


kutxabank
1Q2022 Results presentation

April 2022

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1Q2022 Results presentation

**Key
highlights**

**Asset
quality**

**Financial
performance**

**ANNEX
Financial
Figures
in detail**

1Q2022 Results presentation





Key highlights

Performing
Loan book
+6.0%
vs 1Q21

Commercial activity

Achieving our objectives in mortgages new production in a highly competitive market
Group's AM further increases its market share in a very volatile environment
Despite the complex environment, **very positive quarter in wholesale banking as well**

NPL
ratio
1.80%
-39bp vs 1Q21

Asset quality

Reduced volume of new entries
Further reductions in doubtful assets
Outstanding coverage levels

Core banking
business
+7.3%
vs 1Q21

P&L

Positive evolution of Core banking business continues
The **new interest rate scenario** and the **Group's business composition** reinforces the Entity's excellent position for the next quarters

In February 2022, Kb was informed by the ECB of the consolidated capital requirements applicable to from March 1, 2022 onwards
In such communication, the Group confirmed its position as the entity with the

lowest P2R
Fourth-lowest in Europe



Rusia Ucraina conflict

Potential impacts in Kutxabank

Although there is still no clarity on the impacts that the war may end up causing, which will depend to a large extent on the duration and intensity, this could be a first approach to an overall assessment of the potential impacts on the group.

Credit risks



Exposure to Russian, Belarusian and Ukrainian customers: negligible

Exposure to correspondent accounts from Russia, Belarus and Ukraine: no exposure

Exposure to customers with relevant interests in Russia, Belarus and Ukraine: marginal

Increase in provisioning requirements associated with the group's retail and wholesale customers as a result of the macroeconomic downturn: slight impact

Financial risks



Decline in fixed income portfolio valuations due to the increase in interest rates and peripheral countries risk premium: no direct exposure

Decline in equity positions valuations associated with the direct impacts of the conflict and/or the deterioration of the macro environment and its expectations: no direct exposure

Increase on Group's NII due to movements of the interest rate curve: tail winds

Currency exposure: no direct exposure

Operational risks



Technological risk due to eventual cyber-attacks: potentially impact

Regulatory compliance risk associated with international sanctions: marginal risk

Deterioration of the Group's corporate reputation associated with negative stakeholder perceptions of conflict-related issues: low risk

Other risks



Decrease in income generated by Group's AM: medium risk

Lower wholesale and retail banking business volumes associated with macro scenario: low risk

Extraordinary contribution requirements for external pension funds due to inflation or negative valuations: marginal risk

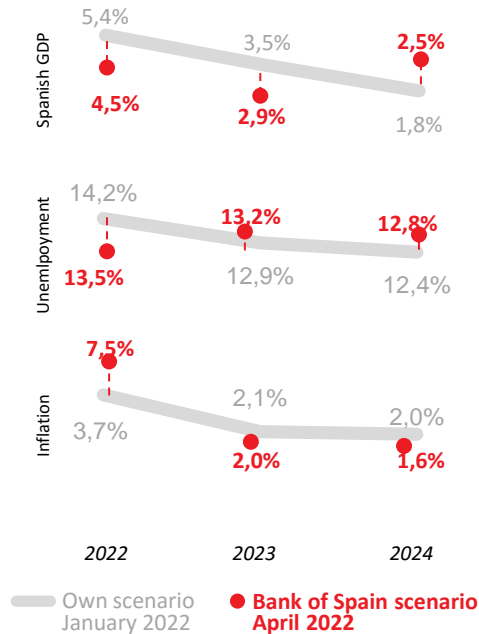


Rusia Ucraina conflict

Kutxabank response to the conflict

Macroeconomic scenario:

- Not relevant adjustments derived from the macroeconomic scenario yet, although very relevant level of uncertainty about the level of impact of the crisis due to the conflict.
- The biggest challenge in the short term is the surge in prices.



At corporate level

No direct impacts, potential second and third wave effects

Regular monitoring of the market situation and macro scenario

Focus on strengthening cybersecurity and regulatory compliance

At customer level

Workshops with Personal banking focused on markets and Investment funds due to market volatility

Communication with customers on cybersecurity

On a social level

Elimination of commissions for money transfers to Ukraine and Moldova

Promotion of Bizum Help as a channel for financing NGO projects related to the conflict



Intense lending activity

Close to last year's peak level

Residential mortgages

(New production)

€1.1bn 1Q22

o/w

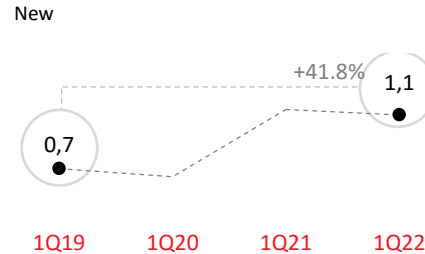
€280Mn

(1 out of 4)

Green

New production still above the target level and focused on **high credit quality customers**

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



New Mortgages market share

8.1%

(40.2% in Home-markets)
vs 4.1% in branches

Consumer lending +11.6%

More than €125Mn to Corporates

formalized so far this year with many other transactions awaiting formalization

Increasing volumes with **public sector institutions over €300Mn**

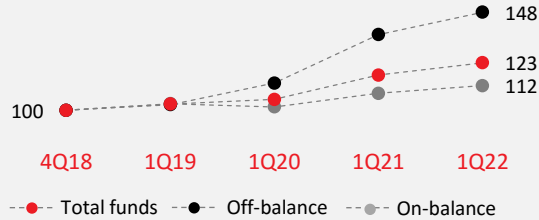
⁽¹⁾ Customers ranked in the highest income buckets.



