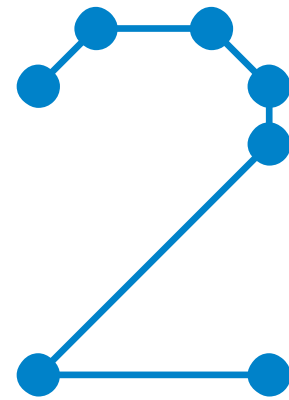
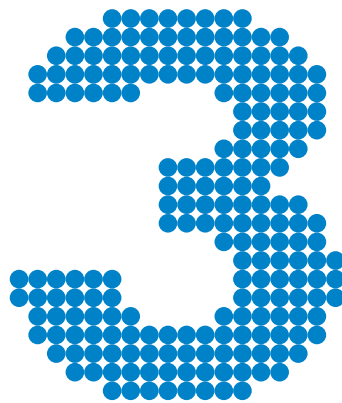


Key figures in 2017
2



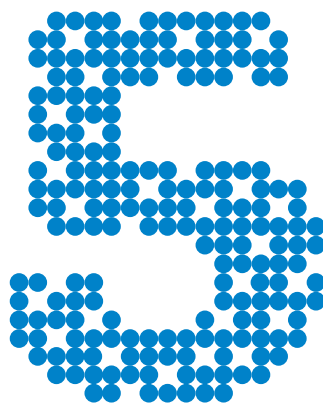
Chairman's message
4



Corporate governance
8



Milestones in 2017
11

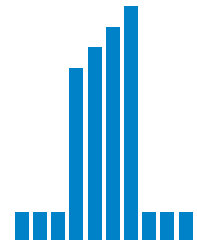


Sabadell 2020
14

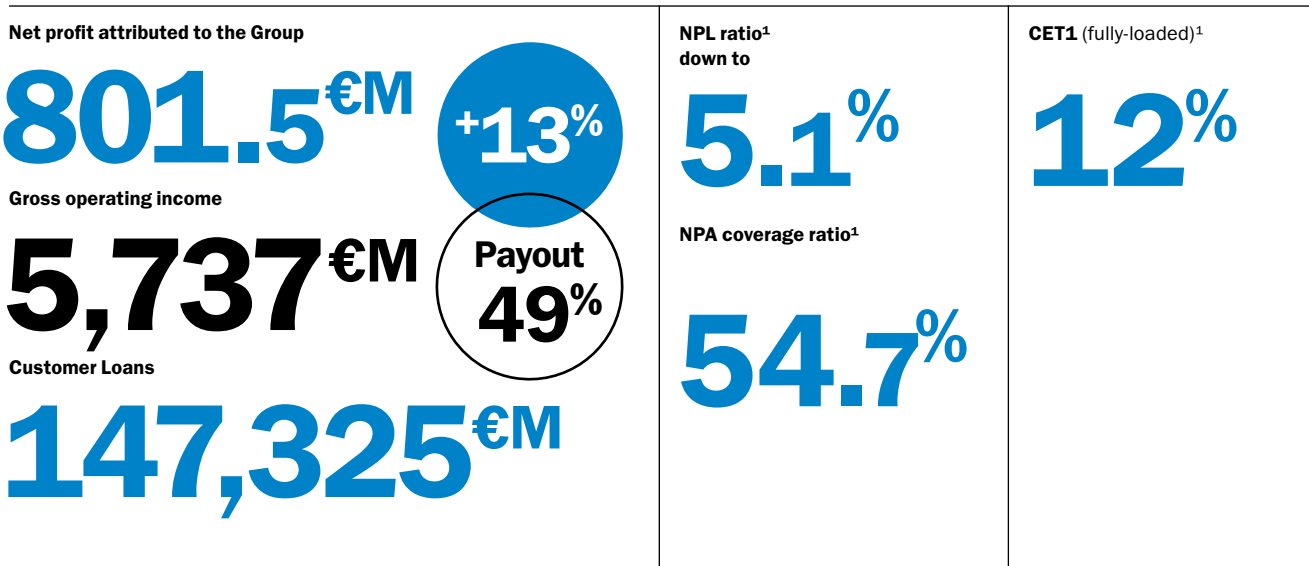
Roadmap of published information
16

Contact
17

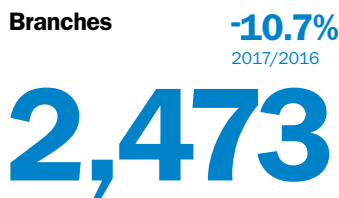
Key figures in 2017



Highlights



Customers



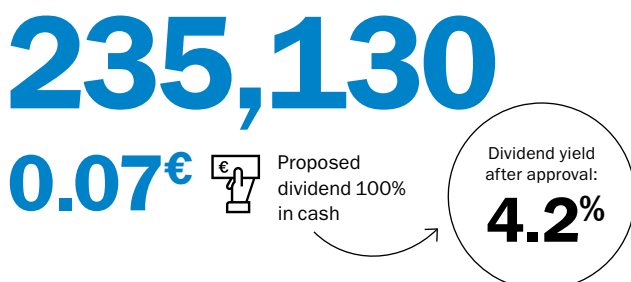
Service quality
Net promoter score (NPS)¹
 Sabadell quality index with respect to the industry

