

# Quarterly financial report

First quarter, 2014



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***Disclaimer***

Banco Sabadell cautions that this presentation may contain forward-looking statements or estimates relating to the business performance and results of the Banco Sabadell Group. While these forward-looking statements or estimates represent our judgment and future expectations concerning the development of our business, a certain number of risks, uncertainties and other important factors may cause actual results to materially differ from our expectations or estimates. This document may contain unaudited or summarized information; accordingly, recipients are invited to consult the public information held with the Spanish Securities and Exchange Commission (CNMV).

## Key figures

	31.03.13	31.12.13 <sup>(6)</sup>	31.03.14	Change (%) YoY
<b>Balance sheet (€'000)</b>				
Total assets	161,430,346	163,441,470	161,093,927	-0.2
Gross loans and advances to customers, excluding repos	117,677,216	124,614,933	123,509,534	5.0
Gross loans and advances to customers	118,382,688	125,302,943	124,834,348	5.4
On-balance sheet funds	112,436,866	123,753,008	123,334,814	9.7
Of which: Customer-based funding on balance sheet	(1) 82,692,408	94,497,187	94,690,048	14.5
Mutual funds	8,987,314	11,018,570	12,318,076	37.1
Pension funds and third-party insurance products	11,001,063	12,423,646	12,286,679	11.7
Funds under management	133,609,546	149,122,858	150,200,467	12.4
Shareholders' equity	9,014,772	10,226,534	10,185,877	13.0
<b>Profit and loss account (€'000)</b>				
Net interest income	451,230	1,814,694	530,042	17.5
Gross operating income	879,774	3,976,794	1,647,997	87.3
Net income before provisions	421,997	2,062,286	1,129,409	167.6
Attributable net profit	51,115	247,832	81,152	58.8
<b>Ratios (%)</b>				
ROA	0.15	0.16	0.20	
ROE	2.39	2.68	3.47	
ROTE	2.64	2.96	3.85	
Cost / income (ex amortisation)	(2) 59.42	59.58	56.33	
Cost / income ratio excluding non-recurrent expenses	(2) 59.14	59.08	55.11	
Core capital / Common equity	(3) 10.6	12.0	10.4	
Tier I	(3) 10.6	12.0	11.2	
BIS ratio	(3) 11.4	12.8	12.3	
<b>Risk management</b>				
Non-performing loans (€'000)	(4) 10,424,267	16,021,491	15,788,072	
NPLs / Gross loans (%)	(4) 9.69	13.63	13.57	
Reserves for NPLs and real estate (€000)	17,208,183	18,341,298	18,706,008	
Overall coverage ratio (%)	(5) 13.8	13.6	14.0	
<b>Share data (period end)</b>				
Number of shareholders	236,423	262,589	237,830	
Number of shares	2,959,555,017	4,011,481,581	4,011,971,704	
Share price (€)	1.432	1.896	2.242	
Market capitalisation (€'000)	4,238,083	7,605,769	8,994,841	
Earnings per share (EPS) (€)	0.07	0.06	0.08	
Book value per share (€)	3.05	2.55	2.54	
Price /Book value (times)	0.47	0.74	0.88	
Price /earnings ratio (P/E) (times)	20.44	30.69	27.33	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	3,183,840,590	4,298,634,476	4,288,730,619	
Earnings per share (EPS) (€)	0.07	0.06	0.08	
Book value per share (€)	2.83	2.38	2.38	
Price /Book value (times)	0.51	0.80	0.94	
<b>Other data</b>				
Branches	1,889	2,418	2,343	
Employees	14,957	18,077	17,924	

- (1) Includes customer deposits (ex-repos) and other liabilities placed via the branch network: mandatory convertible bonds and non-convertible bonds issued by Banco Sabadell, as well as commercial paper, etc.
- (2) Personnel and other general administrative expenses / gross operating income. To calculate these ratios, gross operating income was adjusted considering only trading income and recurrent exchange differences. The historical series was restated on this basis.
- (3) As from 2014, ratios are calculated in accordance with Basel III. In 2013, ratios were calculated in accordance with Basel II.
- (4) Figures and percentages do not include assets covered by the Asset Protection Scheme (APS). Figures as of 31.12.13 include the effect of revising the classification of refinanced risks.
- (5) Expressed with respect to total exposure to loans and real estate.
- (6) Businesses added to the consolidation scope in 2013: BMN-Penedès (as from 1 June), Sabadell Solbank (as from 30 June) and Banco Gallego (as from 31 October).

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## Introduction

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### Key developments in 1Q14

- In general: the year-on-year comparison of P&L and balance sheet figures of Banco Sabadell and its group were affected by the consolidation, at different dates in 2013, of BMN-Penedès (as from 1 June), Sabadell Solbank (as from 30 June), and Banco Gallego (as from 31 October).
- Net interest income: €530.0 million. This item increased by 17.5% in year-on-year terms, primarily due to judicious management of customer spreads, the lower cost of funding, and expansion of the consolidation scope. This performance confirms the improvement visible in recent quarters.
- Net fees and commissions: €201.0 million. Compared with the first quarter of 2013, this item increased by 19.3%, due to positive business performance, favoured particularly by the focus on selling more profitable products and by the consolidation of the above-mentioned businesses.
- Profit/(loss) on financial operations: €930.7 million, compared with €274.9 million in the same period of 2013. In particular, this item includes €868.9 million in gains on the sale of available-for-sale financial assets (€246.2 million in 1Q13) and €36.6 million in gains on the trading portfolio (€26.2 million in 1Q13).
- Administrative expenses (personnel and general): -€450.6 million. The technological integration of Banco Gallego and Sabadell Solbank was completed. Costs remained stable and declined by 5.7% year-on-year in like-for-like terms. Specifically, personnel expenses decreased by 2.4% and general expenses by 11.6%.
- Income before provisions: €1,129.4 million, compared with €422.0 million one year earlier, reflecting year-on-year growth of 167.6%.
- Provisions for NPLs and other impairments: -€1,096.5 million, compared with -€324.9 million in the first quarter of 2013. This year, this item includes extraordinary provisions for NPLs, real estate and financial assets amounting to -€811 million, since the bank opted to allocate non-recurrent income to provisions so as to increase coverage and accelerate the reduction in future risk costs.
- Capital gains on asset disposals: this year this item includes an extraordinary gain of €82 million from the signature of a reinsurance agreement with SCOR Global Life for Mediterráneo Vida's individual death benefit portfolio.
- Attributable profit: €81.2 million, compared with €51.1 million in the first quarter of 2013 (+58.8%).
- Customer loans and funds: customer funds on the balance sheet increased by 14.5% year-on-year, while gross loans and advances to customers, excluding repos, increased by 5.0%. The funding gap improved by €1,321.5 million in 1Q14.
- On 31 March 2013, Banco Sabadell group's ratio of non-performing loans (NPLs) to total computable loans, excluding assets under the Asset Protection Scheme (APS), was 13.57%, i.e. 6 basis points lower than at 2013 year-end. This is the second consecutive quarter in which NPLs have declined. The volume of problematic assets also fell. The NPL coverage ratio, expressed with respect to total exposure to loans and real estate, is 14.0%, and 10.1% excluding the APS.
- Basel III ratio at 31.03.14: 12.3%.

