

A large graphic on the right side of the slide, composed of many small, light grey circles arranged in a pattern that forms a stylized shape, possibly representing a building or a map of a region. The circles are arranged in a grid-like fashion, with some missing or faded to create the overall shape.

1Q20

results

April 30, 2020

index

- 1 Covid-19 update
 - 2 Business performance
 - 3 Financial results
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- 



1

Covid-19 update

The Covid-19 outbreak has created a new economic reality

- The Covid-19 crisis represents an **unprecedented shock** to the global economy. Social distancing measures have resulted in a **parallel shock to supply and demand**
- The unusual nature of this crisis makes **it hard to ascertain its duration, shape and final impact**, and the financial sector's outlook will ultimately depend on these factors
- **The ongoing response from Authorities is proving to be sizeable and coordinated** in the monetary, fiscal and supervisory arenas
- **2020 financial targets** have been withdrawn due to the evolving and unprecedented economic situation

Unprecedented support for the economy

Government

Spain

- **Fiscal measures:** €18bn (1.6% GDP)
- **Moratorium** for vulnerable individuals
Sabadell committed to extend moratorium to a wider range of customers
- **Guarantees** (ICO) to support self-employed, SMEs and Corporates: €100bn (8.9% of GDP)
Sabadell is actively channeling these ICO guarantees to help the economy

UK

- **Fiscal measures:** £90bn (c.4% GDP)
- **Guarantees:** £330bn (c.15% GDP)
TSB has implemented credit and payment holiday solutions for customers

Monetary

ECB

- **Asset Purchase Programmes** increased by €870bn and the range of assets/maturities has been expanded
- **New LTROs** (at marginal deposit rate) and **TLTRO III conditions improved**
- Easing of **collateral measures**
Sabadell could withdraw up to €27bn from the TLTRO III facility

BoE

- **Bank Rate** cut to 0.1%
- **Asset Purchase Programmes** increased by £200bn to £645bn
- **TFS** relaunched, with added incentives for SME lending
TSB could withdraw at least £3.0bn from the TFSME facility

Regulatory & Supervisory

- Relief measures regarding prudential **capital and liquidity** requirements:
 - **Countercyclical** buffers **lowered**
 - Banks will be allowed to **partially use AT1 and Tier 2** to meet **P2R**
 - Banks permitted to operate below **Pillar 2 Guidance** and **Capital Conservation Buffer**
 - Institutions temporarily allowed to breach the **LCR** limit to release liquidity buffers
Notwithstanding these measures Sabadell continues to apply sound capital, liquidity and risk management standards
- Regulators have also extended some **capital conservation** recommendations
Sabadell has reacted by announcing that it will not pay 2020 interim dividend and Group Senior Management has forgone its 2020 variable remuneration

Sabadell is taking action to protect its stakeholders without losing sight of its key strategic priorities

These priorities are retained ...

... overlaid with Covid-19 key focus areas



Resilient core revenue



Ongoing NPA management



Execute on TSB restructuring



Maintain adequate capital levels



Create shareholder value

Responsibility

Operational and service continuity, while taking care of customers and employees

- Strengthening sanitary measures
- HQ employees teleworking: >95% Spain & TSB
- Branches open: 70% Spain & 89% TSB
- Promoting the use of remote channels to reduce traffic in branches
- Redeploying of employees from branches to reinforce remote services

Resilience

Resilient IT platform in response to increased digital pressure

- High-quality response to an increase in people working from home
- Quick implementation of new end-to-end digital processes
- Record peak in the number of daily commercial contacts with customers

Commitment

Quick response to our customers' needs and contribution to society

- Being close to our customers, knowing their needs
- Helping customers to implement financial solutions
- Offering government backed lending schemes
- Advances of unemployment benefits and pensions
- Deferral of social rent for vulnerable families
- Prompt payment pledge to suppliers

Digitisation

Leap forward in boosting customer digitisation that will continue after lockdown

- Increase in the weight of servicing through digital channels compared to the branch channel
- Growth in interactions with the bank via web and mobile
- c.20% of new digital clients in Spain > 65 years of age (x2 the average level from previous months)

Solid starting point to face unprecedented challenges

1 Solvency position

12.6%

Phase-in CET1
pro forma

322bps

MDA buffer
pro forma

2 Liquidity profile

172%

LCR

€45bn

Total liquid assets

3 Risk metrics

3.8%

NPL ratio

4.9%

NPA ratio

4 Volume loan growth

+4.4% (YoY)

Performing loans¹

+2.9% (YoY)

Gross loans¹

Note: % YoY calculated as the growth rate of Mar-20 vs. Mar-19, throughout the presentation. All figures refer to Group level. ¹ Exclude CAM Asset Protection Scheme A/R and the impact of €0.5bn A/R related to the closing of NPA disposals (€1.1bn in Dec-19). Growth rates at constant FX.



2

Business performance

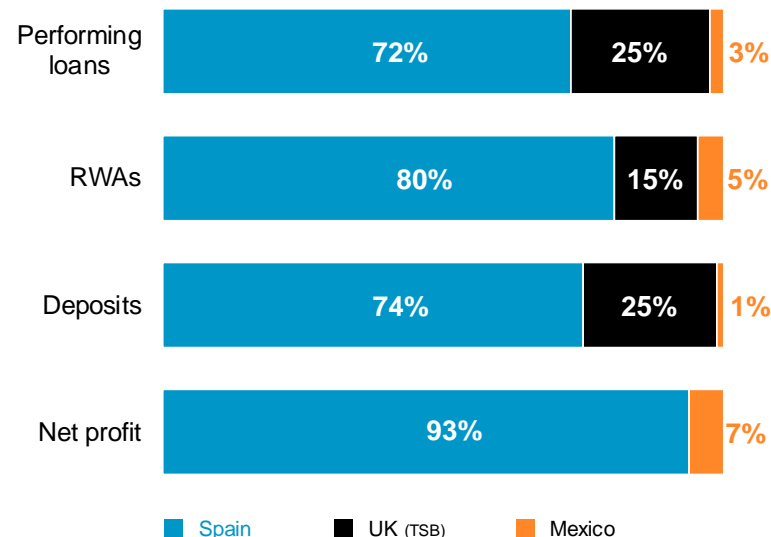
Performing loans grew YoY across geographies

Group performing loans evolution by geography

€M.

	Mar-20	QoQ	YoY
Spain	103,246	+2.6% ¹	+4.2% ¹
of which: foreign branches	10,096	+10.5%	+28.1%
UK (TSB)	34,844	-0.5%	+2.7%
Mexico	3,623	+22.8%	+30.9%
Total	141,714	+2.2%¹	+4.4%¹

Business distribution across geographies. Mar-20

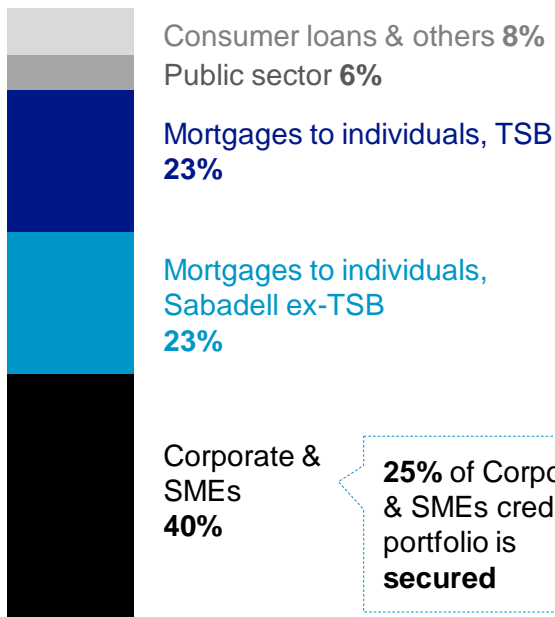


Note: Group growth rate expressed in constant FX and Mexico and UK in local currency. Excludes CAM Asset Protection Scheme A/R. ¹ Excludes the impact of €0.5bn A/R related to the closing of NPA disposals (€1.1bn in Dec-19).

Well diversified portfolio with limited exposure to sectors most sensitive to Covid-19

Group performing loans

€142bn



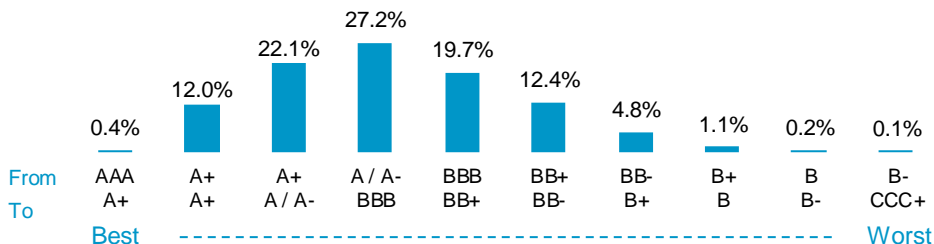
25% of Corporates & SMEs credit portfolio is secured

Corporates and SMEs most sensitive to Covid-19

€Bn

	Performing loans	EAD
Tourism, Hospitality & Leisure	5.3	6.2
Transport	3.4	3.8
of which, Airlines	0.5	0.5
Auto	1.4	1.6
Retail (non food)	1.1	1.2
Oil	0.2	0.4
Total	11.4	13.1
% of total	8%	8%

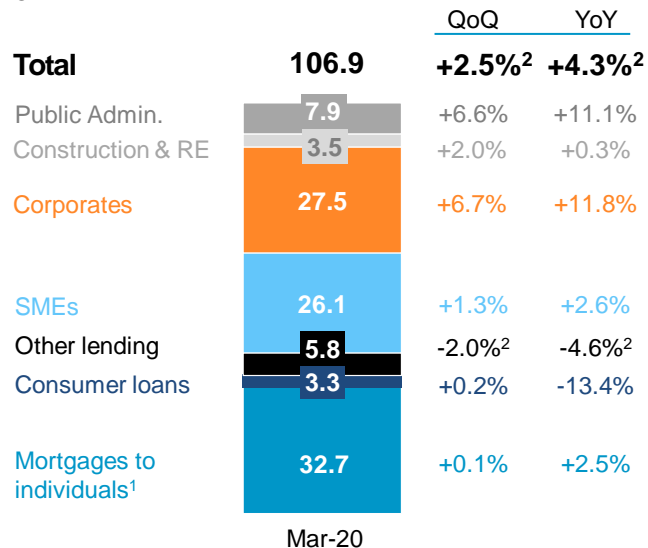
Breakdown of total Corporates & SMEs portfolio EAD by rating



Commercial activity at Sabadell ex-TSB

Performing loans

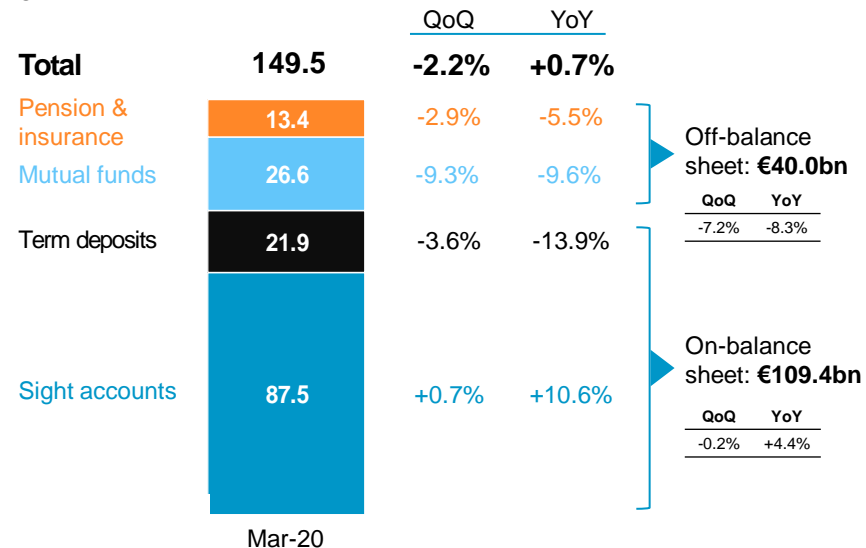
€Bn



- Corporates and Public Administrations are the main drivers of growth in the quarter
- €1.3bn cash payment received from the Deposit Guarantee Fund this quarter

Customer funds

€Bn



- Total customer funds decreased QoQ driven by off-balance sheet funds and lower deposit remuneration in the quarter
- Term funds continued to flow into current accounts as a result of the low savings rate environment

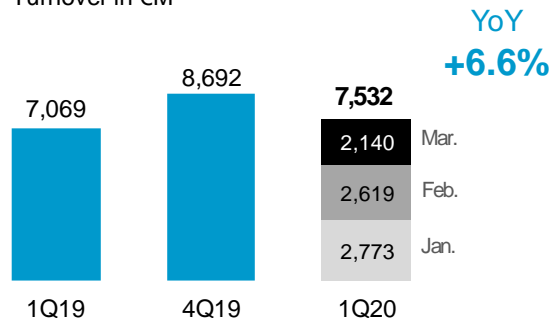
Note: Excludes accrual adjustments. Performing loans exclude CAM asset protection scheme A/R. Mutual funds include managed accounts. ¹ Refers to residential mortgages to individuals within Spain only.

