

Quarterly financial report

First quarter, 2013



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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

	31.03.12	31.12.12	31.03.13	Change (%) YoY
Balance sheet (€'000)				
Total assets	105,320,959	161,547,085	161,430,346	53.3
Gross loans and advances to customers, excluding repos	74,235,382	115,392,391	113,389,004	52.7
Gross loans and advances to customers	76,883,514	117,283,275	114,094,476	48.4
On-balance sheet funds	75,420,223	110,996,102	112,436,866	49.1
Of which: Customer-based funding on balance sheet (1)	53,446,109	80,179,388	82,692,408	54.7
Mutual funds	8,294,776	8,584,848	8,987,314	8.3
Pension funds and third-party insurance products	8,708,156	11,022,021	11,001,063	26.3
Funds under management	93,765,177	131,654,630	133,609,546	42.5
Shareholders' equity	7,901,757	9,119,542	9,014,772	14.1
Profit and loss account (€'000)				
Net interest income	407,251	1,867,988	451,230	10.8
Gross operating income	692,249	2,958,446	879,774	27.1
Net income before provisions	378,054	1,289,896	421,997	11.6
Attributable net profit	80,023	81,891	51,115	-36.1
Ratios (%)				
ROA	0.32	0.07	0.15	
ROE	5.05	1.01	2.39	
Cost / income (ex amortisation) (2)	40.76	51.10	46.31	
Cost / income ratio excluding non-recurrent expenses (2)	39.87	50.34	46.09	
Core capital	11.88	10.42	10.56	
Tier I	11.36	10.42	10.57	
BIS ratio	12.19	11.39	11.44	
Risk management				
Non-performing loans (€ '000) (3)	4,975,235	10,286,332	10,424,267	
NPLs / Gross loans (%) (3)	6.02	9.33	9.69	
Reserves for NPLs and real estate (€000)	3,635,887	17,589,940	17,208,183	
Overall coverage ratio (%) (4)	4.62	13.88	13.76	
Share data (period end)				
Number of shareholders	173,645	236,774	236,423	
Number of shares	2,297,983,113	2,959,555,017	2,959,555,017	
Share price (€)	2.042	1.975	1.432	
Market capitalisation (€ '000)	4,692,482	5,845,121	4,238,083	
Earnings per share (EPS) (€) (5)	0.14	0.03	0.07	
Book value per share (€)	3.44	3.08	3.05	
Price /Book value (times)	0.59	0.64	0.47	
Price /earnings ratio (P/E) (times)	14.58	71.38	20.44	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	2,527,647,727	3,183,841,740	3,183,840,590	
Earnings per share (EPS) (€) (5)	0.13	0.03	0.07	
Book value per share (€)	3.13	2.86	2.83	
Price /Book value (times)	0.65	0.69	0.51	
Other data				
Domestic branches	1,339	1,853	1,845	
Employees	10,550	15,596	14,957	
ATMs	1,475	3,166	3,168	

- (1) Includes customer deposits (ex-repos) and other liabilities placed via the branch network: preference shares, 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.
- (3) The figures and percentages as of 31 December 2012 and 31 March 2013 are those of the group, excluding assets covered by the Asset Protection Scheme (APS).
- (4) Expressed with respect to total exposure to loans and real estate.
- (5) Annualised.

Introduction

Key developments in 1Q13

- In general: the year-on-year comparison of results and key figures on the balance sheet were affected by the incorporation of Banco CAM's consolidated results as from 1 June 2012.
- Net interest income: Euros 451.2 million. In year-on-year terms, this item increased by 10.8%, despite the decrease in the yield curve and the increase in the cost of term deposits and funding in the capital markets in the last year. The contribution by Banco CAM since June 2012, effective management of customer spreads, and a greater margin from the fixed-income portfolio offset these negative factors.
- Net fees and commissions: Euros 168.4 million, an increase of Euros 34.9 million (+26.1%) compared with the first quarter of 2012. In particular, fees on cards, demand accounts and other services improved notably.
- Results from financial transactions: Euros 274.9 million (+85.5% year-on-year), which includes gains of Euros 246.2 million from the sale of fixed-income securities and Euros 26.2 million from the trading portfolio. In the first quarter of 2012, the bank obtained gains of Euros 104.8 million from the sale of fixed-income securities and Euros 42.3 million from the trading portfolio.
- Administrative expenses (personnel and general): Euros -407.4 million. Underlying administrative expenses declined by 10.5% year-on-year in like-for-like terms. Specifically, personnel expenses decreased by 13.0% and general expenses by 5.8%.
- Income before provisions: Euros 422.0 million in the first quarter of 2013, an 11.6% improvement year-on-year.
- Provisions for NPLs and others impairments: Euros -324.9 million, compared with Euros -293.4 million in the first quarter of 2012.
- Capital gains on asset disposals: were not material this year (Euros -2.5 million), compared with Euros 28.0 million in 1Q12, due mainly to the capital gains obtained in March 2012 from the sale of the stake in Banco del Bajío.
- Attributable net profit: amounted to Euros 51.1 million euro, compared with Euros 80.0 million in 1Q12.
- Customer loans and funds: customer funds on the balance sheet increased by +54.7% year-on-year, while gross loans and advances to customers, excluding repos, increased by +52.7%. The commercial gap in 1Q13 was Euros 4,516.4 million.
- At 31 March 2013, the NPL ratio, expressed in terms of the Banco Sabadell group's total computable risks, excluding assets covered by the Asset Protection Scheme (APS), was 9.69%. The NPL coverage ratio expressed with respect to total exposure to loans and real estate is 13.76%.
- The core capital ratio is 10.56% (compared with 10.42% at 31 December 2012).

Macroeconomic environment

Global economic and financial background

In the Euro area, the quarter was marked by the ongoing normalisation of the financial markets and the gradual reversal of the fragmentation in the capital markets. Ireland and Portugal were able to issue both medium and long-term debt, there were inflows of foreign capital into non-core Europe, and banks' recourse to ECB financing was reduced, mainly through LTRO repayments. The European authorities also agreed to extend the maturities of the international aid programs provided to Ireland and Portugal. Furthermore, the authorities have also eased the fiscal adjustment process in Portugal, and left the door open to doing the same in Spain. Nevertheless, market instability increased in the last month, due to uncertainty about the bailout in Cyprus (Euros 10 billion). A sweeping restructuring and recapitalisation of its two main banks was proposed, the costs of which will be borne by shareholders, bondholders and non-guaranteed depositors. Moreover, the Cypriot government has imposed temporary restrictions on the free circulation of capital—a first in the Euro area. This led to a debate among European authorities about the possibility of replicating this model in future bailouts. In Italy, the general elections have created a situation that is extremely difficult to govern. Meanwhile, in the US, GDP remained practically stable in the fourth quarter, although first quarter data suggests a subsequent improvement. In the Euro area, growth remained weak in the first quarter, following the contraction in the fourth quarter of 2012.