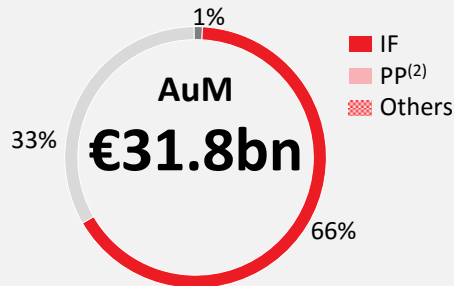
Customer funds growing trend continues

Off-balance now accounts for more than one-third of total Customer funds

Total Customer fund evolution (4Q18=100)



Breakdown of AuM⁽¹⁾ (1Q22)

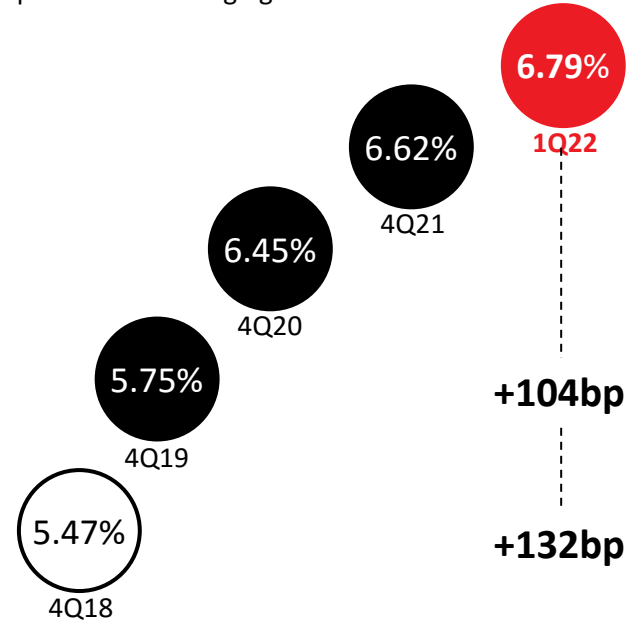


3rd
 AuM by investment funds taking in 1Q22

AM with **most ESG funds** in the market

MARKET SHARE EVOLUTION IN INVESTMENT FUNDS ALL ACROSS SPAIN⁽³⁾

Significant progress in market share reflecting the loyalty and trust of its customer base in this particular challenging market environment



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

⁽²⁾ Pension plan includes c.€8.8bn of a pension product under Basque law. Data as of Dec 2021.

⁽³⁾ Source: Inverco. Including Fineco, Kb's private banking specialised unit.



Growing contribution of the Insurance business

Better performance than the sector in all lines

More than 35,000 new policies have been commercialized during the period

+10.2%
vs 1Q21

Competitive performance
Premiums new production, YoY evolution




Green Home insurance
(New production)
+16% YoY

Insurance business revenues
(through OOI⁽¹⁾)
+17% YoY

HOME



+36.1%

LIFE



+14.7%

BUSINESS



+22.1%

⁽¹⁾ OOI: Other Operating Income (net of income from assets under insurance and reinsurance contracts and expenses from liabilities under insurance and reinsurance contracts).

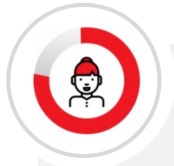


Making progress in the different lines of the Digital Agenda



Increased functionality in digital banking

- ✓ New functionalities in investment funds for Mobile Banking
- ✓ Digital guarantees with electronic signature for companies



Improved user experience

- ✓ Account Personalization in Mobile Banking
- ✓ Accessibility for the visually impaired on KBPay
- ✓ New contactless operation in ATMs
- ✓ Progress in anti-fraud measures



Digital customers increase

- ✓ Improvements in the customer journey
- ✓ Specific measures for the senior segment



Omnichannel sales increase

- ✓ Personalized commercial offer: auto insurance, use of the Wall, my receipts
- ✓ Referral to managers of insurance opportunities

Digital investments
(to be deployed in the period 2022-2024)

€200Mn



Consolidating digital transformation to improve customer relations efficiently

Digital clients

58.5%

>75% in commercial
network outside home
region

Active users of
Mobile banking

50.8%

+11.9% YoY

Digital sales

43.7%

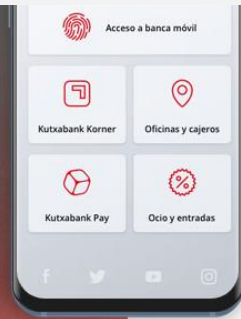
Digital
sales in
pension
products
>65%

Digital leads in
mortgages⁽¹⁾

25.0%

Digital formalisation of
consumer products

28.0%



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



Latest developments in ESG governance



Climate technical office

first phase of ECB Climate Stress Test completed



Environmental impact assessment

progress in measuring the sustainability level of the portfolio



Company's Internal taxonomy

first internal and regulatory reporting and launching of the pilot in wholesale banking for the implementation of internal taxonomy



