

2nd Investor Day



Optima

'09



6th November 2007

2nd Investor Day



Optima

'09

Mr. Josep Oliu – Executive Chairman



6th November 2007

Spanish financial system



The Spanish financial system is among the most solvent, efficient and profitable

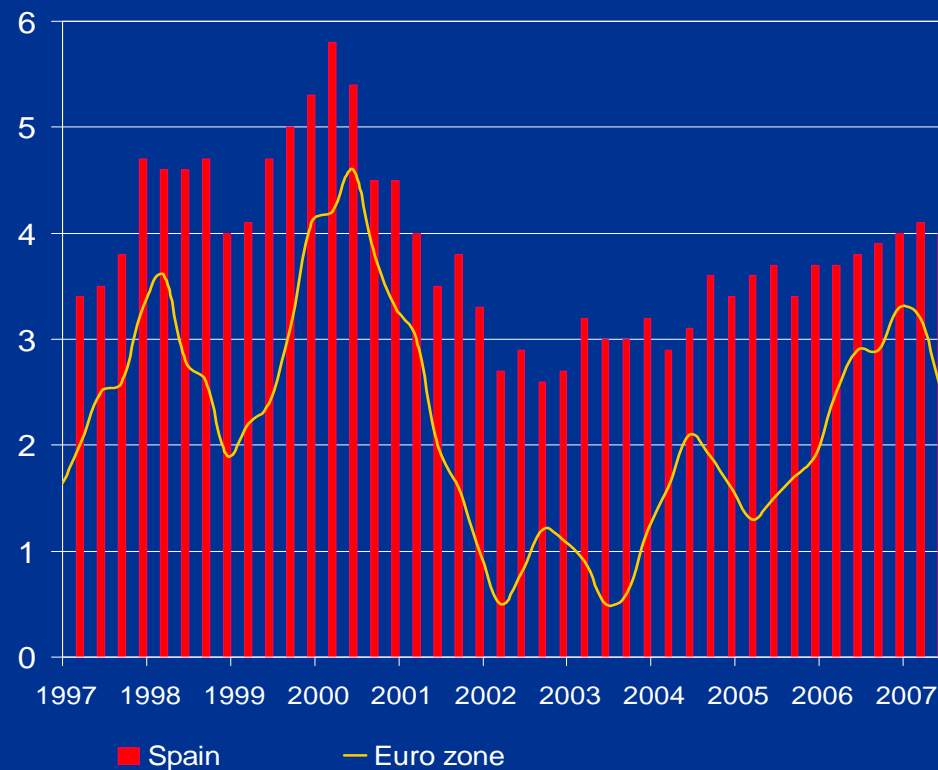
	Spain	Europe
ROE	21.7%	19.4%
Cost-Income	47.0%	56.9%
TIER I	7.6%	8.5%
NPL ratio	0.56%	2.51%

Spanish current economic environment



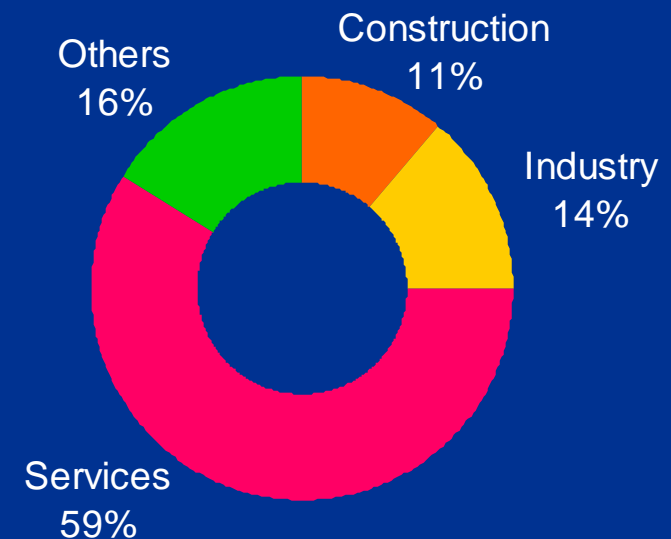
Spanish economy: over a decade of expansion

GDP growth rate (YoY)



Source: INE, Eurostat

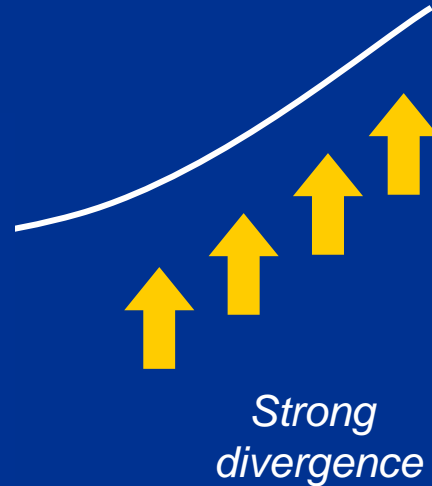
Sector contribution to GDP



Spanish current economic environment

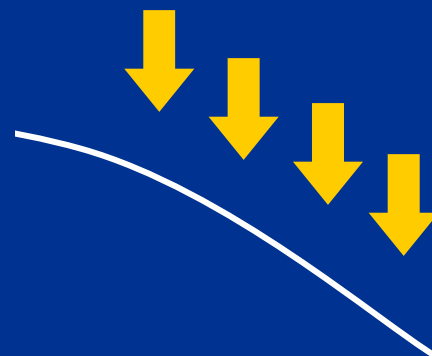


Current situation



- Limited impact on P&L
- Soft landing real estate
- Milder economic growth
- Strong asset quality

Market expectations

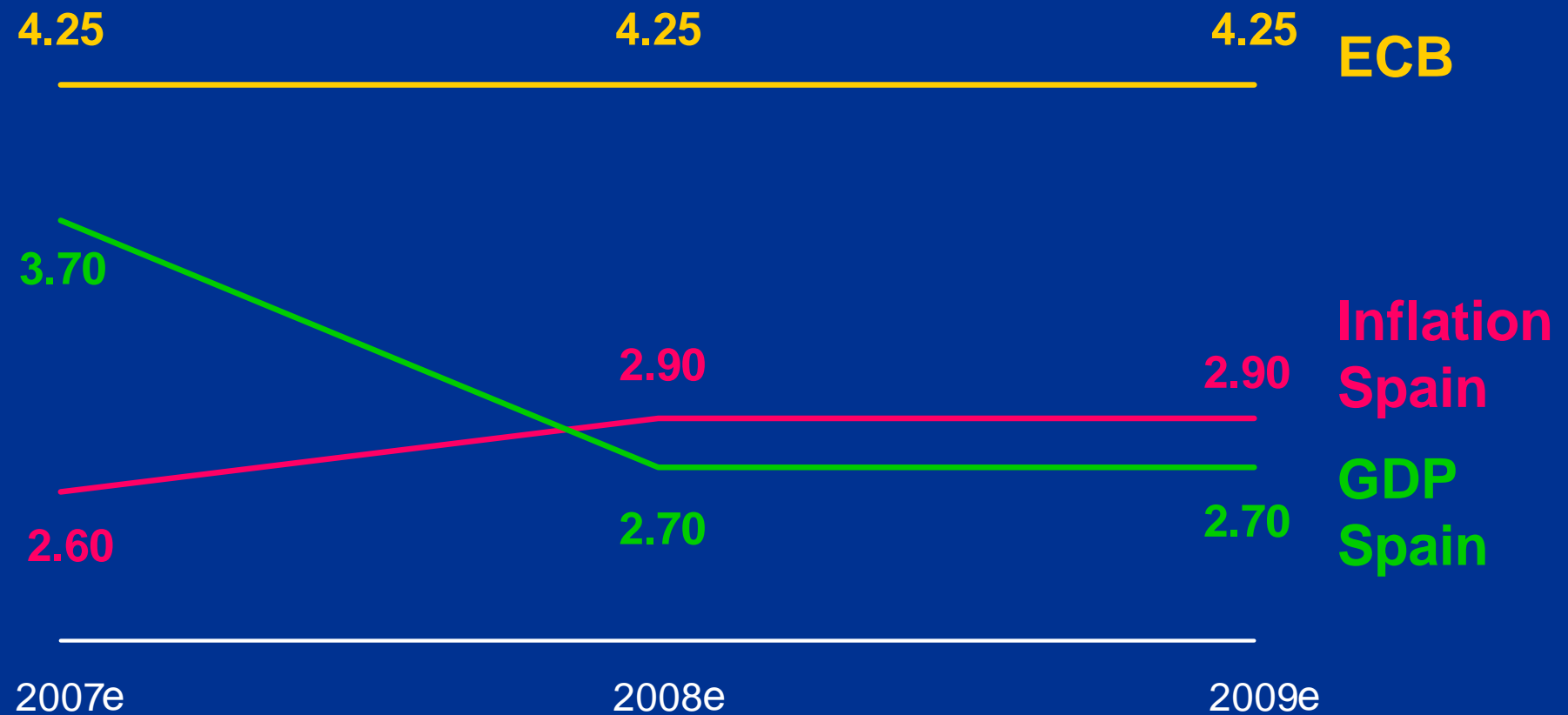


- Liquidity crisis
- Collapse of real estate market
- Economy stalled
- Strong NPLs increase

Spanish economic outlook



Milder GDP growth with a more balanced composition



Economic scenario: Base Case. (%)

Read-through for the financial system



More moderate organic growth

Focus on economies of scale and efficiency

Risk diversification

A more intense consolidation activity is possible



Strategic positioning



Focused on SMEs and affluent customers

Resilient organic growth

Leadership in quality

Business diversification towards higher-growth areas is a possibility

Full achievement of synergies in inorganic growth

Shareholder value





Levers to improve efficiency at Banco Sabadell

SIZE

1996 - 2007

Strong organic growth

Selective acquisitions

PRODUCTIVITY

2007 - 2009

Commercial productivity

Operational efficiency

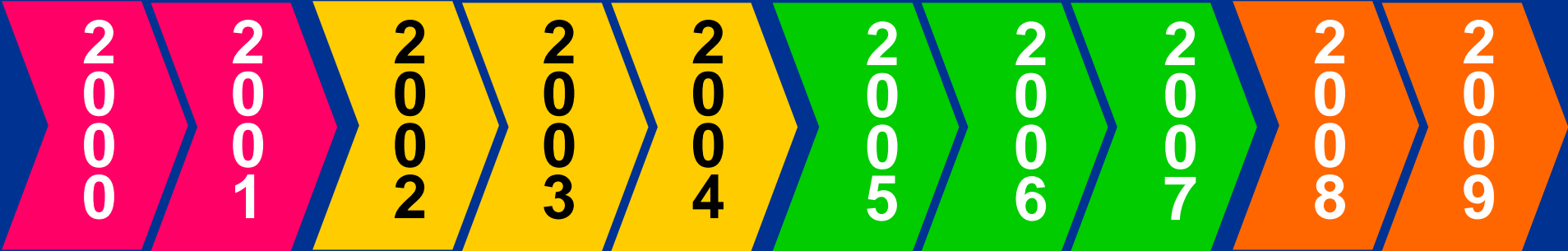
Plan Optima 2009



Optima '09

Gross loans	12% CAGR
Customer funds	14% CAGR
Revenues	Double digit, + € 500 m
Costs	below inflation
Cost-income	37.5%
ROE	20.5%

Proven delivery track record



Transfor-
mation

Growth and
Consolidation

ViC 07

Optima '09



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ALM & Funding

Mr. Rafael García



6th November 2007

1. Asset Liability Management

2. Funding strategy

Asset and Liability Management (I)



-
- ✓ A well defined ALM policy oriented towards stabilising net interest income



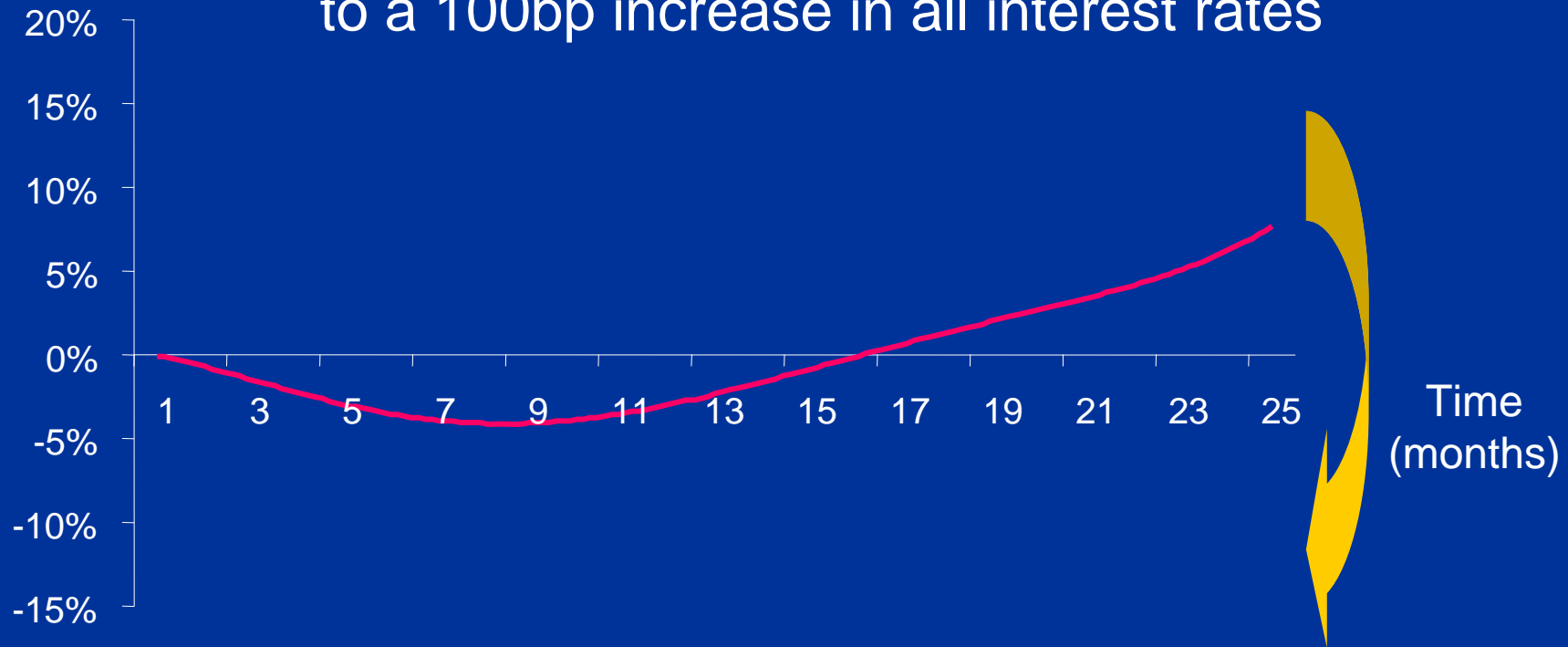
-
- ✓ Low interest rate risk (no significant mismatching)
-
- ✓ Best-in-class balance sheet modelling especially in retail products (interest rate floors/caps, pre-payments, non-maturing current accounts,...)
-
- ✓ Stress-test scenarios
-

Asset and Liability Management (II)



NII change (%)

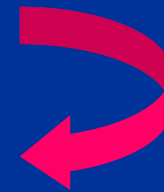
Net Interest Income (NII) sensitivity to a 100bp increase in all interest rates



Due to the balance sheet structure (mortgage portfolio vs. wholesale funding & current accounts), the impact of an increase in interest rates becomes positive after 2 quarters

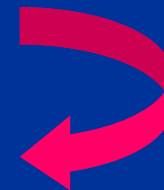


Public Debt Portfolio



Hedging assets of non sensitive liabilities (current accounts)

Derivatives



Hedging instrument of long term liabilities and structured deposits

Pricing policy: interest rate floors



Balance sheet protection

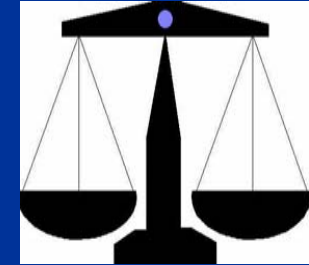
1. Asset Liability Management

2. Funding strategy

Funding Strategy (I)



-
- ✓ Funding based on stable customer deposits complemented with medium & long term wholesale funds



-
- ✓ Diversified source of funding instruments, maturities, markets and investors

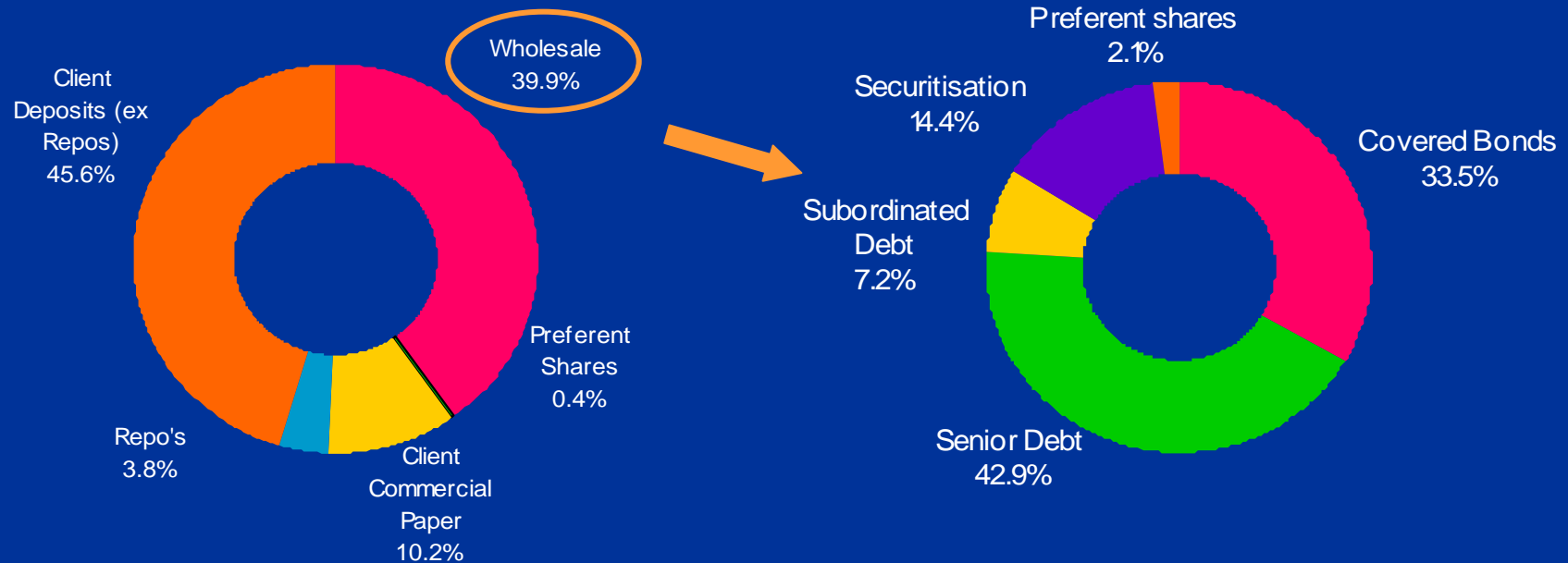
-
- ✓ Daily projection of funding requirements, stress-testing and Contingency Plan

-
- ✓ Net lending position in the interbank money market
-

Funding Strategy (II)



- ✓ Banco Sabadell has tapped a well diversified source of market funds



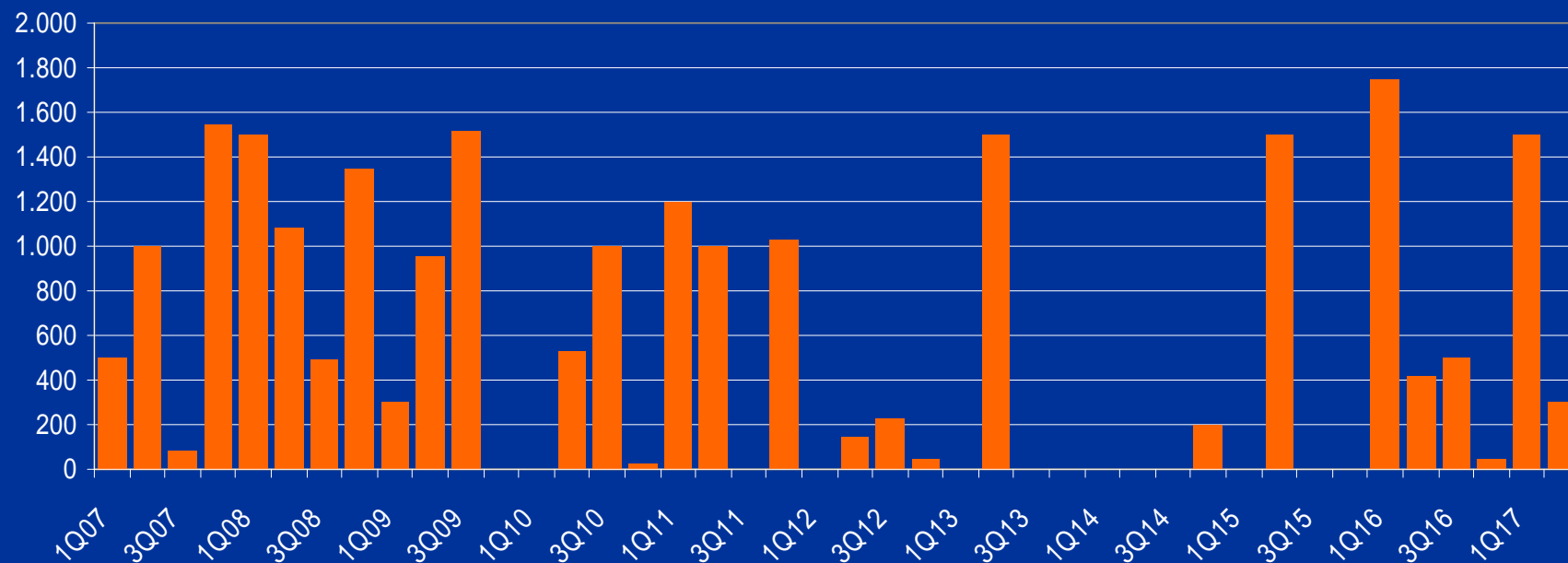
- ✓ In May 2007, Banco Sabadell successfully launched its USD senior debt inaugural transaction for a total amount of US\$2bn

Data as of Sep 07

Funding Strategy (III)



Diversified maturity profile



Euros in millions

Funding Strategy (IV)



A wide institutional investor base due to a balanced issuance policy both in

- ✓ size and
- ✓ product mix

**Enhancing our role as
a quality issuer in the
Capital Markets**



Actions taken last August to face the liquidity crisis

✓ Increase risk premium of new production

✓ € 1,800 m of new customer funds

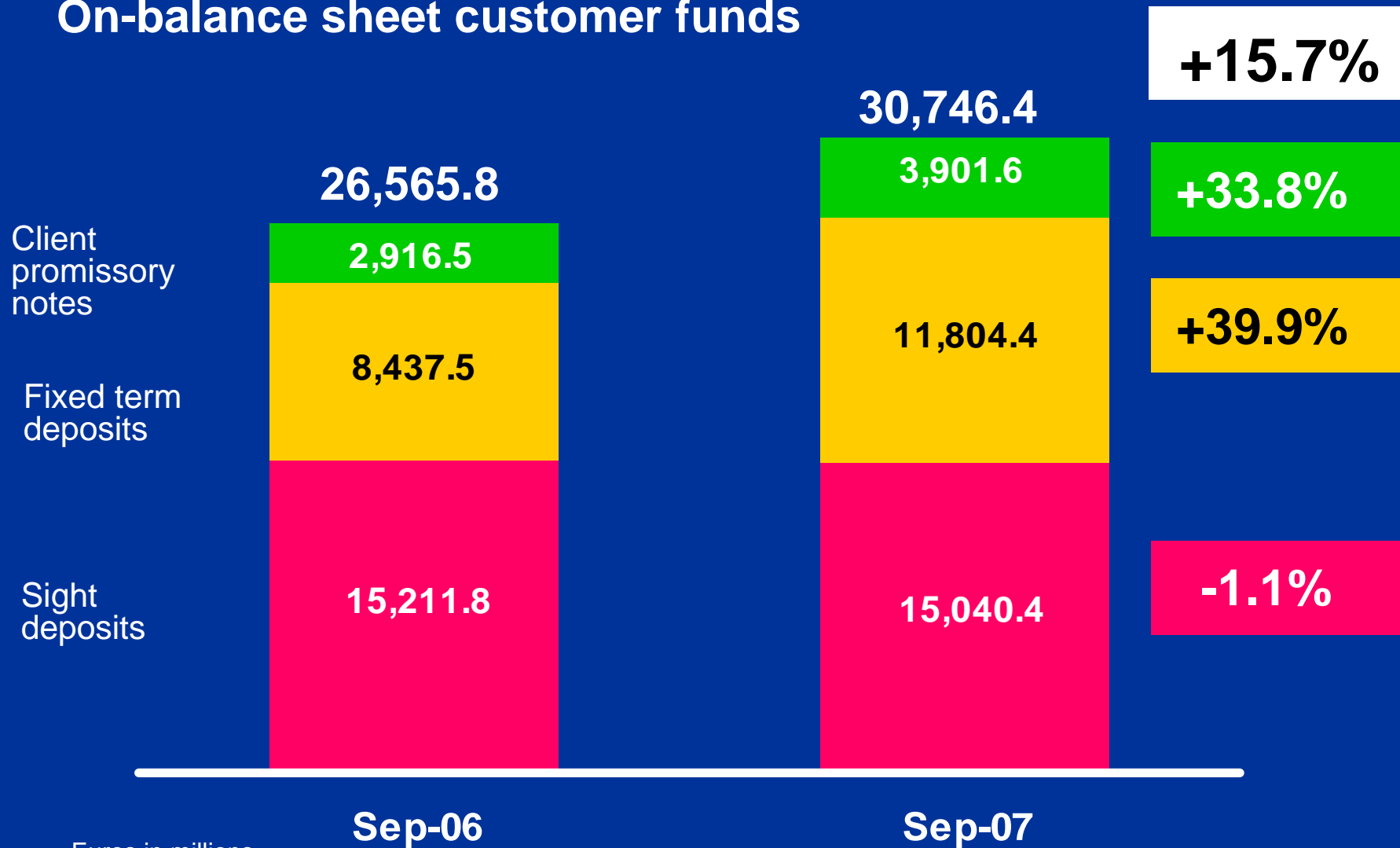
✓ Lower investment growth

Prudence in the current uncertain outlook

Funding Strategy (VI)



On-balance sheet customer funds



Euros in millions



-
- ✓ Low interest risk
-
- ✓ Strong Liquidity Position
-
- ✓ Diversified and balanced funding structure
-

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Risk Management

Mr. Josep Tarrés



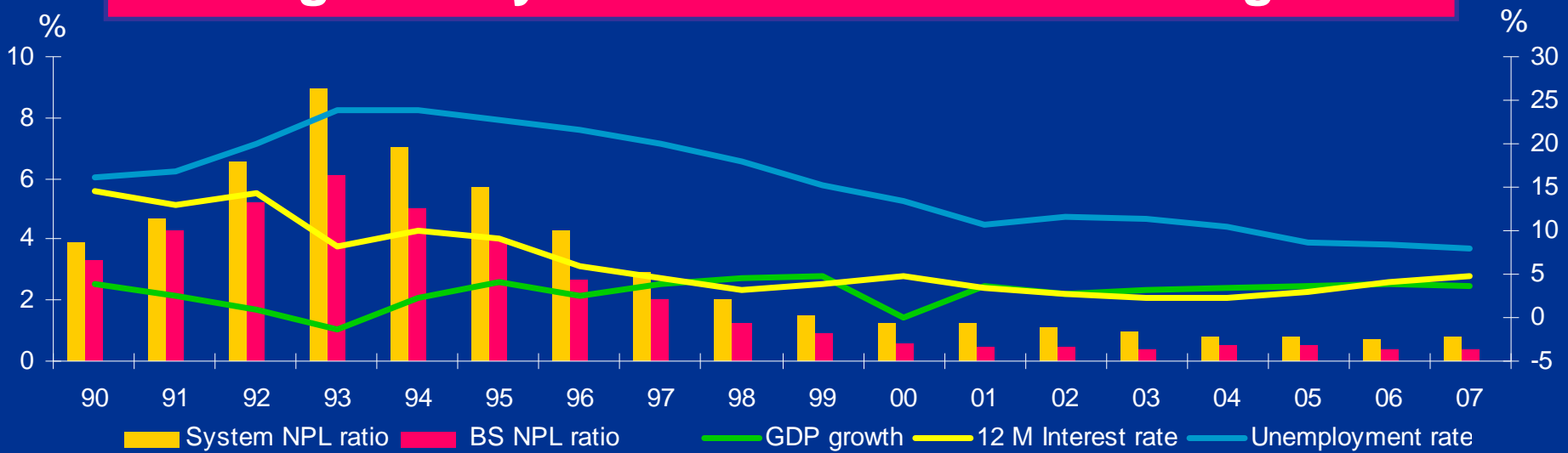
6th November 2007

Best of class in asset quality



	BS	Peer Group	System ¹
NPL ratio	0.41%	0.54%	0.56%
Coverage ratio	430%	334%	292%

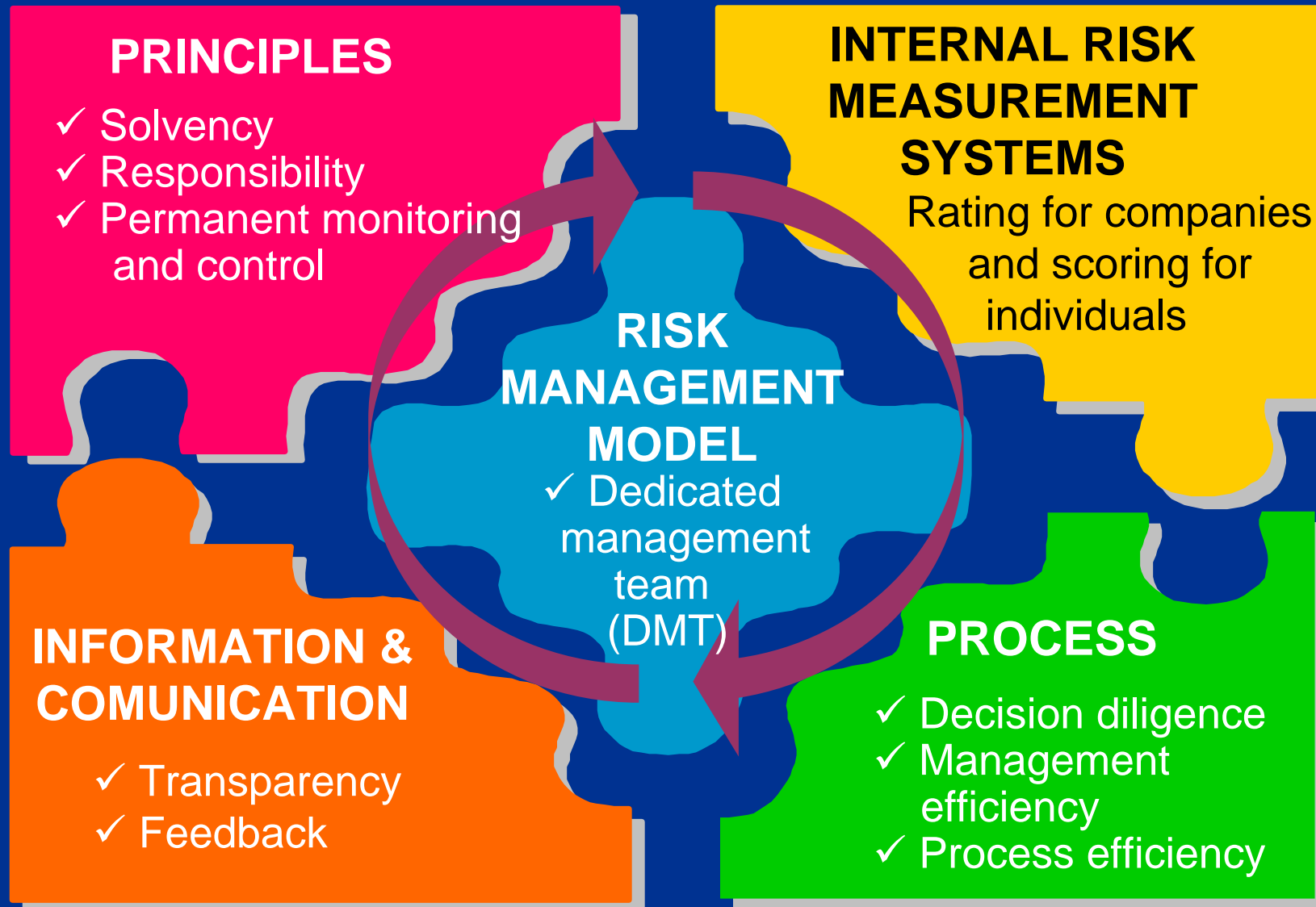
Through-the-cycle excellence in risk management



¹ Banks and savings banks as of June 07

Strict Capital and Risk Management Policies

B





DMT Structure

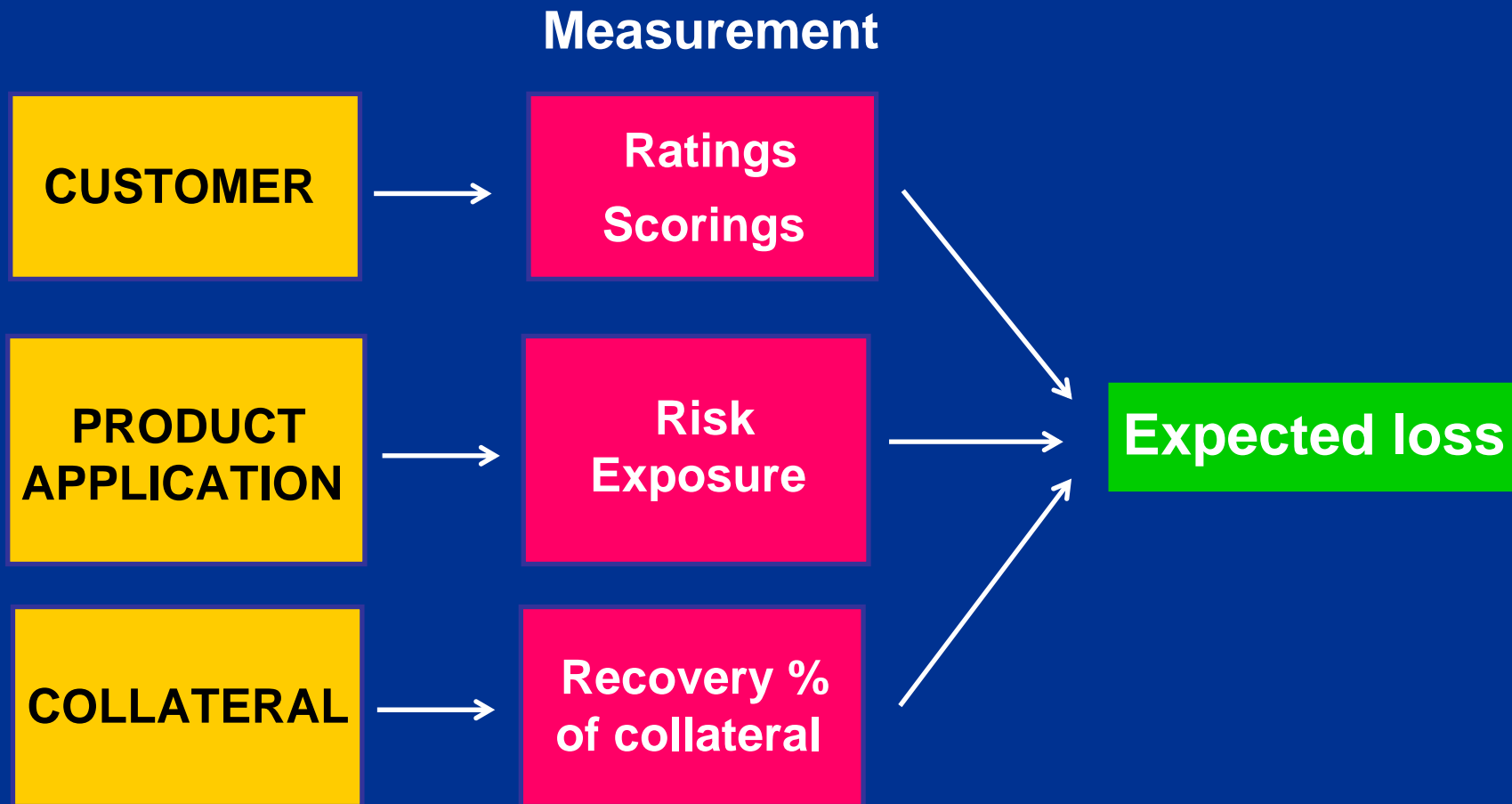


Our Dedicated Management Team (DMT) has joint responsibility over risk management decisions (granting and monitoring)

Internal Risk Management Systems



Each loan book segment requires a different valuation approach



SCORING (Individuals)

Acceptance

Credit cards

Consumer Credit

Mortgages

Others

Business and risk aspects

- Customer profile
- Available cash flow / indebtedness capacity
- ✓
- ✓
- Property to be mortgaged

Monitoring

Behavioural scorecard

- Cash accounts
- Credit cards
- Mortgages
- Consumer credit
- Credit lines

- ✓ Advanced model in process of validation by Bank of Spain (BISII)

Internal Risk Management Systems



RATING (Companies)

Acceptance

Corporates

Micro companies
SME lending
Large Corporates

Small business

Specialized lending

Project Finance

Real Estate

Sovereign

Financial Institutions



Business and risk aspects



- Functionality and management skills
- Competitive market position
- Economic-Financial
- Historical

Monitoring

Early warning system

Small Business
Micro companies
SME lending
Large Corporates
...

