



2Q22

**Quarterly Financial
Report**

Contents

1		
Summary		3
2		
Key figures		5
3		
Performance review		6
Macroeconomic environment		6
Income statement		8
Balance sheet		15
Risk management		19
Liquidity management		23
Capital management and credit ratings		24
Results, by business unit		26
4		
Share price performance		31
5		
Key developments in the quarter		32
6		
Glossary of terms on performance measures		33

Disclaimer

This document is strictly for information purposes only and is not an offer of any product. No agreement or commitment should be based or dependent on this document or any part thereof. Any decisions on financial transactions should take into account the client's needs and their appropriateness from a legal, fiscal, accounting and/or financial point of view, in accordance with the information documents envisaged under the law in force. Investments mentioned or recommended herein may not be of interest to all investors. The opinions, forecasts and estimates contained in this document are based on available public information and are an evaluation by Banco de Sabadell, S.A. at the date of preparing this document. No assurance is given that future results or events will conform to these opinions, forecasts and estimates. The information is subject to change without prior notice, its accuracy is not guaranteed, and it may be incomplete or summarised. Banco de Sabadell, S.A. accepts no liability whatsoever for any losses arising from the use of this document or its content or otherwise in connection herewith.

Basis of presentation

The consolidated income statement and balance sheet as at the end of June 2022 and 2021, together with the disclosures shown in this Financial Report, are presented in accordance with the accounting standards, principles and criteria defined in Note 1 to the Group's consolidated interim financial statements as at 30 June 2022.

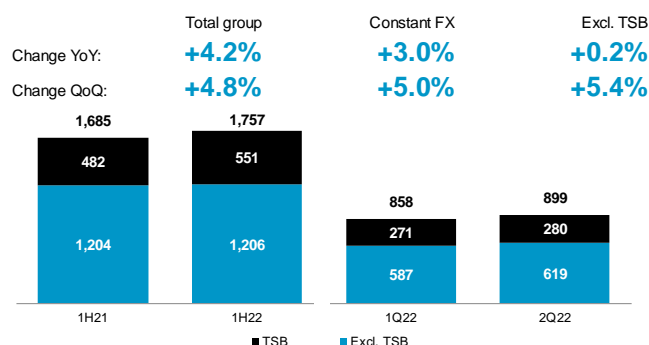
Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es), a glossary has been included with the definitions and the reconciliation with the items presented in the financial statements of certain alternative financial measures used in this document. See Glossary of terms on performance measures.

1. Summary

Net interest income

Net interest income has grown by 4.2% in the year, standing at 1,757 million euros at the end of June 2022, on the back of good volume growth, with particularly strong mortgage growth at TSB, as well as improved wholesale funding, which offset reduced yields on loans.

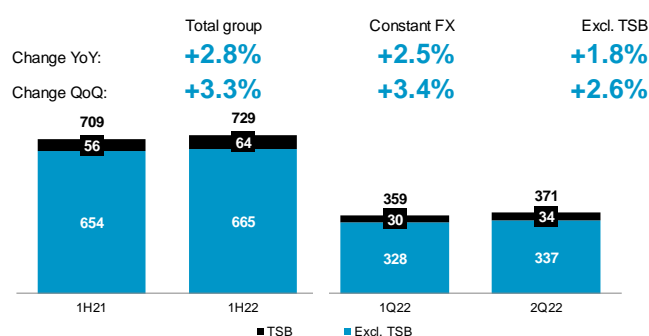
In the quarter, NII increased by 4.8%, supported by a higher contribution from the ALCO portfolio, the increased volumes, and the effect of the higher calendar days in the second quarter.



Net fees and commissions

Net fees and commissions amounted to 729 million euros at the end of June 2022, representing year-on-year growth of 2.8% as a result of good momentum across all segments, particularly in the case of service fees which were largely driven by payments and card fees.

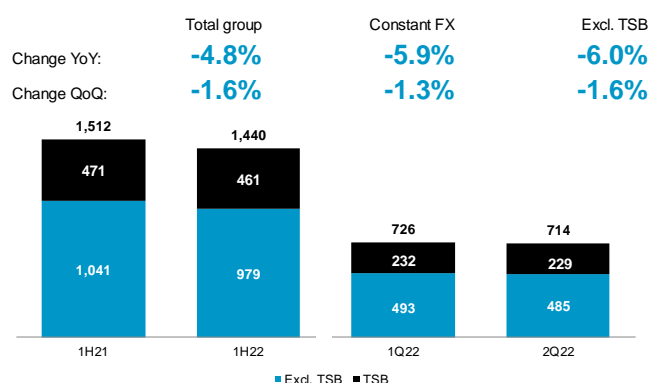
On a quarterly basis, fees and commissions grew by 3.3%, also largely driven by the positive evolution of payments and card fees.



Total costs

Total costs amounted to 1,440 million euros as of the end of June 2022, down by -4.8% compared to the same period in the previous year, driven mainly by savings on staff expenses following the execution of the efficiency plans, and also by reduced general expenses.

Compared quarter-on-quarter, costs continue on a downward trend, having decreased by -1.6% following the savings on staff expenses due to the latest round of departures of the efficiency plan, and also due to efforts to reduce general expenses.

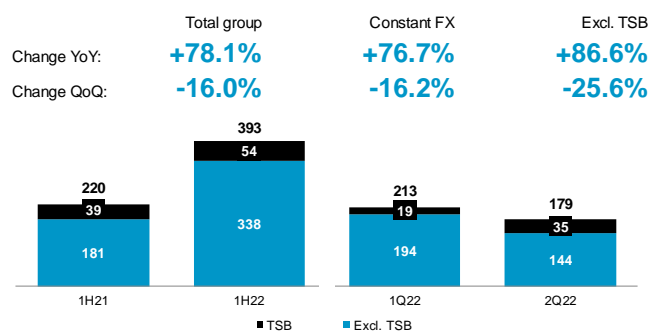


Net profit of the Group

As of the end of June 2022, the Group's net profit amounted to 393 million euros, representing strong year-on-year growth, with net profit excluding TSB amounting to 338 million euros and net profit at TSB amounting to 54 million euros.

Profit in the quarter stood at 179 million euros and included the contribution to the Single Resolution Fund (SRF) of -100 million euros.

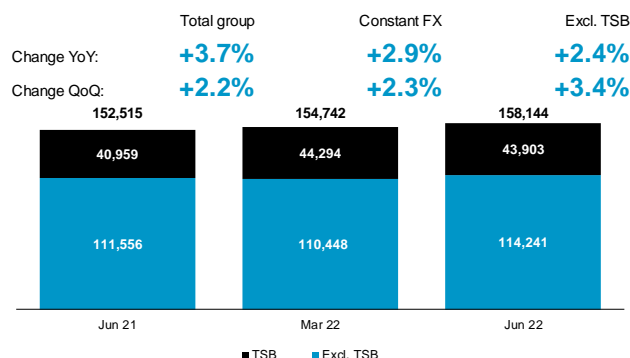
It is worth highlighting the good performance of core results (net interest income + fees and commissions – costs), which increased by 18.5% in the year and by 13.1% in the quarter, both due to the improvement across all three components.



Performing loans

Performing loans grew in all geographies and continue to show a positive trend, having increased by 3.7% year-on-year. Excluding the APS impact, year-on-year growth was 3.8%.

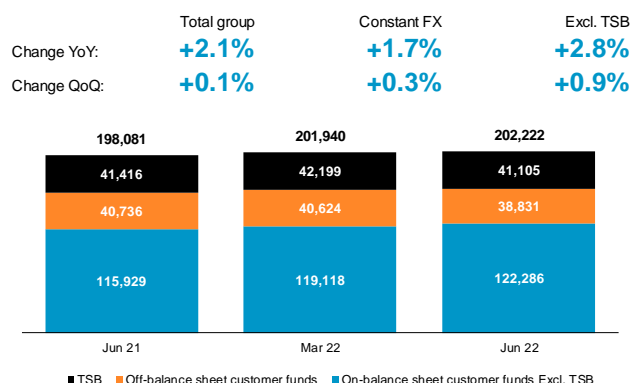
In quarter-on-quarter terms, performing loans increased by 2.2%, buoyed by growth in Spain, where lending to public sector and to businesses increased, offsetting the decline at TSB due to the depreciation of sterling. Excluding this effect, TSB lending grew by 0.6% due mainly to the mortgage book.



Customer funds

On-balance sheet customer funds increased by 3.8% year-on-year due to an increase in sight accounts, which offset a year-on-year decline in term deposits. The downward trend of term deposits was reversed in the quarter, and they increased, together with sight accounts, bringing on-balance sheet customer funds up by 1.3% compared to the previous quarter.

Off-balance sheet funds declined by -4.7% year-on-year and by -4.4% quarter-on-quarter, impacted by volatility in the financial markets, which mainly affected mutual funds.



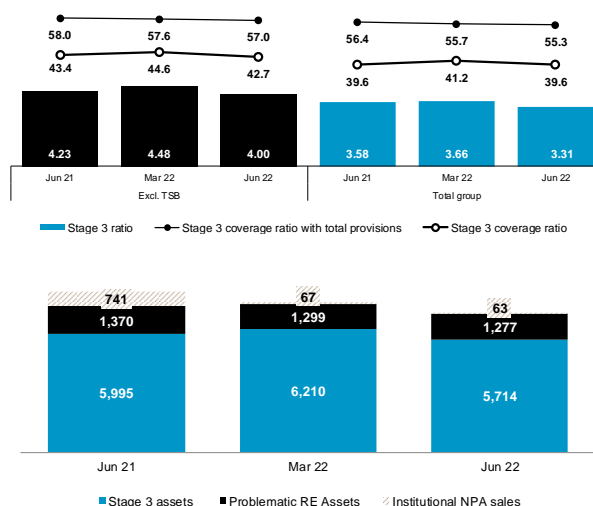
Non-performing assets (*)

The balance of NPAs was reduced in the quarter by 517 million euros and now stands at 6,991 million euros (gross), with coverage of 52.3% considering total provisions.

The Group's stage 3 ratio was reduced by 35 bps in the quarter to 3.3%, following the sale of c.400 million euros of unsecured NPLs. The stage 3 coverage ratio considering total provisions stood at 55.3%, while the stage 3 coverage ratio was 39.6%.

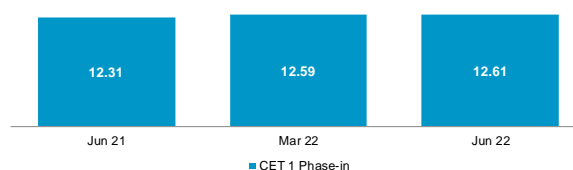
The gross NPA ratio was reduced to 4.0%, while the net NPA ratio stood at 1.9% considering total provisions.

The Group's credit cost of risk stood at 40 bps at end of June 2022, thus improving by 13 bps relative to June 2021. The total cost of risk amounted to 55 bps.



Capital ratio

The phase-in CET1 ratio stood at 12.61%, increasing by 2 bps relative to March 2022, while the Total Capital ratio stood at 17.11%, remaining above requirements, with an MDA buffer of 415 bps. The fully-loaded CET1 ratio stood at 12.48%, growing by 3 bps in the quarter.



(*) NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

2. Key figures

	Ex TSB			Total group		
	30.06.21	30.06.22	YoY (%) ⁽⁶⁾	30.06.21	30.06.22	YoY (%) ⁽⁶⁾
Profit and loss account (€ million)						
Net interest income	1204	1206	0.2	1685	1757	4.2
Core revenues	1857	1,871	0.7	2,395	2,486	3.8
Gross operating income	1822	1,910	4.9	2,357	2,507	6.4
Pre-provisions income	781	931	19.3	845	1,067	26.3
Attributable net profit	181	338	86.6	220	393	78.1
Balance sheet (€ million)						
Total assets	202,889	205,047	1.1	250,120	257,229	2.8
Performing gross loans	111,556	114,241	2.4	152,515	158,144	3.7
Gross loans to customers	116,322	119,238	2.5	158,038	163,814	3.7
On-balance sheet customer funds	115,929	122,286	5.5	157,345	163,391	3.8
Off-balance sheet customer funds	40,736	38,831	-4.7	40,736	38,831	-4.7
Total customer funds	156,665	161,117	2.8	198,081	202,222	2.1
Net equity	--	--	--	12,673	13,051	3.0
Shareholders' equity	--	--	--	13,120	13,524	3.1
Profitability and efficiency ratios (%)						
ROA	--	--	--	0.17	0.31	--
RORWA	--	--	--	0.50	0.95	--
ROE	--	--	--	3.10	5.70	--
ROTE	--	--	--	3.88	7.04	--
Efficiency	47.77	41.71	--	53.73	46.91	--
Efficiency with amortisation & depreciation	58.07	51.75	--	64.96	57.86	--
Risk management ⁽¹⁾						
Stage 3 exposures (€million)	5,314	5,132	-3.4	5,995	5,714	-4.7
Total problematic assets (€million)	6,684	6,409	-4.1	7,365	6,991	-5.1
Stage 3 ratio (%)	4.23	4.00	--	3.58	3.31	--
Stage 3 coverage ratio (%)	43.4	42.7	--	39.6	39.6	--
Stage 3 coverage ratio with total provisions (%)	58.0	57.0	--	56.4	55.3	--
Problematic assets coverage (%)	53.7	53.4	--	52.8	52.3	--
Liquidity management ⁽²⁾						
Loan-to-deposits ratio	96.7	94.0	--	97.5	97.4	--
LCR	249	257	--	220	225	--
NSFR	--	--	--	136	142	--
Capital management						
Risk weighted assets (RWA) (€million)	--	--	--	80,989	80,524	-0.6
Common Equity Tier 1 (%)	--	--	--	12.31	12.61	--
Common Equity Tier 1 fully-loaded (%)	--	--	--	12.00	12.48	--
Tier 1 (%)	--	--	--	14.35	14.65	--
Total capital ratio (%)	--	--	--	16.87	17.11	--
MREL (%RWA)	--	--	--	25.01	24.68	--
MREL (%LRE)	--	--	--	9.42	7.65	--
Leverage ratio (%)	--	--	--	5.40	4.54	--
Share data (period end)						
Number of shareholders	--	--	--	235,053	223,927	--
Total number of shares (million)	--	--	--	5,627	5,627	--
Share price (€)	--	--	--	0.574	0.761	--
Market capitalisation (€million)	--	--	--	3,206	4,255	--
Earnings per share (EPS) (€)	--	--	--	0.06	0.11	--
Book value per share (€)	--	--	--	2.35	2.41	--
TBV per share (€)	--	--	--	188	196	--
Price / Tangible book value (times)	--	--	--	0.31	0.39	--
Price / Earnings ratio (P/E) (times)	--	--	--	10.27	6.68	--
Other data						
Branches	1628	1,305	--	1,918	1,525	--
Employees	15,117	13,380	--	21,095	18,975	--

- (1) NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets. The NPA coverage ratio is based on total provisions.
- (2) Calculated based on the CRR II methodology as from March 21, considering the best estimate as of the date of publication of the report.
- (3) Historical values not adjusted.
- (4) Net profit adjusted by the Additional Tier 1 coupons recorded under equity.
- (5) The cumulative EUR/GBP exchange rate as of 30.06.22 applied throughout the report is 0.8423 in the case of the income statement and 0.8582 in the case of the balance sheet.
- (6) Throughout this document, YoY changes in relation to the income statement refer to the cumulative six-month period to the end of June 2022 versus the same cumulative six-month period of 2021.

