



**3Q23**

**Quarterly Financial  
Report**

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## Basis of presentation

The consolidated income statement and balance sheet as of the end of September 2023 and 2022, together with the disclosures shown in this Financial Report, are presented in accordance with the accounting standards, principles and criteria defined in Note 1 to the Group's consolidated interim financial statements as of 30 June 2023.

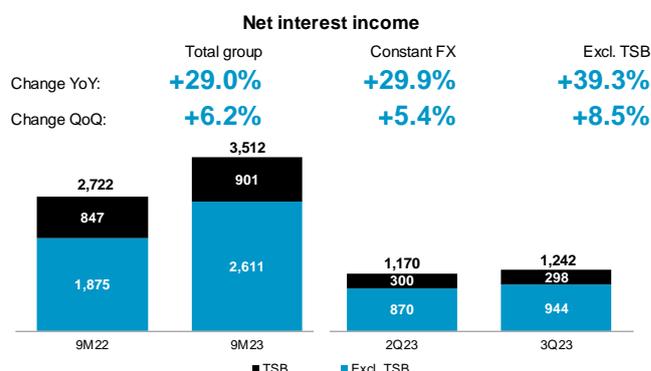
Pursuant to the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), a glossary has been included with the definitions and the reconciliation with the items presented in the financial statements of certain alternative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

# 1. Summary

## Net interest income

Net interest income continued to follow a positive trend, reaching 3,512 million euros as of the end of September 2023, representing year-on-year growth of 29.0%, mainly due to a higher loan yields and improved revenue from the fixed-income portfolio, underpinned by higher interest rates, all of which served to offset higher costs both of funds and wholesale funding.

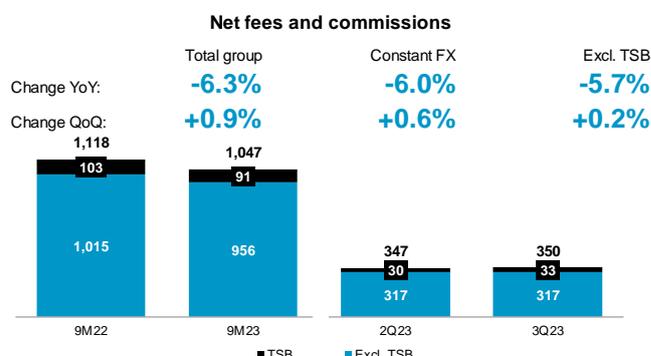
In the same way, these factors caused net interest income in the quarter to continue to trend upwards, recording an increase of 6.2%.



## Net fees and commissions

Net fees and commissions amounted to 1,047 million euros as of the end of September 2023, representing a year-on-year reduction of -6.3%, due mainly to fewer service fees, as well as fewer asset management fees, in particular fees on pension funds and insurance due to a change in the insurance product mix.

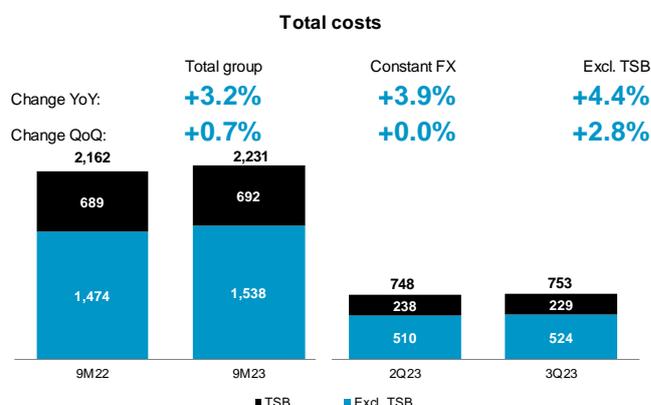
Quarter-on-quarter, there was slight growth of 0.9%, where particular note should be taken of the growth of service fees, which offset the decline in asset management fees associated with the sale of pension funds and insurance, which were impacted primarily by a seasonal effect.



## Total costs

Total costs amounted to 2,231 million euros as of the end of September 2023, reflecting a year-on-year increase of 3.2%, due both to higher staff expenses and higher general expenses, in particular marketing and IT expenses, which offset the reduction of amortisations.

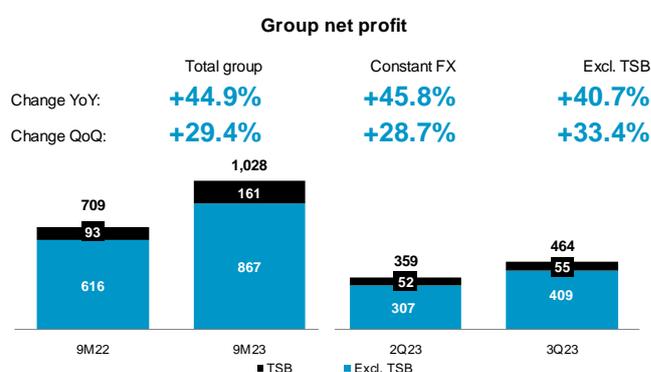
Quarter-on-quarter, total costs recorded slight growth of 0.7%, also impacted by the increase in operating expenses, which offset the reduction of amortisations.



## Net profit of the Group

As of the end of September 2023, the Group's net profit amounted to 1,028 million euros, with profit ex-TSB amounting to 867 million euros and profit at TSB to 161 million euros. This positive evolution of profits pushed the Group's ROTÉ up to 11.6%.

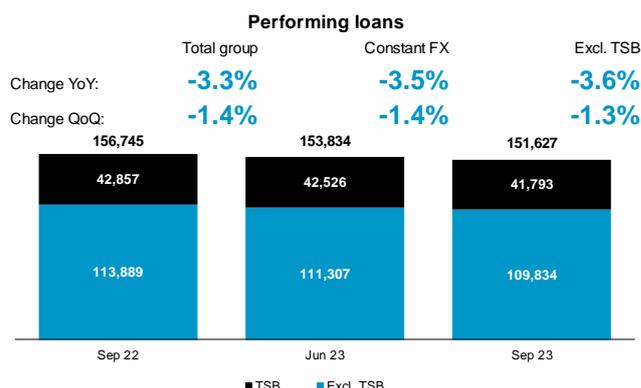
It is worth highlighting the good performance of core results (net interest income + fees and commissions – costs), which increased by 38.8% year-on-year and by 9.1% quarter-on-quarter, supported by the increase of net interest income.



## Performing loans

Performing loans decreased by -3.3% year-on-year, mainly due to reduced mortgage volumes in both Spain and the United Kingdom, to lower volumes of loans granted to SMEs and corporates, and to the maturity of Treasury loans in public sector.

Quarter-on-quarter, lending was down by -1.4%, affected in the same way by the smaller volume of mortgages and loans granted by SMEs and corporates, in turn impacted by seasonality in the period.

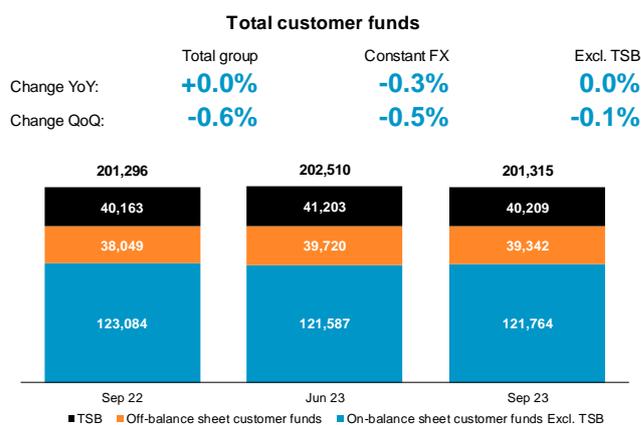


## Customer funds

On-balance sheet customer funds fell by -0.8% year-on-year, due mainly to the smaller volume of sight deposit accounts, which was partially offset by the growth of term deposits and retail issuances, particularly commercial paper, factors that in the same way explain the slight reduction of -0.5% during the quarter.

The loan-to-deposit ratio improved during the quarter to 94.6%, generating a funding gap of 1,300 million euros in the quarter and of 3,500 million euros year-on-year.

Off-balance sheet funds recorded year-on-year growth of 3.4%, with increases across all segments, particularly in mutual funds, due both to increased yields and to a positive level of net inflows. These trends reversed in the quarter, with off-balance sheet funds recording a reduction of -0.9%.



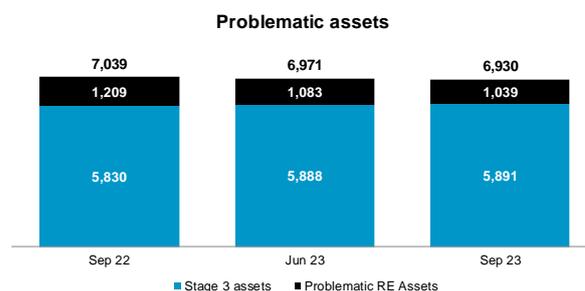
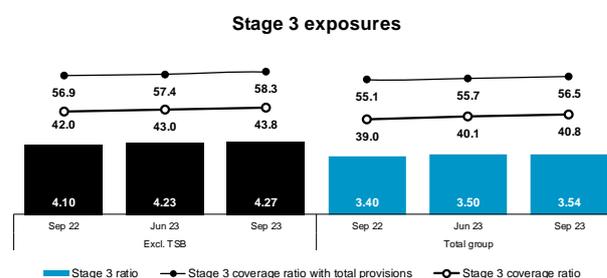
## Non-performing assets (NPAs)

The balance of NPAs fell during the quarter and amounted to 6,930 million euros (gross) as of the end of September 2023, with coverage considering total provisions increasing to 53.9%.

The Group's stage 3 ratio stood at 3.5% and the stage 3 coverage ratio considering total provisions rose to 56.5%. The stage 3 coverage ratio also increased during the quarter to 40.8%.

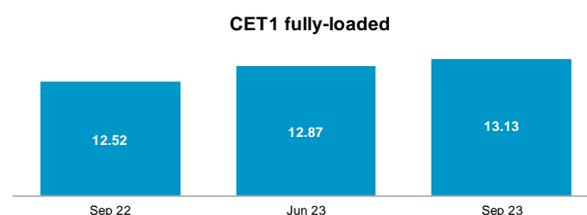
The gross NPA ratio was 4.1%, while the net NPA ratio stood at 1.9% considering total provisions.

The Group's credit cost of risk stood at 43 bps and the total cost of risk stood at 55 bps as of the end of September 2023.



## Capital ratio

The fully-loaded CET1 ratio increased by 26 bps in the quarter to 13.13%, while the total capital ratio rose to 18.35%. The MDA buffer stood at 428 bps, above requirements.



## 2. Key figures

	Excl. TSB			Total group		
	30.09.22	30.09.23	YoY (%) <sup>(7)</sup>	30.09.22	30.09.23	YoY (%) <sup>(7)</sup>
<b>Profit and loss account (€ million)</b>						
Net interest income	1875	2,611	39.3	2,722	3,512	29.0
Core revenues	2,890	3,568	23.5	3,840	4,559	18.7
Gross operating income	2,976	3,472	16.7	3,907	4,448	13.8
Pre-provisions income	1,502	1,933	28.7	1,744	2,217	27.1
Attributable net profit	616	867	40.7	709	1,028	44.9
<b>Balance sheet (€ million)</b>						
Total assets	207,677	191,188	-7.9	260,407	243,261	-6.6
Performing gross loans	113,889	109,834	-3.6	156,745	151,627	-3.3
Gross loans to customers	118,856	115,045	-3.2	162,403	157,505	-3.0
On-balance sheet customer funds	123,084	121,764	-1.1	163,247	161,973	-0.8
Off-balance sheet customer funds	38,049	39,342	3.4	38,049	39,342	3.4
Total customer funds	161,133	161,106	0.0	201,296	201,315	0.0
Net equity	--	--	--	13,363	13,778	3.1
Shareholders' equity	--	--	--	13,815	14,263	3.2
<b>Profitability and efficiency ratios (%)</b>						
ROA	--	--	--	0.35	0.54	--
RORWA	--	--	--	1.08	1.69	--
ROE	--	--	--	6.46	9.55	--
ROTE	--	--	--	7.96	11.59	--
Efficiency	40.93	36.71	--	45.83	41.91	--
Efficiency with amortisation & depreciation	50.91	45.12	--	56.52	50.87	--
<b>Risk management</b>						
Stage 3 exposures (€million)	5,237	5,287	1.0	5,830	5,891	1.1
Total problematic assets (€million)	6,447	6,326	-1.9	7,039	6,930	-1.6
Stage 3 ratio (%)	4.10	4.27	--	3.40	3.54	--
Stage 3 coverage ratio (%)	42.0	43.8	--	39.0	40.8	--
Stage 3 coverage ratio with total provisions (%)	56.9	58.3	--	55.1	56.5	--
Problematic assets coverage (%)	53.5	55.1	--	52.3	53.9	--
<b>Liquidity management (%)</b>						
Loan-to-deposits ratio	93.2	91.2	--	96.7	94.6	--
LCR	250	253	--	217	220	--
NSFR	--	--	--	140	140	--
<b>Capital management</b>						
Risk weighted assets (RWA) (€million)	--	--	--	80,880	78,795	-2.6
Common Equity Tier 1 (%)	--	--	--	12.65	13.13	--
Common Equity Tier 1 fully-loaded (%)	--	--	--	12.52	13.13	--
Tier 1 (%)	--	--	--	14.69	15.35	--
Total capital ratio (%)	--	--	--	17.08	18.35	--
MREL (%RWA)	--	--	--	25.26	28.35	--
MREL (%LRE)	--	--	--	7.95	9.25	--
Leverage ratio (%)	--	--	--	4.62	5.01	--
<b>Share data (period end)</b>						
Number of shareholders	--	--	--	224,151	218,033	--
Number of outstanding shares (million)	--	--	--	5,590	5,432	--
Share price (€)	--	--	--	0.688	1.101	--
Market capitalisation (€million)	--	--	--	3,848	5,978	--
Earnings per share (EPS) (€)	--	--	--	0.14	0.22	--
Book value per share (€)	--	--	--	2.46	2.62	--
TBV per share (€)	--	--	--	2.01	2.17	--
Price / Tangible book value (times)	--	--	--	0.34	0.51	--
Price / Earnings ratio (P/E) (times)	--	--	--	5.08	4.92	--
<b>Other data</b>						
Branches	1,303	1,203	--	1,523	1,414	--
Employees	13,484	13,821	--	18,987	19,331	--

(1) The NPA coverage ratio is based on total provisions.

(2) Taking into account the best estimate as of the date of publication of this report.

(3) Total number of shares excluding the final position of treasury shares.

(4) Historical values not adjusted.

(5) Net profit adjusted by the Additional Tier 1 coupons recorded under shareholders' equity.

(6) The cumulative EUR/GBP exchange rate as of 30.09.2023 applied throughout the report is 0.8709 in the case of the income statement and 0.8646 in the case of the balance sheet.

(7) Throughout this document, YoY changes in relation to the income statement refer to the cumulative nine-month period to the end of September 2023 versus the same cumulative nine-month period of 2022.

## 3. Performance review

### Macroeconomic environment

#### Global economic, political and financial context

The economy continued to perform well in the United States, while it remained weak in the Eurozone.

In the US, consensus estimates continued to push back the moment at which the economy might fall into recession, with that moment now standing more clearly in Q1 2024. This was due to positive surprises in activity data and upward revisions of excess savings estimates. In spite of this, there are still downside risks for economic growth related to (i) the effects of restrictive monetary policy, (ii) the possibility of a government shutdown from mid-November onwards, (iii) the end of the student loan payment pause and (iv) the effects of workers' strikes in the automotive industry taking place at several plants across the country.

In the Eurozone, the various economic sentiment indicators point towards a slight economic recession in the second half of 2023, after remaining all but stagnant since the end of 2022. It is particularly worth mentioning the weakness of more electricity-intensive industrial sectors and the loss of momentum in the services sector, which had been one of the main drivers of economic growth. Domestic demand is also showing signs of fragility.

As for prices, inflation generally dropped in developed economies, although certain fears have emerged in relation to the upwards pressures that higher oil prices might entail. In any case, core inflation, which excludes energy and food, is still at historically high levels.

#### Economic situation in Spain

In Spain, after the GDP figure for Q2 2023 was revised upwards to 0.5% QoQ, data for Q3 2023 continue to point to reduced momentum in terms of economic activity. Indeed, the Bank of Spain expects GDP growth to slow during Q3 2023 to 0.3% QoQ, as a result of higher energy prices, higher interest rates and weaker performance in export markets. Furthermore, interest rate hikes have continued to impact the housing market, with double-digit declines in both sales and mortgage applications. On the positive side of things, it is worth mentioning that data up to August for the tourism industry continued to be positive. On the other hand, the European Commission approved the Addendum to the Recovery Plan, with an additional 94 billion euros, part of which will be used to reinforce PERTEs (strategic projects for economic recovery and transformation), while the remainder is to be channelled through various funds managed by the ICO, the EIB and other public organisations.

As for inflation, this rose for three consecutive months, influenced by a smaller negative base effect of energy prices. Specifically, the year-on-year change in HICP in September was 3.3% (Aug 23: 2.4%), while core inflation continued to trend downwards, falling to 3.8%, influenced in particular by non-energy industrial goods.

#### Economic situation in the United Kingdom

The economy remained stagnant during the first half of the year. However, an upwards revision of historical GDP data caused UK economic growth to stand 1.8% above pre-pandemic levels in Q2 2023. The divergence between the more dynamic services sector and the manufacturing industry persisted, but has become less pronounced in recent months. The services sector further tightened financial conditions and already-high inflation.

On the topic of inflation, prices have now peaked but are still at very high levels amply above the 2% target. Core inflation slowed to 6.2% in August, while headline inflation is still 6.7%. Inflation was pushed up over the summer by energy prices.

The labour market, while still tight from a historical standpoint (unemployment rate is currently 4.3% compared to the average of 5.5%), has started to readjust, recording four consecutive months of unemployment rate increases. The number of vacancies has also fallen from record high levels, so it would appear that wage pressures have peaked.

