

Sabadell

Mortgage Covered Bond Information

March 2022

Index

- 1 General Overview
- 2 Total Covered Highlights
- 3 Residential Covered Highlights
- 4 Commercial Covered Highlights



1

General Overview

Executive Summary



- Covered Bond Label issuer since 1st of January 2013.
- Recurrent issuer in Capital Markets with almost one benchmark transaction per year. Banc Sabadell has at March 2022 four benchmark covered bond issues in the market.
- Covered bonds are LCR eligible as HQLA Level 1.
- Rating Upgrades Banc Sabadell Covered Bond programme:
 - ✓ On April 2018 Moody's Upgraded to **Aa1** from Aa2.
 - ✓ On July 2018 DBRS Upgraded to **AAA** from AA.

Covered Bonds RATING and CRR compliance

Covered Bond Rating:



Aa1

17 April 2018



AAA

4 July 2018

CRR compliance

Accomplishing eligibility criteria as HQLA:

- | | | |
|--|---|--|
| ▪ A minimum rating of AA- ⁽¹⁾ | ✓ | Aa1 (Moody's) / AAA (DBRS) |
| ▪ At least over 500 MM EUR issuance amount | ✓ | > € 500 million |
| ▪ Transparency requirements | ✓ | |
| ▪ Collateralization over 102% | ✓ | 290% ⁽²⁾ |

(1) Equivalent to Moody's Aa3 and DBRS AA (low)

(2) Calculation of Collateralization Ratio = Mortgage Portfolio / Outstanding Cédulas Hipotecarias

Following CRR Banco Sabadell's mortgage covered bonds are LCR eligible as HQLA **Level 1**.

NOTE: Banco Sabadell is member of the Covered Bond Label initiative with the aim of enhancing the Covered Bonds' market transparency. All the information about Banco Sabadell covered bonds in: <https://www.coveredbondlabel.com/issuer/27/>

