


3Q22

results

October 27, 2022

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# 3Q22 highlights

## 3Q22 key messages

New lending volumes keep increasing YoY

**Mortgages +7% YoY**

**Business lending +6% YoY**

NII growth accelerates in the quarter

**NII +7% QoQ**

CET1 FL  
**12.52%**

RoTE  
**8.0%**

Core results show strong momentum

**Core results +14% QoQ**

Profitability continues to improve

**9M22 Net Profit €709M (+92% YoY)**

**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**

# Volume growth impacted by seasonality in the quarter while YoY it remains robust

## Performing loans across geographies

€M

	Sep-22	QoQ	YoY
Spain	99,809	-1.1%	+2.4%
UK (TSB) <i>Constant FX</i>	42,857	-2.4% +0.4%	+2.2% +4.8%
Other international <i>Constant FX</i>	14,009	+5.8% +1.4%	+9.9% -2.1%
<b>Total</b> <i>Constant FX</i>	<b>156,675</b>	<b>-0.9%</b> -0.5%	<b>+2.9%</b> +2.6%

QoQ volumes up in Other International, helped by FX impact, which impacted negatively on TSB

## Total customer funds

€M

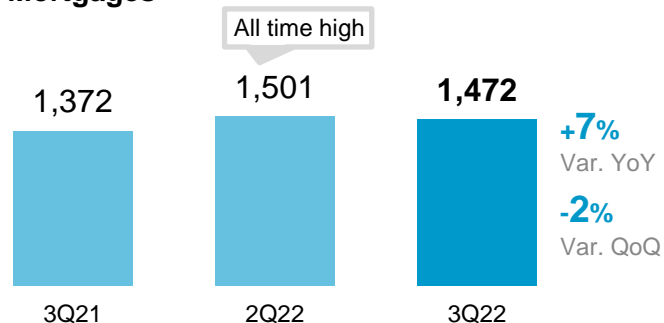
	Sep-22	QoQ	YoY
On-balance sheet <i>Constant FX</i>	163,247	-0.1% +0.4%	+3.4% +3.4%
Off-balance sheet	38,049	-2.0%	-8.7%
<b>Total</b> <i>Constant FX</i>	<b>201,296</b>	<b>-0.5%</b> -0.1%	<b>+0.9%</b> +0.9%

On-balance sheet funds were stable QoQ while off-balance sheet funds were impacted by financial market volatility

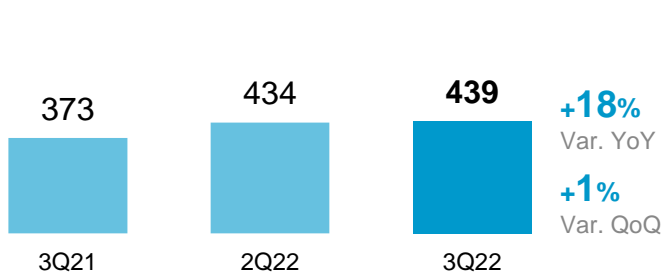
# Good momentum continues in Spain both in mortgages and consumer loans

## Quarterly new lending in Spain €M

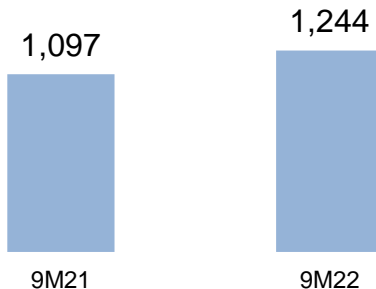
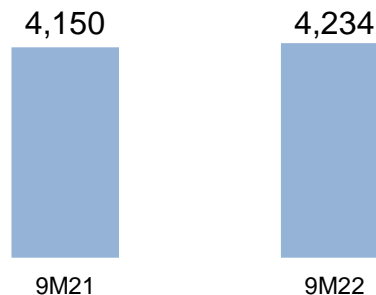
### Mortgages



### Consumer loans



## YtD new lending in Spain €M



## Relevant market shares

### Mortgages stock

**6.6%** as at Jun-22  
-1bps YtD

New lending  
**6.9%** in 2Q22

### Consumer loans stock

**3.8%** as at Jun-22  
+18bps YtD

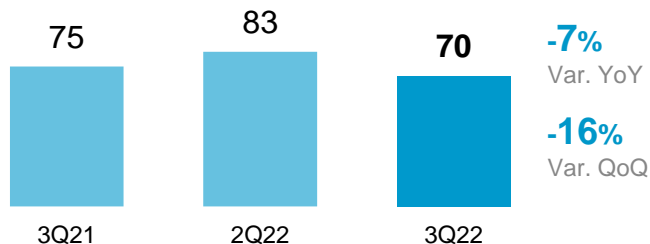
New lending  
**5.2%** in 2Q22

# Insurance impacted by product mix while mutual funds continued to be affected by financial market volatility

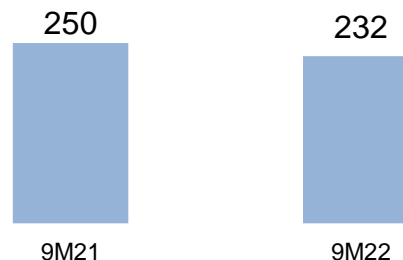
## Quarterly new production in Spain €M

### Protection insurance

New premiums



## YtD new production in Spain €M



## Relevant market shares

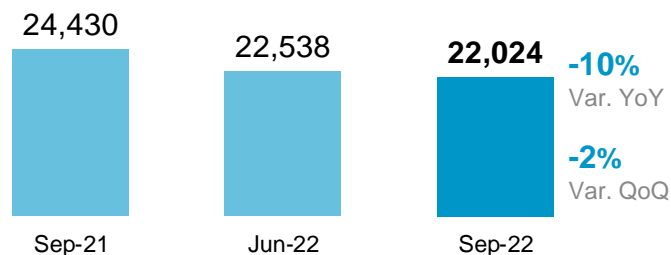
### Life insurance premiums

(on an annual cumulative basis)

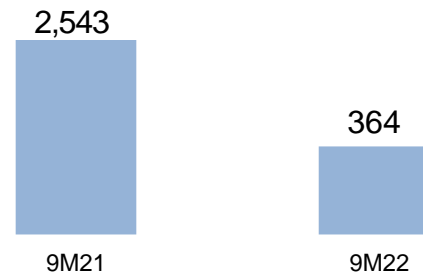
**8.7%** as at Jun22  
-71bps YtD

## AuMs in Spain €M

### Mutual funds



## Net inflows in Spain €M



### Mutual funds stock

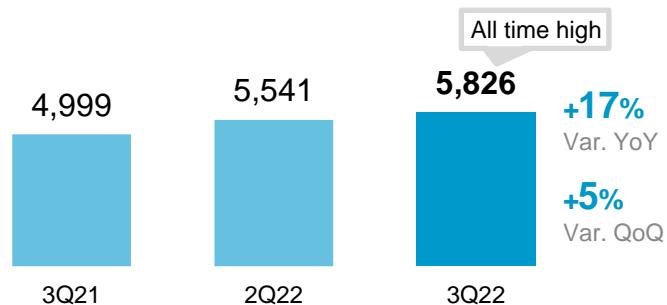
**5.5%** as at Sep-22  
-5bps YtD

Net inflows  
**10.9%** in 3Q22

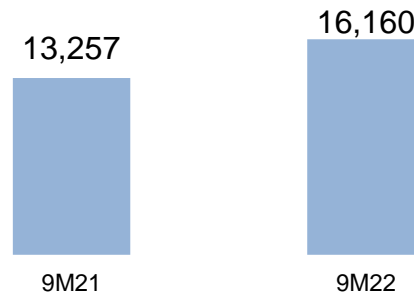
# Strong summer season for payment services

## Quarterly turnover in Spain €M

### Cards



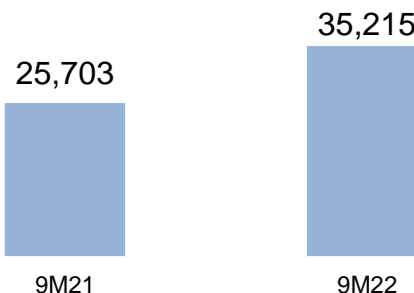
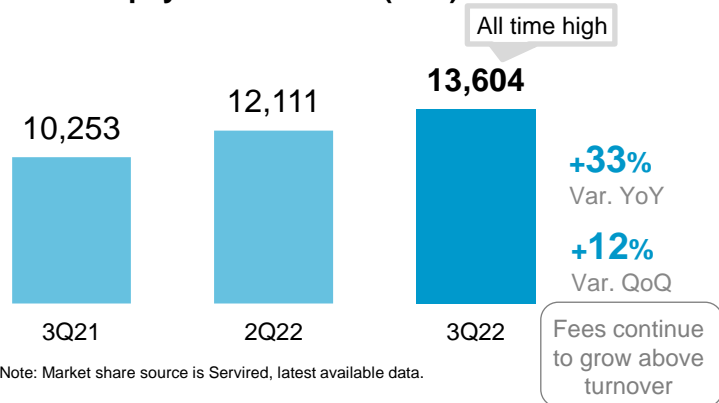
## YtD turnover in Spain €M



