insurance mediation and the prevention of money laundering and the financing of terrorism; those targeted at central services staff to reinforce their technical competencies; and the Scholarships for Excellence.

Bankia opened its Sales School to reinforce its professionals’ key capabilities. The school has been attended by Business Banking account managers and executives and a group of the bank’s financial advisers. Additionally, specific training was given to accompany the launch of new business lines, including ‘Conecta con tu Experto’, ‘+Valor’, ‘Bankia Gestión Experta’ and ‘Bankia Renting’.

HOURS OF TRAINING BY
PROFESSIONAL CATEGORY

HOURS OF TRAINING BY GENDER

422,530
HOURS OF TRAINING GIVEN TO MEN

265,890
HOURS OF TRAINING GIVEN TO MIDDLE MANAGERS

601,881
HOURS OF TRAINING GIVEN TO WOMEN

747,868
HOURS OF TRAINING GIVEN TO THE REST OF THE EMPLOYEES

10,653
HOURS OF TRAINING GIVEN TO SENIOR MANAGERS
During 2018 Bankia launched a voluntary online Responsible Management training activity for 100% of the workforce, which features, among other things, videos of the members of the Responsible Management Committee explaining in practical terms what responsible management means for the bank and what it entails in each specific field of action.

The goal of this activity is for the bank’s professionals to understand the context in which corporate social responsibility (CSR) is exercised and the extent to which it is exercised in Bankia.

The course explains how CSR and sustainability are part of the agenda for companies and the financial services sector, how CSR serves as a lever in readying companies to face the major global challenges (such as the Sustainable Development Goals, climate change, business ethics, commitment to human rights, demographic change, new technologies, etc.) and how it is deployed in Bankia through responsible management:

- What responsible management means for Bankia
- How Bankia ensures responsible management and how it is integrated in strategy
- Who carries responsibility for responsible management
- The bank’s relationships with its stakeholders
- The relevant issues for Bankia’s responsible management
- The importance of managing environmental, social and corporate governance risks

### TRAINING INDICATORS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in training (millions of euros)</td>
<td>6.66</td>
<td>6.93</td>
</tr>
<tr>
<td>No. of training initiatives carried out</td>
<td>1,092</td>
<td>916</td>
</tr>
<tr>
<td>Professionals who received training</td>
<td>15,173</td>
<td>12,336</td>
</tr>
<tr>
<td>No. of training hours per employee</td>
<td>67.5</td>
<td>74.42</td>
</tr>
<tr>
<td>Online training hours as % of total training hours</td>
<td>62%</td>
<td>59.07%</td>
</tr>
<tr>
<td>No. of training hours given in technological integration projects</td>
<td>316,147</td>
<td>89,962</td>
</tr>
</tbody>
</table>
REMUNERATION POLICY

Bankia has a remuneration policy based on compliance with regulations and the following principles:

• Balance of remuneration components.
• Results orientation: recognition of excellence.
• Strategy: time horizon.
• Loyalty: bank, shareholders and customers.
• Simplicity: regulation and communication.
• Compatible: risk and management.
• Internal fairness.
• External competitiveness.
• Gender equality.

The remuneration of each professional remunerates everything that person does in the performance of his or her duties, both within the bank and in other bodies or investees. The components of remuneration are as follows:

Fixed remuneration. According to the position held and any functional or personal supplements applicable in each case.

Variable remuneration. Linked to the additional, extraordinary contribution and related to job performance. The amount is determined by the degree of achievement of the objectives that were set. Variable remuneration:

• Takes into account the overall performance of the bank and the unit to which the professional belongs, together with an individual assessment.
• Is not guaranteed.
• Is directly proportional, in amount, to the date of hiring, promotion or reassignment and the level of achievement.

The variable remuneration policy helps prevent conflicts of interest that may harm customers’ interests, ensures compliance with the rules of conduct for the provision of investment services and avoids creating incentives that may lead the persons responsible to put their own interest (or that of the company) before the interest of customers.

The individual performance assessments that are used to determine variable remuneration are not based solely on sales volumes but also take other qualitative criteria into account, including compliance with regulatory standards of conduct, fair treatment of customers and customer satisfaction.

