


3Q19
results

October 25, 2019

index

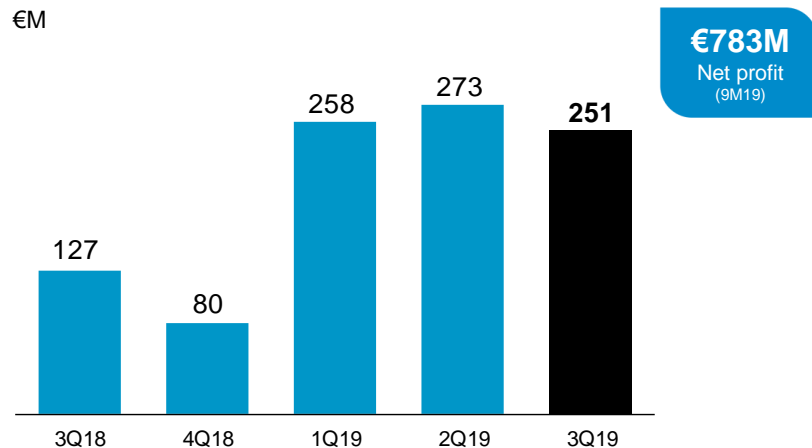
- 1 Business performance
 - 2 Financial results
 - 3 Balance sheet
 - 4 Closing remarks
- 

3Q19 highlights: profitability and value creation

Sabadell quarterly results...

Group attributable net profit

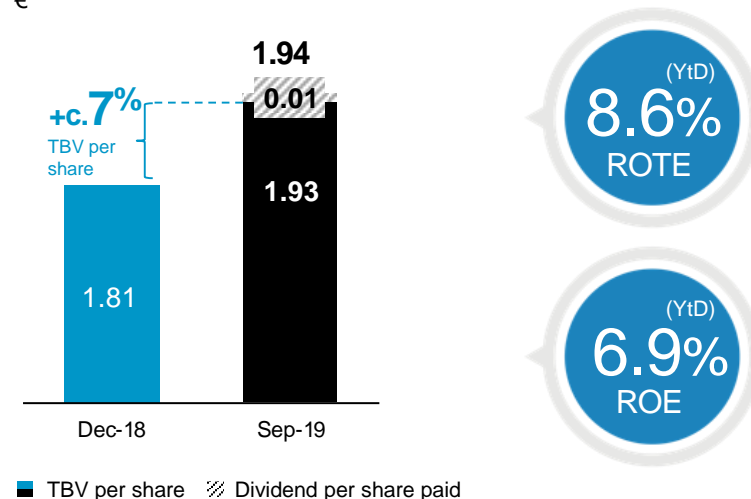
€M



... support shareholder value creation

TBV per share + dividends

€



- The Board has approved an interim dividend¹ of €0.02 per share
- This dividend (net of withholding taxes) will be paid through the distribution of existing treasury shares – up to 90M shares – with any remaining balance in cash

¹ The amount of the dividend, net of withholding tax, will be paid by (i) the delivery of up to a max. of 90M treasury shares, and (ii) an additional amount in cash to complete the net amount if needed. Those shareholders not subject to withholding tax will receive the relevant amount in cash.

3Q19 highlights: business performance and capital

<p>1 Strong volume growth momentum continues</p>	<p>(YoY) +2.4% Performing loans¹ (excl. securitisation)</p>	<p>(YoY) +0.6% Gross loans (excl. securitisation)</p>	<p>✓ €1.0bn consumer loan securitisation</p>
<p>2 Resilient core banking revenue and efficiency in line with expectations</p>	<p>(YoY) +1.5% NII + Fees & commissions</p>	<p>(YoY) +9.0% Fees & commissions</p>	<p>(YtD) 54.1% Efficiency ratio (excl. amortisation)</p>
<p>3 Sound risk metrics and decreasing recurrent CoR</p>	<p>5.0% NPA ratio -410bps YoY</p>	<p>(YtD) 47bps Recurrent CoR² -23bps YoY</p>	<p>✓ RE developer (“Desarrollos Inmobiliarios”) disposal ✓ NPA portfolio (“REX”) disposal</p>
<p>4 Strong liquidity profile</p>	<p>168% LCR Post €2bn TLTRO-II repayment</p>	<p>100% Loan-to-deposit ratio</p>	
<p>5 Increasing capital position</p>	<p>11.4% FL CET1 reported +21bps QoQ</p>	<p>11.8% FL CET1 pro forma +40bps QoQ</p>	

Note: %YoY calculated as the growth rate of cumulative results to September 2019 vs. cumulative results to September 2018, through out the presentation. Growth rates expressed in constant FX.

¹ Exclude CAM APS NPL run-off. ² Excludes the extraordinary provisions related to the sale of the NPA portfolio “REX” of -€28M.

On track to meet our year-end targets

	2019 Group guidance	9M19	Progress
Net interest income	-1% - 0%	-1.2% YoY -1.1% YoY reported	On track, excluding securitisation ²
Fees & commissions	High single digits	+9.0% YoY	On track
Trading income	€80 -100M	€130M	On track
Efficiency ratio (excl. amortisation)	c.55%	54.1%	On track
Cost of risk	45bps	47bps ³	On track, excluding NPA portfolio ("REX") disposal
TSB	Small positive contribution	-€5M	Below
ROE	>6.5%	6.9%	On track
Organic capital generation	45bps ¹	40bps YtD	On track
FL CET1	≥ 11.6% ¹	11.4% (11.8% pro forma)	On track
TBV per share	>5%	+6.6% YtD	On track

Note: **Growth rates expressed in constant FX.** ¹ Assumes a cash dividend pay-out ratio of 50% of recurrent profits. ² Excludes the impact of €1.0bn consumer loans securitised in September 2019. ³ Recurrent CoR, which excludes the extraordinary provisions related to the sale of the NPA portfolio "REX" of -€28M.



1

Business performance

Performing loan growth remained robust YoY

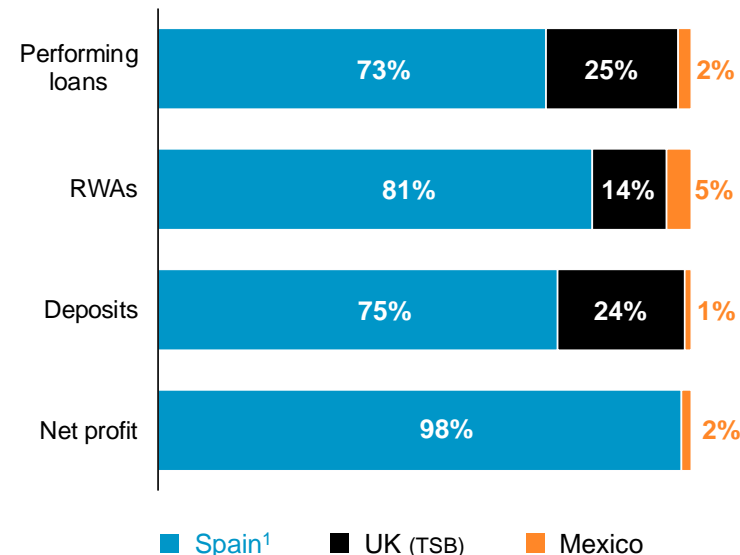
Group performing loans evolution by geography

€M. Excludes CAM APS NPL run-off

	Sep-19	Change (const. FX)		
		QoQ	YoY	
Spain ¹	99,507	-1.0%	+2.4%	% excl. securitisation
of which: foreign branches	8,792	+4.8%	+18.9%	
UK (TSB)	34,798	+1.6%	+0.7%	
Mexico	3,503	-1.3%	+13.2%	
Total	137,809	-0.2%	+2.4%	% excl. securitisation

Business distribution across geographies

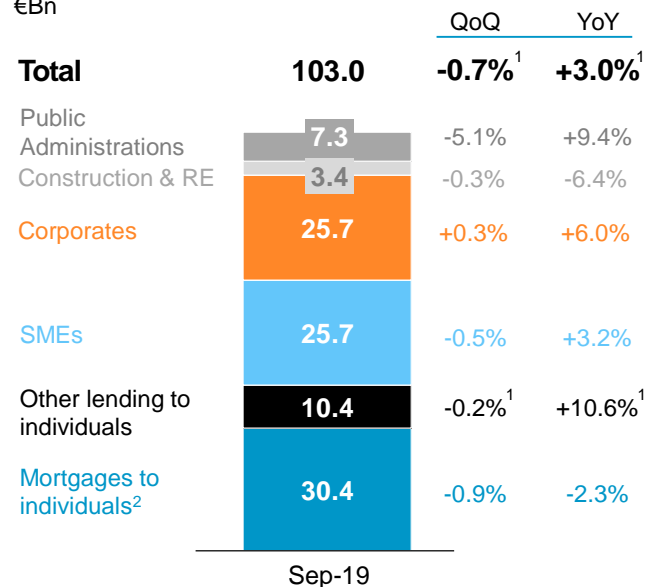
Sep-19



Commercial activity at Sabadell ex-TSB

Performing loans

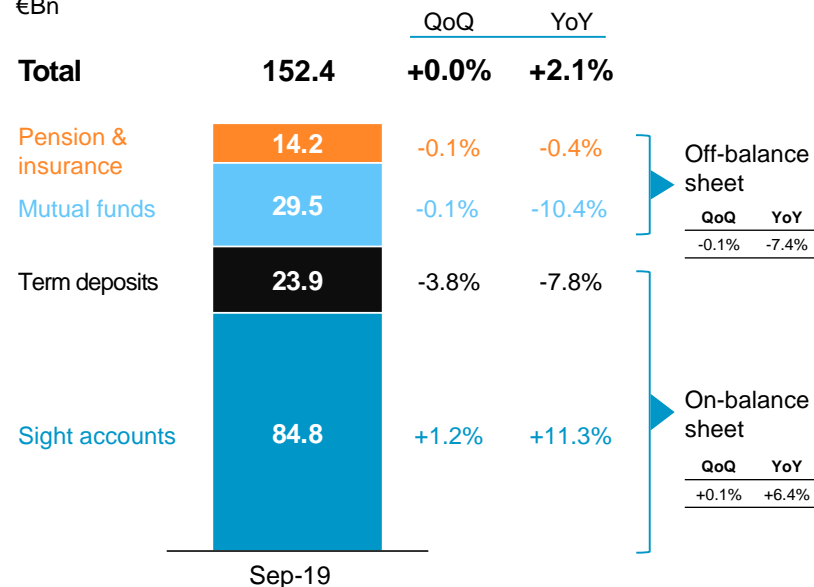
€Bn



- Credit growth was impacted QoQ by Q3 seasonality and maturities of large scale public sector loans, although volumes remained robust YoY

Customer funds

€Bn



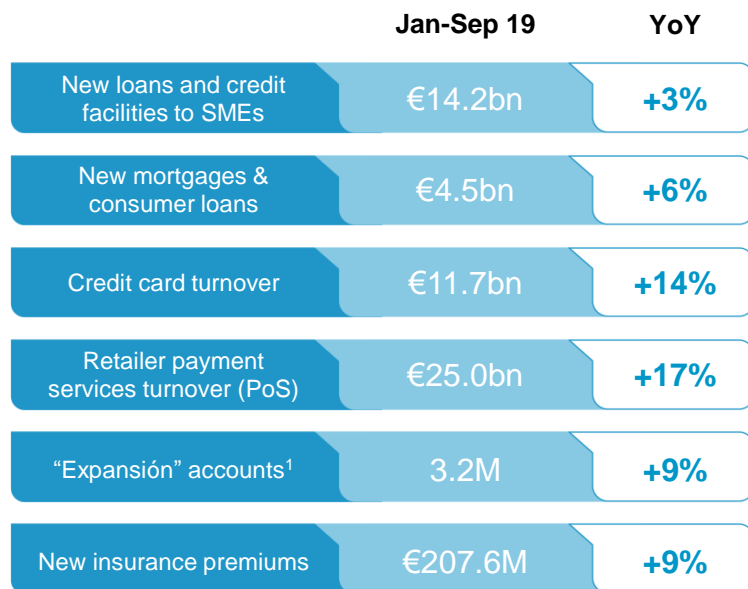
- Customer funds remained stable QoQ driven by lower savings rate environment and higher sight account balances, which grew less due to seasonality

Note: Excludes accrual adjustments. Performing loans exclude CAM APS NPL run-off. Mutual funds include managed accounts. ¹ % growth excludes the impact of €1.0bn consumer loan securitised in September 2019.

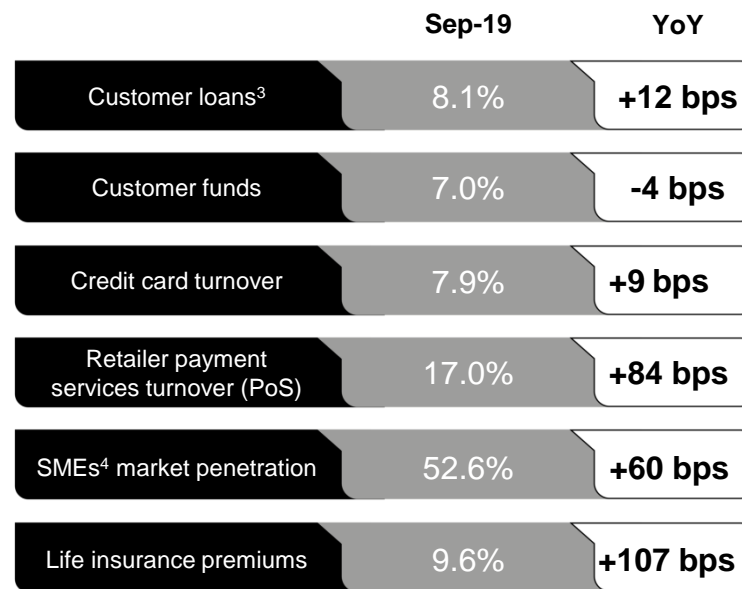
² Refers to residential mortgages to individuals within Spain only.

