


A large graphic in the background 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.

FY2021

results

January 27, 2022

index

- 1 2021 highlights
 - 2 Financial results
 - 3 Balance sheet
 - 4 Closing remarks
- 



1

2021
highlights

2021 key events

- 1 Commercial activity remains strong
- 2 Moving forward with our transformation
- 3 TSB confirms its turnaround with net profit of £130M in 2021
- 4 Group net profit of €530M in the year, with ROTE of 5%

1 Performing loans grew in Spain and UK

Performing loans across geographies

€M

	Dec-21	QoQ	YoY
Spain	98,229	+0.8%	+3.2%
UK (TSB)	44,050	+5.0%	+19.1%
Other international ¹	12,562	-1.5%	-3.1%
Total	154,842	+1.7%	+6.7%

Performing loans grew in core geographies, while deleveraging continued in international businesses

Total customer funds

€M

	Dec-21	QoQ	YoY
On-balance sheet	162,020	+2.6%	+7.5%
Off-balance sheet	41,678	+0.0%	+9.5%
Total	203,698	+2.1%	+7.9%

Mutual funds quarterly growth offset by the decline in savings insurance products

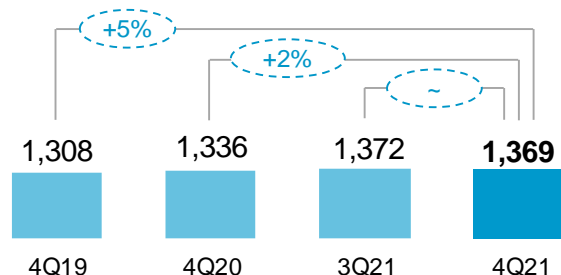
Note: Excludes accrual adjustments and CAM Asset Protection Scheme account receivable. Performing loan growth in local currencies is as follows: TSB: +2.5% QoQ, +11.3% YoY; other international: -3.3% QoQ, -8.6% YoY.

¹ Includes BancSabadell d'Andorra (until Jun-21), Mexico and foreign branches.

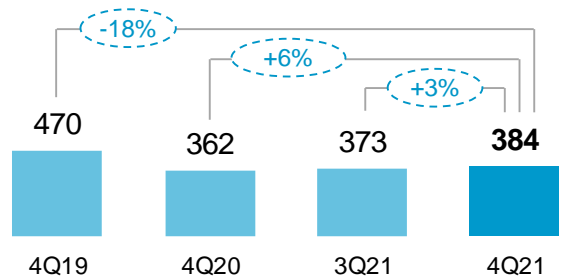
1 Robust volumes of new lending to retail segment in the year, particularly mortgages

Quarterly new lending in Spain €M

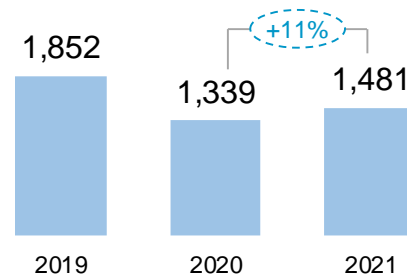
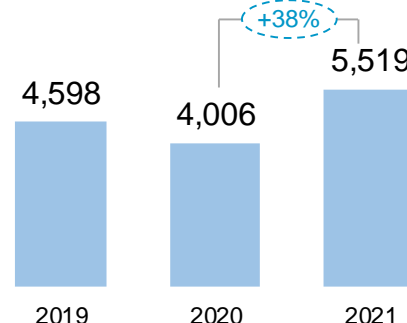
Mortgages



Consumer loans



Yearly new lending in Spain €M



Relevant market shares

6.6%
Mortgages
 (stock, performing)
 (+12bps YtD)
 Sep-21

8.4%
 New Lending
 (YtD)

3.7%
Consumer loans
 (stock, performing)
 (+8bps YtD)
 Sep-21

5.0%
 New Lending
 (YtD)

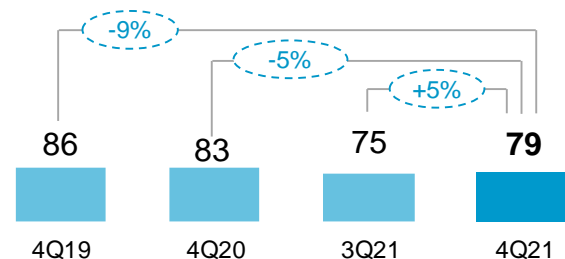
Note: Market shares source is Bank of Spain, latest available data. Bank of Spain, as per their own methodology, does not include non-residents in Spain and only includes loans for acquisition or rehabilitation of houses under Mortgages and loans for acquisition or purchase of lasting goods and services.

1 Ongoing momentum in insurance and mutual funds

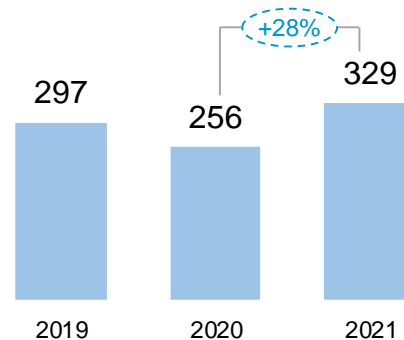
Quarterly new production in Spain €M

Protection insurance

New premiums



Yearly new production in Spain €M

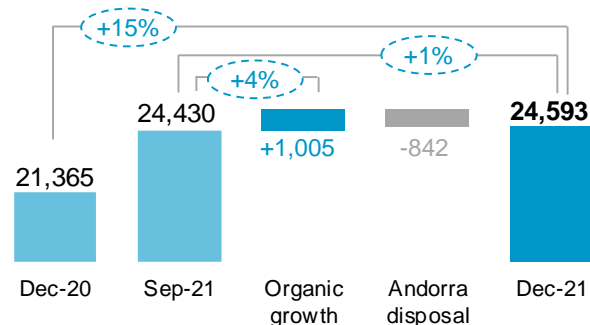


Relevant market shares

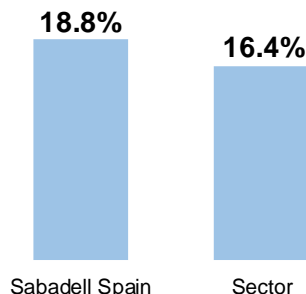
9.5%
Life insurance premiums (YtD)
 (+74bps YtD)
 Sep-21

Mutual funds

AuM, €M



YoY AuM growth in Spain¹



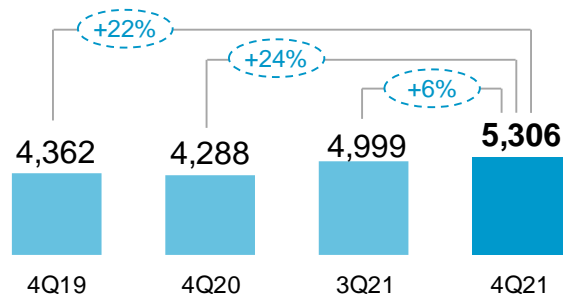
5.6%
Mutual funds (stock)
 (+11bps YtD)
 Dec-21

Note: Protection insurance market share source is ICEA and mutual funds source is Inverco, latest available data. Market share and historical data of mutual funds follow the new Inverco methodology which excludes the mutual funds in which funds of funds invest. ¹ For Sabadell, calculated excluding third-party mutual funds and SICAVS (€6,745M as at Dec-21).

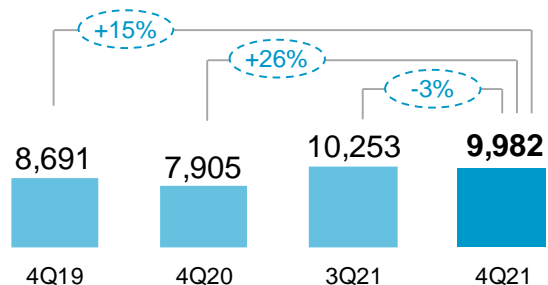
1 Payment services already above 2020 and pre-Covid levels

Quarterly turnover evolution in Spain €M

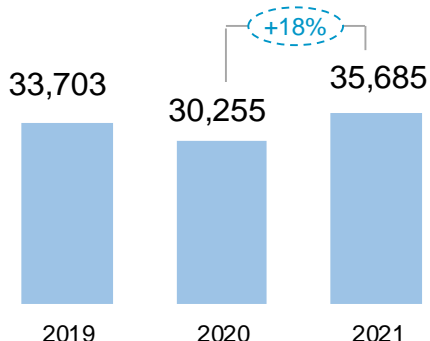
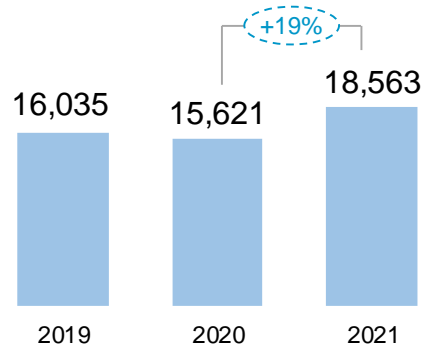
Cards



Retailer payment services (PoS)



Yearly turnover evolution in Spain €M



Relevant market shares

7.6%

Cards turnover (YtD)
(-15bps YtD)
Sep-21

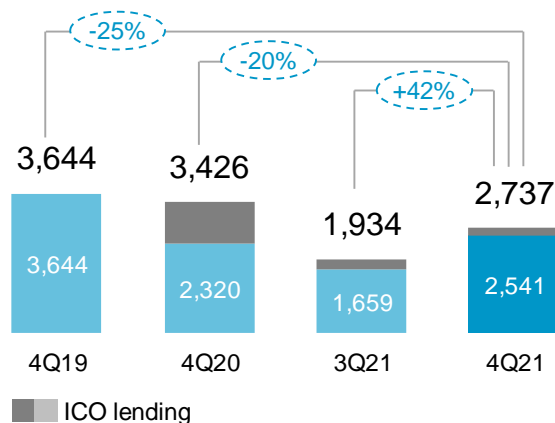
16.2%

Retailer payment services – PoS turnover (YtD)
(-75bps YtD)
Sep-21

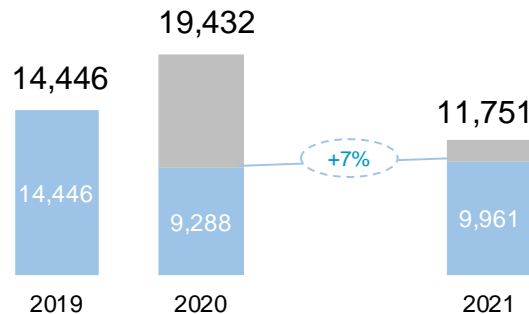
Note: Market share source is Servired, latest available data.

