



# 01.5 A LOOK AT THE FUTURE

IN 2017 BANKIA ENDED A RESTRUCTURING PHASE. NOW IT IS IN A GOOD STARTING POSITION TO MEET THE REGULATORY, TECHNOLOGICAL AND ECONOMIC CHALLENGES TO COME.

2018 sees the start of a new Bankia. Having concluded the restructuring plan imposed by Brussels in 2012 and the merger with BMN, the bank is in a very comfortable position to face the challenges to come.

This year the financial sector will experience a “regulatory tsunami”, as MiFID II, the Payment Services Directive and the General Data Protection Regulation all come into effect. The first two of these will affect business models and customer relationships.

Banks will also be waiting to see whether there is a rise in interest rates, which would lead to an improvement in margins, and will be watching closely for any changes in the industry as a result of future corporate transactions.

Against this background, Bankia has presented a new three-year strategic plan, in which it proposes to increase profitability by leveraging digitisation, asset quality improvement and a good positioning that will allow it to boost revenue through sales of high value added products.

Its aim is to become the best bank in Spain: the most profitable, the most efficient and the most solvent, with more satisfied customers, a more committed team and increased recognition from society.

With that aim, the bank has set itself the target of increasing ROE from 6.7% to 10.8% by 2020, bringing the efficiency ratio down from 51.2% at the end of 2017 to below 47%, and having a fully loaded CET1 ratio of approximately 12%.

Completing the 2018-2020 Strategic Plan will allow Bankia to obtain a net attributable profit of 1,300 million euros, 62% more than in 2017.

It will also enable Bankia to achieve an ordinary dividend payout ratio of 45%-50% and to return surplus capital above the 12% CET1 FL level, resulting in estimated total shareholder remuneration of more than 2,500 million euros.

The macroeconomic projections for the period 2018-2020 support the achievement of these targets, as they indicate more than 2% GDP growth and the creation of 1.1 million jobs during the three-year period, as well as a 0.73% rise in the Euribor and 2% growth in credit.

*BANKIA WILL EXECUTE ITS STRATEGIC PLAN IN A FAVOURABLE MACROECONOMIC ENVIRONMENT, WITH ESTIMATED GDP GROWTH ABOVE 2%.*

2018-2020  
STRATEGIC PLAN

