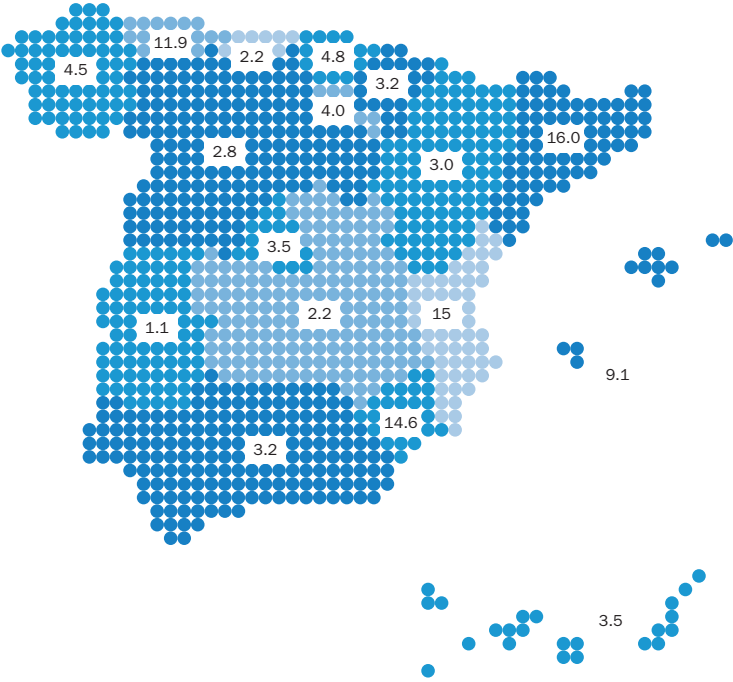


G26 Market share by autonomous region

Banco Sabadell market share in Spain

7.2%

%, June 2016 figures.
Note: The figure shown for the Asturias region includes the province of León.



Multibrand strategy

The bank operates under the Sabadell brand, coupled with a distinctive local brand in some territories (T5).

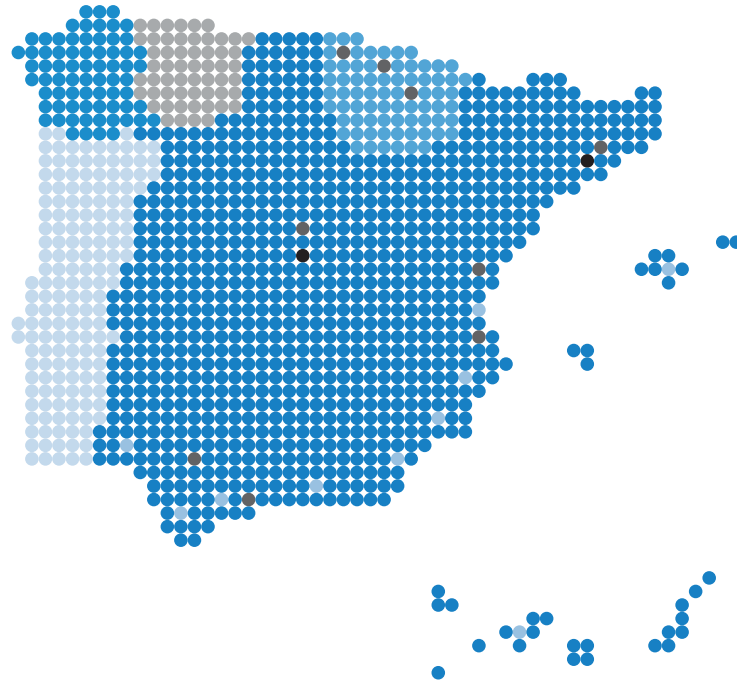
Banco Sabadell is a leading player on the international stage. With a specialized offer and an effective value proposition, Banco Sabadell is present in strategic locations and works with organizations that promote foreign trade, supporting customers as they grow and expand internationally (G27).

