

Articles of Association of Banco de Sabadell, S.A.

TITLE I

NAME, REGISTERED OFFICE, DURATION AND OBJECT OF THE COMPANY

Article 1. In 1881 a loan company was set up under the name Banco de Sabadell, S.A. which shall be governed by these Articles and by the Spanish Capital Companies Act [Ley de Sociedades de Capital] and other applicable legal provisions.

Article 2. The Company's registered office is situated at Avenida Óscar Esplá 37, Alicante, and the Company may, by a resolution of the Board of Directors, establish branches, agencies or representative offices wherever appropriate, in Spain or other countries.
The company's online presence shall be its corporate website, www.grupobancosabadell.com.

Article 3. The duration of the Company shall be indefinite and any liquidation or winding up shall be effected in accordance with these Articles and with the Act.

Article 4. The Bank's object shall include the following businesses and activities:

- I. To discount bills, promissory notes and similar documents; manage current accounts; grant loans; take deposits, voluntary or otherwise, of securities and in cash; establish savings accounts; negotiate coupons; buy and sell securities; and generally carry out all banking operations undertaken or capable of being undertaken by loan companies in accordance with current legislation.
- II. To buy and sell raw materials, equipment, machinery, fruit, wine and any other goods for its own account or for any other person.

Such transactions, when carried out on behalf of others, may be effected with or without a guarantee of the outcome and with or without advance payment to the seller, on such terms as the Bank sees fit.
- III. To provide loans secured on raw materials, government bonds, shares or debentures, produce, harvests, real estate, factories, ships and ships' cargoes and any other object of value.
- IV. To set up companies of any kind or take shares in them with a view to trading in industrial raw materials, setting up factories or providing services, electric lighting, water supplies, all classes of insurance, docks, and any other business which is ancillary or helpful to the operation of any of the aforementioned businesses or related to modern financing techniques such as leasing or factoring, finance and trusts, among others.
- V. To administer, collect or lease levies of any kind and undertake public works enterprises and assign or perform any contracts for that purpose.
- VI. To underwrite or arrange loans with the Government, Autonomous Communities, Provincial Councils and Municipal Corporations and take responsibility for opening subscriptions for any such transactions for any purpose whatsoever, whether on a commission basis or as agents acting for the account of any such bodies or for other companies.
- VII. To issue treasury bonds and bills, whether registered or bearer, convertible to shares or otherwise, on the terms to be established in each case by the Shareholders' Meeting.

Article 5. The Bank may acquire public funds and shares or bonds of any type of industrial company or loan company and sell or exchange the same or use them as security.

Article 6. The Bank shall not disclose any information concerning any transaction in which it may engage with any person, unless ordered to do so by a court of law.

TITLE II

SHARES AND SHAREHOLDERS' RIGHTS

Article 7. The share capital of the Bank is SEVEN HUNDRED AND THREE MILLION THREE HUNDRED AND SEVENTY THOUSAND FIVE HUNDRED AND EIGHTY SEVEN EUROS AND SIXTY TWO POINT FIVE EURO CENTS (703,370,587.625 euros) represented by FIVE BILLION SIX HUNDRED AND TWENTY SIX MILLION NINE HUNDRED AND SIXTY FOUR THOUSAND SEVEN HUNDRED AND ONE (5,626,964,701) registered shares, with a nominal value of 0.125 euros each, fully paid up and numbered consecutively from 1 to 5,626,964,701, both inclusive.

Article 8. The shares are represented by means of a book-entry system and are governed by the Securities Market Act (Act 24/1998 of 28 July [Ley del Mercado de Valores]), by Royal Decree 116/1992, of 14 February, on the representation of shares by book-entries and the clearing and settlement of stock market transactions, and by any other legal and regulatory provisions that amend, replace or extend them.

The shares are officially registered with the Central Registry for Book Entries of the Securities Clearing and Settlement Service [Servicio de Compensación y Liquidación de Valores] or with any book-entry registration authority replacing it; such registry shall inform the Bank of any transactions in or related to the shares; the Bank, in turn, shall keep its own Register of Registered Shares, where the identity of the shareholders shall be recorded.

Article 9. Without prejudice to the provisions of Article 10, a share shall give its lawful holder the status of shareholder and, in addition to all rights granted in these Articles, the following rights:

- a) The right to share in any distribution of profits of the Company or of assets on liquidation.
- b) A pre-emptive subscription right in any new issue of shares or convertible bonds.
- c) The right to attend and vote at Shareholders' Meetings, subject to any restrictions contained in these Articles, and to contest any resolutions of the Company.
- d) The right to information.

Article 10. The Company may issue non-voting shares in accordance with any legislation applicable at any given time and subject to the provisions of this Article.

In the event of the Company's shares being listed on a stock exchange, the holders of non-voting shares, even where such shares were issued prior to the listing, shall have no pre-emptive subscription rights in capital increases involving the issuance of new shares except in the case of an issue of non-voting shares paid for out of reserves.

Article 11. The Bank may issue redeemable shares in accordance with the Capital Companies Act.

Article 12. The shares are indivisible. Joint owners of a share must appoint a single person to exercise the shareholders' rights and shall be jointly and severally liable to the Company in respect of all obligations arising from their share ownership.

The same rule shall apply to any other jointly held rights in respect of shares.

Article 13. Where shares are held under usufruct, the shareholder's rights shall vest in the bare owner, but the usufructuary shall be entitled to receive any dividends declared by the Company during the period of the usufruct. All other rights of the shareholder shall be vested in the bare owner.

The usufructuary shall be obliged to enable the bare owner to exercise those rights.

Relations between the usufructuary and the bare owner shall be governed by the terms of the instrument under which the usufruct was established or in the absence of such instrument, by the Spanish Capital Companies Act and, in all other respects, by the applicable civil law.

Article 14. On expiry of the usufruct, the usufructuary may demand payment from the bare owner of any increase in the value of the shares subject to the usufruct that relate to operating profit of the Company that was appropriated, during the term of the usufruct, to any specific reserve funds, of whatever nature or description, in the Company balance sheet.

If the Company is wound up during the term of the usufruct, the usufructuary may demand payment from the bare owner of that part of any amount payable on liquidation that is equivalent to the increase in the value of the shares subject to the usufruct as referred to in the previous paragraph. The usufruct shall extend to the remainder of any payment on liquidation.

If the parties fail to reach an agreement on the amount payable in the two cases above, the amount payable shall be set at the request of either party, and at the expense of both, by an independent auditor, other than the auditor of the Company, who shall be designated by the Mercantile Register for this purpose.

Article 15. Where a usufruct is held in respect of shares which are not fully paid up, the bare owner shall be liable to the Company for any capital calls on the shares. Once payment has been made, the bare owner shall be entitled to demand from the usufructuary the payment of the statutory interest on the amount of such payment in an amount not exceeding the income from the shares.

If this obligation has not been fulfilled within five days from the date on which payment became due, the usufructuary may pay the amount and shall be entitled to claim it from the bare owner on termination of the usufruct.