✓ Advanced model in process of validation by Bank of Spain (BISII)



1- Operations and Management Skills

Company's targets and mission

Management team's experience and commitment

Hierarchy and skills

Management style

2- Competitive Positioning

Product base

Activity by sector and sub sector

Production process. Market segment

Competitive positioning

Concentration in reliance on customers and providers



3- Economic - Financials

Balance sheet and P/L account (indebtedness, cash-flow and liquidity)

Evolution, trends and forecasts of main financial highlights

Financial environment, for parents, subsidiaries and partners

Growth capacity and leverage

4- Background

Knowledge on customer and holdings

Background of relationship between business and bank

Company and partners historic loyalty track-record

Third-party experience: payment records, other banks . . .

Analysis drivers depend on company size:

MICRO COMPANIES

Non-financial factors are critical

Qualitative factors provide higher value-added

Operational information

SMEs

Significant weight of the financial ratios

Emphasis on non-financial adjustments

More importance of dynamic analysis

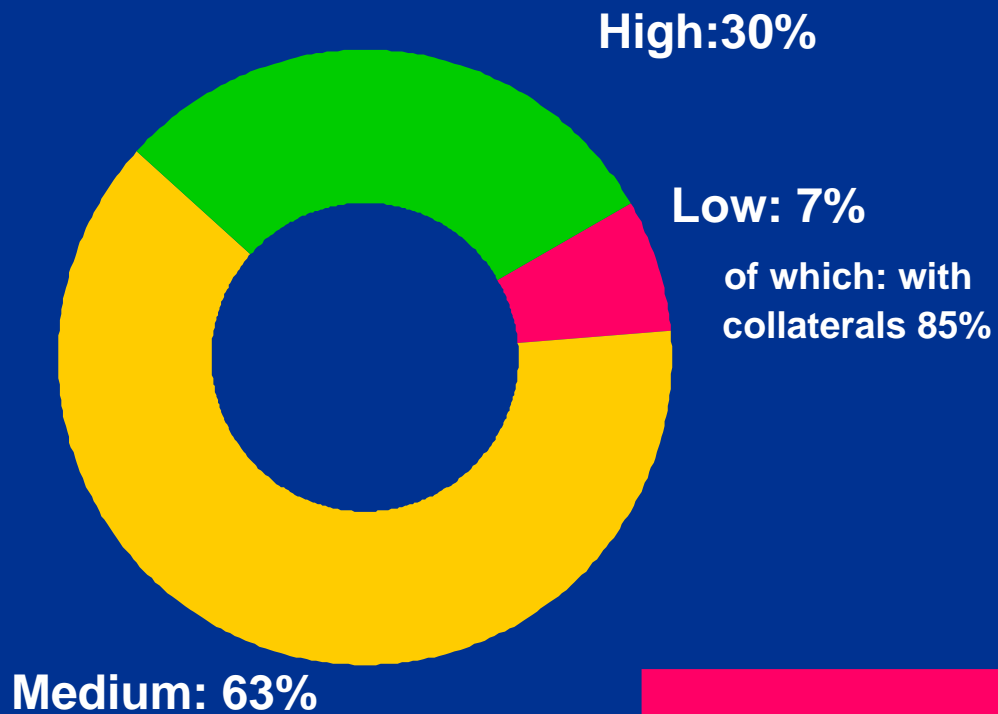
LARGE CORPORATES

Scoring based on financial information

Sector differentiation

Small relevance of qualitative aspects

Loans to Corporates by Rating



S&P Equivalent:

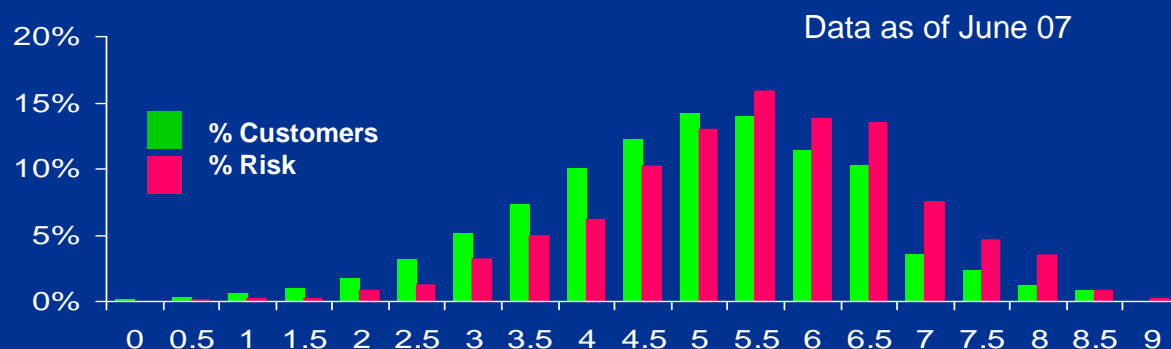
High: AAA / BBB+
Medium: BBB / BB-
Low: B+ / CCC

Rating



Probability of default (PD)

Breakdown by Rating



% Share in our customer's risk(*)

Turnover	Share of risk
up to €0.9m	56%
€0.9m to €3m	24%
€3m to €30m	14%
over €30m	8%

71%

Of gross loans to customers

40%

in companies with turnover lower than 3 million euros

- ✓ Positive discrimination of risk
- ✓ 97% of companies portfolio with rating

(*) Percentage that our financing to a customer represents in the total debt of that customer. It is not a market share.

✓ Specialized structure

✓ Continuous in-house research on domestic supply and demand

✓ BS has a monthly Risks and Real Estate Business Committee; interaction with Bank of Spain

**Business
and Risk**

11.5%
Share in our
customer's risk^(*)

(*) Percentage that our financing to a customer represents in the total debt of that customer. It is not a market share.

- ✓ Consolidated developers with proven track-record
- ✓ Strict loan granting criteria: developer's solvency and features of the development



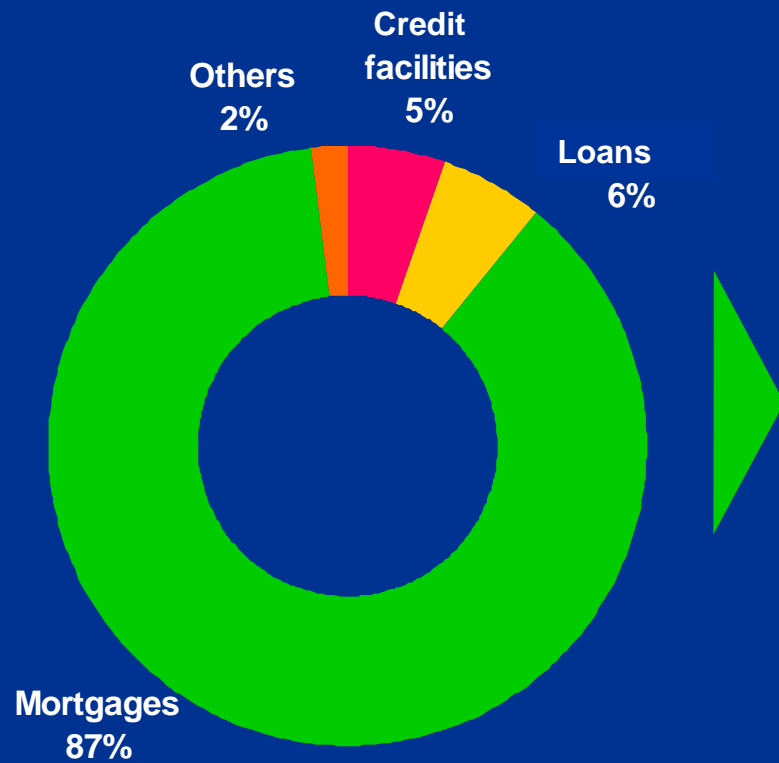
Internal tailor-made risk models for R.E. developers

- ✓ Principles and percentages established by the Group (LTV, repayment times)
- ✓ Strict land financing policy: We only finance "suelo finalista¹" and in the most demanded areas

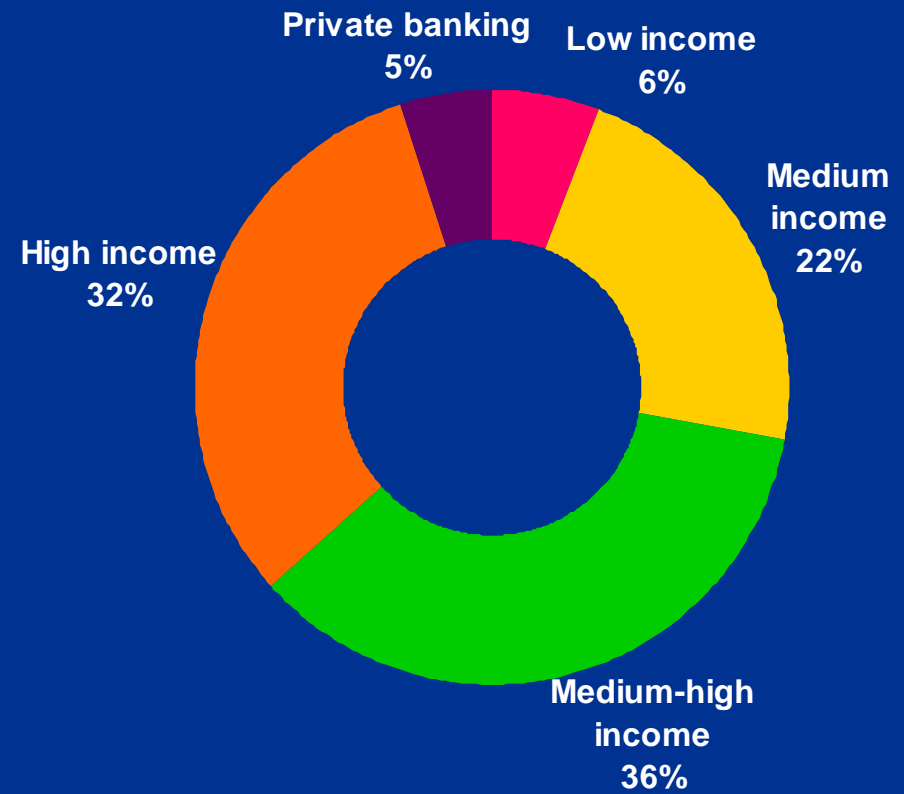
73.9%
Investment
grade

0.14%
NPL ratio

Segmentation by type of loan

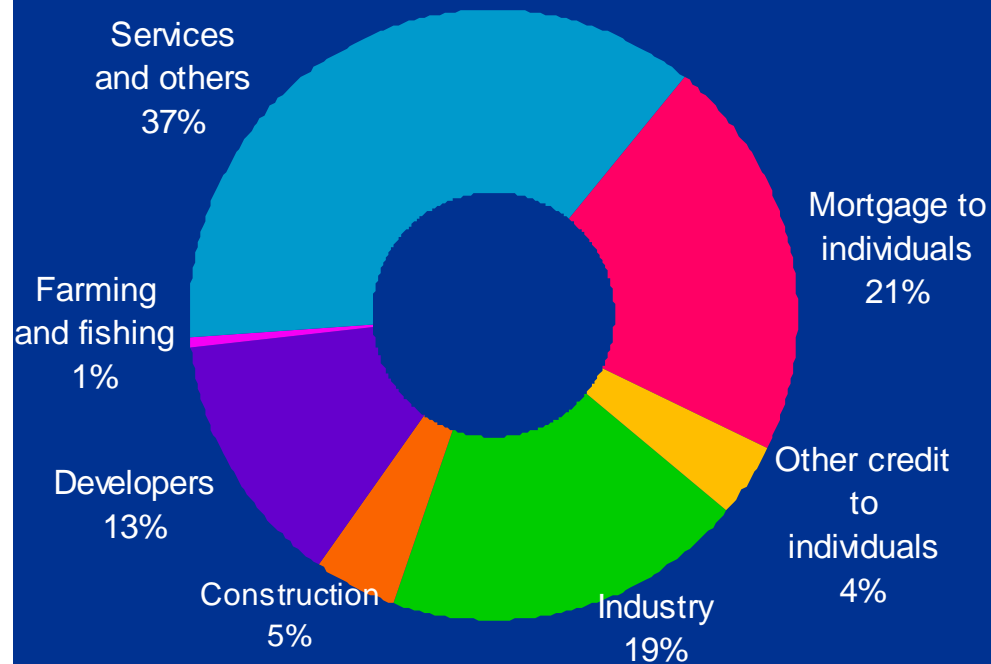


Segmentation by level of income

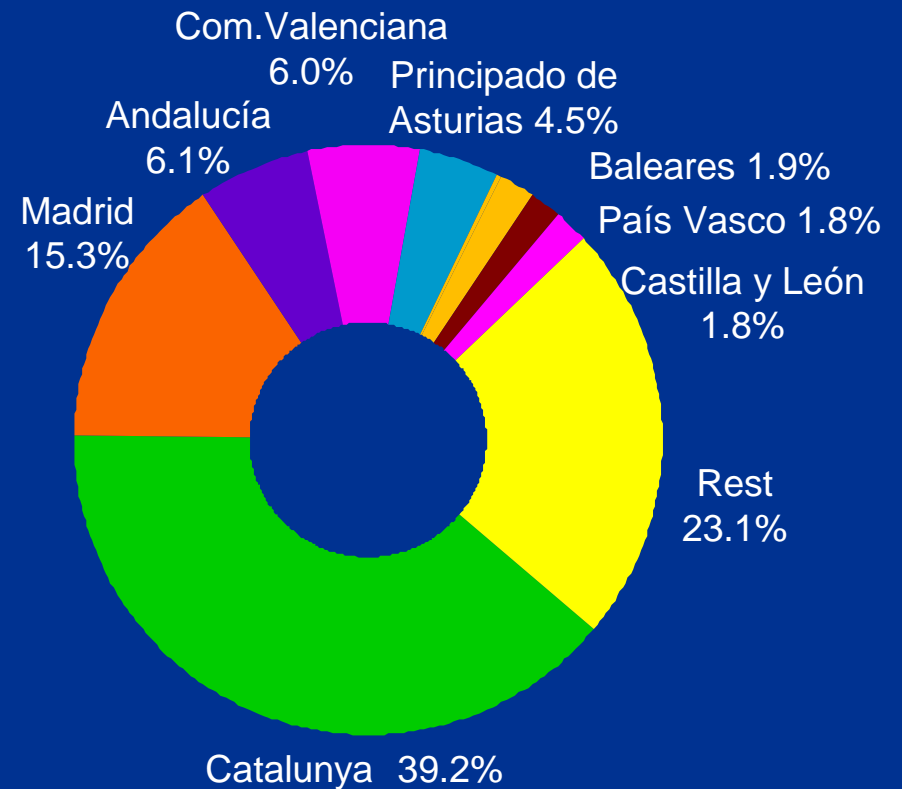


Data as of Sep 07

Breakdown by sectors



Breakdown by regions

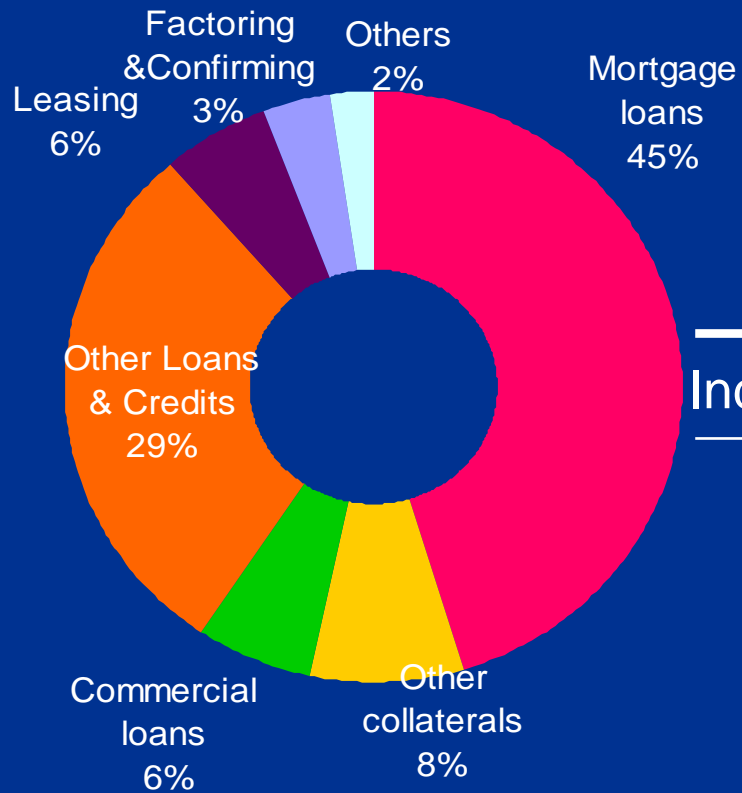


Data as of Sep 07

Gross Loans to Customers



Loan portfolio by product



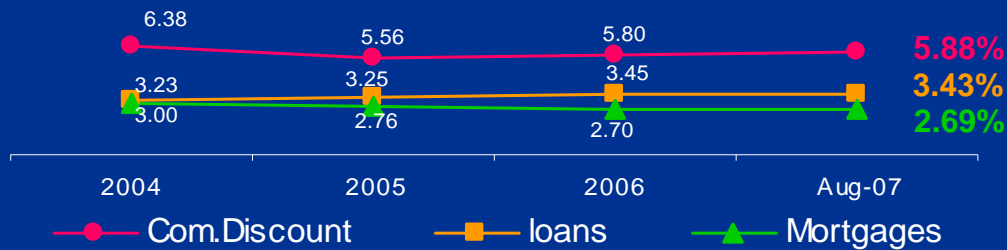
	BS	Peer Group	System
Individual Mortgages	21%	31%	36%

Data as of Sep 07

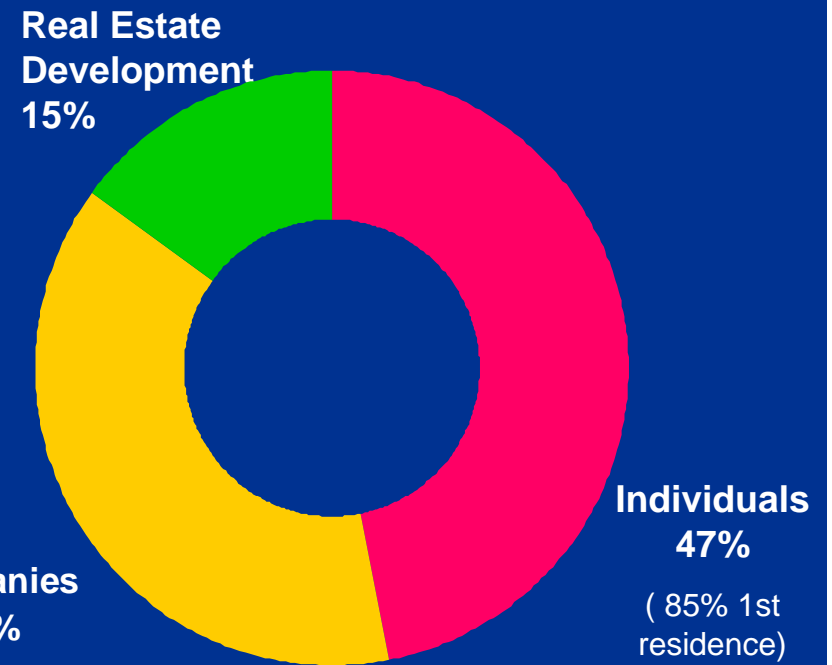
Mortgage portfolio



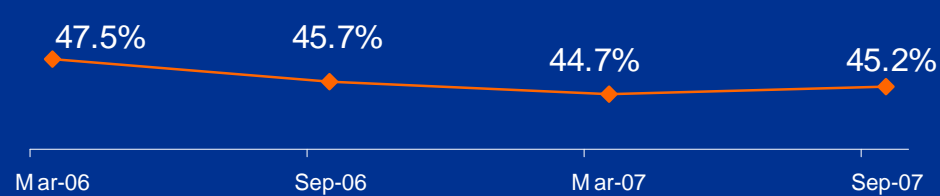
Market Share evolution



Mortgage portfolio breakdown

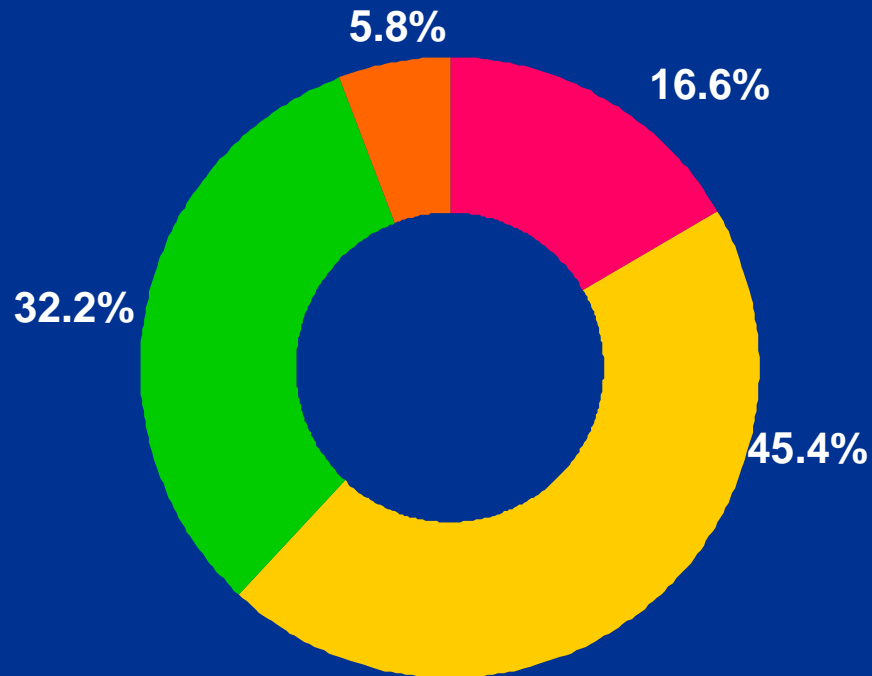


Mortgage portfolio share evolution



Data as of Sep 07

Breakdown by LTV



- <= 30%
- > 30% y <= 60%
- > 60% y <= 80%
- >80%

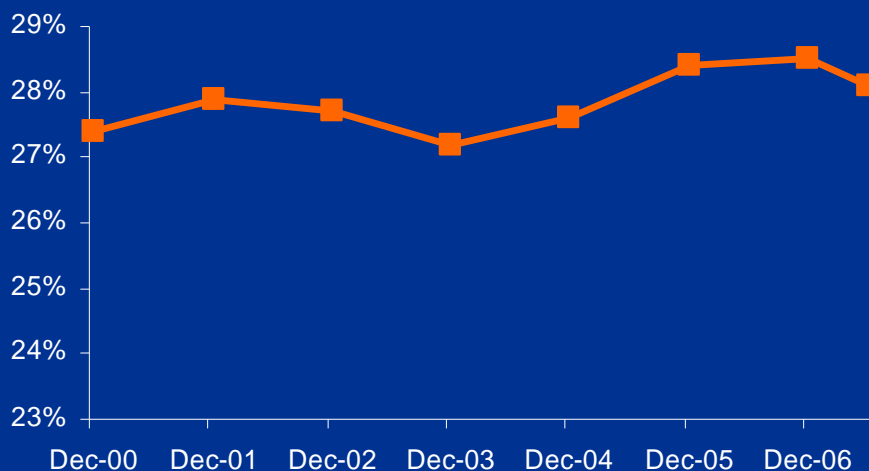
LTV	Stock	New production*
Individuals	55.8	60.8
Companies	52.0	55.2
RE Dev	42.6	39.2
LTV	52.3	53.6

* Last year

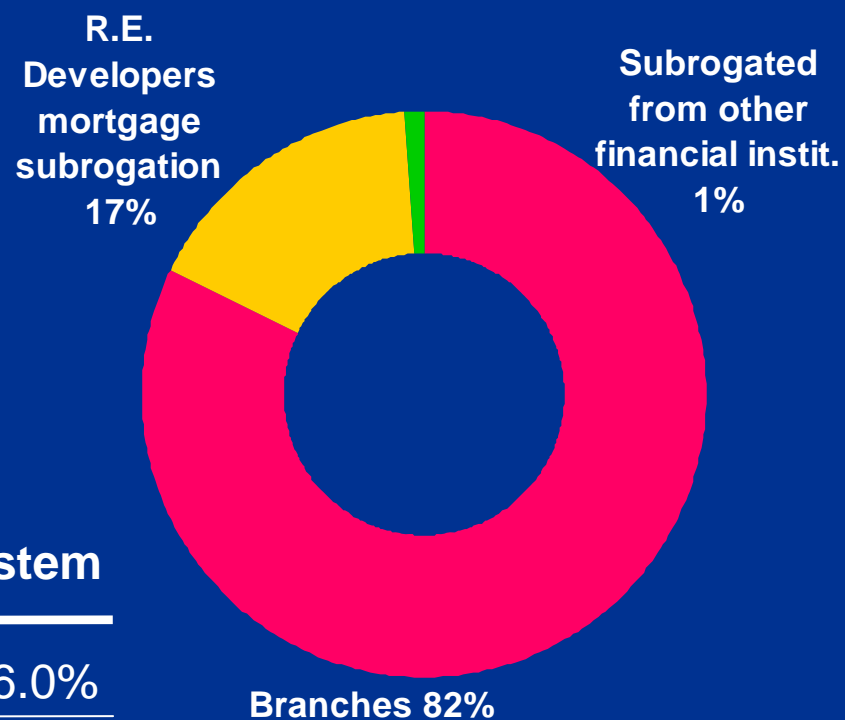
Individual Mortgages



Debt to income ratio evolution



Mortgages by origin



	BS	Peer Group	System
Debt to income ratio	28.1%	31.0%	36.0%
LTV	55.8%	58.0%	68.2%
Average maturity	17.1	18.3	26.0



Credit risk

- ✓ Rating for corporates (2000)
 - ✓ Scoring for consumer credit and mortgages (2002)
 - ✓ RORAC for companies and Pricing (2003)
 - ✓ Advanced model validation for Bank of Spain starts(BIS II) (2005)
 - ✓ Small business, Real Estate Developers, Country, Financial institutions and Project Finance ratings (2005)
 - ✓ Datamart (2007)
 - ✓ New set of decision levels – expected loss (2007)
 - ✓ Management of the efficiency in authorization workflow (2008 - 2009)
 - ✓ Early warning system (2007)
 - ✓ New behavioural scorecard and management of limits per product for individuals (2007 – 2008)
 - ✓ Redesigned follow-up environment (2008 - 2009)
-

Operational Risk

- ✓ Quality-based approach (1999)
- ✓ Losses database and capital calculation (2001)
- ✓ New organisational model (2003)
- ✓ AMA approach

Market Risk

- ✓ Value at Risk (VaR) methodology (1996)
- ✓ Advanced Risk Platform project (2006)

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Optima

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Mr. Jaime Guardiola – Managing Director



6th November 2007



1. OPTIMISATION

Operational efficiency

Commercial productivity

2. LEVERAGING OUR STRENGTHS

A unique risk management model

A diversified and flexible balance sheet

3. ADDING VALUE TO BUSINESSES

Business model

Skills gained through integration experience

1. Optimization: Where we are

Integrations:

- ✓ 5 times over
- ✓ Coexisting with business growth
- ✓ Cut and Paste
- ✓ Complexity

IT Platform:

- ✓ Investment: €140 m
- ✓ Process completed after migration of int. business

Advanced CRM

Transformation of operational model

Operational efficiency

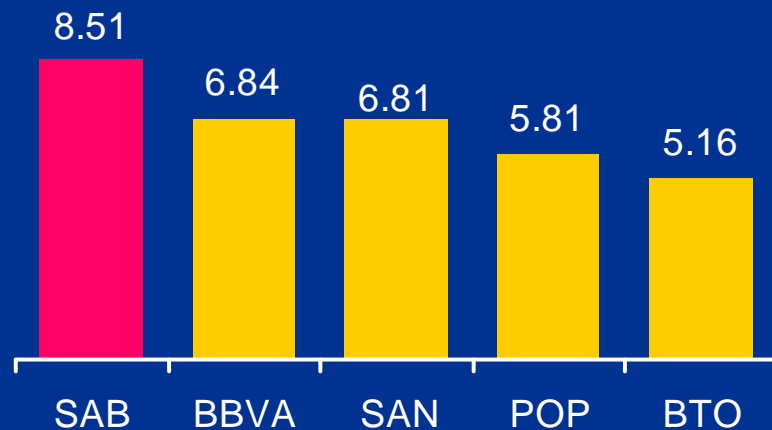
Commercial productivity

1. Optimization: There is an opportunity

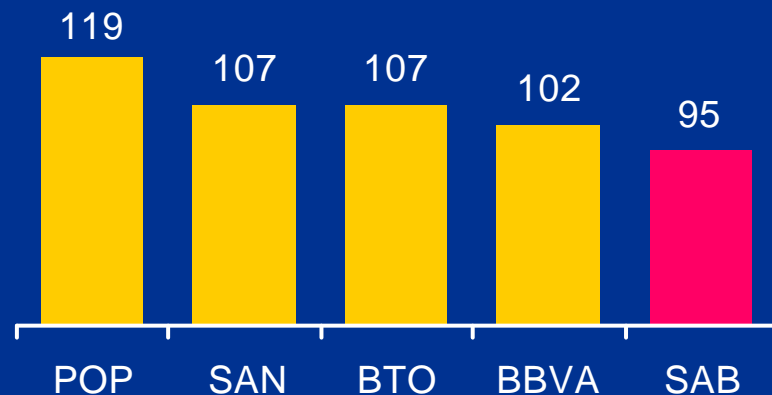


We have room to improve

Employees per branch



NII per employee



Data as of Sep 07

To reduce back-office burden at branch level

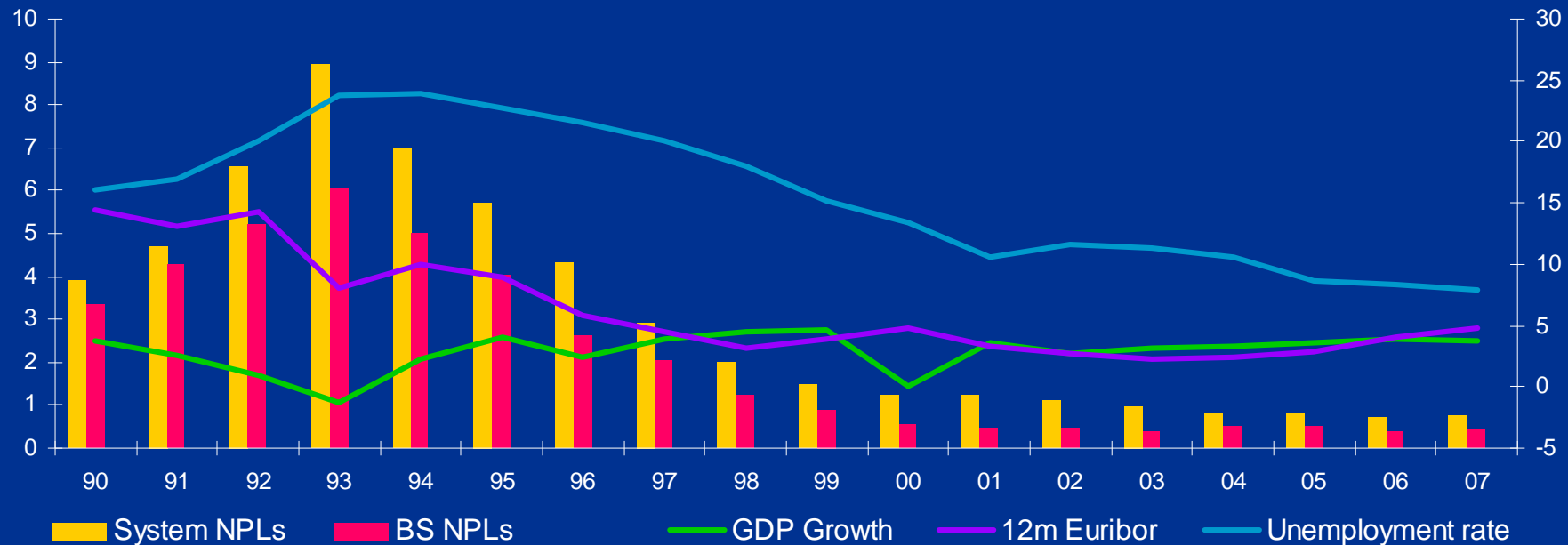
To lighten relationship manager's back-office workload

Provide tools that improve efficiency

2. Leveraging our strengths: A unique risk management model



- ✓ Dedicated Management Team (DMT)
- ✓ Internal rating and scoring systems
- ✓ Excellent asset quality

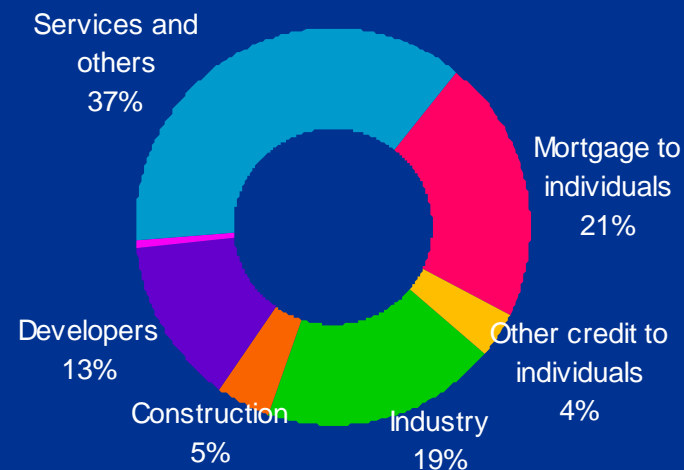


2. Leveraging our strengths : A diversified and flexible balance sheet



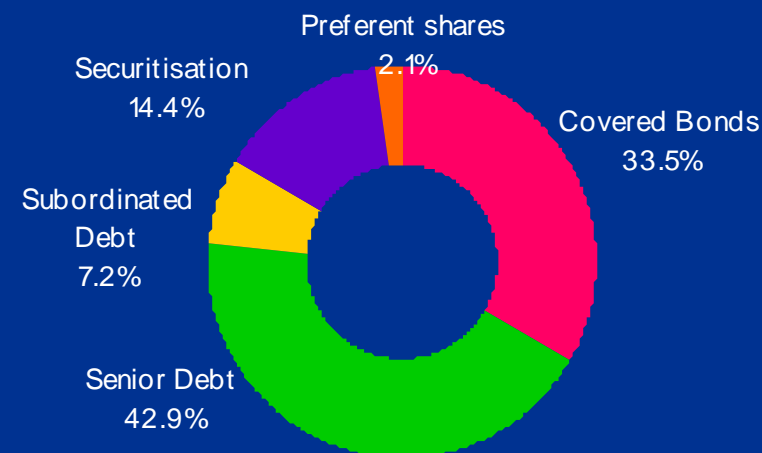
- ✓ A solid retail customer deposit base
- ✓ Diversified both asset and funding base
- ✓ A comfortable liquidity position