Variable remuneration is reviewed each year to check that it does not limit Bankia’s ability to maintain a sound capital base and that the interests of shareholders, customers and other stakeholders are protected.
The Diversity Plan, which was approved by the Management Committee in October 2018, lays down diversity guidelines for the period to 2020. It is intended to implement the objectives of the 2018-2020 Strategic Plan, which include reaching 40% of women managers.

The Group regards gender diversity as a driver of change. The Diversity Plan places special emphasis on inclusive leadership and women’s advance into more senior positions. The plan focuses on:

• The company’s commitment: manage and develop gender diversity as a strategic factor, to be monitored by the Management Committee.

• Training and awareness: reflect on gender diversity from a broad, inclusive perspective, making managers and employees aware of the importance of managing diversity and actively seeking to avoid unconscious prejudice and bias.

• Talent development: develop detailed plans for different employee groups, with specific actions for talented women.

• Indicators and monitoring: set goals, measure progress and degree of achievement, and take additional measures where necessary.

The goals and measures proposed by the Diversity Plan are based on best practices and recommendations for gender diversity development, taking the main barriers to the promotion of women into account.

Bankia has signed the Diversity Charter, promoted by Fundación Diversidad (Alares), which sets out a series of core principles relating to equality of opportunity and anti-discrimination.

Also, in 2019 the bank is expected to start participating in the ‘Conquistando la igualdad’ (‘Conquering equality’) project as a sponsor. This is a collaborative platform set up to foster and accelerate diversity initiatives through ideas contributed by participants and members or staff of any group, and to manage and prepare the initiatives until they are eventually put into practise, optimising their innovation potential.
OCCUPATIONAL RISK PREVENTION

The Occupational Risk Prevention Policy is approved by the Management Committee and any updates are approved by human resources management, with annual reviews.

In 2018 Bankia reinforced its commitment to health and well-being by announcing a framework of action to promote healthy work environments and life styles.

To stimulate a healthy company culture in an open, collaborative way and make its professionals co-responsible, the bank has opted to conduct interviews and listening workshops.

The issues covered in the first phase, with the active participation of 47 employees, include health and work-life balance, as well as the psychosocial dimensions most in need of optimisation, all this subject to the principle of transparency, prior consultation and participation of union representatives. This is a pioneering initiative in the financial sector.

The challenges for the future include setting up a cross-organisational group, which will involve different departments and units, to continue to develop and implement well-being initiatives on a joint basis.

Besides its ongoing collaboration with Spanish Red Cross and Asociación Española contra el Cáncer, Bankia has started the AHA Programme, aimed at building awareness and forming and reinforcing healthy habits (eating, physical exercise and so on). By the end of 2018, the published content had received almost 10,000 visits and 359 contributions or comments.

666 PROFESSIONALS TRAINED IN OCCUPATIONAL RISK PREVENTION

<table>
<thead>
<tr>
<th>EMPLOYEE HEALTH AND SAFETY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Absenteeism rate</td>
<td>3.24%</td>
</tr>
<tr>
<td>Occupational accident rate</td>
<td>0.17%</td>
</tr>
<tr>
<td>No. of ordinary sick leaves</td>
<td>4,852</td>
</tr>
</tbody>
</table>
ACTIVE LISTENING AND CULTURAL CONSOLIDATION

In recent years Bankia has maintained an internal communication strategy based on active listening to its professionals and consolidation of the bank’s culture. To do this it has its Intranet, which provides employees with the corporate, operational and business information they need in order to achieve their goals and perform their day-to-day tasks. The ‘En30segundos’ electronic newsletter offers a weekly summary of the most important news relating to Bankia.

The ‘Somos Bankia’ inhouse magazine has also established itself in recent years among the bank’s professionals as a platform for active participation. It is the professionals themselves who feed it with proposals for reports, photographs and comments highlighting recognition and team work, as well as the Bankia culture.

Meanwhile, the focus groups held each week with employees from the bank’s various regional and organisational groups help identify areas for improvement in various fields.

