Sabadell

4Q25

Quarterly Financial Report

Contents

Basis of presentation

The consolidated income statement and balance sheet as at the end of December 2025 and 2024, 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 2025.
Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415en), a glossary has been included with the definitions and the reconciliation with the items presented in the financial statements of certain alternative financial measures used in this document. See Glossary of terms on performance measures.

1. Key developments

On 1 July 2025, the Board of Directors of Banco Sabadell, after receiving a binding offer from Banco Santander, S.A. for the acquisition of TSB, agreed to submit a proposal to shareholders at an Extraordinary General Meeting, scheduled for 6 August 2025, to approve the sale to the aforesaid institution of all shares representing TSB's share capital, together with certain equity instruments and securities issued by TSB and subscribed by Banco Sabadell (perpetual non-cumulative contingent convertible securities, callable subordinated notes and senior unsecured notes) that have not matured nor been repurchased and redeemed as at the closing date, as well as the instruments from any new issuance carried out between 1 July 2025 and such date and subscribed by Banco Sabadell for the purpose of refinancing them (the "Securities"). This transaction does not include the sale of the IT platform servicing TSB, owned by the subsidiary Sabadell Digital, S.A.U., which is expected to continue to serve TSB until the company migrates to another IT platform. At the Extraordinary General Meeting held on 6 August 2025, shareholders approved the aforesaid proposal.

The consideration for the sale of the shares amounts to an initial price of 2,650 million pounds sterling, which will be adjusted, upwards or downwards, based on the positive or negative variation in TSB's tangible net asset value between 1 April 2025 and the closing date of the transaction. The final price will be paid in full in cash. The sale price for the Securities will correspond to the sum of the fair values assigned to the instruments at the closing date of the transaction based on the credit spreads agreed by the parties for each such instrument. Payment of the sale price for the Securities shall be made in cash on the closing date and shall not be subject to subsequent revision. The nominal value of those Securities as at 31 December 2025 was 1,200 million pounds sterling.

The closing of the transaction, which is expected to take place during the second quarter of 2026, is subject to obtaining regulatory authorisations from the competent authorities.

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

• In the Group's profit and loss account used for statutory reporting, the results associated with TSB and its subsidiary undertakings are shown in a single row, under the heading "results of discontinued activities", for 2025 and 2024. This means that the income and expenses linked to these results are excluded, line by line, from the breakdown of continuing operations for both periods.

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

However:

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

In October 2025, the Bank and Nexi. S.p.A. terminated the agreement concerning the sale of Paycomet and the strategic agreement to provide merchant acquiring services signed by both parties in 2023. Consequently, as the sale agreement ceased to be in effect, the net assets and results contributed by that subsidiary to the consolidated financial statements were instead recognised as though that agreement had never been signed. The biggest change was the reclassification of the amortisation/depreciation expenses on Paycomet's assets (mostly PoS terminals) from "Other provisions and impairments" to "Costs". In the consolidated annual financial statements for 2025, the comparative information for 2024 will be restated, which will also reflect this change, although for management reporting the data from previous periods has not been restated.

For more details, see section 6 "Glossary of terms on performance measures", which shows the profit and loss account and balance sheet used for statutory reporting, as well as the reconciliation with the management reporting perimeter.

2. Summary

NOTE: All of the information provided in the report relates to management reporting data, so the results of TSB are reported line by line, as in previous periods. For more details and the account reconciliation, see section 6 “Glossary of terms on performance measures”.

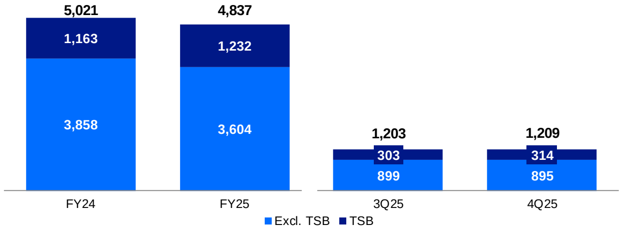
Net interest income

Net interest income amounted to 4,837 million euros as at the end of 2025, representing a year-on-year reduction of -3.7%, mainly driven by the ex-TSB perimeter performance, which fell by -6.6%, mainly due to lower credit yields and a reduced contribution from credit institutions impacted by lower interest rates, partially offset by the positive performance of volumes and by the growth recorded at TSB, in turn driven by the structural hedge.

In the quarter, net interest income was up by 0.5%, driven by the positive performance of TSB. Excluding TSB, it was down by -0.5%, mainly due to lower credit yields in Spain, with a more moderate impact than in previous quarters. This effect was partially offset by the improvement in volumes and lower costs of both deposits and wholesale funding.

Net interest income

	Total group	Constant FX	Excl. TSB
Change YoY:	-3.7%	-2.9%	-6.6%
Change QoQ:	+0.5%	+0.7%	-0.5%



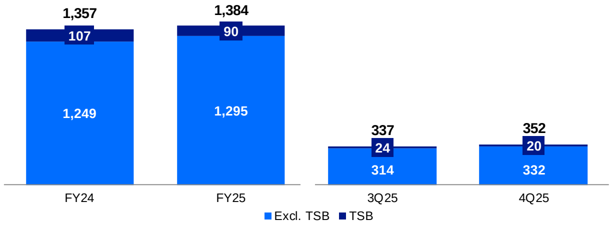
Net fees and commissions

Net fees and commissions amounted to 1,384 million euros as at the end of the year, representing a year-on-year increase of 2.0% at the Group level and of 3.6% excluding TSB, mainly as a result of increased asset management and insurance fees.

Quarter-on-quarter, they increased by 4.5% at the Group level and by 5.9% excluding TSB, mainly due to the increase in asset management and insurance fees, driven by the positive seasonality of the fourth quarter related to the collection of success fees.

Net fees and commissions

	Total group	Constant FX	Excl. TSB
Change YoY:	+2.0%	+2.4%	+3.6%
Change QoQ:	+4.5%	+4.5%	+5.9%



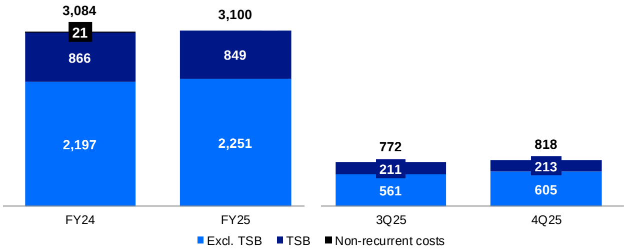
Total costs

Total costs came to 3,100 million euros as at the end of 2025, representing a year-on-year increase of 0.5% and of 2.5% excluding TSB, where it is worth mentioning the increase in personnel expenses.

Quarter-on-quarter, total costs were up by 5.9% at the Group level and by 7.9% excluding TSB, driven by an increase in personnel expenses and in amortisation/depreciation expenses, which include the reclassification from provisions for expenses related to payments business assets (Paycomet), after the agreement for its sale to Nexi ceased to be in effect.

Total costs

	Total group	Constant FX	Excl. TSB
Change YoY:	+0.5%	+1.3%	+2.5%
Change QoQ:	+5.9%	+6.1%	+7.9%

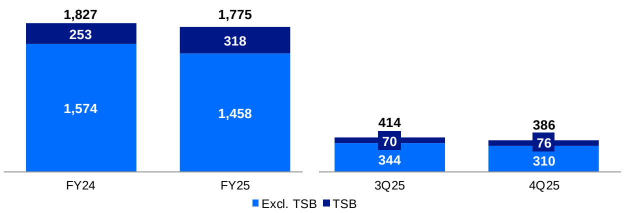


Group net profit

The Group’s net profit amounted to 1,775 million euros as at the end of 2025 (1,458 million euros excluding TSB), representing Group RoTE of 14.3%.

Group net profit

	Total group	Constant FX	Excl. TSB
Change YoY:	-2.8%	-2.2%	-7.4%
Change QoQ:	-6.9%	-6.8%	-10.0%



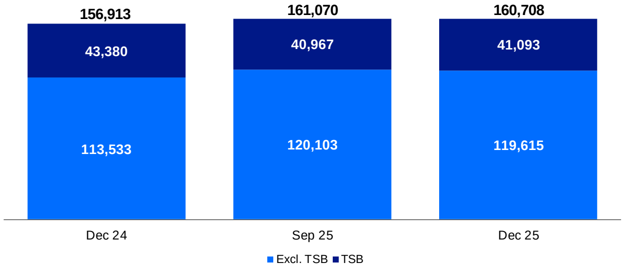
Performing loans

Performing loans were up by 2.4% year-on-year, affected by the depreciation of the pound sterling and the US dollar, and by 5.4% excluding TSB. At constant exchange rates, that growth climbs to 4.6% at the Group level and 6.4% excluding TSB, due to the good performance both of Spain, which recorded growth across all segments, particularly its mortgage book, and of the businesses abroad, notably Miami and Mexico.

Quarter-on-quarter, lending volumes were down by -0.2% at the Group level and by -0.4% excluding TSB, affected by the seasonality of SMEs and Corporates segment in Spain, partially offset by the growth of the business abroad, with Mexico in particular doing very well.

Performing loans

	Total group	Constant FX	Excl. TSB
Change YoY:	+2.4%	+4.6%	+5.4%
Change QoQ:	-0.2%	-0.3%	-0.4%



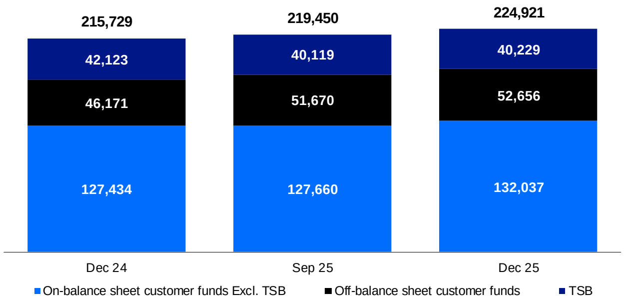
Customer funds

Customer funds recorded a year-on-year increase of 4.3% (6.4% excluding TSB). At constant exchange rates, they increased by 5.5% at the Group level and by 6.6% excluding TSB, due to an increase in on-balance sheet funds, driven by the growth of demand deposits, and also due to an increase in off-balance sheet funds, mainly mutual funds, helped by positive net subscriptions, third-party insurance products and assets under management.

In the quarter, customer funds recorded growth of 2.5%, which rises to 3.0% when excluding TSB, and where it is worth highlighting the increase in on-balance sheet customer funds held in both demand deposits and term deposits.

Total customer funds

	Total group	Constant FX	Excl. TSB
Change YoY:	+4.3%	+5.5%	+6.4%
Change QoQ:	+2.5%	+2.5%	+3.0%



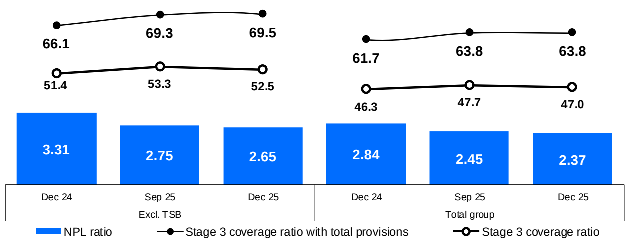
Non-Performing Assets (NPAs)

The Group's NPL ratio dropped to 2.37% and the stage 3 coverage ratio with total provisions increased year-on-year to 63.8%. Excluding TSB, the same trend can be seen, with the NPL ratio falling to 2.65% and the stage 3 coverage ratio with total provisions rising to 69.5%.

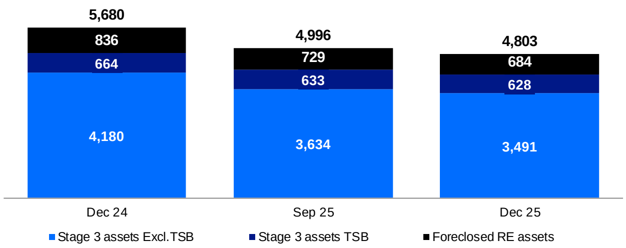
The balance of NPAs was reduced by 193 million euros during the quarter and by 877 million euros over the year, while the coverage ratio climbed to 59.9%.

Credit cost of risk improved over the year, standing at 21 bps at the Group level and at 24 bps ex-TSB. Total cost of risk also improved year-on-year, standing at 31 bps at the Group level and at 37 bps ex-TSB.

NPL and coverage ratios (%)



Problematic assets

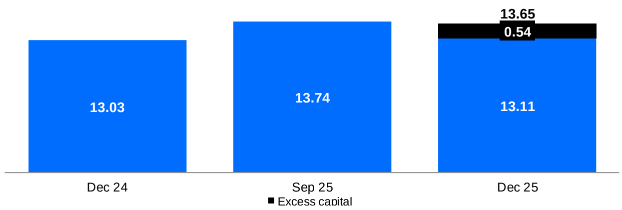


Capital ratio

The fully-loaded CET1 ratio considering the distribution of excess capital stood at 13.11% as at the end of 2025. The phase-in CET1 ratio stood at 13.16%, while the Total Capital ratio was 18.23%, which is above regulatory requirements with an MDA buffer of 391 bps.

Without considering the distribution of excess capital, the fully-loaded CET1 ratio is 13.65%, representing capital generation of 20 bps in the quarter and of 196 bps in the year.

CET1 fully-loaded (%)



3. Key figures

		Excl. TSB			Total group		
		31.12.24	31.12.25	YoY (%) (6)	31.12.24	31.12.25 (5)	YoY (%) (6)
Profit and loss account (€ millions)							
Net interest income		3,858	3,604	-6.6	5,021	4,837	-3.7
Core revenues		5,107	4,899	-4.1	6,378	6,221	-2.5
Gross operating income		5,051	4,951	-2.0	6,337	6,284	-0.8
Pre-provisions income		2,855	2,699	-5.4	3,254	3,184	-2.1
Attributable net profit		1,574	1,458	-7.4	1,827	1,775	-2.8
Balance sheet (€ millions)							
Total assets		188,143	197,012	4.7	239,598	245,392	2.4
Performing gross loans		113,533	119,615	5.4	156,913	160,708	2.4
Gross loans to customers		117,614	123,072	4.6	161,717	164,935	2.0
On-balance sheet customer funds		127,434	132,037	3.6	169,557	172,265	1.6
Off-balance sheet customer funds		46,171	52,656	14.0	46,171	52,656	14.0
Total customer funds		173,606	184,692	6.4	215,729	224,921	4.3
Net equity		--	--		15,033	14,082	-6.3
Shareholders' equity		--	--		15,389	14,631	-4.9
Profitability and efficiency ratios (%)							
ROA		--	--		0.8	0.7	
RORWA		--	--		2.3	2.2	
ROE		--	--		12.4	11.9	
ROTE		--	--		14.9	14.3	
Efficiency		43.5	45.5		48.7	49.3	
Risk management							
NPL ratio (%)		3.31	2.65		2.84	2.37	
Stage 3 coverage ratio with total provisions (%)		66.1	69.5		61.7	63.8	
Credit cost of risk (bps)		33	24		26	21	
Total cost of risk (bps)		53	37		42	31	
Liquidity management (%)							
Loan-to-deposit ratio		89.6	90.5		93.2	93.5	
LCR		237	203		210	186	
NSFR	(1)	137	134		142	139	
Capital management	(2)						
Risk weighted assets (RWA) (€millions)		--	--		80,485	80,111	-0.5
Common Equity Tier 1 (%)		--	--		13.03	13.16	
Common Equity Tier 1 fully-loaded (%)		--	--		13.03	13.11	
Tier 1 (%)		--	--		15.20	16.59	
Total capital ratio (%)		--	--		17.62	18.23	
MREL (%RWA)		--	--		27.88	27.62	
MREL (%LRE)		--	--		9.54	8.99	
Leverage ratio (%)		--	--		5.20	5.41	
Share data (period end)							
Number of outstanding shares minus the treasury shares (millions)	(3)	--	--		5,361	4,998	-6.8
Share price (€)	(4)	--	--		1.877	3.365	79.3
Market capitalisation (€millions)		--	--		10,063	16,818	67.1
Earnings per share (EPS) (€)		--	--		0.32	0.32	-1.6
Book value per share (€)		--	--		2.87	2.93	2.0
TBV per share (€)		--	--		2.39	2.40	0.2
Price / TBV (times)		--	--		0.78	1.40	
Price / Earnings ratio (P/E) (times)		--	--		5.84	10.64	
Other data							
Branches		1,164	1,161		1,350	1,336	
Employees		14,040	14,117		18,769	18,736	

(1) Taking into account the best estimate as at the date of publication of this report.
(2) Fully-loaded CET1 ratio, applying the output floor implementation timeline.
(3) Total number of shares minus final treasury stock position (including shares in the buyback programme, where applicable).
(4) Historical values not adjusted.
(5) The cumulative EUR/GBP exchange rate as at 31.12.2025 applied throughout the report to the income statement is 0.8566 (the one applied as at 31.12.2024 was 0.8463). In the case of the balance sheet, the exchange rate applied is 0.8726 (the one applied as at 31.12.2024 was 0.8292).
(6) Throughout this document, YoY changes in relation to the income statement refer to the cumulative twelve-month period of 2025 versus the same cumulative twelve-month period of 2024.