3. Performance review

Macroeconomic environment

Global economic, political and financial environment

The macroeconomic environment in 2Q22 has been characterised by intensifying fears about global growth, which has led to a widespread downward revision of growth forecasts.

These growing concerns about global growth were partly driven by the risk of a total cut-off of supplies of Russian gas to Europe. During the quarter, Russia has been significantly reducing the amount of gas supplied to Germany and Italy, two of the countries most dependent on Russian gas, and it has totally cut off supplies to countries such as Poland, Bulgaria, Finland and Denmark. A permanent cut-off of Russian gas would plunge the euro area into recession and several countries have begun to plan for this eventuality. Germany escalated its energy emergency plan to the second stage (of three stages), several countries have given the green light to using coal for power generation and France has announced that the energy company EDF will be nationalised.

Another risk to economic activity is the high rate of inflation, which is holding back consumption in the United States and in the euro area. Inflation remained at historically high levels in both regions in the quarter, driven by rising energy and food prices. There are also indications that inflationary pressures are becoming more generalised in the euro area.

The rapid tightening of monetary policy in the United States poses another risk to economic activity. This tightening has already begun to have a negative effect on the country's real estate sector.

The latest risk to threaten global growth is the zero-Covid policy applied by the Chinese authorities. China's GDP contracted in 2Q22, impacted by the containment measures. In May and June, these measures were eased, which boosted economic activity. The worsening health crisis situation towards the end of the quarter increased fears about renewed tightening of lockdown measures.

Lastly, the EU gave the green light to the sixth package of sanctions against Russia, which includes a ban on imports of crude oil and refined petroleum products from Russia by sea. Russia defaulted on its sovereign debt in foreign currency for the first time in a century, due to Western sanctions that prevent the payment of Russian public debt to foreign investors.

Economic situation in Spain

Following the weak GDP growth observed in 1Q22 (0.2% in the quarter), the Spanish economy regained momentum over the course of 2Q22. The main economic indicators returned to positive growth following poor figures in March, while the employment market continued to perform well throughout the quarter. Business confidence indicators continue to signal economic expansion, with indicators for the tourism sector approaching pre-pandemic levels. On the downside, consumer confidence was impacted by the loss of purchasing power brought on by high inflation, which reached a 10%

year-on-year increase in June. Lastly, the Government expanded, and extended to December, most of the measures to deal with the consequences of the Ukraine conflict (including the fuel discount, the rent review limit and public transport discounts).

Economic situation in the United Kingdom

In the United Kingdom, inflation, central bank rate hikes and uncertainty around Brexit have had a detrimental impact on economic activity. According to the latest data, the economy is stagnating, having been kept afloat since 1Q22 by the economic growth achieved prior to the conflict in Ukraine (0.8% quarterly; 1.3% in 4Q21). In any case, house prices have continued to surge at double-digit growth.

In the political arena, Boris Johnson announced that he will stand down as Prime Minister following a wave of resignations from his Government, due to what they considered to be a lack of accountability on his part associated with private parties held at Downing Street during lockdown. Boris Johnson will stay on as Prime Minister temporarily until his replacement is chosen on 5 September. The former Chancellor of the Exchequer (Finance Minister), Rishi Sunak, is receiving widespread support from conservative members of parliament.

Economic situation in Mexico

The Mexican economy has proved to be resilient to the effects of the conflict, while the main source of economic contagion are the global inflationary pressures. In this respect, manufacturing output has managed to recover to pre-Covid levels. On the other hand, inflation indicators have continued to trend sharply upwards, with the CPI surging year-on-year to 8.0% in June, the highest rate since 2001. In this context, the Mexican currency has performed well despite the impairment of risk assets at global level, and in 2Q22 it traded in a range slightly higher than that recorded between 4Q21 and 1Q22, supported by Banxico's steeper monetary tightening. Another factor supporting the peso has been the rejection by Mexico's Congress of the constitutional energy reform which the Government had launched with the aim of limiting the role of the private sector in this industry.

Fixed-income markets

The central banks have made the fight against inflation their number one priority, while the signs of economic slowdown and financial market falls have been relegated to second place.

The ECB increased all of its key interest rates by 50 bps in July, the first hike since 2011. The deposit rate now stands at 0.00% and is out of negative territory for the first time since 2014. The ECB signalled that future rate changes will be data dependent and will be assessed on a meeting by meeting basis. Christine Lagarde, the central bank President, indicated that the intention is to raise rates to neutral levels. The ECB also approved its anti-fragmentation tool, the Transmission

Protection Instrument (TPI). The TPI can be activated to counteract unwarranted and disorderly market dynamics that pose a threat to the transmission of monetary policy across the euro area. TPI purchases will be focused on the government debt of all euro area countries. The eligibility criteria for the purchase of a company's government bonds will be: compliance with European fiscal rules, the absence of severe macroeconomic imbalances, the sustainability of the government debt concerned and compliance with the conditions applicable to Next Generation EU (NGEU) funding. The ECB has suggested that these purchases will be unlimited and that they will not involve an increase in liquidity.

In response to high inflation, the Fed struck a clearly hawkish tone and stepped up the rate hike cycle in 2Q22, with one hike of 50 bps in May and another of 75 bps in June. The Fed has signalled that it will continue to raise interest rates rapidly to restrictive levels and has made it a priority to bring inflation back down to the 2% target. The Fed also began its quantitative tightening (QT) policy in June. With it, the Fed could slim down its balance sheet by 11% in one year.

The Bank of England (BoE) increased the base rate at its latest meetings in the quarter, raising it to 1.25%, the highest rate since 2009. Some members of the BoE have made comments signalling that a further hike of 50 bps could be made at their next meeting, due to higher and more persistent inflation in the UK than in other countries.

10-year government bond yields in the United States and Germany rebounded sharply in 2Q22 reaching their highest levels since 2011 and 2014, respectively, influenced by the hawkish tone of the Fed and the ECB as well as high inflation.

Towards the end of the quarter, the gains in yields from that rally were partially unwound, influenced by the intensification of fears about global growth.

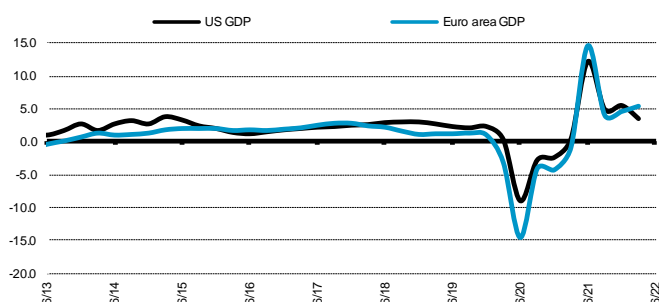
Risk premiums in the periphery also bounced back in response to the ECB's hawkish tone. Widening sovereign spreads were partially unwound thanks to the ECB's commitment to implement an anti-fragmentation tool for the euro area capital markets.

Equity markets

The equity markets performed negatively in 2Q22. In the first half of the quarter, this negative evolution was impacted by the high inflation and by expectations of an aggressive tightening of funding conditions by the Fed. In the second half of the quarter, the poor performance of the main stock market indices was influenced by increased fears about growth in view of the risk that Russia could cut off gas supplies to Europe and thus force the implementation of energy rationing measures.

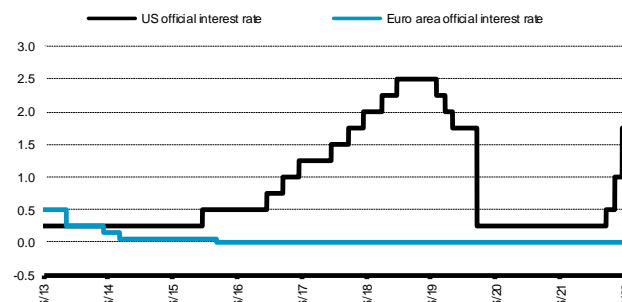
Notable among the developed economies were the fall of the S&P 500 (-11.7% in euros), the EURO STOXX 50 (-11.5%) and the Japanese Nikkei (-10.1% in euros). The IBEX was one of the developed country indices that resisted the falls somewhat better, slipping back by -4.1%. Among the emerging economies, the Chinese Hang Seng index rebounded by almost 5%, following the gradual easing of restrictions and lockdowns across most of the country.

GDP – USA vs. Euro area (year-on-year change, %)



Source: Bloomberg

Official interest rate – USA vs. Euro area (%)



Exchange rates: Parity vs. euro

Fx	30.06.21	30.09.21	31.12.21	31.03.22	30.06.22
USD	1.1884	1.1579	1.1326	1.1101	1.0387
GBP	0.8581	0.8605	0.8403	0.8460	0.8582
MXN	23.5784	23.7439	23.1438	22.0903	20.9641

Source: Bank of Spain

Income statement

Summary of results:

Banco Sabadell Group has generated attributable profit of 393 million euros as of the end of June 2022, of which 338 million euros are recorded excluding TSB and 54 million euros correspond to TSB, which has increased the Bank's profitability, bringing its ROTE to 7.0%.

It is worth highlighting the good performance of core results (net interest income + fees and commissions - costs), which increased by 18.5% year-on-year, and by 13.1% in the quarter, due to the improvement of both net interest income and fees & commissions, as well as the efforts made to reduce costs.

These cost reductions, due to both lower staff expenses following the execution of efficiency plans and the recognition of lower general expenses, allowed the cost-to-income ratio (including depreciation and amortisation) to improve to 57.86% as of the end of June 2022, down from 64.96% in the same period of the previous year.

Income statement

(€ million)	Excl. TSB			Total group			
	1H21	1H22	YoY (%)	1H21	1H22	YoY (%)	YoY (%) at constant FX
Net interest income	1,204	1,206	0.2	1,685	1,757	4.2	3.0
Net fees and commissions	654	665	1.8	709	729	2.8	2.5
Core revenues	1,857	1,871	0.7	2,395	2,486	3.8	2.9
Net trading income and exchange differences	21	80	280.5	28	83	195.1	194.2
Income from equity method and dividends	56	84	51.3	56	84	51.3	51.3
Other operating income/expense	-113	-126	11.4	-122	-147	20.2	19.6
Gross operating income	1,822	1,910	4.9	2,357	2,507	6.4	5.4
Operating expenses	-856	-789	-7.9	-1,251	-1,167	-6.7	-7.8
Personnel expenses	-570	-519	-8.9	-754	-694	-7.9	-8.8
Other general expenses	-287	-270	-5.7	-497	-473	-4.8	-6.3
Amortisation & depreciation	-185	-190	2.8	-261	-272	4.2	3.1
Total costs	-1,041	-979	-6.0	-1,512	-1,440	-4.8	-5.9
Pre-provisions income	781	931	19.3	845	1,067	26.3	25.8
Provisions for NPLs	-476	-359	-24.7	-505	-380	-24.8	-25.0
Provisions for other financial assets	-48	-29	-40.0	-48	-40	-17.8	-17.8
Other impairments	-68	-56	-17.8	-68	-56	-17.8	-17.8
Gains on sale of assets and other results	78	-19	--	74	-19	--	--
Profit before tax	266	469	75.9	298	572	92.3	91.5
Income tax	-78	-116	48.9	-70	-166	136.0	137.5
Minority interest	7	14	100.9	7	14	100.9	100.9
Attributable net profit	181	338	86.6	220	393	78.1	76.7
Memorandum item:							
Core results (NII + net fees and commissions - costs)	816	892	9.3	883	1,046	18.5	18.0

Quarterly income statement

(€million)	Excl. TSB						Total group						QoQ (%) at constant FX	
	2 Q21	3 Q21	4 Q21	1 Q22	2 Q22	QoQ (%)	2 Q21	3 Q21	4 Q21	1 Q22	2 Q22	QoQ (%)		
Net interest income	606	615	596	587	619	5.4	852	877	863	858	899	4.8	5.0	
Net fees and commissions	339	330	363	328	337	2.6	368	361	397	359	371	3.3	3.4	
Core revenues	945	945	959	916	956	4.4	1,220	1,238	1,260	1,217	1,269	4.3	4.5	
Net trading income and exchange differences	7	323	-2	28	53	90.6	5	320	-4	33	50	51.4	54.4	
Income from equity method and dividends	10	11	35	59	26	-56.2	10	11	35	59	26	-56.2	-56.2	
Other operating income/expense	-99	-6	-160	-11	-115	--	-108	-18	-173	-23	-124	--	--	
Gross operating income	862	1,273	831	991	919	-7.2	1,127	1,551	1,118	1,285	1,222	-4.9	-4.8	
Operating expenses	-416	-722	-418	-399	-390	-2.4	-611	-909	-621	-590	-577	-2.1	-1.9	
Personnel expenses	-273	-570	-274	-261	-258	-1.1	-369	-656	-367	-350	-345	-1.3	-1.2	
Other general expenses	-143	-151	-144	-139	-132	-4.9	-242	-253	-254	-240	-232	-3.3	-2.9	
Amortisation & depreciation	-93	-92	-93	-94	-96	1.8	-133	-128	-138	-136	-137	0.7	0.9	
Total costs	-509	-813	-511	-493	-485	-1.6	-743	-1,037	-759	-726	-714	-1.6	-1.3	
Memorandum item:														
Recurrent costs	-509	-512	-511	-493	-485	-1.6	-743	-736	-740	-726	-714	-1.6	-1.3	
Non-recurrent costs	0	-301	0	0	0	--	0	-301	-19	0	0	--	--	
Pre-provisions income	353	460	319	497	434	-12.8	383	515	360	560	508	-9.3	-9.3	
Provisions for NPLs	-187	-235	-238	-184	-175	-5.1	-192	-228	-217	-195	-184	-5.7	-5.5	
Provisions for other financial assets	-30	-10	-39	-11	-18	57.7	-30	-10	-39	-11	-28	152.7	152.7	
Other impairments	-44	-52	-58	-20	-36	79.0	-44	-52	-58	-20	-36	79.0	79.0	
Gains on sale of assets and other results	75	0	56	-13	-6	-49.8	73	5	48	-13	-6	-52.9	-54.1	
Profit before tax	166	163	40	269	199	-26.0	190	229	93	320	253	-20.9	-21.0	
Income tax	-53	-55	83	-62	-54	-12.4	-40	-78	67	-93	-73	-21.6	-21.3	
Minority interest	2	2	-1	13	1	-94.8	2	2	-1	13	1	-94.8	-94.8	
Attributable net profit	111	106	125	194	144	-25.6	147	149	161	213	179	-16.0	-16.2	
Memorandum item:														
Core results (Nil + net fees and commissions - costs)	(1)	436	433	447	422	470	11.4	477	502	520	491	555	13.1	13.1

(1) Calculation taking account of recurrent costs.

Net interest income:

Net interest income evolved positively and amounted to 1,757 million euros as of the end of June 2022, representing growth of 4.2% year-on-year and of 4.8% in the quarter.

Excluding TSB, net interest income amounted to 1,206 million euros as of the end of June 2022, representing growth of 0.2% year-on-year and of 5.4% in the quarter, mainly supported by the greater contribution of the ALCO portfolio, increased volumes, and the effect of the higher calendar days in the second quarter.

