

# CHAIRMAN'S STATEMENT

When we unveiled our first strategic plan in November 2012, few thought we were capable of meeting all the ambitious objectives we had set ourselves.

Today, three years on, we have completed the plan, fulfilled all the goals therein and are poised to present our second strategic plan, also covering three years from 2016 to 2018.

Moreover, we have hit two years ahead of schedule all the 2017 targets set by the European Commission in the BFA-Bankia Group Restructuring Plan. This is a feat no other bank subject to such a plan in Europe has replicated.

The reasons for our success in meeting the demanding objectives set for us in both plans are two-fold. First, the huge effort by Bankia's employees over the last few years; their professionalism, commitment and endeavour, for which I am extremely grateful. And second, the trust and faith our customers have put in us. None of this would have been possible without them.

Our first strategic plan was carried out in two phases. The first running until the end of 2013 was, for us, a time for stabilisation and restructuring. We appointed a new Board of Directors, built an excellent corporate governance model, restructured our branch network closing a third of our branches, and integrated our processes and IT platforms. These were very challenging months, although a period during which we lay solid foundations for the next phase: regaining commercial momentum, transforming and developing our business and, above all, driving up and improving all our business indicators.

The outcome of this is that we can now humbly report we are a bank that boasts the best efficiency, solvency and returns on equity among the largest

banks, and has posted the highest attributable profit in Spain. This is excellent news for our shareholders because our key aim was to generate value for them and for the wider society, since 64% of Bankia's capital is in the hands of the State. It is also a great achievement because it allows us to increase dividends by 50%, demonstrating we have very robust capital and also that we are confident in our ability to post recurring profits in forthcoming years.

Significant challenges lie ahead, which we will face with realism but also with the hopes, enthusiasm and drive that has underpinned everything we have attained until now. We are aware there is still much left to improve, and that is why we are now launching our second strategic plan, which will be unveiled in the spring.

This plan will be customer focused. We have first listened to our customers through all the channels in place, and now is the time to meet their diverse and changing needs. As a first step in the plan, we wanted to present our new approach to our customers; a different way of dealing with them based on three attributes: simplicity, transparency and closeness. These attributes will shape everything we do, and the products and services we offer in the coming years. We have already started down this path with the policy on fees and commissions. The idea is straightforward: if a customer arranges for their salary to be paid into a Bankia account, they do not pay any commission across the board. This is not a one-off promotion or campaign: it is a new way of dealing with our

customers. Those first to benefit have been the two and a half million people who already have their salaries paid into an account with us. However, this policy will logically also benefit new customers who choose to bank with us. It is that transparent and that simple.

With customers at the heart of what we do, driving up service quality is therefore a cornerstone of our new plan. We know that customer satisfaction is tripled when customers are assigned a manager they know and trust at their branch. We also know that this level of satisfaction is even higher when customers feel their manager proactively seeks them out to offer advice. In short, this is what we refer to as closeness. The closeness customers call for.

Building on progress over the last three years, Bankia is now ready to take a greater qualitative leap. We are convinced that our bank's future lies in the fact that our customers can see we help make their lives easier, that we are useful to them. Indeed, if we are, they will strengthen their ties with us and become even more loyal. We are also convinced that this stems from a way of doing things, a way of behaving, which must be founded on constantly listening to what our customers want. This is because a product can be copied, a price matched, but excellent advice and service quality can only be achieved if our customers' goals are aligned with those of our teams: something that is very difficult to replicate. We also want our way of doing things to be transparent and open, offering simple products and services, with no small print or complicated clauses.



The aim of our plan is to offer the best proposal in the market; however, we cannot build a top-notch and long-lasting model of service excellence without attaining the highest levels of efficiency. If we want to offer customers the best, we must also strive to be the most efficient bank in Spain and boast above-average ROE. We are well aware of the challenges and hurdles we face, but we begin 2016 and our second strategic plan in a very strong position. We are a highly solvent and very efficient bank with healthy provisions; crucial to the years ahead. We are very conscious that we have to continue working hard to fulfil our goal of fully reimbursing taxpayers. I can guarantee that we certainly do not lack the enthusiasm, drive and commitment to do so.

JOSÉ IGNACIO GOIRIGOLZARRI  
CHAIRMAN OF BFA AND BANKIA

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