

1Q22

**Quarterly Financial
Report**

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Basis of presentation

The consolidated income statement and balance sheet as of the end of March 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 annual financial statements as of 31 December 2021.

Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), 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 amounted to 858 million euros as of the end of March 2022, showing year-on-year growth of 3.0%, supported by the positive evolution of volumes, primarily the growth of mortgages at TSB, in turn driven by good pound sterling performance, the higher remuneration earned on corporate deposits, as well as improvements in wholesale funding, all of which offset by reduced yields on loans and reduced income from the ALCO portfolio.

In the quarter, net interest income dropped slightly by -0.6%, mainly due to seasonality in the first quarter, which has fewer calendar days.

Net fees and commissions

Fees and commissions amounted to 359 million euros, representing year-on-year growth of 5.0%, mainly driven by the good performance of service fees and asset management fees.

Quarter-on-quarter, this item fell by -9.7%, due mainly to positive seasonality in Q4 2021 related to the booking of asset management and insurance business success fees, and also driven by reduced syndicated loan activity.

Total costs

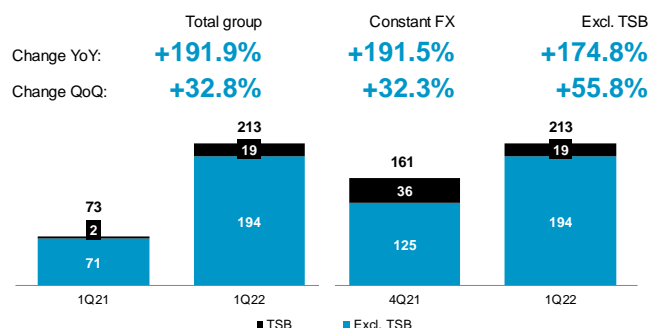
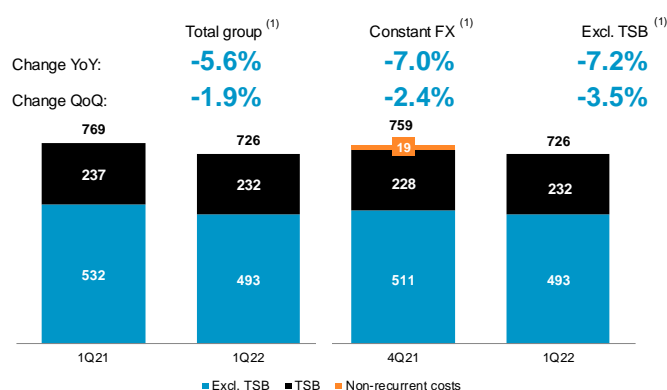
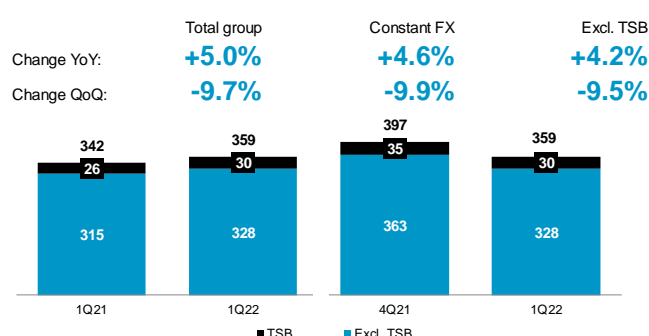
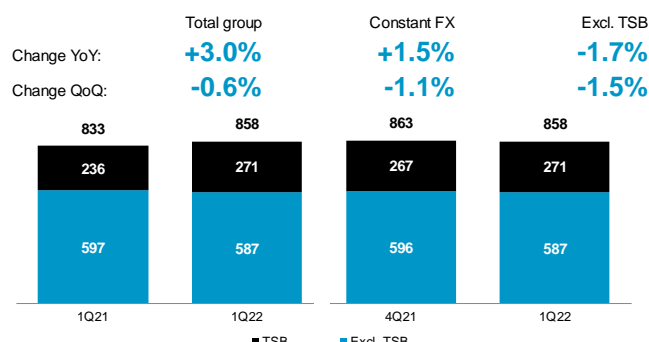
Total costs amounted to 726 million euros as of the end of March 2022, representing a year-on-year reduction of -5.6%, mainly driven by savings on staff expenses following the execution of the efficiency plans, and also by reduced general expenses.

Quarter-on-quarter, costs continued to trend downwards, falling by -4.3%, due to the aforesaid reduction of staff expenses and because the previous quarter included non-recurrent costs related to branch closures at TSB.

Net profit of the Group

The Group's net profit showed strong growth both year-on-year and quarter-on-quarter, amounting to 213 million euros as of the end of March 2022, with profit ex-TSB amounting to 194 million euros and profit at TSB to 19 million euros.

Core results (net interest income + fees and commissions – recurrent costs) performed well, growing by 20.9% in the year, while in the quarter they were affected by the typical seasonality of net interest income and fees and commissions.



(1) Change in recurrent costs.

Performing loans

Performing loans showed good growth, increasing by 2.9% during the year. Excluding the APS impact, this growth was 3.1% year-on-year, mainly supported by the growth of the mortgage book, particularly at TSB.

In quarter-on-quarter terms, performing loans remained stable, with the depreciation of the pound sterling neutralising the growth of mortgages at TSB.

Customer funds

On-balance sheet customer funds increased by 4.9% in the year due to the increase in sight deposit accounts, which offset the decline in term deposits. In the quarter, customer funds dipped slightly by -0.4% due to maturing retail issuances.

Off-balance sheet funds were up 2.9% year-on-year, primarily driven by the larger volume of net mutual fund subscriptions, despite being impacted by BancSabadell d'Andorra sale. Excluding this impact of 754 million euros as of the end of March 2021, annual growth would be 4.9%. In the quarter, this item declined by -2.5%, mainly due to financial market volatility.

Non-performing assets (*)

The balance of NPAs was reduced in the quarter to 7,508 million euros (gross), with coverage standing at 52.6% considering total provisions.

The Group's stage 3 ratio remained stable in the quarter at 3.7%, the stage 3 coverage ratio considering total provisions stood at 55.7%, while the stage 3 coverage ratio was 41.2%.

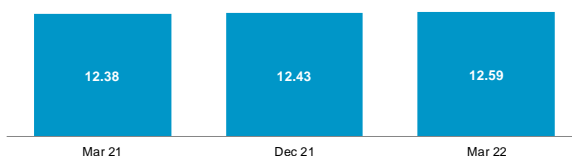
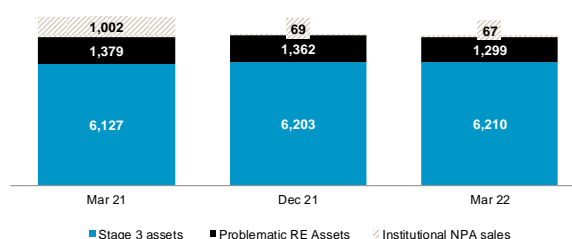
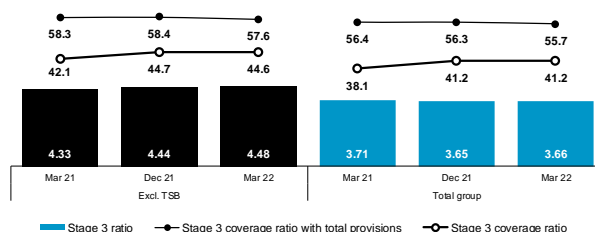
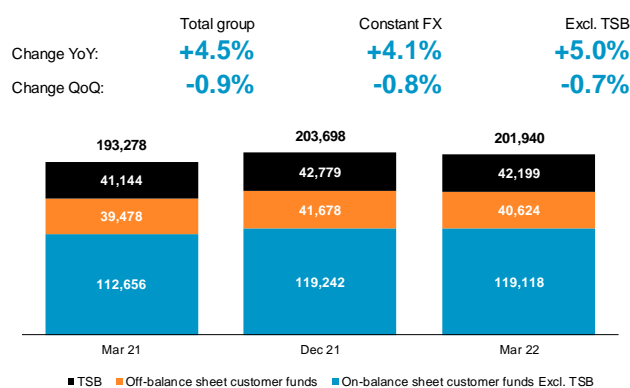
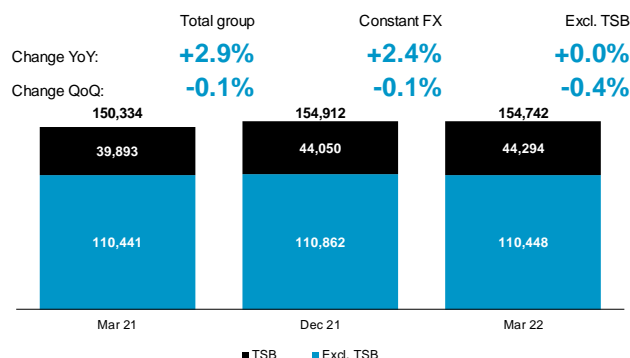
The gross NPA ratio remained stable at 4.4%, while the net NPA ratio stood at 2.1% considering total provisions.

The Group's credit cost of risk stood at 41 bps as of the end of March 2022, thus improving by 8 bps relative to December 2021 and by 28 bps relative to March 2021. Total cost of risk was 54 bps.

Capital ratio

The phase-in CET1 ratio stood at 12.59%, increasing by 16 bps relative to December 2021, while the Total Capital ratio stood at 17.13%, remaining above requirements, with an MDA buffer of 413 bps. The fully-loaded CET1 ratio stood at 12.45%, growing by 27 bps in the quarter.

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



2. Key figures

	Ex TSB			Total group			
	31.03.21	31.03.22	YoY (%) ⁽⁶⁾	31.03.21	31.03.22	YoY (%) ⁽⁶⁾	
Profit and loss account (€ million)							
Net interest income	597	587	-1.7	833	858	3.0	
Core revenues	912	916	0.3	1,175	1,217	3.6	
Gross operating income	959	991	3.3	1,230	1,285	4.5	
Pre-provisions income	427	497	16.4	461	560	21.3	
Attributable net profit	71	194	174.8	73	213	191.9	
Balance sheet (€ million)							
Total assets	197,980	200,441	12	244,872	253,256	3.4	
Performing gross loans	110,441	110,448	0.0	150,334	154,742	2.9	
Gross loans to customers	115,257	115,537	0.2	155,967	160,539	2.9	
On-balance sheet customer funds	112,656	119,118	5.7	153,800	163,116	4.9	
Off-balance sheet customer funds	39,478	40,624	2.9	39,478	40,624	2.9	
Total customer funds	152,134	159,741	5.0	193,278	201,940	4.5	
Net equity	--	--	--	12,630	12,940	2.5	
Shareholders' equity	--	--	--	13,000	13,375	2.9	
Profitability and efficiency ratios (%)							
ROA	--	--	--	0.06	0.30	--	
RORWA	--	--	--	0.16	0.88	--	
ROE	--	--	--	100	5.27	--	
ROTE	--	--	--	125	6.53	--	
Efficiency	48.86	42.71	--	54.64	47.98	--	
Risk management							
Stage 3 exposures (€million)	(1)	5,388	5,585	3.7	6,127	6,210	1.3
Total problematic assets (€million)	(1)	6,767	6,884	1.7	7,507	7,508	0.0
Stage 3 ratio (%)	(1)	4.33	4.48	--	3.71	3.66	--
Stage 3 coverage ratio (%)	(1)	42.1	44.6	--	38.1	41.2	--
Stage 3 coverage ratio with total provisions (%)	(1)	58.3	57.6	--	56.4	55.7	--
Problematic assets coverage (%)	(1)	54.0	53.9	--	52.8	52.6	--
Liquidity management (%)							
Loan-to-deposits ratio	--	98.3	93.4	--	98.3	96.6	--
LCR	--	232	267	--	207	235	--
NSFR	(2)	--	--	--	137	141	--
Capital management							
Risk weighted assets (RWA) (€million)	--	--	--	80,834	80,303	-0.7	
Common Equity Tier 1 (%)	--	--	--	12.38	12.59	--	
Common Equity Tier 1 fully-loaded (%)	--	--	--	11.96	12.45	--	
Tier 1 (%)	--	--	--	14.42	14.64	--	
Total capital ratio (%)	--	--	--	16.66	17.13	--	
MREL (%RWA)	--	--	--	24.27	25.33	--	
MREL (%LRE)	--	--	--	8.93	9.50	--	
Leverage ratio (%)	--	--	--	5.30	5.49	--	
Share data (period end)							
Number of shareholders	--	--	--	241,078	224,715	--	
Total number of shares (million)	--	--	--	5,627	5,627	--	
Share price (€)	(3)	--	--	0.456	0.746	--	
Market capitalisation (€million)	--	--	--	2,545	4,170	--	
Earnings per share (EPS) (€)	(4)	--	--	0.01	0.10	--	
Book value per share (€)	--	--	--	2.32	2.38	--	
TBV per share (€)	--	--	--	1.86	1.93	--	
Price / Tangible book value (times)	--	--	--	0.25	0.39	--	
Price / Earnings ratio (P/E) (times)	--	--	--	49.54	7.35	--	
Other data							
Branches	1,628	1,304	--	2,001	1,594	--	
Employees	15,001	13,283	--	21,452	19,985	--	

(1) NPA portfolios sold to institutional investors are 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 since March 2021, 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 shareholders' equity.

(5) The cumulative EUR/GBP exchange rate as of 31.03.2022 applied throughout the report is 0.8364 in the case of the income statement and 0.8460 in the case of the balance sheet.

(6) Throughout this document, YoY changes in relation to the income statement refer to the cumulative three-month period to the end of March 2022 versus the same cumulative three-month period of 2021.

3. Performance review

Macroeconomic environment

Global economic, political and financial context

The conflict in Ukraine has been the main event in the quarter and it has influenced the economic environment and the performance of financial markets. This conflict has emerged at a complex time for a global economy still reeling from the Covid-19 crisis, persistent tensions in global supply chains and also in the labour market in certain countries, in addition to high inflation. The economic repercussions of this event will likely be structural and are expected to remain even after the military conflict has ended.

