



kutxabank

1H2022 Results presentation

28th July 2022

Disclaimer

This document, its content, its annexes and/or amendments (the “Document”) has been made up by Kutxabank, S.A. (“Kutxabank”) for information purposes only and does not constitute, nor must it be interpreted as, an offer to buy or sell, any securities, futures, options or other financial instruments. None of the information contained in this Document constitutes a recommendation of investment, or legal, tax or any other type of advise and it should not be relied upon to make any investment or decision. Any and all the decisions taken by any third party as a result of the information contained in this Document, are the sole and exclusive risk and responsibility of that third party and Kutxabank shall not be responsible for any damages drove from the use of this document or its content.

The facts and opinions included are furnished as to the date of this Document and are based on Kutxabank's estimations and on sources believed to be reliable by Kutxabank but Kutxabank does not warrant its completeness, timeliness or accuracy. The facts, information and opinions contained in this Document are subject to changes and modifications.

This Document has at no time been submitted to the Comisión Nacional del Mercado de Valores (CNMV – the Spanish Stock Markets regulatory body) for approval or scrutiny. In all cases its contents are regulated by the Spanish law applicable at time of preparation, and it is not addressed to any person or legal entity located in any other jurisdiction. For this reason it may not necessarily comply with the prevailing norms or legal requisites as required in other jurisdictions.

This Document may contain declarations which constitute forward-looking statements and referents to Kutxabank's current intentions, believes or expectations regarding future events and trends which under no circumstances constitute a warranty as to future performance or results.

This Document has been furnished exclusively as information and it must not be disclosed, published or distributed without the prior written consent of Kutxabank. Any failure to observe this restriction may constitute a legal infraction which may be sanctioned by law.

Table of contents



**Key
highlights**



**Asset
quality**



**Financial
performance**



**Annex
Financial figures in detail**



Key highlights

External factors

Backdrop conditioned by the war conflict and the worsening of the macroeconomic environment

War conflict

High level of uncertainty about its potential evolution and duration



World economic growth forecasts worsen



Inflation continues to soar

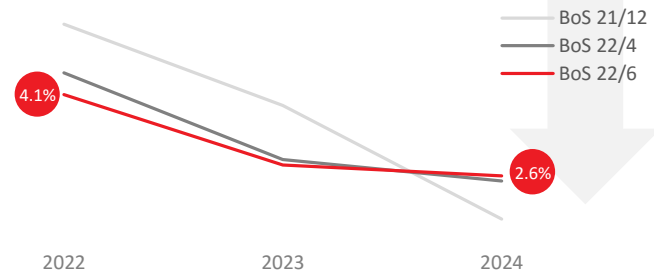


Upward interest rate rally



Volatility and instability in financial markets

Significant corrections in economic growth rates further delaying the post-pandemic recovery



Employment outlook is somewhat more positive although not free from uncertainty

No visibility yet on the inflation turning point



Corporate response:
 No direct impacts so far; potential second and third wave effects
 Regular monitoring of the market situation and macro scenario
 Focus on strengthening cybersecurity and regulatory compliance
 Workshops with Personal banking focused on markets and Investment funds due to market volatility
 Communication with customers on cybersecurity



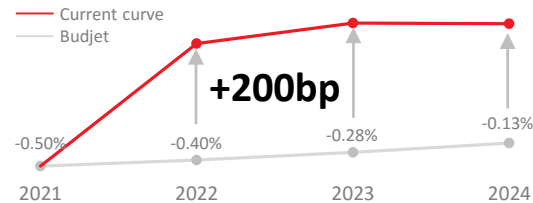
Key highlights

Impact on business

Upward shift in interest rates

will increase revenues in the medium term although already putting pressure on new production margins

Eur12m curve: current vs budget



Significant pressure on mortgage origination margins, in a highly competitive context

Kutxabank has reacted to the upturn in rates which has to some extent eroded targeted volume for the new residential mortgage production

Well-balanced trade-off between volume and margin

Focus changed towards floating and Fixed-to-Floating mortgages

Increase in prices for fixed-rate loans

Residential mortgages

New production 1H22

EUR2.2bn

vs **EUR2.3bn** in 1H21

New production focused on **high credit quality customers**

>**80%** of new formalizations are made with **Premium clients⁽¹⁾**



⁽¹⁾ Customers ranked in the highest income buckets.



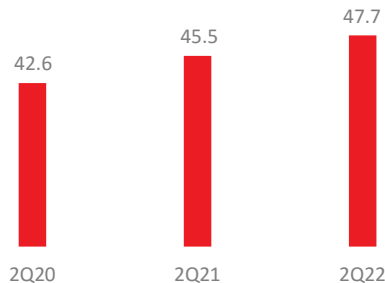
Key highlights

Impact on business

Despite this backdrop, Performing lending book grew by 4.8%

with a positive contribution from all
business segments

Performing lending book (EUR billion)



Corporate banking business continues to perform well despite the market environment

Turnover increased in all
products, with significant
growth in balances

Service
revenues⁽¹⁾
+24% YoY

Also meeting internal targets in Consumer finance and Commercial credit



⁽¹⁾ Evolution relative to the SME banking segment.



Key highlights

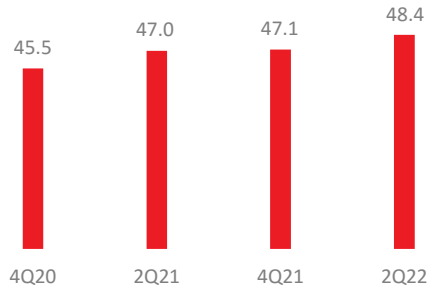
Impact on business



Customer funds continue to show strength

with on-balance deposits growing at almost 3% YoY

Customer deposits (EUR billion)



Off-balance resources

Net fundraising exceeds EUR1.3bn

in 1H22

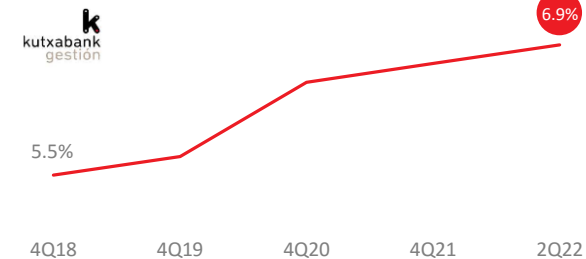
22.5% of total net fundraising of Spanish market

1st AM in Spain with all its products classified as sustainable

Despite market instability the Group's AM continues to lead the industry in terms of net fund-takings during 2022.

Total funds volume suffer from valuations but still the AM keeps gaining market share consistently.

Market share evolution in Investment funds all across Spain⁽¹⁾



kutxabank
gestión

4Q18 4Q19 4Q20 4Q21 2Q22

⁽¹⁾ Source: Inverco. Including Fineco, Kb's private banking specialised unit.



