

Kutxabank **Mortgage Portfolio**

1Q2018



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.

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.

		1Q18
Total portfolio	€Mn	23,586.6
Eligible portfolio	€Mn	19,025.9
Outstanding Cédulas	€Mn	3,471.5
Overcollateralization ¹	%	679.4
Additional Issuance Capacity	€Mn	11,749.2
Rating	M/S&P	Aa1/AA-
UCITS/CRR compliance		✓

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

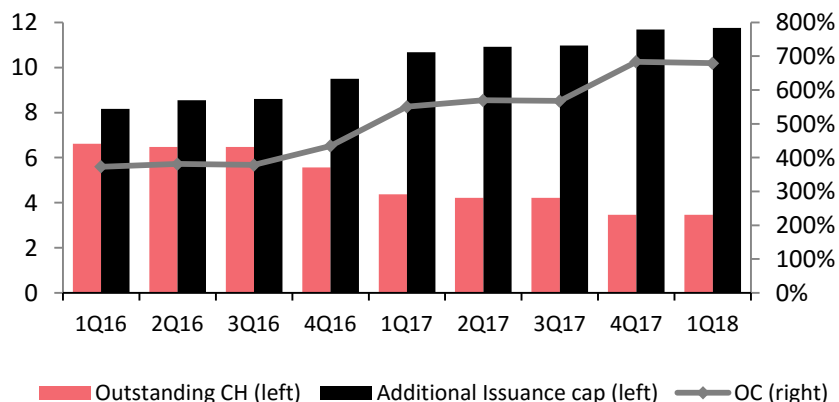
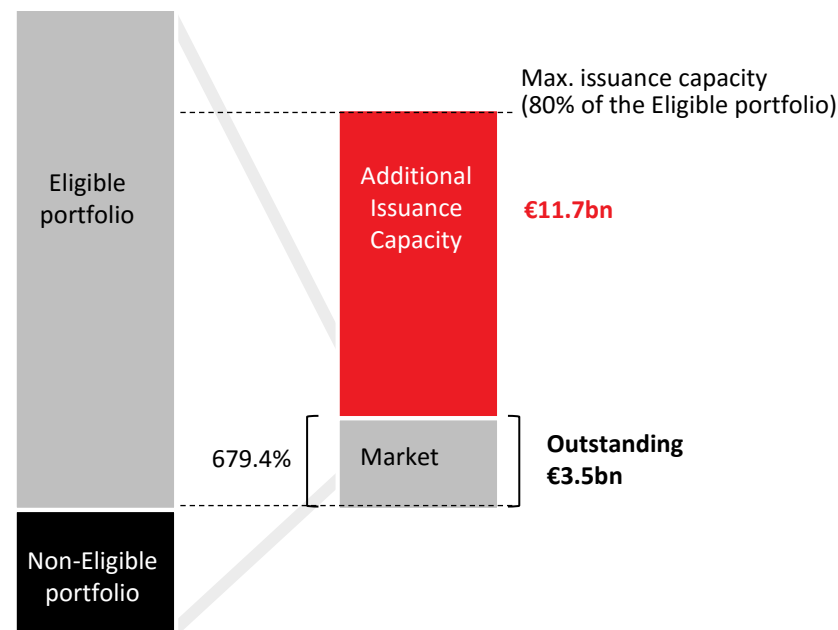


Chart 2. Additional Cédulas Hipotecarias issuance capacity



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
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	-
ES0443307048	27/05/2014	27/05/2021	Bullet	1.000/1.000	Fixed	1,75%	Eur	Level 1B
ES0443307063	22/09/2015	22/09/2025	Bullet	1.000/1.000	Fixed	1,25%	Eur	Level 1B
ES0443307022	21/05/2013	21/12/2026	Bullet	100/100	Fixed	3,68%	Eur	-