Mortgage Covered Bonds in the Market

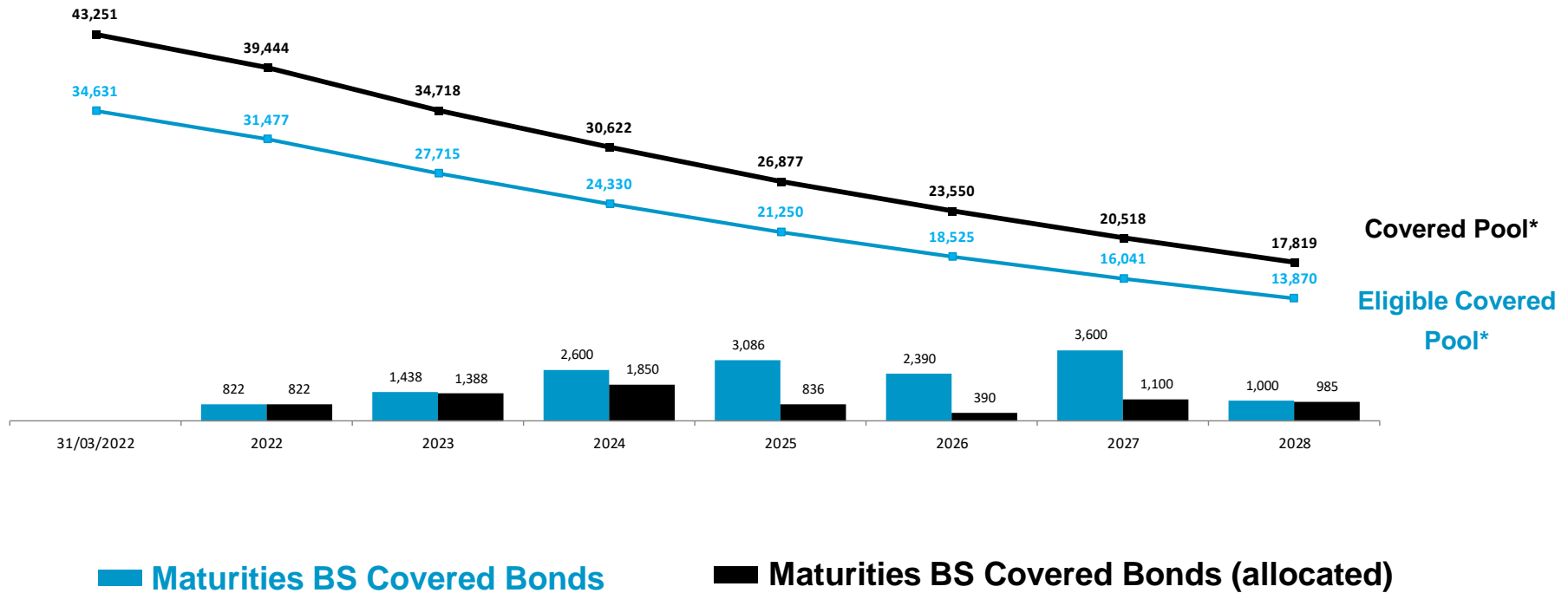


Four outstanding benchmark covered bonds issues at March 2022

Issuer	Issue Date	Current Rating Moody's/DBRS	Currency	Amount (€ in million)	Coupon (%)	Maturity Date
Banco Sabadell	10/06/2016	Aa1(M)/AAA(D)	EUR	1,000	0.625%	10/06/2024
Banco Sabadell	20/10/2016	Aa1(M)/AAA(D)	EUR	1,000	0.125%	20/10/2023
Banco Sabadell	26/04/2017	Aa1(M)/AAA(D)	EUR	1,100	1.000%	26/04/2027
Banco Sabadell	20/01/2020	Aa1(M)/AAA(D)	EUR	1,000	0.125%	10/02/2028
TOTAL				4,100	0.482%	

Sabadell has tapped regularly the European Covered Bond market to build its covered bond yield curve.

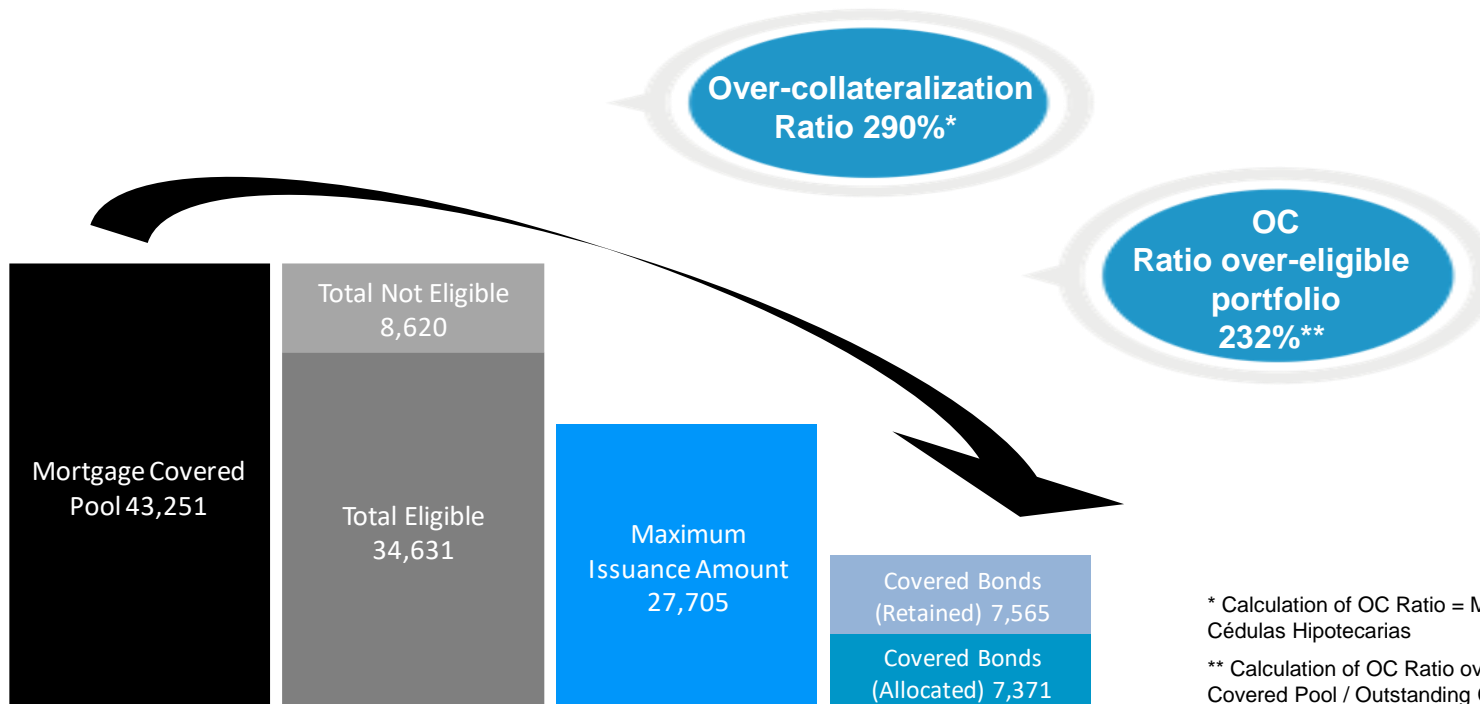
Banco Sabadell Covered Pool Amortization Profile



Data as of March 2022. Euros in Million

*Assuming 5% CPR static mortgage portfolio and no new issuances.