² Excludes the impact of €0.5bn A/R related to the closing of NPA disposals (€1.1bn in Dec-19).

Q1 commercial activity shows resilience in Spain

Retailer payment services (PoS)

Turnover in €M

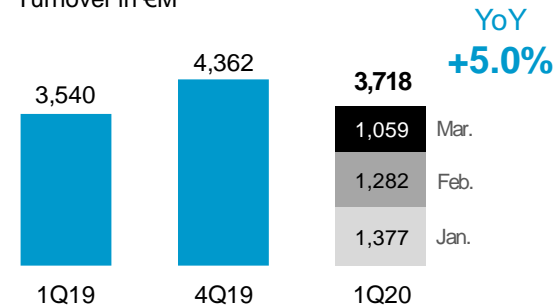


Turnover market share

16.9%
+84bps YoY

Credit cards

Turnover in €M

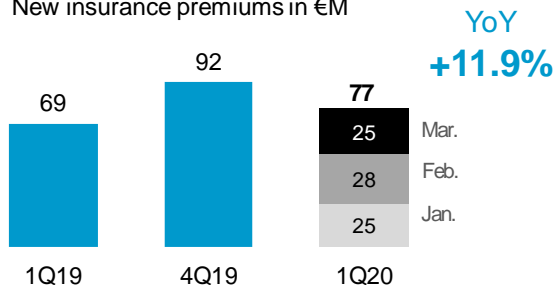


Turnover market share

8.0%
+23bps YoY

Insurance

New insurance premiums in €M

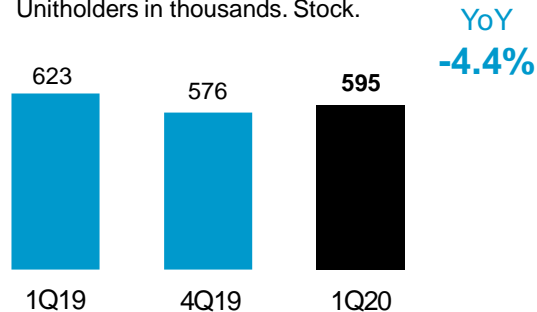


Life premiums market share

6.0%
+19bps YoY

Mutual funds

Unitholders in thousands. Stock.



AUMs market share

6.0%
-3bps YoY

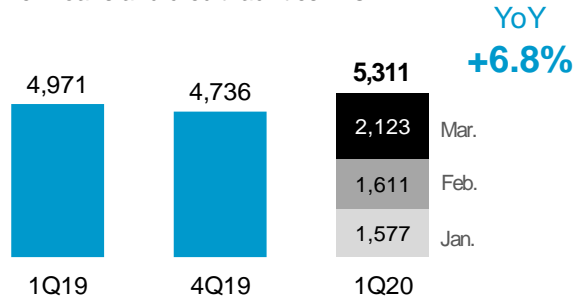
Latest market share available.

Note: Sources include Bank of Spain, ICEA, Inverco and Servired.

Q1 commercial activity shows resilience in Spain

Lending to SMEs

New loans and credit facilities in €M

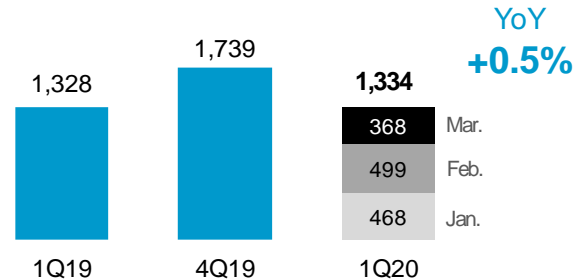


Loans market share in Spain (stock)

8.1%
+6bps YoY¹

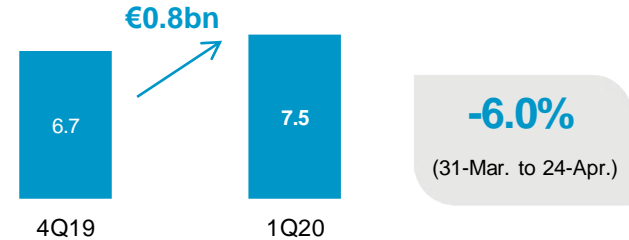
Lending to individuals

New mortgages and consumer loans in €M



Credit lines facility drawdowns

SMEs and Corporates (Spain including foreign branches) in €bn



ICO guarantees scheme



Note: Sources include Bank of Spain. Latest market share available as at January 2020. ¹ YoY growth excludes the impact of €1bn consumer loans securitised in Sep-19 (balance of €0.8bn in Mar-20).

A commercial plan to support our customers in Spain

Being close to our customers, knowing their needs

- Specific support plans for each client segment, including companies and individuals
- Multiplying proactive contacts with customers

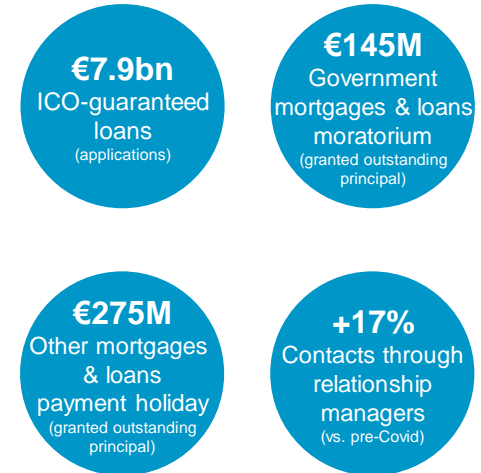
Offering customised financial solutions

- ICO-guaranteed loans: 20-40% underwriting by the banks
- Government mortgage and loans moratorium (interest plus principal) of 3 months
- Solutions beyond government measures:
 - **Mortgages:** principal payment holiday of up to 12 months
 - **Personal loans:** principal payment holiday of up to 6 months
 - **SMEs:** principal payment holiday of up to 6 months, renewal of expired credit facilities and extension of working capital maturities

Helping with current needs or special situations

- Support plan for pensioners
- Advances of unemployment benefits
- “Cuenta Expansion”: costumers to retain access to these accounts, even if they fail to meet the requirements

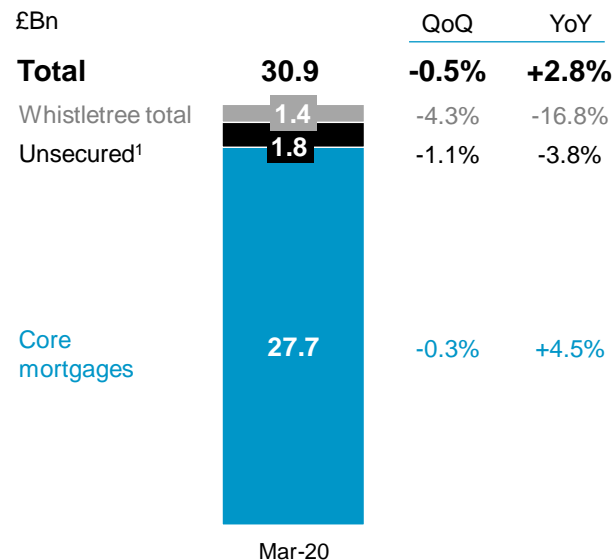
Key performance indicators¹



¹ Data as at April 27th 2020.

TSB commercial activity

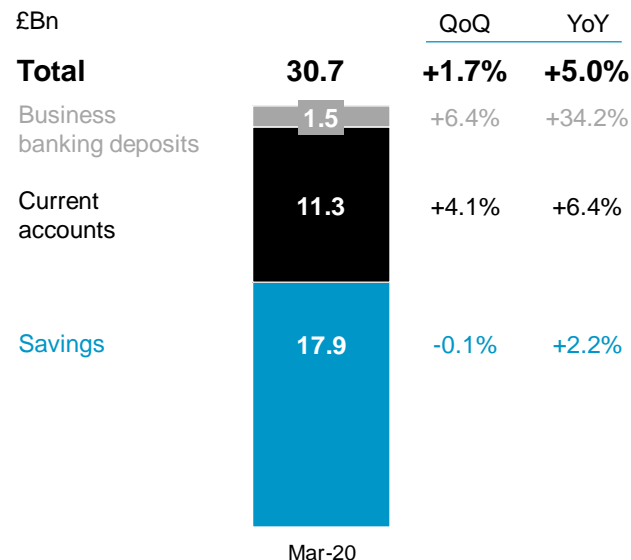
Net loans



- Net lending broadly stable in the quarter, with unsecured lending exposure contributing <6% of net loans
- Mortgage lending balances were broadly flat in the quarter as TSB continued to manage margins vs. volume considerations, and following an anticipated large fixed rate maturity in January
- Additionally, seasonality has impacted credit cards and overdrafts performance in Q1

¹ Includes business banking.

Customer funds

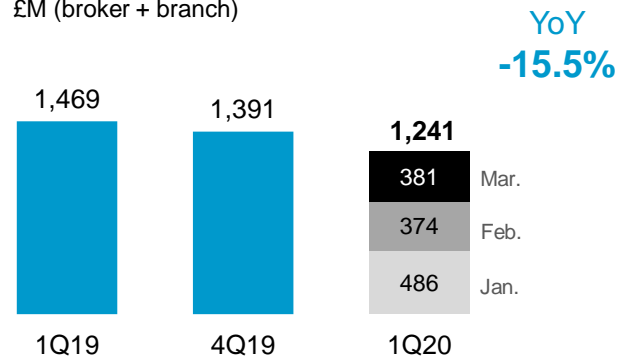


- Substantial customer fund growth in the quarter, driven mostly by current accounts as a result of the low savings rate environment

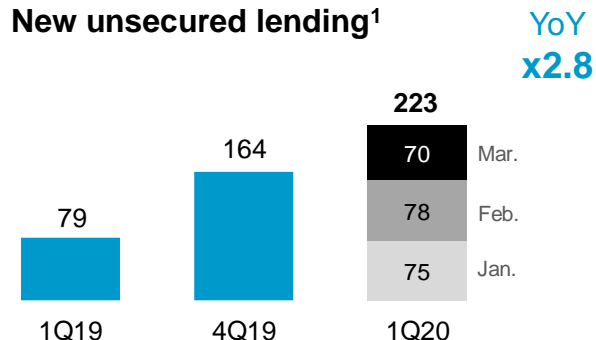
TSB remained focused on delivering strategic plan

New mortgage lending

£M (broker + branch)



New unsecured lending¹



¹ Excludes credit cards and overdrafts.

TSB continues to make progress in the delivery of our strategic plan

Customer focus

New digital sales capabilities

- Non-franchise loans available through all channels
- Mortgage Product transfers (rate switches) available online
- New mobile servicing capabilities

Simplification & efficiency

Branch transformation

- Branch transformation moving forward as planned
- Acceleration of digital solutions for customers

Cost efficiency

- Cost savings delivered according to plan, with a better than expected performance of personnel costs

Operational excellence

Digital releases

- Further mobile app enhancements, with more digital releases in Q1 2020 vs the full year in 2019, resulting in a significant improved mobile NPS indicator

IT Transformation

- Continued focus on consolidating IT operations and optimising IT infrastructure and supplier relationships
- Announcement of IBM Services partnership and opening of new IT centre of excellence in Edinburgh

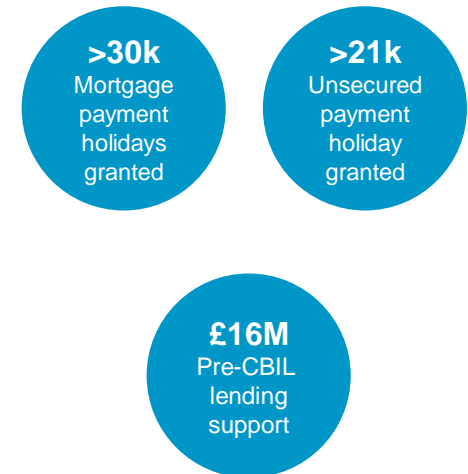
Others

- £11M insurance recovery payment related to TSB migration received during the quarter

TSB has also issued a plan to help with customers' financial concerns in the UK

- Implementation of **financial solutions** designed to alleviate immediate financial pressures felt by customers
 - **Mortgages:** payment holiday (interest plus principal) of up to 3 months
 - **Personal loans:** extended payment holiday (interest plus principal) for 3 consecutive months
 - **Credit cards:** 3 month payment holiday
 - **Overdrafts:** first £500 of all arranged overdrafts interest and fee free and temporary reduction in interest rates for all customers
 - **Business banking:** capital payment holidays of up to 6 months on new Term Loans and waiving of arrangement fees on new lending applications and overdrafts renewals
- Offering overdrafts backed by the government's **Coronavirus Business Interruption Loan Scheme (CBILS)**
- Measures implemented to support **vulnerable customers**
- Protecting our customers from **fraud** through **awareness campaigns**

Key performance indicators¹



¹ Data as at April 26th 2020. Unsecured payment holidays includes personal loans and credit cards. For Business Banking, TSB is offering overdrafts through the CBIL Scheme for lending up to £250k. Prior to TSB's CBIL product launching, TSB provided over £16M of lending to over 600 customers to support them through Covid-19.

