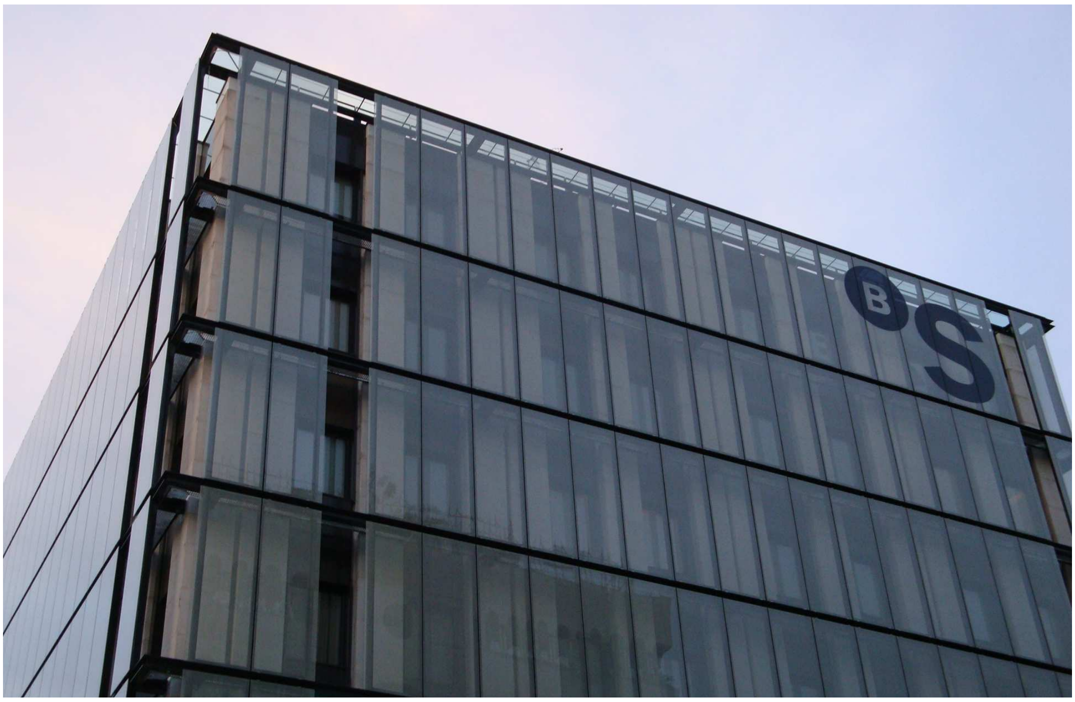
BancoSabadell

Quarterly financial report

Second quarter, 2010



Introduction

Macroeconomic environment

Global economic and financial background

Economic activity continued to recover in the second quarter of 2010; however, signs of slowing have been visible in recent months, primarily in confidence indicators in developed countries. US GDP grew 0.7% in the first quarter of 2010 (4Q09: +1.4%) and euro area GDP expanded 0.2% in the quarter (4Q09: +0.1%). The labour market also showed positive signs, although unemployment remained high. Headline and core inflation were contained, both in the US and the euro area. Inflation remained high in the UK, whereas in Japan it has remained in negative territory for over a year now.

The financial markets continued to focus on the difficult fiscal situation of the euro area peripheral countries. This has led, among other measures, to the creation of a funding mechanism for countries in the eurozone, which was able (temporarily) to reduce international risk aversion and halt contagion to other countries and assets. Against this backdrop, the main international financial institutions (IMF, World Bank, OECD) warned about the risks that doubts about the sustainability of their public accounts pose to developed countries.

Fixed income markets

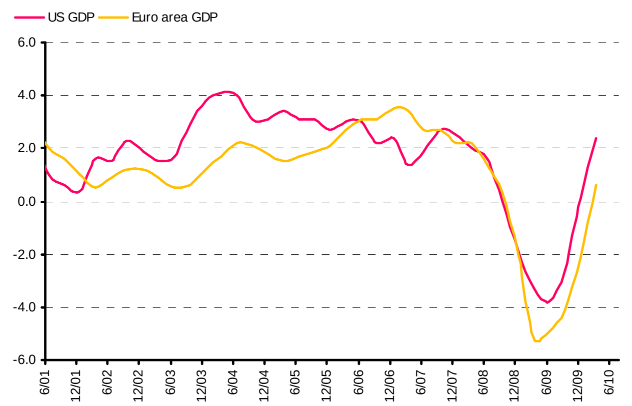
Monetary policy remained clearly accommodative. The Federal Reserve maintained its base rate in the 0%-0.25% range, and reiterated that it would keep interest rates exceptionally low for an extended period. Regarding its exit strategy, the Fed confirmed that its unconventional monetary policy would end in June and that it has started testing term deposits as a way of absorbing extraordinary liquidity. The European Central Bank (ECB) kept the benchmark rate at 1.00% during the quarter, insisting that it was the appropriate rate. The financial instability arising from doubts about the fiscal sustainability of some euro area countries led the ECB to re-implement unorthodox policies it had begun to phase out. The ECB started acquiring public and private debt (seeking to sterilise the transactions via weekly tenders) and implemented new fixed-rate financing operations at full allotment. The Bank of England opted to maintain the base rate at 0.50% and its asset purchase scheme at GBP 200 billion. The Bank of Japan kept its base rate at 0.10% and created a new lending programme with favourable conditions with a view to providing bank loans to companies.

The spread between euro area peripheral long-term government debt and the German benchmark increased significantly in the second quarter to its highest level since the creation of the European Monetary Union. The support package to the Greek government and the announced financial stability plan for the euro area did not reverse the trend. Ongoing doubts about the fiscal sustainability of euro area peripherals and the lack of details about the financial stability mechanism impeded the normalization of country-risk premiums. In this context, rating agencies have steadily downgraded peripherals' sovereign debt ratings. Standard & Poor's and Moody's cut Greece's public debt rating from investment grade to junk status. Standard & Poor's and Fitch downgraded Spanish government debt to AA and AA+, respectively, in view of doubts about the country's medium-term economic potential and the its implication on the public budget. In this scenario, both German and US government debt continued to act as safe havens, with their yields declining from 3.09% to 2.58% (Germany) and from 3.83% to 2.93% (US) at the close of the quarter.

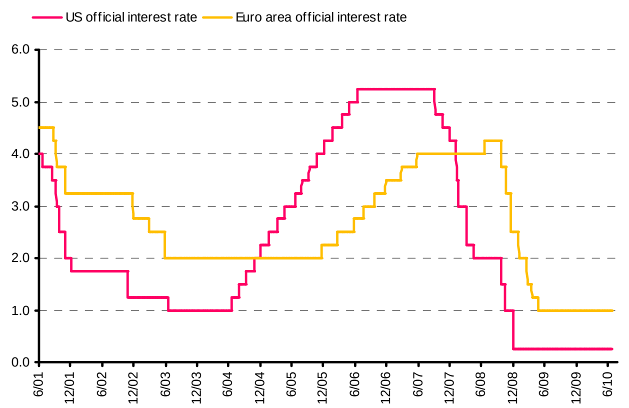
Currency markets

Doubts about the fiscal sustainability of peripherals and the unfavourable macroeconomic data in the euro area have weighed upon the euro. The euro has depreciated notably against the US dollar, ending the quarter at 1.22 USD/EUR (compared with 1.35 USD/EUR the previous quarter), and against the British pound (which appreciated 8%). The dollar was buoyed by significant inflows of capital into the US which more than offset the country's trade deficit. The British pound benefited from the new UK government's announcement of an ambitious fiscal consolidation plan. The yen was supported in the second quarter by an increase in global risk aversion, appreciating 5% against the USD and ending the second quarter at 88.6 JPY/USD.

