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THE CUSTOMER AT THE HEART OF WHAT WE DO.

A RELATIONSHIP OF TRUST WITH CUSTOMERS, WHICH IS ONE OF BANKIA'S GREAT AMBITIONS, CAN ONLY BE ACHIEVED IF CUSTOMERS ARE SATISFIED WITH THE SERVICE EXPERIENCE. CONTINUOUS IMPROVEMENT OF SERVICE EFFICIENCY AND QUALITY IS THEREFORE A PRIORITY FOR THE ENTIRE ORGANISATION. THE DECISIONS TAKEN FOLLOWING THE COURT RULINGS ON FLOOR CLAUSES AND THE BANK'S IPO TESTIFY TO THIS SPIRIT OF SERVICE TO CUSTOMERS.

Aligning the business with customers' needs, understood as an ongoing process, is the guiding principle of the bank's planning. Customers' needs are changing and the bank must be alert and listen to customers so as not to be left behind. One consequence of the listening process was the approval in early 2016 of the SIN Comisiones ("No Fees") strategy, which decisively increased customer retention and new customer acquisition. This result demonstrates that in-depth knowledge of demand is essential and that Bankia's commitment of resources to that end are more than justified.

QUALITY MEASUREMENT

To learn about customers' experience of the bank and detect new needs, over the course of the year Bankia administered more than

100,000 questionnaires. It also took part in mystery shopper campaigns (unannounced customer visits), carried out by independent firms. These activities gave a very clear image of the service provided by the branches, identifying those that set an example and those that have most room for improvement, for which specialised plans are established.

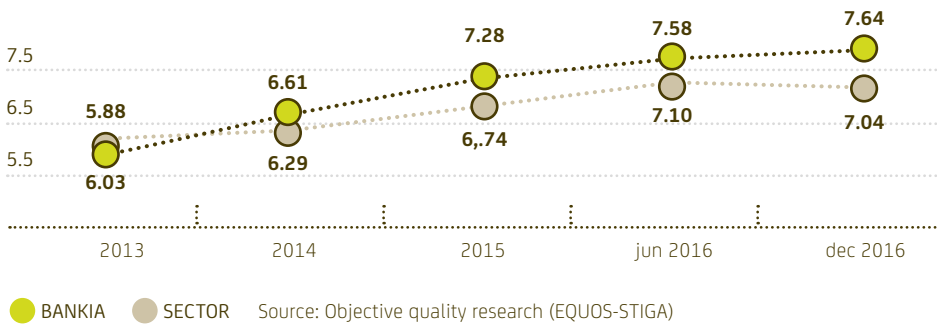
Besides assessing overall service quality, Bankia also systematically analyses the marketing of products in all business segments through the customer contact channels. The aim is to ensure that the products offered are the ones that are most appropriate for each need and that the customers who buy the products know what they are buying.

The bank also carries out continuous research to obtain highly detailed information, at individual branch level, on the starting point for the bank's positioning in the different business areas and in relation to internal customers. The results of these measurements

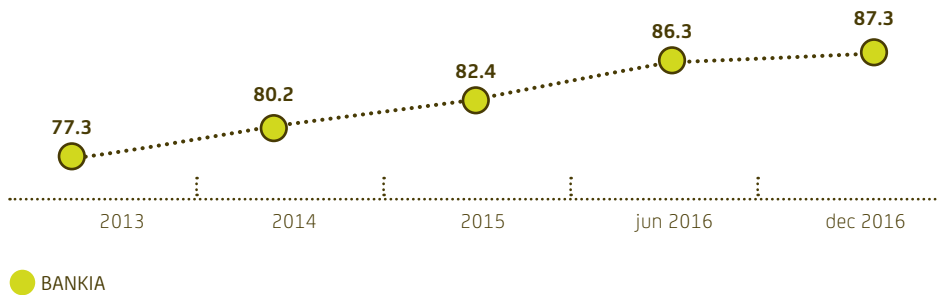


are used to implement actions that will help the bank meet its goal of being close to customers, simple and transparent.

MYSTERY SHOPPER SURVEY, BANKIA VS. SECTOR



INDIVIDUAL CUSTOMER SATISFACTION INDEX



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RELATIONAL QUALITY

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The efforts made during 2016 helped define a new form of customer relationship, one that forges a much stronger tie and that has benefited the business. These efforts led to the formulation of a Relationship Style, the purpose of which is to use customer conversations more effectively to strengthen customers' ties with Bankia. The challenge for 2017 is to implement this Relationship Style throughout the bank, building exclusive relationships with customers.

The rollout of the Relational Quality Model, planned for this year, will be an important milestone because it will help to generate higher satisfaction levels and an enhanced customer experience, and thus also an increased volume of business. The focus will be on redesigning the moments of truth, so as to offer customers the best possible service at the most important touch points in their relationship with the bank.

Another important line of work in 2017 is to start a certification process for branch professionals, with the aim of turning them into customer advice experts. At the same time, all the measurements that are need in order to have an accurate diagnosis of customers' needs and how well Bankia covers them will be maintained and implemented.

