



Dear shareholder of Banco Sabadell:

I am writing to update you regarding the hostile takeover bid that BBVA made on May 9.

Yesterday's non-opposition announcement from the European Central Bank (ECB) regarding the possible acquisition of Banco Sabadell by BBVA came three days after the UK regulator, the Prudential Regulation Authority (PRA), did the same. As expected, they did not raise any objection, given their analysis focused on the solvency of BBVA and the proposed transaction, facilitated by the capital increase that Banco Sabadell shareholders would subscribe to if they accepted the share exchange.

It is now the place of the Spanish regulators, the CNMV and the CNMC, to carry out their analysis, which will be based on how the transaction would affect the shareholders of Banco Sabadell, issues around Spanish competition, impact on clients and, especially, to financing Spanish SMEs.

Following this, the Spanish Government will make its own decision. It has already announced that it opposes the operation due to the negative impact it would have on competition, financial stability and regional inclusivity in Spain. And, finally, it will be the shareholders of Banco Sabadell who decide whether this takeover bid goes ahead or not.

As you know, prior to the announcement of the takeover bid, the Board of Directors of Banco Sabadell rejected a unilateral merger proposal received from BBVA on April 30 under the same economic conditions established in the takeover bid. The Board rejected the merger proposal as it significantly undervalued Banco Sabadell's project and its growth prospects as an independent entity.

Along these lines, in the first half of the year Banco Sabadell has obtained record results, and its transformation strategy is clearly bearing fruit. The entity has a bright future, with more value to be created as it continues to execute its strategy. For all these reasons, the Board of Directors has raised the shareholder remuneration forecast for the years 2024 and 2025 to 2.9 billion euros, which is equivalent to 0.53 euros per share.

As we have already informed you in previous communications, this is a long and complex process, in which Banco Sabadell shareholders do not yet have to make any decision. They will have the opportunity to decide when the takeover acceptance period opens, which is expected to occur at the end of 2024, or even in 2025.

At that time, the Board of Directors of Banco Sabadell will issue a report in which it will assess BBVA's offer, and we hope that by then BBVA will have disclosed clear, transparent and complete information on all aspects of the offer that may affect its value (including the financial impacts in a no-merger scenario), and has provided you, our shareholders, sufficient details to make an informed decision.

I want to reiterate the Board's commitment to ensuring that all Banco Sabadell shareholders receive the most appropriate and complete information so that they can make an informed decision at the appropriate time.

In the meantime, we will keep you informed periodically and in a timely manner, while the team remains focused on maximizing long-term value creation for Banco Sabadell shareholders.



Josep Oliu
Chairman