Gross loans to customer by segment

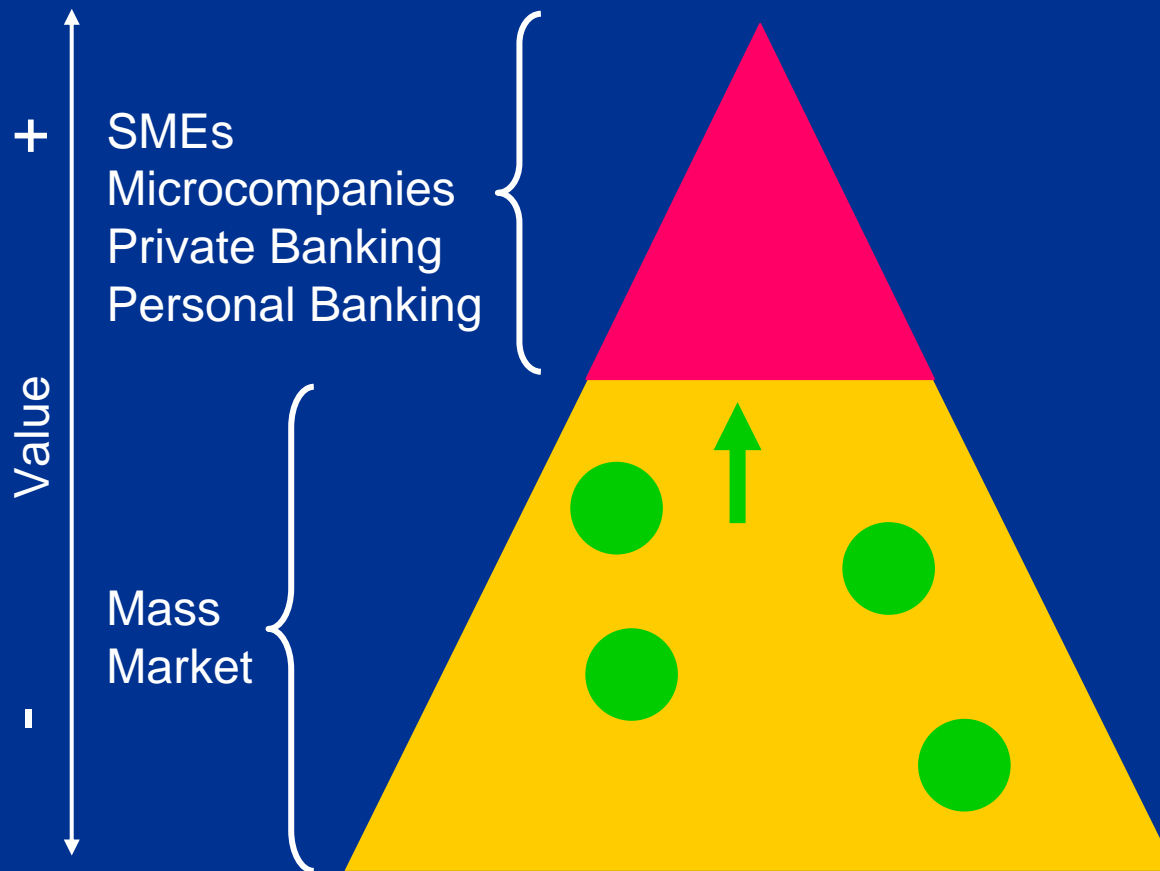


Data as of Sep 07

Wholesale funding



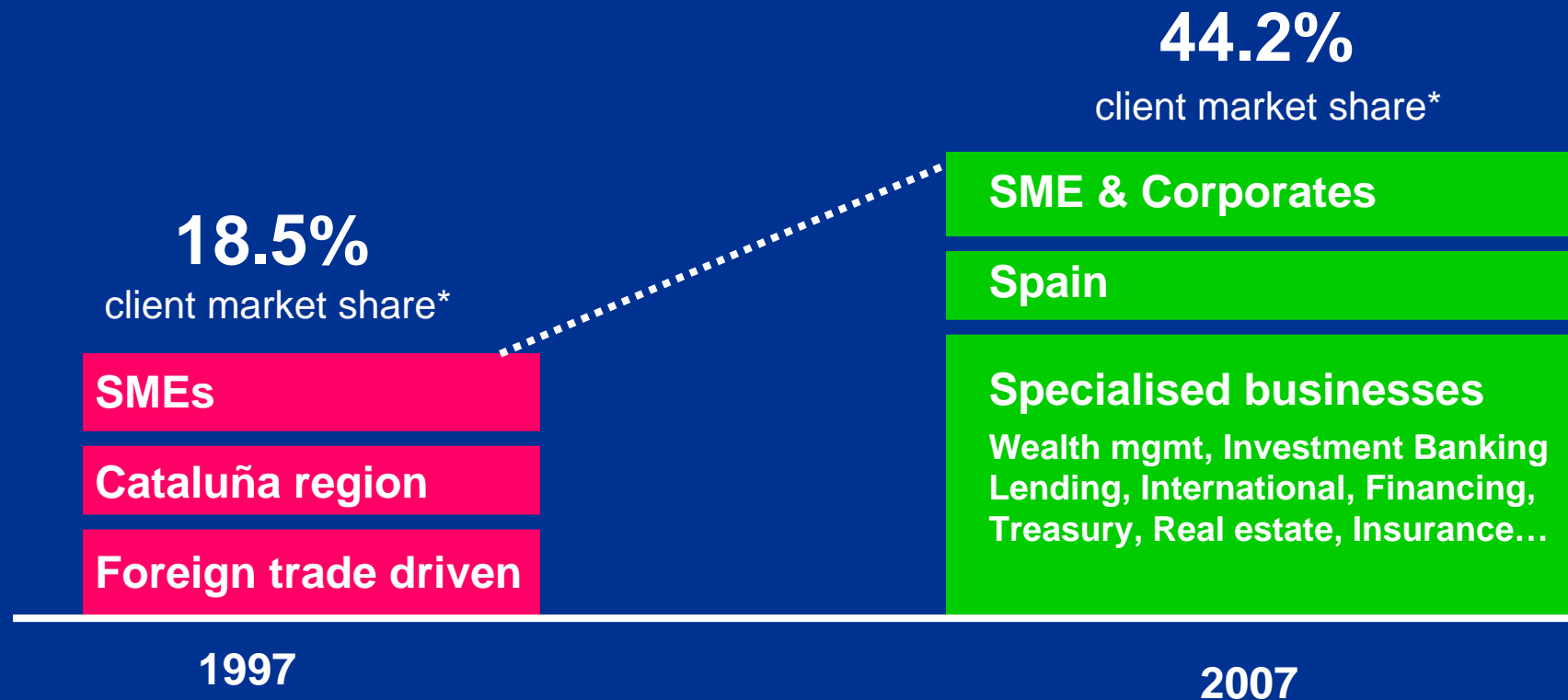
3. Adding value to businesses: Commercial Banking



-
- ✓ Focus on customer
 - ✓ Portfolio management
 - ✓ Multichannel Servicing
 - ✓ Value management
-

- ✓ Product focus and y cross selling
 - ✓ Multichannel distribution
 - ✓ Value-through-sales
 - ✓ Customer upgrading
-

3. Adding value to businesses: SME & Corporate Banking



Leverage this excellent business platform

* Percentage of the total customers in this segment who bank with BS.

3. Adding value to businesses : Banco Urquijo and Treasury



Banco Urquijo

Unique opportunity

Independent model

Best Private
Banking in Spain

Treasury

Evolving towards an
in-house treasury
business leveraged
through our
customer franchise

3. Adding value to businesses : Bancassurance and Asset Management



Bancassurance

Ranked 4th (Banks)

Diversified business

Stable and recurrent

Underwriting

Asset Management

Ranked 3rd (Banks)

Spain domiciled funds
& SICAVs

Leader in qualitative
ratings

Private banking capable

Alternative investment

Boosting the capacity of our
business model to create value by
optimising our operational model



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Optima 09. Financial outlook

Mr. Tomás Varela



6th November 2007

Optima 2009. Targets



Optima

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Gross loans to customers
Customers funds

12% CAGR
14% CAGR

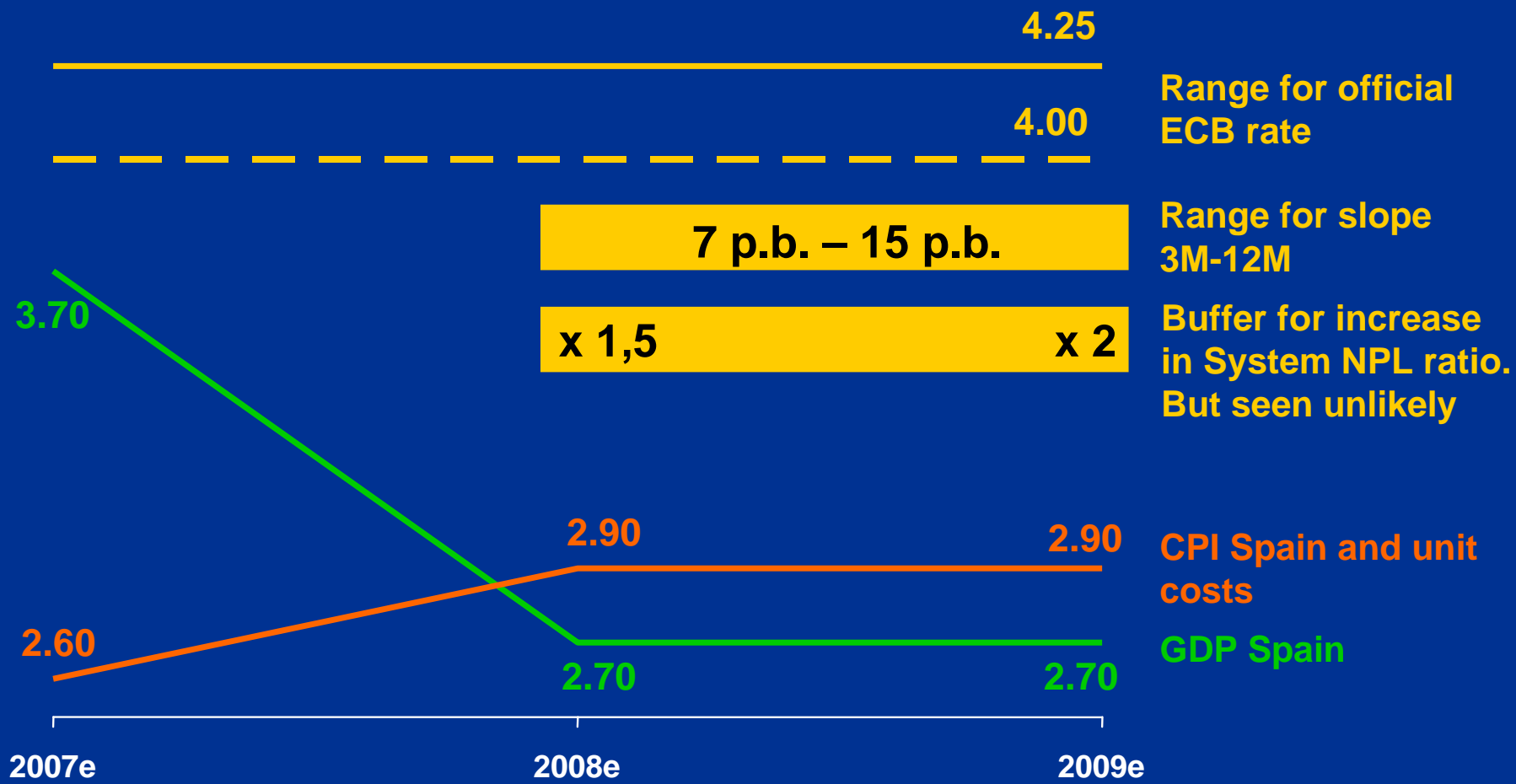
Gross operating income
Growth in costs

Double digit, + € 500 m
Below CPI

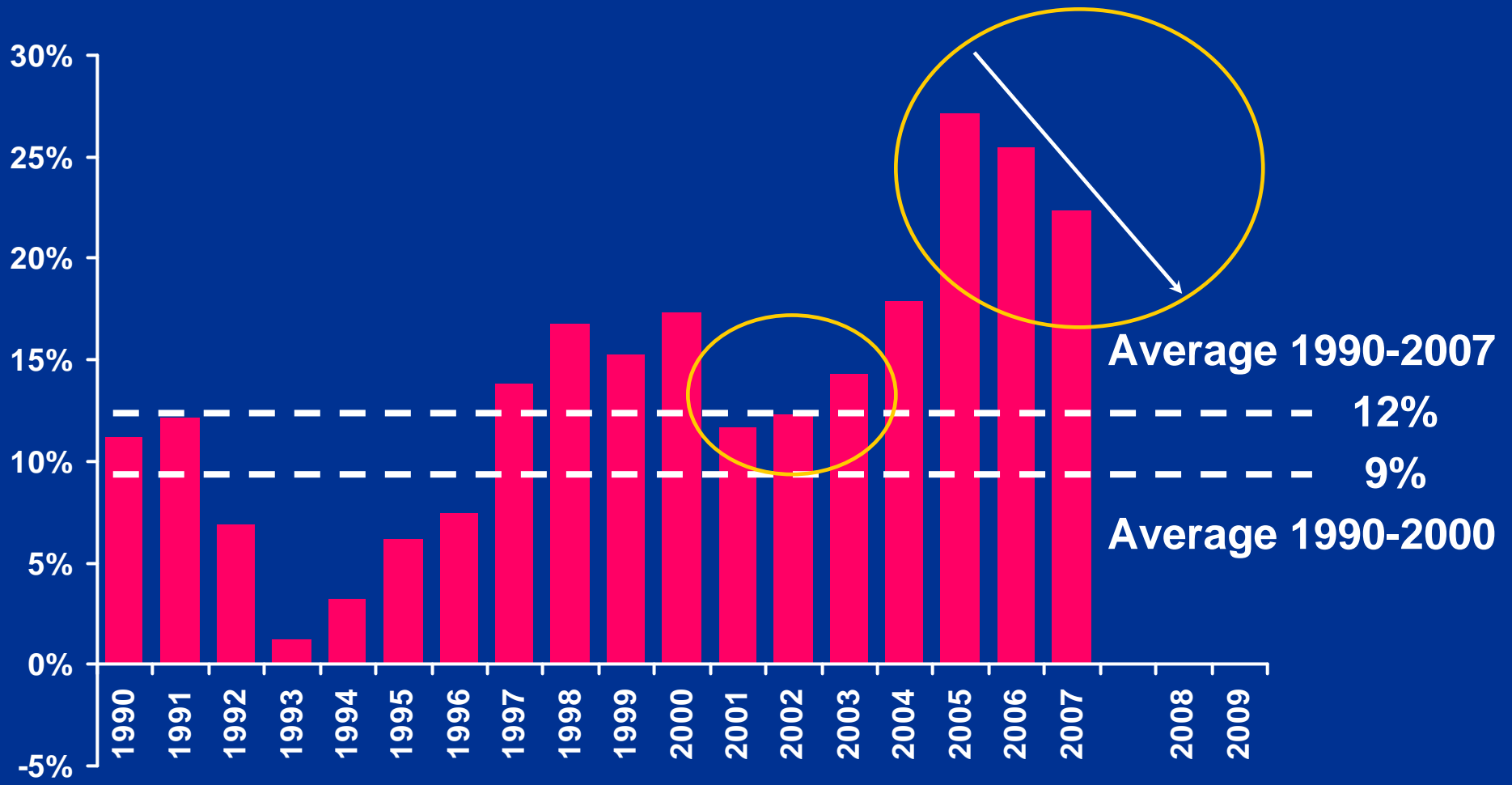
Cost / Income (ex.amort.)
Sustainable ROE

37.5%
20.5%

Base Case economic scenario



System credit growth trend



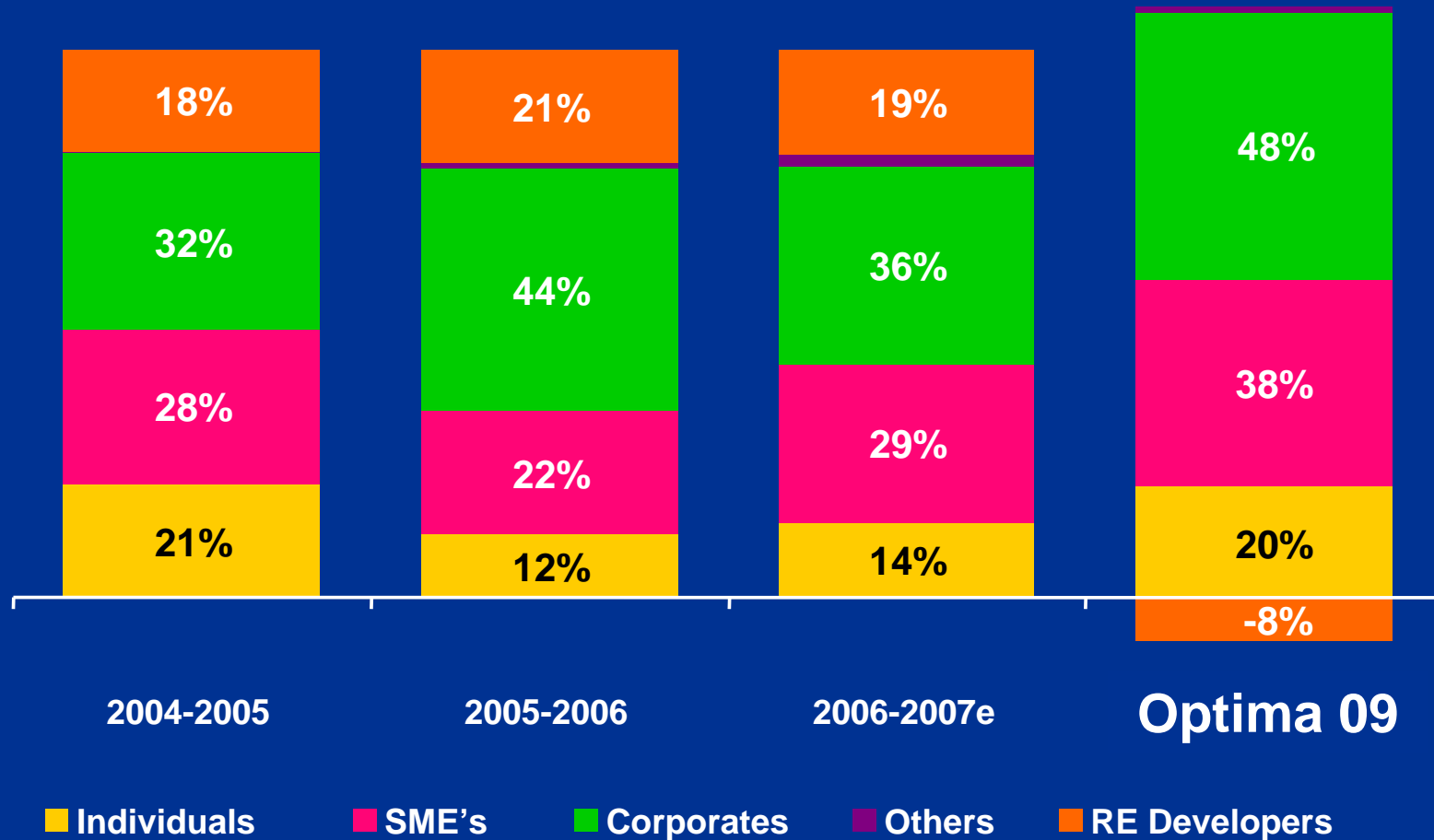
Source: Bank of Spain

Above-average credit growth capability . . .



Especially in corporates and SME's, with limited reliance on other segments

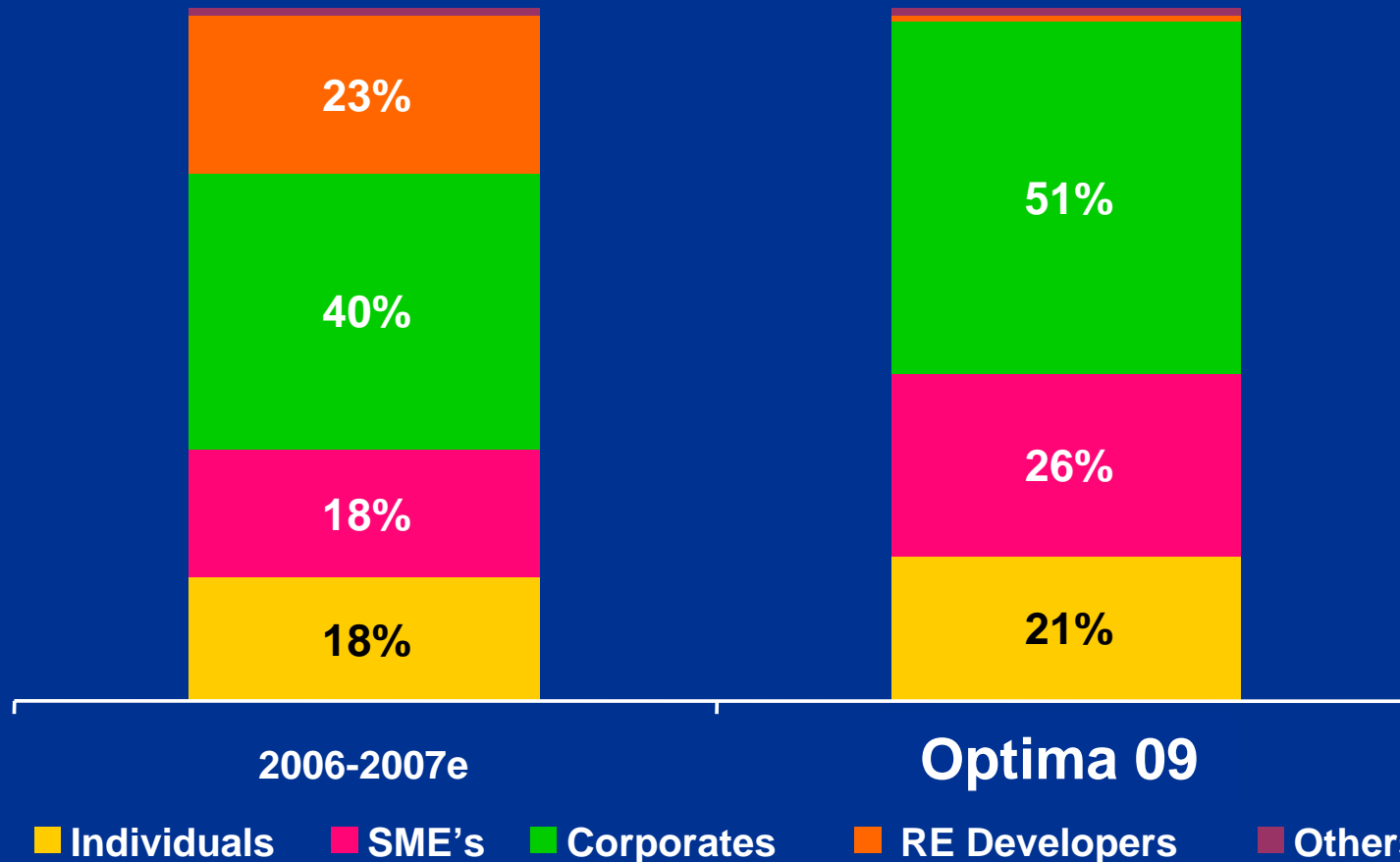
Contribution by customer segments to volume growth:



... as well as income growth capability



Contribution by customer segments to income growth:



Balance Sheet flexibility



Increase in net interest income:

Repricing Effect

- ✓ Assets repricing: 33-38 bp
- ✓ Deposits repricing: 25-30 bp
- ✓ Capital markets repricing: 32-37 bp

+

Credit Growth

- ✓ Credit growth 2 % above average

+

Funding Structure

- ✓ Stability with greater growth in customer deposits

CAGR
07-09e

2.5% – 4%

+

6% – 9.5%

+

2% – 3%

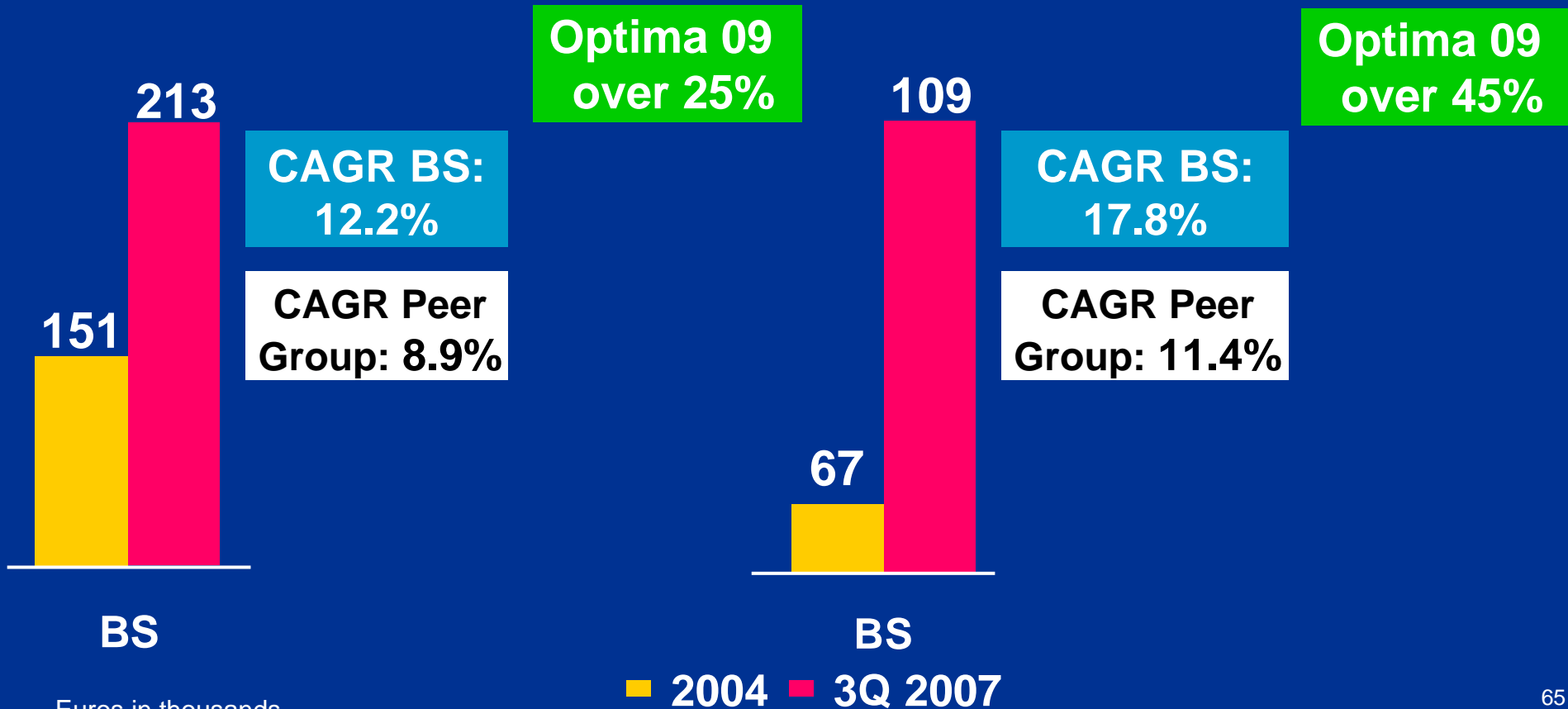
Additional capability in efficiency driven by productivity



FROM scale and technology acquisition (2002-2007)
TO transformation of operational model – **Optima 2009**

Gross operating income / Employee

Net operating income / Employee

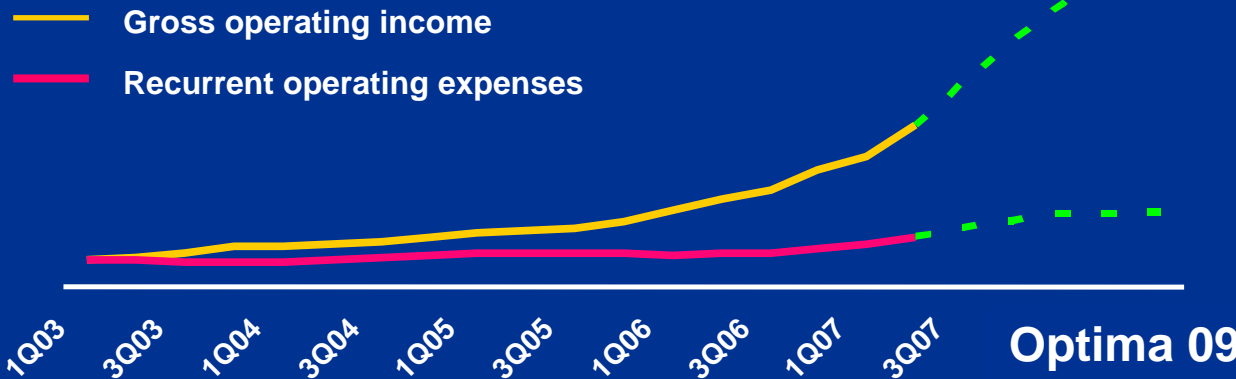


Euros in thousands

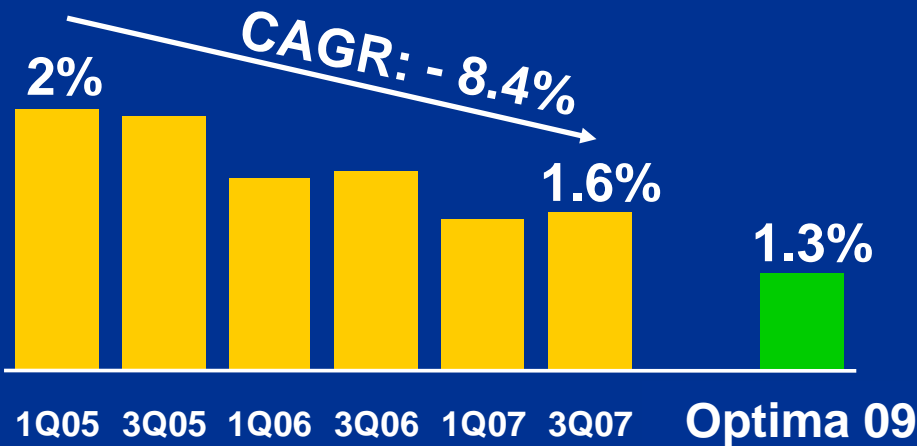
Widening jaws further



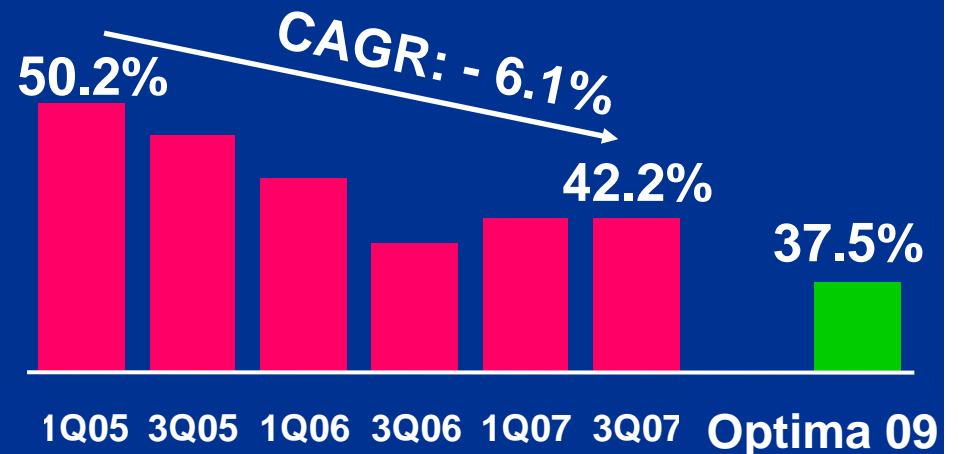
Gross operating income and operating expenses (rebased to 100)



Recurrent expenses / RWA



Cost / Income ratio¹ (recurrent expenses)

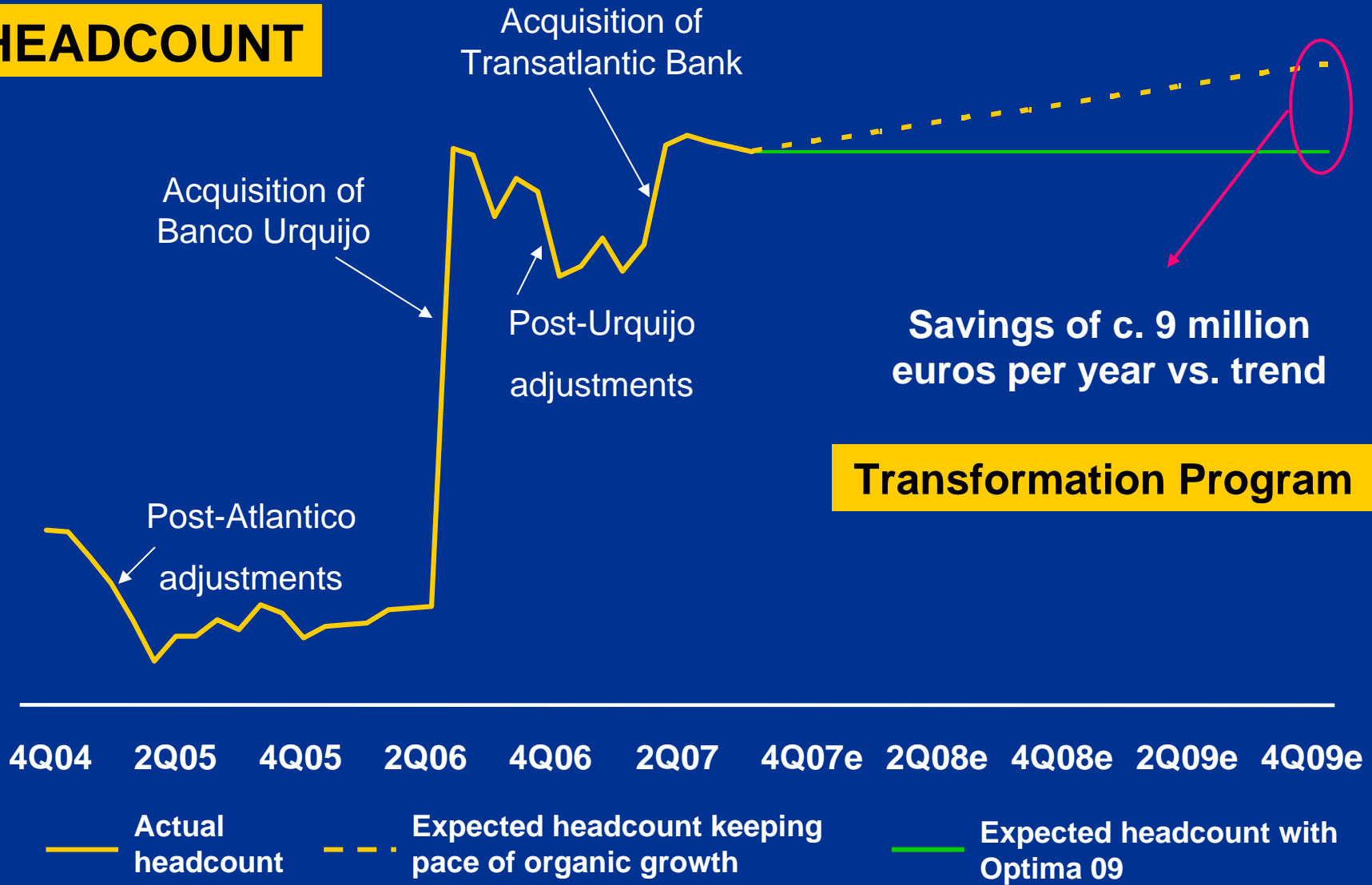


¹ Excluding amortisation

The transformation program allows a stable headcount base to absorb growth



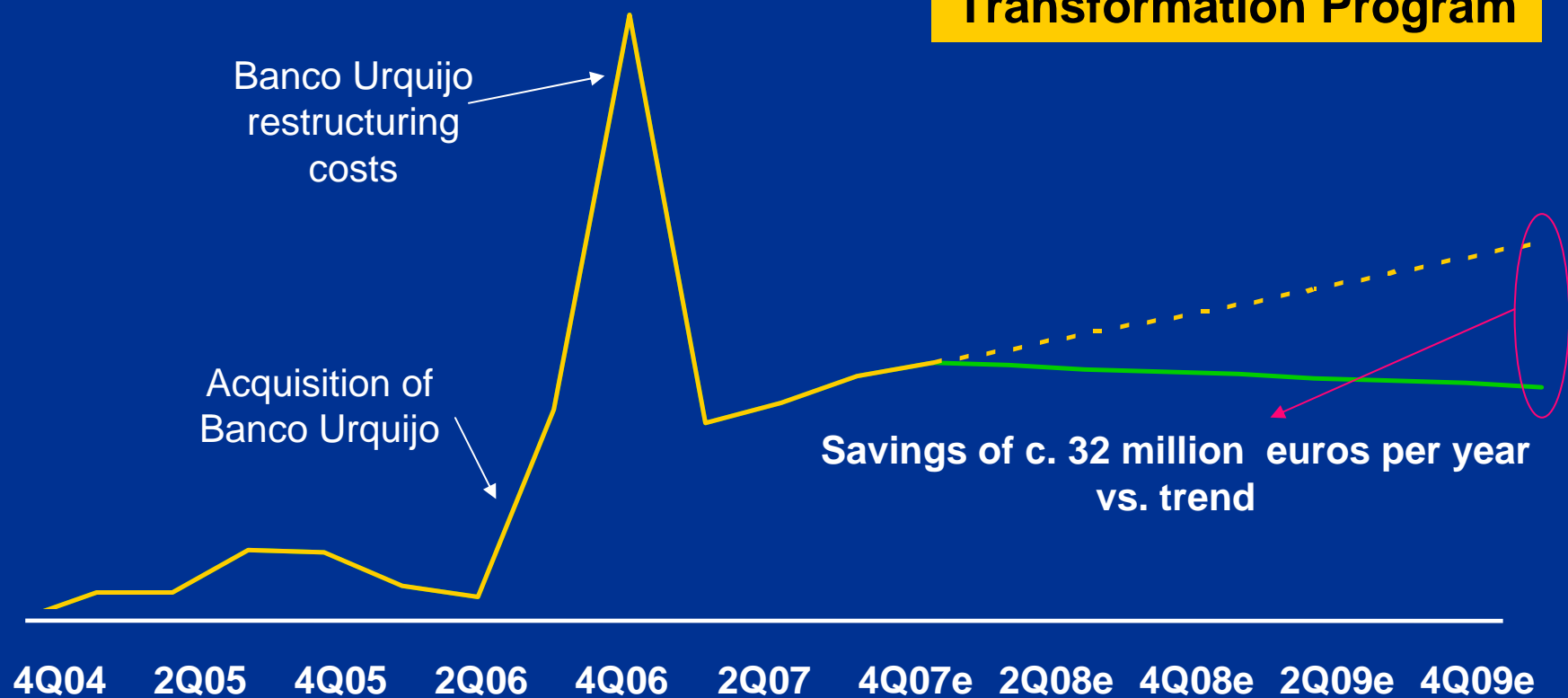
HEADCOUNT



Administrative expenses: growth only due to inflation



Transformation Program



— Actual trend

- - - Expected trend keeping pace of organic growth

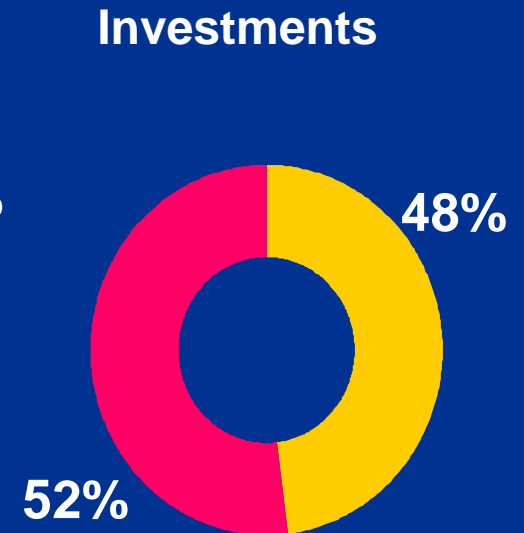
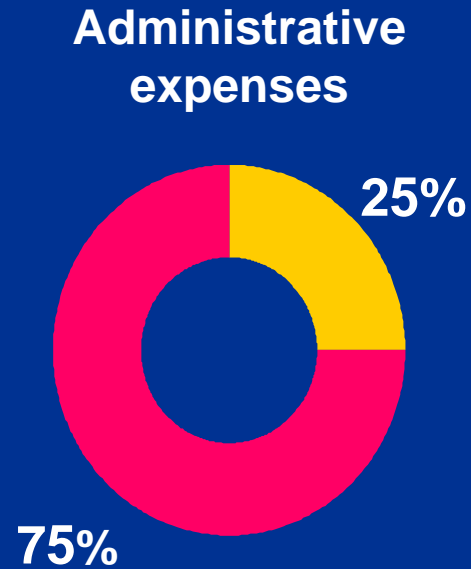
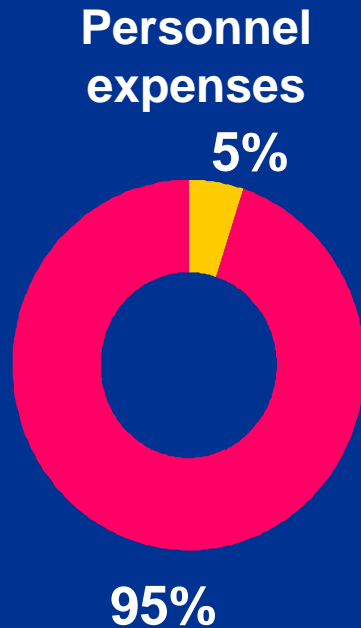
— Expected trend with Optima 09

