

Quarterly financial report

Third quarter of 2018



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Basis of presentation

The consolidated profit and loss accounts at the end of September 2018 and at 2017 year-end, together with the disclosures shown in this Financial Report, are presented in accordance with the accounting standards, principles and criteria defined in Note 1 to the Group's consolidated half-yearly accounts as at 30 June 2018.

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

1. Key figures

	Excl. TSB			Total group			
	30.09.17	30.09.18	Change (%)	30.09.17	30.09.18 ⁽⁵⁾	Change (%)	
Profit and loss account (€million)							
Net interest income	(1)	2,101.5	1,995.8	-5.0	2,877.8	2,742.7	-4.7
Gross operating income	(1)	3,649.4	3,106.5	-14.9	4,583.1	3,883.2	-15.3
Pre-provisions income	(1)	2,063.6	1,529.4	-25.9	2,237.7	1,416.5	-36.7
Attributable net profit	(1)	579.2	467.7	-19.3	653.8	247.8	-62.1
Balance sheet (€million)							
Total assets		163,944	171,547	4.6	211,076	217,751	3.2
Performing gross loans		102,035	105,735	3.6	137,833	140,234	1.7
Gross loans to customers		112,250	112,534	0.3	148,242	147,553	-0.5
On-balance sheet funds		118,617	122,595	3.4	156,255	157,839	1.0
Of which: Customer funds		96,958	102,131	5.3	131,295	135,152	2.9
Mutual funds		26,920	28,882	7.3	26,920	28,882	7.3
Pension funds and third-party insurance products		14,187	14,258	0.5	14,187	14,258	0.5
Funds under management		163,746	169,754	3.7	201,384	204,998	1.8
Net equity		--	--	--	13,205	12,192	-7.7
Shareholders' equity		--	--	--	13,372	12,607	-5.7
Profitability and cost-to-income ratios (%)							
ROA		--	--	--	0.37	0.12	
RORWA		--	--	--	0.97	0.31	
ROE	(2)	--	--	--	6.05	1.97	
ROTE		--	--	--	7.20	2.41	
Cost / income		42.41	45.43		51.04	57.91	
Risk management							
Non-performing exposures (€million)		8,186	6,594	-19.4	8,345	7,036	-15.7
Total problematic assets (€million)		16,949	13,630	-19.6	17,108	14,072	-17.7
NPL ratio (%)		6.90	5.44		5.40	4.50	
NPL coverage ratio (%)		48.7	57.8		48.8	57.4	
Problematic assets coverage (%)		51.5	56.8		51.5	56.6	
Capital management							
Risk weighted assets (RWA) (€million)		--	--	--	81,345	80,930	-0.5
Common Equity Tier 1 phase-in (%)		--	--	--	13.2	12.1	
Tier 1 phase-in (%)		--	--	--	13.6	13.5	
Total capital ratio phase-in (%)		--	--	--	15.5	15.0	
Leverage ratio phase-in (%)		--	--	--	5.22	5.00	
Liquidity management							
Loan-to-deposits ratio (%)		105.5	103.5		104.5	103.7	
Share data (period end)							
Number of shareholders		--	--	--	239,871	234,064	
Average number of shares (million)		--	--	--	5,573	5,570	
Share price (€)	(3)	--	--	--	17.66	13.39	
Market capitalisation (€million)		--	--	--	9,842	7,458	
Earnings per share (EPS) (€)	(4)	--	--	--	0.14	0.04	
Book value per share (€)		--	--	--	2.39	2.25	
TBV per share (€)		--	--	--	2.00	1.82	
Price / Book value (times)		--	--	--	0.74	0.60	
Price / Earnings ratio (P/E) (times)		--	--	--	12.78	37.50	
Other data							
Branches		1,971	1,920		2,522	2,470	
Employees		17,589	17,837		25,972	26,045	

(1) For comparison purposes, 2017 figures are presented excluding Sabadell United Bank (hereinafter, SUB), Mediterráneo Vida and the TSB Mortgage Enhancement Portfolio. See PL reported, in the section "Income statement."

(2) ROE adjusted by the amount of the Additional Tier I coupons, after tax, stands at 1.57%.

(3) Without adjusting historical values.

(4) Net profit adjusted by the amount of the Additional Tier I coupons, after tax, recorded under equity.

(5) The EURGBP exchange rate used for the income statement at 30.09.18 is 0.8844. The exchange rate used for the balance sheet is 0.8873.

2. Summary

Figures presented on a like-for-like basis: ^(*)

Net interest income

Net interest income has continued to grow in the quarter, showing an increase of 3.8% due to lower impact of TSB's one-offs. Excluding this impact, net interest income grew by 0.9%. Excluding TSB, net interest income increased by 1.1%, driven by strong volumes growth.

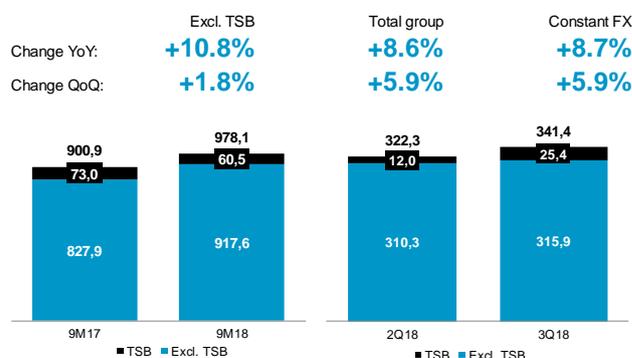
Year-on-year, net interest income grows 0.7% considering a constant exchange rate and 0.8% excluding TSB.



Net fees and commissions

Strong fees and commissions performance continues, growing by 5.9% (1.8% excluding TSB) driven by service fees and lower one-offs at TSB.

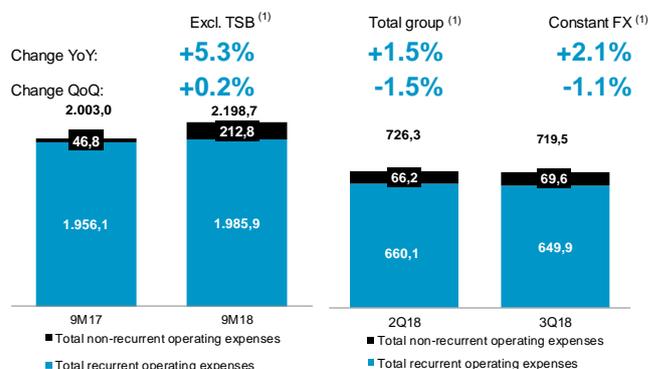
Fees and commissions increased year-on-year considering a constant exchange rate of 8.7% (10.8% excluding TSB). Excluding the impact of the waiver of TSB overdraft fees, growth of 9.4% year-on-year.



Operating expenses

Recurrent operating expenses showed a reduction of -1.5% on a quarter-on-quarter basis due to lower TSB costs. At the end of September 2018 they amounted to €-1,985.9 million, a year-on-year increase of 1.5%.

Non-recurrent costs in the year amounted to €-212.8 million, and €-69.6 million in the quarter mainly due to TSB migration and post-migration costs.



Net profit of the Group

The Group's net profit reached €247.8 million (€467.7 million excluding TSB) at the end of September 2018, impacted by extraordinary items. Excluding TSB extraordinary post-migration impacts and provisions from institutional NPA sales announced in the second quarter, growth considering a constant exchange rate stood at 14.7% year-on-year.

Strong increase in the evolution of the core banking business (net interest income + net fees and commissions), which grew by 2.2% year-on-year and 4.4% quarter-on-quarter.



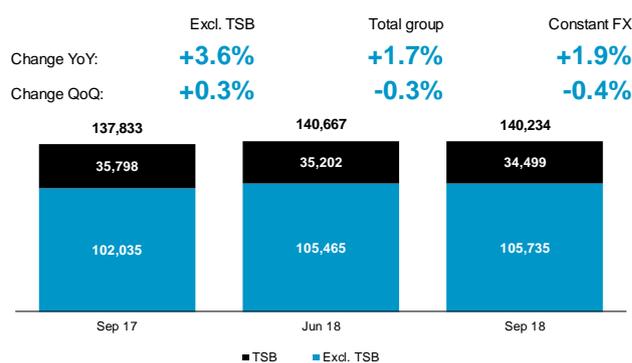
(*) Excluding SUB, Mediterráneo Vida and the TSB Mortgage Enhancement portfolio.

(1) Variation of total recurrent costs.

Performing loans

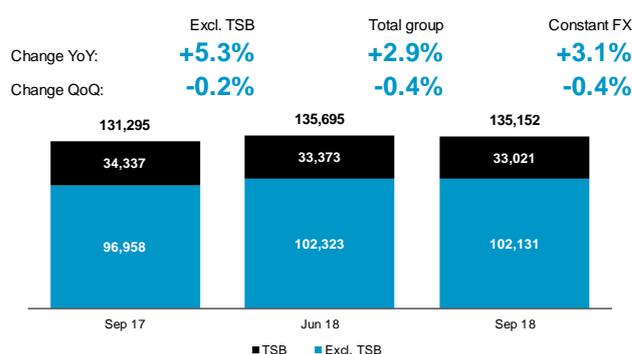
Strong volume growth trend confirmed, growing at a constant exchange rate of 1.9% on a year-on-year basis (3.6% excluding TSB). Excluding the impact of the APS NPL run-off⁽¹⁾, showed 3.1% year-on-year growth considering a constant exchange rate (5.4% excluding TSB), driven by the good performance of SMEs and Corporates. During the quarter, slightly decline of -0.3% (0.3% growth excluding TSB). Solid performance of mortgages to individuals, which grew 1.2% on a quarterly basis and by 1.0% year-on-year.

Decrease in TSB lending in the quarter, mainly due to the reduction in core mortgages, due to conscious management actions taken pre and post migration, although balances grew year-on-year.



On-balance sheet customer funds

On-balance sheet customer funds grew at a constant exchange rate, reaching 3.1% (5.3% excluding TBS) on a year-on-year basis and declined slightly by -0.4% (-0.2% excluding TSB) on a quarterly basis. Off-balance sheet funds increased by 4.5% year-on-year and by 0.6% in the quarter, driven by mutual funds.



Problematic assets

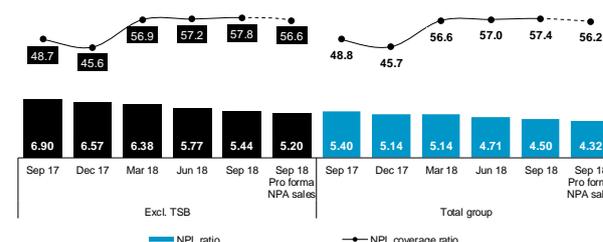
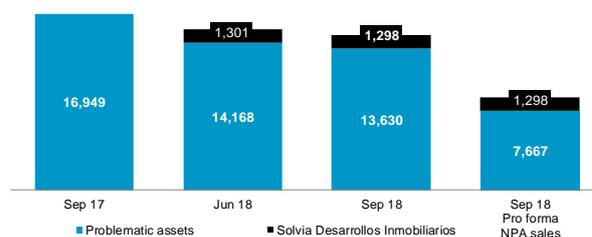
Continued problematic assets reduction excluding TSB in the quarter of €-538 million (€-402M in NPLs and €-135M in foreclosed assets). Excluding the institutional NPA sales perimeter, organic reduction of €-244 million in the quarter.

NPL ratio and coverage

Strong reduction in Group NPL ratio to 4.50% (5.44% excluding TSB) and 4.32% (5.20% excluding TSB) considering the institutional NPA sales.

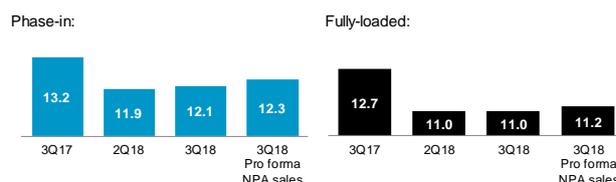
Problematics assets coverage reached 56.6%, whereby the NPL coverage ratio reached 57.4% and the coverage of foreclosed assets reached 55.9%.

The ratio of net NPAs to total assets ratio stood at 1.7%, considering the institutional NPA sales.



Capital ratio

Sound capital position with the CET 1 phase-in ratio standing at 12.1% and the fully-loaded CET 1 ratio at 11.0% at the end of the third quarter of 2018. Pro forma post institutional NPA sales, the CET 1 phase-in stood at 12.3% and fully-loaded at 11.2%.



(1) 80% of the APS problematic exposure, the risk of which is assumed by the DGF, as well as the change in the net loans and receivables account.

3. Performance review

Macroeconomic environment

Global economic, political and financial background

Trade tensions have continued to remain centre of attention over the last few months. In particular, the United States increased the volume of imports from China subject to trade tariffs, whilst China retaliated in the same way, although in a more restrained manner. With regards to Brexit, there is still uncertainty over whether the UK and the EU will reach an agreement, and whether this agreement will be ratified by the British parliament. Both parties insist on their willingness to reach an exit deal, yet they still have not reached an agreement on how to prevent a hard border in Ireland, nor on the way in which the future trade relationship will be developed. In the Euro Zone, the Italian government announced that the fiscal deficit for 2019 will be 2.4% of GDP, above the European Commission's recommendation (2.0%) which has generated unease in European institutions. On a positive note, it is worth highlighting that Greece has completed its international rescue programme.

Lastly, with regards to activity, the United States has continued to show notable strength. GDP growth in 2Q18 has continued to be supported by fiscal stimulus, whilst at the same time, the unemployment rate has continued to remain close to historic minimums. In the Euro Zone, activity has continued to increase at a solid pace, and in 2Q18 GDP grew by 0.4% on a quarterly basis, in the same way as in the previous quarter. Economic sentiment indicators show that in 3Q18 the economy continued growing at a similar rate to that seen in 2Q18.

Economic situation in Spain

The economy has continued growing at a strong pace, although it shows some signs of slow-down. Tourism and higher oil prices are contributing to this slow-down in activity. Thus, after the INE review of the historic series, GDP grew by 0.6% on a quarterly basis in the first two quarters of 2018 (2017 average: 0.8%). In 3Q18 the main activity indicators show a worse performance than that observed in the first half of the year, whilst business sentiment indicators are clearly below the levels reached in the previous year. In this context, Bank of Spain has revised its growth estimations for 2018-2020 downwards.

In terms of the labour market, the unemployment rate in 2Q18 (15.3%) stood at minimum levels since 4Q08, although the rate of affiliations to Social Security has slowed down during 3Q18. In terms of the real estate market, housing purchases have continued to show a positive level of dynamism until May, albeit more moderate than in 2017, whilst house prices have continue to register notable growth rates (2Q18: 6.9% year-on-year).

In terms of government accounts, the government submitted draft budgets for 2019, although it is not clear whether they will be approved in parliament, as the prime minister is governing as a minority.

Economic situation in the United Kingdom

Activity indicators show that GDP could have shown more dynamism in 3Q18 than in the previous quarter (2Q18: 0.4% on a quarterly basis), favoured by a particularly warm climate. In particular, indicators in the retail trade sector stand out positively.

In terms of the labour market, the unemployment rate has continued to decline, reaching minimum levels since March 1975 (4.0%). Furthermore, salaries- in real terms- have increased for the seventh consecutive month in August, after a year of declines.

With regards to inflation, it has remained above the target set by Bank of England (BoE) during 3Q18, influenced by the persistence, to a certain extent, of the effects of the depreciation of the pound due to Brexit. Housing prices continue showing a slowdown in growth, which largely comes from Brexit uncertainty.

With regards to the foreign sector, the UK registered a current account deficit in 2Q18 of 3.9% of GDP, which represents the highest deficit since 2Q17, driven by an increase in the import of goods and investment income in the United Kingdom from non-residents.

Economic situation in Latin America

In Mexico, the economy continued to remain weak. In particular, GDP growth, halfway through the year, has slowed down with regards to the 2017 growth rate. In the meantime, inflation has increased slightly, which has led the central bank of Mexico, in its October meeting, to maintain the official rate at 7.75%, showing a hawkish tone in spite of a less trade uncertainty due to the trilateral agreement reached with the United States and Canada. The bank's prudential stance reflects its concerns regarding inflation dynamics, with a risk balance that is clearly biased upwards. Financial assets in the country have shown a more positive performance. This has been linked to the pragmatic discourse by the new president, and his closer proximity to the business sector.

In South America, financial assets in Argentina have continued to be penalised due to the delicate fiscal situation in the country. In fact, the authorities have requested increased financial help from the IMF, and an advance on the support promised just a few months ago. With regards to Brazil, it is worth mentioning that markets have reacted positively to Bolsonaro's victory in the first round of the presidential elections, mainly due to the fact that the economic programme proposed by his main advisor is orthodox, on the contrary to the more interventionist agenda of his rival F. Haddad. In Colombia, Peru and Chile, data continues to point towards favourable economic dynamics.

Fixed-income markets

The central banks of the principal developed economies have continued to take steps towards the normalisation of their monetary policies. Thus, the Fed, in its September meeting, hiked official rates again, to the range of 2.00-

2.25%. The central bank no longer considers the current monetary policy stance as accommodative. The ECB has shown to be more positive with regards to inflation. In particular, Draghi, President of the European Central Bank, has said that he sees a “relatively vigorous” increase in prices. Furthermore, the ECB has confirmed that from October onwards it will reduce its monthly asset purchasing programme to €15bn, and reaffirmed that the asset purchase programme will end in December this year. Lastly, BoE, in its August meeting, hiked the benchmark rate up to 25bp, to 0.75%. The central bank reiterated that its monetary policy will continue to be conditioned by the outcome of Brexit, yet that its intention continues to be gradually hiking the interest rate over the next few years.