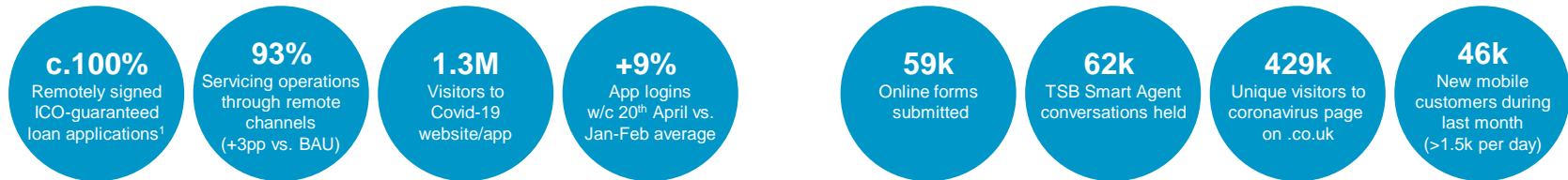
Additional digital capabilities have been made available to our customers during these challenging times

Spain

- Remote signature of ICO-backed loan applications as well as mortgage and loan payment holidays
- New remote sales capabilities enabled for companies: credit facilities, loans, factoring and reverse factoring
- Covid-19 website/app

TSB

- Introduction of online forms for mortgage and loan payment holidays as well as temporary overdraft increases
- TSB Smart Agent: new 24/7 Live Chat feature
- Covid-19 website/app



The resilience of our IT and the efforts made in digital transformation in recent years have been key to overcoming the current challenges

Note: BAU refers to business as usual. Data as at April 27th 2020. ¹ Excluding signatures in notaries.

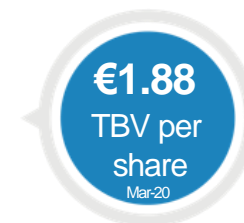
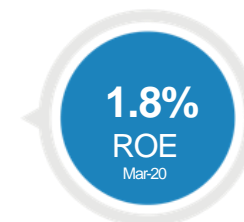


3

Financial results

Quarterly income statement

Sabadell Group					
€M	1Q20	QoQ (cte. FX)	QoQ	YoY (cte. FX)	YoY
Net interest income	884	-2.7%	-2.8%	-2.2%	-1.8%
Fees & commissions	349	-6.0%	-6.0%	1.8%	1.9%
Core banking revenue	1,234	-3.6%	-3.7%	-1.1%	-0.8%
Trading income & forex	151	>100%	>100%	>100%	>100%
Other income & expenses	-14	-92.3%	-92.5%	>100%	>100%
Gross operating income	1,371	25.1%	24.9%	3.2%	3.6%
Operating expenses	-652	-9.3%	-9.5%	-2.4%	-1.8%
Depreciation & amortisation	-126	0.1%	0.0%	10.9%	11.4%
Pre-provisions income	593	>100%	>100%	8.4%	8.4%
Total provisions & impairments	-454	23.1%	22.7%	>100%	>100%
Gains on sale of assets and other results	1	-96.6%	-96.6%	39.1%	38.0%
Profit before taxes	141	>100%	>100%	-60.9%	-60.7%
Taxes and minority interest	-47	>100%	>100%	-53.3%	-52.9%
Attributable net profit	94	>100%	>100%	-63.9%	-63.7%

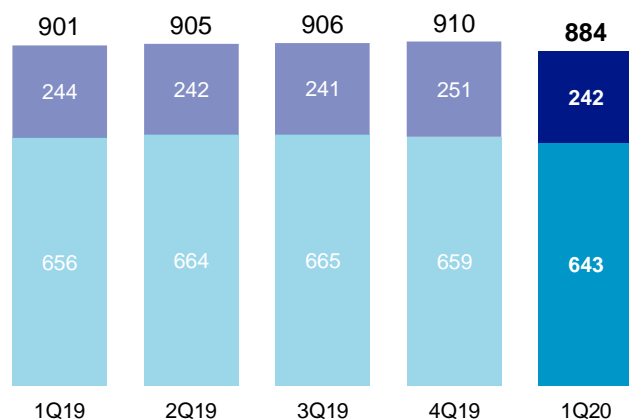


Quarterly net profit impacted by Covid-19 related provisions

NII impacted by yields, ALCO maturities and lower day count

Evolution of Group NII

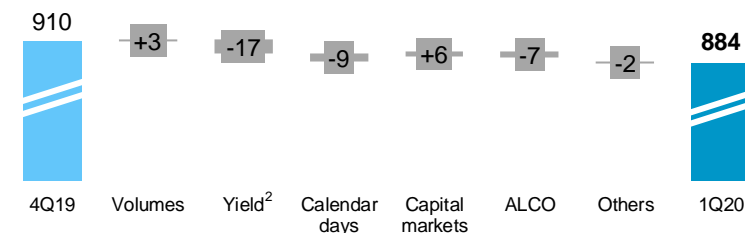
€M



	QoQ	YoY
Sabadell, ex-TSB	-2.4%	-2.1%
TSB	-3.7%	-1.1%

QoQ evolution of Group NII

€M



Sensitivity to interest rates

Impact over 1 year of 10 bps decrease / increase in all relevant rates¹

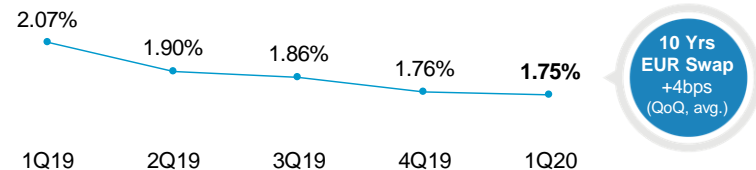
NII impact (€M)	Decrease	Increase
Group	-18.5	+23.1
of which:		
Sabadell Spain	-12.0	+12.6
TSB	-6.5	+10.5

¹ Includes all relevant yield curves (EUR, GBP and USD). ² This yield includes all assets in the balance sheet except those related to the ALCO and Capital Markets.

Front book yields impacted by a higher contribution of corporates and public administrations to new production

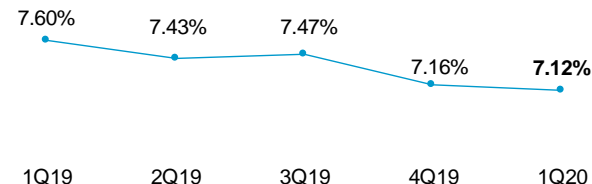
Mortgages to individuals

Yield in Spain



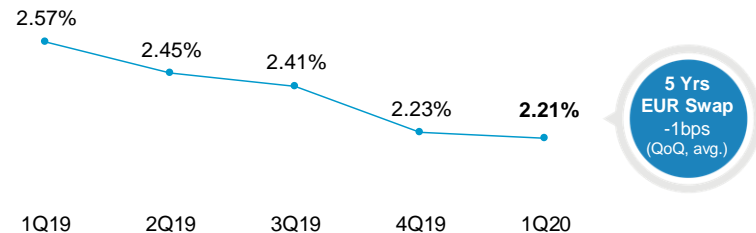
Consumer loans

Yield in Spain. Excludes Sabadell Consumer Finance



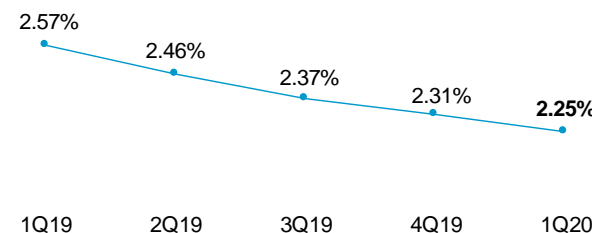
Loans to SMEs and Corporates

Yield in Spain



Credit line for SMEs and Corporates

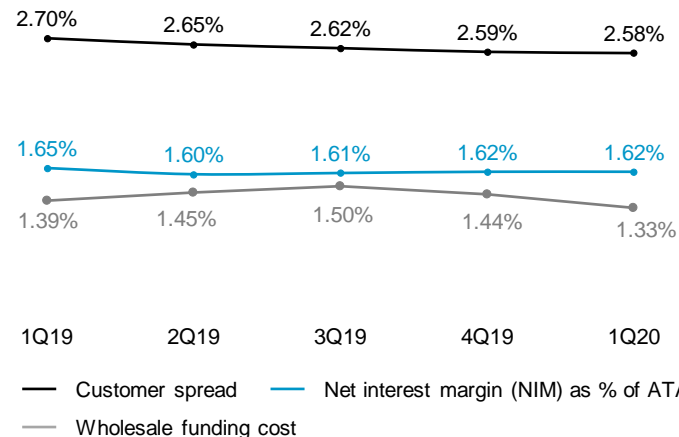
Yield in Spain



Customer spread and NIM remained stable QoQ

Sabadell Group

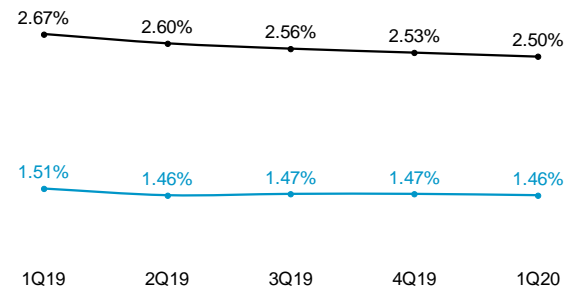
In euros



- Group NIM remained broadly stable as the effect of a lower yield ex-TSB was mitigated by a lower wholesale funding cost for the Group

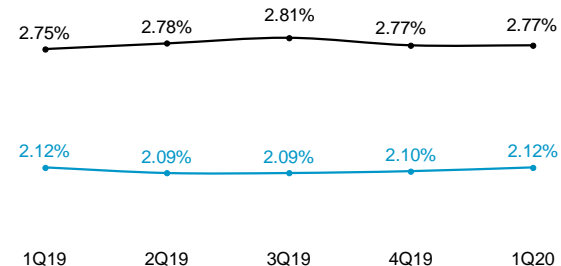
Sabadell ex-TSB

In euros



TSB

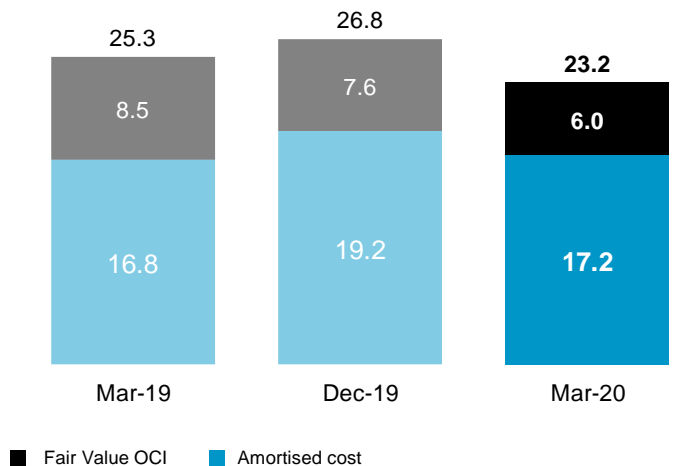
In euros



Reduction of the ALCO portfolio in the quarter

Exposure to Italy reduced to €2.9bn, down 50%

Evolution of fixed income portfolio. Sabadell Group. €Bn



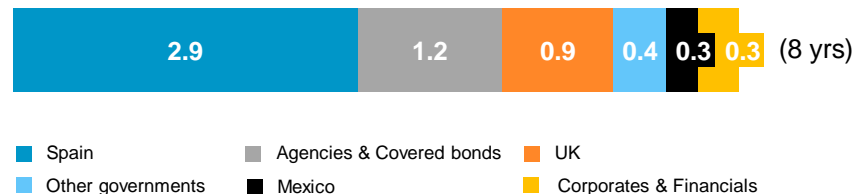
1.2%
Yield
(Mar-20)

5 yrs
Total duration¹
(Mar-20)

9 yrs
Avg. maturity
(Mar-20)

Limited risk to capital

Fair Value OCI composition. Sabadell Group. €Bn (avg. maturity)