Managing a flexible investment and expenses base



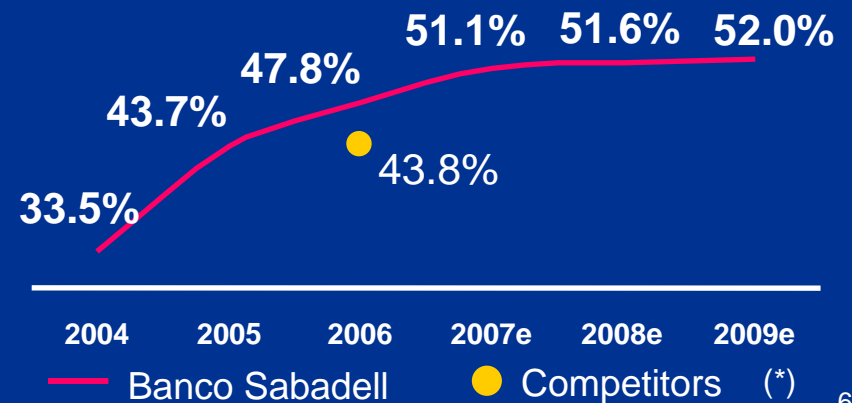
2009e

- Discretionary expenses and investments
- Non-discretionary expenses and investments



Room to adapt costs and investments to income growth opportunities

Ratio of discretionary investment in technology



(*) Source: "Analysis of Information Technologies in Spanish Financial Institutions" (Accenture)

Sensitivity

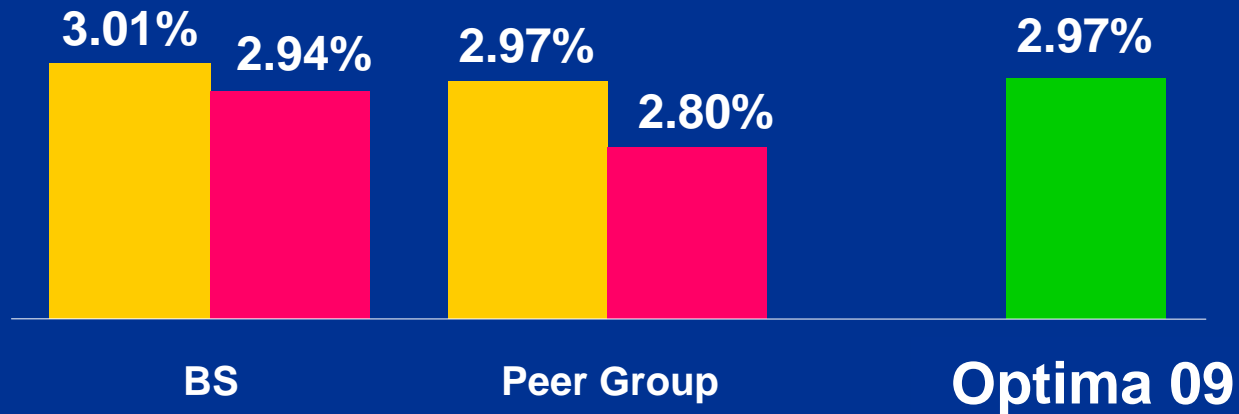


Scenario	on Cost base (Million euros)	on Cost / Income Ratio
Branch productivity	12	44 bp
Corporate centre productivity	11	41 bp
Personnel turnover	6	22 bp
Operating risk or external factors	10	36 bp
Combined effect	39	143 bp

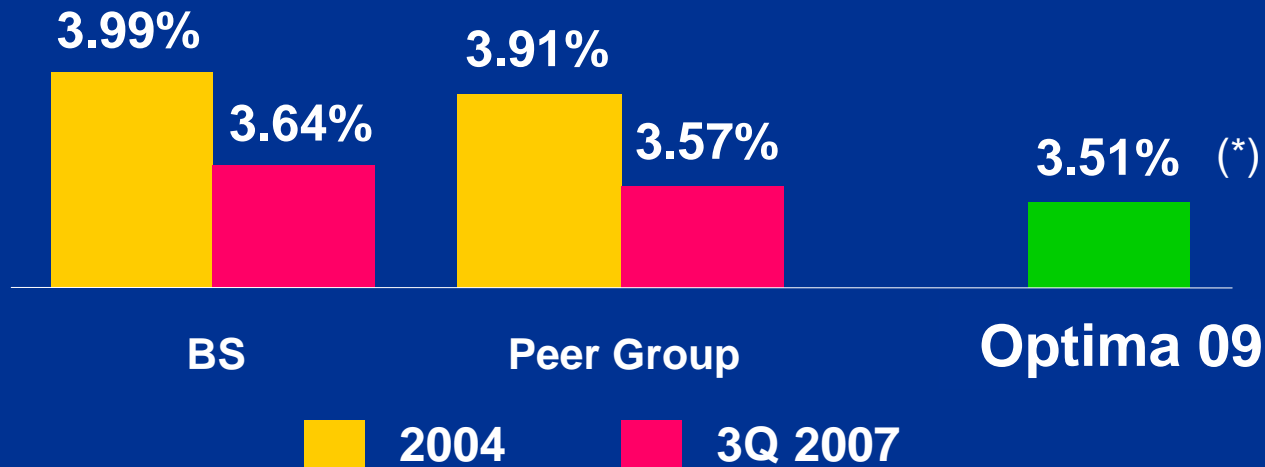
Excellent quality of results



Customer spread



Gross operating income / RWA

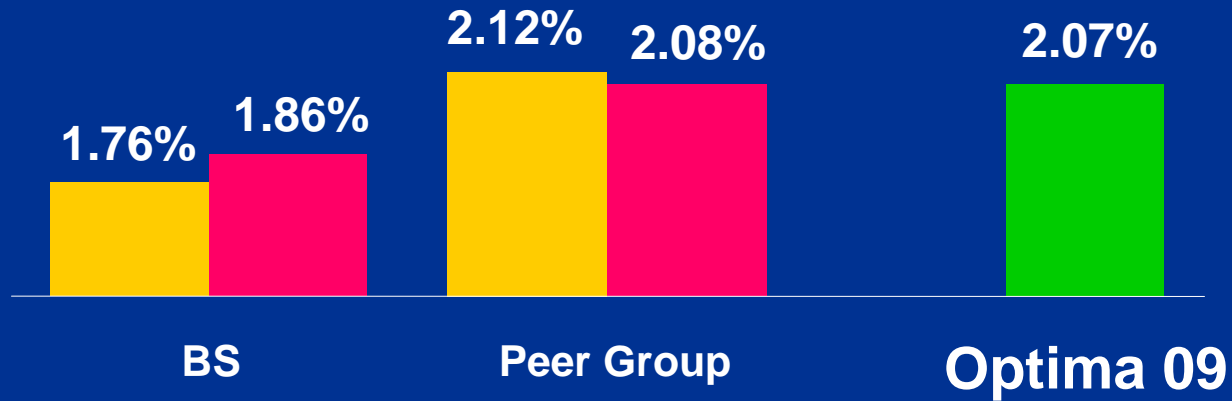


(*) Trading income accounts for 8 bp of the 13 bp drop

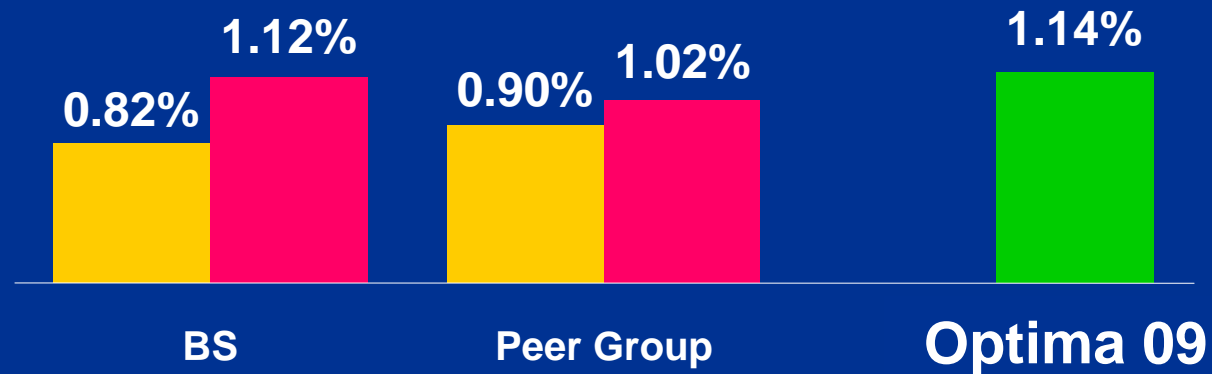
Excellent quality of results



Net operating income / RWA



ROA



■ 2004 ■ 3Q 2007

Solid capital base for organic growth



- ✓ **Strong capital base: 6% core capital in 2007**
- ✓ **Sustainable RoE: levels above 20% enable us to keep the path of stable growth around 12% to 15%**
- ✓ **Basel II could represent a potential capital saving of up to 10% as from 2009**

A 10% reduction of RWA would represent +200bp annual ROE

A 10% reduction in generic provision reserve would release >€100m

Diversified economic capital map



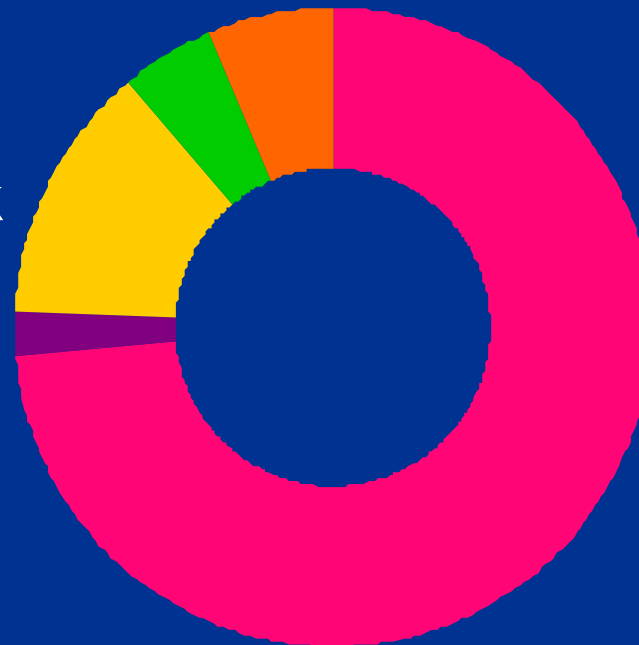
Others (Long term investments, Insurance)

6.5%

Structural balance sheet risk (ALM)
4.5%

Operational risk and business risk
13.3%

Market risk
2.1%



Daily Market Risk consistently < €4 m

ALM Risk consistently < 1.50% of NII

Credit Risk
73.6%

Sensitivity analysis to environment



SCENARIO	NPL ratio x 3 for the System BS ratio 1.00%	Flat interest rate curve	-100 bp (parallel shift interest rate curve)	-3% volume	+3% volume	+100 bp (parallel shift interest rate curve)
IMPACT	-€66 m Net Profit 09e	-5.7% NII 09e	-4.5% NII 09e	-3.7% NII 09e	3.9% NII 09e	4.7% NII 09e



-
- ✓ Room for excellent results in a volatile environment
-
- ✓ Only a prolonged and adverse environment could reopen scenarios significantly different from the ones presented
-
- ✓ Demanding efficiency and productivity program
-
- ✓ Solid capital and solvency base for growth
-

2nd Investor Day



Optima 2009

Transformation & Innovation

Mr. Miquel Montes



6th November 2007

The program combines two goals



Reduction of Production Cost

Optimization of the operational model

- Changing the current task assignments
- Extensive use of our superior IT platform

Improvement of Commercial Reach

Channels innovation

Transforming back office workforce into commercial power

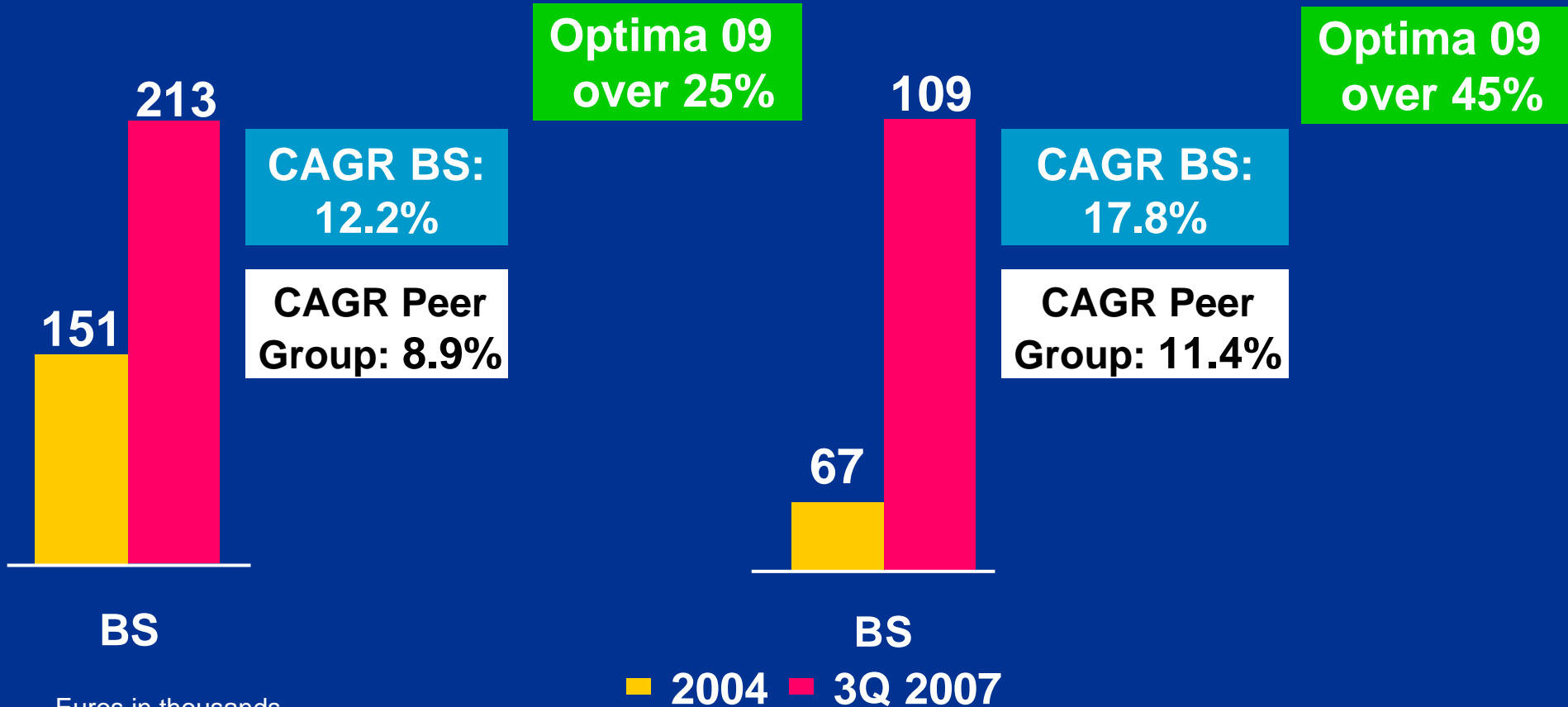
Additional capability in efficiency driven by productivity



FROM scale and technology acquisition (2002-2007)
TO transformation of operational model – **Optima 2009**

Gross operating income / Employee

Net operating income / Employee



Euros in thousands



- ✓ Minimize administrative workload in branches
- ✓ Enlarge scale economies of central back offices
- ✓ Reduce customer servicing effort
- ✓ Liberate corporate center overhead



Outsourcing market offering

Digitalization

Connectivity

IT Platform



Paperless Workflow

We are in a process of virtualising the 7 main paper-based processes in the branches, thus reducing the amount of paper used and stored in the office, the need of physical mail delivery, facilitating relocation of tasks in operational factories. Some examples are: mortgages, cards fraud, account opening, etc.

Using already deployed technology: scanners, high connectivity, systems based on workflow and electronic document files manager

Corporate Center Overhead Reduction

Reduction of Corporate Centre Overhead by:

- Improving usability of MIS and setting up tools for commercial activity follow-up thus reducing the needs for business controllers
 - Together with the cost reduction target, set up a new cost responsibility assignment and reinforce the Central Purchasing Role
 - Optimize the effort dedicated to Product Management per branch establishing horizontal PM multichannel and multisegment
-

Using new organizational structures and reinforcing the usability of our strong Management Information Systems



SAU Central Help Desk

Set up a central service point for all operational and technical support needs from our internal customers with two objectives: reduce the actual number of contacts -almost 3M/year- by 35% operational and 25% technical contacts and reduce the amount of contacts received in 2n level (retaining 85% operational and 90% technical contacts)

Using 3 access points: unique telephone number, Q-go assistant and an Intranet ticket system

Central Servicing Unit

Set up a central multichannel customer service centre in order to:

- Have a 24x7 service, easy to access and with all services
 - Improve customer experience specially when problems occur
 - Liberate effort dedicated in the offices to answer the phone for customer servicing
-

Integrating all access points (internet portals, SMS, email, contact centres) and leveraging on new technology available (VoIP)

Corporate Center Industrialisation Processes

Reduce internal workload for technical and administrative tasks, with a clear focus on alternative provisioning schemes:

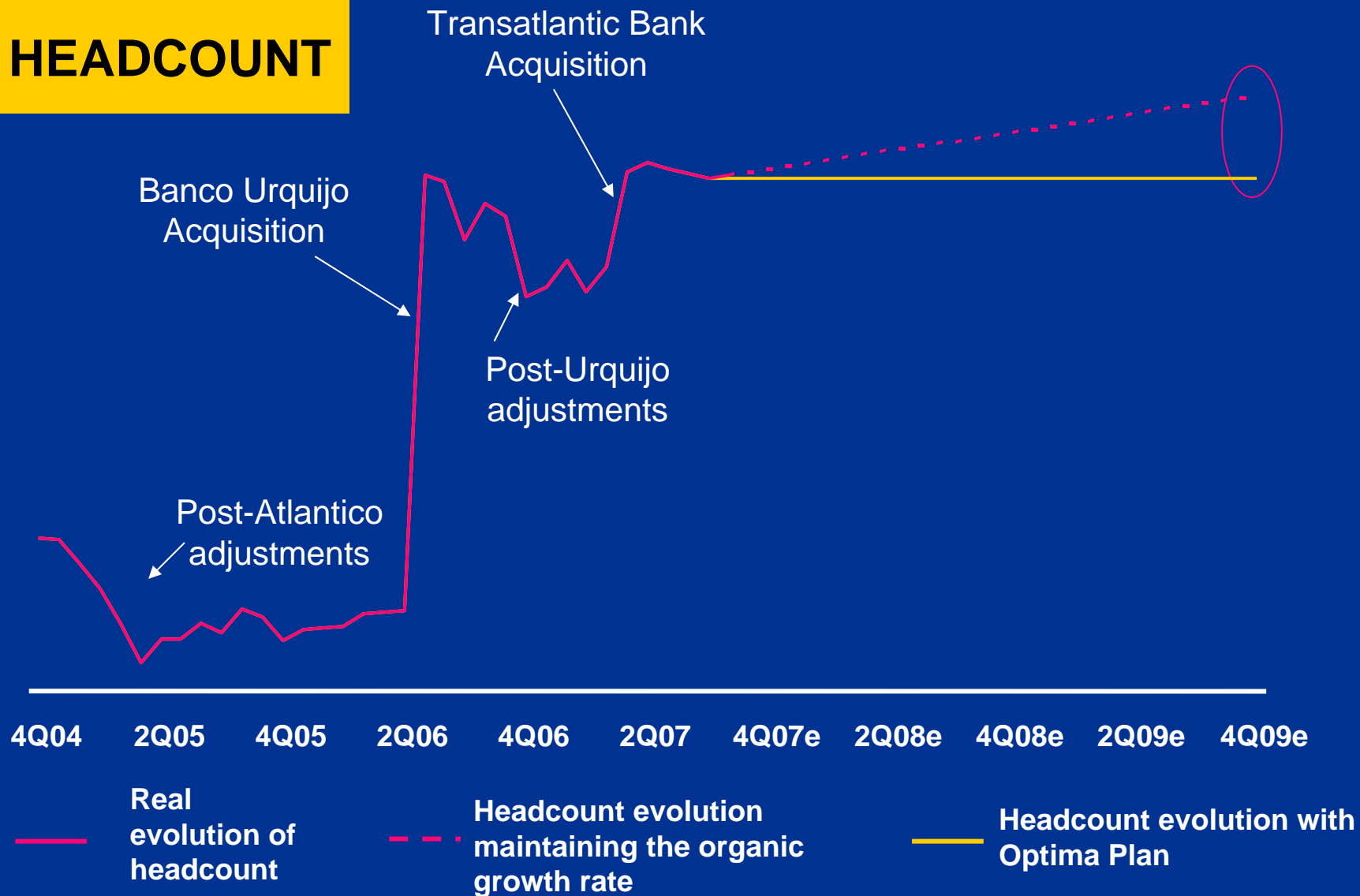
- Outsourcing/sale of non-core capacities
- Taking advantage of off-shoring
- Buying commoditized products & services

Moving focus, from producing to managing production process

The transformation program facilitates an estable headcount absorbing the growth



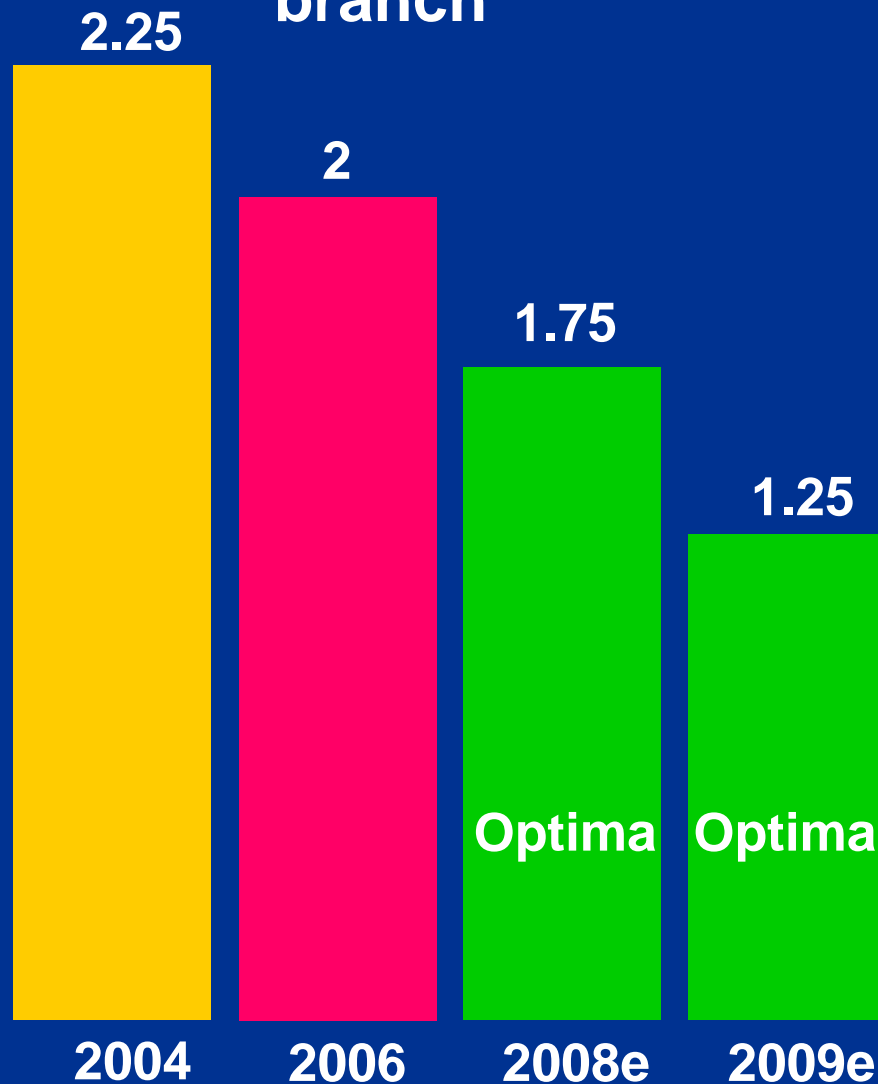
HEADCOUNT



Operational optimization Results



Administrative FTEs* per branch



Headcount flat but not static

Rotation facilitating

- ✓ Skills adequacy
- ✓ Unit cost adjustment

* FTEs: Full-time equivalents



**Advanced
Business Intelligence &
CRM**

**Instant
Banking**

**Commercial
productivity toolkit**



Advanced Business Intelligence & CRM

✓ Event-driven engine of automatic commercial activity

✓ Continuous reassessment of offerings to specific segments

✓ Multi-channel real time marketing campaigns at level-of-one

The logo features the text 'BS Instant Banking' in white on a blue rectangular background. The word 'Instant' is enclosed in a white rounded rectangle with a white mouse cursor arrow pointing to its bottom-right corner. This entire logo is set within a yellow oval shape.

BS Instant Banking

*Instant banking, technology
reducing time and distance
serving our customers*

-
- ✓ **Offering banking services across a wide range of consumer platforms, including mobile phones, interactive TV Internet and third party chains**
-
- ✓ **Using digital identity and signatures and natural voice recognition technology**
-
- ✓ **Speeding up processes and enabling a superior customer experience**
-



Commercial productivity toolkit

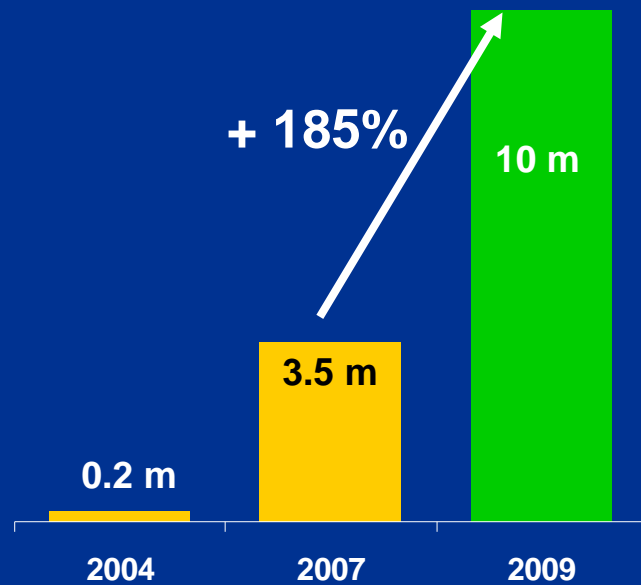
-
- ✓ **Personal Productivity Tools** (e.g. Personal Portal, Systems Usability)
-
- ✓ **Increase of sophistication of product commercialization processes** (e.g. bundling, negotiation of conditions, virtual commercial assistance, etc.)
-
- ✓ **Sales force mobilization** (mobile devices & applications)
-

Results from Improvement of Commercial Reach



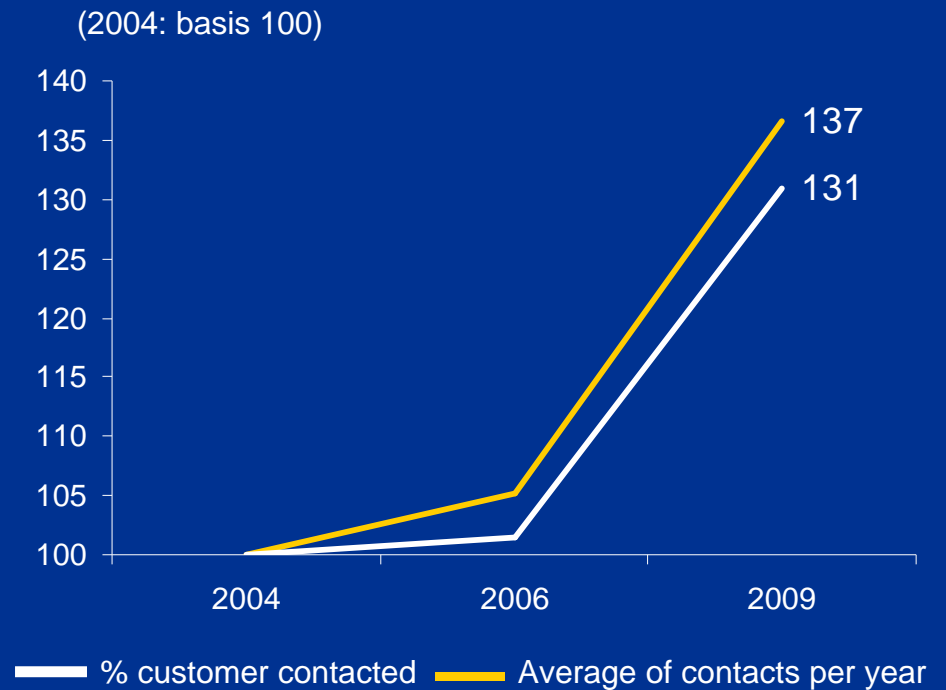
MASS MARKET

Commercial contacts through direct channels



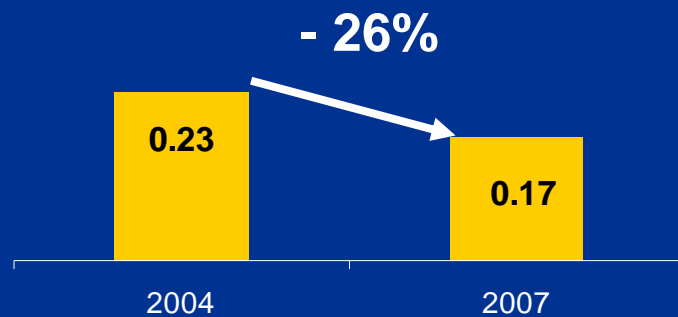
PERSONAL BANKING

% of managed customers with commercial activity and annual average of contacts

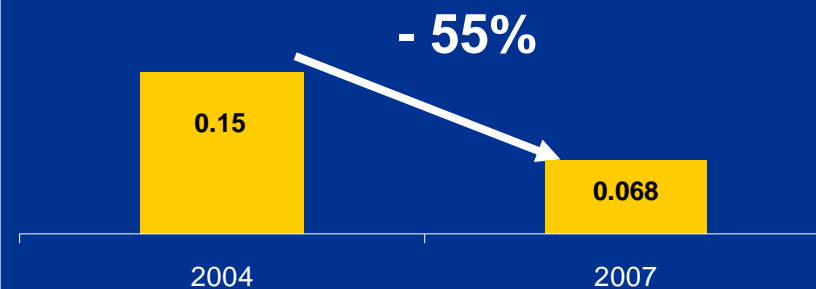


Our track record demonstrates our ability to obtain efficiency from scale and technology

Operational unit cost (in euros)



Transaction cost (in euros)

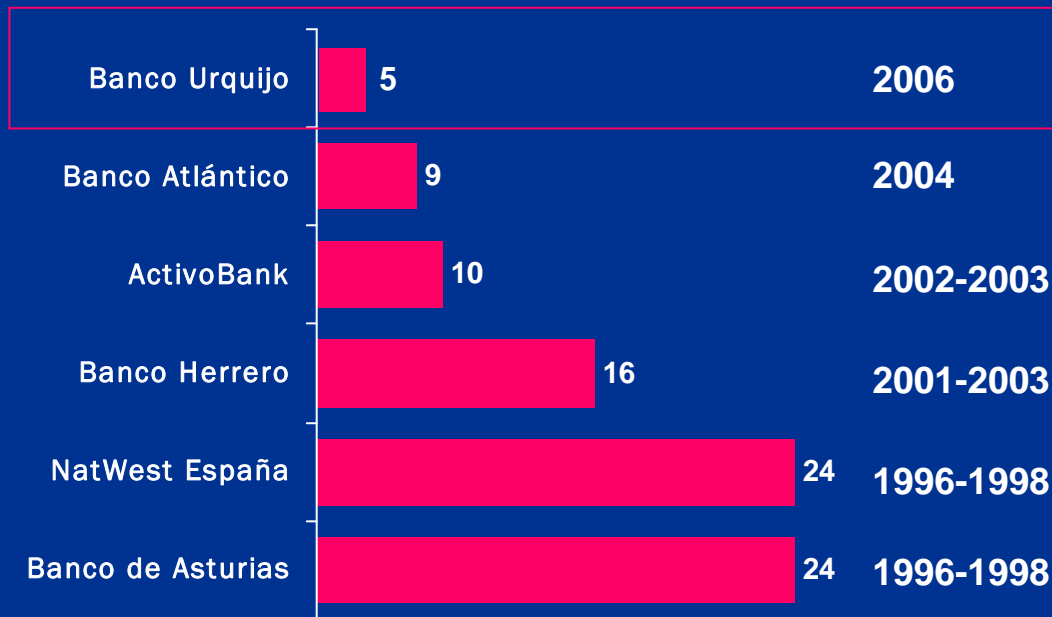


Integration engine components



The ability to integrate non-organic growth opportunities represent a differential asset of Banc Sabadell

