2Q26 Quarterly Financial Report

Basis of presentation

The consolidated income statement and balance sheet as at the end of June 2026 and 2025, together with the disclosures shown in this Financial Report, are presented in accordance with the accounting standards, principles and criteria defined in Note 1 to the Group's consolidated interim financial statements as at 30 June 2026.
Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), a glossary has been included with the definitions and the reconciliation with the items presented in the financial statements of certain alternative financial measures used in this document. See Glossary of terms on performance measures.

1. Key developments

Further to the Inside Information notice dated 1 July 2025 (official registry number 2805) and the disclosure of Other Relevant Information dated 6 August 2025 (official registry number 36328), Banco Sabadell informs that, having obtained the required regulatory approvals, on 30 April 2026 it transferred 100% of the share capital of TSB Banking Group plc (TSB) to Santander UK plc for total consideration of 2,863 million pounds sterling (the Transaction).

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

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

The Transaction has resulted in a capital gain of 322 million euros net for Banco Sabadell, after considering all impacts arising therefrom, as well as capital generation exceeding 400 basis points in the fully-loaded Common Equity Tier 1 (CET1) ratio. Of this amount, 369 basis points will be recognised in the current financial year, while 36 basis points, associated with a reduction in operational risk-weighted assets, will be recognised between 2027 and 2028.

Accordingly, and in furtherance of the resolution adopted at the Extraordinary General Meeting held on 6 August 2025, Banco Sabadell distributed, on 29 May 2026, an extraordinary cash dividend of 50 euro cents (gross) per share, charged against unrestricted voluntary reserves. The distribution of this extraordinary dividend had an impact of 378 basis points on Banco Sabadell's Common Equity Tier 1 (CET1) capital ratio.

In accordance with the accounting standards applicable to the Group, the transactions carried out by TSB and its subsidiary undertakings, which comprised almost all of the Banking Business UK segment, were considered discontinued operations from 1 July 2025 until the date of their sale. Consequently:

• In the Group's profit and loss account used for statutory reporting, the results associated with TSB and its subsidiary undertakings are shown in a single row, under the heading "results of discontinued operations" for the financial year 2025. This means that the income and expenses linked to these results are excluded, line by line, from the breakdown of continuing operations for both periods.

• In the Group's consolidated balance sheet, the assets and liabilities related to the sale of TSB and its subsidiary undertakings are grouped under the line items "non-current assets and disposal groups classified as held for sale" and "liabilities included in disposal groups classified as held for sale". This classification applies exclusively to the balance sheets subsequent to 1 July 2025, without affecting prior balance sheets.

However:

• In the profit and loss account used for management reporting, and also in the key management metrics included in this report, the results of TSB and its subsidiary undertakings are still disclosed in disaggregated form and line by line, as has been done in previous quarterly reports. This is because, until the transaction could be completed, TSB's management remained under the same operational model that existed prior to the announcement of the sale. This method of presentation is in line with the criteria used internally for management reporting.

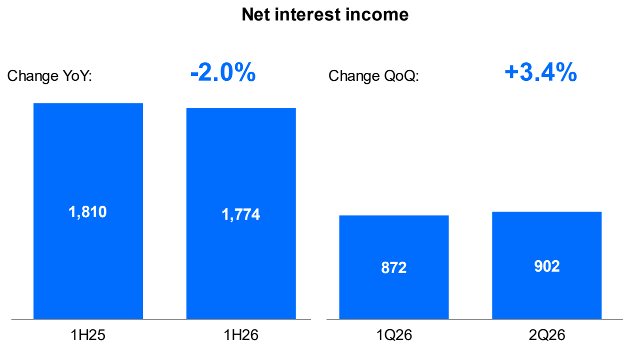
NOTE: The information presented in this report corresponds to management reporting data. For statutory reporting data and its reconciliation, see section 6. The information relating to the income statement, customer balance sheet figures, risk management and liquidity management refers to the ex-TSB perimeter. Similarly, the income statement shows the net contribution from TSB in aggregate under a single heading.

2. Summary

Net interest income

Net interest income stood at 1,774 million euros as at the end of June 2026, representing a year-on-year variation of −2.0%, in an environment of lower interest rates, which affected asset performance and the cost of liabilities.

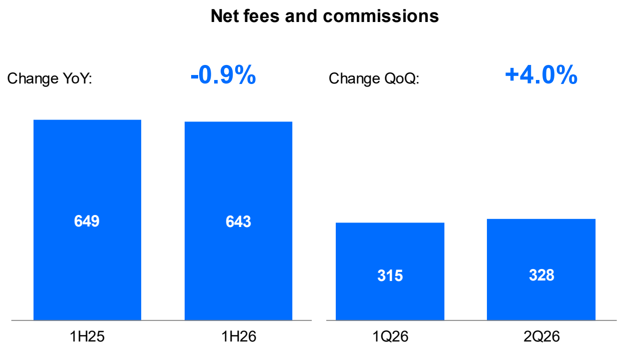
Over the quarter, net interest income recorded an increase of 3.4%, mainly driven by larger credit volumes and by a higher contribution of liquidity.



Net fees and commissions

Net fees and commissions amounted to 643 million euros as at the end of June 2026, representing a year-on-year reduction of −0.9%, mainly explained by the lower contribution of service fees.

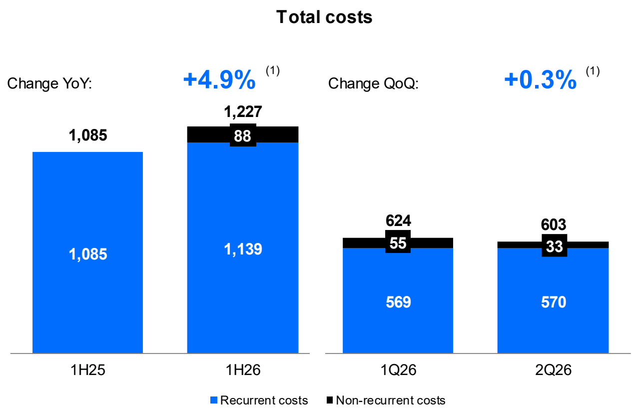
In quarterly terms, the trend followed by service fees was reversed, and so, driven by the good performance of fees on cards and on syndicated loan transactions, total fees and commissions were able to record quarterly growth of 4.0%.



Total costs

Total costs came to 1,227 million euros as at the end of June 2026. This item includes 88 million euros of non-recurrent costs stemming from efficiency initiatives in Spain. Recurrent costs, for their part, increased by 4.9% year-on-year, with a particularly noteworthy increase in depreciation and amortisation, impacted by the reclassification out of the provisions line item of expenses associated with assets in the payments business (Paycomet) during the fourth quarter of 2025. Excluding this impact, recurrent costs rose by 3.8% year-on-year.

During the quarter, 33 million euros of non-recurrent costs stemming from efficiency initiatives were recognised under the costs line item. Recurrent costs remained practically flat compared to the previous quarter.

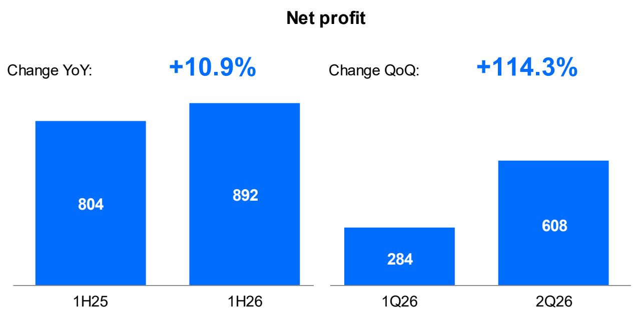


(1) Change over total recurrent costs.

Net profit

As at the end of June 2026, net profit amounted to 892 million euros, although that figure rises to 971 million euros if one includes the net contribution from TSB corresponding to the first four months of the year. The result includes 201 million euros net of non-recurring impacts.

RoTE climbed to 14.9%, with recurrent RoTE standing at 13.6%*.

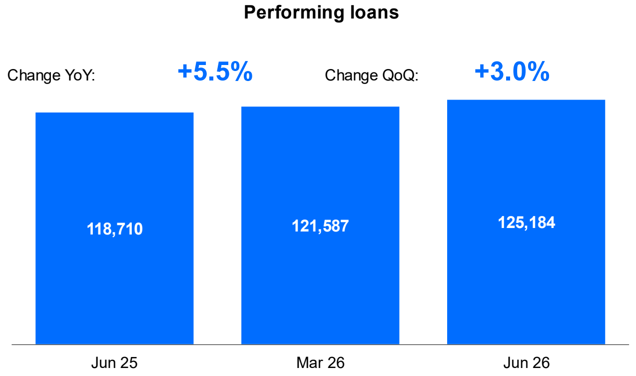


* Proforma adjusted in the period for the sale of TSB, which entails the distribution of a 50 euro cent dividend and the deconsolidation of TSB intangibles. Does not include TSB profit and does not consider one-off impacts.

Performing loans

Performing loans recorded year-on-year growth of 5.5%, driven both by good performance in Spain, which recorded growth across all segments, and by the positive evolution of businesses abroad, especially Miami and Mexico.

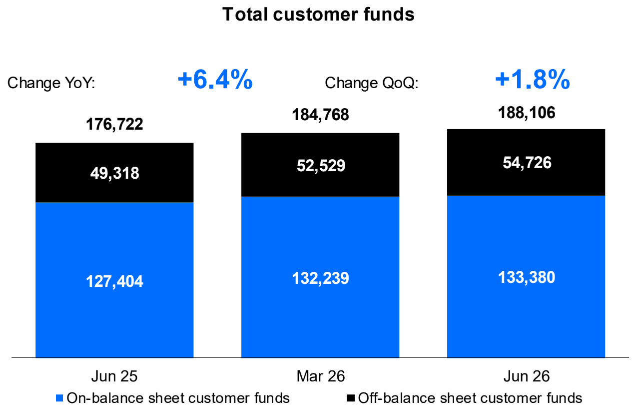
Quarter-on-quarter, lending volumes grew by 3.0%, mainly underpinned by good performance in Spain, notably the growth of lending granted to SMEs and corporates, and the public sector, as well as the positive seasonality of the second quarter.



Customer funds

Customer funds recorded a year-on-year increase of 6.4%, driven both by the growth of on-balance sheet funds and by the increase in off-balance sheet funds. Among the latter, it is particularly worth mentioning mutual funds, which were supported by a positive flow of net subscriptions, and the favourable trend followed by activity involving wealth management and third-party insurance products.

In the quarter, customer funds increased by 1.8%, as they also benefitted from the growth of off-balance sheet funds and the positive trend followed by on-balance sheet customer funds.

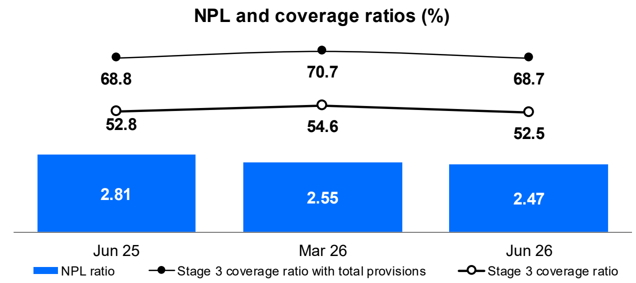


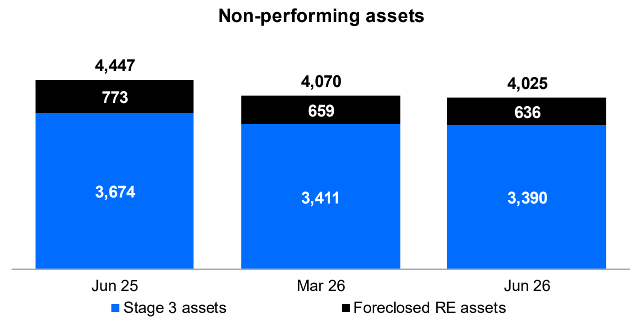
Non-Performing Assets (NPAs)

The NPL ratio dropped to 2.47% and the stage 3 coverage ratio with total provisions stood at 68.7%.

The balance of NPAs fell by 44 million euros during the quarter and by 421 million euros over the last twelve months, with coverage standing at 63.4%.

Credit cost of risk stood at 31 bps, while total cost of risk was 40 bps.

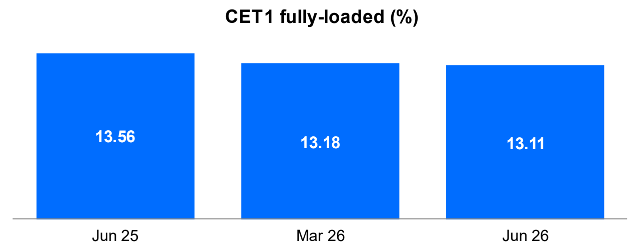




Capital ratio

The fully-loaded* CET1 ratio stood at 13.11% as at the end of June 2026.

The phase-in CET1 ratio stood at 13.16% and the Total Capital ratio at 18.12%, putting it above regulatory requirements, with an MDA buffer of 423 bps.



* Fully-loaded CET1 ratio applying the regulatory output floor implementation schedule.