1 Business banking loan demand subdued by ICO loans. NextGen EU funds to support future growth

Business banking in Spain - new lending €M



Yearly new lending in Spain €M



Relevant market shares

9.8%
Business lending
 (stock, performing)
 (+26bps YtD)
 Sep-21

European funds expected to support future growth



Next Generation EU funds in Spain



c. €11Bn
 Already disbursed either to the private economy or public bodies

>€40Bn
 Expected to be available in 2022

€70Bn grants + €70Bn loans
 Spanish Government to request full amount of the NextGen EU Funds

1 Positive evolution of the loan book across segments

Performing loans by segments, ex-TSB

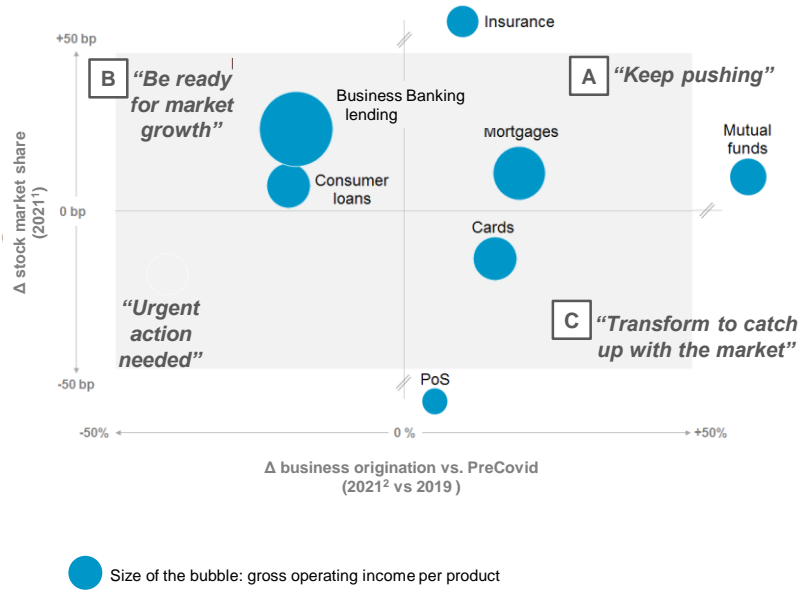
€Bn

	Dec-21	QoQ	YoY		Dec-21	QoQ	YoY
Mortgages	38.5	+0.3%	+2.4%	Mexico	3.8	+6.2%	+5.6%
Consumer loans	3.3	+1.3%	+8.8%	Miami	5.1	+2.6%	+6.1%
SMEs & Corporates	43.4	+0.8%	+2.7%	Foreign branches²	3.7	-12.8%	-19.4%
Public sector	9.2	+0.7%	+9.3%	Total international	12.6	-1.5%	-3.1%
Other lending¹	3.9	+4.3%	-1.2%				
Total Spain	98.2	+0.8%	+3.2%				

First year of Strategic Plan in line with our guidance of growing in core businesses

2 Good pace of transformation without losing sight of our commercial approach... with a clear course of action

2021: different performance among main products...



.. due to different situations, which require specific courses of action in each case

A	“Keep pushing” (See transformation details on page 12)
	<p>Mortgages Origination market share consistently higher than stock market share, plus market recovery, are growth drivers. Specialised RMs to improve our value proposition and foster growth.</p> <hr/> <p>Mutual funds Partnership with Amundi and greater focus are delivering results. Specialised RMs enhance our value proposition and have proved to be more productive, so we will deploy this model at scale.</p> <hr/> <p>Insurance Strong position in life insurance. Data analytics, specialised RMs and mortgage growth are key drivers for future growth.</p>
	<p>B</p> <p>“Be ready for market growth”</p> <p>Business banking “More and better of the same”, while enriching our risk management model, will allow us to grow volumes as demand recovers.</p> <p>Consumer loans Covid affecting demand. Digitisation, analytics and the evolution of our risk models support healthy volume growth.</p>
C	<p>“Transform to catch up with the market”</p> <p>PoS We are growing, but focusing on profitability vs. volume resulted in lower turnover market share. However, fees’ growth in the year (+24.5%) is higher than PoS turnover’s growth (+18%).</p> <p>Cards We are growing but losing market share. Working on a clear assessment of the situation and a strategic action plan.</p>

¹ Stock market shares variation: latest available data in 2021 vs. Dec-20. AuMs in mutual funds; life premiums in insurance; performing loans in mortgages, consumer loans and Business Banking lending (includes Corporate Banking and excludes Public sector); yearly turnover in cards and PoS. ² Origination variation: 2021 vs. 2019. Net subscriptions in mutual funds; new premiums in insurance; new lending in mortgages, consumer loans and Business Banking; turnover in cards and PoS

2 Specialised Relationship Managers are a key element of our radical transformation of Retail Banking in Spain

# of specialised RMs	2021 Pilots (Q4)		2022 After deployment
Mortgages	~140	x 2.6	~365
Investments	~60	x 6.7	~400
Insurance	~240	x 1.8	~420
TOTAL	~440	x 2.7	~1,200

Good results of the specialised RMs pilots

Mortgages	100%	Leads attended in 24h (vs. 60% in 3 weeks, prior to specialised RMs pilot)
Investments	x1.6	Mutual fund subscriptions generated per RM (€, Specialised RMs vs. other RMs)
Insurance	x3	Insurance policies per RM (# insurance policies, Specialised RMs vs. other RMs)

2 We are firmly committed to sustainability and we keep taking steps forward in ESG

ESG milestones in 4Q21

Environmental

- **Partnerships**
 - Sabadell has teamed up with Mastercard’s Priceless Planet Coalition, which aims to plant 100,000 trees by 2025, thus becoming the first Spanish bank to join this initiative
- **Sustainable Mobility**
 - Sabadell, Mastercard and EDP have joined forces to introduce contactless payments in more than 1,000 charging points
- **Acquisition of 25% of Doctor Energy:**
 - The first franchiser of engineering firms engaging in photovoltaic self-consumption and electric vehicle charging points

Social

- **5th Edition of B-Value**
 - The innovation scheme for third sector leaders awarded grants to 6 entities working with vulnerable groups and for the environment

Corporate Governance

- Progressing in the definition and **establishment of sectoral rules**

ESG finance in 2021

Sustainable Financing¹



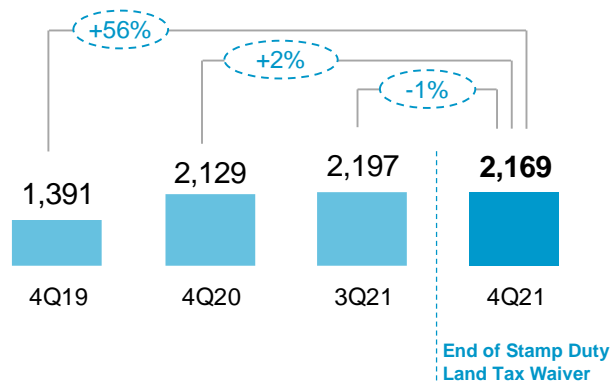
Social financing²



¹ Sustainable Financing in Spain: Corporate and Investment Banking sustainability-linked transactions (price linked to achieving sustainability goals), Project Finance for renewable energies and sustainable financing for individuals and businesses (loans, renting and leasing). ² Social financing in Spain: financing to businesses aimed to promoting economic development and employment.

3 TSB has grown its mortgage market share

Quarterly new mortgage lending
£M

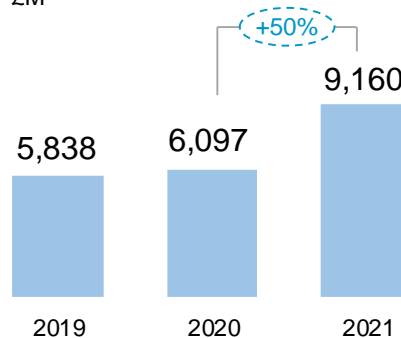


Mortgage market share
Stock, performing. Nov-21

2.2%
(+19bps
YtD)

3.0%
New lending
(YtD)

Annual new mortgage lending
£M



Performing loans¹
£Bn

	Dec-21	QoQ	YoY
Secured	34.4	+2.9%	+12.6%
Unsecured	2.6	-2.6%	-3.0%
Total	37.0	+2.5%	+11.3%

¹ Excludes accrual adjustments. Total performing loan growth figures in euros are as follows: +5.0% QoQ, +19.1% YoY.