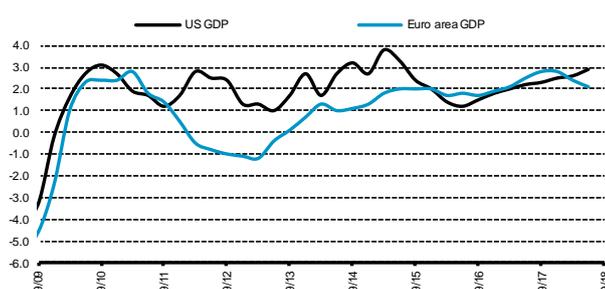
The long term government debt yields in Germany and the United States ended the quarter at higher levels than in the previous year. Yields was driven upwards due to the more positive tone of the ECB on inflation, the increase in oil prices (which reached maximums since summer 2014) and good economic activity data in the United States. On the contrary, it was dragged by financial tensions in the most vulnerable emerging economies and the uncertainty

regarding Italian budgets. This uncertainty led to an increase in the Italian risk premium and it remained at high levels. For Spain and Portugal, the contagion from Italy was limited and the risk premium of both countries ended the quarter at similar levels to those seen in the previous quarter.

Equity markets

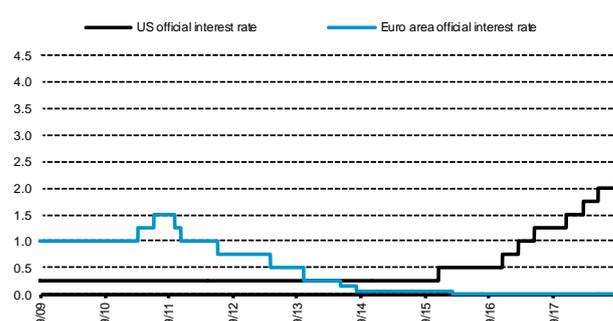
Once again, Japanese equities index, Nikkei, has led earnings during the quarter, with a +8.1% increase during the quarter in yens, although due to the appreciation of the euro, earnings in euros have been reduced to +6.1%. Once again, the S&P 500 has ranked just below the Nikkei, with a +7.2% increase in dollars and +7.8% in euros. With regards to European stock indices, a generally mixed performance has been observed, with the Euro STOXX 50 remaining flat (+0.1% in euros). French CAC has stood out positively, increasing by +3.2%. The DAX has stood out negatively, falling by -0.5% and its worse performance has been associated with periphery indices, with the IBEX 35 falling by -2.4% and the Italian MIB index falling by -4.2%, affected by uncertainty in terms of 2019 government accounts.

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



Source: Bloomberg

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



Exchange rates: Parity vs. euros

Fx	30.09.17	31.12.17	31.03.18	30.06.18	30.09.18
USD	1.1806	1.1993	1.2321	1.1658	1.1576
GBP	0.8818	0.8872	0.8749	0.8861	0.8873
MXN	21.4614	23.6612	22.5249	22.8817	21.7800

Source: Bank of Spain

Income statement

Highlights:

The Group's net profit reached €247.8 million (€467.7 million excluding TSB) at end September 2018.

Strong increase in the evolution of the core banking business (net interest income + net fees and commissions) which grew by 2.2% year-on-year and 4.4% quarter-on-quarter.

This quarter has been impacted by €-87.7 million of TSB post-migration one-offs items, of which €-4.8 million impacted net interest income due to an increase in the Classic Plus account interest rate, €-1.5 million impacted commissions, €-17.7 million impacted other operating income/expense due to fraud losses and €-63.5 million impacted operating expenses due to costs relating to specialists and other resources.

Excluding €-559.6 million of TSB one-offs post-migration impacts and provisions from institutional NPA sales announced in the second quarter, group net profit grew considering a like-for-like basis and a constant exchange rate stood at 14.7% year-on-year.

Profit and loss account - Reported

(€ million)	Excl. TSB			Total group			
	9M17	9M18	Change (%) YoY	9M17	9M18 ⁽¹⁾	Change (%) YoY	Change (%) at constant FX
Net interest income	2,101.5	1,995.8	-5.0	2,877.8	2,742.7	-4.7	-4.0
Income from equity method and dividends	303.8	51.9	-82.9	303.8	51.9	-82.9	-82.9
Net fees and commissions	832.8	917.6	10.2	904.5	978.1	8.1	8.4
Results from financial transactions (net)	484.4	204.0	-57.9	580.4	224.6	-61.3	-61.2
Foreign exchange (net)	7.2	8.2	14.0	7.2	8.2	15.0	13.3
Other operating income/expense	-80.3	-71.0	-11.6	-90.5	-122.4	35.3	35.6
Gross operating income	3,649.4	3,106.5	-14.9	4,583.1	3,883.2	-15.3	-14.9
Personnel expenses	-889.4	-886.0	-0.4	-1,181.0	-1,202.2	1.8	2.4
Non-recurrent	-6.8	-11.7	71.1	-17.8	-33.1	86.2	88.0
Recurrent	-882.6	-874.3	-0.9	-1,163.2	-1,169.1	0.5	1.1
Other general expenses	-451.3	-486.0	7.7	-864.2	-996.5	15.3	16.3
Non-recurrent	0.0	0.0	--	-29.4	-179.7	--	--
Recurrent	-451.3	-486.0	7.7	-834.8	-816.7	-2.2	-1.3
Amortization & depreciation	-245.2	-205.0	-16.4	-300.3	-268.0	-10.8	-10.5
Pre-provisions income	2,063.6	1,529.4	-25.9	2,237.7	1,416.5	-36.7	-36.4
Provisions for NPLs	-981.4	-558.3	-43.1	-1,046.7	-622.8	-40.5	-40.6
Other financial assets	-46.5	0.1	--	-46.5	-98.3	111.3	111.3
Other impairments	-874.6	-359.5	-58.9	-874.6	-359.5	-58.9	-58.9
Gains on sale of assets and other results	377.9	2.3	-99.4	384.0	3.3	-99.1	-99.2
Badwill	0.0	0.0	--	0.0	0.0	--	--
Profit before tax	539.0	614.1	13.9	653.8	339.2	-48.1	-47.1
Income tax	41.9	-140.7	--	1.7	-85.7	--	--
Consolidated net profit	580.9	473.4	-18.5	655.5	253.6	-61.3	-60.6
Minority interest	1.7	5.8	242.7	1.7	5.8	242.7	242.7
Attributable net profit	579.2	467.7	-19.3	653.8	247.8	-62.1	-61.4
Pro memoria:							
Average total assets (€ million)	168,767	169,806		214,471	216,910		
Earnings per share (€)	(2) 0.09	0.07		0.10	0.03		

(1) The EURGBP exchange rate used for the income statement is 0.8844.

(2) Net profit adjusted by the amount of the Additional Tier 1 coupons, after tax, recorded under equity. Accumulated at the end of each quarter, not annualised.

Profit and loss account - Like-for-like basis

(€ million)	Excl. TSB			Total group			
	9M17	9M18	Change (%) YoY	9M17	(1) 9M18	Change (%) YoY	Change (%) at constant FX
Net interest income	1,980.4	1,995.8	0.8	2,738.3	2,742.7	0.2	0.7
Income from equity method and dividends	303.1	51.9	-82.9	303.1	51.9	-82.9	-82.9
Net fees and commissions	827.9	917.6	10.8	900.9	978.1	8.6	8.7
Results from financial transactions (net)	482.3	204.0	-57.7	524.4	224.6	-57.2	-57.1
Foreign exchange (net)	7.2	8.2	14.0	7.2	8.2	15.0	12.5
Other operating income/expense	-48.4	-71.0	46.8	-58.5	-122.4	109.1	110.4
Gross operating income	3,552.6	3,106.5	-12.6	4,415.4	3,883.2	-12.1	-11.7
Personnel expenses	-861.4	-886.0	2.9	-1,153.0	-1,202.2	4.3	4.7
Non-recurrent	-6.6	-11.7	78.3	-17.5	-33.1	89.1	90.9
Recurrent	-854.8	-874.3	2.3	-1,135.5	-1,169.1	3.0	3.4
Other general expenses	-437.1	-486.0	11.2	-850.0	-996.5	17.2	18.2
Non-recurrent	0.0	0.0	--	-29.4	-179.7	--	--
Recurrent	-437.1	-486.0	11.2	-820.6	-816.7	-0.5	0.4
Amortization & depreciation	-241.8	-205.0	-15.2	-296.9	-268.0	-9.7	-9.6
Pre-provisions income	2,012.3	1,529.4	-24.0	2,115.5	1,416.5	-33.0	-32.8
Provisions for NPLs	-982.1	-558.3	-43.2	-1,047.4	-622.8	-40.5	-40.6
Other financial assets	-46.5	0.1	--	-46.5	-98.3	111.4	108.0
Other impairments	-875.0	-359.5	-58.9	-875.0	-359.5	-58.9	-58.9
Gains on sale of assets and other results	378.0	2.3	-99.4	384.1	3.3	-99.1	-99.2
Badwill	0.0	0.0	--	0.0	0.0	--	--
Profit before tax	486.7	614.1	26.2	530.7	339.2	-36.1	-35.0
Income tax	61.5	-140.7	--	40.3	-85.7	--	--
Consolidated net profit	548.1	473.4	-13.6	571.0	253.6	-55.6	-54.8
Minority interest	1.7	5.8	242.7	1.7	5.8	242.7	242.7
Attributable net profit	546.5	467.7	-14.4	569.4	247.8	-56.5	-55.7

(1) The EURGBP exchange rate used for the income statement is 0.8844.

Quarterly profit and loss account - Reported

(€million)	Excl. TSB					Change (%)	Total group					Change (%)	Change (%)
	3Q17	4Q17	1Q18	2Q18	3Q18		2Q18	3Q17	4Q17	1Q18	2Q18		
Net interest income	687.7	667.3	658.4	665.1	672.3	1.1	940.9	924.6	911.5	898.6	932.6	3.8	4.1
Income from equity method and dividends	267.7	12.0	12.8	23.9	15.1	-36.7	267.7	12.2	12.9	23.8	15.2	-36.3	-36.3
Net fees and commissions	276.7	295.0	291.3	310.3	315.9	18	301.5	319.0	314.4	322.3	341.4	5.9	5.9
Results from financial transactions (net)	28.5	20.1	215.3	-0.5	-10.8	--	35.0	33.7	222.5	17.1	-15.0	--	--
Foreign exchange (net)	2.3	13	3.5	17	3.0	71.4	2.3	13	3.5	2.8	2.0	-30.3	-30.0
Other operating income/expense	-4.4	-131.0	-7.0	-48.3	-15.7	-67.5	-7.6	-136.5	-9.7	-88.7	-24.0	-72.9	-72.8
Gross operating income	1,258.5	864.6	1,174.3	952.3	979.9	2.9	1,539.7	1,154.1	1,455.1	1,175.9	1,252.2	6.5	6.7
Personnel expenses	-295.1	-289.5	-293.5	-294.5	-298.1	12	-390.1	-392.6	-389.5	-409.1	-403.6	-13	-0.9
Non-recurrent	-16	-9.0	-3.3	-4.3	-4.2	-2.4	-5.0	-8.9	-5.9	-15.4	-11.8	-23.7	-22.9
Recurrent	-293.5	-280.5	-290.2	-290.2	-293.9	13	-385.1	-383.7	-383.6	-393.7	-391.9	-0.5	-0.1
Other general expenses	-149.6	-163.5	-162.4	-163.2	-160.4	-1.7	-276.7	-285.2	-363.4	-317.2	-315.9	-0.4	0.4
Non-recurrent	0.0	0.0	0.0	0.0	0.0	--	-6.2	-3.4	-7.11	-50.8	-57.8	13.8	15.6
Recurrent	-149.6	-163.5	-162.4	-163.2	-160.4	-1.7	-270.5	-281.9	-292.3	-266.4	-258.0	-3.1	-2.5
Amortization & depreciation	-83.1	-84.4	-69.4	-67.7	-68.0	0.4	-103.0	-101.9	-87.1	-89.5	-91.4	2.1	2.4
Pre-provisions income	730.7	327.2	649.0	426.9	453.5	6.2	770.0	374.4	615.1	360.1	441.4	22.6	22.0
Provisions for NPLs	-456.4	-99.2	-173.4	-199.0	-185.8	-6.6	-477.5	-122.7	-196.6	-223.2	-202.9	-9.1	-8.5
Other financial assets	-3.2	-9.3	-1.9	2.7	-0.7	--	-3.2	-9.3	-1.9	-89.3	-7.0	-92.1	-92.1
Other impairments	-636.2	-96.6	-46.2	-249.0	-64.3	-74.2	-636.2	-96.6	-46.2	-249.0	-64.3	-74.2	-74.2
Gains on sale of assets and other results	366.7	48.0	-1.1	4.3	-0.9	--	366.4	48.6	-0.6	4.6	-0.7	--	--
Badwill	0.0	0.0	0.0	0.0	0.0	--	0.0	0.0	0.0	0.0	0.0	--	--
Profit before tax	1.5	170.2	426.5	-14.1	201.7	--	19.4	194.4	369.7	-196.8	166.4	--	--
Income tax	192.5	-36.1	-121.9	31.1	-49.8	--	183.9	-44.7	-108.9	60.4	-37.2	--	--
Consolidated net profit	194.0	134.0	304.5	17.0	151.9	--	203.3	149.7	260.7	-136.4	129.2	--	--
Minority interest	0.1	2.0	15	2.3	2.0	-15.6	0.1	2.0	15	2.3	2.0	-15.6	-15.6
Attributable net profit	193.9	132.0	303.1	14.6	150.0	--	203.2	147.7	259.3	-138.7	127.2	--	--
Pro memoria:													
Average total assets (€million)	167,289	167,380	168,982	169,785	170,632		212,630	214,017	216,880	217,039	216,813		
Earnings per share (€)	(2)	0.09	0.12	0.05	0.05	0.07	0.10	0.14	0.04	0.01	0.03		

(1) The EURGBP exchange rate used for this quarter's income statement is 0.8925.

(2) Net profit adjusted by the amount of the Additional Tier 1 coupons, after tax, recorded under own funds. Accumulated at the end of each quarter, not annualised.

Quarterly income statement - Like-for-like basis

(€million)	Excl. TSB					Change (%)	Total group					Change (%)	Change (%)
	3Q17	4Q17	1Q18	2Q18	3Q18		2Q18	3Q17	4Q17	1Q18	2Q18		
Net interest income	674.3	667.3	658.4	665.1	672.3	1.1	927.4	924.6	911.5	898.6	932.6	3.8	4.1
Income from equity method and dividends	267.6	12.0	12.8	23.9	15.1	-36.7	267.6	12.2	12.9	23.8	15.2	-36.3	-36.3
Net fees and commissions	276.1	295.0	291.3	310.3	315.9	18	300.8	319.0	314.4	322.3	341.4	5.9	5.9
Results from financial transactions (net)	28.4	20.1	215.3	-0.5	-10.8	--	34.9	33.7	222.5	17.1	-15.0	--	--
Foreign exchange (net)	2.3	13	3.5	17	3.0	71.4	2.3	13	3.5	2.8	2.0	-30.3	-30.0
Other operating income/expense	16	-131.0	-7.0	-48.3	-15.7	-67.5	-16	-136.5	-9.7	-88.7	-24.0	-72.9	-72.8
Gross operating income	1,250.3	864.6	1,174.3	952.3	979.9	2.9	1,531.5	1,154.1	1,455.1	1,175.9	1,252.2	6.5	6.7
Personnel expenses	-291.7	-289.5	-293.5	-294.5	-298.1	12	-386.7	-392.6	-389.5	-409.1	-403.6	-13	-0.9
Non-recurrent	-16	-9.0	-3.3	-4.3	-4.2	-2.4	-5.0	-8.9	-5.9	-15.4	-11.8	-23.7	-22.9
Recurrent	-290.1	-280.5	-290.2	-290.2	-293.9	13	-381.7	-383.7	-383.6	-393.7	-391.9	-0.5	-0.1
Other general expenses	-148.6	-163.5	-162.4	-163.2	-160.4	-1.7	-275.7	-285.2	-363.4	-317.2	-315.9	-0.4	0.4
Non-recurrent	0.0	0.0	0.0	0.0	0.0	--	-6.2	-3.4	-7.11	-50.8	-57.8	13.8	15.6
Recurrent	-148.6	-163.5	-162.4	-163.2	-160.4	-1.7	-269.5	-281.9	-292.3	-266.4	-258.0	-3.1	-2.5
Amortization & depreciation	-82.6	-84.4	-69.4	-67.7	-68.0	0.4	-102.5	-101.9	-87.1	-89.5	-91.4	2.1	2.4
Pre-provisions income	727.3	327.2	649.0	426.9	453.5	6.2	766.6	374.4	615.1	360.1	441.4	22.6	22.0
Provisions for NPLs	-455.5	-99.2	-173.4	-199.0	-185.8	-6.6	-476.5	-122.7	-196.6	-223.2	-202.9	-9.1	-8.5
Other financial assets	-3.2	-9.3	-1.9	2.7	-0.7	--	-3.2	-9.3	-1.9	-89.3	-7.0	-92.1	-92.1
Other impairments	-636.5	-96.6	-46.2	-249.0	-64.3	-74.2	-636.5	-96.6	-46.2	-249.0	-64.3	-74.2	-74.2
Gains on sale of assets and other results	366.7	48.0	-1.1	4.3	-0.9	--	366.4	48.6	-0.6	4.6	-0.7	--	--
Badwill	0.0	0.0	0.0	0.0	0.0	--	0.0	0.0	0.0	0.0	0.0	--	--
Profit before tax	-1.3	170.2	426.5	-14.1	201.7	--	16.7	194.4	369.7	-196.8	166.4	--	--
Income tax	193.3	-36.1	-121.9	31.1	-49.8	--	184.7	-44.7	-108.9	60.4	-37.2	--	--
Consolidated net profit	192.1	134.0	304.5	17.0	151.9	--	201.3	149.7	260.7	-136.4	129.2	--	--
Minority interest	0.1	2.0	15	2.3	2.0	-15.6	0.1	2.0	15	2.3	2.0	-15.6	-15.6
Attributable net profit	192.0	132.0	303.1	14.6	150.0	--	201.2	147.7	259.3	-138.7	127.2	--	--

(1) The EURGBP exchange rate used for this quarter's income statement is 0.8925.

Net interest income:

Net interest income amounted to €2,742.7 million at the end of September 2018, representing a 3.8% increase in the quarter due to lower impact of TSB's one-offs. Excluding those one-offs, net interest income grew by 0.9%. On a like-for-like basis, and considering a constant exchange rate, year-on-year growth amounted to 0.7% and a 4.1% increase in the quarter.