Sabadell	— Commercial banking, business banking — Coverage: all of Spain except for areas served by other brands
Sabadell Guipuzcoano	— Commercial banking, business banking — Coverage: Basque Country, Navarra and La Rioja
Sabadell Herrero	— Commercial banking, business banking — Coverage: Asturias and León
Sabadell Solbank	— Commercial banking for European residents in Spain's tourist zones — Coverage: Mediterranean coastal areas and islands
Sabadell Urquijo Banca privada	— Private banking. A merger of Sabadell Banca Privada with Banco Urquijo — Coverage: commercial banking and business banking throughout Spain
Sabadell Gallego	— Commercial banking, business banking — Coverage: Galicia
Activobank	— Commercial banking — Offices in Madrid and Barcelona

T5 Brands used by Banco Sabadell in Spain

G27 Map of brands
by zone

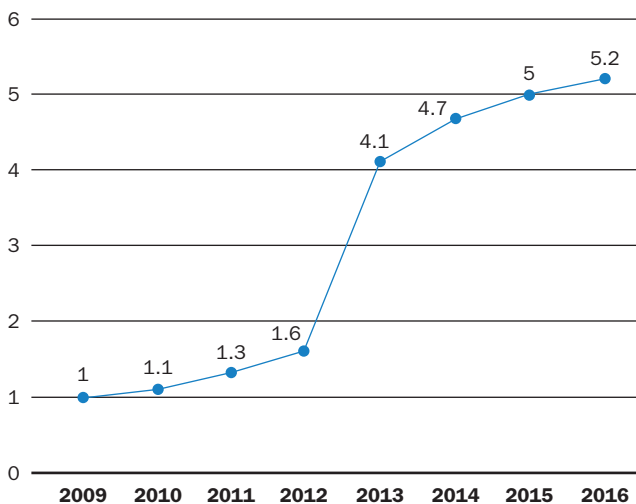
- Sabadell
- SabadellHerrero
- SabadellGallego
- SabadellGuipuzcoano
- SabadellSolbank
- SabadellUrquijo
- ActivoBank



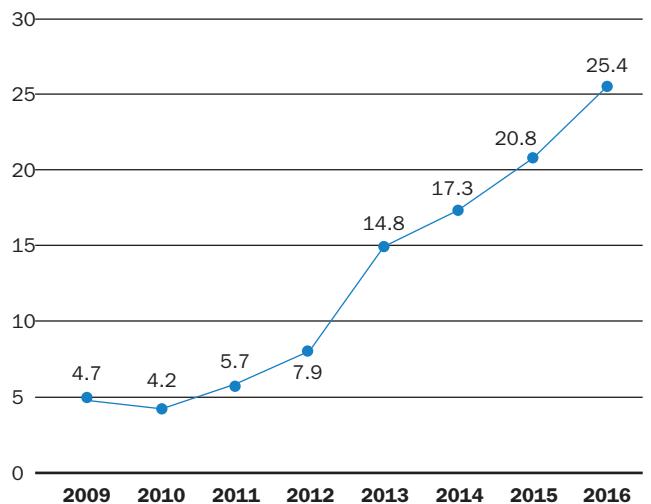
BS brand perception indicators

During 2016 the Bank continued its successful policy of raising awareness of its brand, key to increasing its capacity for growth in the retail market in Spain, where it aims to match the brand recognition achieved by our main competitors. In the course of the last six years "top of mind" awareness of the Sabadell brand has increased from 1.3% to 5.2% (up 325%) and total brand awareness from 5.7% to 25.4% (up 446%), putting the brand in fifth place among Spanish financial institutions according to data from the FRS Inmark annual survey, a key industry benchmarking tool (G28 and G29).

G28 Top of mind brand awareness



G29 Total brand awareness



Advertising campaigns and actions to enhance the Bank's image in 2016

The Bank's advertising in 2016 continued to exhibit the marked personal character that distinguishes it from other banking sector advertisers and seeks to emphasise the qualities of professionalism, reliability, modernity and innovation in customer service and its entrepreneurial flair.

The first quarter of the year saw the launch of the "Old Times" themed campaign that talked about time-honoured banking notions as if they were a thing of the past. This enabled the Bank to highlight its responsiveness in a changing environment and to put across the key competitive advantages of the "Cuenta Expansión" account and emphasise its selling points and brand leadership.

The "One Hundred Immediate Responses" campaign in April transmitted the message that BS is improving customer support in two ways: responding to loan applications immediately, and in the right place - wherever the business customer happens to be. This benefit not only improves the brand image but also creates more opportunities to evaluate and win new business. Therefore, the Bank concentrated on capitalising on these differentiating service benefits, which further enhanced its image as a developing business enterprise.

In the last campaign of the year, "More Immediate Responses", we developed the concept behind the previous campaign to carry over our competitive position as a lender equipped to meet borrowers' needs into the individual customer market with "Préstamo Expansión", a fast, flexible, practical, convenient loan product.

Multi-channel strategy

2016 was the last year of the Triple plan, the three-year Master Plan whose primary aim was to complete the transformation of the organisation, both internally and externally. The transformation process focused on digitalisation, business transformation, a better experience for customers in their relationships with the Bank, and the transformation of internal processes and of the organisation itself.