GDP – USA vs. Euro area (%)



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



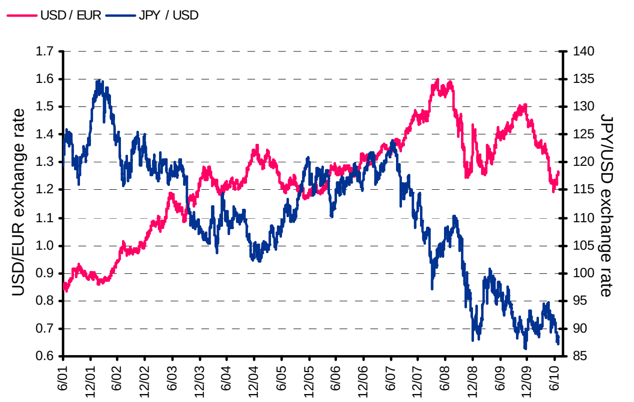
Emerging markets

GDP figures for the first quarter of 2010 reflected the vigorous growth in Asia and Latin America. Against that backdrop, the expansive monetary policies adopted during the crisis continued to be withdrawn in the second quarter. The Chinese authorities have taken various measures to cool the real estate market, increased the flexibility of their foreign currency regime (by abandoning the hard peg against the US dollar that was adopted when the global crisis broke out); and the central bank increased reserve requirements for the third time this year, to 17%. Base rates were increased (for a second time) by central banks in India (to 5.25%) and in Brazil (to 10.25%). These measures have helped mitigate fears about economic overheating in these countries. In contrast, Eastern European economies remain weak and the central banks in the Czech Republic, Hungary, Romania and Russia have continued reducing their base rates. Emerging markets have been affected by the global uncertainty related to Europe's fiscal problems, especially those countries where the state of public accounts is in doubt, such as Hungary. In Turkey, the government's efforts to draft a fiscal responsibility law are having positive repercussions. The European Commission has approved the incorporation of Estonia into the euro area next year.

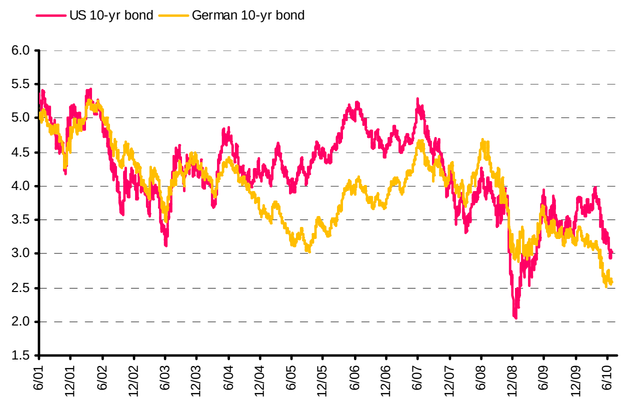
Equity markets

Equity markets were severely affected in the second quarter by the tension in the fixed income markets arising from the fiscal problems in Europe and by fears of a deterioration in economic activity going forward. In the United States, the Standard & Poor's 500 declined -2.7% and the NASDAQ -2.9% in the quarter (both in euro terms). In Europe, the Stoxx Europe 50 shed -10.3% and the Ibex 35 -14.8% in the quarter. Market sentiment was also negative in Latin America: the Brazilian index lost -5.4% and the Mexican index -0.9%, both in euro terms; in Japan, the NIKKEI declined 0.5% in euro terms.

Exchange rate – USD vs. EUR and JPY (%)



10-year bond yields – USA vs. Germany (%)



Key developments in 2010

- The quarter was marked by significant capital gains due to sale and leaseback operations and debt swaps, which were used to increase provisions.

- Net interest income: Increase in net interest income due to active price management. The ongoing management of customer spreads and the hedging policy mitigated the negative impact of the steady decline in interest rates in the last twelve months, which had a greater impact on lending prices than on funding costs.

- Results from financial transactions: includes capital gains of Euros 89 million from preference shares and subordinated debt swaps. It also includes Euros 53.3 million from sales in the fixed-income portfolio. In the first half of 2009, the bank obtained Euros 96.8 million in capital gains from preference share redemptions and Euros 45.2 million from the sale of fixed-income securities in portfolio.

- Total administrative expenses (personnel and general): good cost management enabled recurrent costs to be reduced by 0.4% year-on-year (excluding the impact of integrating Sabadell United Bank and of the sale and leaseback transaction referred to below).

  Recurrent personnel expenses increased by 2.1% (-0.5% assuming no change in consolidation scope). Non-recurrent personnel expenses amounted to Euros -3.9 million, compared with Euros -55.2 million in the first half of 2009.

  Other general administration expenses increased by 7.1% (0.00%, assuming no change in consolidation scope and excluding the sale and leaseback operation).

- Provisions for NPLs and other impairments: specific loan-loss provisions amounted to Euros -444.6 million. In contrast, Euros 59.5 million of generic provisions were released. Real estate and financial assets were written down by a total of Euros -298.7 million.

- The NPL ratio was 4.38%, and the NPL coverage ratio was 63.58%. The coverage ratio including mortgage collateral is 121.55%.

- Capital gains on asset disposals: The bank obtained gains of Euros 250 million from a sale and leaseback transaction on 378 properties, and Euros 29 million on the sale of a property in Barcelona (Paseo de Gracia). Last year the bank obtained Euros 20.3 million on the sale and leaseback of a building in Madrid (Calle Serrano) and Euros 11.1 million on other sale and leaseback deals.

- Income tax includes a Euros 16 million credit since the conditions were met to apply part of the tax credit for reinvesting the capital gains on the sale of 50% of the insurance and pension business (in 2008). The tax credit applied under this heading totalled Euros 40 million in the first half of 2009.

- Tier 1 was 8.60%, compared with 7.78% at the end of June 2009 (9.07% in June 2010, including generic provisions net of taxes). Core capital was 7.70%, compared with 6.63% at the end of June 2009 (8.17% at the end of June 2010, including generic provisions net of taxes).

- Commercial gap: significant increase in customer deposits. Customer funds on the balance sheet increased by 8.9% while gross loans and advances to customers rose by 1.8%.

Financial review

Basis of presentation

The consolidated profit and loss account and balance sheet as of 30 June 2009 and 2010, 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 2009.

Balance sheet and bottom line

Balance sheet

At 30 June 2010, total assets amounted to Euros 86,243.3 million, a 6.5% increase year-on-year. Gross loans and advances to customers totalled Euros 65,356.0 million, 1.8% more than at 30 June 2009.

Mortgage lending at 30 June expanded by 3.1% year-on year to Euros 32,229.3 million.

The ratio of NPLs to total computable loans was 4.38%, i.e. still below the Spanish financial sector average. Coverage of doubtful assets was 63.58%. The coverage ratio including mortgage collateral is 121.55%.

At 30 June 2010, customer funds on the balance sheet amounted to Euros 42,211.9 million (Euros 37,834.0 million at 30 June 2009), an 8.9% increase year-on-year, in line with the bank's focus on capturing funds for investment. Growth was particularly notable in term deposits, which amounted to Euros 24,191.4 million at 30 June 2010 (+7.0%), and in demand accounts, which expanded 8.8% to Euros 16,020.5 million at the end June 2010.

Liabilities in the form of tradeable securities amounted to Euros 19,405.9 million, compared with Euros 22,267.8 million at 30 June 2009.

Assets in collective investment vehicles totalled Euros 8,532.1 million at 30 June 2010, up 1.4% with respect to the same date last year.

Assets in pension funds marketed by the Group increased by 20.9% year-on-year to Euros 2,776.8 million at 30 June 2010.

Insurance sales increased by 5.3%. The balance at the end of June 2010 was Euros 5,433.7 million.

Funds under management amounted to Euros 81,952.8 million at 30 June 2010, compared with Euros 81,427.2 million twelve months before (+0.6%).

Income and profit performance

The second quarter of 2010 was marked by significant capital gains on sale and leaseback transactions and debt swaps, which were used to increase provisions.

In the first half of 2010, net interest income totalled Euros 765.2 million (-5.9% year-on-year). The ongoing management of customer spreads and the hedging policy mitigated the negative impact of the steady decline in interest rates in the last twelve months, which had a greater impact on lending prices than on funding costs.

The contribution to half-yearly results from equity-accounted affiliates rose by 17.9%, including a significant contribution from Dexia Sabadell and Centro Financiero BHD.

Net fees and commissions amounted to Euros 253.3 million, a decline of Euros 13.8 million (-5.2%) year-on-year, primarily due to a reduction in delinquency fees.

Income from financial transactions amounted to Euros 152.1 million, including Euros 89 million from preference share and subordinated debt swaps, and Euros 53.3 million from the sale of available-for-sale fixed-income financial assets. In the first half of 2009, the bank obtained Euros 96.8 million in capital gains from preference share redemptions and Euros 45.2 million from the sale of fixed-income securities in portfolio.