3 TSB achieved net profit of £130M in 2021

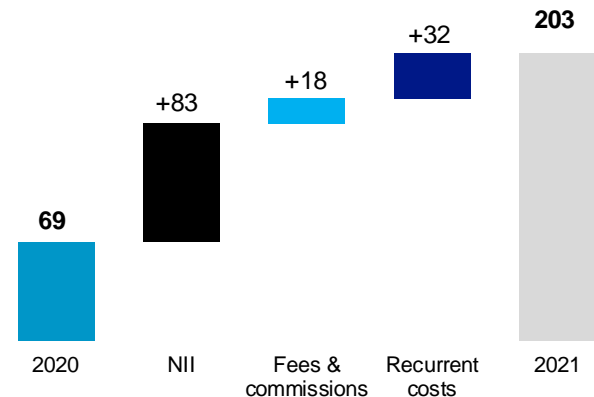
TSB standalone P&L and its contribution to Sabadell

£M

	2020	2021	2021/2020
NII	786	869	10.5%
Fees & commissions	86	104	20.8%
Recurrent costs ¹	-803	-770	-4.0%
Core results^{1,2}	69	203	194.5%
Total provisions & impairments	-218	0	n.m.
Profit before taxes	-205	158	n.m.
Income tax ³	45	-27	n.m.
Net profit	-160	130	n.m.
Contribution to Sabadell Group (€M)⁴	-220	118	n.m.

TSB core results¹, YoY

£M



- ✓ TSB returned to profit in 2021, with results contributing €118M to Sabadell
- ✓ Further optimisation of TSB's branch network, with 70 branch closures announced in 4Q21

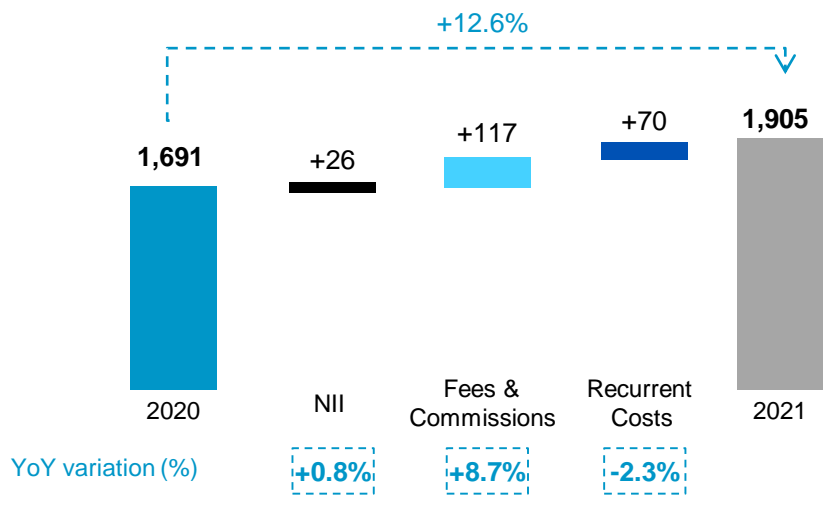
7.66%
ROTE
(standalone Dec-21)

¹ Excludes £79M in 2020 and £16M in 2021 of non-recurrent costs related to the efficiency plans in UK. ² NII + fees – recurrent costs. ³ TSB recorded a tax reduction of £15.4M driven by an increase in the value of deferred tax assets arising from the substantive enactment in Parliament of the increase in the UK corporation tax rate from 19% to 25% from April 2023. ⁴ Consolidated financials at Group level include TSB acquisition-related core deposits and brand intangibles amortisation of €40M pre-tax per year in 2021 and 2022, €23M in 2023 and €5M in 2024, which are deducted from TSB standalone financials.

4 Recurrent core results grew by double digits in the year

Recurrent Group core results YoY¹

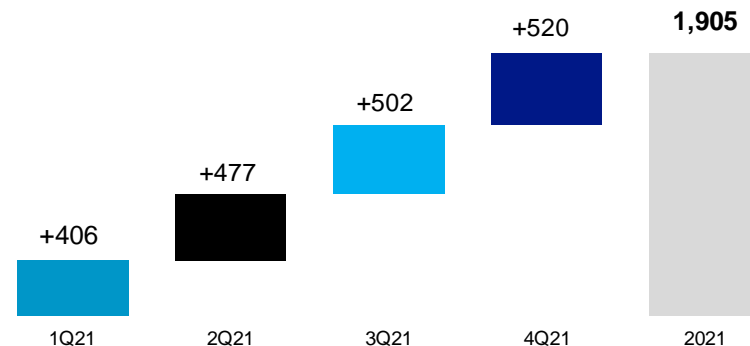
€M



Positive contribution from all levers of core results

Recurrent Group core results evolution²

€M



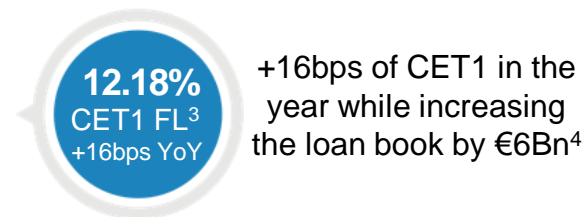
Core results have consistently grown quarter by quarter

¹ NII + fees – costs (excluding €403M of non-recurrent costs in 2020 and €320M of non-recurrent costs in 2021, both related to the efficiency plans in Spain and UK). ² NII + fees – costs (excluding €301M of non-recurrent costs related to the efficiency plan in Spain in 3Q21 and €19M of non-recurrent costs related to the efficiency plan in UK in 4Q21).

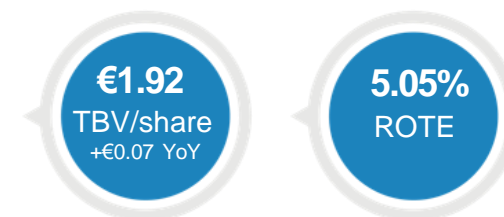
4 Sabadell is restoring profitability while creating greater shareholder value

	2020 (€M)	2021 (€M)	2021/2020
NII	3,399	3,425	+0.8%
Fees	1,350	1,468	+8.7%
Recurrent costs¹	-3,058	-2,988	-2.3%
Recurrent core results^{1,2}	1,691	1,905	+12.6%
Provisions	-2,275	-1,225	-46.2%
Net profit	2	530	>100%

Capital generation



Shareholder value creation



¹ Excludes €403M of non-recurrent costs in 2020 and €320M of non-recurrent costs in 2021, both related to the efficiency plans in Spain and UK. ² NII + fees – recurrent costs. ³ Accruing cash dividend payment of 3 euro cents (31.8% pay-out). ⁴ €6bn loan book growth in local currency.



2

Financial results

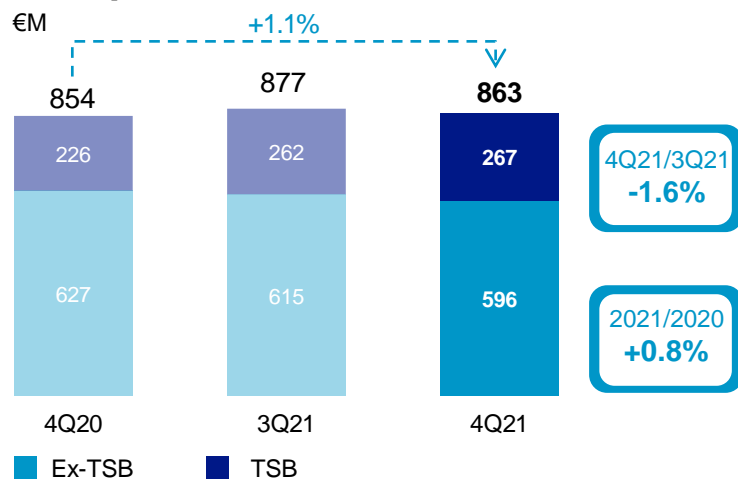
Income statement

€M	Sabadell Group				Sabadell ex-TSB			
	4Q21	2021	4Q21/3Q21	2021/2020	4Q21	2021	4Q21/3Q21	2021/2020
Net interest income	863	3,425	-1.6%	0.8%	596	2,414	-3.1%	-4.0%
Fees & commissions	397	1,468	10.1%	8.7%	363	1,347	9.8%	7.4%
Core banking revenue	1,260	4,893	1.8%	3.0%	959	3,761	1.4%	-0.2%
Trading income & forex	-4	344	n.m.	-57.0%	-2	342	n.m.	-55.9%
Other income & expenses	-138	-211	n.m.	-14.5%	-126	-178	n.m.	-28.5%
Gross operating income	1,118	5,026	-27.9%	-5.2%	831	3,925	-34.8%	-8.6%
Recurrent costs	-740	-2,988	0.5%	-2.3%	-511	-2,065	-0.2%	-2.2%
Extraordinary costs	-19	-320	-93.7%	-20.7%	0	-301	n.m.	-4.1%
Pre-provisions income	360	1,719	-30.1%	-6.6%	319	1,560	-30.6%	-16.5%
Total provisions & impairments	-314	-1,225	8.4%	-46.2%	-335	-1,225	12.9%	-39.8%
Gains on sale of assets and other results	48	126	939.4%	-59.7%	56	135	n.m.	-57.5%
Profit before taxes	93	620	59.4%	n.m.	40	470	-75.3%	212.7%
Taxes and minority interest	68	-90	n.m.	n.m.	84	-58	n.m.	n.m.
Attributable net profit	161	530	7.6%	n.m.	125	412	17.3%	85.7%
Core results¹	520	1,905	3.6%	12.6%	447	1,697	3.4%	2.5%

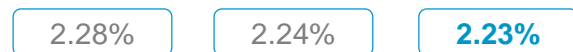
Note: EUR/GBP exchange rate of 0.8594 for 2021 and 0.8477 for 4Q21. ¹ QoQ growth, NII + fees – costs (excluding €301M of non-recurrent costs related to the efficiency plan in Spain in 3Q21 and €19M of non-recurrent costs related to the efficiency plan in UK in 4Q21). YoY growth, NII + fees – costs (excluding €403M of non-recurrent costs in 2020 and €320M of non-recurrent costs in 2021, both related to the efficiency plans in Spain and UK).