Excluding TSB, net interest income amounted to €1,995.8 million at end September 2018, representing a year-on-year increase of 0.8% on a like-for-like basis. In the quarter, it grew by 1.1%, driven by strong volumes growth.

TSB's net interest income stood at €746.9 million, with a year-on-year decline of -3.8% (remaining stable on a like-for-like basis and considering a constant exchange rate) and growth of 11.5% on a quarterly basis due to lower impact of post-migration one-offs.

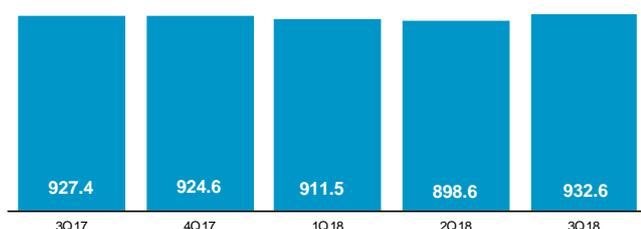
Customer spread and net interest margin:

Excluding TSB's one-offs, customer spread stood at 2.75% (2.77% in the previous quarter) and net interest margin over average total assets stood at 1.71% (1.72% in the previous quarter). Customer spread at the end of the quarter stood at 2.73% and net interest margin over average total assets stood at 1.70%.

Excluding TSB, customer spread at the end of the quarter reached 2.67% (2.72% in the previous quarter) driven by strong volumes in lower yield segments, the downward pressure of the Euribor and higher deposits costs in non euro currency. Net interest income over average total assets stood at 1.57%, remaining stable compared to the previous quarter.

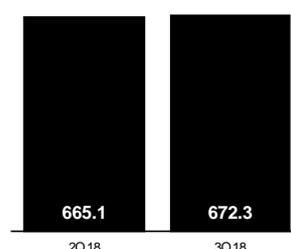
Evolution of net interest income - Like-for-like basis

Total group (€ millions)



	Total group	Constant FX
Change YoY:	+0.2%	+0.7%
Change QoQ:	+3.8%	+4.1%

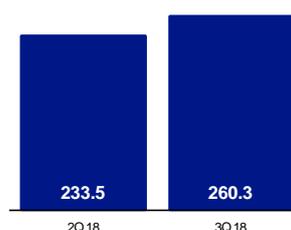
Sabadell ex - TSB (€ millions)



Change QoQ:
+1.1%

Change YoY:
+0.8%

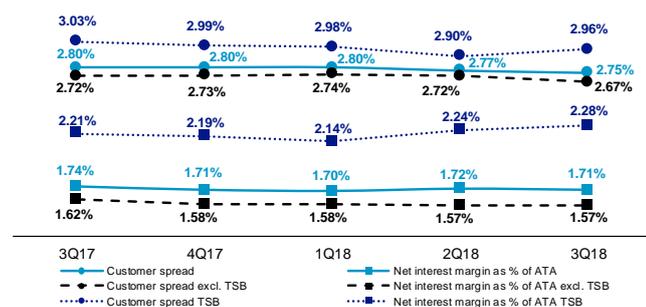
TSB (€ millions)



Change QoQ:
+11.5%
+13.5% in GBP

Change YoY:
-1.5%
-0.1% in GBP

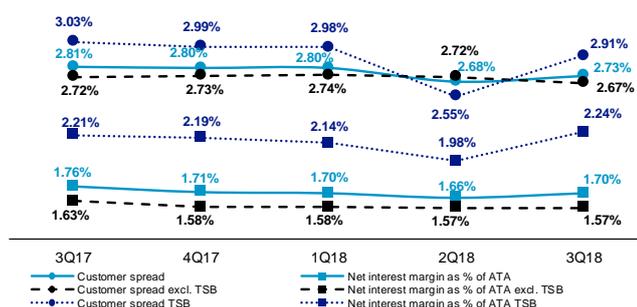
Net interest margin - Like-for-like basis (ex one-offs) (%)



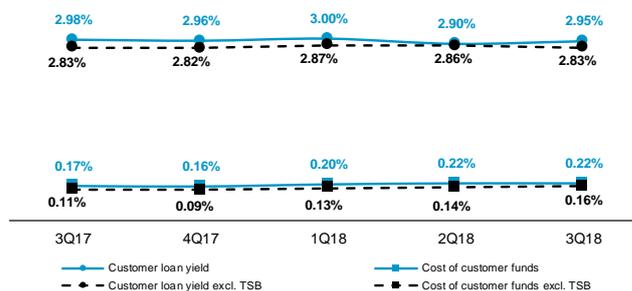
Customer spread - Like-for-like basis (ex one-offs) (%)



Net interest margin (%)



Customer spread (%)



Gains and charges in the quarter

Total Group

2018 (€million)	1st Quarter			2nd Quarter			3rd Quarter (1)			4th Quarter		
	Avg.e.balance	Rate %	Results	Avg.e.balance	Rate %	Results	Avg.e.balance	Rate %	Results	Avg.e.balance	Rate %	Results
Cash and cash equivalent (2)	29,544	0.01	1	28,180	0.01	1	27,865	0.15	11			
Loans to customers (net)	133,924	3.00	992	135,992	2.90	983	137,034	2.95	1,019			
Fixed-income securities	25,407	1.49	93	26,158	1.49	97	25,886	1.34	88			
Equity securities	989	--	--	1,021	--	--	836	--	--			
Tang. & intang. assets	3,874	--	--	4,061	--	--	4,179	--	--			
Other assets	23,142	0.77	44	21,625	1.11	60	21,013	1.52	81			
Total assets	216,880	2.11	1,129	217,039	2.11	1,141	216,813	2.19	1,198			
Financial institutions (3)	31,881	-0.11	-9	32,137	-0.09	-7	31,924	-0.10	-8			
Customer deposits (4)	138,805	-0.20	-69	140,271	-0.22	-76	142,224	-0.22	-78			
Capital markets	25,588	-1.41	-89	25,005	-1.37	-85	23,715	-1.38	-82			
Other liabilities	7,848	-2.64	-51	7,327	-4.04	-74	6,799	-5.69	-98			
Shareholders' equity	12,757	--	--	12,299	--	--	12,151	--	--			
Total funds	216,880	-0.41	-218	217,039	-0.45	-242	216,813	-0.49	-266			
Net interest income			912			899			933			
Customer spread			2.80			2.68			2.73			
Net interest margin as % of ATA			1.70			1.66			1.70			

2017 (€million)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.e.balance	Rate %	Results									
Cash and cash equivalent (2)	12,712	0.05	2	18,198	-0.01	-1	19,408	-0.03	-1	23,602	0.05	3
Loans to customers (net)	138,670	3.02	1,034	139,176	3.02	1,049	135,288	2.98	1,015	134,680	2.96	1,004
Fixed-income securities	29,763	2.15	158	31,800	1.59	126	28,417	1.59	114	25,310	1.51	96
Equity securities	983	--	--	911	--	--	1,328	--	--	1,091	--	--
Tang. & intang. assets	4,200	--	--	4,270	--	--	4,308	--	--	4,294	--	--
Other assets	25,363	0.38	24	24,726	0.34	21	23,880	0.36	22	25,041	0.35	22
Total assets	211,690	2.33	1,218	219,082	2.19	1,195	212,630	2.14	1,149	214,017	2.09	1,126
Financial institutions (3)	20,162	-0.29	-14	31,188	-0.06	-5	30,700	-0.05	-4	32,011	-0.08	-7
Customer deposits (4)	141,349	-0.23	-80	141,058	-0.20	-71	135,198	-0.17	-59	135,525	-0.16	-56
Capital markets	26,576	-1.74	-114	25,299	-1.44	-91	25,800	-1.44	-94	26,411	-1.33	-88
Other liabilities	10,656	-1.78	-47	8,488	-2.54	-54	7,799	-2.66	-52	6,858	-2.88	-50
Shareholders' equity	12,947	--	--	13,048	--	--	13,133	--	--	13,212	--	--
Total funds	211,690	-0.49	-255	219,082	-0.40	-221	212,630	-0.39	-208	214,017	-0.37	-201
Net interest income			962			974			941			925
Customer spread			2.79			2.82			2.81			2.80
Net interest margin as % of ATA			1.84			1.78			1.76			1.71

(1) The EURGBP exchange rate used for the income statement for the quarter is 0.8925 while that used for the balance sheet is 0.8873.

(2) This includes cash, central banks, credit institutions and reverse repos.

(3) Financial income and expenses deriving from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes income from negative interest rates of balances of credit institutions under liabilities, mainly those relating to TLTRO II.

(4) This includes repos.

Sabadell excluding TSB

2018 (€million)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Results	Avg.balance	Rate %	Results	Avg.balance	Rate %	Results	Avg.balance	Rate %	Results
Cash and cash equivalents (1)	21013	-0.18	-10	20,625	-0.17	-9	19,845	-0.03	-2			
Loans to customers (net)	98,849	2.87	700	100,741	2.86	718	102,538	2.83	731			
Fixed-income securities	22,961	1.48	84	23,314	1.49	86	23,539	1.33	79			
Equity securities	961	--	--	1,006	--	--	825	--	--			
Tang. & intang. assets	3,668	--	--	3,707	--	--	3,763	--	--			
Other assets	21,530	0.89	47	20,391	1.14	58	20,123	1.42	72			
Total assets	168,982	1.97	821	169,785	2.02	854	170,632	2.05	881			
Financial institutions (2)	25,064	0.01	1	24,763	0.02	1	24,645	0.07	4			
Customer deposits (3)	103,372	-0.13	-34	105,696	-0.14	-36	108,568	-0.16	-43			
Capital markets	23,735	-1.35	-79	23,155	-1.32	-76	21,940	-1.33	-74			
Other liabilities and shareholders' equity	16,810	-1.23	-51	16,172	-1.93	-78	15,479	-2.45	-95			
Total funds	168,982	-0.39	-163	169,785	-0.45	-189	170,632	-0.48	-208			
Net interest income			658			665			672			
Customer spread		2.74			2.72			2.67				
Net interest margin as % of ATA		1.58			1.57			1.57				

2017 (€million)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Results									
Cash and cash equivalents (1)	7,430	-0.07	-1	13,400	-0.09	-3	14,039	-0.13	-4	16,089	-0.12	-5
Loans to customers (net)	103,464	2.85	727	103,533	2.87	740	101,298	2.83	724	99,666	2.82	708
Fixed-income securities	26,693	2.22	146	28,047	1.60	112	24,516	1.60	99	22,968	1.50	87
Equity securities	978	--	--	346	--	--	763	--	--	526	--	--
Tang. & intang. assets	3,723	--	--	3,794	--	--	3,843	--	--	3,841	--	--
Other assets	24,032	0.53	32	23,562	0.55	32	22,830	0.59	34	24,289	0.47	29
Total assets	166,321	2.20	903	172,682	2.05	881	167,289	2.02	852	167,380	1.94	819
Financial institutions (2)	17,498	-0.13	-12	26,536	0.01	-1	25,629	0.00	0	25,951	0.01	1
Customer deposits (3)	105,007	-0.15	-39	104,583	-0.13	-33	100,528	-0.11	-27	100,214	-0.09	-23
Capital markets	23,832	-1.73	-102	23,802	-1.38	-82	24,392	-1.38	-85	24,938	-1.26	-79
Other liabilities and shareholders' equity	19,985	-0.95	-47	17,762	-1.22	-54	16,740	-1.24	-52	16,276	-1.22	-50
Total funds	166,321	-0.49	-200	172,682	-0.39	-170	167,289	-0.39	-164	167,380	-0.36	-152
Net interest income			702			711			688			667
Customer spread		2.70			2.74			2.72				2.73
Net interest margin as % of ATA		1.71			1.65			1.63				1.58

(1) This includes cash, central banks, credit institutions and reverse repos.

(2) Financial income and expenses deriving from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes income from negative interest rates of balances of credit institutions under liabilities, mainly those relating to TLTRO II.

(3) This includes repos.

Income from equity method and dividends:

This item amounted to €51.9 million at the end of September 2018, compared to €303.8 million at the end of September of the previous year, which includes the payment of BanSabadell Vida net fee received for the reinsurance contract with Swiss Re Europe. This quarter revenues are mainly due to income from the insurance and pension fund business.

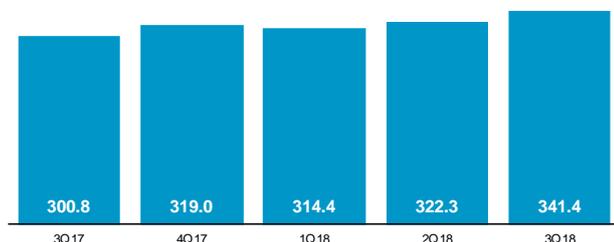
Net fees and commissions:

On a year-on-year basis, commissions grew by 8.1% (10.2% excluding TSB). On a like-for-like basis and considering a constant exchange rate growth of 8.7% (10.8% excluding TSB). The positive performance of service fees as well as asset management fees are particularly noteworthy.

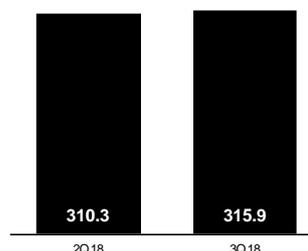
On a quarterly basis growth of 5.9% (1.8% excluding TSB), driven by service fees and lower one-offs in TSB.

Evolution of net fees and commissions - Like-for-like basis

Total group (€ millions)



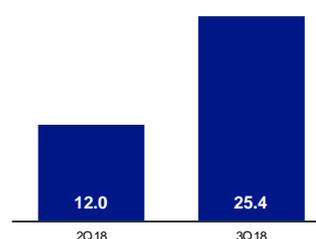
Sabadell ex - TSB (€ millions)



Change QoQ:
+1.8%

Change YoY:
+10.8%

TSB (€ millions)



Change QoQ:
+112.8%
+116.6% in GBP

Change YoY:
-17.1%
-15.9% in GBP

	Total group	Constant FX
Change YoY:	+8.6%	+8.7%
Change QoQ:	+5.9%	+5.9%

Net fees and commissions

(€million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q18	3 Q18	Change (%) 2 Q18	2 Q18	3 Q18	Change (%) 2 Q18	9 M 17	9 M 18	Change (%) YoY	9 M 17	9 M 18	Change (%) YoY
Lending fees	32.8	33.2	1.0	31.4	33.2	5.5	90.3	98.9	9.5	154.8	102.7	-33.7
Guarantees commissions	25.3	25.0	-1.1	25.3	25.0	-1.1	74.4	74.2	-0.3	74.4	74.2	-0.3
Risk transaction fees	58.1	58.2	0.1	56.7	58.2	2.6	164.8	173.1	5.1	229.2	176.9	-22.8
Cards	45.9	53.7	17.0	52.8	62.9	19.0	130.1	141.1	8.4	153.4	163.9	6.8
Payment orders	14.2	14.2	-0.1	14.8	14.9	0.7	40.0	41.2	3.2	40.0	45.9	14.8
Securities	16.4	16.3	-0.6	16.4	16.3	-0.6	44.5	47.5	6.8	44.5	47.5	6.8
Custodian mutual and pension funds	3.3	3.3	-0.1	3.3	3.3	-0.1	9.8	10.0	2.0	9.8	10.0	2.0
Sight accounts	37.1	40.5	9.3	53.0	58.2	9.8	89.3	111.8	25.2	97.6	163.4	67.4
Foreign currency and notes exchange	26.3	24.4	-7.4	26.3	27.7	5.1	55.8	69.7	24.9	55.8	73.0	30.7
Other transactions	16.0	17.5	9.0	1.0	10.6	--	55.8	53.1	-4.8	31.4	17.9	-43.1
Commissions for services	159.2	169.9	6.7	167.6	193.8	15.7	425.3	474.5	11.6	432.5	521.5	20.6
Mutual funds	39.6	41.1	3.9	39.6	41.1	3.9	115.5	119.3	3.4	115.5	119.3	3.4
Pension funds and insurance brokerage	46.3	39.7	-14.2	51.3	41.2	-19.7	113.5	128.3	13.1	113.5	138.1	21.7
Wealth management	7.1	7.1	-10	7.1	7.1	-10	13.8	22.3	61.8	13.8	22.3	61.8
Asset Under Management commissions	93.0	87.9	-5.5	98.0	89.4	-8.8	242.7	270.0	11.2	242.7	279.7	15.2
Total	310.3	315.9	1.8	322.3	341.4	5.9	832.8	917.6	10.2	904.5	978.1	8.1

Note: 9M17 figures include Sabadell United Bank, Mediterráneo Vida and the TSB Mortgage Enhancement Portfolio.

(1) The EURGBP exchange rate used for the income statement is 0.8844 in the year and 0.8925 in the quarter.

Net trading income:

At the end of September 2018, net trading income amounted to €224.6 million (€204.0 million excluding TSB). In September 2017 it ended at €580.4 million (€484.4 million excluding TSB).

Net gains (losses) from exchange differences:

This item amounted to €8.2 million the end of the third quarter of 2018, when compared to €7.2 million in September of the previous year.

Other operating income/expenses:

This item amounted to €-122.4 million at the end of September 2018 (€-71.0 million excluding TSB) when compared to €-90.5 million at the end of September 2017 (€-80.3 million excluding TSB). In the quarter fraud losses amounted to €-17.7 million and reached €-57.5 million in the year.

Operating expenses:

Operating expenses stood at €-2,198.7 million at September 2018, of which €-212.8 million are not recurrent and mainly correspond to TSB migration and post-migration. In the quarter, operating expenses amounted to €-719.5 million (€-69.6 million are not recurrent) which represents a reduction of -0.9%, mainly due to lower TSB recurrent costs.

Excluding TSB, operating expenses stood at €-1,372.0 million, compared to €-1,340.7 million in the previous year. In the quarter, amounted to €-458.5 million, remaining in line with the previous quarter.