The real estate market is feeling the impact of tighter financial conditions. Mortgage rates have risen by over 400bps since the interest rate hike cycle began, and the effects of this on transactions and prices are already evident. Price corrections reached 5% year-on-year in August, while new mortgage lending volumes were 25% below pre-pandemic levels.

#### Economic situation in Mexico

The Mexican economy continued to show strength, underpinned in particular by the good evolution of the US economy and the surge of investment, which could be benefitting from the nearshoring process. In terms of inflation, this continued to fall, although the services component retained certain inertia. On the other hand, the government disclosed a budget for 2024 (election year), which will pave the way for the largest fiscal deficit of recent decades. This prompted rating agencies to express concern that the incoming administration might struggle to return to a smaller deficit. In this context, the Mexican peso, which had been appreciating in its currency pair with the US dollar since the beginning of the year, came to a halt and the central bank has kept the official rate at 11.25%.

#### Fixed-income markets

The ECB raised interest rates in its July and September meetings, ultimately placing the deposit rate at an all-time-high of 4.00%. The ECB suggested that September's hike could be the last, but stated that it would keep rates at restrictive levels for as long as necessary to return inflation to its target. Going forward, the central bank will focus on its balance sheet policies.

The Federal Reserve kept its funds rate unchanged at the 5.25-5.50% range in its September meeting, after having increased it by 25bps in July. Its September meeting had a hawkish tone. It mainly emphasised that members of the Fed were still forecasting one additional rate hike for this year, while at the same time anticipating drops of just 50bps in 2024 (compared to their previous estimate in June of 100bps).

The BoE, in light of the slowdown of economic activity and after promising CPI inflation figures, decided to keep its base rate stable in its September meeting, after having raised it in previous meetings to 5.25%. In terms of its quantitative tightening, the BoE announced that it will continue with this process until at least October 2024.

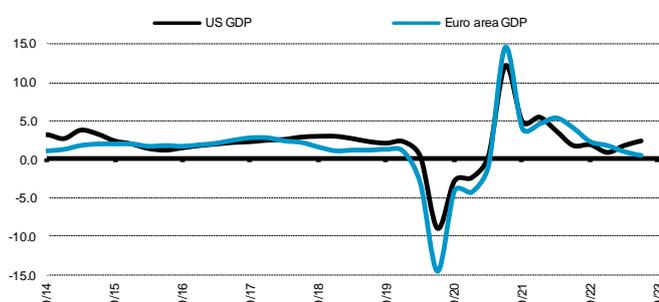
Long-term government bond yields rebounded sharply on both sides of the Atlantic, particularly in the United States, where they reached their highest levels since 2007. This rebound was explained by an improvement in the real component, in a context of (i) favourable economic data in the United States, (ii) upwards pressures on energy prices, (iii) the hawkish tone adopted by the Fed in its last meeting, (iv) concerns over political polarisation in the US and its possible impact on economic management, (v) concerns over fiscal developments in the US and the Treasury's need for extensive funding, and (v) factors that constrain demand for credit (such as the shift of monetary policy in Japan).

Risk premiums in the periphery increased in Spain and especially in Italy. The rebound of Italy's risk premium was influenced by the Italian government's new public deficit forecasts, which were revised upwards for 2023 and 2024, due to the change of accounting treatment and the increased use made of a package of subsidies to drive households' energy efficiency and also due to the increased payment of interest. These revisions could lead to tensions with European institutions, as the deficit in 2024 is expected to reach over 3% of GDP, above the levels established in the EU's fiscal rules which are due to come into force next year. This would also complicate Italy's hypothetical use of the ECB's emergency programme known as TPI (Transmission Protection Instrument), as one of the requirements to use this programme is that the country must be compliant with the EU's fiscal rules.

### Equity markets

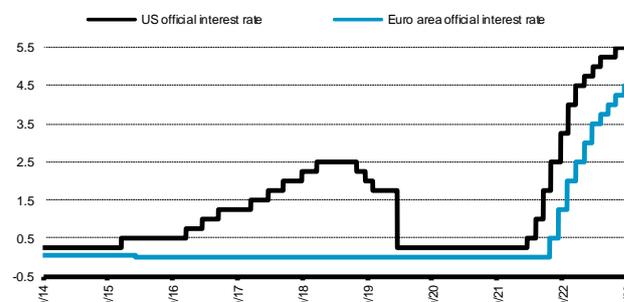
Equity markets experienced poor performance during Q3 2023 on a global scale. The S&P 500, for instance, dropped 0.55% in euros (-3.65% in dollars). In Europe, the Euro Stoxx 50 fell by -5.10%, with particularly sharp drops recorded by the German DAX (-4.71%) and the French CAC (-3.58%). Stock market indices in the periphery were somewhat steadier. The Italian FTSE MIB remained practically flat, while Spain's IBEX 35 dipped by 1.72%.

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



Source: Bloomberg

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



### Exchange rates: Parity vs. euro

Fx	30.09.22	31.12.22	31.03.23	30.06.23	30.09.23
USD	0.9748	1.0666	1.0875	1.0866	1.0594
GBP	0.8830	0.8869	0.8792	0.8583	0.8646
MXN	19.6393	20.8560	19.6392	18.5614	18.5030

Source: Bank of Spain

## Income statement

### Summary of results:

Banco Sabadell Group earned attributable profit of 1,028 million euros as of the end of September 2023, representing year-on-year growth of 44.9%, of which 867 million euros were recorded ex-TSB and 161 million euros correspond to TSB. The Group's ROTE increased by 363 bps compared to the same period in the previous year, reaching 11.6%.

This Group profit was mainly driven by the good performance of core results (net interest income + fees and commissions – costs), which increased by 38.8% year-on-year due to the improvement of net interest income, mainly supported by higher interest rates.

### Yearly income statement

(€ million)	Excl. TSB					Total group					
	9M22	9M22 (*)	9M23	YoY (%)	YoY (%) (*)	9M22	9M22 (*)	9M23	YoY (%)	YoY (%) at constant	YoY (%) (*)
<b>Net interest income</b>	<b>1,875</b>	<b>1,875</b>	<b>2,611</b>	<b>39.3</b>	<b>39.3</b>	<b>2,722</b>	<b>2,722</b>	<b>3,512</b>	<b>29.0</b>	<b>29.9</b>	<b>29.0</b>
Net fees and commissions	1,015	1,015	956	-5.7	-5.7	1,118	1,118	1,047	-6.3	-6.0	-6.3
<b>Core revenues</b>	<b>2,890</b>	<b>2,890</b>	<b>3,568</b>	<b>23.5</b>	<b>23.5</b>	<b>3,840</b>	<b>3,840</b>	<b>4,559</b>	<b>18.7</b>	<b>19.4</b>	<b>18.7</b>
Net trading income and exchange differences	102	102	50	-51.1	-51.1	113	113	64	-43.8	-42.1	-43.8
Income from equity method and dividends	113	135	95	-15.5	-29.6	113	135	95	-15.5	-15.5	-29.6
Other operating income/expense	-129	-129	-241	87.5	87.5	-159	-159	-270	70.1	72.3	70.1
<b>Gross operating income</b>	<b>2,976</b>	<b>2,998</b>	<b>3,472</b>	<b>16.7</b>	<b>15.8</b>	<b>3,907</b>	<b>3,929</b>	<b>4,448</b>	<b>13.8</b>	<b>14.5</b>	<b>13.2</b>
Operating expenses	-1,185	-1,185	-1,252	5.7	5.7	-1,753	-1,753	-1,838	4.8	5.6	4.8
Personnel expenses	-778	-778	-820	5.5	5.5	-1,043	-1,043	-1,093	4.9	5.6	4.9
Other general expenses	-407	-407	-432	6.0	6.0	-711	-711	-745	4.8	5.8	4.8
Amortisation & depreciation	-289	-289	-287	-0.8	-0.8	-409	-409	-393	-4.0	-3.4	-4.0
Total costs	-1,474	-1,474	-1,538	4.4	4.4	-2,162	-2,162	-2,231	3.2	3.9	3.2
<b>Pre-provisions income</b>	<b>1,502</b>	<b>1,525</b>	<b>1,933</b>	<b>28.7</b>	<b>26.8</b>	<b>1,744</b>	<b>1,767</b>	<b>2,217</b>	<b>27.1</b>	<b>27.6</b>	<b>25.4</b>
Provisions for NPLs	-517	-517	-569	10.0	10.0	-560	-560	-622	11.1	11.1	11.1
Provisions for other financial assets	-47	-47	-21	-56.0	-56.0	-77	-77	-13	-83.4	-83.2	-83.4
Other impairments	-72	-72	-48	-33.6	-33.6	-72	-72	-48	-33.6	-33.6	-33.6
Gains on sale of assets and other results	-16	-16	-31	94.6	94.6	-16	-16	-30	90.6	84.2	90.6
<b>Profit before tax</b>	<b>851</b>	<b>873</b>	<b>1,265</b>	<b>48.7</b>	<b>44.9</b>	<b>1,019</b>	<b>1,042</b>	<b>1,504</b>	<b>47.5</b>	<b>48.5</b>	<b>44.3</b>
Income tax	-220	-220	-397	80.3	80.3	-296	-296	-475	60.4	62.1	60.4
Minority interest	14	14	1	-95.3	-95.3	14	14	1	-95.3	-95.3	-95.3
<b>Attributable net profit</b>	<b>616</b>	<b>639</b>	<b>867</b>	<b>40.7</b>	<b>35.7</b>	<b>709</b>	<b>732</b>	<b>1,028</b>	<b>44.9</b>	<b>45.8</b>	<b>40.5</b>
Memorandum item:											
Core results (Nil + net fees and commissions - costs)	1,416	1,416	2,029	43.3	43.3	1,677	1,677	2,328	38.8	39.3	38.8

(\*) Shown for comparative purposes only. Data restated to factor in the application of IFRS 17.

### Quarterly income statement

(€ million)	Excl. TSB						Total group						
	3Q22	4Q22	1Q23	2Q23	3Q23	QoQ (%)	3Q22	4Q22	1Q23	2Q23	3Q23	QoQ (%) at constant FX	
<b>Net interest income</b>	<b>669</b>	<b>773</b>	<b>797</b>	<b>870</b>	<b>944</b>	<b>8.5</b>	<b>965</b>	<b>1,077</b>	<b>1,100</b>	<b>1,170</b>	<b>1,242</b>	<b>6.2</b>	<b>5.4</b>
Net fees and commissions	349	342	322	317	317	0.2	388	372	350	347	350	0.9	0.6
<b>Core revenues</b>	<b>1,018</b>	<b>1,115</b>	<b>1,119</b>	<b>1,187</b>	<b>1,261</b>	<b>6.3</b>	<b>1,354</b>	<b>1,449</b>	<b>1,450</b>	<b>1,517</b>	<b>1,592</b>	<b>5.0</b>	<b>4.3</b>
Net trading income and exchange differences	22	-4	-6	32	24	-25.8	30	-9	1	30	32	6.1	6.3
Income from equity method and dividends	28	12	31	40	23	-42.1	28	12	31	40	23	-42.1	-42.1
Other operating income/expense	-3	-113	-161	-80	0	-100.0	-12	-178	-172	-89	-9	-90.0	-90.3
<b>Gross operating income</b>	<b>1,066</b>	<b>1,009</b>	<b>983</b>	<b>1,180</b>	<b>1,309</b>	<b>11.0</b>	<b>1,400</b>	<b>1,273</b>	<b>1,311</b>	<b>1,498</b>	<b>1,638</b>	<b>9.4</b>	<b>8.7</b>
Operating expenses	-396	-400	-405	-412	-435	5.7	-586	-584	-593	-611	-634	3.8	3.0
Personnel expenses	-259	-258	-264	-274	-282	2.8	-348	-349	-350	-367	-376	2.6	1.9
Other general expenses	-137	-142	-141	-138	-153	11.3	-238	-235	-243	-244	-258	5.6	4.8
Amortisation & depreciation	-99	-99	-100	-98	-89	-9.1	-137	-136	-138	-136	-119	-12.9	-13.5
Total costs	-495	-499	-504	-510	-524	2.8	-723	-720	-730	-748	-753	0.7	0.0
<b>Pre-provisions income</b>	<b>571</b>	<b>510</b>	<b>479</b>	<b>670</b>	<b>785</b>	<b>17.2</b>	<b>677</b>	<b>553</b>	<b>581</b>	<b>750</b>	<b>885</b>	<b>18.0</b>	<b>17.4</b>
Provisions for NPLs	-159	-243	-200	-201	-168	-16.4	-180	-265	-217	-216	-189	-12.4	-12.7
Provisions for other financial assets	-18	-25	-11	-4	-5	15.4	-38	-34	-14	7	-6	--	--
Other impairments	-16	-24	-6	-23	-19	-20.0	-16	-24	-6	-23	-19	-20.0	-20.0
Gains on sale of assets and other results	3	-7	-3	-11	-17	52.7	3	-7	-3	-11	-17	58.2	58.5
<b>Profit before tax</b>	<b>382</b>	<b>210</b>	<b>259</b>	<b>430</b>	<b>576</b>	<b>34.0</b>	<b>447</b>	<b>223</b>	<b>342</b>	<b>507</b>	<b>654</b>	<b>29.0</b>	<b>28.3</b>
Income tax	-104	-58	-108	-122	-167	36.4	-130	-77	-137	-148	-190	28.7	28.0
Minority interest	0	-3	0	1	0	-100.0	0	-3	0	1	0	-100.0	-100.0
<b>Attributable net profit</b>	<b>278</b>	<b>155</b>	<b>151</b>	<b>307</b>	<b>409</b>	<b>33.4</b>	<b>317</b>	<b>149</b>	<b>205</b>	<b>359</b>	<b>464</b>	<b>29.4</b>	<b>28.7</b>
Memorandum item:													
Core results (Nil + net fees and commissions - costs)	523	615	615	677	737	8.8	631	729	720	769	839	9.1	8.5

### Net interest income:

Net interest income continued with its positive trend and amounted to 3,512 million euros as of the end of September 2023, representing growth of 29.0% year-on-year and of 6.2% in the quarter.

This growth, both year-on-year and in the quarter, was mainly driven by higher loan yields, higher earnings on the fixed-income portfolio and improved liquidity, all of which offset the higher costs of both funds and wholesale funding.

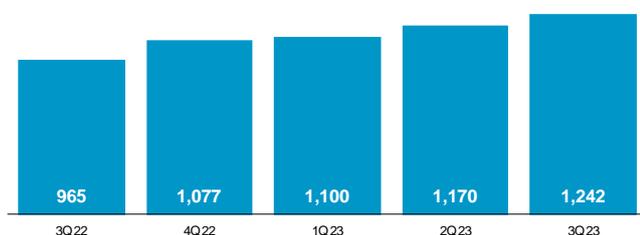
### Customer spread and net interest margin:

The customer spread increased by 10 bps in the quarter and by 67 bps compared to the same period of the previous year, standing at 2.99%, driven by the increase in loan yields, which offset the higher cost of deposits.

Similarly, the net interest margin as a percentage of average total assets rose by 14 bps in the quarter and by 56 bps compared to the same period in the previous year, reaching 2.02%.

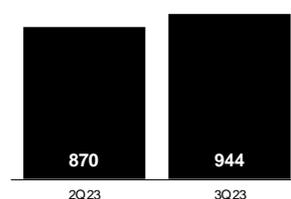
### Evolution of net interest income

Total group (€ millions)



	Total group	Constant FX
Change YoY:	<b>+29.0%</b>	<b>+29.9%</b>
Change QoQ:	<b>+6.2%</b>	<b>+5.4%</b>

Sabadell ex - TSB (€ millions)



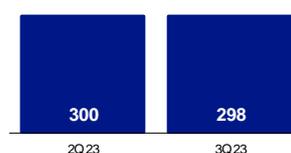
Change YoY:

**+39.3%**

Change QoQ:

**+8.5%**

TSB (€ millions)



Change YoY:

**+6.3%**

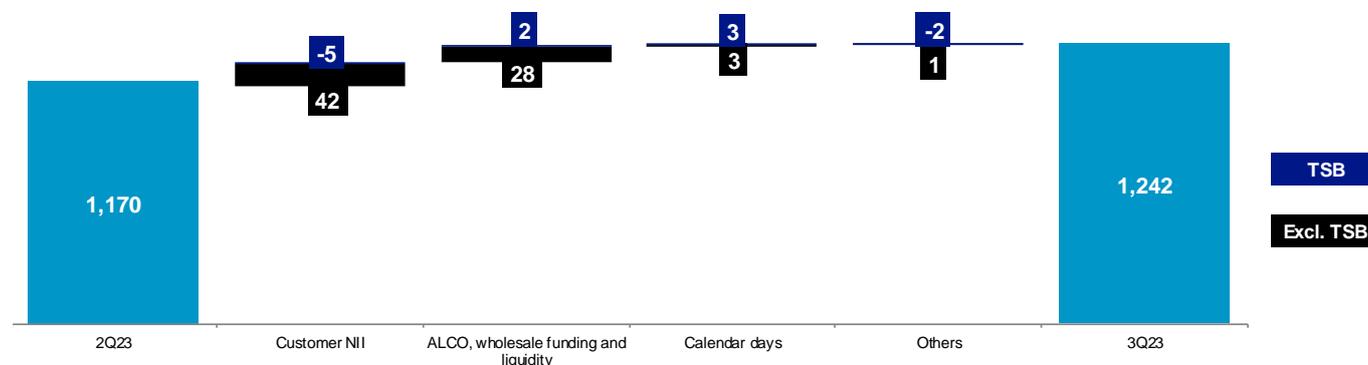
**+9.3%** Constant FX

Change QoQ:

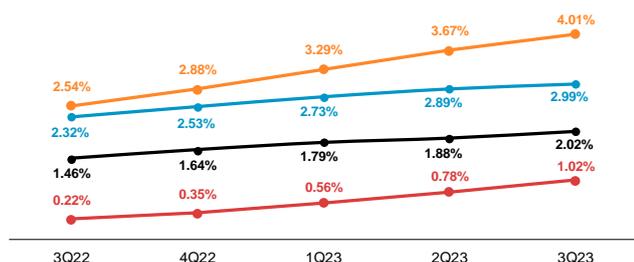
**-0.6%**

**-1.8%** Constant FX

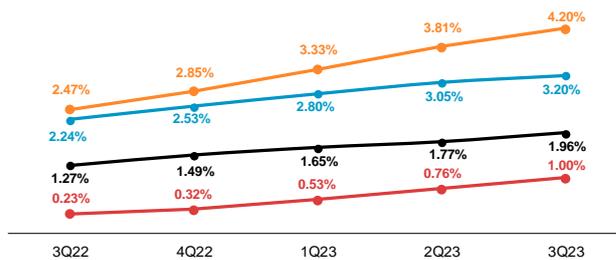
### Quarterly evolution of net interest income (€ million)



### Net interest income, Group (%)



### Net interest income, ex-TSB (%)



### Net interest income, TSB (%)



## Gains and charges in the quarter

### Total Group

(€ million)	3 Q22			4 Q22			1Q23			2 Q23			3 Q23		
	Avg. balance	Rate %	Results												
Cash and cash equivalents (1)	54,979	0.39	54	49,632	1.62	202	44,352	2.75	301	45,491	3.44	390	39,474	3.87	386
Loans to customers (net)	159,007	2.54	1,018	158,716	2.88	1,150	155,284	3.29	1,258	154,297	3.67	1,413	154,449	4.01	1,561
Fixed-income securities	27,926	1.14	81	28,483	1.70	122	28,818	2.34	166	28,961	2.80	202	28,511	3.19	229
Equity securities	925	--	--	922	--	--	743	--	--	835	--	--	882	--	--
Tang. & intang. assets	4,785	--	--	4,752	--	--	4,659	--	--	4,584	--	--	4,540	--	--
Other assets	14,553	1.40	51	17,405	1.93	85	15,056	2.70	100	15,076	3.10	116	16,059	3.54	143
<b>Total assets</b>	<b>262,174</b>	<b>1.82</b>	<b>1,203</b>	<b>259,909</b>	<b>2.38</b>	<b>1,559</b>	<b>248,912</b>	<b>2.97</b>	<b>1,825</b>	<b>249,243</b>	<b>3.41</b>	<b>2,122</b>	<b>243,916</b>	<b>3.77</b>	<b>2,319</b>
Financial institutions (2)	49,752	-0.03	-4	46,426	-1.09	-127	36,788	-2.60	-236	36,073	-3.35	-301	27,663	-3.78	-264
Customer deposits	164,089	-0.22	-90	163,043	-0.35	-144	161,138	-0.56	-221	160,352	-0.78	-310	161,163	-1.02	-415
Capital markets	22,332	-1.33	-75	22,602	-2.11	-120	25,074	-2.57	-159	26,425	-3.21	-211	27,156	-3.53	-241
Other liabilities	12,698	-2.14	-69	14,438	-2.50	-91	12,870	-3.43	-109	13,377	-3.88	-130	14,630	-4.25	-157
Shareholders' equity	13,304	--	--	13,400	--	--	13,042	--	--	13,017	--	--	13,304	--	--
<b>Total funds</b>	<b>262,174</b>	<b>-0.36</b>	<b>-238</b>	<b>259,909</b>	<b>-0.74</b>	<b>-482</b>	<b>248,912</b>	<b>-1.18</b>	<b>-725</b>	<b>249,243</b>	<b>-1.53</b>	<b>-952</b>	<b>243,916</b>	<b>-1.75</b>	<b>-1,077</b>
<b>Net interest income</b>			<b>965</b>			<b>1,077</b>			<b>1,100</b>			<b>1,170</b>			<b>1,242</b>
<b>Customer spread</b>			<b>2.32</b>			<b>2.53</b>			<b>2.73</b>			<b>2.89</b>			<b>2.99</b>
<b>Net interest margin as % of ATA</b>			<b>1.46</b>			<b>1.64</b>			<b>1.79</b>			<b>1.88</b>			<b>2.02</b>

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

Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes negative interest rates applied to balances of credit institutions, the most significant item being TLTRO III borrowing in 2022.

### Sabadell ex-TSB

(€ million)	3 Q22			4 Q22			1Q23			2 Q23			3 Q23		
	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results	Avg. balance	Rate %	Results
Cash and cash equivalents (1)	49,867	0.29	37	43,854	1.49	165	38,630	2.63	250	39,363	3.32	326	33,510	3.70	312
Loans to customers (net)	114,829	2.47	715	114,851	2.85	825	112,346	3.33	922	111,722	3.81	1,060	111,782	4.20	1,183
Fixed-income securities	25,136	1.14	72	25,915	1.64	107	26,435	2.29	149	26,615	2.73	181	26,082	3.07	202
Other assets	19,565	0.39	19	21,050	0.57	30	18,988	0.52	24	19,013	0.59	28	19,645	0.56	28
<b>Total assets</b>	<b>209,397</b>	<b>1.60</b>	<b>843</b>	<b>205,669</b>	<b>2.17</b>	<b>1,127</b>	<b>196,399</b>	<b>2.78</b>	<b>1,346</b>	<b>196,713</b>	<b>3.25</b>	<b>1,596</b>	<b>191,018</b>	<b>3.58</b>	<b>1,725</b>
Financial institutions (2)	43,070	0.20	22	39,442	-0.78	-78	30,939	-2.38	-181	31,270	-3.18	-248	22,977	-3.51	-203
Customer deposits	123,482	-0.23	-73	122,462	-0.32	-99	120,722	-0.53	-158	119,805	-0.76	-226	120,789	-1.00	-304
Capital markets	20,232	-1.27	-65	20,725	-2.06	-108	23,018	-2.51	-143	23,788	-3.11	-184	24,392	-3.39	-209
Other liabilities and shareholders' equity	22,614	-1.03	-59	23,040	-1.21	-70	21,720	-1.25	-67	21,851	-1.23	-67	22,861	-1.12	-65
<b>Total funds</b>	<b>209,397</b>	<b>-0.33</b>	<b>-174</b>	<b>205,669</b>	<b>-0.68</b>	<b>-354</b>	<b>196,399</b>	<b>-1.13</b>	<b>-549</b>	<b>196,713</b>	<b>-1.48</b>	<b>-725</b>	<b>191,018</b>	<b>-1.62</b>	<b>-781</b>
<b>Net interest income</b>			<b>669</b>			<b>773</b>			<b>797</b>			<b>870</b>			<b>944</b>
<b>Customer spread</b>			<b>2.24</b>			<b>2.53</b>			<b>2.80</b>			<b>3.05</b>			<b>3.20</b>
<b>Net interest margin as % of ATA</b>			<b>1.27</b>			<b>1.49</b>			<b>1.65</b>			<b>1.77</b>			<b>1.96</b>

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

Financial income or expenses arising from the application of negative interest rates are recorded in line with the nature of the associated asset or liability. The credit institutions heading on the liabilities side includes negative interest rates applied to balances of credit institutions, the most significant item being TLTRO III borrowing in 2022.

### Net trading income and exchange differences:

As of the end of September 2023, this item amounted to 64 million euros, representing a reduction compared to the same period of the previous year, mainly due to reduced earnings on trading derivatives.

In the third quarter, this item amounted to 32 million euros, remaining practically in line with the previous quarter.

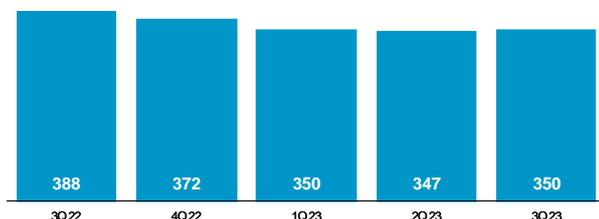
### Net fees and commissions:

Net fees and commissions fell by -6.3% year-on-year and ended September 2023 at 1,047 million euros, mainly due to fewer service fees, as well as reduced asset management fees, where it is particularly worth mentioning fees on the sale of pension funds and insurance due to a change in the insurance product mix.

Quarter-on-quarter, they grew slightly by 0.9%, mainly due to higher service fees, particularly card fees, which offset the drop in asset management fees that were in turn impacted by a seasonal effect.

## Evolution of net fees and commissions

Total group (€ millions)



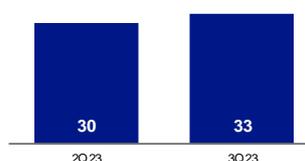
Sabadell ex - TSB (€ millions)



Change YoY:  
**-5.7%**

Change QoQ:  
**+0.2%**

TSB (€ millions)



Change YoY:  
**-12.1%**  
**-9.6%** Constant FX

Change QoQ:  
**+8.8%**  
**+7.6%** Constant FX

	Total group	Constant FX
Change YoY:	<b>-6.3%</b>	<b>-6.0%</b>
Change QoQ:	<b>+0.9%</b>	<b>+0.6%</b>

## Net fees and commissions

(€million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q23	3 Q23	QoQ (%)	2 Q23	3 Q23	QoQ (%)	9 M 22	9 M 23	YoY (%)	9 M 22	9 M 23	YoY (%)
Lending fees	45	47	5.5	45	47	5.5	133	138	3.5	133	138	3.5
Guarantees commissions	26	26	-0.8	26	26	-0.8	77	78	0.9	77	78	0.9
<b>Risk transaction fees</b>	<b>71</b>	<b>73</b>	<b>3.2</b>	<b>71</b>	<b>73</b>	<b>3.2</b>	<b>210</b>	<b>216</b>	<b>2.6</b>	<b>210</b>	<b>216</b>	<b>2.6</b>
Cards	44	49	10.1	64	68	6.8	137	132	-3.9	194	189	-2.6
Payment orders	20	19	-4.3	21	20	-4.2	60	61	0.5	62	62	0.4
Securities	14	15	6.8	14	15	6.8	41	43	4.1	41	43	4.1
Sight accounts	61	60	-1.8	68	67	-1.5	186	186	-0.1	218	206	-5.4
Foreign currency and notes exchange	23	23	0.1	30	30	2.2	87	68	-21.2	108	89	-17.2
Other transactions	8	9	17.7	2	5	208.7	48	29	-38.7	32	13	-60.0
<b>Commissions for services</b>	<b>170</b>	<b>175</b>	<b>2.8</b>	<b>198</b>	<b>205</b>	<b>3.7</b>	<b>559</b>	<b>519</b>	<b>-7.2</b>	<b>655</b>	<b>602</b>	<b>-8.1</b>
Mutual funds	29	30	1.7	29	30	1.7	93	89	-5.2	93	89	-5.2
Pension funds and insurance brokerage	41	34	-17.4	43	37	-16.0	135	117	-12.9	142	125	-12.2
Managed accounts	5	5	3.0	5	5	3.0	17	16	-5.2	17	16	-5.2
<b>Asset Under Management commissions</b>	<b>76</b>	<b>69</b>	<b>-8.5</b>	<b>78</b>	<b>72</b>	<b>-8.0</b>	<b>245</b>	<b>222</b>	<b>-9.5</b>	<b>253</b>	<b>229</b>	<b>-9.2</b>
<b>Total commissions</b>	<b>317</b>	<b>317</b>	<b>0.2</b>	<b>347</b>	<b>350</b>	<b>0.9</b>	<b>1,015</b>	<b>956</b>	<b>-5.7</b>	<b>1,118</b>	<b>1,047</b>	<b>-6.3</b>

### Income from equity method and dividends:

This item amounted to 95 million euros as of the end of September 2023, lower than in the same period of the previous year, when it amounted to 113 million euros, mainly because the latter included higher earnings recorded by BS Capital investees, which were partially offset by the increased contribution of the insurance business in 2023.

In quarter-on-quarter terms, this item showed a negative balance variation, due to the smaller contribution from the insurance business.

### Other operating income and expenses:

This item amounted to -270 million euros as of the end of September 2023, compared to -159 million euros in the same period of the previous year. This negative variation is mainly explained by the -156 million euros paid for the new banking tax, booked in the first quarter of 2023, which was partially offset by the booking of a smaller contribution to the Single Resolution Fund (SRF) (-76 million euros in 2023 compared to -100 million euros in 2022), given the reduction of the calculated target by the SRB (Single Resolution Board).

The positive quarter-on-quarter change of 80 million euros is mainly due to the impact of the contribution to the SRF booked in the second quarter of 2023.

### Total costs:

Total costs came to -2,231 million euros as of the end of September 2023, representing a year-on-year increase of 3.2%, due to higher staff expenses, including salary management in the wake of inflationary pressures, and to the increase in general expenses, particularly marketing and IT expenses, which offset the reduction of amortisations.

Quarter-on-quarter, total costs recorded slight growth of 0.7%, also impacted by the increase in operating expenses, which offset the improvement of amortisations.

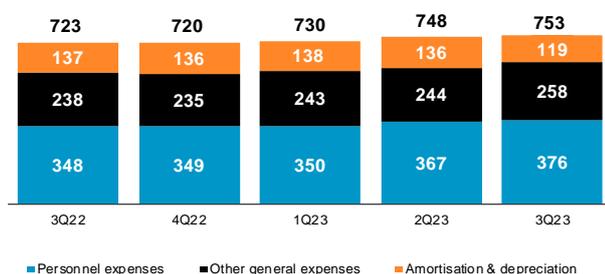
It is worth noting that the cost-to-income ratio improved compared to the figures recorded at the end of June 2023 and at the end of September 2022, standing at 41.9% and at 50.9% when including amortisations.

### Total costs

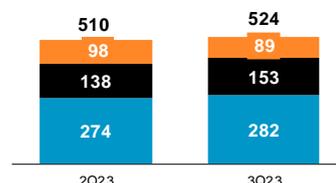
(€million)	Excl. TSB			Total group			Excl. TSB			Total group		
	2 Q23	3 Q23	QoQ (%)	2 Q23	3 Q23	QoQ (%)	9 M 22	9 M 23	YoY (%)	9 M 22	9 M 23	YoY (%)
<b>Personnel expenses</b>	<b>-274</b>	<b>-282</b>	<b>2.8</b>	<b>-367</b>	<b>-376</b>	<b>2.6</b>	<b>-778</b>	<b>-820</b>	<b>5.5</b>	<b>-1,043</b>	<b>-1,093</b>	<b>4.9</b>
IT and communications	-56	-59	6.3	-111	-113	1.7	-163	-170	4.7	-320	-332	3.7
Advertising	-13	-17	35.6	-24	-24	2.9	-32	-40	26.0	-54	-65	20.9
Premises and office supplies	-7	-9	29.4	-15	-16	7.5	-31	-26	-15.3	-51	-47	-6.7
Technical reports and judicial expenses	-6	-6	15.8	-9	-10	16.6	-16	-17	6.9	-30	-28	-7.8
Subcontracted administrative services	-12	-13	2.6	-31	-33	5.8	-37	-39	3.2	-89	-97	8.2
Contributions and taxes	-23	-27	17.6	-25	-30	17.0	-70	-75	7.2	-78	-81	4.1
Others	-21	-22	1.1	-30	-32	7.9	-59	-64	10.0	-88	-94	7.3
<b>Other general expenses</b>	<b>-138</b>	<b>-153</b>	<b>11.3</b>	<b>-244</b>	<b>-258</b>	<b>5.6</b>	<b>-407</b>	<b>-432</b>	<b>6.0</b>	<b>-711</b>	<b>-745</b>	<b>4.8</b>
<b>Amortisation &amp; depreciation</b>	<b>-98</b>	<b>-89</b>	<b>-9.1</b>	<b>-136</b>	<b>-119</b>	<b>-12.9</b>	<b>-289</b>	<b>-287</b>	<b>-0.8</b>	<b>-409</b>	<b>-393</b>	<b>-4.0</b>
<b>Total costs</b>	<b>-510</b>	<b>-524</b>	<b>2.8</b>	<b>-748</b>	<b>-753</b>	<b>0.7</b>	<b>-1,474</b>	<b>-1,538</b>	<b>4.4</b>	<b>-2,162</b>	<b>-2,231</b>	<b>3.2</b>
Memorandum item:												
Efficiency ratio (%)							40.93	36.71		45.83	41.91	
Efficiency ratio with amortisation & depreciation (%)							50.91	45.12		56.52	50.87	

## Evolution of total costs

Total group (€ millions)



Sabadell ex - TSB (€ millions)



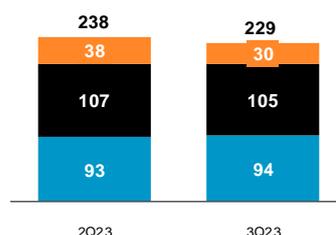
Change YoY:

**+4.4%**

Change QoQ:

**+2.8%**

TSB (€ millions)



Change YoY:

**+0.6%**

**+3.3%** Constant FX

Change QoQ:

**-3.7%**

**-4.9%** Constant FX

	Total group	Constant FX
Change YoY:	<b>+3.2%</b>	<b>+3.9%</b>
Change QoQ:	<b>+0.7%</b>	<b>+0.0%</b>

## Core results:

Core results (net interest income + fees and commissions - costs) followed a positive trend, standing at 2,328 million euros as of the end of September 2023, growing by 38.8%

year-on-year and by 9.1% in the quarter, as a result of the good evolution of net interest income.

(€ million)

	Total group					
	2 Q23	3 Q23	QoQ (%)	9 M 22	9 M 23	YoY (%)
Net interest income	1,170	1,242	6.2	2,722	3,512	29.0
Net fees and commissions	347	350	0.9	1,118	1,047	-6.3
Costs	-748	-753	0.7	-2,162	-2,231	3.2
<b>Core results</b>	<b>769</b>	<b>839</b>	<b>9.1</b>	<b>1,677</b>	<b>2,328</b>	<b>38.8</b>

## Provisions for loan losses and other impairments:

This item amounted to a total of -683 million euros as of the end of September 2023, compared to -709 million euros as of the end of the previous September, falling by -3.8% due to the booking of fewer provisions for financial assets and for real estate assets, which neutralised the increase in provisions for credit losses.

