

REPORT PRESENTED BY THE BOARD OF DIRECTORS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA, IN CONNECTION WITH ITS PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS TO RE-APPOINT A PROPRIETARY DIRECTOR, AS REFERRED TO IN MOTION TWO UNDER ITEM THREE ON THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA SCHEDULED FOR 19 APRIL 2018, AT SECOND CALL.

The Board of Directors has resolved, following a favourable report by the Appointments Committee, Mr. David Martínez Guzmán having abstained from the vote, to propose the re-appointment of Mr. David Martínez Guzmán as a member of the Board of Directors, with the status of proprietary director, for a term of four years, in accordance with the provisions of article 50 of the Articles of Association.

The Board of Directors issues this supporting report to accompany that proposal for re-appointment in compliance with section 5 of article 529 *decies* of the Capital Companies Act.

In order to draft the motion to re-appoint Mr. David Martínez Guzmán, the Board of Directors took account of the favourable report issued by the Appointments Committee in compliance with the obligation established by paragraph 6 of article 529 *decies* of the Capital Companies Act and the provisions of article 61 of the Articles of Association and article 14 of the Regulation of the Board of Directors, according to which the Appointments Committee must advise the Board of Directors on proposals to re-appoint non-independent directors before the matter is referred to the General Meeting of Shareholders for a decision.

The Appointments Committee performed an analysis of the current composition of the Board of Directors and its needs, assessing the conditions that the directors must fulfil and the dedication required in order to discharge their duties effectively, specifically the requirements as to fitness and suitability, competency, experience and merits for holding the position of proprietary director.

Mr. David Martínez Guzmán has been a director of Banco de Sabadell, Sociedad Anónima, since 2014. He graduated in Electrical and Mechanical Engineering from the Autonomous University of Mexico and obtained an MBA from Harvard Business School. In his career as an international investor, he founded Fintech Advisory Inc., which specialises in corporate and sovereign debt and has played a prominent role in numerous restructuring operations in a range of industries in Latin America, and has also invested in Europe's periphery. His performance has been rated positively by the Board of Directors over the years, and he is considered to be suitable to continue in the category of proprietary director on the Board of Directors.

In view of his track record and performance as a proprietary director, the Board of Directors and the Appointments Committee consider that he will continue to provide

the Board of Directors with his experience and knowledge of the international financial sector and the markets in which the bank is gaining strength, with which he will undoubtedly continue to add value in decision making by the Board of Directors.

The Appointments Committee ratified the suitability assessment of Mr. David Martínez Guzmán that it performed in the past, whose conclusions are still valid at this time, since all the requirements established in articles 24 et seq. of Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and of articles 29 et seq. of Royal Decree 84/2015, of 13 February, implementing that Act, are met.

In view of the foregoing, and of the assessment of the capabilities, experience and merits of the director proposed for re-appointment as referred to in paragraph 5 of article 529 decies of the Capital Companies Act, given the track-record and fulfilment by Mr. David Martínez Guzmán of all of the necessary requirements enabling him to be evaluated, including notably his professional capabilities and suitability for the post which he holds and his excellent work to date for Banco de Sabadell, Sociedad Anónima, this Board of Directors believes that he has all of the abilities, experience and merits required to hold the position of proprietary director.