Operating expenses

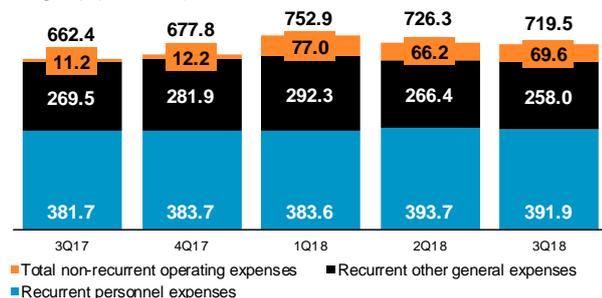
(€million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q18	3 Q18	Change (%)	2 Q18	3 Q18	Change (%)	9 M 17	9 M 18	Change (%)	9 M 17	9 M 18	Change (%)
Recurrent	-290.2	-293.9	1.3	-393.7	-391.9	-0.5	-882.6	-874.3	-0.9	-1,163.2	-1,169.1	0.5
Non-recurrent	-4.3	-4.2	-2.4	-15.4	-11.8	-23.7	-6.8	-11.7	71.1	-17.8	-33.1	86.2
Personnel expenses	-294.5	-298.1	1.2	-409.1	-403.6	-1.3	-889.4	-886.0	-0.4	-1,181.0	-1,202.2	1.8
IT and communications	-45.9	-39.5	-13.9	-90.7	-77.7	-14.3	-116.2	-126.9	9.2	-308.5	-280.1	-9.2
Advertising	-12.3	-12.9	4.9	-22.2	-23.9	7.9	-27.0	-36.5	35.2	-77.9	-73.6	-5.5
Premises and office supplies	-34.7	-35.0	0.9	-55.2	-55.2	0.0	-96.8	-104.4	7.9	-155.8	-164.4	5.5
Taxes other than income tax	-27.7	-28.6	3.1	-27.6	-28.6	3.3	-76.9	-82.5	7.3	-77.0	-82.5	7.1
Others	-42.6	-44.5	4.3	-70.6	-72.6	2.8	-134.5	-135.8	1.0	-245.5	-246.2	0.3
Total recurrent	-163.2	-160.4	-1.7	-266.4	-258.0	-3.1	-451.3	-486.0	7.7	-834.8	-816.7	-2.2
Non-recurrent	0.0	0.0	--	-50.8	-57.8	13.8	0.0	0.0	--	-29.4	-179.7	--
Other general expenses	-163.2	-160.4	-1.7	-317.2	-315.9	-0.4	-451.3	-486.0	7.7	-864.2	-996.5	15.3
Total	-457.7	-458.5	0.2	-726.3	-719.5	-0.9	-1,340.7	-1,372.0	2.3	-2,045.2	-2,198.7	7.5

Note: 9M17 figures include Sabadell United Bank, Mediterráneo Vida and the TSB Mortgage Enhancement Portfolio.

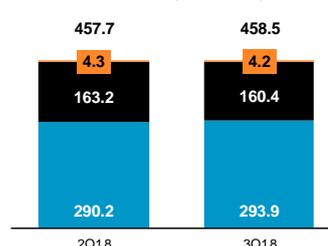
(1) The EURGBP exchange rate used for the income statement is 0.8844 in the year and 0.8925 in the quarter.

Evolution of operating expenses - Like-for-like basis

Total group (€ millions)



Sabadell ex - TSB (€ millions)



Recurrent expenses

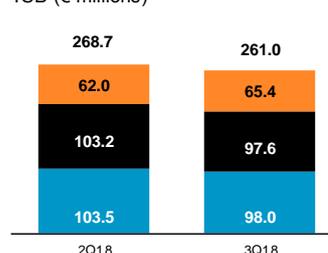
Change QoQ:

+0.2%

Change YoY:

+5.3%

TSB (€ millions)



Recurrent expenses

Change QoQ:

-5.4%

-3.7% in GBP

Change YoY:

-5.8%

-4.5% in GBP

	Total group ⁽¹⁾	Constant FX ⁽¹⁾
Change YoY:	+1.5%	+2.1%
Change QoQ:	-1.5%	-1.1%

(1) Change over total recurrent costs.

Pre-provisions income:

At end September 2018, pre-provisions income amounted to €1,416.5 million (1,529.4 million excluding TSB), representing a year-on-year decline of -32.8% (-24.0% excluding TSB) on a like-for-like basis and considering a constant exchange rate, mainly due to the extraordinary net trading income generated and the payment of BanSabadell Vida net fee received in relation to the reinsurance contract with Swiss Re Europe in the previous year, as well as one-off items related to TSB migration and post-migration incurred during 2018.

Provisions for NPLs and other impairments:

Amounted to €-1,080.5 million at end September 2018 (€-917.6 million excluding TSB) which includes a provision due to TSB customer redress and a provision for institutional NPA sales.

At the end of September in the previous year, it amounted to €-1,967.8 million (€-1,902.5 million excluding TSB).

Gains on sale of assets and other results:

Amounts to €3.3 million at the end of September 2018, whilst at the end of September 2017 it amounted to €384.0 million, including the gains from sale of Sabadell United Bank and Mediterráneo Vida.

Net profit:

The Group's net profit amounted to €247.8 million at the end of September 2018. Excluding TSB extraordinary migration and post-migration impacts and provisions from institutional NPA sales, growth on a like-for-like basis, and considering a constant exchange rate stood at 14.7% year-on-year.

Excluding TSB, the Group's net profit amounted to €467.7 million at the end of September 2018. Excluding the provisions from institutional NPA sales, like-for-like growth of 8.3% year-on-year.

Balance sheet

Highlights:

Strong volume growth trend confirmed, with performing gross loans growing at 1.9% assuming a constant exchange rate on a year-on-year basis (3.6% excluding TSB). Excluding the impact of the APS NPL run-off ⁽¹⁾, showed 3.1% year-on-year growth considering a constant exchange rate (5.4% excluding TSB), driven by the good performance of SMEs and Corporates. During the quarter, slightly decline of -0.3% (0.3% growth excluding TSB). Solid performance of mortgages to individuals, which grew 1.2% on a quarterly basis and by 1.0% year-on-year.

On-balance sheet customer funds grew at a constant exchange rate, reaching 3.1% (5.3% excluding TBS) on a year-on-year basis and -0.4% (-0.2% excluding TSB) on a quarterly basis.

Off-balance sheet funds increased by 4.5% year-on-year and by 0.6% in the quarter, driven by mutual funds.

Decrease in TSB lending in the quarter, mainly due to the reduction in core mortgages, due to conscious management actions taken pre and post migration, although balances grew year-on-year. Customer funds declined by -1.1% in the quarter (-0.9% considering a constant exchange rate) mainly due to the decision taken early in 2018 to manage deposits volumes through the 2018 "ISA season" given TSB strong liquidity position.

⁽¹⁾ 80% of the APS problematic exposure, the risk of which is assumed by the DGF, as well as the change in the net loans and receivables account.

Balance sheet

€(million)	30.09.17	30.06.18	(2) 30.09.18	Change (%)	
				30.09.17	30.06.18
Cash, cash balances at central banks and other demand deposits	13,588	19,756	20,310	49.5	2.8
Financial assets held for trading and fair value with changes in PL	1,939	2,259	1,937	-0.1	-14.3
Held to maturity investments	113.12	0	0	-100.0	--
Financial assets in fair value OCI	16,371	12,867	13,077	-20.1	1.6
Financial assets at amortised cost	147,991	162,280	163,594	10.5	0.8
Loans and advances to customers	144,050	144,266	143,605	-0.3	-0.5
Loans and advances of central banks and credit institutions	3,342	6,311	6,962	108.3	10.3
Debt securities	599	11,703	13,028	--	11.3
Investments in subsidiaries, joint ventures and associates	785	528	558	-28.9	5.8
Tangible assets	4,602	3,361	3,237	-29.7	-3.7
Intangible assets	2,123	2,320	2,378	12.0	2.5
Other assets	12,364	12,565	12,659	2.4	0.8
Total assets	211,076	215,935	217,751	3.2	0.8
Financial liabilities held for trading and fair value with changes in PL	1,675	1,788	1,458	-13.0	-18.5
Financial liabilities at amortised cost	193,201	199,596	201,604	4.3	1.0
Central banks	(1) 26,311	27,814	27,806	5.7	0.0
Credit institutions	(1) 7,103	10,612	12,513	76.2	17.9
Customer deposits	133,937	136,994	136,581	2.0	-0.3
Debt securities issued	22,318	21,168	21,258	-4.7	0.4
Other financial liabilities	3,533	3,009	3,447	-2.4	14.6
Provisions	308	516	476	54.7	-7.9
Other liabilities	2,688	1,964	2,020	-24.8	2.8
Subtotal liabilities	197,872	203,865	205,558	3.9	0.8
Shareholders' equity	13,372	12,476	12,607	-5.7	1.1
Valuation adjustments	-239	-468	-477	99.4	2.1
Minority interest	72	61	62	-13.9	1.7
Net equity	13,205	12,070	12,192	-7.7	1.0
Total liabilities and equity	211,076	215,935	217,751	3.2	0.8
Contingent risks	8,599	8,957	9,067	5.4	1.2
Contingent liabilities	22,157	23,451	23,035	4.0	-1.8

⁽¹⁾ Deposits with central banks and credit institutions include the following amount of repos: €2,268 million at 30.09.17, €5,627 million at 30.06.2018 and €7,522 million at 30.09.18.
⁽²⁾ The EURGBP exchange rate used for the balance sheet is 0.8873.

Assets:

Total Group assets amounted to €217,751 million, representing a 3.3% increase considering a constant exchange rate, and of 0.8% in the quarter.

Excluding TSB, total assets amounted to €171,547 million, representing a 4.6% increase year-on-year and 1.6% on a quarterly basis.

Loans and advances to customers:

Performing loans ended the third quarter of 2018 with a balance of €140,234 million (€105,735 million excluding TSB) representing year-on-year growth of 1.9% at a constant exchange rate (3.6% excluding TSB). Excluding the impact of the APS NPL run-off ⁽¹⁾, showed 3.1% year-on-year growth considering a constant exchange rate (5.4% excluding TSB), driven by the good performance of SMEs and Corporates. During the quarter, performing loans slightly decline of -0.3% (0.3% growth excluding TSB). Solid performance of mortgages to individuals, which grew 1.2% on a quarterly basis and by 1.0% year-on-year.

Spain and Mexico continue to grow in the quarter, despite seasonality and showed a remarkable performance year-on-year.

In Spain, performing loans excluding APS NPL run-off ⁽¹⁾ grew by 4.5% year-on-year, and 0.1% on a quarterly basis. Mexico recorded 44.9% year-on-year growth and 6.2% in the quarter, which in MXN amounted to 47.0% and 1.1% respectively.

Strong commercial momentum across all products in Spain, once again, with an increase in market shares.

Decrease in TSB lending in the quarter, mainly due to the reduction in core mortgages, due to conscious management actions taken pre and post migration, although balances grew year-on-year.

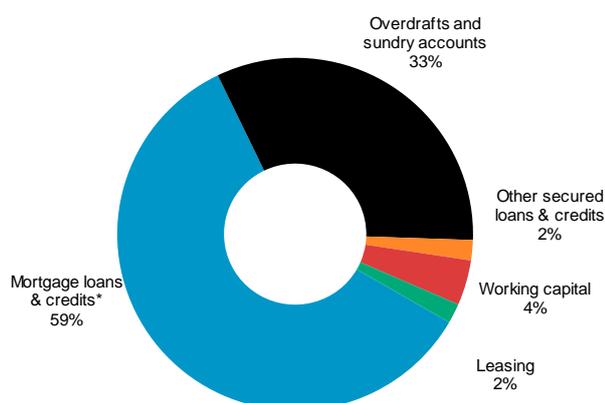
⁽¹⁾ 80% of the APS problematic exposure, the risk of which is assumed by the DGF, as well as the change in the net loans and receivables account.

Loans and advances to customers

(€million)	Excl. TSB				Total group					
	30.09.17	30.06.18	30.09.18	Change (%) 30.09.17 30.06.18	30.09.17	30.06.18	30.09.18 ⁽¹⁾	Change (%) 30.09.17 30.06.18		
Mortgage loans & credits	52,555	51,835	51,727	-16	-0.2	84,735	83,977	83,444	-15	-0.6
Other secured loans & credits	2,246	2,491	2,607	16.0	4.6	2,246	2,494	2,609	16.2	4.6
Working capital	5,719	6,148	5,805	1.5	-5.6	5,719	6,148	5,805	1.5	-5.6
Leasing	2,327	2,505	2,526	8.6	0.9	2,327	2,505	2,526	8.6	0.9
Overdrafts and sundry accounts	39,187	42,486	43,071	9.9	1.4	42,805	45,543	45,850	7.1	0.7
Performing gross loans	102,035	105,465	105,735	3.6	0.3	137,833	140,667	140,234	1.7	-0.3
Non-performing loans	8,117	6,900	6,509	-19.8	-5.7	8,276	7,290	6,951	-16.0	-4.6
Accruals	-90	-111	-60	-33.4	-46.1	-55	-23	18	--	--
Gross loans to customers (excluding repos)	110,062	112,255	112,184	1.9	-0.1	146,054	147,934	147,203	0.8	-0.5
Reverse repos	2,188	448	349	-84.0	-22.0	2,188	448	349	-84.0	-22.0
Gross loans to customers	112,250	112,702	112,534	0.3	-0.1	148,242	148,382	147,553	-0.5	-0.6
NPL and country-risk provisions	-4,112	-3,908	-3,724	-9.5	-4.7	-4,192	-4,115	-3,948	-5.8	-4.1
Loans and advances to customers	108,138	108,794	108,810	0.6	0.0	144,050	144,266	143,605	-0.3	-0.5

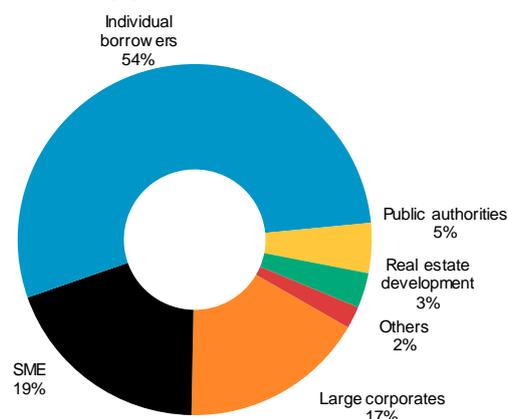
⁽¹⁾ The EURGBP exchange rate used for the balance sheet is 0.8873.

Loans and advances to customers by product type, 30.09.18 (%) ^(*)



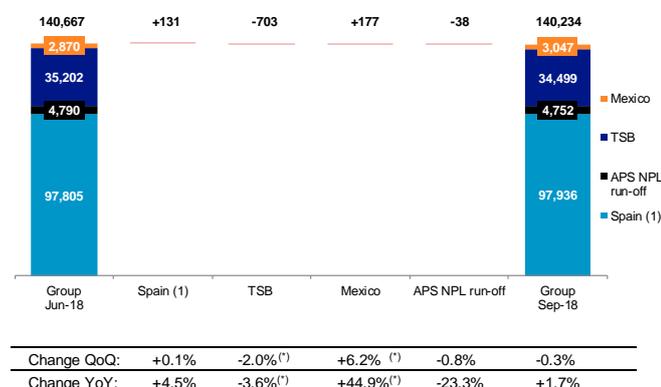
*Includes mortgage loans and credits both to individuals and companies.

Loans and advances to customers by customer profile, 30.09.18 (%)



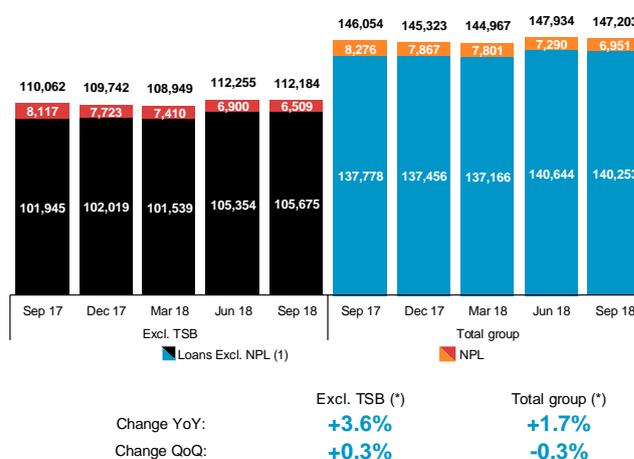
^(*) Excluding non-performing assets and accrual adjustments.

Performing loans: performance by geographies (€ million)



(*) In TSB -1.9% QoQ and -3.0% YoY in GBP and in Mexico +1.1% QoQ and +47.0% YoY in MXN.
 (1) Spain includes overseas branches and representative offices abroad.

Evolution of gross customer lending (€ million)



(*) Change on performing gross loans.

(1) Figures expressed in a like-for-like basis.

Liabilities:

Customer funds:

At the end of the third quarter of 2018, on-balance sheet customer funds amounted to €135,152 million (€102,131 million excluding TSB), representing an increase of 2.9% (5.3% excluding TSB) year-on-year, and a slight decline of -0.4% (-0.2% excluding TSB) on a quarterly basis.

Sight account balances amounted to €106,499 million (€76,168 million excluding TSB) representing a 8.0% year-on-year increase (10.5% excluding TSB) and a quarter-on-quarter increase of 1.0% (1.6% excluding TSB).

Term deposits amounted to €28,167 million (€25,477 million excluding TSB), representing a decline of -8.8% compared to the same period in the previous year (-3.0% excluding TSB) and -3.8% lower than in the previous quarter (-3.3% growth excluding TSB). Year-on-year growth is mainly due to the evolution of interest rates, reflecting the transfer to sight accounts and off-balance sheet funds.

Total off-balance sheet customer funds amounted to €47,159 million at the end of the third quarter of 2018, and increased by 4.5% when compared to the previous year (a 0.6% increase quarter-on-quarter). Mutual funds amounts to €28,882 million, representing a year-on-year increase of 7.3% (0.9% on a quarterly basis).

Debt and other tradable securities:

At the end of the third quarter of 2018 it amounted to €18,735 million (€17,418 million excluding TSB), representing a year-on-year decrease of -6.9% (-8.9% excluding TSB) and a 0.4% increase in the quarter (0.7% excluding TSB). The issuance of €750 million of senior debt stood out in the quarter.

Exposure to central banks amounted to €27,792 million at the end of September 2018, of which €20,500 million is held with the ECB, and €7,292 million with the Bank of England.

