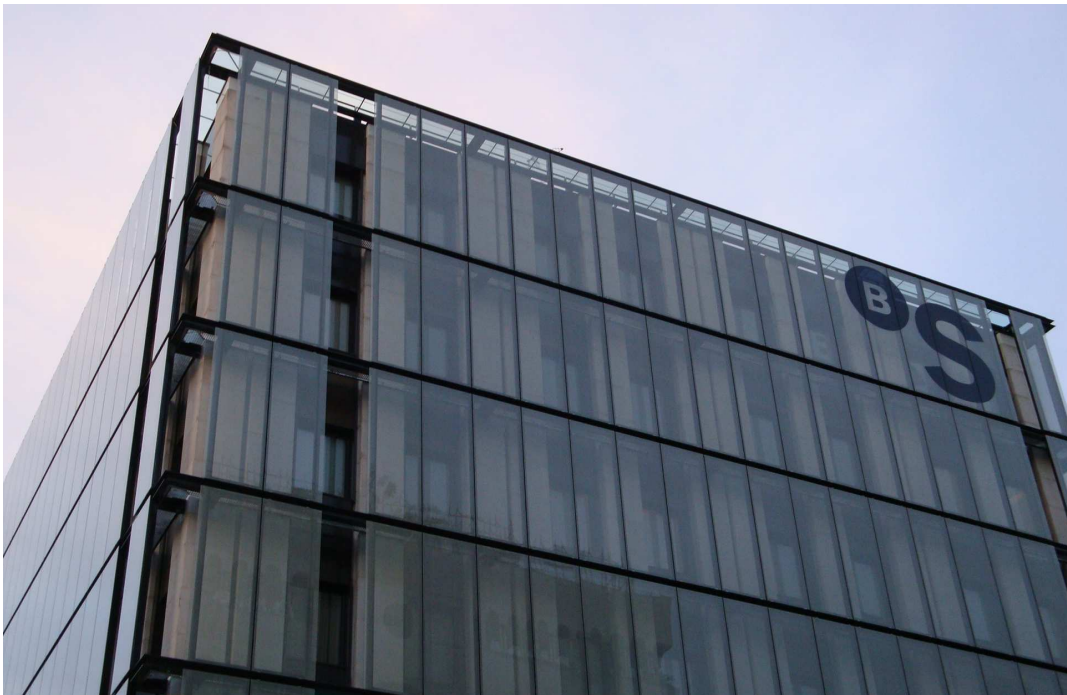


Quarterly financial report

First quarter, 2012



Key figures	3
Introduction	4
Profit & loss account	8
Balance sheet	15
Results by business units	22
Share price performance	23

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

	31.03.11	31.12.11	31.03.12	Change (%) YoY
Balance sheet (€ '000)				
Total assets	95,257,229	100,437,380	105,320,959	10.6
Gross loans and advances to customers, excluding repos	72,073,664	73,635,342	74,235,382	3.0
Gross loans and advances to customers	72,202,337	74,922,073	76,883,514	6.5
On-balance sheet funds	74,129,832	78,119,863	75,420,223	1.7
Of which: Customer-based funding on balance sheet (1)	52,130,515	53,703,245	53,795,395	3.2
Mutual funds	8,732,821	8,024,185	8,294,776	-5.0
Pension funds and third-party insurance products	8,721,701	8,784,677	8,708,156	-0.2
Funds under management	92,814,501	96,061,962	93,765,177	1.0
Shareholders' equity	6,295,425	6,276,160	7,901,757	25.5
Profit and loss account (€ '000)				
Net interest income	379,149	1,537,263	407,251	7.4
Gross operating income	671,561	2,506,722	692,249	3.1
Net income before provisions	348,493	1,230,710	378,054	8.5
Attributable net profit	84,248	231,902	80,023	-5.0
Ratios (%)				
ROA	0.36	0.24	0.32	
ROE	6.27	3.82	5.05	
Cost / income (ex amortisation) (2)	49.72	47.32	40.76	
Cost / income ratio excluding non-recurrent expenses (2)	46.42	45.75	39.87	
Core capital	9.37	9.01	11.88	
Adjusted core capital (3)	9.60	10.05	12.87	
Tier I	10.51	9.94	11.36	
BIS ratio	11.84	10.95	12.19	
Risk management				
Non-performing loans (€ '000)	4,388,510	4,876,554	4,975,235	
Provisions for NPLs (€ '000)	2,224,827	2,364,694	2,348,029	
NPLs / Gross loans (%)	5.46	5.95	6.02	
NPL coverage ratio (%)	50.70	48.49	47.19	
NPL coverage ratio with mortgage collateral (%)	113.97	115.84	111.45	
Share data (period end)				
Number of shareholders	128,288	127,310	173,645	
Number of shares	1,389,993,916	1,391,048,717	2,297,983,113	
Share price (€)	3.087	2.934	2.547	
Market capitalisation (€ '000)	4,290,911	4,081,337	5,852,963	
Earnings per share (EPS) (€)	0.25	0.17	0.14	
Book value per share (€)	4.53	4.51	3.44	
Price /Book value (times)	0.68	0.65	0.74	
Price /earnings ratio (P/E) (times)	12.56	17.60	18.19	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	1,583,608,807	1,583,608,773	2,527,647,727	
Earnings per share (EPS) (€)	0.22	0.15	0.13	
Book value per share (€)	3.98	3.96	3.13	
Price /Book value (times)	0.78	0.74	0.81	
Other data				
Domestic branches	1,428	1,339	1,339	
Employees	10,721	10,675	10,550	
ATMs	1,600	1,561	1,475	

- (1) Includes customer deposits (ex-repos) and other liabilities placed via the branch network: preference shares, mandatory convertible bonds, non-convertible September 2011 bonds of Banco Sabadell and commercial paper.
- (2) Personnel and other general administrative expenses / gross operating income. The 2011 figure does not include the capital gains (Euros 87.1 million) from the debt-for-equity transaction in February.
- (3) Adjusted for generic provisions net of taxes.

Introduction

Key developments in 1Q12

- Net interest income: amounted to Euros 407.3 million, a 7.4% increase year-on-year. The ongoing management of customers spreads together with a greater margin on the ALCO portfolio offset the negative effect of the yield curve and the higher cost of funding in the capital markets.
- Net fees and commissions: totalled Euros 133.5 million, a decrease of 1.6% year-on-year. Commissions on risk transactions and customer services performed positively; commissions on mutual funds and on marketing insurance and pension products were lower due to the adverse market situation.
- Results from financial transactions: includes gains of Euros 104.8 million from the sale of fixed income securities and Euros 42.3 million from the trading portfolio. The 1Q11 figure included Euros 87.1 million from the debt-for-equity transaction in February 2011 (issue and placement of 126 million BS shares to tender for preference shares and subordinated debt at a discount).
- Other operating income/expenses: the 2012 figure includes Euros -26.0 million in provisions for the Deposit Guarantee Fund, compared with Euros -6.5 million in 1Q11.
- Administrative expenses (personnel and general): in terms of constant consolidation scope, recurrent administrative expenses declined by -0.1% year-on-year (specifically, personnel expenses expanded by +0.3% and general expenses declined by -0.7%).