Fixed income markets

Central banks maintained a clearly accommodative tone. The ECB kept its base rate at 0.75%, although there was a debate about a further cut at the monetary policy meeting in March. The Bank indicated that it would maintain its lax monetary approach for as long as needed. Moreover, it expressed concern about private sector lending, especially loans to SMEs, and about the persisting dysfunction in the transmission mechanism of monetary policy. At the Federal

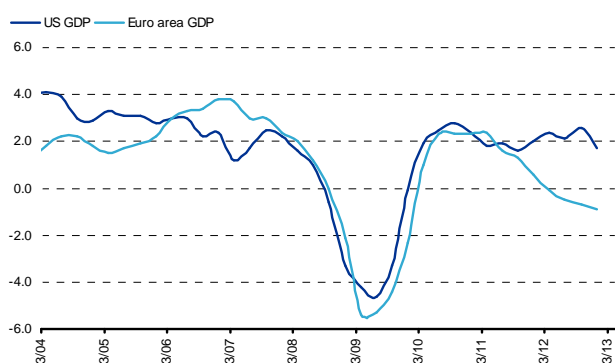
Reserve, Bernanke stated that the current monetary policy risks are under control and that the asset purchases have clear benefits and – therefore -- the current policy will remain as is. The UK government reviewed the Bank of England's mandate, and emphasized its role in supporting the economic recovery. The Bank of Japan set an inflation target (2.0%) and expressed plans to address new monetary policy measures.

With respect to long-term fixed-income markets, the yield on US public debt rebounded, supported by positive economic data, the political agreements reached regarding the fiscal cliff, and the decision to postpone the debt ceiling limit until May. Yields on German public debt ended the quarter in line with 4Q12 levels. The political noise in Italy and the debate about applying the Cyprus bailout model to other countries offset the sell-off that German debt yields had registered previously. These events had a limited impact on the risk premium of non-core counties, all of which declined, with the exception of Italy. In this context, Standard & Poor's revised the outlook on Ireland and Portugal up to stable, and Fitch downgraded Italy to BBB+. The UK lost its AAA status due to Moody's downgrade of its debt to Aa1.

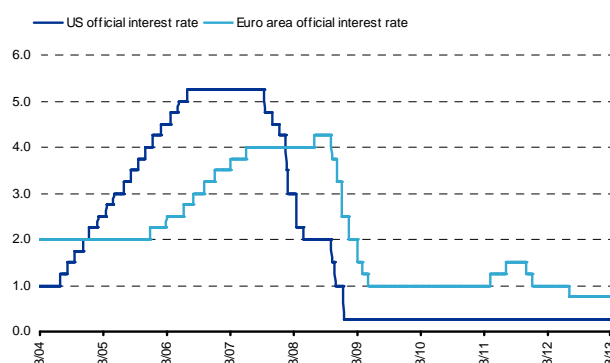
Equity markets

Equities were affected by the political uncertainty in Italy, by the debate about replicating the Cyprus bailout model in other countries, and by the budget sequestration in the US. In Europe, the EURO STOXX 50 shed -0.5% and the IBEX 35 lost -3.0%. The US indices ended the quarter with sharp gains. The Standard & Poor's 500 added +13.2% in euro terms. The percentage of positive surprises in 4Q corporate earnings season was slightly higher than the historical average in the US. The Japanese stock market reacted positively to the measures implemented by the authorities to boost its economy, leading to double-digit gains in the NIKKEI, in euro terms.

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 2013 and 2012, 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 2012.

The group's financial statements as of 31 March 2013 include the consolidated income statement and balance sheet of Banco CAM, which were consolidated for the first time in June 2012. In December 2012, Banco CAM merged with Banco Sabadell.

Balance sheet and bottom line

Balance sheet

At the end of 1Q13, the total assets of Banco Sabadell and its Group amounted to Euros 161,430.3 million, having increased by Euros 56,109.4 million (+53.3%) year-on-year. This increase is due broadly to the inclusion of the balances of Banco CAM as from June 2012.

Gross loans and advances to customers, excluding repos, amounted to Euros 113,389.0 million at 31 March 2013, contrasting with Euros 74,235.4 million at 31 March 2012, i.e. an increase of +52.7%. There was a notable increase in mortgage loans: Euros 20,582.6 million, to Euros 54,588.0 million (+60.5%).

Excluding assets covered by the Asset Protection Scheme, the combined Banco Sabadell group had a 9.69% ratio of non-performing loans (NPLs) to total computable loans at the end of 1Q13, i.e. well below the average for the Spanish financial sector.

At 31 March 2013, customer funds on the balance sheet amounted to Euros 82,692.4 million, compared with Euros 53,446.1 million at 31 March 2012, i.e. an increase of +54.7%. In particular, the balance of time deposits increased by 72.5% in 1Q13 to Euros 53,816.6 million. The balance of demand deposits also increased notably in 1Q13: +49.3%.

The difference in growth between loans to customers and customer funds on the balance sheet provided a commercial gap of Euros 4,516.4 million in 1Q13.

Liabilities in the form of tradeable securities and subordinated liabilities together amounted to Euros 25,251.8 million, compared with Euros 20,315.2 million at 31 March 2012 (+24.3%).

Assets in collective investment vehicles totalled Euros 8,987.3 million at 31 March 2013, i.e. an increase of 8.3% year-on-year.

Assets in pension funds marketed by the Group amounted to Euros 3,731.1 million, a 27.4% year-on-year increase. Insurance sales increased by 25.8% year-on-year, to Euros 7,269.9 million.

Total funds under management amounted to Euros 133,609.5 million at 31 March 2013, compared with Euros 93,765.2 million at 31 March 2012 (+42.5%).

Income and profit performance

Despite the difficult economic and financial situation, Banco Sabadell and its group ended the first quarter of 2013 with Euros 51.1 million in net attributable profit, after provisions for bad debts, securities and real estate amounting to Euros 324.9 million. In the first quarter of 2012, net income attributed to the group amounted to Euros 80.0 million, including capital gains of Euros 28.0 million from the sale of the stake in Banco del Bajío. Writedowns were Euros 31.5 million lower than in 2013.

