

Banco Sabadell



Mandatory subordinated convertible bond issue



26th June 2009

Disclaimer



This information is being furnished to you solely for your information. The information in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of Banco de Sabadell, S.A. (the "Company"), Banco Urquijo Sabadell Banca Privada, S.A., Banco Millenium Bcp Inwestimento, S.A., Banco Santander, S.A. nor any of their respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This document is not intended for potential investors and does not constitute or form part of any offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Any person considering subscribing for the Company's mandatory subordinated convertible bonds must inform itself independently based solely on the securities note and summary in the Spanish language filed by the Company and approved by the Comisión Nacional del Mercado de Valores on 25 June 2009, and supplemented by the Company's share registration document in the Spanish language filed by the Company and approved by the Comisión Nacional del Mercado de Valores on 23 September 2008, before taking any investment decision.

Neither this document nor any part or copy of it may be taken or transmitted into any jurisdiction outside of Spain, or distributed or redistributed directly or indirectly in any jurisdictions (or to any residents of those jurisdictions) where such action may constitute a violation of applicable securities laws. This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the United States Securities Act of 1933, as amended (the "Securities Act"). This presentation is not an offer of securities for sale in the United States or any other jurisdiction. The Company's mandatory subordinated convertible bonds have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act, or in any other jurisdiction absent compliance with the securities laws of such jurisdiction.

The information in this presentation, including but not limited to forward looking statements regarding the financial condition, and other matters relating to the Company, applies only as of the date of this presentation and is not intended to give any assurances as to future results. Projections and expectations as presented in this presentation are provided without any guarantee as to their future realization. Such forward-looking statements are necessarily based on assumptions reflecting current views and assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which reflect expectations only as of the date of this presentation.

The information in this presentation will not be updated. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the information, including any financial data or any forward-looking statements, contained in this presentation, and will not publicly release any revisions it may make to this presentation that may result from events or circumstances arising after the date of this presentation.

Certain financial and statistical information in this presentation has been subject to rounding off adjustments and to currency conversion adjustments. Accordingly, the sum of certain data may not conform to the expressed total. Some results in this presentation are on pro forma basis. The Company tries to avoid any confusion by stating when figures are pro forma. Market data used in this presentation not attributed to a specific source are estimates of the Company and have not been independently verified.

By receiving and/or reading the presentation you agree to be bound by the foregoing limitations .

Key offering terms



Amount	<ul style="list-style-type: none"> € 300-500 M mandatory subordinated convertible bonds issue (on a non-preemptive basis) mainly addressed to retail investors, but also open to qualified and institutional investors
Terms and conditions	
Timetable	<ul style="list-style-type: none"> Subscription period: 29th June 09 – 17th July 09
Settlement date	<ul style="list-style-type: none"> 21st July 2009
Financial impact	<ul style="list-style-type: none"> Core Tier 1 impact: + 84 bp⁽³⁾

(1) Coupon payments subject to: (i) existence of distributable income (ii) no breach of equity ratios imposed on Banco Sabadell (iii) Board of Directors approval

(2) Conversion price defined as the maximum between €3.86 per share (net asset value as of 31/12/2008) and the 110% of the greater between (i) Sabadell weighted average prices five working days after the payment date or (ii) Sabadell weighted average prices thirty days before the payment date

(3) Pro forma 31 March 2009 (assuming € 500 M Mandatory subordinated convertible bond issue)