Strong commercial momentum across products in Spain

Activity across products



Market share²

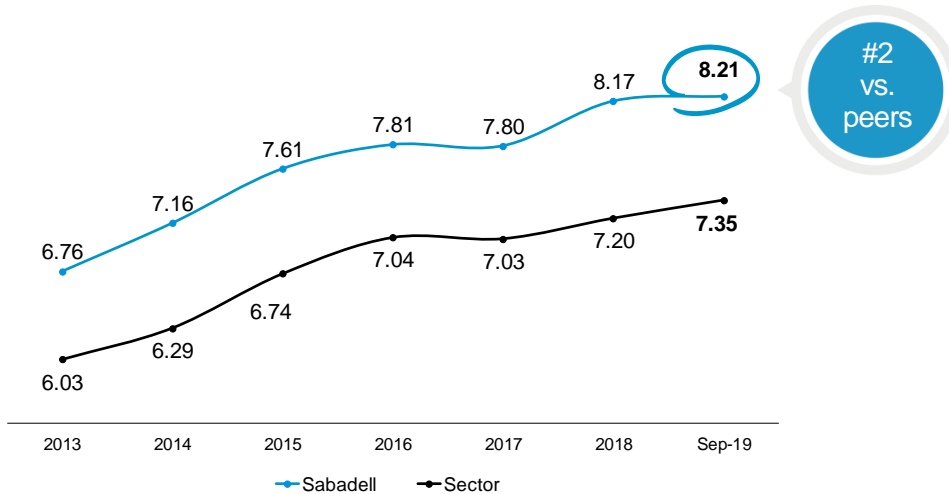


¹ Refers to number of "Expansión" accounts in stock as at Sep-19. ² 2019 figures correspond to latest data available. Sources include Bank of Spain, ICEA, Inverco and Servired. ³ Excluding repos and CAM APS NPL run-off.

⁴ Companies with a turnover between €0.9M and €10M.

Sabadell continues to stand out in service quality...

Evolution of the service quality index¹



Net promoter score (NPS)²

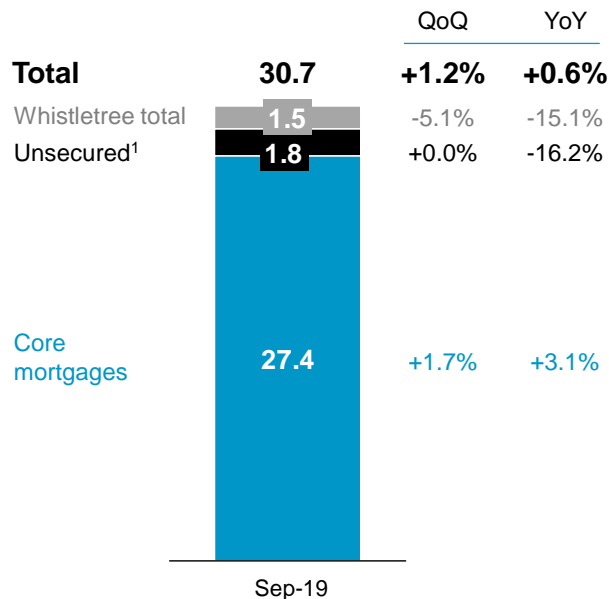
	2019	Ranking
SMEs	20%	1 st
Corporates	36%	2 nd
Personal banking	28%	2 nd
Retail banking	7%	3 rd

... which is one of Sabadell's main competitive advantages

TSB loans and deposits continued to grow

Net loans

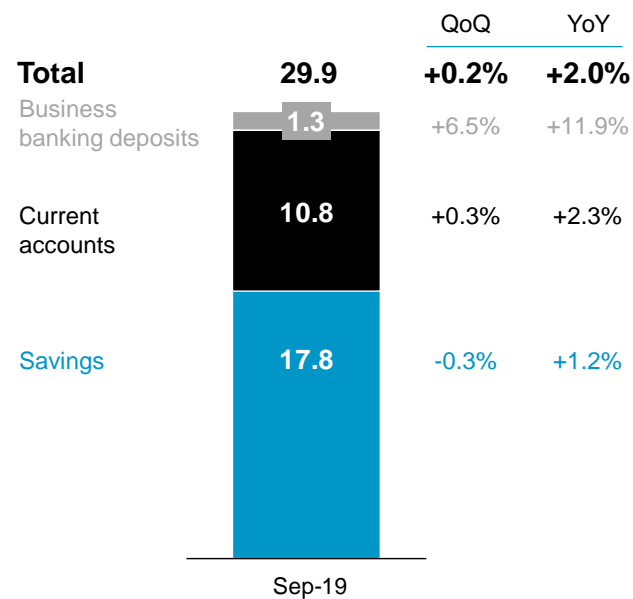
£Bn



- Net lending increased as strong mortgage applications performance continued to flow through to completions

Customer funds

£Bn



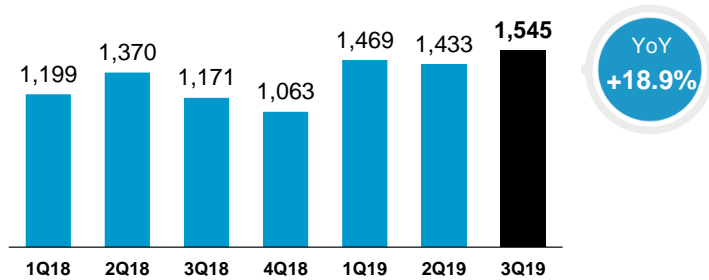
- Customer funds remained stable QoQ as current and business accounts growth offset savings account attrition

¹ Includes business banking.

Commercial momentum continues to build for TSB

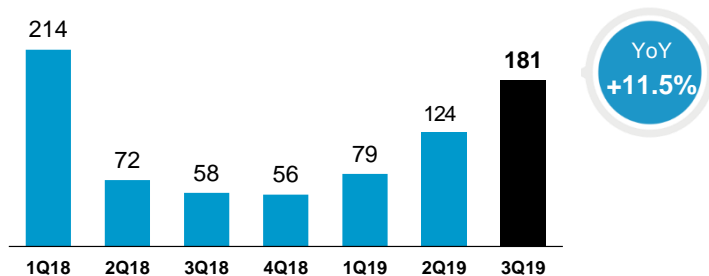
New mortgage lending

£M (broker + branch)

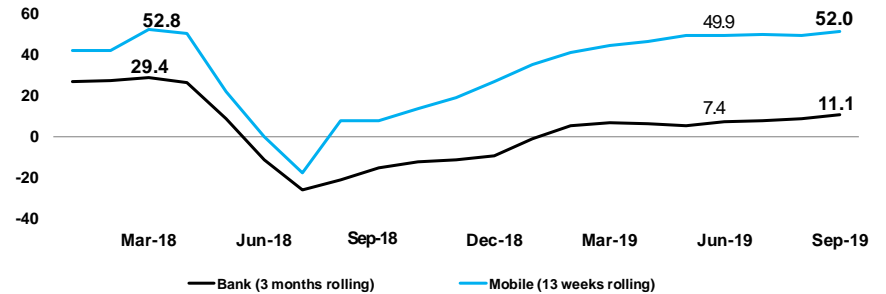


New unsecured lending¹

£M



NPS

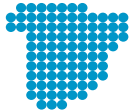
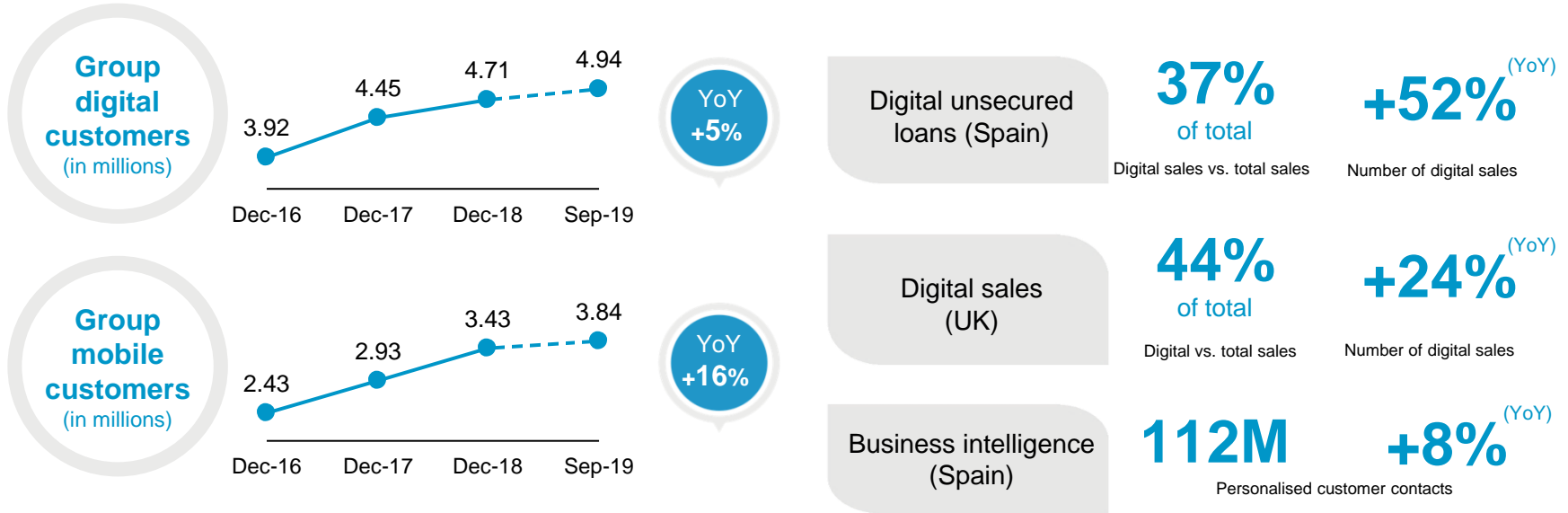


TSB's bank and mobile NPS continued to improve

Mobile NPS has almost returned to pre-migration levels

¹ Unsecured retail loans only.

Sabadell picks up the speed of its digital transformation



Launch of Nomo
New mobile app that helps the self-employed manage their personal finances

nomo



Partnership with Square
To make card payments accessible for TSB's Business Banking customers





2

Financial results

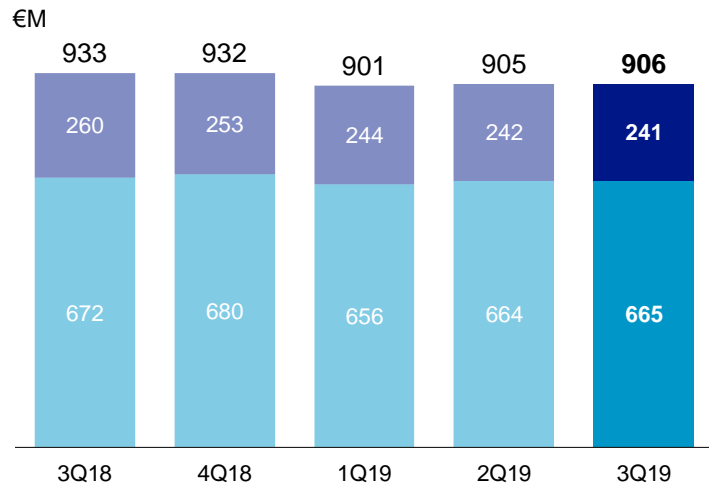
Income statement

€M	Sabadell Group				Sabadell ex-TSB			
	3Q19	9M19	%QoQ	%YoY	3Q19	9M19	%QoQ	%YoY
Net interest income	906	2,712	0.9%	-1.2%	665	1,985	0.2%	-0.5%
Fees & commissions	361	1,067	-0.3%	9.0%	330	980	-0.9%	6.8%
Core banking revenue	1,268	3,780	0.6%	1.5%	995	2,965	-0.2%	1.8%
Trading income & forex ¹	86	130	>100%	-44.0%	90	114	>100%	-46.1%
Other income & expenses	-13	-76	-82.9%	8.0%	-4	-66	-94.4%	>100%
Gross operating income	1,340	3,834	15.3%	-1.4%	1,082	3,014	19.3%	-3.0%
Operating expenses	-683	-2,023	2.1%	-8.1%	-462	-1,344	2.9%	-2.0%
Depreciation & amortisation	-117	-344	3.4%	28.3%	-83	-244	3.1%	19.0%
Pre-provisions income	540	1,467	42.4%	3.4%	537	1,426	42.3%	-6.8%
Total provisions & impairments ²	-194	-568	5.3%	-47.5%	-179	-520	4.2%	-43.3%
Gains on sale of assets and other results	-2	138	<-100%	>100%	0	140	<-100%	>100%
Profit before taxes	345	1,037	3.3%	>100%	357	1,046	3.5%	70.3%
Taxes and minority interest	-94	-255	55.4%	>100%	-99	-258	48.5%	76.3%
Attributable net profit	251	783	-8.3%	>100%	258	788	-7.3%	68.5%