In the first three months of 2013, net interest income totalled Euros 451.2 million, representing a change of +10.8% year-on-year. The contribution by Banco CAM since June 2012, effective management of customer spreads, and a greater margin from the fixed-income portfolio offset the negative effect of the yield curve and the higher cost of term deposits and funding in the capital markets in the last year.

The group collected Euros 1.4 million more in dividends compared with last year. In contrast, income from equity-accounted affiliates declined in year-on-year terms, mainly due to the sale of certain stakes in the last twelve months.

Net fees and commissions amounted to Euros 168.4 million, an increase of Euros 34.9 million (+26.1%) year-on-year. Commissions on cards, demand accounts and other services performed particularly well.

Income from financial transactions amounted to Euros 274.9 million in the first quarter of 2013. Income from financial transactions included Euros 246.2 million on the sale of available-for-sale fixed-income financial assets and Euros 26.2 million from transactions in the trading portfolio. In the first quarter of 2012, the group obtained gains of Euros 104.8 million from the sale of fixed-income securities and Euros 42.3 million from the trading portfolio.

Income from exchange differences increased by 35.6% year-on-year, to Euros 17.8 million.

Other operating income and expenses amounted to Euros -26.3 million, compared with Euros -15.6 million in 1Q12, mainly attributable to greater contributions to the deposit guarantee fund in 2013 (due to integrating Banco CAM).

Operating expenses amounted to Euros -407.4 million in 1Q13, including Euros -1.9 million in non-recurrent expenses. In recurrent terms, operating costs in the first quarter of 2013 declined by 10.5% year-on-year. The cost/income ratio, excluding non-recurrent expenses, was 46.09% at 31 March 2013, i.e. an improvement with respect to 4Q12 (50.34%).

Consequently, net income before provisions amounted to Euros 422.0 million at 31 March 2013, an 11.6% increase with respect to 1Q12.

Loan-loss provisions amounted to Euros -208.4 million, compared with Euros -117.4 million in 2012, reflecting coverage requirements for the system. Provisions for real estate and financial assets amounted to Euros -116.5 million. The coverage ratio, expressed with respect to total

exposure to loans and real estate, was 13.76% at the end of March 2013.

Capital gains on asset disposals were negligible (Euros -2.5 million), contrasting with the first quarter of 2012, when they amounted to Euros 28.0 million, due mainly to the sale of the stake in Banco del Bajío.

After income tax and minority interests, net income attributed to the group amounted to Euros 51.1 million in 2013, compared with Euros 80.0 million in 1Q12.

Other key developments in 1Q13

Results of the convertible bond tenders

The tender offer for Banco Sabadell convertible bond issues I/2009 and I/2010, for which the acceptance period ended on 31 January, obtained an acceptance rate of 96.84% and 92.34%, respectively, of each issue's outstanding balance. The high acceptance rate reflects the trust deposited in Banco Sabadell by its customers and the bank's efforts to manage the bondholders targeted in the offer.

The tender in cash by Banco Sabadell for bonds in the I/2009 and I/2010 issues owned by over 32,000 bondholders who accepted the offer was conditional upon the simultaneous application of the cash received to

subscribe the new I/2013 and II/2013 bond issues. These new issues have specific conditions (obligatory conversion in certain situations of contingency and viability) to guarantee that they both count as core capital (RDA 2/2011) under the criteria set out in Circular 7/2012 of the Bank of Spain.

Once the deal is completed, Banco Sabadell will have reinforced its capital structure in a context of higher capitalisation requirements for banks.

Adjudication and sale of Banco Gallego, S.A.

Banco Gallego S.A. (Banco Gallego) was adjudicated in its entirety to Banco Sabadell as part of the competitive process undertaken by the Fund for Orderly Bank Restructuring (FROB).

On 19 April, Banco Sabadell signed the contract to acquire 100% of Banco Gallego for Euros 1, subject to a Euros 245 million capital increase at Banco Gallego, to be subscribed for by the FROB, and a liability management exercise in connection with Banco Gallego's hybrids, as part of that bank's resolution plan. The completion of the transaction is also subject to the corresponding regulatory authorisations.

Banco Sabadell views this deal as an opportunity to strengthen its position in the SME and personal banking segments, especially in Galicia.

Profit & loss account

Profit & loss account

(€'000)	1Q12	1Q13	Change (%) YoY
Interest and related income	903,631	1,251,399	38.5
Interest and related charges	-496,380	-800,169	61.2
Net interest income	407,251	451,230	10.8
Dividend income	794	2,199	177.0
Income from equity method	4,807	-8,497	--
Net fees and commissions	133,547	168,405	26.1
Results from financial transactions (net)	148,245	274,939	85.5
Foreign exchange (net)	13,157	17,836	35.6
Other operating income/expense	-15,552	-26,338	69.4
Gross operating income	692,249	879,774	27.1
Personnel expenses	-187,985	-260,322	38.5
Recurrent (1)	-182,218	-258,410	41.8
Non-recurrent	-5,767	-1,912	-66.8
Other general expenses	-94,171	-147,099	56.2
Recurrent (2)	-93,805	-147,099	56.8
Non-recurrent	-366	0	-100.0
Amortization & depreciation	-32,039	-50,356	57.2
Net income before provisions	378,054	421,997	11.6
Provisions for NPLs and other impairments	-293,407	-324,945	10.7
Gains on sale of assets	27,982	-2,494	--
Badwill	0	0	--
Income tax	-31,049	-34,062	9.7
Consolidated net profit	81,580	60,496	-25.8
Minority interest	1,557	9,381	--
Attributable net profit	80,023	51,115	-36.1
Pro memoria:			
Average total assets	101,603,835	161,022,907	
Earnings per share (€) (3)	0.03	0.02	

- (1) Recurrent personnel expenses fell 13.0% year-on-year in like-for-like terms.
(2) Recurrent general expenses fell 5.8% year-on-year in like-for-like terms.
(3) Not annualised.

