

Kutxabank **Mortgage Portfolio**

4Q2016



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Kutxabank Covered Bonds

Main figures

The Cédulas Hipotecarias of Kutxabank are collateralised by the Mortgage Cover Pool of the parent company Kutxabank S.A. This collateral is made up of the Mortgage Pools coming from the former Basque Savings Banks, and it does not include the Mortgage Pool of the subsidiary CajaSur Banco SAU.

4Q16

Total portfolio	€Mn	24,227.4
Eligible portfolio	€Mn	18,845.5
Outstanding Cédulas	€Mn	5,571.5
Overcollateralization ¹	%	434.8
Additional Issuance Capacity	€Mn	9,504.9
Rating	M/S&P	Aa2/A+
UCITS/CRR compliance		✓

Chart 1. Outstanding Cédulas Hipotecarias, additional issuance capacity and OC

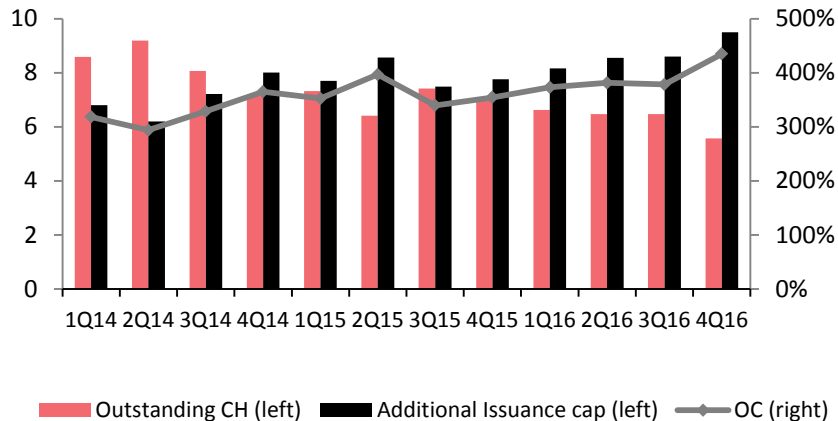
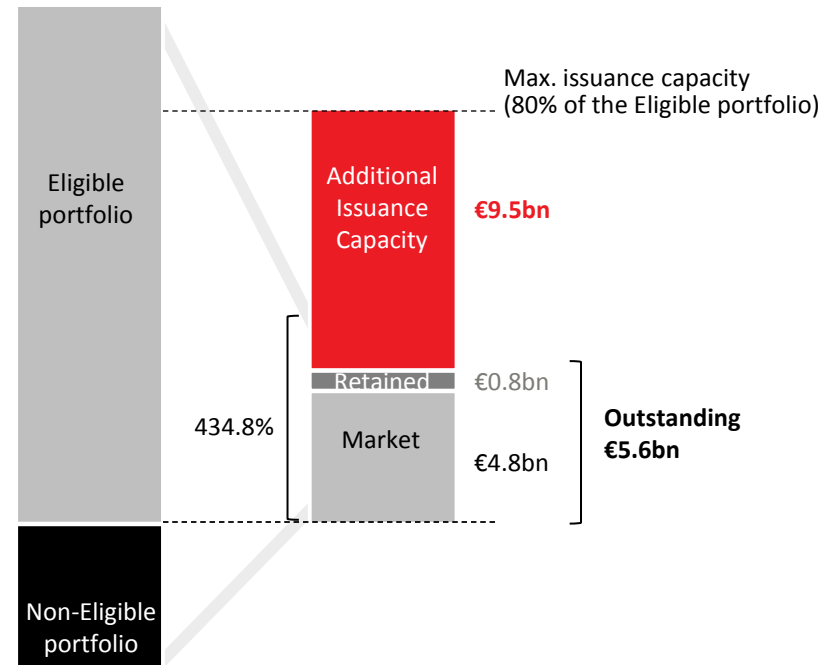


Chart 2. Additional Cédulas Hipotecarias issuance capacity



¹ Total Portfolio to Outstanding CBs.

Kutxabank Covered Bonds

Covered Bond issuances

COVERED BONDS

ISIN	Issue date	Maturity date	Class	Nom./ Outstanding	Coupon type	Coupon	Currency	LCR status
ES0443307014	01/02/2013	01/02/2017	Bullet	750/750	Fixed	3,00%	Eur	Level 2A
ES0443307006	03/12/2012	03/12/2017	Bullet	750/750 ¹	FRN	Eur12m+300pbs	Eur	Level 2A
ES0414100091	08/10/2010	08/10/2018	Bullet	200/200	FRN	Eur3m+200pbs	Eur	-
ES0415309022	14/10/2011	14/10/2019	Bullet	100/100	FRN	Eur3m+275pbs	Eur	-
ES0415308065	17/10/2011	17/10/2019	Bullet	75/75	FRN	Eur3m+300pbs	Eur	-
ES0443307055	30/03/2015	30/03/2020	Bullet	200/200	FRN	Eur3m+20pbs	Eur	-
ES0414100059	27/05/2010	30/09/2020	Bullet	100/100	Fixed	4,550%	Eur	-
ES0443307030	07/06/2013	07/06/2021	Bullet	50/50	FRN	Eur3m+175pbs	Eur	-
ES0443307022	21/05/2013	21/12/2026	Bullet	100/100	Fixed	3,68%	Eur	-
ES0443307048	27/05/2014	27/05/2021	Bullet	1.000/1.000	Fixed	1,75%	Eur	Level 2A
ES0443307063	22/09/2015	22/09/2025	Bullet	1.000/1.000	Fixed	1,25%	Eur	Level 2A

