


A decorative background graphic consisting of a grid of grey dots. The dots are arranged in a pattern that forms a large, upward-pointing triangle, with the number of dots decreasing from bottom to top.

FY 2023

results

February 1, 2024

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- 



1

2023
highlights

2023 key messages

NII increases
+24% YoY

+34% YoY at Sabadell ex-TSB

Good performance
of asset quality

Total NPA -3% YoY
NPA coverage ratio 56% (+3p.p.)
Total cost of risk at 55bps

RoTE
11.5%

CET1 FL
13.21%

Group net profit of
€1,332M (+55% YoY)

£175M at TSB

Pay-out ratio at 50%

Total cash dividend
€6cts/share (+50%YoY)

Share buyback programme
€340M (+67%YoY)

Commercial gap improved by €2bn in the year

Performing loans across geographies

€M

	Dec-23	QoQ	YoY
Spain	94,619	-1.3%	-4.8%
UK (TSB) <i>Constant FX</i>	41,381	-1.0% -0.5%	-4.0% -5.9%
Other international <i>Constant FX</i>	13,798	-1.5% +1.1%	+1.3% +1.5%
Total <i>Constant FX</i>	149,798	-1.2% -0.8%	-4.1% -4.6%

Total customer funds

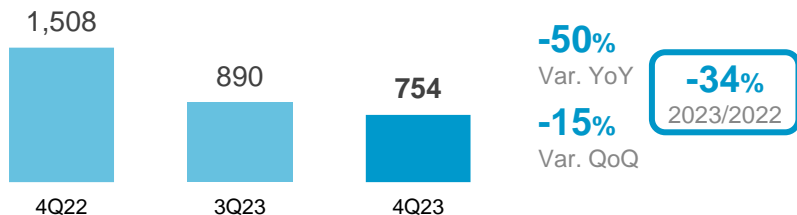
€M

	Dec-23	QoQ	YoY
On-balance sheet <i>Constant FX</i>	160,888	-0.7% -0.4%	-2.0% -2.6%
Off-balance sheet	40,561	+3.1%	+5.4%
Total <i>Constant FX</i>	201,449	+0.1% +0.3%	-0.6% -1.1%

Different trends in new lending across products

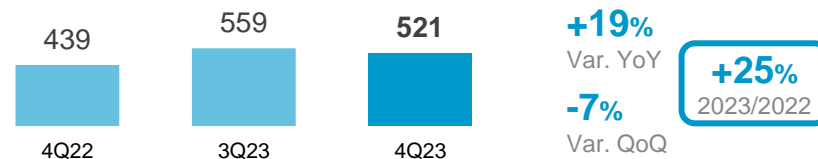
Mortgages

Quarterly new lending in Spain (in €M)



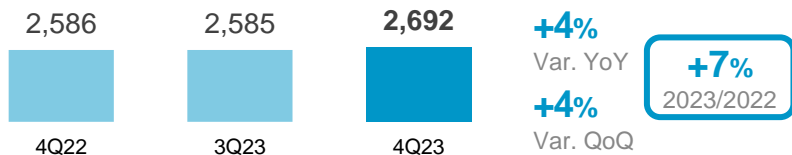
Consumer loans

Quarterly new lending in Spain (in €M)



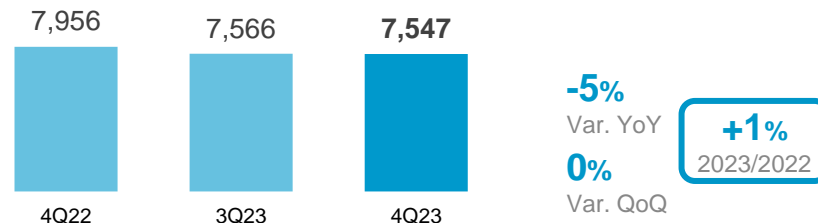
Loans and credit facilities – Business Banking

Quarterly new lending in Spain (in €M)



Working capital¹ – Business Banking

Quarterly new lending in Spain (in €M)

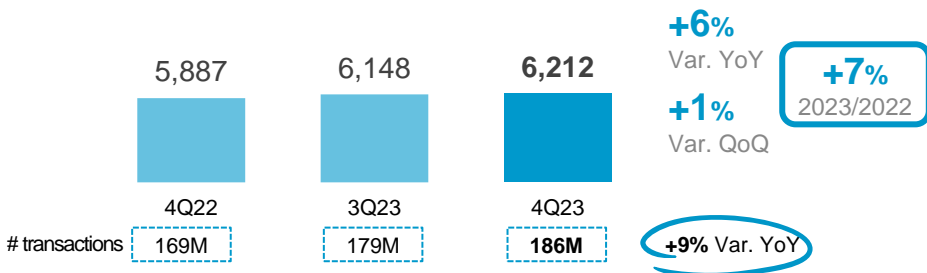


¹ Working capital includes trade discounting, factoring, reverse factoring, forfaiting and import/export finance.

Good momentum in payment services continues. Increase of savings & investment products

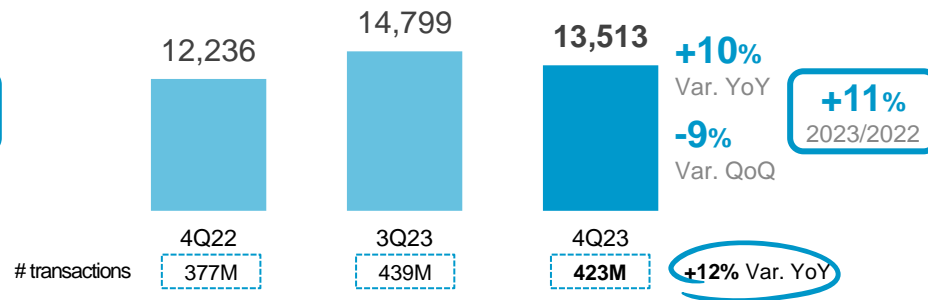
Cards

Quarterly turnover in Spain (in €M)



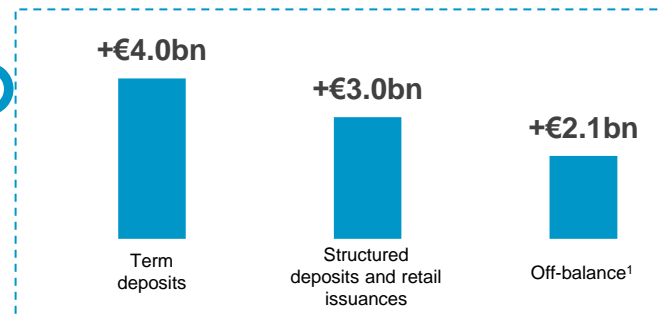
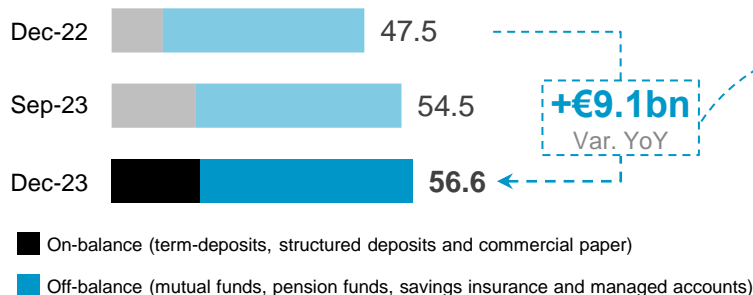
Retailer payment services (PoS)

Quarterly turnover in Spain (in €M)



Savings & investment products

Customer funds in Spain (in €bn)



¹ Off-balance includes mutual funds, pension funds, savings insurance and managed accounts

Volumes subdued in Spain, growth in international geographies in the year

Performing loans by segment, ex-TSB

€bn

	Dec-23	QoQ	YoY
Mortgages	37.8	-1.4%	-3.6%
Consumer loans	3.9	+2.7%	+14.5%
SMEs & Corporates	40.8	-1.7%	-5.3%
Public sector	8.6	-1.3%	-14.2%
<hr style="border-top: 1px dashed #ccc;"/>			
Other lending	3.6	+0.3%	-4.0%
Total Spain	94.6	-1.3%	-4.8%

	Dec-23	QoQ	YoY
Mexico <i>Constant FX</i>	4.6	-1.9% +0.6%	+11.0% +7.1%
Miami <i>Constant FX</i>	5.7	+0.4% +4.8%	-2.8% +0.7%
Foreign branches <i>Constant FX</i>	3.5	-3.9% -3.7%	-3.1% -4.1%
Total international <i>Constant FX</i>	13.8	-1.5% +1.1%	+1.3% +1.5%

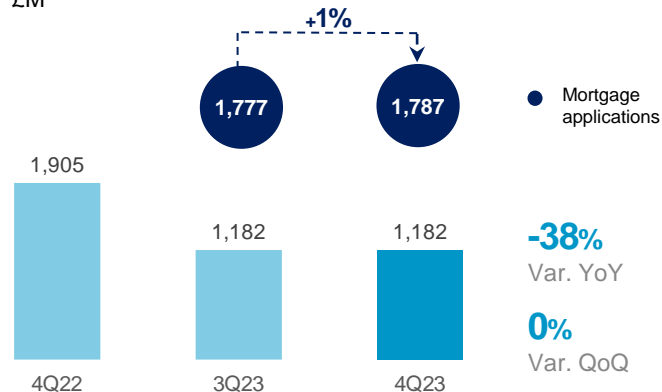
Note: Excludes accrual adjustments.