Profit & loss account - quarterly

(€'000)	1Q12	2Q12	3Q12	4Q12	1Q13	Change (%) YoY
Interest and related income	903,631	1,063,210	1,398,963	1,369,817	1,251,399	38.5
Interest and related charges	-496,380	-616,209	-872,556	-882,488	-800,169	61.2
Net interest income	407,251	447,001	526,407	487,329	451,230	10.8
Dividend income	794	6,222	1,395	1,454	2,199	177.0
Income from equity method	4,807	925	-12,171	-5,296	-8,497	--
Net fees and commissions	133,547	155,261	164,620	175,261	168,405	26.1
Results from financial transactions (net)	148,245	93,963	121,609	182,419	274,939	85.5
Foreign exchange (net)	13,157	10,161	21,291	15,272	17,836	35.6
Other operating income/expense	-15,552	-38,646	-36,520	-51,760	-26,338	69.4
Gross operating income	692,249	674,887	786,631	804,679	879,774	27.1
Personnel expenses	-187,985	-227,248	-294,194	-287,119	-260,322	38.5
Recurrent	-182,218	-221,463	-292,163	-281,224	-258,410	41.8
Non-recurrent	-5,767	-5,785	-2,031	-5,895	-1,912	-66.8
Other general expenses	-94,171	-115,070	-151,857	-153,981	-147,099	56.2
Recurrent	-93,805	-113,141	-152,261	-153,113	-147,099	56.8
Non-recurrent	-366	-1,929	404	-868	0	-100.0
Amortization & depreciation	-32,039	-37,532	-43,258	-44,096	-50,356	57.2
Net income before provisions	378,054	295,037	297,322	319,483	421,997	11.6
Provisions for NPLs and other impairments	-293,407	-1,595,928	-281,125	-370,169	-324,945	10.7
Gains on sale of assets	27,982	-9,499	10,649	-13,725	-2,494	--
Badwill	0	933,306	0	0	0	--
Income tax	-31,049	360,082	4,030	64,992	-34,062	9.7
Consolidated net profit	81,580	-17,002	30,876	581	60,496	-25.8
Minority interest	1,557	-27,094	30,373	9,308	9,381	--
Attributable net profit	80,023	10,092	503	-8,727	51,115	-36.1
Pro memoria:						
Average total assets	101,603,835	125,978,808	163,895,076	160,495,875	161,022,907	
Earnings per share (€) (1)	0.03	0.04	0.03	0.03	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 2012, showing the average yields and costs of the various components of total lending and funding. The

figures include the balances of Banco CAM since June 2012.

Average yield

2012 (€'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	3,631,914	1.48	13,381	5,028,502	1.20	15,005	5,013,784	0.95	11,922	4,596,244	1.25	14,464
Loans to customers (net)	71,086,168	4.28	756,617	84,002,357	4.16	867,972	106,041,648	4.05	1,078,199	102,347,897	4.02	1,033,576
Fixed-income securities	14,763,270	3.22	118,137	19,939,783	3.08	152,547	25,193,867	3.93	248,808	25,191,689	3.73	236,191
Subtotal	89,481,352	3.99	888,135	108,970,642	3.82	1,035,524	136,249,299	3.91	1,338,929	132,135,830	3.87	1,284,231
Equity securities	2,108,839	--	--	2,406,793	--	--	2,335,549	--	--	2,093,708	--	--
Tang. & intang. assets	2,168,944	--	--	2,399,176	--	--	2,980,964	--	--	3,914,580	--	--
Other assets	7,844,700	0.79	15,496	12,202,197	0.91	27,686	22,329,264	1.07	60,034	22,351,757	1.52	85,586
Total	101,603,835	3.58	903,631	125,978,808	3.39	1,063,210	163,895,076	3.40	1,398,963	160,495,875	3.40	1,369,817

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									
Loans to customers (net)	101,522,722	3.94	985,570									
Fixed-income securities	28,212,967	3.46	240,923									
Subtotal	134,230,031	3.74	1,236,710									
Equity securities	2,119,497	--	--									
Tang. & intang. assets	3,119,175	--	--									
Other assets	21,554,204	0.28	14,689									
Total	161,022,907	3.16	1,251,399									

Average cost of funds

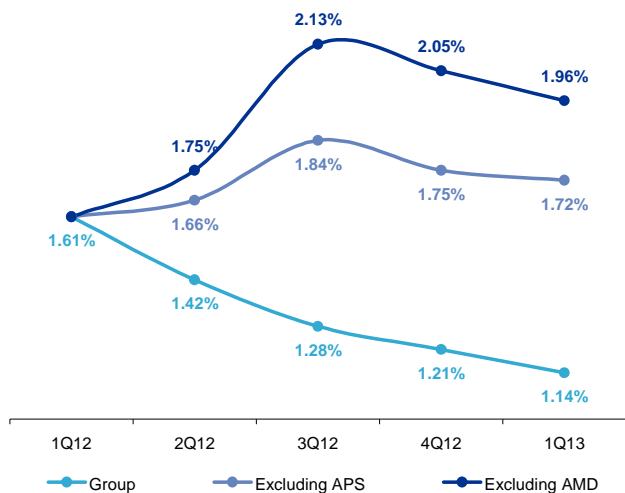
2012 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense
Financial institutions	12,613,694	-1.97	-61,803	22,090,545	-1.58	-86,746	33,272,929	-1.41	-117,688	31,803,768	-1.16	-92,817
Customer deposits	49,692,254	-2.12	-261,712	55,664,030	-2.00	-277,326	67,800,499	-2.03	-345,128	71,461,738	-2.09	-376,244
Capital markets	21,190,335	-2.80	-147,286	27,442,565	-3.35	-228,879	36,207,591	-4.14	-376,444	33,940,276	-4.17	-356,075
Repos	4,897,683	-1.03	-12,516	5,679,725	-0.70	-9,925	6,472,894	-1.17	-18,998	3,997,414	-1.79	-17,941
Subtotal	88,393,966	-2.20	-483,317	110,876,865	-2.19	-602,876	143,753,913	-2.38	-858,258	141,203,196	-2.38	-843,077
Other liabilities	6,240,002	-0.84	-13,063	7,544,994	-0.71	-13,333	11,428,310	-0.50	-14,298	10,579,826	-1.48	-39,411
Shareholders' equity	6,969,867	--	--	7,556,949	--	--	8,712,853	--	--	8,712,853	--	--
Total	101,603,835	-1.97	-496,380	125,978,808	-1.97	-616,209	163,895,076	-2.12	-872,556	160,495,875	-2.19	-882,488

2013 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense
Financial institutions	28,981,056	-1.22	-87,097									
Customer deposits	76,214,463	-2.19	-410,852									
Capital markets	31,882,481	-3.50	-275,484									
Repos	3,885,129	-1.62	-15,546									
Subtotal	140,963,129	-2.27	-788,979									
Other liabilities	11,028,863	-0.41	-11,190									
Shareholders' equity	9,030,915	--	--									
Total	161,022,907	-2.02	-800,169									