Funds under management:

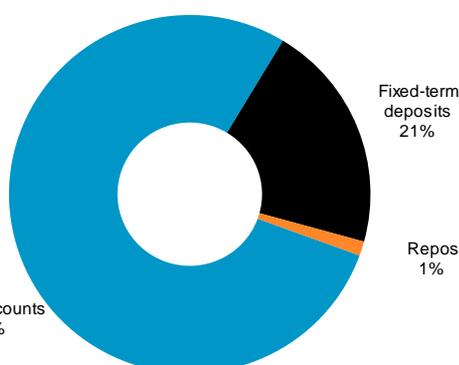
Funds under management amounted to €204,998 million (€169,754 million excluding TSB) when compared to €201,384 million (€163,746 million excluding TSB) in 2017, representing a 1.8% increase year-on-year (3.7% excluding TSB) and remaining stable quarter-on-quarter (0.6% excluding TSB).

Customer funds

(€million)	Excl. TSB					Total group						
	30.09.17		30.06.18		30.09.18		30.09.17		30.06.18		30.09.18	
			Change (%)						Change (%)			
Financial liabilities at amortised cost	149,990	156,002	158,891	5.9	1.9	193,201	199,596	201,604	4.3	1.0		
Non-retail financial liabilities	53,032	53,679	56,760	7.0	5.7	61,906	63,901	66,452	7.3	4.0		
Central banks	21,142	20,502	20,502	-3.0	0.0	26,311	27,814	27,806	5.7	0.0		
Credit institutions	7,113	10,612	12,509	75.9	17.9	7,103	10,612	12,513	76.2	17.9		
Institutional issues	21,659	19,585	20,464	-5.5	4.5	24,960	22,466	22,686	-9.1	1.0		
Other financial liabilities	3,119	2,980	3,285	5.3	10.2	3,533	3,009	3,447	-2.4	14.6		
On-balance sheet customer funds	96,958	102,323	102,131	5.3	-0.2	131,295	135,695	135,152	2.9	-0.4		
Customer deposits	97,753	102,564	103,109	5.5	0.5	133,937	136,994	136,581	2.0	-0.3		
Sight accounts	68,936	74,942	76,168	10.5	1.6	98,625	105,400	106,499	8.0	1.0		
Fixed-term deposits	(2) 26,252	26,350	25,477	-3.0	-3.3	30,900	29,265	28,167	-8.8	-3.8		
Repos	2,412	1,145	1,319	-45.3	15.2	4,274	2,188	1,756	-58.9	-19.7		
Accruals and derivative hedging adjustments	153	127	145	-5.2	14.4	138	141	158	14.7	12.1		
Debt and other tradable securities	19,126	17,290	17,418	-8.9	0.7	20,114	18,661	18,735	-6.9	0.4		
Subordinated liabilities	(3) 1,737	2,054	2,068	19.0	0.7	2,204	2,507	2,523	14.5	0.7		
On-balance sheet funds	118,617	121,908	122,595	3.4	0.6	156,255	158,162	157,839	1.0	-0.2		
Mutual funds	26,920	28,624	28,882	7.3	0.9	26,920	28,624	28,882	7.3	0.9		
Equity funds	1,725	1,823	1,900	10.1	4.2	1,725	1,823	1,900	10.1	4.2		
Balanced funds	6,242	7,152	7,307	17.0	2.2	6,242	7,152	7,307	17.0	2.2		
Fixed-income funds	4,667	4,356	4,138	-11.3	-5.0	4,667	4,356	4,138	-11.3	-5.0		
Guaranteed return funds	3,976	3,999	4,102	3.2	2.6	3,976	3,999	4,102	3.2	2.6		
Real estate funds	122	125	126	3.4	0.9	122	125	126	3.4	0.9		
Venture capital funds	23	42	44	93.0	3.1	23	42	44	93.0	3.1		
Dedicated investment companies	2,206	2,220	2,217	0.5	-0.1	2,206	2,220	2,217	0.5	-0.1		
Third-party funds	7,959	8,907	9,050	13.7	1.6	7,959	8,907	9,050	13.7	1.6		
Managed accounts	4,022	4,007	4,019	-0.1	0.3	4,022	4,007	4,019	-0.1	0.3		
Pension funds	4,035	3,869	3,801	-5.8	-1.8	4,035	3,869	3,801	-5.8	-1.8		
Individual	2,530	2,376	2,308	-8.8	-2.8	2,530	2,376	2,308	-8.8	-2.8		
Company	1,491	1,481	1,481	-0.7	0.0	1,491	1,481	1,481	-0.7	0.0		
Group	14	12	12	-12.7	-1.7	14	12	12	-12.7	-1.7		
Third-party insurance products	10,152	10,401	10,456	3.0	0.5	10,152	10,401	10,456	3.0	0.5		
Off-balance sheet customer funds	45,129	46,901	47,159	4.5	0.6	45,129	46,901	47,159	4.5	0.6		
Funds under management	163,746	168,809	169,754	3.7	0.6	201,384	205,063	204,998	1.8	0.0		

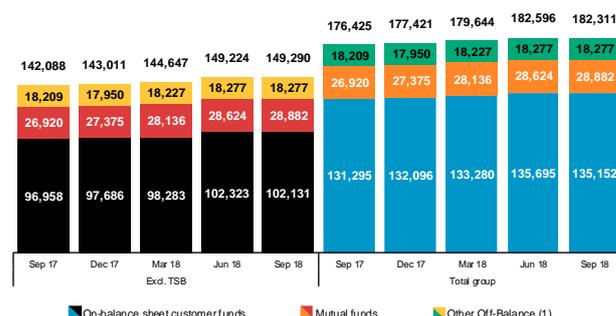
- (1) The EURGBP exchange rate used for the balance sheet is 0.8873.
(2) Includes deposits redeemable at notice and hybrid financial liabilities.
(3) These are subordinated liabilities of debt securities.

Customer deposits, 30.09.18 (%) ^(*)



(*) Excluding adjustments for accruals and hedging derivatives.

Evolution of customer funds (€ million)



Excl. TSB (*) Change YoY: **+5.3%** Change QoQ: **-0.2%**
Total group (*) Change YoY: **+2.9%** Change QoQ: **-0.4%**

(*) Change on balance sheet customer funds.

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

Net equity:

The following table shows the evolution of net equity at the end of the third quarter in 2018:

Net equity

(€million)	30.09.17	30.06.18	30.09.18	Change	
				30.09.17	30.09.18
Shareholders' equity	13,372	12,476	12,607	-764	131
Issued capital	702	703	703	1	0
Reserves	12,090	11,744	11,738	-352	-6
Other equity	43	39	42	-1	3
Less: treasury shares	-117	-131	-124	-7	7
Attributable net profit	654	121	248	-406	127
Less: dividends and payments	0	0	0	0	0
Valuation adjustments	-239	-468	-477	-238	-10
Minority interest	72	61	62	-10	1
Net equity	13,205	12,070	12,192	-1,012	122

Risk management

Highlights:

Strong reduction in Group NPL ratio to 4.50% (5.44% excluding TSB) and 4.32% (5.20% excluding TSB) considering the institutional NPA sales.

Problematic assets continued to decline in the quarter, showing a reduction, excluding TSB, of €-538 million (€-402M in NPLs and €-135M in foreclosed assets). Excluding the institutional NPA sales perimeter, organic reduction of €-244 million in the quarter.

Problematics assets coverage reached 56.6%, whereas the NPL coverage ratio reached 57.4% and coverage of foreclosed assets reached 55.9%.

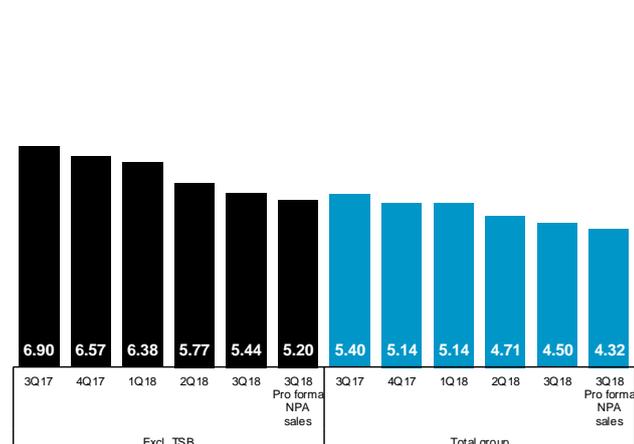
The ratio of net NPAs to total assets ratio stood at 1.7%, considering the institutional NPA sales.

Risk management:

At the end of the third quarter of 2018 the balance of problematic assets, excluding TSB, amounted to €13,630 million (€6,594M NPLs and €7,036M foreclosed assets) which represents a quarterly reduction of €-538 million (€-402M NPLs and €-135M foreclosed assets).

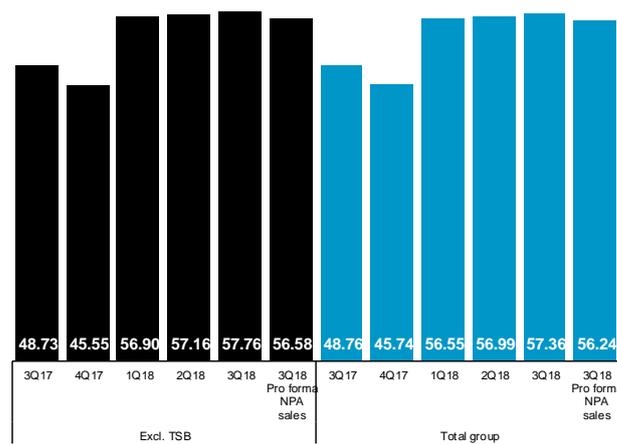
Excluding the institutional NPA sales perimeter, the reduction of problematic assets amounts to €-244 million in the quarter and €-9,282 million in the last 12 months, standing up to €7,667 million (€6,280M NPLs and €1,387M in foreclosed assets).

NPL ratio (in %) (*)



(*) Calculated including contingent exposures and 20% of the APS.

NPL coverage ratio (in %) (*)

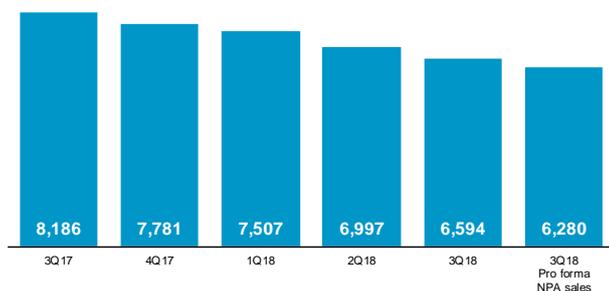


NPL ratios by segment (*)

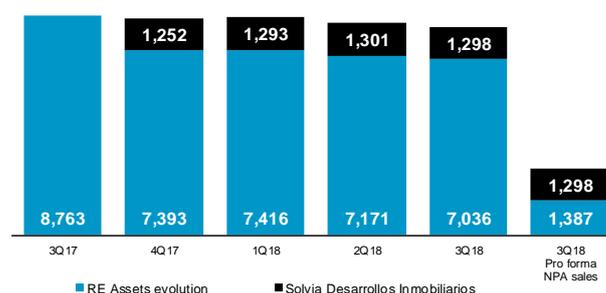
Excl. TSB	3Q17	4Q17	1Q18	2Q18	3Q18
Real estate development and/or construction purposes	23.82%	21.37%	19.80%	17.66%	16.16%
Construction purposes non-related to real estate dev.	6.44%	6.87%	7.17%	6.42%	5.58%
Large corporates	3.03%	3.33%	3.53%	3.12%	2.60%
SME and small retailers and self-employed	8.21%	8.09%	7.88%	7.40%	7.05%
Individuals with 1st mortgage guarantee assets	7.51%	6.88%	6.50%	6.04%	5.89%
NPL ratio	6.90%	6.57%	6.38%	5.77%	5.44%

(*) Calculated including contingent exposures and 20% of the APS.

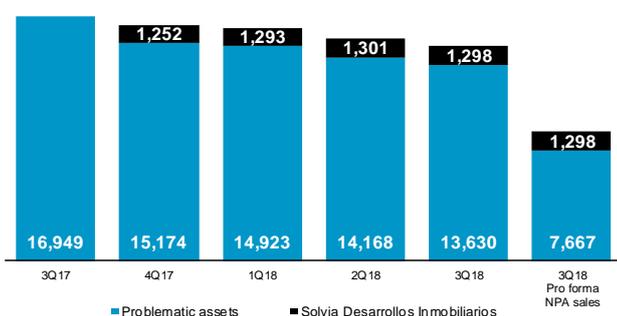
Evolution of NPLs excluding TSB (€ million) ^(*)



Evolution of real estate assets excluding TSB (€ million) ^(*)



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



(*) Calculated including contingent exposures and 20% of the APS.

The table below shows the evolution of the Group's problematic assets, and their reduction during the last few quarters.

Evolution of NPLs and RE assets excluding TSB ^(*)

(€million)	3Q17	4Q17	1Q18	2Q18	3Q18
Entries	513	617	481	330	385
Recoveries	-706	-956	-539	-573	-600
Change in perimeter ⁽¹⁾	-10	0	0	0	0
Ordinary net entries	-203	-339	-58	-243	-215
Entries	148	254	294	176	129
Sales and other outcomes ⁽²⁾	-302	-1,624	-271	-419	-264
Change in real estate assets	-154	-1,370	23	-244	-135
Net entries plus change in real estate assets	-357	-1,709	-35	-487	-350
Write-offs	-152	-66	-216	-268	-187
Real estate assets and NPL quarterly change	-509	-1,775	-251	-755	-538

(*) Data includes 20% of APS.

(1) Corresponds to SUB sale.

(2) In 4Q17 a new business line was carved out focusing on real estate development services (Solvia Desarrollo Inmobiliarios) with €1,252 million in assets under management.

Evolution of Group NPA coverage ^(*)

(€ million)	3Q17	4Q17	1Q18	2Q18	3Q18	3Q18 Pro forma NPA sales
Non-performing exposures	8,345	7,925	7,898	7,386	7,036	6,722
Provisions	4,069	3,625	4,467	4,209	4,036	3,780
NPL coverage ratio (%)	48.8%	45.7%	56.6%	57.0%	57.4%	56.2%
RE Assets evolution	8,763	7,393	7,416	7,171	7,036	1,387
Provisions	4,746	3,998	3,979	3,991	3,932	636
Real Estate coverage ratio (%)	(1) 54.2%	54.1%	53.7%	55.7%	55.9%	45.9%
Total problematic assets	17,108	15,318	15,314	14,557	14,072	8,109
Provisions	8,814	7,623	8,446	8,200	7,968	4,416
Problematic assets coverage (%)	51.5%	49.8%	55.2%	56.3%	56.6%	54.5%
Problematic assets over Gross loans + RE assets	11.1%	10.0%	10.0%	9.4%	9.1%	5.5%
Net problematic assets	8,294	7,695	6,868	6,357	6,104	3,692
Net problematic assets as of % of total assets	3.9%	3.5%	3.1%	2.9%	2.8%	1.7%

(*) includes contingent risks. Figures include 20% of APS.

(1) The real estate coverage ratio including write-downs stands at 64.9%.

Forborne and restructured loans

The balance of forborne and restructured loans at 30 September 2018 is:

(€million)	Total	Of which: doubtful
Public sector	19	19
Companies and self employed	3,389	1,948
Of which: Financing for construction and real estate development	647	488
Individuals	2,148	1,185
Total	5,556	3,153
Provisions	1,333	1,136

Foreclosed assets pro forma^(*)

(€million)	Gross amount	Allowances for losses
Real estate assets deriving from financing of construction and real estate development	1,033	520
Finished buildings	520	154
Housing	326	80
Rest	194	73
Buildings under construction	8	5
Housing	6	4
Rest	2	1
Land	505	362
Building land	124	73
Other land	382	289
Real estate assets deriving from home loan mortgages	354	116
Total real-estate portfolio	1,387	636

(*) Problematic real estate assets, including properties outside of Spain, considering the coverage allowed for in the original financing, and the credit risk that was transferred through the enforcement of the APS.

Impairment allowances by the Group for credit risk hedging

(€million)	2017	2018
Initial balance	4,940	3,740
IFRS9 implementation	0	993
Movements reflected in provisions for NPLs	944	420
Movements not reflected in provisions for NPLs	-2,140	-1,199
Utilisation of provisions	-1,817	-879
Other movements (*)	-323	-320
Adjustments for exchange differences	-4	-4
Final balance	3,740	3,950

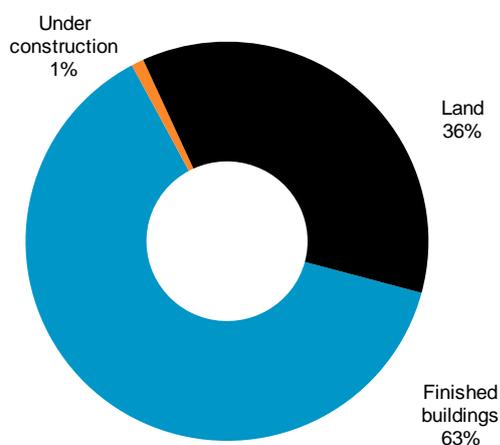
(*) Corresponds to the transfer of €119 million of impairment allowances for credit risk hedging of non-current assets held for sale and investment properties and the transfer of €201 million of impairment allowances to cover contingencies relating to mortgage floor provisions.

NOTE: Excludes guarantees and sums undrawn.

Real estate portfolio breakdown by asset class:

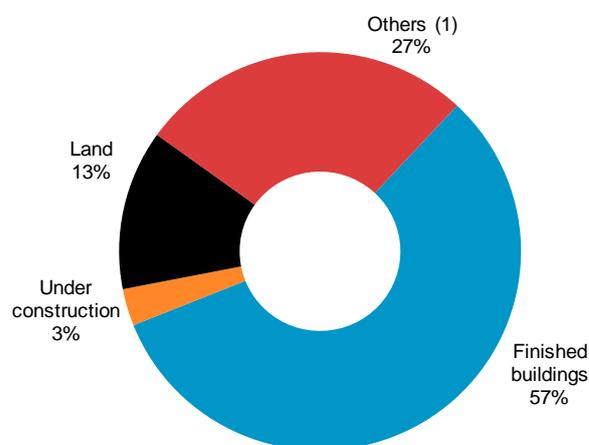
The breakdown at 30 September 2018 by asset class of the real estate portfolio is as follows:

Foreclosed assets, 30.09.18 (%) ^(*)



(*) Data 20% APS. Pro forma figures (post institutional NPA sales)

Real Estate Development, 30.09.18 (%) ^(*)



(1) Includes other guarantees.

