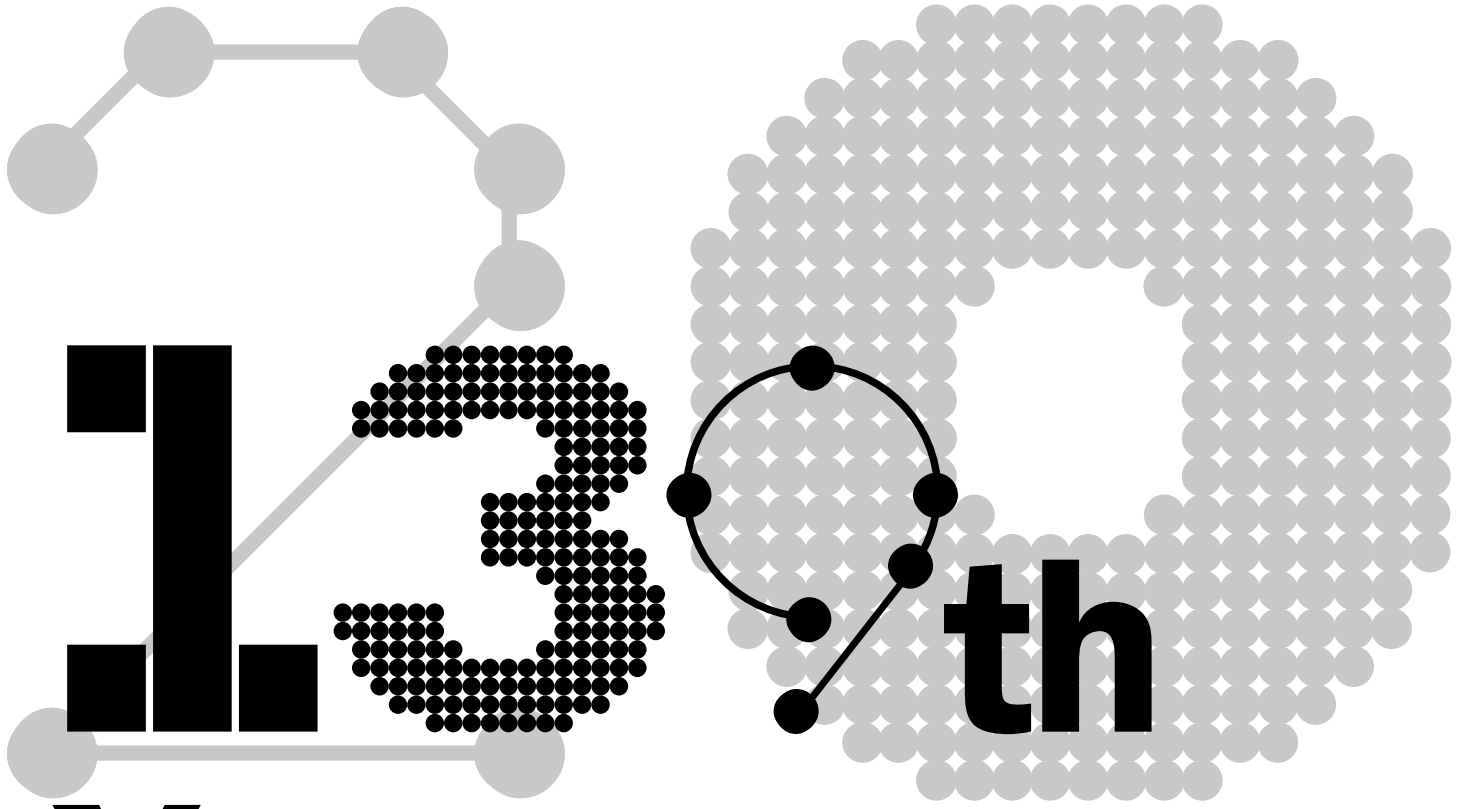
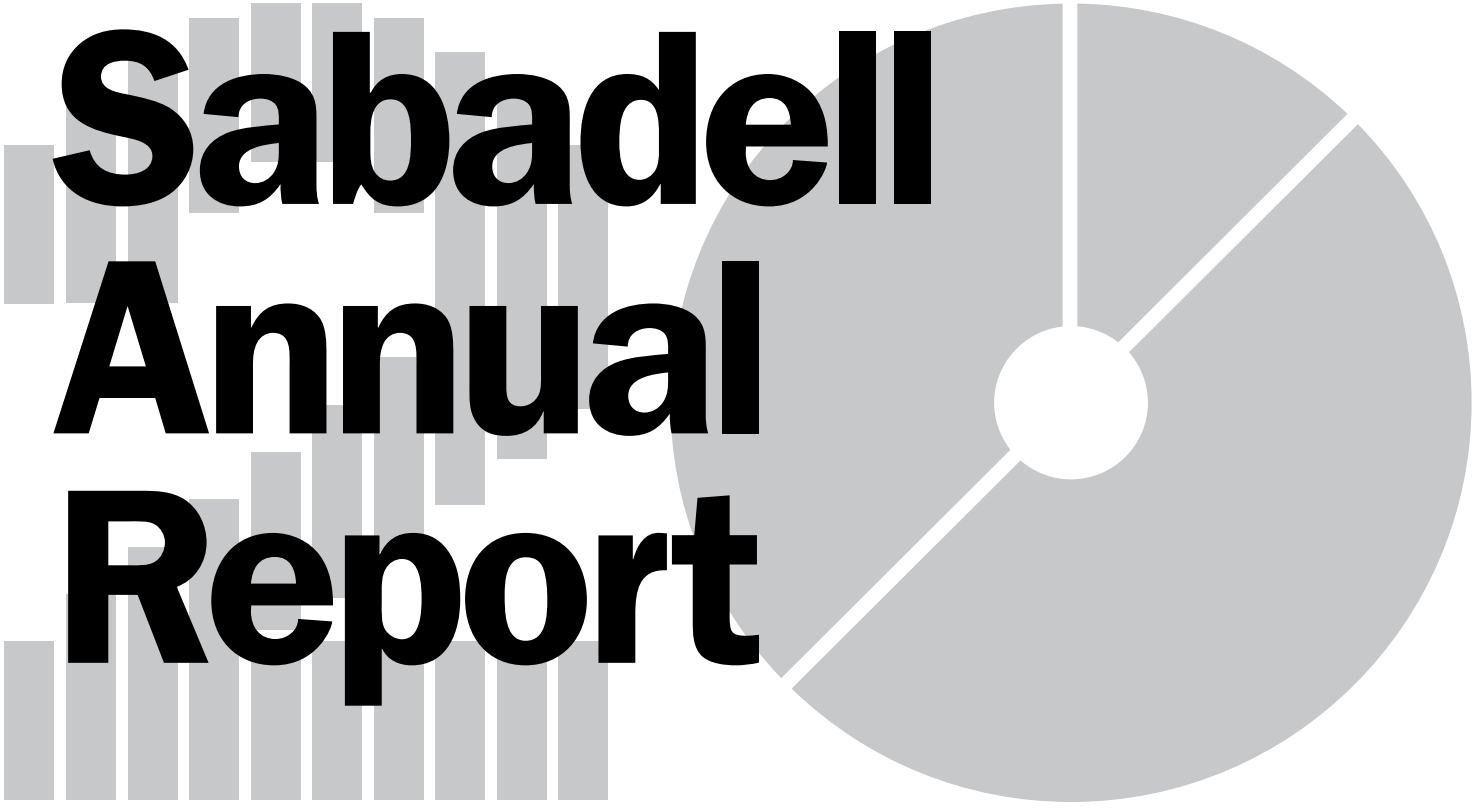