In the quarter, provisions fell by -8.0% due to fewer credit provisions and fewer real estate provisions.

This level of provisions resulted in a Group credit cost of risk of 43 bps and a total cost of risk of 55 bps as of the end of September 2023.

## Gains on sale of assets and other results:

Gains on the sale of assets and other results amounted to -30 million euros as of the end of September 2023, increasing in year-on-year terms due to the recognition of higher IT asset write-offs.

In the quarter, this heading stood at -17 million euros, showing an increase compared to the previous quarter, for the same reason mentioned previously.

## Net profit:

The Group's net profit amounted to 1,028 million euros as of the end of September 2023, 44.9% higher than as of the end of September 2022, mainly driven by improved net interest income.

## Balance sheet

### Highlights:

Performing loans decreased in year-on-year terms, due to reduced mortgage volumes in both Spain and the United Kingdom, lower volumes of loans to SMEs and corporates, and affected by the maturity of Treasury loans in public sector. In the quarter, they also recorded a decline, due to reduced volumes of mortgages and credit granted to SMEs and corporates, impacted by seasonality during the period.

On-balance sheet customer funds showed a slight drop year-on-year, with a particularly pronounced reduction in sight deposit accounts as customers searched for higher returns on their savings, which was partially offset by the increase in term deposits and retail issuances, mainly commercial paper. These facts also explain the slight drop in the quarter.

The loan-to-deposit ratio improved during the quarter to 94.6%, generating a funding gap of 1,300 million euros in the quarter and of 3,500 million euros year-on-year.

Off-balance sheet funds also increased year-on-year, driven by growth across all segments, most notably the positive evolution of mutual funds, in terms of both yields and net inflows. These trends reversed in the quarter, with off-balance sheet funds recording a slight reduction.

### Balance sheet

(€million)	30.09.22	30.09.22 (*)	30.06.23	30.09.23	Change		
					YoY (%)	YoY (%) (*)	QoQ (%)
Cash, cash balances at central banks and other demand deposits	43,971	43,971	30,755	35,270	-19.8	-19.8	14.7
Financial assets held for trading and fair value with changes in PL	5,953	5,953	4,134	3,802	-36.1	-36.1	-8.0
Financial assets in fair value OCI	5,826	5,826	5,612	5,448	-6.5	-6.5	-2.9
Financial assets at amortised cost	189,323	189,323	187,805	183,533	-3.1	-3.1	-2.3
Loans and advances to customers	159,365	159,365	156,549	154,348	-3.1	-3.1	-1.4
Loans and advances of central banks and credit institutions	9,384	9,384	9,316	7,582	-19.2	-19.2	-18.6
Debt securities	20,574	20,574	21,940	21,604	5.0	5.0	-1.5
Investments in subsidiaries, joint ventures and associates	531	379	450	499	-5.9	31.9	10.9
Tangible assets	2,590	2,590	2,445	2,383	-8.0	-8.0	-2.5
Intangible assets	2,493	2,493	2,444	2,426	-2.7	-2.7	-0.7
Other assets	9,720	9,720	9,807	9,900	18	18	0.9
<b>Total assets</b>	<b>260,407</b>	<b>260,255</b>	<b>243,453</b>	<b>243,261</b>	<b>-6.6</b>	<b>-6.5</b>	<b>-0.1</b>
Financial liabilities held for trading and fair value with changes in PL	4,956	4,956	3,868	3,840	-22.5	-22.5	-0.7
Financial liabilities at amortised cost	239,663	239,663	223,887	223,283	-6.8	-6.8	-0.3
Central banks	37,605	37,605	9,721	9,743	-74.1	-74.1	0.2
Credit institutions	9,512	9,512	17,813	18,600	95.5	95.5	4.4
Customer deposits	163,551	163,551	161,626	160,907	-1.6	-1.6	-0.4
Debt securities issued	21,622	21,622	26,299	27,452	27.0	27.0	4.4
Other financial liabilities	7,373	7,373	8,428	6,581	-10.7	-10.7	-21.9
Provisions	631	631	553	538	-14.7	-14.7	-2.7
Other liabilities	1,794	1,794	1,624	1,822	16	16	12.2
<b>Subtotal liabilities</b>	<b>247,044</b>	<b>247,044</b>	<b>229,932</b>	<b>229,483</b>	<b>-7.1</b>	<b>-7.1</b>	<b>-0.2</b>
Shareholders' equity	13,815	13,597	13,990	14,263	3.2	4.9	2.0
Accumulated other comprehensive income	-489	-424	-504	-519	6.0	22.4	2.9
Minority interest	38	38	35	34	-9.1	-9.1	-2.6
<b>Net equity</b>	<b>13,363</b>	<b>13,211</b>	<b>13,520</b>	<b>13,778</b>	<b>3.1</b>	<b>4.3</b>	<b>1.9</b>
<b>Total liabilities and equity</b>	<b>260,407</b>	<b>260,255</b>	<b>243,453</b>	<b>243,261</b>	<b>-6.6</b>	<b>-6.5</b>	<b>-0.1</b>
Financial guarantees granted	2,102	2,102	2,016	2,065	-1.7	-1.7	2.4
Commitments for loans granted	28,569	28,569	26,944	27,215	-4.7	-4.7	10
Other commitments granted	8,292	8,292	8,586	8,088	-2.5	-2.5	-5.8

(\*) Shown for comparative purposes only. Data restated to factor in the application of IFRS 17.

### Assets:

The Group's total assets amounted to 243,261 million euros, dropping by -6.6% year-on-year, affected by the 27,000 million euros TLTRO III repayment and the 1,500 million pound sterling repayment made to the Bank of England

under the TFSME (Term Funding Scheme with additional incentives for SMEs). In quarter-on-quarter terms, total assets remained in line with the figure as of June 2023.

## Loans and advances to customers:

Gross performing loans ended September 2023 with a balance of 151,627 million euros, declining by -3.3% year-on-year and by -1.4% in the quarter.

In Spain, gross performing loans decreased by -4.1% year-on-year, impacted by reduced balances of SMEs and corporates, the maturity of Treasury loans and by a smaller volume of mortgages. In the quarter, this reduction was -1.7%, likewise affected by smaller volumes of credit granted to SMEs and corporates due to the impact of seasonality in the period, and by a reduction in mortgage volumes.

Gross performing loans in foreign branches (Europe and Miami included in the Spain perimeter) amounted to 9,328 million euros, thus falling by -4.4% year-on-year due to the depreciation of the US dollar, as considering a constant exchange rate this item remained steady with respect to the previous year. In the quarter, they increased by 1.6%, likewise affected by the evolution of the US dollar, although positively in this case, as considering a constant exchange rate they remained in line with respect to June 2023.

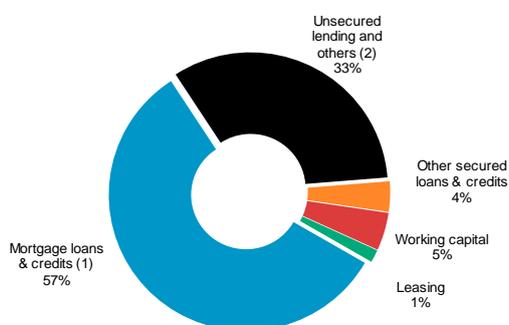
In TSB, gross performing loans dropped by -2.5% year-on-year, benefitting from the appreciation of the pound sterling, as considering a constant exchange rate this reduction was -4.5% due to the reduced volume of the mortgage book. With respect to the previous quarter, lending was impacted by the depreciation of the pound sterling, recording a decline of -1.7%, while considering a constant exchange rate it dropped by -1.0%, due to the aforesaid decline in mortgages.

Mexico recorded growth of 9.8% year-on-year and of 7.7% in the quarter, impacted by the evolution of the Mexican peso. At constant exchange rates, growth was 11.7% year-on-year and 6.4% in the quarter.

## Loans and advances to customers

(€million)	Excl. TSB			Change		Total group			Change	
	30.09.22	30.06.23	30.09.23	YoY (%)	QoQ (%)	30.09.22	30.06.23	30.09.23	YoY (%)	QoQ (%)
Mortgage loans & credits	49,449	48,525	47,959	-3.0	-1.2	89,513	88,356	87,123	-2.7	-1.4
Other secured loans & credits	3,034	3,211	5,116	68.6	59.4	3,476	3,589	5,475	57.5	52.6
Working capital	6,760	7,002	6,829	1.0	-2.5	6,760	7,002	6,829	1.0	-2.5
Leasing	2,163	2,311	2,265	4.7	-2.0	2,163	2,311	2,265	4.7	-2.0
Unsecured lending and others	52,484	50,259	47,665	-9.2	-5.2	54,833	52,576	49,935	-8.9	-5.0
<b>Performing gross loans</b>	<b>113,889</b>	<b>111,307</b>	<b>109,834</b>	<b>-3.6</b>	<b>-1.3</b>	<b>156,745</b>	<b>153,834</b>	<b>151,627</b>	<b>-3.3</b>	<b>-1.4</b>
Stage 3 assets (customer)	4,767	4,940	4,958	4.0	0.4	5,358	5,534	5,561	3.8	0.5
Accruals	85	89	179	110.0	10.10	184	155	243	32.1	56.7
<b>Gross loans to customers (excluding repos)</b>	<b>118,741</b>	<b>116,336</b>	<b>114,971</b>	<b>-3.2</b>	<b>-1.2</b>	<b>162,288</b>	<b>159,523</b>	<b>157,431</b>	<b>-3.0</b>	<b>-1.3</b>
Reverse repos	115	130	74	-35.7	-43.4	115	130	74	-35.7	-43.4
<b>Gross loans to customers</b>	<b>118,856</b>	<b>116,466</b>	<b>115,045</b>	<b>-3.2</b>	<b>-1.2</b>	<b>162,403</b>	<b>159,653</b>	<b>157,505</b>	<b>-3.0</b>	<b>-1.3</b>
NPL and country-risk provisions	-2,822	-2,877	-2,925	3.7	1.7	-3,038	-3,105	-3,157	3.9	1.7
<b>Loans and advances to customers</b>	<b>116,034</b>	<b>113,589</b>	<b>112,120</b>	<b>-3.4</b>	<b>-1.3</b>	<b>159,365</b>	<b>156,549</b>	<b>154,348</b>	<b>-3.1</b>	<b>-1.4</b>

## Loans and advances to customers, by product type, 30.09.2023 (%) <sup>(\*)</sup>

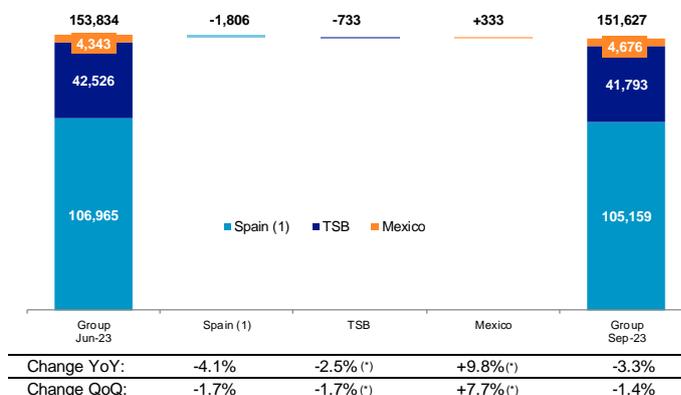


(1) Includes mortgage loans and credits both to individuals and companies.

(2) Includes ICO loans.

(\*) Excluding stage 3 assets and accrual adjustments.

## Gross performing loans by geography (€ million)



(\*) In TSB -4.5% YoY and -1.0% QoQ in GBP and in Mexico +11.7% YoY and +6.4% QoQ in MXN.

(1) Spain includes foreign branches (€9,328M in Sep 23 and €9,179M in Jun 23).

## Liabilities:

### Customer funds:

As of the end of September 2023, on-balance sheet customer funds amounted to a total of 161,973 million euros, representing a decline of -0.8% year-on-year and of -0.5% in the quarter. In both cases, it is worth mentioning the reduction of sight deposits, which was partially offset by term deposits and retail issuances, mainly commercial paper, as funds flowed through to products that offered higher yields.

Sight deposit account balances amounted to 136,511 million euros, representing a reduction of -7.6% compared to September 2022 and of -2.5% compared to the previous quarter.

Term deposits came to a total of 24,184 million euros, representing an increase of 52.1% year-on-year and of 12.6% in the quarter.

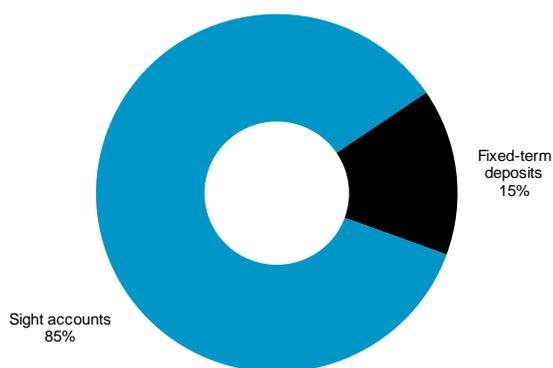
Total off-balance sheet customer funds came to 39,342 million euros as of the end of September 2023, reflecting an increase of 3.4% in year-on-year terms, driven by growth across all segments and most notably by the good performance of mutual funds, in terms of both yields and net inflows. These trends reversed in the quarter, with off-balance sheet funds recording a reduction of -0.9%.

### Funds under management and third-party funds:

This item amounted to a total of 227,702 million euros, representing a year-on-year increase of 2.0% and remaining steady with respect to the previous quarter.

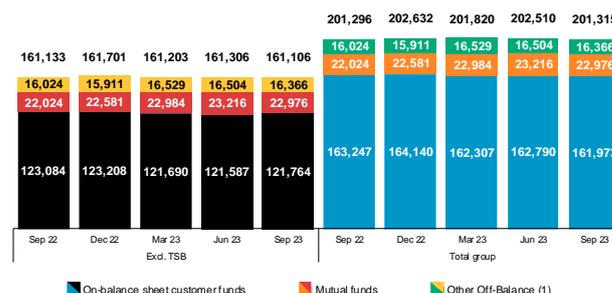
Exposure with central banks includes 5,000 million euros with the ECB and 4,000 million pounds with the Bank of England, remaining in line with the previous quarter.

### Customer deposits, 30.09.2023 (%) (\*)



(\*) Excluding accrual adjustments and hedging derivatives.

### Evolution of customer funds (€ million)



Excl. TSB (\*)

Change YoY: **-1.1%**  
Change QoQ: **+0.1%**

Total group (\*)

Change YoY: **-0.8%**  
Change QoQ: **-0.5%**

(\*) Change on on-balance sheet customer funds.

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

## Customer funds

(€million)	Excl. TSB					Total group				
	30.09.22	30.06.23	30.09.23	Change		30.09.22	30.06.23	30.09.23	Change	
				YoY (%)	QoQ (%)				YoY (%)	QoQ (%)
<b>Financial liabilities at amortised cost</b>	<b>189,183</b>	<b>173,293</b>	<b>173,093</b>	<b>-8.5</b>	<b>-0.1</b>	<b>239,663</b>	<b>223,887</b>	<b>223,283</b>	<b>-6.8</b>	<b>-0.3</b>
Non-retail financial liabilities	66,099	51,706	51,329	-22.3	-0.7	76,416	61,097	61,310	-19.8	0.3
Central banks	31,351	5,009	5,056	-83.9	0.9	37,605	9,721	9,743	-74.1	0.2
Credit institutions	9,511	17,812	18,599	95.5	4.4	9,512	17,813	18,600	95.5	4.4
Institutional issues	19,916	22,411	23,061	15.8	2.9	21,926	25,135	26,386	20.3	5.0
Other financial liabilities	5,320	6,475	4,613	-13.3	-28.7	7,373	8,428	6,581	-10.7	-21.9
<b>On-balance sheet customer funds</b>	<b>(1) 123,084</b>	<b>121,587</b>	<b>121,764</b>	<b>-1.1</b>	<b>0.1</b>	<b>163,247</b>	<b>162,790</b>	<b>161,973</b>	<b>-0.8</b>	<b>-0.5</b>
Customer deposits	123,363	120,331	120,564	-2.3	0.2	163,551	161,626	160,907	-1.6	-0.4
Sight accounts	(1) 109,315	103,687	101,640	-7.0	-2.0	147,664	140,056	136,511	-7.6	-2.5
Fixed-term deposits	(1) 14,091	16,650	18,845	33.7	13.2	15,905	21,484	24,184	52.1	12.6
Repos	0	0	0	--	--	12	0	0	-100.0	--
Accruals and derivative hedging adjustments	-43	-5	78	--	--	-29	87	212	--	145.2
Debt and other marketable securities	(1) 16,154	19,588	20,170	24.9	3.0	18,138	22,220	23,362	28.8	5.1
Subordinated liabilities	(2) 3,484	4,079	4,091	17.4	0.3	3,484	4,079	4,091	17.4	0.3
<b>On-balance sheet funds</b>	<b>143,001</b>	<b>143,998</b>	<b>144,825</b>	<b>1.3</b>	<b>0.6</b>	<b>185,173</b>	<b>187,925</b>	<b>188,359</b>	<b>1.7</b>	<b>0.2</b>
Mutual funds	22,024	23,216	22,976	4.3	-1.0	22,024	23,216	22,976	4.3	-1.0
Dedicated investment companies	964	551	584	-39.5	5.8	964	551	584	-39.5	5.8
Third-party funds	21,060	22,664	22,392	6.3	-1.2	21,060	22,664	22,392	6.3	-1.2
Managed accounts	3,431	3,730	3,633	5.9	-2.6	3,431	3,730	3,633	5.9	-2.6
Pension funds	3,164	3,213	3,179	0.5	-1.1	3,164	3,213	3,179	0.5	-1.1
Individual	2,053	2,087	2,062	0.4	-1.2	2,053	2,087	2,062	0.4	-1.2
Company	1,106	1,122	1,112	0.6	-0.9	1,106	1,122	1,112	0.6	-0.9
Group	5	5	5	-7.7	-1.4	5	5	5	-7.7	-1.4
Third-party insurance products	9,429	9,560	9,554	1.3	-0.1	9,429	9,560	9,554	1.3	-0.1
<b>Off-balance sheet customer funds</b>	<b>38,049</b>	<b>39,720</b>	<b>39,342</b>	<b>3.4</b>	<b>-0.9</b>	<b>38,049</b>	<b>39,720</b>	<b>39,342</b>	<b>3.4</b>	<b>-0.9</b>
<b>Funds under management and third-party funds</b>	<b>181,050</b>	<b>183,718</b>	<b>184,167</b>	<b>1.7</b>	<b>0.2</b>	<b>223,222</b>	<b>227,645</b>	<b>227,702</b>	<b>2.0</b>	<b>0.0</b>

- (1) On-balance sheet customer funds at the Group level as of 30.09.2023 included 136,511 million euros of sight deposit accounts (140,056 million euros as of 30.06.2023 and 147,664 million euros as of 30.09.2022), 23,718 million euros of term deposits excluding multi-seller covered bonds, subordinated deposits and Yankee CD (21,018 million euros as of 30.06.2023 and 15,259 million euros as of 30.09.2022) and 1,744 million euros of retail issuances (commercial paper), included in 'borrowings and other marketable securities' (1,715 million euros as of 30.06.2023 and 325 million euros as of 30.09.2022).
- (2) Subordinated liabilities of debt securities.