Over-collateralization Ratio



* Calculation of OC Ratio = Mortgage Portfolio / Outstanding Cédulas Hipotecarias

** Calculation of OC Ratio over-eligible portfolio = Eligible Covered Pool / Outstanding Cédulas Hipotecarias

Data as of March 2022. Euros in Million

Moody's Over-Collateralization Analysis

(Moody's covered bond report as of 30/09/2021)

Current Situation

Current Over-Collateralization (OC) ⁽¹⁾	151.1%
OC Level to maintain current rating	22.5%

Moody's Stressed scenario

Estimated OC to maintain current rating if Banco Sabadell is downgrade by 1 notch:	26%
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⁽¹⁾ Calculation of OC (by Moody's) = (Mortgage Portfolio – Outstanding Cédulas Hipotecarias) / Outstanding Cédulas Hipotecarias



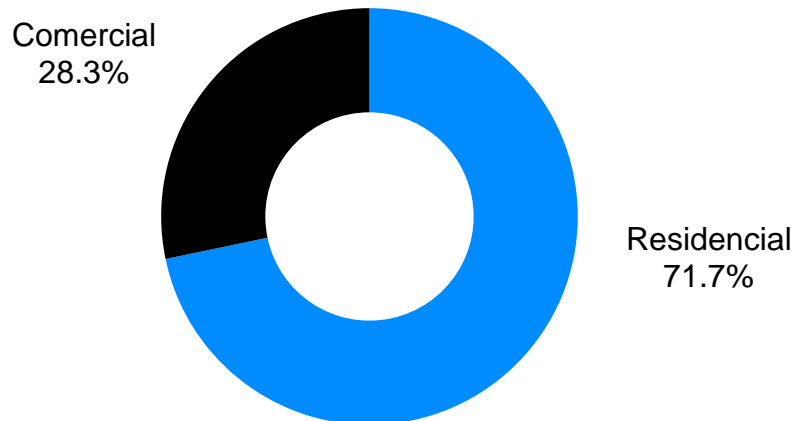
2

Total Covered Pool Highlights

Covered Pool Highlights

Data as of March 31 2022	Covered Pool	Of which		
		Residential	Commercial	Eligible
Outstanding amount (€ M)	43.251	31.023	12.227	34.631
Weighted average LTV	57%	60%	49%	48%
Weighted average seasoning (years)	6,4	6,9	5,2	6,3
Weighted average maturity (years)	17,2	19,7	10,8	16,7
Weighted average interest rate %	1,6	1,4	2,0	1,6
Numbers of Loans	438.402	374.751	63.651	378.423
Average Loan Size (€)	98.656	82.784	192.102	91.513

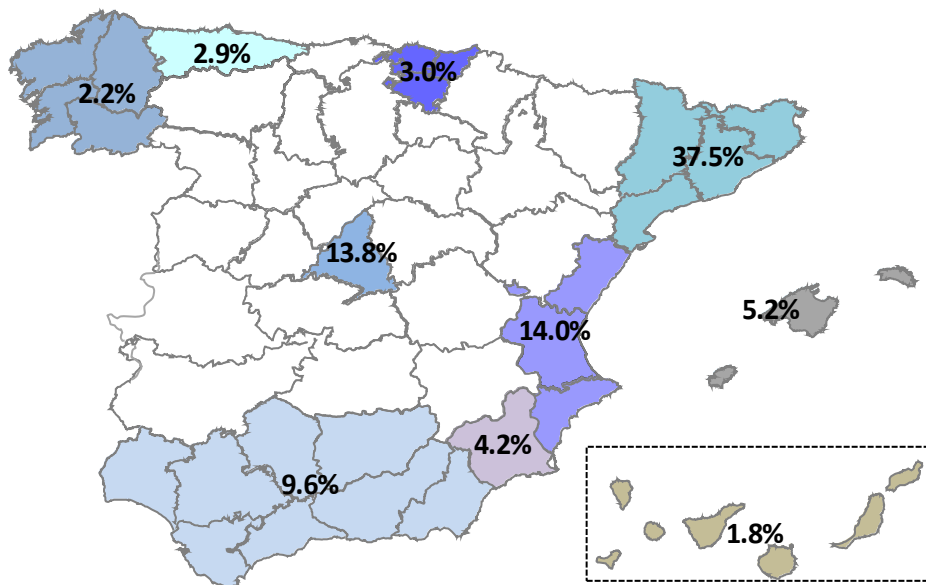
Type of Colateral (as of March 31 2022)



