

BANKIA GROUP TO CUT JOBS



Bankia Group's is a name that you probably do not know much about unless you spend time looking at banking in the EU. The company is getting ready to begin a major restructuring plan, which the company outlined in more details [in a release](#). "The BFA-Bankia Group's Restructuring Plan for the period 2012-2017 has received the approval of the European Commission, the Banco de España and the Fund for the Orderly Restructuring of the Banking Sector (Frob). Approval of this plan makes the BFA-Bankia Group one of **Spain's most solvent institutions**. The Bank will continue to have a **country-wide franchise**, focused on the customer relationship, with a stronger presence in the Group's home territories and in the businesses in which the Bank is best placed to obtain high returns and exploit its competitive advantages. The Restructuring Plan defines the framework that will allow the BFA-Bankia Group to implement a Strategic Plan over a three-year horizon: 2012-2015. The Bank will **return to profitability in 2013**, with net profit of 1,200 million euros in 2015, profit before impairments of 2,300 million euros and a return on equity (ROE) of more than 10%." The move, which is set to cost the company about 6,000 jobs when all is said and done, is not likely to be popular with the organizations employees. Bankia chairman José Ignacio Goirigolzarri put out a statement to reassure investors and customers of the bank, "Our customers can rest assured because we have a viable project, a solid project, in which they can be absolutely confident that their savings are safe," Goirigolzarri added. Our customers can rest assured because we have a viable project, a solid project, in which they can be absolutely confident that their savings are safe. Now that our institution is financially sound, we shall focus on making it profitable because that is the best way to reward our shareholders and also, of course, Spanish taxpayers, so that they can recover their investment," he emphasised. We have a difficult road ahead because we will have to make great efforts, but I can assure you that in managing this project we will start from basic principles, the principles of professionalism, integrity and commitment, and of course we will remain very close to our customers," the Bankia chairman said." This is, of course, not the first time that a bank in Europe has had to make serious cuts to staffing. For those of you who are not familiar with our [earlier coverage](#) of the large scale plans for cuts that the bank made back in January of this year here is an excerpt that will get you up to speed in no time at all, "The plan is designed, as you may have guessed if you follow banking news, to cut back significantly on the investment banking operations by getting rid of jobs. They are not the first bank in Europe, which has decided to do so with the volatility of the current market. In this case the bank has decided to trim back by about 3,500 jobs over the next three years. This is added to the 2,000 job cuts that were announced last year. ...Other cuts are expected to be eliminated from other branches. Another 1,260 jobs are going to be cut. Those numbers include a loss of 950 jobs from Ulster Bank, 270 jobs from the U.K. corporate bank and another 40 workers in the wealth management department, according to sources close to the bank."