



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

TO THE NATIONAL STOCK EXCHANGE COMMISSION (CNMV)

Bilbao, 12th December 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 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 capital requirements applicable to Kutxabank Group from 1 January 2020 onwards.

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:

CAPITAL REQUIREMENTS		
CATEGORY	CET1	TOTAL CAPITAL
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%
TOTAL REQUIREMENTS	8.20%	11.70%

As of 30 September 2019, Kutxabank Group presented a 16.74% CET1 and Total Capital ratios, on their phased-in version. This solvency level exceeds the described requirements in 854 and 504 bps, respectively, and therefore no limitations on the distribution of dividends or variable remuneration are applicable to the Group.

CATEGORY	Situation as of 30/09/2019	Minimum threshold	Surplus
CET1 RATIO (<i>phased-in</i>)	16.74%	8.20%	8.54%
TOTAL CAPITAL RATIO (<i>phased-in</i>)	16.74%	11.70%	5.04%

As of the same date, those solvency indicators were 16.51% on their fully loaded version.