Regional distribution Covered Pool

Top 10 per region (as of March 31 2022)

% of the portfolio



Regional distribution vs %GDP (*)

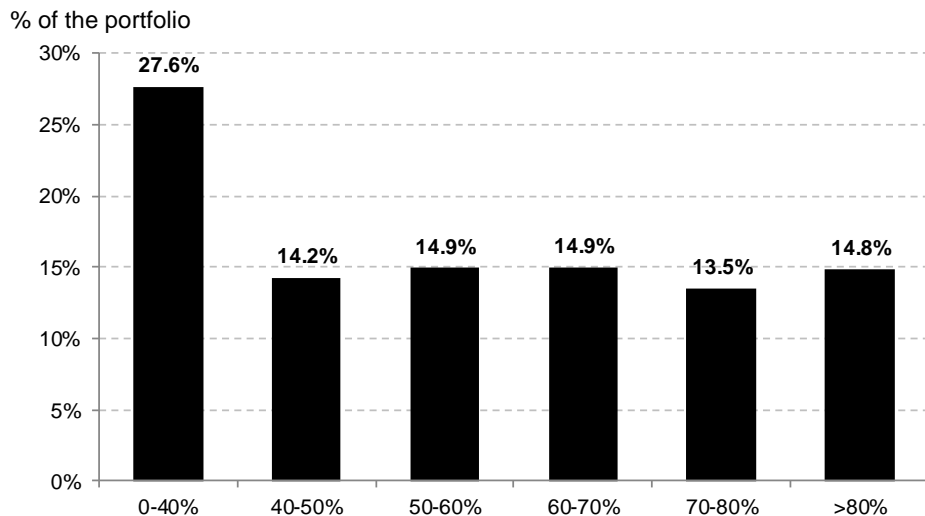
Balance per region	% Pool	% GDP
Catalunya	37.5%	19.0%
Valencia	14.0%	9.3%
Madrid	13.8%	19.3%
Andalucia	9.6%	13.4%
Baleares	5.2%	2.4%
Murcia	4.2%	2.7%
Pais Vasco	3.0%	5.9%
Asturias	2.9%	1.9%
Galicia	2.2%	5.3%
Canarias	1.8%	3.5%
Castilla León	1.6%	4.9%
Aragón	1.4%	3.1%
Castilla La Mancha	1.0%	3.5%
Navarra	0.5%	1.7%
Cantabria	0.4%	1.1%
Extremadura	0.3%	1.7%
La Rioja	0.2%	0.7%
Ceuta y Melilla	0.1%	0.4%
Total	100.0%	

- ✓ The mortgage portfolio is mainly concentrated in the wealthiest regions of Spain (east and north of Spain, Madrid).

* Source: INE- %GDP Estimated 2020.

