

Quarterly financial report

Fourth quarter, 2012



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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

	12.31.11	12.31.12	Change (%) YoY
Balance sheet (€'000)			
Total assets	100,437,380	161,547,085	60.8
Gross loans and advances to customers, excluding repos	73,635,342	115,392,391	56.7
Gross loans and advances to customers	74,922,073	117,283,275	56.5
On-balance sheet funds	78,119,863	110,996,102	42.1
Of which: Customer-based funding on balance sheet (1)	53,353,959	80,179,388	50.3
Mutual funds	8,024,185	8,584,848	7.0
Pension funds and third-party insurance products	8,784,677	11,022,021	25.5
Funds under management	96,061,962	131,654,630	37.1
Shareholders' equity	6,276,160	9,119,542	45.3
Profit and loss account (€'000)			
Net interest income	1,537,263	1,867,988	21.5
Gross operating income	2,506,722	2,958,446	18.0
Net income before provisions	1,230,710	1,289,896	4.8
Attributable net profit	231,902	81,891	-64.7
Ratios (%)			
ROA	0.24	0.07	
ROE	3.82	1.01	
Cost / income (ex amortisation) (2)	47.32	51.10	
Cost / income ratio excluding non-recurrent expenses (2)	45.75	50.34	
Core capital	9.01	10.42	
Tier I	9.94	10.42	
BIS ratio	10.95	11.39	
Risk management			
Non-performing loans (€ '000) (3)	4,876,554	10,286,332	
NPLs / Gross loans (%) (3)	5.95	9.33	
Reserves for NPLs and real estate (€000)	3,522,700	17,589,940	
Overall coverage ratio (%) (4)	4.54	13.88	
Share data (period end)			
Number of shareholders	127,310	236,774	
Number of shares	1,391,048,717	2,959,555,017	
Share price (€)	2.934	1.975	
Market capitalisation (€ '000)	4,081,337	5,845,121	
Earnings per share (EPS) (€) (5)	0.17	0.03	
Book value per share (€)	4.51	3.08	
Price /Book value (times)	0.65	0.64	
Price /earnings ratio (P/E) (times)	17.60	71.38	
Including conversion of convertible bond:			
Fully diluted number of shares including conversion of convertible bond	1,583,608,773	3,183,841,740	
Earnings per share (EPS) (€) (5)	0.15	0.03	
Book value per share (€)	3.96	2.86	
Price /Book value (times)	0.74	0.69	
Other data			
Domestic branches	1,339	1,853	
Employees	10,675	15,596	
ATMs	1,561	3,166	

- (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, commercial paper and others.
- (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. The cost/income ratio at the end of September 2012, excluding Banco CAM, was 45.85% (45.02% excluding non-recurrent expenses).
- (3) The figures and percentages as of 31 December 2012 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 4Q12

- Consolidation of Banco CAM: the group's income statement for 2012 includes the consolidated results of Banco CAM since 1 June. The group's balance sheet as of 31 December 2012 also includes the consolidated balances of Banco CAM, which has merged with Banco Sabadell.
- Net interest income: Euros 1,868.0 million. A 21.5% increase year-on-year. The contribution by Banco CAM since June 2012 and the ongoing management of customer spreads together with a greater margin from the fixed-income portfolio offset the negative effect of the yield curve and the higher cost of funding in the capital markets.
- Net fees and commissions: Euros 628.7 million, up Euros 55.1 million (+9.6%) year-on-year. In particular, fees on cards, demand accounts and other services improved notably.
- Results from financial transactions: Euros 546.2 million, including notably Euros 270.3 million on the sale of fixed-income securities in portfolio, Euros 166.3 million on redemption of ABS and other own securities, and Euros 132.2 million on the trading portfolio. The 2011 figure included Euros 139.0 million in gains on the trading portfolio and 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).
- Administrative expenses (personnel and general): Euros -1,511.6 million. Recurrent administrative expenses fell 5.9% year-on-year in like-for-like terms. Specifically, personnel expenses decreased by 3.9% and general expenses by 9.3%.
- Provisions for NPLs and other impairments: Euros -2,540.6 million, compared with Euros -1,048.9 million in 2011. Greater provisioning in 2012 in response to higher reserve requirements imposed on the banking system.
- Badwill: this item relates entirely to the negative goodwill recognised on the acquisition of Banco CAM (Euros 933.3 million).
- Attributable net profit: amounted to Euros 81.9 million, compared with Euros 231.9 million in 2011.
- Customer loans and funds: customer funds on the balance sheet increased by +50.3% year-on-year, while gross loans and advances to customers, excluding repos, increased by +56.7%. The commercial gap in 2012 amounted to Euros 15,451.5 million.
- At 2012 year-end, 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 9.33%. The NPL coverage ratio expressed with respect to total exposure to loans and real estate is 13.88%.
- The core capital ratio is 10.42% (compared with 9.01% at 31 December 2011).

Macroeconomic environment

Global economic and financial background

The financial markets in the euro area continued to perform favourably, driven by the prospects of the ECB activating its new bond purchasing programme (OMT), if needed. International investors have been focused on political issues. In December, the European Council presented a roadmap containing decisive advances towards a banking union and postponing proposals for greater economic and fiscal integration until June 2013. Following approval of Italy's budget, prime minister Mario Monti stepped down due to lack of parliamentary support. His decision triggered early elections, which will be held at the end of February. As regards Greece, Europe finally reached an agreement to ease the terms of its bailout and gave the Greek government the green light to execute a government bond redemption programme. Against this backdrop, Europe and the IMF have decided to release the next tranche of financial aid for Greece. Standard & Poor's placed Greece's rating at its highest since mid-2011, and the ECB decided to accept Greek public debt in its financing transactions. Elections in the US maintained the pre-existing balance of power, with Democratic control of the Senate and White House and Republican control of the House of Representatives. As a result, an agreement on the fiscal cliff was reached only at the last moment, providing a tax hike on the highest earners and a temporary postponement in spending cuts. The US economy performed positively, which contributed to the improvement in the labour market. The Euro area economy remained fragile in the final quarter of the year, after entering technical recession in the third quarter. In Japan, the latest indicators suggest that the economy contracted in the fourth quarter, after entering recession in the third quarter. Early elections in Japan returned the conservative party to power, bringing with it a more interventionist economic policy that seeks to reactivate growth.