MULTISELLER CH

Name	ISIN	Issue date	Maturity date	Class	Kutxab/ Total ²	Coupon type	Coupon	Currency
AyT CC VIII sB	ES0312362017	18/11/2004	16/11/2019	Bullet	80,5/1.000	Fixed	4,25%	Eur
AyT CCG s10	ES0312298096	23/10/2006	23/10/2023	Bullet	150/1.600	Fixed	4,25%	Eur
AyT CCG s12	ES0312298112	19/03/2007	19/03/2017	Bullet	450/2.000	Fixed	4,00%	Eur
AyT CCG s3	ES0312298021	14/12/2005	12/12/2022	Bullet	96,7/1.400	Fixed	3,75%	Eur
AyT CCG s5 B	ES0370148019	02/12/2003	02/12/2018	Bullet	169,4/2.100	Fixed	4,75%	Eur
AyT CCG s7	ES0312298062	23/10/2006	24/05/2017	Bullet	150/1.000	FRN	Eur3m+9pbs	Eur
AyT CCG s8	ES0312298070	12/06/2006	12/06/2018	Bullet	150/2.230	Fixed	4,25%	Eur



Data as of 4Q2016.

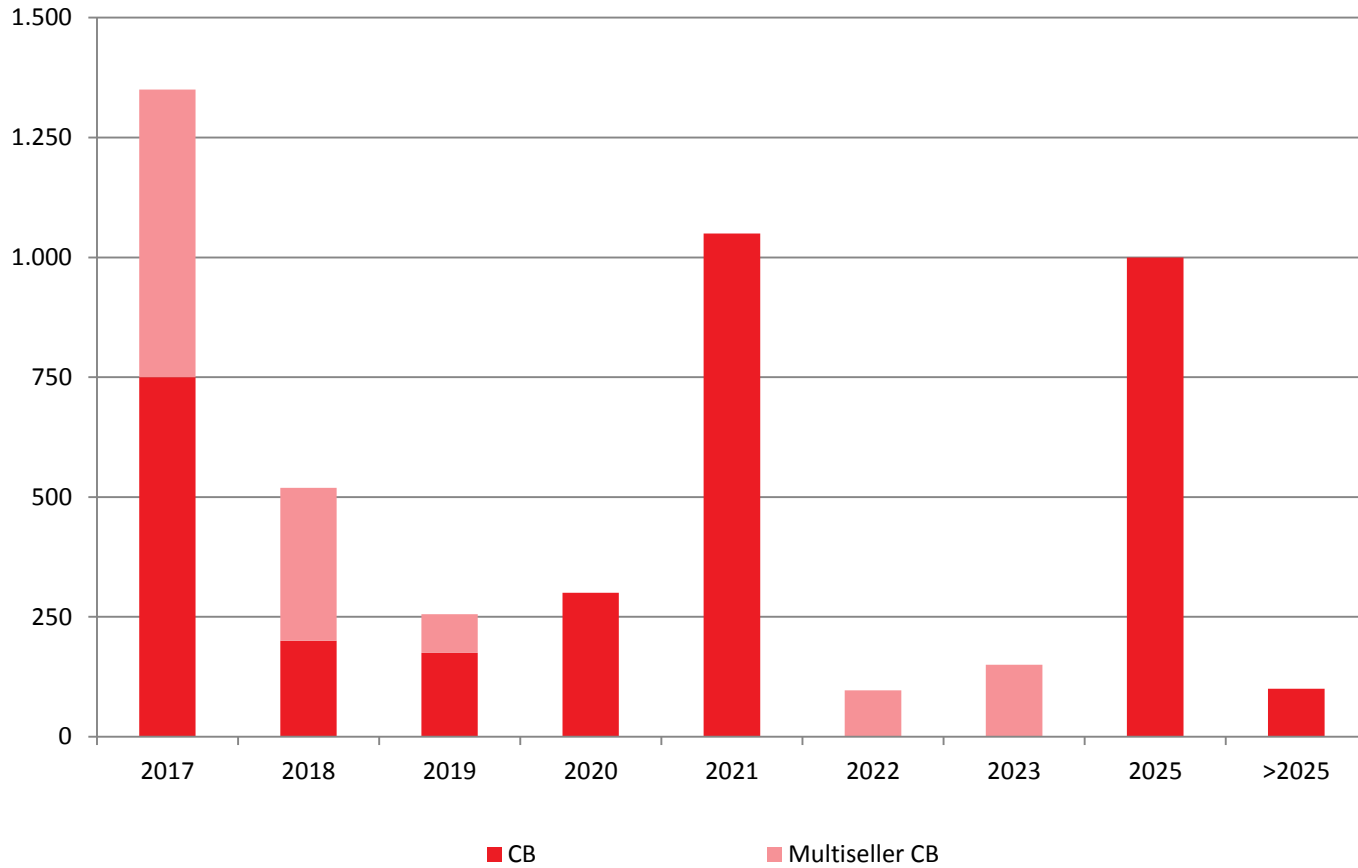
¹ Fully retained by the Group.

² The total outstanding of the bond issued by the SPV.

Kutxabank Covered Bonds

Covered Bond issuances

Chart 3. Maturity profile



Data as of 4Q2016.

Kutxabank Covered Bonds

Spanish Covered Bond legal framework key aspects

Overcollateralization: Legal minimum of 25%. The total amount issued in force should not exceed 80% of the eligible Mortgage Portfolio.