4. Performance review

Macroeconomic environment

Global economic, political and financial context

Geopolitics continued to attract a lot of investor attention. The United States launched a military assault on Venezuela, in line with its new national security strategy, intended to enhance its influence in the American continent. Trump also threatened other Latin American countries and insisted he would take control of Greenland, threatening to impose additional tariffs on any European countries engaging in military exercises on the island. With regard to the conflict in Ukraine, negotiations for a potential peace deal continued, although Russia remained unwilling to making concessions. Russia's attacks on Ukraine continued, while Russia persisted with its hybrid threats against Europe. In this context, the EU agreed to grant Ukraine a 90 billion euro loan financed by issuing Eurobonds, most of it for the purchase of military equipment.

On a different topic, the news related to the tariff war was a bit more positive. The United States and China reached an agreement whereby the US undertook to halve the fentanyl-related tariffs imposed on China (from 20% to 10%) and to suspend any increases in additional reciprocal tariffs for one year. China, for its part, also agreed to cut tariffs, suspend certain export controls on rare earths and to resume its purchases of soybeans and other agricultural products. In addition, the EU's prime ministers agreed to sign a trade deal between the EU and Mercosur, although this still needs to be approved the European Parliament and by the national parliaments of the Mercosur countries before it can come into force.

The global economy continued to show resilience despite considerable uncertainty. The US economy showed considerable momentum and posted quarterly growth of 1.1% in Q3 2025. The North American economy was supported by the significant investments in AI. On a more negative note, the labour market continued to show weakness. In other news, Republicans and a group of Democrats came to an agreement to end the government shutdown (the longest in history, lasting 43 days). However, this agreement only offered government funding until 30 January. In the Eurozone, the economy also showed remarkable resilience, given the uncertain environment, and posted quarterly growth of 0.3% in Q3 2025. In addition, Germany saw its economy record growth in 2025 (0.2%), for the first time since 2022. In France, the government failed to approve the budget for 2026, so it extended the 2025 budget, against a backdrop of deep political fragmentation.

Lastly, inflation ceased to be a concern for investors, despite service inflation remaining at high levels. In the Eurozone, annual inflation in December stood at 1.9%, in line with the ECB target, while in the US it dropped to 2.6%.

Economic situation in Spain

Spain's economy continued to be robust in Q4 2025. There were improvements in both industrial production and business turnover. The figures related to the tourism industry remained at all-time-high levels, but revealed more moderate growth than in recent years. Despite this slower growth of tourism, confidence in the services sector climbed to a one-year high in December, driven by the strength of domestic demand. Conversely, at the end of the quarter, confidence in the manufacturing sector fell into negative territory for the first time since April, affected by trade tensions, Chinese competition and the weakness of trade partners, something that was also reflected in the deteriorated trade balance. As for the job market, the pace of new social security enrolments picked up in Q4 2025, recording a full-year growth figure of 2.3% (2024: 2.4%). Against this backdrop, the Bank of Spain published its forecasts, in which it expects growth in Q4 2025 to be between 0.6% and 0.7% quarter-on-quarter (Q3 2025: 0.6%), and in which it raised its annual growth forecasts to 2.9% for 2025, to 2.2% for 2026, and to 2.0% for 2027.

In terms of inflation, this accelerated slightly compared to Q3 2025, reaching 3.2% year-on-year in October and November and then dropping to 3.0% at the end of the year. These movements were particularly influenced by energy and food prices. Inflation for the full year dropped to 2.7% (2024: 2.9%).

As regards economic policy, it is worth noting that the European Commission approved the Spanish government's revised Recovery Plan. This updated version removes and/or facilitates the achievement of certain targets for the disbursement of pending transfers and limits the loans that will be requested to 25% of the total amount initially available, as interest rates in the EU are less attractive than Spanish government bond yields and there is limited time in which to spend the funds.

Economic situation in the United Kingdom

The economy recorded growth in Q3 2025, albeit slightly less than expected. Even so, the initial data for Q4 2025 was positive and pointed towards moderate expansion. A complicated international environment and sluggish consumption growth are behind the lacklustre British economy over the year. The job market continued to show no signs of improving, with the unemployment rate rising above 5% in October, the highest figure since 2021. Even so, salaries continued to grow at a fast pace of just under 5% year-on-year.

In terms of inflation, prices continued to be above the central bank's target, although they did show some improvement in the last few months. Headline inflation reached 3.2% year-on-year in November, as did core inflation. The services component, which is the stickiest of the basket, continued to gradually improve, although it remains above 4% year-on-year. Food prices were the other factor pushing up headline inflation in recent months, with the year-on-year change climbing to 5%, although there were signs that it was easing.

Economic situation in Mexico

Activity in Mexico continued to be weighed down by uncertainty in connection with trade and the USMCA review. The latest data published for Q4 2025 continues to point towards weak economic activity, after the contraction observed in Q3 2025. The external sector was the exception to the rule, underpinned by electronic goods exports related to the AI boost. For 2026, growth expectations point towards a slight recovery of activity, driven by an environment of lower interest rates, once the uncertainty related to USMCA, which is due to be revised in July 2026, dissipates.

On the other hand, during Q4 2025 the Mexican peso continued to show resilience in the context of a weak US dollar, appreciating by around 2.0% in its currency pair with the dollar to its most appreciated levels since July 2024. In this context, the central bank continued with its cycle of interest rate cuts, placing the official interest rate at 7.00% in December and, although it signalled that it might pause the cycle, it still left the door open to further cuts. Meanwhile, annual inflation remained within the central bank's target range (2.0%-4.0%), ending the year at 3.7%, while the core component stayed slightly above this range, ending the year at 4.3%.

In fiscal terms, it is worth noting the approval by Congress of tariffs on goods from countries with which Mexico has no free trade agreements, mainly in Asia (China, South Korea, India, Vietnam, Thailand, Indonesia and Taiwan). The products concerned include textiles, steel, aluminium, footwear, plastics, toys, household appliances, car parts and vehicles, with tariffs of up to 50%, which came into effect on 1 January 2026. This action seeks to align with US trade policy, which is regarded as a measure of complacency ahead of this year's review of the USMCA deal.

Fixed-income markets

The ECB kept the deposit facility rate unchanged at 2.00%, in a context in which inflation is in line with the 2.0% target. Lagarde insisted that, given the extremely uncertain geopolitical landscape, decisions will be made on a meeting-by-meeting basis and that all options are on the table. Talks about who might replace Lagarde when her term ends in 2027 have already begun. Key candidates include Schnabel, who is currently on the central bank's Executive Committee, which could make it hard to appoint her as President; de Cos, former Bank of Spain governor; and Knot, former president of De Nederlandsche Bank.

The Federal Reserve, for its part, reduced the target Fed Funds rate to 3.50%-3.75% in Q4 2025, against a backdrop in which the central bank appeared willing to reduce the level of monetary restriction given the deterioration of the labour market. According to its revised forecasts, the Fed does not envisage any substantial deterioration of the economy, although it does expect to see prices rise above the target during this year and the next, due in part to the tariff shock. The Fed also ended its quantitative tightening process on 1 December 2025. In addition, during the December monetary policy meeting, it decided to start making additional short-term debt purchases to maintain ample reserves and avoid tensions in the repos market.

The Bank of England continued with its cycle of interest rate cuts, lowering the base rate by a further 25 bps to 3.75% in December, after putting them on hold in August. The central bank appeared in favour of gradually lowering interest rates with its 'meeting-by-meeting' approach and signalled the high level of global uncertainty. However, the Bank of England is still divided, with several of its members preferring a more cautious trend of rate cuts in the face of potentially sticky inflation.

Long-term government bond yields performed better in some countries than others. In the United States, long-term interest rates ended the quarter at similar levels to those of the previous period and close to their lowest points for the year. In the first half of the quarter, yields were driven down by concerns about the impact of the government shutdown and by trade tensions between the US and China. However, the subsequent trade deal reached between both countries, alongside the solidity of certain macroeconomic indicators and the growing fiscal concerns in Japan, all served to reverse this trend.

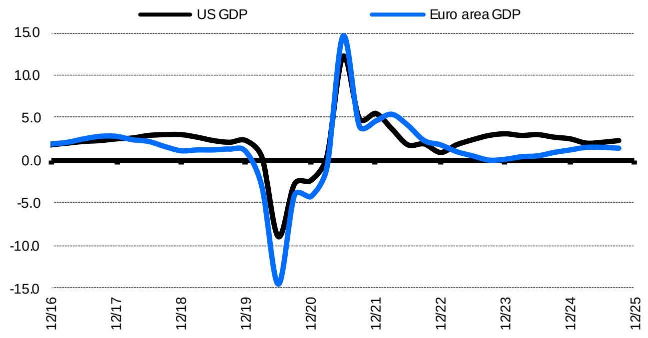
In Germany, on the other hand, long-term interest rates ended the quarter at higher levels close to the year's maximum points. This performance was largely influenced by the faster pace at which public debt was being issued as a result of the increased tax expenditure. Lastly, in the United Kingdom, the markets reacted positively to the budget unveiled by the government, which translated into a reduction in long-term bond yields.

The risk premiums on peripheral countries' debt narrowed throughout the quarter, as their tax risk was perceived as being comparatively lower than Germany's. In this context, Spain and Italy's risk premiums dropped to their lowest since 2009, also coinciding with improvements in their credit ratings. French debt also exhibited improved performance. Despite this, Moody's and S&P downgraded the rating on French debt, so its risk premium ended the year above Italy's.

Equity markets

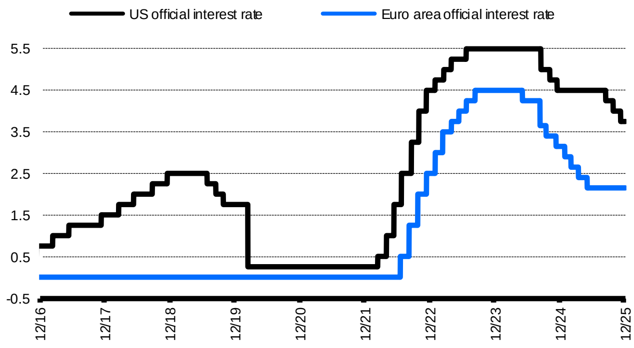
The main stock market indices of the developed economies did well in Q4 2025, benefitting, among other factors, from the resilience of the global economy, the end of the government shutdown in the US, and the trade deal reached between China and the United States. Towards the end of the year, however, certain concerns emerged regarding the high valuations of US tech firms, which were boosted by artificial intelligence developments. The S&P 500 gained 2.4% in dollars (2.5% in euros), while the Euro Stoxx 50 gained 4.7% in euros and Spain's IBEX posted an impressive increase of 11.8%.

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



Source: Bloomberg

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



Exchange rates: Parity vs. euro

	31.12.24	31.03.25	30.06.25	30.09.25	31.12.25
USD	1.0389	1.0815	1.1720	1.1741	1.1750
GBP	0.8292	0.8354	0.8555	0.8734	0.8726
MXN	21.5504	22.0627	22.0899	21.5314	21.1180

Source: Bank of Spain

Income statement

Summary of results:

The Group's net profit amounted to 1,775 euros as at the end of 2025 (1,458 million euros excluding TSB), bringing RoTE to 14.3%.

It is mainly worth highlighting the good evolution of asset quality, credit provisions and real estate provisions, which delivered improvements both in the credit cost of risk, which stood at 21 bps at the Group level and at 24 bps ex-TSB as at the end of 2025, and in the total cost of risk, which stood at 31 bps at the Group level and at 37 bps ex-TSB.

Cumulative income statement

		Excl. TSB			Total group			
(€ millions)		FY24	FY25	YoY (%)	FY24	FY25	YoY (%)	YoY (%) at constant FX
Net interest income		**3,858**	**3,604**	**-6.6**	**5,021**	**4,837**	**-3.7**	**-2.9**
Net fees and commissions		1,249	1,295	3.6	1,357	1,384	2.0	2.4
Core revenues		**5,107**	**4,899**	**-4.1**	**6,378**	**6,221**	**-2.5**	**-1.8**
Net trading income and exchange differences		49	-20	--	87	4	-95.0	-95.1
Income from equity method and dividends		166	181	8.9	166	181	8.9	8.9
Other operating income/expense		-271	-110	-59.6	-294	-122	-58.4	-58.6
Gross operating income		**5,051**	**4,951**	**-2.0**	**6,337**	**6,284**	**-0.8**	**-0.2**
Operating expenses		-1,817	-1,867	2.7	-2,583	-2,600	0.7	1.5
Personnel expenses		-1,154	-1,209	4.7	-1,531	-1,576	2.9	3.6
Other general expenses		-664	-658	-0.8	-1,051	-1,025	-2.6	-1.5
Amortisation & depreciation		-379	-384	1.4	-501	-500	-0.2	0.4
Total costs		-2,197	-2,251	2.5	-3,084	-3,100	0.5	1.3
Memorandum item:								
Recurrent costs		-2,197	-2,251	2.5	-3,062	-3,100	1.2	2.1
Non-recurrent costs		0	0	--	-21	0	-100.0	-100.0
Pre-provisions income		**2,855**	**2,699**	**-5.4**	**3,254**	**3,184**	**-2.1**	**-1.6**
Provisions for NPLs		-531	-426	-19.9	-567	-481	-15.2	-14.8
Provisions for other financial assets		-67	-39	-42.2	-69	-39	-43.2	-43.1
Other impairments		-78	-27	-65.8	-78	-27	-65.8	-65.8
Gains on sale of assets and other results		-18	-37	109.5	-26	-37	40.7	43.0
Profit before tax		**2,161**	**2,171**	**0.5**	**2,514**	**2,601**	**3.5**	**4.1**
Income tax		-585	-712	21.7	-685	-824	20.2	20.8
Minority interest		2	2	-0.9	2	2	-0.9	-0.9
Attributable net profit		**1,574**	**1,458**	**-7.4**	**1,827**	**1,775**	**-2.8**	**-2.2**
Memorandum item:								
Core results (NII + net fees and commissions - costs)	(1)	2,911	2,648	-9.0	3,315	3,121	-5.9	-5.3

(1) Calculation taking into account recurrent costs.
NOTE: The income statement used for management reporting includes the income/expenses of TSB for each line item, just as it has done in previous quarters.

Quarterly income statement

(€millions)	Excl. TSB 4Q24	1Q25	2Q25	3Q25	4Q25	QoQ (%)	Total group 4Q24	1Q25	2Q25	3Q25	4Q25	QoQ (%)	QoQ (%) at constant FX
Net interest income	**969**	**904**	**906**	**899**	**895**	**-0.5**	**1,275**	**1,216**	**1,209**	**1,203**	**1,209**	**0.5**	**0.7**
Net fees and commissions	322	322	327	314	332	5.9	347	344	350	337	352	4.5	4.5
Core revenues	**1,290**	**1,226**	**1,233**	**1,213**	**1,227**	**1.2**	**1,621**	**1,560**	**1,560**	**1,540**	**1,561**	**1.4**	**1.5**
Net trading income and exchange differences	21	26	-9	-31	-4	-86.3	31	33	-4	-26	2	--	--
Income from equity method and dividends	35	61	41	34	45	34.8	35	61	41	34	45	34.8	34.8
Other operating income/expense	-65	-30	-13	-11	-56	--	-76	-12	-23	-21	-65	208.2	208.9
Gross operating income	**1,282**	**1,283**	**1,251**	**1,204**	**1,212**	**0.7**	**1,612**	**1,641**	**1,573**	**1,526**	**1,544**	**1.1**	**1.3**
Operating expenses	-465	-464	-446	-470	-486	3.4	-651	-644	-634	-652	-670	2.8	3.0
Personnel expenses	-287	-298	-294	-301	-315	4.6	-381	-385	-388	-392	-410	4.6	4.8
Other general expenses	-179	-166	-153	-169	-171	1.2	-269	-259	-246	-259	-260	0.1	0.4
Amortisation & depreciation	-92	-85	-89	-91	-119	30.9	-126	-114	-118	-121	-148	22.4	22.6
Total costs	-558	-550	-535	-561	-605	7.9	-776	-758	-752	-772	-818	5.9	6.1
Pre-provisions income	**724**	**733**	**716**	**643**	**608**	**-5.5**	**836**	**883**	**821**	**754**	**726**	**-3.7**	**-3.7**
Provisions for NPLs	-85	-87	-92	-117	-130	11.0	-80	-106	-95	-133	-146	9.9	10.0
Provisions for other financial assets	-32	-16	-5	-3	-14	--	-32	-17	-3	-4	-16	--	--
Other impairments	-41	-25	-16	-6	20	--	-41	-25	-16	-6	20	--	--
Gains on sale of assets and other results	-13	-12	-1	-4	-20	--	-14	-11	-1	-4	-20	--	--
Profit before tax	**554**	**594**	**601**	**513**	**463**	**-9.7**	**669**	**724**	**706**	**607**	**563**	**-7.2**	**-7.1**
Income tax	-106	-200	-190	-169	-153	-9.6	-136	-235	-219	-193	-177	-8.3	-8.2
Minority interest	1	0	1	0	1	--	1	0	1	0	1	--	--
Attributable net profit	**447**	**394**	**410**	**344**	**310**	**-10.0**	**532**	**489**	**486**	**414**	**386**	**-6.9**	**-6.8**
Memorandum item:													
Core results (NII + net fees and commissions - costs) (1)	733	676	698	652	622	-4.6	845	801	808	768	744	-3.1	-3.1

(1) Calculation taking into account recurrent costs.
NOTE: The income statement used for management reporting includes the income/expenses of TSB for each line item, just as it has done in previous quarters.