Non-recurrent personnel expenses totalled Euros -5.8 million (Euros -13.1 million in 1Q11) and non-recurrent general expenses (restructuring costs related to the Banco Guipuzcoano acquisition) amounted to Euros -0.4 million (Euros -6.2 million in 1Q11).
- Provisions for NPLs and other impairments: provisions for NPLs and other impairments (primarily real estate and financial assets) totalled Euros -293.4 million in the quarter. In 1Q11, this item amounted to Euros -330.1 million, of which Euros -186.0 million were extraordinary provisions booked using the one-off revenues obtained in the debt-for-equity transaction in February 2011, and the gross impact of the tax deductibility of goodwill applied in February.
- On 31 March 2012, the NPL ratio was 6.02%, and the NPL coverage ratio was 47.19% (111.45% including mortgage collateral).
- Income tax in 1Q11 included a Euros 69.4 million credit due to a decision by the Spanish tax authorities on the deductibility of goodwill.
- The core capital ratio was 11.88%, compared with 9.37% at 31 March 2011.
- Customer loans and funds: customer funds on the balance sheet increased by +3.2% year-on-year, while gross loans and advances to customers, excluding repos, increased by +3.0%. The jaws ratio in 1Q12 was Euros 601.9 million.

Macroeconomic environment

Global economic and financial background

Financial conditions have improved worldwide in a context of abundant liquidity injected by the central banks and where the uncertainty regarding a second bailout for Greece has been resolved, avoiding its withdrawal from the Euro area. Market performance has improved despite the restructuring of Greek public debt and the continuous flow of negative news related to the fiscal situation of Euro area non-core countries. Euro area governments have made great progress in improving aid mechanisms, and a new agreement was reached to ensure the long-term sustainability of public accounts of the countries in the region. The US economy performed well in the last quarter of 2011 and the first quarter of 2012. Economic sentiment indices in the Euro area suggest that the economy will contract slightly in the first quarter of 2012.

Fixed income markets

Central banks maintained an accommodative tone. The Federal Reserve extended the period over which it believes that economic conditions will warrant exceptionally low levels of its base rate until the end of 2014. However, at its last meeting, the Fed had a more positive tone as regards growth, the labour market and the global situation. The European Central Bank maintained the base rate at 1.00% (after cutting it by 50bp in late 2011), in view of greater concerns about inflation. Unconventional monetary policies, in particular the three-year long-term refinancing operations, contributed to the notable improvement in

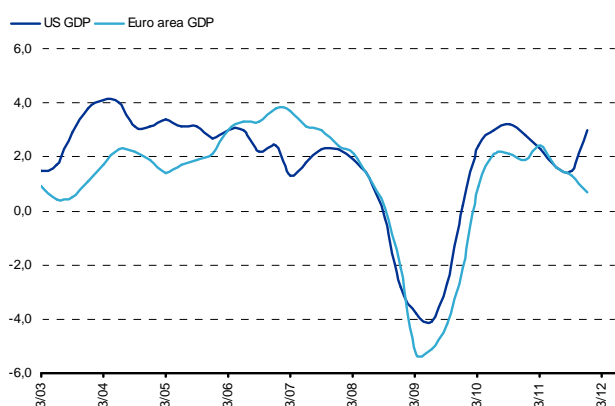
financial conditions in the Euro area and to overcoming the acute credit crunch at the end of 2011. The Bank of England and the Bank of Japan expanded their asset purchase programmes. In both cases, some members of their Monetary Policy Committees favoured greater increases.

The yield on long-term US debt increased, ending the quarter at 2.21%, boosted by positive growth figures. Yields on German public debt did not reflect any specific trend and remained low: 1.79% at the end of the quarter. In Euro area non-core countries, the risk premium declined notably in Italy and Portugal, contrasting with Spain, where it rose slightly. Risk premium performance in Italy was supported by the ECB's three-year liquidity auctions; however, improvements were limited by political noise related to the labour market reforms. Portugal's risk premium declined as a result of market sentiment that the country would not need a Greek-style restructuring of its public debt this year. The upswing in Spain's risk premium was driven by the controversy about the 2012 fiscal objectives.

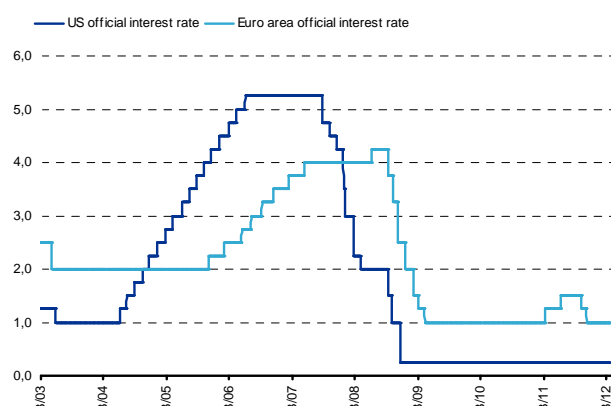
Equity markets

Equities recovered slightly in the quarter. This improvement was supported by the good tone in US macroeconomic data and the ECB's three-year liquidity auctions. The EuroStoxx50 added +6.9% in the quarter, and the S&P500 improved by +8.9%, in euro terms, while Spain's IBEX 35 shed -6.5%.

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 2012 and 2011, 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 2011.

Balance sheet and bottom line

Balance sheet

At the end of 1Q12, the total assets of Banco Sabadell and its Group amounted to Euros 105,321.0 million, i.e. an increase of Euros 10,063.7 million (+10.6%) year-on-year.

Gross loans and advances to customers, excluding repos, amounted to Euros 74,235.4 million at the end of 1Q12, a +3.0% increase over the Euros 72,073.7 million registered at the end of 1Q11. There was a notable increase in other loans, by Euros 2,959.3 million.

The ratio of non-performing loans (NPLs) to total computable loans was 6.02%, i.e. still below the Spanish financial sector average. NPL coverage was 47.19%. The coverage ratio including mortgage collateral is 111.45%.

At 31 March 2012, customer funds on the balance sheet amounted to Euros 53,795.4 million, compared with Euros 52,130.5 million at 31 March 2011, i.e. an increase of +3.2%. The balance of time deposits increased by a notable 3.2% in the period.

Customer deposits grew faster than customer loans and advances, which, together with adjustments related to the capital increase in March, provided a commercial gap of Euros 601.9 million in 1Q12.

Bonds and other tradeable securities amounted to Euros 19,249.2 million, compared with Euros 19,713.2 million at the end of March 2011. The balance of subordinated debt also declined, to Euros -1,066.0 million (Euros 1,939.1 million at 31 March 2011), largely due to the preference share swap in January 2012.

Assets in collective investment vehicles totalled Euros 8,294.8 million at 31 March 2012, representing a year-on-year decline of 5.0%, in line with market performance. However, assets in collective investment vehicles expanded by Euros 270.6 million (+3.4%) compared with 2011 year-end.

Assets in pension funds marketed by the Group amounted to Euros 2,928.7 million, and insurance sales increased to Euros 5,779.5 million, on par with figures at the end of March 2011 in both cases.

Total funds under management amounted to Euros 93,765.2 million at 31 March 2012, an increase of 1.0% compared with 1Q11.

Income and profit performance

Banco Sabadell and its group ended 1Q12 with Euros 80.0 million in net attributable profit, i.e. a decline of 5.0% with respect to 1Q11), after making Euros 293.4 million in provisions for bad debts, securities and real estate.

