

Banco Sabadell

Agreement to acquire the retail banking activities of Lloyds Banking Group in Spain



April 2013

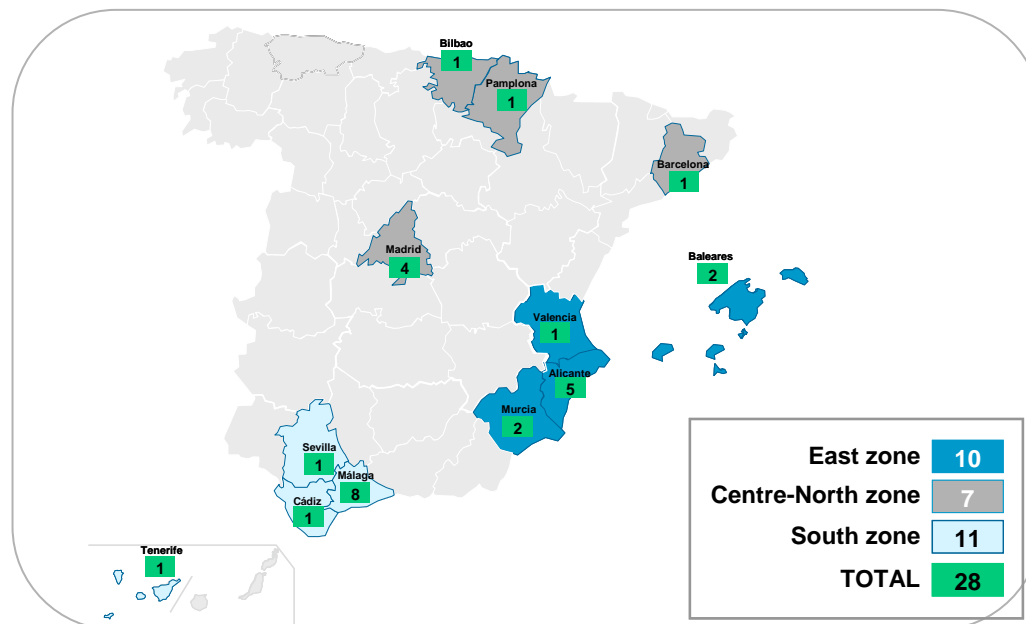
Transaction highlights

- ✓ Banco Sabadell acquires the Spanish retail operations of Lloyds Banking Group (LBG); *Lloyds Bank International* (LBI) and Lloyds Investment España SGIIC
- ✓ The balance sheet and branch network will be incorporated into Banco Sabadell group
- ✓ The acquired portfolio includes mainly mortgages (97%); 56% belonging to British residents
- ✓ Previous to the transfer, LBG will cover the estimated expected loss, the restructuring costs and profitability gap of the business acquired
- ✓ No impact on capital ratios since LBG covers the additional perimeter requirements. LBG becomes supportive shareholder
- ✓ Sabadell will replace the liquidity withdrawn by LBG with a liquidity line of c.€600M
- ✓ Sabadell and LBG to enter a Collaboration Agreement regarding retail, SME, asset finance, asset management and private banking

Transaction perimeter

Main highlights	Clients	53.000
	Assets	€1,760M
	Loans	€1,790M
	Deposits	€760M
	RWA	€34M
	NPL ratio	7.2%
	Branches	28
	Employees	343

Acquired Branch distribution



Lending exposure by segments:

Retail mortgage	97%
Other	3%

The transaction, which is structured in favourable terms, increases the exposure to UK non-resident clients