Bilbao Berrikuntza Faktoria's Hackathon

launch of ESG rating challenge for companies





Boosting the marketing of sustainable products



SME & Corporates lending embedding ESG aspects

>€350Mn



Green Retail mortgages

1 in every 4 new mortgages



Green Consumer loans

+13% vs 1Q21



Groups' AM

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



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Asset
quality

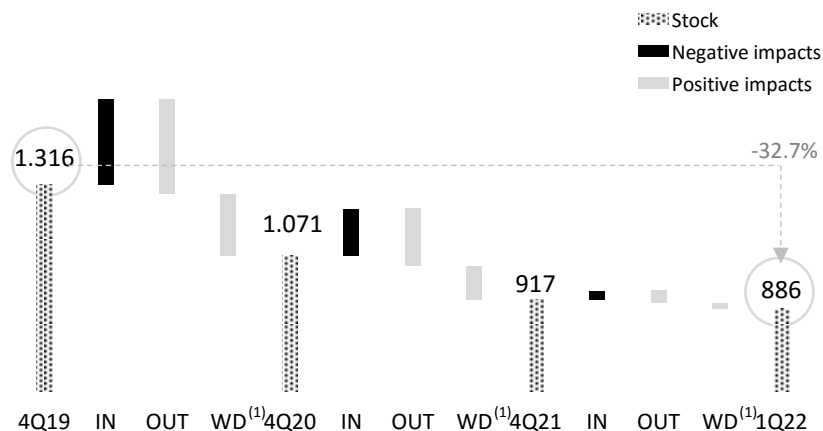




Stock of doubtful loan keeps decreasing

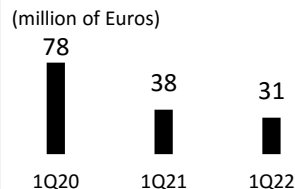
No pressure in terms of new entries

Doubtful-loan stock evolution in the period 2019-1Q22

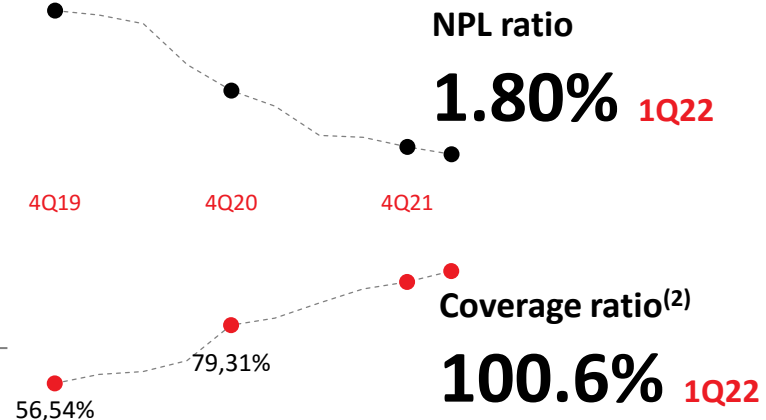


New entries remain subdued

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



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



⁽¹⁾ Write-downs.

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

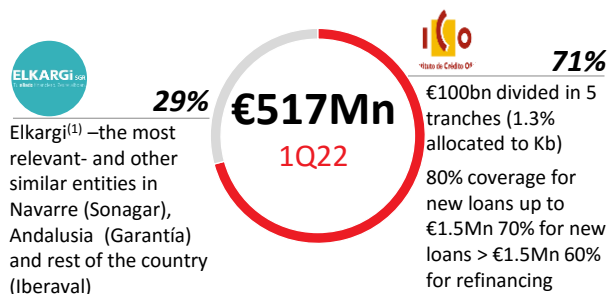


Financing Covid measures

Lowest exposure with highly prudent approach

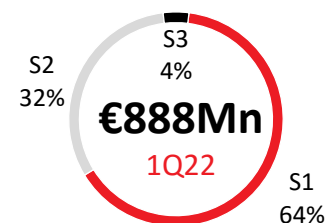
Guarantee lines

Total amount formalised by guarantee provider



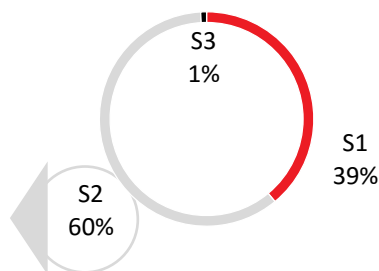
Moratoria

Total exposure by risk status



Current exposure by risk status

The entity has adopted a extremely conservative approach by classifying as S2 100% of the guaranteed loans that have been novated with an extension of the initial term or with the inclusion of a payment holiday period.



Moratoria total amount granted peaked at c.0.9bn with an NPL ratio of 3.9% and 32% already classified as stage 2 in 1Q22. Currently no amount outstanding

Kb has only a 0.7% market share in financing guaranteed by the ICO. More than half of the total exposure is classified as Stage 2 – although there are no signs of possible deterioration yet-, which demonstrates a highly prudent management of this portfolio

⁽¹⁾ Basque mutual guarantee society. €500 million line promoted by the Basque Government. 100% coverage cost-less.

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- Excellent
- Very good
- Good
- Average
- Poor

**Financial
performance**





P&L summary

On the right track

(million of Euros)

	1Q22	1Q21	Δ1Q22-1Q21
Net interest income	138.2	137,1	0.8%
Net Fees+Ins. business	158.1	139,1	13.7%
Core banking business	296.3	276,2	7.3%
Equity method&Dividends	14.4	1,1	ns
Other operating income (OOI)	-10.0	-4,6	111.5
Gross margin	300.7	272.5	10.3%
Operating expenses	-150.7	-148.5	1.5%
Pre-provisioning profit	149.9	124.0	20.9%
Provisions	-56.0	-40.9	36.9%
Other income	11.6	3.2	256.3%
Tax and others	-30.4	-24.6	23.6%
Net income	75.1	61.8	21.6%

Strong increase in Core banking business thanks to a solid growth in Fees (+12.7%) and Insurance business (+16.7%), with NII in place to benefit going forward from the recent curve upward correction.

Contained increase in Operating expenses, below forecast and below inflation leading to a Pre-provision operating profit growth of 20.9%.

Real estate assets provisioning exercise continues.

Net income was up 21.6% on 1Q22



P&L in detail

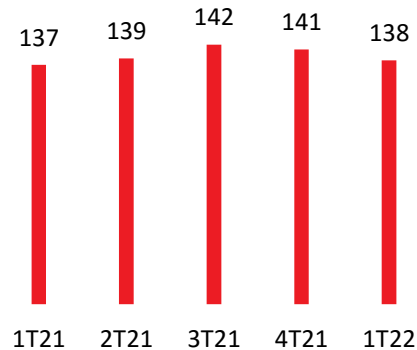
Top line performance

Net interest income
(NII)

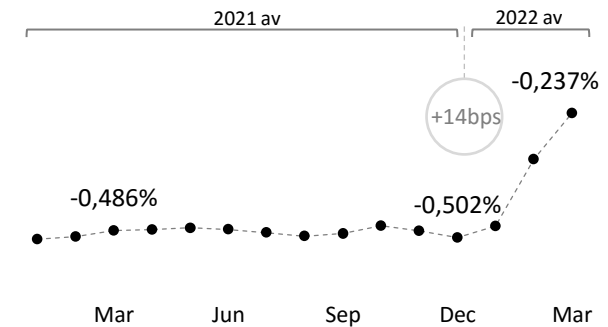
€138.2Mn

+0.8% YoY

NII quarter evolution (million of Euros)



12 month Euribor evolution



Slight increase in Net interest income, which will benefit even more in the following quarters from the recent curve upward correction (Euribor 12 months in April already above 0%).