Net profit positively impacted by the capital gain on consumer loan securitisation (€88M)¹, partially offset by provisions associated with the disposal of the “REX” NPA portfolio (-€28M)²

NII increased due to volumes and an additional calendar day

Group net interest income evolution

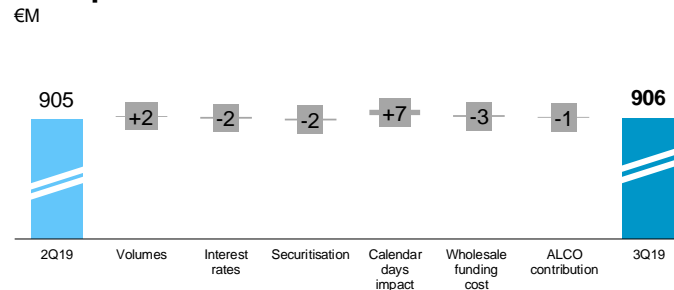


	QoQ	YoY
Sabadell, ex-TSB	+0.2%	-0.5%
TSB	+2.9%	-2.6%

■ Sabadell ex-TSB
■ TSB

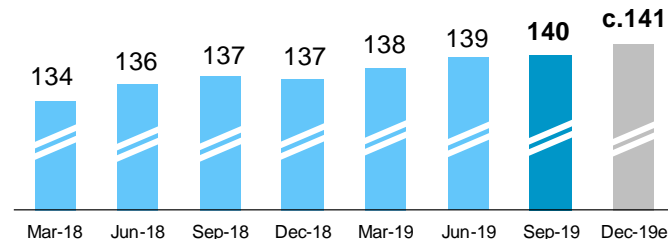
- An additional decrease of 10bps in all relevant rates¹ would impact NII by -€17M in the 12 months following the rate cut

Group net interest income QoQ evolution



Group loans evolution

€Bn. Quarterly average balance. Dec-19e data adjusted for €1bn securitisation



High structural resilience to interest rates

Assets

Performing loan portfolio composition

Sabadell Spain

Mortgages

- 60% of mortgage balances linked to Euribor, repricing once a year
- Switch towards fixed rate mortgages (40% of balances and 73% of new production)
- Front book pricing (generally) at higher yield than the back book

SMEs & Corporates

- Shorter-duration, predominantly fixed rate / with Euribor floor (86% of balances, c.100% of new production)

Others

- Predominantly fixed rate / with Euribor floor (77% of back book and c.97% of new production)

✓ 65% of lending is non-sensitive to decreases in Euribor

ALCO portfolio maturity profile

✓ Only 11% of the ALCO portfolio will mature over the next two years with a yield of 1.3%

Liabilities

Deposit base composition



€39bn wholesale deposits, which represents 36% of total on-balance sheet customer funds

Currently we are passing through the cost of negative interest rates to **€2.5bn** of these wholesale deposits

✓ Potential for re-pricing of wholesale deposits

Wholesale funding cost



Expensive wholesale funding maturities in 4Q19 - 1H20:

- €413M Tier 2 (6.25% coupon) maturing in Apr-20
- €524M covered bonds (coupon >4%) maturing in Nov-19

✓ Cost of wholesale funding to improve in 2020

New ECB measures



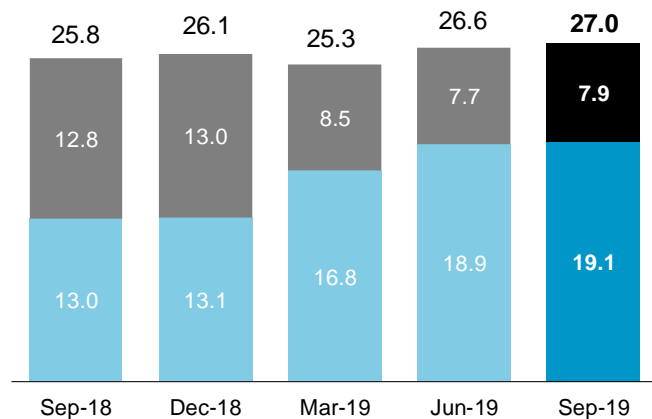
Tiering will exempt **c.€6.4bn** of deposits currently at the ECB from deposit facility rate (currently at -0.5%) effective from 30th October

✓ Tiering related savings of c.€32M yearly

ALCO contribution to NII to remain stable

Increasing long-dated amortised cost portfolio...

Fixed income portfolio evolution. Sabadell Group. €Bn



■ Fair Value OCI ■ Amortised cost

1.2%
Yield
(Sep-19)

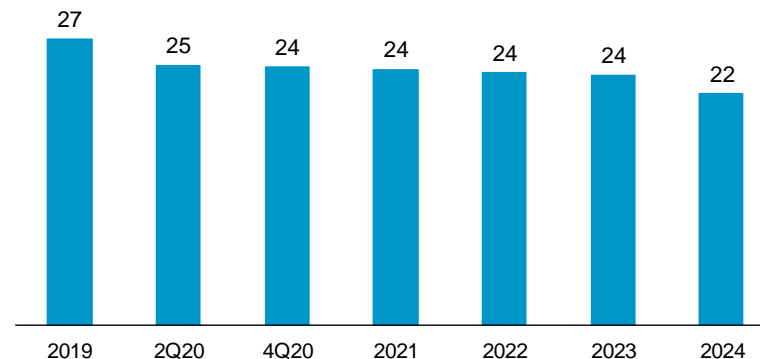
5 yrs
Duration¹
(Sep-19)

9 yrs
Avg. maturity
(Sep-19)

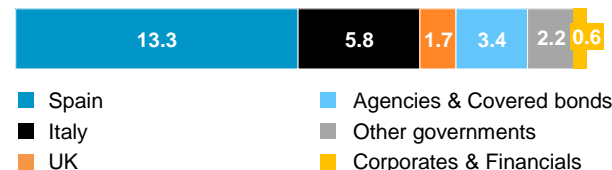
... and low reinvestment risk

Fixed income portfolio run-off. Sabadell Group. €Bn

Only 11% of the ALCO portfolio will mature over the next two years and 19% in the next five years



Fixed income portfolio composition. Sabadell Group. €Bn

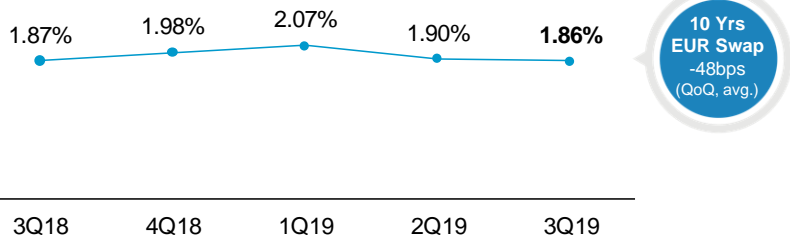


Note: Fixed income portfolio excludes the trading portfolio. ¹ Duration includes the impact of hedges.

Managing front book pricing despite the decline in rates

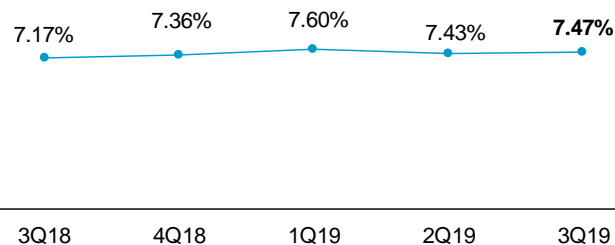
Mortgages to individuals

Yield in Spain



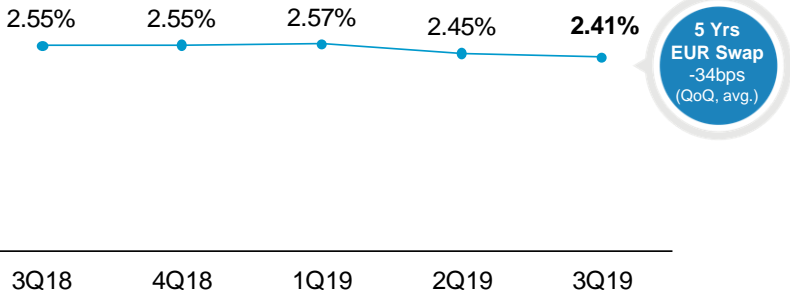
Consumer loans

Yield in Spain. Excludes Sabadell Consumer Finance



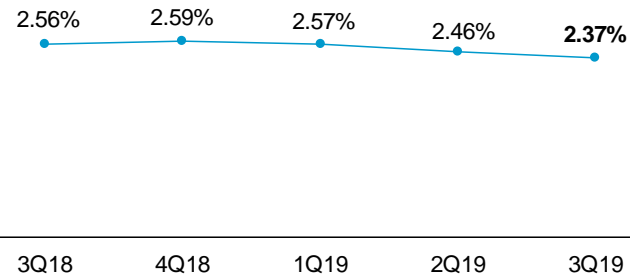
Loans to SMEs and Corporates

Yield in Spain



Credit line for SMEs and Corporates

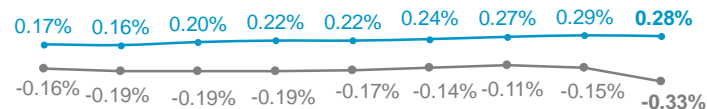
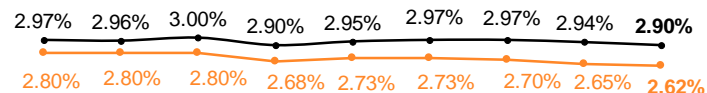
Yield in Spain



Customer loan yield and cost of funds evolution

Sabadell Group

In euros



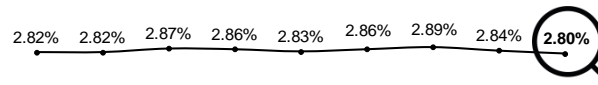
- Customer loan yield
- Cost of customer funds
- Customer spread
- Euribor 12M (quarterly average)

- Group customer spread impacted mostly by lower long-term rates

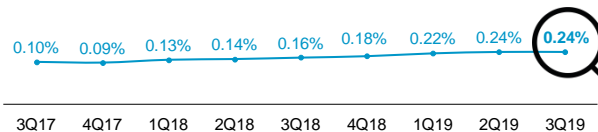
Note: All data is considered on a like-for-like basis for comparison purposes.

Sabadell ex-TSB

In euros



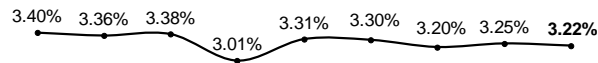
	2Q19	3Q19
Spain	2.61%	2.55%



	2Q19	3Q19
Spain	0.07%	0.07%

TSB

In euros

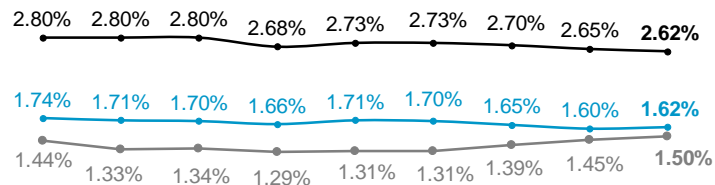


3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19

Customer spread, net interest margin and wholesale funding cost evolution

Sabadell Group

In euros



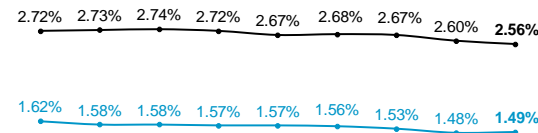
3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19

— Customer spread — Net interest margin (NIM) as % of ATA
— Wholesale funding cost

- Group NIM grew QoQ driven by TLTRO-II and TFS repayments, partially offset by lower loan yields and the cost of new MREL issuances