## Relevant market shares

**Cards turnover**  
(on an annual cumulative basis)  
**7.6%** as at Jun-22  
+4bps YtD

### Retailer payment services (PoS)



**PoS turnover**  
(on an annual cumulative basis)  
**16.7%** as at Jun-22  
+66bps YtD

# of PoS devices  
**20.0%** as at Jun-22  
+81bps YtD

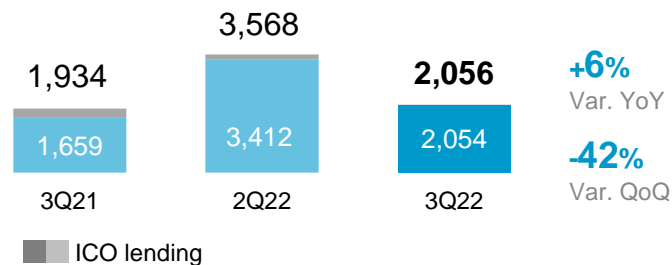
Note: Market share source is Servired, latest available data.



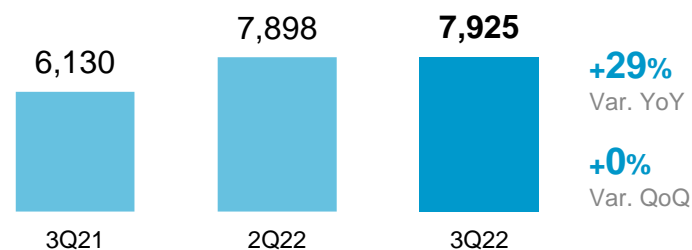
# Business lending impacted by seasonality in the quarter

## Quarterly new lending in Spain €M

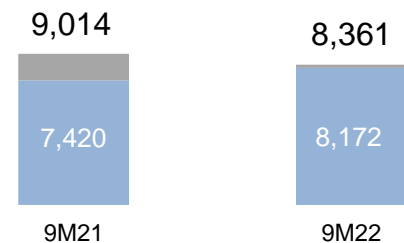
### Loans and credit facilities – Business Banking



### Working capital<sup>1</sup> – Business Banking



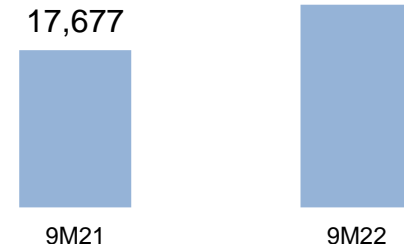
## YtD new lending in Spain €M



## Relevant market share

### Business lending stock

**9.2%** as at Jun-22  
+7bps YtD



Note: Market shares source is Bank of Spain (latest available data) and refers to performing stock. New lending excludes Corporate Banking and Public Sector, while market share includes Corporate Banking and excludes Public sector. <sup>1</sup> Working capital includes trade discounting, factoring, reverse factoring, forfaiting and import/export finance.

# Positive evolution of lending to individuals in the quarter

## Performing loans by segment, ex-TSB

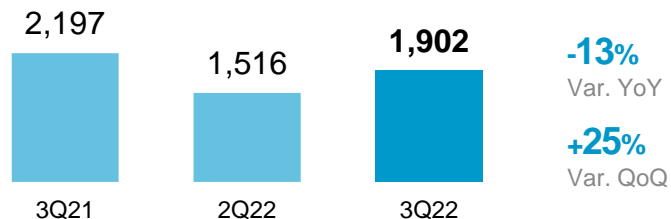
€bn

	Sep-22	QoQ	YoY		Sep-22	QoQ	YoY
<b>Mortgages</b>	<b>38.9</b>	+0.4%	+1.2%	<b>Mexico</b>	<b>4.3</b>	+4.7%	+19.8%
<b>Consumer loans</b>	<b>3.3</b>	+2.3%	+7.8%	<i>Constant FX</i>	-1.8%	+0.5%	
<b>SMEs &amp; Corporates</b>	<b>43.5</b>	-0.9%	+1.4%	<b>Miami</b>	<b>6.1</b>	+13.1%	+22.9%
<b>Public sector</b>	<b>10.2</b>	-2.9%	+12.2%	<i>Constant FX</i>	+6.2%	+3.4%	
-----				<b>Foreign branches</b>	<b>3.7</b>	-3.6%	-13.8%
<b>Other lending<sup>1</sup></b>	<b>4.0</b>	-14.4%	-2.5%	<i>Constant FX</i>	-2.3%	-12.7%	
<b>Total Spain</b>	<b>99.8</b>	<b>-1.1%</b>	<b>+2.4%</b>	<b>Total international</b>	<b>14.0</b>	<b>+5.8%</b>	<b>+9.9%</b>
				<i>Constant FX</i>	+1.4%	-2.1%	

Note: Excludes accrual adjustments and CAM Asset Protection Scheme. <sup>1</sup> Includes loans to self-employed, credit lines and social security advance payments (-€0.6bn impact QoQ).

# TSB mortgage stock grew at mid-single digit in the year

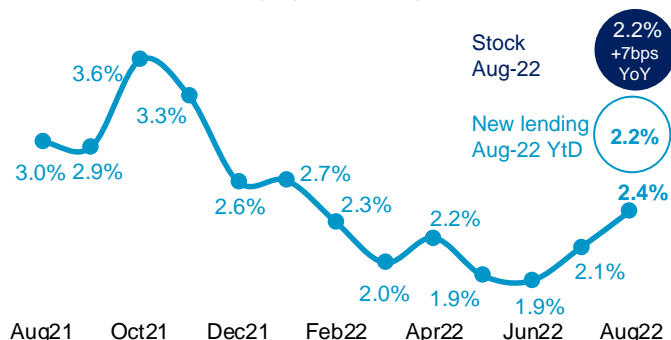
## Quarterly new mortgage lending £M



- ✓ Surge of applications in Q2 translated into higher mortgage completions this quarter
- ✓ New mortgage lending decreased YoY as 3Q21 was inflated by the end of the stamp duty waiver
- ✓ 'What Mortgage' award for Best Direct Lender and Best Fixed Rate Mortgage Lender



## New monthly mortgage lending market share



## Performing loans<sup>1</sup> £bn

	Sep-22	QoQ	YoY
Secured	35.3	+0.6%	+5.6%
Consumer lending	1.3	-0.5%	+3.2%
Other unsecured lending	1.2	-3.7%	-12.1%
<b>Total</b>	<b>37.8</b>	<b>+0.4%</b>	<b>+4.8%</b>

<sup>1</sup> Excludes accrual adjustments.

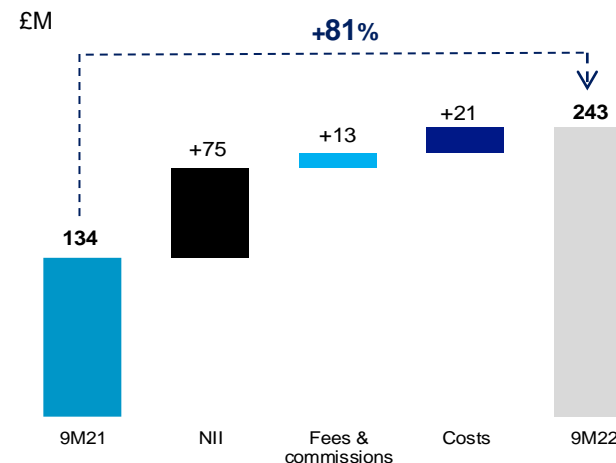
# TSB's net profit is improving YoY

## TSB standalone P&L and its contribution to Sabadell

£M

	3Q22	3Q22/2Q22	9M21	9M22	9M22/9M21
NII	254	6.8%	643	718	11.7%
Fees & commissions	34	18.0%	74	88	17.9%
Costs	-187	-0.1%	-583	-562	-3.6%
<b>Core results<sup>1</sup></b>	<b>101</b>	<b>26.9%</b>	<b>134</b>	<b>243</b>	<b>81.5%</b>
Total provisions & impairments	-35	104.9%	-18	-62	241.0%
<b>Profit before taxes</b>	<b>64</b>	<b>13.0%</b>	<b>110</b>	<b>167</b>	<b>51.7%</b>
Recurrent tax	-23	35.5%	-34	-51	53.0%
Bank levy impact	0	n.m	20	-13	n.m
<b>Net profit</b>	<b>42</b>	<b>3.8%</b>	<b>97</b>	<b>103</b>	<b>6.4%</b>
<b>Contribution to Sabadell Group (€M)<sup>2</sup></b>	<b>39</b>	<b>11.7%</b>	<b>82</b>	<b>93</b>	<b>13.5%</b>