3. Key figures

		30.06.25	30.06.26	YoY (%) (5)
Profit and loss account (€ millions)				
Net interest income		1,810	1,774	-2.0
Core revenues		2,459	2,417	-1.7
Gross operating income		2,534	2,463	-2.8
Pre-provisions income		1,449	1,236	-14.7
Net profit		804	892	10.9
Net profit with TSB		975	971	-0.5
Balance sheet (€ millions)				
Total assets		252,373	199,084	-21.1
Performing gross loans		118,710	125,184	5.5
Gross loans to customers		122,286	128,504	5.1
On-balance sheet customer funds		127,404	133,380	4.7
Off-balance sheet customer funds		49,318	54,726	11.0
Total customer funds		176,722	188,106	6.4
Net equity		14,491	12,175	-16.0
Shareholders' equity		14,996	12,381	-17.4
Profitability and efficiency ratios (%)				
ROA		0.8	0.7	
RORWA		2.4	2.3	
ROE		12.7	12.3	
ROTE		15.3	14.9	
Efficiency (includes non-recurrent costs)		42.8	49.8	
Risk management				
NPL ratio (%)		2.81	2.47	
Stage 3 coverage ratio with total provisions (%)		68.8	68.7	
Credit cost of risk (bps)		22	31	
Total cost of risk (bps)		44	40	
Liquidity management (%)				
Loan-to-deposit ratio		93.3	92.6	
LCR		193	188	
NSFR	(1)	138	131	
Capital management	(2)			
Risk weighted assets (RWA) (€millions)		79,212	70,748	-10.7
Common Equity Tier 1 (%)		13.62	13.16	
Common Equity Tier 1 fully-loaded (%)		13.56	13.11	
Tier 1 (%)		17.09	16.34	
Total capital ratio (%)		19.38	18.12	
MREL (% RWA)		28.99	28.03	
MREL (% LRE)		9.10	10.20	
Leverage ratio (%)		5.37	5.94	
Share data (period end)				
Number of outstanding shares minus the treasury shares (millions)	(3)	5,120	4,781	-6.6
Share price (€)	(4)	2.703	3.099	14.7
Market capitalisation (€millions)		13,839	14,816	7.1
Earnings per share (EPS) (€)		0.34	0.32	-5.5
Book value per share (€)		2.93	2.59	-11.6
TBV per share (€)		2.43	2.09	-14.1
Price / TBV (times)		1.11	1.49	
Price-to-earnings ratio		7.93	9.62	
Other data				
Branches		1,165	1,116	
Employees		14,139	13,842	

(1) Taking into account the best estimate as at the date of publication of this report.
(2) Fully-loaded CET1 ratio applying the regulatory output floor implementation schedule. According to supervisory expectations, regulatory capital ratios should incorporate a CET1 deduction for any excess above the threshold applicable at any given time to extraordinary capital distributions (as defined on a fully-loaded basis and applying the regulatory output floor implementation schedule).
(3) Total number of shares minus final treasury stock position (including shares in the buyback programme, where applicable).
(4) Historical values not adjusted.
(5) Throughout this document, YoY changes in relation to the income statement refer to the cumulative six-month period up to the end of June 2026 versus the same cumulative six-month period of 2025.

4. Performance review

Macroeconomic environment

Global economic, political and financial context

The conflict in the Middle East was the main focus of political and economic developments in Q2 2026. The Strait of Hormuz remained virtually closed to shipping throughout April and May, while oil prices remained above $100 per barrel for the most part. In mid-June, the signing of a memorandum of understanding between the United States and Iran led to a significant fall in the price of oil, which returned to roughly pre-conflict levels. In any case, the resumption of shipping through the Strait of Hormuz was short-lived, and hostilities soon flared up again. One of the factors that helped to moderate oil prices was the adjustment of supply and demand in the global oil market, driven by the reopening of shipping routes, the use of strategic oil reserves and, in particular, reduced imports by China.

The macroeconomic effects of the conflict have been most evident in prices, with widespread rises in inflation figures. The impact on confidence indices – both consumer and business – has also been significant. Conversely, the impact on consumption and industrial production has been more moderate than was initially anticipated. All in all, economic activity remained robust in the United States, while the Eurozone showed somewhat more pronounced signs of weakness.

In terms of trade, the United States announced the conclusion of one of the investigations it had launched into 60 countries concerning forced labour. The report recommends tariffs of between 10% and 12.5% for various countries. This is a legal mechanism which is expected to replace the 10% tariff that is in force on a temporary basis until the end of July under Section 122 of the Trade Act. In any event, this should not have any impact on the European Union, which is expected to operate under the terms of the trade agreement it signed with the United States last year, which provides for a general 15% tariff and tariff concessions at sector-specific rates. Meanwhile, the EU ratified the updated trade agreement with Mexico. Furthermore, the EU and China have given themselves until October to resolve their trade disputes before Europe implements any potential measures against the Asian giant.

Economic situation in Spain

In Spain, the latest activity indicators suggest that growth will remain steady or even accelerate compared with the first quarter. Retail sales and industrial production rebounded in May after declining in April, while business confidence indices also improved in June. The only exception was the manufacturing PMI, which fell as the inventory build-up recorded in May unwound. Meanwhile, indicators relating to tourism and vehicle registrations also performed well, while social security enrolments in June recorded their highest monthly increase since April 2023. Overall, the Bank of Spain's business activity survey indicates that companies expect a rise in turnover in Q2 2026 and report that the conflict in the Middle East has had a limited impact on demand, although it has had a more significant impact on costs and investment decisions. Against this backdrop, the Bank of Spain maintained its growth forecasts at 2.3% for this year and 1.7% for next year, as a result of a deterioration in the international environment, offset by better-than-expected data for Q2 2026 and an upward revision to migration flows.

As regards prices, inflation in June remained at 3.6% year-on-year, the highest level since June 2024, driven by energy prices (particularly electricity) and elevated core inflation, mainly fuelled by the price of tourism-related services.

Lastly, on economic policy, the key developments were the three-month extension of some of the energy measures approved in March to mitigate the impact of the war in Iran, and the government's approval of the spending cap and public deficit targets as a preliminary step to the presentation of next year's draft budget.

Economic situation in Mexico

The United States has formally announced that it will not renew the USMCA in its current form beyond 2036, its current expiry date. This will result in a series of annual reviews that may last for years. Some research centres and rating agencies have responded with downward revisions to their forecasts for Mexico's GDP growth, although the consensus average remains at around 1% for 2026. Meanwhile, activity indicators have continued to show signs of weakness. The European Council, for its part, ratified the renewal of the EU's trade agreement with Mexico, meaning that all that remains pending is for it to be approved by the Mexican Parliament. It is a positive development, although most of Mexico's trade relations remain with the United States.

With regard to prices, inflation eased in June to 3.4% year-on-year. Core inflation fell to the upper end of Banxico's inflation target (4%), reaching its lowest level in the past year.

Against this backdrop, Banxico left the policy rate unchanged at 6.50% at its June meeting, in line with expectations. Banxico had brought the series of rate cuts to an end at its previous meeting and now considers that the current level of interest rates is appropriate for addressing the challenges posed by the macroeconomic environment. The institution believes that downside risks to economic activity remain, while inflation risks are balanced. The consensus expects the official rate to remain at 6.50% this year.

Fixed-income markets

The European Central Bank raised the deposit rate by 25 bps to 2.25% at its June meeting. The ECB revised its inflation forecasts for 2026 and 2027 upwards in response to the energy shock and described the adjustment to interest rates as robust. Furthermore, Lagarde insisted that, given the high level of uncertainty, the ECB will make decisions on a 'meeting-by-meeting' basis, stating that the central bank is not committed to any specific interest rate path. The market is pricing in some further rate increases by the ECB, although volatility in this regard has been high.

Meanwhile, Kevin Warsh took office as Chair of the Federal Reserve. At its June meeting, the Fed kept the target range for the Fed Funds rate at 3.50%-3.75%, which remained unchanged during the quarter. In its forecast update, the Fed did not anticipate a significant deterioration in economic activity, although it did expect prices to remain above target both this year and next. As regards interest rates, the division within the FOMC was evident, with several members favouring a further tightening of interest rates this year, while others continued to regard a lower or stable interest rate range as more likely.

Furthermore, the meeting saw changes to the communication strategy, with a statement that was much shorter than usual and which formally marked the end of the Fed's forward guidance. Additionally, Warsh announced the creation of working groups to reform the Fed's operations in the following areas: (i) communication, (ii) data sources, (iii) the price stability framework, (iv) the balance sheet, and (v) productivity and the labour market (in relation to artificial intelligence). The working groups will be made up of experts from both academia and industry.

The Bank of England, for its part, kept the base rate at 3.75% in June. The decision was taken by a vote of 7 to 2, with two members in favour of raising the official rate by 25 bps. BoE members also expressed concern about potential second-round effects, amid services inflation continues to display a high degree of persistence.

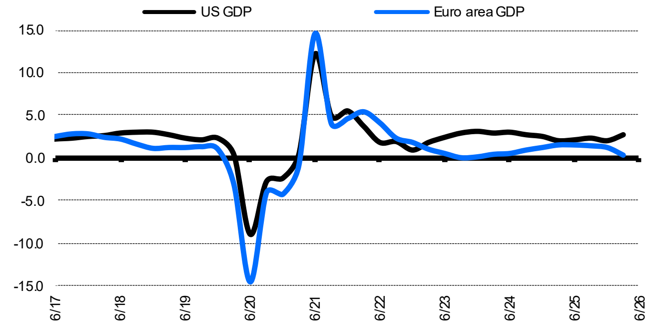
Long-term government bond yields painted a different picture on both sides of the Atlantic. In the United States, there was a rebound, driven by the Fed's upward revision of its official interest rate forecasts and the resilience of the macroeconomic data. In Europe, the decline in oil prices dampened inflation expectations in the Eurozone, prompting a downward revision of expectations for official interest rates. Consequently, long-term yields declined over the quarter, despite having reached their highest levels since mid-2011 in Germany and since mid-2008 in the United Kingdom.

Peripheral sovereign spreads narrowed. Spain's premium decreased by −2 bps over the quarter, to 48 bps, while Italy's receded by −13 bps, to 77 bps. Meanwhile, France's premium edged up by +7 bps, to 79 bps.

Equity markets

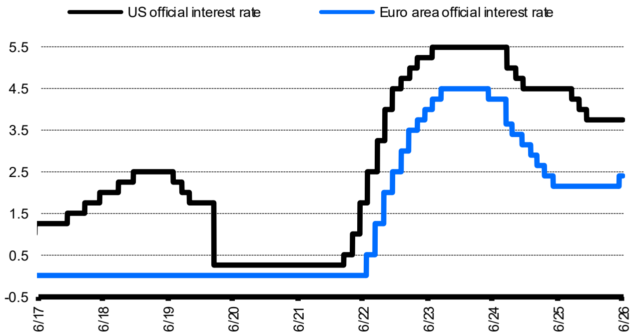
Stock markets saw widespread gains throughout the quarter, driven by the fall in oil prices and the rally in the semiconductor industry in Asia. US big tech companies posted gains (+12%), although their performance continued to lag behind that of small caps (+21%) and they ended June below their level at the start of the year (−2%). European stock markets also ended the quarter with gains (Stoxx 600: +10%), although the gains were generally smaller than those in the United States. The FTSE 100 was the notable underperformer, having benefited in the first quarter from higher oil prices and the energy sector's weighting in the index. Overall, volatility was much more subdued than in the first quarter of the year, as the conflict in the Middle East began to de-escalate.

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



Source: Bloomberg.

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



Exchange rates: parity vs euro

	30.06.25	30.09.25	31.12.25	31.03.26	30.06.26
USD	1.1720	1.1741	1.1750	1.1498	1.1394
MXN	22.0899	21.5314	21.1180	20.7101	19.9030

Source: Bank of Spain.

Income statement

Summary of results:

As at the end of June 2026, Banco Sabadell reported net profit of 892 million euros, a figure that rises to 971 million euros if one includes the net contribution from TSB during the first four months of the year.

It should be noted that this profit was impacted by 201 million euros net of non-recurrent effects, of which 322 million euros net correspond to the sale of TSB completed in the second quarter (340 million euros gross). Of this amount, 331 million euros gross were recognised under the heading *Gains on sale of assets and other results*, and 9 million euros gross were recognised under the heading *Net trading income and exchange differences*.

In addition, the full amount corresponding to the efficiency initiatives undertaken in Spain has been recognised, generating an impact of −64 million euros net (−92 million euros gross, including −37 million euros gross in the second quarter). Of that amount, −88 million euros gross were booked under the *Total costs* heading, −2 million euros gross under *Other impairments*, and −2 million euros gross under *Gains on sale of assets and other results*. The last two of these items correspond to impacts associated with branch closures.

Furthermore, in the second quarter of the year, a gross/net impact of -45 million euros was recorded under the *Gains on sale of assets and other results* heading, related to the sale of a legacy equity stake.

Lastly, it is worth pointing out the total impact related to the sterling hedge on the sale price of TSB, which involved recognising −17 million euros gross in 2026 (−12 million euros net) under *Net trading income and exchange differences*, of which −3 million euros gross were recognised in the second quarter.

