



1Q23

results

April 27, 2023

index

- 1 1Q23 highlights
 - 2 Financial results
 - 3 Balance sheet
 - 4 Closing remarks
- 



1

1Q23 highlights

1Q23 key messages

Focus on margins in the current environment

Loan to deposit ratio at 95% (-0.6pp QoQ)

NII keeps improving +28% YoY

Customer spread +51bps YoY

RoTE¹
9.9%

CET1 FL
12.78%

TSB profit before taxes of £77M

+67% YoY

Group net profit of €205M

+69% YoY
excluding banking tax

¹ Excluding banking tax ROTTE stands at 11.4%.

Volumes reflect seasonality and lower mortgage lending in the UK in the quarter

Performing loans across geographies

€M

	Mar-23	QoQ	YoY
Spain ¹	97,529	-1.9%	-0.4%
UK (TSB) <i>Constant FX</i>	41,993	-2.6% -3.4%	-5.2% -1.5%
Other international <i>Constant FX</i>	13,114	-3.7% -3.5%	+5.0% +2.7%
Total <i>Constant FX</i>	152,637	-2.2% -2.5%	-1.4% -0.5%

Total customer funds

€M

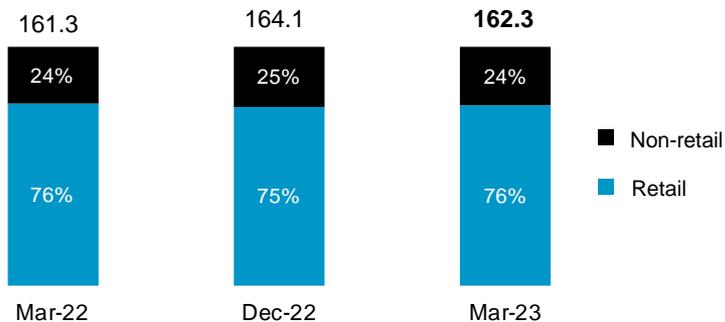
	Mar-23	QoQ	YoY
On-balance sheet <i>Constant FX</i>	162,307	-1.1% -1.4%	+0.6% +1.4%
Off-balance sheet	39,513	+2.7%	-2.7%
Total <i>Constant FX</i>	201,820	-0.4% -0.6%	-0.1% +0.6%

Commercial Gap over gross loans improves by €1bn QoQ and €3bn YoY

Very stable deposit base

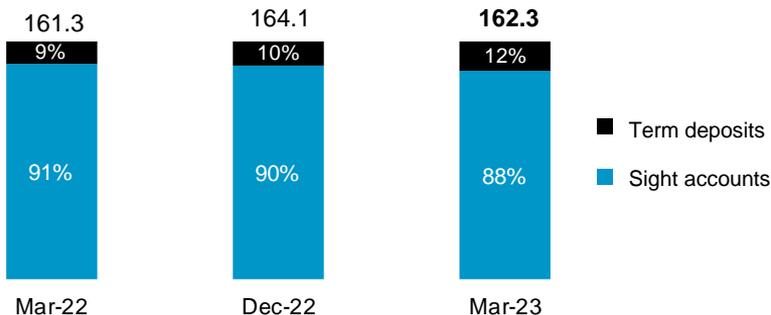
Group deposits breakdown by customer

€bn;%



Group deposits breakdown by type

€bn;%



% deposits insured by guaranteed schemes



Loan to deposit ratio improvement

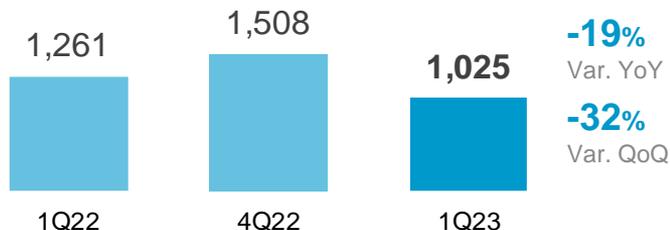


Note: Retail defined as individuals and SMEs with less than €1M in liabilities.

Different market trend in mortgages and consumer loans. Working capital continues to outperform longer-term facilities

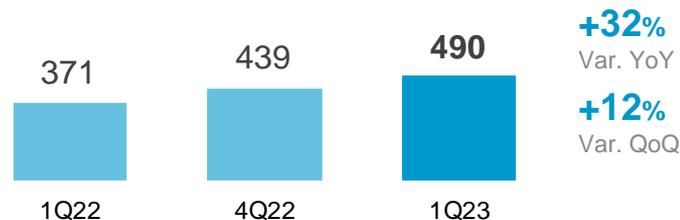
Mortgages

Quarterly new lending in Spain (in €M)



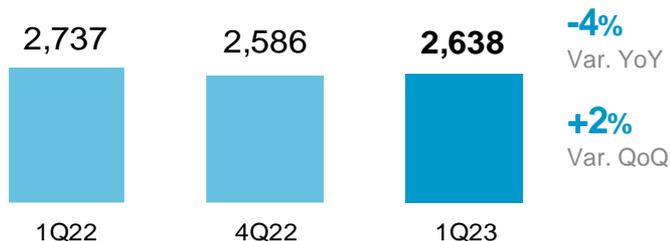
Consumer loans

Quarterly new lending in Spain (in €M)



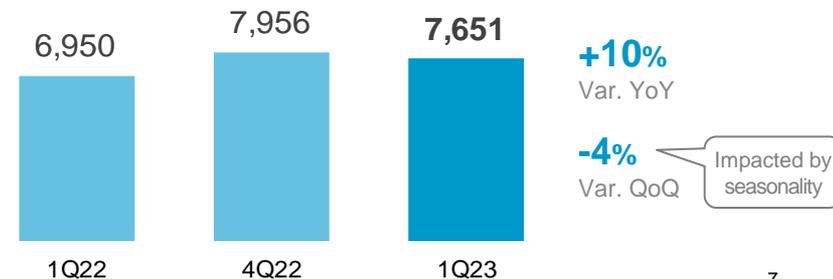
Loans and credit facilities – Business Banking

Quarterly new lending in Spain (in €M)



Working capital¹ – Business Banking

Quarterly new lending in Spain (in €M)

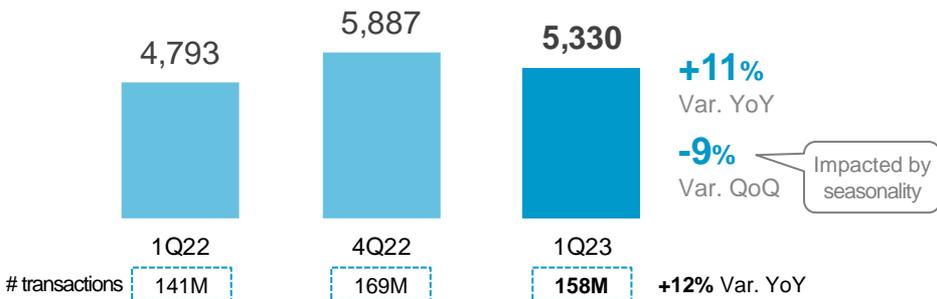


¹ Working capital includes trade discounting, factoring, reverse factoring, forfaiting and import/export finance.