Fixed income markets

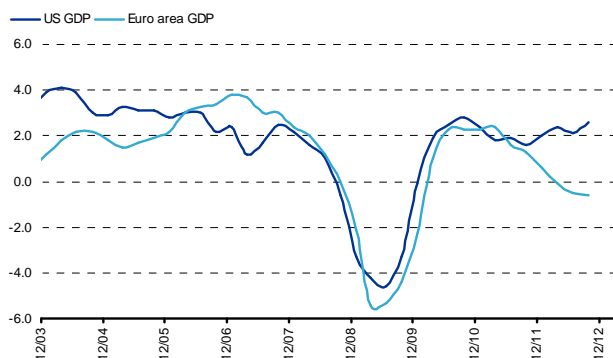
The central banks adopted major unconventional monetary policies. The Federal Reserve opted to base interest rates on unemployment rates and inflation, and also announced another asset purchasing programme. The ECB kept its base rate at 0.75%, although there was much debate at the December meeting about a further cut. The ECB also decided to maintain full allotment on its refinancing operations for as long as necessary, and at least until the end of the second quarter of 2013. The Bank of England decided to transfer to the government the coupons received on assets acquired under its purchase facility, with a view to reducing public debt. The Bank of Japan expanded its long-term debt purchasing programme during the quarter, and also announced a new direct lending scheme for companies and families.

As regards long-term fixed income markets, the yield on US and German public debt remained low, supported by abundant global liquidity. The debt markets in Spain and Italy performed favourably, influenced by potential activation of the ECB's OMT (if necessary) and despite political instability in Italy. The risk premium also eased in other non-core European countries. The decline was especially notable in Greece, whose public debt was supported by a slightly more upbeat news flow.

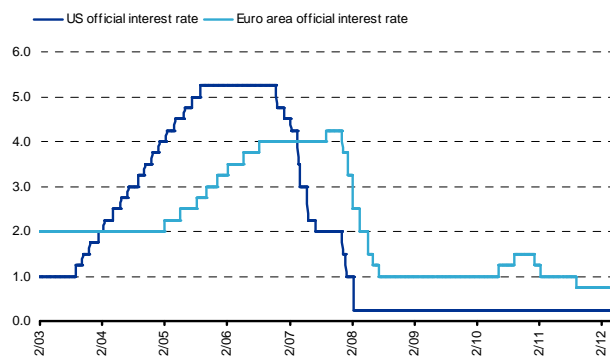
Equity markets

The main indices diverged, with sharp appreciation in Europe (EURO STOXX 50 +7.40%, IBEX 35 +5.95%) and losses in the US (S&P500 -3.41% in euro terms). European indices got a boost from the change in market sentiment after the ECB decided to take on a bigger role in resolving the sovereign debt crisis. US indices were negatively impacted by the political chaos associated with the fiscal cliff.

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 December 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 2012.

The group's financial statements as of 31 December 2012 include the consolidated balance sheet of Banco CAM as of that date, and the consolidated income statement of Banco CAM since 1 June.

Balance sheet and bottom line

Balance sheet

At the end of 2012, the total assets of Banco Sabadell and its Group amounted to Euros 161,547.1 million, having increased by Euros 61,109.7 million (+60.8%) year-on-year. This increase is due broadly to the inclusion of the balances of Banco CAM in 2012.

Gross loans and advances to customers, excluding repos, amounted to Euros 115,392.4 million at 31 December 2012, contrasting with Euros 73,635.3 million at 2011 year-end, i.e. an increase of +56.7%. There was a notable increase in mortgage loans, by Euros 21,191.9 million (+61.7%).

Excluding assets covered by the Asset Protection Scheme, the combined Banco Sabadell group had a 9.33% ratio of non-performing loans (NPLs) to total computable loans, i.e. well below the average for the Spanish financial sector.

As of 31 December 2012, customer funds on the balance sheet amounted to Euros 80,179.4 million, compared with Euros 53,354.0 million as of 31 December 2011, i.e. an increase of +50.3%. In particular, the balance of time deposits increased by 63.1% in 2012 to Euros 53,526.1 million. The balance of demand deposits also increased notably in 2012: +44.5%.

The difference in growth in loans to customers and customer funds on the balance sheet provided a commercial gap of Euros 15,451.2 million in 2012.

Liabilities in the form of tradeable securities and subordinated liabilities together amounted to Euros 26,492.9 million, compared with Euros 19,502.5 million at 31 December 2011 (+35.8%).

Assets in collective investment vehicles totalled Euros 8,584.8 million at 31 December 2012, i.e. an increase of 7.0% year-on-year.

Assets in pension funds marketed by the group amounted to Euros 3,708.9 million, and insurance sales increased by 23.4% year-on-year to Euros 7,313.2 million.

Total funds under management amounted to Euros 131,654.6 million at 31 December 2012, compared with Euros 96,062.0 million at 2011 year-end (+37.1%).

Income and profit performance

Despite the difficult economic and financial situation, Banco Sabadell and its group ended 2012 with Euros 81.9 million in net attributable profit, after provisions for bad debts, securities and real estate amounting to Euros 2,540.6 million. Net income attributed to the group amounted to Euros 231.9 million in 2011, when provisions were notably lower (Euros 1,048.9 million).

Net interest income in 2012 totalled Euros 1,868.0 million, +21.5% year-on-year. The addition of Banco CAM since June 2012 coupled with judicious management of customer spreads and greater gains on the fixed-income portfolio offset the negative impact of volumes and higher funding costs in the capital markets.

The group collected Euros 9.9 million in dividends in 2012, 12.7% more than in 2011 (Euros 8.8 million). In contrast, income from equity-accounted affiliates declined with respect to 2011, mainly due to the sale in 2012 of certain holdings (e.g. Banco del Bajío).

Net fees and commissions amounted to Euros 628.7 million, an increase of Euros 55.1 million (+9.6%) year-on-year. In particular, fees on cards, demand accounts and other services improved notably.

Trading income in 2012 amounted to Euros 546.2 million. That figure includes Euros 270.3 million from the disposal of available-for-sale financial assets, Euros 166.3 million from redeeming ABS and other own securities, and Euros 132.2 million in trading gains. In 2011, this item included Euros 139.0 million in trading gains and Euros 87.1 million from the debt-for-equity transaction in February 2011.

Other operating income and expenses amounted to Euros -142.5 million, compared with Euros -8.2 million in 2011. Contributions to the Deposit Guarantee Fund in 2012 (Euros -220.3 million) were considerably higher than in 2011 (Euros -29.8 million).