## Equity:

The following table shows the evolution of equity as of the end of September 2023:

### Equity

(€million)	30.09.22	30.09.22 (*)	30.06.23	30.09.23	Change		
					YoY	YoY (*)	QoQ
<b>Shareholders' equity</b>	<b>13,815</b>	<b>13,597</b>	<b>13,990</b>	<b>14,263</b>	<b>447</b>	<b>665</b>	<b>273</b>
Issued capital	703	703	703	703	0	0	0
Reserves	12,416	12,175	12,750	12,723	307	548	-27
Other equity	20	20	18	20	0	0	1
Less: treasury shares	-33	-33	-46	-212	-179	-179	-166
Attributable net profit	709	732	564	1,028	319	296	464
Less: interim dividends	0	0	0	0	0	0	0
<b>Accumulated other comprehensive income</b>	<b>-489</b>	<b>-424</b>	<b>-504</b>	<b>-519</b>	<b>-29</b>	<b>-95</b>	<b>-14</b>
<b>Minority interest</b>	<b>38</b>	<b>38</b>	<b>35</b>	<b>34</b>	<b>-3</b>	<b>-3</b>	<b>-1</b>
<b>Net equity</b>	<b>13,363</b>	<b>13,211</b>	<b>13,520</b>	<b>13,778</b>	<b>415</b>	<b>567</b>	<b>258</b>

(\*) Shown for comparative purposes only. Data restated to factor in the application of IFRS 17.

## Risk management

### Highlights:

The Group's stage 3 ratio remained at 3.5% as of the end of September 2023.

In the last twelve months, non-performing assets have been reduced by -109 million euros, -41 million euros in the last quarter, of which those classified as stage 3 increased slightly by 3 million euros while foreclosed assets fell by -44 million euros.

With regard to the breakdown of loans by stages, it should be noted that 88.7% are classified as stage 1 with a coverage level of 0.3%, the balance of stage 2 loans represents 7.7% of the total with coverage of 3.9%, while the balance of stage 3 loans represents 3.5% of the total with coverage of 40.8%, reflecting an improvement on the previous quarter, when it was 40.1%. Excluding TSB, the stage 3 coverage ratio as of September 2023 stood at 43.8%, improving from 43.0% as of June 2023.

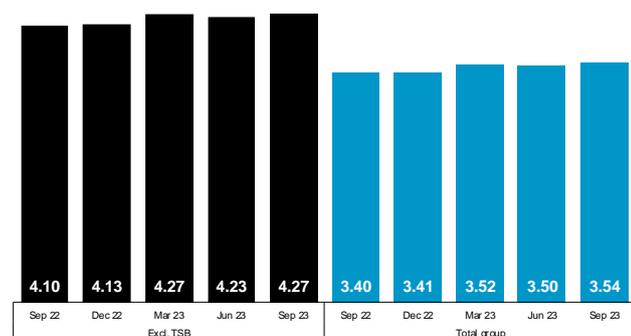
The coverage ratio of non-performing assets including total provisions increased during the quarter to stand at 53.9%. The stage 3 coverage ratio considering total provisions as of September 2023 stood at 56.5%, also improving from 55.7% as of June 2023. The coverage of foreclosed assets increased in the quarter and stood at 38.9% as of September 2023.

### Risk management:

Non-performing assets showed a balance of 6,930 million euros as of the end of September 2023, of which 5,891 million euros correspond to stage 3 loans and 1,039 million euros correspond to foreclosed assets.

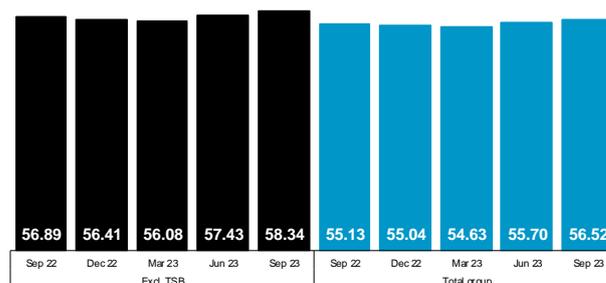
The gross NPA ratio stood at 4.1%, while the net NPA ratio considering total provisions stood at 1.9%.

### Stage 3 ratios (%) <sup>(\*)</sup>



(\*) Calculated including contingent exposures.

### Stage 3 coverage ratios with total provisions (%) <sup>(\*)</sup>

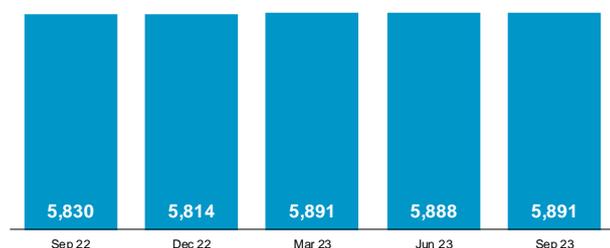


### Stage 3 ratios, by segment <sup>(\*)</sup>

Total group	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23
Real estate development and/or construction purposes	8.23%	6.95%	7.30%	7.19%	7.09%
Construction purposes non-related to real estate dev.	11.28%	7.06%	9.17%	6.80%	6.61%
Large corporates	2.00%	2.02%	2.22%	2.29%	2.52%
SME and small retailers and self-employed	6.33%	7.62%	7.87%	7.69%	8.54%
Individuals with 1st mortgage guarantee assets	2.37%	2.08%	2.14%	2.19%	2.26%
<b>Stage 3 ratio</b>	<b>3.40%</b>	<b>3.41%</b>	<b>3.52%</b>	<b>3.50%</b>	<b>3.54%</b>

(\*) Calculated including contingent exposures.

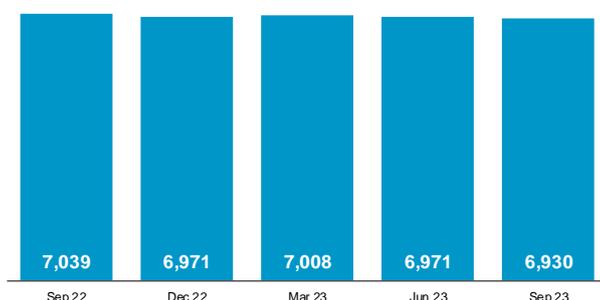
### Evolution of stage 3 loans (€ million) <sup>(\*)</sup>



### Evolution of foreclosed assets (€ million) <sup>(\*)</sup>



### Evolution of non-performing assets (€ million) <sup>(\*)</sup>



(\*) Calculated including contingent exposures.

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

### Evolution of Group stage 3 loans and foreclosed assets

(€million)	3Q22	4Q22	1Q23	2Q23	3Q23
Gross entries (stage 3)	670	978	687	751	658
Recoveries and sales	-462	-910	-504	-641	-573
<b>Net stage 3 entries</b>	<b>208</b>	<b>68</b>	<b>183</b>	<b>111</b>	<b>85</b>
Gross entries (foreclosed assets)	13	17	12	46	19
Sales	-81	-70	-52	-79	-63
<b>Change in foreclosed assets</b>	<b>-68</b>	<b>-53</b>	<b>-40</b>	<b>-34</b>	<b>-44</b>
<b>Net stage 3 entries + Change in foreclosed assets</b>	<b>140</b>	<b>15</b>	<b>143</b>	<b>77</b>	<b>41</b>
Write-offs	-92	-83	-106	-114	-82
<b>Foreclosed assets and stage 3 quarterly change</b>	<b>48</b>	<b>-68</b>	<b>37</b>	<b>-37</b>	<b>-41</b>

## Evolution of Group non-performing asset coverage <sup>(\*)</sup>

(€ million)	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23
Stage 3 exposures	5,830	5,814	5,891	5,888	5,891
Total provisions	3,214	3,200	3,219	3,280	3,329
<b>Stage 3 coverage ratio with total provisions (%)</b>	<b>55.1%</b>	<b>55.0%</b>	<b>54.6%</b>	<b>55.7%</b>	<b>56.5%</b>
Stage 3 exposures	5,830	5,814	5,891	5,888	5,891
Stage 3 provisions	2,273	2,292	2,328	2,361	2,402
<b>Stage 3 coverage ratio (%)</b>	<b>39.0%</b>	<b>39.4%</b>	<b>39.5%</b>	<b>40.1%</b>	<b>40.8%</b>
Problematic RE Assets	1,209	1,157	1,117	1,083	1,039
Provisions	470	443	429	419	404
<b>Problematic Real Estate coverage ratio (%)</b>	<b>38.9%</b>	<b>38.3%</b>	<b>38.4%</b>	<b>38.7%</b>	<b>38.9%</b>
Total problematic assets	7,039	6,971	7,008	6,971	6,930
Provisions	3,684	3,644	3,648	3,699	3,733
<b>Problematic assets coverage (%)</b>	<b>52.3%</b>	<b>52.3%</b>	<b>52.0%</b>	<b>53.1%</b>	<b>53.9%</b>
Gross loans to customers excluding repos + guarantees granted + problematic RE Assets	172,594	171,910	168,347	169,497	167,348
<b>Gross NPA ratio (%)</b>	(1) <b>4.1%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.1%</b>
Net problematic assets	3,355	3,327	3,360	3,272	3,196
<b>Net NPA ratio (%)</b>	(1) <b>1.9%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.9%</b>
<b>Net problematic assets as % of total assets</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.3%</b>

(\*) Includes contingent exposures.

(1) The gross NPA ratio is calculated as gross non-performing assets divided by gross customer lending excluding repos and guarantees given plus foreclosed assets, while the net NPA ratio is calculated as net non-performing assets, including all provisions, divided by gross customer lending excluding repos and guarantees given plus foreclosed assets.

## Forbearance and restructured loans

The outstanding balance of forbore and restructured loans as of the end of September 2023 is as follows:

(€million)	Sep 22		Dec 22		Mar 23		Jun 23		Sep 23	
	Total	Of which: stage 3								
Public sector	9	7	8	7	8	7	7	1	7	1
Companies and self employed	4,354	1,911	4,016	1,804	3,920	1,822	3,693	1,792	3,405	1,746
Of which: Financing for construction and real estate development	283	153	257	136	247	137	245	140	234	135
Individuals	1,674	992	1,570	933	1,605	969	1,605	1,015	1,565	1,013
<b>Total</b>	<b>6,037</b>	<b>2,910</b>	<b>5,594</b>	<b>2,744</b>	<b>5,533</b>	<b>2,797</b>	<b>5,304</b>	<b>2,807</b>	<b>4,977</b>	<b>2,759</b>
<b>Provisions</b>	<b>1,146</b>	<b>1,033</b>	<b>1,081</b>	<b>981</b>	<b>1,020</b>	<b>925</b>	<b>1,119</b>	<b>1,023</b>	<b>1,124</b>	<b>1,032</b>
<b>Coverage ratio</b>	<b>19.0%</b>	<b>35.5%</b>	<b>19.3%</b>	<b>35.7%</b>	<b>18.4%</b>	<b>33.1%</b>	<b>21.1%</b>	<b>36.4%</b>	<b>22.6%</b>	<b>37.4%</b>

## Foreclosed assets <sup>(\*)</sup>

(€million)	Gross amount	Allowances for losses
<b>Real estate assets deriving from financing of construction and real estate development</b>	<b>446</b>	<b>187</b>
Finished buildings	403	161
Housing	227	76
Rest	176	86
Buildings under construction	4	2
Housing	3	2
Rest	0	0
Land	39	23
Building land	21	12
Other land	18	11
<b>Real estate assets deriving from home loan mortgages</b>	<b>567</b>	<b>207</b>
<b>Real estate assets acquired in discharge of debts</b>	<b>25</b>	<b>10</b>
<b>Total real-estate portfolio</b>	<b>1,039</b>	<b>404</b>

(\*) Foreclosed assets, including properties outside Spain, considering the collateral in the original loan.

## Breakdown of loans and provisions, by stages

(€ million)	Stage 1	Stage 2	Stage 3
Gross loans to customers excluding repos and guarantees granted	147,580	12,839	5,891
<i>Change QoQ</i>	-1.0%	-4.6%	0.1%
Provisions	429	498	2,402
<b>% Stage / Total Loans</b>	<b>88.7%</b>	<b>7.7%</b>	<b>3.5%</b>
<b>Coverage group</b>	<b>0.3%</b>	<b>3.9%</b>	<b>40.8%</b>
<b>Coverage excl. TSB</b>	<b>0.3%</b>	<b>4.8%</b>	<b>43.8%</b>

## Liquidity management

### Highlights:

The Group has a sound liquidity position, with an LCR (Liquidity Coverage Ratio) of 220% as of the end of September 2023 (253% excluding TSB and 193% at TSB) and total liquid assets of 60,908 million euros.

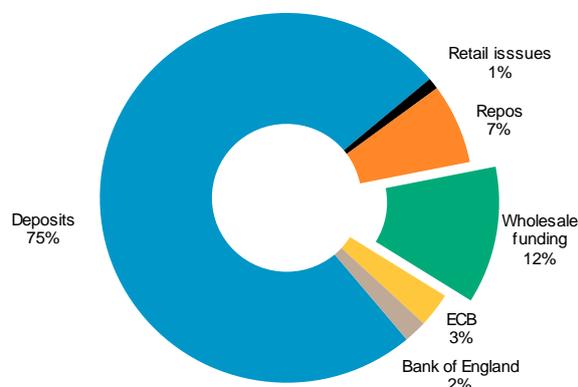
The loan-to-deposit ratio as of the end of September 2023 was 94.6%, with a balanced retail funding structure.

It is worth highlighting that in the first nine months of the year, Banco Sabadell issued 1,000 million euros of mortgage covered bonds, two 750 million euros senior non-preferred debt deals, 750 million euros of senior preferred debt (green bonds), 500 million euros of Additional Tier 1 preferred securities and 500 million euros of Tier 2 subordinated debt. TSB issued two mortgage covered bond deals, one for 1,000 million pounds and the other for 750 million pounds.

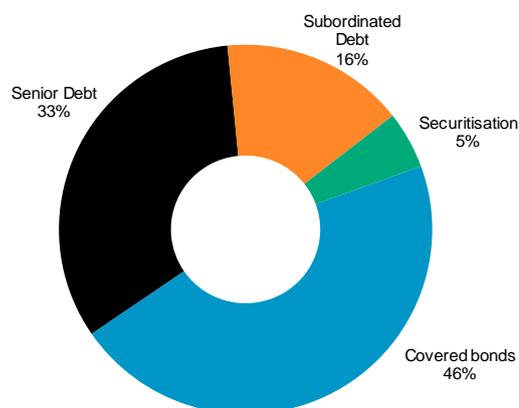
(€ million)		30.09.22	30.06.23	30.09.23
Loans and advances to customers	(1)	159,250	156,419	154,274
Brokered loans		-1,368	-1,136	-1,119
<b>Adjusted net loans and advances</b>		<b>157,882</b>	<b>155,282</b>	<b>153,155</b>
<b>On-balance sheet customer funds</b>		<b>163,247</b>	<b>162,790</b>	<b>161,973</b>
<b>Loan-to-deposits ratio (%)</b>		<b>96.7</b>	<b>95.4</b>	<b>94.6</b>

(1) Excludes reverse repos.

### Funding structure, 30.09.2023 (%)



### Wholesale market breakdown, 30.09.2023 (%)



### Maturities

(€ million)	2023	2024	2025	2026	2027	2028	>2028	Outstanding balance
Covered bonds	1,088	2,428	836	1,390	2,257	2,431	1,450	11,880
Senior preferred	1	758	1,489	0	500	750	750	4,248
Senior non preferred	0	395	500	1,317	18	500	1,695	4,425
Subordinated Debt	0	0	0	500	0	500	1,315	2,315
<b>Total</b>	<b>1,089</b>	<b>3,581</b>	<b>2,825</b>	<b>3,207</b>	<b>2,775</b>	<b>4,181</b>	<b>5,210</b>	<b>22,868</b>

### New issuances in the year

(€ million)	1Q23	2Q23	3Q23
Covered bonds	2,137		867
Senior preferred		750	
Senior non preferred	750		750
Subordinated Debt	500		
AT1	500		
<b>Total</b>	<b>3,887</b>	<b>750</b>	<b>1,617</b>

### Maturities in the year

(€ million)	1Q23	2Q23	3Q23	4Q23
Covered bonds	0	250	341	1,088
Senior preferred	1,004	9	0	1
Senior non preferred	0	0	580	0
AT1	400	0	0	0
<b>Total</b>	<b>1,404</b>	<b>259</b>	<b>921</b>	<b>1,089</b>

## Capital management and credit ratings

### Highlights:

The phase-in CET1 ratio stood at 13.13% as of the end of September 2023, increasing by 25 bps compared to June 2023.