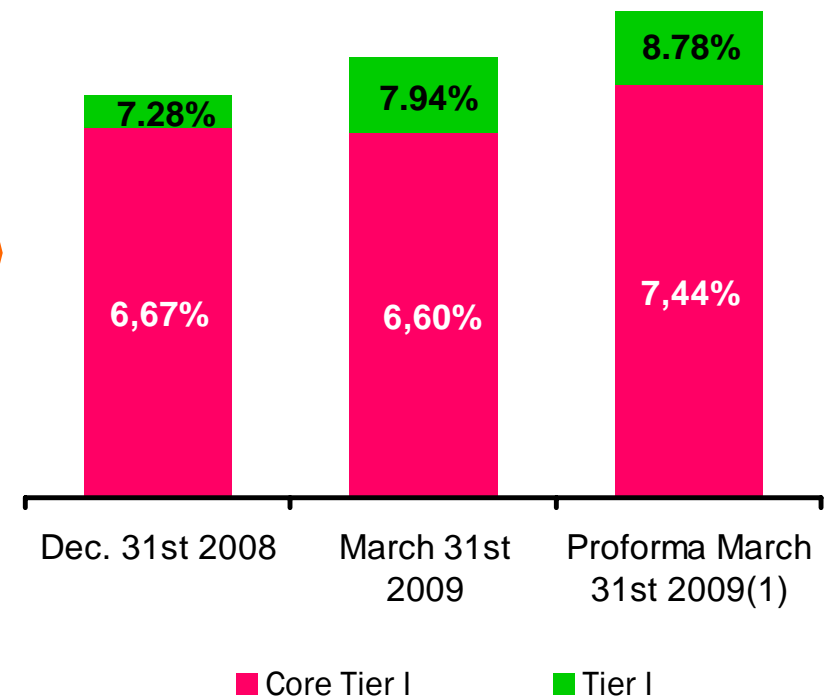
Further strengthening of our balance sheet

Key Considerations

Reinforcing the strength of capital ratios:

- Market sentiment towards higher capital levels
- Flexibility to enhance Sabadell market franchise

Capital impact



(1) Assuming € 500 M Mandatory subordinated convertible bond issue

Pro-active management of capital ratios (I)