Operating expenses amounted to Euros -1,511.6 million in 2012, including Euros -22.2 million in non-recurrent expenses. In like-for-like terms, recurrent operating expenses declined by 5.9% in 2012 with respect to 2011. The cost/income ratio, excluding non-recurrent expenses, was 50.34% at 2012 year-end.

Consequently, net income before provisions amounted to Euros 1,289.9 million at 31 December 2012, a 4.8% increase with respect to 2011.

Loan-loss provisions amounted to Euros -1,405.7 million, well in excess of the Euros 512.4 million booked in 2011 because of the higher reserve requirements imposed on the banking system. Provisions for real estate and financial assets amounted to Euros -1,134.9 million. The coverage ratio, expressed with respect to total exposure to loans and real estate, was 13.88% at 2012 year-end.

Capital gains on asset disposals, including the sale of the stake in Banco del Bajío, amounted to Euros 15.4 million. Capital gains in 2011 were considerably lower (Euros 5.7 million).

The income statement as of 31 December 2012 includes Euros 933.3 million of negative goodwill recognised in the acquisition of Banco CAM.

After deducting income tax and minority interests, net income attributed to the group amounted to Euros 81.9 million in 2012, compared with Euros 231.9 million in 2011.

Other key developments in 4Q12

Conversion of Mandatory Convertible Subordinated Bonds I/2010

As regards the mandatory convertible subordinated bonds *Obligaciones Subordinadas Necesariamente Convertibles I/2010* issued by Banco Sabadell to swap for shares of Banco Guipuzcoano, S.A. as part of the takeover bid by Banco Sabadell, the second voluntary conversion period ran from 26 October to 9 November 2012, both inclusive, during which time interested bondholders could exchange any or all of these bonds for newly-issued shares of Banco Sabadell.

The conversion price of the bonds, calculated in accordance with the provisions of the bond prospectus, was Euros 4.19 per share, and the conversion ratio was the result of dividing the par value of each bond (Euros 5) by the conversion price.

When the voluntary conversion period ended on 9 November 2012, a total of 814 bondholders had tendered 3,925,686 bonds which, in accordance with the terms of the issue, was equivalent to 4,684,169 shares.

Decision to invest in SAREB

On 13 December, Banco Sabadell signed an agreement with Fondo de Reestructuración Ordenada Bancaria (FROB), Banco Santander, CaixaBank, Banco Popular and Kutxabank to invest in Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S. A. (SAREB).

Under that agreement, Banco Sabadell made an initial contribution of Euros 66 million in capital stock, and the agreement envisages future payments which, in the case of Banco Sabadell, will amount to up to Euros 335 million (including the initial contribution of Euros 66 million), of which Euros 84.5 million will be to subscribe for capital (par value plus premium) and the remaining Euros 250.5 million for subordinated debt.

Asset and liability assignment agreement with BMN

On 18 December, following due diligence, Sabadell signed an agreement for the assignment of assets and liabilities with Banco Mare Nostrum (BMN) under which Banco Sabadell will receive certain assets and liabilities of BMN's banking business in the territory of Catalonia and Aragon.

The actual assets and liabilities to be transferred will be delimited once certain conditions precedent in the agreement have been fulfilled, which include the transfer by BMN to Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S. A. (SAREB) of the corresponding banking assets and liabilities from that

territory. The assets and liabilities to be transferred will be determined on the basis of a projection of Euros 10,600 million in gross loans and discounts and not less than an estimated Euros 7,900 million in customer deposits.

Banco Sabadell will compensate BMN for the difference between the net assets and liabilities actually transferred on the transaction's completion date, in an amount of Euros 350 million, to which end any necessary adjustments will be made to the transferred assets and liabilities.

Completion of the transaction is conditional upon fulfilment of certain conditions subsequent and upon obtainment of the pertinent authorisations.

Tender offer for Banco de Sabadell, S.A. issues of mandatory subordinated bonds: *Obligaciones Subordinadas Necesariamente Convertibles Series I/2009 and I/2010 and Obligaciones Subordinadas Necesariamente Convertibles Series I/2013 and II/2013*

On 20 December, the Board of Directors of Banco Sabadell resolved to offer the holders of the mandatory convertible subordinated bonds *Obligaciones Subordinadas Necesariamente Convertibles I/2009* and *Obligaciones Subordinadas Necesariamente Convertibles I/2010* issued by Banco Sabadell (respectively: *Obligaciones I/2009* and *Obligaciones I/2010*) to redeem all of their bonds for cash, which cash was to be used immediately to subscribe for new mandatory convertible subordinated bonds series I/2013 and II/2013 (respectively, *Obligaciones I/2013* and *Obligaciones II/2013*), respectively.

By means of the tender offer and issuance of the *Obligaciones I/2013* and *II/2013*, the holders of the *Obligaciones I/2009* and *I/2010* were offered the possibility of retaining their investment in similar securities and of collecting an equivalent remuneration for an additional period of two years, while giving more time for the Banco Sabadell share price to appreciate and approach the respective conversion prices.

For the purposes of the tender offer by Banco Sabadell, the *Obligaciones I/2009* and *I/2010* were valued at 100% and 78.4%, respectively, of their par value, paid as follows:

- holders of *Obligaciones I/2009* received, for each bond in that issue which they owned, Euros 1,000 in cash, which must be used irrevocably to subscribe for *Obligaciones I/2013*, of Euros 1,000 unit par value.
- holders of *Obligaciones I/2010* received, for each bond in that issue which they owned, Euros 3.92 in cash, which must be used irrevocably to subscribe for *Obligaciones II/2013*, of Euros 3.92 unit par value.

As part of the tender offer price, the tenderers also received the outstanding remuneration that had accrued in the last accrual period of the *Obligaciones I/2009* and *I/2010* up to and including the day before the effective date of redemption of the *Obligaciones I/2009* and *I/2010*, rounded up or down to the nearest euro cent (rounded up in the case of exactly half a cent).

The maturity dates of the *Obligaciones I/2013* and *II/2013* will be 21 July and 11 November 2015, respectively, i.e. two years after the respective maturity dates of the *Obligaciones I/2009* and *I/2010*.

The remuneration of the new bonds will be: (i) for the *Obligaciones I/2013*, 3-month Euribor plus 5%, whereas the yield on the *Obligaciones I/2009* is 3-month Euribor plus 4.5%; and (ii) for the *Obligaciones II/2013*, 10.2% nominal per annum, whereas the yield on the *Obligaciones I/2010* is 7.75% nominal per annum (for clarity, the remuneration on the *Obligaciones II/2013*, which is 10.2%

on a nominal value of Euros 3.92, is equivalent to an 8% remuneration on a nominal value of Euros 5, which is the nominal value of the *Obligaciones I/2010*).

