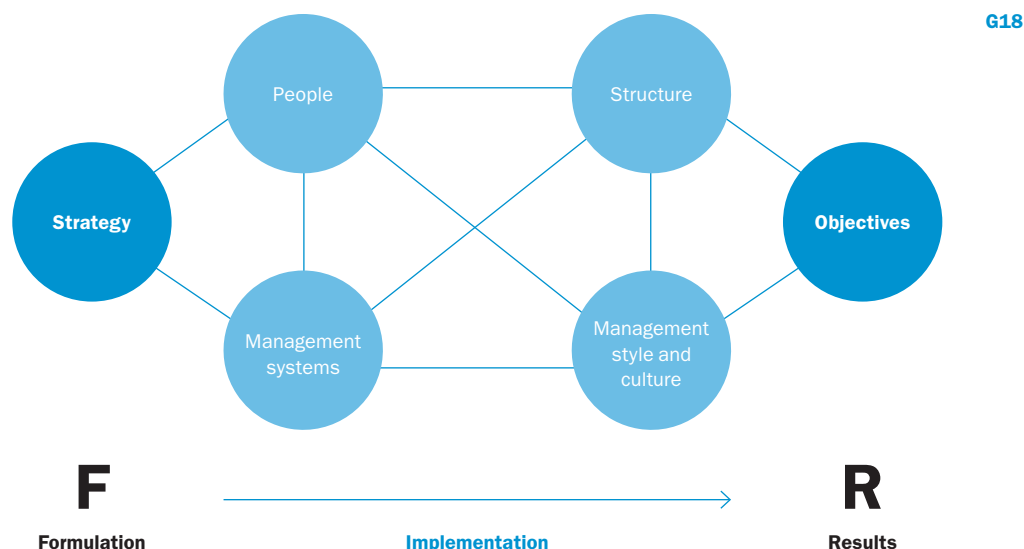


Human resources

The Bank has a young, qualified and gender-diverse workforce. The human resources model follows a clear strategy based on four key levers for achieving the objectives (G18).



Four essential premises underpin the group's human resources management approach:

- The Bank has human resources policies and regulations in place that apply throughout the organization.
- People are a distinctive asset and a critical success factor for Banco Sabadell.
- People belong to the entire organization and form part of a single team: Banco Sabadell.
- The Bank believes it is necessary to constantly reinforce the emotional contract between the Bank and its people.*

Human resources management strategy under the “Triple” plan, and lines of action in 2015

The capabilities that were built in the first year of the “Triple” plan were implemented in 2015. Management of talent and human capital are now a key component of the plan.

Sweeping changes were made in the Human Resources department structure, including notably the creation of three new roles:

HR Business Partners (HRBPs)

A new position for liaison with the business units. The HRBP is an adviser with decision-making capacity in the area of planning, prioritising and managing specific needs relating to people that arise from the business strategy.

* For more details of Human Resources policies and principles, see the Directors' Report in the Financial Statements.

Centres of Excellence

These are product specialists (Training, Compensation, Recruitment, ...) who centralise the functional knowledge required by the business.

Shared Services Centre

Its mission is to execute operational tasks and transactions. It is the back office for HR processes.

In the area of organizational change and development, three strategic priorities have been identified with regard to personnel:

- Manage talent transversely to respond to the group's growth.
- Raise performance benchmarks for all employees.
- Get all employees involved with, and committed to, the group's plan for the future.

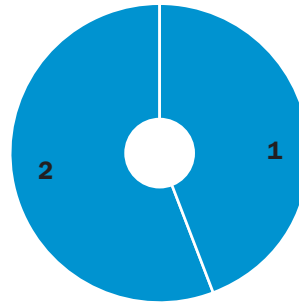
This transformation is underpinned by a sizeable investment in technology, implementing IT solutions for all HR processes.

The five core initiatives (Integrated talent management, Performance management system, Segmented people management, The brand as employer, and Transforming training) defined in order to achieve this transformation continue to be implemented and will culminate in 2016.

These initiatives refer to “how”, but it is equally important to focus on “who”. To this end, three additional initiatives were defined, centred on enhancing human resources capabilities of key components of the organization - (Management quality, Multi-generational management of talent and flexibility, and International HR model).

Composition of group employees

At the end of the 2015, the Banco Sabadell group employed a total of 26,090 people, an increase of 8,561 on the year before. The average age of employees was 43.54 years and the average length of service was 17.42 years. The gender split was 44.4% men and 55.6% women (G19).



Projects in the Human Resources area

Training and leadership development

The performance appraisal model, the cornerstone of people management in the group, has been strengthened by simplifying the process of competency assessment and integrating it with Management by Objectives. This was accompanied by the first steps to transform the learning model.

