Auditor's Report on Banco de Sabadell, S.A. and Subsidiaries

(Together with the condensed consolidated interim financial statements and the consolidated interim directors' report of Banco de Sabadell, S.A. and subsidiaries for the period ended 30 June 2026)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
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08908 L'Hospitalet de Llobregat
(Barcelona)

Independent Auditor's Report on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Banco de Sabadell, S.A.

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Opinion

We have audited the condensed consolidated interim financial statements of Banco de Sabadell, S.A. (the "Bank") and its subsidiaries (together the "Group"), which comprise the balance sheet at 30 June 2026, and the income statement, statement of recognised income and expenses, statement of total changes in equity and cash flow statement for the six-month period then ended, and explanatory notes (all condensed and consolidated).

In our opinion, the accompanying condensed consolidated interim financial statements of the Group for the six-month period ended 30 June 2026 have been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the condensed consolidated interim financial statements pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the condensed consolidated interim financial statements of the current period. These matters were addressed in the context of our audit of the condensed consolidated interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers

See notes 1.4, 4.2, 10 and 27 to the condensed consolidated interim financial statements

Key audit matter	*How the matter was addressed in our audit*
The Group's portfolio of loans and advances to customers classified as financial assets at amortised cost reflects a net balance of Euros 126,308 million at 30 June 2026, while allowances and provisions recognised at that date for impairment total Euros 2,196 million. For the purposes of estimating impairment, loans and advances to customers measured at amortised cost are classified into three categories (Stage 1, 2 or 3) according to whether a significant increase in credit risk since their initial recognition has been identified (Stage 2), whether the financial assets are credit-impaired (Stage 3) or whether neither of the foregoing circumstances apply (Stage 1). For the Group, establishing this classification is a relevant process inasmuch as the calculation of allowances and provisions for credit risk varies depending on the category in which the financial asset has been included. Impairment is calculated based on models for estimating expected losses, which the Group estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a significant and complex estimate. Allowances and provisions for credit risk determined individually consider estimates of future business performance and the market value of collateral provided for credit transactions.	Our audit approach in relation to the Group's estimate of impairment of loans and advances to customers due to credit risk mainly consisted of assessing the methodology applied to calculate expected losses, particularly as regards the methods and assumptions used to estimate exposure at default, probability of default and loss given default; and determining the future macroeconomic scenarios. We also reviewed the mathematical accuracy of the calculations of expected losses and the reliability of the data used. To this end, we brought in our credit risk specialists. Our procedures related to the control environment focused on the following key areas: – Credit risk management framework and assessing the compliance of the Group's accounting policies with the applicable regulations. – Classification of the loans and advances to customers portfolio based on credit risk, in accordance with the criteria defined by the Group, particularly the criteria for identifying and classifying refinancing and restructuring transactions. – Relevant controls relating to the monitoring of transactions. – Checking whether the internal models for estimating allowances and provisions for credit risk on a collective basis are functioning correctly.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Impairment of loans and advances to customers

See notes 1.4, 4.2, 10 and 27 to the condensed consolidated interim financial statements

Key audit matter	*How the matter was addressed in our audit*
In the case of allowances and provisions calculated collectively, expected losses are estimated by way of internal models that use large databases, different macroeconomic scenarios, parameters to estimate provisions, segmentation criteria and automated processes, which are complex in their design and implementation and require past and present information and future forecasts to be considered. The Group regularly conducts tests of its internal models in order to improve their predictive capabilities based on actual historical experience. The current geopolitical landscape continues to generate uncertainty about the future trajectory of the macroeconomic environment, potentially affecting the economies and business activities of the countries in which the Group and its customers operate. Calculating expected credit risk losses therefore entails greater uncertainty and requires a higher degree of judgement, primarily as regards estimating macroeconomic scenarios. The Group supplements its estimate of expected losses resulting from its credit risk models with certain additional adjustments, known as overlays. The consideration of this matter as a key audit matter is based both on the significance of the Group's loans and advances to customers portfolio, and thus of the related allowance and provision for impairment, and on the relevance of the process for classifying these financial assets for the purpose of estimating impairment thereon, as well as the complexity of and judgement applied in calculating expected losses.	– Checking the adequacy of the allowances and provisions recognised for exposures individually identified as impaired, including the reasonableness of the estimated recovery flows and the functionality of the review and approval controls over the estimates made. – Process for managing and valuing the collateral taken into account when determining credit risk allowances and provisions. – Aspects observed by the internal validation unit in its periodic reviews and in the contrast testing of the models for estimating collective allowances and provisions. – Comparisons of estimated parameters with observed parameters (backtesting). – The data used to estimate credit risk impairment. – Governance process for the definition and approval of the macroeconomic scenarios used in estimating expected losses, and identification of the additional adjustments (overlays) applied to the models, including the review of such updates by the internal validation function. Our tests of detail on the estimated expected losses included the following: – With regard to the appropriate classification of the portfolio of loans and advances to customers based on credit risk, we assessed the accounting classification methodology and criteria used by the Group. We also replicated the accounting classification process applied by the Group, establishing the appropriateness of the accounting classification for a sample of transactions.

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Impairment of loans and advances to customers See notes 1.4, 4.2, 10 and 27 to the condensed consolidated interim financial statements	
Key audit matter	*How the matter was addressed in our audit*
	– For a sample of individually significant borrowers, we assessed the reasonableness of the classification based on the credit risk of the loans extended to them, as well as the impairment estimated by the Group. Our analysis included an assessment of the assumptions used by the Group and of the valuations of the effective collateral provided for the transactions analysed, to which end we brought in our real estate valuation specialists. – We assessed the integrity and accuracy of the input balances for the collective estimation process and evaluated whether the calculation engine is functioning correctly by replicating the calculation process at 30 June 2026, taking into account the segmentation and assumptions used by the Group. – We evaluated the methods and assumptions used to estimate exposure at default, probability of default and loss given default. – We reviewed the macroeconomic scenario variables used by the Group in its internal models to estimate expected losses. – We analysed a sample of guarantees associated with credit transactions, checking their valuation, with the involvement of our real estate valuation specialists. – We examined the additional adjustments (overlays) to the internal models for estimating expected losses, recorded by the Group at 30 June 2026, assessing the calculation methodology applied as well as the integrity and accuracy of the data used in estimating these adjustments. We also analysed whether the disclosures in the explanatory notes to the condensed consolidated interim financial statements were prepared in accordance with the criteria set out in the financial reporting framework applicable to the Group.

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Risks associated with information technology	
Key audit matter	*How the matter was addressed in our audit*
The Group operates in a complex technological environment that is constantly evolving and which must efficiently and reliably meet business requirements. The high level of dependence on these systems with regard to the processing of the Group's financial and accounting information makes it necessary to ensure that these systems function correctly. In this context, it is critical to ensure that management of the technological risks that could affect information systems is adequately coordinated and harmonised in relevant areas such as data and program security, systems operation, and development and maintenance of IT applications and systems used to the prepare financial information. We have therefore considered the risks associated with information technology to be a key audit matter.	With the assistance of our specialists in information systems, we carried out tests, at each of the Group entities considered relevant for the purpose of the audit, relating to the internal control over the processes and systems involved in generating financial information in the following areas: – Understanding of the information flows and identification of the key controls that ensure the appropriate processing of the financial information. – Testing of the key automated processes that are involved in generating the financial information. – Testing of the controls over the applications and systems related to accessing and processing the information and those related to the security settings of those applications and systems. – Testing of the controls over the operation, maintenance and development of applications and systems.

Emphasis of Matter

We draw your attention to explanatory note 1 to the accompanying condensed consolidated interim financial statements, which states that such condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2025. Our opinion is not modified in respect of this matter.

Other Information: Consolidated Interim Directors’ Report

Other information solely comprises the consolidated interim directors’ report for the six-month period ended 30 June 2026, the preparation of which is the responsibility of the Bank’s Directors and which does not form an integral part of the condensed consolidated interim financial statements.

Our audit opinion on the condensed consolidated interim financial statements does not encompass the consolidated interim directors’ report. Our responsibility for the consolidated interim directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the consolidated interim directors' report with the condensed consolidated interim financial statements, based on knowledge of the Group obtained during the audit of the aforementioned condensed consolidated interim financial statements, and assessing and reporting on whether the content and presentation of the consolidated interim directors’ report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the consolidated interim directors’ report is consistent with that disclosed in the condensed consolidated interim financial statements for the six-month period ended 30 June 2026 and the content and presentation of the report are in accordance with applicable legislation.

Responsibilities of the Bank’s Directors' and the Audit and Control Committee for the Condensed Consolidated Interim Financial Statements

The Bank's Directors are responsible for the preparation of the accompanying condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information, and for such internal control as they determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed consolidated interim financial statements, the Bank's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Bank's Audit and Control Committee is responsible for overseeing the preparation and presentation of the condensed consolidated interim financial statements.

Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed consolidated interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed consolidated interim financial statements.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Bank’s Directors.

- Conclude on the appropriateness of the Bank’s Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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- Plan and execute the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the condensed consolidated interim financial statements. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Bank's Audit and Control Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Bank's Audit and Control Committee with a statement that we have complied with the applicable ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the Bank's Audit and Control Committee, we determine those that were of most significance in the audit of the condensed consolidated interim financial statements for the six-month period ended 30 June 2026 and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting held on 6 May 2026 for a period of one year, from the year commenced 1 January 2026.

Previously, we had been appointed for a period of one year, by consensus of the shareholders at their ordinary general meeting, and have been auditing the annual financial statements since the year ended 31 December 2020.

Services Provided

Non-audit services provided by KPMG Auditores, S.L. to the Group in the six-month period ended 30 June 2026 consisted of limited reviews of financial statements, the issuance of comfort letters in debt issue processes, reports on agreed-upon procedures and work in connection with different regulatory requirements prescribed by supervisors.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors (“ROAC”) with No. S0702

(Signed on original in Spanish)

Javier Calvo González-Vallinas
On the Spanish Official Register of Auditors (“ROAC”) with No. 15,542

24 July 2026

"*Translation of the Condensed consolidated interim financial statements originally issued in Spanish and prepared in accordance with IAS 34, as adopted by the European Union. In the event of a discrepancy the Spanish-language version prevails.*"

Contents of the condensed consolidated interim financial statements and consolidated interim Directors' Report of Banco Sabadell Group for the six-month period ended 30 June 2026

Condensed consolidated interim financial statements

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Consolidated interim Directors' Report

Sabadell

Condensed consolidated balance sheets of Banco Sabadell Group

As at 30 June 2026 and 31 December 2025

Thousand euro

Assets	Note	30/06/2026	31/12/2025 (*)
Cash, cash balances at central banks and other demand deposits (**)	**7**	**5,460,364**	**12,403,296**
Financial assets held for trading		**5,468,236**	**3,194,154**
Derivatives		1,072,171	1,179,738
Equity instruments	9	1,915,077	527,327
Debt securities	8	2,336,668	1,487,089
Loans and advances		144,320	—
Central banks		—	—
Credit institutions	10	144,320	—
Customers		—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights		*235,620*	*790,393*
Non-trading financial assets mandatorily at fair value through profit or loss		**232,571**	**194,490**
Equity instruments	9	124,283	86,355
Debt securities	8	59,228	59,075
Loans and advances		49,060	49,060
Central banks		—	—
Credit institutions		—	—
Customers	10	49,060	49,060
Memorandum item: loaned or posted as collateral with sale or pledging rights		—	—
Financial assets designated at fair value through profit or loss		**—**	**—**
Debt securities		—	—
Loans and advances		—	—
Central banks		—	—
Credit institutions		—	—
Customers		—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights		—	—
Financial assets at fair value through other comprehensive income		**5,765,741**	**5,815,990**
Equity instruments	9	212,528	209,650
Debt securities	8	5,553,213	5,606,340
Loans and advances		—	—
Central banks		—	—
Credit institutions		—	—
Customers		—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights		*1,048,962*	*1,284,972*
Financial assets at amortised cost		**170,629,243**	**159,766,937**
Debt securities	8	29,263,546	27,069,198
Loans and advances		141,365,697	132,697,739
Central banks		—	—
Credit institutions	10	15,057,511	11,927,537
Customers	10	126,308,186	120,770,202
Memorandum item: loaned or posted as collateral with sale or pledging rights		*12,198,233*	*11,604,385*
Derivatives – Hedge accounting		**907,688**	**1,085,614**
Fair value changes of the hedged items in portfolio hedge of interest rate risk		**(630,069)**	**(724,174)**
Investments in joint ventures and associates		**467,749**	**481,721**
Joint ventures		—	—
Associates		467,749	481,721
Assets under insurance and reinsurance contracts		**—**	**—**
Tangible assets	**11**	**1,671,087**	**1,731,812**
Property, plant and equipment		1,547,154	1,598,897
For own use		1,547,154	1,598,897
Leased out under operating leases		—	—
Investment properties		123,933	132,915
Of which: leased out under operating leases		*123,933*	*132,915*
Memorandum item: acquired through leases		*613,307*	*623,391*
Intangible assets	**12**	**2,405,685**	**2,493,359**
Goodwill		1,026,810	1,026,810
Other intangible assets		1,378,875	1,466,549
Tax assets		**5,971,029**	**6,091,570**
Current tax assets		440,239	484,546
Deferred tax assets	32	5,530,790	5,607,024
Other assets	**13**	**320,252**	**308,136**
Insurance contracts linked to pensions		72,796	75,189
Inventories		29,584	31,207
Rest of other assets		217,872	201,740
Non-current assets and disposal groups classified as held for sale	**14**	**414,352**	**52,549,489**
Total assets		**199,083,928**	**245,392,394**

(*) Shown for comparative purposes only.

(**) See details in the condensed consolidated cash flow statement of the Group.

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated balance sheet as at 30 June 2026.

Sabadell

Condensed consolidated balance sheets of Banco Sabadell Group

As at 30 June 2026 and 31 December 2025

Thousand euro

Liabilities	Note	30/06/2026	31/12/2025 (*)
Financial liabilities held for trading		**1,814,941**	**1,726,034**
Derivatives		1,248,201	1,145,777
Short positions		566,740	580,257
Deposits		—	—
Central banks		—	—
Credit institutions		—	—
Customers		—	—
Debt securities issued		—	—
Other financial liabilities		—	—
Financial liabilities designated at fair value through profit or loss		**—**	**—**
Deposits		—	—
Central banks		—	—
Credit institutions		—	—
Customers		—	—
Debt securities issued		—	—
Other financial liabilities		—	—
Memorandum item: subordinated liabilities		—	—
Financial liabilities at amortised cost		**183,639,206**	**178,942,193**
Deposits		155,854,594	154,349,306
Central banks	15	439,691	—
Credit institutions	15	18,247,079	19,845,390
Customers	16	137,167,824	134,503,916
Debt securities issued	17	20,888,857	19,949,033
Other financial liabilities		6,895,755	4,643,854
Memorandum item: subordinated liabilities		*3,277,805*	*3,772,893*
Derivatives – Hedge accounting		**324,075**	**288,538**
Fair value changes of the hedged items in portfolio hedge of interest rate risk		**(143,698)**	**(103,707)**
Liabilities under insurance and reinsurance contracts		**—**	**—**
Provisions	**18**	**346,197**	**344,645**
Pensions and other post employment defined benefit obligations		48,201	49,940
Other long term employee benefits		36	33
Pending legal issues and tax litigation		112,980	110,622
Commitments and guarantees given		72,108	69,719
Other provisions		112,872	114,331
Tax liabilities		**497,188**	**315,733**
Current tax liabilities		376,857	194,696
Deferred tax liabilities	32	120,331	121,037
Share capital repayable on demand		**—**	**—**
Other liabilities	**13**	**431,221**	**463,915**
Liabilities included in disposal groups classified as held for sale	**14**	**—**	**49,333,344**
Total liabilities		**186,909,130**	**231,310,695**

(*) Shown for comparative purposes only.

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated balance sheet as at 30 June 2026.

Condensed consolidated balance sheets of Banco Sabadell Group

As at 30 June 2026 and 31 December 2025

Thousand euro

Equity	Note	30/06/2026	31/12/2025 (*)
Shareholders' equity		**12,381,315**	**14,630,651**
Capital	19	611,026	627,960
Paid up capital		611,026	627,960
Unpaid capital called up		—	—
Memorandum item: capital not called up		—	—
Share premium	19	6,165,371	6,600,371
Equity instruments issued other than capital		—	—
Equity component of compound financial instruments		—	—
Other equity instruments issued		—	—
Other equity		17,559	26,538
Retained earnings		6,529,658	8,138,665
Revaluation reserves		—	—
Other reserves		(1,640,116)	(1,812,753)
Reserves or accumulated losses of investments in joint ventures and associates		201,883	30,323
Other		(1,841,999)	(1,843,076)
Treasury shares		(272,810)	(25,877)
Profit or loss attributable to owners of the parent		970,627	1,775,411
Interim dividends		—	(699,664)
Accumulated other comprehensive income		**(244,207)**	**(583,555)**
Items that will not be reclassified to profit or loss		(12,965)	(10,723)
Actuarial gains or losses on defined benefit pension plans		(2,401)	(2,420)
Non-current assets and disposal groups classified as held for sale		—	—
Share of other recognised income and expense of investments in joint ventures and associates		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income		(10,564)	(8,303)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]		—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]		—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk		—	—
Items that may be reclassified to profit or loss		(231,242)	(572,832)
Hedge of net investments in foreign operations [effective portion]		(23,282)	206,642
Foreign currency translation		49,792	(51,962)
Hedging derivatives. Cash flow hedges reserve [effective portion]		(190,413)	(144,548)
Fair value changes of debt instruments measured at fair value through other comprehensive income		(91,619)	(83,344)
Hedging instruments [not designated elements]		—	—
Non-current assets and disposal groups classified as held for sale		—	(537,099)
Share of other recognised income and expense of investments in joint ventures and associates		24,280	37,479
Minority interests [non-controlling interests]		**37,690**	**34,603**
Accumulated other comprehensive income		—	—
Other items		37,690	34,603
Total equity		**12,174,798**	**14,081,699**
Total equity and total liabilities		**199,083,928**	**245,392,394**
Memorandum item: off-balance sheet exposures			
Loan commitments given	**20**	**21,939,399**	**27,316,178**
Financial guarantees given	**20**	**1,896,432**	**1,834,584**
Other commitments given	**20**	**8,587,467**	**9,713,645**

(*) Shown for comparative purposes only.

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated balance sheet as at 30 June 2026.

Condensed consolidated income statements of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Condensed consolidated income statements	Note	30/06/2026	30/06/2025 (*)
Interest income	21	2,988,230	3,181,780
Financial assets at fair value through other comprehensive income		85,298	101,523
Financial assets at amortised cost		2,810,742	2,922,472
Other interest income		92,190	157,785
Interest expenses	21	(1,236,777)	(1,408,085)
Expenses on share capital repayable on demand		—	—
Net interest income		**1,751,453**	**1,773,695**
Dividend income		2,154	3,921
Profit or loss of entities accounted for using the equity method		63,041	97,946
Fee and commission income	22	801,452	810,875
Fee and commission expenses	22	(158,680)	(162,051)
Net profit or net loss on financial operations	23	(144,491)	659,562
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net		5,922	28,051
Financial assets at amortised cost		5,053	29,319
Other financial assets and liabilities		869	(1,268)
Gains or losses on financial assets and liabilities held for trading, net		(171,478)	642,612
Reclassification of financial assets from fair value through other comprehensive income		—	—
Reclassification of financial assets from amortised cost		—	—
Other gains or losses		(171,478)	642,612
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net		15,665	691
Reclassification of financial assets from fair value through other comprehensive income		—	—
Reclassification of financial assets from amortised cost		—	—
Other gains or losses		15,665	691
Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net		—	—
Gains or losses from hedge accounting, net		5,400	(11,792)
Exchange differences [gain or loss], net	23	153,604	(635,244)
Other operating income	24	27,951	31,810
Other operating expenses	25	(64,697)	(74,465)
Income from assets under insurance and reinsurance contracts		—	—
Expenses on liabilities under insurance and reinsurance contracts		—	—
Gross income		**2,431,787**	**2,506,049**

(*) Shown for comparative purposes only (see Note 1.5).

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated income statement for the six-month period ended 30 June 2026.

Condensed consolidated income statements of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Condensed consolidated income statements	Note	30/06/2026	30/06/2025 (*)
Administrative expenses		(1,024,350)	(914,107)
Staff expenses	26	(694,614)	(591,832)
Other administrative expenses	26	(329,736)	(322,275)
Depreciation and amortisation		(213,645)	(202,395)
Provisions or reversal of provisions	18	(35,655)	(5,283)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	27	(255,250)	(194,656)
Financial assets at fair value through other comprehensive income		620	(206)
Financial assets at amortised cost		(255,870)	(194,450)
Profit or loss on operating activities		**902,887**	**1,189,608**
Impairment or reversal of impairment on investments in joint ventures and associates		(1,006)	(36)
Impairment or reversal of impairment on non-financial assets	28	(84,239)	(24,188)
Tangible assets		(10,061)	(20,589)
Intangible assets		(79,110)	—
Other		4,932	(3,599)
Gains or losses on derecognition of non-financial assets, net	29	(8,317)	(12,038)
Negative goodwill recognised in profit or loss		—	—
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	30	(31,325)	(5,001)
Profit or loss before tax from continuing operations		**778,000**	**1,148,345**
Tax expense or income related to profit or loss from continuing operations		(310,677)	(370,933)
Profit or loss after tax from continuing operations		**467,323**	**777,412**
Profit or loss after tax from discontinued operations	14	506,390	198,951
Profit or loss for the period		**973,713**	**976,363**
Attributable to minority interests [non-controlling interests]		3,086	1,083
Attributable to owners of the parent		970,627	975,280
Earnings (or loss) per share (euro)	**3**	**0.18**	**0.17**
Basic earnings per share in continuing operations (euro)		0.08	0.13
Diluted earnings per share in continuing operations (euro)		0.08	0.13
Basic earnings per share in discontinued operations (euro)		0.10	0.04
Diluted earnings per share in discontinued operations (euro)		0.10	0.04

(*) Shown for comparative purposes only (see Note 1.5).

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated income statement for the six-month period ended 30 June 2026.

Condensed consolidated statements of recognised income and expenses of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	30/06/2026	30/06/2025 (*)
Profit or loss for the period	**973,713**	**976,363**
Other comprehensive income	**339,348**	**(150,157)**
Items that will not be reclassified to profit or loss	(2,242)	10,584
Actuarial gains or losses on defined benefit pension plans	27	(38)
Non-current assets and disposal groups held for sale	—	—
Share of other recognised income and expense of investments in joint ventures and associates	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	(3,194)	13,919
Gains or losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	—	—
Income tax relating to items that will not be reclassified	925	(3,297)
Items that may be reclassified to profit or loss	341,590	(160,741)
Hedge of net investments in foreign operations [effective portion]	(229,923)	106,249
Valuation gains or losses taken to equity	(64,304)	106,249
Transferred to profit or loss	(165,619)	—
Other reclassifications	—	—
Foreign currency translation	101,752	(192,384)
Translation gains or losses taken to equity	101,752	(192,384)
Transferred to profit or loss	—	—
Other reclassifications	—	—
Cash flow hedges [effective portion]	(63,264)	(54,436)
Valuation gains or losses taken to equity	(112,274)	(62,474)
Transferred to profit or loss	49,010	(10,700)
Transferred to initial carrying amount of hedged items	—	18,738
Other reclassifications	—	—
Hedging instruments [not designated elements]	—	—
Valuation gains or losses taken to equity	—	—
Transferred to profit or loss	—	—
Other reclassifications	—	—
Debt instruments at fair value through other comprehensive income	(11,410)	70,363
Valuation gains or losses taken to equity	(8,737)	71,004
Transferred to profit or loss	(2,673)	(641)
Other reclassifications	—	—
Non-current assets and disposal groups held for sale	537,099	(85,458)
Valuation gains or losses taken to equity	13,477	(84,420)
Transferred to profit or loss	523,622	(1,038)
Other reclassifications	—	—
Share of other recognised income and expense of investments in joint ventures and associates	(13,199)	(3,921)
Income tax relating to items that may be reclassified to profit or loss	20,535	(1,154)
Total comprehensive income for the period	**1,313,061**	**826,206**
Attributable to minority interests [non-controlling interests]	3,086	1,083
Attributable to owners of the parent	1,309,975	825,123

(*) Shown for comparative purposes only (see Note 1.5).

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated statement of recognised income and expenses for the six-month period ended 30 June 2026.

Condensed consolidated statements of total changes in equity of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Sources of equity changes	Capital	Share premium	Equity instruments issued other than capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Minority interests: Accumulated other comprehensive income	Minority interests: Other items	**Total**
Closing balance 31/12/2025	**627,960**	**6,600,371**	**—**	**26,538**	**8,138,665**	**—**	**(1,812,753)**	**(25,877)**	**1,775,411**	**(699,664)**	**(583,555)**	**—**	**34,603**	**14,081,699**
Effects of corrections of errors	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Opening balance 01/01/2026	**627,960**	**6,600,371**	**—**	**26,538**	**8,138,665**	**—**	**(1,812,753)**	**(25,877)**	**1,775,411**	**(699,664)**	**(583,555)**	**—**	**34,603**	**14,081,699**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**970,627**	**—**	**339,348**	**—**	**3,086**	**1,313,061**
Other equity changes	**(16,934)**	**(435,000)**	**—**	**(8,979)**	**(1,609,007)**	**—**	**172,637**	**(246,933)**	**(1,775,411)**	**699,664**	**—**	**—**	**—**	**(3,219,963)**
Issuance of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of preference shares	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Exercise or expiration of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Conversion of debt to equity	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Capital reduction (see Note 19)	(16,934)	(435,000)	—	—	—	—	16,934	435,000	—	—	—	—	—	**—**
Dividends (or shareholder remuneration) (see Note 3)	—	—	—	—	(2,431,769)	—	—	—	—	—	—	—	—	**(2,431,769)**
Purchase of treasury shares	—	—	—	—	—	—	—	(707,506)	—	—	—	—	—	**(707,506)**
Sale or cancellation of treasury shares	—	—	—	—	—	—	(8,730)	25,573	—	—	—	—	—	**16,843**
Reclassification of financial instruments from equity to liability	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Reclassification of financial instruments from liability to equity	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Transfers among components of equity	—	—	—	—	1,075,747	—	—	—	(1,775,411)	699,664	—	—	—	**—**
Equity increase or decrease resulting from business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Share based payments	—	—	—	1,872	—	—	—	—	—	—	—	—	—	**1,872**
Other increase or decrease in equity	—	—	—	(10,851)	(252,985)	—	164,433	—	—	—	—	—	—	**(99,403)**
Closing balance 30/06/2026	**611,026**	**6,165,371**	**—**	**17,559**	**6,529,658**	**—**	**(1,640,116)**	**(272,810)**	**970,627**	**—**	**(244,207)**	**—**	**37,690**	**12,174,798**

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated statement of total changes in equity for the six-month period ended 30 June 2026.

Condensed consolidated statements of total changes in equity of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Sources of equity changes	Capital	Share premium	Equity instruments issued other than capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	Treasury shares	Profit or loss attributable to owners of the parent	Interim dividends	Accumulated other comprehensive income	Minority interests: Accumulated other comprehensive income	Minority interests: Other items	Total
Closing balance 31/12/2024	**680,028**	**7,695,227**	**—**	**25,407**	**7,373,498**	**—**	**(1,663,460)**	**(119,352)**	**1,826,805**	**(428,911)**	**(391,103)**	**—**	**34,416**	**15,032,555**
Effects of corrections of errors	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Opening balance 01/01/2025	**680,028**	**7,695,227**	**—**	**25,407**	**7,373,498**	**—**	**(1,663,460)**	**(119,352)**	**1,826,805**	**(428,911)**	**(391,103)**	**—**	**34,416**	**15,032,555**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**975,280**	**—**	**(150,157)**	**—**	**1,083**	**826,206**
Other equity changes	**(18,999)**	**(339,859)**	**—**	**(1,364)**	**725,533**	**—**	**(35,762)**	**(299,812)**	**(1,826,805)**	**428,911**	**—**	**—**	**1**	**(1,368,156)**
Issuance of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of preference shares	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Exercise or expiration of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Conversion of debt to equity	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Capital reduction	(18,999)	(339,859)	—	—	—	—	18,999	339,859	—	—	—	—	—	**—**
Dividends (or shareholder remuneration)	—	—	—	—	(666,943)	—	—	—	—	—	—	—	—	**(666,943)**
Purchase of treasury shares	—	—	—	—	—	—	—	(658,439)	—	—	—	—	—	**(658,439)**
Sale or cancellation of treasury shares	—	—	—	—	—	—	168	18,768	—	—	—	—	—	**18,936**
Reclassification of financial instruments from equity to liability	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Reclassification of financial instruments from liability to equity	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Transfers among components of equity	—	—	—	—	1,397,894	—	—	—	(1,826,805)	428,911	—	—	—	**—**
Equity increase or decrease resulting from business combinations	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Share based payments	—	—	—	(1,364)	—	—	—	—	—	—	—	—	—	**(1,364)**
Other increase or decrease in equity	—	—	—	—	(5,418)	—	(54,929)	—	—	—	—	—	1	**(60,346)**
Closing balance 30/06/2025	**661,029**	**7,355,368**	**—**	**24,043**	**8,099,031**	**—**	**(1,699,222)**	**(419,164)**	**975,280**	**—**	**(541,260)**	**—**	**35,500**	**14,490,605**

Shown for comparative purposes only.

Condensed consolidated cash flow statements of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	Note	30/06/2026	30/06/2025 (*)
Cash flows from/(used in) operating activities		**(6,984,685)**	**8,844,801**
Profit or loss for the period		973,713	976,363
Adjustments to obtain cash flows from operating activities		370,684	863,768
Depreciation and amortisation		213,645	202,395
Other adjustments		157,039	661,373
Net increase/decrease in operating assets		(13,299,776)	(5,105,356)
Financial assets held for trading		(2,274,082)	(315,860)
Non-trading financial assets mandatorily at fair value through profit or loss		(38,082)	(4,086)
Financial assets designated at fair value through profit or loss		—	—
Financial assets at fair value through other comprehensive income		40,333	(39,020)
Financial assets at amortised cost		(11,142,481)	(5,089,532)
Other operating assets		114,536	343,142
Net increase/decrease in operating liabilities		4,974,464	12,083,527
Financial liabilities held for trading		88,906	(313,831)
Financial liabilities designated at fair value through profit or loss		—	—
Financial liabilities at amortised cost		5,197,012	12,859,001
Other operating liabilities		(311,454)	(461,643)
Income tax receipts or payments		(3,770)	26,499
Cash flows from/(used in) investing activities		**(1,409,603)**	**(2,778)**
Payments		(6,439,400)	(224,377)
Tangible assets		(74,668)	(86,797)
Intangible assets		(114,005)	(137,580)
Investments in joint ventures and associates		(5,370)	—
Subsidiaries and other business units		—	—
Non-current assets and liabilities classified as held for sale		(6,245,357)	—
Other payments related to investing activities		—	—
Collections		5,029,797	221,599
Tangible assets		6,067	16,519
Intangible assets		—	—
Investments in joint ventures and associates		68,375	163,350
Subsidiaries and other business units		—	—
Non-current assets and liabilities classified as held for sale		4,955,355	41,730
Other collections related to investing activities		—	—

(*) Shown for comparative purposes only.

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated cash flow statement for the six-month period ended 30 June 2026.

Condensed consolidated cash flow statements of Banco Sabadell Group

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	Note	30/06/2026	30/06/2025 (*)
Cash flows from/(used in) financing activities		(3,755,091)	(714,923)
Payments		(3,771,935)	(1,733,859)
Dividends	3	(2,431,769)	(666,943)
Subordinated liabilities	4	(500,000)	(300,000)
Redemption of own equity instruments		—	—
Acquisition of own equity instruments		(707,506)	(658,439)
Other payments related to financing activities		(132,660)	(108,477)
Collections		16,844	1,018,936
Subordinated liabilities		—	1,000,000
Issuance of own equity instruments		—	—
Disposal of own equity instruments		16,844	18,936
Other collections related to financing activities		—	—
Effect of changes in foreign exchange rates		**403,697**	**(150,275)**
Net increase (decrease) in cash and cash equivalents		**(11,745,682)**	**7,976,825**
Cash and cash equivalents at the beginning of the period		**17,206,046**	**18,382,112**
Cash and cash equivalents at the end of the period		**5,460,364**	**26,358,937**

Memorandum item

	Note	30/06/2026	30/06/2025 (*)
Cash flows corresponding to:			
Interest received		3,895,612	4,394,894
Interest paid		1,793,478	2,176,465
Dividends received		2,154	3,921
Components of cash and cash equivalents at the end of the period			
Cash on hand	7	521,456	605,945
Cash equivalents in central banks	7	4,024,852	24,940,003
Other demand deposits	7	914,056	812,989
Other financial assets		—	—
Less: bank overdrafts repayable on demand		—	—
Total cash and cash equivalents at the end of the period		**5,460,364**	**26,358,937**
Of which: held by Group entities but not available for the Group		—	—

(*) Shown for comparative purposes only.

Notes 1 to 35 and accompanying Schedules I to IV form an integral part of the condensed consolidated cash flow statement for the six-month period ended 30 June 2026.

Explanatory notes to the condensed consolidated interim financial statements of Banco Sabadell Group for the six-month period ended 30 June 2026

Note 1 – Activity, accounting policies and practices

1.1 Activity

Banco de Sabadell, S.A. (hereinafter also referred to as “Banco Sabadell”, “the Bank”, “the Institution”, or “the Company”), with tax identification number (NIF) A08000143 and with registered office in Sabadell, Plaça de Sant Roc, no. 20, engages in banking business and is subject to the standards and regulations governing banking institutions operating in Spain. The supervision of Banco Sabadell on a consolidated basis is performed by the European Central Bank (ECB).

The Institution is entered in the Companies Register of Barcelona, under volume/I.R.U.S.[1] 1000152932861, folio 873, sheet B-1561, and also in the Bank of Spain’s Official Register of Credit Institutions under code 0081. The Legal Entity Identifier (LEI) of Banco de Sabadell, S.A. is SI5RG2M0WQQLZCXKRM20.

The Articles of Association and other public information can be viewed both at the Bank’s registered office and on its website (www.grupbancsabadell.com).

The Bank is the parent company of a group of entities (see Schedule I to the 2025 consolidated annual financial statements and Note 2) whose activity it controls directly or indirectly and which comprise, together with the Bank, Banco Sabadell Group (hereinafter, “the Group”).

1.2 Basis of presentation

The Group’s consolidated annual financial statements for 2025 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) applicable as at the end of 2025, taking into account Bank of Spain (“BoS”) Circular 4/2017 of 27 November (hereinafter, “Circular 4/2017”), as well as other provisions of the financial reporting regulations applicable to the Group, and considering the formatting and mark-up requirements established in Commission Delegated Regulation (EU) 2019/815, in order to fairly present the Group’s equity and consolidated financial situation as at 31 December 2025 and the results of its operations, recognised income and expenses, changes in equity and cash flows (all consolidated) in 2025.

Note 1 to the consolidated annual financial statements for 2025 includes a summary of the principles, accounting policies and measurement criteria applied by the Group. The aforesaid consolidated annual financial statements were signed off by the directors of Banco Sabadell at the Board meeting of 19 February 2026 and approved by shareholders at the Annual General Meeting of 6 May 2026.

These condensed consolidated interim financial statements for the six-month period ended 30 June 2026 have been prepared and are presented in accordance with IAS 34 “Interim financial reporting”, as set out in the EU IFRS, and they were signed off by the Bank’s directors on 23 July 2026, taking into account Circular 4/2017 and its subsequent amendments.

The condensed consolidated interim financial statements have been prepared applying the same consolidation principles, accounting policies and measurement criteria as those applied by the Group in the consolidated annual financial statements for the financial year 2025, taking into consideration the standards and interpretations that have come into force since 1 January 2026 (see Note 1.3), so that they fairly present the Group’s consolidated equity and consolidated financial situation as at 30 June 2026 and the consolidated results of its operations and consolidated cash flows materialising in the Group over the six-month period from 1 January to 30 June 2026.

In accordance with that set forth in IAS 34, the interim financial information is prepared with the sole purpose of explaining the significant events and changes that occurred during the six-month period, without repeating the information already published in the most recent consolidated annual financial statements. Therefore, for a proper comprehension of the information included in the condensed consolidated interim financial statements, they should be read together with the consolidated annual financial statements for 2025.

[1] *Identificador Registral Único de la Sociedad* (unique company identifier).

These condensed consolidated interim financial statements have been prepared based on the accounting records kept by the Bank and each of the other entities in the Group, and include adjustments and reclassifications necessary to ensure the harmonisation of the accounting policies and measurement criteria applied by the Group.

There are no cases in which accounting principles or measurement criteria whose application is mandatory have not been applied because of a significant effect on the condensed consolidated interim financial statements.

Except as otherwise indicated, these condensed consolidated interim financial statements are expressed in thousands of euros. In order to show the amounts in thousands of euros, the accounting balances have been subject to rounding; for this reason, some of the amounts appearing in certain tables may not be the exact arithmetic sum of the preceding figures.

In accordance with IAS 34, when determining the information to be disclosed concerning the various items in the consolidated financial statements and other matters, the Bank has taken into account their materiality in relation to the condensed consolidated interim financial statements.