## TSB core results, YoY

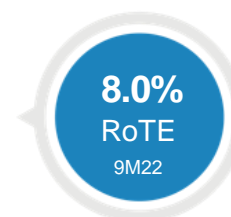
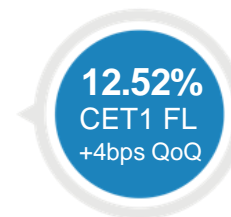


- ✓ Core results +27% QoQ and +81% YoY, with all lines contributing positively
- ✓ Provisions increased QoQ and YoY as 2Q22 and 9M21 results included write-backs
- ✓ Profit Before Tax +52% YoY, consolidating the good momentum of the British franchise

**7.8%**  
**RoTE**  
(9M22)

# All main P&L lines contributed positively to the net profit improvement

	3Q22 (€M)	9M22 (€M)	3Q22/2Q22	9M22/9M21
<b>NII</b>	965	2,722	+7.4%	+6.2% ✓
<b>Fees</b>	388	1,118	+4.8%	+4.5% ✓
<b>Recurrent costs</b>	-723	-2,162	+1.2%	-3.8% ✓
<b>Core results<sup>1</sup></b>	<b>631</b>	<b>1,677</b>	<b>+13.6%</b>	<b>+21.1%</b>
<b>Provisions</b>	-234	-709	-5.9%	-22.1% ✓
<b>Net profit</b>	<b>317</b>	<b>709</b>	<b>+76.8%</b>	<b>+91.9%</b>



<sup>1</sup> NII + fees – recurrent costs.



2

# Financial results

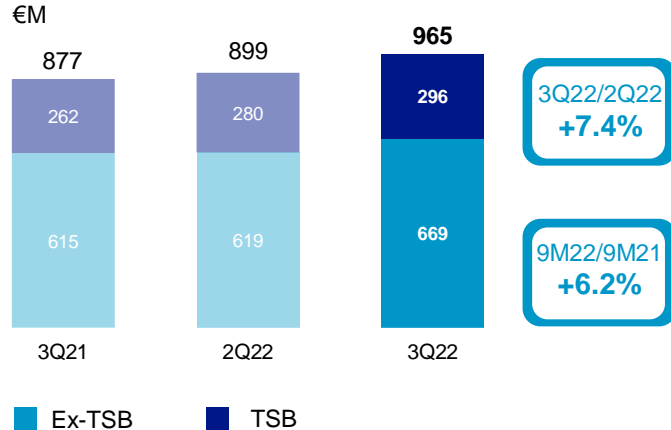
# Income statement

€M	Sabadell Group				Sabadell ex-TSB			
	3Q22	9M22	3Q22/2Q22	9M22/9M21	3Q22	9M22	3Q22/2Q22	9M22/9M21
Net interest income	965	2,722	7.4%	6.2%	669	1,875	8.2%	3.1%
Fees & commissions	388	1,118	4.8%	4.5%	349	1,015	3.6%	3.1%
<b>Core banking revenue</b>	<b>1,354</b>	<b>3,840</b>	<b>6.6%</b>	<b>5.7%</b>	<b>1,018</b>	<b>2,890</b>	<b>6.6%</b>	<b>3.1%</b>
Trading income & forex	30	113	-39.8%	-67.5%	22	102	-58.1%	-70.3%
Other income & expenses	16	-46	n.m.	-36.8%	25	-16	n.m.	-69.5%
<b>Gross operating income</b>	<b>1,400</b>	<b>3,907</b>	<b>14.6%</b>	<b>0.0%</b>	<b>1,066</b>	<b>2,976</b>	<b>15.9%</b>	<b>-3.8%</b>
Recurrent costs	-723	-2,162	1.2%	-3.8%	-495	-1,474	1.9%	-5.1%
<b>Pre-provisions income</b>	<b>677</b>	<b>1,744</b>	<b>33.4%</b>	<b>28.3%</b>	<b>571</b>	<b>1,502</b>	<b>31.5%</b>	<b>21.1%</b>
Total provisions & impairments	-234	-709	-5.9%	-22.1%	-192	-636	-15.7%	-28.5%
Gains on sale of assets and other results	3	-16	n.m.	n.m.	3	-16	n.m.	n.m.
<b>Profit before taxes</b>	<b>447</b>	<b>1,019</b>	<b>76.8%</b>	<b>93.4%</b>	<b>382</b>	<b>851</b>	<b>91.6%</b>	<b>98.0%</b>
Taxes	-130	-296	78.4%	99.9%	-104	-220	91.6%	65.9%
Minority interest	0	-14	-100.0%	50.4%	0	-14	-100.0%	50.4%
<b>Attributable net profit</b>	<b>317</b>	<b>709</b>	<b>76.8%</b>	<b>91.9%</b>	<b>278</b>	<b>616</b>	<b>92.5%</b>	<b>114.3%</b>
<b>Core results<sup>1</sup></b>	<b>631</b>	<b>1,677</b>	<b>13.6%</b>	<b>21.1%</b>	<b>523</b>	<b>1,416</b>	<b>11.3%</b>	<b>13.3%</b>

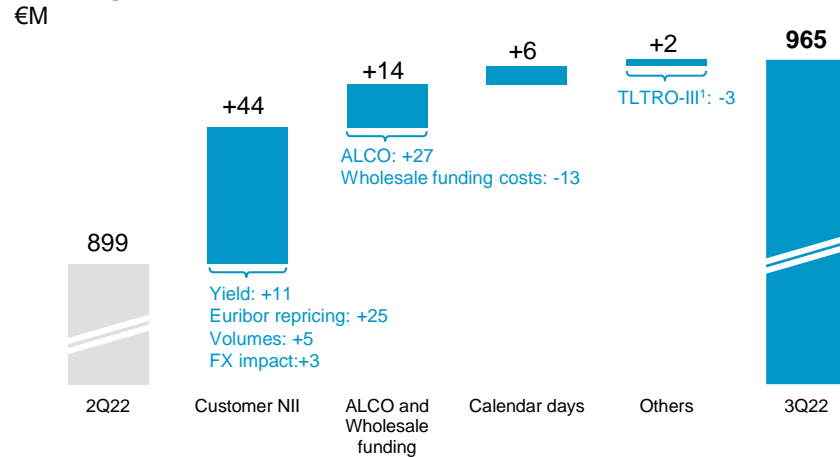
Note: EUR/GBP exchange rate of 0.8474 for 9M22 and 0.8567 for 3Q22. <sup>1</sup> NII + fees – costs (excluding €301M of non-recurrent costs related to the second phase of the efficiency plan in Spain registered in 9M21).

# NII boosted by higher customer spread and ALCO contribution

## Group NII



## Group NII QoQ evolution



### Customer spread

2.24%      2.26%      **2.34%**

### Net interest margin

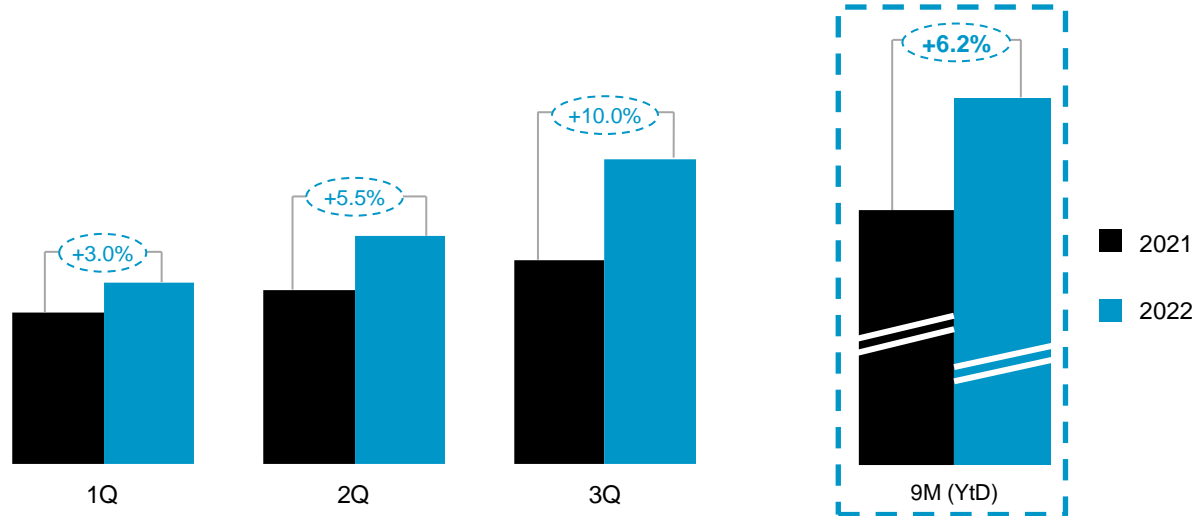
1.40%      1.40%      **1.46%**

- Higher yields, Euribor repricing together with loan volumes supporting good performance of customer NII
- TLTRO-III net contribution<sup>1</sup> (including the liquidity deposited at the ECB) of €35M in 3Q22