The conflict has deteriorated the mix of growth and inflation, even though the direct links between Western economies and Russia are reasonably limited. The main conduit for the impact will be rising costs of energy and commodities, which have recorded their biggest surge in prices since 1974, due to the sanctions imposed on Russia and due to this country's importance in these markets (natural gas, oil, wheat, nickel and lithium, among others).

The EU's reliance on Russian energy imports is significant, which means that the region is more vulnerable to the costs stemming from the conflict than other developed economies. For this reason, the European Commission has proposed a series of measures to reduce this energy dependency, although in the near term these will not be sufficient to curb the economic damage, so Member States have started to design their own countervailing measures. The United States has a more sheltered position, although it will be equally affected by the new inflationary pressures.

Against this backdrop, Western countries have imposed unprecedented sanctions on Russia, such as commercial sanctions that affect a number of sectors, including energy, transportation, defence, communications and Russian technology. It is worth noting the ban imposed by the United States on imports of Russian oil, gas and coal, as well as the EU's ban on Russian coal imports. Financial sanctions have also been imposed, such as the exclusion of a large number of Russian banks from the SWIFT system, the ban on the placement of new Russian sovereign debt in the secondary market, and the freezing of Russian Central Bank assets in the main countries that have imposed sanctions.

Against this backdrop, inflation indicators in the various geographies have continued to climb, reflecting more widespread pressure between the different components. In the euro area, inflation rebounded in March to 7.4% year-on-year, a new record high, while in the United States inflation jumped 8.5% in one year, the sharpest increase since 1981.

In terms of activity data, business confidence indicators weakened in the Eurozone, although they remained at levels compatible with economic expansion. This weakening has been more pronounced among investors and households. In the United States, it is worth noting the continued strength of labour market data.

Lastly, public concern over Covid has waned in the main developed countries. Furthermore, changing protocols, along with reduced monitoring and publication of data in relation to the pandemic, make it difficult to interpret and draw

conclusions from the data, particularly data concerning the number of cases. The number of hospitalisations remains contained. However, in China, the situation is still complicated, with lockdowns introduced in large cities in the face of substantial new outbreaks, which is exacerbating global supply disruptions.

Economic situation in Spain

The Spanish economy showed significant momentum at the end of 2021, growing by 2.2% quarter-on-quarter in 4Q21. Overall in 2021, Spanish GDP rose by 5.1% in the year and was 4 p.p. away from recovering pre-pandemic levels of activity. The start of the year 2022 was marked by the spread of the Omicron variant of the coronavirus, although its impact on activity was limited thanks to the successful vaccination campaign, which prevented hospitalisations and severe restrictions. Activity data were impacted by the outbreak of the conflict in Ukraine, although they proved resilient to the new environment. Business confidence indicators fell but remained at levels compatible with economic expansion. Consumer confidence, on the other hand, dropped significantly, but consumer and labour market data continued to perform well regardless. In terms of inflation, the conflict in Ukraine exacerbated the inflationary pressures that had already been in evidence since 2021, with inflation soaring 9.8% year-on-year as of March, its highest since 1985, influenced by high energy prices. In light of this environment, the Bank of Spain revised down its GDP growth forecasts for this year from 5.4% to 4.5% per annum, and it also revised its inflation forecast from 3.7% to 7.5%.

Economic situation in the United Kingdom

Activity had been showing certain momentum prior to the start of the Ukraine conflict, thanks to the economic reopening once the restrictions imposed to stop the spread of the different Covid variants were lifted. In February, GDP was 1.5% above pre-Covid levels. Inflation, which had been above the BoE's target since mid-2021, rebounded to 7.0%, the highest level since 1991. The conflict in Ukraine and the upturn of inflation have contributed to a substantial decline in consumer confidence in recent weeks.

In relation to the labour market, the unemployment rate has continued to decline, falling to 3.8% in February, which is slightly below pre-crisis levels, demonstrating that the withdrawal of support measures has not produced any significant impact. Companies continue to report difficulties in finding the right candidates to fill vacancies. Wage growth is limited for now (4.0% year-on-year in February, not including bonuses), although there are considerable differences between sectors.

In relation to the real estate market, house prices have continued to rebound in recent months, despite the withdrawal of support schemes, with the year-on-year rate standing at 11.0% as of the end of March. House prices have appreciated by 18% since the start of the pandemic. This dynamism is explained by the existence of other factors, aside from support measures, that have also been supporting the sector,

such as: (i) scarcity of demand, (ii) cash accumulated by households during the pandemic, (iii) increased preference for more spacious housing in light of the growth of telecommuting, (iv) favourable situation in the labour market, and (v) low interest rate environment.

Economic situation in Mexico

The Mexican economy is taking longer than originally expected to recover pre-Covid levels of GDP. Despite the strong links with the United States and although activity in that country has shown favourable momentum, activity in Mexico has been affected by: (i) global supply chain disruptions (particularly in the automotive industry), which have spread as a result of the conflict in Ukraine, and (ii) a more restrictive monetary policy given the continuing inflationary pressures on a global scale. In any event, the Mexican currency has shown significant resilience, due to Banxico's hawkish bias. Another supporting factor has been the lack of Parliamentary consensus regarding the approval of the constitutional energy reform launched by the Government and which aims to limit the role of the private sector in this industry.

Fixed-income markets

The main central banks have shown a hawkish tone in the last quarter and have made progress with their monetary policy normalisation.

The ECB announced that it would discontinue the PEPP (pandemic emergency purchase programme) at the end of March and indicated that the especially attractive conditions of TLTRO III (rate of -1.00%) would come to an end in June this year, as would the collateral easing measures. In its March meeting, the central bank said that intends to end QE in 3Q22, earlier than stated in its December announcement, indicating that the temporary increase will be lower than what it announced previously. Furthermore, a number of ECB members argued in favour of an interest rate hike this year. In any case, Lagarde, President of the ECB, indicated that the ECB's monetary policy normalisation process will be gradual.

In addition, the ECB revised its inflation forecasts upwards for 2022 and 2023 and indicated that the armed conflict in Ukraine is a substantial upside risk for inflation. In relation to growth, it revised down its forecasts for 2022 and indicated that the risks in relation to these forecasts have increased and are tilted to the downside. In general, the ECB's revision of its forecasts has been much less aggressive than the revision made by research houses.

The Fed, for its part, showed a clearly hawkish tone and, in March, it began the interest rate hike cycle with an increase of 25 b.p., as expected. Later, in the minutes, it was stated that the March interest rate hike would probably have been 50 b.p. had it not been for the outbreak of the conflict in Ukraine. The minutes also showed much consensus in favour of moving swiftly towards neutrality and even beyond if necessary. Many members declared their support for rate hikes of 50 b.p. in the next few meetings if inflation remains high.

In terms of its quantitative tightening (QT) policy, the Fed revealed details of a potential plan that would involve reducing its balance sheet by around 1.1 trillion dollars (12%) over the year.

The Bank of England (BoE) responded to the upturn of inflation and the tightening of the labour market, raising its base rate in its last three meetings (December, February and March) to 0.75%. The BoE also stopped reinvesting the proceeds of maturing bonds from its quantitative easing programme in March and indicated that it would begin selling assets from its balance sheet once the base rate reaches 1.00%. Despite this, it is worth noting that, since the outbreak of the conflict in Ukraine, the BoE has adopted a more cautious tone with regard to its next measures, with its justification for this being the high level of uncertainty regarding the impacts of the conflict.

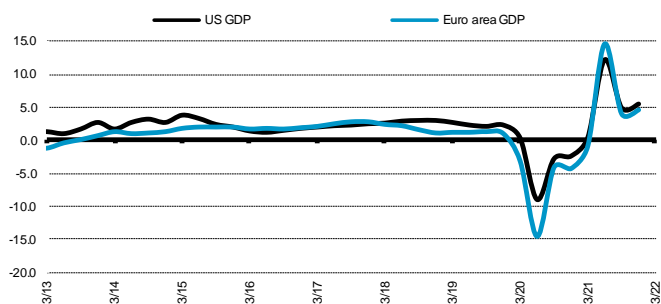
10-year government bond yields in the United States and Germany rebounded sharply in 1Q22 to their highest levels since 2019 and 2018, respectively, influenced by the hawkish tone of the Fed and the ECB as well as high inflation. Against this backdrop, risk premiums in the periphery also rebounded to their highest levels since 2020.

Equity markets

The evolution of equity markets in 1Q22 was shaped by rising geopolitical tensions due to the conflict in Ukraine and, to a lesser extent, by the development of the coronavirus pandemic.

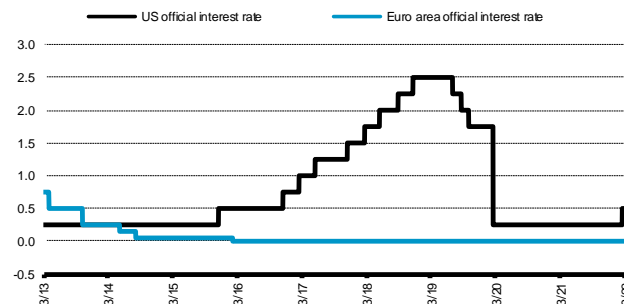
The quarter ended with generalised declines in the main developed economies. In Europe, Euro STOXX 50 posted a decline of -9.2% while IBEX 35 dropped by -3.1%. In the United States, S&P500 fell -2.3% in euros and Japan's Nikkei lost -6.5% in euros. In Latin America, the Brazilian Bovespa ended 1Q22 with gains of +37.4% in euros, benefited from its distance from the conflict in Ukraine and its substantial exposure to commodities.

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



Source: Bloomberg

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



Exchange rates: Parity vs. euro

Fx	31.03.21	30.06.21	30.09.21	31.12.21	31.03.22
USD	1.1725	1.1884	1.1579	1.1326	1.1101
GBP	0.8521	0.8581	0.8605	0.8403	0.8460
MXN	24.0506	23.5784	23.7439	23.1438	22.0903

Source: Bank of Spain

Income statement

Summary of results:

Banco Sabadell Group has generated attributable profit of 213 million euros as of the end of March 2022, of which 194 million euros are recorded ex-TSB and 19 million euros correspond to TSB.

Core results (net interest income + fees and commissions – recurrent costs) increased by 20.9% year-on-year, due to the improvement of net interest income and fees & commissions, and also due to the efforts made to reduce costs.

This cost reduction, due to both lower staff expenses following the execution of efficiency plans and to the recognition of lower general expenses, allowed the cost-to-income ratio to fall to 47.98% as of the end of March 2022.

Similarly, the positive evolution of provisions has reduced credit cost of risk, which stood at 41 bps as of the end of March 2022.

Lastly, it is worth mentioning that TSB's income tax includes an additional non-recurrent cost of -15 million euros as a result of the impact on deferred tax assets following the bank levy review in the United Kingdom, in which this levy was reduced from 8% to 3%.

Income statement

(€ million)	Excl. TSB			Total group				
	1Q21	1Q22	YoY (%)	1Q21	1Q22	YoY (%)	YoY (%) at constant FX	
Net interest income	597	587	-1.7	833	858	3.0	1.5	
Net fees and commissions	315	328	4.2	342	359	5.0	4.6	
Core revenues	912	916	0.3	1,175	1,217	3.6	2.4	
Net trading income and exchange differences	14	28	94.6	23	33	40.8	38.8	
Income from equity method and dividends	46	59	27.8	46	59	27.8	27.8	
Other operating income/expense	-13	-11	-18.6	-14	-23	65.7	64.3	
Gross operating income	959	991	3.3	1,230	1,285	4.5	3.3	
Operating expenses	-440	-399	-9.2	-640	-590	-7.8	-9.3	
Personnel expenses	-296	-261	-11.9	-385	-350	-9.1	-10.2	
Other general expenses	-144	-139	-3.6	-255	-240	-5.8	-7.8	
Amortisation & depreciation	-92	-94	2.4	-129	-136	5.5	4.1	
Total costs	-532	-493	-7.2	-769	-726	-5.6	-7.0	
Memorandum item:								
Recurrent costs	-532	-493	-7.2	-769	-726	-5.6	-7.0	
Non-recurrent costs	0	0	--	0	0	--	--	
Pre-provisions income	427	497	16.4	461	560	21.3	20.7	
Provisions for NPLs	-290	-184	-36.5	-313	-195	-37.5	-37.8	
Provisions for other financial assets	-18	-11	-36.8	-18	-11	-36.8	-36.8	
Other impairments	-24	-20	-15.2	-24	-20	-15.2	-15.3	
Gains on sale of assets and other results	4	-13	--	1	-13	--	--	
Profit before tax	100	269	168.9	108	320	195.9	195.3	
Income tax	-25	-62	148.1	-30	-93	206.2	204.9	
Minority interest	5	13	191.8	5	13	191.8	191.8	
Attributable net profit	71	194	174.8	73	213	191.9	191.5	
Memorandum item:								
Core results (NII + net fees and commissions - costs)	(1)	381	422	10.9	406	491	20.9	20.4

(1) Calculation taking account of recurrent costs.