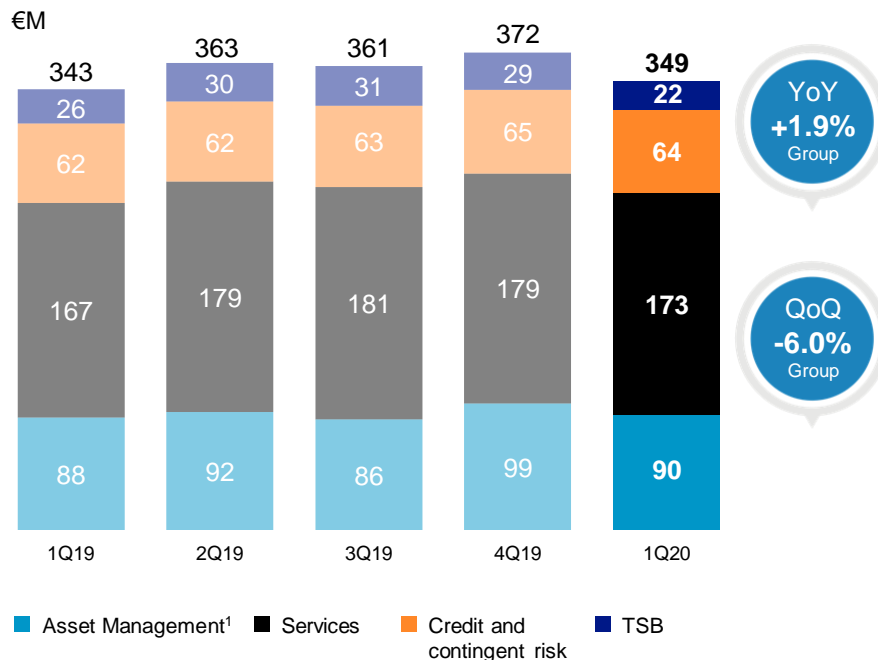


Other considerations

- Sabadell will assess opportunities to increase its portfolio
- The sensitivity of our capital position to an increase of 10bps in Spanish and UK credit spreads is -€9M and -€8M after tax respectively
- The average maturity of Spain and UK in the Fair Value OCI portfolio is 5 years and 14 years, respectively. Also, there is no exposure to Italy and Portugal in this portfolio

Fees performance impacted by AM fee seasonality and Covid-19

Evolution of Group fees & commissions



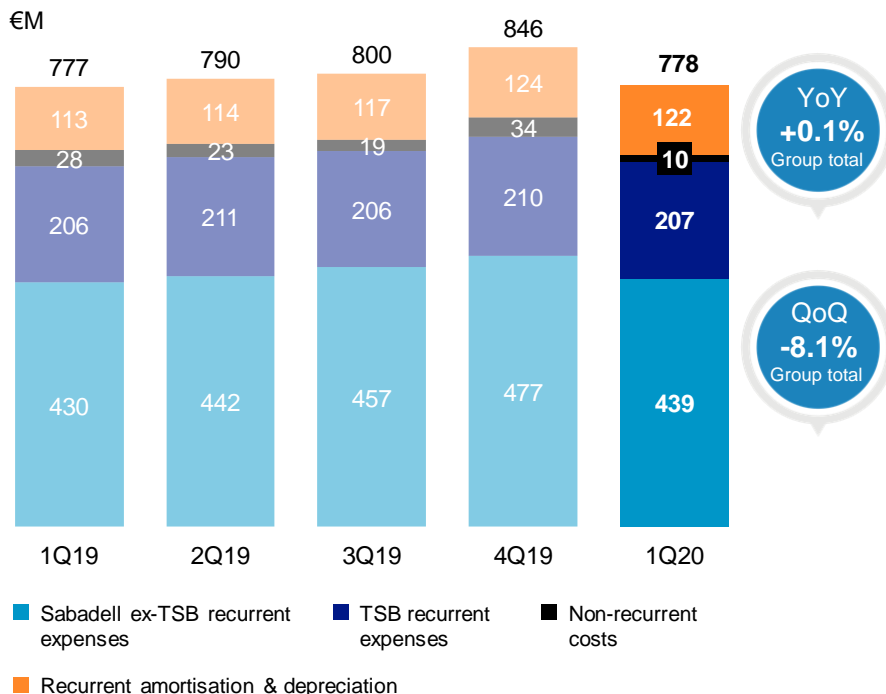
	QoQ	YoY
Sabadell, ex-TSB	-4.6%	+3.4%
of which		
Credit and contingent risk	-1.4%	+3.7%
Services	-3.3%	+3.7%
Asset Mgmt.¹	-9.0%	+2.4%
TSB	-23.0%	-15.2%

- Financial markets volatility and seasonality impacted asset management fees
- At the same time, the Covid-19 crisis lowered activity levels, which affected service fees
- In TSB, fees were predominantly impacted by lower Debit Card income due to reduced foreign income (new regulation) and seasonality
- €8M less in fees as some payment services cost have been netted of fees for the first time this quarter. In previous quarters this cost was recorded in general expenses

¹ Includes mutual funds, pension funds, insurance brokerage and wealth management commissions.

Total costs substantially reduced in the quarter

Evolution of Group costs



Recurrent expenses & amortisation	QoQ	YoY
Sabadell, ex-TSB	-7.3%	+3.1%
TSB	-1.2%	+1.5%

- General expenses ex-TSB, including marketing and third party costs, was the main driver for this quarter's expenses performance
- Non-recurrent costs at TSB were also lower as migration related expenses are left behind
- TSB recurrent costs also decreased as the bank continued to make progress in its restructuring plan. TSB restructuring cost amounted to €5M YTD
- Sabadell expects total costs for the full year to decrease YoY

EBA

Accounting flexibility

- Debt moratoria **do not imply any automatic classification** into defaulted, forborne, or IFRS9 status
- **Individual assessments** of obligors' likeliness to pay are necessary

Additional IFRS9 implication (in coordination with ESMA)

- Public or **private moratoria should not automatically trigger a significant increase in credit risk** (SICR)
- For the expected credit loss estimation, due to the difficulty in generating reliable short-term forecasts, **institutions should give measures granted by public authorities**

Supervisory and market risk flexibility

- **Pragmatic SREP assessments**, focusing on the most material risks; focus on **the necessary an available recovery options**; apply in **advance the EBA ICT and security risk management Guidelines**
- **Moratorium are not an implicit support to securitisations**
- Market risk internal models flexibility and **FRTB-SA reporting delay**

Operational relief measures

- **EU-wide stress test postponed to 2021** to allow banks to prioritise operational continuity
- Institutions should be allowed up to one additional month to submit supervisory data
- EBA encourages competent authorities to be flexible regarding the deadlines for the publication of banks' Pillar 3 reports

SSM/SRB

Accounting flexibility

- The ECB will exercise **flexibility** regarding:
 - The **classification of debtors as “unlikely to pay”** when banks call on public guarantees
 - Loans under public moratoriums
- The ECB recommends **avoiding pro-cyclical assumptions** to determine provisions and opt for the IFRS 9 transitional rules

NPLs treatment

- **NPLs** under public guarantees will benefit from **preferential prudential treatment** in terms of loss provisioning
- **JST will deploy full flexibility** when discussing the implementation of **NPL reduction strategies** with banks

Operational relief measures

- The ECB postpones original deadline for remedial actions by six months in the context of OSIs, TRIM and internal model investigations. **SREP qualitative requirements have also been delayed by six months**
- ECB implements EBA statement on reporting and disclosure

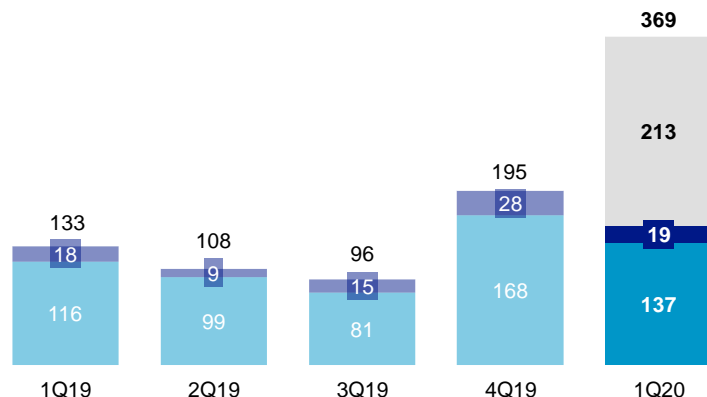
Resolution

- Postponement of less urgent information or data requests
- SRB will assess the potential impact on transition periods needed for the build-up of MREL and will reflect capital relief measures in future MREL decisions

Sabadell has frontloaded significant provisions to prepare for Covid-19

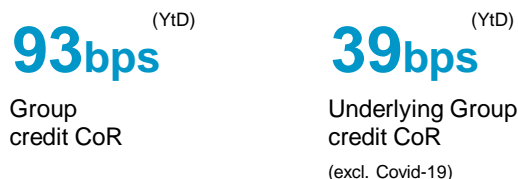
Evolution of credit provisions (excl. costs)

€M



■ Sabadell ex-TSB ■ TSB ■ Covid-19 provisions

Credit CoR



- A Post Model Adjustment was used in the calculation of Covid-19 provisions. This adjustment was based on our estimated credit losses, using the macro-economic scenarios recently published by the Bank of Spain, and giving more weight to the long-term outlook, which is more stable
- As a result, Sabadell has booked €213M of additional provisions



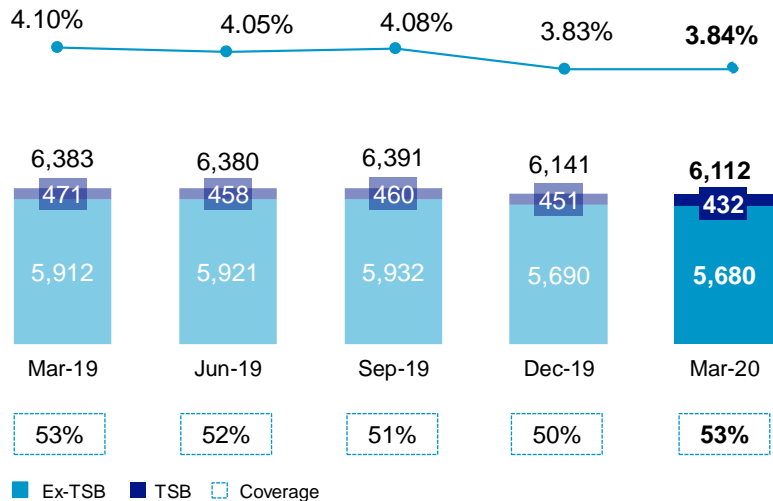
4

Balance sheet

NPLs remained stable QoQ

Group NPLs, ratio and coverage

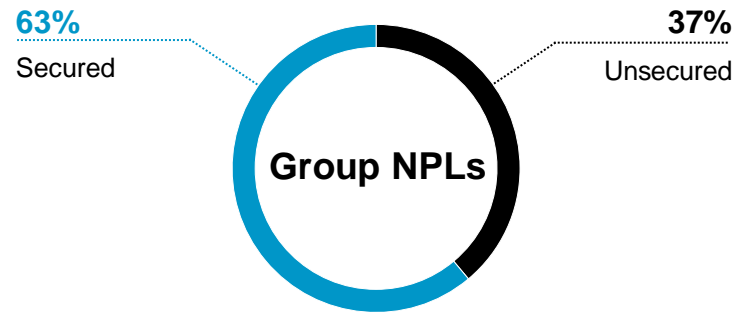
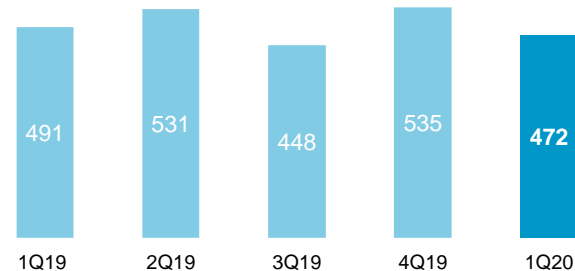
€M



Foreclosed asset exposure: €1,310M

Group NPL inflows

€M



TSB benefits from having a low risk profile and a robust liquidity and solvency position

Asset quality

	Mar-19	Dec-19	Mar-20
Cost of risk¹ (excl. Covid-19 provisions)	0.21%	0.20%	0.21%
NPL ratio	1.3%	1.2%	1.2%

Liquidity

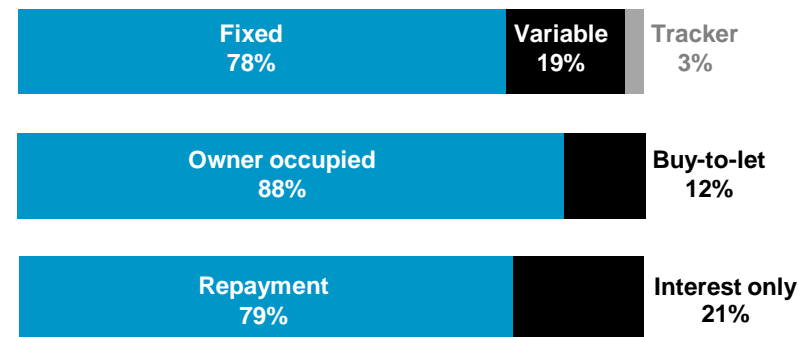
	Mar-19	Dec-19	Mar-20
LCR	295%	231%	256%

Solvency

FL CET1 ratio	19.8%	20.6%	20.3%
Leverage ratio²	4.5%	4.6%	4.5%

A low risk mortgage portfolio³

TSB mortgage stock by product and repayment type. Mar-20



45% Mortgage stock average Loan to Value⁴

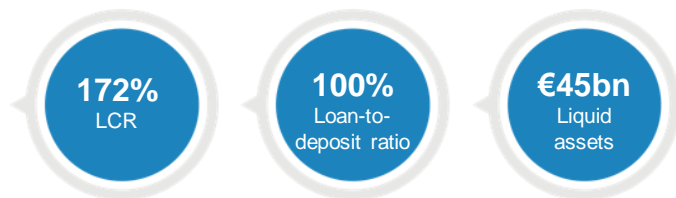
94% of net lending is secured (incl. Whistletree)

¹ Calculated as P&L impairment charge divided by average gross customer lending balances. Dec-19 figure is reported as full year, whereas the other two figures are reported as quarterly. ² Leverage ratio using EBA standards. ³ Excludes Whistletree portfolio. ⁴ 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.

