

**A Coruña,
April 30th 2010**

1Q2010 Results Presentation



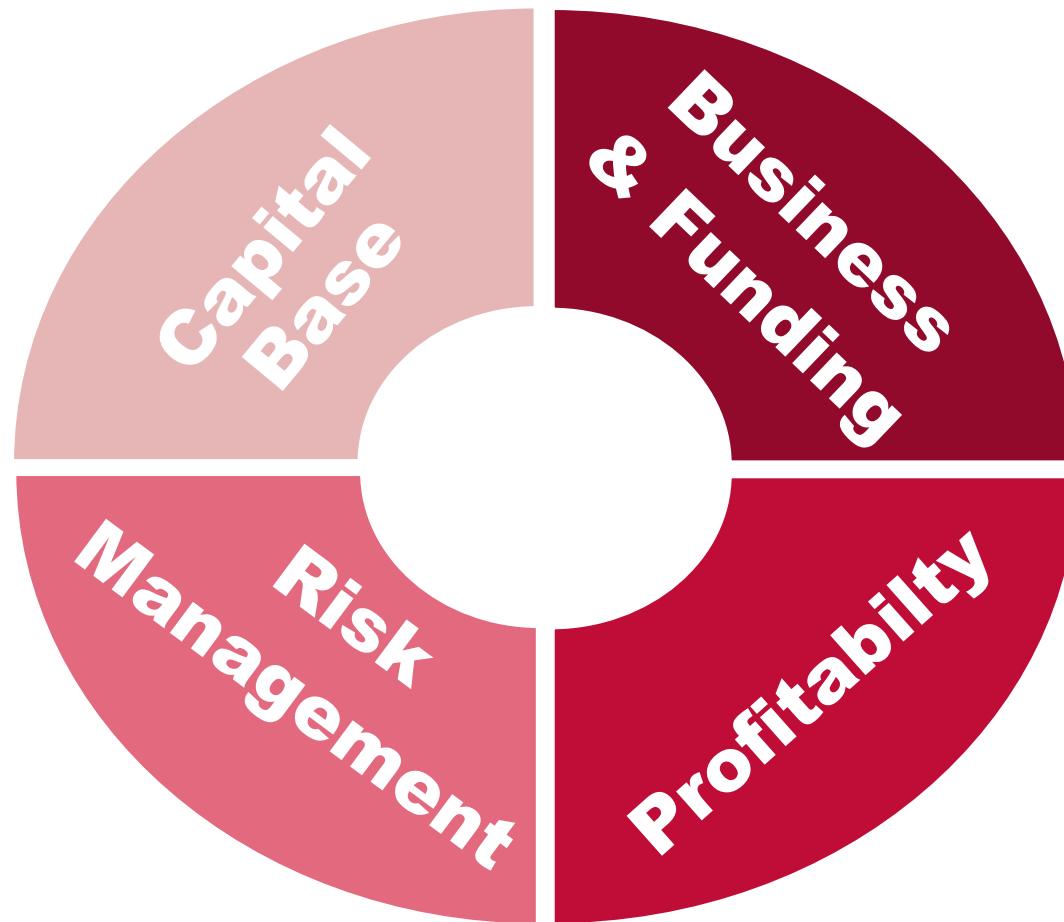
Banco Pastor

Summary

- ▣ PBT €48m; net profit €34m
 - Ahead of consensus in all lines of P/L
- ▣ PPP rose to €139m
- ▣ Net Operating Income up 7.2%
- ▣ Among the best in efficiency
- ▣ Improved credit quality trends
- ▣ Strengthened balance sheet: Generics still over 1% of the loan book
- ▣ Leading solvency
- ▣ Best in class in liquidity, with the highest deposit to loan ratio in the sector
- ▣ Solid, balanced growth in business volume while narrowing the commercial gap