Article 16. In the event of an increase in the Company's share capital, if the bare owner has not exercised or sold his pre-emptive subscription rights ten days before the deadline by which such rights must be exercised, the usufructuary shall be entitled to sell the rights or to subscribe for the shares.

Where the subscription rights are sold, whether by the bare owner or by the usufructuary, the usufructuary shall be entitled to the proceeds of such sale.

Where new shares are subscribed for, whether by the bare owner or by the usufructuary, the usufruct shall extend to all shares for which payment could have been made with the total value of the rights exercised in subscribing for them. This value shall be calculated on a theoretical basis. Any remaining shares subscribed for shall be beneficially owned by the person who has paid for them.

The usufructuary shall have the same rights with respect to any issue of bonds which can be converted to shares in the Company.

If, during the usufruct, an increase in the share capital is effected out of profits or reserve funds appropriated during the usufruct, the new shares shall vest in the bare owner but shall be subject to the usufruct.

Article 17. All amounts payable under the preceding three articles shall be paid in cash or in shares of the same class as those which were subject to usufruct, the value of which shall be taken as being the amount based on the last audited balance sheet of the Company.

Article 18. All rights attaching to any shares subject to a security interest shall be exercisable by the owner of the shares.

The holder of the security interest shall be obliged to facilitate the exercise of these rights.

If the holder of any shares is in default in the payment of any calls thereon, the holder of the security interest may himself discharge the obligation or enforce the security interest.

Article 19. The provisions of the preceding article shall apply to any shares that are attached, to the extent that they are compatible with the specific terms of the attachment order.

Article 20. The heirs or creditors of a shareholder shall not, with respect to any property or rights of the Company, have any rights other than those vested in the holders of shares by these Articles and shall be subject to the same obligations.

This provision shall apply to the legal guardians and tutors of minors and incapacitated persons, insolvency trustees, representatives and any other persons collectively exercising the rights vested in shareholders under these Articles.

Article 21. An heir or successor of a shareholder shall not, by any title or under any pretext whatsoever, cause any intervention or seizure of the property of the Company or seek to have it divided up or disposed of by a court or interfere in the management thereof and, for the purpose of exercising any right, must confine themselves to the balance sheets and inventories of the Company and the resolutions of Shareholders' Meeting and of the Board of Directors.

Article 22. Shareholders must pay to the Company any calls on unpaid capital in such manner as the Directors may determine in each case.

Article 23. The holder of a share shall be in default on the expiry of the time for payment of an unpaid call, as determined in accordance with the previous article.

Article 24. A shareholder who is in default in the payment of any call may not exercise the right to vote. His shares shall be deducted from the share capital for the purposes of establishing the quorum.

A shareholder in default shall not be entitled to receive dividends or any pre-emptive right to subscribe for new shares or convertible bonds.

On the payment of any call and any interest payable thereon, a shareholder may apply to have any unexpired dividends paid to him but may not claim pre-emptive subscription rights if the period within which they were to be exercised has expired.

Article 25. Where a shareholder is in default, the Company may, having regard to the circumstances and nature of the unpaid amount, demand either that the call be paid together with any statutory interest payable and any damages caused by such default, or dispose of the shares at the defaulting shareholder's expense.

When it is necessary to sell the shares, the sale shall be effected in the following manner:

- a) Unlisted shares shall be sold via a registered commercial broker or notary public.
- b) Listed shares shall be sold via a member of the stock exchange.

If a sale cannot be made, the shares shall be cancelled and the share capital reduced accordingly, and all sums received by the Company until that time in respect of the shares shall stand to the credit of the Company.

Article 26. Where unpaid calls on shares are offset, partly or wholly, against dividends, the Company shall inform the Clearing and Settlement Service or any book-entry registration authority that has replaced it, so that this event can be entered in the book-entry system.

Article 27. The purchaser of a share which is not fully paid up shall be jointly and severally liable together with all previous owners, at the discretion of the Directors of the Company, for the payment of the unpaid amount.

Any transferor shall remain liable for three years from the date of transfer. Any arrangement to subvert this joint and several liability shall be null and void.

If the purchaser pays the sum due, he may claim the full amount from any subsequent purchasers.

Article 28. Any change in the characteristics of shares represented by book entries shall be published in the Official Bulletin of the Mercantile Register [Boletín Oficial del Registro Mercantil] and in one of the daily newspapers with the largest circulation in the province where the Company's registered office is situated, once the change has been formally registered in accordance with the Spanish Capital Companies Act and the securities market regulations.

Article 29. The shares of the Company shall be freely transferable.

Article 30. Transfers of shares in the Company shall take place by book-entry transfer and shall be governed by the provisions of the Securities Market Act (Act 24/1998 of 28 July) and by Royal Decree 116/1992 of 14 February on the representation of securities by book entries and the clearing and settlement of stock market transactions, and by any legal and regulatory provisions that amend, replace or extend them.

Article 31. The company may acquire its own shares in accordance with the limits and requirements laid down by the legislation in force at any given time.

Article 32. The following rules shall apply to own shares held by the Company:

1. All voting and other political rights attaching to any shares of the Company and its parent company that are held by the Company shall be suspended.

All economic rights attaching to own shares, apart from the right to free allotments of new shares, shall be allocated among the remaining shares on a proportional basis.

2. The Company's own shares shall count as part of the share capital for the purposes of establishing whether the proportions required for proposing and adopting resolutions at Shareholders' Meetings have been met.

3. A restricted reserve shall be set up on the liabilities side of the balance sheet for the amount of own shares of the company or of the parent company held on the assets side. This reserve must be maintained until such time as the shares are disposed of or cancelled.
4. The directors' report must disclose:
 - a) The reasons for all acquisitions and disposals during the year.
 - b) The number and nominal value of all shares acquired and disposed of during the year, and the proportion of the share capital that they represent.
 - c) In the case of any acquisitions or disposals of shares for valuable consideration, the consideration paid for the shares.
 - d) The number and nominal value of all shares acquired and held by the Company directly or through nominees and the proportion of the share capital that they represent.

Article 33. The Company may advance funds, grant loans and provide guarantees and any other financial assistance for the acquisition of its shares by a third party, provided that these operations are carried out in the ordinary course of the Company's business as expressed in its corporate object and that they are paid for out of available Company funds.

In the event of financial assistance being provided in accordance with the preceding paragraph, the Company must appropriate a reserve on the liabilities side of the balance sheet for an amount equal to that of the loans recorded under assets.

Article 34. The Company may accept its own shares by way of pledge or security only in the ordinary course of the Bank's business, and in compliance with the requirement set out in Article 146.3 of the Spanish Capital Companies Act.

TITLE III

GOVERNANCE AND ADMINISTRATION

Article 35. The Company shall be governed by:

- a) The Shareholders' Meeting
- b) The Board of Directors

SECTION I

SHAREHOLDERS' MEETING

Article 36. The Shareholders' Meeting, if legally quorate, represents the Company and therefore exercises all rights and powers of the Bank; resolutions adopted at Meetings shall be binding on all shareholders, whether present or not, without prejudice to any right they may have under the law to contest resolutions and withdraw from the Company.

