



1Q21

**Quarterly Financial
Report**

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Basis of presentation

The consolidated income statement and balance sheet as at the end of March 2021 and 2020, 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 annual financial statements as at 31 December 2020.

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

1. Summary

Net interest income

At the end of March 2021, net interest income stood at 833 million euros, decreasing by -5.8% year-on-year due to lower interest rates, smaller contribution of the ALCO portfolio following the sales carried out in the previous year and lower overdraft fees.

Net interest income declined by -2.4% in the quarter, mainly due to the first quarter seasonal effect (fewer calendar days) and smaller contribution of the ALCO portfolio following the sales carried out in previous year.

Net fees and commissions

Fees and commissions amounted to 342 million euros representing a decrease of -2.2% year-on-year, affected by the disposal of Sabadell Asset Management and subsequent reduction of asset management fees. Excluding this impact, fees showed growth of 2.5%, supported by the good performance of fees from both mutual funds and sight accounts.

Fees and commissions declined by -2.4% in the quarter, mainly affected by the seasonal effect in the fourth quarter of the previous year associated with asset management fees. Excluding this effect, fees showed quarter-on-quarter growth of 1.3% as a result of increased card and sight account fees.

Total costs

Total costs amounted to -769 million euros as at the end of March 2021, decreasing by -1.2% year-on-year due to the improvement in personnel costs.

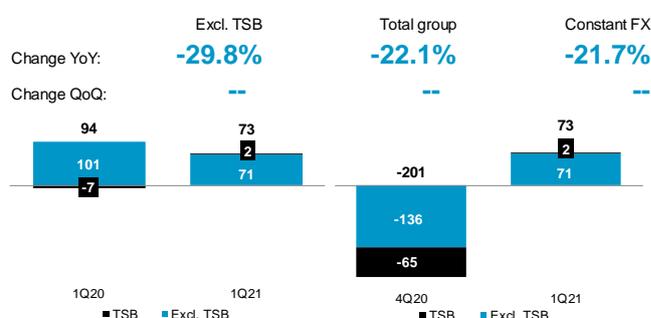
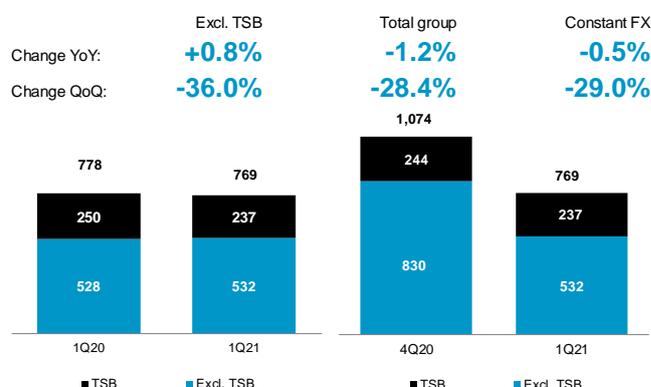
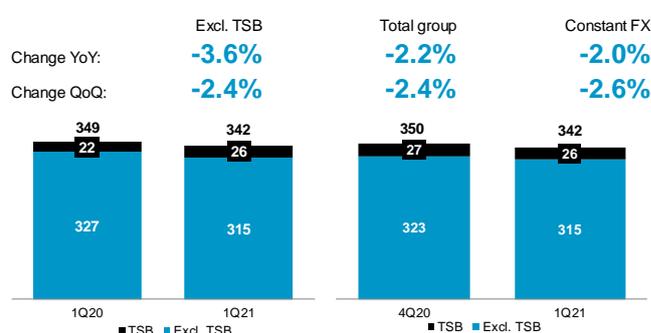
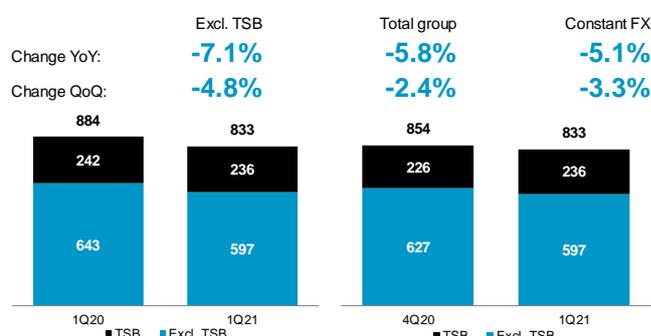
Quarter-on-quarter, costs showed a sharp fall of -28.4% as the fourth quarter of 2020 included the impact of restructuring costs.

The Group's cost-to-income ratio stood at 54.6% as at the end of March 2021.

Net profit of the Group

At the end of March 2021, the Group's net profit amounted to 73 million euros, with profit ex-TSB amounting to 71 million euros and with a positive contribution of 2 million euros from TSB. This level of profit denotes a year-on-year fall of -22.1%, mainly as a result of lower net trading income.

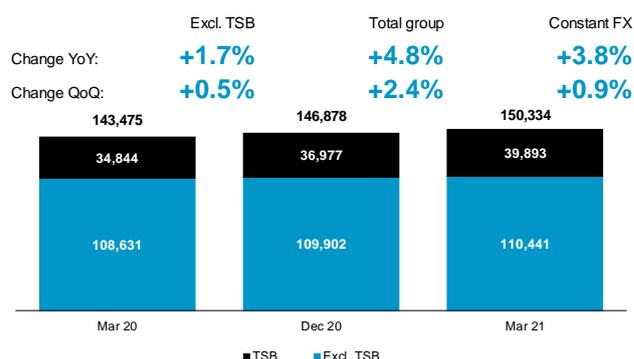
Compared to the previous quarter, there was strong growth due to lower provisions and the effect of seasonal impacts recorded in 4Q20, such as the contribution to the Deposit Guarantee Fund (DGF) and the payment of the Tax on Deposits of Credit Entities (*Impuesto sobre Depósitos de Entidades de Crédito* or IDEC).



Performing loans

Good performance of outstanding performing loans, which showed growth of 4.8% year-on-year and 2.4% quarter-on-quarter, despite the impact of the payment received of 1,519 million euros by the Deposit Guarantee Fund (DGF) related to the asset protection scheme (APS).

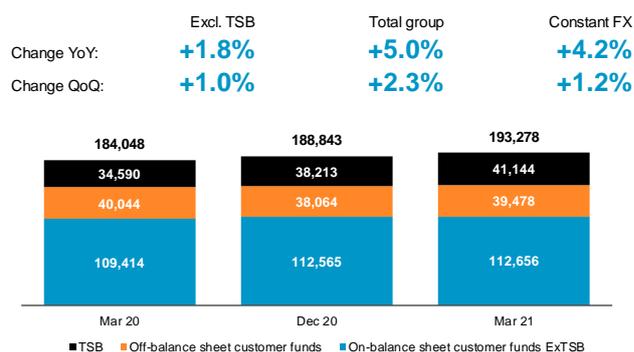
Stripping out the impact of the APS, lending growth stood at 5.9% year-on-year and 3.4% quarter-on-quarter, driven by growth in all geographies, with the main area of growth in Spain represented by lending to corporates, SMEs and self-employed professionals and in TSB by increased mortgage lending, supported by the evolution of the sterling exchange rate.



Customer funds

There was a positive evolution of customer funds in the balance sheet, showing growth of 6.8% year-on-year and 2.0% quarter-on-quarter due to increased sight accounts, which offset the decline in term deposits.

Off-balance sheet funds decreased year-on-year following the disposal of Sabadell Asset Management, but grew by 3.7% quarter-on-quarter due to mutual funds growth supported mainly by higher inflow volumes.



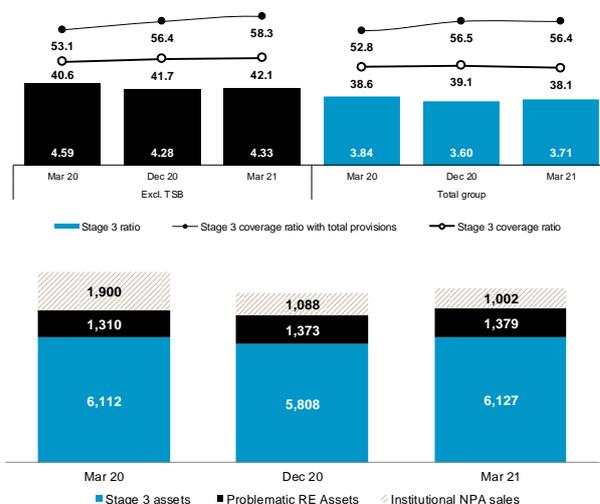
Non-performing assets (*)

The Group's stage 3 ratio stood at 3.7%, the stage 3 coverage ratio considering total provisions stood at 56.4% and the stage 3 coverage ratio at 38.1%.

The volume of NPAs amounted to 7,507 million euros gross and coverage stood at 52.8%, thus showing quarter-on-quarter growth.

The gross NPA ratio (ratio of gross NPAs to gross loans and guarantees granted plus real estate assets) stood at 4.5%, while the net NPA ratio stood at 2.1%.

The Group's credit cost of risk stood at 69 bps at the end of March 2021, improving relative to December 2020 when it stood at 86 bps.



Capital ratio

At the end of March 2021, the CET1 ratio stood at 12.38% while the Total Capital ratio stood at 16.66%, above the regulatory requirement with an MDA buffer of 366 bps. The fully-loaded CET1 ratio stood at 11.96%.



(*) NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

2. Key figures

	Excl. TSB			Total group			
	31.03.20	31.03.21	YoY (%)	31.03.20	31.03.21	YoY (%)	
Profit and loss account (€ million)							
Net interest income	643	597	-7.1	884	833	-5.8	
Core revenues	969	912	-5.9	1,234	1,175	-4.8	
Gross operating income	1,092	959	-12.2	1,371	1,230	-10.3	
Pre-provisions income	564	427	-24.2	593	461	-22.3	
Attributable net profit	101	71	-29.8	94	73	-22.1	
Balance sheet (€ million)							
Total assets	180,112	197,980	9.9	223,286	244,872	9.7	
Performing gross loans	108,631	110,441	1.7	143,475	150,334	4.8	
Gross loans to customers	114,274	115,257	0.9	149,618	155,967	4.2	
On-balance sheet customer funds	109,414	112,656	3.0	144,005	153,800	6.8	
Off-balance sheet customer funds	40,044	39,478	-1.4	40,044	39,478	-1.4	
Total customer funds	149,458	152,134	1.8	184,048	193,278	5.0	
Net equity	--	--	--	12,771	12,630	-1.1	
Shareholders' equity	--	--	--	13,110	13,000	-0.8	
Profitability and efficiency ratios (%)							
ROA	--	--	--	0.11	0.06	--	
RORWA	--	--	--	0.29	0.16	--	
ROE	--	--	--	1.82	1.00	--	
ROTE	--	--	--	2.27	1.25	--	
Efficiency	42.26	48.86	--	49.34	54.64	--	
Risk management							
Stage 3 exposures (€million)	(1)	5,680	5,388	-5.1	6,112	6,127	0.3
Total problematic assets (€million)	(1)	6,991	6,767	-3.2	7,422	7,507	1.1
Stage 3 ratio (%)	(1)	4.59	4.33	--	3.84	3.71	--
Stage 3 coverage ratio (%)	(1)	40.6	42.1	--	38.6	38.1	--
Stage 3 coverage ratio with total provisions (%)	(1)	53.1	58.3	--	52.8	56.4	--
Problematic assets coverage (%)	(1)	49.6	54.0	--	49.6	52.8	--
Liquidity management (%)							
Loan-to-deposits ratio	--	99	98	--	100	98	--
LCR	--	184	232	--	172	207	--
Capital management							
Risk weighted assets (RWA) (€million)	--	--	--	81,469	80,834	-0.8	
Common Equity Tier 1 (%)	--	--	--	12.16	12.38	--	
Common Equity Tier 1 fully-loaded (%)	--	--	--	11.58	11.96	--	
Tier 1 (%)	--	--	--	13.58	14.42	--	
Total capital ratio (%)	--	--	--	15.73	16.66	--	
Leverage ratio (%)	--	--	--	4.93	5.30	--	
Share data (period end)							
Number of shareholders	--	--	--	234,082	241,078	--	
Average number of shares (million)	--	--	--	5,603	5,581	--	
Share price (€)	(2)	--	--	0.469	0.456	--	
Market capitalisation (€million)	--	--	--	2,628	2,545	--	
Earnings per share (EPS) (€)	(3)	--	--	0.03	0.01	--	
Book value per share (€)	--	--	--	2.33	2.32	--	
TBV per share (€)	--	--	--	1.88	1.86	--	
Price / Book value (times)	--	--	--	0.20	0.20	--	
Price / Earnings ratio (P/E) (times)	--	--	--	15.78	49.54	--	
Other data							
Branches	1,862	1,628	--	2,396	2,001	--	
Employees	17,139	15,019	--	24,415	21,470	--	

(1) NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

(2) Without adjusting historical values.

(3) Net profit adjusted by the Additional Tier 1 coupons recorded under equity.

(4) The EUR/GBP exchange rate used for the income statement as at 31.03.21 is 0.8744. The exchange rate used for the balance sheet is 0.8521.

3. Performance review

Macroeconomic environment

Global economic, political and financial environment

The pandemic, the vaccination process and the announcement of a fiscal stimulus package in the United States have been the main economic and financial factors influencing the outlook in 1Q21.

With regard to the pandemic, there has been uneven progress across different regions, depending on the vaccination process, different containment measures and the spread of new variants of the virus. Consequently, the euro area is in a worse situation than the United States and United Kingdom, where the vaccination process is more advanced.

Furthermore, the AstraZeneca vaccine was temporarily suspended in the euro area and implementation of the Johnson & Johnson vaccine has been postponed as a precautionary measure in view of possible links to very rare cases of blood clotting; all this caused an additional delay to the vaccination programme in the region. Rising case numbers in Germany, France and Italy have brought on a new wave, while the situation continues to deteriorate in terms of hospital capacity. Because of this, those countries have been obliged to extend containment measures or introduce tougher ones to combat the virus. Spain saw a significant upsurge in coronavirus case numbers at the beginning of the year, associated with the spread of the UK variant, among other things. Consequently, containment measures were tightened again which led to a reduction of case numbers in March. This more positive environment led to a certain relaxation of the measures around Easter time, which in turn resulted in a new, although so far contained, increase in infections.

With regard to economic activity, the United States continues to lead the recovery, thanks to the gradual reopening of businesses and the new administration's fiscal stimulus package, which has led to a wave of upward revisions to economic forecasts that point to growth above 6% this year. This may be achieved even faster if Biden's proposed infrastructure and climate change package is ultimately approved. In the euro area, the corresponding data revealed weaknesses, due to the containment measures, which signal that GDP will contract again in 1Q21. Nevertheless, the latest business confidence indices have indicated good performance, particularly in the industrial sector, pointing to renewed economic momentum as the vaccination process progresses and the pandemic is brought under control. Inflation in the euro area rose sharply in the quarter, although the full picture is complicated due to the change in weight of inflation components, the withdrawal of the VAT reduction in Germany, etc.

