

Banco Sabadell

3Q Results



October 25th, 2012

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1. Quarterly highlights

Quarterly highlights

- ✓ Maintaining steady pace of income generation
- ✓ Continued strengthening of market shares
- ✓ Improvement of the commercial gap
- ✓ The integration process of Banco CAM is running ahead of forecast
- ✓ Banco Sabadell confirms its position as Spain's fourth largest private financial entity having successfully passed the recent stress test by Oliver Wyman

2. 3Q12 Results

September 2012 Results

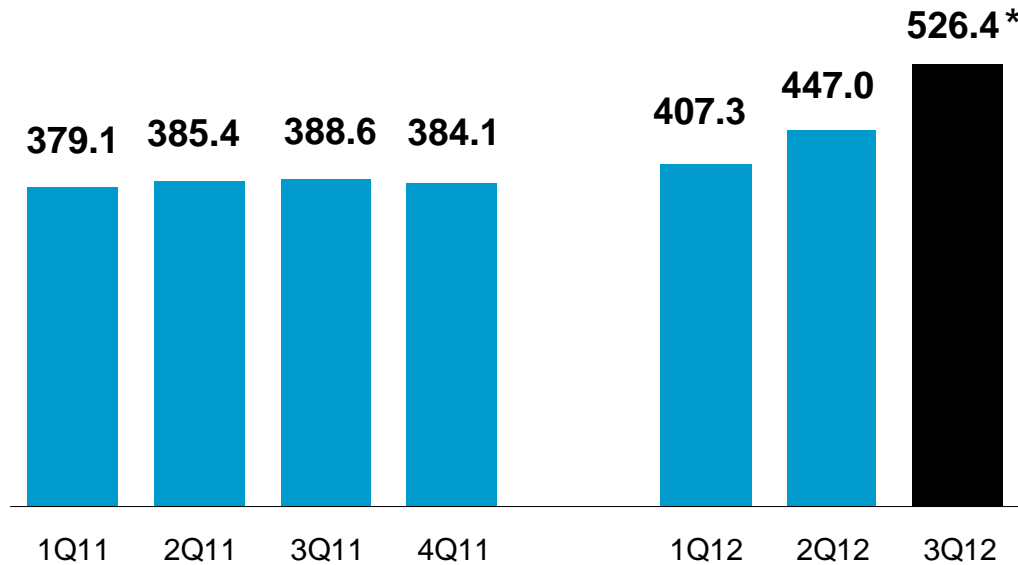
	Sep. 11	Sep. 12*	% var 12/11
Net Interest Income	1,153.2	1,380.7	19.7%
Equity Method & Dividends	49.5	2.0	-96.0%
Commissions	424.1	453.4	6.9%
Trading Income & Forex	233.6	408.4	74.8%
Other Operating Results	5.0	-90.7	--
Gross Operating Income	1,865.4	2,153.8	15.5%
Personnel Costs	-554.6	-709.4	27.9%
Administrative Costs	-292.4	-361.1	23.5%
Depreciations	-93.7	-112.8	20.4%
Pre-provisions Income	924.6	970.4	5.0%
Total Provisions & Impairments	-767.3	-2,170.5	--
Gains on sale of assets	3.6	29.1	--
Badwill	0.0	933.3	--
Taxes and others	46.4	328.2	--
Attributable Net Profit	207.4	90.6	-56.3%

* Includes four months of Banco CAM.
Euros in million

Net interest income continues to grow ...

Net interest income evolution

(Euros in million)



Net interest income 9M12:
+19.7% YoY
+3.7% YoY, excl. Banco CAM

* Banco CAM contribution
3Q12: €142.9M

... driven by active price management ...

Credit portfolio spreads, Banco Sabadell stand alone

(Basis points)

Product	Front book spreads					Back book spreads				
	Sep-11	Jun-12	Sep-12	Var QoQ	Var YoY	Sep-11	Jun-12	Sep-12	Var QoQ	Var YoY
Credits	296	384	417	+33	+121	244	298	334	+36	+90
Loans	266	356	394	+37	+128	201	219	227	+8	+26
Mortgages to individuals	130	159	176	+18	+46	80	85	87	+2	+7
Leasing	194	242	249	+7	+55	116	129	132	+3	+16
Renting	459	595	643	+48	+184	302	368	396	+29	+94
Commercial loans	290	407	473	+66	+183	320	430	482	+53	+162
Confirming	223	293	333	+40	+110	220	293	317	+24	+97
Forfaiting	267	582	631	+49	+364	240	532	592	+60	+352
Total loans	242	335	372	+37	+130	163	188	196	+9	+33

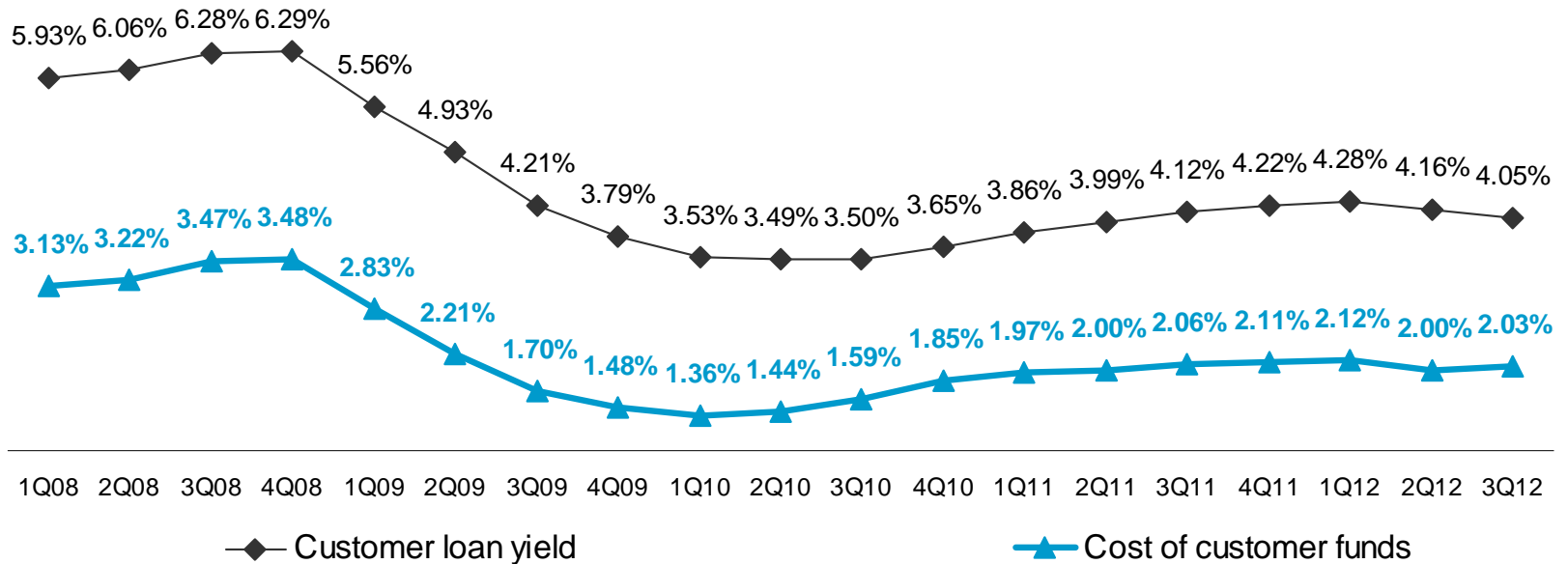
Total volume of re-priced assets in the quarter: €10.1 bn*

* New granted transactions with price change. Excluding Banco CAM

... maintaining the cost of customers funds largely unchanged ...

Customer loan yield and Cost of customer funds

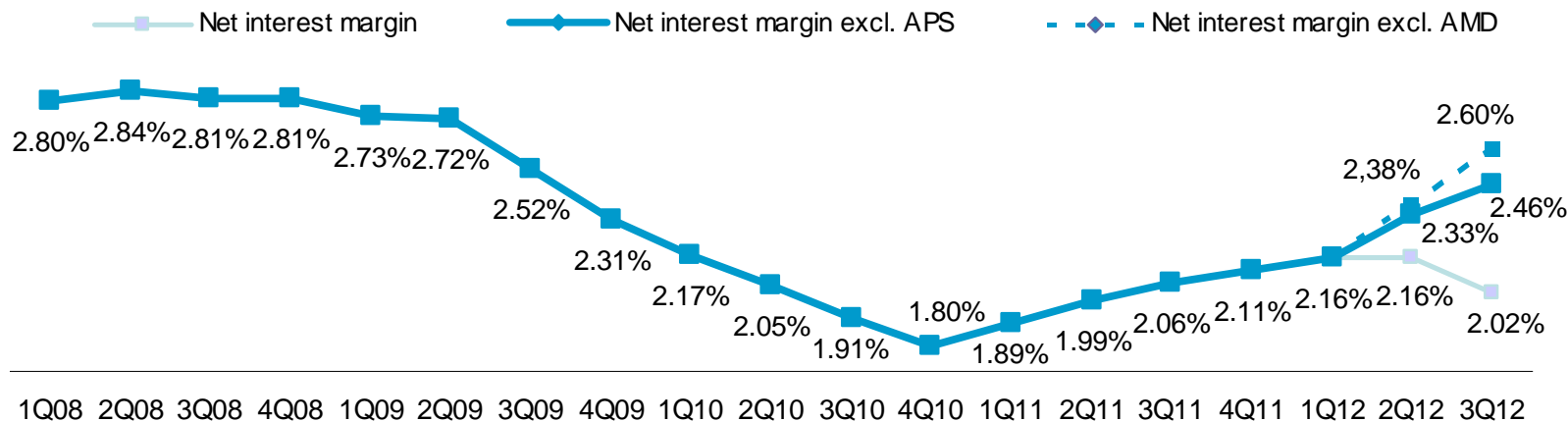
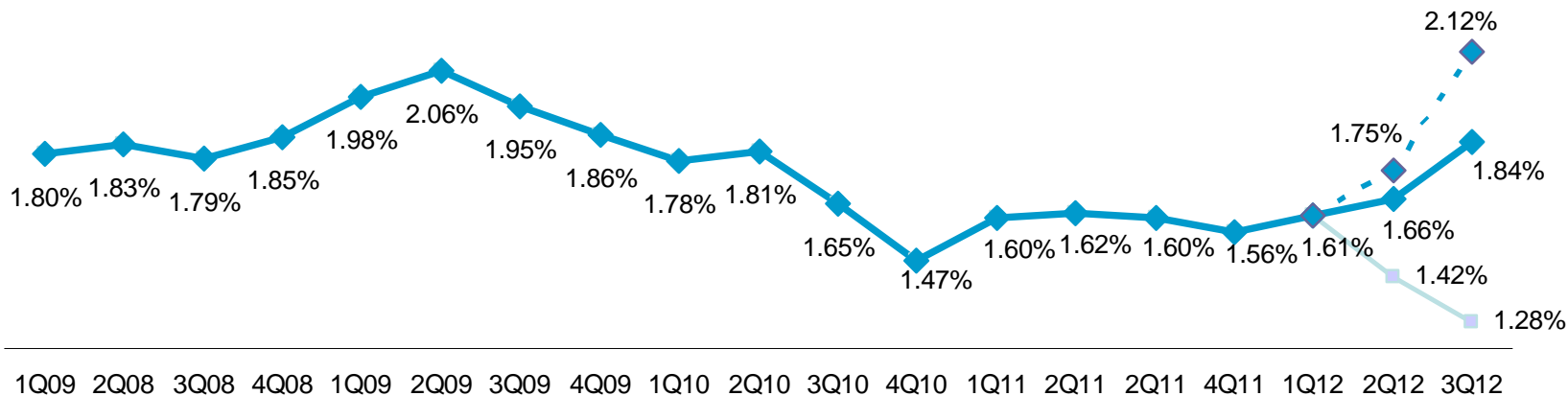
(In percentage)