1.3 Regulatory amendments in the first half of 2026

Standards and interpretations issued by the International Accounting Standards Board (IASB) that entered into force in 2026

In the first half of 2026, the standards and interpretations adopted by the European Union (EU), together with their amendments, which have been applied by the Group due to their entry into force or their early application, are the following:

Standards and Interpretations	Title
Amendments to IFRS 9 and IFRS 7 (*)	- Amendments to the classification and measurement of financial instruments - Contracts referencing nature-dependent electricity
Annual improvements to IFRS (*)	Volume 11

(*) The consolidated annual financial statements for the year 2025 include a brief description of these amendments.

The application of these amendments has had any significant effects on these condensed consolidated interim financial statements.

Standards and interpretations issued by the IASB not yet in force

As at the sign-off date of these condensed consolidated interim financial statements, the most significant standards and interpretations published by the IASB but which have not yet entered into force, because their effective implementation date is later than the date of these condensed consolidated interim financial statements and/or they have not yet been adopted by the European Union, are the following:

Standards and Interpretations	Title	Mandatory for years beginning:
Approved for application in the EU		
IFRS 18 (*)	Presentation and disclosure in financial statements	1 January 2027
Not approved for application in the EU		
IFRS 19 (*)	Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS 19 (*)	Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IAS 21 (*)	Translation to a hyperinflationary presentation currency	1 January 2027
Amendments to IAS 28	Fair value option for investments in associates and joint ventures	1 January 2027
IFRS 20	Regulatory assets and regulatory liabilities	1 January 2029

(*) The consolidated annual financial statements for the year 2025 include a brief description of these amendments.

Except for the potential impact on presentation and disclosure resulting from the adoption of IFRS 18 described in the consolidated annual financial statements for 2025, it is estimated that the adoption of the amendments issued by the IASB not yet in effect will not have a significant impact for the Group.

In relation to IFRS 18, the Group continues to work on the implementation of this standard in preparation for its entry into force on 1 January 2027. As at the date of these condensed consolidated interim financial statements, the Bank of Spain is expected to publish an amendment to Circular 4/2017 which, among other changes, will transpose IFRS 18 into Spanish law. This amendment will be taken into account to estimate the impact that this standard will have on the Group's financial statements.

Not approved for application in the EU

Amendments to IAS 28 "Fair value option for investments in associates and joint ventures"

These amendments aim to clarify which entities are eligible to use the fair value through profit or loss option for investments in associates and joint ventures. In particular, they specify that, in addition to investments held through venture capital organisations, collective investment undertakings or mutual funds, the option also applies to investments held through entities that have a main business activity of investing in particular types of assets, in accordance with the criteria established in IFRS 18. The amendments to IAS 28 will apply to the Group when it adopts IFRS 18.

IFRS 20 "Regulatory assets and regulatory liabilities"

This standard establishes an accounting framework for the recognition, measurement and presentation of regulatory assets and regulatory liabilities arising from rate-regulated activities, in order to improve the comparability and transparency of financial reporting. It also introduces specific recognition criteria for the rights and obligations stemming from such activities, together with disclosure requirements designed to enhance the quality of the financial information. IFRS 20 replaces the temporary standard IFRS 14 "Regulatory deferral accounts". Earlier application of this standard is permitted.

1.4 Use of judgements and estimates in preparing the condensed consolidated interim financial statements

The preparation of the condensed consolidated interim financial statements requires certain accounting estimates to be made. It also requires professional judgement when applying the Group's accounting policies. Such judgements and estimates may affect the value of assets and liabilities and the disclosure of contingent assets and contingent liabilities as at the date of the condensed consolidated interim financial statements, as well as the income and expenses during the period to which they relate.

The main judgements and estimates made in these condensed consolidated interim financial statements relate to the following items:

– The fair value of certain unquoted financial assets (see Note 6).

– The fair value of real estate assets held on the balance sheet (see Note 6).

– The accounting classification of financial assets and off-balance sheet exposures according to their credit risk (see Notes 8, 10 and 20).

– Impairment losses on certain financial assets and off-balance sheet exposures (see Notes 8, 10 and 20).

– The useful life and impairment losses of tangible assets and other intangible assets (see Notes 11 and 12).

– The measurement of goodwill on consolidation (see Note 12).

– The assumptions used in actuarial calculations of liabilities and post-employment obligations (see Note 18).

– The provisions and consideration of contingent liabilities (see Note 18).

– The recoverability of non-monetisable deferred tax assets and tax credits (see Note 32).

– Corporation tax expense, which, in accordance with IAS 34, is recognised in interim periods based on the best estimate of the weighted average tax rate that the Group expects for the full financial year.

The estimates are based on the best knowledge to hand about current and foreseeable circumstances, taking into account the uncertainties stemming from the existing economic and geopolitical environment and, consequently, the final results could differ from these estimates, particularly in relation to impairment losses on certain financial assets and off-balance sheet exposures. Future events may therefore make it necessary to modify these estimates, which would involve recording the effects of such estimation changes, if any, in the Group's consolidated financial statements on a forward-looking basis, in accordance with applicable regulations.

The macroeconomic scenarios considered by the Group in its main estimates and the sensitivity of financial asset impairment allowances to changes in the main variables considered in the macroeconomic scenarios are described in Note 4.2.2.

1.5 Comparability

The information contained in the condensed consolidated interim financial statements and explanatory notes corresponding to 31 December 2025 and 30 June 2025 is shown solely and exclusively for purposes of comparison against the information relating to the six-month period ended 30 June 2026.

Sale of TSB

As described in Note 2 to the Group's consolidated annual financial statements for 2025, following receipt of a binding offer from Banco Santander, S.A. (hereinafter, "Banco Santander") to acquire TSB Banking Group plc (hereinafter, "TSB"), the Board of Directors of Banco Sabadell, at its meeting on 1 July 2025, agreed to submit the offer for approval at an Extraordinary General Meeting, at which, on 6 August 2025, shareholders approved the sale of all shares representing the share capital of TSB to Banco Santander. The transaction was completed on 30 April 2026, once the corresponding regulatory authorisations had been obtained (see Note 2).

In accordance with the accounting standards applicable to the Group, the transactions carried out by TSB and its subsidiaries, which comprised the Banking Business UK operating segment (see Note 31), were considered discontinued operations as from 1 July 2025.

Consequently, on that date, the balances of assets and liabilities corresponding to TSB and its subsidiary undertakings were reclassified from their corresponding accounting headings to the headings "Non-current assets and disposal groups classified as held for sale" and "Liabilities included in disposal groups classified as held for sale", respectively, in the consolidated balance sheet. Similarly, the profit or loss generated by these companies during the period from 1 January 2026 to 30 April 2026, the date on which the sale was completed, is presented under the heading "Profit or loss after tax from discontinued operations" in the consolidated income statement and under the heading "Other comprehensive income – Items that may be reclassified to profit or loss – Non-current assets and disposal groups held for sale" in the consolidated statement of recognised income and expenses for that year, in the case of income and expense recognised directly in consolidated equity. In addition, with the aim of facilitating comparison between different financial years, the profit or loss corresponding to the first half of 2025 contributed by the disposed entities has been reclassified to the aforesaid headings.

Furthermore, the segment reporting corresponding to 2025 has been restated to reflect the Group's new organisational structure following the sale of TSB in accordance with the requirements of IFRS 8 (see Note 31).

In addition, for easier comprehension, the comparative information for the financial year 2025 concerning the liquidity and funding risk metrics has been restated (see Note 4).

Finally, Note 14 includes the condensed consolidated financial statements of the discontinued operations, comprising the condensed consolidated balance sheet as at 30 April 2026 and 31 December 2025 and the income statement and cash flow statement for the periods from 1 January 2026 to 30 April 2026 and from 1 January 2025 to 30 June 2025, respectively.

Strategic agreement between Banco Sabadell and Nexi

As indicated in Note 2 to the Group's consolidated annual financial statements for 2025, in October 2025 the Bank and Nexi S.p.A. (hereinafter, "Nexi") terminated the agreement for the sale of Paycomet, S.L.U., severing the strategic partnership for the merchant acquiring business signed by both parties on 27 February 2023, thereby extinguishing the commitments undertaken by the parties.

As a result of the termination agreement, the Group concluded that, as at 31 December 2025, the criteria established by accounting regulations to account for the assets and liabilities associated with that transaction as non-current assets or liabilities held for sale were no longer met.

Consequently, in accordance with the requirements of the applicable accounting standards, the information for the first half of 2025 included in these condensed consolidated interim financial statements has been restated as though no sale agreement for this business had ever been reached.

1.6 Seasonality of the Group's transactions

Given the activities engaged in by the Group's companies, their transactions are neither cyclical nor seasonal. Consequently, these explanatory notes to the condensed consolidated interim financial statements for the six-month period ended 30 June 2026 do not contain specific disclosures in that regard.

Note 2 – Banco Sabadell Group

Schedule I to the consolidated annual financial statements for the year ended 31 December 2025 contains material disclosures about the Group companies that were consolidated as at that date and those accounted for using the equity method.

Schedule I to these condensed consolidated interim financial statements gives details of the business combinations, acquisitions and sales of equity holdings in other institutions (subsidiaries and/or associates) carried out by the Group during the six-month period ended 30 June 2026.

Changes in the scope of consolidation during the first half of 2026

Sale of TSB

Through an Inside Information disclosure dated 16 June 2025, entered in the register of the Spanish National Securities Market Commission (CNMV) under number 2,776, the Bank confirmed, in connection with press coverage released that same day, that it had received preliminary and non-binding expressions of interest for the acquisition of the total share capital of TSB and that it would analyse any binding transaction that it might receive, subject to fulfilment of all legal obligations.

TSB had formed part of Banco Sabadell Group since its acquisition from Lloyds Banking Group plc in 2015. Following the acquisition, TSB engaged in the Group's retail banking business in the United Kingdom, where it offered banking services to over five million customers, mainly through mortgage loans, and current and savings accounts.

Subsequently, through an Inside Information disclosure dated 1 July 2025 entered in the CNMV register under number 2,805, the Bank indicated that, following receipt of a binding offer from Banco Santander to acquire TSB, the Board of Directors of Banco Sabadell had agreed to put the offer to a vote at an Extraordinary General Meeting, at which, on 6 August 2025, shareholders approved the sale of all shares representing the share capital of TSB. The transaction does not include the sale of the IT platform servicing TSB, owned by the subsidiary Sabadell Digital, S.A.U., which is expected to continue serving TSB until the company migrates to another IT platform. Banco Sabadell has undertaken that no company within Banco Sabadell Group will compete with Banco Santander in the UK banking market for 24 months following the closing date of the transaction, without prejudice to maintaining the activities of Banco Sabadell's branch in the United Kingdom.

On 1 May 2026, through an Other Relevant Information notice entered in the CNMV register under number 40,611, Banco Sabadell announced that on 30 April 2026, having obtained the required regulatory approvals, 100% of the share capital of TSB had been transferred to Santander UK plc (hereinafter, "Santander UK") for consideration of 2,863 million pounds sterling.

The consideration corresponded to a price of 2,650 million pounds sterling, adjusted upwards by 213 million pounds as a result of the estimated variation in TSB's tangible net asset value between 1 April 2025 and 30 April 2026, as had been agreed.

The transaction also entailed the transfer to Santander UK of other equity instruments and securities, not yet matured, issued by TSB and held by Banco Sabadell, for an aggregate amount of 1,217 million pounds sterling.

The transaction generated a net profit of 322 million euros for Banco Sabadell. Of this amount, 404 million euros net, corresponding to the difference between the sale price and the net book value of the disposed assets after deducting transaction-related expenses, was recognised under the heading "Profit or loss after tax from discontinued operations" for the six-month period ended 30 June 2026 (see Note 14). Furthermore, a loss of 79 million euros was recognised under the heading "Impairment or reversal of impairment on non-financial assets", reflecting the impact of the transaction on the recoverable amount of the IT platform developed by the Group to provide services to TSB (see Note 28).

Moreover, the transaction is expected to have a positive impact of 405 basis points on the fully-loaded Common Equity Tier 1 (CET1) ratio. Of this total impact, 351 basis points materialised when the transaction closed, while the remaining 54 basis points, associated with fewer operational risk-weighted assets, will materialise between 2026 and 2028 (including 18 in 2026).

As indicated in Note 1.5 – Comparability, the operations carried out by TSB and its subsidiary undertakings have been treated as discontinued operations in these condensed consolidated interim financial statements for the six-month period ended 30 June 2026 (see Note 14).

Except for the transaction described, there were no significant changes in the scope of consolidation during the first half of 2026 and 2025.

Note 3 – Shareholder remuneration and earnings per share

Details are provided here below about the dividends paid out by the Bank during the six-month period ended 30 June 2026:

	30/06/2026		
	% of par	Euro per share	Amount (thousand euro)
Ordinary shares	400.00%	0.50	2,431,769
Other shares (non-voting, redeemable, etc.)	—	—	—
Total dividends paid	**400.00%**	**0.50**	**2,431,769**
a) Dividends charged to earnings	—	—	—
b) Dividends charged to reserves or share premium	400.00%	0.50	2,431,769
c) Dividends in kind	—	—	—

Extraordinary dividend

Following the sale of TSB, and in furtherance of the resolution adopted at the Extraordinary General Meeting held on 6 August 2025, Banco Sabadell distributed, on 29 May 2026, an extraordinary cash dividend of 50 euro cents (gross) per share, charged against unrestricted voluntary reserves, to shareholders entitled to receive it (see Note 2).

Share buyback programmes

At its meeting of 5 February 2026 and in accordance with Banco Sabadell's shareholder remuneration policy, the Board of Directors of Banco Sabadell, after obtaining prior authorisation from the European Central Bank, agreed to set up two share buyback programmes to repurchase treasury shares for their subsequent redemption, up to a maximum aggregate amount of 800 million euros.

First buyback programme

To that end, the Board of Directors approved the allocation of a maximum of 435 million euros to the first share buyback programme, equivalent to excess capital above the fully-loaded CET1 ratio of 13% applying the regulatory implementation timeline for the output floor on a consolidated basis.

On 9 February 2026, Banco Sabadell announced, through an Inside Information disclosure entered in the CNMV's register under number 3,089, the terms and commencement date of the treasury share buyback programme approved by the Board of Directors on that same date, in accordance with that provided in Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

Since 16 February 2026, Banco Sabadell has been releasing weekly Other Relevant Information filings to share the mandatory information regarding the treasury share transactions carried out under the aforesaid buyback programme, as well as the amount paid for the shares repurchased up to 27 May 2026. On 28 May 2026, Banco Sabadell gave notice, by means of an Other Relevant Information disclosure, entered in the CNMV's register under number 41,124, of completion of the execution of the buyback programme, as the aforesaid maximum pecuniary amount of 435 million euros had been reached, having acquired 135,466,171 treasury shares with a par value of 0.125 euros each, representing approximately 2.70% of Banco Sabadell's share capital.

On 28 May 2026, Banco Sabadell's Board of Directors agreed to reduce the Bank's share capital by 16,933,271.38 euros through the redemption, charged to unrestricted reserves, of all the treasury shares acquired under the buyback programme mentioned in the previous paragraph (see Note 19).

Second buyback programme

The Board of Directors decided to allocate a maximum of 365 million euros to the second share buyback programme, equivalent to the difference between 60% of the net profit attributed to the Group for 2025 (the upper limit of the payout range established in the shareholder remuneration policy) and the cash dividends paid out of 2025 earnings.

On 28 May 2026, Banco Sabadell announced, through an Inside Information disclosure entered in the CNMV's register under number 3,244, the terms and commencement date (1 June 2026) of the second share buyback programme approved by the Board of Directors, in accordance with that provided in Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

Since 8 June 2026, Banco Sabadell has been releasing weekly Other Relevant Information filings to share the mandatory information regarding the treasury share transactions carried out under the aforesaid buyback programme, as well as the amount paid for the shares repurchased up to 17 July 2026. On 20 July 2026, Banco Sabadell gave notice, by means of an Other Relevant Information disclosure, entered in the CNMV's register under number 41,970, of completion of the execution of the buyback programme, as the aforesaid maximum pecuniary amount of 365 million euros had been reached, having acquired 119,749,075 treasury shares with a par value of 0.125 euros each, representing approximately 2.45% of Banco Sabadell's share capital.

On 23 July 2026, Banco Sabadell's Board of Directors agreed to reduce the Bank's share capital by 14,968,634.38 euros through the redemption, charged to unrestricted reserves, of all the treasury shares acquired under the buyback programme mentioned in the previous paragraph. As at the sign-off date of these condensed consolidated interim financial statements, the entry into the Companies Register of the public deed for this capital reduction remains pending.

New buyback programme

At its meeting on 23 July 2026, the Board of Directors, in accordance with the Bank's current shareholder remuneration policy, approved the implementation of a share buyback programme for 331 million euros, having already obtained the required regulatory approvals.

Earnings per share

Basic earnings (or loss) per share are calculated by dividing the net profit or loss attributed to the Group, adjusted by the remuneration of other equity instruments, by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares acquired by the Group. Diluted earnings (or loss) per share are calculated by applying adjustments for the estimated effect of all potential conversions of ordinary shares to the net profit or loss attributed to the Group and to the weighted average number of ordinary shares outstanding.

The Group's earnings per share calculations are shown below:

	30/06/2026	30/06/2025
Profit or loss attributable to owners of the parent (thousand euro)	970,627	975,280
Adjustment: Remuneration of other equity instruments (thousand euro)	(81,875)	(56,563)
Profit or loss attributable to owners of the parent, adjusted (thousand euro) (A)	888,752	918,717
Of which: Profit or loss after tax from discontinued operations (thousand euro) (B)	506,390	198,951
Weighted average number of ordinary shares outstanding (*)	4,921,704,635	5,298,337,101
Assumed conversion of convertible debt and other equity instruments	—	—
Weighted average number of ordinary shares outstanding, adjusted (C)	4,921,704,635	5,298,337,101
Basic and diluted earnings (or loss) per share (euro)	0.18	0.17
Basic and diluted earnings (or loss) per share from continuing operations (euro) (A-B)/C	0.08	0.13
Basic and diluted earnings (or loss) per share from discontinued operations (euro) B/C	0.10	0.04

(*) Average number of shares outstanding, excluding the average number of own shares held in treasury stock during the period.

As at 30 June 2026 and 2025, there were no other financial instruments or share-based commitments with employees with a significant impact on the calculation of diluted earnings (or loss) per share for the periods presented. For this reason, basic earnings (or loss) per share coincide with diluted earnings (or loss) per share.

Note 4 – Risk management

Note 4 "Risk management" to the consolidated annual financial statements for 2025 gives details of the Global Risk Framework and risk governance arrangements, and of how the Group's main material risks are managed and monitored.

Material disclosures updated as at 30 June 2026 in relation to risk management are provided below.

4.1. Macroeconomic, political and regulatory environment

Macroeconomic environment

The most salient aspects of the macroeconomic environment during the first half of 2026 are described here below:

- The global context was characterised by the conflict between the United States, Israel and Iran, and by the growing impact of Artificial Intelligence (AI) on the economy and the markets.
- The closure of the Strait of Hormuz drove up oil prices and triggered a global energy crisis. The impact was reversed following the agreement between the United States and Iran at the end of June, although the situation in the region remains fragile.
- Inflationary pressures rebounded in the major economies due to the energy component, against a backdrop where services inflation was still at relatively high levels. As a result, concerns about inflation returned to the forefront.
- Despite geopolitical tensions, the global economy showed resilience and adaptability, although there was some deterioration in the confidence indicators in the wake of the conflict in the Middle East.
- In the Eurozone, GDP fell slightly in the first quarter (0.2%), mainly due to Ireland, which dragged down the region's growth by between 0.4 and 0.5 percentage points. Meanwhile, the United States maintained solid growth, underpinned by consumption and investment, particularly in AI.
- Spain stood out for its relative strength. Economic activity was robust, driven by consumption, employment and tourism, with growth projected to exceed 2% in 2026.
- Monetary policy shifted towards a more restrictive stance. The ECB raised interest rates (to 2.25%), while the Fed kept them unchanged, with expectations of further tightening following the energy shock.
- Financial markets were highly volatile in the first half of the year, driven by geopolitical factors and disruptions linked to AI. They subsequently rebounded on the back of expectations that the conflict between the United States and Iran would de-escalate.

- Yields on long-term sovereign debt rose across the board, with recent record highs in Europe. Part of this increase subsequently reversed as oil prices fell.
- Currency markets were also influenced by the energy shock and geopolitical factors. The euro, in its pairing against the dollar, fluctuated between 1.14 and 1.20 dollars per euro and ended the six-month period with a slight depreciation compared to 2025 year-end.
- Financial authorities pointed out that AI poses a threat to financial stability and warned of potential systemic risks related to cybersecurity, high levels of business concentration and financial interconnections within the sector, amongst other factors.

Political and regulatory environment

In the first half of 2026, the shift in approach initiated on the basis of the Draghi and Letta reports became firmly established, positioning regulatory simplification as a key lever for strengthening the European Union's competitiveness. In this context, the European Commission launched a specific consultation on the competitiveness of the banking sector, whose contributions have served as the basis for the Communication, as part of the Savings and Investments Union (SIU), on the competitiveness of the European banking sector. The document identifies the main obstacles hindering banks' capacity to finance the EU economy and it sets out a broad agenda of reforms aimed at improving the regulatory and supervisory framework. These initiatives will translate into a package of bank legislation that is scheduled to be published in the first quarter of 2027.

This approach is further reinforced by the political momentum behind the SIU, conceived as a key instrument for channelling savings into the productive economy (including strategic sectors such as defence and cybersecurity) and for strengthening the EU's structural competitiveness.

4.2 Credit risk

4.2.1 Credit risk exposure

The table below shows the distribution, by headings of the condensed consolidated balance sheet and off-balance sheet exposures, of the Group's maximum gross credit risk exposure as at 30 June 2026 and 31 December 2025, without deducting collateral or credit enhancements received in order to ensure the fulfilment of payment obligations, broken down by portfolios and in accordance with the nature of the financial instruments:

Thousand euro

Maximum gross credit risk exposure	Note	30/06/2026	31/12/2025 (*)
Financial assets held for trading		**4,396,065**	**2,014,416**
Equity instruments		1,915,077	527,327
Debt securities	8	2,336,668	1,487,089
Loans and advances		144,320	—
Non-trading financial assets mandatorily at fair value through profit or loss		**232,571**	**194,490**
Equity instruments	9	124,283	86,355
Debt securities	8	59,228	59,075
Loans and advances	10	49,060	49,060
Financial assets at fair value through other comprehensive income		**5,765,741**	**5,815,990**
Equity instruments	9	212,528	209,650
Debt securities	8	5,553,213	5,606,340
Financial assets at amortised cost		**172,887,036**	**162,122,100**
Debt securities	8	29,263,654	27,069,231
Loans and advances	10	143,623,382	135,052,869
Derivatives held for trading and hedge accounting		**1,979,859**	**2,265,352**
Total credit risk associated with financial assets		**185,261,272**	**172,412,348**
Loan commitments given		21,939,399	21,578,730
Financial guarantees given	20	1,896,432	1,834,584
Other commitments given	20	8,587,467	9,713,645
Total off-balance sheet exposures		**32,423,298**	**33,126,959**
Total maximum gross credit risk exposure		**217,684,570**	**205,539,307**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

Schedule IV to these condensed consolidated interim financial statements shows quantitative data relating to credit risk exposures and their concentration, broken down by geographical area and by activity sector.

The values of the guarantees received to ensure collection, as at 30 June 2026 and 31 December 2025, are as follows:

Thousand euro

	30/06/2026	31/12/2025 (*)
Value of collateral	**57,698,637**	**57,052,451**
Of which: securing stage 2 loans	*1,999,086*	*2,078,322*
Of which: securing stage 3 loans	*774,775*	*879,476*
Value of other guarantees	**13,892,580**	**13,447,380**
Of which: securing stage 2 loans	*1,014,650*	*1,175,922*
Of which: securing stage 3 loans	*439,012*	*439,508*
Total value of guarantees received	**71,591,217**	**70,499,831**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

4.2.2 Calculation of credit loss allowances

Inclusion of forward-looking information in expected loss models

As at 30 June 2026, the Group continued to consider three macroeconomic scenarios: one baseline scenario, the most likely of all (weighted at 65%); alternative scenario 1, which is more optimistic and envisages an improved geopolitical environment and a rapid and widespread deployment of AI (weighted at 10%); and alternative scenario 2, which is the most adverse, based on an escalation of the conflict in the Middle East, leading to a more severe energy shock and disruptions to global production chains (weighted at 25%). As at the end of 2025, the baseline scenario was weighted at 65%, the optimistic scenario at 15%, and the downside scenario at 20%. These scenarios are developed internally in Banco Sabadell and they are compared against the outlooks of other national and international bodies. In the case of the baseline scenario, the forecasts are also compared against those of available analyst consensus estimates.

The baseline scenario takes into account the impact of the recent conflict in the Middle East and, in particular, the disruptions associated with the Strait of Hormuz. The scenario envisages higher energy prices than in the pre-conflict period, as well as moderate and temporary disruptions to certain strategic inputs, albeit with limited economic impact. Global trade tensions persist, particularly between the United States and China, but without any significant escalation compared with 2025. Global economic growth remains resilient, underpinned by investment in AI, defence spending and the energy transition. Inflation remains relatively high during 2026 and part of 2027 due to the energy component, although the uptick is temporary and inflation expectations remain anchored. Central banks maintain a cautious stance and, in the case of the ECB, implement a series of interest rate hikes to reinforce their credibility in controlling inflation. Financial stability is preserved, financial markets remain buoyant, and long-term government bond yields are held at relatively high levels. Risk premiums of the European periphery remain contained and in line with their respective ratings.

Alternative scenario 1 is more optimistic than the baseline scenario and is based on an improved geopolitical context and a widespread and accelerated deployment of AI. The trade war and geopolitical conflicts de-escalate, disruptions in energy markets and supply chains subside, and productivity gains reach historically high levels. Global economic growth gains momentum, while inflation falls more rapidly and remains close to central banks' targets. Central banks maintain interest rates at levels consistent with monetary neutrality, and global financial conditions remain accommodative, with no episodes of risk aversion. The economic and financial climate is conducive to an improvement in public finances and further expansion of private sector lending.

Alternative scenario 2 is more pessimistic than the baseline scenario and focuses on an escalation of the conflict in the Middle East, leading to an intensification of the energy shock and disruptions to global production chains. Oil prices soar to very high levels, leading to a situation of stagflation characterised by economic recession, persistent inflation and a deterioration of financial conditions. The slowdown in the deployment of AI, the deterioration of public finances, and the materialisation of sovereign debt risks are additional factors that could amplify the economic impact. Central banks are forced to raise interest rates to prevent inflation expectations from becoming unanchored, while global financing conditions tighten. Long-term interest rates, sovereign risk premiums and corporate risk premiums rebound significantly, leading to episodes of financial instability and an increase in the cost of risk for the banking sector.

As at 30 June 2026 and 31 December 2025, the main forecast variables considered for Spain are those shown below:

%

	30/06/2026					31/12/2025				
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
GDP growth										
Baseline scenario	2.2	1.6	1.8	1.8	1.8	1.9	1.7	1.8	1.8	1.8
Alternative scenario 1	2.7	4.2	2.7	2.2	2.2	3.8	3.6	2.2	2.2	2.2
Alternative scenario 2	1.3	(1.9)	(0.2)	0.7	1.2	(0.8)	(0.9)	1.2	1.6	1.6
Unemployment rate										
Baseline scenario	10.0	9.7	9.6	9.6	9.5	10.1	10.0	9.9	9.9	9.8
Alternative scenario 1	9.4	7.7	7.0	6.9	6.9	8.9	7.7	7.1	7.1	7.1
Alternative scenario 2	11.4	14.7	14.8	13.3	11.8	13.5	14.9	13.2	11.9	10.6
House price growth (*)										
Baseline scenario	5.0	4.0	3.5	3.5	3.5	5.0	4.0	4.0	4.0	4.0
Alternative scenario 1	8.7	6.0	5.0	5.0	5.0	7.1	5.5	5.0	5.0	5.0
Alternative scenario 2	0.3	(3.1)	(0.4)	1.7	1.5	(4.1)	(2.3)	1.0	1.5	1.5

(*) The price variation is calculated as at year-end.

From the fifth year onwards, values are assigned to the projected variables, allowing them to be reversed to their central tendency value in the ninth year.

In the Group, the macroeconomic scenarios have been incorporated into the impairment calculation model.

The table below shows how the sensitivity of the expected loss to the scenarios described changes if each one is assigned a 100% probability of occurrence (weighting):

Million euro / %

	Scenarios			Impact on expected loss
	Optimistic	Baseline	Adverse	
Current weighting	10%	65%	25%	—
Alternative weighting 1	100%	—%	—%	(159)
Alternative weighting 2	—%	100%	—%	(62)
Alternative weighting 3	—%	—%	100%	225

Further adjustments to expected losses

The Group applies a series of additional adjustments to the outputs of its credit risk models, referred to as Post Model Adjustments (PMAs) or overlays, in order to address situations in which the outputs of those models are not sufficiently sensitive to uncertainty, or to capture events that cannot be modelled. These adjustments are temporary and remain in place until the reasons for which they were originally applied cease to exist. In all cases, the aforesaid overlays have followed the policies and procedures set by the Group, as well as its internal governance workflow, which includes a review by the second line of defence.

As at 30 June 2026, the overlays booked in the consolidated balance sheet amount to 53 million euros (50 million euros as at 31 December 2025). The main changes during the six-month period ended 30 June 2026 relate to the release of 14 million euros associated with the revision of the overlay established to account for the uncertainty surrounding international trade, an estimated 23 million euros based on the results of the backtests carried out on PD models, and the reduction of 5 million euros resulting from the release of the overlay associated with the potential impact of African swine fever.

In addition, as at 30 June 2026, the Group had booked collective classification overlays, which resulted in an increase in exposures classified as stage 2 and stage 3 of 523 million euros and 61 million euros, respectively (814 million euros and 29 million euros, respectively, as at 31 December 2025), and which mainly corresponded to the impacts stemming from the overlays described above.

Sensitivity analysis of the key variables of macroeconomic scenarios

A sensitivity analysis of the expected loss of the Group and of its impact, by segment, on impairment allowances in the event any of the key variables in the actual macroeconomic scenario show deviations, *ceteris paribus*, with respect to the most likely baseline macroeconomic scenario envisaged in the Group's business plan, is set out below. The outcome of this analysis is shown below:

	Change in the variable (*)	Impact on expected loss	
		Corporates	Individuals
GDP growth deviation	- 100 bp	73	9
	+ 100 bp	(62)	(8)
Unemployment rate deviation	+ 100 bp	30	8
	- 100 bp	(28)	(8)
House price growth deviation	- 100 bp	4	7
	+ 100 bp	(4)	(7)

(*) Changes to macroeconomic variables are applied in absolute terms.

4.2.3 Credit quality of financial assets

The breakdown of total exposures rated according to the various internal rating levels, as at 30 June 2026 and 31 December 2025, is set out here below:

Thousand euro

Breakdown of on-balance sheet exposure, by rating	Note	Exposures assigned rating/score 30/06/2026				
		Stage 1	*Stage 2*	*Stage 3*	*Of which: purchased credit-impaired*	Total
AAA/AA		21,115,035	92,459	—	—	21,207,495
A		20,639,899	22,747	—	—	20,662,646
BBB		86,407,880	146,169	—	—	86,554,049
BB		27,476,294	103,242	22,632	—	27,602,169
B		11,029,245	1,107,704	682	—	12,137,632
Other		3,140,114	3,066,864	3,203,320	—	9,410,299
No rating/score assigned		2,965,448	434,428	55,360	—	3,455,236
Total gross amount	**10**	**172,773,915**	**4,973,614**	**3,281,995**	**—**	**181,029,524**
Impairment allowances	**10**	**(263,080)**	**(234,038)**	**(1,760,675)**	**—**	**(2,257,793)**
Total net amount		**172,510,835**	**4,739,577**	**1,521,320**	**—**	**178,771,732**

Thousand euro

Breakdown of on-balance sheet exposure, by rating	Note	Exposures assigned rating/score 31/12/2025 (*)				
		Stage 1	*Stage 2*	*Stage 3*	*Of which: purchased credit-impaired*	Total
AAA/AA		18,044,209	90,778	1,574	—	18,136,561
A		19,177,883	26,300	—	—	19,204,183
BBB		79,373,017	214,864	—	—	79,587,882
BB		26,658,200	152,178	599	—	26,810,977
B		10,818,577	1,106,098	21,664	—	11,946,338
Other		3,165,897	3,394,018	3,311,795	—	9,871,709
No rating/score assigned		3,044,079	696,531	25,402	—	3,766,012
Total gross amount	**10**	**160,281,861**	**5,680,768**	**3,361,033**	**—**	**169,323,662**
Impairment allowances	**10**	**(260,521)**	**(286,261)**	**(1,808,382)**	**—**	**(2,355,163)**
Total net amount		**160,021,341**	**5,394,507**	**1,552,652**	**—**	**166,968,499**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

The breakdown of total off-balance sheet exposures rated according to the various internal rating levels, as at 30 June 2026 and 31 December 2025, is set out here below:

Thousand euro

Breakdown of off-balance sheet exposure, by rating	Note	Exposures assigned rating/score 30/06/2026				
		Stage 1	Stage 2	Stage 3	*Of which: purchased credit-impaired*	Total
AAA/AA		1,584,257	135,145	—	—	1,719,402
A		3,789,254	7,158	—	—	3,796,412
BBB		13,856,940	13,009	—	—	13,869,950
BB		6,419,757	10,835	—	—	6,430,592
B		5,351,620	167,302	—	—	5,518,922
Other		48,360	448,189	131,017	—	627,566
No rating/score assigned		456,857	—	3,597	—	460,454
Total gross amount	**20**	**31,507,045**	**781,639**	**134,614**	**—**	**32,423,298**
Provisions recognised under liabilities on balance sheet	**20**	**(31,865)**	**(20,266)**	**(19,977)**	**—**	**(72,108)**
Total net amount		**31,475,180**	**761,373**	**114,637**	**—**	**32,351,190**

Thousand euro

Breakdown of off-balance sheet exposure, by rating	Note	Exposures assigned rating/score 31/12/2025 (*)				
		Stage 1	Stage 2	Stage 3	*Of which: purchased credit-impaired*	Total
AAA/AA		1,509,707	23,858	—	—	1,533,566
A		4,002,057	2,315	—	—	4,004,372
BBB		13,794,480	23,136	—	—	13,817,615
BB		6,844,938	17,419	—	—	6,862,357
B		5,582,620	216,601	—	—	5,799,220
Other		47,458	593,076	173,399	—	813,933
No rating/score assigned		402,847	—	216	—	403,062
Total gross amount		**32,184,106**	**876,404**	**173,615**	**—**	**33,234,125**
Provisions recognised under liabilities on balance sheet		**(27,317)**	**(16,754)**	**(25,648)**	**—**	**(69,719)**
Total net amount		**32,156,789**	**859,650**	**147,967**	**—**	**33,164,406**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

Further details on the credit rating and credit scoring models are included in section 4.4.2.2 of the consolidated annual financial statements for 2025.

Exposures classified as stage 3 decreased by 101 million euros in the first half of 2026. Consequently, the Group’s NPL ratio fell during this period, as shown in the table below:

%

	30/06/2026	31/12/2025 (*)
NPL ratio	2.47	2.65
Stage 3 coverage ratio, with total provisions	68.73	69.46

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

The NPL ratio, broken down by lending segment, is set out below:

%

	30/06/2026	31/12/2025 (*)
Group NPL ratio	**2.47**	**2.65**
Mortgage loans	1.57	1.89
Consumer loans	5.10	5.10
SMEs and large corporates	3.47	3.69
Other (**)	1.61	1.52

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

(**) Includes international business.

Further quantitative details can be found in Note 10, specifically in the sections on "Financial assets classified according to their credit risk" and "Allowances", and in Schedule IV in the section on "Forbearance".

4.3 Financial risks

4.3.1 Liquidity and funding risk

Funding strategy and evolution of liquidity in 2026

The Group's liquidity position remained at comfortable levels during the first half of 2026.

Capital markets

The Group has a number of funding programmes in the capital markets, with a view to diversifying its different funding sources. More specifically, with regard to short-term funding, it maintains a commercial paper programme governing the issuance of these securities, which is aimed at institutional and retail investors and is registered with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR). With regard to medium- and long-term funding, the Bank keeps the following programmes in operation:

i. The Base Prospectus of Non-Equity Securities ("Fixed-Income Programme") registered with the CNMV on 9 July 2026 with a maximum issuance limit of 10 billion euros. This programme permits the issuance of instruments under Spanish law aimed at institutional and retail investors, both domestic and foreign. In particular, it regulates the issuance of straight, non-preferred or structured bonds and debentures, in addition to mortgage covered bonds and public sector covered bonds (European guaranteed bonds, also known as premium covered bonds).

ii. The Euro Medium Term Notes programme ("EMTN Programme") registered with the CNMV on 28 May 2026, having previously been registered with the Irish Stock Exchange. The EMTN programme allows senior debt (preferred and non-preferred) and subordinated debt to be issued in various currencies, with a maximum limit of 20 billion euros.

Banco Sabadell maintains an outstanding balance of 20,192 million in capital market issuances as at the end of the first half of 2026, which is a smaller balance than in December 2025. This reduction is mainly explained by the early redemption of subordinated debt and preferred securities during the first quarter of 2026, and also by the reduction in the outstanding balance of securitisations.

During the first half of 2026, the Institution did not issue any MREL-eligible instruments. However, the volume of capital market funding has made it possible to maintain a comfortable MREL level above the regulatory requirements.

Furthermore, during this period, Banco Sabadell issued 500 million euros of mortgage covered bonds in the wholesale market to manage scheduled maturities (see Schedule III).