## Macroeconomic environment

### *Global economic and financial background*

Inflation in the Euro area eased during the quarter, declining to very low levels (Mar. 2014: 0.5% year-on-year) due to the strength of the euro and the decline in energy prices. The figure for March was also impacted by the date of the Easter holiday. The economy performed positively, and GDP expanded in the fourth quarter of 2013 (+0.2% quarter-on-quarter) for the third consecutive quarter. Germany and Portugal, among others, registered growth. The process of normalisation and reversal of fragmentation in the capital markets continued apace. In particular, non-core financial institutions and sovereign issuers found ready access to the wholesale funding markets, with the result that their banks continued to reduce their dependency on the ECB. Additionally, the European Parliament and the Council reached an agreement about the final pillar of banking union, which establishes a Single Resolution Mechanism and Single Bank Resolution Fund. In politics, Renzi, Italy's new prime minister, expressed his full commitment to implementing the necessary structural reforms, having already announced an extensive programme of measures. In the US, the economy was affected by adverse weather conditions, after growing by 0.8% in the fourth quarter of 2013. As regards the labour market, job creation was more moderate than in previous quarters and the unemployment rate remained stable at 6.7%. On the fiscal front, the US Congress and Senate agreed to raise the debt ceiling again, giving the Treasury scope to continue to obtain funding in the market until March 2015. The Japanese economy expanded in the fourth quarter of 2013 at the same pace as in the previous quarter (0.2%). Since then, economic data has been mixed, and the sectors that will be negatively impacted by the sales tax increase in April performed well as consumers brought purchases forward to avoid the tax increase.

### *Fixed income markets*

The central banks in general have modified their communication policies. In particular, the Fed committed itself to maintaining the benchmark rate at current levels as long as the labour market and inflation do not advance towards full employment and price stability, having consideration for financial developments at all times. To that end, the members of the Fed revised the benchmark rate guidance upwards for the coming years, and the Fed chairwoman highlighted that there would be a period of around six months between the end of the asset

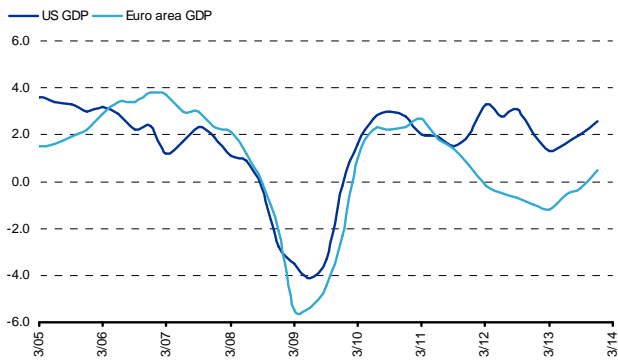
purchasing programme (which will continue to be tapered at the same pace) and the first rate increase. The ECB eased its discourse, indicating that it would maintain interest rates low for an extended period of time even if there are signs of improvement in the economy. Several members of the ECB also emphasized the accommodative tone, leaving the door open to the use of additional unconventional measures. The Bank of England also modified its communication policy, linking future base rate increases to the performance of a broad range of labour market indicators and not only to the unemployment rate. The Bank of Japan made changes to its lending programme, extending duration and increasing the amount available for the real economy.

With respect to long-term fixed income markets, US government bond yields declined, impacted by the poorer economic data and instability in connection with emerging countries, especially Ukraine. These factors also affected German government bond yields, which were also impacted by low inflation. As a result, yields declined to their lowest levels since mid-2013. In non-core Europe, country-risk premia continued to decline and Portugal reached levels not seen since mid-2010. This good performance by spreads was supported by favourable economic data, by the accommodative tone of some ECB members, and by positive actions by the rating agencies. Moody's upgraded Spain from Baa3 to Baa2, outlook positive. The Portuguese and Irish Treasuries were especially active in issuing long-term debt in the international capital markets. Lastly, the Greek Treasury announced plans to launch its first long-term debt issue since the bailout.

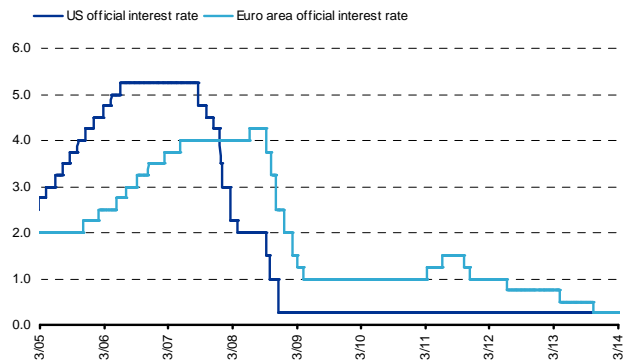
### *Equity markets*

In the first quarter of 2014, the financial markets were primarily focused on geopolitical instability and monetary policy decisions by the central banks. Stock market indices in peripheral Europe registered strong gains, particularly Portugal's PSI (up almost 16%), followed by Italy's MIB (14.4%) and Spain's IBEX 35 (4.3%), supported by evidence that the economic recovery is gaining traction in those countries. The Eurostoxx 50 gained 1.7%. In the United States, the S&P 500 added 1.4% in euro terms. In Japan, the NIKKEI 225 shed 7.0% in euro terms, impacted by appreciation by the yen (which acted as a safe haven) and disappointment due to a lack of greater action by the Bank of Japan.

GDP – USA vs. Euro area (y/y change, %)



Official interest rate – USA vs. Euro area (%)





## Financial review

### Basis of presentation

The consolidated profit and loss account and balance sheet as of 31 March 2014 and 2013, together with the disclosures shown in this Financial Report, are presented in accordance with the accounting standards, principles and criteria defined in Note 1 to the Group's consolidated financial statements as of 31 December 2013. In the last year, the most significant changes in the consolidation scope were as follows:

- BMN-Penedès (acquisition of BMN's banking business Catalonia and Aragón): consolidated as from 1 June 2013. Subsequently, BMN-Penedès merged with Banco Sabadell in October 2013.
- Sabadell Solbank (acquisition from Lloyds TSB Bank of 100% of Lloyds Bank International and Lloyds Investment España): consolidated as from 30 June 2013. Subsequently, Sabadell Solbank merged with Banco Sabadell in March 2014.
- Banco Gallego: consolidated as from 31 October 2013. Subsequently, Banco Gallego merged with Banco Sabadell in March 2014.

### Balance sheet and bottom line

#### Balance sheet

At the end of March 2014, the total assets of Banco Sabadell and its group amounted to €161,093.9 million, practically the same as a year earlier (-0.2%).

In particular, gross customer loans increased by 5.0% year-on-year, to €123,509.5 million at 31 March 2014, due mainly to additions to the consolidation scope.

Mortgage loans are the largest single component of gross lending, amounting to close to 46% of the total as of 31 March 2014. As of 31 March 2014, mortgage loans amounted to €56,264.6 million, a 3.1% increase over the previous year. Other loans increased by 6.5% year-on-year, to €23,066.4 million at the end of the first quarter of 2014.

Excluding Banco CAM assets covered by the Asset Protection Scheme, Banco Sabadell group had a 13.57% ratio of non-performing loans (NPLs) to total computable loans at the end of first quarter of 2014, i.e. a decline of 6 basis points with respect to the end of 2013 (13.63%). The NPL coverage ratio expressed with respect to total exposure to loans and real estate is 14.0% (10.1% excluding the APS), compared with 13.8% in March 2013 and 13.6% in December 2013.

Another significant development in the balance sheet was the sale of the held-to-maturity portfolio in May 2013 (it amounted to €7,560.6 million at 31 March 2013). This transaction provided €437.3 million in gross capital gains, recognised under the results from financial transactions in the 2Q13 income statement.

As of 31 March 2014, customer funds on the balance sheet amounted to €94,690.0 million, a 14.5% increase year-on-year. Demand accounts performed particularly well, having expanded by 28.4% to €37,082.2 million as of 31 March

2014. Time deposits also expanded significantly in the same period, by 12.7% year-on-year, to €60,674.8 million at the end of the quarter.

The difference in growth in loans to customers and customer funds on the balance sheet led to a €1,321.5 million improvement in the funding gap in the first quarter of 2014 and a loans-to-deposit ratio of 104.6% (vs. 116.6% a year earlier).

Liabilities in the form of tradeable securities amounted to €19,777.8 million at the end of March 2014, compared with €24,166.6 million as of 31 March 2013. This decline is due principally to the net reduction in the balance of mortgage covered bonds, other bonds, and asset-backed securities.