NII impacted in the quarter by ALCO bonds disposal in Q3

Group NII



Customer spread



Net interest margin



Group NII QoQ evolution

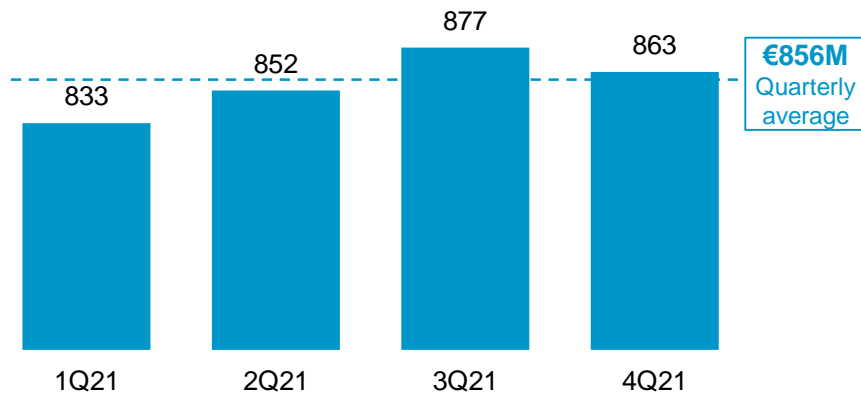


- Impact of €17M in the quarter related to the ALCO bond portfolio disposal executed in Q3 as well as the excess liquidity
- NIM affected by front-loading additional funding through TFSME at TSB
- ECB net lending target met to accrue -1% rate on the TLTRO-III facility

2021 NII growth target met

Group NII evolution, QoQ

€M



NII drivers going forward:

Tailwinds:

- ✓ Option to reinvest the ALCO portfolio
- ✓ Solid dynamics in the UK: Interest rate hikes and mortgage volumes
- ✓ Lower wholesale funding cost

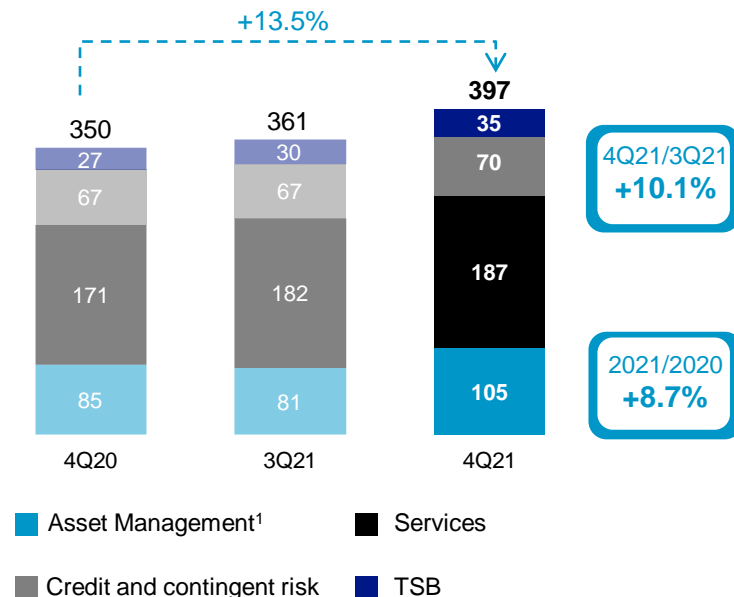
Headwinds:

- ✓ ALCO bond portfolio disposal in 3Q21
- ✓ End of the TLTRO-III benefit in June-22
- ✓ Margin compression in UK

Fees grew by double digits in the quarter

Group fees & commissions

€M



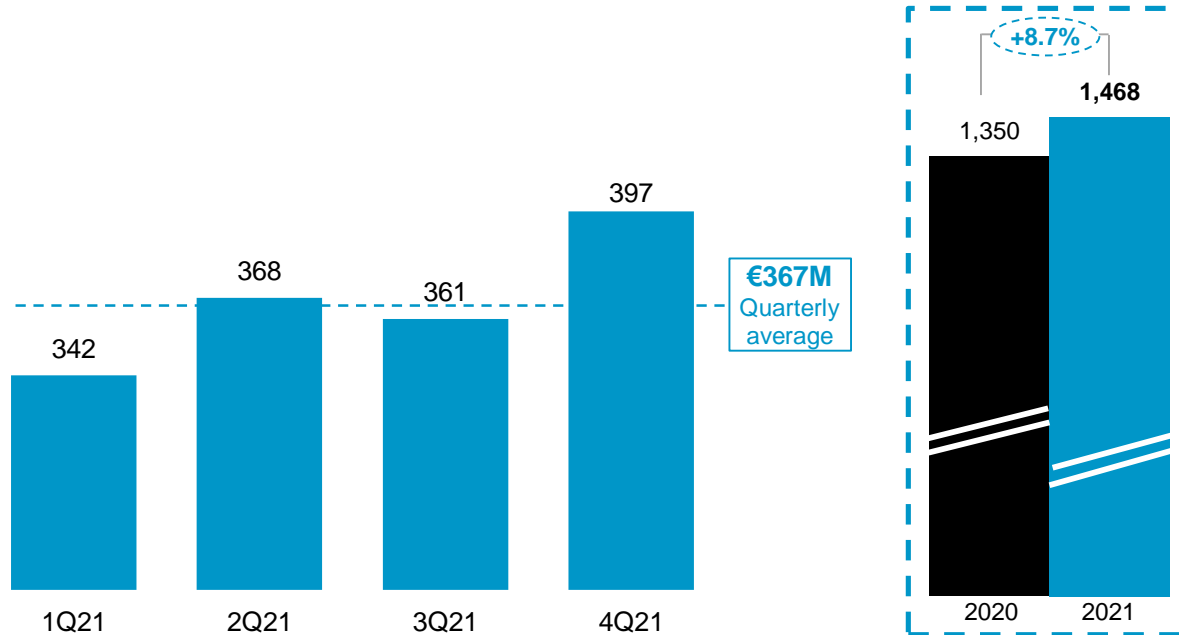
Group fees & commissions

	4Q21/3Q21		2021/2020	
Credit and contingent risk	+€4M	+5.5%	+€11M	+4.1%
Services	+€8M	+3.9%	+€84M	+11.2%
Asset Mgmt. ¹	+€25M	+29.5%	+€22M	+6.6%

- Fees increased in the quarter due to robust activity, syndicated loans and positive seasonality related to asset management and insurance business success fees (€17M)
- €3M of non-recurrent fees in TSB related to current accounts

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

Fees outperformed our mid-single digit growth target



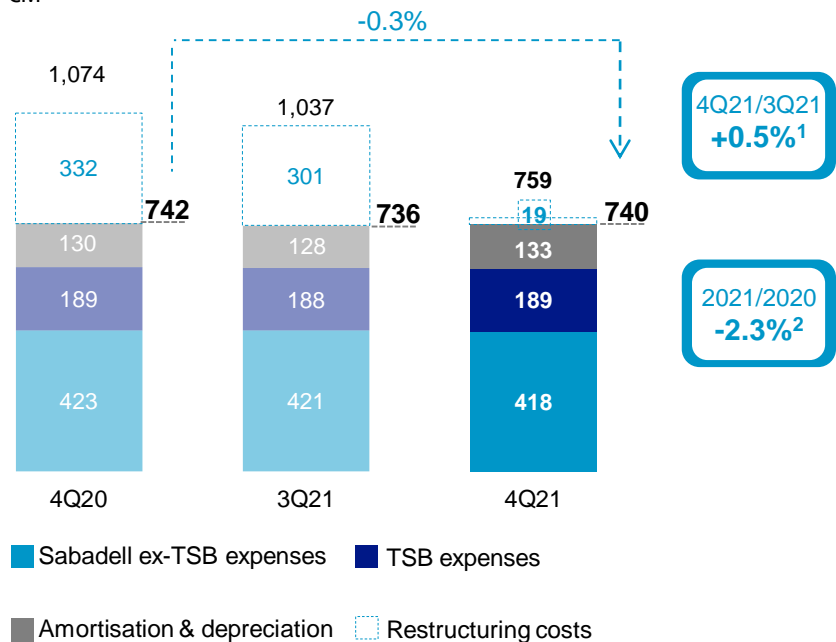
- Fee growth underpinned in the year by:**
- **Current account fees** that increased by 22% YoY on the back of the new commercial strategy
 - **Asset management fees** that grew by 7% YoY
 - **Payment services fees**, which grew by 13% YoY given the improvement in activity in 2021

Fees grew by +8.7% in the year. AuMs, commercial activity and insurance will be the main drivers going forward

Lower recurrent costs in the year driven by cost savings from previous efficiency plans

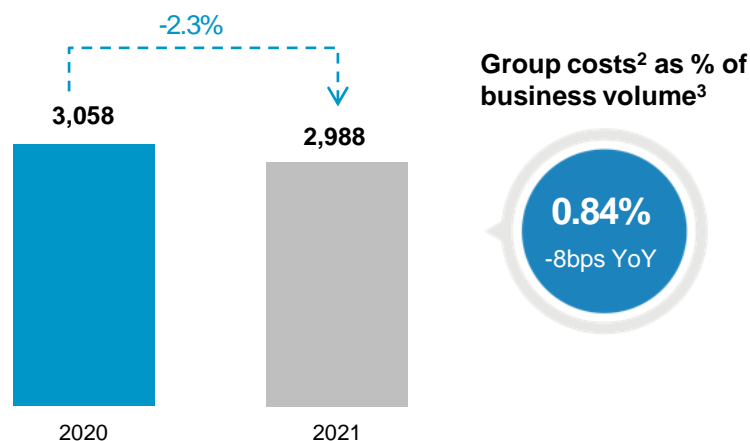
Group costs

€M



Total recurrent cost YoY²

€M



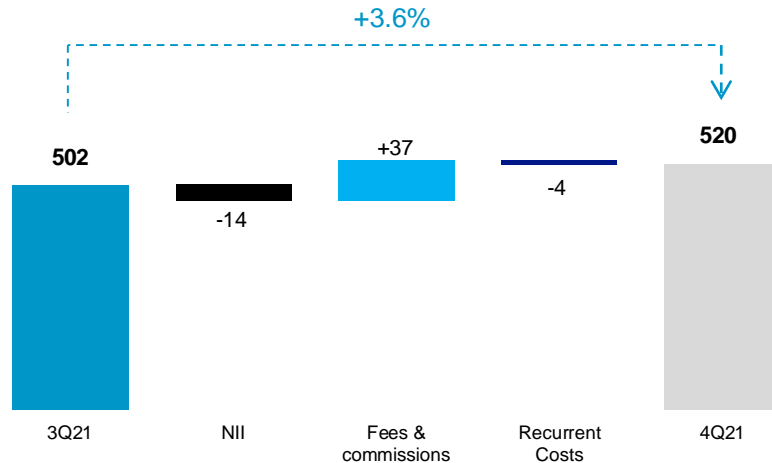
- €19M of restructuring costs at TSB in the quarter related to branch closures
- The second phase of the efficiency plan in Spain will deliver **cost savings of €130M (85% in 2022 and 100% from 2023 onwards)**