Quarterly income statement

(€million)	Excl. TSB						Total group						QoQ (%) at constant FX
	1Q21	2Q21	3Q21	4Q21	1Q22	QoQ (%)	1Q21	2Q21	3Q21	4Q21	1Q22	QoQ (%)	
Net interest income	597	606	615	596	587	-1.5	833	852	877	863	858	-0.6	-1.1
Net fees and commissions	315	339	330	363	328	-9.5	342	368	361	397	359	-9.7	-9.9
Core revenues	912	945	945	959	916	-4.5	1,175	1,220	1,238	1,260	1,217	-3.5	-3.9
Net trading income and exchange differences	14	7	323	-2	28	--	23	5	320	-4	33	--	--
Income from equity method and dividends	46	10	11	35	59	70.0	46	10	11	35	59	70.0	70.0
Other operating income/expense	-13	-99	-6	-160	-11	-93.2	-14	-108	-18	-173	-23	-86.6	-86.7
Gross operating income	959	862	1,273	831	991	19.3	1,230	1,127	1,551	1,118	1,285	14.9	14.5
Operating expenses	-440	-416	-722	-418	-399	-4.5	-640	-611	-909	-621	-590	-5.0	-5.5
Personnel expenses	-296	-273	-570	-274	-261	-4.8	-385	-369	-656	-367	-350	-4.8	-5.2
Other general expenses	-144	-143	-151	-144	-139	-3.8	-255	-242	-253	-254	-240	-5.3	-5.9
Amortisation & depreciation	-92	-93	-92	-93	-94	0.9	-129	-133	-128	-138	-136	-1.3	-1.8
Total costs	-532	-509	-813	-511	-493	-3.5	-769	-743	-1,037	-759	-726	-4.3	-4.9
Memorandum item:													
Recurrent costs	-532	-509	-512	-511	-493	-3.5	-769	-743	-736	-740	-726	-1.9	-2.4
Non-recurrent costs	0	0	-301	0	0	--	0	0	-301	-19	0	--	--
Pre-provisions income	427	353	460	319	497	55.8	461	383	515	360	560	55.6	55.3
Provisions for NPLs	-290	-187	-235	-238	-184	-22.8	-313	-192	-228	-217	-195	-10.1	-9.8
Provisions for other financial assets	-18	-30	-10	-39	-11	-70.8	-18	-30	-10	-39	-11	-70.8	-70.8
Other impairments	-24	-44	-52	-58	-20	-65.7	-24	-44	-52	-58	-20	-65.7	-65.7
Gains on sale of assets and other results	4	75	0	56	-13	--	1	73	5	48	-13	--	--
Profit before tax	100	166	163	40	269	--	108	190	229	93	320	243.4	239.7
Income tax	-25	-53	-55	83	-62	--	-30	-40	-78	67	-93	--	--
Minority interest	5	2	2	-1	13	--	5	2	2	-1	13	--	--
Attributable net profit	71	111	106	125	194	55.8	73	147	149	161	213	32.8	32.3
Memorandum item:													
Core results (NII + net fees and commissions - costs)	(1)	381	436	433	447	-5.7	406	477	502	520	491	-5.7	-6.0

(1) Calculation taking account of recurrent costs.

Net interest income:

Net interest income amounted to 858 million euros as of the end of March 2022, representing year-on-year growth of 3.0%, supported by the positive trend of volumes, primarily the growth of mortgages at TSB, in turn driven by good pound sterling performance, the higher remuneration earned on corporate deposits, as well as improvements in wholesale funding, all of which offset by reduced yields on loans and reduced income from the ALCO portfolio. In the quarter, net interest income dropped slightly by -0.6%, mainly due to seasonality in the first quarter of the year, which has fewer calendar days.

Excluding TSB, net interest income amounted to 587 million euros as of the end of March 2022, dropping by -1.7% from the previous year, due to lower yields on loans and the reduced contribution of the ALCO portfolio, which were partially offset by the increased remuneration earned on corporate deposits and the improvements in wholesale funding. In the quarter, this item dropped by -1.5%, mainly affected by the seasonality effect.

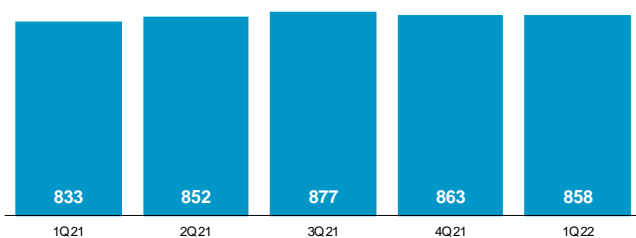
Net interest income in TSB stood at 271 million euros, growing by 14.8% year-on-year and by 1.4% in the quarter; both of these changes were mainly the result of the strong growth of mortgage lending volumes and they were further supported by the evolution of the sterling exchange rate.

Customer spread and net interest margin:

The customer spread stood at 2.24% (2.15% excluding TSB), growing slightly in the quarter. The net interest margin as a percentage of average total assets increased relative to the previous quarter and was 1.38% (1.19% excluding TSB).

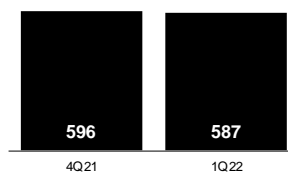
Evolution of net interest income

Total group (€ millions)



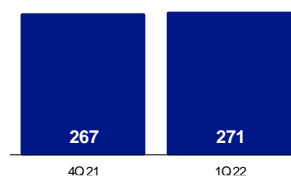
	Total group	Constant FX
Change YoY:	+3.0%	+1.5%
Change QoQ:	-0.6%	-1.1%

Sabadell ex - TSB (€ millions)



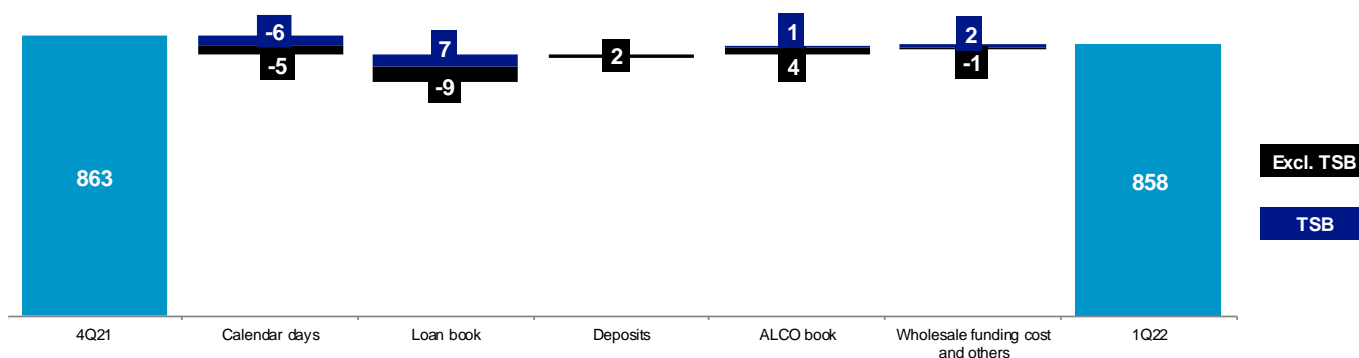
Change YoY: **-1.7%**
Change QoQ: **-1.5%**

TSB (€ millions)

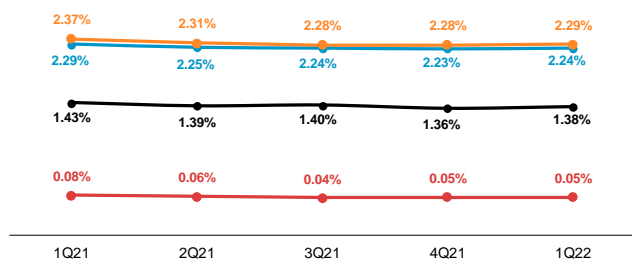


Change YoY: **+14.8%** Constant FX
+9.9%
Change QoQ: **+1.4%** Constant FX
+0.1%

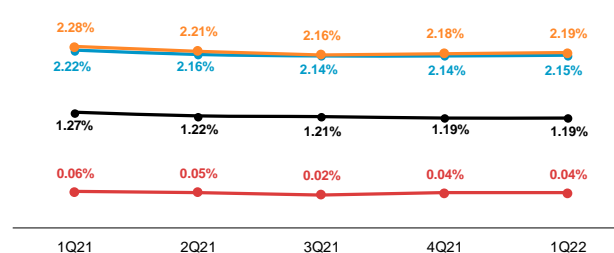
Quarterly evolution of net interest income (€ million)



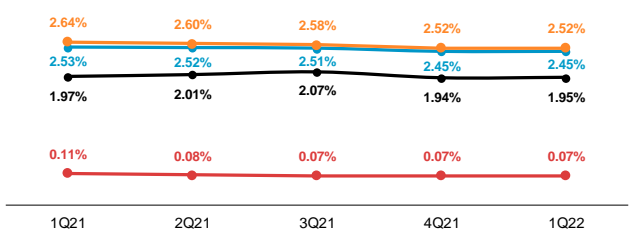
Net interest income, Group (%)



Net interest income, ex-TSB (%)



Net interest income, TSB (%)



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

Gains and charges in the quarter

Total Group

(€million)	1Q21			2Q21			3Q21			4Q21			1Q22		
	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)	41,910	-0.21	-21	48,149	-0.32	-38	49,896	-0.26	-32	54,665	-0.24	-33	55,536	-0.22	-29
Loans to customers (net)	148,164	2.37	866	151,579	2.31	875	153,649	2.28	881	155,218	2.28	891	155,878	2.29	879
Fixed-income securities	25,198	0.67	42	26,344	0.63	41	26,080	0.65	43	22,365	0.50	28	23,117	0.59	33
Equity securities	1,007	--	--	1,120	--	--	1,046	--	--	1,003	--	--	844	--	--
Tang. & intang. assets	5,429	--	--	5,278	--	--	5,027	--	--	4,986	--	--	4,906	--	--
Other assets	14,453	0.36	13	13,062	0.34	11	13,061	0.29	10	12,368	0.19	6	11,974	0.44	13
Total assets	236,160	1.54	899	245,532	1.45	889	248,759	1.44	901	250,605	1.41	893	252,255	1.44	896
Financial institutions (2)	34,679	0.70	60	38,111	0.78	74	38,420	0.77	75	41,134	0.69	72	41,085	0.64	65
Customer deposits (3)	157,698	-0.08	-30	163,316	-0.06	-23	165,534	-0.04	-15	164,344	-0.05	-21	167,158	-0.05	-19
Capital markets	22,366	-1.31	-72	22,480	-1.15	-64	23,455	-1.10	-65	22,794	-1.12	-64	22,171	-1.07	-59
Other liabilities	8,845	-1.12	-24	9,018	-1.08	-24	8,591	-0.86	-19	9,359	-0.71	-17	8,800	-1.17	-25
Shareholders' equity	12,573	--	--	12,607	--	--	12,758	--	--	12,975	--	--	13,042	--	--
Total funds	236,160	-0.11	-66	245,532	-0.06	-37	248,759	-0.04	-24	250,605	-0.05	-30	252,255	-0.06	-38
Net interest income			833			852			877			863			858
Customer spread		2.29			2.25			2.24			2.23			2.24	
Net interest margin as % of ATA		1.43			1.39			1.40			1.36			1.38	

- (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)	1Q21			2Q21			3Q21			4Q21			1Q22		
	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)	36,812	-0.25	-22	44,290	-0.34	-37	46,570	-0.27	-32	49,101	-0.26	-32	49,869	-0.26	-32
Loans to customers (net)	109,318	2.28	613	111,126	2.21	612	111,726	2.16	608	111,405	2.18	613	110,966	2.19	599
Fixed-income securities	22,662	0.73	41	23,818	0.74	44	23,177	0.77	45	19,366	0.60	29	20,202	0.66	33
Other assets	21,579	0.42	22	20,231	0.34	17	19,976	0.27	14	19,158	0.23	11	18,299	0.22	10
Total assets	190,371	1.39	654	199,465	1.28	636	201,450	1.25	635	199,030	1.24	622	199,336	1.24	610
Financial institutions (2)	31,512	0.78	61	35,729	0.84	75	35,478	0.84	75	35,364	0.83	74	34,495	0.85	72
Customer deposits (3)	118,090	-0.06	-19	122,669	-0.05	-14	124,269	-0.02	-7	122,361	-0.04	-14	124,655	-0.04	-12
Capital markets	20,479	-1.29	-65	20,798	-1.15	-60	21,412	-1.14	-62	20,715	-1.14	-60	20,065	-1.08	-53
Other liabilities and shareholders' equity	20,290	-0.68	-34	20,270	-0.61	-31	20,291	-0.53	-27	20,589	-0.50	-26	20,121	-0.60	-30
Total funds	190,371	-0.12	-57	199,465	-0.06	-30	201,450	-0.04	-20	199,030	-0.05	-26	199,336	-0.05	-23
Net interest income			597			606			615			596			587
Customer spread		2.22			2.16			2.14			2.14			2.15	
Net interest margin as % of ATA		1.27			1.22			1.21			1.19			1.19	

- (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.

Income from equity method and dividends:

This item amounted to 59 million euros as of the end of March 2022, after booking greater income from BS Capital's investees, of which 13 million euros are discounted in the minority interest heading, meaning that the net amount is 46 million euros.

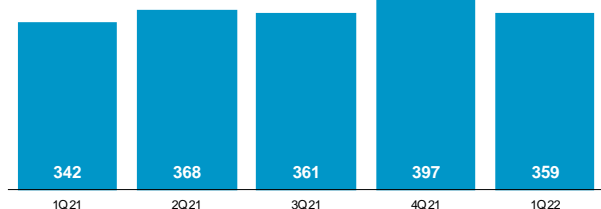
Net fees and commissions:

Fees and commissions amounted to 359 million euros as of the end of March 2022, representing year-on-year growth of 5.0% (4.2% excluding TSB), supported by the good performance of all segments, in particular service fees and asset management fees.

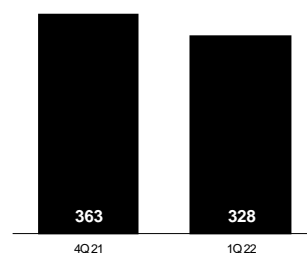
Quarter-on-quarter, net fees and commissions fell by -9.7% (-9.5% excluding TSB), due mainly to positive seasonality in Q4 2021 related to asset management and insurance business success fees, and also driven by reduced syndicated loan activity.