Net interest income totalled Euros 407.3 million in 1Q12, +7.4% year-on-year. Ongoing management of customer spreads together with the greater margin on the ALCO portfolio offset the negative effect of the yield curve and the higher cost of funding in the capital markets.

Income from equity-accounted affiliates amounted to Euros 4.8 million, which included a notable Euros 4.5 million contribution from Centro Financiero BHD, in the Dominican Republic.

Net fees and commissions totalled Euros 133.5 million, i.e. slightly less (-1.6%) than the 1Q11 figure. Commissions on risk transactions and customer services performed positively; commissions on mutual and pension funds and insurance marketed by the group declined as a result of the adverse market situation.

Results from financial transactions totalled Euros 148.2 million, and include gains of Euros 104.8 million on sales of fixed income securities in portfolio and Euros 42.3 million on the trading portfolio. Results from financial transactions in 1Q11 included Euros 87.1 million on the debt-for-equity swap in February 2011 (issue and placement of 126 million BS shares to tender for preference shares and subordinated debt at a discount).

Other operating income and expenses amounted to Euros -15.6 million, contrasting with Euros +1.9 million in the first quarter of 2011. This year-on-year variation is due to the greater contribution to the Deposit Guarantee Fund (Euros -26 million in 1Q12, compared with Euros -6.5 million in 1Q11).

Operating expenses in 1Q12 amounted to Euros 282.2 million, including Euros 6.1 million from non-recurrent expenses (mainly personnel indemnities and restructuring costs related to the Banco Guipuzcoano integration). Non-recurrent expenses were greater in 1Q11 and amounted to Euros 19.3 million. Operating expenses in 2012 declined by 0.1% year-on-year, in like-for-like terms (i.e. including Lydian Private Bank from the beginning of 2011). The cost/income ratio, excluding non-recurrent expenses, was 39.87%, i.e. a notable improvement with respect to 1Q11 (46.42%).

As a result, net income before provisions amounted to Euros 378.1 million at 31 March 2012 (+8.5% year-on-year).

Loan-loss provisions amounted to Euros 117.4 million, compared with Euros 233.2 million in 1Q11. Real estate and financial assets were written down by a total of Euros 176.0 million (Euros 96.9 million in 1Q11). Of total provisions in 1Q11 (Euros 330.1 million), Euros 186 million came from the extraordinary revenues from the debt-for-equity swap in February 2011, and from the gross impact of the decision by the tax authorities, as a result of a tax audit, to allow goodwill as deductible. The latter is reflected in the section on income tax and represents, in net terms, a Euros 69.4 million credit.

Banco Sabadell obtained gross capital gains of Euros 28.5 million from the sale of its stake in Banco del Bajío in March 2012.

Net income attributed to the group amounted to Euros 80.0 million, compared with Euros 84.2 million in 1Q11 (-5.0%). The core capital ratio was 11.88% (9.37% at the end of March 2011) and the Tier 1 ratio was 11.36% (10.51% at the end of March 2011).

Other key developments in 1Q12

Mortgage covered bond issue

Banco Sabadell launched a three-year Euros 1,200 million mortgage covered bond issue on 6 February.

The issue, aimed at Spanish and foreign institutional investors, initially amounted to Euros 500 million, but was increased by 140% to Euros 1,200 million as a result of significant oversubscription.

The coupon was 3.625% (250 basis points over the benchmark interest rate).

This issue, for which payment was completed on 16 February, is part of Banco Sabadell's programme of non-equity securities registered with the Spanish National Securities Market Commission (CNMV).

Banco Sabadell, Deutsche Bank AG, Merrill Lynch Internacional, Nomura Internacional Plc and Natixis acted as bookrunners; international investors bought 42% of the total issue. Interest in Europe was especially high: 11% of the total issue was bought by investors from Germany and Austria, 9.3% by French investors, and 6.3% by Italian.

The main investors in the issue were financial institutions, central banks, mutual fund managers, insurance companies and pension funds.

Capital increase at Banco Sabadell

On 27 February, the Board of Directors of Banco Sabadell resolved to increase capital by means of monetary contributions, by a nominal amount of Euros 86,476,525.625, through the issuance and distribution of 691,812,205 ordinary shares, with a nominal value of Euros 0.125 each, plus an issue premium of Euros 1.195 per new share, for a total issue premium of Euros 826,715,584.975 and an issue price of Euros 1.32 per new share. In view of the commitment undertaken by Banco Guipuzcoano, S.A.U., a subsidiary of the company, not to transfer or exercise any pre-emptive subscription rights on the Banco Sabadell shares it holds and the fact that the new shares to which such pre-emptive rights refer could not be subscribed in periods of allocation of additional shares or discretionary allocation and were not underwritten, the total cash capital increase amounted to Euros 902,556,116.880.

The new shares were paid up via monetary contributions, and Banco Sabadell shareholders had pre-emptive subscription rights to the newly-issued shares. Each outstanding share had a pre-emptive subscription right, and seven rights were needed to subscribe three new shares.

All of the shares issued were underwritten, with the exception of those corresponding to the shareholders that

gave Banco Sabadell a commitment to exercise their pre-emptive subscription rights to subscribe at least 68,783,349 new shares, and those corresponding to the pre-emptive subscription rights deriving from the company's own shares owned indirectly. The underwriting syndicate comprised Deutsche Bank AG, London Branch and Nomura International Plc as the lead underwriters; Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Ltd. and J.P. Morgan Securities Ltd, as Joint Bookrunners; Banco Bilbao Vizcaya Argentaria, S.A. as Co-Lead Manager, and JB Capital Markets, Sociedad de Valores, S.A. and Keefe, Bruyette & Woods, Ltd. as Co-Managers.

The main objective of the capital increase was to increase Banco Sabadell's core capital ratio (capital and reserves). Although the company's capital ratio complied with the legislation in force, the capital increase enabled Banco Sabadell to strengthen its capital structure and increase the amount of own funds of higher quality with a view to complying with more demanding capital requirements.

The new shares commenced trading in the Barcelona, Madrid and Valencia stock exchanges via the Sistema de Interconexión Bursátil (Spain's Electronic Market) on 26 March.

Merger by absorption of subsidiaries

On 23 February, the Board of Directors approved the merger into Banco Sabadell, S.A. of Banco Guipuzcoano, S.A., Banco Urquijo Sabadell Banca Privada, S.A., BanSabadell Professional, S.A.U. and Axel Group, S.L. Unipersonal, subject to the mandatory authorisations.

Those mergers will be performed in accordance with the provisions of articles 49.1 and 51 of Act 3/2009, of 3 April, on structural modifications of mercantile companies, since the companies being absorbed are wholly-owned by Banco Sabadell, S.A.

Sale of the stake in Banco de Bajío

On 30 March, Banco Sabadell reached an agreement to sell its entire stake in Mexican entity Banco del Bajío, S.A. Institución de Banca Múltiple, representing 20% of that bank's total capital. Specifically, 13.3% was sold to Ion Investments, B.V., subsidiary of Temasek Holdings (Private) Limited, and 6.7% to a trust fund comprising shareholders of Banco de Bajío.

Temasek, founded in 1974, is an Asian investment company headquartered in Singapore with operations in 12 countries in Asia and Latin America. It has a diversified investment portfolio, amounting to USD 153,000 million at 31 March 2011, concentrated mainly in Singapore, Asia and emerging markets.