Strong growth in payment services continues. Insurance impacted by product mix

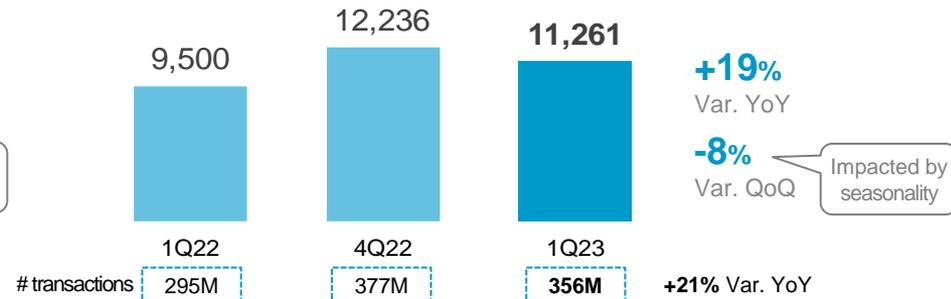
Cards

Quarterly turnover in Spain (in €M)



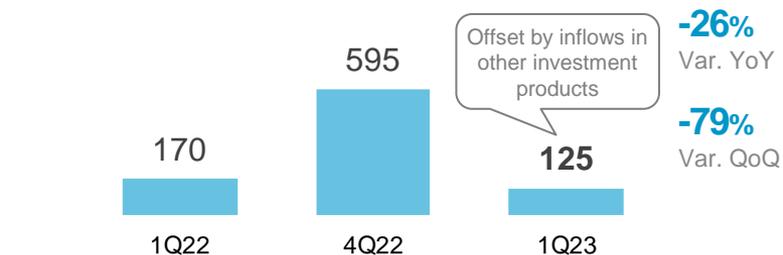
Retailer payment services (PoS)

Quarterly turnover in Spain (in €M)



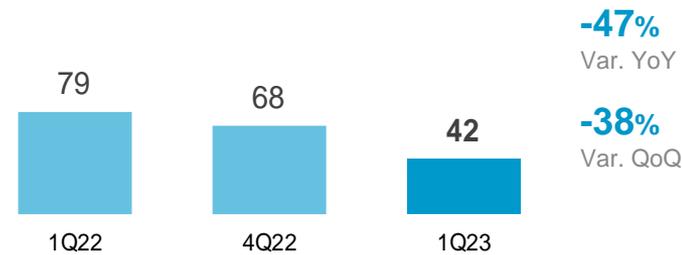
Mutual funds

Quarterly net inflows in Spain (in €M)



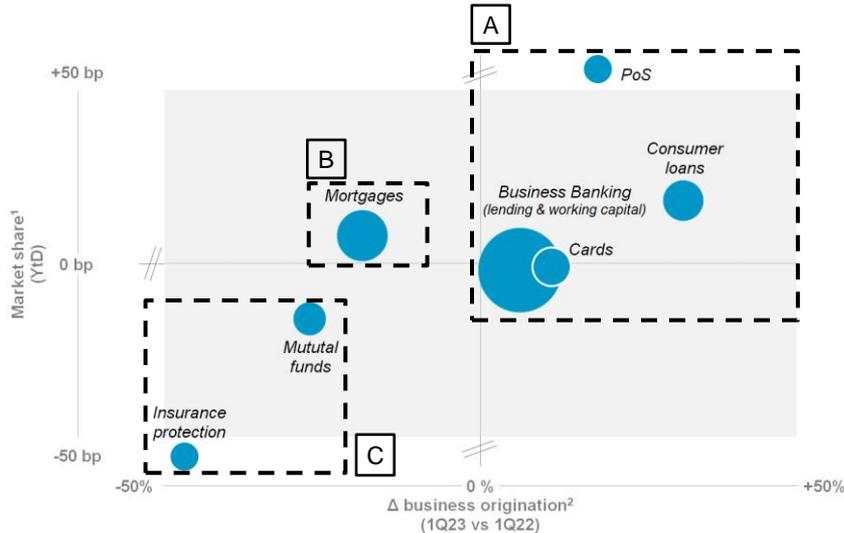
Protection insurance

Quarterly new premiums in Spain (in €M)



Good commercial momentum in Spain continues

Product performance



● Size of the bubble: gross operating income per product

Key elements for each product

A

Consumer loans

Enhancement of value proposition resulting in sustained growth both in new lending and market share.

Cards

Strong growth of turnover, in line with the market.

Business Banking lending & working capital

New lending increasing with slight decrease of stock market share due to more focus on prioritised customers.

PoS

Sustained growth both in turnover and market share.

B

Mortgages

Gaining market share in a downtrend market.

C

Mutual funds

Our savings & investment portfolio is adjusted to customers needs and investment profiles. Other products (i.e. structured deposits) offset lower net inflows in mutual funds.

Insurance

Lower upfront payments in life insurance premiums originated together with mortgages due to new product mix.

¹ Stock market shares variation: latest available data (Mutual funds 1Q23 vs 4Q22; rest of products 4Q22 vs 4Q21). AuMs in mutual funds; life premiums in insurance; performing loans in mortgages, consumer loans and Business Banking lending (includes Corporate Banking and excludes Public sector); yearly turnover in cards and PoS. ² Origination variation: 1Q23 vs. 1Q22. Net inflows in mutual funds; new premiums in insurance; new lending in mortgages and consumer loans; new lending and working capital in Business Banking; turnover in cards and PoS.

The results of our transformation are already visible and we have a clear roadmap to continue our journey

	Strategic approach	Progress	Relevant KPIs	Looking forward
<p>Retail Banking</p>	More digital customers		✓ >50% customer acquisition via digital onboarding (0% in 2021)	<ul style="list-style-type: none"> • Increasing engagement with new digital customers • Expanding digital onboarding to other segments
	More digital processes		✓ >70% consumer loans sales via digital & remote channels (40% in 2021)	<ul style="list-style-type: none"> • Enhancing digital capabilities in app, with special focus on sales functionalities
	More specialised service model		<ul style="list-style-type: none"> ✓ ~800 specialised RMs deployed ✓ New private banking model with >450 private bankers 	<ul style="list-style-type: none"> • Extending coverage of specialised RMs¹ to 100% of the branch network (currently at c.40%) • Deploying new management tools for RMs to boost customer acquisition and customer experience.
<p>Business Banking</p>	Verticalization		✓ +19% customer acquisition in sectors with specific offering (32 sectors)	<ul style="list-style-type: none"> • Leveraging our new partnership with Nexi to enhance our sector specific offering
	Enhanced risk-granting processes <small>(analytics, sectorial specialization)</small>		✓ >80% new lending on prioritized customers (vs. 70% mar. 22)	<ul style="list-style-type: none"> • Extending analytics to expand customer base with pre-approved loans in businesses
	Technology to improve customers' day to day		✓ +22% logins in app (vs. 1Q22)	<ul style="list-style-type: none"> • Delivering new digital interaction tools between RMs and customers

We have deployed a more efficient IT model, which enables additional investment in digital solutions

Evolved IT infrastructure and production model to deliver services faster and more efficiently, under a scalable model



“Discovery Project”

- Upgrade of data centers to gain **scalability, resilience and efficiency**



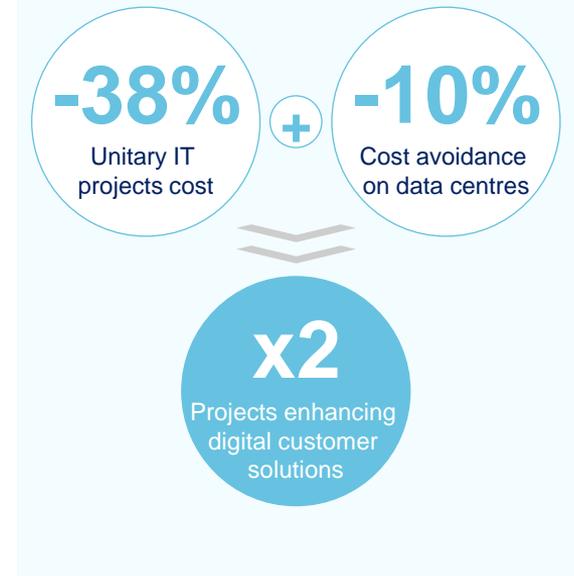
“Dingle Project”