	2017	Ranking
Large corporates (turnover > 5 €M)	34%	1 st
SMEs (turnover < 5 €M)	19%	1 st
Personal Banking	29%	2 nd
Retail Banking	5%	4 th

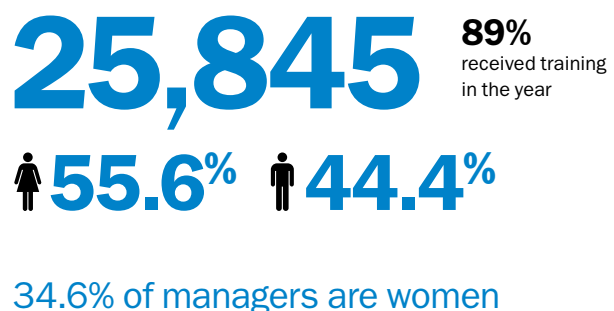
Sabadell expanded its quality lead over the industry by attaining #1 position in customer experience among large corporates and SMEs

Seeking to provide the best customer service through commercial and digital transformation.

Shareholders



Employees



¹ See roadmap of published information

Digital and commercial transformation



4.4M
(+10% YoY)
Group digital customers

3.3M
(+17% YoY)
Group mobile customers

88%
(+2pp YoY) Out-of-branch
transactions in Spain

20%
(+1pp YoY) Digital sales
in Spain

59%
(+9pp YoY) Digital sales
in the UK

26,725
(+68% YoY) Digital sales
of unsecured finance in Spain

35M
(+19% YoY) Monthly web +
mobile traffic in Spain

14%
Share of Bizum
registrations in Spain

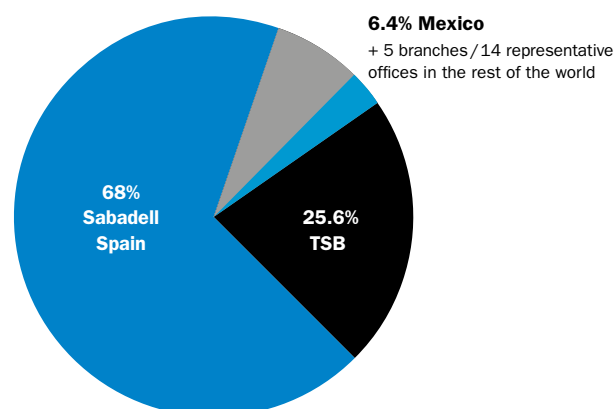
332,000
(+108% YoY) Sabadell Wallet
downloads in Spain

Banco Sabadell regained investment grade.

Banco Sabadell Group

Global presence

Lending, by geography

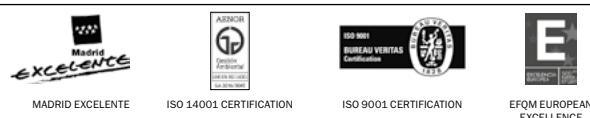


Financial data

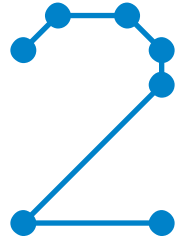


	€M	2017/2016
Balance sheet		
Total on-balance sheet assets	221,348	4.2
Customer loans	147,325	-1.8
Funds under management	204,420	1.4
Own funds	13,426	3.9
Results		
Core banking revenues (comparable data) ¹	5,025.8	5.5
Net profit attributed to the Group	801.5	12.8
Risks		
NPLs	7,925	-18.7
NPA coverage ratio (%) ¹	49.8	
Capital ratios (%)		
CET1 phase-in	13.4	
CET1 fully loaded	12.8	
Liquidity (%)		
Loan-to-deposit (LtD) ratio	104.3	

Quality certificates



¹ See roadmap of published information



Josep Olliu Creus, Chairman

Dear shareholder,

Ordinary banking business performed well in 2017, coupled with sound management of the customer spread, control of recurring operating costs, and a steady reduction in non-performing assets. The Banco Sabadell group ended the year with €801.5 million in net profit, 12.8% more than the previous year and in line with the targets for the period.

The year was marked by major geopolitical events. After the change of government in the United States early in the year, the focus shifted to Europe, where Brexit negotiations commenced and there were elections in France, the UK and Germany. A stronger global economy and higher inflation than in previous years drove the central banks to take steps — incipient in the case of the European Central Bank — towards monetary normalisation. The financial markets performed well in a climate of considerable complacency. The markets will continue to be exposed to the outcomes of events such as Brexit, the United States and NAFTA, although the prospects are now clearer.

Global economic growth became more robust and more synchronised in the main developed economies during the year. The Euro area registered significant growth. The UK economy benefited from a favourable global economic environment, which helped to alleviate the economic effects associated with Brexit uncertainties. The UK achieved close to 2.0% growth in the year as a whole, similar to the previous year. The unemployment rate reached a 42-year low.

The Spanish economy proved very dynamic once again, achieving over 3% growth for the third consecutive year. Economic activity benefited once again from favourable funding conditions and also from private agents' improved financial situation. The political uncertainty in October had a limited and temporary impact on the economy. The labour market is benefiting from the good economic situation, and unemployment is at its lowest since the end of 2008.

