



The Value of Trust



May 2009

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1. Introduction to Banco Sabadell

2. 1Q09 Results

3. Asset quality management

4. Funding strategy

5. Appendix

- ✓ Overview of the Spanish financial system

- ✓ Spanish economic environment

Banco Sabadell. Highlights

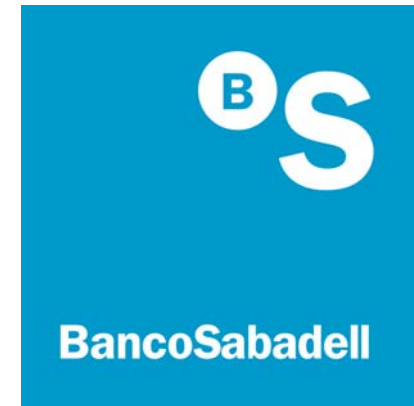


Fourth largest banking group
in Spain⁽¹⁾

Top player in SMEs and Affluent
Individuals⁽²⁾ segment

A benchmark European banking
consolidator

Focused on productivity enhancement



Notes: (1) In terms of total assets excluding savings banks. (2) Individuals with annual net income >€60,000.

Banco Sabadell. Milestones



Acquisition of the Private Banking Business of BBVA (US). Sale of the 50% of BS's Insurance Business

2008

Acquisition of Banco Urquijo, becoming the 2nd largest institution in domestic private banking⁽¹⁾.

2006

Successful bid for Banco Atlántico. The Bank consolidated its position as the 4th largest group in the Spanish banking sector.

2004

2003

Acquisition of the NatWest España Group and its subsidiary Banco de Asturias, becoming the 6th largest bank in Spain.

2001

1996

The international expansion started with the opening of the first foreign branch in London.

1988

1978

A group of 127 businessmen and traders from Sabadell founded the Bank with the purpose of financing local industry.

1965

1881

Acquisition of TransAtlantic Bank (US)

Capital increase and inclusion in the IBEX-35 index. Technological and operational merger and integration of Banco Atlantico.

BS floated on the stock market. Closing of Banco Herrero deal. The Bank moved up to 4th place in the ranking of Spanish banks.

Set up of Sabadell Banca Privada, a bank specialised in equity management and private banking.

The branch network expansion into nearby towns started.

Strengths



Organised by business

Focused on SME and affluent segments

A domestic reference in foreign trade

Multibrand and multichannel

State-of-the-art technology platform

Strict risk management policies

Leaders in quality of service

Defined and transparent Corporate Governance



Organized by businesses



Multibrand & multichannel



1,207

Branches in Spain

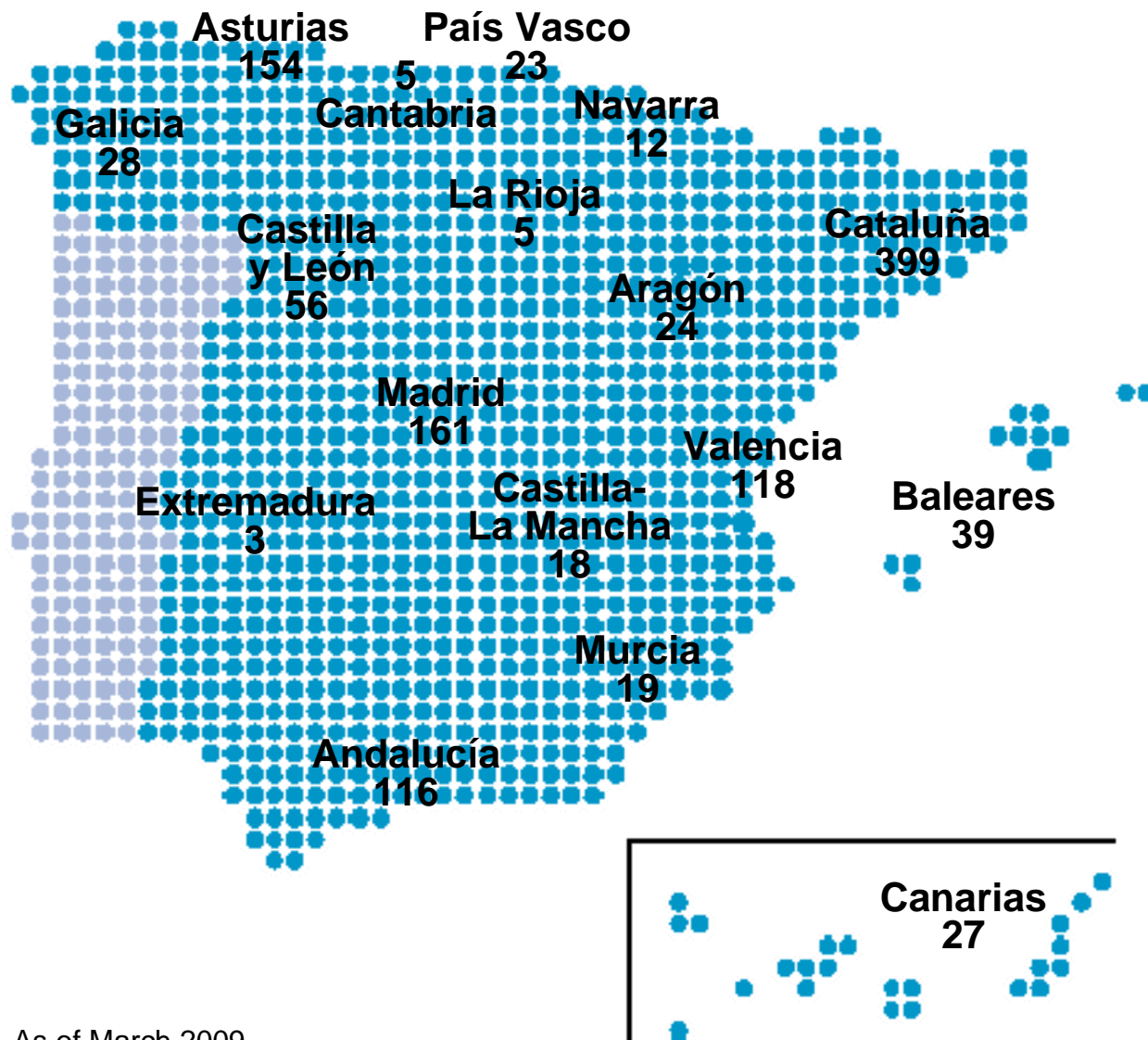
Commercial Banking
1,126

SME Banking
64

Private Banking
14

22

International Network



As of March 2009

A domestic reference in foreign trade



We support our clients in their international activity



Branches	Representative offices	Associated banks	Banking Subsidiaries
● 3	● 10	● 3	● 2

11.7%
Import market share*

21.2%
Export market share*

BS International

True value proposal

Presence in strategic markets

Agreements with international trade promoters

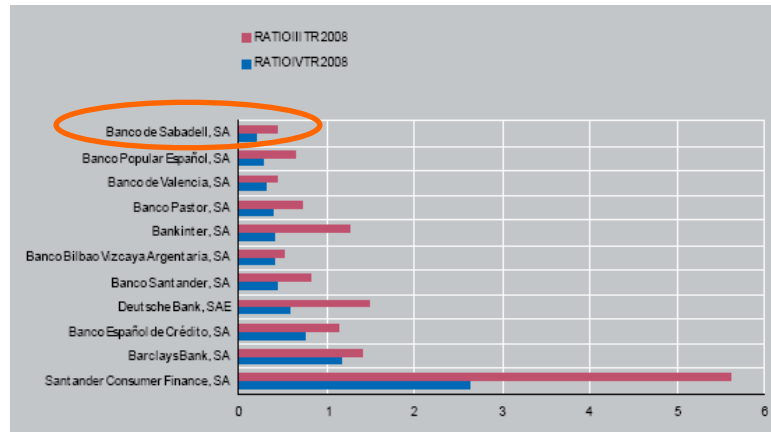
Specialised services

*Documentary letter of credit market share

Service quality and awards

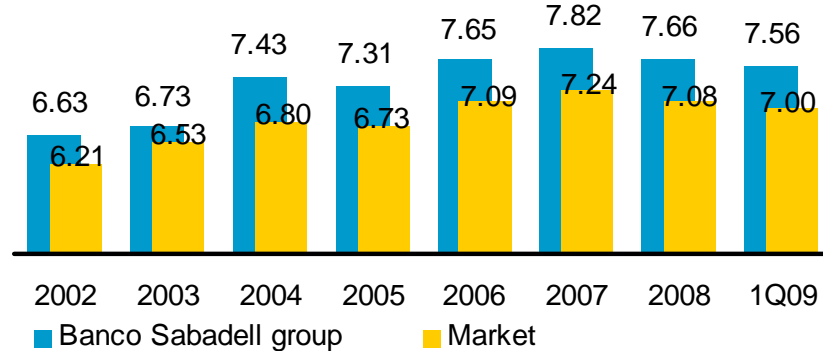


Ranking in service quality ¹



The only financial institution with a Global ISO 9001 quality certificate

Ranking in retail banking network independent quality surveys ²



Renewal of the Gold Award of European Excellence



Source: ¹ Bank of Spain, 4Q08 Bulletin

² STIGA. "RCB Objective Quality in Retail Banking Networks" 1Q09

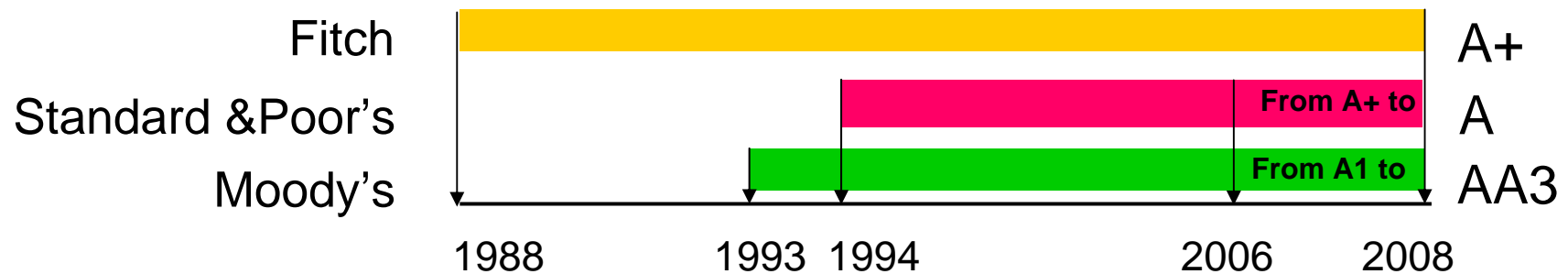
Ratings



Qualifications

	Indiv.	Short	Long	Outlook	Other
Fitch	B	F1	A+	Negative	Support 3
Standard & Poor's	---	A1	A	Stable	---
Moody's	---	Prime 1	AA3	Stable	Financial Strength B-

From ...





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✓ Overview of the Spanish financial system

✓ Spanish economic environment

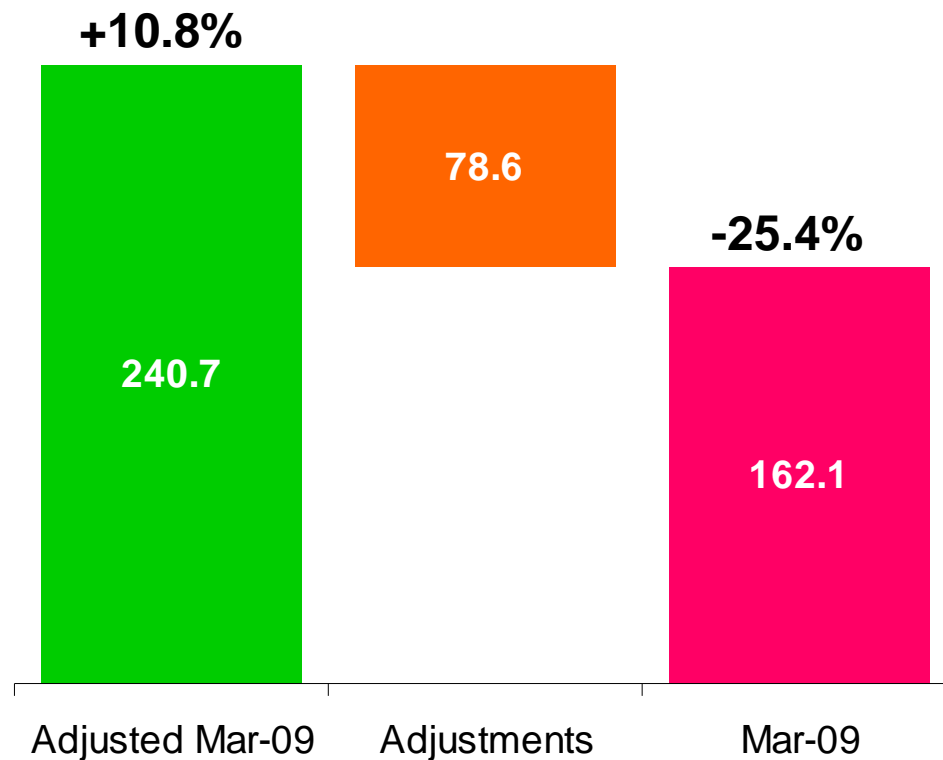
A quarter with significant adjustments ...