- Transformation of our software delivery model to make it **more specialized and faster (time-to market)**



New architecture

- New cloud-native architecture, allowing us to build applications in a **more efficient way and deliver better customer experience**



We doubled the capacity to invest in digital customer solutions while maintaining total IT capex

Strategic partnership with Nexi to create a national champion in merchant acquiring

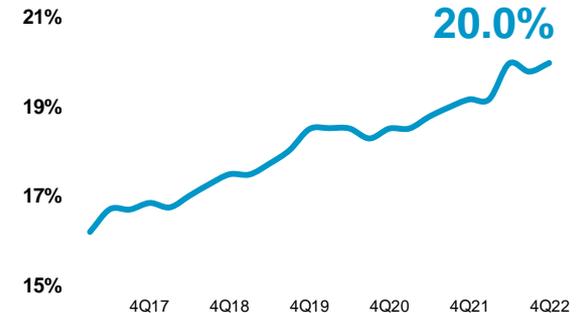


European PayTech Nexi to acquire 80% of Sabadell's merchant acquiring business and enter into a 10-year strategic agreement with Banco Sabadell



- Long-term strategic partnership with **worldwide leader in payment solutions**
- **Improves scale** by providing **savings and reducing investment needs**
- Sabadell customers offered premium solutions with **short time to market**
- Transaction **valuation of €350M** (100% stake). Impact of **+14bps¹** on **CET1 FL**

Banco Sabadell's number of PoS market share Spain



Closing expected in 4Q23. P&L accretive from the first year of the agreement

¹ Assumes the taxable nature of the capital gain, the impact from the 20% equity stake retained by Sabadell, the generation of goodwill and the deconsolidation of RWAs resulting from operational risk.

Lower volumes ex-TSB in the quarter as expected

Performing loans by segment, ex-TSB

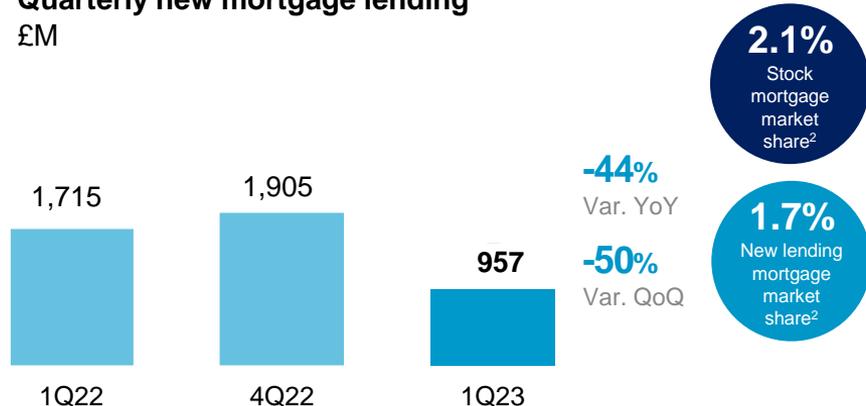
€bn

	Mar-23	QoQ	YoY		Mar-23	QoQ	YoY
Mortgages	38.9	-0.8%	+0.7%	Mexico	4.1	-0.3%	+9.5%
				<i>Constant FX</i>		-2.1%	+2.7%
Consumer loans	3.5	+3.6%	+11.7%	Miami	5.5	-5.9%	+12.7%
				<i>Constant FX</i>		-4.1%	+10.4%
SMEs & Corporates	42.6	-1.3%	-0.7%	Foreign branches	3.5	-3.9%	-9.2%
				<i>Constant FX</i>		-4.3%	-7.5%
Public sector ¹	9.0	-10.0%	-0.6%	Total international	13.1	-3.7%	+5.0%
				<i>Constant FX</i>		-3.5%	+2.7%
Other lending	3.5	-4.0%	-17.0%				
Total Spain	97.5	-1.9%	-0.4%				

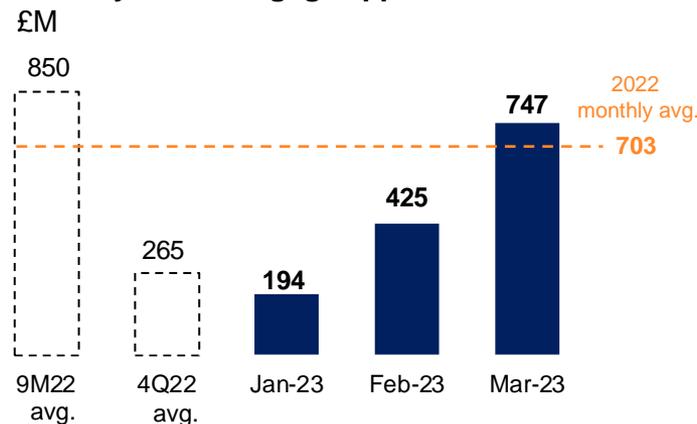
Note: Excludes accrual adjustments. ¹ Excluding the amortisation of €0.7bn in Dec-22 and €1.4bn in Mar-23 of the Spanish Treasury loan, the difference would be +3.3% QoQ and +21.4% YoY.

New mortgage lending at TSB subdued in the quarter

Quarterly new mortgage lending
£M



Monthly new mortgage applications
£M



TSB's Performing loans¹

£bn

	Mar-23	QoQ	YoY
Secured	34.5	-3.5%	-1.0%
Consumer lending	1.2	-2.6%	-4.1%
Other unsecured lending	1.1	-3.7%	-10.8%
Total	36.9	-3.4%	-1.5%

- ✓ New mortgage lending subdued due to low levels of applications in 4Q22 following swap yield curve volatility
- ✓ Mortgage applications have started recovering in Q1

¹ Excludes accrual adjustments. ² As at February 2023.

Highest quarterly net profit since 2017

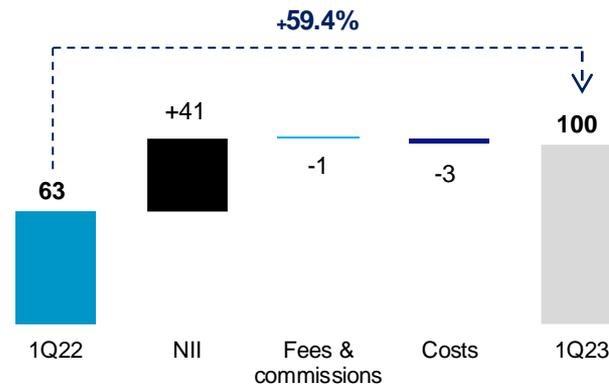
TSB standalone P&L and its contribution to Sabadell

£M

	1Q23	1Q23/4Q22	1Q23/1Q22	
NII	268	1.3%	18.2%	✓
Fees & commissions	25	-7.5%	-2.7%	
Costs	-192	3.4%	1.7%	
Core results¹	100	-4.5%	59.4%	✓
Total provisions & impairments	-17	-35.9%	75.8%	
Profit before taxes	77	n.m.	66.5%	✓
Income tax	-22	34.4%	-11.5%	
Net profit	54	n.m.	162.4%	
Contribution to Sabadell Group (€M)²	53	n.m.	176.7%	

TSB core results, YoY

£M

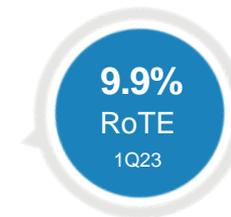
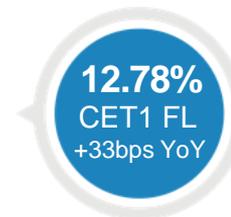


- ✓ NII increased +18% YoY driven by higher customer spread and structural hedge income
- ✓ Core results +59% YoY, with NII being the main contributor
- ✓ Profit before taxes grew by +67% YoY

¹ NII + fees – total costs. ² Consolidated financials at Group level include TSB acquisition-related core deposits and brand intangibles amortisation of €23M in 2023 and €5M in 2024, which are deducted from TSB standalone financials.