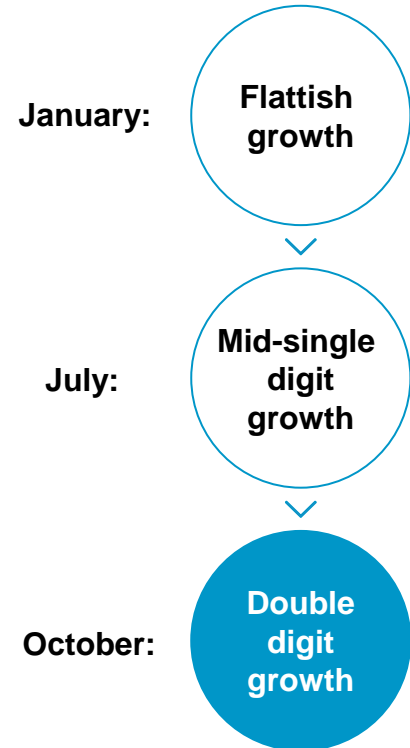
<sup>1</sup> TLTRO-III cost calculated as the average deposit facility rate from drawdown to date (-0.43%).



# NII target raised still further to double digit growth



## 2022 NII target



### NII drivers

#### Tailwinds:

- ✓ Higher loan yield and Euribor repricing
- ✓ Increasing back book volumes: c.+1.2% YtD
- ✓ Greater ALCO contribution due to the HTC bond portfolio reinvestment

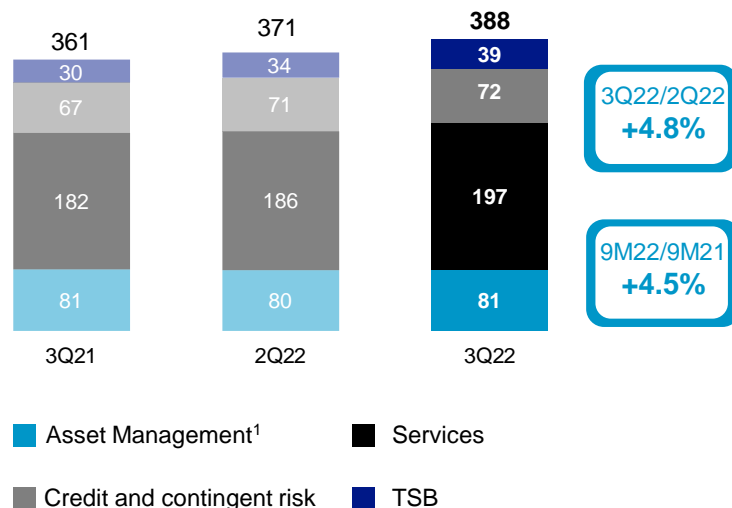
#### Headwinds:

- ✓ Negative interest charged to corporate deposits
- ✓ Wholesale funding
- ✓ Uncertainty on excess liquidity

# Fees on track to meet the low-single digit growth target

## Group fees & commissions

€M



## Group fees & commissions

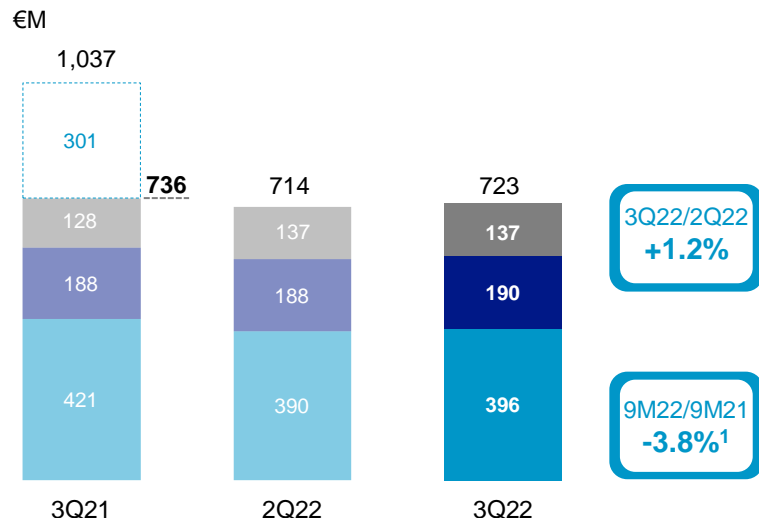
	3Q22/2Q22		9M22/9M21	
Credit and contingent risk	+€1M	+1.2%	+€10M	+5.1%
Services	+€16M	+7.6%	+€34M	+5.4%
Asset Mgmt. <sup>1</sup>	+€1M	+0.7%	+€4M	+1.5%

- We managed to increase fees QoQ despite negative seasonality in Q3
- Service fees supported by current account fees and spike in transactions usual of the summer season

<sup>1</sup> Includes mutual funds, pension funds, insurance brokerage and wealth management fees.

# Efficiency ratios improved by efficiency plans in Spain

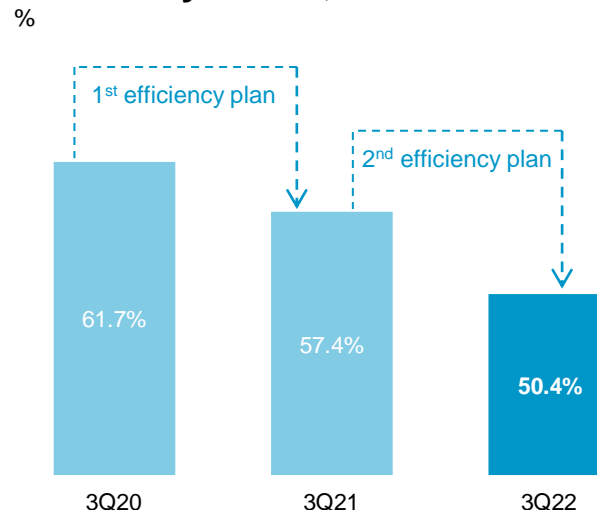
## Group costs



■ Sabadell ex-TSB expenses ■ TSB expenses

■ Amortisation & depreciation □ Restructuring costs

## Efficiency ratio<sup>2</sup>, ex-TSB

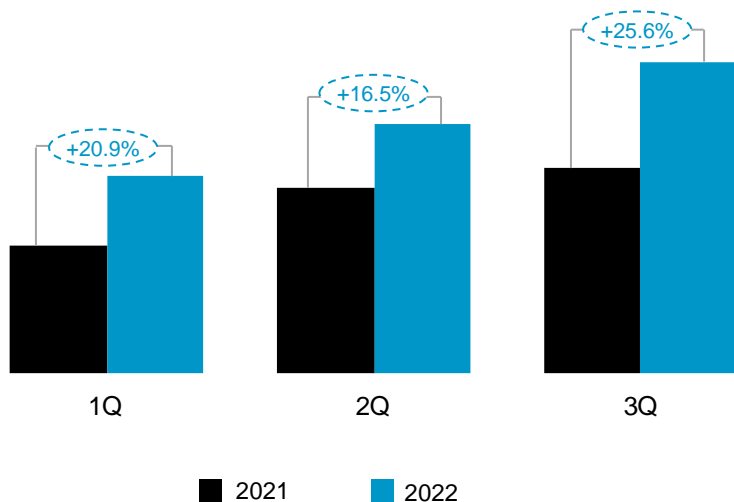


<sup>1</sup> Excludes €301M of non-recurrent costs related to the second phase of the efficiency plan in Spain in 3Q21. <sup>2</sup> Efficiency ratio for Sabadell ex-TSB calculated as quarterly total recurrent costs (excluding restructuring costs and including amortisation & depreciation) divided by quarterly recurrent gross income (excl. trading income and forex and including DGS and SRF payments accrual).