Strong liquidity position

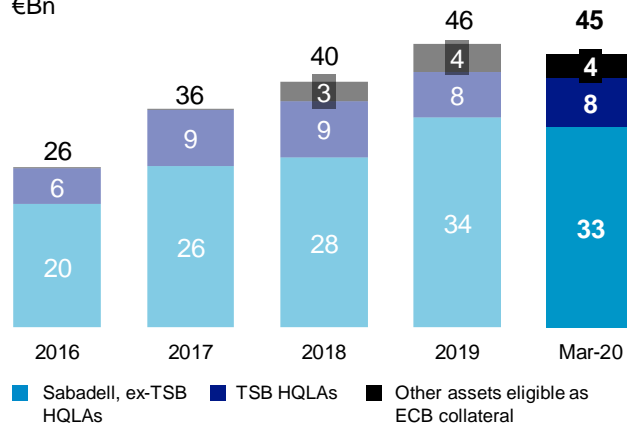
Substantial liquidity buffers

Sabadell Group



Total liquid assets

€Bn



Credit ratings

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

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

Additional Central Bank funding

Outstanding funding:

- TLTRO-II: €13.5bn, of which €3.0bn are due in 2020 and €10.5bn in 2021
- TFS: £4.5bn, of which £3.6bn are due in 2021 and £0.9bn in 2022

New liquidity available:

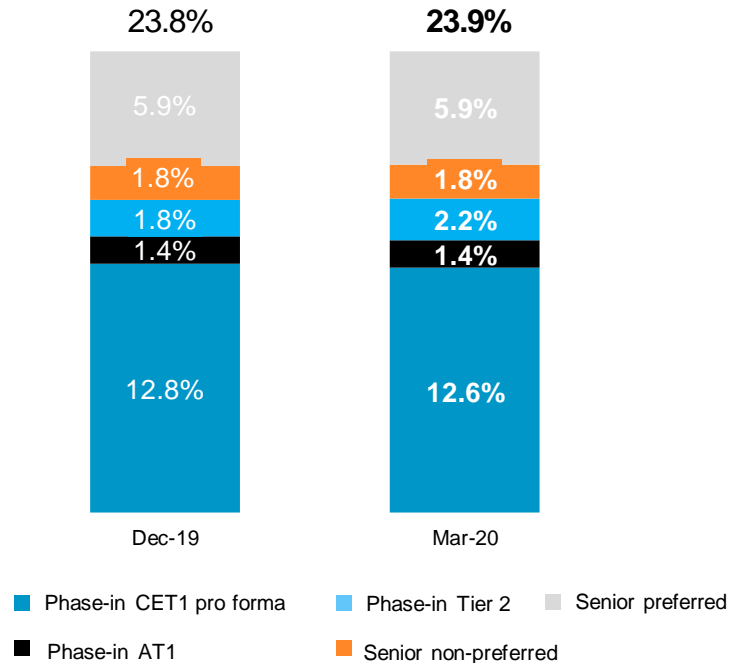
- TLTRO-III: No funding withdrawn as yet. Up to €27bn funds available
- TFSME: At least £3.0bn funds available

Outstanding Central Bank funding to be rolled out into new facilities

No immediate issuance needed as already MREL compliant

MREL evolution, Sabadell Group

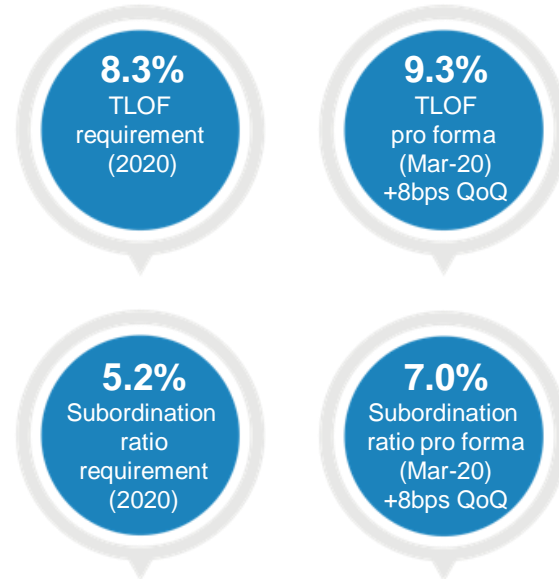
% RWA



2020 YTD issuances

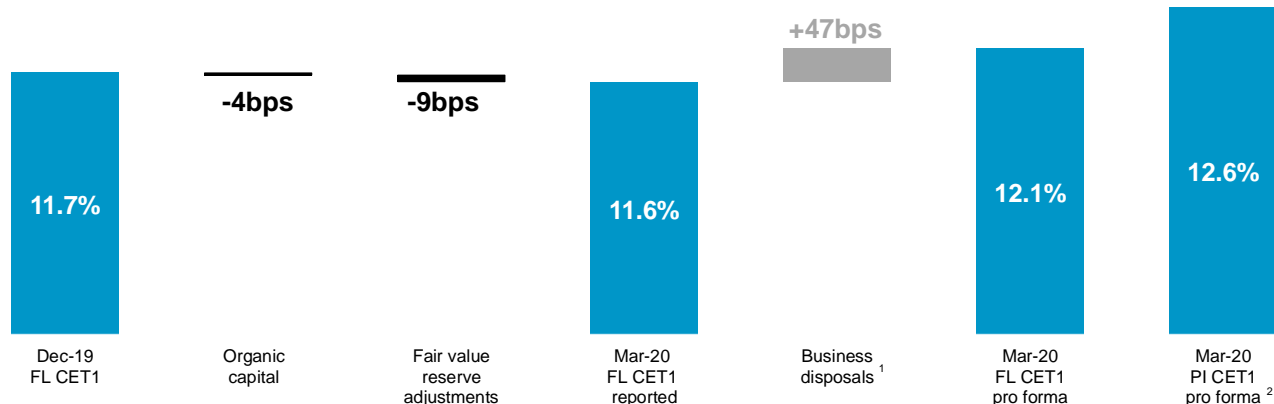
- €300M Tier 2 (2.00% coupon)
- €1bn covered bonds 8 years maturity (0.13% coupon)

€4.3bn MREL issued in 2019 and 2020 YTD



Sabadell's capital position remained stable QoQ

QoQ CET1 evolution



Mar-20 RWAs: €81,500M

Of which:

- Credit risk: €65bn
- Market risk: €1bn
- Operational risk: €8bn
- DTAs & others: €7bn

Of which:

- Spain: €66bn
- UK: €12bn
- Mexico: €4bn

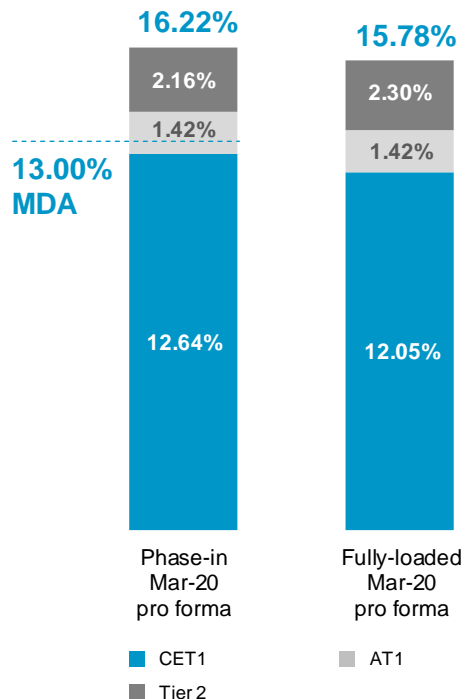
- **No interim dividend in 2020, and therefore no dividend was accrued in the quarter**

¹ Of which: RE developer ("Desarrollos Inmobiliarios") disposal: +5bps, Sabadell AM disposal: +35bps and the depositary business disposal: +7bps. ² Includes 70% of the IFRS9 transitional impact.

Comfortable MDA buffer of 322bps

Strong capital position ...

Group capital position



... well above capital requirements

Group capital requirements

%	2019	2020	2020 (post Mar-20 ECB statements)
Pillar 1 CET1	4.50%	4.50%	4.50%
Pillar 2 CET1 Requirement (P2R)	2.25%	2.25%	1.27%
Capital Conservation Buffer	2.50%	2.50%	2.50%
Countercyclical Buffer	0.14%	-	-
Other Systemically Important institutions	0.25%	0.25%	0.25%
CET1 Requirement	9.64%	9.50%	8.52%
AT1	1.50%	1.50%	1.92% ²
Tier 2	2.00%	2.00%	2.56% ²
Total Capital Requirement	13.14%	13.00%	13.00%

Total capital and CET1 requirement of 13.00% and 8.52%, respectively, post Mar-20 supervisory statements as:

- ✓ BoE decreased the Countercyclical buffer to 0%
- ✓ Change of P2R mix as per CRDV

MDA buffer
pro forma
322bps¹

Phase-in
leverage ratio
5.09%

¹ Total capital phase-in pro forma as at Mar-20 (16.22%) vs. total capital requirement of 2020 (13.00%). ² Post Mar-20 ECB statement, which assumes the bank can use excess Tier 2 and AT1 to fill P2R (in total 98bps of excess hybrid capital, of which 42bps would be Tier 2 and 56bps AT1).



Closing remarks

Appendix

1 Financial statements

2 Business profile

3 Commercial activity

4 Customer spread

5 Funding structure

6 Asset quality

7 Share data

8 ESG

9 Glossary

1. Quarterly income statement

€M	Sabadell Group					Sabadell ex-TSB			TSB		
	1Q20	QoQ (cte. FX)	QoQ	YoY (cte. FX)	YoY	1Q20	QoQ	YoY	1Q20	QoQ (cte. FX)	YoY (cte. FX)
Net interest income	884	-2.7%	-2.8%	-2.2%	-1.8%	643	-2.4%	-2.1%	242	-3.6%	-2.8%
Fees & commissions	349	-6.0%	-6.0%	1.8%	1.9%	327	-4.6%	3.4%	22	-22.9%	-16.6%
Core banking revenue	1,234	-3.6%	-3.7%	-1.1%	-0.8%	969	-3.2%	-0.3%	264	-5.6%	-4.2%
Trading income & forex	151	>100%	>100%	>100%	>100%	137	<-100%	>100%	14	>100%	-11.9%
Other income & expenses	-14	-92.3%	-92.5%	>100%	>100%	-15	-91.3%	>100%	1	>100%	-92.7%
Gross operating income	1,371	25.1%	24.9%	3.2%	3.6%	1,092	32.0%	6.5%	280	3.5%	-8.2%
Personnel recurrent costs	-400	-0.2%	-0.3%	3.3%	3.7%	-308	1.4%	6.7%	-92	-5.7%	-6.9%
Administrative recurrent costs	-246	-14.0%	-14.2%	-2.5%	-1.8%	-131	-24.7%	-7.6%	-115	2.2%	4.1%
Non-recurrent costs	-10	-70.6%	-70.7%	-65.3%	-64.8%	-2	-67.0%	-46.7%	-8	-71.3%	-67.8%
Recurrent depreciation & amortisation	-122	-1.7%	-1.8%	8.0%	8.5%	-87	-3.3%	9.2%	-35	2.0%	4.9%
Pre-provisions income	593	>100%	>100%	8.4%	8.4%	564	>100%	10.3%	29	>100%	-19.6%
Total provisions & impairments	-454	23.1%	22.7%	>100%	>100%	-416	20.5%	>100%	-38	57.1%	77.4%
Gains on sale of assets and other results	1	-96.6%	-96.6%	39.1%	38.0%	1	-97.3%	16.3%	0	>100%	>100%
Profit before taxes	141	>100%	>100%	-60.9%	-60.7%	149	>100%	-56.7%	-8	69.0%	>100%
Taxes and minority interest	-47	>100%	>100%	-53.3%	-52.9%	-48	>100%	-47.9%	1	-15.4%	>100%
Attributable net profit	94	>100%	>100%	-63.9%	-63.7%	101	>100%	-59.9%	-7	81.4%	>100%

Note: EUR/GBP exchange rate of 0.8614 used for 1Q20 P&L.