¹ Excludes €301M of non-recurrent costs related to the efficiency plan in Spain in 3Q21 and €19M of non-recurrent costs related to the efficiency plans in UK in 4Q21. ² Excludes €403M of non-recurrent costs in 2020 and €320M of non-recurrent costs in 2021, both related to the efficiency plans in Spain and UK. ³ Includes performing loans + on-balance sheet customer funds + off-balance sheet customer funds.

Wider jaws led to an increase in recurrent core results

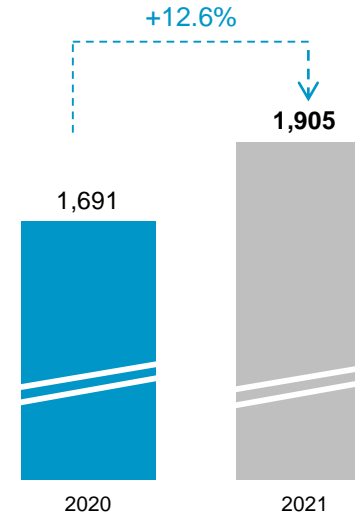
Group recurrent core results QoQ¹

€M



Group recurrent core results YoY²

€M



- NII shows solid underlying evolution despite -€17M impact from ALCO bonds disposal
- Fees & commissions include +€20M of extraordinary seasonal items
- Costs do not yet include savings from the last efficiency plan in Spain (launched in Q3)

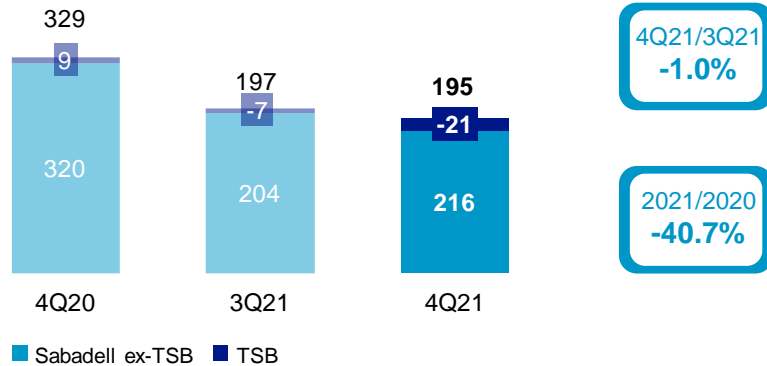
Recurrent core results to grow in 2022

¹ NII + fees – costs (excluding €301M of non-recurrent costs related to the efficiency plans in Spain in 3Q21 and €19M of non-recurrent costs related to the efficiency plans in UK in 4Q21). ² NII + fees – costs (excluding €403M of non-recurrent costs in 2020 and €320M of non-recurrent costs in 2021, both related to the efficiency plans in Spain and UK).

Credit cost of risk improved, standing at 49bps

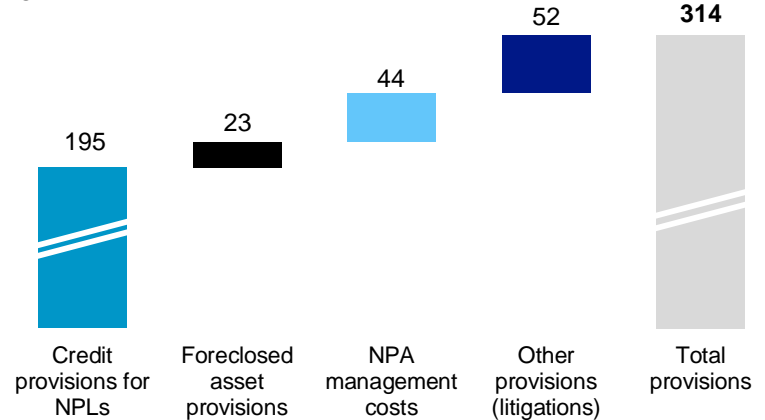
Group credit provisions¹

€M



Group total provisions 4Q21 breakdown

€M



Group Credit CoR

2019¹ 32bps

2020¹ 86bps

2021 49bps

Group Total CoR

50bps

116bps

72bps

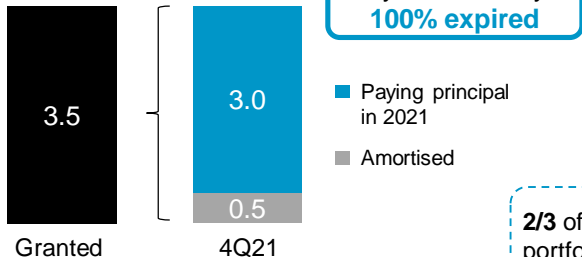
- No new sources of litigation risk in 2021
- Provisions related to litigations frontloaded in 4Q21
- Therefore, 2022 should entail lower levels of provisions
- Provisions have been released in the quarter at TSB given a lower unemployment rate and a higher House Price Index

¹ Excludes provisions related to institutional sales of NPL portfolios.

Payment holidays in Spain have expired

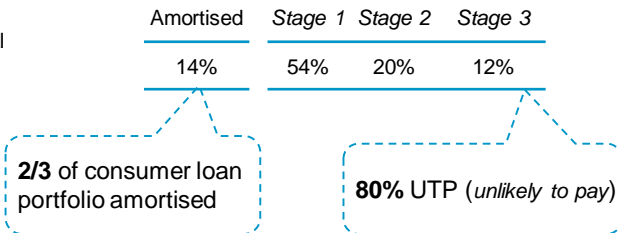
Payment holidays

€Bn

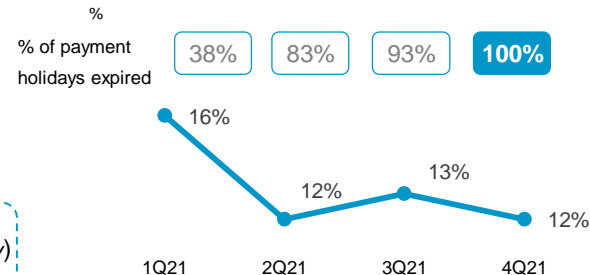


Payment holidays
100% expired

- Paying principal in 2021
- Amortised



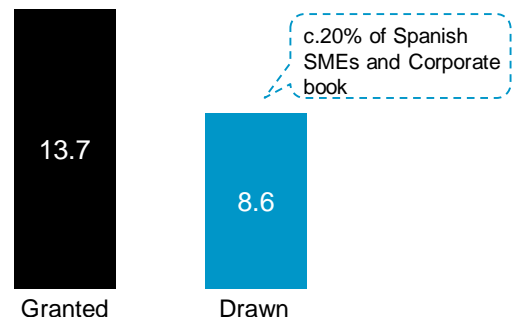
Payment holidays Stage 3 evolution



- Stage 3 payment holidays remained stable over the last year

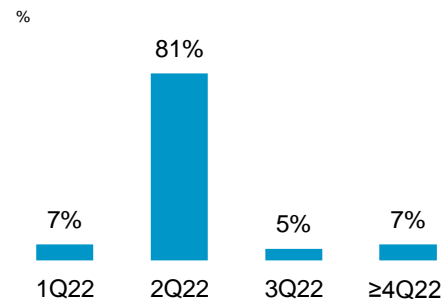
ICO loans (State guaranteed loans)

€Bn



- c.€260M granted in 4Q21
- >95% of ICO exposure is performing
- 60% of portfolio already paying principal
- 76% of exposure covered by the State guarantee (CoR only on 24% of exposure)

ICO grace period maturities breakdown

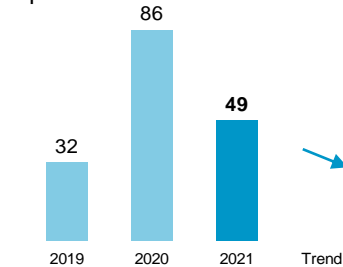


Note: Payment holidays exclude tourism and transport.

