

Q326**Banco Sabadell delivers net profit of €1,376m, maintaining its solid commercial momentum, and announces a €325m interim cash dividend**

- **Recurring profit came to 405 million euros in the third quarter**, a 13% increase from the second quarter, with core banking revenue continuing its growth (+2% in net interest income and +3.7% in fees and commissions), while recurring costs remained stable (-0.1%)
- **The business continues to perform strongly, with credit growing by 4% year-on-year** and customer funds rising by 5.6%. In Spain, lending volumes increased across all segments during the year, with consumer lending recording the strongest growth (+9%) followed by lending to SMEs and corporates (+3%) and mortgage lending (+2.4%)
- **The Bank will pay an interim cash dividend of 7 euro cents per share** on 29 December, with 75 million euros of its share buyback programme remaining to be executed. Its shareholder remuneration capacity is underpinned by organic capital generation, reflected in a fully-loaded CET1 ratio of 13.12%
- **Profitability increased to 14.2%, with the Bank on track to meet its targets for recurrent RoTE** of 14.5% for 2026 and 16% for 2027, supported by continued business growth, disciplined cost management, and strong asset quality



"Once again, we've shown our ability to grow the business in a sustainably, improve revenue and contain costs. In a challenging environment, Banco Sabadell's strong position allows us to continue generating value for our clients and shareholders, while at the same time forging ahead with the transformation of our Institution"

Marc Armengol
Chief Executive Officer



"Our third-quarter results demonstrate the quality and recurring nature of our generation of profits. The combination of growing RoTE, a solid solvency and our continuously improving credit quality puts us in a strong position to maintain an attractive remuneration policy for our shareholders"

Sergio Palavecino
Chief Financial Officer

The Q326 headlines

Core banking revenue continues to grow

Net interest income

€2.694 M

(-0,6% YoY / +2% QoQ)

Fees income

€983 M

(+2,1% YoY / +3,7% QoQ)

Total core banking revenue

€3.677 M

(+0,1% YoY / +2,4% QoQ)

Commercial activity continues to show strong momentum

Performing loans in Spain

€106.434 M

(+2,1% YoY / +3% YtD)

New production in:

Mortgages

(+0% YoY / +5% QoQ)

Consumer loans

(+7% YoY / +13% QoQ)

SMEs and large corporates

(+9% YoY / -39% QoQ)

Total customer funds

€189.449 M

(+5,6% YoY / +2,6% YtD)

Group on-balance sheet funds

€133.569 M

(+4,6% YoY / +1,2% YtD)

Group off-balance sheet funds

€55.880 M

(+8,1% YoY / +6,1% YtD)

Improved balance sheet asset quality

NPL

2,40%

(-35 bps YoY / -6 bps QoQ)

Coverage with total provisions

70%

(+137 bps YoY / +76 bps QoQ)

Cost discipline and allocation of provisions

Recurrent costs

€1.709 M

+3,8% YoY / -0,1% QoQ)

Total CoR

40 bps

(in line with the full-year target)

14,2%

Recurrent RoTE

13,12%

CET1 FL

Banco Sabadell Group has earned **net profit** of 1,376 million euros between January and September 2026, in line with the same period the previous year (-1%) and including the contribution from TSB (which formed part of the Group during the first four months of this year until its sale). Banco Sabadell earned **recurring net profit** of 405 million euros in the third quarter of 2026, a 13% increase from the second quarter. This demonstrates the strength of the business in Spain and the Bank's ability to continue delivering profitable and sustainable growth, with recurring net profit for the first nine months of the year to 1,096 million euros.