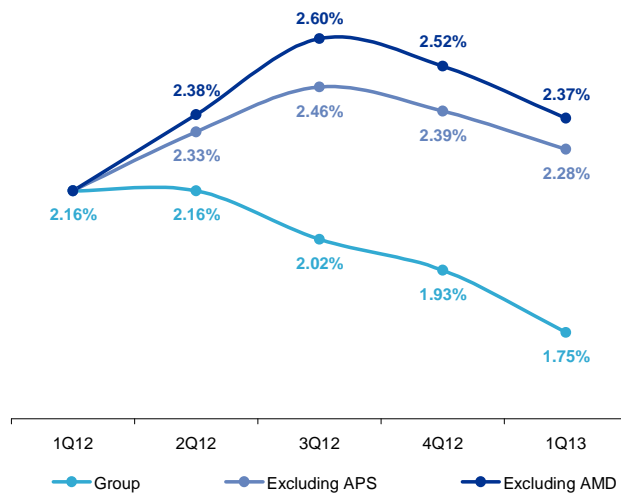
Net interest income in the first quarter of 2013 amounted to Euros 451.2 million, compared with Euros 487.3 million in the previous quarter. The figures for the third and fourth quarters of 2012 and the first quarter of 2013 are not comparable with the first two quarters of 2012 since Banco CAM has been consolidated since June 2012.

The figures below show the trend in net interest income as a percentage of average total assets and the trend in customer spreads, both at group level, excluding the assets covered by the Asset Protection Scheme (APS) arranged for the acquisition of Banco CAM and also the assets transferred to the bank's Asset Management Division (AMD).

Net interest income as % of ATA (%)



Customer spread (%)



Net fees and commissions

(€'000)	1Q12	4Q12	1Q13	Change (%) 1Q12	Change (%) 4Q12
Asset transactions	27,042	31,120	27,889	3.1	-10.4
Guarantees	21,567	25,242	25,586	18.6	1.4
Transferred to other entities	-1,013	-1,628	-1,145	13.0	-29.7
Risk transaction fees	47,596	54,734	52,330	9.9	-4.4
Cards	15,612	27,841	27,645	77.1	-0.7
Payment orders	9,276	12,127	9,977	7.6	-17.7
Securities	12,795	10,185	12,068	-5.7	18.5
Demand accounts	7,856	16,565	17,130	118.0	3.4
Other transactions	14,350	27,248	23,318	62.5	-14.4
Commissions for services	59,889	93,966	90,138	50.5	-4.1
Mutual funds	17,048	17,220	16,802	-1.4	-2.4
Pension funds and insurance brokerage	9,014	9,341	9,135	1.3	-2.2
Mutual and pension fund and insurance commissions	26,062	26,561	25,937	-0.5	-2.3
Total	133,547	175,261	168,405	26.1	-3.9

Net fees and commissions in the first quarter of 2013 totalled Euros 168.4 million, up 26.1% with respect to the first quarter of 2012.

Service fees increased significantly (+50.5%) in year-on-year terms, basically as a result of higher revenues from cards, demand deposits, and other sundry services to customers, following the consolidation of Banco CAM as from June 2012.

Fees for risk transactions increased by 9.9%, attributable primarily to the positive performance of guarantees and documentary credit.

Overall, fees from mutual funds and the sale of pension plans and insurance products remained practically stable (-0.5%).

Net fees declined overall by 3.9% compared with 4Q12, in line with the economic cycle. This slight reduction was visible in the various fees categories (risk transactions, services, mutual and pension funds, and insurance).

Administrative expenses

(€'000)	1Q12	4Q12	1Q13	Change (%) 1Q12	Change (%) 4Q12
Recurrent	-182,218	-281,224	-258,410	41.8	-8.1
Non-recurrent	-5,767	-5,895	-1,912	-66.8	-67.6
Personnel expenses	-187,985	-287,119	-260,322	38.5	-9.3
IT	-14,253	-18,041	-24,091	69.0	33.5
Communications	-5,711	-8,721	-6,273	9.8	-28.1
Advertising	-8,325	-19,686	-13,813	65.9	-29.8
Premises	-27,593	-43,549	-38,932	41.1	-10.6
Stationery and office supplies	-1,488	-1,439	-2,498	67.9	73.6
Taxes other than income tax	-13,579	-21,883	-22,996	69.3	5.1
Others	-22,856	-39,794	-38,496	68.4	-3.3
Non-recurrent	-366	-868	0	-100.0	-100.0
Other general expenses	-94,171	-153,981	-147,099	56.2	-4.5
Total	-282,156	-441,100	-407,421	44.4	-7.6

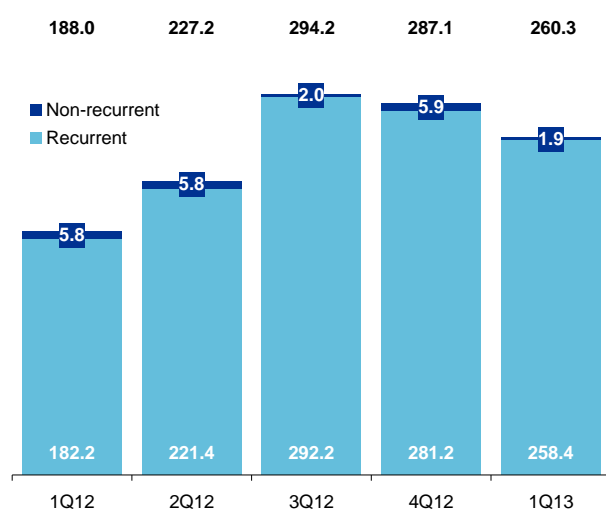
Assuming no change in consolidation scope, the variation in recurrent administrative expenses in 1Q13 was -10.5%, compared with 1Q12.

In particular, the measures applied under the operating efficiency programme in branch processes and other areas led to a 13.0% year-on-year decline in recurrent personnel expenses in like-for-like terms.

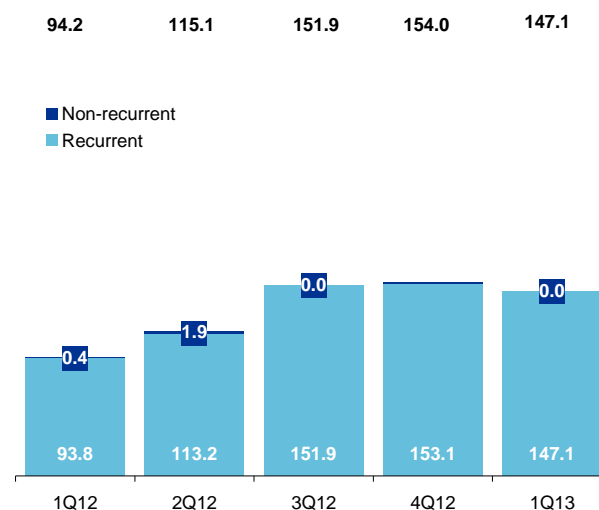
Recurrent general expenses performed even more favourably, falling by 5.8% in like-for-like terms compared with 1Q12.