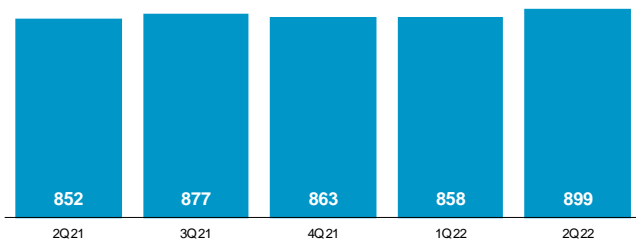
TSB's net interest income amounted to 551 million euros as of the end of June 2022, thus growing by 14.3% year-on-year mainly due to the strong growth of mortgage volumes, supported by the appreciation of sterling over the year. Quarter-on-quarter, growth stood at 3.5%, also buoyed by the increased volumes but, in this case, negatively affected by the depreciation of sterling in the quarter. Considering constant exchange rates, growth was 11.0% year-on-year and 4.9% quarter-on-quarter.

Customer spread and margin on average total assets:

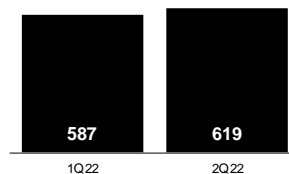
The customer spread increased by 2 bps in the quarter and stands at 2.26% (2.17% excluding TSB) due to a further increase in loan yields. Similarly, net interest income as a percentage of average total assets increased to 1.40% (1.22% excluding TSB).

Evolution of net interest income (NII)

Total group (€ millions)



Sabadell ex - TSB (€ millions)



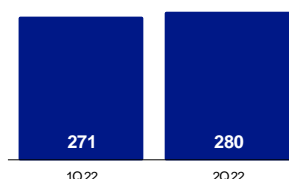
Change YoY:

+0.2%

Change QoQ:

+5.4%

TSB (€ millions)



Change YoY:

+14.3%

+11.0% Constant FX

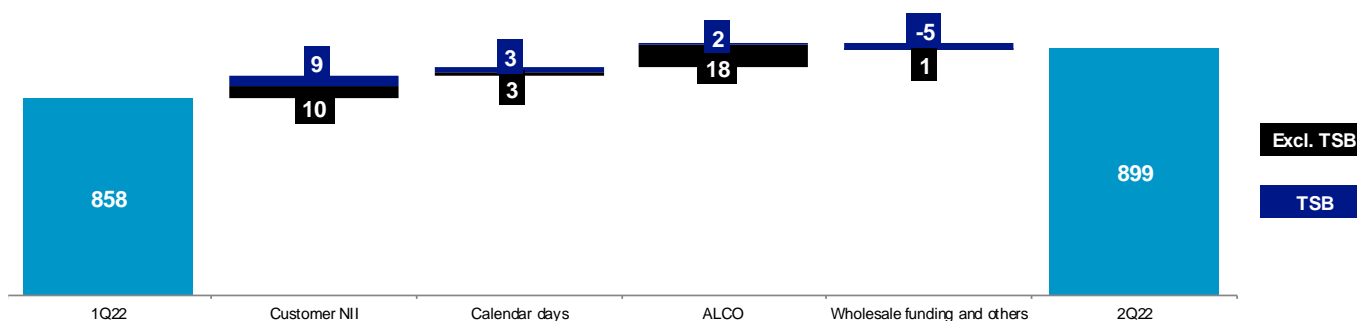
Change QoQ:

+3.5%

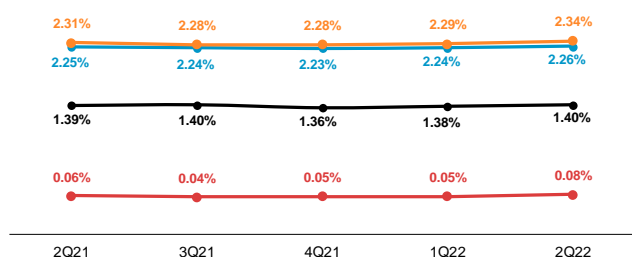
+4.9% Constant FX

	Total group	Constant FX
Change YoY:	+4.2%	+3.0%
Change QoQ:	+4.8%	+5.0%

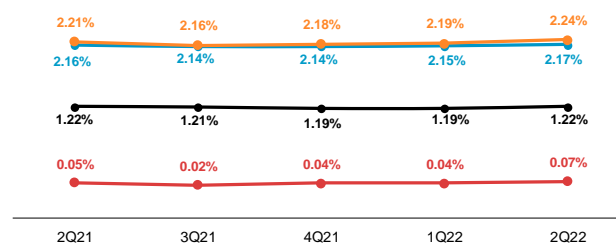
Quarterly evolution of NII (€ million)



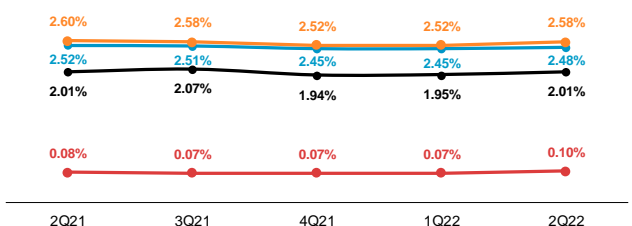
Evolution of Group NII (%)



Evolution of NII ex-TSB (%)



Evolution of TSB NII (%)



Legend: Customer spread (blue), Customer loan yield (orange), Net interest margin as % of ATA (black), Cost of customer funds (red)

Gains and charges in the quarter

Total Group

(€million)	2 Q21			3 Q21			4 Q21			1Q22			2 Q22		
	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results
Cash and cash equivalents (1)	48,149	-0.32	-38	49,896	-0.26	-32	54,665	-0.24	-33	55,536	-0.22	-29	54,056	-0.13	-18
Loans to customers (net)	151,579	2.31	875	153,649	2.28	881	155,218	2.28	891	155,878	2.29	879	157,837	2.34	919
Fixed-income securities	26,344	0.63	41	26,080	0.65	43	22,365	0.50	28	23,117	0.59	33	25,315	0.85	54
Equity securities	1,120	--	--	1,046	--	--	1,003	--	--	844	--	--	921	--	--
Tang. & intang. assets	5,278	--	--	5,027	--	--	4,986	--	--	4,906	--	--	4,842	--	--
Other assets	13,062	0.34	11	13,061	0.29	10	12,368	0.19	6	11,974	0.44	13	13,323	0.93	31
Total assets	245,532	1.45	889	248,759	1.44	901	250,605	1.41	893	252,255	1.44	896	256,295	1.54	987
Financial institutions (2)	38,111	0.78	74	38,420	0.77	75	41,134	0.69	72	41,085	0.64	65	41,119	0.51	52
Customer deposits (3)	163,316	-0.06	-23	165,534	-0.04	-15	164,344	-0.05	-21	167,158	-0.05	-19	170,098	-0.08	-34
Capital markets	22,480	-1.15	-64	23,455	-1.10	-65	22,794	-1.12	-64	22,171	-1.07	-59	22,108	-1.13	-62
Other liabilities	9,018	-1.08	-24	8,591	-0.86	-19	9,359	-0.71	-17	8,800	-1.17	-25	9,954	-1.78	-44
Shareholders' equity	12,607	--	--	12,758	--	--	12,975	--	--	13,042	--	--	13,017	--	--
Total funds	245,532	-0.06	-37	248,759	-0.04	-24	250,605	-0.05	-30	252,255	-0.06	-38	256,295	-0.14	-88
Net interest income			852			877			863			858			899
Customer spread		2.25			2.24			2.23		2.24				2.26	
Net interest margin as % of ATA		1.39			1.40			1.36		1.38				1.40	

- (1) Includes cash, central banks, credit institutions and reverse repos.
- (2) Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes financial income arising from the application of negative interest rates to balances of credit institutions, mainly those relating to TLTRO II and III.
- (3) Includes repos.

Sabadell ex-TSB

(€million)	2 Q21			3 Q21			4 Q21			1Q22			2 Q22		
	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results
Cash and cash equivalents (1)	44,290	-0.34	-37	46,570	-0.27	-32	49,101	-0.26	-32	49,869	-0.26	-32	48,660	-0.22	-27
Loans to customers (net)	111,126	2.21	612	111,726	2.16	608	111,405	2.18	613	110,966	2.19	599	113,279	2.24	633
Fixed-income securities	23,818	0.74	44	23,177	0.77	45	19,366	0.60	29	20,202	0.66	33	22,575	0.90	51
Other assets	20,231	0.34	17	19,976	0.27	14	19,158	0.23	11	18,299	0.22	10	19,044	0.29	14
Total assets	199,465	1.28	636	201,450	1.25	635	199,030	1.24	622	199,336	1.24	610	203,557	1.32	671
Financial institutions (2)	35,729	0.84	75	35,478	0.84	75	35,364	0.83	74	34,495	0.85	72	34,624	0.78	68
Customer deposits (3)	122,669	-0.05	-14	124,269	-0.02	-7	122,361	-0.04	-14	124,655	-0.04	-12	128,355	-0.07	-23
Capital markets	20,798	-1.15	-60	21,412	-1.14	-62	20,715	-1.14	-60	20,065	-1.08	-53	20,023	-1.09	-55
Other liabilities and shareholders' equity	20,270	-0.61	-31	20,291	-0.53	-27	20,589	-0.50	-26	20,121	-0.60	-30	20,555	-0.81	-41
Total funds	199,465	-0.06	-30	201,450	-0.04	-20	199,030	-0.05	-26	199,336	-0.05	-23	203,557	-0.10	-52
Net interest income			606			615			596			587			619
Customer spread		2.16			2.14			2.14		2.15				2.17	
Net interest margin as % of ATA		1.22			1.21			1.19		1.19				1.22	

- (1) Includes cash, central banks, credit institutions and reverse repos.
- (2) Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes financial income arising from the application of negative interest rates to balances of credit institutions, mainly those relating to TLTRO II and III.
- (3) Includes repos.

Net trading income and exchange differences:

As of the end of June 2022 net trading income and exchange differences amounted to 83 million euros (80 million euros excluding TSB), representing an increase, both year-on-year and quarter-on-quarter, due to higher results from trading and hedging derivatives and from fixed-income portfolio sales.

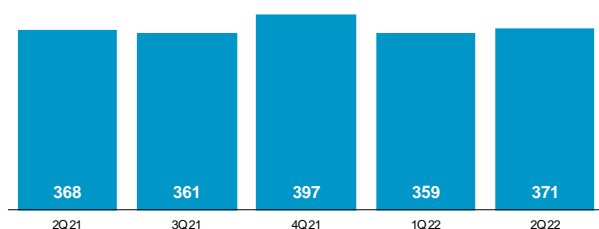
Net fees and commissions:

Net fees and commissions amounted to 729 million euros at the end of June 2022, representing year-on-year growth of 2.8% (1.8% excluding TSB) supported by the strong performance across all segments, particularly in the case of service fees which were largely driven by payments and card fees.

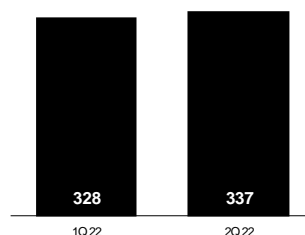
On a quarterly basis, net fees and commissions grew by 3.3% (2.6% excluding TSB), also driven by the growth of payment and card fees, and by increased commissions on risk transactions.

Evolution of net fees and commissions

Total group (€ millions)



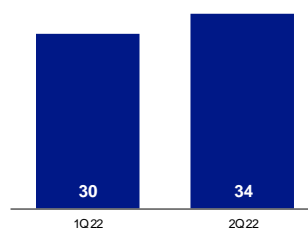
Sabadell ex - TSB (€ millions)



Change YoY:
+1.8%

Change QoQ:
+2.6%

TSB (€ millions)



Change YoY:
+14.8%
+11.4% Constant FX

Change QoQ:
+11.2%
+12.7% Constant FX

	Total group	Constant FX
Change YoY:	+2.8%	+2.5%
Change QoQ:	+3.3%	+3.4%

Net fees and commissions

(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	1Q22	2Q22	QoQ (%)	1Q22	2Q22	QoQ (%)	1H21	1H22	YoY (%)	1H21	1H22	YoY (%)
Lending fees	44	44	1.9	44	44	1.9	84	88	5.4	84	88	5.4
Guarantees commissions	24	26	9.4	24	26	9.4	50	50	1.5	50	50	1.5
Risk transaction fees	68	71	4.5	68	71	4.5	133	139	4.0	133	139	4.0
Cards	40	48	18.5	57	67	17.2	79	88	11.0	107	124	16.7
Payment orders	19	20	8.9	19	21	8.6	34	39	14.1	35	40	12.6
Securities	14	15	11.6	14	15	11.6	33	29	-12.1	33	29	-12.1
Custodian mutual and pension funds	0	0	--	0	0	--	7	0	-100.0	7	0	-100.0
Sight accounts	59	61	3.2	68	70	3.0	124	119	-4.1	146	139	-4.8
Foreign currency and notes exchange	28	29	6.6	33	36	8.9	42	57	34.4	52	70	34.0
Other transactions	17	13	-27.9	12	7	-41.8	40	30	-24.5	31	19	-38.0
Commissions for services	176	186	5.4	204	217	6.4	360	362	0.6	411	421	2.5
Mutual funds	32	31	-3.9	32	31	-3.9	56	62	12.0	56	62	12.0
Pension funds and insurance brokerage	47	44	-5.9	49	47	-5.8	93	91	-2.6	98	96	-2.2
Wealth management	6	5	-3.4	6	5	-3.4	11	11	-1.9	11	11	-1.9
Asset Under Management commissions	84	80	-5.0	87	83	-5.0	160	164	2.5	165	169	2.6
Total	328	337	2.6	359	371	3.3	654	665	1.8	709	729	2.8

Income from equity method and dividends:

This item amounted to 84 million euros at the end of June 2022, representing an increase year-on-year, having recorded greater earnings from investees of BS Capital in the first quarter of 2022, which explains the quarter-on-quarter reduction.

Other operating income and expenses:

This item amounted to -147 million euros as of the end of June 2022 (-126 million euros excluding TSB), and mainly includes the contribution to the Single Resolution Fund (SRF) of -100 million euros. The change compared to the previous year when this item amounted to -122 million euros (-113 million euros excluding TSB) is mainly due to a higher contribution to the SRF because of an increase in the contribution rate at the systemic level; it also reflects the fact that this year does not include the positive contribution of BanSabadell Renting following its sale.

The quarterly change is due to the recognition in the second quarter of 2022 of the aforesaid SRF contribution.

Total costs:

Total costs evolved positively, amounting to -1,440 million euros as of the end of June 2022 (-979 million euros excluding TSB), representing a year-on-year reduction of -4.8%, mainly driven by savings on staff expenses following the execution of the efficiency plans, and also by reduced general expenses.

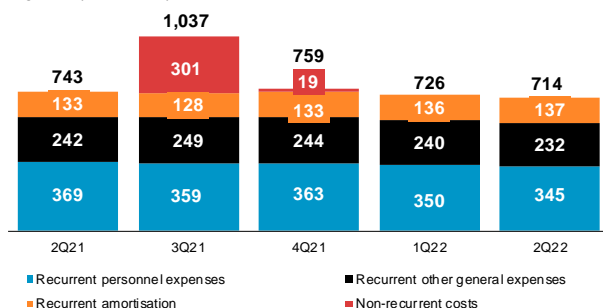
In the quarter, costs decreased by -1.6%, both at Group level and excluding TSB, following the savings on staff expenses due to the latest round of departures pursuant to the efficiency plan, and also due to efforts to reduce general expenses.