Integration period



PLATFORM

- Flexible
- Scalable

MANAGEMENT

- Anticipation defining the strategy
- Clarity setting the targets
- Discipline keeping the focus on the goal

METHODOLOGY

- Know-how
- 'Big Bang' integration model
- Cut & Paste model of implantation

Our capacities support our plan



Our recent transformation track record has been persistent and successful. We will keep on transforming

Optima 2009

Speed of change

+

Continuous application of innovation

+

Ability to manage complexity

2nd Investor Day



Commercial Banking

Mr. Jaume Puig



6th November 2007

1. 2007 Results

2. We successfully forecasted changes

3. Optima 2009

- Customer base expansion
 - Commercial productivity
 - Volume and revenue growth
-

4. Conclusions

Main financial highlights 2007

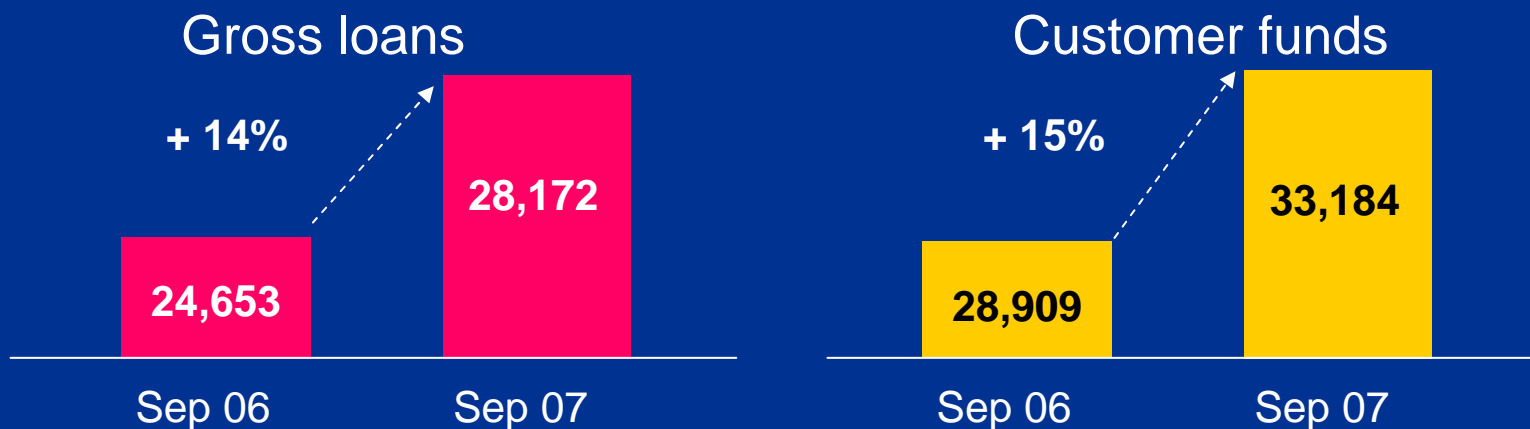


Results

	Sep 06	Sep 07	Var (%)
Gross operating income	783.6	906.3	+15.7%
Pre-tax profit	276.5	351.5	+27.1%

Financial Ratios

Cost-Income	54.3%	52.7%	- 162 bp
ROE	17.5%	21.6%	+ 406 bp

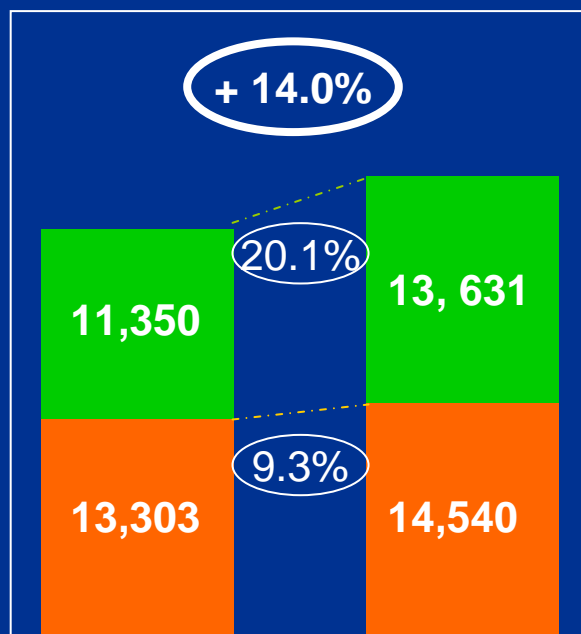


Euros in millions

Main financial highlights 2007: Contribution by segment



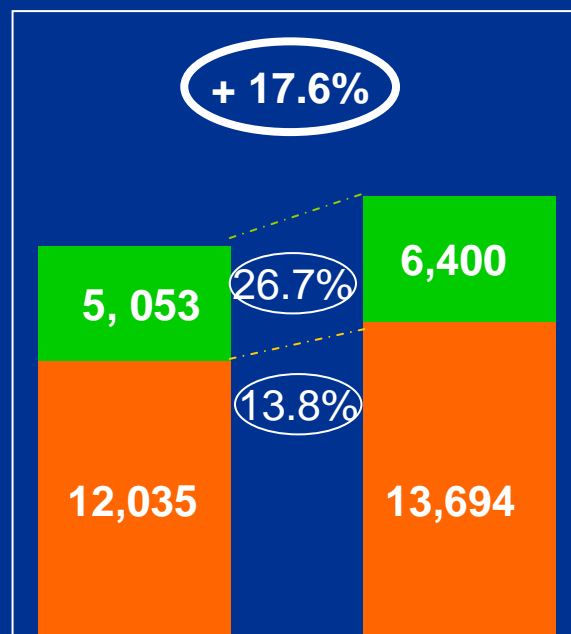
Gross Loans



Sep 06

Sep 07

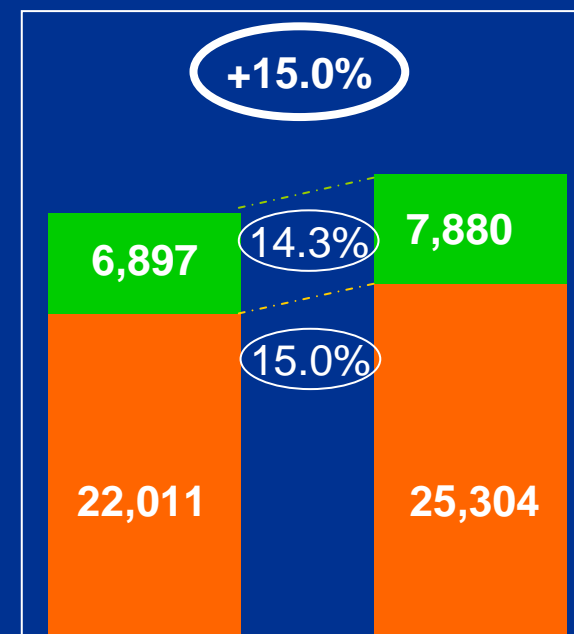
On-balance sheet funds(*)



Sep 06

Sep 07

Total customer funds



Sep 06

Sep 07

(*) Savings insurance not included

Individuals

SMEs

Euros in millions

We successfully forecasted changes in the economic environment



Changes in economic environment

①

Focus on SME financing

- Medium / long term financing without capital consumption (ICF, BEI, ICO,...)
- Reinforcement of short term financing products

②

Raise on-balance sheet funds

- Aggressive Deposit campaigns
- Attractive campaigns of Structured Deposits
- Focus on customer acquisition

③

Active Price Management

- Transfer of liquidity premiums and increase of spreads in loans to customers.
- Automatic increase of spreads in lines of credit

Our Challenge:

To be the leader in SMEs, Personal Banking and Private Banking, and strengthen our Mass Market franchise

Targets:

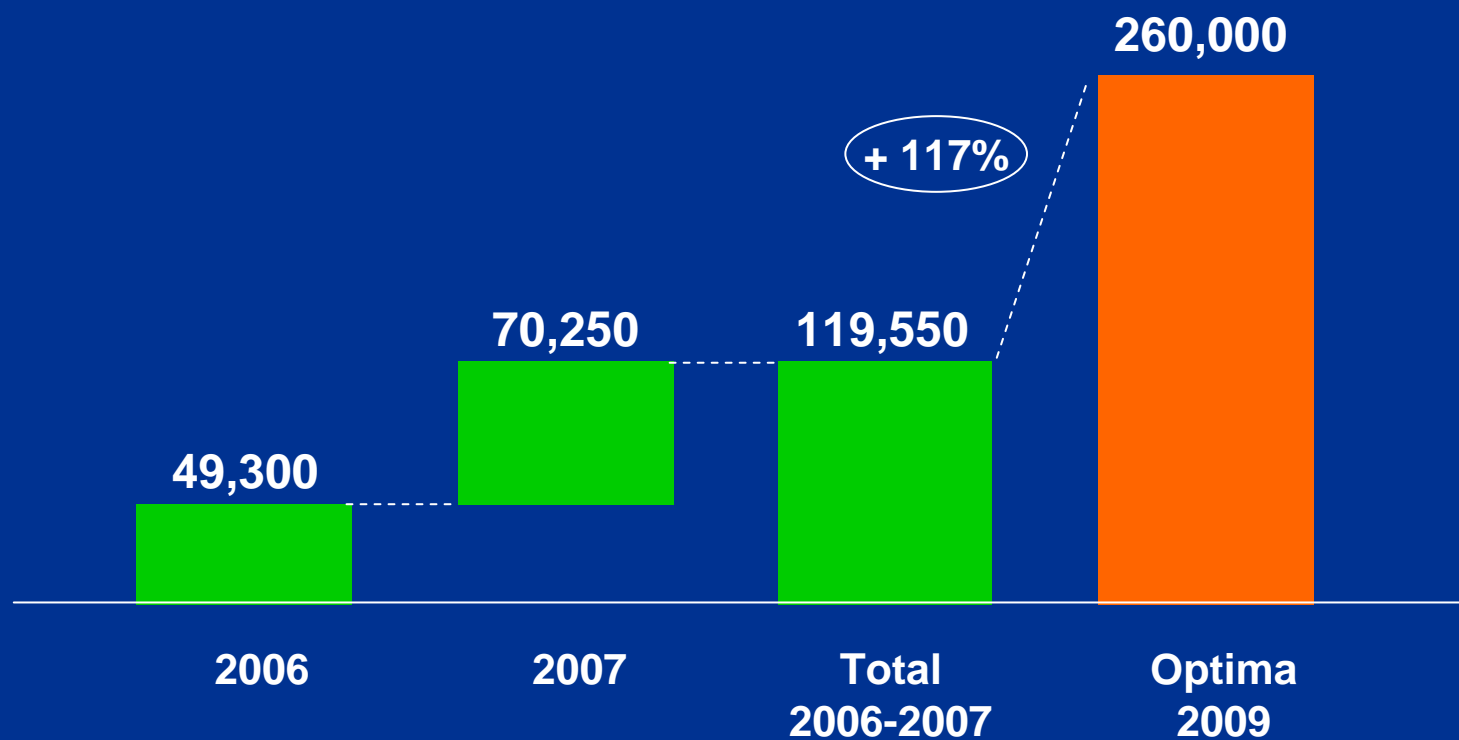
1. Aggressively expand our customer base
2. Increase commercial productivity per employee
3. Beat our competitors in volume and revenue growth

Leadership in quality of service

Aggressive customer acquisition



Net customer acquisition



Attract and retain customers

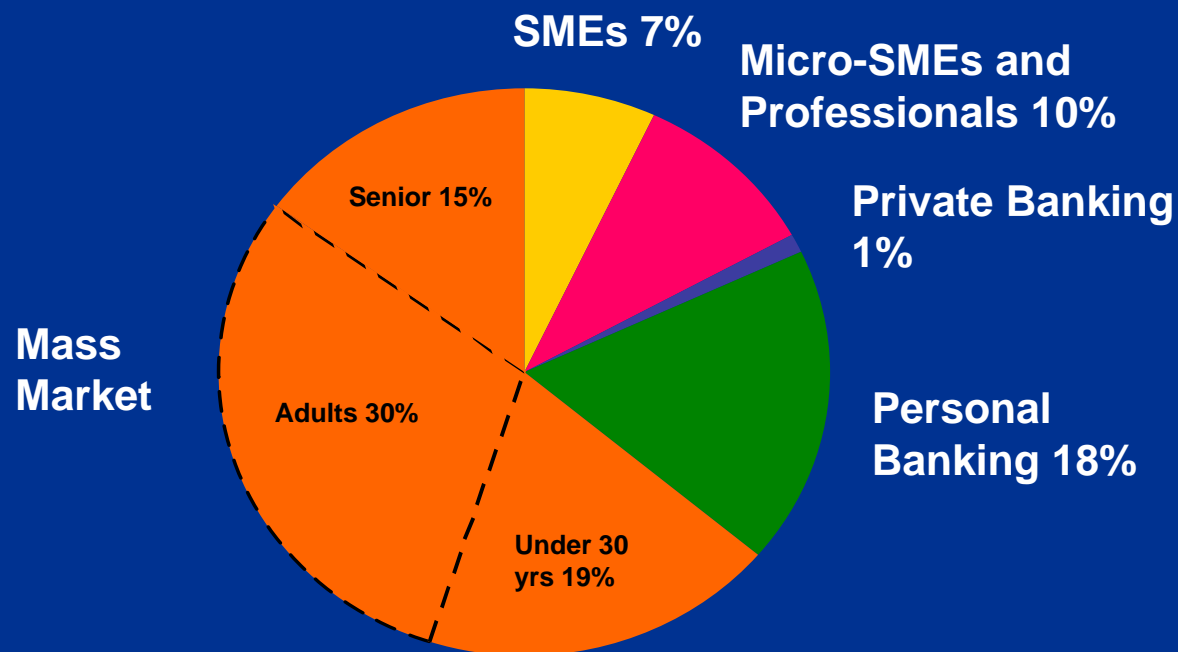


▲ Customer inflows

- Segment-oriented promotional activity
- Profitable strategies for customer acquisition
- Differentiated value propositions

▼ Customer outflows

- Application of business intelligence
- Expand deployment of Personal Banking, Private Banking and SME relationship models



Segmented customer acquisition strategies



BS ClickOK



Payrolls and pensions



Personal Banking



Private Banking



BS Comercios



BS Micro-SME



Professionals and self employed



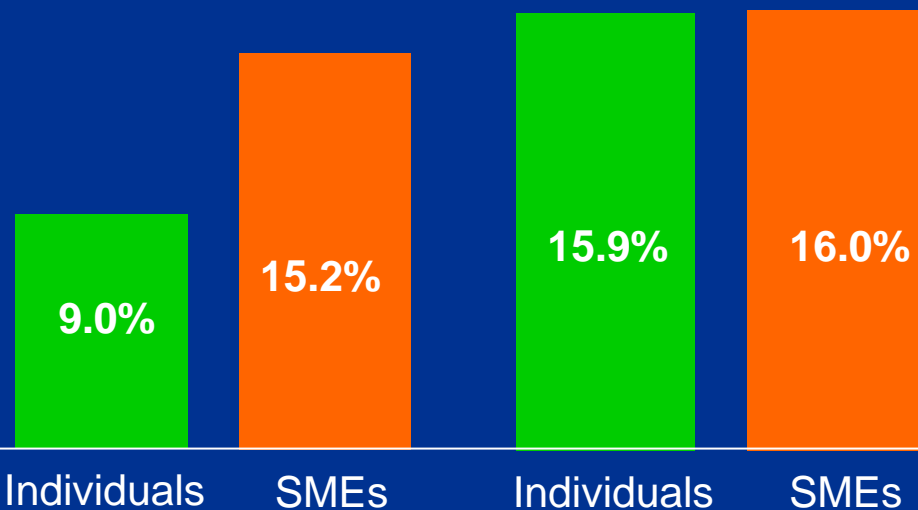
Affinity and Associated banking

Business growth



Expected Annual Growth 2007e – 2009e (%)

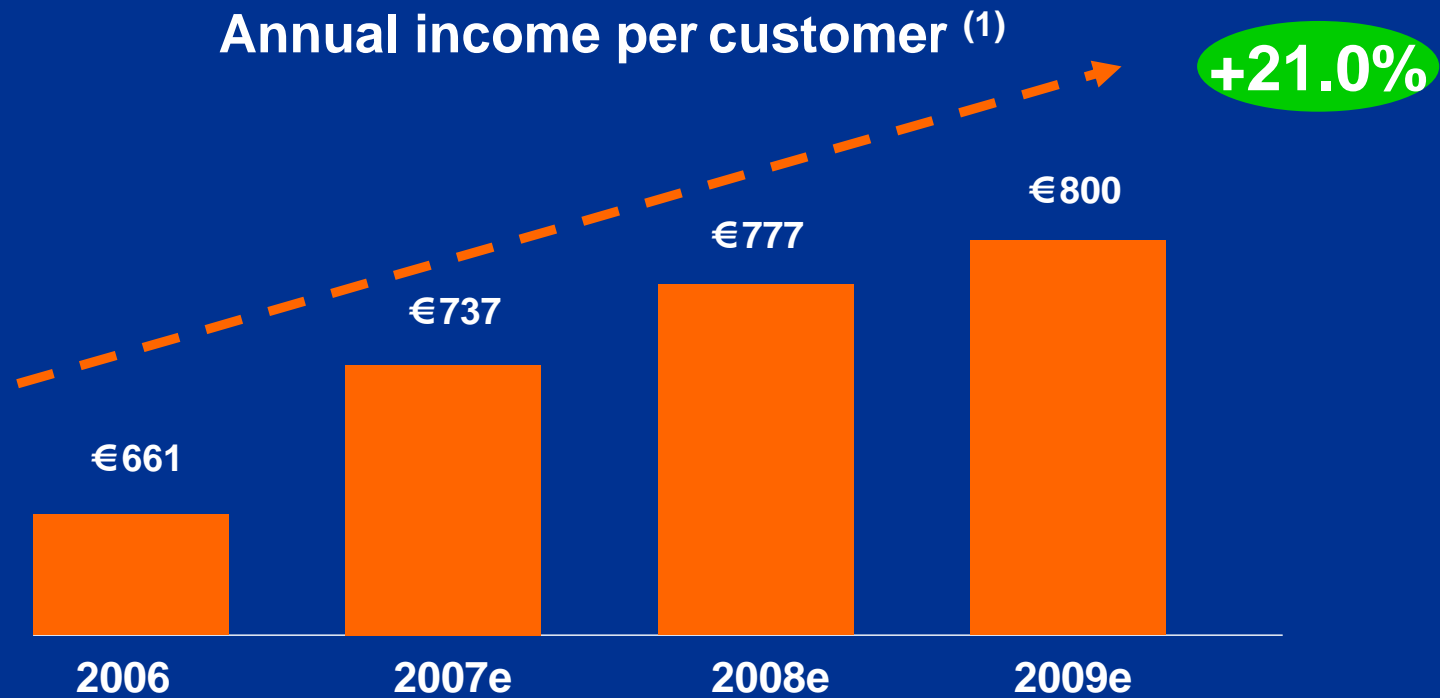
Loans **+12.1%**
On-balance sheet funds **+16.0%**



Main ratios

	2009e	Change (bp)
Cost-Income Ratio	45.8%	- 770 bp
ROE	23.4%	+ 290 bp

Significant income improvement



- Product and service development focused on commission generation
- Dynamic pricing management

(1) Average net interest income + commissions

Lines of Action

A

Increase commercial impact on customers and sales effectiveness: **Project ARC**

- Business intelligence development (advanced algorithms – advanced CRM)

B

Boast commercial capabilities

- Business process reengineering
- Sales personnel vs. back-office staff

C

Full scale implementation of management and sales incentives system for all branch personnel: **Project Activa**

- Branch personnel 100% commercially active



Growth and profit drivers

SMEs

- 1 Focus on short term financing – recurrent business
 - 2 Commercial push on fee generating products
 - 3 Cash management products optimization
 - 4 International business expansion
 - 5 Products and services for micro-SMEs, self-employed and professionals.
-

INDIVIDUALS

- 1 Focus on fixed and structured deposits
 - 2 Cards business development
 - 3 Effective management of mortgage subrogation process
 - 4 Service fees optimization
 - 5 Maximum cross selling per client
-

Commercial Banking. Multi-brand approach



- 4 Brands
- 9 Regions
- 58 Areas
- 1,126 Branches
- 6,467 employees



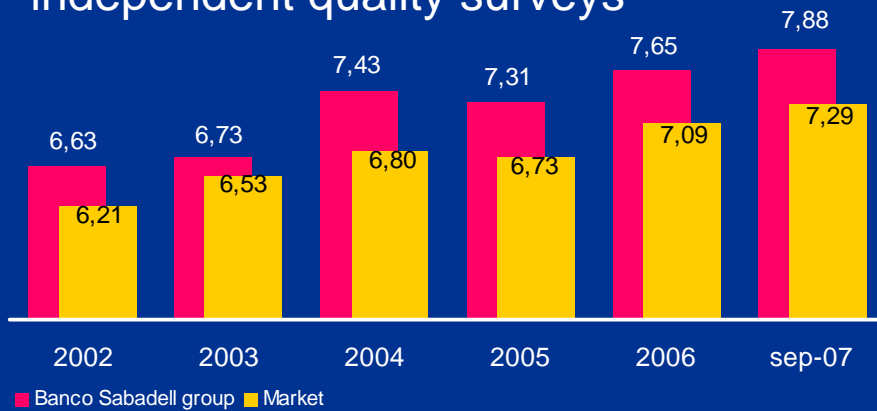
Solbank :
94 branches

ActivoBank :
2 branches

Leadership in quality service



Ranking for retail banking network independent quality surveys

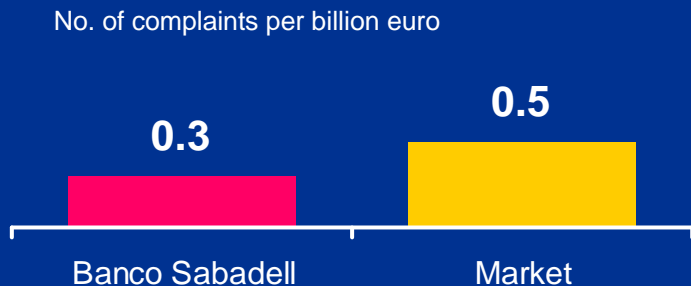


Source: EQUOS

The only financial institution with a global ISO 9001 quality certificate



Lowest number of complaints amongst Spanish banks



Source: Bank of Spain

The only Spanish Bank with the Gold Award of European Excellence



Key to success: BS Competitive Advantages



2nd Investor Day



Corporate & SME Banking

Mr. Enric Rovira



6th November 2007

1. Results and levers for 2007

2. Changes in the wake of the current environment

3. Optima 2009

4. Competitive advantages

5. Conclusions

Main financial highlights 2007

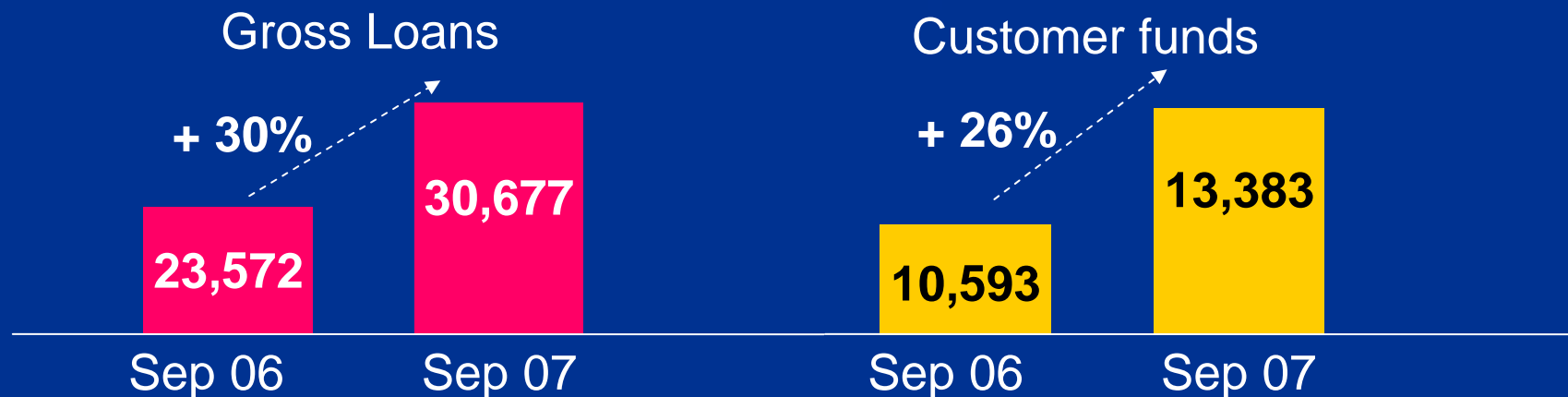


Results

	Sep 06	Sep 07	Var (%)
Gross operating income	384.9	505.2	+31.3%
Pre-tax profit	187.6	326.6	+74.1%

Financial Ratios

Cost-Income	23.25%	21.16%	- 209 bp
ROE	8.06%	12.49%	+ 443 bp

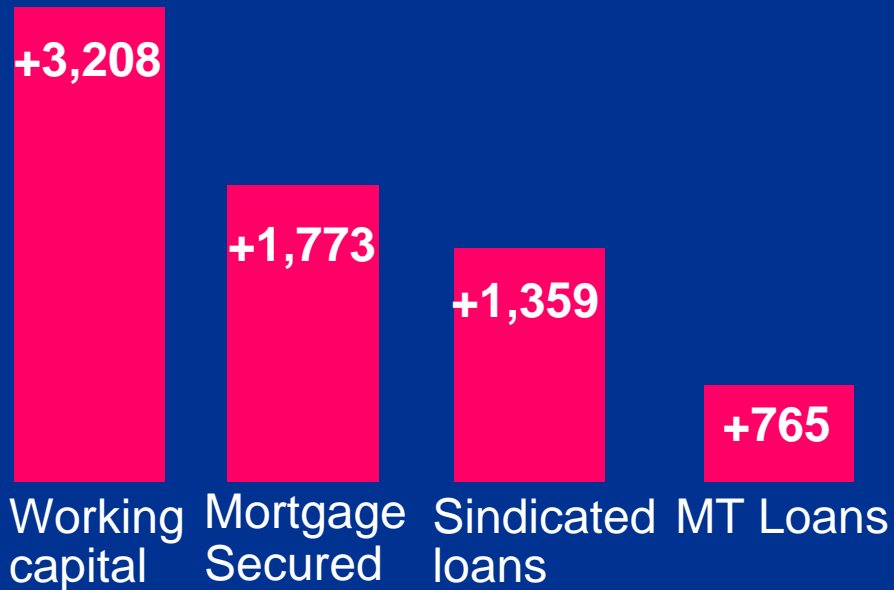


Volumes and Margin 2007



Gross Loans

+7,105 (+30% YoY as of Sep 07)

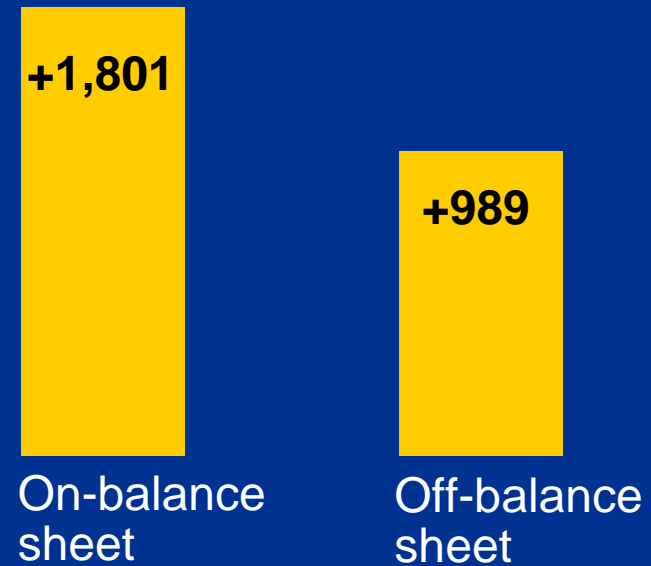


Increase in Revenues +31%

Maintaining spread (+0 bp)

Customer funds

+2,790 (+26% YoY as of Sep 07)



Increase in Revenues +44%

Increasing spread (+16 bp)

1. Results and levers for 2007

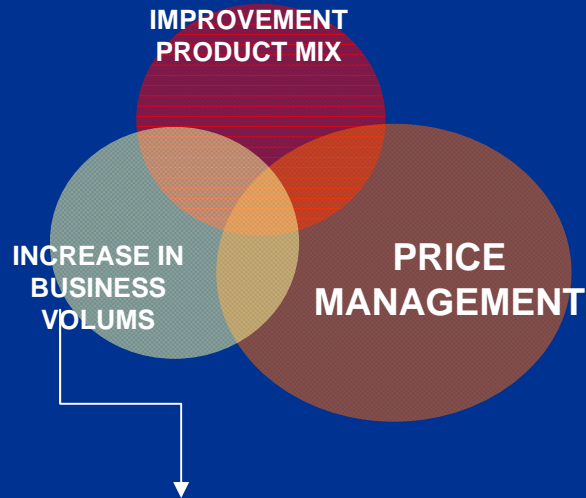
2. Changes in the wake of the current environment

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5. Conclusions

Key levers in the current environment



Gross loans



Working Capital



Syndicate L.



Mortgage Secures



M/T loans



Customer funds



On B-S

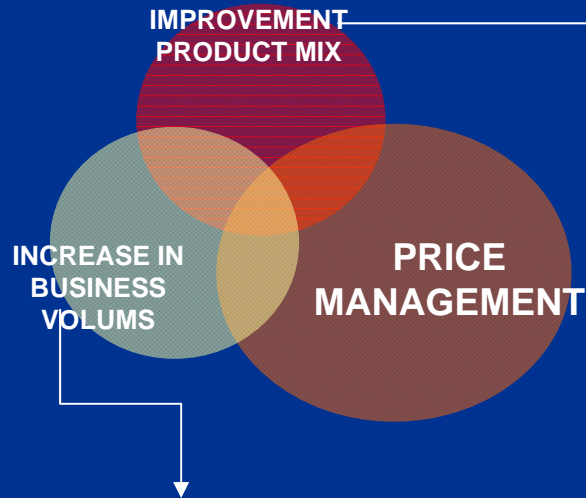


Off B-S

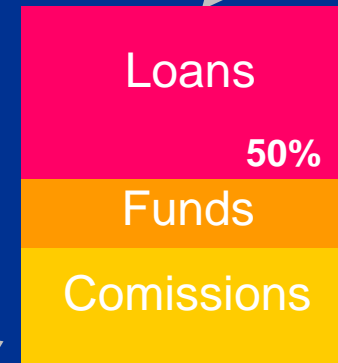


2007 2008

Key levers in the current environment



High level of cross selling



Gross loans

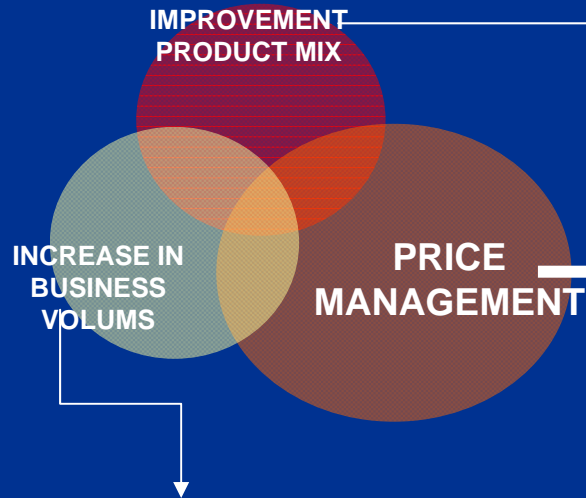


Customer funds

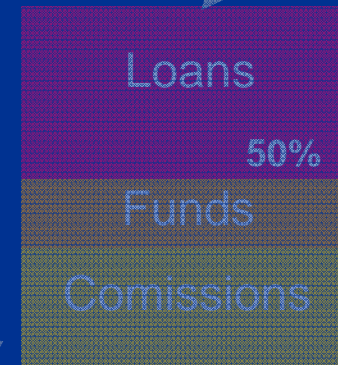


2007 2008

Key levers in the current environment



High level of cross selling



RAROC based management

Gross loans



Customer funds



2007 2008

- + Financial Income
- Financial costs
- + Comissions
- = Total Revenues
- Operating expenses
- = Operating Profit
- Risk premium
- = Economic profit
- ÷ Economic Capital
- = RAROC

A RAROC-based commercial approach



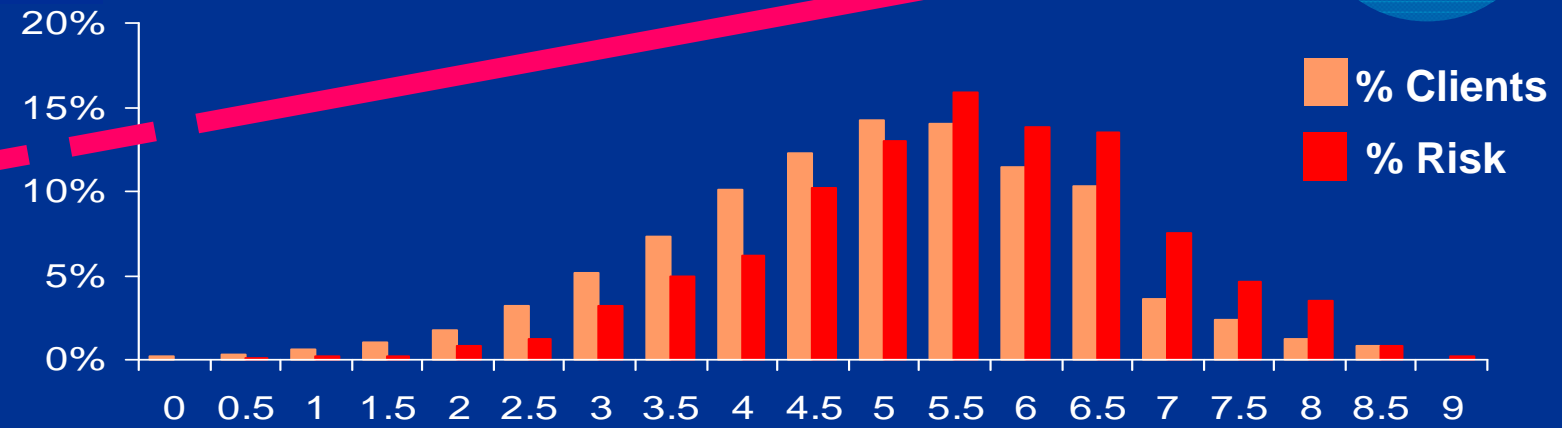
$$\begin{aligned}
 &+ \text{ Financial Income} \\
 &- \text{ Financial costs} \\
 &+ \text{ Comissions} \\
 &= \text{ Total Revenues} \\
 &- \text{ Operating expenses} \\
 &= \text{ Operating Profit} \\
 &- \text{ Risk premium} \\
 &= \text{ Economic profit} \\
 &\div \text{ Economic Capital} \\
 &= \text{ RAROC}
 \end{aligned}$$

- More capacity to apply price-adjusted policies
- Real time profitability-driven pricing policies
- More capacity for analysis and cross selling
- Greater autonomy → Greater flexibility
- Assessment incorporates cost → Efficiency

Corporates Breakdown by Rating

RAROC
22.4%

ROE
12.5%



1. Results and levers for 2007

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3. Optima 2009

4. Competitive advantages

5. Conclusions



SME leadership via:

Excellence in cross selling

- Working capital and transactionality as business drivers
- Added value driven by lines of business

Significant additions to the customer base

- Focus on the sales force productivity
 - Capable network with breadth of penetration
-

Leadership in transactionality



Close-to-the-customer approach

Efficient Channels

Dedicated Relationship Manager

Day-to Day

Innovation with a focus on the improvement of the technical and financial efficiency of our clients

Product Specialist

On-line banking

Short Term

Medium Term

Long Term

Credits

Factoring and Covering

Renting

Com. discount

Confirming

Forfaiting

Leasing

Guarantees

Mortgages

Loans

BS Factura

Cash Pooling

Company Cards and Points of Sale (POS)

