



3Q09 Results



22nd October 2009

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1. 3Q09 Results

2. Commercial activity and liquidity

3. Risk management

4. Optima program

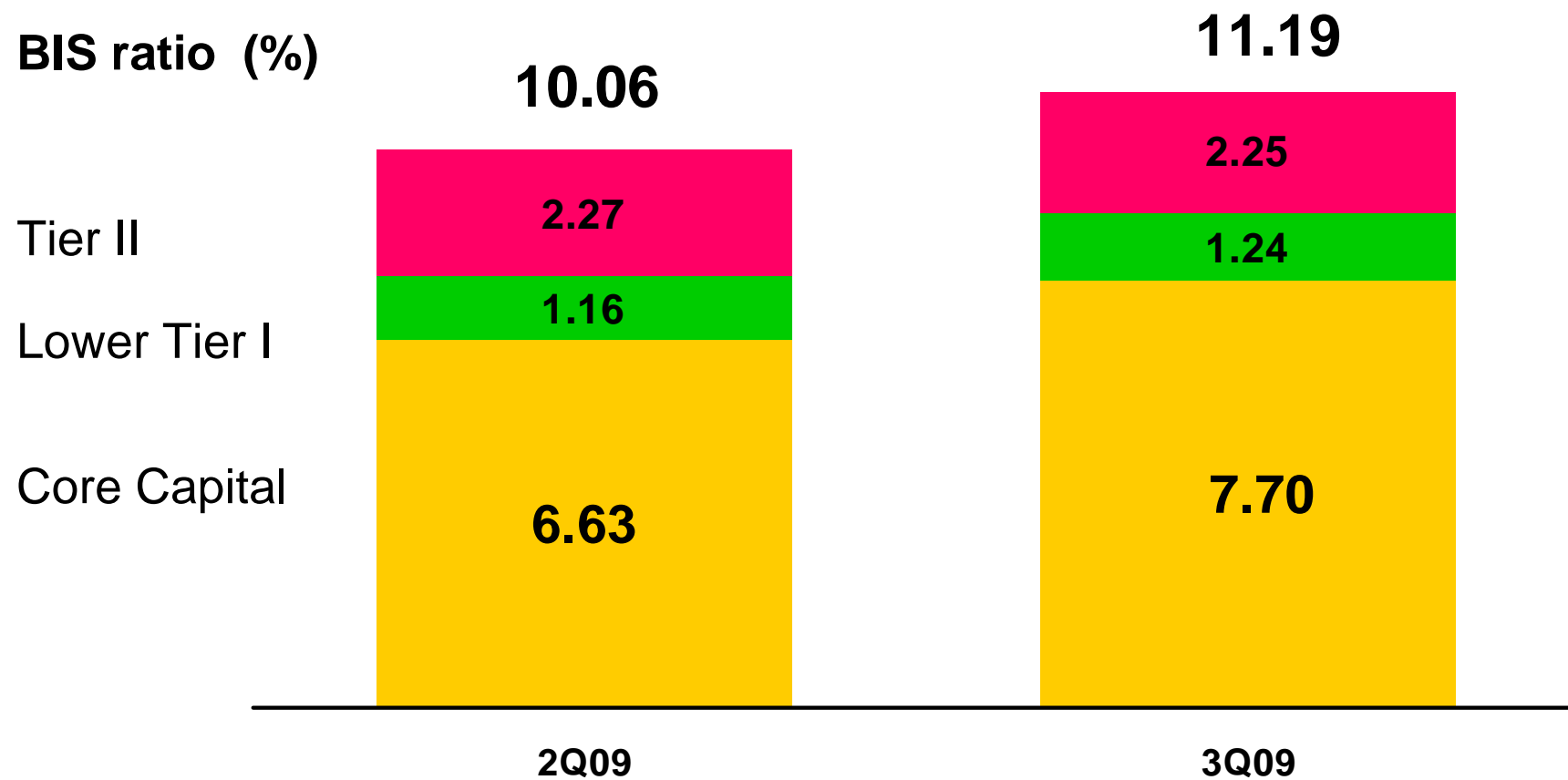
5. Summary

9M 2009

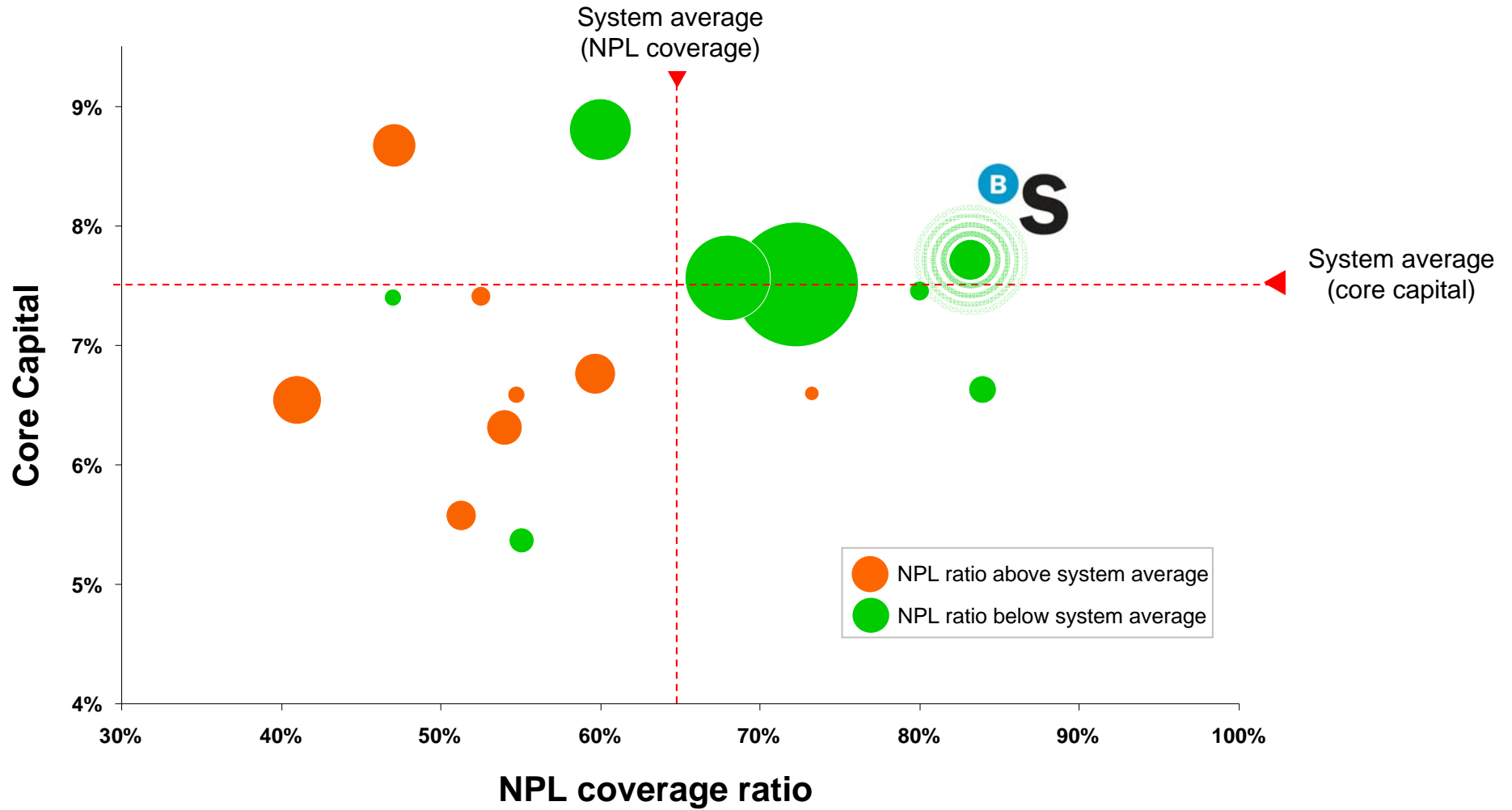


	Sep 08	Sep 09	YoY (€m)	YoY (%)	Adjustments	YoY (€m) adjusted	YoY (%) Adjusted
Net interest Income	1,078.1	1,215.4	137.4	12.7%		137.4	12.7%
Equity Method & Dividends	45.4	56.3	10.9	24.1%		10.9	24.1%
Commissions	424.3	385.8	-38.5	-9.1%		-38.5	-9.1%
Trading income & Forex	97.5	279.8	182.3	186.9%	-96.8	85.5	87.7%
Other operating Results	16.8	6.1	-10.7	-63.7%		-10.7	-63.7%
Gross operating income	1,662.0	1,943.5	281.4	16.9%	-96.8	184.6	11.1%
Operating costs	-715.0	-774.2	-59.2	8.3%	52.0	-7.2	1.0%
Depreciations	-103.1	-104.9	-1.8	1.7%		-1.8	1.7%
Pre-provisions income	843.9	1,064.4	220.5	26.1%	-44.8	175.7	20.8%
Provisions for credit risk	-424.6	-359.6	65.0	-15.3%		65.0	-15.3%
Other provisions & impairments	-40.2	-230.5	-190.3	473.9%		-190.3	--
Gains on sale of assets	25.2	64.9	39.7	157.8%	-39.7	0.0	0.0%
Taxes & minority interests	-70.4	-70.7	-0.3	0.4%	-5.0	-5.3	7.6%
Disc. transactions	428.4	0.0	-428.4	-100.0%	418.4	-10.0	-2.3%
Attributable net profit	762.2	468.4	-293.7	-38.5%	328.8	35.1	4.6%