P&L in detail

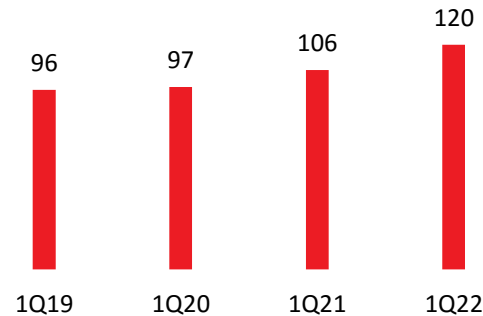
Top line performance

Net Fees+Ins.
business

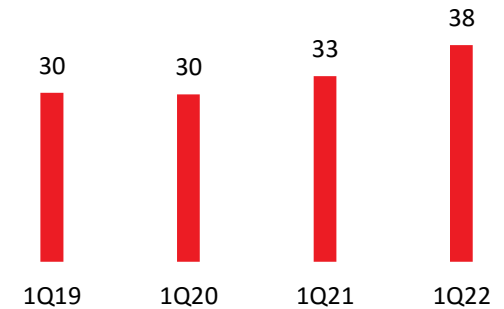
€158.1Mn

+13.7% YoY

Fee evolution (million of Euros)



Ins. Business (million of Euros)



Making further progress in the diversification of revenues, with the significant growth of Income from services and the Insurance business. These items already cover 105% of the Group's total administrative expenses.

Kutxabank leads the sector in terms of Service revenues to Total assets (including revenues from the Insurance business) which stands at 0.96%.



P&L in detail

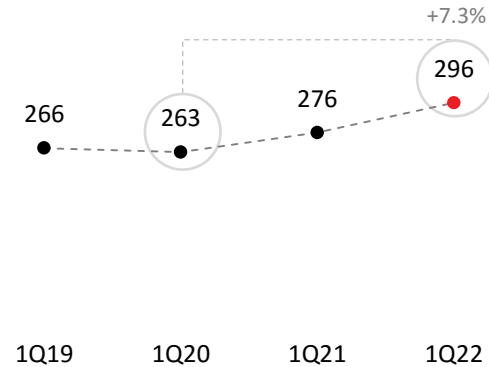
Top line performance

Core banking
business

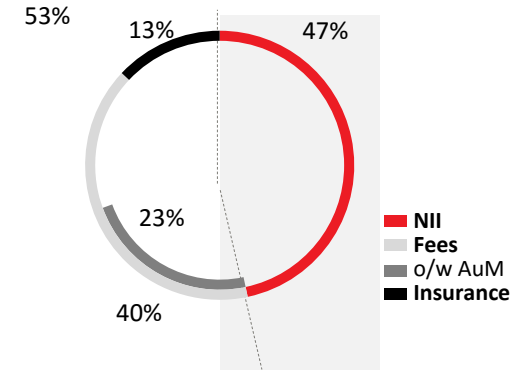
€296.3Mn

+7.3% YoY

Core banking revenues (million of Euros)



Income source diversification



Strong increase in Core Banking business thanks to Income from services and the Insurance business.

This headline will benefit from further increases in the coming periods, following the recent rebound in rates that will be reflected in NII in the coming quarters.



P&L in detail

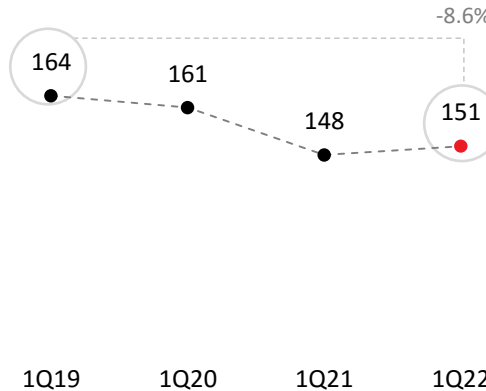
Costs

Administrative
expenses

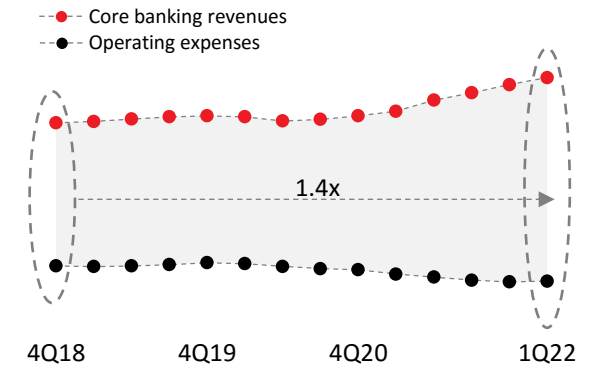
€141.0Mn

+1.3% YoY

Operating exp evolution (million of Euros)



Evolution of Core revenues vs Op. expenses



Including amortisations, Operating expenses amounted to €149.9 million (+1.5% YoY). After a few years of strong cost reductions, expenses increased but below budget and inflation.

In the period 2019-21 the **spread** between Core banking revenues and Operating expenditures **has expanded a 40%**. In the last quarter, despite the slight increase in costs, this has remained the same.