In a nutshell: a solid quarter

Contents



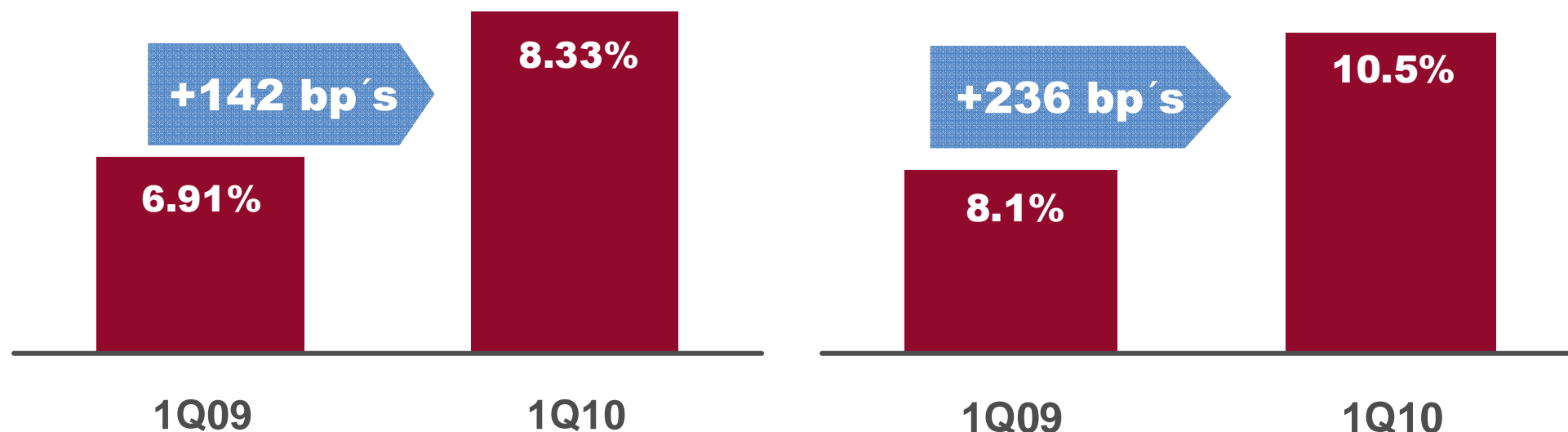
Capital Base

A strong capital base...



Core Capital

Tier 1



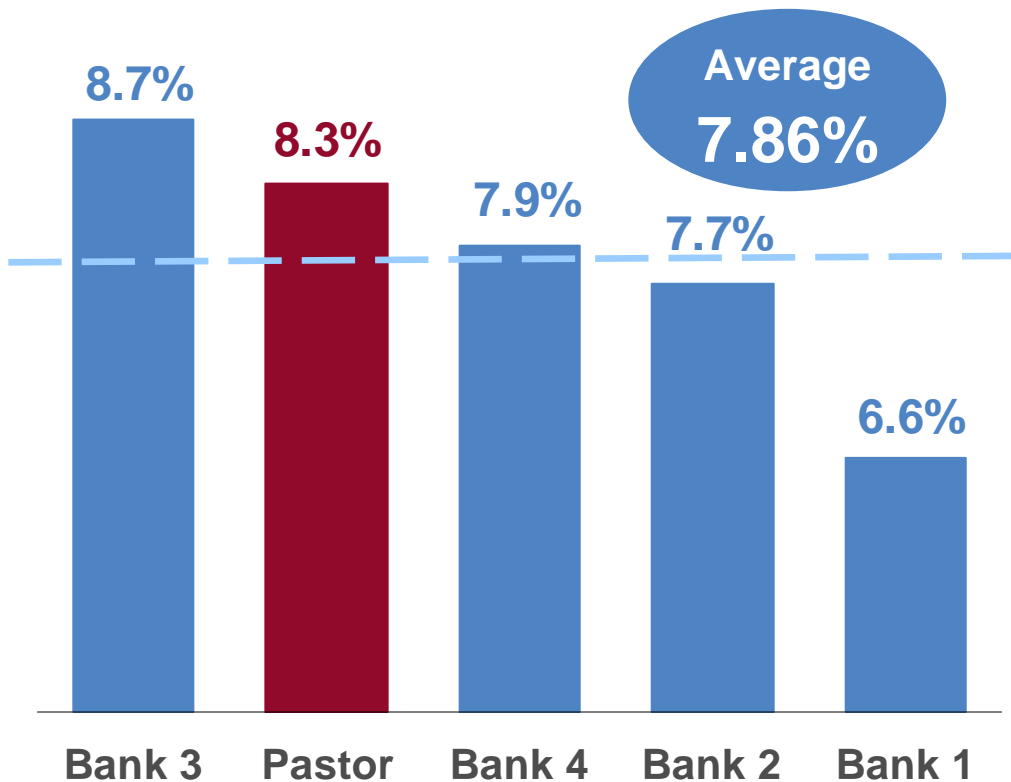
- ▣ Launched a bonus issue as shareholder remuneration
- ▣ One of the highest Core Capital ratios in the Spanish banking sector
- ▣ The best combination Core & Tier 1 within the domestic banks