Universe of assets: First rank residential and commercial mortgage loans. The mortgage cannot exceed the **60% of the value of the appraisal** of the mortgaged property, **except** for the purposes of **house construction, rehabilitation or purchase**, in which it can be at most the **80% of the value of the appraisal** of the mortgaged property. In addition, Covered Bonds may be backed up to a limit of **5%** of the principal issued by **substitute assets**.

Bankruptcy recourse: The holders of the Notes will have the character of **creditors with special preference** against any other creditors, in relation to the total of the mortgages registered in favor of the issuer.

Supervision: Bank of Spain supervision

Accounting record: The issuer has a **special accounting record** of the mortgages that serve as collateral for Covered Bonds.

Kutxabank Covered Bonds

Transparency



ECBC Label - HTT

- The Covered Bond Label is a quality Label which responds to a market-wide request for improved standards and increased transparency in the covered bond market
- Common Harmonised Transparency Template (HTT) across jurisdictions for all covered bond issuers which hold the Covered Bond Label, which facilitates investors' due diligence and cross-border comparison of data in a centralised way and in a comparable format.

Templates available on:

www.coveredbondlabel.com

www.kutxabank.com

Kutxabank Covered Bonds

Collateral overview

TOTAL PORTFOLIO

Total amount	€Mn	24,227.4
Number of loans	units	237,372
Number of borrowers	units	382,384
WALTV	%	60.29
WAS seasoning	months	92.09
WAMaturity	years	20.03
WARate	%	1.09
WARate (floating rate only)	%	1.01
Arrears >90 days	%	7.86

Total portfolio breakdown

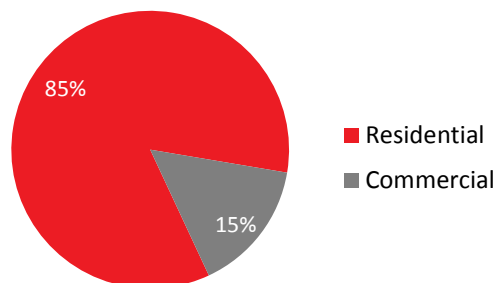
RESIDENTIAL

Total amount	€Mn	20,611.7
Number of loans	units	223,708
Number of borrowers	units	362,988
WALTV	%	55.52
WAS seasoning	months	91.83
WAMaturity	years	21.98
WARate	%	0.95
WARate (floating rate only)	%	0.89
Arrears >90 days	%	3.63

COMMERCIAL

Total amount	€Mn	3,615.7
Number of loans	units	13,664
Number of borrowers	units	19,396
WALTV	%	87.47
WAS seasoning	months	93.54
WAMaturity	years	8.92
WARate	%	1.86
WARate (floating rate only)	%	1.75
Arrears >90 days	%	31.96

Chart 4. Total portfolio: Residential vs Commercial.



Kutxabank Covered Bonds

Collateral overview

ELIGIBLE PORTFOLIO

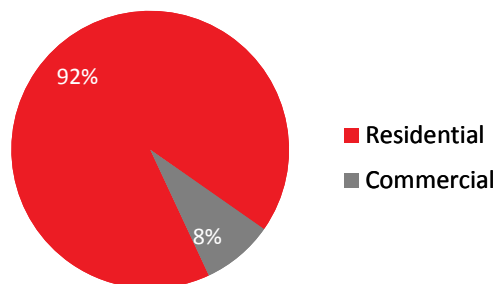
Total amount	€Mn	18,845.5
Number of loans	units	194,836
Number of borrowers	units	311,908
WALTV	%	51.02
WAS seasoning	months	90.89
WAMaturity	years	20.79
WARate	%	0.98
WARate (floating rate only)	%	0.91

Eligible portfolio breakdown

RESIDENTIAL

Total amount	€Mn	17,272.2
Number of loans	units	185,221
Number of borrowers	units	297,855
WALTV	%	52.26
WAS seasoning	months	90.73
WAMaturity	years	21.70
WARate	%	0.92
WARate (floating rate only)	%	0.85

Chart 5. Eligible portfolio: Residential vs Commercial.



COMMERCIAL

Total amount	€Mn	1,573.3
Number of loans	units	9,615
Number of borrowers	units	14,053
WALTV	%	37.37
WAS seasoning	months	92.62
WAMaturity	years	10.84
WARate	%	1.60
WARate (floating rate only)	%	1.56

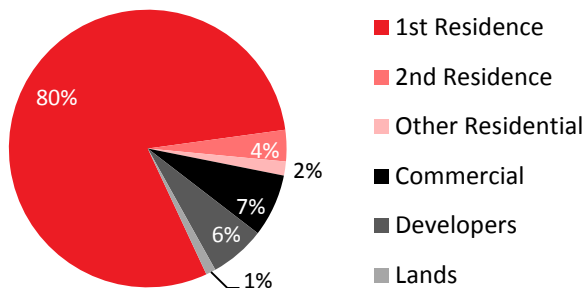
Kutxabank Covered Bonds

Breakdown

BREAKDOWN BY TYPE OF PROPERTY

TOTAL PORTFOLIO: €24,227.4 Mn

Chart 6 Total portfolio: Type of property.



ELIGIBLE PORTFOLIO: €18,845.5 Mn

Chart 8. Eligible portfolio: Type of property.

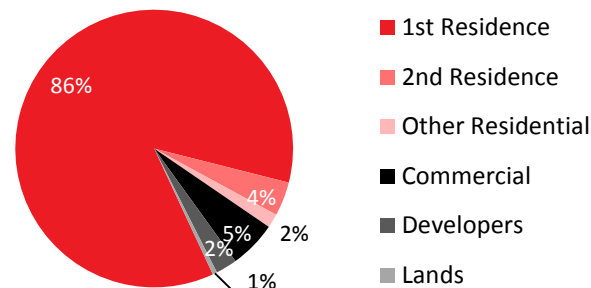


Chart 7. Total portfolio: Type of residential property.