	Mar-09	Adjustments	Mar-09 adjusted	09/08 (%) adjusted
Net interest income	394,6		394,6	13,7%
Dividends and equity method income	17,3		17,3	18,8%
Net fees and commissions	134,9		134,9	-2,8%
Trading income and Forex	29,2		29,2	-22,0%
Other operating income/expense	2,6		2,6	-67,9%
Gross operating income	578,5		578,5	6,0%
Personnel expenses	-189,7	31,6	-158,1	3,0%
Other general expenses	-73,7		-73,7	2,1%
Amortization and depreciation	-33,8		-33,8	6,3%
Adjusted pre-provision operating income	281,3		312,8	8,5%
Provisions for NPLs and other impairments	-149,0	137,9	-11,1	-72,2%
Generic provision	0,0	96,0		
Substandard provision	-41,9	41,9		
Gains on sale of assets	30,5		30,5	--
Taxes and others	-0,7	-90,8	-91,5	--
Discontinued transactions	0,0		0,0	--
Adjusted attributable net profit	162,1	78,6	240,7	10,8%

Euros in millions

... to keep the overcoverage ...



coverage (%)	Net profit	
	€m	09/08 (%)
72%	493	+126%
85%	310	+43%
90%	241	+11%
97%	162	-25%

The most meaningful adjustments are the no consumption of generic fund and the substandard provision

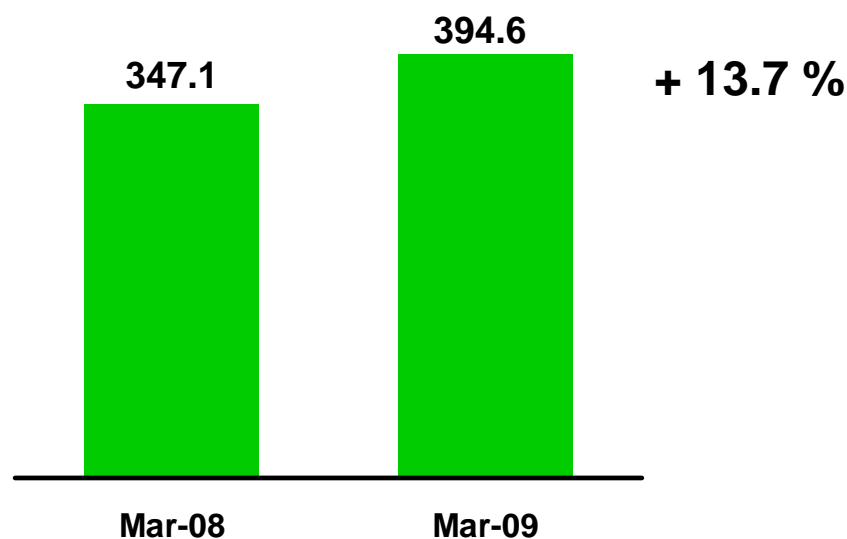
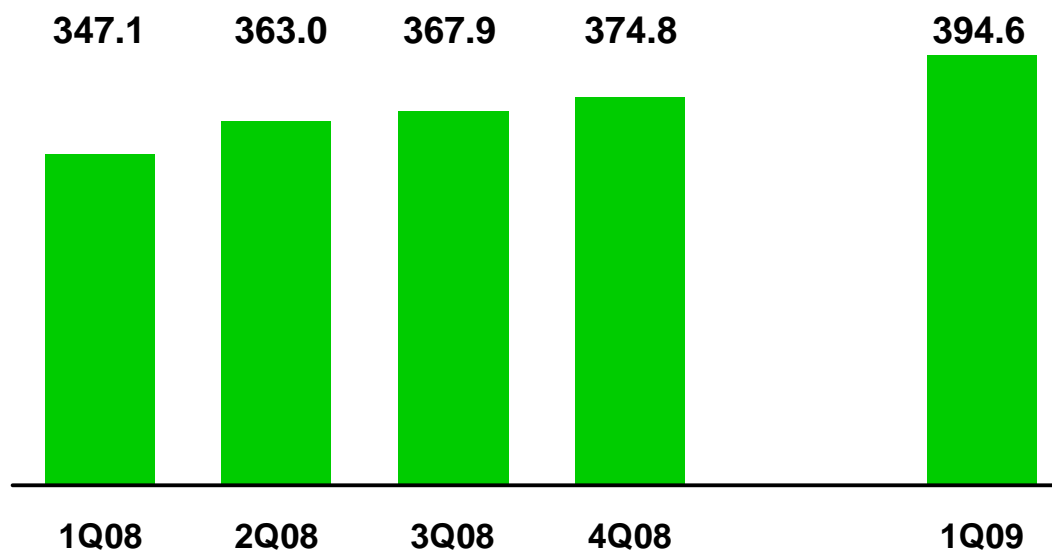
... leads to reduce our net profit



	Mar-08	Mar-09	09/08 (%)
Net interest income	347.1	394.6	13.7%
Dividends and equity method income	14.6	17.3	18.8%
Net fees and commissions	138.8	134.9	-2.8%
Trading income and Forex	37.4	29.2	-22.0%
Other operating income/expense	8.0	2.6	-67.9%
Gross operating income	545.9	578.5	6.0%
Operating expenses	-225.8	-263.4	16.6%
Depreciation and amortization	-31.8	-33.8	6.3%
Pre-provision operating income	288.3	281.3	-2.4%
Provisions for NPLs and other impairments	-40.1	-148.9	271.3%
Gains on sale of assets	20.1	30.5	52.0%
Taxes and others	-56.6	-0.8	-98.6%
Discontinued transactions	5.6	0.0	***
Attributable net profit	217.3	162.1	-25.4%

Euros in millions

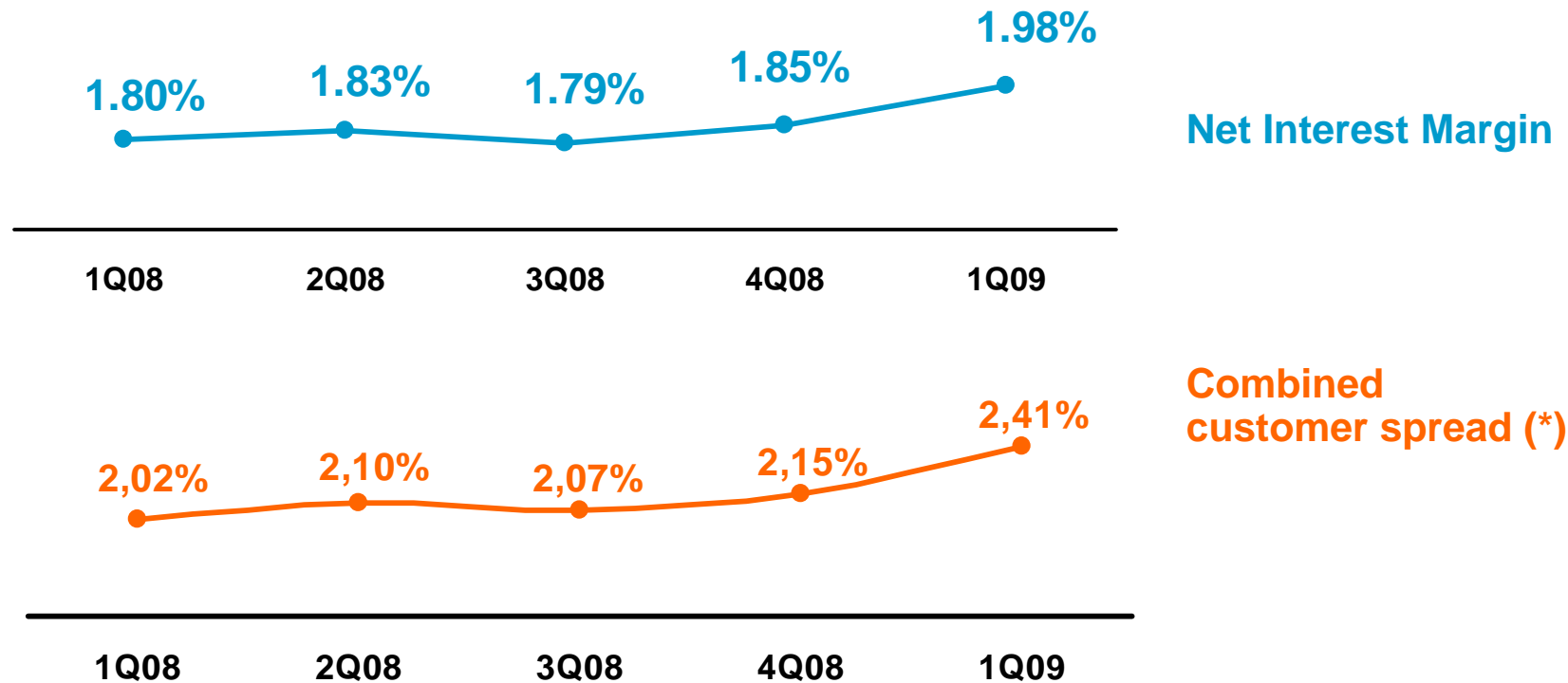
A sound margin evolution ...



Euros in millions

	Mar-09
NII	394.6
Dividends	4.3
Equity Method	13.0
Commissions	134.9
Trading income	19.8
Forex	9.4
Other op. results	2.6
Gross Op. Income	578.5
Personnel exp.	-189.7
Administration exp.	-73.7
Amort. & deprec.	-33.8
Pre-provision Op. Income	281.3
Prov. For NPLs and others	-148.9
Gains on sale of assets	30.5
Taxes and others	-0.8
Disc. Transactions	0.0
Attr. Net Profit	162.1