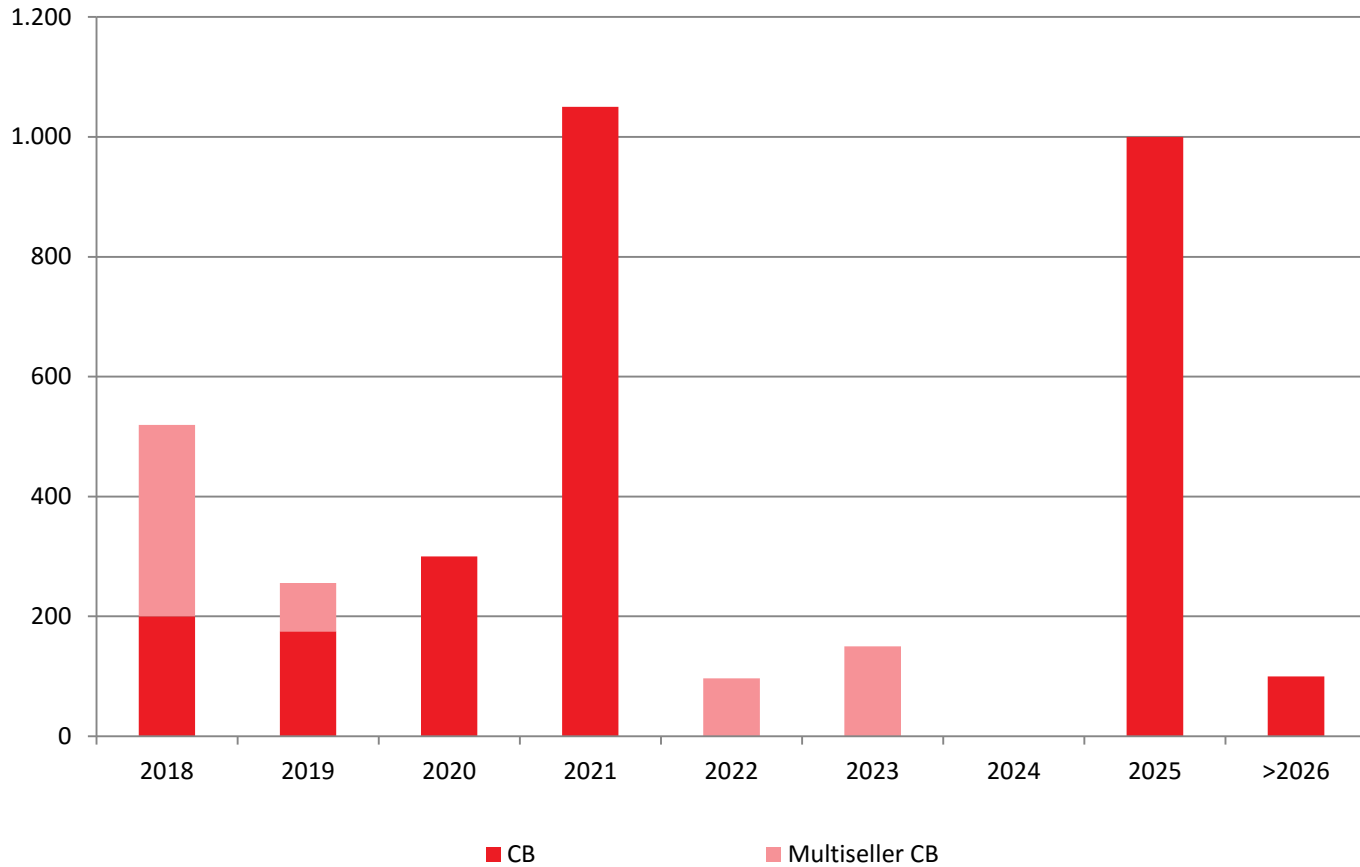
MULTISELLER CH

Name	ISIN	Issue date	Maturity date	Class	Kutxab/ Total ¹	Coupon type	Coupon	Currency
AyT CCG s8	ES0312298070	12/06/2006	12/06/2018	Bullet	150/2.230	Fixed	4,25%	Eur
AyT CCG s5 B	ES0370148019	02/12/2003	02/12/2018	Bullet	169,4/2.100	Fixed	4,75%	Eur
AyT CC VIII sB	ES0312362017	18/11/2004	16/11/2019	Bullet	80,5/1.000	Fixed	4,25%	Eur
AyT CCG s3	ES0312298021	14/12/2005	12/12/2022	Bullet	96,7/1.400	Fixed	3,75%	Eur
AyT CCG s10	ES0312298096	23/10/2006	23/10/2023	Bullet	150/1.600	Fixed	4,25%	Eur

Kutxabank Covered Bonds

Covered Bond issuances

Chart 3. Maturity profile



Data as of 1Q2018.

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	23,586.6
Number of loans	units	236,210
Number of borrowers	units	379,191
WALTV	%	57.01
WAS seasoning	months	96.53
WAMaturity	years	19.94
WARate	%	1.01
WARate (floating rate only)	%	0.86
Arrears >90 days	%	6.47

Total portfolio breakdown

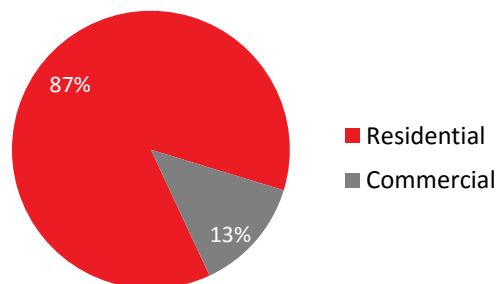
RESIDENTIAL

Total amount	€Mn	20,442.1
Number of loans	units	223,809
Number of borrowers	units	361,725
WALTV	%	55.09
WAS seasoning	months	96.31
WAMaturity	years	21.46
WARate	%	0.89
WARate (floating rate only)	%	0.73
Arrears >90 days	%	3.33

COMMERCIAL

Total amount	€Mn	3,144.6
Number of loans	units	12,401
Number of borrowers	units	17,466
WALTV	%	69.50
WAS seasoning	months	97.95
WAMaturity	years	10.09
WARate	%	1.76
WARate (floating rate only)	%	1.67
Arrears >90 days	%	26.86

Chart 4. Total portfolio: Residential vs Commercial.



