

Nombre Apellido Apellido

Cargo

Entidad

Calle, número

Código – Ciudad

Dear Shareholder,

I am writing to give you excellent news about our dividends, which we will soon be delivering to shareholders, the result of the trust you have placed in our bank and the progression and solidity of our balance sheet, which rests upon our unique way of banking.

**Four years ago, we took the best option for you by deciding to go it alone and not merge with BBVA.** We placed our faith in the future of the bank as an independent entity because we understood this to be most beneficial to our shareholders, clients and employees. And we were right. The figures have backed our decision and I am convinced they will continue to do so.

Since the end of 2020, Banco Sabadell shares have appreciated by 706%. Meanwhile, the gains of our competitors have risen by little over 200%. By 2024 alone, we had climbed to 79%, while just in 2025 so far we have gone up by some 28%.

This extraordinary evolution is rooted in a radical transformation plan launched in 2021, on the foundation of a clean balance sheet, which has led to our closing 2024 with historic profits of 1,827 million euros. This is 37.1% above last year's earnings, which were also record-breaking. We have attained a dynamic of business and capital generation and service quality to our clients that point to very good upward trends for the coming years.

In light of the positive performance and outlook, our forecast, should you the shareholders approve it at the annual meeting, is **for you presumably to receive a remuneration of 53 euro cents per share in the coming 13 months, provided you hold your shares and do not accept the BBVA offer.** This remuneration is equivalent to 22% above the current value of your shares. No other major Spanish bank will give you such a proportion, according to the consensus forecasts of market experts. You will find all the details on the remuneration in the complementary information I have attached.

All this underscores the value of our institution, our independence, and our way of banking and serving our clients.

**Josep Oliu**  
**Chairman**

7 February 2025



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**Want to know your exact remuneration over the next 13 months and stay up-to-date on all the latest developments that affect you as a shareholder?**



Go to <https://comunicacion.grupbancsabadell.com/accionistas> or use this QR.

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And if you still have unanswered questions, contact the **Shareholder Service Centre** at **+34 937 288 882** and at **[accionista@bancsabadell.com](mailto:accionista@bancsabadell.com)**

## Complementary information

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- 1. In 2024, we remained on an upward path of profits and achieved a new record of 1,827 million euros, 37.1% above the previous year**
  - 2. As a result, we more than tripled our cash dividend compared with last year**
  - 3. In addition, we will be distributing among our shareholders the 13% excess capital, as we said more than a year ago**
  - 4. In short, the expected shareholder remuneration in the coming 13 months will be 53 euro cents per share, which is equivalent to 22% of the current value of the shares, the highest in Spanish banking, according to market forecasts**
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## Record results and leader in stock market revaluation since 2020

Throughout 2024, Banco Sabadell had excellent performance, achieving a historic profit of 1,827 million euros, 37.1% more than the previous year, which had also been record-setting. At the same time, the bank's solvency (capital ratio) increased by 0.83 percentage points and rose to 14%. This is the highest ratio of the five largest banks in Spain and it is very important news for you, because the Board of Directors committed to shareholders months ago to return to them the excess of 13%.

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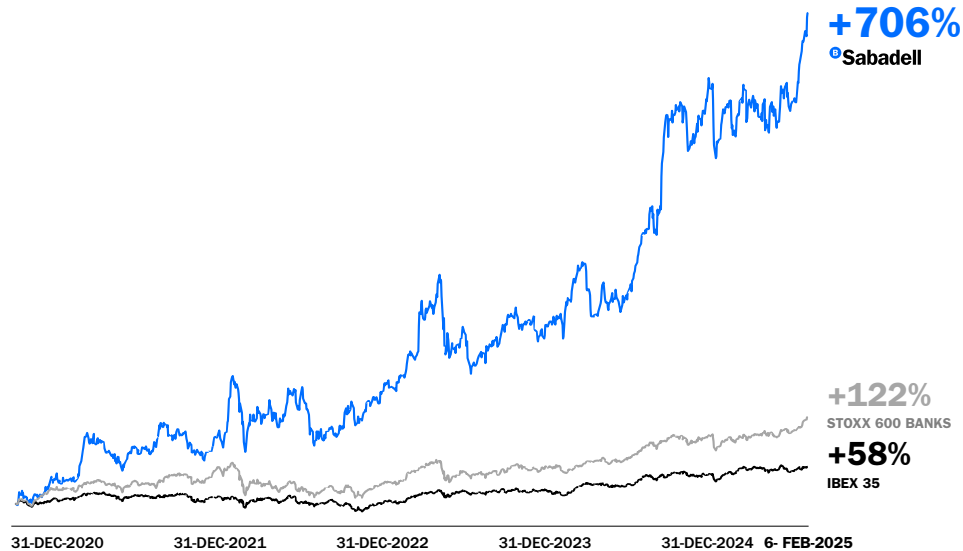
**+706%**  
increase in  
the share  
price

