



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

**TO THE NATIONAL STOCK EXCHANGE COMMISSION (CNMV)**

Bilbao, 15<sup>th</sup> February 2019

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 23<sup>rd</sup> 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 capital requirements applicable to Kutxabank Group from 1 March 2019 on.

According to this decision, and from the aforementioned date onwards, a supervisory Pillar 2 requirement (Pillar 2 Requirement – P2R) of 1.20% has been assigned to Kutxabank Group, with no variation with respect to the previous year.

Consequently, Kutxabank Group shall maintain a minimum threshold of 8.20% and 11.70% for the CET1 Ratio and the Total Capital Ratio, respectively, as detailed below:

<b>CAPITAL REQUIREMENTS</b>		
<b>CATEGORY</b>	<b>CET1</b>	<b>TOTAL CAPITAL</b>
Pillar 1	4.50%	8.00%
Pillar 2 (P2R)	1.20%	1.20%
Conservation buffer	2.50%	2.50%
Other buffers	0.00%	0.00%
<b>TOTAL REQUIREMENTS</b>	<b>8.20%</b>	<b>11.70%</b>

As of 31 December 2018, Kutxabank Group presented a 16.10% CET1 and Total Capital ratios, on their phased-in version. This solvency level exceeds the described requirements in 790 and 440 bps, respectively, and therefore no limitations on the distribution of dividends or variable remuneration are applicable to the Group.

<b>CATEGORY</b>	<b>Situation as of 31/12/2018</b>	<b>Minimum threshold</b>	<b>Surplus</b>
CET1 RATIO ( <i>phased-in</i> )	16.10%	8.20%	7.90%
TOTAL CAPITAL RATIO ( <i>phased-in</i> )	16.10%	11.70%	4.40%

As of the same date, those solvency indicators were 15.5% on their fully loaded version.