Economic situation in Spain

Following stagnant activity in 4Q20, the tightening of coronavirus containment measures as a response to the third wave of the pandemic weighed on the main economic indicators in the early months of 2021. However, the economy showed greater dynamism in March, while mobility and confidence indicators picked up. In this context, the Bank of Spain expects GDP to decline slightly in 1Q21 (-0.4% quarter-on-quarter) and forecasts economic recovery over the course

of the year, hand-in-hand with progress in the vaccination process and implementation of the first investments linked to the European Recovery Fund.

Changes in the labour market have been evolving in line with the restrictions imposed on economic activity. Unemployment figures and numbers of people under furlough (ERTE) rose in the early part of the year, but subsequently fell back in March. However, neither of these two metrics have yet returned to December levels, which were already strained in comparison to pre-pandemic levels.

With regard to Spain's public accounts, in 2020 it registered a budget deficit of 10.1% of GDP (2019: 2.9% of GDP), which is below the Government's forecasts and those of bodies such as the IMF. The deterioration of the public fiscal balance was largely due to an increase in public spending, driven by programmes put in place to contain the economic effects of the pandemic and, to a lesser extent, to lower revenue. By the end of 2020, Spain's government debt had reached 120% of GDP (2019: 95.5%), an all-time high for this data series.

Economic situation in the United Kingdom

Economic indicators signal that UK GDP contracted in 1Q21, due to the coronavirus containment measures, although the extent of the fall will be less than initially expected and less than those observed during previous lockdowns. Leading indicators suggest that companies are confident about the gradual easing of lockdown, suggesting that pent-up demand could provide important support for activity going forward and that the recovery could demonstrate significant momentum.

The unemployment rate eased by one tenth of a percentage point to 4.9% in February and continues to be kept in check by the government's furlough programmes, which have been extended to September. It is estimated that these furlough programmes could be providing coverage for 19% of private sector workers.

In the housing market, house prices (Halifax index) continue to rebound with vigour, supported by pent-up demand, the increase and extension of the Stamp Duty thresholds and exemptions, and the increase in people's preference for working from home. Monthly home mortgage approvals in February returned to their highest levels since 2007.

Lastly, the government has extended most aid initiatives until the middle of the year, with the aim of also helping the economy in the early stage of recovery. This aid has continued to have a significant impact on the public accounts. The budget deficit between April and February was 12.2% of GDP. Public debt (excluding public banks) assumed in the last 11 months reached 97.5% of GDP, the highest level since the 1960s.

Economic situation in Latin America

In 4Q20, the main Latin American economies continued to recover part of the economic activity lost during the first half of the year and their GDP levels are likely to be between 2% and 5% below pre-pandemic levels.

In Mexico, the economic recovery is already shifting beyond external demand, with clear improvements in some domestic consumption indicators (consumption of goods) and growing confidence among economic players. In addition, economic growth forecasts for this year have improved substantially as a result of the Blue Wave in the United States and the strong fiscal stimulus package being applied by the new Biden government, while the encouraging evolution of the pandemic since February is enabling virus containment measures to be eased, which is not happening in most countries in the southern part of the region. The Mexican Government continues trying to implement its interventionist strategy in the energy sector. Congress recently approved a law that seeks to give the state oil company, Pemex, more sway over the Mexican energy market; it is expected that this move will be stopped by the judiciary in line with electricity sector policies announced over the last year. In any event, the legal uncertainty generated by the government's stance in the energy sector may represent a drag on private investment in the country.

With regard to Brazil, although the pandemic is at its worst, the economic impact is perceived much less than it was at the beginning of the pandemic, as the Government continues with its refusal to implement nationwide lockdown measures.

Fixed-income markets

The ECB stepped up the pace of its Pandemic Emergency Purchase Programme (PEPP) in view of the significant rebound in government bond yields, although it indicated that its increase has not been discussed. Several members indicated that the PEPP could be tapered starting in the summer, once economic conditions improve. The Fed revised its outlook for economic growth and inflation upwards, and maintained the forward guidance related to its asset purchase programme, which indicates that it will continue purchasing at the current pace until substantial progress has been made towards achieving its monetary policy goals. Concerning the government debt sell-off, the Fed appears relatively unconcerned provided it does not generate a major tightening of financial conditions. The Bank of England also downplayed the importance of the recent interest rate rise. It attributed it to the progress with vaccinations, the fiscal stimulus package in the United States and optimism about a speedy recovery. The BoE has not changed the pace of its asset purchasing but has indicated that it could slow it down once the recovery begins. The BoE appreciates that the easing of lockdown will be earlier than expected and that this may support its short-term forecasts, but it does not consider that this will have a substantial impact in the medium term.

Long term government bond yields rebounded sharply on both sides of the Atlantic, recovering to pre-Covid levels, for the first time in the case of the United States and the United Kingdom. The rise was influenced by improved growth expectations, thanks to the fiscal package approved in the United States, and inflation expectations. In the case of German bunds, this rebound was also supported by the fact that the ECB's net purchases are lower than issuances of European sovereign debt. In the United Kingdom, the

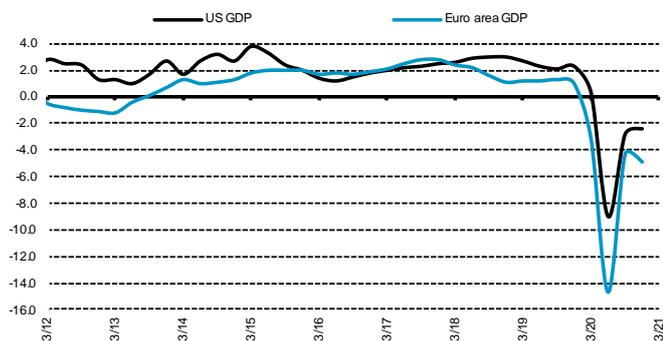
optimism brought by rapid progress with vaccinations also weighed in.

Risk premiums in the periphery remained at contained levels thanks to the actions taken by the ECB. The Italian risk premium tightened in response to the appointment of Draghi as Prime Minister of the country.

Equity markets

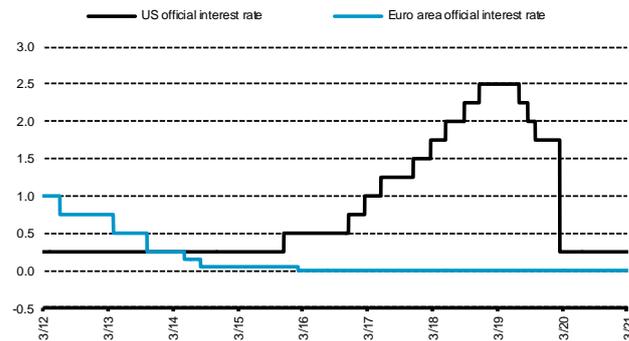
The first quarter of the year was characterised by a broad-based rally in the major equity indices, buoyed by the beginning of the vaccination process, the announcement of the fiscal stimulus package in the United States and expectations of rising inflation. In addition, the improved economic outlook benefited more cyclical sectors and the financial sector. Consequently, the S&P500 bounced back by 10.1% in euros, while the Nikkei 225 rose by 3.8% in euros. In Europe, the EuroSTOXX 50 rose 10.3% in euros, the German DAX bounced back by 9.4% in euros and the IBEX 35 by 6.3%.

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



Source: Bloomberg

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



Exchange rates: Parity vs. euro

Fx	31.03.20	30.06.20	30.09.20	31.12.20	31.03.21
USD	1.0956	1.1198	1.1708	1.2271	1.1725
GBP	0.8864	0.9124	0.9124	0.8990	0.8521
MXN	26.1772	25.9470	26.1848	24.4160	24.0506

Source: Bank of Spain

Income statement

Summary of results:

Banco Sabadell Group has generated attributable net profit of 73 million euros in the first quarter of 2021, of which 71 million euros are recorded ex-TSB and 2 million euros correspond to TSB, which returns to profitability, making a positive contribution to the Group.

Of particular note is the effort made to reduce operating expenses, which fell by -1.9% in the year, supported by improved personnel expenses.

Also of note is the reduction in provisions, following those allocated last year to manage the Covid-19 pandemic; this is reflected in an improved cost of risk.

Income statement

(€ million)	Excl. TSB			Total group			
	1Q20	1Q21	YoY (%)	1Q20	1Q21 ⁽¹⁾	YoY (%)	YoY (%) at constant FX
Net interest income	643	597	-7.1	884	833	-5.8	-5.1
Net fees and commissions	327	315	-3.6	349	342	-2.2	-2.0
Core revenues	969	912	-5.9	1,234	1,175	-4.8	-4.2
Net trading income and exchange differences	137	14	-89.7	151	23	-84.5	-84.4
Income from equity method and dividends	4	46	--	4	46	--	--
Other operating income/expense	-18	-13	-27.0	-17	-14	-19.2	-17.4
Gross operating income	1,092	959	-12.2	1,371	1,230	-10.3	-9.8
Operating expenses	-441	-440	-0.2	-652	-640	-1.9	-1.2
Personnel expenses	-310	-296	-4.5	-403	-385	-4.6	-4.1
Other general expenses	-131	-144	10.0	-249	-255	2.5	3.6
Amortisation & depreciation	-87	-92	5.5	-126	-129	2.5	3.1
Pre-provisions income	564	427	-24.2	593	461	-22.3	-22.0
Provisions for NPLs	-362	-290	-19.9	-400	-313	-21.9	-21.6
Provisions for other financial assets	-16	-18	14.3	-14	-18	22.9	22.8
Other impairments	-39	-24	-39.6	-39	-24	-39.6	-39.6
Gains on sale of assets and other results	1	4	--	1	1	-37.0	-36.8
Profit before tax	149	100	-32.7	141	108	-23.3	-22.9
Income tax	-48	-25	-47.4	-46	-30	-34.4	-34.1
Minority interest	1	5	--	1	5	--	--
Attributable net profit	101	71	-29.8	94	73	-22.1	-21.7

(1) The EUR/GBP exchange rate used for the income statement is 0.8744.

Quarterly income statement

(€million)	Excl. TSB						Total group						
	1Q20	2Q20	3Q20	4Q20	1Q21	QoQ (%)	1Q20	2Q20	3Q20	4Q20	(1)	QoQ (%)	QoQ (%) at constant FX
Net interest income	643	620	624	627	597	-4.8	884	820	841	854	833	-2.4	-3.3
Net fees and commissions	327	303	301	323	315	-2.4	349	324	327	350	342	-2.4	-2.6
Core revenues	969	923	925	951	912	-4.0	1,234	1,144	1,168	1,204	1,175	-2.4	-3.1
Net trading income and exchange differences	137	-1	19	619	14	-97.7	151	4	22	622	23	-96.2	-96.2
Income from equity method and dividends	4	10	11	12	46	287.1	4	10	11	12	46	287.1	287.1
Other operating income/expense	-18	-81	-19	-168	-13	-919	-17	-69	-26	-172	-14	-919	-919
Gross operating income	1,092	852	936	1,414	959	-32.2	1,371	1,089	1,176	1,666	1,230	-26.2	-26.5
Operating expenses	-441	-446	-440	-737	-440	-40.3	-652	-654	-694	-937	-640	-317	-32.2
Personnel expenses	-310	-306	-291	-580	-296	-48.9	-403	-394	-414	-672	-385	-42.8	-43.1
Other general expenses	-131	-139	-149	-157	-144	-8.6	-249	-260	-280	-265	-255	-3.6	-5.0
Amortisation & depreciation	-87	-89	-93	-93	-92	-16	-126	-130	-131	-137	-129	-6.1	-7.0
Memorandum item:													
Recurrent costs	-528	-535	-533	-516	-532	3.0	-778	-784	-754	-742	-769	3.6	2.5
Non-recurrent costs	0	0	0	-314	0	-100.0	0	0	-71	-332	0	-100.0	-100.0
Pre-provisions income	564	317	403	584	427	-26.8	593	305	350	592	461	-22.0	-22.0
Provisions for NPLs	-362	-435	-189	-668	-290	-56.6	-400	-518	-238	-676	-313	-53.8	-53.8
Provisions for other financial assets	-16	-65	-4	-42	-18	-58.0	-14	-65	-4	-104	-18	-82.9	-83.1
Other impairments	-39	-52	-60	-103	-24	-77.1	-39	-52	-60	-103	-24	-77.1	-77.1
Gains on sale of assets and other results	1	274	28	14	4	-73.0	1	275	22	15	1	-95.4	-95.4
Profit before tax	149	39	178	-215	100	--	141	-55	71	-277	108	--	--
Income tax	-48	75	-35	80	-25	--	-46	105	-12	77	-30	--	--
Minority interest	1	-2	2	0	5	--	1	-2	2	0	5	--	--
Attributable net profit	101	116	141	-136	71	--	94	52	57	-201	73	--	--

(1) The EUR/GBP exchange rate used for the income statement of the quarter is 0.8744.

Net interest income:

Net interest income amounted to 833 million euros as at the end of March 2021, representing a decline of -5.8% in the year and -2.4% in the quarter. The year-on-year decline was mainly due to lower interest rates, smaller contribution of the ALCO portfolio following the sales carried out last year and lower overdraft fees.

Excluding TSB, net interest income amounted to 597 million euros as at the end of March 2021, representing a decrease of -7.1% year-on-year, for the reasons already explained above, while the quarter-on-quarter decline of -4.8% was mainly due to the first quarter seasonal effect (fewer calendar days) and smaller contribution of the ALCO portfolio.

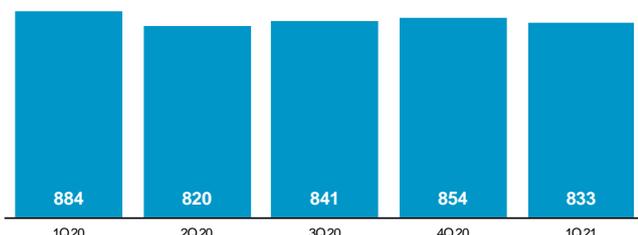
TSB's net interest income stood at 236 million euros having decreased by -2.6% year-on-year due to the fall in interest rates in the United Kingdom and the negative exchange rate effect, despite good volumes in the year. Quarter-on-quarter, net interest income grew by 4.2%, driven by mortgage volume growth and supported by the appreciation of sterling.

Customer spread and margin on total assets:

The customer spread stood at 2.29% (2.22% excluding TSB) thus remaining stable quarter-on-quarter, while the margin on average total assets (net interest margin) stood at 1.43% (1.27% ex-TSB).