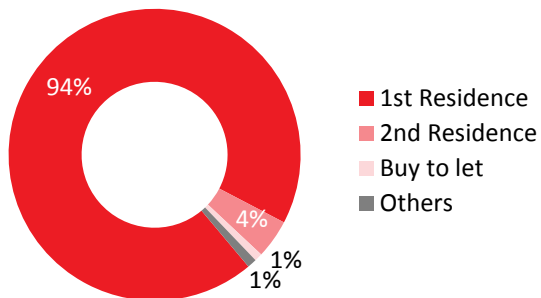
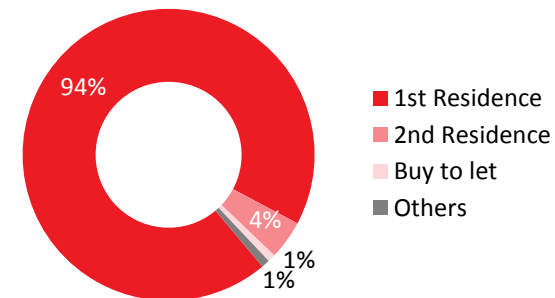


Chart 9. Eligible portfolio: Type of residential property.



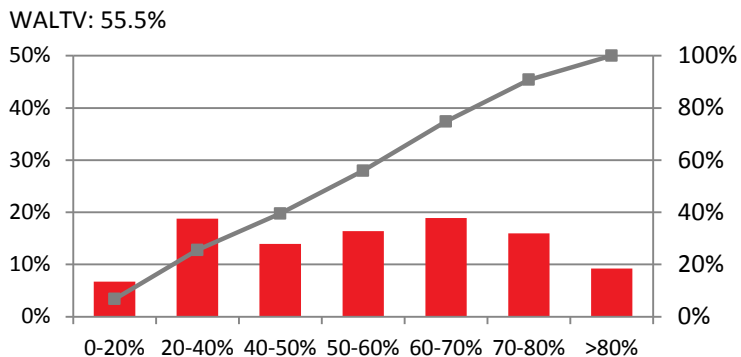
Data as of 4Q2016.

Kutxabank Covered Bonds Breakdown

BREAKDOWN BY LTV

TOTAL PORTFOLIO: €24,227.4 Mn

Chart 10. Residential, total portfolio: LTV breakdown.



ELIGIBLE PORTFOLIO: €18,845.5 Mn

Chart 12. Residential, eligible portfolio: LTV breakdown.

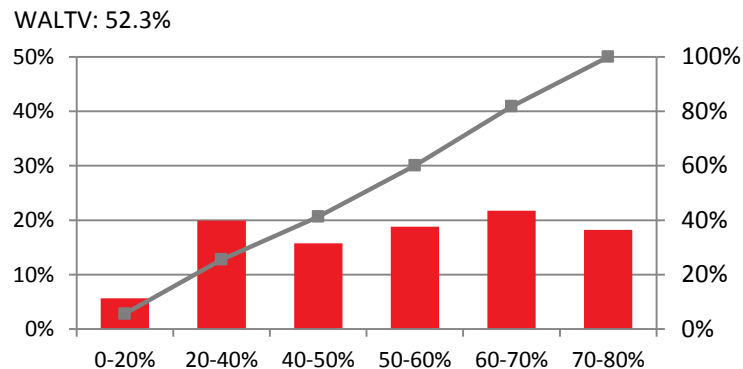


Chart 11. Commercial, total portfolio: LTV breakdown.

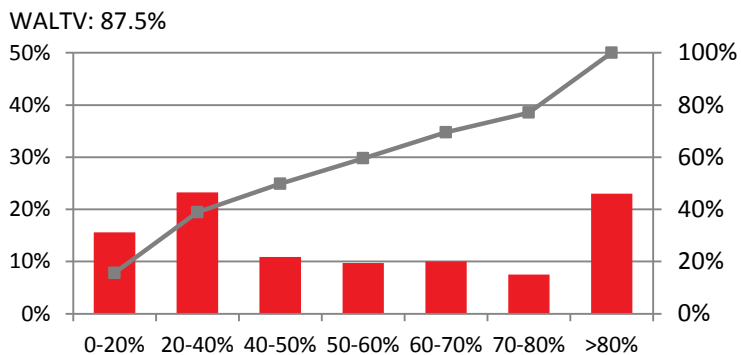
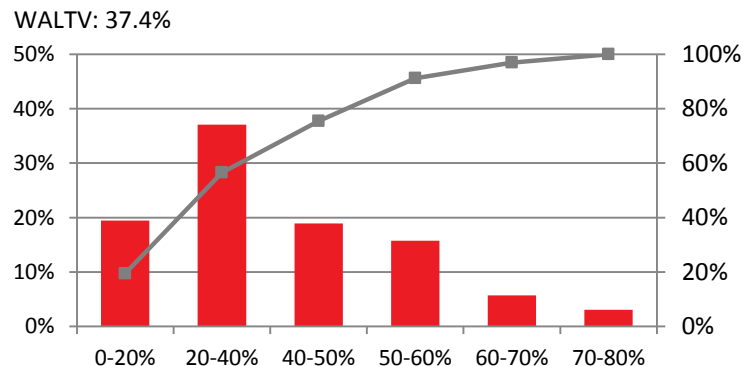


Chart 13. Commercial, eligible portfolio: LTV breakdown.



