

PERSONAL ACCOUNT
MANAGERS
1,943

BRANCHES WITH
PERSONAL ACCOUNT
MANAGERS
1,314

FINANCIAL ADVISERS
232

BRANCHES WITH
FINANCIAL ADVISERS
52

INDIVIDUALS, SMES AND THE SELF-EMPLOYED

Retail Banking serves individuals, the self-employed and SMEs with a turnover of up to 6 million euros, aiming to strengthen their ties with Bankia by adding value to the products and services offered and ensuring the highest possible quality in customer service and advice.

The advice is provided by specialised professionals, boosting satisfaction rates and opening up new business opportunities. At year-end 2015, more than 1,600,000 customers, i.e. more than a quarter of the total, had an account manager assigned to them.

Acquiring and retaining customers, cross-selling, expanding the product range and adapting the bank's services and image to a more advanced, up-to-date scenario are the general principles that guide Bankia's retail banking activities. To put these principles into effect, the bank relies on customer segmentation, so that each customer type can be treated according to its needs.

BANCA PRIVADA

Aimed at high net worth customers who require personalised advice across many different fields. Bankia Banca Privada combines the advantages of a financial boutique with the backing of a large financial group, which enables it to offer the full range of banking services.

PERSONAL BANKING

This is a service provided throughout the retail network to customers with annual income of more than 45,000 euros or financial net worth of 75,000 euros. It is provided by 2,175 highly qualified personal account managers, who work exclusively with this segment. One of Banca Personal's

main objectives is to promote contact between account managers and customers. To achieve this, the account managers have specific contact functionalities via remote channels, mainly Oficina Internet, where the customer can arrange a meeting with his account manager.

HIGH POTENTIAL

Introduced in 2015 in order to detect each customer's business growth expectations and provide a service in line with the customer's needs. At 31 December, the Banca Personal and High Potential segments had specialised account managers deployed throughout the branch network. In branches that have no specialised account manager assigned to them, this service is provided by the branch manager.

INDIVIDUALS

Personal customers who do not fit in any of the other segments have access to a full range of products, from sight and demand savings deposits to debit and credit cards and guarantees. Direct deposit of income, direct debit, insurance and investment and pension funds are also available to all customers. Some services in the Individuals segment are targeted at particular age groups, such as the Mi Primera Cuenta and Cuenta Joven accounts for children and young people, the Tarjeta Joven youth card, the Portal and Discount Club for young people, and Bankia Sénior.

The highest value added service the retail banking service provides to its customers is financial advice, which in 2015 resulted in 120,926 investment proposals and the creation of 80,748 portfolios, in each case for a specific purpose such as retirement. The financial advisers have a wide range of Bankia products at their disposal, including 60 international funds.

Another important product is consumer finance, which over 2015 as a whole amounted to 1.21 billion euros, up 38% on the previous year. At year-end, more than 1.8 million customers had a pre-approved line of credit, which could be taken out in less than a minute through any of the bank's channels. There is also a standing offer of tailored financing for the occasions when it tends to be most needed, e.g. when large purchases have to be made and before loans fall due.

In 2015, the FinanExpress service, which can be used to cover card purchases, bills or even taxes, was extended to all the bank's channels. More than 136,000 FinanExpress loans were granted for an aggregate amount in excess of 55 million euros. Also in consumer finance, February saw the launch of the Créditos campaign, offering up to a 100% discount on auto or home insurance to those who take out a loan.

Bankia lent 1.42 billion euros to households for home purchase.

On the liabilities side, besides term deposits, structured products and investment and pension funds, Bankia launched the Ahorro 5 savings deposit, a recently regulated long-term product that can be used to supplement the

retirement pension, has no age limit and pays interest that is exempt from personal income tax. With Ahorro 5, the saver knows beforehand the return on each amount invested and his money is fully insured by the Deposit Guarantee Fund.

NEW “SIN COMISIONES POR SER TÚ” PROGRAMME

Another line of implementation of the business strategy for the Individuals segment is the “sin comisiones” (no fees) programme, which springs from a business model based on cross-selling, taking an all-round view of the customer. During 2015, the “sin comisiones” programme benefitted current accounts, debit cards, cheque deposits and credit transfers in euros, with a limit of 3,000 euros and with special conditions for certain customer groups.

In January 2016, the bank decided to position itself with a new strategy, focused mainly on customers whose income is paid directly into their account, and released 2.4 million customers from paying fees. Under the new plan, the only condition for individual customers to benefit from the fee exemption is to have their income, be it salary or pension, paid directly into their account, with a minimum of 450 euros for salaries and 200 euros for pensions. The fee exemption applies, without limitation, to all of a given customer's accounts, the usual debit cards, credit transfers within Spain in euros, transfers to other EU countries through any channel, cheque deposits and Bankia credit card fees (subject to just one purchase per year). The exemption applies equally to old and new customers.

