

3Q22

**Quarterly Financial
Report**

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Basis of presentation

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

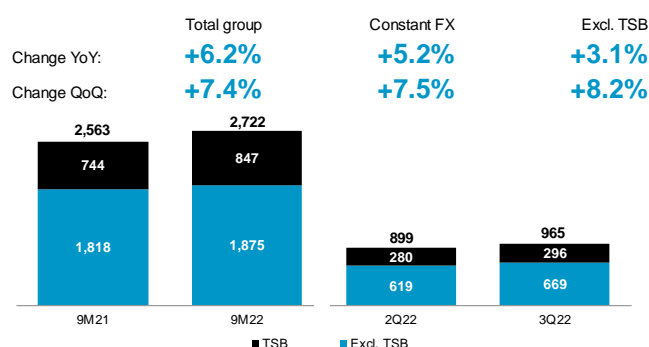
Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), a glossary has been included with the definitions and the reconciliation with the items presented in the financial statements of certain alternative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

1. Summary

Net interest income

Net interest income followed a positive trend, growing by 6.2% year-on-year to 2,722 million euros as of the end of September 2022, on the back of good volume growth, with particularly strong mortgage growth at TSB, as well as improved revenues from fixed income, which offset lower loan book yields.

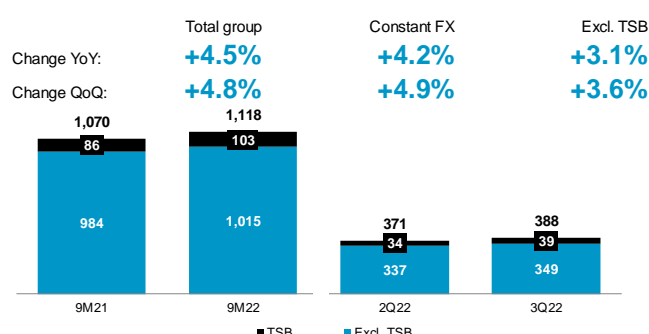
In the quarter, net interest income grew by 7.4%, mainly driven by greater loan book yields, supported by higher interest rates and a larger contribution of the ALCO portfolio.



Net fees and commissions

Net fees and commissions amounted to 1,118 million euros as of the end of September 2022, representing year-on-year growth of 4.5% as a result of good momentum across all segments, particularly in the case of service fees which were largely driven by higher levels of card transactions and currency exchange, as well as fees related to risk transactions.

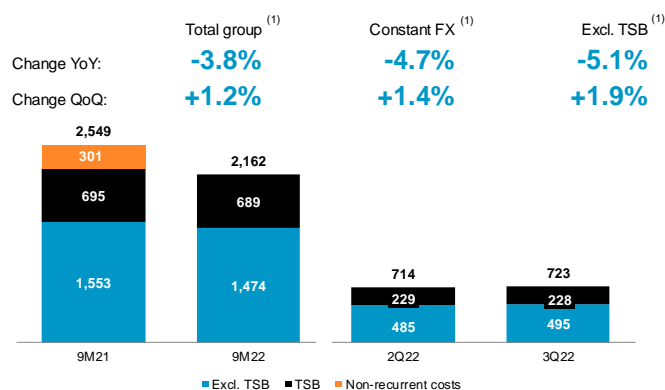
Quarterly growth of net fees and commissions was 4.8%, also driven by improvements across all segments in spite of the seasonality of third quarter of the year, with the growth of service fees being particularly noteworthy.



Total costs

Total costs amounted to 2,162 million euros as of the end of September 2022, a reduction of -15.2% compared to the same period of the previous year, which included non-recurrent costs arising from the efficiency plan carried out in Spain. Not including this impact, recurrent costs fell by -3.8% year-on-year, driven by savings on staff expenses delivered by the efficiency plans and also by a reduction of general expenses.

Quarter-on-quarter, total costs were up by 1.2%, mainly due to an increase in general expenses, which were impacted by inflationary pressures.

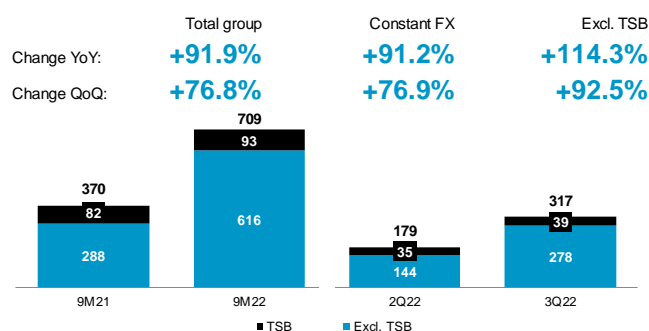


Net profit of the Group

As of the end of September 2022, the Group's net profit amounted to 709 million euros, with profit ex-TSB amounting to 616 million euros and profit at TSB to 93 million euros. This has made it possible to increase the Bank's profitability, with the Group ROTE reaching 8.0%.

In the quarter, profit amounted to 317 million euros, a significant improvement on the previous quarter.

It is worth highlighting the good performance of core results (net interest income + net fees and commissions – recurrent costs), which increased by 21.1% year-on-year and by 13.6% in the quarter.

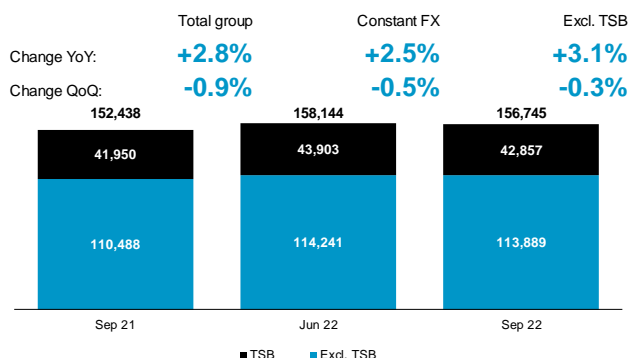


(1) Change in recurrent costs.

Performing loans

Performing loans have been doing well over the year, growing by 2.8%, supported by the progress made in all geographies. Not including the APS impact, they grew by 2.9%, with lending to the public sector and corporates in Spain performing especially well and with a greater volume of mortgage lending, particularly in TSB.

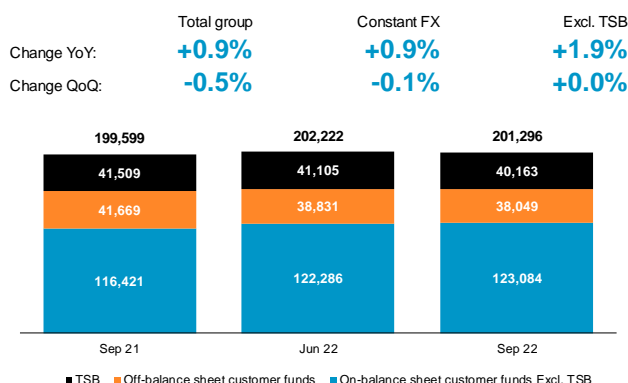
Quarter-on-quarter, lending dropped by -0.9%, impacted by the depreciation of the pound sterling and by a seasonality effect, as the second quarter included c.600 million euros of social security advance payments. Considering a constant exchange rate, lending volumes fell by -0.5%.



Customer funds

On-balance sheet customer funds increased by 3.4% year-on-year, driven by the positive development of both sight accounts and term deposits. In the quarter, they remained stable, affected by the depreciation of the pound, while at a constant exchange rate they grew by 0.4% quarter-on-quarter, mainly due to the positive evolution of sight accounts.

Off-balance sheet funds declined by -8.7% year-on-year and by -2.0% in the quarter, impacted by financial markets volatility, which mainly affected mutual funds.



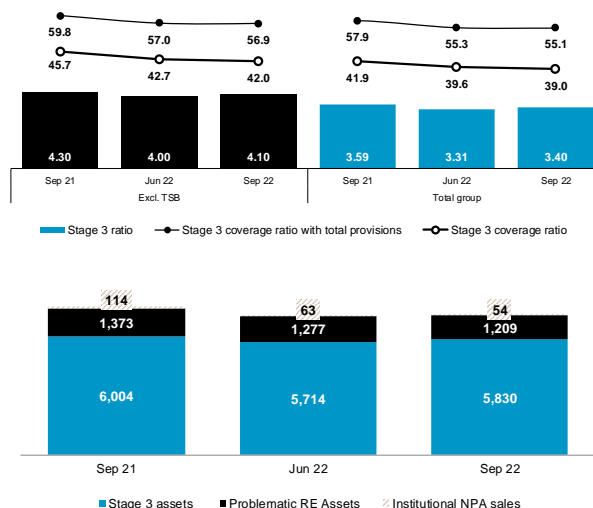
Non-performing assets (*)

The balance of NPAs amounted to 7,039 million euros as of the end of September 2022, with coverage remaining steady at 52.3% considering total provisions.

The Group's stage 3 ratio stood at 3.4%, while the stage 3 coverage ratio considering total provisions stood at 55.1% and the stage 3 coverage ratio at 39.0%.

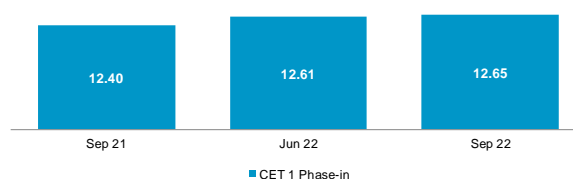
The gross NPA ratio was 4.1%, while the net NPA ratio stood at 1.9% considering total provisions.

The Group's credit cost of risk stood at 39 bps as of the end of September 2022, improving by 12 bps compared to September 2021. Total cost of risk amounted to 55 bps.



Capital ratio

The phase-in CET1 ratio stood at 12.65%, increasing by 4 bps compared to June 2022, while the Total Capital ratio stood at 17.08%, remaining above requirements, with an MDA buffer that increased by 3 bps in the quarter to 418 bps. The fully-loaded CET1 ratio stood at 12.52%, growing by 4 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

	Excl. TSB			Total group		
	30.09.21	30.09.22	YoY (%) ⁽⁶⁾	30.09.21	30.09.22	YoY (%) ⁽⁶⁾
Profit and loss account (€ million)						
Net interest income	1818	1875	3.1	2,563	2,722	6.2
Core revenues	2,803	2,890	3.1	3,633	3,840	5.7
Gross operating income	3,095	2,976	-3.8	3,908	3,907	0.0
Pre-provisions income	1,241	1,502	21.1	1,359	1,744	28.3
Attributable net profit	288	616	114.3	370	709	91.9
Balance sheet (€ million)						
Total assets	201,246	207,677	3.2	249,922	260,407	4.2
Performing gross loans	110,488	113,889	3.1	152,438	156,745	2.8
Gross loans to customers	115,337	118,856	3.1	158,020	162,403	2.8
On-balance sheet customer funds	116,421	123,084	5.7	157,930	163,247	3.4
Off-balance sheet customer funds	41,669	38,049	-8.7	41,669	38,049	-8.7
Total customer funds	158,089	161,133	1.9	199,599	201,296	0.9
Net equity	--	--	--	12,877	13,363	3.8
Shareholders' equity	--	--	--	13,251	13,815	4.3
Profitability and efficiency ratios (%)						
ROA	--	--	--	0.17	0.35	--
RORWA	--	--	--	0.52	1.08	--
ROE	--	--	--	3.16	6.46	--
ROTE	--	--	--	3.95	7.96	--
Efficiency	52.46	40.93	--	56.53	45.83	--
Efficiency with amortisation & depreciation	61.65	50.91	--	66.70	56.52	--
Risk management ⁽¹⁾						
Stage 3 exposures (€million)	5,355	5,237	-2.2	6,004	5,830	-2.9
Total problematic assets (€million)	6,729	6,447	-4.2	7,377	7,039	-4.6
Stage 3 ratio (%)	4.30	4.10	--	3.59	3.40	--
Stage 3 coverage ratio (%)	45.7	42.0	--	41.9	39.0	--
Stage 3 coverage ratio with total provisions (%)	59.8	56.9	--	57.9	55.1	--
Problematic assets coverage (%)	55.2	53.5	--	54.0	52.3	--
Liquidity management ⁽²⁾						
Loan-to-deposits ratio	95.3	93.2	--	97.1	96.7	--
LCR	250	250	--	223	217	--
NSFR	--	--	--	137	140	--
Capital management						
Risk weighted assets (RWA) (€million)	--	--	--	80,085	80,880	1.0
Common Equity Tier 1 (%)	--	--	--	12.40	12.65	--
Common Equity Tier 1 fully-loaded (%)	--	--	--	12.12	12.52	--
Tier 1 (%)	--	--	--	14.46	14.69	--
Total capital ratio (%)	--	--	--	17.01	17.08	--
MREL (%RWA)	--	--	--	25.23	25.26	--
MREL (%LRE)	--	--	--	9.48	7.95	--
Leverage ratio (%)	--	--	--	5.43	4.62	--
Share data (period end)						
Number of shareholders	--	--	--	229,745	224,151	--
Total number of shares (million)	--	--	--	5,627	5,627	--
Share price (€)	--	--	--	0.726	0.688	--
Market capitalisation (€million)	--	--	--	4,053	3,851	--
Earnings per share (EPS) (€)	--	--	--	0.06	0.14	--
Book value per share (€)	--	--	--	2.36	2.46	--
TBV per share (€)	--	--	--	1.90	2.01	--
Price / Tangible book value (times)	--	--	--	0.38	0.34	--
Price / Earnings ratio (P/E) (times)	--	--	--	12.73	5.09	--
Other data						
Branches	1,524	1,303	--	1,814	1,523	--
Employees	15,096	13,484	--	21,022	18,987	--

- (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 30.09.2022 applied throughout the report is 0.8474 in the case of the income statement and 0.8830 in the case of the balance sheet.
- (6) Throughout this document, YoY changes in relation to the income statement refer to the cumulative nine-month period to the end of September 2022 versus the same cumulative nine-month period of 2021.

3. Performance review

Macroeconomic environment

Global economic, political and financial context

The energy crisis in Europe has become worse in Q3 2022. Russia decided to completely and indefinitely cut off the flow of gas towards Europe through Nord Stream 1, one of the largest gas pipelines connecting the two regions. This has put the Eurozone on the brink of a recession in the coming quarters. In light of these developments, gas prices have soared to new record highs.