■ % of the cover pool

—■ % of the cover pool, cumulative

Data as of 4Q2016.

Kutxabank Covered Bonds

Breakdown

BREAKDOWN BY SEASONING

TOTAL PORTFOLIO: €24,227.4 Mn

Chart 14. Residential, total portfolio : Seasoning breakdown (months).

WA Seasoning: 91.8

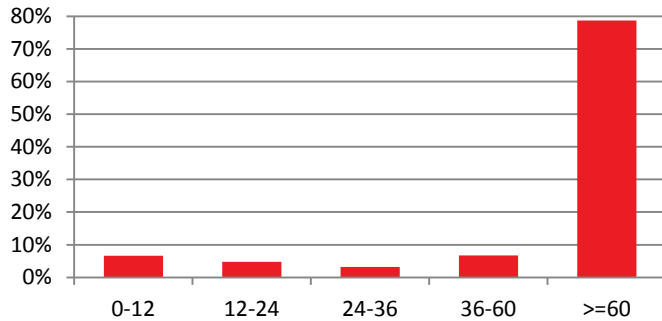
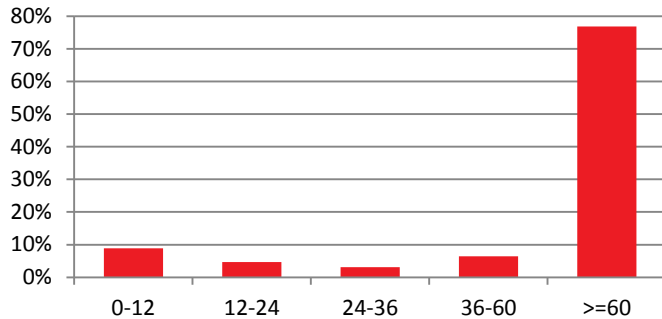


Chart 15. Commercial, total portfolio: Seasoning breakdown (months).

WA Seasoning: 93.5



ELIGIBLE PORTFOLIO: €18,845.5 Mn

Chart 16. Residential, eligible portfolio: Seasoning breakdown (months).

WA Seasoning: 90.7

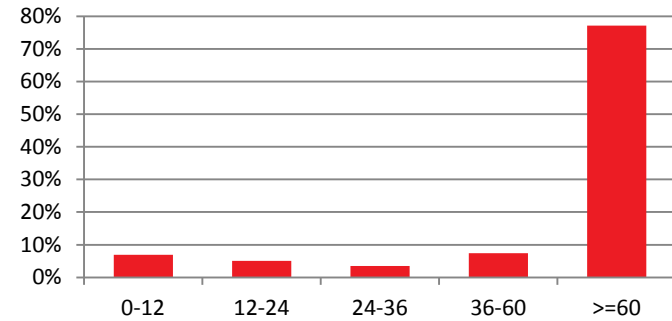
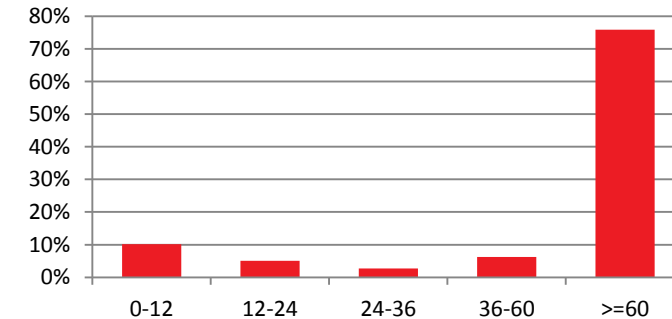


Chart 17. Commercial, eligible portfolio: Seasoning breakdown (months).

WA Seasoning: 92.6



Kutxabank Covered Bonds Breakdown

BREAKDOWN BY MATURITY

TOTAL PORTFOLIO: €24,227.4 Mn

Chart 18. Residential, total portfolio: Maturity breakdown (years).

WA Maturity: 22.0

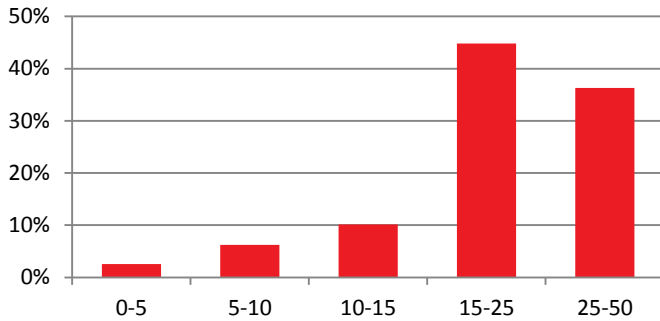
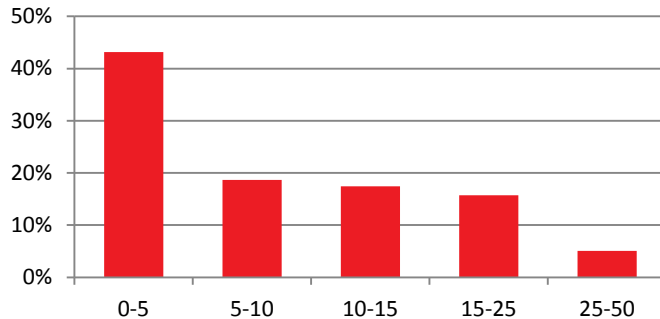


Chart 19. Commercial, total portfolio: Maturity breakdown (years).

