

REPORT PRESENTED BY THE BOARD OF DIRECTORS IN CONNECTION WITH THE PROPOSAL BY THE APPOINTMENTS COMMITTEE TO THE BOARD OF DIRECTORS, FOR REFERRAL TO THE GENERAL MEETING OF SHAREHOLDERS, TO APPOINT AN INDEPENDENT DIRECTOR, AS REFERRED TO IN MOTION ONE UNDER ITEM THREE OF THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA SCHEDULED FOR 30 MARCH 2017, AT SECOND CALL.

The Board of Directors issues this report as justification to accompany the proposal to appoint Mr Anthony Frank Elliott Ball as an Independent Director presented by the Appointments Committee to the Board of Directors, for referral to the General Meeting of Shareholders, for the purposes of assessing the competency, experience and merits of that candidate, all in compliance with paragraph 5 of Article 529 decies of the consolidated text of the Capital Companies Act, approved by Legislative Royal Decree 1/2010, of 2 July (the "Capital Companies Act"), as amended by Act 31/2014, of 3 December, amending the Capital Companies Act to improve corporate governance.

To issue this report, the Board of Directors considered the information and documentation held by Banco de Sabadell, Sociedad Anónima with regard to Mr Anthony Frank Elliott Ball and the favourable report issued by the Appointments Committee in support of its proposal, to the General Meeting of Shareholders, to appoint Mr Anthony Frank Elliott Ball as an independent director, in compliance with the obligation established by the Capital Companies Act and in discharging its duties in accordance with article 61 of the Articles of Association and article 14 of the Regulation of the Board of Directors.

The Board of Directors ratifies the conclusions of the Appointments Committee in its report in support of the appointment of Mr Anthony Frank Elliott Ball and, having analysed his background, academic training and professional track record, considers that Mr Anthony Frank Elliott Ball has extensive international experience in business and finance, a successful career in managing large companies, and knowledge of the telecommunications industry and, particularly, of digitally transforming business, in addition to executive and business skills that support his competency, experience and merits to be appointed as a director.

The Board of Directors also considered the suitability assessment performed by the Appointments Committee prior to making the proposal for appointment, since the candidate meets all the requirements established in Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and in Royal Decree 84/2015, of 13 February, implementing that Act.

Therefore, in connection with paragraph 5 of article 529 decies of the Capital Companies Act, given his track record and his fulfilment of all of the necessary requirements enabling him to be evaluated and assessed, including notably his professional capabilities and suitability for the post for which he is proposed, this Board of Directors believes that he has the competency, experience and merits required to hold the position of independent director.