... and improving margins in the core banking business

Margin evolution

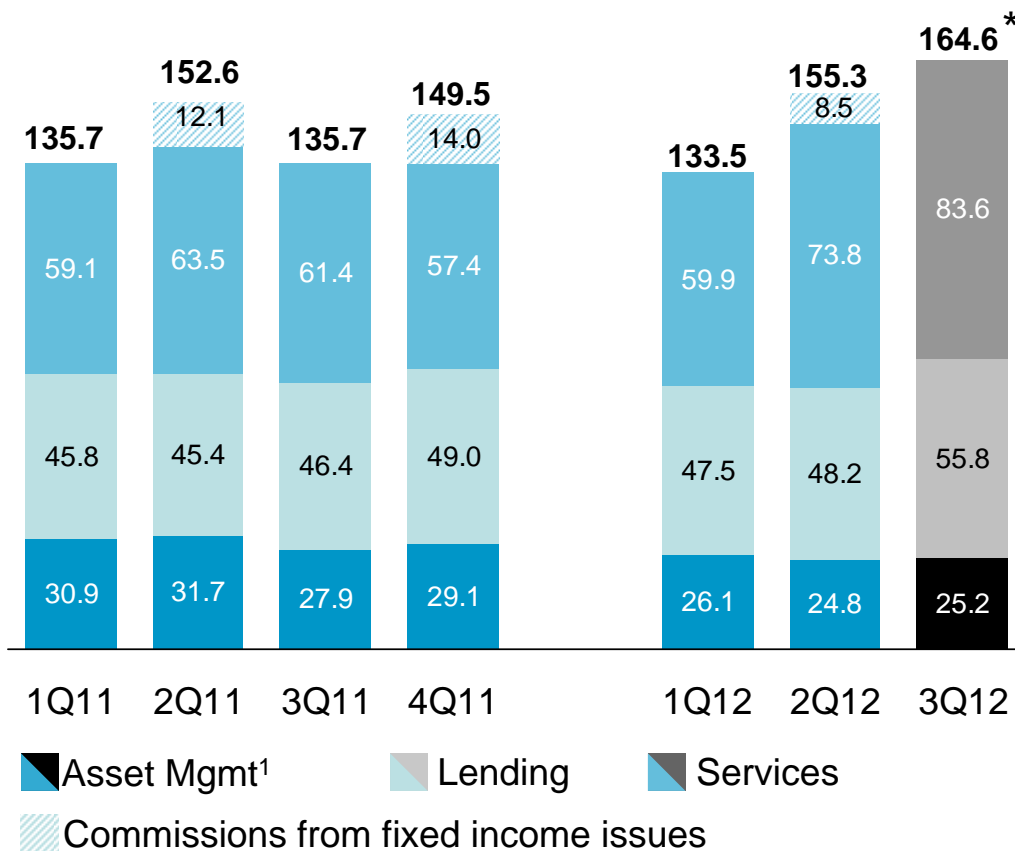
(In percentage)



Note: APS, Asset Protection Scheme. AMD, Asset Management Division

Commissions evolution

(Euros in million)



Commission income 9M12:
+6.9% YoY

-0.8% YoY, excl. Banco CAM
and excl. impact from fixed
income issues

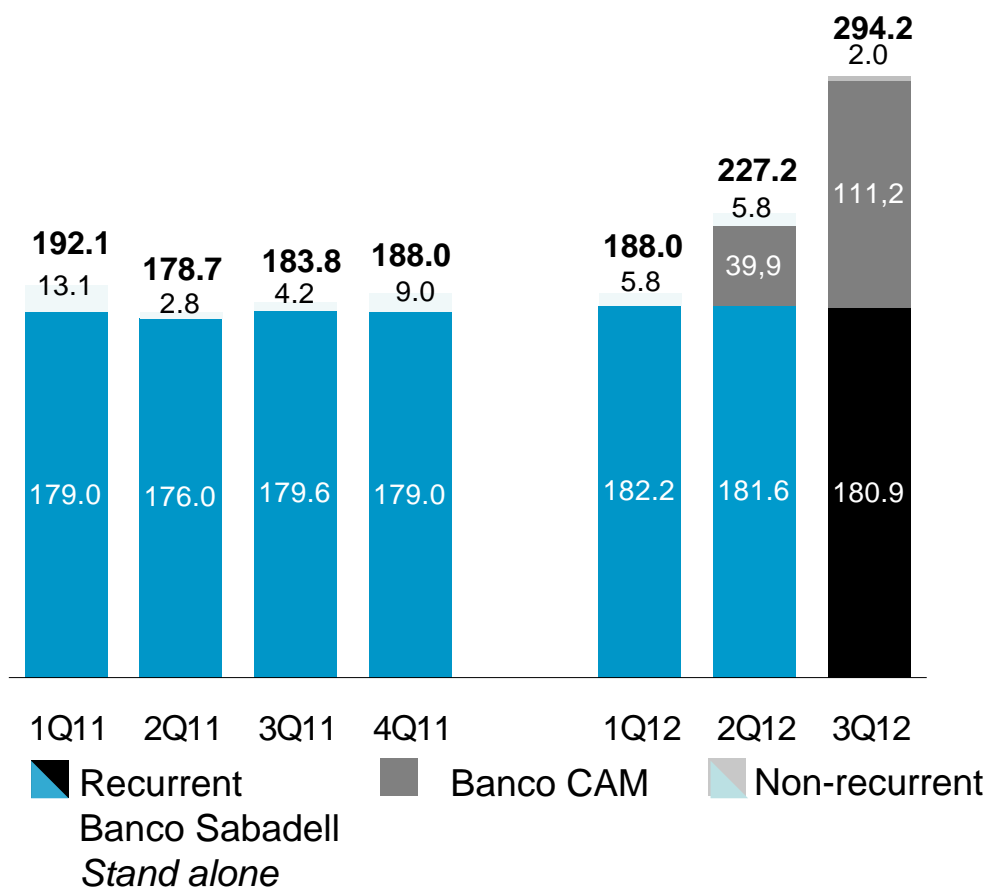
* Banco CAM contribution
3Q12: €27.5M

¹ Including mutual funds commissions and pension funds and non-life insurance brokerage

Personnel expenses remain flat ...

Personnel expenses evolution

(Euros in million)



Personnel expenses 9M12:
+27.9% YoY
(excl. Banco CAM, +0.7%)

Recurrent personnel expenses
9M12: +30,2% YoY
(excl. Banco CAM, +1.9%)

Personnel expenses 9M12
Like-for-like*:

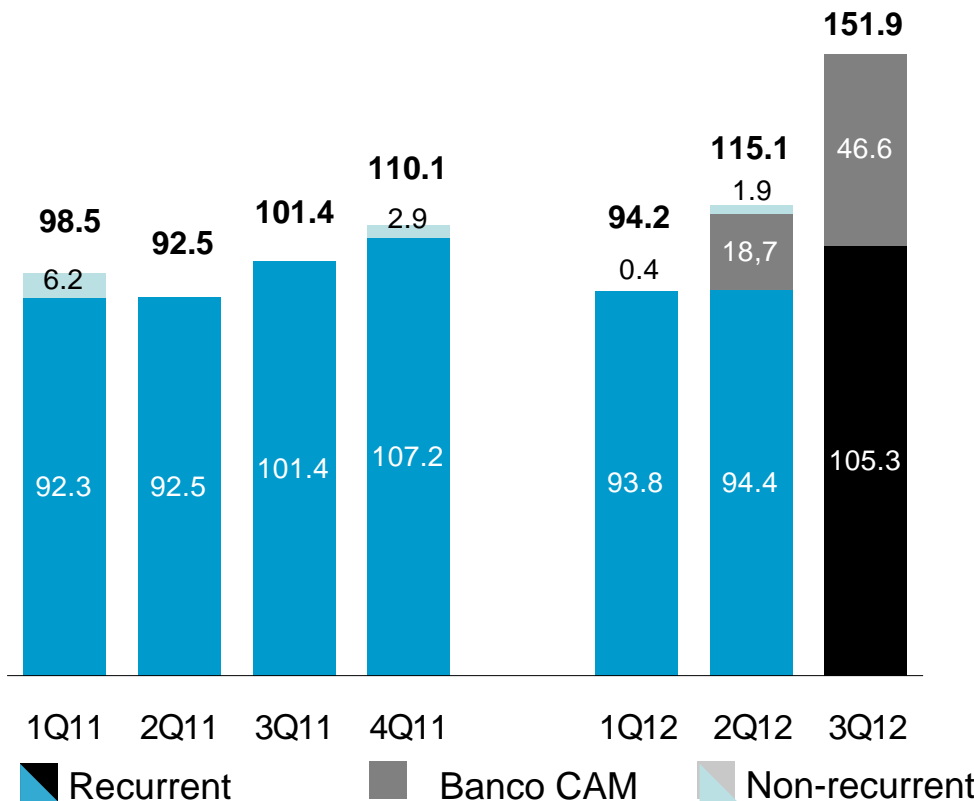
+0.3% YoY

* Including Lydian Bank in 2011 and excluding non-recurrent expenses. Excluding Banco CAM in 2012

... as well as general expenses on a like-for-like comparison ...