Cumulative income statement

(€ millions)	1H25	1H26	YoY (%)
Net interest income	**1,810**	**1,774**	**-2.0**
Net fees and commissions	649	643	-0.9
Core revenues	**2,459**	**2,417**	**-1.7**
Net trading income and exchange differences	16	17	5.3
Income from equity method and dividends	102	65	-36.0
Other operating income/expense	-43	-37	-13.9
Gross operating income	**2,534**	**2,463**	**-2.8**
Operating expenses	-911	-1,025	12.5
Personnel expenses	-592	-695	17.3
Other general expenses	-319	-330	3.4
Amortisation & depreciation	-175	-202	15.9
Total costs	-1,085	-1,227	13.0
Memorandum item:			
Recurrent costs	-1,085	-1,139	4.9
Non-recurrent costs	0	-88	--
Pre-provisions income	**1,449**	**1,236**	**-14.7**
Provisions for NPLs	-179	-257	43.9
Provisions for other financial assets	-21	-34	59.1
Other impairments	-41	6	--
Gains on sale of assets and other results	-12	279	--
Profit before tax	**1,195**	**1,230**	**2.9**
Income tax	-390	-335	-14.1
Minority interest	1	3	184.9
Net profit	**804**	**892**	**10.9**
TSB net contribution	**171**	**79**	**-53.9**
Net profit including TSB	**975**	**971**	**-0.5**

Quarterly income statement

(€millions)	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ (%)
Net interest income	**906**	**899**	**895**	**872**	**902**	**3.4**
Net fees and commissions	327	314	332	315	328	4.0
Core revenues	**1,233**	**1,213**	**1,227**	**1,187**	**1,230**	**3.6**
Net trading income and exchange differences	-9	-31	-4	1	16	--
Income from equity method and dividends	41	34	45	24	41	72.8
Other operating income/expense	-13	-11	-56	-17	-20	15.9
Gross operating income	**1,251**	**1,204**	**1,212**	**1,195**	**1,267**	**6.0**
Operating expenses	-446	-470	-486	-523	-501	-4.2
Personnel expenses	-294	-301	-315	-361	-333	-7.8
Other general expenses	-153	-169	-171	-162	-168	3.7
Amortisation & depreciation	-89	-91	-119	-100	-102	1.8
Total costs	-535	-561	-605	-624	-603	-3.3
Memorandum item:						
Recurrent costs	-535	-561	-605	-569	-570	0.3
Non-recurrent costs	0	0	0	-55	-33	-39.8
Pre-provisions income	**716**	**643**	**608**	**572**	**664**	**16.2**
Provisions for NPLs	-92	-117	-130	-120	-137	14.3
Provisions for other financial assets	-5	-3	-14	-18	-15	-18.0
Other impairments	-16	-6	20	5	0	-100.0
Gains on sale of assets and other results	-1	-4	-20	0	280	--
Profit before tax	**601**	**513**	**463**	**438**	**792**	**80.7**
Income tax	-190	-169	-153	-152	-183	19.8
Minority interest	1	0	1	2	1	-45.6
Net profit	**410**	**344**	**310**	**284**	**608**	**114.3**
TSB net contribution	**77**	**70**	**76**	**63**	**16**	**-74.5**
Net profit including TSB	**486**	**414**	**386**	**347**	**624**	**80.0**

Net interest income:

Net interest income amounted to 1,774 million euros as at the end of June 2026, representing a year-on-year variation of −2.0%. This development is mainly explained by the lower credit yield and by the reduced contribution of liquidity. These impacts are seen to be partially offset by the positive evolution of volumes, the lower cost of customer funds and of funding in the capital markets, as well as the larger contribution of the fixed-income portfolio.

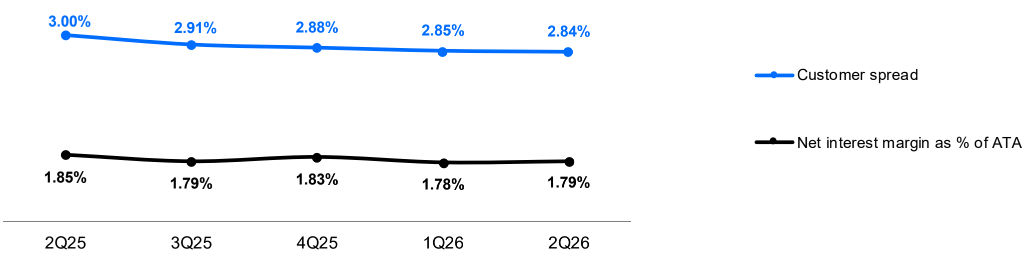
Over the quarter, net interest income recorded an increase of 3.4%, mainly driven by larger credit volumes and by a higher contribution of liquidity.

Customer margin and net interest margin:

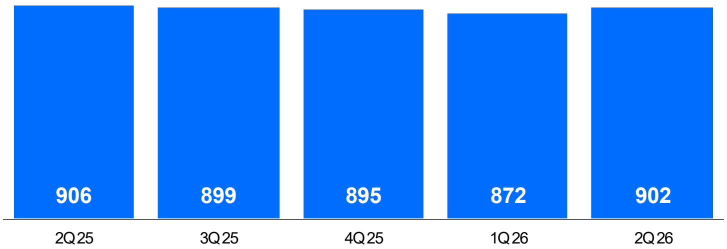
The customer margin stood at 2.84% as at the end of the second quarter of 2026, a reduction of 16 bps compared to the same period of the previous year. This evolution is mainly explained by the reduced loan yield, which was partially offset by the lower cost of funds.
In quarterly terms, the customer margin remained broadly stable.

The net interest margin as a percentage of average total assets dropped by 6 bps year-on-year but grew by 1 bp during the quarter.

Net interest income (%)



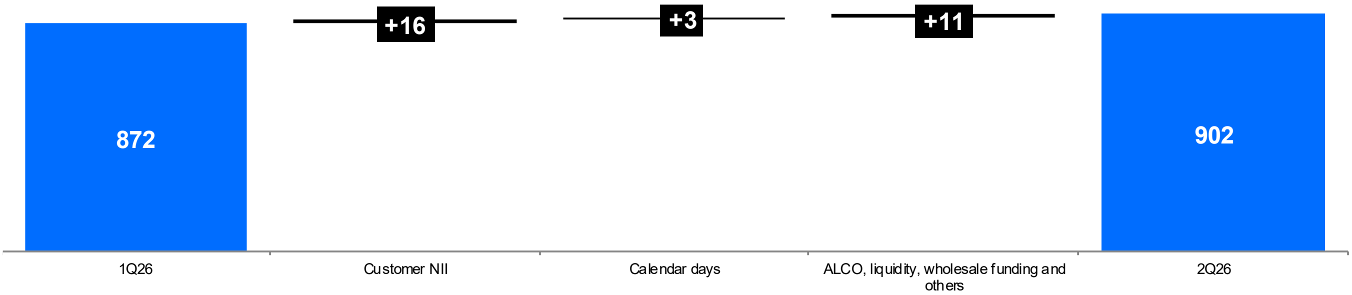
Evolution of net interest income



Change YoY: **-2.0%**

Change QoQ: **+3.4%**

Quarterly evolution of net interest income (€ million)



Quarterly interest income and expense

(€ millions)	2Q25			3Q25			4Q25			1Q26			2Q26		
	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results
Cash and cash equivalents (1)	28,978	2.69	194	28,256	2.39	170	21,926	2.41	133	24,989	2.21	136	25,246	2.22	140
Loans to customers (net)	115,675	3.88	1,120	118,000	3.68	1,093	119,104	3.64	1,093	119,374	3.63	1,070	122,190	3.62	1,104
Fixed-income securities	33,186	3.06	254	34,496	2.99	260	34,893	2.97	261	36,348	2.94	263	37,564	2.86	268
Other assets	18,858	0.47	22	17,602	0.65	29	17,632	0.26	12	17,926	0.20	9	16,957	0.53	22
Total assets	**196,697**	**3.24**	**1,590**	**198,354**	**3.10**	**1,552**	**193,554**	**3.07**	**1,499**	**198,637**	**3.02**	**1,478**	**201,957**	**3.05**	**1,534**
Financial institutions (2)	25,379	-2.73	-173	28,405	-2.48	-177	22,600	-2.54	-145	25,018	-2.40	-148	27,084	-2.37	-160
Customer deposits	126,078	-0.88	-278	126,488	-0.77	-244	128,014	-0.76	-244	131,932	-0.78	-253	132,854	-0.78	-258
Capital markets	23,078	-3.29	-190	21,808	-3.08	-169	21,446	-2.99	-161	21,536	-3.00	-159	20,754	-3.17	-164
Other liabilities and shareholders' equity	22,162	-0.78	-43	21,652	-1.13	-62	21,495	-0.98	-53	20,151	-0.90	-45	21,265	-0.94	-50
Total funds	**196,697**	**-1.39**	**-684**	**198,354**	**-1.31**	**-652**	**193,554**	**-1.24**	**-604**	**198,637**	**-1.24**	**-605**	**201,957**	**-1.26**	**-632**
Net interest income			**906**			**899**			**895**			**872**			**902**
Customer spread		**3.00**			**2.91**			**2.88**			**2.85**			**2.84**	
Net interest margin as % of ATA		**1.85**			**1.79**			**1.83**			**1.78**			**1.79**	

(1) Includes cash, central banks, credit institutions and reverse repos.
(2) Includes repos.

Net trading income and exchange differences:

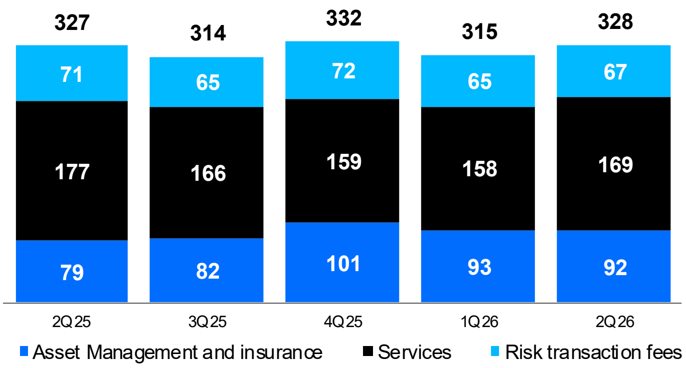
As at the end of June 2026, this line item came to a total of 17 million euros, remaining in line with the same period of the previous year. Compared to the preceding quarter, the evolution was favourable, primarily explained by the recognition of 9 million euros associated with debt instruments due to the sale of TSB and by the smaller impact of the sterling hedge on the sale price of that entity, as the aforesaid effect was only recognised during one month of the second quarter.

Net fees and commissions:

Net fees and commissions amounted to 643 million euros as at the end of June 2026, representing a year-on-year reduction of −0.9%, mainly explained by the lower contribution of service fees.

In quarterly terms, the trend followed by service fees was reversed, and so, driven by the good performance of fees on cards and on syndicated loan transactions, total fees and commissions were able to record quarterly growth of 4.0%.

Evolution of net fees and commissions



Change YoY: **-0.9%**

Change QoQ: **+4.0%**

Net fees and commissions

(€ millions)	1Q26	2Q26	QoQ (%)	1H25	1H26	YoY (%)
Lending fees	42	42	1.4	89	84	-5.4
Guarantees commissions	23	24	5.5	48	47	-2.7
Risk transaction fees	**65**	**67**	**2.8**	**137**	**131**	**-4.4**
Cards	40	46	16.3	86	86	0.4
Payment orders	14	15	5.8	32	29	-9.1
Securities	19	19	0.6	35	37	5.5
Demand deposits	56	54	-2.9	113	110	-2.5
Foreign currency and notes exchange	19	19	-0.6	43	38	-11.2
Other transactions	10	16	61.8	34	25	-24.5
Services fees	**158**	**169**	**7.4**	**343**	**327**	**-4.8**
Mutual funds	32	33	3.0	61	65	6.8
Pension funds and insurance brokerage	51	49	-5.1	85	100	17.7
Managed accounts	9	10	9.1	22	20	-11.0
Asset Management and insurance	**93**	**92**	**-0.9**	**168**	**185**	**9.9**
Total commissions	**315**	**328**	**4.0**	**649**	**643**	**-0.9**

Income from equity method and dividends:

This item amounted to 65 million euros as at the end of June 2026, representing a reduction in year-on-year terms due to the smaller contribution from the insurance business, affected by market volatility, and additionally due to the recognition of positive results in the first half of 2025, stemming from BSCapital investees. In quarter-on-quarter terms, this item grew by 17 million euros, due to the improved contribution from the insurance business.

Other operating income and expenses:

This item amounted to −37 million euros as at the end of June 2026, increasing by 6 million euros in year-on-year terms. In the quarter, this item amounted to −20 million euros.

Total costs:

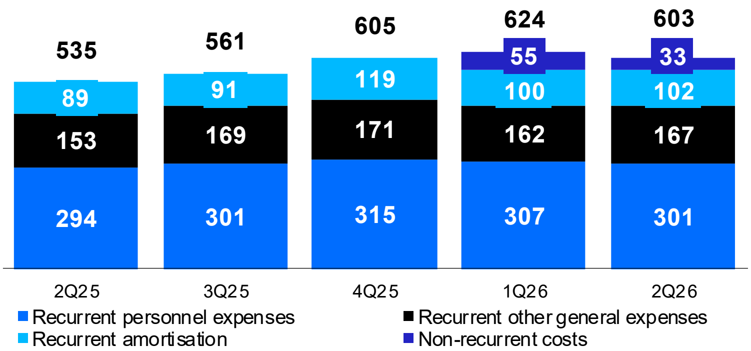
Total costs came to −1,227 million euros as at the end of June 2026. This item includes −88 million euros of non-recurrent costs stemming from efficiency initiatives in Spain related to early retirements. Recurrent costs, for their part, increased by 4.9% year-on-year, with a particularly noteworthy increase in depreciation and amortisation, impacted by the reclassification out of the provisions line item of expenses associated with assets in the payments business (Paycomet) during the fourth quarter of 2025. Excluding this impact, recurrent costs rose by 3.8% year-on-year.

During the quarter, −33 million euros of non-recurrent costs stemming from efficiency initiatives were recognised under the costs line item. Recurrent costs remained practically flat compared to the previous quarter.