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)	31.03.12	31.12.12	31.03.13	Change (%) YoY
Cash and balance with Central Banks	1,440,461	2,483,590	2,270,402	57.6
Trading and derivatives portfolios and other financial assets	2,308,509	7,182,995	7,133,574	209.0
Available-for-sale financial assets	15,043,121	24,060,464	28,046,086	86.4
Loans and advances	78,796,960	110,732,517	107,124,202	35.9
Balances with financial institutions (1)	4,171,827	5,233,243	3,935,784	-5.7
Loans to customers (net)	74,625,133	105,102,361	102,783,431	37.7
Debt securities	0	396,913	404,987	--
Investments in associated companies	618,628	746,336	737,355	19.2
Property, plant and equipment	1,106,266	2,635,038	2,430,686	119.7
Intangible assets	1,022,091	1,165,072	1,161,251	13.6
Other assets	4,984,923	12,541,073	12,526,790	151.3
Total assets	105,320,959	161,547,085	161,430,346	53.3
Trading and derivatives portfolios	1,968,314	2,473,447	2,370,658	20.4
Financial liabilities at amortised cost	94,747,851	144,984,600	145,268,625	53.3
Central banks and credit institutions (2)	18,231,353	33,668,596	32,952,593	80.7
Customer deposits	54,920,815	82,464,410	85,172,561	55.1
Capital markets	19,249,173	25,326,170	24,166,570	25.5
Subordinated liabilities	1,066,023	1,166,707	1,085,191	1.8
Other financial liabilities	1,280,487	2,358,717	1,891,710	47.7
Liabilities under insurance contracts	184,212	2,038,815	2,012,544	--
Provisions	321,574	1,370,326	1,083,101	236.8
Other liabilities	494,209	1,419,125	1,475,936	198.6
Subtotal liabilities	97,716,160	152,286,313	152,210,864	55.8
Shareholders' equity (3)	7,901,757	9,119,542	9,014,772	14.1
Valuation adjustments	-349,249	-317,945	-267,884	-23.3
Minority interest	52,291	459,175	472,594	--
Equity	7,604,799	9,260,772	9,219,482	21.2
Total liabilities and equity	105,320,959	161,547,085	161,430,346	53.3
Contingent risks	8,364,503	9,015,469	8,982,318	7.4
Contingent liabilities	11,337,111	13,523,884	11,360,953	0.2
Total memorandum accounts	19,701,614	22,539,353	20,343,271	3.3

(1) Balances with financial institutions include the following amounts of repos: Euros 1,155 million at 31.03.12, Euros 1,504 million at 31.12.12 and Euros 443 million at 31.03.13.

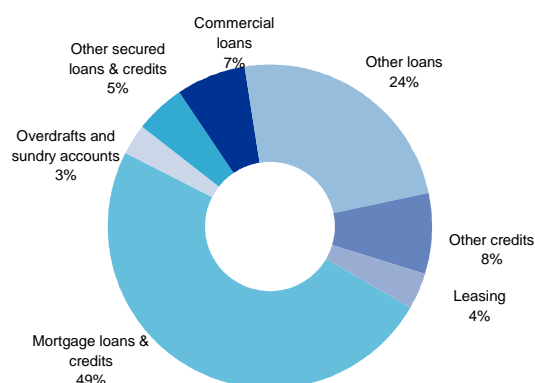
(2) Deposits with central banks and credit institutions include the following amounts of repos: Euros 649 million at 31.03.12, Euros 1,719 million at 31.12.12 and Euros 3,371 million at 31.03.13.

(3) Includes mandatory convertible bonds (Euros 815 million at 31.03.12, Euros 798 million at 31.12.12 and Euros 797 million at 31.03.13).

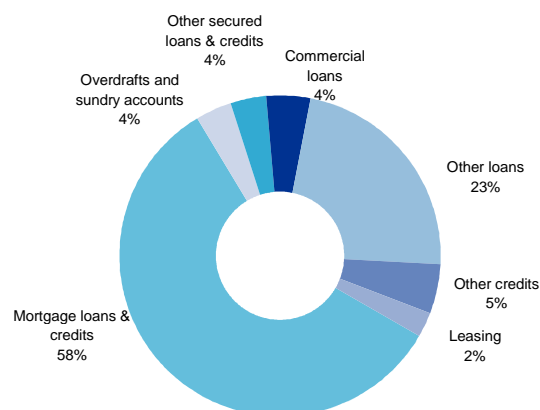
Loans to customers

(€'000)	31.03.12	31.12.12	31.03.13	Change (%) YoY
Mortgage loans & credits	34,005,408	55,540,706	54,587,961	60.5
Other secured loans & credits	3,419,232	3,235,826	3,413,173	-0.2
Commercial loans	4,961,969	4,424,246	4,104,056	-17.3
Other loans	16,678,062	21,738,062	21,659,571	29.9
Other credits	5,486,345	5,353,704	4,744,835	-13.5
Leasing	2,588,200	2,316,459	2,233,544	-13.7
Overdrafts and sundry accounts	2,123,809	3,259,828	3,459,225	62.9
Non-performing loans	4,860,180	19,589,071	19,204,499	295.1
Accruals	112,177	-65,511	-17,860	--
Gross loans and advances to customers, excluding repos	74,235,382	115,392,391	113,389,004	52.7
Reverse repos	2,648,132	1,890,884	705,472	-73.4
Gross loans and advances to customers	76,883,514	117,283,275	114,094,476	48.4
NPL and country-risk provisions	-2,258,381	-12,180,914	-11,311,045	400.8
Loans to customers (net)	74,625,133	105,102,361	102,783,431	37.7
Pro memoria: total securitisation	9,540,067	20,176,753	19,327,719	102.6
Of which: mortgage backed	6,542,670	17,222,663	16,650,234	154.5
Other securitised assets	2,997,397	2,954,090	2,677,485	-10.7
Of which: securitised after 01.01.04	9,418,585	19,338,123	18,514,167	96.6
Of which: mortgage backed	6,421,881	16,442,337	15,894,333	147.5
Other securitised assets	2,996,704	2,895,786	2,619,834	-12.6

Loans and advances, 31.03.12 (%) (*)