RoTE c.10% including the Spanish banking tax

	1Q23 (€M)	1Q23/4Q22	1Q23/1Q22
NII	1,100	+2.2%	+28.3%
Fees	350	-5.9%	-2.4%
Total costs	-730	+1.4%	+0.7%
Core results¹	720	-1.2%	+46.7%
Provisions	-236	-27.0%	+4.0%
Net profit	205	+37.2%	-4.0%
Net profit ex-banking tax	361	+142.2%	+69.4%



¹ NII + fees – total costs.

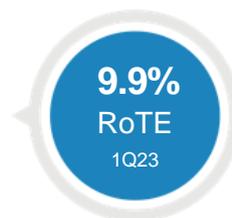


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Financial results

Net profit ex-banking tax c.+70% YoY

€M	Sabadell ex-TSB			Sabadell Group		
	1Q23	1Q23/4Q22	1Q23/1Q22	1Q23	1Q23/4Q22	1Q23/1Q22
Net interest income	797	3.1%	35.8%	1,100	2.2%	28.3%
Fees & commissions	322	-5.7%	-1.9%	350	-5.9%	-2.4%
Core banking revenue	1,119	0.4%	22.3%	1,450	0.1%	19.2%
Trading income & forex	-6	55.5%	n.m.	1	n.m.	-96.4%
Other income & expenses ¹	-130	27.8%	n.m.	-140	-15.7%	n.m.
Gross operating income	983	-2.6%	-0.8%	1,311	3.0%	2.0%
Total costs	-504	1.0%	2.2%	-730	1.4%	0.7%
Pre-provisions income	479	-6.1%	-3.7%	581	5.0%	3.8%
Total provisions & impairments	-217	-26.0%	0.7%	-236	-27.0%	4.0%
Gains on sale of assets and other results	-3	-63.2%	-78.6%	-3	-58.1%	-79.2%
Profit before taxes	259	23.8%	-3.6%	342	53.2%	7.1%
Taxes	-108	87.1%	74.2%	-137	77.6%	47.7%
Minority interest	0	-100.0%	-100.0%	0	-100.0%	-100.0%
Attributable net profit	151	-2.4%	-21.9%	205	37.2%	-4.0%
Pro forma: attributable net profit ex-banking tax	308	98.6%	58.8%	361	142.2%	69.4%
Core results¹	615	-0.1%	45.7%	720	-1.2%	46.7%

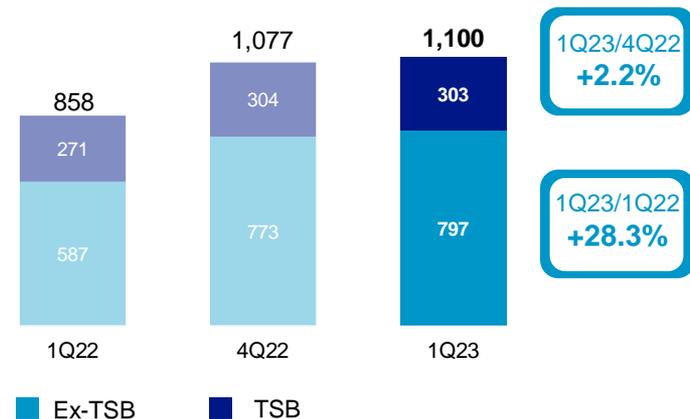


¹ Includes -€157M related to the full year Spanish banking tax, which is not tax deductible

Higher customer spread boosted NII, partially offset by the end of TLTRO-III contribution

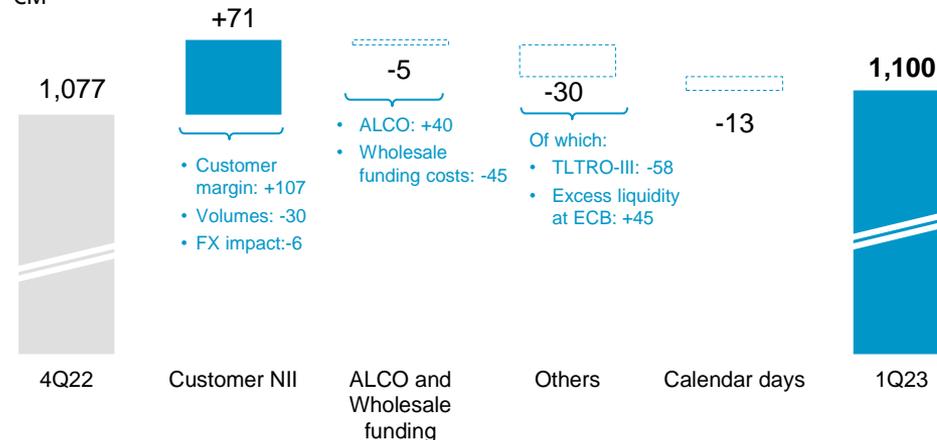
Group NII

€M



Group NII QoQ evolution

€M



Customer spread

2.22% 2.53% **2.73%**

Net interest margin

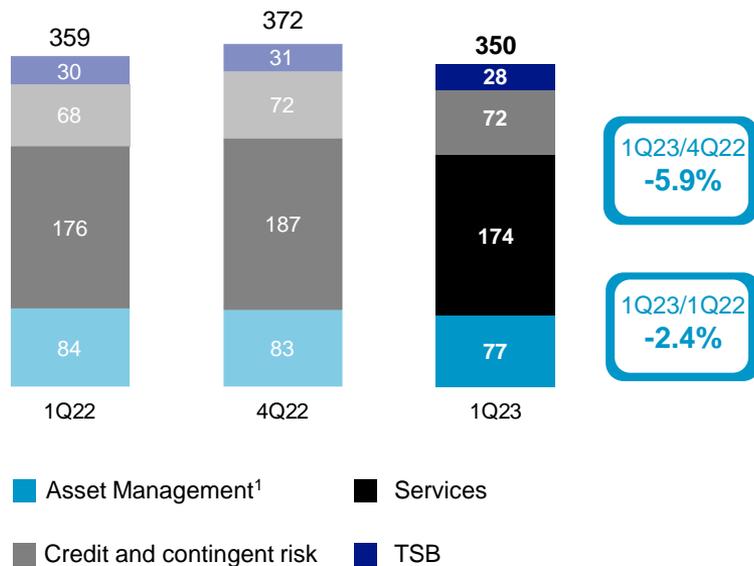
1.38% 1.64% **1.79%**

- NII increased in the quarter mainly driven by customer margin
- Excluding the impact of TLTRO-III (-€58M) and calendar days (-€13M) that are non-recurrent, NII would have grown by more than €90M in the quarter (+9.2%)
- Improvement of 20bps in customer spread and 15bps in NIM QoQ

Fees declined in the quarter as anticipated

Group fees & commissions

€M



Group fees & commissions

	1Q23/4Q22		1Q23/1Q22	
Credit and contingent risk	-€0.5M	-0.7%	+€3.9M	+5.7%
Services	-€15.9M	-7.4%	-€5.1M	-2.5%
Asset Mgmt. ¹	-€5.7M	-6.6%	-€7.3M	-8.4%

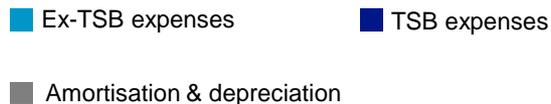
- Credit risk fees remained broadly stable in the quarter despite negative seasonality
- Services fees declined due to lower revenues in forex transactions and lower activity in the quarter driven by the usual seasonality
- Asset management fees impacted by insurance brokerage fees due to different product mix

¹ Includes mutual funds, pension funds, insurance brokerage and wealth management fees.