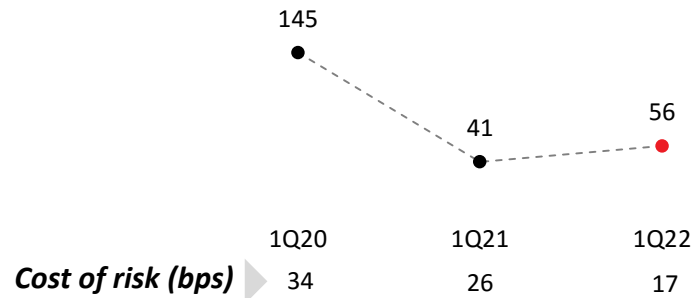


P&L in detail

Cost of risk

Total provisions
€56.0Mn

Total Provisions evolution (million of Euros)



Provisions breakdown (million of Euros)

	1Q22
Credit risk	23.2
Other provisions&cont.	6.1
RE assets	26.7
Total provisions	56.0

Despite the improved context, still significant impairments and provisions are allocated to the Real Estate portfolio.

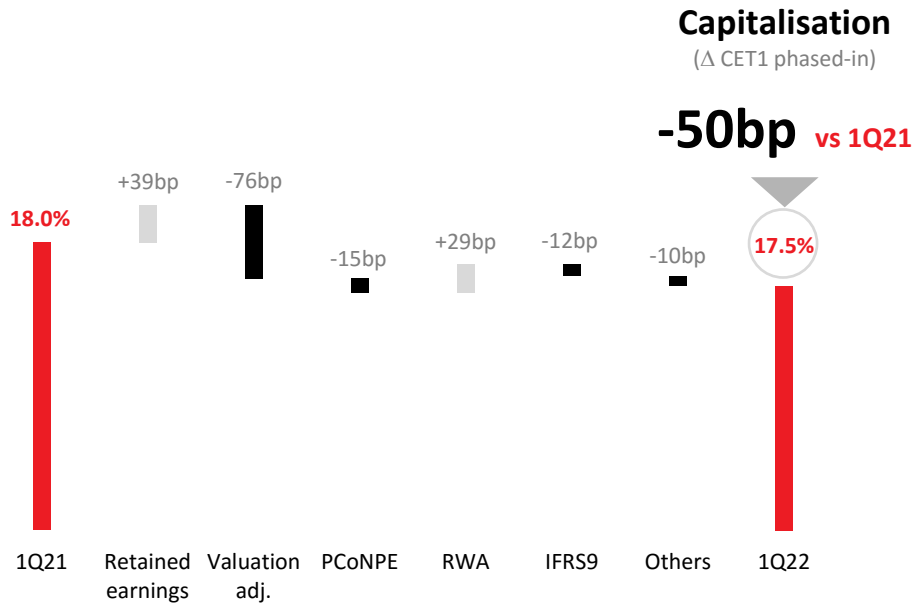


Capital management

Solid position despite market shocks

Last 12 months Solvency evolution

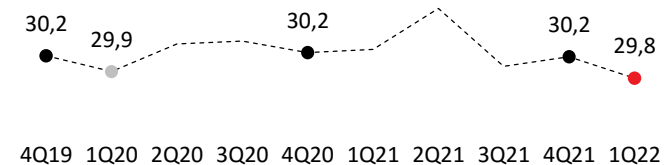
Phased-in



Main impacts on capital (Last 12 months; Phased-in)

	Impact (€Mn)	Impact (bp vs 1Q21)	▲/▼
Prudential coverage	44.1	14.5	▼
Valuation adjustments	230.4	76.0	▼
<i>o/w 1Q22</i>	88.5	29.2	▼
Total earnings	229.8	75.8	
<i>o/w retained</i>	116.7	38.5	▲

Risk-weighted assets evolution (Phased-in; €bn)