Internal generation of 15 bp's in the quarter

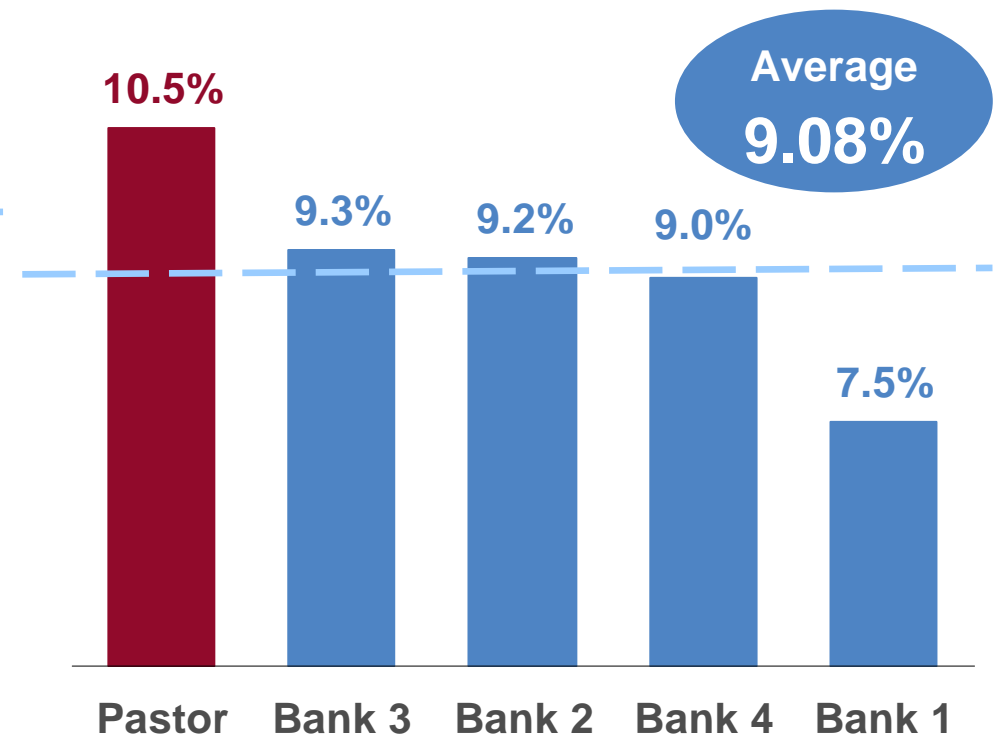
Capital Base

... which places us in a leading position