# Highest quarterly core results with the current perimeter

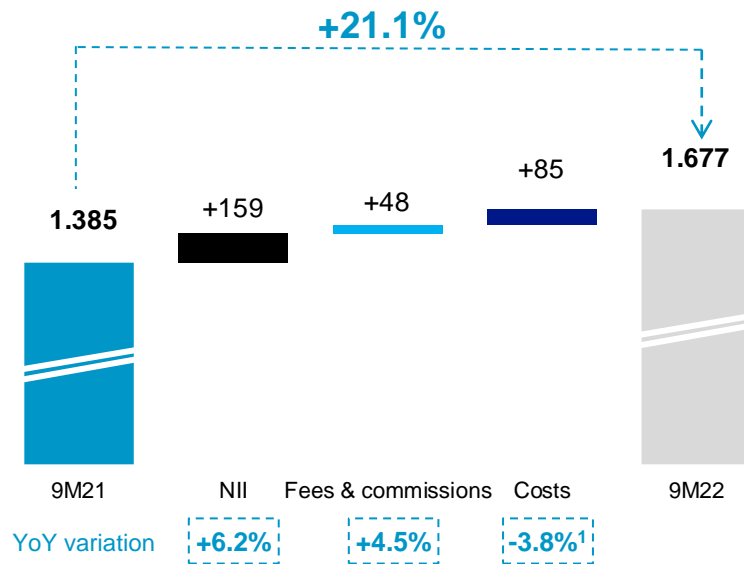
## Group core results evolution<sup>1</sup>

€M



## Group core results YoY<sup>1</sup>

€M

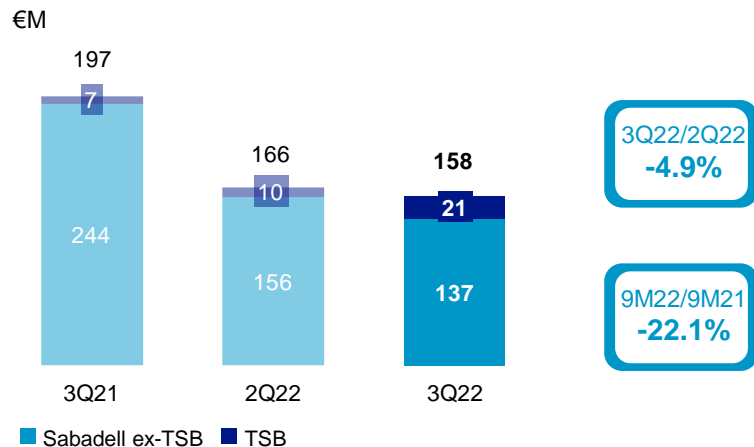


- Revenues will drive further core results improvement in the coming quarters

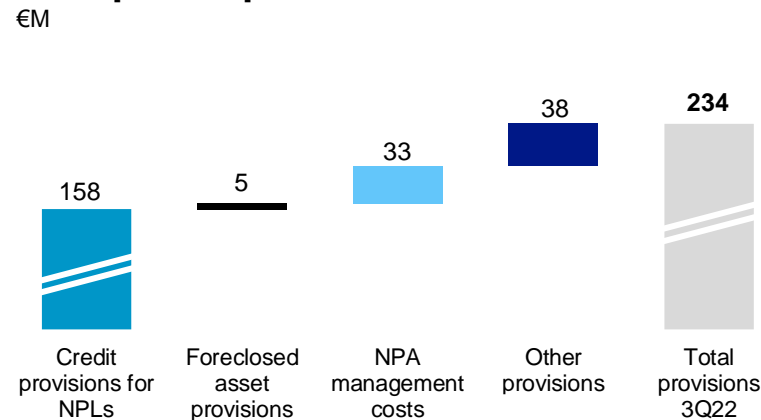
<sup>1</sup> Excludes €301M of non-recurrent costs related to the second phase of the efficiency plan in Spain in 3Q21.

# Credit cost of risk on track to meet the target

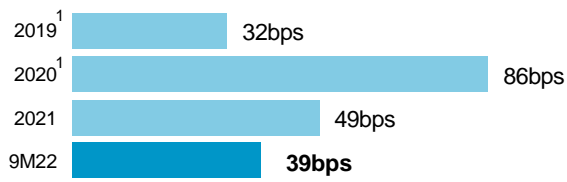
## Group credit provisions



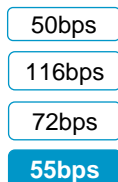
## Group total provisions 3Q22 breakdown



## Group Credit CoR



## Group Total CoR



- Credit cost of risk at 39bps, in line with guidance (between 2019-2021 level)
- Including foreclosed assets, NPA management costs and other provisions, total cost of risk adds up to 55bps

<sup>1</sup> Excludes provisions related to institutional sales of NPL portfolios.



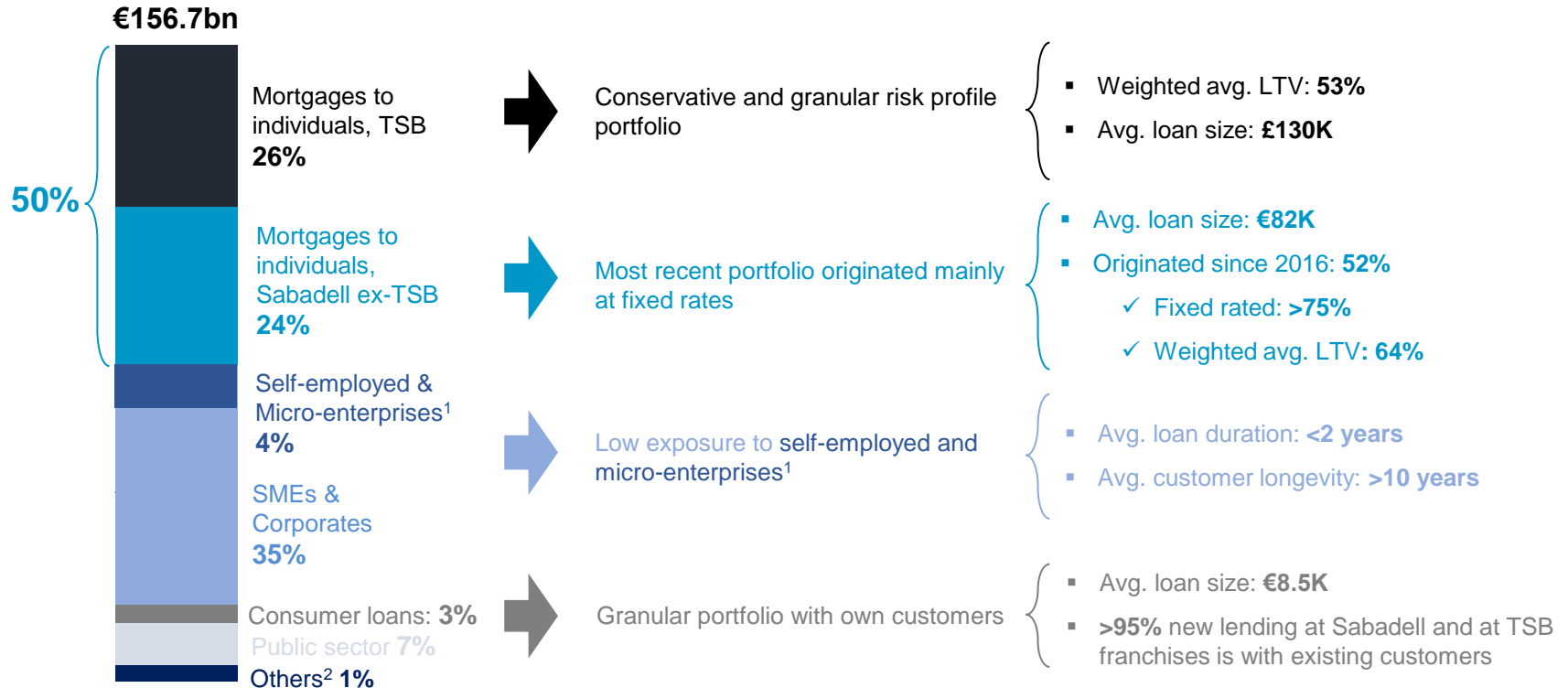
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# Balance sheet

# Mortgages make up half of the loan book

## Group performing loans

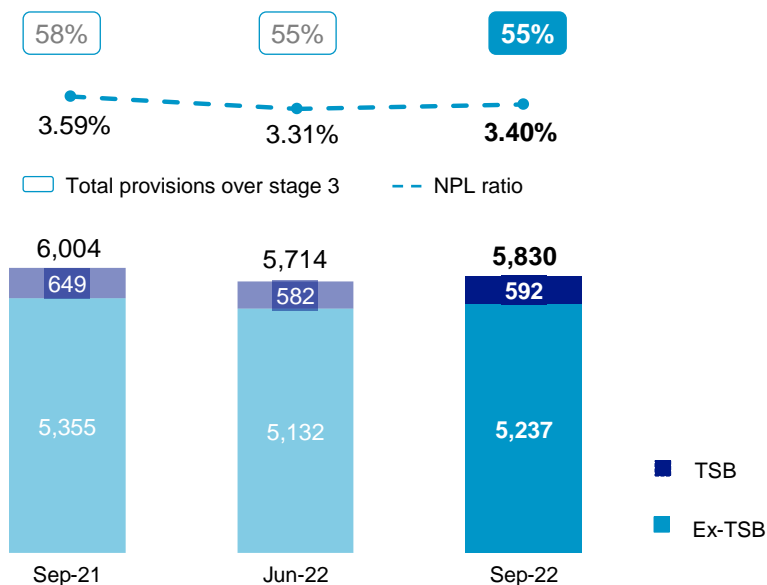
Sep-22



# NPLs remained broadly stable in the quarter

## Group NPLs and NPL ratio

€M



## Exposure by stage and coverage ratio

	Stage 1	Stage 2	Stage 3
% of total book	88.5%	8.1%	3.4%
<b>Coverage, Group</b>	<b>0.3%</b>	<b>3.9%</b>	<b>39.0%</b>
<b>Coverage, ex-TSB</b>	<b>0.3%</b>	<b>4.2%</b>	<b>42.0%</b>