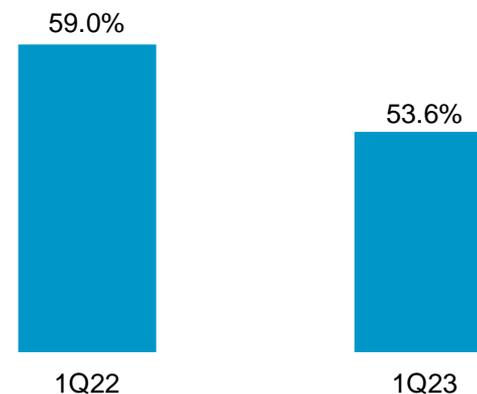
The cost saving initiatives undertaken in Spain and TSB improved efficiency ratios

Group costs

€M



Efficiency ratio¹

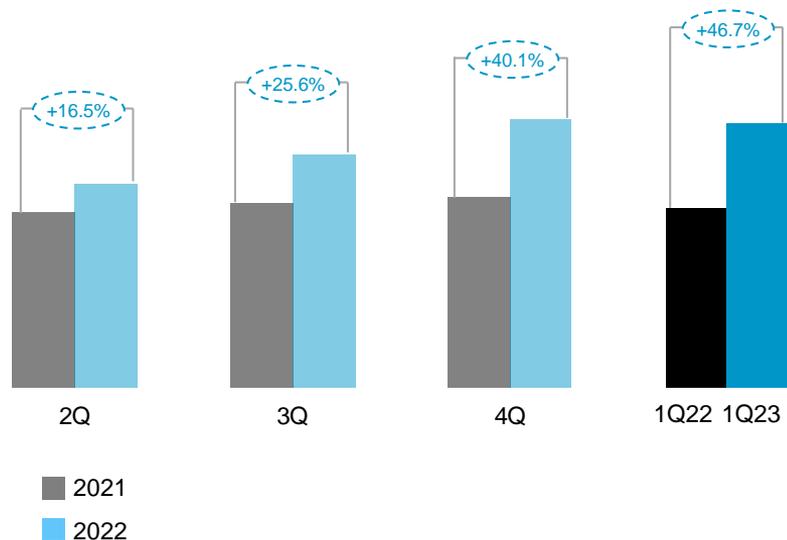


¹ Group costs including amortisation / gross operating income (including the accrual of the DGF, SRF, IDEC payments and the Spanish banking tax).

NII is the main driver of core results improvement

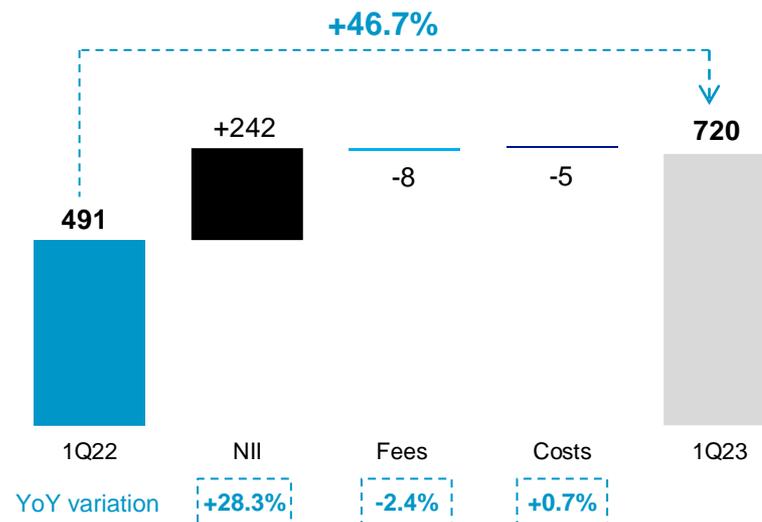
Group core results YoY

€M



Group core results YoY

€M



Total cost of risk to date better than our YE guidance

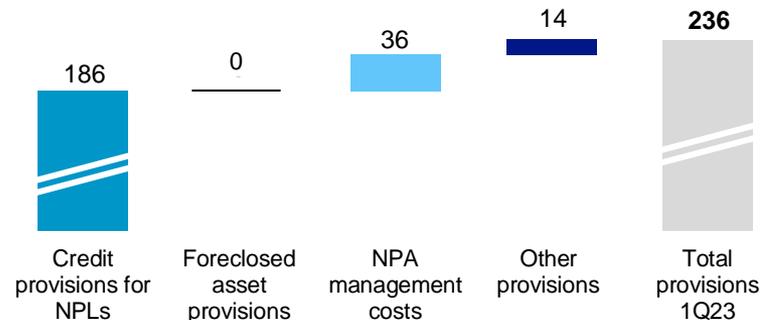
Group credit provisions

€M

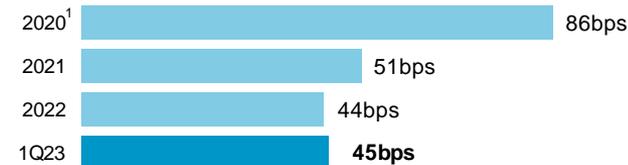


Group total provisions 1Q23 breakdown

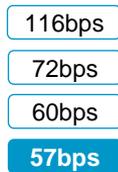
€M



Group Credit CoR



Group Total CoR



- Credit cost of risk at 45bps, as delinquency levels continue to hold up
- Foreclosed assets sold at a premium offset these provisions in the quarter
- NPA management costs and other provisions performed slightly better than 2022 average

¹ Excludes provisions related to institutional sales of NPL portfolios.



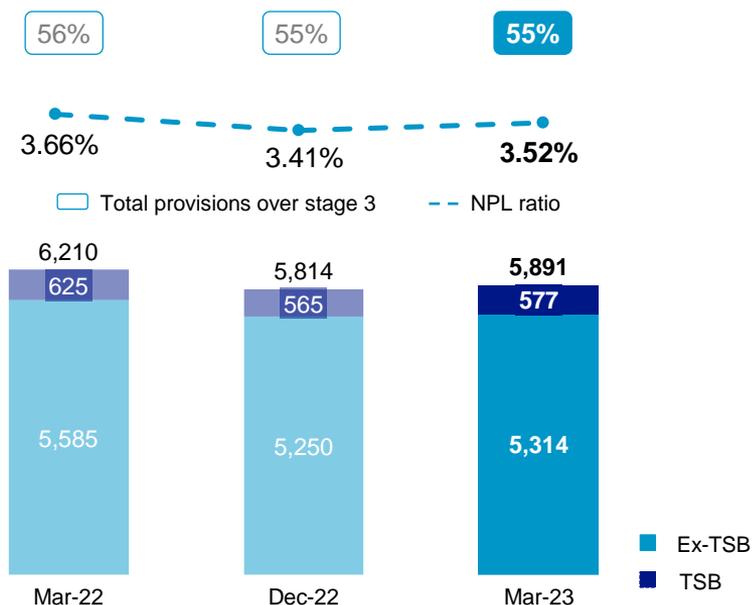
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Balance sheet

Small increase of NPLs in the quarter while improving YoY

Group NPLs and NPL ratio

€M



Exposure by stage and coverage ratio

	Stage 1	Stage 2	Stage 3
% of total book	88.1%	8.4%	3.5%
Coverage, Group	0.3%	3.7%	39.5%
Coverage, ex-TSB	0.3%	4.2%	42.3%

- NPL ratio increased 12bps in the quarter due to a combination of a reduction in the loan book (7bps) and the increase in stage 3 exposures (5bps)
- Coverage ratios remained stable

Note: Stage 3 exposure includes contingent risk.