This transaction is subject to the pertinent regulatory authorisations and compliance with the conditions in the agreement.

The stake was sold for Euros 156.6 million, representing a net capital gain for Banco Sabadell amounting to Euros 19.9 million.

Profit & loss account

Profit & loss account

(€'000)	1Q11	1Q12	Change (%) YoY
Interest and related income	794,485	903,631	13.7
Interest and related charges	-415,336	-496,380	19.5
Net interest income	379,149	407,251	7.4
Dividend income	1,323	794	-40.0
Income from equity method	16,799	4,807	-71.4
Net fees and commissions	135,729	133,547	-1.6
Results from financial transactions (net)	124,518	148,245	19.1
Foreign exchange (net)	12,162	13,157	8.2
Other operating income/expense	1,881	-15,552	--
Gross operating income	671,561	692,249	3.1
Personnel expenses	-192,129	-187,985	-2.2
Recurrent (1)	-179,016	-182,218	1.8
Non-recurrent	-13,113	-5,767	-56.0
Other general expenses	-98,516	-94,171	-4.4
Recurrent (2)	-92,316	-93,805	1.6
Non-recurrent	-6,200	-366	-94.1
Amortization & depreciation	-32,423	-32,039	-1.2
Net income before provisions	348,493	378,054	8.5
Provisions for NPLs and other impairments	-330,060	-293,407	-11.1
Gains on sale of assets	1,101	27,982	--
Income tax	66,601	-31,049	--
Consolidated net profit	86,135	81,580	-5.3
Minority interest	1,887	1,557	-17.5
Attributable net profit	84,248	80,023	-5.0
Pro memoria:			
Average total assets	96,005,281	101,603,835	
Earnings per share (€)	0.06	0.03	

(1) The year-on-year change was +0.3% in like-for-like terms (including Lydian Private Bank since the beginning of 2011).

(2) In like-for-like terms, the year-on-year change was -0.7%.

Profit & loss account - quarterly

(€'000)	1Q11	2Q11	3Q11	4Q11	1Q12	Change (%) YoY
Interest and related income	794,485	831,498	872,908	895,191	903,631	13.7
Interest and related charges	-415,336	-446,087	-484,277	-511,119	-496,380	19.5
Net interest income	379,149	385,411	388,631	384,072	407,251	7.4
Dividend income	1,323	5,647	727	1,055	794	-40.0
Income from equity method	16,799	15,395	9,639	-4,183	4,807	-71.4
Net fees and commissions	135,729	152,636	135,685	149,543	133,547	-1.6
Results from financial transactions (net)	124,518	38,698	23,695	84,335	148,245	19.1
Foreign exchange (net)	12,162	12,998	21,550	23,289	13,157	8.2
Other operating income/expense	1,881	1,295	1,810	3,233	-15,552	--
Gross operating income	671,561	612,080	581,737	641,344	692,249	3.1
Personnel expenses	-192,129	-178,735	-183,784	-187,952	-187,985	-2.2
Recurrent	-179,016	-175,980	-179,608	-178,944	-182,218	1.8
Non-recurrent	-13,113	-2,755	-4,176	-9,008	-5,767	-56.0
Other general expenses	-98,516	-92,491	-101,410	-110,074	-94,171	-4.4
Recurrent	-92,316	-92,491	-101,410	-107,215	-93,805	1.6
Non-recurrent	-6,200	0	0	-2,859	-366	-94.1
Amortization & depreciation	-32,423	-30,209	-31,050	-37,239	-32,039	-1.2
Net income before provisions	348,493	310,645	265,493	306,079	378,054	8.5
Provisions for NPLs and other impairments	-330,060	-215,482	-221,728	-281,646	-293,407	-11.1
Gains on sale of assets	1,101	1,510	1,020	2,041	27,982	--
Income tax	66,601	-15,624	-1,180	-1,391	-31,049	--
Consolidated net profit	86,135	81,049	43,605	25,083	81,580	-5.3
Minority interest	1,887	1,032	439	612	1,557	-17.5
Attributable net profit	84,248	80,017	43,166	24,471	80,023	-5.0
Pro memoria:						
Average total assets	96,005,281	95,391,438	96,404,970	97,372,148	101,603,835	
Earnings per share (€) (1)	0.06	0.06	0.03	0.02	0.03	

(1) Not annualised.

Net interest income

Average yield

2011 (€'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	2,318,962	1.29	7,399	2,262,463	1.52	8,549	2,509,221	1.67	10,572	2,670,042	1.85	12,435
Loans to customers (net)	70,112,273	3.86	667,103	69,772,943	3.99	693,851	70,060,348	4.12	727,741	70,699,027	4.22	752,699
Fixed-income securities	13,773,814	3.03	102,777	13,383,089	3.27	109,195	13,029,168	3.43	112,578	12,403,545	3.54	110,661
Subtotal	86,205,049	3.66	777,279	85,418,495	3.81	811,595	85,598,737	3.94	850,891	85,772,614	4.05	875,795
Equity securities	2,037,206	--	--	2,044,858	--	--	2,151,642	--	--	2,128,374	--	--
Tang. & intang. assets	2,025,270	--	--	1,933,147	--	--	2,018,425	--	--	2,124,241	--	--
Other assets	5,737,756	1.22	17,206	5,994,938	1.33	19,903	6,636,166	1.32	22,017	7,346,919	1.05	19,396
Total	96,005,281	3.36	794,485	95,391,438	3.50	831,498	96,404,970	3.59	872,908	97,372,148	3.64	895,191

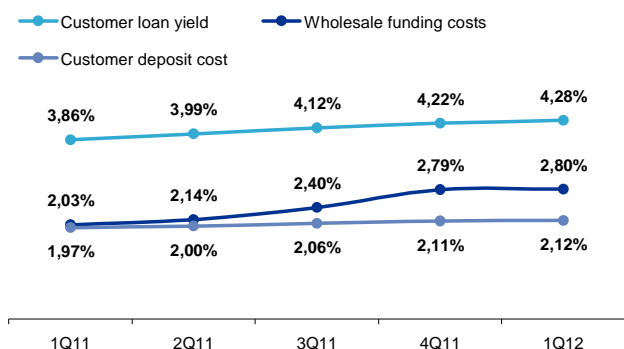
2012 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income	Avg.balance	Rate %	Income
Cash and balance with central banks & financial	3,631,914	1.48	13,381									
Loans to customers (net)	71,086,168	4.28	756,617									
Fixed-income securities	14,763,270	3.22	118,137									
Subtotal	89,481,352	3.99	888,135									
Equity securities	2,108,839	--	--									
Tang. & intang. assets	2,168,944	--	--									
Other assets	7,844,700	0.79	15,496									
Total	101,603,835	3.58	903,631									