1. Detailed income statement, TSB contribution to Group

€M	TSB		
	1Q20	%QoQ	%YoY
Net interest income	208	-3.6%	-2.8%
Fees & commissions	19	-22.9%	-16.7%
Core banking revenue	228	-5.7%	-4.2%
Trading income & forex	12	>100%	-14.2%
Other income & expenses	1	<-100%	-90.3%
Gross operating income	241	3.5%	-8.3%
Operating expenses	-182	-10.9%	-9.8%
Personnel expenses	-81	-17.7%	-6.9%
Other general expenses	-102	-4.6%	-11.9%
Amortisation & depreciation	-33	8.2%	14.7%
Memo line:			
Recurrent costs	-209	-1.1%	-0.3%
Non-recurrent costs	-7	-71.4%	-67.9%
Pre-provisions income	25	>100%	-19.5%
Total provisions & impairments	-32	53.3%	73.0%
Gains on sale of assets and other results	0	>100%	>100%
Profit before taxes	-7	72.6%	>100%
Taxes and minority interest	1	<-100%	<-100%
Attributable net profit	-6	83.1%	>100%

- Consolidated financials at Group level include TSB acquisition related core deposits and brand intangibles amortisation of €40M pre-tax per year from 2019 to 2022, which is excluded from TSB stand-alone financials

1. Balance sheet

€M	Sabadell Group					Sabadell ex-TSB		
	Mar-20	QoQ (cte. FX)	QoQ	YoY (cte. FX)	YoY	Mar-20	QoQ	YoY
Total assets	223,286	1.0%	-0.2%	-0.1%	-1.1%	180,112	0.3%	-0.2%
Of which:								
Gross loans to customers ex repos ¹	149,367	1.2%	-0.3%	2.9%	1.7%	114,022	1.1%	2.5%
Performing loans	143,475	1.2%	-0.3%	3.3%	2.1%	108,631	1.2%	2.9%
Performing loans ex-APS²	141,714	2.2%	0.6%	4.4%	3.1%	106,870	2.5%	4.3%
Fixed income portfolio	24,834	-9.6%	-9.9%	-4.1%	-4.3%	22,647	-9.7%	-5.4%
Total liabilities	210,514	1.1%	-0.1%	-0.3%	-1.3%	167,334	0.5%	-0.4%
Of which:								
On-balance sheet customer funds	144,005	0.5%	-0.7%	4.7%	3.8%	109,414	-0.2%	4.4%
Term funds ³	25,127	-2.9%	-3.9%	-10.6%	-11.2%	21,916	-3.6%	-13.9%
Sight accounts	118,878	1.3%	0.0%	8.9%	7.8%	87,498	0.7%	10.6%
Wholesale funding	23,052	3.7%	3.2%	6.7%	6.3%	20,762	4.3%	8.5%
ECB funding	15,325	4.9%	4.9%	-25.2%	-25.2%	15,325	4.9%	-25.2%
BoE funding	5,048	0.0%	-4.0%	-30.8%	-33.0%	0	--	--
Off-balance sheet funds	40,044	-7.2%	-7.2%	-8.3%	-8.3%	40,044	-7.2%	-8.3%
Of which:								
Mutual funds	23,707	-8.8%	-8.8%	-8.6%	-8.6%	23,707	-8.8%	-8.6%
Pension funds	3,126	-7.1%	-7.1%	-13.5%	-13.5%	3,126	-7.1%	-13.5%
Third party insurance products	10,277	-1.5%	-1.5%	-2.8%	-2.8%	10,277	-1.5%	-2.8%
Managed accounts	2,934	-12.8%	-12.8%	-16.8%	-16.8%	2,934	-12.8%	-16.8%
Total customer funds	184,048	-1.3%	-2.2%	1.6%	0.9%	149,458	-2.2%	0.7%

Note: EUR/GBP exchange rate of 0.8864 used Mar-20 balance sheet. Loans growth rates exclude the impact of €0.5bn A/R related to the closing of NPA disposals (€1.1bn in Dec-19).¹ Includes accrual adjustments. ² Excludes CAM Asset Protection Scheme A/R. ³ Term funds include term deposits and other funds placed via the branch network and exclude repos and deposits from institutional clients.

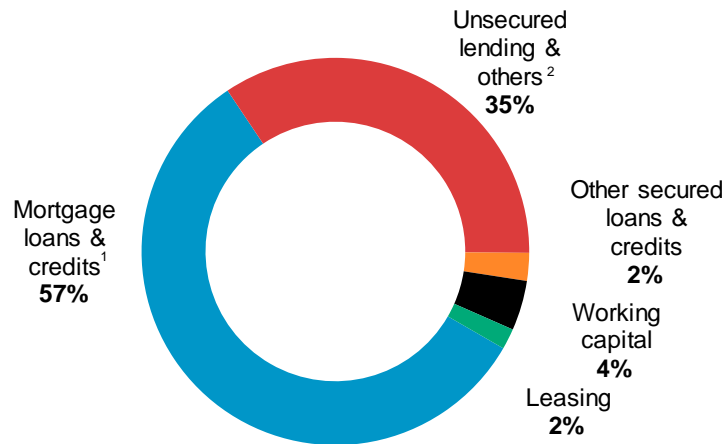
1. Detailed balance sheet, TSB contribution to Group

£M	TSB		
	Mar-20	%QoQ	%YoY
Cash, cash balances at central banks and other demand deposits	5,701	24.1%	-13.7%
Financial assets held for trading and fair value with changes in PL	189	69.2%	94.0%
Financial assets in fair value OCI	1,224	-22.9%	-20.6%
Financial assets at amortised cost	32,294	-0.9%	1.4%
of which			
Total customer lending	30,906	-0.5%	2.8%
Core mortgages	27,713	-0.3%	4.5%
Unsecured & Business Banking	1,807	-1.1%	-4.0%
Whistletree mortgages	1,387	-4.3%	-16.8%
Tangible assets	291	-0.8%	-9.4%
Intangible assets	24	16.2%	16.5%
Other assets	440	30.1%	19.2%
Total assets	40,164	1.6%	-1.6%
Financial liabilities held for trading and fair value with changes in PL	166	29.8%	183.0%
Financial liabilities at amortised cost	37,454	1.3%	-2.1%
of which			
Total customer deposits	30,703	1.7%	5.0%
Fixed rate savings	2,845	-2.5%	17.3%
Variable rate savings	15,024	0.4%	-0.2%
Current accounts	11,300	4.1%	6.5%
Business banking	1,532	6.4%	34.2%
TFS	4,475	0.0%	-30.8%
Provisions	44	-14.2%	59.1%
Other liabilities	635	28.6%	6.4%
Subtotal liabilities	38,300	1.8%	-1.6%
Shareholders' equity	1,874	0.0%	0.6%
Accumulated other comprehensive income	-11	-195.8%	-199.2%
Net equity	1,864	-1.2%	-0.5%
Total liabilities and equity	40,164	1.6%	-1.6%

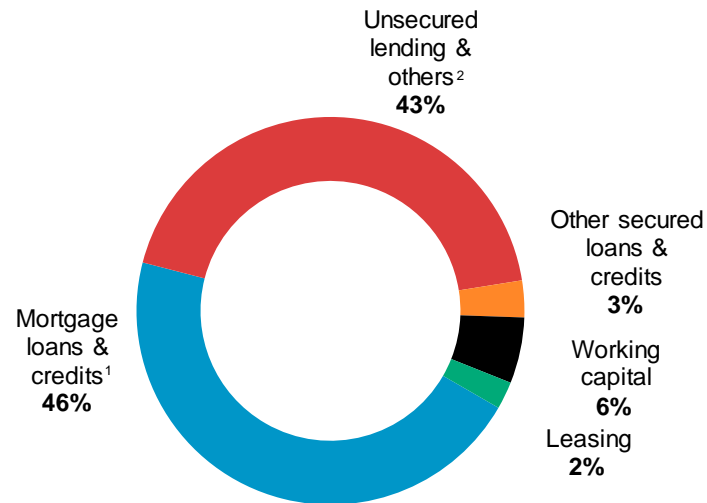
Note: EUR/GBP exchange rate of 0.8864 used Mar-20 balance sheet.

2. Performing loans by product type

Sabadell Group



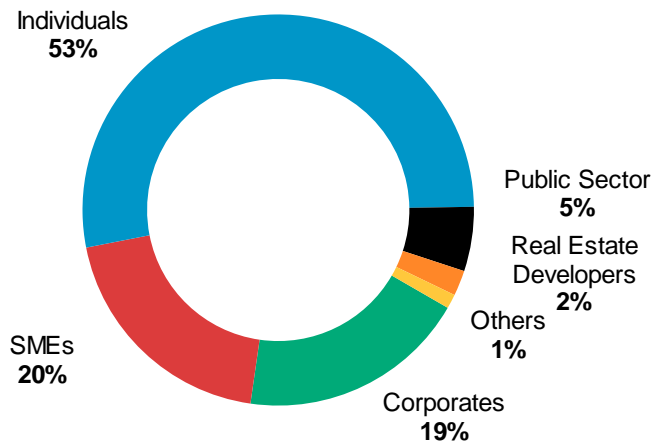
Sabadell ex-TSB



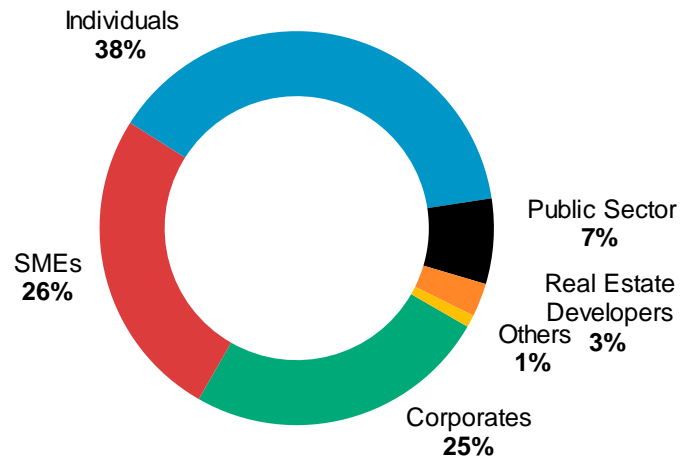
Note: Data as at March 2020. ¹ Includes mortgage loans and credits to both individuals and companies. ² Unsecured loans, loans to the public sector, overdrafts and others.

2. Business mix by customer type

Sabadell Group



Sabadell ex-TSB



Note: Data as at March 2020.

2. Performance by customer type

Performing loans: performance by customer type, ex-TSB

(excl. Asset Protection Scheme A/R). €M

	Dec-19	New lending	Attrition	Mar-20	% QoQ	% YoY
Corporates	25,822	3,850	-2,124	27,547	+6.7%	+11.8%
SMEs	25,719	2,776	-2,440	26,055	+1.3%	+2.6%
Mortgages to individuals ¹	32,702	644	-598	32,748	+0.1%	+2.5%
Other lending and consumer loans	9,867	693	-1,473	9,087	-1.2% ²	-8.2% ²
Public Administrations	7,418	692	-203	7,907	+6.6%	+11.1%
Construction and Real Estate sectors	3,457	471	-403	3,526	+2.0%	+0.3%
Total Sabadell, ex-TSB (excl. APS)	104,985	9,126	-7,241	106,870	+2.5%²	+4.3%²

Note: Excludes accrual adjustments. ¹Refers to residential mortgages to individuals within Spain only. ²excludes the impact of €0.5bn A/R related to the closing of NPA disposals (€1.1bn in Dec-19).