Added value driven by lines of business



International Business

- New platform + on-line offer capability
- New services:
 - ✓ International consultancy
 - ✓ International tenders
 - ✓ Structured Export Financing
- Increase foreign presence (emerging markets)



Financing

- Customer loyalty via:
 - ✓ Innovation in products: i.e. Syndicated Factoring , Shaded Forfaiting
 - ✓ On-line product range
 - ✓ Electronic invoicing
 - ✓ Client driven profitability
 - ✓ Tailor-made financing



Investment Banking

- Expanding customer base : Middle Market,
- Focus on the international market: Europe, USA and Canada.
- Lean risk & operational structure
- SCF: increased visibility and develop Equity Capital Markets



Wealth Management

- Expansion of the model via :
 - ✓ Process optimization
 - ✓ Customer segmentation
 - ✓ Increase in specialists
- Product / service innovation
- Service levels adapted to customer segments



Treasury products

- Product innovation:
 - ✓ International business
 - ✓ Capital market
- Tools:
 - ✓ Pricing
 - ✓ Automated offers
- ✓ On-line capability
- Anticipated value proposition for the client: BSNic

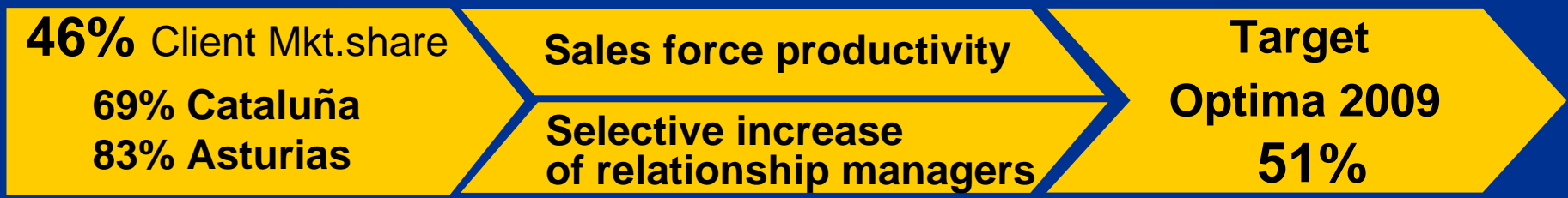
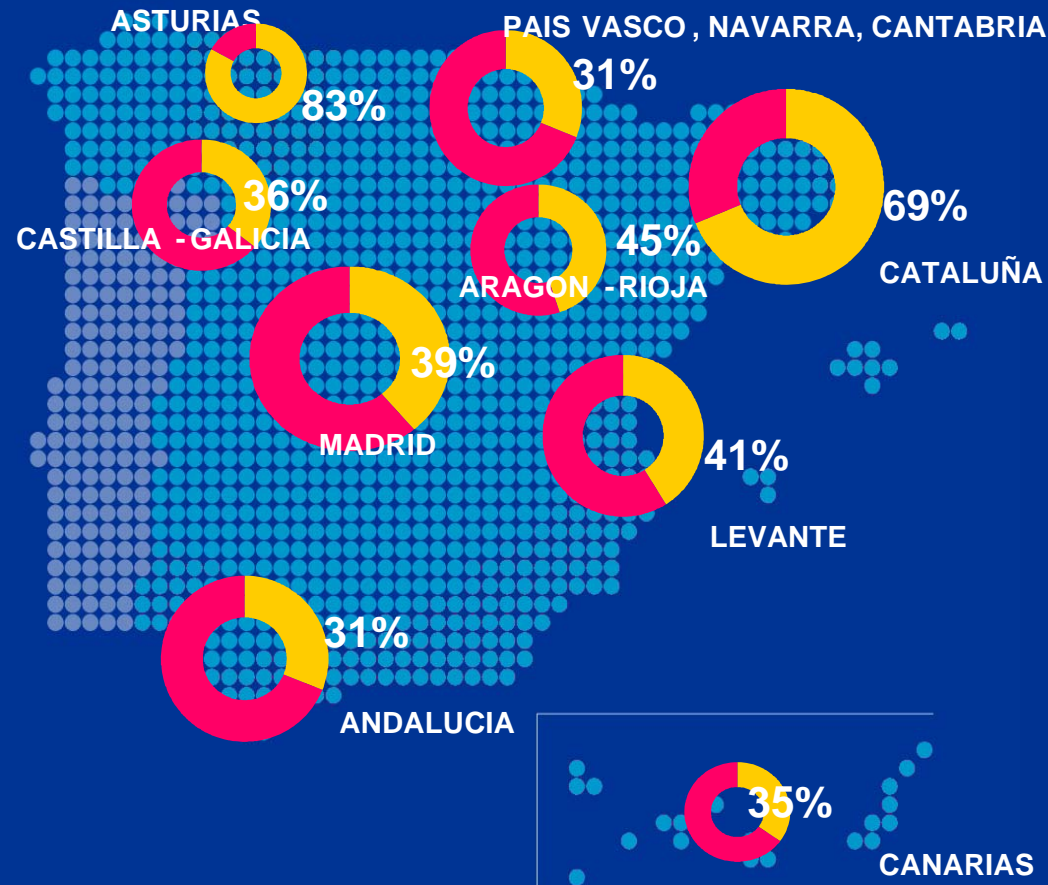


Insurance

- Coordination / cross selling
- Pensions:
 - ✓ Investment specialization
 - ✓ Specific offers addressed to managers
 - ✓ Optimization of maintenance costs
- Protection:
 - ✓ Global coverage



Significant additions to customer base



Figures relate to companies with turnover €6-200M according to Informa S.A. (2006)



Technology

- Innovation
- Channels and remote transactionality
- Operating procedures
- Quality and reliability

Risk

- Decrease in response times
- Efficiency through improvement in tools and circuits

Commercial Process

- Segmentation by customer loyalty level/potential value
- Tools
 - Advanced CRM
 - Planning
 - Remote accessibility
- Training / Evolvement
- Incentives

Commercial activity, flexibility and efficiency

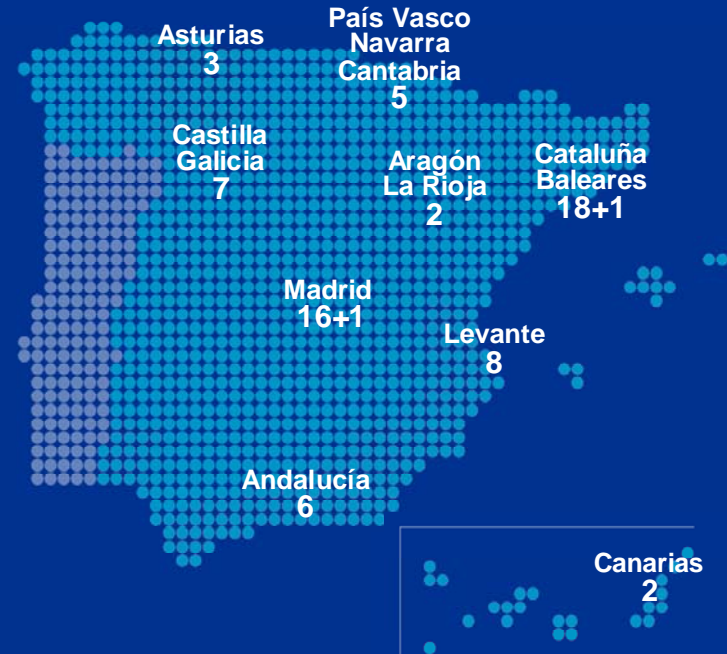
Capable network with breath of penetration



67 Branches
+ 2 for large Corporates

Branch network expansion completed,
 reaching 94% of the potential market

Balanced increase of relationship
 managers in lower penetration areas



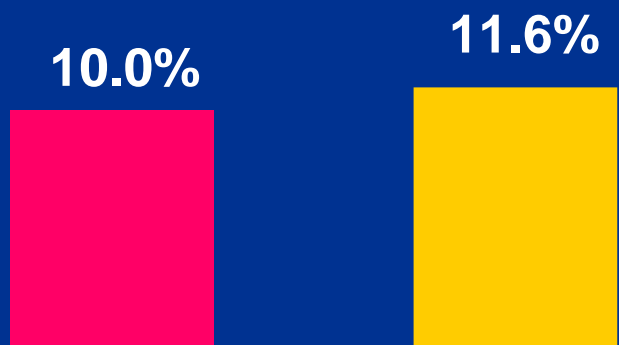
Client-oriented international expansion

Branches	3	Associated Banks	4
Representative Offices	12	Subsidiaries	2

Optima 2009. Targets



CAGR (%) 2007e – 2009e



Gross
Loans

Customer
Funds^(*)

Main Ratios

	2009e	Change (bp)
Cost-Income	15.9%	- 410 bp
ROE	14.0%	+ 88 bp

(*) On-balance sheet

1. Results and levers for 2007

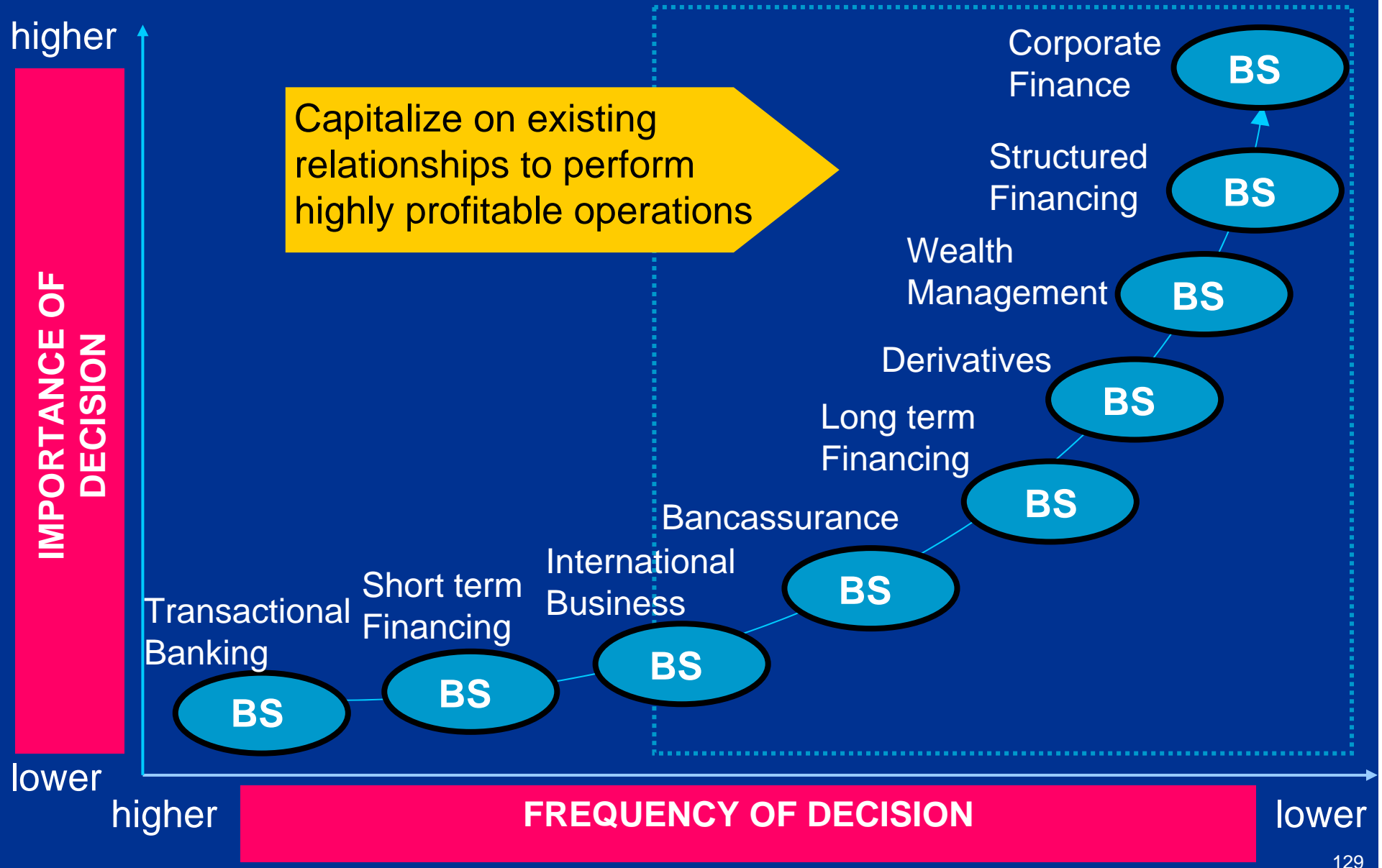
2. Changes in the wake of the current environment