Banco Sabadell Annual Report

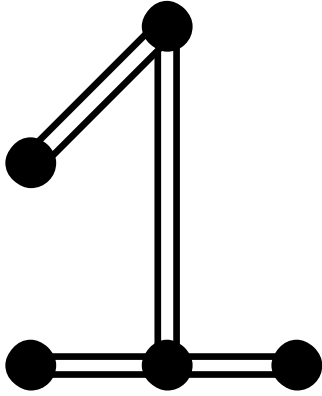


10th
Year

Contents

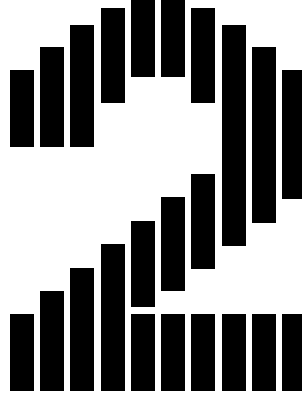
Key figures in 2020

2



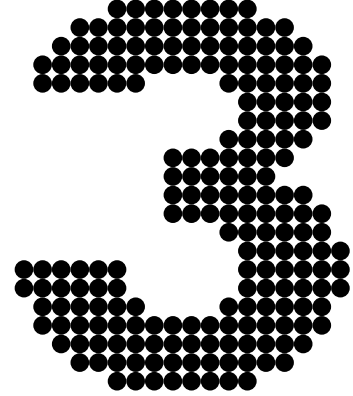
Chairman's message

4



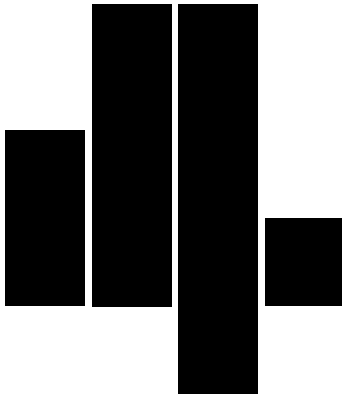
Corporate governance

8



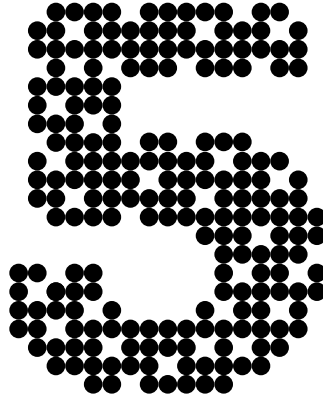
Milestones in 2020

11



Building the future

15



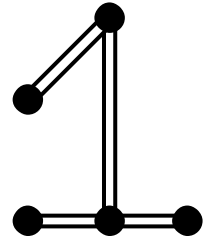
Roadmap of published information

16

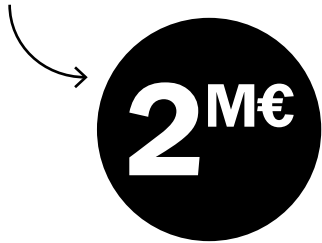
Contact

17

Key figures in 2020



Group net profit:



as a result of the effects of managing the COVID-19 crisis

Net income
Excl. TSB

222M€

TSB net income

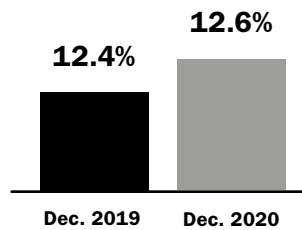
-220M€

1,200M€

Extraordinary provisions in 2020

Strong capital position.

Phased-in CET1 ratio (%)¹



Total capital ratio
16.1%

Lending growth in all geographies.

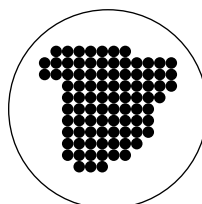
Group outstanding loans and advances, by geography (YoY)^{*1}

Growth at constant exchange rates

Total

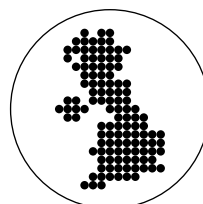
+4.4%

Spain**



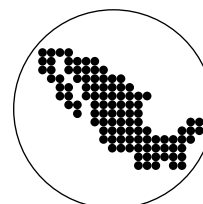
+3.2%

United Kingdom (TSB)



+7.1%

Mexico



+13.0%

¹ See roadmap of published information / ^{*} YoY: Year-on-year growth / ^{**} Includes 5 branches and 13 representative offices in the rest of the world

NPA ratio down to 3.6% after the sale of NPAs.

Total sale value of NPAs	NPA ratio ¹
1.2^{B€}	▼3.6%
NPA coverage ratio ¹	Net non-performing assets/Total assets ¹
▲52.6%	▼1.4%

Successful implementation of efficiency plan in Spain.



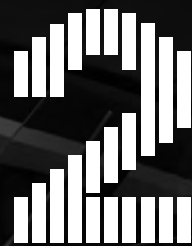
Digital and commercial transformation

Progress with digitalisation, focused on efficiency and commercial activity.

Digitalisation of servicing (Spain)	Distance commercial activity (Spain)		Digital transformation (UK)		
93%	82%	38%	>90%	>70%	>550^m
Service transactions via distance channels	Personalised impacts on customers as % of total	% of loans sold digitally	Transactions performed via digital or automated channels	Sales made through digital channels	Customers served via TSB Smart Agent

¹ See roadmap of published information

Chairman's message



Josep Olu Creus, Chairman

Dear shareholder,

The year 2020 will be remembered for the COVID-19 pandemic and the restrictions imposed on the activities of both individuals and companies in an attempt to contain it, which led to an unprecedented contraction of the global economy. The economic authorities responded forcefully with stimulus measures to counteract the situation by trying to alleviate costs and ensure financial stability.

In this very unusual year, Banco Sabadell improved its capital position, increased lending and cut costs; though profit was unremarkable, the bank is optimally placed to address the future with a new business plan and the ability to meet its customers' needs, as it has always done.

Spain was one of the European economies that was most affected by the pandemic due to its high exposure to tourism and small companies. Spain's GDP fell by a record 11% in the year, although the measures adopted in the labour market greatly limited actual job destruction. Government aid was mainly in the form of guaranteed loans to support companies' liquidity and of measures to support household incomes.

The UK economy was affected not only by the health situation but also by the uncertainty throughout the year in connection with the Brexit negotiations. The agreement that was reached avoided a disorderly departure, which is undoubtedly positive. Nevertheless, future relations in the area of financial services have yet to be clarified.

Central banks once again played a decisive role and adopted an extremely lax monetary policy that made it possible to accommodate governments' expansionary fiscal policies. The ECB launched a new asset purchase programme, augmented the previous program, improved the characteristics of the TLTROs and created new liquidity operations.

Banks' share performance was hurt by the uncertainty that Covid-19 raised about their future results in a climate of great volatility, even though their solvency was not in question at any time. However, the expected continuation of low interest rates and the potential for a higher cost of risk in the future drove bank share prices to lows, especially in the case of banks that focus primarily on business customers.

Banks played a key role in alleviating the first impact of lockdowns by providing liquidity to companies while, at the same time, channelling the guarantees, sureties and moratoria approved by government or adopted by the banking industry itself.

In this context, Banco Sabadell reported a robust 5,302 million euro gross income, although it was affected by the low activity in the second quarter and by the cost-cutting exercise it implemented in response. As a result, it ended the year with 2 million euro net profit after provisioning 2,275 million euro. That profit figure is the result of provisions to address the impact of the pandemic, restructuring plans in Spain and the United Kingdom, and the sale of legacy NPA portfolios, which reduced the Group's NPA ratio to 3.6%, below the industry average.

Banco Sabadell ended the year with a solid capital ratio of 12.6%, and it has sizeable unrealised capital gains, all of which enable it to face 2021 with confidence despite the uncertainty about the health situation.

