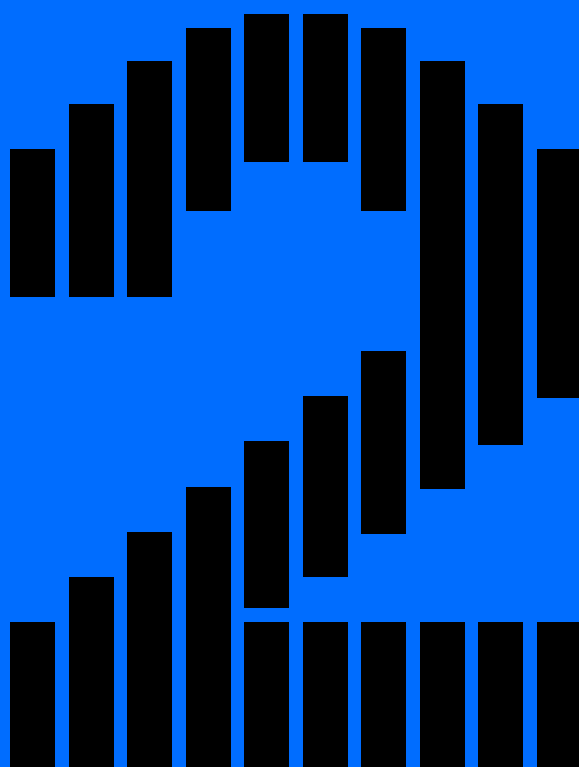


Letters from the Chairman and the Chief Executive Officer





Josep Olius, Chairman

Dear shareholders,

2025 was a momentous year for Banco Sabadell, for a number of reasons. The most significant development was unquestionably the outcome of the takeover bid launched by BBVA on 9 May 2024, which was overwhelmingly rejected by our shareholders. There were a number of other milestones, such as the amendment of the Articles of Association to establish the registered office in Sabadell, the presentation of a new strategic plan for 2025–2027, and the agreement to sell TSB to Banco Santander (the completion of which will allow the distribution of an extraordinary dividend of 50 euro cents per share, in cash, in the second quarter of 2026).

2026 heralds the start of a new chapter for the bank, as César González-Bueno steps down as Chief Executive Officer, having overseen a far-reaching transformation of the bank and delivered outstanding leadership, achieving excellent levels of profitability and solvency alongside a sharp rise in the share price; achievements for which the Board of Directors has expressed its thanks. He will be succeeded by Marc Armengol Dulcet, who until now has been CEO of TSB, and whose appointment as Chief Executive Officer is to be ratified at this year's Annual General Meeting. His selection as the new CEO was grounded upon his extensive knowledge of the banking sector in general, and its technological and organisational aspects in particular, especially within the Banco Sabadell Group itself, where he has held various senior positions across different regions for almost 25 years.

Another motion to be submitted for approval by shareholders at the Annual General Meeting is the appointment of Carlos Ventura Santamans as a new executive director, in recognition of the growing importance of the group's business in Spain, as well as his personal track record of exceptional experience and professionalism.

With regard to results, 2025 was a very positive year for Banco Sabadell, which posted an attributable net profit of 1,775 million euro, a ROTE of 14.3%, capital generation of 196 basis points over the year, and a fully-loaded CET1 ratio of 13.11% at year end, after taking into account the distribution of excess capital. These results enabled us to distribute two cash dividends out of 2025 profit, each amounting to 7 euro cents per share, paid on 29 August and 29 December last year. In addition, the bank has launched a new share buyback programme for 2026 worth up to 800 million euro, which began on 9 February. This figure comprises an initial programme worth 435 million (already underway), corresponding to the excess capital generated above the 13% threshold, plus a second share buyback programme worth 365 million euro to be funded by 2025 results, which will commence once the first buyback programme has been completed and following the shareholders' meeting. The bank's strong capital position enables it to implement this formula, which increases shareholder remuneration while, at the same time, attaining capital ratios that improve the return on capital.

This has all been achieved despite the uncertainty that has plagued the international macroeconomic and geopolitical landscape. Foreign trade relations have been hit especially hard due to protectionist policies and the imposition of tariffs between countries, as well as the escalating rivalry between the United

States and China over technological and logistical leadership. The armed conflicts in Ukraine and the Middle East, as well as threats and acts of sabotage against critical infrastructure in Europe, have also continued to be sources of instability for the world at large.