The outstanding nominal balance of the Group's funding in capital markets, by type of product, as at 30 June 2026 and 31 December 2025 is shown below:

Million euro

	30/06/2026	31/12/2025 (*)
Outstanding nominal balance	**20,192**	**21,211**
Mortgage covered bonds	7,875	7,375
Senior debt	2,973	3,266
Senior non-preferred debt	4,280	4,280
Subordinated debt and preferred securities	3,265	4,265
Asset-backed securities	1,799	2,025
Of which: Sabadell Consumer Finance	*455*	*560*

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

Details of the maturing issuances in capital markets, considering their legal maturity, by type of product (excluding securitisations), as at 30 June 2026 and 31 December 2025, are analysed below:

Million euro

	Q3 2026	Q4 2026	2027	2028	2029	2030	2031	>2031	Outstanding balance
Secured issues									
Mortgage covered bonds	1,000	390	1,100	985	950	1,250	200	2,000	7,875
Unsecured issues									
Senior debt	—	—	—	750	1,473	750	—	—	2,973
Senior non-preferred debt	—	67	18	500	1,500	500	500	1,195	4,280
Subordinated debt and preferred securities	—	—	—	—	—	—	—	3,265	3,265
Total	**1,000**	**457**	**1,118**	**2,235**	**3,923**	**2,500**	**700**	**6,460**	**18,393**

Million euro

	2026	2027	2028	2029	2030	2031	>2031	Outstanding balance
Secured issues (*)								
Mortgage covered bonds	1,390	1,100	985	950	1,250	200	1,500	7,375
Unsecured issues								
Senior debt	—	500	750	1,266	750	—	—	3,266
Senior non-preferred debt	67	18	500	1,500	500	500	1,195	4,280
Subordinated debt and preferred securities	500	—	—	—	—	—	3,765	4,265
Total	**1,957**	**2,764**	**3,668**	**4,789**	**3,100**	**700**	**6,460**	**19,186**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

As at 30 June 2026, the Bank had outstanding issues of mortgage covered bonds amounting to 15,940 million euros, of which 7,875 million euros were placed on the market and 8,065 million euros were subscribed by the Institution itself (15,440 million euros as at 31 December 2025, of which 7,375 million euros were placed on the market and 8,065 million euros were subscribed by Banco Sabadell), which are secured by eligible mortgage loans in the amount of 25,031 million euros (25,270 million euros as at 31 December 2025). The regulatory overcollateralisation ratio of the Mortgage Covered Bonds Programme was 161% (162% as at 31 December 2025), with the entirety of its collateral assets denominated in euros. More information on the covered bond cover pool can be found on the Group's corporate website (www.grupbancsabadell.com), in the "Shareholders and Investors - Fixed income investors" section.

On 20 January 2026, the Bank issued mortgage covered bonds for 500 million euros, maturing after 6.85 years. Furthermore, on 18 June 2026, Banco Sabadell, S.A, Institución de Banca Múltiple (Mexico) completed its inaugural issuance in the local debt market, placing bank bond certificates (*Certificados Bursátiles Bancarios*, or CEBURES) for 4 billion Mexican pesos, with a three-year maturity.

In relation to debt issuance maturities and/or redemptions, during the first half of 2026, Banco Sabadell exercised early redemption options on the following issuances: (i) Subordinated Debt 1/2021 on 15 January 2026, for 500 million euros, (ii) Senior Debt 2/2020 on 11 March 2026 for 500 million euros, and (iii) AT1 Preferred Securities 1/2021 on 15 March 2026 for 500 million euros.

For the second half of 2026, the Bank has scheduled maturities of medium- and long-term wholesale debt amounting to 1,457 million euros (not including partial and total redemptions of securitisations placed on the market).

In terms of asset securitisation transactions, on 28 May 2026 the traditional securitisation fund Sabadell Consumo 4, FT, which had securitised a portfolio of consumer loans granted by Banco Sabadell for 1 billion euros, was disbursed. The transaction includes a revolving period during 2026, in which the Bank may assign additional consumer loans to the fund. The securities were rated by Fitch and Moody's. All tranches were placed on the market, except for a portion of tranche A and the entire junior tranche, which were retained by Banco Sabadell. The fund was given the simple, transparent and standardised securitisation designation under the European securitisation regulation.

Liquid assets

In addition to these sources of funding, Banco Sabadell maintains a liquidity buffer in the form of liquid assets to meet potential liquidity needs, as detailed below:

Million euro

	30/06/2026	31/12/2025 (*)
	Applicable weighted amount (**)	
Level 1 assets	32,599	36,763
Level 2A assets	15	4
Level 2B assets	812	524
Other liquid assets	17,992	17,076
Total liquid assets	**51,418**	**54,367**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

(**) Liquid assets as defined under the Liquidity Coverage Ratio (LCR) framework for determining High-Quality Liquid Assets (HQLAs) (Level 1, 2A and 2B) are measured at market value after applying the relevant LCR haircut, while the other liquid assets, which do not qualify as HQLAs but are eligible for use as collateral with central banks, are measured at market value after applying the corresponding central bank haircut.

Compared with 2025 year-end, liquid assets decreased by 2,949 million euros during the first half of 2026. This was mainly due to a negative funding gap resulting from an increase in customer funds and a greater increase in lending volumes, reflecting customers' increased funding needs, together with lower capital market funding. These factors were partly offset by the cash proceeds from the sale of TSB, taking into account the associated dividend paid to shareholders.

In addition to these liquid assets, Banco Sabadell has capacity to issue covered bonds, considering the average valuation applied by the ECB to own-use covered bonds to obtain funding, as well as the business in Mexico as it holds deposits in other financial institutions that are immediately available, for a total amount of 15,171 million euros as at 30 June 2026 (14,665 million euros as at 31 December 2025).

As at 30 June 2026, there are no significant amounts of cash or cash equivalents that are unavailable for use by the Group.

Compliance with regulatory ratios

As part of its liquidity management, the Group monitors the short-term Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), reporting the necessary information to the regulator on a monthly and quarterly basis, respectively. The measurement of liquidity based on these metrics forms part of the Group's liquidity risk oversight process.

In relation to the LCR, since its implementation in January 2018, the Group has consistently maintained an LCR well above the regulatory minimum requirement of 100%. As at 30 June 2026, the LCR stood at 188% for the Group (203% for the Group ex-TSB as at 31 December 2025).

In terms of the NSFR, the regulatory minimum requirement, effective from June 2021, is 100%, a level amply surpassed by the Group given its funding structure, in which customer deposits are predominant and where the majority of market funding is in the medium/long term. As at 30 June 2026, the NSFR stood at 131% for the Group (134% for the Group ex-TSB as at 31 December 2025).

4.3.2 Market risk

Trading activity

Market risk incurred in trading activity is measured using the Value at Risk (VaR) and stressed VaR methodologies, which allows risks to be standardised across different types of financial market transactions.

The market risk incurred on trading activity in terms of 1-day VaR with a 99% confidence interval for the first half of 2026 and the full year 2025 was as follows:

Million euro

	30/06/2026			31/12/2025		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest rate	0.36	0.73	0.19	0.35	0.87	0.18
Exchange rate (trading position)	0.06	0.13	0.00	0.13	1.86	0.00
Credit spread	0.26	0.57	0.15	0.22	0.44	0.11
Correlated VaR	**0.68**	**1.12**	**0.38**	**0.70**	**2.54**	**0.38**

The average VaR figures for trading activity remained broadly unchanged from 2025 levels during the first half of 2026, reflecting lower exposure to foreign exchange risk and greater exposure to credit spread risk.

4.3.3 Structural interest rate risk

In Banco Sabadell, as part of the continuous improvement process, structural interest rate risk monitoring and management activities are implemented and regularly updated, aligning the Institution with best market practice and current regulations. In particular, throughout the first half of 2026, management actions have continued to be implemented and monitored to keep metrics within their target risk thresholds; this applies to both net interest income and economic value of equity. In addition, work has continued on the continuous improvement of systems and the review and update of behavioural models in accordance with the guidelines established by the European Banking Authority (EBA).

With regard to interest rate developments, the first half of 2026 was characterised by an increase in benchmark interest rates, which began at the end of February as a result of the conflict in the Middle East. This rebound materialised in the near term (up to two years) and in the medium to long term (between 25 and 40 basis points, depending on the currency). The 12-month Euribor stood at 2.73% as at 30 June 2026 (2.24% as at 31 December 2025). The ECB's marginal deposit facility rate ended the six-month period at 2.25%, following an increase of 25 basis points in the first half of 2026. Meanwhile, the Bank of England's base rate and the Fed's policy rate remained stable over the six-month period at 3.75% and between 3.50% and 3.75%, respectively.

During the first half of 2026, the Bank's outstanding gross loans to customers continued to trend towards a larger proportion of fixed-rate lending, driven both by balance sheet dynamics (mainly mortgages and business loans) and by management actions (such as, fixing the interest rate on a portion of variable-rate loans during the first year). Moreover, there was a widespread increase in customer funds (across non-interest-bearing and interest-bearing products) that, together with the management actions introduced (hedging of term deposits), resulted in a larger proportion of variable-rate funding.

Furthermore, the Group continues to monitor customer behaviour in response to interest rate movements and variations of other economic variables (unemployment rates, gross domestic product, etc.), in order to anticipate possible changes and impacts on the behavioural assumptions used to measure and manage IRRBB. In particular, it analyses customer behaviour related to non-maturing items (changes in the stability of demand deposits and possible migration of funds to other products that earn higher interest) and related to items with an expected maturity that may be different from the contractually established maturity (due to early repayment of loans, early withdrawal of term deposits, or recovery time and balance of non-performing exposures).

4.3.4 Structural foreign exchange risk

Structural foreign exchange risk occurs when changes in market exchange rates between different currencies generate losses on permanent investments in foreign branches and subsidiaries with functional currencies other than the euro.

The purpose of managing structural foreign exchange risk is to minimise the impact on the value of the Institution's portfolio/equity in the event of any adverse movements in currency markets. The foregoing takes into account the potential impacts on the CET1 capital ratio and on the net interest margin, subject to the risk appetite set out in the Risk Appetite Statement (RAS). The levels set for the established risk metrics must be complied with at all times.

Foreign exchange risk is monitored regularly and reports are sent to supervisory bodies on the existing risk levels and on compliance with the limits set by the Board of Directors. The main monitoring metric is currency exposure, which measures the maximum potential loss that the open structural position could produce over a one-month time horizon, with a 99% confidence level and in stressed market conditions.

Compliance with, and the effectiveness of, the established limits and targets are monitored and reported on a monthly basis to the Board Risk Committee.

The Bank's Financial division, through the Asset and Liability Committee (ALCO), designs and executes strategies to hedge its structural FX positions in order to achieve its objectives in relation to the management of structural foreign exchange risk.

The most prominent permanent investments in non-local currencies are made in US dollars and Mexican pesos.

The Group has been following a hedging policy for its equity that seeks to minimise the sensitivity of capital ratios to adverse movements in these currencies against the euro. To that end, the evolution of foreign business is monitored, as are the political and macroeconomic variables that could have a significant impact on exchange rates.

As regards permanent investments in US dollars, the overall position in this currency has gone from 1,594 million as at 31 December 2025 to 1,663 million as at 30 June 2026. In relation to this position, as at 30 June 2026, a buffer of 52% of total investment is maintained.

In terms of permanent investments in Mexican pesos, the capital buffer has gone from 10,178 million Mexican pesos as at 31 December 2025 (out of a total exposure of 19,002 million Mexican pesos) to 9,578 million Mexican pesos as at 30 June 2026 (out of a total exposure of 19,752 million Mexican pesos), representing 48% of the total investment made.

As regards permanent investments in pounds sterling, following the agreement to sell TSB, the capital buffer is no longer required (see Note 2). The capital buffer for these permanent investments as at 31 December 2025 amounted to 2,395 million euros, representing 94% of the total investment made (excluding intangibles).

The net position of foreign currency assets and liabilities includes the structural position of the Institution, valued as at 30 June 2026, which amounts to 1,310 million euros, of which 36 million euros correspond to permanent equity holdings in pounds sterling, 701 million euros correspond to permanent equity holdings in US dollars and 511 million euros to permanent equity holdings in Mexican pesos. Net assets and liabilities valued at historical exchange rates are hedged with currency forwards and currency options in line with the Group's risk management policy.

As at 30 June 2026, the sensitivity of the equity exposure to a 6.81% depreciation in the exchange rate against the euro of the main currencies to which exposure exists (calculated based on the quarterly exchange rate volatility over the past three years) amounts to 89 million euros, of which 3% corresponds to the pound sterling, 54% to the US dollar and 39% to the Mexican peso.

Currency hedges are continuously reviewed in light of market movements.

Note 5 – Minimum own funds and capital management

Capital ratios

The Group calculates minimum own funds requirements in accordance with the regulatory framework based on Regulation (EU) 575/2013 (CRR), which sets forth the capital and solvency requirements, and Directive 2013/36/EU (CRD IV), in relation to prudential supervision. These regulations were amended in 2024 by Regulation (EU) 2024/1623 (CRR III) and by Directive (EU) 2024/1619 (CRD VI), respectively. The CRR III regulation is applicable in the European Union, as a general rule, as from 1 January 2025. The CRD VI directive, published in June 2024, has yet to be transposed into Spanish law, despite such transposition being scheduled for 10 January 2026.

Since the entry into force of the new provisions of the CRR III regulation in 2025, the Group has been applying the transitional measures provided in that regulation, which are designed to enable banks to gradually adapt to the new prudential requirements and mitigate any sudden impacts on their solvency levels. These measures affect both the calculation of Risk-Weighted Assets (RWAs) and the implementation of the output floor. In particular, they envisage a phased application of certain regulatory changes, notably including those concerning the treatment of exposures to equity instruments and unconditionally cancellable commitments. They also establish a gradual introduction of the output floor, through a phased implementation of the multiplier on the Standardised Total Risk Exposure Amount (STREA), as well as specific transitional arrangements applicable to the calculation of the STREA for certain corporate exposures with a probability of default below 0.5% and for securitisation positions.

In accordance with the aforesaid regulatory framework, credit institutions must comply with a total capital ratio of 8% at all times. However, regulators may exercise their authority and require institutions to maintain additional capital.

On 1 October 2024, the Bank of Spain approved the new framework to calculate the countercyclical capital buffer and established that, for exposures located in Spain, the countercyclical buffer percentage would be 0.5%, applicable as from 1 October 2025. After determining that cyclical systemic risks remain at an intermediate level, on 1 October 2025 the Bank of Spain approved an increase in the countercyclical capital buffer from 0.5% to 1.0%. This additional requirement will apply from 1 October 2026.

The minimum prudential requirements applicable to Banco Sabadell on a consolidated basis since 1 January 2026 resulting from the Supervisory Review and Evaluation Process (SREP) require Banco Sabadell to maintain a minimum phase-in Common Equity Tier 1 (phase-in CET1) ratio of 8.92% and a minimum phase-in total capital ratio of 13.34%. These ratios include the minimum required by Pillar 1 (8%, of which 4.50% corresponds to CET1), the Pillar 2 Requirement, or Pillar 2R (2.10%, of which 1.18% must be met with CET1), the capital conservation buffer (2.50%), the requirement applicable to the Bank due to its status as an ‘other systemically important institution’ (0.25%), and the countercyclical buffer (0.49%[2]).

As at 30 June 2026, the Group’s phase-in CET1 ratio stood at 13.16%, comfortably exceeding the aforementioned requirements.

[2] The countercyclical buffer requirement corresponds to the requirement calculated as at 31 March 2026, excluding TSB, applicable as at 30 June 2026.

The following table shows the phase-in capital ratios and eligible own funds of the Group as at 30 June 2026 and 31 December 2025:

Thousand euro

	30/06/2026	31/12/2025	Change (%)
Capital	611,026	627,960	(2.70)
Reserves (includes profit attributed to the Group, net of dividends) (*)	11,531,609	13,225,529	(12.81)
Valuation adjustments	(71,515)	(468,011)	(84.72)
Deductions	(2,761,978)	(2,842,698)	(2.84)
CET1 capital	**9,309,143**	**10,542,780**	**(11.70)**
CET1 (%)	13.16	13.16	(0.02)
Preference shares, convertible bonds and deductions	2,250,000	2,750,000	(18.18)
AT1 capital	**2,250,000**	**2,750,000**	**—**
AT1 (%)	3.18	3.43	(7.28)
Tier 1 capital	**11,559,143**	**13,292,780**	**(13.04)**
Tier 1 (%)	16.34	16.59	(1.52)
Tier 2 capital	**1,259,155**	**1,310,691**	**(3.93)**
Tier 2 (%)	1.78	1.64	8.52
Capital base	**12,818,298**	**14,603,470**	**(12.22)**
Minimum capital requirement (**)	9,437,709	11,012,260	(14.30)
Capital surplus	**3,380,589**	**3,591,210**	**(5.86)**
Total capital ratio (%)	**18.12**	**18.23**	**(0.61)**
Risk-Weighted Assets (RWAs)	**70,748,000**	**80,110,695**	**(11.69)**

According to supervisory expectations, regulatory ratios should reflect a deduction from CET1 corresponding to any existing excess above the threshold set at any given time for extraordinary capital distributions.

(*) Reserves as at 30 June 2026 include the adjustment corresponding to the pending portion of the second share buyback programme approved by the Board of Directors on 5 February 2026 (see Note 3), as the treasury shares already acquired under that programme are reflected under deductions. As at 31 December 2025, reserves included the adjustment corresponding to the two buyback programmes approved on that date, the first of them having been fully executed during the first half of 2026.

(**) The minimum capital requirement has been calculated taking into account capital requirements in effect as at June 2026 for Pillar 1 (8%) and Pillar 2R (2.10%), as well as the capital conservation buffer (2.50%), the countercyclical buffer (0.49%) and the buffer for other systemically important institutions (0.25%).

CET1 capital accounts for 72.62% of eligible capital. Deductions mainly comprise intangible assets, goodwill and deferred tax assets. CET1 capital during the period was affected, among other factors, by the distribution on 29 May 2026 of an extraordinary dividend, in cash, amounting to 2,432 million euros in connection with the sale of TSB, charged against unrestricted voluntary reserves (see Note 3).

Tier 1 comprises, in addition to CET1 funds, items that largely make up Additional Tier 1 capital (17.55% of own funds), essentially comprised of preferred securities. In this context, in February 2026, following the announcement to the market of its intention to exercise the early redemption option, Banco Sabadell ceased to classify the AT1 Preferred Securities 1/2021 issuance for a nominal amount of 500 million euros as Tier 1 capital after obtaining the corresponding regulatory authorisation. The outstanding amount was redeemed in March 2026, in accordance with the terms set out in the issuance prospectus.

Tier 2 capital, which accounts for 9.82% of the solvency ratio, is essentially made up of subordinated debt and the surplus of allowances eligible for expected losses on exposures subject to the IRB approach. The reduction of own funds qualifying as Tier 2 capital is mostly explained by the decline in Risk-Weighted Assets (RWAs) in the IRB portfolios, which reduced the amount of surplus eligible allowances for expected losses. This change is mainly linked to the sale of TSB.

RWAs declined by 9,363 million euros during the period, mainly as a result of the reduction in credit RWAs, explained in large part by the sale of TSB. Similarly, there was a positive contribution from two securitisations with significant risk transfer executed during the period: one synthetic securitisation (Galera V), conducted in June 2026 on a portfolio of 1,215 million euros of loans to corporates and SMEs, and one traditional securitisation (Consumo IV) on a portfolio of 1 billion euros of consumer loans. Another positive contributing factor was the trend in the portfolio’s density, stemming both from the improvement in internal ratings assigned to certain borrowers and from the reduction in LGD associated with the natural shrinkage of the portfolio due to repayments. These effects were partially offset by the growth of lending volumes (excluding TSB's business) and by the frontloading of certain regulatory and model-related impacts expected in the coming years.

As at 30 June 2026, the fully-loaded CET1 ratio, in other words, the ratio without applying the transitional arrangements introduced by CRR III, stands at 13.11%. The fully-loaded total capital ratio stands at 18.05%.

Leverage ratio

The leverage ratio aims to reinforce capital requirements by providing a supplementary measure that is not linked to the level of risk. With the introduction of the CRR II regulation, a minimum leverage ratio of 3% is required as from June 2021; this percentage is comfortably exceeded by the Group as at 30 June 2026.

The phase-in leverage ratio as at 30 June 2026 and 31 December 2025 is shown below:

Thousand euro

	30/06/2026	31/12/2025
Tier 1 capital	11,559,143	13,292,780
Exposure	194,483,946	245,981,025
Leverage ratio	**5.94%**	**5.40%**

During the first half of 2026, the leverage ratio increased by 54 basis points compared to 31 December 2025, mainly due to the reduction in the total exposure measure following the sale of TSB. This positive effect has amply offset the impact on Tier 1 capital stemming from the distribution of an extraordinary dividend of 2,432 million euros in connection with that sale transaction, and also from the early redemption of an Additional Tier 1 instrument. The CET1 capital generated organically during the period has also contributed positively to the ratio's evolution.

The fully-loaded leverage ratio as at 30 June 2026 is 5.95%, remaining practically unchanged from the phase-in ratio, due to the marginal impact of the transitional arrangements introduced by CRR III.

For more information on capital ratios and the leverage ratio, their composition, parameters and their management, see the Pillar 3 Disclosures report, which is published every quarter and is available on the Bank's website (www.grupbancsabadell.com) in the section "Shareholders and Investors / Economic and financial information".

MREL

On 7 April 2026, Banco Sabadell received a communication from the Bank of Spain regarding the decision reached by the Single Resolution Board (SRB) concerning the Minimum Requirement for own funds and Eligible Liabilities (MREL) and the subordination requirement applicable on a consolidated basis. These new requirements are based on balance sheet data as at December 2024.

The new requirements that must be met from 7 April 2026 are as follows:

– The MREL requirement is 22.14% of the Total Risk Exposure Amount (TREA) and 6.26% of the Leverage Ratio Exposure (LRE).

– The subordination requirement is 15.09% of the TREA and 6.26% of the LRE.

The own funds used by the Institution to meet the Combined Buffer Requirement (CBR) will not be eligible to meet the MREL and subordination requirements expressed in terms of the TREA.

In the calibration of the MREL requirement, the Group has obtained the maximum possible reduction of 20% of the Market Confidence Charge (MCC) taking into account the progress shown in its level of resolvability and based on the provisions of Article 12d(3) of Regulation (EU) 2019/877, which states that the SRB has the power to establish a lower amount of said component in the calibration process of the MREL requirement.

As at 30 June 2026, Banco Sabadell is compliant with the MREL requirements.

The table shown below sets out details of the Group's MREL as a percentage of the TREA, as at 30 June 2026 and 31 December 2025:

	30/06/2026	31/12/2025
CET1, phase-in	13.16%	13.16%
AT1, phase-in	3.18%	3.43%
Tier 2, phase-in and subordinated liabilities	1.78%	1.64%
Senior non-preferred debt	5.94%	5.26%
Senior preferred debt	3.97%	4.13%
Total MREL	**28.03%**	**27.62%**

Note 6 – Fair value of assets and liabilities

Financial assets and financial liabilities

The methodology and classification of the fair value by hierarchy is explained in Note 6 to the 2025 consolidated annual financial statements.

Determination of the fair value of financial instruments

A comparison between the value at which the Group's main financial assets and financial liabilities are recognised on the accompanying consolidated balance sheets and their corresponding fair values is shown below:

Thousand euro

		30/06/2026		31/12/2025	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Assets:					
Cash, cash balances at central banks and other demand deposits	7	5,460,364	5,460,364	12,403,296	12,403,296
Financial assets held for trading	8, 9	5,468,236	5,468,236	3,194,154	3,194,154
Non-trading financial assets mandatorily at fair value through profit or loss	8, 9, 10	232,571	232,571	194,490	194,490
Financial assets at fair value through other comprehensive income	8, 9	5,765,741	5,765,741	5,815,990	5,815,990
Financial assets at amortised cost	8, 10	170,629,243	168,036,299	159,766,937	157,119,327
Derivatives – Hedge accounting		907,688	907,688	1,085,614	1,085,614
Total assets		**188,463,843**	**185,870,899**	**182,460,481**	**179,812,871**

Thousand euro

		30/06/2026		31/12/2025	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities:					
Financial liabilities held for trading		1,814,941	1,814,941	1,726,034	1,726,034
Financial liabilities at amortised cost	15, 16, 17	183,639,206	183,967,319	178,942,193	179,366,820
Derivatives – Hedge accounting		324,075	324,075	288,538	288,538
Total liabilities		**185,778,222**	**186,106,335**	**180,956,765**	**181,381,392**

As shown in the first table of this Note, as at 30 June 2026 the fair value of financial assets at amortised cost is approximately 2.6 billion euros below their carrying amount. This difference is explained, for the most part, by the impact of interest rates on the fair value of fixed-rate mortgages granted by the Group to its customers in previous years.

Financial instruments at fair value

The following table shows the main financial instruments recognised at fair value in the accompanying condensed consolidated balance sheets, broken down according to the valuation method used to estimate their fair value:

Thousand euro

	30/06/2026				
	Note	Level 1	Level 2	Level 3	Total
Assets:					
Financial assets held for trading		4,373,333	1,094,903	—	5,468,236
Derivatives		—	1,072,171	—	1,072,171
Equity instruments	9	1,915,077	—	—	1,915,077
Debt securities	8	2,313,936	22,732	—	2,336,668
Loans and advances – Credit institutions		144,320	—	—	144,320
Loans and advances – Customers		—	—	—	—
Non-trading financial assets mandatorily at fair value through profit or loss		25,105	33	207,433	232,571
Equity instruments	9	10,144	—	114,139	124,283
Debt securities	8	14,961	33	44,234	59,228
Loans and advances		—	—	49,060	49,060
Financial assets at fair value through other comprehensive income		4,011,969	1,633,844	119,928	5,765,741
Equity instruments	9	411	112,704	99,413	212,528
Debt securities	8	4,011,558	1,521,140	20,515	5,553,213
Derivatives – Hedge accounting		—	907,688	—	907,688
Total assets		**8,410,407**	**3,636,468**	**327,361**	**12,374,236**

Thousand euro

	30/06/2026				
	Note	Level 1	Level 2	Level 3	Total
Liabilities:					
Financial liabilities held for trading		566,740	1,248,201	—	1,814,941
Derivatives		—	1,248,201	—	1,248,201
Short positions		566,740	—	—	566,740
Deposits with credit institutions		—	—	—	—
Derivatives – Hedge accounting		—	324,075	—	324,075
Total liabilities		**566,740**	**1,572,276**	**—**	**2,139,016**

Thousand euro

	31/12/2025				
	Note	Level 1	Level 2	Level 3	Total
Assets:					
Financial assets held for trading		2,014,416	1,179,738	—	3,194,154
Derivatives		—	1,179,738	—	1,179,738
Equity instruments	9	527,327	—	—	527,327
Debt securities	8	1,487,089	—	—	1,487,089
Non-trading financial assets mandatorily at fair value through profit or loss		29,214	331	164,945	194,490
Equity instruments	9	14,558	—	71,797	86,355
Debt securities	8	14,656	331	44,088	59,075
Loans and advances		—	—	49,060	49,060
Financial assets at fair value through other comprehensive income		4,162,366	1,534,019	119,605	5,815,990
Equity instruments	9	410	112,908	96,332	209,650
Debt securities	8	4,161,956	1,421,111	23,273	5,606,340
Derivatives – Hedge accounting		—	1,085,614	—	1,085,614
Total assets		**6,205,996**	**3,799,702**	**284,550**	**10,290,248**

Thousand euro

	31/12/2025				
	Note	Level 1	Level 2	Level 3	Total
Liabilities:					
Financial liabilities held for trading		580,257	1,145,777	—	1,726,034
Derivatives		—	1,145,777	—	1,145,777
Short positions		580,257	—	—	580,257
Derivatives – Hedge accounting		—	288,538	—	288,538
Total liabilities		**580,257**	**1,434,315**	**—**	**2,014,572**

Movements in the balances of financial assets and financial liabilities classified as Level 3 that are disclosed in the accompanying condensed consolidated balance sheets are shown below:

Thousand euro

	Assets	Liabilities
Balance as at 31 December 2025	**284,550**	**—**
Valuation adjustments recognised in profit or loss (*)	20,486	—
Valuation adjustments not recognised in profit or loss	(2,368)	—
Purchases, sales and write-offs	23,679	—
Net additions/(removals) in Level 3	—	—
Exchange differences and other	1,014	—
Balance as at 30 June 2026	**327,361**	**—**

(*) Relates to securities retained on the balance sheet.

During the first half of 2026, there have been no transfers of financial instruments between different valuation levels.

Details of the financial instruments that were transferred to different valuation levels in 2025 are as follows:

Thousand euro

	31/12/2025					
From:	Level 1		Level 2		Level 3	
To:	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
Assets:						
Financial assets designated at fair value through profit or loss	—	—	—	35,661	—	—
Financial assets at fair value through other comprehensive income	—	—	—	42,473	—	—
Total	**—**	**—**	**—**	**78,134**	**—**	**—**

Financial instruments at amortised cost

The following tables show the fair value of the main financial instruments recognised at amortised cost in the accompanying consolidated balance sheets:

Thousand euro

	30/06/2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets at amortised cost:				
Debt securities	23,783,658	4,461,538	302,432	28,547,628
Loans and advances	—	29,649,118	109,839,553	139,488,671
Total assets	**23,783,658**	**34,110,656**	**110,141,985**	**168,036,299**

Thousand euro

	30/06/2026			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Financial liabilities at amortised cost (*):				
Deposits	—	155,907,496	—	155,907,496
Debt securities issued	18,296,422	2,867,646	—	21,164,068
Total liabilities	**18,296,422**	**158,775,142**	**—**	**177,071,564**

(*) As at 30 June 2026, the Group had other financial liabilities amounting to 6,895,755 thousand euros.

Thousand euro

	31/12/2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets at amortised cost:				
Debt securities	24,342,747	1,554,029	554,719	26,451,495
Loans and advances	—	22,955,277	107,712,555	130,667,832
Total assets	**24,342,747**	**24,509,306**	**108,267,274**	**157,119,327**

Thousand euro

	31/12/2025			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Financial liabilities at amortised cost (*):				
Deposits	—	154,427,627	—	154,427,627
Debt securities issued	17,947,740	2,347,599	—	20,295,339
Total liabilities	**17,947,740**	**156,775,226**	**—**	**174,722,966**

(*) As at 31 December 2025, the Group had other financial liabilities amounting to 4,643,854 thousand euros.

In general, the fair value of "Financial assets at amortised cost" and "Financial liabilities at amortised cost" has been estimated using the discounted cash flow method, applying market interest rates as at the end of each period adjusted for the credit spread and incorporating any behavioural assumptions deemed relevant, with the exception of debt securities with active markets, for which it has been estimated using period-end quoted prices.

The fair value of the heading "Cash, cash balances at central banks and other demand deposits" has been likened to its carrying amount, as these are mainly short-term balances.

Financial instruments at cost

As at 30 June 2026 and 31 December 2025, there were no equity instruments valued at their acquisition cost that could be considered significant.

Non-financial assets

Real estate assets

The methodology used by the Group to determine the fair value of real estate assets is explained in Note 6 to the 2025 consolidated annual financial statements.

In the first half of 2026, there were no significant changes in the methods used to value the Group's real estate assets.

Note 7 – Cash, cash balances at central banks and other demand deposits

The composition of this heading on the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
By nature:		
Cash	521,456	628,550
Cash balances at central banks	4,024,852	11,032,135
Other demand deposits	914,056	742,611
Total	**5,460,364**	**12,403,296**

Note 8 – Debt securities

Debt securities reported in the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 are broken down below:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Financial assets held for trading	2,336,668	1,487,089
Non-trading financial assets mandatorily at fair value through profit or loss	59,228	59,075
Financial assets designated at fair value through profit or loss	—	—
Financial assets at fair value through other comprehensive income	5,553,213	5,606,340
Financial assets at amortised cost	29,263,546	27,069,198
Total	**37,212,655**	**34,221,702**
By nature:		
General governments	33,021,697	30,306,139
Credit institutions	3,562,468	3,108,497
Other sectors	467,527	480,842
Stage 3 assets	899	899
Impairment allowances	(108)	(33)
Other valuation adjustments (interest, fees and commissions, and others)	160,172	325,358
Total	**37,212,655**	**34,221,702**

The breakdown of debt securities classified according to their credit risk and movements of impairment allowances associated with these instruments are included, together with those of other financial assets, in Note 10 to these condensed consolidated interim financial statements.

The debt securities included under the heading "Financial assets held for trading" correspond, in their entirety, to sovereign debt issued by European countries and agencies with a high credit score.

Note 9 – Equity instruments

The balance of equity instruments on the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 breaks down as follows:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Financial assets held for trading	1,915,077	527,327
Non-trading financial assets mandatorily at fair value through profit or loss	124,283	86,355
Financial assets at fair value through other comprehensive income	212,528	209,650
Total	**2,251,888**	**823,332**
By nature:		
Resident sector	599,443	779,776
Credit institutions	26,791	23,874
Other	572,652	755,902
Non-resident sector	1,599,064	17,682
Other	1,599,064	17,682
Participations in investment vehicles	53,381	25,874
Total	**2,251,888**	**823,332**

The equity instruments included under the heading "Financial assets held for trading" all correspond to shares of companies listed on European stock markets.

Note 10 – Loans and advances

Credit institutions

The breakdown of the heading "Loans and advances – Credit institutions" of the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Financial assets held for trading	144,320	—
Financial assets at amortised cost	15,057,511	11,927,537
Total	**15,201,831**	**11,927,537**
By nature:		
Deposits with agreed maturity	534,361	531,813
Reverse repos	14,271,201	11,195,843
Other	316,818	168,765
Stage 3 assets	101,374	41,589
Impairment allowances	(61,533)	(53,289)
Other valuation adjustments (interest, fees and commissions, and others)	39,610	42,816
Total	**15,201,831**	**11,927,537**

Customers

The breakdown of the heading “Loans and advances – Customers” (General governments and Other sectors) of the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Non-trading financial assets mandatorily at fair value through profit or loss	49,060	49,060
Financial assets at amortised cost	126,308,186	120,770,202
Total	**126,357,246**	**120,819,262**
By nature:		
Bank overdrafts and other short-term borrowings	3,136,355	2,503,633
Trade credit	8,820,999	8,605,180
Finance leases	2,763,684	2,527,210
Secured loans	58,958,023	57,757,778
Other term loans	51,554,336	48,270,528
Stage 3 assets	3,145,312	3,282,236
Impairment allowances	(2,196,152)	(2,301,840)
Other valuation adjustments (interest, fees and commissions, and others)(*)	174,689	174,537
Total	**126,357,246**	**120,819,262**
By sector:		
General governments	11,480,882	10,216,004
Other sectors	113,752,515	109,448,325
Stage 3 assets	3,145,312	3,282,236
Impairment allowances	(2,196,152)	(2,301,840)
Other valuation adjustments (interest, fees and commissions, and others)(*)	174,689	174,537
Total	**126,357,246**	**120,819,262**

(*) Other valuation adjustments related to transactions classified as stage 3 amounted to 34,817 thousand euros as at 30 June 2026 and 36,413 thousand euros as at 31 December 2025.