Capital management and credit ratings

Highlights:

Sound capital position with CET 1 phase-in ratio standing at 12.1% and the fully-loaded CET 1 ratio at 11.0% at the end of the third quarter of 2018. Pro forma post institutional NPA sales, the CET 1 phase-in stood at 12.3% and fully-loaded at 11.2%.

The leverage ratio stood at 5.00% phase-in and 4.64% fully-loaded.

The CET 1 ratio remains stable in the quarter since organic capital generation was offset by risk weighted assets growth.

The Board of Directors has resolved to distribute an interim dividend out of the earnings of 2018 amounting to €0.02 (gross) per share.

Phase-in capital ratios

(€million)	30.09.17	30.06.18	30.09.18
Issued capital	702	703	703
Reserves	12,038	11,232	11,430
Minority interest	17	11	11
Deductions (1)	-2,003	-2,340	-2,387
Common Equity Tier 1	10,755	9,606	9,756
CET 1 Phase-in (%)	13.2%	11.9%	12.1%
Preference shares and other	768	1,152	1,152
Deductions	-421	0	0
Primary capital	11,101	10,759	10,909
Tier I (%)	13.6%	13.4%	13.5%
Secondary capital	1,476	1,304	1,195
Tier II (%)	1.8%	1.6%	1.5%
Total capital	12,578	12,062	12,104
Total capital ratio (%)	15.5%	15.0%	15.0%
Risk weighted assets (RWA)	81,345	80,455	80,930
Leverage ratio (%)	5.22	5.06%	5.00%

The phase-in CET 1 ratio of Banco de Sabadell, S.A. (individual) stood at 11.74% as of June 2018.

(1) Includes transitional adjustments of IFRS9.

Fully-loaded capital ratios

(€million)	30.09.17	30.06.18	30.09.18
Issued capital (1)	720	703	703
Reserves	12,038	11,232	11,430
Minority interest	12	11	11
Deductions	-2,441	-3,075	-3,210
Common Equity Tier 1	10,328	8,871	8,934
CET 1 Fully Loaded (%)	12.7%	11.0%	11.0%
Preference shares and other	753	1,152	1,152
Primary capital	11,081	10,024	10,086
Tier I (%)	13.6%	12.4%	12.4%
Secondary capital	1,478	1,304	1,286
Tier II (%)	1.8%	1.6%	1.6%
Total capital	12,558	11,328	11,373
Total capital ratio (%)	15.4%	14.0%	14.0%
Risk weighted assets (RWA)	81,345	80,766	81,160
Leverage ratio (%)	5.21%	4.73%	4.64%

(1) Includes convertible bonds

Credit ratings

Agency	Date	Long term	Short term	Outlook
DBRS	16.07.2018	BBB (high)	R-1 (low)	Positive
S&P Global Rating ⁽¹⁾	19.09.2018	BBB	A-2	Estable
Moody's ⁽²⁾	19.09.2018	Baa3 / Baa2	P-3 / P-2	Stable/Stable

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

⁽²⁾ Corresponds to senior debt and deposits, respectively.

On 06 April 2018, S&P Global Ratings raised Banco Sabadell's long-term credit rating to BBB from BBB- and its short term credit rating to A-2 from A-3 with a stable outlook. This rating upgrade is based on the improvement of Banco Sabadell's credit quality in a context of lower industrial risks of the Spanish banking system, principally due to its deleveraging, as well as an improvement in investor confidence.

On 19 September 2018, S&P Global Ratings confirmed Banco Sabadell's long-term credit rating of BBB and its short term credit rating to A-2 with a stable outlook.

On 19 September 2018, Moody's Investors Service (Moody's) has confirmed the long term rating of deposits as Baa2 and senior debt as Baa3, as well as the short term rating of deposits as P-2 and Banco Sabadell's senior debt as P-3, and it has changed the rating outlook to stable, from positive.

On 16 July, DBRS Rating Limited raised Banco Sabadell's outlook to Positive (from Stable) and it confirmed Banco Sabadell's long term rating as BBB (High), and it's short term rating as R-1 (low). The upgrade to positive and the confirmation of the rating reflect the solid capitalisation vision of Banco Sabadell Group and the continuous improvement in asset quality and the profitability of the core business in Spain.

Liquidity management

Highlights:

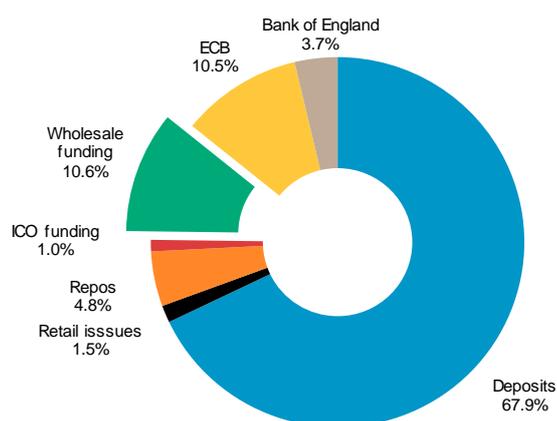
The adjusted loan to deposits ratio as at 30 September 2018 stood at 103.7% with a balanced retail funding structure.

The LCR (Liquidity Coverage Ratio) as at 30 September 2018 stood at 155% excluding TSB and 307% for TSB, whilst during the same period in 2017 it stood at 141% excluding TSB and 237% for TSB.

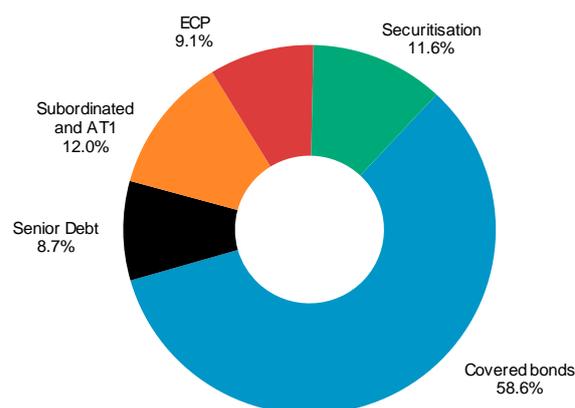
(€ million)	30.09.17	30.06.18	30.09.18 (1)
Loans and advances to customers (2)	141,862	143,818	143,255
Brokered loans	-4,638	-3,119	-3,156
Adjusted net loans and advances	137,224	140,700	140,099
On-balance sheet customer funds	131,295	135,695	135,152
Loan-to-deposits ratio (%)	104.5	103.7	103.7

(1) The EURGBP exchange rate used for the balance sheet is 0.8873 at 30.09.18.
 (2) Excludes repos.

Funding structure, 30.09.18 (%)



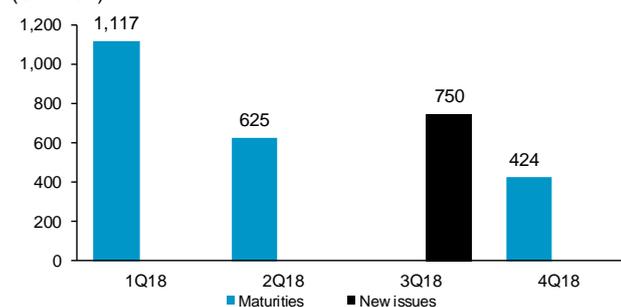
Wholesale market breakdown, 30.09.18 (%)



Maturity of institutional issues

(€ million)	2018	2019	2020	2021	2022	2023	>2023	Outstanding balance
Covered bonds	424	1,124	2,015	1,808	1,683	1,388	3,761	12,203
Senior Debt	0	51	0	0	25	985	748	1,809
Subordinated and AT1	0	0	403	434	0	0	1,660	2,497
Other mid- and long-term financial instruments	0	0	0	10	0	0	5	15
Total	424	1,175	2,418	2,252	1,708	2,373	6,174	16,524

New issuances and maturities of wholesale funding (€ million)



Maturities in the year

(€ million)	1Q18	2Q18	3Q18	4Q18
Covered bonds	1,112	20	0	424
GGB	0	0	0	0
Senior Debt	0	592	0	0
Subordinated and AT1	0	0	0	0
Other mid- and long-term financial instrum	5	13	0	0
Total	1,117	625	0	424

Results by business units

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

The criteria that Banco Sabadell Group uses to report on results for each segment are:

- There are four separate geographies: Banking Business Spain, Asset Transformation, Banking Business United Kingdom and Other Geographies.
- Each business is allocated 11% of capital divided by its risk-weighted assets and the surplus of own funds is allocated to Banking Business Spain.
- Banking Business United Kingdom includes TSB's contribution to the Group.
- Other Geographies mostly comprises Mexico, overseas branches and representative offices. For the purpose of comparison, changes have been calculated for loans, funds and the income statement, excluding Sabadell United Bank.

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

Segmentation by geography and business units

- **Banking business Spain**, which includes the following customer-oriented business units:

Commercial Banking offers both investment and savings products. In terms of investment, the sale of mortgage products, working capital and loans is particularly noteworthy. In terms of savings, the main products are deposits (demand deposits and term deposits), mutual funds, savings insurance and pension funds. Protection insurance products and payment services are also noteworthy, such as credit cards and the issues of transfers, amongst others.

Corporate Banking offers specialised financing services together with a comprehensive offering of solutions relating to the fields of financing and treasury, as well as import and export activities.

Markets and Private Banking offers and designs high value-added products and services for customers.

- **Asset Transformation:**

Comprehensively manages non-regular risk and real estate exposure, and also sets out and implements the strategy of real estate investee companies, such as Solvia.

- **Banking business United Kingdom:**

The TSB franchise includes retail business conducted in the United Kingdom, which includes current and savings accounts, personal loans, credit cards and mortgages.

- **Other geographies:**

Other Geographies mostly comprises Mexico, overseas branches and representative offices that offer all types of banking and financial services of Corporate Banking, Private Banking and Business and Retail Banking.

The information presented here is based on the separate financial statements of each Group company, with the corresponding disposals and adjustments in the scope of consolidation and the analytical accounting of income and expenses in cases in which a business is spread over one or more legal entities, to enable revenues and costs to be allocated for each customer depending on the business unit to which that customer is assigned.

Each business unit is treated as an independent business, therefore commissioning takes place between businesses for the provision of services involving the distribution of products, services and systems. The overall net impact of commissioning between business units is zero.

Each business unit bears its own direct costs, on the basis of general and analytical accounting, as well as the indirect costs of corporate units.

Key data relating to the segmentation of the Group's activity are given hereafter.

Profit and loss 9M18

(€million)	Banking business Spain	Real Estate asset transformation	Banking business UK	Other geographies	Total
Net interest income	1,830.0	-18.1	746.9	183.9	2,742.7
Income from equity method and dividends	50.3	0.0	0.0	1.5	51.9
Net fees and commissions	880.6	1.3	60.5	35.7	978.1
Results from financial transactions and foreign exchange	196.3	8.8	20.6	7.1	232.8
Other operating income/expense	-178.7	99.4	-51.4	8.2	-122.4
Gross operating income	2,778.7	91.4	776.7	236.4	3,883.2
Operating expenses and amortization	-1,343.8	-93.9	-889.6	-139.4	-2,466.7
Pre-provisions income	1,434.9	-2.5	-112.9	97.0	1,416.5
Impairment on loans & advances	-422.7	-461.9	-162.9	-33.1	-1,080.5
Gains on sale of assets and other results	2.3	0.0	1.0	0.0	3.3
Profit before tax	1,014.5	-464.4	-274.9	63.9	339.2
Income tax	-265.1	131.4	55.0	-7.0	-85.7
Consolidated net profit	749.4	-332.9	-219.9	57.0	253.6
Minority interest	2.1	0.0	0.0	3.6	5.8
Attributable net profit	747.3	-332.9	-219.9	53.3	247.8
ROE	11.7%	--	-13.4%	7.2%	1.97%
Cost / income	43.8%	--	106.4%	55.8%	57.91%
NPL ratio (%)	5.3%	26.6%	1.3%	0.5%	4.50%
NPL coverage ratio (%)	54.1%	65.3%	55.0%	312.1%	57.36%

Profit and loss 9M17

(€million)	Banking business Spain	Real Estate asset transformation	Banking business UK	Other geographies	Total
Net interest income	1,903.7	-37.2	776.2	235.0	2,877.8
Income from equity method and dividends	301.8	-0.4	0.0	2.3	303.8
Net fees and commissions	792.3	1.6	71.8	38.9	904.5
Results from financial transactions and foreign exchange	519.2	-34.9	96.0	7.3	587.6
Other operating income/expense	-170.0	89.3	-10.2	0.4	-90.5
Gross operating income	3,347.0	18.5	933.7	283.9	4,583.1
Operating expenses and amortization	-1,300.7	-124.0	-759.5	-161.1	-2,345.5
Pre-provisions income	2,046.3	-105.5	174.2	122.8	2,237.7
Impairment on loans & advances	-844.2	-1,043.0	-65.2	-15.4	-1,967.8
Gains on sale of assets and other results	377.9	0.0	6.1	0.0	384.0
Profit before tax	1,580.1	-1,148.5	114.8	107.4	653.8
Income tax	-271.7	343.0	-40.2	-29.4	1.7
Consolidated net profit	1,308.4	-805.5	74.6	78.0	655.5
Minority interest	1.4	0.0	0.0	0.3	1.7
Attributable net profit	1,307.0	-805.5	74.6	77.8	653.8
ROE	15.6%	--	3.3%	9.6%	6.05%
Cost / income	39.5%	--	80.4%	54.1%	51.04%
NPL ratio (%)	6.2%	28.9%	0.4%	0.9%	5.40%
NPL coverage ratio (%)	47.4%	53.2%	50.0%	103.4%	48.76%

Balance sheet 9M18

(€million)	Banking business Spain	Real Estate asset transformation	Banking business UK	Other geographies	Total
Total assets	142,603	12,531	46,204	16,412	217,751
Loans and advances to customers (Ex Repos)	95,869	2,448	34,795	10,143	143,255
RE exposure	0	3,103	0	0	3,103
Subtotal liabilities	133,832	11,652	44,731	15,343	205,558
On-balance sheet customer funds	96,520	66	33,021	5,545	135,152
Capital markets w wholesale funding	18,997	0	1,753	0	20,750
Equity	8,771	880	1,472	1,069	12,192
Off-balance sheet customer funds	46,021	35	0	1,103	47,159

Balance sheet 9M17

(€million)	Banking business Spain	Real Estate asset transformation	Banking business UK	Other geographies	Total
Total assets	133,995	15,640	47,132	14,309	211,076
Loans and advances to customers (Ex Repos)	92,923	4,250	35,912	8,776	141,862
RE exposure	0	3,995	0	23	4,017
Subtotal liabilities	125,045	13,676	45,647	13,503	197,872
On-balance sheet customer funds	92,205	106	34,337	4,647	131,295
Capital markets w wholesale funding	18,861	0	1,424	0	20,286
Equity	8,950	1,964	1,485	806	13,205
Off-balance sheet customer funds	44,086	14	0	1,030	45,129

Banking business Spain

Net profit as at September 2018 amounted to €747.3 million, a year-on-year decrease of -42.8% due to lower net trading income compared to the previous year. Excluding Mediterráneo Vida in the previous year and the capital gains generated by Sabadell United Bank and Mediterráneo Vida, the decline stood at 11.8%.

Net interest income stood at €1,830.0 million and declined by -3.9% compared to the same period in 2017. Excluding Mediterráneo Vida, net interest income declined by -2.1%.

Net fees and commissions stood at €880.6 million, 11.2% higher than in the previous year due to the positive performance of service fees and asset management fees.

Net trading income and foreign exchange amounted to €196.3 million, with a decline mainly due to extraordinary net trading income in the previous year and to SAREB subordinated debt impairment in the year.

Operating expenses and amortisation amounted to €-1,343.8 million, a 3.3% increase compared to the same period in the previous year, mainly due to the increase in technology and business digitalisation costs, as well as new regulatory developments.

Provisions and impairments reached €-422.7 million, significantly lower than in the previous year.

(€ million)	Change (%)		
	9M17	9M18	YoY
Net interest income	1,903.7	1,830.0	-3.9%
Income from equity method and dividends	301.8	50.3	-83.3%
Net fees and commissions	792.3	880.6	11.2%
Results from financial transactions and foreign exchange	519.2	196.3	-62.2%
Other operating income/expense	-170.0	-178.7	5.1%
Gross operating income	3,347.0	2,778.7	-17.0%
Operating expenses and amortization	-1,300.7	-1,343.8	3.3%
Pre-provisions income	2,046.3	1,434.9	-29.9%
Impairment on loans & advances	-844.2	-422.7	-49.9%
Gains on sale of assets and other results	377.9	2.3	-99.4%
Profit before tax	1,580.1	1,014.5	-35.8%
Income tax	-271.7	-265.1	-2.4%
Consolidated net profit	1,308.4	749.4	-42.7%
Minority interest	1.4	2.1	49.2%
Attributable net profit	1,307.0	747.3	-42.8%
Accumulated ratios			
RDE	15.6%	11.7%	
Cost / income	39.5%	43.8%	
NPL ratio (%)	6.2%	5.3%	
NPL coverage ratio (%)	47.4%	54.1%	

	Simple evolution						
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Net interest income	630.8	639.5	633.4	624.5	609.1	610.5	610.4
Income from equity method and dividends	15.8	19.6	266.4	11.3	12.2	23.6	14.5
Net fees and commissions	256.9	270.5	264.8	283.6	285.0	290.5	305.1
Results from financial transactions and foreign exchange	340.5	148.3	30.4	21.9	208.3	-3.1	-8.9
Other operating income/expense	-62.0	-84.2	-23.7	-162.4	-43.1	-87.9	-47.7
Gross operating income	1,182.0	993.7	1,171.3	778.8	1,071.5	833.7	873.4
Operating expenses and amortization	-430.3	-421.6	-448.8	-454.8	-444.8	-451.9	-447.1
Pre-provisions income	751.7	572.1	722.5	324.0	626.7	381.8	426.3
Impairment on loans & advances	-271.2	-176.1	-396.8	-23.2	-98.3	-163.8	-160.5
Gains on sale of assets and other results	-5.8	17.0	366.7	5.8	-1.1	4.2	-0.9
Profit before tax	474.7	413.0	692.4	306.6	527.3	222.2	265.0
Income tax	-139.9	-107.1	-24.8	-49.3	-148.2	-57.4	-59.4
Consolidated net profit	334.9	305.9	667.6	257.3	379.1	164.8	205.5
Minority interest	1.6	-0.3	0.1	-1.8	1.3	0.9	-0.1
Attributable net profit	333.2	306.2	667.5	259.1	377.7	163.9	205.7
Accumulated ratios							
RDE	15.2%	15.5%	15.6%	17.8%	15.5%	11.2%	11.7%
Cost / income	40.7%	38.7%	39.5%	39.1%	38.0%	42.3%	43.8%
NPL ratio (%)	6.7%	6.5%	6.2%	5.7%	6.0%	5.5%	5.3%
NPL coverage ratio (%)	45.9%	43.0%	47.4%	45.6%	56.5%	55.0%	54.1%

Loans and advances to costumers (excluding repos) amounted to €95,869 million, with 3.2% year-on-year growth.