The fully-loaded CET1 ratio stood at 13.13%, growing by 26 bps in the quarter, of which 31 bps correspond to the organic generation of capital, -4 bps to the increase of risk-weighted assets and -1 bp to fair value reserve adjustments.

The minimum prudential requirements applicable to Banco Sabadell following the Supervisory Review and Evaluation Process (SREP) increased by 20 bps in the quarter due to the increase of the countercyclical buffer in the United Kingdom <sup>(1)</sup>, standing at 8.86% for CET1 and 13.30% for Total Capital.

The phase-in Total Capital ratio stood at 18.35% as of the end of September 2023, thus remaining above requirements with an MDA buffer of 428 bps.

The phase-in leverage ratio was 5.01%.

The MREL ratio as a percentage of RWAs stood at 28.35%, above the requirement for the year 2024 (25.35%<sup>2</sup>), while the MREL ratio as a percentage of the Leverage Ratio Exposure (LRE) was 9.25%, also above the requirement for 2024 (6.36%).

Banco Sabadell Board of Directors has resolved to distribute an interim cash dividend amounting to 3 cents of a euro (gross) per share, to be paid in December.

<sup>1</sup> Effective July 5, 2023.

<sup>2</sup> The ratio includes the combined buffer requirement, estimated at 3.13% for 2024

### Capital ratios

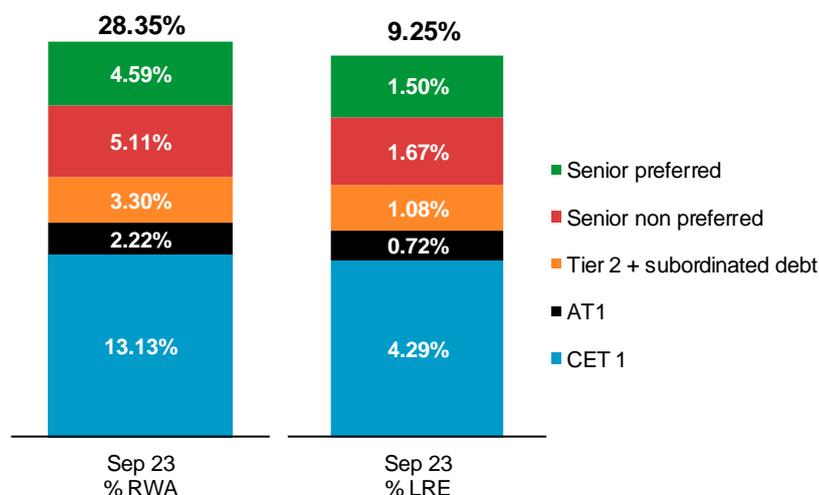
(€million)	Phase-in			Fully-loaded		
	30.09.22	30.06.23	30.09.23	30.09.22	30.06.23	30.09.23
Issued capital	703	703	703	703	703	703
Reserves	12,856	12,845	13,213	12,856	12,845	13,213
Deductions	(1) -3,325	-3,429	-3,568	-3,435	-3,438	-3,568
<b>Common Equity Tier 1</b>	<b>10,235</b>	<b>10,119</b>	<b>10,348</b>	<b>10,124</b>	<b>10,110</b>	<b>10,348</b>
<b>CET 1 (%)</b>	<b>12.65%</b>	<b>12.88%</b>	<b>13.13%</b>	<b>12.52%</b>	<b>12.87%</b>	<b>13.13%</b>
Preference shares and other	1,650	1,750	1,750	1,650	1,750	1,750
<b>Primary capital</b>	<b>11,885</b>	<b>11,869</b>	<b>12,098</b>	<b>11,774</b>	<b>11,860</b>	<b>12,098</b>
<b>Tier I (%)</b>	<b>14.69%</b>	<b>15.11%</b>	<b>15.35%</b>	<b>14.56%</b>	<b>15.10%</b>	<b>15.35%</b>
<b>Secondary capital</b>	<b>1,926</b>	<b>2,354</b>	<b>2,358</b>	<b>1,941</b>	<b>2,354</b>	<b>2,358</b>
<b>Tier II (%)</b>	<b>2.38%</b>	<b>3.00%</b>	<b>2.99%</b>	<b>2.40%</b>	<b>3.00%</b>	<b>2.99%</b>
<b>Total capital</b>	<b>13,811</b>	<b>14,223</b>	<b>14,456</b>	<b>13,715</b>	<b>14,214</b>	<b>14,456</b>
<b>Total capital ratio (%)</b>	<b>17.08%</b>	<b>18.11%</b>	<b>18.35%</b>	<b>16.95%</b>	<b>18.10%</b>	<b>18.35%</b>
<b>Risk weighted assets (RWA)</b>	<b>80,880</b>	<b>78,537</b>	<b>78,795</b>	<b>80,894</b>	<b>78,527</b>	<b>78,795</b>
<b>Leverage ratio (%)</b>	<b>4.62%</b>	<b>4.92%</b>	<b>5.01%</b>	<b>4.58%</b>	<b>4.92%</b>	<b>5.01%</b>
<b>CET 1 - BS (non-consolidated basis) (%)</b>	<b>13.45%</b>	<b>13.48%</b>	<b>13.54%</b>			
<b>Tier I - BS (non-consolidated basis) (%)</b>	<b>15.47%</b>	<b>15.68%</b>	<b>15.72%</b>			
<b>Tier II - BS (non-consolidated basis) (%)</b>	<b>2.29%</b>	<b>2.88%</b>	<b>2.87%</b>			
<b>Total capital ratio - BS (non-consolidated basis) (%)</b>	<b>17.76%</b>	<b>18.55%</b>	<b>18.59%</b>			
<b>ADIs</b>	(2) <b>2,968</b>	<b>3,223</b>	<b>3,588</b>			

Note: The CET1 ratio includes the dividend accrual with a pay-out ratio of 50% for 2023.

(1) Includes IFRS 9 transitional adjustments.

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

### Evolution of Group MREL (% RWAs, % LRE)



### Credit ratings

Agency	Date	Long term	Short term	Outlook
DBRS	24.05.2023	A (low)	R-1 (low)	Stable
S&P Global Rating <sup>(1)</sup>	25.05.2023	BBB	A-2	Positive
Moody's	31.05.2023	Baa3	P-2	Positive
Fitch Ratings	30.06.2023	BBB-	F3	Positive

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On 12 May 2023, **DBRS Ratings GmbH** affirmed Banco Sabadell's long-term issuer rating of A (low) with a stable outlook, reflecting the strength of the franchise as Spain's fourth largest banking group. It also took a positive view of its solid asset quality profile, its strong position in wholesale funding and liquidity, and the Group's satisfactory capitalisation. The short-term rating remained at R-1 (low). The full report on the revision was published on 24 May.

On 21 April 2023, **S&P Global Ratings** affirmed Banco Sabadell's long-term rating of 'BBB', improving the outlook to positive from stable, reflecting the possibility that the rating may be upgraded over the next 12-24 months if Banco Sabadell continues closing its efficiency and profitability gap with peers, and achieving returns more commensurate with the magnitude and depth of its franchise. The short-term rating was also maintained at 'A-2'. The full report on the revision was published on 25 May.

On 7 November 2022, **Moody's Investors Service** maintained the ratings of Banco Sabadell's long-term deposits and long-term senior debt of 'Baa2' and 'Baa3', respectively, upgrading its outlook to positive from stable, reflecting the possibility that the rating could improve over the next 12-18 months if Banco Sabadell continues improving its profitability due to the growth of its net interest income and its containment of operating costs and credit provisions. The short-term rating was also maintained at 'P-2'. The rating was reaffirmed in the full report issued on 31 May 2023.

On 13 June 2023, **Fitch Ratings** affirmed its long-term rating of Banco Sabadell of 'BBB-', improving the outlook to positive from stable, mainly reflecting Fitch's expectations that Sabadell's profitability will continue to structurally improve due to higher interest rates, contained credit provisions and improved earnings of the Bank's UK subsidiary. The short-term rating remained at 'F3'. The full report on the revision was published on 30 June.

## 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:

- Three geographical areas: Banking Business in Spain, United Kingdom and Mexico.
- Each business unit is allocated capital equivalent to 12% 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: Offers financial products and services to individuals for personal use. These include investment products and medium- and long-term finance, such as consumer loans, home mortgages and leasing or rental services, as well as short-term finance. Funds come mainly from customers' term and sight deposits, savings insurance, mutual funds and pension plans. The main services also include payment methods such as cards and insurance linked to consumer loans and mortgages.
  - Business Banking: Offers financial products and services to companies and self-employed workers. These include investment and financing products, such as working capital products, revolving loans and medium- and long-term finance. It also offers custom structured finance and capital market solutions, as well as specialised advice for businesses. Funds mainly come from customers' term and sight deposits and mutual funds. The main services also include collection/payment solutions such as cards and POS terminals, as well as import and export services.
- Corporate Banking: This unit is responsible for managing the segment of large corporations which, because of their unique characteristics, require a tailor-made service, supplementing the range of transaction banking products with the services of the specialised units, thus offering a single, all-encompassing solution to their needs, taking into account the particular features of the economic activity sector and the markets in which they operate. It has units that develop custom products for large corporations and financial institutions. The units responsible for the development of these custom products do so for the entire Banco Sabadell Group, extending their capabilities to the Corporate and Institutional Banking segment. Through its international presence in 17 countries, with representative offices and operational branches, it offers financial and advisory solutions to large Spanish and international corporations and financial institutions. It has operational branches in London, Paris, Lisbon, Casablanca and Miami.
- **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 and Commercial 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.

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

Key information relating to the segmentation of the Group's activity is given hereafter.

### Profit and loss 9M23

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
<b>Net interest income</b>	<b>2,468</b>	<b>901</b>	<b>143</b>	<b>3,512</b>
Net fees and commissions	946	91	10	1,047
<b>Core revenues</b>	<b>3,414</b>	<b>991</b>	<b>153</b>	<b>4,559</b>
Net trading income and exchange differences	48	14	2	64
Income from equity method and dividends	95	0	0	95
Other operating income/expense	-228	-29	-13	-270
<b>Gross operating income</b>	<b>3,329</b>	<b>976</b>	<b>142</b>	<b>4,448</b>
Operating expenses	-1,192	-586	-60	-1,838
Amortisation & depreciation	-273	-106	-14	-393
Total costs	-1,465	-692	-74	-2,231
<b>Pre-provisions income</b>	<b>1,864</b>	<b>283</b>	<b>69</b>	<b>2,217</b>
Total provisions & impairments	-622	-45	-15	-683
Gains on sale of assets and other results	-17	0	-14	-30
<b>Profit before tax</b>	<b>1,226</b>	<b>239</b>	<b>39</b>	<b>1,504</b>
Income tax	-393	-78	-5	-475
Minority interest	1	0	0	1
<b>Attributable net profit</b>	<b>833</b>	<b>161</b>	<b>35</b>	<b>1,028</b>
ROTE	12.3%	11.0%	9.6%	11.6%
Efficiency	36.5%	60.1%	42.1%	41.9%
Efficiency with amortisation & depreciation	44.8%	71.0%	51.8%	50.9%
Stage 3 ratio	4.3%	1.4%	2.9%	3.5%
Stage 3 coverage ratio with total provisions	58.1%	40.5%	66.0%	56.5%

### Profit and loss 9M22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
<b>Net interest income</b>	<b>1,768</b>	<b>847</b>	<b>107</b>	<b>2,722</b>
Net fees and commissions	1,006	103	8	1,118
<b>Core revenues</b>	<b>2,775</b>	<b>950</b>	<b>115</b>	<b>3,840</b>
Net trading income and exchange differences	99	11	3	113
Income from equity method and dividends	113	0	0	113
Other operating income/expense	-116	-30	-13	-159
<b>Gross operating income</b>	<b>2,871</b>	<b>931</b>	<b>105</b>	<b>3,907</b>
Operating expenses	-1,131	-569	-54	-1,753
Amortisation & depreciation	-279	-120	-10	-409
Total costs	-1,410	-689	-64	-2,162
<b>Pre-provisions income</b>	<b>1,461</b>	<b>242</b>	<b>41</b>	<b>1,744</b>
Total provisions & impairments	-636	-73	0	-709
Gains on sale of assets and other results	-11	0	-5	-16
<b>Profit before tax</b>	<b>814</b>	<b>169</b>	<b>37</b>	<b>1,019</b>
Income tax	-215	-76	-5	-296
Minority interest	14	0	0	14
<b>Attributable net profit</b>	<b>585</b>	<b>93</b>	<b>32</b>	<b>709</b>
ROTE	8.4%	6.0%	9.0%	8.0%
Efficiency	40.5%	61.1%	51.3%	45.8%
Efficiency with amortisation & depreciation	50.5%	74.0%	60.9%	56.5%
Stage 3 ratio	4.2%	1.4%	2.2%	3.4%
Stage 3 coverage ratio with total provisions	56.5%	39.7%	79.7%	55.1%

### Balance sheet Sep 23

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
<b>Total assets</b>	<b>180,767</b>	<b>55,497</b>	<b>6,997</b>	<b>243,261</b>
Performing gross loans	105,159	41,793	4,676	151,627
RE exposure	635	0	0	635
<b>Subtotal liabilities</b>	<b>169,961</b>	<b>53,149</b>	<b>6,373</b>	<b>229,483</b>
On-balance sheet customer funds	118,163	40,209	3,601	161,973
Capital markets w/ wholesale funding	21,662	4,337	0	25,999
<b>Equity</b>	<b>10,807</b>	<b>2,348</b>	<b>624</b>	<b>13,778</b>
Off-balance sheet customer funds	39,342	0	0	39,342

### Balance sheet Sep 22

(€ million)	Banking business Spain	Banking business United Kingdom	Banking Business Mexico	Total
<b>Total assets</b>	<b>198,115</b>	<b>55,808</b>	<b>6,483</b>	<b>260,407</b>
Performing gross loans	109,632	42,857	4,256	156,745
RE exposure	739	0	0	739
<b>Subtotal liabilities</b>	<b>187,892</b>	<b>53,263</b>	<b>5,888</b>	<b>247,044</b>
On-balance sheet customer funds	119,773	40,163	3,311	163,247
Capital markets w/ wholesale funding	19,020	2,831	0	21,852
<b>Equity</b>	<b>10,223</b>	<b>2,545</b>	<b>595</b>	<b>13,363</b>
Off-balance sheet customer funds	38,049	0	0	38,049

## Banking Business Spain

Net profit as of the end of September 2023 amounted to 833 million euros, representing a year-on-year increase of 42.4%, mainly driven by the good evolution of net interest income.

Net interest income amounted to 2,468 million euros as of the end of September 2023, growing by 39.6% year-on-year, due to a higher loan yields and improved fixed-income revenue, underpinned by higher interest rates, which offset higher costs of funds and wholesale funding.

Net fees and commissions stood at 946 million euros, -6.0% less than at the end of September 2022, mainly due to the drop in service fees and asset management fees, particularly fees on pension funds and insurance due to the change in the insurance product mix.

Net trading income and exchange differences amounted to 48 million euros, which represents a reduction in year-on-year terms, mainly due to trading derivatives.

Income from equity method and dividends showed a year-on-year reduction, mainly due to reduced earnings recorded by BS Capital investees, which neutralised the increased contribution of the insurance business during the first nine months of 2023.

Other income and expenses mainly include -156 million euros corresponding to the banking tax and -76 million euros corresponding to the contribution to the Single Resolution Fund (SRF) as of the end of September 2023.

Total costs recorded a year-on-year increase of 3.9%, due to higher staff expenses, including salary management in the wake of inflationary pressures, and to the increase in general expenses, particularly marketing and IT expenses.

Provisions and impairments amounted to -622 million euros, down by -2.2% year-on-year, due mainly to the booking of fewer provisions for real estate assets and to fewer provisions for financial assets.

(€ million)	9M22	9M23	YoY (%)	Simple evolution						
				1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
<b>Net interest income</b>	<b>1,768</b>	<b>2,468</b>	<b>39.6</b>	<b>556</b>	<b>583</b>	<b>629</b>	<b>730</b>	<b>752</b>	<b>821</b>	<b>895</b>
Net fees and commissions	1,006	946	-6.0	326	334	346	338	321	314	311
<b>Core revenues</b>	<b>2,775</b>	<b>3,414</b>	<b>23.1</b>	<b>882</b>	<b>917</b>	<b>975</b>	<b>1,068</b>	<b>1,073</b>	<b>1,135</b>	<b>1,206</b>
Net trading income and exchange differences	99	48	-52.1	27	52	21	-5	-6	32	22
Income from equity method and dividends	113	95	-15.5	59	26	28	12	31	40	23
Other operating income/expense	-116	-228	96.5	-7	-110	1	-109	-157	-74	3
<b>Gross operating income</b>	<b>2,871</b>	<b>3,329</b>	<b>16.0</b>	<b>961</b>	<b>885</b>	<b>1,025</b>	<b>967</b>	<b>941</b>	<b>1,133</b>	<b>1,255</b>
Operating expenses	-1,131	-1,192	5.4	-385	-372	-375	-382	-388	-393	-412
Amortisation & depreciation	-279	-273	-2.1	-91	-92	-95	-95	-95	-90	-88
Total costs	-1,410	-1,465	3.9	-476	-464	-470	-477	-483	-482	-499
<b>Pre-provisions income</b>	<b>1,461</b>	<b>1,864</b>	<b>27.6</b>	<b>485</b>	<b>421</b>	<b>555</b>	<b>489</b>	<b>458</b>	<b>651</b>	<b>756</b>
Total provisions & impairments	-636	-622	-2.2	-218	-226	-193	-284	-214	-217	-192
Gains on sale of assets and other results	-11	-17	48.6	-10	-7	6	2	-1	-11	-4
<b>Profit before tax</b>	<b>814</b>	<b>1,226</b>	<b>50.6</b>	<b>257</b>	<b>188</b>	<b>369</b>	<b>208</b>	<b>243</b>	<b>423</b>	<b>560</b>
Income tax	-215	-393	82.4	-99	-53	-103	-55	-106	-122	-164
Minority interest	14	1	-95.3	13	1	0	-3	0	1	0
<b>Attributable net profit</b>	<b>585</b>	<b>833</b>	<b>42.4</b>	<b>184</b>	<b>135</b>	<b>265</b>	<b>156</b>	<b>137</b>	<b>300</b>	<b>395</b>
<b>Accumulated ratios</b>										
ROTE	8.4%	12.3%		7.2%	7.4%	8.4%	8.7%	9.5%	10.8%	12.3%
Efficiency	40.5%	36.5%		42.5%	41.4%	40.5%	40.3%	39.0%	37.1%	36.5%
Efficiency w/it amortisation & depreciation	50.5%	44.8%		52.6%	51.4%	50.5%	50.2%	48.6%	45.8%	44.8%
Stage 3 ratio	4.2%	4.3%		4.6%	4.1%	4.2%	4.2%	4.3%	4.3%	4.3%
Stage 3 coverage ratio with total provisions	56.5%	58.1%		57.3%	56.7%	56.5%	56.2%	55.8%	57.2%	58.1%

Gross performing loans fell by -4.1% compared to the previous September, impacted by reduced balances in SMEs and corporates, by the maturity of Treasury loans in public sector and also by a smaller volume of mortgages.