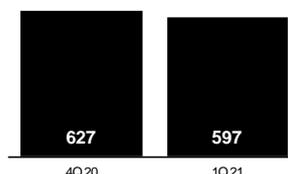
Evolution of net interest income

Total group (€ millions)



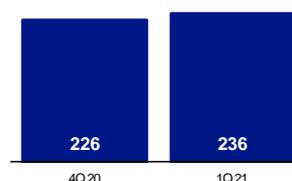
Change YoY: **-5.8%** (4Q20 vs 4Q19) **-5.1%** (1Q21 vs 1Q20)
 Change QoQ: **-2.4%** (1Q21 vs 4Q20) **-3.3%** (1Q21 vs 4Q20)

Sabadell ex - TSB (€ millions)



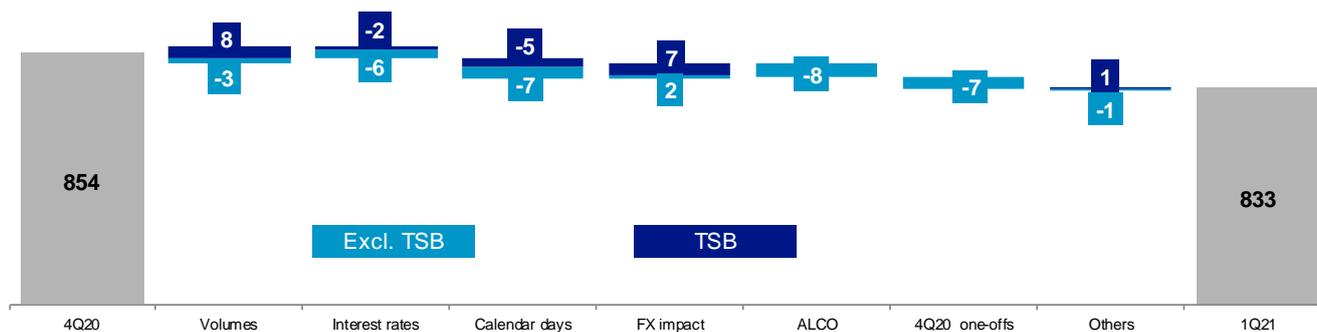
Change YoY: **-7.1%**
 Change QoQ: **-4.8%**

TSB (€ millions)

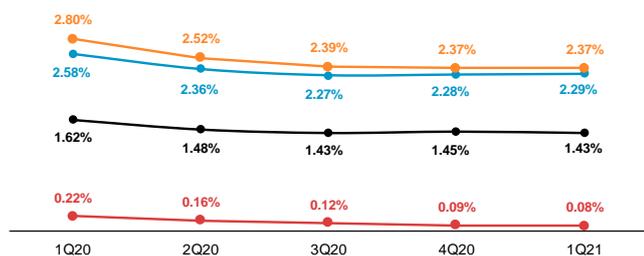


Change YoY: **-2.6%** Constant FX
-1.1% Constant FX
 Change QoQ: **+0.8%** Constant FX

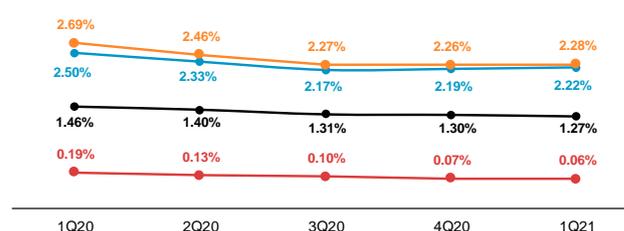
Quarter-on-quarter evolution of net interest income



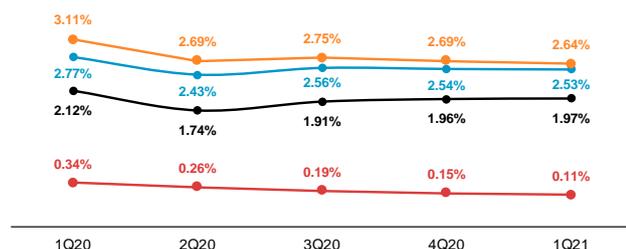
Evolution of Group margin (%)



Evolution of margin ex-TSB (%)



Evolution of TSB margin (in %)



Customer spread (blue line)
 Customer loan yield (orange line)
 Net interest margin as % of ATA (black line)
 Cost of customer funds (red line)

Gains and charges in the quarter

Total Group

(€ million)	1Q20			2Q20			3Q20			4Q20			1Q21 (1)		
	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results
Cash and cash equivalent (2)	26,255	0.19	13	28,341	0.10	7	36,048	-0.08	-7	38,368	-0.17	-16	41,910	-0.21	-21
Loans to customers (net)	142,034	2.80	988	143,838	2.52	900	144,698	2.39	869	146,229	2.37	871	148,164	2.37	866
Fixed-income securities	27,499	1.16	79	26,550	0.96	63	29,524	0.87	65	27,693	0.72	50	25,198	0.67	42
Equity securities	1,000	--	--	1,038	--	--	1,044	--	--	956	--	--	1,007	--	--
Tang. & intang. assets	5,475	--	--	5,412	--	--	5,353	--	--	5,385	--	--	5,429	--	--
Other assets	18,074	1.41	63	17,380	1.00	43	16,484	0.56	23	15,742	0.74	29	14,453	0.36	13
Total assets	220,338	2.09	1,143	222,558	1.83	1,014	233,151	1.62	950	234,374	1.59	934	236,160	1.54	899
Financial institutions (3)	22,792	-0.14	-8	23,720	0.08	5	34,093	0.69	59	34,379	0.69	60	34,679	0.70	60
Customer deposits (4)	149,636	-0.22	-82	151,935	-0.16	-61	153,694	-0.12	-46	154,676	-0.09	-34	157,698	-0.08	-30
Capital markets	25,330	-1.33	-84	24,211	-1.28	-77	23,439	-1.31	-77	22,753	-1.27	-72	22,366	-1.31	-72
Other liabilities	9,672	-3.55	-85	9,953	-2.45	-61	9,165	-1.94	-45	9,701	-1.36	-33	8,845	-1.12	-24
Shareholders' equity	12,908	--	--	12,739	--	--	12,760	--	--	12,865	--	--	12,573	--	--
Total funds	220,338	-0.47	-259	222,558	-0.35	-194	233,151	-0.19	-109	234,374	-0.14	-80	236,160	-0.11	-66
Net interest income			884			820			841			854			833
Customer spread		2.58			2.36			2.27		2.28				2.29	
Net interest margin as % of ATA		1.62			1.48			1.43		1.45				1.43	

- (1) The EUR/GBP exchange rate used for the income statement for the quarter is 0.8744 while that used for the balance sheet is 0.8521.
- (2) Includes cash, central banks, credit institutions and repos.
- (3) Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes financial income arising from the application of negative interest rates to deposits of credit institutions on the liabilities side, mainly those relating to TLTRO II and III.
- (4) Includes repos.

Sabadell ex-TSB

(€ million)	1Q20			2Q20			3Q20			4Q20			1Q21		
	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results
Cash and cash equivalents (1)	20,691	0.10	5	20,759	0.10	5	30,092	-0.12	-9	33,362	-0.20	-17	36,812	-0.25	-22
Loans to customers (net)	105,977	2.69	709	109,146	2.46	668	109,684	2.27	627	109,738	2.26	623	109,318	2.28	613
Fixed-income securities	24,759	1.19	73	24,311	1.01	61	26,911	0.92	62	24,822	0.75	47	22,662	0.73	41
Other assets	25,450	1.04	66	24,621	0.84	51	23,575	0.62	37	22,892	0.69	40	21,579	0.42	22
Total assets	176,876	1.94	854	178,836	1.77	786	190,262	1.50	717	190,814	1.44	693	190,371	1.39	654
Financial institutions (2)	17,583	0.01	0	18,815	0.13	6	30,694	0.78	60	30,967	0.78	61	31,512	0.78	61
Customer deposits (3)	114,880	-0.19	-53	116,445	-0.13	-37	117,121	-0.10	-29	117,332	-0.07	-20	118,090	-0.06	-19
Capital markets	22,941	-1.25	-71	21,947	-1.23	-67	21,362	-1.29	-69	20,907	-1.25	-66	20,479	-1.29	-65
Other liabilities and shareholders' equity	21,472	-1.63	-87	21,629	-1.24	-66	21,085	-1.03	-55	21,608	-0.74	-40	20,290	-0.68	-34
Total funds	176,876	-0.48	-211	178,836	-0.37	-165	190,262	-0.19	-93	190,814	-0.14	-65	190,371	-0.12	-57
Net interest income			643			620			624			627			597
Customer spread		2.50			2.33			2.17		2.19				2.22	
Net interest margin as % of ATA		1.46			1.40			1.31		1.30				1.27	

- (1) Includes cash, central banks, credit institutions and repos.
- (2) Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes financial income arising from the application of negative interest rates to deposits of credit institutions on the liabilities side, mainly those relating to TLTRO II and III.
- (3) Includes repos.

Income from equity method and dividends:

This item amounted to 46 million euros as at the end of March 2021. They amounted to 3 million euros in the first quarter of the previous year and 12 million euros in 4Q20.

In this quarter, higher earnings were recorded by investees related to renewable energies, which explains the variation relative to previous periods.

Net fees and commissions:

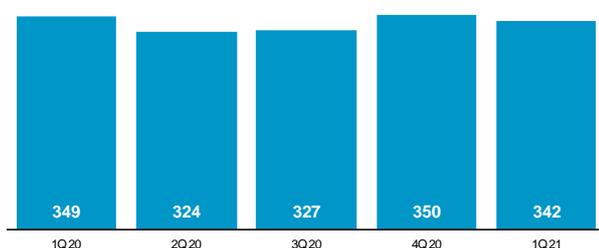
Fees and commissions amounted to 342 million euros at the end of March 2021, representing a year-on-year decrease of -2.2% (-3.6% ex-TSB), mainly affected by the disposal of

Sabadell Asset Management which led to an asset management fee reduction of 16 million euros. Stripping out this impact, fees and commissions grew by 2.5% year-on-year, supported by the good performance of fees from both mutual funds and sight accounts.

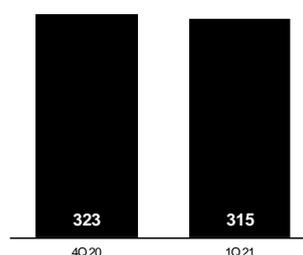
Quarter-on-quarter, net fees and commissions decreased by -2.4%, affected by seasonality associated with asset management fees in the fourth quarter when they had a positive impact of 13 million euros related to success fees and extraordinary contribution from insurance business. Excluding these effects, fees show quarter-on-quarter growth of 1.3% as a result of the good evolution of card and sight account fees.

Evolution of net fees and commissions

Total group (€ millions)



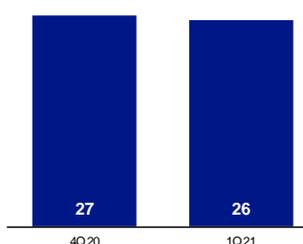
Sabadell ex - TSB (€ millions)



Change YoY:
-3.6%

Change QoQ:
-2.4%

TSB (€ millions)



Change YoY:
+17.7%
+19.4% Constant FX

Change QoQ:
-2.1%
-5.0% Constant FX

	Total group	Constant FX
Change YoY:	-2.2%	-2.0%
Change QoQ:	-2.4%	-2.6%

Net fees and commissions

(€ million)	Excl. TSB			Total group			Excl. TSB			Total group		
	4 Q20	1Q21	QoQ (%)	4 Q20	1Q21	QoQ (%)	1Q20	1Q21	YoY (%)	1Q20	1Q21	YoY (%)
Lending fees	42	41	-3.1	42	41	-3.1	38	41	6.6	38	41	6.6
Guarantees commissions	25	24	-0.8	25	24	-0.8	26	24	-5.1	26	24	-5.1
Risk transaction fees	67	65	-2.3	67	65	-2.3	64	65	1.9	64	65	1.9
Cards	35	40	15.2	47	53	13.6	43	40	-6.3	53	53	0.1
Payment orders	14	17	17.5	15	18	16.6	15	17	14.9	15	18	14.6
Securities	17	15	-7.5	17	15	-7.5	20	15	-24.2	20	15	-24.2
Custodian mutual and pension funds	5	4	-26.2	5	4	-26.2	3	4	17.8	3	4	17.8
Sight accounts	51	55	8.2	64	65	1.5	42	55	31.5	54	65	20.5
Foreign currency and notes exchange	20	21	2.1	24	25	7.4	27	21	-22.7	30	25	-14.4
Other transactions	29	18	-39.0	25	14	-44.1	23	18	-23.5	17	14	-21.6
Commissions for services	171	170	-0.9	196	194	-0.9	173	170	-1.9	193	194	0.5
Mutual funds	26	27	4.9	26	27	4.9	38	27	-28.3	38	27	-28.3
Pension funds and insurance brokerage	51	47	-7.1	54	50	-7.3	47	47	1.0	50	50	0.5
Wealth management	8	6	-30.0	8	6	-30.0	5	6	8.7	5	6	8.7
Asset Under Management commissions	85	80	-5.7	88	83	-5.9	90	80	-10.8	92	83	-10.7
Total	323	315	-2.4	350	342	-2.4	327	315	-3.6	349	342	-2.2

(1) The EUR/GBP exchange rate used for the income statement is 0.8744.

Net trading income and exchange differences:

At the end of March 2021, this item amounted to 23 million euros (14 million euros ex-TSB), while in the first quarter of the previous year it amounted to 151 million euros (137 million euros ex-TSB) due to capital gains generated by ALCO portfolio sales.

In the previous quarter, net trading income and exchange differences stood at 622 million euros (619 million euros excluding TSB), as it included sales of bonds from the ALCO portfolio carried out to mitigate the impact of restructuring plans and part of the NPA portfolio sales.

Other operating income and expenses:

This item amounted to -14 million euros as at the end of March 2021 (-13 million euros excluding TSB), improving relative to the same period in the previous year when they stood at -17 million euros (-18 million euros excluding TSB).

The quarter-on-quarter change is due to the contribution to the Deposit Guarantee Fund (DGF) and the payment of the Tax on Deposits in Credit Institutions (IDEC, for its acronym in Spanish).

Total costs:

Total costs amounted to -769 million euros as at the end of March 2021 (-532 million euros, ex-TSB), which represents a year-on-year reduction of -1.2% due to the improvement in personnel costs.

Quarter-on-quarter comparison shows that costs fell sharply by -28.4% as the fourth quarter of 2020 included the impact of -332 million euros of restructuring costs in the group. Excluding this impact, total costs increased by 3.6% in the quarter due to higher personnel expenses since the previous quarter had included extraordinary savings related to the renewal of the collective bargaining agreement, which offsets the quarterly improvement in general expenses and depreciation. Excluding the aforesaid extraordinary savings, the quarter-on-quarter increase in costs would be reduced to 0.5%.