Sabadell ex-TSB

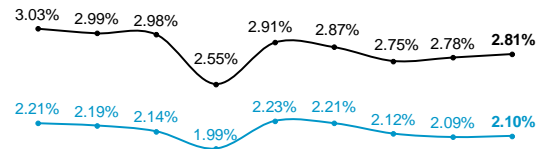
In euros



3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19

TSB

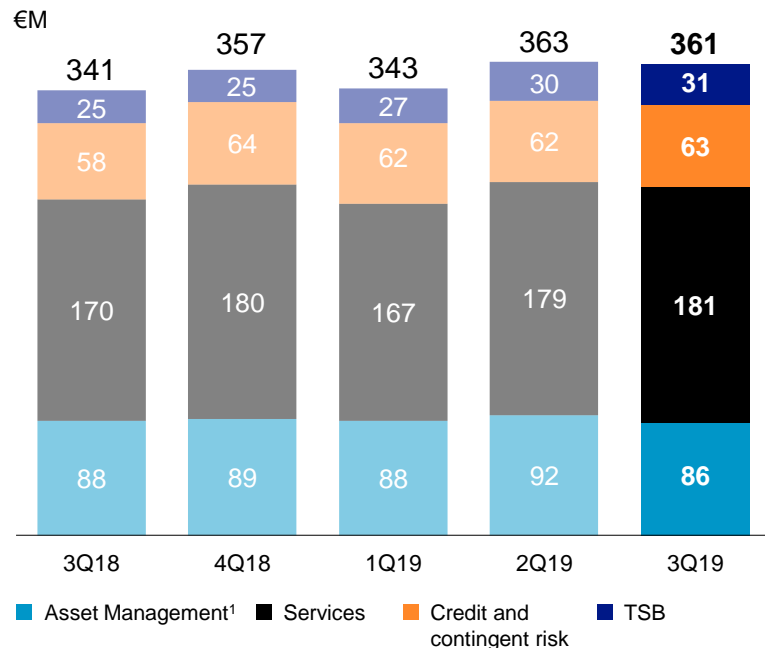
In euros



3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19

Fees & commissions remained stable QoQ

Group fees & commissions evolution



YoY
+9.0%
Group

QoQ
-0.3%
Group

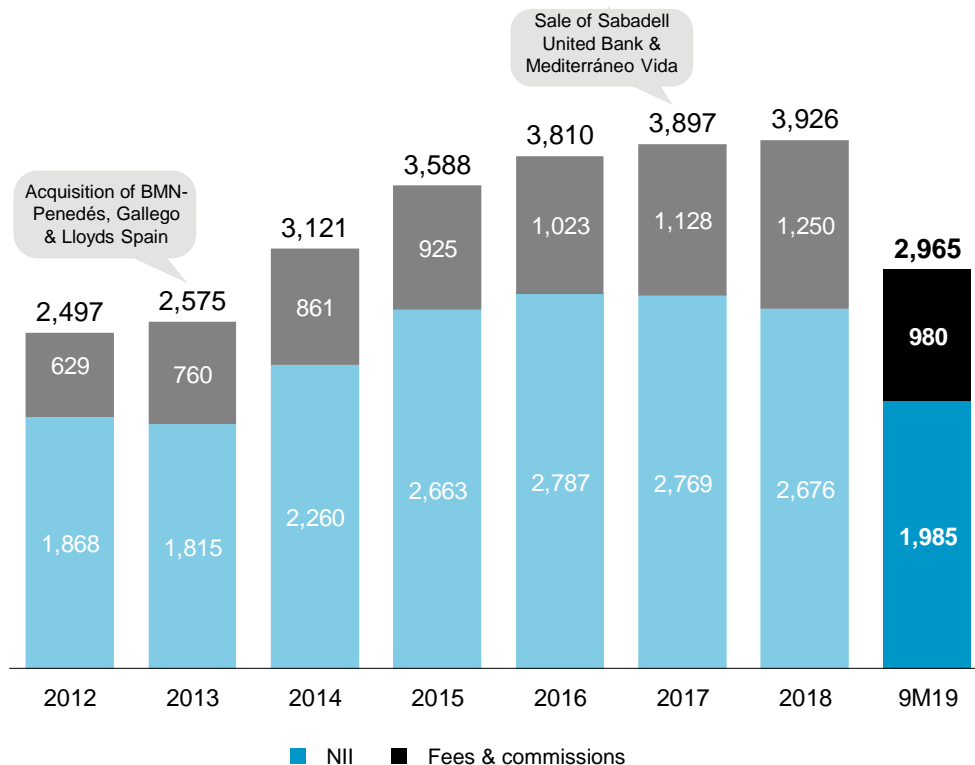
	QoQ	YoY
Sabadell, ex-TSB	-0.9%	+6.8%
of which		
Credit and contingent risk	+2.0%	+8.1%
Services	+0.9%	+11.0%
Asset Mgmt. ¹	-6.3%	-1.5%
TSB	+6.1%	+44.4%

- Fees & commissions quarterly performance has been impacted by asset management fees seasonality
- Performance YoY remained strong and in line with guidance

Resilient core banking revenue over the years

Core banking revenue evolution, ex-TSB

€M



Strong core banking revenue growth...



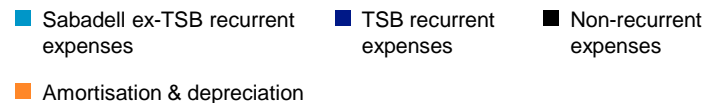
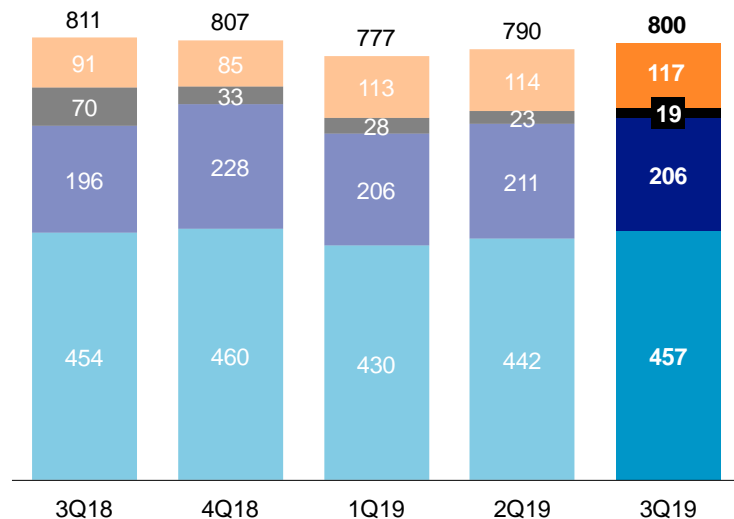
... in a challenging interest rate environment



Efficiency on track to meet our YE target of c.55%

Group expenses evolution

€M



Recurrent expenses & amortisation	QoQ	YoY
Sabadell, ex-TSB	+3.3%	+0.5%
TSB	+1.3%	+4.9%

- Costs increased QoQ driven by general expenses at ex-TSB, partially offset by lower recurrent personnel costs at TSB
- Non-recurrent expenses included €15M of restructuring costs at TSB (which amounted to €25M YtD)

Efficiency ratio
(excl. amortisation), YtD

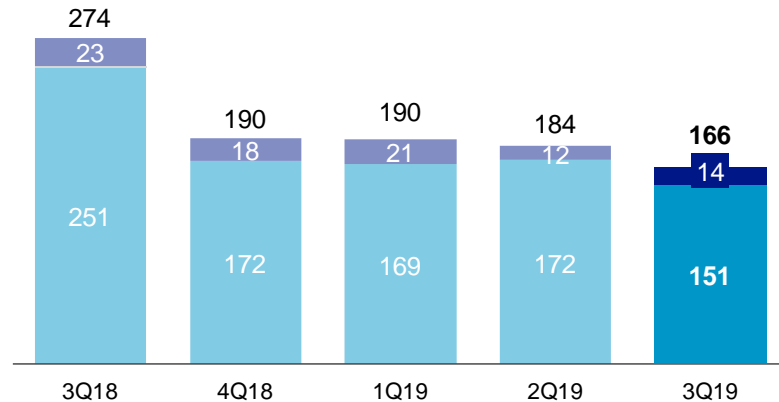
54.1%

Note: Group and TSB growth rates expressed in constant FX.

Cost of risk continued to improve in the quarter

Group total provisions¹

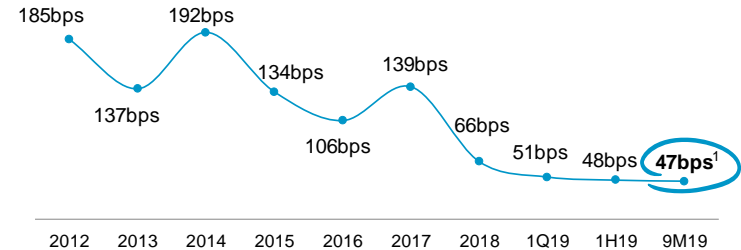
€M



■ Sabadell ex-TSB ■ TSB



Cost of risk has decreased significantly over the last few years



Note: Group growth rate is expressed in constant FX. ¹ Excludes €177.1M of extraordinary provisions for the large institutional NPA sales announced in 2Q18 and customer redress provisions at TSB of €92.4M in 2Q18 and €49.7M in 4Q18. Additionally, 3Q19 excludes €28M of extraordinary provisions associated with the disposal of the "REX" NPA portfolio.



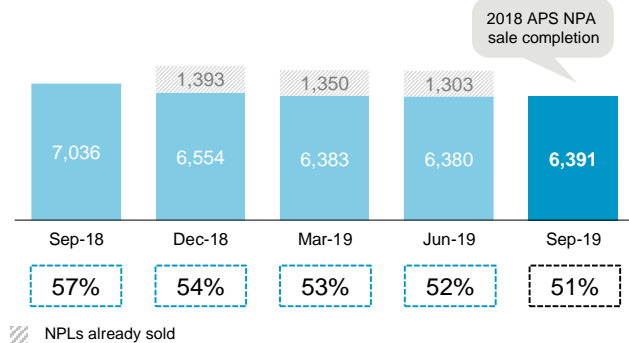
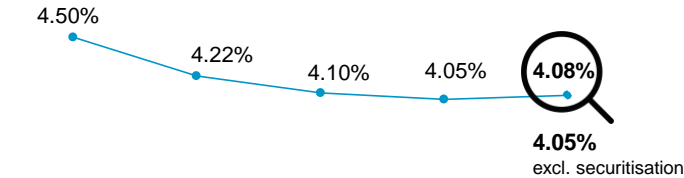
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Balance sheet

Sabadell decreased its NPA ratio from 9.1% to 5.0% YoY

Group NPLs, ratio and coverage

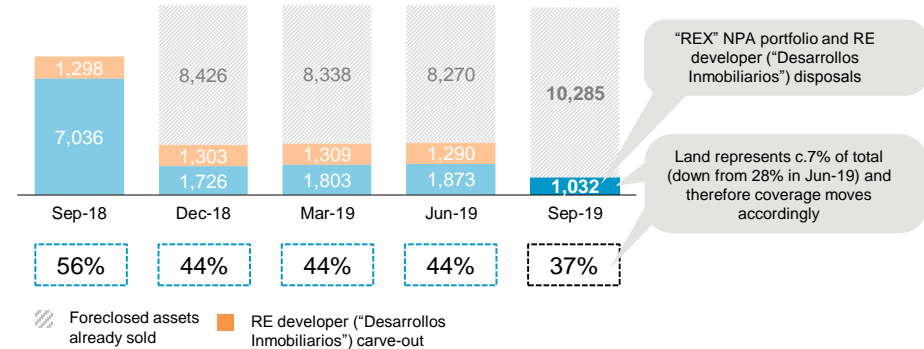
€M



▨ NPLs already sold

Group foreclosed assets and coverage

€M



Group NPAs and key ratios

€Bn

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Total NPAs	14.1	8.3	8.2	8.3	7.4
Coverage	57%	52%	51%	50%	49%
NPA ratio ¹	9.1%	5.6%	5.5%	5.5%	5.0%
Net NPAs / total assets	2.8%	1.8%	1.8%	1.8%	1.7%

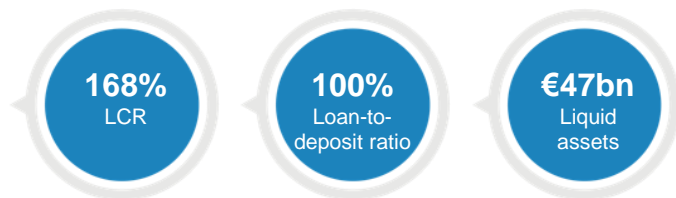
QoQ
-€829M
 Group

Note: Includes contingent risk. NPAs include 100% of APS exposure from 4Q18 onwards to reflect reporting change. See appendix for further details. ¹NPAs / (gross loans + foreclosed assets). Gross loans includes accrual adjustments.

Strong liquidity position

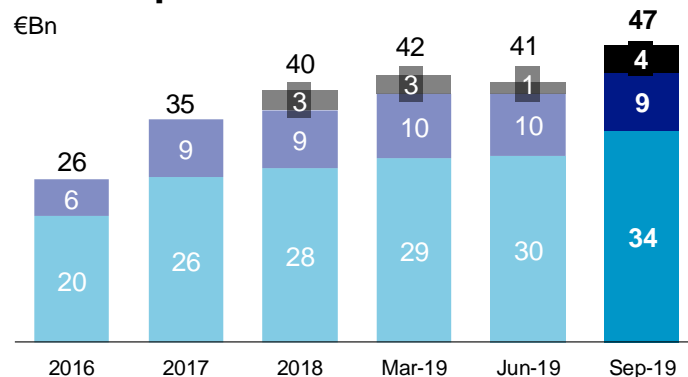
Liquidity indicators

Sabadell Group



Total liquid assets

€Bn



■ Sabadell, ex-TSB HQLAs ■ TSB HQLAs ■ Other assets eligible as ECB collateral

Credit ratings

Group long-term credit rating and outlook - senior unsecured (preferred)

Standard & Poor's	BBB Stable	Fitch Ratings	BBB Stable
Moody's	Baa3 Stable	DBRS	A (low) Stable

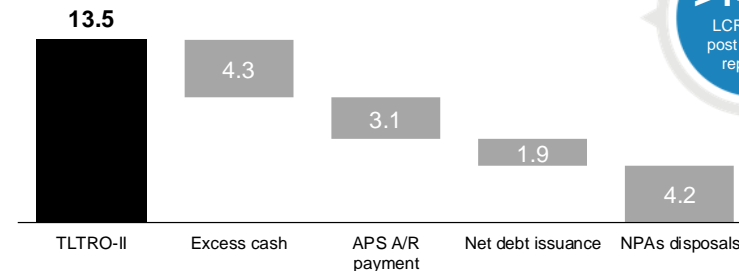
TLTRO-II repayment plan

€Bn

€13.5bn within the TLTRO-II scheme:

- €3.0bn maturing in 2Q20 and €10.5bn in 1Q21
- €2.0bn TLTRO-II was repaid in the quarter