INTERNAL COMMUNICATION

- **NO. OF EMPLOYEE FORUMS CREATED**: 675
- **NO. OF SUGGESTIONS / COMMENTS RECEIVED IN THE FORUMS**: 8,555
- **NO. OF EMPLOYEE CONTRIBUTIONS POSTED IN THE INTERNAL COMMUNICATION CHANNELS**: 64,264
- **NO. OF VISITS TO BANKIA ONLINE MAGAZINE**: 741,167
- **NO. OF VISITS TO THE CORPORATE INFORMATION PAGES PUBLISHED ON THE INTRANET**: 3.24
Added to these channels in 2018 were new bottom-up and two-way communication tools that encourage participation and active listening among professionals, including the digital transformation website and the ‘Hablamos’ forums, which have served to identify and implement improvements and communicate good practices. Gamification also helps build the innovation culture, reinforce the pride of belonging, retain users and increase recurring participation.

Throughout the first half of 2018, following the integration of Bankia and BMN, an ambitious internal communication plan was implemented to foster the cultural integration of the teams and give recognition to the huge effort made by the professionals of both entities to achieve a successful integration in such a short time.

COMMUNICATION AS A FUNDAMENTAL PILLAR OF MANAGEMENT STYLE

Over the course of 2018, building on the work done in 2017 to consolidate Bankia’s management style, further steps were taken to develop critical aspects of the bank’s leadership model:

- **Management Communication Framework in Central Services.** The purpose of implementing this framework is to ensure the flow of information and communication required to optimise business operations and strengthen team commitment by situating their work in a broader context and giving it meaning. Work started with the Corporate Directorate of Technology and Organisation and was extended to the Corporate Directorate of Legal Services in the last quarter of 2018. The implementation process comprises several phases.

  First, the moments of communication specific to each area are defined, directorate by directorate, through workshops with Top 300 and Top 600 managers.

  Subsequently, additional workshops are organised with specialists to identify the elements they consider key for communication, which were conveyed to their supervisors.

  Thus, each directorate has its own Management Communication Framework, tailored to its real needs. To reinforce the process, managers took part in a one-and-a-half-day residential training course, in which they were encouraged, through eminently practical, experience-based activities, to reflect on their new habits and prepare an action plan to reinforce them.

- **Recognition Programme.** The purpose of this programme is to make giving recognition part of the bank’s everyday activities. The two most important milestones in 2018 were: the delivery of recognition awards during the Management Committee tour and the launch of the Recognition Guide.

- **Conversations for Leadership.** At the end of 2018 the bank launched the self-assessments which, at the start of 2019, are being used as the basis for further conversations between the bank’s Top 300 managers and their supervisors. This time the items to be assessed are closely related to the promotion of key habits for driving the bank’s digital culture: adaptation and promotion of change, management of individual commitment and responsibility, and contribution of a holistic vision.
01.9 PEOPLE

WORKFORCE PROFILE

TOTAL NUMBER OF PEOPLE WHO WORK IN BANKIA, S.A.

15,486

NO. OF PEOPLE WITH POSITION IN SPAIN

15,481

NO. OF PEOPLE WITH POSITION OUTSIDE SPAIN*

5

* In representative offices with no banking activity.

GEOGRAPHIC DISTRIBUTION OF PROFESSIONALS

DISTRIBUTION BY BUSINESS

13,358
NO. OF PROFESSIONALS IN THE BUSINESS (NETWORKS, INTERMEDIATE UNITS, BUSINESS BANKING, ETC.)

2,128
NO. OF PROFESSIONALS IN CENTRAL SERVICES
EQUALITY AND DIVERSITY

6,771
No. of men in the workforce (43.72%)

8,715
No. of women in the workforce (56.28%)

19 years
Average length of service

45 years
Average age of the workforce

By senior management function*

2,393
Men in workforce (57.24%)

1,788
Women in workforce (42.76%)

* Including central services directors and business unit directors and deputy directors.

By age

0.24%
Professionals under 30 as % of total workforce

75.60%
Professionals aged 30 to 50 as % of total workforce

24.16%
Professionals over 50 as % of total workforce

Unwanted external turnover

0.36%
Men

0.28%
Women

By gender

0.01%
Under 30

0.48%
30 to 50

0.15%
Over 50

By age

0.64%