Against this backdrop, a number of European governments have adopted new tax packages in an attempt to protect households and companies from the sharp rise in energy prices. Measures notably include the package announced by Germany (200 billion euros, close to 5% of its GDP). Almost all EU countries have criticised Germany's plan, as its amount could potentially distort the single market. On a European scale, the European Council gave the green light to a series of measures, including: (i) a mandatory reduction of electrical power consumption by 5% during peak hours, (ii) a windfall tax on oil and gas companies levied at 33% of their extra profits, and (iii) a cap on the revenue of 'inframarginal' energy producers (renewables, coal, nuclear). The proceeds of the last two measures will be used to alleviate the situation faced by households and companies.

On a positive note, it is worth noting that European countries are successfully increasing their natural gas reserves (which are already at over 90% capacity in the EU and over 95% in Germany). This increase has been possible due to reduced gas consumption and the ability to gradually replace dwindling imports of Russian gas with liquefied natural gas and Norwegian gas.

In terms of the conflict in Ukraine, we have seen the biggest escalation since the invasion began, after Russia officially announced the annexation of four Russian-occupied regions in south-east Ukraine. The situation has become very delicate, as now any military attack on those regions by Ukraine could be interpreted by Russia as a violation of its territorial integrity and it could use this to justify the use of unconventional weapons. Western countries have not recognised these annexations and they have warned of catastrophic consequences if Russia uses nuclear weapons against Ukraine. In addition, it is worth mentioning the sabotage suffered by the Nord Stream 1 and 2 pipelines, rendering them unusable and making it even harder for gas flows through this infrastructure to be resumed in the near term.

The exacerbation of the energy crisis has also deteriorated the growth-inflation mix, leaving various developed economies in a situation tantamount to stagflation.

In terms of activity, there has been a continuation of the trend of downward revisions of economic growth forecasts for 2023, something that has become the norm since the start of the conflict in Ukraine. It is in the Eurozone where activity could deteriorate sooner rather than later, due to the energy crisis. In the United States, there are still fears that the country is

headed for a recession in 2023, as a result of the substantial tightening of its monetary policy.

As regards inflation, this continued to surprise to the upside both in the Eurozone and in the United States. In the Eurozone, inflation rose to a new all-time high in September, while in the United States, where inflation is likely to have already peaked, it has been dropping, although the reduction has been less sharp than analysts expected.

Economic situation in Spain

After GDP surprised to the upside in Q2 2022 (1.5% quarter-on-quarter), activity data now point towards slower GDP growth in Q3 2022. Confidence indicators are at subdued levels, while company turnover and household expenditure have been eroded by high inflation. Tourism data continued to be robust, although there were occasional signs of weakness in August, particularly with regard to domestic tourism. The labour market, for its part, continued to show resilience, even though employment growth in Q3 2022 was slightly lower than in the previous quarter.

In terms of inflation, this began to ease off in September, although it is still high at 9.0% year-on-year, while the underlying rate remained stable in October after 14 consecutive months of acceleration.

With regard to economic policy, the government approved the draft General State Budget for 2023, which includes tax cuts for lower-income households, a higher tax rate for those on high incomes, an increase in social spending and a revaluation of pensions to bring them in line with CPI inflation.

Against this backdrop, the Bank of Spain revised its growth forecasts for 2023 down to 1.4% per year. With regard to inflation, the central bank expects this to stand at 8.7% in 2022 and 5.6% in 2023.

Economic situation in the United Kingdom

It has been a complicated quarter for British politics. Boris Johnson, following his resignation, was replaced by Liz Truss as Prime Minister. The new government unveiled a huge tax package that included the biggest tax cuts since 1972, as well as measures designed to freeze energy bills for a period of two years for households and six months for businesses. The markets reacted negatively to this tax package, given the lack of clarity about how those measures would be funded and what that would mean for public spending. As a result, government bond yields soared, while the pound depreciated sharply against the main currencies. In light of developments, the government was forced to reverse course in order to calm the markets. The Finance Minister was replaced, the majority of the measures were scrapped, and it was announced that new cost-cutting measures and tax increases would follow.

On the other hand, inflation (Sep 2022: 10.1%), central bank rate hikes and political shifts have had a detrimental impact

on economic activity. According to the most recent data, inflation began to contract (GDP for the three months to August: -0.3% quarter-on-quarter) and all signs point towards further GDP contraction in Q3 2022.

In terms of the labour market, the unemployment rate fell to a 50-year low of 3.5%. A large part of this labour market tightening is due to the upturn of economic inactivity, partly associated with long-term sickness absence.

With regard to the housing market, there have been growing signs that prices are easing; in September the year-on-year growth rate of house prices fell to 9.9% after seven months of double-digit growth.

Economic situation in Mexico

The Mexican economy has proved resilient to the effects of the military conflict in Ukraine. Business confidence, for instance, is at levels in keeping with economic expansion. On the other hand, inflation indicators have continued to trend sharply upwards, with CPI inflation surging year-on-year to 8.7% in September, the highest rate of the past 21 years, to which food prices have been a significant contributing factor. The Mexican currency has performed well in this context despite the impairment of risky assets on a global scale, standing out as one of the most resilient emerging currencies, partly thanks to Banxico's hawkish bias.

Fixed-income markets

Central banks have continued to focus more on tackling inflation and less on the signs of economic slowdown and falls in financial markets.

The ECB raised all its benchmark rates by 75 bps in September, the largest rate hike undertaken since the central bank was founded (in July it raised rates by 50 bps). The deposit facility rate now stands at 0.75%, returning to positive territory for the first time since 2012. The ECB maintained its hawkish tone, indicating that it expects to continue with its rate hikes in the coming meetings. Furthermore, several members have left the doors open to placing interest rates in restrictive territory if necessary in order to bring inflation back to the target of 2.0%. On the other hand, ECB members have started to discuss a discontinuation of QE reinvestments. Lastly, the central bank revised its growth forecasts downwards and its inflation forecasts upwards. By 2024, the ECB expects inflation to remain above its target.

The Fed has also maintained its clearly hawkish tone given the high levels of inflation and it has signalled that interest rates will need to remain at restrictive levels for some time. In its July and September meetings, it implemented two additional rate hikes of 75 bps, bringing rates to a range of 3.00%-3.25%. In its most recent forecasts, the Fed announced that rates would be 4.40% at the end of 2022 and 4.60% at the end of 2023, which would imply further rate hikes of almost 125 bps this year even though there are only two meetings left (November and December). It is worth noting that members of the Fed have ruled out a monetary policy shift in 2023, in spite of the expected economic slowdown and financial markets volatility. The Fed also continued with its quantitative tightening (QT) policy, doubling the pace in September.

The Bank of England (BoE) increased the base rate in its last few meetings, raising it to 2.25%, the highest rate since 2008. The BoE has had to take emergency action to preserve financial stability following the significant market movements triggered by the government's announcement of its tax package and given the problems that this package entailed for pension funds. It established a temporary scheme of long-dated gilt purchases (until 14 October) in which it ended up purchasing 19 billion pounds worth of UK government bonds. It also set up liquidity facilities for businesses operating in wholesale gas and electricity markets, as well as a short-term lending facility for pension funds through banks. The BoE also announced that it would delay sales of assets on its balance sheet to 1 November. In terms of its interest rate hikes, the BoE announced that in its next meeting it would increase the base rate as much as necessary to return inflation to the target in the medium term.

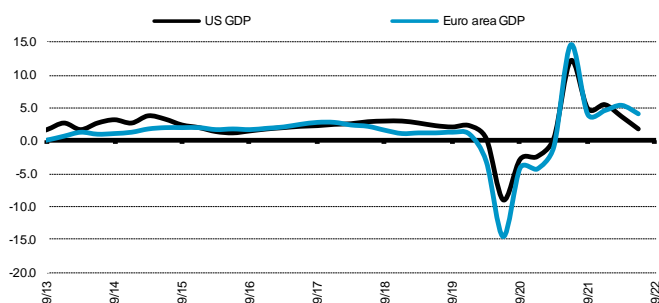
10-year government bond yields in the United States and Germany rebounded sharply in Q3 2022, reaching their highest levels since 2008 and 2011, respectively, influenced by the hawkish tone of the Fed and the ECB as well as high inflation and the movements of UK gilts following the UK's announcement of its large fiscal stimulus. Movements in the government bonds market are being amplified by the reduced levels of liquidity and depth.

The Italian risk premium also rebounded in the face of the ECB's hawkish tone and the increased political noise caused by the snap elections. In these elections, the centre-right coalition gained an absolute majority. Spain's risk premium also increased, although to a lesser extent than Italy's.

Equity markets

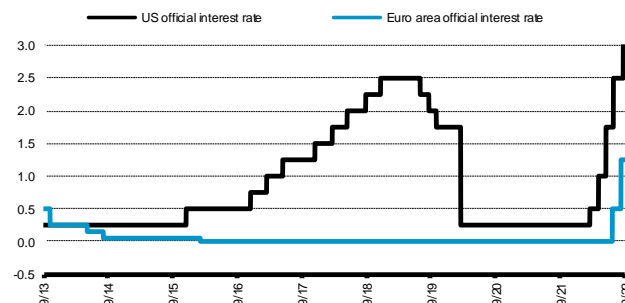
Equity markets performed negatively in Q3 2022, mainly affected by the energy crisis caused by the war in Ukraine and the increasingly tougher messages conveyed by central banks to control the widespread increase of inflation. In the first half of the quarter, low valuations allowed stock markets to rebound. In the second half, from mid-August onwards, the definitive cut of Russian gas supplies through Nord Stream 1 and central banks' concerns over inflation (which overshadowed concerns over economic growth) weighed down on stock markets, which returned to their lowest levels of the year. Within the developed economies, European stock market indices declined, including the Euro STOXX 50 (-4.0% in euros) and the IBEX 35 (-9.0% in euros). In the United States, the S&P 500 also dropped (-5.3% in dollars, although it rebounded by +1.4% in euros, due to the depreciation of the European currency). In the emerging economies, the Chinese Hang Seng plunged by -15.7% in euros, influenced by the country's zero Covid policy.

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



Source: Bloomberg

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



Exchange rates: Parity vs. euro

Fx	30.09.21	31.12.21	31.03.22	30.06.22	30.09.22
USD	1.1579	1.1326	1.1101	1.0387	0.9748
GBP	0.8605	0.8403	0.8460	0.8582	0.8830
MXN	23.7439	23.1438	22.0903	20.9641	19.6393

Source: Bank of Spain

Income statement

Summary of results:

Banco Sabadell Group generated attributable profit of 709 million euros as of the end of September 2022, of which 616 million euros are recorded excluding TSB and 93 million euros correspond to TSB, thus representing year-on-year growth of 91.9% and bringing the Group's ROTC to 8.0%.

This Group profit was mainly driven by the good performance of core results (net interest income + net fees and commissions – recurrent costs), which increased by 21.1% year-on-year, due to the improvement of net interest income and net fees and commissions, as well as the efforts made to reduce costs. In the quarter, core results grew by 13.6%, with the increase of net interest income being particularly worthy of note.

It is also worth highlighting the improvement in the Group's credit quality, which made it possible to reduce provisions and place credit cost of risk at 39 bps as of the end of September 2022, when in the same period of the previous year it stood at 51 bps.

Income statement

(€ million)	Excl. TSB			Total group				
	9M21	9M22	YoY (%)	9M21	9M22	YoY (%)	YoY (%) at constant FX	
Net interest income	1,818	1,875	3.1	2,563	2,722	6.2	5.2	
Net fees and commissions	984	1,015	3.1	1,070	1,118	4.5	4.2	
Core revenues	2,803	2,890	3.1	3,633	3,840	5.7	4.9	
Net trading income and exchange differences	344	102	-70.3	348	113	-67.5	-67.5	
Income from equity method and dividends	67	113	68.4	67	113	68.4	68.4	
Other operating income/expense	-119	-129	8.2	-140	-159	13.6	12.7	
Gross operating income	3,095	2,976	-3.8	3,908	3,907	0.0	-0.7	
Operating expenses	-1,578	-1,185	-24.9	-2,160	-1,753	-18.8	-19.5	
Personnel expenses	-1,140	-778	-31.8	-1,410	-1,043	-26.0	-26.5	
Other general expenses	-438	-407	-7.1	-750	-711	-5.3	-6.5	
Amortisation & depreciation	-276	-289	4.5	-389	-409	5.1	4.4	
Total costs	-1,854	-1,474	-20.5	-2,549	-2,162	-15.2	-15.9	
Memorandum item:								
Recurrent costs	-1,553	-1,474	-5.1	-2,248	-2,162	-3.8	-4.7	
Non-recurrent costs	-301	0	-100.0	-301	0	-100.0	-100.0	
Pre-provisions income	1,241	1,502	21.1	1,359	1,744	28.3	27.9	
Provisions for NPLs	-712	-517	-27.3	-733	-560	-23.6	-24.0	
Provisions for other financial assets	-58	-47	-19.8	-58	-77	33.2	33.2	
Other impairments	-120	-72	-40.0	-120	-72	-40.0	-35.9	
Gains on sale of assets and other results	79	-16	--	78	-16	--	--	
Profit before tax	430	851	98.0	527	1,019	93.4	93.1	
Income tax	-133	-220	65.9	-148	-296	99.9	100.6	
Minority interest	9	14	50.4	9	14	50.4	50.4	
Attributable net profit	288	616	114.3	370	709	91.9	91.2	
Memorandum item:								
Core results (NII + net fees and commissions - costs)	(1)	1,249	1,416	13.3	1,385	1,677	21.1	20.6

(1) Calculation taking into account recurrent costs.