Evolution of net fees and commissions

Total group (€ millions)



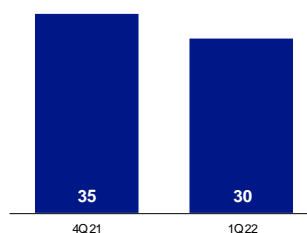
Sabadell ex - TSB (€ millions)



Change YoY:
+4.2%

Change QoQ:
-9.5%

TSB (€ millions)



Change YoY:
+14.7%
+9.7% Constant FX

Change QoQ:
-12.3%
-13.6% Constant FX

	Total group	Constant FX
Change YoY:	+5.0%	+4.6%
Change QoQ:	-9.7%	-9.9%

Net fees and commissions

(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	4 Q21	1Q22	QoQ (%)	4 Q21	1Q22	QoQ (%)	1Q21	1Q22	YoY (%)	1Q21	1Q22	YoY (%)
Lending fees	43	44	0.5	43	44	0.5	41	44	6.8	41	44	6.9
Guarantees commissions	27	24	-10.5	27	24	-10.5	24	24	-1.4	24	24	-1.4
Risk transaction fees	70	68	-3.7	70	68	-3.7	65	68	3.7	65	68	3.7
Cards	39	40	3.4	56	57	1.4	40	40	-0.2	53	57	7.5
Payment orders	20	19	-5.6	20	19	-5.7	17	19	9.8	18	19	8.6
Securities	18	14	-21.1	18	14	-21.1	15	14	-9.7	15	14	-9.7
Custodian mutual and pension funds	0	0	--	0	0	--	4	0	-100.0	4	0	-100.0
Sight accounts	62	59	-5.1	75	68	-8.7	55	59	6.8	65	68	5.3
Foreign currency and notes exchange	25	28	8.1	32	33	5.4	21	28	33.0	25	33	32.2
Other transactions	24	17	-25.9	17	12	-30.7	18	17	-2.0	14	12	-11.6
Commissions for services	187	176	-5.7	218	204	-6.5	170	176	3.9	194	204	5.3
Mutual funds	33	32	-4.8	33	32	-4.8	27	32	18.2	27	32	18.2
Pension funds and insurance brokerage	52	47	-9.8	55	49	-10.4	47	47	-1.1	50	49	-0.8
Wealth management	20	6	-71.6	20	6	-71.6	6	6	-2.3	6	6	-2.3
Asset Under Management commissions	105	84	-20.0	109	87	-20.0	80	84	5.3	83	87	5.3
Total	363	328	-9.5	397	359	-9.7	315	328	4.2	342	359	5.0

Net trading income and exchange differences:

As of the end of March 2022, this item amounted to 33 million euros (28 million euros excluding TSB) and mainly included positive results on trading derivatives. As of the end of March 2021, it amounted to 23 million euros (14 million euros excluding TSB), while it was negative in the previous quarter at -4 million euros (-2 million euros ex-TSB).

Other operating income and expenses:

This item stood at -23 million euros as of the end of March 2022 (-11 million euros ex-TSB), while in the previous year it amounted to -14 million euros (-13 million euros not including TSB), mainly because this year no longer includes the contribution of BanSabadell Renting following its sale.

The change relative to the previous quarter is due to the inclusion in the previous quarter of the contribution to the Deposit Guarantee Fund (DGF) and the payment of the Spanish tax on deposits of credit Institutions (IDEC).

Total costs:

Total costs amounted to -726 million euros as of the end of March 2022 (-493 million euros excluding TSB), representing a year-on-year reduction of -5.6%, mainly driven by savings on staff expenses following the execution of the efficiency plans, and also by reduced general expenses.

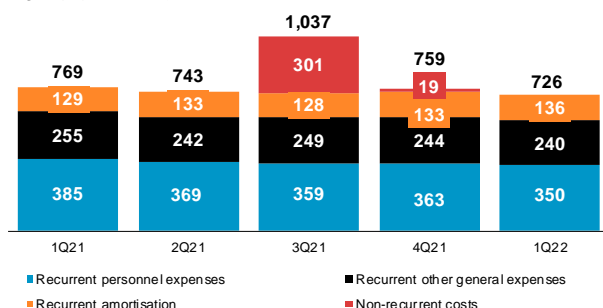
Quarter-on-quarter, costs fell by -4.3%, due to the aforesaid reduction of staff expenses and because the previous quarter included -19 million euros of non-recurrent costs related to branch closures at TSB. Excluding this impact, recurrent costs fell by -1.9% in the quarter.

Total costs

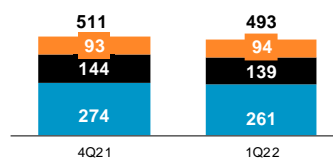
(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	4 Q21	1Q22	QoQ (%)	4 Q21	1Q22	QoQ (%)	1Q21	1Q22	YoY (%)	1Q21	1Q22	YoY (%)
Personnel expenses	-274	-261	-4.8	-367	-350	-4.8	-296	-261	-11.9	-385	-350	-9.1
IT and communications	-61	-56	-8.8	-112	-109	-2.8	-56	-56	-0.8	-109	-109	-0.8
Advertising	-7	-10	48.9	-17	-18	7.7	-11	-10	-10.8	-24	-18	-23.3
Premises and office supplies	-8	-10	25.4	-29	-16	-43.1	-11	-10	-4.6	-18	-16	-9.1
Technical reports and judicial expenses	-11	-5	-52.0	-15	-9	-38.5	-6	-5	-15.8	-10	-9	-2.6
Subcontracted administrative services	-8	-14	66.2	-19	-29	52.5	-13	-14	7.9	-36	-29	-17.5
Contributions and taxes	-27	-25	-6.7	-29	-29	1.4	-29	-25	-12.6	-33	-29	-11.0
Others	-22	-18	-15.7	-33	-29	-11.3	-18	-18	3.3	-26	-29	12.4
Other general expenses	-144	-139	-3.8	-254	-240	-5.3	-144	-139	-3.6	-255	-240	-5.8
Amortisation & depreciation	-93	-94	0.9	-138	-136	-1.3	-92	-94	2.4	-129	-136	5.5
Total costs	-511	-493	-3.5	-759	-726	-4.3	-532	-493	-7.2	-769	-726	-5.6
Memorandum item:												
Recurrent costs	-511	-493	-3.5	-740	-726	-1.9	-532	-493	-7.2	-769	-726	-5.6
Non-recurrent costs	0	0	--	-19	0	-100.0	0	0	--	0	0	--

Evolution of total costs

Total group (€ millions)



Sabadell ex - TSB (€ millions)



Recurrent costs

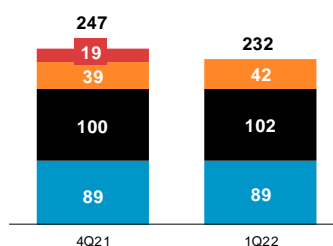
Change YoY:

-7.2%

Change QoQ:

-3.5%

TSB (€ millions)



Recurrent costs

Change YoY:

-2.0%

-6.2% Constant FX

Change QoQ:

+1.6%

+0.4% Constant FX

	Total group ⁽¹⁾	Constant FX ⁽¹⁾
Change YoY:	-5.6%	-7.0%
Change QoQ:	-1.9%	-2.4%

(1) Change over total recurrent costs.

Core results:

As of the end of March 2022, core results (net interest income + fees and commissions – recurrent costs) stood at 491 million euros, representing growth of 20.9% year on-year as a result of the increase of net interest income and the good evolution of fees and commissions, as well

as the aforesaid cost reduction. In the quarter, this item fell by -5.7%, impacted by the effect of seasonality on net interest income and fees and commissions.

(€million)

	Total group					
	4 Q21	1Q22	QoQ (%)	1Q21	1Q22	YoY (%)
Net interest income	863	858	-0.6	833	858	3.0
Net fees and commissions	397	359	-9.7	342	359	5.0
Recurrent costs	-740	-726	-1.9	-769	-726	-5.6
Core results	520	491	-5.7	406	491	20.9

Provisions for loan losses and other impairments:

This item amounted to -227 million euros as of the end of March 2022 (-215 million euros excluding TSB), compared to -354 million euros (-331 million euros excluding TSB) as of the end of March 2021, thus representing a reduction of -36.0% (-35.0% not including TSB). Similarly, in the quarter, total provisions declined by -27.9% (-35.8% not including TSB).

This level of provisions represents credit cost of risk for the Group of 41 bps as of the end of March 2022, thus improving by 8 bps relative to December 2021 and by 28 bps relative to March 2021. Total cost of risk was 54 bps.

Gains on sale of assets and other results:

Capital gains on sale of assets and other results amounted to -13 million euros as of the end of March 2022. The change compared to the previous quarter is explained by the fact that the previous quarter included 42 million euros, gross (41 million euros, net) on the sale of the BanSabadell Renting business and 12 million euros, gross (2 million euros, net) following the sale of BancSabadell d'Andorra.

Net profit:

The Group's net profit amounted to 213 million euros as of the end of March 2021 (194 million euros excluding TSB) representing a sharp year-on-year increase mainly due to improved core revenue, cost savings and because fewer provisions were booked.

Balance sheet

Highlights:

Performing loans performed well during the year, mainly supported by the growth of the mortgage book, particularly at TSB. In the quarter, they remained stable, affected by the depreciation of the pound sterling at TSB.

The good evolution of sight deposit accounts is driving the growth over the year of on-balance sheet customer funds, offsetting the reduction of term deposits. In the quarter, on-balance sheet funds dropped slightly due to maturing retail issuances.

Off-balance sheet funds followed an upward trend in the year, supported by the growth of mutual funds, mainly due to new inflows while, in the quarter, they were affected by financial market volatility.

Balance sheet

(€ million)	31.03.21	31.12.21	31.03.22	Change	
				YoY (%)	QoQ (%)
Cash, cash balances at central banks and other demand deposits	42,275	49,213	53,459	25.7	8.0
Financial assets held for trading and fair value with changes in PL	3,059	2,051	2,509	-18.0	22.3
Financial assets in fair value OCI	6,875	6,870	7,287	6.0	6.1
Financial assets at amortised cost	176,287	178,869	175,632	-0.4	-1.8
Loans and advances to customers	152,709	157,366	157,264	3.0	-0.1
Loans and advances of central banks and credit institutions	5,082	6,313	3,358	-33.9	-46.8
Debt securities	18,497	15,190	15,010	-18.8	-1.2
Investments in subsidiaries, joint ventures and associates	822	639	552	-32.9	-13.7
Tangible assets	3,173	2,777	2,719	-14.3	-2.1
Intangible assets	2,562	2,581	2,529	-1.3	-2.0
Other assets	9,819	8,946	8,869	-9.7	-0.9
Total assets	244,872	251,947	253,256	3.4	0.5
Financial liabilities held for trading and fair value with changes in PL	1,959	1,380	1,684	-14.0	22.0
Financial liabilities at amortised cost	227,924	235,179	236,919	3.9	0.7
Central banks	34,593	38,250	37,978	9.8	-0.7
Credit institutions	10,511	8,817	9,600	-8.7	8.9
Customer deposits	156,553	162,239	162,602	3.9	0.2
Debt securities issued	21,524	21,051	21,107	-1.9	0.3
Other financial liabilities	4,743	4,822	5,632	18.8	16.8
Provisions	674	886	689	2.2	-22.3
Other liabilities	1,686	1,505	1,024	-39.3	-32.0
Subtotal liabilities	232,242	238,950	240,316	3.5	0.6
Shareholders' equity	13,000	13,357	13,375	2.9	0.1
Accumulated other comprehensive income	-445	-386	-472	6.0	22.3
Minority interest	75	25	37	-49.8	50.0
Net equity	12,630	12,996	12,940	2.5	-0.4
Total liabilities and equity	244,872	251,947	253,256	3.4	0.5
Financial guarantees granted	1,956	2,034	1,991	1.8	-2.1
Commitments for loans granted	29,431	28,403	28,045	-4.7	-1.3
Other commitments granted	8,096	7,385	7,762	-4.1	5.1

Assets:

The Group's total assets amounted to 253,256 million euros, representing an increase of 3.4% year-on-year and of 0.5% in the quarter.

Excluding TSB, total assets amounted to 200,441 million euros, increasing by 1.2% year-on-year and by 0.5% in the quarter.

Loans and advances to customers:

Performing loans ended the first quarter of 2022 with a balance of 154,742 million euros (110,448 million euros ex-TSB), representing year-on-year growth of 2.9% (remaining stable ex-TSB) and remaining stable in the quarter (-0.4% not including TSB).

Excluding the impact of the APS, lending growth stood at 3.1% year-on-year (0.2% excluding TSB).

In Spain, performing loans excluding the APS remained stable in the year, as the growth of the mortgage book and of consumer loans was offset by the decline recorded by foreign branches, which are included in this scope, and by the outflow of balances from BancSabadell d'Andorra following its sale. In the quarter, lending volumes dipped slightly by -0.4%, impacted mainly by reduced business lending.

The balance recorded by foreign branches (including Miami) amounted to 8,723 million euros, representing a drop of -8.5% year-on-year and of -0.8% in the quarter.

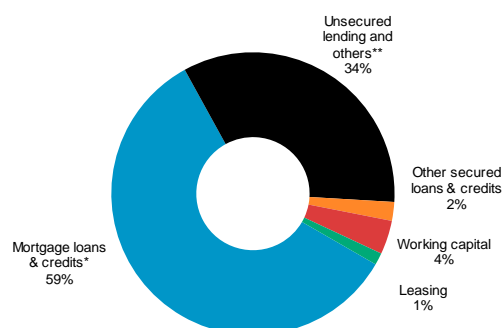
In TSB, lending was up by 11.0% year-on-year and 0.6% in the quarter, supported, in the first case, by the appreciation of the pound sterling and, in the second case, by its depreciation. Considering a constant exchange rate, the growth stands at 10.2% year-on-year and 1.2% in the quarter, with the growth of the mortgage book standing out in both cases.

Mexico saw growth of 3.7% year-on-year and a slight decline of -0.3% in the quarter, in both cases supported by the appreciation of the Mexican peso. Considering a constant exchange rate, it recorded a reduction of -3.2% year-on-year and -3.2% in the quarter, due to the conservative policy followed when granting new loans.