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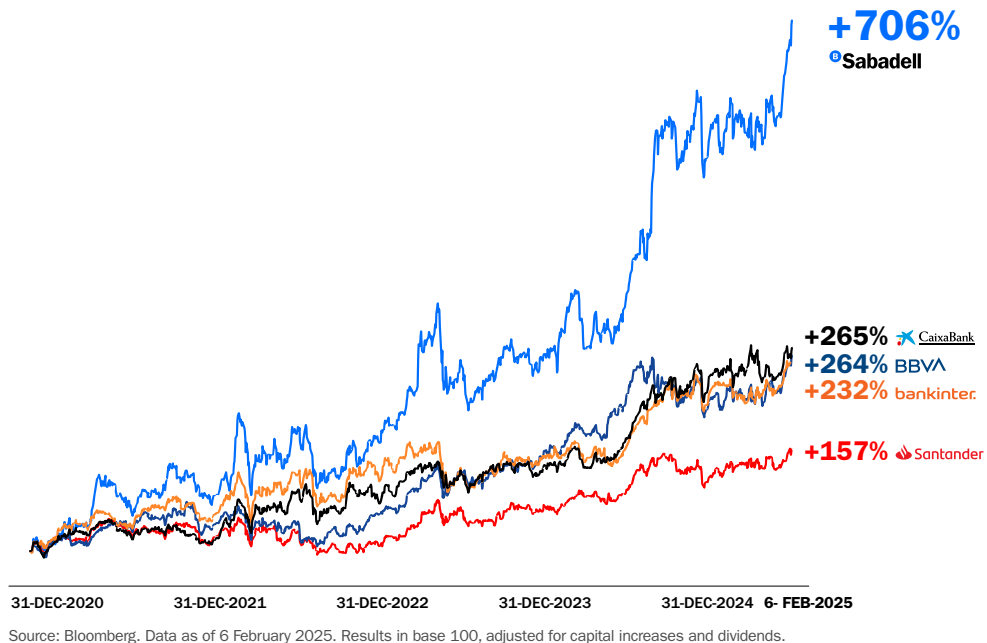
In step with the positive performance in earnings and capital, the share price rose by 79% in 2024, a figure that far exceeds the 14.8% rise of the IBEX35 in that financial year. 2025 has also started very well, with a rise of 28% until yesterday's close.

This remarkable performance has been constant in the last four years. Sabadell stock is the one that has risen the most on the Spanish stock market (IBEX35) since the end of 2020 - when we rejected the possible merger with BBVA - until yesterday, when it had a vast difference over its competitors. We are also the bank that has appreciated the most among all those that are part of the STOXX EUROPE 600 during this period.

## Comparison of Sabadell, IBEX35 and STOXX EUROPE 600 BANKS shares



## Share comparison of Sabadell vs peers



The success story is not over. It will continue. Banco Sabadell has entered a new phase of growth and development, following the profound transformation undertaken in recent years, and has a very profitable future ahead of it.

## **We are raising shareholder remuneration from 2.9 to 3.3 billion euros**

The record results achieved in 2024 will mean a shareholder remuneration much higher than announced. The Board had previously announced a distribution of 2.9 billion euros, charged to the years 2024 and 2025, but today it has raised this estimate to 3.3 billion. This proves that, once again, highly prudent estimates had been made.