Quarterly income statement

(€million)	Excl. TSB						Total group						QoQ (%) at constant FX
	3 Q21	4 Q21	1Q22	2 Q22	3 Q22	QoQ (%)	3 Q21	4 Q21	1Q22	2 Q22	3 Q22	QoQ (%)	
Net interest income	615	596	587	619	669	8.2	877	863	858	899	965	7.4	7.5
Net fees and commissions	330	363	328	337	349	3.6	361	397	359	371	388	4.8	4.9
Core revenues	945	959	916	956	1,018	6.6	1,238	1,260	1,217	1,269	1,354	6.6	6.8
Net trading income and exchange differences	323	-2	28	53	22	-58.1	320	-4	33	50	30	-39.8	-39.1
Income from equity method and dividends	11	35	59	26	28	10.4	11	35	59	26	28	10.4	10.4
Other operating income/expense	-6	-160	-11	-115	-3	-97.3	-18	-173	-23	-124	-12	-90.1	-89.9
Gross operating income	1,273	831	991	919	1,066	15.9	1,551	1,118	1,285	1,222	1,400	14.6	14.7
Operating expenses	-722	-418	-399	-390	-396	1.6	-909	-621	-590	-577	-586	1.5	1.7
Personnel expenses	-570	-274	-261	-258	-259	0.4	-656	-367	-350	-345	-348	1.0	1.1
Other general expenses	-151	-144	-139	-132	-137	3.8	-253	-254	-240	-232	-238	2.3	2.7
Amortisation & depreciation	-92	-93	-94	-96	-99	3.5	-128	-138	-136	-137	-137	-0.1	0.1
Total costs	-813	-511	-493	-485	-495	1.9	-1,037	-759	-726	-714	-723	1.2	1.4
Memorandum item:													
Recurrent costs	-512	-511	-483	-485	-495	1.9	-736	-740	-726	-714	-723	1.2	1.4
Non-recurrent costs	-301	0	0	0	0	--	-301	-19	0	0	0	--	--
Pre-provisions income	460	319	497	434	571	31.5	515	360	560	508	677	33.4	33.5
Provisions for NPLs	-235	-238	-184	-175	-159	-9.0	-228	-217	-195	-184	-180	-2.2	-2.2
Provisions for other financial assets	-10	-39	-11	-18	-18	-0.9	-10	-39	-11	-28	-38	32.6	33.2
Other impairments	-52	-58	-20	-36	-16	-55.5	-52	-58	-20	-36	-16	-55.5	-41.3
Gains on sale of assets and other results	0	56	-13	-6	3	--	5	48	-13	-6	3	--	--
Profit before tax	163	40	269	199	382	91.6	229	93	320	253	447	76.8	76.9
Income tax	-55	83	-62	-54	-104	91.6	-78	67	-93	-73	-130	78.4	78.6
Minority interest	2	-1	13	1	0	-100.0	2	-1	13	1	0	-100.0	-100.0
Attributable net profit	106	125	194	144	278	92.5	149	161	213	179	317	76.8	76.9
Memorandum item:													
Core results (Nil + net fees and commissions - costs)	(1)	433	447	422	470	11.3	502	520	491	555	631	13.6	13.6

(1) Calculation taking into account recurrent costs.

Net interest income:

Net interest income evolved positively and amounted to 2,722 million euros as of the end of September 2022, representing growth of 6.2% year-on-year and of 7.4% in the quarter.

Excluding TSB, net interest income amounted to 1,875 million euros as of the end of September 2022, growing by 3.1% compared to the previous year, driven by improved revenues from ALCO portfolio and lower wholesale funding costs, which offset the reduced loan book yields. In the quarter, net interest income grew by 8.2%, mainly driven by the increased yields of the loan book on the back of higher interest rates, by an increased contribution of the ALCO portfolio, and by the greater number of days in the third quarter of the year, which offsets the reduction caused by the smaller contribution of TLTRO III and by higher wholesale funding costs.

TSB's net interest income amounted to 847 million euros as of the end of September 2022, thus growing by 13.8% year-on-year mainly due to the strong growth of mortgage volumes. In the quarter, this item grew by 5.7%, due to increased loan book yields on the back of higher interest rates, increased revenues from fixed income, and the greater number of days in the quarter.

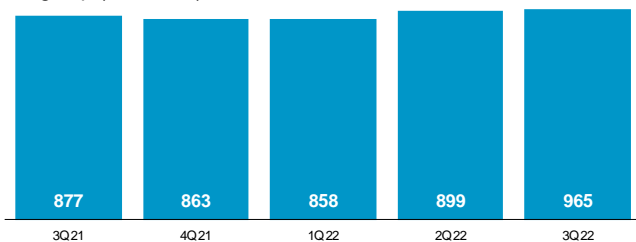
Customer spread and margin on average total assets:

The customer spread increased by 8 bps in the quarter to 2.34% (2.26% excluding TSB) due to the increase in loan yields, which offset the higher cost of deposits, impacted by Mexico and Miami.

Similarly, the margin on average total assets increased by 6 bps to 1.46% (1.27% excluding TSB).

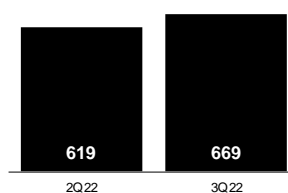
Evolution of net interest income

Total group (€ millions)



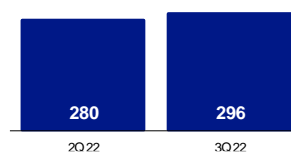
	Total group	Constant FX
Change YoY:	+6.2%	+5.2%
Change QoQ:	+7.4%	+7.5%

Sabadell ex - TSB (€ millions)



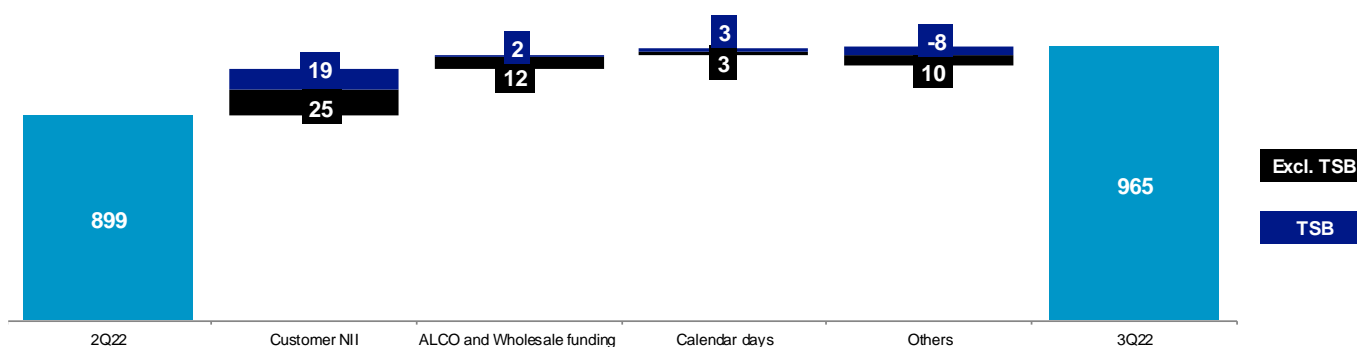
Change YoY: **+3.1%**
Change QoQ: **+8.2%**

TSB (€ millions)

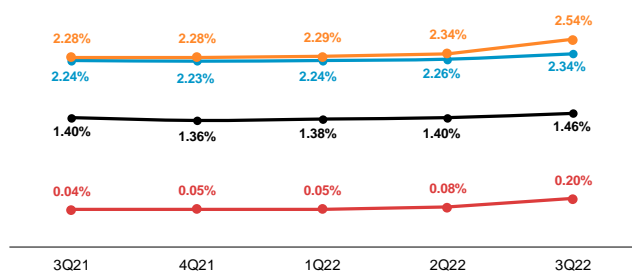


Change YoY: **+13.8%** Constant FX
+11.7% Constant FX
Change QoQ: **+5.7%** Constant FX
+6.8% Constant FX

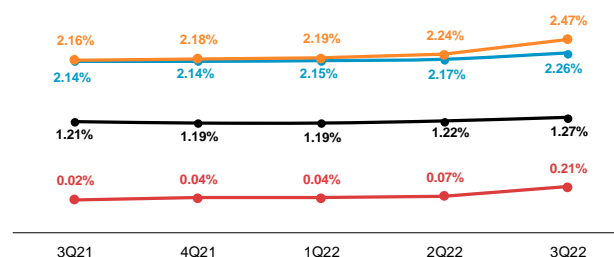
Quarterly evolution of net interest income (€ million)



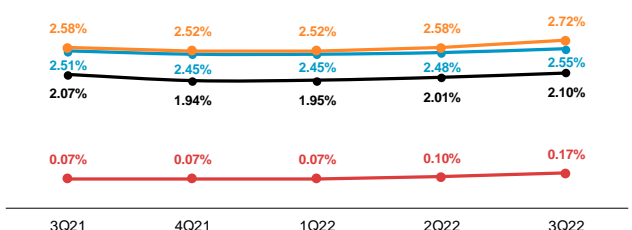
Net interest income, Group (%)



Net interest income, ex-TSB (%)



Net interest income, TSB (%)



Legend: Customer spread (Blue), Customer loan yield (Orange), Net interest margin as % of ATA (Black), Cost of customer funds (Red)

Gains and charges in the quarter

Total Group

(€million)	3 Q 21			4 Q 21			1 Q 22			2 Q 22			3 Q 22		
	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)	49,896	-0.26	-32	54,665	-0.24	-33	55,536	-0.22	-29	54,056	-0.13	-18	54,979	0.39	54
Loans to customers (net)	153,649	2.28	881	155,218	2.28	891	155,878	2.29	879	157,837	2.34	919	159,007	2.54	1,018
Fixed-income securities	26,080	0.65	43	22,365	0.50	28	23,117	0.59	33	25,315	0.85	54	27,926	1.14	81
Equity securities	1,046	--	--	1,003	--	--	844	--	--	921	--	--	925	--	--
Tang. & intang. assets	5,027	--	--	4,986	--	--	4,906	--	--	4,842	--	--	4,785	--	--
Other assets	13,061	0.29	10	12,368	0.19	6	11,974	0.44	13	13,323	0.93	31	14,553	1.40	51
Total assets	248,759	1.44	901	250,605	1.41	893	252,255	1.44	896	256,295	1.54	987	262,174	1.82	1,203
Financial institutions (2)	38,420	0.77	75	41,134	0.69	72	41,085	0.64	65	41,119	0.51	52	41,172	-0.08	-8
Customer deposits (3)	165,534	-0.04	-15	164,344	-0.05	-21	167,158	-0.05	-19	170,098	-0.08	-34	172,668	-0.20	-85
Capital markets	23,455	-1.10	-65	22,794	-1.12	-64	22,171	-1.07	-59	22,108	-1.13	-62	22,332	-1.33	-75
Other liabilities	8,591	-0.86	-19	9,359	-0.71	-17	8,800	-1.17	-25	9,954	-1.78	-44	12,698	-2.14	-69
Shareholders' equity	12,758	--	--	12,975	--	--	13,042	--	--	13,017	--	--	13,304	--	--
Total funds	248,759	-0.04	-24	250,605	-0.05	-30	252,255	-0.06	-38	256,295	-0.14	-88	262,174	-0.36	-238
Net interest income			877			863			858			899			965
Customer spread		2.24			2.23			2.24		2.26				2.34	
Net interest margin as % of ATA		1.40			1.36			1.38		1.40				1.46	

- (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)	3 Q 21			4 Q 21			1 Q 22			2 Q 22			3 Q 22		
	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)	46,570	-0.27	-32	49,101	-0.26	-32	49,869	-0.26	-32	48,660	-0.22	-27	49,867	0.29	37
Loans to customers (net)	111,726	2.16	608	111,405	2.18	613	110,966	2.19	599	113,279	2.24	633	114,829	2.47	715
Fixed-income securities	23,177	0.77	45	19,366	0.60	29	20,202	0.66	33	22,575	0.90	51	25,136	1.14	72
Other assets	19,976	0.27	14	19,158	0.23	11	18,299	0.22	10	19,044	0.29	14	19,565	0.39	19
Total assets	201,450	1.25	635	199,030	1.24	622	199,336	1.24	610	203,557	1.32	671	209,397	1.60	843
Financial institutions (2)	35,478	0.84	75	35,364	0.83	74	34,495	0.85	72	34,624	0.78	68	34,759	0.20	18
Customer deposits (3)	124,269	-0.02	-7	122,361	-0.04	-14	124,655	-0.04	-12	128,355	-0.07	-23	131,792	-0.21	-68
Capital markets	21,412	-1.14	-62	20,715	-1.14	-60	20,065	-1.08	-53	20,023	-1.09	-55	20,232	-1.27	-65
Other liabilities and shareholders' equity	20,291	-0.53	-27	20,589	-0.50	-26	20,121	-0.60	-30	20,555	-0.81	-41	22,614	-1.03	-59
Total funds	201,450	-0.04	-20	199,030	-0.05	-26	199,336	-0.05	-23	203,557	-0.10	-52	209,397	-0.33	-174
Net interest income			615			596			587			619			669
Customer spread		2.14			2.14			2.15		2.17				2.26	
Net interest margin as % of ATA		1.21			1.19			1.19		1.22				1.27	

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

Net trading income and exchange differences:

As of the end of September 2022, this item amounted to a total of 113 million euros (102 million euros excluding TSB), a reduction compared to the previous year, which included 324 million euros gained on sales from the ALCO portfolio executed to fund the second phase of the efficiency plan carried out in Spain. This item showed a quarter-on-quarter reduction, as fewer gains were recognised on fixed income portfolio sales.

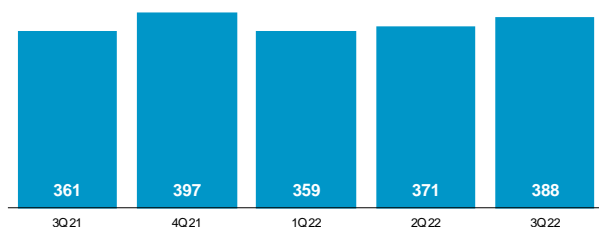
Net fees and commissions:

There was good momentum across all segments in terms of net fees and commissions, which amounted to 1,118 million euros as of the end of September 2022, representing year-on-year growth of 4.5% (3.1% excluding TSB), notably including service fees driven mainly by increased payment card usage and currency exchange transactions, as well as fees arising from risk transactions.

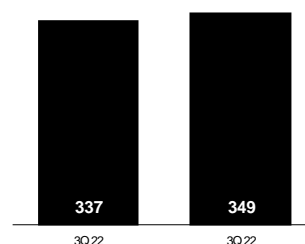
On a quarterly basis, net fees and commissions grew by 4.8% (3.6% excluding TSB), with service fees in particular standing out.