Loans and advances to customers

(€ million)	Excl. TSB					Total group				
	31.03.21	31.12.21	31.03.22	Change		31.03.21	31.12.21	31.03.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Mortgage loans & credits	49,755	49,640	49,436	-0.6	-0.4	86,616	90,718	90,790	4.8	0.1
Other secured loans & credits	3,038	2,999	2,792	-8.1	-6.9	3,750	3,596	3,331	-11.2	-7.4
Working capital	5,104	6,050	5,992	17.4	-0.9	5,104	6,050	5,992	17.4	-0.9
Leasing	2,158	2,106	2,120	-1.7	0.7	2,158	2,106	2,120	-1.7	0.7
Unsecured lending and others	50,387	50,067	50,108	-0.6	0.1	52,707	52,443	52,509	-0.4	0.1
Performing gross loans	110,441	110,862	110,448	0.0	-0.4	150,334	154,912	154,742	2.9	-0.1
Of which: APS	241	70	70	-70.8	0.0	241	70	70	-70.8	0.0
Performing gross loans excluding APS	110,200	110,791	110,378	0.2	-0.4	150,093	154,842	154,672	3.1	-0.1
Stage 3 assets (customer)	4,901	5,055	5,085	3.7	0.6	5,639	5,698	5,708	1.2	0.2
Accruals	-85	-39	-50	-41.2	28.0	-6	58	35	--	-40.2
Gross loans to customers (excluding repos)	115,257	115,878	115,483	0.2	-0.3	155,967	160,668	160,485	2.9	-0.1
Reverse repos	0	0	54	--	--	0	0	54	--	--
Gross loans to customers	115,257	115,878	115,537	0.2	-0.3	155,967	160,668	160,539	2.9	-0.1
NPL and country-risk provisions	-2,970	-3,076	-3,050	2.7	-0.9	-3,258	-3,302	-3,275	0.5	-0.8
Loans and advances to customers	112,287	112,801	112,487	0.2	-0.3	152,709	157,366	157,264	3.0	-0.1

Loans and advances to customers, by product type 31.03.2022 (%) ^(*)

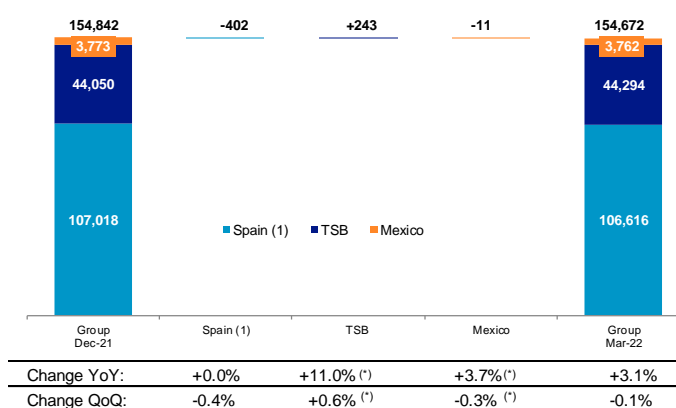


*Includes mortgage loans and credits both to individuals and companies.

**Includes ICO loans.

(*) Excluding stage 3 assets and accrual adjustment

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



(*) In TSB +10.2% YoY and +1.2% QoQ in GBP and in Mexico -3.2% YoY and -3.2% QoQ in MXN.

(1) Spain includes foreign branches (€8,723M in Mar 22 and €8,789M in Dec 21).

Liabilities:

Customer funds:

As of the end of March 2022, on-balance sheet customer funds amounted to 161,316 million euros (119,118 million euros ex-TSB), posting year-on-year growth of 4.9% (5.7% ex-TSB), driven by the growth of sight deposits, which offset the fall in term deposits. In the quarter, they dropped slightly by -0.4% (-0.1% excluding TSB), due to maturing retail issuances.

Sight deposit account balances amounted to 146,520 million euros (106,279 million euros excluding TSB), representing an increase of 8.2% year-on-year (9.7% excluding TSB) and a slight decline of -0.5% in the quarter (-0.3% excluding TSB), in both cases influenced by funds flowing to and from term deposits.

Term deposits amounted to 15,386 million euros (13,428 million euros excluding TSB), representing a decline of -17.2% from the previous year (-16.0% excluding TSB), as funds flowed through to sight deposit accounts, while in the quarter they increased by 3.9% (5.5% excluding TSB).

At TSB, on-balance sheet customer funds increased by 2.6% year-on-year, supported by the appreciation of the pound sterling, and they fell by -1.4% in the quarter, in this case affected by the currency depreciation. At a constant exchange rate, growth is 1.8% year-on-year and the decline shrinks to -0.7%, both changes due to current account balance movements.

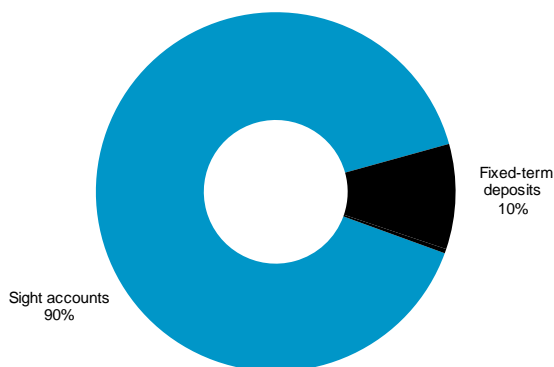
Total off-balance sheet customer funds amounted to 40,624 million euros as of the end of March 2022, rising by 2.9% year-on-year, primarily driven by the larger volume of net mutual fund subscriptions, despite being impacted by BancSabadell d'Andorra sale. Excluding this impact of 754 million euros as of the end of March 2021, annual growth would be 4.9%. In the quarter, this item declined by -2.5%, mainly due to financial market volatility.

Funds under management and third-party funds:

This item amounted to a total of 224,333 million euros (179,597 million euros excluding TSB), representing a year-on-year increase of 3.1% (3.2% excluding TSB), while in the quarter it remained largely steady both at the Group level and excluding TSB.

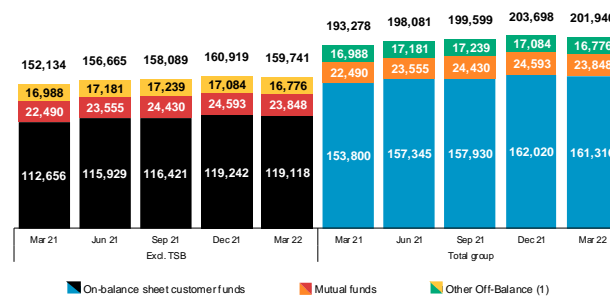
Exposure with central banks includes 32,000 million euros with the ECB and 6,507 million euros with the Bank of England, remaining stable in the quarter.

Customer deposits, 31.03.2022 (%) (*)



(*) Excluding accrual adjustments and hedging derivatives.

Evolution of customer funds (€ million)



	Excl. TSB (*)	Total group (*)
Change YoY:	+5.7%	+4.9%
Change QoQ:	-0.1%	-0.4%

(*) Change on balance sheet customer funds.

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

Customer funds

(€ million)	Excl. TSB					Total group				
	31.03.21	31.12.21	31.03.22	Change		31.03.21	31.12.21	31.03.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Financial liabilities at amortised cost	181,817	183,340	184,859	1.7	0.8	227,924	235,179	236,919	3.9	0.7
Non-retail financial liabilities	69,161	64,098	65,741	-4.9	2.6	74,123	73,159	75,602	2.0	3.3
Central banks	32,345	31,703	31,464	-2.7	-0.8	34,593	38,250	37,978	9.8	-0.7
Credit institutions	10,509	8,815	9,589	-8.8	8.8	10,511	8,817	9,600	-8.7	8.9
Institutional issues	21,956	19,182	19,855	-9.6	3.5	24,277	21,270	22,392	-7.8	5.3
Other financial liabilities	4,350	4,398	4,834	11.1	9.9	4,743	4,822	5,632	18.8	16.8
On-balance sheet customer funds	112,656	119,242	119,118	5.7	-0.1	153,800	162,020	161,316	4.9	-0.4
Customer deposits	115,016	119,454	119,934	4.3	0.4	156,553	162,239	162,602	3.9	0.2
Sight accounts	96,844	106,578	106,279	9.7	-0.3	135,397	147,268	146,520	8.2	-0.5
Fixed-term deposits	(1) 15,981	12,725	13,428	-16.0	5.5	18,573	14,813	15,386	-17.2	3.9
Repos	2,075	60	174	-91.6	187.8	2,449	60	634	-74.1	--
Accruals and derivative hedging adjustments	117	91	54	-54.3	-41.2	135	98	61	-54.6	-37.3
Debt and other marketable securities	16,122	14,741	14,797	-8.2	0.4	17,589	16,822	16,866	-4.1	0.3
Subordinated liabilities	(2) 3,473	4,229	4,241	22.1	0.3	3,935	4,229	4,241	7.8	0.3
On-balance sheet funds	134,612	138,423	138,973	3.2	0.4	178,077	183,290	183,709	3.2	0.2
Mutual funds	22,490	24,593	23,848	6.0	-3.0	22,490	24,593	23,848	6.0	-3.0
Managed mutual funds	407	0	0	-100.0	--	407	0	0	-100.0	--
Dedicated investment companies	1,424	1,365	1,289	-9.5	-5.6	1,424	1,365	1,289	-9.5	-5.6
Third-party funds	20,659	23,228	22,558	9.2	-2.9	20,659	23,228	22,558	9.2	-2.9
Managed accounts	3,445	3,795	3,715	7.8	-2.1	3,445	3,795	3,715	7.8	-2.1
Pension funds	3,410	3,525	3,416	0.2	-3.1	3,410	3,525	3,416	0.2	-3.1
Individual	2,223	2,300	2,217	-0.3	-3.6	2,223	2,300	2,217	-0.3	-3.6
Company	1,180	1,219	1,194	1.1	-2.1	1,180	1,219	1,194	1.1	-2.1
Group	6	6	6	-7.4	-2.8	6	6	6	-7.4	-2.8
Third-party insurance products	10,133	9,765	9,645	-4.8	-1.2	10,133	9,765	9,645	-4.8	-1.2
Off-balance sheet customer funds	39,478	41,678	40,624	2.9	-2.5	39,478	41,678	40,624	2.9	-2.5
Funds under management and third-party funds	174,090	180,101	179,597	3.2	-0.3	217,555	224,968	224,333	3.1	-0.3

- (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 March 2022:

Equity

(€ million)	31.03.21	31.12.21	31.03.22	Change	
				YoY	QoQ
Shareholders' equity	13,000	13,357	13,375	375	18
Issued capital	703	703	703	0	0
Reserves	12,238	12,139	12,467	229	328
Of which: AT1	-240	-321	-356	-116	-34
Other equity	21	19	20	-2	1
Less: treasury shares	-36	-35	-29	7	6
Attributable net profit	73	530	213	140	-317
Accumulated other comprehensive income	-445	-386	-472	-27	-86
Minority interest	75	25	37	-37	12
Net equity	12,630	12,996	12,940	311	-56

Risk management

Highlights:

The Group's stage 3 ratio remained stable in the quarter, standing at 3.7% as of the end of March 2022.

In the quarter, non-performing assets were reduced by -56 million euros. Of these, stage 3 balances increased by 7 million euros, affected by the increase of 69 million euros in Mexico due to the first application of IFRS 9, while foreclosed assets were reduced by -63 million euros.

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 7.6% of the total with coverage of 3.9%, and the balance of stage 3 loans represents 3.7% of the total with coverage of 41.2%.

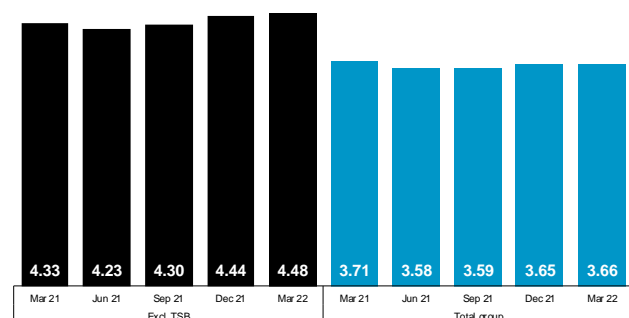
The NPA coverage ratio including total provisions stood at 52.6%, with the stage 3 coverage ratio including total provisions standing at 55.7% and the foreclosed asset coverage ratio standing at 38.0%.

Risk management:

Non-performing assets showed a balance of 7,508 million euros as of the end of March 2022, of which 6,210 million euros correspond to stage 3 assets and 1,299 million euros correspond to foreclosed assets.

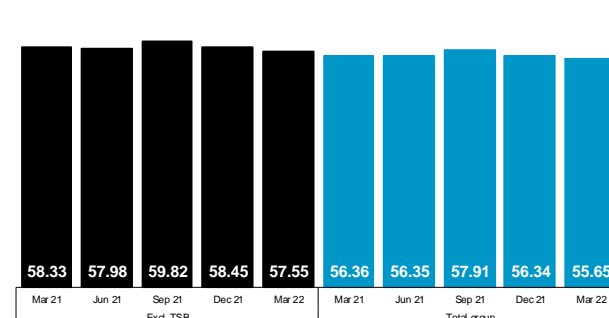
The gross NPA ratio stood at 4.4%, while the net NPA ratio considering total provisions stood at 2.1%.

Stage 3 ratios (%) ^(*)



(*) Calculated including contingent exposures.