TSB new mortgage lending stabilised in the quarter



Quarterly new mortgage lending

£M



TSB performing loans¹

£bn

	Dec-23	QoQ	YoY
Secured ²	33.7	-0.4%	-5.9%
Consumer lending	1.1	-2.7%	-9.3%
Other unsecured lending	1.1	+1.1%	-4.5%
Total	36.0	-0.5%	-5.9%

TSB customer deposits

£bn

	Dec-23	QoQ	YoY	4Q23 Cost
Current Accounts (PCAs)	12.4	-2.4%	-11.8%	0.01%
Savings	19.9	+1.1%	+1.7%	2.40%
Business Banking Deposits	2.5	-0.9%	-9.2%	0.35%
Total	34.8	-0.3%	-4.3%	1.38%

- Stable mortgage applications and new mortgage lending in the quarter
- Current level of mortgage applications and new mortgage lending close to stable loan volumes
- Remuneration of savings products remained broadly stable since September, aligned with BoE base rate
- Loan-to-deposit ratio remained stable in the year at 104%

¹ Excludes accrual adjustments. ² Includes Whistletree secured portfolio.

TSB more than doubled its contribution to the Group

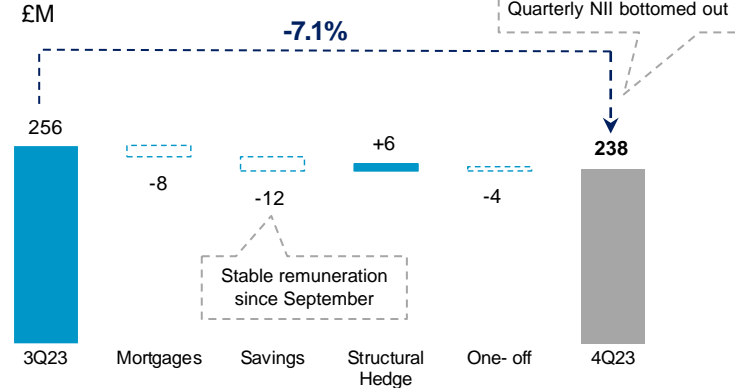


TSB standalone P&L and its contribution to Sabadell

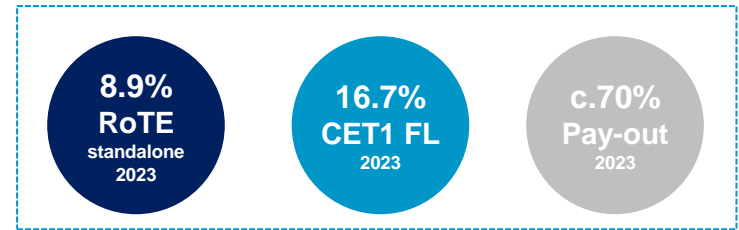
£M	4Q23	4Q23/3Q23	2022	2023	2023/2022
NII	238	-7.1%	982	1,022	4.1%
Fees & commissions	29	2.3%	114	108	-5.4%
Recurrent Costs ¹	-186	-5.6%	-748	-769	2.8%
Core results²	81	-7.5%	348	361	3.9%
Total provisions	-26	34.4%	-89	-65	-26.1%
One-offs ³	-40	n.m.	-46	-53	15.5%
Net profit	23	-52.5%	102	175	70.9%
Contribution to Sabadell Group (€M)⁴	34	-39.0%	87	195	123.4%

- 1 NII benefited in the year from a higher rate environment which supported structural hedge income whereas in the quarter it only partly offset lower mortgage margins and balances as well as cost of deposits and -£4M of one-off
- 2 Recurrent costs increased in the year due to higher salaries and IT costs whereas they improved in the quarter because of lower outsourcing costs. Efficiency plan announced this 4Q23
- 3 Contained **cost of risk** throughout the year

TSB NII, QoQ



Double digit RoTE over a benchmark CET1



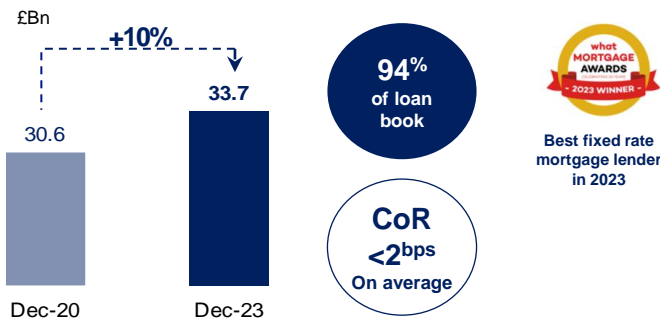
¹ Excludes £29M of non-recurrent provision related to the new efficiency initiatives in UK in 4Q23. ² NII + fees – recurrent. ³ 2022 one offs: -£46M related to the fine in connection with the IT migration. 2023 one offs: -£53M related to the new efficiency initiatives, of which £29M in restructuring costs and £24M in write-offs. ⁴ Consolidated financials at Group level include TSB acquisition-related core deposits and amortisation of brand intangibles of €23M pre-tax per year in 2023 and €5M expected in 2024, which are deducted from TSB standalone financials.

TSB's turnaround shows a positive trend



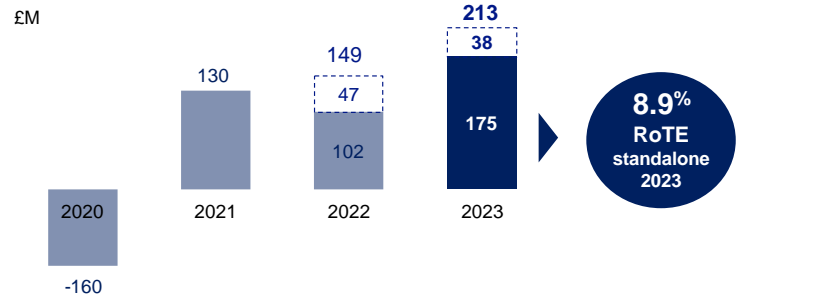
1 Focus on the bank's core business: mortgages

TSB Mortgage book evolution



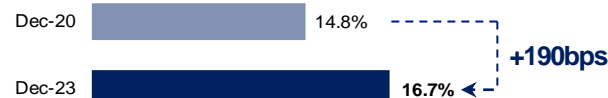
2 With a turnaround in results

TSB Net profit evolution



3 Well-capitalised

CET1 FL

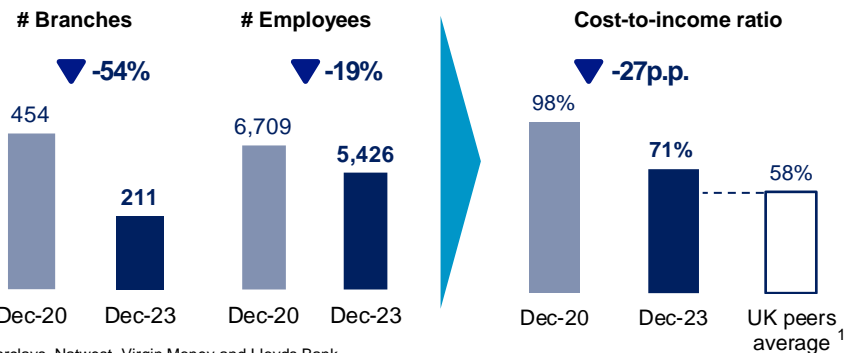


Pay-out



>450bps
MDA buffer

4 More efficient with a plan for further improvement



¹ Data as of Sep-23. The average cost-to-income ratio on statutory basis of the following UK peers: Santander UK, Co-op, Barclays, Natwest, Virgin Money and Lloyds Bank.

Room to improve profitability



Net Interest Income

	Impact on NII
Cost of deposit	▼
Mortgage margins	▼
Structural hedge	▲
Volumes	≈

▲ Improvement ▼ Worsening ≈ Stability



Net Interest Income to decline low-single digits in 2024



Net Interest Income to grow in 2025 onwards supported by structural hedge

Costs

£53M
restructuring charges in 2023

- ✓ £29M in restructuring costs
- ✓ £24M in write-offs

1.1 yrs
payback

£53M
cost savings
77% in 2024
100% in 2025



- Total cost to decline by:**
- c.-3% in 2024 (vs. 2023)
 - c.-1% in 2025 (vs. 2024)

Cost of Risk

2023 CoR as recurrent

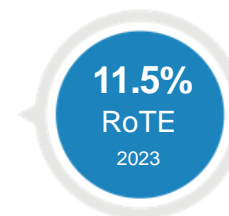
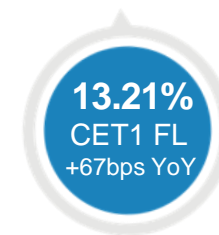
RoTE

2024 a transitional year (≈ 2023)

Improved RoTE in 2025

All-time high net profit, above €1.3Bn

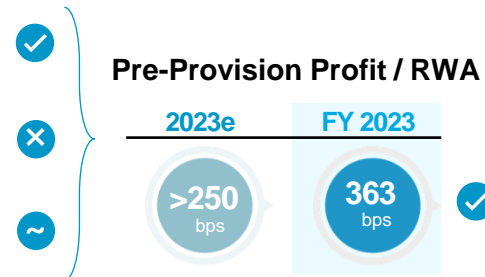
	2022 (€M)	2023 (€M)	2023/2022
NII	3,799	4,723	+24.3%
Fees	1,490	1,386	-7.0%
Recurrent costs	-2,883	-2,982	+3.5%
Core results¹	2,406	3,127	+29.9%
Provisions	-1,032	-910	-11.8%
Net profit	859	1,332	+55.1%



¹ NII + fees – recurrent costs (excludes €33M of non-recurrent costs related to the new efficiency initiatives in UK in 4Q23).