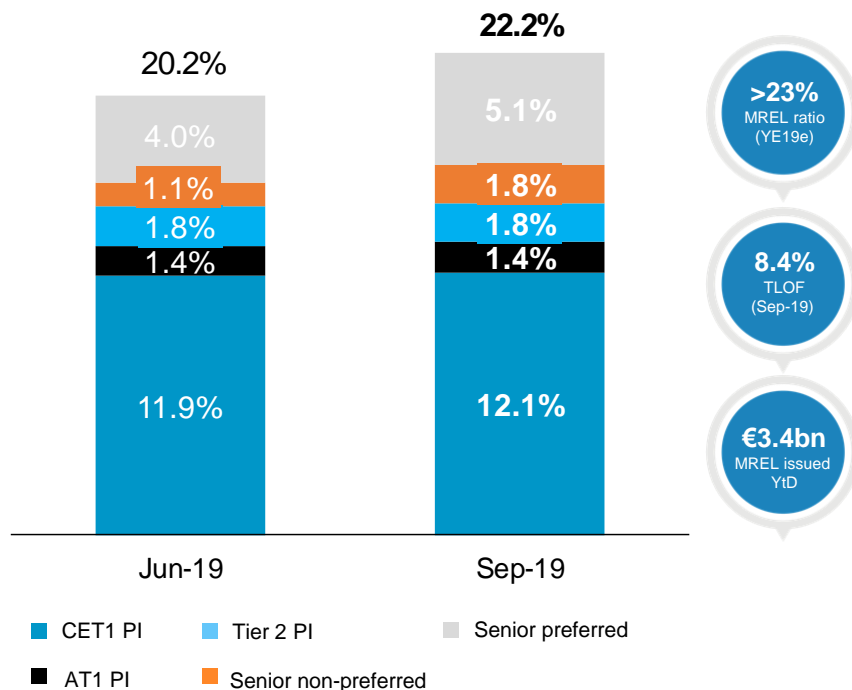
€10.3bn deposited at the ECB



Meeting the MREL requirement

MREL evolution, Sabadell Group

% RWA



Sabadell has continued to access the market successfully in Q3

- €0.5bn senior non preferred (1.125% coupon)
- €1bn senior preferred (0.875% coupon)
- €1bn consumer loan securitisation

2019 debt issuance plan

AT1 and T2

- Buckets nearly completed

Senior non preferred

- Completed

Senior preferred

- Additional benchmark transaction

Covered bonds & Securitisation

- Completed

Only one benchmark transaction expected for the rest of the year

14bps of capital generation with €1bn securitisation

Portfolio description

€1bn consumer loans

7.42% weighted average interest rate

1.8 years weighted average life

Transaction rationale

- ✓ Efficient funding and capital management tool

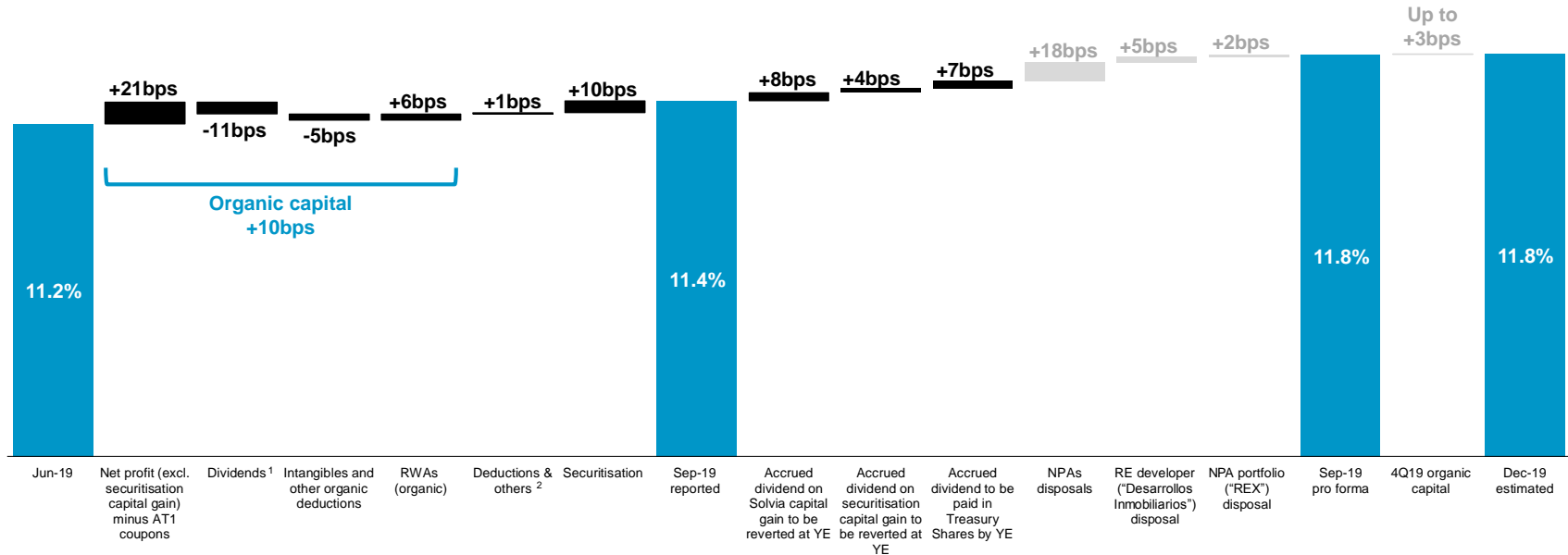
Financial impacts

- **Performing loans:** -€1bn (3Q19)
- **NII:** -€23M (4Q19e), -€54M (2020e), -€32M (2021e), -€17M (2022e), -€8M (2023e) and -€3M (2024e)
- **Gain on sale (trading income):** c.+€88M (3Q19)
- **Provisions:** no future provisions related to this portfolio
- **RWAs savings:** -€488M
- **Capital:** +14bps of FL CET1

Core capital generated at an implicit cost of just 5%

Executing on the FL CET1 rebuild, pro forma at 11.8%

QoQ FL CET1 evolution



- TRIM reviews have covered and concluded on the Retail Mortgages, SMEs and Corporates portfolios. The impacts have been fully absorbed to date
- One portfolio is still under review, a c. €3bn RWA low default portfolio with a current density of 50%

¹ Dividends accrued according to last year's pay-out, i.e. 50% pay-out of reported profit. ² Includes fixed income portfolio fair value reserve adjustments.

Sep-19 RWAs: €82,726M

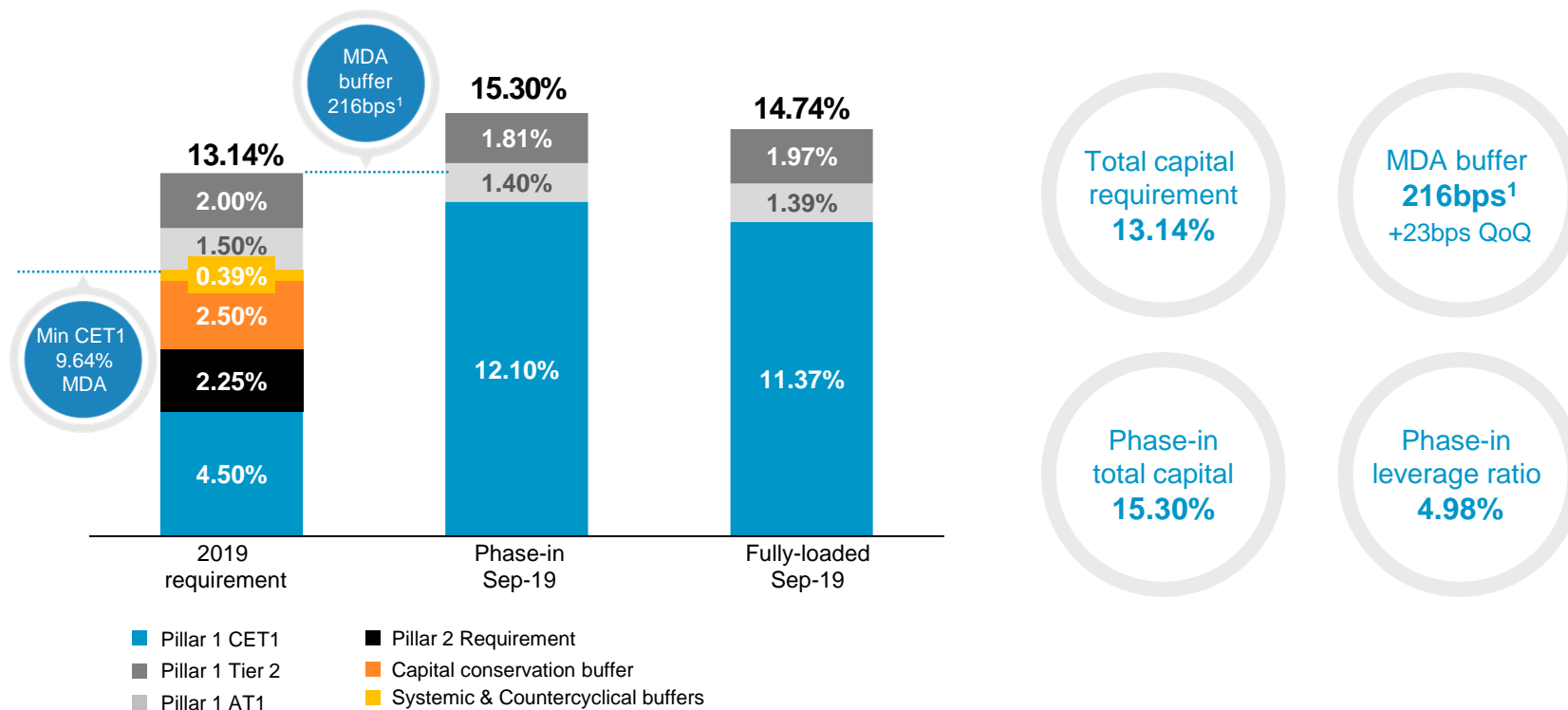
Of which:

- Credit risk: €65bn
- Market risk: €1bn
- Operational risk: €8bn
- DTAs & others: €8bn

Of which:

- Spain: €67bn
- UK: €12bn
- Mexico: €4bn

Group total reported capital vs. requirements



¹ Total capital as at September 2019 vs. requirements.



4

Closing remarks

Closing remarks



Continued commercial dynamism and resilient **core banking revenue**



Sound risk profile with decreasing CoR and NPAs



Delivering on shareholder value



Executing on capital rebuild, **FL CET1 pro forma at 11.8%**

Save the date



TSB Investor & Analyst Day 2019

 31

25th November 2019



For further information please send an email to:

Investorrelations@bancsabaddell.com



appendix

1 Financial statement

2 Business profile

3 Customer spread

4 Funding structure

5 Asset Quality

6 Share data

7 Glossary

1. Detailed quarterly income statement

€M	Sabadell Group					Sabadell ex-TSB			
	3Q18	2Q19	3Q19	%QoQ constant FX	%QoQ	3Q18	2Q19	3Q19	%QoQ
Net interest income	933	905	906	0.9%	0.1%	672	664	665	0.2%
Fees & commissions	341	363	361	-0.3%	-0.6%	316	333	330	-0.9%
Core banking revenue	1,274	1,269	1,268	0.6%	-0.1%	988	997	995	-0.2%
Trading income & forex	-13	-23	86	>100%	>100%	-8	-27	90	>100%
Other income & expenses	-9	-77	-13	-82.9%	-83.2%	-1	-63	-4	-94.4%
Gross operating income	1,252	1,169	1,340	15.3%	14.6%	980	907	1,082	19.3%
Personnel recurrent costs	-392	-404	-399	-0.6%	-1.4%	-294	-305	-307	0.6%
Administrative recurrent costs	-258	-249	-265	7.8%	6.3%	-160	-137	-150	9.4%
Non-recurrent costs	-70	-23	-19	-12.1%	-14.2%	-4	-6	-4	-28.6%
Depreciation & amortisation	-91	-114	-117	3.4%	2.5%	-68	-81	-83	3.1%
Pre-provisions income	441	380	540	42.4%	42.4%	453	377	537	42.3%
Total provisions & impairments	-274	-184	-194	5.3%	5.1%	-251	-172	-179	4.2%
Gains on sale of assets and other results	-1	139	-2	<-100%	<-100%	-1	140	0	<-100%
Profit before taxes	166	334	345	3.3%	3.4%	202	345	357	3.5%
Taxes and minority interest	-39	-61	-94	55.4%	55.5%	-52	-67	-99	48.5%
Attributable net profit	127	273	251	-8.3%	-8.2%	150	279	258	-7.3%

1. Detailed 9M income statement

€M	Sabadell Group				Sabadell ex-TSB		
	9M18	9M19	%YoY constant FX	%YoY	9M18	9M19	%YoY
Net interest income	2,743	2,712	-1.2%	-1.1%	1,996	1,985	-0.5%
Fees & commissions	978	1,067	9.0%	9.1%	918	980	6.8%
Core banking revenue	3,721	3,780	1.5%	1.6%	2,913	2,965	1.8%
Trading income & forex	233	130	-44.0%	-44.0%	212	114	-46.1%
Other income & expenses	-70	-76	8.0%	7.8%	-19	-66	>100%
Gross operating income	3,883	3,834	-1.4%	-1.3%	3,106	3,014	-3.0%
Personnel recurrent costs	-1,169	-1,189	1.6%	1.7%	-874	-902	3.1%
Administrative recurrent costs	-817	-764	-6.6%	-6.5%	-486	-428	-11.9%
Non-recurrent costs	-213	-70	-66.9%	-66.9%	-12	-14	20.3%
Depreciation & amortisation	-268	-344	28.3%	28.4%	-205	-244	19.0%
Pre-provisions income	1,416	1,467	3.4%	3.6%	1,529	1,426	-6.8%
Total provisions & impairments	-1,081	-568	-47.5%	-47.5%	-918	-520	-43.3%
Gains on sale of assets and other results	3	138	>100%	>100%	2	140	>100%
Profit before taxes	339	1,037	>100%	>100%	614	1,046	70.3%
Taxes and minority interest	-91	-255	>100%	>100%	-146	-258	76.3%
Attributable net profit	248	783	>100%	>100%	468	788	68.5%

Note: EURGBP exchange rate: 0.8844 used for 9M19 P&L.