NPAs reduced by -7% in the year

Group foreclosed assets

€M

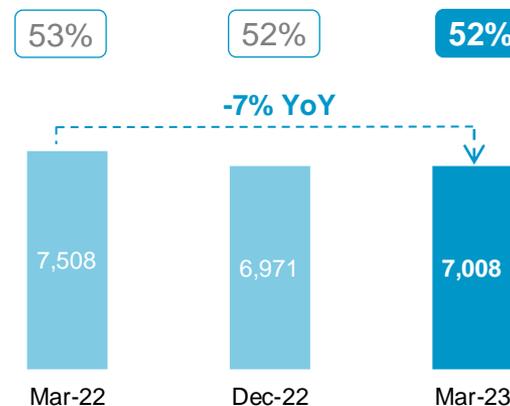


Coverage ratio

95% of total foreclosed assets are finished buildings

Group NPAs

€M



Group key ratios

	Mar-22	Dec-22	Mar-23
Gross NPA ratio ¹	4.4%	4.1%	4.2%
Net NPA ratio	2.1%	1.9%	2.0%
Net NPAs / total assets	1.4%	1.3%	1.4%

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

Hefty liquidity buffers

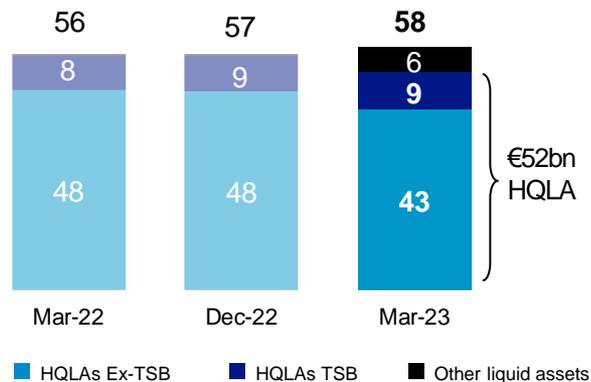
Liquidity metrics

Sabadell Group



Total liquid assets

€bn



¹ TSB is a ring-fenced bank.

Credit ratings

Group long-term credit rating and outlook

Standard & Poor's	BBB Positive	New	Fitch Ratings	BBB-Stable
	Moody's			Baa3 Positive
			DBRS	

Central bank funding

- TLTRO- III (€bn)

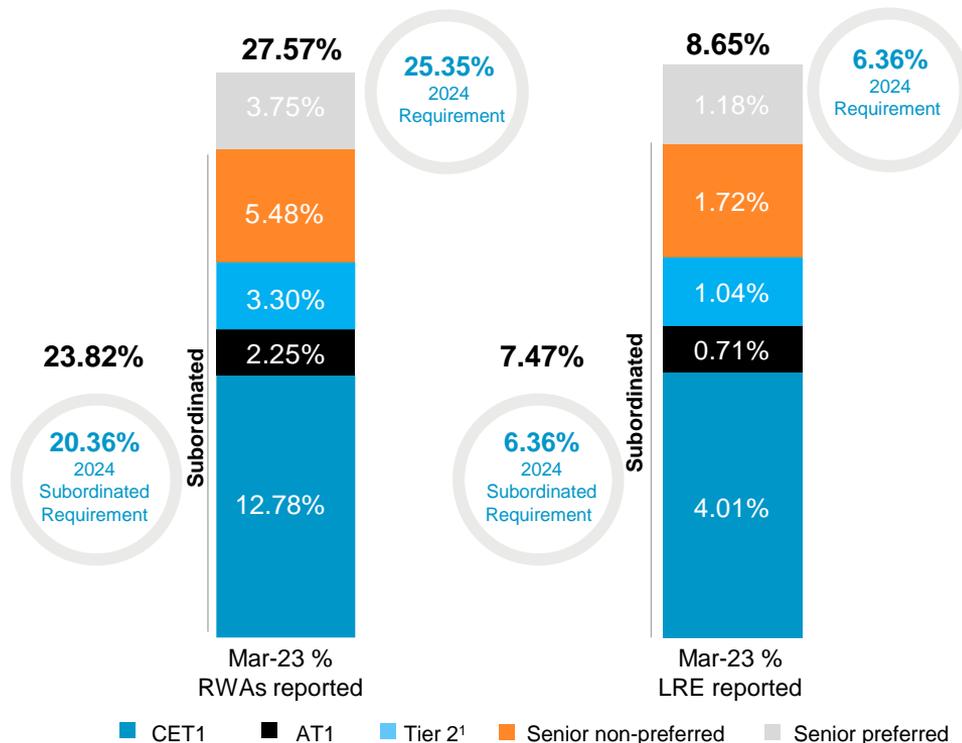


- Liquidity deposited at ECB: 2.2x TLTRO
- TFSME: £1.0bn prepaid in 1Q23. £4.0bn outstanding. The bulk matures in 2H25

Ample MREL buffer

MREL position, Sabadell Group

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



YTD public issuances

- 18-Jan: €500M PerpNC5.5 Additional Tier 1 (9.375% coupon)
- 7-Feb: €750M 6NC5 Senior non-preferred (5.250% coupon)
- 14-Feb: £1,000M 4-year Covered bonds (SONIA+60bps coupon)
- 16-Feb: €500M 10.5NC5.5 Tier 2 (6.000% coupon)
- 28-Feb: €1,000M 3.5-year Covered bonds (3.500% coupon)