Exceeding the strategic plan targets

	2020	Targets 2023	FY 2023
Net Interest Income (CAGR 2021-23)	€3.4bn	<i>Low single digit growth</i>	+18%
Fees & Commissions (CAGR 2021-23)	€1.4bn	<i>Mid-single digit growth</i>	+1%
Total costs	€3.1bn	€2.9bn	€3.0bn
Total Cost of Risk	116 ^{bps}	c.60 ^{bps}	55 ^{bps}
NPA ratio	4.4%	<5%	4.1%
CET1	12.0%	>12%	13.21%
MDA buffer	357 ^{bps}	>350 ^{bps}	428 ^{bps}
RoTE	0%	>6%	11.5%



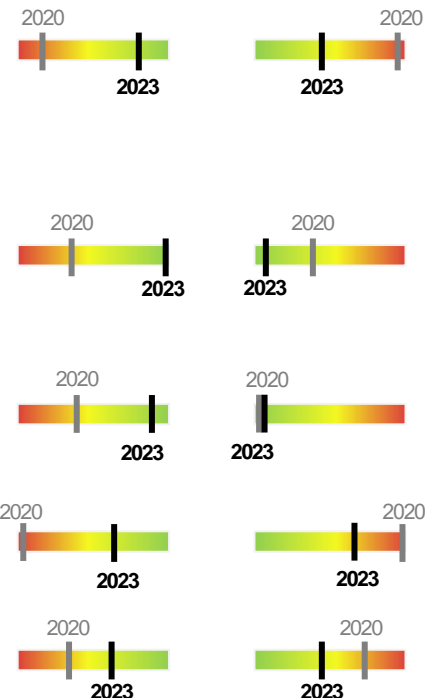
Member of
**Dow Jones
 Sustainability Indices**
 Powered by the S&P Global CSA

The decisive strategy undertaken since 2021 has transformed the bank, turning our financial results around

<p>Retail Banking</p>	<ul style="list-style-type: none"> • Significant reduction of our cost base • New direct banking capabilities... • ...and improved traditional bank 	<p>c.-20% <i>(Dec-23 vs Dec-20)</i></p> <p>c.-30% <i>(Dec-23 vs Dec-20)</i></p> <p>56% in 2023 <i>(vs 0% in 2021)</i></p>	<p>Workforce reduction</p> <p>Branch reduction</p> <p>Customer acquisition via digital onboarding</p>
<p>Business Banking</p>	<ul style="list-style-type: none"> • Credit origination more focused on prioritised customers • Reinforcement of our sound franchise: enhanced value proposition 	<p>83% in 2023 <i>(vs 78% in 2021)</i></p> <p>+40% <i>(2023 vs 2021)</i></p>	<p>New lending with priority customers</p> <p>Customer acquisition (in sectors with specific offering)</p>
<p>CIB</p>	<ul style="list-style-type: none"> • Customer-by-customer profitability management 	<p>84% in Dec-23 <i>(vs 49% in Dec-20)</i></p>	<p>Customers with RaRoC >10%</p>
<p>TSB</p>	<ul style="list-style-type: none"> • Results turnaround: focus on core (mortgages) and cost reduction 	<p>+£175M in 2023 <i>(vs -£160M in 2020)</i></p>	<p>Net profit of TSB</p>
<p>Mexico</p>	<ul style="list-style-type: none"> • Making the franchise profitable: cost reduction and capital optimisation 	<p>+€44M in 2023 <i>(vs break even in 2020)</i></p>	<p>Net profit of Mexico</p>

RoTE

Cost to income



We are now ready to reap the fruits of our strategy, boosting our growth going forward

Retail Banking	<ul style="list-style-type: none"> • Radical growth in digital customers' acquisition • Become the main bank of more customers
Business Banking	<ul style="list-style-type: none"> • Leap forward in customer engagement through an enhanced value proposition • Further reduction of cost of risk
CIB	<ul style="list-style-type: none"> • RaRoC: key to drive further growth
TSB	<ul style="list-style-type: none"> • Radical improvement of cost-to-income ratio, converging towards peer's average
Mexico	<ul style="list-style-type: none"> • Radical growth in retail deposits through a new digital account for individuals

Improving shareholder remuneration

Recurrent shareholder remuneration in 2023

50%
2023 pay-out

€666M
+55% YoY

>10%
Dividend yield¹


€326M cash dividend



€340M to share buyback



- Interim cash dividend of €3cts/share paid on 29th December

- Final dividend of  €3cts/share to be paid upon approval by Annual General Meeting

- Total cash dividend of **€6cts/share** (+50% YoY)

- Increase of +67% YoY
- Equivalent to a **€6cts/share** or **6% of market cap**
- Already obtained the necessary authorisation from ECB
- Execution pending approval by AGM

Non-recurrent remuneration

Excess capital
above 13%
CET1 FL
proforma
post-BIS IV

The Board will determine the timing and structure of this remuneration

¹ Calculated based on total amount distributed or to be distributed out of 2023 results divided by the closing price of 29th December 2023 (1.113 euros per share).

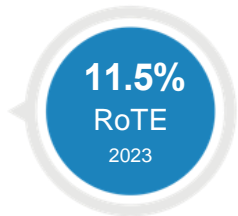


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Financial results

11.5% RoTE, in line with guidance

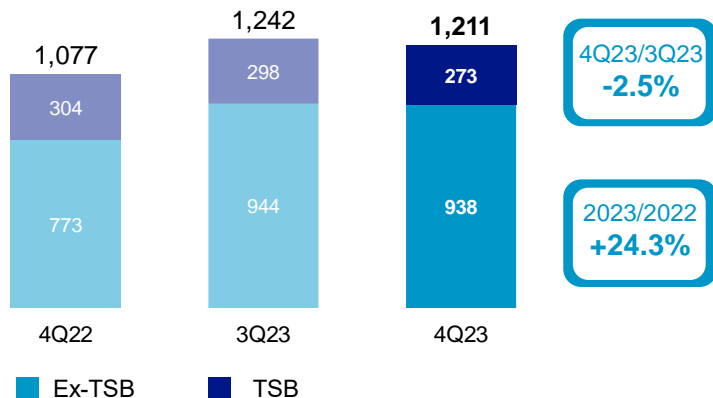
€M	Sabadell ex-TSB				Sabadell Group			
	4Q23	2023	4Q23/3Q23	2023/2022	4Q23	2023	4Q23/3Q23	2023/2022
Net interest income	938	3,549	-0.6%	34.0%	1,211	4,723	-2.5%	24.3%
Fees & commissions	306	1,262	-3.6%	-6.9%	339	1,386	-3.2%	-7.0%
Core banking revenue	1,244	4,811	-1.4%	20.2%	1,550	6,109	-2.6%	15.5%
Trading income & forex	2	52	-89.9%	-46.6%	5	68	-84.8%	-34.0%
Other income & expenses	-147	-293	n.m.	149.8%	-141	-316	n.m.	48.6%
Gross operating income	1,099	4,571	-16.0%	14.7%	1,414	5,862	-13.7%	13.2%
Recurrent costs	-535	-2,074	2.1%	5.1%	-751	-2,982	-0.2%	3.5%
Restructuring costs	0	0	n.m.	n.m.	-33	-33	n.m.	n.m.
Pre-provisions income	564	2,497	-28.1%	24.1%	630	2,847	-28.8%	23.9%
Total provisions & impairments	-198	-835	3.3%	-10.1%	-228	-910	6.4%	-11.8%
Gains on sale of assets and other results	-15	-45	-14.1%	94.7%	-15	-46	-11.0%	101.8%
Profit before taxes	351	1,616	-39.0%	52.5%	387	1,891	-40.8%	52.2%
Taxes	-80	-478	-51.9%	71.8%	-82	-557	-56.7%	49.3%
Minority interest	-1	-1	n.m.	-86.8%	-1	-1	n.m.	-86.8%
Attributable net profit	270	1,137	-33.9%	47.4%	304	1,332	-34.5%	55.1%
Core results¹	708	2,738	-3.9%	34.8%	799	3,127	-4.8%	29.9%



Note: EUR/GBP exchange rate of 0.8706 for 2023 and 0.8696 for 4Q23. ¹NII + fees – recurrent costs (excludes €33M of non-recurrent costs related to the new efficiency initiatives in UK in 4Q23).

NII grew +24% in 2023 supported by higher customer margin and NIM

Group NII
€M



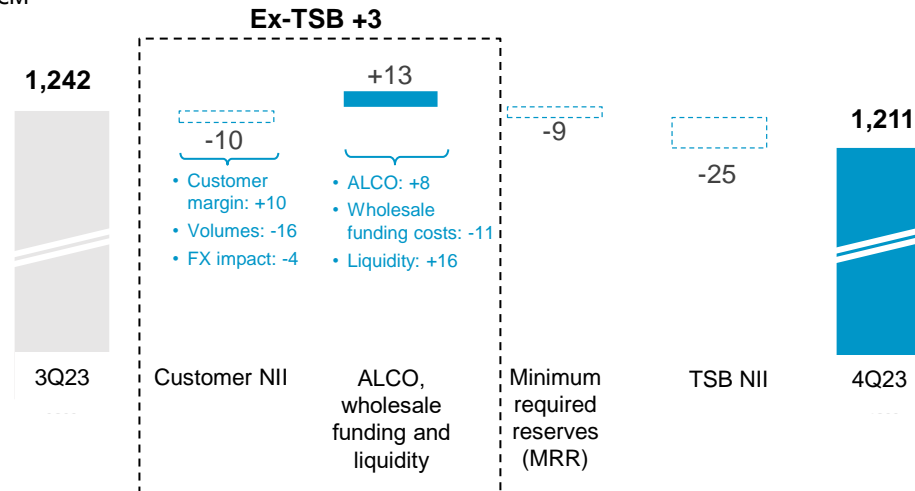
Customer margin



Net interest margin



Group NII QoQ evolution
€M



- NII negatively impacted in the quarter by wholesale funding costs, volumes, no remuneration of minimum required reserves and TSB contribution
- TSB NII was mainly impacted by higher cost of deposits (although remained stable throughout the quarter), mortgage spread compression and a -€6M one-off

NII to grow low-single digits in 2024



Repricing



Funding

Dynamics

Customer margin ex-TSB

ex-TSB Loan book
(€109bn)

ex-TSB Deposits
(€121bn)

- Average customer margin in 2024 to remain at 4Q23 levels
 - Variable rate loans to reprice upwards until 1Q24
 - >€8bn of fixed rate loans to reprice in 2024
 - Cost of deposits to increase at slower pace
- Loan volumes to decline slightly