General expenses evolution

(Euros in million)



General expenses 9M12:
+23.5% YoY
(excl. Banco CAM: +1.2%)

Recurrent general expenses 9M12:
+25.5% YoY
(excl. Banco CAM: +2.7%)

General expenses 9M12
Like-for-like*:

+0.6% YoY

Recurrent
Banco Sabadell
Stand alone

Banco CAM

Non-recurrent

* Including Lydian Bank in 2011 and excluding non-recurrent expenses. Excluding Banco CAM in 2012

... with the execution of synergies on track ...

- ✓ Employee redundancy filing agreement reached with trade unions at Banco CAM in order to reduce the number of employees by 1,250
- ✓ 480 additional redundancies in subsidiaries
- ✓ 500 additional redundancies
- ✓ 2013e cost synergies have been brought forward as the integration process is running ahead of forecast

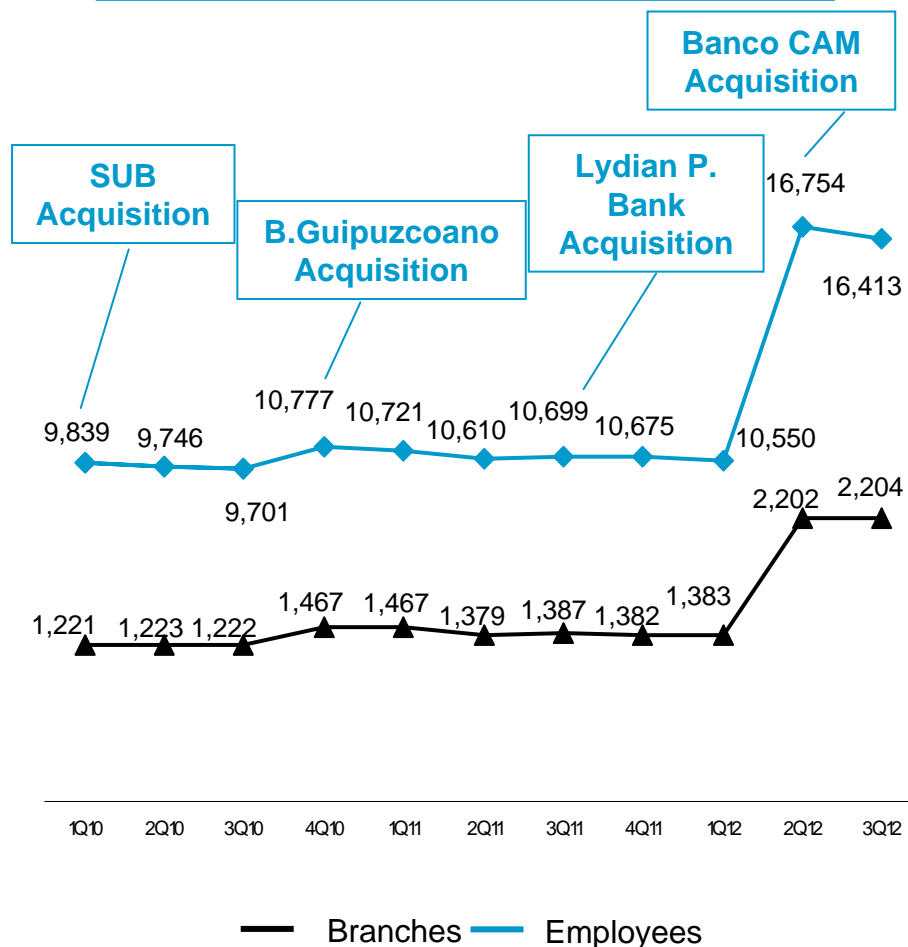
Banco CAM synergies	2012e	2013e	2014e	2015e
Cost synergies	10	211	247	247
Income synergies	7	46	72	84
Total synergies	17	257	319	331
% of achievement (first estimate)	6%	70%	100%	100%
% of achievement (new estimate)	5%	78%	96%	100%

Net of taxes. Euros in million.

... at the same time as network optimisation continues ...

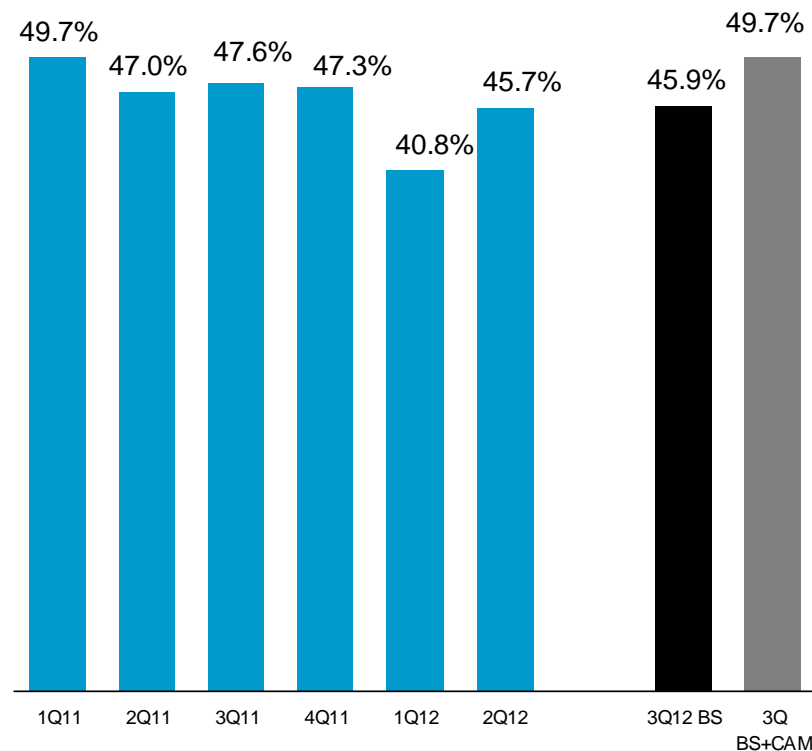
Employee and branch evolution

(In number)



Cost income evolution

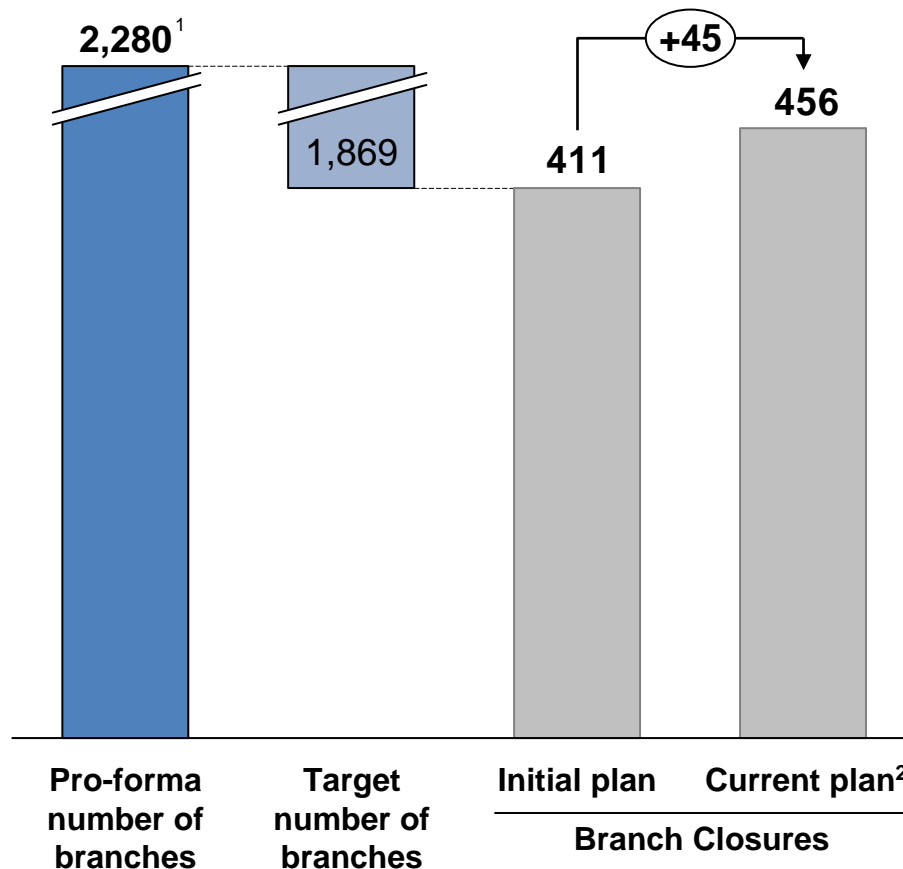
(in %)



BS cost to income ratio ex non-recurrent items 3Q12: 45.0%

... increasing the number of planned branch closures

Banco CAM Branch closure plan



Planned branch closures	✓ 2011 → 103 ³
	• 2012 → 322 ⁴
	• 2013 → 31

1) Pro-forma domestic network dated 30.06.2011 (CAM) and 30.09.2011 (BS). ActivoBank branches (2) and international network not included

2) Aligned with the European Commission's requirements

3) Additionally, 4 branches from Banco Sabadell were closed

4) 300 CAM, 22 net closures from Sabadell

Growing the customer base ...