Financial assets classified according to their credit risk

The breakdown of financial assets classified according to their credit risk as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

Stage 1	30/06/2026	31/12/2025
Debt securities	37,212,270	34,220,939
Loans and advances	135,561,645	126,060,922
Customers	120,399,781	114,242,554
Credit institutions	15,161,863	11,818,368
Total stage 1	**172,773,915**	**160,281,861**
By sector:		
General governments	44,548,917	40,598,707
Credit institutions	18,724,331	14,926,865
Other private sectors	109,500,668	104,756,289
Total stage 1	**172,773,915**	**160,281,861**

Stage 2	30/06/2026	31/12/2025
Debt securities	—	—
Loans and advances	4,973,614	5,680,768
Customers	4,973,487	5,559,899
Credit institutions	127	120,869
Total stage 2	**4,973,614**	**5,680,768**
By sector:		
General governments	4,866	4,902
Credit institutions	127	120,869
Other private sectors	4,968,621	5,554,997
Total stage 2	**4,973,614**	**5,680,768**

Stage 3	30/06/2026	31/12/2025
Debt securities	492	795
Loans and advances	3,281,503	3,360,238
Customers	3,180,129	3,318,649
Credit institutions	101,374	41,589
Total stage 3	**3,281,995**	**3,361,033**
By sector:		
General governments	1	150
Credit institutions	101,374	41,589
Other private sectors	3,180,620	3,319,294
Total stage 3	**3,281,995**	**3,361,033**
Total stages	**181,029,524**	**169,323,662**

Movements of gross values of assets subject to impairment by the Group during the six-month period ended 30 June 2026 were as follows:

Thousand euro

	Stage 1	Stage 2	Stage 3	*Of which: purchased credit-impaired*	Total
Balance as at 31 December 2025	**160,281,861**	**5,680,768**	**3,361,033**	**—**	**169,323,662**
Transfers between stages	(509,052)	71,097	437,955	—	—
Stage 1	*988,710*	*(940,543)*	*(48,167)*	—	—
Stage 2	*(1,359,550)*	*1,504,075*	*(144,525)*	—	—
Stage 3	*(138,212)*	*(492,435)*	*630,647*	—	—
Increases	37,863,685	848,630	393,472	—	39,105,787
Decreases	(25,471,235)	(1,641,981)	(760,329)	—	(27,873,545)
Transfers to write-offs	—	—	(164,862)	—	(164,862)
Adjustments for exchange differences	608,656	15,100	14,726	—	638,482
Balance as at 30 June 2026	**172,773,915**	**4,973,614**	**3,281,995**	**—**	**181,029,524**

Movements of impaired financial assets derecognised from the asset side of the balance sheet as the likelihood of them being recovered during the six-month period ended 30 June 2026 was deemed to be remote were as follows:

Thousand euro

Balance as at 31 December 2025	**6,824,630**
Additions	**245,825**
Use of accumulated impairment balance	157,272
Directly recognised on income statement	7,590
Contractually payable interest	65,543
Other items	15,420
Disposals	**(3,637,008)**
Collections of principal in cash from counterparties	(15,772)
Collections of interest in cash from counterparties	(702)
Debt forgiveness	(5,873)
Sale	(3,588,164)
Other items	(26,497)
Exchange differences	**4,772**
Balance as at 30 June 2026	**3,438,219**

Allowances

Financial asset impairment allowances broken down by condensed consolidated balance sheet heading as at 30 June 2026 and 31 December 2025 were as follows:

Thousand euro

Stage 1	30/06/2026	31/12/2025
Debt securities	108	33
Loans and advances	262,972	260,488
Credit institutions	404	400
Customers	262,568	260,087
Total stage 1	**263,080**	**260,521**
Stage 2		
Debt securities	—	—
Loans and advances	234,038	286,261
Credit institutions	—	29,893
Customers	234,038	256,368
Total stage 2	**234,038**	**286,261**
Stage 3		
Debt securities	—	—
Loans and advances	1,760,675	1,808,382
Credit institutions	61,129	22,996
Customers	1,699,546	1,785,386
Total stage 3	**1,760,675**	**1,808,382**
Total stages	**2,257,793**	**2,355,163**

The movement of impairment allowances allocated by the Group to cover credit risk during the six-month period ended 30 June 2026 was as follows:

Thousand euro

	Individually measured		Collectively measured			
	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Balance as at 31 December 2025	**45,775**	**376,499**	**260,520**	**240,484**	**1,431,885**	**2,355,163**
Movements reflected in impairment gains/(losses) (*)	**(2,677)**	**7,798**	**15,316**	**32,681**	**158,066**	**211,184**
Increases due to origination	—	—	87,280	—	—	87,280
Changes due to credit risk variance	(2,609)	24,470	(317)	37,527	190,321	249,392
Other movements	(68)	(16,672)	(71,647)	(4,846)	(32,255)	(125,488)
Movements not reflected in impairment gains/(losses)	**(38,362)**	**7,884**	**(16,292)**	**(44,383)**	**(208,967)**	**(300,120)**
Transfers between stages	(38,362)	103,217	(16,292)	(44,383)	(4,180)	—
Stage 1	*(347)*	*408*	*10,936*	*(9,660)*	*(1,337)*	—
Stage 2	*(38,029)*	*40,766*	*(23,798)*	*78,261*	*(57,200)*	—
Stage 3	*14*	*62,043*	*(3,430)*	*(112,984)*	*54,357*	—
Use of allocated provisions	—	(95,333)	—	—	(204,066)	(299,399)
Other movements (**)	—	—	—	—	(721)	(721)
Adjustments for exchange differences	**(3)**	**(679)**	**3,536**	**522**	**(11,810)**	**(8,434)**
Balance as at 30 June 2026	**4,733**	**391,502**	**263,080**	**229,304**	**1,369,174**	**2,257,793**

(*) This figure includes the depreciation/amortisation through profit or loss of impaired financial assets derecognised from the asset side of the balance sheet and the recovery of write-offs, which have been recognised with a balancing entry under the heading "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains" (see Note 27).

(**) Corresponds to credit loss allowances transferred to non-current assets held for sale and investment properties.

Note 11 – Tangible assets

The composition of this heading on the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026				31/12/2025			
	Cost	Redemption	Impairment	Net value	Cost	Redemption	Impairment	Net value
Property, plant and equipment	**3,484,327**	**(1,872,651)**	**(64,522)**	**1,547,154**	**3,467,385**	**(1,808,887)**	**(59,601)**	**1,598,897**
For own use:	3,484,327	(1,872,651)	(64,522)	1,547,154	3,467,385	(1,808,887)	(59,601)	1,598,897
Computer equipment and related facilities	841,561	(598,934)	—	242,627	824,723	(568,428)	—	256,295
Furniture, vehicles and other facilities	730,720	(482,844)	(9,138)	238,738	745,879	(484,536)	(4,932)	256,411
Buildings	1,873,595	(790,554)	(55,384)	1,027,657	1,869,229	(755,601)	(54,669)	1,058,959
Works in progress	17,473	—	—	17,473	6,543	—	—	6,543
Other	20,978	(319)	—	20,659	21,011	(322)	—	20,689
Leased out under operating leases	—	—	—	—	—	—	—	—
Investment properties	**224,742**	**(53,808)**	**(47,001)**	**123,933**	**235,685**	**(54,428)**	**(48,342)**	**132,915**
Buildings	224,719	(53,808)	(47,001)	123,910	235,685	(54,428)	(48,342)	132,915
Rural property, plots and sites	23	—	—	23	—	—	—	—
Total	**3,709,069**	**(1,926,459)**	**(111,523)**	**1,671,087**	**3,703,070**	**(1,863,315)**	**(107,943)**	**1,731,812**

As at 30 June 2026, the cost of property, plant and equipment for own use includes right-of-use assets corresponding to leased tangible assets in which the Group acts as lessee, in the amount of 1,244,115 thousand euros, which have accumulated depreciation of 580,863 thousand euros and are impaired in the amount of 49,945 thousand euros as at that date (1,215,925 thousand euros as at 31 December 2025, which had accumulated depreciation of 542,888 thousand euros and were impaired in the amount of 49,646 thousand euros as at that date).

Note 12 – Intangible assets

The composition of this heading as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
Goodwill:	**1,026,810**	**1,026,810**
Banco Urquijo	473,837	473,837
Grupo Banco Guipuzcoano	285,345	285,345
From acquisition of Banco BMN Penedés assets	245,364	245,364
Other	22,264	22,264
Other intangible assets:	**1,378,875**	**1,466,549**
With a finite useful life:	1,378,875	1,466,549
Private Banking Business, Miami	253	539
Computer software	1,377,794	1,465,143
Other	828	867
Total	**2,405,685**	**2,493,359**

In the first half of 2026, Banco Sabadell carried out an analysis to evaluate the existence of any potential impairment of its goodwill.

The Group monitors its total goodwill across all Cash-Generating Units (CGUs) that make up the Banking Business Spain operating segment.

The value in use of the Banking Business Spain operating segment is used to determine its recoverable amount. The valuation method used in this analysis was that of discounting future distributable net profit associated with the activity carried out by the Banking Business Spain operating segment until 2030, plus an estimated terminal value.

The projections used to determine the recoverable amount are those set out in the financial projections approved by the Board of Directors. Those projections are based on sound and well-founded assumptions, which represent Management's best estimates of overall upcoming economic conditions. To determine the key variables (basically net interest income, fees and commissions, expenses, cost of risk and solvency levels) that underpin the financial projections, Management has used microeconomic variables, such as the existing balance sheet structure, market positioning and strategic decisions made, as well as macroeconomic variables, such as the expected evolution of GDP and the forecast evolution of interest rates and unemployment. The macroeconomic variables used for the baseline macroeconomic scenario, described in Note 4.2.2 to the 2025 consolidated annual financial statements, were estimated by the Group's Research Service.

The approach used to determine the values of the assumptions is based both on the projections and on past experience. Those values are compared against external information sources, where available.

In June 2026, to calculate the terminal value, 2030 was taken as the reference year, using a growth rate in perpetuity of 1.95% (the same percentage as in 2025), which does not exceed the long-term average growth rate of the market in which the operating segment is active.

The discount rate used was 9.9% (10.5% in 2025), determined using the Capital Asset Pricing Model (CAPM); it therefore comprises a risk-free rate plus a premium that reflects the inherent risk of the operating segment being evaluated.

The recoverable amount obtained is higher than the carrying amount; therefore, no impairment has been recognised. The individual recoverable amount of each CGU as at the end of the first half of 2026, before allocating goodwill to the group of CGUs, exceeded its carrying amount; therefore, the Group did not recognise any impairment at the CGU level during the aforesaid years.

In addition, the Group carried out a sensitivity analysis, making reasonable adjustments to the main assumptions used to calculate the recoverable amount.

This analysis consisted of adjusting the following:

- Discount rate +/- 0.5%.
- Growth rate in perpetuity +/- 0.5%.
- Minimum capital requirement +/- 0.75%.
- Net Interest Margin (NIM) / Average Total Assets (ATAs) in perpetuity +/- 5 basis points.
- Cost of risk in perpetuity +/- 10 basis points.

The sensitivity analysis does not alter the conclusions drawn from the impairment test. In all scenarios defined in that analysis, the recoverable amount obtained is greater than the carrying amount.

The impairment of the Group's computer software serving the business in Spain is evaluated by reviewing the recoverable amounts of Banking Business Spain.

In addition, as indicated in Note 2, the Bank completed the sale of TSB to Santander UK on 30 April 2026. This operation does not include the sale of the IT platform serving TSB. However, the parties have agreed that the Group's platform will continue to serve TSB until it migrates to a different one. In this context, the Group has recognised a loss of 79 million euros under the heading "Impairment or reversal of impairment on non-financial assets" in the consolidated income statement for the six-month period ended 30 June 2026, corresponding to the impact of the sale of TSB's business on the recoverable amount of the IT platform (see Note 28).

Note 13 – Other assets and liabilities

The composition of the "Other assets" heading as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
Insurance contracts linked to pensions	72,796	75,189
Inventories	29,584	31,207
Rest of other assets	217,872	201,740
Total	**320,252**	**308,136**

The "Rest of other assets" item includes mainly prepaid expenses, the accrual of customer fees and commissions, and transactions in progress pending settlement.

The composition of the "Other liabilities" heading as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
Other accruals/deferrals	355,250	365,095
Rest of other liabilities	75,971	98,820
Total	**431,221**	**463,915**

The "Rest of other liabilities" item mainly includes transactions in progress pending settlement.

Note 14 – Non-current assets and liabilities and disposal groups classified as held for sale and discontinued operations

The breakdown of the headings "Non-current assets and disposal groups classified as held for sale" and "Liabilities included in disposal groups classified as held for sale" of the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
Assets related to continuing operations	**546,184**	**663,982**
Loans and advances	10	21
Customers	10	21
Equity instruments	—	159,748
Real estate exposure	541,485	576,729
Tangible assets for own use	60,633	63,833
Foreclosed assets	480,852	512,896
Other tangible assets	4,689	72,896
Rest of other assets	—	2,361
Impairment allowances	(131,832)	(147,773)
Assets related to discontinued operations	**—**	**51,885,507**
Non-current assets and disposal groups classified as held for sale	**414,352**	**52,549,489**
Liabilities related to continuing operations	**—**	**22**
Financial liabilities at amortised cost	—	22
Liabilities related to discontinued operations	**—**	**49,333,322**
Liabilities included in disposal groups classified as held for sale	**—**	**49,333,344**

Assets related to continuing operations

On 29 June 2026, Banco Sabadell completed the sale to Cerberus, for 115 million euros, of its 20% stake held in Promontoria Challenger I, S.A., a company to which the Group transferred a large portion o fits real estate exposure in 2019. That stake was recognised as a non-current asset held for sale as at 31 December 2025.

The transaction resulted in a loss of 45 million euros, which has been recognised under the heading "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the condensed consolidated income statement for the six-month period ended 30 June 2026 (see Note 30).

Assets and liabilities related to discontinued operations

As indicated in Note 2, in 2025 the Group agreed to sell all shares representing the share capital of TSB to Santander UK. As a result, and in accordance with the accounting standards applicable to the Group, the transactions carried out by TSB and its subsidiaries were reclassified as discontinued operations on the date the agreement was announced (see Note 1.5). After closing the transaction on 30 April 2026, TSB and its subsidiaries were removed from the Group's scope of consolidation.

Below are the condensed consolidated financial statements of discontinued operations, which include the condensed consolidated balance sheet as at 30 April 2026 and 31 December 2025, the condensed consolidated income statements and condensed consolidated cash flow statements for the period from 1 January to 30 April 2026 and also for the six-month period ended 30 June 2025:

Condensed consolidated balance sheet of discontinued operations as at 30 April 2026 and 31 December 2025

Thousand euro

Assets	30/04/2026	31/12/2025
Cash, cash balances at central banks and other demand deposits	5,245,357	4,802,750
Financial assets held for trading	507,289	415,307
Financial assets at fair value through other comprehensive income	516,159	504,486
Financial assets at amortised cost	44,120,874	44,337,452
Of which: Loans and advances to customers (*)	*41,687,558*	*41,667,103*
Derivatives – Hedge accounting	1,332,224	1,320,413
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(134,079)	5,158
Tangible assets	235,688	246,510
Intangible assets	147,454	148,892
Tax assets	3,503	19,191
Other assets	104,241	85,348
Total assets	**52,078,710**	**51,885,507**

(*) Includes -195,406 thousand euros and -196,144 thousand euros of impairment allowances as at 30 April 2026 and 31 December 2025, respectively.

Thousand euro

Liabilities	30/04/2026	31/12/2025
Financial liabilities held for trading	528,535	526,169
Financial liabilities at amortised cost	47,498,252	48,502,478
Derivatives – Hedge accounting	83,626	111,178
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(94,865)	14,108
Provisions	22,005	25,450
Tax liabilities	7,391	8,203
Other liabilities	151,649	145,736
Total liabilities	**48,196,593**	**49,333,322**

Thousand euro

Equity	30/04/2026	31/12/2025
Items that may be reclassified to profit or loss	**(513,836)**	**(536,878)**
Foreign currency translation	(519,446)	(539,690)
Hedging derivatives. Cash flow hedges reserve [effective portion]	12,571	10,926
Fair value changes of debt instruments measured at fair value through other comprehensive income	(6,961)	(8,114)
Accumulated other comprehensive income	**(513,836)**	**(536,878)**

Condensed income statements of discontinued operations for the period from 1 January to 30 April 2026 and for the six-month period ended 30 June 2025

Thousand euro

Consolidated income statements	30/04/2026	30/06/2025
Interest income	730,422	1,246,461
Interest expenses	(294,140)	(595,256)
Net interest income	**436,282**	**651,205**
Fee and commission income	42,215	67,103
Fee and commission expenses	(16,665)	(21,578)
Net profit or net loss on financial operations	5,918	4,218
Exchange differences [gain or loss], net	(129)	(23)
Other operating income	397	35,591
Other operating expenses	(32,701)	(28,245)
Gross income	**435,318**	**708,272**
Administrative expenses	(241,921)	(367,309)
Depreciation and amortisation	(28,145)	(38,940)
Provisions or reversal of provisions	(687)	2,713
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	(23,890)	(23,133)
Profit or loss on operating activities	**140,674**	**281,603**
Gains or losses on derecognition of non-financial assets, net	(28)	554
Profit or loss before tax	**140,647**	**282,157**
Tax expense or income related to profit or loss	(38,730)	(83,205)
Profit or loss after tax from the activity of discontinued operations	**101,917**	**198,951**
Profit or loss after tax from the sale of discontinued operations (see Note 2)	**404,473**	—
Profit or loss after tax from discontinued operations	**506,390**	**198,951**

Condensed consolidated cash flow statements of discontinued operations for the period from 1 January to 30 April 2026 and for the six-month period ended 30 June 2025

Thousand euro

Consolidated cash flow statements	30/04/2026	30/06/2025
Cash flows from/(used in) operating activities	444,254	(750,118)
Cash flows from/(used in) investing activities	(11,219)	(29,988)
Cash flows from/(used in) financing activities	(9,642)	(8,505)
Effect of changes in foreign exchange rates	19,214	(77,178)
Net increase (decrease) in cash and cash equivalents	**442,607**	**(865,789)**
Cash and cash equivalents at the beginning of the period	**4,802,750**	**5,808,279**
Cash and cash equivalents at the end of the period	**5,245,357**	**4,942,490**

Note 15 – Deposits from central banks and credit institutions

The breakdown of the balance of deposits from central banks and credit institutions in the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Financial liabilities at amortised cost	18,686,770	19,845,390
Total	**18,686,770**	**19,845,390**
By nature:		
Demand deposits	217,949	175,583
Deposits with agreed maturity	3,592,410	3,367,010
Repurchase agreements	14,713,365	16,174,835
Other accounts	116,627	76,797
Valuation adjustments	46,419	51,165
Total	**18,686,770**	**19,845,390**

Note 16 – Customer deposits

The balance of customer deposits on the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 breaks down as follows:

Thousand euro

	30/06/2026	31/12/2025
By heading:		
Financial liabilities at amortised cost	137,167,824	134,503,916
Total	**137,167,824**	**134,503,916**
By nature:		
Demand deposits	110,100,134	109,577,016
Deposits with agreed maturity	18,680,910	17,700,125
Fixed term	17,648,761	16,732,914
Other	1,032,149	967,211
Hybrid financial liabilities	4,088,334	4,370,400
Repurchase agreements	4,133,660	2,709,463
Other valuation adjustments (interest, fees and commissions, and others)	164,786	146,912
Total	**137,167,824**	**134,503,916**
By sector:		
General governments	11,739,868	12,541,731
Other sectors	125,263,170	121,815,273
Other valuation adjustments (interest, fees and commissions, and others)	164,786	146,912
Total	**137,167,824**	**134,503,916**

The “Repurchase agreements” heading corresponds to the Public Treasury’s cash management operations through repos, in particular those known as simultaneous repos or repurchase transactions. These transactions led to interest expenses of 78,842 thousand euros, which were recognised in the condensed consolidated income statement for the six-month period ended 30 June 2026 (124,746 thousand euros as at 30 June 2025).

Note 17 – Debt securities in issue

The breakdown of the balance of debt securities issued by the Group by type of issuance and recognised on the condensed consolidated balance sheets as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	31/12/2025
Straight bonds/debentures	7,253,769	6,787,950
Straight bonds	*7,235,669*	*6,769,850*
Structured bonds	*18,100*	*18,100*
Commercial paper	626,437	404,148
Mortgage covered bonds	7,875,000	7,375,000
Asset-backed securities	1,774,771	1,454,616
Subordinated marketable debt securities	3,250,000	3,750,000
Subordinated bonds	*1,000,000*	*1,000,000*
Preferred securities	*2,250,000*	*2,750,000*
Valuation and other adjustments	108,880	177,319
Total	**20,888,857**	**19,949,033**

Schedule III shows details of the issues carried out by the Group in the first half of 2026.

Note 18 – Provisions

Movements in the six-month period ended 30 June 2026 in the "Provisions" heading of the condensed consolidated balance sheet are shown below:

Thousand euro

	Pensions and other post employment defined benefit obligations	Other long term employee benefits	Pending legal issues and tax litigation	Commitments and guarantees given	Other provisions	Total
Balance as at 31 December 2025	**49,940**	**33**	**110,622**	**69,719**	**114,331**	**344,645**
Charged to income statement	**2,100**	**3**	**12,598**	**2,007**	**21,042**	**37,750**
Interest income and expenses	602	1	—	—	—	603
Staff expenses	1,490	2	—	—	—	1,492
Provisions or reversal of provisions	8	—	12,598	2,007	21,042	35,655
Amounts used	**(4,157)**	**—**	**(16,973)**	**—**	**(21,939)**	**(43,069)**
Other movements	**(255)**	**—**	**6,733**	**382**	**(562)**	**6,298**
Exchange differences	**573**	**—**	**—**	**—**	**—**	**573**
Balance as at 30 June 2026	**48,201**	**36**	**112,980**	**72,108**	**112,872**	**346,197**

The Group's main provisions and contingent liabilities are described in Note 22 to the 2025 consolidated annual financial statements.

Note 19 – Shareholders' equity

Capital

The Bank's share capital as at 30 June 2026 amounted to 611,026,445.13 euros, represented by 4,888,211,561 registered shares with a par value of 0.125 euros each (as at 31 December 2025, it amounted to 627,959,716.50 euros, represented by 5,023,677,732 registered shares with a par value of 0.125 euros). All shares are fully paid up and are numbered sequentially from 1 to 4,888,211,561, both inclusive.

Share capital reductions in the first half of 2026

On 28 May 2026, the Board of Directors of Banco Sabadell agreed to reduce the Bank's share capital by 16,933,271.38 euros, through the redemption charged to unrestricted reserves of all the treasury shares acquired under the first share buyback programme approved on 5 February 2026 by the Board of Directors of Banco Sabadell until the completion of that programme on 27 May 2026, i.e. 135,466,171 shares with a par value of 0.125 euros each, representing approximately 2.70% of the Bank's share capital (see Note 3). That reduction was executed under the powers conferred on the Board of Directors in the share capital reduction resolution approved by shareholders at the Annual General Meeting of 6 May 2026. Said resolution authorised the Board of Directors to reduce Banco Sabadell's share capital by the nominal amount of any treasury shares acquired under the first share buyback programme for subsequent redemption. The capital reduction and the amendment to Article 7 of the Articles of Association relating to share capital were entered in the Companies Register of Barcelona on 11 June 2026, that reduction being thus completed and the redeemed shares delisted. This operation did not entail the reimbursement of contributions made by shareholders, the Bank being the holder of the redeemed shares.

Share premium

The balance of the share premium as at 30 June 2026 amounted to 6,165,371 thousand euros (6,600,371 thousand euros as at 31 December 2025).

In the first half of 2026, the share premium was reduced by 435,000 thousand euros, as a result of the capital reduction through the redemption of treasury shares charged to unrestricted reserves explained in this Note. This reduction includes, on one hand, the difference between the repurchase price of the redeemed shares and their nominal value (418,066 thousand euros) and, on the other hand, the allocation of a restricted reserve for the redeemed capital, pursuant to applicable regulations, for an amount equivalent to the nominal value of such shares (16,934 thousand euros). This reserve can only be used if the same requirements set forth for the share capital reduction are met.

Note 20 – Off-balance sheet exposures

The composition of off-balance sheet exposures as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

Commitments and guarantees given	Note	30/06/2026	31/12/2025
Loan commitments given		**21,939,399**	**27,316,178**
Of which: amount classified as stage 2		*368,076*	*595,862*
Of which: amount classified as stage 3		*26,242*	*73,161*
Drawable by third parties		21,939,399	27,316,178
By credit institutions		21,967	25,790
By general governments		920,591	1,062,269
By other resident sectors		17,299,654	16,919,679
By non-residents		3,697,187	9,308,440
Provisions recognised under liabilities on balance sheet	18	39,173	35,084
Financial guarantees given (*)		**1,896,432**	**1,834,584**
Of which: amount classified as stage 2		*111,166*	*126,180*
Of which: amount classified as stage 3		*31,491*	*33,198*
Provisions recognised under liabilities on balance sheet (**)	18	11,916	13,618
Other commitments given		**8,587,467**	**9,713,645**
Of which: amount classified as stage 2		*302,397*	*335,949*
Of which: amount classified as stage 3		*76,881*	*97,731*
Other guarantees given		6,860,669	6,705,195
Irrevocable letters of credit		587,133	532,159
Additional settlement guarantee		35,000	25,000
Other guarantees and sureties given		6,238,536	6,148,036
Other commitments given		1,726,798	3,008,450
Financial asset forward purchase commitments		1,552,179	2,936,350
Conventional financial asset purchase contracts		83,995	2,101
Capital subscribed but not paid up		19	19
Other loan commitments given		90,605	69,980
Provisions recognised under liabilities on balance sheet	18	21,019	21,017
Total		**32,423,298**	**38,864,407**

(*) Includes 75,111 thousand euros and 84,661 thousand euros as at 30 June 2026 and 31 December 2025, respectively, corresponding to financial guarantees given in relation to construction and real estate development.

(**) Includes 2,365 thousand euros and 3,454 thousand euros as at 30 June 2026 and 31 December 2025, respectively, in relation to construction and real estate development.

Financial guarantees and other commitments given classified as stage 3

The balance of financial guarantees and other commitments given classified as stage 3 amounted to 108,372 thousand euros as at 30 June 2026 (130,929 thousand euros as at 31 December 2025).

Credit risk allowances corresponding to financial guarantees and other commitments given as at 30 June 2026 and 31 December 2025, broken down by the method used to determine such allowances and the credit risk of off-balance sheet exposures, are as follows:

Thousand euro

	30/06/2026	31/12/2025
Specific individually measured allowances:	**15,413**	**15,406**
Stage 2	5,215	2,905
Stage 3	10,198	12,501
Specific collectively measured allowances:	**17,522**	**19,229**
Stage 1	2,747	2,547
Stage 2	7,204	6,956
Stage 3	7,400	9,544
Other	171	182
Total	**32,935**	**34,635**

Note 21 – Interest income and expenses

The breakdown of net interest income for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Interest income		
Loans and advances	2,434,450	2,668,728
Central banks	58,688	228,469
Credit institutions	220,082	187,864
Customers	2,155,680	2,252,395
Debt securities (**)	467,504	350,500
Stage 3 assets	14,395	18,164
Correction of income from hedging operations	66,345	138,470
Other interest	5,536	5,918
Total	**2,988,230**	**3,181,780**
Interest expenses		
Deposits	(816,040)	(933,724)
Central banks	(6,969)	(8)
Credit institutions	(222,586)	(214,674)
Customers	(586,485)	(719,042)
Debt securities issued	(299,528)	(320,668)
Correction of expenses on hedging operations	(90,533)	(129,844)
Other interest	(30,676)	(23,849)
Total	**(1,236,777)**	**(1,408,085)**
Net interest income	**1,751,453**	**1,773,695**

(*) See Note 1.5.

(**) Includes 23,171 thousand euros as at 30 June 2026 and 17,882 thousand euros as at 30 June 2025 corresponding to interest on financial assets recognised at fair value through profit or loss (trading book).

Note 22 – Fee and commission income and expenses

Fee and commission income and expenses on financial operations and the provision of services during the six-month periods ended 30 June 2026 and 2025 are as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Fees from risk transactions	**131,229**	**137,323**
Asset-side transactions	84,097	88,897
Sureties and other guarantees	47,132	48,426
Service fees	**326,772**	**343,427**
Payment cards	86,237	85,936
Payment orders	29,299	32,226
Securities	37,248	35,303
Demand deposits	110,188	113,064
Other	63,800	76,898
Asset management and marketing fees	**184,771**	**168,074**
Mutual funds	65,002	60,865
Sale of pension funds and insurance products	99,938	84,935
Assets under management	19,831	22,274
Total	**642,772**	**648,824**
Memorandum item		
Fee and commission income	801,452	810,875
Fee and commission expenses	(158,680)	(162,051)
Net fees and commissions	**642,772**	**648,824**

(*) See Note 1.5.

Note 23 – Net profit or net loss on financial operations and net exchange differences

The composition of the "Net profit or net loss on financial operations" heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
By heading:		
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	5,922	28,051
Financial assets at fair value through other comprehensive income	2,673	641
Financial assets at amortised cost	5,053	29,319
Financial liabilities at amortised cost	(1,804)	(1,908)
Gains or losses on financial assets and liabilities held for trading, net	(171,478)	642,612
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	15,665	691
Gains or losses from hedge accounting, net	5,400	(11,792)
Total	**(144,491)**	**659,562**
By type of financial instrument:		
Net gain/(loss) on debt securities	(8,176)	26,392
Net gain/(loss) on other equity instruments	50,993	45,761
Net gain/(loss) on derivatives	(190,557)	580,656
Net gain/(loss) on other items (**)	3,249	6,753
Total	**(144,491)**	**659,562**

(*) See Note 1.5.

(**) Mainly includes gains/(losses) on the sale of various loan portfolios disposed of during the first half of the year.

The breakdown of the heading "Exchange differences [gain or loss], net" of the consolidated income statement for the six-month periods ended 30 June 2026 and 2025 is shown below:

Thousand euro

	30/06/2026	30/06/2025 (*)
Exchange differences [gain or loss], net	153,604	(635,244)

(*) See Note 1.5.

The "Net gain/(loss) on derivatives" heading in the table above includes, among other things, the change in the fair value of derivatives used to hedge against the foreign exchange risk of debit and credit balances denominated in foreign currencies. The losses incurred on these derivatives amounted to 182,218 thousand euros in the six-month period ended 30 June 2026 (gains of 622,248 thousand euros in the six-month period ended 30 June 2025), and have been recognised under the heading "Gains or losses on financial assets and liabilities held for trading, net" of the condensed consolidated income statement, while the exchange differences generated by debit and credit balances denominated in foreign currencies hedged with these derivatives are recognised under the heading "Exchange differences [gain or loss], net" of the condensed consolidated income statement.

In the first half of 2026, the Group sold certain debt securities classified as financial assets at fair value through other comprehensive income, generating a profit of 2,673 thousand euros (641 thousand euros as at 30 June 2025). Practically all of that profit came from the sale of debt securities issued by general governments.

Furthermore, in the first six months of the financial year 2026, the Group sold loans held in the portfolio of financial assets at amortised cost, generating a profit of 5,053 thousand euros (29,751 thousand euros in the first six months of the financial year 2025). The Group considers that these sales were consistent with the business model under which these assets were managed (held to collect contractual cash flows).

Note 24 – Other operating income

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Income from use of investment properties	6,491	8,395
Sales and other income from the provision of non-financial services	1,514	1,032
Other operating income	19,946	22,383
Total	**27,951**	**31,810**

(*) See Note 1.5.

Note 25 – Other operating expenses

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Contribution to deposit guarantee schemes	(12,201)	(11,082)
Banco Sabadell	(184)	(94)
Sabadell IBM Mexico	(12,017)	(10,988)
Other items	(52,496)	(63,383)
Total	**(64,697)**	**(74,465)**

(*) See Note 1.5.

Note 26 – Administrative expenses

Staff expenses

Staff expenses recognised in the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 were as follows:

Thousand euro

	Note	30/06/2026	30/06/2025 (*)
Payrolls and bonuses for active staff		(448,229)	(438,172)
Social Security payments		(116,704)	(112,285)
Contributions to defined benefit pension plans	18	(1,492)	(733)
Contributions to defined contribution pension plans		(16,567)	(16,289)
Other staff expenses		(111,622)	(24,353)
Total		**(694,614)**	**(591,832)**

(*) See Note 1.5.

As at 30 June 2026, the line item "Other staff expenses" includes 88 million euros associated with early retirement plans executed by the Group during the first half of 2026 under the efficiency initiatives implemented in Spain.

The average workforce of the Bank and the Group in the six-month periods ended 30 June 2026 and 2025 is detailed below:

Number of employees

	Bank		Group	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025 (*)
Average workforce	**13,077**	**13,201**	**16,255**	**18,905**
Men	5,982	6,080	7,439	8,603
Women	7,095	7,121	8,816	10,302

(*) Includes 1,987 men and 2,811 women corresponding to TSB, a subsidiary whose sale was completed in April 2026 (see Note 2).

As at 30 June 2026 and 2025, the breakdown of the Group's workforce by category and sex is as follows:

Number of employees

	30/06/2026			30/06/2025 (*)		
	Men	Women	Total	Men	Women	Total
Senior management	558	310	868	608	324	932
Middle management	1,742	1,344	3,086	1,929	1,456	3,385
Specialist staff	4,125	5,723	9,848	5,500	7,191	12,691
Administrative staff	14	26	40	584	1,328	1,912
Total	**6,439**	**7,403**	**13,842**	**8,621**	**10,299**	**18,920**

(*) Includes 1,991 men and 2,790 women corresponding to TSB, a subsidiary whose sale was completed in April 2026 (see Note 2).

Other administrative expenses

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Property, plant and equipment	(21,033)	(18,446)
Information technology	(120,799)	(113,291)
Communication	(12,932)	(13,168)
Publicity	(26,946)	(28,410)
Subcontracted administrative services	(37,742)	(36,992)
Contributions and taxes	(55,960)	(54,854)
Technical reports	(11,094)	(18,258)
Security services and fund transfers	(8,165)	(8,178)
Entertainment expenses and staff travel expenses	(5,573)	(4,503)
Membership fees	(1,762)	(1,763)
Other expenses	(27,730)	(24,412)
Total	**(329,736)**	**(322,275)**

(*) See Note 1.5.

Information about the Group's branches and offices is given below:

Number of branches and offices

	30/06/2026	30/06/2025
Branches and offices	**1,116**	**1,340**
Spain	1,091	1,140
Outside Spain (*)	25	200

(*) As at 30 June 2025, includes 175 branches corresponding to TSB, a subsidiary whose sale was completed in April 2026 (see Note 2).

Note 27 – Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	Note	30/06/2026	30/06/2025 (*)
Financial assets at fair value through other comprehensive income		620	(206)
Debt securities		620	(206)
Financial assets at amortised cost	10	(255,870)	(194,450)
Debt securities		(75)	30
Loans and advances		(255,795)	(194,480)
Total		**(255,250)**	**(194,656)**

(*) See Note 1.5.

Note 28 – Impairment or reversal of impairment on non-financial assets

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Property, plant and equipment	(9,646)	(20,758)
Investment properties	(415)	169
Goodwill and other intangible assets	(79,110)	—
Inventories	4,932	(3,599)
Total	**(84,239)**	**(24,188)**

(*) See Note 1.5.

The "Goodwill and other intangible assets" heading as at 30 June 2026 includes, mainly, the impact on the recoverable amount of the IT platform developed by the Group to serve TSB, due to the sale of that entity for 79 million euros (see Note 2).

Note 29 – Gains or losses on derecognition of non-financial assets, net

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Property, plant and equipment	(5,617)	(12,043)
Investment properties	1,403	582
Intangible assets	(1,417)	(2,648)
Interests (**)	(2,686)	2,071
Total	**(8,317)**	**(12,038)**

(*) See Note 1.5.

(**) See Schedule I – Removals from the scope of consolidation.

Note 30 – Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The composition of this heading of the condensed consolidated income statements for the six-month periods ended 30 June 2026 and 2025 is as follows:

Thousand euro

	30/06/2026	30/06/2025 (*)
Property, plant and equipment for own use and foreclosed	10,381	(5,135)
Gains/losses on sales	18,270	(5,499)
Impairment/reversal	(7,889)	364
Interests (**)	(42,389)	—
Other items	683	134
Total	**(31,325)**	**(5,001)**

(*) See Note 1.5.

(**) See Schedule I – Removals from the scope of consolidation.

The "Interests" heading includes, mainly, the impact on earnings of the sale of the Group's 20% stake held in the entity Promontoria Challenger I, S.A. for 45,056 thousand euros conducted during the six-month period ended 30 June 2026 (see Note 14 and Schedule I).

The impairment of non-current assets held for sale excludes income from the increase in fair value less selling costs.

Note 31 – Segment reporting

Segmentation criteria

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

After completing the sale of TSB in April 2026, the Group modified its segment reporting structure to reflect the new internal organisation (see Note 2). Consequently, the comparative information corresponding to the financial year 2025 has been restated in accordance with the requirements of IFRS 8 (see Note 1.5).

The criteria that the Group uses for its segment reporting are the following:

- Two geographical areas: Banking Business Spain and Banking Business Mexico. Banking Business Spain includes foreign branches and representative offices.
- Banking Business Mexico is allocated own funds equivalent to 13% of its risk-weighted assets, assigning all corresponding deductions to that business unit and allocating the surplus of own funds to Banking Business Spain.

The earnings corresponding to the sold business are also presented separately, and include the earnings used for management reporting generated between 1 January 2026 and the closing date of the transaction. The information of the former operating segment in the United Kingdom corresponding to the financial year 2025 is also included for comparability purposes.

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

The information presented 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 records.

Key information relating to the segmentation of the Group’s activity is given here below:

Million euro

	30/06/2026 (*)				
	Banking Business Spain	**Banking Business Mexico**	**Total segments**	**Sold business (TSB)**	**Total Group**
Net interest income	**1,673**	**101**	**1,774**	**—**	**1,774**
Net fees and commissions	629	14	643	—	643
Core revenue	**2,302**	**115**	**2,417**	**—**	**2,417**
Profit or loss on financial operations and exchange differences	13	4	17	—	17
Equity-accounted income and dividends	65	—	65	—	65
Other operating income and expenses	(22)	(14)	(37)	—	(37)
Gross income	**2,358**	**105**	**2,463**	**—**	**2,463**
Operating, depreciation and amortisation expenses	(1,174)	(53)	(1,227)	—	(1,227)
Pre-provisions income	**1,184**	**52**	**1,236**	**—**	**1,236**
Total provisions and impairments	(279)	(7)	(285)	—	(285)
Provisions for loan losses	(257)	—	(257)	—	(257)
Provisions for other financial assets	(27)	(7)	(34)	—	(34)
Other provisions and impairments	6		6	—	6
Capital gains on asset sales and other revenue	280	—	279	—	279
Profit or loss before tax	**1,185**	**45**	**1,230**	**—**	**1,230**
Corporation tax	(324)	(11)	(335)	—	(335)
Profit or loss attributed to minority interests	3	—	3	—	3
Profit after tax	**857**	**35**	**892**	**—**	**892**
Contribution from sold business (TSB)	—	—	—	79	79
Profit attributed to the Group	**857**	**35**	**892**	**79**	**971**
ROTE	15.3%	9.1%	—	—	14.9%
Cost-to-income ratio (**)	49.8%	50.3%	—	—	49.8%
NPL ratio	2.5%	2.6%	—	—	2.5%
Stage 3 coverage ratio, with total provisions	69.2%	59.2%	—	—	68.7%
Employees	13,348	494	—	—	13,842
Domestic and foreign branches and offices	1,104	12	—	—	1,116

(*) Exchange rates applied in the income statement: EUR/GBP 0.8674 (average), EUR/MXN 20.3821 (average), EUR/USD 1.1663 (average) and EUR/MAD 10.6928 (average).