Positive growth

ALCO & Funding ex-TSB

ALCO and excess liquidity

Wholesale funding

- ALCO repricing and higher liquidity more than offset the non-remuneration of the minimum required reserve (MRR) at 1% and higher wholesale funding costs
- Lower NII sensitivity

Positive growth

TSB

Loan book Structural hedge
(£21.5bn)

Deposits

- Loan volumes to remain stable
- NII has bottomed out in 4Q23. 2H24 higher than 1H24
- More positive outlook for 2025 NII underpinned by structural hedge

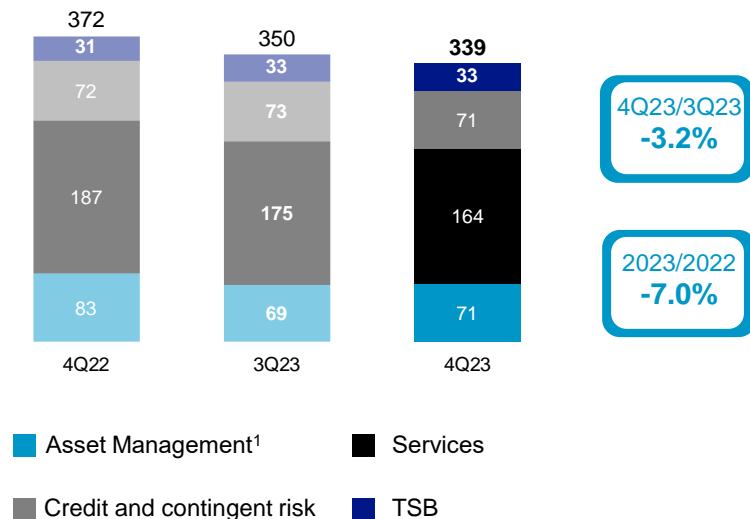
Low-single digit decline

1H24 ≈ 2H23 and 2H24 > 1H23 → NII to grow low-single digits in 2024

Fees pressured by higher interest rate environment

Group fees & commissions

€M



Group fees & commissions

	4Q23/3Q23		2023/2022	
Credit and contingent risk	-€2M	-3.3%	+€4M	+1.4%
Services	-€11M	-5.0%	-€73M	-8.4%
Asset Mgmt. ¹	+€2M	+2.3%	-€35M	-10.4%

- Credit risk and service fees decreased due to lower activity and seasonality in the quarter
- Almost no success fees recorded in Asset management in 4Q23. Insurance business mix impacted YoY comparison

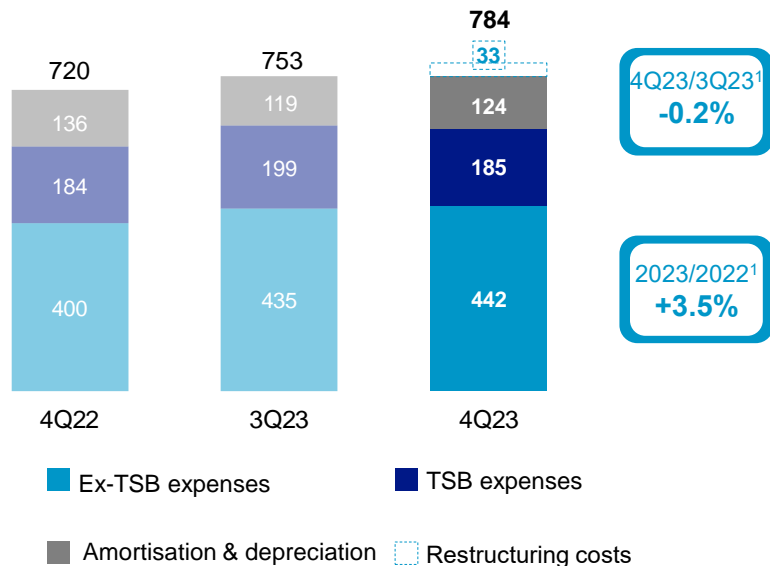
**Fees to decline by mid-single digits in 2024
impacted by reclassification of the merchant acquiring business disposal**

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

Recurrent costs met +3.5% YoY guidance

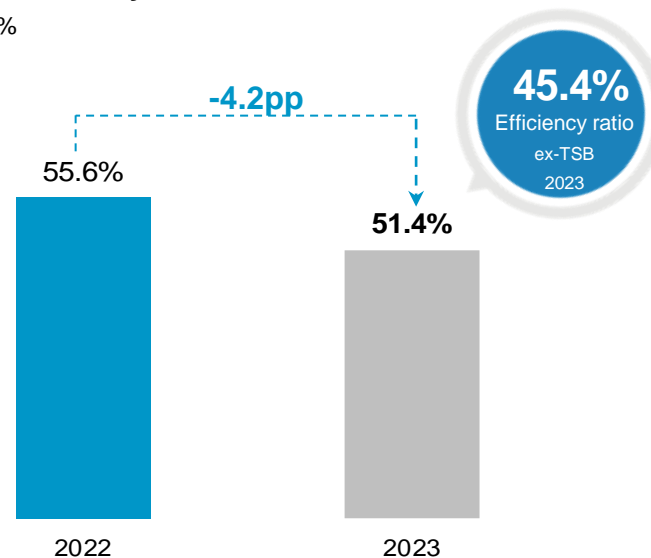
Group costs¹

€M



Efficiency ratio²

%



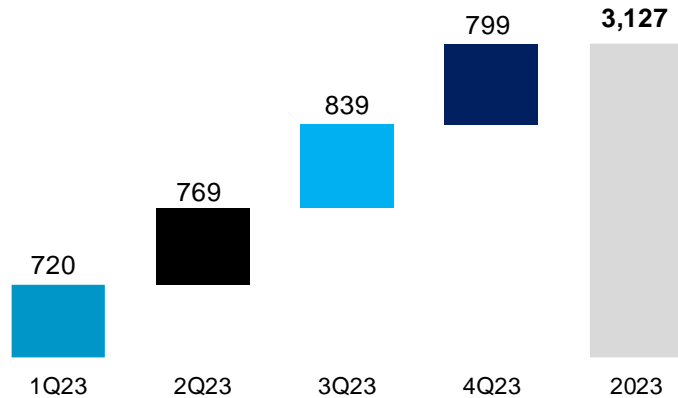
Total recurrent costs for the Group to grow 2.5% in 2024

¹ Excludes €33M of non-recurrent costs related to the new efficiency initiatives in UK in 4Q23. ² Group total costs including amortisation and restructuring costs / gross operating income.

Wider jaws underpinned by NII growth

Group core results evolution¹

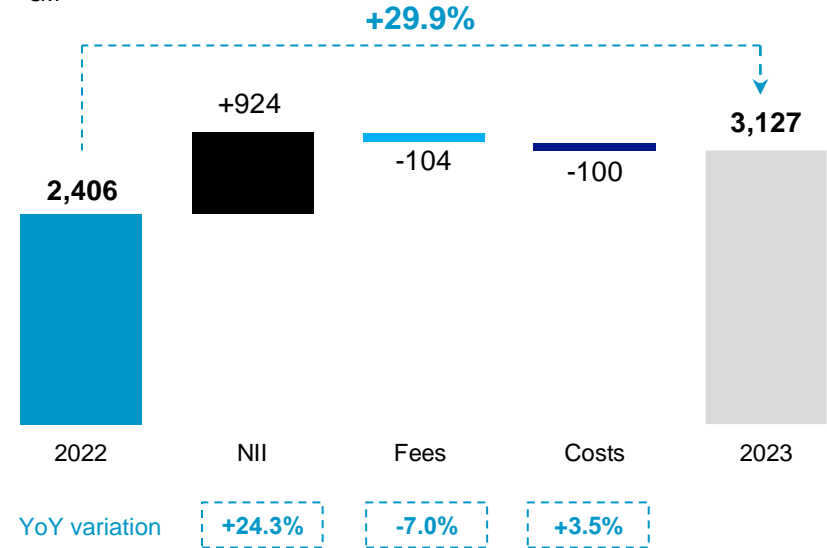
€M



Quarterly core results have been consistently higher than in 2022

Group core results YoY¹

€M



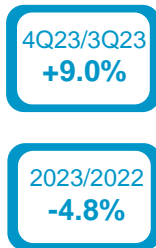
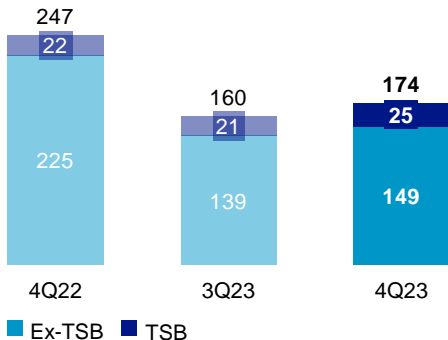
NII more than offset the other lines to contribute positively to core results

¹ Excludes €33M of non-recurrent costs related to the new efficiency initiatives in UK in 4Q23.