Key highlights ESG developments

Despite the complexity of the market, we are increasing our commercial activity in green and sustainable products

Green product marketing in 2Q22:



Green Retail mortgages

1 in every 4

new mortgages
+1.2% vs 2021



Green Consumer loans

+71%

vs 2021



SME & Corporates lending embedding ESG aspects

EUR620Mn



Green insurance

+27%

vs 2021





Key highlights Other ESG milestones

Publication of the entity's first climate report (TCFD)



Kutxabank launches its first report of the Task Force on Climate-Related Financial Disclosures in which it sets out its **commitment to sustainability**, and its **strategy**, organizational structure and procedures for **climate risk management**



Launching of the project to define Sustainable Financing Frameworks (transactional framework)



Formalization of the order form for obtaining Sustainabilitycs ESG Risk Rating License



Formal approval of the Tax Strategy and Total Tax Contribution of the Group



Kb among the 100 companies with the best reputation





Key highlights

Group's activity contribution

Strengthening contribution to economic and social development

Highly committed to the economic, social and environmental development of its **home territory**, being the main promoter of the Basque financial ecosystem

Kb's banking activity is complemented by the Group's Financial subsidiaries rooted in the **Basque Country**

Significant contribution also in Andalusia and Spain as a whole, standing out as one of the companies with the highest tax contribution, which makes us one of the relevant companies in generating and sustaining added value in the economy

In the Home region

Contribution in the Basque Country

through corporate and financing activity

14.3%
of GDP

15.0% of
employment

5.6% of tax
collections

All across Spain

Economic contribution

through corporate and financing activity

2.6%
of GDP

2.5% of
employment

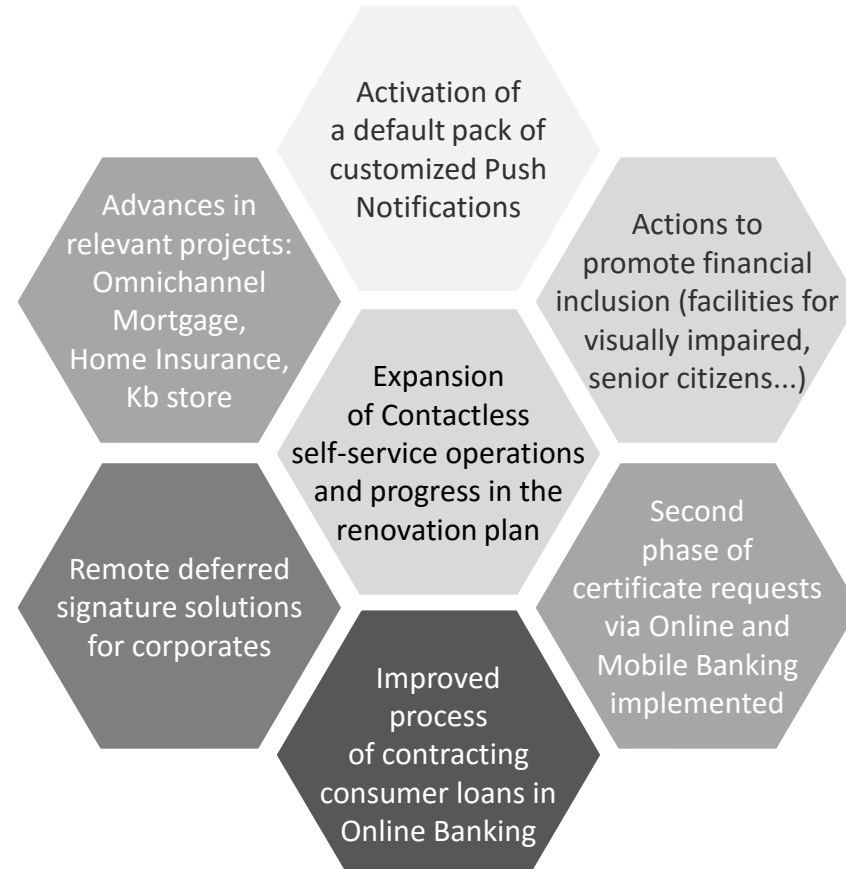
EUR11.8bn
in taxes





Key highlights

Making progress in the Digital Agenda...





Key highlights ...to improve customer relations efficiently

Digital clients

59.1%

With a Customer Experience Rating of 4.26 out of 5

Active users of
Mobile banking

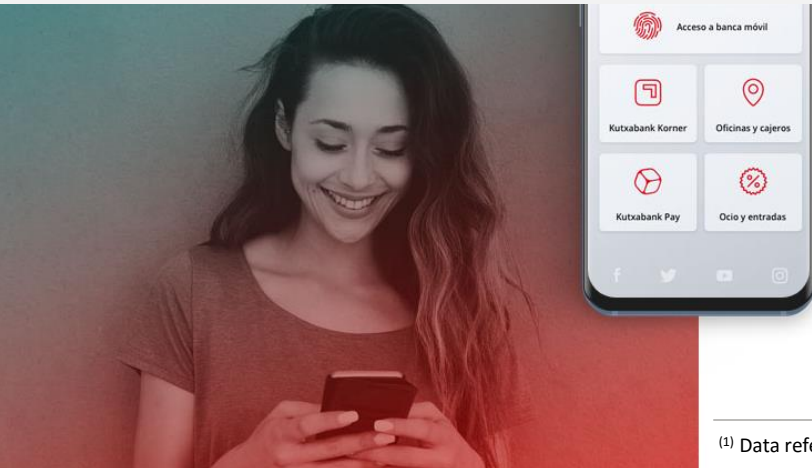
52.0%

+5.1% YoY

Digital sales

42.4%

Digital sales in pension products >65%



Digital leads in mortgages⁽¹⁾

26.8%

Digital formalisation of consumer products

33.2%

⁽¹⁾ Data refers to new customers of commercial network outside home region.