WA Maturity: 8.9



ELIGIBLE PORTFOLIO: €18,845.5 Mn

Chart 20. Residential, eligible portfolio: Maturity breakdown (years).

WA Maturity: 21.7

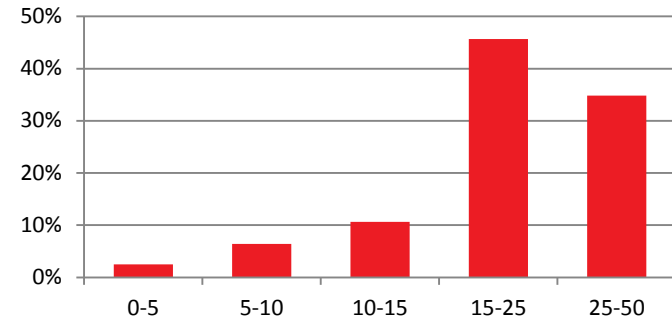
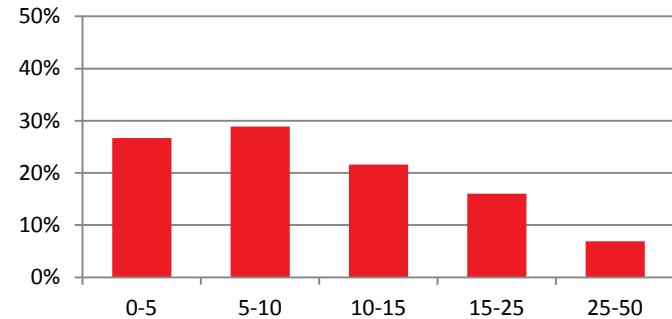


Chart 21. Commercial, eligible portfolio: Maturity breakdown (years).

WA Maturity: 10.8



Data as of 4Q2016.

Kutxabank Covered Bonds Breakdown

BREAKDOWN BY SORT OF INTEREST RATE AND PAYMENT FREQ

TOTAL PORTFOLIO: €24,227.4 Mn

Chart 22. Total portfolio: sort of interest rate.

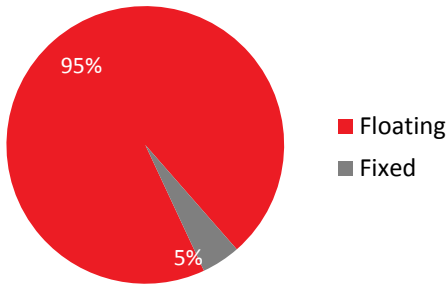
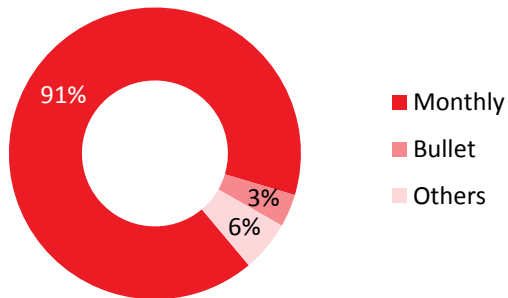


Chart 23. Total portfolio: payment frequency.



ELIGIBLE PORTFOLIO: €18,845.5 Mn

Chart 24. Eligible portfolio: sort of interest rate.

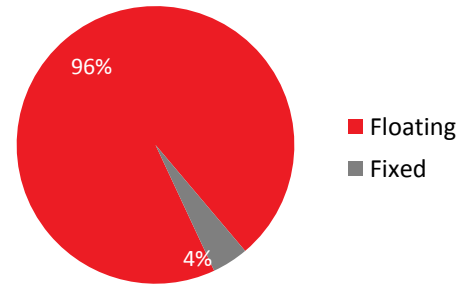
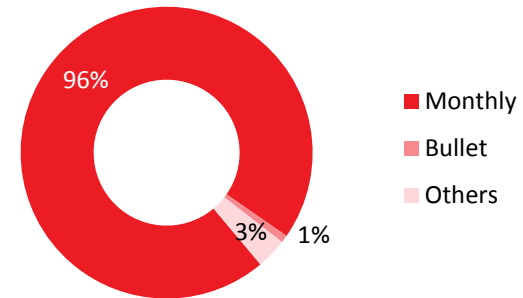


Chart 25. Eligible portfolio: payment frequency.