Total costs

(€ millions)	1Q26	2Q26	QoQ (%)	1H25	1H26	YoY (%)
Personnel expenses	**-361**	**-333**	**-7.8**	**-592**	**-695**	**17.3**
IT and communications	-67	-67	0.5	-126	-134	6.2
Publicity	-14	-13	-4.2	-28	-27	-5.2
Property and plant	-9	-11	31.2	-17	-20	15.6
Technical reports and judicial expenses	-8	-6	-15.7	-22	-14	-35.7
Outsourced administrative services	-19	-18	-5.2	-37	-38	2.0
Contributions and taxes	-27	-29	6.8	-55	-56	2.0
Others	-19	-23	20.8	-34	-42	22.9
Other general expenses	**-162**	**-168**	**3.7**	**-319**	**-330**	**3.4**
Amortisation & depreciation	**-100**	**-102**	**1.8**	**-175**	**-202**	**15.9**
Total costs	**-624**	**-603**	**-3.3**	**-1,085**	**-1,227**	**13.0**
Memorandum item:						
Recurrent costs	-569	-570	0.3	-1,085	-1,139	4.9
Non-recurrent costs	-55	-33	-39.8	0	-88	--
Efficiency ratio (includes non-recurrent costs) (%)				42.8	49.8	

Evolution of total costs



Change YoY: **+4.9%** (1)

Change QoQ: **+0.3%** (1)

(1) Change over total recurrent costs.

Provisions for credit losses and other impairments:

This item came to −285 million euros as at the end of June 2026, representing a year-on-year increase as a result of allocating more provisions for credit risk, which offset the improvement in provisions associated with real estate.

Quarter-on-quarter, provisions also increased, mainly because more provisions were allocated for credit risk.

With this level of provisions, credit cost of risk stood at 31 bps as at the end of June 2026 and total cost of risk stood at 40 bps.

Gains on sale of assets and other results:

As at the end of June 2026, this heading mainly includes the recognition of 331 million euros gross related to the sale of TSB. In addition, −45 million euros gross/net related to the sale of a legacy equity stake were recognised, as well as −2 million euros gross stemming from efficiency initiatives in Spain related to branch closures.

Net profit:

As at the end of June 2026, net profit came to 892 million euros, representing a year-on-year increase of 10.9%. Considering TSB's net contribution during the first four months of the year, profit rises to 971 million euros.

As mentioned earlier, this profit includes 201 million euros net of non-recurrent impacts, of which 322 million euros net correspond to the sale of TSB, −64 million euros net to efficiency initiatives in Spain, −45 million euros gross/net related to the sale of a legacy equity stake, and −12 million euros net to the sterling hedge on the sale price of TSB. Not including those impacts, net profit was down by −14.1% year-on-year and up by 8.4% quarter-on-quarter.

Balance sheet

Highlights:

Performing loans showed a positive evolution both in the year-on-year comparison and in the quarter, driven both by the good performance in Spain, with growth across all segments, and by the positive evolution of businesses abroad, especially in Miami and Mexico.

Customer funds recorded a year-on-year increase, driven both by the growth of on-balance sheet funds and by the increase in off-balance sheet funds. Among the latter, it is particularly worth noting mutual funds, which benefitted from a positive flow of net subscriptions, as well as the favourable evolution of activity involving wealth management and third-party insurance products.

In the quarter, customer funds recorded an increase, as they also benefitted from the growth of off-balance sheet funds and the positive trend followed by on-balance sheet customer funds.

Loans and advances to customers:

Gross performing loans ended June 2026 with a balance of 125,184 million euros, increasing by 5.5% year-on-year and by 3.0% in the quarter, driven by good performance in both Spain and foreign businesses, especially in Miami and Mexico.

In the Spain perimeter (which includes the foreign branches), gross performing loans showed an improvement of 4.7% in year-on-year terms, growing across all segments. In the quarter, this item grew by 3.0%, where it is mainly worth highlighting the higher levels of credit granted to SMEs and corporates, and the public sector, as well as the positive effect of the second quarter’s seasonality.

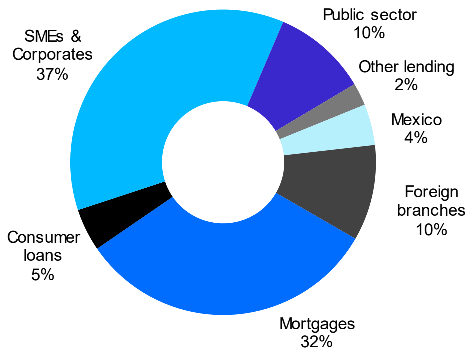
Gross performing loans of foreign branches (Europe and Miami) amounted to 12,702 million euros, increasing by 15.2% year-on-year and by 4.5% in the quarter, mainly driven by the positive trend followed by the portfolio in Miami.

Mexico recorded growth of 25.9% year-on-year and of 2.7% in the quarter, impacted by the performance of the US dollar and the Mexican peso. At constant exchange rates, that variation becomes an increase of 17.4% year-on-year and remains stable during the quarter.

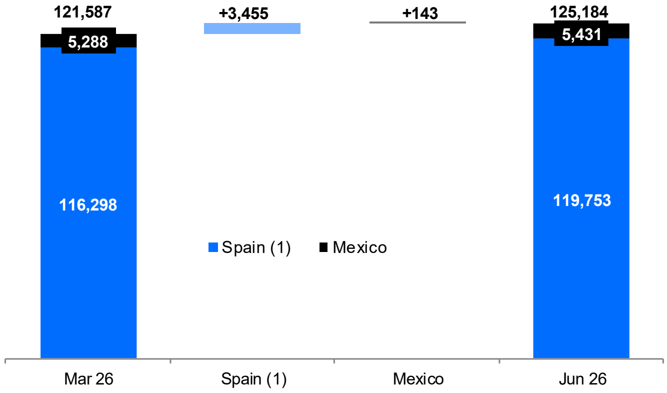
Loans and advances to customers

				Change	
(€ millions)	30.06.25	31.03.26	30.06.26	YoY (%)	QoQ (%)
Mortgage loans & credits	49,772	51,331	51,824	4.1	1.0
Other secured loans & credits	5,281	6,894	7,134	35.1	3.5
Working capital	8,320	8,547	8,821	6.0	3.2
Leasing	2,495	2,533	2,764	10.7	9.1
Unsecured lending and others	52,841	52,283	54,642	3.4	4.5
Performing gross loans	**118,710**	**121,587**	**125,184**	**5.5**	**3.0**
Stage 3 assets (customer)	3,444	3,152	3,145	-8.7	-0.2
Accruals	133	206	175	31.5	-15.1
Gross loans to customers (excluding repos)	**122,286**	**124,945**	**128,504**	**5.1**	**2.8**
Reverse repos	0	0	0	--	--
Gross loans to customers	**122,286**	**124,945**	**128,504**	**5.1**	**2.8**
Impairment allowances	-2,405	-2,285	-2,196	-8.7	-3.9
Loans and advances to customers	**119,882**	**122,660**	**126,308**	**5.4**	**3.0**

Loans and advances to customers, by segment, 30.06.2026 (%)



Gross performing loans, by geography (€ million)



	Spain (1)	Mexico	Jun 26
Change YoY:	+4.7%	+25.9%	+5.5%
Change YoY at constant FX:		+17.4%	+5.0%
Change QoQ:	+3.0%	+2.7%	+3.0%
Change QoQ at constant FX:		-0.3%	+2.8%

(1) Spain includes foreign branches (€12,702M in Jun 26 and €12,153M in Mar 26).

Liabilities:

Customer funds:

Total customer funds amounted to 188,106 million euros as at the end of June 2026, representing growth of 6.4% year-on-year and of 1.8% in the quarter.

On-balance sheet customer funds came to a total of 133,380 million euros, posting growth of 4.7% year-on-year and 0.9% in the quarter. Both of these variations are due to the good performance of both demand deposits and term deposits.

Demand deposit balances amounted to 110,100 million euros, representing growth of 3.4% year-on-year and of 0.4% compared to the previous quarter.

Term deposits came to a total of 22,769 million euros, representing an increase of 11.3% year-on-year and of 2.1% in the quarter.

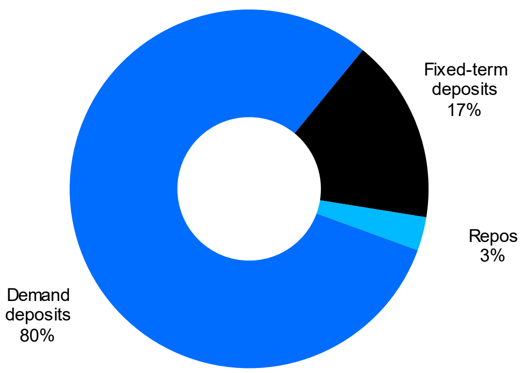
Total off-balance sheet customer funds amounted to 54,726 million euros as at the end of June 2026, representing a year-on-year increase of 11.0%. Here it is particularly worth mentioning the good performance of mutual funds, which were supported by a positive flow of net subscriptions, and the positive trend of activity involving wealth management and third-party insurance products.

In quarterly terms, off-balance sheet customer funds recorded an increase of 4.2%, also underpinned by the good performance of mutual funds and wealth management.

Funds under management and third-party funds:

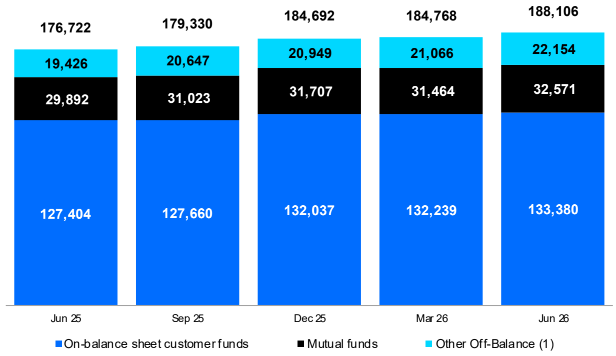
This item amounted to a total of 212,782 million euros, representing a year-on-year reduction of −1.2% and a stable evolution compared to the previous quarter, due to the impact of repurchase agreements (‘repos’). Excluding the effect of those repos, these customer funds recorded year-on-year growth of 4.3% and an increase of 1.9% during the quarter.

Customer deposits, 30.06.2026 (%) (*)



(*) Excluding accrual/deferral adjustments and hedging derivatives.

Evolution of customer funds (€ million)



On-balance sheet customer funds

Change YoY: **4.7%**

Change QoQ: **0.9%**

Total customer funds

Change YoY: **6.4%**

Change QoQ: **1.8%**

(1) Includes pension funds, third-party insurance products and managed accounts.

Customer funds

(€ millions)		30.06.25	31.03.26	30.06.26	Change YoY (%)	Change QoQ (%)
Financial liabilities at amortised cost		**186,282**	**183,867**	**183,639**	**-1.4**	**-0.1**
Non-retail financial liabilities		58,878	51,628	50,259	-14.6	-2.7
Central banks		0	435	440	--	1.1
Credit institutions		13,516	18,224	18,247	35.0	0.1
Institutional issues		38,693	28,149	24,677	-36.2	-12.3
Other financial liabilities		6,669	4,820	6,896	3.4	43.1
On-balance sheet customer funds	(1)	**127,404**	**132,239**	**133,380**	**4.7**	**0.9**
Customer deposits		142,427	140,268	137,168	-3.7	-2.2
Demand deposits	(1)	106,477	109,626	110,100	3.4	0.4
Fixed-term deposits	(1)	20,454	22,293	22,769	11.3	2.1
Repos		15,273	8,213	4,134	-72.9	-49.7
Accruals and derivative hedging adjustments		223	136	165	-26.0	21.5
Debt and other marketable securities	(1)	18,907	16,846	17,626	-6.8	4.6
Subordinated liabilities	(2)	4,763	3,274	3,263	-31.5	-0.3
On-balance sheet funds		**166,097**	**160,387**	**158,057**	**-4.8**	**-1.5**
Mutual funds		29,892	31,464	32,571	9.0	3.5
Dedicated investment companies		726	862	920	26.7	6.8
Third-party funds		29,165	30,602	31,651	8.5	3.4
Managed accounts		5,226	6,152	6,892	31.9	12.0
Pension funds		3,334	3,387	3,537	6.1	4.4
Individual		2,145	2,160	2,267	5.6	4.9
Company		1,186	1,223	1,267	6.9	3.6
Group		3	3	4	5.8	5.9
Third-party insurance products		10,866	11,527	11,725	7.9	1.7
Off-balance sheet customer funds		**49,318**	**52,529**	**54,726**	**11.0**	**4.2**
Funds under management and third-party funds		**215,415**	**212,917**	**212,782**	**-1.2**	**-0.1**

(1) On-balance sheet customer funds as at 30.06.2026 include 110,100 million euros of demand deposits (109,626 million euros as at 31.03.2026 and 106,477 million euros as at 30.06.2025), 22,653 million euros of term deposits excluding multi-seller covered bonds, subordinated deposits and Yankee CD (22,178 million euros as at 31.03.2026 and 20,439 million euros as at 30.06.2025) and 626 million euros of retail issuances (commercial paper), included in Debt and other marketable securities (435 million euros as at 31.03.2026 and 488 million euros as at 30.06.2025).

(2) Subordinated liabilities of debt securities.

Equity:

The following table shows the evolution of equity as at the end of June 2026:

Equity

(€millions)	30.06.25	31.03.26	30.06.26	Change YoY	Change QoQ
Shareholders' equity	**14,996**	**14,664**	**12,381**	**-2,615**	**-2,282**
Issued capital	661	628	611	-50	-17
Reserves	13,755	14,640	11,055	-2,700	-3,585
Other equity	24	28	18	-6	-10
Less: treasury shares	-419	-278	-273	146	6
Attributable net profit	975	347	971	-5	624
Less: interim dividends	0	-700	0	0	700
Accumulated other comprehensive income	**-541**	**-683**	**-244**	**297**	**439**
Minority interest	**36**	**37**	**38**	**2**	**1**
Net equity	**14,491**	**14,017**	**12,175**	**-2,316**	**-1,842**

Risk management

Highlights:

The NPL ratio improved to 2.47% and the stage 3 coverage ratio with total provisions stood at 68.7%, as at June 2026.