Core Capital vs. peer group



Tier 1 vs. peer group



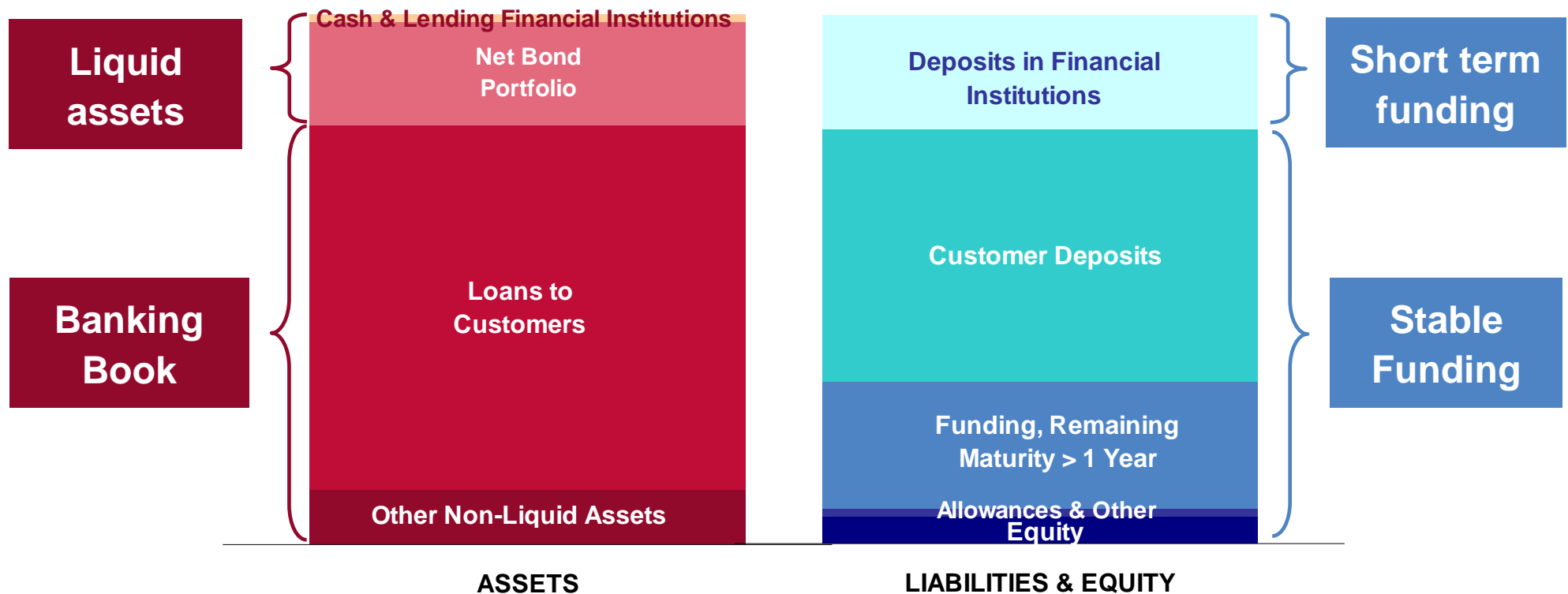
One of the most solid capital structures in the sector