Average cost of funds

2011 (€'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	7,298,291	-2.05	-36,979	7,632,178	-2.27	-43,191	6,679,413	-2.68	-45,047	7,937,986	-2.62	-52,487
Customer deposits	48,536,916	-1.97	-235,113	49,190,867	-2.00	-245,618	48,992,853	-2.06	-254,963	49,541,941	-2.11	-263,447
Capital markets	22,813,218	-2.03	-114,313	23,112,602	-2.14	-123,247	23,074,969	-2.40	-139,757	22,143,721	-2.79	-155,764
Repos	5,435,101	-1.09	-14,566	4,523,705	-1.49	-16,844	5,862,863	-1.71	-25,269	5,427,650	-1.62	-22,117
Subtotal	84,083,526	-1.93	-400,971	84,459,352	-2.04	-428,900	84,610,098	-2.18	-465,036	85,051,298	-2.30	-493,815
Other liabilities	5,736,116	-1.02	-14,365	5,119,376	-1.35	-17,187	5,770,068	-1.32	-19,241	6,455,036	-1.06	-17,304
Shareholders' equity	6,185,639	--	--	5,812,710	--	--	6,024,804	--	--	5,865,814	--	--
Total	96,005,281	-1.76	-415,336	95,391,438	-1.88	-446,087	96,404,970	-1.99	-484,277	97,372,148	-2.08	-511,119

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									
Customer deposits	49,692,254	-2.12	-261,712									
Capital markets	21,190,335	-2.80	-147,286									
Repos	4,897,683	-1.03	-12,516									
Subtotal	88,393,966	-2.20	-483,317									
Other liabilities	6,240,002	-0.84	-13,063									
Shareholders' equity	6,969,867	--	--									
Total	101,603,835	-1.97	-496,380									

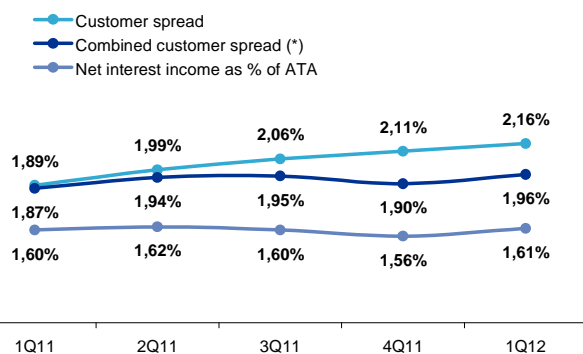
Customer spread (%)



Net interest income in the first quarter of 2012 amounted to Euros 407.3 million, compared with Euros 384.1 million in the previous quarter. The average yield on customer loans was 4.28%, i.e. 6 basis points more than in the fourth quarter of 2011. The impact of rising lending yields on financial revenues was Euros +3.6 million.

The average cost of customer deposits was -2.12%, compared with -2.11% in 4Q11.

Net interest income (%)



(*) Customer loan yield – (customer deposit cost + wholesale funding cost)

Wholesale funding costs declined by Euros -8.5 million with respect to 4Q11; the average cost of debt securities was -2.80%.

The customer spread was 2.16% (2.11% in the previous quarter). The combined customer spread, which includes wholesale funding costs, was 1.96%, compared with 1.90% in the fourth quarter of 2011.

As a result, net interest income in 1Q12 represented 1.61% of average total assets, compared with 1.56% in 4Q11.

Net fees and commissions

(€'000)	1Q11	4Q11	1Q12	Change (%) 1Q11	Change (%) 4Q11
Asset transactions	25,365	27,786	27,042	6.6	-2.7
Guarantees	21,318	22,219	21,567	1.2	-2.9
Transferred to other entities	-925	-956	-1,013	9.5	6.0
Risk transaction fees	45,758	49,049	47,596	4.0	-3.0
Cards	15,157	16,994	15,612	3.0	-8.1
Payment orders	9,190	9,780	9,276	0.9	-5.2
Securities	11,140	25,512	12,795	14.9	-49.8
Demand accounts	9,538	8,181	7,856	-17.6	-4.0
Other transactions	14,051	10,953	14,350	2.1	31.0
Commissions for services	59,076	71,420	59,889	1.4	-16.1
Mutual funds	20,270	17,167	17,048	-15.9	-0.7
Pension funds and insurance brokerage	10,625	11,907	9,014	-15.2	-24.3
Mutual and pension fund and insurance commissions	30,895	29,074	26,062	-15.6	-10.4
Total	135,729	149,543	133,547	-1.6	-10.7

Net fees and commissions in 1Q12 totalled Euros 133.5 million, down 1.6% with respect to 1Q11.

Commissions for risk transactions increased in year-on-year terms (+4.0%), driven by the greater contribution from fees from factoring, loan commitments and other asset transactions.

Commissions for services rose by 1.4%, primarily due to the positive performance in fees on securities, cards and syndicated loan structuring.

Commissions on mutual funds and on marketing of pension funds and insurance declined, in line with market performance in the last year.

Compared with the fourth quarter of 2011, net fees and commissions fell by 10.7%, primarily due to the decline in fees on securities and insurance sales.

Administrative expenses

(€'000)	1Q11	4Q11	1Q12	Change (%) 1Q11	Change (%) 4Q11
Recurrent	-179,016	-178,944	-182,218	1.8	1.8
Non-recurrent	-13,113	-9,008	-5,767	-56.0	-36.0
Personnel expenses	-192,129	-187,952	-187,985	-2.2	0.0
IT	-12,025	-20,991	-14,253	18.5	-32.1
Communications	-5,467	-6,211	-5,711	4.5	-8.1
Advertising	-7,507	-12,126	-8,325	10.9	-31.3
Premises	-28,312	-25,545	-27,593	-2.5	8.0
Stationery and office supplies	-1,939	-1,279	-1,488	-23.3	16.3
Taxes other than income tax	-14,699	-16,855	-13,579	-7.6	-19.4
Others	-22,367	-24,208	-22,856	2.2	-5.6
Non-recurrent	-6,200	-2,859	-366	-94.1	-87.2
Other general expenses	-98,516	-110,074	-94,171	-4.4	-14.4
Total	-290,645	-298,026	-282,156	-2.9	-5.3

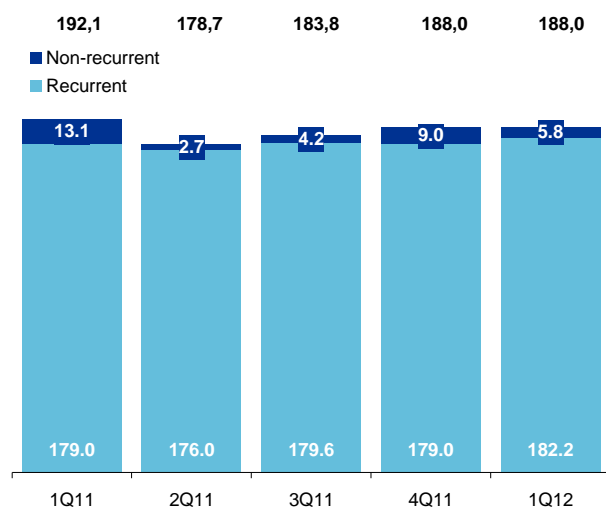
Assuming no change in consolidation scope (i.e. including Lydian Private Bank from the beginning of 2011), the variation in recurrent administrative expenses was -0.1%, compared with 1Q11.

Recurrent personnel expenses increased by 0.3% in like-for-like terms due to the optimisation of administrative processes in branches together with other measures in the operating efficiency program.