Assets in collective investment vehicles totalled €12,318.1 million as of 31 March 2014, a 37.1% increase year-on-year.

Assets in pension funds marketed by the Group amounted to €4,313.8 million as of 31 March 2014, having increased by €582.7 million year-on-year (+15.6%).

Insurance sales amounted to €7,972.9 million as of 31 March 2014, compared with €7,269.9 million at the end of March 2013).

Total funds under management amounted to €150,200.5 million as of 31 March 2014, i.e. 12.4% more than the balance of €133,609.5 million as of 31 March 2014.

#### Income and profit performance

Banco Sabadell and its group ended the first quarter of 2014 with €81.2 million in net attributable profit, after booking €1,096.5 million in ordinary and extraordinary provisions for non-performing loans, securities and real estate. In the first quarter of 2013, net attributable profit amounted to €51.1 million and provisions to €324.9 million.

Net interest income amounted to €530.0 million in the first quarter of 2014, 17.5% more than in the same period of 2013. Judicious management of customer spreads, together with the lower cost of funding and expansion of the consolidation scope were the main factors driving the improvement in net interest income.

Both the customer spread and net interest income as a percentage of average total assets improved for the third consecutive quarter, outstripping 1Q13 figures.

Dividends received and results from equity-accounted affiliates increased by €6.3 million in total year-on-year, despite the sale in the last twelve months of certain holdings which had contributed positive results (e.g. Centro Financiero BHD, sold in December 2013).

Net fees and commissions totalled €201.0 million, a 19.3% increase with respect to the first quarter of 2013. This growth was observed across the board in all types of fees and commissions (risk operations, services, mutual funds, insurance and pension sales) and is attributable both to good performance by the Bank's own business (favoured in particular by a focus on selling more profitable products)

and to the consolidation of the businesses mentioned above.

Income from financial transactions amounted to €930.7 million, including €868.9 million in gains on the sale of available-for-sale fixed-income financial assets and €36.6 million in trading income. In the first quarter of 2013, income from financial transactions amounted to €274.9 million, including mainly €246.2 million in gains on the sale of available-for-sale fixed-income assets and €26.2 million in trading income.

Net exchange gains amounted to €16.0 million, slightly less than in the same period last year (€17.8 million).

Other operating income and expenses amounted to -€29.7 million, compared with -€26.3 million in the first quarter of 2013. This item includes -€43.5 million in contributions to the Deposit Guarantee Fund.

Operating expenses (personnel and general) amounted to €450.6 million in 2014, of which €9.8 million are attributable to non-recurrent items (mainly personnel indemnities and general expenses in connection with the acquisition of the new businesses consolidated in 2013). In like-for-like terms, recurrent operating costs in the first quarter of 2014 declined by 5.7% year-on-year.

The increase in gross income in 1Q14 (87.3% year-on-year) coupled with the operating cost containment policy provided a notably better efficiency (cost/income) ratio of 56.33% at the end of the quarter (excluding non-recurrent income from financial transactions), compared with the end of March 2013 (59.42%) and December 2013 (59.58%).

Consequently, net income before provisions amounted to €1,129.4 million euro in 1Q14, 167.6% higher than in the same period of 2013.

Provisions for loan losses and other impairments (primarily real estate and financial assets) amounted to €1,096.5 million, including extraordinary provisions for NPLs, real estate and financial assets amounting to €811.0 million, since the bank opted to allocate non-recurrent income to provisions so as to increase coverage and accelerate the reduction in future risk costs.

Capital gains on asset disposals include extraordinary income of €80 million (net of arrangement expenses) from

signing a reinsurance contract with SCOR Global Life for Mediterráneo Vida's individual death benefit insurance portfolio.

After deducting income tax and minority interests, net income attributed to the group amounted to €81.2 million as of 31 March 2014, i.e. notably higher than in the same period of 2013 (€51.1 million).

The Basel III ratio stood at 12.3% on 31 March 2014.

### **Other key developments in 1Q14**

#### **Sale of the stake in Fersa Energías Renovables**

On 6 March 2014, Explotaciones Energéticas Sinia XXI S.L. completed the sale of its entire 3.80% stake in Fersa Energías Renovables, S.A. in the stock market.

Explotaciones Energéticas Sinia XXI, S.L. is a wholly owned subsidiary of Banco Sabadell via BanSabadell Inversió Desenvolupament, S.A.U.

In this transaction, 5,316,570 shares of FERSA Energías Renovables, S.A. were sold for €3,726,889.

#### **Merger of Banco Gallego and Sabadell Solbank**

The instruments corresponding to the merger of Banco Gallego, S.A.U. and Sabadell Solbank, S.A.U. into Banco Sabadell were registered in the Barcelona Mercantile Register on 14 March 2014.

#### **Reinsurance contract signed by Mediterráneo Vida**

On 28 March 2014, Banco Sabadell's insurance subsidiary Mediterráneo Vida, Sociedad Anónima de Seguros y Reaseguros (Mediterráneo Vida) signed an agreement to sell its individual death benefit insurance portfolio as of 31 December 2013 to SCOR Global Life Reinsurance Ireland, Plc.

Mediterráneo Vida will collect a reinsurance fee of approximately €82 million, providing Banco Sabadell with a similar amount of extraordinary income.

This agreement will not have any impact on the clients or policies of Mediterráneo Vida that were ceded for reinsurance.



## Profit & loss account

### Profit & loss account

(€000)		1Q13	1Q14	Change (%) YoY
Interest and related income		1,251,399	1,156,686	-7.6
Interest and related charges		-800,169	-626,644	-21.7
<b>Net interest income</b>		<b>451,230</b>	<b>530,042</b>	<b>17.5</b>
Dividend income		2,199	284	-87.1
Income from equity method		-8,497	-262	-96.9
Net fees and commissions		168,405	200,971	19.3
Results from financial transactions (net)		274,939	930,660	238.5
Foreign exchange (net)		17,836	16,015	-10.2
Other operating income/expense		-26,338	-29,713	12.8
<b>Gross operating income</b>		<b>879,774</b>	<b>1,647,997</b>	<b>87.3</b>
Personnel expenses		-260,322	-298,766	14.8
Recurrent	(1)	-258,410	-292,790	13.3
Non-recurrent		-1,912	-5,976	212.6
Other general expenses		-147,099	-151,871	3.2
Recurrent	(2)	-147,099	-148,083	0.7
Non-recurrent		0	-3,788	--
Amortization & depreciation		-50,356	-67,951	34.9
<b>Net income before provisions</b>		<b>421,997</b>	<b>1,129,409</b>	<b>167.6</b>
Provisions for NPLs and other impairments		-324,945	-1,096,497	237.4
Gains on sale of assets		-2,494	69,927	--
Badwill		0	0	--
<b>Profit before tax</b>		<b>94,558</b>	<b>102,839</b>	<b>8.8</b>
Income tax		-34,062	-18,654	-45.2
<b>Consolidated net profit</b>		<b>60,496</b>	<b>84,185</b>	<b>39.2</b>
Minority interest		9,381	3,033	-67.7
<b>Attributable net profit</b>		<b>51,115</b>	<b>81,152</b>	<b>58.8</b>
Pro memoria:				
Average total assets		161,022,907	167,190,254	
Earnings per share (€)		0.02	0.02	

(1) Assuming no change in consolidation scope, recurrent personnel expenses decreased by 2.4% year-on-year.  
(2) Recurrent general expenses fell 11.6% year-on-year in like-for-like terms.