Article 37. In order to attend, speak and vote at a Shareholders' Meeting, a shareholder's shares must be on record in the register of shares five days before the day on which the Meeting is to be held and they must have obtained an attendance card, which shall be available from the Secretary's Office until five days before the date of the Meeting and shall show the number of votes to which the shareholder is entitled on the basis of one vote for every thousand (1,000) shares.

The company's executives and advisers are entitled to attend Shareholders' Meetings and to speak but not to vote.

Article 38. Shareholders may attend the Shareholders' Meeting in person or appoint a proxy.

Holders of a general power of attorney for the shareholder in the form of a public instrument with the power to administer all of the shareholder's assets in Spanish territory are also entitled to represent the shareholder.

To grant proxy, the shareholder need only indicate, at the foot or on the back of the attendance card, the name of the proxy and sign their name, provided that the signature has been legalised or is recognised by the Bank. Otherwise, the signature must be accompanied by a second signature that fulfils these requirements.

The proxy appointment must contain, or have attached to it, the agenda for the Meeting and the request for voting instructions with indications of how the proxy is to vote in the event of precise instructions not being provided.

Minors must be represented by their guardians, and corporations or companies by their legal representatives, in which case the identity of such person must be specified so that an attendance card can be issued in their name, and they may appoint a proxy as provided in the first paragraph.

Proxies shall be granted and valid for a specific Shareholders' Meeting and may be revoked in any event. Attendance in person by the principal at the Meeting shall have the effect of revoking any proxies.

To attend and vote at a Shareholders' Meeting, shareholders must show evidence of holding or acting for the holders of one thousand (1000) shares. Shareholders holding less than that minimum number of shares may group together to attain the minimum and grant proxy to any one of them or to another person, even if not a shareholder, who may attend, as provided in this article.

The shareholder or their representative may grant proxy to attend and vote at General Meetings by postal, electronic or telematic means or by any other means of distance communication in the terms established in the General Meeting of Shareholders Regulation.

Remote attendance at the General Meeting by telematic means and remote voting by any means, including where attendance and voting is exclusively by these means if the law allows, shall require, without prejudice to the application of the provisions of the Regulation of the General Meeting of Shareholders, an express decision by the Board of Directors to provide the necessary systems and procedures to be able to attend remotely and vote remotely, which decision must be expressly disclosed in the notice of the General Meeting of Shareholders in question.

Article 39. There is no limit to the number of votes that may be cast by a single shareholder or by companies belonging to the same group.

Article 40. A Shareholders' Meeting may be Ordinary or Extraordinary, and shall be called by the Board of Directors.

An Ordinary Shareholders' Meeting shall be held within the first six months of each financial year at such place, date and time as the Board of Directors shall determine, provided that it is held in the limits of the city where the registered offices are located; meetings may be adjourned for one or more consecutive days based on a proposal by the Board of Directors or at the petition of shareholders representing one-quarter of the capital present at the Meeting. Regardless of the

number of sessions into which the Shareholders' Meeting is divided, it shall be treated as a single Meeting and only one set of minutes shall be drawn up.

The ordinary Shareholders' Meeting shall be asked to examine and approve the financial statements, directors' report, income statement, statement of changes in net equity, cash flow statement, and balance sheet for the previous year, the proposal for the allocation of income and any other proposals that the Board of Directors decides to submit.

The ordinary Shareholders' Meeting shall also hear and consider any reasoned proposals from shareholders that are duly signed and presented within five days following the publication of the notice of meeting; any such proposal must be signed by shareholders representing at least three per cent of the share capital and be directly related to the business already included or to be included in the agenda of the meeting.

Once the items on the agenda have been dealt with, shareholders may put forward any motions they see fit and, if they are accepted by the Board of Directors, those motions shall be submitted either to the next Ordinary Shareholders' Meeting or to an Extraordinary Shareholders' Meeting, at the Board's discretion.

Article 41. An Extraordinary Shareholders' Meeting shall be called whenever the Board considers it to be in the interests of the Company. An Extraordinary Shareholders' Meeting shall also be called when requested by a number of shareholders representing at least three percent of the share capital, such shareholders having stated in their request the nature of the business to be transacted at the Meeting. In this case, the Meeting must be called within the two-month period following the date on which the notarial request to call the Meeting was sent to the Board of Directors.

The Agenda for the meeting must necessarily include all items of business stated in the request.

Article 42. Notice of Shareholders' Meetings shall be given by means of an announcement published in the Official Bulletin of the Mercantile Register [Boletín Oficial del Registro Mercantil] or in one of the daily newspapers with the largest circulation in Spain, on the Spanish National Securities Commission's website, and on the company's website, at least one month before the date on which the Meeting is scheduled.

The notice must state all items of business on the Agenda. It must also state whether the meeting is ordinary or extraordinary, the name of the company, the date of the first call and the place and time, the position of the person(s) responsible for the notice, and any other information required by the law in force.

The notice may also state a day, not less than twenty-four hours after the first call, on which, in the event of the Meeting not being quorate at first call, it may be held at second call.

Shareholders representing at least three per cent of the share capital may ask for a supplement to the notice of the Shareholders' Meeting to be published, adding one or more items to the Agenda, in accordance with the legislation in force.

The shareholders who wish to exercise that right must send certifiable notification to the company, to be received at the company's registered office within the five days following publication of the notice of meeting. The supplement must be published at least fifteen days prior to the scheduled meeting date.

As from the publication of the notice, an Electronic Shareholders' Forum must be created on the company's website, which may be accessed subject to the appropriate safeguards, with a view to facilitating communication prior to the Shareholders' Meetings.

The Shareholders' Meeting shall be quorate at first call if the attendees who are present or represented hold at least twenty-five per cent (25%) of the subscribed voting capital. The Meeting shall be quorate upon second call regardless of the amount of capital in attendance.

Article 43. In order for an Ordinary or Extraordinary Shareholders' Meeting to validly adopt a resolution to issue convertible bonds or bonds that constitute a share of group earnings, reduce or increase the share capital, change the legal form of the Company, merge or de-merge the Company or, generally, make any amendment to the Articles of Association, the Meeting, if at first call, must be attended by shareholders holding not less than 50 per cent of the subscribed voting shares, in person or by proxy.

If at second call, 25 per cent of capital shall suffice.

Where those present represent less than 50 per cent of the subscribed voting shares, any of the resolutions referred to in the preceding paragraph shall require a majority of two-thirds of the capital present and represented at the Meeting.

Article 44. Business shall be transacted at the Shareholders' Meeting in the following order:

Before proceeding to the items on the Agenda, a list of the persons in attendance shall be drawn up, showing the status or representative capacity of each person and the number of shares held or represented by them.

At the end of the list, the number of shares present or by proxy and the amount of paid-up share capital represented by those shares shall be determined, after which the Chairman shall declare the Shareholders' Meeting, whether Ordinary or Extraordinary, to be quorate or not, as the case may be, and, if it is quorate, the Chairman shall declare the Meeting to be in session.

Article 45. Shareholders' Meeting may not discuss or debate any business that is not on the Agenda.