1. Detailed income statement, TSB

Quarterly income statement

£M	TSB			
	3Q18	2Q19	3Q19	%QoQ
Net interest income	232	211	217	2.9%
Fees & commissions	23	26	28	6.1%
Core banking revenue	255	238	245	3.2%
Trading income & forex	-5	4	-4	<-100%
Other income & expenses	-7	-12	-8	-28.1%
Gross operating income	243	230	233	1.4%
Operating expenses	-233	-199	-199	0.4%
Personnel expenses	-94	-94	-94	-0.4%
Other general expenses	-139	-105	-106	1.1%
Memo line:				
Recurrent expenses	-175	-184	-186	0.9%
Non-recurrent expenses	-58	-14	-14	-6.0%
Amortisation & depreciation	-21	-29	-30	3.9%
Pre-provisions income	-11	2	3	73.2%
Total provisions & impairments	-21	-11	-13	22.6%
Gains on sale of assets and other results	0	-1	-1	0.0%
Profit before taxes	-32	-10	-11	-10.4%
Taxes and minority interest	11	5	4	-20.9%
Attributable net profit	-20	-5	-7	-45.9%

9M income statement

£M	TSB		
	9M18	9M19	%YoY
Net interest income	661	643	-2.6%
Fees & commissions	54	77	44.5%
Core banking revenue	714	720	0.9%
Trading income & forex	18	14	-21.7%
Other income & expenses	-45	-9	-79.6%
Gross operating income	687	725	5.6%
Operating expenses	-731	-600	-17.9%
Personnel expenses	-280	-274	-2.0%
Other general expenses	-451	-326	-27.8%
Memo line:			
Recurrent expenses	-553	-550	-0.5%
Non-recurrent expenses	-178	-50	-72.0%
Amortisation & depreciation	-56	-88	58.9%
Pre-provisions income	-100	37	>100%
Total provisions & impairments	-144	-42	-70.7%
Gains on sale of assets and other results	1	-2	<-100%
Profit before taxes	-243	-7	96.9%
Taxes and minority interest	49	3	-94.2%
Attributable net profit	-194	-5	97.6%

Note: EURGBP exchange rate: 0.8747 used for 2Q19 P&L, 0.9015 used for 3Q19 P&L, 0.8759 used for 9M18 P&L and 0.8844 used for 9M19 P&L.

1. Detailed balance sheet

	Sabadell Group								Sabadell ex-TSB				
	Sep-18	Jun-19	Sep-19	%QoQ constant FX	%QoQ	%YoY constant FX	%YoY	Sep-18	Jun-19	Sep-19	%QoQ	%YoY	
€M													
Total assets	217,751	224,852	222,809	-1.2%	-0.9%	2.3%	2.3%	171,547	178,204	175,763	-1.4%	2.5%	
Of which:													
Gross loans to customers ex repos ¹	147,203	147,993	147,216	-0.2%	0.2%	0.6%	0.7%	112,184	113,613	111,884	-0.6%	0.6%	
Performing loans	140,234	141,703	140,901	-0.2%	0.1%	1.1%	1.2%	105,735	107,853	106,102	-0.7%	1.3%	
Performing loans ex-APS²	135,483	138,611	137,809	-0.2%	0.1%	2.4%	2.5%	100,983	104,761	103,011	-0.7%	3.0%	
Fixed income portfolio	26,270	27,246	27,654	1.4%	1.5%	5.2%	5.3%	23,606	25,120	25,019	-0.4%	6.0%	
Total liabilities	205,558	212,137	209,752	-1.4%	-1.1%	2.0%	2.0%	161,563	167,646	164,877	-1.7%	2.1%	
Of which:													
On-balance sheet customer funds	135,152	141,862	142,416	0.1%	0.4%	5.3%	5.4%	102,131	108,620	108,690	0.1%	6.4%	
Term funds ³	28,654	28,255	27,286	-3.6%	-3.4%	-4.8%	-4.8%	25,963	24,896	23,939	-3.8%	-7.8%	
Sight accounts	106,499	113,607	115,130	1.0%	1.3%	8.0%	8.1%	76,168	83,724	84,751	1.2%	11.3%	
Wholesale funding	20,750	21,583	22,850	5.7%	5.9%	10.1%	10.1%	18,997	19,167	20,459	6.7%	7.7%	
ECB funding	20,500	15,500	14,281	-7.9%	-7.9%	-30.3%	-30.3%	20,500	15,500	14,281	-7.9%	-30.3%	
BoE funding	7,292	7,217	6,797	-7.0%	-5.8%	-7.0%	-6.8%	0	0	0	--	--	
Off-balance sheet funds	47,159	43,720	43,689	-0.1%	-0.1%	-7.4%	-7.4%	47,159	43,720	43,689	-0.1%	-7.4%	
Of which:													
Mutual funds	28,882	26,127	26,145	0.1%	0.1%	-9.5%	-9.5%	28,882	26,127	26,145	0.1%	-9.5%	
Pension funds	3,801	3,708	3,670	-1.0%	-1.0%	-3.5%	-3.5%	3,801	3,708	3,670	-1.0%	-3.5%	
Third party insurance products	10,456	10,514	10,536	0.2%	0.2%	0.8%	0.8%	10,456	10,514	10,536	0.2%	0.8%	
Managed accounts	4,019	3,371	3,337	-1.0%	-1.0%	-17.0%	-17.0%	4,019	3,371	3,337	-1.0%	-17.0%	
Total customer funds	182,311	185,581	186,105	0.0%	0.3%	2.0%	2.1%	149,290	152,340	152,379	0.0%	2.1%	

Note: The EURGBP exchange rate of 0.8857 used for this quarter's balance sheet is the closing exchange rate as at September 2019. Excludes the impact of €1.0bn consumer loans securitised in September 2019. ¹ Includes accrual adjustments. ² Excludes CAM APS NPL run-off. ³ Term funds include term deposits and other funds placed via the branch network and exclude repos and deposits from institutional clients.

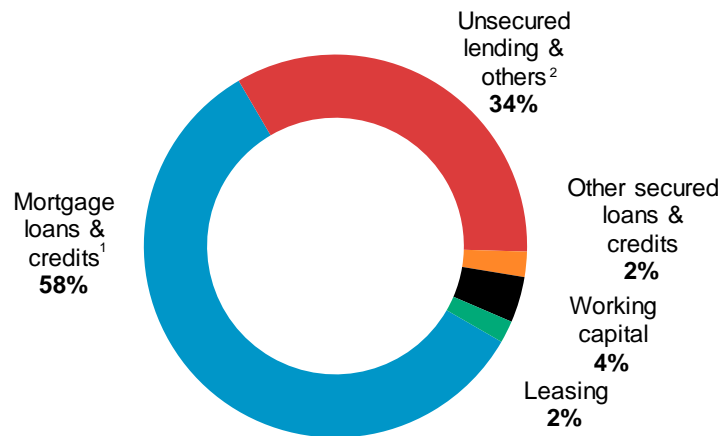
1. Detailed balance sheet, TSB

£M	Sep-18	Jun-19	Sep-19	%QoQ	%YoY
Cash, cash balances at central banks and other demand deposits	6,362	7,945	6,622	-16.7%	4.1%
Financial assets held for trading and fair value with changes in PL	120	115	179	56.0%	49.9%
Financial assets in fair value OCI	2,373	1,575	1,823	15.8%	-23.2%
Financial assets at amortised cost	31,392	31,444	32,252	2.6%	2.7%
Tangible assets	162	312	304	-2.5%	87.6%
Intangible assets	16	20	19	-6.7%	15.7%
Other assets	394	361	425	17.7%	8.1%
Total assets	40,819	41,773	41,625	-0.4%	2.0%
Financial liabilities held for trading and fair value with changes in PL	62	84	155	85.7%	149.9%
Financial liabilities at amortised cost	37,905	39,168	38,834	-0.9%	2.4%
Provisions	96	32	27	-17.7%	-72.3%
Other liabilities	1	1	1	20.6%	-17.2%
Subtotal liabilities	38,974	39,909	39,770	-0.3%	2.0%
Shareholders' equity	1,815	1,861	1,861	0.0%	2.5%
Accumulated other comprehensive income	30	3	-6	--	--
Net equity	1,845	1,864	1,855	-0.5%	0.5%
Total liabilities and equity	40,819	41,773	41,625	-0.4%	2.0%

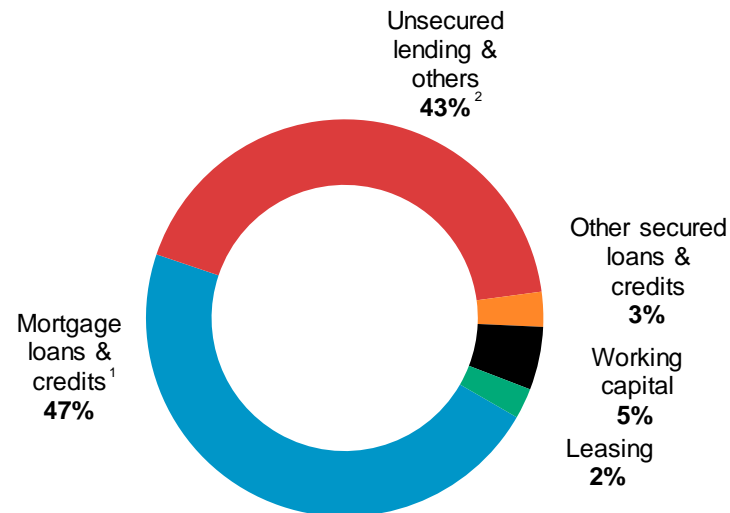
Note: The EURGBP exchange rate of 0.8857 used for this quarter's balance sheet is the closing exchange rate as at September 2019.

2. Performing loans by product type

Sabadell Group

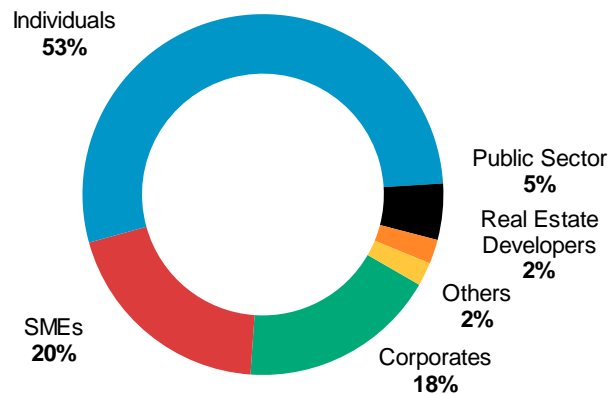


Sabadell ex-TSB

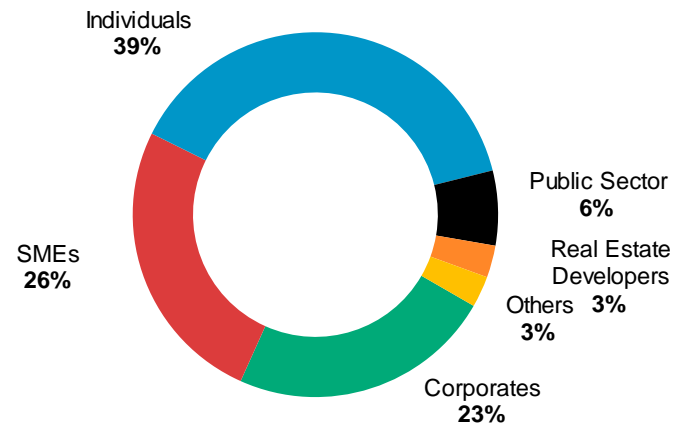


2. Business mix by customer type

Sabadell Group



Sabadell ex-TSB



2. Performance by customer type

Performing loans: performance by customer type, ex-TSB (excl. APS)

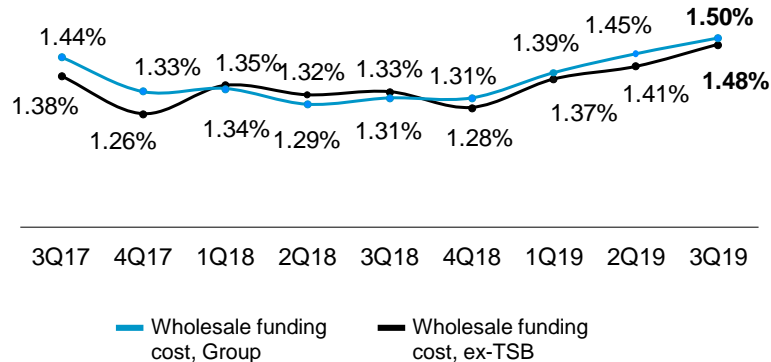
€M

	Jun-19	New lending	Attrition	Sep-19	% QoQ	% YoY
Corporates	25,624	2,327	-2,258	25,693	+0.3%	+6.0%
SMEs	25,883	2,780	-2,920	25,743	-0.5%	+3.2%
Mortgages to individuals ¹	30,679	711	-972	30,418	-0.9%	-2.3%
Other lending to individuals	11,410	936	-1,955	10,391	-0.2% ²	+10.6% ²
Public Administrations	7,724	106	-497	7,334	-5.1%	+9.4%
Construction and Real Estate sectors	3,441	350	-360	3,432	-0.3%	-6.4%
Total Sabadell, ex-TSB (excl. APS)³	104,761	7,211	-8,962	103,011	-0.7%²	+3.0%²

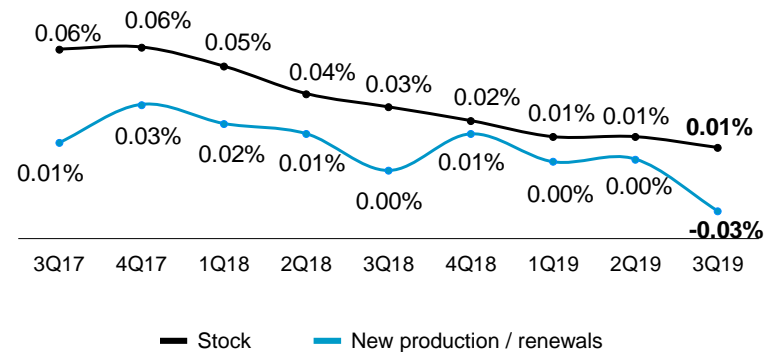
Note: Excludes accrual adjustments.¹ Refers to residential mortgages to individuals within Spain only. ² % growth excludes the impact of €1.0bn consumer loan securitised in September 2019. ³ Excludes CAM APS NPL run-off.