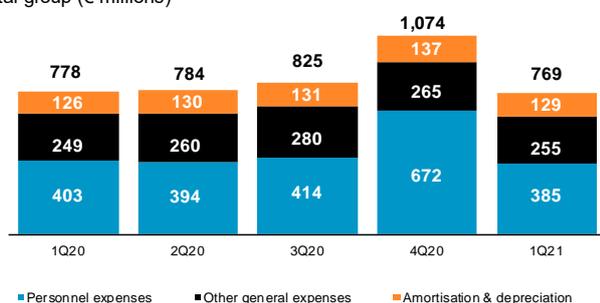
Total costs

(€million)	Excl. TSB			Total group			Excl. TSB			Total group		
	4 Q20	1Q21	QoQ (%)	4 Q20	1Q21	QoQ (%)	1Q20	1Q21	YoY (%)	1Q20	1Q21	YoY (%)
Personnel expenses	-580	-296	-48.9	-672	-385	-42.8	-310	-296	-4.5	-403	-385	-4.6
IT and communications	-54	-56	4.6	-99	-109	10.3	-52	-56	8.7	-93	-109	17.1
Advertising	-10	-11	10.4	-24	-24	0.2	-6	-11	89.3	-20	-24	20.8
Premises and office supplies	-6	-11	73.2	-18	-18	2.1	-8	-11	44.0	-17	-18	7.9
Technical reports and judicial expenses	-23	-6	-72.3	-26	-10	-63.3	-4	-6	53.3	-12	-10	-20.4
Subcontracted administrative services	-10	-13	30.3	-34	-36	4.7	-16	-13	-22.0	-50	-36	-29.0
Contributions and taxes	-33	-29	-13.0	-37	-33	-11.8	-27	-29	7.1	-31	-33	5.6
Others	-22	-18	-18.5	-27	-26	-2.6	-18	-18	-3.4	-26	-26	0.8
Other general expenses	-157	-144	-8.6	-265	-255	-3.6	-131	-144	10.0	-249	-255	2.5
Amortisation & depreciation	-93	-92	-1.6	-137	-129	-6.1	-87	-92	5.5	-126	-129	2.5
Total costs	-830	-532	-36.0	-1,074	-769	-28.4	-528	-532	0.8	-778	-769	-1.2
Memorandum item:												
Recurrent costs	-516	-532	3.0	-742	-769	3.6	-528	-532	0.8	-778	-769	-1.2
Total non-recurrent operating costs	-314	0	-100.0	-332	0	-100.0	0	0	--	0	0	--

(1) The EUR/GBP exchange rate used for the income statement is 0.8744.

Evolution of total costs

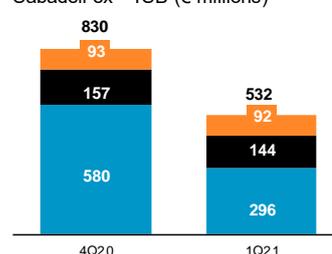
Total group (€ millions)



■ Personnel expenses ■ Other general expenses ■ Amortisation & depreciation

	Total group	Constant FX
Change YoY:	-1.2%	-0.5%
Change QoQ:	-28.4%	-29.0%

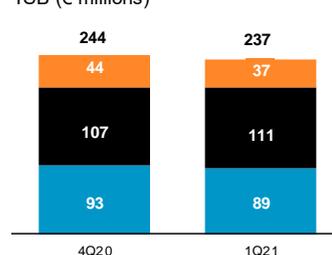
Sabadell ex - TSB (€ millions)



Change YoY:
+0.8%

Change QoQ:
-36.0%

TSB (€ millions)



Change YoY:

-5.3%
-3.9% Constant FX

Change QoQ:

-2.9%
-6.2% Constant FX

Pre-provisions income:

As at the end of March 2021, pre-provisions income amounted to 461 million euros (427 million euros ex-TSB), representing a sharp fall year-on-year, mainly due to the lower net trading income discussed above and a reduction in core revenue. Similarly, the quarter-on-quarter variation is also explained by lower net trading income.

Provisions for NPLs and other impairments:

This item amounted to -354 million euros at the end of March 2021 (-331 million euros ex-TSB), compared to -454 million euros (-416 million euros ex-TSB) at the end of the first quarter of the previous year, it therefore showed a substantial reduction mainly due to the front-loading of extraordinary provisions associated with the impact of Covid-19 booked in the previous year.

The decrease since the last quarter, when the figure stood at -884 million euros (-813 million ex-TSB) is mainly due to the inclusion in 4Q20 of extraordinary provisions of -380 million euros for NPA portfolio sales, -115 million euros for reclassification of loans to stage 2 and, in TSB, -62 million euros as provisions related to the treatment of some customers in arrears.

The level of provisions in the first quarter improves the Group's cost of credit risk, which stood at 69bps at the end of March 2021.

Gains on asset sales and other income:

Capital gains on asset sales and other profit or loss amounted to 1 million euros, in line with the first quarter of the previous year. The quarter-on-quarter variation is due to the fact that the figure in the previous quarter incorporated capital gains from the sale of several wind and photovoltaic farms and an earn-out from the insurance business.

Net profit:

The Group's net profit amounted to 73 million euros at the end of March 2021, representing a fall of -22.1% year-on-year due to lower net trading income as mentioned previously.

Compared to the previous quarter, there was strong growth due to lower provisions and due to the fact that the contribution to the Deposit Guarantee Fund (DGF) and payment of the Tax on Deposits of Credit Institutions (IDEC) was recorded in 4Q20.

Balance sheet

Highlights:

Good performance of gross performing loans which increased in all geographies, with the main area of growth in Spain represented by lending to corporates, SMEs and self-employed professionals and in TSB by increased mortgage lending buoyed by the evolution of the sterling exchange rate.

As at 31 March 2021, 8,847 million euros in ICO guaranteed loans have been disposed in Spain, and 606 million pounds in Bounce Back Loans have been disposed in United Kingdom. In terms of payment holidays, the balance of live payment holidays was 1,986 million euros in Spain⁽¹⁾ and 326 million pounds in the United Kingdom as at 31 March 2021.

The good evolution of sight accounts is driving the growth of on-balance sheet customer funds and offsets the fall in term deposits resulting from the low interest rate environment for savings deposits.

Off-balance sheet funds showed an upward trend, supported by the growth in mutual funds.

(1) Payment holidays exclude tourism and transport.

Balance sheet

(€million)	31.03.20	31.12.20	31.03.21 ⁽²⁾	Change	
				YoY (%)	QoQ (%)
Cash, cash balances at central banks and other demand deposits	19,134	35,185	42,275	120.9	20.2
Financial assets held for trading and fair value with changes in PL	3,459	2,793	3,059	-11.6	9.5
Financial assets in fair value OCI	7,090	6,677	6,875	-3.0	3.0
Financial assets at amortised cost	176,469	174,488	176,287	-0.1	1.0
Loans and advances to customers	146,495	149,183	152,709	4.2	2.4
Loans and advances of central banks and credit institutions	12,777	7,214	5,082	-60.2	-29.6
Debt securities	17,197	18,091	18,497	7.6	2.2
Investments in subsidiaries, joint ventures and associates	771	780	822	6.6	5.4
Tangible assets	3,411	3,200	3,173	-7.0	-0.8
Intangible assets	2,540	2,596	2,562	0.8	-1.3
Other assets	10,411	10,044	9,819	-5.7	-2.2
Total assets	223,286	235,763	244,872	9.7	3.9
Financial liabilities held for trading and fair value with changes in PL	3,688	2,654	1,959	-46.9	-26.2
Financial liabilities at amortised cost	204,214	217,391	227,924	11.6	4.8
Central banks	(1)	20,568	31,881	68.2	8.5
Credit institutions	(1)	11,401	10,083	-7.8	4.2
Customer deposits	144,721	151,270	156,553	8.2	3.5
Debt securities issued	23,192	20,413	21,524	-7.2	5.4
Other financial liabilities	4,332	3,743	4,743	9.5	26.7
Provisions	410	984	674	64.4	-31.5
Other liabilities	2,202	2,244	1,686	-23.4	-24.8
Subtotal liabilities	210,514	223,272	232,242	10.3	4.0
Shareholders' equity	13,110	12,944	13,000	-0.8	0.4
Accumulated other comprehensive income	-406	-524	-445	9.5	-15.0
Minority interest	68	72	75	10.0	4.2
Net equity	12,771	12,492	12,630	-1.1	1.1
Total liabilities and equity	223,286	235,763	244,872	9.7	3.9
Financial guarantees granted	2,014	2,036	1,956	-2.9	-3.9
Commitments for loans granted	25,522	29,295	29,431	15.3	0.5
Other commitments granted	11,315	7,595	8,096	-28.4	6.6

(1) Deposits with central banks and credit institutions include the following amounts of repos: 8,092 million euros as at 31.03.20, 6,790 million euros as at 31.12.20 and 6,988 million euros as at 31.03.21.

(2) The EUR/GBP exchange rate used for the balance sheet is 0.8521.

Assets:

The Group's total assets amounted to 244,872 million euros, representing year-on-year growth of 9.7% and 3.9% in the quarter.

Excluding TSB, total assets amounted to 197,980 million euros, increasing by 9.9% year-on-year and by 3.5% in the quarter.

Loans and advances to customers:

Gross performing loans ended the first quarter of 2021 with a balance of 150,334 million euros (110,441 million euros ex-TSB), representing year-on-year growth of 4.8% (1.7% ex-TSB), despite the impact of the payment received of 1,519 million euros by the DGF related to the APS.

Excluding the impact of the APS, lending growth stood at 5.9% year-on-year (3.1% ex-TSB) and 3.4% quarter-on-quarter (1.9% ex-TSB).

In Spain, gross performing loans, excluding the APS, grew by 3.2% year-on-year and 1.9% quarter-on-quarter, mainly driven by lending to corporates, SMEs and self-employed professionals.

Mexico remains broadly in line with last year and shows growth of 1.5% in the quarter, supported by the improved evolution of the MXN and USD exchange rate.

At a constant exchange rate, it has remained comparable to last year, and shows a decrease of -1.6% in the quarter due to conservative policy in the granting of new credits.

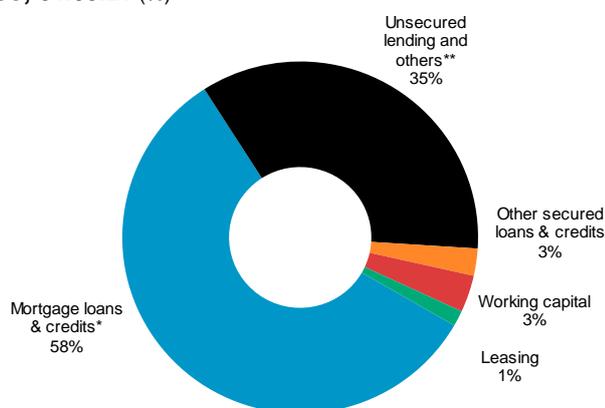
In TSB, lending was up by 14.5% year-on-year and 7.9% in the quarter, supported by the appreciation of the pound. At a constant exchange rate, lending grew by 10.1% year-on-year and 2.3% quarter-on-quarter, with particularly strong growth in mortgage book, stemming from the property market resilience during the pandemic, government support measures such as the temporary Stamp Duty exemption, and a high customer retention rate. The growth of lending in the form of Bounce Back Loans is also noteworthy, although levels were lower than in the previous quarter.

Loans and advances to customers

(€ million)	Excl. TSB					Total group				
	31.03.20	31.12.20	31.03.21	Change		31.03.20	31.12.20	31.03.21	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
Mortgage loans & credits	49,626	49,623	49,755	0.3	0.3	82,176	83,573	86,616	5.4	3.6
Other secured loans & credits	3,331	3,054	3,038	-8.8	-0.5	3,335	3,698	3,750	12.4	1.4
Working capital	5,972	4,991	5,104	-14.5	2.3	5,972	4,991	5,104	-14.5	2.3
Leasing	2,486	2,231	2,158	-13.2	-3.3	2,486	2,231	2,158	-13.2	-3.3
Unsecured lending and others	47,216	50,004	50,387	6.7	0.8	49,506	52,386	52,707	6.5	0.6
Performing gross loans	108,631	109,902	110,441	1.7	0.5	143,475	146,878	150,334	4.8	2.4
Of which: APS	1,761	1,761	241	-86.3	-86.3	1,761	1,761	241	-86.3	-86.3
Performing gross loans excluding APS	106,870	108,141	110,200	3.1	1.9	141,714	145,117	150,093	5.9	3.4
Stage 3 assets (customer)	5,460	4,820	4,901	-10.2	1.7	5,890	5,320	5,639	-4.3	6.0
Accruals	-68	-62	-85	25.1	37.6	2	3	-6	--	--
Gross loans to customers (excluding repos)	114,022	114,660	115,257	1.1	0.5	149,367	152,201	155,967	4.4	2.5
Reverse repos	251	63	0	-100.0	-100.0	251	63	0	-100.0	-100.0
Gross loans to customers	114,274	114,724	115,257	0.9	0.5	149,618	152,265	155,967	4.2	2.4
NPL and country-risk provisions	-2,915	-2,816	-2,970	1.9	5.5	-3,123	-3,081	-3,258	4.3	5.7
Loans and advances to customers	111,358	111,908	112,287	0.8	0.3	146,495	149,183	152,709	4.2	2.4

(1) The EUR/GBP exchange rate used for the balance sheet is 0.8521.

Loans and advances to customers by product type, 31.03.21 (%) ^(*)

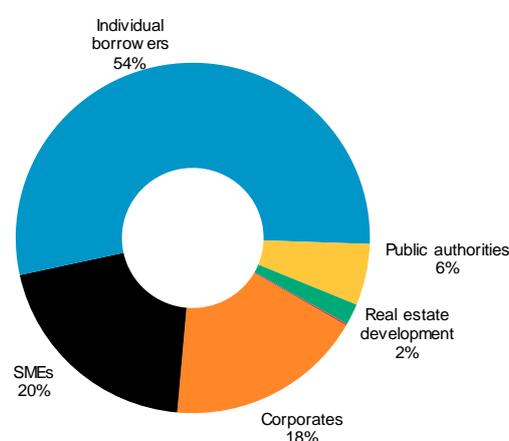


*Includes mortgage loans and credits both to individuals and companies.

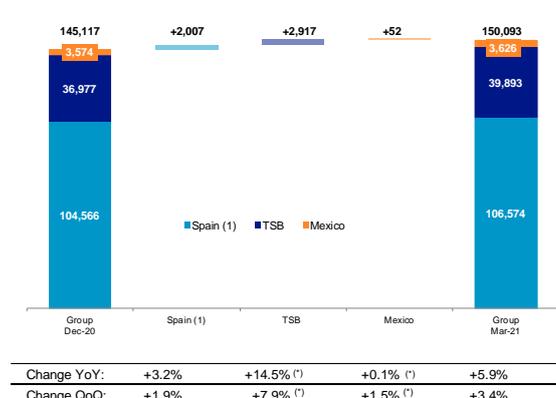
**Includes ICO loans.

(*) Excluding stage 3 assets and accrual adjustments.