- **NPL variation** in the quarter driven by:
  - Lower recovery activity during summer season
  - No NPL portfolio disposal in the quarter

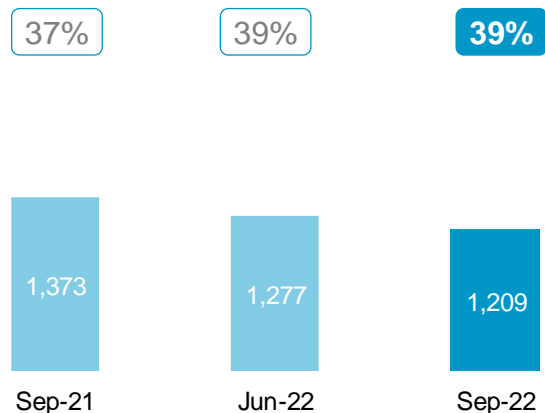
Note: Stage 3 exposure includes contingent risk.



# NPA ratios also remained stable in the quarter

## Group foreclosed assets

€M

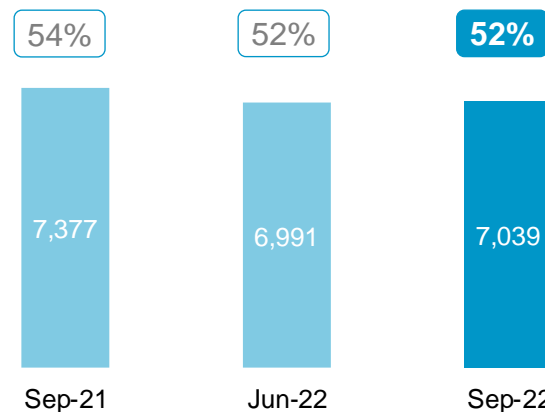


Coverage ratio

95% of total foreclosed assets are finished buildings

## Group NPAs

€M



## Group key ratios

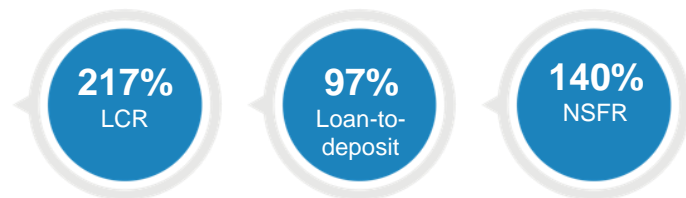
	Sep-21	Jun-22	Sep-22
Gross NPA ratio <sup>1</sup>	4.4%	4.0%	4.1%
Net NPA ratio	2.0%	1.9%	1.9%
Net NPAs / total assets	1.4%	1.3%	1.3%

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

# Liquidity stands close to record levels

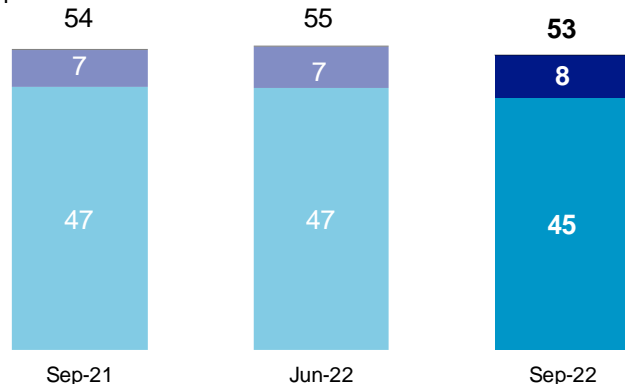
## Substantial liquidity buffers

Sabadell Group



## Total liquid assets

€bn



## Credit ratings

Group long-term credit rating and outlook

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

## Outstanding central bank funding

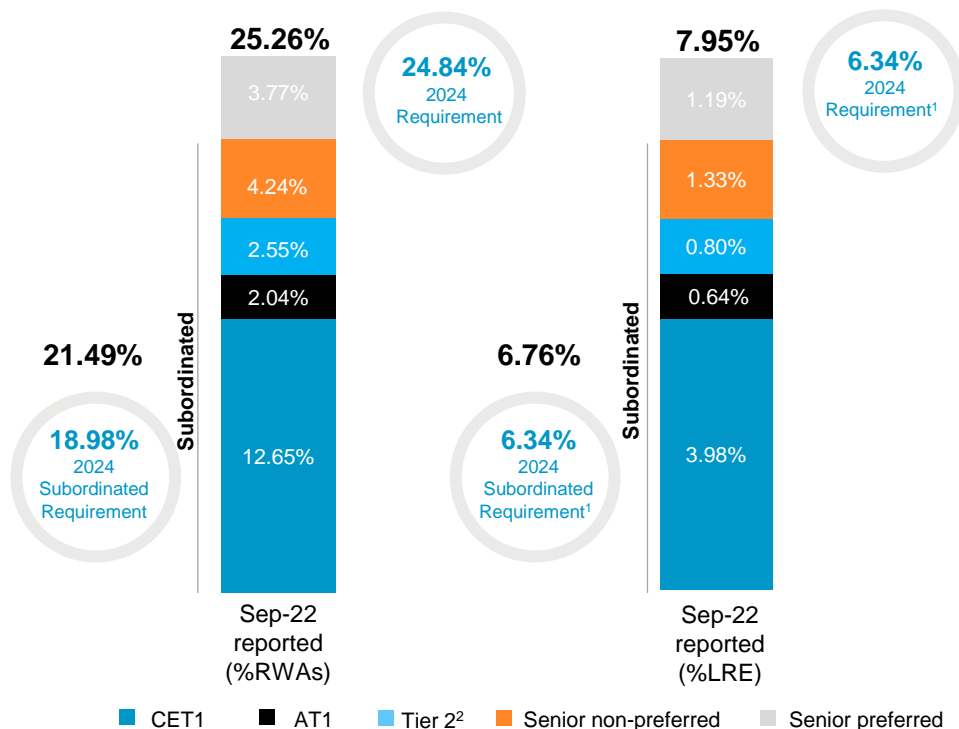
- **TLTRO-III:** €32bn outstanding
- **TFSME:** £5.5bn outstanding

- TSB HQLAs
- Sabadell, ex-TSB HQLAs

# Meeting 2024 MREL requirements

## MREL position, Sabadell Group

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



## 2022 YTD public issuances

- 16-Mar: €750M Green Senior non-preferred (2.625% coupon)
  - ✓ Maturity of 4 years non-call 3 years
- 18-May: €1,000M Covered bonds (1.750% coupon)
  - ✓ Maturity of 7 years
- 8-Sep: €500M Senior non-preferred (5.375% coupon)
  - ✓ Maturity of 4 years non-call 3 years

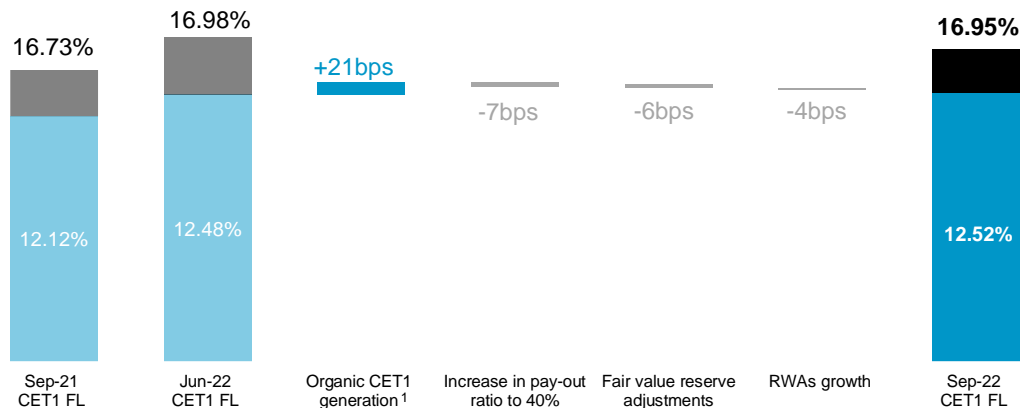
## Funding plan

- AT1/Tier 2: keep buckets completed
- Senior preferred/ non-preferred: keep management buffer above MREL requirements

Note: Ratios include the Combined Buffer Requirement (2.75%) and IFRS9 transitional arrangements. <sup>1</sup> Pro-forma requirements recalibrated by SRB due to the expiry of the ECB relief measure allowing the exclusion of certain exposures to central banks from the total exposure measure. <sup>2</sup> For illustration purposes, the Tier 2 category includes subordinated debt that is no longer recognised as Own Funds when the instrument has a residual maturity of less than 5 years (Art. 62(2) CRR1) but remains eligible for MREL purposes.