## Profit & loss account - quarterly

(€000)	1Q13	2Q13	3Q13	4Q13	1Q14	Change (%) YoY
Interest and related income	1,251,399	1,210,815	1,225,822	1,175,134	1,156,686	-7.6
Interest and related charges	-800,169	-796,217	-774,636	-677,454	-626,644	-21.7
<b>Net interest income</b>	<b>451,230</b>	<b>414,598</b>	<b>451,186</b>	<b>497,680</b>	<b>530,042</b>	<b>17.5</b>
Dividend income	2,199	3,099	1,565	466	284	-87.1
Income from equity method	-8,497	6,549	8,206	4,849	-262	-96.9
Net fees and commissions	168,405	188,241	193,236	209,788	200,971	19.3
Results from financial transactions (net)	274,939	738,035	214,661	251,550	930,660	238.5
Foreign exchange (net)	17,836	15,496	15,219	19,320	16,015	-10.2
Other operating income/expense	-26,338	-48,598	-68,882	-19,244	-29,713	12.8
<b>Gross operating income</b>	<b>879,774</b>	<b>1,317,420</b>	<b>815,191</b>	<b>964,409</b>	<b>1,647,997</b>	<b>87.3</b>
Personnel expenses	-260,322	-264,573	-283,744	-289,536	-298,766	14.8
Recurrent	-258,410	-261,080	-283,472	-287,658	-292,790	13.3
Non-recurrent	-1,912	-3,493	-272	-1,878	-5,976	212.6
Other general expenses	-147,099	-138,122	-146,626	-156,039	-151,871	3.2
Recurrent	-147,099	-138,122	-146,626	-149,239	-148,083	0.7
Non-recurrent	0	0	0	-6,800	-3,788	--
Amortization & depreciation	-50,356	-55,115	-55,547	-67,429	-67,951	34.9
<b>Net income before provisions</b>	<b>421,997</b>	<b>859,610</b>	<b>329,274</b>	<b>451,405</b>	<b>1,129,409</b>	<b>167.6</b>
Provisions for NPLs and other impairments	-324,945	-748,305	-261,008	-429,382	-1,096,497	237.4
Gains on sale of assets	-2,494	-3,668	21,488	28,567	69,927	--
Badwill	0	0	0	644	0	--
<b>Profit before tax</b>	<b>94,558</b>	<b>107,637</b>	<b>89,754</b>	<b>51,234</b>	<b>102,839</b>	<b>8.8</b>
Income tax	-34,062	-29,045	-25,539	14,298	-18,654	-45.2
<b>Consolidated net profit</b>	<b>60,496</b>	<b>78,592</b>	<b>64,215</b>	<b>65,532</b>	<b>84,185</b>	<b>39.2</b>
Minority interest	9,381	6,289	1,526	3,807	3,033	-67.7
<b>Attributable net profit</b>	<b>51,115</b>	<b>72,303</b>	<b>62,689</b>	<b>61,725</b>	<b>81,152</b>	<b>58.8</b>
Pro memoria:						
Average total assets		161,022,907	165,546,434	170,410,546	169,174,201	167,190,254
Earnings per share (€)	(1)	0.02	0.04	0.06	0.06	0.02

(1) YTD at the end of each quarter (not annualised).

## Net interest income

Below is a breakdown of net interest income by quarter since 2013, showing the average yields and costs of the various components of total lending and funding. This

includes the consolidated balances of BMN-Penedès from June 2013, Sabadell Solbank from July 2013 and Banco Gallego from November 2013.

### Average yield

2013 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income
Cash and balance with central banks & financial	4,494,342	0.92	10,217	4,306,328	0.96	10,291	4,799,574	0.80	9,646	4,516,088	0.93	10,642
Loans to customers (net)	101,522,722	3.94	985,570	103,503,916	3.66	943,348	109,433,309	3.49	963,485	109,404,970	3.51	967,340
Fixed-income securities	28,212,967	3.46	240,923	30,794,911	3.20	245,663	29,035,957	3.27	239,337	26,488,998	3.18	212,386
<b>Subtotal</b>	<b>134,230,031</b>	<b>3.74</b>	<b>1,236,710</b>	<b>138,605,155</b>	<b>3.47</b>	<b>1,199,302</b>	<b>143,268,840</b>	<b>3.36</b>	<b>1,212,468</b>	<b>140,410,056</b>	<b>3.36</b>	<b>1,190,368</b>
Equity securities	2,119,497	--	--	1,929,436	--	--	2,024,289	--	--	1,777,382	--	--
Tang. & intang. assets	3,119,175	--	--	3,091,693	--	--	3,359,906	--	--	3,411,207	--	--
Other assets	21,554,204	0.28	14,689	21,920,150	0.21	11,513	21,757,511	0.24	13,354	23,575,556	-0.26	-15,234
<b>Total</b>	<b>161,022,907</b>	<b>3.16</b>	<b>1,251,399</b>	<b>165,546,434</b>	<b>2.93</b>	<b>1,210,815</b>	<b>170,410,546</b>	<b>2.85</b>	<b>1,225,822</b>	<b>169,174,201</b>	<b>2.76</b>	<b>1,175,134</b>

2014 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income
Cash and balance with central banks & financial	4,277,014	1.10	11,605									
Loans to customers (net)	108,442,873	3.50	936,272									
Fixed-income securities	24,136,993	3.41	202,734									
<b>Subtotal</b>	<b>136,856,880</b>	<b>3.41</b>	<b>1,150,611</b>									
Equity securities	834,668	--	--									
Tang. & intang. assets	3,904,974	--	--									
Other assets	25,593,732	0.10	6,075									
<b>Total</b>	<b>167,190,254</b>	<b>2.81</b>	<b>1,156,686</b>									

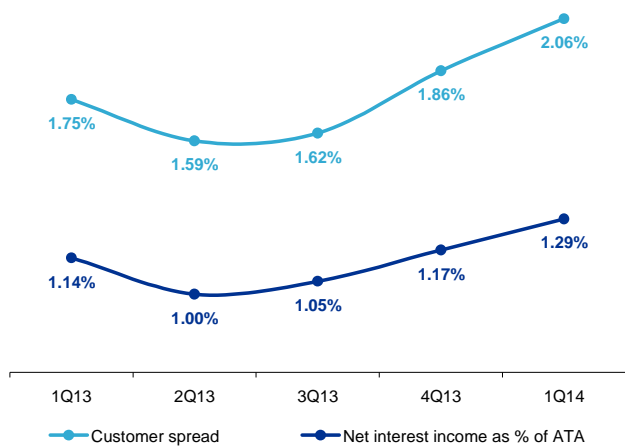
### Average cost of funds

2013 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income
Financial institutions	28,981,056	-1.22	-87,097	27,032,018	-1.24	-83,467	25,581,009	-1.11	-71,390	21,842,842	-1.02	-56,112
Customer deposits	76,214,463	-2.19	-410,852	81,769,358	-2.07	-422,708	88,912,922	-1.87	-418,031	90,115,075	-1.65	-375,759
Capital markets	31,882,481	-3.50	-275,484	29,210,692	-3.59	-261,331	28,940,355	-3.45	-251,805	28,627,894	-3.46	-249,790
Repos	3,885,129	-1.62	-15,546	7,721,463	-0.96	-18,518	8,037,440	-1.07	-21,698	7,236,368	-0.82	-14,895
<b>Subtotal</b>	<b>140,963,129</b>	<b>-2.27</b>	<b>-788,979</b>	<b>145,733,531</b>	<b>-2.16</b>	<b>-786,024</b>	<b>151,471,726</b>	<b>-2.00</b>	<b>-762,924</b>	<b>147,822,179</b>	<b>-1.87</b>	<b>-696,556</b>
Other liabilities	11,028,863	-0.41	-11,190	10,787,873	-0.38	-10,193	10,164,431	-0.46	-11,712	11,444,469	0.66	19,102
Shareholders' equity	9,030,915	--	--	9,025,030	--	--	8,774,389	--	--	9,907,553	--	--
<b>Total</b>	<b>161,022,907</b>	<b>-2.02</b>	<b>-800,169</b>	<b>165,546,434</b>	<b>-1.93</b>	<b>-796,217</b>	<b>170,410,546</b>	<b>-1.80</b>	<b>-774,636</b>	<b>169,174,201</b>	<b>-1.59</b>	<b>-677,454</b>