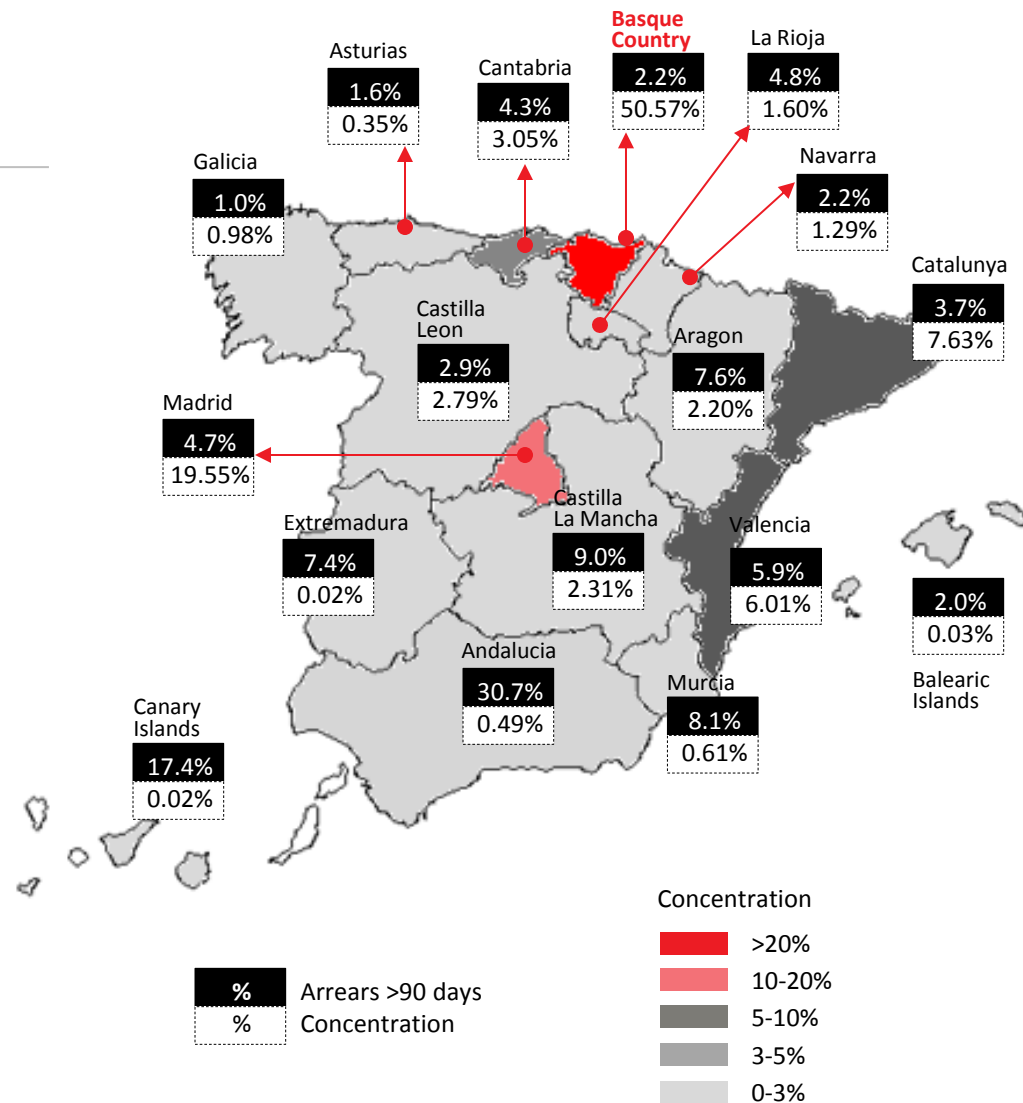
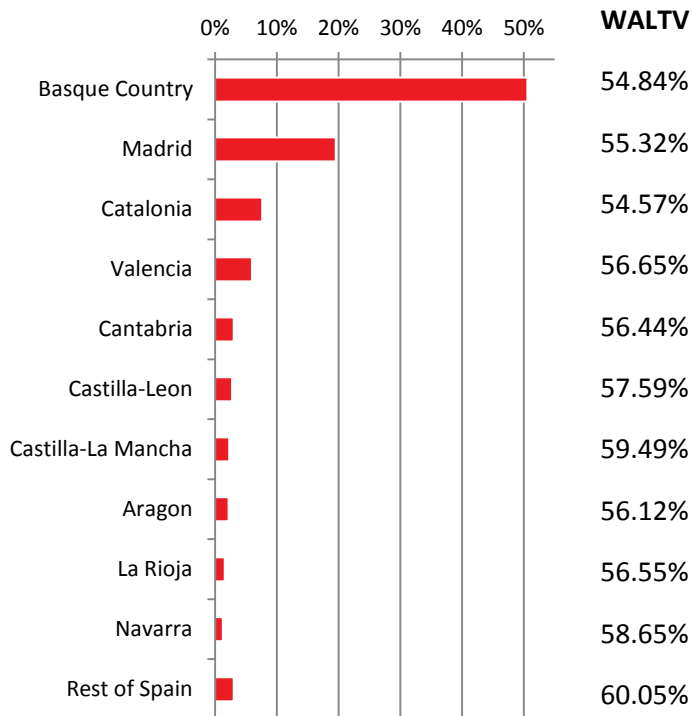
Data as of 4Q2016.

Kutxabank Covered Bonds

Breakdown

CONCENTRATION AND ARREARS RESIDENTIAL PORTFOLIO

Chart 26. Concentration in the Residential portfolio, main regions.

