

EXECUTION VERSION

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Final Terms dated 5 December 2018

Banco de Sabadell, S.A.
Issue of EUR 500,000,000 5.375% Tier 2 Subordinated Notes due 12 December 2028

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 23 March 2018 and the supplements dated 27 April 2018, 30 July 2018 and 30 October 2018 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Central Bank of Ireland's website at <http://www.centralbank.ie> and on the website of the Irish Stock Exchange at available for viewing at www.ise.ie.

For the purposes of these Final Terms, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.

In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes described herein.

- | | | | |
|----|-------|--|-------------------------|
| 1. | (i) | Issuer: | Banco de Sabadell, S.A. |
| 2. | (i) | Series Number: | 2 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes become fungible: | Not Applicable |

EXECUTION VERSION

- | | | |
|-----|--|---|
| 3. | Specified Currency or Currencies: | Euro (EUR) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 500,000,000 |
| | (ii) Tranche: | EUR 500,000,000 |
| 5. | Issue Price: | 99.979 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | EUR 100,000 |
| | (ii) Calculation Amount: | EUR 100,000 |
| 7. | (i) Issue Date: | 12 December 2018 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 12 December 2028 |
| 9. | Interest Basis: | Fixed Reset Notes

(see paragraph 15 below) |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Issuer Call. See paragraph 18 below.

Capital Event (Tier 2 Subordinated Notes). See paragraph 19 below. |
| 13. | (i) Status of the Notes: | Subordinated Notes - Tier 2 Subordinated Notes |
| | (ii) Date Board approval for issuance of Notes obtained: | 8 March 2018 and 29 November 2018, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--|---|
| 14. | Fixed Rate Note Provisions | Not Applicable |
| 15. | Fixed Reset Note Provisions | Applicable |
| | (i) Initial Interest Rate: | 5.375 per cent. per annum payable in arrear on each Interest Payment Date |
| | (ii) Interest Payment Date(s): | 12 December in each year commencing on 12 December 2019 up to and including the Maturity Date |
| | (iii) Fixed Coupon Amount to (but excluding) the First Reset Date: | EUR 5,375 per Calculation Amount |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | Actual/Actual (ICMA) |

EXECUTION VERSION

(vi)	First Reset Date:	12 December 2023
(vii)	Second Reset Date:	Not Applicable
(viii)	Subsequent Reset Date(s):	Not Applicable
(ix)	Mid Swap Rate:	5-year EUR Mid Swap Rate
(x)	Reset Margin:	+ 5.10 per cent. <i>per annum</i>
(xi)	Relevant Screen Page:	ICAP
(xii)	Floating Leg Reference Rate:	6 months EURIBOR
(xiii)	Floating Leg Screen Page:	EUR006M Index
(xiv)	Initial Mid-Swap Rate:	0.28 per cent. <i>per annum</i> (quoted on an annual basis)
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18.	Call Option (Condition 10(c))	Applicable
(i)	Optional Redemption Date(s) (Call):	12 December 2023
(ii)	Optional Redemption Amount(s) (Call) of each Note:	EUR 100,000 per Calculation Amount
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	Not Applicable
(b)	Maximum Redemption Amount:	Not Applicable
(iv)	Notice period:	Minimum period: 30 days Maximum period: 60 days
19.	Capital Event (Condition 10(d)):	Applicable
20.	Disqualification Event (Condition 10(e)):	Not Applicable
21.	Put Option (Condition 10(h))	Not Applicable
22.	Final Redemption Amount of each Note:	EUR 100,000 per Calculation Amount
23.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or upon the occurrence of a Capital Event or a Disqualification Event:	EUR 100,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive
-----	----------------	--

EXECUTION VERSION

Notes in the limited circumstances specified in the Permanent Global Note

- | | | |
|-----|---|----------------|
| 25. | New Global Note form: | Not Applicable |
| 26. | Additional Financial Centre(s): | Not Applicable |
| 27. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 28. | Substitution and Variation | Applicable |
| 29. | Waiver of set-off rights (Condition 14): | Applicable |

Signed on behalf of **Banco de Sabadell, S.A.**

By:
Duly authorised

EXECUTION VERSION

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Listing: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Irish Stock Exchange, trading as Euronext Dublin with effect from the Issue Date.
- (ii) Admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange, trading as Euronext Dublin with effect from the Issue Date.
- (iii) Estimate of total expenses related to admission to trading: EUR 1,000

2. RATINGS

- The Notes to be issued are expected to be rated:
- Ratings: S&P: BB+
- Moody's: Ba3
- DBRS: BBBL
- Each of Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Moody's Investor Services España, S.A. ("**Moody's**") and Dominion Bond Rating Service ("**DBRS**") is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD

- Indication of yield: 5.380 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- ISIN: XS1918887156
- Common Code: 191888715
- CUSIP number: Not Applicable
- CFI: Not Applicable
- FISN: Not Applicable
- Delivery: Delivery against payment
- Names and addresses of additional Paying: Not Applicable

EXECUTION VERSION

Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility:

No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. DISTRIBUTION

- (i) Method of Distribution: Syndicated
- (ii) If syndicated:
 - (A) Names of Dealers Banco de Sabadell, S.A., Barclays Bank PLC and Goldman Sachs International.

Banco de Sabadell, S.A. has no underwriting commitment.
 - (B) Stabilising Manager(s), if any: Not Applicable
- (iii) If non-syndicated, name of Dealer: Not Applicable
- (iv) U.S. Selling Restrictions: Reg S Compliance Category 2; TEFRA D