Digital transformation is a response to consumers' changing habits; for this reason Banco Sabadell adopted a new approach to customer relationships and new ways of getting close to customers, wherever they might be, that they will find convenient. The goal was to improve the Group's value proposition and its services by putting in the right sales methodology and the right systems, adapting to the requirements of different customer segments and making the customer relationship available as and when it was needed.

In the course of 2016 a new distribution system was put in place, including a change in branch network organisation and a new branch concept (hub and spoke branches) designed to satisfy customers' requirements. A total of 863 branches, handling approximately 2.9 million customers, were converted to the new system.

The year also saw the development of "Active Management", a new sales/distribution model which lets customers do their banking through multi-channel interactions, with the account manager continuing to bring added value to the customer relationship via computer-assisted management. This innovative approach is supplemented by customer self-service using online and/or mobile communications. The means that customers can do their banking using multi-channel (telephone or email) interactions, for a longer period of the day, without having to go to their branch.

Some 3,500 tablets were distributed to branches to enable account managers to visit customers in their homes and do business that would previously have had to be done in-branch; this enables them to be more effective and efficient, and results in a more satisfying business experience for both parties.

To facilitate interactions between customers and Bank and deliver a better service and customer experience, we invested in process optimisation by simplifying the product range to make it more accessible to customers, and reducing the time taken to complete business transactions.

Further progress was also made in moving towards a new, more proactive type of digital experience to eliminate limits imposed by space, time and equipment, and to become more "digital". Digital channels were enhanced to ensure that customers would be able to operate any time, anywhere, in signing up for products and services remotely through a variety of channels and benefit from a better customer experience. During the year we launched new versions of our online and mobile applications with added functionality, as well as new payment apps such as Sabadell Wallet y Bizum.

Over 42% of our active customers are digital (more than 2% up on the figure for 2015) and are doing over 86% of their business on digital channels. For business customers, the proportion using digital channels is over 80%.

Rafa Nadal — *Tennis player*

What's the first thing you
do when you get up
in the morning?

Switch off
the alarm clock.



What would you be willing
to sacrifice for success?

I'd never sacrifice
the people I love.



What is your
favourite word?

Actually,
I don't have a favourite word.



What do you value most
in a friend?

Trust.

What do you prefer:
clay, grass or water?

Water.

More Answers Immediately.

Because you need agility to book the perfect trip,
now with our Expansion Loan, we will respond to your

Branch network

Table T6 presents details of the domestic branch network. Including the 648 overseas branches, the Group had 2,767 branches at the end of 2016.

Region	Branches	Region	Branches
Andalusia	142	Valencia	381
Aragón	34	Extremadura	7
Asturias	134	Galicia	123
Balearic Islands	62	La Rioja	8
Canary Islands	30	Madrid	201
Cantabria	6	Murcia	141
Castilla-La Mancha	23	Navarra	18
Castilla y León	64	Basque Country	105
Catalonia	638	Ceuta and Melilla	2

T6 Distribution of branches by region

ATM network

At the close of 2016 the Group's network of self-service tills in Spain totalled 3,123 ATMs and 371 passbook updating machines. This number is slightly lower than at the close of 2015 (3,603 machines).

The number of ATM transactions continues to increase year by year. In 2016 it increased by around 6% to a total of 110 million transactions. The proportions of transactions done using credit/debit cards and passbooks were similar to the previous year: 65% were done with credit/debit cards and 35% with passbooks.

The transactions done most frequently were cash withdrawals (more than 60% of the total), followed by passbook updates and account balance and payment enquiries.

The year 2016 saw the completion of a renovation programme on 800 ATMs in Spain, initiated the year before; the programme resulted in significant gains in service availability and in transaction execution times, with a corresponding increase in customer satisfaction.

One novel development during the year was the launch of the Instant Money service associated with the "Sabadell Móvil" and "Sabadell Wallet" applications, which let users send money to any mobile phone by text message. The code embedded in the message enables the money to be withdrawn without a card from any of the Bank's ATMs. This free service is of great value in emergency situations where users find themselves with neither cash nor card.

BS Online

Registered users of our online banking services were more than 8% up on 2015, with close to 4 million users now able to access the service. Active customers on BS Online increased by more than 12%, twice as much as

in the previous year, rising to almost 34% of the Group's active customers.

The number of transactions (payments and enquiries) carried out on BS Online continued to increase, rising by 19% in 2016 to more than 1,800,000 transactions.