During the year, we adopted new ways of working and relating to customers through digital channels, leveraging the work that had been done in the past, while guaranteeing business continuity at all times and supporting our customers in their search for financial solutions to the problems caused by the pandemic.

In 2020, the Bank concluded the sale of its asset management firm, Sabadell Asset Management, to Europe's leading asset manager, the Amundi group, with which it has established a strategic agreement that will enhance the range of mutual funds available to our customers and is already having a very positive impact on sales.

The Bank has made sustainability a key element of its strategy through a policy that frames all the Bank's activity within ESG parameters. A sustainable finance plan has been set in motion, and the Bank placed its first issue of sustainable bonds.

Banco Sabadell continued the ongoing process of adapting its corporate governance to best practices, and the CNMV also updated its Good Governance Code in June 2020. As part of this process, the General Meeting of Shareholders is being asked to approve an amendment to the Articles of Association with a new approach that puts the Bank at the forefront of corporate governance.

During the year, the Bank also undertook the process of selecting a new CEO, César González-Bueno, in place of Jaime Guardiola, whom I would like to thank for thirteen years of the utmost professionalism and dedication to Banco Sabadell. After the Meeting and once the new CEO takes office, I will continue as Chairman in a non-executive role.

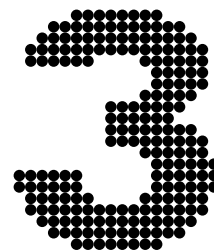
The incoming CEO will present a new business plan in the coming months that will focus on the development of Banco Sabadell in Spain, while subsidiary banks will begin to turn profitable. The plan will pursue profitability and shareholder value, while maintaining stable capital ratios.

The Bank is facing 2021 with the confidence of having a professional team and a business model with a track record of nearly 140 years. Banco Sabadell's vision for the future focuses on customer relations, expanding our knowledge and experience in corporate banking and providing the best solutions for individual customers. All in an environment that the pandemic will have changed in many ways. The new habits of society as we emerge from this health crisis require us to be more digital, more sustainable and more efficient, but without relinquishing our close relationship with customers, a challenge that Banco Sabadell is prepared to meet successfully.

A handwritten signature in black ink, appearing to read 'Olliu', written in a cursive style.

Josep Olliu
Chairman

Corporate governance



Josep Oliu, Jaime Guardiola and César González-Bueno

Board of Directors

Chairman

Josep Olliu Creus

Deputy Chairman

José Javier Echenique Landiribar (I)

CEO

Jaime Guardiola Romojaro

César González-Bueno Mayer (*)

Directors

Anthony Frank Elliott Ball (LID)

Aurora Catá Sala (I)

Pedro Fontana García (I)

María José García Beato (E)

Mireya Giné Torrens (I)

George Donald Johnston III (I)

David Martínez Guzmán (P)

José Manuel Martínez Martínez (I)

José Ramón Martínez Sufrategui (I)

Alicia Reyes Revuelta (I)

Manuel Valls Morató (I)

David Vegara Figueras (E)

Secretary (non-member)

Miquel Roca i Junyent

Delegated Committee

Josep Olliu Creus (C)

Jaime Guardiola Romojaro (CEO)

José Javier Echenique Landiribar (I)

Pedro Fontana García (I)

Alicia Reyes Revuelta (I)

María José García Beato (SNM)

Audit and Control Committee

Manuel Valls Morató (C)

Pedro Fontana García (I)

Mireya Giné Torrens (I)

José Ramón Martínez Sufrategui (I)

Miquel Roca i Junyent (SNM)

Appointments Committee

José Manuel Martínez Martínez (I)

Anthony Frank Elliott Ball (LID)

Aurora Catá Sala (C)

Miquel Roca i Junyent (SNM)

Remuneration Committee

Aurora Catá Sala (C)

Anthony Frank Elliott Ball (LID)

George Donald Johnston III (I)

José Ramón Martínez Sufrategui (I)

María José García Beato (SNM)

Risk Committee

George Donald Johnston III (C)

Aurora Catá Sala (I)

Manuel Valls Morató (I)

María José García Beato (SNM)

(*) On 17 December 2020, the Board of Directors appointed Mr. César González-Bueno Mayer as CEO to replace Mr. Jaime Guardiola Romojaro once the pertinent regulatory authorisations have been obtained.

Management Committee in 2020

Chairman

Jaime Guardiola Romojaro – CEO

Members

María José García Beato – Secretary General

David Vegara Figueras – Risk and Regulation

Tomás Varela Muiña – Chief Financial Officer

Miguel Montes Güell – Operations and People

Carlos Ventura Santamans – Sabadell Spain

José Nieto de la Cierva – Corporate & Investment Banking

Xavier Comerma Carbonell – Risk Management

Banco Sabadell proposes that the 2021 General Meeting of Shareholders amend the Articles of Association to reflect the new corporate governance framework, in line with the revised Good Governance Code.

The Chairman will have a non-executive role

Greater differentiation between committee functions and membership

Creation of a Strategy and Sustainability Committee

César González-Bueno was appointed CEO after application of Banco Sabadell's Succession Plan.

Increased diversity on the Board.

