kutxabank

In the event of a discrepancy, the Spanish-language version prevails

TO THE NATIONAL STOCK EXCHANGE COMISSION (CNMV)

Bilbao, 2nd December 2016

Dear Sir / Madam,

Pursuant to the provisions of article 228 of the revised text of Securities Market Act, approved by Royal Decree legislative 4/2015, of 23rd October KUTXABANK, S.A. (henceforth, "**Kutxabank**"), hereby announces the following:

SIGNIFICANT EVENT

Kutxabank has been informed by the European Central Bank of the results of the Supervisory Review and Evaluation Process (SREP), which include the supervisory decision regarding solvency requirements applicable to the Kutxabank Group during 2017.

According to this decision, and for the aforementioned period, Kutxabank Group shall maintain a Total Solvency Ratio of, at least, 10.50%.

This total capital requirement includes:

- The minimum Common Equity Tier 1 (CET1) requirement under Pillar 1 (4.50%)
- The minimum Additional Tier 1 (AT1) requirement under Pillar 1 (1.50%)
- The Tier 2 requirement under Pillar 1 (2.00%)
- The supervisory Pillar 2 requirement (1.25%)
- The capital conservation buffer applicable in 2017 (1.25%)[1]

With regard to the Core Capital, reflected in the CET1 Ratio, the minimum threshold required by the European Central Bank has been established at 7.00%.

As of 30 September 2016, Kutxabank Group presented a 14.96% CET1 Ratio and a 15.07% Total Solvency ratio, on their phased-in version. Regarding their fully loaded version, those solvency indicators, were 14.49% and 14.59%, respectively.

[1] *Transitional buffer applicable during 2017, 1.875% in 2018 and 2.50% 2019 onwards*