Up to the fifth day prior to the scheduled meeting date, shareholders may request from the Board of Directors any information or clarification they require or submit questions in writing regarding the items on the agenda. Shareholders may also request information or explanations in writing about information accessible to the public which the company supplied to the Spanish National Securities Market Commission [Comisión Nacional del Mercado de Valores] since the last Shareholders' Meeting was held.

Any information requested under the preceding paragraph must be provided in writing by the directors up to the day prior to the Shareholders' Meeting.

Valid requests for information, clarification and questions made in writing and the answers given in writing by the directors will be posted on the company's website.

During a Shareholders' Meeting, shareholders may make verbal requests for any information or explanations they see fit regarding the items on the agenda; if it is not possible to fulfil a shareholder's request at that time, the directors must supply the information requested, in writing, within seven days from the end of the Meeting.

The Directors must supply all the information requested in accordance with this article except where it is unnecessary to safeguard the shareholder's rights or there are objective reasons to believe it may be used for purposes unrelated to the company or that its disclosure might be detrimental to the company or to related companies.

If the request is supported by shareholders representing at least one-quarter of share capital, the information may not be withheld.

Article 46. The Shareholders' Meeting has the power to decide about any matters attributed to it by law or the Articles of Association. In particular, its powers include, but are not limited to:

- a) Approval of the financial statements, application of the results, and grant of discharge from liability.
- b) Appointment and removal of directors, liquidators and auditors, if any, and the presentation of shareholder derivative suits against any of them.
- c) Amendment of the Articles of Association.
- d) Capital increases and reductions.
- e) Overriding or limitation of the pre-emptive subscription right and pre-emptive assumption right.
- f) The acquisition of essential assets or their disposal or contribution to another company.
- g) The transfer to dependent undertakings of essential activities performed up to that point by the Company itself, even where the latter retains full control over such undertakings.
- h) Change of form, merger, demerger, and assignment en bloc of the assets and liabilities, and transfer of the domicile to another country.
- i) Dissolution of the company and transactions whose outcome is equivalent to liquidation of the company.
- j) Approval of final liquidation balance sheet.
- k) Director remuneration policy.
- l) Any other matters established under the law or the Articles of Association.

Any powers not expressly attributed to the Shareholders' Meeting by the law or the Articles of Association shall lie with the Board of Directors.

Article 47. The General Meeting of Shareholders is chaired by the Chairman of the Board of Directors. In the event of incapacity or absence, the Meeting shall be chaired by a Deputy Chairman, in order, if any, or, otherwise, by a director designated by the Board of Directors.

The functions of the Chairman of the General Meeting of Shareholders are, in any case, to declare the meeting to be quorate, direct the debates, address any doubts that may arise, end the debates when he considers the matter to have been debated sufficiently, announce the results of the votes and, in general, all the powers that are necessary for the optimal organisation and transaction of the General Meeting of Shareholders, to have a casting vote in the event of a tie, and to ensure fulfilment of the resolutions adopted by the General Meeting of Shareholders.

The Secretary of the Board of Directors or, in the event of incapacity or absence, the Deputy Secretary, shall act as secretary of the General Meeting of Shareholders, with responsibility for drawing up the minutes and for issuing any certificates that may be required, which shall be countersigned by the Chairman.

Article 48. The resolutions and deliberations of the Shareholders' Meeting shall be recorded in a minutes book; the minutes shall be approved by any of the following methods:

1. By the Shareholders' Meeting itself, immediately after the close of the Meeting.
2. Within 15 days, by the Chairman and two representatives of shareholders, one acting on behalf of the majority and one on behalf of the minority, if they were not appointed unanimously.
3. By notarial instrument.

It shall be obligatory to engage a notary if requested not less than five days before the date of the Meeting by shareholders representing at least 1% of the share capital.

The Notary's fees shall be paid by the Company.

Once approved by any one of these methods, the minutes shall be legally enforceable from the time of their approval.

Article 49. The Shareholders' Meeting may, on a proposal from the Board of Directors, approve regulations to elaborate upon and extend the preceding articles in this Section as regards the notice of and preparations for Shareholders' Meetings, provision of information, attendance, transaction of business and exercise of voting rights, the manner in which the minutes are to be drawn up and other pertinent matters, subject always to the provisions of the law and these Articles.

The Shareholders' Meeting is the body competent to approve and amend any such regulations and also to determine the period for which they are to be in force. A resolution to approve or amend such regulations must be adopted in the manner established in article 43 hereof for the amendment of these articles.

SECTION II

BOARD OF DIRECTORS

Article 50. The Board of Directors shall consist of a maximum of 15 and a minimum of 11 members, appointed by the General Meeting for a term of four years, with the possibility of re-appointment for periods of the same duration, who shall not be required to provide guarantees and who shall faithfully perform their duties and represent the Company in a diligent and businesslike way in good faith and in the company's best interests and shall keep confidential any data, reports or information of a confidential nature of which they become aware or to which they gain access in the course of discharging their duties, even after they have ceased to hold office.

Directors must avoid situations of conflict of interest in the terms defined in the Capital Companies Act, including those where the beneficiary of the prohibited acts or activities is a related party of the director.

Any vacancies arising on the Board of Directors shall be filled by the General Meeting unless the Board decides, in the interests of the Company, to act in accordance with the Capital Companies Act.

Shareholders acting collectively in the manner and in accordance with the requirements of article 243 of the Spanish Capital Companies Act shall be entitled to appoint the corresponding number of Directors.

A director may be removed at any time by a resolution of the General Meeting.

The position of director is compatible with any other office or executive role in the Company and with the remuneration which, based on a proposal from the Remuneration Committee and a resolution by the Board of Directors, is deemed appropriate on the basis of his/her performance of such other functions within the Company, in accordance with the Director Remuneration Policy approved by the General Meeting.

Additionally, under the heading of long-term remuneration, subject to prior approval by the General Meeting, directors who perform executive functions may also participate in incentive plans

approved for executives of the Bank consisting of payment in the form of shares, stock options or remuneration linked to the share price.

Article 51. Directors who have stepped down for reason of age or because they do not wish to seek re-appointment may be proposed by the Board of Directors for appointment as Honorary Directors, which must be approved by the Shareholders' Meeting.

Honorary Directors may, when invited, attend meetings of the Board and may speak but not vote.

Article 52. An appointment as a director shall take effect as soon as it has been accepted.

Article 53. Directors may be executive or non-executive, and may also be proprietary, independent or other external; each director will be categorised on the basis of the definition contained in the applicable regulation at any given time.

A majority of the total number of directors must be external or non-executive. There should be a significant proportion of independent directors among the external or non-executive directors.

Article 54. The Board shall appoint one of its members as Chairman. The Board shall also select one or more Deputy Chairmen; if there is more than one, they shall be numbered sequentially. The distribution of their responsibilities may be changed when the Board sees fit.

The Board shall also appoint a Secretary and may appoint a Deputy Secretary, neither of whom need be a director. A Secretary who is not a director shall not have the right to vote.

Article 55. The Chairman of the Board of Directors shall perform his duties as a non-executive director.