On-balance sheet customer funds increased by 4.7% year-on-year, with significant growth in sight accounts. Off-balance sheet funds increased by 4.4% in the quarter, mainly driven by strong growth in mutual funds.

(€ million)	Change (%)		
	9M17	9M18	YoY
Total assets	133,995	142,603	6.4%
Loans and advances to customers (Ex Repos)	92,923	95,869	3.2%
Subtotal liabilities	125,045	133,832	7.0%
On-balance sheet customer funds	92,205	96,520	4.7%
Capital markets w wholesale funding	18,861	18,997	0.7%
Equity	8,950	8,771	-2.0%
Off-balance sheet customer funds	44,086	46,021	4.4%
Other data			
Employees (1)	15,950	15,905	-0.3%
Branches	1,930	1,877	-2.7%

(1) Includes Fonomed employees (call centre)

	Simple evolution						
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total assets	134,790	133,047	133,995	142,521	139,346	140,570	142,603
Loans and advances to customers (Ex Repos)	91,769	92,361	92,923	93,394	92,750	96,099	95,869
Subtotal liabilities	126,610	124,664	125,045	133,370	130,279	132,021	133,832
On-balance sheet customer funds	90,455	92,933	92,205	92,558	93,093	96,569	96,520
Capital markets w wholesale funding	18,065	19,163	18,861	20,168	19,374	18,348	18,997
Equity	8,180	8,383	8,950	9,151	9,067	8,549	8,771
Off-balance sheet customer funds	40,781	42,954	44,086	44,265	45,302	45,800	46,021
Other data							
Employees (1)	16,025	15,988	15,950	15,888	15,938	15,922	15,905
Branches	2,123	1,931	1,930	1,880	1,881	1,877	1,877

Asset Transformation

Net profit as at September 2018 amounted to €-332.9 million and grew 58.7% year-on-year, due to the year-on-year increase in net interest income, lower provisions and the positive results of foreclosed assets sales.

In 2018, net trading income includes the sale of real estate companies, with a positive result of €8.8 million.

Gross operating income amounted to €91.4 million, much higher than in 2017.

Operating expenses and amortisation decreased by -24.3% year-on-year to €-93.9 million.

Provisions and impairments amounted to €-502.3 million, 50.9% lower than in the same period of the previous year, and in the year it includes €-177.1 million of provisions from institutional NPA sales.

The results of sales continue to show positive results and amounted to €40.4 million at September 2018.

(€ million)	Change (%)			Simple evolution						
	9M17	9M18	YoY	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Net interest income	-37.2	-18.1	51.4%	-12.9	-9.0	-15.3	-14.9	-5.7	-7.9	-4.5
Income from equity method and dividends	-0.4	0.0	--	-0.1	-0.9	0.6	-0.2	0.0	0.0	0.0
Net fees and commissions	1.6	1.3	-22.2%	0.4	0.7	0.5	0.3	-5.1	6.3	0.1
Results from financial transactions and foreign exchange	-34.9	8.8	--	-0.2	-34.4	-0.2	-2.6	8.7	0.1	0.0
Other operating income/expense	89.3	99.4	11.3%	32.1	33.6	23.6	29.0	32.5	37.5	29.4
Gross operating income	18.5	91.4	394.0%	19.3	-10.0	9.2	11.6	30.3	36.1	25.0
Operating expenses and amortization	-124.0	-93.9	-24.3%	-40.7	-43.3	-40.0	-38.7	-33.1	-31.2	-29.6
Pre-provisions income	-105.5	-2.5	97.6%	-21.3	-53.4	-30.8	-27.1	-2.8	4.9	-4.6
Impairment on loans & advances	-1,023.8	-502.3	-50.9%	-198.4	-131.3	-694.1	-177.9	-122.9	-283.9	-95.5
Sales results	-19.2	40.4	--	-15.2	-12.5	8.5	5.1	15.3	14.9	10.2
Gains on sale of assets and other results	0.0	0.0	--	0.0	0.0	0.0	41.0	0.0	0.0	0.0
Profit before tax	-1,148.5	-464.4	59.6%	-235.0	-197.2	-716.4	-158.9	-110.4	-264.1	-89.9
Income tax	343.0	131.4	-61.7%	73.9	49.0	220.1	21.0	25.7	93.2	12.6
Consolidated net profit	-805.5	-332.9	58.7%	-161.1	-148.1	-496.3	-137.9	-84.7	-170.9	-77.3
Minority interest	0.0	0.0	--	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	-805.5	-332.9	58.7%	-161.1	-148.1	-496.3	-137.9	-84.7	-170.9	-77.3
Accumulated ratios										
ROE	--	--	--	--	--	--	--	--	--	--
Cost / income	--	--	--	--	--	--	--	--	--	--
NPL ratio (%)	28.9%	26.6%	--	28.6%	25.1%	28.9%	32.2%	29.1%	27.7%	26.6%
NPL coverage ratio (%)	53.2%	65.3%	--	52.1%	52.9%	53.2%	49.9%	62.7%	64.0%	65.3%

Due to the good management of real estate assets, net lending declined by -42.4% year-on-year and net real estate exposure declined by -22.3%.

Intra-group funding amounted to €11,395 million, -11.7% lower than in the previous year.

(€ million)	Change (%)			Simple evolution						
	9M17	9M18	YoY	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total assets	15,640	12,531	-19.9%	17,424	17,398	15,640	15,384	15,235	12,850	12,531
Loans and advances to customers (Ex Repos)	4,250	2,448	-42.4%	5,962	5,603	4,250	3,865	3,032	2,613	2,448
RE exposure	3,995	3,103	-22.3%	4,638	4,622	3,995	3,372	3,437	3,180	3,103
Subtotal liabilities	13,676	11,652	-14.8%	15,361	15,367	13,676	13,728	13,947	11,797	11,652
On-balance sheet customer funds	106	66	-37.6%	176	160	106	104	199	182	66
Intragroup financing	12,904	11,395	-11.7%	13,656	13,602	12,904	12,627	11,858	10,390	11,395
Equity	1,964	880	-55.2%	2,063	2,031	1,964	1,656	1,288	1,053	880
Off-balance sheet customer funds	14	35	154.7%	14	14	14	27	38	34	35
Other data										
Employees	1,008	1,034	2.6%	867	919	1,008	1,018	998	1,015	1,034

Banking business United Kingdom

Net profit in September 2018 amounted to €-219.9 million, mainly due to €-382.5 million of migration and post-migration costs.

Net interest income amounted to €746.9 million and declined by -3.8% year-on-year, impacted by TSB's one-offs after the IT migration.

Net trading income includes the sale of fixed income.

Net fees and commissions declined by -15.7% year-on-year mainly due to lower service fees and the TSB's one-offs after the IT migration.

Operating expenses and amortisation increased by 17.1% year-on-year and they amounted to €-889.6 million, including €-190.1 million of non-recurrent costs relating to the migration and post-migration.

Provisions and impairments amounted to €-162.9 million and include a provision of €-92.4 million for total estimated customer redress, including extraordinary costs to the complaints management procedure related to the migration.

(€ million)	Change (%)		
	9M17	9M18	YoY
Net interest income	776.2	746.9	-3.8%
Income from equity method and dividends	0.0	0.0	--
Net fees and commissions	71.8	60.5	-15.7%
Results from financial transactions and foreign exchange	96.0	20.6	-78.5%
Other operating income/expense	-10.2	-51.4	403.9%
Gross operating income	933.7	776.7	-16.8%
Operating expenses and amortization	-759.5	-889.6	17.1%
Pre-provisions income	174.2	-112.9	--
Impairment on loans & advances	-65.2	-162.9	149.8%
Gains on sale of assets and other results	6.1	1.0	-84.3%
Profit before tax	114.8	-274.9	--
Income tax	-40.2	55.0	--
Consolidated net profit	74.6	-219.9	--
Minority interest	0.0	0.0	--
Attributable net profit	74.6	-219.9	--
Accumulated ratios			
RDE	3.3%	-13.4%	
Cost / income	80.4%	106.4%	
NPL ratio (%)	0.4%	1.3%	
NPL coverage ratio (%)	50.0%	55.0%	

	Simple evolution							
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	
Net interest income	260.0	263.1	253.1	257.3	253.1	233.5	260.3	
Income from equity method and dividends	0.0	0.0	0.0	0.2	0.1	-0.1	0.0	
Net fees and commissions	25.3	21.7	24.8	23.9	23.1	12.0	25.4	
Results from financial transactions and foreign exchange	11.1	78.4	6.5	13.6	7.2	18.6	-5.2	
Other operating income/expense	-2.6	-4.4	-3.2	-5.5	-2.7	-40.4	-8.3	
Gross operating income	293.7	358.8	281.2	289.6	280.8	223.6	272.2	
Operating expenses and amortization	-256.4	-261.2	-241.9	-242.4	-314.7	-290.5	-284.4	
Pre-provisions income	37.3	97.6	39.3	47.2	-33.9	-66.9	-12.1	
Impairment on loans & advances	-23.9	-20.3	-21.0	-23.5	-23.3	-116.2	-23.4	
Gains on sale of assets and other results	7.5	-1.1	-0.3	0.5	0.4	0.4	0.2	
Profit before tax	20.8	76.1	17.9	24.2	-56.8	-182.7	-35.4	
Income tax	-8.6	-23.0	-8.6	-8.5	13.0	29.4	12.6	
Consolidated net profit	12.2	53.1	9.3	15.7	-43.8	-153.3	-22.8	
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Attributable net profit	12.2	53.1	9.3	15.7	-43.8	-153.3	-22.8	
Accumulated ratios								
RDE	3.3%	3.5%	3.3%	5.8%	-11.3%	-25.7%	-13.4%	
Cost / income	81.3%	78.7%	80.4%	79.5%	105.8%	112.1%	106.4%	
NPL ratio (%)	0.5%	0.5%	0.4%	0.4%	1.1%	1.1%	1.3%	
NPL coverage ratio (%)	54.7%	49.9%	50.0%	55.9%	49.9%	53.9%	55.0%	

Loans and advances to costumers (excluding repos) amounted to €34,795 million, with a year-on-year decrease of -3.1%. Considering a constant exchange rate, this item decreased by -0.9% in comparison to the previous year.

On balance sheet customer funds amounted to €33,021 million and declined by -3.8% year-on-year (-3.1% considering a constant exchange rate). In the year, they have mainly declined due to the maturity of saving deposits (FRISA) whilst the balance of sight accounts (PCA- Personal current accounts) increased.

(€ million)	Change (%)		
	9M17	9M18	YoY
Total assets	47,132	46,204	-2.0%
Loans and advances to customers (Ex Repos)	35,912	34,795	-3.1%
Subtotal liabilities	45,647	44,731	-2.0%
On-balance sheet customer funds	34,337	33,021	-3.8%
Capital markets w/wholesale funding	1,424	1,753	23.1%
Equity	1,485	1,472	-0.8%
Other data			
Employees	8,383	8,208	-2.1%
Branches	551	550	-0.2%

	Simple evolution							
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	
Total assets	47,519	47,195	47,132	48,145	49,332	47,159	46,204	
Loans and advances to customers (Ex Repos)	36,093	35,343	35,912	35,501	35,823	35,472	34,795	
Subtotal liabilities	45,980	45,696	45,647	46,597	47,760	45,656	44,731	
On-balance sheet customer funds	34,718	34,064	34,337	34,410	34,996	33,373	33,021	
Capital markets w/wholesale funding	1,581	1,489	1,424	1,920	1,885	1,809	1,753	
Equity	1,539	1,499	1,485	1,548	1,572	1,503	1,472	
Other data								
Employees	8,524	8,444	8,383	8,287	8,335	8,137	8,208	
Branches	585	551	551	551	551	551	550	

Other geographies

Net profit in September 2018 amounted to €53.3 million, a year-on-year decrease of -31.4% due to de lack of contribution of Sabadell United Bank, as well as higher expansion costs in Mexico. Excluding Sabadell United Bank, net profit increased by 5.9%.

Net interest income stood at €183.9 million, showing a -21.8% year-on-year decline. Excluding Sabadell United Bank, growth amounted to 24.7%, mainly driven by growth in Mexico and EMEA OFEX (Paris, London and Casablanca).

Net fees and commissions in the year declined by -8.2% year-on-year mainly due to the lack of contribution of Sabadell United Bank. Excluding SUB, net fees and commissions grew by 4.9%.

Gross operating income amounted to €236.4 million, showing a -16.7% year-on-year decline. Excluding Sabadell United Bank, gross income grew by 24.8% due to the good performance in Mexico, Miami and EMEA OFEX.

Operating expenses and amortisation declined by -13.5% year-on-year. Excluding the sale of Sabadell United Bank, increased of 19.4%, primarily due to expansion costs in Mexico.

Provisions and impairments increased in comparison to the previous year due to provisions associated with the increase in investment in Mexico and Miami and due to increased provisions mainly associated with singular operations.

(€ million)	Change (%)		
	9M17	9M18	YoY
Net interest income	235.0	183.9	-21.8%
Income from equity method and dividends	2.3	1.5	-34.2%
Net fees and commissions	38.9	35.7	-8.2%
Results from financial transactions and foreign exchange	7.3	7.1	-3.0%
Other operating income/expense	0.4	8.2	--
Gross operating income	283.9	236.4	-16.7%
Operating expenses and amortization	-161.1	-139.4	-13.5%
Pre-provisions income	122.8	97.0	-21.0%
Impairment on loans & advances	-15.4	-33.1	115.4%
Gains on sale of assets and other results	0.0	0.0	--
Profit before tax	107.4	63.9	-40.5%
Income tax	-29.4	-7.0	-76.3%
Consolidated net profit	78.0	57.0	-27.0%
Minority interest	0.3	3.6	--
Attributable net profit	77.8	53.3	-31.4%
Accumulated ratios			
ROE	9.6%	7.2%	
Cost / income	54.1%	55.8%	
NPL ratio (%)	0.9%	0.5%	
NPL coverage ratio (%)	103.4%	312.1%	

Simple evolution						
1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
84.5	80.8	69.6	57.7	55.0	62.4	66.4
0.6	1.0	0.7	0.9	0.6	0.3	0.6
14.1	15.2	9.6	11.1	11.5	13.5	10.7
2.7	3.9	0.7	2.0	1.8	4.2	1.1
3.0	1.8	-4.3	2.4	3.6	2.0	2.7
104.9	102.7	76.3	74.1	72.5	82.4	81.6
-61.1	-61.0	-39.0	-43.8	-47.4	-42.2	-49.8
43.8	41.7	37.3	30.3	25.1	40.2	31.7
-1.8	-0.1	-13.5	-9.0	-15.6	-12.5	-5.1
0.0	0.0	0.0	1.2	0.0	0.0	0.0
42.0	41.6	23.8	22.6	9.5	27.8	26.6
-10.2	-16.4	-2.8	-7.9	0.7	-4.7	-3.0
31.9	25.2	20.9	14.7	10.2	23.1	23.7
0.1	0.1	0.0	3.8	0.1	1.4	2.1
31.7	25.1	20.9	10.8	10.1	21.7	21.6
11.3%	10.0%	9.6%	8.8%	8.0%	8.9%	7.2%
55.4%	55.9%	54.1%	54.5%	63.3%	55.2%	55.8%
1.1%	0.8%	0.9%	0.9%	0.9%	0.6%	0.5%
174.8%	213.5%	103.4%	113.0%	103.7%	241.1%	312.1%

Loans and advances to costumers (excluding repos) amounted to €10,143 million, 15.6% higher than in the previous year, mainly due to the growth of the business in Mexico and Miami.

On balance sheet customer funds amounted to €5,545 million and grew by 19.3% year-on-year. Off-balance sheet funds amounted to €1,103 million and increased by 7.2% due to the increase in Andorra and Miami Ofex.