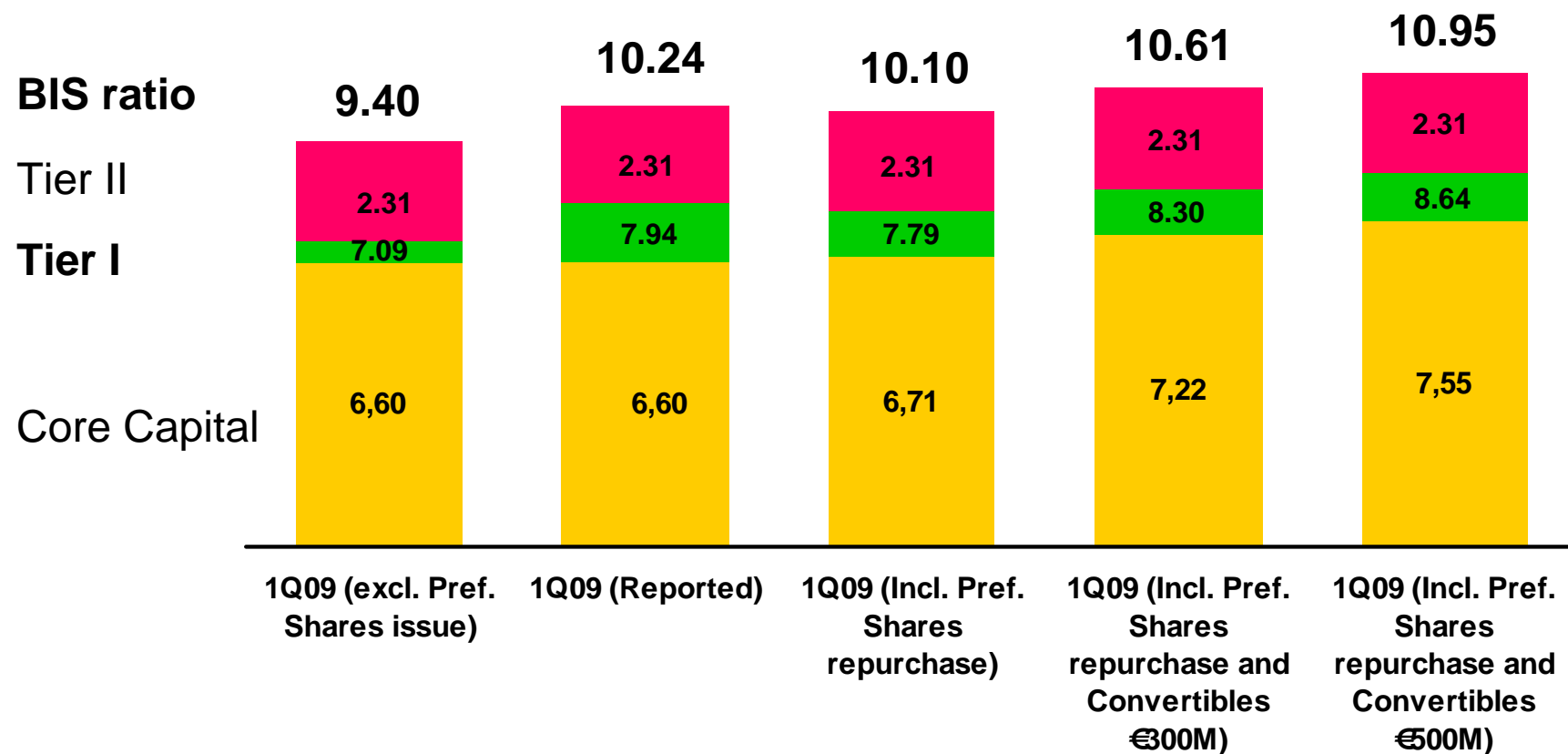


Financial impact

September 2008	<ul style="list-style-type: none">Zurich acquires 50% of Sabadell insurance business	▶	Capital gain ca. €512 M
February 2009	<ul style="list-style-type: none">Issuance of € 500 M preferred shares	▶	+ 58 bp additional Tier 1
May 2009	<ul style="list-style-type: none">Repurchase of preferred shares issued in 2006<ul style="list-style-type: none">✓ ca. 152 M tendered	▶	Capital gain: ca. €96 M + 11 bp additional Core Tier 1
Next steps: July 2009	<ul style="list-style-type: none">Issuance of € 500 M mandatory subordinated convertible bond	▶	+ 84 bp additional Core Tier 1 ⁽¹⁾

(1) Pro forma 31 March 2009 (assuming €500 M Mandatory subordinated convertible bond issue)

Pro-active management of capital ratios (II)



Why a mandatory subordinated convertible bond?



Boost core capital

- The Mandatory subordinated convertibles will qualify as Core Tier I

Minimize dilution

- New shares are issued at premium vs deep discount in a rights issue

Example of number of shares to be issued ⁽¹⁾

Mandatory with 110% premium

ca. 106 M new shares

Rights issue with 35-40% discount to TERP

ca. 200 M new shares

Lower execution risk

- In-house tailored product
- Sabadell Retail network main source of demand

Tax efficient

- Coupon payments are tax deductible

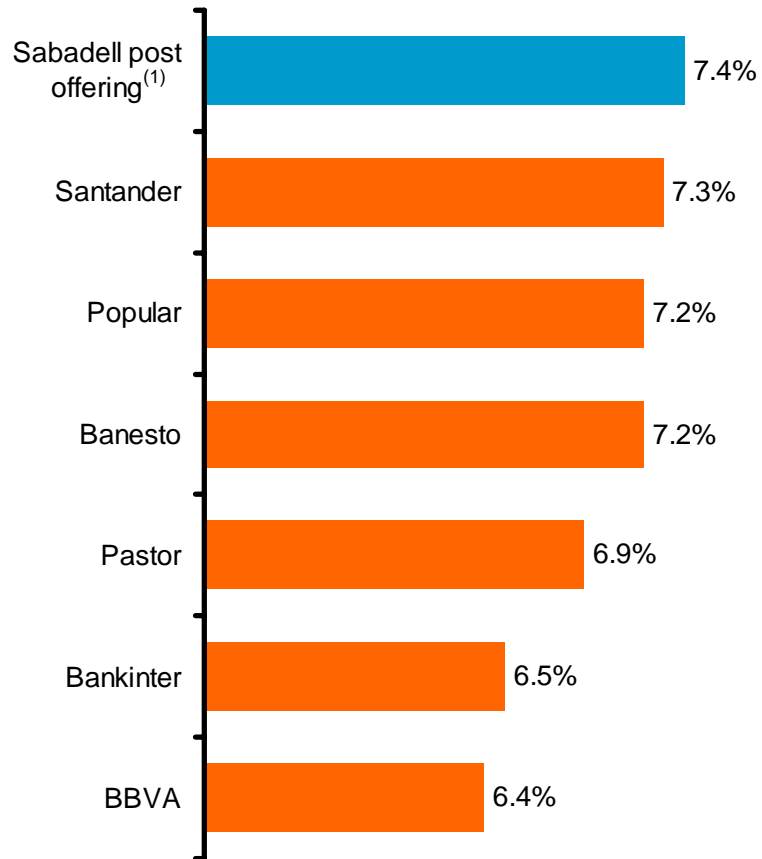
(1) Assumes €500 M rights issue and a 35-40% discount to TERP. Data as of 23/06/2009