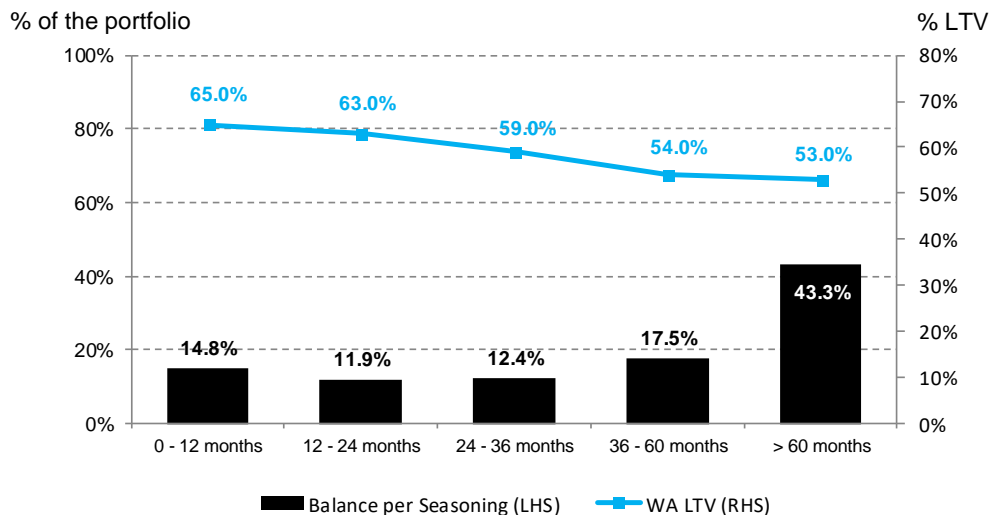
Covered Pool Banco Sabadell

Balance per LTV (as of March 31 2022)



- ✓ WA LTV: 56.88%
- ✓ 27.76% of the mortgage portfolio have LTV lower than 40%
- ✓ 85.2% of the mortgage portfolio have a LTV lower than 80%

Balance per Seasoning (as of March 31 2022)



- ✓ Weighted average seasoning: 6.4 years
- ✓ 60.9% of the pool has a seasoning above 3 years



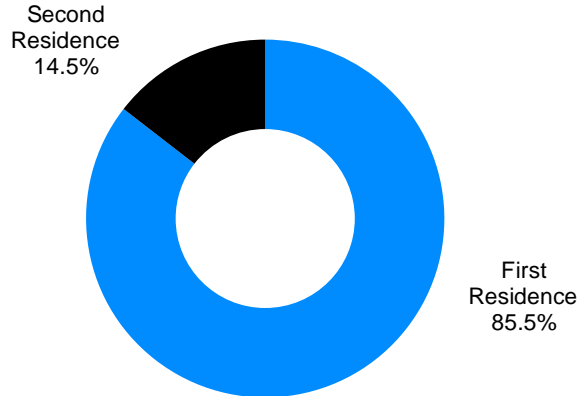
3

Residential Covered Pool Highlights

Residential Pool Banco Sabadell (I)

Type of Residence (as of March 31 2022)

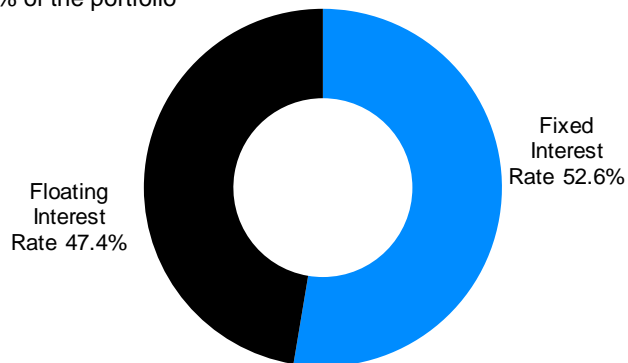
(% of the portfolio)



	1st residence	2nd residence
WA LTV	61.0%	53.0%
WA seasoning	7 years	6 years
WA maturity	20.3 years	16.3 years
WA interest rate	1.3%	1.8%

Balance per interest rate (as of March 31 2022)

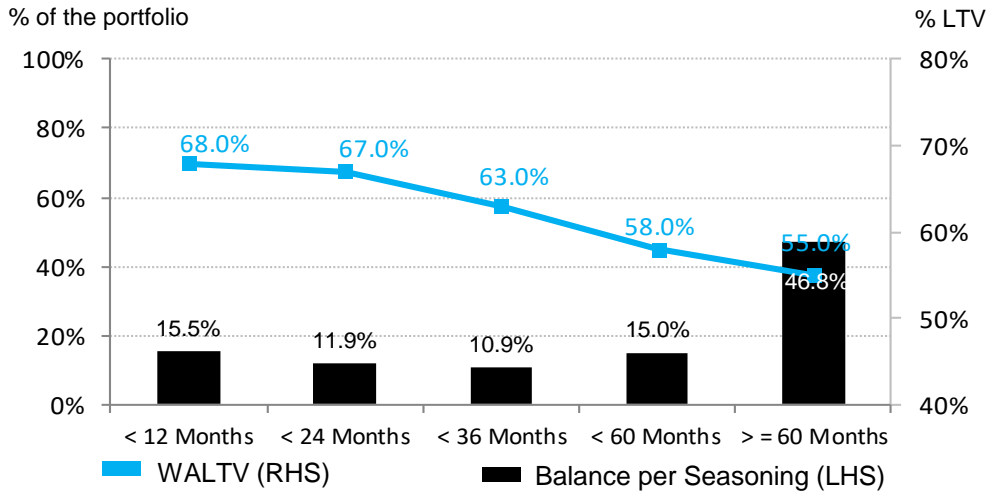
% of the portfolio



- ✓ 99.6% of the loans pay monthly installments.
- ✓ Weighted average interest rate: 1.4%
- ✓ Weighted average interest rate of the portfolio referenced to fixed interest rate: 1.9%