Nevertheless, the global economic climate has been positive, with growth slightly above 3%, similar to the previous year, and the Eurozone logging 1.4%. In 2025, the Spanish economy continued to exceed expectations, growing by 2.8%, mainly driven by private consumption and investment. Inflation figures in developed economies continued to soften, reaching 2.1% in the Eurozone. With regard to monetary policy, official interest rates continued to fall, ending the year at 3.50–3.75% in the United States and 2% in the Eurozone.

Against this backdrop, the Spanish banking sector proved to be very solid in 2025. Key performance indicators have improved in recent years, and the sector continues to outperform the Eurozone in terms of profitability and liquidity. This positive trend has been driven largely by vigorous lending activity, improved risk management and prudent provisioning and capital policies. 2025 was also a year of meaningful regulatory developments. European authorities have begun promoting a simplification agenda to maintain the soundness of the system, reduce administrative burdens, and improve harmonisation between countries. The aim is to boost the competitiveness of European banks in the global market.

In connection with corporate governance, there were a number of appointments and resignations to and from the Board of Directors in 2025. Margarita Salvans Puigbò and María Gloria Hernández García joined the Board, while Laura González Molero, Alicia Reyes Revuelta and David Martínez Guzmán stepped down. Furthermore, the re-election of Pedro Fontana García, George Donald Johnston III and Luis Deulofeu Fuguet as independent directors will be put forward for approval at the next meeting. The bank has also reasserted its commitment to compliance with all the applicable recommendations of the Code of Good Governance of the CNMV, Spain's securities market regulator. Note that the Board continues to comply with Recommendation 15, which refers to the number of women directors, as the current composition of the Board meets the established target of 40%. Similarly, there has been a notable increase (to 35%) in the number of women currently in management roles at the bank.

At the same time, Banco Sabadell continues to progress towards its sustainability goals as part of its Sustainable Commitment. The framework established for 2021–2025 has been a great success, driving over 76 billion euro in sustainable business (17% above the target) while progress has been made on decarbonisation pathways with specific targets in 11 emission-intensive sectors. These figures are a testament to Banco Sabadell's ongoing commitment to society, its customers and the market to fully embed ESG values across all its practices and relationships, both now and in the future. This strategy has been rewarded through milestones such as the bank's continued inclusion in the Dow Jones Best-in-Class World Index, recognition as one of the World's Best Companies for Sustainable Growth 2026 (TIME and Statista), Top Employer 2025 certification in Spain, and the highest accolade for fiscal transparency: "three-star T for transparency" certification awarded by Fundación Haz.

In terms of social responsibility, we have improved accessibility across our digital channels, telephone support services and physical premises. We continue to promote community funding for micro-enterprises, focusing on job creation and business development. In addition, over the past year, more than 3,100 bank employees have participated in volunteering schemes and charitable activities, while more than 9,500 people have benefited from the bank's financial education programmes. The Banco Sabadell Foundation has also continued to carry out activities to promote culture, the arts, research and education. Specifically, in 2025 the institution supported 140 projects, reaching around 17,000 beneficiaries and awarding 715 prizes and grants.

In closing, I would like to highlight that this year Banco Sabadell is celebrating its 145th anniversary, a milestone achieved thanks to the resilience and capacity for transformation and innovation that are the hallmarks of the bank's culture. Over the course of its history, the bank has navigated periods of crisis and uncertainty, from which it has always managed to recover and emerge stronger. 2026 will bring new challenges, but Banco Sabadell is well-placed to address them thanks to its strong capital position and profitability. The bank remains focused on continuing to implement its strategic plan and fulfilling its mission of helping businesses and families to bring their projects to fruition, creating value and contributing to the economic and social development of the regions where it operates.



Josep Olier
Chairman



César González-Bueno, CEO

Dear shareholders,

The results in 2025 are a further testament to Banco Sabadell's excellent form: high profitability, strong business momentum, a sound risk profile, solid capital levels and a proven track record of generating substantial returns for shareholders. And that's not the end of it. Following the transformation of all our business lines in recent years, and with the way forward as an independent entity now clear following our shareholders' rejection of BBVA's takeover bid, our bank is well placed to drive further growth in a sound and profitable manner, continuing to deliver attractive returns to shareholders.

Looking at the financial results in more detail, the group's net profit reached 1,775 million euro, bringing the return on tangible equity (ROTE) to 14.3%. Profit is up 3.4% year-on-year, excluding the 109 million euro in positive extraordinary items recorded in 2024.

Net interest income fell by 3.7% year-on-year, in keeping with forecasts and driven mainly by lower interest rates; while net fee and commission income rose by 2%, primarily on the back of increased asset management and insurance activity. Costs, meanwhile, have held broadly stable, edging up by 0.5% year-on-year.