Remarkable success in gaining new customers

	Sep. 11	Sep. 12	% Var.
Individuals	207,818	247,448	19.1%
Companies	41,947	55,652	32.7%

Note: Banco Sabadell stand alone

With two market-leading products paving the way

Cuenta Expansión:
139,381 new accounts

Cuenta Expansión Negocios:
62,052 new accounts

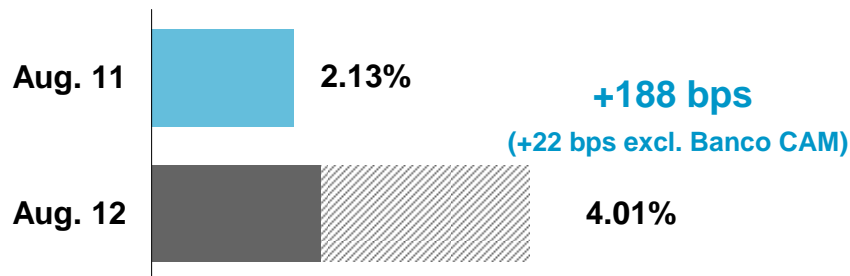
Evolution of total number of customers

	3Q11	Banco Sabadell <i>stand alone</i>		Banco Sabadell & Banco CAM	
		3Q12	% Var.	3Q12	% Var.
Total	2,626,191	2,919,172	11.2%	5,502,304*	109.5%

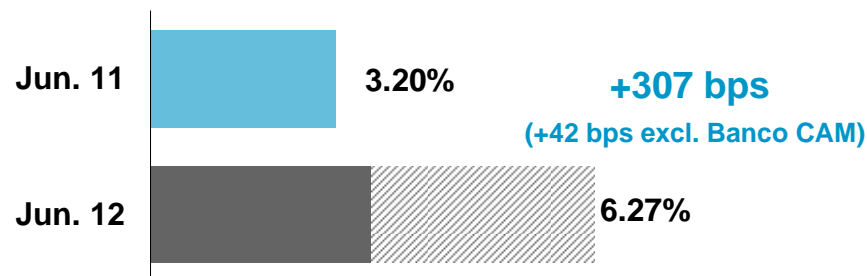
* Total number of customers prior to the application of Banco Sabadell criteria

... gaining market share both in individuals ...

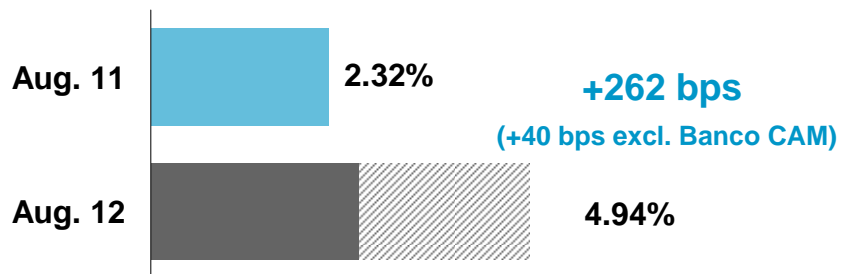
Household term deposits



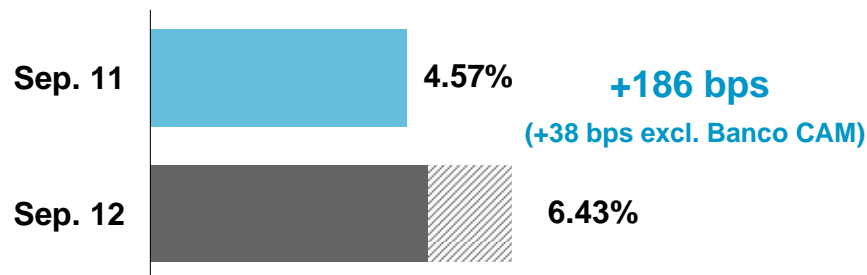
Credit card volume



Payroll accounts



Transactionality¹

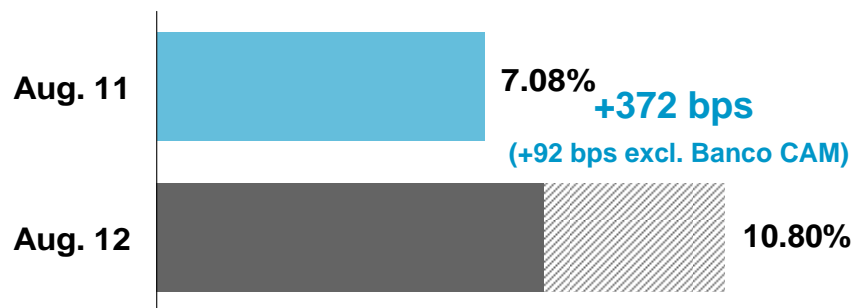


Contribution Banco CAM

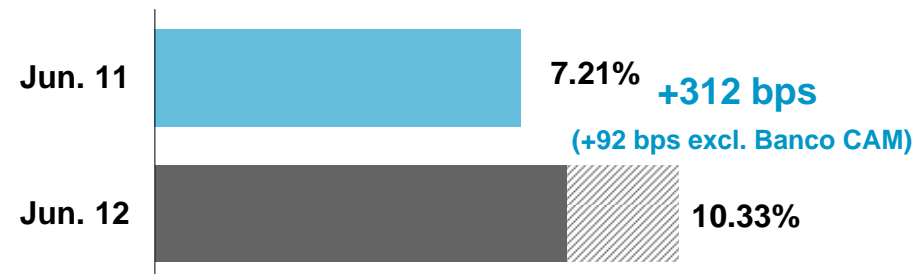
¹ Including cheques, transfers, SEPA transfers, receivables and promissory notes.
Banco CAM numbers exclude SEPA transfers

... as well as in companies ...

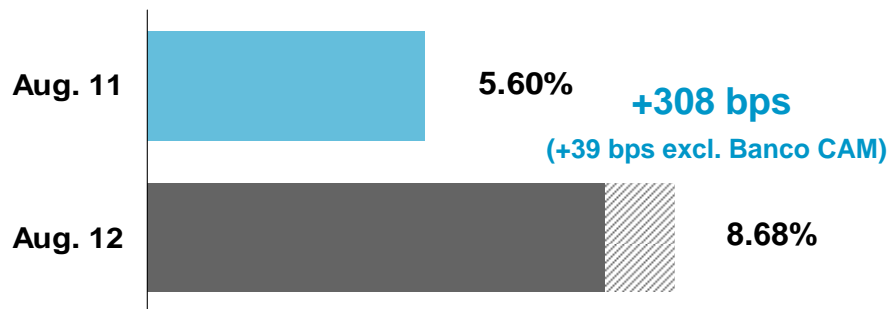
Sight deposits companies



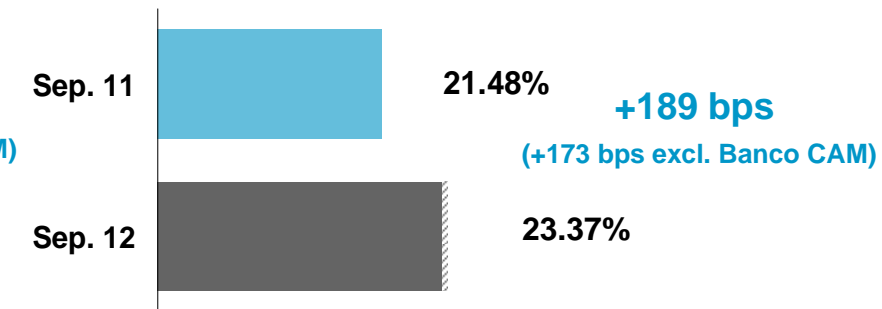
Volume at BS card PoS



Corporate credit



Export documentary credit



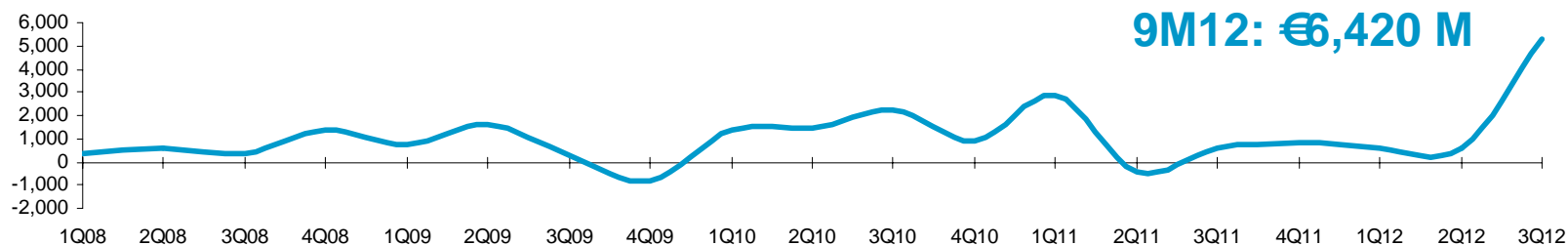
Contribution Banco CAM

Improvement of commercial gap continues ...

Customer funds and loans evolution (Euros in million)

	Sep-11	Jun-12	Sep-12	% Var. YoY
On-balance sheet customer funds	51,332	75,571	75,058	46.2%
Other on-balance sheet term funds ¹	32,879	48,122	47,774	45.3%
Sight deposits	18,453	27,449	27,284	47.9%
Off-balance sheet funds	17,867	20,478	20,868	16.8%
Mutual funds	8,216	8,533	8,561	4.2%
Pension funds	2,705	3,184	3,576	32.2%
Third party insurance products	5,770	7,742	7,699	33.4%
Total funds	69,199	96,049	95,926	38.6%
Gross loans to customers ex repos and adjustments	72,470	123,435	119,368	64.7%
Gross loans to customers ex repos and adjustments ex APS		107,115	102,844	41.9%

Change in commercial gap (Euros in million)



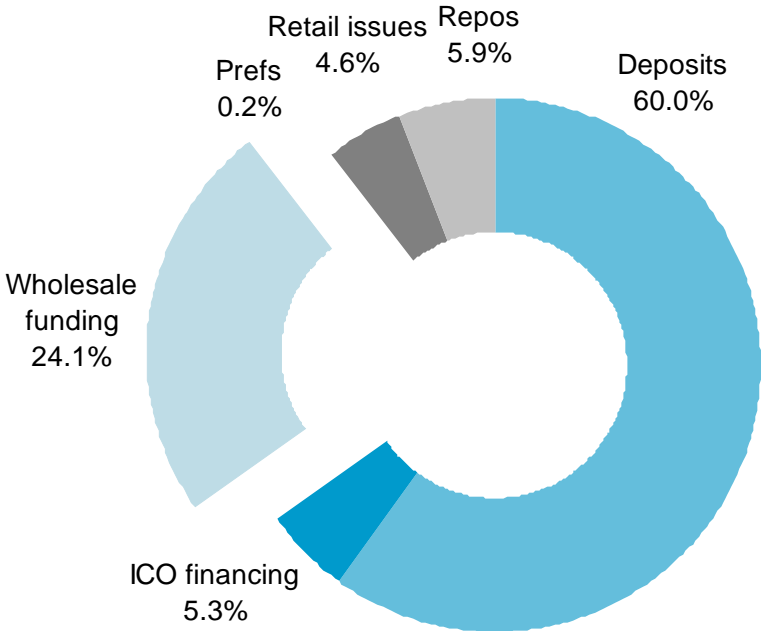
¹ Other on-balance sheet term funds include term deposits and other funds placed in the retail network: preference shares, mandatory convertible bonds, senior debt, commercial paper and other. Excludes repos.