# CET1 FL increased by 4bps in the quarter

## CET1 FL evolution

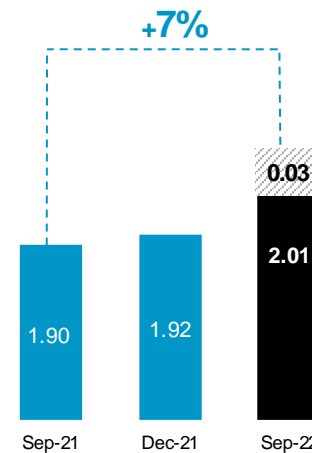


■ Total Capital  
■ CET1 FL

**MDA**  
**418bps**  
 +3bps  
 QoQ

- QoQ **-3pbs**
- YoY **+22bps**
- QoQ **+4bps**
- YoY **+40bps**

## Shareholder value creation<sup>2</sup>



■ TBV per share  
▨ Dividend per share

<sup>1</sup> Accruing a cash dividend payout ratio of 31.8%. <sup>2</sup> Shareholder value creation variation includes TBV per share (2.01) and distributed dividend in April 2022 (3 euro cents per share).



4

Closing remarks

# Closing remarks

<b>Commercial Activity</b>	»»	Robust commercial activity in the year
<b>Net interest income</b>	»»	Guidance improved to double-digit growth driven by higher customer spread and ALCO contribution
<b>Core results</b>	»»	Efficiency ratio to keep on improving driven by revenues
<b>Profitability</b>	»»	9M22 ROTE at 8%
<b>Capital</b>	»»	CET1 FL at 12.52% with an MDA buffer of 418bps

**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**

# Appendix

1 Group NIM and customer spread

2 Service quality

3 Group debt maturities and issuances

4 ALCO portfolio

5 ESG

6 TSB asset quality

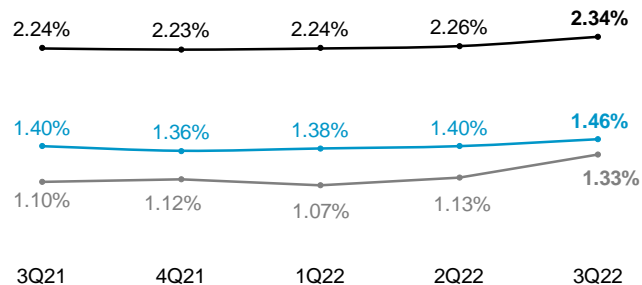
7 RWAs breakdown

8 MDA buffer

# 1. Group NIM and customer spread

## Sabadell Group

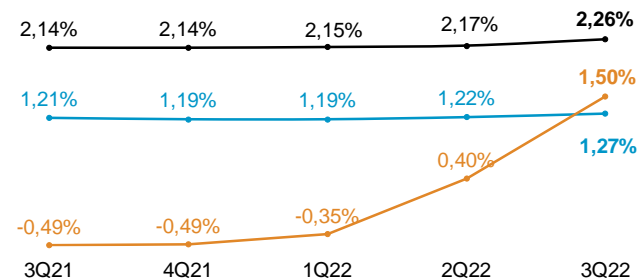
%, in euros



- Customer spread
- Wholesale funding cost
- NIM as % of average total assets
- 12M Euribor (quarterly avg.)
- BoE base rate (quarterly avg.)

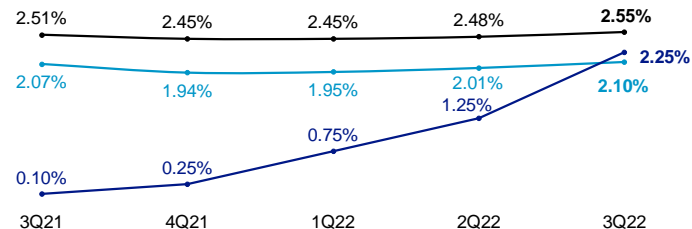
## Sabadell ex-TSB

%, in euros



## TSB

%, in euros





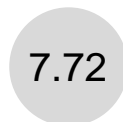
## 2. Service quality index and NPS

**Spain**

### Service quality index



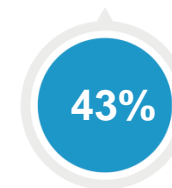
Sector average



### Net promoter score (NPS)

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

### NPS Online banking



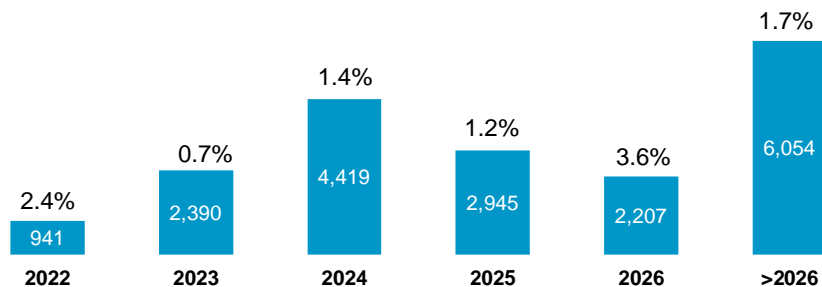
### NPS Mobile



### 3. Group debt maturities and issuances

#### Debt maturities and average cost

Maturities in €M and average cost in %



Instrument	2022	2023	2024	2025	2026	>2026
Covered bonds	938	1,388	2,699	836	390	3,601
Senior Preferred Debt	3	1,002	745	1,609	0	500
Senior Non-Preferred Debt	0	0	975	500	1,317	638
Subordinated debt	0	0	0	0	500	1,315

#### Main debt maturities and redemptions in the last 6 months

Instrument	Date	Size	Coupon
AT1 <sup>1</sup>	18/05/2022	€750M	6.50%
Senior preferred bonds <sup>1</sup>	29/06/2022	€500M	1.75%
Covered bonds	20/07/2022	€200M	5.13%
Covered bonds	26/09/2022	€250M	0.16%

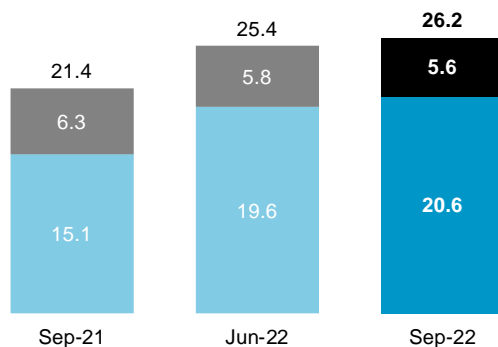
#### Main debt maturities in the next 12 months

Instrument	Date	Size	Coupon
Covered bonds	05/12/2022	€100M	0.86%
TSB Covered bonds	07/12/2022	€566M	2.45%
Covered bonds	12/12/2022	€194M	3.75%
Senior preferred bonds	05/03/2023	€975M	0.88%
Covered bonds	04/05/2023	€250M	0.34%

Note: Debt maturities excludes AT1 issuance. <sup>1</sup> Early redemption.

## 4. ALCO portfolio

Evolution of fixed income portfolio. Sabadell Group. €bn

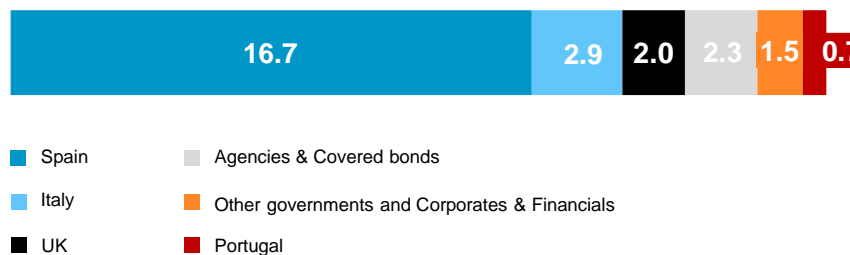


■ Fair Value OCI ■ Held to collect

Sep-22	Yield	Total duration <sup>1</sup>	Avg. maturity
FV OCI	1.9%	0.9 years	4.4 years
Total	1.8%	2.3 years	7.1 years

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

Composition of fixed income portfolio. Sabadell Group. €bn. Sep-22.