Total cost of risk at 55bps, beating the YE guidance

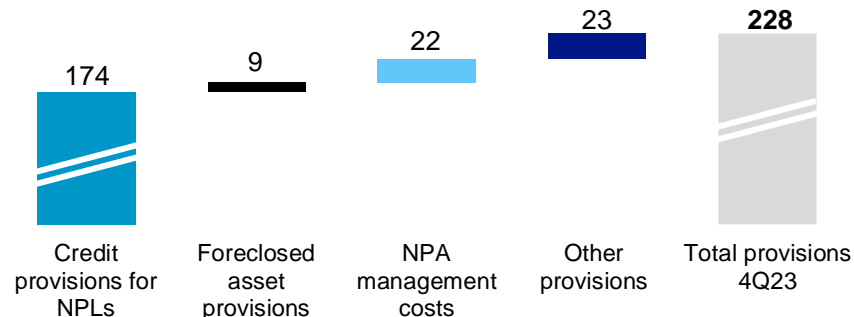
Group credit provisions

€M

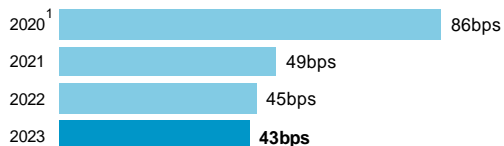


Group total provisions 4Q23 breakdown

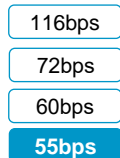
€M



Group Credit CoR



Group Total CoR



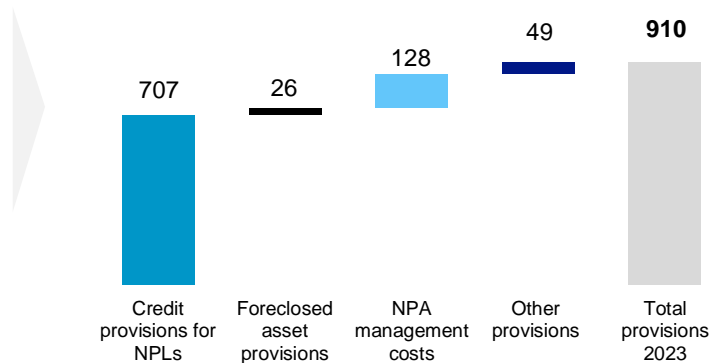
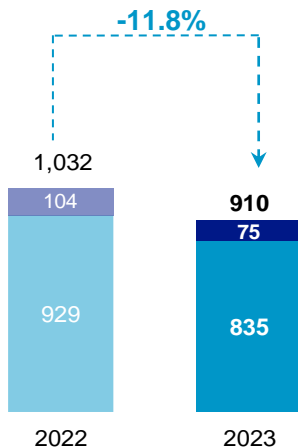
- Lower credit cost of risk at 43bps as risk management keeps improving asset quality
- Non-credit provisions in the quarter slightly better than expected

¹ Excludes provisions related to institutional sales of NPL portfolios.

Total CoR to improve further in 2024

Group total provisions breakdown

€M



■ Ex-TSB ■ TSB

2024 outlook

- Better trend in credit CoR in 2024 driven by a robust balance sheet, improved risk management actions and positive asset quality evolution

Total CoR in 2024 to be better than 2023



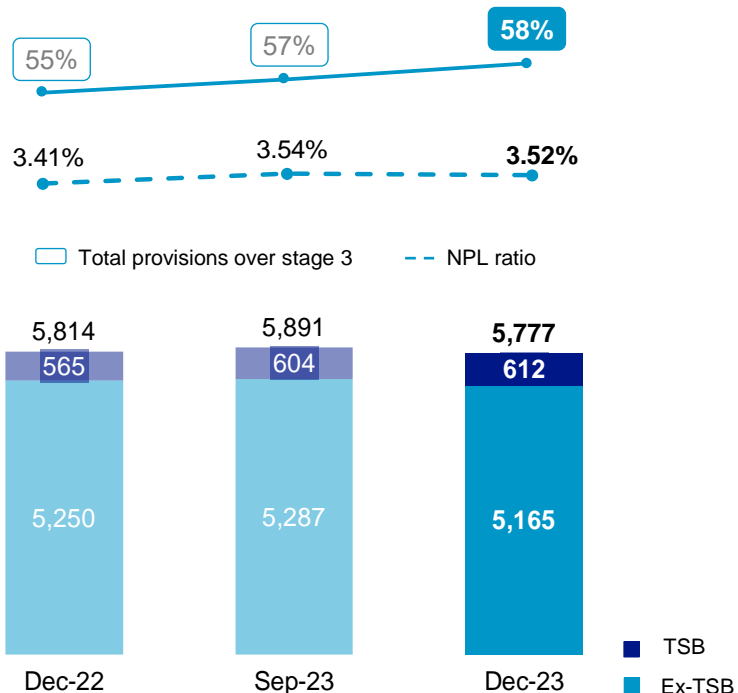
3

Balance sheet

Lower NPLs while improving coverage ratios

Group NPLs and NPL ratio

€M



Note: Stage 3 exposure includes contingent risk.

Exposure by stage and coverage ratio

€M, %

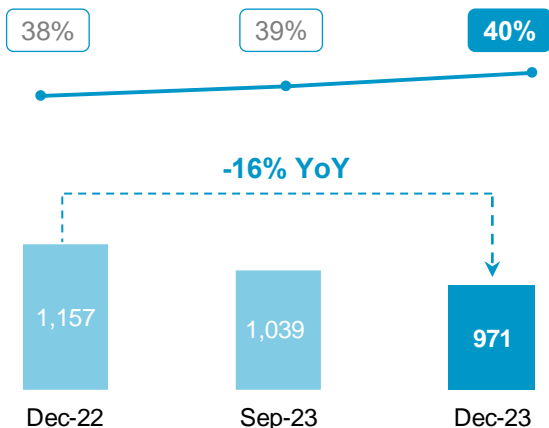
	Stage 2		Stage 3	
	Dec-23	YoY	Dec-23	YoY
Exposure (€M)	12,221	-2,116	5,777	-37
% of total loan book	7.4%	-96bps	3.5%	+11bps
Coverage, Group	4.1%	+54bps	42.3%	+290bps
Coverage, ex-TSB	5.2%	+118bps	45.5%	+330bps

- Stage 2 loans declined by more than €2bn in the year
- Stage 3 loans improved in the year but the NPL ratio increased by 10bps due to a reduction of the loan book
- Coverage ratio considering total provisions improved +3pp in the year to 58%

NPAs decreased by 3% while increasing coverage ratios by 3p.p.

Group foreclosed assets

€M

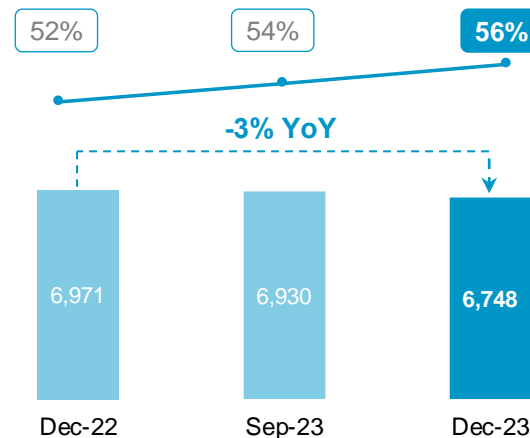


□ Coverage ratio

- 21% of the stock sold in the last 12 months at an average premium of 5%
- 95% of total foreclosed assets are finished buildings

Group NPAs

€M



Group key ratios

	Dec-22	Sep-23	Dec-23
Gross NPA ratio ¹	4.1%	4.1%	4.1%
Net NPA ratio	1.9%	1.9%	1.8%
Net NPAs / total assets	1.3%	1.3%	1.3%

Note: Includes contingent risk. NPA coverage ratio calculated as (total provisions for credit + total provisions for foreclosed assets) / (stage 3 + foreclosed assets). ¹ NPAs / (gross loans + foreclosed assets). Gross loans includes accrual adjustments.

Positive outlook in asset quality in 2024

Asset quality improvement and lower CoR in 2023

	2022		2023	YoY	
Stage 2 (€bn)	14.3	----->	12.2	-17%	✓
Stage 2 coverage ratio	3.6%	----->	4.1%	+54bps	✓
Total NPAs (€bn)	7.0	----->	6.7	-3%	✓
NPAs coverage ratio	52%	----->	56%	+3p.p.	✓
Total CoR	60bps	----->	55bps	-5bps	✓



Enhanced risk management alongside a conservative and diversified loan book will ensure that...

...asset quality keeps improving in 2024

Ample liquidity buffers

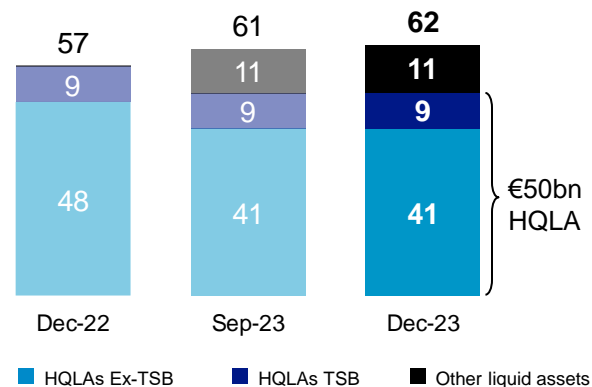
Liquidity metrics

Sabadell Group



Total liquid assets

€bn



Credit ratings

Group long-term credit rating and outlook

Standard & Poor's	BBB Positive	Fitch Ratings	BBB- Positive
Moody's	Baa2 Stable	DBRS	A (low) Stable