Non-performing assets were reduced by 44 million euros during the quarter, with those classified as stage 3 falling by 21 million euros while problematic real estate assets did so by 23 million euros. Over the past twelve months, the balance of non-performing assets has fallen by 421 million euros, of which 284 million euros correspond to stage 3 loans and 137 million euros correspond to problematic real estate assets.

Coverage of non-performing assets stands at 63.4%.

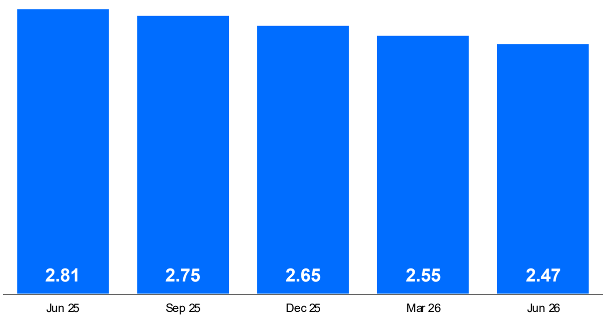
With regard to the breakdown of loans by stages, it should be noted that stage 2 loans represent 3.92% of the total with coverage of 4.7%, while stage 3 loans represent 2.47% of the total with coverage of 52.5%.

Risk management:

Non-performing assets showed a balance of 4,025 million euros as at the end of June 2026, of which 3,390 million euros correspond to stage 3 loans and 636 million euros correspond to problematic real estate assets.

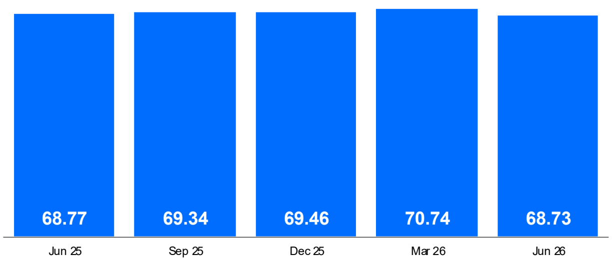
The gross NPA ratio was reduced to 2.9%, with the net NPA ratio standing at 1.1%.

NPL ratio (%) (*)



(*) Calculated including contingent exposures.

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



NPL ratio, by segment (*)

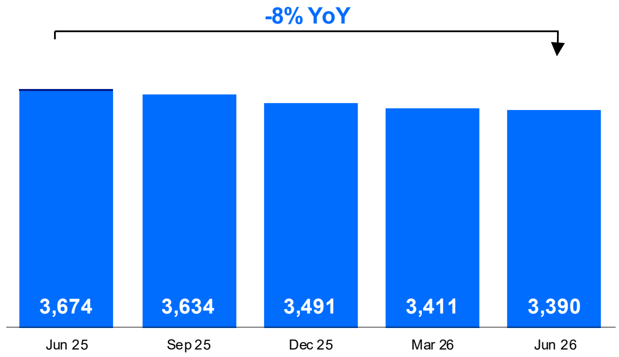
	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26
Mortgages	2.02%	1.96%	1.89%	1.60%	1.57%
Consumer loans	5.69%	5.64%	5.10%	5.31%	5.10%
SMEs & Corporates	4.09%	3.93%	3.69%	3.52%	3.47%
Other transactions	1.27%	1.29%	1.52%	1.72%	1.61%
NPL ratio	**2.81%**	**2.75%**	**2.65%**	**2.55%**	**2.47%**

NPL ratio, by DRC segments (*)

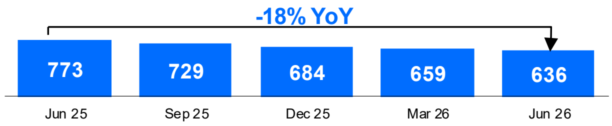
	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26
Real estate development and/or construction purposes	4.47%	4.21%	4.15%	2.89%	2.38%
Construction purposes non-related to real estate dev.	3.40%	3.32%	2.35%	2.34%	2.40%
Large corporates	1.52%	1.61%	1.84%	2.03%	2.01%
SME and small retailers and self-employed	6.12%	5.70%	5.33%	5.18%	5.16%
Individuals with 1st mortgage guarantee assets	1.98%	1.92%	1.84%	1.56%	1.52%
NPL ratio	**2.81%**	**2.75%**	**2.65%**	**2.55%**	**2.47%**

(*) Calculated including contingent exposures.

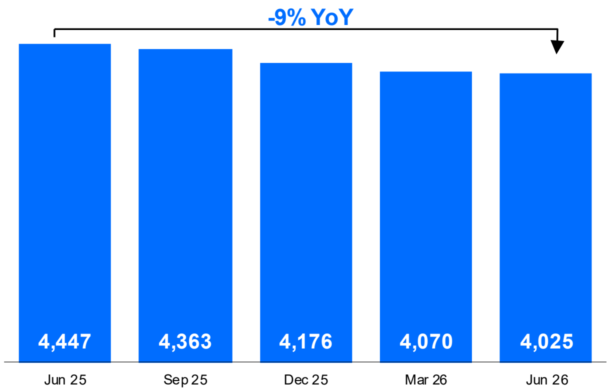
Evolution of stage 3 loans (€ million) (*)



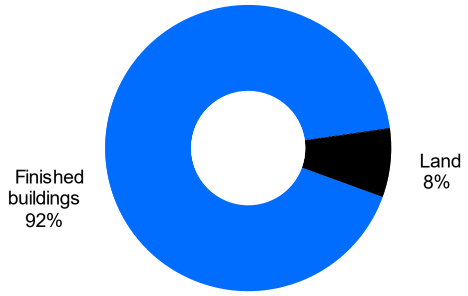
Evolution of problematic real estate assets (€ million) (*)



Evolution of non-performing assets (€ million) (*)



Composition of problematic real estate assets (%)



(*) Calculated including contingent exposures.

The table below shows the evolution of non-performing assets over the last few quarters:

Quarterly variation of non-performing assets

(€millions)	2Q25	3Q25	4Q25	1Q26	2Q26
Gross entries	461	426	509	494	538
Recoveries and sales	-621	-379	-562	-508	-460
Net stage 3 entries	**-161**	**47**	**-53**	**-14**	**78**
Gross entries	5	14	5	4	6
Sales	-43	-58	-50	-30	-29
Change in foreclosed RE assets	**-38**	**-44**	**-45**	**-26**	**-23**
Net stage 3 entries + Change in foreclosed RE assets	**-199**	**3**	**-98**	**-40**	**54**
Write-offs	-109	-87	-90	-66	-99
NPAs quarterly change	**-307**	**-84**	**-188**	**-106**	**-44**

Evolution of non-performing assets (*)

(€ millions)	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26
Stage 3 exposures	3,674	3,634	3,491	3,411	3,390
Total provisions	2,527	2,520	2,425	2,413	2,330
Stage 3 coverage ratio with total provisions (%)	**68.8%**	**69.3%**	**69.5%**	**70.7%**	**68.7%**
Stage 3 exposures	3,674	3,634	3,491	3,411	3,390
Stage 3 provisions	1,941	1,938	1,834	1,862	1,781
Stage 3 coverage ratio (%)	**52.8%**	**53.3%**	**52.5%**	**54.6%**	**52.5%**
Foreclosed RE assets	773	729	684	659	636
Provisions	306	272	251	239	222
Foreclosed RE assets coverage ratio (%)	**39.5%**	**37.3%**	**36.6%**	**36.2%**	**34.9%**
Non-performing assets	4,447	4,363	4,176	4,070	4,025
Provisions	2,832	2,791	2,675	2,651	2,552
Non-performing assets coverage ratio (%)	**63.7%**	**64.0%**	**64.1%**	**65.2%**	**63.4%**
Gross loans excluding repos + financial guarantees and other guarantees granted + foreclosed RE assets	131,464	132,862	132,338	134,430	137,998
Gross NPA ratio (%)	**3.4%**	**3.3%**	**3.2%**	**3.0%**	**2.9%**
Net non-performing assets	1,615	1,572	1,500	1,418	1,473
Net NPA ratio (%)	**1.2%**	**1.2%**	**1.1%**	**1.1%**	**1.1%**
Net NPAs as % of total assets	**0.8%**	**0.8%**	**0.8%**	**0.7%**	**0.7%**

(*) Includes contingent exposures.
(1) The gross NPA ratio is calculated as gross non-performing assets divided by gross lending excluding reverse repos and guarantees given plus problematic real estate assets, while the net NPA ratio is calculated as net non-performing assets, including all provisions, divided by gross lending excluding reverse repos and guarantees given plus problematic real estate assets.

Breakdown of loans and provisions, by stages

(€ millions)	Stage 1	Stage 2	Stage 3
Gross loans excluding repos and financial guarantees and other guarantees granted	128,587	5,386	3,390
Change QoQ	*3.2%*	*-5.8%*	*-0.6%*
Change YoY	*7.1%*	*-22.0%*	*-7.7%*
Provisions	295	254	1,781
% Stage / Total loans	**93.6%**	**3.9%**	**2.5%**
Coverage	**0.2%**	**4.7%**	**52.5%**

Liquidity management

Highlights:

Sound liquidity position, with a Liquidity Coverage Ratio (LCR) of 188% as at the end of June 2026 and total liquid assets of 51,419 million euros.

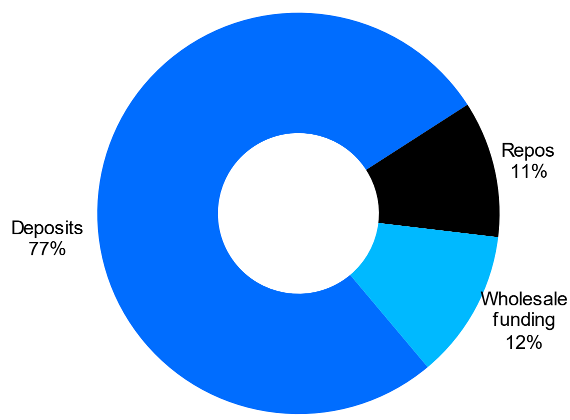
The loan-to-deposit ratio as at the end of June 2026 was 92.6%, with a balanced retail funding structure.

Banco Sabadell issued one 500 million euro mortgage covered bonds trade in the first quarter of 2026 and one deal involving 201 million euros of senior preferred debt in the second quarter (issued by Mexico in Mexican pesos).

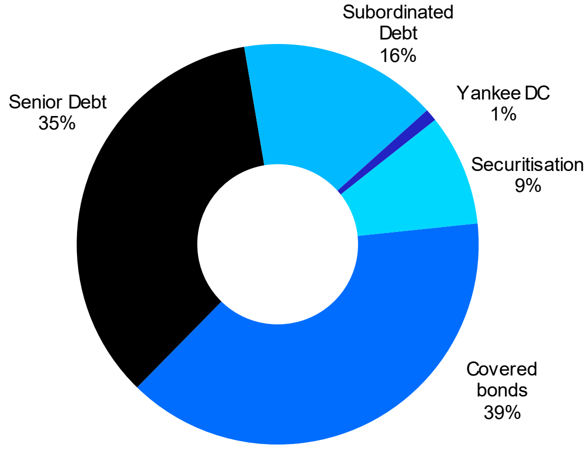
(€ millions)		30.06.25	31.03.26	30.06.26
Loans and advances to customers	(1)	119,882	122,660	126,308
Brokered loans		-1,046	-1,315	-2,811
Adjusted net loans and advances		**118,835**	**121,344**	**123,497**
On-balance sheet customer funds		**127,404**	**132,239**	**133,380**
Loan-to-deposit ratio (%)		**93.3**	**91.8**	**92.6**

(1) Excludes reverse repos.

Funding structure, 30.06.2026 (%)



Wholesale funding breakdown, 30.06.2026 (%)



Maturities

(€millions)	2026	2027	2028	2029	2030	2031	>2031	Outstanding balance
Covered bonds	1,390	1,100	985	950	1,250	200	2,000	11,624
Senior preferred	0	0	750	1,473	750	0	0	3,268
Senior non preferred	67	18	500	1,500	500	500	1,195	4,280
Subordinated Debt	0	0	0	0	0	0	1,015	1,515
Total	**1,457**	**1,118**	**2,235**	**3,923**	**2,500**	**700**	**4,210**	**16,143**

Note: Debt maturities exclude AT1 issuances and include the early redemption of issuances with a redemption option where these have already been announced.

New issuances in the year

(€ millions)	1Q26	2Q26
Covered bonds	500	
Senior preferred		201
Total	**500**	**201**

Maturities in the year

(€ millions)	1Q26	2Q26	3Q26	4Q26
Covered bonds	0	0	1,000	390
Senior preferred	500	0	0	0
Senior non preferred	0	0	0	67
Subordinated Debt	500	0	0	0
Total	**1,000**	**0**	**1,000**	**457**

Capital management and credit ratings

Highlights:

The fully-loaded* CET1 ratio stood at 13.11% as at the end of June 2026.

The phase-in CET1 ratio stood at 13.16% as at the end of June 2026. The phase-in Total Capital ratio stood at 18.12%, thus remaining above regulatory requirements with an MDA buffer of 423 bps.

The minimum prudential requirements applicable to Banco Sabadell for June 2026 following the Supervisory Review and Evaluation Process (SREP) are 8.92% for CET1 and 13.34% for Total Capital.