Evolution of net fees and commissions

Total group (€ millions)



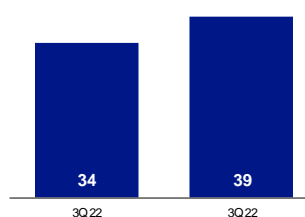
Sabadell ex - TSB (€ millions)



Change YoY:
+3.1%

Change QoQ:
+3.6%

TSB (€ millions)



Change YoY:
+20.1%
+17.9% Constant FX

Change QoQ:
+16.9%
+18.0% Constant FX

	Total group	Constant FX
Change YoY:	+4.5%	+4.2%
Change QoQ:	+4.8%	+4.9%

Net fees and commissions

(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q22	3 Q22	QoQ (%)	2 Q22	3 Q22	QoQ (%)	9 M 21	9 M 22	YoY (%)	9 M 21	9 M 22	YoY (%)
Lending fees	44	45	1.7	44	45	1.7	125	133	6.5	125	133	6.5
Guarantees commissions	26	26	0.5	26	26	0.5	75	77	2.9	75	77	2.9
Risk transaction fees	71	72	1.2	71	72	1.2	200	210	5.1	200	210	5.1
Cards	48	49	3.9	67	70	3.6	123	137	11.9	166	194	16.7
Payment orders	20	21	5.0	21	22	4.9	52	60	15.2	54	62	14.0
Securities	15	12	-23.1	15	12	-23.1	49	41	-16.4	49	41	-16.4
Custodian mutual and pension funds	0	0	--	0	0	--	7	0	-100.0	7	0	-100.0
Sight accounts	61	67	9.9	70	79	12.7	187	186	-0.4	218	218	-0.1
Foreign currency and notes exchange	29	30	1.1	36	38	4.0	64	87	34.5	80	108	34.3
Other transactions	13	18	41.1	7	13	87.4	60	48	-20.8	46	32	-30.2
Commissions for services	186	197	5.8	217	234	7.6	543	559	3.1	621	655	5.4
Mutual funds	31	31	1.8	31	31	1.8	88	93	5.8	88	93	5.8
Pension funds and insurance brokerage	44	44	-0.6	47	46	-0.4	136	135	-0.8	143	142	-0.6
Wealth management	5	6	4.3	5	6	4.3	17	17	-3.2	17	17	-3.2
Asset Under Management commissions	80	81	0.6	83	83	0.7	242	245	1.4	249	253	1.5
Total	337	349	3.6	371	388	4.8	984	1,015	3.1	1,070	1,118	4.5

Income from equity method and dividends:

This item amounted to 113 million euros at the end of September 2022, representing an increase compared to the previous year and the previous quarter, having recorded greater earnings from investees of BS Capital.

Other operating income and expenses:

This item amounted to -159 million euros as of the end of September 2022 (-129 million euros excluding TSB), while in the same period in the previous year they stood at -140 million euros (-119 million euros excluding TSB). The change is mainly due to a higher contribution to the SRF because of an increase in the contribution rate at the systemic level; it also reflects the fact that this year does not include the positive contribution of BanSabadell Renting following its sale.

The quarterly change is due to the recognition in the second quarter of the contribution to the Single Resolution Fund (SRF) of -100 million euros.

Total costs:

Total costs followed a positive trend over the year, amounting to -2,162 million euros as of the end of September 2022 (-1,474 million euros excluding TSB), a reduction of -15.2% compared to the same period of the previous year, which included -301 million euros of non-recurrent costs arising from the efficiency plan carried out in Spain. Not including this impact, recurrent costs fell by -3.8% year-on-year, driven by savings on staff expenses delivered by the efficiency plans and also by a reduction of general expenses.

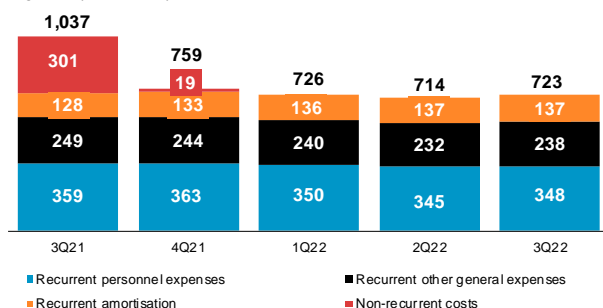
In the quarter, costs increased by 1.2% (1.9% excluding TSB), mainly due to the increase in general expenses which were impacted by inflationary pressures.

Total costs

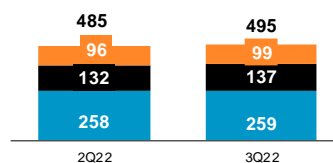
(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q22	3 Q22	QoQ (%)	2 Q22	3 Q22	QoQ (%)	9 M 21	9 M 22	YoY (%)	9 M 21	9 M 22	YoY (%)
Personnel expenses	-258	-259	0.4	-345	-348	1.0	-1,140	-778	-31.8	-1,410	-1,043	-26.0
IT and communications	-57	-50	-12.4	-108	-103	-4.5	-178	-163	-8.4	-334	-320	-4.2
Advertising	-10	-12	30.8	-15	-21	41.9	-32	-32	-0.8	-63	-54	-13.9
Premises and office supplies	-9	-12	31.7	-16	-18	17.2	-30	-31	2.4	-49	-51	2.8
Technical reports and judicial expenses	-6	-5	-10.8	-11	-10	-2.8	-17	-16	-7.3	-27	-30	10.5
Subcontracted administrative services	-9	-15	68.7	-28	-32	15.6	-35	-37	5.5	-94	-89	-4.6
Contributions and taxes	-25	-20	-20.8	-27	-22	-21.4	-91	-70	-23.8	-101	-78	-22.9
Others	-17	-23	34.7	-28	-31	11.9	-54	-59	8.8	-81	-88	7.7
Other general expenses	-132	-137	3.8	-232	-238	2.3	-438	-407	-7.1	-750	-711	-5.3
Amortisation & depreciation	-96	-99	3.5	-137	-137	-0.1	-276	-289	4.5	-389	-409	5.1
Total costs	-485	-495	1.9	-714	-723	1.2	-1,854	-1,474	-20.5	-2,549	-2,162	-15.2
Memorandum item:												
Recurrent costs	-485	-495	1.9	-714	-723	1.2	-1,553	-1,474	-5.1	-2,248	-2,162	-3.8
Non-recurrent costs	0	0	--	0	0	--	-301	0	-100.0	-301	0	-100.0
Efficiency ratio (%)							52.46	40.93		56.53	45.83	
Efficiency ratio with amortisation & depreciation (%)							61.65	50.91		66.70	56.52	

Evolution of total costs

Total group (€ millions)



Sabadell ex - TSB (€ millions)



Recurrent costs

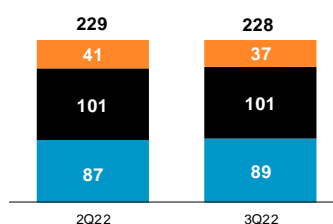
Change YoY:

-5.1%

Change QoQ:

+1.9%

TSB (€ millions)



Recurrent costs

Change YoY:

-0.9%

-2.7% Constant FX

Change QoQ:

-0.3%

+0.7% Constant FX

	Total group ⁽¹⁾	Constant FX ⁽¹⁾
Change YoY:	-3.8%	-4.7%
Change QoQ:	+1.2%	+1.4%

(1) Change over total recurrent costs.

Core results:

Core results (net interest income + net fees and commissions – recurrent costs) performed well, standing at 1,677 million euros as of the end of September 2022, growing by 21.1% year-on-year as a result of the good

evolution of net interest income and net fees and commissions, as well as the reduction of costs. In the quarter, they grew by 13.6%, mainly supported by the improvement of net interest income.

(€million)

	Total group			9M 21	9M 22	YoY (%)
	2Q22	3Q22	QoQ (%)			
Net interest income	899	965	7.4	2,563	2,722	6.2
Net fees and commissions	371	388	4.8	1,070	1,118	4.5
Recurrent costs	-714	-723	1.2	-2,248	-2,162	-3.8
Core results	555	631	13.6	1,385	1,677	21.1

Provisions for loan losses and other impairments:

This item amounted to -709 million euros as of the end of September 2022 (-636 million euros excluding TSB), compared to -911 million euros (-890 million euros excluding TSB) as of the end of September 2021, thus representing a year-on-year reduction of -22.1% (-28.5% not including TSB).

In the quarter, provisions for financial assets included -38 million euros (-18 million euros excluding TSB) related to litigation, while the "Other provisions and impairments" heading shows a reduction, as the previous quarter included -13 million euros corresponding to the goodwill impairment of an investee.

This level of provisions represents credit cost of risk for the Group of 39 bps as of the end of September 2022, thus improving by 12 bps compared to the same period in the previous year. Total cost of risk was 55 bps.

Gains on sale of assets and other results:

Gains on sale of assets and other results amounted to -16 million euros as of the end of September 2022. The change from the same period in the previous year is due to the fact that the previous year included 83 million euros (gross) from the sale of the depositary business.

Net profit:

The Group's net profit amounted to 709 million euros as of the end of September 2022 (616 million euros excluding TSB) representing year-on-year growth of 91.9%, mainly driven by the core revenue improvement, cost savings and the booking of fewer provisions.

Balance sheet

Highlights:

Performing loans grew in all geographies in the year-on-year comparison, and continued to show a positive trend. In the quarter, lending volumes were impacted by the depreciation of the pound sterling and by a seasonality effect, as the second quarter included c.600 million euros of social security advance payments.

The good evolution of sight accounts and term deposits has been driving the year-on-year growth of on-balance sheet customer funds. In the quarter, they remained stable, affected by the depreciation of the pound, while at a constant exchange rate they showed a positive evolution, supported by the growth of sight accounts.

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

Balance sheet

(€million)	30.09.21	30.06.22	30.09.22	Change	
				YoY (%)	QoQ (%)
Cash, cash balances at central banks and other demand deposits	50,757	45,284	43,971	-13.4	-2.9
Financial assets held for trading and fair value with changes in PL	1,969	4,324	5,953	202.3	37.7
Financial assets in fair value OCI	6,581	6,067	5,826	-115	-4.0
Financial assets at amortised cost	173,589	186,579	189,323	9.1	1.5
Loans and advances to customers	154,741	160,835	159,365	3.0	-0.9
Loans and advances of central banks and credit institutions	3,769	6,116	9,384	149.0	53.4
Debt securities	15,079	19,628	20,574	36.4	4.8
Investments in subsidiaries, joint ventures and associates	604	556	531	-12.0	-4.6
Tangible assets	2,778	2,669	2,590	-6.8	-3.0
Intangible assets	2,563	2,511	2,493	-2.7	-0.7
Other assets	11,081	9,238	9,720	-12.3	5.2
Total assets	249,922	257,229	260,407	4.2	1.2
Financial liabilities held for trading and fair value with changes in PL	1,526	2,811	4,956	224.8	76.3
Financial liabilities at amortised cost	231,863	239,180	239,663	3.4	0.2
Central banks	36,264	38,296	37,605	3.7	-1.8
Credit institutions	9,956	8,222	9,512	-4.5	15.7
Customer deposits	158,660	164,619	163,551	3.1	-0.6
Debt securities issued	21,726	20,696	21,622	-0.5	4.5
Other financial liabilities	5,258	7,347	7,373	40.2	0.3
Provisions	935	624	631	-32.5	1.1
Other liabilities	2,721	1,562	1,794	-34.1	14.8
Subtotal liabilities	237,045	244,178	247,044	4.2	1.2
Shareholders' equity	13,251	13,524	13,815	4.3	2.2
Accumulated other comprehensive income	-451	-511	-489	8.4	-4.3
Minority interest	77	38	38	-51.5	-1.7
Net equity	12,877	13,051	13,363	3.8	2.4
Total liabilities and equity	249,922	257,229	260,407	4.2	1.2
Financial guarantees granted	2,034	2,046	2,102	3.3	2.7
Commitments for loans granted	29,026	28,252	28,569	-16	1.1
Other commitments granted	7,410	7,693	8,292	11.9	7.8

Assets:

The Group's total assets amounted to 260,407 million euros, representing an increase of 4.2% year-on-year and of 1.2% in the quarter.

Excluding TSB, total assets amounted to 207,677 million euros, increasing by 3.2% year-on-year and by 1.3% in the quarter.

Loans and advances to customers:

Performing loans ended the third quarter of 2022 with a balance of 156,745 million euros (113,889 million euros excluding TSB), growing by 2.8% year-on-year (3.1% excluding TSB), while in the quarter they fell by -0.9% (-0.3% excluding TSB), affected by the depreciation of the pound sterling.

Excluding the impact of the APS, year-on-year lending growth stood at 2.9% (3.2% excluding TSB).

In Spain, performing loans, excluding the APS, grew by 2.7% year-on-year, mainly driven by increased lending to corporates and public administrations, as well as the positive evolution of the mortgage book and consumer loans. In the quarter, lending volumes fell by -0.5%, impacted by a seasonality effect, as the second quarter included c.600 million euros of social security advance payments. Not including this effect, lending volumes remained stable, supported by the growth of foreign branches (which are included in this scope), particularly in Miami, which benefitted from the appreciation of the US dollar.

Performing loans in foreign branches (including Miami) amounted to 9,753 million euros, up by 6.0% year-on-year and by 6.2% in the quarter, in both cases supported by the appreciation of the US dollar.

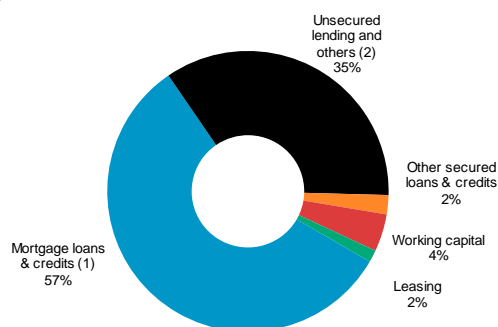
In TSB, lending was up by 2.2% year-on-year and down by -2.4% in the quarter, in both cases impacted by the depreciation of the pound sterling. At a constant exchange rate, annual growth was 4.8%, while growth in the quarter was 0.4%, in both cases supported by the positive evolution of the mortgage book.

Mexico saw growth of 19.8% year-on-year and of 4.7% in the quarter, in both cases supported by the appreciation of the Mexican peso and the US dollar. At constant exchange rate, growth stood at 0.5% year-on-year, while in the quarter there was a decline of -1.8%.