Operating costs amounted to Euros 489.4 million in the first half of 2010, including Euros 3.9 million in indemnities (indemnities amounted to Euros 55.2 million in the first half of 2009). In recurrent terms, operating costs at 30 June 2010 increased overall by 3.7% year-on-year (-0.4% excluding the impact of integrating Sabadell United Bank and the sale and leaseback transaction in April 2010).

The cost/income ratio excluding non-recurrent expenses was 41.91% and improved 5 basis points with respect to the previous quarter.

Net income before provisions amounted to Euros 679.3 million at 30 June 2010 (-5.6% year-on-year).

Specific loan-loss provisions amounted to Euros 444.6 million. A total of Euros 59.5 million of generic provisions were released during the first six months of the year. Real estate and financial assets were written down by a total of Euros 298.7 million.

The bank obtained gains of Euros 250 million from a sale and leaseback transaction on 378 properties (April 2010), and Euros 29 million on the sale of a property in Barcelona (Paseo de Gracia). Last year the bank obtained Euros 20.3 million on the sale and leaseback of a building in Madrid (Calle Serrano) and Euros 11.1 million on other sale and leaseback deals.

Net income attributed to the group amounted to Euros 233.6 million, compared with Euros 332.0 million in the first half of 2009.

At 30 June 2010, the Tier 1 capital ratio was 8.60%, compared with 7.78% at the end of June 2009 (9.07% in June 2010 including generic provisions net of taxes). Core capital was 7.70%, compared with 6.63% at the end of June 2009 (8.17% at the end of June 2010, including generic provisions net of taxes).

Other key developments in 2Q10

Exchange offer Series I/2006 preference shares and subordinated debt

On 19 April, Banco Sabadell announced the outcome of the tender for 100% of the outstanding securities in the Series I/2006 Preference Shares, listed on the London Stock Exchange, and Series I/2006 subordinated bonds, listed on the AIAF Fixed Income Market. Subordinated bonds in the new 1/2010 series were delivered in exchange.

The nominal amounts of the preference shares and bonds that accepted the tender were Euros 193,950,000 and Euros 283,400,000, respectively.

The total nominal amount of new bonds delivered in exchange was Euros 406,150,000, and new bonds for an additional nominal amount of Euros 93,850,000 were issued, with the result that the total nominal amount of new bonds is Euros 500,000,000.

Capital gains on this transaction amounted to Euros 89 million.

Contract for the sale of 378 properties to Moorpark Capital Partners LLP

On 30 April 2010, Banco Sabadell signed a sale and long-term leaseback with Moorpark Capital Partners for 378 properties (mainly branch offices) in Spain.

The total price of the transaction was Euros 403 million, i.e. an initial yield of 6.65%, and provides Banco Sabadell with pre-tax capital gains amounting to Euros 250 million, after deducting the expenses associated with the sale.

Exchange offer for Banco Guipuzcoano, S.A.

On 25 June 2010, the Board of Directors of Banco Sabadell resolved to launch a exchange offer 100% of Banco Guipuzcoano, S.A. (conditional upon attaining 75% acceptance), in accordance with article 13 of Royal Decree 1066/2007, offering in exchange for every eight ordinary shares of Banco Guipuzcoano, five newly-issued or pre-existing shares of Banco Sabadell and five newly-issued mandatory convertible subordinated bonds; and for every eight preference shares of Banco Guipuzcoano, six newly-issued or pre-existing shares of Banco Sabadell and five newly-issued mandatory convertible bonds. The takeover bid is conditional upon prior modification by the Shareholders' Meeting of Banco Guipuzcoano of article 19 of its Bylaws to eliminate the 10% limitation on voting rights.

To approve the creation of the new securities to be issued for the offer, the Board of Directors of Banco Sabadell called a General Shareholders' Meeting for 16 September 2010, at first call, and on 18 September 2010, at second call.

On the same date, Banco Sabadell obtained an irrevocable commitment from various shareholders of Banco Guipuzcoano, representing 45.61% of its capital stock, to accept Banco Sabadell's offer.

Key figures

Balance sheet (€ '000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Total assets	80,992,143	82,822,886	86,243,282	6.5
Gross loans and advances to customers	64,228,850	65,012,792	65,355,975	1.8
On-balance sheet funds	64,733,500	64,165,053	64,044,358	-1.1
Of which:				
Customer-based funding on balance sheet (1)	37,834,010	38,131,235	41,211,946	8.9
Mutual funds	8,417,567	9,150,665	8,532,106	1.4
Pension funds and third-party insurance products	7,459,474	8,168,367	8,210,495	10.1
Funds under management	81,427,193	82,247,095	81,952,807	0.6
Shareholders' equity	4,750,985	5,226,333	5,380,233	13.2
Profit and loss account (€ '000)				
Net interest income	813,136	1,600,647	765,180	-5.9
Gross operating income	1,311,875	2,505,030	1,247,359	-4.9
Net income before provisions	719,664	1,325,477	679,290	-5.6
Attributable net profit	332,041	522,489	233,620	-29.6
Ratios (%)				
ROA	0.83	0.64	0.55	
ROE	15.13	11.36	9.52	
Cost / income (ex amortisation) (2)	43.06	43.05	42.25	
Cost / income ratio excluding non-recurrent expenses (2)	38.52	39.46	41.91	
Core capital (3)	6.63	7.66	7.70	
Adjusted core capital (3) (4)	7.83	8.14	8.17	
Tier I (3)	7.78	9.10	8.60	
Adjusted Tier I (3) (4)	8.99	9.58	9.07	
BIS ratio (3)	10.05	10.80	10.38	
Risk management				
Non-performing loans (€ '000)	2,288,389	2,712,418	3,190,213	
Provisions for NPLs (€ '000)	2,031,138	1,872,443	2,028,479	
NPLs / Gross loans (%)	3.19	3.73	4.38	
Coverage ratio (%)	88.76	69.03	63.58	
Coverage ratio with mortgage collateral	141.37	125.11	121.55	
Share data (period end)				
Number of shareholders	88,194	89,910	101,225	
Number of shares	1,200,000,000	1,200,000,000	1,200,000,000	
Share price (€)	4.450	3.875	3.720	
Market capitalisation (€ '000)	5,340,000	4,650,000	4,464,000	
Earnings per share (EPS) (€)	0.55	0.44	0.40	
Book value per share (€)	3.96	4.36	4.48	
Price /Book value (times)	1.12	0.89	0.83	
Price /earnings ratio (P/E) (times)	8.04	8.74	9.22	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond		1,300,341,160	1,300,341,160	
Earnings per share (EPS) (€)		0.41	0.37	
Book value per share (€)		4.02	4.14	
Price /Book value (times)		0.96	0.90	
Other data				
Domestic branches	1,207	1,190	1,184	
Employees (5)	9,615	9,466	9,746	
ATMs	1,448	1,452	1,449	

(1) Includes customer deposits (ex-repos), preference shares placed by the branch network and mandatory convertible bonds.
(2) Personnel and other general administrative expenses / gross operating income. Figures for 2010 and 2009 do not include income obtained from swaps or redemptions of preference shares and subordinated bonds.
(3) Ratio calculated according to Basel II criteria with Bank of Spain-approved models and the regulatory minimum floor.
(4) Adjusted for generic provisions net of taxes.
(5) At 30 June 2010, the number of employees had increased due to the integration of Sabadell United Bank (351 employees).

Profit & loss account

Profit & loss account

(€'000)	1H09	1H10	Change (%) YoY
Interest and related income	1,787,137	1,286,583	-28.0
Interest and related charges	-974,001	-521,403	-46.5
Net interest income	**813,136**	**765,180**	**-5.9**
Dividend income	10,497	10,459	-0.4
Income from equity method	31,685	37,348	17.9
Net fees and commissions	267,083	253,284	-5.2
Results from financial transactions (net)	163,910	152,142	-7.2
Foreign exchange (net)	21,816	23,583	8.1
Other operating income/expense	3,748	5,363	43.1
Gross operating income	**1,311,875**	**1,247,359**	**-4.9**
Personnel expenses	-370,534	-325,971	-12.0
Recurrent (1)	-315,379	-322,078	2.1
Non-recurrent	-55,155	-3,893	-92.9
Other general expenses (2)	-152,640	-163,446	7.1
Amortization & depreciation	-69,037	-78,652	13.9
Net income before provisions	**719,664**	**679,290**	**-5.6**
Provisions for NPLs and other impairments	-358,875	-693,763	93.3
Gains on sale of assets	28,882	292,139	--
Net result from discontinued transactions (after taxes)	0	0	--
Income tax	-56,839	-42,442	-25.3
Consolidated net profit	**332,832**	**235,224**	**-29.3**
Minority interest	791	1,604	102.8
Attributable net profit	**332,041**	**233,620**	**-29.6**
Pro memoria:			
Average total assets	81,267,272	85,948,141	
Earnings per share (€) (3)	0.28	0.20	
Diluted earnings per share (3)	0.28	0.18	

(1) In like-for-like terms, the year-on-year change was -0.5%.
(2) Assuming no change in consolidation scope and excluding the sale and leaseback operation, the year-on-year change is 0.0%.
(3) Not annualised.