The European banking system enhanced its capital position, improved asset quality and increased profitability in 2017. The Single Supervisory Mechanism continued to consolidate its position as supervisor during the year, applying high regulatory standards aligned with international best practices.

The Group's core banking revenues increased by 5.5% year-on-year in 2017 in constant consolidation scope terms. The customer spread remained strong, at 2.8%, as a result of intense commercial activity. Net interest income increased by 4.9% year-on-year in like-for-like terms, or 2.9% excluding TSB. Fees and commissions performed very well, rising 7.4% at constant exchange rates in 2017.

Recurring costs were contained as a result of proactive action. The year-on-year increase was due mainly to extraordinary technology costs at TSB. The Group's cost-to-income ratio reached 50% at year-end, in line with the target.

The NPL ratio continued to decline, reaching 5.1% at 31 December 2017, an improvement on the previous year.

A number of corporate transactions were completed successfully during the year, and the resulting extraordinary gains were allocated to increasing NPA coverage, which reached 49.8% at year-end, or 54.7% pro-forma IFRS 9.

Banco Sabadell ended the year with a strong capital position: a Common Equity Tier 1 ratio of 12.8% in fully-loaded terms. After the implementation of IFRS 9, the Common Equity Tier 1 fully-loaded ratio will be 12.0% (pro-forma).

Commercial activity performed very satisfactorily throughout the year and the volume of outstanding loans and advances increased despite fierce competition. The Group's outstanding loans and advances increased by 4.6% year-on-year adjusting for changes in consolidation scope, driven by strong growth in SMEs, combined with intense enrolment of new customers, both companies and individuals. That increase in customer numbers was achieved with a quality of service that exceeds the industry average. Banco Sabadell improved market share in its various products in Spain and strengthened its lead in customer experience among both SMEs and large corporates.

Customer funds, both on- and off-balance sheet, expanded during the year: by 5.0% in constant consolidation scope terms.

Banco Sabadell's firm commitment to digital transformation led to a number of initiatives in the distribution model, simplification of commercial and operational processes with customers, development of new capacities in the digital offering to enhance the user experience and create value for customers, and improvements in business decision-making.

The primary goal in the UK was to develop and implement TSB's new banking systems. TSB unveiled its new platform in November 2017, making it the first bank in the United Kingdom with a leading-edge platform adapted to the challenges of the digital era. TSB will occupy a distinctive position after the migration. The new platform will provide TSB with greater technological autonomy, drive new businesses and constitute an essential element in generating value for the franchise and shareholders.

Business in Mexico exceeded the targets for the year in both corporate and business banking. Early in November, Banco Sabadell announced plans to commence banking for individuals in Mexico in January 2018 using a 100% digital model that offers new prospects for business development in that country with the goal of continuing to create value for the franchise.

The market recognised the Bank's good performance in 2017, as reflected in upgrades to investment grade by the credit rating agencies and in the share's good performance in the year. Banco Sabadell attained the number-one position in terms of SME and large corporate customer experience, and TSB was recognised in the 2017 Banking Technology Awards.

The General Meeting of Shareholders will be asked to approve a €0.07 cash dividend out of 2017 profit, which represents an increase in the payout to 49%, from 40% in 2016. That €0.07 dividend per share includes the €0.02 interim dividend paid in December 2017 and a €0.05 supplementary dividend that will be paid once it has been approved by the General Meeting.

As a result of the goals attained in 2017, the Bank is soundly placed to undertake its Master Plan 2018-2020. The plan seeks to improve profitability while assuring business sustainability and value-creation for shareholders. To achieve the objectives set for the coming years, we can count on our employees, whose contribution, dedication and professionalism, demonstrated on a daily basis, enable us to take on future challenges with enthusiasm and affirm Banco Sabadell's position as a core component of the Spanish financial system.

Josep Olliu
Chairman



Jaime Guardiola Romojaro, Managing Director

Board of Directors

Chairman

Josep Oliu Creus (E)

Deputy Chairman

José Javier Echenique Landiribar (I)

Managing Director

Jaime Guardiola Romojaro (E)

Director – General Manager

José Luis Negro Rodríguez (E)

Directors

Anthony Frank Elliott Ball (I)

Aurora Catá Sala (I)

Pedro Fontana García (I)

M. Teresa Garcia-Milà Lloveras (LI)

George Donald Johnston (I)

José Manuel Lara García (EX)

David Martínez Guzmán (P)

José Manuel Martínez Martínez (I)

José Ramón Martínez Sufrategui (I)

Manuel Valls Morató (I)

David Vegara Figueras (I)

Secretary

Miquel Roca i Junyent

Deputy Secretary

María José García Beato

Board committees

Executive Committee

Josep Oliu Creus (C) (E)

José Javier Echenique Landiribar (I)

Jaime Guardiola Romojaro (E)

José Manuel Martínez Martínez (I)

José Luis Negro Rodríguez (E)

María José García Beato (S)

Audit and Control Committee

Manuel Valls Morató (C) (I)

Pedro Fontana García (I)

M. Teresa Garcia-Milà Lloveras (LI)

José Manuel Lara García (EX)

José Ramón Martínez Sufrategui (I)

Miquel Roca i Junyent (S)

Appointments Committee

Aurora Catá Sala (C) (I)

Anthony Frank Elliott Ball (I)

Pedro Fontana García (I)