Net interest income:

Net interest income amounted to 4,837 million euros as at the end of 2025, representing a year-on-year reduction of -3.7%, mainly driven by the ex-TSB performance, which fell by -6.6%, mainly due to lower credit yields and a reduced contribution from credit institutions impacted by lower interest rates, partially offset by the positive performance of volumes and by the growth recorded at TSB, in turn driven by the structural hedge.

Quarter-on-quarter, net interest income was up by 0.5%, driven by the positive performance of TSB. Excluding TSB, it was down by -0.5%, mainly due to lower credit yields in Spain, with a more moderate impact than in previous quarters. This effect was partially offset by the improvement in volumes and lower costs of both deposits and wholesale funding.

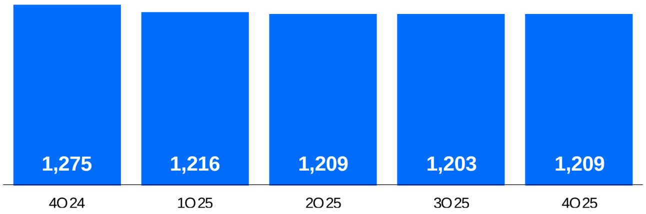
Customer margin and net interest margin:

The customer margin stood at 2.93% as at 2025 year-end, representing a reduction of 14 bps compared to the end of the previous year excluding a one-off collection of interest on arrears in 2024, and an improvement of 1 bp in the quarter due to the lower cost of funds, which offset the reduced credit yield. Excluding TSB, the customer margin stood at 2.88%, representing a reduction of 30 bps compared to the end of the previous year excluding a one-off collection of interest on arrears in 2024 and of 3 bps during the quarter.

Excluding the one-off collection of interest on arrears in 2024, the net interest margin as a percentage of average total assets fell by 2 bps year-on-year and rose by 5 bps during the quarter, while ex-TSB it fell by 8 bps year-on-year and grew by 4 bps in the quarter.

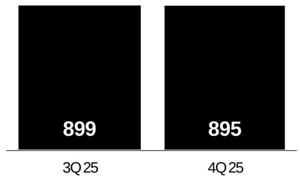
Evolution of net interest income

Total group (€ millions)



	Total group	Constant FX
Change YoY:	-3.7%	-2.9%
Change QoQ:	+0.5%	+0.7%

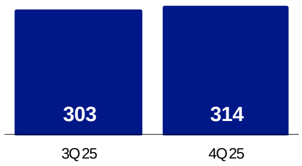
Sabadell Excl. TSB (€ millions)



Change YoY:
-6.6%

Change QoQ:
-0.5%

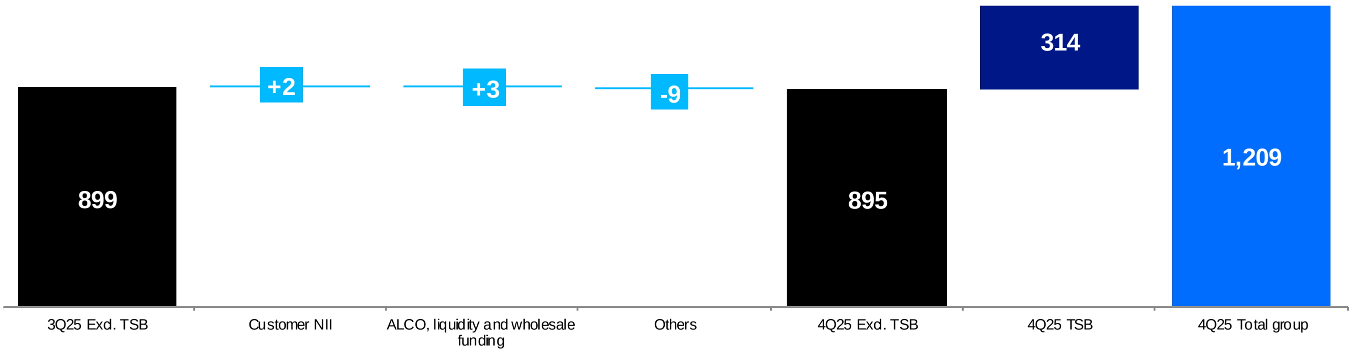
TSB (€ millions)



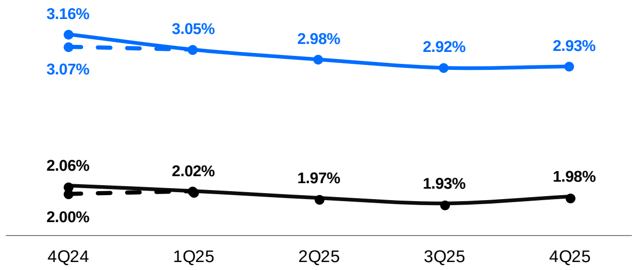
Change YoY:
+5.9%
+7.2% Constant FX

Change QoQ:
+3.5%
+4.6% Constant FX

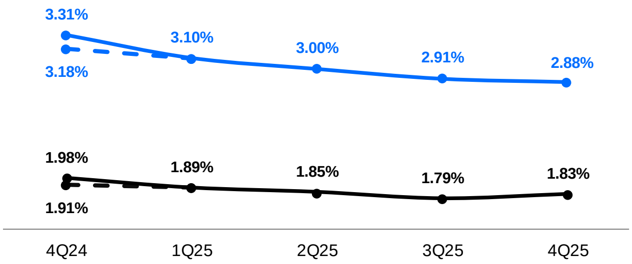
Quarterly evolution of net interest income (€ million)



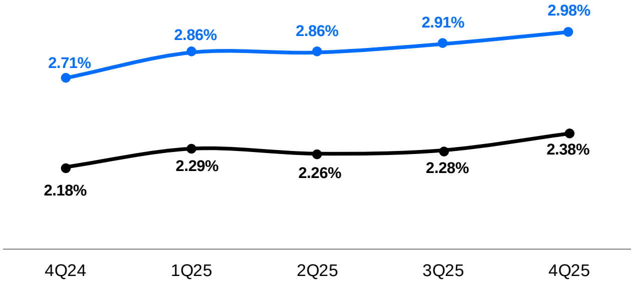
Net interest income, Group (%)



Net interest income, ex-TSB (%)



Net interest income, TSB (%)



Customer spread
Net interest margin as % of ATA
Customer spread, excluding extraordinary interest on arrears
Net interest margin as % of ATA, excluding extraordinary interest on arrears

Gains and charges in the quarter

Total Group

(€ millions)	4Q24			1Q25			2Q25			3Q25			4Q25		
	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results
Cash and cash equivalents (1)	37,340	3.70	347	34,298	3.27	276	33,735	2.91	245	33,140	2.63	219	26,816	2.67	181
Loans to customers (net)	156,492	4.37	1,718	157,998	4.17	1,625	158,509	4.06	1,604	159,705	3.86	1,555	160,547	3.84	1,552
Fixed-income securities	32,699	3.32	273	33,760	3.23	269	35,448	3.08	272	36,758	3.00	278	37,347	2.96	279
Equity securities	1,108	--	--	1,606	--	--	1,452	--	--	1,116	--	--	1,300	--	--
Tang. & intang. assets	4,500	--	--	4,451	--	--	4,427	--	--	4,268	--	--	4,017	--	--
Other assets	14,011	2.78	98	12,818	2.35	74	13,030	1.89	62	12,186	1.81	56	12,160	1.06	33
Total assets	**246,150**	**3.94**	**2,436**	**244,932**	**3.72**	**2,245**	**246,602**	**3.55**	**2,183**	**247,173**	**3.38**	**2,107**	**242,187**	**3.35**	**2,044**
Financial institutions (2)	24,189	-3.65	-222	22,572	-3.22	-179	26,124	-2.78	-181	29,090	-2.52	-185	23,278	-2.59	-152
Customer deposits	166,506	-1.21	-507	167,973	-1.12	-465	166,960	-1.08	-448	166,462	-0.94	-394	167,837	-0.91	-386
Capital markets	28,063	-4.18	-295	27,926	-3.89	-268	28,010	-3.56	-249	26,657	-3.35	-225	26,281	-3.23	-214
Other liabilities	12,545	-4.34	-137	11,370	-4.17	-117	10,913	-3.52	-96	10,845	-3.69	-101	10,543	-3.14	-83
Shareholders' equity	14,847	--	--	15,092	--	--	14,595	--	--	14,118	--	--	14,247	--	--
Total funds	**246,150**	**-1.88**	**-1,161**	**244,932**	**-1.70**	**-1,029**	**246,602**	**-1.58**	**-974**	**247,173**	**-1.45**	**-904**	**242,187**	**-1.37**	**-835**
Net interest income			**1,275**			**1,216**			**1,209**			**1,203**			**1,209**
Customer spread		**3.16**			**3.05**			**2.98**			**2.92**			**2.93**	
Net interest margin as % of ATA		**2.06**			**2.02**			**1.97**			**1.93**			**1.98**	

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

Sabadell ex-TSB

(€ millions)	4Q24			1Q25			2Q25			3Q25			4Q25		
	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results	Avge. balance	Rate %	Results
Cash and cash equivalents (1)	31,591	3.49	277	29,100	3.06	220	28,978	2.69	194	28,256	2.39	170	21,926	2.41	133
Loans to customers (net)	112,740	4.41	1,249	114,315	4.09	1,153	115,675	3.88	1,120	118,000	3.68	1,093	119,104	3.64	1,093
Fixed-income securities	30,428	3.28	251	31,514	3.21	249	33,186	3.06	254	34,496	2.99	260	34,893	2.97	261
Other assets	19,325	0.59	29	18,817	0.48	22	18,858	0.47	22	17,602	0.65	29	17,632	0.26	12
Total assets	**194,084**	**3.70**	**1,806**	**193,745**	**3.44**	**1,645**	**196,697**	**3.24**	**1,590**	**198,354**	**3.10**	**1,552**	**193,554**	**3.07**	**1,499**
Financial institutions (2)	22,069	-3.51	-195	21,464	-3.13	-166	25,379	-2.73	-173	28,405	-2.48	-177	22,600	-2.54	-145
Customer deposits	124,633	-1.10	-343	126,338	-0.99	-309	126,078	-0.88	-278	126,488	-0.77	-244	128,014	-0.76	-244
Capital markets	23,622	-3.97	-235	23,216	-3.65	-209	23,078	-3.29	-190	21,808	-3.08	-169	21,446	-2.99	-161
Other liabilities and shareholders' equity	23,761	-1.07	-64	22,726	-1.01	-57	22,162	-0.78	-43	21,652	-1.13	-62	21,495	-0.98	-53
Total funds	**194,084**	**-1.72**	**-837**	**193,745**	**-1.55**	**-741**	**196,697**	**-1.39**	**-684**	**198,354**	**-1.31**	**-652**	**193,554**	**-1.24**	**-604**
Net interest income			**969**			**904**			**906**			**899**			**895**
Customer spread		**3.31**			**3.10**			**3.00**			**2.91**			**2.88**	
Net interest margin as % of ATA		**1.98**			**1.89**			**1.85**			**1.79**			**1.83**	

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

Profit or loss on financial operations and exchange differences:

As at the end of 2025, this item came to a total of 4 million euros, declining in comparison with the end of the previous year, mainly due to the sterling hedge on the sale price of TSB, with an impact that amounts to c.-30 million euros in 2025, and due to a repurchase subordinated bonds. Compared to the previous quarter, this item increased by 28 million euros.

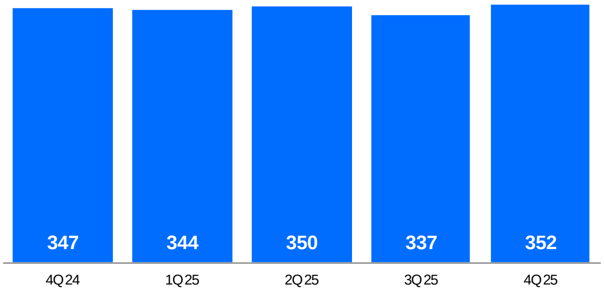
Net fees and commissions:

Net fees and commissions amounted to 1,384 million euros as at the end of the year, representing a year-on-year increase of 2.0% at the Group level and of 3.6% excluding TSB, mainly as a result of increased asset management and insurance fees stemming from the strong growth of off-balance-sheet customer funds.

Quarter-on-quarter, they increased by 4.5% at the Group level (5.9% excluding TSB), mainly due to the increase in asset management and insurance fees, driven by the positive seasonality of the fourth quarter related to the collection of success fees.

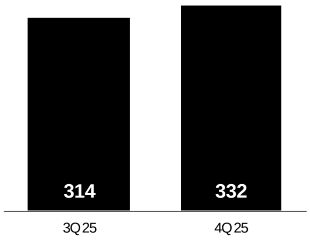
Evolution of net fees and commissions

Total group (€ millions)



	Total group	Constant FX
Change YoY:	+2.0%	+2.4%
Change QoQ:	+4.5%	+4.5%

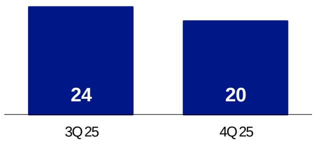
Sabadell Excl. TSB (€ millions)



Change YoY:
+3.6%

Change QoQ:
+5.9%

TSB (€ millions)



Change YoY:
-16.5%
-15.5% Constant FX

Change QoQ:
-14.0%
-12.7% Constant FX

Net fees and commissions

	Excl. TSB			Total group			Excl. TSB			Total group		
(€ millions)	3Q25	4Q25	QoQ (%)	3Q25	4Q25	QoQ (%)	FY24	FY25	YoY (%)	FY24	FY25	YoY (%)
Lending fees	41	47	13.5	41	47	13.5	178	177	-0.5	178	177	-0.5
Guarantees commissions	23	26	9.0	23	26	9.0	102	98	-4.6	102	98	-4.6
Risk transaction fees	**65**	**72**	**11.9**	**65**	**72**	**11.9**	**280**	**275**	**-2.0**	**280**	**275**	**-2.0**
Cards	51	41	-19.1	64	54	-15.7	162	178	9.9	227	232	1.9
Payment orders	16	16	-0.1	16	16	0.0	80	64	-20.1	82	65	-19.8
Securities	16	17	7.9	16	17	7.9	63	69	10.2	63	69	10.2
Sight accounts	52	56	6.1	60	62	3.6	226	221	-2.1	255	250	-1.9
Foreign currency and notes exchange	20	20	1.0	27	26	-2.5	85	84	-1.7	113	109	-4.0
Other transactions	11	8	-27.0	4	0	--	48	52	9.1	20	22	9.9
Services fees	**166**	**159**	**-4.8**	**187**	**176**	**-6.0**	**664**	**668**	**0.7**	**760**	**747**	**-1.7**
Mutual funds	31	33	5.0	31	33	5.0	121	125	3.4	121	125	3.4
Pension funds and insurance brokerage	43	46	8.2	45	49	7.9	153	174	13.8	164	185	12.6
Managed accounts	8	22	163.5	8	22	163.5	31	53	67.3	31	53	67.3
Asset Under Management and insurance fees	**82**	**101**	**22.7**	**85**	**104**	**22.0**	**305**	**352**	**15.2**	**317**	**362**	**14.5**
Total commissions	**314**	**332**	**5.9**	**337**	**352**	**4.5**	**1,249**	**1,295**	**3.6**	**1,357**	**1,384**	**2.0**

Income from equity method and dividends:

This item came to 181 million euros as at the end of 2025, increasing by 8.9% year-on-year and by 34.8% during the quarter, mainly due to increased revenue from the insurance business.