3. Digital transformation



 Digital customers

3.0M

YoY
+4.4%

 Mobile customers

2.7M

YoY
+8.7%

 Digital Sales
(% over total sales)

Consumer loans

48% +12pp YoY

Insurance (car & home)

16% Not available in 1Q19

Loans to self-employed

30% +7pp YoY

Mortgages

4% +0.3pp YoY



2.0M

YoY
+5.0%

1.3M

YoY
+15.8%

Consumer loans

61% Not available in 1Q19

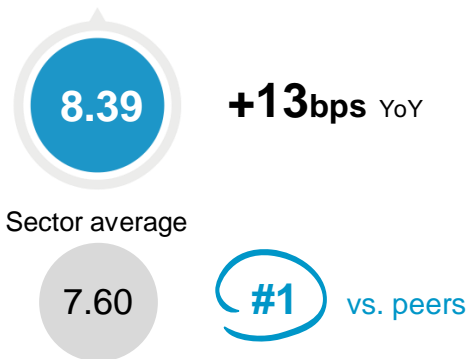
PCAs

67% +16pp YoY

3. Service quality index and NPS

Spain

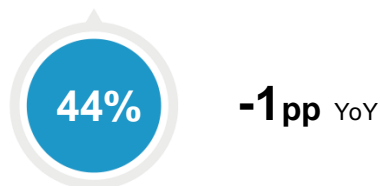
Service quality index



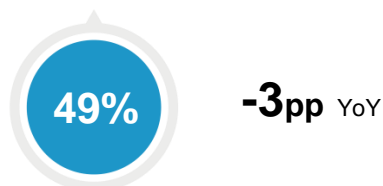
Net promoter score (NPS)

SMEs	22%	#1
Personal banking	33%	
Corporates	34%	
Retail banking	11%	

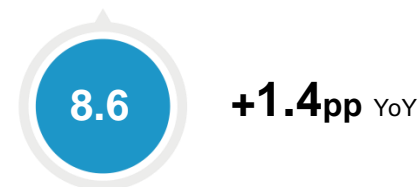
NPS Online banking



NPS Mobile



NPS Bank. 3-month average



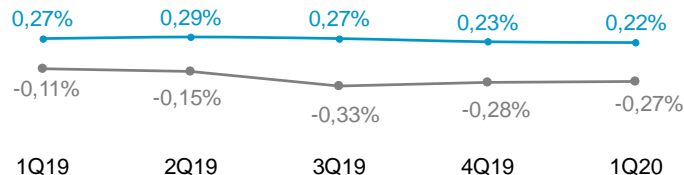
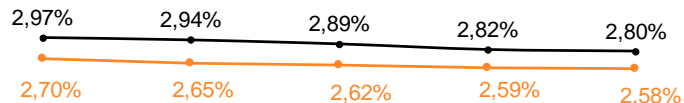
NPS Mobile. 13-week average



4. Customer spread evolution

Sabadell Group

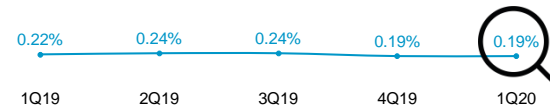
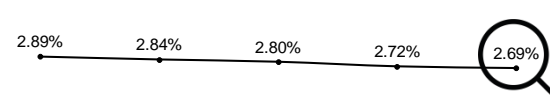
In euros



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

Sabadell ex-TSB

In euros

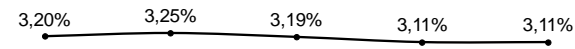


	4Q19	1Q20
Spain	2.54%	2.51%
Mexico	7.50%	6.99%

	4Q19	1Q20
Spain	0.05%	0.04%
Mexico	6.91%	6.98%

TSB

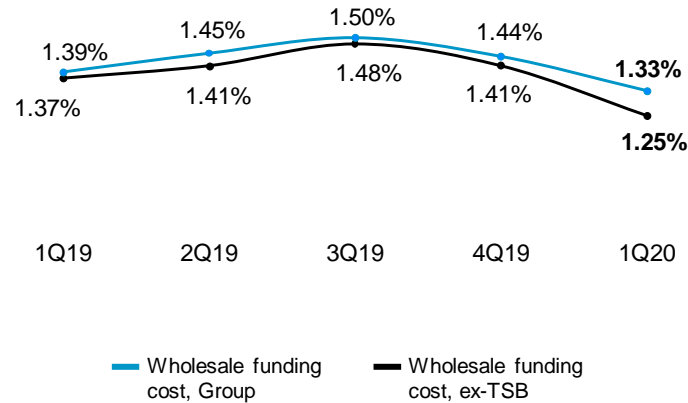
In euros



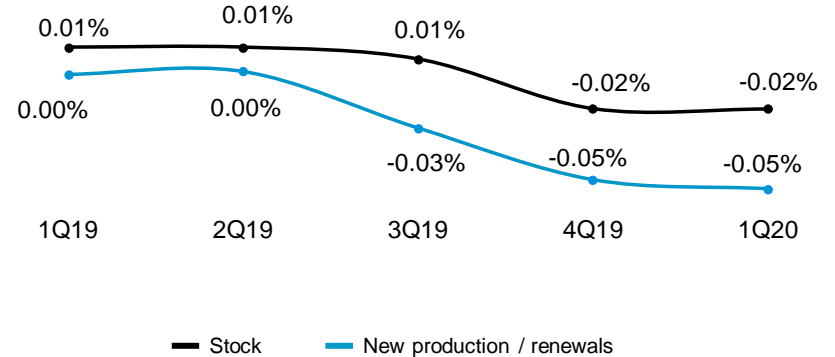
1Q19 2Q19 3Q19 4Q19 1Q20

4. Wholesale funding cost and rates on term deposits

Wholesale funding cost¹



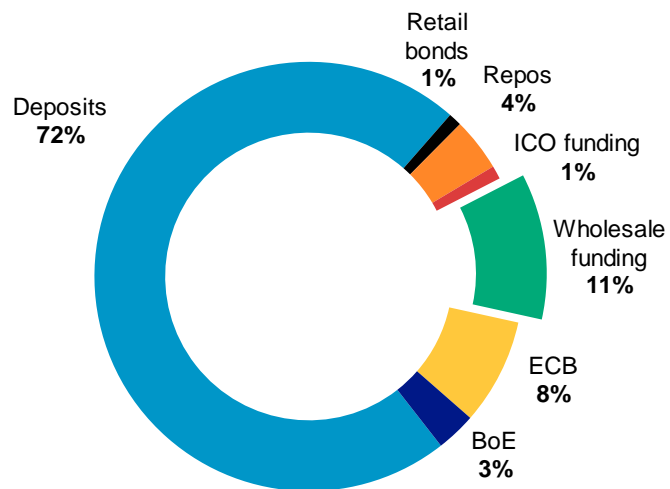
Euro term deposits, ex-TSB



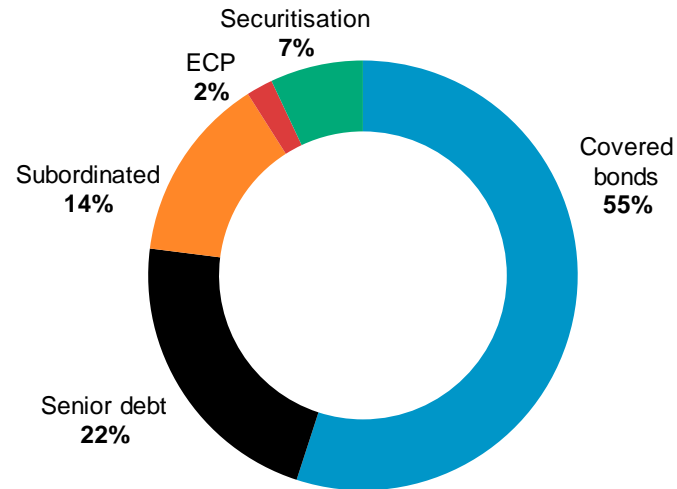
¹ Wholesale funding cost excludes the additional benefit from TLTRO-II and TFS funding.

5. Group funding structure

Funding structure



Wholesale funding breakdown

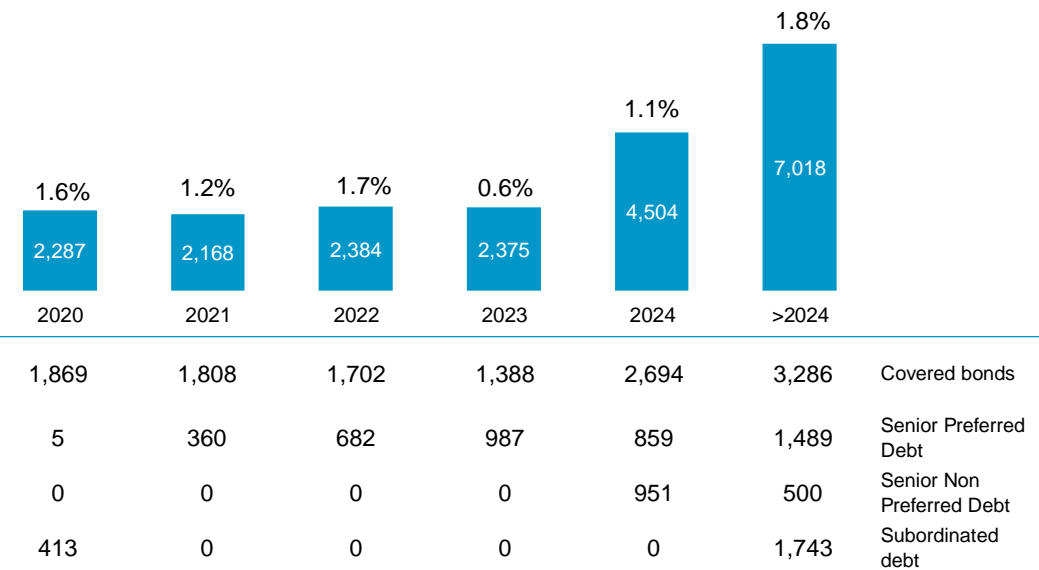


Note: Data as at March 2020.

5. Group debt maturities and issuances

Debt maturities and average cost

Maturities in €M and average cost in %



Debt maturities in next 12 months

Instrument	Date	Size	Coupon
Senior preferred	15/04/2020	€4M	0.00%
Tier 2	26/04/2020	€413M	6.25%
Covered bond	10/06/2020	€594M	0.38%
Structured bonds	06/07/2020	€1M	2.00%
Covered bond	20/07/2020	€100M	0.00%
Covered bond	31/07/2020	€30M	4.60%
Covered bond	03/11/2020	€945M	0.63%
Covered bond	28/12/2020	€200M	3.80%
Covered bond	22/03/2021	€300M	4.00%

Note: Debt maturities excludes AT1 issuance. Callable issuances considered at their legal maturity.

6. Evolution of Sabadell Group NPA coverage ratios

€M	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
NPLs	6,383	6,380	6,391	6,141	6,112
Provisions	3,360	3,301	3,263	3,045	3,228
Coverage ratio (%)	52.6%	51.7%	51.1%	49.6%	52.8%
Foreclosed assets	1,803	1,873	1,032	1,185	1,310
Provisions	790	831	380	394	451
Coverage ratio (%)	43.8%	44.4%	36.8%	33.3%	34.4%
Total problematic assets	8,186	8,253	7,424	7,326	7,422
Provisions	4,150	4,132	3,643	3,439	3,680
Coverage ratio (%)	50.7%	50.1%	49.1%	46.9%	49.6%
Gross loans ¹ + foreclosed assets	148,209	149,866	148,248	151,698	150,677
NPAs as % of (gross loans¹ + foreclosed assets) (%)	5.5%	5.5%	5.0%	4.8%	4.9%
Net problematic assets	4,036	4,121	3,781	3,887	3,743
Net NPAs to total assets ratio (%)	1.8%	1.8%	1.7%	1.7%	1.7%

€M	Stage 1	Stage 2	Stage 3
Loans to customers and contingent risks	144,140	8,788	6,112
Provisions	538	331	2,359
Coverage	0.4%	3.8%	38.6%

Note: Includes contingent risk. NPAs include 100% of Asset Protection Scheme exposure. ¹ Includes accrual adjustments.

6. Evolution of NPLs and foreclosed assets

Evolution of NPLs and foreclosed assets, ex-TSB

€M

	1Q19	2Q19	3Q19	4Q19	1Q20
Gross entries (NPLs)	408	457	380	469	406
Recoveries	-420	-371	-300	-550	-333
Net NPL entries	-12	86	80	-81	73
Gross entries (foreclosed assets)	136	107	120	209	141
Sales ¹	-59	-37	-961 ²	-57	-16
Change in foreclosed assets	77	70	-841	152	125
Net NPL entries + Change in foreclosed assets	66	156	-761	71	198
Write-offs	-182	-76	-70	-161	-82
Foreclosed assets and NPLs quarterly change	-117	79	-831	-90	116

Note: Includes contingent risk. NPAs include 100% of Asset Protection Scheme exposure. ¹ Includes other outcomes. ² Includes institutional NPAs sold in the quarter and reclassified as non-current assets held for sale.