Total costs

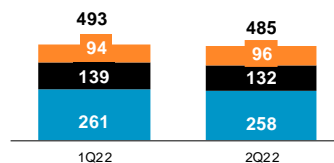
(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	1Q22	2Q22	QoQ (%)	1Q22	2Q22	QoQ (%)	1H21	1H22	YoY (%)	1H21	1H22	YoY (%)
Personnel expenses	-261	-258	-1.1	-350	-345	-1.3	-570	-519	-8.9	-754	-694	-7.9
IT and communications	-56	-57	2.1	-109	-108	-0.2	-117	-113	-3.3	-223	-217	-2.8
Advertising	-10	-10	-4.4	-18	-15	-18.3	-22	-19	-12.2	-43	-33	-22.7
Premises and office supplies	-10	-9	-16.0	-16	-16	-4.4	-19	-19	-0.8	-30	-32	8.5
Technical reports and judicial expenses	-5	-6	8.2	-9	-11	12.1	-11	-11	-2.2	-18	-20	12.5
Subcontracted administrative services	-14	-9	-34.4	-29	-28	-5.1	-24	-22	-7.1	-66	-57	-12.9
Contributions and taxes	-25	-25	-2.5	-29	-27	-6.2	-60	-50	-16.1	-67	-57	-15.1
Others	-18	-17	-5.3	-29	-28	-5.0	-34	-35	5.6	-51	-57	10.9
Other general expenses	-139	-132	-4.9	-240	-232	-3.3	-287	-270	-5.7	-497	-473	-4.8
Amortisation & depreciation	-94	-96	1.8	-136	-137	0.7	-185	-190	2.8	-261	-272	4.2
Total costs	-493	-485	-1.6	-726	-714	-1.6	-1,041	-979	-6.0	-1,512	-1,440	-4.8
Efficiency ratio (%)							47.77	41.71		53.73	46.91	
Efficiency ratio with amortisation & depreciation (%)							58.07	51.75		64.96	57.86	

Evolution of total costs

Total group (€ millions)



Sabadell ex - TSB (€ millions)



Recurrent costs

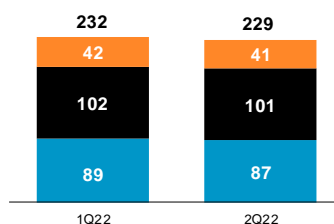
Change YoY:

-6.0%

Change QoQ:

-1.6%

TSB (€ millions)



Recurrent costs

Change YoY:

-2.2%

-5.1% Constant FX

Change QoQ:

-1.5%

-0.1% Constant FX

	Total group	Constant FX
Change YoY:	-4.8%	-5.9%
Change QoQ:	-1.6%	-1.3%

Core results:

As of the end of June 2022, core results (net interest income + fees and commissions - costs) stood at 1,046 million euros, representing growth of 18.5% year-on-year

and of 13.1% in the quarter, as a result of the positive evolution of net interest income and fees and commissions, as well as the aforesaid cost reductions.

(€ million)

	Total group			1H21	1H22	YoY (%)
	1Q22	2Q22	QoQ (%)			
Net interest income	858	899	4.8	1,685	1,757	4.2
Net fees and commissions	359	371	3.3	709	729	2.8
Costs	-726	-714	-1.6	-1,512	-1,440	-4.8
Core results	491	555	13.1	883	1,046	18.5

Provisions for loan losses and other impairments:

This item amounted to -475 million euros as of the end of June 2022 (-443 million euros excluding TSB), compared against -621 million euros (-593 million euros excluding TSB) as of the end of June 2021, thus representing a reduction of -23.5% year-on-year (-25.2% excluding TSB) due to a lower volume of loan loss provisions.

Other provisions and impairments in the quarter increased, impacted by the recognition of -13 million euros related to the goodwill impairment of an investee, which had no impact on capital. Provisions for financial assets include -11 million euros for estimated charges related to the treatment of some TSB customers in arrears.

This level of provisions represents credit cost of risk for the Group of 40 bps as of the end of June 2022, improving by 13 bps relative to June 2021. The total cost of risk was 55 bps.

Gains on asset sales and other results:

This item amounted to -19 million euros at the end of the first half of 2022. The year-on-year change is mainly explained by the inclusion of 83 million euros (gross) from the sale of the depositary business.

Net profit:

The Group's net profit amounted to 393 million euros as of the end of June 2022 (338 million euros excluding TSB) representing year-on-year growth of 78.1%, mainly driven by the core revenue improvement, cost savings and fewer provisions booked in the year. These improvements offset the negative impact on profit due to reversal of -15 million euros in the first half of 2022, following changes in corporation tax in the United Kingdom; in the first half of 2021, 23 million euros were booked for the same concept.

Balance sheet

Highlights:

Performing loans grew in all geographies in the year and continue to show a positive trend. Lending growth in the quarter was supported by the positive evolution in Spain, which offset the decline at TSB due to the depreciation of sterling.

The good evolution of sight accounts is driving the growth over the year of on-balance sheet customer funds, offsetting the reduction of term deposits. The downward trend of term deposits was reversed in the quarter, and they increased, together with sight accounts, bringing on-balance sheet customer funds above the figure for the previous quarter.

Off-balance sheet funds declined in the year and in the quarter, impacted by volatility in the financial markets, which mainly affected mutual funds.

Balance sheet

(€million)	30.06.21	31.03.22	30.06.22	Change	
				YoY (%)	QoQ (%)
Cash, cash balances at central banks and other demand deposits	46,910	53,159	45,284	-3.5	-14.8
Financial assets held for trading and fair value with changes in PL	2,385	2,509	4,324	81.3	72.3
Financial assets in fair value OCI	6,900	7,287	6,067	-12.1	-16.7
Financial assets at amortised cost	177,438	175,632	186,579	5.2	6.2
Loans and advances to customers	154,860	157,264	160,835	3.9	2.3
Loans and advances of central banks and credit institutions	3,533	3,358	6,116	73.1	82.1
Debt securities	19,045	15,010	19,628	3.1	30.8
Investments in subsidiaries, joint ventures and associates	588	552	556	-5.3	0.9
Tangible assets	2,909	2,719	2,669	-8.2	-1.8
Intangible assets	2,568	2,529	2,511	-2.2	-0.7
Other assets	10,421	8,869	9,238	-11.4	4.2
Total assets	250,120	253,256	257,229	2.8	1.6
Financial liabilities held for trading and fair value with changes in PL	1,639	1,684	2,811	71.5	66.9
Financial liabilities at amortised cost	233,256	236,919	239,180	2.5	1.0
Central banks	34,819	37,978	38,296	10.0	0.8
Credit institutions	12,674	9,600	8,222	-35.1	-14.4
Customer deposits	158,212	162,602	164,619	4.0	1.2
Debt securities issued	21,778	21,107	20,696	-5.0	-1.9
Other financial liabilities	5,774	5,632	7,347	27.2	30.5
Provisions	672	689	624	-7.0	-9.3
Other liabilities	1,880	1,024	1,562	-16.9	52.6
Subtotal liabilities	237,447	240,316	244,178	2.8	1.6
Shareholders' equity	13,120	13,375	13,524	3.1	1.1
Accumulated other comprehensive income	-523	-472	-511	-2.2	8.4
Minority interest	76	37	38	-49.7	1.9
Net equity	12,673	12,940	13,051	3.0	0.9
Total liabilities and equity	250,120	253,256	257,229	2.8	1.6
Financial guarantees granted	2,031	1,991	2,046	0.8	2.8
Commitments for loans granted	29,098	28,045	28,252	-2.9	0.7
Other commitments granted	7,506	7,762	7,693	2.5	-0.9

Assets:

The Group's total assets amounted to 257,229 million euros, representing an increase of 2.8% year-on-year and of 1.6% in the quarter.

Excluding TSB, total assets amounted to 205,047 million euros, increasing by 1.1% year-on-year and by 2.3% in the quarter.

Loans and advances to customers:

Performing loans ended the second quarter of 2022 with a balance of 158,144 million euros (114,241 million euros excluding TSB), representing year-on-year growth of 3.7% (2.4% excluding TSB) and quarter-on-quarter growth of 2.2% (3.4% excluding TSB).

Excluding the impact of the APS, lending growth stood at 3.8% year-on-year (2.6% excluding TSB).

In Spain, performing loans, excluding the APS, grew by 2.1% year-on-year, mainly driven by increased lending to public sector and to businesses, as well as the positive evolution of the mortgage book. These improvements offset the decline recorded by foreign branches and the outflow of balances from BancSabadell d'Andorra following its sale. Lending increased by 3.3% in the quarter, mainly due to the positive evolution of public sector and businesses.

Performing loans of the foreign branches (including Miami), amounted to 9,182 million euros, down by -4.0% year-on-year, but up by 5.3% in the quarter supported by the appreciation of the US dollar.

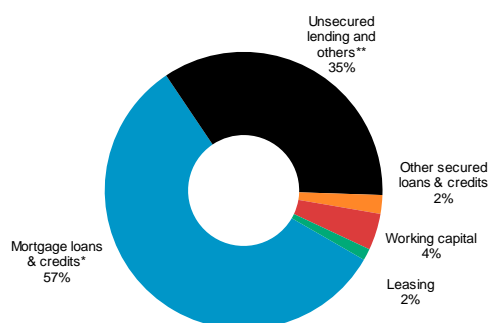
At TSB, lending increased by 7.2% year-on-year as a result of mortgage book growth, while it declined slightly in the quarter by -0.9%, impacted by the depreciation of sterling. At constant exchange rates, annual growth was not affected, while in the quarter it increased by 0.6% due to the increased volume of mortgages.

Mexico saw growth of 15.7% year-on-year and 8.1% in the quarter, supported in both cases by the appreciation of the Mexican peso and the US Dollar. Considering constant exchange rates, growth was 2.5% in the year and 1.9% in the quarter.

Loans and advances to customers

(€ million)	Excl. TSB					Total group				
	30.06.21	31.03.22	30.06.22	Change		30.06.21	31.03.22	30.06.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Mortgage loans & credits	49,862	49,436	49,573	-0.6	0.3	87,853	90,790	90,533	3.1	-0.3
Other secured loans & credits	3,038	2,792	2,965	-2.4	6.2	3,723	3,331	3,456	-7.2	3.8
Working capital	5,439	5,992	6,745	24.0	12.6	5,439	5,992	6,745	24.0	12.6
Leasing	2,176	2,120	2,151	-1.1	1.5	2,176	2,120	2,151	-1.1	1.5
Unsecured lending and others	51,041	50,108	52,807	3.5	5.4	53,324	52,509	55,259	3.6	5.2
Performing gross loans	111,556	110,448	114,241	2.4	3.4	152,515	154,742	158,144	3.7	2.2
Of which: APS	241	70	70	-70.8	0.0	241	70	70	-70.8	0.0
Performing gross loans excluding APS	111,315	110,378	114,171	2.6	3.4	152,274	154,672	158,074	3.8	2.2
Stage 3 assets (customer)	4,837	5,085	4,652	-3.8	-8.5	5,516	5,708	5,233	-5.1	-8.3
Accruals	-71	-50	-8	-88.8	-84.1	6	35	84	--	140.3
Gross loans to customers (excluding repos)	116,322	115,483	118,885	2.2	2.9	158,038	160,485	163,460	3.4	1.9
Reverse repos	0	54	353	--	--	0	54	353	--	--
Gross loans to customers	116,322	115,537	119,238	2.5	3.2	158,038	160,539	163,814	3.7	2.0
NPL and country-risk provisions	-2,903	-3,050	-2,761	-4.9	-9.5	-3,177	-3,275	-2,978	-6.3	-9.1
Loans and advances to customers	113,419	112,487	116,477	2.7	3.5	154,860	157,264	160,835	3.9	2.3

Loans and advances to customers, by product type, 30.06.22 (%) (*)

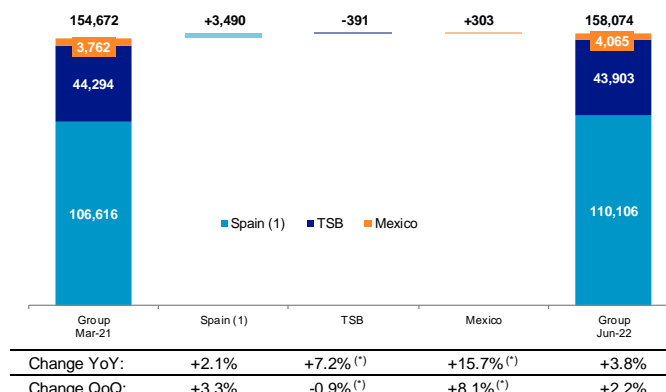


*Includes mortgage loans and credits both to individuals and companies.

**Includes ICO loans.

(*) Excluding stage 3 assets and accrual adjustments.

Gross performing loans ex-APS: performance by geography (€ million)



(*) In TSB +7.2% YoY and +0.6% QoQ in GBP and in Mexico +2.5% YoY and +1.9% QoQ in MXN.

(1) Spain includes foreign branches (€9,182M in Jun 22 and €8,723M in Mar 22).

Liabilities:

Customer funds:

At the end of June 2022, on-balance sheet customer funds amounted to 163,391 million euros (122,286 million euros excluding TSB) and showed year-on-year growth of 3.8% (5.5% excluding TSB) driven by sight account growth which offset the decline in term deposits. In the quarter, they grew by 1.3% (2.7% excluding TSB) due to the positive evolution of both sight accounts and term deposits.

Sight account balances amounted to 147,892 million euros (108,447 million euros excluding TSB), up by 5.6% year-on-year (7.6% excluding TSB) and up by 0.9% in the quarter (2.0% excluding TSB).

Term deposits amounted to 15,980 million euros (14,320 million euros excluding TSB), down by -9.4% (-7.3% excluding TSB) relative to the same period of the previous year, while in the quarter the trend reversed, and term deposits were 3.9% higher than the first quarter of 2022 (6.6% higher excluding TSB).

At TSB, on-balance sheet customer funds were down by -0.8% year-on-year and by -2.6% in the quarter, impacted by the depreciation of sterling. At constant exchange rates, the decline is reduced to -0.7% year-on-year due to a lower volume of term deposits, and -1.2% in the quarter mainly due to balance movements on current accounts.

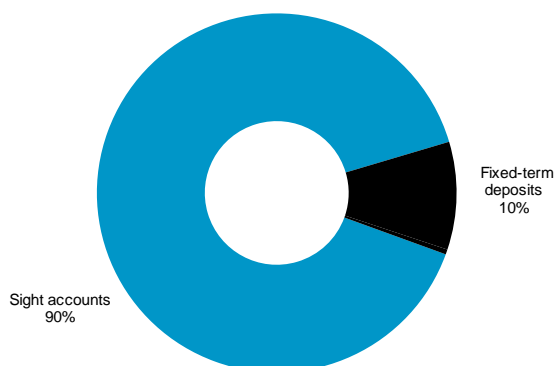
Total off-balance sheet customer funds amounted to 38,831 million euros at the end of June 2022, representing a decline of -4.7% year-on-year, mainly due to the mutual funds impacted by the sale of BancSabadell d'Andorra and the volatility of financial markets, which also impacted the quarterly change of -4.4%.

Funds under management and third-party funds:

This item amounted to a total of 224,146 million euros (180,629 million euros excluding TSB), representing a year-on-year increase of 1.5% (1.9% excluding TSB), while in the quarter it remained largely steady at Group level (growth of 0.6% excluding TSB).