Other operating income and expenses:

This line item amounted to -122 million euros as at the end of 2025, compared to -294 million euros at the end of 2024. The positive year-on-year variation is mainly due to the banking levy, whose final year of application was 2024 and which represented an expense of -192 million euros in that period. In 2025, the Tax on the net interest income and fees of certain financial institutions came into force, amounting to -123 million euros, and it is recorded under the line item Income tax.

The negative quarter-on-quarter variation is mainly due to the recognition, in the fourth quarter of the year, of -39 million euros due to the payment of the tax on deposits of credit institutions (*Impuesto sobre Depósitos de Entidades de Crédito*, or IDEC) and of -7 million euros due to contributions to the securities guarantee compartment of the Deposit Guarantee Fund.

Total costs:

Total costs came to -3,100 million euros as at the end of 2025, representing a year-on-year increase of 0.5% (2.5% excluding TSB), where it is worth mentioning the increase in personnel expenses.

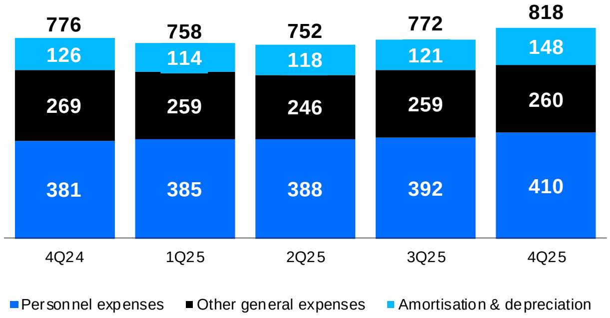
Quarter-on-quarter, total costs were up by 5.9% at the Group level and by 7.9% excluding TSB, driven by an increase in personnel expenses and in amortisation/depreciation expenses, which include the reclassification from provisions for expenses related to Paycomet assets, after the agreement for its sale to Nexi ceased to be in effect.

Total costs

	Excl. TSB			Total group			Excl. TSB			Total group		
(€ millions)	3Q25	4Q25	QoQ (%)	3Q25	4Q25	QoQ (%)	FY24	FY25	YoY (%)	FY24	FY25	YoY (%)
Personnel expenses	**-301**	**-315**	**4.6**	**-392**	**-410**	**4.6**	**-1,154**	**-1,209**	**4.7**	**-1,531**	**-1,576**	**2.9**
IT and communications	-64	-61	-5.0	-115	-120	4.4	-229	-250	9.3	-458	-499	9.0
Publicity	-20	-17	-15.5	-23	-20	-13.3	-81	-65	-20.0	-105	-81	-23.1
Property and plant	-8	-8	3.0	-15	-15	6.4	-32	-33	5.1	-56	-62	10.3
Technical reports and judicial expenses	-9	-12	44.2	-13	-17	32.3	-66	-43	-35.4	-79	-59	-25.1
Outsourced administrative services	-19	-15	-19.1	-34	-21	-38.6	-71	-71	0.1	-122	-88	-28.1
Contributions and taxes	-31	-36	12.8	-33	-37	10.9	-113	-122	7.6	-122	-129	5.8
Others	-18	-22	20.7	-27	-30	9.5	-72	-74	4.0	-110	-107	-2.2
Other general expenses	**-169**	**-171**	**1.2**	**-259**	**-260**	**0.1**	**-664**	**-658**	**-0.8**	**-1,051**	**-1,025**	**-2.6**
Amortisation & depreciation	**-91**	**-119**	**30.9**	**-121**	**-148**	**22.4**	**-379**	**-384**	**1.4**	**-501**	**-500**	**-0.2**
Total costs	**-561**	**-605**	**7.9**	**-772**	**-818**	**5.9**	**-2,197**	**-2,251**	**2.5**	**-3,084**	**-3,100**	**0.5**
Memorandum item:												
Recurrent costs	-561	-605	7.9	-772	-818	5.9	-2,197	-2,251	2.5	-3,062	-3,100	1.2
Non-recurrent costs	0	0	--	0	0	--	0	0	--	-21	0	-100.0
Efficiency ratio (%)							43.5	45.5		48.7	49.3	

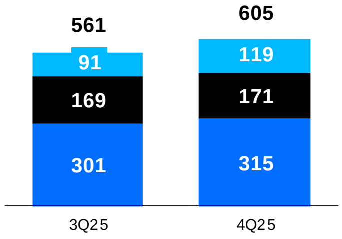
Evolution of total costs

Total group (€ millions)



	Total group	Constant FX
Change YoY:	+0.5%	+1.3%
Change QoQ:	+5.9%	+6.1%

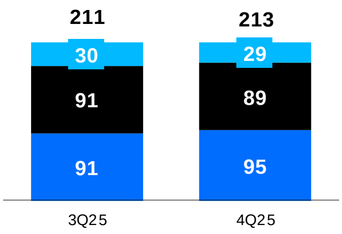
Sabadell Excl. TSB (€ millions)



Change YoY:
+2.5%

Change QoQ:
+7.9%

TSB (€ millions)



Change YoY:
-4.3%
-3.2% Constant FX

Change QoQ:
+0.7%
+1.8% Constant FX

Provisions for credit losses and other impairments:

This item came to a total of -546 million euros as at the end of 2025, compared to -714 million euros as at the end of the previous year, representing a year-on-year reduction of -23.5% (-27.4% ex-TSB), due to an improvement in both credit provisions and real estate provisions.

Provisions remained steady during the quarter.

This level of provisions allows for a year-on-year improvement in both credit cost of risk, which as at the end of 2025 stood at 21 bps at the Group level and at 24 bps ex-TSB, and total cost of risk, which amounted to 31 bps at the Group level and 37 bps ex-TSB.

Gains on sale of assets and other results:

Gains on the sale of assets and other results amounted to -37 million euros as at 2025 year-end, increasing both during the year and during the quarter, mainly due to the recognition of asset write-offs.

Net profit:

The Group's net profit amounted to 1,775 million euros (1,458 million euros ex-TSB) as at the end of 2025, representing a year-on-year reduction of -2.8% (-7.4% ex-TSB), as 2024 included the recognition of 109 million euros, net, of extraordinary impacts (115 million euros net ex-TSB). Not including these impacts, the Group's net profit was up by 3.4%, while in ex-TSB terms it remained in line with the previous year's figure.

Balance sheet

Highlights:

Performing loans displayed a positive trend in year-on-year terms, despite the depreciation of the pound and the US dollar, due to the good performance both of Spain, which recorded growth across all segments, particularly its mortgage book, and of the businesses abroad, notably Miami and Mexico.

In the quarter, performing loans posted a reduction, affected by seasonality of SMEs and Corporates segment in Spain, partially offset by the growth of the business abroad, with Mexico in particular doing very well.

Customer funds posted year-on-year growth, due to an increase in on-balance sheet funds, driven by the growth of demand deposits, and also due to an increase in off-balance sheet funds, mainly mutual funds, helped by positive net subscriptions, third-party insurance products, and assets under management.

In the quarter, customer funds also recorded growth, where it is worth highlighting the increase in on-balance sheet customer funds held in both demand deposits and term deposits.

Balance sheet

(€millions)	31.12.24	30.09.25	31.12.25	Change YoY (%)	Change QoQ (%)
Cash, cash balances at central banks and other demand deposits	18,382	20,754	17,206	-6.4	-17.1
Financial assets held for trading and fair value with changes in PL	3,607	3,376	3,804	5.5	12.7
Financial assets in fair value OCI	6,370	6,630	6,320	-0.8	-4.7
Financial assets at amortised cost	196,520	199,782	204,104	3.9	2.2
Loans and advances to customers	158,872	162,770	162,437	2.2	-0.2
Loans and advances of central banks and credit institutions	12,772	9,031	12,322	-3.5	36.4
Debt securities	24,876	27,980	29,346	18.0	4.9
Investments in subsidaries, joint ventures and associates	525	489	482	-8.2	-1.6
Tangible assets	2,078	1,960	1,978	-4.8	0.9
Intangible assets	2,549	2,560	2,642	3.6	3.2
Non-current assets and disposal groups classified as held for sale	718	691	667	-7.1	-3.5
Other assets	8,848	8,286	8,188	-7.5	-1.2
Total assets	**239,598**	**244,529**	**245,392**	**2.4**	**0.4**
Financial liabilities held for trading and fair value with changes in PL	2,381	1,979	2,252	-5.4	13.8
Financial liabilities at amortised cost	220,228	226,485	227,445	3.3	0.4
Central banks	1,697	680	686	-59.6	0.9
Credit institutions	14,822	13,785	19,846	33.9	44.0
Customer deposits	169,823	179,056	174,853	3.0	-2.3
Debt securities issued	27,437	26,111	26,054	-5.0	-0.2
Other financial liabilities	6,450	6,853	6,005	-6.9	-12.4
Provisions	478	418	370	-22.6	-11.6
Liabilities included in disposal groups classified as held for sale	30	39	0	-99.9	-99.9
Other liabilities	1,447	1,496	1,244	-14.1	-16.9
Subtotal liabilities	**224,565**	**230,417**	**231,311**	**3.0**	**0.4**
Shareholders' equity	15,389	14,654	14,631	-4.9	-0.2
Accumulated other comprehensive income	-391	-576	-584	49.2	1.3
Minority interest	34	35	35	0.5	0.2
Net equity	**15,033**	**14,112**	**14,082**	**-6.3**	**-0.2**
Total liabilities and net equity	**239,598**	**244,529**	**245,392**	**2.4**	**0.4**
Financial guarantees granted	1,980	1,836	1,835	-7.3	-0.1
Commitments for loans granted	28,775	26,807	27,316	-5.1	1.9
Other commitments granted	9,366	7,804	9,714	3.7	24.5

Assets:

The Group's total assets amounted to 245,392 million euros (197,012 million euros ex-TSB) as at the end of 2025, representing an increase of 2.4% year-on-year (4.7% ex-TSB) and of 0.4% in the quarter (0.4% ex-TSB).

Loans and advances to customers:

Performing loans ended 2025 with a balance of 160,708 million euros, increasing by 2.4% year-on-year, affected by the depreciation of the pound and the US dollar, as considering constant exchange rates their growth rises to 4.6%, due to the good performance of both Spain and the businesses abroad. In the quarter, this item fell by -0.2%, affected by the seasonality of SMEs and Corporates in Spain.

In the Spain perimeter (which includes the foreign branches in Europe and Miami), gross performing loans showed an improvement of 4.9% in year-on-year terms, growing across all segments, with the increase in the mortgage book being particularly noteworthy. In the quarter, this item fell by -0.7%, affected by seasonality in SMEs and Corporates segment.

Gross performing loans in foreign branches (Europe and Miami) amounted to 11,346 million euros, thus increasing by 2.2% year-on-year, affected by the depreciation of the US dollar, and by 1.0% during the quarter. At constant exchange rates, they increased by 11.3% over the year.

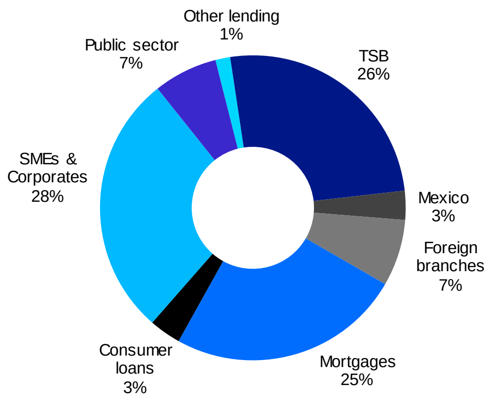
At TSB, gross performing loans decreased by -5.3% year-on-year, affected by the depreciation of the pound sterling, as considering a constant exchange rate they fell by just -0.3%. In the quarter, they posted growth of 0.3%, due to the increase of the mortgage book.

Mexico recorded growth of 16.6% year-on-year and of 7.5% in the quarter, impacted by the evolution of the US dollar and the Mexican peso. At constant exchange rates, the change becomes an increase of 23.5% year-on-year and of 6.3% in the quarter.

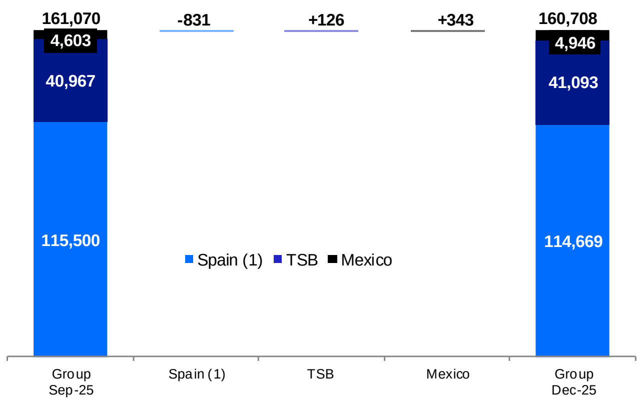
Loans and advances to customers

(€ millions)	Excl. TSB			Change		Total group			Change	
	31.12.24	30.09.25	31.12.25	YoY (%)	QoQ (%)	31.12.24	30.09.25	31.12.25	YoY (%)	QoQ (%)
Mortgage loans & credits	48,447	50,343	51,141	5.6	1.6	89,185	88,901	89,844	0.7	1.1
Other secured loans & credits	5,670	4,956	6,617	16.7	33.5	5,924	5,130	6,771	14.3	32.0
Working capital	8,356	8,481	8,605	3.0	1.5	8,356	8,481	8,605	3.0	1.5
Leasing	2,376	2,611	2,527	6.4	-3.2	2,376	2,611	2,527	6.4	-3.2
Unsecured lending and others	48,684	53,712	50,725	4.2	-5.6	51,071	55,947	52,961	3.7	-5.3
Performing gross loans	**113,533**	**120,103**	**119,615**	**5.4**	**-0.4**	**156,913**	**161,070**	**160,708**	**2.4**	**-0.2**
Stage 3 assets (customer)	3,933	3,367	3,282	-16.5	-2.5	4,595	3,998	3,909	-14.9	-2.2
Accruals	148	200	175	17.8	-12.7	208	273	247	18.7	-9.3
Gross loans to customers (excluding repos)	**117,614**	**123,670**	**123,072**	**4.6**	**-0.5**	**161,717**	**165,341**	**164,864**	**1.9**	**-0.3**
Reverse repos	0	0	0	--	--	0	0	71	--	--
Gross loans to customers	**117,614**	**123,670**	**123,072**	**4.6**	**-0.5**	**161,717**	**165,341**	**164,935**	**2.0**	**-0.2**
Impairment allowances	-2,627	-2,374	-2,302	-12.4	-3.0	-2,844	-2,571	-2,498	-12.2	-2.8
Loans and advances to customers	**114,987**	**121,297**	**120,770**	**5.0**	**-0.4**	**158,872**	**162,770**	**162,437**	**2.2**	**-0.2**

Loans and advances to customers, by segment, 31.12.2025 (%)



Gross performing loans, by geography (€ million)



	Spain (1)	TSB	Mexico	Group
Change YoY:	+4.9%	-5.3%	+16.6%	+2.4%
Change YoY at constant FX:		-0.3%	+23.5%	+4.6%
Change QoQ:	-0.7%	+0.3%	+7.5%	-0.2%
Change QoQ at constant FX:		+0.2%	+6.3%	-0.3%

(1) Spain includes foreign branches (€11,346M in Dec 25 and €11,236M in Sep 25).

![Sabadell logo]

Liabilities:

Customer funds:

Total customer funds amounted to 224,921 million euros as at the end of 2025, representing growth of 4.3% year-on-year (6.4% ex-TSB) and of 2.5% in the quarter (3.0% ex-TSB).

Regarding on-balance sheet customer funds, these came to a total of 172,265 million euros, representing growth of 1.6% year-on-year (3.6% ex-TSB) and of 2.7% in the quarter (3.4% ex-TSB), where it is worth highlighting the growth of funds held in demand deposits.

Demand deposit balances amounted to 143,400 million euros, representing growth of 3.7% year-on-year (6.6% ex-TSB) and of 1.9% compared to the previous quarter (2.3% ex-TSB).

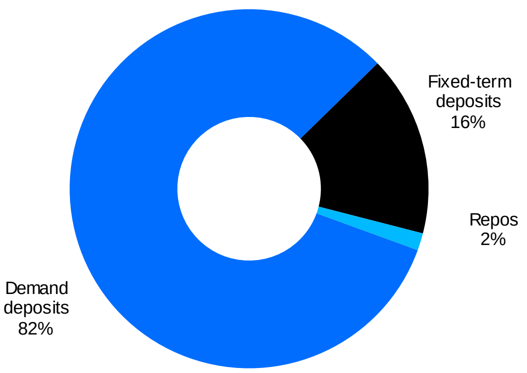
Term deposits came to a total of 28,476 million euros, declining by -8.3% year-on-year (-9.9% ex-TSB), affected by the movement of funds towards off-balance sheet products, but increasing by 6.4% during the quarter (9.4% ex-TSB).