Kutxabank Covered Bonds

Collateral overview

ELIGIBLE PORTFOLIO

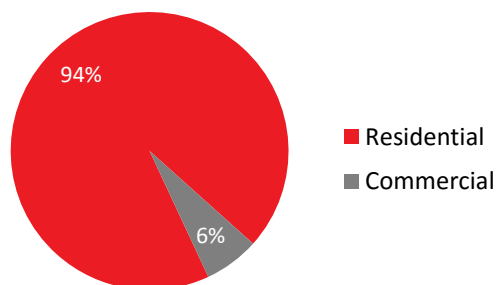
Total amount	€Mn	19,025.9
Number of loans	units	199,166
Number of borrowers	units	317,908
WALTV	%	51.42
WAS seasoning	months	95.41
WAMaturity	years	20.70
WARate	%	0.91
WARate (floating rate only)	%	0.75

Eligible portfolio breakdown

RESIDENTIAL

Total amount	€Mn	17,802.9
Number of loans	units	190,587
Number of borrowers	units	305,426
WALTV	%	52.40
WAS seasoning	months	95.64
WAMaturity	years	21.29
WARate	%	0.86
WARate (floating rate only)	%	0.70

Chart 5. Eligible portfolio: Residential vs Commercial.



COMMERCIAL

Total amount	€Mn	1,223.0
Number of loans	units	8,579
Number of borrowers	units	12,482
WALTV	%	37.13
WAS seasoning	months	92.11
WAMaturity	years	12.13
WARate	%	1.50
WARate (floating rate only)	%	1.45

Kutxabank Covered Bonds Breakdown

BREAKDOWN BY TYPE OF PROPERTY

TOTAL PORTFOLIO: €23,586.6 Mn

Chart 6 Total portfolio: Type of property.

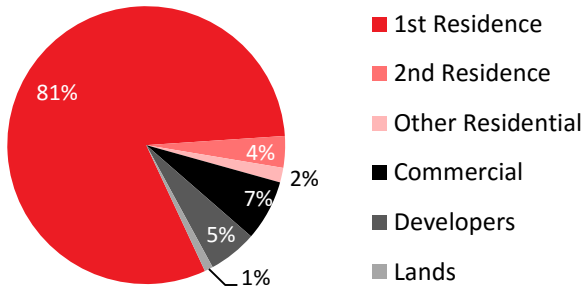
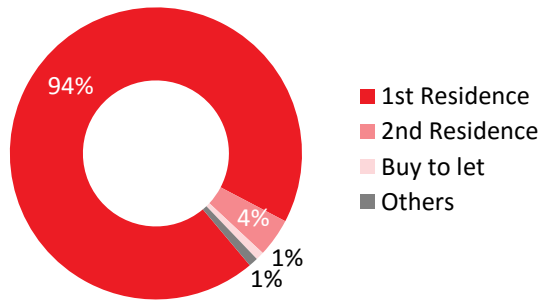


Chart 7. Total portfolio: Type of residential property.



ELIGIBLE PORTFOLIO: €19,025.9 Mn

Chart 8. Eligible portfolio: Type of property.

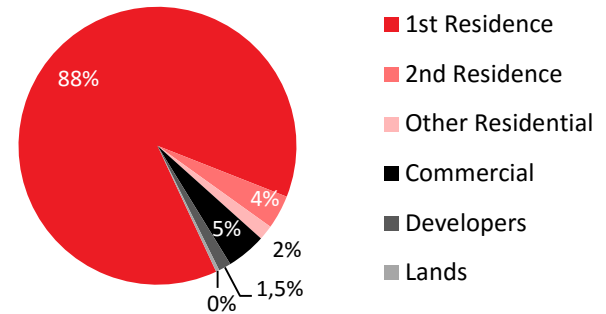
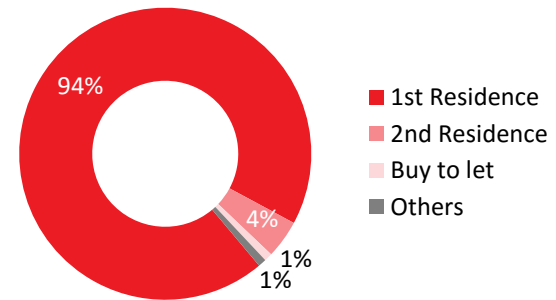


Chart 9. Eligible portfolio: Type of residential property.



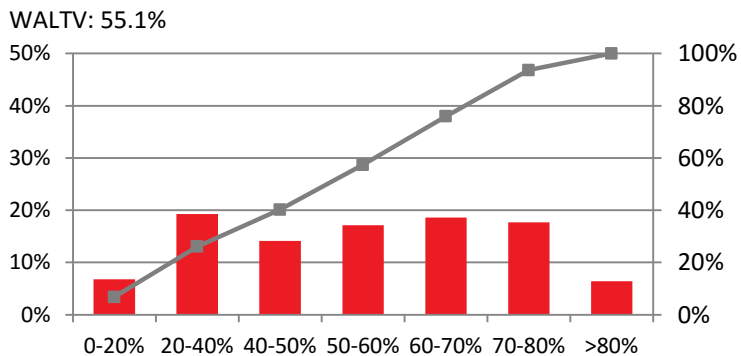
Data as of 1Q2018.