Note: In 2012, changes in commercial funding cap include adjustments for capital increase.

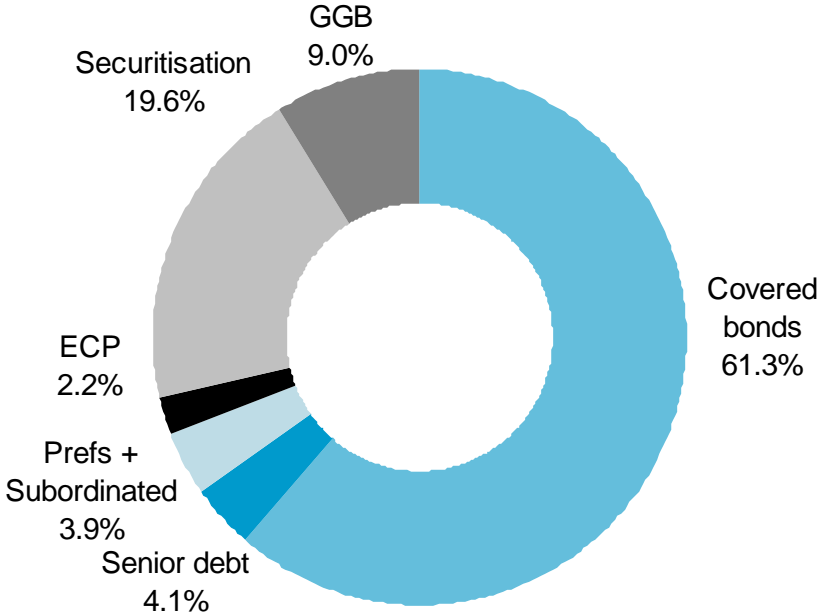
2012 numbers numbers include Banco CAM

... maintaining a balanced funding structure ...

Group funding structure

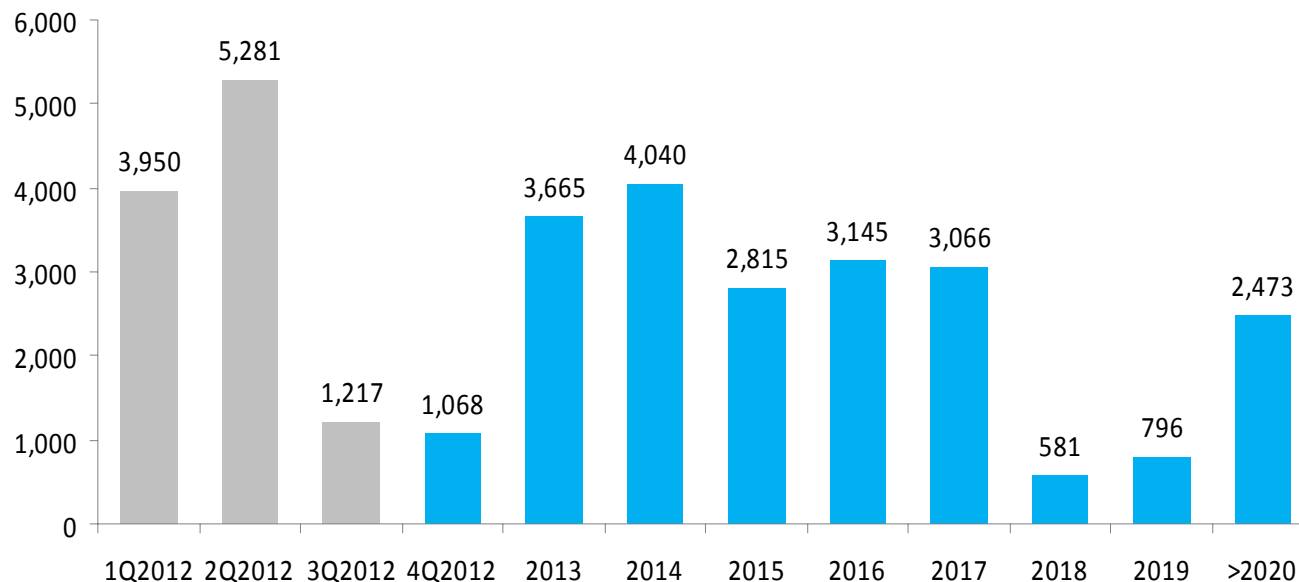


Group wholesale breakdown



... after having absorbed maturities of more than €10bn in 2012

Group wholesale funding maturities (Euros in million)



Maturity by product type (Euros in million)

	Outst. Amount	4Q12	2013	2014	>2014
Covered bonds (CH)	16,891	418	3,135	2,943	10,395
Senior debt	662	0	380	0	282
GGB	2,493	400	0	1,027	1,066
Preference and Subordinated	1,096	0	0	0	1,096
Covered bonds (CT)	150	0	150	0	0
Other mid- and long-term financial instruments	357	250	0	70	37
TOTAL	21,649	1,068	3,665	4,040	12,876

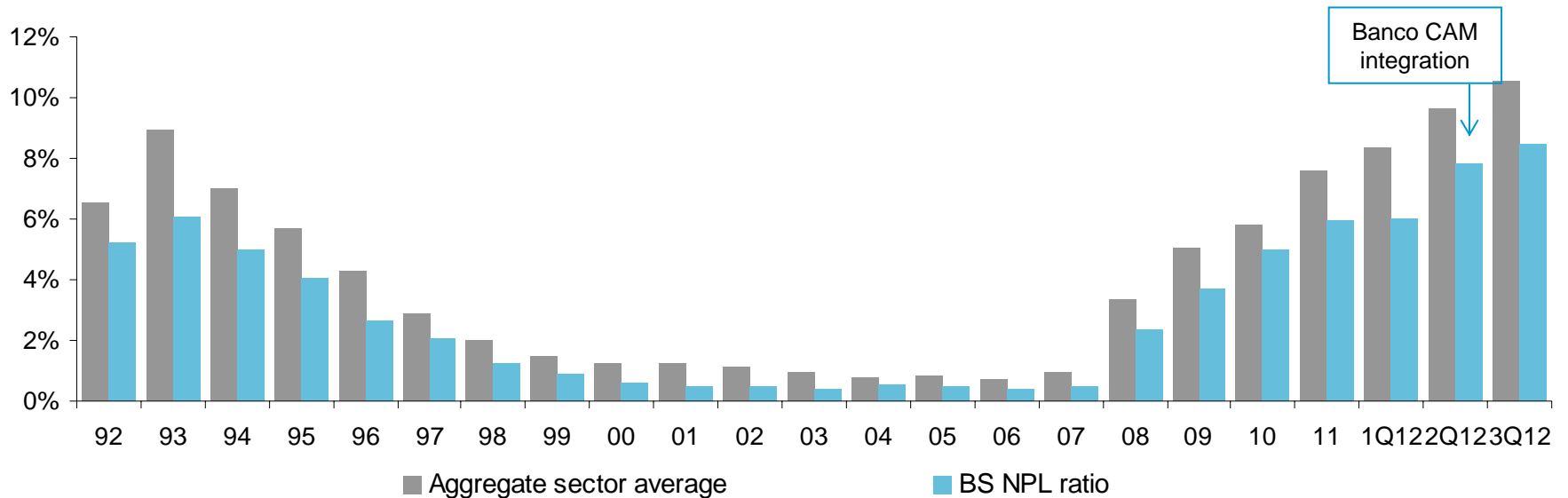
3. Risk and capital management

NPL ratio is maintained well below the ^BSabadell Spanish average

Evolution of NPL ratio vs. sector average

(in percentage)

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
BS NPL ratio	4.09%	4.38%	4.72%	5.01%	5.46%	5.55%	5.72%	5.95%	6.02%	7.82%*	8.46%*
System NPL ratio	5.33%	5.35%	5.49%	5.81%	6.19%	6.69%	7.16%	7.61%	8.37%	9.65%	10.51%**
GAP BS vs system (bp)	124	97	77	80	73	114	144	166	235	183	205



* BS + Banco CAM excl. APS. Banco Sabadell Stand alone NPL ratio 3Q12: 6.78%

** Refers to August 2012 data.

Source: Banco de España

Credit exposure and NPLs by segment

Group exposure and NPL ratios by segment, excl. APS

	Sep-12			NPL ratio*
	Total	Subst.	NPL	
Real Estate development and/or construction purposes	9,610	1,294	2,581	26.87%
Construction purposes non-related to real estate dev.	1,241	28	88	4.28%
Large corporates	26,892	526	2,157	6.92%
SME and small retailers and self-employed	18,579	168	1,555	7.98%
Individuals wit 1st mortgage guarantee assets	36,662	125	2,446	6.67%
Individuals other	4,405	15	348	5.63%
Other gross loans to customers ¹	5,455			
Total gross loans	102,844			8.46%

* Including off-balance sheet items

¹ Including public entities, other assets, deferral adjustments and repos.
Euros in million

Contained level of gross NPL entries

NPL entries and recoveries evolution

(Euros in million)