Loans and advances to customers

(€million)	Excl. TSB					Total group				
	30.09.21	30.06.22	30.09.22	Change		30.09.21	30.06.22	30.09.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Mortgage loans & credits	49,938	49,573	49,449	-1.0	-0.3	88,962	90,533	89,513	0.6	-1.1
Other secured loans & credits	2,781	2,965	3,034	9.1	2.3	3,414	3,456	3,476	1.8	0.6
Working capital	5,200	6,745	6,760	30.0	0.2	5,200	6,745	6,760	30.0	0.2
Leasing	2,126	2,151	2,163	1.7	0.5	2,126	2,151	2,163	1.7	0.5
Unsecured lending and others	50,443	52,807	52,484	4.0	-0.6	52,736	55,259	54,833	4.0	-0.8
Performing gross loans	110,488	114,241	113,889	3.1	-0.3	152,438	158,144	156,745	2.8	-0.9
Of which: APS	241	70	70	-70.8	0.0	241	70	70	-70.8	0.0
Performing gross loans excluding APS	110,247	114,171	113,818	3.2	-0.3	152,197	158,074	156,675	2.9	-0.9
Stage 3 assets (customer)	4,874	4,652	4,767	-2.2	2.5	5,521	5,233	5,358	-2.9	2.4
Accruals	-25	-8	85	--	--	60	84	184	205.7	119.8
Gross loans to customers (excluding repos)	115,337	118,885	118,741	3.0	-0.1	158,020	163,460	162,288	2.7	-0.7
Reverse repos	0	353	115	--	-67.5	0	353	115	--	-67.5
Gross loans to customers	115,337	119,238	118,856	3.1	-0.3	158,020	163,814	162,403	2.8	-0.9
NPL and country-risk provisions	-3,027	-2,761	-2,822	-6.8	2.2	-3,279	-2,976	-3,038	-7.3	2.0
Loans and advances to customers	112,310	116,477	116,034	3.3	-0.4	154,741	160,835	159,365	3.0	-0.9

Loans and advances to customers, by product type 30.09.2022 (%) (*)

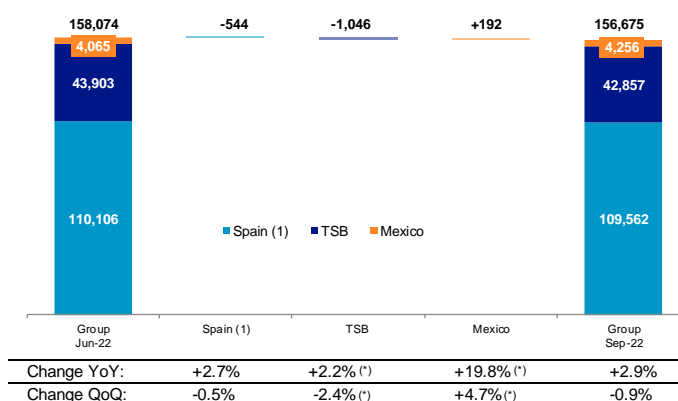


(1) Includes mortgage loans and credits both to individuals and companies.

(2) Includes IOO loans.

(*) Excluding stage 3 assets and accrual adjustments.

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



(*) In TSB +4.8% YoY and +0.4% QoQ in GBP and in Mexico +0.5% YoY and -1.8% QoQ in MXN.

(1) Spain includes foreign branches (€9,753M in Sep 22 and €9,182M in Jun 22).

Liabilities:

Customer funds:

As of the end of September 2022, on-balance sheet customer funds amounted to a total of 163,247 million euros (123,084 million euros excluding TSB) and grew by 3.4% year-on-year (5.7% excluding TSB), driven by the growth of both sight accounts and term deposits. In the quarter, on-balance sheet funds remained stable (growth of 0.7% excluding TSB), impacted by the depreciation of the pound, while at a constant exchange rate they grew by 0.4%, due to the growth of sight accounts.

Sight account balances amounted to 147,664 million euros (109,315 million euros excluding TSB), representing an increase of 3.8% year-on-year (6.2% excluding TSB) and a reduction of -0.2% in the quarter (growth of 0.8% excluding TSB), affected by the depreciation of the pound, as considering a constant exchange rate they increased by 0.4%.

Term deposits amounted to 15,905 million euros (14,091 million euros excluding TSB), representing growth of 0.9% (3.3% excluding TSB) compared to the same period in the previous year, while in the quarter they decreased by -0.5% (-1.6% excluding TSB).

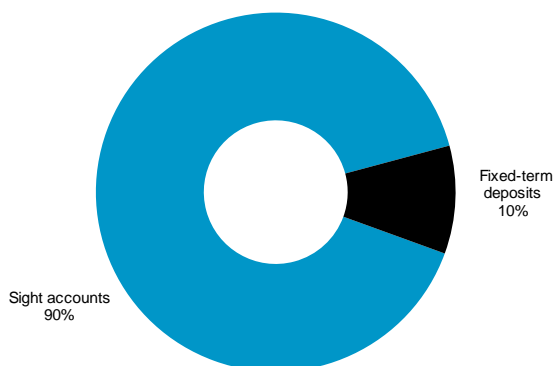
Total off-balance sheet funds amounted to 38,049 million euros as of the end of September 2022, falling by -8.7% year on-year and by -2.0% in the quarter, mainly due to mutual funds, which were impacted by financial markets volatility.

Funds under management and third-party funds:

This item amounted to a total of 223,222 million euros (181,050 million euros excluding TSB), representing a year-on-year increase of 0.5% (1.7% excluding TSB), while in the quarter it fell by -0.4% at the Group level (growth of 0.2% not including TSB).

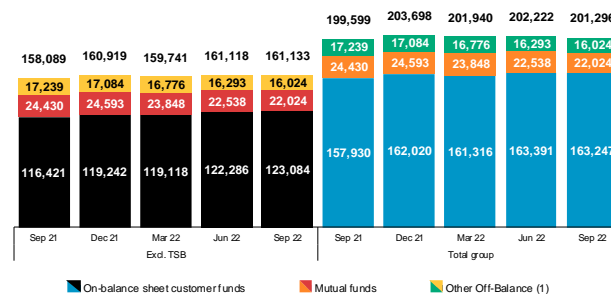
Exposures with central banks included 32 billion euros with the ECB and 6,229 million euros with the Bank of England, remaining stable in the quarter.

Customer deposits, 30.09.2022 (%) (*)



(*) Excluding accrual adjustments and hedging derivatives.

Evolution of customer funds (€ million)



Excl. TSB (*)

Change YoY: **+5.7%**

Change QoQ: **+0.7%**

Total group (*)

Change YoY: **+3.4%**

Change QoQ: **-0.1%**

(*) Change on balance sheet customer funds.

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

Customer funds

(€million)	Excl. TSB					Total group				
	30.09.21	30.06.22	30.09.22	Change		30.09.21	30.06.22	30.09.22	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Financial liabilities at amortised cost	183,883	188,016	189,183	2.9	0.6	231,863	239,180	239,663	3.4	0.2
Non-retail financial liabilities	67,462	65,730	66,099	-2.0	0.6	73,933	75,789	76,416	3.4	0.8
Central banks	32,760	31,867	31,351	-4.3	-1.6	36,264	38,296	37,605	3.7	-1.8
Credit institutions	9,956	8,213	9,511	-4.5	15.8	9,956	8,222	9,512	-4.5	15.7
Institutional issues	19,936	19,511	19,916	-0.1	2.1	22,456	21,924	21,926	-2.4	0.0
Other financial liabilities	4,810	6,138	5,320	10.6	-13.3	5,258	7,347	7,373	40.2	0.3
On-balance sheet customer funds	116,421	122,286	123,084	5.7	0.7	157,930	163,391	163,247	3.4	-0.1
Customer deposits	116,663	123,142	123,363	5.7	0.2	158,660	164,619	163,551	3.1	-0.6
Sight accounts	102,904	108,447	109,315	6.2	0.8	142,292	147,892	147,664	3.8	-0.2
Fixed-term deposits	(1) 13,643	14,320	14,091	3.3	-1.6	15,765	15,980	15,905	0.9	-0.5
Repos	0	371	0	-100.0	-100.0	484	737	12	-97.6	-98.4
Accruals and derivative hedging adjustments	115	4	-43	--	--	119	9	-29	--	--
Debt and other marketable securities	16,211	15,191	16,154	-0.4	6.3	18,243	17,231	18,138	-0.6	5.3
Subordinated liabilities	(2) 3,483	3,465	3,484	0.0	0.6	3,483	3,465	3,484	0.0	0.6
On-balance sheet funds	136,357	141,798	143,001	4.9	0.8	180,386	185,315	185,173	2.7	-0.1
Mutual funds	24,430	22,538	22,024	-9.8	-2.3	24,430	22,538	22,024	-9.8	-2.3
Managed mutual funds	458	0	0	-100.0	--	458	0	0	-100.0	--
Dedicated investment companies	1,434	1,121	964	-32.8	-14.0	1,434	1,121	964	-32.8	-14.0
Third-party funds	22,538	21,417	21,060	-6.6	-1.7	22,538	21,417	21,060	-6.6	-1.7
Managed accounts	3,879	3,519	3,431	-11.5	-2.5	3,879	3,519	3,431	-11.5	-2.5
Pension funds	3,458	3,245	3,164	-8.5	-2.5	3,458	3,245	3,164	-8.5	-2.5
Individual	2,250	2,107	2,053	-8.7	-2.5	2,250	2,107	2,053	-8.7	-2.5
Company	1,202	1,133	1,106	-8.0	-2.4	1,202	1,133	1,106	-8.0	-2.4
Group	6	5	5	-12.0	-2.0	6	5	5	-12.0	-2.0
Third-party insurance products	9,902	9,529	9,429	-4.8	-1.1	9,902	9,529	9,429	-4.8	-1.1
Off-balance sheet customer funds	41,669	38,831	38,049	-8.7	-2.0	41,669	38,831	38,049	-8.7	-2.0
Funds under management and third-party funds	178,025	180,629	181,050	1.7	0.2	222,055	224,146	223,222	0.5	-0.4

- (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 September 2022:

Equity

(€million)	30.09.21	30.06.22	30.09.22	Change	
				YoY	QoQ
Shareholders' equity	13,251	13,524	13,815	564	291
Issued capital	703	703	703	0	0
Reserves	12,190	12,440	12,416	226	-24
Other equity	18	18	20	2	1
Less: treasury shares	-30	-30	-33	-3	-3
Attributable net profit	370	393	709	340	317
Accumulated other comprehensive income	-451	-511	-489	-38	22
Minority interest	77	38	38	-40	-1
Net equity	12,877	13,051	13,363	486	312

Risk management

Highlights:

The Group's stage 3 ratio stood at 3.4% as of the end of September 2022.

In the quarter, non-performing assets increased by 48 million euros, with the 115 million euro increase of stage 3 balances being partially offset by the -68 million euros reduction of foreclosed assets.

With regard to the breakdown of loans by stages, it should be noted that 88.5% are classified as stage 1 with a coverage level of 0.3%, the balance of stage 2 loans represents 8.1% of the total with coverage of 3.9%, and the balance of stage 3 loans represents 3.4% of the total with coverage of 39.0%.

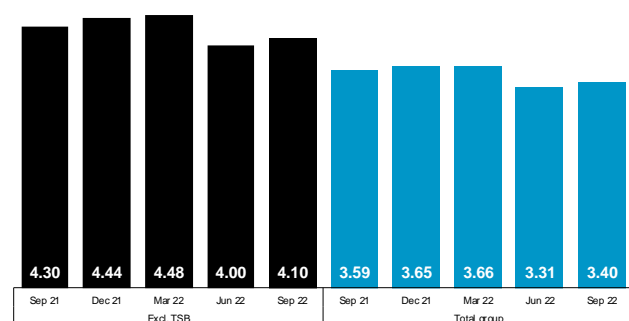
The NPA coverage ratio including total provisions remained stable in the quarter and stood at 52.3%, with the stage 3 coverage ratio including total provisions standing at 55.1% and the foreclosed asset coverage ratio standing at 38.9%.

Risk management:

Non-performing assets showed a balance of 7,039 million euros as of the end of September 2022, of which 5,830 million euros correspond to stage 3 assets and 1,209 million euros correspond to foreclosed assets.

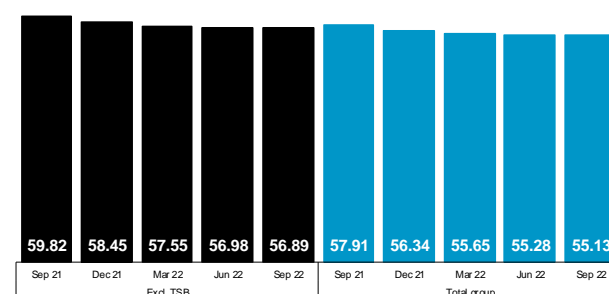
The gross NPA ratio stood at 4.1%, while the net NPA ratio considering total provisions stood at 1.9%.

Stage 3 ratios (%) ^(*)



(*) Calculated including contingent exposures.

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

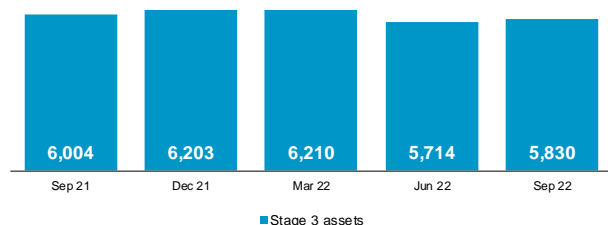


Stage 3 ratios, by segment ^(*)

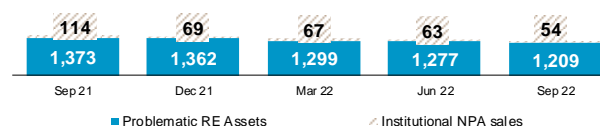
Total group	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22
Real estate development and/or construction purposes	9.05%	9.79%	8.86%	7.77%	8.23%
Construction purposes non-related to real estate dev.	11.77%	11.95%	9.49%	12.04%	11.28%
Large corporates	2.28%	2.35%	2.45%	2.21%	2.00%
SME and small retailers and self-employed	6.14%	6.40%	6.54%	5.84%	6.33%
Individuals with 1st mortgage guarantee assets	2.51%	2.50%	2.47%	2.35%	2.37%
Stage 3 ratio	3.59%	3.65%	3.66%	3.31%	3.40%

(*) Calculated including contingent exposures.

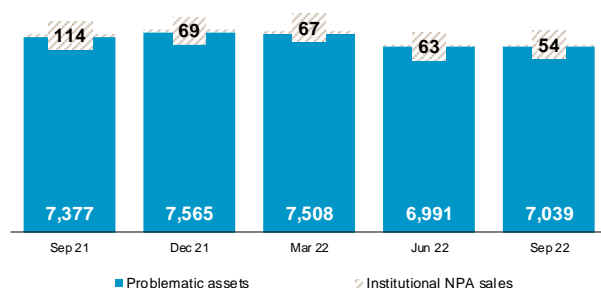
Evolution of stage 3 assets (€ million) (*)



Evolution of foreclosed assets (€ million) (*)



Evolution of problematic assets (€ million) (*)



(*) Calculated including contingent exposures.

