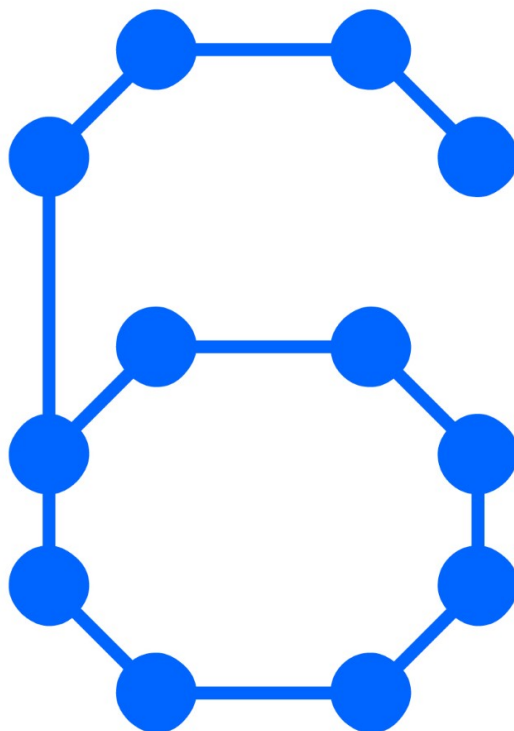


Other material disclosures



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Other material disclosures

6.1 R&D and innovation

Activities within the Group in relation to technology have met the particular needs of each of the geographies in which it operates. For Spain, it is worth mentioning the acceleration that took place in the digital transformation, as well as the rollout of its catalogue of digital products, in addition to the creation of a new mobile app based on the latest market standards. It is also worth mentioning the improved resilience of the IT platform, with a new data centre for disaster recovery with cloud-native capabilities. In TSB, efforts continued to focus on improving business capabilities. In Mexico, a new workplace model was put in place, based on the latest technology, improving productivity and efficiency.

In the domestic context

In 2023, the introduction of new products and processes that are digital from start to finish was key, as were the new capabilities made available for managers in the branch network. In addition, the IT platform was further developed, adapting it to the latest market trends and improving its resilience in the event of a disaster.

Within Retail Banking, the expansion of the catalogue of digital products was a priority, notably new products and features associated with unsecured loans, mortgages and cards. As for Business Banking, it is particularly worth noting the general boost given to digitalisation efforts in order to bring it closer to the Retail Banking segment.

Also noteworthy is the ongoing development of a new mobile app that uses the latest market standards in order to improve user experience and which will enable a faster rollout of new functionality and reduce the time to market, scheduled for 2024.

In addition, several processes have continued to be enhanced, such as digital onboarding, which in 2023 was the main channel through which the Institution acquired new customers.

In relation to branches, new capabilities were introduced for network managers, allowing them to offer more personalised, flexible and efficient management, thanks to a new suite of applications and tools. It is also worth noting the launch of various functionalities based on Artificial Intelligence, which allow for easier and improved decision-making processes.

In addition, the IT platform was further developed in 2023, introducing various programmes that make it possible to continue developing the platform in line with the latest market standards whilst at the same time improving its resilience. These initiatives include Journey to Cloud, which provides holistic coverage (infrastructure, data and systems architecture) to the transition to the cloud, as well as the migration from the current disaster recovery data centre to a new cloud-native data centre, so as to strengthen and improve the platform's resilience capabilities and to simplify its management.

The amount of these technology investments at a domestic level during 2023 (entered in the accounts under "Other intangible assets") came to 191,522 thousand euros, invested in the company Sabadell Digital S.A. (of which 9,112 thousand euros were invested in projects involving the IT platform that serves TSB).

In the international context

In TSB, a large proportion of its activities focused on expanding the digital catalogue and introducing new features for the mobile app. Initiatives were also implemented to improve the quality and resilience of the IT platform.

Similarly, Sabadell Mexico focused on developing programmes to improve the workplace whilst continuing to develop the personal banking segment.

Technology investments on an international scale during 2023 (booked in the accounts under “Other intangible assets”) amounted to 2,009 thousand euros in the company Sabadell Information Systems, S.A. UK, 27,942 thousand pounds sterling in TSB bank plc, and 405,998 Mexican pesos were invested by the company Institución Banca Múltiple (IBM) to support its various local IT platforms.

6.2 Acquisition and sale of treasury shares

See Note 23 to the consolidated annual financial statements.

6.3 Days payable outstanding

The average time taken to pay suppliers (days payable outstanding) by consolidated entities located in Spain was 25.49 days (10.15 days in the case of the Bank).

6.4 Material post-closing events

No significant events meriting disclosure have occurred since 31 December 2023.

6.5 Other reports related to the Directors' Report

Non-Financial Disclosures Report

In accordance with the provisions of Law 11/2018 of 28 December on non-financial and diversity disclosures, Banco Sabadell Group has drawn up the Non-Financial Disclosures Report for 2023, which forms part, as established in Article 44 of Spain's Commercial Code, of this report and is included as a separate accompanying document.

Annual Corporate Governance Report

The Annual Corporate Governance Report (ACGR) corresponding to the 2023 financial year forms an integral part of the consolidated Directors' Report in accordance with the provisions of the Spanish Capital Companies Act. This report is signed off by the Board of Directors on the same date as the consolidated annual financial statements and the consolidated Directors' Report and is sent separately to the CNMV. From the date of publication of the consolidated annual financial statements and the consolidated Directors' Report, the ACGR is available on the CNMV's website (www.cnmv.es) and on the corporate website of Banco Sabadell Group (www.grupbancsabadell.com).

Annual Report on Director Remuneration

The Annual Report on Director Remuneration (ARDR) corresponding to the 2023 financial year forms an integral part of the consolidated Directors' Report in accordance with the provisions of the Spanish Capital Companies Act. This report is signed off by the Board of Directors on the same date as the consolidated annual financial statements and the consolidated Directors' Report and is sent separately to the CNMV. From the date of publication of the consolidated annual financial statements and the consolidated Directors' Report, the ARDR is available on the CNMV's website (www.cnmv.es) and on the corporate website of Banco Sabadell Group (www.grupbancsabadell.com).

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