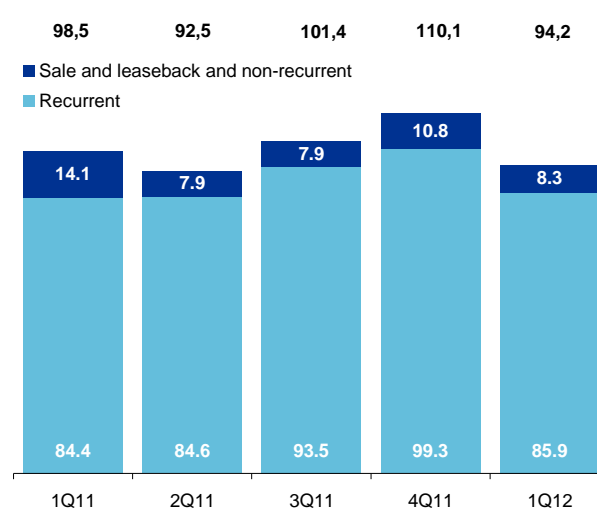
Recurrent general expenses performed favourably, declining by 0.7% in like-for-like terms compared with 1Q11.

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

Personnel expenses (€mn)



Other general expenses (€mn)



Provisions for NPLs and others impairments

(€'000)	1Q11	4Q11	1Q12	Change (%) 1Q11	Change (%) 4Q11
Specific provisions	-142,182	-86,532	-97,544	-31.4	12.7
Extraordinary provisions	-186,180	-22,765	-20,708	-88.9	-9.0
Substandard provisions	32,794	4,112	14,371	-56.2	249.5
Metrovacesa	0	0	-40,276	--	--
Real estate	-30,017	-106,280	-142,396	374.4	34.0
Banco Comercial Português	-1,200	-31,890	0	-100.0	-100.0
Impairments of guaranteed mutual funds	0	-43,050	0	--	-100.0
Other impairments	-777	-14,991	-8,110	--	-45.9
Subtotal	-327,562	-301,396	-294,663	-10.0	-2.2
Generic provisions	-2,498	19,750	1,256	--	-93.6
Total provisions and impairments	-330,060	-281,646	-293,407	-11.1	4.2

Balance sheet

(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Cash and balance with Central Banks	1,450,134	1,290,678	1,440,461	-0.7
Trading and derivatives portfolios and other financial assets	1,494,592	2,273,131	2,308,509	54.5
Available-for-sale financial assets	12,281,853	13,268,170	15,043,121	22.5
Loans and advances	73,712,315	76,282,944	78,796,960	6.9
Balances with financial institutions (1)	3,628,440	3,628,914	4,171,827	15.0
Loans to customers (net)	70,083,875	72,654,030	74,625,133	6.5
Investments in associated companies	623,059	696,934	618,628	-0.7
Property, plant and equipment	1,107,614	1,106,881	1,106,266	-0.1
Intangible assets	848,985	1,022,161	1,022,091	20.4
Other assets	3,738,677	4,496,481	4,984,923	33.3
Total assets	95,257,229	100,437,380	105,320,959	10.6
Trading and derivatives portfolios	1,307,971	2,011,411	1,968,314	50.5
Financial liabilities at amortised cost	86,900,447	91,586,490	94,747,851	9.0
Central banks and credit institutions (2)	11,744,492	12,169,508	18,231,353	55.2
Customer deposits	52,301,275	58,444,050	54,920,815	5.0
Capital markets	19,713,172	17,643,095	19,249,173	-2.4
Subordinated liabilities	1,939,104	1,859,370	1,066,023	-45.0
Other financial liabilities	1,202,404	1,470,467	1,280,487	6.5
Liabilities under insurance contracts	176,281	173,348	184,212	4.5
Provisions	352,574	350,203	321,574	-8.8
Other liabilities	506,125	381,784	494,209	-2.4
Subtotal liabilities	89,243,398	94,503,236	97,716,160	9.5
Shareholders' equity (3)	6,295,425	6,276,160	7,901,757	25.5
Valuation adjustments	-318,850	-389,228	-349,249	9.5
Minority interest	37,256	47,212	52,291	40.4
Equity	6,013,831	5,934,144	7,604,799	26.5
Total liabilities and equity	95,257,229	100,437,380	105,320,959	10.6
Contingent risks	8,298,019	8,347,022	8,364,503	0.8
Contingent liabilities	11,699,918	11,657,865	11,337,111	-3.1
Total memorandum accounts	19,997,937	20,004,887	19,701,614	-1.5

(1) Balances with financial institutions include the following amounts of repos: Euros 2,094 million at 31.03.11, Euros 733 million at 31.12.11 and Euros 1,155 million at 31.03.12.

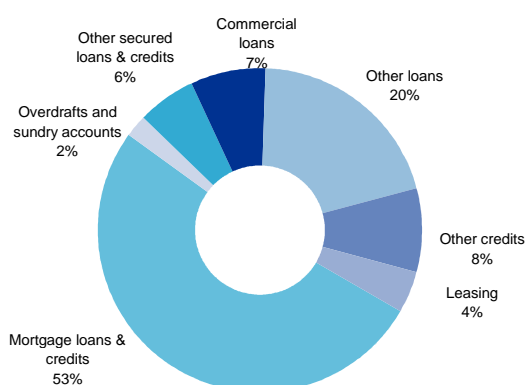
(2) Deposits with central banks and credit institutions include the following amounts of repos: Euros 5,373 million at 31.03.11, Euros 1,050 million at 31.12.11 and Euros 649 million at 31.03.12.

(3) Includes mandatorily convertible bonds (Euros 824 million at 31 March 2011 and Euros 815 million at 31 December 2011 and 31 March 2012).

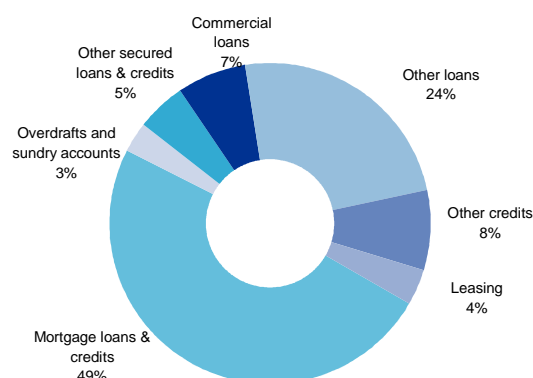
Loans to customers

(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Mortgage loans & credits	35,054,113	34,348,853	34,005,408	-3.0
Other secured loans & credits	4,017,881	3,561,933	3,419,232	-14.9
Commercial loans	5,053,064	5,454,772	4,961,969	-1.8
Other loans	13,718,799	15,494,872	16,678,062	21.6
Other credits	5,599,959	5,394,565	5,486,345	-2.0
Leasing	2,882,264	2,673,778	2,588,200	-10.2
Overdrafts and sundry accounts	1,399,666	1,852,445	2,123,809	51.7
Non-performing loans	4,290,859	4,759,280	4,860,180	13.3
Accruals	57,059	94,844	112,177	96.6
Gross loans and advances to customers, excluding repos	72,073,664	73,635,342	74,235,382	3.0
Reverse repos	128,673	1,286,731	2,648,132	--
Gross loans and advances to customers	72,202,337	74,922,073	76,883,514	6.5
NPL and country-risk provisions	-2,118,462	-2,268,043	-2,258,381	6.6
Loans to customers (net)	70,083,875	72,654,030	74,625,133	6.5
Pro memoria: total securitisation	10,065,162	10,150,163	9,540,067	-5.2
Of which: mortgage backed	6,542,795	6,834,319	6,542,670	0.0
Other securitised assets	3,522,367	3,315,844	2,997,397	-14.9
Of which: securitised after 01.01.04	9,913,382	10,019,153	9,418,585	-5.0
Of which: mortgage backed	6,414,445	6,705,180	6,421,881	0.1
Other securitised assets	3,498,937	3,313,973	2,996,704	-14.4