Part of the dividend will be paid in cash dividends and part will be paid through alternative capital distribution formulas, such as the share buyback programme announced today. In total, this amounts to 61 euro cents per share, which began to be paid last October.

## **How will you receive the remuneration if you keep your shares?**

### **With cash dividends**

If you hold onto your shares, on 28 March, subject to approval by the Shareholders' Meeting, you will receive a gross cash dividend of 12.44 euro cents per share. This complementary dividend charged to the 2024 results, together with the eight euro cents paid in October as an interim dividend, amounts to a total of 20.44 euro cents per share, more than three times the amount paid by the bank in cash the previous year.

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**We are multiplying the cash dividend by x3**

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And if you remain a shareholder in the following months and do not accept BBVA's takeover bid, you will again receive two interim cash dividends in August and December 2025, in addition to the complementary dividend in March 2026. All of them are charged to the earnings achieved during this financial year and subject to the Board approving the new Shareholder Remuneration Policy. If the performance prospects for this year are met, the sum of the three cash dividends for each share in circulation will be at least the same as that received from the results of 2024. This is also very important to you because it shows that Banco Sabadell's remuneration is sustainable over time, which is very useful when assessing the entity's plan to remain independent.

### And with distribution of excess capital through share buybacks

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**Share  
buyback  
€1,002M**

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In addition to cash payments, the Board's proposal to the Shareholders' Meeting is to allocate 1,002 million euros (corresponding to approximately 19 euro cents per share) of the bank's current excess capital to share buyback programmes. Once the current financial year is closed, we will do the same with all the capital generated this year above 13%. The bank is going to allocate a higher amount to buybacks this year than usual in a single year because, among other things, last year it was unable to distribute the capital it had gained, due to the launch of the hostile takeover bid by BBVA. Share buybacks achieve two objectives: 1) Increase the future dividend per share, and 2) increase share value. (See *annex on the last page on share buybacks*).

### **The remuneration per share expected in the next 13 months is equivalent to 22% of its current value**

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**€53cts  
per share**

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**In short, between March 2025 and March 2026, subject to approval by the Shareholders' Meeting when appropriate, the bank plans to distribute gross 53 euro cents per share, equivalent to 22% of the current value of the share. No other major Spanish bank will achieve a similar percentage, according to the consensus forecasts of market experts.**

In following, you can see the breakdown of the planned remuneration, and if you still have unanswered questions, please contact the Shareholder Service Centre at +34 937 288 882 and at [Accionista@bancsabadell.com](mailto:Accionista@bancsabadell.com)



<sup>1</sup> Subject to shareholders approval. <sup>2</sup> Subject to shareholders and regulatory approvals. <sup>3</sup> Assuming currently outstanding number of shares. <sup>4</sup> Calculated based on the closing price on 6th February 2025.

At <https://comunicacion.grupbancsabadel.com/accionistas> or through this **QR** code you have a simple application to calculate your exact remuneration and to update or provide us with your data so that in the coming months we can quickly inform you of the news that affects you regarding the performance of your dividends and the hostile takeover bid by BBVA.



## Annex

### Why do we do buybacks, how do they work and how do they affect you?

When it comes to distributing such large volumes among shareholders, as is our case, it is convenient to distribute part in dividends and part in buybacks because both approaches have their appeal. They are a very profitable combination for the shareholder, who, on the one hand, receives cash and, on the other, gets a revaluation of their shares. It is a formula that has been widely used for years by the main entities in Spain.

These operations consist of the bank buying shares on the market, accumulating them in treasury stock and finally redeeming them, that is, reducing the total number of shares of the bank in circulation. This means that forward profits are distributed among fewer shareholders, so that each of them gets a larger share of the pie, or in other words, more dividends. In addition, the shares increase their intrinsic value.

Take for example a company that has 1,000,000 shares in circulation and an annual profit of €10,000,000. Each share generates a profit per share of €10. If it decides to buy back 200,000 of its shares and reduce them to 800,000, the profit per share increases from €10 to €12.5, which undoubtedly causes:

1. The dividend per share to increase
  2. The remaining shares will be attractive and will likely rise on the stock market as they represent a greater stake in the share capital
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