

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 AN EXECUTIVE DIRECTOR, AS REFERRED TO IN MOTION FOUR UNDER ITEM FOUR ON THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA SCHEDULED FOR 28 MARCH 2019, AT SECOND CALL.

The Board of Directors has resolved, following a favourable report by the Appointments Committee, Mr. José Oliu Creus having abstained from the vote, to propose the re-appointment of Mr. José Oliu Creus as a member of the Board of Directors, with the status of executive 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. José Oliu Creus, 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, in coherence with section 3.d) of article 529 quincecies of the Capital Companies Act, 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.

Mr. José Oliu Creus has been Chairman of Banco de Sabadell, S.A. since 1999 and a director of Banco de Sabadell, S.A. since 1990, as well as Chairman of the Executive Committee since 2002, and he is the Bank's highest representative and the person with the highest responsibility for the effective functioning of the Board of Directors. He joined Banco de Sabadell, Sociedad Anónima in 1986, as Technical General Secretary, and was subsequently appointed Director-General Manager. Prior to joining Banco de Sabadell, Sociedad Anónima, he was a tenured professor of Economic Theory at the University of Oviedo, and Head of Research and Strategy and General Manager of Planning at Instituto Nacional de Industria (INI).

He holds a degree in economics from the University of Barcelona and a PhD in economics from the University of Minnesota (USA). He is also non-executive Chairman of Exea Empresarial, S.L. and a nominee director of the latter on the Board of Puig, S.L. He is also a member of Fundación de Estudios de Economía Aplicada (FEDEA) and of the Boards of Trustees of the Princess of Asturias Foundation and the Princess of Girona Foundation. Within the Banco Sabadell Group, he is also Chairman of Sabadell Consumer Finance, S.A.U.

Mr. José Oliu Creus has a lengthy track record in banking; since joining Banco de Sabadell, Sociedad Anónima, he has successfully demonstrated his great management and leadership skills and his strategic vision. The Board of Directors rated his performance as a director and as Chairman during his term very positively and he is considered to be fit and suitable to continue holding the office of executive director.

In view of his track record and performance as an executive director and as Chairman, the Board of Directors and the Appointments Committee consider that Mr. José Oliu Creus is the suitable person to hold the positions of Chairman and executive director, and that he will lend quality and efficiency to the performance of the Board of Directors, which will enable him to continue contributing his extensive experience and in-depth knowledge of the banking industry and of the Banco Sabadell Group.

In 2018, the functions of Chairman and Managing Director were redefined in 2018, so that his work is now more focused on strategy and on overseeing all the Bank's activity.

The Appointments Committee ratified the fitness and suitability assessment of Mr. José Oliu Creus that was approved in the past, whose conclusions are still valid, since he meets all the requirements established in articles 24 et seq. of Act 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, and in articles 29 et seq. of Royal Decree 84/2015, of 13 February, implementing that Act, as well as the joint guidelines of the European Banking Authority and the European Securities Markets Authority on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2017/12) of 26 September 2017.

Additionally, in accordance with the provisions of article 146 of the Mercantile Registry Regulation, the re-appointment of Mr. José Oliu Creus as a member of the Board of Directors in the category of executive director entails that he will retain his current office as Chairman of the Board of Directors.

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. José Oliu Creus of all of the necessary requirements enabling him to be evaluated and assessed, 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 meets the fitness and suitability requirements and has the abilities, experience and merits required to continue holding the position of executive director and Chairman of Banco de Sabadell, Sociedad Anónima.