On-balance sheet customer funds fell by -1.3% year-on-year, due to the reduction of sight deposit accounts as customers searched for products that offered them higher returns on their savings, which was partially offset by an increase in term deposits and commercial paper. Off-balance sheet funds increased by 3.4%, mainly due to mutual funds.

(€ million)	Sep 22	Sep 23	YoY (%)	Simple evolution						
				Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23
<b>Total assets</b>	<b>198,115</b>	<b>180,767</b>	<b>-8.8</b>	<b>192,156</b>	<b>196,349</b>	<b>198,115</b>	<b>189,545</b>	<b>186,941</b>	<b>180,613</b>	<b>180,767</b>
Performing gross loans	109,632	105,159	-4.1	106,687	110,177	109,632	108,889	106,524	106,965	105,159
RE exposure	739	635	-14.1	805	778	739	713	688	664	635
<b>Subtotal liabilities</b>	<b>187,892</b>	<b>169,961</b>	<b>-9.5</b>	<b>182,368</b>	<b>186,480</b>	<b>187,892</b>	<b>179,402</b>	<b>176,757</b>	<b>170,063</b>	<b>169,961</b>
On-balance sheet customer funds	119,773	118,163	-1.3	116,670	119,636	119,773	120,118	118,177	117,905	118,163
Capital markets w/holesale funding	19,020	21,662	13.9	18,707	18,213	19,020	19,444	20,734	21,119	21,662
<b>Equity</b>	<b>10,223</b>	<b>10,807</b>	<b>5.7</b>	<b>9,789</b>	<b>9,869</b>	<b>10,223</b>	<b>10,143</b>	<b>10,185</b>	<b>10,550</b>	<b>10,807</b>
Off-balance sheet customer funds	38,049	39,342	3.4	40,624	38,831	38,049	38,492	39,513	39,720	39,342
<b>Other data</b>										
Employees	13,061	13,397		12,836	12,949	13,061	12,991	13,077	13,369	13,397
Branches	1,288	1,188		1,289	1,290	1,288	1,226	1,222	1,221	1,188

## Banking Business United Kingdom

Net profit amounted to 161 million euros as of the end of September 2023, representing strong year-on-year growth of 72.9%, mainly on the strength of improved net interest income and reduced provisions.

Net interest income came to a total of 901 million euros, 6.3% more than in the same period of the previous year, mainly on the strength of a higher-yielding loan book due to higher interest rates and also due to the fixed-income portfolio, which offset the increased costs in wholesale funding and the higher cost of funds. At constant exchange rates, net interest income increased by 9.3%.

Net fees and commissions amounted to 91 million euros as of the end of September 2023, recording a year-on-year reduction of -12.1%, due to reduced fees charged on sight deposit accounts.

Total costs stood at -692 million euros, increasing by 0.6% year-on-year, impacted by the depreciation of the pound sterling. At a constant exchange rate, costs increased by 3.3%, due to higher staff expenses and also higher general expenses, particularly in connection with IT and marketing, which offset the reduction of amortisations.

Provisions and impairments amounted to -45 million euros, falling by -38.3% year-on-year, mainly due to the release of provisions for financial assets (conduct) in 2023.

Corporation tax in 2022 included -15 million euros as a result of the impact on deferred tax assets following the bank levy review in the United Kingdom, which reduced this levy from 8% to 3%.

YoY (%) at constant FX	Simple evolution									
	9M22	9M23	YoY (%)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
(€ million)										
<b>Net interest income</b>	<b>847</b>	<b>901</b>	<b>6.3</b>	<b>271</b>	<b>280</b>	<b>296</b>	<b>304</b>	<b>303</b>	<b>300</b>	<b>298</b>
Net fees and commissions	103	91	-12.1	30	34	39	31	28	30	33
<b>Core revenues</b>	<b>950</b>	<b>991</b>	<b>4.3</b>	<b>301</b>	<b>314</b>	<b>335</b>	<b>334</b>	<b>331</b>	<b>330</b>	<b>331</b>
Net trading income and exchange differences	11	14	23.8	5	-3	8	-5	7	-2	8
Income from equity method and dividends	0	0	--	0	0	0	0	0	0	0
Other operating income/expense	-30	-29	-3.9	-12	-9	-9	-65	-11	-9	-9
<b>Gross operating income</b>	<b>931</b>	<b>976</b>	<b>4.8</b>	<b>294</b>	<b>302</b>	<b>334</b>	<b>264</b>	<b>328</b>	<b>318</b>	<b>330</b>
Operating expenses	-569	-586	3.1	-191	-188	-190	-184	-188	-199	-199
Amortisation & depreciation	-120	-106	-11.6	-42	-41	-37	-37	-38	-38	-30
Total costs	-689	-692	0.6	-232	-229	-228	-221	-226	-238	-229
<b>Pre-provisions income</b>	<b>242</b>	<b>283</b>	<b>17.0</b>	<b>62</b>	<b>74</b>	<b>107</b>	<b>43</b>	<b>102</b>	<b>81</b>	<b>101</b>
Total provisions & impairments	-73	-45	-38.3	-11	-20	-41	-30	-19	-4	-22
Gains on sale of assets and other results	0	0	--	0	0	0	1	0	0	0
<b>Profit before tax</b>	<b>169</b>	<b>239</b>	<b>41.3</b>	<b>50</b>	<b>53</b>	<b>65</b>	<b>14</b>	<b>83</b>	<b>77</b>	<b>78</b>
Income tax	-76	-78	2.5	-31	-19	-26	-20	-29	-25	-23
Minority interest	0	0	--	0	0	0	0	0	0	0
<b>Attributable net profit</b>	<b>93</b>	<b>161</b>	<b>72.9</b>	<b>19</b>	<b>35</b>	<b>39</b>	<b>-6</b>	<b>53</b>	<b>52</b>	<b>55</b>
<b>Accumulated ratios</b>										
ROTE	6.0%	11.0%		3.6%	5.2%	6.0%	4.2%	11.0%	10.9%	11.0%
Efficiency	61.1%	60.1%		64.7%	63.4%	61.1%	63.0%	57.4%	59.9%	60.1%
Efficiency w/it amortisation & depreciation	74.0%	71.0%		78.9%	77.2%	74.0%	76.1%	68.9%	71.7%	71.0%
Stage 3 ratio	1.4%	1.4%		1.4%	1.3%	1.4%	1.3%	1.4%	1.4%	1.4%
Stage 3 coverage ratio w/it total provisions	39.7%	40.5%		38.7%	40.3%	39.7%	42.3%	41.3%	40.4%	40.5%

Gross performing loans dropped by -2.5% year-on-year, benefitting from the appreciation of the pound sterling, as considering a constant exchange rate they fell by -4.5% due to a smaller mortgage book.

On-balance sheet customer funds remained steady year-on-year, underpinned by the appreciation of the pound. At a constant exchange rate, they fell by -2.0%, as the reduction of sight deposit accounts offset the increase in term deposits.

YoY (%) at constant FX	Simple evolution									
	Sep 22	Sep 23	YoY (%)	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23
(€ million)										
<b>Total assets</b>	<b>55,808</b>	<b>55,497</b>	<b>-0.6</b>	<b>55,978</b>	<b>55,297</b>	<b>55,808</b>	<b>55,810</b>	<b>55,127</b>	<b>56,086</b>	<b>55,497</b>
Performing gross loans	42,857	41,793	-2.5	44,294	43,903	42,857	43,110	41,993	42,526	41,793
<b>Subtotal liabilities</b>	<b>53,263</b>	<b>53,149</b>	<b>-0.2</b>	<b>53,371</b>	<b>52,708</b>	<b>53,263</b>	<b>53,316</b>	<b>52,740</b>	<b>53,719</b>	<b>53,149</b>
On-balance sheet customer funds	40,163	40,209	0.1	42,199	41,105	40,163	40,931	40,617	41,203	40,209
Capital markets w/wholesale funding	2,831	4,337	53.2	2,955	2,913	2,831	2,537	3,697	3,787	4,337
<b>Equity</b>	<b>2,545</b>	<b>2,348</b>	<b>-7.8</b>	<b>2,607</b>	<b>2,589</b>	<b>2,545</b>	<b>2,494</b>	<b>2,387</b>	<b>2,368</b>	<b>2,348</b>
<b>Other data</b>										
Employees	5,503	5,510		5,702	5,595	5,503	5,482	5,656	5,618	5,510
Branches	220	211		290	220	220	220	220	211	211

## Banking Business Mexico

Net profit as of the end of September 2023 amounted to 35 million euros, representing year-on-year growth of 9.6%, supported mainly by the good performance of net interest income.

Net interest income amounted to 143 million euros, increasing by 34.0% year-on-year, supported by the appreciation of the Mexican peso. At a constant exchange rate, this growth was 19.8% due to a higher-yielding loan book and increased fixed-income revenue.

Net fees and commissions amounted to 10 million euros as of the end of September 2023, increasing by 2 million euros compared to the previous year due to higher levels of commercial activity.

Total costs amounted to -74 million euros, increasing by 15.5% compared to the previous year, affected by the appreciation of the Mexican peso. At constant exchange rates, costs increased by 3.2%, mainly due to higher general expenses.

Provisions and impairments stood above the end-September 2022 figure, which included releases of several borrowers' provisions.

Gains on asset sales and other results were more negative due to an increase in IT asset write-offs.

(€ million)	9M22	9M23	YoY (%)	YoY (%) at constant FX	Simple evolution						
					1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
<b>Net interest income</b>	<b>107</b>	<b>143</b>	<b>34.0</b>	<b>19.8</b>	<b>31</b>	<b>36</b>	<b>40</b>	<b>43</b>	<b>45</b>	<b>49</b>	<b>49</b>
Net fees and commissions	8	10	25.3	12.0	3	3	3	4	2	3	6
<b>Core revenues</b>	<b>115</b>	<b>153</b>	<b>33.4</b>	<b>19.3</b>	<b>33</b>	<b>38</b>	<b>43</b>	<b>47</b>	<b>46</b>	<b>52</b>	<b>55</b>
Net trading income and exchange differences	3	2	-11.3	-20.7	0	1	1	1	-1	1	2
Income from equity method and dividends	0	0	--	--	0	0	0	0	0	0	0
Other operating income/expense	-13	-13	4.1	-33.3	-4	-5	-4	-5	-4	-6	-3
<b>Gross operating income</b>	<b>105</b>	<b>142</b>	<b>35.8</b>	<b>27.5</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>43</b>	<b>42</b>	<b>47</b>	<b>54</b>
Operating expenses	-54	-60	11.7	-0.2	-15	-18	-21	-18	-17	-19	-24
Amortisation & depreciation	-10	-14	35.6	21.2	-3	-3	-4	-4	-4	-8	-1
Total costs	-64	-74	15.5	3.2	-18	-21	-25	-22	-21	-27	-25
<b>Pre-provisions income</b>	<b>41</b>	<b>69</b>	<b>67.5</b>	<b>70.5</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>21</b>	<b>21</b>	<b>19</b>	<b>29</b>
Total provisions & impairments	0	-15	--	--	3	-2	0	-9	-3	-12	0
Gains on sale of assets and other results	-5	-14	202.6	170.5	-3	0	-2	-9	-1	0	-13
<b>Profit before tax</b>	<b>37</b>	<b>39</b>	<b>7.3</b>	<b>11.0</b>	<b>12</b>	<b>11</b>	<b>13</b>	<b>2</b>	<b>16</b>	<b>7</b>	<b>16</b>
Income tax	-5	-5	-7.1	-8.8	-3	-2	-1	-3	-2	-1	-2
Minority interest	0	0	--	--	0	0	0	0	0	0	0
<b>Attributable net profit</b>	<b>32</b>	<b>35</b>	<b>9.6</b>	<b>14.4</b>	<b>10</b>	<b>9</b>	<b>13</b>	<b>0</b>	<b>14</b>	<b>7</b>	<b>14</b>
<b>Accumulated ratios</b>											
ROTE	9.0%	9.6%			7.9%	8.2%	9.0%	6.6%	12.8%	9.1%	9.6%
Efficiency	51.3%	42.1%			49.0%	50.8%	51.3%	48.7%	40.8%	41.2%	42.1%
Efficiency with amortisation & depreciation	60.9%	51.8%			58.8%	60.4%	60.9%	58.3%	50.9%	55.1%	51.8%
Stage 3 ratio	2.2%	2.9%			2.3%	2.3%	2.2%	2.3%	2.5%	3.1%	2.9%
Stage 3 coverage ratio with total provisions	79.7%	66.0%			71.6%	73.3%	79.7%	70.1%	69.7%	65.8%	66.0%

Performing loans grew by 9.8% year-on-year, affected by the depreciation of the US dollar. At constant exchange rates, this increase was 11.7%.

On-balance sheet customer funds increased by 8.7% year-on-year, supported by the appreciation of the Mexican peso. At constant exchange rates, they increased by 5.1%.

(€ million)	Sep 22	Sep 23	YoY (%)	YoY (%) at constant FX	Simple evolution						
					Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23
<b>Total assets</b>	<b>6,483</b>	<b>6,997</b>	<b>7.9</b>	<b>7.5</b>	<b>5,121</b>	<b>5,583</b>	<b>6,483</b>	<b>6,025</b>	<b>6,411</b>	<b>6,753</b>	<b>6,997</b>
Performing gross loans	4,256	4,676	9.8	11.7	3,762	4,065	4,256	4,131	4,119	4,343	4,676
<b>Subtotal liabilities</b>	<b>5,888</b>	<b>6,373</b>	<b>8.2</b>	<b>8.4</b>	<b>4,576</b>	<b>4,990</b>	<b>5,888</b>	<b>5,437</b>	<b>5,838</b>	<b>6,151</b>	<b>6,373</b>
On-balance sheet customer funds	3,311	3,601	8.7	5.1	2,448	2,650	3,311	3,090	3,513	3,681	3,601
<b>Equity</b>	<b>595</b>	<b>624</b>	<b>4.9</b>	<b>-1.2</b>	<b>545</b>	<b>592</b>	<b>595</b>	<b>588</b>	<b>573</b>	<b>602</b>	<b>624</b>
<b>Other data</b>											
Employees	423	424			447	431	423	422	418	418	424
Branches	15	15			15	15	15	15	15	15	15

## 4. Share price performance

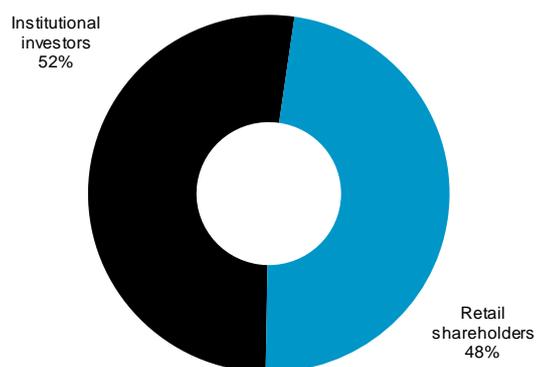
	30.09.22	30.06.23	30.09.23
<b>Shareholders and trading</b>			
Number of shareholders	224,151	220,614	218,033
Number of outstanding shares (million) (1)	5,590	5,584	5,432
Average daily trading volume (millions shares)	46	36	31
<b>Share price (€) (2)</b>			
Opening session (of the year)	0.592	0.881	0.881
High (of the year)	0.950	1.334	1.334
Low (of the year)	0.565	0.873	0.873
Closing session	0.688	1.054	1.101
Market capitalisation (€ million)	3,848	5,886	5,978
<b>Stock market multiples</b>			
Earnings per share (EPS) (€) (3)	0.14	0.20	0.22
Book value (€ million)	13,758	14,035	14,231
Book value per share (€)	2.46	2.51	2.62
Tangible book value (€ million)	11,252	11,591	11,805
TBV per share (€)	2.01	2.08	2.17
Price / Tangible book value (times)	0.34	0.51	0.51
Price / Earnings ratio (P/E) (times)	5.08	5.30	4.92

(1) Total number of shares excluding the final position of treasury shares.

(2) Historical values not adjusted.

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

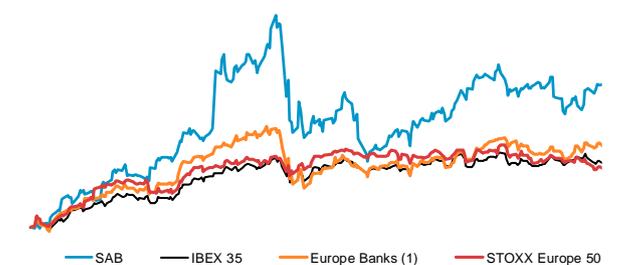
### Shareholder breakdown (%)



Source: GEM, data as of 30 September 2023

### Comparative evolution of SAB share price

Period from 30.09.2022 to 30.09.2023



(1) STOXX Europe 600 Banks

## 5. Key developments in the quarter

### **Banco Sabadell undertakes merger with Bansabadell Financiación**

After obtaining the relevant authorisations, on 10 October 2023, the deed of the merger by absorption of Bansabadell Financiación E.F.C., S.A. (absorbed company) by Banco Sabadell (absorbing company) registered with the Commercial Registry of Alicante. Bansabadell Financiación E.F.C., S.A. was directly and fully owned by Banco Sabadell.