* Fully-loaded CET1 ratio applying the regulatory output floor implementation schedule.

The phase-in Leverage ratio was 5.94%.

The MREL ratio as a percentage of RWAs stood at 28.03%, above the current requirement of 25.38%(1), while the MREL ratio as a percentage of the Leverage Ratio Exposure (LRE) was 10.20%, also above the current requirement of 6.26%.

(1) The ratio includes the combined buffer requirement, estimated at 3.24%.

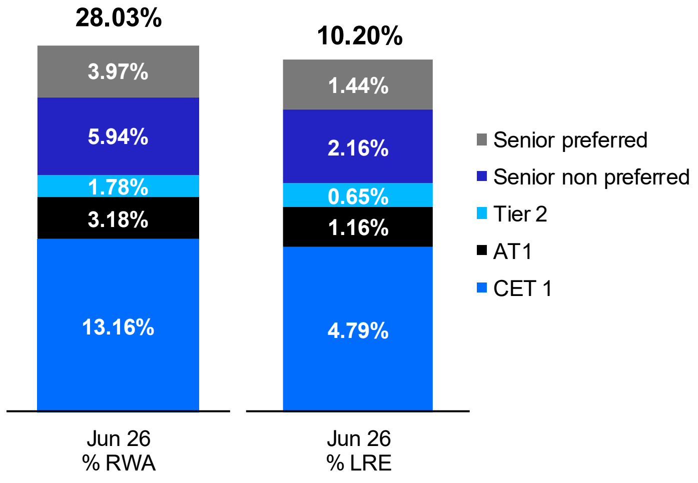
Capital ratios

(€millions)		Phase-in			Fully-loaded		
		30.06.25	31.03.26	30.06.26	30.06.25	31.03.26	30.06.26
Issued capital		661	628	611	661	628	611
Reserves		13,805	13,549	11,532	13,805	13,549	11,532
Deductions	(1)	-3,678	-3,501	-2,833	-3,673	-3,496	-2,829
Common Equity Tier 1		**10,788**	**10,676**	**9,309**	**10,793**	**10,681**	**9,313**
CET 1 (%)		**13.62%**	**13.23%**	**13.16%**	**13.56%**	**13.18%**	**13.11%**
Preference shares and other		2,750	2,250	2,250	2,750	2,250	2,250
Tier I capital		**13,538**	**12,926**	**11,559**	**13,543**	**12,931**	**11,563**
Tier I (%)		**17.09%**	**16.01%**	**16.34%**	**17.02%**	**15.95%**	**16.28%**
Tier II capital		**1,813**	**1,326**	**1,259**	**1,813**	**1,326**	**1,259**
Tier II (%)		**2.29%**	**1.64%**	**1.78%**	**2.28%**	**1.64%**	**1.77%**
Total capital		**15,351**	**14,253**	**12,818**	**15,356**	**14,258**	**12,823**
Total capital ratio (%)		**19.38%**	**17.66%**	**18.12%**	**19.29%**	**17.59%**	**18.05%**
Risk weighted assets (RWA)		**79,212**	**80,717**	**70,748**	**79,589**	**81,069**	**71,030**
Leverage ratio (%)		**5.37%**	**5.24%**	**5.94%**	**5.37%**	**5.24%**	**5.95%**
CET 1 - BS (non-consolidated basis) (%)		**15.37%**	**14.82%**	**13.98%**			
Tier I - BS (non-consolidated basis) (%)		**19.12%**	**17.87%**	**17.30%**			
Tier II - BS (non-consolidated basis) (%)		**2.38%**	**1.71%**	**1.85%**			
Total capital ratio - BS (non-consolidated basis) (%)		**21.50%**	**19.57%**	**19.14%**			
ADIs	(2)	**4,832**	**4,882**	**3,597**			

Note: Fully-loaded CET1 ratio applying the regulatory output floor implementation schedule. CET1 ratio includes dividend accrual with a pay-out ratio of 60%. The ratio as at 30.06.2026 excludes the capital gain arising from the sale of TSB. According to supervisory expectations, regulatory capital ratios should incorporate a CET1 deduction for any excess above the threshold applicable at any given time to extraordinary capital distributions (as defined on a fully-loaded basis and applying the regulatory output floor implementation schedule).

(1) Includes transitional arrangements of the CRR III regulation (Basel IV) as from 1 January 2025.
(2) “Available Distributable Items” refers to distributable profit. It does not include interim dividends or share premiums.

Evolution of MREL (% RWAs, % LRE)



Credit ratings

Agency	Date	Long term	Short term	Outlook
S&P Global Ratings (1)	16.12.2025	A-	A-2	Positive
Moody's Ratings (2)	10.06.2026	Baa1	A2	Stable
Fitch Ratings	08.07.2026	A-	F2	Stable
Morningstar DBRS	17.02.2026	A (low)	R-1 (low)	Stable

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(2) The short-term rating corresponds to deposits.

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

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

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

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

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

Results, by business unit

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

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

- Two geographical areas: Banking Business Spain and Banking Business Mexico.
- Banking Business Spain and Banking Business Mexico are each allocated capital equivalent to 13% of their risk-weighted assets, assigning all deductions corresponding to each business unit, and the surplus of own funds is allocated to Banking Business Spain.

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

Segmentation by geographical area and business unit

- **Banking Business Spain** groups together the Retail Banking, Business Banking and Corporate Banking business units, with individuals and businesses managed under the same branch network.

- Retail Banking: This business unit offers financial products and services to individuals for personal use. The business is based on a banking model that combines processes typical of a digital bank for interactions that require the autonomy, immediacy and simplicity that only digital channels can offer, with specialised and personalised commercial management for those interactions where expert support is needed, provided through the branch network, both in brick-and-mortar branches and remotely. Among the main products offered, it is worth noting investment and financing products in the short, medium and long term, such as consumer loans, mortgages and leasing/rental services. As for funds, the main products on offer are customer term and demand deposits, savings insurance, mutual funds and pension plans. Additionally, the main services include payment methods such as cards and various kinds of insurance products.

- Business Banking: This business unit offers financial products and services to legal entities and individuals engaging in business activities, serving companies with turnover of up to 200 million euros, as well as the institutional clients. The products and services offered to companies are based on short- and long-term funding solutions, solutions to manage cash surpluses, products and services to guarantee the processing of day-to-day payments and collections through any channel and in any geographical area, as well as risk hedging and bancassurance products. Banco Sabadell has a clearly defined relationship model for each business segment, which is innovative and sets it apart from its peers and which allows it to be very close to its customers, acquiring in-depth knowledge of its customer base whilst at the same time offering a level of full engagement. Large enterprises are essentially managed by specialised branches. All other companies, which include SMEs, small businesses and the self-employed, are managed by standard branches. All of these companies have relationship managers who specialise in their respective segments, as well as access to expert advice from product and/or sector specialists. This all enables Banco Sabadell to be a yardstick for all companies, as well as a leader in customer experience. It also includes Private Banking, which offers personalised expert advice, backed by specialised and high-value product capabilities for our customers.

- Corporate Banking: Through its presence in Spain and in a further 11 countries, it offers financial and advisory solutions to large Spanish and international corporations and financial institutions. It structures its activity around two pillars, the first of which is the customer. It aims to serve its core client base to meet the full range of their financial needs. This pillar is determined by the nature of those customers and includes large corporations classed under the Corporate Banking umbrella, financial institutions, Private Banking clients in the USA and the venture capital business carried out through BSCapital. The second pillar is Specialised Business, which encompasses the activities of Structured Finance, Treasury, Investment Banking, and Trading, Custody and Research. Its goal is to advise, design and execute custom operations that anticipate the specific financial needs of its customers, be they companies or individuals, with its scope of activity ranging from large corporations to smaller companies and customers, insofar as its solutions are the best way to meet their increasingly complex financial needs.

- **Banking Business Mexico:**

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

- It is important to note that, during the first four months of the financial year, the Group benefitted from contributions from its banking business in the United Kingdom through its franchise TSB, which encompassed the activity carried out in that market, including current and savings accounts, revolving loans, credit cards and mortgages. The net contribution from this business is presented in aggregate under a single specific line item on the income statement.

The information presented is based on the standalone accounting records of each Group company, after all consolidation disposals and adjustments have been made. Note that all reported information relates to management reporting information.

Each business unit bears its own direct costs, calculated on the basis of general accounting records.

Profit and loss 1H26

(€ millions)	Banking business Spain	Banking Business Mexico	Total
Net interest income	**1,673**	**101**	**1,774**
Net fees and commissions	629	14	643
Core revenues	**2,302**	**115**	**2,417**
Net trading income and exchange differences	13	4	17
Income from equity method and dividends	65	0	65
Other operating income/expense	-22	-14	-37
Gross operating income	**2,358**	**105**	**2,463**
Operating expenses	-979	-45	-1,025
Amortisation & depreciation	-195	-8	-202
Total costs	-1,174	-53	-1,227
Pre-provisions income	**1,184**	**52**	**1,236**
Total provisions & impairments	-279	-7	-285
Gains on sale of assets and other results	280	0	279
Profit before tax	**1,185**	**45**	**1,230**
Income tax	-324	-11	-335
Minority interest	3	0	3
Net profit	**857**	**35**	**892**
TSB net contribution	**0**	**0**	**79**
Net profit with TSB	**857**	**35**	**971**
ROTE	15.3%	9.1%	14.9%
Efficiency (includes non-recurrent costs)	49.8%	50.3%	49.8%
NPL ratio	2.5%	2.6%	2.5%
Stage 3 coverage ratio with total provisions	69.2%	59.2%	68.7%

Profit and loss 1H25

(€ millions)	Banking business Spain	Banking Business Mexico	Total
Net interest income	**1,719**	**91**	**1,810**
Net fees and commissions	637	12	649
Core revenues	**2,355**	**104**	**2,459**
Net trading income and exchange differences	14	2	16
Income from equity method and dividends	102	0	102
Other operating income/expense	-29	-13	-43
Gross operating income	**2,442**	**92**	**2,534**
Operating expenses	-870	-41	-911
Amortisation & depreciation	-167	-7	-175
Total costs	-1,038	-48	-1,085
Pre-provisions income	**1,404**	**44**	**1,449**
Total provisions & impairments	-241	0	-241
Gains on sale of assets and other results	-12	0	-12
Profit before tax	**1,151**	**45**	**1,195**
Income tax	-382	-8	-390
Minority interest	1	0	1
Net profit	**767**	**37**	**804**
TSB net contribution	**0**	**0**	**171**
Net profit with TSB	**767**	**37**	**975**
ROTE	15.5%	11.2%	15.3%
Efficiency (includes non-recurrent costs)	42.5%	51.9%	42.8%
NPL ratio	2.8%	2.2%	2.8%
Stage 3 coverage ratio with total provisions	68.8%	66.4%	68.8%

Balance sheet 1H26

(€ millions)	Banking business Spain	Banking Business Mexico	Total
Total assets	**191,720**	**7,364**	**199,084**
Performing gross loans	119,753	5,431	125,184
RE exposure	413	0	413
Total liabilities and net equity	**191,720**	**7,364**	**199,084**
On-balance sheet customer funds	130,021	3,359	133,380
Capital markets wholesale funding	20,216	0	20,216
Allocated equity	11,587	794	12,381
Off-balance sheet customer funds	54,726	0	54,726

Balance sheet 1H25

(€ millions)	Banking business Spain	Banking Business Mexico	Banking business United Kingdom	Total
Total assets	**192,914**	**6,329**	**53,130**	**252,373**
Performing gross loans	114,396	4,314	42,097	160,806
RE exposure	467	0	0	467
Total liabilities and net equity	**192,914**	**6,329**	**53,130**	**252,373**
On-balance sheet customer funds	124,356	3,048	40,825	168,229
Capital markets wholesale funding	21,039	0	6,286	27,325
Allocated equity	11,734	771	2,491	14,996
Off-balance sheet customer funds	49,318	0	0	49,318

Banking Business Spain

Net profit as at the end of June 2026 amounted to 857 million euros, increasing by 11.7% year-on-year. It should be noted that this profit includes the 201 million euros net of non-recurrent impacts mentioned previously, meaning that, excluding that effect, net profit recorded a reduction of −14.5%.

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

Net fees and commissions stood at 629 million euros, −1.2% less than at the end of the previous June, mainly explained by the reduced contribution of service fees.

Equity-accounted income and dividends recorded a year-on-year reduction, mainly due to reduced contribution from the insurance business, which was affected by market volatility. In addition, this item was influenced by the booking of positive results in the first half of 2025 stemming from BSCapital investees.

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

The Gains on sale of assets and other results item mainly includes 331 million euros gross related to the sale of TSB. In addition, −45 million euros gross /net related to the sale of a legacy equity stake were recognised, as well as −2 million euros gross stemming from efficiency initiatives in Spain related to branch closures.