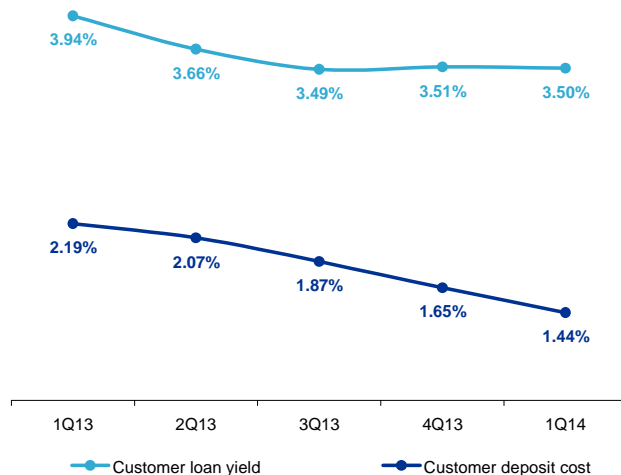
2014 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income
Financial institutions	16,165,139	-1.40	-55,769									
Customer deposits	92,164,157	-1.44	-327,850									
Capital markets	27,506,366	-3.54	-239,842									
Repos	9,319,950	-0.68	-15,732									
<b>Subtotal</b>	<b>145,155,612</b>	<b>-1.79</b>	<b>-639,193</b>									
Other liabilities	11,838,144	0.43	12,549									
Shareholders' equity	10,196,498	--	--									
<b>Total</b>	<b>167,190,254</b>	<b>-1.52</b>	<b>-626,644</b>									

The figures below show the trend in net interest income as a percentage of average total assets and the trend in customer spreads:

Net interest income (%)



Customer spread (%)



## Net fees and commissions

(€000)	1Q13	4Q13	1Q14	Change (%) 1Q13	Change (%) 4Q13
Asset transactions	27,889	28,143	28,829	3.4	2.4
Guarantees	25,586	25,801	25,558	-0.1	-0.9
Transferred to other entities	-1,145	-1,179	-944	-17.6	-19.9
<b>Risk transaction fees</b>	<b>52,330</b>	<b>52,765</b>	<b>53,443</b>	<b>2.1</b>	<b>1.3</b>
Cards	27,645	33,556	32,397	17.2	-3.5
Payment orders	9,977	12,273	10,967	9.9	-10.6
Securities	12,068	15,024	25,109	108.1	67.1
Demand accounts	17,130	20,174	19,269	12.5	-4.5
Other transactions	23,318	38,503	20,090	-13.8	-47.8
<b>Commissions for services</b>	<b>90,138</b>	<b>119,530</b>	<b>107,832</b>	<b>19.6</b>	<b>-9.8</b>
Mutual funds	16,802	22,476	25,223	50.1	12.2
Pension funds and insurance brokerage	9,135	15,017	14,473	58.4	-3.6
<b>Mutual and pension fund and insurance commissions</b>	<b>25,937</b>	<b>37,493</b>	<b>39,696</b>	<b>53.0</b>	<b>5.9</b>
<b>Total</b>	<b>168,405</b>	<b>209,788</b>	<b>200,971</b>	<b>19.3</b>	<b>-4.2</b>

Net fees and commissions in the first quarter of 2014 totalled €201.0 million, up 19.3% with respect to the same quarter of 2013. This increase is broadly due to positive business performance, favoured in particular by focusing sales efforts on more profitable products and by expansion of the consolidation scope in 2013 (BMN-Penedès, Sabadell Solbank and Banco Gallego).

Fees and commissions on mutual funds and on marketing of pension funds and insurance increased the most in relative terms (53.0%), due mainly to the greater volume of assets managed and sold, favoured in large part by expansion of the consolidation scope.

Commissions for services in general also increased notably in year-on-year terms (+19.6%), with growth in all types of services, particularly fees on securities, due to the greater volume and to collecting success fees. Commissions from risk transactions increased by 2.1%, attributable to the positive performance of fees for cheques, direct debits and factoring.

Net fees declined overall by 4.2% compared with 4Q13, in line with the performance in 1Q13 with respect to 4Q12. This decline was partially offset by 12.2% growth in fees on mutual funds and by the slight increase in commissions from risk transactions (1.3%).

## Administrative expenses

(€000)	1Q13	4Q13	1Q14	Change (%) 1Q13	Change (%) 4Q13
Recurrent	-258,410	-287,658	-292,790	13.3	1.8
Non-recurrent	-1,912	-1,878	-5,976	212.6	218.2
<b>Personnel expenses</b>	<b>-260,322</b>	<b>-289,536</b>	<b>-298,766</b>	<b>14.8</b>	<b>3.2</b>
IT and communications	-30,364	-30,633	-36,074	18.8	17.8
Advertising	-13,813	-18,287	-9,667	-30.0	-47.1
Premises and office supplies	-41,430	-36,413	-43,846	5.8	20.4
Taxes other than income tax	-22,996	-26,220	-23,716	3.1	-9.5
Others	-38,496	-44,486	-38,568	0.2	-13.3
<b>Other general expenses</b>	<b>-147,099</b>	<b>-156,039</b>	<b>-151,871</b>	<b>3.2</b>	<b>-2.7</b>
<b>Total</b>	<b>-407,421</b>	<b>-445,575</b>	<b>-450,637</b>	<b>10.6</b>	<b>1.1</b>

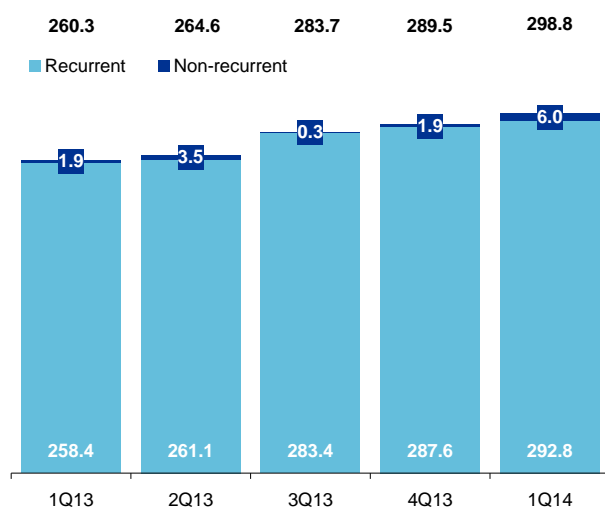
In like-for-like terms (including BMN-Penedès, Sabadell Solbank and Banco Gallego in 1Q13), recurrent administrative expenses declined by 5.7% in 1Q14 with respect to the same period of 2013.

That decline, in like-for-like terms, is attributable to a strict cost containment policy and was achieved in both recurrent

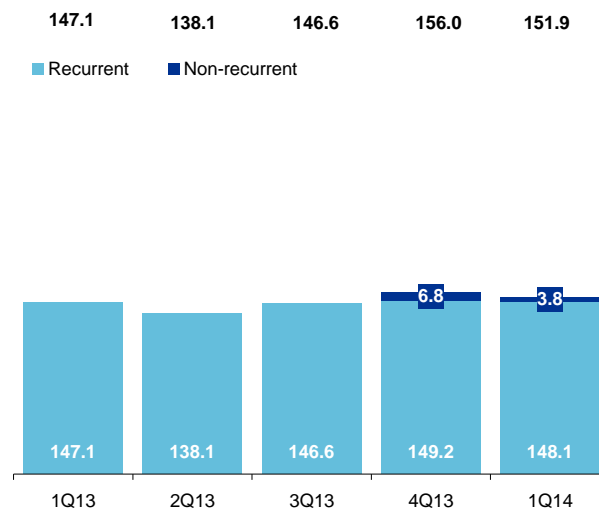
personnel expenses (-2.4%) and other general administration expenses (-11.6%).