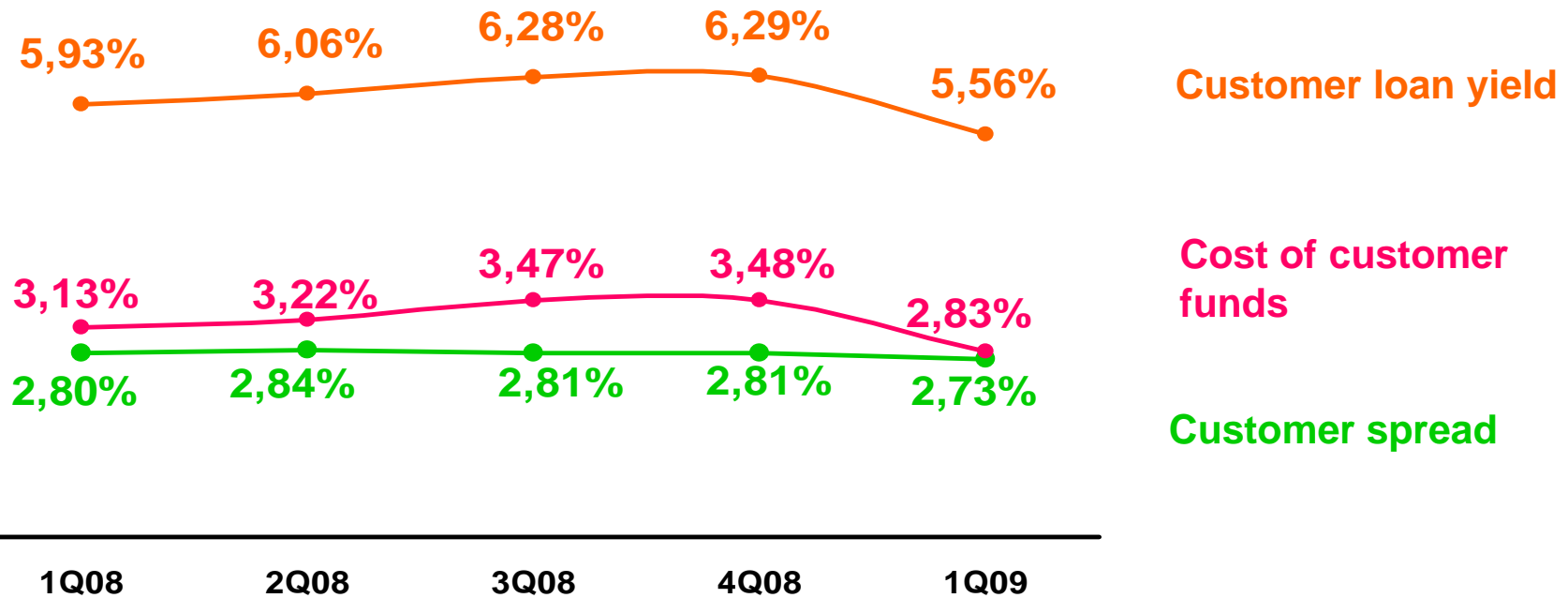
... with increasing NIM



Our position is defined for the current interest rates environment

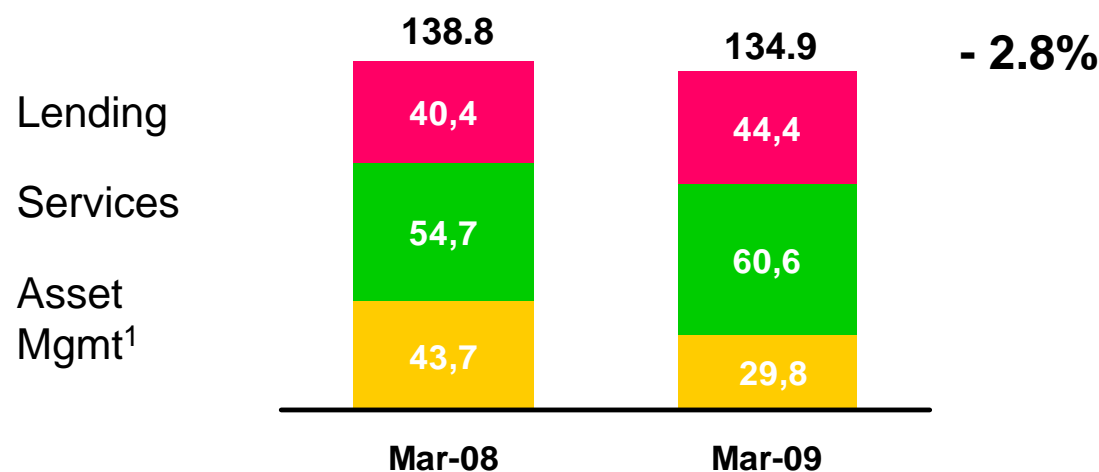
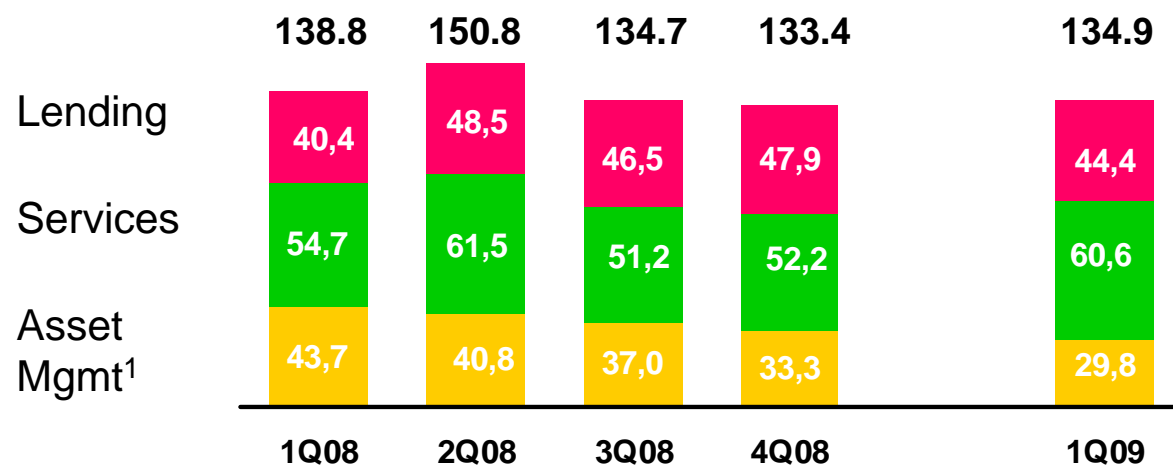
(*) Combined spread: Asset yield – (cost of customer funds + cost of wholesale funding). In percentage

We manage actively the assets and liabilities spread



Limited impact in the customer spread

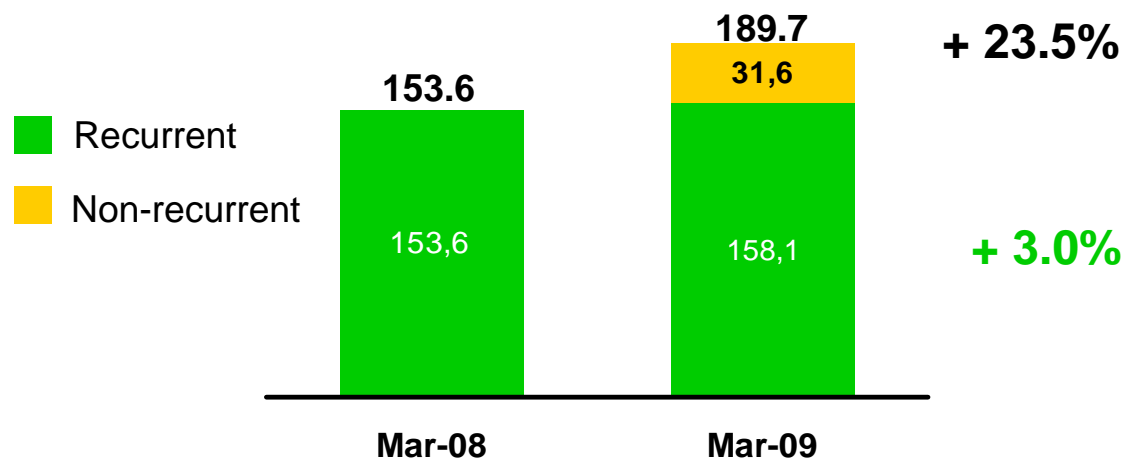
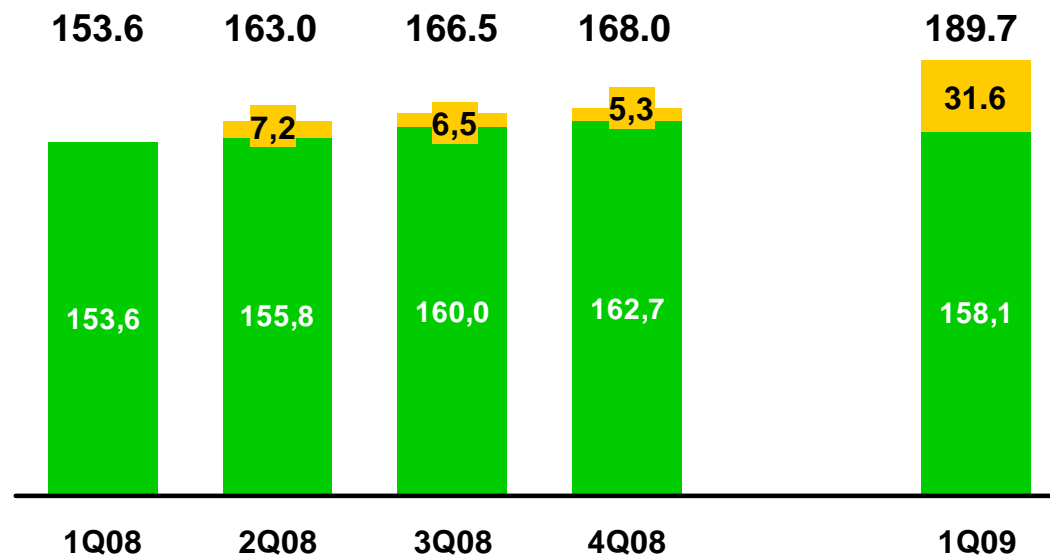
Commissions reflect a good trend



Mar-09	
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Other op. results	2.6
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Personnel exp.	-189.7
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Amort. & deprec.	-33.8
Pre-provision Op. Incom	281.3
Prov. For NPLs and others	-148.9
Gains on sale of assets	30.5
Taxes and others	-0.8
Disc. Transactions	0.0
Attr. Net Profit	162.1

¹ It includes mutual funds commissions and pension funds and non-life insurance brokerage
Euros in millions

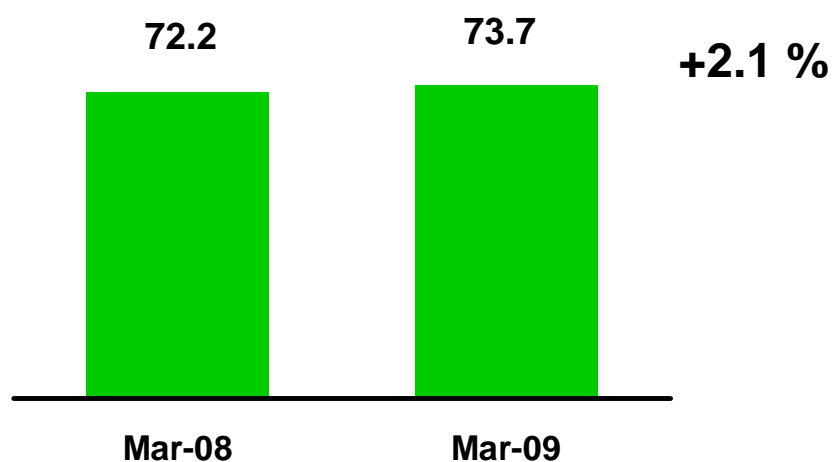
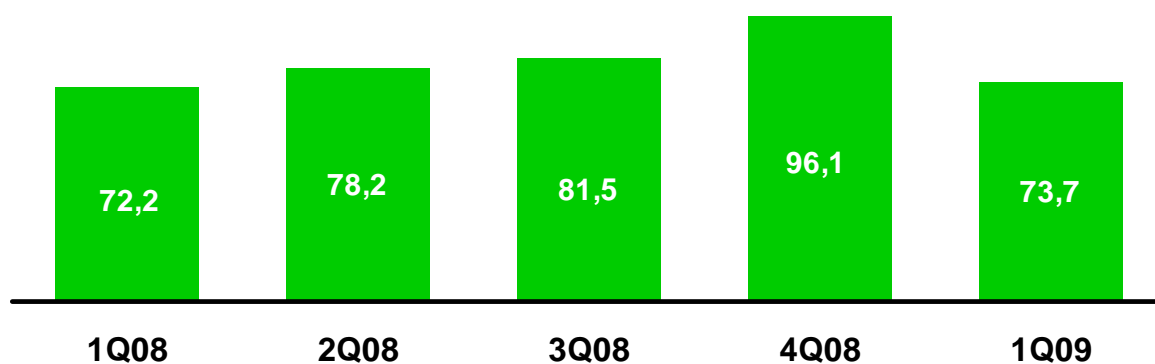
We take advantage on the revenues to charge non-recurrent costs



Euros in millions

	Mar-09
NII	394.6
Dividends	4.3
Equity Method	13.0
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Gains on sale of assets	30.5
Taxes and others	-0.8
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Attr. Net Profit	162.1

Administrative expenses



Euros in millions

Mar-09

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Dividends	4.3
Equity Method	13.0
Commissions	134.9
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Attr. Net Profit	162.1

The quality of our revenues allows us to continue with extraordinary provisions



Provisions:

	1Q08	2Q08	3Q08	4Q08	1Q09
Generic	20.2	3.8	-10.1	-12.0	0.0
NPLs entry	13.2	6.5	55.4	46.1	11.0
Calendar effect	14.8	37.1	48.6	56.9	80.8
Extraordinary	0.2	10.1	214.0	85.3	41.9
Rest	-4.6	3.5	11.9	3.0	8.2
Total	43.8	61.0	319.8	179.3	141.9

Balance sheet provisions:

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

The level of our generic fund is the same as last year



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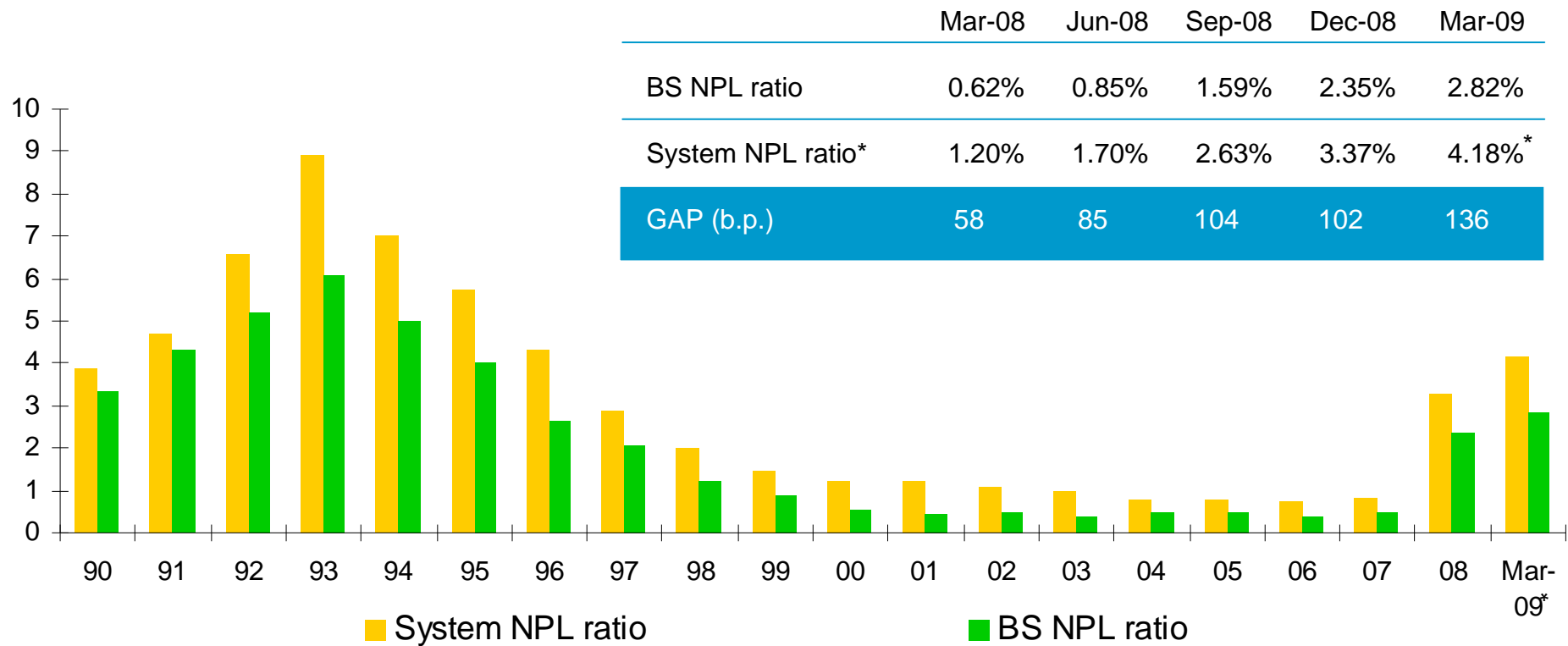
4. Funding strategy