				Simple evolution					
(€ millions)	1H25	1H26	YoY (%)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Net interest income	**1,719**	**1,673**	**-2.7**	**857**	**862**	**850**	**843**	**825**	**848**
Net fees and commissions	637	629	-1.2	318	318	309	322	308	320
Core revenues	**2,355**	**2,302**	**-2.3**	**1,175**	**1,180**	**1,158**	**1,166**	**1,133**	**1,169**
Net trading income and exchange differences	14	13	-9.8	25	-11	-29	-7	-3	16
Income from equity method and dividends	102	65	-36.0	61	41	34	45	24	41
Other operating income/expense	-29	-22	-23.9	-23	-6	-5	-48	-10	-12
Gross operating income	**2,442**	**2,358**	**-3.5**	**1,238**	**1,204**	**1,158**	**1,156**	**1,144**	**1,214**
Operating expenses	-870	-979	12.5	-444	-426	-448	-466	-501	-478
Amortisation & depreciation	-167	-195	16.4	-82	-85	-87	-116	-96	-98
Total costs	-1,038	-1,174	13.1	-526	-512	-535	-581	-597	-577
Pre-provisions income	**1,404**	**1,184**	**-15.7**	**712**	**692**	**622**	**575**	**546**	**637**
Total provisions & impairments	-241	-279	15.5	-129	-112	-124	-107	-130	-149
Gains on sale of assets and other results	-12	280	--	-12	-1	-1	-20	0	280
Profit before tax	**1,151**	**1,185**	**2.9**	**572**	**579**	**497**	**447**	**416**	**768**
Income tax	-382	-324	-15.2	-196	-186	-166	-151	-147	-177
Minority interest	1	3	184.9	0	1	0	1	2	1
Net profit	**767**	**857**	**11.7**	**375**	**392**	**331**	**296**	**267**	**590**
Accumulated ratios									
ROTE	15.5%	15.3%		15.3%	15.5%	15.2%	14.4%	13.6%	15.3%
Efficiency (includes non-recurrent costs)	42.5%	49.8%		42.5%	42.5%	43.7%	45.3%	52.2%	49.8%
NPL ratio	2.8%	2.5%		3.1%	2.8%	2.8%	2.7%	2.6%	2.5%
Stage 3 coverage ratio with total provisions	68.8%	69.2%		67.3%	68.8%	69.3%	69.9%	71.2%	69.2%

Performing gross loans were up by 4.7% year-on-year, with growth across all segments.

On-balance sheet customer funds increased by 4.6% year-on-year. Off-balance sheet funds grew by 11.0%, and here it is particularly worth mentioning the good performance of mutual funds, which were supported by a positive flow of net subscriptions, and the positive trend followed by activity involving wealth management and third-party insurance products.

				Simple evolution					
(€ millions)	Jun 25	Jun 26	YoY (%)	Mar 25	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26
Total assets	**192,914**	**191,720**	**-0.6**	**188,073**	**192,914**	**185,879**	**186,300**	**189,606**	**191,720**
Performing gross loans	114,396	119,753	4.7	110,768	114,396	115,500	114,669	116,298	119,753
RE exposure	467	413	-11.5	484	467	457	434	420	413
Total liabilities and net equity	**192,914**	**191,720**	**-0.6**	**188,073**	**192,914**	**185,879**	**186,300**	**189,606**	**191,720**
On-balance sheet customer funds	124,356	130,021	4.6	123,602	124,356	124,396	128,598	129,052	130,021
Capital markets wholesale funding	21,039	20,216	-3.9	20,481	21,039	19,439	19,531	18,522	20,216
Allocated equity	11,734	11,587	-1.3	11,952	11,734	11,475	11,375	11,345	11,587
Off-balance sheet customer funds	49,318	54,726	11.0	47,591	49,318	51,670	52,656	52,529	54,726
Other data									
Employees	13,638	13,348		13,594	13,638	13,660	13,617	13,450	13,348
Branches	1,153	1,104		1,153	1,153	1,151	1,149	1,150	1,104

Banking Business Mexico

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

Net interest income amounted to 101 million euros, increasing by 10.7% year-on-year, helped by the appreciation of the Mexican peso. At constant exchange rates, this item increased by 3.4%, mainly due to larger credit volumes and a lower cost of funds.

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

Total costs came to −53 million euros, representing a year-on-year increase of 3.1% at constant exchange rates, mainly as a result of higher general expenses.

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

(€ millions)	1H25	1H26	YoY (%)	YoY (%) at constant FX	Simple evolution 1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Net interest income	**91**	**101**	**10.7**	**3.4**	**47**	**44**	**50**	**52**	**47**	**54**
Net fees and commissions	12	14	15.3	7.7	4	8	5	10	7	7
Core revenues	**104**	**115**	**11.3**	**3.9**	**51**	**53**	**55**	**62**	**54**	**61**
Net trading income and exchange differences	2	4	118.4	104.0	0	2	-2	3	4	0
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0
Other operating income/expense	-13	-14	8.2	1.1	-7	-7	-7	-7	-7	-7
Gross operating income	**92**	**105**	**13.9**	**6.4**	**45**	**48**	**46**	**57**	**52**	**53**
Operating expenses	-41	-45	11.4	4.0	-20	-20	-22	-20	-22	-23
Amortisation & depreciation	-7	-8	4.7	-2.2	-4	-4	-4	-3	-4	-4
Total costs	-48	-53	10.4	3.1	-24	-24	-26	-24	-26	-27
Pre-provisions income	**44**	**52**	**17.8**	**10.0**	**21**	**24**	**21**	**33**	**25**	**27**
Total provisions & impairments	0	-7	--	--	2	-2	-1	-17	-3	-3
Gains on sale of assets and other results	0	0	--	--	0	0	-3	0	0	0
Profit before tax	**45**	**45**	**2.1**	**-4.7**	**22**	**22**	**16**	**16**	**22**	**24**
Income tax	-8	-11	41.7	32.3	-3	-4	-3	-2	-5	-6
Minority interest	0	0	--	--	0	0	0	0	0	0
Net profit	**37**	**35**	**-6.2**	**-12.4**	**19**	**18**	**13**	**14**	**17**	**18**
Accumulated ratios										
ROTE	11.2%	9.1%			11.0%	11.2%	10.6%	10.0%	9.2%	9.1%
Efficiency	51.9%	50.3%			53.8%	51.9%	53.0%	49.8%	50.6%	50.3%
NPL ratio	2.2%	2.6%			2.4%	2.2%	1.9%	2.7%	2.5%	2.6%
Stage 3 coverage ratio with total provisions	66.4%	59.2%			61.6%	66.4%	70.8%	59.8%	60.9%	59.2%

Performing loans were up 17.4% year-on-year at constant exchange rates.

On-balance sheet customer funds rose by 0.5% at constant exchange rates.

(€ millions)	Jun 25	Jun 26	YoY (%)	YoY (%) at constant FX	Simple evolution Mar 25	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26
Total assets	**6,329**	**7,364**	**16.4**	**7.6**	**6,558**	**6,329**	**6,561**	**7,208**	**7,230**	**7,364**
Performing gross loans	4,314	5,431	25.9	17.4	4,358	4,314	4,603	4,946	5,288	5,431
Total liabilities and net equity	**6,329**	**7,364**	**16.4**	**7.6**	**6,558**	**6,329**	**6,561**	**7,208**	**7,230**	**7,364**
On-balance sheet customer funds	3,048	3,359	10.2	0.5	3,244	3,048	3,264	3,439	3,186	3,359
Allocated equity	771	794	3.0	-7.2	717	771	757	768	793	794
Other data										
Employees	501	494			513	501	508	500	493	494
Branches	12	12			12	12	12	12	12	12

Note: The cumulative EUR/MXN exchange rate as at 30.06.2026 applied to the income statement is 20.382 (the one applied as at 30.06.2025 was 21.822). In the case of the balance sheet, the exchange rate applied is 19.903 (the one applied as at 30.06.2025 was 22.089) for the Mexican peso. The EUR/USD exchange rate applied to the balance sheet is 1.139 as at 30.06.2026 (1.172 as at 30.06.2025).

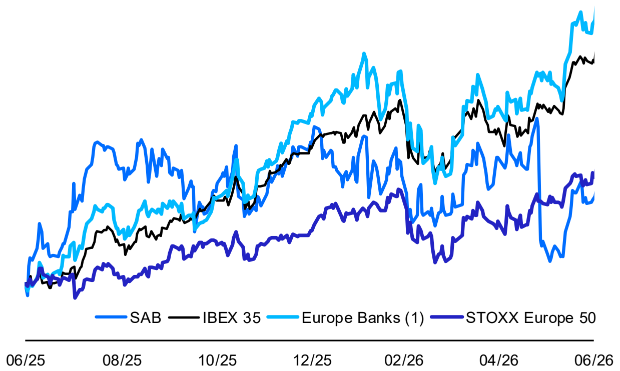
5. Share price performance

		30.06.25	31.03.26	30.06.26
Shares and trading				
Number of outstanding shares minus the treasury shares (millions)	(1)	5,120	4,920	4,781
Average daily trading volume (€ millions)	(2)	42	55	63
Share price (€)	(3)			
Opening session (of the year)		1.877	3.365	3.365
High (of the year)		2.849	3.484	3.520
Low (of the year)		1.795	2.893	2.788
Closing session		2.703	3.043	3.099
Market capitalisation (€ millions)		13,839	14,971	14,816
Stock market multiples				
Earnings per share (EPS) (€)		0.34	0.29	0.32
Book value (€ millon)		14,996	14,664	12,381
Book value per share (€)		2.93	2.98	2.59
Tangible book value (€ millon)		12,440	12,037	9,976
TBV per share (€)		2.43	2.45	2.09
Price / TBV (times)		1.11	1.24	1.49
Price-to-earnings ratio		7.93	10.46	9.62

(1) Total number of shares minus final treasury stock position (including shares in the buyback programme, where applicable).
(2) According to data from Bolsas y Mercados Españoles (Spanish stock market operator).
(3) Historical values not adjusted.

Comparative evolution of SAB share price (*)

Period from 30.06.2025 to 30.06.2026



(1) STOXX Europe 600 Banks

(*) On 29.05.2026 an extraordinary cash dividend of 50 euro cents (gross) per share was distributed in connection with the sale of TSB.

6. Glossary of terms on performance measures

Reconciliation of Group data used for statutory reporting

The Group's income statement and balance sheet used for statutory reporting are set out below, together with the reconciliation between the income statement used for statutory reporting and the P&L account used for management reporting, which is the one shown throughout this report.

The main differences concern:

- The treatment of the results generated by TSB and its subsidiary undertakings following the sale agreement reached by shareholders at the Extraordinary General Meeting of 6 August 2025. In other words, in the income statement used for management reporting, the results of TSB and its subsidiary undertakings have been recorded in disaggregated form and heading by heading, just as they had been in previous quarterly reports, although its net contribution is shown in a single line of the income statement, whereas in the income statement used for statutory reporting, as per applicable accounting standards, they are disclosed under the single heading "results of discontinued operations". It should be noted that the income statement used for statutory reporting in previous periods has been restated for the purpose of comparison.

  In addition, in the Group's consolidated balance sheet used for statutory reporting, the assets and liabilities related to the sale of TSB and its subsidiary undertakings are grouped under the line items "non-current assets and disposal groups classified as held for sale" and "liabilities included in disposal groups classified as held for sale". This classification applies exclusively to the balance sheets subsequent to 1 July 2025, without affecting prior balance sheets.

- After the termination, in October 2025, of the agreement signed with Nexi S.p.A. (which included the sale of the subsidiary Paycomet), the Group, in accordance with applicable accounting standards, ceased to classify the assets and liabilities of that subsidiary as non-current assets held for sale. Consequently, it once again applied the accounting policies and measurement criteria in effect prior to signing the agreement. The biggest change was the reclassification of the depreciation/amortisation expenses on Paycomet's assets (mainly PoS terminals) from the heading "Other provisions and impairments" to "Costs". For statutory reporting purposes, the comparative information for 2025 has been restated, whereas for management reporting, the figures from previous periods have not been restated.

Cumulative income statement used for statutory reporting

(€ millions)	1H25	1H26	YoY (%)
Net interest income	**1,774**	**1,751**	**-1.3**
Net fees and commissions	649	643	-0.9
Core revenues	**2,423**	**2,394**	**-1.2**
Net trading income and exchange differences	24	9	-62.5
Income from equity method and dividends	102	65	-36.0
Other operating income/expense	-43	-37	-13.9
Gross operating income	**2,506**	**2,432**	**-3.0**
Operating expenses	-914	-1,024	12.1
Amortisation & depreciation	-202	-214	5.6
Total costs	-1,117	-1,238	10.9
Pre-provisions income	**1,390**	**1,194**	**-14.1**
Provisions for NPLs	-179	-257	43.9
Provisions for other financial assets	-21	-34	59.1
Other impairments	-29	6	--
Gains on sale of assets and other results	-12	-131	--
Profit before tax	**1,148**	**778**	**-32.3**
Income tax	-373	-311	-16.8
Results from ongoing activities	**775**	**467**	**-39.7**
Result of discontinued activities	201	506	151.7
Minority interest	1	3	184.9
Net profit including TSB	**975**	**971**	**-0.5**

Quarterly income statement used for statutory reporting

(€millions)	2Q25	3Q25	4Q25	1Q26	2Q26	QoQ (%)
Net interest income	**889**	**883**	**880**	**855**	**896**	**4.8**
Net fees and commissions	327	314	332	315	328	4.0
Core revenues	**1,215**	**1,196**	**1,212**	**1,170**	**1,224**	**4.6**
Net trading income and exchange differences	-8	-27	-4	-1	10	--
Income from equity method and dividends	41	34	45	24	41	72.8
Other operating income/expense	-13	-11	-56	-17	-20	15.9
Gross operating income	**1,236**	**1,192**	**1,199**	**1,176**	**1,256**	**6.8**
Operating expenses	-448	-471	-482	-523	-501	-4.3
Amortisation & depreciation	-103	-106	-113	-109	-105	-3.6
Total costs	-551	-577	-595	-632	-606	-4.2
Pre-provisions income	**684**	**615**	**604**	**544**	**650**	**19.6**
Provisions for NPLs	-92	-117	-130	-120	-137	14.3
Provisions for other financial assets	-5	-3	-14	-18	-15	-18.0
Other impairments	-10	0	2	5	0	-100.0
Gains on sale of assets and other results	-1	-4	-20	0	-130	--
Profit before tax	**576**	**490**	**441**	**410**	**368**	**-10.3**
Income tax	-186	-161	-151	-144	-166	15.2
Results from ongoing activities	**390**	**330**	**289**	**266**	**202**	**-24.2**
Result of discontinued activities	97	85	97	83	424	--
Minority interest	1	0	1	2	1	-45.6
Net profit including TSB	**486**	**414**	**386**	**347**	**624**	**80.0**