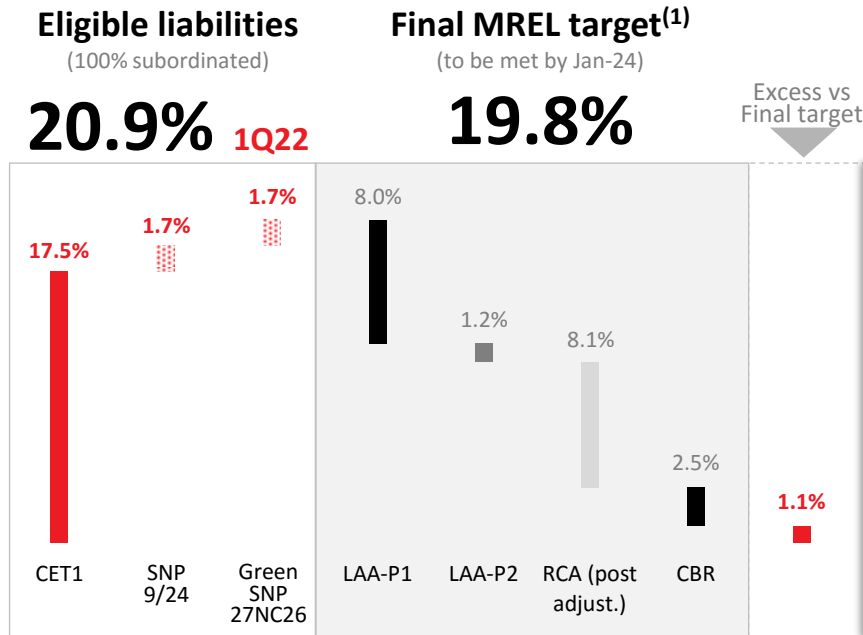
Capital management

MREL final target already met

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

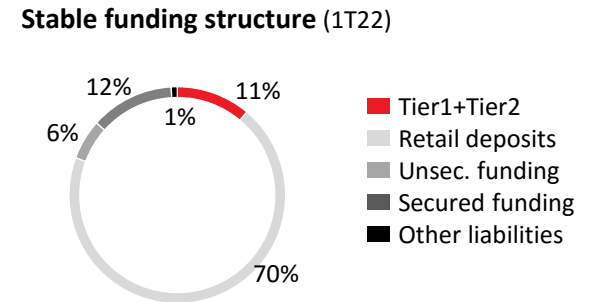
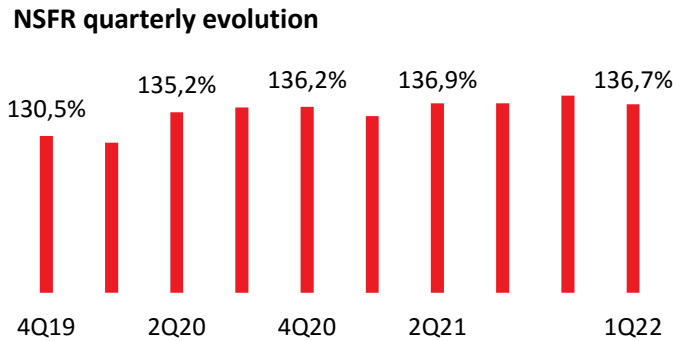
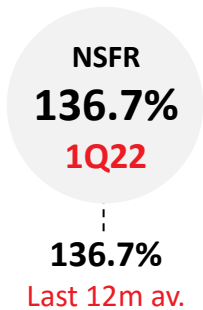
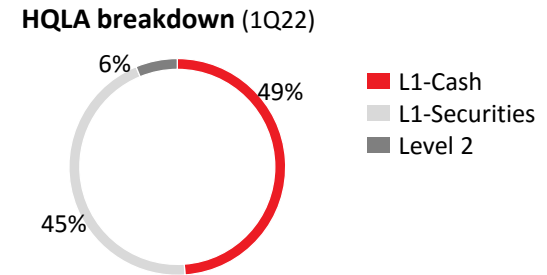
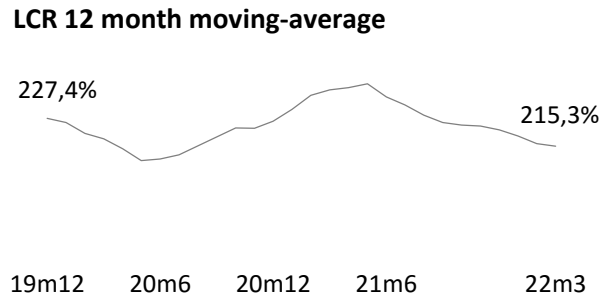
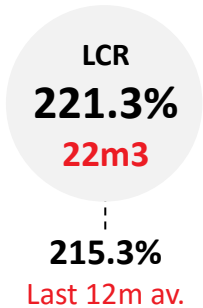
	Amount (€Mn)	% o/TREA
Current position	6,219	20.9%
o/w CET1	5,219	17.5%
o/w SNP	1,000	3.4%
Loss Absorption Amount	2,741	9.2%
RCA post adjustments	2,407	8.1%
2022 MREL target	5,688	19.1%
2024 MREL target	5,894	19.8%
Excess vs MREL-22	531	1.8%
Excess vs Final target	326	1.1%

⁽¹⁾ No subordination required.



Liquidity risk management

Solid liquidity and funding profile



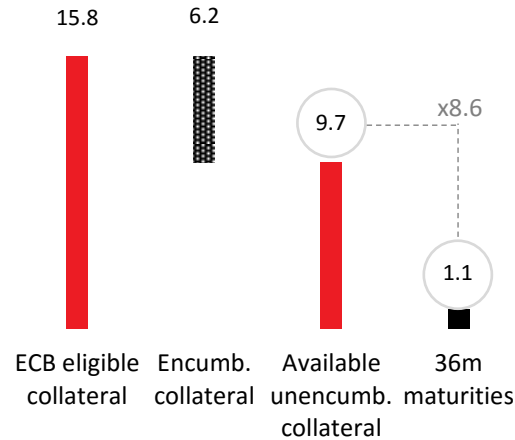


Liquidity risk management

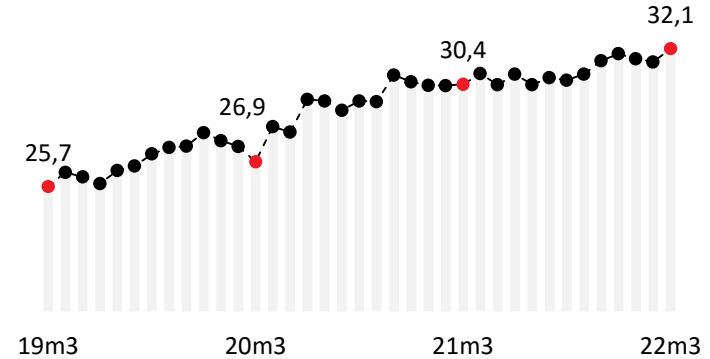
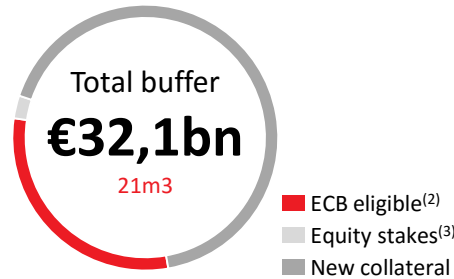
Large liquidity buffers

Available unencumbered collateral eligible for ECB covers 9x all debt maturities in the coming 3 years

Available unencumbered collateral⁽¹⁾ (€bn)



Total unencumbered liquidity buffer (€bn)



⁽¹⁾ Data as at 1Q22.

⁽²⁾ ECB eligible collateral value is haircut deducted.

⁽³⁾ Only listed equity stakes in HTC&S through OCI portfolio.