DISTRIBUTION NETWORK

Bankia has 1,941 retail branches, grouped in 100 areas, which report to 10 regional head offices, each of which has four large departments: risk control, commercial management, agency network and recoveries. Bankia is segmenting its retail banking network into different types of branches, so as to be able to tailor its services to customers' needs.

Besides the full-service branches, Bankia has 135 Agile Branches, partial service branches and the Plus+ Branches opened in 2015 in the provinces of Madrid, Valencia and Castellón, with the aim of reaching a total of 180 in 2016 (in 2015 there were 52 of these branches). It also has recoveries centres, settlement centres and developer branches.

AGILE BRANCHES

BRANCHES SPECIALISING IN OVER-THE-COUNTER TRANSACTIONS

ALL-DAY OPENING, EXTENDED TO 6PM

IN HIGH FOOTFALL AREAS

AT STRATEGIC SITES,
USING OUR BEST PROPERTIES

SUPPORT NEARBY ADVISORY BRANCHES
(462 PARTIAL-SERVICE BRANCHES IN SURROUNDING AREAS)

SELL SIMPLE PRODUCTS

HAVE LARGE NUMBER OF ATMS



AVERAGE
CUSTOMER
SERVICE TIME

3'43"

AVERAGE NUMBER
OF CUSTOMERS
SERVED PER DAY

230

AVERAGE
WAITING TIME
TO BE SERVED

3'29"

PERCENTAGE
OF CUSTOMERS
USING SERVICES
IN AFTERNOONS

18%

AVERAGE NUMBER
OF TRANSACTIONS
PER DAY

255



PLUS+ BRANCHES

SPECIALISING IN PROVIDING ADVICE

LOCATED IN MICRO-MARKETS WHERE THERE IS AN AGILE BRANCH

AT STRATEGIC LOCATIONS

STAFFED BY HIGHLY TRAINED FINANCIAL ADVISERS

SERVE CUSTOMERS SEEKING ADVICE

OFTEN ALSO GIVE SPECIALISED ADVICE TO SMES,
MICRO-ENTERPRISES AND RETAILERS

Bankia also has an agency network, whose activity is focused on customer acquisition, both individuals and businesses. The main agent is MAPFRE, which distributes the Bank's products and services through its commercial network under an agency agreement. In 2015, a total of 774 Bankia branches received customers and business from 3,519 distributor sales staff and 350 distributor branches. In addition, Bankia has its own network of nine financial agents and 78 representatives. At year-end, this agency channel had a total of 7.3 billion euros of business with 254,000 customers.

Customer service extends through the online, mobile and telephone banking channels, as well as through the traditional self-service terminals (ATMs), numbering 4,830 on-site and 686 off-site. The ATMs are available twenty-four hours a day for account inquiries, cash withdrawals, bill and tax payments, credit transfers, ticket purchases and mobile phone top-ups, among other transactions.

SMES AND SELF-EMPLOYED

The SMEs and Self-Employed business is strategically important for Bankia and the efforts the bank has made in this segment have translated into continued significant growth in this business year after year. One of Bankia's priorities is to increase its business with this type of customer, which mainly means increasing lending to these groups.

In 2015, the bank's lending to SMEs and the self-employed totalled 3.44 billion euros, 44.6% more than the previous year. The total increase breaks down as a 43% increase in lending to SMEs and a 72.8% increase in lending to the self-employed. SMEs and the self-employed accounted for 86.7% of business lending, with a total of 47,656 loans, up 45.3% on the previous year

To serve these customers, the bank has a management model based on

*153 SME MANAGERS
ACROSS 153 BRANCHES
AND 106 SME
MANAGERS BELONGING
TO VARIOUS REGIONAL
DIVISIONS HELPING
PROVIDE A QUICKER
SERVICE TO CUSTOMERS*



specialised advice and closeness, following the philosophy that companies should see their Bankia advisor as just another member of their staff, whom they can consult any time they need financial advice.

Small and medium businesses with sales of less than 6 million euros per year are served by the Retail Banking Directorate but are offered a specialised service. The branches with most SME customers have specialised sales staff, who offer advice and products specifically designed for these customers, as well as for self-employed business owners. In total, the bank has 259 of these specialised managers. Branches that do not have a SME account manager have a manager who specialises in their needs, usually the branch manager.

To get closer to customers, Bankia has the “Reconquer your neighbourhood” plan, where branch managers or specialised account managers call on local retailers, SMEs and self-employed professionals to offer them exclusive products and services on very competitive terms. The branch managers also undertake to visit customers regularly at their place of business and provide them with financial advice.

During 2015, numerous initiatives aimed at promoting sales to SMEs, retailers and the self-employed were started.

- **Tax loan.** An interest-free loan to finance tax payments, where the customer simply pays an account opening fee, the amount of which is based on the customer’s credit history and the chosen repayment period.

