

MATERIAL FACT

EUROPEAN CENTRAL BANK INFORMS BANKINTER OF ITS SUPERVISORY REVIEW AND EVALUATION PROCESS DECISION

Bankinter S.A. (Bankinter or the Bank), received yesterday after close of business from the European Central Bank (ECB) the minimum capital prudential requirement for 2019.

The prudential requirements set by the ECB for Bankinter are set on a consolidated basis for Bankinter Group, as it is not subject to individual prudential requirements.

Under this requirement, Bankinter must maintain, on a consolidated basis, a minimum Common Equity Tier 1 (CET1) ratio of 8.20% and a Total Capital ratio of 11,70% going forward.

At the end of 2018, Bankinter had a CET1 ratio of 11.75% and a Total Capital ratio of 14.29%, well above the minimum required for this year. This headroom in capital levels allows Bankinter to decide on paying dividend, variable remuneration and its Additional Tier 1 (AT1) instruments coupons without prior restrictions.

As Bankinter opted not to apply the transitional adjustments to mitigate the impacts of IFRS 9 on its capital, set out in the EU Regulation of the European Parliament and of the Council of 12 December 2017, amending Regulation (EU) No 575/2013, with regard to the temporary provisions to mitigate the impact of first adoption of IFRS 9 on own funds, there is no difference between fully loaded and phased in capital ratios.

The CET1 requirement of 8,20% consists of: a minimum CET1 Pillar 1 requirement of 4.50%; a Pillar 2 requirement of 1.20%; and a Capital Conservation Buffer of 2.50%.

	Dec 2018	Minimum requirement for 2019			
	Fully Loaded	Fully Loaded	<i>of which Pilar 1</i>	<i>of which Pilar 2 R</i>	<i>of which CCB</i>
CET1	11,75%	8,20%	4,50%	1,20%	2,50%
Total Capital	14,29%	11,70%	8,00%	1,20%	2,50%

According to the communication received from the ECB, the risk profile for Bankinter remains unchanged with respect to prior periods. Therefore, the increased capital requirements are due to the increase in the capital conservation buffer up to its regulatory maximum, which applies to the all banks, and to a Pillar 2 moderation exercise to normalise and harmonise the requirements for the supervised entities by country and by supervisory assessment group. Overall, Bankinter continues to stand in the group of Spanish banks with the lowest minimum capital requirement.

Madrid, 15 February 2019