Loans and advances, 31.03.11 (%) (*)

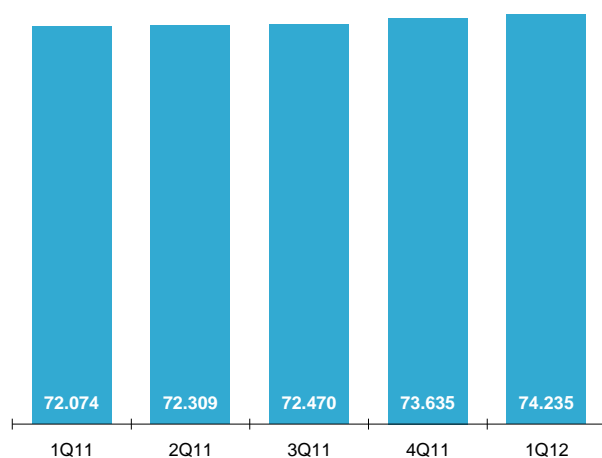


Loans and advances, 31.03.12 (%) (*)



(*) Excluding doubtful assets and accrual adjustments.

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



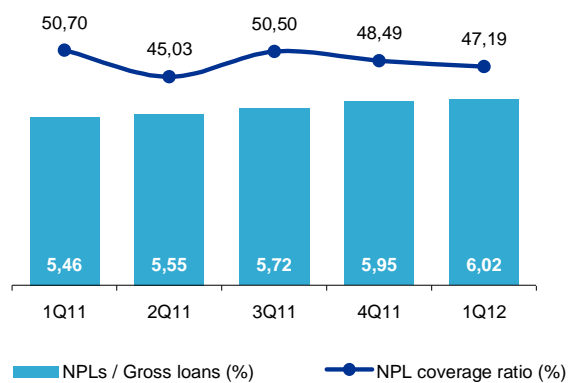
Credit risk management

(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Opening balance (1st January)	4,073,951	4,073,951	4,876,554	19.7
New default entries, net of recoveries	384,132	1,620,635	191,705	-50.1
Write-offs	-335,240	-818,032	-93,024	-72.3
Subtotal	48,892	802,603	98,681	101.8
Total bad and doubtful debts	4,388,510	4,876,554	4,975,235	13.4
Gross loans and advances to customers, excluding repos	72,073,664	73,635,342	74,235,382	3.0
Contingent risks	8,298,019	8,347,022	8,364,503	0.8
Total risks	80,371,683	81,982,364	82,599,885	2.8
Specific provisions	1,770,619	1,532,895	1,560,542	-11.9
Generic provisions	454,208	831,799	787,487	73.4
Total provisions for NPLs	2,224,827	2,364,694	2,348,029	5.5
NPLs / Gross loans (%)	5.46	5.95	6.02	
NPL coverage ratio (%)	50.70	48.49	47.19	

The NPL ratio at the end of the first quarter of 2012 was 6.02%, compared with 5.95% at the end of 2011, i.e. still notably lower than the Spanish financial sector average.

At 31 March 2012, the NPL coverage ratio was 47.19% (48.49% at the end of December 2011); that ratio is 111.45% including mortgage collateral.

NPLs/Gross loans and coverage ratio (%)



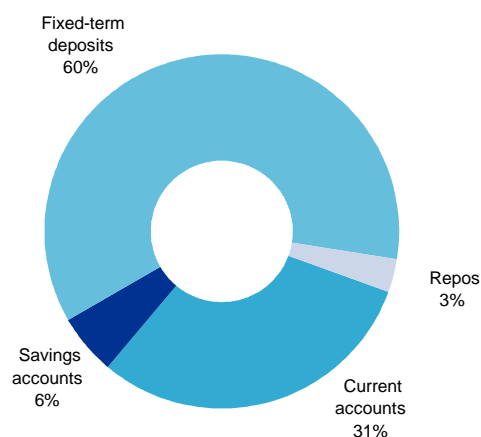
(€'000)	1Q11	2Q11	3Q11	4Q11	1Q12
New default entries, net of recoveries	384,132	561,625	385,399	289,479	191,705
Write-offs	-335,240	-212,590	-240,100	-30,102	-93,024
Subtotal	48,892	349,035	145,299	259,377	98,681
Doubtful real estate in the process of acquisition	265,667	-265,667	0	0	0
Net change in doubtful debts	314,559	83,368	145,299	259,377	98,681
Total bad and doubtful debts	4,388,510	4,471,878	4,617,177	4,876,554	4,975,235

Funds under management

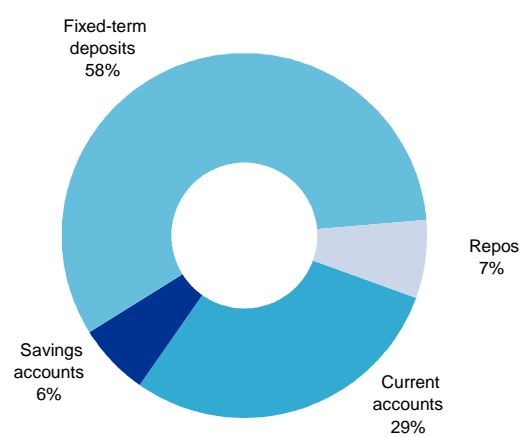
(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Customer-based funding on balance sheet (1)	52,130,515	53,703,245	53,795,395	3.2
Customer deposits	52,301,275	58,444,050	54,920,815	5.0
Current accounts	15,869,499	15,365,426	15,895,349	0.2
Savings accounts	2,882,399	3,374,545	3,447,268	19.6
Fixed-term deposits	31,494,886	32,819,805	31,202,576	-0.9
Repos	1,600,188	6,297,269	3,850,120	140.6
Accruals	378,717	505,230	444,530	17.4
Derivative hedging adjustments	75,586	81,775	80,972	7.1
Debt and other tradable securities	19,713,172	17,643,095	19,249,173	-2.4
Subordinated liabilities	1,939,104	1,859,370	1,066,023	-45.0
Liabilities under insurance contracts	176,281	173,348	184,212	4.5
On-balance sheet funds	74,129,832	78,119,863	75,420,223	1.7
Mutual funds	8,732,821	8,024,185	8,294,776	-5.0
Equity funds	443,152	339,122	337,165	-23.9
Balanced funds	487,540	434,449	424,458	-12.9
Fixed-income funds	1,928,453	1,658,223	1,549,493	-19.7
Guaranteed return funds	2,011,594	2,035,260	2,261,693	12.4
Real estate funds	1,097,924	1,000,706	1,006,385	-8.3
Dedicated investment companies	1,384,339	1,269,428	1,279,572	-7.6
Third-party funds	1,379,819	1,286,997	1,436,010	4.1
Managed accounts	1,230,147	1,133,237	1,342,022	9.1
Pension funds	2,934,738	2,858,299	2,928,704	-0.2
Individual	1,792,640	1,767,125	1,806,710	0.8
Company	1,113,319	1,067,101	1,098,967	-1.3
Group	28,779	24,073	23,027	-20.0
Third-party insurance products	5,786,963	5,926,378	5,779,452	-0.1
Funds under management	92,814,501	96,061,962	93,765,177	1.0

(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 and commercial paper.

