bankinter.

MATERIAL FACT

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

Following the results of its supervisory review and evaluation process (SREP), the European Central Bank has informed Bankinter of its decision regarding the prudential requirements that will apply to the bank in 2018.

The European Central Bank maintains the same prudential requirements for Bankinter as last year in terms of fully-loaded capital. In terms of phased-in capital, which increased due to the additional quarter in the phase-in period, the ECB's requirement for Bankinter is to maintain a Common Equity Tier 1 (CET1) ratio of 7.125% and a Total Capital ratio of 10.625% on a consolidated basis.

The required CET1 ratio of 7.125% is made up of the minimum CET1 ratio of 4.5%, as required under Pillar 1; the Pillar 2 requirement of 0.75%; and the capital conservation buffer of 1.875%.

According to the ECB's decision, Bankinter's consolidated CET1 ratio is 7.125%, with a Total Capital ratio of 10.625%. Below that minimum, Bankinter would be obliged to adjust its maximum distributable amount (MDA) and, thus, limit distributions of dividends, variable remuneration or coupon payments to holders of Additional Tier 1 (AT1) instruments.

As of 30 September 2017, Bankinter's CET1 and Total Capital ratios stood at the levels provided in the table below. In this regard, the ECB's decision does not entail any restrictions on Bankinter's distribution of dividends, variable remuneration or coupon payments to holders of AT1 instruments.

Minimum capital requirements for Bankiner as set by the ECB for 2018

	At 30 September 2017		Minimum requirement							
	Phased-in	Fully Loaded	Phased-in (2018)	*Pillar 1*	*Pillar 2R*	*Capital buffer*	Fully Loaded	*Pillar 1*	*Pillar 2R*	*Buffer*
CET1	**11.82%**	**11.50%**	**7.125%**	4.50%	0.75%	1.875%	**7.75%**	4.50%	0.75%	2.50%
% Total capital	**14.38%**	**14.43%**	**10.625%**	8.00%	0.75%	1.875%	**11.25%**	8.00%	0.75%	2.50%

Madrid, 14 December 2017