



TO THE NATIONAL STOCK EXCHANGE COMMISSION (CNMV)

Bilbao, 28th September 2012

Dear Sir / Madam,

In compliance with what is laid down in article 82 of Law 24/1988, of 28th July, of the Securities Market, KUTXABANK, S.A. (henceforth, "Kutxabank"), hereby announces the following:

SIGNIFICANT EVENT

Kutxabank Group has been subjected to an individualized stress test, in the context of the Spanish banking sector assessment process carried out by independent experts and consultants. This test has been developed upon request and under guidance of the Bank of Spain, in coordination with the Ministry of Economy and Competitiveness, and with the supervision of a Steering Committee with the participation of the European Commission, the European Central Bank and other international bodies.

The aforementioned stress test, carried on 14 banking groups which represent about 90% of the assets of Spanish banking sector assets, tries to analyze the resilience of the entities to face severe shocks, as well as the their specific level of solvency in order to overcome particular hypothetical adverse events under certain restrictive conditions.

The assumptions and methodologies used to assess the solvency of the entities establish a minimum Core Tier I ratio of 9% in the base case scenario and 6% in the adverse scenario. The scenario that has been drawn up for this stress test covers a period of three years (2012-2014).

The details of the results of the stress test related to kutxabank are gathered in the Annex, both in the base case scenario as well as in the adverse. They also can be consulted in www.bde.es.

The above mentioned results determine that kutxabank fulfills comfortably with the solvency standars established for the purposes of the test, in both scenarios. Specifically considering the impacts hold for the test, and under the more adverse scenario, the Core Tier I ratio of Kutxabank is situated in the 11.6% as of December 2014, far beyond the minimum 6% required. Consequently, Kutxabank will not need to undertake any extraordinary recapitalization plan and will continue with its prudent risk and business management that ensure its level of solvency will remain adequate also in the future.

Yours faithfully,

ANEXO
Results of the bottom up Stress Test Exercise

Name of the Entity: **Kutxabank**

| | | |
|---|---------|--------|
| December 2011 figures | mill. € | % RWA |
| Profit generation capacity ⁽¹⁾ | 592 | 1,3% |
| Risk Weighted Assets (RWA) | 47.334 | 100,0% |
| Common Equity Tier (CET) 1 ⁽²⁾ | 5.770 | 12,2% |

| | Base Scenario | | Adverse Scenario | |
|---|---------------|--------------|------------------|--------------|
| | mill. € | % Assets | mill. € | % Assets |
| A1. Spanish Current Credit Book | 3.695 | 6,6% | 5.863 | 10,5% |
| Non-Financial Firms | | | | |
| Real Estate Developers | 2.037 | 31,0% | 2.924 | 44,5% |
| Corporate ⁽³⁾ | 1.127 | 9,3% | 1.813 | 15,0% |
| Retail | | | | |
| Secured retail ⁽⁴⁾ | 309 | 0,9% | 751 | 2,2% |
| Non secured retail | 222 | 7,3% | 375 | 12,3% |
| A2. Foreclosed assets | 1.233 | 54,4% | 1.399 | 61,7% |
| Land | 760 | 70,9% | 829 | 77,3% |
| Building in progress | 86 | 54,9% | 100 | 63,6% |
| Finished property | 387 | 37,2% | 470 | 45,2% |
| A3. Total losses current book (A1 +A2) | 4.929 | 8,5% | 7.261 | 12,5% |
| A4. New Credit Book ⁽⁵⁾ | 128 | | 128 | |
| A5. Total Losses (A3+A4) | 5.057 | | 7.389 | |

A) Estimated credit losses in each scenario

| | Base Scenario | | Adverse Scenario | |
|--|---------------|----------|------------------|----------|
| | mill. € | % Assets | mill. € | % Assets |
| B1. Existing provisions ⁽⁶⁾ | 4.043 | | 4.043 | |
| B2. Asset protection schemes | 0 | | 0 | |
| B3. Profit generation capacity 2012-14 ⁽¹⁾ | 2.412 | | 1.745 | |
| B4. Tax impact | -294 | | 381 | |
| B5. Capital buffer ⁽⁷⁾ | 2.028 | | 3.409 | |
| B6. Total loss absorption capacity (B1+B2+B3+B4+B5) | 8.188 | | 9.577 | |

B) Estimated loss absorption capacity in each scenario

| | Base Scenario | | Adverse Scenario | |
|---|---------------|--------------|------------------|--------------|
| | mill. € | % RWA 2014 | mill. € | % RWA 2014 |
| C1. Common Equity Tier (CET) 1 2014 | 6.874 | 16,5% | 4.549 | 11,6% |
| C2. Capital excess/shortfall in relation to CET1 standards (B6-A5) | 3.132 | 7,5% | 2.188 | 5,6% |

C) Estimated capital excess / shortfall in each scenario

- (1) Includes pre-provisioning profit of the Spanish business, and attributed post-provisioning and post-tax profit of international businesses
(2) Includes CET 1 capital as of December 2011 plus realised capital actions before 31 August 2012
(3) Includes Public Works, Large Corporates, SMEs & Self-Employed
(4) Includes first mortgage collateral and other secured retail
(5) New credit origination backloaded towards the end of the period; hence percentage of cumulative losses not comparable with that of the back book
(6) Existing provisions as of December 2011 and registered provisions from 1H12 in business combinations
(7) Excess available capital above 9% CET1 base scenario / 6% CET1 adverse scenario, using estimated RWA level in each scenario