The year saw the completion of the roll-out of digital signatures for all individual customers and an increased capability for remote sign-ups for products and services, including mutual funds. Processes for applying for products on remote channels are being upgraded. This is an important step in the consolidation of self-service banking and remote servicing of customer requirements. New features included the addition of Bizum to the list of services available on BS Online and improvements to a number of website usability features that optimise interaction and digital documentation handling by customers.

Kelvin Retail, an information service for small and mid-sized retailers, was launched in April. The aim of this new service is to make information held by the Bank available to retailers concerning the performance of their businesses, their customers and their industry. The service has been improving and expanding and has since November been available on mobile phones.

Sabadell Móvil

The number of Sabadell Móvil users grew significantly over the year and there were 43% more active Sabadell Móvil users than at the end of 2015. This growth was spurred by the launch of new versions during the year offering ever greater capabilities, better usability and also a link-up with Digital Signature. Significant growth was also seen in the number of customers active on mobile phone only, which increased from 300,000 to more than 425,000 during the year. These users account for almost 20% of the Bank's active digital customers.

New developments during 2016, "the year of the app", included the addition of commercial information on products offered by Banco Sabadell to its customers and a feature letting users sign up for accounts, pension plans, investment funds, deposits and loans from within the app. Other major enhancements included the development of a new alerts management function to improve interaction with customers, fingerprint access for users of Samsung terminals, and the addition of fund transaction reports.

Sabadell Wallet

Another novelty in 2016 was the launch of Sabadell Wallet, which allows users to make payments using their mobile phones, manage credit and debit card transactions, and apply for the "stickers" needed to make payments on the iOS system; it also includes Bizum, a new app for making payments immediately between individuals using only the mobile number of the payee.

The Bizum service is a project sponsored by Spanish banks as part of an initiative to promote innovation in digital technology and meet the needs of bank customers. The app was launched in October and will in time let users make online purchases and pay for goods in retail outlets.

There are 68,000 registered Sabadell Wallet users, 39,000 of whom are also registered for Bizum. Of the total number of registered users, approximately 40% are active users of both Wallet and Bizum. Banco Sabadell users account make up 13.4% of the total number of Bizum users and account for 20.2% of transactions by number and 17.5% by amount.

Branch Direct

Branch Direct logged over 3,500,000 contacts in 2016, an increase of over 24% compared with the 2015 figure.

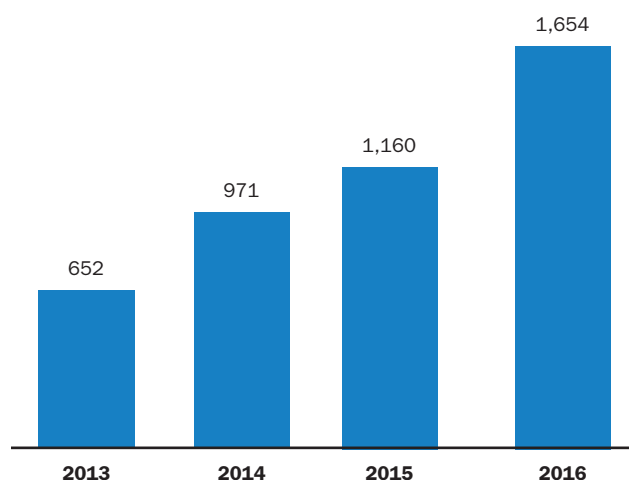
Telephone enquiries were the dominant method (76%), far exceeding contacts by email, chat and on social media, despite the very rapid growth of these channels during the year.