The table below shows the evolution of problematic assets over the last few quarters:

Evolution of Group stage 3 and foreclosed assets

(€million)	3Q21	4Q21	1Q22	2Q22	3Q22
Gross entries (stage 3)	511	804	640	586	670
Recoveries and sales	-373	-516	-488	-1,007	-462
Net stage 3 entries	139	287	153	-421	208
Gross entries (foreclosed assets)	63	37	16	21	13
Sales	-59	-49	-79	-43	-81
Change in foreclosed assets	3	-11	-63	-22	-68
Net stage 3 entries + Change in foreclosed assets	142	276	89	-443	140
Write-offs	-129	-89	-146	-74	-92
Foreclosed assets and stage 3 quarterly change	13	187	-56	-517	48

Evolution of Group problematic asset coverage ^(*)

(€ million)	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22
Stage 3 exposures	6,004	6,203	6,210	5,714	5,830
Total provisions	3,477	3,495	3,456	3,159	3,214
Stage 3 coverage ratio with total provisions (%)	57.9%	56.3%	55.7%	55.3%	55.1%
Stage 3 exposures	6,004	6,203	6,210	5,714	5,830
Stage 3 provisions	2,513	2,553	2,560	2,263	2,273
Stage 3 coverage ratio (%)	41.9%	41.2%	41.2%	39.6%	39.0%
Problematic RE Assets	1,373	1,362	1,299	1,277	1,209
Provisions	508	520	494	499	470
Problematic Real Estate coverage ratio (%)	37.0%	38.2%	38.0%	39.0%	38.9%
Total problematic assets	7,377	7,565	7,508	6,991	7,039
Provisions	3,985	4,014	3,950	3,658	3,684
Problematic assets coverage (%)	54.0%	53.1%	52.6%	52.3%	52.3%
Gross loans to customers excluding repos and guarantees granted + problematic RE Assets	168,608	171,298	171,005	174,040	172,594
Gross NPA ratio (%)	(1) 4.4%	4.4%	4.4%	4.0%	4.1%
Net problematic assets	3,393	3,550	3,559	3,334	3,355
Net NPA ratio (%)	(1) 2.0%	2.1%	2.1%	1.9%	1.9%
Net problematic assets as of % of total assets	1.4%	1.4%	1.4%	1.3%	1.3%

(*) 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 gross customer lending excluding repos and guarantees given plus foreclosed assets, while the net NPA ratio is calculated as net problematic assets, including all provisions, divided by gross customer lending excluding repos and guarantees given plus foreclosed assets.

Forbearance and restructured loans

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

(€million)	Sep 21		Dec 21		Mar 22		Jun 22		Sep 22	
	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3	Total	Of which: stage 3
Public sector	10	8	9	8	10	8	9	7	9	7
Companies and self employed	5,151	1,851	4,931	1,912	4,768	1,990	4,553	1,830	4,354	1,911
Of which: Financing for construction and real estate development	323	141	309	143	296	155	293	151	283	153
Individuals	1,910	1,086	1,907	1,090	1,862	1,055	1,755	993	1,674	992
Total	7,070	2,946	6,848	3,010	6,640	3,052	6,317	2,830	6,037	2,910
Provisions	1,311	1,113	1,331	1,144	1,267	1,122	1,142	1,009	1,146	1,033
Coverage ratio	18.5%	37.8%	19.4%	38.0%	19.1%	36.8%	18.1%	35.6%	19.0%	35.5%

Foreclosed assets (*)

(€million)	Gross amount	Allowances for losses
Real estate assets deriving from financing of construction and real estate development	568	226
Finished buildings	516	198
Housing	300	102
Rest	216	97
Buildings under construction	5	3
Housing	5	3
Rest	0	0
Land	47	24
Building land	27	12
Other land	20	12
Real estate assets deriving from home loan mortgages	615	233
Real estate assets acquired in discharge of debts	27	11
Total real-estate portfolio	1,209	470

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

Breakdown of loans and provisions, by stages

(€ million)	Stage 1	Stage 2	Stage 3
Gross loans to customers excluding repos and guarantees granted	151,757	13,798	5,830
<i>Change QoQ</i>	-1.1%	1.4%	2.0%
Provisions	405	536	2,273
Coverage	0.3%	3.9%	39.0%
% Stage / Total Loans	88.5%	8.1%	3.4%

Liquidity management

Highlights:

The Group has a sound liquidity position, with an LCR (Liquidity Coverage Ratio) of 217% as of the end of September 2022 (250% excluding TSB and 145% in TSB) and total liquid assets of 52,907 million euros.

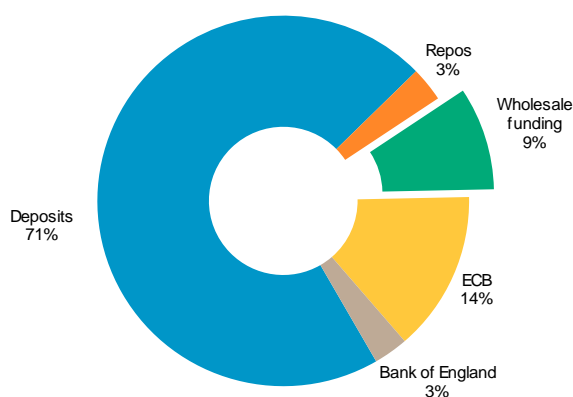
The loan-to-deposit ratio as of the end of September 2022 was 96.7%, with a balanced retail funding structure.

Of particular note among the issues carried out by Banco Sabadell are the 750 million euro Senior Non Preferred debt issuance (green bonds) in the first quarter of the year, the 1 billion euro mortgage covered bonds issuance in the second quarter, and the 500 million euro Senior Non Preferred debt issuance in the third quarter of the year.

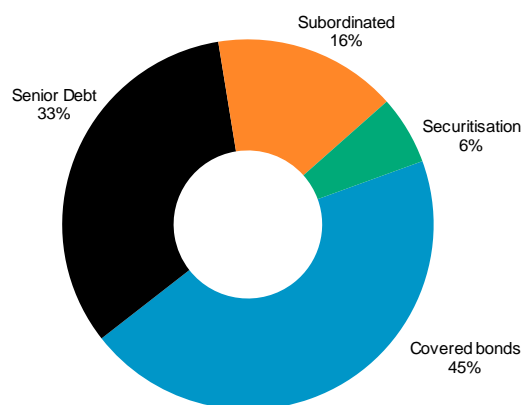
(€ million)		30.09.21	30.06.22	30.09.22
Loans and advances to customers	(1)	154,741	160,482	159,250
Brokered loans		-1,357	-1,340	-1,368
Adjusted net loans and advances		153,384	159,142	157,882
On-balance sheet customer funds		157,930	163,391	163,247
Loan-to-deposits ratio (%)		97.1	97.4	96.7

(1) Excludes reverse repos.

Funding structure, 30.09.2022 (%)



Wholesale market breakdown, 30.09.2022 (%)



Maturities

(€million)	2022	2023	2024	2025	2026	>2026	Outstanding balance
Covered bonds	938	1,388	2,699	836	390	3,601	9,853
Senior Debt	3	1,002	745	1,609	0	500	3,859
Senior Non Preferred Debt	0	0	975	500	1,317	638	3,430
Subordinated	0	0	0	0	500	1,315	1,815
Total	941	2,390	4,419	2,945	2,207	6,054	18,957

New issuances in the year

(€ million)	1Q22	2Q22	3Q22
Covered bonds	0	1,000	0
Senior Non Preferred Debt	870	9	509
Total	870	1,009	509

Maturities in the year

(€ million)	1Q22	2Q22	3Q22	4Q22
Covered bonds	300	0	450	938
Senior Debt	604	525	50	3
Total	904	1,275	500	941

Capital management and credit ratings

Highlights:

The phase-in CET1 ratio stood at 12.65% as of the end September 2022, increasing by 4 bps compared to June 2022.

This CET1 ratio includes 13 bps of IFRS 9 transitional adjustments, therefore the *fully-loaded* CET1 ratio is 12.52%, growing by 4 bps in the quarter. Of this quarterly growth, 21 bps correspond to organic capital generation, -4 bps to the increase of risk-weighted assets, -6 bps correspond to valuation adjustments of the portfolio at fair value, while -7 bps correspond to the pay-out increase to 40%.

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

The phase-in total capital ratio stood at 17.08% as of the end of September 2022, remaining above requirements with an MDA buffer of 418 bps, which increased by 3 bps compared to the previous quarter.

The phase-in leverage ratio stood at 4.62%, increasing by 8 bps compared to the end of June 2022.

The MREL ratio as a percentage of RWAs stood at 25.26%, above the requirement for the year 2024 (24.84%), while the MREL ratio as a percentage of the Leverage Ratio Exposure (LRE) was 7.95%, also above the requirement for 2024 (6.34%¹).

The Board has approved an increase of the pay-out ratio to at least 40% and an interim cash dividend of €0.02/share to be paid in December.

¹ Pro-forma requirement recalibrated by the SRB after the ECB opted not to extend the measure that allowed the temporary exclusion of certain exposures to central banks from the total exposure.

Capital ratios

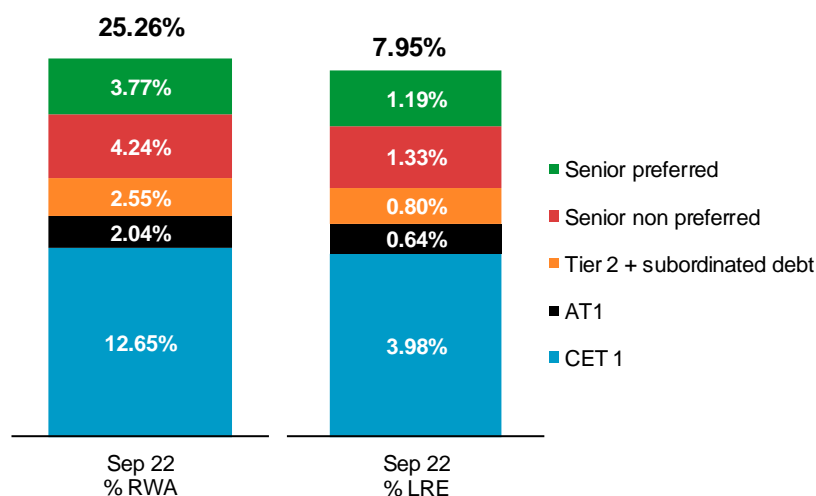
(€ million)	Phase-in			Fully-loaded		
	30.09.21	30.06.22	30.09.22	30.09.21	30.06.22	30.09.22
Issued capital	703	703	703	703	703	703
Reserves	12,467	12,721	12,856	12,467	12,721	12,856
Minority interest	10	0	0	10	0	0
Deductions	(1) -3,252	-3,273	-3,325	-3,470	-3,373	-3,435
Common Equity Tier 1	9,929	10,151	10,235	9,711	10,051	10,124
CET 1 (%)	12.40%	12.61%	12.65%	12.12%	12.48%	12.52%
Preference shares and other	1,654	1,650	1,650	1,654	1,650	1,650
Primary capital	11,582	11,801	11,885	11,364	11,701	11,774
Tier I (%)	14.46%	14.65%	14.69%	14.19%	14.53%	14.56%
Secondary capital	2,037	1,973	1,926	2,037	1,973	1,941
Tier II (%)	2.54%	2.45%	2.38%	2.54%	2.45%	2.40%
Total capital	13,620	13,774	13,811	13,402	13,674	13,715
Total capital ratio (%)	17.01%	17.11%	17.08%	16.73%	16.98%	16.95%
Risk weighted assets (RWA)	80,085	80,524	80,880	80,105	80,538	80,894
Leverage ratio (%)	5.43%	4.54%	4.62%	5.34%	4.50%	4.58%
CET 1 - BS (non-consolidated basis) (%)	13.61%	13.57%	13.45%			
Tier I - BS (non-consolidated basis) (%)	15.63%	15.63%	15.47%			
Tier II - BS (non-consolidated basis) (%)	2.40%	2.36%	2.29%			
Total capital ratio - BS (non-consolidated basis) (%)	18.03%	17.99%	17.76%			
ADIs	(2) 2,553	2,701	2,968			

Note: CET1 ratio includes dividend accrual with cash pay-out ratio of 40.0%.

(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	07.07.2022	A (low)	R-1 (low)	Stable
S&P Global Rating ⁽¹⁾	20.10.2022	BBB	A-2	Stable
Moody's	20.05.2022	Baa3	P-2	Stable
Fitch Ratings	15.07.2022	BBB-	F3	Stable

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On 18 May 2022, **DBRS Ratings GmbH** affirmed Banco Sabadell's long-term rating of A (low), upgrading its outlook from negative to stable, in order to reflect its view that the impact of COVID-19 on the Bank has been less than anticipated in both Spain and the United Kingdom (UK), Sabadell's key operating markets. The short-term rating was also maintained at R-1 (low). The full report on the revision was published on 7 July.

On 20 October 2022, **S&P Global Ratings** revised and upgraded its long- and short-term issuer credit ratings of Banco Sabadell to BBB/A-2 from BBB-/A-3 with a stable outlook. It also revised and upgraded its ratings of senior preferred debt to BBB from BBB- and its long-term resolution counterparty rating to BBB+ from BBB. The remaining ratings were all affirmed. The stable outlook reflects the progress made on the strategic plan and the expectation that Sabadell will continue to deliver on its plan and gradually enhance the financial strength and profitability of the franchise.

On 30 June 2022, **Fitch Ratings** affirmed Banco Sabadell's long-term rating of 'BBB-', with a stable outlook, reflecting the Group's adequate capitalisation and risk diversification and its challenges in relation to profitability and keeping cost of risk contained. It indicated that the factors that had a negative outlook (asset quality and profitability) had stabilised. The short-term rating was kept at 'F3'. The full report on the revision was published on 15 July.