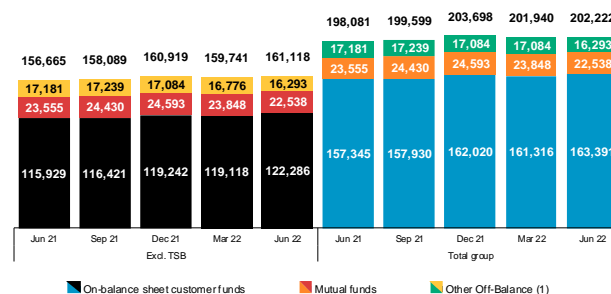
Exposure with central banks includes 32 billion euros with the ECB and 6,415 million euros with the Bank of England, remaining stable in the quarter.

Customer deposits, 30/06/2022 (%) (*)



(*) Excluding accrual adjustments and hedging derivatives.

Evolution of customer funds (€ million)



Excl. TSB (*)

Change YoY: **+5.5%**

Change QoQ: **+2.7%**

Total group (*)

Change YoY: **+3.8%**

Change QoQ: **+1.3%**

(*) Change on balance sheet customer funds.

(1) Includes pension funds, third-party insurance products and wealth management.

Customer funds

(€million)	Excl. TSB					Total group				
	30.06.21	31.03.22	30.06.22	Change		30.06.21	31.03.22	30.06.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Financial liabilities at amortised cost	186,779	184,859	188,016	0.7	1.7	233,256	236,919	239,180	2.5	1.0
Non-retail financial liabilities	70,850	65,741	65,730	-7.2	0.0	75,911	75,602	75,789	-0.2	0.2
Central banks	32,178	31,464	31,867	-1.0	1.3	34,819	37,978	38,296	10.0	0.8
Credit institutions	12,672	9,589	8,213	-35.2	-14.3	12,674	9,600	8,222	-35.1	-14.4
Institutional issues	20,606	19,855	19,511	-5.3	-1.7	22,645	22,392	21,924	-3.2	-2.1
Other financial liabilities	5,394	4,834	6,138	13.8	27.0	5,774	5,632	7,347	27.2	30.5
On-balance sheet customer funds	115,929	119,118	122,286	5.5	2.7	157,345	161,316	163,391	3.8	1.3
Customer deposits	116,794	119,934	123,142	5.4	2.7	158,212	162,602	164,619	4.0	1.2
Sight accounts	100,808	106,279	108,447	7.6	2.0	140,028	146,520	147,892	5.6	0.9
Fixed-term deposits	(1) 15,448	13,428	14,320	-7.3	6.6	17,645	15,386	15,980	-9.4	3.9
Repos	424	174	371	-12.5	113.5	424	634	737	74.0	16.3
Accruals and derivative hedging adjustments	114	54	4	-96.6	-92.7	115	61	9	-91.8	-84.6
Debt and other marketable securities	16,277	14,797	15,191	-6.7	2.7	18,315	16,866	17,231	-5.9	2.2
Subordinated liabilities	(2) 3,463	4,241	3,465	0.0	-18.3	3,463	4,241	3,465	0.0	-18.3
On-balance sheet funds	136,535	138,973	141,798	3.9	2.0	179,990	183,709	185,315	3.0	0.9
Mutual funds	23,555	23,848	22,538	-4.3	-5.5	23,555	23,848	22,538	-4.3	-5.5
Managed mutual funds	430	0	0	-100.0	--	430	0	0	-100.0	--
Dedicated investment companies	1,450	12,899	1,121	-22.7	-13.0	1,450	12,899	1,121	-22.7	-13.0
Third-party funds	21,674	22,558	21,417	-12	-5.1	21,674	22,558	21,417	-12	-5.1
Managed accounts	3,708	3,715	3,519	-5.1	-5.3	3,708	3,715	3,519	-5.1	-5.3
Pension funds	3,458	3,416	3,245	-6.2	-5.0	3,458	3,416	3,245	-6.2	-5.0
Individual	2,253	2,217	2,107	-6.5	-5.0	2,253	2,217	2,107	-6.5	-5.0
Company	1,198	1,194	1,133	-5.5	-5.1	1,198	1,194	1,133	-5.5	-5.1
Group	6	6	5	-10.7	-5.5	6	6	5	-10.7	-5.5
Third-party insurance products	10,015	9,645	9,529	-4.9	-12	10,015	9,645	9,529	-4.9	-12
Off-balance sheet customer funds	40,736	40,624	38,831	-4.7	-4.4	40,736	40,624	38,831	-4.7	-4.4
Funds under management and third-party funds	177,270	179,597	180,629	1.9	0.6	220,726	224,333	224,146	1.5	-0.1

- (1) Includes deposits redeemable at notice and hybrid financial liabilities.
(2) Subordinated liabilities of debt securities.

Equity:

The following table shows the evolution of equity as of the end of June 2022:

Equity

(€million)	30.06.21	31.03.22	30.06.22	Change	
				YoY	QoQ
Shareholders' equity	13,120	13,375	13,524	405	150
Issued capital	703	703	703	0	0
Reserves	12,213	12,467	12,440	227	-27
Of which: AT1	-266	-356	-385	-119	-30
Other equity	17	20	18	1	-2
Less: treasury shares	-34	-29	-30	4	-1
Attributable net profit	220	213	393	172	179
Accumulated other comprehensive income	-523	-472	-511	12	-40
Minority interest	76	37	38	-38	1
Net equity	12,673	12,940	13,051	379	111

Risk management

Highlights:

The Group's stage 3 ratio was reduced in the quarter to 3.3% as of the end of June 2022.

In the quarter, non-performing assets were reduced by -517 million euros. Of these, stage 3 balances declined by -496 million euros, impacted in particular by the sale of c.400 million euros of unsecured NPLs, while foreclosed assets were reduced by -22 million euros in the same period.

It is also worth mentioning the improvement of composition of stage 3 stock in Spain, where the total percentage of past-due NPLs was reduced to 46% at the end of June 2022, the percentage of unsecured exposures relative to the total portfolio is reduced to 35% (down from 39% at the end of March 2022) and the average vintage of the portfolio has fallen to 2.8 years (down from 3.0 years in March 2022).

With regard to the breakdown of loans by stages, it should be noted that 88.8% are classified as stage 1 with a coverage level of 0.3%, the balance of stage 2 loans represents 7.9% of the total with coverage of 3.7%, and the balance of stage 3 loans represents 3.3% of the total with coverage of 39.6%.

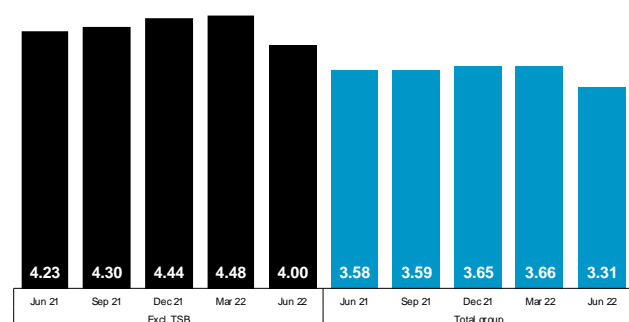
The NPA coverage ratio including total provisions stood at 52.3%, with stage 3 coverage including total provisions standing at 55.3% and foreclosed asset coverage standing at 39.0%.

Risk management:

Non-performing assets showed a balance of 6,991 million euros as of the end of June 2022, of which 5,714 million euros correspond to stage 3 assets and 1,277 million euros correspond to foreclosed assets.

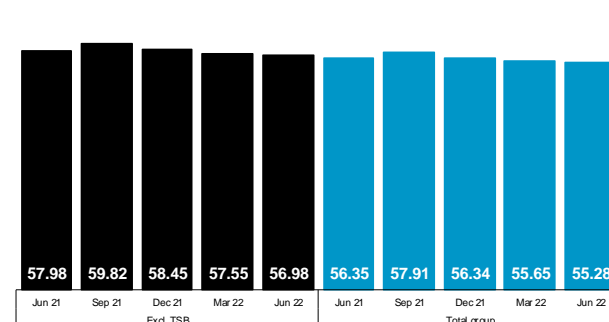
The gross NPA ratio was reduced to 4.0% in the quarter, while the net NPA ratio considering total provisions stood at 1.9%.

Stage 3 ratios (%) ^(*)



(*) Calculated including contingent exposures.

Ratio of stage 3 coverage with total provisions (%) ^(*)

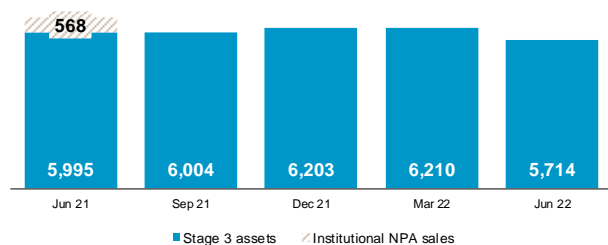


Stage 3 ratios by segment ^(*)

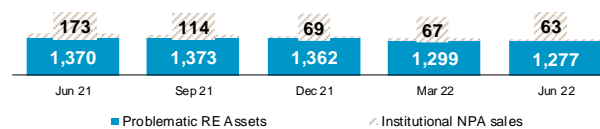
Total group	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
Real estate development and/or construction purposes	8.62%	9.05%	9.79%	8.86%	7.77%
Construction purposes non-related to real estate dev.	12.97%	11.77%	11.95%	9.49%	12.04%
Large corporates	2.16%	2.28%	2.35%	2.45%	2.21%
SME and small retailers and self-employed	6.35%	6.14%	6.40%	6.54%	5.84%
Individuals with 1st mortgage guarantee assets	2.45%	2.51%	2.50%	2.47%	2.35%
Stage 3 ratio	3.58%	3.59%	3.65%	3.66%	3.31%

(*) Calculated including contingent exposures.

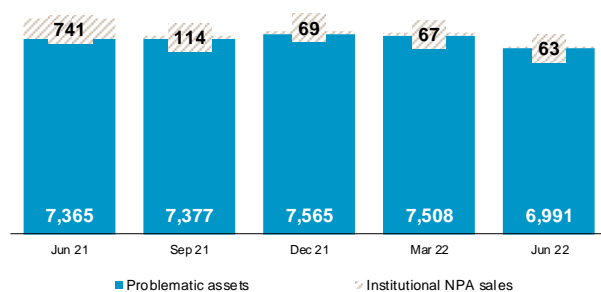
Evolution of stage 3 assets (€ million) ^(*)



Evolution of foreclosed assets (€ million) ^(*)



Evolution of problematic assets (€ million) ^(*)



(*) Calculated including contingent exposures.

The table below shows the evolution of the Group's problematic assets:

Evolution of stage 3 assets and Group real estate assets

(€million)	2Q21	3Q21	4Q21	1Q22	2Q22
Gross entries (stage 3)	537	511	804	640	586
Recoveries and sales	-536	-373	-516	-488	-1,007
Net stage 3 entries	1	139	287	153	-421
Gross entries (foreclosed assets)	31	63	37	16	21
Sales	-40	-59	-49	-79	-43
Change in foreclosed assets	-9	3	-11	-63	-22
Net stage 3 entries + Change in foreclosed assets	-8	142	276	89	-443
Write-offs	-133	-129	-89	-146	-74
Foreclosed assets and stage 3 quarterly change	-142	13	187	-56	-517

Evolution of Group problematic asset coverage ^(*)

(€ million)	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
Stage 3 exposures	5,995	6,004	6,203	6,210	5,714
Total provisions	3,378	3,477	3,495	3,456	3,159
Stage 3 coverage ratio with total provisions (%)	56.4%	57.9%	56.3%	55.7%	55.3%
Stage 3 exposures	5,995	6,004	6,203	6,210	5,714
Stage 3 provisions	2,374	2,513	2,553	2,560	2,263
Stage 3 coverage ratio (%)	39.6%	41.9%	41.2%	41.2%	39.6%
Problematic RE Assets	1,370	1,373	1,362	1,299	1,277
Provisions	511	508	520	494	499
Problematic Real Estate coverage ratio (%)	37.3%	37.0%	38.2%	38.0%	39.0%
Total problematic assets	7,365	7,377	7,565	7,508	6,991
Provisions	3,889	3,985	4,014	3,950	3,658
Problematic assets coverage (%)	52.8%	54.0%	53.1%	52.6%	52.3%
Gross loans to customers excluding repos and guarantees granted + problematic RE Assets	168,767	168,608	171,298	171,005	174,040
Gross NPA ratio (%) (1)	4.4%	4.4%	4.4%	4.4%	4.0%
Net problematic assets	3,476	3,393	3,550	3,559	3,334
Net NPA ratio (%) (1)	2.1%	2.0%	2.1%	2.1%	1.9%
Net problematic assets as of % of total assets	1.4%	1.4%	1.4%	1.4%	1.3%

(*) Includes contingent exposures. NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

(1) The gross NPA ratio is calculated as gross problematic assets divided by gross loans to customers excluding repos and guarantees granted plus foreclosed assets, while the net NPA ratio is calculated as net problematic assets, including all provisions, divided by gross loans to customers excluding repos and guarantees granted plus foreclosed assets.

Forbearance and restructured loans

The outstanding balance of forbore and restructured loans as of the end of June 2022 is as follows:

(€million)	Jun 21		Sep 21		Dec 21		Mar 22		Jun 22	
	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3
Public sector	10	8	10	8	9	8	10	8	9	7
Companies and self employed	5,111	1,902	5,151	1,851	4,931	1,912	4,768	1,990	4,553	1,830
Of which: Financing for construction and real estate development	341	146	323	141	309	143	296	155	293	151
Individuals	1,833	1,050	1,910	1,086	1,907	1,090	1,862	1,055	1,755	993
Total	6,954	2,960	7,070	2,946	6,848	3,010	6,640	3,052	6,317	2,830
Provisions	1,261	1,053	1,311	1,113	1,331	1,144	1,267	1,122	1,142	1,009
Coverage ratio	18.1%	35.6%	18.5%	37.8%	19.4%	38.0%	19.1%	36.8%	18.1%	35.6%

Foreclosed assets (*)

(€million)	Gross amount	Allowances for losses
Real estate assets deriving from financing of construction and real estate development	619	252
Finished buildings	565	224
Housing	348	128
Rest	217	96
Buildings under construction	7	4
Housing	6	4
Rest	0	0
Land	47	23
Building land	27	12
Other land	20	12
Real estate assets deriving from home loan mortgages	631	237
Real estate assets acquired in discharge of debts	26	10
Total real-estate portfolio	1,277	499

(*) Foreclosed assets, including properties outside Spain, considering the provisions allocated in the original loan and the credit risk transferred through the enforcement of the APS.

Breakdown of loans and provisions by stages

(€ million)	Stage 1	Stage 2	Stage 3
Gross loans to customers excluding repos and guarantees granted	153,435	13,614	5,714
<i>Change QoQ</i>	1.8%	6.0%	-8.0%
Provisions	393	502	2,263
Coverage	0.3%	3.7%	39.6%
% Stage / Total Loans	88.8%	7.9%	3.3%

Liquidity management

Highlights:

The Group had a solid liquidity position with an LCR (Liquidity Coverage Ratio) of 225% as of the end of June 2022 (257% excluding TSB and 155% in TSB), with total liquid assets of 54,570 million euros.