3. Wholesale funding cost and rates on term deposits

Wholesale funding cost¹



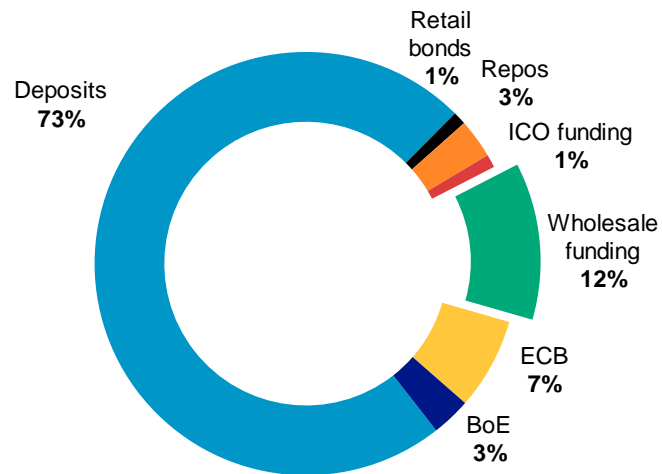
Euro term deposits, ex-TSB



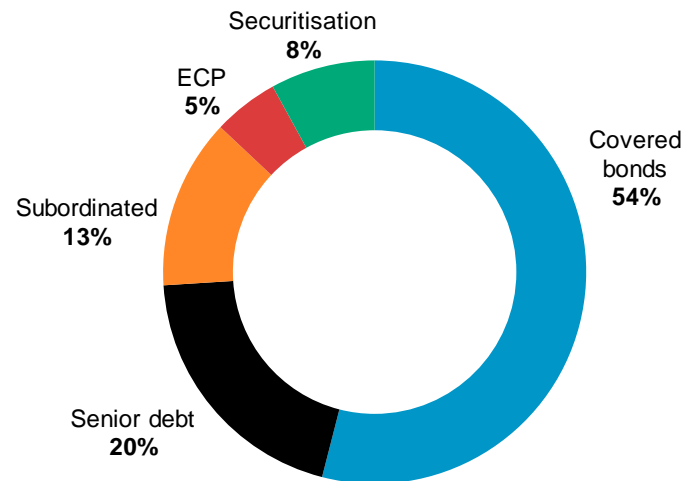
¹ Wholesale funding cost excludes the additional benefit from TLTRO-II and TFS funding.

4. Group funding structure

Funding structure



Wholesale funding breakdown

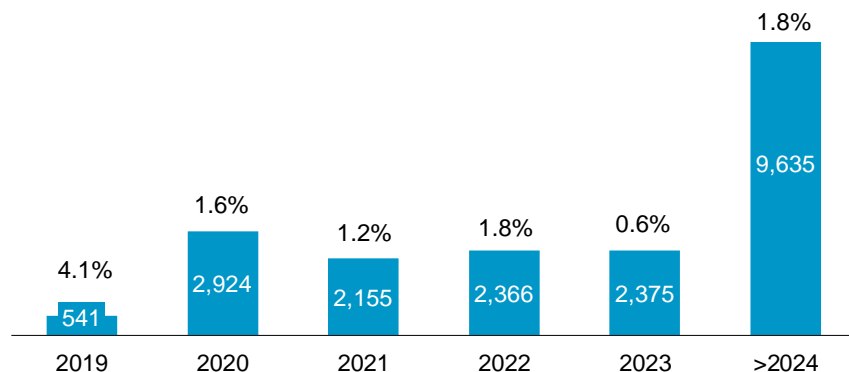


Note: Data as at September 2019.

4. Group debt maturities and issuances

Debt maturities and average cost

Maturities in €M and average cost in %



2019	2020	2021	2022	2023	>2024	
524	2,015	1,808	1,684	1,388	4,998	Covered bonds
17	496	347	682	987	1,741	Senior Preferred Debt
0	0	0	0	0	1,451	Senior Non Preferred Debt
0	413	0	0	0	1,445	Subordinated debt

3Q19 debt issuances

Instrument	Date	Size	Coupon
Senior preferred	22/07/2019	€1,000M	0.875%
Senior non-preferred	27/09/2019	€500M	1.125%

4Q19-1H20 debt maturities

Instrument	Date	Size	Coupon
Covered bond	16/11/2019	€134M	4.26%
Covered bond	27/11/2019	€390M	4.13%
Senior preferred	12/12/2019	€15M	0.50%
Senior preferred	20/12/2019	€2M	4.00%
Senior preferred	29/12/2019	€0.1M	2.00%
Senior preferred	05/03/2020	€491M	0.65%
Covered bond	29/03/2020	€146M	4.00%
Senior preferred	15/04/2020	€4M	0.00%
Tier 2	26/04/2020	€413M	6.25%
Covered bond	10/06/2020	€594M	0.38%

5. Sabadell Group NPA coverage ratios evolution

€M	Pre NPA institutional sales	Post NPA institutional sales			
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
NPLs	7,036	6,554	6,383	6,380	6,391
Provisions	4,036	3,544	3,360	3,301	3,263
Coverage ratio (%)	57.4%	54.1%	52.6%	51.7%	51.1%
Foreclosed assets	7,036	1,726	1,803	1,873	1,032
Provisions	3,932	767	790	831	380
Coverage ratio (%)	55.9%	44.5%	43.8%	44.4%	36.8%
Total problematic assets	14,072	8,279	8,186	8,253	7,424
Provisions	7,968	4,311	4,150	4,132	3,643
Coverage ratio (%)	56.6%	52.1%	50.7%	50.1%	49.1%
Gross loans ¹ + foreclosed assets	154,239	147,550	148,209	149,866	148,248
NPAs as % of (gross loans¹ + foreclosed assets) (%)	9.1%	5.6%	5.5%	5.5%	5.0%
Net problematic assets	6,104	3,968	4,036	4,121	3,781
Net NPAs to total assets ratio (%)	2.8%	1.8%	1.8%	1.8%	1.7%

€M	Stage 1	Stage 2	Stage 3
Loans to customers and contingent risks	141,365	8,879	6,391
Provisions	421	296	2,546
Coverage	0.3%	3.3%	39.8%

Note: Includes contingent risk. NPAs include 100% of APS exposure from 4Q18 onwards to reflect reporting change. ¹ Includes accrual adjustments.

5. Evolution of NPLs and foreclosed assets

Evolution of NPLs and foreclosed assets, ex-TSB

€M

	3Q18	4Q18	1Q19	2Q19	3Q19
Gross entries (NPLs)	385	364	408	457	380
Recoveries	-600	-2,498 ²	-420	-371	-300
Net NPL entries	-215	-2,135	-12	86	80
Gross entries (foreclosed assets)	129	234	136	107	120
Sales ¹	-264	-8,691 ²	-59	-37	-961 ²
Change in foreclosed assets	-135	-8,457	77	70	-841
Net NPL entries + Change in foreclosed assets	-350	-10,591	66	156	-761
Write-offs	-187	-123	-182	-76	-70
Foreclosed assets and NPLs quarterly change	-538	-10,714	-117	79	-831

Note: Includes contingent risk. NPAs include 100% of APS exposure from 4Q18 onwards to reflect reporting change. ¹ Includes other outcomes. ² Includes institutional NPAs sold in the quarter and reclassified as non-current assets held for sale.

5. Forbearance exposure

Group forborne and restructured loans

€M. Sep-19

	Total	Of which: doubtful
Public sector	11	11
Companies and self-employed	2,994	1,896
Of which: Financing for construction and real estate development	455	327
Individuals	1,903	1,216
Total	4,909	3,123
Provisions	1,114	1,028

5. NPL ratio breakdown

NPL ratios by segment, ex-TSB

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Real Estate development and/or construction purposes	16.2%	15.7%	14.4%	14.0%	13.4%
Construction purposes non-related to real estate dev.	5.6%	5.7%	6.0%	5.7%	5.5%
Large corporates	2.6%	2.3%	1.9%	1.8%	1.7%
SME and small retailers and self-employed	7.1%	6.5%	6.4%	6.6%	6.8%
Individuals with 1 st mortgage guarantee assets	5.9%	5.8%	5.8%	5.7%	5.5%
NPL ratio, Sabadell ex-TSB	5.4%	5.0%	4.9%	4.8%	4.9%

5. APS main figures

APS breakdown and evolution

€M

	Jun-12 ^{1,2}	Sep-19 ²	Var. (%)
Gross loans and advances	19,117	2,104	-89.0%
of which at risk	18,460	2,097	-88.6%
of which contingent guarantees and liabilities	657	7	-98.9%
Real estate assets	4,663	155	-96.7%
Equity stakes	504	40	-92.1%
Write offs	360	633	75.8%
Total	24,644	2,932	-88.1%

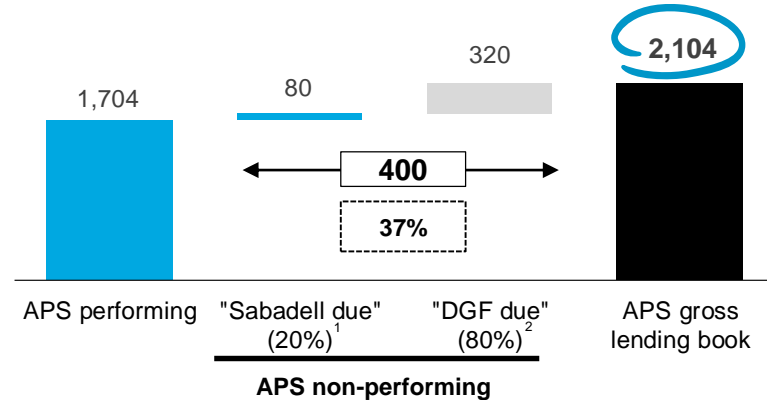
Post institutional NPA sales, the APS portfolio has decreased by more than 88% (above €21.7bn) since its origination

¹ The APS came into effect on June 1, 2012 with retroactive effect from July 31, 2011. ² Gross value of original existing provisions.

5. APS gross loans and real estate assets

APS gross loans and advances

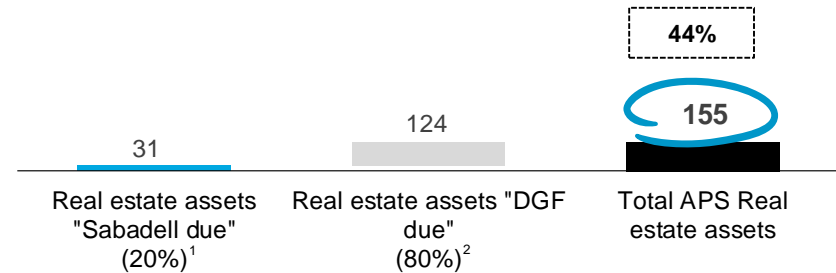
€M. Sep-19



The total APS NPL ratio is 19.0%

APS real estate

€M. Sep-19



“DGF due” loans and real estate exposures represent €662M in RWAs

Coverage

¹ 20% of total APS non-performing credit risk is assumed by Sabadell as per the APS protocol. ² 80% of total APS non-performing credit risk is transferred to the Deposit Guarantee Fund (“DGF”) as per the APS protocol.