The figures show the trend in administrative expenses by quarter, distinguishing between recurrent and non-recurrent amounts.

Personnel expenses (€mn)



Other general expenses (€mn)





## Balance sheet

(€'000)	31.03.13	31.12.13	31.03.14	Change (%) YoY
Cash and balance with Central Banks	2,270,402	3,201,898	1,396,229	-38.5
Trading and derivatives portfolios and other financial assets	2,845,362	2,623,485	2,438,346	-14.3
Available-for-sale financial assets	28,046,086	19,277,672	17,743,629	-36.7
Loans and advances	111,412,414	118,989,126	120,070,424	7.8
Balances with financial institutions (1)	3,935,784	3,525,521	4,612,247	17.2
Loans to customers (net)	107,071,643	112,928,890	112,377,279	5.0
Debt securities	404,987	2,534,715	3,080,898	--
Investments in associated companies	737,355	640,842	610,950	-17.1
Property, plant and equipment	2,430,686	3,935,322	3,782,049	55.6
Intangible assets	1,161,251	1,501,737	1,524,053	31.2
Other assets	12,526,790	13,271,388	13,528,247	8.0
<b>Total assets</b>	<b>161,430,346</b>	<b>163,441,470</b>	<b>161,093,927</b>	<b>-0.2</b>
Trading and derivatives portfolios	2,370,658	1,972,190	1,829,520	-22.8
Financial liabilities at amortised cost	145,268,625	147,269,474	144,438,009	-0.6
Central banks (2)	20,750,026	9,227,492	5,544,807	-73.3
Credit institutions (2)	12,202,567	13,857,264	15,320,552	25.6
Customer deposits	85,172,561	99,362,908	100,173,946	17.6
Capital markets	24,166,570	21,166,915	19,777,779	-18.2
Subordinated liabilities	1,085,191	1,089,046	1,090,257	0.5
Other financial liabilities	1,891,710	2,565,849	2,530,668	33.8
Liabilities under insurance contracts	2,012,544	2,134,139	2,292,832	13.9
Provisions	1,083,101	664,246	705,108	-34.9
Other liabilities	1,475,936	995,830	1,263,218	-14.4
<b>Subtotal liabilities</b>	<b>152,210,864</b>	<b>153,035,879</b>	<b>150,528,687</b>	<b>-1.1</b>
Shareholders' equity (3)	9,014,772	10,226,534	10,185,877	13.0
Valuation adjustments	-267,884	120,814	314,087	--
Minority interest	472,594	58,243	65,276	-86.2
<b>Equity</b>	<b>9,219,482</b>	<b>10,405,591</b>	<b>10,565,240</b>	<b>14.6</b>
<b>Total liabilities and equity</b>	<b>161,430,346</b>	<b>163,441,470</b>	<b>161,093,927</b>	<b>-0.2</b>
Contingent risks	8,982,318	8,663,950	8,580,243	-4.5
Contingent liabilities	11,360,953	12,026,000	12,451,437	9.6
<b>Total memorandum accounts</b>	<b>20,343,271</b>	<b>20,689,950</b>	<b>21,031,680</b>	<b>3.4</b>

(1) Balances with financial institutions include the following amounts of repos: Euros 443 million at 31.03.13, Euros 135 million at 31.12.13 and Euros 346 million at 31.03.14.

(2) Deposits with central banks and credit institutions include the following amounts of repos: Euros 3,371 million at 31.03.13, Euros 5,183 million at 31.12.13 and Euros 6,375 million at 31.03.14.

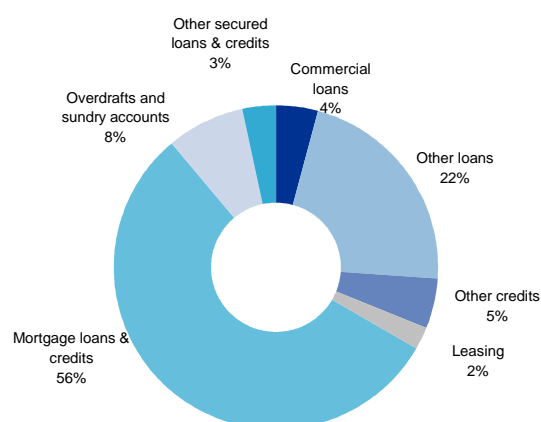
(3) Includes mandatory convertible bonds (Euros 797 million at 31.03.13, Euros 738 million at 31.12.13 and Euros 733 million at 31.03.14).

## Loans to customers

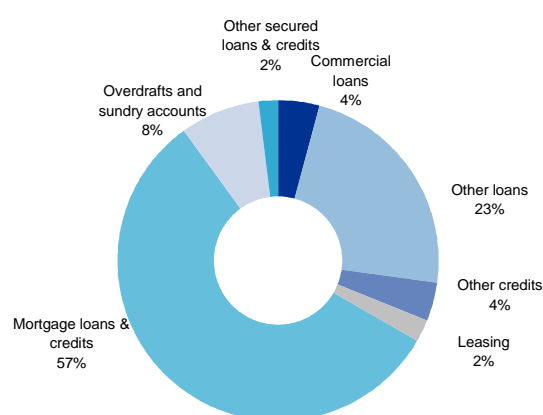
(€000)	31.03.13	(1) 31.12.13	31.03.14	Change (%) YoY
Mortgage loans & credits	54,587,961	57,580,035	56,264,592	3.1
Other secured loans & credits	3,413,173	2,358,314	1,959,387	-42.6
Commercial loans	4,104,056	4,756,581	4,132,717	0.7
Other loans	21,659,571	21,852,593	23,066,430	6.5
Other credits	4,744,835	3,684,520	3,898,367	-17.8
Leasing	2,233,544	2,169,953	2,134,530	-4.4
Overdrafts and sundry accounts	7,747,437	7,867,591	7,936,881	2.4
Non-performing loans	19,204,499	24,432,151	24,155,979	25.8
Accruals	-17,860	-86,805	-39,349	120.3
<b>Gross loans and advances to customers, excluding repos</b>	<b>117,677,216</b>	<b>124,614,933</b>	<b>123,509,534</b>	<b>5.0</b>
Reverse repos	705,472	688,010	1,324,814	87.8
<b>Gross loans and advances to customers</b>	<b>118,382,688</b>	<b>125,302,943</b>	<b>124,834,348</b>	<b>5.4</b>
NPL and country-risk provisions	-11,311,045	-12,374,053	-12,457,069	10.1
<b>Loans to customers (net)</b>	<b>107,071,643</b>	<b>112,928,890</b>	<b>112,377,279</b>	<b>5.0</b>
Pro memoria: total securitisation	19,327,719	17,349,918	14,759,885	-23.6
Mortgage backed	16,650,234	16,372,319	13,870,204	-16.7
Other securitised assets	2,677,485	977,599	889,681	-66.8
Of which: securitised after 01.01.04	18,514,167	15,672,353	13,988,949	-24.4
Mortgage backed	15,894,333	14,751,681	13,156,089	-17.2
Other securitised assets	2,619,834	920,672	832,860	-68.2

(1) The balances of BMN-Penedès (€9,778 million) and Sabadell Solbank (€1,625 million) were consolidated for the first time in June 2013. The balances of Banco Gallego (€1,981 million) were consolidated for the first time in October 2013.