**Chairman
10 independent directors
1 proprietary director
3 executive directors**

**27 % women
(4 directors)**

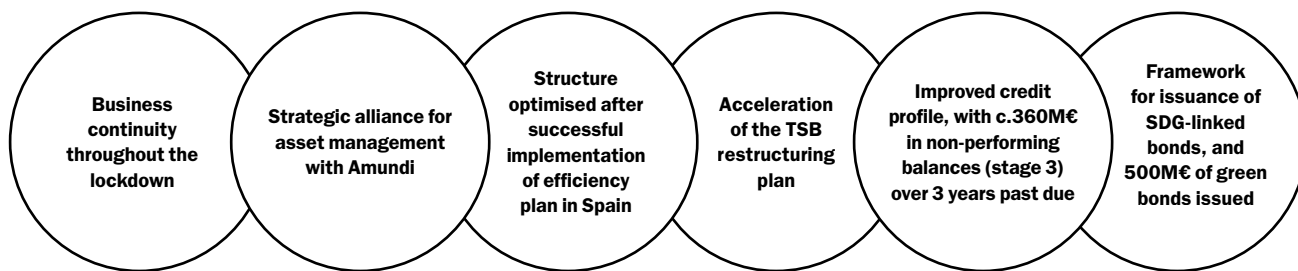
Update of the matrix of competencies and diversity of the members of the Board of Directors

Milestones in 2020



Jaime Guardiola Romojaro,
CEO

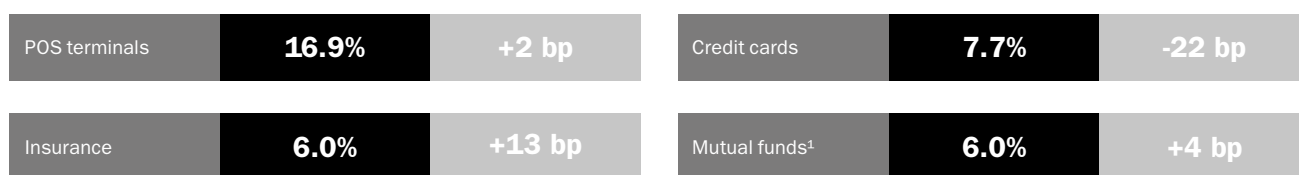
Achievements in 2020



Banco Sabadell maintains solid, sustained commercial performance despite the restrictions due to Covid-19.

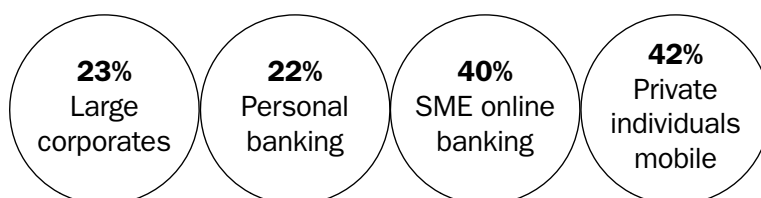
Sabadell Spain product market shares (%)¹

● Dec. 2020 ● YoY



Service quality and NPS Sabadell Spain

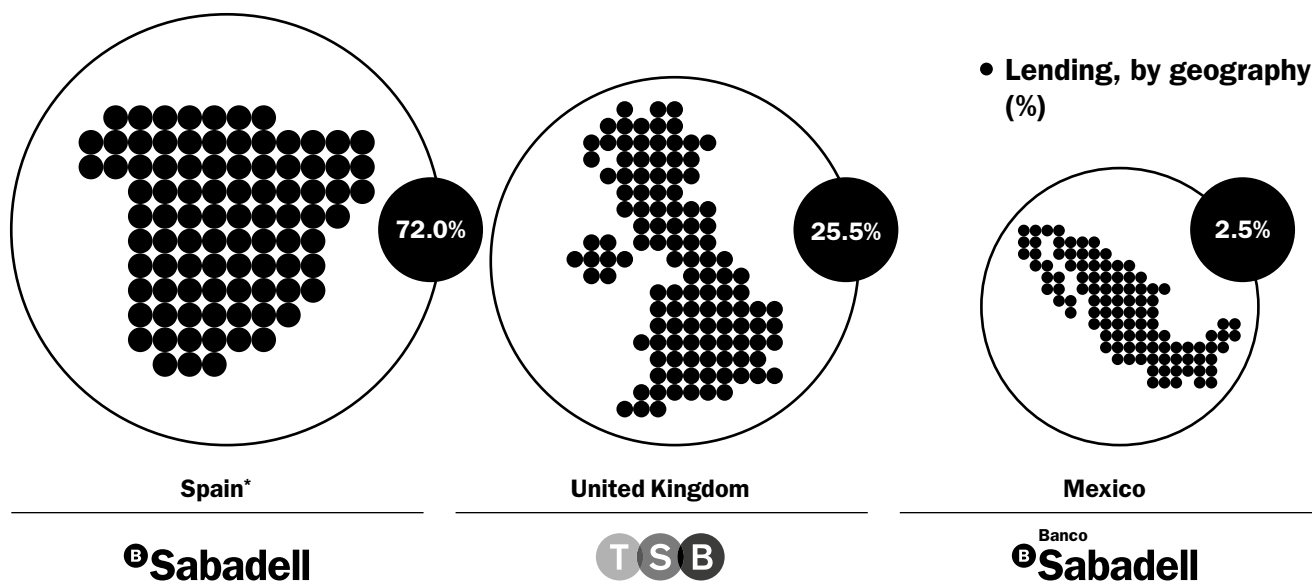
Net promoter score (NPS)¹



Service quality index¹



¹ See roadmap of published information



>12M

Customers

>2,000

Branches

>244,000

Shareholders

>23,000

Employees

Financial data (Group)