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✓ Overview of the Spanish financial system

✓ Spanish economic environment

Strict risk management policies



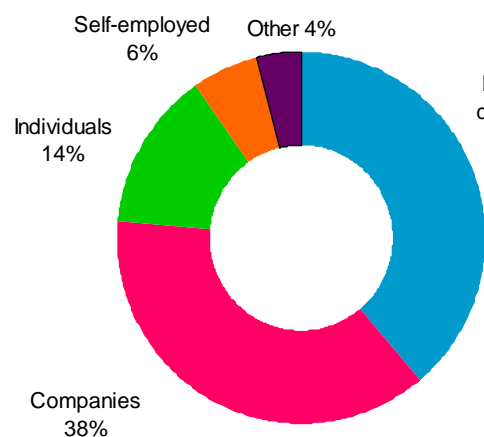
Source: Bank of Spain

* System as of February 2009

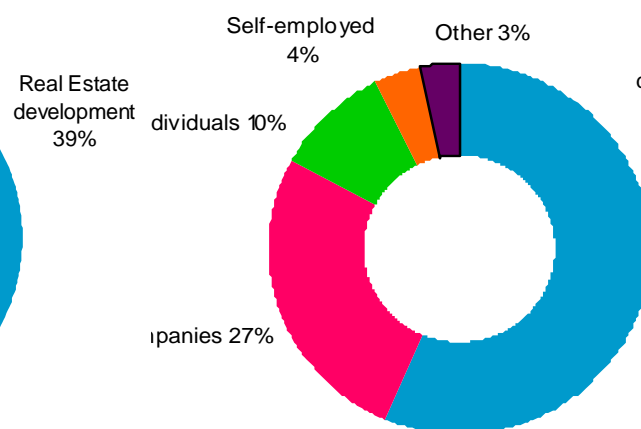
NPLs: new entry and recoveries by segments



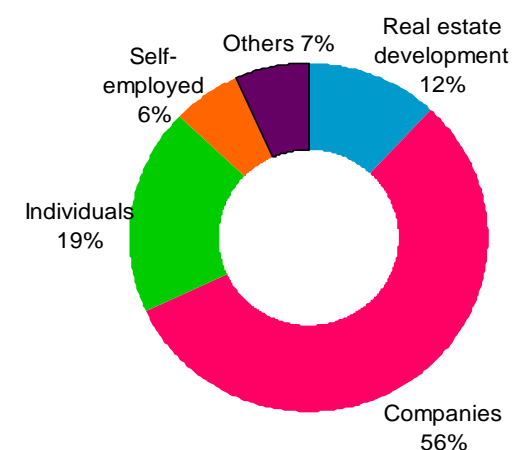
NPL new entry



Recoveries



Gross loans to customers



	1Q08	2Q08	3Q08	4Q08	1Q09
Entries	213.2	244.0	625.4	748.5	806.7
Recoveries	-59.9	-42.2	-35.1	-223.1	-480.1
Write-offs	-39.4	-24.5	-40.9	0.5	-1.7
Quarterly change of NPLs	113.9	177.3	549.5	525.8	324.8

NPL ratios by segments

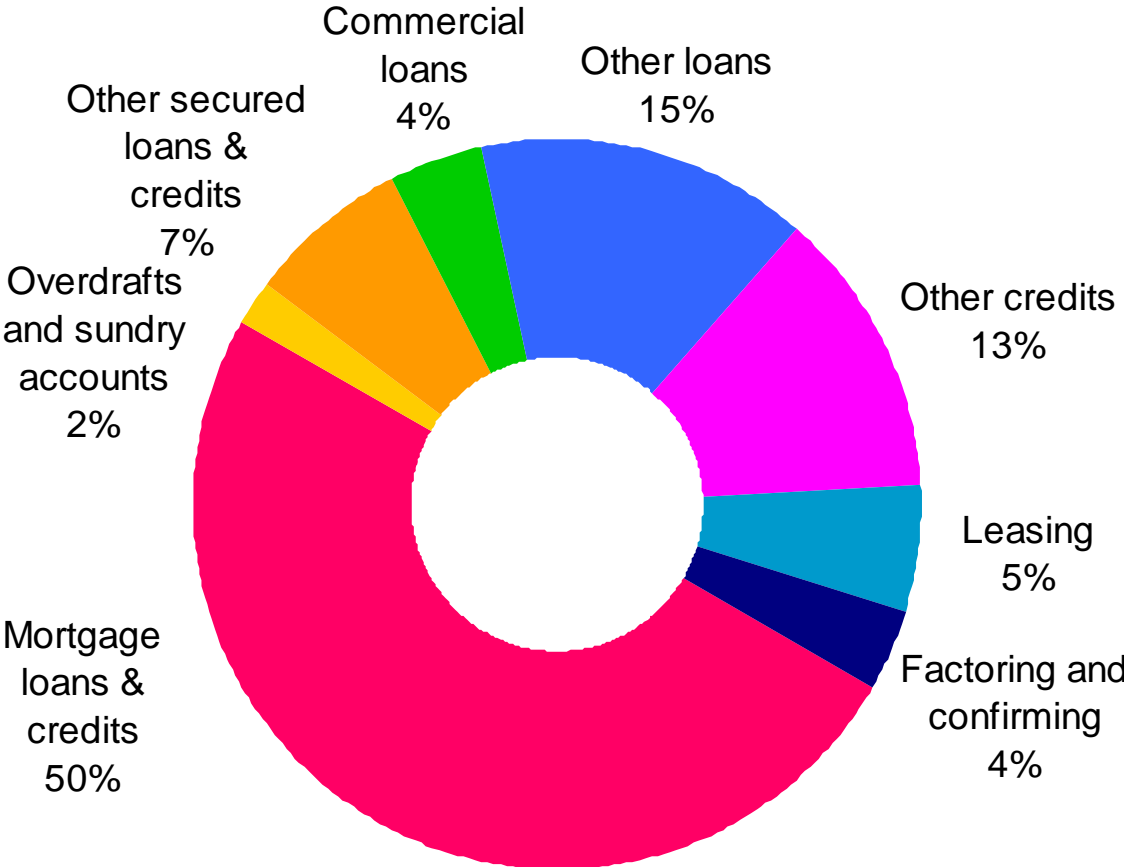


	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09
Companies	0.35%	0.52%	1.28%	2.02%	2.54%
SME	0.84%	1.07%	1.37%	2.17%	2.18%
Small retailers and self-employed	1.04%	1.10%	1.37%	1.68%	2.42%
Real estate activity	0.42%	0.95%	2.99%	5.35%	7.34%
Mortgages to individuals	0.47%	0.57%	0.75%	1.12%	1.48%
Individual others	1.88%	1.98%	2.44%	3.21%	4.24%
Total	0.62%	0.85%	1.59%	2.35%	2.82%

Gross loans to customers by type of product



Gross loans to customers breakdown by type of product





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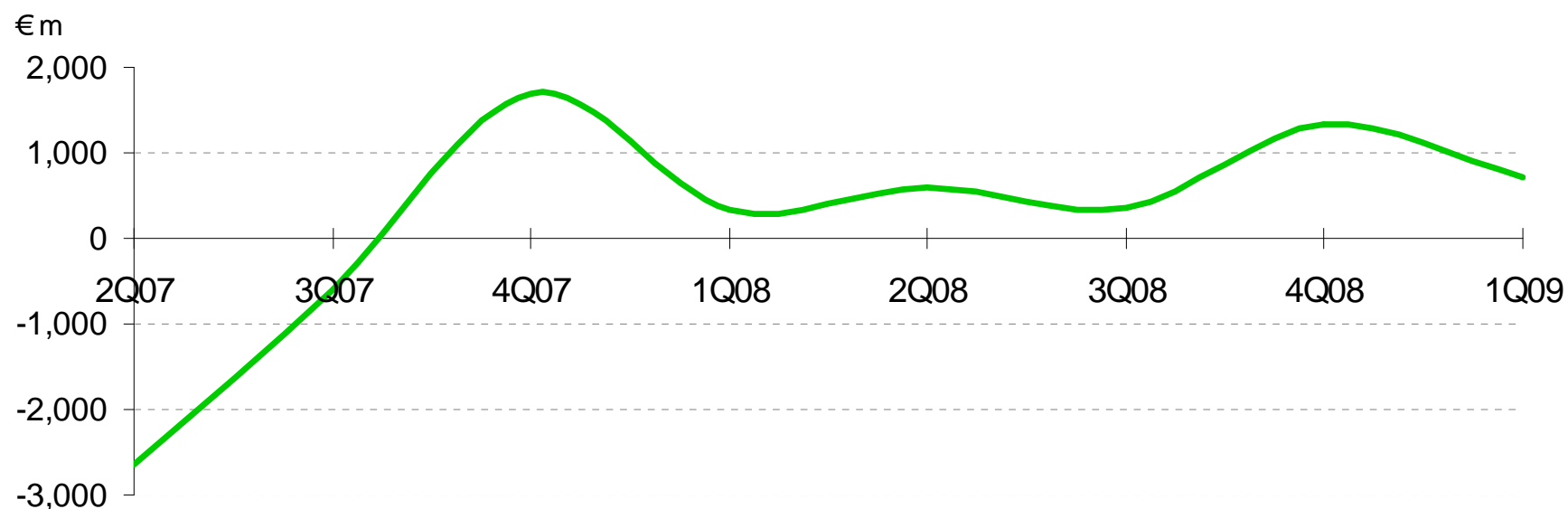
✓ Spanish economic environment

Deposits growth evidences customer confidence in BS



	1Q08	1Q09	YoY
On-balance sheet customer funds*	33,372	36,191	+8.4%
Fix-term deposits	18,210	22,117	+21.5%
Loans to customers	64,392	64,185	- 0.3%

Positive commercial *Gap*

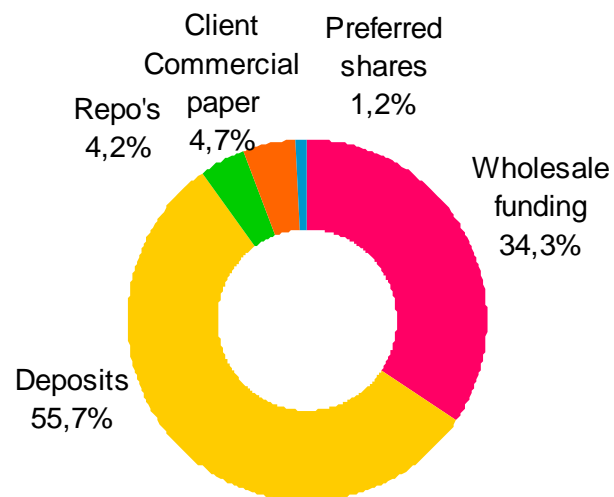


* Excludes repos and includes preferred shares placed in the network. March '08 adjusted for the deconsolidation effect of the insurance group.