Strong capital position in absolute terms

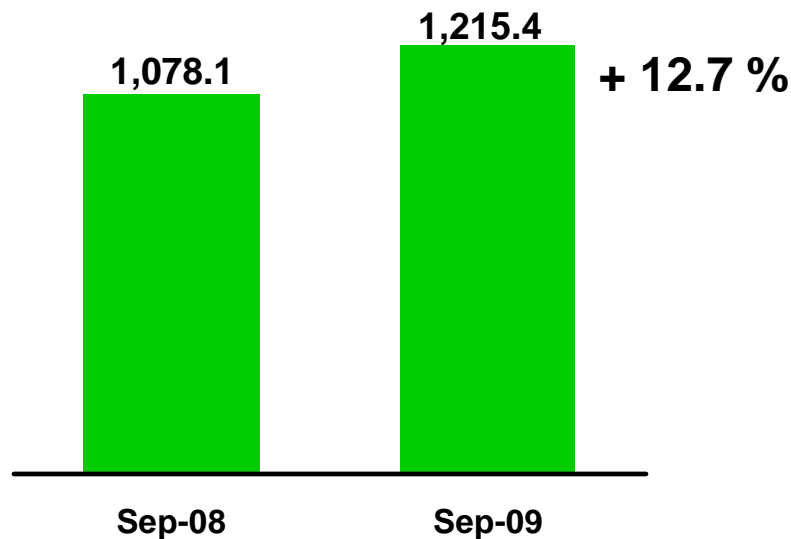
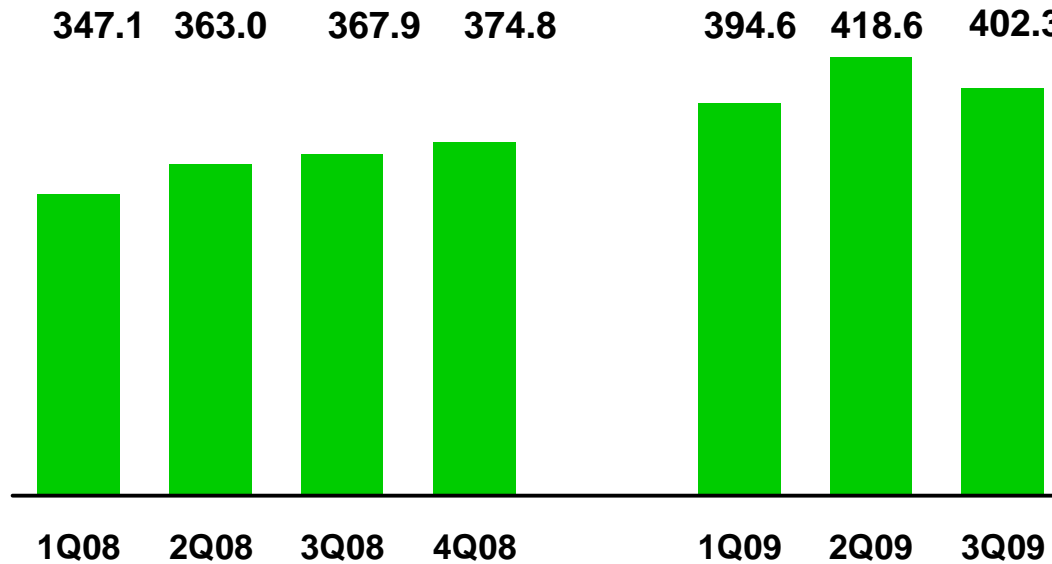


Strong capital position in relative terms



NOTE: The size of the circle represents the amount of gross loans to customers. BS core capital ratio including convertible bond issue. Data as of most recent information, including last issues announced of the main Spanish banks and saving banks.

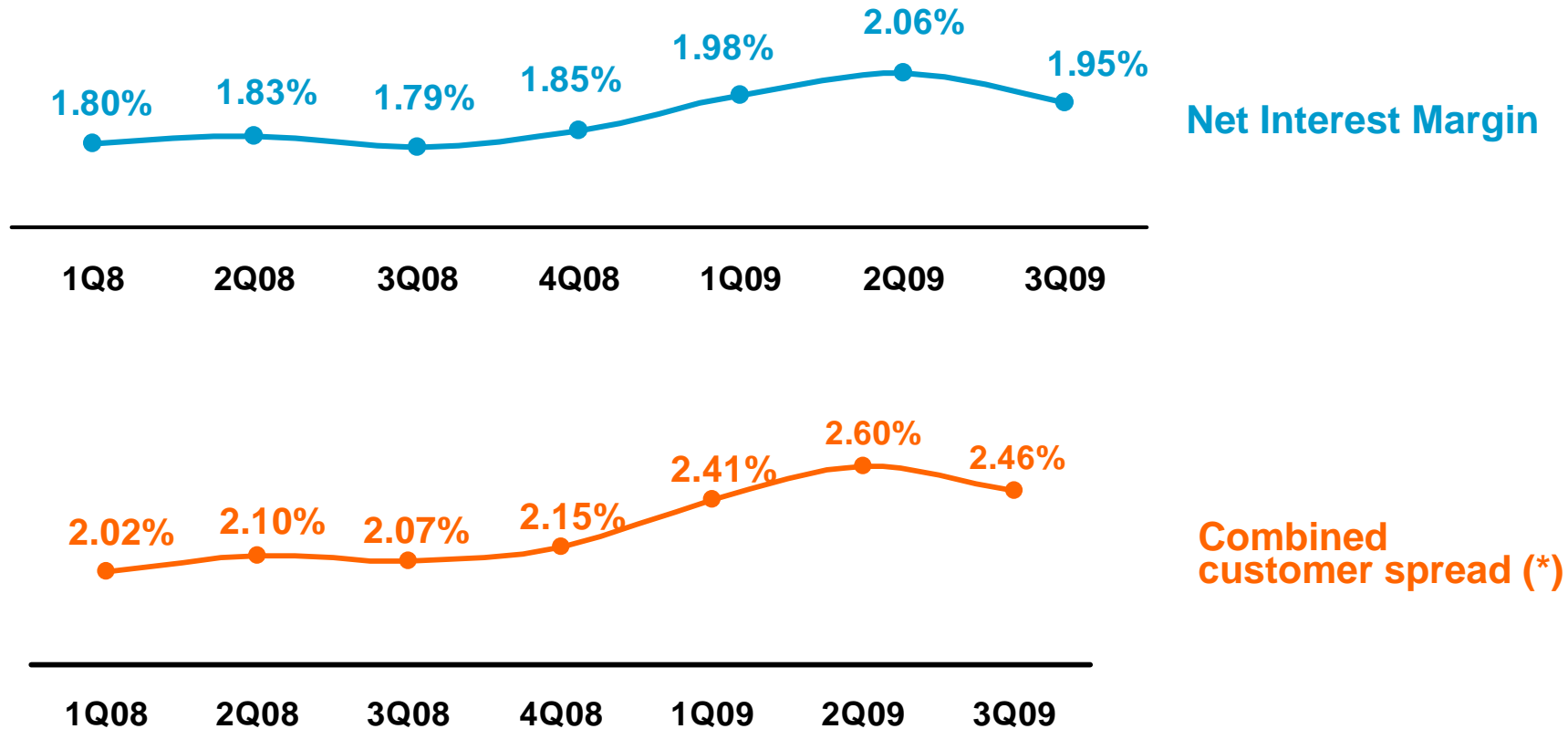
Margin evolution starts to show the low interest rate environment ...



Euros in millions

	Sep-09
NII	1,215.4
Dividends	11.3
Equity Method	45.0
Commissions	385.8
Trading income	242.2
Forex	37.6
Other op. results	6.1
Gross Op. Income	1,943.5
Personnel exp.	-540.7
Administration exp.	-233.5
Deprec. & amort.	-104.9
Pre-provision Op. Incom	1,064.4
Prov. for NPLs and others	-590.1
Gains on sale of assets	64.9
Taxes and minority int.	-70.7
Disc. transactions	0.0
Attr. Net Profit	468.4

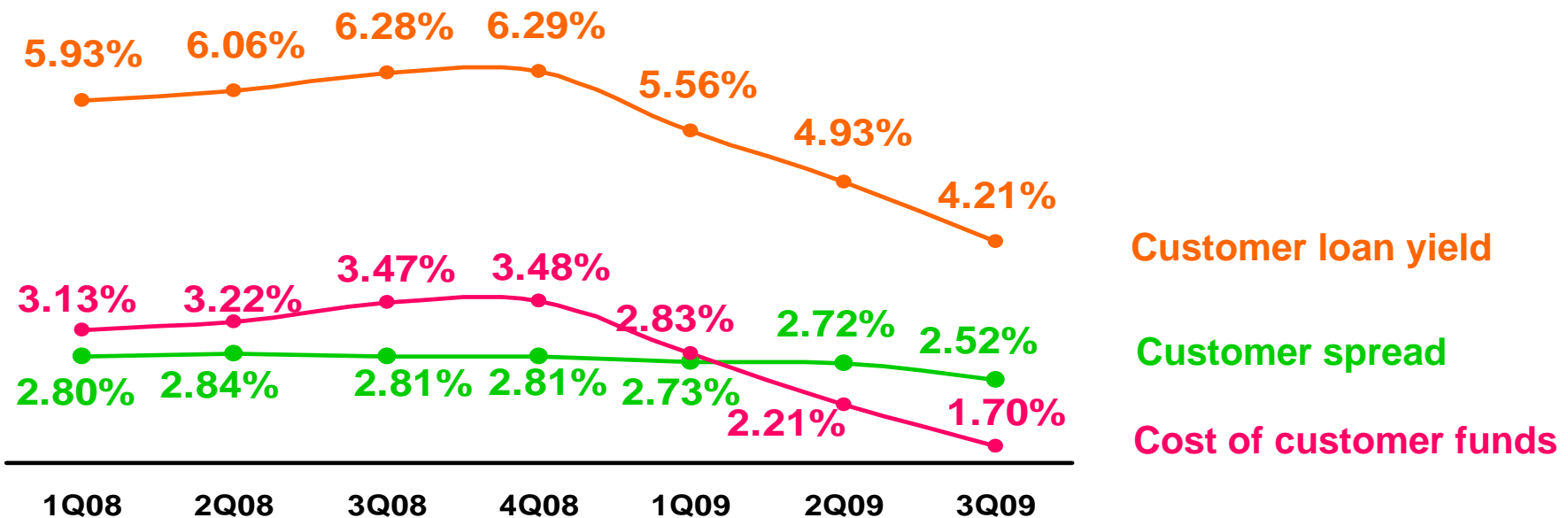
... although partly softened by the hedging strategy ...



We are well positioned for the current interest rate environment

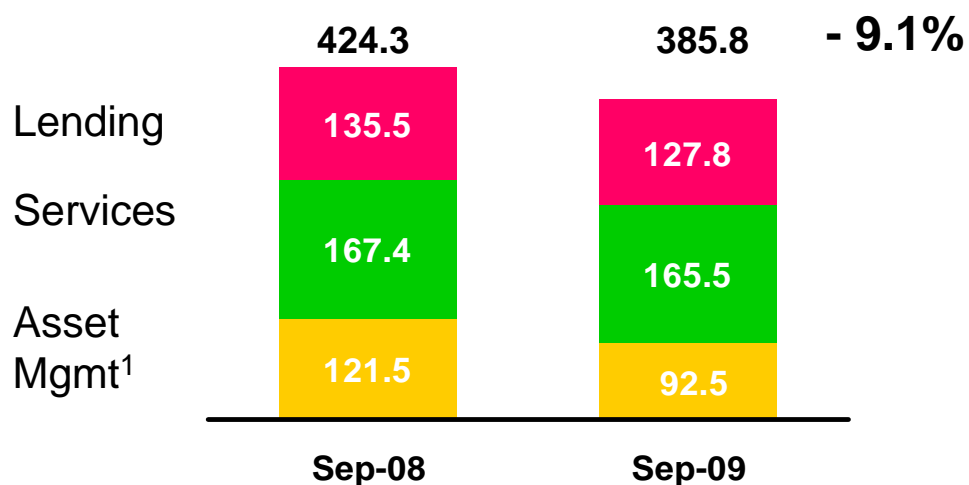
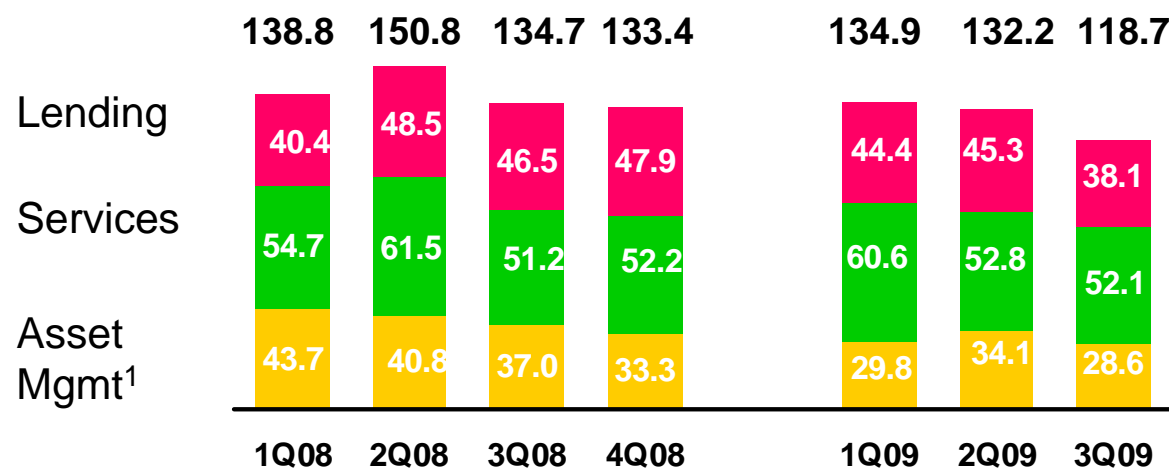
(*) Combined spread: Asset yield – (cost of customer funds + cost of wholesale funding). In percentage