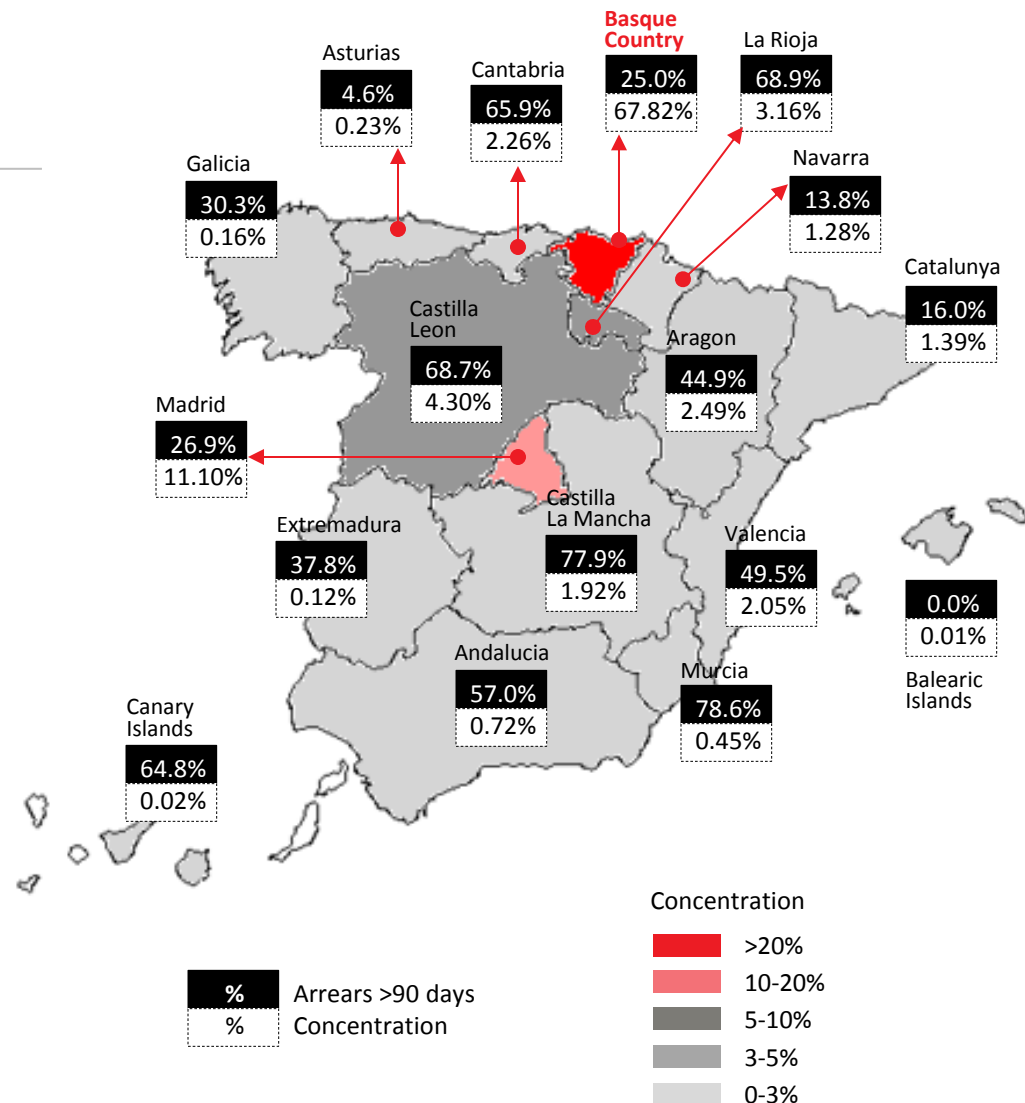
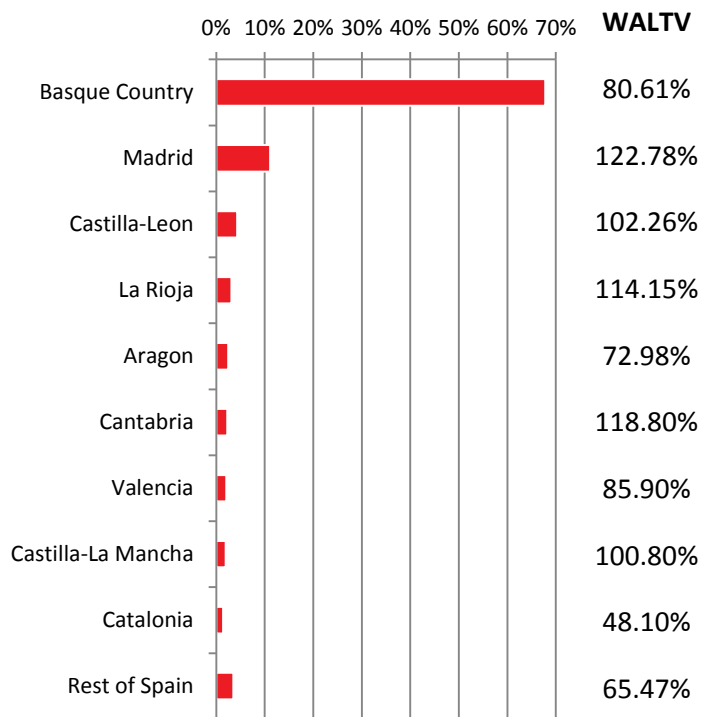


Data as of 4Q2016.

Kutxabank Covered Bonds Breakdown

CONCENTRATION AND ARREARS COMMERCIAL PORTFOLIO

Chart 27. Concentration in the Commercial portfolio, main regions.



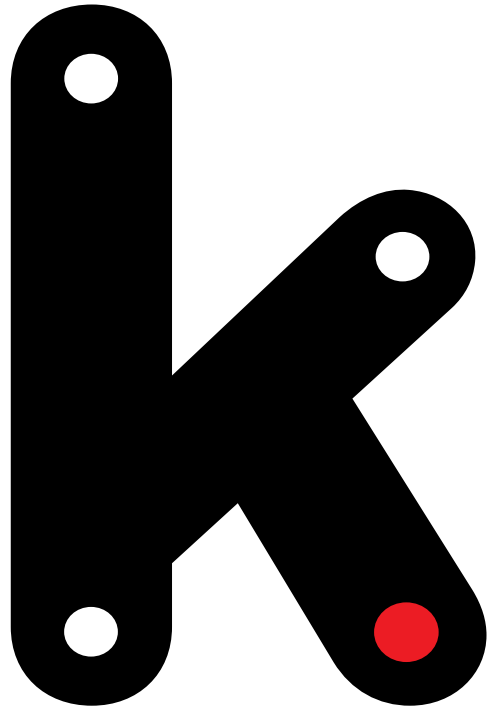
Data as of 4Q2016.

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