M. Teresa Garcia-Milà Lloveras (LI)

Miquel Roca i Junyent (S)

Remuneration Committee

Aurora Catá Sala (C) (I)

Anthony Frank Elliott Ball (I)

M. Teresa Garcia-Milà Lloveras (LI)

George Donald Johnston (I)

María José García Beato (S)

Risk Committee

David Vegara Figueras (C) (I)

M. Teresa Garcia-Milà Lloveras (LI)

George Donald Johnston (I)

Manuel Valls Morató (I)

María José García Beato (S)

Senior Management

Chairman

Josep Oliu Creus

Managing Director

Jaime Guardiola Romojaro

Director – General Manager

José Luis Negro Rodríguez

General Secretary

María José García Beato

General Manager (CFO)

Tomás Varela Muiña

General Manager – Operations, Organisation and Resources

Miguel Montes Güell

General Manager –

Commercial Banking

Carlos Ventura Santamans

Deputy General Manager -

Risk Management

Rafael García Nauffal

Deputy General Manager –

Private Banking and Asset Management

Ramón de la Riva Reina

Deputy General Manager –

Asset Transformation and

Industrial and Real Estate

Investees

Enric Rovira Masachs

Deputy General Manager –

Business Transformation

and Marketing

Manuel Tresánchez Montaner

Deputy General Manager -

Corporate & Investment Banking

José Nieto de la Cierva

Deputy General Manager

and CEO TSB

Paul Pester

Deputy General Manager

and CFO TSB

Ralph Coates

Deputy General Management

Corporate Service divisions

Internal Audit

Nuria Lázaro Rubio

Corporate Transactions

Joan M. Grumé Sierra

Risk Control

Joaquín Pascual Cañero

Legal

Gonzalo Barettino Coloma

Compliance

Federico Rodríguez Castillo

Global Finance and CFO Spain

Sergio Palavecino Tomé

Global Financial Controller

Anna Bach Portero

Chief Economist

Sofía Rodríguez Rico

Human Resources

Conchita Álvarez Hernández

Organisation and Services

Adrià Galian Valldeneu

Global IT and Operations

Rüdiger Schmidt

Risk Transformation

Xavier Comerma Carbonell

Chief Analytics Officer

Alfonso Ayuso Calle

Business Areas

Commercial Banking

Bancassurance

Silvia Ávila Rivero

Products and Distribution

Albert Figueras Moreno

Institutional Business

Blanca Montero Corominas

Sabadell Consumer Finance

Miquel Costa Sampere

Catalonia Region

Luis Buil Vall

Central Region

Eduardo Currás de Don Pablos

Eastern Region

Jaime Matas Vallverdú

Northwest Region

Pablo Junceda Moreno

Northern Region

Pedro E. Sánchez Sologaistua

Southern Region

Juan Krauel Alonso

Markets and Private Banking

Asset Management and Research

Cirus Andreu Cabot

Trading and Custody

Javier Benzo Perea

Sabadell Urquijo Banca Privada

Pedro Dañobeitia Canales

Treasury and Capital Markets

Guillermo Monroy Pérez

Corporate & Investment Banking

Corporate Banking EMEA

Ana Ribalta Roig

Corporate America & Asia and

SIB

Maurici Lladó Vila

Structured Finance

David Noguera Ballús

Mexico

Francesc Noguera Gili

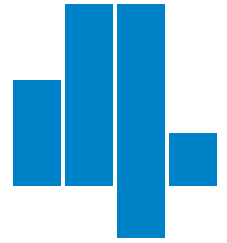
Asset Transformation and Industrial and Real Estate Investees

Real Estate and Institutional Markets

Jaume Oliu Barton

Solvia

Javier García del Río



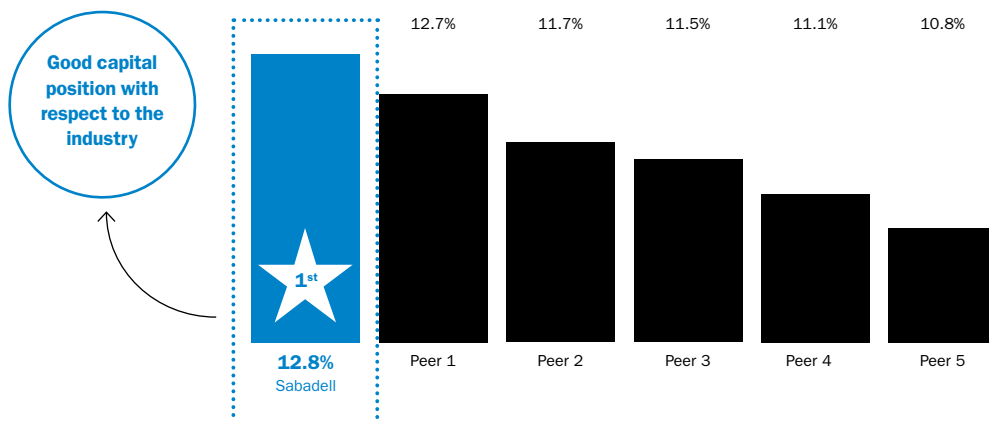
The market recognised the sound performance in 2017.

