

Bankinter, S.A. in compliance with securities exchange legislation, hereby files the following

MATERIAL FACT

Bankinter has submitted to the National Securities Market Commission the full text of the proposed resolutions to be put to a vote in its Annual General Meeting on 22 March 2018.

PROPOSED RESOLUTIONS

2018 Annual General Meeting

- 1. Review and approval of the individual annual accounts (balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and notes to the financial statements); the individual management report of Bankinter, S.A.; and the consolidated annual accounts and the management report of the consolidated group for the fiscal year ended on 31 December 2017.**

Approve the annual accounts (balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and notes to the financial statements) and the management report of BANKINTER, S.A. and of BANKINTER Group for the 2017 fiscal year, in accordance with the terms upon which these accounts and reports were prepared by the board of directors of BANKINTER, S.A. in its meeting on 21 February 2018; verified by the audit and regulatory compliance committee; and audited without qualifications by PricewaterhouseCoopers Auditores, S.L.

The individual financial statements were prepared in accordance with the accounting standards and formats established by Banco de España. The consolidated statements comply with the International Financial Reporting Standards ('IFRS') and were also prepared in accordance with the standards and formats established by Banco de España.

In 2016, the pre-tax profit of the consolidated BANKINTER Group was 677,123,000 euros, and its net profit totalled 495,207,000 euros, up 0.1% and 1.0%, respectively, from 2016.

In the individual financial statements of the parent company, the pre-tax profit of Bankinter, S.A. in 2017 was 590,768,000 euros, and its distributable net profit total 472,487,000 euros.

2. Review and approval of the proposed distribution of earnings and dividends for the fiscal year ended on 31 December 2017.

Approve the proposal for distribution of the earnings of Bankinter, S.A. for the 2017 fiscal year, in the amount of 472,487,000 euros, as follows:

2.1. The sum of 247,603,000 euros will be used to distribute dividends. In this regard:

- The sum of 163,177,000 euros was paid prior to the date of this Annual General Meeting, as interim dividends charged against 2017 earnings, on 28 June 2017, 27 September 2017 and 29 December 2017, after they had been approved by the board of directors in its meetings on 21 June 2015, 20 September 2017 and 20 December 2017.
- The sum of 84,426,000 euros (a gross amount of 0.09394111 euros per share) will be paid as a final dividend on 29 March (the ex-date is 27 March 2018 and the record date is 28 March 2018). Therefore, the total gross dividend for 2017 is 0.27549280 euros per share.

2.2. The remaining 2017 earnings of Bankinter, S.A. (ie, the amount of 224,884,000 euros) will be used to fund Bankinter's voluntary reserves.

3. Review and approval of the management and performance of the board of directors during the fiscal year ended 31 December 2017.

Approve the management and performance of the board of directors during the 2017 fiscal year.

4. Confirmation, re-election and determination of the number of directors:

4.1. Confirmation of the appointment of Teresa Martín-Retortillo Rubio as a director, co-opted as an 'independent external director' after the last Annual General Meeting was held.

Confirm the appointment of Ms Teresa Martín-Retortillo Rubio, of legal age, married, of Spanish nationality and with an address for these purposes at Paseo de la Castellana, 29, from Madrid and with Spanish tax identification number: 33.501.208-Y, as a director of Bankinter, S.A., for a four-year term as of the date of approval of this nomination, in accordance with the provisions of Article 244 of the *Ley de Sociedades de Capital* [Spanish Corporations Act], Article 25 of the Bankinter Corporate By-laws and Article 10 of the *Rules and Regulations of the Board of Directors*. Her appointment by co-option was approved by unanimous vote of the board of directors at its meeting held on 7 November 2017, on the recommendation of the appointments and corporate governance committee.

The board of directors proposes the confirmation of Ms Teresa Martín-Retortillo as independent external director.

The aforementioned director confirmation proposal conforms to the proposal submitted to the board of directors by the appointments and corporate governance committee, has a favourable report from the board of directors, as established by section 529 *decies* of the *Ley de Sociedades de Capital* [Spanish Corporations Act]; and fully complies with the definition of an independent director set forth in this law. The said report has been made available to the shareholders since the announcement of the call to the Annual General Meeting was posted.