Loans and advances to customers by customer profile, 31.03.21 (%)

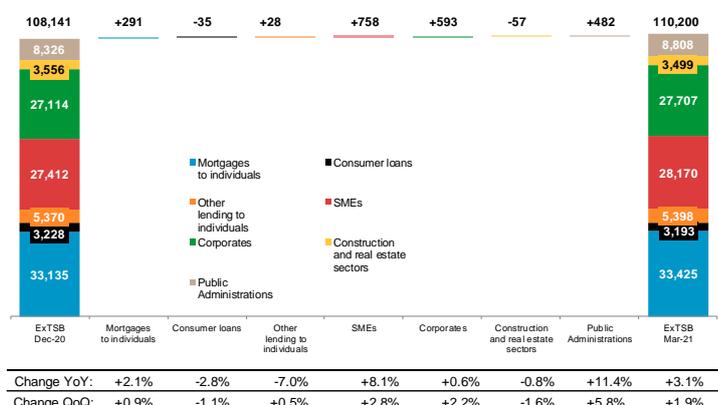


Gross performing loans ex APS: performance by geography (€ million)



(*) In TSB +10.1% YoY and +2.3% QoQ in GBP and in Mexico +0.0% YoY and -1.6% QoQ in MXN.
 (1) Spain includes overseas branches.

Gross performing loans ex TSB ex APS: performance by segment (€ million)



Liabilities:

Customer funds:

At the end of March 2021, on-balance sheet customer funds amounted to 153,800 million euros (112,656 million euros ex-TSB) and showed year-on-year growth of 6.8% (3.0% ex-TSB) driven by sight account growth which offset the fall in term deposits. Quarter-on-quarter, on-balance sheet customer funds grew by 2.0% (0.1% ex-TSB) mainly due to growth of TSB sight accounts.

The balance of sight accounts amounted to 135,397 million euros (96,844 million euros ex-TSB), representing a year-on-year increase of 13.9% (10.7% ex-TSB), mainly as a result of lower consumer spending and customer payments due to the current pandemic, and 3.9% (2.2% ex-TSB) in the quarter as a result of a shift from term deposits as a result of the low interest rate environment for savings deposits.

Term deposits amounted to 18,573 million euros (15,981 million euros ex-TSB), representing a fall of -26.0% (-27.0% ex-TSB) year-on-year and of -10.7% (-11.6% ex-TSB) quarter-on-quarter, due to the shift to sight accounts.

At TSB level, on-balance sheet customer funds increased by 18.9% year-on-year and by 7.7% in the quarter, supported by the appreciation of sterling. At a constant exchange rate, this item shows growth of 14.3% year-on-year and 2.0% in the quarter, supported by the growth of current accounts, reflecting lower consumer spending levels following the latest lockdown in the United Kingdom and benefiting from the UK government's Bounce Back Loan scheme.

Total off-balance sheet customer funds amounted to 39,478 million euros at the end of March 2021 and showed a reduction of -1.4% year-on-year following the disposal of Sabadell Asset Management in the second quarter of last year, where a large part of the accounts has become commercialized accounts. Quarter-on-quarter, this item showed growth of 3.7% due to the increase of mutual funds, supported mainly by greater inflow volumes.

Marketable debt securities:

At the end of March 2021 marketable debt securities amounted to 17,589 million euros (16,122 million euros ex-TSB), which represents a fall of -11.3% year-on-year (-10.3% ex-TSB) although they remained stable quarter-on-quarter.

Funds under management and third-party funds:

This item amounted to a total of 217,555 million euros (174,090 million euros ex-TSB), representing an increase of 4.6% year-on-year (1.8% ex-TSB) and growth of 3.7% in the quarter (2.6% ex-TSB).

Exposures to central banks at the end of March 2021 amounted to 34,247 million euros, of which 32,000 million euros related to the ECB and 2,247 million euros related to the Bank of England.

Highlight the additional request of 5,000 million euros from the TLTRO III in March 2021, for which the total amount stood at 32,000 million euros

The amount of the TFS (Term Funding Scheme) stood at 1,915 million pounds at the end of March 2021.

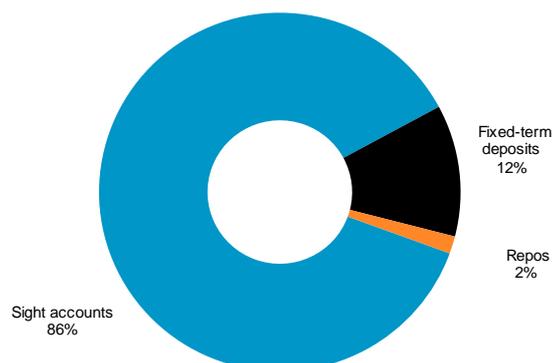
Customer funds

(€ million)	Excl. TSB						Total group						
	31.03.20		31.12.20		31.03.21		31.03.20		31.12.20		31.03.21		
					Change						Change		
				YoY (%)	QoQ (%)					YoY (%)	QoQ (%)		
Financial liabilities at amortised cost	161,962	173,726	181,817	12.3	4.7	204,214	217,391	227,924	11.6	4.8			
Non-retail financial liabilities	52,548	61,160	69,161	31.6	13.1	60,209	66,612	74,123	23.1	11.3			
Central banks	15,512	28,471	32,345	108.5	13.6	20,568	31,881	34,593	68.2	8.5			
Credit institutions	11,400	10,078	10,509	-7.8	4.3	11,401	10,083	10,511	-7.8	4.2			
Institutional issues	21,553	19,057	21,956	1.9	15.2	23,909	20,905	24,277	1.5	16.1			
Other financial liabilities	4,082	3,564	4,350	6.6	22.4	4,332	3,743	4,743	9.5	26.7			
On-balance sheet customer funds	109,414	112,565	112,656	3.0	0.1	144,005	150,778	153,800	6.8	2.0			
Customer deposits	110,084	113,034	115,016	4.5	1.8	144,721	151,270	156,553	8.2	3.5			
Sight accounts	87,498	94,800	96,844	10.7	2.2	118,878	130,295	135,397	13.9	3.9			
Fixed-term deposits	(2) 21,905	18,086	15,981	-27.0	-11.6	25,115	20,805	18,573	-26.0	-10.7			
Repos	556	13	2,075	273.0	--	556	13	2,449	--	--			
Accruals and derivative hedging adjustments	126	135	117	-6.9	-13.2	172	157	135	-21.3	-14.1			
Debt and other marketable securities	17,972	16,121	16,122	-10.3	0.0	19,828	17,510	17,589	-11.3	0.4			
Subordinated liabilities	(3) 2,911	2,468	3,473	19.3	40.7	3,364	2,903	3,935	17.0	35.5			
On-balance sheet funds	130,967	131,623	134,612	2.8	2.3	167,913	171,683	178,077	6.1	3.7			
Mutual funds	23,707	21,366	22,490	-5.1	5.3	23,707	21,366	22,490	-5.1	5.3			
Managed mutual funds	15,389	443	407	-97.4	-8.2	15,389	443	407	-97.4	-8.2			
Dedicated investment companies	1,448	1,295	1,424	-1.6	9.9	1,448	1,295	1,424	-1.6	9.9			
Third-party funds	6,870	19,627	20,659	200.7	5.3	6,870	19,627	20,659	200.7	5.3			
Mutual funds pro forma	23,707	27,048	28,192	18.9	4.2	23,707	27,048	28,192	18.9	4.2			
Managed accounts	2,934	3,298	3,445	17.4	4.5	2,934	3,298	3,445	17.4	4.5			
Pension funds	3,126	3,349	3,410	9.1	1.8	3,126	3,349	3,410	9.1	1.8			
Individual	2,042	2,173	2,223	8.9	2.3	2,042	2,173	2,223	8.9	2.3			
Company	1,074	1,165	1,180	9.9	1.3	1,074	1,165	1,180	9.9	1.3			
Group	10	11	6	-38.5	-42.3	10	11	6	-38.5	-42.3			
Third-party insurance products	10,277	10,051	10,133	-1.4	0.8	10,277	10,051	10,133	-1.4	0.8			
Off-balance sheet customer funds	40,044	38,064	39,478	-1.4	3.7	40,044	38,064	39,478	-1.4	3.7			
Off-balance sheet customer funds pro forma	40,044	43,746	45,180	12.8	3.3	40,044	43,746	45,180	12.8	3.3			
Funds under management and third-party funds	171,011	169,687	174,090	1.8	2.6	207,957	209,748	217,555	4.6	3.7			
Funds under management and third-party funds pro forma	171,011	175,369	179,792	5.1	2.5	207,957	215,430	223,257	7.4	3.6			

Proforma note: Data adjusted for the impact of the Sabadell Asset Management disposal.

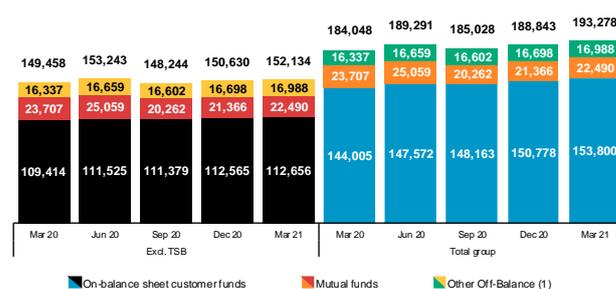
- (1) The EUR/GBP exchange rate used for the balance sheet is 0.8521.
 (2) Includes deposits redeemable at notice and hybrid financial liabilities.
 (3) Subordinated liabilities of debt securities.

Customer deposits, 31.03.21 (%) ^(*)



(*) Excluding accrual adjustments and hedging derivatives.

Evolution of customer funds (€ million)



Excl. TSB (*)
 Change YoY: **+3.0%**
 Change QoQ: **+0.1%**

Total group (*)
 Change YoY: **+6.8%**
 Change QoQ: **+2.0%**

(*) Change on balance sheet customer funds.

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

Equity:

The following table shows the evolution of equity at the end of March 2021:

Equity

(€million)	31.03.20	31.12.20	31.03.21	Change	
				YoY	QoQ
Shareholders' equity	13,110	12,944	13,000	-110	56
Issued capital	703	703	703	0	0
Reserves	12,306	12,255	12,238	-68	-17
Of which: A T1	-166	-221	-240	-74	-19
Other equity	43	20	21	-21	1
Less: treasury shares	-36	-38	-36	0	1
Attributable net profit	94	2	73	-21	71
Less: interim dividends	0	0	0	0	0
Accumulated other comprehensive income	-406	-524	-445	-38	79
Minority interest	68	72	75	7	3
Net equity	12,771	12,492	12,630	-142	138

Risk management

Highlights:

The Group's stage 3 ratio stood at 3.7% as at the end of March 2021.

Quarter-on-quarter, the balance of stage 3 assets increased by 319 million euros as a result of the reclassification of 190 million euros in TSB, to reflect adoption of regulatory changes to the definition of default on the mortgage portfolio.

It is worth highlighting the improvement in the proportion of stage 3 unlikely to pay over the total gross balance of NPLs, which stood at 49.7% at the end of March 2021 (48.2% without considering TSB and 60.7% in TSB).

The NPA coverage ratio stood at 52.8%, with the stage 3 coverage ratio including total provisions standing at 56.4% and the foreclosed asset coverage ratio standing at 37.0%.

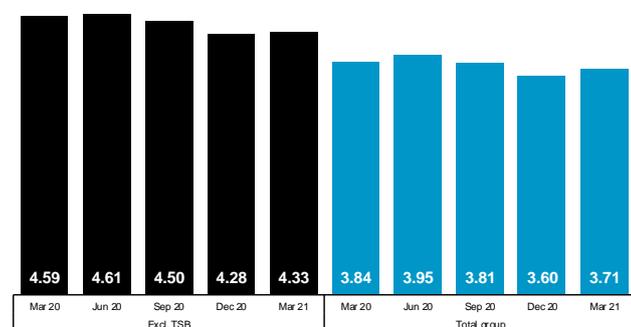
With regard to the breakdown of loans by stages, it should be noted that 88.9% are classified as stage 1 with a coverage level of 0.4%, the balance of stage 2 loans represents 7.4% of total with coverage of 4.6% and the balance of stage 3 loans represents 3.7% of total with coverage of 38.1%.

Risk management:

Problematic assets had a balance of 7,507 million euros at the end of March 2021, of which 6,127 million euros correspond to stage 3 assets and 1,379 million euros correspond to foreclosed assets.

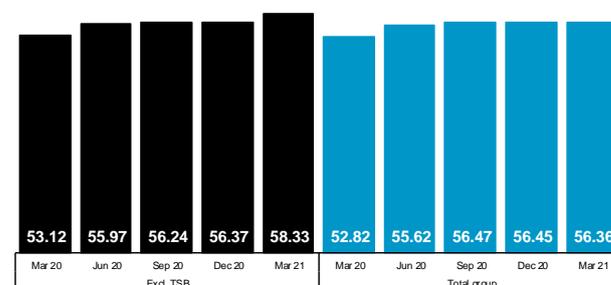
The gross NPA ratio of problematic assets to gross lending and guarantees granted plus real estate assets stood at 4.5%. The net NPA ratio stood at 2.1%.

Stage 3 ratios (%) ^(*)



(*) Calculated including contingent exposures.

Ratio of stage 3 coverage with total provisions (%) ^(*)



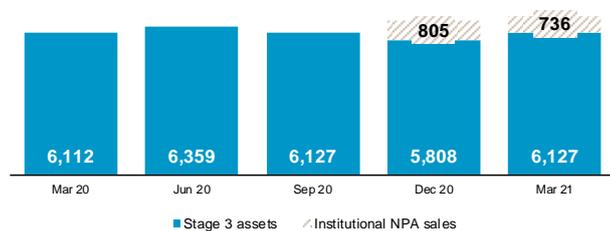
Stage 3 ratios by segment ^(*)

Total group	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Real estate development and/or construction purposes	10.68%	9.48%	8.60%	8.10%	8.20%
Construction purposes non-related to real estate dev. (1)	6.30%	4.62%	4.54%	13.26%	12.93%
Large corporates	1.35%	1.50%	1.40%	2.20%	2.48%
SME and small retailers and self-employed	6.75%	6.79%	6.77%	6.72%	6.54%
Individuals with 1st mortgage guarantee assets	3.41%	3.61%	3.37%	2.36%	2.53%
Stage 3 ratio	3.84%	3.95%	3.81%	3.60%	3.71%

(*) Calculated including contingent exposures.

(1) In Dec-20, 106 million euros in this segment were reclassified from guarantees to stage 3 unlikely to pay, which explains the increase of this ratio in the quarter.

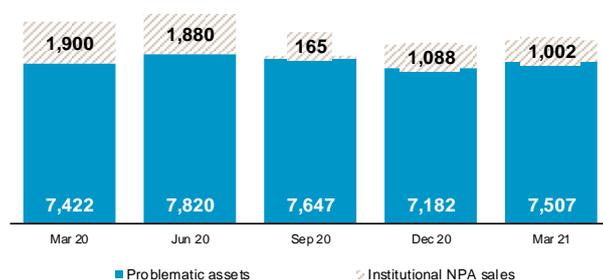
Evolution of stage 3 assets (€ millions) ^(*)



Evolution of foreclosed assets (€ million) ^(*)



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



(*) Calculated including contingent exposures.