Total off-balance sheet customer funds came to 52,656 million euros as at the end of 2025, reflecting an increase of 14.0% in year-on-year terms, where it is particularly worth noting the good evolution of mutual funds, mainly explained by positive net subscriptions, as well as the increase in third-party insurance products and assets under management. In the quarter, they recorded growth of 1.9%, mainly driven by mutual funds.

Funds under management and third-party funds:

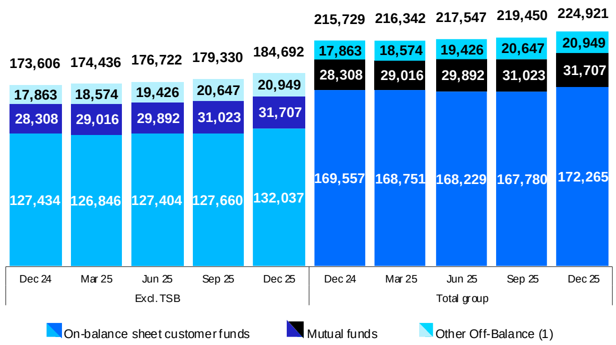
This item amounted to a total of 253,563 million euros, representing an increase of 4.2% year-on-year and a reduction of -1.3% in the quarter, impacted by the decline in repos. Not including repos, this item increased by 2.2% in the quarter.

Customer deposits, 31.12.2025 (%) (*)



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

Evolution of customer funds (€ million)



On-balance sheet customer funds

	Excl. TSB	Total group
Change YoY:	3.6%	1.6%
Change QoQ:	3.4%	2.7%

Total customer funds

	Excl. TSB	Total group
Change YoY:	6.4%	4.3%
Change QoQ:	3.0%	2.5%

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

Customer funds

(€ millions)		Excl. TSB 31.12.24	Excl. TSB 30.09.25	Excl. TSB 31.12.25	Excl. TSB Change YoY (%)	Excl. TSB Change QoQ (%)	Total group 31.12.24	Total group 30.09.25	Total group 31.12.25	Total group Change YoY (%)	Total group Change QoQ (%)
Financial liabilities at amortised cost		**170,850**	**179,252**	**180,214**	**5.5**	**0.5**	**220,228**	**226,485**	**227,445**	**3.3**	**0.4**
Non-retail financial liabilities		43,415	51,591	48,178	11.0	-6.6	50,671	58,705	55,179	8.9	-6.0
Central banks		0	0	0	--	--	1,697	680	686	-59.6	0.9
Credit institutions		14,821	13,784	19,845	33.9	44.0	14,822	13,785	19,846	33.9	44.0
Institutional issues		23,718	32,426	23,689	-0.1	-26.9	27,702	37,387	28,642	3.4	-23.4
Other financial liabilities		4,877	5,381	4,644	-4.8	-13.7	6,450	6,853	6,005	-6.9	-12.4
On-balance sheet customer funds	(1)	**127,434**	**127,660**	**132,037**	**3.6**	**3.4**	**169,557**	**167,780**	**172,265**	**1.6**	**2.7**
Customer deposits		127,551	138,800	134,504	5.5	-3.1	169,823	179,056	174,853	3.0	-2.3
Demand deposits	(1)	102,786	107,142	109,577	6.6	2.3	138,347	140,665	143,400	3.7	1.9
Fixed-term deposits	(1)	24,485	20,165	22,071	-9.9	9.4	31,047	26,762	28,476	-8.3	6.4
Repos		0	11,303	2,709	--	-76.0	0	11,303	2,709	--	-76.0
Accruals and derivative hedging adjustments		280	190	147	-47.5	-22.7	429	326	268	-37.5	-17.9
									0		
Debt and other marketable securities	(1)	19,510	17,039	16,956	-13.1	-0.5	23,345	21,864	21,788	-6.7	-0.3
Subordinated liabilities	(2)	4,092	4,247	4,265	4.2	0.4	4,092	4,247	4,265	4.2	0.4
On-balance sheet funds		**151,152**	**160,086**	**155,725**	**3.0**	**-2.7**	**197,260**	**205,167**	**200,907**	**1.8**	**-2.1**
Mutual funds		28,308	31,023	31,707	12.0	2.2	28,308	31,023	31,707	12.0	2.2
Dedicated investment companies		674	784	831	23.2	5.9	674	784	831	23.2	5.9
Third-party funds		27,634	30,238	30,876	11.7	2.1	27,634	30,238	30,876	11.7	2.1
Managed accounts		4,729	5,538	5,887	24.5	6.3	4,729	5,538	5,887	24.5	6.3
Pension funds		3,352	3,386	3,430	2.3	1.3	3,352	3,386	3,430	2.3	1.3
Individual		2,166	2,169	2,195	1.4	1.2	2,166	2,169	2,195	1.4	1.2
Company		1,183	1,213	1,231	4.1	1.5	1,183	1,213	1,231	4.1	1.5
Group		4	4	3	-9.1	-2.4	4	4	3	-9.1	-2.4
Third-party insurance products		9,782	11,723	11,632	18.9	-0.8	9,782	11,723	11,632	18.9	-0.8
Off-balance sheet customer funds		**46,171**	**51,670**	**52,656**	**14.0**	**1.9**	**46,171**	**51,670**	**52,656**	**14.0**	**1.9**
Funds under management and third-party		**197,323**	**211,756**	**208,381**	**5.6**	**-1.6**	**243,431**	**256,837**	**253,563**	**4.2**	**-1.3**

(1) On-balance sheet customer funds at the Group level as at 31.12.2025 include 143,400 million euros of demand deposits (140,665 million euros as at 30.09.2025 and 138,347 million euros as at 31.12.2024), 28,461 million euros of term deposits excluding multi-seller covered bonds, subordinated deposits and Yankee CD (26,696 million euros as at 30.09.2025 and 30,690 million euros as at 31.12.2024) and 404 million euros of retail issuances (commercial paper), included in Debt and other marketable securities (419 million euros as at 30.09.2025 and 520 million euros as at 31.12.2024).

(2) Subordinated liabilities of debt securities.

Equity:

The following table shows the evolution of equity as at 2025 year-end:

Equity

(€millions)	31.12.24	30.09.25	31.12.25	Change YoY	Change QoQ
Shareholders' equity	**15,389**	**14,654**	**14,631**	**-759**	**-23**
Issued capital	680	628	628	-52	0
Reserves	13,405	12,987	12,926	-479	-60
Other equity	25	26	27	1	0
Less: treasury shares	-119	-27	-26	93	1
Attributable net profit	1,827	1,390	1,775	-51	386
Less: interim dividends	-429	-350	-700	-271	-350
Accumulated other comprehensive income	**-391**	**-576**	**-584**	**-192**	**-7**
Minority interest	**34**	**35**	**35**	**0**	**0**
Net equity	**15,033**	**14,112**	**14,082**	**-951**	**-31**

Risk management

Highlights:

The Group's NPL ratio improved to 2.37% and the stage 3 coverage ratio with total provisions increased year-on-year to 63.8%. Excluding TSB, the same trend can be seen, with the NPL ratio falling to 2.65% and the stage 3 coverage ratio with total provisions rising to 69.5%.

Non-performing assets were reduced by 193 million euros during the quarter, with those classified as stage 3 falling by 148 million euros while problematic real estate assets did so by 45 million euros. In year-on-year terms, the balance of non-performing assets fell by 877 million euros, of which 725 million euros correspond to stage 3 loans and 151 million euros correspond to problematic real estate assets.

It is worth highlighting the year-on-year increase in the coverage ratio of NPAs, which stood at 59.9% at the Group level and at 64.1% ex-TSB as at the end of 2025.

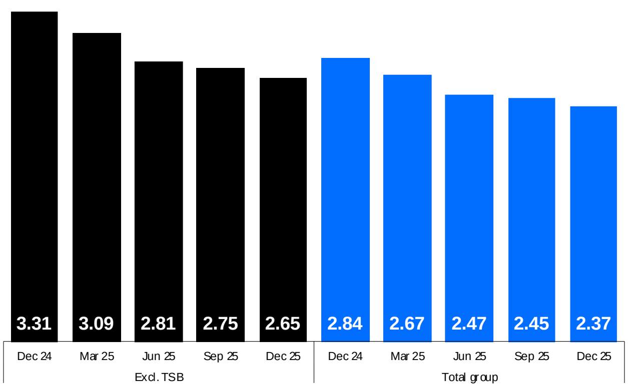
With regard to the breakdown of loans by stages in the ex-TSB perimeter, it should be noted that stage 2 loans represent 4.6% of the total with coverage of 5.0%, while stage 3 loans represent 2.7% of the total with coverage of 52.5%.

Risk management:

Non-performing assets showed a balance of 4,803 million euros as at the end of 2025 (4,176 million euros ex-TSB), of which 4,119 million euros correspond to stage 3 loans (3,491 million euros ex-TSB) and 684 million euros correspond to problematic real estate assets.

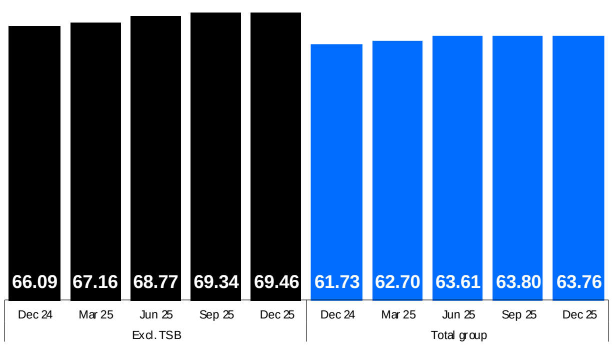
The gross NPA ratio fell to 2.8% (3.2% ex-TSB) and the net NPA ratio also fell, to 1.1% (1.1% ex-TSB).

NPL ratio (%) (*)



(*) Calculated including contingent exposures.

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

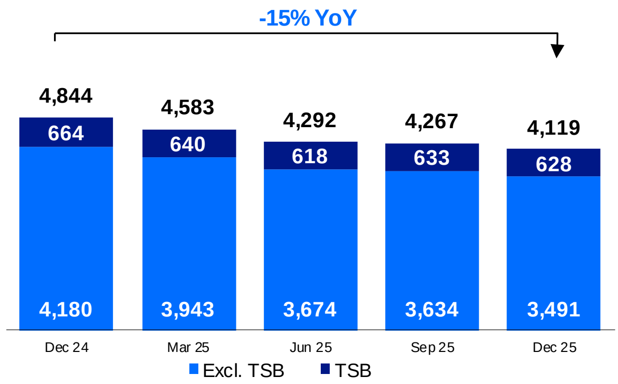


NPL ratio, by segment (*)

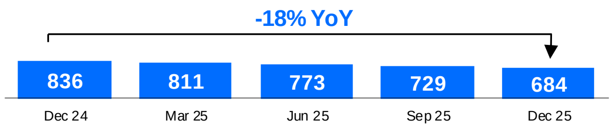
Excl. TSB	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Real estate development and/or construction purposes	5.69%	4.98%	4.47%	4.21%	4.15%
Construction purposes non-related to real estate dev.	4.06%	4.09%	3.40%	3.32%	2.35%
Large corporates	2.00%	169%	152%	161%	184%
SME and small retailers and self-employed	6.74%	6.44%	6.12%	5.70%	5.33%
Individuals with 1st mortgage guarantee assets	2.27%	2.31%	198%	192%	184%
Excl. TSB NPL ratio	**3.31%**	**3.09%**	**2.81%**	**2.75%**	**2.65%**
Group NPL ratio	**2.84%**	**2.67%**	**2.47%**	**2.45%**	**2.37%**

(*) Calculated including contingent exposures.

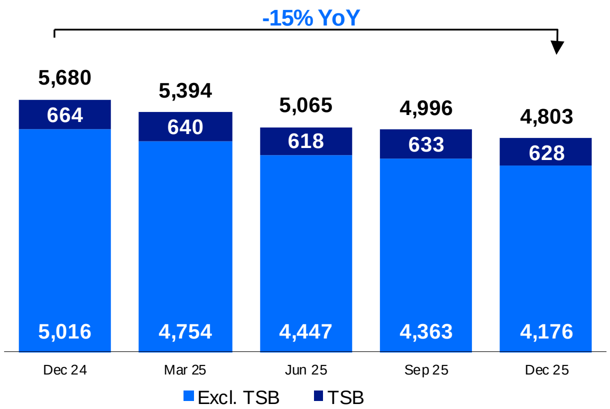
Evolution of stage 3 loans (€ million) (*)



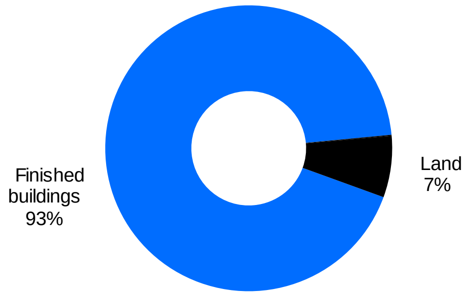
Evolution of problematic real estate assets (€ million) (*)



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



Composition of problematic real estate assets (%)



(*) Calculated including contingent exposures.

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

Quarterly variation of non-performing assets

(€millions)	4Q24	1Q25	2Q25	3Q25	4Q25
Gross entries	478	508	548	576	619
Recoveries and sales	-786	-610	-708	-494	-656
Net stage 3 entries	**-307**	**-102**	**-160**	**82**	**-37**
Gross entries	4	8	5	14	5
Sales	-40	-33	-43	-58	-50
Change in foreclosed RE assets	**-36**	**-25**	**-38**	**-44**	**-45**
Net stage 3 entries + Change in foreclosed RE assets	**-344**	**-126**	**-198**	**38**	**-81**
Write-offs	-132	-159	-130	-108	-111
Group NPAs quarterly change	**-476**	**-286**	**-329**	**-69**	**-193**
Excl. TSB NPAs quarterly change	**-468**	**-261**	**-307**	**-84**	**-188**

Evolution of Group non-performing assets (*)

(€ millions)		Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Stage 3 exposures		4,844	4,583	4,292	4,267	4,119
Total provisions		2,990	2,874	2,730	2,722	2,626
Stage 3 coverage ratio with total provisions (%)		**61.7%**	**62.7%**	**63.6%**	**63.8%**	**63.8%**
Stage 3 exposures		4,844	4,583	4,292	4,267	4,119
Stage 3 provisions		2,245	2,147	2,034	2,035	1,936
Stage 3 coverage ratio (%)		**46.3%**	**46.8%**	**47.4%**	**47.7%**	**47.0%**
Foreclosed RE assets		836	811	773	729	684
Provisions		338	327	306	272	251
Foreclosed RE assets coverage ratio (%)		**40.5%**	**40.3%**	**39.5%**	**37.3%**	**36.6%**
Non-performing assets		5,680	5,394	5,065	4,996	4,803
Provisions		3,329	3,201	3,036	2,994	2,877
Non-performing assets coverage ratio (%)		**58.6%**	**59.3%**	**59.9%**	**59.9%**	**59.9%**
Gross loans excluding repos + financial guarantees and other guarantees granted + foreclosed RE assets		171,251	172,294	174,252	174,533	174,130
Gross NPA ratio (%)	(1)	**3.3%**	**3.1%**	**2.9%**	**2.9%**	**2.8%**
Net non-performing assets		2,351	2,194	2,029	2,002	1,926
Net NPA ratio (%)	(1)	**1.4%**	**1.3%**	**1.2%**	**1.1%**	**1.1%**
Net NPAs as % of total assets		**1.0%**	**0.9%**	**0.8%**	**0.8%**	**0.8%**

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

Breakdown of loans and provisions, by stages

(€ millions)	Stage 1	Stage 2	Stage 3
Gross loans excluding repos and financial guarantees and other guarantees granted	160,105	9,222	4,119
Change QoQ	*-0.3%*	*2.5%*	*-3.5%*
Change YoY	*3.3%*	*-13.4%*	*-15.0%*
Provisions	327	363	1,936
% Stage / Total loans	**92.3%**	**5.3%**	**2.4%**
Group coverage	**0.2%**	**3.9%**	**47.0%**
Gross loans excluding repos and financial guarantees and other guarantees granted Excl. TSB	122,142	6,020	3,491
Change QoQ	*-0.2%*	*-1.3%*	*-3.9%*
Change YoY	*6.4%*	*-17.8%*	*-16.5%*
% Stage / Total loans	**92.8%**	**4.6%**	**2.7%**
Excl. TSB coverage	**0.2%**	**5.0%**	**52.5%**

Liquidity management

Highlights:

The Group has a sound liquidity position, with a Liquidity Coverage Ratio (LCR) of 186% as at the end of 2025 (203% excluding TSB) and total liquid assets of 63,016 million euros.