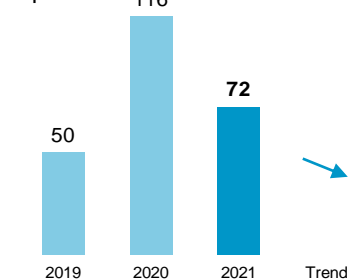
Credit cost of risk drivers provide a positive trend for 2022

Group CoR evolution

Credit CoR bps



Total CoR bps



Group Credit CoR trend



“Standard” loan book (€142.7Bn):

- Good performance in 2021
- Positive trend to improve in 2022 on the back of the macroeconomic environment



ICO loans (€8.6Bn):

- c.5% of ICO loans classified as stage 3 (c.60% is UTP¹)
- 2Q22 - 80% of remaining grace periods will mature
- Risk capped at 24% of exposure due to the State guarantee (c.76%)



Payment holidays (€3.5Bn):

- 100% already expired
- Stable NPL levels since 2Q21
- CoR already booked in 2021
- No NPL inflows foreseen

Credit CoR to land between 2019 and 2021 levels in 2022

Group total CoR trend

Foreclosed asset provisions:

- No further extraordinary provisions related to branch closures expected in 2022 (€40M in 2021)

NPA management costs:

- To remain stable

Other provisions:

- No further extraordinary items (€25M in 2021)
- Downward pressure on litigation risks going forward

€65M of extraordinary costs in 2021 enable further reduction of total CoR in 2022

¹ Unlikely to Pay.



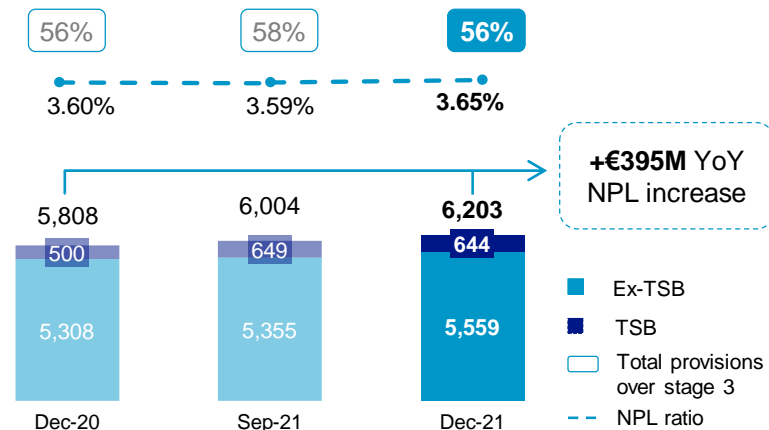
3

Balance sheet

Underlying NPL inflows remained stable

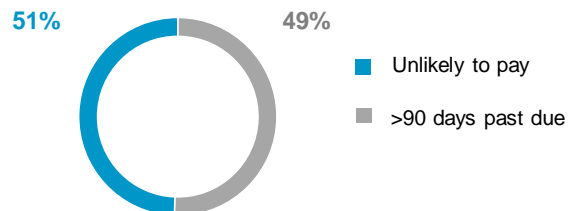
Group NPLs and NPL ratio

€M



- **+€395M annual NPL stock increase**, of which:
 - €190M related to regulatory changes to the definition of default in TSB's mortgage portfolio in 1Q21
 - c.€150M due to NPL portfolio repurchases throughout the year (from portfolios sold in 2019 and 2020)

Group NPL composition



Note: Stage 3 exposure includes contingent risk.

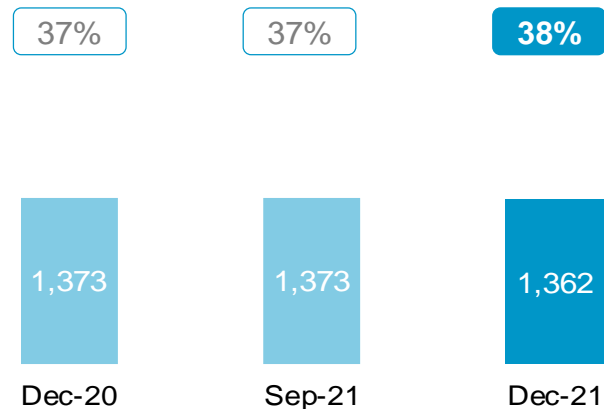
Exposure by stage and coverage ratio

	Stage 1	Stage 2	Stage 3	
% of total book	88.7%	7.6%	3.7%	Total provisions over stage 3: 56.3%
Coverage	0.3%	4.0%	41.2%	

NPA ratios remained stable

Group foreclosed assets

€M

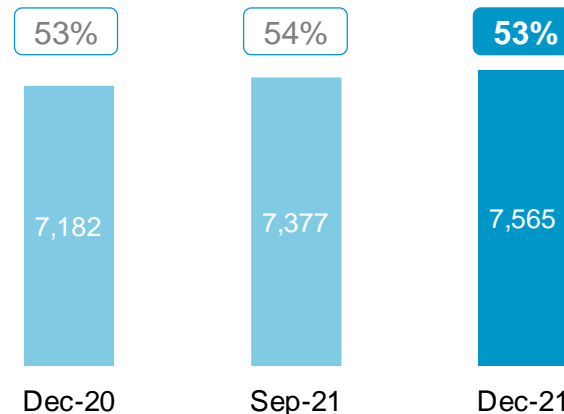


Coverage ratio

95% of total foreclosed assets are finished buildings

Group NPAs

€M



Group key ratios

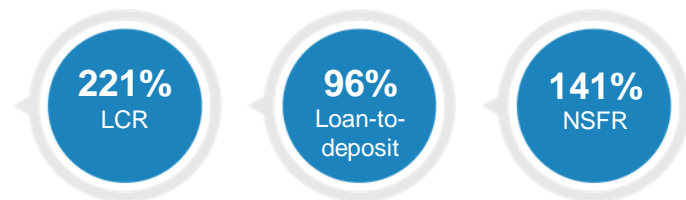
	Dec-20	Sep-21	Dec-21
Gross NPA ratio ¹	4.4%	4.4%	4.4%
Net NPA ratio	2.1%	2.0%	2.1%
Net NPAs / total assets	1.4%	1.4%	1.4%

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.

Liquidity stands at record levels

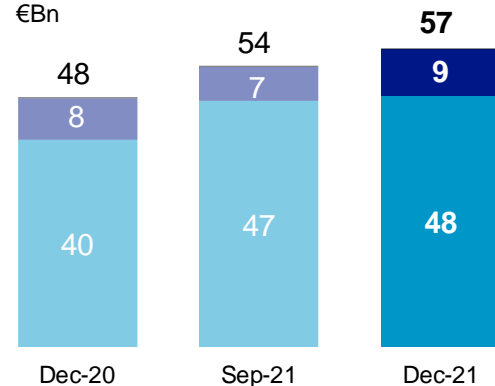
Substantial liquidity buffers

Sabadell Group



Total liquid assets

€Bn



■ Sabadell, ex-TSB HQLAs ■ TSB HQLAs

Credit ratings

Group long-term credit rating and outlook

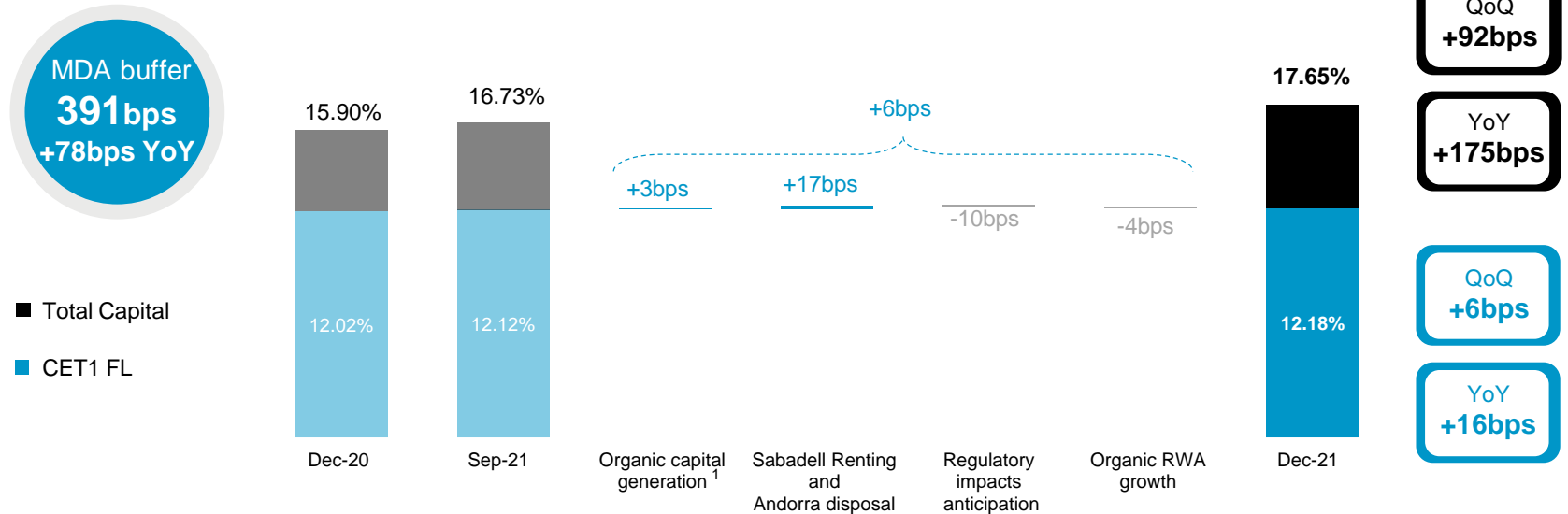
Standard & Poor's	BBB- Stable	Fitch Ratings	BBB- Stable
Moody's	Baa3 Stable	DBRS	A (low) Negative

Outstanding central bank funding

- **TLTRO-III:** €32Bn outstanding
- **TFSME:** £5.5Bn outstanding, of which £2.5Bn drawn this quarter