... and an active liability management that offsets the asset yield trend



We are actively managing the liability side to reduce funding costs

Commissions reach an inflection point ...



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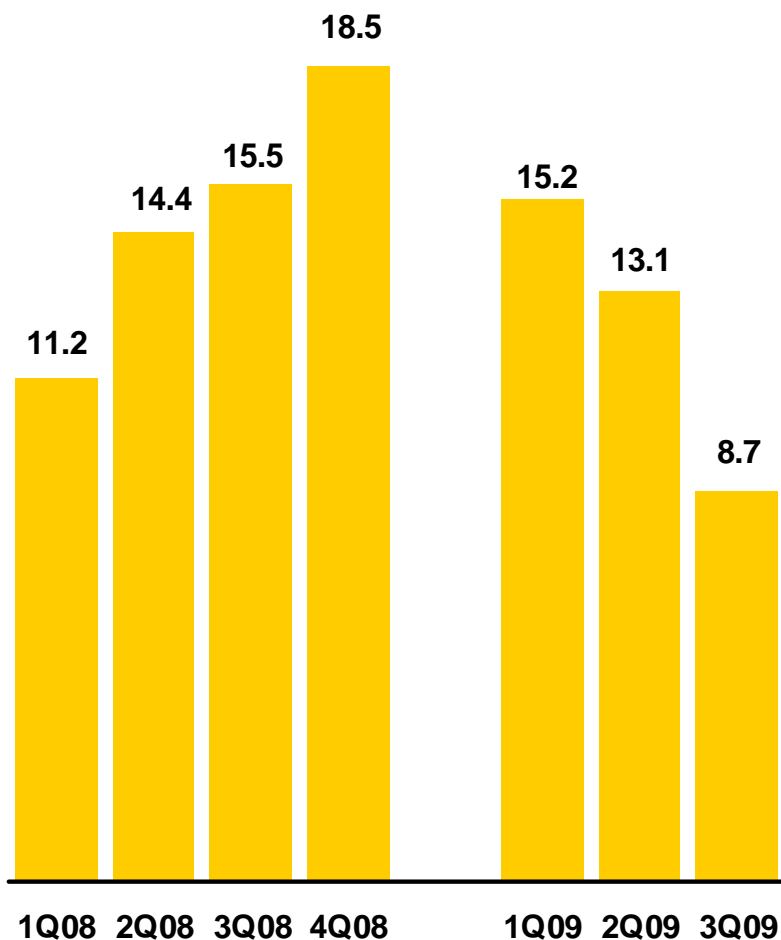
Euros in millions

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

... and show signs of improvement for coming quarters

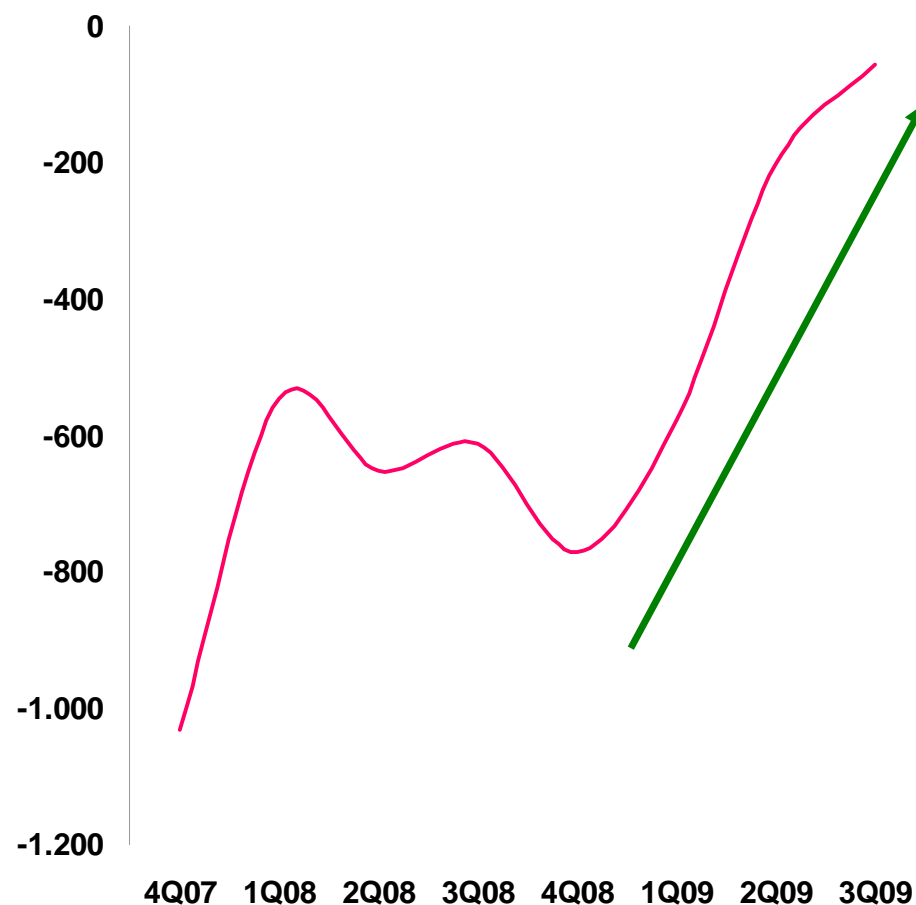


Commissions related to late payments

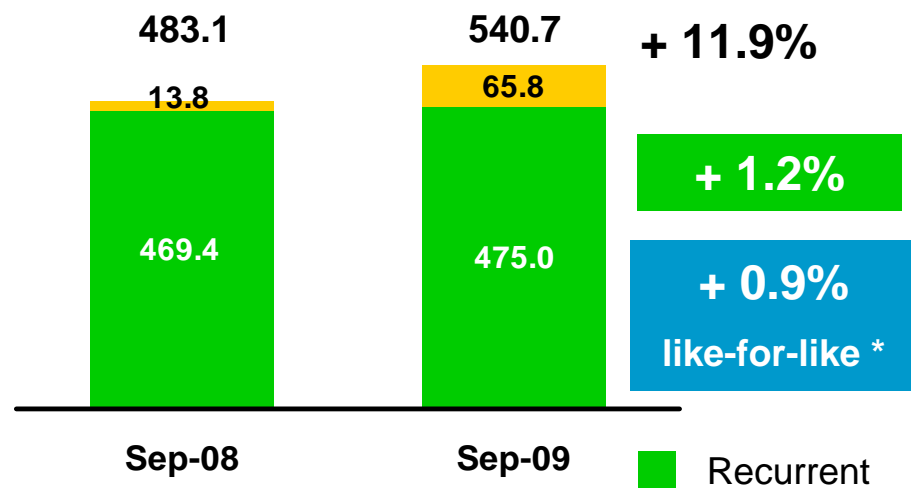
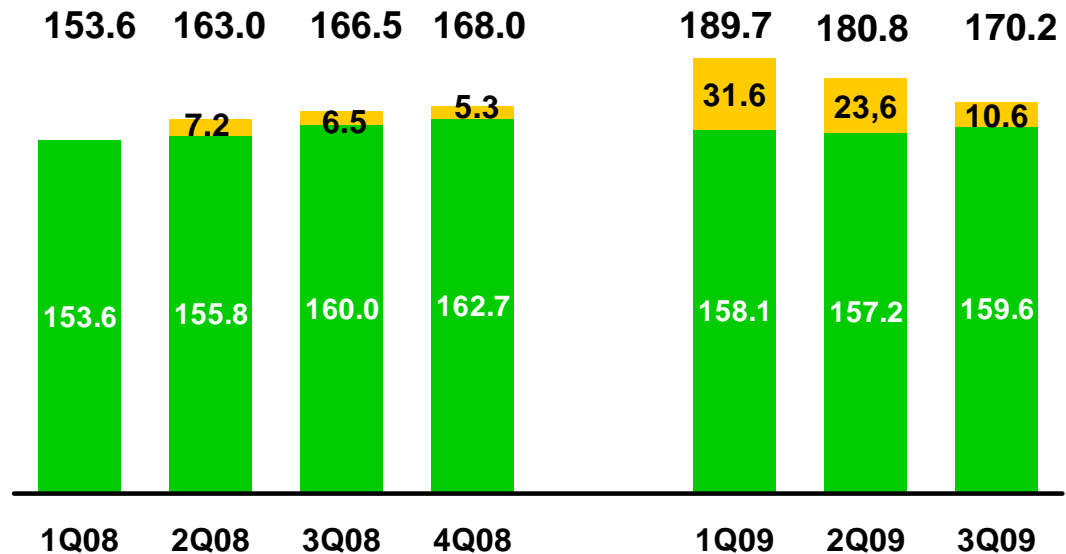