Profit & loss account – quarterly stand-alone

(€'000)	2Q09	3Q09	4Q09	1Q10	2Q10	Change (%) YoY
Interest and related income	832,990	716,108	662,988	635,961	650,622	-21.9
Interest and related charges	-414,410	-313,814	-277,771	-261,857	-259,546	-37.4
Net interest income	**418,580**	**402,294**	**385,217**	**374,104**	**391,076**	**-6.6**
Dividend income	6,236	774	3,327	190	10,269	64.7
Income from equity method	18,656	13,354	26,874	19,915	17,433	-6.6
Net fees and commissions	132,223	118,748	125,333	129,279	124,005	-6.2
Results from financial transactions (net)	144,113	78,327	5,913	24,925	127,217	-11.7
Foreign exchange (net)	12,400	15,739	11,669	11,091	12,492	0.7
Other operating income/expense	1,183	2,344	3,242	2,646	2,717	129.7
Gross operating income	**733,391**	**631,580**	**561,575**	**562,150**	**685,209**	**-6.6**
Personnel expenses	-180,837	-170,179	-174,610	-160,879	-165,092	-8.7
Recurrent	-157,235	-159,574	-153,747	-159,928	-162,150	3.1
Non-recurrent	-23,602	-10,605	-20,863	-951	-2,942	-87.5
Other general expenses	-78,931	-80,838	-88,022	-75,954	-87,492	10.8
Amortization & depreciation	-35,237	-35,834	-37,859	-38,440	-40,212	14.1
Net income before provisions	**438,386**	**344,729**	**261,084**	**286,877**	**392,413**	**-10.5**
Provisions for NPLs and other impairments	-209,830	-231,250	-247,581	-167,445	-526,318	150.8
Gains on sale of assets	-1,655	36,020	18,673	4,061	288,078	--
Net result from discontinued transactions (after taxes)	0	0	0	0	0	--
Income tax	-56,875	-10,980	22,782	-14,705	-27,737	-51.2
Consolidated net profit	**170,026**	**138,519**	**54,958**	**108,788**	**126,436**	**-25.6**
Minority interest	97	2,118	911	408	1,196	--
Attributable net profit	**169,929**	**136,401**	**54,047**	**108,380**	**125,240**	**-26.3**
Pro memoria:						
Average total assets	81,638,757	81,977,332	82,332,334	85,055,467	86,831,006	
Earnings per share (€) (1)	0.14	0.11	0.05	0.09	0.11	

(1) Not annualised.

Net interest income

Average yield

2009 (€'000)	1st Quarter Avge.balance	Rate %	Income	2nd Quarter Avge.balance	Rate %	Income	3rd Quarter Avge.balance	Rate %	Income	4th Quarter Avge.balance	Rate %	Income
Cash and balance with central banks & financial	2,642,845	1.93	12,563	2,045,426	1.14	5,818	3,580,345	0.56	5,067	2,222,552	0.96	5,400
Loans to customers (net)	62,593,414	5.56	857,596	62,036,536	4.93	763,181	61,696,386	4.21	655,003	62,554,429	3.79	598,052
Fixed-income securities	6,981,215	3.91	67,345	8,082,132	2.58	52,071	7,609,054	2.44	46,759	8,288,938	2.46	51,367
Subtotal	**72,217,474**	**5.26**	**937,504**	**72,164,094**	**4.56**	**821,070**	**72,885,785**	**3.85**	**706,829**	**73,065,919**	**3.56**	**654,819**
Equity securities	1,578,454	--	--	1,954,484	--	--	1,816,355	--	--	2,009,384	--	--
Tang. & intang. assets	1,838,789	--	--	1,714,315	--	--	1,698,773	--	--	1,671,798	--	--
Other assets	5,256,941	1.28	16,643	5,805,864	0.82	11,920	5,576,419	0.66	9,279	5,585,233	0.58	8,169
Total	**80,891,658**	**4.78**	**954,147**	**81,638,757**	**4.09**	**832,990**	**81,977,332**	**3.47**	**716,108**	**82,332,334**	**3.19**	**662,988**

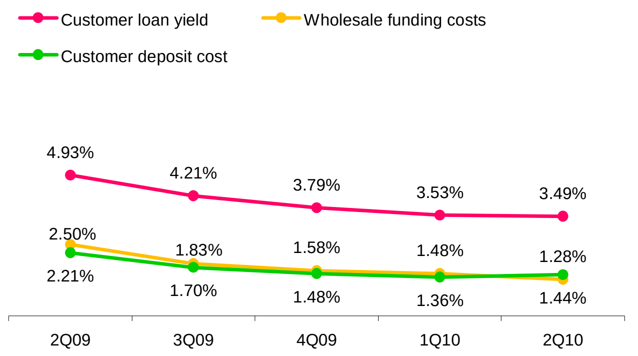
2010 (€'000)	1st Quarter Avge.balance	Rate %	Income	2nd Quarter Avge.balance	Rate %	Income	3rd Quarter Avge.balance	Rate %	Income	4th Quarter Avge.balance	Rate %	Income
Cash and balance with central banks & financial	2,077,052	0.93	4,738	2,072,682	0.98	5,042						
Loans to customers (net)	63,556,130	3.53	552,552	63,230,098	3.49	550,119						
Fixed-income securities	10,062,814	2.76	68,592	11,840,308	2.72	80,440						
Subtotal	**75,695,996**	**3.35**	**625,882**	**77,143,088**	**3.30**	**635,601**						
Equity securities	1,979,925	--	--	2,038,809	--	--						
Tang. & intang. assets	1,705,582	--	--	1,604,608	--	--						
Other assets	5,673,964	0.72	10,079	6,044,501	1.00	15,021						
Total	**85,055,467**	**3.03**	**635,961**	**86,831,006**	**3.01**	**650,622**						

Average cost of funds

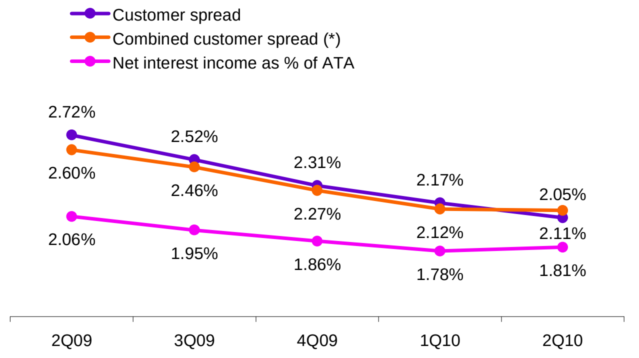
2009 (€'000)	1st Quarter Avge.balance	Rate %	Expense	2nd Quarter Avge.balance	Rate %	Expense	3rd Quarter Avge.balance	Rate %	Expense	4th Quarter Avge.balance	Rate %	Expense
Financial institutions	5,436,719	-3.44	-46,127	5,370,216	-1.98	-26,511	5,628,062	-1.52	-21,580	5,122,506	-1.59	-20,530
Customer deposits	35,824,475	-2.83	-250,086	36,419,740	-2.21	-201,064	36,833,850	-1.70	-157,545	36,362,459	-1.48	-135,746
Capital markets	25,854,897	-3.57	-227,787	25,930,371	-2.50	-161,817	24,779,824	-1.83	-114,280	25,542,666	-1.58	-101,764
Repos	4,275,533	-1.72	-18,115	4,318,848	-1.04	-11,233	4,555,445	-0.78	-9,006	4,287,560	-0.86	-9,263
Subtotal	**71,391,624**	**-3.08**	**-542,115**	**72,039,175**	**-2.23**	**-400,625**	**71,797,181**	**-1.67**	**-302,411**	**71,315,191**	**-1.49**	**-267,303**
Other liabilities	5,205,284	-1.36	-17,476	5,099,987	-1.08	-13,785	5,182,954	-0.87	-11,403	5,745,957	-0.72	-10,468
Shareholders' equity	4,294,750	--	--	4,499,595	--	--	4,997,197	--	--	5,271,186	--	--
Total	**80,891,658**	**-2.81**	**-559,591**	**81,638,757**	**-2.04**	**-414,410**	**81,977,332**	**-1.52**	**-313,814**	**82,332,334**	**-1.34**	**-277,771**