The deadline for tendering under this offer is 31 January 2013.

Profit & loss account

Profit & loss account

(€000)	FY11	FY12	Change (%) YoY
Interest and related income	3,394,082	4,735,621	39.5
Interest and related charges	-1,856,819	-2,867,633	54.4
Net interest income	1,537,263	1,867,988	21.5
Dividend income	8,752	9,865	12.7
Income from equity method	37,650	-11,735	--
Net fees and commissions	573,593	628,689	9.6
Results from financial transactions (net)	271,246	546,236	101.4
Foreign exchange (net)	69,999	59,881	-14.5
Other operating income/expense	8,219	-142,478	--
Gross operating income	2,506,722	2,958,446	18.0
Personnel expenses	-742,600	-996,546	34.2
Recurrent (1)	-713,548	-977,068	36.9
Non-recurrent	-29,052	-19,478	-33.0
Other general expenses	-402,491	-515,079	28.0
Recurrent (2)	-393,432	-512,320	30.2
Non-recurrent	-9,059	-2,759	-69.5
Amortization & depreciation	-130,921	-156,925	19.9
Net income before provisions	1,230,710	1,289,896	4.8
Provisions for NPLs and other impairments	-1,048,916	-2,540,629	142.2
Gains on sale of assets	5,672	15,407	171.6
Badwill	0	933,306	--
Income tax	48,406	398,055	--
Consolidated net profit	235,872	96,035	-59.3
Minority interest	3,970	14,144	256.3
Attributable net profit	231,902	81,891	-64.7
Pro memoria:			
Average total assets	96,297,509	138,234,739	
Earnings per share (€)	0.17	0.03	

(1) Recurrent personnel expenses fell 3.9% year-on-year in like-for-like terms.

(2) Recurrent general expenses fell 9.3% year-on-year in like-for-like terms.

Profit & loss account - quarterly

(€000)	4Q11	1Q12	2Q12	3Q12	4Q12	Change (%) YoY
Interest and related income	895,191	903,631	1,063,210	1,398,963	1,369,817	53.0
Interest and related charges	-511,119	-496,380	-616,209	-872,556	-882,488	72.7
Net interest income	384,072	407,251	447,001	526,407	487,329	26.9
Dividend income	1,055	794	6,222	1,395	1,454	37.8
Income from equity method	-4,183	4,807	925	-12,171	-5,296	26.6
Net fees and commissions	149,543	133,547	155,261	164,620	175,261	17.2
Results from financial transactions (net)	84,335	148,245	93,963	121,609	182,419	116.3
Foreign exchange (net)	23,289	13,157	10,161	21,291	15,272	-34.4
Other operating income/expense	3,233	-15,552	-38,646	-36,520	-51,760	--
Gross operating income	641,344	692,249	674,887	786,631	804,679	25.5
Personnel expenses	-187,952	-187,985	-227,248	-294,194	-287,119	52.8
Recurrent	-178,944	-182,218	-221,463	-292,163	-281,224	57.2
Non-recurrent	-9,008	-5,767	-5,785	-2,031	-5,895	-34.6
Other general expenses	-110,074	-94,171	-115,070	-151,857	-153,981	39.9
Recurrent	-107,215	-93,805	-113,141	-152,261	-153,113	42.8
Non-recurrent	-2,859	-366	-1,929	404	-868	-69.6
Amortization & depreciation	-37,239	-32,039	-37,532	-43,258	-44,096	18.4
Net income before provisions	306,079	378,054	295,037	297,322	319,483	4.4
Provisions for NPLs and other impairments	-281,646	-293,407	-1,595,928	-281,125	-370,169	31.4
Gains on sale of assets	2,041	27,982	-9,499	10,649	-13,725	--
Badwill	0	0	933,306	0	0	--
Income tax	-1,391	-31,049	360,082	4,030	64,992	--
Consolidated net profit	25,083	81,580	-17,002	30,876	581	-97.7
Minority interest	612	1,557	-27,094	30,373	9,308	--
Attributable net profit	24,471	80,023	10,092	503	-8,727	--
Pro memoria:						
Average total assets	97,372,148	101,603,835	125,978,808	163,895,076	160,495,875	
Earnings per share (€) (1)	0.17	0.03	0.04	0.03	0.03	

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

Net interest income

Below is a breakdown of net interest income by quarter since 2011, 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

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	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

Average cost of funds

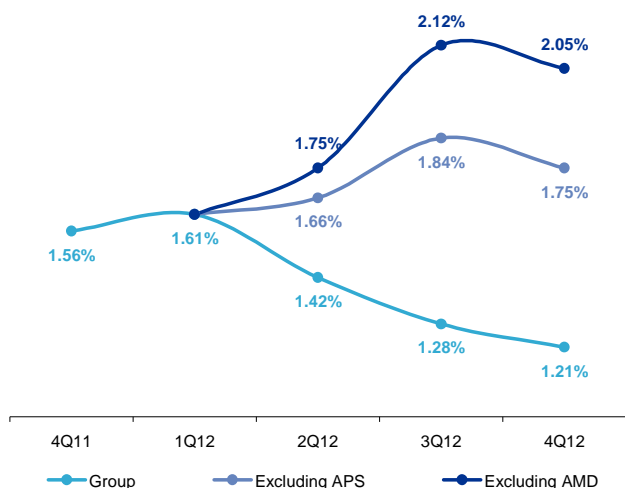
2011 (€'000)	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense	Avg.balance	Rate %	Expense
Financial institutions	7,298,291	-2.05	-36,979	7,632,178	-2.27	-43,191	6,679,413	-2.68	-45,047	7,937,986	-2.62	-52,487
Customer 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	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

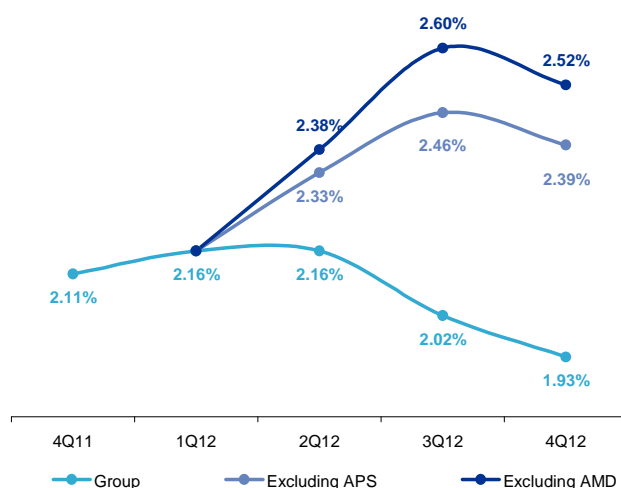
Net interest income in the fourth quarter of 2012 amounted to Euros 487.3 million, compared with Euros 526.4 million in the previous quarter. The figures for the third and fourth quarters are not comparable with the first two quarters of the year since Banco CAM has been consolidated since June 2012.