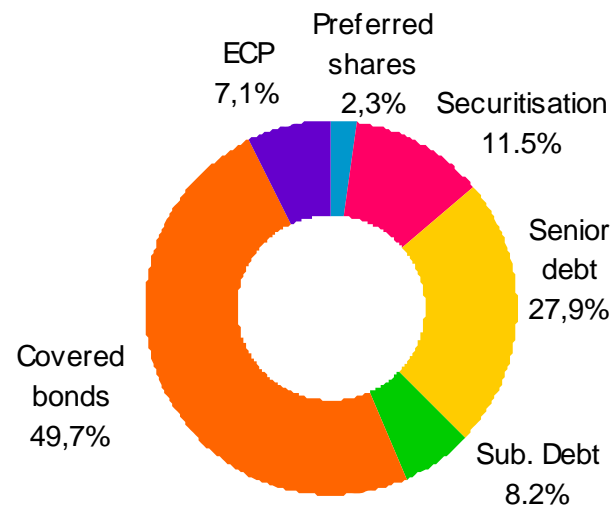
Funding strategy



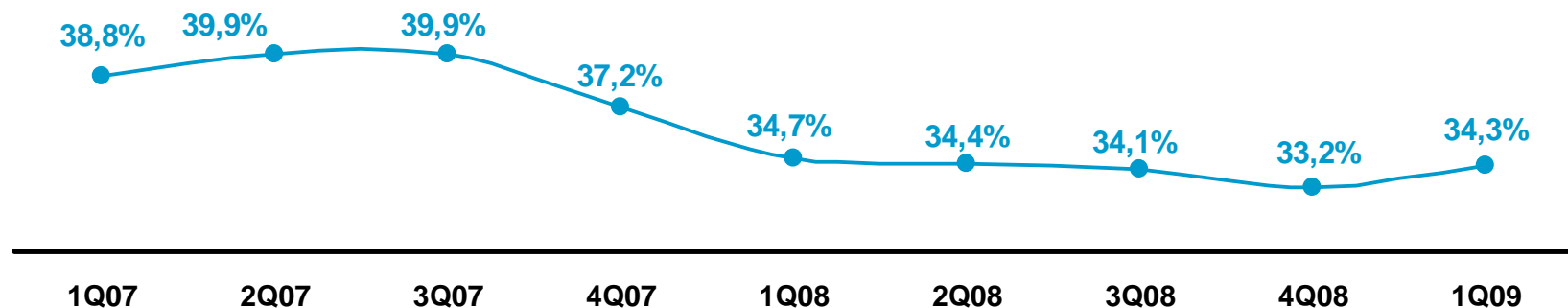
Funding structure



Wholesale funding breakdown

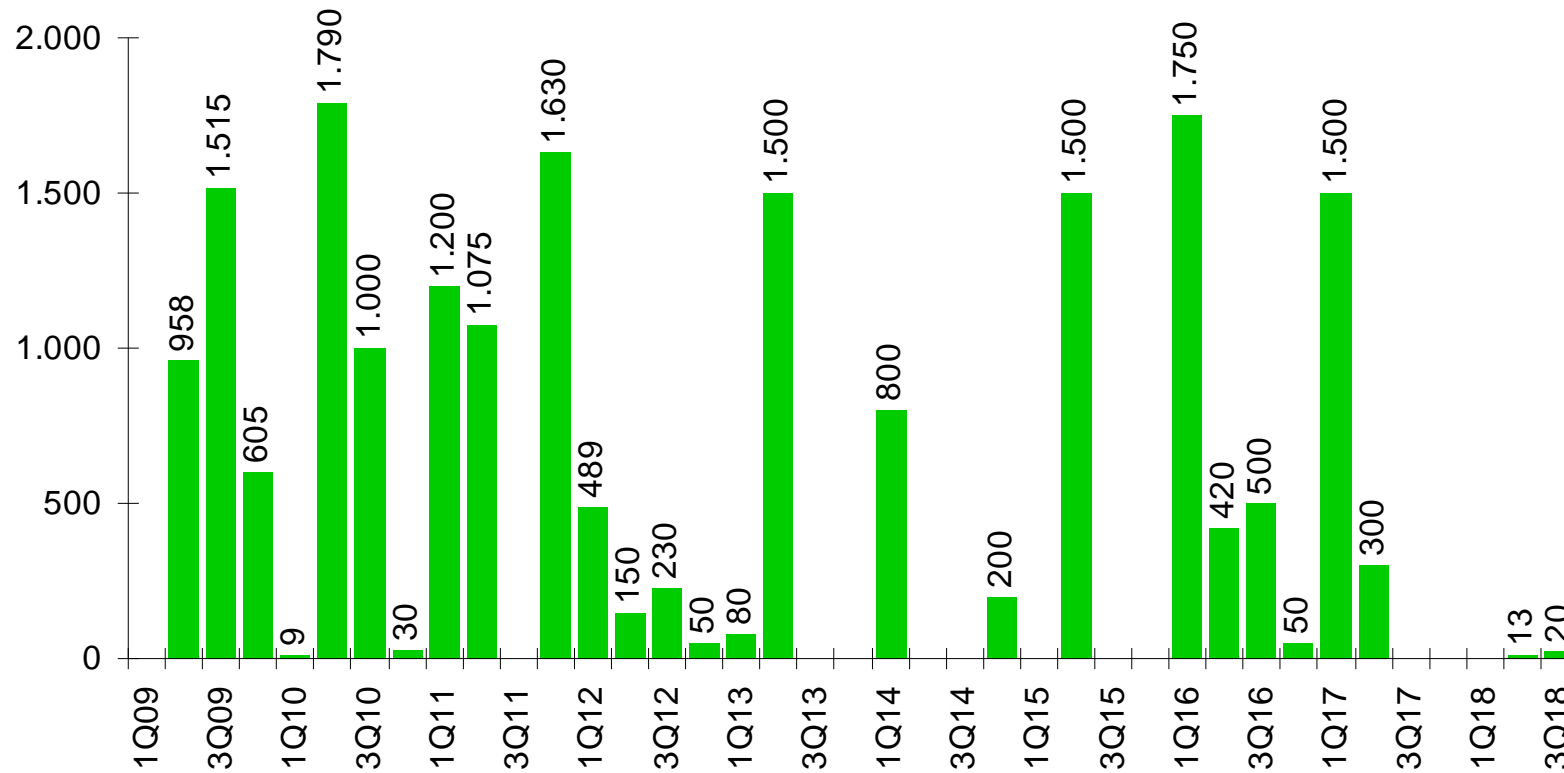


% Wholesale funding





Maturity Profile



- ✓ Diversified maturity profile.
- ✓ At 1Q09 Net Liquidity Position over 7bn.
- ✓ Daily liquidity control + sound Contingency Plan in place.



Cash tender offer in respect of up to €250 million of the outstanding amount of preferred shares issued in 2006 (Tier 1)

PRICE:

- 42,5% for investors who tendered the securities before April 6
- 40% for investors who tendered the securities by April 21

Authorised by the Bank of Spain

RESULT OF THE TENDER:

- Total amount tendered: € 151.9 million
 - Capital Gain *circa* € 95.7 million
-



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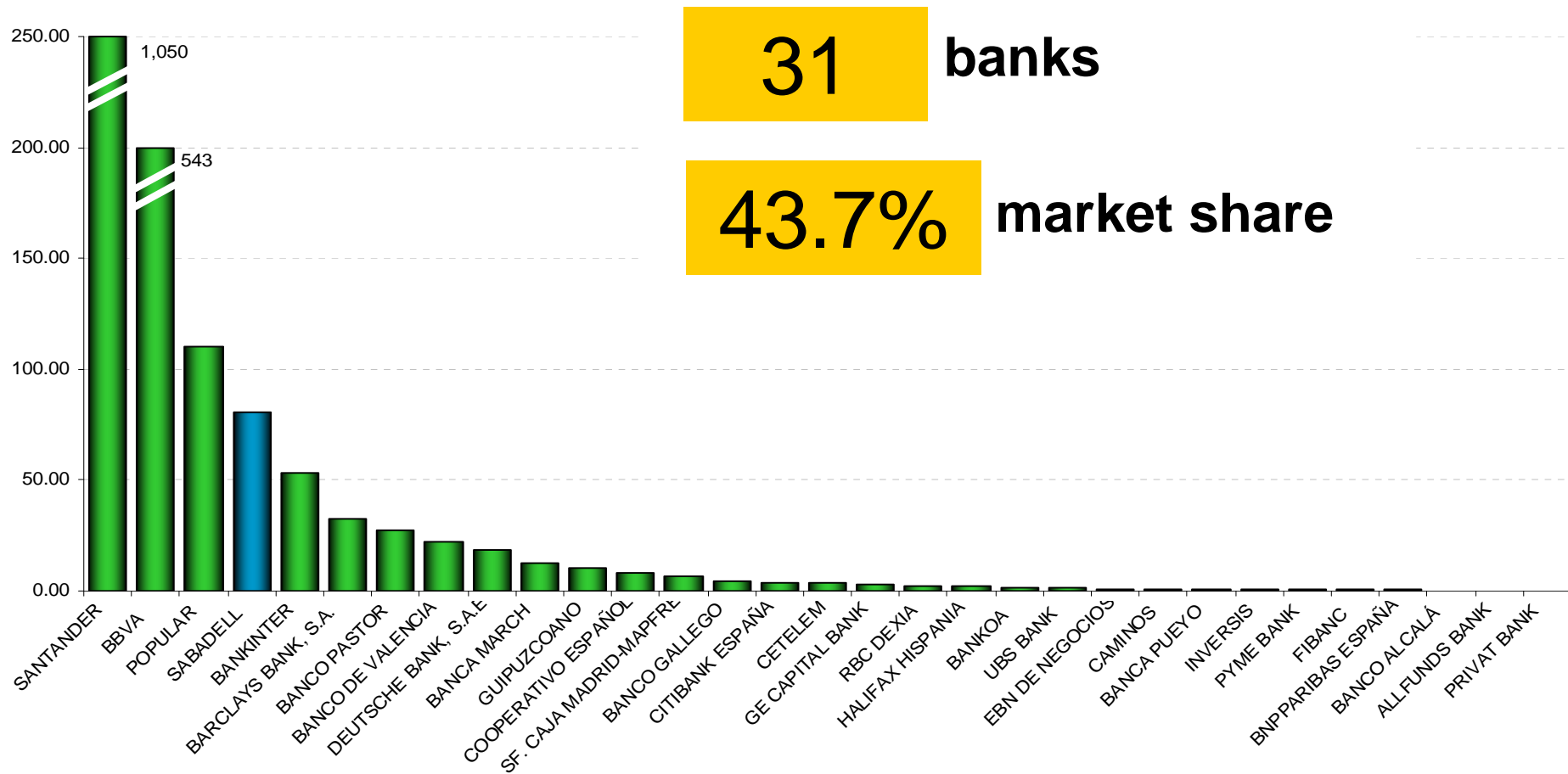
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✓ **Overview of the Spanish financial system**