3. Optima 2009

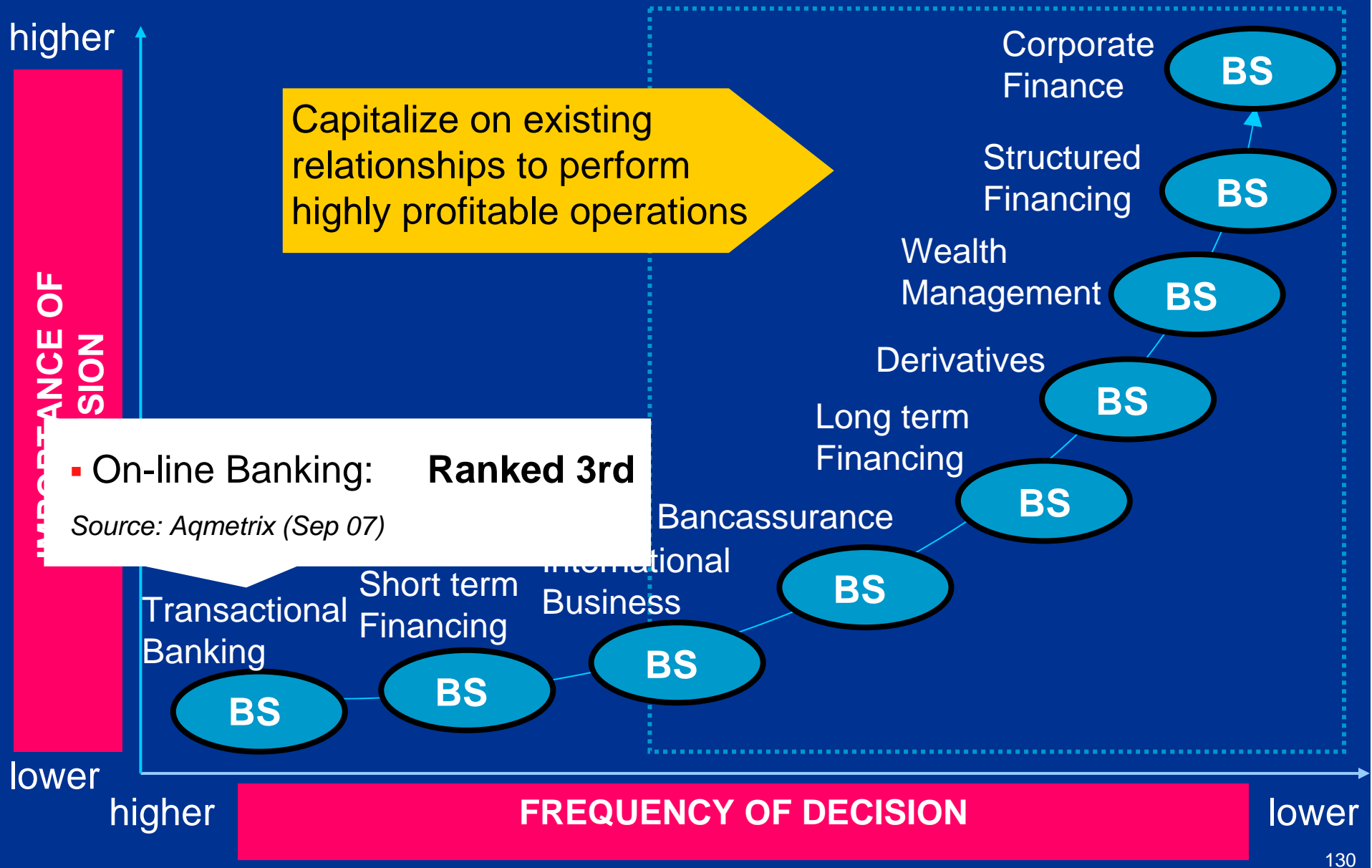
4. Competitive advantages

5. Conclusions

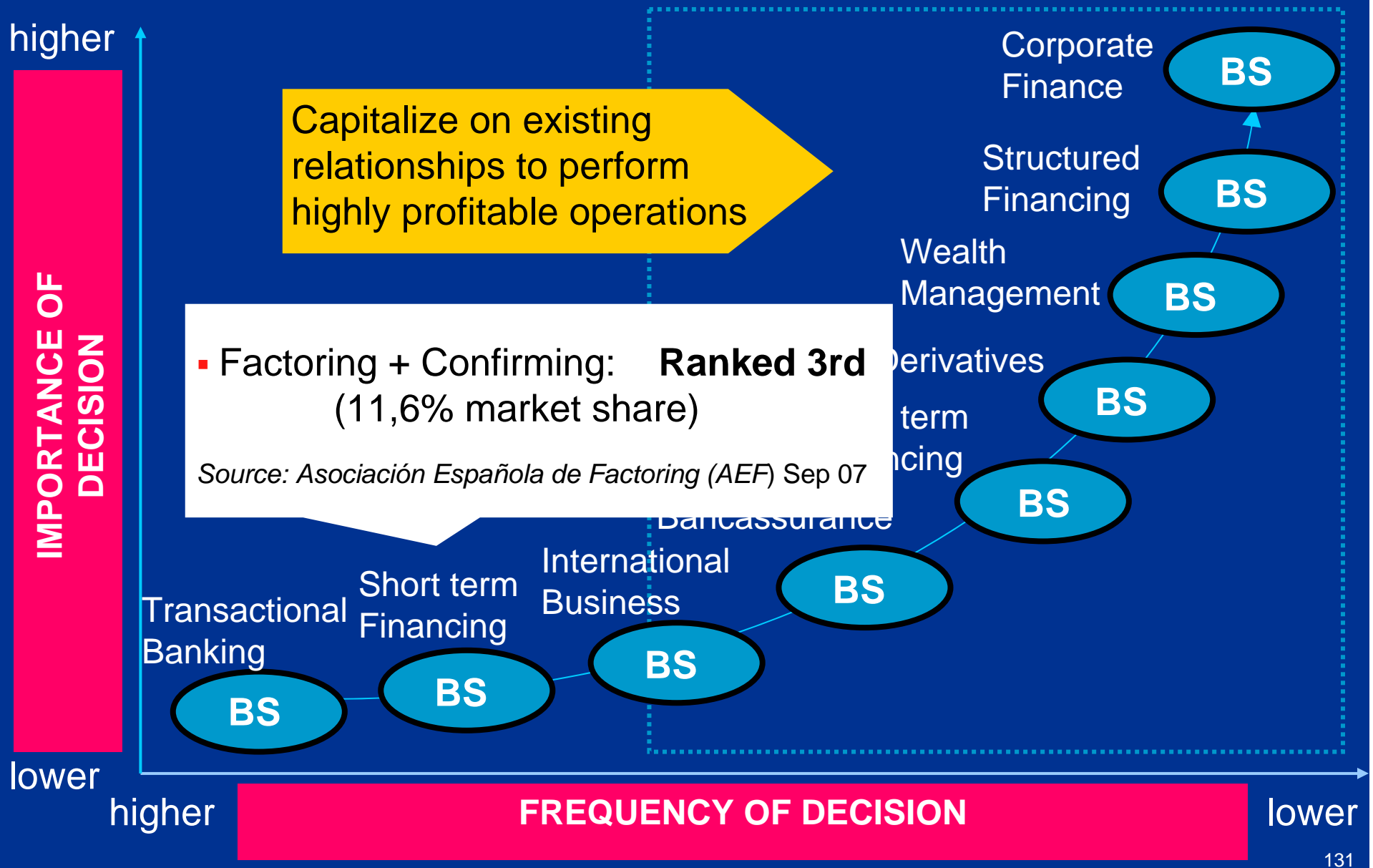
Competitive Advantages



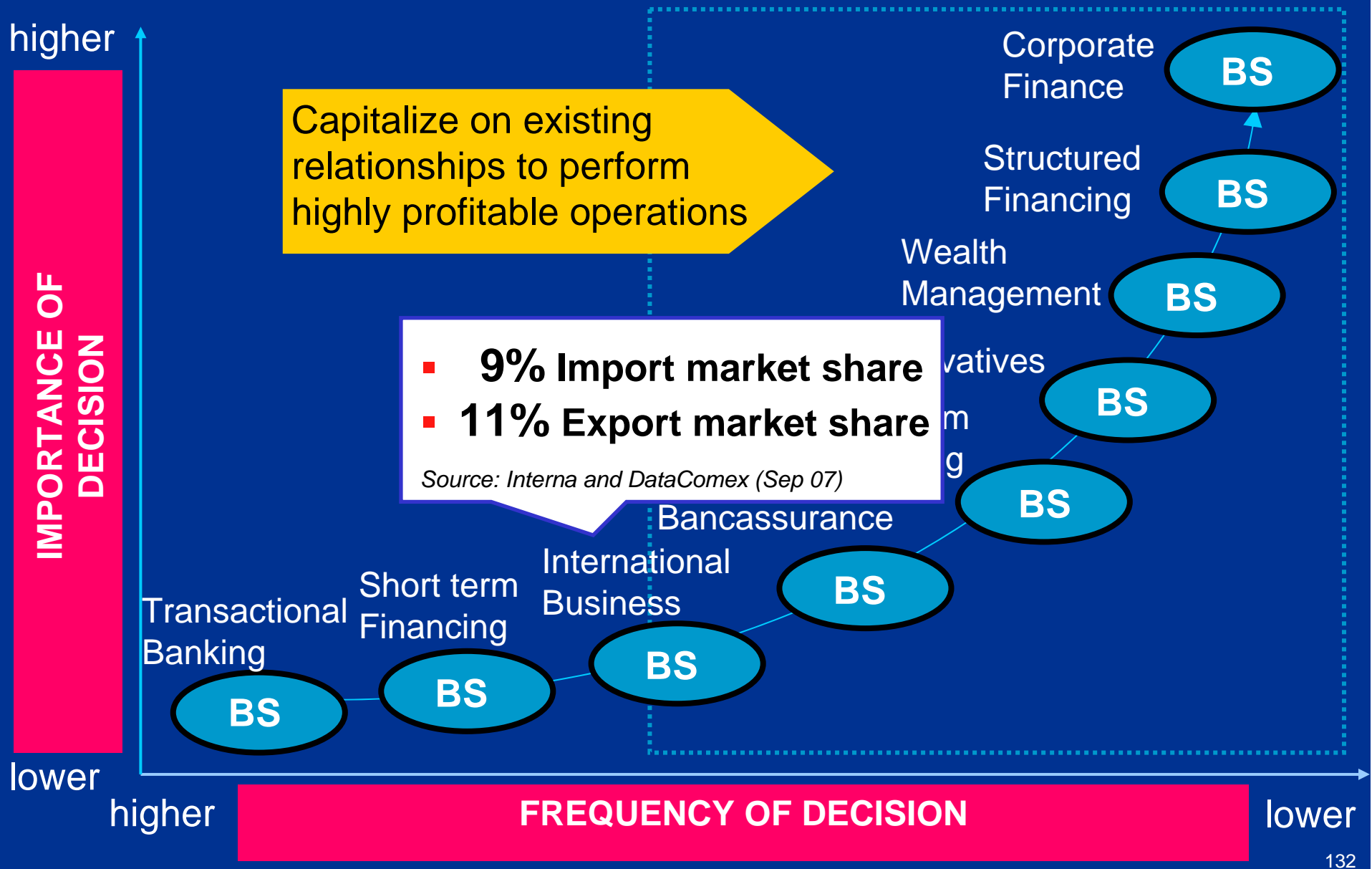
Competitive Advantages



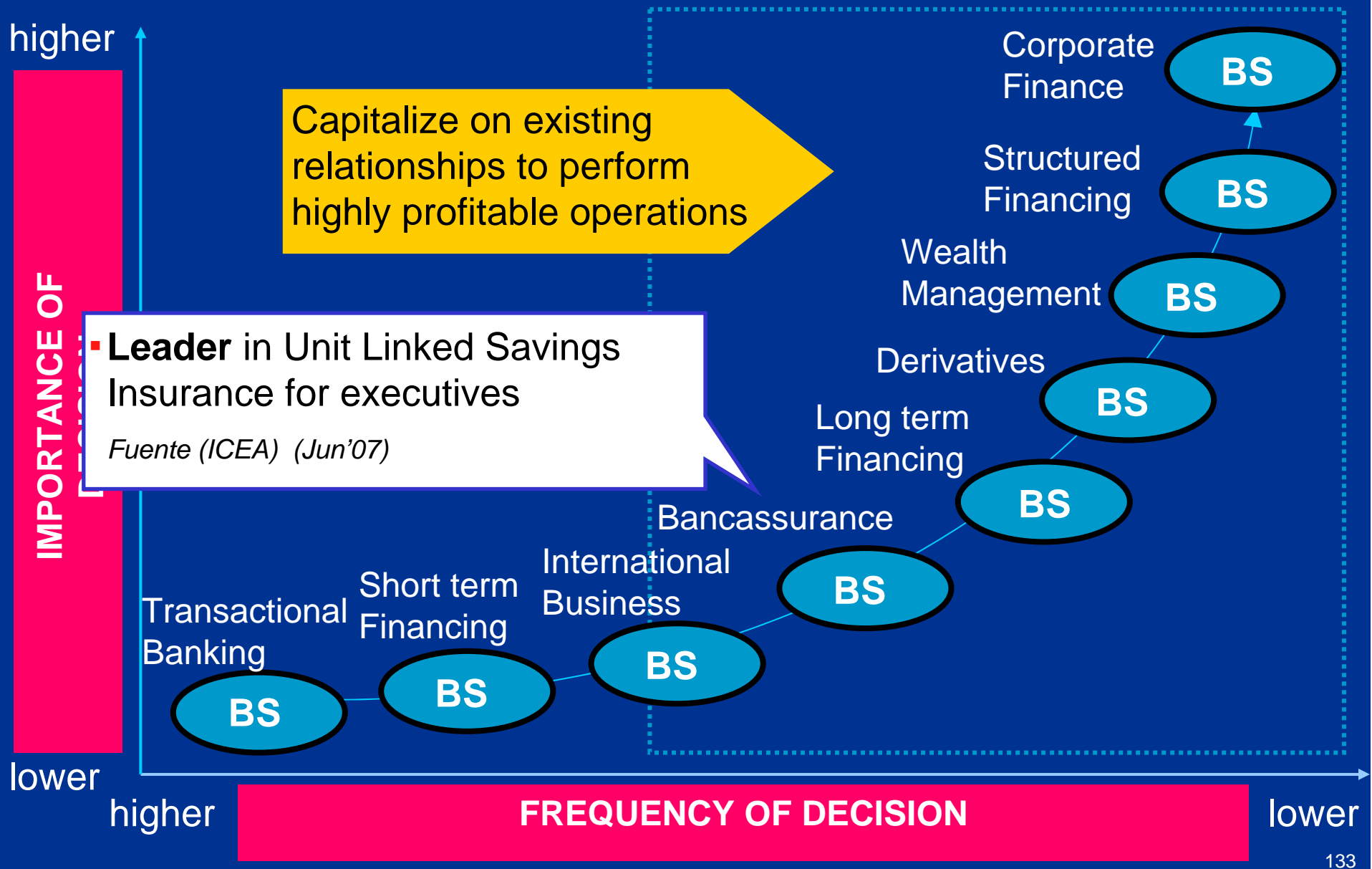
Competitive Advantages



Competitive Advantages



Competitive Advantages



Competitive Advantages



higher

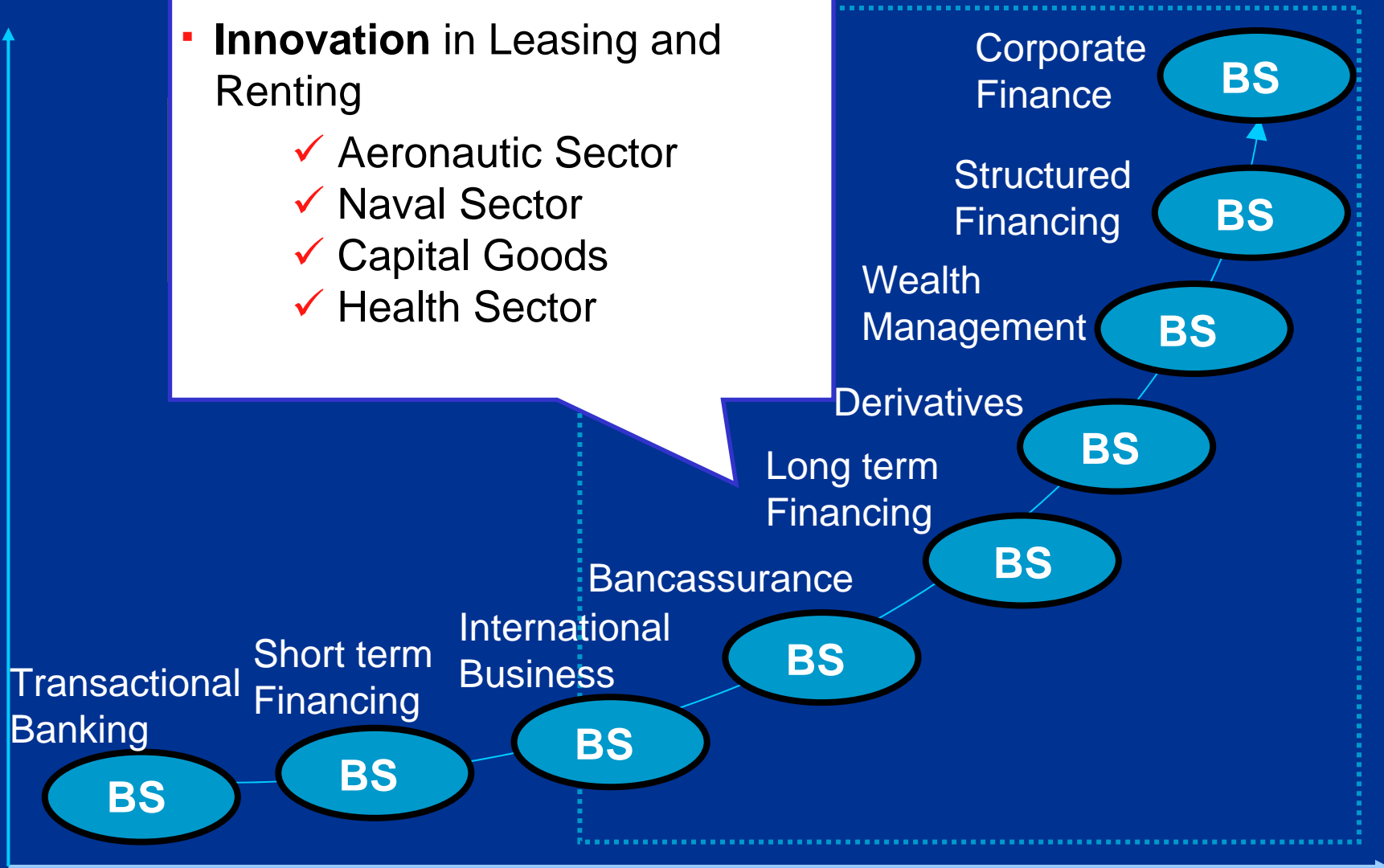


IMPORTANCE OF DECISION

lower

▪ **Innovation** in Leasing and Renting

- ✓ Aeronautic Sector
- ✓ Naval Sector
- ✓ Capital Goods
- ✓ Health Sector

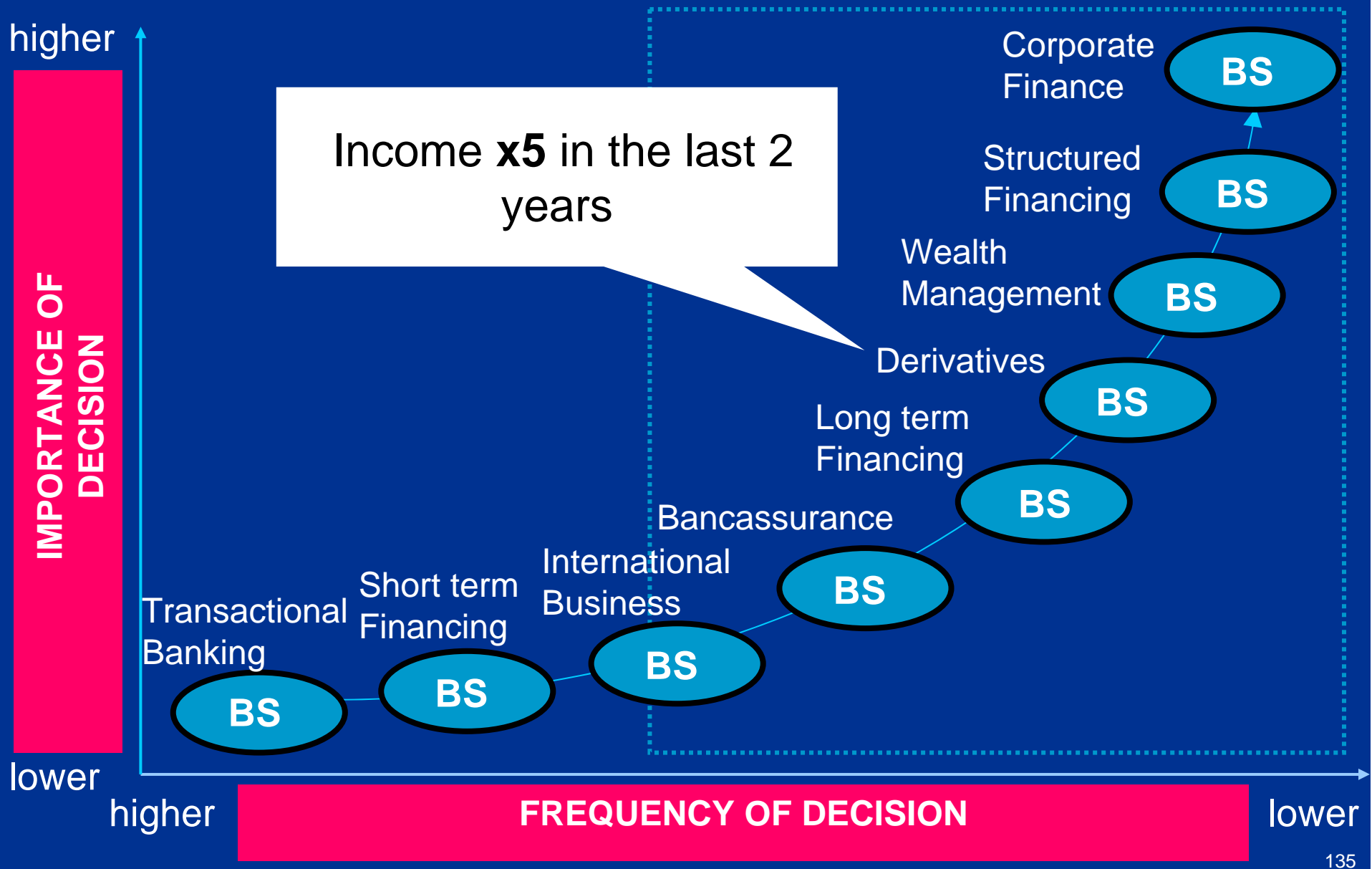


higher

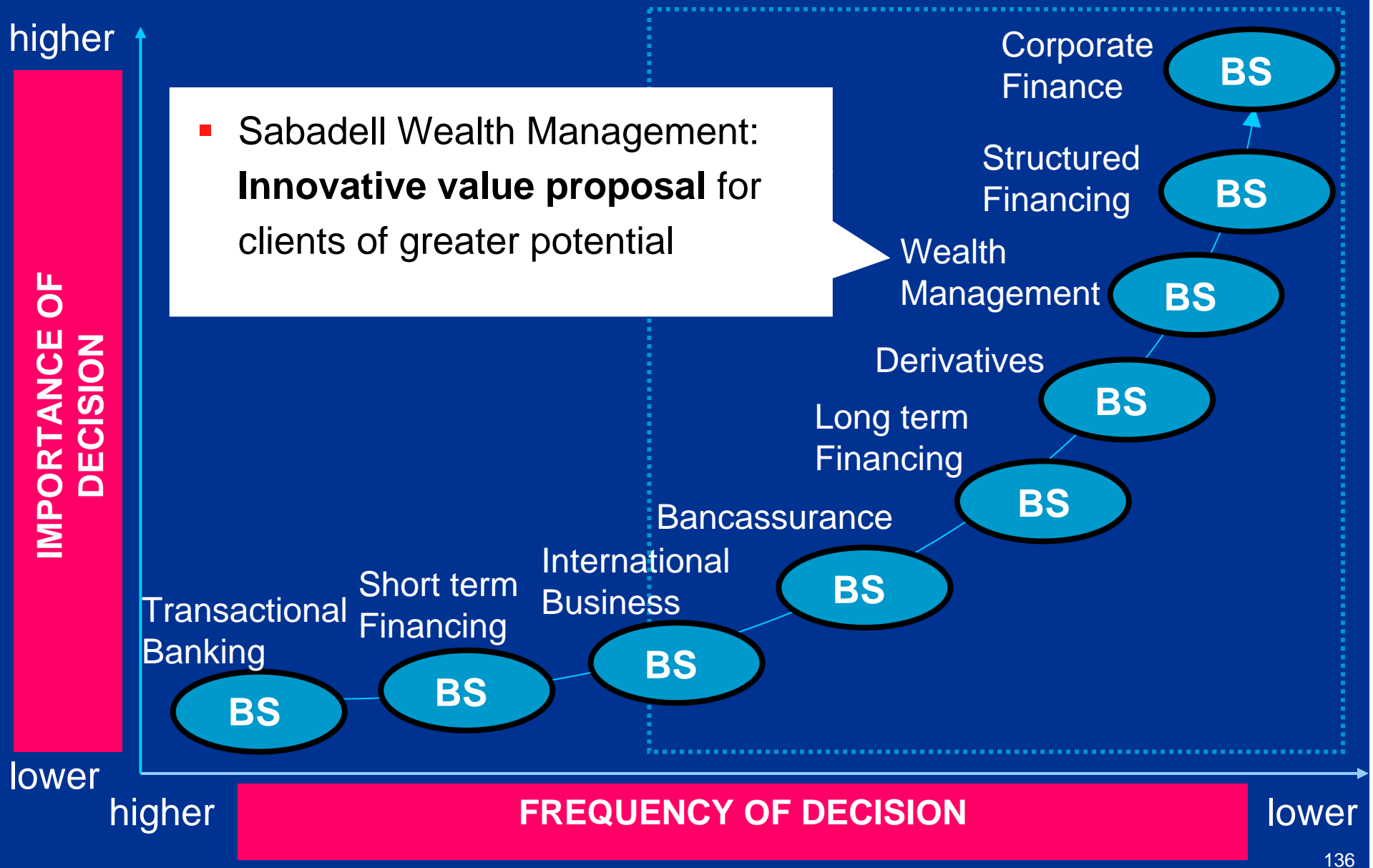
FREQUENCY OF DECISION

lower

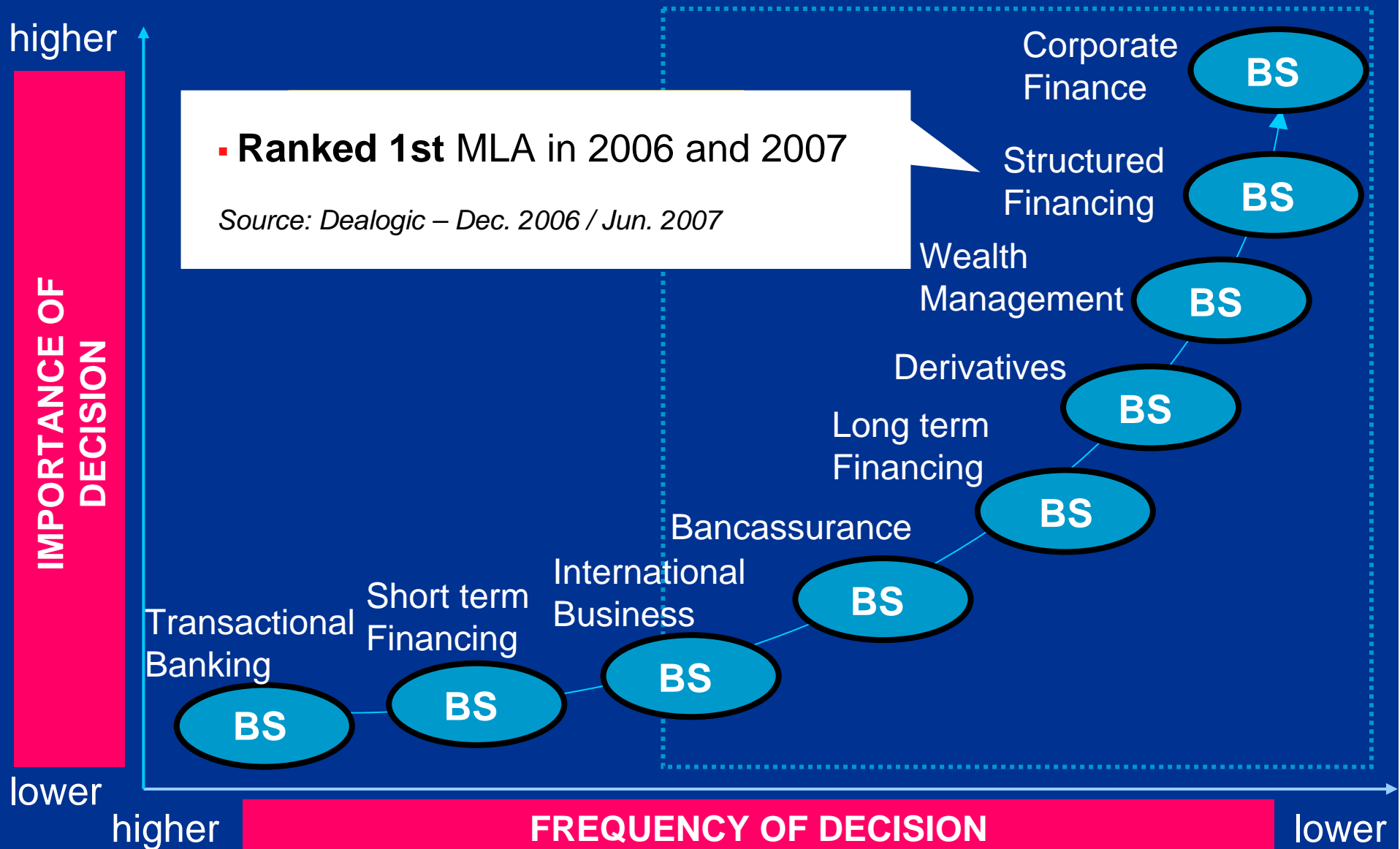
Competitive Advantages



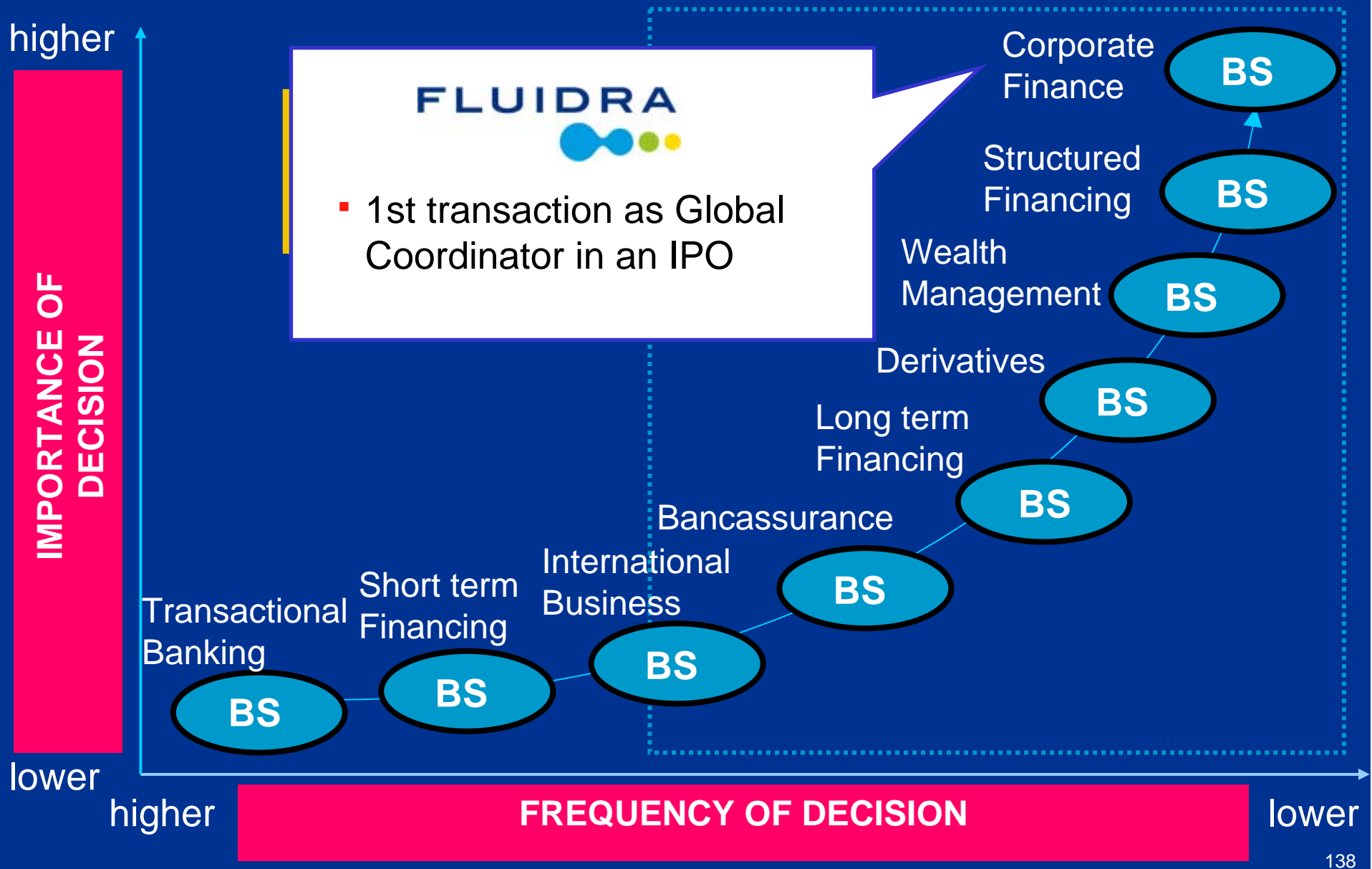
Competitive Advantages



Competitive Advantages



Competitive Advantages



1. Results and levers for 2007

2. Changes in the wake of the current environment

3. Optima 2009

4. Competitive advantages

5. Conclusions

Conclusions



We have **a proven model** that combines the strength of our traditional businesses with the success in the development of new businesses that allows a complete **value proposal to our customers**

- Adaptability
- Thinking ahead

Soluciones avanzadas para la empresa



The changes will evolve around the intensity of the **key business levers**, focusing on:

- Price
- Transactionality
- Cross selling
- Productivity

There is ample room to **increase geographic and customer penetration** with our current network

2nd Investor Day



Bancassurance

Mr. Ignasi Camí



6th November 2007

1. Business introduction

2. Optima 2009

3. Risk management

Results. Contribution to the Group



Results

	Sep 06	Sep 07	Var (%)
Gross operating income	80.3	102.7	+27.9%
Profit before tax and commissions	66.6	88.7	+33.2%
Sales commissions	28.8	38.2	+32.6%

Financial Ratios

Cost / income	24.3%	20.7%	- 360 bp
ROE	25.0%	29.0%	+ 400 bp

Contribution to the Group

Before commissions :

9.8%

After commissions:

6.2%



BanSabadell Vida

Life insurance

BanSabadell Pensiones

Pension funds (personal and company)

BanSabadell Seguros Generales

Non-life insurance. Start up in July 2007

BanSabadell Correduría de Seguros

Non-life broker

BanSabadell Previsión EPSV

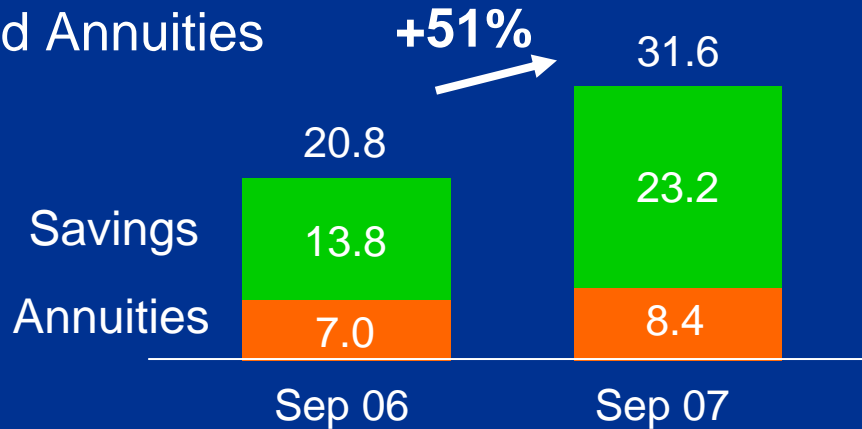
Basque Country pension plans

100%
Banco Sabadell

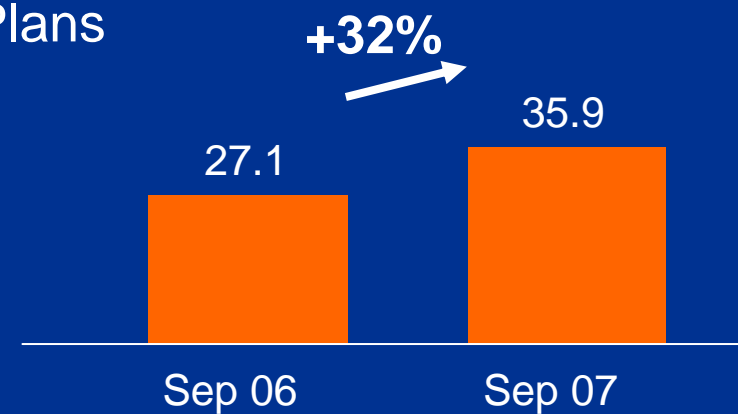
Technical margin breakdown



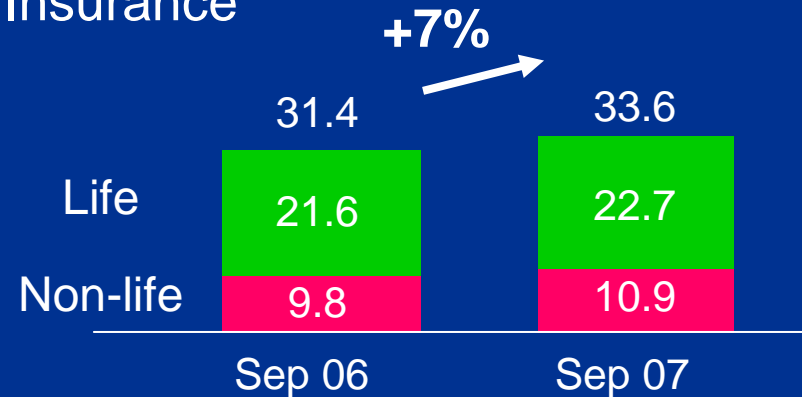
Savings Insurance and Annuities



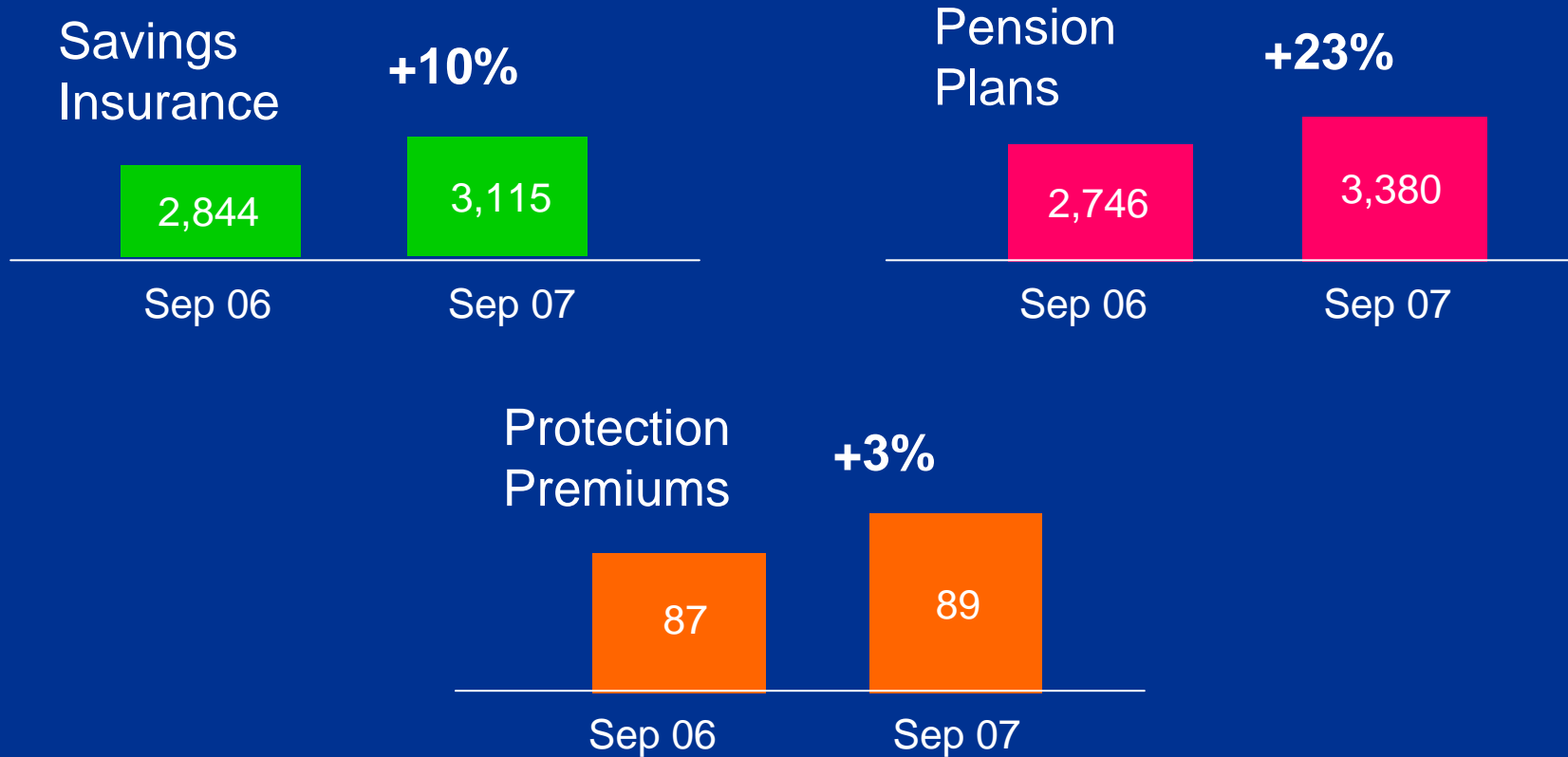
Pension Plans



Protection Insurance



Volumes



Euros in millions

2nd bank group in Life Insurance premiums

3rd bank group in Savings Insurance

4th bank group in Personal PP and **2nd** in Company PP

Product offering Segmentation. Penetration rates (I)



SEGMENT	PRODUCTS	PENETRATION RATE
INDIVIDUALS <ul style="list-style-type: none">- Mass market- Personal banking- Private banking- Non-residents	PENSION PLANS <ul style="list-style-type: none">- Pentapensión- Other personal plans SAVINGS AND ANNUITIES <ul style="list-style-type: none">- Guaranteed interest: Plan Ahorro, Plan Crecimiento, PIAS and PPA- Unit linked: Multiversión and Multicartera- Annuities: Life and temporary PROTECTION INSURANCE <ul style="list-style-type: none">- Life: bundle and stand alone- Non-life: household, motor and protection payments	16.3% 6.9% 12.5%

Product offering Segmentation. Penetration rates (II)



SEGMENT	PRODUCTS	PENETRATION RATE
COMPANIES <ul style="list-style-type: none">- Professionals and self-employed- SMEs- Corporate	COMPANY PENSION PLANS	na
	SAVINGS AND ANNUITIES <ul style="list-style-type: none">- Guaranteed retirement plans, unit linked- Annuities: Life and temporary	na
	PROTECTION INSURANCE <ul style="list-style-type: none">- Group life- Non-life: real estate, building ten-year insurance and subsidy insurance (self-employed)	12.5%



-
- ✓ Pure Bancassurance model: cross selling
-
- ✓ Fully integrated in sales and operational banking process
-
- ✓ Highly segmented offering
-
- ✓ Strong centralized support: CRM and contact center



-
- ✓ Profit and recurrence-oriented
-
- ✓ Advanced technological platform. Innovation, packaging, ...
-
- ✓ Process outsourcing: claims, medical selection, reinsurance services, ...

-
- ✓ Companies managed as a group
-
- ✓ Organized by areas of specialization: Marketing, Technical, Control, Financial, Operations, Investment and Technology
-
- ✓ Board members: General Managers of customer business units (Commercial banking, Corporate banking and Banco Urquijo), CFO and an Independent Counselor

1. Business introduction

2. Optima 2009

3. Risk management

Volumes					
	2007e	2008e	Var. %	2009e	Var. %
Savings Insurance	3,259	3,588	10.1%	4,083	13.8%
Pension Plans	3,732	4,118	10.3%	4,523	9.8%
Total	6,991	7,706	10.2%	8,606	11.7%
Premiums					
Protection	131.8	154.7	17.4%	183.5	18.6%

Main focus on:

- ✓ Baby Boomers > 55. Financial and longevity protection

- ✓ Mass Market cross selling

- ✓ Protection insurance products (Life + Non Life) and Variable Annuities

- ✓ Customer oriented high level service quality

- ✓ Improve productivity aligned to the new bank operational model

- ✓ New Business Value oriented

BanSabadell General Insurance. New company



Rationale:

- ✓ Underwriting Household Insurance and Payment Protection policies since February 2008
- ✓ Third party agreements to distribute other retail non-life insurance
- ✓ Higher returns and enhanced value for BS Group
- ✓ Customized products and services to BS segments
- ✓ Adaptation to new Act.: 'Ley de Mediación' (Jul 07)

Non-Life Policies:	217,455	CAGR 05/07: 9.3%
Non-Life Premiums:	€ 46.8m	CAGR 05/07: 17%

1. Business introduction

2. Optima 2009

3. Risk management

Risk management (I)



MARKET RISK

- GAP interest rates
- VaR methodology
- Financial margin sensitivity

LIQUIDITY RISK

- Daily monitoring
- Liquidity GAP

CREDIT RISK

- Distribution of counterparty risk:
 - AAA 15%
 - AA 69%
 - A 16%

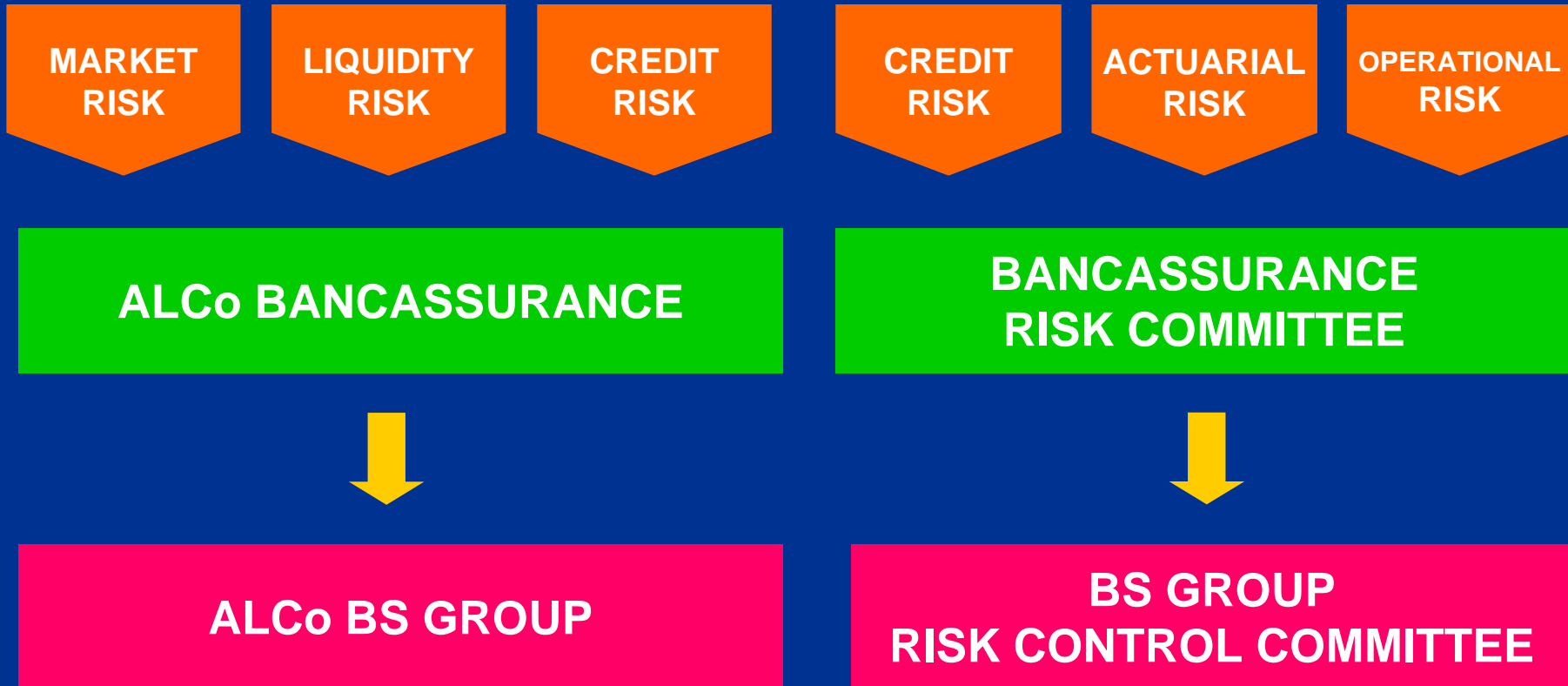
ACTUARIAL RISK

- Reinsurance Program
- Claims management
- High accurate underwriting model

OPERATIONAL RISK

- Process Mapping analysis
- Historic events data base

Risk management (II)



BanSabadell Vida has participated in QIS 2 and QIS 3
(Quantitative Impact Study to new Directive)

2nd Investor Day



Asset Management

Mr. Cirus Andreu



6th November 2007

1. Asset Management business review

2. Optima 2009

Financial highlights (I)



	Sep 06	Sep 07
Assets under management	10,076	13,563
Gross commission income	87.4	123.5
Number of UCITS under management	191	338
Number of unitholders of funds under mgmt	437,528	430,354
Average balance per unitholder (Euro)	23,044	28,305
Number of funds per end-investor	2.9	2.6

Financial highlights (II)



Results

	Sep 06	Sep 07	Var (%)
Assets under management	10,076.6	13,563.0	34.6%
Gross operating income	87.4	123.5	41.3%
Earnings pre-tax and distr. costs	80.1	110.9	38.4%
Distribution costs	61.5	85.1	38.2%
Profit before taxes	18.6	25.8	39.0%

Main Ratios

Cost -income ratio	26.0%	30.2%	425 pb
ROE	136.6%	124.6%	1191 pb

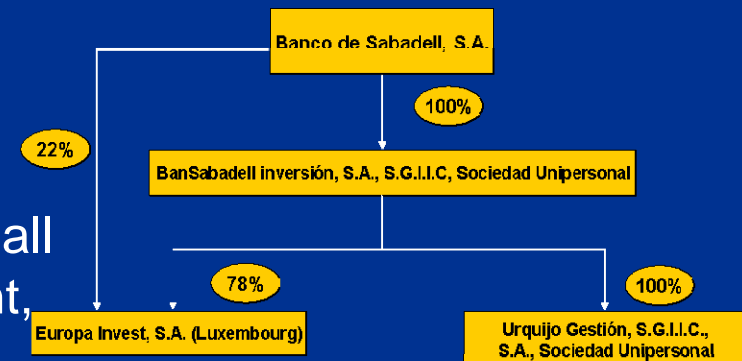
**Contribution to the Group profit
before distribution
cost: 13.5%
after distribution cost:
3.2%**

Management and Governance



Fund management companies. Organization chart

- ✓ All the Asset Management Sabadell group member companies are managed as components of a single business unit
- ✓ Key support functions are common across all operating companies: Product development, Portfolio implementation, Trading desk, Middle office, Compliance, Finance, Accounting, NAV calculation, Unitholder recordkeeping ...
- ✓ Boards of directors reunite seasoned independent investment professionals with customer business units most senior executives and the heads of Finance and Asset Management



Wide asset management product offering



Mission statement : Provide solutions to fulfill the asset management needs of Banco Sabadell actual and potential customers

- ✓ **Managed product architecture:** combines in-house products, sub-advised products and third-party funds
- ✓ **Core product groups:** Fixed Income funds, Balanced funds, Absolute Return (“*VaR style*”) funds, Equity funds, dedicated SICAV, Real Estate funds, Fund-of-Funds and Fund-of-Hedge Funds
- ✓ **Supplementary product groups:** selected and monitored third-party funds
- ✓ **A variety of product structures :** Spanish Law Investment Funds, Master-Feeder fund structures, SICAV, Real Estate funds, Luxembourg FCP, Luxembourg SICAV, Multi share structures with/without overlay and Fund Portfolio Managed Accounts

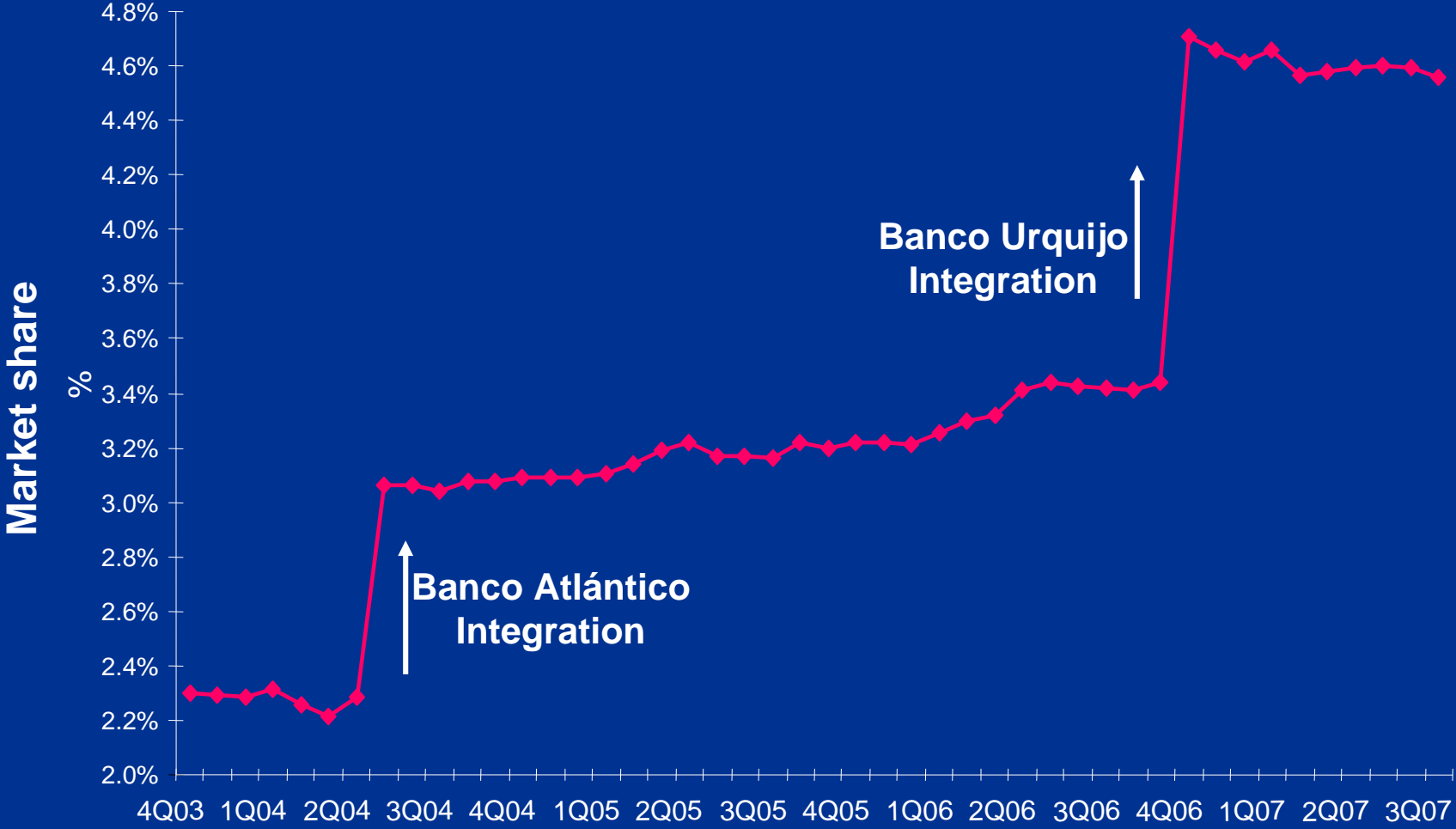
Segmented product offering



Target segments are: Retail investors, Personal banking, Private banking, Institutional investors and Non resident investors

- ✓ **Different investment menus for different investment appetites**
- ✓ **Different asset-based pricing for different investment sizes**
- ✓ **Different product bundling and service propositions for different investment cultures/experiences/needs, i.e. Fund Portfolio Managed Accounts following pre-determined risk profiles**
- ✓ **Taylor-made asset planning, portfolio construction, and reporting for sophisticated investors, i.e. dedicated SICAV for Private banking customers**

Significant market share for Spanish domiciled funds and SICAV



Asset management process



Separately accountable building blocks working together

**QUANTITATIVE
PORTFOLIO
MANAGEMENT**

**ACTIVE
PORTFOLIO
MANAGEMENT**

**MULTI-MANAGER
INVESTING**

**REAL ESTATE
INVESTMENT
MANAGEMENT**

**HEDGE FUNDS
INVESTMENTS**

People's business. Talent highlights



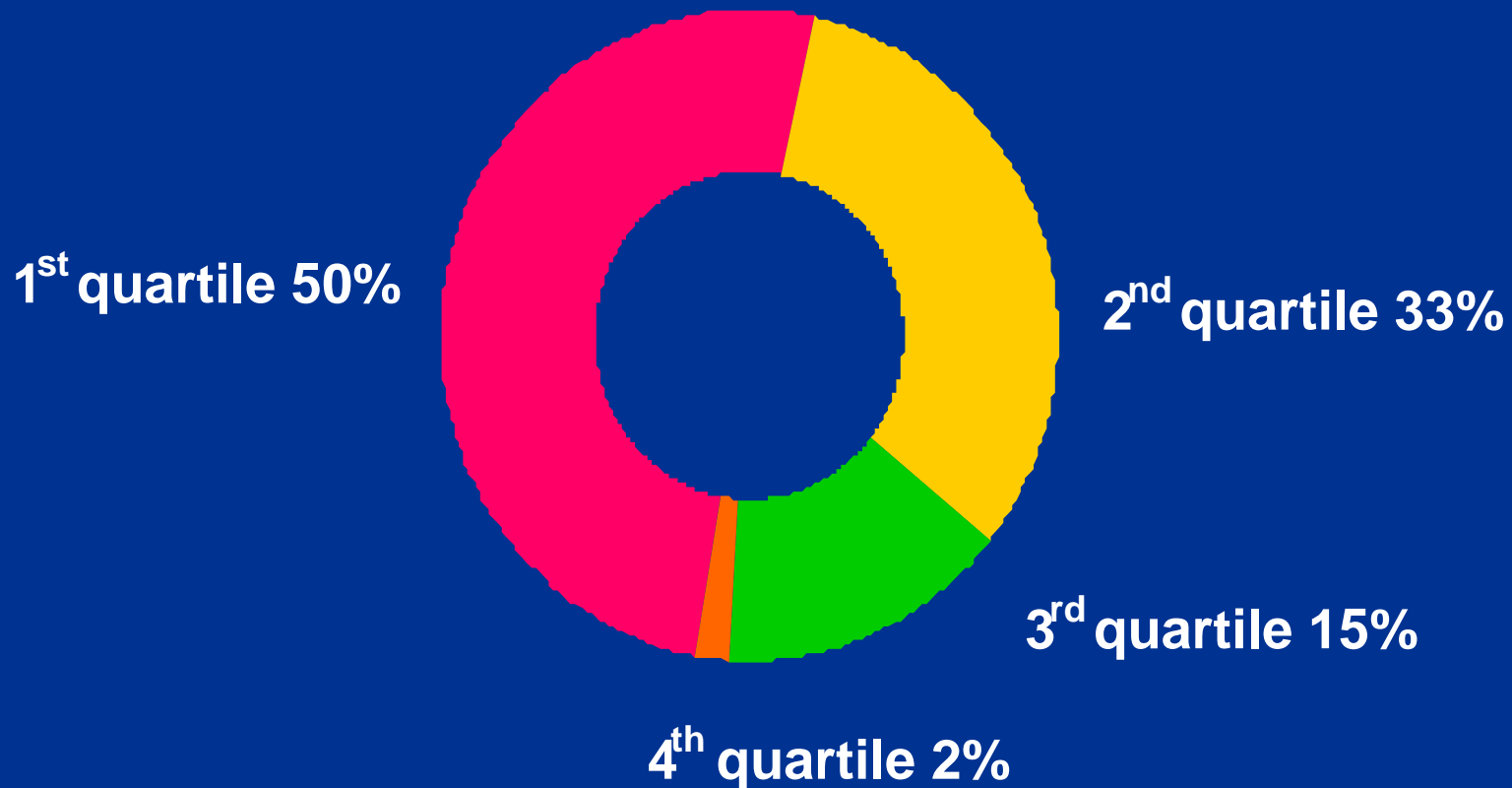
Experienced and motivated investment team is key to success

	Employees (number)	Investment Experience (average years)	Years of service (average years)
RESEARCH AND PORTFOLIO MANAGEMENT	67	8	5
INVESTMENT PROCESS DISCIPLINE	14	5	4
TOTAL INVESTMENT-DEDICATED	81	6	5
PRODUCT DEVELOPMENT AND LEGAL SUPPORT	6	11	6
FINANCE AND INFRASTRUCTURE	55	6	8
TOTAL	142	8	7

Product performance



Funds under management relative performance: Asset weighted 3 years performance rankings



Percentage of assets in each quartile for funds with more than 3 years of performance track-record. Source: Morningstar (formerly Standard and Poor's) rankings. Guaranteed performance funds, Real Estate funds, dedicated funds and dedicated SICAVs are not taken into account. 169

Leadership in S&P's qualitative fund ratings



High quality investment manager

- ✓ 10 Sabadell funds have achieved a Qualitative Rating of A, or above A, from Standard & Poor's fund research analysts.
- ✓ Only 23 Spanish domiciled funds have attained such a rating opinion by Standard & Poor's. Sabadell is one of the only 6 Spanish fund management houses to have gone through this independent rating process and according to the newspaper Expansión, Sabadell is the Spanish market leader in terms of the number of A, or above A, rated funds in Spain.
- ✓ Qualitative Ratings are a measure of investment excellence. They tell us about the quality of the investment process, including both the key people involved and the technical tools employed. These Ratings signal consistent performance over at least three discrete year periods versus their pan-european fund peer group. Qualitative Ratings and the subsequent research reports provide a high level of transparency that investors rely upon when making fund pick-up decisions.