Asset quality

The **lowest NPL** ratio in the market

Kutxabank consolidates its leadership position in this metric after completing the disposal of a NPA portfolio

Puppy project

Sale of a troubled asset portfolio of EUR235Mn (EUR170Mn doubtful)

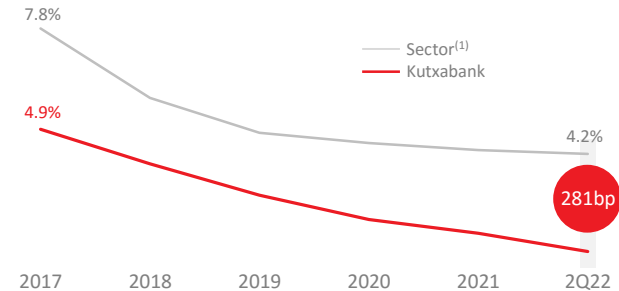


The NPA disposal pushed down NPL% by an additional 35bp



Impact on solvency is +15bp

Non-performing asset management results in further widening of the industry lead, already at 281bp



Despite the context, no relevant risks on potential delinquency are perceived



In any case, the starting point is very favorable



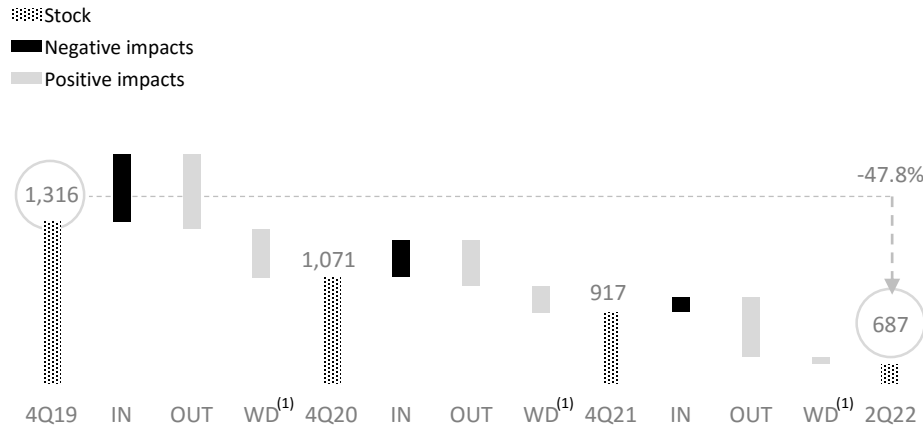
⁽¹⁾ Data for the sector as at May 2022 (last data available). Source: BoS.



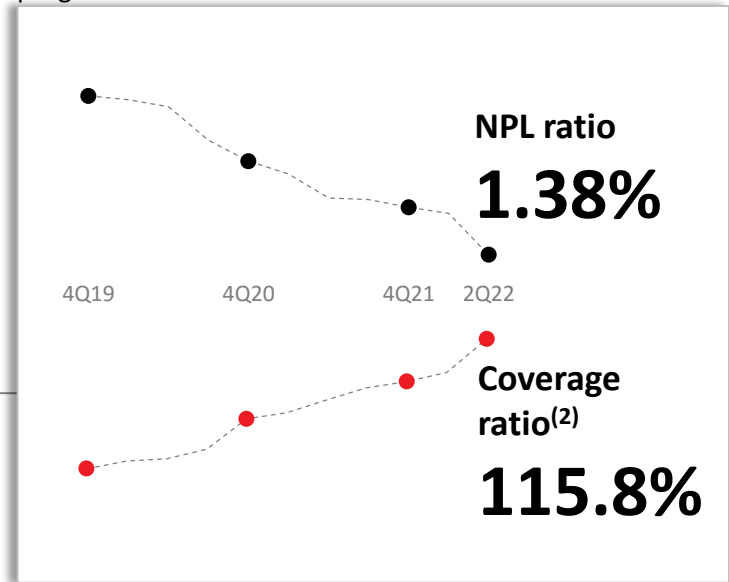
Asset quality

No pressure in terms of new entries

Doubtful-loan stock evolution in the period 2019-2Q22 (EUR million)

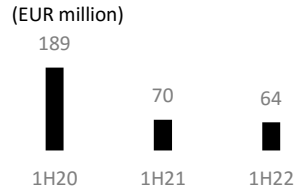


Despite the challenging scenario, Kb continues to make progress in the reduction of NPLs



New entries remain subdued

The limited exposure to credit relief measures allows to be optimistic about its future development



⁽¹⁾ Write-downs.

⁽²⁾ Including prudential provisioning of NPE according to ECB calendar.



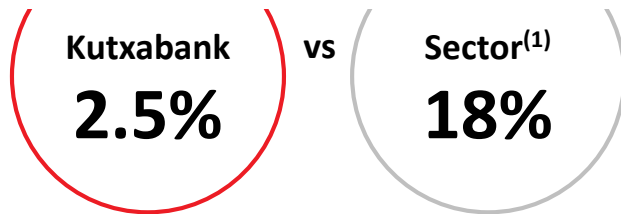
Asset quality

COVID related relief measures

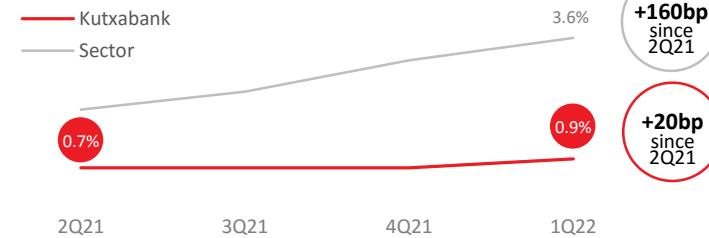


Lower relative position and higher risk quality

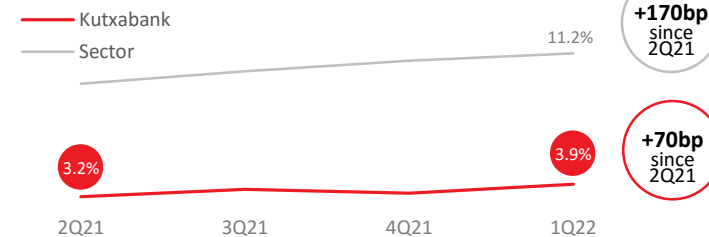
COVID-19 portfolio over total financing to Households, SME and Corporates:



ICO portfolio: NPL% evolution, Kutxabank vs sector⁽¹⁾



Moratoria: NPL% evolution, Kutxabank vs sector⁽¹⁾



⁽¹⁾ Source: PwC. Data as of March 2022. Banking sector data includes 9 of the 10 significant banks in Spain.