Stage 3 coverage ratios with total provisions (%) ^(*)

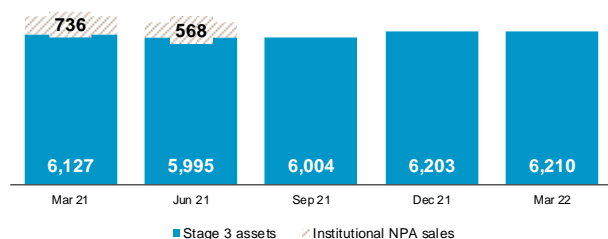


Stage 3 ratios by segment ^(*)

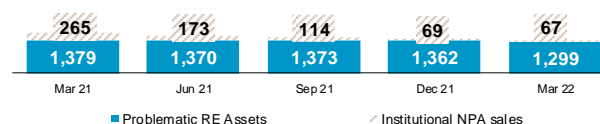
Total group	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22
Real estate development and/or construction purposes	8.20%	8.62%	9.05%	9.79%	8.86%
Construction purposes non-related to real estate dev.	12.93%	12.97%	11.77%	11.95%	9.49%
Large corporates	2.48%	2.16%	2.28%	2.35%	2.45%
SME and small retailers and self-employed	6.54%	6.35%	6.14%	6.40%	6.54%
Individuals with 1st mortgage guarantee assets	2.53%	2.45%	2.51%	2.50%	2.47%
Stage 3 ratio	3.71%	3.58%	3.59%	3.65%	3.66%

(*) Calculated including contingent exposures.

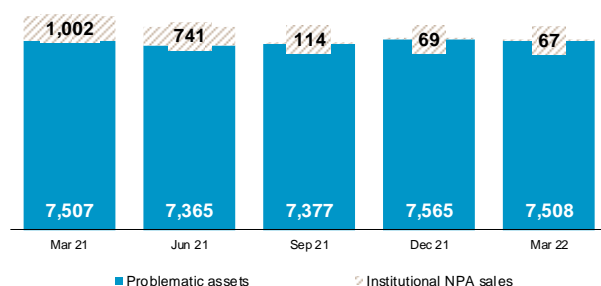
Evolution of stage 3 assets (€ million) ^(*)



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



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



(*) Calculated including contingent exposures.

The table below shows the evolution of problematic assets and their reduction over the last few quarters.

Evolution of Group stage 3 and foreclosed assets

(€million)		1Q21	2Q21	3Q21	4Q21	1Q22
Gross entries (stage 3)	(1)	757	537	511	804	640
Recoveries and sales	(1) (2)	-342	-536	-373	-516	-488
Net stage 3 entries		415	1	139	287	153
Gross entries (foreclosed assets)		47	31	63	37	16
Sales	(2)	-41	-40	-59	-49	-79
Change in foreclosed assets		6	-9	3	-11	-63
Net stage 3 entries + Change in foreclosed assets		420	-8	142	276	89
Write-offs		-95	-133	-129	-89	-146
Foreclosed assets and stage 3 quarterly change		325	-142	13	187	-56

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

Evolution of Group problematic asset coverage ^(*)

(€ million)	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22
Stage 3 exposures	6,127	5,995	6,004	6,203	6,210
Total provisions	3,453	3,378	3,477	3,495	3,456
Stage 3 coverage ratio with total provisions (%)	56.4%	56.4%	57.9%	56.3%	55.7%
Stage 3 exposures	6,127	5,995	6,004	6,203	6,210
Stage 3 provisions	2,335	2,374	2,513	2,553	2,560
Stage 3 coverage ratio (%)	38.1%	39.6%	41.9%	41.2%	41.2%
Problematic RE Assets	1,379	1,370	1,373	1,362	1,299
Provisions	510	511	508	520	494
Problematic Real Estate coverage ratio (%)	37.0%	37.3%	37.0%	38.2%	38.0%
Total problematic assets	7,507	7,365	7,377	7,565	7,508
Provisions	3,963	3,889	3,985	4,014	3,950
Problematic assets coverage (%)	52.8%	52.8%	54.0%	53.1%	52.6%
Gross loans and guarantees granted + problematic RE Assets	166,618	168,767	168,608	171,298	171,005
Gross NPA ratio (%)	(1) 4.5%	4.4%	4.4%	4.4%	4.4%
Net problematic assets	3,543	3,476	3,393	3,550	3,559
Net NPA ratio (%)	(1) 2.1%	2.1%	2.0%	2.1%	2.1%
Net problematic assets as of % of total assets	1.4%	1.4%	1.4%	1.4%	1.4%

(*) Includes contingent exposures. NPA portfolios sold to institutional investors are 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 customer loans and guarantees given plus foreclosed assets, while the net NPA ratio is calculated as net problematic assets, including all provisions, divided by customer loans and guarantees given plus foreclosed assets.

Forbearance and restructured loans

The outstanding balance of forbearance and restructured loans as of the end of March 2022 is as follows:

(€million)	Mar 21		Jun 21		Sep 21		Dec 21		Mar 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	9	10	8	10	8	9	8	10	8
Companies and self employed	4,687	1,943	5,111	1,902	5,151	1,851	4,931	1,912	4,768	1,990
Of which: Financing for construction and real estate development	263	128	341	146	323	141	309	143	296	155
Individuals	1,813	1,025	1,833	1,050	1,910	1,086	1,907	1,090	1,862	1,055
Total	6,511	2,977	6,954	2,960	7,070	2,946	6,848	3,010	6,640	3,052
Provisions	1,300	1,051	1,261	1,053	1,311	1,113	1,331	1,144	1,267	1,122
Coverage ratio	20.0%	35.3%	18.1%	35.6%	18.5%	37.8%	19.4%	38.0%	19.1%	36.8%

Problematic foreclosed assets (*)

(€million)	Gross amount	Allowances for losses
Real estate assets deriving from financing of construction and real estate development	633	243
Finished buildings	579	215
Housing	362	123
Rest	218	92
Buildings under construction	7	4
Housing	6	4
Rest	0	0
Land	47	24
Building land	28	12
Other land	19	11
Real estate assets deriving from home loan mortgages	639	240
Real estate assets acquired in discharge of debts	27	11
Total real-estate portfolio	1,299	494

(*) 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
Loans to customers and guarantees granted	150,649	12,848	6,210
<i>Change QoQ</i>	<i>-0.1%</i>	<i>-0.5%</i>	<i>0.1%</i>
Provisions	399	497	2,560
Coverage	0.3%	3.9%	41.2%
% Stage / Total Loans	88.8%	7.6%	3.7%

Liquidity management

Highlights:

The Group has a sound liquidity position, with an LCR (Liquidity Coverage Ratio) of 235% as of the end of March 2022 (267% excluding TSB and 185% in TSB) and total liquid assets of 56,293 million euros.

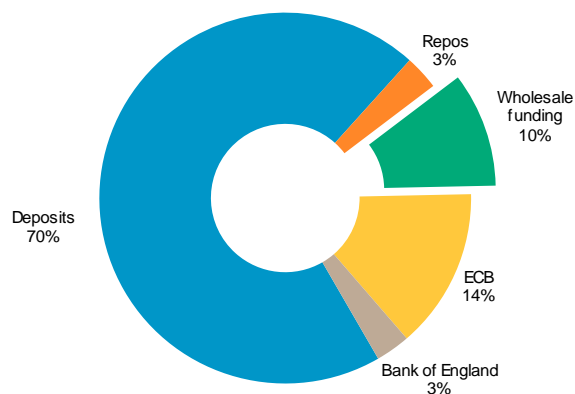
The loan-to-deposit ratio as of the end of March 2022 was 96.6%, with a balanced retail funding structure.

In the first quarter of 2022, Banco Sabadell executed a 750 million euros issuance of Senior Non Preferred debt (green issuance).

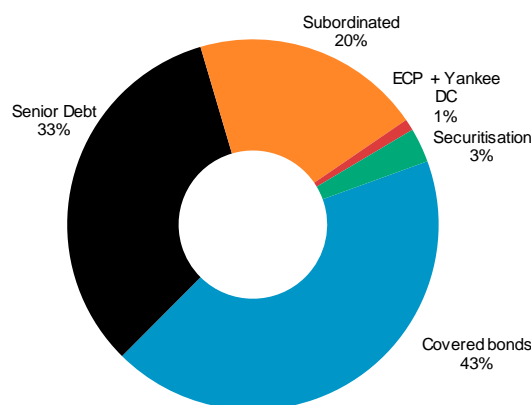
(€ million)	31.03.21	31.12.21	31.03.22
Loans and advances to customers (1)	152,709	157,366	157,210
Brokered loans	-1,556	-1,290	-1,325
Adjusted net loans and advances	151,153	156,076	155,885
On-balance sheet customer funds	153,800	162,020	161,316
Loan-to-deposits ratio (%)	98.3	96.3	96.6

(1) Excludes reverse repos.

Funding structure, 31.03.2022 (%)



Wholesale funding breakdown, 31.03.2022 (%)



Maturities

(€million)	2022	2023	2024	2025	2026	>2026	Outstanding balance
Covered bonds	1,413	1,388	2,737	836	390	2,676	9,440
Senior Debt	78	1,502	745	1,609	0	500	4,433
Senior Non Preferred Debt	0	0	975	500	817	620	2,912
Subordinated	0	0	0	0	500	1,315	1,815
Total	1,491	2,890	4,457	2,945	1,707	5,111	18,600

New issuances in the year

(€ million)	1Q22	2Q22	3Q22	4Q22
Senior Non Preferred Debt	870			
Total	870			

Maturities in the year

(€ million)	1Q22	2Q22	3Q22	4Q22
Covered bonds	300		450	963
Senior Debt	604	25	50	3
Total	904	25	500	966

Capital management and credit ratings

Highlights:

The phase-in CET1 ratio stood at 12.59% as of the end of March 2022, growing by 16 bps relative to the previous quarter.

This CET1 ratio includes 14 bps of IFRS 9 transitional adjustments, therefore the fully-loaded CET1 ratio is 12.45%, growing by 27 bps in the quarter. Of this quarterly growth, 25 bps correspond to organic capital generation and 11 bps to the reduction of risk-weighted assets, which have been partially offset by -9 bps of valuation adjustments of the fixed-income portfolio.

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

The phase-in Total Capital ratio stood at 17.13% as of the end of March 2022, remaining above requirements with an MDA buffer of 413 bps, which increased by 22 bps relative to the previous quarter.

An announcement was made during the quarter of the buyback of a 750 million euros Tier 1 issuance, which entails an impact on the Total Capital ratio of -93 bps, with no impact on the MDA buffer.

The phase-in leverage ratio was 5.49%.

The MREL ratio as a percentage of RWAs stood at 25.33%, above the requirement for the year 2024 (24.84%), while the MREL ratio as a percentage of the Leverage ratio exposure (LRE) was 9.50%, also above the requirement for the year 2024 (6.34%¹).

¹ Pro-forma requirement recalibrated by SRB due to the expiry of the ECB relief measure allowing the exclusion of certain exposures to central banks from the total exposure measure.

Capital ratios

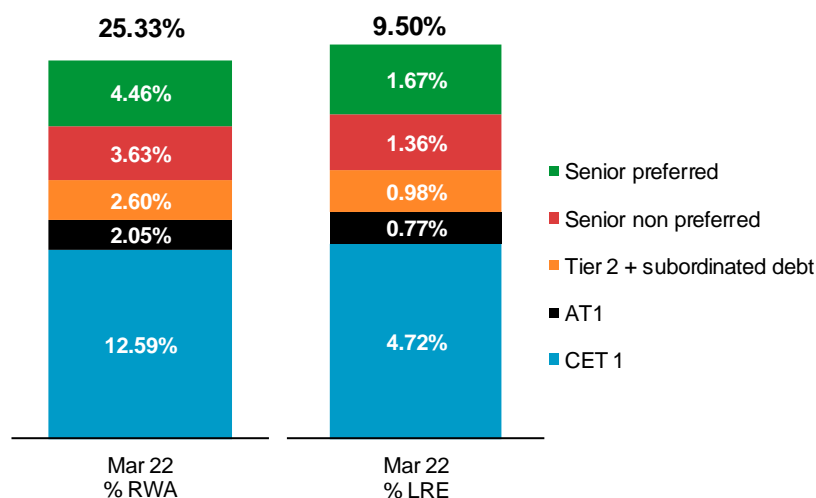
(€ million)	Phase-in			Fully-loaded		
	31.03.21	31.12.21	31.03.22	31.03.21	31.12.21	31.03.22
Issued capital	703	703	703	703	703	703
Reserves	12,313	12,529	12,625	12,313	12,529	12,625
Minority interest	9	0	0	9	0	0
Deductions	(1) -3,021	-3,180	-3,221	-3,358	-3,371	-3,326
Common Equity Tier 1	10,005	10,053	10,108	9,668	9,861	10,002
CET 1 (%)	12.38%	12.43%	12.59%	11.96%	12.18%	12.45%
Preference shares and other	1,654	2,400	1,650	1,654	2,400	1,650
Primary capital	11,659	12,453	11,758	11,322	12,261	11,652
Tier I (%)	14.42%	15.39%	14.64%	14.01%	15.15%	14.51%
Secondary capital	1,810	2,030	1,997	2,056	2,030	1,997
Tier II (%)	2.24%	2.51%	2.49%	2.54%	2.51%	2.49%
Total capital	13,469	14,483	13,754	13,377	14,291	13,649
Total capital ratio (%)	16.66%	17.90%	17.13%	16.55%	17.65%	16.99%
Risk weighted assets (RWA)	80,834	80,899	80,303	80,827	80,946	80,326
Leverage ratio (%)	5.30%	5.90%	5.49%	5.16%	5.81%	5.45%
CET 1 - BS (non-consolidated basis) (%)	13.59%	13.60%	13.47%			
Tier I - BS (non-consolidated basis) (%)	15.64%	16.55%	15.51%			
Tier II - BS (non-consolidated basis) (%)	2.24%	2.40%	2.38%			
Total capital ratio - BS (non-consolidated basis) (%)	17.89%	18.95%	17.88%			
ADIs	(2) 2,391	2,587	2,603			

Note: CET1 ratio includes dividend accrual with 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 Group MREL (% RWAs, % LRE)



Credit ratings

Agency	Date	Long term	Short term	Outlook
DBRS	30.09.2021	A (low)	R-1 (low)	Negative
S&P Global Rating ⁽¹⁾	27.01.2022	BBB-	A-3	Stable
Moody's	21.01.2022	Baa3	P-2	Stable
Fitch Ratings	15.03.2022	BBB-	F3	Stable

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On 20 May 2021, **DBRS Ratings GmbH** affirmed the long-term and short-term credit rating of Banco Sabadell of 'A (low)' and 'R-1 (low)' with a negative outlook, in light of the economic situation brought about by Covid-19. On 30 September 2021, DBRS published its full credit rating ('A (low)' and 'R-1 (low)') with a negative outlook.