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)	4Q11	3Q12	4Q12	Change (%) 4Q11	Change (%) 3Q12
Asset transactions	27,786	29,123	31,120	12.0	6.9
Guarantees	22,219	26,609	25,242	13.6	-5.1
Transferred to other entities	-956	45	-1,628	70.3	--
Risk transaction fees	49,049	55,777	54,734	11.6	-1.9
Cards	16,994	29,198	27,841	63.8	-4.6
Payment orders	9,780	11,798	12,127	24.0	2.8
Securities	25,512	11,186	10,185	-60.1	-8.9
Demand accounts	8,181	15,482	16,565	102.5	7.0
Other transactions	10,953	15,963	27,248	148.8	70.7
Commissions for services	71,420	83,627	93,966	31.6	12.4
Mutual funds	17,167	16,404	17,220	0.3	5.0
Pension funds and insurance brokerage	11,907	8,812	9,341	-21.6	6.0
Mutual and pension fund and insurance commissions	29,074	25,216	26,561	-8.6	5.3
Total	149,543	164,620	175,261	17.2	6.5

Net fees and commissions in the fourth quarter totalled Euros 175.3 million, up 6.5% with respect to the preceding quarter.

Service fees increased significantly (+12.4%) basically as a result of higher revenues from demand deposits, payment orders and other sundry services to customers.

Fees from mutual fund and pension and insurance sales increased by 5.3% overall, boosted by growth in assets

under management in mutual and pension funds in the fourth quarter of 2012.

Risk commissions fell slightly, by 1.9%, between quarters.

Compared with 4Q11, net fees and commissions increased by 17.2% overall, mainly due to the acquisition of Banco CAM.

Administrative expenses

(€000)	4Q11	3Q12	4Q12	Change (%) 4Q11	Change (%) 3Q12
Recurrent	-178,944	-292,163	-281,224	57.2	-3.7
Non-recurrent	-9,008	-2,031	-5,895	-34.6	190.3
Personnel expenses	-187,952	-294,194	-287,119	52.8	-2.4
IT	-20,991	-18,454	-18,041	-14.1	-2.2
Communications	-6,211	-6,533	-8,721	40.4	33.5
Advertising	-12,126	-11,350	-19,686	62.3	73.4
Premises	-25,545	-45,285	-43,549	70.5	-3.8
Stationery and office supplies	-1,279	-1,944	-1,439	12.5	-26.0
Taxes other than income tax	-16,855	-23,838	-21,883	29.8	-8.2
Others	-24,208	-44,857	-39,794	64.4	-11.3
Non-recurrent	-2,859	404	-868	-69.6	--
Other general expenses	-110,074	-151,857	-153,981	39.9	1.4
Total	-298,026	-446,051	-441,100	48.0	-1.1

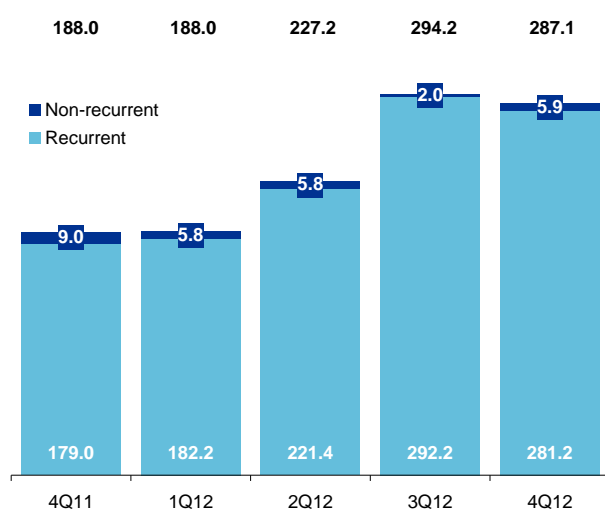
In like-for-like terms, recurrent administrative expenses declined by -5.9% in 2012 with respect to 2011.

In particular, the measures applied under the operating efficiency programme in branch processes and other areas led to a 3.9% year-on-year decline in recurrent personnel expenses in like-for-like terms.

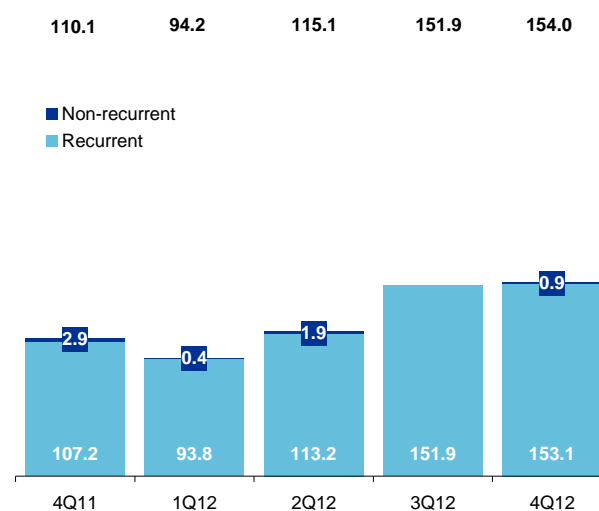
Recurrent general expenses performed even more favourably, falling by 9.3% in like-for-like terms compared with 2011.