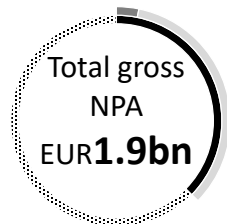


Asset quality

Non-performing assets (NPA) in detail

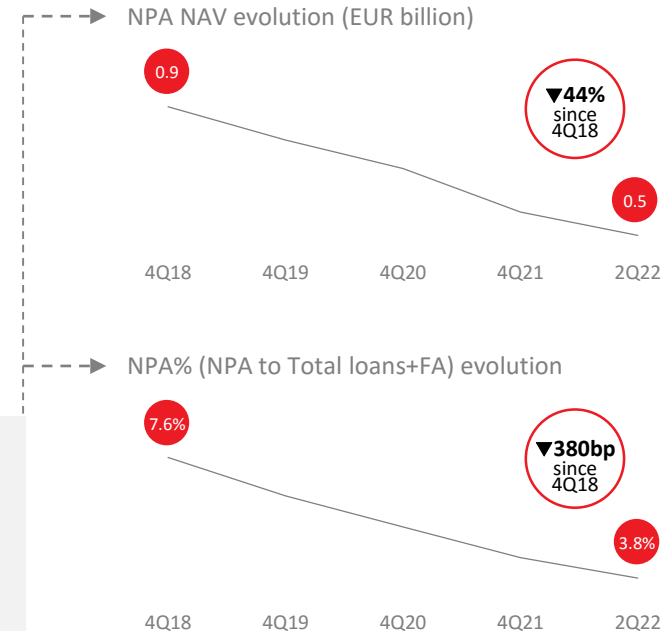
NPA breakdown as at 2Q22 (EUR billion)

	Gross	%	Cov%	NAV
Foreclosed assets (FA)	1.19	62.7%	57.1%	0.51
NPLs	0.71	37.3%	97.3%	0.02
o/w from RED	0.06	3.2%	37.3%	0.04
o/w rest of NPLs	0.65	34.1%	102.9%	Ns
TOTAL NPE	1.91	100.0%	72.1%	0.53
To Total assets	2.9%			0.8%
To Total loans+FA	3.8%			1.1%



NAV
EUR **0.5bn**
(0.8% to Total assets)

Texas ratio
26.8%
2Q22





Financial performance P&L summary



Net income
▲30%
in 1H22

(EUR million)	1H22	Δ1H22-1H21
Net interest income	279.6	1.4%
Net Fees+Ins. business	316.4	9.7%
Core banking business	596.0	5.6%
Equity method&Dividends&TI	58.5	69.3%
Other operating income (OOI)	-31.8	29.2
Gross margin	622.6	8.4%
Operating expenses	-302.0	2.3%
Pre-provisioning profit	320.6	14.9%
Provisions	-113.2	-21.3%
Other income	14.7	-52.5%
Tax and others	-59.0	44.8%
Net income	163.2	30.0%

Strong increase in Core banking business thanks to a solid growth in Fees (+8.1%) and Insurance business (+14.8%) and better Net interest income performance.

→ Mainly due to higher-than-expected contribution from equity investments

→ **Contained increase in Operating expenses**, below forecast and below inflation leading to a Pre-provision operating profit growth of 14.9%.

Although lower than in previous half, the Group maintains a high level of prudent provisioning



Financial performance

Top line income



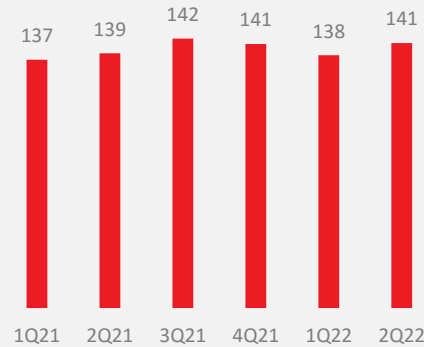
Net interest income (NII)

EUR279.6Mn

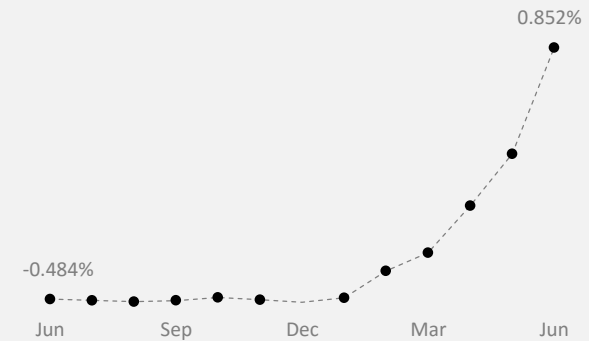
+1.4 YoY

Slight increase in Net interest income, with a positive outlook for the coming periods in view of the Euribor evolution trend (already about 1%)

NII quarter evolution (EUR million)



Short-term interest rates: Eur12m evolution





Financial performance

Top line income



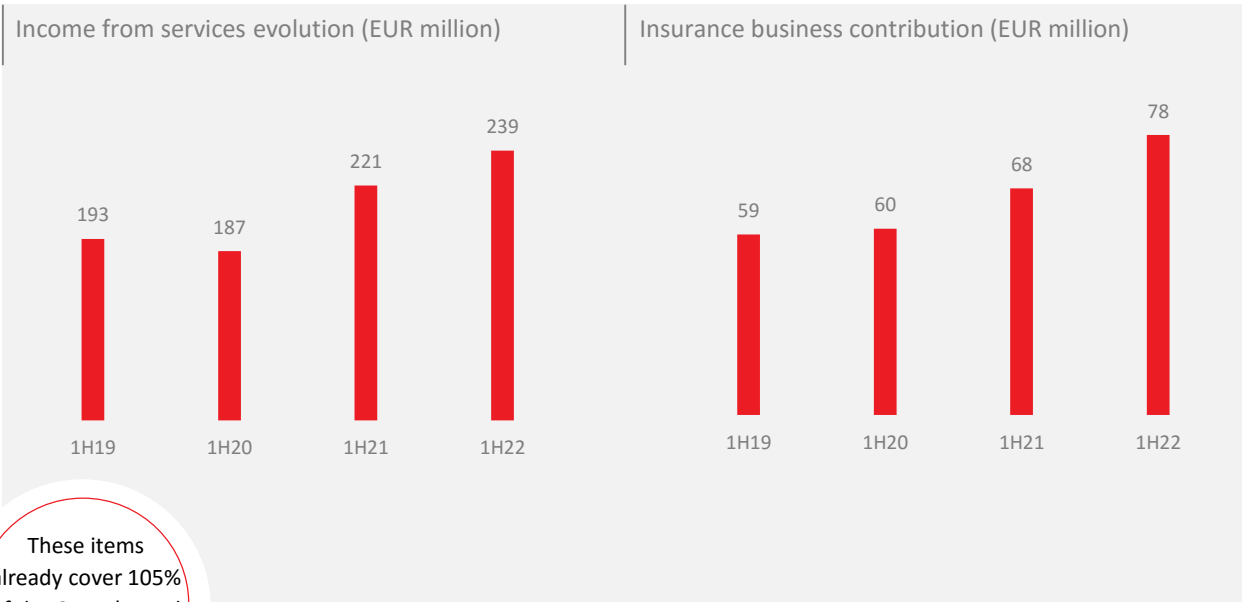
Net Fees & Insurance business

EUR316.4Mn

+9.7 YoY

Strong growth trend continues in Income from services and the Insurance business, reinforcing the revenue diversification structure.

Kutxabank leads the sector in terms of Service revenues⁽¹⁾ (0.97% to Total assets).



⁽¹⁾ Including Net fees and revenues from the Insurance business through "Other operating income (OOI)".



