

## Banking since 1881.

Founded 136 years ago, Banco Sabadell is a member of the IBEX 35 index and an international banking group with a network of 2,473 branches and over 12.1 million customers. Banco Sabadell is today one of the leading banks in the Spanish financial system and occupies a pre-eminent position in personal and business banking.

With a young, highly qualified workforce equipped with IT and sales resources to meet the needs of today's market, Banco Sabadell's business model is geared to being its customers' main bank through long-term relationships based on quality and commitment.

By building lasting, profitable relationships, Banco Sabadell works with its customers throughout their financial life cycle, offering solutions and distribution channels to meet their needs and a comprehensive range of products and services that favour long-term relationships based on professionalism, ethics and transparency.

Banco Sabadell has also proven to be an agile customer-focused institution that adapts its business model to different market needs through a range of brands and business lines that represent distinctive value propositions.

Banco Sabadell's strategic aims have traditionally been set out in three-year business plans. However, 2017 was a transition year in which the Bank prioritised implementing the final phase of TSB's technological migration, as well as improving its bottom line, in order to lay solid foundations for the business plan for the 2018-2020 period.

Successfully completing the migration of TSB to a newly created autonomous IT platform will enable it to respond more quickly and efficiently to customer needs and to expand into new lines of business, such as banking for companies in the United Kingdom. In short, this will enhance the customer experience, which is a lever for competitive differentiation, while also providing significant synergies.

During 2017, Banco Sabadell also concentrated on improving its bottom line. To this end, the Bank focused on generating sales, protecting margins and increasing fees and commissions, while consolidating its business in core markets: Spain and the United Kingdom. In 2017, the Bank arranged the sale of Sabadell United Bank, its subsidiary in Florida, for \$1,025 million,

And maintaining the trend of previous year, Banco Sabadell continued to improve its credit quality. This was evident in the reduction in the balance of non-performing assets, which were cut by close to €3.5 billion (including €1.252 billion of NPAs carved out to the new Solvia Desarrollos Inmobiliarios business line), and in the NPL

ratio, which is now around 5%. In parallel, the Bank strengthened its capital during the year, achieving a fully-loaded CET1 capital ratio of close to 13%.

The improvement in the Bank's earnings, credit quality and capital during 2017 met with a very good reception in the market. This is reflected in the fact that Banco Sabadell has regained an investment grade rating from three credit rating agencies: Standard & Poor's, Moody's and DBRS.

Banco Sabadell also continued to lead the digital transformation and accelerate its commercial transformation with the aim of improving the excellent customer experience that has always characterised it.

## History and acquisitions

**In 2017, Banco Sabadell gave priority to strengthening its bottom line with the aim of laying solid foundations for the next three-year business plan, for 2018-2020.**

### G1 Landmarks in Banco Sabadell's history

A group of 127 businesspeople and merchants in Sabadell founded the Bank, with the goal of financing local industry.	Acquisition of NatWest Spain Group and Banco de Asturias.	Successful bid for Banco Atlántico.	Acquisition of Banco Urquijo.	Acquisition of BBVA's private banking business in Miami (US). Sale of 50% of the insurance business.	Takeover bid for 100% of Banco Guipuzcoano.	Acquisition of Banco CAM.	Commencement of operations in Mexico.	Sale of Sabadell United Bank (US).
<b>1881</b>	<b>1996</b>	<b>2003</b>	<b>2006</b>	<b>2008</b>	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2017</b>

<b>1965</b>	<b>2001</b>	<b>2004</b>	<b>2007</b>	<b>2009</b>	<b>2011</b>	<b>2013</b>	<b>2015</b>
Expansion into nearby towns.	Banco Sabadell is floated. Acquisition of Banco Herrero.	Capital increase and entry in the IBEX-35. Banco Atlántico integrated in technological and operating terms.	Acquisition of TransAtlantic Bank (Miami).	Acquisition of Mellon United National Bank.	Acquisition of the assets and liabilities of Lydian Private Bank (Florida) and announcement of the adjudication of Banco CAM.	Acquisition of the network of Caixa Penedès, Banco Gallego and the Spanish business of Lloyds Banking Group.	TSB acquisition. Bank licence in Mexico.

