

Banco Sabadell
Miami Branch

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BancoSabadell

Miami

December 28, 2018

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Board of Governors of the Federal Reserve System
20th and C Streets, NW
Washington, D.C. 20551

Re: Banco de Sabadell, S.A. – Resolution Plan for the year ending December 31, 2018.

Background Information

Section 165(d) of the Dodd-Frank Act (“DFA”) and its implementing rules require, among other things, any company covered by Section 165(d) to produce a resolution plan (such plan for Banco de Sabadell, S.A. (“Sabadell” or “Cover Company”) being this “Resolution Plan”) to provide for such company’s rapid and orderly resolution in the event of material financial distress or failure. The implementing rules (collectively, the “Rule”) were jointly issued by the Board of Governors of the Federal Reserve System (the “FRB”), codified at 12 C.F.R. Part 243, and the Federal Deposit Insurance Corporation (the “FDIC” and, together with the FRB, the “Agencies”), codified at 12 C.F.R. Part 381, on November 1, 2011. Sabadell is considered a “Covered Company” under the Rule and must file a Resolution Plan with the Agencies. References to the Rule contained herein are to 12 C.F.R. Part 243 promulgated by the FRB.

Banco de Sabadell, S.A is Spain’s fourth largest private banking group. Sabadell offers a full range of banking and financial services through its different financial institutions, brands, subsidiaries and affiliates, including its Florida state chartered, uninsured international branch located in Miami, Florida (the “Miami Branch”).

The resolution scenario assumes that Sabadell’s Miami Branch failure is a sudden idiosyncratic event impacting all of Sabadell’s global operations simultaneously. As an international branch chartered in the state of Florida, the Miami Branch would be resolved under the Florida Office of Financial Regulation (“FOFR”) resolution processes and Sabadell would be resolved under applicable Spanish insolvency law.

Under the Rule, Covered Companies are required to assess their U.S. banking operations for the presence of “Critical operations,” “Core business lines” and “Material entities”. Sabadell management determined that the Miami Branch did not have Critical operations, a fact confirmed by U.S. regulators. It was further determined that Sabadell’s U.S. banking operations, while strategic as a going concern, did not have a Core business line for resolution purposes. Finally, it was determined that Sabadell did

not have any Material entities. Given the absence of Critical operations, Core business lines and Material entities, this Resolution Plan is focused on Sabadell's U.S. operations, specifically the orderly resolution of the Miami Branch.

The key elements of the resolution of the Miami Branch are driven by the requirements of the FOFR receivership procedures for the orderly liquidation of a banking entity determined to be insolvent. Under the FOFR framework, processes and timetables will be established for third party creditor claims.

Reduced Resolution Plan New Requirements

On a letter received June 10, 2016, we were informed that The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation ("The agencies") had reviewed Banco Sabadell S.A.'s resolution plan submitted in December 2015 ("2015 Plan"), as required by DFA. Additionally, it was also communicated that following the review of Banco de Sabadell, S.A.'s 2015 Plan, the Agencies jointly determined to reduce the required informational content to be provided by Banco Sabadell S.A in its resolution plans due to be submitted by December 31 of 2016, 2017 and 2018 ("Reduced Plans").

In addition, on a letter received September 28, 2017, it was communicated by the Agencies that the requirement to file our Reduced Plan on or before December 31, 2017 had been moved to December 31, 2018.

Finally, subject to conditions for Reduced Plan specified in the communication received, Banco Sabadell's Reduced Plan for 2018 is required to include only information concerning to :

- 1) Describe material Changes , if any, the Covered Company has made to its resolution plan, including changes resulting from material events.**

There were no material changes to the Banco Sabadell – Miami Branch's operations or material events form the most recently file resolution plan.

- 2) Describe any actions taken by the Covered Company since its prior resolution plan to improve the effectiveness of its resolution plan.**

The resolution of the Banco Sabadell- Miami Branch operations consist of a straightforward liquidation under firmly established FOFR receivership and liquidation guidelines. Banco Sabadell's management reviewed the most recently file resolution plan and determined that there are no material events or significant changes in operations. Therefore, improvement to last plan, filed in 2016, was not deemed to be necessary.

- 3) If applicable, describe the Covered Company's strategy for ensuring that any insured depository institution subsidiary will be adequately protected from risk arising from the activities of any non- banking subsidiaries of the Covered Company (other than those that are subsidiaries of an insured depository institution)

Sabadell United Bank was the only FDIC insured depository institution which was directly owned by Sabadell. On July 31, 2017, Sabadell United Bank was acquired by IBERIABANK Corporation ("IBKC"). This section is no longer applicable.