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

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 areas: 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 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 products and finance, such as working capital products, revolving loans and medium- and long-term finance. It also offers custom structured finance and capital market solutions, as well as specialised advice for businesses. Funds mainly come from deposits, customer sight accounts and mutual funds. The main services also include collection/payment methods such as cards and POS terminals, as well as import and export services.
- Corporate Banking: This unit is responsible for managing the segment of large corporations which, because of their unique characteristics, require a tailor-made service, supplementing the range of transaction banking products with the services of the specialised units, thus offering a single, all-encompassing solution to their needs, taking into account the particular features of the economic activity sector and the markets in which they operate. It has units that develop 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 9M22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	1,768	847	107	2,722
Net fees and commissions	1,006	103	8	1,118
Core revenues	2,775	950	115	3,840
Net trading income and exchange differences	99	11	3	113
Income from equity method and dividends	113	0	0	113
Other operating income/expense	-116	-30	-13	-159
Gross operating income	2,871	931	105	3,907
Operating expenses	-1,131	-569	-54	-1,753
Amortisation & depreciation	-279	-120	-10	-409
Total costs	-1,410	-689	-64	-2,162
Pre-provisions income	1,461	242	41	1,744
Total provisions & impairments	-636	-73	0	-709
Gains on sale of assets and other results	-11	0	-5	-16
Profit before tax	814	169	37	1,019
Income tax	-215	-76	-5	-296
Minority interest	14	0	0	14
Attributable net profit	585	93	32	709
ROTE	8.4%	6.0%	9.0%	8.0%
Efficiency	40.5%	61.1%	51.3%	45.8%
Efficiency with amortisation & depreciation	50.5%	74.0%	60.9%	56.5%
Stage 3 ratio	4.2%	1.4%	2.2%	3.4%
Stage 3 coverage ratio with total provisions	56.5%	39.7%	79.7%	55.1%

Profit and loss 9M21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	1,736	744	83	2,563
Net fees and commissions	978	86	6	1,070
Core revenues	2,713	830	89	3,633
Net trading income and exchange differences	345	4	-1	348
Income from equity method and dividends	67	0	0	67
Other operating income/expense	-114	-21	-5	-140
Gross operating income	3,011	813	83	3,908
Operating expenses	-1,518	-582	-59	-2,160
Amortisation & depreciation	-271	-113	-6	-389
Total costs	-1,789	-695	-65	-2,549
Pre-provisions income	1,222	119	18	1,359
Total provisions & impairments	-863	-21	-27	-911
Gains on sale of assets and other results	79	0	0	78
Profit before tax	438	97	-9	527
Income tax	-140	-15	7	-148
Minority interest	9	0	0	9
Attributable net profit	289	82	-2	370
ROTE	4.0%	5.0%	-1.0%	4.0%
Efficiency	51.9%	71.6%	71.2%	56.5%
Efficiency with amortisation & depreciation	61.2%	85.4%	78.0%	66.7%
Stage 3 ratio	4.4%	1.5%	1.0%	3.6%
Stage 3 coverage ratio with total provisions	59.1%	42.1%	164.4%	57.9%

Balance sheet 9M22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	198,115	55,808	6,483	260,407
Performing gross loans	109,632	42,857	4,256	156,745
RE exposure	739	0	0	739
Subtotal liabilities	187,892	53,263	5,888	247,044
On-balance sheet customer funds	119,773	40,163	3,311	163,247
Capital markets w/wholesale funding	19,020	2,831	0	21,852
Equity	10,223	2,545	595	13,363
Off-balance sheet customer funds	38,049	0	0	38,049

Balance sheet 9M21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	193,511	51,672	4,740	249,923
Performing gross loans	106,935	41,950	3,554	152,438
RE exposure	865	0	0	865
Subtotal liabilities	183,860	49,067	4,118	237,045
On-balance sheet customer funds	114,256	41,509	2,164	157,930
Capital markets w/wholesale funding	18,888	2,905	0	21,793
Equity	9,651	2,604	622	12,877
Off-balance sheet customer funds	41,669	0	0	41,669

Banking Business Spain

Net profit as of the end of September 2022 amounted to 585 million euros, representing sharp year-on-year growth, mainly as a result of the good performance of net interest income, the positive momentum of net fees and commissions, the reduction of costs, and the booking of fewer provisions.

Net interest income amounted to 1,768 million euros as of the end of September 2022, growing by 1.9% year-on-year, driven by improved revenues from ALCO portfolio and lower wholesale funding costs, which offset reduced loan book yields.

Net fees and commissions stood at 1,006 million euros, 2.9% higher than in the same period of the previous year, due to the good performance across all segments, particularly service fees and fees associated with risk transactions.

Net trading income and exchange differences amounted to 99 million euros, a reduction compared to the previous year, which included 324 million euros gained on sales from the ALCO portfolio executed to fund the second phase of the efficiency plan carried out.

Equity-accounted results and dividends showed strong year-on-year growth of 68.4% due to higher earnings recorded by BS Capital investees.

Operating expenses fell during the year by -25.5%, as the previous year included -301 million euros of non-recurrent costs related to the efficiency plan carried out. Not including this impact, operating expenses decreased by -7.1% due to both lower staff expenses as a result of the cost savings delivered by the efficiency plans, and due to the recognition of lower general expenses.

Provisions and impairments amounted to -636 million euros, down by -26.3% mainly due to the booking of fewer provisions for both loan losses and real estate assets.

Gains on the sale of assets and other results showed a year-on-year reduction, as the previous year mainly included 83 million euros (gross) gained on the sale of the depository business.

(€ million)	9M21	9M22	YoY (%)
Net interest income	1,736	1,768	1.9
Net fees and commissions	978	1,006	2.9
Core revenues	2,713	2,775	2.3
Net trading income and exchange differences	345	99	-71.2
Income from equity method and dividends	67	113	68.4
Other operating income/expense	-114	-116	1.6
Gross operating income	3,011	2,871	-4.7
Operating expenses	-1,518	-1,131	-25.5
Amortisation & depreciation	-271	-279	2.9
Total costs	-1,789	-1,410	-21.2
Pre-provisions income	1,222	1,461	19.5
Total provisions & impairments	-863	-636	-26.3
Gains on sale of assets and other results	79	-11	--
Profit before tax	438	814	85.7
Income tax	-140	-215	54.3
Minority interest	9	14	50.4
Attributable net profit	289	585	102.0
Accumulated ratios			
ROTE	4.0%	8.4%	
Efficiency	51.9%	40.5%	
Efficiency with amortisation & depreciation	61.2%	50.5%	
Stage 3 ratio	4.4%	4.2%	
Stage 3 coverage ratio with total provisions	59.1%	56.5%	

Performing loans grew by 2.5% year-on-year, driven by increased lending to corporates and public administrations, as well as the positive evolution of the mortgage book and consumer loans.

(€ million)	9M21	9M22	YoY (%)
Total assets	193,511	198,115	2.4
Performing gross loans	106,935	109,632	2.5
RE exposure	865	739	-14.6
Subtotal liabilities	183,860	187,892	2.2
On-balance sheet customer funds	114,256	119,773	4.8
Capital markets w/ wholesale funding	18,888	19,020	0.7
Equity	9,651	10,223	5.9
Off-balance sheet customer funds	41,669	38,049	-8.7
Other data			
Employees	14,618	13,061	
Branches	1,509	1,288	

Simple evolution									
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22		
570	579	586	566	556	583	629			
314	336	327	359	326	334	346			
885	916	913	925	882	917	975			
15	7	323	-4	27	52	21			
46	10	11	35	59	26	28			
-13	-97	-4	-155	-7	-110	1			
933	835	1,243	800	961	885	1,025			
-424	-398	-697	-397	-385	-372	-375			
-90	-91	-90	-90	-91	-92	-95			
-513	-488	-787	-487	-476	-464	-470			
420	347	455	313	485	421	555			
-322	-261	-280	-330	-218	-226	-193			
4	75	0	56	-10	-7	6			
102	161	176	40	257	188	369			
-27	-53	-59	82	-59	-53	-103			
5	2	2	-1	13	1	0			
71	105	114	122	184	135	265			
1.6%	4.1%	4.0%	5.3%	7.2%	7.4%	8.4%			
48.4%	47.2%	51.9%	50.2%	42.5%	41.4%	40.5%			
58.7%	57.6%	61.2%	59.7%	52.6%	51.4%	50.5%			
4.5%	4.3%	4.4%	4.6%	4.6%	4.1%	4.2%			
57.6%	57.3%	59.1%	57.6%	57.3%	56.7%	56.5%			

On-balance sheet customer funds increased by 4.8% year-on-year, supported by sight accounts and term deposits. Off-balance sheet funds fell by -8.7% year-on-year mainly on account of mutual funds impacted by financial markets volatility.

Simple evolution									
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22		
190,290	195,172	193,511	191,162	192,156	196,349	198,115			
106,815	108,042	106,935	107,089	106,687	110,177	109,632			
869	859	865	842	805	778	739			
181,057	185,748	183,860	181,389	182,368	186,480	187,892			
110,624	113,776	114,256	116,788	116,670	119,636	119,773			
18,815	19,188	18,888	18,090	18,707	18,213	19,020			
9,233	9,423	9,651	9,773	9,789	9,869	10,223			
39,478	40,736	41,669	41,678	40,624	38,831	38,049			
14,518	14,648	14,618	13,855	12,836	12,949	13,061			
1,613	1,613	1,509	1,288	1,289	1,290	1,288			

Banking Business United Kingdom

Net profit stood at 93 million euros as of the end of September 2022, increasing by 13.5% compared to the previous year, mainly due to the growth of core revenues and to lower costs.

Net interest income amounted to a total of 847 million euros, 13.8% higher than in the previous year due to the strong growth of mortgage volumes and higher interest rates.

Net fees and commissions increased by 20.1% year-on-year, mainly due to higher service fees, particularly card fees.

Operating expenses amounted to -569 million euros and fell by -2.3% year-on-year, due to the improvement of both staff expenses and general expenses.

Provisions and impairments amounted to -73 million euros, representing year-on-year growth, mainly because the previous year included releases of provisions.

Corporation tax reflected an impact of -15 million euros as of the end of September 2022 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%. However, the figure as of the end of September 2021 includes 23 million euros due to the corporation tax increase.

YoY (%)	Simple evolution										
	9M21	9M22	YoY (%)	at constant FX	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
(€ million)											
Net interest income	744	847	13.8	11.7	236	246	262	267	271	280	296
Net fees and commissions	86	103	20.1	17.9	26	29	30	35	30	34	39
Core revenues	830	950	14.5	12.3	262	275	293	301	301	314	335
Net trading income and exchange differences	4	11	174.0	168.9	9	-2	-3	-2	5	-3	8
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0	0
Other operating income/expense	-21	-30	44.5	41.8	0	-9	-12	-12	-12	-9	-9
Gross operating income	813	931	14.5	12.3	271	264	278	288	294	302	334
Operating expenses	-582	-569	-2.3	-4.2	-200	-194	-188	-203	-191	-188	-190
Amortisation & depreciation	-113	-120	6.8	4.7	-37	-40	-36	-44	-42	-41	-37
Total costs	-695	-689	-0.9	-2.7	-237	-234	-223	-247	-232	-229	-228
Pre-provisions income	119	242	104.1	100.3	34	30	55	40	62	74	107
Total provisions & impairments	-21	-73	247.6	241.1	-23	-5	7	21	-11	-20	-41
Gains on sale of assets and other results	0	0	--	--	-3	-1	4	-8	0	0	0
Profit before tax	97	169	73.4	70.2	8	23	66	53	50	53	65
Income tax	-15	-76	--	--	-5	13	-23	-17	-31	-19	-26
Minority interest	0	0	--	--	0	0	0	0	0	0	0
Attributable net profit	82	93	13.5	11.3	2	36	43	36	19	35	39
Accumulated ratios											
ROTE	5.0%	6.0%			0.5%	3.6%	5.0%	5.4%	3.6%	5.2%	6.0%
Efficiency	71.6%	61.1%			73.8%	73.7%	71.6%	71.3%	64.7%	63.4%	61.1%
Efficiency w/ amortisation & depreciation	85.4%	74.0%			87.4%	88.0%	85.4%	85.6%	78.9%	77.2%	74.0%
Stage 3 ratio	1.5%	1.4%			1.8%	1.6%	1.5%	1.4%	1.4%	1.3%	1.4%
Stage 3 coverage ratio w/ total provisions	42.1%	39.7%			42.0%	43.6%	42.1%	38.1%	38.7%	40.3%	39.7%

In TSB, lending grew by 2.2% year-on-year, negatively impacted by the depreciation of the pound. At constant exchange rates, the growth stands at 4.8%, due to the growth of the mortgage book.

On-balance sheet customer funds decreased by -3.2% year-on-year, affected by the depreciation of the pound. At a constant exchange rate, this decrease was smaller, at -0.7%, due to the smaller volume of term deposits.

YoY (%)	Simple evolution										
	9M21	9M22	YoY (%)	at constant FX	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
(€ million)											
Total assets	51,672	55,808	8.0	10.8	49,917	50,233	51,672	55,657	55,978	55,297	55,808
Performing gross loans	41,950	42,857	2.2	4.8	39,893	40,959	41,950	44,050	44,294	43,903	42,857
Subtotal liabilities	49,067	53,263	8.6	11.4	47,193	47,604	49,067	53,012	53,371	52,708	53,263
On-balance sheet customer funds	41,509	40,163	-3.2	-0.7	41,144	41,416	41,509	42,779	42,199	41,105	40,163
Capital markets w/ wholesale funding	2,905	2,831	-2.5	0.0	2,799	2,914	2,905	2,975	2,955	2,913	2,831
Equity	2,604	2,545	-2.3	0.3	2,724	2,629	2,604	2,645	2,607	2,589	2,545
Other data											
Employees	5,926	5,503			6,451	5,978	5,926	5,762	5,702	5,595	5,503
Branches	290	220			373	290	290	290	290	220	220

Mexico

Net profit as of the end of September 2022 was 32 million euros, representing sharp year-on-year growth, supported by improved core revenue, a reduction of operating expenses, and by a reduced allocation of provisions.

Net interest income amounted to 107 million euros, increasing by 28.9% year-on-year, due to the interest rate hikes and the appreciation of the Mexican peso.

Net fees and commissions amounted to 8 million euros as of the end of September 2022, growing by 2 million euros compared to the previous year due to increased commercial activity.

Operating expenses amounted to -54 million euros, falling by -9.4% year-on-year due to improved general expenses.

Provisions and impairments were below the previous year's levels due to an improvement in the loan book, as well as payments from single-name customers.