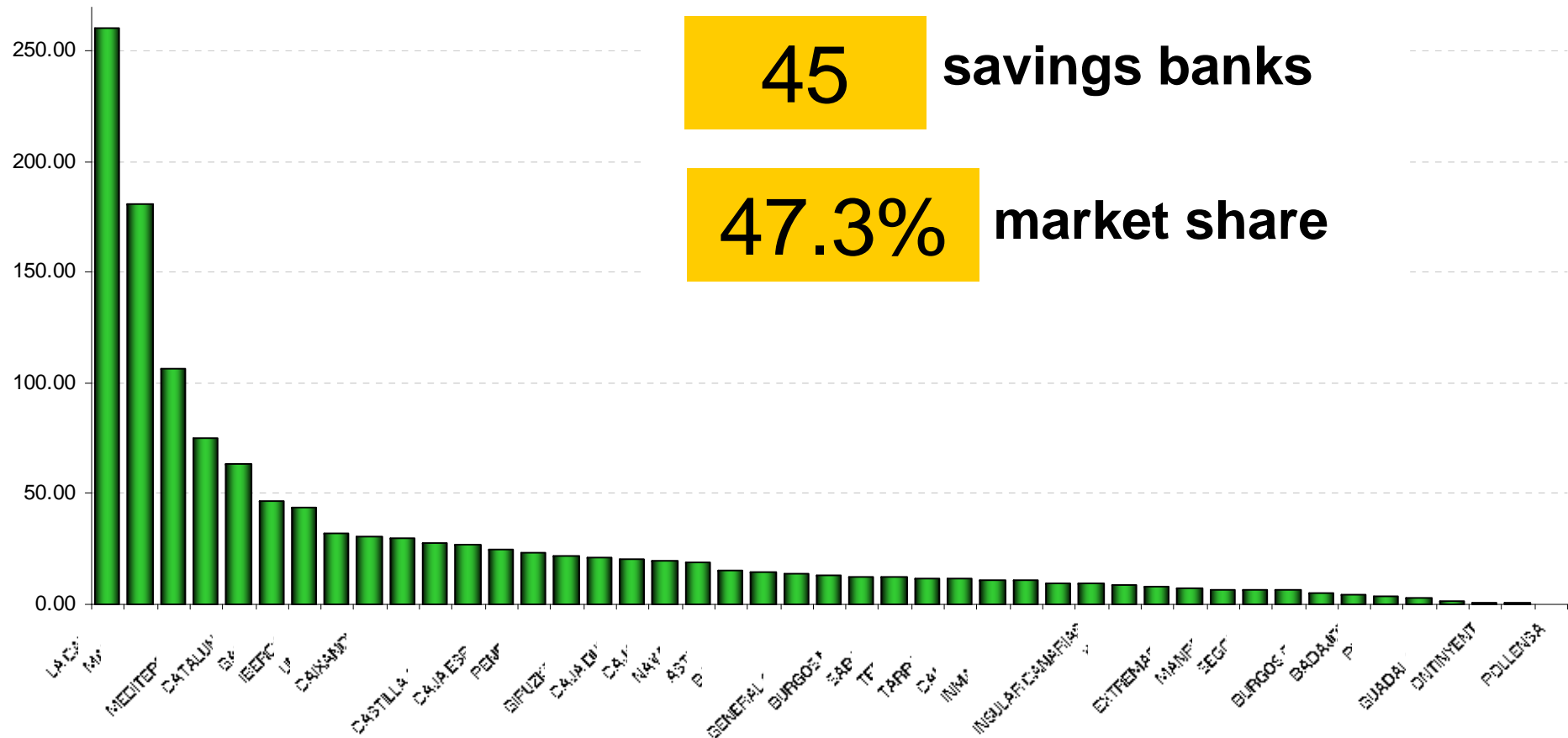
✓ Spanish economic environment

Spanish financial system Banks



Spanish financial system

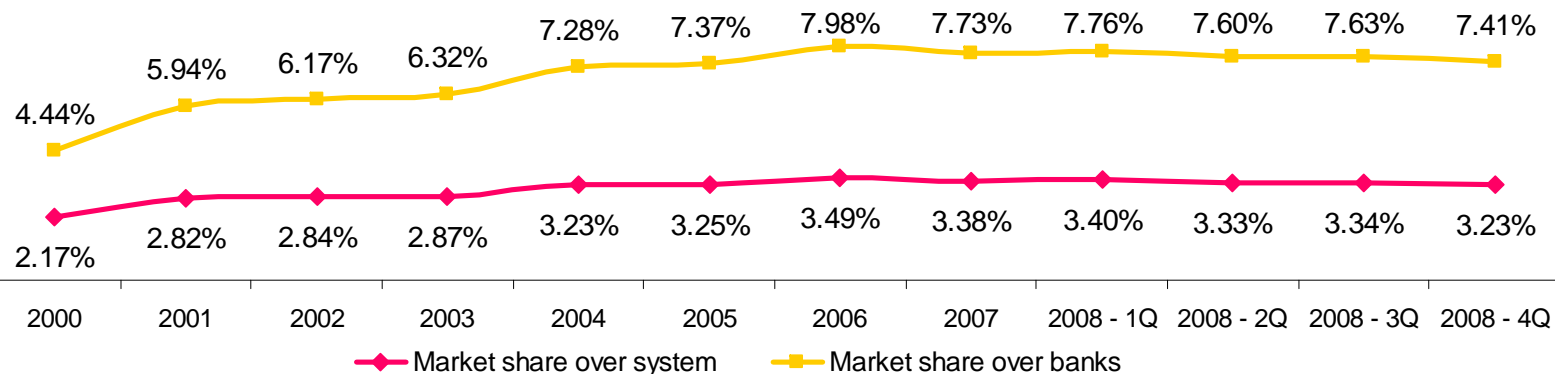
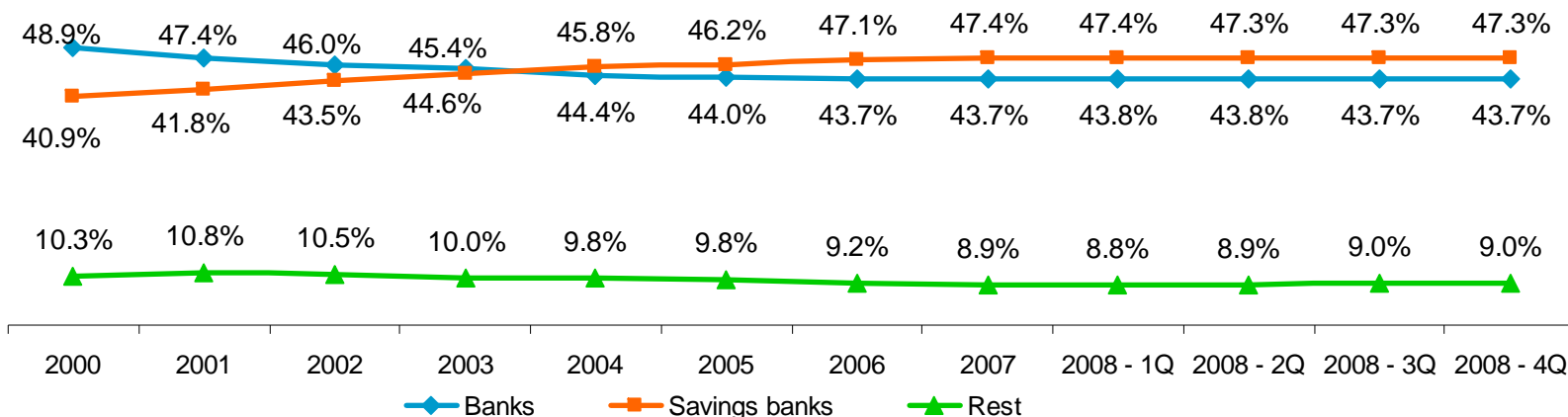
Savings banks



Spanish financial system Market share evolution



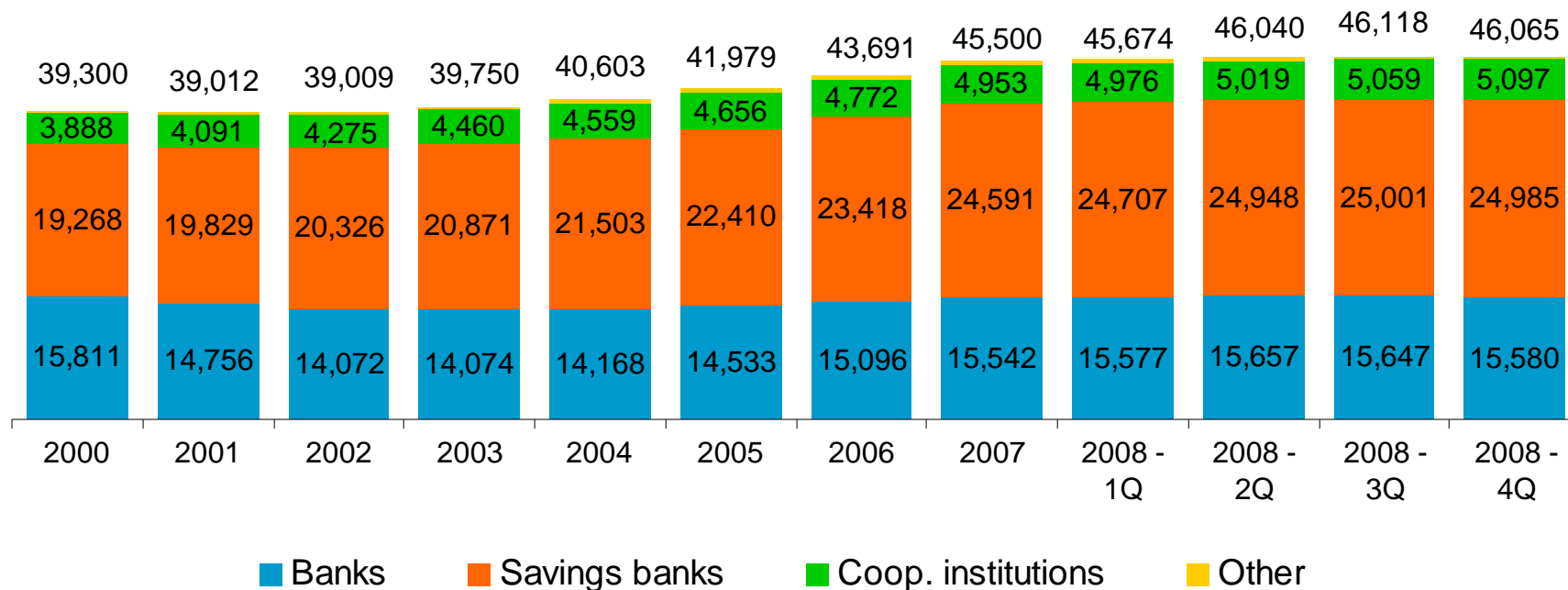
Global
Spain



Savings banks have increased market share aggressively over the last few years

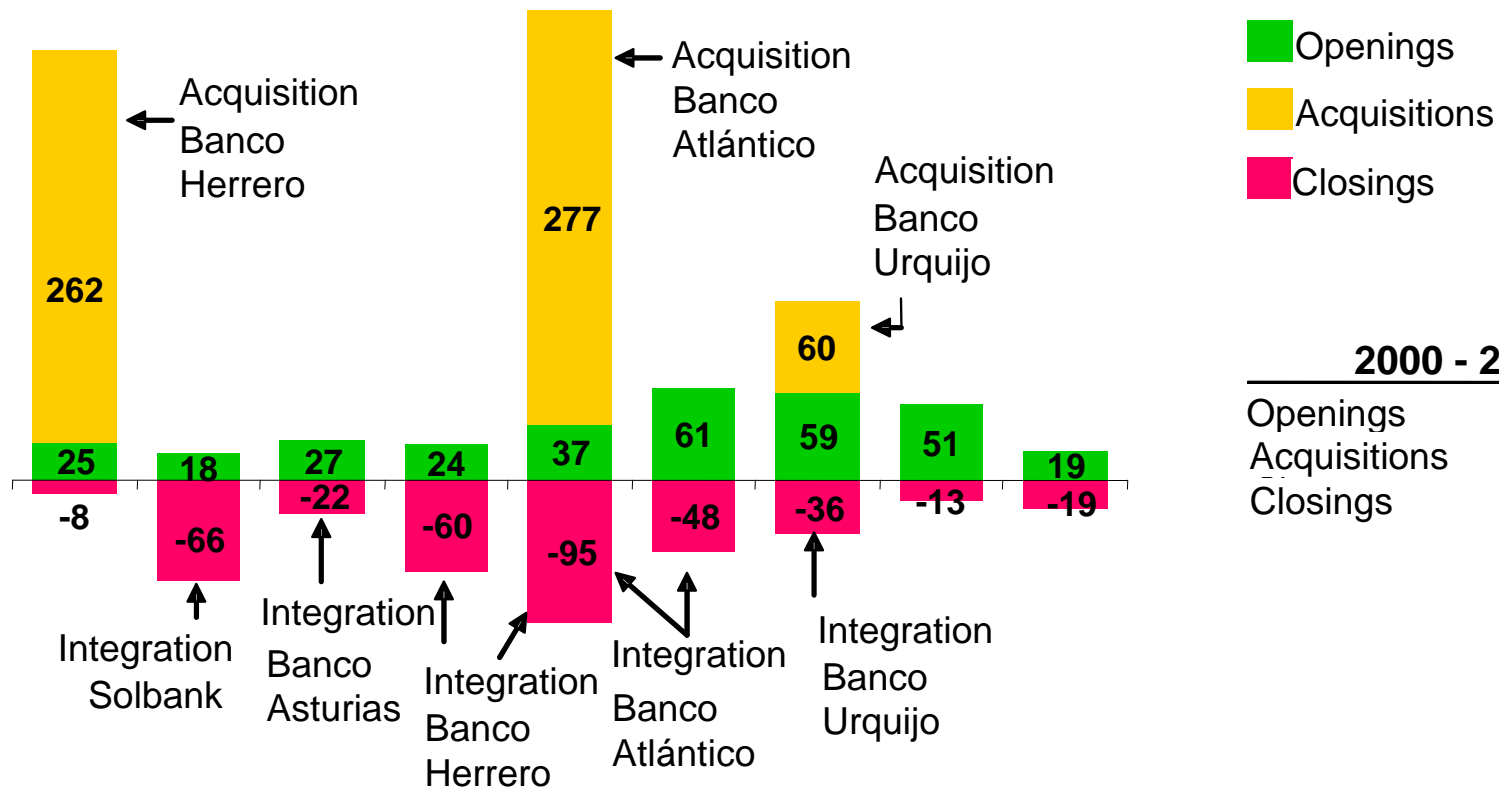
Spanish financial system outlook

Branch network evolution



Savings banks have increased their retail network by 30%; banks are flat

BS is a seasoned streamliner

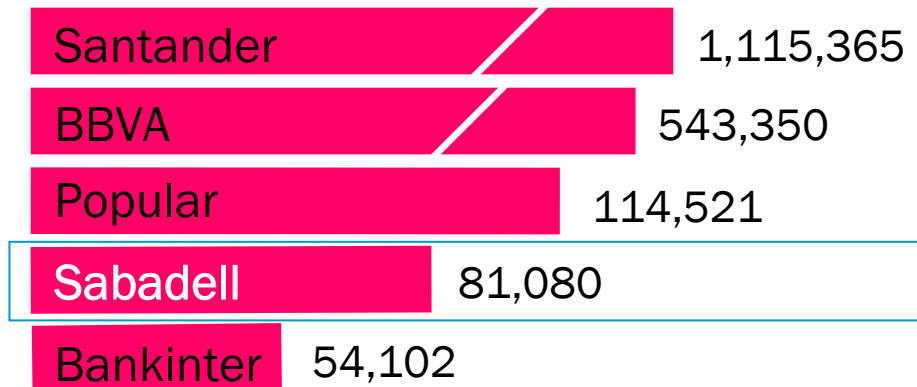


Network flexibility and speed of adaptation are clear competitive advantages for Banco Sabadell

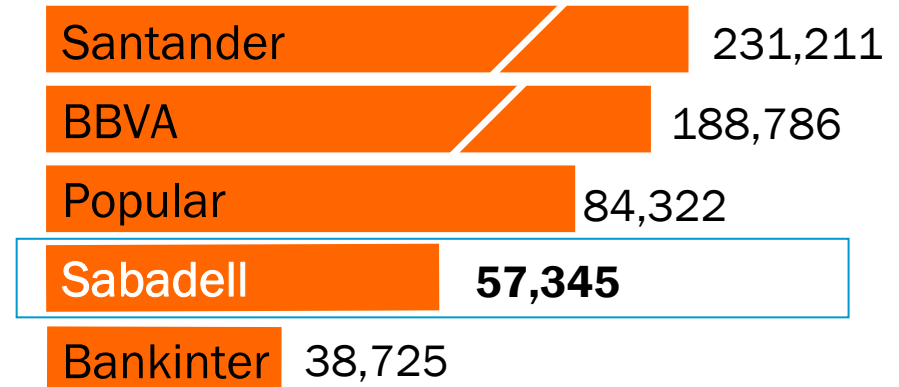
BS versus its Domestic Peer Group (1)