Financial performance

Top line income



Core banking business

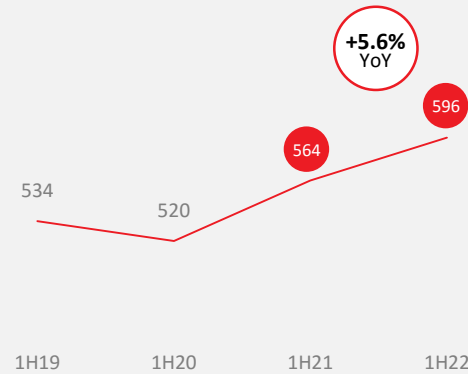
EUR**596.0Mn**

+5.6 YoY

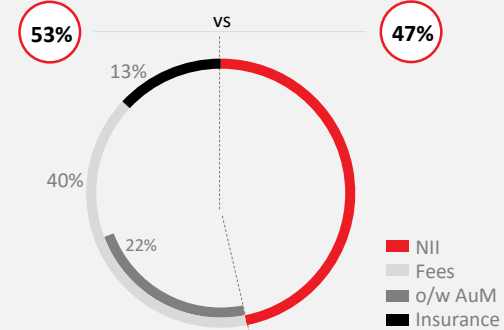
Strong increase in Core Banking business mainly supported by the impulse in Income from services.

This headline will also benefit from dynamics in interest rates in the coming quarters, as the Loan book repricing entirely materializes.

Core banking income evolution (EUR million)



Income source diversification





Financial performance

Operating expenses



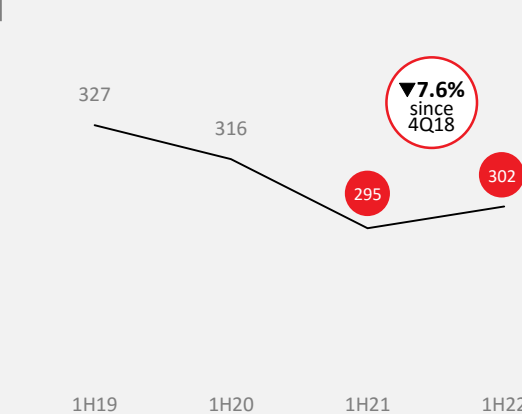
Administrative expenses

EUR282.3Mn

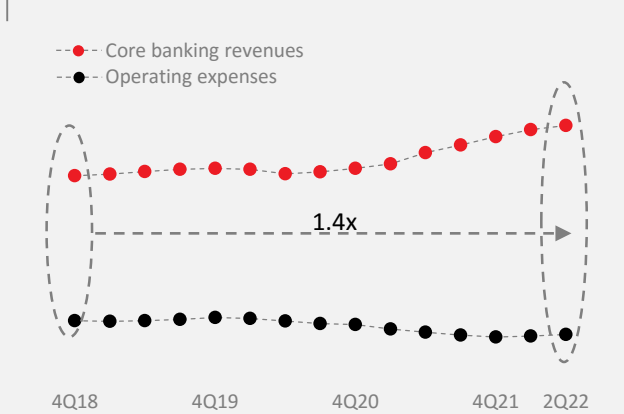
+2.0 YoY

Including amortisations, Operating expenses amounted to €302.0 million (+2.3% YoY). After a few years of strong cost reductions, expenses increased, below budget and significantly below inflation though.

Operating expenses evolution (EUR million)



Evolution of Core revenues vs Op. expenses



In the period 2019-21 the **spread** between Core banking revenues and Operating expenditures **has expanded a 40%**.

Despite the slight increase in costs, this trend has continued in the last six months.



Financial performance

Cost of risk

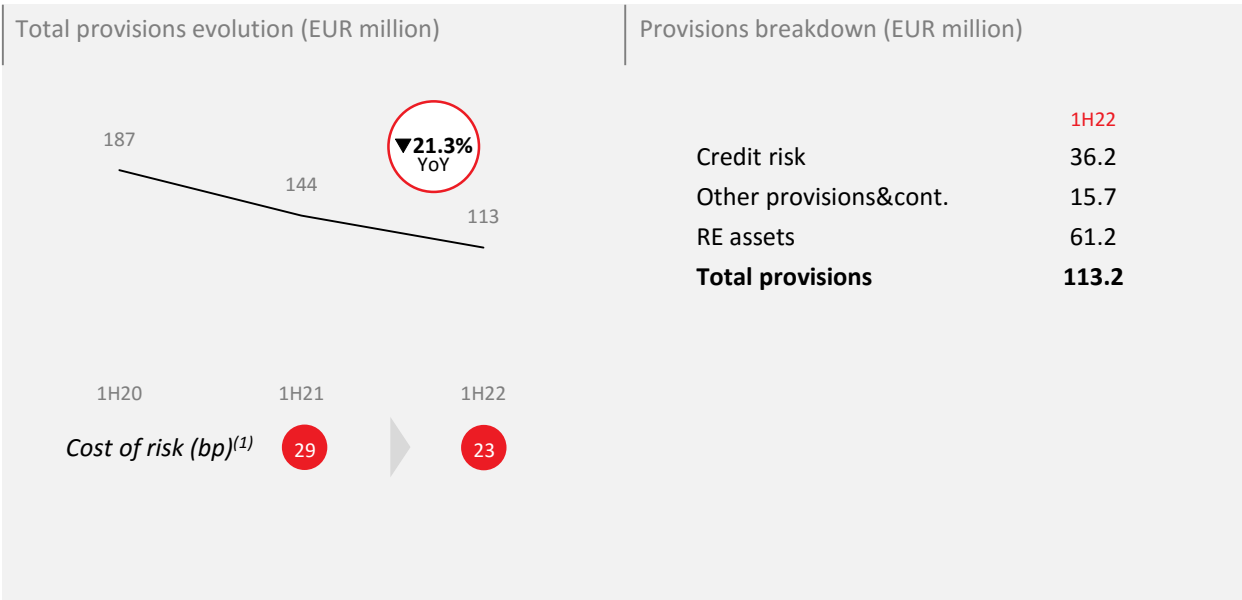


**Credit risk
impairments and
other provisions**

EUR113.2Mn

-21.3 YoY

A significant level of provisioning effort is maintained in the face of geopolitical risk and macroeconomic uncertainties



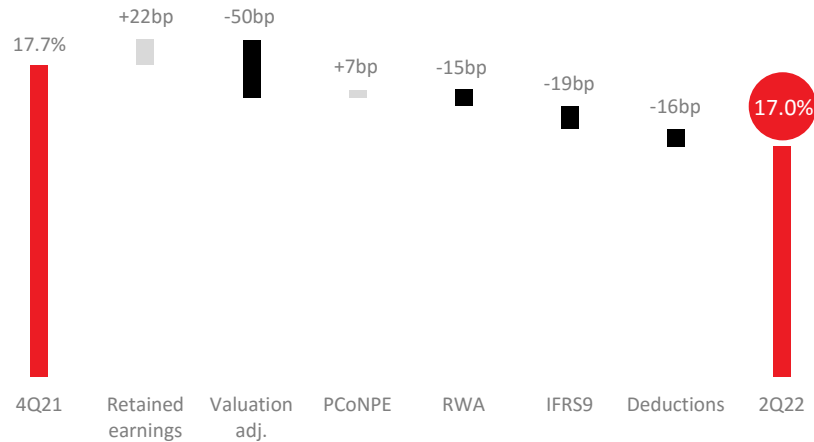
⁽¹⁾ Including Credit risk impairments and other provisions.