2010 (€'000)	1st Quarter Avge.balance	Rate %	Expense	2nd Quarter Avge.balance	Rate %	Expense	3rd Quarter Avge.balance	Rate %	Expense	4th Quarter Avge.balance	Rate %	Expense
Financial institutions	5,517,632	-1.40	-19,083	6,601,782	-1.33	-21,954						
Customer deposits	37,994,106	-1.36	-127,456	39,097,789	-1.44	-140,157						
Capital markets	26,069,979	-1.48	-95,143	24,332,528	-1.28	-77,824						
Repos	4,385,439	-0.76	-8,208	5,452,797	-0.37	-5,047						
Subtotal	**73,967,156**	**-1.37**	**-249,890**	**75,484,896**	**-1.30**	**-244,982**						
Other liabilities	5,737,935	-0.85	-11,967	5,776,327	-1.01	-14,564						
Shareholders' equity	5,350,376	--	--	5,569,783	--	--						
Total	**85,055,467**	**-1.25**	**-261,857**	**86,831,006**	**-1.20**	**-259,546**						

Customer spread (%)



Net interest income (%)



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

Net interest income in the second quarter of the year improved with respect to the previous quarter (by Euros 17.0 million) due to better price management. The average yield on customer loans was 3.49%, i.e. a decline of 4 basis points quarter-on-quarter. The impact on financial revenues of falling lending yields was Euros -4.8 million. The average volume of customer loans and advances declined slightly, reducing interest revenues by Euros 0.3 million.

The average cost of customer funds was -1.44%, compared with -1.36% in 1Q10 (a difference of 8 basis points). The effect of the decline in costs was Euros 9.3 million.

Wholesale funding costs declined by Euros 17.3 million with respect to 1Q10. The average cost was -1.28% (-1.48% the previous quarter). The reduction in Euribor, with the resulting decline in the prices of a number of securities, reduced costs by Euros 13.1 million. The decline in average volume of funding reduced costs by Euros 5.3 million.

The customer spread was 2.05%, i.e. 12 basis points less than in the preceding quarter.

The combined customer spread, which includes wholesale funding costs, decreased by 1 basis point with respect to 1Q10, to 2.11%.

In line with the foregoing and the favourable management of fixed income securities and financial institutions spreads, net interest income in 2Q10 represented 1.81% of average total assets, 3 basis points more than in 1Q10.

Net fees and commissions

(€'000)	2Q09	1Q10	2Q10	Change (%) 2Q09	Change (%) 1Q10
Asset transactions	27,629	25,431	22,582	-18.3	-11.2
Guarantees	18,461	19,157	19,769	7.1	3.2
Transferred to other entities	-764	-772	-773	1.2	0.1
Risk transaction fees	**45,326**	**43,816**	**41,578**	**-8.3**	**-5.1**
Cards	14,380	15,050	16,474	14.6	9.5
Payment orders	9,954	8,446	9,068	-8.9	7.4
Securities	8,529	8,622	9,862	15.6	14.4
Demand accounts	8,964	8,806	8,385	-6.5	-4.8
Other transactions	10,991	13,317	7,980	-27.4	-40.1
Commissions for services	**52,818**	**54,241**	**51,769**	**-2.0**	**-4.6**
Mutual funds	22,575	20,619	19,384	-14.1	-6.0
Pension funds and insurance brokerage	11,504	10,603	11,274	-2.0	6.3
Mutual and pension fund and insurance commissions	**34,079**	**31,222**	**30,658**	**-10.0**	**-1.8**
Total	**132,223**	**129,279**	**124,005**	**-6.2**	**-4.1**

Net fees and commissions in 2Q10 amounted to Euros 124.0 million, declining 4.1% compared to 1Q10.

Risk transaction fees declined by 5.1%, primarily due to the 17.3% quarter-on-quarter decline in delinquency fees. In contrast, other types of net fees and commissions performed favourably.

Service fees declined by 4.6%, broadly due to lower fees related to syndicated loan structuring and underwriting and demand accounts. However, commissions on securities, cards, and payment orders performed favourably due to growth in volume in the quarter.

Overall, fees from mutual funds, pension plans and insurance products decreased by 1.8% quarter-on-quarter. Specifically, fees from mutual funds declined by 6.0%, mainly as a result of lower fees from real estate investment trusts. Fees for the sale of pension plans and insurance products increased 6.3%, primarily due to higher front-end fees collected for multi-investment products.

Net fees declined overall by 6.2% in 2009, in line with the economic cycle.

Fees from risk transactions fell 8.3% due to the decline in delinquency fees, which declined in line with the lower volume of defaults. Other risk-related fees included in this section performed positively overall, especially fees for guarantees and for export and import documentary credit.

Service commissions declined 2.0% due primarily to a smaller contribution from fees for payment orders (due to a decline in volume), demand deposits, and other services. Fees on securities and cards, however, increase year-on-year due to growth in transaction volume.

Overall, fees from mutual funds, pension plans and insurance products fell by 10.0% year-on-year. Specifically, mutual fund fees declined by 14.1%, in line with annual economic performance. Pension fund and insurance commercialization fees fell slightly (-2.0%) due to lower fees from multi-investment products; this was partially offset by growth in pension product commercialisation and depository fees.

Administrative expenses

(€'000)	2Q09	1Q10	2Q10	Change (%) 2Q09	Change (%) 1Q10
Recurrent	-157,235	-159,928	-162,150	3.1	1.4
Non-recurrent	-23,602	-951	-2,942	-87.5	209.4
Personnel expenses	**-180,837**	**-160,879**	**-165,092**	**-8.7**	**2.6**
IT	-12,704	-10,097	-14,169	11.5	40.3
Communications	-5,376	-5,214	-4,718	-12.2	-9.5
Advertising	-5,746	-4,517	-3,744	-34.8	-17.1
Premises	-17,275	-19,269	-24,856	43.9	29.0
Stationery and office supplies	-2,476	-2,270	-1,636	-33.9	-27.9
Taxes other than income tax	-13,383	-11,478	-13,492	0.8	17.5
Others	-21,971	-23,109	-24,877	13.2	7.7
Other general expenses	**-78,931**	**-75,954**	**-87,492**	**10.8**	**15.2**
Total	**-259,768**	**-236,833**	**-252,584**	**-2.8**	**6.7**

Administrative expenses (personnel and other general expenses) amounted to Euros 252.6 million in the second quarter of 2010.

Assuming no change in consolidation scope (excluding the integration of Sabadell United Bank, added in mid-January 2010), recurrent administrative expenses increase by 2.1% with respect to 2Q09 and by 4.7% with respect to 1Q10.

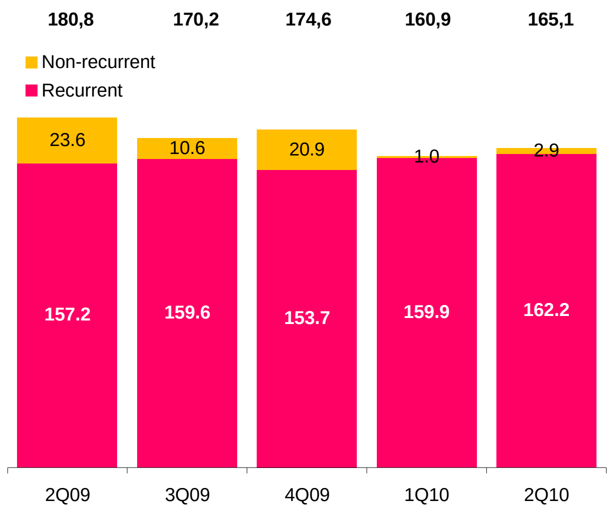
Specifically, assuming no change in consolidation scope, recurrent personnel expenses remained stable with respect to 2Q09 due to measures applied in the operating efficiency programme.

General administrative expenses increased by 6.5% with respect to 2Q09 due to the impact of the sale and leaseback scheme (Euros 5.9 million). Excluding that scheme, expenses would have remained stable.

