

Other material information



- 117 R&D and innovation
- 118 Trading in own shares
- 118 Average period of payment to suppliers
- 118 Material post-closing events

R&D and innovation

The bank's activities in the technology area responded to the specific needs of each of the geographies; in Spain, they focused on the search for efficiency, digitalisation and promoting the use and management of data. TSB concentrated on improving communications and transferring management of the technology platform to TSB itself (from technology subsidiary Sabis). In Mexico the focus was on developing the "Banking as a Service" platform.

In the domestic market

In 2020, the Bank concentrated on increasing operational efficiency, enhancing the offering and managing data, as well as boosting resilience and innovation in the platform to adapt to new technology trends.

In the area of Commercial Banking, the plan to upgrade the ATM fleet was completed, enabling the Bank to serve customers more efficiently. Existing ATMs were replaced with state-of-the-art machines in order to offer more self-service operations and relieve the branches of administrative tasks. At the same time, development continued of the API channel under the PSD2 framework as the basis of the Open Banking platform, focusing on agreements with third parties that market the bank's products through digital channels. Also in this area, T2-T2S consolidation provided synergies in securities settlements and payments.

As for digitalisation, progress was made in the service offer by promoting conversational banking, adding new customer interaction capabilities (through digital onboarding and a chat service). New features were added to increase the number of remote transactions available to customers, including, for example, the possibility of registering with the Bank without having to visit a branch in person.

Development of the Proteo4 initiative commenced with the aim of creating an efficient, standardised application development framework with a clear focus on cloud technology, as well as developing cloud-native applications that will offer greater resilience and scalability when new digital applications are put into production.

Another noteworthy area was the management, governance and use of data with the Data1 program, the first phase of which was rolled out during 2020; its aim is to automate data processing, create self-service models and strengthen and increase the agility of financial and regulatory reporting.

Also important in 2020 was the continuity of the Discovery program, which began in 2019 with the signature of a 10-year technology services outsourcing contract with IBM. The first half of 2020 focused on the handover from Sabis, the former supplier, to IBM (this transition phase was completed successfully on schedule on 1 July). The second half of the year focused more on the construction of the new data processing centres (DPC) in Alcalá de Henares. Also during the second half, the process of migrating applications and production loads to the new DPC was designed and planned with a view to implementing the migration in 2021.

WhatsNext is a program that was developed to provide a rapid response to the health crisis by providing new collaboration tools to make it easier for employees to telework, increasing their digital capabilities and transforming their work habits by supporting them in the efficient use of the available technology.

The international context

Within TSB, much of the effort focused on responding to the situation created by COVID-19, for example by improving communication tools so as to enable remote testing of mobile apps and the integration of webchat systems. In terms of digital channels, the Proteo4UK platform was integrated with its new cloud architecture, and fraud detection systems were enhanced. Other milestones included improvements in operations through, e.g. the automation of mortgage application systems.

In 2020, Sabadell Mexico also focused on the "Banking as a Service" programme and landed new lines of business by marketing banking services to partners. Additionally, in order to continue improving its services for retail customers, the Bank began developing a number of initiatives such as biometric systems. Following the migration of critical infrastructures from Spain to Mexico in previous years, the migration process of the other infrastructures and systems continued in 2020.

Trading in own shares

See note 23 to the consolidated financial statements.

Average period of payment to suppliers

The average period of payment to suppliers by consolidated undertakings based in Spain was 30.13 days (15.72 days in the case of the Bank).

Material post-closing events

No material events meriting disclosure have occurred since 31 December 2020.

Non-Financial Disclosures Report

In accordance with the provisions of Law 11/2018, of 28 December, on non-financial and diversity disclosures, Banco Sabadell Group has drawn up a Non-Financial Disclosures Report for 2020, which, in accordance with article 44 of the Commercial Code, forms part of this report and is attached as a separate document.

Corporate Governance

In accordance with the provisions of article 540 of the Capital Companies Law, Banco Sabadell Group has drawn up the Annual Corporate Governance Report for 2020, which, in accordance with article 49 of the Commercial Code, is a part of this Directors' Report and is attached as a separate document; it contains a section setting out the degree to which the Bank adheres to the recommendations on corporate governance in Spain.

The information about corporate governance is available on the Group's corporate website (www.grupobancosabadell.com) directly in the section entitled "Corporate Governance and Remuneration Policy", which is linked to from the Home page.