

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 RATIFY AND APPOINT AN EXECUTIVE DIRECTOR, AS REFERRED TO IN MOTION SIX 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, Ms. María José García Beato having abstained from the vote, to propose the ratification of the appointment, by co-optation by the Board of Directors, of Ms. María José García Beato, with the status of executive director, and to approve her appointment as a member of the Board of Directors 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 ratification and appointment in compliance with section 5 of article 529 decies of the Capital Companies Act.

In order to draft the motion to ratify and appoint Ms. María José García Beato, 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 quindicies of the Capital Companies Act, according to which the Appointments Committee must advise the Board of Directors on proposals to 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 executive director and executive director.

Ms. María José García Beato, Secretary General of Banco de Sabadell, Sociedad Anónima, was appointed as a director by co-optation by the Board of Directors at a meeting on 24 May 2018 and actually joined the Board of Directors at its meeting on 27 September 2018, after receiving notice of non-opposition to her appointment from the European Central Bank, and having accepted the position on 17 September 2018. Her appointment is registered with the Bank of Spain's Register of Officers.

She has been Vice-Secretary of the Board of Directors since 2012, and Secretary (non-member) of the Executive Committee and Remuneration Committee since that

same year, and of the Risk Committee since 2015. She joined Banco de Sabadell, Sociedad Anónima in 2005 as Senior Counsel, and was appointed Secretary General of the Bank in 2008.

She graduated in Law from the University of Córdoba, holds a Diploma in Criminology, and was appointed as a Spanish State Attorney in 1991. She has held a number of senior positions in the Central Government administration. She is currently an independent director of listed company Red Eléctrica Corporación, S.A. and a member of the Board of Trustees of the Banco Sabadell Foundation, the Foundation of the Spanish Banking Association and the Wolters Kluwer Foundation. Within the Banco Sabadell Group, she is also Secretary (not a director) of Sabadell Consumer Finance, S.A.U. and of its Combined Audit and Risk Committee.

By joining the Board of Directors, she has contributed her in-depth knowledge of the regulatory framework and the legal requirements applicable to credit institutions, as well as a deep understanding of corporate governance practices for financial institutions and listed companies, and of the group's banking culture. Her performance as executive director and Secretary General in the year was rated very positively by the Board of Directors and she is considered to be suitable to continue as an executive director on the Board of Directors.

Due to her professional track record and her performance as executive director and as Secretary General, both the Board of Directors and the Appointments Committee consider that she is in a position to continue contributing to the Board of Directors with her extensive experience and in-depth knowledge of the regulatory framework for banks and the legal requirements for credit institutions, which are necessary for the proper management of the corporate governance system of Banco de Sabadell, Sociedad Anónima. In addition, her executive functions as Secretary General provide the Board with a more direct link with them, providing a vision consistent with the needs of corporate governance, which will undoubtedly continue to add value to decision-making in the Board of Directors.

Her appointment as an executive director also enhances gender diversity within the Board of Directors.

Additionally, the Appointments Committee ratified the fitness and suitability review of Ms. María José García Beato that was performed prior to her appointment by co-optation, and whose conclusions are still valid, since she 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.

In view of the foregoing, and of the assessment of the competency, experience and merits of the director proposed for ratification and appointment as referred to in paragraph 5 of article 529 decies of the Capital Companies Act, given the track record and fulfilment by Mr. María José García Beato of all of the necessary requirements enabling her to be evaluated, including notably her professional capabilities and suitability for the post which she holds and her excellent work for Banco de Sabadell, Sociedad Anónima, this Board of Directors believes that she meets the fitness and suitability requirements and has all of the abilities, experience and merits required to hold the position of executive director of Banco de Sabadell, Sociedad Anónima.