	Million euros / %	2020/2019 % chg.	
Balance sheet	Total assets (M€)	235,763	5.4
	Customer loans (M€) ¹	152,265	1.0
	Funds under management and marketed (M€)	209,748	-1.6
	Own funds (M€)	12,944	-1.7
Results	Gross income (M€)	5,302	7.5
	Group net profit (M€)	2	-99.7
Risk	Non-performing assets (M€)	7,182	-2.0
	NPA coverage ratio (%)	52.6	
	Net non-performing assets / Total assets (%)	1.4	
Capital ratios	CET1 phased-in (%)	12.6	
	CET1 fully loaded (%)	12.0	
Liquidity	Loan-to-deposit (LtD) ratio	97.6	

¹ See roadmap of published information

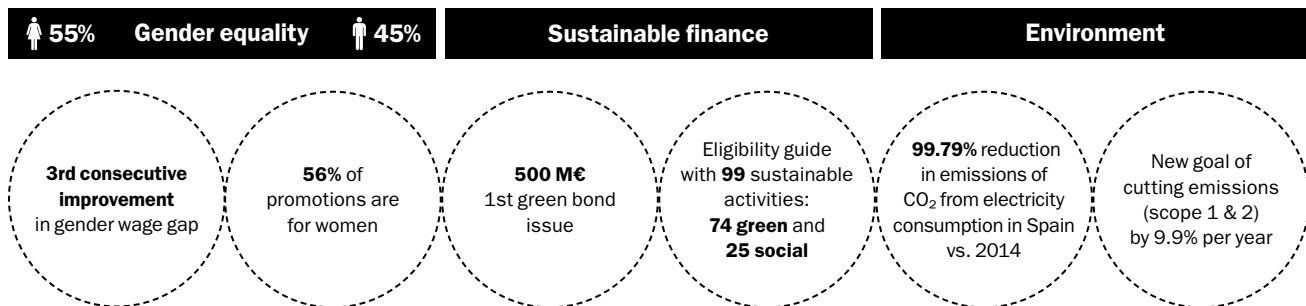
* Includes 5 branches and 13 representative offices in the rest of the world

Sustainability

The Sustainable Finance Plan incorporates sustainability into the business model, risk management and stakeholder relations.

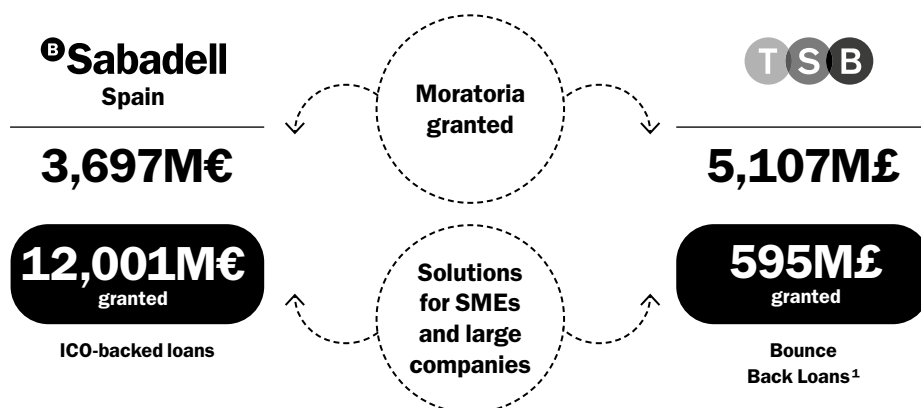
ESG (Environmental, Social and Governance) framework integrated into the Bank's culture, and progress with the latest commitments			Launch of sustainable products and services seal	
Founding signatory:  		 <small>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</small>		

Milestones

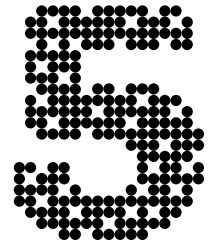


Sustainability is at the heart of Banco Sabadell's corporate strategy.