Loans and advances, 31.03.13 (%) (\*)

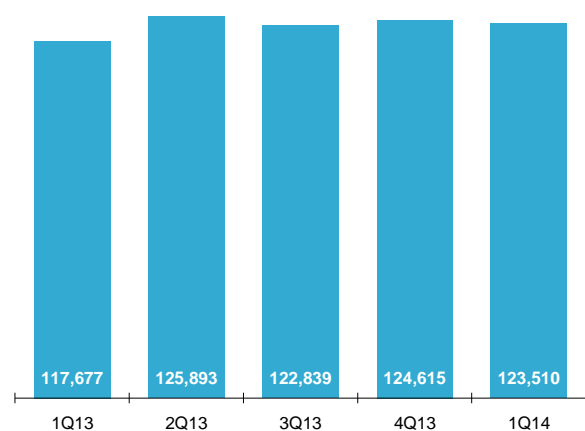


Loans and advances, 31.03.14 (%) (\*)

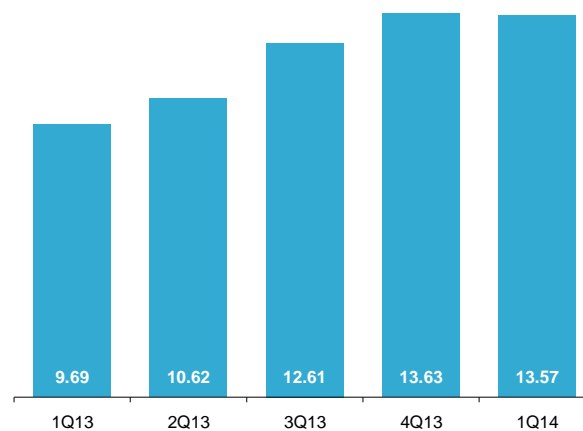


(\*) Excluding doubtful assets and accrual adjustments.

Gross loans and advances to customers, excluding repos (€mn)



NPLs/Gross loans ratio excluding APS (%), including reclassification of refinanced loans



## Credit risk management

At the end of the first quarter of 2014, Banco Sabadell group's non-performing loans, excluding assets covered by the Asset Protection Scheme arranged in the Banco CAM acquisition and including the impact of refinanced risks, amounted to €15,788.1 million, a decline of €233.4 million

with respect to 31 December 2013. At 31 March 2014, the NPL ratio (excluding the APS) was 13.57%, i.e. 6 basis points lower than at 31 December 2013. Expressed with respect to the total exposure to loans and real estate, the coverage ratio was 14.0% at 31 March 2014.

### Trend in doubtful loans and real estate assuming constant consolidation scope, excluding reclassified loans

BS group excl. APS

(€ million)	1Q13	2Q13	3Q13	4Q13	1Q14
Ordinary net increase	388	760	365	-12	-83
Change in real estate	394	1	218	400	64
<b>Net increase plus real estate</b>	<b>782</b>	<b>761</b>	<b>583</b>	<b>388</b>	<b>-19</b>
Defaults	247	305	105	51	265
<b>Quarterly change in doubtful balances and real estate</b>	<b>535</b>	<b>456</b>	<b>478</b>	<b>337</b>	<b>-284</b>

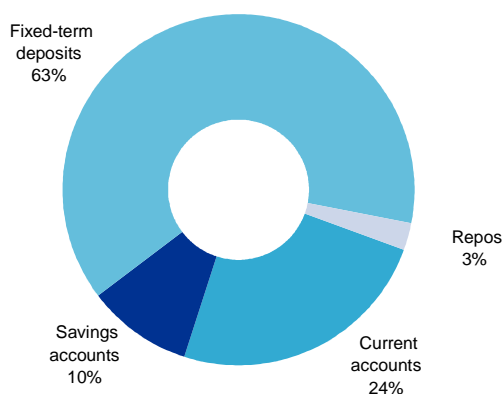
## Funds under management

(€000)		(2)		Change (%)
	31.03.13	31.12.13	31.03.14	YoY
<b>Customer-based funding on balance sheet</b>	(1) <b>82,692,408</b>	<b>94,497,187</b>	<b>94,690,048</b>	<b>14.5</b>
Customer deposits	85,172,561	99,362,908	100,173,946	17.6
Current accounts	20,731,647	26,260,652	26,289,122	26.8
Savings accounts	8,141,948	10,601,835	10,793,046	32.6
Fixed-term deposits	53,816,580	60,798,681	60,674,818	12.7
Repos	2,159,574	1,347,184	2,063,300	-4.5
Accruals	626,548	611,168	607,669	-3.0
Derivative hedging adjustments	-303,736	-256,612	-254,009	-16.4
Debt and other tradable securities	24,166,570	21,166,915	19,777,779	-18.2
Subordinated liabilities	1,085,191	1,089,046	1,090,257	0.5
Liabilities under insurance contracts	2,012,544	2,134,139	2,292,832	13.9
<b>On-balance sheet funds</b>	<b>112,436,866</b>	<b>123,753,008</b>	<b>123,334,814</b>	<b>9.7</b>
Mutual funds	8,987,314	11,018,570	12,318,076	37.1
Equity funds	349,385	584,740	789,846	126.1
Balanced funds	467,328	866,585	1,246,967	166.8
Fixed-income funds	1,762,848	2,474,177	2,760,456	56.6
Guaranteed return funds	2,424,470	2,788,376	3,080,550	27.1
Real estate funds	990,006	44,364	9,286	-99.1
Dedicated investment companies	1,280,592	1,420,342	1,523,512	19.0
Third-party funds	1,712,685	2,839,986	2,907,459	69.8
Managed accounts	1,184,303	1,927,634	2,260,898	90.9
Pension funds	3,731,123	4,356,291	4,313,797	15.6
Individual	2,296,389	2,857,495	2,832,098	23.3
Company	1,413,418	1,478,333	1,462,000	3.4
Group	21,316	20,463	19,699	-7.6
Third-party insurance products	7,269,940	8,067,355	7,972,882	9.7
<b>Funds under management</b>	<b>133,609,546</b>	<b>149,122,858</b>	<b>150,200,467</b>	<b>12.4</b>

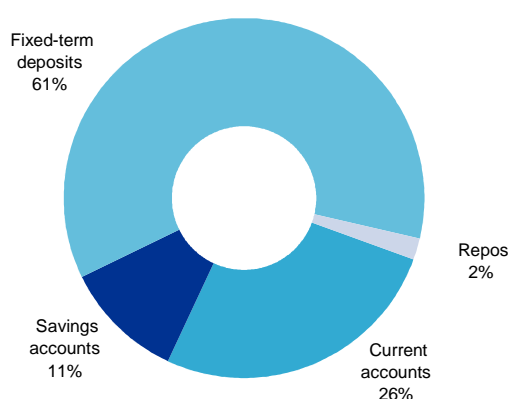
(1) Includes customer deposits (ex-repos) and other liabilities placed via the branch network: mandatory convertible bonds, non-convertible bonds issued by Banco Sabadell, commercial paper and others.

(2) The balances of BMN-Penedès (€9,456 million) and of Sabadell Solbank (€745 million) were consolidated for the first time in June 2013. The balances of Banco Gallego (€3,590 million) were consolidated for the first time in October 2013.

Customer deposits, 31.03.13 (%) (\*)

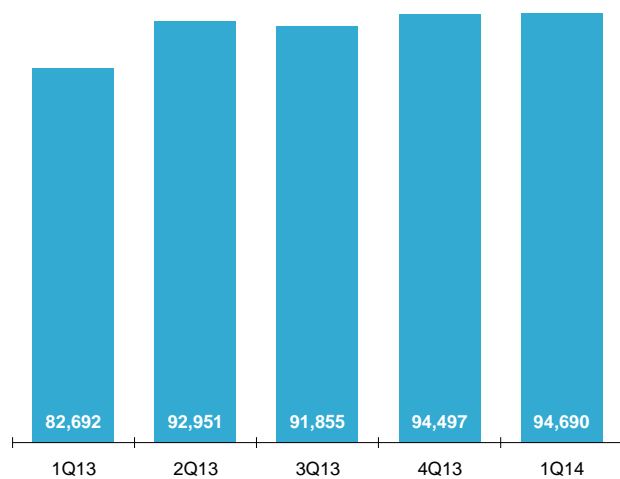


Customer deposits, 31.03.14 (%) (\*)

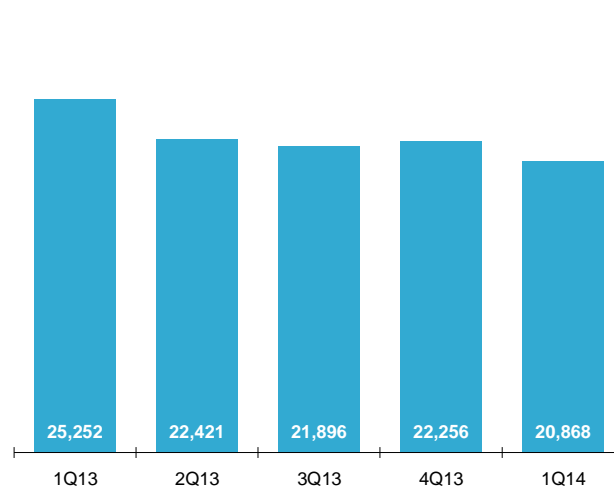


(\*) Excluding adjustments for accruals and hedges with derivatives.

