



01.4

VALUE

CREATION

THE GOAL OF BANKIA'S ACTIVITY IS TO CREATE RECURRING SUSTAINABLE VALUE IN THE LONG TERM.

Creating value is the goal that guides the work of all Bankia's business areas, based on a model that combines a universal approach with specialisation by segment. Once again in 2017, the new digital tools, such as "Soluciona Empresas", "Billib" and "Connect with your Expert", demonstrated their importance in achieving that goal.

Creating value also requires cleaning up the balance sheet and complying with the regulators' requirements, which supports Bankia's share price.

The value creation in Bankia's main business lines in 2017 was manifested in:

- **Retail Banking.** The Hipoteca SIN Comisiones ("No fees mortgage") was launched on 11 January and absorbed 75% of the mortgage loans granted during the year. The line of pre-approved loans, available in less than a minute through any of the bank's channels, was expanded to facilitate consumer finance. As part of the digital transformation, the bank launched applications such as Bankia Online and Bankia Wallet to assist in marketing and facilitate transactions. The number of account managers in the "Connect with your Expert" programme was doubled and the number of customers reached nearly 600,000.
- **Private Banking.** Bankia maintained its focus on advice and continued to expand its range of investment products with an open fund architecture that allows it to offer custom solutions to every need. Among the services implemented in 2017 is the integration of the Banca Privada portal in Bankia Online, giving Banca Privada clients access to a more integrated, user-friendly view of their assets.
- **Self-employed.** Besides implementing and consolidating the No Fees programme for these customers, Bankia also offered the necessary financing for their growth and investment projects. Pre-approved loans are available to self-employed business owners at the click of a button in various online channels, as well as in the branches.
- **Businesses.** The priority in 2017 was to create or improve services that will help companies sell more, control their risks more effectively and acquire the

necessary economic resources to grow. The results include Soluciono Empresas, a completely free online platform, accessible to customers and non-customers alike, which facilitates day-to-day decision making. Another solution introduced during the year is Billib, specifically for collections and payments management, aimed at giving companies and their suppliers greater liquidity. In the field of foreign trade, commercial relations with local banks were strengthened, so as to allow Bankia customers to seize new business opportunities in Latin America, EMEA and Asia-Pacific.

- **Bancassurance.** One of the chief objectives for 2017 was to improve sales and aftersales support. Both the traditional sales network and the new channels benefited from optimisation of the marketing systems and simplification of the sales process. For customers' convenience, auto, life and health insurance simulators were added to the website.
- **Asset Management.** New portals were launched for mutual funds and for pension plans. The new portals are accessible from any device and offer simple, intuitive browsing. In response to the commitment to socially responsible investment, 2017 saw the launch of the Bankia Futuro Sostenible fund, which invests in companies that contribute actively to the UN's Sustainable Development Goals.
- **Real Estate Assets.** To optimise the divestment programme, Bankia implemented a new application that serves to improve sales processes and monitor all the actions taken in respect of each asset, makes more information available to customers and simplifies processes in the branches.

THE “CONNECT WITH YOUR EXPERT” SERVICE AND TOOLS SUCH AS “SOLUCIONO EMPRESAS” CONTRIBUTED TO BANKIA’S VALUE GENERATION IN 2017.

- **Investees.** After disposing of nearly 500 companies, with gains of around 1,700 million euros, Bankia still holds a small number of investees on its balance sheet, mainly linked to certain areas of the bank's business (especially insurance, asset management and technology).