The Chairman is the highest representative of the Bank and has the rights and obligations inherent to that position, including the power to sign on behalf of the company. In discharging his duties, the Chairman of the Board of Directors is the person with primary responsibility for the effectiveness of the Board of Directors and, as such, shall represent the Bank in any event, and sign on behalf of the company; he shall convene and chair meetings of the Board of Directors, setting the agenda, directing the debates and deliberations within the Board of Directors and shall be responsible for ensuring compliance with the decisions adopted by the Board of Directors.

If the Chairman is unable to discharge his duties for any reason, they shall be performed by the Deputy Chairman, or the first Deputy Chairman if there is more than one, or, if the first Deputy Chairman is unable to act, by the next Deputy Chairman in numerical order. Any director standing in for the Chairman shall not be required to show proof of the designation to third parties.

Article 56. The Board shall appoint a Chief Executive Officer from among its members.

The Chief Executive Officer shall be the person with primary responsibility for managing and directing the Institution's business, and he shall be the Bank's representative in the absence of the Chairman, with the obligation to report periodically to the Board of Directors and whenever duly asked to do so.

The Board of Directors shall delegate to the Chief Executive Officer all the powers that it sees fit from among those that may be legally delegated.

Article 57. The Board of Directors may designate a Lead Director from among the independent directors; that person shall be empowered to give notice of meetings of the Board of Directors, add items to the meeting agenda, coordinate and meet with the non-executive directors, reflect the

opinion of the external directors, and direct any regular assessment of the Chairman of the Board of Directors, maintain contacts with investors and shareholders, and participate in the processes of succession for the Chairman in the terms set out in the Succession Plan approved by the Board of Directors.

Article 58. The Secretary shall be responsible for taking minutes at General Meetings of Shareholders and at meetings of the Board of Directors and for signing them with the Chairman; for keeping the minutes books and for issuing, with the countersignature of the Chairman or his replacement, any certificates that may be required, whether in relation to such minutes or to any other documents or matters concerning the Company; and to ensure that the corporate governance rules are complied with.

In the event of the Secretary being absent or incapacitated or in the event of the office being vacant, their duties shall be undertaken by the Deputy Secretary or, if none has been appointed, by a director designated by the Board.

Any director standing in for the Secretary shall not be required to show proof of the designation to third parties.

Article 59. The following shareholders may not hold office as members of the Board of Directors:

- a) Minors.
- b) Persons disqualified by law or undischarged bankrupts or insolvents, those serving convictions involving disqualification from holding public office, and those convicted of serious breaches of the Spanish Corporations Act or Company regulations, or who are prevented from engaging in trade by reason of their office.
- c) Government officials whose duties are related to, or have a bearing on, the business of the Bank.
- d) Those in default with respect to any obligation to the Bank.
- e) Persons in any of the situations of incompatibility or limitation on holding office as provided by law.

Members of the Board of Directors who fall under any of the above prohibitions shall be removed from office immediately at the request of any shareholder and by a resolution of the Shareholders' Meeting.

Article 60. The Board of Directors shall meet once per month and as and when the Chairman shall see fit, or whenever a Director requests a meeting. Attendance in person shall be required at its meetings, including attendance by electronic or telematic means, in which case the meeting shall be deemed to be held at the registered office, and proxy may be granted to another director.

Resolutions shall be adopted by an absolute majority of the directors in attendance, whether in person or by proxy, with the Chairman having a casting vote in the event of a tie.

Non-executive directors may grant proxy only to another non-executive director.

Resolutions of the Board shall be recorded in a Minute Book, which shall be signed by the Chairman and the Secretary; the Secretary shall be responsible for taking the minutes and for issuing any certificates required, which shall be countersigned by the Chairman.

Article 61. With the exception of matters falling within the remit of the Shareholders' Meeting, the Board of Directors is the highest decision-making body in the Company and is responsible under the law and the Articles of Association for the management and representation of the Company.

Subject to the Articles of Association and the resolutions adopted by the Shareholders' Meeting, the Board of Directors shall act on behalf of the Company and the Company shall be bound by its decisions. The Board of Directors shall be responsible for taking such action as may be considered necessary in pursuit of the Company's object as described in these Articles of Association.

Without prejudice to the foregoing, the Board of Directors acts mainly as an instrument of supervision and control, and delegates the management of ordinary business matters of the Company to the executive organs and management team.

Powers may not be delegated where they are required by law or the Articles of Association to be exercised directly by the Board of Directors or are necessary for the responsible performance of the general function of supervision.

Specifically, to ensure better and more efficient performance of its general supervisory duties, the Board undertakes to discharge the responsibilities provided by law, including:

- a) approving the Company's general strategies;
- b) appointing and, as necessary, removing directors of the Company's subsidiaries;
- c) identifying the Company's main risks and implementing and monitoring suitable internal control and reporting systems;
- d) setting policy on the reporting and disclosure of information to shareholders, the markets and the general public;
- e) setting policy on treasury stock in accordance with any guidelines laid down by the Shareholders' Meeting;
- f) approving the Annual Corporate Governance Report
- g) authorising transactions between the Company and directors or significant shareholders which may lead to conflicts of interest; and
- h) generally deciding on business or financial transactions that are of particular importance for the Company.

The Board of Directors must provide itself with rules of procedure to elaborate upon and extend the provisions of the Articles of Association with regard to the composition and functions of the Board and, especially, of the Board Committees that are established and the responsibilities of directors in the performance of their duties.

The Board of Directors shall, on the basis of a report from the Audit and Control Committee, draw up an annual report on the structure and practice of corporate governance within the Company.

Article 62. The Board of Directors must constitute all the Board Committees that the company is legally obliged to establish, and at least the following:

- Strategy and Sustainability Committee
- Credit Delegated Committee
- Audit and Control Committee
- Appointments and Corporate Governance Committee
- Remuneration Committee
- Risk Committee

Article 63. The Strategy and Sustainability Committee shall comprise five non-executive directors, a majority of whom must be independent. The Committee shall be chaired by the Chairman of the Board of Directors. The Secretary of the Board of Directors shall be its Secretary or, as appropriate, the person who acts as Deputy Secretary of the same.

In matters of strategy, the Chief Executive Officer may speak and vote at meetings, to which end the Committee shall be deemed to have six members.

In the area of strategy, the Committee shall have the following responsibilities:

1. Evaluating strategies for growth, development, diversification or transformation of the Company's business and making proposals to the Board of Directors in this connection.
2. Informing and advising the Board of Directors on the Company's long-term strategy, identifying new opportunities for value creation and submitting corporate strategy proposals to the Board of Directors in relation to new investment or divestment opportunities, financial transactions with a material accounting impact and significant technology changes.
3. Studying and proposing recommendations or improvements to the strategic plans and their updates that are submitted to the Board of Directors from time to time.
4. Issuing and submitting to the Board of Directors, on an annual basis, a report containing the proposals, evaluations, studies and work carried out by the Committee in relation to the foregoing matters.