(**) Includes 88 million euros corresponding to the early retirement plans executed by the Group in the first half of 2026.

Million euro

	30/06/2026 (*)				
	Banking Business Spain	**Banking Business Mexico**	**Total segments**	**Sold business (TSB)**	**Total Group**
Assets	**191,720**	**7,364**	**199,084**	**—**	**199,084**
Gross performing loans to customers	119,753	5,431	125,184	—	125,184
Non-performing real estate assets, net	413	—	413	—	413
Liabilities and equity	**191,720**	**7,364**	**199,084**	**—**	**199,084**
On-balance sheet customer funds	130,021	3,359	133,380	—	133,380
Wholesale funding in capital markets	20,216	—	20,216	—	20,216
Shareholders’ equity	11,587	794	12,381	—	12,381
Off-balance sheet customer funds	**54,726**	**—**	**54,726**	**—**	**54,726**

(*) Exchange rates applied in the balance sheet (as at close of business on 30 June 2026): EUR/GBP 0.8618, EUR/MXN 19.903, EUR/USD 1.1394 and EUR/MAD 10.7097.

Million euro

	30/06/2025 (*) (**)				
	Banking Business Spain	**Banking Business Mexico**	**Total segments**	**Sold business (TSB)**	**Total Group**
Net interest income	**1,719**	**91**	**1,810**	**—**	**1,810**
Net fees and commissions	637	12	649	—	649
Core revenue	**2,355**	**104**	**2,459**	**—**	**2,459**
Profit or loss on financial operations and exchange differences	14	2	16	—	16
Equity-accounted income and dividends	102	—	102	—	102
Other operating income and expenses	(29)	(13)	(43)	—	(43)
Gross income	**2,442**	**92**	**2,534**	**—**	**2,534**
Operating, depreciation and amortisation expenses	(1,038)	(48)	(1,085)	—	(1,085)
Pre-provisions income	**1,404**	**44**	**1,449**	**—**	**1,449**
Total provisions and impairments	(241)	—	(241)	—	(241)
Provisions for loan losses	(181)	—	(180)	—	(180)
Provisions for other financial assets	(20)	—	(20)	—	(20)
Other provisions and impairments	(41)	—	(41)	—	(41)
Capital gains on asset sales and other revenue	(12)	—	(12)	—	(12)
Profit or loss before tax	**1,151**	**45**	**1,195**	**—**	**1,195**
Corporation tax	(382)	(8)	(390)	—	(390)
Profit or loss attributed to minority interests	1	—	1	—	1
Profit after tax	**767**	**37**	**804**	**—**	**804**
Contribution from sold business (TSB)	—	—	—	171	171
Profit attributed to the Group	**767**	**37**	**804**	**171**	**975**
ROTE	15.5%	11.2%	—	—	15.3%
Cost-to-income ratio	42.5%	51.9%	—	—	42.8%
NPL ratio	2.8%	2.2%	—	—	2.7%
Stage 3 coverage ratio, with total provisions	68.8%	66.4%	—	—	69.5%
Employees	13,638	501	—	4,781	18,920
Domestic and foreign branches and offices	1,153	12	—	175	1,340

(*) Exchange rates applied in the income statement: EUR/GBP 0.8423 (average), EUR/MXN 21.8216 (average), EUR/USD 1.0925 (average) and EUR/MAD 10.5295 (average).

(**) See Note 1.5.

Million euro

	31/12/2025 (*) (**)				
	Banking Business Spain	**Banking Business Mexico**	**Total segments**	**Sold business (TSB)**	**Total Group**
Assets	**186,300**	**7,208**	**193,508**	**51,884**	**245,392**
Gross performing loans to customers	114,669	4,946	119,615	41,093	160,708
Non-performing real estate assets, net	434	—	434	—	434
Liabilities and equity	**186,300**	**7,208**	**193,508**	**51,884**	**245,392**
On-balance sheet customer funds	128,598	3,439	132,037	40,229	172,265
Wholesale funding in capital markets	19,531	—	19,531	5,884	25,415
Shareholders' equity	11,375	768	12,143	2,488	14,631
Off-balance sheet customer funds	**52,656**	**—**	**52,656**	**—**	**52,656**

(*) Exchange rates applied in the balance sheet (as at close of business on 31 December 2025): EUR/GBP 0.8555, EUR/MXN 22.0899, EUR/USD 1.1720 and EUR/MAD 10.5794.

(**) See Note 1.5.

The revenue generated by each business unit as at 30 June 2026 and 2025 is as follows:

Thousand euro

	Consolidated			
	Income from ordinary activities (*)		Profit or loss before tax	
Segments	**30/06/2026**	**30/06/2025 (**)**	**30/06/2026**	**30/06/2025 (**)**
Banking Business Spain	3,369,759	4,358,451	1,184,504	1,150,676
Banking Business Mexico	305,537	321,388	45,455	44,538
Total	**3,675,296**	**4,679,839**	**1,229,959**	**1,195,214**

(*) Includes the following headings from the condensed consolidated income statements: "Interest income", "Dividend income", "Fee and commission income", "Profit or loss on financial operations" and "Other operating income".

(**) See Note 1.5.

The consolidated interim Directors' Report gives a more detailed assessment of each of these business units.

The distribution of interest income by geographical area for the six-month period ended 30 June 2026, and the comparison with the same period of the preceding year, is as follows:

Thousand euro

	Breakdown of interest income by geographical area			
	Standalone		Consolidated	
	30/06/2026	**30/06/2025 (*)**	**30/06/2026**	**30/06/2025 (*)**
Domestic market	2,401,470	2,636,107	2,373,083	2,537,413
International market	325,166	283,728	615,147	644,367
European Union - Eurozone	48,638	51,681	48,638	51,681
Other	276,528	232,047	566,509	592,686
Total	**2,726,636**	**2,919,835**	**2,988,230**	**3,181,780**

(*) See Note 1.5.

Note 32 – Tax situation

Deferred tax assets and liabilities

The sources of the deferred tax assets and liabilities recognised on the condensed consolidated balance sheet as at 30 June 2026 and 31 December 2025 are as follows:

Thousand euro

Deferred tax assets	30/06/2026	31/12/2025
Monetisable	**4,292,694**	**4,349,264**
Due to credit impairment	2,799,487	2,986,839
Due to real estate asset impairment	1,369,626	1,238,717
Due to pension funds	123,581	123,708
Non-monetisable	**1,142,114**	**1,108,494**
Tax credits for losses carried forward	**95,982**	**149,266**
Deductions not applied	—	—
Total	**5,530,790**	**5,607,024**

Deferred tax liabilities	30/06/2026	31/12/2025
Property restatements	49,630	49,929
Other financial asset value adjustments	7,019	6,145
Capitalisation of intangible assets	38,080	41,703
Other	25,602	23,260
Total	**120,331**	**121,037**

According to the information available as at the sign-off date of these condensed consolidated interim financial statements and the projections taken from the Group's business plan for the coming years, it is estimated that the taxable income generated will be sufficient to offset tax loss carry-forwards by the end of 2027 and non-monetisable tax assets, where these can be deducted according to current tax regulations, within a maximum period of ten years.

Monetisable tax assets are guaranteed by the State; therefore, their recoverability does not depend on the generation of future tax benefits.

Tax on net interest and commission income of certain financial institutions

Final Provision Nine of Law 7/2024 of 20 December established a tax on the net interest and commission income of certain financial institutions (*Impuesto sobre el Margen de Intereses y Comisiones*, or IMIC) (see Note 1.3.20 to the 2025 consolidated annual financial statements).

The Group has recorded an expense of 66 million euros under the heading "Tax expense or income related to profit or loss from continuing operations" in the consolidated income statement, corresponding to the IMIC tax for the first half of the financial year 2026 (62 million euros in the first half of the financial year 2025).

Note 33 – Related-party transactions

In accordance with the provisions of Chapter VII *bis.* Related Party Transactions of the Capital Companies Act, introduced by Law 5/2021 of 12 April, amending the recast text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, there are no transactions with officers and directors of the company that could be considered material, other than those considered to be "related-party transactions" in accordance with Article 529 *vicies* of the Capital Companies Act, carried out following the corresponding approval procedure and, where applicable, reported in accordance with Articles 529 *unvicies et seq.* of the aforesaid Capital Companies Act. Those that did take place were performed in the normal course of the Company's business or were performed on an arm's length basis or under the terms generally applicable to any employee. There is no record of any transactions being performed other than on an arm's length basis with persons or entities related to directors or senior managers.

Details of the balances held with related parties as at 30 June 2026 and 31 December 2025, as well as the impact of related-party transactions on the income statements for the six-month periods ended 30 June 2026 and 2025, are shown below:

Thousand euro

	30/06/2026			
	Associates	Directors and Senior Management	Other related parties (*)	Total
Assets				
Loans and advances to customers	85,243	5,690	594,365	**685,298**
Derivatives held for trading	—	—	4,312	**4,312**
Other financial assets	49,776	—	—	**49,776**
Liabilities				
Customer deposits	369,952	8,805	154,462	**533,219**
Derivatives held for trading	85	4	4,468	**4,557**
Other financial liabilities	248	1	9,148	**9,397**
Off-balance sheet exposures				
Financial guarantees given	319	—	22,872	**23,191**
Loan commitments given	10,521	379	347,924	**358,824**
Other commitments given	6,491	—	50,071	**56,562**
	30/06/2026			
Income statement				
Interest income	1,802	31	6,207	**8,040**
Interest expenses	(2,751)	(40)	(2,747)	**(5,538)**
Dividend income				**—**
Net fees and commissions	75,512	16	1,217	**76,745**
Profit or loss on financial operations	15	—	(1,972)	**(1,957)**
Other operating income and expenses	3,405	—	2	**3,407**
Other administrative expenses	(951)	—	(1,830)	**(2,781)**

(*) Includes, among others, employee pension plans.

Thousand euro

	31/12/2025			
	Associates	Directors and Senior Management	Other related parties (*)	Total
Assets				
Loans and advances to customers	71,876	3,936	935,323	**1,011,135**
Derivatives held for trading	—	—	5,281	**5,281**
Other financial assets	49,170	—	—	**49,170**
Liabilities				
Customer deposits	429,439	6,451	438,671	**874,561**
Derivatives held for trading	76	—	2,484	**2,560**
Other financial liabilities	323	—	101	**424**
Off-balance sheet exposures				
Financial guarantees given	319	7	36,601	**36,927**
Loan commitments given	10,514	408	382,179	**393,101**
Other commitments given	6,491	—	65,039	**71,530**
	30/06/2025			
Income statement				
Interest income	1,485	25	12,737	**14,247**
Interest expenses	(9,822)	(26)	(3,675)	**(13,523)**
Dividend income	—	—	1,283	**1,283**
Net fees and commissions	64,288	6	1,109	**65,403**
Profit or loss on financial operations	(121)	—	21,258	**21,137**
Other operating income and expenses	2,801	—	11	**2,812**
Other administrative expenses	(926)	—	(1,902)	**(2,828)**

(*) Includes, among others, employee pension plans.

The balances recognised on the consolidated balance sheet held by members of the Board of Directors and Senior Management as at 30 June 2026 and 31 December 2025 are shown below:

Thousand euro

	30/06/2026		31/12/2025	
	Directors	Senior Management	Directors	Senior Management
Assets				
Loans and advances to customers	2,144	3,546	557	3,379
Liabilities				
Customer deposits	6,212	2,593	4,692	1,758
Derivatives held for trading	—	4	—	—
Other financial liabilities	1	—	—	—
Off-balance sheet exposures				
Financial guarantees given	—	—	—	7
Loan commitments given	127	252	139	269

Note 34 – Remuneration of members of the Board of Directors and Senior Management

Note 41 to the consolidated annual financial statements for 2025 gives details of remuneration and other benefits awarded to members of the Board of Directors (including Non-Executive Directors and Executive Directors) and to Senior Management for the 2025 financial year.

Board of Directors

Remuneration and other benefits awarded to members of the Board of Directors, during the period in which they have qualified as such, corresponding to the first half of 2026 and 2025 are shown below:

Thousand euro

	30/06/2026	30/06/2025
Type of remuneration		
Remuneration for membership of the Board and/or Board Committees	2,261	2,195
Wages	1,460	1,347
Variable remuneration in cash	291	258
Share-based remuneration schemes	328	290
Contributions to workplace retirement planning schemes	154	62
Other items	43	33
Total remuneration	**4,537**	**4,185**

The changes between the two six-month periods reflect, among other aspects, changes occurring in the composition of the Board of Directors during the first half of 2026, details of which are provided in this Note.

The variable remuneration amounts included as at 30 June 2026 correspond to 50% of the theoretical short-term remuneration forecast for the financial year 2026. This does not give rise to any accrued, vested or enforceable rights in this respect and payment thereof is subject to the end-of-year appraisal and approval.

On 5 February 2026, the Board of Directors, in agreement with César González-Bueno Mayer, approved his replacement as Chief Executive Officer and accepted his resignation as a Director, effective as of the Annual General Meeting. At that same meeting, the Board approved the appointments of Marc Armengol Dulcet, to fill the vacancy resulting from the aforesaid resignation, and of Carlos Ventura Santamans as Executive Directors. At the Annual General Meeting held on 6 May 2026, shareholders ratified and appointed both Directors and on that same day, once the corresponding regulatory authorisations had been received, the Board of Directors appointed Marc Armengol Dulcet as Chief Executive Officer to replace César González-Bueno Mayer.

The contract of the former Chief Executive Officer, César González-Bueno, includes a two-year post-contractual non-compete clause that considers payment of two years' fixed remuneration, including, for these purposes, the portion corresponding to annual contributions to workplace retirement planning schemes that do not qualify as discretionary pension benefits. As a result of his resignation from the position of Chief Executive Officer of Banco Sabadell, effective from 7 May 2026, the Board of Directors, at its meeting on 5 February 2026, approved the application of that clause under the contractually stipulated terms.

The amount of funds accumulated in workplace retirement planning schemes for Directors as at 30 June 2026 was 16,232 thousand euros (14,206 thousand euros as at 31 December 2025). The accumulated funds are disclosed according to the status of their beneficiaries as at the reporting date.

Senior Management

The remuneration amounts set out below correspond to members of Senior Management (excluding members of the Board of Directors) and to the Internal Audit Officer for the first half of 2026 and 2025, taking into account the period during which they have held that office:

Thousand euro

	30/06/2026	30/06/2025
Total remuneration (*)	3,787	3,546
Number of members	10	10

(*) Total remuneration in the first half of 2026 includes contributions to workplace retirement planning schemes amounting to 147 thousand euros (116 thousand euros in the first half of 2025).

The variable remuneration amounts included as at 30 June 2026 correspond to 50% of the theoretical short-term remuneration forecast for the financial year 2026. This does not give rise to any accrued or enforceable rights in this respect and payment thereof is subject to the end-of-year appraisal and approval.

During the first half of 2026 and 2025, no early contract termination payments were made to any member of Senior Management.

The amount of funds accumulated in workplace retirement planning schemes for Senior Management members and for the Internal Audit Officer as at 30 June 2026 was 4,643 thousand euros (6,608 thousand euros as at 31 December 2025). The accumulated funds are disclosed according to the status of their beneficiaries as at the reporting date.

Note 35 – Subsequent events

No events meriting disclosure have occurred since 30 June 2026.

Schedule I – Changes in the scope of consolidation

Additions to the scope of consolidation in the first half of 2026 are shown below:

Thousand euro

Name of entity (or line of business) acquired or merged	Category	Effective date of the transaction	Cost of the combination: Acquisition cost	Cost of the combination: Fair value of equity instruments issued for the acquisition	% Voting rights acquired	% Total voting rights	Type of shareholding	Method	Reason
Estacionamients Urbans del Campello S.L. (in liquidation)	Subsidiary	03/02/2026	—	—	60.00%	100.00%	Indirect	Full consolidation	a
SPV Proyecto LAB, S.L.	Associate	20/01/2026	5,373	—	21.03%	21.03%	Indirect	Equity method	b
Total newly consolidated subsidiaries			—						
Total newly consolidated associates			**5,373**						

(a) Acquisition of subsidiaries.

(b) Acquisition of associates.

Removals from the scope of consolidation in the first half of 2026 are shown below:

Thousand euro

Name of entity (or line of business) sold, spun off or otherwise disposed of	Category	Effective date of the transaction	% Voting rights disposed of	% Total voting rights following disposal	Profit or loss generated	Type of shareholding	Method	Reason
Bitarte, S.A.U. (in liquidation)	Group	05/03/2026	100.00%	— %	(446)	Direct	Full consolidation	a
Duncan Holdings 2022-1 Limited (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
Duncan Holdings 2024-1 Limited (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
ESUS Energía Renovable, S.L.	Group	29/01/2026	100.00%	— %	491	Indirect	Full consolidation	b
Hotel Management 6 Gestión Activa, S.L.U. (in liquidation)	Group	05/03/2026	100.00%	— %	(2,240)	Direct	Full consolidation	a
Promontoria Challenger I, S.A	Associate	29/06/2026	20.00%	— %	(45,056)	Direct	Equity method	b
TSB Bank PLC (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
TSB Banking Group PLC (*)	Group	30/04/2026	100.00%	— %	404,473	Direct	Full consolidation	b
TSB Banking Group plc Employee Share Trust (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
TSB Covered Bonds (Holdings) Limited (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
TSB Covered Bonds (LM) Limited (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
TSB Covered Bonds LLP (*)	Group	30/04/2026	100.00%	— %	—	Indirect	Full consolidation	b
Other					2,176			
Total					**359,398**			

(*) Entities comprising the perimeter sold with TSB (see Notes 2 and 14).

(a) Removed from the scope due to dissolution and/or liquidation (see Note 29).

(b) Removed from the scope due to sale of stake.

Schedule II – Interim financial statements of Banco Sabadell

Interim financial statements of Banco de Sabadell, S.A.

The Bank's balance sheets as at 30 June 2026 and 31 December 2025 are shown below, together with the Bank's income statements, statements of recognised income and expenses, statements of total changes in equity and cash flow statements corresponding to the six-month periods ended 30 June 2026 and 2025:

Sabadell

Balance sheets of Banco de Sabadell, S.A.

As at 30 June 2026 and 31 December 2025

Thousand euro

Assets	30/06/2026	31/12/2025
Cash, cash balances at central banks and other demand deposits	**4,504,036**	**11,364,908**
Financial assets held for trading	**5,464,348**	**3,189,903**
Derivatives	1,068,283	1,175,487
Equity instruments	1,915,077	527,327
Debt securities	2,336,668	1,487,089
Loans and advances	144,320	—
Central banks	—	—
Credit institutions	144,320	—
Customers	—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights	*235,620*	*790,393*
Non-trading financial assets mandatorily at fair value through profit or loss	**125,288**	**125,288**
Equity instruments	3,796	3,090
Debt securities	18,889	19,398
Loans and advances	102,603	101,153
Central banks	—	—
Credit institutions	—	—
Customers	102,603	101,153
Memorandum item: loaned or posted as collateral with sale or pledging rights	—	—
Financial assets designated at fair value through profit or loss	**—**	**—**
Debt securities	—	—
Loans and advances	—	—
Central banks	—	—
Credit institutions	—	—
Customers	—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights	—	—
Financial assets at fair value through other comprehensive income	**5,100,054**	**4,690,382**
Equity instruments	117,348	113,551
Debt securities	4,982,706	4,576,831
Loans and advances	—	—
Central banks	—	—
Credit institutions	—	—
Customers	—	—
Memorandum item: loaned or posted as collateral with sale or pledging rights	*1,048,962*	*1,284,972*
Financial assets at amortised cost	**168,082,060**	**158,056,305**
Debt securities	28,400,516	26,441,174
Loans and advances	139,681,544	131,615,131
Central banks	—	—
Credit institutions	18,229,884	15,124,949
Customers	121,451,660	116,490,182
Memorandum item: loaned or posted as collateral with sale or pledging rights	*12,198,233*	*11,604,385*
Derivatives – Hedge accounting	**907,654**	**1,085,458**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(630,069)**	**(724,174)**
Investments in subsidiaries, joint ventures and associates	**3,031,236**	**3,948,852**
Subsidiaries	2,918,906	3,837,242
Joint ventures	—	—
Associates	112,330	111,610
Tangible assets	**1,335,306**	**1,390,905**
Property, plant and equipment	1,319,064	1,373,531
For own use	1,319,064	1,373,531
Leased out under operating leases	—	—
Investment properties	16,242	17,374
Of which: leased out under operating leases	*16,242*	*17,374*
Memorandum item: acquired through leases	*616,172*	*626,533*
Intangible assets	**13,103**	**14,436**
Goodwill	8,778	9,462
Other intangible assets	4,325	4,974
Tax assets	**4,884,829**	**4,984,265**
Current tax assets	420,931	462,386
Deferred tax assets	4,463,898	4,521,879
Other assets	**260,860**	**214,031**
Insurance contracts linked to pensions	72,796	75,189
Inventories	—	—
Rest of other assets	188,064	138,842
Non-current assets and disposal groups classified as held for sale	**401,472**	**4,189,716**
Total assets	**193,480,177**	**192,528,628**

Balance sheets of Banco de Sabadell, S.A.

As at 30 June 2026 and 31 December 2025

Thousand euro

Liabilities	30/06/2026	31/12/2025
Financial liabilities held for trading	**1,822,305**	**1,740,947**
Derivatives	1,255,565	1,160,690
Short positions	566,740	580,257
Deposits	—	—
Central banks	—	—
Credit institutions	—	—
Customers	—	—
Debt securities issued	—	—
Other financial liabilities	—	—
Financial liabilities designated at fair value through profit or loss	**—**	**—**
Deposits	—	—
Central banks	—	—
Credit institutions	—	—
Customers	—	—
Debt securities issued	—	—
Other financial liabilities	—	—
Memorandum item: subordinated liabilities	—	—
Financial liabilities at amortised cost	**180,174,648**	**176,469,498**
Deposits	153,633,607	152,628,834
Central banks	439,691	—
Credit institutions	17,155,674	18,760,245
Customers	136,038,242	133,868,589
Debt securities issued	19,719,735	19,231,039
Other financial liabilities	6,821,306	4,609,625
Memorandum item: subordinated liabilities	*3,277,805*	*3,772,893*
Derivatives – Hedge accounting	**323,601**	**287,972**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**(143,698)**	**(103,707)**
Provisions	**333,132**	**332,989**
Pensions and other post employment defined benefit obligations	37,688	40,682
Other long term employee benefits	36	33
Pending legal issues and tax litigation	112,980	110,622
Commitments and guarantees given	71,623	69,233
Other provisions	110,805	112,419
Tax liabilities	**425,871**	**258,315**
Current tax liabilities	361,773	186,607
Deferred tax liabilities	64,098	71,708
Share capital repayable on demand	**—**	**—**
Other liabilities	**388,602**	**372,250**
Liabilities included in disposal groups classified as held for sale	**—**	**1,272,270**
Total liabilities	**183,324,461**	**180,630,534**

Balance sheets of Banco de Sabadell, S.A.

As at 30 June 2026 and 31 December 2025

Thousand euro

Equity	30/06/2026	31/12/2025
Shareholders' equity	**10,417,651**	**12,105,954**
Capital	611,026	627,960
Paid up capital	611,026	627,960
Unpaid capital called up	—	—
Memorandum item: capital not called up	—	—
Share premium	6,165,371	6,600,371
Equity instruments issued other than capital	—	—
Equity component of compound financial instruments	—	—
Other equity instruments issued	—	—
Other equity	17,559	17,436
Retained earnings	4,899,572	6,314,139
Revaluation reserves	—	—
Other reserves	(2,520,417)	(2,440,249)
Treasury shares	(272,810)	(25,852)
Profit or loss for the period	1,517,350	1,711,813
Interim dividends	—	(699,664)
Accumulated other comprehensive income	**(261,935)**	**(207,860)**
Items that will not be reclassified to profit or loss	(33,857)	(33,217)
Actuarial gains or losses on defined benefit pension plans	(3,653)	(3,653)
Non-current assets and disposal groups classified as held for sale	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	(30,204)	(29,564)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	—	—
Items that may be reclassified to profit or loss	(228,078)	(174,643)
Hedge of net investments in foreign operations [effective portion]	37,667	60,347
Foreign currency translation	17,882	(27,122)
Hedging derivatives. Cash flow hedges reserve [effective portion]	(190,413)	(142,039)
Fair value changes of debt instruments measured at fair value through other comprehensive income	(93,214)	(86,321)
Hedging instruments [not designated elements]	—	—
Non-current assets and disposal groups classified as held for sale	—	20,492
Total equity	**10,155,716**	**11,898,094**
Total equity and total liabilities	**193,480,177**	**192,528,628**
Memorandum item: off-balance sheet exposures		
Loan commitments given	**21,995,552**	**21,844,683**
Financial guarantees given	**2,021,672**	**2,693,389**
Other commitments given	**8,633,517**	**9,770,942**

Income statements of Banco de Sabadell, S.A.

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	30/06/2026	30/06/2025 (*)
Interest income	2,726,636	2,919,835
Financial assets at fair value through other comprehensive income	60,407	59,799
Financial assets at amortised cost	2,571,796	2,698,306
Other interest income	94,433	161,730
Interest expenses	(1,095,424)	(1,239,934)
Expenses on share capital repayable on demand	—	—
Net interest income	**1,631,212**	**1,679,901**
Dividend income	83,203	118,058
Fee and commission income	637,524	642,552
Fee and commission expenses	(59,690)	(60,787)
Net profit or net loss on financial operations	(178,150)	632,905
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	3,850	27,883
Financial assets at amortised cost	5,055	29,904
Other financial assets and liabilities	(1,205)	(2,021)
Gains or losses on financial assets and liabilities held for trading, net	(181,932)	613,170
Reclassification of financial assets from fair value through other comprehensive income	—	—
Reclassification of financial assets from amortised cost	—	—
Other gains or losses	(181,932)	613,170
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	(1,523)	3,644
Reclassification of financial assets from fair value through other comprehensive income	—	—
Reclassification of financial assets from amortised cost	—	—
Other gains or losses	(1,523)	3,644
Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net	—	—
Gains or losses from hedge accounting, net	1,455	(11,792)
Exchange differences [gain or loss], net	158,852	(632,008)
Other operating income	24,523	33,553
Other operating expenses	(31,613)	(44,957)
Gross income	**2,265,861**	**2,369,217**
Administrative expenses	(1,094,016)	(969,065)
Staff expenses	(650,493)	(550,979)
Other administrative expenses	(443,523)	(418,086)
Depreciation and amortisation	(67,121)	(67,799)
Provisions or reversal of provisions	(34,904)	(7,334)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	(224,651)	(173,980)
Financial assets at fair value through other comprehensive income	620	(206)
Financial assets at amortised cost	(225,271)	(173,774)
Profit or loss on operating activities	**845,169**	**1,151,039**
Impairment or reversal of impairment on investments in joint ventures and associates	(1,153)	(1,175)
Impairment or reversal of impairment on non-financial assets	(10,088)	(20,559)
Tangible assets	(10,088)	(20,559)
Intangible assets	—	—
Other	—	—
Gains or losses on derecognition of non-financial assets, net	18,662	(9,974)
Negative goodwill recognised in profit or loss	—	—
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(28,519)	(4,558)
Profit or loss before tax from continuing operations	**824,071**	**1,114,773**
Tax expense or income related to profit or loss from continuing operations	(289,016)	(367,117)
Profit or loss after tax from continuing operations	**535,055**	**747,656**
Profit or loss after tax from discontinued operations	982,295	387,181
Profit or loss for the period	**1,517,350**	**1,134,837**

(*) See Note 1.5.

Statements of recognised income and expenses of Banco de Sabadell, S.A.

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	30/06/2026	30/06/2025 (*)
Profit or loss for the period	**1,517,350**	**1,134,837**
Other comprehensive income	**(54,075)**	**(67,227)**
Items that will not be reclassified to profit or loss	(640)	14,522
Actuarial gains or (-) losses on defined benefit pension plans	—	—
Non-current assets and disposal groups held for sale	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income	(1,249)	18,457
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	—	—
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	—	—
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	—	—
Income tax relating to items that will not be reclassified	609	(3,935)
Items that may be reclassified to profit or loss	(53,435)	(81,749)
Hedge of net investments in foreign operations [effective portion]	(22,679)	79,992
Valuation gains or (-) losses taken to equity	(22,679)	79,992
Transferred to profit or loss	—	—
Other reclassifications	—	—
Foreign currency translation	45,000	(169,079)
Translation gains or (-) losses taken to equity	45,000	(169,079)
Transferred to profit or loss	—	—
Other reclassifications	—	—
Cash flow hedges [effective portion]	(65,773)	(53,857)
Valuation gains or (-) losses taken to equity	(114,783)	(61,720)
Transferred to profit or loss	49,010	(10,875)
Transferred to initial carrying amount of hedged items	—	18,738
Other reclassifications	—	—
Hedging instruments [not designated elements]	—	—
Valuation gains or (-) losses taken to equity	—	—
Transferred to profit or loss	—	—
Other reclassifications	—	—
Debt instruments at fair value through other comprehensive income	(9,437)	29,629
Valuation gains or (-) losses taken to equity	(8,838)	29,516
Transferred to profit or loss	(599)	113
Other reclassifications	—	—
Non-current assets and disposal groups held for sale	(20,492)	31,145
Valuation gains or (-) losses taken to equity	(13,919)	31,145
Transferred to profit or loss	(6,573)	—
Other reclassifications	—	—
Income tax relating to items that may be reclassified to profit or (-) loss	19,946	421
Total comprehensive income for the period	**1,463,275**	**1,067,610**

(*) See Note 1.5.

Statements of total changes in equity of Banco de Sabadell, S.A.

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Sources of equity changes	Capital	Share premium	Equity instruments issued other than capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss for the period	(-) Interim dividends	Accumulated other comprehensive income	**Total**
Closing balance 31/12/2025	**627,960**	**6,600,371**	**—**	**17,436**	**6,314,139**	**—**	**(2,440,249)**	**(25,852)**	**1,711,813**	**(699,664)**	**(207,860)**	**11,898,094**
Effects of corrections of errors	—	—	—	—	—	—	—	—	—	—	—	**—**
Effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	**—**
Opening balance 01/01/2026	**627,960**	**6,600,371**	**—**	**17,436**	**6,314,139**	**—**	**(2,440,249)**	**(25,852)**	**1,711,813**	**(699,664)**	**(207,860)**	**11,898,094**
Total comprehensive income for the period	**—**	**—**	**—**	—	—	—	—	—	**1,517,350**	**—**	**(54,075)**	**1,463,275**
Other equity changes	**(16,934)**	**(435,000)**	**—**	**123**	**(1,414,567)**	**—**	**(80,168)**	**(246,958)**	**(1,711,813)**	**699,664**	**—**	**(3,205,653)**
Issuance of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of preference shares	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	**—**
Exercise or expiration of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	**—**
Conversion of debt to equity	—	—	—	—	—	—	—	—	—	—	—	**—**
Capital reduction	(16,934)	(435,000)	—	—	—	—	16,934	435,000	—	—	—	**—**
Dividends (or shareholder remuneration)	—	—	—	—	(2,431,769)	—	—	—	—	—	—	**(2,431,769)**
Purchase of treasury shares	—	—	—	—	—	—	—	(702,804)	—	—	—	**(702,804)**
Sale or cancellation of treasury shares	—	—	—	—	—	—	(8,729)	20,846	—	—	—	**12,117**
Reclassification of financial instruments from equity to liability	—	—	—	—	—	—	—	—	—	—	—	**—**
Reclassification of financial instruments from liability to equity	—	—	—	—	—	—	—	—	—	—	—	**—**
Transfers among components of equity	—	—	—	—	1,012,149	—	—	—	(1,711,813)	699,664	—	**—**
Equity increase or (-) decrease resulting from business combinations	—	—	—	—	—	—	—	—	—	—	—	**—**
Share based payments	—	—	—	123	—	—	—	—	—	—	—	**123**
Other increase or (-) decrease in equity	—	—	—	—	5,053	—	(88,373)	—	—	—	—	**(83,320)**
Closing balance 30/06/2026	**611,026**	**6,165,371**	**—**	**17,559**	**4,899,572**	**—**	**(2,520,417)**	**(272,810)**	**1,517,350**	**—**	**(261,935)**	**10,155,716**

Statements of total changes in equity of Banco de Sabadell, S.A.

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

Sources of equity changes	Capital	Share premium	Equity instruments issued other than capital	Other equity	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or loss for the period	(-) Interim dividends	Accumulated other comprehensive income	**Total**
Closing balance 31/12/2024	**680,028**	**7,695,227**	**—**	**15,434**	**5,918,817**	**—**	**(2,334,149)**	**(119,344)**	**1,505,815**	**(428,911)**	**(127,101)**	**12,805,816**
Effects of corrections of errors	—	—	—	—	—	—	—	—	—	—	—	**—**
Effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	**—**
Opening balance 01/01/2025	**680,028**	**7,695,227**	**—**	**15,434**	**5,918,817**	**—**	**(2,334,149)**	**(119,344)**	**1,505,815**	**(428,911)**	**(127,101)**	**12,805,816**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,134,837**	**—**	**(67,227)**	**1,067,610**
Other equity changes	**(18,999)**	**(339,859)**	**—**	**450**	**405,763**	**—**	**(39,734)**	**(299,794)**	**(1,505,815)**	**428,911**	**—**	**(1,369,077)**
Issuance of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of preference shares	—	—	—	—	—	—	—	—	—	—	—	**—**
Issuance of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	**—**
Exercise or expiration of other equity instruments issued	—	—	—	—	—	—	—	—	—	—	—	**—**
Conversion of debt to equity	—	—	—	—	—	—	—	—	—	—	—	**—**
Capital reduction	(18,999)	(339,859)				—	18,999	339,859	—	—	—	**—**
Dividends (or shareholder remuneration)	—	—	—	—	(666,943)	—	—	—	—	—	—	**(666,943)**
Purchase of treasury shares	—	—	—	—	—	—	—	(654,896)	—	—	—	**(654,896)**
Sale or cancellation of treasury shares	—	—	—	—	—	—	294	15,243	—	—	—	**15,537**
Reclassification of financial instruments from equity to liability	—	—	—	—	—	—	—	—	—	—	—	**—**
Reclassification of financial instruments from liability to equity	—	—	—	—	—	—	—	—	—	—	—	**—**
Transfers among components of equity	—	—	—	—	1,076,904	—	—	—	(1,505,815)	428,911	—	**—**
Equity increase or (-) decrease resulting from business combinations	—	—	—	—	—	—	—	—	—	—	—	**—**
Share based payments	—	—	—	450	—	—	—	—	—	—	—	**450**
Other increase or (-) decrease in equity	—	—	—	—	(4,198)	—	(59,027)	—	—	—	—	**(63,225)**
Closing balance 30/06/2025	**661,029**	**7,355,368**	**—**	**15,884**	**6,324,580**	**—**	**(2,373,883)**	**(419,138)**	**1,134,837**	**—**	**(194,328)**	**12,504,349**

Cash flow statements of Banco de Sabadell, S.A.