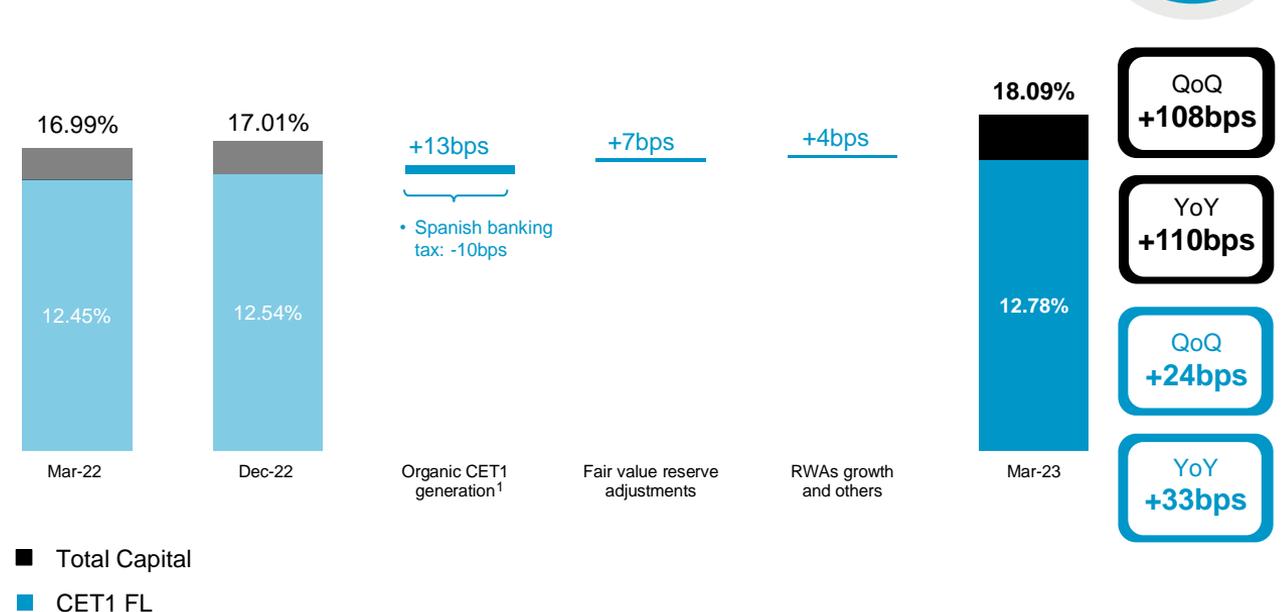
2023 pending funding plan

- AT1/Tier 2: No more issuances
- Senior preferred/ non-preferred: one or two potential transactions
- Covered bonds: active issuer in EUR and GBP (TSB)

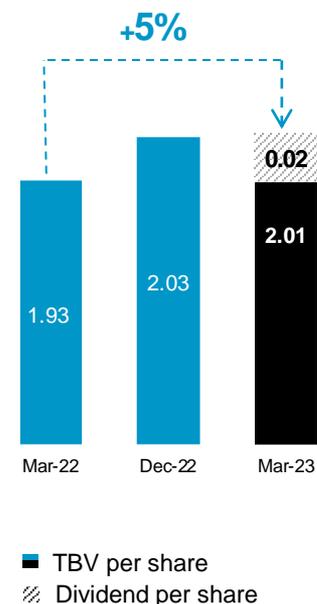
Note: Ratios include the Combined Buffer Requirement (at 2.94% as of Dec-22 and estimated at 3.13% for 2024) and IFRS9 transitional arrangements. ¹ For illustration purposes, the Tier 2 category includes subordinated debt that is no longer recognised as Own Funds when the instrument has a residual maturity of less than 5 years (Art. 62(2) CRR1) but remains eligible for MREL purposes.

CET1 FL increased by +24bps in the quarter

Capital ratios evolution



Shareholder value creation²



¹ Accruing a dividend pay-out ratio of 50%. ² Shareholder value creation variation includes TBV per share (2.01) and distributed dividend in March 2023 (2 euro cents per share).



4

Closing remarks

A solid set of results in 1Q23

The results of our transformation are already visible...

	1Q23	 2023 guidance	
Net Interest Income (YoY)	+28.3%	High-teens growth	
Fees & Commissions (YoY)	-2.4%	Low single digit decline	
Total costs	€730M	~ €3 ^{bn}	
Total Cost of Risk	57^{bps}	< 65 ^{bps}	
RoTE (inc. banking tax)	9.9%	> 9%	
RoTE (exc. banking tax)	11.4%	> 10.5%	

... and we have a clear roadmap

Appendix

1 Group NIM and customer spread

2 Service quality

3 Debt maturities and issuances

4 ALCO portfolio

5 ESG

6 TSB asset quality

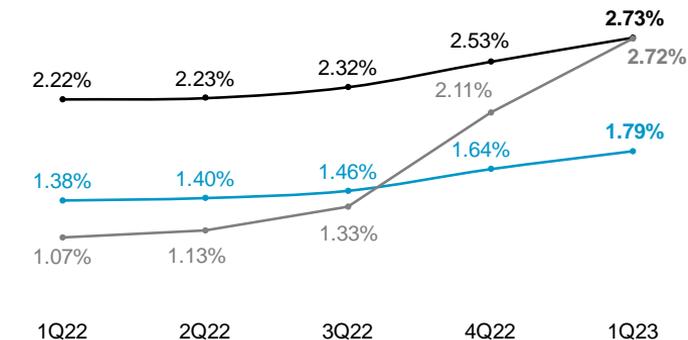
7 RWAs breakdown

8 MDA buffer

1. NIM and customer spread

Sabadell Group

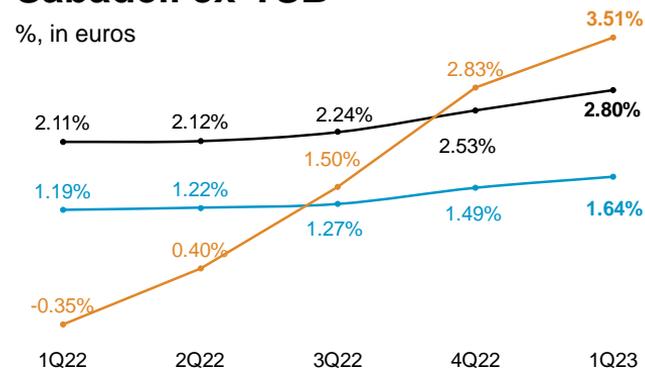
%, in euros



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

Sabadell ex-TSB

%, in euros



TSB

%, in euros



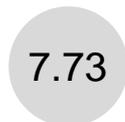
2. Service quality index and NPS

Spain

Service quality index



Sector average



Net promoter score (NPS)

SMEs	8%
Corporates	31%
Personal banking	13%
Retail banking	-10%

NPS Online banking



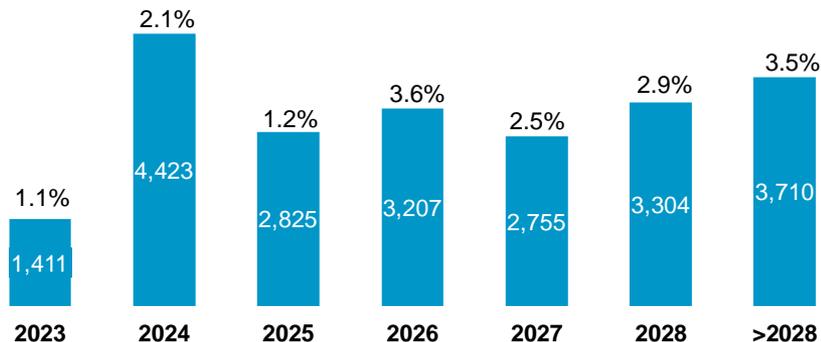
NPS Mobile



3. Debt maturities and issuances

Debt maturities and average cost

Maturities in €M and average cost in %



2023	2024	2025	2026	2027	2028	>2028	
1.388	2.703	836	1.390	2.237	1.554	1.450	Covered bonds
23	745	1.489	0	500	750	0	Senior Preferred Debt
0	975	500	1.317	18	500	945	Senior Non-Preferred Debt
0	0	0	500	0	500	1.315	Subordinated debt

Main debt maturities and redemptions in the last 6 months

Instrument	Date	Size	Coupon
Covered bonds	05/12/2022	€100M	0.86%
TSB Covered bonds	07/12/2022	€578M	2.45%
Covered bonds	12/12/2022	€194M	3.75%
AT1	23/02/2023	€400M	8.52%
Senior preferred bonds	05/03/2023	€975M	0.88%