In the area of sustainability, the Committee shall have the following responsibilities:

1. Reviewing the Company's sustainability and environmental policies, and advising the Board of Directors on possible amendments and regular updates of the sustainability strategy.
2. Reviewing the definition and amendment of diversity and integration, human rights, equal opportunity and work-life balance policies and evaluating their degree of fulfilment on a regular basis.
3. Reviewing the Bank's social action strategy and its sponsorship and patronage plans.
4. Reviewing and reporting on the Non-Financial Disclosures Report before the Audit and Control Committee reviews and reports on it and it is subsequently authorised by the Board of Directors.
5. Receiving information in connection with reports, written communiqués or communications from external supervisory bodies within the scope of this Committee's competencies.

Article 64. The Credit Delegated Committee shall consist of at most five directors, a majority of whom must be independent, all designated by the Board of Directors with the favourable vote of two-thirds of its members. The Board shall appoint one of the Committee members as its Chairman.

The Secretary of the Board of Directors shall be its Secretary or, as appropriate, the person who acts as Deputy Secretary of the same.

The Credit Delegated Committee shall analyse and, where appropriate, decide on credit transactions in accordance with the cases and limits established by express delegation from the Board of Directors.

Article 65. The Audit and Control Committee shall comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least a majority of them must be independent directors, and at least one of them must be appointed on the basis of their knowledge and experience of accounting and/or auditing. The Board of Directors shall appoint the committee's Chairman from among the members who are independent directors, with the favourable vote of two-thirds of its members. The Secretary of the Board of Directors shall be its Secretary or, as appropriate, the person who acts as Deputy Secretary of the same.

The Chairman may hold office for at most four years, and may only be re-elected after a one-year interval.

The Audit and Control Committee must meet at least once every three months, and whenever convened by the Chairman at his own initiative or at the request of any Committee member, or at the request of the Chairman of the Board of Directors or of the external auditors.

The Audit and Control Committee may require the attendance at its meetings of such executives, including directors, as it sees fit, to which end it shall notify the General Manager(s) to schedule their attendance.

The Audit and Control Committee has the responsibilities established by the applicable regulations, including:

1. Reporting to the General Meeting on all issues raised by shareholders that are within its remit.
2. Supervising the effectiveness of the Company's internal control, internal audit and risk management systems, including those relating to tax risk, as well as discussing with the auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit.
3. Supervising the production and presentation of regulated financial and non-financial disclosures and making recommendations or proposals to the Board of Directors with the aim of safeguarding its integrity.
4. Proposing to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment or re-appointment of the external auditor, establishing the engagement conditions, the scope of the professional mandate, and revocation or non-renewal, if appropriate; reviewing compliance with the audit contract, and obtaining regular reports from them about the audit plan and its execution, as well as striving to ensure their independence in the performance of their functions and to ensure that the opinion on the financial statements and the main content of the auditors' report are drafted clearly and accurately.
5. Advising the Board of Directors beforehand on the financial information and directors' report, which must include the mandatory non-financial disclosures that the Company must publish, as well as the quarterly and half-yearly financial statements and the prospectuses that must be submitted to the regulatory or supervisory bodies, exercising vigilance to ensure compliance with the requirements of the law and the proper application of generally accepted accounting principles, and advising on proposals to amend those principles.
6. Establishing the appropriate relations with external auditors to receive information about any issues that might jeopardise their independence, to be reviewed by the Committee, and any other information or communiqué related to the process of performing the audit functions and in the audit rules.
7. Supervising the internal audit units, their independence and budget, reviewing their action plans and resources in order to ensure that they are adequate for the Company's needs; proposing, where appropriate, the appointment and replacement of the person in charge; and verifying that senior management takes into account the conclusions and recommendations of their reports.
8. Advising on any issues referred to the Committee by the Board of Directors that are within its remit.
9. All other functions attributed to it by the applicable regulations or these Articles of Association and the regulations implementing them.

The Audit and Control Committee shall draft an annual report on its activities, which shall be included in the Directors' Report referred to in article 86 of these Articles of Association.

Article 66. The Appointments and Corporate Governance Committee shall comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors. The Board of Directors shall appoint the committee's Chairman from among the members who are independent directors, with the

favourable vote of two-thirds of its members. The Secretary of the Board of Directors shall be its Secretary or, as appropriate, the person who acts as Deputy Secretary of the same.

In the area of appointments, the Committee shall have the following responsibilities:

1. Overseeing the qualitative composition of the Board of Directors, in accordance with the provisions of article 53 of these Articles of Association.
2. Evaluating the fitness and suitability, knowledge and experience of the members of the Board of Directors.
3. Making proposals to the Board of Directors as to the appointment of independent directors, for appointment by co-optation or by the General Meeting, and proposals for the re-appointment or removal of such directors by the General Meeting of Shareholders.
4. Advising on proposals for the appointment of other directors and on proposals for their re-appointment or removal.
5. Advising on proposals for the appointment and removal of senior executives and other members of the Identified Staff.
6. Advising on the basic contractual conditions for executive directors and senior executives.
7. Examining and organising the succession of the Chairman of the Board of Directors and of the Bank's chief executive and, as appropriate, making proposals to the Board so as to ensure that the succession takes place in an orderly and planned way.
8. Establishing a target for representation of the gender that is less represented on the Board of Directors and drawing up guidelines on how to achieve that target.

In the area of corporate governance, the Committee shall have the following responsibilities:

1. Advising the Board of Directors on the Company's internal corporate policies and regulations, except in matters that are the responsibility of other Committees.
2. Supervising compliance with the Company's corporate governance rules, excluding those corresponding to areas that are the responsibility of other Committees.
3. Advising the Board of Directors on the Annual Corporate Governance Report for its approval and publication each year, except for matters that are the responsibility of other Committees.
4. Supervising, within the scope of its responsibilities, the Company's communications with shareholders and investors, proxy advisors and other stakeholders, and informing the Board of Directors in this connection.
5. Any other actions that may be necessary to ensure good governance of all the Company's activities.

The Board may ask the Committee to prepare reports on matters within its sphere of action.

Article 67. The Remuneration Committee shall comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors. The Board of Directors shall appoint its Chairman from among the members who are independent directors, with the favourable vote of two-thirds of its members.

The Remuneration Committee shall have, at least, the following functions:

1. proposing, to the Board of Directors, the director remuneration policy
2. proposing, to the Board of Directors, the remuneration policy for general managers and others performing senior management functions who report directly to the Board of Directors, the Delegated Committee or the Chief Executive Officer(s), and the individual remuneration and other contractual conditions for executive directors, exercising oversight to ensure that they are complied with;
3. advising on the annual report on director remuneration
4. advising on remuneration programmes based on shares and/or options

5. periodically reviewing the general principles of remuneration and the remuneration programmes for all employees, and considering whether they conform to those principles
6. ensuring that remuneration is transparent.

Article 68. The Risk Committee shall comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; they must have the appropriate knowledge, skill and experience to fully understand and oversee the Bank's risk strategy and risk appetite; at least two of them must be independent directors. The Board of Directors shall appoint its Chairman from among the members who are independent directors, with the favourable vote of two-thirds of its members.