- ★ Rating upgraded to investment grade by the three rating agencies
- ★ #1 position in NPS¹ among SMEs and large corporates
- ★ Best share performance among Spanish banks in 2017
- ★ TSB was an award-winner at the 2017 Banking Technology Awards and the NPS reached +25 points at the end of the year (from +16 points in 2015)¹

Sustained strong capital position.

Peer group fully-loaded CET1

% Data for 4Q 2017



¹ See roadmap of published information

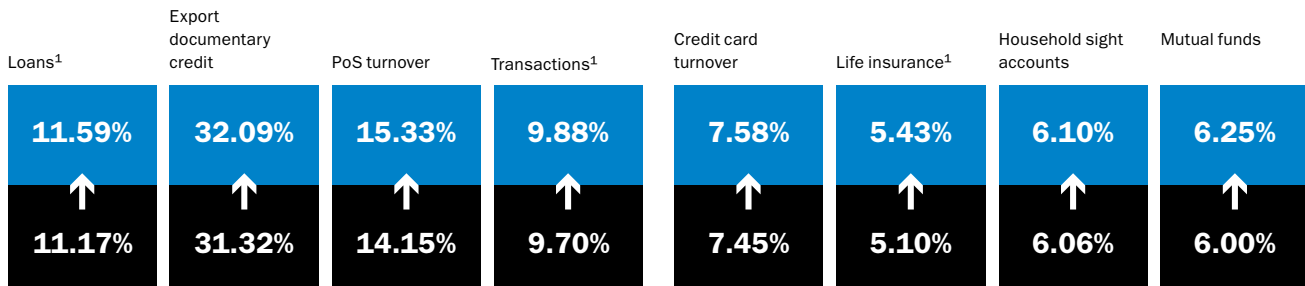
Product market share

%

● Dec. 2017
● Dec. 2016

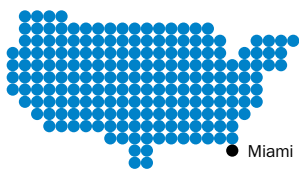
Companies

Individuals



Improved market share in a range of products in Spain, with a lead position in customer satisfaction among SMEs and large corporates.

Sale of Sabadell United Bank



Crystallising tangible book value **×1.95**
1,025\$M
Sale amount

Reinsurance of the BanSabadell Vida value-in-force

Agreement with the world's second-largest reinsurer



Risk management by monetising the future value of the portfolio
254€M
Deal amount

Sale of HI Partners

Located in the main tourist destinations



Hotel management platform focused on vacation hotels
631€M
Deal amount

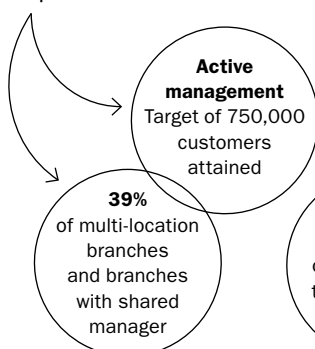
Successful corporate transactions reinforced the Group's capital and coverage levels.

Digital and commercial transformation

Initiatives → Annual performance

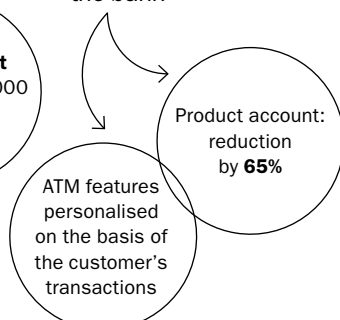
Distribution model

Offer greater efficiency and more convenience as well as an improved customer experience



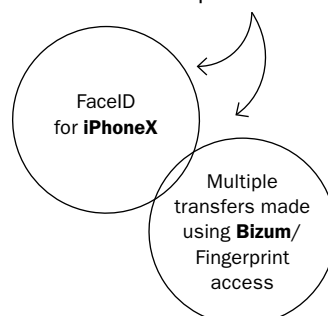
Simplification

Facilitate commercial and operational processes for our customers and simplify their interaction with the bank



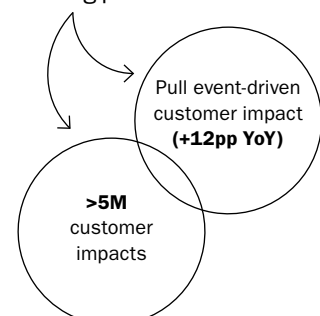
Digital offering

Develop new capabilities and promote their use to provide our customers with the best user experience



Data driven processes

Provide value to our customers and enhance our business decision-making process



Corporate Governance

Composition of the Board of Directors

Diversity of profiles and experience

20% International

13% Women

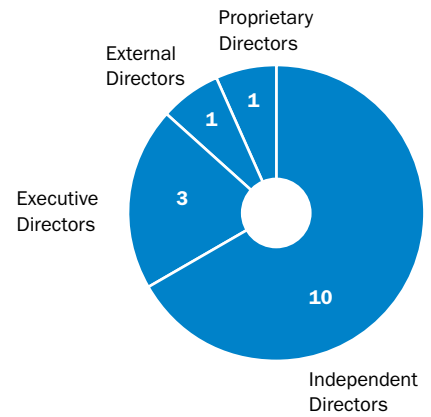
66% Independent

Committed to the highest standards of quality, among others

Ongoing training

Assessment by an external consultant

Continuous assessment of Board member fitness and suitability



Corporate Social Responsibility

1 Responsible business



Social housing

Vulnerability

Transparency

SOGEVISO, the Banco Sabadell Group unit that manages social housing

646 persons have found a job through the JoBS programme

Simplification, transparency and simplicity in contracts



Focusing particularly on customers in a vulnerable situation or at risk of social exclusion