★ *Positive outlook for two credit agencies* ★

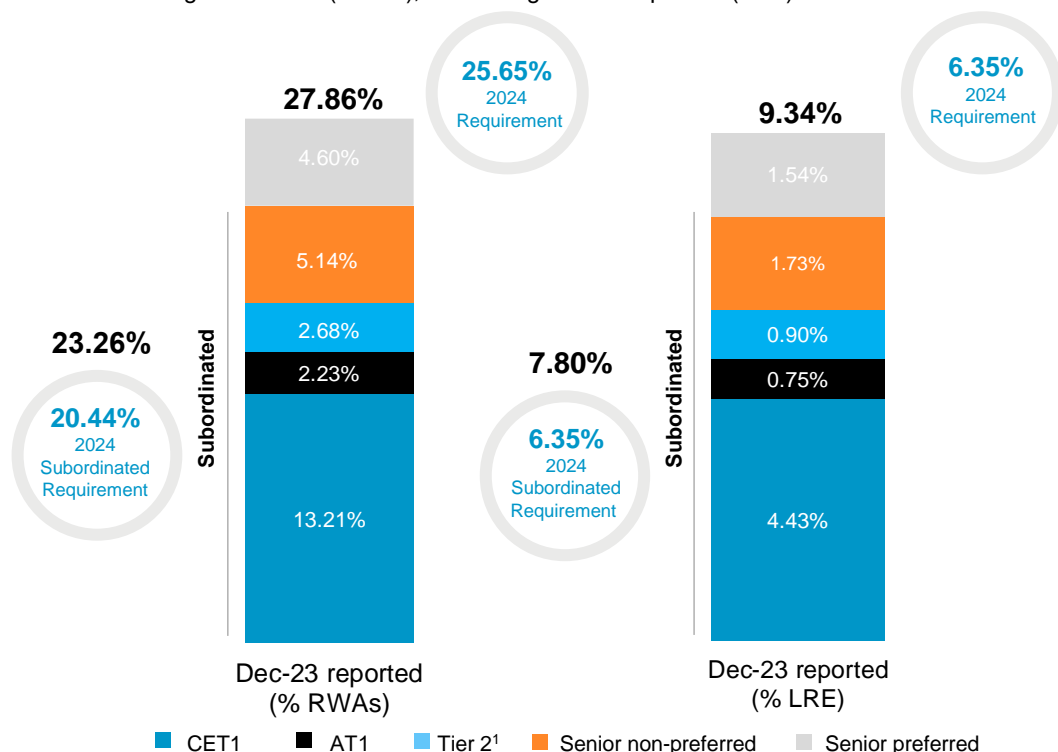
Central bank funding

- TLTRO-III:
 - ✓ **€5bn** outstanding which matures in Mar-24
 - €32bn withdrawn
 - €27bn already repaid (84% of the total facility)
- Liquidity** deposited at ECB: **€21.2bn**. 4.2x TLTRO-III
- ECB Minimum Reserve Requirements (MRR): €1.1bn**
- TFSME:** £5.5bn drawn. **£4.0bn** outstanding. The bulk matures in 2H25

Ample MREL buffer

MREL position, Sabadell Group

% Risk Weighted Assets (RWAs), % Leverage Ratio Exposure (LRE)



2023 public issuances

- In 2023 >€6bn issued across the whole capital structure

2024 public issuances YTD

Instrument	Date	Size (€M)	Maturity (Years)	Coupon
Senior Preferred	Jan 15 th	750	6NC5	4.00%

2024 funding plan

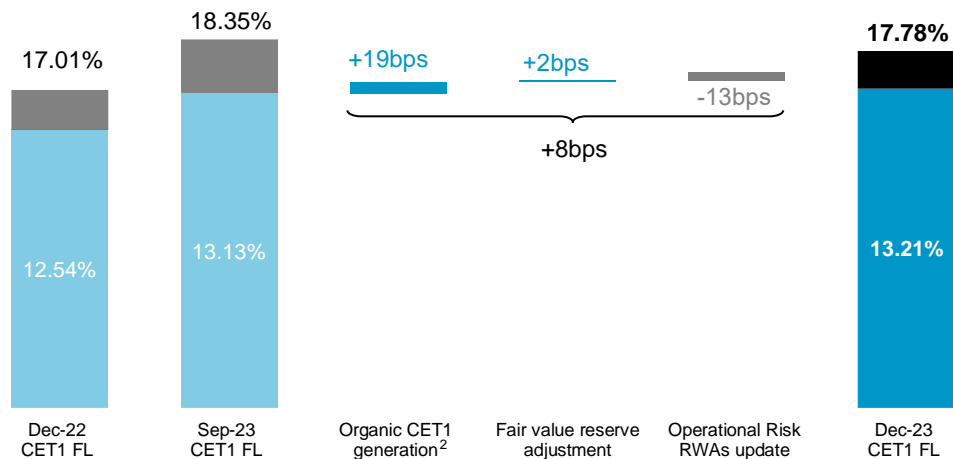
- AT1/Tier 2: keep buckets completed
- Senior preferred/ non-preferred: keep management buffer above MREL requirements
- Covered bonds: Opportunistic issuer in EUR and GBP (TSB).

No net new issuances

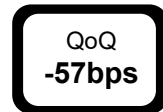
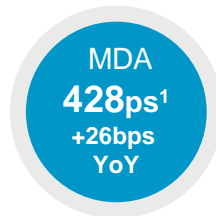
Note: Ratios include the Combined Buffer Requirement (at 3.13% on Dec'23 and onwards) and IFRS9 transitional arrangements. ¹ For illustration purposes, the Tier 2 category includes subordinated debt that is no longer recognised as Own Funds when the instrument has a residual maturity of less than 5 years (Art. 62(2) CRR/II) but remains eligible for MREL purposes.

CET1 FL at 13.21% increasing 67bps in 2023

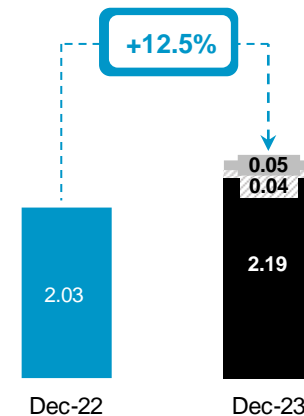
Evolution of capital ratios fully loaded



- Total Capital
- CET1 FL



Shareholder value creation³



- TBV per share
- Dividend per share
- ▨ Share buyback (SBB) impact

BIS IV capital impact of c.-50bps expected in January 2025

¹ MDA calculated considering the latest SREP requirement received applicable from 1st January 2024 of 8.93% as for CET1. With the SREP requirements applicable on 31st December 2023, the MDA buffer would have reached 433bps. ² Accruing a dividend pay-out ratio of 50%. ³ Shareholder value creation includes variation of TBV per share excluding share buyback impact + distributed dividends in Mar'23 and Dec'23 (2 and 3 euro cents per share respectively) + share buyback impact on TBV per share (equivalent to 4 euro cents per share).



4

Closing remarks

Almost all annual 2023 targets have been achieved...

2023 guidance	Initial guidance (4Q22)	Updated guidance (2Q23)	Final guidance (3Q23)	FY23	
Net Interest Income (YoY)	High-teens growth	>20%	~25%	+24.3%	~
Fees & Commissions (YoY)	Low-single digit decline	Mid-single digit decline	=	-7.0%	x
Total recurrent costs ¹	~ €3bn (4% growth)	c.3.5% growth	=	+3.5%	✓
Total Cost of Risk	< 65 ^{bps}	< 60 ^{bps}	=	55^{bps}	✓
RoTE	> 9%	~ 10.5%	~ 11.5%	11.5%	✓

...and we have a clear focus for 2024



Ready to grow volumes when the market picks up



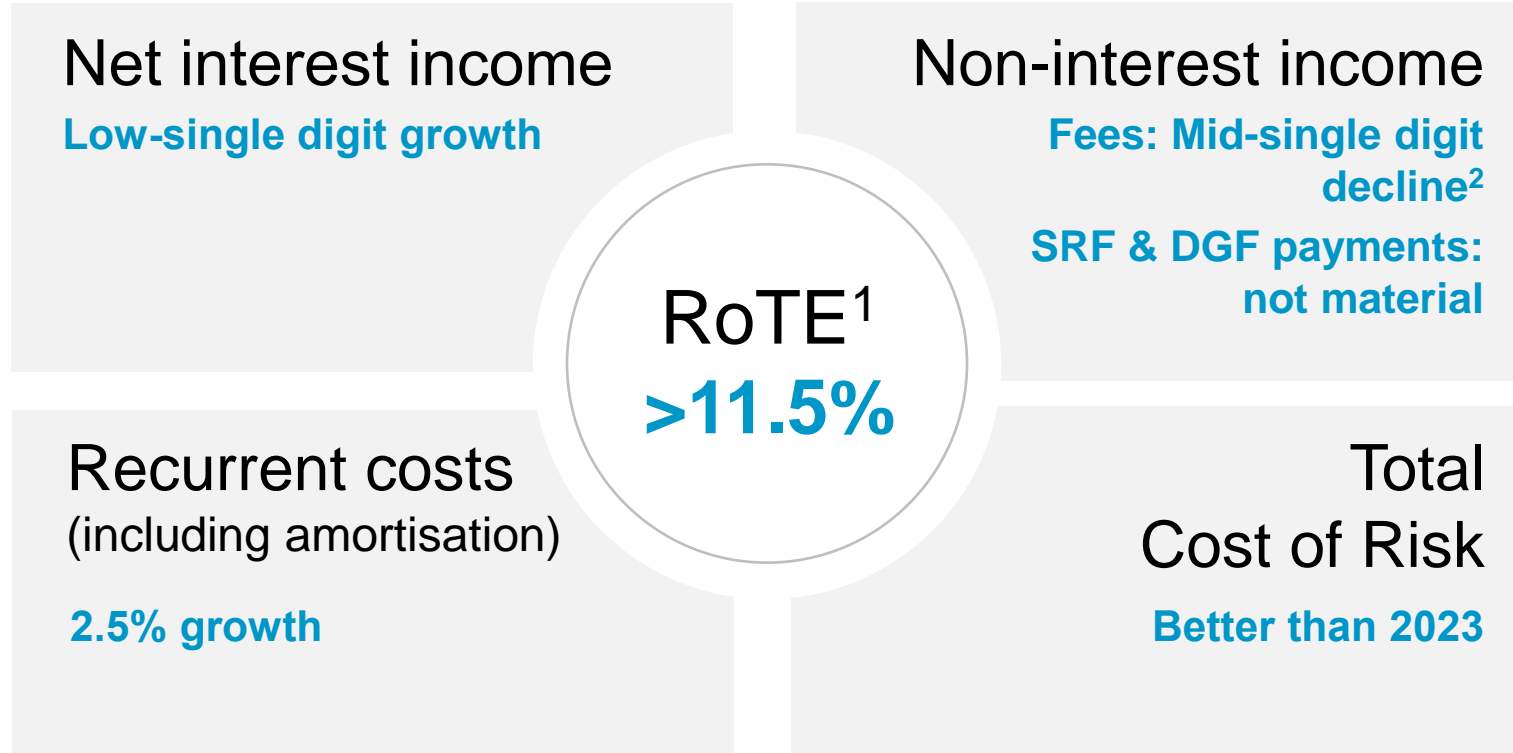
Efficiency initiatives



Continuing risk management enhancement

¹ Excludes €33M of non-recurrent costs related to the new efficiency initiatives in UK in 4Q23.