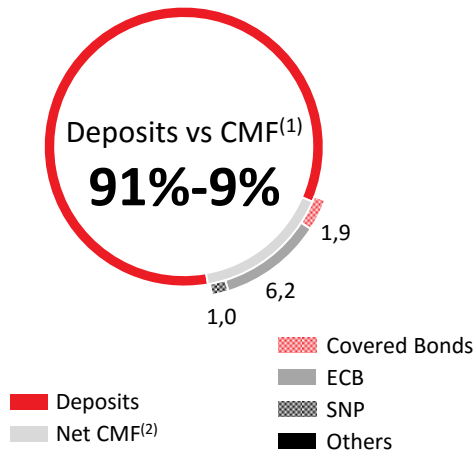


Liquidity risk management

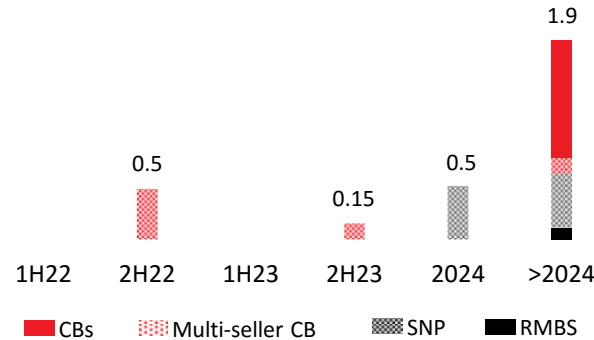
Well-diversified and stable funding structure

Low reliance to capital markets thanks to a large and sticky Retail deposit base

Funding source breakdown⁽¹⁾ (€bn)



Maturity profile (€bn)



ECB funding

(TLTRO III.3, 4, 7)

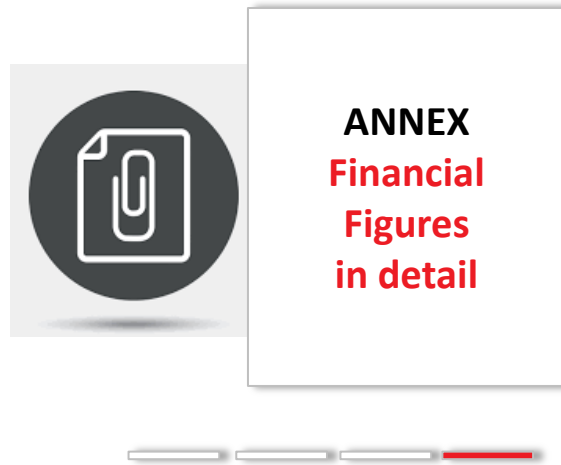
€6.2bn 1Q22

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

⁽¹⁾ Data as at 1Q22.

⁽²⁾ Total outstanding capital markets funding, including ECB funding, is adjusted by the excess cash position including reverse repo net position. As at 31 March 2022, total capital markets funding was €9.2bn vs €4.4bn excess cash position.

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Balance-sheet

Assets

	1Q22	1Q21	Var.	4Q21	Var.
Cash and balances at central banks	5,461.7	7,208.5	-24.2%	5,693.0	-4.1%
Financial assets held for trading	55.3	82.3	-32.8%	61.8	-10.6%
<i>Trading derivatives</i>	55.3	74.8	-26.1%	61.8	-10.6%
Other financial assets at fair value through p&l	54.8	65.1	-15.8%	56.8	-3.5%
<i>Equity instruments</i>	35.2	41.1	-14.2%	35.1	0.3%
<i>Debt securities</i>	19.6	24.0	-18.4%	21.7	-9.7%
Available-for-sale financial assets	5,783.0	6,213.9	-6.9%	5,895.3	-1.9%
<i>Equity instruments</i>	1,384.9	1,912.7	-27.6%	1,459.4	-5.1%
<i>Debt securities</i>	4,398.1	4,301.3	2.3%	4,435.9	-0.9%
Loans and receivables	47,933.3	45,471.7	5.4%	48,017.3	-0.2%
<i>Bank deposits</i>	537.2	349.3	53.8%	501.1	7.2%
<i>Customer loans and advances</i>	47,396.0	45,122.4	5.0%	47,516.2	-0.3%
Held-to-maturity investments	2,498.1	1,970.6	26.8%	2,132.9	17.1%
Non-current assets held for sale	514.6	753.0	-31.7%	546.0	-5.7%
Hedging derivatives	43.6	82.3	-47.1%	47.9	-9.0%
Equity investments	171.3	174.9	-2.0%	169.4	1.1%
Reinsurance assets	28.1	25.2	11.6%	27.9	0.8%
Tangible assets	794.1	815.9	-2.7%	796.1	-0.2%
Intangible assets	403.8	375.9	7.4%	401.5	0.6%
Tax assets	1,716.3	1,769.7	-3.0%	1,744.5	-1.6%
Other assets	184.6	201.7	-8.5%	214.3	-13.9%
TOTAL ASSETS	65,642.5	65,210.6	0.7%	65,804.7	-0.2%



Balance-sheet

Liabilities and Own funds

	1Q22	1Q21	Var.	4Q21	Var.
Financial liabilities held for trading	56.2	78.1	-28.0%	65.6	-14.3%
Financial liabilities at amortised cost	57,248.6	56,834.8	0.7%	57,263.4	0.0%
<i>Deposits from central banks</i>	6,165.7	6,229.4	-1.0%	6,181.4	-0.3%
<i>Deposits from credit institutions</i>	458.0	945.8	-51.6%	411.6	11.3%
<i>Customer deposits</i>	47,825.0	46,284.0	3.3%	47,945.2	-0.3%
<i>Debt securities in issue</i>	2,195.1	2,832.1	-22.5%	2,232.7	-1.7%
<i>Other financial liabilities</i>	604.8	543.4	11.3%	492.5	22.8%
Hedging derivatives	487.7	294.2	65.8%	445.9	9.4%
Reinsurance liabilities	607.1	618.8	-1.9%	621.4	-2.3%
Provisions	452.1	456.1	-0.9%	471.9	-4.2%
Tax liabilities	339.6	399.4	-15.0%	379.4	-10.5%
Other liabilities	202.4	171.9	17.7%	247.2	-18.1%
Total liabilities	59,393.8	58,853.4	0.9%	59,494.7	-0.2%
Equity	5,834.6	5,661.2	3.1%	5,802.0	0.6%
Accumulated other comprehensive income	406.7	685.2	-40.6%	500.3	-18.7%
Minority interests	7.4	10.8	-31.1%	7.6	-2.3%
Total equity	6,248.7	6,357.2	-1.7%	6,310.0	-1.0%
TOTAL EQUITY AND LIABILITIES	65,642.5	65,210.6	0.7%	65,804.7	-0.2%