Financial performance

Capital management

Capitalisation: CET1 phased-in Year-to-Date evolution

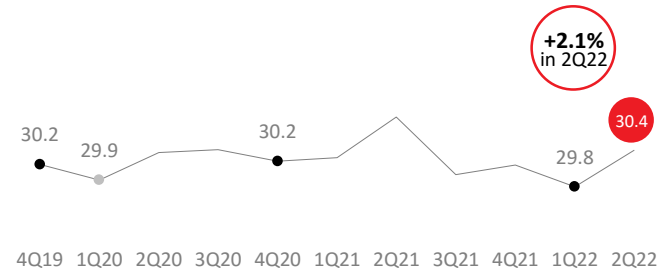


Slight decrease in CET1 mainly driven by market turmoil and RWA inflation from asset growth

Main impacts on capital (YtD; Phased-in)

	Impact (EURMn)	Impact (bp vs 4Q21)	▲/▼
Valuation adjustments	150.4	49.8	▼
Risk-weighted assets	260.3	14.7	▼
Total earnings	163.2	54.1	
<i>o/w retained</i>	<i>65.3</i>	<i>21.6</i>	▲

Risk-weighted assets evolution (Phased-in; EURbn)





Financial performance

Capital management

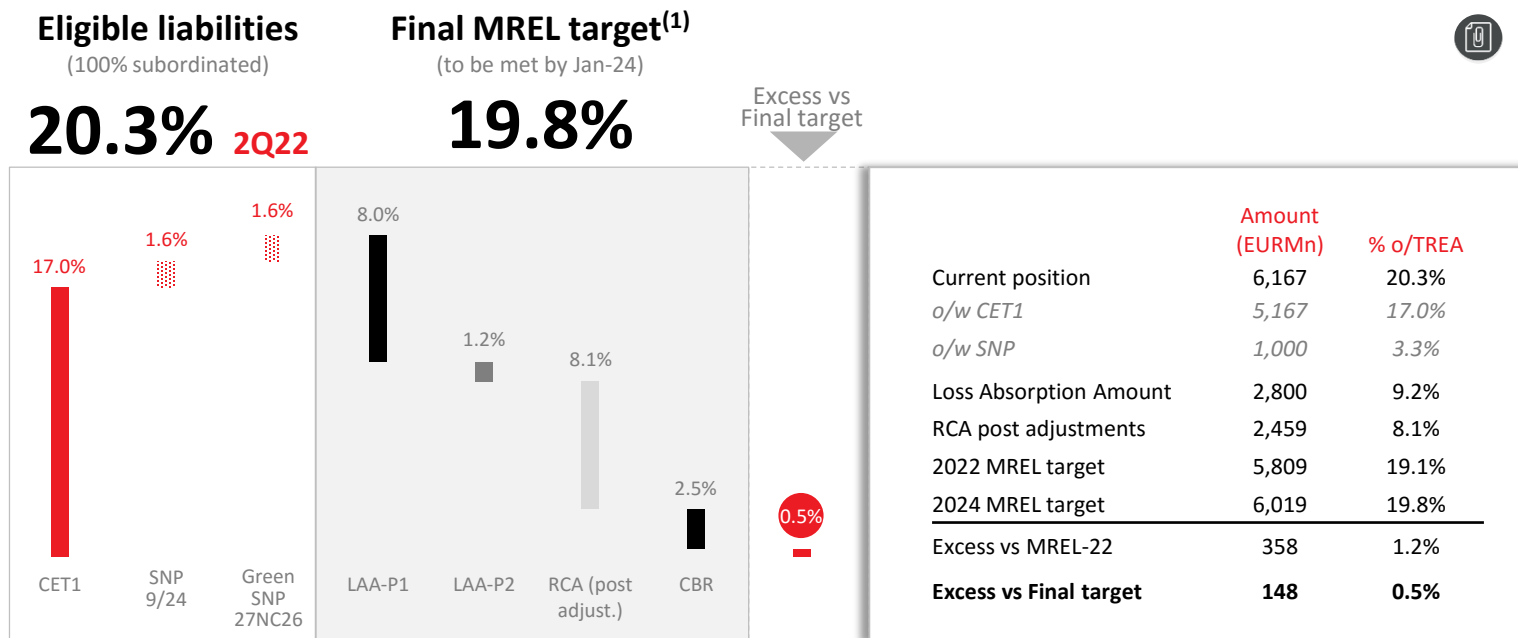


Formal communication:

- On January 24, Kb received from the Bank of Spain the formal communication regarding the MREL established by the Single Resolution Board (SRB).
- According to this decision, from the 1/1/2024 Kb must maintain an amount of own funds and eligible liabilities at consolidated levels of at least 17.28% to its Total Risk Exposure Amount (TREA) and of 5.25% to its Leverage Risk Exposure (LRE).
- Additionally, a binding intermediate target of 16.59% to TREA and 5.25% to LRE as of 1st January 2022 has been set in the said communication.

MREL current position vs requirement

The Group will keep working on building a sufficient buffer consistent with its business model and risk profile



⁽¹⁾ No subordination required.



Financial performance

Liquidity risk management

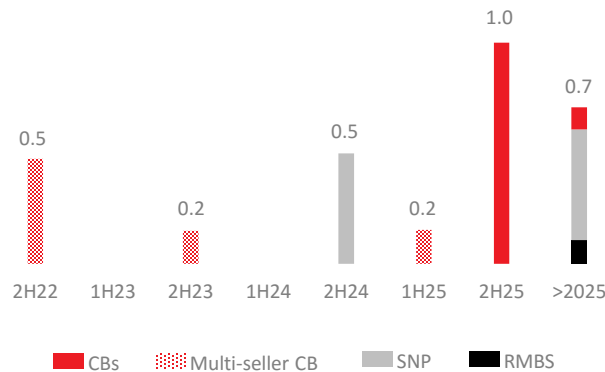
Well-diversified and stable funding structure

underpinned by a large and sticky Retail deposit base

Comfortable maturity profile

Additionally, existing liquidity buffers comfortably cover maturities over a long time horizon

Debt security maturity profile (EUR billion)



ECB funding

(TLTRO III.3, 4, 7)

EUR6.2bn

The bulk of the position matures in 2023. Awaiting news on the ECB's exit strategy, the group adopts as a base case all the repayments on schedule

Bearable impact on LCR and NSFR

LCR 216.2% 6m22
Last 12 months av.