On 24 June 2021, **S&P Global Ratings** revised Banco Sabadell's long-term rating, placing it at BBB- (previously BBB), with a stable outlook, to reflect the challenges of profitability, efficiency and digitisation that await the new management team. The short-term rating was changed from A-2 to A-3. On 27 January 2022, as a result of the publication of a new methodology for financial institutions, S&P again revised Banco Sabadell's credit rating and kept both the rating and the outlook unchanged.

On 15 March 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 short-term rating remained at 'F3'.

On 21 January 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.

Results by business unit

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 geographical region and then broken down according to the customers at which each segment is aimed.

Segmentation by geographical region 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, home mortgages and leasing or rental services, as well as short-term finance. Funds come mainly from customer deposits and sight deposit 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 deposits, customer sight deposit 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 custom products for large corporations and financial institutions. The units responsible for the development of these custom 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:**

Offers banking and financial services for Corporate Banking and Commercial Banking in Mexico.

The information presented herein is based on the standalone 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 1Q22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	556	271	31	858
Net fees and commissions	326	30	3	359
Core revenues	882	301	33	1,217
Net trading income and exchange differences	27	5	0	33
Income from equity method and dividends	59	0	0	59
Other operating income/expense	-7	-12	-4	-23
Gross operating income	961	294	30	1,285
Operating expenses	-385	-191	-15	-590
Amortisation & depreciation	-91	-42	-3	-136
Pre-provisions income	485	62	12	560
Total provisions & impairments	-218	-11	3	-227
Gains on sale of assets and other results	-10	0	-3	-13
Profit before tax	257	50	12	320
Income tax	-59	-31	-3	-93
Minority interest	13	0	0	13
Attributable net profit	184	19	10	213
ROTE	7.2%	3.6%	7.9%	6.5%
Efficiency	42.5%	64.7%	49.0%	48.0%
Stage 3 ratio	4.6%	1.4%	2.3%	3.7%
Stage 3 coverage ratio with total provisions	57.3%	38.7%	71.6%	55.7%

Profit and loss 1Q21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	570	236	27	833
Net fees and commissions	314	26	1	342
Core revenues	885	262	28	1,175
Net trading income and exchange differences	15	9	-1	23
Income from equity method and dividends	46	0	0	46
Other operating income/expense	-13	0	-1	-14
Gross operating income	933	271	26	1,230
Operating expenses	-424	-200	-16	-640
Amortisation & depreciation	-90	-37	-2	-129
Pre-provisions income	420	34	7	461
Total provisions & impairments	-322	-23	-9	-354
Gains on sale of assets and other results	4	-3	0	1
Profit before tax	102	8	-2	108
Income tax	-27	-5	2	-30
Minority interest	5	0	0	5
Attributable net profit	71	2	0	73
ROTE	1.6%	0.5%	-0.2%	1.3%
Efficiency	48.4%	73.8%	63.7%	54.6%
Stage 3 ratio	4.5%	1.8%	0.2%	3.7%
Stage 3 coverage ratio with total provisions	57.6%	42.0%	477.4%	56.4%

Balance sheet 1Q22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	192,156	55,978	5,121	253,256
Performing gross loans	106,687	44,294	3,762	154,742
RE exposure	805	0	0	805
Subtotal liabilities	182,368	53,371	4,576	240,316
On-balance sheet customer funds	116,670	42,199	2,448	161,316
Capital markets w wholesale funding	18,707	2,955	0	21,662
Equity	9,789	2,607	545	12,940
Off-balance sheet customer funds	40,624	0	0	40,624

Balance sheet 1Q21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	190,290	49,917	4,665	244,872
Performing gross loans	106,815	39,893	3,626	150,334
RE exposure	869	0	0	869
Subtotal liabilities	181,057	47,193	3,992	232,242
On-balance sheet customer funds	110,624	41,144	2,031	153,800
Capital markets w wholesale funding	18,815	2,799	0	21,614
Equity	9,233	2,724	673	12,630
Off-balance sheet customer funds	39,478	0	0	39,478

Banking Business Spain

Net profit as of the end of March 2022 amounted to 184 million euros, representing year-on-year growth of 160.8%, mainly as a result of the good performance of net fees and commissions, the reduction of costs, and the booking of fewer provisions in the year.

Net interest income amounted to 556 million euros, dropping by -2.5% relative to the end of March 2021, primarily due to lower loan book yields and the reduced contribution of the ALCO portfolio, which offset the higher remuneration earned on corporate deposits and the improvements in wholesale funding.

Net fees and commissions stood at 326 million euros, 3.6% higher than in the same period of the previous year, mainly due to the good performance of service fees and asset management fees.

Income from equity method showed strong year-on-year growth of 27.8% due to higher earnings recorded by BS Capital investees.

Operating expenses fell during the year by -9.2%, mainly due to staff expenses, as the savings on the efficiency plans started to come through.

Provisions and impairments amounted to -218 million euros, representing a reduction of -32.3%.

(€ million)	1Q21	1Q22	YoY (%)	Simple evolution				
				1Q21	2Q21	3Q21	4Q21	1Q22
Net interest income	570	556	-2.5	570	579	586	566	556
Net fees and commissions	314	326	3.6	314	336	327	359	326
Core revenues	885	882	-0.3	885	916	913	925	882
Net trading income and exchange differences	15	27	77.1	15	7	323	-4	27
Income from equity method and dividends	46	59	27.8	46	10	11	35	59
Other operating income/expense	-13	-7	-42.1	-13	-97	-4	-155	-7
Gross operating income	933	961	2.9	933	835	1,243	800	961
Operating expenses	-424	-385	-9.2	-424	-398	-697	-397	-385
Amortisation & depreciation	-90	-91	1.4	-90	-91	-90	-90	-91
Pre-provisions income	420	485	15.5	420	347	455	313	485
Total provisions & impairments	-322	-218	-32.3	-322	-261	-280	-330	-218
Gains on sale of assets and other results	4	-10	--	4	75	0	56	-10
Profit before tax	102	257	152.0	102	161	176	40	257
Income tax	-27	-59	121.9	-27	-53	-59	82	-59
Minority interest	5	13	191.8	5	2	2	-1	13
Attributable net profit	71	184	160.8	71	105	114	122	184
Accumulated ratios								
ROTE	1.6%	7.2%		1.6%	4.1%	4.0%	5.3%	7.2%
Efficiency	48.4%	42.5%		48.4%	47.2%	51.9%	50.2%	42.5%
Stage 3 ratio	4.5%	4.6%		4.5%	4.3%	4.4%	4.6%	4.6%
Stage 3 coverage ratio with total provisions	57.6%	57.3%		57.6%	57.3%	59.1%	57.6%	57.3%

Performing loans remained stable in the year, as the growth of the mortgage book and consumer loans was offset by the decline recorded by foreign branches and the outflow of balances from BancSabadell d'Andorra following its sale.

On-balance sheet customer funds grew by 5.5% year-on-year due to sight deposit accounts, partly as the result of funds flowing out of term deposits. Off-balance sheet funds increased by 2.9% year-on-year, impacted by the sale of BancSabadell d'Andorra. Excluding this impact, this item grew by 4.9% due to the increase in net mutual fund subscriptions.

(€ million)	1Q21	1Q22	YoY (%)	Simple evolution				
				1Q21	2Q21	3Q21	4Q21	1Q22
Total assets	190,290	192,156	1.0	190,290	195,172	193,511	191,162	192,156
Performing gross loans	106,815	106,687	-0.1	106,815	108,042	106,935	107,089	106,687
RE exposure	869	805	-7.4	869	859	865	842	805
Subtotal liabilities	181,057	182,368	0.7	181,057	185,748	183,860	181,389	182,368
On-balance sheet customer funds	110,624	116,670	5.5	110,624	113,776	114,256	116,788	116,670
Capital markets w/ wholesale funding	18,815	18,707	-0.6	18,815	19,188	18,888	18,090	18,707
Equity	9,233	9,789	6.0	9,233	9,423	9,651	9,773	9,789
Off-balance sheet customer funds	39,478	40,624	2.9	39,478	40,736	41,669	41,678	40,624
Other data								
Employees	14,518	12,836		14,518	14,648	14,618	13,855	12,836
Branches	1,613	1,289		1,613	1,613	1,509	1,288	1,289

Banking Business United Kingdom

Net profit stood at 19 million euros as of the end of March 2022, representing a significant improvement on the previous year's figure of 2 million euros, due to the growth of core revenues, lower costs and fewer provisions.

Net interest income amounted to a total of 271 million euros, 14.8% higher than in the previous year due to the strong growth of mortgage volumes.

Net fees and commissions increased by 14.7% year-on-year, mainly due to higher service fees, particularly card fees.

Operating expenses amounted to -191 million euros and fell by -4.8% year-on-year, due to improved general expenses.

Provisions and impairments amounted to -11 million euros, falling by -50.1% following the improvement of macroeconomic scenarios.

Income tax in the quarter reflected an impact of -15 million euros as a result of the impact on deferred tax assets following the bank levy review in the United Kingdom, which reduced this levy from 8% to 3%.

(€ million)	1Q21	1Q22	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q21	2Q21	3Q21	4Q21	1Q22
Net interest income	236	271	14.8	9.9	236	246	262	267	271
Net fees and commissions	26	30	14.7	9.7	26	29	30	35	30
Core revenues	262	301	14.8	9.8	262	275	293	301	301
Net trading income and exchange differences	9	5	-41.4	-43.9	9	-2	-3	-2	5
Income from equity method and dividends	0	0	--	--	0	0	0	0	0
Other operating income/expense	0	-12	--	--	0	-9	-12	-12	-12
Gross operating income	271	294	8.6	3.9	271	264	278	288	294
Operating expenses	-200	-191	-4.8	-8.9	-200	-194	-188	-203	-191
Amortisation & depreciation	-37	-42	13.3	8.4	-37	-40	-36	-44	-42
Pre-provisions income	34	62	82.3	74.3	34	30	55	40	62
Total provisions & impairments	-23	-11	-50.1	-52.2	-23	-5	7	21	-11
Gains on sale of assets and other results	-3	0	-100.0	-100.0	-3	-1	4	-8	0
Profit before tax	8	50	--	--	8	23	66	53	50
Income tax	-5	-31	--	--	-5	13	-23	-17	-31
Minority interest	0	0	--	--	0	0	0	0	0
Attributable net profit	2	19	--	--	2	36	43	36	19
Accumulated ratios									
ROTE	0.5%	3.6%			0.5%	3.6%	5.0%	5.4%	3.6%
Efficiency	73.8%	64.7%			73.8%	73.7%	71.6%	71.3%	64.7%
Stage 3 ratio	1.8%	1.4%			1.8%	1.6%	1.5%	1.4%	1.4%
Stage 3 coverage ratio with total provisions	42.0%	38.7%			42.0%	43.6%	42.1%	38.1%	38.7%

In TSB, performing loans grew by 11.0% year-on-year, supported by the appreciation of the pound. Considering a constant exchange rate, this item showed an increase of 10.2% year-on-year stemming from the growth of the mortgage book.

On-balance sheet customer funds increased by 2.6%. Considering a constant exchange rate, this item increased by 1.8% year-on-year due to the growth of current accounts.

(€ million)	1Q21	1Q22	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q21	2Q21	3Q21	4Q21	1Q22
Total assets	49,917	55,978	12.1	11.3	49,917	50,233	51,672	55,657	55,978
Performing gross loans	39,893	44,294	11.0	10.2	39,893	40,959	41,950	44,050	44,294
Subtotal liabilities	47,193	53,371	13.1	12.3	47,193	47,604	49,067	53,012	53,371
On-balance sheet customer funds	41,144	42,199	2.6	1.8	41,144	41,416	41,509	42,779	42,199
Capital markets wholesale funding	2,799	2,955	5.6	4.8	2,799	2,914	2,905	2,975	2,955
Equity	2,724	2,607	-4.3	-5.0	2,724	2,629	2,604	2,645	2,607
Other data									
Employees	6,451	5,702			6,451	5,978	5,926	5,762	5,702
Branches	373	290			373	290	290	290	290

Mexico

Net profit as of the end of March 2022 was 10 million euros, representing sharp year-on-year growth supported by improved core revenue and by a reduced allocation of provisions.

Net interest income amounted to 31 million euros, increasing by 15.0% year-on-year, due to the interest rate hike.

Net fees and commissions amounted to 3 million euros as of the end of March 2022, growing by 2 million euros relative to the previous year.

Operating expenses amounted to -15 million euros, thus falling by -9.6% year-on-year due to improved general expenses.

Provisions and impairments amounted to 3 million euros as of the end of March 2022, after the release of single names provisions in the quarter, which were therefore below the levels of the previous year.