SABADELL BS DÓLAR BOLSA, FI		Confirmed
SABADELL BS TESORERÍA INSTITUCIONAL, FI		First time
SABADELL BS RENTA FIJA MIXTA ESPAÑA, FI		First time
INVERSABADELL 25, FI		First time
SABADELL BS RENTA VARIABLE MIXTA ESPAÑA, FI		First time
INVERSABADELL 50, FI		First time
INVERSABADELL 70, FI		First time
SABADELL BS ESPAÑA BOLSA, FI		Confirmed
SABADELL BS ESPAÑA DIVIDENDO, FI		Confirmed
SABADELL BS SELECCIÓN ACTIVA V2, FI		First time

2007 Performance awards



Performance awards provide powerful accreditation for the fund products

- ✓ **BME IBEX MEDIUM & SMALL CAP 2007** prize to the most performing fund investing in small and medium cap Spanish equities.



- ✓ **Standard & Poor's – Expansión Spanish Fund Awards 2007:**

Runner-up Overall Management Group

4x Best Fund of the Year in Sector



- ✓ ***Europreference/Edhec Alpha League Table 2007:*** among the three most alpha generating Spanish fund management companies.

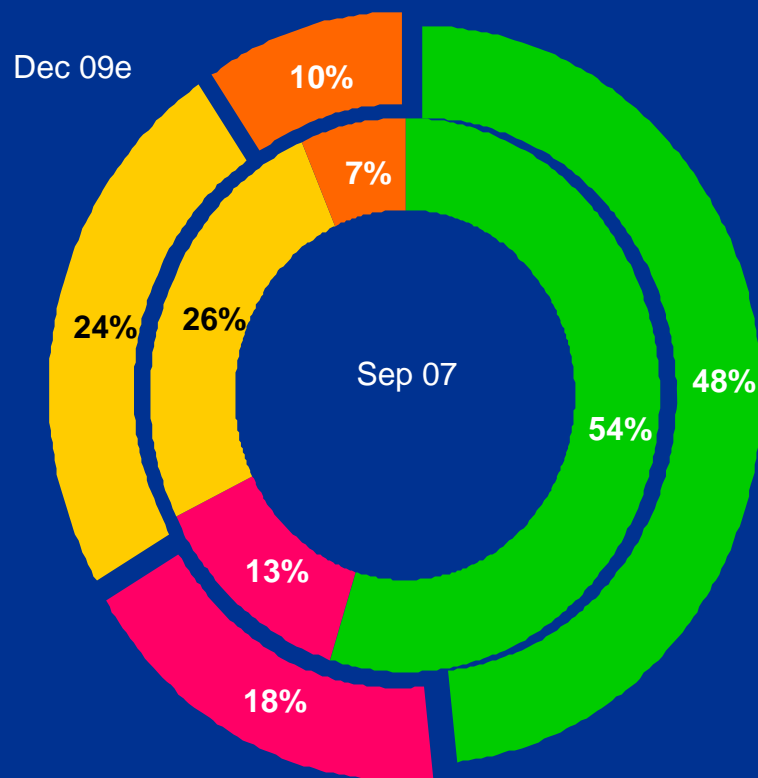


1. State of the Asset Management business unit 2006-07

2. Optima 2009



Customer business unit contribution

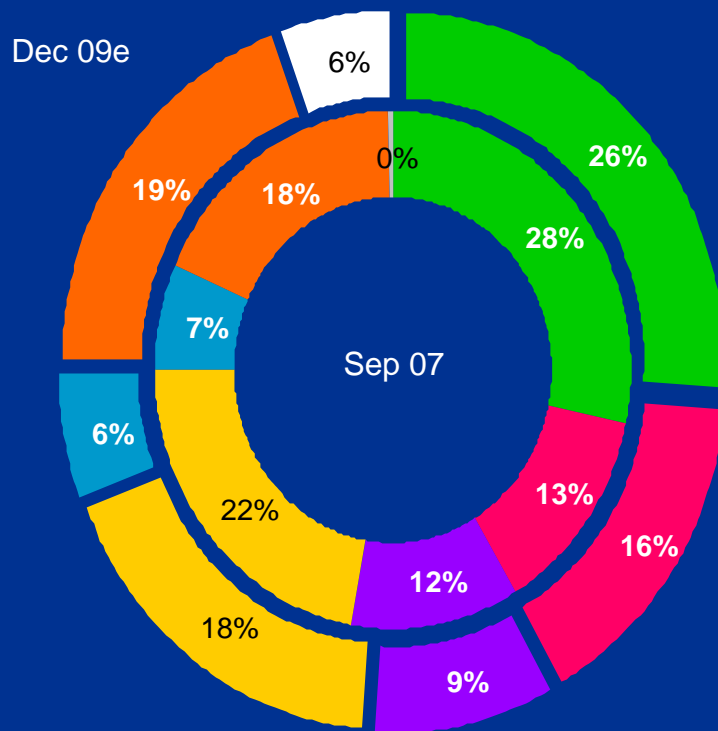


- Commercial banking
- Corporate banking
- Private banking
- Institutional and Third-parties

Volume	Sep 07	Dec 09e	% CAGR
Commercial banking	7,420.4	8,799.5	7.9%
Corporate banking	1,768.5	3,341.3	32.6%
Private banking	3,463.4	4,369.6	10.9%
Institutional and Third-parties	910.6	1,742.4	33.3%
Total AUM	13,563.0	18,252.9	14.1%



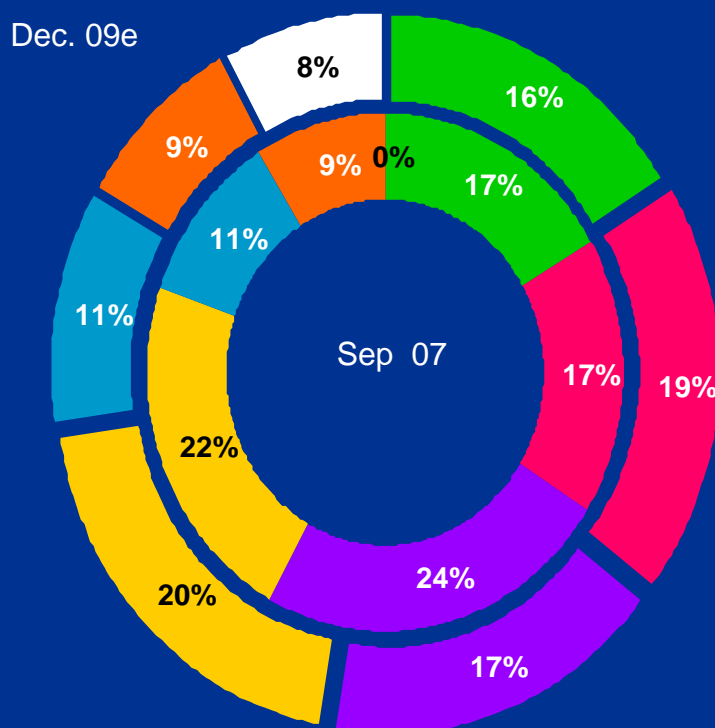
Product line contribution



Volume	Sep 07	Dec 09e	% CAGR
Fixed income funds	3,849.7	4,827.5	10.6%
Balanced and Absolute Return funds	1,746.3	2,843.6	24.1%
Equity funds	1,574.5	1,636.0	1.7%
Guaranteed performance funds	3,005.5	3,339.9	4.8%
Real Estate funds	906.8	1,045.1	6.5%
Dedicated SICAV	2,456.7	3,530.7	17.5%
Alternative investments	23.3	1,030.0	436.4%
Total AUM	13,563.0	18,252.9	14.1%

- Fixed income funds
- Equity funds
- Real Estate funds
- Alternative investments
- Balanced and Absolute Return funds
- Guaranteed performance funds
- Dedicated SICAV

Product line contribution



Income	Sep 07	Dec 09e	% CAGR
Fixed income funds	19.6	30.7	7.5%
Balanced and Absolute Return funds	20.2	36.5	14.4%
Equity funds	28.7	32.8	-6.6%
Guaranteed performance funds	26.0	37.4	3.4%
Real Estate funds	12.9	20.3	7.8%
Dedicated SICAV	10.5	16.4	7.4%
Alternative investments	0.0	15.5	
Total Income	117.8	189.5	8.7%

- Fixed income funds
- Equity funds
- Real Estate funds
- Alternative investments
- Balanced and Absolute Return funds
- Guaranteed performance funds
- Dedicated SICAV

Optima Asset Management strategic initiatives



Search for new opportunities to gain assets in a challenging, income growth flattening environment: upgrade sales, pricing and servicing efforts

Actions:

- ✓ **Distribution of Sabadell investment funds through existing external fund platforms and third-party financial distributors**
- ✓ **Prioritize the revenue angle in the selection and distribution of third-party funds, taking a consistent profit center focus**
- ✓ **Grow the investment and systems capabilities devoted to the Managed Accounts service offering for individual investors in order to keep up Sabadell's product leading position and accelerate asset gathering in the Personal banking and Private banking target segments**

Optima Asset Management strategic initiatives



Search for new opportunities to gain assets in a challenging, income growth flattening environment: new product territories

Goals:

- ✓ **Replace Fixed Income funds with higher yielding and more added value/riskier products**
- ✓ **Sophisticate current Equity fund offering adding Alternative Investments approaches to the asset class**
- ✓ **Customize present time Real Estate investment management offering to cover institutional investor needs**

Actions:

- ✓ **Develop the Real Estate investments offering to include dedicated structures and closed-end, single-asset vehicles**
- ✓ **Expand the Alternative Investments product offering**

2nd Investor Day



IT & Operations

Mr. Miquel Montes



6th November 2007

IT & Ops

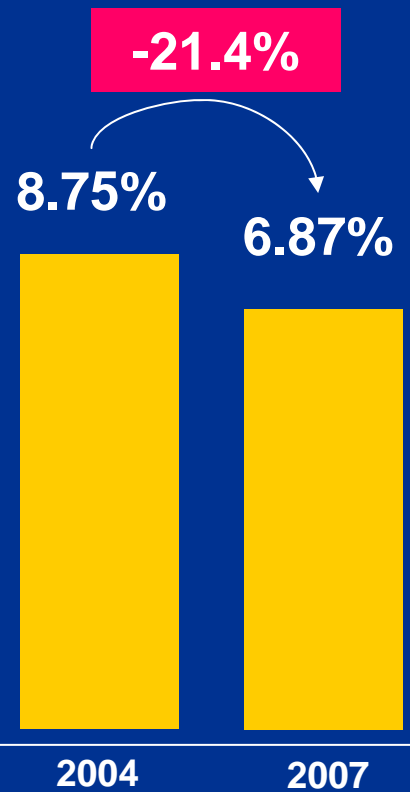
**Efficient
Processor**

**Sales
Enabler**

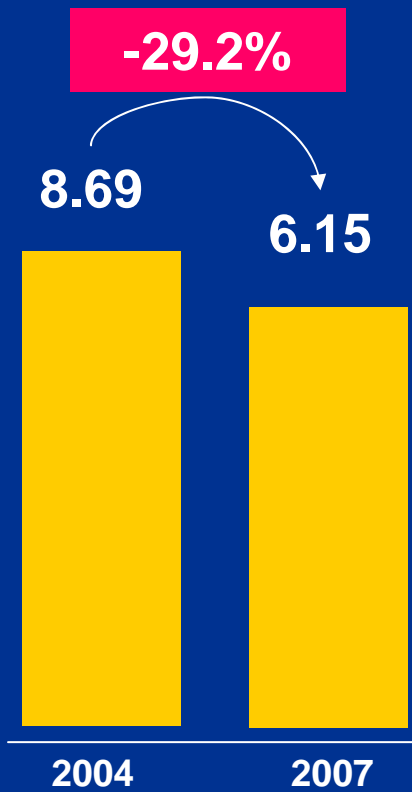
Efficient Processor (I)



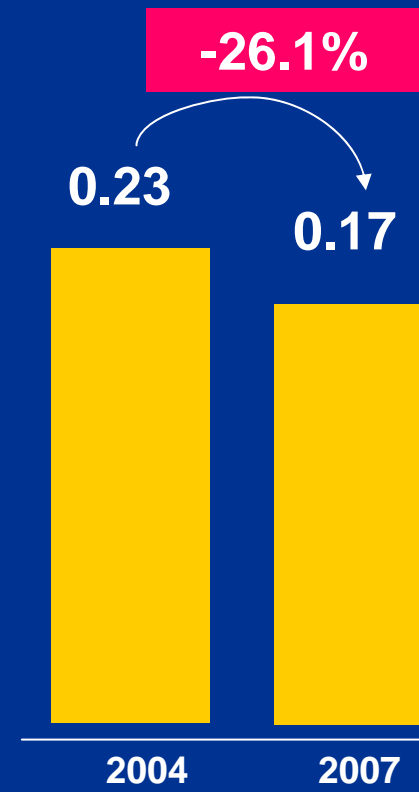
IT & Ops Headcount/ total employees



IT Cash-out / operating income



Operational unit cost



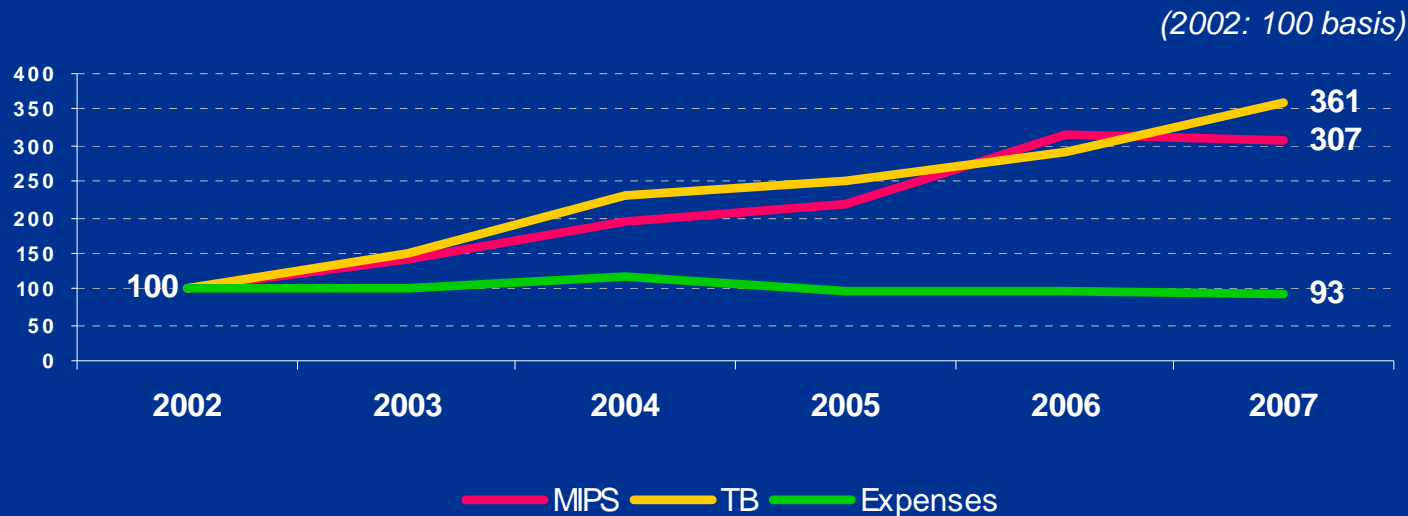


Managing Infrastructure as a utility

Optimizing application development

Business Process Industrialization

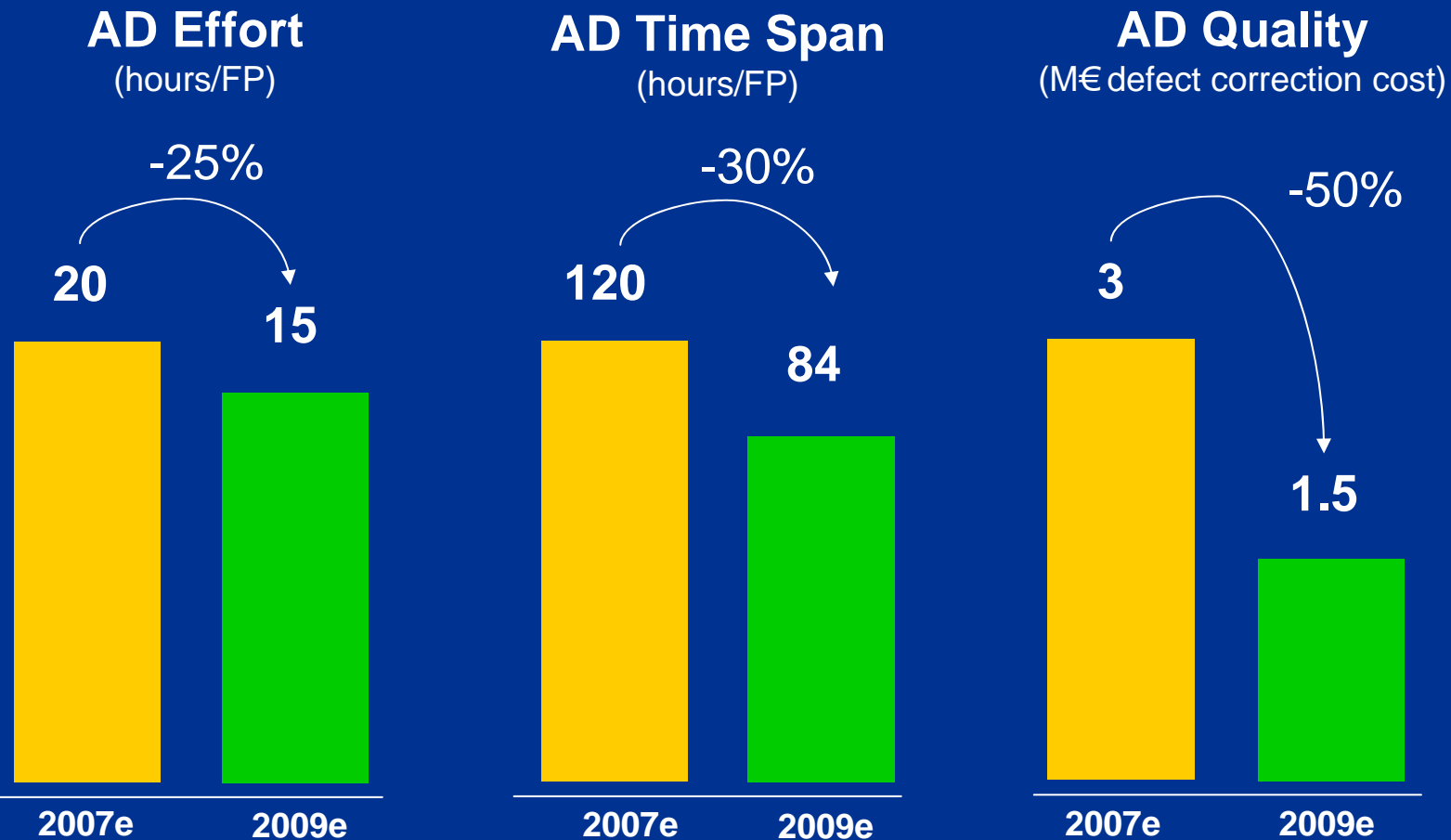
Managing Infrastructure as a utility



Strategic alliances with top market players



Optimizing application development

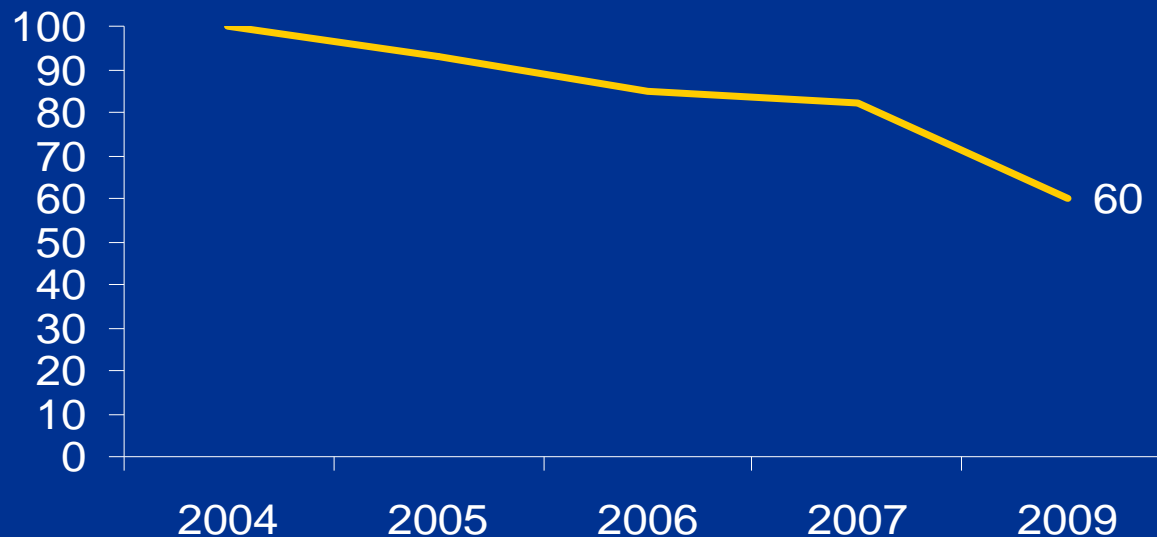


FP = Function Point (standard market measurement for quantity of output in IT application development)



Business Process Industrialization

Central Back-office headcount (2004: 100 basis)



Fraud Processing POS & ATM network User Help Desk	Payments Factoring Confirming	Securities Services Loans & Mortgages
DONE	ONGOING	NEXT



IT Business Alignment

Channels innovation

Commercial productivity toolkit



IT Business alignment

Governance

Overall spend

IT Investment portfolio

Architecture

Software stack
Optimization

Flexibility and
turn-around
time

Demand Management

Requirements
management

Portfolio
prioritization

Performance Measurement

Metrics &
Incentives

Value capture

Channels Innovation

First mobile ATM
on-line banking services
through 3G video-call



2D code technology
starting new dialogues
with our customers



Digital signature
customer authentication and direct
product selling (using ID Cards)



Digital Home
TV over Internet, Satellite and terrestrial
digital platforms



Access the Bank
from any TV
system

Real Innovation produces Real Solutions



Human Resources

Mr. Juan-Cruz Alcalde



6th November 2007

Track record



	2004	2005	2006	Sep 07	TOTAL
Staff hiring	614	793	893	859	3,159
Staff outflows	1,271	978	1,081	774	4,104
Acquisitions	2,740 		811 	131 	
Total Staff	9,628	9,443	10,066	10,282	
Branches	1,112	1,121	1,204	1,232	

Outflows profile



Average age

44 years

Average salary

55,500 €

Average seniority

15 years

Back-office profile

Challenging relocation

Corporate Centers (integrations)

Inflows profile



Average age

28 years

Average salary

39,500 €

University education

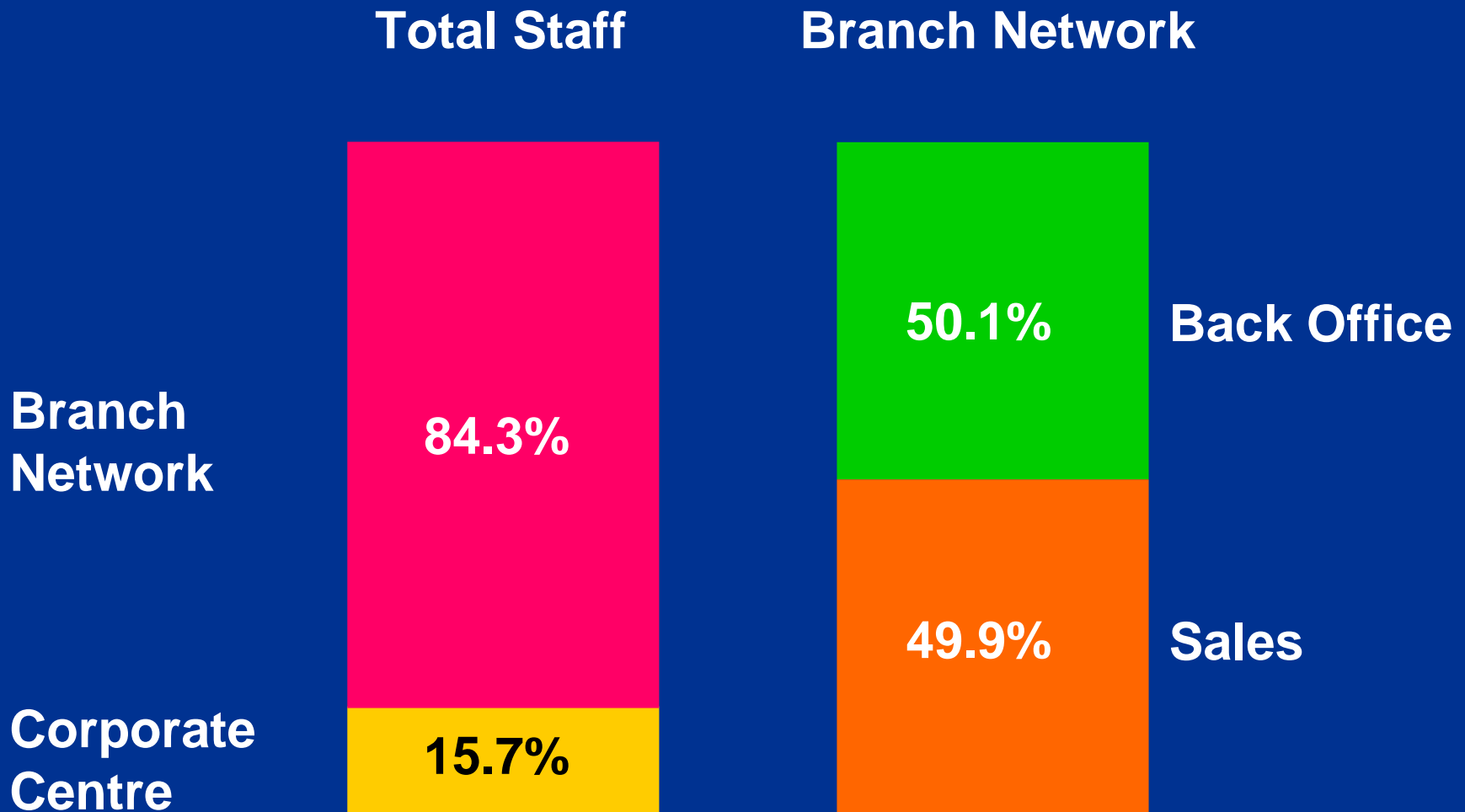
78%

Sales-focused profile

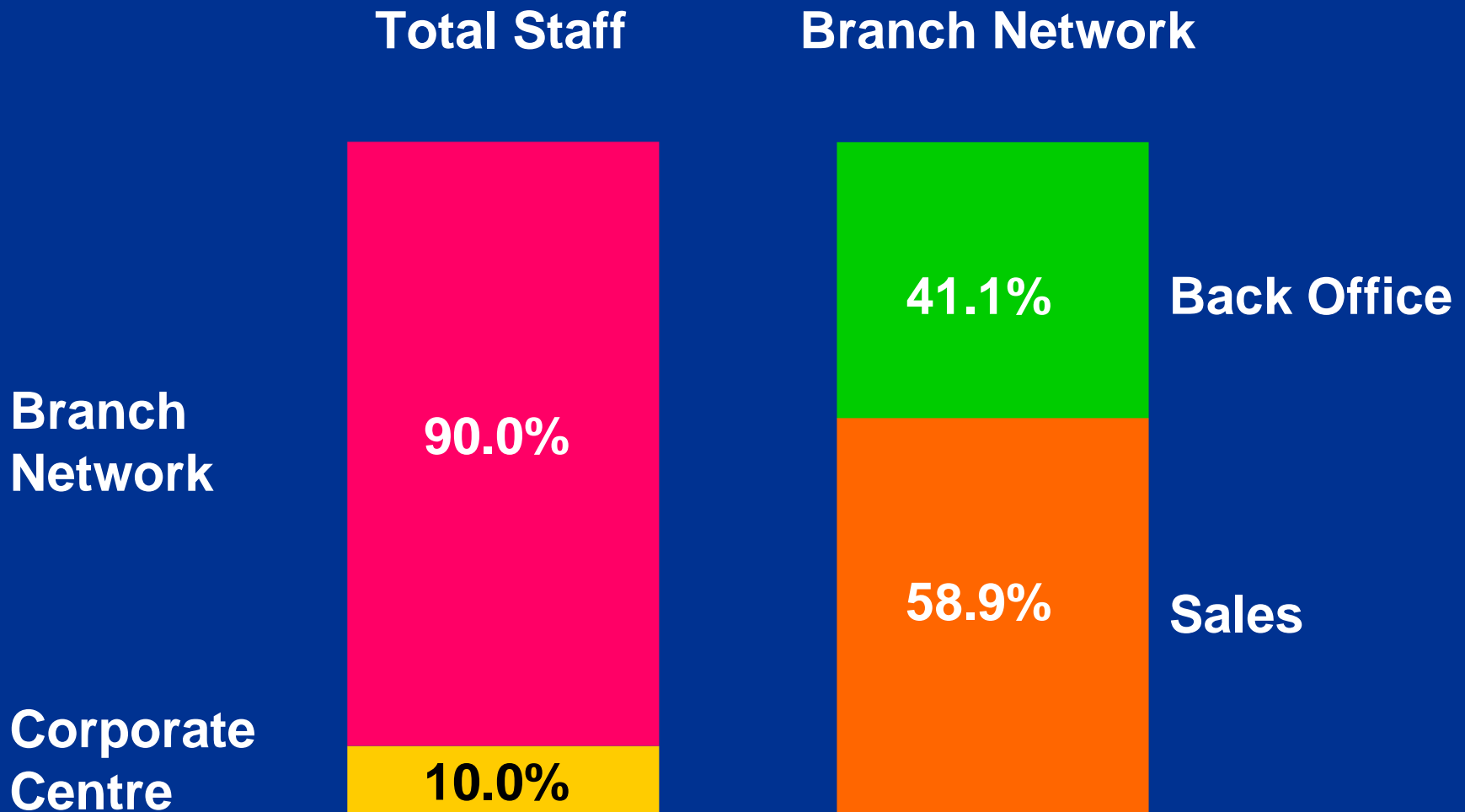
Technical specialty

Geographical fit

Workforce distribution as of Sep 07



Workforce distribution Optima 2009



Staff profile

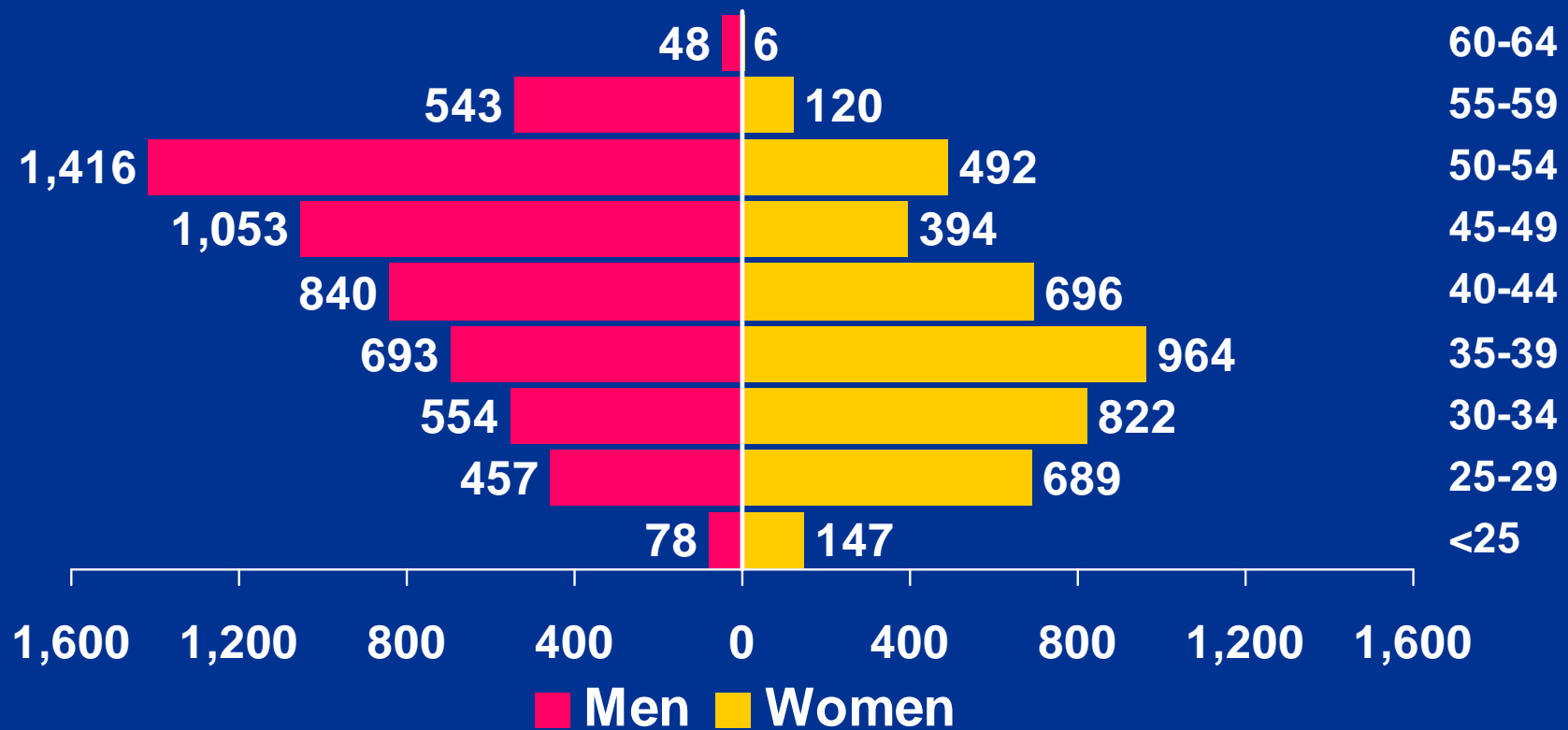


	Men	Women	BS
Total Staff (%)	56.7%	43.3%	
Avg. age (years)	44	38	41.4
Avg. seniority (years)	18.2	11.8	15.5
Graduates (%)	51.5%	65.2%	57.7%

Higher orientation to customer

Higher capacity to adapt to change

Staff distribution by age





New branches

Cover resignations

Increase volumes

Individual negotiations



Efficiency

2nd Investor Day



6th November 2007