CUSTOMER SERVICE

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As an independent body, the Customer Service Department (CSD) ensures that customers' relationship with Bankia is the best it can be and entirely fair, governed by full respect for applicable law and good banking practices. The CSD not only handles customer complaints and claims but also helps prevent the most common problems by correcting the causes of customer dissatisfaction.

In 2016, the CSD implemented a variety of initiatives, ranging from quality sampling to reviews of particular procedures that have been the subject of complaints, such as floor clauses or the Bankia IPO. It also promoted the creation of task forces to tackle issues that are the subject of recurring complaints (means of payment, execution of wills, overdraft fees).

One of the SCD's greatest challenges is to reduce complaint resolution time, which already in 2015 fell from 47 to an average of 28 days. The efforts made in 2016 brought a further reduction to 20 days. This reduction was largely thanks to an increase in response capacity in the branches and the appointment of complaints officers in regional head offices. In 2016 there was also a decrease in the number of customer complaints received (from 67,703 to 34,924) and accepted for investigation (from 49,318 to 32,725).



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Among the plans for 2017 are the following:

- Implementation of new procedures, such as the project to improve the treatment of reopened complaint files.
- Training of the operators of outsourced services, following a timetable agreed with the provider.
- Operational improvements to the management tool (quality controls, automation of administrative tasks, etc.)
- Reduction of complaint processing times and increase in resolution quality.

COMPLAINTS ACCEPTED
FOR INVESTIGATION

32,725

COMPLAINTS RECEIVED
FROM CUSTOMERS

34,924

COMPLAINTS RESOLVED IN
THE CUSTOMER'S FAVOUR

14,454

AVERAGE RESPONSE TIME
FOR ACCEPTED CUSTOMER
COMPLAINTS

20 DAYS

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FLOOR CLAUSE REFUND

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As proof of its commitment to serving customers, Bankia was the first bank to put into effect, at the end of January 2017, a procedure for analysing requests for a refund of the additional amounts paid by consumers as a result of the floor clause in their mortgage. The decision was taken after the ruling by the Court of Justice of the European Union and the Royal Decree-Law passed by the Spanish government requiring banks to start such a procedure.

Based on previous experience in similar procedures, Bankia decided to provide a refund in general to all consumers who were in a similar situation to those affected by the abovementioned ruling.

All that customers had to do to use this procedure was go to their Bankia branch, where they could fill out a form requesting a refund, the amount of which, in most cases, was precalculated. Once the necessary checks had been completed, the customer was offered a refund, plus legally required interest. The customer could choose to receive a refund in cash or an amortisation of outstanding principal on their mortgage. This agile, simple and transparent procedure allowed customers to recover the same amount as with a favourable court decision but without the associated costs and delays.

The refund formula has also benefited shareholders, as it has allowed Bankia to avoid potential court costs estimated at around 100 million euros. Bankia had already recorded provisions in 2015 and 2016 totalling more than 200 million euros to cover this contingency.

Floor clauses affected 3% of Bankia's mortgage portfolio and just over 57,000 customers. In 2015 Bankia decided to stop applying any floor clauses in force at that time.

RESTITUTION OF THE INVESTMENT IN THE IPO

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A system similar to that used for floor clauses was set up in February 2016 to reimburse retail investors who purchased shares of Bankia in its IPO in 2011, without having to satisfy any additional condition and without the costs or delay of an in-court or out-of-court claim.

The refund, upon submission of a refund application in the branches, included the full amount of the initial investment in exchange for the return of the shares. Those who had already sold the shares received the difference between the amount paid in the

At the end of January 2017 the bank announced the launch of a fast-track procedure in BANKIA branches to allow holders of mortgage loans with a floor clause to apply for a refund of the amounts paid as a result of that clause.

IPO and the amount obtained from the sale. In both cases compensatory interest of 1% per annum was paid for the period until the investment was refunded. This procedure was started after a Supreme Court ruling backed a claim brought by two retail investors.

In its July 2011 IPO Bankia obtained a total of 1,847 million euros of funds through the retail tranche, which were provided for in full by the BFA-Bankia group in 2014 and 2015. As of 31 December 2016, a total of 1,564 million euros had been refunded to 219,876 investors, who represented 86% of the total. The bulk (810 million) of that amount was refunded through the process initiated in the branches and the rest was settled after legal proceedings.

At that date, refunds were still being processed for 4,854 shareholders (2%), who had invested some 50 million euros in the IPO and had opted to claim through the courts. Another 17,903 shareholders (7%), with an investment of 137 million, had not claimed because they sold before March 2012 with minimal losses or even a gain. There is another group of 12,989 shareholders who have not sought a refund of their investment by any of the means available to them.

ESTIMATED SAVING IN COURT COSTS THROUGH FLOOR CLAUSE REFUND

€100 MILLION

AMOUNT REFUNDED FROM IPO

€1,564 MILLION