- As of Sep-22, TSB's ALCO portfolio size is €2.6bn
- The capital position's sensitivity to bond spread volatility remains low as Fair Value OCI composition only accounts for a small proportion and is short duration
- Option to reinvest up to €4bn in 2022

# 5. ESG

## Key milestones in the quarter



Commitment to Sustainability

E  
S  
G

- **New investments by Sinia Renovables** (Banco Sabadell's specialist vehicle for investment in renewable energies and sustainable businesses):
  - Stake acquired in newly created company Catalana de Biogás Iberia, to develop biogas plants in Spain and Portugal
  - Investment in share capital of companies specialised in renewable energies (e.g. Greening Group)
- Carried out **1st Sustainability Hackathon**, with the participation of 100+ employees

E  
S  
G

- Commitment to **financial inclusion in rural areas**
- Launch of new **investment fund**, jointly with Asabys and Alantra, **with €200 million to invest in healthcare innovation**
- **Financial aid advanced** to those affected by the **wildfires**

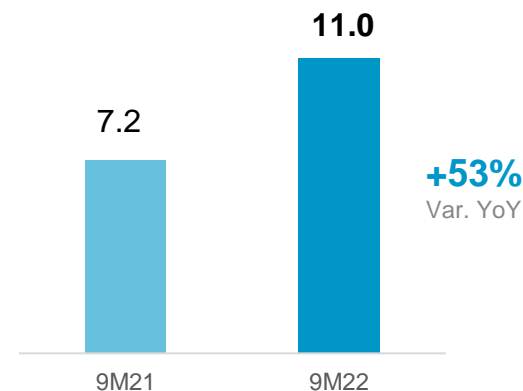
E  
S  
G

- **Renewal of the Equality in the Workplace label**, granted by the Ministry of Health, Consumer Affairs and Social Welfare, for the next 3 years



### Sustainable finance mobilised in 2022

€bn



- c.€22bn mobilised in cumulative terms since 2021
- On track to meet our target of €65bn in 2025

## 6. TSB asset quality, liquidity and solvency position

### Asset quality

	Sep-21	Jun-22	Sep-22
NPL ratio	1.5%	1.3%	1.4%
Coverage ratio	42%	40%	40%
Cost of risk <sup>1</sup> (YtD)	0.07%	0.09%	0.13%

### Solvency

	Sep-21	Jun-22	Sep-22
CET1 ratio <sup>2</sup>	14.8%	16.0%	16.6%
Leverage ratio <sup>3</sup>	3.5%	3.6%	4.1%

### Liquidity

	Sep-21	Jun-22	Sep-22
LCR	146%	155%	145%

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

<sup>2</sup> CET1 ratio on a transitional basis. The Sep-22 CET1 FL ratio is 16.5%. <sup>3</sup> Calculated using EBA standards and on a transitional basis.

## 7. RWAs breakdown

Sep-22 RWAs: €80,880M

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### By type:

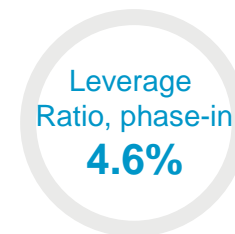
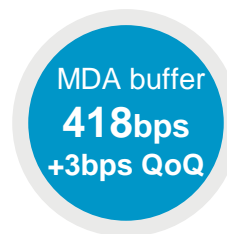
- Credit risk: €71.9bn
- Market risk: €0.9bn
- Operational risk: €7.9bn
- Others: €0.1bn

### By geography:

- Spain: €63.7bn
  - UK: €13.6bn
  - Mexico: €3.5bn
-

## 8. Ample MDA buffer at 418bps, better than guidance

Group capital requirements		Group capital position
Pillar 1 CET1	4.50%	
Pillar 2 CET1 Requirement (P2R)	1.21% <sup>1</sup>	
Capital Conservation Buffer	2.50%	
Countercyclical Buffer	-	
Other Systemically Important Institutions	0.25%	
<b>CET1</b>	<b>8.46%</b>	<b>12.65%</b>
AT1	1.90% <sup>1</sup>	2.04%
Tier 2	2.54% <sup>1</sup>	2.38%
<b>Total Capital</b>	<b>12.90%</b>	<b>17.08%</b>



- MDA stands 418bps above 8.46% requirement
- 1% Countercyclical Buffer in UK would represent 17bps<sup>2</sup> for Sabadell
- Leverage ratio phase-in decreased -79bps YoY

<sup>1</sup> Applying Article 104a CRD which assumes the bank can use excess Tier 2 and AT1 to meet P2R (in total 94bps of excess hybrid capital, of which 40bps would be AT1 and 54bps Tier 2). <sup>2</sup> Based on RWAs as of Sep-22.

# Glossary

Term	Definition
<b>CAM APS</b>	Banco CAM asset protection scheme. As a result of the acquisition of Banco CAM on 1 June 2012, the Asset Protection Scheme (APS) envisaged in the protocol on financial assistance measures for the restructuring of Banco CAM came into force with retroactive effect from 31 July 2011. Under the scheme, which covers a specific portfolio of assets with a gross value of €24.6bn as at 31 July 2011, the Deposit Guarantee Fund (DGF) bears 80% of the losses on the portfolio for a period of ten years, once impairment allowances in respect of those assets have been fully applied
<b>CBR</b>	Combined Buffer Requirement
<b>CCyB</b>	Countercyclical Buffer
<b>CCB</b>	Capital Conservation Buffer
<b>DGS</b>	Deposit Guarantee Scheme
<b>EAD</b>	Exposure at default calculated as sum of amount drawn, amount available plus guarantees
<b>HQLAs</b>	High quality liquid assets
<b>HTC</b>	Held to collect
<b>ICO</b>	Spanish Official Credit Institute
<b>LCR</b>	Liquidity coverage ratio: High quality liquid assets (HQLAs) divided by total net cash outflows
<b>LRE</b>	Leverage Ratio Exposure is equivalent to total assets and a variety of off-balance sheet items including derivatives and repurchase agreements, among others
<b>NIM</b>	Net interest margin
<b>NPS</b>	The Net Promoter Score is obtained by asking customers “On a scale of 0-10, where 0 is not at all likely and 10 is extremely likely, how likely are you to recommend Sabadell to a friend or colleague?”. NPS is the percentage of customers who score 9-10 after subtracting the percentage who score 0-6
<b>NSFR</b>	Net Stable Funding Ratio
<b>P2R</b>	Pillar 2 Requirement
<b>RWA</b>	Risk weighted assets
<b>TBV</b>	Tangible book value
<b>TFSME</b>	Term Funding Scheme with additional incentives for SMEs
<b>TLTRO</b>	Targeted Longer-Term Refinancing Operations



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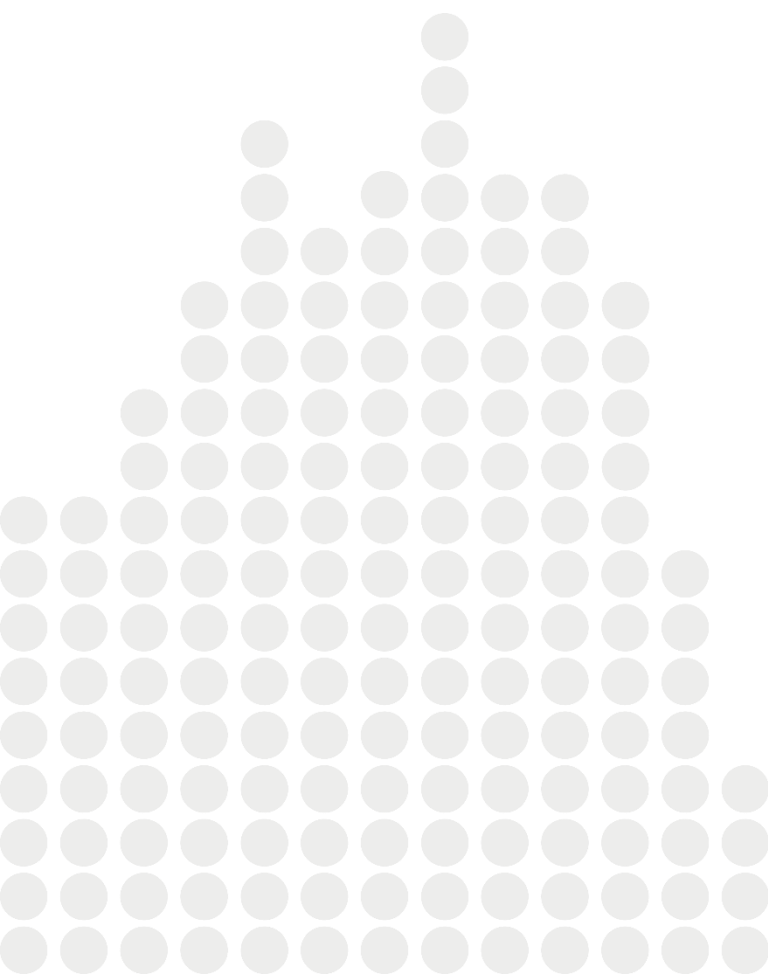
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**B Sabadell**

Shareholder and Investor Relations

[investorrelations@bancsabadell.com](mailto:investorrelations@bancsabadell.com)

+44 2071 553 888