Customer-based funding on balance sheet (€mn)



Bonds, subordinated liabilities and other tradeable securities (€mn)



## Shareholder's equity

(€000)	31.03.13	31.12.13	31.03.14	Change (%) YoY
Shareholders' equity	9,014,772	10,226,534	10,185,877	13.0
Issued capital	369,944	501,435	501,497	35.6
Reserves	7,937,871	8,796,233	8,999,119	13.4
Other equity instruments	(1) 797,289	738,476	732,697	-8.1
Less: treasury shares	-141,447	-57,442	-128,588	-9.1
Attributable net profit	51,115	247,832	81,152	58.8
Less: dividends and payments	0	0	0	--
Valuation adjustments	-267,884	120,814	314,087	--
Minority interest	472,594	58,243	65,276	-86.2
<b>Equity</b>	<b>9,219,482</b>	<b>10,405,591</b>	<b>10,565,240</b>	<b>14.6</b>

(1) Mandatory convertible bonds.

## Capital ratios

(€'000)	31.03.13	31.12.13	Basilea III 31.03.14
Issued capital	369,944	501,435	501,497
Reserves	7,734,956	8,869,879	8,877,661
Mandatory convertible bonds	797,289	860,150	0
Minority interest	62,597	37,191	54,719
Deductions	-1,222,465	-1,552,651	-1,215,547
<b>Core capital / Common equity</b>	<b>7,742,321</b>	<b>8,716,004</b>	<b>8,218,330</b>
<b>Core capital / Common equity</b>	<b>10.6%</b>	<b>12.0%</b>	<b>10.4%</b>
Mandatory convertible bonds (1)	0	0	854,372
Preference shares and deductions	4,552	-2,529	-247,563
<b>Primary capital</b>	<b>7,746,873</b>	<b>8,713,475</b>	<b>8,825,139</b>
<b>Tier I</b>	<b>10.6%</b>	<b>12.0%</b>	<b>11.2%</b>
<b>Secondary capital</b>	<b>640,035</b>	<b>587,864</b>	<b>835,994</b>
<b>Tier II</b>	<b>0.9%</b>	<b>0.8%</b>	<b>1.1%</b>
Total capital	8,386,908	9,301,339	9,661,133
Minimum capital requirement	5,865,743	5,830,103	6,298,928
Capital surplus	2,521,165	3,471,236	3,362,205
<b>BIS ratio</b>	<b>11.4%</b>	<b>12.8%</b>	<b>12.3%</b>
<b>Risk weighted assets (RWA)</b>	<b>73,321,788</b>	<b>72,876,287</b>	<b>78,736,600</b>

(1) These bonds will be mandatorily converted into shares upon maturity in accordance with the following schedule: €17.6 million in 2014, €756.2 million in 2015, €68.6 million in 2016 and €17.6 million in 2017. The common equity proforma ratio, assuming conversion, will be 11.6% in 2015.

## Credit ratings

Agency	Date	Long term	Short term	Outlook	Strength
DBRS	19.03.2013	A (low)	R-1 (low)	Negative	
Standard & Poor's <sup>(1)</sup>	15.10.2013	BB	B	Negative	
Moody's	15.01.2014	Ba2	NP	Negative	D-

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On 14 January 2014, Moody's Investor Service made a decision about Banco Sabadell's ratings which had been pending after the revision of Spanish banks' ratings in July 2013.

The agency downgraded Banco Sabadell's long-term rating by one notch, to Ba2 (from Ba1), outlook negative.

The rating of the subordinated debt was changed to B1 (from Ba3) and that of the preference shares to Caa1 (from B3), outlook negative.

Moody's confirmed the ratings of Banco Sabadell's *cédulas hipotecarias* and territorial *cédulas* as A3.



## Results by business units

The tables below summarise earnings and other indicators of the group's business units.

The information presented here is based on the individual financial statements of each Group company, after the corresponding consolidation eliminations and adjustments and with analytical accounting of revenues and expenses in cases in which a business is spread over more than one legal entity, to enable customer revenues and costs to be assigned to specific units.

Each business unit is treated as an independent business and transactions between them for product distribution or

the provision of services and systems are priced on an arm's-length basis. The ultimate impact on the Group profit and loss account is zero.

Each business bears its own direct costs, on the basis of general and analytical accounting, as well as the indirect costs of the corporate units.

Moreover, capital is assigned such that each business has capital equivalent to the regulatory amount required to reach the Group's target ratios on the basis of its assets at risk.

31.03.2013 (*)	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	439,818	23,712	72,368,302	2.4%	67.8%	10,360	1,831
Corporate banking	50,667	23,955	10,994,158	9.5%	12.9%	107	2
Banca Privada	11,137	811	1,107,040	7.0%	91.0%	270	12
Investment management	7,185	1,682	8,987,314 (***)	27.7%	76.6%	148	--
Management of real estate assets	38,825	-213,057	27,509,556	-36.6%	113.9%	822	--
<b>Total</b>		<b>-162,897 (**)</b>					

31.03.2014	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	574,236	82,498	81,339,269	7.7%	61.3%	12,681	2,281
Corporate banking	51,098	19,197	10,771,534	7.7%	13.0%	108	2
Banca Privada	15,450	5,550	1,002,077	45.8%	66.0%	273	12
Investment management	11,953	6,528	12,318,076 (***)	82.2%	45.4%	150	--
Management of real estate assets	-6,255	-160,486	25,472,096	-28.8%	--	809	--
<b>Total</b>		<b>-46,713 (**)</b>					

(\*) The 31.03.2013 figures were restated to reflect the establishment of the real estate management business.

(\*\*)The reconciliation with total group results must include amounts not assigned to the business units shown and the tax effect.

(\*\*\*) These figures reflect the mutual fund assets managed and/or marketed at the end of the period.

## Share price performance

	31.03.13	31.12.13	31.03.14	Change (%) YoY
<b>Shareholders and trading</b>				
Number of shareholders	236,423	262,589	237,830	0.6
Number of shares	2,959,555,017	4,011,481,581	4,011,971,704	35.6
Average daily trading volume (number of shares)	9,625,119	15,512,282	31,781,356	230.2
<b>Share price (€)</b>				
Opening session (of the year)	1.975	1.975	1.896	
High (of the year)	2.160	2.160	2.437	
Low (of the year)	1.410	1.260	1.820	
Closing session (end of quarter)	1.432	1.896	2.242	
Market capitalisation (€ '000)	4,238,083	7,605,769	8,994,841	
<b>Stock market multiples</b>				
Earnings per share (EPS) (€)	0.07	0.06	0.08	
Book value per share (€)	3.05	2.55	2.54	
Price /Book value (times)	0.47	0.74	0.88	
Price /earnings ratio (P/E) (times)	20.44	30.69	27.33	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	3,183,840,590	4,298,634,476	4,288,730,619	
Earnings per share (EPS) (€)	0.07	0.06	0.08	
Book value per share (€)	2.83	2.38	2.38	
Price /Book value (times)	0.51	0.80	0.94	