### **Banco Sabadell Board of Directors has resolved to distribute a dividend**

In a meeting held on 25 October 2023, the Banco Sabadell Board of Directors has resolved to distribute an interim cash dividend out of the earnings of 2023 amounting to 3 cents of a euro (gross) per share, to be paid on 29 December 2023.

## 6. Glossary of terms on performance measures

In the presentation of its results to the market, and for the purpose of monitoring the business and decision-making processes, the Group uses performance indicators pursuant to the generally accepted accounting regulations (EU-IFRS), and also uses other unaudited measures commonly used in the banking 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/2015/1415 of October 2015), the purpose of which is to promote the use and transparency of information for the protection of investors in the European Union, the Group presents below, for each APM, the reconciliation with items shown in the financial statements (in each section of the report) as well as its definition and calculation:

	Definition and calculation	Page
ROA	(*) (**) Consolidated income during the year / ATA. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC), and banking tax (BT) except year end.	5
ROE	(*) (***) Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC), and banking tax (BT), except year end.	5
RORWA	(*) Profit attributed to the Group / risk-weighted assets (RWA). In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC) and banking tax (BT), except year end.	5
ROTE	(*) (***) Profit attributed to the Group / average equity. In the numerator the annualization of the profit obtained to date is considered and adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC) and banking tax (BT), except year end. The denominator excludes intangible assets and the goodwill of the investees.	5
Efficiency ratio	(*) Administrative expenses / adjusted gross income. The denominator includes the linear accrual of contributions to deposit guarantee fund and resolution fund, tax on deposits of credit institutions, and banking tax (BT), except year end.	5
Efficiency ratio with amortisation & depreciation	(*) Administrative expenses and amortisation & depreciation / adjusted gross income. The denominator includes the linear accrual of contributions to deposit guarantee fund, resolution fund and tax on deposits of credit institution and banking tax (BT), except year end.	5
Other operating income/expense	Includes the following accounting items: other operating income and other operating expense as well as income from assets and expenses on liabilities under insurance or reinsurance contracts.	8
Total provisions & impairments	Includes the following accounting items: (i) provisions or reversal of provisions, (ii) impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains, (iii) impairment or reversal of impairment of investments in joint ventures and associates, (iv) impairment or reversal of impairment on non-financial assets, (v) profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (excluding gains or losses on sales of equity holdings and other items) and (vi) investment properties in the net gains or losses on derecognition of non-financial assets.	8
Gains on sale of assets and other results	Includes the following accounting items: net gains or losses on derecognition of non-financial assets, excluding investment properties, and gains or losses on sales of equity holdings and other items included in the profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations.	8
Pre-provisions income	Comprised of the following accounting items: gross income plus administration and amortisation/depreciation expenses.	8
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.	9
Credit cost of risk (bps)	Ratio between provisions for NPLs / gross loans to customers excluding repos and guarantees granted. The numerator considers the linear annualization of the provisions for NPLs. In addition, the costs associated with the stage 3 management assets are adjusted.	14
Total cost of risk (bps)	Ratio between total provisions & impairments / gross loans to customers excluding repos and guarantees granted and problematic RE Assets. The numerator considers the linear annualization of total provisions & impairments.	14
Other assets	Includes the following accounting items: derivatives - hedge accounting, fair value changes of the hedged items in portfolio hedge of interest rate risk, tax assets, other assets, assets under insurance or reinsurance contracts and non-current assets and disposal groups classified as held for sale.	15
Other liabilities	Includes the following accounting items: derivatives - hedge accounting, tax liabilities, fair value changes of the hedged items in portfolio hedge of interest rate risk, other liabilities and liabilities included in disposal groups classified as held for sale.	15
Gross loans to customers	Includes loans and advances to customers excluding impairment allowances.	16
Performing gross loans	Includes gross loans to customers excluding repos, stage 3 assets and accrual adjustments.	16
On-balance sheet customer funds	Includes customer deposits (ex repos) and other liabilities placed by the branch network (Banco Sabadell non-convertible bonds, commercial paper and others).	18
Off-balance sheet customer funds	Includes mutual funds, wealth management, pension funds and third-party insurance products.	18
On-balance sheet funds	Includes accounting sub-headings of customer deposits, debt securities issued (debt and other tradable securities and subordinated liabilities).	18
Funds under management and third-party funds	Sum of on-balance sheet and off-balance sheet customer funds.	18
Stage 3 coverage ratio with total provisions	Shows the % of stage 3 exposures covered by total provisions. Calculated using the ratio between the allowance of loans and advances to customers (including allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	19
Stage 3 coverage ratio	Shows the % of stage 3 exposures covered by stage 3 provisions. Calculated using the ratio between the stage 3 allowance of loans and advances to customers (including stage 3 allowances for guarantees granted) / total stage 3 exposures (including stage 3 guarantees granted).	19
Problematic assets coverage	Ratio between provisions associated with problematic assets / total problematic assets.	19
Stage 3 ratio	Calculated using the ratio where the numerator includes: i) the assets classified in stage 3 including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) the guarantees granted classified in stage 3. The denominator includes: (i) gross loans to customers excluding repos and (ii) guarantees granted.	19
Problematic assets	Sum of stage 3 exposures and problematic real estate assets. Also referred to as non-performing assets (NPAs).	21
Problematic Real Estate coverage ratio	Ratio between allowances for impairment of problematic RE assets / total problematic RE assets. Amount of problematic RE assets includes property classified in the portfolio of non-current asset and disposable groups classified as held for sale, excluding real estate investments with significant latent capital gains and rental properties, for which there is an agreement of sale that will be carried out after a reform process.	21
Stage 3 exposures	Includes: (i) stage 3 assets including other valuation adjustments (accrued interest, commissions and others) classified in stage 3 of loans and advances that are not classified as non-current assets held for sale and ii) guarantees granted classified in stage 3.	21
Loan-to-deposits ratio	Net loans and receivables divided by retail funding. The numerator excludes mediation loans. The denominator considers real estate funding and customer funds.	23
Total capital ratio	Ratio between total capital and the risk weighted assets. Total capital includes the accounting profit assuming a pay-out of c.50%, that is different from the regulatory criteria which decreases that amount based on the obligations to fulfil for the rest of the year. The denominator has been calculated based on the Group's best estimate.	24
Market capitalisation	Share price multiplied by the number of outstanding shares (total number of shares excluding the final position of treasury shares) at the end of the period.	31
Earnings per share	(*) Ratio between net profit attributed to the Group and the number of outstanding shares (total number of shares excluding the final position of treasury shares) at the end of the period. In the numerator the annualization of the profit obtained to date is considered and adjusted by the Additional Tier 1 coupon payment registered in equity as well as by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC) and banking tax (BT), except year end.	31
Book value per share	(*) Ratio between book value / number of outstanding shares (total number of shares excluding the final position of treasury shares) at the end of the period. Book value refers to equity, adjusted by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC) and banking tax (BT), except at year end.	31
TBV per share	(*) Ratio between tangible book value and the number of outstanding shares (total number of shares excluding the final position of treasury shares) at the end of the period. The tangible book value is calculated as the sum of equity adjusted by intangible assets and the goodwill of the investees, and by contributions to deposit guarantee and resolution funds (DGF and SRF), tax on deposits of credit institutions (IDEC), and banking tax (BT), except year end.	31
Price / Tangible book value (times)	(*) Ratio between share price / tangible book value per share.	31
Price / Earnings ratio (P/E) (times)	(*) Ratio between share price / earnings per share.	31

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

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

(\*\*\*) Average shareholders' equity calculated using the month-end balance from December of the previous year.

Alternative Performance measures	Conciliation (€millions)	9M 22	9M 23
ROA	Average total assets	256,944	247,339
	Consolidated net profit	723	1,029
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	<b>ROA (%)</b>	<b>0.35</b>	<b>0.54</b>
ROE	Average equity	13,513	13,953
	Attributable net profit	709	1,028
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	<b>ROE (%)</b>	<b>6.46</b>	<b>9.55</b>
RORWA	Risk weighted assets (RWA)	80,880	78,795
	Attributable net profit	709	1,028
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	<b>RORWA (%)</b>	<b>1.08</b>	<b>1.69</b>
ROTE	Average equity (excluding intangible assets)	10,965	11,496
	Attributable net profit	709	1,028
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	<b>ROTE (%)</b>	<b>7.96</b>	<b>11.59</b>
Efficiency ratio	Gross operating income	3,907	4,448
	DGF - SRF - IDEC - BT adjustment	-81	-62
	<b>Adjusted gross operating income</b>	<b>3,826</b>	<b>4,386</b>
	Operating expenses	-1,753	-1,838
	<b>Efficiency ratio (%)</b>	<b>45.83</b>	<b>41.91</b>
	<b>Efficiency ratio with amortisation &amp; depreciation (%)</b>	<b>56.52</b>	<b>50.87</b>
Other operating income/expense	Other operating income	52	58
	Other operating expenses	-211	-328
	Income from assets under insurance or reinsurance contracts	0	0
	Expenses on liabilities under insurance or reinsurance contracts	0	0
	<b>Other operating income/expense</b>	<b>-159</b>	<b>-270</b>
	Provisions or reversal of provisions	-57	-4
Total provisions & impairments	Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net modification losses or gains	-580	-630
	<b>Provisions for NPLs and other financial assets</b>	<b>-637</b>	<b>-635</b>
	Impairment or reversal of impairment of investments in joint ventures and associates	-13	0
	Impairment or reversal of impairment on non-financial assets	-39	-14
	Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-25	-37
	Gains or losses on sales of equity holdings and other items	3	0
	Gains from sales of investment properties and associates	3	3
	<b>Other impairments</b>	<b>-72</b>	<b>-48</b>
<b>Total provisions &amp; impairments</b>	<b>-709</b>	<b>-683</b>	
Gains on sale of assets and other results	Gains or losses on derecognition of non-financial assets, net	-11	-27
	Gains or losses on sales of equity holdings and other items	-3	0
	Gains from sales of investment properties and associates	-3	-3
	<b>Gains on sale of assets and other results</b>	<b>-16</b>	<b>-30</b>
Pre-provisions income	Gross operating income	3,907	4,448
	Operating expenses	-1,753	-1,838
	Personnel expenses	-1,043	-1,093
	Other general expenses	-711	-745
	Amortisation & depreciation	-409	-393
	<b>Pre-provisions income</b>	<b>1,744</b>	<b>2,217</b>
Customer spread (*)	Loans to customers (net)		
	Avg.balance	157,585	154,674
	Results	2,815	4,233
	Rate %	2.39	3.66
	Customer deposits		
	Avg.balance	162,174	160,884
Results	-165	-946	
Rate %	-0.14	-0.79	
<b>Customer spread</b>	<b>2.25</b>	<b>2.87</b>	
Other assets	Derivatives - Hedge accounting	3,411	3,453
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-1,859	-1,563
	Tax assets	6,933	6,731
	Other assets	500	481
	Non-current assets and disposal groups classified as held for sale	736	797
	<b>Other assets</b>	<b>9,720</b>	<b>9,900</b>
Other liabilities	Derivatives - Hedge accounting	1,254	1,531
	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-1,022	-957
	Tax liabilities	270	359
	Other liabilities	1,291	872
	Liabilities included in disposal groups classified as held for sale	0	17
	<b>Other liabilities</b>	<b>1,794</b>	<b>1,822</b>

(\*) Customer spread calculated using cumulative data.

Alternative Performance measures	Conciliation (€millions)	9M 22	9M 23
Performing gross loans	Mortgage loans & credits	89,513	87,123
	Other secured loans & credits	3,476	5,475
	Working capital	6,760	6,829
	Leasing	2,163	2,265
	Unsecured lending and others	54,833	49,935
	<b>Performing gross loans</b>	<b>156,745</b>	<b>151,627</b>
	Stage 3 assets (customer)	5,358	5,561
	Accruals	184	243
	<b>Gross loans to customers excluding repos</b>	<b>162,288</b>	<b>157,431</b>
	Reverse repos	115	74
Gross loans to customers	<b>Gross loans to customers</b>	<b>162,403</b>	<b>157,505</b>
	NPL and country-risk provisions	-3,038	-3,157
	<b>Loans and advances to customers</b>	<b>159,365</b>	<b>154,348</b>
On-balance sheet customer funds	Financial liabilities at amortised cost	239,663	223,283
	Non-retail financial liabilities	76,416	61,310
	Central banks	37,605	9,743
	Credit institutions	9,512	18,600
	Institutional issues	21,926	26,386
	Other financial liabilities	7,373	6,581
	<b>On-balance sheet customer funds</b>	<b>163,247</b>	<b>161,973</b>
	Customer deposits	163,551	160,907
	Sight accounts	147,664	136,511
	Fixed-term deposits including available and hybrid financial liabilities	15,905	24,184
On-balance sheet funds	Repos	12	0
	Accruals and derivative hedging adjustments	-29	212
	Debt and other marketable securities	18,138	23,362
	Subordinated liabilities (*)	3,484	4,091
	<b>On-balance sheet funds</b>	<b>185,173</b>	<b>188,359</b>
	Mutual funds	22,024	22,976
	Managed accounts	3,431	3,633
	Pension funds	3,164	3,179
	Third-party insurance products	9,429	9,554
	<b>Off-balance sheet customer funds</b>	<b>38,049</b>	<b>39,342</b>
Funds under management and third-party funds	<b>Funds under management and third-party funds</b>	<b>223,222</b>	<b>227,702</b>
	Stage 3 assets (includes valuation adjustments)	5,387	5,598
Stage 3 exposures	Guarantees granted in stage 3	443	293
	<b>Stage 3 exposures (€ million)</b>	<b>5,830</b>	<b>5,891</b>
Stage 3 coverage ratio with total provisions (%)	Stage 3 exposures	5,830	5,891
	Total provisions	3,214	3,329
	<b>Stage 3 coverage ratio with total provisions (%)</b>	<b>55.1%</b>	<b>56.5%</b>
Stage 3 coverage ratio (%)	Stage 3 exposures	5,830	5,891
	Stage 3 provisions	2,273	2,402
	<b>Stage 3 coverage ratio (%)</b>	<b>39.0%</b>	<b>40.8%</b>
Problematic Real Estate coverage ratio (%)	Problematic RE Assets	1,209	1,039
	Provisions	470	404
	<b>Problematic Real Estate coverage ratio (%)</b>	<b>38.9%</b>	<b>38.9%</b>
Problematic assets	Stage 3 exposures	5,830	5,891
	Problematic RE Assets	1,209	1,039
	<b>Problematic assets</b>	<b>7,039</b>	<b>6,930</b>
Problematic assets coverage (%)	Provisions of problematic assets	3,684	3,733
	<b>Problematic assets coverage (%)</b>	<b>52.3%</b>	<b>53.9%</b>
Stage 3 ratio (%)	Stage 3 exposures	5,830	5,891
	Gross loans to customers excluding repos	162,288	157,431
	Guarantees granted	9,097	8,878
	<b>Stage 3 ratio (%)</b>	<b>3.40%</b>	<b>3.54%</b>
Credit cost of risk (bps)	Gross loans to customers excluding repos and guarantees granted	17,1385	16,630
	Provisions for NPLs	-560	-622
	NPLs costs	-63	-89
	<b>Credit cost of risk (bps)</b>	<b>39</b>	<b>43</b>
Total cost of risk (bps)	Gross loans to customers excluding repos and guarantees granted	17,1385	16,630
	Problematic RE Assets	1,209	1,039
	Total provisions & impairments	-709	-683
	<b>Total cost of risk (bps)</b>	<b>55</b>	<b>55</b>
Loan-to-deposits ratio (%)	Adjusted net loans and advances w/o repos by brokered loans	167,882	163,165
	On-balance sheet customer funds	163,247	161,973
	<b>Loan-to-deposits ratio (%)</b>	<b>96.7%</b>	<b>94.6%</b>
Market capitalisation (€million)	Number of outstanding shares (million)	5,590	5,432
	Share price (€)	0.688	1.101
	<b>Market capitalisation (€million)</b>	<b>3,848</b>	<b>5,978</b>
Earnings per share (EPS) (€)	Net profit attributed to the Group adjusted	566	909
	Attributable net profit	709	1,028
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	Accrued AT1	-86	-87
	Number of outstanding shares (million)	5,590	5,432
	<b>Earnings per share (EPS) (€)</b>	<b>0.14</b>	<b>0.22</b>
Book value per share (€)	Adjusted equity	13,758	14,231
	Shareholders' equity	13,815	14,263
	DGF - SRF - IDEC - BT adjustment net of tax	-57	-32
	Number of outstanding shares (million)	5,590	5,432
	<b>Book value per share (€)</b>	<b>2.46</b>	<b>2.62</b>
	Intangible assets	2,506	2,426
TBV per share (€)	Tangible book value (€million)	11,252	11,805
	<b>TBV per share (€)</b>	<b>2.01</b>	<b>2.17</b>
Price / Tangible book value (times)	Share price (€)	0.688	1.101
Price / Earnings ratio (P/E) (times)	<b>Price / Tangible book value (times)</b>	<b>0.34</b>	<b>0.51</b>
	<b>Price / Earnings ratio (P/E) (times)</b>	<b>5.08</b>	<b>4.92</b>

(\*) Refers to subordinated liabilities of debt securities.

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

[www.grupbancsabadell.com/SHAREHOLDERS\\_AND\\_INVESTORS/ECONOMIC\\_AND\\_FINANCIAL\\_INFORMATION/ALTERNATIVE\\_PERFORMANCE\\_MEASURES](http://www.grupbancsabadell.com/SHAREHOLDERS_AND_INVESTORS/ECONOMIC_AND_FINANCIAL_INFORMATION/ALTERNATIVE_PERFORMANCE_MEASURES)

# Shareholder and Investor Relations

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