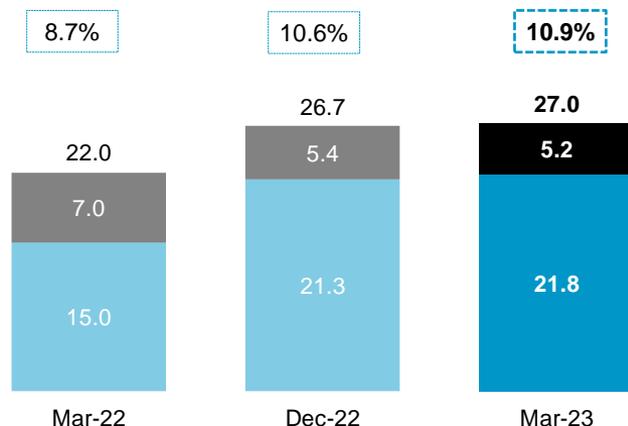
Main debt maturities in the next 12 months

Instrument	Date	Size	Coupon
Covered bonds	04/05/2023	€250M	2.62%
Covered bonds	20/10/2023	€950M	0.13%
Covered bonds	23/10/2023	€100M	4.25%
Covered bonds	26/01/2024	€550M	2.74%
Covered bonds (TSB)	15/02/2024	£750M	4.82%
Senior preferred bonds	07/03/2024	€735M	1.63%

Note: Debt maturities excludes AT1 issuance.

4. ALCO portfolio

Evolution of fixed income portfolio. Sabadell Group. €bn



■ Fair Value OCI
 ■ Held to collect
 □ As % of total assets

	Yield	Total duration ¹	Avg. maturity
Mar-23			
FV OCI	3.1%	0.7 years	4.3 years
Total	2.7%	2.1 years	6.9 years

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

Composition of fixed income portfolio. Sabadell Group. €bn. Mar-23.



- Spain
- Italy
- UK
- Agencies & Covered bonds
- Other governments and Corporates & Financials
- Portugal

- As at Mar-23, TSB's ALCO portfolio size was €2.7bn
- The capital position's sensitivity to bond spread volatility remains low as Fair Value OCI composition only accounts for a small proportion and is short duration
- Option to reinvest up to €3bn in 2023
- Unrealised capital gains/losses (after tax):
 - Fair value OCI: -0.2pp of CET1 (already deducted)
 - Held to collect: -0.7pp of CET1

5. ESG. Milestones achieved in 1Q23

E
S
G

- Signed various **funding agreements for renewable energy projects amounting to €200M**, most notably an agreement amounting to **€47M** to fund the construction of a 126MW photovoltaic plant

E
S
G

- **Launch** of new fund: **Sabadell Asabys Health Innovation Investments II**, with total commitments of **€100m** and with intention to increase to €200m in 2023
- **Joined REDI (*Red Empresarial por la Diversidad e Inclusión LGBTI - Business Network for LGBT Diversity and Inclusion*) as an associate**. Resolutely committed to promoting safe, inclusive and respectful working environments
- **Sogeviso recognised with the Social Inclusion Seal (SIS)**, granted by the Ministry of Inclusion, Social Security and Migration, in the category of socio-occupational inclusion.

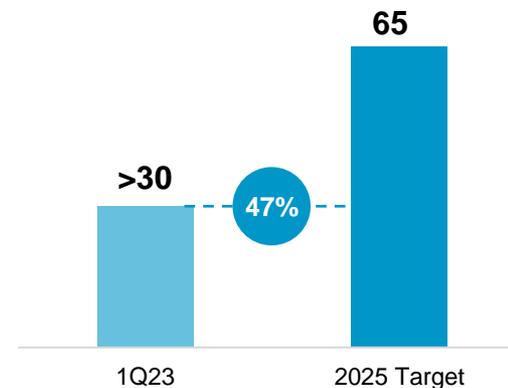


E
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- **ISS ESG** has upgraded **Banco Sabadell's Governance QualityScore rating to 1**, which is the top score, following the 2023 General Meeting of Shareholders¹



Sustainable finance mobilised
€bn in cumulative terms since 2021



On track to meet our target of €65bn in 2025

¹ Rating, obtained on 29 March 2023, effective as of the date of this presentation.

6. TSB asset quality, liquidity and solvency position

Asset quality

	Mar-22	Dec-22	Mar-23
NPL ratio	1.4%	1.3%	1.4%
Coverage ratio	39%	42%	41%
Cost of risk ¹ (YtD)	0.10%	0.14%	0.16%

Solvency

	Mar-22	Dec-22	Mar-23
CET1 ratio ²	15.9%	17.2%	17.2%
Leverage ratio ³	3.6%	3.7%	3.8%

Liquidity

	Mar-22	Dec-22	Mar-23
LCR	185%	196%	202%

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

² CET1 ratio on a transitional basis. The Mar-23 CET1 FL ratio is 17.2%. ³ Calculated using EBA standards and on a transitional basis.

7. RWAs breakdown

Mar-23 RWAs: €77,659M

By type:

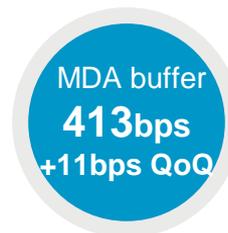
- Credit risk: €68.6bn
- Market risk: €0.8bn
- Operational risk: €8.2bn
- Other: €0.1bn

By geography:

- Spain: €61.0bn
 - UK: €13.1bn
 - Mexico: €3.5bn
-

8. Ample MDA buffer at 413bps, better than guidance

Group capital requirements		Group capital position
Pillar 1 CET1	4.50%	
Pillar 2 CET1 Requirement (P2R)	1.21% ¹	
Capital Conservation Buffer	2.50%	
Countercyclical Buffer	0.18%	
Other Systemically Important Institutions	0.25%	
CET1	8.64%	12.78%
AT1	1.90% ¹	2.25%
Tier 2	2.54% ¹	3.06%
Total Capital	13.08%	18.09%



- MDA stands 413bps above 8.64% requirement
- 2% Countercyclical Buffer in UK would represent additional 17bps² for Sabadell from July 2023
- Leverage ratio phase-in decreased -77bps YoY mainly due to the end of the transitory period in 2Q22 that allowed excluding exposures with central banks from the leverage ratio

¹ Applying Article 104a CRD which assumes the bank can use excess Tier 2 and AT1 to meet P2R (in total 94bps of excess hybrid capital, of which 40bps would be AT1 and 54bps Tier 2). ² Based on RWAs as of Mar-23.

Glossary

Term	Definition
CBR	Combined Buffer Requirement
CCyB	Countercyclical Buffer
CCB	Capital Conservation Buffer
Commercial gap	Total on-balance sheet customer funds – total gross loans
DGS	Deposit Guarantee Scheme
HQLA	High Quality Liquid Assets
HTC	Held to collect
LCR	Liquidity Coverage Ratio: short-term liquidity ratio
LRE	Leverage Ratio Exposure denominator is equivalent to total assets and a variety of off-balance sheet items including derivatives and repurchase agreements, among others
MDA	Maximum Distributable Amount
NIM	Net Interest Margin
NPS	The Net Promoter Score is obtained by asking customers “On a scale of 0-10, where 0 is not at all likely and 10 is extremely likely, how likely are you to recommend Sabadell to a friend or colleague?”. NPS is the percentage of customers who score 9-10 after subtracting the percentage who score 0-6
NSFR	Net Stable Funding Ratio: medium-term liquidity ratio
P2R	Pillar 2 Requirement
RM	Relationship Manager
RWA	Risk Weighted Assets
TBV	Tangible Book Value
TFSME	Term Funding Scheme with additional incentives for SMEs
TLTRO	Targeted Longer-Term Refinancing Operations

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