CET1 FL increased by 16bps with €6Bn loan book growth

CET1 FL evolution



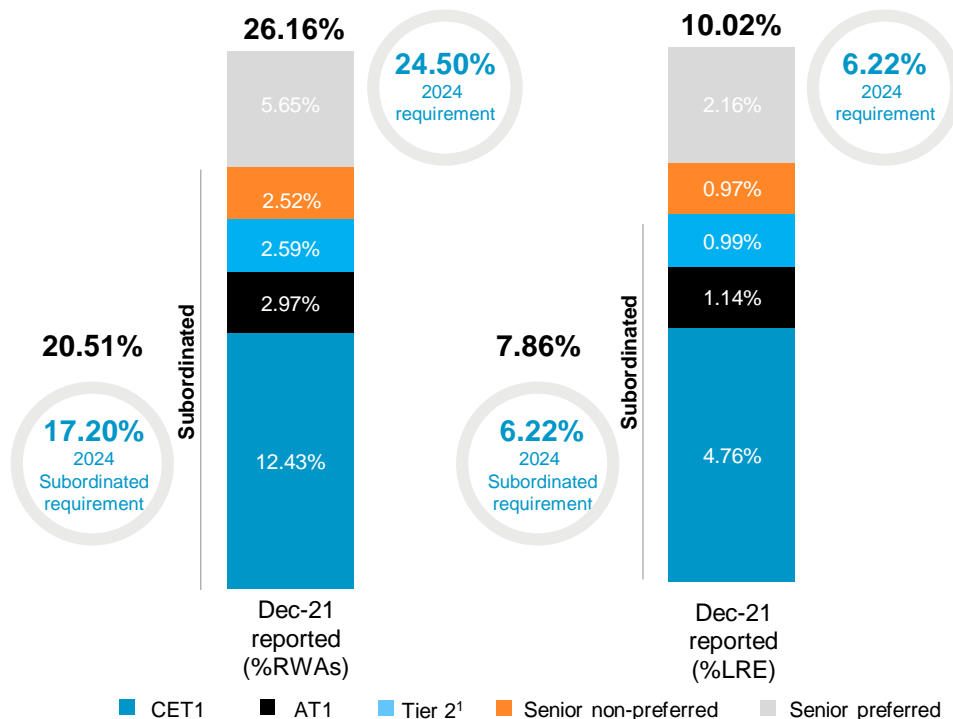
CET1 FL to keep improving in 2022

Note: €6bn loan book growth in local currency. ¹ Accruing 31.8% cash dividend pay-out (3 euro cents per share).

Compliant with current 2024 MREL requirements

MREL position, Sabadell Group

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



2021 issuances

- 15-Jan / €500M Tier 2 (2.50% coupon)
 - ✓ Maturity of 10.25 years non-call 5.25 years
- 15-Mar / €500M AT1 (5.75% coupon)
 - ✓ Perpetual non-call 5.5 years
- 16-Jun / €500M Green Senior Non-Preferred (0.875% coupon)
 - ✓ Maturity of 7 years non-call 6 years
- 8-Nov / €750M AT1 (5.00% coupon)
 - ✓ Perpetual non-call 5.5 years

Funding plan

- AT1/Tier 2: keep buckets completed
- Senior preferred/ non-preferred: keep management buffer above MREL requirements
- Covered bonds: tap the market regularly

Note: Ratios include the Combined Buffer Requirement (2.75%) 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) CRRII) but remains eligible for MREL purposes.



4

Closing remarks

Meeting the targets set for 2021


	2021	2021 guidance	
Net Interest Income	+0.8%	Low-single digit	✓
Fees & Commissions	+8.7%	Mid-single digit	✓
Credit Cost of Risk	49bps	In range 2019-2020 (32bps - 86bps)	✓
ROTE	5.0%	-	
CET1 FL	12.18%	>12%	✓
MDA buffer	391bps	>350bps	✓

On the strength of core results and the cost of risk outlook, we are bringing forward the >6% ROTE target to 2022

Board to submit a proposal at the next AGM for a cash dividend payment of €3 cents, implying c.30% pay-out ratio and a dividend yield of 4.7%¹

¹ Calculated based on the closing price of Sabadell's share as at 25th January 2022.

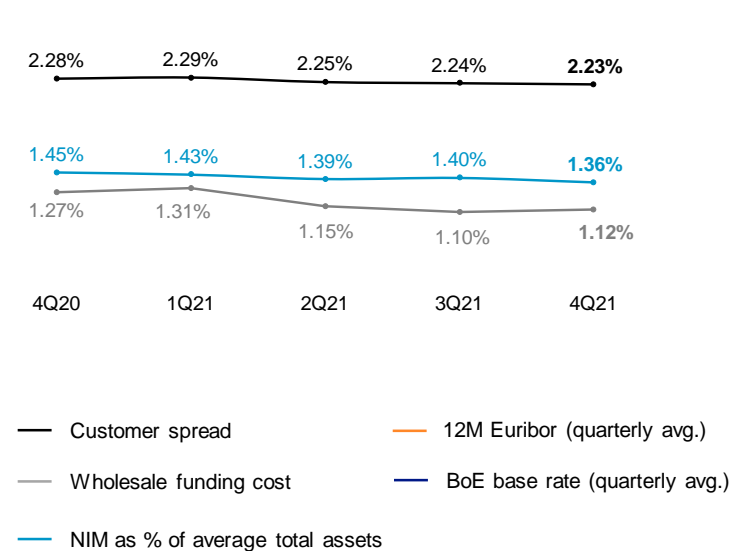
Appendix

- 1 Group NIM and customer spread
 - 2 Service quality
 - 3 Group debt maturities and issuances
 - 4 ALCO portfolio
 - 5 ICO lending
 - 6 TSB asset quality
 - 7 RWAs breakdown
 - 8 MDA buffer
- 

1. Group NIM and customer spread

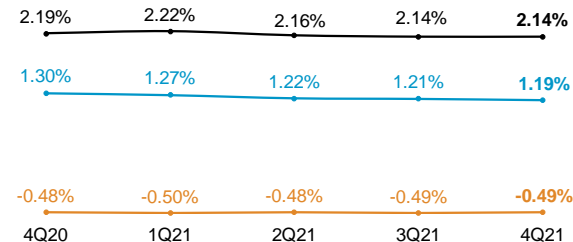
Sabadell Group

In euros



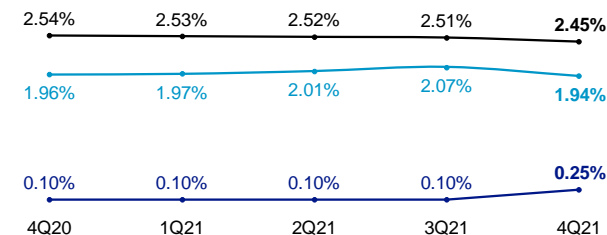
Sabadell ex-TSB

In euros



TSB

In euros



2. Service quality index and NPS

Sabadell

Spain

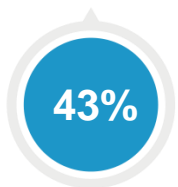
Service quality index



Sector average



NPS Online banking



Net promoter score (NPS)

SMEs	12%	#1
Corporates	35%	#1
Personal banking	13%	
Retail banking	-9%	

NPS Mobile



TSB UK

NPS Bank

3-month average (Dec-21)



NPS Mobile

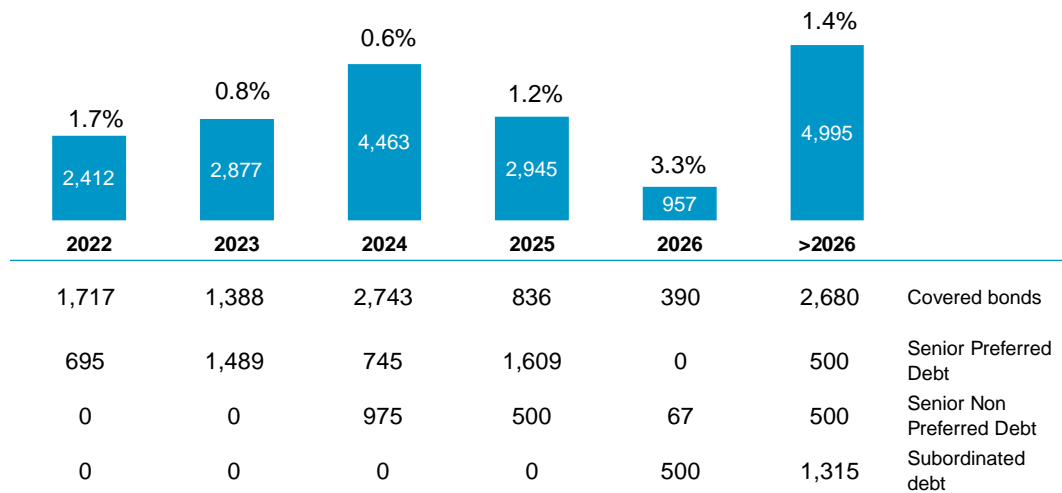
13-week average (Dec-21)



3. Group debt maturities and issuances

Debt maturities and average cost

Maturities in €M and average cost in %



Main debt maturities in the last 6 months

Instrument	Date	Size	Coupon
Covered bonds	12/11/2021	€1,308M	0.88%
Covered bonds	09/12/2021	€200M	1.05%

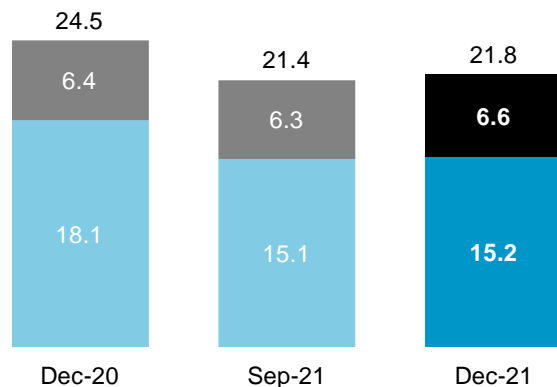
Main debt maturities in the next 12 months

Instrument	Date	Size	Coupon
Covered bonds	21/02/2022	€300M	4.50%
Senior preferred bonds	28/03/2022	€601M	0.70%
Covered bonds	21/07/2022	€200M	5.13%
Covered bonds	26/09/2022	€250M	0.16%
Covered bonds	05/10/2022	€100M	0.00%
TSB Covered bonds	07/12/2022	€595M	0.54%
Covered bonds	12/12/2022	€194M	3.75%

Note: Debt maturities excludes AT1 issuance.