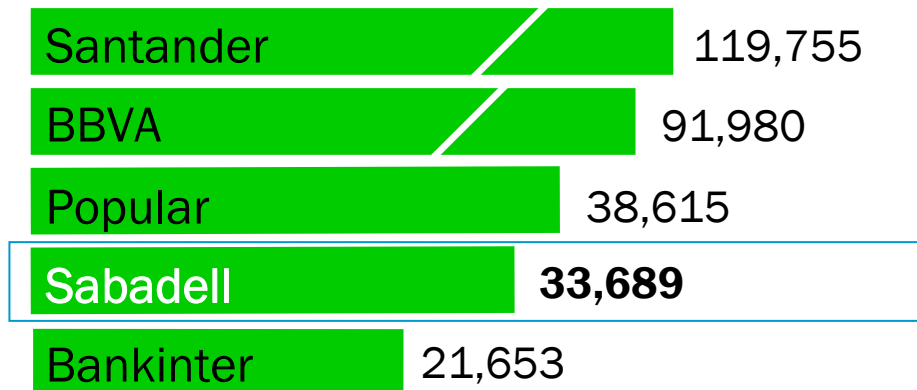
Total Assets



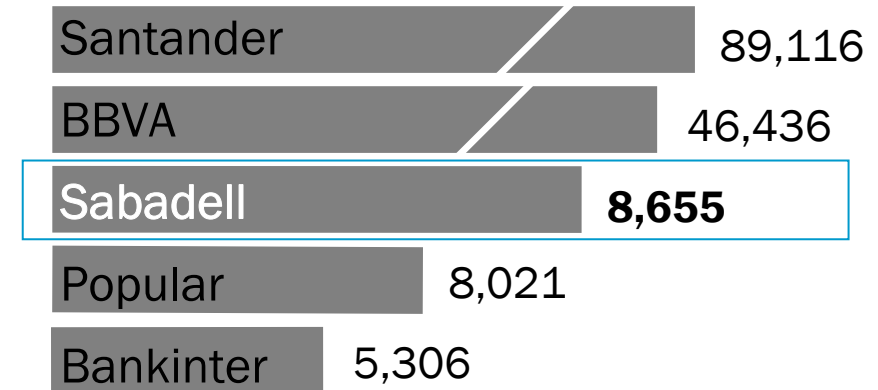
Loans (domestic business)



Deposits (domestic business)



Mutual Funds (domestic business)

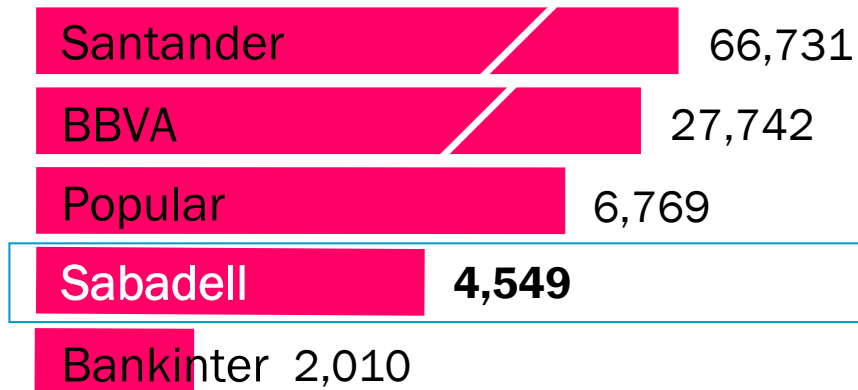


As of March 2009, in Euro million

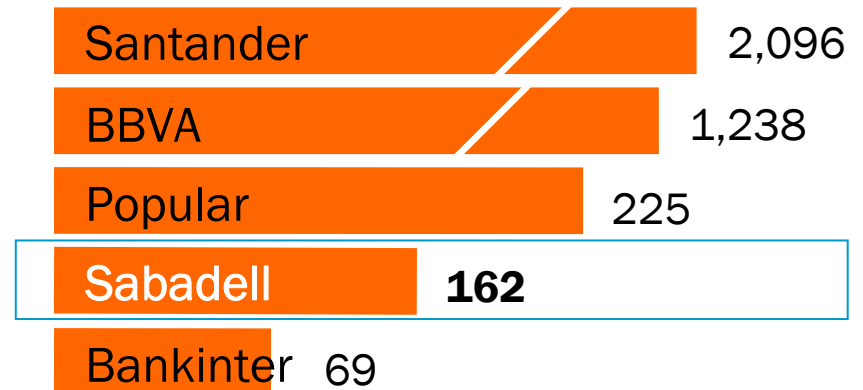
BS versus its Domestic Peer Group (2)



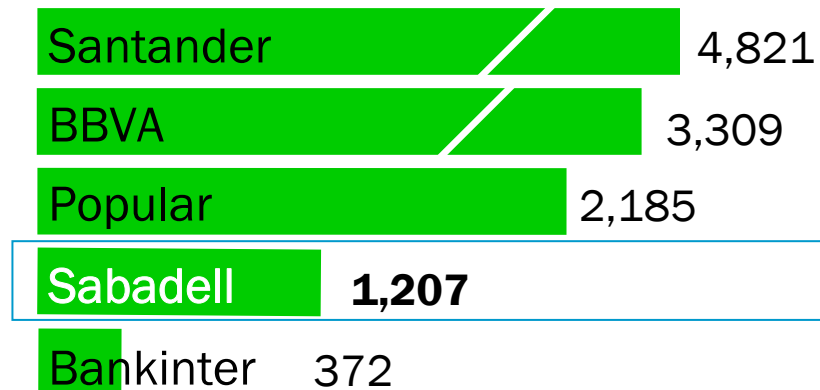
Shareholders' Equity



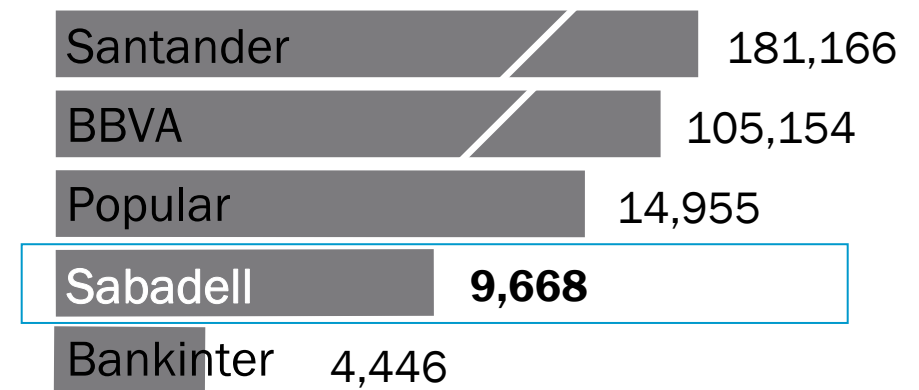
Net Profit



Branches in Spain



Employees





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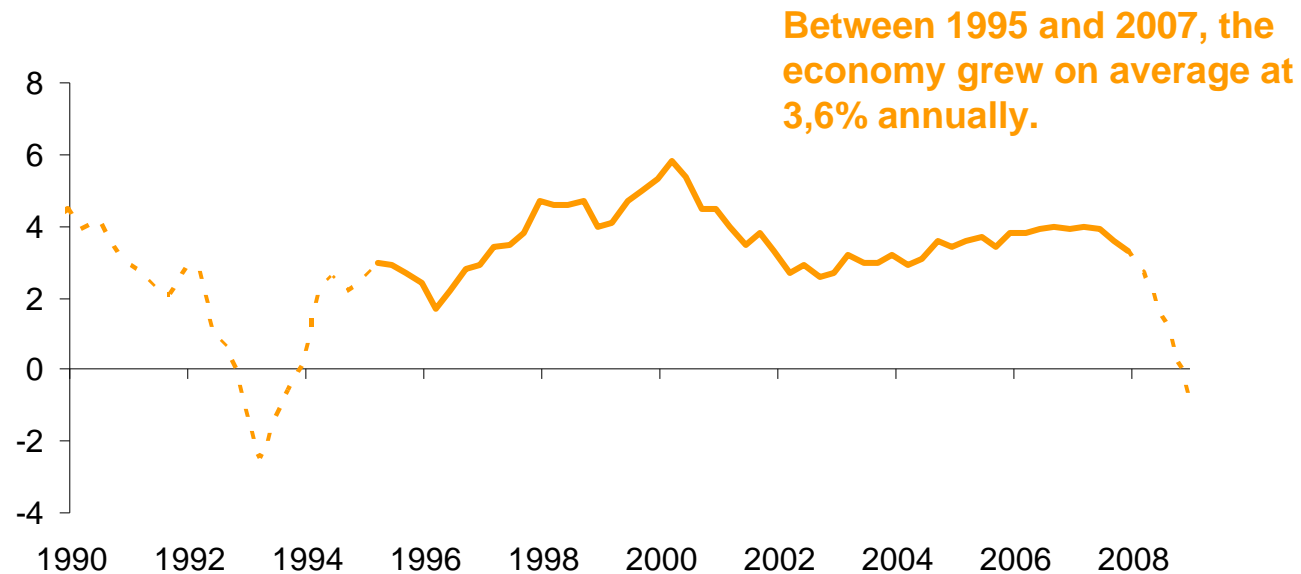
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✓ Overview of the Spanish financial system

✓ **Spanish economic environment**

Long period of economic growth (1995 – 2007)

Spanish GDP (Annual variation rate in %)

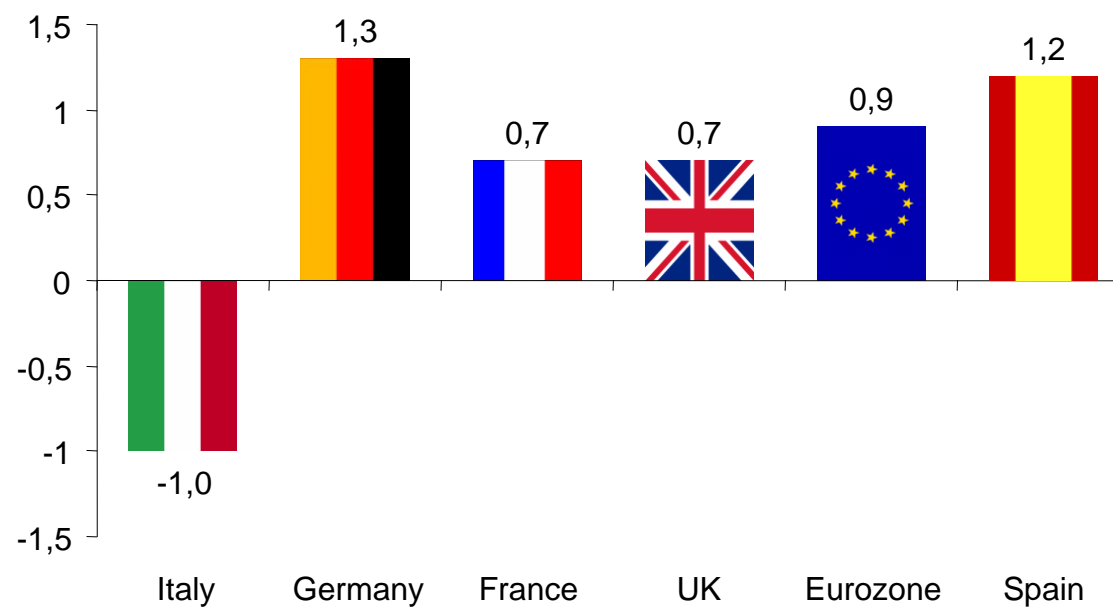


Source: INE

Favourable financing conditions and strong migratory flows contributed to a good behaviour in the economy

GDP remained relatively favourable in 2008

GDP growth in 2008 (Annual variation rate in %)