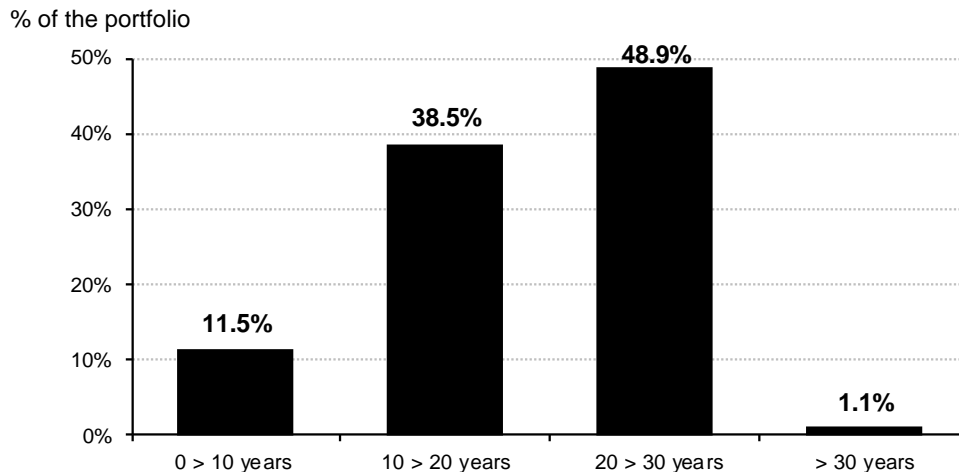
Residential Pool Banco Sabadell (II)

Balance per Seasoning combined with LTV (as of March 31 2022)



- ✓ Weighted average seasoning: 6.9 years
- ✓ 61.8% of the pool has a seasoning above 3 years
- ✓ Loans with seasoning lower than 12 months have a weighted average LTV of 68.0%

Balance per Average Maturity (as of March 31 2022)



- ✓ Weighted average maturity: 19.7 years.
 - WA maturity first residence: 20.3 years
 - WA maturity second residence: 16.3 years



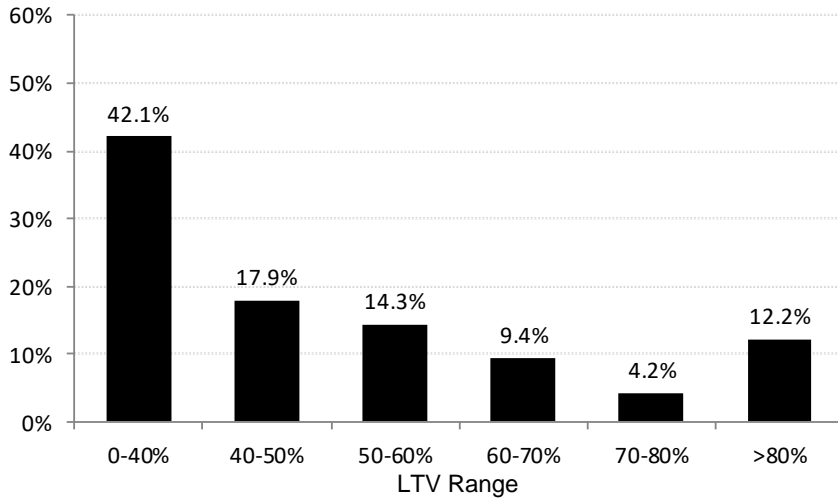
4

Commercial Covered Pool Highlights

Commercial Pool Banco Sabadell (I)

Balance per LTV (as of March 31 2022)