4. ALCO portfolio

Evolution of fixed income portfolio. Sabadell Group. €Bn



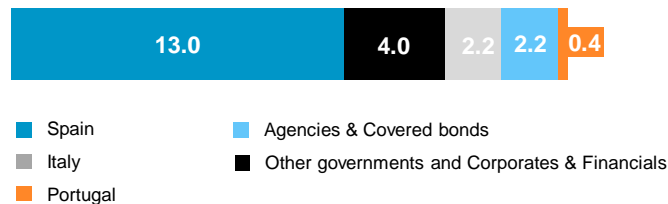
■ Fair Value OCI ■ Held to collect

Dec-21	Yield	Total duration ¹	Avg. maturity
FV OCI	0.2%	1.0 years	6.0 years
Total	0.5%	2.5 years	7.6 years

Unrealised capital gains in HTC portfolio. Dec-21.

€0.5Bn

Fixed income portfolio composition. Sabadell Group. €Bn. Dec-21.



- The capital position's sensitivity to bond spread volatility remains low as Fair Value OCI composition is small with short duration
- Option to reinvest in 2022

5. ICO lending in Covid-19 sensitive sectors

Corporates and SMEs most sensitive to Covid-19¹

Dec-21. €Bn

	Performing loans	EAD	ICO lending
Tourism, Hospitality & Leisure	6.5	7.4	16%
Transport	3.4	3.8	14%
of which, Airlines	0.3	0.3	3%
Auto	1.7	1.9	22%
Retail (non food)	1.2	1.4	27%
Oil	0.3	0.4	0%
Total most Covid-sensitive	13.1	14.8	17%
% of Group performing loans	8%	8%	

¹ Excludes TSB.

6. TSB asset quality, liquidity and solvency position

Asset quality

	Dec-20	Sep-21	Dec-21
NPL ratio	1.3%	1.5%	1.4%
Coverage ratio	57%	42%	38%
Cost of risk ¹ (YTD)	0.47%	0.07%	0.00%

Solvency

	Dec-20	Sep-21	Dec-21
CET1 ratio ²	15.3%	14.8%	15.9%
Leverage ratio ³	3.8%	3.5%	3.6%

Liquidity

	Dec-20	Sep-21	Dec-21
LCR	201%	146%	194%

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-21 CET1 FL ratio is 15.8%. ³ Calculated using EBA standards and on a transitional basis.

7. RWAs breakdown

Dec-21 RWAs: €80,898M

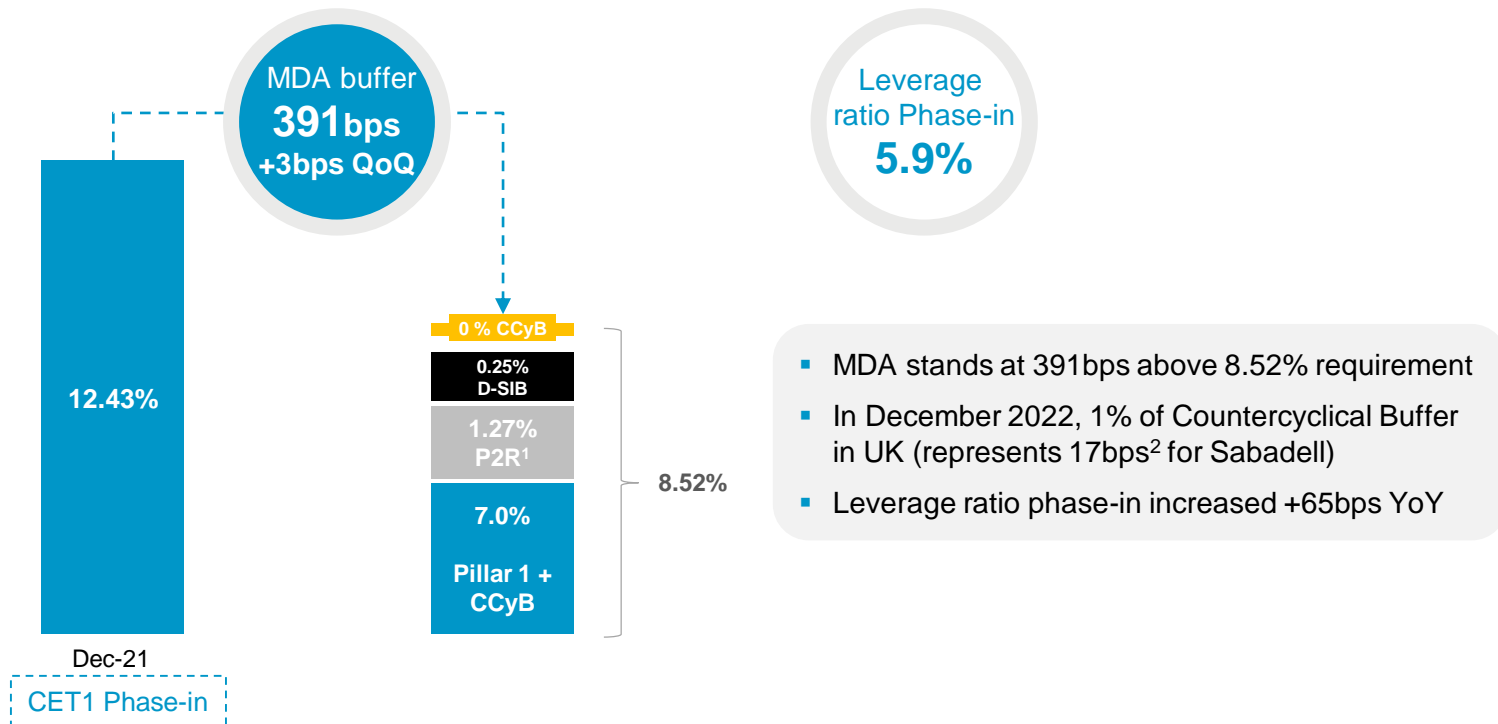
By type:

- Credit risk: €72.0Bn
- Market risk: €0.6Bn
- Operational risk: €8.2Bn
- Others: €0.1Bn

By geography:

- Spain: €63.5Bn
 - UK: €14.1Bn
 - Mexico: €3.3Bn
-

8. Ample MDA buffer at 391bps, better than guidance



MDA buffer to stay above 350bps in 2022

¹ Applying Article 104a CRD. ² Based on RWAs as of Dec-21.

Glossary

Term	Definition
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
CCyB	Countercyclical Buffer
CCB	Capital Conservation Buffer
D-SIB	Domestic Systemically Important Banks
EAD	Exposure at default calculated as sum of amount drawn, amount available plus guarantees
HQLAs	High quality liquid assets
HTC	Held to collect
ICO	Spanish Official Credit Institute
LCR	Liquidity coverage ratio: High quality liquid assets (HQLAs) divided by total net cash outflows
LRE	Leverage Ratio Exposure is equivalent to total assets and a variety of off-balance sheet items including derivatives and repurchase agreements, among others
NIM	Net interest margin
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
P2R	Pillar 2 Requirement
RWA	Risk weighted assets
TBV	Tangible book value
TFSME	Term Funding Scheme with additional incentives for SMEs
TLTRO	Targeted Longer-Term Refinancing Operations

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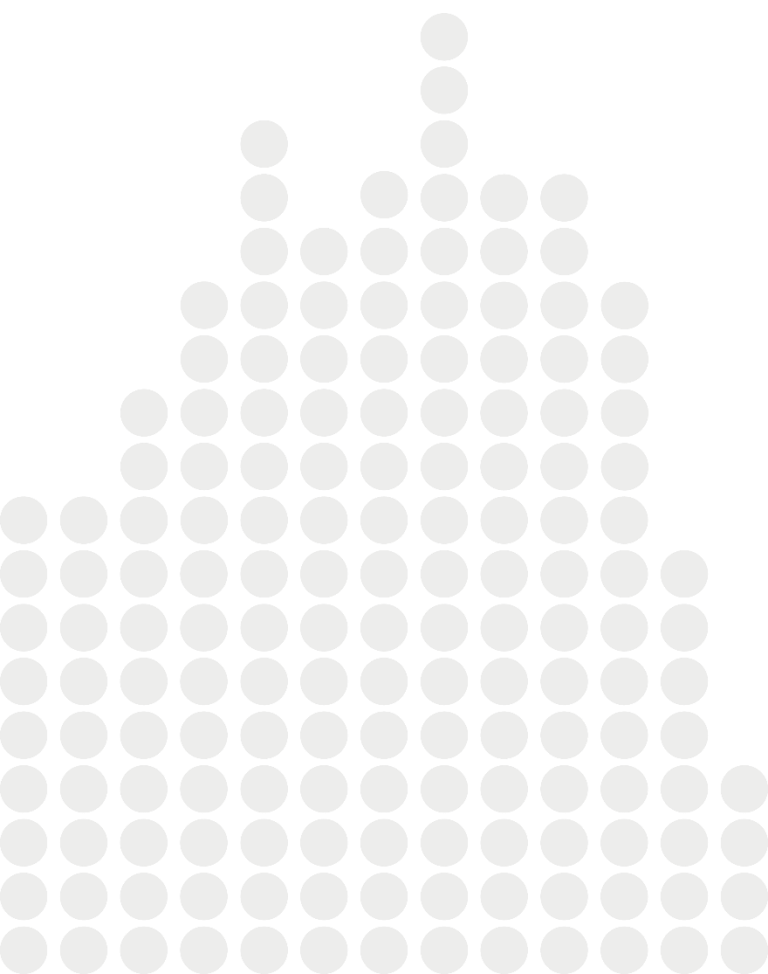
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