Euros in millions

Net outflows at BS Asset management



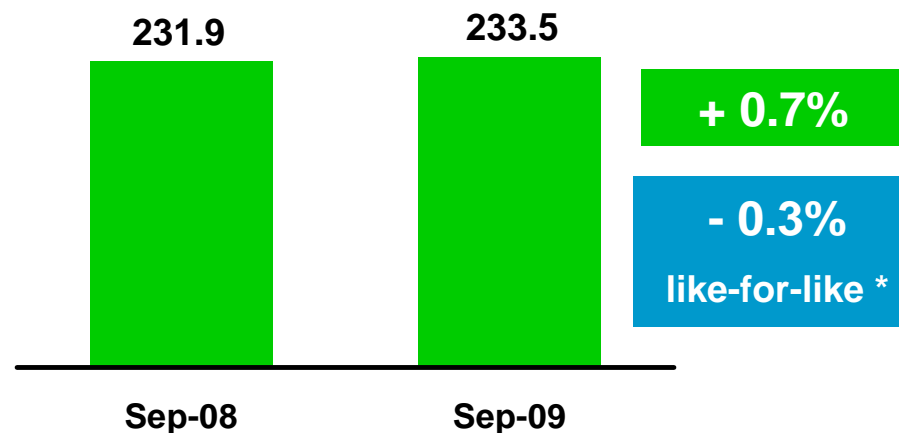
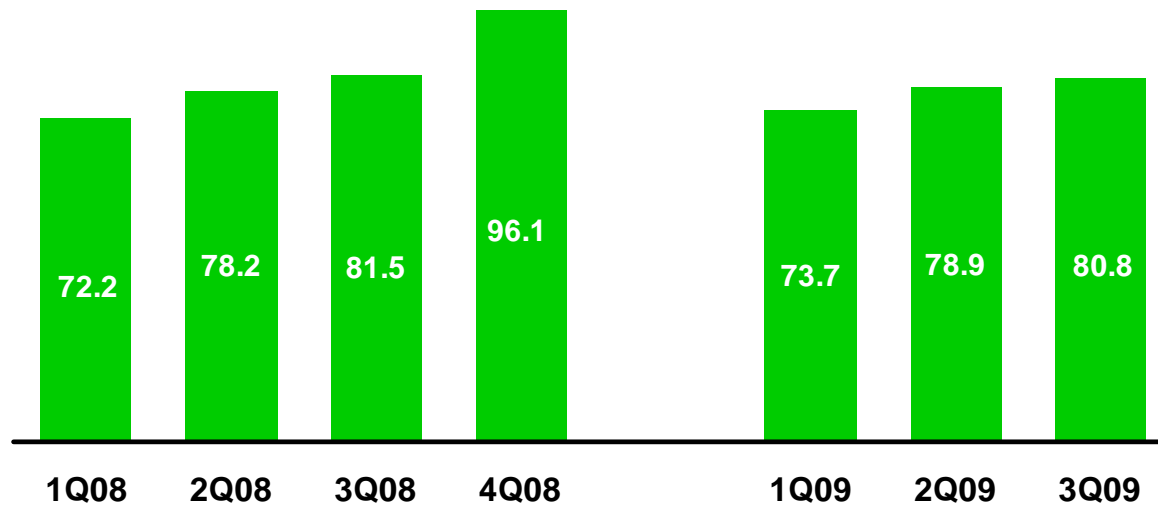
We continue to take advantage of strong revenues to apply non-recurrent charges



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Euros in millions. * Including Fincom, Tecnocredit and BBVA Miami in 2008.

Administrative expenses



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Gains on sale of assets	64.9
Taxes and minority int.	-70.7
Disc. transactions	0.0
Attr. Net Profit	468.4

Euros in millions. * Including Fincom, BanSabadell Professional and 100% BBVA Miami in 2008.

Continued extraordinary provisions reflect our conservative approach



Provisions for credit risk (P/L):

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Generic	20.2	3.8	-10.1	-12.0	0.0	-129.4	-315.5
NPLs entry	13.2	6.5	55.4	46.1	11.0	16.2	14.5
Calendar effect	14.8	37.1	48.6	56.9	80.8	121.7	155.2
Extraordinary	0.2	10.1	214.0	85.3	41.9	87.5	258.7
Rest	-4.6	3.5	11.9	3.0	8.2	7.3	1.6
Total	43.8	61.0	319.8	179.3	141.9	103.3	114.5

Balance sheet provisions:

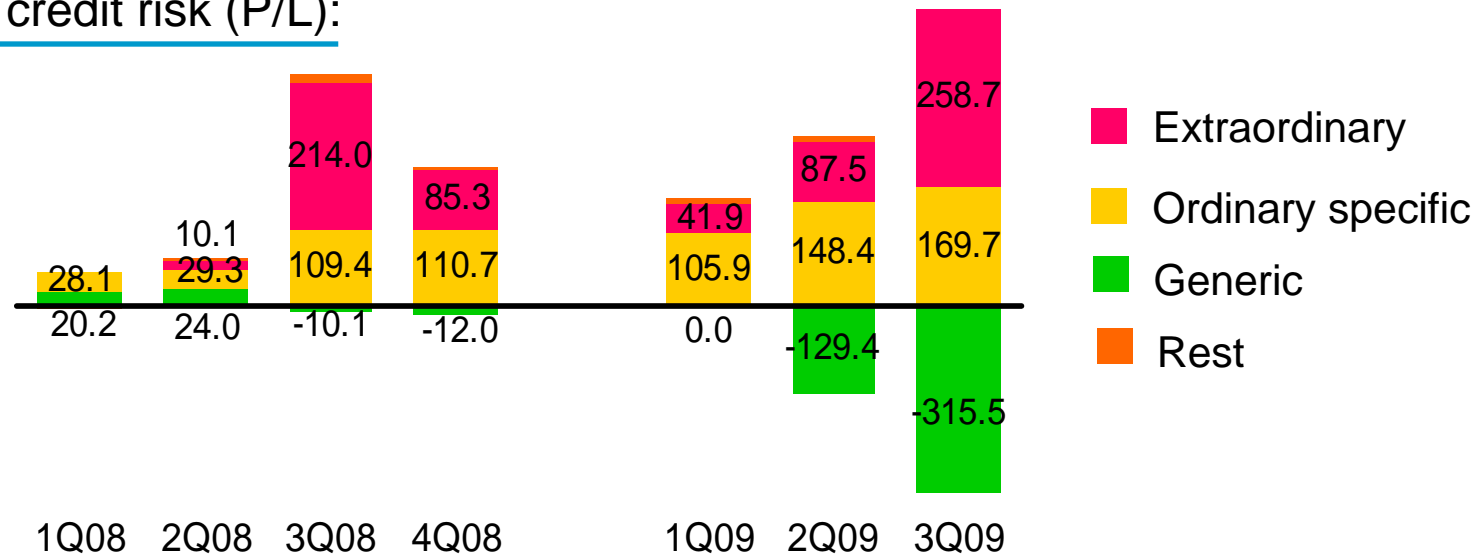
	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Generic fund	1,184.2	1,192.0	1,183.7	1,170.4	1,170.4	1,040.1	723.6
Specific fund	130.3	166.7	457.5	645.4	786.0	991.0	1,357.1
Total	1,314.5	1,358.6	1,641.3	1,815.8	1,956.4	2,031.1	2,080.7

We maintain a high coverage ratio of 83.3%
Including guarantees the coverage ratio would be 135.5%

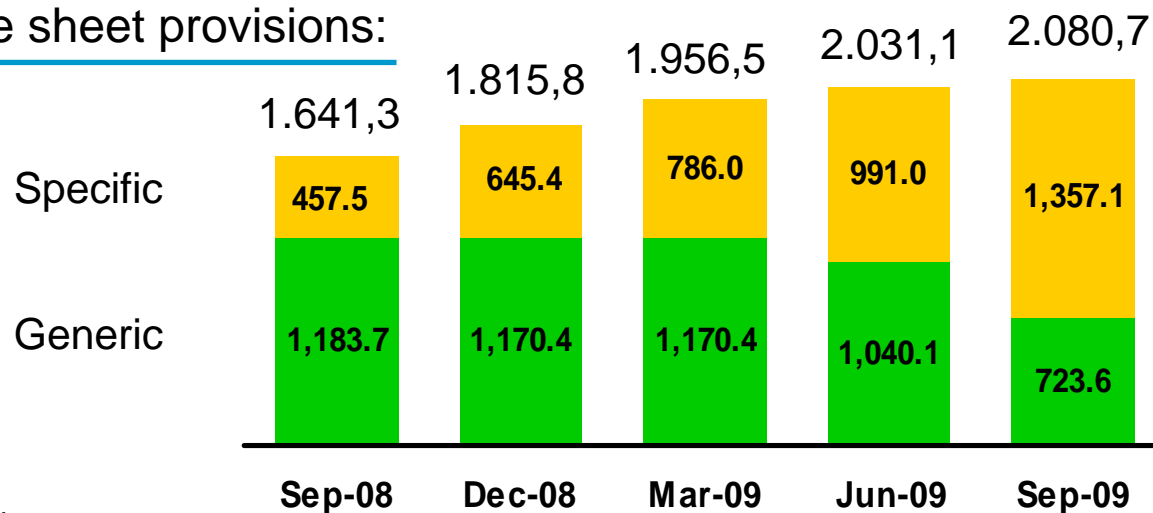
Continued improvement of the total provisions buffer



Provisions for credit risk (P/L):



Balance sheet provisions:

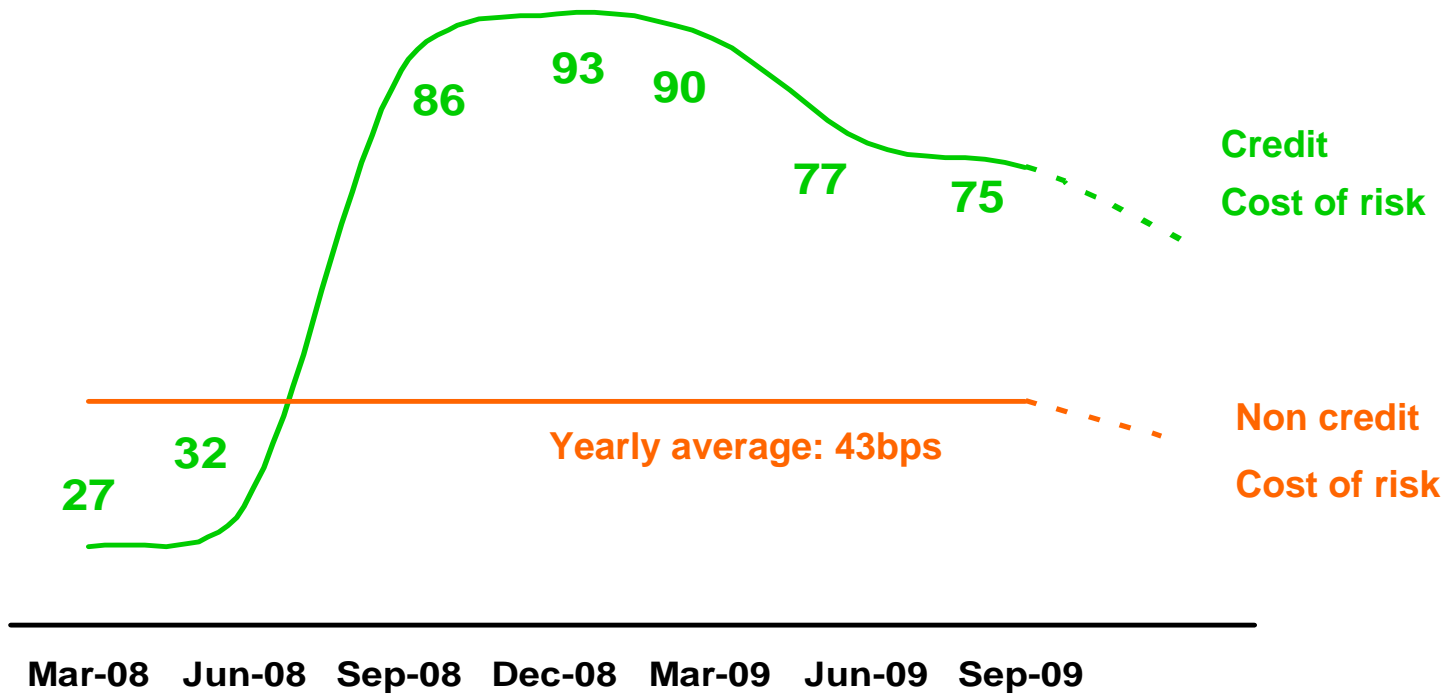


Euros in millions.