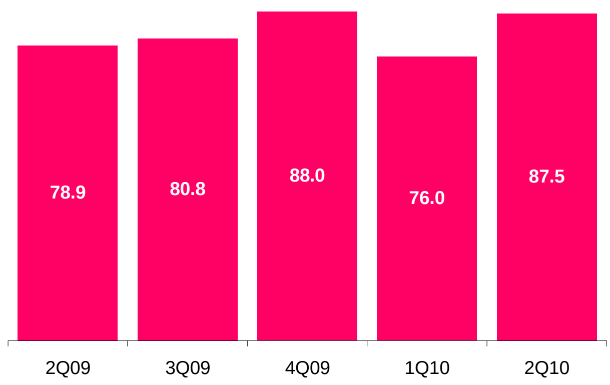
With respect to the first quarter of 2010, general administrative expenses rose by 13.9%, primarily due to the bank's commitment to develop technological projects and to the sale and leaseback transaction.

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

Personnel expenses (€mn)



Other general expenses (€mn)



Provisions for NPLs and others impairments

(€'000)	2Q09	1Q10	2Q10	Change (%) 2Q09	Change (%) 1Q10
Generic provisions	129,399	61,186	-1,677	--	--
Specific provisions	-235,936	-173,760	-270,849	14.8	55.9
Others	3,255	-5,171	-4,821	--	-6.8
Provisions for NPLs (net)	**-103,282**	**-117,745**	**-277,347**	**168.5**	**135.5**
Provisions and impairments of financial assets	-49,309	-3,395	-38,789	-21.3	--
Impairment losses on other assets	-57,239	-46,305	-210,182	267.2	353.9
Total	**-209,830**	**-167,445**	**-526,318**	**150.8**	**214.3**

Specific provisions in the second quarter of 2010 amounted to Euros -270.8 million (Euros -235.9 million in 1Q09) and include schedule-based provisioning (Euros -175.6 million) and extraordinary provisions (Euros -90.0 million). Provisions for new loan defaults declined considerably, amounting to Euros -26.0 million.

Generic provisions represent a net charge of Euros -1.7 million in the quarter.

The provisions and impairments of financial assets item is mainly for writedowns of fixed-income and equity securities. The total for the second quarter of 2010 primarily reflects impairment due to marking BCP shares to market.

The impairment losses on other assets are mainly due to impairment of investment property.

Balance sheet

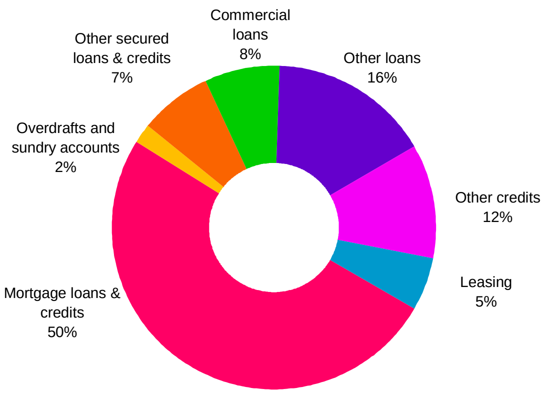
(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Cash and balance with Central Banks	972,059	1,820,157	1,350,368	38.9
Trading and derivatives portfolios and other financial assets	1,841,514	1,990,688	2,324,334	26.2
Available-for-sale financial assets	8,607,214	8,031,761	11,579,799	34.5
Loans and advances	64,411,043	65,777,852	65,472,248	1.6
Balances with financial institutions	2,076,421	2,544,962	2,058,942	-0.8
Loans to customers (net)	62,334,622	63,232,890	63,413,306	1.7
Investments in associated companies	655,433	706,075	742,278	13.3
Property, plant and equipment	1,116,811	1,140,190	993,689	-11.0
Intangible assets	715,867	669,980	701,503	-2.0
Other assets	2,672,202	2,686,183	3,079,063	15.2
Total assets	**80,992,143**	**82,822,886**	**86,243,282**	**6.5**
Trading and derivatives portfolios	1,668,952	1,680,022	2,039,918	22.2
Financial liabilities at amortised cost	73,766,851	74,957,805	77,951,673	5.7
Central banks and credit institutions	7,915,112	9,577,274	12,460,986	57.4
Customer deposits	39,849,290	39,130,722	42,389,363	6.4
Capital markets	22,267,802	22,812,447	19,405,902	-12.9
Subordinated liabilities	2,442,347	2,039,698	2,068,660	-15.3
Other financial liabilities	1,292,300	1,397,664	1,626,762	25.9
Liabilities under insurance contracts	174,061	182,186	180,433	3.7
Provisions	366,948	313,267	300,063	-18.2
Other liabilities	432,418	392,236	495,166	14.5
Subtotal liabilities	**76,409,230**	**77,525,516**	**80,967,253**	**6.0**
Shareholders' equity (1)	4,750,985	5,226,333	5,380,233	13.2
Valuation adjustments	-181,930	43,656	-132,715	-27.1
Minority interest	13,858	27,381	28,511	105.7
Equity	**4,582,913**	**5,297,370**	**5,276,029**	**15.1**
Total liabilities and equity	**80,992,143**	**82,822,886**	**86,243,282**	**6.5**
Contingent risks	7,408,644	7,658,536	7,402,074	-0.1
Contingent liabilities	16,619,624	17,019,738	15,777,122	-5.1
Total memorandum accounts	**24,028,268**	**24,678,274**	**23,179,196**	**-3.5**

(1) Since July 2009, this balance includes Euros 500 million of mandatory convertible bonds.

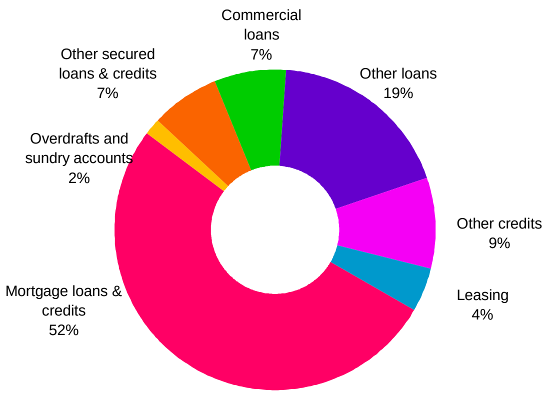
Loans to customers

(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Mortgage loans & credits	31,255,534	32,021,966	32,229,305	3.1
Other secured loans & credits	4,359,342	4,257,673	4,312,008	-1.1
Commercial loans	4,796,228	5,031,055	4,424,063	-7.8
Other loans	9,852,697	10,900,194	11,517,160	16.9
Other credits	7,175,100	6,219,049	5,733,802	-20.1
Leasing	3,183,275	2,928,343	2,791,832	-12.3
Overdrafts and sundry accounts	1,256,330	983,538	1,142,014	-9.1
Non-performing loans	2,218,135	2,650,179	3,103,780	39.9
Accruals	132,209	20,795	102,011	-22.8
Gross loans and advances to customers	**64,228,850**	**65,012,792**	**65,355,975**	**1.8**
NPL and country-risk provisions	-1,894,228	-1,779,902	-1,942,669	2.6
Loans to customers (net)	**62,334,622**	**63,232,890**	**63,413,306**	**1.7**
Pro memoria: total securitisation	10,354,615	9,706,556	8,622,840	-16.7
Of which: mortgage backed	6,223,387	6,229,809	5,433,982	-12.7
Other securitised assets	4,131,228	3,476,747	3,188,858	-22.8
Of which: securitised after 01.01.04	10,181,483	9,613,606	8,544,975	-16.1
Of which: mortgage backed	6,060,414	6,141,923	5,358,940	-11.6
Other securitised assets	4,121,069	3,471,683	3,186,035	-22.7

Loans and advances, 30.06.09 (%) (*)

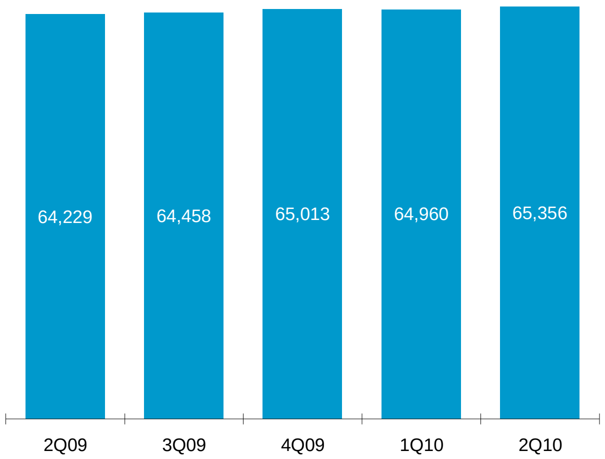


Loans and advances, 30.06.10 (%) (*)

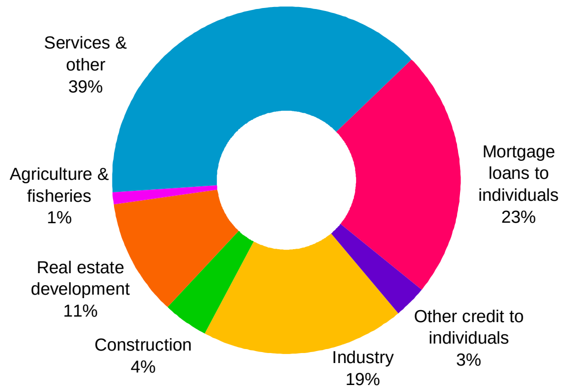


(*) Excluding doubtful assets and accrual adjustments.