Kutxabank Covered Bonds Breakdown

BREAKDOWN BY LTV

TOTAL PORTFOLIO: €23,586.6 Mn

Chart 10. Residential, total portfolio: LTV breakdown.



ELIGIBLE PORTFOLIO: €19,025.9 Mn

Chart 12. Residential, eligible portfolio: LTV breakdown.

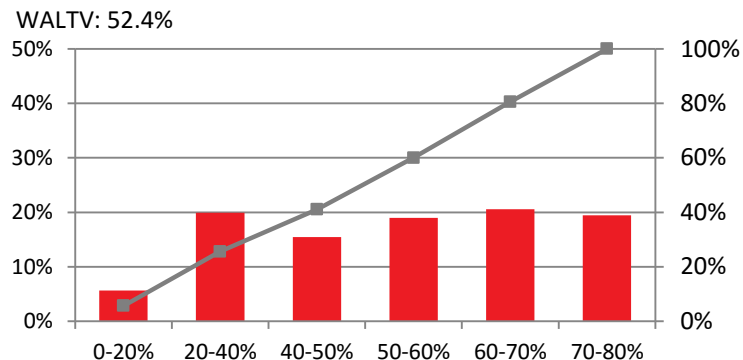


Chart 11. Commercial, total portfolio: LTV breakdown.

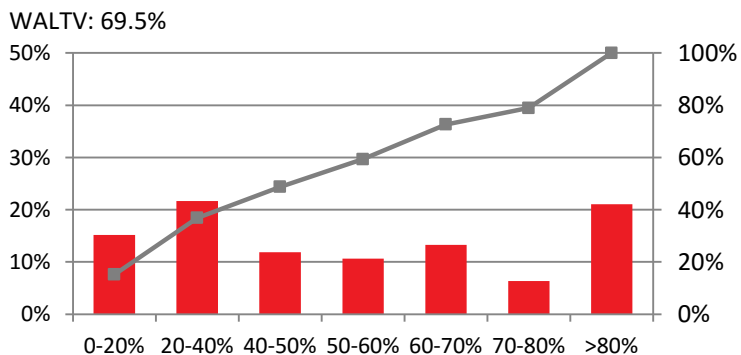
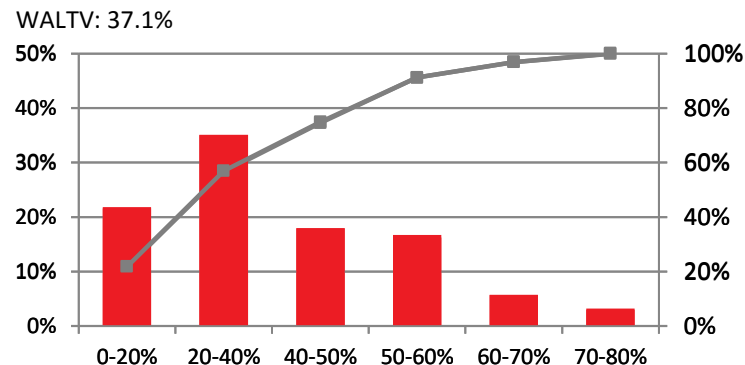


Chart 13. Commercial, eligible portfolio: LTV breakdown.



■ % of the cover pool

—■ % of the cover pool, cumulative

Data as of 1Q2018.

Kutxabank Covered Bonds

Breakdown

BREAKDOWN BY SEASONING

TOTAL PORTFOLIO: €23,586.6 Mn

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

WA Seasoning: 96.3

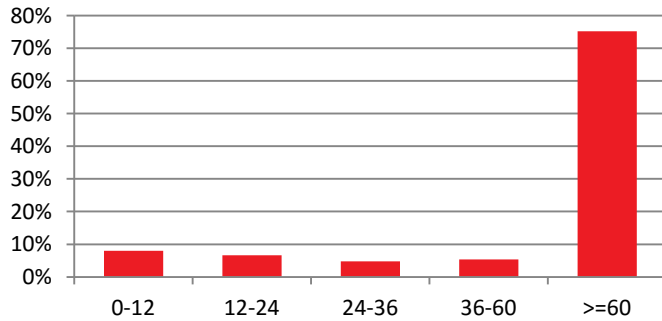
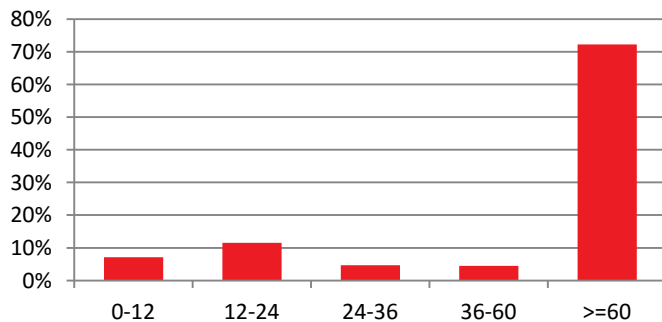


Chart 15. Commercial, total portfolio: Seasoning breakdown (months).