2 Commitment to employees



Gender

Professional development

Diversity

Equality Plan
34.6% Women in management positions

89% Employees who received training

Programme for integrating persons with disabilities

137,000 Online sessions

3 Commitment to the environment



Commitment to the planet

Responsible consumption

Sustainable mobility

150€M Investment in renewable energy in 2016-2019

99.9% Electricity consumption from renewable sources

78% of vehicles leased are sustainable

4 Commitment to society



Financial education (society)

Solidarity

Financial education (companies)

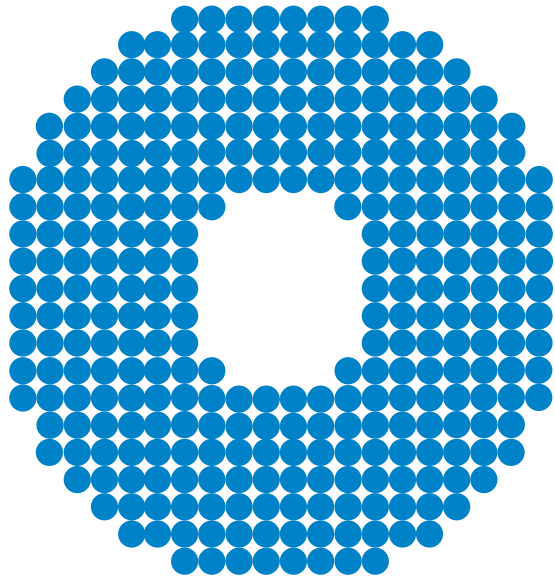
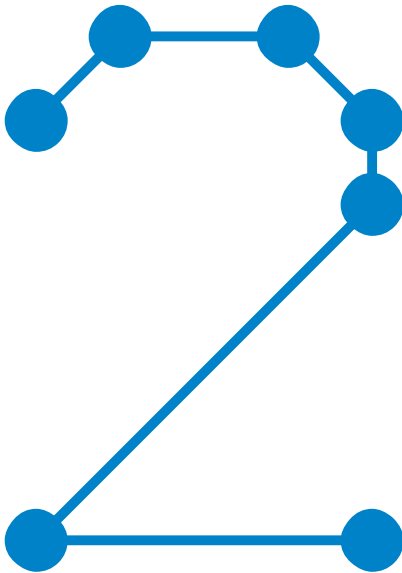
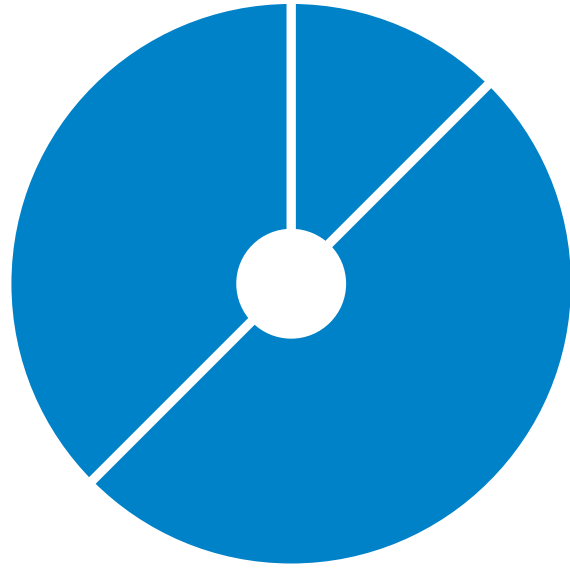
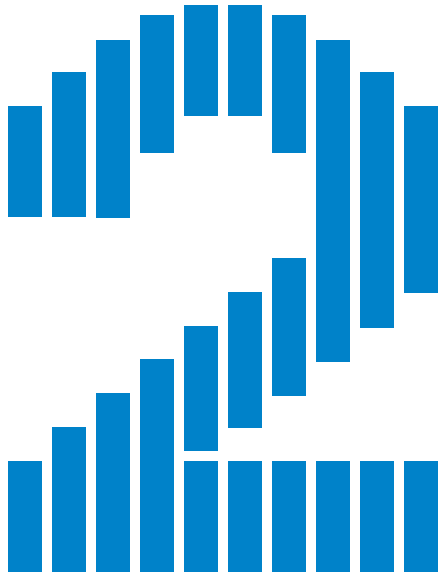
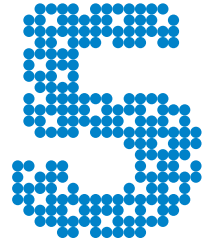
5,000 children benefited