The table below shows the evolution of the Group's problematic assets and their reduction over the last few quarters:

Evolution of Group stage 3 assets and real estate assets

(€million)		Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Gross entries (stage 3)	(1)	472	716	356	1,151	757
Recoveries and sales	(1) (2)	-401	-355	-383	-1,364	-342
Net stage 3 entries		71	361	-27	-213	415
Gross entries (foreclosed assets)		141	165	78	83	47
Sales	(2)	-16	-15	-18	-230	-41
Change in foreclosed assets		125	150	60	-147	6
Net stage 3 entries + Change in foreclosed assets		196	511	33	-359	420
Write-offs		-100	-114	-205	-106	-95
Foreclosed assets and stage 3 quarterly change		96	397	-172	-466	325

(1) In December 2020, gross inflows (stage 3) include 708 million euros for reclassifications to stage 3, and recoveries include c.1,000 million euros corresponding to reductions related to NPA portfolio sales.

(2) NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

Evolution of coverage of the Group's problematic assets ^(*)

(€ million)	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Stage 3 exposures	6,112	6,359	6,127	5,808	6,127
Total provisions	3,228	3,537	3,460	3,279	3,453
Stage 3 coverage ratio with total provisions (%)	52.8%	55.6%	56.5%	56.5%	56.4%
Stage 3 exposures	6,112	6,359	6,127	5,808	6,127
Stage 3 provisions	2,359	2,578	2,451	2,272	2,335
Stage 3 coverage ratio (%)	38.6%	40.5%	40.0%	39.1%	38.1%
Problematic RE Assets	1,310	1,460	1,520	1,373	1,379
Provisions	451	514	541	502	510
Problematic Real Estate coverage ratio (%)	34.4%	35.2%	35.6%	36.6%	37.0%
Total problematic assets	7,422	7,820	7,647	7,182	7,507
Provisions	3,680	4,051	4,001	3,781	3,963
Problematic assets coverage (%)	49.6%	51.8%	52.3%	52.6%	52.8%
Gross loans and guarantees granted + problematic RE Assets	160,350	162,295	162,459	162,847	166,618
Problematic assets over gross loans and guarantees granted + problematic RE assets (%)	4.6%	4.8%	4.7%	4.4%	4.5%
Net problematic assets	3,743	3,769	3,646	3,401	3,543
Net problematic assets over gross loans and guarantees granted + RE assets (%)	2.3%	2.3%	2.2%	2.1%	2.1%
Net problematic assets as of % of total assets	1.7%	1.6%	1.5%	1.4%	1.4%

(*) Includes contingent exposures. NPA portfolios sold to institutional investors have been reclassified as non-current assets held for sale, therefore the figures are shown excluding these assets.

Forbearance and restructured loans

The outstanding balance of forbore and restructured loans as at the end of March 2021 is as follows:

(€million)	Mar 20		Jun 20		Sep 20		Dec 20		Mar 21	
	Total	Of which: doubtful								
Public sector	10	10	11	10	11	9	5	9	10	9
Companies and self employed	2,670	1,715	2,774	1,812	2,758	1,811	3,547	1,721	4,687	1,943
Of which: Financing for construction and real estate development	336	245	303	207	263	177	309	136	263	128
Individuals	1,819	1,169	1,892	1,189	1,797	1,174	1,776	978	1,813	1,025
Total	4,500	2,894	4,676	3,011	4,566	2,994	5,338	2,707	6,511	2,977
Provisions	1,016	914	1,132	1,010	1,079	972	1,135	957	1,300	1,051
Coverage ratio	22.6%	31.6%	24.2%	33.6%	23.6%	32.5%	21.3%	35.4%	20.0%	35.3%

Foreclosed assets ^(*)

(€million)	Gross amount	Allowances for losses
Real estate assets deriving from financing of construction and real estate development	711	259
Finished buildings	653	231
Housing	411	137
Rest	242	93
Buildings under construction	8	4
Housing	7	4
Rest	0	0
Land	51	24
Building land	31	14
Other land	20	11
Real estate assets deriving from home loan mortgages	641	240
Real estate assets acquired in discharge of debts	27	11
Total real-estate portfolio	1,379	510

(*) Foreclosed assets, including properties outside Spain, considering the provisions allocated in the original loan and the credit risk that was transferred through the enforcement of the APS.

Breakdown of loans and provisions by stages

(€ million)	Stage 1	Stage 2	Stage 3
Loans to customers and guarantees granted	146,846	12,265	6,127
<i>Change QoQ</i>	2.1%	3.6%	5.5%
Provisions	554	565	2,335
Coverage	0.4%	4.6%	38.1%
% Stage / Total Loans	88.9%	7.4%	3.7%

Liquidity management

Highlights:

The Group had a solid liquidity position with an LCR ratio of 207% at the end of March 2021 (232% ex-TSB and 154% in TSB), and with total liquid assets of 50.000 million euros.

The loan-to-deposit ratio as at the end of March 2021 was 98% with a balanced retail funding structure.

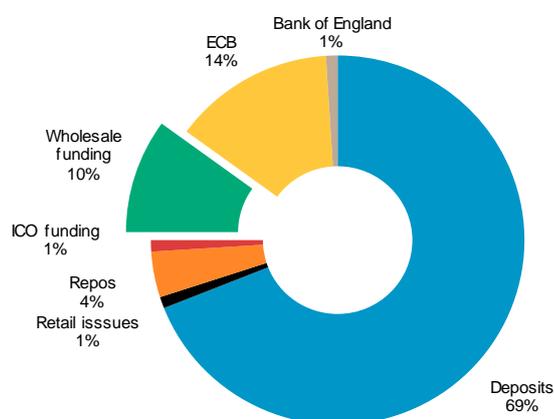
In the first quarter of 2021, the Bank issued 500 million euros of Tier 2 and 500 million euros of AT1 capital instruments.

(€ million)	31.03.20	31.12.20	31.03.21 (1)
Loans and advances to customers (2)	146,244	149,120	152,709
Brokered loans	-2,703	-1,977	-1,556
Adjusted net loans and advances	143,540	147,143	151,153
On-balance sheet customer funds	144,005	150,778	153,800
Loan-to-deposits ratio	100	98	98

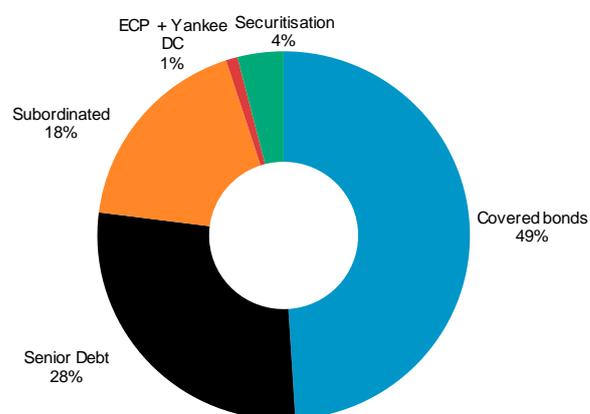
(1) The EUR/GBP exchange rate used for the balance sheet is 0.8521.

(2) Excludes repos.

Funding structure, 31.03.21 (%)



Wholesale funding breakdown, 31.03.21 (%)



Maturities

(€ million)	2021	2022	2023	2024	2025	>2025	Outstanding balance
Covered bonds	1,508	1,726	1,388	2,730	836	2,475	10,664
Senior Debt	355	682	1,487	739	1,609	500	5,372
Senior Non Preferred Debt	0	0	0	951	500	0	1,451
Subordinated	452	0	0	0	0	1810	2,262
Total	2,315	2,408	2,875	4,420	2,945	4,785	19,749

New issuances in the year

(€ million)	1Q21	2Q21	3Q21	4Q21
Subordinated	500			
AT1	500			
Total	1,000			

Maturities in the year

(€ million)	1Q21	2Q21	3Q21	4Q21
Covered bonds	300	0	0	1,508
Senior Debt	0	307	3	45
Subordinated	0	452	0	0
Total	300	759	3	1,553

Capital management and credit ratings

Highlights:

The Group's CET1 ratio stood at 12.38% at the end of March 2021.

This CET1 ratio included 42bps of IFRS9 transitional adjustments, therefore the fully-loaded CET1 ratio stood at 11.96%, thus remaining stable quarter-on-quarter.

The minimum prudential requirements applicable to Banco Sabadell in 2021 following the Supervisory Review and Evaluation Process (SREP) will be the same as those applicable in 2020. The CET1 requirement stood at 8.52%, and at 10.44% for Tier 1 and 13.00% for Total Capital.

The Total Capital ratio stood at 16.66% at the end of March 2021 and is therefore above the required level with an MDA buffer of 366 bps.

The phase-in leverage ratio stood at 5.30%.

The ratio of MREL as a percentage of RWAs stood at 24.27%, above the requirement for 2022 (23.80%), while the ratio of MREL as a percentage of leverage ratio exposure was 8.93%, also above the requirement for 2022 (6.22%).

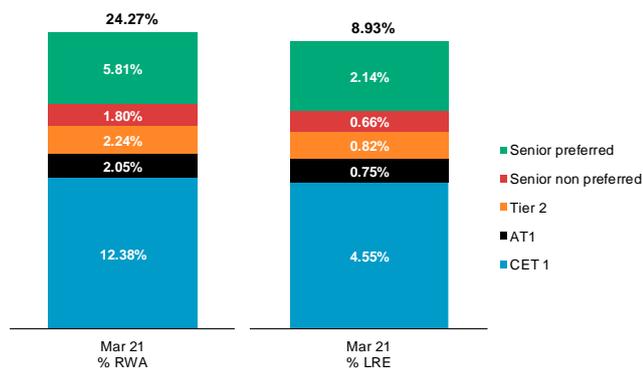
Capital ratios

(€million)	Phase-in			Fully-loaded		
	31.03.20	31.12.20	31.03.21	31.03.20	31.12.20	31.03.21
Issued capital	703	703	703	703	703	703
Reserves	12,443	12,278	12,313	12,443	12,278	12,313
Minority interest	9	9	9	9	9	9
Deductions	(1) -3,245	-3,102	-3,021	-3,728	-3,518	-3,358
Common Equity Tier 1	9,910	9,888	10,005	9,437	9,472	9,668
CET 1 (%)	12.16%	12.55%	12.38%	11.58%	12.02%	11.96%
Preference shares and other	1,153	1,153	1,654	1,154	1,153	1,654
Primary capital	11,063	11,041	11,659	10,590	10,625	11,322
Tier I (%)	13.58%	14.02%	14.42%	12.99%	13.49%	14.01%
Secondary capital	1,754	1,667	1,810	1,869	1,901	2,056
Tier II (%)	2.15%	2.12%	2.24%	2.29%	2.41%	2.54%
Total capital	12,817	12,708	13,469	12,460	12,526	13,377
Total capital ratio (%)	15.73%	16.13%	16.66%	15.29%	15.90%	16.55%
Risk weighted assets (RWA)	81,469	78,779	80,834	81,500	78,782	80,827
Leverage ratio (%)	4.93%	5.23%	5.30%	4.72%	5.04%	5.16%
CET 1 - BS (non-consolidated basis) (%)	13.58%	14.40%	13.59%			
Tier I - BS (non-consolidated basis) (%)	14.99%	15.92%	15.64%			
Tier II - BS (non-consolidated basis) (%)	1.61%	1.71%	2.24%			
Total capital ratio - BS (non-consolidated basis) (%)	16.59%	17.60%	17.89%			
ADIs	(2) 2,383	2,370	2,391			

(1) Includes IFRS 9 transitional adjustments.

(2) "Available Distributable Items": Refers to distributable profit. It does not include interim dividends or share premiums.

Evolution of the Group's MREL (% RWA, % LRE)



Credit ratings

Agency	Date	Long term	Short term	Outlook
DBRS	30.06.2020	A (low)	R-1 (low)	Negative
S&P Global Rating ⁽¹⁾	26.02.2021	BBB	A-2	Negative
Moody's	19.04.2021	Baa3	P-2	Stable
Fitch Ratings	26.11.2020	BBB-	F3	Stable

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On 30 June 2020, **DBRS Ratings GmbH** affirmed the credit rating of Banco Sabadell with a negative outlook, in light of the economic situation brought about by Covid-19.

On 26 February 2021, **S&P Global Ratings** affirmed the credit rating of Banco Sabadell with a negative outlook, in order to reflect the complex economic environment caused by the Covid-19 pandemic.

On 19 April 2021, **Moody's** affirmed Banco Sabadell's credit rating with a stable outlook.

On 26 November 2020, **Fitch Ratings** affirmed Banco Sabadell's credit rating with a stable outlook.

Results by business units

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

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

- Three geographical regions: Banking Business in Spain, United Kingdom and Mexico.
- Each business unit is allocated 11% capital relative to its risk-weighted assets (capital divided by RWAs) 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 geography and then broken down based on the customers to which each segment is aimed.

Breakdown by geography and business unit

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

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

Corporate Banking offers specialised lending services together with a comprehensive offering of solutions ranging from transaction banking services to more complex and tailored solutions relating to the fields of financing and treasury, such as import and export activities, amongst others. Includes foreign branches and representative offices.

Asset Transformation comprehensively manages NPA risk and real estate exposures. It focuses on developing its asset transformation strategy and integrating the general overview of the Group's real estate balance sheet in order to maximise its value.

- **Banking Business United Kingdom:**

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

- **Banking Business Mexico:**

It offers banking and financial services for Corporate Banking and Commercial Banking in Mexico.

The information presented is based on the individual accounting records of each Group company, after all consolidation disposals and adjustments have been made.

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

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

Profit and loss 1Q21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	570	236	27	833
Net fees and commissions	314	26	1	342
Core revenues	885	262	28	1,175
Net trading income and exchange differences	15	9	-1	23
Income from equity method and dividends	46	0	0	46
Other operating income/expense	-13	0	-1	-14
Gross operating income	933	271	26	1,230
Operating expenses	-424	-200	-16	-640
Amortisation & depreciation	-90	-37	-2	-129
Pre-provisions income	420	34	7	461
Total provisions & impairments	-322	-23	-9	-354
Gains on sale of assets and other results	4	-3	0	1
Profit before tax	102	8	-2	108
Income tax	-27	-5	2	-30
Minority interest	5	0	0	5
Attributable net profit	71	2	0	73
ROE	1.1%	0.6%	--	1.0%
Efficiency	45.4%	73.8%	63.7%	54.6%
Stage 3 ratio	4.5%	1.8%	0.2%	3.7%
Stage 3 coverage ratio with total provisions	57.6%	42.0%	477.4%	56.4%

Profit and loss 1Q20

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	611	242	32	884
Net fees and commissions	324	22	3	349
Core revenues	935	264	34	1,234
Net trading income and exchange differences	133	14	4	151
Income from equity method and dividends	4	0	0	4
Other operating income/expense	-16	1	-3	-17
Gross operating income	1,056	280	35	1,371
Operating expenses	-422	-212	-19	-652
Amortisation & depreciation	-85	-38	-2	-126
Pre-provisions income	549	29	15	593
Total provisions & impairments	-410	-38	-7	-454
Gains on sale of assets and other results	1	0	0	1
Profit before tax	141	-8	8	141
Income tax	-46	1	-2	-46
Minority interest	1	0	0	1
Attributable net profit	94	-7	6	94
ROE	2.2%	--	4.6%	1.8%
Efficiency	39.9%	75.7%	52.9%	49.3%
Stage 3 ratio	4.7%	1.2%	1.1%	3.8%
Stage 3 coverage ratio with total provisions	52.7%	48.9%	111.4%	52.8%

Balance sheet 1Q21

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	190,290	49,917	4,665	244,872
Performing gross loans	106,815	39,893	3,626	150,334
RE exposure	869	0	0	869
Subtotal liabilities	179,992	48,130	4,120	232,242
On-balance sheet customer funds	110,624	41,144	2,031	153,800
Capital markets w/wholesale funding	18,815	2,799	0	21,614
Equity	10,298	1,787	545	12,630
Off-balance sheet customer funds	39,478	0	0	39,478

Balance sheet 1Q20

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	173,442	45,460	4,384	223,286
Performing gross loans	105,008	34,844	3,623	143,475
RE exposure	859	0	0	859
Subtotal liabilities	162,721	43,942	3,850	210,514
On-balance sheet customer funds	107,803	34,590	1,612	144,005
Capital markets w/wholesale funding	20,762	2,290	0	23,052
Equity	10,720	1,518	533	12,771
Off-balance sheet customer funds	40,044	0	0	40,044

Banking Business Spain

Net profit at the end of March 2021 amounted to 71 million euros, representing a year-on-year fall of -25.1%, mainly due to lower net trading income.