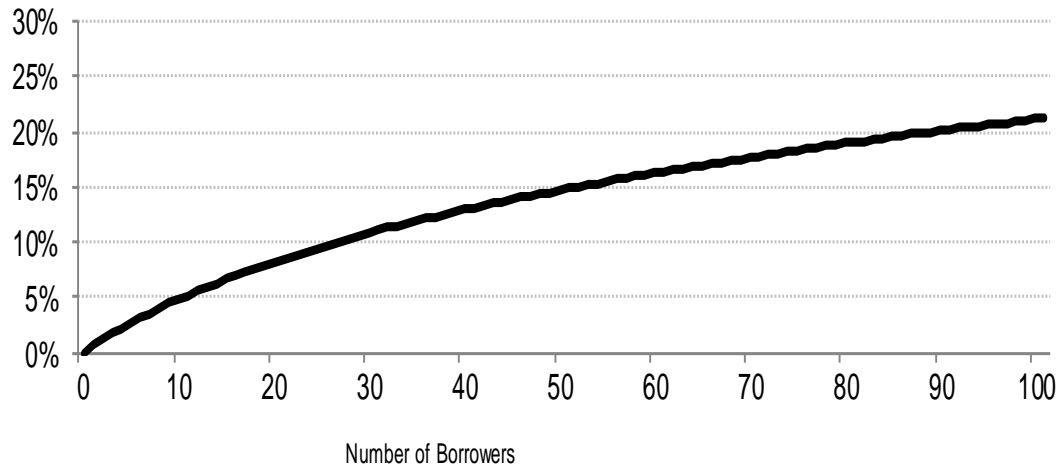
% of the portfolio



- ✓ Weighted average LTV: 49.2%
- ✓ The 83.6% of the commercial mortgage portfolio have a LTV lower than 70%

Cum Top 100 Borrowers (as of March 31 2022)

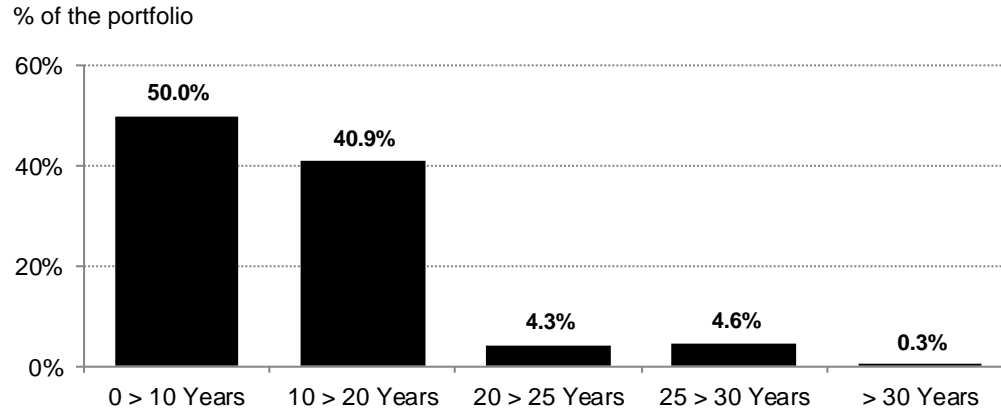
% of the portfolio



- ✓ A very granular portfolio: the 100 principal borrowers account for less than 21.1% of the portfolio.
- ✓ 49,556 Commercial Borrowers

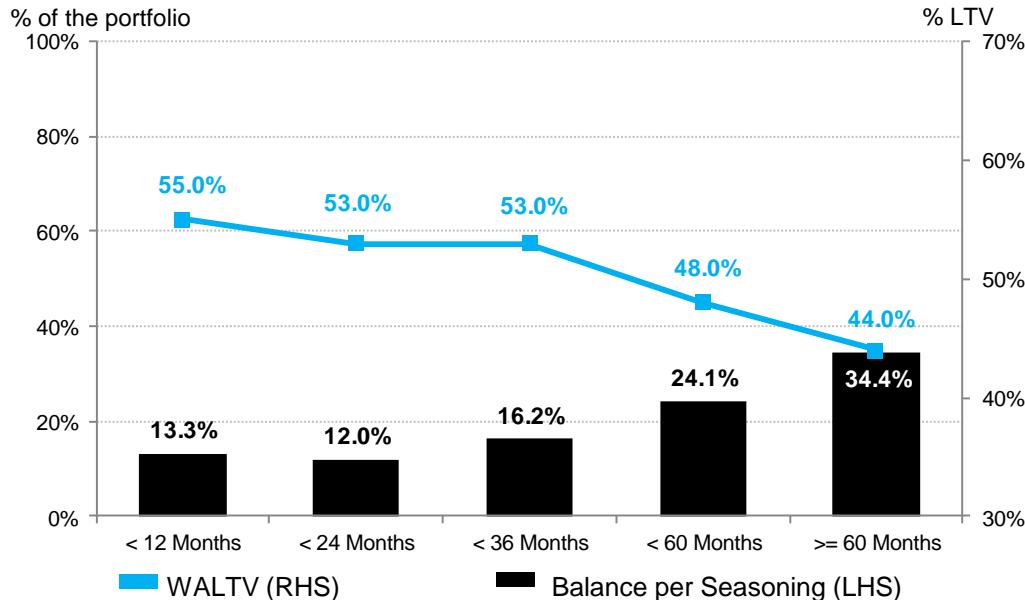
Commercial Pool Banco Sabadell (II)

