

Sabadell

Mortgage Covered Bond Information

June 2022

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 June 2022 five 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:



MOODY'S

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% | ✓ | 274% ⁽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

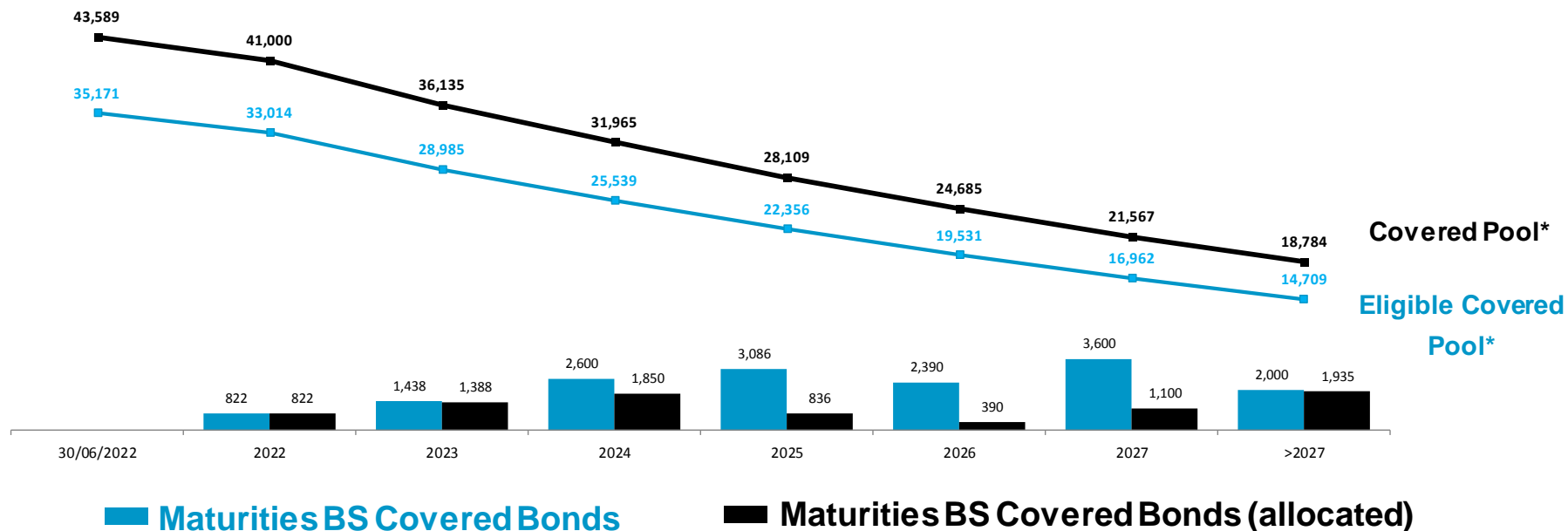


Five outstanding benchmark covered bonds issues at June 2022

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
Banco Sabadell	30/05/2022	Aa1(M)/AAA(D)	EUR	1,000	1.750%	30/05/2029
TOTAL				5,100	0.730%	

Sabadell has tapped regularly the European Covered Bond market to build its covered bond yield curve. In May 2022 Banc Sabadell issued a new 7 years covered Bond.

Banco Sabadell Covered Pool Amortization Profile



Total Covered Bonds 15,936



Data as of June 2022. Euros in Million

*Assuming 5% CPR static mortgage portfolio and no new issuances. Prior to the entry into force of Royal Decree Law 24/2021

Covered Pool Highlights

Data as of June 30 2022 (*)	Covered Pool	Of which		
		Residential	Commercial	Eligible
Outstanding amount (€ M)	43,589	31,354	12,235	35,171
Weighted average LTV	57%	60%	48%	48%
Weighted average seasoning (years)	6.4	6.8	5.3	6.2
Weighted average maturity (years)	17.3	19.8	10.7	16.8
Weighted average interest rate %	1.6	1.4	2.0	1.6
Numbers of Loans	439,250	375,369	63,881	380,263
Average Loan Size (€)	99,236	83,529	191,530	92,492

(*) Data as 30th June 2022, prior to the entry into force of Royal Decree Law 24/2021. See next slide Covered Bond Premium

Covered Bond Premium



- The Bank of Spain has authorised, effective from 8 July 2022, Banco Sabadell's mortgage covered bond programme, which includes the issues outstanding prior to the entry into force of Royal Decree Law 24/2021, with an outstanding balance of €15,936 million and which will encompass any other mortgage covered bonds subsequently issued by Banco Sabadell and linked to this programme.
- Banco Sabadell's mortgage covered bonds will be secured by the primary assets and liquid assets included in the Cover Pool, which differs in terms of composition and value from the pool of assets that had secured the mortgage covered bonds up to that time.
- The initial overcollateralization level of Banco Sabadell's mortgage covered bonds stands above 160%.
- Banco Sabadell will update on a quarterly basis the main figures of the Cover Pool on the website.

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