2024 guidance



¹ Excludes the capital gain from the merchant acquiring business disposal. ² Including the reclassification of fees due to the merchant acquiring business disposal.

Appendix

1 Group NIM and customer margin

2 Debt maturities and issuances

3 ALCO portfolio

4 ESG milestones

5 TSB asset quality, solvency and liquidity position

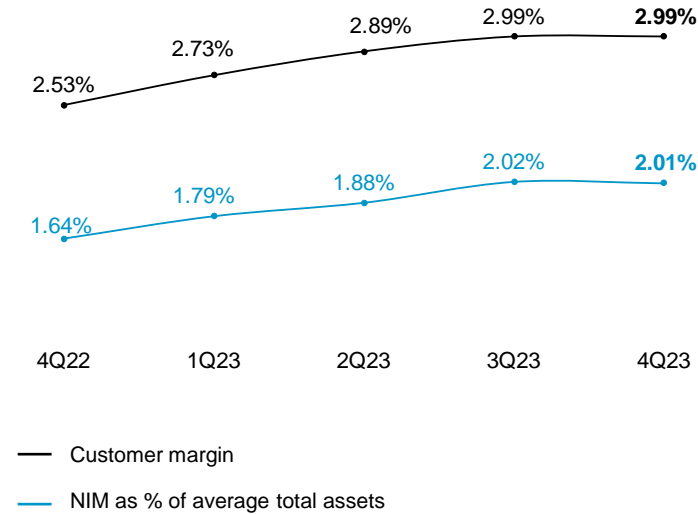
6 Group performing loans distribution

7 RWAs breakdown

8 MDA buffer

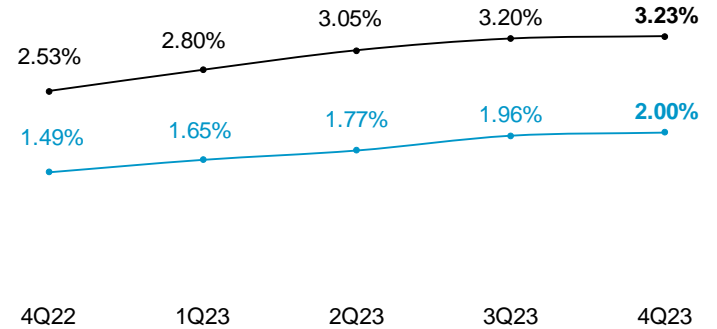
1. NIM and customer margin

Sabadell Group



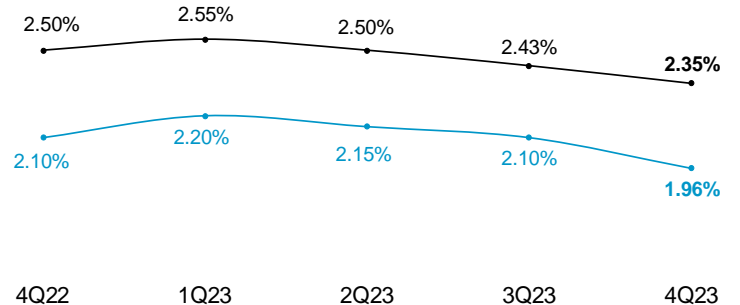
Sabadell ex-TSB

%, in euros



TSB

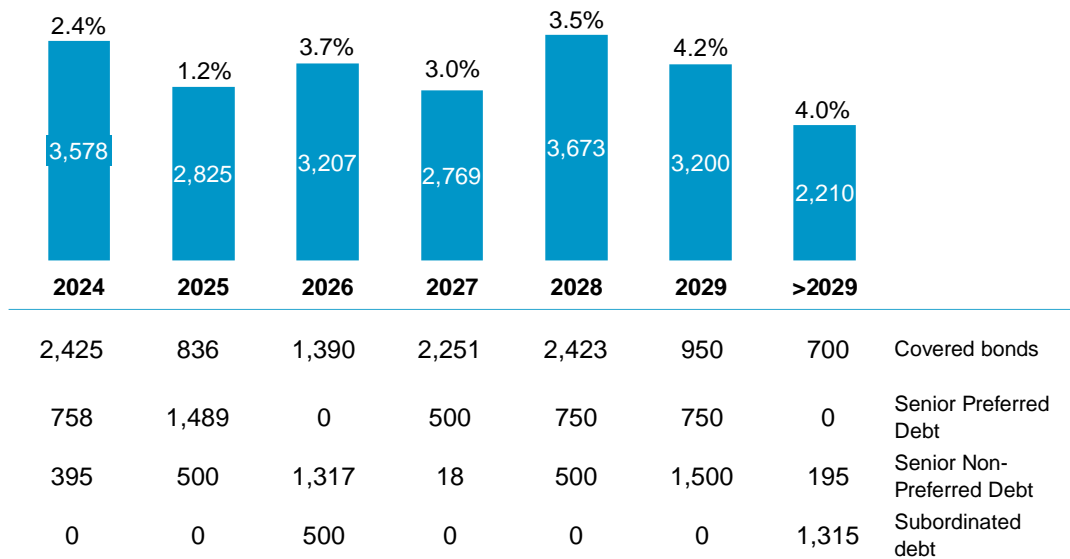
%, in euros



2. Debt maturities and issuances

Debt maturities and average cost

Maturities in €M and average cost in %



Main debt maturities and redemptions in the last 6 months

Instrument	Date	Size	Coupon
Senior non preferred bonds	08/09/2023	€580M	1.75%
Covered bonds	20/10/2023	€950M	0.13%
Covered bonds	23/10/2023	€100M	4.25%
Covered bonds	26/01/2024	€550M	4.18%

Main debt maturities in the next 12 months

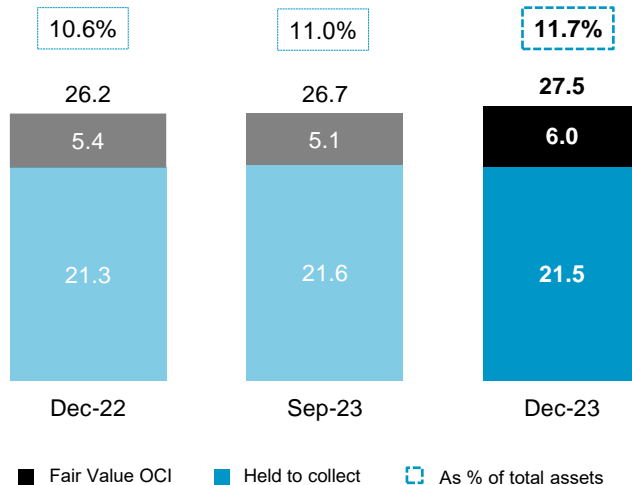
Instrument	Date	Size	Coupon
Covered bonds (TSB)	15/02/2024	€575M	6.09%
Senior preferred bonds	07/03/2024	€750M	1.63%
Senior non preferred bonds	10/05/2024	€420M	1.75%
Covered bonds	10/06/2024	€1,000M	0.63%
Senior preferred bonds	07/11/2024	€500M	0.63%
Covered bonds	27/12/2024	€250M	0.55%

Note: Debt maturities excludes AT1 issuance.

3. ALCO portfolio

Evolution of fixed income portfolio

Sabadell Group. €bn

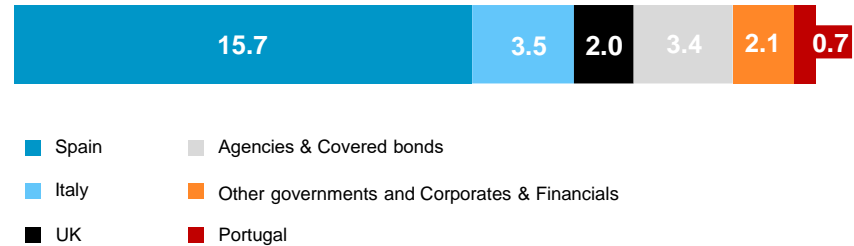


Dec-23	Yield	Total Duration ¹	Avg. maturity
FV OCI	4.1%	1.1 years	4.9 years
Total	3.3%	2.1 years	6.7 years

Note: Fixed income portfolio excludes trading portfolio and government treasury bills. ¹ Duration includes the impact of hedges.

Composition of fixed income portfolio

Sabadell Group. €bn. Dec-23.



- As at Dec-23, TSB's ALCO portfolio size was €2.9bn
- The sensitivity of our capital position to bond spread volatility remains low as Fair Value OCI composition only accounts for a small proportion and is short duration
- Option to further reinvest in 2024
- Unrealised capital gains/losses (after tax):
 - Fair value OCI: -0.2pp of CET1 (already deducted)
 - Held to collect: -0.6pp of CET1

4. ESG milestones

We keep driving forward our **ESG objectives and commitments...**

Closing in on the objectives set for 2025 in relation to the four ESG pillars: **Institution, customers, investors and society**

Decarbonisation pathways

- The Bank published **new decarbonisation targets for three emissions-intensive sectors** (iron & steel, automotive and aviation).
- In this way, the Bank adds on to the **targets set in 2022** (electricity, oil & gas, cement and coal).
- In addition, the Group has set **emissions reduction targets for TSB's** (UK subsidiary) **mortgage portfolio**.