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)	12.31.11	12.31.12	Change (%) YoY
Cash and balance with Central Banks	1,290,678	2,483,590	92.4
Trading and derivatives portfolios and other financial assets	2,273,131	7,182,995	216.0
Available-for-sale financial assets	13,268,170	24,060,464	81.3
Loans and advances	76,282,944	110,732,517	45.2
Balances with financial institutions (1)	3,628,914	5,233,243	44.2
Loans to customers (net)	72,654,030	105,102,361	44.7
Debt securities	0	396,913	--
Investments in associated companies	696,934	746,336	7.1
Property, plant and equipment	1,106,881	2,635,038	138.1
Intangible assets	1,022,161	1,165,072	14.0
Other assets	4,496,481	12,541,073	178.9
Total assets	100,437,380	161,547,085	60.8
Trading and derivatives portfolios	2,011,411	2,473,447	23.0
Financial liabilities at amortised cost	91,586,490	144,984,600	58.3
Central banks and credit institutions (2)	12,169,508	33,668,596	176.7
Customer deposits	58,444,050	82,464,410	41.1
Debt certificates including bonds	17,643,095	25,326,170	43.5
Subordinated liabilities	1,859,370	1,166,707	-37.3
Other financial liabilities	1,470,467	2,358,717	60.4
Liabilities under insurance contracts	173,348	2,038,815	--
Provisions	350,203	1,370,326	291.3
Other liabilities	381,784	1,419,125	271.7
Subtotal liabilities	94,503,236	152,286,313	61.1
Shareholders' equity (3)	6,276,160	9,119,542	45.3
Valuation adjustments	-389,228	-317,945	-18.3
Minority interest	47,212	459,175	--
Equity	5,934,144	9,260,772	56.1
Total liabilities and equity	100,437,380	161,547,085	60.8
Contingent risks	8,347,022	9,015,469	8.0
Contingent liabilities	11,657,865	13,523,884	16.0
Total memorandum accounts	20,004,887	22,539,353	12.7

(1) Balances with financial institutions include the following amounts of repos: Euros 733 million at 31.12.11 and Euros 1,504 million at 31.12.12.

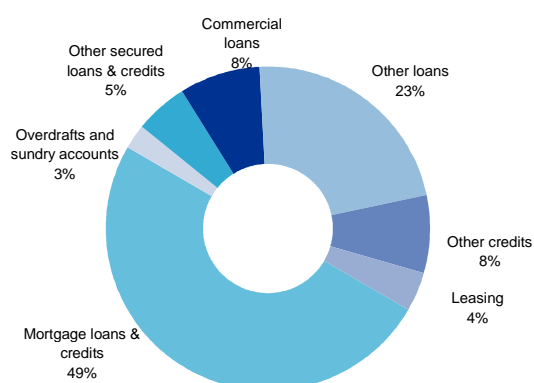
(2) Deposits with central banks and credit institutions include the following amounts of repos: Euros 1,050 million at 31.12.11 and Euros 1,719 million at 31.12.12.

(3) Includes mandatory convertible bonds (Euros 815 million at 31.12.11 and Euros 798 million at 31.12.12).

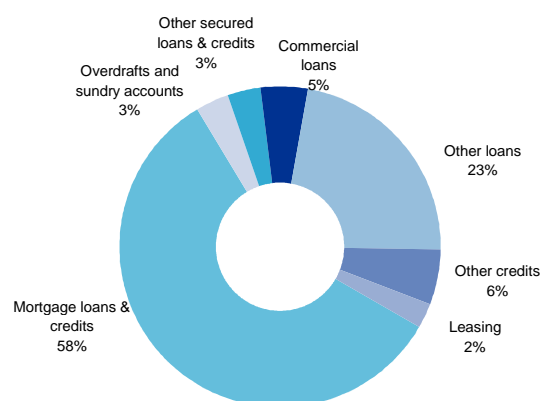
Loans to customers

(€000)	12.31.11	12.31.12	Change (%) YoY
Mortgage loans & credits	34,348,853	55,540,706	61.7
Other secured loans & credits	3,561,933	3,235,826	-9.2
Commercial loans	5,454,772	4,424,246	-18.9
Other loans	15,494,872	21,738,062	40.3
Other credits	5,394,565	5,353,704	-0.8
Leasing	2,673,778	2,316,459	-13.4
Overdrafts and sundry accounts	1,852,445	3,259,828	76.0
Non-performing loans	4,759,280	19,589,071	311.6
Accruals	94,844	-65,511	--
Gross loans and advances to customers, excluding repos	73,635,342	115,392,391	56.7
Reverse repos	1,286,731	1,890,884	47.0
Gross loans and advances to customers	74,922,073	117,283,275	56.5
NPL and country-risk provisions	-2,268,043	-12,180,914	437.1
Loans to customers (net)	72,654,030	105,102,361	44.7
Pro memoria: total securitisation	10,150,163	20,176,753	98.8
Of which: mortgage backed	6,834,319	17,222,663	152.0
Other securitised assets	3,315,844	2,954,090	-10.9
Of which: securitised after 01.01.04	10,019,153	19,338,123	93.0
Of which: mortgage backed	6,705,180	16,442,337	145.2
Other securitised assets	3,313,973	2,895,786	-12.6

Loans and advances, 12.31.11 (%) (*)

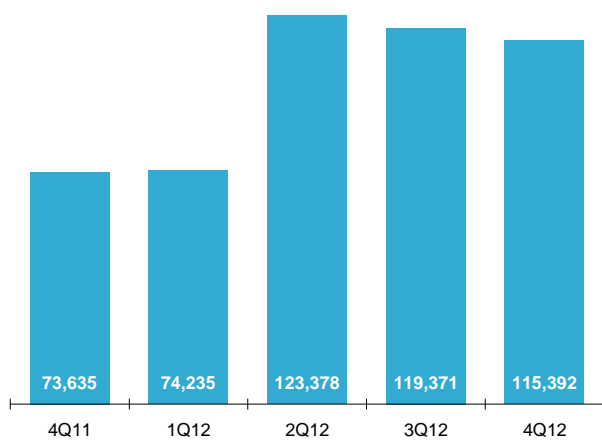


Loans and advances, 12.31.12 (%) (*)



(*) Excluding doubtful assets and accrual adjustments.

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



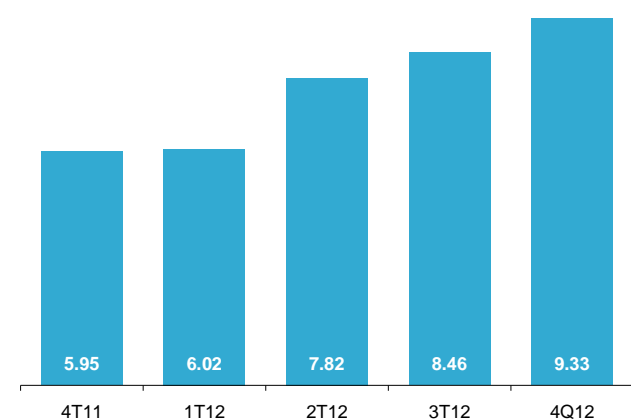
Credit risk management

As of 31 December 2012, the non-performing risks of the combined entity, Banco Sabadell + Banco CAM, excluding assets covered by the Asset Protection Scheme, amounted to Euros 10,286.3 million, i.e. an NPL ratio of 9.33%. The provisions recognised in 2012, including the additional provisions required because of the higher reserve requirements imposed on the banking system and those

recognised as a result of the preliminary measurement and recognition of the business combination between Banco Sabadell and Banco CAM, provide 13.88% overall coverage of credit and real estate exposure.