	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
Gross entries	1,092	1,260	1,166	1,123	1,048	1,102	1,016
Recoveries	-708	-698	-781	-834	-856	-650	-565
Write-offs	-335	-213	-240	-30	-93	-228	-184
Subtotal	49	349	145	259	99	224	267
Non performing real estate assets in process of repossession	265	-265					
Net change in NPLs Banco CAM excl. APS						3,945	169
Quarterly change on NPLs excl. APS	314	83	145	259	99	4,169	436

Maintaining a coverage level of 15.7% of total exposure

Provisions by exposure

Euros in million

	Sep-12		
	Gross amount	Provisions	Coverage
NPLs	18,854	6,128	33%
Substandard	4,158	636	15%
Acquired and repossessed RE assets	11,081	5,362	48%
Generic, badwill and coverage related to APS		8,351	
Potentially problematic exposure	34,093	20,477	60%
Global coverage ratio	18,854	15,115	80%

15.7% coverage of total exposure

€20,477M of total provisions / €130,452M of total credit exposure and real estate assets

Sabadell's position confirmed in recent stress test

Oliver Wyman stress test results

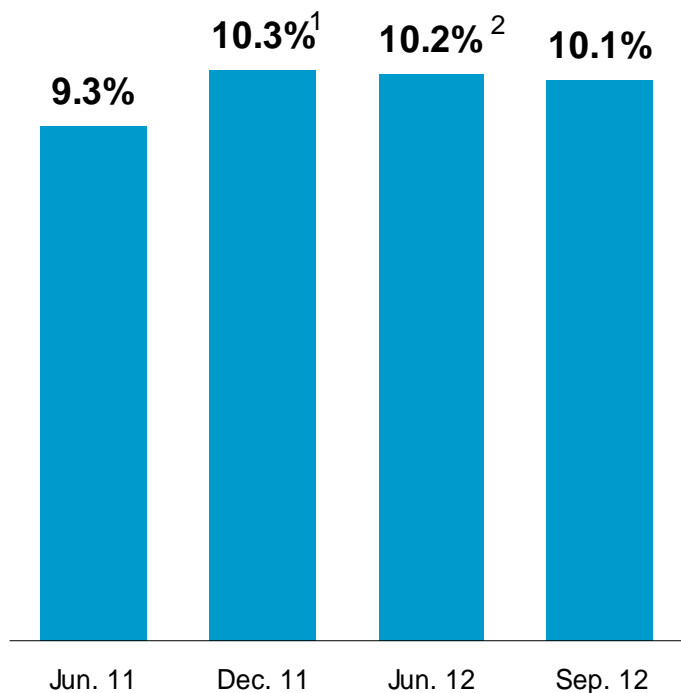
	Adverse scenario			Base scenario	
	Expected loss (€M)	Expected loss (% exposure)	Excess capital (€M)	Excess capital (€M)	
Santander	34,069	16.0%	25,297	19,181	
BBVA	31,297	15.3%	11,183	10,945	
Caixabank	32,733	13.4%	5,720	9,421	
Kutxabank	7,389	12.7%	2,188	3,132	
Sabadell	25,347	20.6%	915	3,321	
Bankinter	3,315	7.8%	399	393	
Unicaja+ CEISS	9,603	18.7%	128	1,300	

Banco Sabadell in “Group 0” together with Santander, BBVA, Caixabank, Kutxabank, Bankinter and Unicaja+CEISS

Strong core capital level following the Sabadell consolidation of Banco CAM

Core capital evolution

In %



Capital actions in 2012 totals

€3.1bn

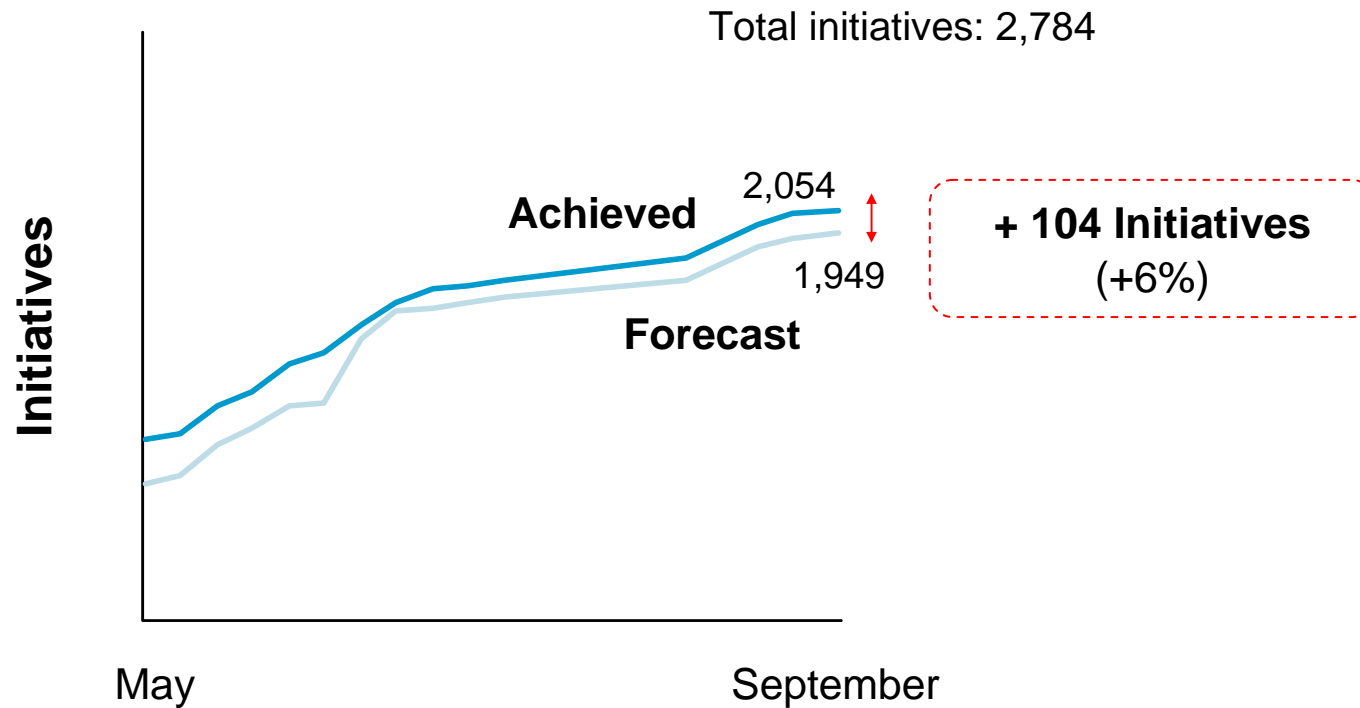
- ✓ Banco Sabadell preference shares exchange in January
 - €785M
- ✓ Rights issue in March
 - €903M
- ✓ Banco CAM preference share exchange for ordinary shares in June/July
 - €1,404M

¹ Ratio pro-forma including Banco Sabadell preference share exchange carried out between December 14, 2011 and January 3, 2012.

² Ratio pro-forma including Banco CAM preference share exchange for ordinary shares.

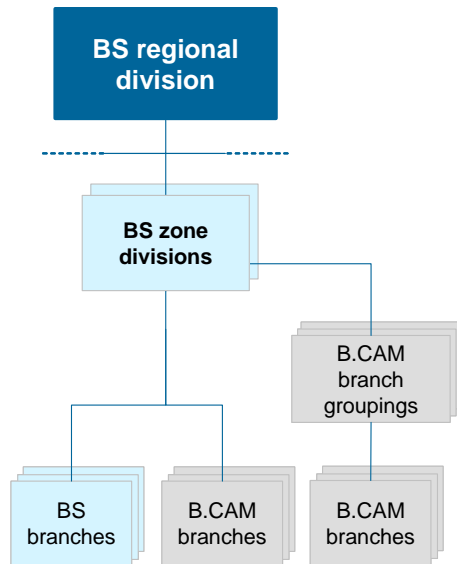
4. Banco CAM integration

The integration process is running ahead of forecast ...



74% of the initiatives in the global integration plan have already been achieved, +6% above forecast

... and the commercial integration has already taken place



BS zone director

- ✓ Commercial responsibility for all B. CAM branches
- ✓ Directly manages those branches not included in B. CAM branch grouping

Director of B.CAM branches

- ✓ Manages all B.CAM branches in zone
- ✓ Reports to BS zone director

... and the new brand and image is being implemented ...

Banco CAM branding policy

C. Valenciana and Murcian Region



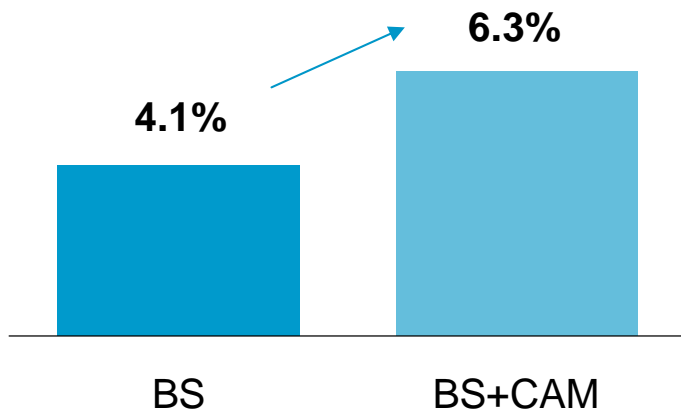
Other actions

New corporate image buildings

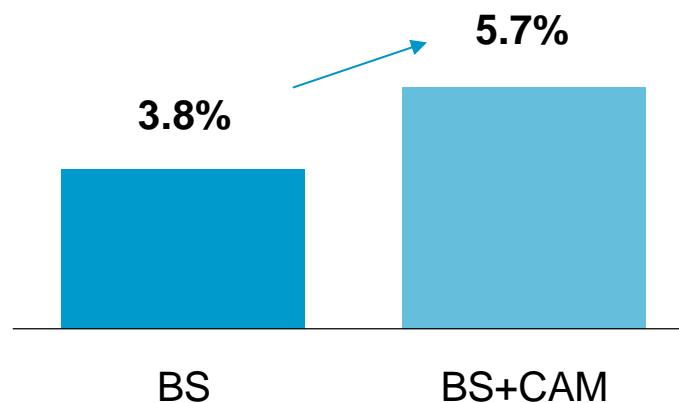


The transaction represents a substantial increase in market share ...