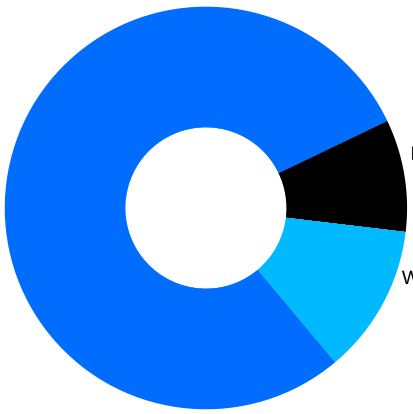
The loan-to-deposit ratio as at the end of 2025 was 93.5% (90.5% ex-TSB), with a balanced retail funding structure.

In 2025, Banco Sabadell issued one 1.000 million euro AT1 instruments, two 500 million euro senior non-preferred debt and one 500 million euro mortgage covered bonds. TSB issued one 600 million euro covered bond.

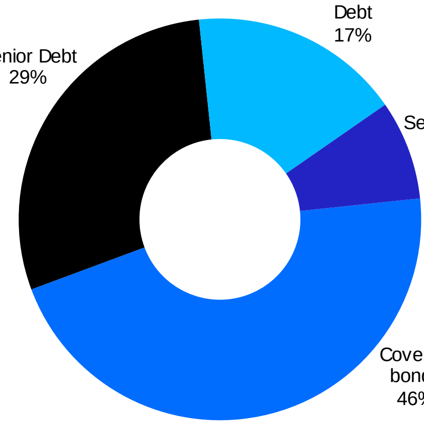
		Excl. TSB			Total group		
(€ millions)		31.12.24	30.09.25	31.12.25	31.12.24	30.09.25	31.12.25
Loans and advances to customers	(1)	114,987	121,297	120,770	158,872	162,770	162,366
Brokered loans		-814	-1,267	-1,268	-884	-1,286	-1,300
Adjusted net loans and advances		**114,173**	**120,030**	**119,503**	**157,988**	**161,485**	**161,066**
On-balance sheet customer funds		**127,434**	**127,660**	**132,037**	**169,557**	**167,780**	**172,265**
Loan-to-deposit ratio (%)		**89.6**	**94.0**	**90.5**	**93.2**	**96.2**	**93.5**

(1) Excludes reverse repos.

Funding structure, 31.12.2025 (%)



Wholesale market breakdown, 31.12.2025 (%)



Maturities

(€millions)	2026	2027	2028	2029	2030	2031	>2031	Outstanding balance
Covered bonds	1,390	2,246	2,418	2,023	1,850	200	1,500	11,624
Senior preferred	500	0	750	1,266	750	0	0	3,268
Senior non preferred	67	18	500	1,500	500	500	1,195	4,280
Subordinated Debt	500	0	0	0	0	0	1,015	1,515
Total	**2,457**	**2,264**	**3,668**	**4,789**	**3,100**	**700**	**3,710**	**20,687**

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

New issuances in the year

(€ millions)	1Q25	2Q25	3Q25	4Q25
Covered bonds	1,100	0	0	0
Senior non preferred	500	0	500	0
AT1	0	1,000	0	0
Total	**1,600**	**1,000**	**500**	**0**

Maturities in the year

(€ millions)	1Q25	2Q25	3Q25	4Q25
Covered bonds	0	336	500	0
Senior preferred	6	0	980	3
Senior non preferred	1,250	0	500	0
Subordinated Debt	300	0	500	0
Total	**1,556**	**336**	**2,480**	**3**

Capital management and credit ratings

Highlights:

The fully-loaded CET1 ratio considering the distribution of excess capital stood at 13.11% as at the end of 2025.

The phase-in CET1 ratio, which considers the 5 bps of transitional adjustments required by CRR3 (Basel IV), stood at 13.16% as at the end of 2025. The phase-in Total Capital ratio stood at 18.23%, which is above regulatory requirements with an MDA buffer of 391 bps.

Not considering the distribution of excess capital, the fully-loaded CET1 ratio stood at 13.65%, falling by -9 bps in the quarter. Capital generation amounted to 20 bps in the quarter and 196 bps for the year.

The minimum prudential requirements applicable to Banco Sabadell for 2025 following the Supervisory Review and Evaluation Process (SREP) are 9.25% for CET1 and 13.74% for Total Capital.

The phase-in Leverage ratio was 5.41%.

The MREL ratio as a percentage of RWAs stood at 27.62%, above the current requirement of 25.64%[(1)], while the MREL ratio as a percentage of the Leverage Ratio Exposure (LRE) was 8.99%, also above the current requirement of 6.39%.

(1) The ratio includes the combined buffer requirement, estimated at 3.50%.

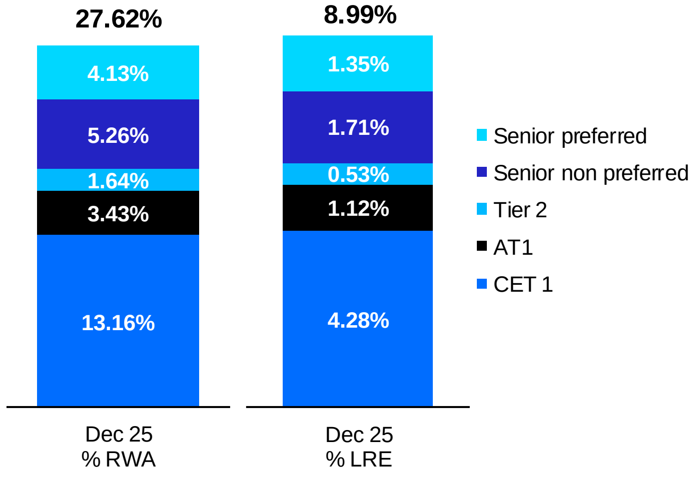
Capital ratios

(€millions)		Phase-in			Fully-loaded		
		31.12.24	30.09.25	31.12.25	31.12.24	30.09.25	31.12.25
Issued capital		680	628	628	680	628	628
Reserves		13,159	13,566	13,226	13,159	13,566	13,226
Deductions	(1)	-3,353	-3,211	-3,312	-3,353	-3,206	-3,307
Common Equity Tier 1		**10,486**	**10,983**	**10,542**	**10,486**	**10,988**	**10,546**
CET 1 (%)		**13.03%**	**13.80%**	**13.16%**	**13.03%**	**13.74%**	**13.11%**
Preference shares and other		1,750	2,750	2,750	1,750	2,750	2,750
Primary capital		**12,236**	**13,733**	**13,292**	**12,236**	**13,738**	**13,296**
Tier I (%)		**15.20%**	**17.25%**	**16.59%**	**15.20%**	**17.17%**	**16.53%**
Secondary capital		**1,945**	**1,796**	**1,311**	**1,945**	**1,796**	**1,311**
Tier II (%)		**2.42%**	**2.26%**	**1.64%**	**2.42%**	**2.24%**	**1.63%**
Total capital		**14,181**	**15,529**	**14,602**	**14,181**	**15,533**	**14,607**
Total capital ratio (%)		**17.62%**	**19.51%**	**18.23%**	**17.62%**	**19.42%**	**18.16%**
Risk weighted assets (RWA)		**80,485**	**79,608**	**80,111**	**80,485**	**79,989**	**80,455**
Leverage ratio (%)		**5.20%**	**5.64%**	**5.41%**	**5.20%**	**5.64%**	**5.41%**
CET 1 - BS (non-consolidated basis) (%)		**13.31%**	**15.17%**	**14.97%**			
Tier I - BS (non-consolidated basis) (%)		**15.47%**	**18.86%**	**18.76%**			
Tier II - BS (non-consolidated basis) (%)		**2.31%**	**2.34%**	**1.72%**			
Total capital ratio - BS (non-consolidated basis) (%)		**17.79%**	**21.21%**	**20.48%**			
ADIs	(2)	**4,428**	**4,711**	**4,596**			

Note: CET1 ratio includes dividend accrual with a pay-out ratio of 60%. Fully-loaded CET1 ratio, applying the output floor implementation timeline.

(1) Includes transitional arrangements of the CRR3 regulation (Basel IV) as from 1 January 2025.
(2) "Available Distributable Items" refers to distributable profit. It does not include interim dividends or share premiums.

Evolution of Group MREL (% RWAs, % LRE)



Credit ratings

Agency	Date	Long term	Short term	Outlook
S&P Global Ratings [1]	16.12.2025	A-	A-2	Positive
Moody's Ratings	18.11.2025	Baa1	P-2	Stable
Fitch Ratings	27.10.2025	BBB+	F2	Stable
Morningstar DBRS	18.02.2025	A (low)	R-1 (low)	Stable

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In 2025, the four agencies that assessed Banco Sabadell's credit quality were S&P Global Ratings, Moody's Ratings, Fitch Ratings and Morningstar DBRS.

On 27 March, **S&P Global Ratings** upgraded Banco Sabadell's long-term issuer credit rating to 'A-' from 'BBB+', with a stable outlook. The rating upgrade was the result of Sabadell's improved credit profile, which the agency sees as commensurate with its peers, as well as easing industry risks in the Spanish banking system. The short-term rating was kept at 'A-2'. Later, on 11 August, the agency affirmed the Bank's rating following the approval of the sale of TSB Banking Group plc. Lastly, on 16 December, the agency upgraded the outlook from stable to positive, affirming the issuer's long-term and short-term credit ratings of 'A-' and 'A-2', respectively. The upgraded outlook reflects the possibility that S&P Global Ratings could raise Banco Sabadell's ratings if it manages to build up and sustain a buffer of bail-inable subordinated instruments large enough (i.e. more than 6%) to provide enhanced protection to senior debtholders in a resolution scenario.

On 3 October, **Moody's Ratings** upgraded Banco Sabadell's long-term deposit rating to 'A3' from 'Baa1' and its senior unsecured debt rating to 'Baa1' from 'Baa2', with a stable outlook in both ratings. It also upgraded the rating of the Bank's mortgage covered bonds to 'Aaa' from 'Aa1'. These upgrades reflect the Bank's improved solvency, supported by the continuous enhancement of its asset quality and the improved profitability. The short-term rating was kept at 'P-2'. On 18 November, Moody's Ratings affirmed those ratings, following the publication of its new methodology.

On 10 January, **Fitch Ratings** upgraded Banco Sabadell's long-term rating to 'BBB+' from 'BBB' and maintained the stable outlook. The upgrade was driven by the strengthening of the Bank's asset quality, profitability and capitalisation, as well as the improved assessment of the operating environment for Spanish banks. The short-term rating was kept at 'F2'. In addition, on 9 May, the agency placed Banco Sabadell on rating watch positive, subsequently reversing it on 27 October after the unsuccessful takeover bid put forward by BBVA, affirming the long- and short-term ratings on that same date and assigning them both a stable outlook.

On 18 February, **Morningstar DBRS** confirmed Banco Sabadell's long-term issuer rating at 'A (low)' with a stable outlook, highlighting the Institution's improved profitability and its significant reduction of non-performing loans. The agency also expects that the Bank will continue to report solid profitability despite the lower interest rate environment, largely supported by the lending volume growth and the materialisation of the cost savings implemented in TSB. The short-term rating remained at 'R-1 (low)'.

Results, by business unit

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

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

- Three geographical areas: Banking Business in Spain, United Kingdom and Mexico.
- Each business unit is allocated capital equivalent to 13% of its risk-weighted assets, assigning all of the corresponding deductions to each business unit and allocating the surplus of own funds to Banking Business Spain.

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

Segmentation by geographical area and business unit

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

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

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

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

- **Banking Business 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:**

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

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

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

Profit and loss 2025

(€ millions)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	**3,411**	**1,232**	**193**	**4,837**
Net fees and commissions	1,268	90	27	1,384
Core revenues	**4,679**	**1,322**	**220**	**6,221**
Net trading income and exchange differences	-22	24	2	4
Income from equity method and dividends	181	0	0	181
Other operating income/expense	-82	-12	-27	-122
Gross operating income	**4,755**	**1,333**	**195**	**6,284**
Operating expenses	-1,784	-733	-83	-2,600
Amortisation & depreciation	-370	-116	-14	-500
Total costs	-2,154	-849	-97	-3,100
Pre-provisions income	**2,601**	**484**	**98**	**3,184**
Total provisions & impairments	-473	-55	-18	-546
Gains on sale of assets and other results	-34	1	-4	-37
Profit before tax	**2,095**	**430**	**76**	**2,601**
Income tax	-700	-112	-12	-824
Minority interest	2	0	0	2
Attributable net profit	**1,394**	**318**	**64**	**1,775**
ROTE	14.4%	15.3%	10.0%	14.3%
Efficiency	45.3%	63.7%	49.8%	49.3%
NPL ratio	2.7%	1.5%	2.7%	2.4%
Stage 3 coverage ratio with total provisions	69.9%	32.1%	59.8%	63.8%

Profit and loss 2024

(€ millions)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Net interest income	**3,652**	**1,163**	**206**	**5,021**
Net fees and commissions	1,231	107	18	1,357
Core revenues	**4,883**	**1,270**	**224**	**6,378**
Net trading income and exchange differences	36	39	13	87
Income from equity method and dividends	166	0	0	166
Other operating income/expense	-249	-23	-21	-294
Gross operating income	**4,836**	**1,286**	**216**	**6,337**
Operating expenses	-1,707	-765	-110	-2,583
Amortisation & depreciation	-364	-122	-15	-501
Total costs	-2,071	-887	-126	-3,084
Pre-provisions income	**2,765**	**399**	**90**	**3,254**
Total provisions & impairments	-652	-37	-24	-714
Gains on sale of assets and other results	-14	-8	-4	-26
Profit before tax	**2,098**	**353**	**62**	**2,514**
Income tax	-579	-100	-6	-685
Minority interest	2	0	0	2
Attributable net profit	**1,517**	**253**	**57**	**1,827**
ROTE	15.9%	12.0%	9.7%	14.9%
Efficiency	42.8%	69.0%	58.3%	48.7%
NPL ratio	3.3%	1.5%	2.8%	2.8%
Stage 3 coverage ratio with total provisions	66.3%	34.3%	59.5%	61.7%

Balance sheet 2025

(€ millions)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	**186,300**	**51,884**	**7,208**	**245,392**
Performing gross loans	114,669	41,093	4,946	160,708
RE exposure	434	0	0	434
Total liabilities and net equity	**186,300**	**51,884**	**7,208**	**245,392**
On-balance sheet customer funds	128,598	40,229	3,439	172,265
Capital markets wholesale funding	19,531	5,884	0	25,415
Allocated equity	11,375	2,488	768	14,631
Off-balance sheet customer funds	52,656	0	0	52,656

Balance sheet 2024

(€ millions)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
Total assets	**177,348**	**55,604**	**6,646**	**239,598**
Performing gross loans	109,291	43,380	4,242	156,913
RE exposure	497	0	0	497
Total liabilities and net equity	**177,348**	**55,604**	**6,646**	**239,598**
On-balance sheet customer funds	124,235	42,123	3,199	169,557
Capital markets wholesale funding	21,135	5,859	0	26,994
Allocated equity	12,161	2,543	686	15,389
Off-balance sheet customer funds	46,171	0	0	46,171

Banking Business Spain

Net profit as at the end of 2025 amounted to 1,394 million euros, representing a year-on-year reduction of -8.1%, as 2024 included 115 million euros, net, of non-recurring impacts. Not including these impacts, net profit would be in line with the previous year.

Net interest income amounted to 3,411 million euros as at the end of the year, falling by -6.6% year-on-year, mainly as a result of reduced credit yields and a smaller contribution by credit institutions, which were impacted by lower interest rates, partially offset by the positive performance of volumes.

Net fees and commissions stood at 1,268 million euros, 3.0% more than at the end of the previous year, mainly due to the increase in asset management and insurance fees stemming from the strong growth of off-balance-sheet customer funds.

Profit or loss on financial operations and exchange differences declined over the year, mainly impacted by the sterling hedge for the sale price of TSB, which came to c.-30 million euros in 2025.

Equity-accounted results and dividends showed a year-on-year increase of 8.9%, due to the larger contribution of the insurance business.

The positive year-on-year variation in other income and expenses is mainly due to the banking levy, whose final year of application was 2024 and which represented an expense of -192 million euros in that period. In 2025, the Tax on the net interest income and fees of certain financial institutions came into force, amounting to -123 million euros, and it is recorded under the line item Income tax.

Total costs rose by 4.0% year-on-year, where it is particularly worth mentioning the increase in both personnel expenses and general expenses. In addition, costs include the reclassification from the provisions line item of expenses related to Paycomet assets, after the agreement to sell it to Nexi ceased to be in effect, which mainly affects the amortisation/depreciation expenses line item.

Provisions and impairments amounted to -472 million euros, down by -27.6% year-on-year, mainly due to an improvement in both credit provisions and real estate provisions.