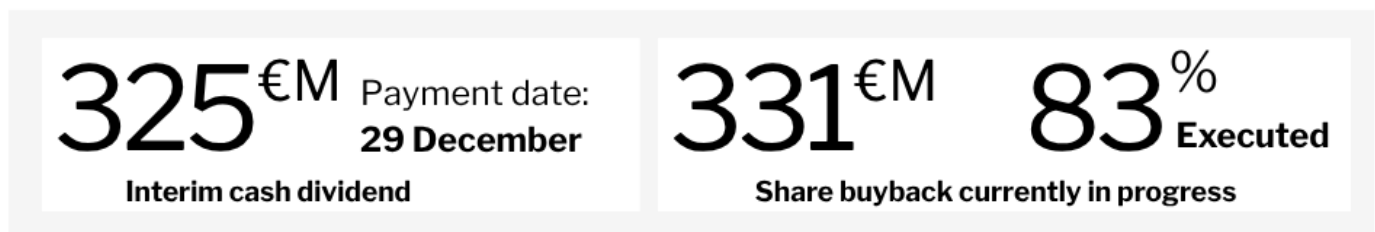
As anticipated, **core banking revenue** returned to quarterly growth (+2.4%) underpinned by strong commercial activity, a trend that will continue into the last quarter of the year. This improvement supported recurring **profitability, measured as RoTE**, increasing from 13.6% in June to 14.2%. The strong performance of the business, combined with disciplined cost management and the strong quality of assets, position the Bank to continue to deliver strong profitability, and ensure that Sabadell is on track to deliver its targets of 14.5% by the end of 2026 and 16% in 2027.

The Bank has announced its second payout of shareholder remuneration charged to earnings for the 2026 financial year. Sabadell will pay an **interim cash dividend** of 7 euro cents per share on 29 December, distributing a total of 325 million euros. That payout is in addition to the **share buyback** programme of 331 million euros that was launched in July, of which 57 million euros remain pending execution (17% of the total). This also comes following the payment in May of an **extraordinary dividend** of 50 euro cents in cash per share after the sale of TSB. This shareholder remuneration policy is built on the Bank's strong capacity to generate capital organically. The **fully-loaded CET1** ratio, which measures solvency, has reached 13.12%.

The **Chief Executive Officer of Banco Sabadell, Marc Armengol**, declared that: *"Once again, we've shown our ability to grow the business in a sustainably, improve revenue and contain costs. In a challenging environment, Banco Sabadell's strong position allows us to continue generating value for our clients and shareholders, while at the same time forging ahead with the transformation of our Institution".*

The **Chief Financial Officer of Banco Sabadell, Sergio Palavecino**, assured listeners that: *"Our third-quarter results demonstrate the quality and recurring nature of our generation of profits. The combination of growing RoTE, a solid solvency and our continuously improving credit quality puts us in a strong position to maintain an attractive remuneration policy for our shareholders".*

Shareholder distribution



Commercial activity continues to build momentum

Strong commercial momentum led to a year-on-year increase in **performing loans** of 4%, pushing them to 124,913 million euros. In Spain, growth of 3% has been recorded year-to-date, reaching 106,434 million euros, with increases across all segments. Lending to SMEs and large **corporates** stands at 45,599 million euros, representing an increase of 3% during the financial year.

Performing **mortgage** loans have also followed a positive trend, increasing to 40,716 million euros (+3.5% year-on-year), with new mortgages 5% higher than in the previous quarter. This continued commercial momentum is also reflected in credit for **consumption**, which stands at 5,880 million euros (+12.7% year-on-year), with new consumer loans recording a quarterly increase of 13%.

Performing loans grow in Spain



106,434 €BN
In September 2026

+3.0%
YtD

+2.1%
YoY

		YtD	YoY	QoQ
45,599	SMEs and large corporates	+3.0%	-0.4%	-0.1%
40,716	Mortgages	+2.4%	+3.5%	+1.3%
11,989	Public sector	+6.8%	+5.2%	-4.4%
5,880	Consumer lending	+9.0%	+12.7%	+4.5%
2,250	Other lending	-15.9%	-11%	-26.1%

The largest segment is SMEs and large corporates.

Consumer lending is the fastest-growing segment.

The boost recorded by the business is also evident in **customer funds**, which have recorded a year-on-year increase of 5.6% at the Group level, climbing to 189,449 million euros. Growth was recorded by both on-balance sheet funds (+4.6% year-on-year) and off-balance sheet funds (+8.1% year-on-year). Within the latter, it is worth highlighting the positive trend of mutual funds, driven by a positive flow of net subscriptions, and good asset management activity.