(€ million)	9M21	9M22	YoY (%)	YoY (%) at constant FX	Simple evolution						
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Net interest income	83	107	28.9	15.4	27	27	29	30	31	36	40
Net fees and commissions	6	8	26.2	13.1	1	2	4	4	3	3	3
Core revenues	89	115	28.7	15.3	28	29	32	34	33	38	43
Net trading income and exchange differences	-1	3	--	--	-1	0	0	1	0	1	1
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0	0
Other operating income/expense	-5	-13	168.8	140.9	-1	-2	-2	-5	-4	-5	-4
Gross operating income	83	105	25.9	12.8	26	27	31	30	30	35	40
Operating expenses	-59	-54	-9.4	-18.8	-16	-19	-24	-21	-15	-18	-21
Amortisation & depreciation	-6	-10	78.5	59.9	-2	-2	-1	-3	-3	-3	-4
Total costs	-65	-64	-1.7	-12.0	-18	-21	-26	-24	-18	-21	-25
Pre-provisions income	18	41	123.8	100.5	7	6	5	6	12	13	15
Total provisions & impairments	-27	0	-100.0	-100.0	-9	-1	-17	-5	-3	-2	0
Gains on sale of assets and other results	0	-5	--	--	0	0	0	0	-3	0	-2
Profit before tax	-9	37	--	--	-2	6	-12	0	12	11	13
Income tax	7	-5	--	--	2	0	5	2	-3	-2	-1
Minority interest	0	0	--	--	0	0	0	0	0	0	0
Attributable net profit	-2	32	--	--	0	6	-8	2	10	9	13
Accumulated ratios											
ROTE	-1.0%	9.0%			-0.2%	1.7%	-1.0%	-0.5%	7.9%	8.2%	9.0%
Efficiency	71.2%	51.3%			63.7%	66.2%	71.2%	71.1%	49.0%	50.8%	51.3%
Efficiency with amortisation & depreciation	78.0%	60.9%			71.4%	74.1%	78.0%	78.7%	58.8%	60.4%	60.9%
Stage 3 ratio	1.0%	2.2%			0.2%	0.3%	1.0%	1.0%	2.3%	2.3%	2.2%
Stage 3 coverage ratio with total provisions	164.4%	79.7%			477.4%	416.9%	164.4%	265.7%	71.6%	73.3%	79.7%

Performing loans grew by 19.8% year-on-year, supported by the appreciation of the Mexican peso and the US dollar. Considering a constant exchange rate, this increase was 0.5%.

Similarly, on-balance sheet customer funds increased by 53.0% year-on-year, supported by currency appreciation. At a constant exchange rate, this item increased by 27.1%.

(€ million)	9M21	9M22	YoY (%)	YoY (%) at constant FX	Simple evolution						
					1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Total assets	4,740	6,483	36.8	14.6	4,665	4,715	4,740	5,128	5,121	5,583	6,483
Performing gross loans	3,554	4,256	19.8	0.5	3,626	3,514	3,554	3,773	3,762	4,065	4,256
Subtotal liabilities	4,118	5,888	43.0	20.0	3,992	4,095	4,118	4,550	4,576	4,990	5,888
On-balance sheet customer funds	2,164	3,311	53.0	27.1	2,031	2,153	2,164	2,453	2,448	2,650	3,311
Equity	622	595	-4.3	-20.9	673	620	622	578	545	592	595
Other data											
Employees	469	431			483	469	478	453	447	431	423
Branches	15	15			15	15	15	15	15	15	15

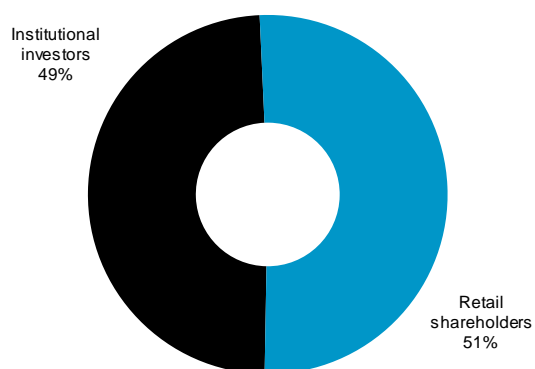
4. Share price performance

	30.09.21	30.06.22	30.09.22
Shareholders and trading			
Number of shareholders	229,745	223,927	224,151
Total number of shares (million)	5,627	5,627	5,627
Average daily trading volume (millions shares)	35	52	46
Share price (€) (1)			
Opening session (of the year)	0.354	0.592	0.592
High (of the year)	0.743	0.950	0.950
Low (of the year)	0.343	0.565	0.565
Closing session	0.726	0.761	0.688
Market capitalisation (€ million)	4,053	4,255	3,851
Stock market multiples			
Earnings per share (EPS) (€)	(2) 0.06	0.11	0.14
Book value (€ million)	13,190	13,511	13,758
Book value per share (€)	2.36	2.41	2.46
Tangible book value (€ million)	10,602	10,987	11,252
TBV per share (€)	1.90	1.96	2.01
Price / Tangible book value (times)	0.38	0.39	0.34
Price / Earnings ratio (P/E) (times)	12.73	6.68	5.09

(1) Historical values not adjusted.

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

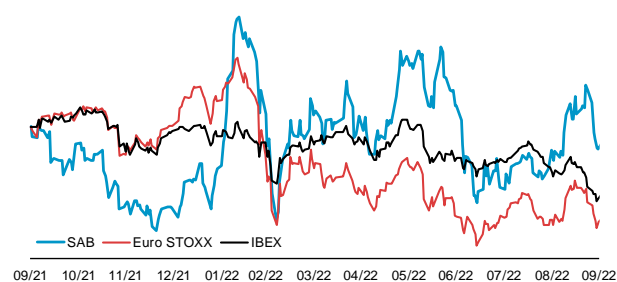
Shareholder breakdown (%)



Source: GEM, data as of 30 September 2022

Comparative evolution of SAB share price

Period from 30.09.2021 to 30.09.2022



5. Key developments in the quarter

S&P upgrades ratings for Banco Sabadell

On 20 October 2022, S&P Global Ratings, has raised the following ratings of Banco Sabadell:

- Long and short-term issuer credit rating (ICR) to BBB/A-2 from BBB-/A-3, setting the outlook stable.
- Senior preferred debt rating to BBB from BBB-.
- Long-term resolution counterparty rating (RCR) to BBB+ from BBB.

The rest of the ratings assigned to Banco Sabadell by S&P Global Ratings remain unchanged.

The Banco Sabadell Board of Directors resolves to distribute a dividend

In a meeting held on 26 October 2022, the Banco Sabadell Board of Directors has resolved to distribute an interim cash dividend out of the earnings of 2022 amounting to EUR 0.02 (gross) per share, to be paid on 30 December 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
Efficiency ratio with amortisation & depreciation	(*)	Administrative expenses and amortisation & depreciation / adjusted gross income. The denominator includes the linear accrual of contributions to deposit guarantee fund and resolution fund and tax on deposits of credit institutions, except year end.	5
Other operating income/expense		Includes the following accounting items: other operating income and other operating expense as well as income from assets and expenses on liabilities under insurance or reinsurance contracts.	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 customer funds.	10
Credit cost of risk (bps)		Ratio between provisions for NPLs / gross loans to customers excluding repos and guarantees granted. The numerator considers the linear annualization of the provisions for NPLs. In addition, the costs associated with the stage 3 management assets are adjusted.	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).	20
Problematic assets coverage		Ratio between provisions associated with problematic assets / total problematic assets.	20
Stage 3 ratio		Calculated using the ratio where the numerator includes: i) the assets classified in stage 3 including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) the guarantees granted classified in stage 3. The denominator includes: (i) gross loans to customers excluding repos and (ii) guarantees granted.	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		Includes: (i) stage 3 assets including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) guarantees granted classified in stage 3.	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% in 2021 y c.40% in 2022, 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 1 coupon payment registered in equity as well as by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	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)	9M 21	9M 22
ROA	Average total assets	243,530	256,944
	Consolidated net profit	379	723
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	ROA (%)	0.17	0.35
ROE	Average equity	13,047	13,513
	Attributable net profit	370	709
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	ROE (%)	3.16	6.46
RORWA	Risk weighted assets (RWA)	80,085	80,880
	Attributable net profit	370	709
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	RORWA (%)	0.52	1.08
ROTE	Average equity (excluding intangible assets)	10,450	10,965
	Attributable net profit	370	709
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	ROTE (%)	3.95	7.96
Efficiency ratio	Gross operating income	3,908	3,907
	DGF - SRF - IDEC adjustment	-87	-81
	Adjusted gross operating income	3,821	3,826
	Operating expenses	-2,160	-1,753
	Efficiency ratio (%)	56.53	45.83
	Amortisation & depreciation	-389	-409
	Efficiency ratio with amortisation & depreciation (%)	66.70	56.52
Other operating income/expense	Other operating income	123	52
	Other operating expenses	-263	-211
	Income from assets under insurance or reinsurance contracts	0	0
	Expenses on liabilities under insurance or reinsurance contracts	0	0
	Other operating income/expense	-140	-159
	Provisions or reversal of provisions	-57	-57
Total provisions & impairments	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	-735	-580
	Provisions for NPLs and other financial assets	-791	-637
	Impairment or reversal of impairment of investments in joint ventures and associates	0	-13
	Impairment or reversal of impairment on non-financial assets	-82	-39
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-36	-25
	Gains or losses on sales of equity holdings and other items	-1	3
	Gains from sales of investment properties and associates	0	3
	Other impairments	-120	-72
	Total provisions & impairments	-911	-709
	Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	77
Gains or losses on sales of equity holdings and other items		1	-3
Gains from sales of investment properties and associates		0	-3
Gains on sale of assets and other results		78	-16
Pre-provisions income	Gross operating income	3,908	3,907
	Operating expenses	-2,160	-1,753
	Personnel expenses	-1,410	-1,043
	Other general expenses	-750	-711
	Amortisation & depreciation	-389	-409
	Pre-provisions income	1,359	1,744
Customer spread (*)	Loans to customers (net)		
	Avge.balance	151,151	157,585
	Results	2,622	2,815
	Rate %	2.32	2.39
	Customer deposits		
	Avge.balance	162,211	169,995
Results	-67	-138	
Rate %	-0.06	-0.11	
	Customer spread	2.26	2.28
Other assets	Derivatives - Hedge accounting	564	3,411
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	115	-1,859
	Tax assets	6,927	6,933
	Other assets	1,216	500
	Non-current assets and disposal groups classified as held for sale	2,260	736
	Other assets	11,081	9,720
Other liabilities	Derivatives - Hedge accounting	508	1,254
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	118	-1,022
	Tax liabilities	305	270
	Other liabilities	707	1,291
	Liabilities included in disposal groups classified as held for sale	1,082	0
	Other liabilities	2,721	1,794

(*) Customer spread calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	9M 21	9M 22
Performing gross loans	Mortgage loans & credits	88,962	89,513
	Other secured loans & credits	3,444	3,476
	Working capital	5,200	6,760
	Leasing	2,126	2,163
	Unsecured lending and others	52,736	54,833
	Performing gross loans	152,438	156,745
	Stage 3 assets (customer)	5,521	5,358
	Accruals	60	184
	Gross loans to customers excluding repos	158,020	162,288
	Reverse repos	0	115
Gross loans to customers	Gross loans to customers	158,020	162,403
	NPL and country-risk provisions	-3,279	-3,038
	Loans and advances to customers	154,741	159,365
On-balance sheet customer funds	Financial liabilities at amortised cost	231,863	239,663
	Non-retail financial liabilities	73,933	76,416
	Central banks	36,264	37,605
	Credit institutions	9,956	9,512
	Institutional issues	22,456	21,926
	Other financial liabilities	5,258	7,373
	On-balance sheet customer funds	157,930	163,247
	Customer deposits	158,660	163,551
	Sight accounts	142,292	147,664
	Fixed-term deposits including available and hybrid financial liabilities	15,765	15,905
Repos	484	12	
Accruals and derivative hedging adjustments	119	-29	
Debt and other marketable securities	18,243	18,138	
On-balance sheet funds	Subordinated liabilities (*)	3,483	3,484
	On-balance sheet funds	180,386	185,173
	Mutual funds	24,430	22,024
	Managed accounts	3,879	3,431
	Pension funds	3,458	3,164
	Third-party insurance products	9,902	9,429
Off-balance sheet customer funds	Off-balance sheet customer funds	41,669	38,049
	Funds under management and third-party funds	222,055	223,222
Stage 3 exposures	Stage 3 assets (includes valuation adjustments)	5,554	5,387
	Guarantees granted in stage 3	451	443
	Stage 3 exposures (€ million)	6,004	5,830
Stage 3 coverage ratio with total provisions (%)	Stage 3 exposures	6,004	5,830
	Total provisions	3,477	3,214
	Stage 3 coverage ratio with total provisions (%)	57.9%	55.1%
Stage 3 coverage ratio (%)	Stage 3 exposures	6,004	5,830
	Stage 3 provisions	2,513	2,273
	Stage 3 coverage ratio (%)	41.9%	39.0%
Problematic Real Estate coverage ratio (%)	Problematic RE Assets	1,373	1,209
	Provisions	508	470
	Problematic Real Estate coverage ratio (%)	37.0%	38.9%
Problematic assets	Stage 3 exposures	6,004	5,830
	Problematic RE Assets	1,373	1,209
	Problematic assets	7,377	7,039
Problematic assets coverage (%)	Provisions of problematic assets	3,985	3,684
	Problematic assets coverage (%)	54.0%	52.3%
	Stage 3 exposures	6,004	5,830
Stage 3 ratio (%)	Gross loans to customers excluding repos	158,020	162,288
	Guarantees granted	9,215	9,097
	Stage 3 ratio (%)	3.59%	3.40%
Credit cost of risk (bps)	Gross loans to customers excluding repos and guarantees granted	167,234	171,385
	Provisions for NPLs	-733	-560
	NPLs costs	-95	-63
	Credit cost of risk (bps)	51	39
Loan-to-deposits ratio (%)	Adjusted net loans and advances w/o repos by brokered loans	153,384	157,882
	On-balance sheet customer funds	157,930	163,247
	Loan-to-deposits ratio (%)	97.1%	96.7%
Market capitalisation (€million)	Average number of shares (million)	5,586	5,594
	Share price (€)	0.726	0.688
	Market capitalisation (€million)	4,053	3,851
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	238	566
	Attributable net profit	370	709
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	Accrued AT1	-71	-86
	Earnings per share (EPS) (€)	0.06	0.14
Book value per share (€)	Average number of shares (million)	5,586	5,594
	Adjusted equity	13,190	13,758
	Shareholders' equity	13,251	13,815
	DGF - SRF - IDEC adjustment net of tax	-61	-57
	Book value per share (€)	2.36	2.46
TBV per share (€)	Intangible assets	2,589	2,506
	Tangible book value (€million)	10,602	11,252
	TBV per share (€)	1.90	2.01
Price / Tangible book value (times)	Share price (€)	0.726	0.688
	Price / Tangible book value (times)	0.38	0.34
Price / Earnings ratio (P/E) (times)	Price / Earnings ratio (P/E) (times)	12.73	5.09

(*) Refers to subordinated liabilities of debt securities.

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

www.grupbancsabadell.com/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/MEDIDAS_ALTERNATIVAS_DEL_RENDIMIENTO

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