During 2015, the Group worked on designing a learning model that supports growth by our professionals. The approach to training is informal, flexible, person-oriented, innovative and aligned with business needs. As part of this transformation, a new learning platform will be implemented in 2016 which will expand employees' access to training, enable them to plot a training plan, and recommend courses, among other features.

The new learning model will also make it easier to identify the business impact of training by measuring subsequent outcomes.

New informal learning methodologies have been implemented. For example, coinciding with the pension plan sales campaign, an app with the format of a general knowledge quiz was produced to train staff in this product.

New English language learning model:
flexible, technological, for all levels, and personalized

We implemented a new language learning model that is more flexible and adaptable to all levels. This new model provides access to the best content to improve English proficiency at the individual and organizational level.

Tools associated with this model provide real-time information on the progress in the KPIs established each year and on the acquisition and improvement of language skills on an organizational level and for individual participants.

Creation of the Business School as a model for transformation and sustainability of the Business Development Programme: Branch manager development

The structure and objectives of the future Business School were defined with the goal of aligning people's learning with business challenges and the Bank's ongoing business transformation.

G19 Workforce breakdown by gender 31.12.2015 (%)

1 Men	44.4%
2 Women	55.6%

Employees registered on the new platform

4,233

At the same time, the Business School should be a key lever to lend sustainability to the branch business system approach that was implemented with the Business Development Programme. A first example of this new approach to learning at Banco Sabadell, and which will form part of the School, is the "Grow Up" programme for newly-promoted branch managers, the aim being to develop and transform the new branch manager into a business leader and team leader in the context of the branch.

Leadership development with a new people-oriented approach: Leading the future

The core human resources plan entails major changes in the way managers and executives manage people and teams. In talent management, one of the immediate challenges is to attract, develop, retain and transmit talent in accordance with the expectations of each of the generations currently coexisting within the Bank (baby boomers, generation X and millennials); the objective of this line of action is to recognize the different generations so as to manage them differently in accordance with their expectations.

Leading the future is a comprehensive leadership development programme for executives to achieve a common leadership style in Banco Sabadell that fosters cooperation and team development, with a strong focus on the share and the business.

This programme, based on a cutting-edge integrated methodology, encourages executives to adopt a common vision and leadership pattern, and favours growth and

professional development in accordance with the Bank's culture, using personal change to facilitate organizational change. The programme has a synergistic trickle-down effect from participants to their teams, coupled with a more human approach. These attitudes position our executives as leaders in quality and closeness, both internally and with respect to the external market.

Another related objective is to outfit the organization and its people with the work flexibility tools and solutions that the business needs to improve productivity and competitiveness.

BS Business School: Public recognition as a benchmark

This is a digital platform exclusively for Banco Sabadell executives which, in 2015, established itself as a channel of value and executive development.

Its main objectives are to enhance the big picture approach through self-development and building a personal and professional bond between the members of the group by sharing expertise, resources and information.

The main achievements this year were attaining a usage rate of 91% among executives (more than 60,000 page views).

Mobility

An ambitious internal recruitment programme was created to provide opportunities for professional growth and promote internal mobility by Group employees. For positions that are not covered internally, the positions vacant site on the web has been enhanced in terms of both appearance and usability.

Under the defined human resources model and policies, the number of staff being transferred internationally continues to increase. Work is continuing on developing a pool of professionals that can selectively drive future expansion, and on incorporating international experience into the executive career path.

Human Resources Management

In order to foster efficiency and specialization, a transverse unit covering the operational tasks connected with human resources was created. The pre-existing Employee Service Office was merged into the Shared Services Centre. This Centre focuses on serving other departments by enhancing efficiency through specialization.

The main services it handles include producing the monthly payroll for over 18,900 employees; it also handled more than 41,000 queries from employees during the year.

Prizes and distinctions

'Capital Humano' award in the 'Integrated Management' category for our 'Talent and Human Capital Management Programme'

The prize was awarded in recognition of the organizational change and development levers and the renewed vision of the HR function embodied in the programme.

Honourable mention for BS Business School in the Talent Mobility awards

Recognition of a pioneering digital, growth-oriented leadership initiative that is positive for the company.

Gold SAP Award in the 'Innovation Projects' category, for the project to implement Success Factors in Human Capital Management

The jury was particularly impressed by the fact that the innovation project was entirely in the cloud, eliminating over 150 separate installations in different countries, with a variety of processes and approaches to managing employee talent, recruitment, management by objectives, and development and training.

CEO/DCH award for excellence in people management, for Jaime Guardiola

Candidates (internal and external) for the 138 vacancies advertised since June.

2,957