WA Seasoning: 98.0



ELIGIBLE PORTFOLIO: €19,025.9 Mn

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

WA Seasoning: 95.6

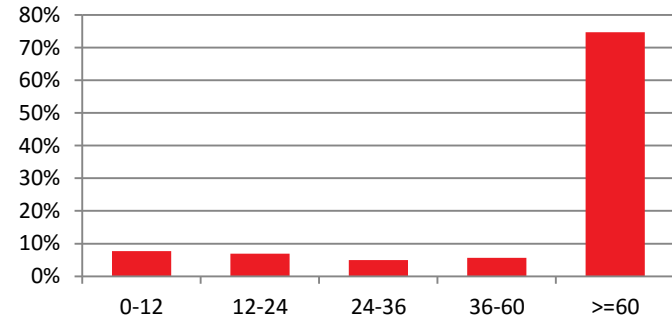
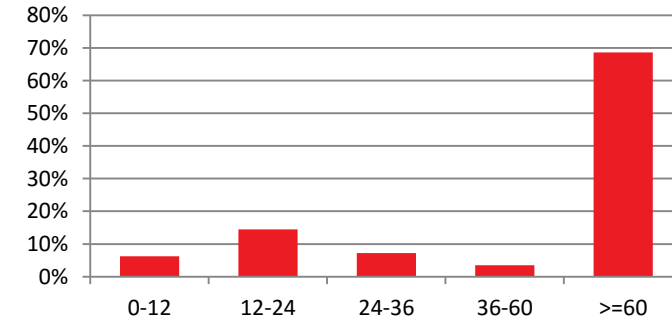


Chart 17. Commercial, eligible portfolio: Seasoning breakdown (months).

WA Seasoning: 92.1



Data as of 1Q2018.

Kutxabank Covered Bonds

Breakdown

BREAKDOWN BY MATURITY

TOTAL PORTFOLIO: €23,586.6 Mn

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

WA Maturity: 21.5

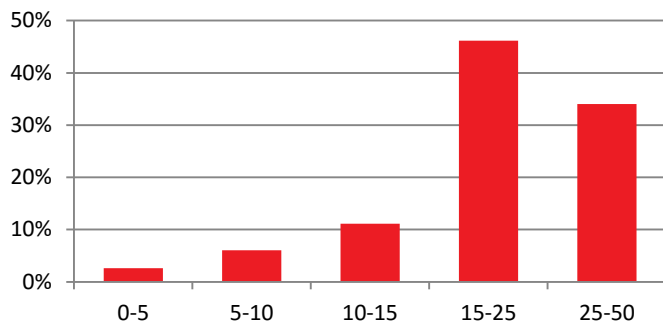
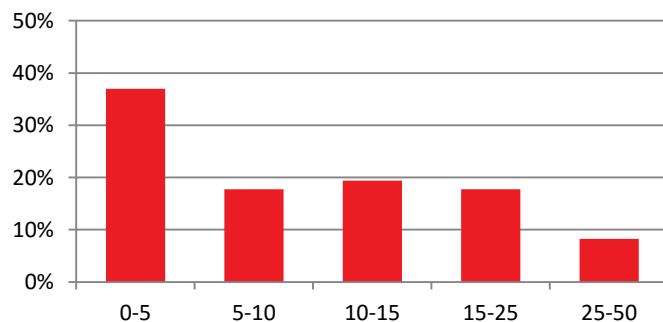


Chart 19. Commercial, total portfolio: Maturity breakdown (years).

WA Maturity: 10.1



ELIGIBLE PORTFOLIO: €19,025.9 Mn

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

WA Maturity: 21.3

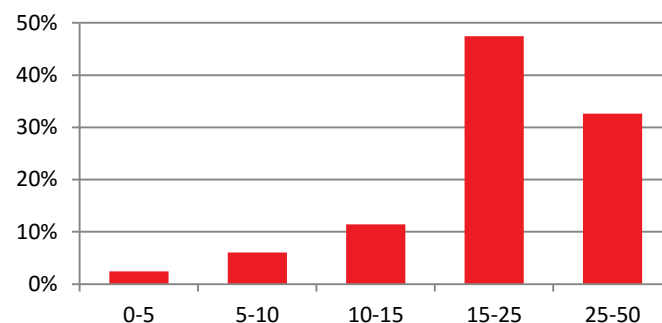
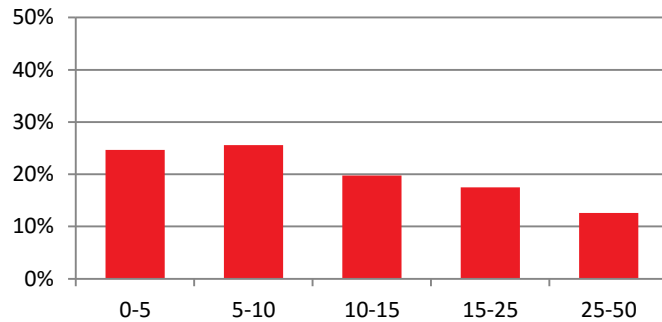


Chart 21. Commercial, eligible portfolio: Maturity breakdown (years).