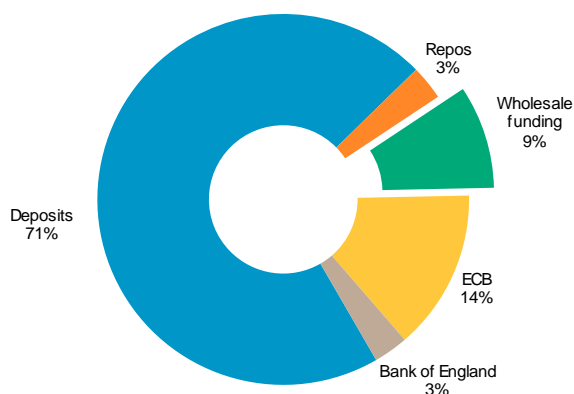
The loan-to-deposit ratio as of the end of June 2022 was 97.4%, with a balanced retail funding structure.

Of particular note among the issues carried out by Banco Sabadell are the Senior Non Preferred debt (green bond) for 750 million euros in the first quarter of the year and Covered bonds for 1 billion euros in the second quarter.

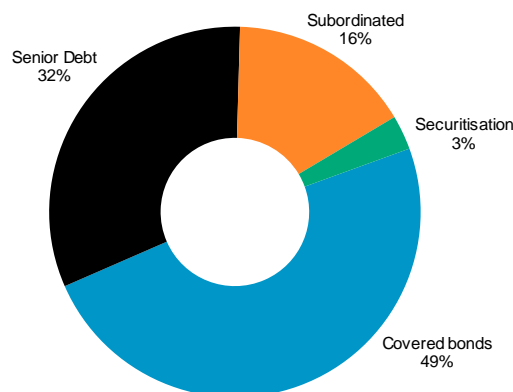
(€ million)		30.06.21	31.03.22	30.06.22
Loans and advances to customers	(1)	154,860	157,210	160,482
Brokered loans		-1,389	-1,325	-1,340
Adjusted net loans and advances		153,472	155,885	159,142
On-balance sheet customer funds		157,345	161,316	163,391
Loan-to-deposits ratio (%)		97.5	96.6	97.4

(1) Excludes reverse repos.

Funding structure, 30.06.22 (%)



Wholesale market breakdown, 30.06.22 (%)



Maturities

(€million)	2022	2023	2024	2025	2026	>2026	Outstanding balance
Covered bonds	1,404	1,388	2,724	836	390	3,618	10,360
Senior Debt	53	1,002	745	1,609	0	500	3,909
Senior Non Preferred Debt	0	0	975	500	817	629	2,921
Subordinated	0	0	0	0	500	1,315	1,815
Total	1,457	2,390	4,444	2,945	1,707	6,062	19,005

New issuances in the year

(€ million)	1Q22	2Q22
Covered bonds	0	1,000
Senior Non Preferred Debt	870	9
Total	870	1,009

Maturities in the year

(€ million)	3Q22	4Q22
Covered bonds	450	954
Senior Debt	50	3
Total	500	957

Capital management and credit ratings

Highlights:

The phase-in CET1 ratio stood at 12.61% as of the end June 2022, increasing by 2 bps relative to March 2022.

This CET1 ratio includes 13 bps of IFRS 9 transitional adjustments, therefore the fully-loaded CET1 ratio is 12.48%, growing by 3 bps in the quarter. Of this quarterly growth, 10 bps correspond to organic capital generation, 1 bps to the reduction of risk-weighted assets, and -8 bps correspond to fair value reserve adjustments.

The minimum prudential requirements applicable to Banco Sabadell in 2022 following the Supervisory Review and Evaluation Process (SREP) reduced by -10 bps to 8.46% for CET1 and 12.90% for Total Capital.

The phase-in Total Capital ratio stood at 17.11% as of the end of June 2022, remaining above requirements with an MDA buffer of 415 bps, having increased by 2 bps relative to the previous quarter.

The phase-in leverage ratio reached 4.54%, lower than the figure at end of March 2022, following the end of the transitional measure that allowed the exclusion of certain central bank exposures from its calculation.

The MREL ratio as a percentage of RWAs stood at 24.68%, above the requirement for 2022 (23.80%), while the MREL ratio as a percentage of the leverage ratio exposure (LRE) was 7.65%, also above the requirement for 2022 (6.22%).

Capital ratios

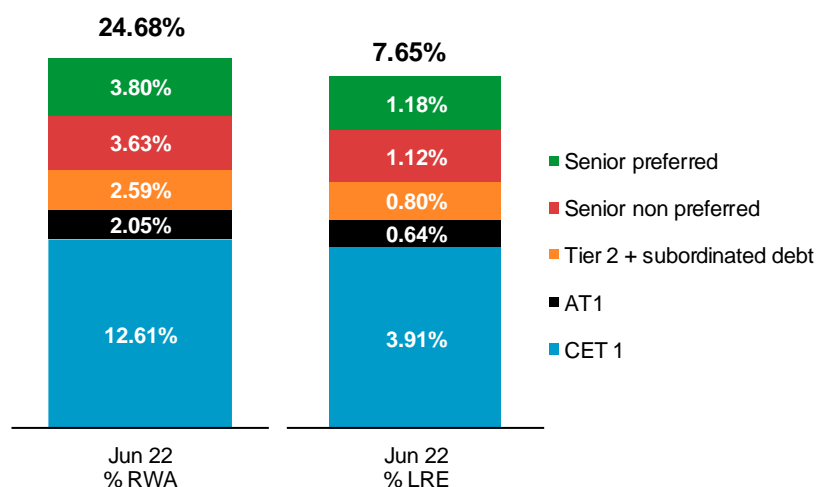
(€ million)	Phase-in			Fully-loaded		
	30.06.21	31.03.22	30.06.22	30.06.21	31.03.22	30.06.22
Issued capital	703	703	703	703	703	703
Reserves	12,392	12,625	12,721	12,392	12,625	12,721
Minority interest	10	0	0	10	0	0
Deductions	(1) -3,137	-3,221	-3,273	-3,384	-3,326	-3,373
Common Equity Tier 1	9,968	10,108	10,151	9,721	10,002	10,051
CET 1 (%)	12.31%	12.59%	12.61%	12.00%	12.45%	12.48%
Preference shares and other	1,654	1,650	1,650	1,654	1,650	1,650
Primary capital	11,621	11,758	11,801	11,375	11,652	11,701
Tier I (%)	14.35%	14.64%	14.65%	14.05%	14.51%	14.53%
Secondary capital	2,040	1,997	1,973	2,067	1,997	1,973
Tier II (%)	2.52%	2.49%	2.45%	2.55%	2.49%	2.45%
Total capital	13,661	13,754	13,774	13,442	13,649	13,674
Total capital ratio (%)	16.87%	17.13%	17.11%	16.60%	16.99%	16.98%
Risk weighted assets (RWA)	80,989	80,303	80,524	80,985	80,326	80,538
Leverage ratio (%)	5.40%	5.49%	4.54%	5.29%	5.45%	4.50%
CET 1 - BS (non-consolidated basis) (%)	13.52%	13.47%	13.57%			
Tier I - BS (non-consolidated basis) (%)	15.54%	15.51%	15.63%			
Tier II - BS (non-consolidated basis) (%)	2.48%	2.38%	2.36%			
Total capital ratio - BS (non-consolidated basis) (%)	18.02%	17.88%	17.99%			
ADIs	(2) 2,500	2,603	2,701			

Note: CET1 ratio includes dividend accrual with a cash pay-out ratio of 31.8%.

(1) Includes IFRS 9 transitional adjustments.

(2) "Available Distributable Items": Refers to distributable profit. It does not include interim dividends or share premiums.

Evolution of the Group's MREL (% RWAs, % LRE)



Credit ratings

Agency	Date	Long term	Short term	Outlook
DBRS	18.05.2022	A (low)	R-1 (low)	Stable
S&P Global Rating ⁽¹⁾	17.06.2022	BBB-	A-3	Positive
Moody's	20.05.2022	Baa3	P-2	Stable
Fitch Ratings	30.06.2022	BBB-	F3	Stable

(1) Copyright by Standard & Poor's, A division of the McGraw-Hill Companies, Inc. Reproduced with permission of Standard & Poor's.

On 18 May 2022, **DBRS Ratings GmbH** maintained Banco Sabadell's long-term rating of A (Low), upgrading its outlook from negative to stable, in order to reflect the lower impact that the Covid-19 crisis will have on Banco Sabadell's operating environment in both Spain and the United Kingdom. The short-term rating remains at R-1 (Low).

On 17 June 2022, **S&P Global Ratings** maintained Banco Sabadell's long-term rating of BBB-, improving the outlook from stable to positive thus reflecting the possibility of a rating upgrade in the next 12-24 months if the size of its subordinated instruments buffer increases, and if it provides a clear view that its ALAC (Additional Loss-Absorbing Capacity) buffer will remain sustainably above 350 basis points (bps). The short-term rating remains at A-3.

On 30 June 2022, **Fitch Ratings** affirmed Banco Sabadell's long-term rating of 'BBB-', with a stable outlook, reflecting the Group's adequate capitalisation and risk diversification and its challenges in relation to profitability and keeping cost of risk contained. The factors that had a negative outlook (asset quality and profitability) have stabilised. The short-term rating remains at 'F3'.

On 20 May 2022, **Moody's Investors Service** confirmed the ratings of Banco Sabadell's long-term deposits and long-term senior debt of 'Baa2' and 'Baa3', respectively, with a stable outlook. The agency reiterated the improved quality of assets as a result of the Bank's significant reduction of problematic assets and its comfortable liquidity position. The short-term rating remains at 'P-2'.

Results by business units

This section gives information regarding results and other indicators of the Group's business units.

The criteria that Banco Sabadell Group uses for its segment reporting are:

- Three geographical regions: Banking Business in Spain, United Kingdom and Mexico.
- Each business unit is allocated capital equivalent to 12% of its risk-weighted assets, assigning all of the corresponding deductions to each business unit and allocating the surplus of own funds to Banking Business Spain.

In terms of the other criteria applied, segment information is first structured with a breakdown by region and then broken down according to the customers at which each segment is aimed.

Breakdown by geography and business unit

- **Banking Business Spain** groups together the Retail Banking, Business Banking and Corporate Banking business units, where Individuals and Businesses are managed under the same Branch Network:
 - Retail Banking: Offers financial products and services to individuals. These include investment products and medium- and long-term finance, such as consumer loans, mortgages and leasing or rental services, as well as short-term finance. Funds come mainly from customer deposits and current accounts, savings insurance, mutual funds and pension plans. The main services also include payment methods such as cards and insurance linked to consumer loans and mortgages.
 - Business Banking: Offers financial products and services to companies and self-employed workers. These include investment and financing products, such as working capital products, revolving loans and medium- and long-term finance. It also offers customised structured finance and capital market solutions, as well as specialised advice for businesses. Funds mainly come from customer deposits, customer sight accounts and mutual funds. The main services also include collection/payment methods such as cards and POS terminals, as well as import and export services.
- Corporate Banking: This unit is responsible for managing the segment of large corporations which, because of their unique characteristics, require a tailor-made service, supplementing the range of transaction banking products with the services of the specialised units, thus offering a single, all-encompassing solution to their needs, taking into account the particular features of the economic activity sector and the markets in which they operate. It has units that develop customised products for large corporations and financial institutions. The units responsible for the development of these customised products do so for the entire Banco Sabadell Group, extending their capabilities to the Corporate and Institutional Banking segment. Through its international presence in 17 countries, with representative offices and operational branches, it offers financial and advisory solutions to large Spanish and international corporations and financial institutions. It has operational branches in London, Paris, Lisbon, Casablanca and Miami.
- **Banking Business United Kingdom:**

The TSB franchise includes business conducted in the United Kingdom, which includes current and savings accounts, loans, credit cards and mortgages.
- **Banking Business Mexico:**

It offers banking and financial services for Corporate Banking and Commercial Banking in Mexico.

The information presented is based on the individual accounting records of each Group company, after all consolidation disposals and adjustments have been made.

Each business unit bears its own direct costs, calculated on the basis of general accounting.

Key information relating to the segmentation of the Group's activity is given hereafter.

Profit and loss 1H22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	1,139	551	67	1,757
Net fees and commissions	660	64	5	729
Core revenues	1,799	615	72	2,486
Net trading income and exchange differences	79	3	1	83
Income from equity method and dividends	84	0	0	84
Other operating income/expense	-117	-21	-8	-147
Gross operating income	1,846	597	65	2,507
Operating expenses	-756	-378	-33	-1,167
Amortisation & depreciation	-184	-83	-6	-272
Pre-provisions income	906	136	26	1,067
Total provisions & impairments	-444	-32	0	-475
Gains on sale of assets and other results	-17	0	-2	-19
Profit before tax	445	104	23	572
Income tax	-112	-50	-4	-166
Minority interest	14	0	0	14
Attributable net profit	319	54	19	393
ROTE	7.4%	5.2%	8.2%	7.0%
Efficiency	41.4%	63.4%	50.8%	46.9%
Efficiency w ith amortisation & depreciation	51.4%	77.2%	60.4%	57.9%
Stage 3 ratio	4.1%	1.3%	2.3%	3.3%
Stage 3 coverage ratio w ith total provisions	56.7%	40.3%	73.3%	55.3%

Profit and loss 1H21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	1,150	482	54	1,685
Net fees and commissions	651	56	3	709
Core revenues	1,801	537	57	2,395
Net trading income and exchange differences	22	7	-1	28
Income from equity method and dividends	56	0	0	56
Other operating income/expense	-110	-9	-3	-122
Gross operating income	1,769	535	53	2,357
Operating expenses	-821	-394	-35	-1,251
Amortisation & depreciation	-180	-77	-4	-261
Pre-provisions income	767	64	14	845
Total provisions & impairments	-583	-28	-10	-621
Gains on sale of assets and other results	78	-5	0	74
Profit before tax	263	31	4	298
Income tax	-80	8	2	-70
Minority interest	7	0	0	7
Attributable net profit	175	39	6	220
ROTE	4.1%	3.6%	1.7%	3.9%
Efficiency	47.2%	73.7%	66.2%	53.7%
Efficiency w ith amortisation & depreciation	57.6%	88.0%	74.1%	65.0%
Stage 3 ratio	4.3%	1.6%	0.3%	3.6%
Stage 3 coverage ratio w ith total provisions	57.3%	43.6%	416.9%	56.4%

Balance sheet 1H22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	196,349	55,297	5,583	257,229
Performing gross loans	110,177	43,903	4,065	158,144
RE exposure	778	0	0	778
Subtotal liabilities	186,480	52,708	4,990	244,178
On-balance sheet customer funds	119,636	41,105	2,650	163,391
Capital markets w wholesale funding	18,213	2,913	0	21,127
Equity	9,869	2,589	592	13,051
Off-balance sheet customer funds	38,831	0	0	38,831

Balance sheet 1H21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	195,172	50,233	4,715	250,120
Performing gross loans	108,042	40,959	3,514	152,515
RE exposure	859	0	0	859
Subtotal liabilities	185,748	47,604	4,095	237,447
On-balance sheet customer funds	113,776	41,416	2,153	157,345
Capital markets w wholesale funding	19,188	2,914	0	22,101
Equity	9,423	2,629	620	12,673
Off-balance sheet customer funds	40,736	0	0	40,736

Banking Business Spain

Net profit as of the end of June 2022 amounted to 319 million euros, representing year-on-year growth of 82.0%, mainly as a result of the good performance of net fees and commissions, the reduction of costs, and fewer provisions booked in the year.

Net interest income amounted to 1,139 million euros as of the end of June 2022, representing a decline of -0.9% year-on-year due to lower yields on loans, which offset the improved wholesale funding.