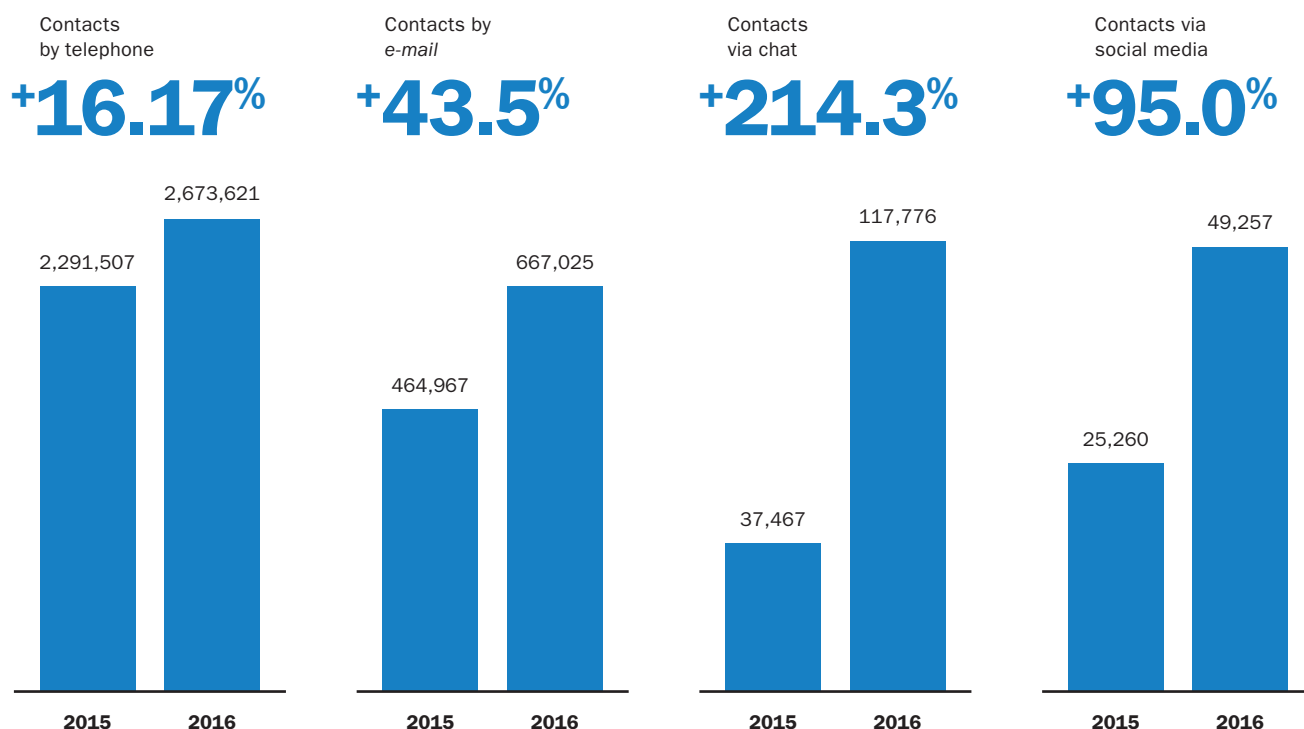
There was growth in all channels in 2016; however, the most well-established channels were those that showed the lowest rates of increase. Telephone calls were up 17% on 2015; inbound emails increased by 43%. Contacts on social media increased by 95% and web chat conversations rose by 214% over the twelve month period (G31).

G30 Customers who are active users of Sabadell Mòvil

× 2.5 in 3 years

#active Sabadell Mòvil users





In the area of service levels, the SLA (Service Level Agreement) ratio for telephone enquiries was again in the region of 96%, followed by web chat with 95% in the final quarter of the year, and 91% for email. The service was mentioned 527,000 times on social media (2015: 460,000 times) and the number of social media interactions was 49,000, with an SLA ratio of 96%.

The volume increases in 2016 were due to continual improvements in the various channels and initiatives undertaken to promote them:

- Improvements in the telephone channel included incorporation of the Digital Signature into customer transactions, redesigned routings through Virtual Agent, which means improved call management and a better customer experience, and the optimisation of platform resources.
- A new supplier was brought in to handle Office Direct traffic.
- Improvements were made in the extraction and analysis of social media data with the help of a new data management tool.

Social media

Social media are one of the main channels through which customer relationships are realised, both in managing transaction activity and in the broadcasting of corporate and business-related messages and marketing campaigns. Their use is growing exponentially and the Bank sets a high priority on raising its social media profile. As a channel social media have been used to publicise numerous events of a corporate nature or in which the

Bank was a participant. Examples of this include presentations of trading results or Shareholders' Meetings, both of which could be followed on Twitter, or the Barcelona Open Banc Sabadell Conde de Godó tennis tournament, conversations with Rafael Nadal or the 4YFN Summit for start-ups at the Mobile World Congress.

Banco Sabadell increased its presence on social media during 2016 by opening Twitter accounts for the Banco Sabadell Foundation (@FBSabadell) and Banco Sabadell Mexico (@BancoSabadellMX).

The number of followers on social media now stands at over 300,000 for all the channels on which the Bank maintains a presence: Twitter, Facebook, YouTube, LinkedIn and Google+ not only in Spain but also in the UK and the Americas. The production of our own content continued without interruption in 2016, with blog posts and videos. The broadcasting of live events by streaming on Banc Sabadell TV, with the aim of bringing the Bank's activities to our customers, potential customers and employees in real time, continued at a high level.

Cutting-edge technology and innovation

In the area of pure innovation, the Bank continues to launch innovative services that enrich the customer relationship and accelerate the processes of digitalisation and creation of digital technology-based businesses for the Bank, based on a long-term vision of the future of banking.