WA Maturity: 12.1



Data as of 1Q2018.

Kutxabank Covered Bonds Breakdown

BREAKDOWN BY SORT OF INTEREST RATE AND PAYMENT FREQ

TOTAL PORTFOLIO: €23,586.6 Mn

Chart 22. Total portfolio: sort of interest rate.

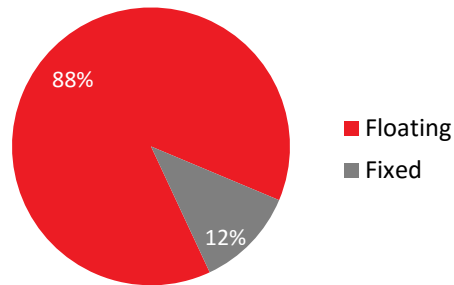
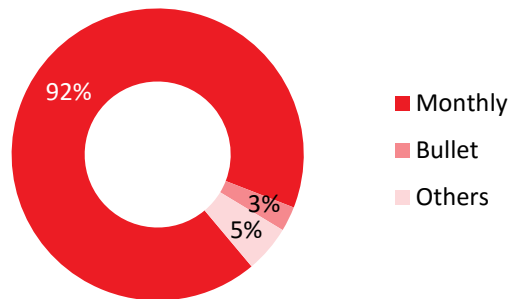


Chart 23. Total portfolio: payment frequency.



ELIGIBLE PORTFOLIO: €19,025.9 Mn

Chart 24. Eligible portfolio: sort of interest rate.

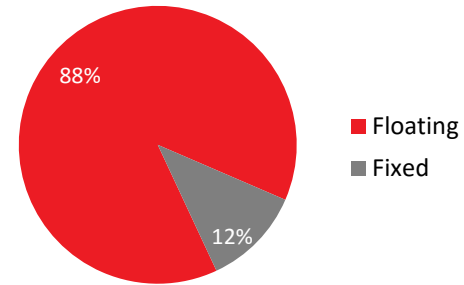
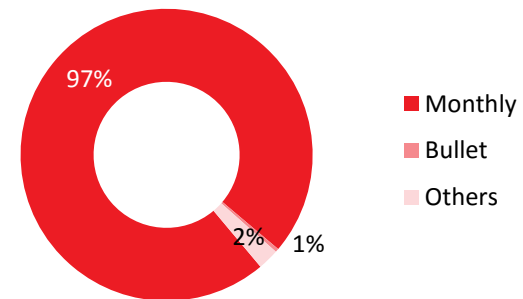


Chart 25. Eligible portfolio: payment frequency.