Loan market share in Spain¹
(%)



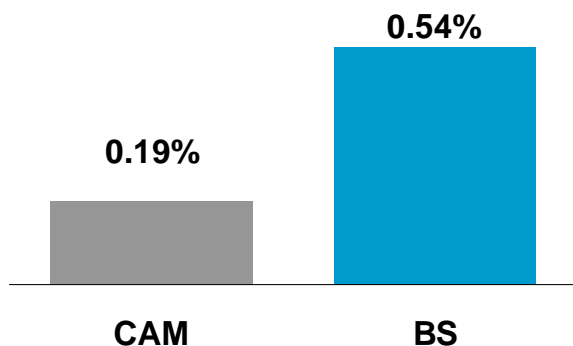
Sight deposit market share in Spain² (%)



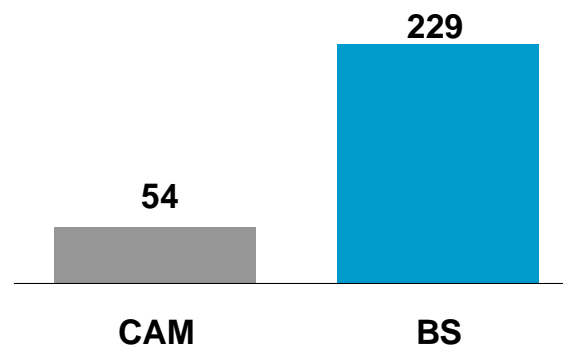
¹ Net customer credit. ² Includes household and non financial companies
Market shares as of August 2012

... with capacity to improve commission income ...

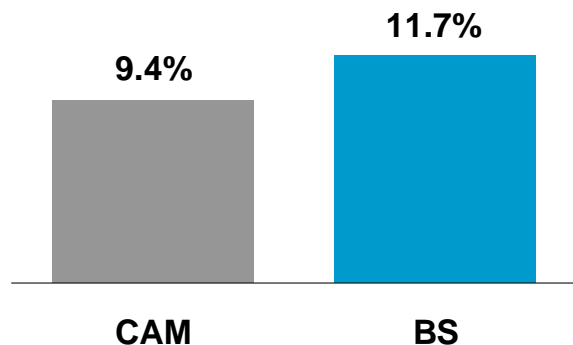
Net fee & commissions over ATA (in %)



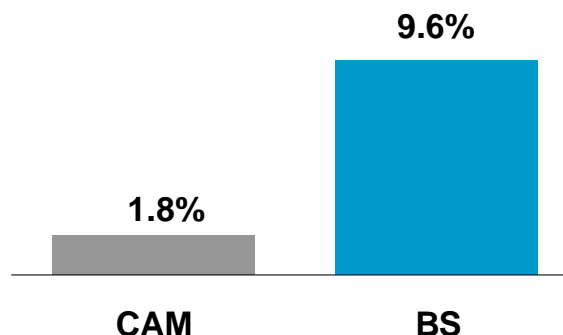
Net commissions/number of customers (€/customer)



Life & Pension AuM over total customer funds (in %)

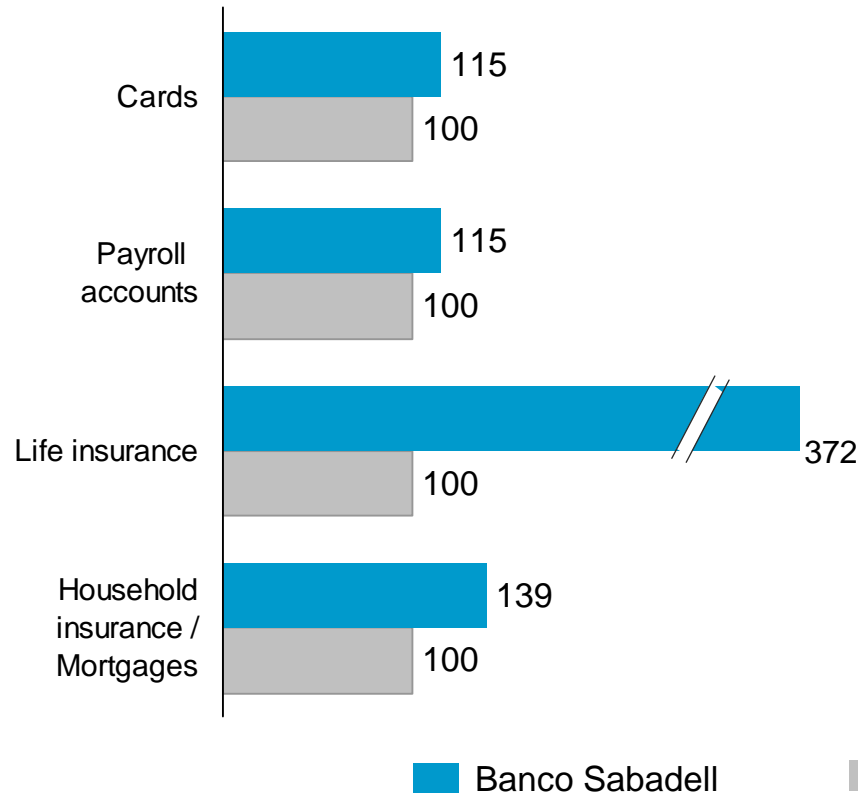


Mutual funds AuM over total customer funds (in %)

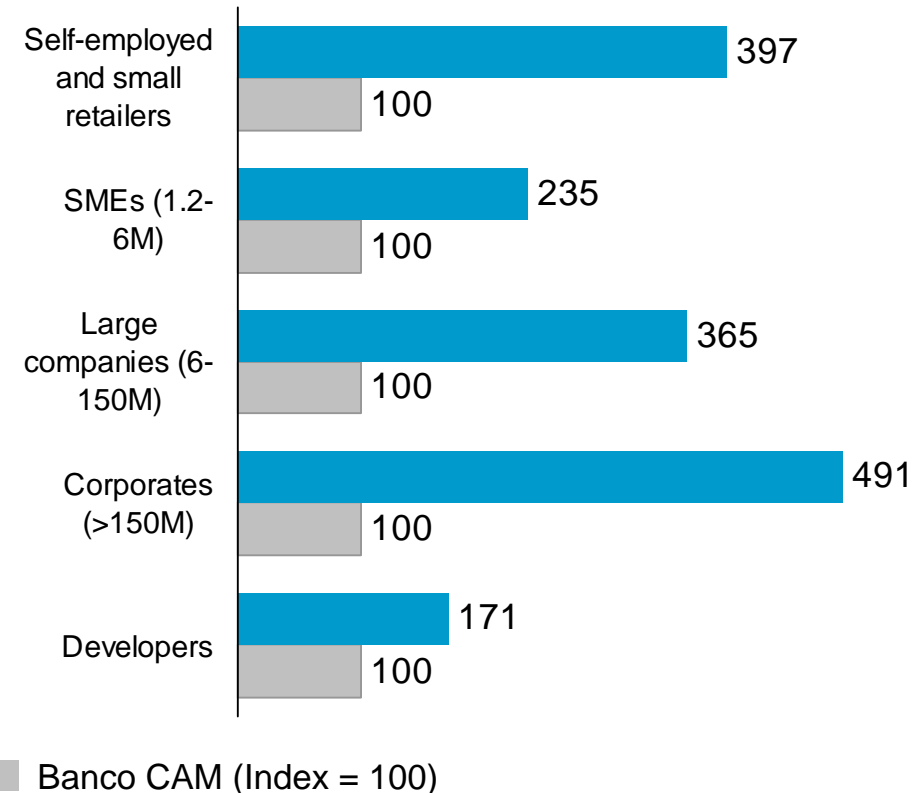


... and significant cross selling potential

Individuals. Product penetration comparison (CAM = 100)



Companies. Customer funds over total loans (CAM = 100)¹

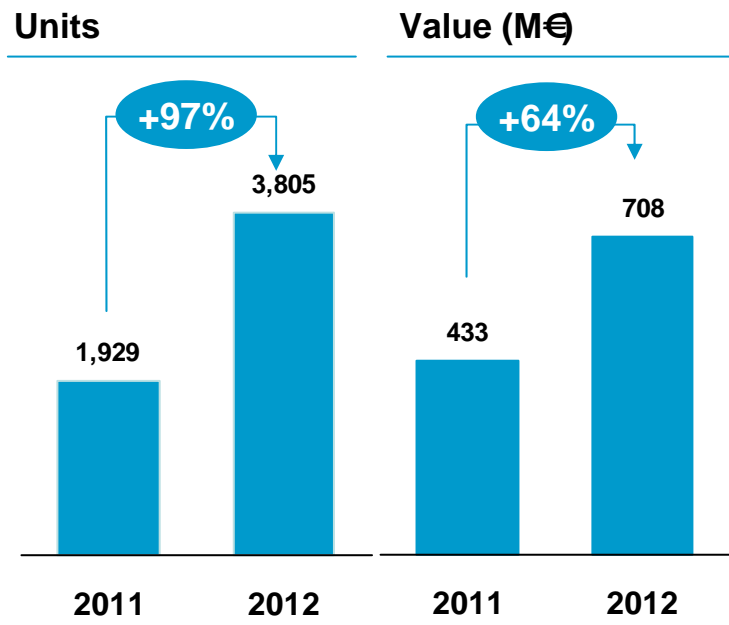


Potential to improve productivity and cross-selling by adopting BS operation model

5. Managing Real Estate assets

Sales evolution

(in units and value)



(January-September)

