

## HECHO RELEVANTE – SIGNIFICANT INFORMATION

### Bankinter Capital Update - EU Wide Stress Test Results

Bankinter was subject to the 2011 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Bank of Spain, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB).

The summary results of the test have been announced today by the EBA and the Bank of Spain (see websites <http://www.eba.europa.eu/> , <http://www.bde.es>).

The EU-wide stress test, carried out across 91 banks covering over 65% of the EU banking system total assets, seeks to assess the resilience of European banks to severe shocks and their specific solvency to hypothetical stress events under certain restrictive conditions.

The assumptions and methodology were established to assess banks' capital adequacy against a 5% Core Tier 1 capital benchmark and are intended to restore confidence in the resilience of the banks tested. The adverse stress test scenario was set by the ECB and covers a two-year time horizon (2011-2012). The stress test has been carried out using a static balance sheet assumption as at December 2010. The stress test does not take into account future business strategies and management actions and is not a forecast of Bankinter profits.

As a result of the assumed shock, the estimated consolidated Core Tier 1 capital ratio of Bankinter would change to 5,3% under the adverse scenario in 2012 compared to 6,2% as of end of 2010.

Bankinter took the appropriate measures to improve its capital levels at the beginning of 2011, and at the end of April it had fully subscribed and closed an issue of 406 mill.€ of mandatory convertible bonds with fixed strike prices. This issue is fully compliant with Basel III Tier I conditions, including the "non - viability clause". On the other hand, the Spanish banks have not been allowed to compensate the losses of the scenarios with their generic provisions, which have been established by the Spanish regulation precisely to absorb losses.

Both instruments account for an additional 1,5% of RWA resulting in a ratio of 6,8%. Bankinter considers that the inclusion of them in "Other mitigating measures" do not reflect properly their effectiveness as a loss - absorbing cushions in the exercise.

Bankinter is a very low risk profile institution, as it has been demonstrated throughout the crisis that started in 2007. At year-end 2010, Bankinter's non - performing ratio was 2,87%, the lowest in Spain and less than half the average of the Spanish banking sector, 5,80%. This is due to the quality of its mortgage portfolio, its minimum exposure to the real estate sector and its prudent risk policy. Consequently the losses derived from the two-year adverse scenario are very modest: 1.058 Mill.€ (3,4% of Risk Weighted Assets) due to credit risk and 51 mill.€ (0,2%of RWA) from the stress of the trading book. Furthermore, Bankinter has practically no sovereign exposures to countries other than Spain and Germany, as it is detailed in the Sovereign Exposures information.

The results determine that Bankinter meets the capital benchmark set out for the purpose of the stress test. The bank will continue to ensure that appropriate capital level is maintained.

#### *Notes*

*The detailed results of the stress test under the baseline and adverse scenarios as well as information on Bankinter credit exposures and exposures to central and local governments are provided in the accompanying disclosure tables based on the common format provided by the EBA.*

*The stress test was carried out based on the EBA common methodology and key common assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures) as published in the EBA Methodological note. Therefore, the information relative to the baseline scenarios is provided only for comparison purposes. Neither the baseline scenario nor the adverse scenario should in any way be construed as a bank's forecast or directly compared to bank's other published information.*

*See more details on the scenarios, assumptions and methodology on the EBA website: <http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx>*