The Risk Committee shall have at least the following functions:

1. Overseeing and ensuring proper acceptance, oversight and management of all risks of the bank and its consolidated group.
2. Reporting to the Board of Directors on the performance of its functions as assigned by law, these Articles of Association and the Regulation of the Board of Directors.

Article 69. Any derivative suit against the directors may be exercised in accordance with articles 236 to 241 bis of the Spanish Capital Companies Act.

Article 70. The Board of Directors shall appoint one or more General Managers who shall be responsible to the Board for carrying out the policies it adopts and for establishing and setting, with the help of suitable analysis and advice, the appropriate targets to ensure that policy aims are met. For this purpose, they shall direct all operations of the Bank to ensure that the those targets are achieved, monitor performance and take all action necessary to correct deviations and improve managerial effectiveness.

Article 71. The Board of Directors may, on the recommendation of the General Manager(s), appoint Deputy General Managers, Assistant General Managers, authorised signatories and such other positions as may be required to fully discharge the managerial and service functions at each level of management.

TITLE IV

AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 72. Except where the law provides otherwise, amendments to the Articles of Association require the approval of the General Meeting subject to the following requirements:

- a) The Directors or shareholders, as the case may be, proposing the amendment must provide a written report justifying the proposed amendment.
- b) The proposed amendments must be clearly set out in the notice of the General Meeting.
- c) The notice calling the General Meeting must state that all shareholders are entitled to inspect the full text of the proposed amendment and accompanying explanations at the Company's registered office and to request that those documents be provided or sent to them free of charge.
- d) Resolutions to amend the Articles must be adopted by the Shareholders' Meeting in accordance with Articles 40 and 43 hereof.

Article 73. Any amendment to the Articles of Association imposing further obligations on the shareholders shall require the acquiescence of all those concerned.

Article 74. Share capital may be increased by issuing new shares or increasing the nominal value of the existing shares.

In either case, the cost of the increase in share capital may be met from further monetary or non-monetary contributions to the Company, including the offsetting of any debt claims on the Company, or by conversion of reserves or earnings already on the balance sheet.

Article 75. Increases to share capital shall require a resolution of the Shareholders' Meeting in the manner established for amendments to the Articles of Association.

Where an increase is to be effected by raising the nominal value of shares, the consent of all shareholders shall be required unless the increase is met entirely from reserves or profits of the Company.

Not less than 25 per cent of the value of each Company share after the increase in share capital must be paid-up.

Article 76. The Shareholders' Meeting may, in the manner specified for amendments to the Articles of Association, delegate the following powers to the Directors:

- a) The power to set a date on which a resolution for an increase in share capital which has been adopted shall be carried into effect for the specified amount and to decide the terms thereof to the extent that these are not specified in the resolution of the Shareholders' Meeting. The time within which this delegated power must be exercised shall not exceed one year, except in the case of a conversion of bonds to shares.
- b) The power to decide on an increase in share capital at one or more times up to a specified amount, at such times and for such amounts as they may see fit, without the need to refer to the Shareholders' Meeting. Such increases shall not, in any event, exceed one-half of the share capital of the Company at the time authorization is given, and shall be effected by means of monetary contributions within at most five years from the date of the Resolution by the Shareholders' Meeting.

Under the authority of such delegation, the Directors may amend the wording of the Article concerning the share capital in the Articles of Association once the increase has been decided upon and implemented.

Article 77. A condition for any increase in the share capital which is to be met from additional monetary contributions to Company equity is that all previously issued shares must already have been paid up in full.

The increase may, however, take place if the amount of share capital that is not paid up does not exceed three per cent of the total.

Article 78. Where the increase in the share capital is paid for out of reserves, any unrestricted reserves, including share premiums and such part of the statutory reserve as may exceed ten per cent of the share capital after the increase, may be used for the purpose.

Any such increase shall be based on an approved and audited balance sheet as of a date in the six months immediately preceding the resolution to increase the share capital.

Article 79. Without prejudice to the provisions of article 10 hereof, in the event of an increase in capital by the issuance of new shares, whether ordinary or preference, within such time as shall be

allowed by the Board for this purpose, as provided in the Law, from the date of publication of the announcement of the offering of the new issue for subscription in the Official Bulletin of the Mercantile Register, existing shareholders and holders of any convertible bonds may exercise the right to subscribe for a number of shares in proportion to the par value of the shares which they hold or of the shares to which the holders of convertible bonds would be entitled if they were to exercise their conversion rights at that time.

Instead of publishing an announcement, the Board may send a written notice to each shareholder and usufruct holder entered in the share register, in which case the period for subscription shall run from the date on which the notice was sent.

Pre-emptive subscription rights shall be transferable on the same terms as the shares from which they derive. In the event of a capital increase drawn on reserves, the same rule shall be applicable to the rights to free allocation of the new shares.

Article 80. When deciding on an increase in share capital, the Shareholders' Meeting may, where it is in the Company's interests, partly or wholly override the pre-emptive subscription rights in accordance with the legislation in force.

Article 81. The decision to increase share capital and the execution of that decision must be registered simultaneously with the Mercantile Register.

A decision to increase share capital may be registered with the Mercantile Register before it is executed provided that the following two conditions are met:

1. The issue of the new shares has been authorised or vetted by the National Securities Market Commission.
2. The decision to increase capital expressly provides for the possibility of incomplete subscription.

Once the decision has been executed, the directors shall amend the Articles of Association so as to reflect the new amount of the share capital, and they shall be deemed to be empowered for that purpose by the capital increase decision.

Subscribers for shares are liable to pay for the shares from the time of subscription, but may request that their liability be cancelled and demand the return of their payments if the documents accrediting the increase in share capital have been not been filed with the Mercantile Register within six months from the date upon which subscription commenced.

If the failure to present documents for registration is attributable to the Company, they may also demand the payment of statutory interest.

Where the Company is listed on a stock exchange and the issue of new shares has been authorised and vetted by the National Securities Market Commission, if the instrument executing the decision has not been filed with the Mercantile Register within one year from the date of subscription and the registrar, on his own authority or at the request of an interested party, cancels the registration of the capital increase decision, the holders of the newly-issued shares shall be entitled to the remedies referred to in the preceding two paragraphs.

Article 82. Adoption by the Shareholders' Meeting of a decision to reduce share capital shall be subject to the same requirements as an amendment of the Articles of Association.

Any such decision by the Shareholders' Meeting shall indicate, at least, the amount by which the share capital is to be reduced, the purpose of the reduction, the procedure by which the Company

shall carry it out, the time within which it shall be completed and any amount to be paid to shareholders.

Where the reduction results in cancellation of shares by reimbursement to shareholders and the reduction does not apply equally to all shares, the decision shall require a majority vote of the shareholders concerned, as provided by article 72 hereof and article 293 of the Spanish Capital Companies Act.

Article 83. Any decision to reduce share capital must be published in the Official Bulletin of the Mercantile and on the company's website or, if it does not have a website, in one of the largest circulation newspapers in the province where the company is domiciled.