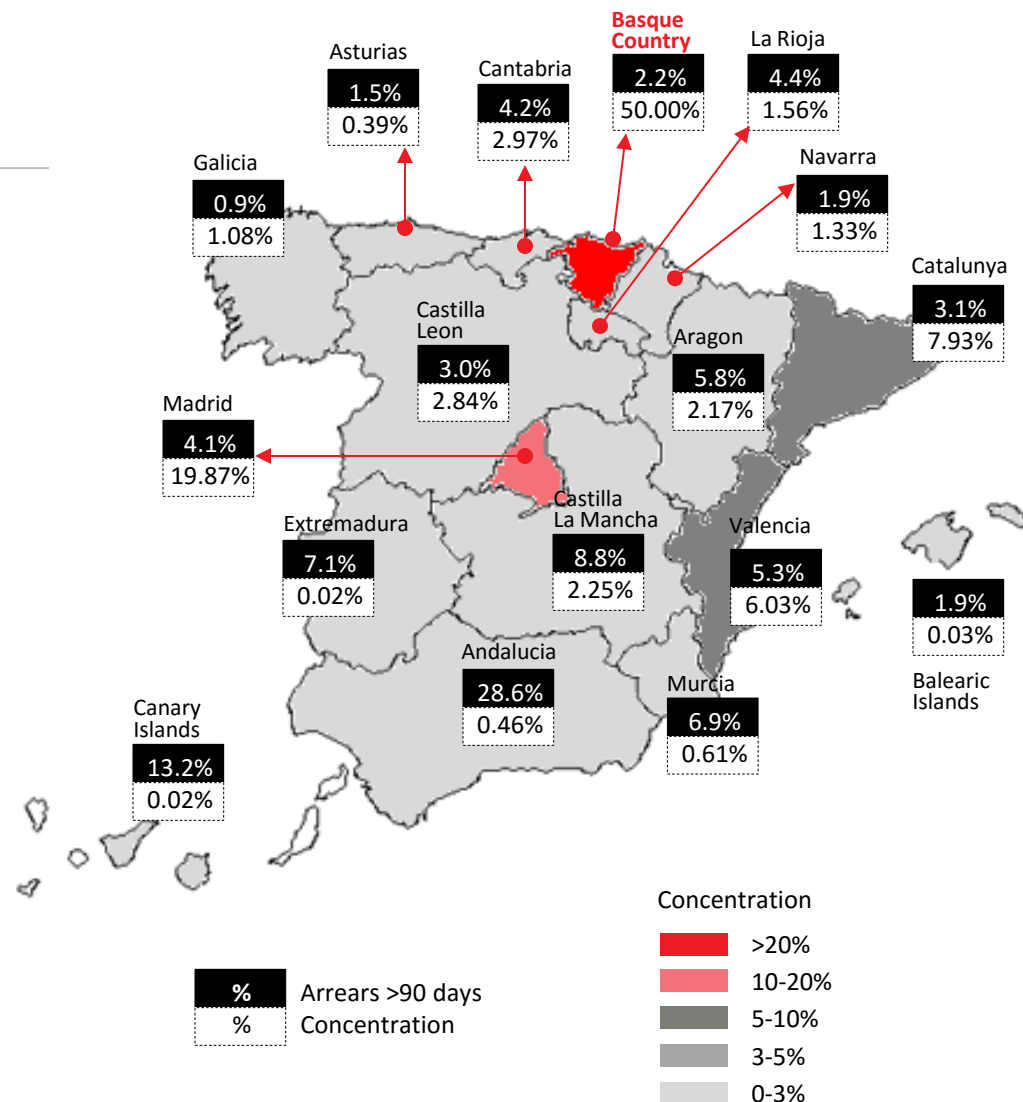
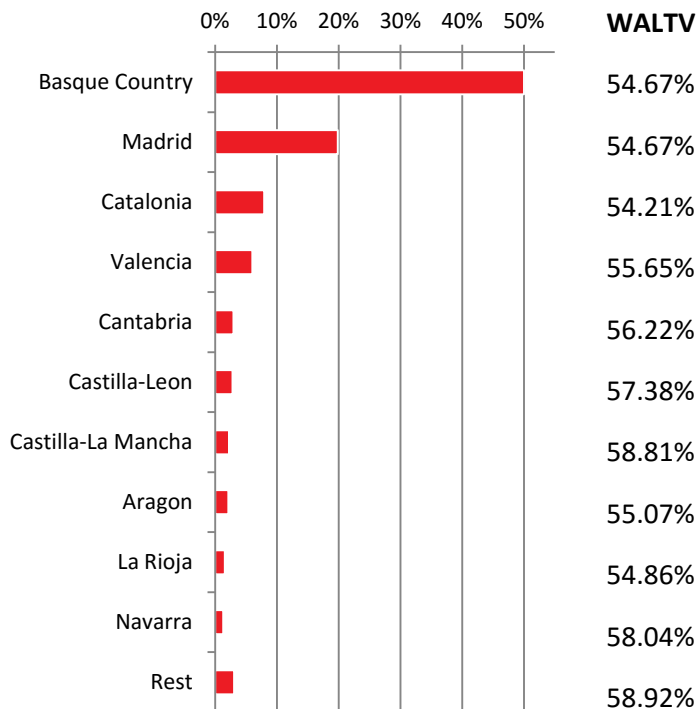
Data as of 1Q2018.