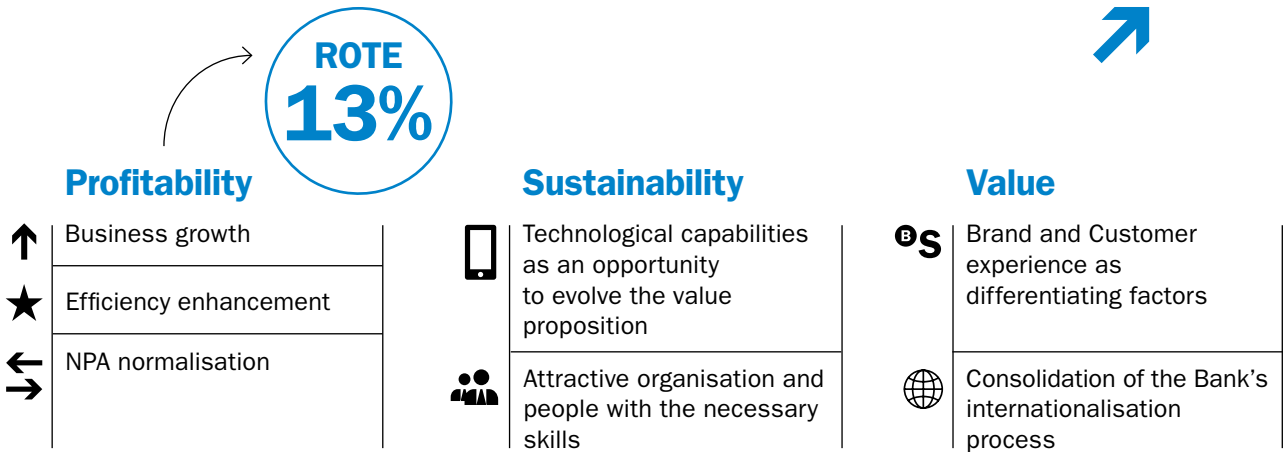
Social innovation

+70 companies in the export programme, with university credit

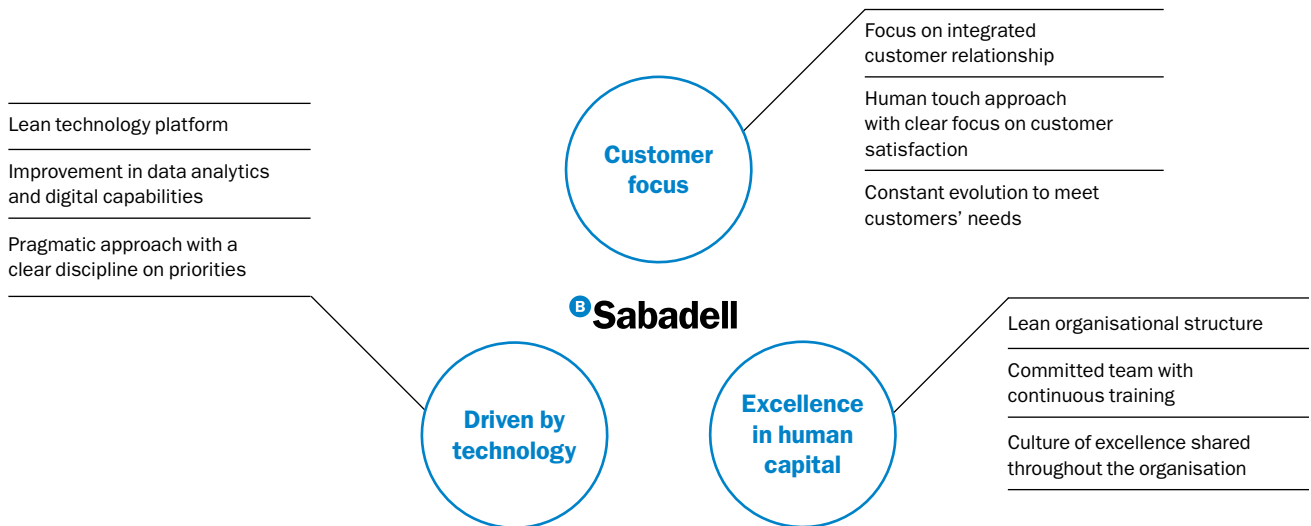
Programmes taught by over 200 volunteers

B-Value and B-Challenge programmes
Cooperation with Worldcoo





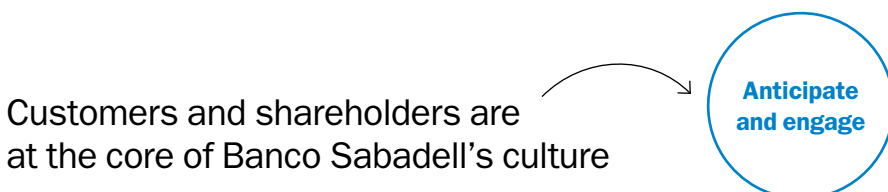
Our approach strengthens our brand recognition, reinforces our culture and creates value for our shareholders.



Sabadell launched a new strategic plan based on solid foundations.