Declining trend in the cost of risk



Cost of risk (in bp)



Extraordinary provisioning this year will allow a lower cost of risk over the coming quarters

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4. Optima program

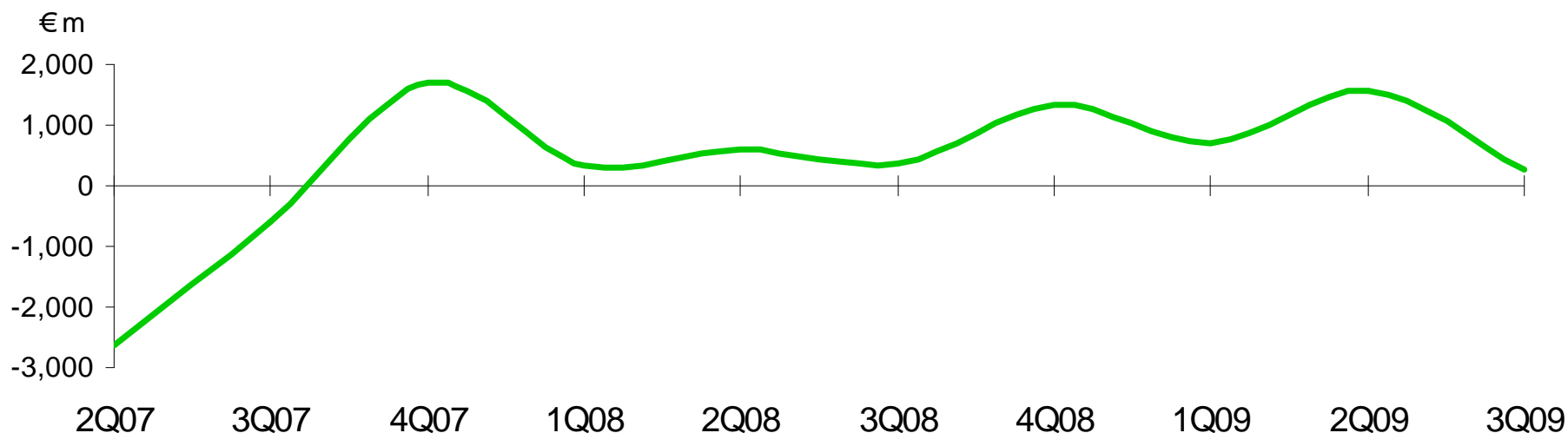
5. Summary

Deposit growth confirms customer confidence in BS ...



	Sep-08	Sep-09	Var.
On-balance sheet customer funds*	35,479	38,309	+8.0%
Fix-term deposits	21,040	22,280	+5.9%
Loans to customers	66,048	64,458	- 2.4%
Loans to customers excluding real estate			+ 2.1%

Positive commercial Gap

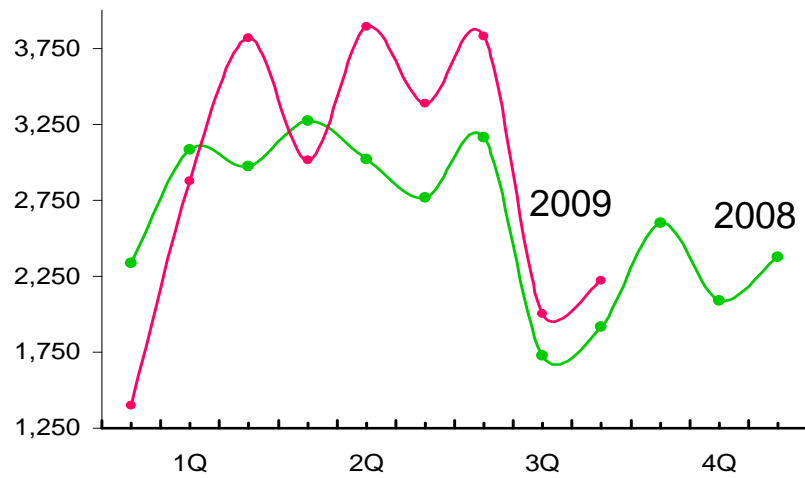


* Excluding repos and including preference shares placed in the retail network and convertible bond issue. Euros in millions.

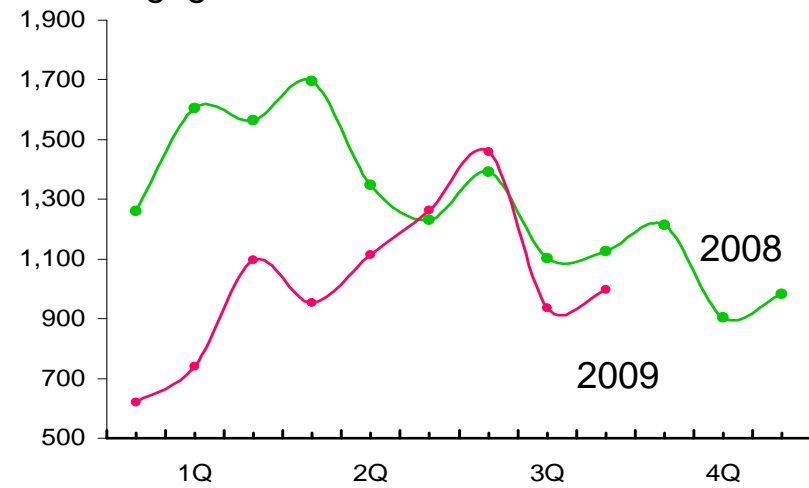
... and with a reasonable level of activity in the current environment



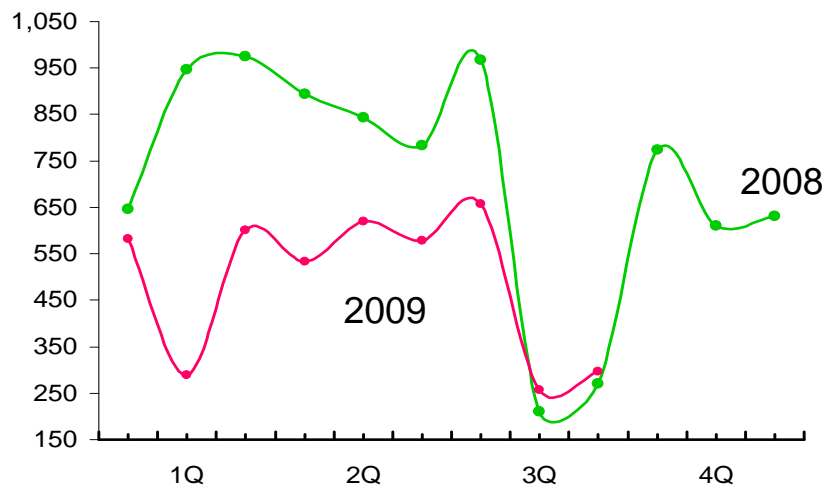
Loans



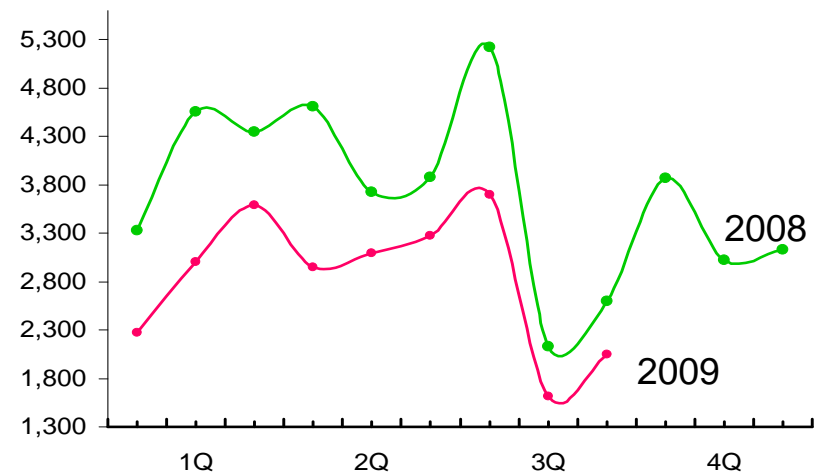
Mortgages



CrediGlobal



Credit lines

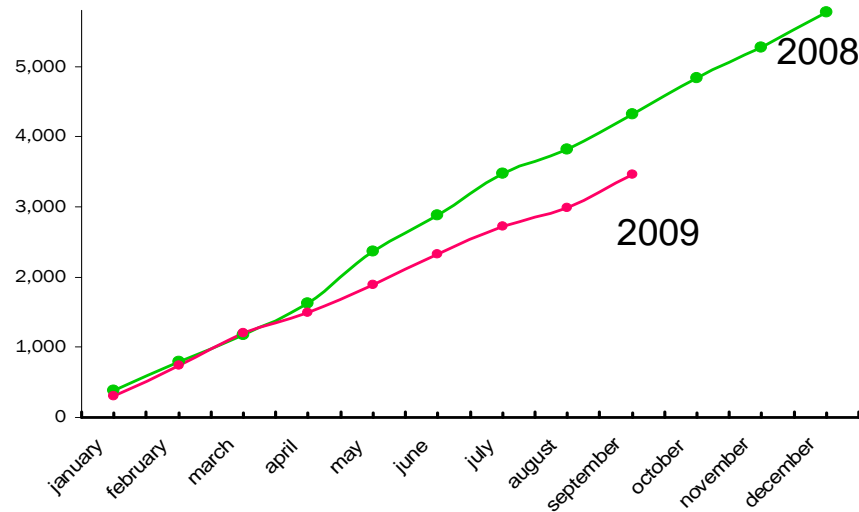


Number of new contracts

... and with a reasonable level of activity in the current environment

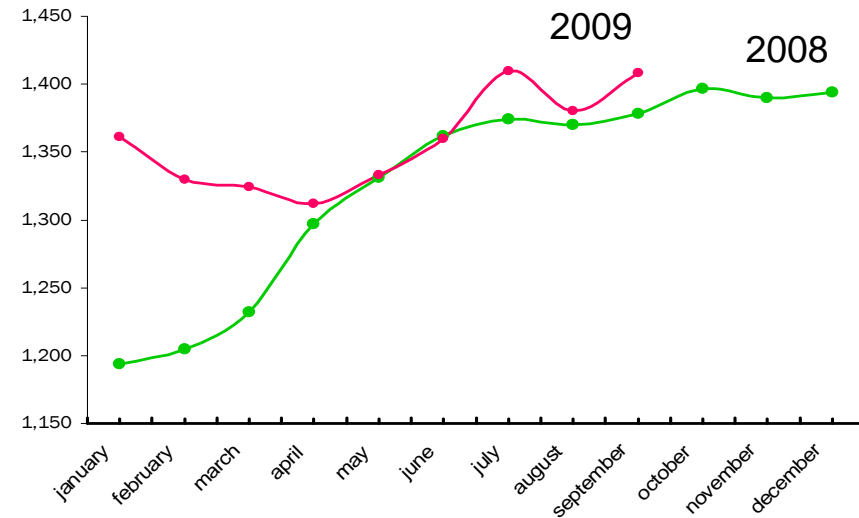


Factoring (€ m)