4.2. Re-election of CARTIVAL, S.A. as an executive director.

Re-elect CARTIVAL, S.A., with Spanish tax identification no A-79270252 and address in Madrid at Plaza de Lealtad, 4, 28014, Madrid, represented by Mr Aflonso Botín-Sanz de Sautuola y Naveda as executive director.

CARTIVAL, S.A. was re-elected director of Bankinter, S.A. at the Annual General Meeting held on 20 March 2014.

This director re-election proposal was endorsed by the appointments and corporate governance committee and the board of directors, as required by section 529 *decies* of the Ley de Sociedades de Capital [Spanish Corporations Act]; and fully complies with the definition of 'executive director' set out therein. The said report has been made available to the shareholders since the publication of the announcement of the call to the Annual General Meeting.

4.3. Establishment of the number of directors.

Set the effective number of members of the board of directors at twelve (12) members, within the limit set forth in Article 25 of the Bankinter Corporate By-laws.

5. Approval of a restricted capitalisation reserve pursuant to the provisions of section 25.1.b) of Law 27/2014 of 27 November on Corporate Income Tax.

Approve the formal provision and accounting record for the 2017 fiscal year of a capitalisation reserve in the amount of 30,407,440.17 euros, as a restricted reserve for a period of five years, to be kept fully separate with its own account name, pursuant to section 25.1.b) of Law 27/2014 of 27 November on Corporate Income Tax.

6. Resolutions on remuneration:

6.1. Determination of the maximum annual amount for the entire remuneration of directors while in office.

Set the maximum amount of the annual remuneration of the directors in office at 1,700,000 euros, pursuant to sections 217 and 529 *septdecies* of

the Ley de Sociedades de Capital [Spanish Corporations Act]. This amount will remain in effect as long as it is not changed by shareholders in the Annual General Meeting.

6.2. Approval of the policy on the remuneration of board members of Bankinter, S.A.

Approve, pursuant to the provisions of section 529 *novodecies* of the *Ley de Sociedades de Capital* [Spanish Corporations Act], the remuneration policy for directors of Bankinter, S.A., for a maximum term of 3 years, the text of which has been made available to the shareholders together with the other documents relating to the Annual General Meeting since the date on which it was announced.

6.3. Approval of the delivery of shares to the executive directors for their executive duties, and to senior officers as part of the annual variable remuneration accrued in 2017.

Approve, in the terms set forth below and pursuant to section 219 of the *Ley de Sociedades de Capital* [Spanish Corporations Act], the maximum number of Bankinter shares to be delivered to executive directors (two individuals) and senior officers (seven individuals) as part of the annual variable remuneration accrued in 2017.

The maximum number of Bankinter shares to be delivered to the executive directors and senior officers accounts for 50% of both the deferred and non-deferred portions of the annual variable remuneration accrued in 2017.

The Bankinter share price for delivered shares, for both the deferred and non-deferred portions, will be 8.307214 euros per share, which is the average listing price of the Bankinter share at the close of business for the trading sessions held between 2 January and 20 January 2018 (both inclusive).

The shares will be delivered net of taxes and in accordance with the schedule set out below:

- The maximum number of Bankinter shares corresponding to 50% of the **non-deferred** variable remuneration accrued under the variable incentive in 2017 is:
 - 7,751 Bankinter shares to be delivered to the executive vice-chairman;
 - 10,924 Bankinter shares to be delivered to the chief executive officer, and;
 - 30,777 Bankinter shares to be delivered to senior officers.

Bankinter shares for the non-deferred portion of the variable remuneration accrued in 2017 will be delivered within 15 trading days following the approval of this delivery in the Annual General Meeting.

- The maximum number of Bankinter shares corresponding to 50% of the **deferred** variable remuneration earned as part of the variable incentive in 2017 will be distributed as follows:
 - Executive vice-chairman:
 - 1,722 shares will be delivered in the month of January 2019, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - 1,722 shares will be delivered in the month of January 2020, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - 1,722 shares will be delivered in the month of January 2021, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - Chief executive officer:
 - 2,427 shares will be delivered in the month of January 2019, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - 2,427 shares will be delivered in January 2020, which corresponds to one-third of 50% of the deferred variable

remuneration earned as part of the variable incentive set for 2017.

- 2,427 shares will be delivered in January 2021, which corresponds to one-third of 50% of the deferred variable remuneration earned as part of the variable incentive set for 2017.