... leading to the inclusion in the Dow Jones Sustainability Index Europe and in the prime category of the ISS Corporate Rating

Member of
**Dow Jones
 Sustainability Indices**
 Powered by the S&P Global CSA

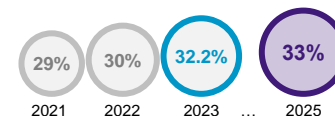


4. ESG milestones

We continue to make progress with our **ESG objectives and commitments**

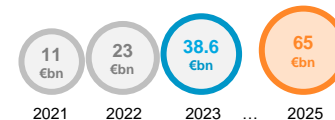
Institution (Moving forward as a sustainable institution)

- Presence of **women in management teams increases to 32.2%**
- **100% of electricity is from renewable sources**



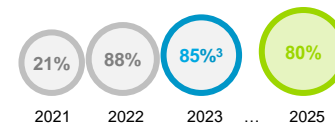
Customers (Supporting customers in the transition to a sustainable economy)

- **>€15Mn mobilised in sustainable finance¹** in 2023, representing a cumulative 59.5% of the target
- **Decarbonisation pathways** for 8 emissions-intensive sectors



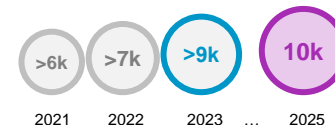
Investors (Offering sustainable investment opportunities)

- **>85.3% of assets under management invested in eligible sustainability funds²** (as per Art. 8 and Art. 9 of EU SFDR)
- Cumulative issuance (2021-2023) of **own green bonds >€2.9bn**



Society (Working together for a sustainable and cohesive society)

- **>9,100 beneficiaries in 2023** in financial education programmes
- **Recognition of Sogeviso** in the SERES 2023 awards for its commitment to social innovation



¹ Data as of 2021 and 2022 adjusted after review of criteria related to the consideration of sustainable mobilization. ² Funds sold under the SABAM brands and those of other Amundi asset managers. Considered as Sustainability Funds in accordance with Article 8 or 9 of the EU Sustainable Finance Disclosure Regulation (SFDR) Article 8: financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics. Article 9: financial product that has sustainable investment as its objective. ³ Excludes guaranteed funds. Including guaranteed funds stands at 63.8%. The reduction compared to 2022 is mainly motivated by the launch of funds that invest mainly in public debt (not rated at the sustainability level).

5. TSB asset quality, solvency and liquidity position



Asset quality

	Dec-22	Sep-23	Dec-23
NPL ratio	1.3%	1.4%	1.5%
Coverage ratio	42%	41%	42%
Cost of risk ¹ (YtD)	0.14%	0.17%	0.19%

Solvency

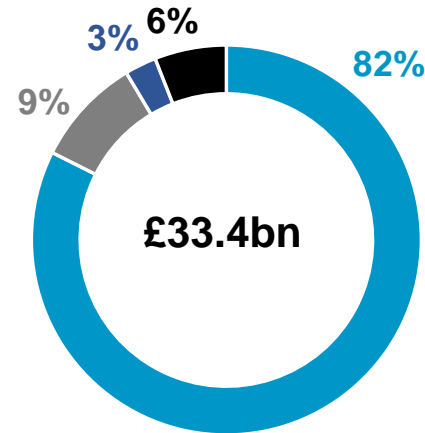
	Dec-22	Sep-23	Dec-23
CET1 ratio ²	17.2%	17.6%	16.7%
Leverage ratio ³	3.7%	4.1%	4.0%

Liquidity

	Dec-22	Sep-23	Dec-23
LCR	196%	193%	203%

TSB core mortgage portfolio overview

%



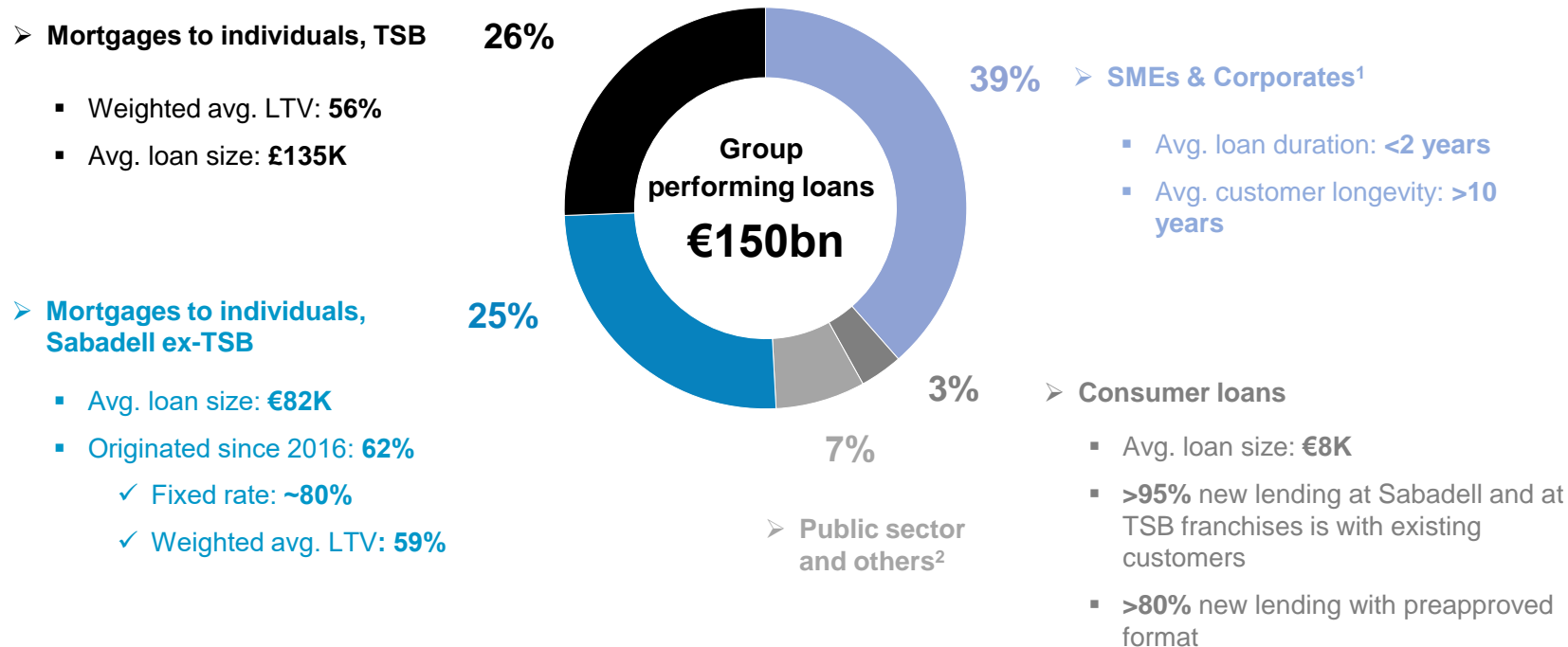
- Residential repayment
- Residential interest only
- Buy to let repayment
- Buy to let interest only

- ✓ Average loan balance: £135k
- ✓ Average LTV: 56%⁴
- ✓ 81% of mortgages have LTV <75%
- ✓ 53% fixed rate for another 2 years or more
- ✓ Average seasoning: >4 years

Note: NPA coverage ratio calculated as (total provisions for credit + total provisions for foreclosed assets) / (stage 3 + foreclosed assets).¹ Calculated as P&L impairment charge divided by period-end gross spot balances.

² CET1 ratio on a transitional basis. The Dec-23 CET1 FL ratio is 16.7%. ³ Calculated using EBA standards and on a transitional basis. ⁴ Balance weighted.

6. Group performing loans distribution by segments



7. RWAs breakdown

Dec-23 RWAs: €78,343M

By type:

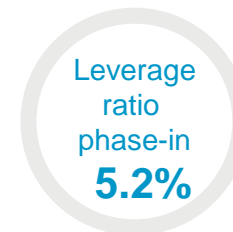
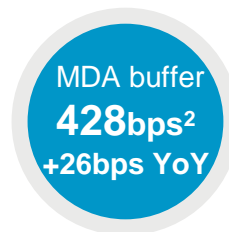
- Credit risk: €68.8bn
- Market risk: €0.4bn
- Operational risk: €9.0bn
- Other: €0.1bn

By geography:

- Spain: €61.0bn
 - UK: €13.5bn
 - Mexico: €4.0bn
-

8. Ample MDA buffer at 428bps, better than guidance

Group capital requirements		Group capital position
Pillar 1 CET1	4.50%	
Pillar 2 CET1 Requirement (P2R)	1.27% ¹	
Capital Conservation Buffer	2.50%	
Countercyclical Buffer	0.42%	
Other Systemically Important Institutions	0.25%	
CET1	8.93%	13.21%
AT1	1.92% ¹	2.23%
Tier 2	2.56% ¹	2.34%
Total Capital	13.42%	17.78%



- MDA stands at 428bps above 8.93% requirement
- 2% Countercyclical Buffer in UK represents 42bps for Sabadell Group
- Leverage ratio phase-in increased +57bps YoY

¹ Applying Article 104a CRD which assumes the bank can use excess Tier 2 and AT1 to meet P2R (in total 98bps of excess hybrid capital, of which 42bps would be AT1 and 56bps Tier 2). ² MDA calculated considering the latest SREP requirement received applicable from 1st January 2024 of 8.93% as for CET1. With the SREP requirements applicable on 31st December 2023, the MDA buffer would have reached 433bps.

Glossary

Term	Definition
CCyB	Countercyclical Buffer
CCB	Capital Conservation Buffer
Commercial gap	Total on-balance sheet customer funds – total gross loans
DGF	Deposit Guarantee Fund
HQLA	High Quality Liquid Assets
LCR	Liquidity Coverage Ratio: short-term liquidity ratio
LRE	Leverage Ratio Exposure denominator is equivalent to total assets and a variety of off-balance sheet items including derivatives and repurchase agreements, among others
LTV	Loan to Value
MDA	Maximum Distributable Amount
MREL	Minimum Requirement of Eligible Liabilities
NIM	Net Interest Margin
NPA	Non-performing Assets
NPL	Non-performing Loans
NSFR	Net Stable Funding Ratio: medium-term liquidity ratio
P2R	Pillar 2 Requirement
PCA	Personal Current Account
RaRoC	Risk Adjusted Return On Capital
RWA	Risk Weighted Assets
SBB	Share Buyback
SRF	Single Resolution Fund
TBV	Tangible Book Value
TFSME	Term Funding Scheme with additional incentives for SMEs
TLTRO	Targeted Longer-Term Refinancing Operations

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