Balance per Average Maturity (as of March 31 2022)



- ✓ Weighted average maturity: 10.8 years
- ✓ 90.8% of the loans have average maturity below 20 years

Balance per Seasoning (as of March 31 2022)

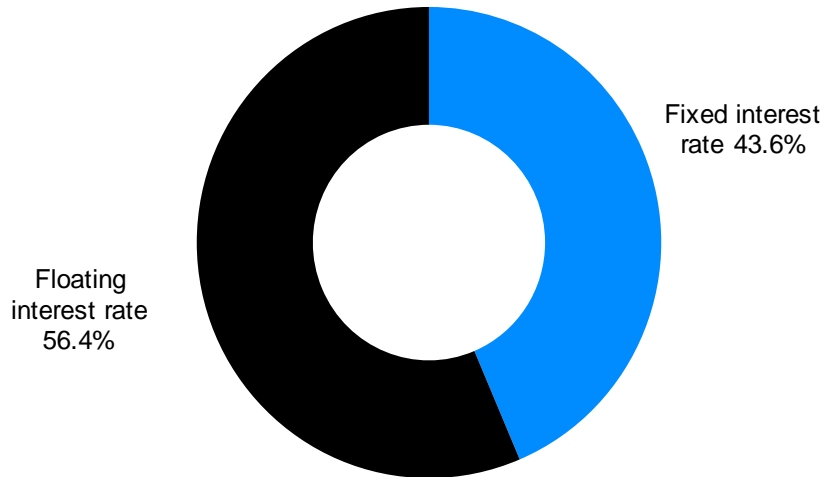


- ✓ Weighted average seasoning: 5.2 years
- ✓ 58.5% of the pool has a seasoning above 3 years
- ✓ The 71.5% of the commercial mortgages with a seasoning less than 2 years have a WALTV lower than 60%

Commercial Pool Banco Sabadell (III)

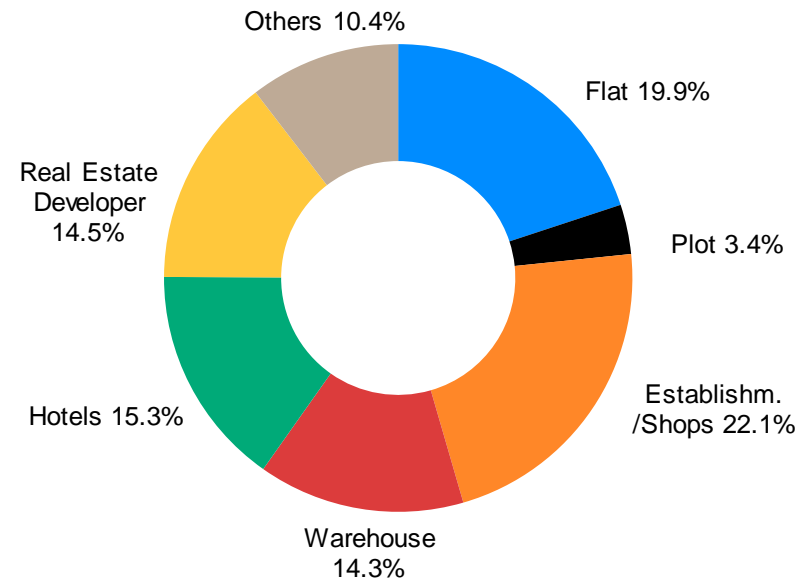
Balance per interest rate

(% of the portfolio as of March 31 2022)



Balance per property type

(% of the portfolio as of March 31 2022)



- ✓ 70.4% of the loans pay monthly installments.
- ✓ Weighted average interest rate 2.0%

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