Balance-sheet

Deposits and Loans

	1T22	1T21	Var.	4T21	Var.
Customer deposits	47,825.0	46,284.0	3.3%	47,945.2	-0.3%
o/w net of multiseller covered bonds	47,002.2	45,423.9	3.5%	47,117.9	-0.2%
Deposits from the Public sector	3,956.5	3,331.5	18.8%	4,070.8	-2.8%
Deposits from the Private sector	43,045.8	42,092.4	2.3%	43,047.1	0.0%
o/w Cash deposits	38,017.4	35,260.8	7.8%	37,506.3	1.4%
o/w Term deposits	5,025.5	6,828.6	-26.4%	5,537.8	-9.3%
o/w Repurchase agreements	1.2	1.2	-4.3%	1.2	-1.7%
o/w Valuation adjustments	1.8	1.7	0.5%	1.8	-4.8%
Total Cash deposits	41,914.6	38,517.7	8.8%	41,496.2	1.0%
Total Term deposits	5,087.7	6,906.2	-26.3%	5,621.8	-9.5%
Customer loans	47,396.0	45,122.4	5.0%	47,516.2	-0.3%
Pro-forma: Gross Customer loans	48,140.2	45,858.7	5.0%	48,245.5	-0.2%
Loans to Public sector	5,100.5	4,299.1	18.6%	4,976.7	2.5%
Loans to Private sector	43,039.7	41,559.7	3.6%	43,268.8	-0.5%
o/w Secured	34,113.4	33,497.1	1.8%	34,066.1	0.1%
o/w Unsecured	8,926.3	8,062.6	10.7%	9,202.7	-3.0%
Loans to Households	34,243.8	33,209.1	3.1%	34,147.3	0.3%
o/w Secured	32,000.4	31,073.8	3.0%	31,871.3	0.4%
o/w Unsecured	2,243.3	2,135.3	5.1%	2,276.0	-1.4%
Doubtful loans	887.7	1,029.8	-13.8%	918.7	-3.4%
NPL ratio ⁽¹⁾	1.80%	2.19%	-40 pbs	1.86%	-6 pbs
Provisions	763.4	756.9	0.9%	754.2	1.2%
Loan coverage ratio ⁽¹⁾	100.60%	82.08%	1852 pbs	96.33%	427 pbs

⁽¹⁾ Including contingent risks and Prudential Coverage.



Key indicators

	1T22	1T21	Var.	4T21	Var.
ROE	3.98%	2.68%	129 pbs	3.77%	20 pbs
ROTE	4.26%	2.87%	139 pbs	4.04%	22 pbs
ROA	0.35%	0.24%	12 pbs	0.33%	2 pbs
RORWA	0.86%	0.50%	37 pbs	0.71%	15 pbs
Cost to Income	52.11%	59.65%	-755 pbs	53.20%	-109 pbs
LCR	221.35%	233.28%	-1193 pbs	233.21%	-1186 pbs
NSFR	136.72%	134.41%	232 pbs	138.39%	-167 pbs
LtD	100.65%	99.10%	155 pbs	100.62%	3 pbs
# of customers	2,382,251	2,427,389	-1.9%	2,392,591	-0.4%
# of employees	5,065	5,265	-3.8%	5,205	-2.7%
# of branches	742	802	-7.5%	774	-4.1%
# of ATMs	1,570	1,689	-7.0%	1,595	-1.6%

	1T22	1T21	Var.	4T21	Var.
Capital	2,060.0	2,060.0	0.0%	2,060.0	0.0%
Reserves	3,636.9	3,561.1	2.1%	3,588.1	1.4%
Retained earnings	30.0	24.7	21.6%	86.6	-65.3%
Prudential Coverage of NPE	-152.8	-108.7	40.5%	-152.7	0.1%
Minority interests	2.1	2.3	-8.8%	2.1	3.6%
Valuation adjustments	472.7	703.1	-32.8%	561.3	-15.8%
Intangible assets	-349.3	-323.9	7.9%	-354.8	-1.5%
Deductions	-480.6	-476.4	0.9%	-455.7	5.5%
CET I capital	5,219.1	5,442.2	-4.1%	5,335.0	-2.2%
Tier I capital	5,219.1	5,442.2	-4.1%	5,335.0	-2.2%
Total capital	5,219.1	5,442.2	-4.1%	5,335.0	-2.2%
RWA	29,795.4	30,300.6	-1.7%	30,171.2	-1.2%
o/w Credit risk	27,532.5	28,082.3	-2.0%	27,908.9	-1.3%
CET I ratio	17.52%	17.96%	-44 pbs	17.68%	-17 pbs
Tier I ratio	17.52%	17.96%	-44 pbs	17.68%	-17 pbs
Total Capital ratio	17.52%	17.96%	-44 pbs	17.68%	-17 pbs
Leverage ratio	Nd	9.05%	-	8.55%	-
Pro-forma: CET I ratio fully loaded	17.17%	17.59%	-42 pbs	17.27%	-10 pbs
Pro-forma: Total Capital fully loaded ratio	17.17%	17.59%	-42 pbs	17.27%	-10 pbs
Pro-forma: Leverage fully loaded ratio	nd	8.86%	-	8.36%	-
MREL	20.87%	19.61%	126 pbs	21.00%	-12 pbs



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Glossary

Term	Definition
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.
NAV	Net asset value
NFC	Non-financial corporates



Glossary

Term	Definition
Non-performing loans ratio (NPL)	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
TLOF	Total liabilities and own funds
TLTRO	Targeted Longer-term refinancing operations
TREA	Total Risk Exposure Amount



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