Enhancing profitability

Positive core business evolution	Superior efficiency in Spain	State-of-the-art technology
Strong franchise	Good NPA coverage	Geared to rate increases
Leadership in SMEs	International growth momentum	



Roadmap of published information

Block	Document	Website section
Corporate Governance System		
General data	General information about the group	Group
General Meeting	GM Regulations, Representation, Previous General Meetings, Shareholder information and Electronic shareholders' forum	Shareholder and investor information_General meetings
Corporate governance	Board of Directors, Director CVs and Board sub-committees	Group - Corporate Governance
Statutory documents	Articles of Association, Regulation of the Board of Directors, internal regulations	Corporate governance and Remuneration policy
Remuneration policy	Annual report on director remuneration	Corporate governance and Remuneration policy
Committee reports	Committees: Audit and Control, Appointments, Remuneration, and Risks	Corporate governance and Remuneration policy
Annual Corporate Governance Report	Annual Corporate Governance Report	Corporate governance and Remuneration policy
	Legal information 2017_Financial statements_Directors' report	Shareholder and investor information_Financial information_Annual reports_Legal information
Corporate Social Responsibility	Report on Corporate Social Responsibility policy	CSR_Corporate Social Responsibility
The share, policy and communication channels		
	Share price, capital stock, key data, investor calendar and ownership structure	Shareholder and investor information_The BS share (SAB)
	Shareholder remuneration	Shareholder and investor information_The BS share (SAB)_Shareholder remuneration
	InfoAccionista	Shareholder and investor information_Products and services_Infoaccionista
	Annual report	Shareholder and investor information_Financial information_Annual reports
	Policy on communication and contacts with shareholders, institutional investors and proxy advisors	Shareholder and investor information_Communication policy and channels
Economic and regulatory environment		
	Annual report_Economic, business and regulatory environment	Shareholder and investor information_Financial information_Annual reports
Financial information		
Business plan	Annual report_Milestones in 2017 and Plan 2020 subchapter	Shareholder and investor information_Financial information_Annual reports
	Earnings presentations (quarterly)	Shareholder and investor information_Financial information_Results
	Legal information 2017_Financial statements_Directors' report	Shareholder and investor information_Financial information_Annual reports
Balance sheet and earnings performance	Annual report_Banco Sabadell Group financial information chapter	Shareholder and investor information_Financial information_Annual reports
Financial statements	Legal information 2017_Financial statements_Directors' report	Shareholder and investor information_Financial information_Annual reports_Legal information
Businesses		
General data	General business data	Businesses
Description, data and milestones in the year	Annual report_Business chapter	Shareholder and investor information_Financial information_Annual reports
Financial data - main businesses	Legal information 2017_Financial statements_Directors' report	Shareholder and investor information_Financial information_Annual reports_Legal information
Risks and Capital		
	Annual report_Risk management chapter	Shareholder and investor information_Financial information_Annual reports
	Legal information 2017_Financial statements_Note 4, Note 5 and Exhibit 6	Shareholder and investor information_Financial information_Annual reports_Legal information
	Pillar III disclosures	Shareholder and investor information_Financial information_Basel II Pillar 3 disclosures
Corporate Social Responsibility		
	General information	CSR_Corporate Social Responsibility
	Codes and policies	CSR_Corporate Social Responsibility

Definitions and terms

— Banking Technology Awards: TSB was recognised for best use of biometrics for Samsung Pass iris recognition at the 2017 Banking Technology Awards.

— CET1 (Fully-Loaded): pro-forma data post-IFRS 9.

— Loans and advances: excludes real estate business and repos.

— Core banking revenues (like-for-like): net interest income and commissions; calculated in like-for-like terms assuming constant exchange rates and excluding Sabadell United Bank.

— Net Promoter Score (NPS): Accenture NPS benchmark survey. The NPS is based on the question "On a scale of 0 to 10, where 0 is 'not at all likely' and 10

is 'I would definitely recommend it', how likely would you be to recommend Banco Sabadell to a relative or friend?". The NPS is the percentage of customers who answered 9 or 10, after eliminating those who answered between 0 and 6. Includes institutions that are comparable to the Group. Data for the most recent available month.

— NPA coverage ratio (%): 49.8; pre-IFRS 9; excludes provisions for interest rate floors.

— NPL coverage ratio (%): 54.7; pro-forma post-IFRS 9; includes contingent risks; Sabadell NPLs (excl. TSB, foreclosed assets and NPA) include 20% of the NPLs included in the APS, since that risk is borne by Sabadell in accordance with the APS protocol. Excludes provisions for interest rate floors.

— NPL ratio: includes contingent risks. Sabadell NPLs (excl. TSB, foreclosed assets and NPA) include 20% of the NPLs included in the APS, since that risk is borne by Sabadell in accordance with the APS protocol.

— Share price appreciation: adjusted for capital increases and dividends.

— Life insurance: calculated in terms of number of policies.

— Transactions: calculated in terms of volume.

Contact

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Customer Care Service (SAC)

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08174 Sant Cugat del Vallès
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sac@bancsabadell.com

Regional divisions

Catalonia Region

Av. Diagonal, 407 bis
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+34 902 030 255

Central Region

Velázquez, 50
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+34 913 217 159

Eastern Region

Pintor Sorolla, 6
46002 Valencia
+34 965 906 979

Northwest Region

Fruela, 11
33007 Oviedo
+34 985 968 020

Northern Region

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48011 Bilbao
+34 944 224 062

Southern Region

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+34 952 122 350

Banco Sabadell registered offices

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Corporate headquarters

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 General Meeting of Shareholders 2017



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Creative Director

Mario Eskenazi

Design

Gemma Villegas

Photography

Elena Claverol

Pages 4 and 8

Sixeart (Sergio Hidalgo Paredes)

Crisis numérica 2012

Spray paint on wall

255 × 1,730 cm

Banco Sabadell collection



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