TOTAL NO. OF SME ACCOUNT MANAGERS

259

TOTAL NO. OF SME AND MICRO-ENTERPRISE CUSTOMERS

647,944

- **Free premium legal advisory service.** The bank has also decided to offer SMEs, retailers and the self-employed, free of charge subject to a certain minimum commitment, a legal protection service that includes access to expert lawyers for legal advice and drafting of contracts and appeals, among other things.
- **Mobile POS terminal.** A device that allows professionals to collect payment for their services from anywhere, using their smartphone or tablet.
- **Free web site creation.** A solution that allows SMEs, retailers and the self-employed to start up their online business.

PRODUCTS FOR SPECIFIC PURPOSES AND GROUPS

INDIVIDUALS

PRODUCT	CUSTOMER SEGMENT	DESCRIPTION
Consumer loan modification	Individuals	Absorbs and refinances the loans of customers who are unable to pay off consumer loans
Migrant remittances	Immigrants	Family aid remittances to the countries of origin
NGO cards*	Individuals	Debit or credit card where the holder contributes a percentage of the net profit from the use of the card in retail establishments to associations and foundations affiliated with the NGO programme.
Fundación Síndrome de Down	Individuals, self-employed, small retailers, SMEs and businesses	A solidarity card, where Bankia pays a percentage of the fee revenue to Fundación Síndrome de Down de Madrid. Both individuals and businesses can be holders of this card.
Paralimpics card	Individuals, self-employed, small retailers, SMEs and businesses	Bankia will donate a percentage of the revenue from fees and use in retail establishments. So that individuals and businesses collaborate with the Spanish Paralympic Committee and Paralympic sports federations at no additional cost or effort..
Aquí-Allá debit and prepaid card	Immigrants	Offers remittance solutions and facilities to immigrants in Spain who want to transfer money to relatives in their country of origin.
Carné Joven affinity card	Young people/children	In collaboration with the Youth Departments of the autonomous communities of the Canary Islands, Valencia, Castilla y León, Castilla la Mancha and Ceuta, Bankia issues the Carné Joven, in the form of a debit card, at no additional cost to the holder. Bankia also helps to the sponsor the Carné Joven youth card in various autonomous communities.
Agro financing	Individuals and businesses engaged in crop and livestock farming and fisheries	Credit to the agricultural, livestock and fishing sector. Advances on CAP funds and subsidies. Investment loans for the acquisition and adaptation of land and the repair and renewal of machinery
ICO loans	Self-employed, SMEs, businesses, public and private sector entities (foundations and NGOs)	Credit to businesses, SMEs and specific sectors in the areas of business startup and entrepreneurship, innovation and technology and for internationalisation
EIB line	Self-employed, SMEs and midcaps	Financing of business projects in Spain and the EU for this type of company and self-employed business owners. This line of financing is not available for projects in certain sectors, including weapons production, real estate development, gaming and tobacco production and sale.
Home refinancing	Individuals	Mortgage modification, forbearance and protection of mortgage debtors who have no resources (RD 6/2012)
Business refinancing	Self-employed, retail establishments, SMEs and mid and large companies	Modification of unsustainable debt and zero instalment loan facilities for business activities

PAYMENT INSTRUMENTS

FINANCING

PRODUCTS FOR SPECIFIC PURPOSES AND GROUPS

	PRODUCT	CUSTOMER SEGMENT	DESCRIPTION
CONSUMER CREDIT	Crédito Joven	Young people	Universal personal consumer loan (for education, furniture, vehicles, etc.) for customers aged 18 to 30
INSURANCE	Farming insurance	Individuals and businesses engaged in crop and livestock farming and fisheries	Cover for activities in the farming, livestock and fishing sector and related operations
	Insurance for solar photovoltaic plants	SMEs and mid and large companies	Cover for assembly damage, material damage, general liability and loss of income for lack of sun (hours and intensity)
	Modular health insurance	Individuals	Access to health care and private treatment. Tailored cover, with modules that can be taken out together or separately, according to the particular need.
ASSET MANAGEMENT	Pioneer Funds – Global Ecology	Individuals and businesses	Investment in securities of companies involved exclusively in sustainable development (alternative energy, recycling, water treatment, biotech, etc.)
	Employer Plans	Individuals and businesses	Investment according to ESG criteria on a hybrid basis: best-in-class screening, supplemented by exclusion criteria
SERVICES	NGO credit transfers	Individuals and businesses	Free credit transfers to specified charitable and social entities (http://www.bankia.es/is/services/credit-transfers-to-ngo)
	Online correspondence	Individuals	Allows customers to view correspondence relating to their products and services in digital (PDF) format via Oficina Internet and Oficina Móvil
	Supplier payment service	Self-employed, retail establishments, SMEs and mid and large companies	Allows the customer to centralise payments to suppliers. Streamlined payments processing, cost reduction, control and security
	Non-resident certificate application service	Immigrants	Processing of the application for a non-resident certificate (first application and renewal)

*NGO CARDS AT 31/12/2015



In 2015, a total of 368 organisations were affiliated to the NGO programme: seven linked to the personalised NGO card (Unicef, Acnur, Cruz Roja, Acción Contra el Hambre, Ayuda en Acción, Manos Unidas, Medicus Mundi) and 361 linked to the generic NGO card.