Sales achieved YTD: €708M*

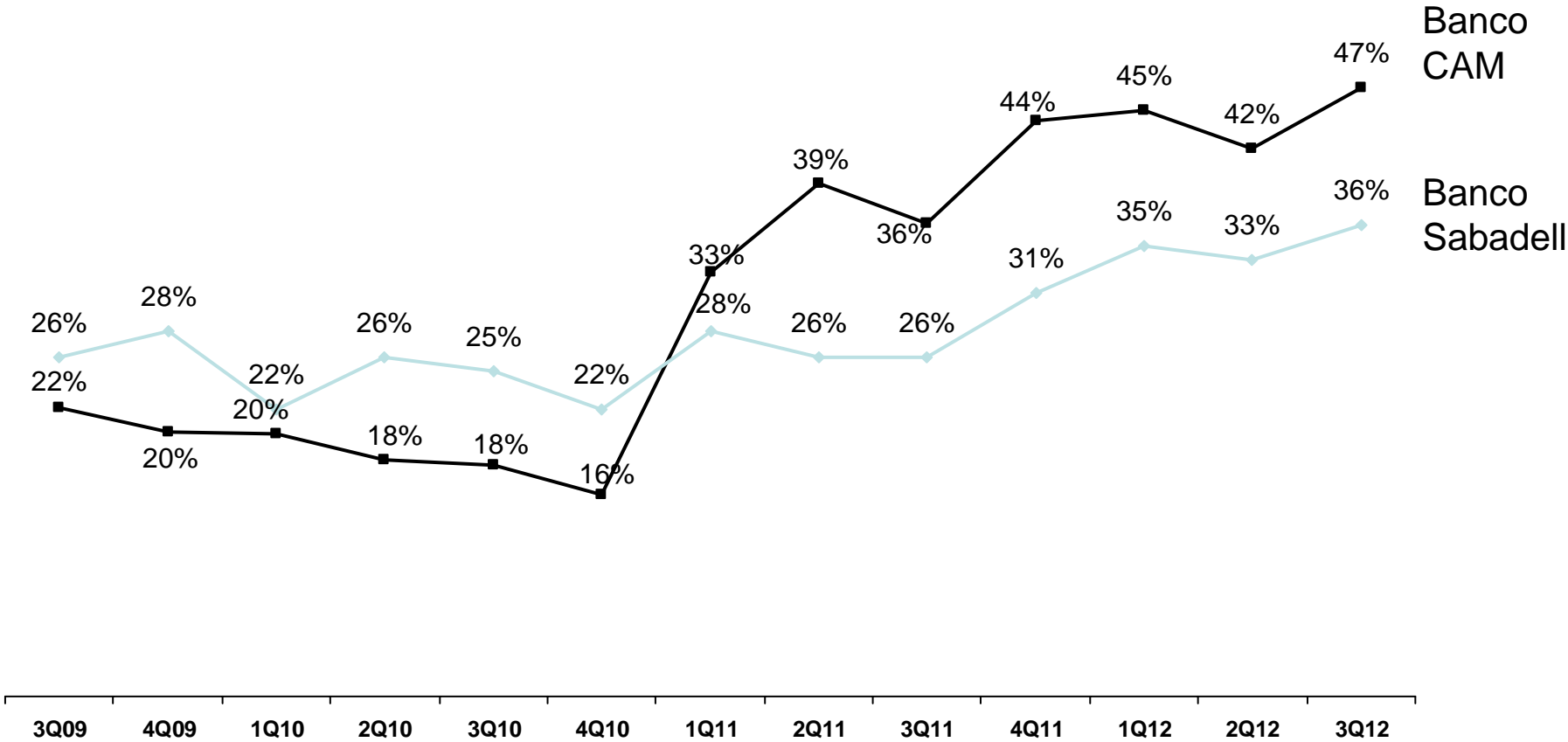
FY 2012 sales target for the group: €1,193M*

* Pre-provision cost (Including BS and Banco CAM from January 2012)

... applying discounts of c. 50% ...

Discounts applied to house sales

(Transaction price vs. gross value of asset)



... and implementing active commercial campaigns

25 RAZONES PARA COMPRAR HOY MISMO TU VIVIENDA

- ✓ En 2013, el IVA sube del 4% al 10%
- ✓ Fin de la desgravación fiscal por compra de primera residencia
- ✓ Las mejores viviendas se agotan
- ✓ Hasta el 100% de financiación
- ✓ Más de 20.000 inmuebles en solvia.es

Y la 25, una razón única y definitiva que solo nosotros podemos ofrecerte:

- ✓ **Hasta 25% de descuento adicional sobre los precios ya rebajados.***

Solo hasta el 30 de noviembre.

EJEMPLO

Edificio Mecanismo y Costa Mar • Marina d'Or (Cabanes)

Precio de tasación 2012 153.844 €**	Precio rebajado 57% dto. 66.000 €**	Precio OFERTA -25% adicional 49.500 €**
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SOLVIA
Sabadell Inmobiliaria

SOLVIA
Sabadell Inmobiliaria

[ALERTA inmobiliaria]

Hasta **25%**
DE DESCUENTO
ADICIONAL

¡SÚMALE UN 25% MÁS
a los descuentos ya aplicados!

SOLO HASTA EL 30 DE NOVIEMBRE

RESULTADO DE LA BÚSQUEDA

Mostrando Inmuebles en **Barcelona** (1003) > **Barcelona** (49)

INMUEBLES	m²	Habs.	Más info	Precio Venta	Cuota Alquiler	Favorito
OBRA NUEVA ILLA DEL MAR Passeig Garcia Faria Nº81 Barcelona	105 m²	3		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €
OBRA NUEVA EDIFICIO BARCELONA - CALLE VALENCIA Calle Valencia Nº273 Barcelona	98 m²	2		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €
OBRA NUEVA EDIFICIO BARCELONA - FAVÈNCIA Calle Via Favència Nº412-422 Barcelona	85 m²	3		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €
OBRA NUEVA EDIFICIO BARCELONA - SERVET Calle Servet Nº84-106 Barcelona	45 m²	1		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €
SEGUNDA MANO PISO Calle Via Augusta Nº17 Barcelona	158 m²	4		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €
SEGUNDA MANO PISO Calle Lleo Nº30 Barcelona	89 m²	2		ANTES 120.000 € +30% DESCUENTO 84.000 €	ATENCIÓN DESCUENTO ADICIONAL HASTA 31 DE DICIEMBRE +25%	AHORA: 63.000 €

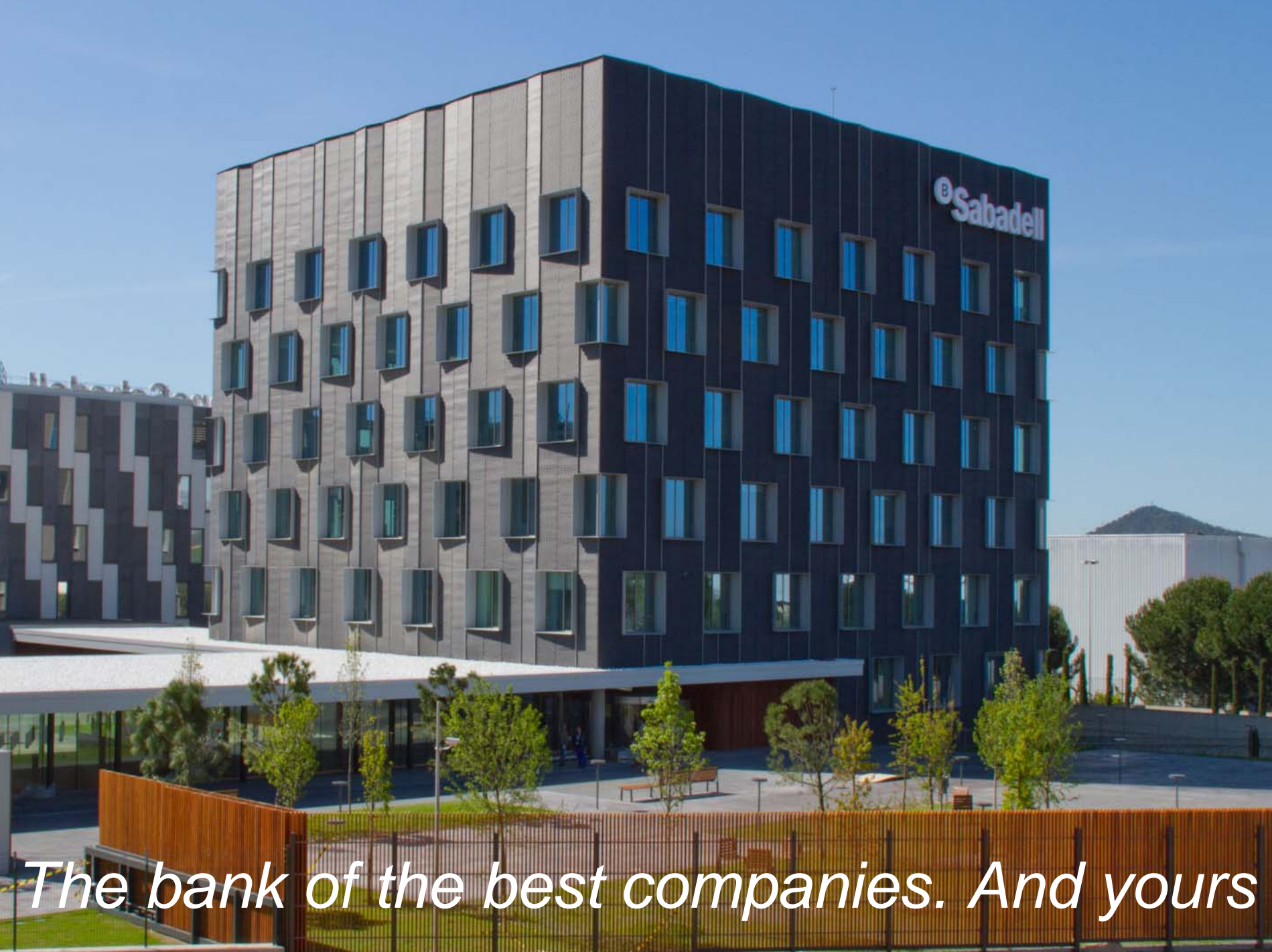
BARRA DE TAREAS MOSTRAR DA MAND

ANTES

6. Conclusions

Conclusions

- ✓ Banco Sabadell has consolidated its position as Spain's fourth largest private financial entity
- ✓ Recent stress test confirms solvency of Banco Sabadell
- ✓ The core capital level stands at a solid 10.1%, following successful capital raisings of €3.1bn in 2012
- ✓ The Sabadell CAM commercial integration has already taken place and the new brand has been launched
- ✓ Maintaining steady pace of income generation in an environment of increasing provisions and higher NPLs



Sabadell

The bank of the best companies. And yours