At the end of March 2021, net interest income stood at 570 million euros, decreasing by -6.7% year-on-year mainly due to lower interest rates, smaller contribution of the ALCO portfolio following the sales carried out in the previous year and lower overdraft fees.

Net fees and commissions stood at 314 million euros, -3.1% lower year-on-year due to the drop in asset management fees following the disposal of Sabadell Asset Management.

Net trading income and exchange rate differences stood at 15 million euros and showed a sharp fall year-on-year as the

previous year had included capital gains from ALCO portfolio sales.

Results under the equity method showed strong growth due to higher earnings recorded by investees related to renewable energies.

Operating expenses stood at -424 million euros, in line with the previous year when they stood at -422 million euros. The improvement in personnel expenses was offset by an increase in general expenses.

Provisions and impairments amounted to -322 million euros, representing a sharp fall year-on-year due to the anticipation and inclusion last year of extraordinary provisions associated with the impact of Covid-19.

(€ million)	1Q20	1Q21	YoY (%)	Simple evolution				
				1Q20	2Q20	3Q20	4Q20	1Q21
Net interest income	611	570	-6.7%	611	591	597	600	570
Net fees and commissions	324	314	-3.1%	324	302	299	321	314
Core revenues	935	885	-5.4%	935	893	896	922	885
Net trading income and exchange differences	133	15	-88.4%	133	0	20	618	15
Income from equity method and dividends	4	46	--	4	10	11	12	46
Other operating income/expense	-16	-13	-18.6%	-16	-78	-16	-162	-13
Gross operating income	1,056	933	-11.6%	1,056	825	911	1,389	933
Operating expenses	-422	-424	0.4%	-422	-432	-424	-713	-424
Amortisation & depreciation	-85	-90	5.7%	-85	-87	-91	-90	-90
Pre-provisions income	549	420	-23.6%	549	306	397	585	420
Total provisions & impairments	-410	-322	-21.4%	-410	-548	-249	-801	-322
Gains on sale of assets and other results	1	4	--	1	274	28	15	4
Profit before tax	141	102	-27.5%	141	32	175	-201	102
Income tax	-46	-27	-41.4%	-46	77	-34	75	-27
Minority interest	1	5	--	1	-2	2	0	5
Attributable net profit	94	71	-25.1%	94	110	139	-126	71
Accumulated ratios								
ROE	2.2%	1.1%		2.2%	3.4%	3.5%	2.0%	1.1%
Efficiency	39.9%	45.4%		39.9%	45.4%	45.7%	47.6%	45.4%
Stage 3 ratio	4.7%	4.5%		4.7%	4.7%	4.6%	4.4%	4.5%
Stage 3 coverage ratio with total provisions	52.7%	57.6%		52.7%	55.6%	55.8%	55.7%	57.6%

Performing loans increased year-on-year by 1.7%, despite the impact of the payment received of 1,519 million euros by the DGF related to the APS. Excluding the APS, lending growth was up by 3.2%, driven by lending to corporates, SMEs and self-employed professionals.

On-balance sheet customer funds grew by 2.6% year-on-year, driven by sight accounts following lower consumer spending and customer payments due to the pandemic, and by a shift from term deposits as a result of the low interest rate environment for savings deposits. Off-balance sheet funds decreased by -1.4% year-on-year following the disposal of Sabadell Asset Management.

(€ million)	1Q20	1Q21	YoY (%)	Simple evolution				
				1Q20	2Q20	3Q20	4Q20	1Q21
Total assets	173,442	190,290	9.7%	173,442	184,315	186,331	183,896	190,290
Performing gross loans	105,008	106,815	1.7%	105,008	107,175	106,505	106,327	106,815
RE exposure	859	869	1.2%	859	946	979	871	869
Subtotal liabilities	162,721	179,992	10.6%	162,721	173,634	175,710	173,692	179,992
On-balance sheet customer funds	107,803	110,624	2.6%	107,803	109,485	109,750	110,571	110,624
Capital markets w/wholesale funding	20,762	18,815	-9.4%	20,762	19,842	20,164	18,332	18,815
Equity	10,720	10,298	-3.9%	10,720	10,680	10,621	10,204	10,298
Off-balance sheet customer funds	40,044	39,478	-1.4%	40,044	41,718	36,865	38,064	39,478
Other data								
Employees	16,668	14,536	-12.8%	16,668	16,570	16,391	16,260	14,536
Branches	1,847	1,613	-12.7%	1,847	1,753	1,704	1,614	1,613

Banking Business United Kingdom

Net profit stood at 2 million euros at the end of March 2021, representing an improvement on last year's figure of -7 million euros, due to lower costs and fewer provisions.

TSB's net interest income amounted to 236 million euros having decreased by -2.6% year-on-year due to lower interest rates in the United Kingdom and the negative exchange rate effect, despite good volumes in the year.

Net fees and commissions increased by 17.7% year-on-year, mainly due to higher service fees, particularly card fees and banknote and currency exchange fees.

Operating expenses stood at -200 million euros and decreased by -5.5% year-on-year, due to both improved personnel expenses and lower general expenses.

Provisions and impairments amounted to -23 million euros, representing a significant reduction year-on-year as the previous year included the front-loading of extraordinary provisions associated with the impact of Covid-19.

(€ million)	1Q20	1Q21	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q20	2Q20	3Q20	4Q20	1Q21
Net interest income	242	236	-2.6%	-1.1%	242	200	217	226	236
Net fees and commissions	22	26	17.7%	19.4%	22	21	26	27	26
Core revenues	264	262	-0.8%	0.7%	264	221	243	253	262
Net trading income and exchange differences	14	9	-34.3%	-33.3%	14	5	3	3	9
Income from equity method and dividends	0	0	--	--	0	0	0	0	0
Other operating income/expense	1	0	--	--	1	12	-7	-4	0
Gross operating income	280	271	-3.1%	-1.7%	280	237	239	252	271
Operating expenses	-212	-200	-5.5%	-4.1%	-212	-208	-255	-200	-200
Amortisation & depreciation	-38	-37	-4.4%	-2.9%	-38	-40	-38	-44	-37
Pre-provisions income	29	34	15.8%	17.5%	29	-12	-53	8	34
Total provisions & impairments	-38	-23	-38.7%	-37.8%	-38	-83	-49	-71	-23
Gains on sale of assets and other results	0	-3	--	--	0	1	-5	1	-3
Profit before tax	-8	8	--	--	-8	-94	-107	-62	8
Income tax	1	-5	--	--	1	30	23	-3	-5
Minority interest	0	0	--	--	0	0	0	0	0
Attributable net profit	-7	2	--	--	-7	-64	-84	-65	2
Accumulated ratios									
ROE	--	0.6%			--	--	--	--	0.6%
Efficiency	75.7%	73.8%			75.7%	81.3%	89.3%	86.8%	73.8%
Stage 3 ratio	1.2%	1.8%			1.2%	1.6%	1.4%	1.3%	1.8%
Stage 3 coverage ratio w total provisions	48.9%	42.0%			48.9%	51.9%	58.9%	57.4%	42.0%

In TSB, lending grew by 14.5% year-on-year, supported by the appreciation of sterling. Considering a constant exchange rate, lending grew by 10.1% year-on-year due to the increased mortgage book and the UK government's coronavirus Bounce Back Loan scheme.

On-balance sheet customer funds increased by 18.9%. Considering a constant exchange rate, on-balance sheet customer funds grew by 14.3% year-on-year due to increased current accounts and deposits, reflecting lower levels of consumer spending and benefiting from the liquidity provided to corporates through Bounce Back Loans.

(€ million)	1Q20	1Q21	YoY (%)	YoY (%) at constant FX	Simple evolution				
					1Q20	2Q20	3Q20	4Q20	1Q21
Total assets	45,460	49,917	9.8%	5.5%	45,460	45,099	45,349	47,284	49,917
Performing gross loans	34,844	39,893	14.5%	10.1%	34,844	34,190	35,415	36,977	39,893
Subtotal liabilities	43,942	48,130	9.5%	5.3%	43,942	43,600	43,762	45,547	48,130
On-balance sheet customer funds	34,590	41,144	18.9%	14.3%	34,590	36,047	36,784	38,213	41,144
Capital markets w wholesale funding	2,290	2,799	22.2%	17.5%	2,290	2,189	1,792	2,319	2,799
Equity	1,518	1,787	17.7%	13.1%	1,518	1,499	1,587	1,736	1,787
Other data									
Employees	7,276	6,451	-11.3%		7,276	7,133	7,028	6,709	6,451
Branches	534	373	-30.1%		534	503	485	454	373

Banking Business Mexico

Net profit at the end of March 2021 stood at breakeven, representing a decline year-on-year, mainly due to reduced core revenue and lower net trading income.

Net interest income amounted to 27 million euros and decreased by -14.9%, affected by the exchange rate of the Mexican peso. At a constant exchange rate, it fell by -5.6% due to lower volumes and a fall in the benchmark index (from 7.1% in March 2020 to 4.3% in March 2021).

Net fees and commissions amounted to 1 million euros, down from the previous year due to lower activity levels as a result of Covid-19.

Operating expenses fell by -12.6% year-on-year, impacted by the exchange rate. At a constant exchange rate, they decreased by -3.0%, due to both improved personnel expenses and lower general expenses.

Provisions and impairments amounted to -9 million euros, increasing year-on-year, due to higher loan loss provisions in light of the current Covid-19 situation.

(€ million)	1Q20	1Q21	YoY (%)		Simple evolution				
			YoY (%)	at constant FX	1Q20	2Q20	3Q20	4Q20	1Q21
Net interest income	32	27	-14.9%	-5.6%	32	29	27	27	27
Net fees and commissions	3	1	-68.8%	-65.5%	3	1	2	2	1
Core revenues	34	28	-18.9%	-10.1%	34	30	29	29	28
Net trading income and exchange differences	4	-1	--	--	4	0	-1	1	-1
Income from equity method and dividends	0	0	--	--	0	0	0	0	0
Other operating income/expense	-3	-1	-73.5%	-70.6%	-3	-3	-3	-5	-1
Gross operating income	35	26	-27.4%	-19.4%	35	27	25	25	26
Operating expenses	-19	-16	-12.6%	-3.0%	-19	-14	-16	-24	-16
Amortisation & depreciation	-2	-2	-2.7%	7.9%	-2	-2	-3	-3	-2
Pre-provisions income	15	7	-49.7%	-44.2%	15	11	6	-2	7
Total provisions & impairments	-7	-9	38.7%	53.8%	-7	-4	-4	-12	-9
Gains on sale of assets and other results	0	0	--	--	0	0	0	0	0
Profit before tax	8	-2	--	--	8	7	2	-14	-2
Income tax	-2	2	--	--	-2	-1	0	5	2
Minority interest	0	0	--	--	0	0	0	0	0
Attributable net profit	6	0	--	--	6	6	2	-10	0
Accumulated ratios									
ROE	4.6%	--			4.6%	4.5%	3.4%	0.8%	--
Efficiency	52.9%	63.7%			52.9%	52.0%	55.5%	64.3%	63.7%
Stage 3 ratio	1.1%	0.2%			1.1%	0.8%	0.6%	0.5%	0.2%
Stage 3 coverage ratio with total provisions	111.4%	477.4%			111.4%	132.5%	166.3%	231.6%	477.4%

Performing loans remained broadly in line with last year, at the accounting level and at constant exchange rates.

On-balance sheet customer funds increased by 26.0% year-on-year, supported by the evolution of the Mexican peso exchange rate. At a constant exchange rate, they grew by 17.4% with the aim of financing a level of investment that has not, ultimately, been forthcoming.

(€ million)	1Q20	1Q21	YoY (%)		Simple evolution				
			YoY (%)	at constant FX	1Q20	2Q20	3Q20	4Q20	1Q21
Total assets	4,384	4,665	6.4%	5.3%	4,384	5,033	4,413	4,584	4,665
Performing gross loans	3,623	3,626	0.1%	0.0%	3,623	3,767	3,543	3,574	3,626
Subtotal liabilities	3,850	4,120	7.0%	7.0%	3,850	4,496	3,890	4,032	4,120
On-balance sheet customer funds	1,612	2,031	26.0%	17.4%	1,612	2,040	1,629	1,994	2,031
Equity	533	545	2.2%	-6.1%	533	538	523	551	545
Other data									
Employees	471	483	2.5%		471	503	499	489	483
Branches	15	15	0.0%		15	15	15	15	15

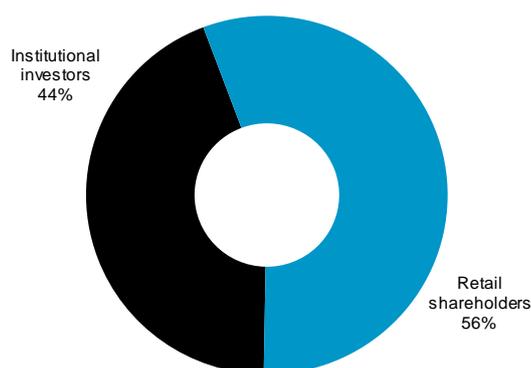
4. Share price performance

	31.03.20	31.12.20	31.03.21
Shareholders and trading			
Number of shareholders	234,082	244,225	241,078
Average number of shares (million)	5,603	5,582	5,581
Average daily trading volume (millions shares)	40	59	44
Share price (€) (1)			
Opening session (of the year)	1.040	1.040	0.354
High (of the year)	1.080	1.080	0.502
Low (of the year)	0.395	0.250	0.343
Closing session	0.469	0.354	0.456
Market capitalisation (€ million)	2,628	1,976	2,545
Stock market multiples			
Earnings per share (EPS) (€) (2)	0.03	-0.01	0.01
Book value (€ million)	13,076	12,944	12,959
Book value per share (€)	2.33	2.32	2.32
Tangible book value (€ million)	10,507	10,322	10,372
TBV per share (€)	1.88	1.85	1.86
Price / Book value (times)	0.20	0.15	0.20
Price / Earnings ratio (P/E) (times)	15.78	-27.75	49.54

(1) Without adjusting historical values.