Kutxabank Covered Bonds

Breakdown

CONCENTRATION AND ARREARS RESIDENTIAL PORTFOLIO

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

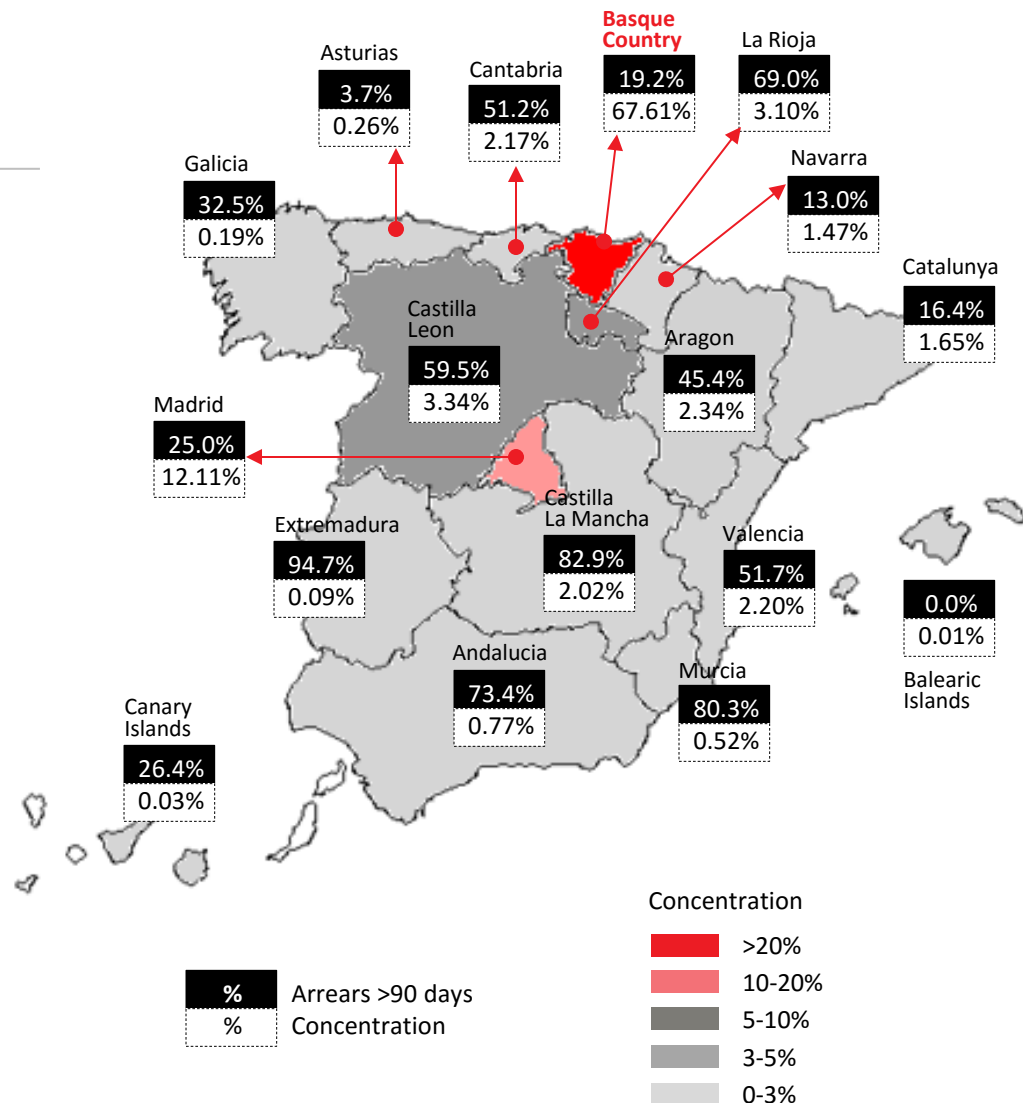
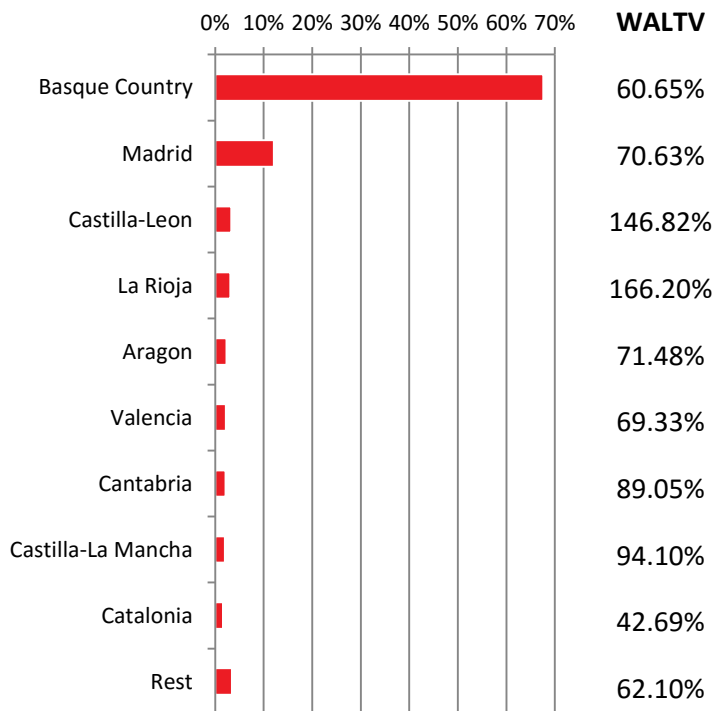


Data as of 1Q2018.

Kutxabank Covered Bonds Breakdown

CONCENTRATION AND ARREARS COMMERCIAL PORTFOLIO

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



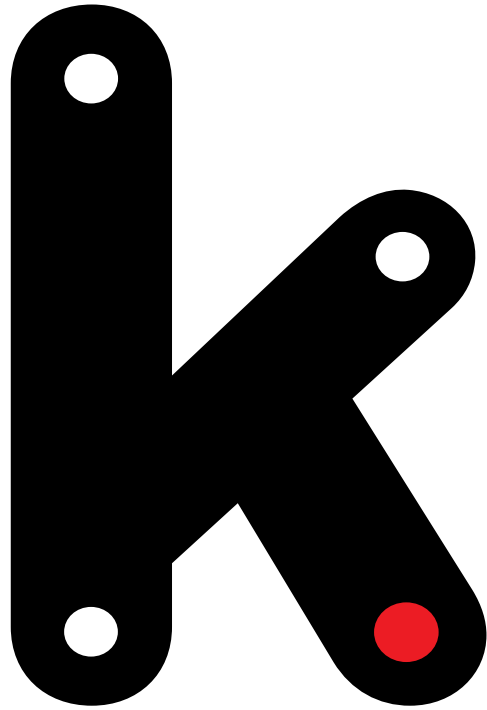
Data as of 1Q2018.

CONTACTS

Kutxabank's Investor Relations Team
investor.relations@kutxabank.es
T. +34 943 001271/1233
www.kutxabank.com

10 Portuetxe,
20018, Donostia-San Sebastian
(Spain)





kutxabank