For the six-month periods ended 30 June 2026 and 2025

Thousand euro

	30/06/2026	30/06/2025
Cash flows from/(used in) operating activities	**(7,882,067)**	**9,141,161**
Profit or loss for the period	1,517,350	1,134,837
Adjustments to obtain cash flows from operating activities	(307,591)	670,964
Depreciation and amortisation	67,121	67,799
Other adjustments	(374,712)	603,165
Net increase/decrease in operating assets	(12,887,336)	(7,138,396)
Financial assets held for trading	(2,274,444)	(552,418)
Non-trading financial assets mandatorily at fair value through profit or loss	(1,647)	1,049
Financial assets designated at fair value through profit or loss	—	—
Financial assets at fair value through other comprehensive income	(437,077)	(122,343)
Financial assets at amortised cost	(10,259,144)	(6,499,347)
Other operating assets	84,976	34,663
Net increase/decrease in operating liabilities	3,771,781	14,404,084
Financial liabilities held for trading	81,357	15,505
Financial liabilities designated at fair value through profit or loss	—	—
Financial liabilities at amortised cost	3,932,881	14,938,553
Other operating liabilities	(242,457)	(549,974)
Income tax receipts or payments	23,729	69,672
Cash flows from/(used in) investing activities	**4,775,039**	**383,391**
Payments	(1,040,232)	(150,404)
Tangible assets	(39,924)	(36,582)
Intangible assets	(247)	(273)
Investments in subsidiaries, joint ventures and associates	(61)	(113,549)
Other business units		—
Non-current assets and liabilities classified as held for sale	(1,000,000)	—
Other payments related to investing activities		—
Collections	5,815,271	533,795
Tangible assets	4,512	2,458
Intangible assets	—	—
Investments in subsidiaries, joint ventures and associates	65,500	109,775
Other business units	985,472	379,112
Non-current assets and liabilities classified as held for sale	4,759,787	42,450
Other collections related to investing activities	—	—
Cash flows from/(used in) financing activities	**(3,749,057)**	**(704,888)**
Payments	(3,761,174)	(1,720,424)
Dividends	(2,431,769)	(666,943)
Subordinated liabilities	(500,000)	(300,000)
Redemption of own equity instruments	—	—
Acquisition of own equity instruments	(702,805)	(654,896)
Other payments related to financing activities	(126,600)	(98,585)
Collections	12,117	1,015,536
Subordinated liabilities	—	1,000,000
Issuance of own equity instruments	—	—
Disposal of own equity instruments	12,117	15,536
Other collections related to financing activities	—	—
Effect of changes in foreign exchange rates	**(4,787)**	**(63,304)**
Net increase (decrease) in cash and cash equivalents	**(6,860,872)**	**8,756,360**
Cash and cash equivalents at the beginning of the period	**11,364,908**	**11,831,284**
Cash and cash equivalents at the end of the period	**4,504,036**	**20,587,644**

Components of cash and cash equivalents at the end of the period		
Cash on hand	521,456	538,447
Cash equivalents in central banks	3,539,391	19,774,740
Other demand deposits	443,189	274,457
Other financial assets	—	—
Less: bank overdrafts repayable on demand	—	—

Schedule III – Information on issues during the six-month period

Details of public issues carried out by the Group during the first half of 2026 are as follows:

Million euro

Issuer	Type of issue	Issue date	Amount 30/06/2026	Interest rate ruling as at 30/06/2026	Maturity date	Issue currency	Target of offering
Banco de Sabadell, S.A.	Mortgage Covered Bonds 1/2026	20/01/2026	500	2.88%	30/11/2032	Euro	Institutional
Banco Sabadell, S.A., Institución de Banca Múltiple	Bank bond certificates	18/06/2026	201	7.16%	14/06/2029	Mexican peso	Institutional

Schedule IV – Other risk information

Credit risk exposure

Loans to customers, broken down by activity and type of guarantee

The breakdown of the balance of the heading "Loans and advances – Customers" on the consolidated balance sheet by activity and type of guarantee, excluding advances other than loans, as at 30 June 2026 and 31 December 2025, respectively, is as follows:

Thousand euro

	30/06/2026							
				Secured loans. Carrying amount based on last available valuation. Loan to value				
	Total	Of which: secured with real estate	Of which: secured with other collateral	Less than or equal to 40%	Over 40% and less than or equal to 60%	Over 60% and less than or equal to 80%	Over 80% and less than or equal to 100%	Over 100%
General governments	**11,259,564**	**18,111**	**439,150**	**44,083**	**1,730**	**737**	**4,275**	**406,436**
Other financial corporations and individual entrepreneurs (financial business activity)	**1,806,830**	**326,090**	**422,569**	**476,096**	**178,241**	**9,047**	**27,110**	**58,165**
Non-financial corporations and individual entrepreneurs (non-financial business activity)	**63,464,864**	**10,615,451**	**6,705,489**	**6,635,789**	**4,627,078**	**1,778,132**	**1,483,639**	**2,796,302**
Construction and real estate development (including land)	2,162,019	1,110,092	148,238	585,799	430,789	114,777	65,149	61,816
Civil engineering construction	1,307,086	108,422	257,716	163,640	48,478	4,098	3,205	146,717
Other purposes	59,995,759	9,396,937	6,299,535	5,886,350	4,147,811	1,659,257	1,415,285	2,587,769
Large enterprises	37,750,022	2,567,957	2,755,343	1,721,004	1,018,720	486,504	989,271	1,107,801
SMEs and individual entrepreneurs	22,245,737	6,828,980	3,544,192	4,165,346	3,129,091	1,172,753	426,014	1,479,968
Other households	**47,697,523**	**40,500,577**	**1,636,962**	**9,091,786**	**12,243,989**	**17,607,801**	**1,915,606**	**1,278,357**
Home loans	40,297,572	39,760,579	177,248	7,991,215	11,596,237	17,371,258	1,809,018	1,170,099
Consumer loans	5,560,989	20,387	1,155,530	511,083	430,624	113,789	62,978	57,443
Other purposes	1,838,962	719,611	304,184	589,488	217,128	122,754	43,610	50,815
Total	**124,228,781**	**51,460,229**	**9,204,170**	**16,247,754**	**17,051,038**	**19,395,717**	**3,430,630**	**4,539,260**
MEMORANDUM ITEM Refinancing, refinanced and restructured transactions	**1,716,215**	**756,479**	**138,249**	**365,192**	**202,953**	**131,842**	**47,476**	**147,265**

Thousand euro

	31/12/2025							
	Total	Of which: secured with real estate	Of which: secured with other collateral	Secured loans. Carrying amount based on last available valuation. Loan to value				
				Less than or equal to 40%	Over 40% and less than or equal to 60%	Over 60% and less than or equal to 80%	Over 80% and less than or equal to 100%	Over 100%
General governments	**9,999,717**	**19,209**	**440,302**	**44,818**	**4,112**	**764**	**—**	**409,817**
Other financial corporations and individual entrepreneurs (financial business activity)	**1,643,138**	**303,941**	**395,905**	**450,234**	**155,871**	**38,635**	**2,929**	**52,177**
Non-financial corporations and individual entrepreneurs (non-financial business activity)	**60,718,376**	**10,486,767**	**6,389,842**	**6,634,877**	**4,472,552**	**1,797,150**	**1,435,667**	**2,536,363**
Construction and real estate development (including land)	1,741,725	1,045,129	182,238	466,184	489,900	92,991	55,600	122,692
Civil engineering construction	1,413,275	110,788	299,981	201,023	16,679	7,788	1,186	184,093
Other purposes	57,563,376	9,330,850	5,907,623	5,967,670	3,965,973	1,696,371	1,378,881	2,229,578
Large enterprises	33,942,159	2,541,507	1,986,100	1,764,632	987,933	468,537	484,600	821,905
SMEs and individual entrepreneurs	23,621,217	6,789,343	3,921,523	4,203,038	2,978,040	1,227,834	894,281	1,407,673
Other households	**47,797,638**	**40,212,455**	**1,483,513**	**8,967,692**	**11,977,500**	**17,291,552**	**2,072,892**	**1,386,332**
Home loans	39,694,344	39,295,054	161,275	7,890,119	11,325,721	17,027,856	1,951,312	1,261,321
Consumer loans	5,300,975	25,195	1,009,798	380,282	390,324	125,896	74,777	63,714
Other purposes	2,802,319	892,206	312,440	697,291	261,455	137,800	46,803	61,297
Total	**120,158,869**	**51,022,372**	**8,709,562**	**16,097,621**	**16,610,035**	**19,128,101**	**3,511,488**	**4,384,689**
MEMORANDUM ITEM Refinancing, refinanced and restructured transactions	**1,932,050**	**867,077**	**138,471**	**372,933**	**252,293**	**202,152**	**53,553**	**124,617**

Forbearance

Information on refinancing and restructuring transactions as at 30 June 2026 and 31 December 2025 is shown below. The Group's refinancing policy and strategy is described in Note 4 on "Risk management" to the 2025 consolidated annual financial statements.

Thousand euro

	30/06/2026						
	Credit institutions	**General governments**	**Other financial corporations and individual entrepreneurs (financial business activity)**	**Non-financial corporations and individual entrepreneurs (non-financial business activity)**	***Of which: lending for construction and real estate development (including land)***	**Other households**	**Total**
Total							
Not secured with collateral							
Number of transactions	111	7	125	19,993	*611*	8,550	**28,786**
Gross carrying amount	44,842	3,539	5,067	1,168,944	*53,660*	59,264	**1,281,656**
Secured with collateral							
Number of transactions	—	—	3	3,426	*250*	5,374	**8,803**
Gross carrying amount	—	—	37	726,193	*74,027*	325,884	**1,052,114**
Impairment allowances	28,592	—	1,227	470,072	*17,648*	101,414	**601,305**
Of which, non-performing loans							
Not secured with collateral							
Number of transactions	111	—	17	13,436	*416*	5,411	***18,975***
Gross carrying amount	44,842	—	4,182	677,431	*11,582*	36,100	***762,555***
Secured with collateral							
Number of transactions	—	—	1	2,058	*147*	2,502	***4,561***
Gross carrying amount	—	—	17	374,047	*50,940*	222,434	***596,498***
Impairment allowances	28,592	—	1,139	433,417	*15,975*	94,825	***557,973***
Total							
Number of transactions	111	7	128	23,419	*861*	13,924	**37,589**
Gross amount	44,842	3,539	5,104	1,895,137	*127,687*	385,148	**2,333,770**
Impairment allowances	28,592	—	1,227	470,072	*17,648*	101,414	**601,305**
Additional information: lending included under non-current assets and disposal groups classified as held for sale	—	—	—	**242**	—	—	**242**

Thousand euro

	31/12/2025						
	Credit institutions	General governments	Other financial corporations and individual entrepreneurs (financial business activity)	Non-financial corporations and individual entrepreneurs (non-financial business activity)	*Of which: lending for construction and real estate development (including land)*	Other households	Total
Total							
Not secured with collateral							
Number of transactions	93	9	220	24,589	*671*	8,502	**33,413**
Gross carrying amount	41,591	4,032	18,498	1,255,402	*66,326*	80,281	**1,399,805**
Secured with collateral							
Number of transactions	—	1	2	3,825	*203*	6,414	**10,242**
Gross carrying amount	—	21	36	775,211	*62,242*	419,597	**1,194,865**
Impairment allowances	22,996	23	11,330	482,476	*37,249*	127,198	**644,023**
Of which, non-performing loans							
Not secured with collateral							
Number of transactions	93	2	25	16,308	*451*	5,574	***22,002***
Gross carrying amount	41,591	129	16,784	653,314	*35,947*	37,967	***749,785***
Secured with collateral							
Number of transactions	—	1	2	2,312	*138*	3,372	***5,687***
Gross carrying amount	—	21	36	420,541	*33,867*	291,960	***712,558***
Impairment allowances	22,996	23	11,224	446,614	*35,321*	117,659	***598,516***
Total							
Number of transactions	93	10	222	28,414	*874*	14,916	**43,655**
Gross amount	41,591	4,053	18,534	2,030,613	*128,568*	499,878	**2,594,670**
Impairment allowances	22,996	23	11,330	482,476	*37,249*	127,198	**644,023**
Additional information: lending included under non-current assets and disposal groups classified as held for sale	**—**	**—**	**—**	**4,062**	**53**	**472,039**	**476,101**

The value of the guarantees received to ensure collection associated with refinancing and restructuring transactions, broken down into collateral and other guarantees, as at 30 June 2026 and 31 December 2025, is as follows:

Thousand euro

Guarantees received	30/06/2026	31/12/2025
Value of collateral	828,942	937,181
Of which: securing stage 3 loans	*396,193*	*475,177*
Value of other guarantees	651,806	758,613
Of which: securing stage 3 loans	*281,973*	*271,615*
Total value of guarantees received	**1,480,748**	**1,695,794**

Movements in the balance of refinancing and restructuring transactions during the first half of 2026 are as follows:

Thousand euro

Balance as at 31 December 2025	2,594,670
(+) Forbearance (refinancing and restructuring) in the period	321,901
Memorandum item: impact recognised on the income statement for the period	*89,049*
(–) Debt repayments	(178,467)
(–) Foreclosures	(4,937)
(–) Derecognised from the balance sheet (reclassified as write-offs)	(27,070)
(+)/(–) Other changes (*)	(372,327)
Balance as at 30 June 2026	**2,333,770**

(*) Includes transactions no longer classified as refinancing, refinanced or restructured, as they meet the requirements for reclassification as stage 1, the cure period having been completed.

The table below shows the value of transactions which, after refinancing or restructuring, were classified as stage 3 exposures as at 30 June 2026 and 31 December 2025:

Thousand euro

	30/06/2026	31/12/2025
General governments	—	**78**
Other legal entities and individual entrepreneurs	**73,356**	**90,671**
Of which: lending for construction and real estate development	*247*	*2,327*
Other natural persons	**8,870**	**14,404**
Total	**82,226**	**105,153**

The average Probability of Default (PD) on current refinancing and restructuring transactions broken down by activity as at 30 June 2026 and 31 December 2025 is as follows:

%

	30/06/2026	31/12/2025
General governments (*)	—	—
Other legal entities and individual entrepreneurs	**14**	**13**
Of which: lending for construction and real estate development	*18*	*17*
Other natural persons	**13**	**14**

(*) Authorisation has not been granted for the use of internal models in the calculation of capital requirements.

Concentration risk

Geographical exposure

Global

The breakdown of risk concentration, by activity and at a global level, as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026				
	Total	Spain	Rest of European Union	Americas	Rest of the world
Central banks and credit institutions	**25,790,038**	**7,003,060**	**14,410,599**	**2,082,284**	**2,294,095**
General governments	**44,689,351**	**31,329,058**	**10,479,406**	**2,875,061**	**5,826**
Central government	30,262,536	19,473,526	10,177,800	605,396	5,814
Other	14,426,815	11,855,532	301,606	2,269,665	12
Other financial corporations and individual entrepreneurs	**2,987,889**	**1,893,355**	**346,450**	**721,238**	**26,846**
Non-financial corporations and individual entrepreneurs	**67,515,891**	**46,719,003**	**5,917,104**	**12,658,125**	**2,221,659**
Construction and real estate development	2,252,977	1,809,229	36,909	285,052	121,787
Civil engineering construction	1,395,835	669,846	139,316	511,653	75,020
Other purposes	63,867,079	44,239,928	5,740,879	11,861,420	2,024,852
Large enterprises	41,098,434	24,852,961	5,254,382	9,165,171	1,825,920
SMEs and individual entrepreneurs	22,768,645	19,386,967	486,497	2,696,249	198,932
Other households	**49,323,399**	**45,174,653**	**1,917,321**	**763,232**	**1,468,193**
Home loans	40,297,572	36,462,404	1,902,475	479,798	1,452,895
Consumer loans	5,561,002	5,536,018	4,853	14,549	5,582
Other purposes	3,464,825	3,176,231	9,993	268,885	9,716
Total	**190,306,568**	**132,119,129**	**33,070,880**	**19,099,940**	**6,016,619**

Thousand euro

	31/12/2025				
	Total	**Spain**	**Rest of European Union**	**Americas**	**Rest of the world**
Central banks and credit institutions	**29,344,352**	**13,086,336**	**13,174,714**	**2,435,736**	**647,566**
General governments	**40,681,029**	**29,052,780**	**8,726,315**	**2,898,921**	**3,013**
Central government	27,886,737	18,573,111	8,418,309	892,900	2,417
Other	12,794,292	10,479,669	308,006	2,006,021	596
Other financial corporations and individual entrepreneurs	**2,525,116**	**1,647,673**	**157,177**	**666,989**	**53,277**
Non-financial corporations and individual entrepreneurs	**63,690,595**	**46,034,523**	**4,472,324**	**11,299,951**	**1,883,797**
Construction and real estate development	1,840,945	1,646,178	26,720	162,017	6,030
Civil engineering construction	1,478,712	758,374	100,357	533,344	86,637
Other purposes	60,370,938	43,629,971	4,345,247	10,604,590	1,791,130
Large enterprises	36,186,877	21,989,836	3,888,696	8,652,357	1,655,988
SMEs and individual entrepreneurs	24,184,061	21,640,135	456,551	1,952,233	135,142
Other households	**47,907,144**	**43,898,000**	**1,780,798**	**728,641**	**1,499,705**
Home loans	39,694,344	36,003,496	1,764,607	446,605	1,479,636
Consumer loans	5,300,984	5,274,152	5,079	14,414	7,339
Other purposes	2,911,816	2,620,352	11,112	267,622	12,730
Total	**184,148,236**	**133,719,312**	**28,311,328**	**18,030,238**	**4,087,358**

By autonomous community

The breakdown of risk concentration, by activity and by Spanish autonomous community, as at 30 June 2026 and 31 December 2025, respectively, is as follows:

Thousand euro

	30/06/2026									
		Autonomous communities								
	Total	**Andalusia**	**Aragon**	**Asturias**	**Balearic Islands**	**Canary Islands**	**Cantabria**	**Castilla-La Mancha**	**Castilla y Leon**	**Catalonia**
Central banks and credit institutions	**7,003,060**	**10,930**	**4,853**	**—**	**—**	**—**	**1,389,978**	**—**	**—**	**484,988**
General governments	**31,329,058**	**979,349**	**160,607**	**455,875**	**318,359**	**722,784**	**2,565**	**119,905**	**1,349,794**	**1,710,302**
Central government	19,473,526	—	—	—	—	—	—	—	—	—
Other	11,855,532	979,349	160,607	455,875	318,359	722,784	2,565	119,905	1,349,794	1,710,302
Other financial corporations and individual entrepreneurs	**1,893,355**	**1,893**	**19,235**	**2,424**	**84,937**	**1,809**	**207**	**300**	**1,757**	**664,799**
Non-financial corporations and individual entrepreneurs	**46,719,003**	**2,246,545**	**956,098**	**1,226,360**	**1,848,268**	**1,792,331**	**162,330**	**725,993**	**1,012,839**	**11,955,369**
Construction and real estate development	1,809,229	112,101	32,351	24,677	68,519	20,192	9,339	22,530	24,936	475,996
Civil engineering construction	669,846	25,520	42,031	11,509	5,916	1,232	2,367	11,725	9,757	105,649
Other purposes	44,239,928	2,108,924	881,716	1,190,174	1,773,833	1,770,907	150,624	691,738	978,146	11,373,724
Large enterprises	24,852,961	751,002	416,687	620,172	948,828	1,303,264	75,669	268,326	331,195	5,396,425
SMEs and individual entrepreneurs	19,386,967	1,357,922	465,029	570,002	825,005	467,643	74,955	423,412	646,951	5,977,299
Other households	**45,174,653**	**3,249,905**	**655,771**	**1,193,872**	**1,702,746**	**776,083**	**155,657**	**617,063**	**836,260**	**16,966,158**
Home loans	36,462,404	2,455,080	531,840	883,484	1,465,810	514,618	120,051	460,605	640,339	14,499,996
Consumer loans	5,536,018	645,104	71,158	130,823	144,074	229,825	26,575	121,245	124,145	1,422,408
Other purposes	3,176,231	149,721	52,773	179,565	92,862	31,640	9,031	35,213	71,776	1,043,754
Total	**132,119,129**	**6,488,622**	**1,796,564**	**2,878,531**	**3,954,310**	**3,293,007**	**1,710,737**	**1,463,261**	**3,200,650**	**31,781,616**

Thousand euro

	30/06/2026								
	Autonomous communities								
	Extremadura	Galicia	Madrid	Murcia	Navarre	Valencia	Basque Country	La Rioja	Ceuta and Melilla
Central banks and credit institutions	**—**	**16,667**	**4,764,681**	**5**	**—**	**16,353**	**314,605**	**—**	**—**
General governments	**195,658**	**1,093,878**	**3,079,206**	**91,513**	**215,503**	**633,471**	**710,379**	**16,384**	**—**
Central government	—	—	—	—	—	—	—	—	—
Other	195,658	1,093,878	3,079,206	91,513	215,503	633,471	710,379	16,384	—
Other financial corporations and individual entrepreneurs	**14,566**	**2,868**	**991,465**	**24,600**	**3,742**	**30,322**	**31,504**	**16,918**	**9**
Non-financial corporations and individual entrepreneurs	**86,833**	**2,163,007**	**14,963,626**	**945,641**	**377,045**	**3,833,279**	**2,251,352**	**157,103**	**14,984**
Construction and real estate development	384	47,536	778,961	20,052	5,149	109,510	47,059	9,795	142
Civil engineering construction	2,415	22,696	335,987	9,262	1,444	47,296	33,879	588	573
Other purposes	84,034	2,092,775	13,848,678	916,327	370,452	3,676,473	2,170,414	146,720	14,269
Large enterprises	20,823	1,014,744	9,959,107	356,308	232,862	1,667,387	1,428,092	60,041	2,029
SMEs and individual entrepreneurs	63,211	1,078,031	3,889,571	560,019	137,590	2,009,086	742,322	86,679	12,240
Other households	**162,451**	**1,266,924**	**6,911,567**	**2,256,291**	**168,914**	**6,601,283**	**1,471,913**	**79,036**	**102,759**
Home loans	118,669	916,181	5,511,969	1,730,112	140,682	5,010,716	1,304,088	62,669	95,495
Consumer loans	35,603	243,533	987,954	299,172	11,152	934,470	94,401	9,306	5,070
Other purposes	8,179	107,210	411,644	227,007	17,080	656,097	73,424	7,061	2,194
Total	**459,508**	**4,543,344**	**30,710,545**	**3,318,050**	**765,204**	**11,114,708**	**4,779,753**	**269,441**	**117,752**

Thousand euro

	31/12/2025									
		Autonomous communities								
	Total	Andalusia	Aragon	Asturias	Balearic Islands	Canary Islands	Cantabria	Castilla-La Mancha	Castilla y Leon	Catalonia
Central banks and credit institutions	**13,086,336**	**1,444**	**3,869**	**—**	**—**	**—**	**775,253**	**—**	**—**	**408,316**
General governments	**29,052,780**	**842,726**	**161,100**	**478,802**	**226,376**	**726,455**	**3,349**	**126,815**	**1,206,643**	**1,136,564**
Central government	18,573,111	—	—	—	—	—	—	—	—	—
Other	10,479,669	842,726	161,100	478,802	226,376	726,455	3,349	126,815	1,206,643	1,136,564
Other financial corporations and individual entrepreneurs	**1,647,673**	**2,184**	**14,391**	**1,763**	**1,039**	**1,263**	**262**	**389**	**2,727**	**514,413**
Non-financial corporations and individual entrepreneurs	**46,034,523**	**2,221,276**	**988,580**	**1,125,400**	**1,492,921**	**1,670,219**	**173,631**	**701,360**	**990,070**	**11,885,737**
Construction and real estate development	1,646,178	98,714	26,842	23,256	66,166	15,582	10,253	17,231	15,842	375,170
Civil engineering construction	758,374	27,004	34,435	15,093	5,448	3,191	1,974	6,581	13,186	128,671
Other purposes	43,629,971	2,095,558	927,303	1,087,051	1,421,307	1,651,446	161,404	677,548	961,042	11,381,896
Large enterprises	21,989,836	710,608	437,227	309,389	627,598	551,226	77,294	259,830	269,763	5,116,613
SMEs and individual entrepreneurs	21,640,135	1,384,950	490,076	777,662	793,709	1,100,220	84,110	417,718	691,279	6,265,283
Other households	**43,898,000**	**3,172,627**	**642,698**	**1,142,750**	**1,657,961**	**750,416**	**149,202**	**605,685**	**813,493**	**16,542,502**
Home loans	36,003,496	2,431,324	529,183	888,748	1,434,228	503,230	116,274	458,068	639,843	14,289,696
Consumer loans	5,274,152	609,989	65,781	126,945	138,451	219,050	26,111	115,618	120,086	1,385,859
Other purposes	2,620,352	131,314	47,734	127,057	85,282	28,136	6,817	31,999	53,564	866,947
Total	**133,719,312**	**6,240,257**	**1,810,638**	**2,748,715**	**3,378,297**	**3,148,353**	**1,101,697**	**1,434,249**	**3,012,933**	**30,487,532**

Thousand euro

	31/12/2025								
	Autonomous communities								
	Extremadura	Galicia	Madrid	Murcia	Navarre	Valencia	Basque Country	La Rioja	Ceuta and Melilla
Central banks and credit institutions	**—**	**13,654**	**11,597,815**	**—**	**—**	**22,728**	**263,257**	**—**	**—**
General governments	**157,136**	**850,856**	**2,965,799**	**95,077**	**216,551**	**539,918**	**728,730**	**16,772**	**—**
Central government	—	—	—	—	—	—	—	—	—
Other	157,136	850,856	2,965,799	95,077	216,551	539,918	728,730	16,772	—
Other financial corporations and individual entrepreneurs	**16,068**	**3,307**	**989,174**	**17,999**	**4,688**	**27,590**	**32,142**	**18,262**	**12**
Non-financial corporations and individual entrepreneurs	**98,204**	**2,134,137**	**14,705,563**	**967,112**	**386,897**	**3,859,190**	**2,479,914**	**139,112**	**15,200**
Construction and real estate development	353	60,805	762,569	21,212	3,791	98,986	40,109	9,117	180
Civil engineering construction	1,947	26,361	376,749	11,923	1,114	68,717	35,341	441	198
Other purposes	95,904	2,046,971	13,566,245	933,977	381,992	3,691,487	2,404,464	129,554	14,822
Large enterprises	20,712	837,078	9,020,962	337,616	200,294	1,536,180	1,631,389	44,009	2,048
SMEs and individual entrepreneurs	75,192	1,209,893	4,545,283	596,361	181,698	2,155,307	773,075	85,545	12,774
Other households	**163,333**	**1,210,246**	**6,666,036**	**2,197,079**	**166,013**	**6,391,145**	**1,450,986**	**76,061**	**99,767**
Home loans	121,475	897,904	5,337,404	1,740,099	140,378	5,021,164	1,298,582	62,632	93,264
Consumer loans	34,462	232,764	929,119	283,007	10,077	877,160	87,091	8,162	4,420
Other purposes	7,396	79,578	399,513	173,973	15,558	492,821	65,313	5,267	2,083
Total	**434,741**	**4,212,200**	**36,924,387**	**3,277,267**	**774,149**	**10,840,571**	**4,955,029**	**250,207**	**114,979**

Sovereign risk exposure

Sovereign risk exposures, broken down by type of financial instrument as at 30 June 2026 and 31 December 2025, are as follows:

Thousand euro

	30/06/2026											
	Sovereign debt securities							Derivatives				
Sovereign risk exposure by country (*)	Financial assets held for trading	Financial liabilities held for trading - Short positions	Mandatorily at fair value through profit or loss	Measured at fair value through other comprehensive income	Financial assets at amortised cost	Loans and advances to customers (**)	*Of which: financial assets FVOCI or non-derivative and non-trading financial assets measured at fair value through equity*	With positive fair value	With negative fair value	Total	Other off-balance sheet exposures (***)	%
Spain	142,118	388,285	—	1,964,569	17,994,100	12,178,315	—	1,018	(6,805)	32,661,600	—	70.6%
Italy	1,038,924	98,839	—	485,437	4,827,047	—	—	—	—	6,450,247	—	14.0%
United States	—	—	14,230	1,206,355	831,714	2	—	—	—	2,052,301	—	4.4%
United Kingdom	—	—	—	824	—	8	—	—	—	832	—	0.0%
Portugal	24,445	—	—	—	810,604	22,383	—	—	—	857,432	—	1.9%
Mexico	—	—	—	267,009	253,450	302,296	—	—	—	822,755	—	1.8%
Rest of the world	616,812	73,736	—	490,067	2,149,467	19,289	—	—	—	3,349,371	—	7.3%
Total	**1,822,299**	**560,860**	**14,230**	**4,414,261**	**26,866,382**	**12,522,293**	**—**	**1,018**	**(6,805)**	**46,194,538**	**—**	**100.0%**

(*) Sovereign risk positions shown in accordance with EBA criteria.

(**) Includes undrawn balances of credit transactions and other contingent risks (990 million euros as at 30 June 2026).

(***) Relates to commitments for cash purchases and sales of financial assets.

Thousand euro

31/12/2025												
	Sovereign debt securities							Derivatives				
Sovereign risk exposure by country (*)	Financial assets held for trading	Financial liabilities held for trading - Short positions	Mandatorily at fair value through profit or loss	Measured at fair value through other comprehensive income	Financial assets at amortised cost	Loans and advances to customers (**)	*Of which: financial assets FVOCI or non-derivative and non-trading financial assets measured at fair value through equity*	With positive fair value	With negative fair value	Total	Other off-balance sheet exposures (***)	%
Spain	109,571	349,038	—	1,923,654	16,976,458	11,233,147	—	1,322	(6,575)	30,586,615	—	72.1%
Italy	563,890	124,623	—	264,927	4,546,964	—	—	—	—	5,500,404	—	13.0%
United States	—	—	13,879	1,104,725	742,139	202	—	—	—	1,860,945	—	4.4%
United Kingdom	—	—	—	817	—	2	—	—	—	819	—	0.0%
Portugal	—	30,513	—	—	653,975	58,227	—	—	—	742,715	—	1.8%
Mexico	—	—	—	708,451	100,617	228,905	—	—	—	1,037,973	—	2.4%
Rest of the world	457,812	70,349	—	487,621	1,694,422	760	—	—	—	2,710,964	—	6.4%
Total	**1,131,273**	**574,523**	**13,879**	**4,490,195**	**24,714,575**	**11,521,243**	**—**	**1,322**	**(6,575)**	**42,440,435**	**—**	**100%**

(*) Sovereign risk positions shown in accordance with EBA criteria.

(**) Includes undrawn balances of credit transactions and other contingent risks (1,126 million euros as at 31 December 2025).

(***) Relates to commitments for cash purchases and sales of financial assets.

Exposure to construction and real estate development sector

Details of lending for construction and real estate development and the relevant impairment allowances as at 30 June 2026 and 31 December 2025 are set out below:

Thousand euro

	30/06/2026		
	Gross carrying amount	Surplus above value of collateral	Impairment allowances
Lending for construction and real estate development (including land) (business in Spain)	**1,834,466**	**466,666**	**47,538**
Of which: stage 3 exposures	*66,061*	*39,615*	*40,006*

Thousand euro

	31/12/2025		
	Gross carrying amount	Surplus above value of collateral	Impairment allowances
Lending for construction and real estate development (including land) (business in Spain)	**1,724,932**	**455,846**	**64,945**
Of which: stage 3 exposures	*90,809*	*57,927*	*55,824*

Thousand euro

Gross carrying amount Memorandum item:	30/06/2026	31/12/2025
Write-offs (*)	5,509	29,910

(*) Refers to lending for construction and real estate development reclassified as write-offs during the year.

Thousand euro

Memorandum item:	30/06/2026	31/12/2025
Loans to customers, excluding general governments (business in Spain) (carrying amount)	95,043,507	94,020,520
Total assets (total business) (carrying amount)	199,083,928	245,392,394
Allowances and provisions for exposures classified as stage 2 or stage 1 (total operations)	549,248	590,852

The breakdown of lending for construction and real estate development for transactions registered by credit institutions (business in Spain) as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	Gross carrying amount 30/06/2026	Gross carrying amount 31/12/2025
Not secured with real estate	**713,083**	**618,911**
Secured with real estate	**1,121,383**	**1,106,020**
Buildings and other completed works	552,370	584,385
Housing	357,619	379,092
Other	194,751	205,293
Buildings and other works in progress	510,169	443,044
Housing	503,943	429,281
Other	6,226	13,762
Land	58,844	78,592
Consolidated urban land	58,702	77,928
Other land	141	664
Total	**1,834,466**	**1,724,932**

The figures presented do not show the total value of guarantees received, but rather the gross carrying amount of the associated exposure.

Guarantees received associated with lending for construction and real estate development are shown below, for both periods:

Thousand euro

Guarantees received	30/06/2026	31/12/2025
Value of collateral	1,184,592	1,110,965
Of which: securing stage 3 loans	*15,681*	*19,866*
Value of other guarantees	222,146	190,857
Of which: securing stage 3 loans	*7,370*	*12,468*
Total value of guarantees received	**1,406,738**	**1,301,822**

The breakdown of loans to households for home purchase for transactions recorded by credit institutions (business in Spain) as at 30 June 2026 and 31 December 2025 is as follows:

Thousand euro

	30/06/2026	
	Gross carrying amount	*Of which: stage 3 exposures*
Loans for home purchase	**39,253,533**	***494,625***
Not secured with real estate	758,905	*6,480*
Secured with real estate	38,494,628	*488,145*

Thousand euro

	31/12/2025	
	Gross carrying amount	*Of which: stage 3 exposures*
Loans for home purchase	**38,669,487**	***580,410***
Not secured with real estate	1,002,682	*7,911*
Secured with real estate	37,666,805	*572,499*

The tables below show home equity loans granted to households for home purchase, broken down by the loan-to-value ratio (ratio of total risk to gross carrying amount of last available property appraisal) of transactions recorded by credit institutions (business in Spain) as at 30 June 2026 and 31 December 2025:

Thousand euro

	30/06/2026	
	Gross amount	***Of which: stage 3 exposures***
LTV ranges	**38,494,628**	***488,145***
LTV <= 40%	7,018,782	*113,700*
40% < LTV <= 60%	10,647,935	*137,198*
60% < LTV <= 80%	16,333,235	*118,185*
80% < LTV <= 100%	3,304,732	*58,364*
LTV > 100%	1,189,943	*60,698*

Thousand euro

	31/12/2025	
	Gross amount	***Of which: stage 3 exposures***
LTV ranges	**37,666,805**	***572,499***
LTV <= 40%	6,905,539	*125,776*
40% < LTV <= 60%	10,299,295	*151,434*
60% < LTV <= 80%	15,294,683	*133,531*
80% < LTV <= 100%	3,827,632	*81,371*
LTV > 100%	1,339,656	*80,387*

Lastly, the table below gives details of assets foreclosed or received in lieu of debt by the consolidated Group entities, for transactions recorded by credit institutions in Spain, as at 30 June 2026 and 31 December 2025:

Thousand euro

	30/06/2026			
	Gross carrying amount	**Allowances**	***Gross amount (*)***	***Allowances (*)***
Real estate assets acquired through lending for construction and real estate development	**191,759**	**57,337**	***237,529***	***91,162***
Completed buildings	168,348	45,121	*193,893*	*70,339*
Housing	103,326	23,273	*119,192*	*38,712*
Other	65,022	21,849	*74,701*	*31,627*
Buildings under construction	499	289	*671*	*461*
Housing	247	131	*320*	*204*
Other	252	157	*352*	*257*
Land	22,912	11,927	*42,965*	*20,362*
Developed land	13,921	6,705	*16,257*	*9,041*
Other land	8,991	5,222	*26,708*	*11,321*
Real estate assets acquired through mortgage lending to households for home purchase	**335,129**	**74,233**	***384,952***	***124,499***
Other real estate assets foreclosed or received in lieu of debt	**9,975**	**3,313**	**13,053**	**6,391**
Capital instruments foreclosed or received in lieu of debt	—	—	—	—
Capital instruments of institutions holding assets foreclosed or received in lieu of debt	—	—	—	—
Financing to institutions holding assets foreclosed or received in lieu of debt	—	—	—	—
Total	**536,863**	**134,883**	***635,534***	***222,051***

(*) Non-performing real estate assets including real estate located outside the national territory and the provision allocated in the original loan, and excluding the credit risk transferred in portfolio sales (see reconciliation between assets foreclosed or received in lieu of debt and non-performing assets, below).

Thousand euro

	31/12/2025			
	Gross carrying amount	Allowances	*Gross amount (*)*	*Allowances (*)*
Real estate assets acquired through lending for construction and real estate development	**209,102**	**66,077**	***257,344***	***103,234***
Completed buildings	186,404	54,192	214,924	*82,577*
Housing	111,929	27,123	*129,300*	*44,186*
Other	74,474	27,069	*85,624*	*38,391*
Buildings under construction	568	289	815	*536*
Housing	316	131	*463*	*279*
Other	252	*157*	*352*	*257*
Land	22,130	11,596	41,606	*20,121*
Developed land	13,057	6,296	*15,483*	*8,722*
Other land	9,073	5,300	*26,123*	*11,399*
Real estate assets acquired through mortgage lending to households for home purchase	**359,413**	**86,011**	***413,748***	***140,931***
Other real estate assets foreclosed or received in lieu of debt	**10,095**	**3,263**	***13,243***	***6,411***
Capital instruments foreclosed or received in lieu of debt	—	—	—	—
Capital instruments of institutions holding assets foreclosed or received in lieu of debt	—	—	—	—
Financing to institutions holding assets foreclosed or received in lieu of debt	—	—	—	—
Total	**578,610**	**155,350**	**684,335**	**250,576**

(*) Non-performing real estate assets including real estate located outside the national territory and the provision allocated in the original loan, and excluding the credit risk transferred in portfolio sales (see reconciliation between assets foreclosed or received in lieu of debt and non-performing assets, below).

The reconciliation of the real estate assets shown in the two previous tables of this Schedule as at 30 June 2026 and 31 December 2025 is shown below:

Thousand euro

	30/06/2026		
	Gross value	Allowances	Net book value
Total real estate portfolio in the national territory (in books)	**536,863**	**134,883**	**401,980**
Total operations outside the national territory and others	12,453	—	12,453
Provision allocated in original loan	87,726	87,726	—
Risk transferred in portfolio sales	(1,507)	(557)	(950)
Total non-performing real estate	**635,534**	**222,051**	**413,483**

Thousand euro

	31/12/2025		
	Gross value	Allowances	Net book value
Total real estate portfolio in the national territory (in books)	**578,610**	**155,350**	**423,259**
Total operations outside the national territory and others	11,736	—	11,736
Provision allocated in original loan	95,830	95,830	—
Risk transferred in portfolio sales	(1,841)	(604)	(1,237)
Total non-performing real estate	**684,335**	**250,576**	**433,758**

Banco Sabadell Group consolidated interim Directors' Report for the first six months of 2026

The consolidated interim Directors' Report is prepared with the sole purpose of explaining the significant events and changes that occurred in the six-month period, without repeating the information already published in the Directors' Report of the most recent consolidated annual financial statements. Consequently, for proper comprehension of the information included in this consolidated interim Directors' Report, it should be read together with the Directors' Report for the 2025 consolidated annual financial statements, which was prepared in accordance with the recommendations of the "Guide for the preparation of management reports of listed companies" published by the CNMV in July 2013.

1. BANCO SABADELL GROUP

1.1 Mission and values

Banco Sabadell helps people and businesses bring their projects to life, anticipating their needs and helping them make the best economic decisions. It does this through environmentally and socially responsible management.

This is Banco Sabadell's *raison d'être*: to help its customers make the best economic decisions so that they may see their personal and/or business projects take shape. To that end, it gives customers the benefit of the opportunities offered by big data, digital capabilities and the expertise of its specialists.

The Bank and those who form part of it share the values that help to accomplish this mission, however, wherever and whenever that may be.

Banco Sabadell accomplishes its mission while staying true to its values:

- Commitment and Non-Conformism, values that define its way of being.
- Professionalism and Effectiveness, values that define its way of working.
- Empathy and Openness, values that define its way of interacting.