Article 84. Where a reduction in share capital is to be effected via a buyback and cancellation of shares by the Company, the offer must be made to all shareholders by registered letter, which shall include all information reasonably necessary to shareholders wishing to sell, indicating any consequences if the number of shares tendered for sale falls short of the number specified in the decision; any such offer shall remain open for one month after the date it is communicated.

If the number of shares tendered exceeds the number specified by the Company, the number tendered by each shareholder shall be reduced in proportion to the number of shares they own.

Save as otherwise provided in the Shareholders' Meeting's decision or in the tender offer, if the number of shares tendered for sale fails to reach the specified number, the share capital shall be deemed to have been reduced by the value of the shares actually purchased.

All shares purchased by the Company must be cancelled within one month from the deadline for tendering.

TITLE V

PROFITS AND DISTRIBUTION OF PROFITS

Article 85. The Company's financial year shall begin on 1 January and end on 31 December each year.

Article 86. Within not more than three months after the end of each financial year, the Company's directors shall draw up the financial statements, a directors' report and a proposed application of results, and, if appropriate, consolidated financial statements and a consolidated directors' report.

The financial statements and directors' must be signed by all Board members. If a signature is missing, this fact and the cause must be indicated in each of the documents where the signature is missing.

Article 87. The financial statements shall comprise the Balance sheet, Income statement, Statement of changes in net equity, Cash flow statement, and Notes to the financial statements.

These documents, which form a single unit, shall be written clearly and shall provide a true image of the Company's net worth, financial situation and results in accordance with the provisions of the Spanish Capital Companies Act and of the Code of Commerce.

Article 88. The financial statements and the directors' report must be audited.

The persons responsible for auditing the accounts shall be appointed by the Shareholders' Meeting before the end of the year to be audited, for an initial period which shall not be less than three nor more than nine years from the date on which the first financial year to be audited began, without prejudice to the provisions of the audit regulations as regards extensions.

The Shareholders' Meeting may appoint one or more natural or legal persons, who shall act jointly. Where the appointees are natural persons, the Shareholders' Meeting must appoint both auditors and substitutes.

The Shareholders' Meeting may not, without just cause, terminate the auditors before the end of the period for which they were engaged or, once the initial period has concluded, before the completion of any work entrusted to them.

Article 89. The financial statements require approval by the Shareholders' Meeting.

Once notice has been given of a Shareholders' Meeting, any shareholder may obtain from the Company, immediately and free of charge, all documents to be submitted to the meeting for its approval, including the director's report and the auditor's report.

This right shall be clearly stated in the notice.

Article 90. From gross revenues there shall be deducted the general expenses, interest, bonuses, appropriations made by the Board for depreciation and amortisation, any provisions considered necessary and any other amount that results in a reduction in the Bank's assets.

In particular, the remuneration to which directors are entitled both for performing their functions as members of the Board of Directors and for their executive functions, whose maximum annual amount will be established in the Director Remuneration Policy approved by the General Meeting of Shareholders, will be deducted, and the Board will be broadly empowered to establish, within the aforementioned maximum limit, the remuneration for individual members, subject to a prior report from the Remuneration Committee.

After making deductions for tax and provisions to reserves as required by law, the Shareholders' Meeting shall, based on a proposal from the Board of Directors, decide what part of any remaining profit is to be distributed to shareholders as dividends and how much is to be appropriated to voluntary reserves or otherwise appropriated or employed in such manner as it may determine.

Article 91. The Shareholders' Meeting shall resolve upon the application of the results for the year as shown in the approved balance sheet.

Once all appropriations required by law or the Articles of Association have been covered, dividends may only be paid out of the year's profits or unrestricted reserves if such distribution does not reduce the accounting net worth to below the amount of share capital.

If, as a result of previous years' losses, the accounting net worth is less than the share capital, profits must be assigned first to offset such losses.

Article 92. The Shareholders' Meeting may approve a distribution, partly or entirely in kind, of dividends, charged either against the profits for the year or unrestricted reserves, or of any share premium reserve, provided that the assets or securities to be distributed are uniform and sufficiently liquid or are readily realizable; this shall be presumed always to be the case for securities that are listed or are to be listed on a regulated market. The distribution of dividends in a

form other than cash or own equity instruments must fulfil the conditions set out in the applicable regulations and must, in any case, be first authorised by the competent authority.

Interim dividends distributed in accordance with article 95 of these Articles of Association may be paid partly or entirely in kind provided that the goods or securities to be distributed fulfil the conditions indicated above.

The rule set out in the preceding paragraph shall also apply to the refunds of contributions in the event of a capital reduction.

Article 93. In any event, an amount equal to ten per cent of income for the year must be allocated to the statutory reserve until this reserve amounts to at least twenty per cent of share capital.

Until it exceeds that limit, the statutory reserve may only be allocated to offset losses, and only in the event that the other available reserves are insufficient for the purpose, without prejudice to the provisions of article 78 hereof.

Article 94. Dividends shall be distributed to shareholders in proportion to the paid-up share capital which they own.

When declaring dividends, the Shareholders' Meeting shall determine the time and manner of payment. Absent such determination, the dividend shall be payable at the Company's registered office from the day following the decision.

Article 95. An interim dividend may only be declared by the Shareholders' Meeting or by the Directors under the following conditions:

- a) The Directors shall draw up an accounting statement showing that there are sufficient liquid funds available for distribution. The statement shall subsequently be included in the notes to financial statements.
- b) The amount for distribution shall not exceed the profits obtained since the end of the last financial year after deducting prior years' losses and the appropriations to reserves that are obligatory under the law or the Articles of Association, and the estimated tax payable on such profits.

Article 96. Any dividend, whether out of profits or resulting from a refund of share capital, that is not claimed within five years from the day on which it became available for payment shall cease to be due and payable and shall stand to the credit of the Company, as shall any amount remaining after a sale of shares that have lapsed that would otherwise be payable to a shareholder who is in default in the payment of calls on shares and has not claimed such amount within one year from the day of such sale.

TITLE VI

WINDING UP AND LIQUIDATION

Article 97. The Company shall be wound up and liquidated when the law so requires or by a decision of an Extraordinary Shareholders' Meeting convened expressly for the purpose.

Article 98. The Extraordinary Shareholders' Meeting at which a resolution is adopted to wind up the Company shall also adopt resolutions for the appointment of liquidators, who shall act in accordance with the Spanish Capital Companies Act and any instructions from the Meeting.

Article 99. During the process of liquidation, the Shareholders' Meeting shall retain all its powers under these Articles for as long as the Company remains in existence.

Article 100. No amount may be distributed to shareholders unless and until all transactions of the Bank have been settled and sufficient funds are left to cover all outstanding obligations.

Article 101. Five years following a final liquidation, any shares and bonds of any type in respect of which claims have not been presented for the principal sum and any accrued earnings or interest shall be deemed null and void, and the amount thereof shall be distributed in full among the shareholders who made claims.

TITLE VII

GENERAL PROVISIONS

Article 102. For any dispute with the Company, shareholders submit to the jurisdiction of the courts in the place where the Company's registered office is located, regardless of any venue to which they might be entitled.

Article 103. For all matters not provided for in these Articles, the provisions of the Spanish Capital Companies Act shall apply.