

**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 FIVE 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. David Vegara Figueras having abstained from the vote, to propose the re-appointment of Mr. David Vegara Figueras 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. David Vegara Figueras, 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 quindecies 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.

The Appointments Committee performed an analysis of the needs of Banco de Sabadell, Sociedad Anónima and of the current composition of the Board of Directors, 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.

Mr. David Vegara Figueras has been an independent director of Banco de Sabadell, Sociedad Anónima since 2015, until in 2019 he took office as Chief Risk Officer of Banco de Sabadell, Sociedad Anónima, reporting directly to the Risk Committee, as a result of which he was reclassified as an executive director. He was appointed as a member of the Risk Committee in 2015 and was its Chairman from 2016 to January 2019. He has held various positions of high responsibility in the private and public sector: he was formerly Chairman of Intermoney, S.A., Secretary of State for the Economy in the Spanish government, Chairman of the Financial Services Committee of the European Union and Chairman of the EU's Group on Procyclicality, Deputy Director of the Western Hemisphere Department at the International Monetary Fund, and Deputy Managing Director, Banking, of the European Stability

Mechanism. He has also lectured at ESADE Business School, and his areas of interest are banking, finance, microeconomics, and the international and European economy.

He graduated in Economics and Business Studies from the Autonomous University of Barcelona and holds a Master in Capital Markets from London School of Economics. He is also a member of the Supervisory Board of Hellenic Corporation of Assets and Participations. Within the Banco Sabadell group, he is also a member of the Board of Directors of Banco Sabadell, S.A., Institución de Banca Múltiple and of SabCapital, S.A. de C.V., SOFOM, E.R. Since joining the Board of Directors of Banco de Sabadell, Sociedad Anónima, he has contributed an in-depth knowledge of the Spanish and European economic, financial and banking system, particularly his knowledge of the regulatory field and of risk control and management. The Board of Directors rated his performance as a director very positively and he is considered to be fit and suitable to continue to hold the office of executive director in the Board of Directors.

Mr. David Vegara Figueras has taken on the functions of Chief Risk Officer, reporting directly to the Risk Committee, the European Central Bank having given notice of no objection to that appointment on 14 February 2019.

Because of his profile and qualifications, he has been designated as a member of the second line of defence, with the strength that he brings to that position by virtue of being a member of the Board of Directors.

The Appointments Committee reviewed the suitability of Mr. David Vegara Figueras on his appointment as Chief Risk Officer and his consequent change of category to executive director, and he continues to meet the requirements of commercial and professional integrity, knowledge and experience as appropriate to the functions of executive director and Chief Risk Officer.

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 Vegara Figueras 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 hold the position of executive director of Banco de Sabadell, Sociedad Anónima.