

Share performance and share ownership

Market attention in 2017 was focused on central banks' monetary policy decisions, geopolitical risk and its potential economic impact, and financial regulation.

In the first seven months of the year, share performance was shaped mainly by investor expectations that the European Central Bank would bring forward its calendar of interest rate increases, uncertainty about negotiations over the terms of Brexit, and the resolution and subsequent sale of Banco Popular.

Meanwhile, the strength of Banco Sabadell's banking business, and the improvement in its capital position and balance sheet quality, led to an upward revision of the rating on its long-term debt by Standard & Poor's, with the result that it attained investment grade from the three rating agencies. These factors, together with the announcement of one-time transactions such as the sale of Sabadell United Bank and the reinsurance agreement for the BanSabadell Life value-in-force portfolio, enabled the share to reach its high for the year.

In subsequent months, postponement of ECB interest rate hikes, heightened regulatory uncertainty, and rising political tension in Catalonia undermined the gains by the share (G15).

Overall, in 2017, Banco Sabadell's share appreciated by 29% (adjusted for capital increases and dividends), the best performance in the Spanish banking sector.

One of Banco Sabadell's goals is to reward the trust placed in us by our shareholders by assuring them of an appropriate return, a balanced and transparent governance system, and careful management of the risks associated with our activity.

In parallel, at the end of 2017, more than 80% of the analysts covering Banco Sabadell recommended buying or holding the share.

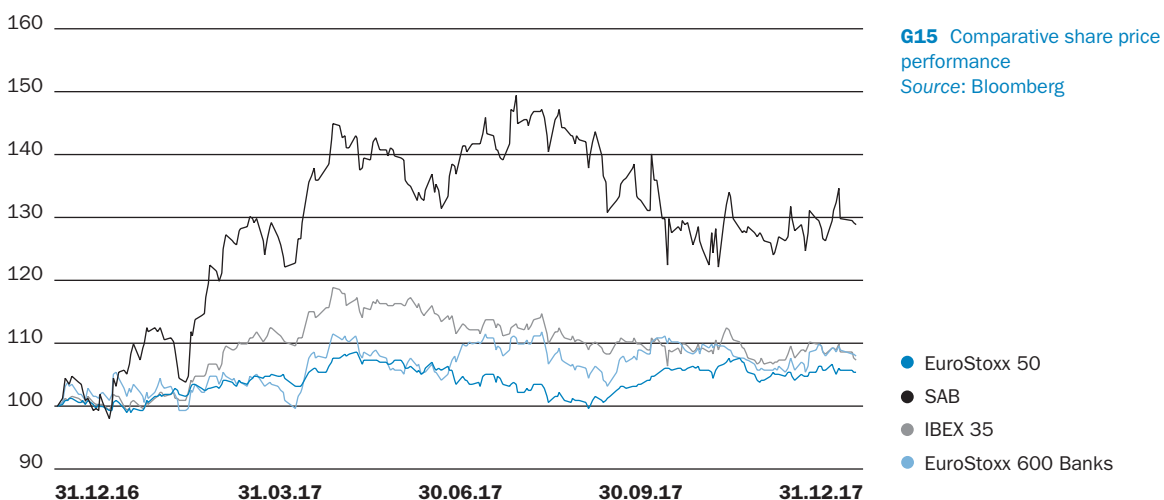
In the course of the year, institutional investors significantly increased their share of Banco Sabadell's equity, from 43.9% in December 2016 to 54.3% in December 2017 (G16, T2 & T3).

As part of ongoing efforts by the Bank in recent years to ensure a degree of transparency and communication appropriate to the Group's increased scale, Banco Sabadell management continued to maintain a high level of interaction with institutional investors. As a result, bank management attended nineteen conferences in 2017, organised four earnings roadshows, two fixed-income deal roadshows, and meetings with more than seven hundred investors in more than ten countries, all record figures.

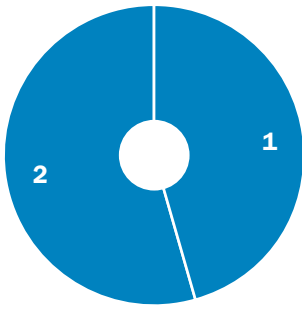
At the end of the year, Banco Sabadell's market capitalisation stood at €9,224 million, with a price-to-book ratio of 0.69.

The Board of Directors will recommend that the General Meeting of Shareholders approve the distribution of a gross dividend for 2017 of €0.07 per share in cash.

Top share performance among Spanish banks in 2017.



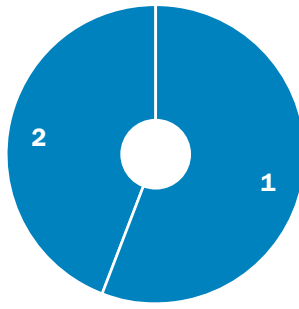
Note: share price adjusted for dividends and capital increases.



G16

Ownership structure 31.12.2017 (%)

1	Retail investors	45.7
2	Institutional investors	54.3



Ownership structure 31.12.2016 (%)

1	Retail investors	56.1
2	Institutional investors	43.9

No. of shares	Shareholders	Shares in tranche	% of capital
1 to 12,000	191,049	568,067,780	10.10%
12,001 to 120,000	41,430	1,255,935,409	22.32%
120,001 to 240,000	1,572	255,423,290	4.54%
240,001 to 1,200,000	882	384,358,991	6.83%
1,200,001 to 15,000,000	159	490,753,568	8.72%
More than 15,000,000	38	2,672,425,663	47.49%
TOTAL	235,130	5,626,964,701	100.00%

T2 Analysis of shareholdings by size at 31 December 2017

No. of shares	Shareholders	Shares in tranche	% of capital
1 to 12,000	210,724	637,613,634	11.35%
12,001 to 120,000	47,192	1,434,418,837	25.54%
120,001 to 240,000	1,815	298,083,930	5.31%
240,001 to 1,200,000	1,016	447,346,950	7.97%
1,200,001 to 15,000,000	165	465,697,498	8.29%
More than 15,000,000	36	2,332,990,347	41.54%
TOTAL	260,948	5,616,151,196	100.00%

T3 Analysis of shareholdings by size at 31 December 2016

	M	€M	€	€M	€
	No. of shares	Profit attributable to the Group	Earnings per share attributed to the Group	Equity	Book value per share
2014	4,024	372	0.092	10,224	2.54
2014 (*)	4,290	372	0.087	10,224	2.38
2015	5,439	708	0.130	12,275	2.26
2015 (**)	5,472	708	0.129	12,275	2.24
2016	5,616	710	0.126	12,926	2.30
2016 (***)	5,624	710	0.126	12,926	2.30
2017	5,627	802	0.142	13,426	2.39

T4 Earnings per share and book value per share 2014-2017

(*) With dilution effect of convertible bonds (265.27 million shares).
 (**) With dilution effect of convertible bonds (33.01 million shares).
 (***) With dilution effect of convertible bonds (7.52 million shares).