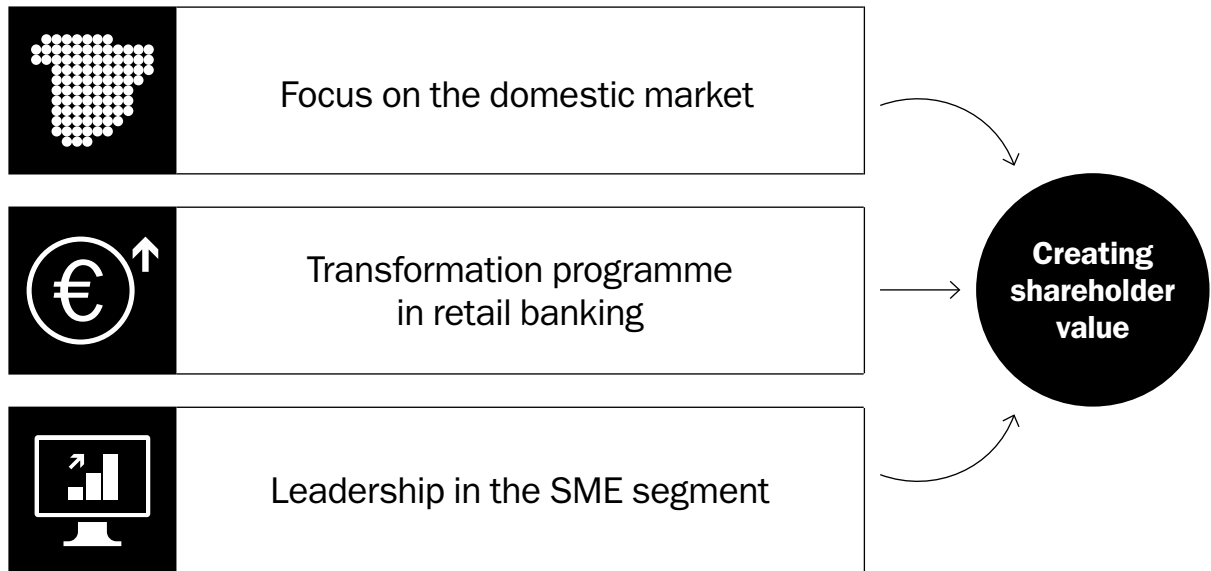
Banco Sabadell assisted its customers with special measures, principally with loan holidays and ICO support plans.



¹ See roadmap of published information



Strategic priorities



Sabadell will launch a new strategic plan that will prioritise its Spanish domestic business with the goal of increasing efficiency and profitability in order to create value for its shareholders.

Roadmap of published information

Block	Document	Website section
Corporate Governance System		
General data	General information about the Group	Group
General Meeting of Shareholders	GM Regulations, Shareholder information, Proxies at GM, Electronic shareholders' forum and Previous meetings	Shareholders and Investors_Shareholders' General Meeting
Corporate governance	Board of Directors, director CVs and Board committees	Corporate governance and Remuneration policy_Board of Directors
	Director Candidate Selection Policy	Corporate governance and Remuneration policy_Board of Directors
	Succession plan for the Chairman and CEO	Corporate governance and Remuneration policy_Board of Directors
Statutory documents	Articles of Association, Regulation of the Board of Directors, and internal regulations	Corporate governance and Remuneration policy
Internal Governance Framework	Banco Sabadell Internal Governance Framework	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 Risk	Corporate governance and Remuneration policy_Committee reports
Annual Corporate Governance Report	Annual Corporate Governance Report	Corporate governance and Remuneration policy
Sustainability	General information	Sustainability_sustainability
	Non-Financial Disclosures Report 2020	Sustainability_Reports
	Policies, codes and standards	Sustainability_Policies, codes and standards
	Fiscal responsibility	Sustainability_Fiscal Transparency
The share, contact details and communication policy	Share performance, key figures, capital transactions, shareholder structure, shareholder agreements, investor calendar and equity investors	Shareholders and Investors_The share
	InfoAccionista	Shareholders and Investors_Shareholder services
	Annual report	Shareholders and Investors_Economic and financial information_Annual reports
	Policy on communication and contacts with shareholders, institutional investors and proxy advisors	Shareholders and Investors_Contact and communication policy
Economic and regulatory environment	Annual report_Economic, business and regulatory environment	Shareholders and Investors_Economic and financial information_Annual reports
Financial information		
Business plan	Annual report_Banco Sabadell Group chapter_2021 section	Shareholder and Investors_Economic and financial information_Annual reports
	Earnings presentations (quarterly)	Shareholders and Investors_Economic and financial information_Results presentation
	Legal information 2020_Financial statements	Shareholders and Investors_Economic and financial information_Annual reports
Balance sheet and earnings performance	Annual report_Financial information chapter	Shareholders and Investors_Economic and financial information_Annual reports
Financial statements	Legal information 2020_Financial statements	Shareholders and Investors_Economic and financial information_Annual reports
Businesses		
General data	General business data	About the group_Financial Services
Description, data and milestones in the year	Annual report_Businesses chapter	Shareholders and Investors_Economic and financial information_Annual reports
Financial data - main businesses	Legal information 2020_Financial statements_Directors' report	Shareholders and Investors_Economic and financial information_Annual reports
Risks and Capital	Annual report_Risks chapter	Shareholders and Investors_Economic and financial information_Annual reports
	Legal information 2020_Banco Sabadell Group Financial statements_Note 4, Note 5 and Schedule VI	Shareholders and Investors_Economic and financial information_Annual reports
	Pillar III disclosures	Shareholders and Investors_Economic and financial information_Pillar III disclosure