The risk profile continued to improve, and provisions are down 23% with respect to the previous year. As a result, the cost of risk improved to 31 basis points, while the non-performing loan ratio dropped to 2.37%.

With regard to solvency, Banco Sabadell showed its solid capital position again this year. The fully-loaded CET1 ratio came in at 13.11% after deducting the distribution of excess capital to shareholders, having generated 196 basis points of capital prior to the dividend being accrued. The bank has built a solid buffer of 390 basis points above regulatory minimum levels.

Shareholder remuneration was also particularly noteworthy this year. Total remuneration for 2025 amounted to 1,500 million euro, between cash dividends and share buyback programmes. This represents a return of around 9% on the bank's market capitalisation as of 31 December 2025, the highest return among listed Spanish banks.

Meanwhile, strong commercial momentum boosted revenue sharply. Gross lending rose by 2.4% year-on-year, with a notable 4.9% increase in Spain, our core market. Meanwhile, customer deposits climbed by 4.3%, driven by strong growth in off-balance-sheet deposits, which increased by 14%.

All of the bank's businesses performed strongly in 2025. The retail banking business continued to transform over the course of 2025. The expert advisory model developed for complex products has continued to operate successfully. For example, in mortgages, more than 200 specialist advisors provide support to the entire retail network. Meanwhile, the digital model developed for products where customers require independence and immediacy has become firmly grounded, with sustainable growth in digital sign-ups. For example, more than half of new customers have joined online, whereas in 2021 this functionality did not even exist.

The bank further strengthened its acknowledged franchise in the business banking segment in 2025, driving growth and enhancing risk quality. A key milestone in 2025 has been the development and strengthening of sector-specific products aimed at businesses and the self-employed, with 36 such products currently available. Since its introduction in 2024, the model has firmly established itself in the business segment, when the more specialised management model used in large companies was extended to the SME sector. This model involves building a stable and trusting personal relationship with an expert contact person, facilitating prompt and professional communication. Banco Sabadell remains a leading bank for businesses. For example, one in two SMEs is a customer of the bank, and, with regard to means of payment, the bank has a market share of around 20%. Building on this foundation, business banking will continue to fuel growth in its customer base and future profitability.

To improve returns in Corporate Banking in Spain, we focused on managing profitability on a customer-by-customer basis. In 2025, around 80% of customers had a risk-adjusted return on capital (RAROC) above 10%, whereas only 40% exceeded this level in 2021. We also continued to enhance the capabilities of specialist business units, particularly those in investment banking and structured finance.

With regard to our international businesses, Sabadell Mexico posted a profit of 64 million euro, 12.8% more than in 2024. TSB contributed 318 million euro in earnings, its highest contribution to the Group's earnings since its acquisition.

On 6 August 2025, the sale of TSB to Banco Santander was approved. TSB was acquired by Banco Sabadell in 2015, and we have since developed the brand, expanding its business, boosting efficiency and increasing profitability. Following expressions of interest from third parties, the Board decided that it was the right time to divest. The TSB sale is an excellent transaction, both in terms of its strategic significance and because it benefits shareholders by creating value. Furthermore, it allows for the return of excess capital generated, via an extraordinary cash dividend of 50 euro cents per share.

Once the sale of TSB has been completed, as announced during the presentation of the Strategic Plan in July, Banco Sabadell will concentrate its activities in Spain. The bank will continue to prioritise growth without compromising on risk quality, retaining its strong capacity to generate capital and offer attractive returns to shareholders.

In sum, Banco Sabadell is in excellent shape having enjoyed spectacular growth in recent years, and, following the unsuccessful takeover bid, it looks forward to an exciting future.

As you know, following the Annual General Meeting, I will be stepping down as Chief Executive Officer of Banco Sabadell. This will bring an exciting and successful chapter to a close. A new era is now set to begin, with Marc Armengol as the group's new Chief Executive Officer. Marc is the ideal person to lead the bank in this upcoming phase, and I have no doubt that our bank can look forward to a very successful future.

I will leave with a deep sense of gratitude. It has been just over five years of incredible intensity and, quite frankly, of successes that have made us all proud. Needless to say, my gratitude goes to you, our shareholders, for supporting the ongoing success of this century-old enterprise. I would also like to thank the Board of Directors, especially the Chairman, for his unwavering support, as well as the Management Committee, who are a model of unity, commitment and dedication. Finally, I would like to thank our exceptional workforce, who have consistently gone above and beyond to serve our customers.

It has been an honour to be a part of this project.

Many, many thanks, and goodbye.

A handwritten signature in black ink, appearing to read 'César', written over a horizontal line.

César González-Bueno
CEO