



NATIONAL SECURITIES MARKET COMMISSION

Pursuant to Article 227 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), Banco de Sabadell, S.A. (Banco Sabadell) informs the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, or CNMV) of the following

RELEVANT FACT

Further to the relevant facts dated 19 July 2018 and 2 August 2019 (numbers 268033 and 281072, respectively), Banco Sabadell has today executed the transfer of the majority of the real estate assets included in the real estate portfolios commercially named “Coliseum”, “Challenger” and “Rex” to certain companies wholly owned by a Cerberus Capital Management L.P (“Cerberus”) subsidiary, in which Cerberus holds an 80% interest and Banco Sabadell holds the remaining 20% and hence resulting in the deconsolidation of the aforesaid real estate assets from the balance sheet of Banco Sabadell Group.

The transferred real estate assets comprise approximately 46,000 units with a total gross book value of 6,414 million euros; this amount is net of the assets that have been marketed and sold to third parties up to closing. The transfer of the remaining units (approximately 15,000, with a gross book value of 1,817 million euros) is subject to the potential exercise of rights of first refusal by third parties. Any such exercise will not alter the expected financial impacts of the transactions for Banco Sabadell.

The price of the transactions amounts to approximately 3,430 million euros.

Upon closing the transactions, the implementation of certain contractual clauses relating to the entire real estate portfolio involved requires the recognition of additional provisions of 52 million euros net of tax.

In addition, the Q4 2019 results will account for an amount of 20 million euros net of tax in costs related to the assets being transferred but not attributable to the sale.

The closing of these transactions contributes positively to improving the future profitability of Banco Sabadell Group and has a positive impact of 16 basis points on the Common Equity Tier 1 (fully-loaded) capital ratio of Banco Sabadell in the fourth quarter of 2019.

As a consequence of the abovementioned impact, the pro forma Common Equity Tier 1 (fully-loaded) capital ratio is 11.78% as at 30 September 2019.

María José García Beato
Secretary General

Alicante, 20 December 2019