Why Sabadell?



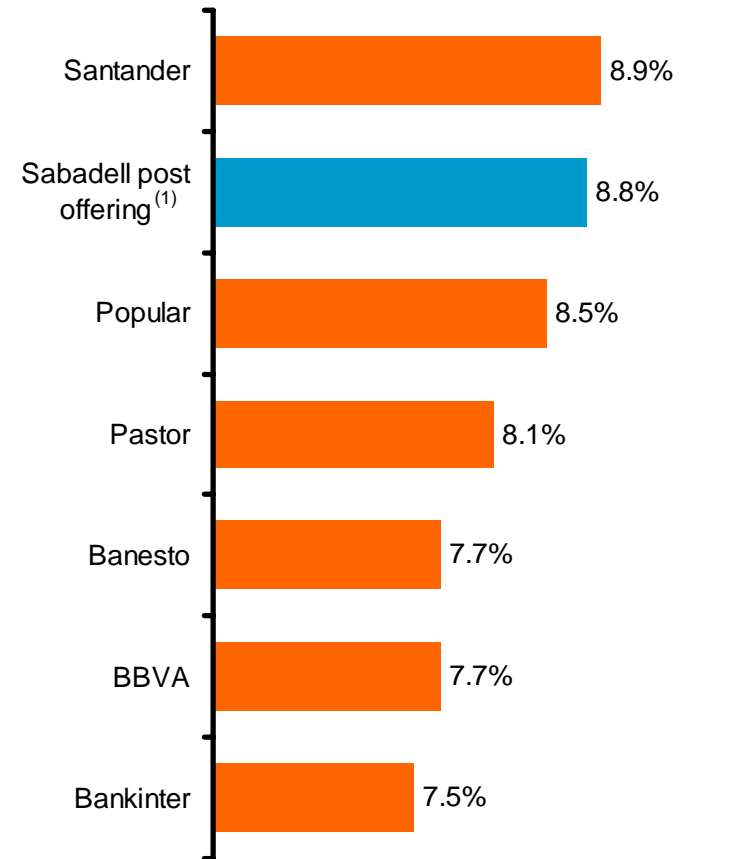
Best capitalised: robust solvency position vs Spanish peers

Core Tier I (1Q09)



Average ex Sabadell: 6.9%

TIER I (1Q09)



Average ex Sabadell: 8.1%

Source: Companies quarterly reports

(1) Pro forma 31 March 2009 (assuming € 500 M Mandatory subordinated convertible bond issue)

Why Sabadell?



