



“THE 2016-2018 STRATEGIC PLAN IS CUSTOMER-CENTRIC. BANKIA’S AIM IS TO BE USEFUL TO CUSTOMERS. THIS IS THE ONLY WAY TO ACHIEVE OUR GOAL: TO BE THE BEST COMMERCIAL BANK IN SPAIN”.

JOSÉ IGNACIO GOIRIGOLZARRI

2016-2018 STRATEGIC PLAN

Having completed the 2012-2015 Strategic Plan, the objectives of which were met satisfactorily in a highly complex environment, Bankia is drawing up its 2016-2018 Strategic Plan, which aims to focus more heavily on the fundamental aspects of the bank's activity.

This new strategic phase begins in far more favourable circumstances, albeit not without challenges. Bankia moves forward with a robust level of solvency (with one of the highest CET1 levels in the sector). It has a good efficiency ratio and is also a bank with a notable capacity to generate profits.

Its strategy is founded on these three pillars (solvency, efficiency and

profitability) with a view to overcoming current headwinds in the financial sector: erosion of margins as a result of low interest rates, growing supervisory and regulatory requirements, the digital revolution, changes in customer habits, intense competition, etc. These are major challenges that the new Strategic Plan aims to transform into great opportunities for Bankia to become the best commercial bank in Spain.

*THE STRATEGIC PLAN
WILL RUN FOR
THREE YEARS AND
WILL BE CUSTOMER
FOCUSED*





CUSTOMER FOCUS

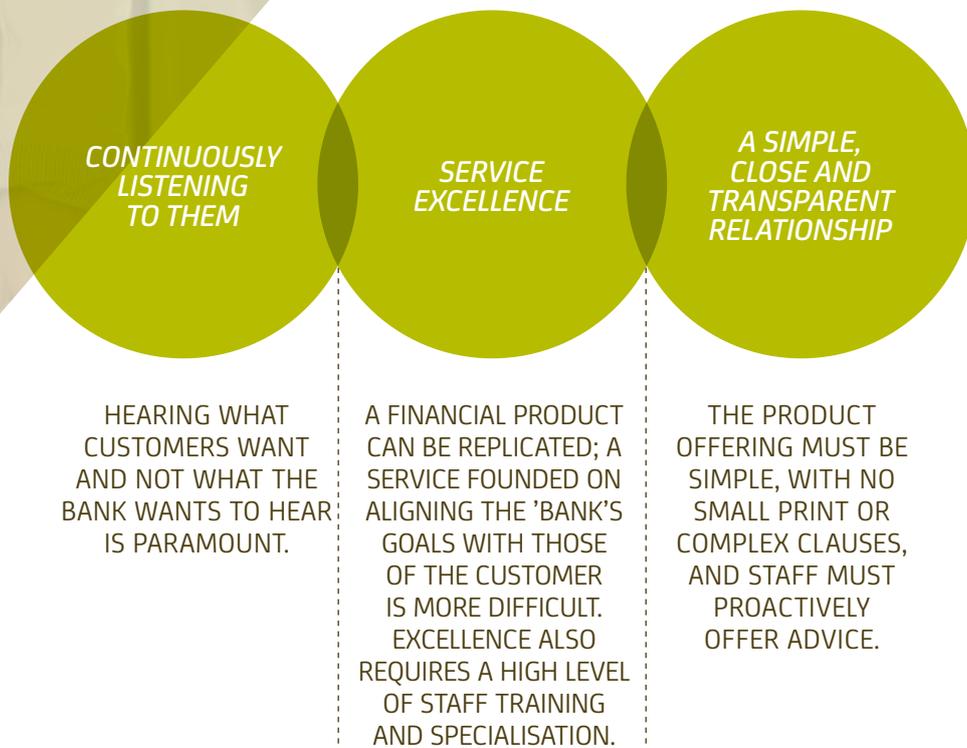
The new 2016-2018 Strategic Plan will have the customer at its heart. 'Bankia's priority is to find out what customers want and appropriately meet their needs, which change rapidly and vary from one group of customers to another. The goal is to take a qualitative leap in dealings with them to ensure that bank is useful to them and makes their lives easier. This is the shortest road to gaining their faith and loyalty. Bankia obviously wants to attract new customers, but building on

the care given to existing customers and their trust.

These concepts form the framework of the ideas underlying the bank's strategy, but specific measures and decisions are necessary to develop them. Some of these have already started to be put into practice:

- The policy on ATM fees. The bank reached an agreement with Euro 6000 and Banco Sabadell to provide customers access to a network of 17,800 ATMs across Spain, which

FOCUSING ON FULFILMENT OF CUSTOMERS' NEEDS INVOLVES



PEOPLE BENEFITTING FROM THE “FOR BEING YOU” PROGRAMME

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they can use to withdraw cash for free or for a maximum fee of 65 euro cents. Users therefore avail of the largest network in the country under beneficial conditions. After the new law came into force, a fee of 98 euro cents was also established for users who are not customers of Bankia or members of the alliance. As a result, Bankia charges the lowest fee among operators of the largest ATM networks in Spain.

- The “Por ser tú” [For being you] programme launched in early 2016 builds upon, simplifies and perfects the aforesaid proposal of establishing a link between customer loyalty and zero-fee transactions. Bankia listened to its customers using a raft of surveys and other tools for gauging their opinion (starting with the Chairman inviting them to email him) and concluded that the offering described beforehand is not well understood. It therefore decided to clarify it and extend the fee waiver to customers who arrange for funds of at least 450 euros (salaries) or 200 euros (pensions) to be paid into their accounts each month. This benefits 2.4 million customers and saves the 40 million euros per annum.

Over the next three years, the bank will regularly launch new initiatives, always with the aim of meeting customers’ needs and providing them with an excellent service, combining quality with reasonable pricing. The first steps taken have been made possible by the bank’s efficiency and therefore, the new plan will continue to focus on positioning the bank as the most efficient in Spain. The group will also pursue its policy of having a very robust balance sheet with strong provisions, and will remain staunchly committed to posting a ROE that is above average for the industry.

THE NEW PLAN WILL CONTINUE TO FOCUS ON POSITIONING THE BANK AS THE MOST EFFICIENT IN SPAIN, WITH A HEALTHY BALANCE SHEET AND ROBUST PROVISIONS, ALONG WITH A ROE THAT IS ABOVE AVERAGE FOR THE INDUSTRY