Business & Funding



Banco Pastor at a glance

Balance sheet structure



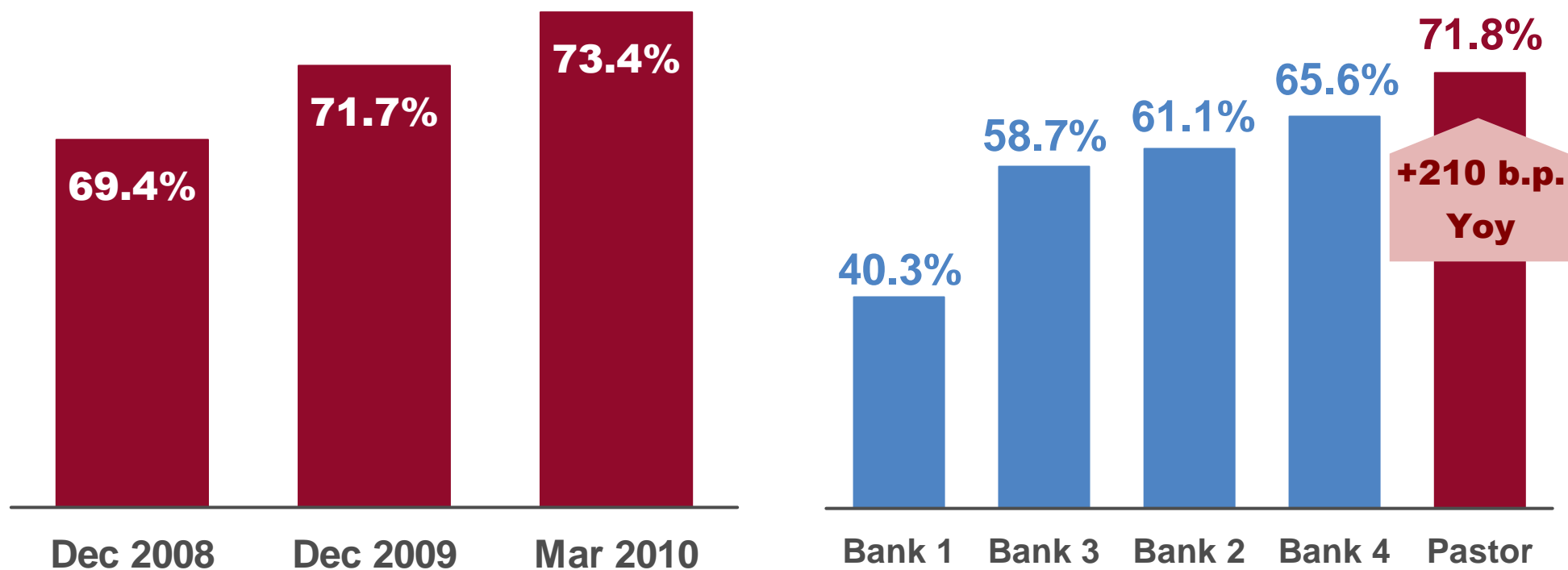
A strong balance sheet structure

Business & Funding

Sound liquidity

Deposit to Loan ratio

Benchmark Ex-repo

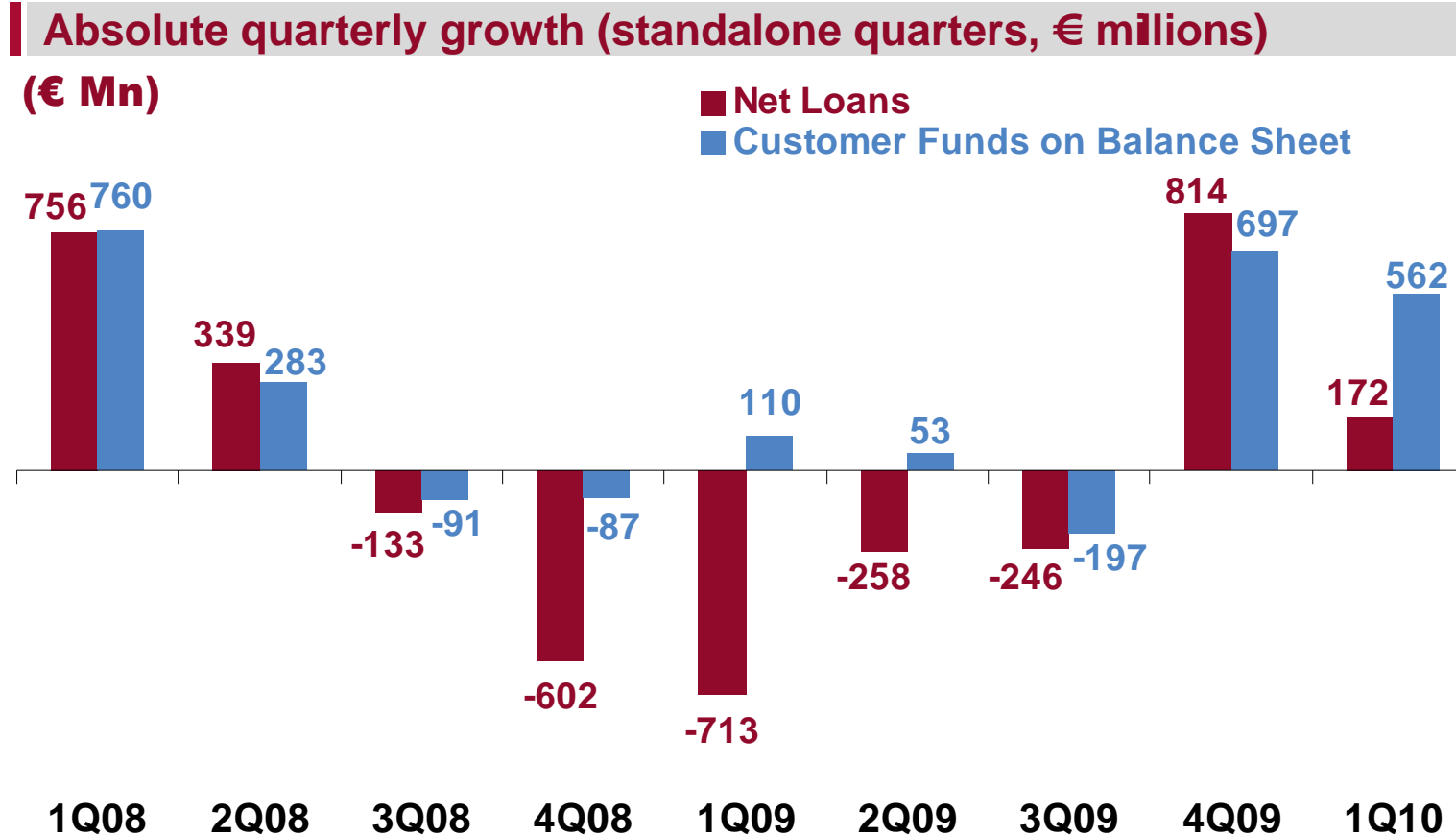


(*) Ex repos

Deposits already cover 73% of the loan book

Business & Funding

Continuously deleveraging the commercial gap