Gross loans and advances to customers (€mn)



Gross loans and advances to customers, by segment, 30.06.10 (%)



Credit risk management

(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Opening balance (1st January)	1,698,182	1,698,182	2,712,418	59.7
Increase due to new loan defaults	1,594,913	2,975,729	1,318,608	-17.3
Reclassified from provisioned performing loans	35,418	140,236	606,069	--
Recoveries on loans previously written off	-1,013,019	-2,034,351	-1,170,449	15.5
Write-offs	-27,105	-67,378	-276,433	--
Total bad and doubtful debts	**2,288,389**	**2,712,418**	**3,190,213**	**39.4**
Gross loans and advances to customers	64,228,850	65,012,792	65,355,975	1.8
Contingent risks	7,408,644	7,658,536	7,402,074	-0.1
Total risks	**71,637,494**	**72,671,328**	**72,758,049**	**1.6**
Specific provisions	990,999	1,461,429	1,646,387	66.1
Generic provisions	1,040,139	411,014	382,092	-63.3
Total provisions for NPLs	**2,031,138**	**1,872,443**	**2,028,479**	**-0.1**
NPLs / Gross loans (%)	**3.19**	**3.73**	**4.38**	
Coverage ratio (%)	**88.76**	**69.03**	**63.58**	

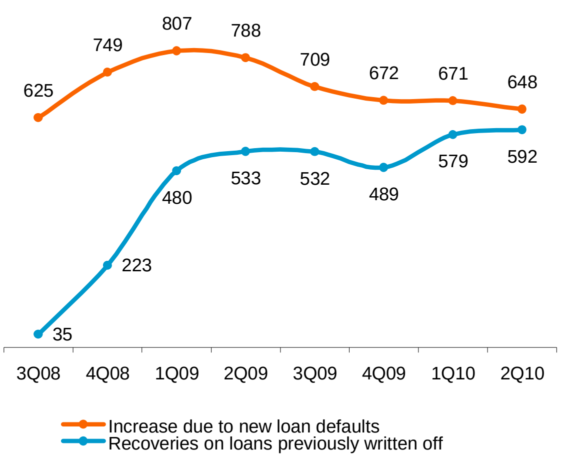
The NPL ratio at 30 June 2010 was 4.38%, i.e. 29 basis points higher than at the end of 1Q10 (4.09%).

The NPL ratio remains considerably below the industry average.

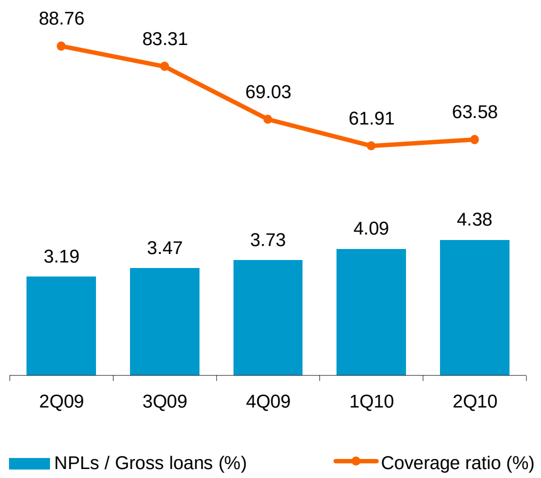
Approximately 63% of total doubtful balances are secured by mortgages and the remainder have personal guarantees or other sureties (that remainder is mainly exposure to companies, for which the Bank has a highly-specialised recovery unit).

At 30 June 2010, the NPL coverage ratio was 63.58%; that ratio is 121.55% including mortgage collateral.

Defaults and recoveries (€mn)



NPLs/Gross loans and coverage ratio (%)



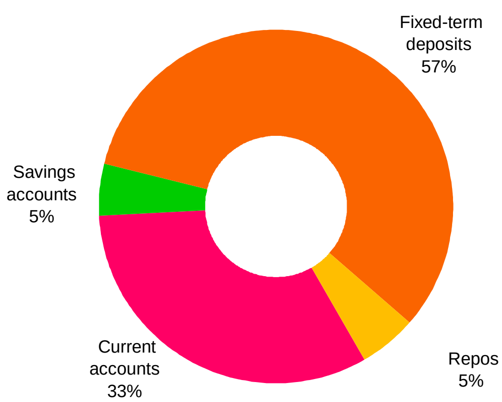
(€'000)	**2Q09**	**3Q09**	**4Q09**	**1Q10**	**2Q10**
Increase due to new loan defaults	788,245	709,012	671,804	670,885	647,723
Reclassified from provisioned performing loans	35,418	40,968	63,850	349,669	256,400
Recoveries on loans previously written off	-532,934	-531,895	-489,437	-578,889	-591,560
Write-offs	-25,359	-9,170	-31,103	-183,349	-93,084
Net change in bad and doubtful debts	**265,370**	**208,915**	**215,114**	**258,316**	**219,479**
Total bad and doubtful debts	**2,288,389**	**2,497,304**	**2,712,418**	**2,970,734**	**3,190,213**

Funds under management

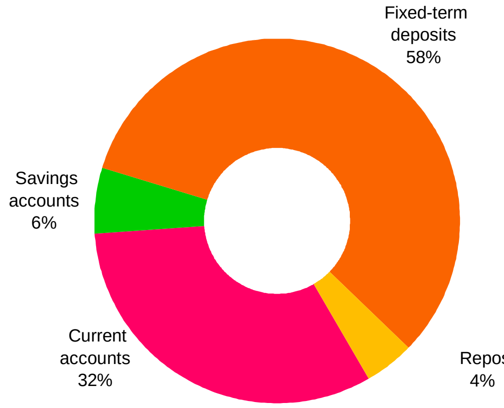
(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Customer-based funding on balance sheet (1)	**37,834,010**	**38,131,235**	**41,211,946**	**8.9**
Customer deposits	39,849,290	39,130,722	42,389,363	6.4
Current accounts	12,846,698	13,042,350	13,502,540	5.1
Savings accounts	1,872,380	1,939,003	2,517,968	34.5
Fixed-term deposits	22,614,932	22,149,882	24,191,438	7.0
Repos	2,130,908	1,723,792	1,856,599	-12.9
Accruals	298,832	194,632	246,034	-17.7
Derivative hedging adjustments	85,540	81,063	74,784	-12.6
Debt and other tradable securities	22,267,802	22,812,447	19,405,902	-12.9
Subordinated liabilities	2,442,347	2,039,698	2,068,660	-15.3
Liabilities under insurance contracts	174,061	182,186	180,433	3.7
On-balance sheet funds	**64,733,500**	**64,165,053**	**64,044,358**	**-1.1**
Mutual funds	8,417,567	9,150,665	8,532,106	1.4
Equity funds	273,495	425,626	407,741	49.1
Balanced funds	373,735	416,681	408,186	9.2
Fixed-income funds	2,603,587	3,010,221	2,443,192	-6.2
Guaranteed return funds	2,122,797	2,013,589	1,869,016	-12.0
Real estate funds	950,740	1,034,221	1,038,278	9.2
Dedicated investment companies	1,259,731	1,338,519	1,183,562	-6.0
Third-party funds	833,482	911,808	1,182,131	41.8
Managed accounts	816,652	763,010	1,165,848	42.8
Pension funds	2,296,950	2,787,969	2,776,787	20.9
Individual	1,161,963	1,559,463	1,577,838	35.8
Company	1,105,145	1,196,328	1,168,889	5.8
Group	29,842	32,178	30,060	0.7
Third-party insurance products	5,162,524	5,380,398	5,433,708	5.3
Funds under management	**81,427,193**	**82,247,095**	**81,952,807**	**0.6**

(1) Includes customer deposits (ex-repos), preference shares placed by the branch network and mandatory convertible bonds.