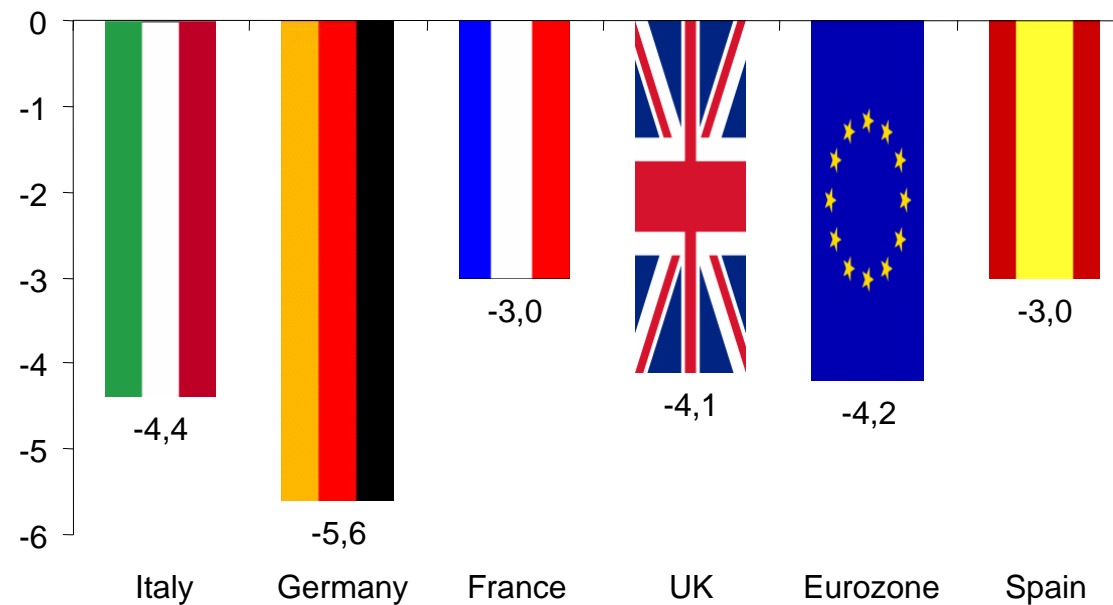


Spanish economy: perspectives



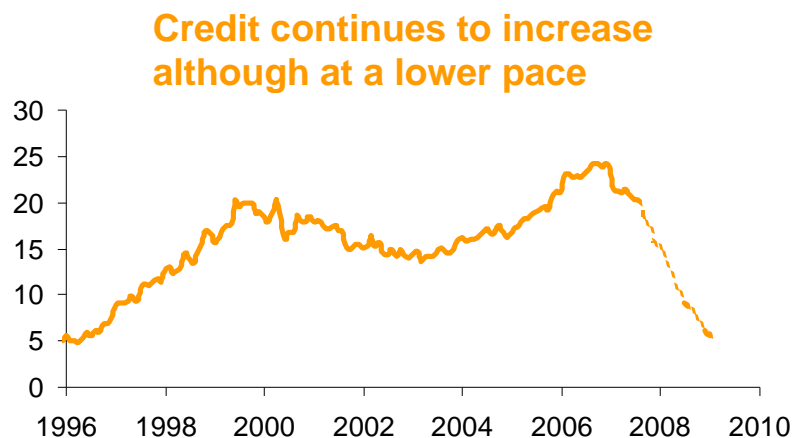
Contraction is expected in 2009, although at a lower rate than the Euro zone

Expected GDP growth in 2009 (Annual variation rate in %)



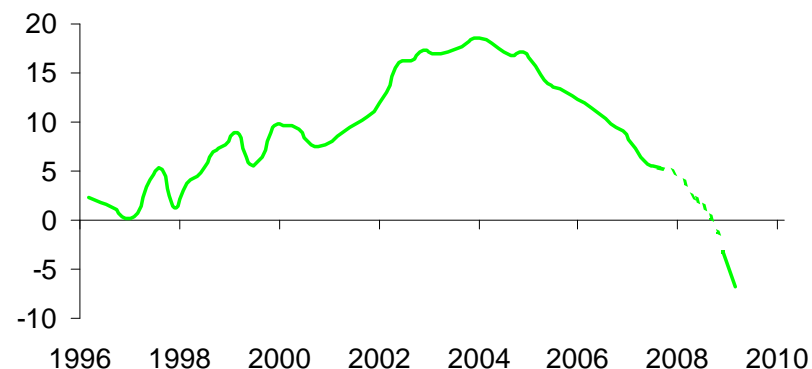
Adjustments to imbalances

Total credit to non financial private sector
(Annual variation rate in %)



Source: Bank of Spain

Average sqm price of free-value housing
(Annual variation rate in %)



Source: Housing Ministry

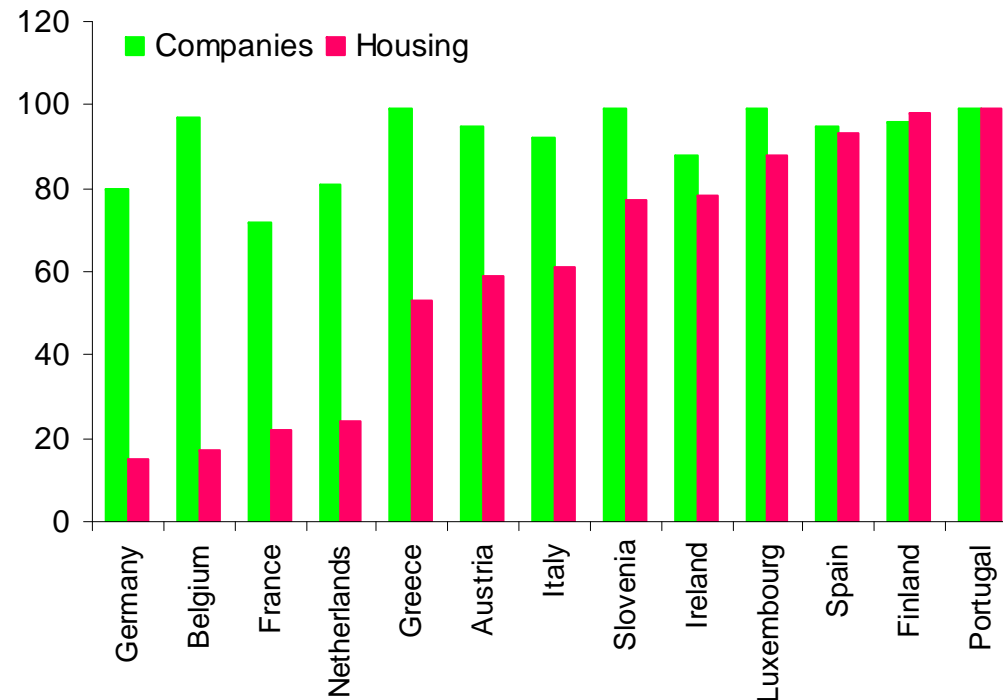
The credit downturn and the adjustment on the real state sector started before the current financial situation

Spanish economy: support factors



Lower interest rates and lower oil price

Loans with variable interest rate (as % over total loans)



Source: Bank of Spain

Spain specially benefits from an expansive monetary policy and a reduction on energy prices



Fiscal measures in different European countries

Supportive measures to real economy in the EU countries*

	Total amount		Allocation of funds (%)			Other measures	
	bln	% of GDP	Households	Businesses	Public investments	Credit and guarantees to businesses	Employment policies
Eurozone	97 €	1,0	35	33	32	✓	✓
Germany	35 €	1,4	56	15	29	✓	✓
France	26 €	1,3	8	52	40		✓
Italy	6 €	0,3	63	25	12		
Spain	20 €	1,9	17	44	39	✓	✓
Netherlands	1 €	0,2	18	82	0	✓	✓
UK	£20	1,0	80	4	16	✓	✓

* Only adopted measures between September 2008 and 19th January 2009 will be incorporated, with direct impact into 2009 budget.

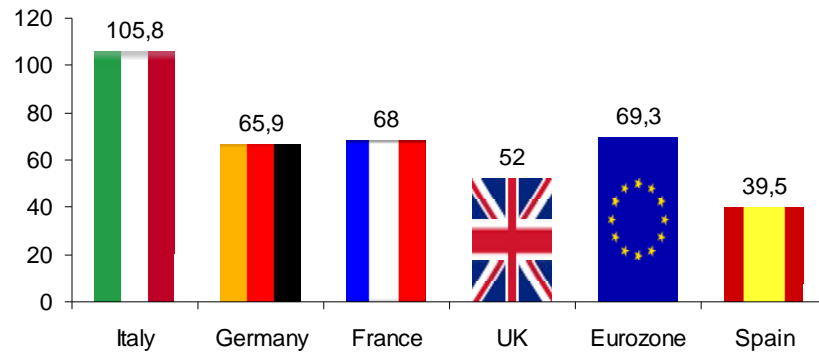
Source: Bank of Spain

Spanish economy: strengths

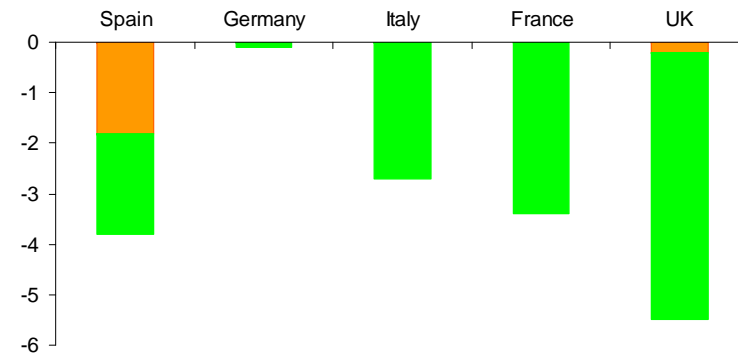


Favourable Tax Framework as a starting point

Public debt in 2008 (GDP %)



Public deficit in 2008: discretionary and cyclical components (GDP %)



Discretionary comp.

Cyclical comp.

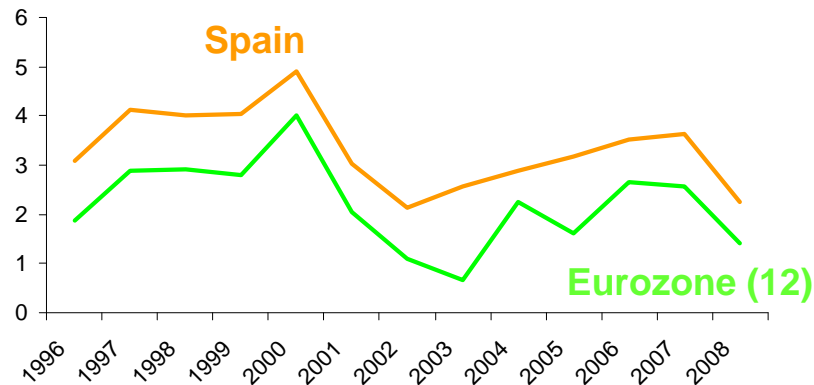
Source: Eurostat, Ministry of Economy

Last years' public superavit has allowed Spain to carry out an expansive fiscal policy.

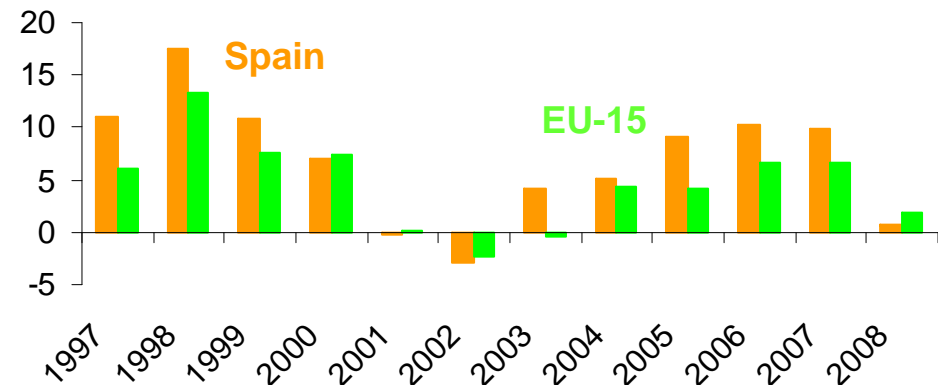


Investment has not only being focused on housing

GDP without construction (real terms, annual variation rate in %)



Investment in equipment (real terms, annual variation rate in %)



Source: AMECO

Investment in equipment experienced a favourable evolution during the growth period of the Spanish Economy, and rose at a higher rate than GDP



Resilient financial system

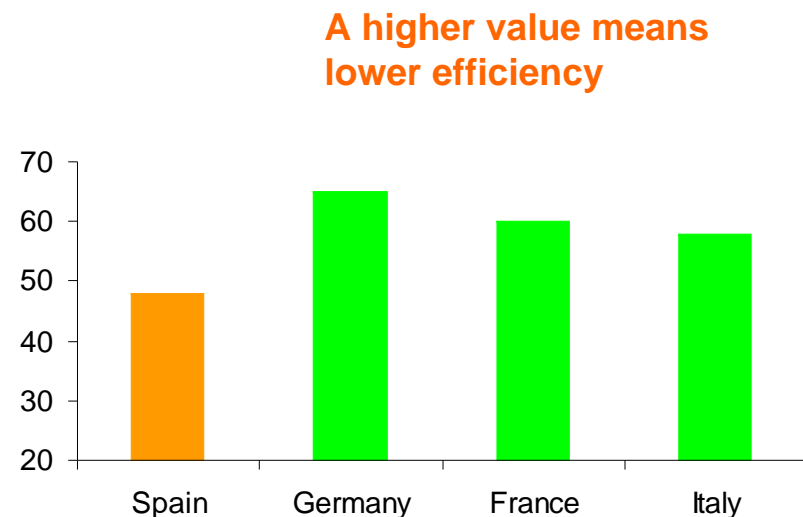
Retail business: stability and results visibility

Financial system with NO toxic assets

Strong regulation and supervision system: anticyclical provisions

Strong sector in terms of efficiency, profitability and solvency

Efficiency of the European financial institutions (%)





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