6. Forborne exposures

Group forborne exposures and restructured loans

€M. Mar-20

	Total	Of which: doubtful
Public sector	10	10
Companies and self-employed	2,670	1,715
Of which: Financing for construction and real estate development	336	245
Individuals	1,819	1,169
Total	4,500	2,894
Provisions	1,016	914

6. NPL ratio breakdown

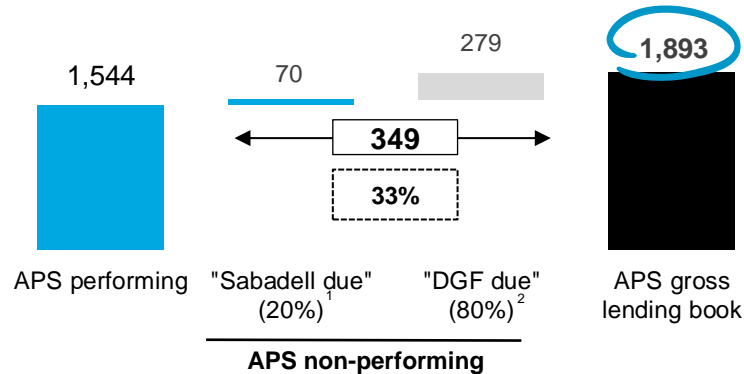
NPL ratios by segment, ex-TSB

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Real Estate development and/or construction purposes	14.4%	14.0%	13.4%	11.0%	10.7%
Construction purposes non-related to real estate dev.	6.0%	5.7%	5.5%	6.1%	6.3%
Large corporates	1.9%	1.8%	1.7%	1.4%	1.4%
SME and small retailers and self-employed	6.4%	6.6%	6.8%	6.7%	6.8%
Individuals with 1 st mortgage guarantee assets	5.8%	5.7%	5.5%	5.3%	5.2%
NPL ratio, Sabadell ex-TSB	4.9%	4.8%	4.9%	4.6%	4.6%

6. Asset Protection Scheme (“APS”) gross loans and real estate assets

APS gross loans and advances

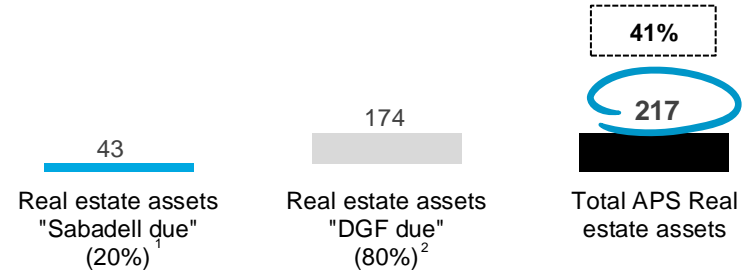
€M. Mar-20



The total APS NPL ratio is 18.4%

APS real estate

€M. Mar-20



“DGF due” loans and real estate exposures represent €606M 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.

7. Share data

	Mar-19	Dec-19	Mar-20
Shareholders and trading			
Number of shareholders	240,887	235,034	234,082
Average number of shares (M)	5,537	5,538	5,603
Share price			
Closing session (end of quarter) (€)	0.888	1.040	0.469
Market capitalisation (€M)	4,915	5,760	2,628
Stock market multiples			
Earnings per share (EPS) (€) ¹	0.15	0.13	0.03
Book value (€M)	12,715	13,172	13,076
Book value per share (€)	2.30	2.38	2.33
Tangible book value (€M)	10,240	10,607	10,536
Tangible book value per share (€)	1.85	1.92	1.88
Price / Book value (x)	0.39	0.44	0.20
Price / Earnings ratio (P/E) (x) ¹	5.74	8.29	15.78

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

8. Responsible Banking



Sabadell will implement a Sustainable Finance Plan in 2020 which aims to incorporate sustainability in a cross-functional way into its business model, risk assessment and management, and its relationships with all stakeholders

Environment



€150M
Investment in renewables

€1,142M
Financed in renewables


99.85%
Reduction in CO2 emissions since 2014



Leader in solar energy finance¹

✓ Signatory of Spanish banking sector's Commitment on Climate Change 

✓ Adjustment to the reporting model of the Task Force for Climate-related Financial Disclosures

✓ Approval of the Framework for the first green bonds issuance 

Note: Data as at Dec-19. ¹ Number of syndicated loans in 2019.

Governance

Compliant with the highest quality standards 



✓ 9 Independent Directors with a wide and diverse range of profiles

✓ Succession plan for the Chairman and CEO

✓ Independent expert advisor specialised in IT and digitalisation



✓ Disclosure of a matrix of competencies and diversity

✓ Satisfactory external assessment of the Board and its Committees

Social



57%
Female employees

35%
Female managers

54%
Promotions to women in Spain

99%
Long term contracts

1%
Voluntary turnover in Spain

Sogeviso

3,197 Families with social rent agreements
2,134 Customers helped to find a job



Gender equality award

Workplace seal of approval awarded by the Ministry of the Presidency in 2018

Sabadell Foundation

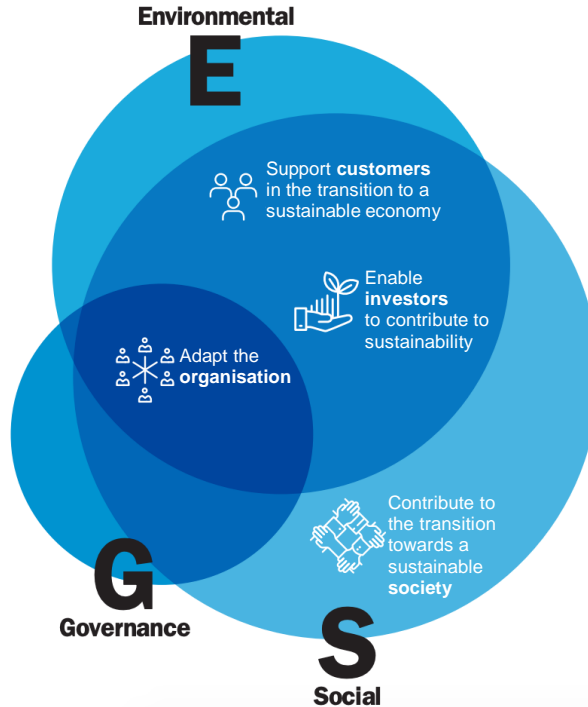
Grants awards for biomedical & economic research, science & engineering

8. An ESG strategy based on sustainable development goals and UN principles for responsible banking


Inclusion of sustainable development goals (SDGs) in corporate strategy



Signatory of UN Principles for Responsible Banking



The Board of Directors approved priority and additional SDGs



8. Institutional commitments and awards



Applies 10 principles of UN Global Compact



Incorporates material SDGs in all its activities



Signatory of UN Principles for Responsible Banking
Ratification of Collective Commitment to Climate Action



Signatory of Equator Principles, to ensure social and environmental matters receive full attention in project finance



Signatory of Carbon Disclosure Project and CDP on Water Disclosure



Signatory of UN Principles for Responsible Investment in "investment manager" category



Equality in the Workplace Award (Government of Spain)



Gold Seal of Excellence of EFQM Model



FTSE4Good

Sabadell included in FTSE4Good IBEX



ISO 9001 certification for Group's financial undertakings in Spain



Has arranged a series of activities as part of the National Financial Education Plan



Environmental management systems in 6 corporate HQ certified to ISO 14001 standard

9. Glossary (I)

Term	Definition
ATA	Average total assets
BAU	Business as usual
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 Asset Protection Scheme A/R	Refers to the DGF account receivable related with CAM Asset Protection Scheme
CBILS	Coronavirus Business Interruption Loan Scheme provides financial support to smaller businesses (SMEs) across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the COVID-19 outbreak
CoR	Cost of risk. Provisions for NPLs divided by loans to customer and guarantees granted. The numerator considers the linear annualization of the provisions for NPLs. In addition, the costs associated with the management of NPLs are adjusted.
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 ratio (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 yields and costs 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

9. Glossary (II)

Term	Definition
CRDV	Capital Requirements Directive IV
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
EAD	Exposure at default
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 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
EBA	European Banking Authority
EFQM	European Foundation Quality Management
EQUOS	Objective quality analysis of services provided by banking networks
Expansion current account	Sabadell relationship account with engaged businesses and individuals
ESMA	European Securities and Markets Authority
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
ICO	Spanish Official Credit Institute
ISO	International Organization for Standardization
LCR	Liquidity coverage ratio: High quality liquid assets (HQLAs) divided by total net cash outflows

9. Glossary (III)

Term	Definition
JST	Joint Supervisory Teams
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
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)
NPA A/R	Account receivable related to the closing of NPA disposals announced in Dec-19 (Challenger, Coliseum and REX)
NPL ratio	Ratio between stage 3 (non-performing) loans and total risk assumed by customers not classified as non-current assets held for sale. Calculated using the ratio between stage 3 exposures (non-performing), including guarantees granted / loans to customer and guarantees granted
NPA ratio	NPAs / (gross loans + foreclosed assets). Gross loans includes accrual adjustments
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)
OSIs	On-site inspections used by Joint Supervisory Teams as supervisory tools
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

9. Glossary (IV)

Term	Definition
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)	Ratio between share price and earnings per share
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, excluding real estate investments with significant latent capital gains and rental properties, for which there is an agreement of sale that will be carried out after a reform process.
ROE	Profit attributed to the Group divided by average equity ¹ . The numerator considers the linear annualisation of profit obtained to date adjusted by 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	Profit attributed to the Group divided by average own funds ¹ . The numerator considers linear annualisation of profit obtained to date 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 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
RWA	Risk weighted assets
SRB	Single Resolution Board

¹ Average calculated using the last positions at the end of each month since previous December.

9. Glossary (V)

Term	Definition
SREP	Supervisory Review Examination Process
SSM	Single Supervisory Mechanism
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 the sum of equity adjusted by intangible assets and by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end
TFS	Term Funding Scheme which is a monetary policy tool of the Bank of England and provides funding to participating banks and building societies at interest rates close to Bank Rate
TFSME	Term Funding Scheme with additional incentives for SMEs
TLOF	Total liabilities and own funds
TLTRO	Targeted Longer-Term Refinancing Operations
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 of non-financial assets, (iii) investment properties in 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
TRIM	Targeted review of internal models
Whistletree	Portfolio of former Northern Rock mortgages and unsecured loans, whose 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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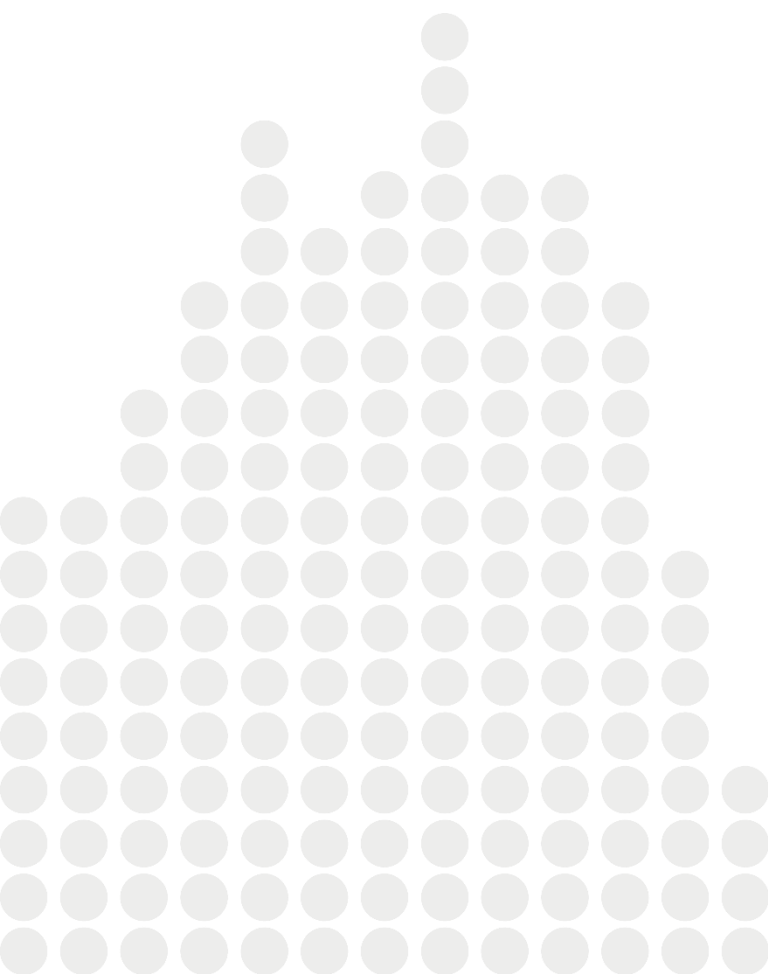
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