(2) Net profit adjusted by the Additional Tier 1 coupons recorded under equity.

Shareholder breakdown (%)



Source: GEM, data as at 31 March 2021

Comparative evolution of SAB share

Period from 31.03.20 to 31.03.21



5. Key developments in the quarter

S&P Global Ratings maintains Banco Sabadell's rating

On 26 February 2021, S&P Global Ratings, affirms Banco Sabadell's long-term rating at BBB with a negative outlook to reflect the more challenging economic environment, and the short-term rating at A-2.

César Gonzalez-Bueno, new CEO of Banco Sabadell

In the Board of Directors held on 18 March 2021, Mr César González-Bueno has accepted the position of Chief Executive Officer of Banco Sabadell, once the corresponding regulatory authorisations have been obtained.

Banco Sabadell and the ALD Automotive group have entered into a strategic relationship to offer vehicle leasing products

On 29 April 2021, Banco Sabadell and the ALD Automotive group have entered into a long-term strategic relationship, to offer vehicle leasing products, which will allow Banco Sabadell to improve its customer value proposition for mobility solutions, with a larger and more innovative range of vehicle leasing products.

The transaction includes the sale of 100% of the share capital of Bansabadell Renting, S.L.U. ("Bansabadell Renting") for an amount of FIFTY-NINE MILLION EUROS (€59,000,000).

The expected closing of the transaction, which is subject to obtaining the relevant authorisations, will occur on the last quarter of 2021.

It is expected that the transaction contributes with 10 basis points to the ratio Common Equity Tier 1 (CET1) fully-loaded

6. Glossary of terms on performance measures

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 sector (Alternative Performance Measures, or “APMs”) as monitoring indicators for the management of assets and liabilities, and the financial and economic situation of the Group, which facilitates its comparison with other entities.

Following the ESMA guidelines on APMs (ESMA/2015/1415 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 / ATA. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
ROE	(*) (***)	Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
RORWA	(*)	Profit attributed to the Group / risk-weighted assets (RWA). In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	5
ROTE	(*) (***)	Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end. The denominator excludes intangible assets and the goodwill of the investees.	5
Efficiency ratio	(*)	Administrative expenses / adjusted gross income. The denominator includes the linear accrual of contributions to deposit guarantee fund and resolution fund and tax on deposits of credit institutions, except year end.	5
Other operating income/expense		Includes the following accounting items: other operating income and other operating expense as well as income from assets and expenses on liabilities under insurance or reinsurance contracts.	9
Total provisions & impairments		Includes the following accounting items: (i) provisions or reversal of provisions, (ii) impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains, (iii) impairment or reversal of impairment of investments in joint ventures and associates, (iv) impairment or reversal of impairment on non-financial assets, (v) profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding profit or loss on the sale of holdings) and (vi) investment properties in the net gains or losses on derecognition of non-financial assets (including only gains or losses on the sale of investment properties).	9
Gains on sale of assets and other results		Includes the following accounting items: net gains or losses on derecognition of non-financial assets, excluding investment properties and associates included in the profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations.	9
Pre-provisions income		Comprised of the following accounting items: gross income plus administration and amortisation/depreciation expenses.	9
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.	11
Other assets		Includes the following accounting items: derivatives - hedge accounting, fair value changes of the hedged items in portfolio hedge of interest rate risk, tax assets, other assets, assets under insurance or reinsurance contracts and non-current assets and disposal groups classified as held for sale.	16
Other liabilities		Includes the following accounting items: derivatives - hedge accounting, tax liabilities, fair value changes of the hedged items in portfolio hedge of interest rate risk, other liabilities and liabilities included in disposal groups classified as held for sale.	16
Gross loans to customers		Includes loans and advances to customers excluding impairment allowances.	17
Performing gross loans		Includes gross loans to customers excluding repos, stage 3 assets and accrual adjustments.	17
On-balance sheet customer funds		Includes customer deposits (ex repos) and other liabilities placed by the branch network (Banco Sabadell non-convertible bonds, commercial paper and others).	19
Off-balance sheet customer funds		Includes mutual funds, asset management, pension funds and third-party insurance products.	19
On-balance sheet funds		Includes accounting sub-headings of customer deposits, debt securities issued (debt and other tradable securities and subordinated liabilities).	19
Funds under management and third-party funds		Sum of on-balance sheet and off-balance sheet customer funds.	19
Stage 3 coverage ratio with total provisions		Shows the % of stage 3 exposures covered by total provisions. Calculated using the ratio between the allowance of loans and advances to customers (including allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	21
Stage 3 coverage ratio		Shows the % of stage 3 exposures covered by stage 3 provisions. Calculated using the ratio between the stage 3 allowance of loans and advances to customers (including stage 3 allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	22
Problematic assets coverage		Ratio between provisions associated with problematic assets / total problematic assets.	22
Stage 3 ratio		Shows the % of stage 3 exposures over total risk assumed by customers not classified as non-current assets held for sale. Calculated using the ratio between stage 3 exposures, including guarantees granted / loans to customer and guarantees granted. See table for the definition of stage 3 exposures.	21
Cost of risk (bps)		Ratio between provisions for NPLs / loans to customer and guarantees granted. The numerator considers the linear annualization of the provisions for NPLs. In addition, the costs associated with the stage 3 management assets and provisions for institutional NPA sales are adjusted.	21
Problematic assets		Sum of stage 3 exposures and problematic real estate assets. Also referred to as non-performing assets (NPAs).	23
Problematic Real Estate coverage ratio		Ratio between allowances for impairment of problematic RE assets / total problematic RE assets. Amount of problematic RE assets includes property classified in the portfolio of non-current asset and disposable groups classified as held for sale, excluding real estate investments with significant latent capital gains and rental properties, for which there is an agreement of sale that will be carried out after a reform process.	23
Stage 3 exposures		Sum of accounting items: stage 3 loans and advances to customers and stage 3 guarantees granted.	24
Loan-to-deposits ratio		Net loans and receivables divided by retail funding. The numerator excludes mediation loans. The denominator considers real estate funding and customer funds.	25
Total capital ratio		Ratio between total capital and the risk weighted assets. Total capital includes the accounting profit assuming a pay-out of 50% (except year 2020), that is different from the regulatory criteria which decreases that amount based on the obligations to fulfil for the rest of the year. The denominator has been calculated based on the Group's best estimate.	26
Market capitalisation		Share price multiplied by the average number of outstanding shares at the end of the period.	33
Earnings per share	(*)	Ratio between net profit attributed to the Group and the average number of outstanding shares at the end of the period. In the numerator the annualization of the profit obtained to date is considered and adjusted by the Additional Tier I coupon payment registered in equity as well as by contributions to deposit guarantee and resolution funds (DGF and SRF) and tax on deposits of credit institutions (IDEC), except year end.	33
Book value per share	(*)	Ratio between book value / average number of outstanding shares at the end of the period. Book value refers to equity, adjusted by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except at year end.	33
TBV per share	(*)	Ratio between tangible book value and the average number of outstanding shares 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, and by contributions to deposit guarantee and resolution funds and tax on deposits of credit institutions, except year end.	33
Price / Book value (times)	(*)	Ratio between share price / book value per share.	33
Price / Earnings ratio (P/E) (times)	(*)	Ratio between share price / earnings per share.	33

(*) The accrual on a straight-line basis of contributions to the deposit guarantee fund and the resolution fund, as well as the tax on deposits of credit institutions, has been calculated based on the Group's best estimates.

(**) Arithmetic mean calculated as the sum of daily balances during the reference period, divided by the number of days during that period.

(***) Average calculated using the month-end positions since the previous December.

Alternative Performance measures	Conciliation (€millions)	1Q20	1Q21
ROA	Average total assets	220,338	236,160
	Consolidated net profit	94	78
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	ROA (%)	0.11	0.06
ROE	Average equity	13,119	12,951
	Attributable net profit	94	73
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	ROE (%)	1.82	1.00
RORWA	Risk weighted assets (RWA)	81,469	80,834
	Attributable net profit	94	73
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	RORWA (%)	0.29	0.16
ROTE	Average equity (excluding intangible assets)	10,537	10,345
	Attributable net profit	94	73
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	ROTE (%)	2.27	1.25
Efficiency ratio	Gross operating income	1,371	1,230
	DGF - SRF - IDEC adjustment	-49	-59
	Adjusted gross operating income	1,322	1,171
	Operating expenses	-652	-640
	Efficiency ratio (%)	49.34	54.64
Other operating income/expense	Other operating income	57	42
	Other operating expenses	-75	-56
	Income from assets under insurance or reinsurance contracts	0	0
	Expenses on liabilities under insurance or reinsurance contracts	0	0
	Other operating income/expense	-17	-14
Total provisions & impairments	Provisions or reversal of provisions	-7	-13
	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	-408	-318
	Provisions for NPLs and other financial assets	-415	-331
	Impairment or reversal of impairment of investments in joint ventures and associates	0	0
	Impairment or reversal of impairment on non-financial assets	-5	-10
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-34	-14
	Gains from sales of associates	-2	0
	Gains from sales of investment properties and associates	1	0
	Other impairments	-39	-24
	Total provisions & impairments	-454	-354
Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	1	1
	Gains from sales of associates	2	0
	Gains from sales of investment properties and associates	-1	0
	Gains on sale of assets and other results	1	1
Pre-provisions income	Gross operating income	1,371	1,230
	Operating expenses	-652	-640
	Personnel expenses	-403	-385
	Other general expenses	-249	-255
	Amortisation & depreciation	-126	-129
	Pre-provisions income	593	461
Customer spread (*)	Loans to customers (net)		
	Avge.balance	142,034	148,164
	Results	988	866
	Rate %	2.80	2.37
	Customer deposits		
	Avge.balance	149,636	157,698
	Rate %	-0.22	-0.08
	Customer spread	2.58	2.29
Other assets	Derivatives - Hedge accounting	698	571
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	369	243
	Tax assets	6,857	6,860
	Other assets	1,564	1,190
	Non-current assets and disposal groups classified as held for sale	923	955
	Other assets	10,411	9,819
Other liabilities	Derivatives - Hedge accounting	824	556
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	320	223
	Tax liabilities	271	248
	Other liabilities	753	660
	Liabilities included in disposal groups classified as held for sale	34	0
	Other liabilities	2,202	1,686

(*) Customer spread is calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	1Q20	1Q21
Performing gross loans	Mortgage loans & credits	82,176	86,616
	Other secured loans & credits	3,335	3,750
	Working capital	5,972	5,104
	Leasing	2,486	2,158
	Unsecured lending and others	49,506	52,707
	Performing gross loans	143,475	150,334
	Stage 3 assets (customer)	5,890	5,639
	Accruals	2	-6
	Gross loans to customers excluding repos	149,367	155,967
	Reverse repos	251	0
Gross loans to customers	Gross loans to customers	149,618	155,967
	NPL and country-risk provisions	-3,123	-3,258
	Loans and advances to customers	146,495	152,709
On-balance sheet customer funds	Financial liabilities at amortised cost	204,214	227,924
	Non-retail financial liabilities	60,209	74,123
	Central banks	20,568	34,593
	Credit institutions	11,401	10,511
	Institutional issues	23,909	24,277
	Other financial liabilities	4,332	4,743
	On-balance sheet customer funds	144,005	153,800
	Customer deposits	144,721	156,553
	Sight accounts	118,878	135,397
	Fixed-term deposits including available and hybrid financial liabilities	25,115	18,573
On-balance sheet funds	Repos	556	2,449
	Accruals and derivative hedging adjustments	172	135
	Debt and other marketable securities	19,828	17,589
	Subordinated liabilities (*)	3,364	3,935
	On-balance sheet funds	167,913	178,077
	Mutual funds	23,707	22,490
	Managed accounts	2,934	3,445
	Pension funds	3,126	3,410
	Third-party insurance products	10,277	10,133
	Off-balance sheet customer funds	40,044	39,478
Funds under management and third-party funds	207,957	217,555	
Stage 3 exposures	Customer, central banks and financial institutions loans and advances	5,913	5,669
	Guarantees granted in stage 3	199	458
	Stage 3 exposures (€ million)	6,112	6,127
Stage 3 coverage ratio with total provisions (%)	Stage 3 exposures	6,112	6,127
	Total provisions	3,228	3,453
	Stage 3 coverage ratio with total provisions (%)	52.8%	56.4%
Stage 3 coverage ratio (%)	Stage 3 exposures	6,112	6,127
	Stage 3 provisions	2,359	2,335
	Stage 3 coverage ratio (%)	38.6%	38.1%
Problematic Real Estate coverage ratio (%)	Problematic RE Assets	1310	1379
	Provisions	451	510
	Problematic Real Estate coverage ratio (%)	34.4%	37.0%
Problematic assets	Stage 3 exposures	6,112	6,127
	Problematic RE Assets	1310	1379
	Problematic assets	7,422	7,507
Problematic assets coverage (%)	Provisions of problematic assets	3,680	3,963
	Problematic assets coverage (%)	49.6%	52.8%
Stage 3 ratio (%)	Stage 3 exposures	6,112	6,127
	Loans to customers and guarantees granted	159,040	165,239
	Stage 3 ratio (%)	3.8%	3.7%
Cost of risk (bps)	Loans to customers and guarantees granted	159,040	165,239
	Provisions for NPLs	-400	-313
	NPLs costs	-31	-31
	Cost of risk (bps)	93	69
Loan-to-deposits ratio (%)	Adjusted net loans and advances w/o repos by brokered loans	143,540	151,153
	On-balance sheet customer funds	144,005	153,800
	Loan-to-deposits ratio (%)	99.7%	98.3%
Market capitalisation (€million)	Average number of shares (million)	5,603	5,581
	Share price (€)	0.469	0.456
	Market capitalisation (€million)	2,628	2,545
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	41	13
	Attributable net profit	94	73
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	Accrued AT1	-18	-19
	Average number of shares (million)	5,603	5,581
	Earnings per share (EPS) (€)	0.03	0.01
Book value per share (€)	Adjusted equity	13,076	12,959
	Shareholders' equity	13,110	13,000
	DGF - SRF - IDEC adjustment net of tax	-34	-41
	Average number of shares (million)	5,603	5,581
	Book value per share (€)	2.33	2.32
TBV per share (€)	Intangible assets	2,569	2,587
	Tangible book value (€million)	10,507	10,372
	TBV per share (€)	1.88	1.86
Price / Book value (times)	Share price (€)	0.469	0.456
	Price / Book value (times)	0.20	0.20
Price / Earnings ratio (P/E) (times)	Price / Earnings ratio (P/E) (times)	15.78	49.54

(*) Refers to subordinated liabilities of debt securities.

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

www.grupbancsabadell.com/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/MEDIDAS_ALTERNATIVAS_DEL_RENDIMIENTO

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