Net fees and commissions stood at 660 million euros, 1.4% higher than in the same period of the previous year due to good momentum across all segments.

Trading income stood at 79 million euros, representing an increase compared with the previous year due to higher profits from trading and hedging derivatives and from fixed-income portfolio sales.

Income from equity method showed a year-on-year growth of 51.3% due to higher earnings recorded by BS Capital investees.

Operating expenses decreased in the year by -7.9% due to both lower staff expenses as a result of the cost savings achieved by the efficiency plans and the lower general expenses recorded.

Provisions and impairments amounted to -444 million euros, down by -23.9% mainly due to lower loan loss provisions.

(€ million)	1H21	1H22	YoY (%)	Simple evolution					
				1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net interest income	1,150	1,139	-0.9	570	579	586	566	556	583
Net fees and commissions	651	660	1.4	314	336	327	359	326	334
Core revenues	1,801	1,799	-0.1	885	916	913	925	882	917
Net trading income and exchange differences	22	79	251.4	15	7	323	-4	27	52
Income from equity method and dividends	56	84	51.3	46	10	11	35	59	26
Other operating income/expense	-110	-117	6.4	-13	-97	-4	-155	-7	-110
Gross operating income	1,769	1,846	4.3	933	835	1,243	800	961	885
Operating expenses	-821	-756	-7.9	-424	-398	-697	-397	-385	-372
Amortisation & depreciation	-180	-184	1.7	-90	-91	-90	-90	-91	-92
Pre-provisions income	767	906	18.1	420	347	455	313	485	421
Total provisions & impairments	-583	-444	-23.9	-322	-261	-280	-330	-218	-226
Gains on sale of assets and other results	78	-17	--	4	75	0	56	-10	-7
Profit before tax	263	445	69.5	102	161	176	40	257	188
Income tax	-80	-112	39.5	-27	-53	-59	82	-59	-53
Minority interest	7	14	100.9	5	2	2	-1	13	1
Attributable net profit	175	319	82.0	71	105	114	122	184	135
Accumulated ratios									
ROTE	4.1%	7.4%		1.6%	4.1%	4.0%	5.3%	7.2%	7.4%
Efficiency	47.2%	41.4%		48.4%	47.2%	51.9%	50.2%	42.5%	41.4%
Efficiency w ith amortisation & depreciation	57.6%	51.4%		58.7%	57.6%	61.2%	59.7%	52.6%	51.4%
Stage 3 ratio	4.3%	4.1%		4.5%	4.3%	4.4%	4.6%	4.6%	4.1%
Stage 3 coverage ratio w ith total provisions	57.3%	56.7%		57.6%	57.3%	59.1%	57.6%	57.3%	56.7%

Performing loans grew by 2.0% year-on-year, driven by loans to public sector and to businesses, and by the positive evolution of the mortgage book, which offset the decline recorded by foreign branches and the outflow of balances from BancSabadell d'Andorra following its sale.

On-balance sheet customer funds increased by 5.2% year-on-year, supported by sight accounts. Off-balance sheet funds fell by -4.7% year-on-year mainly on account of mutual funds impacted by the sale of BancSabadell d'Andorra and by financial market volatility.

(€ million)	1H21	1H22	YoY (%)	Simple evolution					
				1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total assets	195,172	196,349	0.6	190,290	195,172	193,511	191,162	192,156	196,349
Performing gross loans	108,042	110,177	2.0	106,815	108,042	106,935	107,089	106,687	110,177
RE exposure	859	778	-9.4	869	859	865	842	805	778
Subtotal liabilities	185,748	186,480	0.4	181,057	185,748	183,860	181,389	182,368	186,480
On-balance sheet customer funds	113,776	119,636	5.2	110,624	113,776	114,256	116,788	116,670	119,636
Capital markets w wholesale funding	19,188	18,213	-5.1	18,815	19,188	18,888	18,090	18,707	18,213
Equity	9,423	9,869	4.7	9,233	9,423	9,651	9,773	9,789	9,869
Off-balance sheet customer funds	40,736	38,831	-4.7	39,478	40,736	41,669	41,678	40,624	38,831
Other data									
Employees	14,648	12,949		14,518	14,648	14,618	13,855	12,836	12,949
Branches	1,613	1,290		1,613	1,613	1,509	1,288	1,289	1,290

Banking Business United Kingdom

Net profit stood at 54 million euros as at 30 June 2022, growing by 39.0% compared to the previous year, mainly due to the increase in core revenues and lower costs.

Net interest income amounted to a total of 551 million euros, 14.3% higher than in the previous year due to the strong growth of mortgage volumes as well as the appreciation of the pound sterling.

Net fees and commissions increased by 14.8% year-on-year, mainly due to higher service fees, particularly card fees.

Operating expenses stood at -378 million euros and decreased by -4.1% year-on-year, due to both improved staff expenses and lower general expenses.

Provisions and impairments amounted to -32 million euros, an increase compared to the previous year as -11 million euros were booked in the second quarter of 2022 in respect of estimated charges related to the treatment of some TSB customers in arrears.

Corporation tax in the first half of the year includes an impact of -15 million euros as a result of the effects on deferred tax assets of the reversal of the UK bank levy, which was reduced from 8% to 3%. In the first half of 2021, 23 million euros were booked under the same item due to the corporation tax increase.

(€ million)	1H21	1H22	YoY (%)	YoY (%) at constant FX	Simple evolution					
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net interest income	482	551	14.3	11.0	236	246	262	267	271	280
Net fees and commissions	56	64	14.8	11.4	26	29	30	35	30	34
Core revenues	537	615	14.4	11.0	262	275	293	301	301	314
Net trading income and exchange differences	7	3	-59.4	-60.6	9	-2	-3	-2	5	-3
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0
Other operating income/expense	-9	-21	126.6	119.8	0	-9	-12	-12	-12	-9
Gross operating income	535	597	11.5	8.2	271	264	278	288	294	302
Operating expenses	-394	-378	-4.1	-7.0	-200	-194	-188	-203	-191	-188
Amortisation & depreciation	-77	-83	7.7	4.5	-37	-40	-36	-44	-42	-41
Pre-provisions income	64	136	112.1	105.8	34	30	55	40	62	74
Total provisions & impairments	-28	-32	12.7	9.3	-23	-5	7	21	-11	-20
Gains on sale of assets and other results	-5	0	-100.0	-100.0	-3	-1	4	-8	0	0
Profit before tax	31	104	233.1	223.2	8	23	66	53	50	53
Income tax	8	-50	--	--	-5	13	-23	-17	-31	-19
Minority interest	0	0	--	--	0	0	0	0	0	0
Attributable net profit	39	54	39.0	34.9	2	36	43	36	19	35
Accumulated ratios										
ROTE	3.6%	5.2%			0.5%	3.6%	5.0%	5.4%	3.6%	5.2%
Efficiency	73.7%	63.4%			73.8%	73.7%	71.6%	71.3%	64.7%	63.4%
Efficiency w/ amortisation & depreciation	88.0%	77.2%			87.4%	88.0%	85.4%	85.6%	78.9%	77.2%
Stage 3 ratio	1.6%	1.3%			1.8%	1.6%	1.5%	1.4%	1.4%	1.3%
Stage 3 coverage ratio w/ total provisions	43.6%	40.3%			42.0%	43.6%	42.1%	38.1%	38.7%	40.3%

Lending grew by 7.2% year-on-year as a result of the growth of the mortgage book.

On-balance sheet customer funds decreased by -0.8% year-on-year due to a lower volume of term deposits.

(€ million)	1H21	1H22	YoY (%)	YoY (%) at constant FX	Simple evolution					
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total assets	50,233	55,297	10.1	10.1	49,917	50,233	51,672	55,657	55,978	55,297
Performing gross loans	40,959	43,903	7.2	7.2	39,893	40,959	41,950	44,050	44,294	43,903
Subtotal liabilities	47,604	52,708	10.7	10.7	47,193	47,604	49,067	53,012	53,371	52,708
On-balance sheet customer funds	41,416	41,105	-0.8	-0.7	41,144	41,416	41,509	42,779	42,199	41,105
Capital markets w/ wholesale funding	2,914	2,913	0.0	0.0	2,799	2,914	2,905	2,975	2,955	2,913
Equity	2,629	2,589	-1.5	-1.5	2,724	2,629	2,604	2,645	2,607	2,589
Other data										
Employees	5,978	5,595			6,451	5,978	5,926	5,762	5,702	5,595
Branches	290	220			373	290	290	290	290	220

Mexico

Net profit as of the end of June 2022 was 19 million euros, representing sharp year-on-year growth supported by improved core revenue and by lower provisions.

Net interest income amounted to 67 million euros, increasing by 23.5% year-on-year, due to the interest rate hikes and the appreciation of the Mexican peso.

Net fees and commissions amounted to 5 million euros as of the end of June 2022, growing by 2 million euros relative to the previous year due to increased commercial activity.

Operating expenses amounted to -33 million euros, a -6.0% reduction year-on-year due to improved general expenses.

Provisions and impairments were below the previous year's levels due to the improvement of the loan book, as well as payments from single names.

(€ million)	1H21	1H22	YoY (%)	YoY (%) at constant FX	Simple evolution					
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net interest income	54	67	23.5	12.3	27	27	29	30	31	36
Net fees and commissions	3	5	83.1	66.5	1	2	4	4	3	3
Core revenues	57	72	26.6	15.1	28	29	32	34	33	38
Net trading income and exchange differences	-1	1	--	--	-1	0	0	1	0	1
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0
Other operating income/expense	-3	-8	222.0	192.9	-1	-2	-2	-5	-4	-5
Gross operating income	53	65	22.6	11.5	26	27	31	30	30	35
Operating expenses	-35	-33	-6.0	-14.5	-16	-19	-24	-21	-15	-18
Amortisation & depreciation	-4	-6	49.1	35.6	-2	-2	-1	-3	-3	-3
Pre-provisions income	14	26	87.3	70.4	7	6	5	6	12	13
Total provisions & impairments	-10	0	-100.0	-100.0	-9	-1	-17	-5	3	-2
Gains on sale of assets and other results	0	-2	--	--	0	0	0	0	-3	0
Profit before tax	4	23	--	--	-2	6	-12	0	12	11
Income tax	2	-4	--	--	2	0	5	2	-3	-2
Minority interest	0	0	--	--	0	0	0	0	0	0
Attributable net profit	6	19	219.8	190.8	0	6	-8	2	10	9
Accumulated ratios										
ROTE	1.7%	8.2%			-0.2%	1.7%	-1.0%	-0.5%	7.9%	8.2%
Efficiency	66.2%	50.8%			63.7%	66.2%	71.2%	71.1%	49.0%	50.8%
Efficiency with amortisation & depreciation	74.1%	60.4%			71.4%	74.1%	78.0%	78.7%	58.8%	60.4%
Stage 3 ratio	0.3%	2.3%			0.2%	0.3%	1.0%	1.0%	2.3%	2.3%
Stage 3 coverage ratio w ith total provisions	416.9%	73.3%			477.4%	416.9%	164.4%	265.7%	71.6%	73.3%

Performing loans grew by 15.7% year-on-year, supported by the appreciation of the Mexican peso and the US dollar. Considering a constant exchange rate, this increase was 2.5%.

Similarly, on-balance sheet customer funds increased by 23.1% year-on-year, supported by currency appreciation. Considering constant exchange rates, this item increased by 9.3%.

(€ million)	1H21	1H22	YoY (%)	YoY (%) at constant FX	Simple evolution					
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total assets	4,715	5,583	18.4	5.0	4,665	4,715	4,740	5,128	5,121	5,583
Performing gross loans	3,514	4,065	15.7	2.5	3,626	3,514	3,554	3,773	3,762	4,065
Subtotal liabilities	4,095	4,990	21.9	8.0	3,992	4,095	4,118	4,550	4,576	4,990
On-balance sheet customer funds	2,153	2,650	23.1	9.3	2,031	2,153	2,164	2,453	2,448	2,650
Equity	620	592	-4.5	-15.1	673	620	622	578	545	592
Other data										
Employees	469	431			483	469	478	453	447	431
Branches	15	15			15	15	15	15	15	15

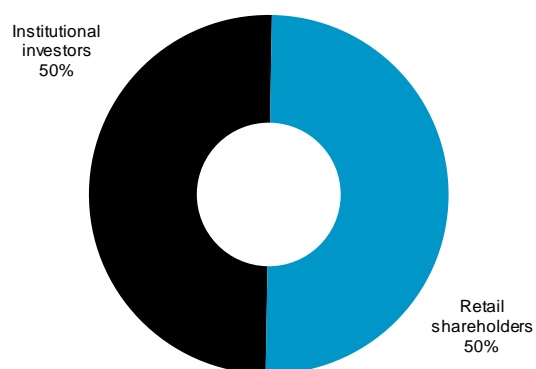
4. Share price performance

	30.06.21	31.03.22	30.06.22
Shareholders and trading			
Number of shareholders	235,053	224,715	223,927
Total number of shares (million)	5,627	5,627	5,627
Average daily trading volume (millions shares)	41	64	52
Share price (€) (1)			
Opening session (of the year)	0.354	0.592	0.592
High (of the year)	0.684	0.950	0.950
Low (of the year)	0.343	0.565	0.565
Closing session	0.574	0.746	0.761
Market capitalisation (€ million)	3,206	4,170	4,255
Stock market multiples			
Earnings per share (EPS) (€)	(2) 0.06	0.10	0.11
Book value (€ million)	13,099	13,336	13,511
Book value per share (€)	2.35	2.38	2.41
Tangible book value (€ million)	10,506	10,781	10,987
TBV per share (€)	1.88	1.93	1.96
Price / Tangible book value (times)	0.31	0.39	0.39
Price / Earnings ratio (P/E) (times)	10.27	7.35	6.68

(1) Historical values not adjusted.

(2) Net profit adjusted by the Additional Tier 1 coupons recorded under equity.

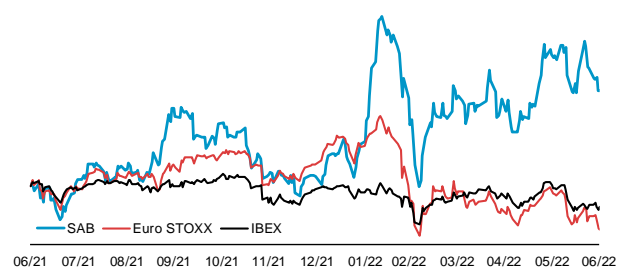
Shareholder breakdown (%)



Source: GEM, data as of 30 June 2022

Comparative evolution of SAB share price

Period from 30/06/2021 to 30/06/2022



5. Key developments in the quarter

DBRS upgrades outlook for Banco Sabadell

On 18 May 2022, DBRS Ratings GmbH, maintained Banco Sabadell's long-term rating of A (low), improving the outlook from negative to stable.

This outlook upgrade reflects a smaller-than-expected impact of the effects of the COVID-19 crisis on Banco Sabadell's operating environment in both Spain and the United Kingdom.

The short-term rating remained at R-1 (low).

S&P upgrades outlook for Banco Sabadell

On 17 June 2022, S&P Global Ratings maintained Banco Sabadell's long-term rating of BBB-, improving the outlook from stable to positive.

This outlook upgrade reflects the possibility of an upgrade over the next 12-24 months if Sabadell increase the size of its subordinated bail-in-able buffer and provides clear line of sight that its ALAC (Additional Loss-Absorbing Capacity) buffer will remain sustainably above 350 basis points (bps).