Asset Quality Management

Strict risk management policies

	Dec. 08	1Q09
BS NPL ratio	2.35%	2.82%
System NPL ratio	3.37%	4.27%
GAP (bp)	102	145

Highest coverage ratio in Spain

	1Q09
BS coverage ratio	97%
System coverage ratio	60%
GAP	37%

No consumption of generic fund: same as last year

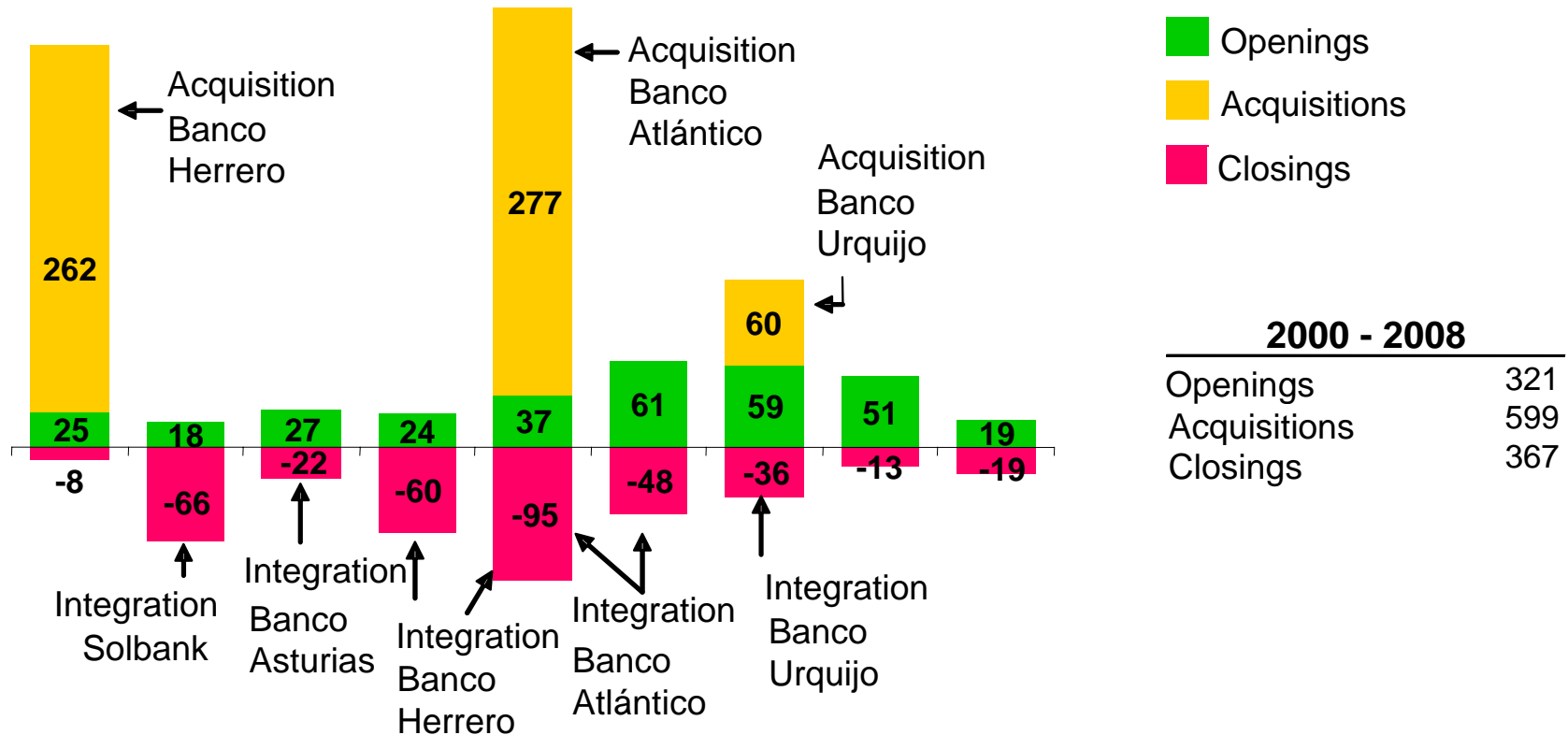
	4Q08	1Q09
Generic fund	1,170.4	1,170.4
Specific fund	645.4	786.0
Total	1,815.8	1,956.4

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

Why Sabadell?



BS is a seasoned streamliner



2000 - 2008	
Openings	321
Acquisitions	599
Closings	367

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



BancoSabadell

The Value of Trust