- Senior officers (7 persons):
 - 6,836 shares will be delivered in the month of January 2019, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - 6,836 shares will be delivered in the month of January 2020, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.
 - 6,836 shares will be delivered in the month of January 2021, corresponding to 1/3 of 50% of the deferred variable remuneration earned as part of the variable incentive in 2017.

Each year, the remuneration committee will evaluate any circumstances, risks or significant negative impacts occurred in 2017 to determine their effect on Bankinter's earnings or assets and if they warrant a total or partial review of the shares ultimately to be delivered within each deadline.

The board of directors is delegated the power to modify and adjust the number of shares to be delivered on each of the dates above in the event of any capital increase through share issues (ie, bonus shares and/or shares issued against capital reserves); split; or grouping (reverse split) of outstanding shares; or any other corporate transaction of a similar nature or having similar effects between the date of approval of this resolution and the date of delivery.

The board of directors and the executive are both delegated the power to supplement this resolution to the extent necessary to implement it and, specifically, to establish any exceptional cases, irrespective of the provisions of the preceding paragraph, in which the dismissal of a director of his executive duties or as a board member or the termination of the

special professional relationship with any senior manager entails their loss of the right to receive any shares pending delivery on the scheduled dates.

The board of directors and the executive are both delegated the power to supplement this resolution to the extent necessary to implement it and, specifically, to establish any exceptional cases, irrespective of the provisions of the preceding paragraph, in which the dismissal of a director of his executive duties or as a board member or the termination of the special professional relationship with any senior manager entails their loss of the right to receive any shares pending delivery on the scheduled dates.

6.4. Approval of the maximum level of variable remuneration for those members of staff whose professional activities have a significant impact on the risk profile of Bankinter.

Pursuant to section 34.1, letter g), of Law 10/2014 of 26 June on the Organisation, Oversight and Solvency of Credit Institutions, the board proposes that the theoretical variable remuneration of the group of employees whose professional activities have a significant impact on Bankinter Group's risk profile, or who perform control duties eligible for the maximum level of variable remuneration of up to 200% of the fixed component of the total remuneration of such professionals, be approved, in accordance with the recommendations issued for these purposes by the board of directors of Bankinter, S.A. on 21 February 2018 and available to shareholders since the date of call to this Annual General Meeting.

7. Delegation of powers to the board of directors, including the power to designate a substitute, to formalise, interpret, correct and implement the resolutions adopted by the shareholders at this annual general meeting.

The board of directors, with express powers to be substituted by the executive committee, is delegated the broadest powers required by law to interpret, correct, supplement and implement the resolutions adopted by shareholders in the Annual General Meeting and to substitute the powers granted by shareholders in the said meeting .

Furthermore, to file the annual accounts and the documents specified in the Regulations of the Commercial Registry, the chairman of the board of directors, Mr Pedro Guerrero Guerrero, the individual representing the vice-chairman on the board of directors, Mr Alfonso Botín Sanz de Sautuola y Naveda, the chief executive officer, Ms María Dolores Dancausa Treviño, the general secretary and secretary of the board of directors, Ms Gloria Calvo Díaz, are authorised so that any of them may severally perform any acts deemed necessary in this regard, such as submitting applications to the Commercial Registry and issuing certificates of any kind and, in particular, the certificate described in section 279 of the *Ley de Sociedades de Capital* [Spanish Corporations Act].

The chairman of the board of directors, the vice-chairman of the board of directors, the chief executive officer, the general secretary and secretary of the board of directors are authorised so that any of them may have the resolutions adopted in the Annual General Meeting put on public record and sign any public or private documents deemed necessary or appropriate to implement such resolutions, with the power to amend and correct the wording thereof to the extent necessary in order for it to conform to the classification of the Commercial Registry or of any administrative bodies or authorities.

Order of business for a consultative vote

8. Annual director remuneration report, according to Article 541 of the *Ley de Sociedades de Capital* [Spanish Corporations Act].

Approve, in a consultative vote, the *Annual report on the remuneration of the directors of Bankinter, S.A.*, approved by the board of directors as proposed by the remuneration committee, in the manner required by law and set out in Circular 4/2013, of 12 June, of the National Securities Market Commission ('CNMV') (as amended by Circular 7/2015, of 22 December). The full content of this report has been available to the shareholders, together with the other documents relating to this Annual General Meeting, since the date on which it was announced.