Customer deposits, 31.03.11 (%) (*)

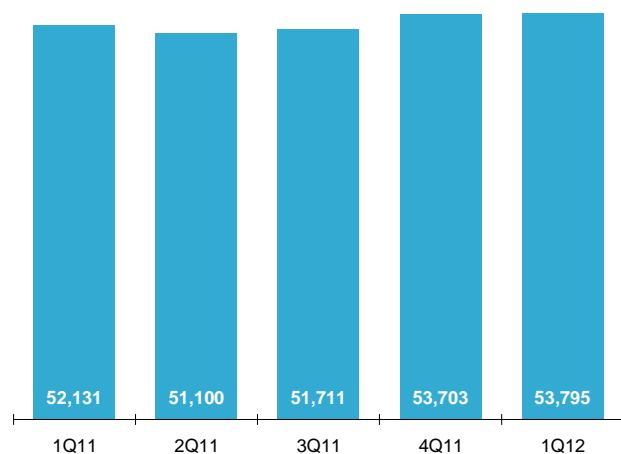


Customer deposits, 31.03.12 (%) (*)

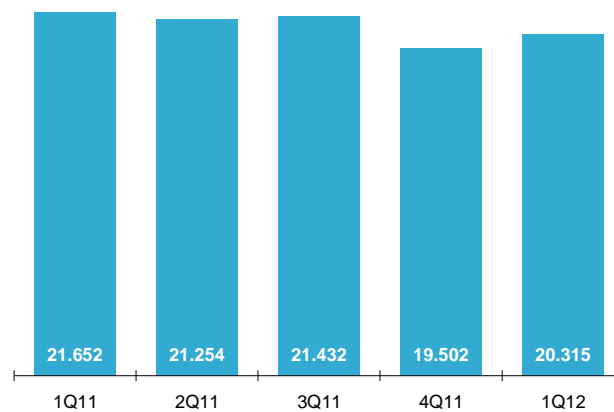


(*) Excluding adjustments for accruals and hedges with derivatives.

Customer-based funding on balance sheet (€mn)



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



Shareholder's equity

(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Shareholders' equity	6,295,425	6,276,160	7,901,757	25.5
Issued capital	173,749	173,881	287,248	65.3
Reserves	5,315,225	5,299,712	6,809,491	28.1
Other equity instruments (1)	823,962	814,620	814,621	-1.1
Less: treasury shares	-101,759	-174,439	-89,626	-11.9
Attributable net profit	84,248	231,902	80,023	-5.0
Less: dividends and payments	0	-69,516	0	--
Valuation adjustments	-318,850	-389,228	-349,249	9.5
Minority interest	37,256	47,212	52,291	40.4
Equity	6,013,831	5,934,144	7,604,799	26.5

(1) Mandatory convertible bonds.

Capital ratios

(€'000)	31.03.11	31.12.11	31.03.12	Change (%) YoY
Issued capital	173,749	173,881	287,248	65.3
Reserves	5,107,330	5,171,378	6,643,594	30.1
Mandatory convertible bonds	823,962	814,620	814,621	-1.1
Minority interest	41,210	53,239	54,606	32.5
Deductions	-949,195	-1,151,809	-1,178,561	24.2
Core capital	5,197,056	5,061,309	6,621,508	27.4
Core capital (%)	9.37	9.01	11.88	
Preference shares and deductions	635,839	520,711	-289,214	--
Primary capital	5,832,895	5,582,020	6,332,294	8.6
Tier I (%)	10.51	9.94	11.36	
Secondary capital	737,612	567,164	461,915	-37.4
Tier II (%)	1.33	1.01	0.83	
Total capital	6,570,507	6,149,184	6,794,209	3.4
Minimum capital requirement	4,439,193	4,493,377	4,459,330	0.5
Capital surplus	2,131,314	1,655,807	2,334,879	9.6
BIS ratio (%)	11.84	10.95	12.19	
Risk weighted assets (RWA)	55,489,913	56,167,208	55,741,625	0.5

Credit ratings

Agency	Date	Long term	Short term	Individual	Support	Strength
Fitch	14.12.2011	BBB+	F2	C	3	
Standard & Poor's ⁽¹⁾	13.02.2012	BBB-	A3			
Moody's	16.02.2012	A3	Prime 2			C-

(1) Copyright by Standard & Poor's, A division of the McGraw-Hill Companies, Inc. Reproduced with permission of Standard & Poor's.

As a result of the Banking Industry Country Risk Assessment (BICRA) for Spain, Standard & Poor's downgraded fifteen Spanish financial institutions, including Banco Sabadell on 13 February.

The agency downgraded Banco Sabadell's long-term rating by one notch, to BBB- (from BBB) and the short-term rating to A3 (from A2).

Moody's did not make any changes to the ratings in its revision in February 2012.

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.

31.03.2011	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	403,039	78,805	56,579,139	7.5%	56.5%	7,642	1,412
Corporate banking	46,376	44,381	11,046,555	15.8%	12.5%	91	2
Banco Urquijo	12,223	3,636	1,495,995	4.9%	58.9%	212	14
Asset management	8,574	3,693	8,732,821 (**)	28.9%	57.0%	149	--
Total		130,515 (*)					

31.03.2012	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	397,828	83,161	55,212,521	8.1%	55.4%	7,179	1,322
Corporate banking	56,050	27,918	11,770,703	9.6%	10.5%	92	2
Banco Urquijo	13,970	4,920	1,406,098	6.2%	48.4%	206	15
Asset management	8,328	3,562	8,294,776 (**)	25.0%	57.1%	145	--
Total		119,561 (*)					

(*) The reconciliation with total group results must include amounts not assigned to business units and the tax effect.
 (**) These figures reflect the mutual fund assets managed and/or marketed at the end of the period.

Share price performance

	31.03.11	31.12.11	31.03.12	Change (%) YoY
Shareholders and trading				
Number of shareholders	128,288	127,310	173,645	35.4
Number of shares	1,389,993,916	1,391,048,717	2,297,983,113	65.3
Average daily trading volume (number of shares)	12,601,755	7,024,001	11,227,346	-10.9
Share price (€)				
Opening session	2.950	2.950	2.934	
High	3.709	3.709	2.980	
Low	2.779	2.217	1.968	
Closing session	3.087	2.934	2.547	
Market capitalisation (€ '000)	4,290,911	4,081,337	5,852,963	
Stock market multiples				
Earnings per share (EPS) (€)	0.25	0.17	0.14	
Book value per share (€)	4.53	4.51	3.44	
Price /Book value (times)	0.68	0.65	0.74	
Price /earnings ratio (P/E) (times)	12.56	17.60	18.19	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond	1,583,608,807	1,583,608,773	2,527,647,727	
Earnings per share (EPS) (€)	0.22	0.15	0.13	
Book value per share (€)	3.98	3.96	3.13	
Price /Book value (times)	0.78	0.74	0.81	