Market share 10.7%

Confirming (active contracts)



Market share 9.6%

We continue to improve our market share in commercial credit (7.81%)

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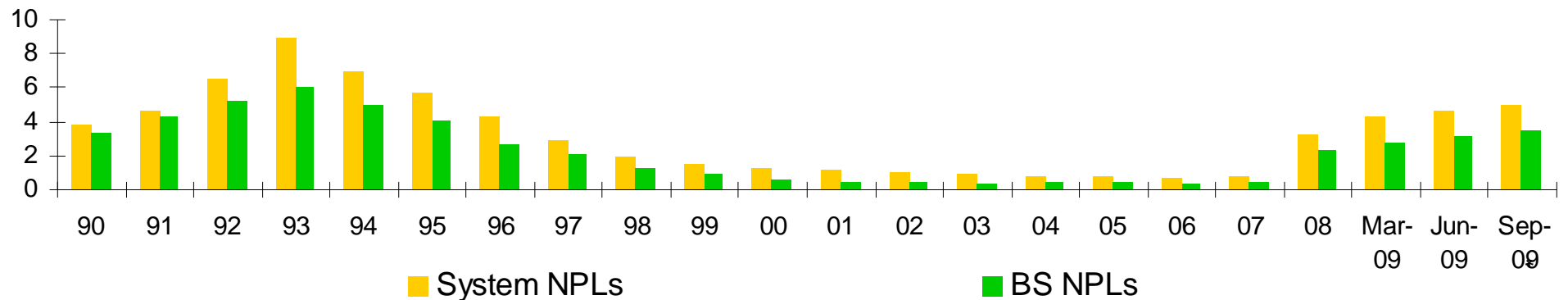
4. Optima program

5. Summary

NPL ratio



	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09
NPL ratio BS	0.62%	0.85%	1.59%	2.35%	2.82%	3.19%	3.47%
NPL ratio system	1.20%	1.70%	2.63%	3.37%	4.27%	4.60%	4.99%*
GAP (p.b)	58	85	104	102	145	141	152

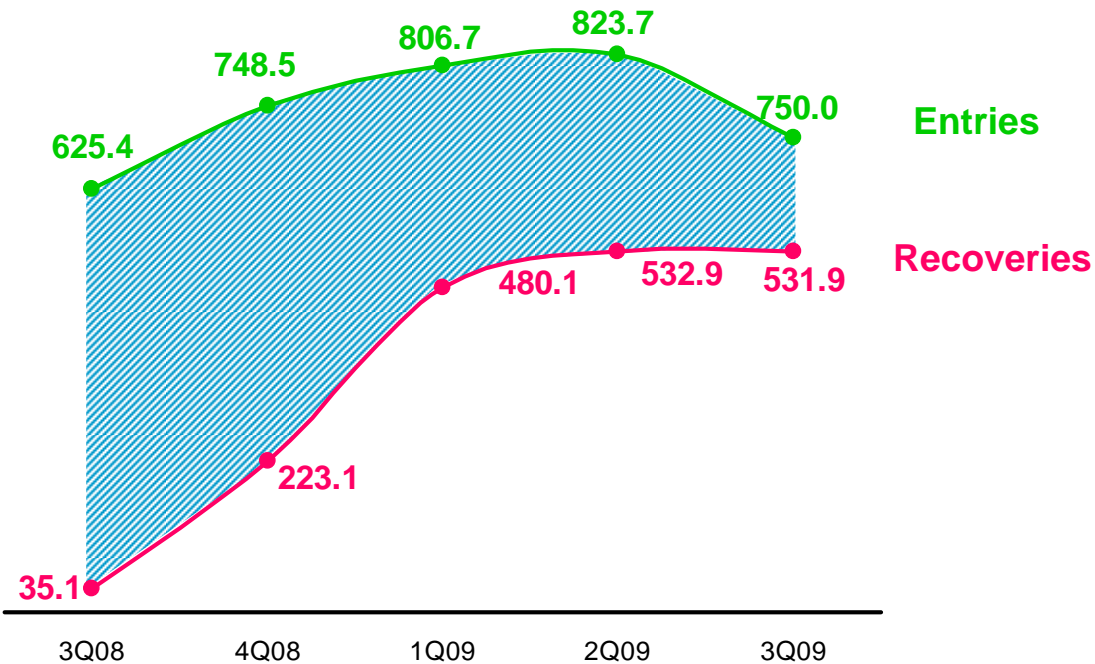


Continued improvement of gap vs. the rest of the sector

Improving the gap between entries and recoveries



Evolution of entries and recoveries

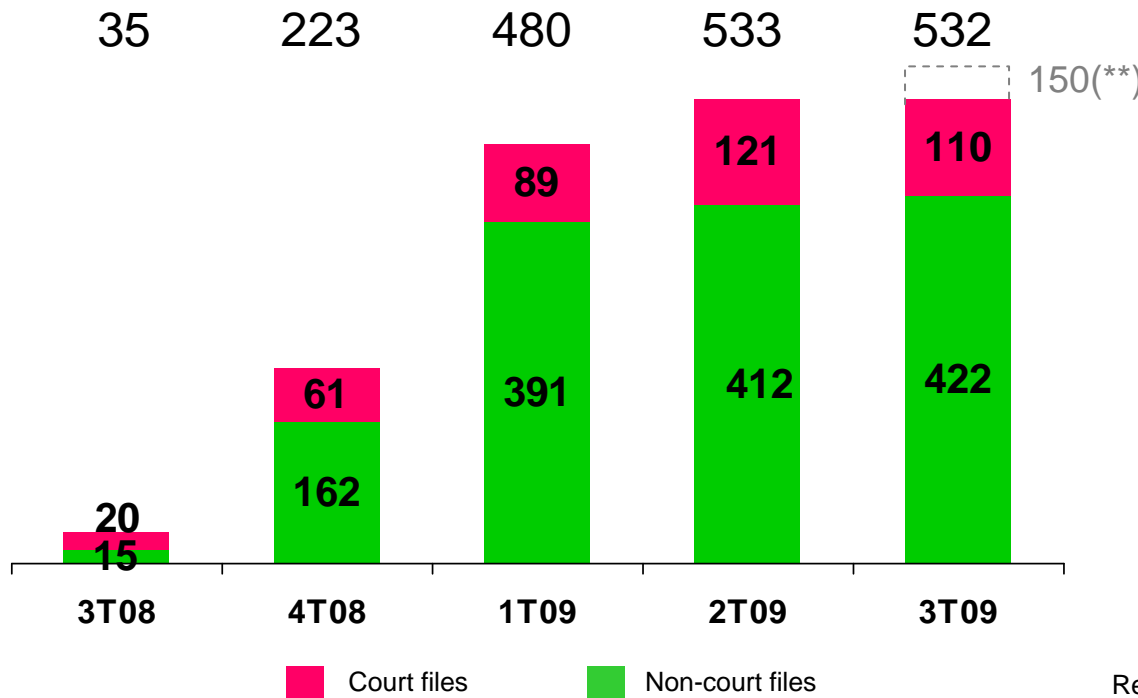


	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Entries	213.2	244.0	625.4	748.5	806.7	823.7	749.9
Recoveries	-59.9	-42.2	-35.1	-223.1	-480.1	-532.9	-531.9
Write-offs	-39.4	-24.5	-40.9	0.5	-1.7	-25.4	-9.1
Quarterly change on NPL	113.9	177.3	549.5	525.8	324.8	265.4	208.9

Recoveries analysis

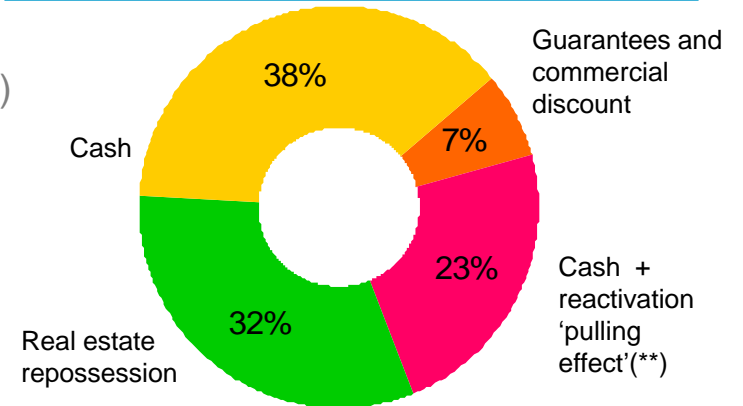


Evolution of court and non-court recovery files

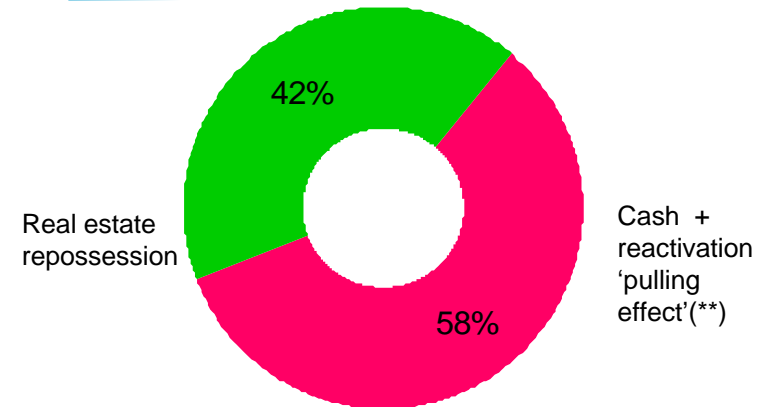


** Adjusting for August seasonality

Court file recoveries (9M09)



Non-court file recoveries (9M09)



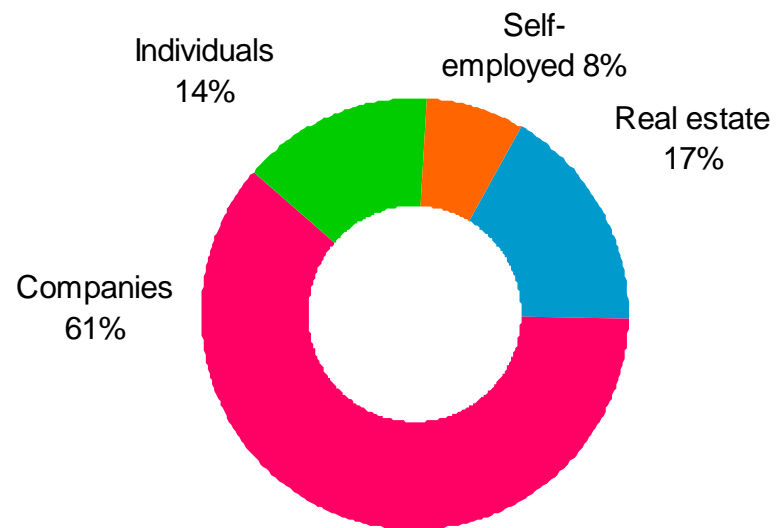
The pulling effect explains 87.5% of non-court filings

Note: The 'pulling effect' means that all the debt goes into NPL even if the unpaid instalment is only a fraction of the total debt.