1.2 Strategic Plan 2025-2027

During the first half of 2026, Banco Sabadell Group's activities have been carried out under the framework of the Strategic Plan 2025-2027, presented on 24 July 2025, which sets out the Group's strategic direction and its key financial targets.

According to the current plan, Banco Sabadell expects to achieve a return of 16% in 2027 and shareholder remuneration of 6.45 billion euros over the period 2025-2027. This all goes hand in hand with an increase in commercial activity with a particular focus on Spain, improving its risk profile, and increasing revenue whilst maintaining efficient cost management.

Focus on Spain

Since Banco Sabadell transferred 100% of the share capital of TSB to Santander UK on 30 April 2026, the core focus of Banco Sabadell's activity has been Spain, a reliable market, with one of the most favourable macroeconomic environments in the European Union, characterised by sustained growth, stability and positive development prospects.

Focus on growth

Banco Sabadell remains firmly focused on profitable growth, with the aim of expanding its franchise through an increase in credit volumes, fees and commissions and the customer base, whilst preserving risk quality at all times:

- Credit: gross performing loans increased by 4.7% compared to year-end 2025 and this item is expected to remain on a path of sustained growth, maintaining adequate risk quality.
- Fees and commissions: growth will mainly be driven by the key savings and investment business lines, together with insurance and payment services, which together constitute the key drivers that generate fees and commissions. These business lines have reported mid-single-digit growth year-on-year.
- Customers (gross acquisition of retail customers): the Bank will continue to increase customer acquisition and strengthen customer engagement, with a particular focus on digital channels, whilst also continuing to acquire new customers through the branch network. Customer acquisition through the digital channel has grown in the double digits in year-on-year terms.

Shareholder remuneration

The organic generation of revenue and capital has allowed the Bank to remain firmly committed to shareholder remuneration.

During the first half of 2026, the Bank executed two share buyback programmes linked to the 2025 financial year for a combined amount of 800 million euros and, at a meeting of the Board of Directors on 23 July 2026, the Board approved a new share buyback programme for an amount of 331 million euros. In addition, following the sale of TSB, on 29 May 2026 the Bank paid out an extraordinary dividend for an amount of 2,432 million euros.

Financial targets of the Strategic Plan

The key financial targets of the Strategic Plan to 2027 are based on a sustained improvement of profitability on the back of higher income from the banking business, disciplined management of costs and provisions, and recurrent capital generation.

The Strategic Plan projections are based on a prudent macroeconomic scenario, characterised by sustained growth of the Spanish economy, above the Eurozone average, a gradual normalisation of interest rates following the 2022-2023 rate hike cycle, and inflation trending towards the central banks' targets. In this context, it is expected that credit growth will evolve in line with nominal GDP, meaning that no significant rise in leverage is envisaged in the private sector, and that the unemployment rate will continue on its downward trend.

The Institution has set some targets for 2026 that consolidate the trend anticipated in the Plan. In this respect, it expects (i) net interest income growth of above 1% compared to the previous year, supported by balance sheet management and resilient volumes, (ii) a mid-single-digit increase in fees and commissions, (iii) recurrent costs to trend upwards by below 3% per annum, and (iv) total cost of risk standing at approximately 40 basis points.

As a result of this, the profitability target for 2026, measured in terms of recurrent ROTE, stands at around 14.5%, thus consolidating a trend of sustained value generation in line with the targets established for the end of the Strategic Plan period. All this is complemented by an attractive shareholder remuneration policy, in the context of the Group's strong capacity to generate capital.

1.3 Banco Sabadell share performance

Share price performance

The Bank's share capital as at 30 June 2026 amounted to 611,026,445.13 euros, represented by 4,888,211,561 registered shares with a par value of 0.125 euros each (as at 31 December 2025, it amounted to 627,959,716.50 euros, represented by 5,023,677,732 registered shares with a par value of 0.125 euros).

As at 30 June 2026, the Banco Sabadell share price closed at 3.10 euros per share, meaning that it has followed a positive trend over the first half of the financial year, recording cumulative share price appreciation of 7.7%[3].

On a like-for-like basis, this performance was below the average of its peers[4] in Spain, which saw an increase of 15.8%, below the European banking industry benchmark (STOXX Europe 600 Banks), which gained 12.5%, and also below the main general indices, such as the EURO STOXX 50 and IBEX 35, which recorded increases of 10.1% and 12.5%, respectively.

The start of the year was positive on the stock markets, although the mood subsequently deteriorated due to (i) greater uncertainty in view of the potential impact that AI may have on the global economy, particularly on the software and financial sectors, and (ii) a significant increase in geopolitical risks, especially with the escalation of the conflict in the Middle East.

In the second quarter of the year, the capital markets saw a recovery associated with developments in the negotiations between the United States and Iran, aimed at resolving the conflict and reopening the Strait of Hormuz. Progress with the negotiations and the signature of a memorandum of understanding caused the stock markets to reach new highs.

In terms of the macroeconomic environment, GDP growth forecasts for the main developed economies were revised downwards for the current year as a result of the expected impact of the conflict in the Middle East. In any case, the global economy has continued to show resilience and Spain has continued to demonstrate dynamism, clearly outperforming the Eurozone as a whole.

The main concerns have focused on the upward trend of inflation, due to the increase in energy prices stemming from the aforesaid conflict. The inflation rates of the main economies have strayed from the targets set by the central banks. In this scenario, the ECB raised official interest rates by 25 basis points, bringing the deposit facility rate to 2.25%. Various ECB members have left open the possibility of further rate hikes, and the financial markets are anticipating another rate rise towards the end of the year. For their part, the Federal Reserve and the Bank of England kept interest rates unchanged.

Lastly, at an idiosyncratic level, Banco Sabadell’s share price was influenced, on one hand, by a slight downward revision of earnings estimates following the publication of results for the fourth quarter of 2025 and the first quarter of 2026 and, on the other hand, by the payment of an extraordinary dividend of 50 euro cents per share related to the sale of TSB.

1.4. Corporate governance

Banco Sabadell has a sound corporate governance structure that ensures effective and prudent management of the Bank, in which it prioritises ethical, solid and transparent governance, taking into account the interests of shareholders, customers, employees and society in the geographies in which it operates.

The internal governance framework, which sets out, among other aspects, its shareholding structure, the governing bodies, the Group’s structure, the composition and operation of corporate governance, the internal control functions, key governance matters, the risk management framework, the internal procedure for the approval of credit transactions granted to directors and their related parties and the Group’s policies, is published on the corporate website: www.grupbancsabadell.com (see section “Corporate Governance and Remuneration Policy – Internal Governance Framework”).

As required by Article 540 of the Spanish Capital Companies Act, the Group has prepared the Annual Corporate Governance Report for the year 2025, which, in accordance with Article 49 of the Spanish Code of Commerce, forms part of the consolidated Directors’ Report for 2025. It includes a section on the extent to which the Bank follows recommendations on corporate governance currently in existence in Spain.

As it has done on previous occasions, Banco Sabadell has opted to prepare the Annual Corporate Governance Report in free PDF format, in accordance with CNMV Circular 2/2018 of 12 June, in order to explain and publicise, with maximum transparency, the main aspects contained therein.

[3] Source: Bloomberg. Share price appreciation adjusted for dividends and capital increases.
[4] Includes Caixabank, Banco Santander, BBVA, Bankinter and Unicaja.

Annual General Meeting 2026

The Bank's main governing body is the Annual General Meeting (AGM), in which shareholders decide on matters attributed to the Meeting by law, the Articles of Association (available on the corporate website under "Corporate Governance and Remuneration Policy – Articles of Association") and its own Regulation, as well as any business decisions that the Board of Directors considers to be of vital importance for the Bank's future and corporate interests.

The Annual General Meeting has approved its own Regulation, which sets out the principles and basic rules of action (see corporate website under "Shareholders' General Meeting – Regulations of the Shareholders' Meeting"), safeguarding the rights of shareholders and transparency of information.

At the Annual General Meeting, shareholders may cast one vote for every thousand shares that they own or represent. The Policy for communication and contact with shareholders, institutional investors and proxy advisors, approved by the Board of Directors and adapted to the Good Governance Code of Listed Companies of June 2020, aims to promote transparency of public information, build trust and safeguard, at all times, the legitimate interests of institutional investors, shareholders and proxy advisors and of all other stakeholders of Banco Sabadell.

The Board of Directors, at its meeting on 26 March 2026, resolved to permit votes and proxies in the 2026 Annual General Meeting to be cast and nominated (respectively) remotely prior to the AGM and to put systems and procedures in place so that shareholders and their proxies could attend via electronic means that connected in real time to the venue where the AGM was being held, and to allow shareholders to speak and cast votes using the systems and procedures set up for that purpose, in accordance with that provided in the Articles of Association and in the Regulations of the Shareholders' Meeting.

At the Annual General Meeting held on 6 May 2026, shareholders approved all the items on the agenda, among them the annual financial statements and the corporate management of the financial year 2025 and, in relation to appointments, they approved the ratification and appointment of Marc Armengol Dulcet and of Carlos Ventura Santamans as members of the Board of Directors, serving as Executive Directors, as well as the re-election of Pedro Fontana García, Luis Deulofeu Fuguet and George Donald Johnston III as members of the Board, in the capacity of Independent Directors.

Information regarding the 2026 Annual General Meeting is published on the corporate website: www.grupbancsabadell.com (see section "Shareholders and Investors - Shareholders' General Meeting").

Composition of the Board of Directors

With the exception of matters reserved to the Annual General Meeting, the Board of Directors is the most senior decision-making body of the company and its consolidated group, as it is responsible, under the law and the Articles of Association, for the management and representation of the Bank. The Board of Directors acts mainly as an instrument of supervision and control, delegating the management of ordinary business matters to the Chief Executive Officer.

The Board of Directors is subject to well-defined and transparent rules of governance, in particular to the Articles of Association and the Regulation of the Board of Directors (available on the corporate website under "Corporate Governance and Remuneration Policy – Regulation of the Board of Directors"), and it conforms to best practices in the area of corporate governance.

On 5 February 2026, the Board of Directors, in agreement with César González-Bueno Mayer, approved his replacement as Chief Executive Officer and accepted his resignation as a Director, effective as of the Annual General Meeting. At that same meeting, the Board also approved the appointments of Marc Armengol Dulcet, to fill the vacancy resulting from the aforesaid resignation, and of Carlos Ventura Santamans, both as Executive Directors. At the Annual General Meeting held on 6 May 2026, shareholders ratified and appointed both directors and on that same day, once the corresponding regulatory authorisations had been received, the Board of Directors appointed Marc Armengol Dulcet as Chief Executive Officer to replace César González-Bueno Mayer.

Board Committees

In accordance with the Articles of Association, the Board of Directors has set up the following Board Committees:

– The Board Strategy and Sustainability Committee.

– The Delegated Credit Committee.

– The Board Audit and Control Committee.

– The Board Appointments and Corporate Governance Committee.

– The Board Remuneration Committee.

– The Board Risk Committee.

The organisation and structure of the Board Committees are set out in the Articles of Association, in the Regulation of the Board of Directors and in the Board Committees' respective Regulations, which establish the rules governing their composition, operation and responsibilities (see the section of the corporate website "Corporate Governance and Remuneration Policy – Regulations of the Committees"), and which develop and supplement the rules of operation and basic functions set out in the Articles of Association and in the Regulation of the Board of Directors.

The Board Committees have sufficient resources to perform their duties and they may seek external professional advice and information on any aspect of the Institution, having unrestricted access both to Senior Management and Group executives and to all information and documentation, of any kind, held by the Institution on matters within their remit.

The composition of the Board Committees as at 30 June 2026 is shown in the table below:

Position	Strategy and Sustainability	Delegated Credit	Audit and Control	Appointments and Corporate Governance	Remuneration	Risk
Chair	Josep Oliu Creus	Pedro Fontana García	Manuel Valls Morató	Pedro Fontana García	Mireya Giné Torrens	George Donald Johnston III
Voting member	Marc Armengol Dulcet (*)	Marc Armengol Dulcet	Ana Colonques García-Planas	Aurora Catá Sala	Ana Colonques García-Planas	Aurora Catá Sala
Voting member	Luis Deulofeu Fuguet	Luis Deulofeu Fuguet	María Gloria Hernández García	Ana Colonques García-Planas	Margarita Salvans Puigbò	María Gloria Hernández García
Voting member	Pedro Fontana García	Mireya Giné Torrens	Margarita Salvans Puigbò	María José García Beato	-	Manuel Valls Morató
Voting member	María José García Beato	Pedro Viñolas Serra	-	Pedro Viñolas Serra	-	-
Voting member	George Donald Johnston III	-	-	-	-	-
Non-Voting Secretary	Miquel Roca i Junyent	Gonzalo Barettino Coloma	Miquel Roca i Junyent	Miquel Roca i Junyent	Gonzalo Barettino Coloma	Gonzalo Barettino Coloma

(*) Member for matters of strategy only.

1.5. Sustainability

At Banco Sabadell, sustainability is seen as a core lever for contributing responsibly to business and social development and for creating long-term value. In this context, the Group has updated its sustainability disclosure framework through the publication of the document 'Sabadell's Commitment to Sustainability 2030', which incorporates environmental, social and governance factors into its business model.

Sabadell's Commitment to Sustainability 2030 defines a roadmap based on twenty targets, structured across three pillars, designed to maximise the Institution's impact on its own activities, on its customers and investors, and on society as a whole.

With a timeframe extending to 2030, this framework strengthens the Group's transformation capacity and consolidates an approach in which sustainability is embedded in its activities and decision-making, contributing to the development of a responsible and sustainable business model.

The Sustainability Targets for 2030 defined to shape this roadmap are set out below. These indicators specify goals that make it possible to measure the Group's progress in key areas of sustainability, thereby strengthening Banco Sabadell's commitment to a real and measurable transition towards sustainability.

Commitment	Indicator	Targets for 2030
Sustainable institution	**Carbon footprint**	9% reduction of own carbon footprint (scopes 1 and 2)[1].
	Emissions neutrality	Maintain neutrality of own greenhouse gas (GHG) emissions.
	Diversity	Women in the management team to reach 40%.
	Pay gap	Adjusted pay gap to be reduced to below 3%, based on average.
	Training	Keep employee training above 95%.
	Top Employer	Top Employers Institute rating above 90%.
	Suppliers assessed using ESG criteria	Keep the proportion of billing from suppliers[2] assessed using ESG criteria in the most sustainable categories[3] above 90%.
	Absence from work	Keep the absence from work rate below 4%.
	Responsible taxation	Ensure continuous adaptation to best practice and to national and international standards in terms of responsible and transparent taxation, including the promotion of a cooperative relationship with the tax authorities, reflected in positive external assessments[4].
Customers and investors	**Decarbonisation pathways**	Compliance with the decarbonisation targets published for CO_2 emissions-intensive sectors.
	Net-zero - Setting of interim targets	Set decarbonisation targets for 2035 for sectors with existing decarbonisation pathways.
	Sustainable mobilisation	Mobilise 90 billion euros in sustainable finance solutions[5] over the period 2026-2030.
	Social financing	Reach 10 billion euros in social financing over the period 2026-2030.
	Assets under management in sustainability funds	Keep 80% of assets under management invested in sustainability funds[6] in 2030.
	Digitalisation	New retail customers onboarded through digital channels[7] to reach 60%.
Sustainable and cohesive society	**Financial education**	Annual beneficiaries of financial education programmes to reach 11,000.
	Volunteer programme	Annual volunteers in social impact projects to reach 3,300.
	Cybersecurity	Maintain the 'Outstanding'[8] score obtained from the three perimeter cybersecurity rating agencies (Bitsight, RiskRecon and SecurityScoreCard).
	Affordable housing	Provide financing for 7,000 affordable homes over the period 2026-2030.
	Talent programmes	Beneficiaries of talent programmes to reach 80,000 over the period 2026-2030.

[1] Scopes 1 and 2 are GHG emissions categories defined by the Greenhouse Gas Protocol (GHG Protocol).

[2] Critical suppliers or those with billing of >€500,000.

[3] In the case of Achilles (supplier rating platform), refers to categories A+, A and B.

[4] Annual renewal of "T for Transparent" seal, granted by Fundación Haz.

[5] Includes Green and Social Loans (GSLs), Sustainability-Linked Loans (SLLs), social financing and capital markets.

[6] In accordance with the provisions of Articles 8 and 9 of the EU Sustainable Finance Disclosure Regulation (SFDR). Funds sold under the SABAM (Sabadell Asset Management) and/or Amundi brands.

[7] End-to-end process on digital channel.

[8] Score above 90 on normalised mean for a range of 0 to 100.

2. ECONOMIC AND FINANCIAL ENVIRONMENT

2.1 Global economic, political and financial context

In the first half of 2026, attention was firmly focused, on one hand, on the US-Israel offensive against Iran at the end of February and, on the other hand, on developments concerning AI. Aside from Iran, the rest of the Trump administration's agenda took a back seat. In any case, the geoeconomic confrontation between the major powers remained a significant issue.

In the geopolitical arena, the US-Israel offensive against Iran led to the closure of the Strait of Hormuz and a sharp rise in the price of oil and, to a lesser extent, gas, which drove up inflation across the globe. The trend in oil prices, however, was completely reversed at the end of June, following the signing of the Memorandum of Understanding (MoU) between the United States and Iran. The MoU provides for an extension of the ceasefire that began in April and the beginning of a 60-day negotiation period, with the aim of reaching an agreement that will lead to a permanent end to the hostilities. It was immediately agreed that the United States would lift both its sanctions on Iranian oil and its naval blockade of Iranian ports in the Strait of Hormuz. As for Iran, commitments were made to allow vessels to cross Hormuz without charging transit fees during that 60-day period. In any case, the negotiation process is not expected to be easy, which could hinder the full resumption of commercial traffic through the Strait.

With regard to matters related to AI, its impacts are now being felt, particularly in the increased momentum of investment in the United States, and in global trade figures. At the microeconomic level, there is evidence of productivity gains across various tasks thanks to AI, whilst evidence at the macroeconomic level indicates that these gains may take some time to materialise, with considerable variation in the forward-looking estimates. In the financial arena, companies continued to announce ambitious investment plans, which, in turn, continued to raise doubts about their ability to monetise those plans. This led to a downturn in the performance of tech companies on the financial markets. The financial authorities, for their part, signalled that AI is a threat to financial stability and that the associated cyber-risks could pose a systemic risk.

Beyond these issues, the geoeconomic confrontation continued, but was less prominent. In the commercial arena, the United States Supreme Court declared Trump's "Liberation Day" tariffs on different regions illegal, although a general universal tariff of 10% was maintained on the basis of other existing legal instruments. The terms agreed under different trade pacts concluded in 2025 were also kept in force. Meanwhile, the United States continued to move forward with new sectoral and regional investigations that could give rise to new tariffs. For its part, the EU began to move forward with political discussions aimed at establishing measures to protect itself from its trade dependency on China.

In this context, the global economy continued to demonstrate resilience and an ability to adapt to the different events that arose in the geostrategic sphere during the first half of 2026. The main concerns focused not so much on economic growth but instead on the upward trend of inflation.

Generally speaking, the economies continued to perform well in the first half of the year, although some data, particularly economic confidence indicators, weakened. In particular, in the Eurozone, GDP shrank by 0.2% in the first quarter, influenced by poor economic performance in Ireland. Excluding this country, GDP for the region would have registered growth of 0.2% to 0.3%. Ireland's poor performance was largely due to a significant fall in exports, following an exceptional year in 2025 when multinational pharmaceutical companies brought forward their exports in anticipation of the possible imposition of tariffs by the United States. Business confidence indices up to May, before the MoU between the United States and Iran, pointed to stagnation in economic activity in the second quarter.

The measures taken in response to the energy shock provided support within the Eurozone. EU governments, including those of Germany and Spain, generally announced tax cuts on energy products, although the packages offered were smaller than those implemented during the invasion of Ukraine. The European Commission also announced a relaxation of European tax rules to tackle the rising energy prices.

In the United States, the economy registered a quarter-on-quarter improvement of 0.5% in the first quarter. Demand continued to grow at a steady pace, in terms of both consumption and investment. Regarding the latter, components associated with AI stood out, while other investment and, in particular, residential construction, reported a weaker performance. The labour market improved over the half-year, and job creation has picked up pace in recent months. The unemployment rate did not undergo any major change and stands slightly above 4%.

With regard to inflation, this rose in the main economies in the wake of the energy shock, in a context of persistently high services sector inflation. In the Eurozone, headline inflation stood at 3.2% in May. Inflation for the energy component stabilised at around 11%, thanks to the tax cuts applied to energy products. In the United States, inflation also ticked up following the outbreak of the conflict and reached 4.2% in May.

In Spain, the economy performed well throughout the six-month period, in spite of the adverse geopolitical context. The impact of the conflict in the Middle East was reflected, above all, in slight falls in the business confidence indices and in inflation data. Consequently, economic activity remained only slightly below the level seen at the end of 2025, driven by private consumption, thanks to the good employment dynamic and continuing strong migration flows. Indicators linked to the tourism industry registered strong growth, in a context where the level of tourist arrivals is at an all-time high. All of this offset the slower pace of investment and a weaker external sector, resulting from the uncertainty and a slowdown in growth among some of the country's main trading partners. In any case, the economic outlook was barely revised downwards as a result of the conflict and Spain remains one of the developed economies with the most promising outlook for the future, with annual growth forecast to be above 2.0% in 2026 and at a similar figure in 2027.

In terms of inflation, this also ticked up as a result of the increase in fuel prices arising from the conflict in Iran, reaching its highest level since 2024. Core inflation increased significantly, due to the sharp rise in prices in the services sector, particularly those related to the tourism industry. This rise in inflation occurred despite the measures implemented by the government to mitigate the impacts of the conflict, which included tax cuts on energy supplies and fuels.

With regard to economic policy, the approval of an addendum to the Recovery Plan, to facilitate outstanding disbursements and to impose a limit on applications for loans initially allocated, was also noteworthy. The government announced that, with the aim of extending the useful life of the Next Generation European Union (NGEU) funds, a part of these would be used to create the '*España Crece*' (Spain Grows) fund, with which it seeks to mobilise, jointly with the private sector, investments amounting to 120 billion euros. Lastly, other policy measures worth noting were the announcement concerning the regularisation of undocumented migrants who have been in the country for at least five months, a further increase in the minimum wage of 3.1%, and the usual increase in pensions in line with inflation, measured by CPI.

In Mexico, GDP declined in the first quarter (-0.6% quarter-on-quarter) compared with an increase of 0.9% seen in the previous quarter. By components, declining investment continued to weigh on the economy, whilst, on the other hand, internal consumption and the external sector performed better, in relative terms. The initial economic activity data for the second quarter revealed an improvement. The main focus of attention was the joint review of the USMCA, which will take place in July. The lack of agreement concerning the extension of the treaty beyond 2036 could lead to its annual review. Another significant development was Moody's downgrade of Mexico's sovereign credit rating to the lowest notch of investment grade (BBB-), matching the rating already assigned by Fitch. In this context, the economic outlook for Mexico points to moderate growth in 2026.

In China, internal demand appeared weaker, while its foreign trade data continued to demonstrate significant momentum, driven by technology products. In this context, the dynamics reveal a two-speed economy. Industrial profits also reflected this trend, reaching their highest level since 2023, driven by the technology and energy sectors. The Chinese currency registered its highest rate against the dollar since 2023. The authorities introduced measures to exercise greater control over foreign minority investments, with the aim of mitigating potential future risks to its financial stability.

With regard to the financial environment, the banking sector continued to perform well despite the rise in geopolitical risks, given the small scale of its direct exposure to the Middle East (0.6% of assets, according to the European Banking Authority (EBA) and the ECB). Nevertheless, the financial authorities maintained a cautious stance regarding possible indirect and second-round effects, which could lead to increasing levels of default in the sectors that are most sensitive to energy prices.

In the regulatory environment, the European authorities continued to make progress on measures related to the Savings and Investments Union (SIU), notably the presentation of proposals aimed at simplifying the banking sector's regulatory framework. Among the measures considered by the European Commission and the EBA are the simplification of macroprudential capital instruments (possible combination of the countercyclical capital buffer and the systemic risk buffer) and review of the MREL framework. These developments took place in the context of progress with potential cross-border operations in Europe and an increase in corporate operations in certain markets, particularly Italy.

In Spain, attention was focused on the progress made by the Bank of Spain to assess the efficiency and possible adverse effects of a framework to enable the implementation of macroprudential measures aimed at borrowers, with the goal of preventing an accumulation of financial vulnerabilities associated with the housing market.

With regard to digital aspects, the rapid adoption of AI by the financial sector was one of the main trends observed over the period. The national financial authorities expressed their intention to supervise the use of AI by banks through the application of the existing regulatory frameworks and implementation of the supervisory expectations in relation to governance, risk management and internal control. Another area of concern was the growing exposure to private credit and the associated risks, following a number of stressful episodes arising from calls for reimbursement by retail investors. In this context, the ECB ruled out systemic risks to financial stability in the Eurozone due to the limited direct exposure of banks, insurers and pension funds; it even indicated that the private debt markets could contribute to the SIU objectives. However, the central bank reinforced its supervision of interactions between banks and the private credit market.

Lastly, the ECB stepped up its drive to move forward with the digital euro, both retail and wholesale, and with tokenisation, as pillars to underpin European monetary sovereignty. Regarding the retail digital euro, the ECB reiterated the importance of completing the legislative procedure to establish its legal framework in 2026. In terms of the wholesale digital euro, the ECB announced the forthcoming September launch of its near-term initiative, 'Pontes', and published a public consultation paper on 'Appia', its roadmap for the development of long-term solutions. Meanwhile, the European Commission launched a consultation on the review of the regulatory framework for Markets in Crypto-Assets (MiCA).

2.2 Central banks and fixed-income markets

In terms of monetary policy, the market recalibrated upwards its expectations for official interest rate hikes by the major central banks, and the ECB implemented a rate rise at its meeting in June as a result of the energy shock.

Specifically, the ECB increased official rates by 25 basis points in June, setting the deposit facility rate at 2.25%. Christine Lagarde declined to confirm whether this increase marks the beginning of a rate hike cycle, although some members of the central bank would not rule out further increases.

In the United States, the Federal Reserve kept interest rates unchanged during the first half of 2026, in the 3.50% to 3.75% range. Kevin Warsh was nominated to succeed Jerome Powell as Chair of the Fed and took up the role in May. Following the handover, Warsh proposed changes to the Fed's policy statement on rates, shortening it and removing any mention of possible future rate cuts additional to those carried out in 2025.

The stock markets recorded increased volatility, driven by a number of factors. In January, Trump's tariff threats against Europe, in the context of tensions concerning Greenland, had a negative impact. In February, upward revisions to the investment plans of major tech companies, combined with the announcement of new AI applications that could have disruptive effects – particularly on software companies and among private credit fund managers – weighed on the markets. Finally, from March onwards, the main driver was rising prices of oil and other commodities as a result of the conflict in the Middle East. However, optimism around AI helped to drive up the indices most exposed to its ecosystem (particularly the stock markets of South Korea and Taiwan, where semiconductor manufacturers have a significant presence), alongside widespread rallies following the signing of the memorandum of understanding between the United States and Iran and the subsequent fall in Brent prices. As a result, the stock markets once again reached all-time highs and the volatility of the indices returned to record lows.

Long-term government bond yields recorded broad-based rallies, mainly driven by a recalibration of expectations about official rates following the outbreak of the conflict in the Middle East. The yield on the 10-year sovereign bond reached its highest levels since 2011 in Germany and since 2008 in the United Kingdom, falling back slightly as tensions in the Middle East eased. In the United States, movements were more contained, in line with a potentially smaller impact of the energy shock on the US economy. The risk premiums of peripheral European countries rose moderately following the beginning of the conflict, although all of them fell back again as the geopolitical situation improved.

2.3 Currency market

The euro depreciated against the US dollar by around -3% in the first half of 2026, standing at 1.14 dollars to the euro. However, the currency pair had reached 1.20 dollars to the euro at the end of January. Thus, whilst Trump's unyielding stance towards Europe on tariffs and geopolitical matters at the start of the year, coupled with concerns over the US President's attack on the Fed, led to an appreciation of the euro, this trend was reversed with the outbreak of the war in Iran and the energy shock (to the benefit of the United States as a net oil exporter). Following the ceasefire and with negotiations ongoing between the two sides, the resilience of economic data in the United States continued to support the dollar in spite of the drop in oil prices.

The yen also depreciated against the dollar, despite the largest exchange rate intervention in the country's history, implemented in May by the Japanese Ministry of Finance. At the end of the second quarter, the currency pair stood slightly above 160 yen to the dollar, which represents a depreciation of more than 3%. However, as occurred with the euro, the yen benefitted from a certain aversion to the dollar at the beginning of the year, reaching 152 yen to the dollar.

2.4 Emerging markets

Country risk premiums ended the six-month period at levels similar to those at the end of 2025, despite the upturn during the early stages of the conflict in Iran. The emerging financial markets showed a mixed performance in which certain countries fared better, such as those with lower dependence on foreign energy sources and those with particular exposure to the global AI boom. Yields on domestic government bonds tended to increase alongside higher energy prices and upward pressure on inflation. In Mexico, the Mexican peso appreciated slightly compared to the end of 2025 and, in China, the yuan appreciated against the dollar to levels not seen since the beginning of 2023.

3. FINANCIAL INFORMATION

The financial information corresponding to 2025 has been restated to reflect the Group's new organisational structure following the sale of TSB. In this respect, the net contribution of the TSB business to the Group's income statement is presented in aggregate form under the heading "Contribution from sold business (TSB)".

Banco Sabadell and its group ended the first half of 2026 with attributed net profit of 971 million euros. Profit amounted to 892 million euros excluding TSB's contribution. It should be noted that this profit includes 201 million euros of non-recurrent impacts, of which 322 million euros net corresponds to the sale of TSB, -64 million euros net to efficiency initiatives in Spain, -45 million euros net to the sale of a shareholding, and -12 million euros net to the sterling hedge on the sale price of TSB.

3.1 Income statement

Million euro

	30/06/2026	30/06/2025	Year-on-year change (%)
Net interest income	**1,774**	**1,810**	**(2.0)**
Net fees and commissions	643	649	(0.9)
Core revenue	**2,417**	**2,459**	**(1.7)**
Profit or loss on financial operations and exchange differences	17	16	5.3
Equity-accounted income and dividends	65	102	(36.0)
Other operating income and expenses	(37)	(43)	(13.9)
Gross income	**2,463**	**2,534**	**(2.8)**
Operating expenses	(1,025)	(911)	12.5
Staff expenses	(695)	(592)	17.3
Other general administrative expenses	(330)	(319)	3.4
Depreciation and amortisation	(202)	(175)	15.9
Total costs	(1,227)	(1,085)	13.0
Memorandum item:			
Recurrent costs	(1,139)	(1,085)	4.9
Non-recurrent costs	(88)	—	–
Pre-provisions income	**1,236**	**1,449**	**(14.7)**
Total provisions and impairments	(285)	(241)	18.3
Provisions for loan losses	(257)	(179)	43.9
Provisions for other financial assets	(34)	(21)	59.1
Other provisions and impairments	6	(41)	–
Capital gains on asset sales and other revenue	279	(12)	–
Profit or loss before tax	**1,230**	**1,195**	**2.9**
Corporation tax	(335)	(390)	(14.1)
Profit or loss attributed to minority interests	3	1	184.9
Profit after tax	**892**	**804**	**10.9**
Contribution from sold business (TSB)	**79**	**171**	**(53.9)**
Profit attributed to the Group	**971**	**975**	**(0.5)**

Net interest income in the first half of 2026 reached 1,774 million euros, 2.0% lower than the net interest income obtained in the first half of 2025. This development is mainly explained by the lower loan yield and the reduced contribution from liquidity. These impacts are seen to be partially offset by the positive evolution of volumes, the lower cost of customer funds and of funding in the capital markets, as well as the larger contribution of the fixed-income portfolio.

Net fees and commissions in the first six months of the year amounted to 643 million euros, representing a decline of 0.9% in year-on-year terms, mainly caused by the smaller contribution of fees and commissions from services.

Equity-accounted income and dividends received in the first half of the year came to a total of 65 million euros, compared to 102 million euros in the first six months of 2025. The negative change compared to the previous year is mainly due to the smaller contribution from the insurance business, affected by market volatility, and additionally by the recognition of positive results in the first half of 2025 stemming from BSCapital investees.

Total costs in the first half of 2026 came to 1,227 million euros, while in the first half of 2025 they came to a total of 1,085 million euros, thus representing an increase of 13.0% year-on-year, due mainly to the recognition of 88 million euros in non-recurrent costs relating to efficiency initiatives in Spain. Recurrent costs, for their part, increased by 4.9% year-on-year, with a particularly noteworthy increase in depreciation and amortisation, impacted by the reclassification out of the provisions line item of expenses associated with assets in the payments business (Paycomet) during the fourth quarter of 2025. Excluding this impact, recurrent costs rose by 3.8% year-on-year.

With this level of costs, the cost-to-income ratio as at the end of June 2026 stood at 49.8%, affected by the non-recurrent impacts mentioned earlier, compared to 42.8% at the end of the first half of the previous year.

As a result of all the above, the first half of 2026 ended with pre-provisions income of 1,236 million euros compared to 1,449 million euros in the first half of 2025.

Total provisions and impairments came to a total of 285 million euros, compared to 241 million euros in the first six months of 2025, representing an increase of 18.3% as a result of the recognition of higher provisions for credit risk, which offset the improvement observed in provisions associated with real estate assets.

Capital gains on asset sales and other revenue amounted to 279 million euros as at the end of June 2026; this figure mainly includes 331 million euros gross related to the sale of TSB. In addition, -45 million euros net related to the sale of a shareholding were recognised, as well as -2 million euros gross stemming from efficiency initiatives in Spain related to branch closures. In the first six months of 2025 the figure mainly included asset write-offs.

3.2 Balance sheet

Million euro

	30/06/2026	31/12/2025	Change (%)
Cash, cash balances at central banks and other demand deposits	5,460	12,403	(56.0)
Financial assets held for trading	5,468	3,194	71.2
Non-trading financial assets mandatorily at fair value through profit or loss	233	194	19.6
Financial assets at fair value through other comprehensive income	5,766	5,816	(0.9)
Financial assets at amortised cost	170,629	159,767	6.8
Debt securities	29,264	27,069	8.1
Loans and advances	141,366	132,698	6.5
Investments in joint ventures and associates	468	482	(2.9)
Tangible assets	1,671	1,732	(3.5)
Intangible assets	2,406	2,493	(3.5)
Non-current assets and disposal groups classified as held for sale	414	52,549	(99.2)
Other assets	6,569	6,761	(2.8)
Total assets	**199,084**	**245,392**	**(18.9)**
Financial liabilities held for trading	1,815	1,726	5.1
Financial liabilities at amortised cost	183,639	178,942	2.6
Deposits	155,855	154,348	1.0
Central banks	440	—	–
Credit institutions	18,247	19,845	(8.1)
Customers	137,168	134,503	2.0
Debt securities issued	20,889	19,949	4.7
Other financial liabilities	6,896	4,644	48.5
Provisions	346	345	0.5
Liabilities included in disposal groups classified as held for sale	—	49,333	(100.0)
Other liabilities	1,109	964	15.0
Total liabilities	**186,909**	**231,310**	**(19.2)**
Shareholders' equity	12,381	14,631	(15.4)
Accumulated other comprehensive income	(244)	(584)	(58.2)
Minority interests [non-controlling interests]	38	35	8.9
Equity	**12,175**	**14,082**	**(13.5)**
Total equity and total liabilities	**199,084**	**245,392**	**(18.9)**
Loan commitments given	21,939	27,316	(19.7)
Financial guarantees given	1,896	1,835	3.4
Other commitments given	8,587	9,714	(11.6)
Total memorandum accounts	**32,423**	**38,864**	**(16.6)**

Million euro

	30/06/2026	31/12/2025 (*)	Change (%)
Loans and credit secured with mortgages	51,824	51,141	1.3
Loans and credit secured with other collateral	7,134	6,617	7.8
Trade credit	8,821	8,605	2.5
Finance leases	2,764	2,527	9.4
Bank overdrafts and other short-term borrowings	54,642	50,725	7.7
Gross performing loans to customers	**125,184**	**119,615**	**4.7**
Stage 3 assets (customers)	3,145	3,282	(4.2)
Accrual/deferral adjustments	175	175	0.1
Gross loans to customers, excluding reverse repos	**128,504**	**123,072**	**4.4**
Reverse repos	—	—	–
Gross loans to customers	**128,504**	**123,072**	**4.4**
Impairment allowances	(2,196)	(2,302)	(4.6)
Loans and advances to customers	**126,308**	**120,770**	**4.6**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

As at the end of the first half of 2026, total assets of the Group amounted to 199,084 million euros, representing a decline of 18.9% with respect to December 2025, following the sale of TSB.

Gross performing loans to customers had a balance of 125,184 million euros as at 30 June 2026, increasing by 4.7% from the balance as at the end of 2025, driven both by the good performance in Spain, which recorded growth in all segments, and by businesses abroad.

As at the end of June 2026, the NPL ratio improved and stood at 2.47% (2.65% as at 2025 year-end), while the stage 3 coverage ratio including total provisions was 68.7% (69.5% as at 2025 year-end).