NSFR 136.9% 2Q22





Financial performance Recap

Performing lending grew by nearly 5%

following a solid evolution of new production in the retail segment and an outstanding performance in the corporate business. Turnover grew in all products

Group's AM remains leader in terms of net fundraising

in an environment of a extremely high volatility

Insurance business continued to grow

contributing with EUR89.7 million in 1H22

Banking business advanced by an additional 5.6%

with a very positive outlook for the short and medium term in view of interest rates dynamics

Lowest NPL % in the sector

NPL continue to improve bringing the stock of doubtful loans to EURO.7bn

Net income
EUR163Mn
+30% YoY

Leader in terms of Service revenues:
0.97% to Total assets

NPL <1.4%
Excellent position to face potential adversities

Remarkable
CET1 of
17.0%





Annex

Balance-sheet: **Assets**

	2Q22	2Q21	Var.	1Q22	Var.
Cash and balances at central banks	5,519.6	4,773.2	15.6%	5,461.7	1.1%
Financial assets held for trading	92.8	62.3	49.0%	55.3	68.0%
<i>Trading derivatives</i>	77.0	62.3	23.7%	55.3	39.5%
<i>Debt securities</i>	15.8	0.0	-	0.0	-
Other financial assets at fair value through p&l	50.6	60.6	-16.5%	54.8	-7.6%
<i>Equity instruments</i>	33.9	37.2	-8.8%	35.2	-3.7%
<i>Debt securities</i>	16.7	23.4	-28.7%	19.6	-14.8%
Available-for-sale financial assets	5,657.1	6,325.6	-10.6%	5,783.0	-2.2%
<i>Equity instruments</i>	1,375.1	1,825.4	-24.7%	1,384.9	-0.7%
<i>Debt securities</i>	4,282.0	4,500.2	-4.8%	4,398.1	-2.6%
Loans and receivables	48,837.3	47,746.7	2.3%	47,933.3	1.9%
<i>Bank deposits</i>	423.8	448.9	-5.6%	537.2	-21.1%
<i>Customer loans and advances</i>	48,413.4	47,297.9	2.4%	47,396.0	2.1%
Held-to-maturity investments	2,761.4	2,130.7	29.6%	2,498.1	10.5%
Non-current assets held for sale	572.8	613.9	-6.7%	514.6	11.3%
Hedging derivatives	45.9	75.5	-39.2%	43.6	5.3%
Equity investments	181.7	173.8	4.5%	171.3	6.0%
Reinsurance assets	28.3	25.8	9.8%	28.1	0.6%
Tangible assets	776.3	808.2	-3.9%	794.1	-2.2%
Intangible assets	403.7	377.7	6.9%	403.8	0.0%
Tax assets	1,697.3	1,768.4	-4.0%	1,716.3	-1.1%
Other assets	187.0	201.1	-7.0%	184.6	1.3%
TOTAL ASSETS	66,811.7	65,143.4	2.6%	65,642.5	1.8%





Annex

Balance-sheet: Liabilities and Own funds

	2Q22	2Q21	Var.	1Q22	Var.
Financial liabilities held for trading	80.7	66.3	21.7%	56.2	43.5%
Financial liabilities at amortised cost	58,653.2	56,743.2	3.4%	57,248.6	2.5%
<i>Deposits from central banks</i>	6,150.7	6,213.6	-1.0%	6,165.7	-0.2%
<i>Deposits from credit institutions</i>	360.8	166.4	116.9%	458.0	-21.2%
<i>Customer deposits</i>	49,298.5	47,990.5	2.7%	47,825.0	3.1%
<i>Debt securities in issue</i>	2,172.0	1,762.9	23.2%	2,195.1	-1.1%
<i>Other financial liabilities</i>	671.2	609.9	10.1%	604.8	11.0%
Hedging derivatives	403.1	378.1	6.6%	487.7	-17.4%
Reinsurance liabilities	598.2	619.4	-3.4%	607.1	-1.5%
Provisions	417.5	430.3	-3.0%	452.1	-7.7%
Tax liabilities	309.1	388.3	-20.4%	339.6	-9.0%
Other liabilities	211.0	190.6	10.7%	202.4	4.3%
Total liabilities	60,672.8	58,816.2	3.2%	59,393.8	2.2%
Equity	5,792.5	5,724.9	1.2%	5,834.6	-0.7%
Accumulated other comprehensive income	339.0	592.7	-42.8%	406.7	-16.7%
Minority interests	7.4	9.6	-22.4%	7.4	0.5%
Total equity	6,138.9	6,327.2	-3.0%	6,248.7	-1.8%
TOTAL EQUITY AND LIABILITIES	66,811.7	65,143.4	2.6%	65,642.5	1.8%





Annex

Deposits and Loans

	2Q22	2Q21	Var.	1Q22	Var.
Customer deposits	49,298.5	47,990.5	2.7%	47,825.0	3.1%
o/w net of multiseller covered bonds	48,483.5	47,135.5	2.9%	47,002.2	3.2%
Deposits from the Public sector	4,480.6	4,103.2	9.2%	3,956.5	13.2%
Deposits from the Private sector	44,002.9	43,032.3	2.3%	43,045.8	2.2%
o/w Cash deposits	39,260.1	36,584.7	7.3%	38,017.4	3.3%
o/w Term deposits	4,739.3	6,444.6	-26.5%	5,025.5	-5.7%
o/w Repurchase agreements	1.2	1,2	-4.6%	1.2	-1.3%
o/w Valuation adjustments	2.3	1,7	34.9%	1.8	33.3%
Total Cash deposits	43,637.1	40,629.4	7.4%	41,914.6	4.1%
Total Term deposits	4,792.8	6,506.1	-26.3%	5,087.7	-5.8%
Customer loans	48,413.4	47,297.9	2.4%	47,396.0	2.1%
Pro-forma: Gross Customer loans	49,086.3	48,047.4	2.2%	48,140.2	2.0%
Loans to Public sector	5,536.8	5,095.1	8.7%	5,112.1	8.3%
Loans to Private sector	43,549.5	42,952.3	1.4%	43,028.1	1.2%
o/w Secured	33,520.8	33,898.8	-1.1%	33,914.8	-1.2%
o/w Unsecured	10,028.7	9,053.6	10.8%	9,113.3	10.0%
Loans to Households	34,211.3	34,238.3	-0.1%	34,045.2	0.5%
o/w Secured	31,410.3	31,546.0	-0.4%	31,801.8	-1.2%
o/w Unsecured	2,801.1	2,692.3	4.0%	2,243.3	24.9%
Doubtful loans	688.5	959.4	-28.2%	887.7	-22.4%
NPL ratio ⁽¹⁾	1.38%	1.95%	-58 bp	1.80%	-42 bp
Provisions	692.1	766.7	-9.7%	763.4	-9.3%
Loan coverage ratio ⁽¹⁾	115.82%	88.01%	2,780 bp	100.60%	1,521 bp