(€ million)	1Q21	1Q22	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q21	2Q21	3Q21	4Q21	1Q22
Net interest income	27	31	15.0	7.8	27	27	29	30	31
Net fees and commissions	1	3	232.2	211.3	1	2	4	4	3
Core revenues	28	33	21.3	13.6	28	29	32	34	33
Net trading income and exchange differences	-1	0	-100.0	-100.0	-1	0	0	1	0
Income from equity method and dividends	0	0	--	--	0	0	0	0	0
Other operating income/expense	-1	-4	--	--	-1	-2	-2	-5	-4
Gross operating income	26	30	17.7	10.3	26	27	31	30	30
Operating expenses	-16	-15	-9.6	-15.2	-16	-19	-24	-21	-15
Amortisation & depreciation	-2	-3	51.3	41.8	-2	-2	-1	-3	-3
Pre-provisions income	7	12	69.4	58.7	7	6	5	6	12
Total provisions & impairments	-9	3	--	--	-9	-1	-17	-5	3
Gains on sale of assets and other results	0	-3	--	--	0	0	0	0	-3
Profit before tax	-2	12	--	--	-2	6	-12	0	12
Income tax	2	-3	--	--	2	0	5	2	-3
Minority interest	0	0	--	--	0	0	0	0	0
Attributable net profit	0	10	--	--	0	6	-8	2	10
Accumulated ratios									
ROTE	-0.2%	7.9%			-0.2%	1.7%	-1.0%	-0.5%	7.9%
Efficiency	63.7%	49.0%			63.7%	66.2%	71.2%	71.1%	49.0%
Stage 3 ratio	0.2%	2.3%			0.2%	0.3%	1.0%	1.0%	2.3%
Stage 3 coverage ratio w ith total provisions	477.4%	71.6%			477.4%	416.9%	164.4%	265.7%	71.6%

Performing loans grew by 3.7% year-on-year, supported by the evolution of the Mexican peso. Considering a constant exchange rate, they fell by -3.2% year-on-year, as a result of a conservative policy for granting new loans.

On-balance sheet customer funds increased by 20.5% year-on-year, supported by the performance of the Mexican peso. Considering a constant exchange rate, this item increased by 11.1%.

(€ million)	1Q21	1Q22	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q21	2Q21	3Q21	4Q21	1Q22
Total assets	4,665	5,121	9.8	2.2	4,665	4,715	4,740	5,128	5,121
Performing gross loans	3,626	3,762	3.7	-3.2	3,626	3,514	3,554	3,773	3,762
Subtotal liabilities	3,992	4,576	14.6	6.9	3,992	4,095	4,118	4,550	4,576
On-balance sheet customer funds	2,031	2,448	20.5	11.1	2,031	2,153	2,164	2,453	2,448
Equity	673	545	-19.0	-25.6	673	620	622	578	545
Other data									
Employees	483	447			483	469	478	453	447
Branches	15	15			15	15	15	15	15

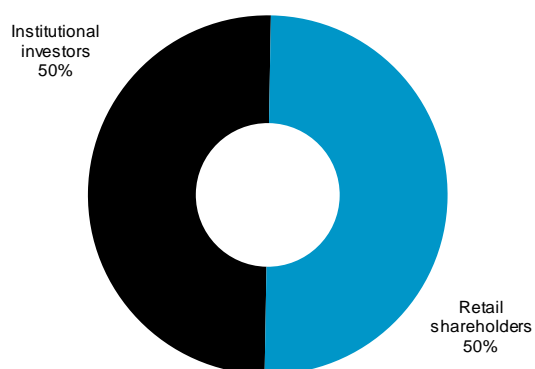
4. Share price performance

	31.03.21	31.12.21	31.03.22
Shareholders and trading			
Number of shareholders	241,078	228,432	224,715
Total number of shares (million)	5,627	5,627	5,627
Average daily trading volume (millions shares)	44	33	64
Share price (€) (1)			
Opening session (of the year)	0.354	0.354	0.592
High (of the year)	0.502	0.743	0.950
Low (of the year)	0.343	0.343	0.565
Closing session	0.456	0.592	0.746
Market capitalisation (€ million)	2,545	3,306	4,170
Stock market multiples			
Earnings per share (EPS) (€)	(2) 0.01	0.08	0.10
Book value (€ million)	12,959	13,357	13,336
Book value per share (€)	2.32	2.39	2.38
Tangible book value (€ million)	10,372	10,750	10,781
TBV per share (€)	1.86	1.92	1.93
Price / Tangible book value (times)	0.25	0.31	0.39
Price / Earnings ratio (P/E) (times)	49.54	7.69	7.35

(1) Historical values not adjusted.

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

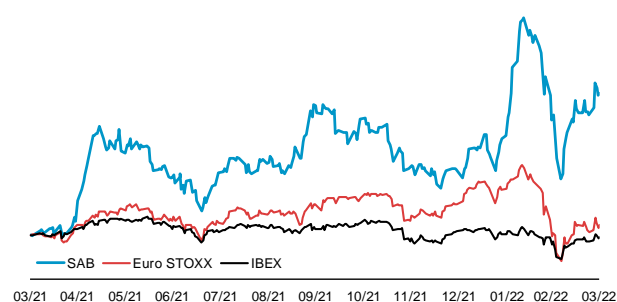
Shareholder breakdown (%)



Source: GEM, data as of 31 March 2022

Comparative evolution of SAB share price

Period from 31.03.2021 to 31.03.2022



5. Key developments in the quarter

The Board of Directors agrees to submit a proposal to the Annual General Meeting for the distribution of a dividend of 0.03 euros (gross) per share, which is ultimately approved

On its meeting on 26 January 2022, the Board of Directors agreed to submit a proposal to the Annual General Meeting for the distribution of a dividend of 0.03 euros (gross) per share out of the earnings of 2021, to be paid in cash, foreseeably in the second quarter. This proposal was approved at the Annual General Meeting held on 24 March 2022.

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 industry (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 institutions.

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
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.	9
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).	9
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.	9
Pre-provisions income		Comprised of the following accounting items: gross income plus administration and amortisation/depreciation expenses.	9
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.	10
Credit cost of risk (bps)		Ratio between provisions for NPLs / loans to customer 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 and provisions for institutional NPA sales are adjusted.	15
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.	16
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.	16
Gross loans to customers		Includes loans and advances to customers excluding impairment allowances.	17
Performing gross loans		Includes gross loans to customers excluding repos, stage 3 assets and accrual adjustments.	17
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).	19
Off-balance sheet customer funds		Includes mutual funds, asset management, pension funds and third-party insurance products.	19
On-balance sheet funds		Includes accounting sub-headings of customer deposits, debt securities issued (debt and other tradable securities and subordinated liabilities).	19
Funds under management and third-party funds		Sum of on-balance sheet and off-balance sheet customer funds.	19
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).	20
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).	22
Problematic assets coverage		Ratio between provisions associated with problematic assets / total problematic assets.	22
Stage 3 ratio		Shows the % of stage 3 exposures over total risk assumed by customers not classified as non-current assets held for sale. Calculated using the ratio between stage 3 exposures, including guarantees granted / loans to customer and guarantees granted. See table for the definition of stage 3 exposures.	20
Problematic assets		Sum of stage 3 exposures and problematic real estate assets. Also referred to as non-performing assets (NPAs).	22
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.	22
Stage 3 exposures		Sum of accounting items: stage 3 loans and advances to customers and stage 3 guarantees granted.	22
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.	24
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 fulfil for the rest of the year. The denominator has been calculated based on the Group's best estimate.	25
Market capitalisation		Share price multiplied by the average number of outstanding shares at the end of the period.	32
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 I 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.	32
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.	32
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.	32
Price / Tangible book value (times)	(*)	Ratio between share price / tangible book value per share.	32
Price / Earnings ratio (P/E) (times)	(*)	Ratio between share price / earnings per share.	32

(*) 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)	1Q21	1Q22
ROA	Average total assets	236,160	252,255
	Consolidated net profit	78	227
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	ROA (%)	0.06	0.30
ROE	Average equity	12,951	13,403
	Attributable net profit	73	213
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	ROE (%)	1.00	5.27
RORWA	Risk weighted assets (RWA)	80,834	80,303
	Attributable net profit	73	213
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	RORWA (%)	0.16	0.88
ROTE	Average equity (excluding intangible assets)	10,345	10,825
	Attributable net profit	73	213
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	ROTE (%)	1.25	6.53
Efficiency ratio	Gross operating income	1230	1285
	DGF - SRF - IDEC adjustment	-59	-56
	Adjusted gross operating income	1,171	1,229
	Operating expenses	-640	-590
	Efficiency ratio (%)	54.64	47.98
Other operating income/expense	Other operating income	42	13
	Other operating expenses	-56	-36
	Income from assets under insurance or reinsurance contracts	0	0
	Expenses on liabilities under insurance or reinsurance contracts	0	0
	Other operating income/expense	-14	-23
Total provisions & impairments	Provisions or reversal of provisions	-13	1
	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	-318	-207
	Provisions for NPLs and other financial assets	-331	-207
	Impairment or reversal of impairment of investments in joint ventures and associates	0	0
	Impairment or reversal of impairment on non-financial assets	-10	-15
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-14	-6
	Gains or losses on sales of equity holdings and other items	0	1
	Gains from sales of investment properties and associates	0	0
	Other impairments	-24	-20
	Total provisions & impairments	-354	-227
Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	1	-12
	Gains or losses on sales of equity holdings and other items	0	-1
	Gains from sales of investment properties and associates	0	0
	Gains on sale of assets and other results	1	-13
Pre-provisions income	Gross operating income	1230	1285
	Operating expenses	-640	-590
	Personnel expenses	-385	-350
	Other general expenses	-255	-240
	Amortisation & depreciation	-129	-136
	Pre-provisions income	461	560
Customer spread (*)	Loans to customers (net)		
	Avge.balance	148,164	155,878
	Results	866	879
	Rate %	2.37	2.29
	Customer deposits		
	Avge.balance	157,698	167,158
Results	-30	-19	
Rate %	-0.08	-0.05	
	Customer spread	2.29	2.24
Other assets	Derivatives - Hedge accounting	571	1015
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	243	-454
	Tax assets	6,860	6,904
	Other assets	1,190	639
	Non-current assets and disposal groups classified as held for sale	955	764
	Other assets	9,819	8,869
Other liabilities	Derivatives - Hedge accounting	556	451
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	223	-329
	Tax liabilities	248	245
	Other liabilities	660	657
	Liabilities included in disposal groups classified as held for sale	0	0
	Other liabilities	1,686	1,024

(*) Customer spread calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	1Q21	1Q22
Performing gross loans	Mortgage loans & credits	86,616	90,790
	Other secured loans & credits	3,750	3,331
	Working capital	5,104	5,992
	Leasing	2,158	2,120
	Unsecured lending and others	52,707	52,509
	Performing gross loans	150,334	154,742
	Stage 3 assets (customer)	5,639	5,708
	Accruals	-6	35
	Gross loans to customers excluding repos	155,967	160,485
	Gross loans to customers	Reverse repos	0
Gross loans to customers		155,967	160,539
NPL and country-risk provisions		-3,258	-3,275
Loans and advances to customers		152,709	157,264
On-balance sheet customer funds	Financial liabilities at amortised cost	227,924	236,919
	Non-retail financial liabilities	74,123	75,602
	Central banks	34,593	37,978
	Credit institutions	10,511	9,600
	Institutional issues	24,277	22,392
	Other financial liabilities	4,743	5,632
	On-balance sheet customer funds	153,800	161,316
	Customer deposits	156,553	162,602
	Sight accounts	135,397	146,520
	Fixed-term deposits including available and hybrid financial liabilities	18,573	15,386
On-balance sheet funds	Repos	2,449	634
	Accruals and derivative hedging adjustments	135	61
	Debt and other marketable securities	17,589	16,866
	Subordinated liabilities (*)	3,935	4,241
	On-balance sheet funds	178,077	183,709
	Mutual funds	22,490	23,848
	Managed accounts	3,445	3,715
	Pension funds	3,410	3,416
	Third-party insurance products	10,133	9,645
	Off-balance sheet customer funds	39,478	40,624
Funds under management and third-party funds	Funds under management and third-party funds	217,555	224,333
	Customer, central banks and financial institutions loans and advances	5,669	5,743
Stage 3 exposures	Guarantees granted in stage 3	458	467
	Stage 3 exposures (€ million)	6,127	6,210
	Stage 3 exposures	6,127	6,210
Stage 3 coverage ratio with total provisions (%)	Total provisions	3,453	3,456
	Stage 3 coverage ratio with total provisions (%)	56.4%	55.7%
	Stage 3 exposures	6,127	6,210
Stage 3 coverage ratio (%)	Stage 3 provisions	2,335	2,560
	Stage 3 coverage ratio (%)	38.1%	41.2%
	Problematic RE Assets	1,379	1,299
Problematic Real Estate coverage ratio (%)	Provisions	510	494
	Problematic Real Estate coverage ratio (%)	37.0%	38.0%
	Stage 3 exposures	6,127	6,210
Problematic assets	Problematic RE Assets	1,379	1,299
	Problematic assets	7,507	7,508
	Provisions of problematic assets	3,963	3,950
Problematic assets coverage (%)	Problematic assets coverage (%)	52.8%	52.6%
	Stage 3 exposures	6,127	6,210
Stage 3 ratio (%)	Loans to customers and guarantees granted	165,239	169,706
	Stage 3 ratio (%)	3.71%	3.66%
	Loans to customers and guarantees granted	165,239	169,706
Credit cost of risk (bps)	Provisions for NPLs	-313	-195
	NPLs costs	-31	-23
	Credit cost of risk (bps)	69	41
	Adjusted net loans and advances w/o repos by brokered loans	161,153	165,885
Loan-to-deposits ratio (%)	On-balance sheet customer funds	153,800	161,316
	Loan-to-deposits ratio (%)	98.3%	96.6%
	Average number of shares (million)	5,581	5,593
Market capitalisation (€million)	Share price (€)	0.456	0.746
	Market capitalisation (€million)	2,545	4,170
	Net profit attributed to the Group adjusted	13	140
Earnings per share (EPS) (€)	Attributable net profit	73	213
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	Accrued AT1	-19	-34
	Average number of shares (million)	5,581	5,593
	Earnings per share (EPS) (€)	0.01	0.10
Book value per share (€)	Adjusted equity	12,959	13,336
	Shareholders' equity	13,000	13,375
	DGF - SRF - IDEC adjustment net of tax	-41	-39
	Average number of shares (million)	5,581	5,593
	Book value per share (€)	2.32	2.38
TBV per share (€)	Intangible assets	2,587	2,555
	Tangible book value (€million)	10,372	10,781
	TBV per share (€)	1.86	1.93
	Share price (€)	0.456	0.746
	Price / Tangible book value (times)	0.25	0.39
Price / Earnings ratio (P/E) (times)	49.54	7.35	

(*) Refers to subordinated liabilities of debt securities.

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

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