Definitions and terms

— Net non-performing assets/Total assets: including contingent exposures.
— Bounce Back Loans (BBL): including 'Top Ups'. 'Top Ups' were introduced in November 2020 to enable companies to increase the amount under existing BBLs.
— Customer loans (M€): includes gross loans and advances, excluding impairments.
— Sabadell Spain product market shares (%): the information sources are the Bank of Spain, ICEA, Inverco and Servired.
— Phased-in CET1 ratio (%): figures include transitional treatment under IFRS 9.
— Group outstanding loans and advances, by geography (YoY)*: outstanding loans include exposures classified as stages 1 and 2 for accounting purposes. Excluding accrual adjustments. Growth at constant exchange rates and in local currency for Mexico and the United Kingdom. Outstanding loans and advances,

excluding the impact of the receivable in connection with the CAM APS portfolio.
— Mutual funds: includes Sabadell Asset Management and Amundi.
— Service quality index: the sources of information are STIGA and EQUOS (objective analysis of bank branch quality) (3Q20).
— Net Promoter Score (NPS): Source: Benchmark NPS Accenture Report. Based 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.
— Non-performing assets coverage ratio: including contingent exposures.
— NPA ratio: including contingent exposures. The NPA ratio was affected by the migration of c. 0.7B€ of loans to stage 3.

Contact

External Communication

+34 937 485 019
sabadellpress@bancsabadell.com

Customer Care Service

Centro Banco Sabadell
Sena, 12
08174 Sant Cugat del Vallès
+34 963 085 000
sac@bancsabadell.com

Shareholder and investor relations

Institutional investors

120 Pall Mall
London SW1Y 5EA
+44 (0)20 7155 3888
investorrelations@bancsabadell.com

Retail shareholders

Centro Banco Sabadell
Sena, 12
08174 Sant Cugat del Vallès
+34 937 288 882
accionista@bancsabadell.com

Regional divisions

Catalonia Region

Av. Diagonal, 407 bis
08008 Barcelona
+34 934 033 268

Central Region

Velázquez, 50
28001 Madrid
+34 913 217 173

Eastern Region

Pintor Sorolla, 6
46002 Valencia
+34 965 906 979

Northwest Region

Fruela, 11
33007 Oviedo
+34 985 968 020

Northern Region

Avda. de la Libertad, 21
20004 San Sebastián
+34 943 418 159

Southern Region

Martínez, 11
29005 Málaga
+34 952 122 350

Banco Sabadell registered offices

Av. Óscar Esplà, 37
03007 Alicante

Corporate headquarters

Torre Banco Sabadell
Av. Diagonal, 407 bis
08008 Barcelona




CBS Sant Cugat
Sena, 12
08174 Sant Cugat del Vallès

CBS Madrid
Isabel Colbrand, 22
Las Tablas
28050 Madrid

CBS Agua Amarga
Av. de Elche, 178
03008 Alicante

General information

+34 902 323 555
info@bancsabadell.com
www.grupobancosabadell.com

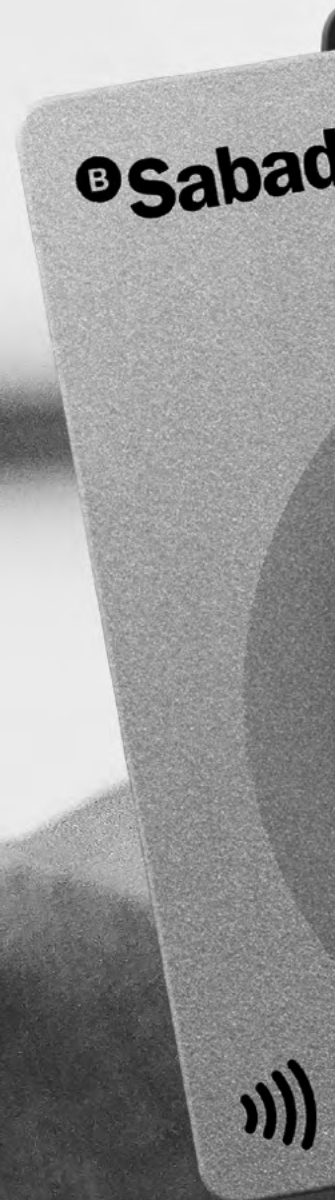
 facebook.com/bancosabadell
 @bancosabadell
 General Meeting of Shareholders 2021



This annual report is available on the group's website (www.grupobancosabadell.com), along with the full version and other reports and corporate policies. If you have a smartphone or tablet, you can access these reports on your device using the QR code.

The issuer's legal name is Banco de Sabadell, S.A. and its commercial name is Banco Sabadell. It is registered in the Mercantile Registry of Alicante, in tomo 4070, folio 1, hoja A-156980, and its registered offices are in Alicante at Avenida Óscar Esplà, 37.

We have made
a change
to our cards.



Today, our cards have a new vertical format, and they are safer and more
Adapted to a world that keeps changing to make your life a little eas
the solutions we offer for your day to day life at www.bancosabadell
Because life changes, our cards do so too.



...sustainable.
...ier. **Discover**
.com/cards.

B Sabadell
There, wherever you are

Credits

Creative Director

Mario Eskenazi

Design

Gemma Villegas

Photography

Elena Claverol

Page 11

Joan Hernández Pijuan

Camp pintat de blanc 2003

Oil on canvas

180 × 150 cm

Banco Sabadell Collection



This document is printed on FSC-certified paper and produced using environmentally-friendly processes.

Depósito legal: B-17200-2012