(€ million)	Change (%)		
	9M17	9M18	YoY
Total assets	14,309	16,412	14.7%
Loans and advances to customers (Ex Repos)	8,776	10,143	15.6%
RE exposure	23	0	-100.0%
Subtotal liabilities	13,503	15,343	13.6%
On-balance sheet customer funds	4,647	5,545	19.3%
Equity	806	1,069	32.6%
Off-balance sheet customer funds	1,030	1,103	7.2%
Other data			
Employees	744	898	20.7%
Branches	41	43	4.9%

Simple evolution						
1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
19,360	19,819	14,309	15,298	15,096	15,356	16,412
7,880	8,671	8,776	8,836	8,987	9,634	10,143
31	31	23	23	0	0	0
18,198	18,658	13,503	14,431	14,153	14,391	15,343
4,799	5,167	4,647	5,024	4,991	5,572	5,545
1,161	1,160	806	866	943	966	1,069
1,052	1,029	1,030	1,033	1,024	1,067	1,103
1,109	1,146	744	765	785	845	898
59	66	41	42	42	43	43

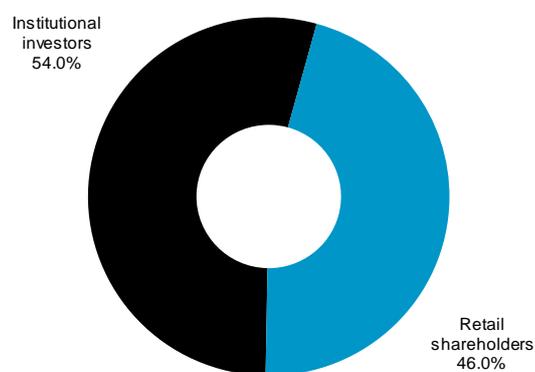
4. Share price performance

	30.09.2017	30.09.2018	Change (%) YoY
Shareholders and trading			
Number of shareholders	239,871	234,064	-2.4
Average number of shares (million)	5,573	5,570	-0.1
Average daily trading volume (millions shares)	26	28	5.7
Share price (€) (1)			
Opening session (of the year)	1.323	1.656	
High (of the year)	1.960	1.945	
Low (of the year)	1.295	1.308	
Closing session (end of quarter)	1.766	1.339	
Market capitalisation (€ million)	9,842	7,458	
Stock market multiples			
Earnings per share (EPS) (€)	(2) 0.14	0.04	
Book value per share (€)	2.39	2.25	
TBV per share (€)	2.00	1.82	
Price / Book value (times)	0.74	0.60	
Price / Earnings ratio (P/E) (times)	12.78	37.50	

(1) Without adjusting historical values

(2) Net profit adjusted by the amount of the Additional Tier I coupons, after tax, recorded under equity.

Shareholders' structure (%)



Source: GEM, figures at 30 September 2018

5. Other key developments in the quarter

Banco Sabadell informs of the rating upgrade by DBRS Rating Limited

On 16 July, DBRS Rating Limited has raised Banco Sabadell's outlook to positive (from stable) and affirmed its long-term credit rating to BBB (high) and its short-term rating to R-1 (low). The change of trend to positive and the confirmation of the rating reflect the Banco Sabadell Group's sound capitalisation and continued improvement in asset quality and core profitability in Spain.

Banco Sabadell informs of the transfer of almost all of its real estate exposure to a subsidiary of Cerberus Capital Management L.P.

On 19 July Banco Sabadell has reached an agreement on the date hereof for the transfer of almost the whole of its real estate exposure to an affiliate of Cerberus Capital Management, L.P. ("Cerberus" and the "Transaction"). The real estate assets included in the Transaction have a gross book value, altogether, of circa € 9,100 million and a net book value, altogether, of circa € 3,900 million. The Transaction has been structured through the transfer of two real estate portfolios commercially identified as "Challenger" and "Coliseum" to one or more newly incorporated companies (the "NewCo(s)"), the share capital of which will be contributed and/or transferred so that Cerberus, directly or indirectly, owns a 80% interest in the NewCo(s)'s share capital and Banco Sabadell the remaining 20% interest. Banco Sabadell and Cerberus will enter into a shareholders' agreement to set forth their contractual relationships as partners of the NewCo(s). Solvia Servicios Inmobiliarios, S.L.U., that will remain wholly owned by Banco Sabadell, will continue to service on an exclusive basis the real estate assets included to the Transaction. Closing of the Transaction, that will occur once the relevant authorizations are obtained and the conditions regarding each of the portfolios are complied with, will imply the transfer of the control over the real estate assets included in the Transaction and, hence, their deconsolidation from the balance sheet of Banco Sabadell group. The Transaction contributes positively to enhancing the profitability of Banco Sabadell group, requiring the recognition of additional provisions with a net impact of € 92 million, and will create a positive impact of 13 basis points on the capital ratio of Common Equity Tier 1 (fully-loaded) of Banco Sabadell.

Banco Sabadell has agreed the transfer of a portfolio of credits to Deutsche Bank and Carval Investors.

On 24 July 2018, Banco Sabadell has reached an agreement for the transfer of a portfolio of loans that, in turn, is composed of three sub-portfolios, mostly secured by the relevant mortgages, with an aggregate outstanding balance amounting to approximately EUR 2,295 million to Deutsche Bank and to Carval Investors (the "Transaction"). The Transaction will be closed once the relevant authorizations are obtained and the relevant conditions are fulfilled. The Transaction will create a negative impact of 3 basis points on the capital ratio of Common Equity Tier 1 (fully-loaded) of Banco Sabadell, which will include additional provisions with a net impact of EUR 32 million in the results.

Banco Sabadell informed of the confirmation of the long and short term rating by Moody's Investors Service, as well as the change in outlook.

On 19 September 2018, Moody's Investors Service (Moody's) has confirmed the long term rating of deposits as Baa2 and senior debt as Baa3, as well as the short term rating of deposits as P-2 and Banco Sabadell's senior debt as P-3, and it has changed the rating outlook to stable, from positive.

Banco Sabadell announces to the Board of Directors that it has agreed to distribute an interim dividend

On 25 October 2018 the Board of Directors has resolved to distribute an interim dividend out of the earnings of 2018 amounting to €0.02 (gross) per share, which shall be paid on 28 December 2018.

6. Glossary of terms on performance measures

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

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

	Definition and calculation	Page
ROA	(*) (**) Consolidated income during the year / ATA. Considering linear annualisation of profit obtained to date and adjusted by contributions to guarantee and resolution funds except year end. Average Total Assets are the moving average of total assets over the last 12 calendar months.	3
ROE	(*) (***) Profit attributed to the Group / average equity. Numerator considers linear annualisation of profit obtained to date and adjusted by contributions to guarantee and resolution funds except year end.	3
RORWA	(*) Profit attributed to the Group / risk-weighted assets (RWA). Numerator considers linear annualisation of profit obtained to date.	3
ROTE	(*) (***) Profit attributed to the Group / average equity. Numerator considers linear annualisation of profit obtained to date and adjusted by contributions to guarantee and resolution funds except year end. Denominator excludes goodwill.	3
Cost / income ratio	(*) Administrative expenses / gross income adjusted. Calculated by adjusting gross income, taking into account the recurrent results from financial transactions with the best group estimate except for the end of the year, as well as excluding in the year 2017 the commission received for BanSabadell Vida value-in force "VIF" and the income from Mortgage Enhancement of TSB. In addition, the denominator includes the linear accrual of contributions to deposit guarantee fund and resolution fund except year end.	3
Other operating income/expense	Comprised of the following accounting items: Other operating income and other operating expense as well as income from assets and expenses on liabilities under insurance or reinsurance contracts	8
Total provisions & impairments	Comprised of the following accounting items: impairment of reversal of impairment of investments in joint ventures and associates, impairment or reversal of impairment on non-financial assets, investment properties in the gains or losses on derecognition of non-financial assets, net and profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations excluding the associates, provisions or reversal of provisions and impairment or reversal of impairment on financial assets not measured at fair value through profit or loss.	8
Gains on sale of assets and other results	Comprised of the following accounting items: gains or losses on derecognition of non-financial assets, net, excluding the investment properties and associates included in the profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations excluding the associates.	8
Pre-provisions income	Comprised of the following accounting items: gross income plus administration and amortisation/depreciation expenses	8
Customer spread	(**) Difference between return and cost of assets and liabilities related to customers, i.e. contribution to net interest income of operations exclusively with customers. Calculated ratio taking into account the difference between the medium rate the bank receives for the customers' loans and the medium rate the bank pays for the customers' deposits. The medium rate of customers' loans is the annualized percentage between the financial income of clients' loans relative to the medium daily amount of clients' loans. The medium rate of customers' funds is the annualized percentage between the financial expenses of customers' funds relative to the medium daily amount of customers' funds.	11
Other assets	Comprised of the following accounting items: Derivatives - Hedge accounting, fair value changes of the hedged items in portfolio hedge of interest rate risk, tax assets, other assets, assets under insurance or reinsurance contracts and non-current assets and disposal groups classified as held for sale.	17
Other liabilities	Comprised of the following accounting items: Derivatives - Hedge accounting, tax liabilities, fair value changes of the hedged items in portfolio hedge of interest rate risk, other liabilities and liabilities included in disposal groups classified as held for sale.	17
Gross loans to customers	Includes loans and advances to customers excluding value corrections for impairment.	18
Performing gross loans	Includes gross loans to customers excluding repos, NPL and accrual adjustments.	18
On-balance sheet customer funds	Includes customer deposits (ex repos) and other liabilities placed by the branch network (Banco Sabadell non-convertible bonds, promissory notes and others).	20
Off-balance sheet customer funds	Includes mutual funds, asset management, pension funds and third-party insurance products.	20
On-balance sheet funds	Includes accounting sub-headings of customer deposits, debt securities issued (debt and other tradable securities and subordinated liabilities).	20
Funds under management	Sum of on-balance sheet and off-balance sheet customer funds.	20
NPL coverage ratio - stage 3 (%)	Shows the % of NPLs (stage 3), covered by provisions. Calculated using the ratio between the allowance of loans and advances to customers (including allowances for guarantees granted) / total non-performing exposures (stage 3) (including NPL guarantees granted, (stage 3)).	22
NPL ratio	% of non-performing exposures (stage 3), over total risk assumed by customers. All of the calculation's components correspond to headings or sub-headings in accounting financial statements. Calculation comprised of the ratio between non-performing exposures (stage 3), including guarantees granted/ Customer lending and guarantees granted. See table for the definition of non-performing exposures (stage 3).	22
Non-performing exposures - stage 3	Sum of accounting items: NPLs (stage 3) loans and advances to customers and non-performing guarantees granted (stage 3).	24
Problematic assets	Sum of non-performing exposures, classified as stage 3, and foreclosed real estate assets.	24
Real estate coverage ratio	Calculation comprised of ratio between allowances for impairment of foreclosed real estate assets / total foreclosed real estate assets. Amount of foreclosed RE assets includes property classified in the non-current asset portfolio and disposable groups of items classed as held-for-trading.	24
Total capital ratio (%)	It is composed of the quotient between total capital and the risk weighted assets. Total capital incorporates the accounting profit assuming a pay-out of 50%, that is different from the regulatory criteria which decrease that amount based on the obligations to fulfil for the rest of the year. The denominator has been made based on the Group's best estimate.	26
Loan-to-deposits ratio	Net loans and receivables over retail funding. Calculated by subtracting mediation loans from the numerator. The denominator considers real estate funding and customer funds, defined in this table.	28
Market capitalisation	Product of the share price and the average number of outstanding shares at the end of the period.	35
Earnings per share	Ratio between net profit attributed to the Group and the average number of outstanding shares at the end of the period. Numerator considers linear annualisation of profit obtained to date adjusted by the Additional Tier I coupon payment, after tax, registered in equity as well as adjusted by contributions to guarantee and resolution funds except year end.	35
Book value per share	Ratio between carrying value / average number of shares at the end of the period. Accounting value is calculated as the sum of equity, considering linear annualisation of profit obtained to date and adjusted by the Additional Tier I coupon payment as well as by contributions to guarantee and resolution funds except year end.	35
TBV per share	Ratio between tangible value / average number of shares at the end of the period. Tangible value is calculated as the sum of equity, considering linear annualisation of profit obtained to date and adjusted by intangible assets and by the Additional Tier I coupon payment as well as by contributions to guarantee and resolution funds except year end.	35
Price / Book value (times)	Ratio between share price / carrying value.	35
Price / Earnings ratio (P/E) (times)	(*) Ratio between share price / earnings per share.	35

(*) The linear accrual of contributions to guarantee funds and resolution funds have been made based on the Group's best estimates.

(**) Average calculated using average daily balances.

(***) Average calculated using the last positions at the end of December 2017.

Alternative Performance measures	Conciliation (€millions)	9M 17	9M 18
ROA	Average total assets	214,471	216,910
	Consolidated net profit	655	254
	DGR - SRF adjustment net of tax	-62	-61
	ROA (%)	0.37	0.12
ROE	Average equity	13,087	12,686
	Attributable net profit	654	248
	DGR - SRF adjustment net of tax	-62	-61
	ROE (%)	6.05	1.97
RORWA	Risk weighted assets (RWA)	81,345	80,930
	Attributable net profit	654	248
	DGR - SRF adjustment net of tax	-62	-61
	RORWA (%)	0.97	0.31
ROTE	Average equity (excluding intangible assets)	10,990	10,381
	Attributable net profit	654	248
	DGR - SRF adjustment net of tax	-62	-61
	ROTE (%)	7.20	2.41
Cost / income ratio	Gross operating income	4,583	3,883
	Adjusted gross operating income	4,007	3,797
	Operating expenses	-2,045	-2,199
	Cost / income ratio (%)	51.04	57.91
Other operating income/expense	Other operating income	237	201
	Other operating expenses	-309	-323
	Income from assets under insurance or reinsurance contracts	67	0
	Expenses on liabilities under insurance or reinsurance contracts	-86	0
	Other operating income/expense	-90	-122
Total provisions & impairments	Impairment of reversal of impairment of investments in joint ventures and associates	0	0
	Impairment or reversal of impairment on non-financial assets	-789	-403
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	304	42
	Gains from sales of associates	-386	0
	Gains from sales of investment properties and associates	-3	2
	Other impairments	-875	-359
	Provisions or reversal of provisions	-15	-87
	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	-1,079	-634
	Provisions for NPLs and other financial assets	-1,093	-721
	Total provisions & impairments	-1,968	-1,081
Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	-5	5
	Gains from sales of associates	386	0
	Gains from sales of investment properties and associates	3	-2
	Gains on sale of assets and other results	384	3
Pre-provisions income	Gross operating income	4,583	3,883
	Operating expenses	-2,045	-2,199
	Personnel expenses	-1,181	-1,202
	Other general expenses	-864	-996
	Amortization & depreciation	-300	-268
	Pre-provisions income	2,238	1,416
Customer spread	Loans to customers (net)		
	Avge.balance	137,699	135,662
	Results	3,098	2,994
	Rate %	3.01	2.95
	Customer deposits		
Avge.balance	139,179	140,446	
Results	-210	-223	
Rate %	-0.20	-0.21	
Customer spread	2.81	2.74	
Other assets	Derivatives - Hedge accounting	401	258
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	12	36
	Tax assets	6,776	7,123
	Other assets	2,999	2,363
	Non-current assets and disposal groups classified as held for sale	2,177	2,879
Other assets	12,364	12,659	
Other liabilities	Derivatives - Hedge accounting	1,304	693
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-3	-61
	Tax liabilities	642	366
	Other liabilities	745	992
	Liabilities included in disposal groups classified as held for sale	0	30
Other liabilities	2,688	2,020	

Customer spread is calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	9M 17	9M 18
	Financial liabilities at amortised cost	193,201	201,604
	Non-retail financial liabilities	61,906	66,452
	Central banks	26,311	27,806
	Credit institutions	7,103	12,513
	Institutional issues	24,960	22,686
	Other financial liabilities	3,533	3,447
On-balance sheet customer funds	On-balance sheet customer funds	131,295	135,152
	Customer deposits	133,937	136,581
	Sight accounts	98,625	106,499
	Fixed-term deposits including available and hybrid financial liabilities	30,900	28,167
	Repos	4,274	1,756
	Accruals and derivative hedging adjustments	138	158
	Debt and other tradable securities	20,114	18,735
	Subordinated liabilities (*)	2,204	2,523
On-balance sheet funds	On-balance sheet funds	156,255	157,839
	Mutual funds	26,920	28,882
	Managed accounts	4,022	4,019
	Pension funds	4,035	3,801
	Third-party insurance products	10,152	10,456
Off-balance sheet customer funds	Off-balance sheet customer funds	45,129	47,159
Funds under management	Funds under management	201,384	204,998
	Customer, central banks and financial institutions loans and advances	8,276	6,952
Non-performing exposures - stage 3	Guarantees granted in stage 3	69	84
	Non-performing exposures - stage 3 (€million)	8,345	7,036
NPL coverage ratio - stage 3 (%)	Non-performing exposures - stage 3	8,345	7,036
	Provisions	4,069	4,036
	NPL coverage ratio - stage 3 (%)	48.8%	57.4%
Real Estate coverage ratio (%)	RE Assets evolution	8,763	7,036
	Provisions	4,746	3,932
	Real Estate coverage ratio (%)	54.2%	55.9%
	Non-performing exposures - stage 3	8,345	7,036
	RE Assets evolution	8,763	7,036
Problematic assets	Problematic assets	17,108	14,072
	Provisions of problematic assets	8,814	7,968
	Problematic assets coverage (%)	51.5%	56.6%
NPL ratio	Non-performing exposures - stage 3	8,345	7,036
	Loans to customers and contingent risks	154,653	166,271
	NPL ratio (%)	5.4%	4.5%
Loan-to-deposits ratio (%)	Adjusted net loans and advances w/o repos by brokered loans	137,224	140,099
	On-balance sheet customer funds	131,295	135,152
	Loan-to-deposits ratio (%)	104.5%	103.7%
Market capitalisation (€000)	Average number of shares (million)	5,573	5,570
	Share price (€)	1,766	1,339
	Market capitalisation (€'000)	9,842	7,458
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	579	149
	Attributable net profit	654	248
	DGR - SRF adjustment net of tax	-62	-61
	Accrued AT1	-13	-38
	Average number of shares (million)	5,573	5,570
	Earnings per share (EPS) (€)	0.14	0.04
	Share price (€)	1,766	1,339
	Adjusted equity	13,297	12,508
	Shareholders' equity	13,372	12,607
	DGR - SRF adjustment net of tax	-62	-61
	Accrued AT1	-13	-38
	Average number of shares (million)	5,573	5,570
	Book value per share (€)	2.39	2.25
	Intangible assets	2,123	2,378
	Adjusted equity (excluding intangible assets)	11,174	10,130
TBV per share	TBV per share	2.00	1.82
Price / Book value (times)	Price / Book value (times)	0.74	0.60
Price / Earnings ratio (P/E) (times)	Price / Earnings ratio (P/E) (times)	12.78	37.50

(*) Refers to subordinated liabilities of debt securities

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

www.grupbancsabadell.com/

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