				Simple evolution							
(€ millions)	FY24	FY25	YoY (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Net interest income	**3,652**	**3,411**	**-6.6**	**906**	**921**	**907**	**919**	**857**	**862**	**850**	**843**
Net fees and commissions	1,231	1,268	3.0	305	305	303	318	318	318	309	322
Core revenues	**4,883**	**4,679**	**-4.2**	**1,210**	**1,226**	**1,210**	**1,237**	**1,175**	**1,180**	**1,158**	**1,166**
Net trading income and exchange differences	36	-22	--	19	-11	10	18	25	-11	-29	-7
Income from equity method and dividends	166	181	8.9	48	39	44	35	61	41	34	45
Other operating income/expense	-249	-82	-67.0	-194	3	1	-59	-23	-6	-5	-48
Gross operating income	**4,836**	**4,755**	**-1.7**	**1,082**	**1,257**	**1,265**	**1,231**	**1,238**	**1,204**	**1,158**	**1,156**
Operating expenses	-1,707	-1,784	4.5	-404	-413	-452	-437	-444	-426	-448	-466
Amortisation & depreciation	-364	-370	1.7	-90	-92	-92	-89	-82	-85	-87	-116
Total costs	-2,071	-2,154	4.0	-495	-505	-545	-526	-526	-512	-535	-581
Pre-provisions income	**2,765**	**2,601**	**-5.9**	**588**	**752**	**721**	**705**	**712**	**692**	**622**	**575**
Total provisions & impairments	-652	-473	-27.6	-181	-167	-148	-156	-129	-112	-124	-107
Gains on sale of assets and other results	-14	-34	137.7	0	0	-2	-12	-12	-1	-1	-20
Profit before tax	**2,098**	**2,095**	**-0.1**	**406**	**585**	**570**	**537**	**572**	**579**	**497**	**447**
Income tax	-579	-700	20.8	-155	-166	-155	-104	-196	-186	-166	-151
Minority interest	2	2	-0.9	0	1	0	1	0	1	0	1
Attributable net profit	**1,517**	**1,394**	**-8.1**	**252**	**418**	**416**	**432**	**375**	**392**	**331**	**296**
Accumulated ratios											
ROTE	15.9%	14.4%		13.0%	14.1%	14.3%	15.9%	15.3%	15.5%	15.2%	14.4%
Efficiency	42.8%	45.3%		40.7%	41.4%	42.6%	42.8%	42.5%	42.5%	43.7%	45.3%
NPL ratio	3.3%	2.7%		4.2%	3.9%	3.8%	3.3%	3.1%	2.8%	2.8%	2.7%
Stage 3 coverage ratio with total provisions	66.3%	69.9%		60.6%	62.7%	64.2%	66.3%	67.3%	68.8%	69.3%	69.9%

Gross performing loans increased by 4.9% year-on-year, growing across all segments, but particularly in the mortgage book.

On-balance sheet customer funds increased by 3.5% year-on-year, while off-balance sheet funds grew by 14.0%, mainly due to mutual funds and third-party insurance products.

				Simple evolution							
(€ millions)	Dec 24	Dec 25	YoY (%)	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Total assets	**177,348**	**186,300**	**5.0**	**174,505**	**182,140**	**183,403**	**177,348**	**188,073**	**192,914**	**185,879**	**186,300**
Performing gross loans	109,291	114,669	4.9	103,684	107,606	107,000	109,291	110,768	114,396	115,500	114,669
RE exposure	497	434	-12.8	569	546	520	497	484	467	457	434
Total liabilities and net equity	**177,348**	**186,300**	**5.0**	**174,505**	**182,140**	**183,403**	**177,348**	**188,073**	**192,914**	**185,879**	**186,300**
On-balance sheet customer funds	124,235	128,598	3.5	117,475	118,786	118,771	124,235	123,602	124,356	124,396	128,598
Capital markets wholesale funding	21,135	19,531	-7.6	20,275	19,751	20,837	21,135	20,481	21,039	19,439	19,531
Allocated equity	12,161	11,375	-6.5	11,414	11,587	11,667	12,161	11,952	11,734	11,475	11,375
Off-balance sheet customer funds	46,171	52,656	14.0	42,150	43,574	44,781	46,171	47,591	49,318	51,670	52,656
Other data											
Employees	13,525	13,617		13,441	13,545	13,575	13,525	13,594	13,638	13,660	13,617
Branches	1,152	1,149		1,188	1,159	1,155	1,152	1,153	1,153	1,151	1,149

Banking Business United Kingdom

Net profit came to 318 million euros as at the end of 2025, representing strong year-on-year growth on the back of improved net interest income and lower costs, and because the first quarter of 2025 includes a positive impact of 35 million euros related to a recovery negotiated with third parties.

Net interest income came to a total of 1,232 million euros, growing by 5.9% year-on-year, as a result of higher credit yields and supported by the structural hedge.

Net fees and commissions amounted to 90 million euros as at the end of 2025, representing a decrease of -16.5% year-on-year, mainly due to fewer payment card fees.

Other operating income and expenses improved in year-on-year terms due to the recognition of the aforesaid recovery amounting to 35 million euros.

Total costs amounted to -849 million euros, falling by -4.3% year-on-year due to an improvement across all line items, particularly general expenses. Recurrent costs also fell, by -2.0% year-on-year.

Provisions and impairments came to -55 million euros, thereby increasing on year-on-year terms, as the last quarter of the previous year included positive impacts as a result of updated macroeconomic scenarios.

					Simple evolution							
(€ millions)	FY24	FY25	YoY (%)	YoY (%) at constant FX	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Net interest income	**1,163**	**1,232**	**5.9**	**7.2**	**278**	**283**	**296**	**306**	**312**	**303**	**303**	**314**
Net fees and commissions	107	90	-16.5	-15.5	30	24	28	25	22	24	24	20
Core revenues	**1,270**	**1,322**	**4.0**	**5.3**	**308**	**307**	**324**	**331**	**334**	**327**	**327**	**334**
Net trading income and exchange differences	39	24	-37.8	-37.1	11	13	4	10	7	5	5	6
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0	0	0
Other operating income/expense	-23	-12	-45.2	-44.5	-11	-18	17	-11	18	-10	-10	-10
Gross operating income	**1,286**	**1,333**	**3.7**	**4.9**	**309**	**303**	**345**	**330**	**359**	**321**	**322**	**331**
Operating expenses	-765	-733	-4.2	-3.0	-194	-197	-190	-185	-180	-188	-182	-184
Amortisation & depreciation	-122	-116	-5.1	-3.9	-30	-29	-30	-33	-29	-29	-30	-29
Total costs	-887	-849	-4.3	-3.2	-224	-225	-220	-219	-208	-217	-211	-213
Memorandum item:												
Recurrent costs	-866	-849	-2.0	-0.8	-223	-219	-206	-219	-208	-217	-211	-213
Non-recurrent costs	-21	0	-100.0	-100.0	-1	-6	-14	0	0	0	0	0
Pre-provisions income	**399**	**484**	**21.4**	**22.9**	**85**	**77**	**125**	**112**	**150**	**105**	**111**	**118**
Total provisions & impairments	-37	-55	47.7	49.5	-20	-8	-14	5	-21	0	-17	-18
Gains on sale of assets and other results	-8	1	--	--	0	1	-7	-1	0	0	0	0
Profit before tax	**353**	**430**	**21.6**	**23.1**	**65**	**70**	**104**	**115**	**130**	**105**	**94**	**100**
Income tax	-100	-112	11.6	13.0	-19	-21	-31	-30	-36	-29	-24	-24
Minority interest	0	0	--	--	0	0	0	0	0	0	0	0
Attributable net profit	**253**	**318**	**25.6**	**27.1**	**46**	**49**	**73**	**85**	**94**	**77**	**70**	**76**
Accumulated ratios												
ROTE	12.0%	15.3%			9.6%	9.4%	9.8%	12.0%	14.3%	15.6%	15.5%	15.3%
Efficiency	69.0%	63.7%			72.5%	73.4%	69.9%	69.0%	58.1%	62.5%	63.5%	63.7%
NPL ratio	1.5%	1.5%			1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.5%	1.5%
Stage 3 coverage ratio with total provisions	34.3%	32.1%			40.2%	37.1%	37.0%	34.3%	35.3%	32.9%	32.0%	32.1%

Gross performing loans decreased by -5.3% year-on-year, impacted by the depreciation of the pound sterling, as considering a constant exchange rate they fell by just -0.3%.

On-balance sheet customer funds dropped by -4.5% year-on-year, while at constant exchange rates they increased by 0.5%, due to the growth in term deposits.

					Simple evolution							
(€ millions)	Dec 24	Dec 25	YoY (%)	YoY (%) at constant FX	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Total assets	**55,604**	**51,884**	**-6.7**	**-1.8**	**54,624**	**55,423**	**55,975**	**55,604**	**54,555**	**53,130**	**52,088**	**51,884**
Performing gross loans	43,380	41,093	-5.3	-0.3	42,330	42,907	43,209	43,380	43,181	42,097	40,967	41,093
Total liabilities and net equity	**55,604**	**51,884**	**-6.7**	**-1.8**	**54,624**	**55,423**	**55,975**	**55,604**	**54,555**	**53,130**	**52,088**	**51,884**
On-balance sheet customer funds	42,123	40,229	-4.5	0.5	40,558	41,182	41,885	42,123	41,905	40,825	40,119	40,229
Capital markets wholesale funding	5,859	5,884	0.4	5.7	4,534	5,168	5,824	5,859	6,417	6,286	6,171	5,884
Allocated equity	2,543	2,488	-2.2	3.0	2,516	2,539	2,520	2,543	2,492	2,491	2,422	2,488
Other data												
Employees	4,729	4,619			5,314	4,990	4,818	4,729	4,829	4,781	4,692	4,619
Branches	186	175			211	211	195	186	184	175	175	175

Banking Business Mexico

Net profit as at the end of 2025 amounted to 64 million euros, representing a year-on-year increase of 23.6% at a constant exchange rate, due to a reduction in costs and fewer provisions.

Net interest income stood at 193 million euros, falling by -6.1% compared to the previous year, affected by the depreciation of the Mexican peso. At constant exchange rates, this item increased by 2.9%, mainly driven by the lower cost of liabilities.

Net fees and commissions came to 27 million euros as at the end of 2025, exhibiting sharp growth due to increased levels of activity in the business.

Total costs amounted to -97 million euros, falling by -15.2% year-on-year at constant exchange rates, mainly due to lower general expenses, particularly marketing costs.

Provisions and impairments fell over the year, due to fewer provisions for single-name borrowers.

(€ millions)	FY24	FY25	YoY (%)	YoY (%) at constant FX	Simple evolution 1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Net interest income	**206**	**193**	**-6.1**	**2.9**	**47**	**58**	**50**	**50**	**47**	**44**	**50**	**52**
Net fees and commissions	18	27	46.2	60.1	5	5	5	4	4	8	5	10
Core revenues	**224**	**220**	**-1.8**	**7.6**	**53**	**63**	**55**	**54**	**51**	**53**	**55**	**62**
Net trading income and exchange differences	13	2	-80.9	-79.0	5	0	4	3	0	2	-2	3
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0	0	0
Other operating income/expense	-21	-27	27.9	40.1	-4	-6	-5	-6	-7	-7	-7	-7
Gross operating income	**216**	**195**	**-9.4**	**-0.7**	**53**	**57**	**54**	**51**	**45**	**48**	**46**	**57**
Operating expenses	-110	-83	-24.8	-17.6	-29	-30	-24	-28	-20	-20	-22	-20
Amortisation & depreciation	-15	-14	-6.9	2.0	-4	-4	-4	-3	-4	-4	-4	-3
Total costs	-126	-97	-22.6	-15.2	-33	-34	-28	-31	-24	-24	-26	-24
Pre-provisions income	**90**	**98**	**9.1**	**19.5**	**20**	**24**	**26**	**20**	**21**	**24**	**21**	**33**
Total provisions & impairments	-24	-18	-23.1	-15.7	-7	-6	-10	-1	2	-2	-1	-17
Gains on sale of assets and other results	-4	-4	-2.0	7.3	0	-3	0	-1	0	0	-3	0
Profit before tax	**62**	**76**	**22.0**	**33.7**	**13**	**15**	**16**	**18**	**22**	**22**	**16**	**16**
Income tax	-6	-12	110.4	130.5	-3	0	-1	-2	-3	-4	-3	-2
Minority interest	0	0	--	--	0	0	0	0	0	0	0	0
Attributable net profit	**57**	**64**	**12.8**	**23.6**	**11**	**16**	**15**	**15**	**19**	**18**	**13**	**14**
Accumulated ratios												
ROTE	9.7%	10.0%			7.7%	8.9%	8.8%	9.7%	11.0%	11.2%	10.6%	10.0%
Efficiency	58.3%	49.8%			61.7%	60.0%	57.3%	58.3%	53.8%	51.9%	53.0%	49.8%
NPL ratio	2.8%	2.7%			2.8%	2.2%	2.4%	2.8%	2.4%	2.2%	1.9%	2.7%
Stage 3 coverage ratio with total provisions	59.5%	59.8%			69.4%	71.7%	68.8%	59.5%	61.6%	66.4%	70.8%	59.8%

Performing loans posted an increase of 16.6% year-on-year, affected by the depreciation of the US dollar, as at a constant exchange rate they increased by 23.5%.

On-balance sheet customer funds increased by 7.5% year-on-year, mainly due to larger demand deposit volumes.

(€ millions)	Dec 24	Dec 25	YoY (%)	YoY (%) at constant FX	Simple evolution Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Total assets	**6,646**	**7,208**	**8.4**	**12.2**	**7,007**	**6,765**	**6,135**	**6,646**	**6,558**	**6,329**	**6,561**	**7,208**
Performing gross loans	4,242	4,946	16.6	23.5	4,781	4,651	4,155	4,242	4,358	4,314	4,603	4,946
Total liabilities and net equity	**6,646**	**7,208**	**8.4**	**12.2**	**7,007**	**6,765**	**6,135**	**6,646**	**6,558**	**6,329**	**6,561**	**7,208**
On-balance sheet customer funds	3,199	3,439	7.5	7.9	3,387	3,201	2,812	3,199	3,244	3,048	3,264	3,439
Allocated equity	686	768	12.0	9.7	702	693	681	686	717	771	757	768
Other data												
Employees	515	500			458	480	504	515	513	501	508	500
Branches	12	12			15	12	12	12	12	12	12	12

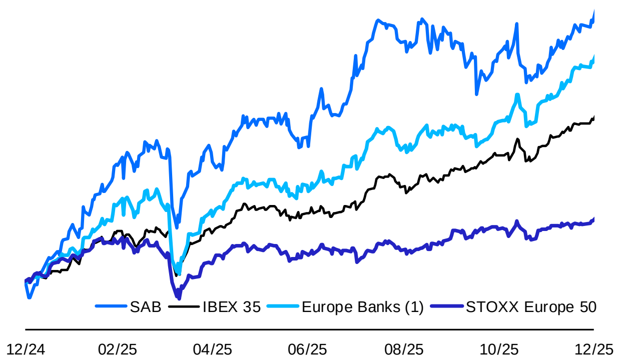
5. Share price performance

		31.12.24	30.09.25	31.12.25
Shares and trading				
Number of outstanding shares minus the treasury shares (millions)	(1)	5,361	4,997	4,998
Average daily trading volume (€ millions)		38	44	45
Share price (€)	(2)			
Opening session (of the year)		1.113	1.877	1.877
High (of the year)		2.050	3.482	3.482
Low (of the year)		1.105	1.795	1.795
Closing session		1.877	3.300	3.365
Market capitalisation (€ millions)		10,063	16,491	16,818
Stock market multiples				
Earnings per share (EPS) (€)		0.32	0.34	0.32
Book value (€ millon)		15,389	14,654	14,631
Book value per share (€)		2.87	2.93	2.93
Tangible book value (€ millon)		12,840	12,094	11,988
TBV per share (€)		2.39	2.42	2.40
Price / TBV (times)		0.78	1.36	1.40
Price / Earnings ratio (P/E) (times)		5.84	9.84	10.64

(1) Total number of shares minus final treasury stock position (including shares in the buyback programme, where applicable).
(2) Historical values not adjusted.