The short-term rating remained at A-3.

6. Glossary of terms on performance measures

In the presentation of its results to the market, and for the purpose of monitoring the business and decision-making processes, the Group uses performance indicators pursuant to the generally accepted accounting regulations (EU-IFRS), and also uses other unaudited measures commonly used in the banking sector (Alternative Performance Measures, or "APMs") as monitoring indicators for the management of assets and liabilities, and the financial and economic situation of the Group, which facilitates its comparison with other entities.

Following the ESMA guidelines on APMs (ESMA/2015/1415 of October 2015), the purpose of which is to promote the use and transparency of information for the protection of investors in the European Union, the Group presents below, for each APM, the reconciliation with items shown in the financial statements (in each section of the report) as well as its definition and calculation:

		Definition and calculation	Page
ROA	(*) (**)	Consolidated income during the year / ATA. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
ROE	(*) (***)	Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
RORWA	(*)	Profit attributed to the Group / risk-weighted assets (RWA). In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
ROTE	(*) (**)	Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end. The denominator excludes intangible assets and the goodwill of the investees.	5
Efficiency ratio	(*)	Administrative expenses / 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 year end.	5
Efficiency ratio with amortisation & depreciation	(*)	Administrative expenses and amortisation & depreciation / 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 year end.	5
Other operating income/expense		Includes the following accounting items: other operating income and other operating expense as well as income from assets and expenses on liabilities under insurance or reinsurance contracts.	8
Total provisions & impairments		Includes the following accounting items: (i) provisions or reversal of provisions, (ii) impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains, (iii) impairment or reversal of impairment of investments in joint ventures and associates, (iv) impairment or reversal of impairment on non-financial assets, (v) profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding gains or losses on sales of equity holdings and other items) and (vi) investment properties in the net gains or losses on derecognition of non-financial assets (including only gains or losses on the sale of investment properties).	8
Gains on sale of assets and other results		Includes the following accounting items: net gains or losses on derecognition of non-financial assets, excluding investment properties, and gains or losses on sales of equity holdings and other items included in the profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations.	8
Pre-provisions income		Comprised of the following accounting items: gross income plus administration and amortisation/depreciation expenses.	8
Customer spread	(**)	Difference between return and cost of assets and liabilities related to customers. The ratio has been calculated taking into account the difference between the average rate charged by the bank for customers loans and the average rate paid by the bank for the customers deposits. The average customers loans rate is the annualised ratio between the financial income from customer loans and the average daily balance of customer loans. The average rate of customers funds is the annualised ratio between the financial expenses on customers funds and the average daily balance of customers funds.	9
Credit cost of risk (bps)		Ratio between provisions for NPLs / gross loans to customers excluding repos and guarantees granted. The numerator considers the linear annualization of the provisions for NPLs. In addition, the costs associated with the stage 3 management assets are adjusted.	14
Other assets		Includes the following accounting items: derivatives - hedge accounting, fair value changes of the hedged items in portfolio hedge of interest rate risk, tax assets, other assets, assets under insurance or reinsurance contracts and non-current assets and disposal groups classified as held for sale.	15
Other liabilities		Includes the following accounting items: derivatives - hedge accounting, tax liabilities, fair value changes of the hedged items in portfolio hedge of interest rate risk, other liabilities and liabilities included in disposal groups classified as held for sale.	15
Gross loans to customers		Includes loans and advances to customers excluding impairment allowances.	16
Performing gross loans		Includes gross loans to customers excluding repos, stage 3 assets and accrual adjustments.	16
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).	18
Off-balance sheet customer funds		Includes mutual funds, asset management, pension funds and third-party insurance products.	18
On-balance sheet funds		Includes accounting sub-headings of customer deposits, debt securities issued (debt and other tradable securities and subordinated liabilities).	18
Funds under management and third-party funds		Sum of on-balance sheet and off-balance sheet customer funds.	18
Stage 3 coverage ratio with total provisions		Shows the % of stage 3 exposures covered by total provisions. Calculated using the ratio between the allowance of loans and advances to customers (including allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	19
Stage 3 coverage ratio		Shows the % of stage 3 exposures covered by stage 3 provisions. Calculated using the ratio between the stage 3 allowance of loans and advances to customers (including stage 3 allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	19
Problematic assets coverage		Ratio between provisions associated with problematic assets / total problematic assets.	19
Stage 3 ratio		Calculated using the ratio where the numerator includes: i) the assets classified in stage 3 including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) the guarantees granted classified in stage 3. The denominator includes: (i) gross loans to customers excluding repos and (ii) guarantees granted.	19
Problematic assets		Sum of stage 3 exposures and problematic real estate assets. Also referred to as non-performing assets (NPAs).	21
Problematic Real Estate coverage ratio		Ratio between allowances for impairment of problematic RE assets / total problematic RE assets. Amount of problematic RE assets includes property classified in the portfolio of non-current asset and disposable 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.	21
Stage 3 exposures		Includes: (i) stage 3 assets including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) guarantees granted classified in stage 3.	21
Loan-to-deposits ratio		Net loans and receivables divided by retail funding. The numerator excludes mediation loans. The denominator considers real estate funding and customer funds.	23
Total capital ratio		Ratio between total capital and the risk weighted assets. Total capital includes the accounting profit assuming a pay-out of c.30%, that is different from the regulatory criteria which decreases that amount based on the obligations to fulfill for the rest of the year. The denominator has been calculated based on the Group's best estimate.	24
Market capitalisation		Share price multiplied by the average number of outstanding shares at the end of the period.	31
Earnings per share	(*)	Ratio between net profit attributed to the Group and the average number of outstanding shares at the end of the period. In the numerator the annualization of the profit obtained to date is considered and adjusted by the Additional Tier 1 coupon payment registered in equity as well as by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	31
Book value per share	(*)	Ratio between book value / average number of outstanding shares at the end of the period. Book value refers to equity, adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except at year end.	31
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 the goodwill of the investees, and by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	31
Price / Tangible book value (times)	(*)	Ratio between share price / tangible book value per share.	31
Price / Earnings ratio (P/E) (times)	(*)	Ratio between share price / earnings per share.	31

(*) The accrual on a straight-line basis of contributions to the deposit guarantee fund and the resolution fund, as well as the tax on deposits of credit institutions, has been calculated based on the Group's best estimates.

(**) Arithmetic mean calculated as the sum of daily balances during the reference period, divided by the number of days during that period.

(***) Average calculated using the month-end positions since December of the previous year.

Alternative Performance measures	Conciliation (€millions)	1H21	FY21	1H22
ROA	Average total assets	240,872	245,313	254,286
	Consolidated net profit	227	539	407
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	ROA (%)	0.17	0.22	0.31
ROE	Average equity	12,991	13,106	13,436
	Attributable net profit	220	530	393
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	ROE (%)	3.10	4.05	5.70
RORWA	Risk weighted assets (RWA)	80,989	80,899	80,524
	Attributable net profit	220	530	393
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	RORWA (%)	0.50	0.66	0.95
ROTE	Average equity (excluding intangible assets)	10,391	10,508	10,875
	Attributable net profit	220	530	393
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	ROTE (%)	3.88	5.05	7.04
Efficiency ratio	Gross operating income	2,357	5,026	2,507
	DGF - SRF - IDEC adjustment	-29	0	-19
	Adjusted gross operating income	2,328	5,026	2,488
	Operating expenses	-1,251	-2,781	-1,167
	Efficiency ratio (%)	53.73	55.33	46.91
	Amortisation & depreciation	-261	-527	-272
	Efficiency ratio with amortisation & depreciation (%)	64.96	65.80	57.86
Other operating income/expense	Other operating income	83	155	31
	Other operating expenses	-205	-467	-178
	Income from assets under insurance or reinsurance contracts	0	0	0
	Expenses on liabilities under insurance or reinsurance contracts	0	0	0
	Other operating income/expense	-122	-313	-147
		Provisions or reversal of provisions	-49	-88
Total provisions & impairments	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	-504	-960	-394
	Provisions for NPLs and other financial assets	-553	-1,047	-419
	Impairment or reversal of impairment of investments in joint ventures and associates	0	-9	-13
	Impairment or reversal of impairment on non-financial assets	-39	-106	-31
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-35	-7	-15
	Gains or losses on sales of equity holdings and other items	6	-55	2
	Gains from sales of investment properties and associates	0	0	1
	Other impairments	-68	-178	-56
	Total provisions & impairments	-621	-1,225	-475
	Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	80	71
Gains or losses on sales of equity holdings and other items		-6	55	-2
Gains from sales of investment properties and associates		0	0	-1
Gains on sale of assets and other results		74	126	-19
Pre-provisions income	Gross operating income	2,357	5,026	2,507
	Operating expenses	-1,251	-2,781	-1,167
	Personnel expenses	-754	-1,777	-694
	Other general expenses	-497	-1,004	-473
	Amortisation & depreciation	-261	-527	-272
	Pre-provisions income	845	1,719	1,067
Customer spread (*)	Loans to customers (net)			
	Avge.balance	149,881	152,176	156,863
	Results	1,741	3,513	1,798
	Rate %	2.34	2.31	2.31
	Customer deposits			
	Avge.balance	160,522	162,749	168,636
	Results	-52	-88	-52
	Rate %	-0.07	-0.05	-0.06
	Customer spread	2.27	2.26	2.25
Other assets	Derivatives - Hedge accounting	497	525	1,778
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	214	-4	-871
	Tax assets	6,861	7,027	6,958
	Other assets	1,491	620	615
	Non-current assets and disposal groups classified as held for sale	1,357	778	757
	Other assets	10,421	8,946	9,238
Other liabilities	Derivatives - Hedge accounting	610	512	708
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	206	19	-542
	Tax liabilities	253	205	242
	Other liabilities	742	768	1,154
	Liabilities included in disposal groups classified as held for sale	70	0	0
	Other liabilities	1,880	1,505	1,562

(*) Customer spread is calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	1S21	2021	1H22
Performing gross loans	Mortgage loans & credits	87,853	90,718	90,533
	Other secured loans & credits	3,723	3,596	3,456
	Working capital	5,439	6,050	6,745
	Leasing	2,176	2,106	2,161
	Unsecured lending and others	53,324	52,443	55,259
	Performing gross loans	152,515	154,912	158,144
	Stage 3 assets (customer)	5,516	5,698	5,233
	Accruals	6	58	84
	Gross loans to customers excluding repos	158,038	160,668	163,460
	Reverse repos	0	0	353
Gross loans to customers	Gross loans to customers	158,038	160,668	163,814
	NPL and country-risk provisions	-3,177	-3,302	-2,978
	Loans and advances to customers	154,860	157,366	160,835
On-balance sheet customer funds	Financial liabilities at amortised cost	233,256	235,179	239,180
	Non-retail financial liabilities	75,911	73,169	75,789
	Central banks	34,819	38,250	38,296
	Credit institutions	12,674	8,817	8,222
	Institutional issues	22,645	21,270	21,924
	Other financial liabilities	5,774	4,822	7,347
	On-balance sheet customer funds	157,345	162,020	163,391
	Customer deposits	158,212	162,239	164,619
	Sight accounts	140,028	147,268	147,892
	Fixed-term deposits including available and hybrid financial liabilities	17,645	14,813	16,980
On-balance sheet funds	Repos	424	60	737
	Accruals and derivative hedging adjustments	115	98	9
	Debt and other marketable securities	18,315	16,822	17,231
	Subordinated liabilities (*)	3,463	4,229	3,465
	On-balance sheet funds	179,990	183,290	185,315
	Mutual funds	23,555	24,593	22,538
	Managed accounts	3,708	3,795	3,519
	Pension funds	3,458	3,525	3,245
	Third-party insurance products	10,016	9,765	9,529
	Off-balance sheet customer funds	40,736	41,678	38,831
Funds under management and third-party funds	Funds under management and third-party funds	220,726	224,968	224,146
	Stage 3 exposures	5,545	5,729	5,263
Stage 3 exposures	Guarantees granted in stage 3	449	475	451
	Stage 3 exposures (€ million)	5,995	6,203	5,714
	Stage 3 exposures	5,995	6,203	5,714
Stage 3 coverage ratio with total provisions (%)	Total provisions	3,378	3,495	3,169
	Stage 3 coverage ratio with total provisions (%)	56.4%	56.3%	55.3%
	Stage 3 exposures	5,995	6,203	5,714
Stage 3 coverage ratio (%)	Stage 3 provisions	2,374	2,553	2,263
	Stage 3 coverage ratio (%)	39.6%	41.2%	39.6%
	Problematic RE Assets	1,370	1,362	1,277
Problematic Real Estate coverage ratio (%)	Provisions	511	520	499
	Problematic Real Estate coverage ratio (%)	37.3%	38.2%	39.0%
	Stage 3 exposures	5,995	6,203	5,714
Problematic assets	Problematic RE Assets	1,370	1,362	1,277
	Problematic assets	7,365	7,565	6,991
	Provisions of problematic assets	3,889	4,014	3,658
Problematic assets coverage (%)	Problematic assets coverage (%)	52.8%	53.1%	52.3%
	Stage 3 exposures	5,995	6,203	5,714
	Stage 3 ratio (%)	Gross loans to customers excluding repos	158,038	160,668
Guarantees granted		9,359	9,268	9,302
Stage 3 ratio (%)		3.58%	3.65%	3.31%
Credit cost of risk (bps)	Gross loans to customers excluding repos and guarantees granted	167,397	169,937	172,763
	Provisions for NPLs	-505	-950	-380
	NPLs costs	-64	-118	-41
	Credit cost of risk (bps)	53	49	40
Loan-to-deposits ratio (%)	Adjusted net loans and advances w/o repos by brokered loans	163,472	166,076	169,142
	On-balance sheet customer funds	167,345	162,020	163,391
	Loan-to-deposits ratio (%)	97.5%	96.3%	97.4%
Market capitalisation (€million)	Average number of shares (million)	5,584	5,586	5,595
	Share price (€)	0,574	0,592	0,761
	Market capitalisation (€million)	3,206	3,306	4,255
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	165	430	316
	Attributable net profit	220	530	393
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	Accrued AT1	-45	-101	-64
	Average number of shares (million)	5,584	5,586	5,595
	Earnings per share (EPS) (€)	0.06	0.08	0.11
Book value per share (€)	Adjusted equity	13,099	13,357	13,511
	Shareholders' equity	13,120	13,357	13,524
	DGF - SRF - IDEC adjustment net of tax	-20	0	-13
	Average number of shares (million)	5,584	5,586	5,595
	Book value per share (€)	2.35	2.39	2.41
	Intangible assets	2,594	2,607	2,524
TBV per share (€)	Tangible book value (€million)	10,506	10,750	10,987
	TBV per share (€)	1.88	1.92	1.96
	Share price (€)	0,574	0,592	0,761
Price / Tangible book value (times)	Price / Tangible book value (times)	0.31	0.31	0.39
Price / Earnings ratio (P/E) (times)	Price / Earnings ratio (P/E) (times)	10.27	7.69	6.68

(*) Refers to subordinated liabilities of debt securities.

See list, definition and purpose of the APMs used by Banco Sabadell Group here:

www.grupbancsabadell.com/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/MEDIDAS_ALTERNATIVAS_DEL_RENDIMIENTO

Shareholder and Investor Relations

For further information, contact:



Shareholder and Investor Relations

investorrelations@bancsabadell.com

+44 2071 553 888