Income statement reconciliation (statutory vs management reporting) - 2026, cumulative

	1H26		
(€ millions)	Statutory reporting	Adjustments related to the sale of TSB	Management reporting
Net interest income	**1,751**	**436**	**2,188**
Net fees and commissions	643	26	668
Core revenues	**2,394**	**462**	**2,856**
Net trading income and exchange differences	9	15	24
Income from equity method and dividends	65	0	65
Other operating income/expense	-37	-32	-69
Gross operating income	**2,432**	**444**	**2,876**
Operating expenses	-1,024	-242	-1,266
Amortisation & depreciation	-214	-28	-242
Total costs	-1,238	-270	-1,508
Pre-provisions income	**1,194**	**174**	**1,368**
Provisions for NPLs	-257	-24	-282
Provisions for other financial assets	-34	0	-34
Other impairments	6	0	6
Gains on sale of assets and other results	-131	410	279
Profit before tax	**778**	**560**	**1,338**
Income tax	-311	-53	-364
Results from ongoing activities	**467**	**506**	**974**
Result of discontinued activities	506	-506	0
Minority interest	3	0	3
Net profit including TSB	**971**	**0**	**971**

Income statement reconciliation (statutory vs management reporting) - 2025, cumulative

(€ millions)	1H25 Statutory reporting	Adjustments related to the sale of TSB	Adjustments related to Paycomet	Management reporting
Net interest income	**1,774**	**651**	**0**	**2,425**
Net fees and commissions	649	46	0	694
Core revenues	**2,423**	**697**	**0**	**3,119**
Net trading income and exchange differences	24	4	0	29
Income from equity method and dividends	102	0	0	102
Other operating income/expense	-43	7	0	-35
Gross operating income	**2,506**	**708**	**0**	**3,214**
Operating expenses	-914	-367	3	-1,278
Amortisation & depreciation	-202	-39	9	-232
Total costs	-1,117	-406	12	-1,510
Pre-provisions income	**1,390**	**302**	**12**	**1,704**
Provisions for NPLs	-179	-22	0	-201
Provisions for other financial assets	-21	2	0	-20
Other impairments	-29	0	-12	-41
Gains on sale of assets and other results	-12	1	0	-12
Profit before tax	**1,148**	**282**	**0**	**1,431**
Income tax	-373	-81	0	-454
Results from ongoing activities	**775**	**201**	**0**	**976**
Result of discontinued activities	201	-201	0	0
Minority interest	1	0	0	1
Net profit including TSB	**975**	**0**	**0**	**975**

Balance sheet used for statutory reporting

(€millions)	30.06.25	31.03.26	30.06.26	Change YoY (%)	Change QoQ (%)
Cash, cash balances at central banks and other demand deposits	26,359	9,545	5,460	-79.3	-42.8
Financial assets held for trading and fair value with changes in PL	3,927	4,574	5,701	45.2	24.6
Financial assets in fair value OCI	6,473	5,645	5,766	-10.9	2.1
Financial assets at amortised cost	201,367	165,311	170,629	-15.3	3.2
Loans and advances to customers	162,479	122,660	126,308	-22.3	3.0
Loans and advances of central banks and credit institutions	11,488	13,422	15,058	31.1	12.2
Debt securities	27,400	29,229	29,264	6.8	0.1
Investments in subsidaries, joint ventures and associates	455	430	468	2.8	8.7
Tangible assets	2,071	1,707	1,671	-19.3	-2.1
Intangible assets	2,565	2,479	2,406	-6.2	-3.0
Non-current assets and disposal groups classified as held for sale	597	52,723	414	-30.6	-99.2
Other assets	8,558	6,479	6,569	-23.2	1.4
Total assets	**252,373**	**248,893**	**199,084**	**-21.1**	**-20.0**
Financial liabilities held for trading and fair value with changes in PL	2,068	1,531	1,815	-12.2	18.5
Financial liabilities at amortised cost	233,817	183,867	183,639	-21.5	-0.1
Central banks	695	435	440	-36.7	1.1
Credit institutions	13,518	18,224	18,247	35.0	0.1
Customer deposits	183,408	140,268	137,168	-25.2	-2.2
Debt securities issued	28,002	20,119	20,889	-25.4	3.8
Other financial liabilities	8,194	4,820	6,896	-15.8	43.1
Provisions	437	346	346	-20.8	-0.1
Liabilities included in disposal groups classified as held for sale	0	48,203	0	--	-100.0
Other liabilities	1,561	929	1,109	-29.0	19.4
Subtotal liabilities	**237,882**	**234,876**	**186,909**	**-21.4**	**-20.4**
Shareholders' equity	14,996	14,664	12,381	-17.4	-15.6
Accumulated other comprehensive income	-541	-683	-244	-54.9	-64.2
Minority interest	36	37	38	6.2	3.0
Net equity	**14,491**	**14,017**	**12,175**	**-16.0**	**-13.1**
Total liabilities and net equity	**252,373**	**248,893**	**199,084**	**-21.1**	**-20.0**
Financial guarantees granted	1,888	1,907	1,896	0.5	-0.6
Commitments for loans granted	27,109	27,938	21,939	-19.1	-21.5
Other commitments granted	8,901	9,349	8,587	-3.5	-8.1

Alternative Performance Measures (APMs)

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

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

		Definition and calculation	Page
ROA		Consolidated income during the year (last 12 months) / ATA (last 12 months).	6
ROE		Profit attributed to the Group (last 12 months) / shareholders' average equity (last 12 months).	6
RORWA		Consolidated income during the year (last 12 months) / average risk-weighted assets (RWA) (last 12 months).	6
ROTE		Profit attributed to the Group (last 12 months) / shareholders' average equity (last 12 months). The denominator excludes intangible assets and the goodwill of the investees.	6
Efficiency ratio (includes non-recurrent costs)	(**)	Administrative expenses and amortisation & depreciation / gross income.	6
Customer spread	(*) (**)	Difference between return and cost of assets and liabilities related to customers. The ratio has been calculated taking into account the difference between the average rate charged by the bank for customers loans and the average rate paid by the bank for the customers deposits. The average customers loans rate is the annualised ratio between the financial income from customer loans and the average daily balance of customer loans. The average rate of customers funds is the annualised ratio between the financial expenses on customers funds and the average daily balance of customers funds.	10
Credit cost of risk (bps)	(**)	Calculated using the ratio where the numerator considers the linear annualization of the provisions for NPLs adjunting the costs associated with the stage 3 management assets and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution and ii) financial guarantees and other guarantees granted.	14
Total cost of risk (bps)	(**)	Calculated using the ratio where the numerator includes total provisions & impairments and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution, ii) financial guarantees and other guarantees granted and iii) problematic RE Assets. The numerator considers the linear annualization of total provisions & impairments.	14
Stage 3 coverage ratio with total provisions	(**)	Shows the % of stage 3 exposures covered by total provisions. Calculated using the ratio between impairment allowances on balace sheet assets and provisions recorded under balance sheet liabilities associated with off-balance sheet exposures / total stage 3 exposures.	19
NPL ratio	(**)	Calculated using the ratio where the numerator includes stage 3 exposure and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution and ii) financial guarantees and other guarantees granted.	19
Problematic assets		Problematic assets comprise stage 3 exposures and problematic real estate assets.	20
Loan-to-deposit ratio	(**)	Loans and advances to customers excluding repos and brokered loans divided by on-balance sheet customer funds. The denominator consists of financial liabilities at amortized cost, excluding non-retail financial liabilities, such as central bank deposits, credit institution deposits, institutional issuances and other financial liabilities.	22
Earnings per share		Ratio between net profit attributed to the Group, adjusted by the Additional Tier I coupon payment registered in equity, for the last 12 months and the average number of outstanding shares in the last 12 months (average number of total shares minus the average of treasury shares, including the buyback programme, if applicable).	29
Book value per share		Ratio between book value / number of outstanding shares (total number of shares minus the final position of treasury shares, including the buyback programme, if applicable) at the end of the period. Book value refers to equity.	29
TBV per share		Ratio between tangible book value and the number of outstanding shares (total number of shares minus the final position of treasury shares, including the buyback programme, if applicable) at the end of the period. The tangible book value is calculated as the sum of equity adjusted by intangible assets and the goodwill of the investees.	29
Price / TBV (times)		Ratio between share price / tangible book value per share.	29
Price-to-earnings ratio		Ratio between share price / earnings per share.	29

(*) Arithmetic mean calculated as the sum of daily balances during the reference period divided by the number of days in that period.
(**) Data excluding TSB contribution.

Alternative Performance measures	Conciliation (€millions)	1H25	FY25	1H26
ROA	Consolidated net profit (last 12 months)	1,917	1,777	1,775
	Average total assets (last 12 months)	244,922	245,221	238,586
	ROA (%)	**0.8**	**0.7**	**0.7**
ROE	Attributable net profit (last 12 months)	1,915	1,775	1,771
	Average equity (last 12 months)	15,039	14,952	14,419
	ROE (%)	**12.7**	**11.9**	**12.3**
RORWA	Consolidated net profit (last 12 months)	1,917	1,777	1,775
	Average risk weighted assets (RWA) (last 12 months)	79,740	79,512	77,577
	RORWA (%)	**2.4**	**2.2**	**2.29**
ROTE	Attributable net profit (last 12 months)	1,915	1,775	1,771
	Average equity, excluding intangible assets (last 12 months)	12,523	12,422	11,870
	ROTE (%)	**15.3**	**14.3**	**14.9**
Efficiency ratio (includes non-recurrent costs)	Total costs	-1,085	-2,251	-1,227
	Gross operating income	2,534	4,951	2,463
	Efficiency ratio (%)	**42.8**	**45.5**	**49.8**
Customer spread (*)	Loans to customers (net)			
	Results	2,273	4,460	2,174
	Avge.balance	114,999	116,790	120,790
	Annualised average rate %	3.99	3.82	3.63
	Customer deposits			
	Results	-587	-1,076	-511
	Avge.balance	126,208	126,734	132,395
	Annualised average rate %	-0.94	-0.85	-0.78
	Customer spread	**3.05**	**2.97**	**2.85**
Credit cost of risk (bps)	Provisions for NPLs (last 12 months)	-400	-426	-504
	NPLs costs (last 12 months)	-119	-109	-100
	Gross loans excluding repos (last 12 months)	117,615	120,584	123,645
	Financial guarantees and other guarantees granted (last 12 months)	8,621	8,546	8,572
	Credit cost of risk (bps)	**22**	**25**	**31**
Total cost of risk (bps)	Total provisions & impairments (last 12 months)	-556	-491	-535
	Gross loans excluding repos (last 12 months)	117,615	120,584	123,645
	Financial guarantees and other guarantees granted (last 12 months)	8,621	8,546	8,572
	Problematic RE assets (last 12 months)	839	767	694
	Total cost of risk (bps)	**44**	**38**	**40**
Stage 3 coverage ratio with total provisions (%)	Total provisions	2,527	2,425	2,330
	Stage 3 exposures	3,674	3,491	3,390
	Stage 3 coverage ratio with total provisions (%)	**68.8%**	**69.5%**	**68.7%**
NPL ratio (%)	Stage 3 exposures	3,674	3,491	3,390
	Gross loans excluding repos	122,286	123,114	128,606
	Financial guarantees and other guarantees granted	8,405	8,540	8,757
	NPL ratio (%)	**2.81%**	**2.65%**	**2.47%**
Problematic assets	Stage 3 exposures	3,674	3,491	3,390
	Foreclosed RE assets	773	684	636
	Problematic assets	**4,447**	**4,176**	**4,025**
Loan-to-deposit ratio (%)	Loans and advances to customers ex repos adjusted by brokered loans	118,835	119,503	123,497
	On-balance sheet customer funds	127,404	132,037	133,380
	Loan-to-deposit ratio (%)	**93.3%**	**90.5%**	**92.6%**
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	1,817	1,630	1,600
	Attributable net profit (last 12 months)	1,915	1,775	1,771
	AT1 (last 12 months)	-98	-146	-171
	Average number of outstanding shares minus the average of treasury shares (€millions)	5,330	5,152	4,965
	Earnings per share (EPS) (€)	**0.34**	**0.32**	**0.32**
Book value per share (€)	Shareholders' equity	14,996	14,631	12,381
	Number of outstanding shares minus the treasury shares (millions)	5,120	4,998	4,781
	Book value per share (€)	**2.93**	**2.93**	**2.59**
TBV per share (€)	Tangible book value (€millon)	12,440	11,988	9,976
	Shareholders' equity	14,996	14,631	12,381
	Intangible assets	2,556	2,642	2,406
	Number of outstanding shares minus the treasury shares (millions)	5,120	4,998	4,781
	TBV per share (€)	**2.43**	**2.40**	**2.09**
Price / TBV (times)	Share price (€)	2.703	3.365	3.099
	TBV per share (€)	2.43	2.40	2.09
	Price / TBV (times)	**1.11**	**1.40**	**1.49**
Price-to-earnings ratio	Share price (€)	2.703	3.365	3.099
	Earnings per share (EPS) (€)	0.34	0.32	0.32
	Price-to-earnings ratio	**7.93**	**10.64**	**9.62**

(*) Customer margin calculated using cumulative data.

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