Comparative evolution of SAB share price

Period from 31.12.2024 to 31.12.2025



(1) STOXX Europe 600 Banks

6. Glossary of terms on performance measures

Reconciliation of Group data used for statutory reporting

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

The main differences concern:

- The treatment of the results generated by TSB and its subsidiary undertakings following the sale agreement reached by shareholders at the Extraordinary General Meeting of 6 August 2025. In other words, in the income statement used for management reporting, the results of TSB and its subsidiary undertakings are still disclosed in disaggregated form and line by line, just as they had been in previous quarterly reports, while in the Group's income statement used for statutory reporting, as per applicable accounting standards, they are disclosed in a single row under the heading "results of discontinued activities". It should be noted that the income statement used for statutory reporting in previous periods has been restated for the purpose of comparison.
  In addition, in the Group's consolidated balance sheet used for statutory reporting, the assets and liabilities related to the sale of TSB and its subsidiary undertakings are grouped under the line items "non-current assets and disposal groups classified as held for sale" and "liabilities included in disposal groups classified as held for sale". This classification applies exclusively to the balance sheets after 1 July 2025, without affecting prior balance sheets.
- After the resolution of the deal signed with Nexi S.p.A., which included the sale of the subsidiary Paycomet, the Group, in accordance with the applicable accounting standards, ceased to classify the assets and liabilities of that subsidiary as non-current assets and liabilities held for sale and once again applied the same accounting policies and valuation criteria that it had done prior to signing the sale agreement. The biggest change was the reclassification of the amortisation/depreciation expenses on Paycomet's assets (mostly PoS terminals) from "Other provisions and impairments" to "Costs". For statutory reporting purposes, the comparative information for 2024 will be restated, whereas for management reporting, the figures from previous periods have not been restated.

Cumulative income statement used for statutory reporting

	Total group		
(€ millions)	FY24	FY25	YoY (%)
Net interest income	**3,761**	**3,537**	**-6.0**
Net fees and commissions	1,249	1,295	3.6
Core revenues	**5,011**	**4,831**	**-3.6**
Net trading income and exchange differences	52	-6	--
Income from equity method and dividends	166	181	8.9
Other operating income/expense	-271	-110	-59.6
Gross operating income	**4,958**	**4,896**	**-1.3**
Operating expenses	-1,826	-1,867	2.3
Amortisation & depreciation	-436	-421	-3.4
Total costs	-2,262	-2,288	1.2
Pre-provisions income	**2,696**	**2,608**	**-3.3**
Provisions for NPLs	-531	-426	-19.9
Provisions for other financial assets	-67	-39	-42.2
Other impairments	-50	-27	-46.7
Gains on sale of assets and other results	-18	-37	109.5
Profit before tax	**2,030**	**2,080**	**2.4**
Income tax	-559	-685	22.7
Results from ongoing activities	**1,472**	**1,394**	**-5.3**
Result of discontinued activities	357	383	7.3
Minority interest	2	2	-0.9
Attributable net profit	**1,827**	**1,775**	**-2.8**
Memorandum item:			
Core results (NII + net fees and commissions - costs)	2,749	2,543	-7.5

Quarterly income statement used for statutory reporting

(€millions)	Total group 1Q25	2Q25	3Q25	4Q25	QoQ (%)
Net interest income	**885**	**889**	**883**	**880**	**-0.3**
Net fees and commissions	322	327	314	332	5.9
Core revenues	**1,207**	**1,215**	**1,196**	**1,212**	**1.3**
Net trading income and exchange differences	32	-8	-27	-4	-86.6
Income from equity method and dividends	61	41	34	45	34.8
Other operating income/expense	-30	-13	-11	-56	--
Gross operating income	**1,271**	**1,236**	**1,192**	**1,199**	**0.6**
Operating expenses	-466	-448	-471	-482	2.3
Amortisation & depreciation	-99	-103	-106	-113	6.9
Total costs	-565	-551	-577	-595	3.1
Pre-provisions income	**705**	**684**	**615**	**604**	**-1.8**
Provisions for NPLs	-87	-92	-117	-130	11.0
Provisions for other financial assets	-16	-5	-3	-14	--
Other impairments	-19	-10	0	2	--
Gains on sale of assets and other results	-12	-1	-4	-20	--
Profit before tax	**572**	**576**	**490**	**441**	**-10.1**
Income tax	-187	-186	-161	-151	-6.0
Results from ongoing activities	**385**	**390**	**330**	**289**	**-12.2**
Result of discontinued activities	104	97	85	97	14.5
Minority interest	0	1	0	1	--
Attributable net profit	**489**	**486**	**414**	**386**	**-6.9**
Memorandum item:					
Core results (NII + net fees and commissions - costs)	642	664	619	617	-0.3

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

(€ millions)	FY25 Statutory reporting	Adjustments related to the sale of TSB	Management reporting
Net interest income	**3,537**	**1,300**	**4,837**
Net fees and commissions	1,295	90	1,384
Core revenues	**4,831**	**1,390**	**6,221**
Net trading income and exchange differences	-6	11	4
Income from equity method and dividends	181	0	181
Other operating income/expense	-110	-12	-122
Gross operating income	**4,896**	**1,388**	**6,284**
Operating expenses	-1,867	-733	-2,600
Amortisation & depreciation	-421	-79	-500
Total costs	-2,288	-812	-3,100
Pre-provisions income	**2,608**	**576**	**3,184**
Provisions for NPLs	-426	-55	-481
Provisions for other financial assets	-39	0	-39
Other impairments	-27	0	-27
Gains on sale of assets and other results	-37	1	-37
Profit before tax	**2,080**	**522**	**2,601**
Income tax	-685	-138	-824
Results from ongoing activities	**1,394**	**383**	**1,777**
Result of discontinued activities	383	-383	0
Minority interest	2	0	2
Attributable net profit	**1,775**	**0**	**1,775**

Income statement reconciliation (statutory vs management reporting) – 2024, cumulative

(€ millions)	FY24			
	Statutory reporting	Adjustments related to the sale of TSB	Adjustments related to Paycomet	Management reporting
Net interest income	**3,761**	**1,260**	**0**	**5,021**
Net fees and commissions	1,249	107	0	1,357
Core revenues	**5,011**	**1,367**	**0**	**6,378**
Net trading income and exchange differences	52	35	0	87
Income from equity method and dividends	166	0	0	166
Other operating income/expense	-271	-23	0	-294
Gross operating income	**4,958**	**1,379**	**0**	**6,337**
Operating expenses	-1,826	-765	8	-2,583
Amortisation & depreciation	-436	-85	20	-501
Total costs	-2,262	-850	28	-3,084
Pre-provisions income	**2,696**	**529**	**28**	**3,254**
Provisions for NPLs	-531	-36	0	-567
Provisions for other financial assets	-67	-2	0	-69
Other impairments	-50	0	-28	-78
Gains on sale of assets and other results	-18	-8	0	-26
Profit before tax	**2,030**	**484**	**0**	**2,514**
Income tax	-559	-127	0	-685
Results from ongoing activities	**1,472**	**357**	**0**	**1,829**
Result of discontinued activities	357	-357	0	0
Minority interest	2	0	0	2
Attributable net profit	**1,827**	**0**	**0**	**1,827**

Balance sheet used for statutory reporting

(€millions)	31.12.24	30.09.25	31.12.25	Change YoY (%)	Change QoQ (%)
Cash, cash balances at central banks and other demand deposits	18,382	15,628	12,403	-32.5	-20.6
Financial assets held for trading and fair value with changes in PL	3,607	2,849	3,389	-6.1	18.9
Financial assets in fair value OCI	6,370	6,145	5,816	-8.7	-5.4
Financial assets at amortised cost	196,524	155,622	159,767	-18.7	2.7
Loans and advances to customers	158,876	121,301	120,770	-24.0	-0.4
Loans and advances of central banks and credit institutions	12,772	8,646	11,928	-6.6	38.0
Debt securities	24,876	25,675	27,069	8.8	5.4
Investments in subsidaries, joint ventures and associates	525	489	482	-8.2	-1.6
Tangible assets	2,154	1,792	1,732	-19.6	-3.4
Intangible assets	2,558	2,418	2,493	-2.5	3.1
Non-current assets and disposal groups classified as held for sale	626	52,691	52,549	--	-0.3
Other assets	8,852	6,894	6,761	-23.6	-1.9
Total assets	**239,598**	**244,529**	**245,392**	**2.4**	**0.4**
Financial liabilities held for trading and fair value with changes in PL	2,381	1,363	1,726	-27.5	26.6
Financial liabilities at amortised cost	220,255	178,014	178,942	-18.8	0.5
Central banks	1,697	0	0	-100.0	--
Credit institutions	14,822	13,784	19,845	33.9	44.0
Customer deposits	169,840	138,825	134,504	-20.8	-3.1
Debt securities issued	27,437	20,017	19,949	-27.3	-0.3
Other financial liabilities	6,460	5,387	4,644	-28.1	-13.8
Provisions	478	394	345	-27.9	-12.5
Liabilities included in disposal groups classified as held for sale	0	49,328	49,333	--	0.0
Other liabilities	1,451	1,318	964	-33.5	-26.8
Subtotal liabilities	**224,565**	**230,417**	**231,311**	**3.0**	**0.4**
Shareholders' equity	15,389	14,654	14,631	-4.9	-0.2
Accumulated other comprehensive income	-391	-576	-584	49.2	1.3
Minority interest	34	35	35	0.5	0.2
Net equity	**15,033**	**14,112**	**14,082**	**-6.3**	**-0.2**
Total liabilities and net equity	**239,598**	**244,529**	**245,392**	**2.4**	**0.4**
Financial guarantees granted	1,980	1,836	1,835	-7.3	-0.1
Commitments for loans granted	28,775	26,807	27,316	-5.1	1.9
Other commitments granted	9,366	7,804	9,714	3.7	24.5

Alternative Performance Measures (APMs)

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

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

		Definition and calculation	Page
ROA		Consolidated income during the year (last 12 months) / ATA (last 12 months).	6
ROE		Profit attributed to the Group (last 12 months) / shareholders' average equity (last 12 months).	6
RORWA		Consolidated income during the year (last 12 months) / average risk-weighted assets (RWA) (last 12 months).	6
ROTE		Profit attributed to the Group (last 12 months) / shareholders' average equity (last 12 months). The denominator excludes intangible assets and the goodwill of the investees.	6
Efficiency ratio		Administrative expenses and amortisation & depreciation / gross income.	6
Customer spread	(*)	Difference between return and cost of assets and liabilities related to customers. The ratio has been calculated taking into account the difference between the average rate charged by the bank for customers loans and the average rate paid by the bank for the customers deposits. The average customers loans rate is the annualised ratio between the financial income from customer loans and the average daily balance of customer loans. The average rate of customers funds is the annualised ratio between the financial expenses on customers funds and the average daily balance of customers funds.	11
Credit cost of risk (bps)		Calculated using the ratio where the numerator considers the linear annualization of the provisions for NPLs adjunting the costs associated with the stage 3 management assets and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution and ii) financial guarantees and other guarantees granted.	16
Total cost of risk (bps)		Calculated using the ratio where the numerator includes total provisions & impairments and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution, ii) financial guarantees and other guarantees granted and iii) problematic RE Assets. The numerator considers the linear annualization of total provisions & impairments.	16
Stage 3 coverage ratio with total provisions		Shows the % of stage 3 exposures covered by total provisions. Calculated using the ratio between impairment allowances on balace sheet assets and provisions recorded under balance sheet liabilities associated with off-balance sheet exposures / total stage 3 exposures.	21
NPL ratio		Calculated using the ratio where the numerator includes stage 3 exposure and the denominator includes: i) gross loans to customers, excluding repos, and stage 3 exposure for credit institution and ii) financial guarantees and other guarantees granted.	21
Loan-to-deposit ratio		Loans and advances to customers excluding repos and brokered loans divided by on-balance sheet customer funds. The denominator consists of financial liabilities at amortized cost, excluding non-retail financial liabilities, such as central bank deposits, credit institution deposits, institutional issuances and other financial liabilities.	24
Earnings per share		Ratio between net profit attributed to the Group, adjusted by the Additional Tier I coupon payment registered in equity, for the last 12 months and the average number of outstanding shares in the last 12 months (average number of total shares minus the average of treasury shares, including the buyback programme, if applicable).	32
Book value per share		Ratio between book value / number of outstanding shares (total number of shares minus the final position of treasury shares, including the buyback programme, if applicable) at the end of the period. Book value refers to equity.	32
TBV per share		Ratio between tangible book value and the number of outstanding shares (total number of shares minus the final position of treasury shares, including the buyback programme, if applicable) at the end of the period. The tangible book value is calculated as the sum of equity adjusted by intangible assets and the goodwill of the investees.	32
Price / TBV (times)		Ratio between share price / tangible book value per share.	32
Price / Earnings ratio (P/E) (times)		Ratio between share price / earnings per share.	32

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

Alternative Performance measures	Conciliation (€millions)	FY24	FY25
ROA	Consolidated net profit (last 12 months)	1,829	1,777
	Average total assets (last 12 months)	242,145	245,221
	ROA (%)	**0.8**	**0.7**
ROE	Attributable net profit (last 12 months)	1,827	1,775
	Average equity (last 12 months)	14,738	14,952
	ROE (%)	**12.4**	**11.9**
RORWA	Consolidated net profit (last 12 months)	1,829	1,777
	Average risk weighted assets (RWA) (last 12 months)	79,687	79,512
	RORWA (%)	**2.3**	**2.2**
ROTE	Attributable net profit (last 12 months)	1,827	1,775
	Average equity, excluding intangible assets (last 12 months)	12,235	12,422
	ROTE (%)	**14.9**	**14.3**
Efficiency ratio	Total costs	-3,084	-3,100
	Total costs derived from ongoing activities	-2,234	-2,288
	Total costs derived from discontinued activities	-850	-812
	Gross operating income	6,337	6,284
	Gross operating income derived from ongoing activities	4,958	4,896
	Gross operating income derived from discontinued activities	1,379	1,388
	Efficiency ratio (%)	**48.7**	**49.3**
Customer spread (*)	Loans to customers (net)		
	Results	6,726	6,336
	Avge.balance	154,131	159,198
	Annualised average rate %	4.36	3.98
	Customer deposits		
	Results	-1,997	-1,693
	Avge.balance	162,250	167,305
	Annualised average rate %	-1.23	-1.01
	Customer spread	**3.13**	**2.97**
Credit cost of risk (bps)	Dotaciones para insolvencias	-567	-481
	Provisions for NPLs derived from ongoing activities	-531	-426
	Provisions for NPLs derived from discontinued activities	-36	-55
	NPLs costs	-118	-109
	Gross loans excluding repos	161,717	164,906
	Financial guarantees and other guarantees granted	8,699	8,540
	Credit cost of risk (bps)	**26**	**21**
Total cost of risk (bps)	Total provisions & impairments	-714	-546
	Total provisions & impairments derived from ongoing activities	-676	-491
	Total provisions & impairments derived from discontinued activities	-37	-55
	Gross loans excluding repos	161,717	164,906
	Financial guarantees and other guarantees granted	8,699	8,540
	Problematic RE assets	836	684
	Total cost of risk (bps)	**42**	**31**
Stage 3 coverage ratio with total provisions (%)	Total provisions	2,990	2,626
	Stage 3 exposures	4,844	4,119
	Stage 3 coverage ratio with total provisions (%)	**61.7%**	**63.8%**
NPL ratio (%)	Stage 3 exposures	4,844	4,119
	Gross loans excluding repos	161,717	164,906
	Financial guarantees and other guarantees granted	8,699	8,540
	NPL ratio (%)	**2.84%**	**2.37%**
Loan-to-deposit ratio (%)	Loans and advances to customers ex repos adjusted by brokered loans	157,988	161,066
	On-balance sheet customer funds	169,557	172,265
	Loan-to-deposit ratio (%)	**93.2%**	**93.5%**
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	1,729	1,630
	Attributable net profit (last 12 months)	1,827	1,775
	AT1 (last 12 months)	-98	-146
	Average number of outstanding shares minus the average of treasury shares (€millions)	5,376	5,152
	Earnings per share (EPS) (€)	**0.32**	**0.32**
Book value per share (€)	Shareholders' equity	15,389	14,631
	Number of outstanding shares minus the treasury shares (millions)	5,361	4,998
	Book value per share (€)	**2.87**	**2.93**
TBV per share (€)	Tangible book value (€millon)	12,840	11,988
	Adjusted equity	15,389	14,631
	Intangible assets	2,549	2,642
	Number of outstanding shares minus the treasury shares (millions)	5,361	4,998
	TBV per share (€)	**2.39**	**2.40**
Price / TBV (times)	Share price (€)	1.877	3.365
	TBV per share (€)	2.39	2.40
	Price / TBV (times)	**0.78**	**1.40**
Price / Earnings ratio (P/E) (times)	Share price (€)	1.877	3.365
	Earnings per share (EPS) (€)	0.32	0.32
	Price / Earnings ratio (P/E) (times)	**5.84**	**10.64**

(*) Customer margin calculated using cumulative data.

See list, definition and purpose of the APMs used by Banco Sabadell Group here:
www.grupbancsabadell.com / ACCIONISTAS_E_INVERSORES / INFORMACION_ECONOMICO_FINANCIERA / MEDIDAS_ALTERNATIVAS_DEL_RENDIMIENTO

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