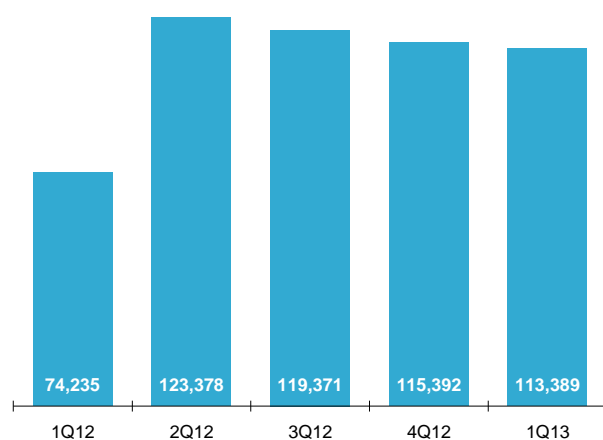


Loans and advances, 31.03.13 (%) (*)

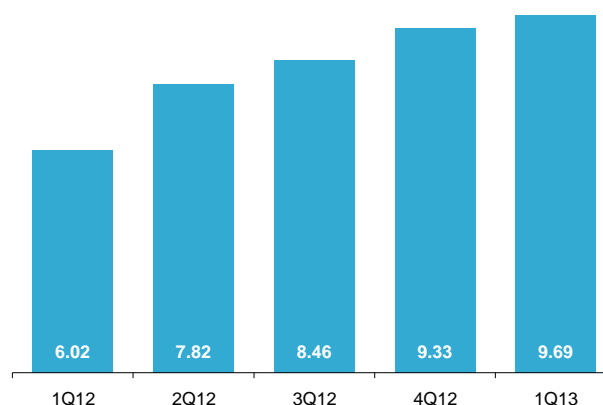


(*) Excluding doubtful assets and accrual adjustments.

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



NPLs/Gross loans ratio excluding APS (%)



(1) Percentages from 2Q12 onwards are those of the combined entity, Banco Sabadell + Banco CAM, excluding assets covered by the Asset Protection Scheme.

Credit risk management

As of 31 March 2013, the non-performing risks of the combined entity, Banco Sabadell + Banco CAM, excluding assets covered by the Asset Protection Scheme, amounted to Euros 10,424.3 million, i.e. an NPL ratio of 9.69%.

Additionally, expressed with respect to the total exposure to loans and real estate, the coverage ratio was 13.76% in the first quarter of 2013.

Trend in doubtful and substandard balances and real estate

BS group excl. APS

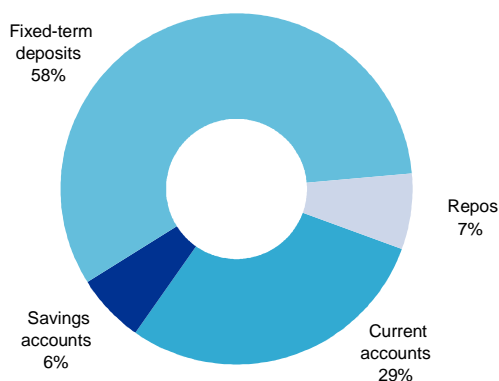
(€ million)	2Q12	3Q12	4Q12	1Q13
Net increase	249	667	1,094	385
Change in real estate	522	327	233	394
Net increase plus real estate	771	994	1,327	778
Defaults	228	232	387	247
Quarterly change in doubtful balances and real estate	543	762	940	531

Funds under management

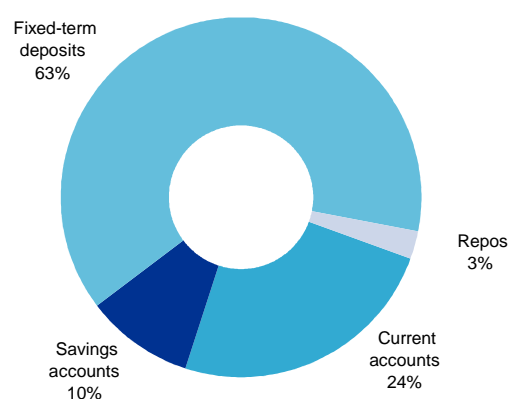
(€'000)	31.03.12	31.12.12	31.03.13	Change (%) YoY
Customer-based funding on balance sheet (1)	53,446,109	80,179,388	82,692,408	54.7
Customer deposits	54,920,815	82,464,410	85,172,561	55.1
Current accounts	15,895,349	19,251,171	20,731,647	30.4
Savings accounts	3,447,268	7,833,472	8,141,948	136.2
Fixed-term deposits	31,202,576	53,526,063	53,816,580	72.5
Repos	3,850,120	1,466,003	2,159,574	-43.9
Accruals	444,530	564,214	626,548	40.9
Derivative hedging adjustments	80,972	-176,513	-303,736	--
Debt and other tradable securities	19,249,173	25,326,170	24,166,570	25.5
Subordinated liabilities	1,066,023	1,166,707	1,085,191	1.8
Liabilities under insurance contracts	184,212	2,038,815	2,012,544	--
On-balance sheet funds	75,420,223	110,996,102	112,436,866	49.1
Mutual funds	8,294,776	8,584,848	8,987,314	8.3
Equity funds	337,165	327,388	349,385	3.6
Balanced funds	424,458	425,964	467,328	10.1
Fixed-income funds	1,549,493	1,613,871	1,762,848	13.8
Guaranteed return funds	2,261,693	2,376,623	2,424,470	7.2
Real estate funds	1,006,385	990,610	990,006	-1.6
Dedicated investment companies	1,279,572	1,262,855	1,280,592	0.1
Third-party funds	1,436,010	1,587,537	1,712,685	19.3
Managed accounts	1,342,022	1,051,659	1,184,303	-11.8
Pension funds	2,928,704	3,708,868	3,731,123	27.4
Individual	1,806,710	2,250,102	2,296,389	27.1
Company	1,098,967	1,435,039	1,413,418	28.6
Group	23,027	23,727	21,316	-7.4
Third-party insurance products	5,779,452	7,313,153	7,269,940	25.8
Funds under management	93,765,177	131,654,630	133,609,546	42.5

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

Customer deposits, 31.03.12 (%) (*)