Million euro

	30/06/2026	31/12/2025	Change (%)
On-balance sheet customer funds (*)	**133,380**	**132,037**	**1.0**
Customer deposits	137,168	134,504	2.0
Current and savings accounts	110,100	109,577	0.5
Deposits with agreed maturity	22,769	22,071	3.2
Repos	4,134	2,709	52.6
Accrual/deferral adjustments and hedging derivatives	165	147	12.2
Borrowings and other marketable securities	17,626	16,956	4.0
Subordinated liabilities (**)	3,263	4,265	(23.5)
On-balance sheet funds	**158,057**	**155,725**	**1.5**
Collective investment undertakings	32,571	31,707	2.7
Managed	920	831	10.8
Sold but not managed	31,651	30,876	2.5
Assets under management	6,892	5,887	17.1
Pension funds	3,537	3,430	3.1
Personal schemes	2,267	2,195	3.3
Workplace schemes	1,267	1,231	2.9
Collective schemes	4	3	6.2
Third-party insurance products	11,725	11,632	0.8
Off-balance sheet customer funds	**54,726**	**52,656**	**3.9**
Funds under management and third-party funds	**212,782**	**208,381**	**2.1**

(*) Includes customer deposits (excluding repos) and other liabilities placed via the branch network: straight bonds issued by Banco Sabadell, commercial paper and others.

(**) Refers to subordinated debt securities issued.

As at 30 June 2026, on-balance sheet customer funds amounted to 133,380 million euros, compared to 132,037 million euros as at the end of 2025, representing an increase of 1.0%, due to the good evolution of both demand deposits and term deposits.

Total off-balance sheet customer funds amounted to 54,726 million euros, increasing by 3.9% compared to the end of the previous year. In this item, the good evolution of wealth management and mutual funds is particularly noteworthy.

3.3 Solvency

The Common Equity Tier 1 (CET1) ratio as at 30 June 2026 stood at 13.16% (phase-in) and at 13.11% (fully-loaded).

Credit ratings

The Group retained its investment grade rating from all credit rating agencies that assign ratings to it.

On 16 December 2025, S&P Global Ratings upgraded the outlook from stable to positive, affirming the issuer's long-term and short-term credit ratings of 'A-' and 'A-2', respectively. The upgraded outlook reflected the possibility that S&P Global Ratings could raise Banco Sabadell's ratings if the Institution manages to build up and sustain a buffer of bail-inable subordinated instruments large enough (i.e. more than 6%) to provide enhanced protection to senior debtholders in a resolution scenario.

On 10 June 2026, Moody's Ratings confirmed the deposit rating of Banco de Sabadell, S.A. at 'A2'/'Prime-1' and that of its senior unsecured debt at 'Baa1'. The outlook for long-term deposits was upgraded from stable to positive, while the outlook for senior unsecured debt was maintained as stable. The positive outlook for long-term deposits reflects Moody's expectation that the Bank's asset quality will continue to improve, with the NPA ratio declining below 3% over the outlook period. The positive outlook also incorporates broadly stable profitability, with net interest income expected to return to quarterly growth in the second quarter of 2026.

On 8 July 2026, Fitch Ratings affirmed Banco Sabadell's long-term rating at 'A-' with a stable outlook. In Fitch's view, the Bank's strategy for the 2025-2027 period is being well executed, resulting in a sustainable increase in business volumes and earnings. This is helped by Spain's economic growth environment and structurally lower loan impairment charges following asset quality improvement. The ratings also consider the Bank's satisfactory capitalisation. The short-term rating was kept at 'F2'.

On 17 February 2026, Morningstar DBRS confirmed Banco Sabadell's long-term issuer rating at 'A (low)' with a stable trend, reflecting its improved profitability, which benefited from higher interest rates, credit growth, cost control discipline and declining cost of risk. The agency also highlighted the Institution's strong capitalisation, liquidity and diversified funding structure. The short-term rating remained at 'R-1 (low)'.

3.4 Branches and offices

At the end of the first half of 2026, Banco Sabadell had a network of 1,116 branches and offices. Of the total number of branches and offices of Banco Sabadell and its group, 805 operate under the Sabadell brand (including 28 business banking and 2 corporate banking branches), 82 operate as Sabadell Herrero (3 business banking branches), 78 branches operate under the Solbank brand, 60 operate as Sabadell Gallego (3 business banking branches), 59 as SabadellGuipuzcoano (5 business banking branches), and 7 as SabadellUrquijo. The other 25 branches and offices make up the international network, of which 12 correspond to Sabadell Mexico and the rest to foreign branches and overseas representative offices.

4. BUSINESS REVIEW

The key financial figures associated with the Group's largest business units are set out here below, in line with the segment information described in Note 31 to the condensed consolidated interim financial statements for the six-month period ended 30 June 2026.

4.1 Banking Business Spain

Net profit as at the end of June 2026 reached 857 million euros, representing a year-on-year increase of 11.7%. This profit includes 201 million euros net of non-recurrent impacts, of which 322 million euros net correspond to the sale of TSB, -64 million euros net to efficiency initiatives in Spain, -45 million euros net to the sale of a shareholding, and -12 million euros net to the sterling hedge on the sale price of TSB. Excluding this effect, net profit decreased by -14.5%.

Net interest income amounted to 1,673 million euros as at the end of June 2026, falling by 2.7% year-on-year, mainly as a result of the reduced credit yield and of the reduced contribution from liquidity. These impacts are seen to be partially offset by the positive evolution of volumes, the lower cost of customer funds and of funding in the capital markets, as well as the larger contribution of the fixed-income portfolio.

Net fees and commissions stood at 629 million euros, 1.2% lower than the figure at the end of June 2025, mainly due to the lower contribution of service fees.

Equity-accounted income and dividends showed a year-on-year decline of 36.0%, mainly the result of a lower contribution from the insurance business, which was affected by market volatility. In addition, this item was affected by the booking of positive results in the first half of 2025 stemming from BSCapital investees.

Total costs include -88 million euros of non-recurrent costs derived from efficiency initiatives related to early retirements. Recurrent costs presented an increase of 4.7% year-on-year, with a particularly noteworthy increase in depreciation and amortisation, impacted by the reclassification out of the provisions line item of expenses associated with assets in the payments business (Paycomet) during the fourth quarter of 2025. Excluding this impact, recurrent costs rose by 3.5% year-on-year.

The heading "Capital gains on asset sales and other revenue" mainly includes the recognition of 331 million euros gross related to the sale of TSB. In addition, -45 million euros related to the sale of a shareholding were recognised, as well as -2 million euros stemming from efficiency initiatives in Spain, related to branch closures.

Million euro

	30/06/2026	30/06/2025	Year-on-year change (%)
Net interest income	**1,673**	**1,719**	**(2.7)**
Net fees and commissions	629	637	(1.2)
Core revenue	**2,302**	**2,355**	**(2.3)**
Profit or loss on financial operations and exchange differences	13	14	(9.8)
Equity-accounted income and dividends	65	102	(36.0)
Other operating income and expenses	(22)	(29)	(23.9)
Gross income	**2,358**	**2,442**	**(3.5)**
Operating, depreciation and amortisation expenses	(1,174)	(1,038)	13.1
Pre-provisions income	**1,184**	**1,404**	**(15.7)**
Total provisions and impairments	(279)	(241)	15.5
Capital gains on asset sales and other revenue	280	(12)	(2,339.8)
Profit or loss before tax	**1,185**	**1,151**	**2.9**
Corporation tax	(324)	(382)	(15.2)
Profit or loss attributed to minority interests	3	1	184.9
Net profit	**857**	**767**	**11.7**
ROTE	15.3%	15.5%	
Cost-to-income ratio (*)	49.8%	42.5%	
NPL ratio	2.5%	2.8%	
Stage 3 coverage ratio, with total provisions	69.2%	68.8%	

(*) The June 2026 figure includes 88 million euros corresponding to the early retirement plans executed by the Group in the first half of that year.

Gross performing loans increased by 4.4% over the six-month period ended 30 June 2026, having grown in all segments.

On-balance sheet customer funds grew by 1.1% over the six-month period ended 30 June 2026, while off-balance sheet funds grew by 3.9%, mainly due to a positive flow of net mutual fund subscriptions and the favourable evolution of wealth management activity and third-party insurance products.

Million euro

	30/06/2026	31/12/2025	Change (%)
Assets	**191,720**	**186,300**	**2.9**
Gross performing loans to customers	119,753	114,669	4.4
Non-performing real estate assets, net	413	434	(4.7)
Liabilities and equity	**191,720**	**186,300**	**2.9**
On-balance sheet customer funds	130,021	128,598	1.1
Wholesale funding in capital markets	20,216	19,531	3.5
Allocated own funds	11,587	11,375	1.9
Off-balance sheet customer funds	**54,726**	**52,656**	**3.9**
Other indicators			
Employees	13,348	13,617	(2.0)
Branches and offices	1,104	1,149	(3.9)

4.2 Banking Business Mexico

Net profit as at the end of June 2026 stood at 35 million euros, representing a year-on-year reduction of 6.2%, as a result of higher costs and higher levels of provisions, as the first half of 2025 included releases associated with single-name borrowers.

Net interest income stood at 101 million euros, growing by 10.7% year-on-year, benefitting from the appreciation of the Mexican peso as, at a constant exchange rate, it increased by 3.4% due mainly to a larger credit volume and a lower cost of funds.

Net fees and commissions amounted to 14 million euros as at the end of June 2026, representing year-on-year growth of 7.7% at constant exchange rates due to increased business activity.

Total costs stood at 53 million euros, having increased by 10.4% year-on-year, mainly as a result of higher general expenses.

Provisions and impairments recorded a year-on-year increase, as the previous year included releases associated with single-name borrowers.

Million euro

	30/06/2026	30/06/2025	Year-on-year change (%)
Net interest income	**101**	**91**	**10.7**
Net fees and commissions	14	12	15.3
Core revenue	**115**	**104**	**11.3**
Profit or loss on financial operations and exchange differences	4	2	118.4
Equity-accounted income and dividends	—	—	—
Other operating income and expenses	(14)	(13)	8.2
Gross income	**105**	**92**	**13.9**
Operating, depreciation and amortisation expenses	(53)	(48)	10.4
Pre-provisions income	**52**	**44**	**17.8**
Total provisions and impairments	(7)	—	(3,828.8)
Capital gains on asset sales and other revenue	—	—	—
Profit or loss before tax	**45**	**45**	**2.1**
Corporation tax	(11)	(8)	41.7
Profit or loss attributed to minority interests	—	—	—
Net profit	**35**	**37**	**(6.2)**
ROTE	9.1%	11.2%	
Cost-to-income ratio	50.3%	51.9%	
NPL ratio	2.6%	2.2%	
Stage 3 coverage ratio, with total provisions	59.2%	66.4%	

The exchange rates applied to the income statement are EUR/MXN 20.3821 (average) and EUR/MXN 21.8216 (average) in the first half of 2026 and 2025, respectively.

Performing loans grew by 9.8% over the year. At constant exchange rates, this increase was 4.8%.

On-balance sheet customer funds fell by 2.3% during the six-month period ended 30 June 2026, with the balance variation at a constant exchange rate being -7.5%.

Million euro

	30/06/2026	31/12/2025	Change (%)
Assets	**7,364**	**7,208**	**2.2**
Gross performing loans to customers	5,431	4,946	9.8
Liabilities and equity	**7,364**	**7,208**	**2.2**
On-balance sheet customer funds	3,359	3,439	(2.3)
Wholesale funding in capital markets	—	—	—
Allocated own funds	794	768	3.4
Off-balance sheet customer funds	**—**	**—**	**—**
Other indicators			
Employees	494	500	(1.2)
Branches and offices	12	12	—

The exchange rates applied to the balance sheet are EUR/MXN 19.903 as at 30 June 2026 and EUR/MXN 21.118 as at 31 December 2025.

5. SUBSEQUENT EVENTS

No events meriting disclosure have occurred since 30 June 2026.

Performance measures and reconciliation with management indicators

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 indicators to monitor the management of the Group's assets and liabilities, as well as its financial and economic situation, 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 indicates below the definition, calculation and reconciliation for each APM. Figures are expressed in millions of euros unless otherwise indicated.

The reconciliation between the public consolidated income statement for the six-month periods ended 30 June 2026 and 2025 and the income statement used for management reporting, included in this Directors' Report, is also shown. The main difference between both is the method of presentation of the earnings on the sale of TSB, the impairment of the IT platform developed by the Group to serve TSB and the sale of the stake held in Promontoria Challenger I, S.A. In the public consolidated income statement, these imports are recognised, respectively, under the headings "Profit or loss after tax from discontinued operations", "Impairment or reversal of impairment on non-financial assets" and "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations". Conversely, in the income statement used for management reporting, they are included under the heading "Capital gains on asset sales and other revenue".

Alternative performance measures in the Group

1. Profitability and efficiency

1.1 Return On Assets (ROA)

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Consolidated profit or loss**	**1,775**	**1,917**
Denominator	**(+) Average total assets**	**238,586**	**244,922**
Ratio	**(=) ROA**	**0.7%**	**0.8%**

This ratio comprises the following items:

- **Consolidated profit or loss**: corresponds to the Group's consolidated profit or loss over the past twelve months.
- **Average total assets**: the arithmetic mean of the Group's daily asset balance over the past twelve months.

Relevance of use: measure commonly used in the financial sector to determine the accounting return on the Group's assets.

1.2 Return On Equity (ROE)

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Profit attributed to the Group**	**1,771**	**1,915**
Denominator	**(+) Average shareholders' equity**	**14,419**	**15,039**
Ratio	**(=) ROE**	**12.3%**	**12.7%**

This ratio comprises the following items:

- **Profit attributed to the Group**: corresponds to the profit attributable to owners of the parent over the past twelve months.
- **Average shareholders' equity**: the arithmetic mean of shareholders' equity on the last day of each month over the past twelve months.

Relevance of use: measure commonly used in the financial sector to determine the accounting return on shareholders' equity.

1.3 Return on Risk-Weighted Assets (RORWA)

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Consolidated profit or loss**	**1,775**	**1,917**
Denominator	**(+) Average risk-weighted assets**	**77,577**	**79,740**
Ratio	**(=) RORWA**	**2.3%**	**2.4%**

This ratio comprises the following items:

- **Consolidated profit or loss**: corresponds to the Group's consolidated profit or loss over the past twelve months.
- **Average risk-weighted assets**: the arithmetic mean of the Group's balance of assets weighted according to their respective risk factors on the last day of each month over the past twelve months. These factors reflect the perceived level of risk of each asset class.

Relevance of use: this is a more sophisticated ROA metric that indicates the accounting return obtained on risk-weighted assets, thereby introducing a correction factor to profitability figures according to the level of risk taken.

1.4 Return On Tangible Equity (ROTE)

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Profit attributed to the Group**	**1,771**	**1,915**
Denominator	**(+) Average shareholders' equity excluding intangibles**	**11,870**	**12,523**
	(+) Average shareholders' equity	14,419	15,039
	(–) Average intangible assets	2,549	2,516
Ratio	**(=) ROTE**	**14.9%**	**15.3%**

This ratio comprises the following items:

- **Profit attributed to the Group**: corresponds to the profit attributable to owners of the parent over the past twelve months.
- **Average shareholders' equity excluding intangible assets**: the arithmetic mean of shareholders' equity on the last day of each month over the past twelve months, after deducting intangible assets.

Relevance of use: measure commonly used in the financial sector to determine the accounting return on shareholders' equity after deducting intangible assets.

1.5 Cost-to-income ratio

Million euro

		30/06/2026	30/06/2025 (*)
Numerator	**(+) Total operating costs (**)**	**1,227**	**1,085**
Denominator	**(+) Gross income**	**2,463**	**2,534**
Ratio	**(=) Cost-to-income ratio**	**49.8%**	**42.8%**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

(**) The June 2026 figure includes 88 million euros corresponding to the early retirement plans executed by the Group in the first half of that year.

This ratio comprises the following items:

- **Total operating costs**: found by taking the sum of administrative, depreciation and amortisation expenses from the income statement used for management reporting corresponding to the first six months of the year.
- **Gross income**: taken directly from the gross income line item of the income statement used for management reporting corresponding to the first six months of the year.

Relevance of use: this is one of the main indicators used to measure the productivity of banking activity.

1.6 Customer spread

Million euro

		30/06/2026	30/06/2025 (*)
Numerator	(+) Return on customer loans	2,174	2,273
Denominator	(+) Average balance of customer loans	120,790	114,999
(A)	**(=) Average annual rate on customer loans**	**3.63%**	**3.99%**
Numerator	(+) Return on customer deposits	511	587
Denominator	(+) Average balance of customer deposits	132,395	126,208
(B)	**(=) Average annual rate on customer deposits**	**0.78%**	**0.94%**
(A) - (B)	**(=) Customer spread**	**2.85%**	**3.05%**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

The ratio is calculated as the difference between:

- **Average annual rate on customer loans**: obtained by finding the ratio of annualised interest revenue from customer loans booked in the accounts relative to the average daily balance of customer loans. The average balance is the arithmetic mean, calculated by taking the sum of the daily balances for the first six months of the year divided by the number of days in said period.

- **Average annual rate on customer deposits**: obtained by finding the ratio of annualised interest expense on customer deposits booked in the accounts relative to the average daily balance of customer funds. The average balance is the arithmetic mean, calculated by taking the sum of the daily balances for the first six months of the year divided by the number of days in said period.

Relevance of use: reflects the profitability of solely banking activity. It makes it possible to track the spread generated between the average yield on customer loans and the average cost of customer deposits.

2. Risk management

2.1 Non-performing assets

Million euro

	30/06/2026	31/12/2025 (*)
(+) Stage 3 exposures	**3,390**	**3,491**
(+) Non-performing real estate assets	**636**	**684**
(+) Real estate assets acquired through lending for construction and real estate development	238	257
(+) Real estate assets acquired through mortgage lending to households for home purchase	385	414
(+) Other real estate assets foreclosed or received in lieu of debt	13	13
(=) Non-performing assets	**4,025**	**4,176**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

- **Stage 3 exposures:** comprised of (i) assets classified as stage 3 including other valuation adjustments (accrued interest, fees and commissions, and others) of loans and advances to credit institutions and to customers, and (ii) financial guarantees and other guarantees given classified as stage 3 under exposures off the consolidated balance sheet.

- **Non-performing real estate assets**: comprised of (i) real estate assets from lending for construction and real estate development, (ii) real estate assets from mortgage loans to households for home purchase, and (iii) other real estate assets foreclosed or received in lieu of debt.

Relevance of use: indicator of total exposure to risks classified as stage 3 and to non-performing real estate assets.

2.2 Credit cost of risk

In million euro and basis points

		30/06/2026	30/06/2025 (*)
Numerator	**(+) Provisions for loan losses**	**504**	**400**
Numerator	**(–) Expenses on non-performing loans**	**100**	**119**
Denominator	**(+) Average gross loans excluding reverse repos**	**123,645**	**117,615**
Denominator	**(+) Average financial guarantees and other guarantees given**	**8,572**	**8,621**
Ratio	**(=) Credit cost of risk**	**31**	**22**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

- **Provisions for loan losses**: the amount recognised under the provisions for loan losses heading of the income statement used for management reporting over the past twelve months.
- **Expenses on NPLs**: costs associated with the management of loans classified in stage 3 (Non-Performing Loans, or NPLs) over the past twelve months.
- **Average gross loans excluding reverse repos**: the arithmetic mean of the balance of loans and advances to customers on the last day of each month over the past twelve months, comprising (i) asset impairment allowances, (ii) subtracting reverse repos, and (iii) adding stage 3 exposures of credit institutions.
- **Average financial guarantees and other guarantees given**: the arithmetic mean of the balance of financial guarantees given and other guarantees given for off-balance sheet exposures on the last day of each month over the past twelve months.

Relevance of use: this is one of the main indicators used in the banking industry to measure the credit risk performance of institutions, by giving the ratio of credit risk provisions booked over the past twelve months relative to the total loan book.

2.3 Total cost of risk

In million euro and basis points

		30/06/2026	30/06/2025 (*)
Numerator	**(+) Total provisions and impairments**	**535**	**556**
Denominator	**(+) Average gross loans excluding reverse repos**	**123,645**	**117,615**
Denominator	**(+) Average financial guarantees and other guarantees given**	**8,572**	**8,621**
Denominator	**(+) Average non-performing real estate assets**	**694**	**839**
Ratio	**(=) Total cost of risk**	**40**	**44**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

- **Total provisions and impairments**: comprises the balance of the following line items included in the income statement used for management reporting over the past twelve months: (i) Provisions for loan losses, (ii) Provisions for other financial assets, and (iii) Other provisions and impairments.
- **Average gross loans excluding reverse repos**: the arithmetic mean of the balance of loans and advances to customers on the last day of each month over the past twelve months, comprising (i) asset impairment allowances, (ii) subtracting reverse repos, and (iii) adding stage 3 exposures of credit institutions.
- **Average financial guarantees and other guarantees given**: the arithmetic mean of the balance of financial guarantees given and other guarantees given for off-balance sheet exposures on the last day of each month over the past twelve months.
- **Average non-performing real estate assets**: the arithmetic mean of the balance on the last day of each month over the past twelve months corresponding to (i) real estate assets from lending for construction and real estate development, (ii) real estate assets from mortgage loans to households for house purchase, and (iii) other real estate assets foreclosed or received in lieu of debt, generated over the past twelve months.

Relevance of use: risk metric used to measure the credit risk performance of institutions by giving the ratio of total provisions and impairments booked over the past twelve months relative to the total amount of the credit book and non-performing real estate assets.

2.4 Stage 3 coverage ratio, with total provisions

Million euro

		30/06/2026	31/12/2025 (*)
Numerator	**(+) Total coverage**	**2,330**	**2,425**
	(+) Impairment allowances	2,258	2,355
	(+) Provisions recognised under liabilities on balance sheet	72	70
Denominator	**(+) Stage 3 exposures**	**3,390**	**3,491**
	(+) Stage 3 assets	3,282	3,360
	(+) Stage 3 financial guarantees and other guarantees given	108	131
Ratio	**(=) Stage 3 coverage ratio, with total provisions**	**68.7%**	**69.5%**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

- **Total coverage:** comprised of the sum of (i) all impairment allowances for on-balance sheet assets, and (ii) provisions recognised under liabilities on the balance sheet associated with off-balance sheet exposures.

- **Stage 3 exposures**: formed of (i) assets classified as stage 3 including other valuation adjustments (accrued interest, fees and commissions, and others) of loans and advances to credit institutions and to customers, and (ii) financial guarantees and other guarantees given classified as stage 3 under off-balance sheet exposures.

Relevance of use: key ratio used in the banking industry to monitor the status and performance of institutions' credit risk. It shows the level of accounting provisions that the Institution has allocated for assets classified as stage 3.

2.5 NPL ratio

Million euro

		30/06/2026	31/12/2025 (*)
Numerator	**(+) Stage 3 exposures**	**3,390**	**3,491**
	(+) Stage 3 assets	3,282	3,360
	(+) Stage 3 financial guarantees and other guarantees given	108	131
Denominator	**(+) Gross loans excluding reverse repos**	**128,606**	**123,114**
Denominator	**(+) Financial guarantees and other guarantees given**	**8,757**	**8,540**
Ratio	**(=) NPL ratio**	**2.47%**	**2.65%**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

- **Stage 3 exposures**: comprised of (i) assets classified as stage 3 including other valuation adjustments (accrued interest, fees and commissions, and others) of loans and advances to credit institutions and to customers, and (ii) financial guarantees and other guarantees given classified as stage 3 under off-balance sheet exposures.

- **Gross loans excluding reverse repos**: obtained by taking loans and advances to customers over the past twelve months and then (i) adding impairment allowances, (ii) subtracting reverse repos, and (iii) adding stage 3 exposures of credit institutions.

- **Financial guarantees and other guarantees given**: consists of financial guarantees and other guarantees given under off-balance sheet exposures.

Relevance of use: a key indicator used in the banking industry to monitor the status and performance of the quality of credit risk undertaken with customers. This metric shows balances classified as impaired (stage 3) relative to the total loan book.

3. Liquidity management

3.1 Loan-to-Deposit (LtD) ratio

Million euro

		30/06/2026	31/12/2025 (*)
Numerator	**(+) Loans and advances to customers, excluding reverse repos and brokered loans**	**123,497**	**119,503**
	(+) Loans and advances to customers, excluding reverse repos	126,308	120,770
	(–) Brokered loans	2,811	1,268
Denominator	**(+) On-balance sheet customer funds**	**133,380**	**132,037**
Ratio	**(=) Loan-to-Deposit ratio**	**92.6%**	**90.5%**

(*) Data for 2025 does not include the amounts contributed by TSB and its subsidiary undertakings.

This ratio comprises the following items:

– **Loans and advances to customers, excluding reverse repos and brokered loans**: taken from the balance sheet line item Loans and advances to customers, not including reverse repos and brokered loans.

– **On-balance sheet customer funds**: comprised of financial liabilities at amortised cost, excluding non-retail liabilities, such as deposits from central banks, deposits from credit institutions, institutional issues and other financial liabilities.

Relevance of use: measures the liquidity of a bank by showing the total volume of customer loans relative to funds available in customer deposits. Liquidity is one of the key aspects that define the structure of an institution.

4. Share price indicators

4.1 Earnings Per Share (EPS)

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Adjusted profit attributed to the Group**	**1,600**	**1,817**
	(+) Profit attributed to the Group	1,771	1,915
	(–) Remuneration on Additional Tier 1(AT1) instruments	171	98
Denominator Million shares	**(+) Weighted average number of ordinary shares outstanding minus average number of treasury shares**	**4,965**	**5,330**
Ratio	**(=) EPS over past twelve months**	**0.32**	**0.34**

This ratio comprises the following items:

– **Adjusted profit attributed to the Group**: corresponds to the profit during the period attributable to owners of the parent over the past twelve months, adjusted by the amount of remuneration paid on Additional Tier 1 (AT1) instruments over the same period.

– **Weighted average number of shares outstanding minus treasury shares**: formed of the average number of shares outstanding over the past twelve months (average number of total shares minus the average number of treasury shares, including share buyback programmes, where applicable).

Relevance of use: an economic measurement or market ratio that indicates a company's profitability, and it is one of the measurements used most frequently to assess institutions' performance.

4.2 Book value per share

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Shareholders' equity**	**12,381**	**14,996**
Denominator Million shares	**(+) Number of shares outstanding minus treasury shares as at closing date**	**4,781**	**5,120**
Ratio	**(=) Book value per share**	**2.59**	**2.93**

This ratio comprises the following items:

- **Shareholders' equity**: corresponds to the shareholders' equity stated on the consolidated balance sheet.
- **Number of issued shares outstanding minus treasury shares**: formed of the total number of shares outstanding minus treasury shares including share buyback programmes, where applicable, as at the closing date.

Relevance of use: this is an economic market measurement or market ratio that indicates the book value per share issued.

4.3 Tangible book value per share

Million euro

		30/06/2026	30/06/2025
Numerator	**(+) Tangible book value**	**9,976**	**12,440**
	(+) Shareholders' equity	12,381	14,996
	(–) Intangible assets	2,406	2,556
Denominator Million shares	**(+) Number of shares outstanding minus treasury shares as at closing date**	**4,781**	**5,120**
Ratio	**(=) Tangible book value per share**	**2.09**	**2.43**

This ratio comprises the following items:

- **Tangible book value**: formed of the balance sheet line item Shareholders' equity excluding intangible assets.
- **Number of issued shares outstanding minus treasury shares**: formed of the total number of shares outstanding minus treasury shares including share buyback programmes, where applicable, as at the closing date.

Relevance of use: this is an economic market measurement or market ratio that indicates the book value, after deducting intangible assets, per share issued.

4.4 Price/Tangible book value per share

In euro

		30/06/2026	30/06/2025
Numerator	**(+) Share price**	**3.099**	**2.703**
Denominator	**(=) Tangible book value (TBV) per share**	**2.09**	**2.43**
Ratio	**(=) Price/Tangible book value per share**	**1.49**	**1.11**

This ratio comprises the following items:

- **Share price**: formed of the price or market value of the share as at the closing date.
- **Tangible Book Value (TBV) per share**: consists of the tangible value per share as at the closing date.

Relevance of use: an economic measurement or market ratio commonly used by the market to value listed entities; it represents the share price of a listed entity relative to its book value per share.

4.5 Price to Earnings Ratio (PER)

In euro

		30/06/2026	30/06/2025
Numerator	**(+) Share price**	**3.099**	**2.703**
Denominator	**(+) Earnings Per Share (EPS)**	**0.32**	**0.34**
Ratio	**(=) PER**	**9.62**	**7.93**

This ratio comprises the following items:

- **Share price**: formed of the price or market value of the share as at the closing date.
- **Earnings Per Share (EPS)**: formed of the attributable earnings per share over the past twelve months.

Relevance of use: an economic measurement or market ratio commonly used by the market to determine a company's ability to generate future earnings.

Reconciliation between the income statements used for statutory reporting and those used for management reporting

Million euro

Public consolidated income statement	30/06/2026	Adjustments related to the sale of TSB	Other management adjustments	30/06/2026	Income statement used for segment reporting and management reporting
Net interest income	**1,751**	**23**	**—**	**1,774**	**Net interest income**
Fee and commission income	801	—	—	643	Net fees and commissions
Fee and commission expenses	(159)				
	2,394	**23**	**—**	**2,417**	**Core revenue**
Dividend income	2	—	—	65	Equity-accounted income and dividends
Profit or loss of entities accounted for using the equity method	63				
Net profit or net loss on financial operations	(144)	8	—	17	Profit or loss on financial operations and exchange differences
Exchange differences [gain or loss], net	154				
Other operating income	28	—	—	(37)	Other operating income and expenses
Other operating expenses	(65)				
Gross income	**2,432**	**31**	**—**	**2,463**	**Gross income**
Administrative expenses	(1,024)	—	—	(1,025)	Operating expenses
Depreciation and amortisation	(214)	11	—	(202)	Depreciation and amortisation
	1,194	**42**	**—**	**1,236**	**Pre-provisions income**
Provisions or reversal of provisions	(36)	—	2	(34)	Provisions for other financial assets
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	(255)	—	(2)	(257)	Provisions for loan losses
Profit or loss on operating activities	**903**	**42**	**—**	**945**	
Impairment or reversal of impairment on investments in joint ventures and associates	(1)	79	43	6	Other provisions and impairments
Impairment or reversal of impairment on non-financial assets	(84)				
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(31)				
Gains or losses on derecognition of non-financial assets, net	(8)	331	(43)	279	Capital gains on asset sales and other revenue
Profit or loss before tax from continuing operations	**778**	**452**	**—**	**1,230**	**Profit or loss before tax**
Tax expense or income related to profit or loss from continuing operations	(311)	(24)	—	(335)	Corporation tax
Profit or loss after tax from discontinued operations	506	(427)	—	79	
Profit or loss for the year	**974**	**—**	**—**	**974**	
Attributable to minority interests [non-controlling interests]	3	—	—	3	Profit or loss attributed to minority interests
Attributable to owners of the parent	**971**	**—**	**—**	**971**	**Profit attributed to the Group**

Million euro

Public consolidated income statement	30/06/2025	Adjustments related to the sale of TSB	Other management adjustments	30/06/2025	Income statement used for segment reporting and management reporting
Net interest income	**1,774**	**36**	**—**	**1,810**	**Net interest income**
Fee and commission income	811	—	—	649	Net fees and commissions
Fee and commission expenses	(162)				
	2,423	**36**	**—**	**2,459**	**Core revenue**
Dividend income	4	—	—	102	Equity-accounted income and dividends
Profit or loss of entities accounted for using the equity method	98				
Net profit or net loss on financial operations	660	(8)	—	16	Profit or loss on financial operations and exchange differences
Exchange differences [gain or loss], net	(635)				
Other operating income	32	—	—	(43)	Other operating income and expenses
Other operating expenses	(74)				
Gross income	**2,506**	**28**	**—**	**2,534**	**Gross income**
Administrative expenses	(914)	—	3	(911)	Operating expenses
Depreciation and amortisation	(202)	18	9	(175)	Depreciation and amortisation
	1,390	**47**	**12**	**1,449**	**Pre-provisions income**
Provisions or reversal of provisions	(5)	—	(16)	(21)	Provisions for other financial assets
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	(195)	—	16	(179)	Provisions for loan losses
Profit or loss on operating activities	**1,190**	**47**	**12**	**1,249**	
Impairment or reversal of impairment on investments in joint ventures and associates	—	—	(12)	(41)	Other provisions and impairments
Impairment or reversal of impairment on non-financial assets	(24)				
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(5)				
Gains or losses on derecognition of non-financial assets, net	(12)	—	—	(12)	Capital gains on asset sales and other revenue
Profit or loss before tax from continuing operations	**1,148**	**47**	**—**	**1,195**	**Profit or loss before tax**
Tax expense or income related to profit or loss from continuing operations	(371)	(19)	—	(390)	Corporation tax
Profit or loss after tax from discontinued operations	199	(28)	—	171	
Profit or loss for the year	**976**	**—**	**—**	**976**	
Attributable to minority interests [non-controlling interests]	1	—	—	1	Profit or loss attributed to minority interests
Attributable to owners of the parent	**975**	**—**	**—**	**975**	**Profit attributed to the Group**

(*) Management adjustments mainly include the restatement of the consolidated income statement used for statutory reporting following the termination of the strategic agreement between the Bank and Nexi for the sale of Banco Sabadell's merchant acquiring business, resulting in the reclassification of 9 million euros from the heading "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" to the heading "Depreciation and amortisation".

Equivalence of balance sheet and income statement line items in segment reporting and management reporting with those set out in the published consolidated balance sheet and income statement

BALANCE SHEET

Other assets:

- Derivatives – Hedge accounting.
- Fair value changes of the hedged items in portfolio hedge of interest rate risk.
- Tax assets.
- Other assets.

Other liabilities:

- Derivatives – Hedge accounting.
- Fair value changes of the hedged items in portfolio hedge of interest rate risk.
- Tax liabilities.
- Other liabilities.

INCOME STATEMENT

Net fees and commissions:

- Fee and commission income.
- Fee and commission expenses.

Core revenue:

- Net interest income.
- Fee and commission income.
- Fee and commission expenses.

Profit or loss on financial operations and exchange differences:

- Net profit or net loss on financial operations.
- Exchange differences [gain or loss], net.

Equity-accounted income and dividends:

- Dividend income.
- Profit or loss of entities accounted for using the equity method.

Other operating income and expenses:

- Other operating income.
- Other operating expenses.

Operating, depreciation and amortisation expenses:

- Administrative expenses.
- Depreciation and amortisation.

Pre-provisions income:

- Gross income.
- Administrative expenses.
- Depreciation and amortisation.

Total provisions and impairments:

Provisions for loan losses:

- Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains.
- Provisions or reversal of provisions (including only commitments and guarantees given).

Provisions for other financial assets:

- Provisions or reversal of provisions (excluding commitments and guarantees given).

Other provisions and impairments:

- Impairment or reversal of impairment on investments in joint ventures and associates.
- Impairment or reversal of impairment on non-financial assets (excluding the impairment of the IT platform developed by the Group to serve TSB).
- 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 the sale of interests and other items).
- Gains or losses on derecognition of non-financial assets, net (including only gains or losses on sale of investment properties).

Capital gains on asset sales and other revenue:

- Gains or losses on derecognition of non-financial assets, net (excluding gains or losses on sale of investment properties).
- Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (including only gains or losses on the sale of interests and other items).
- Impairment or reversal of impairment on non-financial assets (including the impairment of the IT platform developed by the Group to serve TSB).

Corporation tax:

- Tax expense or income related to profit or loss from continuing operations.

Profit or loss attributed to minority interests:

- Profit or loss attributable to minority interests [non-controlling interests].

Profit attributed to the Group:

- Profit or loss attributable to owners of the parent.

Glossary of acronyms and abbreviations

AI	Artificial Intelligence
ALCO	Asset and Liability Committee
APM	Alternative Performance Measure
AT1	Additional Tier 1
BoS	Bank of Spain
BSab	Banco Sabadell
CAPM	Capital Asset Pricing Model
CBR	Combined Buffer Requirement
CCF	Credit Conversion Factor
CET1	Common Equity Tier 1
CGU	Cash Generating Unit
CNMV	Comisión Nacional del Mercado de Valores (Spanish national securities market commission)
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
EBA	European Banking Authority
ECB	European Central Bank
ECP	Euro Commercial Paper
EMTN	Euro Medium Term Note
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
EU	European Union
EU-IFRS	IFRS as adopted by the European Union
Fed	Federal Reserve (USA)
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HQLA	High Quality Liquid Asset
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBEX	*Índice Bursátil Español* (Spanish stock market index)
IFRS	International Financial Reporting Standard
IMIC	*Impuesto sobre el Margen de Intereses y Comisiones* (tax on net interest and commission income)
IRRBB	Interest Rate Risk in the Banking Book
LCR	Liquidity Coverage Ratio
LEI	Legal Entity Identifier
LGD	Loss Given Default
LMU	Liquidity Management Unit
LRE	Leverage Ratio Exposure
LtD	Loan-to-Deposit ratio
LTV	Loan To Value
MCC	Market Confidence Charge
MiCA	Markets in Crypto Assets
MPM	Management Performance Measure
MREL	Minimum Requirement for own funds and Eligible Liabilities
NIF	*Número de Identificación Fiscal* (Spanish Tax Identification Number)
NIM	Net Interest Margin
NPL	Non-Performing Loan
NSFR	Net Stable Funding Ratio
PD	Probability of Default
PER	Price to Earnings Ratio
PMA	Post Model Adjustment
PRA	Prudential Regulation Authority
RAS	Risk Appetite Statement
RO	Representative Office
ROA	Return On Assets
ROE	Return On Equity
RORWA	Return On Risk-Weighted Assets
ROTE	Return On Tangible Equity
RRP	Reverse Repurchase Agreement
RWA	Risk-Weighted Asset
SIU	Savings and Investments Union
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
TREA	Total Risk Exposure Amount
TSB	TSB Banking Group plc
USMCA	United States-Mexico-Canada Agreement
VaR	Value at Risk