€M

	<b>2007</b>	<b>2010</b>	<b>2017</b>	<b>2017/2007</b>
Assets	76,776	97,099	221,348	<b>X 2.9</b>
Lending (*)	63,165	73,058	145,323	<b>X 2.3</b>
Deposits (**)	34,717	49,374	132,096	<b>X 3.8</b>
Branches	1,249	1,467	2,473	<b>X 2.0</b>
Employees	10,234	10,777	25,845	<b>X 2.5</b>

### T1 Changes in key numbers

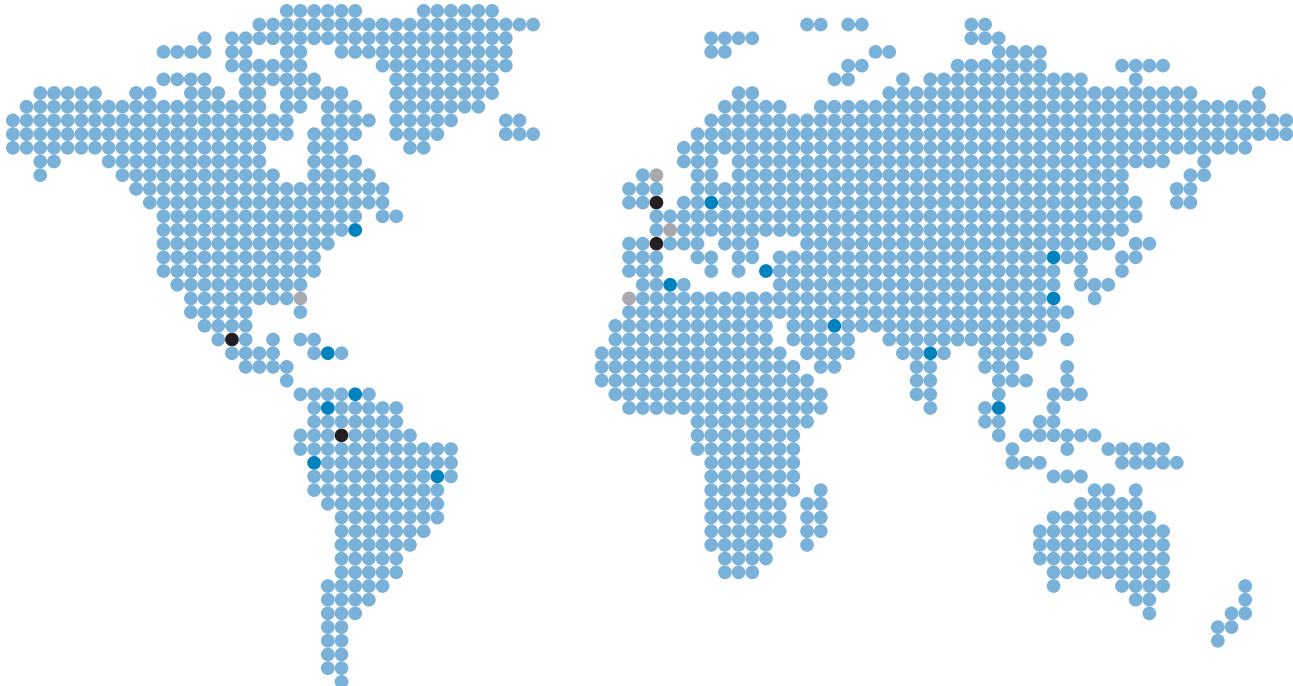
The EUR/GBP exchange rate used for the balance sheet is 0.8872 as of 31.12.2017.

(\*) Gross loans and advances, excluding repos.

(\*\*) Customer funds on the balance sheet.

Banco Sabadell now operates in 19 countries through branches, representative offices, subsidiaries and investees; 32% of its loan book is located outside Spain (G2).

G2 Banco Sabadell - foreign market presence



- **Subsidiaries and affiliates**
- Andorra
- Bogotá (Colombia)
- Mexico City (Mexico)
- London (United Kingdom)

- **Branches**
- Miami (US)
- Paris (France)
- Casablanca (Morocco)
- London (United Kingdom)

- **Representative offices**
- Algers (Algeria)
- Sao Paulo (Brazil)
- Beijing (China)

- Shanghai (China)
- Bogotá (Colombia)
- Dubai (UAE)
- New York (US)
- New Delhi (India)

- Warsaw (Poland)
- Lima (Peru)
- Santo Domingo (DR)
- Singapore
- Istanbul (Turkey)
- Caracas (Venezuela)