5. TSB credit risk profile

Total Customer Lending - Mortgages and Unsecured & Business Banking

£M	Sep-18	Jun-19	Sep-19
Mortgages	28,380	28,481	28,860
Unsecured & Business Banking	2,174	1,886	1,882
Total Lending balances (net)	30,554	30,368	30,741

Mortgages - Residential vs. Buy to let (BTL)

In percentage	Sep-18	Jun-19	Sep-19
TSB Total BTL %	15%	13%	13%

Mortgages loan to value (LTV)¹

In percentage	Sep-18	Jun-19	Sep-19
LTV Mortgage Stock	44%	44%	44%

- ✓ **Secured lending** represents c.**94%** of overall lending
- ✓ **Good asset quality and low-risk mortgage portfolio:**
 - BTL represents 13%
 - Mortgage stock has an average LTV of 44%
 - Interest only concentration is c.22% (excluding Whistletree)

Cost of Risk (AQR)² - Mortgages and Unsecured & Business Banking

In percentage (annualised for each quarter)	Sep-18	Jun-19	Sep-19
Mortgages	0.00%	-0.07%	0.02%
Unsecured & Business Banking	2.43%	2.55%	2.19%
Total TSB AQR	0.19%	0.11%	0.17%

Doubtful loans ratio

In percentage	Sep-18	Jun-19	Sep-19
Doubtful loans ratio	1.3%	1.3%	1.3%

Common Equity Tier 1 Capital ratio

In percentage	Sep-18	Jun-19	Sep-19
Fully-loaded CET1 capital ratio	19.5%	20.0%	20.5%

- ✓ Capital position remains strong with a **CET1 ratio** of **20.5%** on a fully-loaded basis
- ✓ **Robust liquidity position** with LCR of 290%
- ✓ **Leverage ratio** of 4.5%³
- ✓ **High proportion of PCAs** in funding mix, c.36%

¹ The LTV ratio is a calculation which expresses the amount of a mortgage balance outstanding as a percentage of the total appraised value of the property. The appraised value is indexed quarterly. ² AQR is a measure used to track the quality of the lending book. Calculated as P&L impairment charge divided by average gross customer lending balances. ³ Leverage ratio using EBA standards.

6. Share data

	Sep-18	Jun-19	Sep-19
Shareholders and trading			
Number of shareholders	234,064	237,675	236,844
Average number of shares (M)	5,570	5,537	5,536
Share price			
Closing session (end of quarter) (€)	1.339	0.911	0.890
Market capitalisation (€M)	7,458	5,044	4,928
Stock market multiples			
Earnings per share (EPS) (€) ¹	0.04	0.15	0.15
Book value (€M)	12,547	12,989	13,199
Book value per share (€)	2.25	2.35	2.38
Tangible book value (€M)	10,169	10,517	10,700
Tangible book value per share (€)	1.82	1.90	1.93
Price / Book value (x)	0.60	0.39	0.37
Price / Earnings ratio (P/E) (x) ¹	37.50	6.13	5.88

¹ Figures adjusted to reflect the amount of the Additional Tier 1 coupon, after tax.

7. Glossary (I)

Term	Definition
Book value per share	Ratio between the book value and the average number of outstanding shares at the end of the period. Book value refers to own funds adjusted by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end
CAM APS	Banco CAM asset protection scheme. As a result of the acquisition of Banco CAM on 1 June 2012, the Asset Protection Scheme (APS) envisaged in the protocol on financial assistance measures for the restructuring of Banco CAM came into force with retroactive effect from 31 July 2011. Under the scheme, which covers a specific portfolio of assets with a gross value of €24.6bn as at 31 July 2011, the Deposit Guarantee Fund (DGF) bears 80% of the losses on the portfolio for a period of ten years, once impairment allowances in respect of those assets have been fully applied
CAM APS NPL run-off	Refers to 80% of the CAM APS non-performing loans exposure, the risk of which is assumed by the DGF, as well as the change in the net loans and receivables account. The CAM APS NPL run-off from Dec-18 onwards refers to the DGF account receivable only
CoR	Cost of risk. Provisions for NPLs and other impairments divided by gross loans to customers excluding repos plus real estate assets. The numerator considers the linear annualisation of provisions for loan losses and real estate impairments obtained to date and adjusted by the impairment or reversal of impairment of investments in joint ventures and associates. Additionally, the ratio excludes provisions associated with institutional NPA sales
Core mortgages and current accounts at TSB	Include fair value micro-hedge accounting adjustments
Core revenue	Sum of net interest income and fees & commissions
Cost / income ratio¹ (Efficiency ratio)	Administrative expenses divided by adjusted gross income. The denominator includes the linear accrual of contributions to deposit guarantee fund and resolution fund and tax on deposits of credit institutions, except at year end
Customer spread	Difference between return and cost of assets and liabilities related to customers. The ratio has been calculated taking into account the difference between the average rate charged by the bank for customer loans and the average rate paid by the bank for customer deposits. The average customer loan rate is the annualised ratio between the financial income from customer loans and the average daily balance of customer loans. The average customer deposit rate is the annualised ratio between the financial expenses of customer funds and the average daily balance of customer funds

¹ The linear accrual of contributions to deposit guarantee funds and resolution funds and tax on deposits of credit institutions has been made based on the Group's best estimates.

7. Glossary (II)

Term	Definition
DGF	Deposit Guarantee Fund
Digital clients	Individual clients over the age of 16 who have accessed the web, mobile or any other remote channel at least once in the last 3 months
Earnings per share	Ratio between net profit attributed to the Group and the average number of outstanding shares at the end of the period. Numerator considers the linear annualisation of profit obtained to date adjusted by Solvia capital gain, consumer loan securitisation capital gain and by the Additional Tier I coupon payment (after tax) as well as by the accrual of contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end
EQUOS	Objective quality analysis of services provided by banking networks
<i>Expansión current account</i>	Sabadell key account with engaged businesses and individuals
Funds under management	Sum of on-balance sheet and off-balance sheet customer funds
Gains on sale of assets and other results	Includes the following items: net gains or losses on derecognition of non-financial assets, excluding investment properties and participating interests included in profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
Gross loans to customers	Includes loans and advances to customers excluding impairment allowances
HQLAs	High quality liquid assets
LCR	Liquidity coverage ratio: High quality liquid assets (HQLAs) divided by total net cash outflows
Loan-to-deposit ratio	Net loans and receivables divided by retail funding. The numerator excludes mediation loans. The denominator considers real estate funding and customer funds
Market capitalisation	Share price multiplied by the average number of outstanding shares at the end of the period

7. Glossary (III)

Term	Definition
Net loans at TSB	Includes loans and advances to customers including impairment allowances
NIM	Net interest margin
NPL coverage ratio	Ratio between the allowance for loans and advances to customers (including allowances for guarantees given) and total non-performing loans (stage 3)
NPL ratio	Ratio between stage 3 (non-performing) loans and total lending
NPS	The Net Promoter Score is obtained by asking customers "On a scale of 0-10, where 0 is not at all likely and 10 is extremely likely, how likely are you to recommend Sabadell to a friend or colleague?". NPS is the percentage of customers who score 9-10 after subtracting the percentage who score 0-6
Off-balance sheet customer funds	Includes mutual funds, assets under management, pension funds and insurance products sold
On-balance sheet customer funds	Includes customer deposits (ex repos) and other liabilities placed by the branch network (Banco Sabadell non-convertible bonds, commercial paper and others)
On-balance sheet funds	Includes accounting sub-headings of customer deposits, debt securities issues (debt and other marketable securities and subordinated liabilities)
Other operating income/expense	Includes the following items: other operating income and other operating expenses as well as income from assets and expenses on liabilities under insurance or reinsurance contracts
Gross performing loans	Gross loans to customers excluding repos, NPLs (stage 3) and accrual adjustments
Pre-provisions income	Gross income plus administrative and amortisation expenses
Price / Book value (x)	Ratio between share price and book value
Price / Earnings ratio (P/E) (x)¹	Ratio between share price and earnings per share

¹ The linear accrual of contributions to deposit guarantee funds and resolution funds and tax on deposits of credit institutions has been made based on the Group's best estimates.

7. Glossary (IV)

Term	Definition
Problematic assets	Sum of non-performing loans, classified as stage 3, and foreclosed real estate assets. Also referred to as non-performing assets (NPAs)
Real estate coverage ratio	Ratio between allowances for impairment of foreclosed real estate assets and total foreclosed real estate assets. Amount of foreclosed real estate assets includes property classified in the portfolio of non-current assets and disposal groups classified as held for sale
ROE^{1,2}	Profit attributed to the Group divided by average own funds. The numerator considers the linear annualisation of profit obtained to date adjusted by Solvia capital gain, consumer loan securitisation capital gain and contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end. Net profit is not adjusted by the Additional Tier 1 coupon payments
ROTE^{1,3}	Profit attributed to the Group divided by average own funds. The numerator considers linear annualisation of profit obtained to date adjusted by Solvia capital gain, consumer loan securitisation capital gain and adjusted by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end. The denominator excludes intangible assets. Net profit is not adjusted by the Additional Tier 1 coupon payments
RE developer (“Desarrollos Inmobiliarios”) disposal	In August 2019, Sabadell has transferred 100% of the share capital in SDIN Residencial, S.L.U. and a pool of real estate assets, mainly land for urban developments, to a company controlled by funds managed and/or advised by Oaktree Capital Management.
Solvía disposal	Sabadell closed a deal to sell 80% of the share capital of Solvia Servicios Inmobiliarios, S.L.U. (“Solvía”) to Lindorff Holding Spain, S.A.U., a company owned by the Intrum AB group, in December 2018. The disposal was completed on April 24 th , 2019
“REX” NPA portfolio disposal	Sabadell reached an agreement for the sale of a portfolio of real estate assets commercially identified as Rex to an affiliate of Cerberus Capital Management, L.P., in which Cerberus owns an 80% interest and Sabadell the remaining 20% interest, in August 2019. The closing of the transaction, that will occur once the relevant conditions precedent are complied with, will imply the transfer of the control over the real estate assets included in the transaction and, hence, its withdrawal from the balance sheet of Banco Sabadell group.

¹ The linear accrual of contributions to deposit guarantee fund and resolution fund and tax on deposits of credit institutions has been made based on the Group's best estimates. ² Average calculated using the last positions at the end of the month since previous December. ³ Average calculated using average daily balances.

7. Glossary (V)

Term	Definition
TBV per share (€)	Ratio between tangible book value and the average number of outstanding shares at the end of the period. The tangible book value is calculated as own funds adjusted by intangible assets and by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end
TLOF	Total liabilities and own funds
Total capital ratio (%)	Ratio between total capital and risk weighted assets. Total capital includes the reported net profit assuming a dividend pay-out of 50%. This is different from the regulatory criteria, which decreases that amount based on the obligations to be fulfilled for the rest of the year. The denominator has been calculated based on the Group's best estimates
Total provisions & impairments	Includes the following items: (i) impairment or reversal of impairment of investments in joint ventures and associates, (ii) impairment or reversal of impairment on non-financial assets, (iii) investment properties in the net gains or losses on derecognition of non-financial assets, (iv) profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding the participation interests), (v) provisions or reversal of provisions and (vi) impairment or reversal of impairment and cash flow modification gains or losses on financial assets not measured at fair value through profit or loss and net modification losses or gains
Whistletree	Portfolio of former Northern Rock mortgages and unsecured loans for which beneficial interest was acquired from Cerberus Capital Management Group with effect from 7 December 2015. The portfolio is currently in run-off

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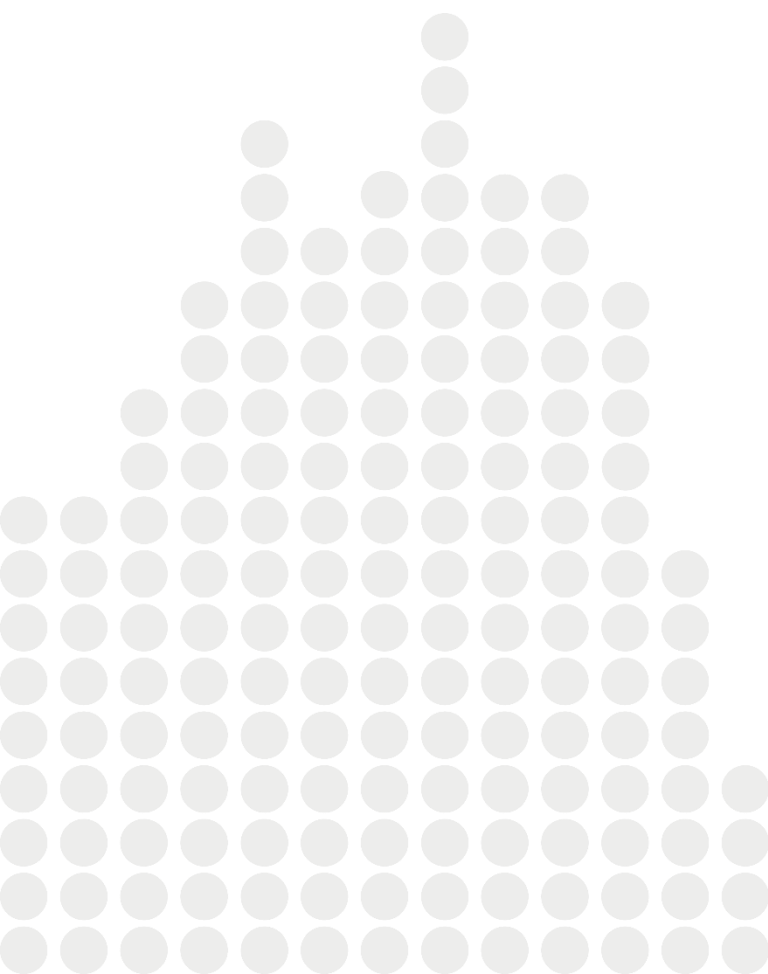
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