Rising revenues and contained recurring costs

Not including TSB, Banco Sabadell delivered **core banking revenue** (net interest income plus fees and commissions) of 3,677 million euros between January and September, with 1,260 million of that achieved in the third quarter, when it recorded an increase of 2.4% compared to the second quarter, underpinned by momentum in commercial activity. Those revenues have returned to year-on-year growth (+0.1%) and are expected to accelerate over the coming quarters.

Net interest income has continued to improve since the second quarter of the year, increasing to 920 million euros, up 2% in the quarter. This was primarily driven by larger credit volumes and further helped by disciplined management of interest rates. Having delivered 2,694 million euros in NII between January and September, the Bank expects to close the financial year with a full-year increase of around 1%.

Following the same trend, income from **fees and commissions** improved by 3.7% compared to the second quarter, reaching 340 million euros, and enabling the delivery of 2.1% year-on-year growth to 983 million euros between January and September. This performance reflects the larger contribution from asset management fees following the extension of the agreement with Amundi. This trend will also continue into the last quarter of the year, allowing the Bank to close the financial year with growth in the region of 4%.

Total costs amounted to 1,797 million euros between January and September and included 88 million euros of non-recurring costs, as a result of the early retirements plan launched in Spain. This plan was completed in the first half of the year and will deliver annualised gross savings of 40 million euros from 2027 onwards. A portion of the 20 million euros of those savings expected to be obtained during the second half of 2026 has already started to materialise. As a result, recurring costs remained stable during the quarter (-0.1%) and are expected to grow by around 2% for the full year 2026, above previous expectations.

Profit and loss between January and September includes several one-off impacts. On the one hand, the sale of TSB generated a net **gain of 322 million euros** after tax (340 million gross). On the other hand, other impacts have been recognised, including the early retirements plan in Spain. The total balance has resulted in a positive contribution of 201 million euros net of the income statement. In parallel to this, TSB contributed 79 million euros in profit during the first four months of this year, remained within the Group.

As for asset quality, the **NPL ratio** continues to improve and has fallen to 2.4% in the third quarter of 2026, compared to 2.47% in the previous quarter and 2.75% twelve months earlier, with stage 3 coverage including total provisions rising to 70.1%. This positive trend is a result of the accelerated reduction of non-performing assets, which fell by 140 million euros during the quarter and by 477 million euros over the past twelve months, to currently stand at 3,886 million euros. Total **provisions** reduced by 13% in the quarter, while cost of risk remained at 40 basis points, which is the figure estimated for the full year.

Figures in € million	Sep 25	Sep 26	Change YoY
Net interest income	2.709	2.694	-0,6%
Fees & commissions	962	983	2,1%
Core banking revenue	3.672	3.677	0,1%
Trading income& forex	-15	46	--
Other income & expenses	82	54	-33,4%
Gross operating income	3.738	3.777	1,0%
Operating expenses	-1.381	-1.492	8,1%
Depreciation & amortisation	-265	-304	14,7%
Total costs	-1.646	-1.797	9,1%
<i>Promemoria:</i>			
<i>Recurrent costs</i>	-1.646	-1.709	3,8%
<i>Non-recurrent costs</i>	0	-88	--
Pre-provisions income	2.092	1.981	-5,3%
Total provisions & impairments	-367	-418	13,8%
Gains on sale of assets and other results	-17	277	--
Profit before taxes	1.708	1.840	7,7%
Taxes and minority interest	-560	-543	-3,1%
Net profit	1.148	1.297	13,0%
TSB net contribution	242	79	-67,3%
Net profit including TSB	1.390	1.376	-1,0%

PRO MEMORIA Balances in € million	Sep 25	Sep 26	Change YoY
Total assets	244.529	199.258	-18,5%
Performing gross loans	120.103	124.913	4,0%
Customer-based funding on balance sheet	127.660	133.569	4,6%
Customer-based funding off balance sheet	51.670	55.880	8,1%

RATIOS	Sep 25	Sep 26
Core capital / Common equity fully-loaded (%)	13,74	13,12
NPL ratio (%)	2,75	2,40
NPL coverage ratio of stage 3	69,3	70,1
Number of branches	1.163	1.083
Number of employees	14.168	13.749