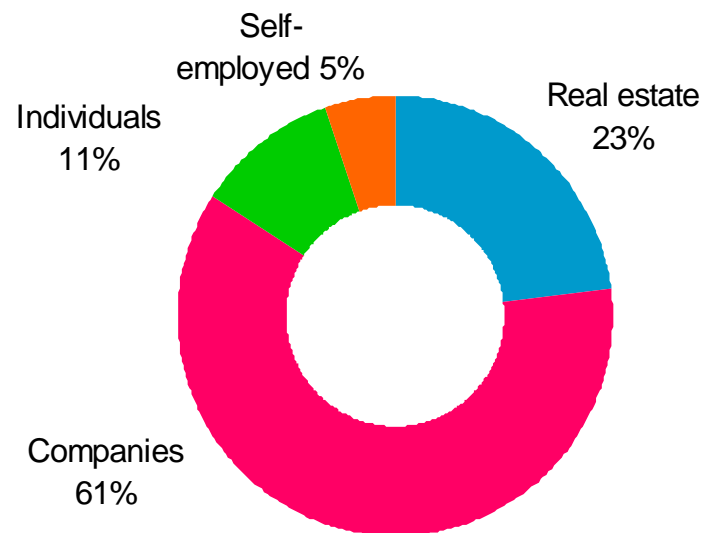
NPL ratio: New entries and recoveries by segments



NPL new entries



Recoveries



NPL by segments

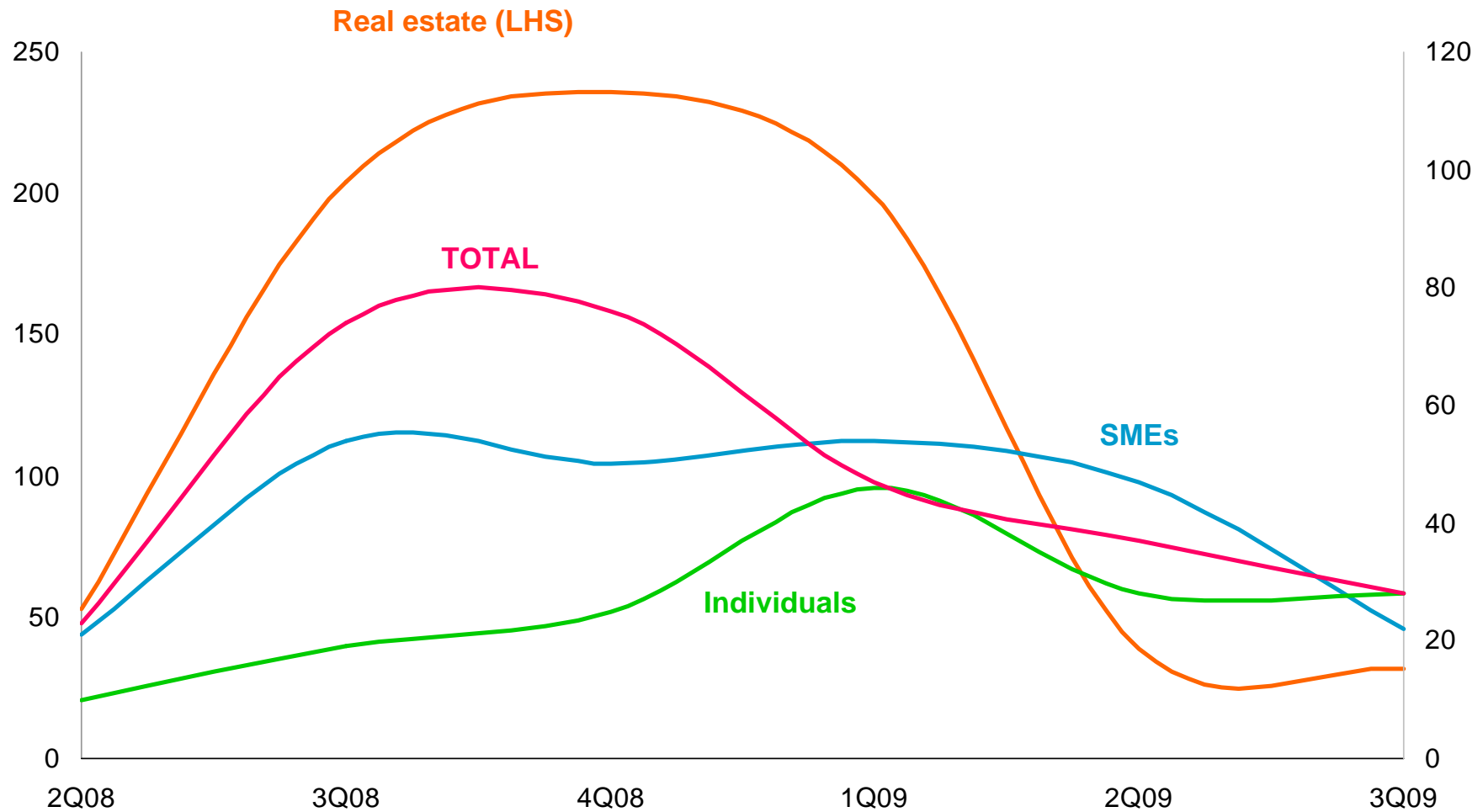


	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09
Companies	0.35%	0.52%	1.28%	2.02%	2.54%	2.89%	2.97%
SME	0.84%	1.07%	1.37%	2.17%	2.18%	2.77%	3.12%
Small retailers and self-employed	1.04%	1.10%	1.37%	1.68%	2.42%	2.92%	3.59%
Real Estate development	0.42%	0.95%	2.99%	5.35%	7.34%	7.73%	8.05%
Mortgages to individuals	0.47%	0.57%	0.75%	1.12%	1.48%	1.69%	1.99%
Individual others	1.88%	1.98%	2.44%	3.21%	4.24%	4.91%	5.53%
Total	0.62%	0.85%	1.59%	2.35%	2.82%	3.19%	3.47%