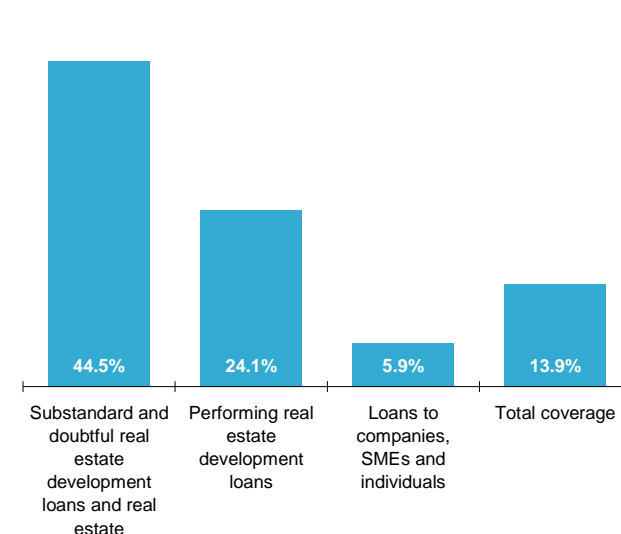
The total variation in non-performing assets in 2012 was 40% lower than in the previous year.

NPLs/Gross loans ratio excluding APS (%)

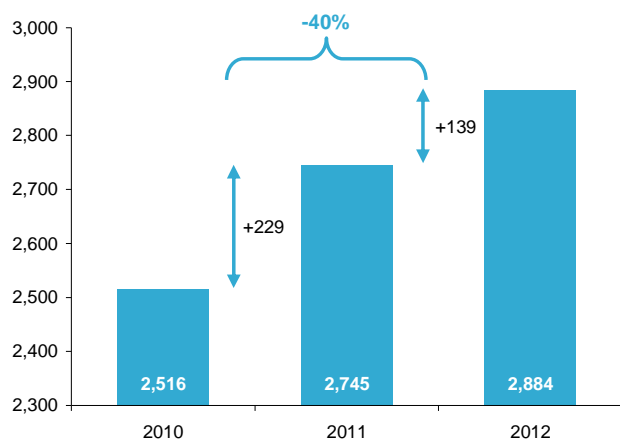


(1) Percentages from 2Q12 onwards are those of the combined entity, Banco Sabadell + Banco CAM, excluding assets covered by the Asset Protection Scheme.

Coverage with respect to exposure (%)



Net loans newly classified as doubtful and repossessed property, excluding APS (€mn, annual data)

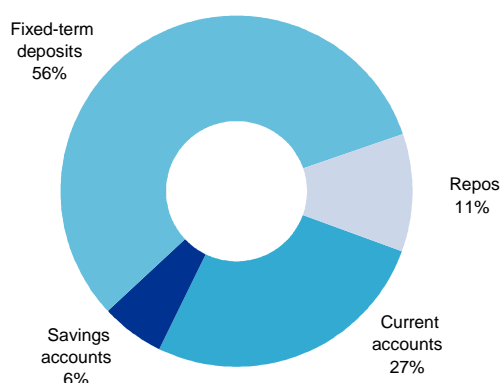


Funds under management

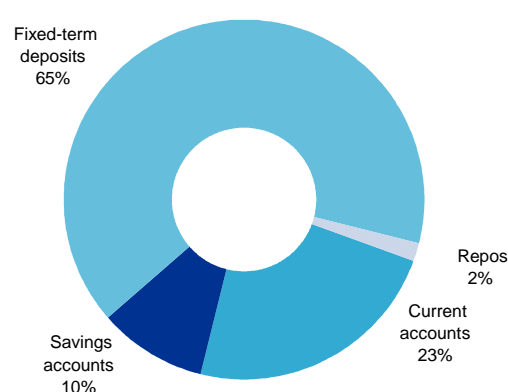
(€000)	12.31.11	12.31.12	Change (%) YoY
Customer-based funding on balance sheet (1)	53,353,959	80,179,388	50.3
Customer deposits	58,444,050	82,464,410	41.1
Current accounts	15,365,426	19,251,171	25.3
Savings accounts	3,374,545	7,833,472	132.1
Fixed-term deposits	32,819,805	53,526,063	63.1
Repos	6,297,269	1,466,003	-76.7
Accruals	505,230	564,214	11.7
Derivative hedging adjustments	81,775	-176,513	--
Debt and other tradable securities	17,643,095	25,326,170	43.5
Subordinated liabilities	1,859,370	1,166,707	-37.3
Liabilities under insurance contracts	173,348	2,038,815	--
On-balance sheet funds	78,119,863	110,996,102	42.1
Mutual funds	8,024,185	8,584,848	7.0
Equity funds	339,122	327,388	-3.5
Balanced funds	434,449	425,964	-2.0
Fixed-income funds	1,658,223	1,613,871	-2.7
Guaranteed return funds	2,035,260	2,376,623	16.8
Real estate funds	1,000,706	990,610	-1.0
Dedicated investment companies	1,269,428	1,262,855	-0.5
Third-party funds	1,286,997	1,587,537	23.4
Managed accounts	1,133,237	1,051,659	-7.2
Pension funds	2,858,299	3,708,868	29.8
Individual	1,767,125	2,250,102	27.3
Company	1,067,101	1,435,039	34.5
Group	24,073	23,727	-1.4
Third-party insurance products	5,926,378	7,313,153	23.4
Funds under management	96,061,962	131,654,630	37.1

(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, 12.31.11 (%) (*)