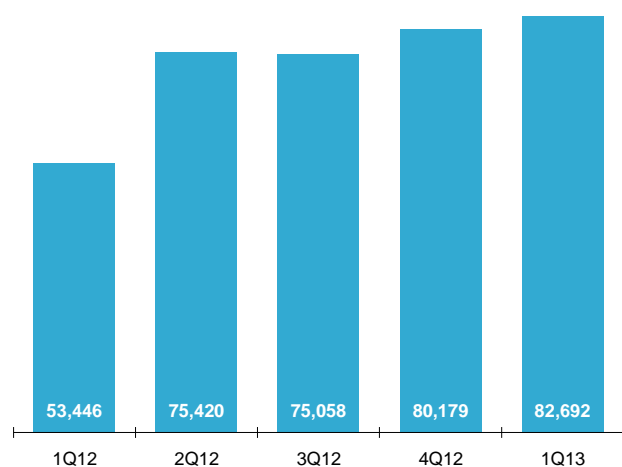


Customer deposits, 31.03.13 (%) (*)

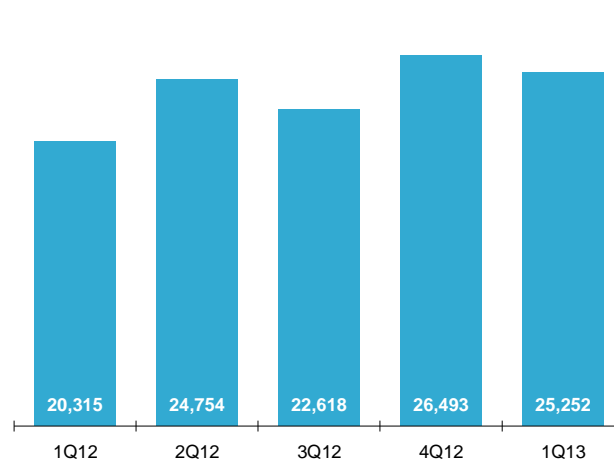


(*) Excluding adjustments for accruals and hedges with derivatives.

Customer-based funding on balance sheet (€mn)



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



Shareholder's equity

(€'000)	31.03.12	31.12.12	31.03.13	Change (%) YoY
Shareholders' equity	7,901,757	9,119,542	9,014,772	14.1
Issued capital	287,248	369,944	369,944	28.8
Reserves	6,809,491	7,895,312	7,937,871	16.6
Other equity instruments (1)	814,621	798,089	797,289	-2.1
Less: treasury shares	-89,626	-25,694	-141,447	57.8
Attributable net profit	80,023	81,891	51,115	-36.1
Less: dividends and payments	0	0	0	--
Valuation adjustments	-349,249	-317,945	-267,884	-23.3
Minority interest	52,291	459,175	472,594	--
Equity	7,604,799	9,260,772	9,219,482	21.2

(1) Mandatory convertible bonds.

Capital ratios

(€'000)	31.03.12	31.12.12	31.03.13	Change (%) YoY
Issued capital	287,248	369,944	369,944	28.8
Reserves	6,643,594	7,838,177	7,734,956	16.4
Mandatory convertible bonds	814,621	798,089	797,289	-2.1
Minority interest	54,606	51,078	62,597	14.6
Deductions	-1,178,561	-1,206,783	-1,222,465	3.7
Core capital	6,621,508	7,850,505	7,742,321	16.9
Core capital (%)	11.88	10.42	10.56	
Preference shares and deductions	-289,214	-5,413	4,552	--
Primary capital	6,332,294	7,845,092	7,746,873	22.3
Tier I (%)	11.36	10.42	10.57	
Secondary capital	461,915	731,549	640,035	38.6
Tier II (%)	0.83	0.97	0.87	
Total capital	6,794,209	8,576,641	8,386,908	23.4
Minimum capital requirement	4,459,330	6,025,145	5,865,743	31.5
Capital surplus	2,334,879	2,551,496	2,521,165	8.0
BIS ratio (%)	12.19	11.39	11.44	
Risk weighted assets (RWA)	55,741,625	75,314,313	73,321,788	31.5

Credit ratings

Agency	Date	Long term	Short term	Outlook	Strength
DBRS	19.11.2012	A (low)	R-1 (low)	Negative	
Standard & Poor's ⁽¹⁾	20.12.2012	BB	B	Negative	
Moody's	19.11.2012	Ba1	NP	Negative	D

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Banco de Sabadell's contract with Fitch Ratings to rate Banco de Sabadell and the securities it issues expired on 31 December 2012 and was not renewed. From that date

onwards, any rating by Fitch of the bank or its securities is based solely on public information.

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.

31.03.2012	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	359,369	36,549	44,481,956	5.1%	58.3%	7,179	1,326
Corporate banking	48,504	40,856	11,004,697	16.5%	12.6%	92	2
Banca Privada	13,527	1,992	1,205,826	15.8%	75.7%	307	11
Investment management	8,331	3,650	8,294,776 (**)	25.6%	56.0%	145	--
Total		83,047 (*)					

31.03.2013	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	392,465	22,944	72,722,532	2.4%	75.7%	10,360	1,831
Corporate banking	45,827	23,254	11,614,544	9.1%	14.7%	96	2
Banca Privada	13,345	709	1,102,985	6.1%	79.3%	270	12
Investment management	9,113	3,521	8,987,314 (**)	52.9%	61.3%	148	--
Total		50,428 (*)					

(*)To reconcile with total group results, it is necessary to consider amounts not assigned to the business units (including extraordinary provisions and writedowns in the year and the badwill recognised in the acquisition of Banco CAM) as well as the tax effect. Neither year includes the balances corresponding to the Asset Management Division (AMD).

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

Share price performance

	31.03.12	31.12.12	31.03.13	Change (%) YoY
Shareholders and trading				
Number of shareholders	173,645	236,774	236,423	36.2
Number of shares	2,297,983,113	2,959,555,017	2,959,555,017	28.8
Average daily trading volume (number of shares)	11,098,991	9,191,875	9,625,119	-13.3
Share price (€)				
Opening session	2.934	2.934	1.975	
High	2.980	2.980	2.160	
Low	1.968	1.185	1.410	
Closing session	2.042	1.975	1.432	
Market capitalisation (€ '000)	4,692,482	5,845,121	4,238,083	
Stock market multiples				
Earnings per share (EPS) (€)	0.14	0.03	0.07	
Book value per share (€)	3.44	3.08	3.05	
Price /Book value (times)	0.59	0.64	0.47	
Price /earnings ratio (P/E) (times)	14.58	71.38	20.44	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	2,527,647,727	3,183,841,740	3,183,840,590	
Earnings per share (EPS) (€)	0.13	0.03	0.07	
Book value per share (€)	3.13	2.86	2.83	
Price /Book value (times)	0.65	0.69	0.51	