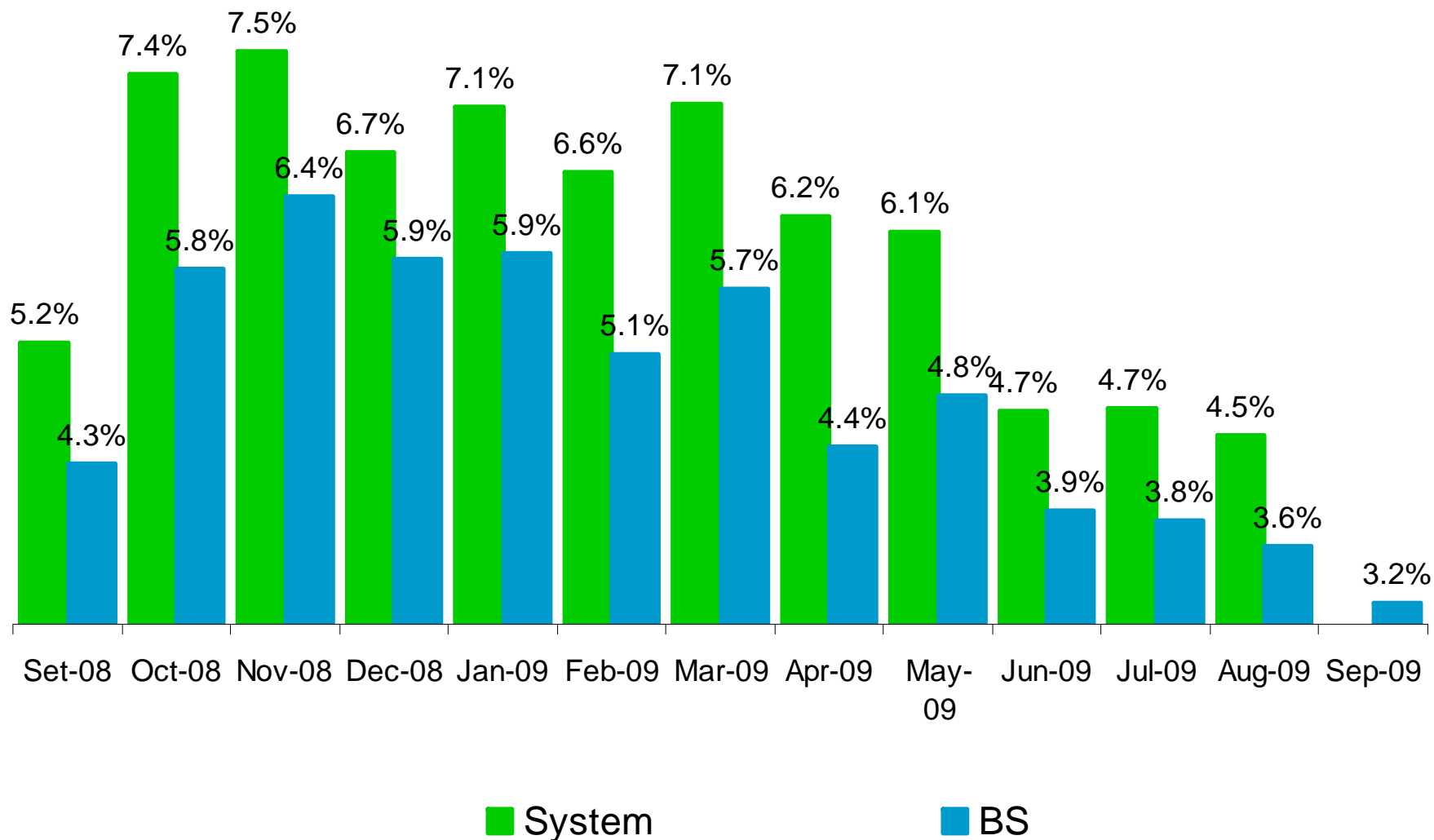
NPL by segments



Quarterly cost of risk evolution



Evolution of non-performing commercial discount

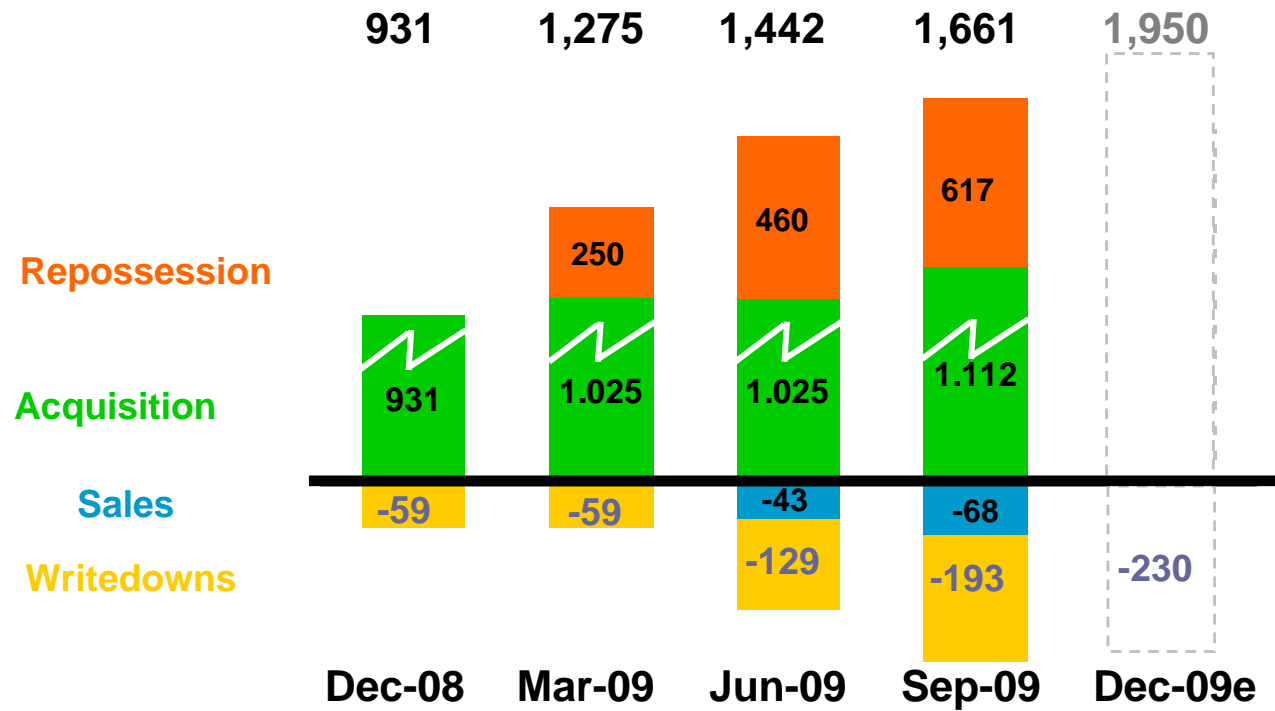


Source system: National Institute of Statistics (INE).

Solvía. Real estate assets



Portfolio evolution and writedowns



Significant provisioning effort

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The transformation plan continues to move forward ...



Branch network

- ✓ 1,44 FTEs* Back-office FTEs* per branch (1,95 dec-07)
- ✓ 572 back-office personnel reduction since the beginning of the program, increasing our commercial capacity

Service centers

- ✓ Services Global Center set up, concentrating headquarters' activity for the branch network
- ✓ 3 Regional Administrative Centers open (RAC): Service-related facility rolled out, asset-related facility in its final roll-out stage in Catalunya.
- ✓ Foreign trade facility streamlined down to 25 operational centers, from 63 previously

* FTE= Full Time Equivalents

... and positive impact on efficiency



Widespread implementation of digital processing, centralized workflow management system and advanced tracking system have resulted in a 36% efficiency improvement in the businesses where these measures have been applied.

Digital processing

Advanced tracking tool

Workflow management system

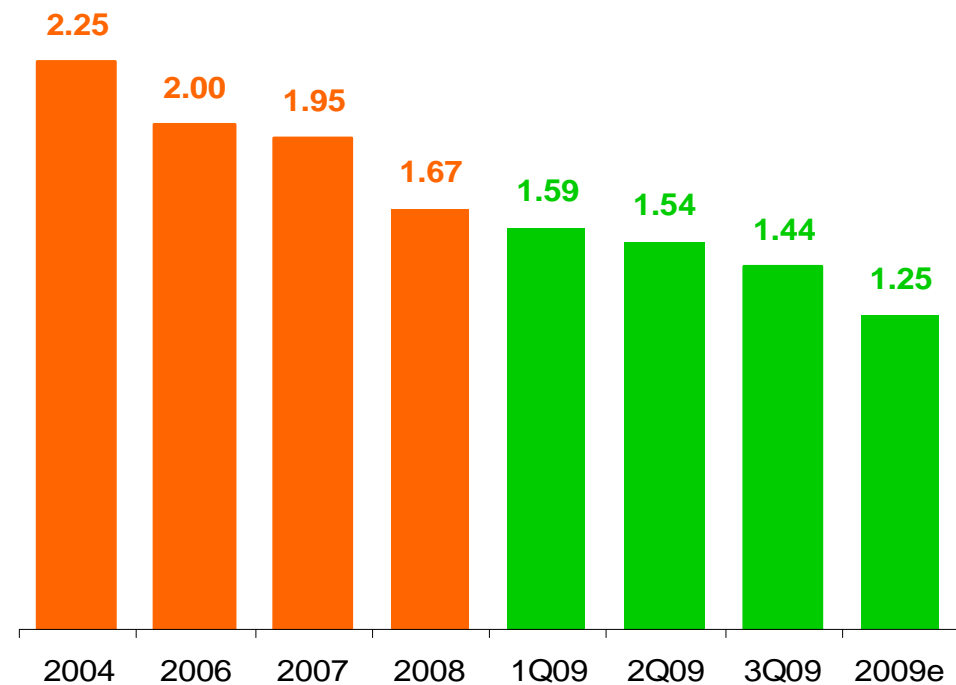
36%
Efficiency improvement
due to Optima 09

... and positive impact on efficiency



The operating efficiency program continues to reduce back office time at the branch level

FTEs*



2009 YTD

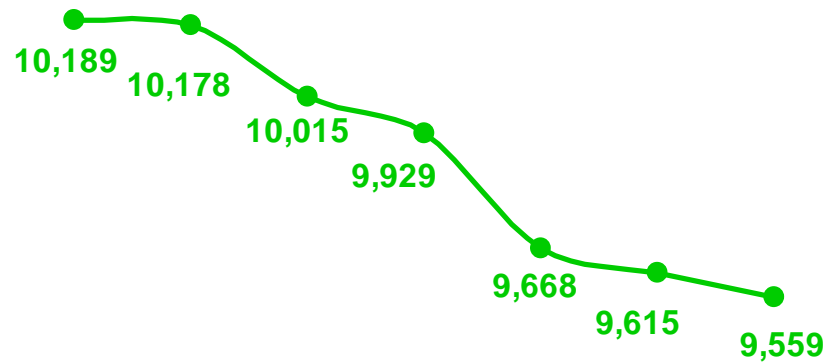
-280 FTE

*FTE= Full Time Equivalents

... and positive impact in efficiency

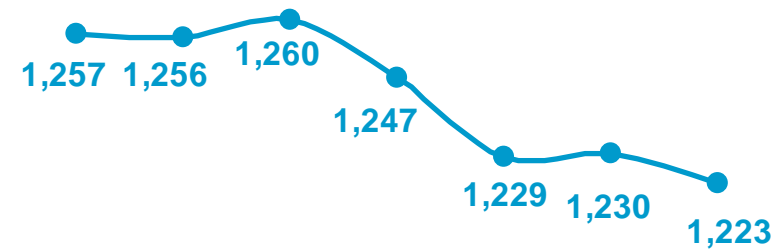


Number of employees



1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09

Number of branches

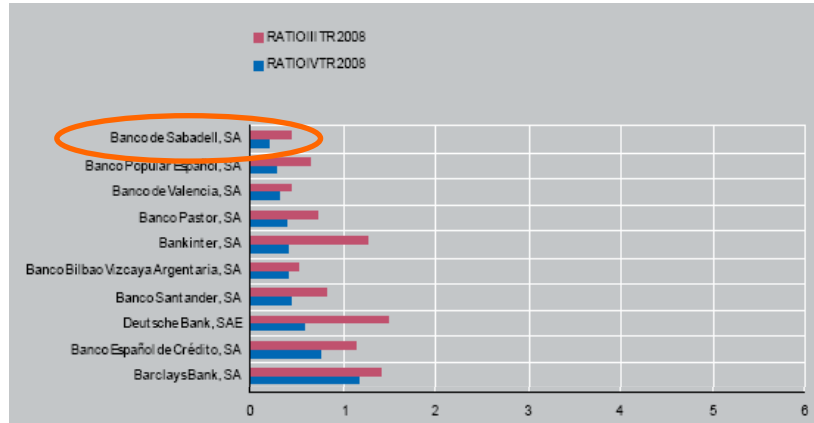


1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09

Service quality and awards

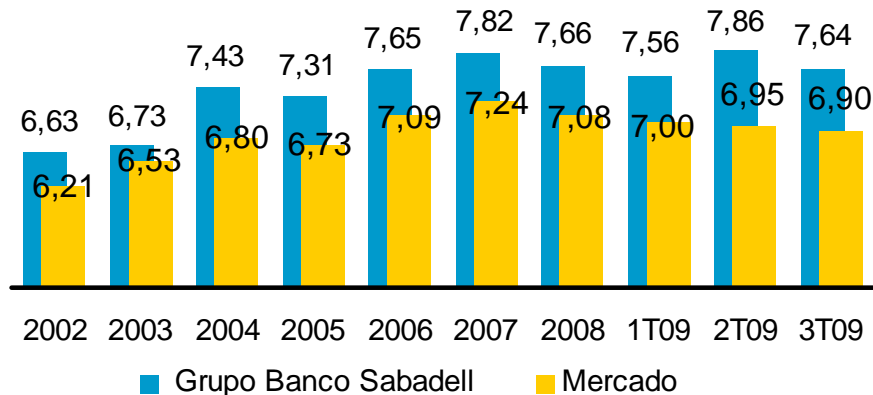


Ranking in service quality ¹



The only Spanish financial institution with a global ISO 9001 quality certificate

Ranking in retail banking network independent quality surveys²



Renewal of the Global Award of European Excellence



Source: ¹ Bank of Spain, 4Q08 Bulletin

² STIGA, "RCB Objective Quality in Retail Banking Networks" 2Q09.

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Focus on active margin management policies

An inflexion point in fee income with a positive outlook

Excellent cost management performance

Conservative provisioning / asset quality under control

We continue to manage our solid capital base



Banco Sabadell

El valor de la confianza