Annex

Key indicators

	2Q22	2Q21	Var.	1Q22	Var.
ROE	4.37%	2.98%	139 bp	3.98%	40 bp
ROTE	4.69%	3.19%	150 bp	4.26%	43 bp
ROA	0.39%	0.26%	13 bp	0.35%	4 bp
RORWA	0.84%	0.55%	29 bp	0.76%	8 bp
Cost to Income	51.59%	56.20%	-461 bp	52.11%	-52 bp
LCR	185.64%	194.49%	-885 bp	221.35%	-3,571 bp
NSFR	136.87%	136.89%	-2 bp	138.61%	-174 bp
LtD	99.85%	100.21%	-35 bp	100.65%	-80 bp
# of customers	2,372,879	2,416,283	-1.8%	2,382,251	-0.4%
# of employees	4,989	5,210	-4.2%	5,065	-1.5%
# of branches	737	799	-7.8%	742	-0.7%
# of ATMs	1,544	1,659	-6.9%	1,570	-1.7%



	2Q22	2Q21	Var.	1Q22	Var.
Capital	2,060.0	2,060.0	0.0%	2,060.0	0.0%
Reserves	3,617.7	3,577.2	1.1%	3,636.9	-0.5%
Retained earnings	65.3	41.9	55.9%	30.0	117.3%
Prudential Coverage of NPE	-131.6	-99.0	32.9%	-152.8	-13.8%
Minority interests	2.6	2.8	-5.8%	2.1	21.9%
Valuation adjustments	410.9	620.5	-33.8%	472.7	-13.1%
Intangible assets	-354.8	-330.6	7.3%	-349.3	1.5%
Deductions	-502.9	-470.5	6.9%	-480.6	4.6%
CET I capital	5,167.2	5,402.2	-4.4%	5,219.1	-1.0%
Tier I capital	5,167.2	5,402.2	-4.4%	5,219.1	-1.0%
Total capital	5,167.2	5,402.2	-4.4%	5,219.1	-1.0%
RWA	30,431.0	31,014.1	-1.9%	29,795.4	2.1%
o/w Credit risk	28,138.5	28,795.2	-2.3%	27,532.5	2.2%
CET I ratio	16.98%	17.42%	-44 bp	17.52%	-54 bp
Tier I ratio	16.98%	17.42%	-44 bp	17.52%	-54 bp
Total Capital ratio	16.98%	17.42%	-44 bp	17.52%	-54 bp
Leverage ratio	nd	8.68%	-	8.35%	-
Pro-forma: CET I ratio fully loaded	16.64%	16.98%	-34 bp	17.17%	-53 bp
Pro-forma: Total Capital fully loaded ratio	16.64%	16.98%	-34 bp	17.17%	-53 bp
Pro-forma: Leverage fully loaded ratio	nd	8.47%	-	8.20%	-
MREL	20.27%	19.03%	124 bp	20.87%	-61 bp



Term	Definition
BoS	Bank of Spain.
CBR	Combined Buffer Requirement.
CET1	Common Equity Tier 1.
CMF	Capital markets funding.
CoR	Cost of Risk. Ratio of: (Numerator) Total provisions and impairments, (Denominator) total amount of loans and advances to customers and contingent liabilities.
Core banking business income	Includes the heading of Interest Margin, Fee and commission incomes, Fee and commission expenses and the Insurance business contribution via OOI.
Coverage ratio	Ratio of: (Numerator) Total value adjustments for impairment of assets under Customer loans and advances and Contingent risks; (Denominator) Total gross doubtful assets corresponding to these same headings.
Coverage including Prudential Coverage of NPE	Ratio of: (Numerator) Total value adjustments for impairment of assets under Customer loans and advances and Contingent risks and the deduction from CET1 of the value of the legacy NPEs; (Denominator) Total gross doubtful assets corresponding to these same headings..
GDP	Gross domestic product.
HQLA	High quality liquid assets.
HTC&S through OCI	Hold to Collect and Sale portfolio measured at air value through other comprehensive income
LAA	Loss absorption amount.
LCR	Liquidity Coverage Ratio.
LtD	Loan to Deposit ratio
MREL	Minimum Requirement of Eligible Liabilities.
NPA	Non-performing assets.

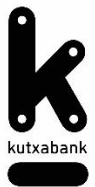




Annex Glossary

Term	Definition
NAV	Net asset value
NFC	Non-financial corporates
NPL	Non-performing loans ratio. Ratio of: (Numerator) Doubtful + Contingent risks; (Denominator) Lending + Contingent risks.
NSFR	Net Stable Funding Ratio.
P2R	Pillar 2 Requirement
Pre-provisioning profit	It is the difference between Gross margin and General expenditures and amortisations.
RCA post adjustments	Adjusted recapitalization amount
RWA	Risk Weighted Assets
TA	Total assets
Texas ratio	Ratio of: (Numerator) Non-performing assets; (Denominator) Tangible common equity and loan loss reserves.
TLOF	Total liabilities and own funds
TLTRO	Targeted Longer-term refinancing operations
TREA	Total Risk Exposure Amount





Contacts

Kutxabank's Investor Relations Team

investor.relations@kutxabank.es

10 Portuetxe
20018, Donostia-San Sebastian

T. +34 943 001271/1233

www.kutxabank.com

30 Gran Vía
48009 Bilbao

**Kutxabank,
more than 100 years
creating economic and
social value through a
distinctive way of doing**

• **Remarkable financial strength**
Most solvent banking group in Spain according to EBA

• **Most effective social impact per capita**
through dividends to its owners (BBK, Kutxa, Vital banking foundations)

• **Lowest P2R among Spanish banks**
(Ranking 6th all across Europe) and Lowest MREL requirement among Spanish Banks

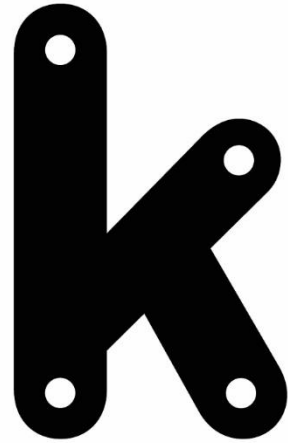
Socially and environmentally sustainable:
• **Positive net impact on carbon footprint**

Long-lasting and reliable financial sustainability.
Once again at the top.

kutxabank

www.kutxabank.com





kutxabank