Customer deposits, 30.06.09 (%) (*)

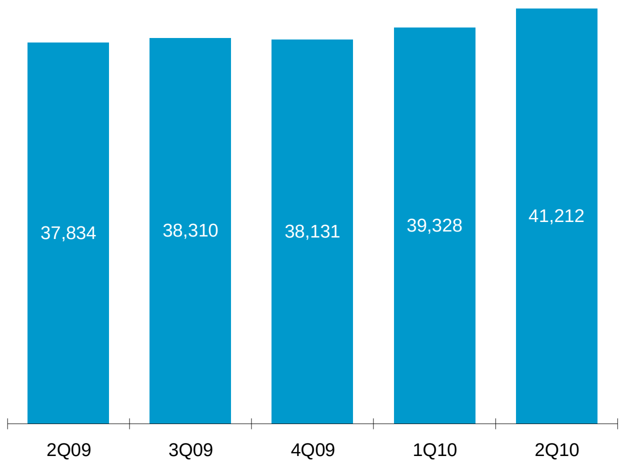


Customer deposit, 30.06.10 (%) (*)

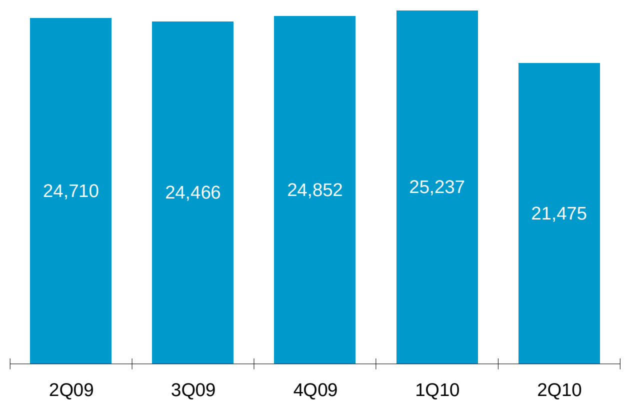


(*) Excluding adjustments for accruals and hedges with derivatives.

Customer-based funding on balance sheet (€mn)



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



Shareholder's equity

(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Shareholders' equity	4,750,985	5,226,333	5,380,233	13.2
Issued capital	150,000	150,000	150,000	0.0
Reserves	4,374,278	4,360,047	4,612,458	5.4
Other equity instruments (1)	0	500,000	500,000	--
Less: treasury shares	-105,334	-138,203	-115,845	10.0
Attributable net profit	332,041	522,489	233,620	-29.6
Less: dividends and payments	0	-168,000	0	--
Valuation adjustments	-181,930	43,656	-132,715	-27.1
Minority interest	13,858	27,381	28,511	105.7
Equity	**4,582,913**	**5,297,370**	**5,276,029**	**15.1**

(1) Mandatory convertible bonds

BIS ratio

(€'000)	30.06.09	31.12.09	30.06.10	Change (%) YoY
Issued capital	150,000	150,000	150,000	0.0
Reserves	4,450,986	4,456,488	4,538,825	2.0
Mandatory convertible bonds	0	500,000	500,000	--
Minority interest	19,769	30,612	34,194	73.0
Deductions	-621,425	-613,995	-766,267	23.3
Core capital	**3,999,330**	**4,523,105**	**4,456,752**	**11.4**
Core capital (%)	**6.63**	**7.66**	**7.70**	
Preference shares and deductions	697,484	847,808	521,605	-25.2
Primary capital	**4,696,814**	**5,370,913**	**4,978,357**	**6.0**
Tier I (%)	**7.78**	**9.10**	**8.60**	
Computing generic provisions	342,168	329,564	171,324	-49.9
Subordinated debt	1,224,900	880,200	1,098,200	-10.3
Valuation adjustments	13,218	25,327	0	-100.0
Deductions	-209,509	-229,278	-242,351	15.7
Secondary capital	**1,370,777**	**1,005,813**	**1,027,173**	**-25.1**
Tier II (%)	**2.27**	**1.70**	**1.78**	
Total capital	6,067,591	6,376,726	6,005,530	-1.0
Minimum capital requirement	4,828,300	4,722,851	4,628,655	-4.1
Capital surplus	1,239,291	1,653,875	1,376,875	11.1
Ratio BIS (%) (*)	**10.05**	**10.80**	**10.38**	
Risk weighted assets (RWA)	**60,353,750**	**59,035,638**	**57,858,188**	**-4.1**

(*) Calculated according to Basel II criteria with Bank of Spain-approved models and the regulatory minimum floor.

Credit ratings

Agency	Date	Long term	Short term	Individual	Support	Outlook	Strength
Fitch	03.06.2010	A	F1	B/C	3	Stable	
Standard & Poor's [1]	03.04.2009	A	A1			Stable	
Moody's	15.06.2009	A2	Prime 1			Negative	C-

On 1 June 2010, Fitch revised Banco Sabadell's ratings, highlighting the Bank's active liquidity management, with a maturities schedule that is adequately diversified over time. It also underlined the robustness of the franchise and its strength in generating recurring profits.

Fitch downgraded the bank's long-term rating from A+ to A, outlook stable, and also downgraded its individual rating from B to B/C, its senior debt rating from A+ to A, its subordinated debt rating from A to A-, and its preference shares from BBB+ to BBB.

The bank's short-term rating remained unchanged at F1.

Fitch based its downgrade on the deterioration of asset quality indicators due to the weak economic situation in Spain and to the bank's exposure to the real estate sector.

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.

30.06.2009	**Gross operating income** (€'000)	**Profit before tax** (€'000)	**Average total assets** (€'000)		**ROE**	**Cost / income ratio**	**Employees**	**Domestic branches**
Commercial banking	961,075	300,900	51,290,677		17.8%	42.6%	6,791	1,191
Corporate banking	95,883	81,063	9,630,900		17.2%	12.9%	99	2
Banco Urquijo	24,649	8,757	2,095,865		6.3%	66.3%	248	14
Asset management	17,938	8,997	8,417,567	(**)	27.2%	49.8%	134	--
Total		**399,717** (*)						

30.06.2010	**Gross operating income** (€'000)	**Profit before tax** (€'000)	**Average total assets** (€'000)		**ROE**	**Cost / income ratio**	**Employees**	**Domestic branches**
Commercial banking	861,460	291,106	50,362,344		17.8%	47.7%	6,566	1,168
Corporate banking	111,267	79,460	10,582,507		15.6%	12.0%	89	2
Banco Urquijo	26,041	7,352	2,812,807		5.1%	58.8%	220	14
Asset management	16,559	6,965	8,532,106	(**)	35.6%	57.9%	146	--
Total		**384,883** (*)						

(*)The reconciliation with total group results must include amounts not assigned to business units and the tax effect.
(**) Mutual fund assets reflect the balance at the end of the period.

Share price performance

	30.06.09	31.12.09	30.06.10	Change (%) YoY
Shareholders and trading				
Number of shareholders	88,194	89,910	101,225	14.8
Number of shares	1,200,000,000	1,200,000,000	1,200,000,000	0.0
Average daily trading volume (number of shares)	2,756,634	3,226,635	6,844,588	148.3
Share price (€)				
Opening session	4.850	4.850	3.875	
High	5.200	5.300	4.403	
Low	2.940	2.940	3.095	
Closing session	4.450	3.875	3.720	
Market capitalisation (€ '000)	5,340,000	4,650,000	4,464,000	
Stock market multiples				
Earnings per share (EPS) (€)	0.55	0.44	0.40	
Book value per share (€)	3.96	4.36	4.48	
Price /Book value (times)	1.12	0.89	0.83	
Price /earnings ratio (P/E) (times)	8.04	8.74	9.22	
Including conversion of convertible bond:				
Fully diluted number of shares including conversion of convertible bond		1,300,341,160	1,300,341,160	
Earnings per share (EPS) (€)		0.41	0.37	
Book value per share (€)		4.02	4.14	
Price /Book value (times)		0.96	0.90	