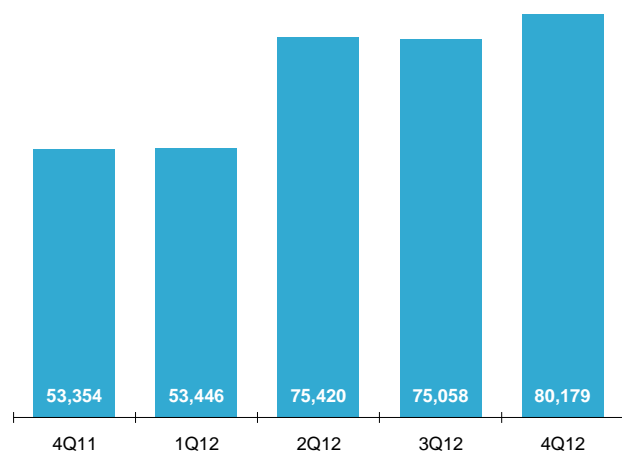


Customer deposits, 12.31.12 (%) (*)

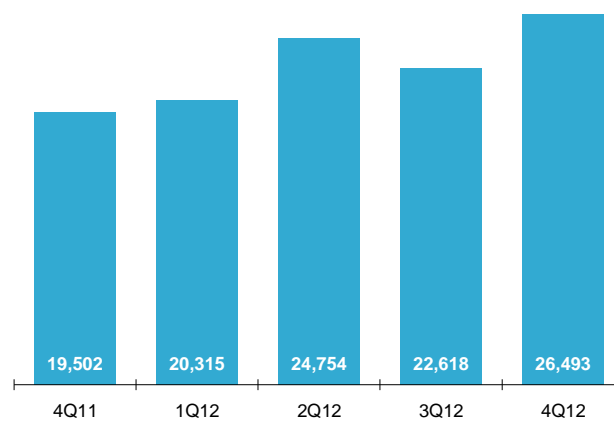


(*) Excluding adjustments for accruals and hedges with derivatives.

Customer-based funding on balance sheet (€mn)



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



Shareholder's equity

(€000)	12.31.11	12.31.12	Change (%) YoY
Shareholders' equity	6,276,160	9,119,542	45.3
Issued capital	173,881	369,944	112.8
Reserves	5,299,712	7,895,312	49.0
Other equity instruments (1)	814,620	798,089	-2.0
Less: treasury shares	-174,439	-25,694	-85.3
Attributable net profit	231,902	81,891	-64.7
Less: dividends and payments	-69,516	0	-100.0
Valuation adjustments	-389,228	-317,945	-18.3
Minority interest	47,212	459,175	--
Equity	5,934,144	9,260,772	56.1

(1) Mandatory convertible bonds.

Capital ratios

(€000)	12.31.11	12.31.12	Change (%) YoY
Issued capital	173,881	369,944	112.8
Reserves	5,171,378	7,838,177	51.6
Mandatory convertible bonds	814,620	798,089	-2.0
Minority interest	53,239	51,078	-4.1
Deductions	-1,151,809	-1,206,783	4.8
Core capital	5,061,309	7,850,505	55.1
Core capital (%)	9.01	10.42	
Preference shares and deductions	520,711	-5,413	--
Primary capital	5,582,020	7,845,092	40.5
Tier I (%)	9.94	10.42	
Secondary capital	567,164	731,549	29.0
Tier II (%)	1.01	0.97	
Total capital	6,149,184	8,576,641	39.5
Minimum capital requirement	4,493,377	6,025,145	34.1
Capital surplus	1,655,807	2,551,496	54.1
BIS ratio (%)	10.95	11.39	
Risk weighted assets (RWA)	56,167,208	75,314,313	34.1

Credit ratings

Agency	Date	Long term	Short term	Outlook	Strength
DBRS	11.19.2012	A (low)	R-1 (low)	Negative	
Standard & Poor's ⁽¹⁾	12.20.2012	BB	B	Negative	
Moody's	11.19.2012	Ba1	NP	Negative	D

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On 19 November 2012, rating agency DBRS commenced coverage of Banco Sabadell's bond issues and assigned the following ratings:

- Short-Term Debt & Deposit: R-1 (low), stable outlook.
- Senior Unsecured Long-Term Debt & Deposit: A (low), negative outlook.

On 23 November 2012, Standard & Poor's Rating Services affirmed Banco Sabadell's long- and short-term ratings as BB/B.

The agency also changed the outlook on the bank's rating to negative, ending the review that had commenced as a result of the downgrade of the sovereign rating in October.

The rating of the subordinated debt was downgraded to B- (from B+) and that of the preference shares to CCC (from B-).

On 24 October 2012, Moody's ended creditwatch negative and confirmed the ratings of Banco Sabadell. The decision was based on confirmation of the sovereign rating, announced on 16 October, and on the assessment of the bank's credit quality following the merger with Banco CAM.

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.

12.31.2011	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	1,678,462	442,231	53,398,907	12.2%	52.7%	7,259	1,322
Corporate banking	209,132	189,618	10,930,592	19.3%	10.9%	94	2
Banca Privada	62,815	16,386	3,359,411	26.9%	74.1%	298	11
Investment management	29,155	10,393	8,024,185 (**)	15.7%	64.4%	153	--
Total		658,628 (*)					

12.31.2012	Gross operating income (€'000)	Profit before tax (€'000)	Average total assets (€'000)	ROE	Cost / income ratio	Employees	Domestic branches
Commercial banking	1,891,271	151,697	77,462,682	3.1%	60.9%	10,924	1,839
Corporate banking	247,796	163,626	12,555,135	14.1%	10.4%	95	2
Banca Privada	56,844	12,686	3,189,837	22.5%	72.9%	268	12
Investment management	29,946	11,228	8,584,848 (**)	25.8%	62.5%	148	--
Total		339,237 (*)					

(*) 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.

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

Share price performance

	12.31.11	12.31.12	Change (%) YoY
Shareholders and trading			
Number of shareholders	127,310	236,774	86.0
Number of shares	1,391,048,717	2,959,555,017	112.8
Average daily trading volume (number of shares)	7,024,001	9,191,875	30.9
Share price (€)			
Opening session	2.950	2.934	
High	3.709	2.980	
Low	2.217	1.185	
Closing session	2.934	1.975	
Market capitalisation (€ '000)	4,081,337	5,845,121	
Stock market multiples			
Earnings per share (EPS) (€)	0.17	0.03	
Book value per share (€)	4.51	3.08	
Price /Book value (times)	0.65	0.64	
Price /earnings ratio (P/E) (times)	17.60	71.38	
Including conversion of convertible bond:			
Fully diluted number of shares including conversion of convertible bond	1,583,608,773	3,183,841,740	
Earnings per share (EPS) (€)	0.15	0.03	
Book value per share (€)	3.96	2.86	
Price /Book value (times)	0.74	0.69	