Narrowing the commercial gap in 7 of the last 9 standalone quarters

Business & Funding

A best of breed, best in class client service



9.73

Waiting time at the counter



8.94

Clarity of explanations



8.63

Friendliness and interest taken in the customer



8.32

Time dedicated to customer

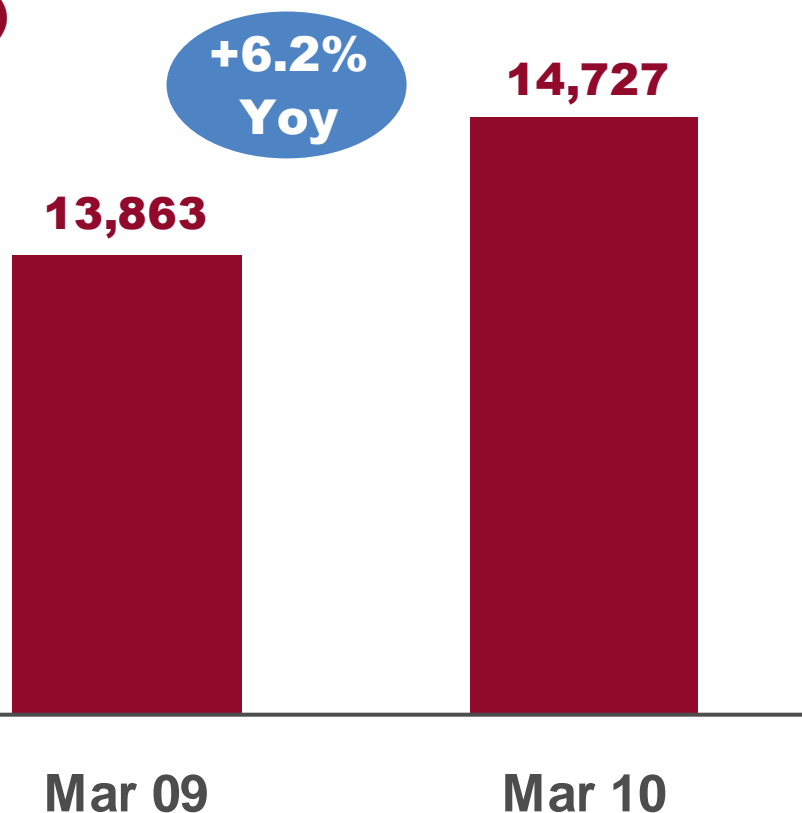
Source: Mystery Shopper results

Our product is value added service

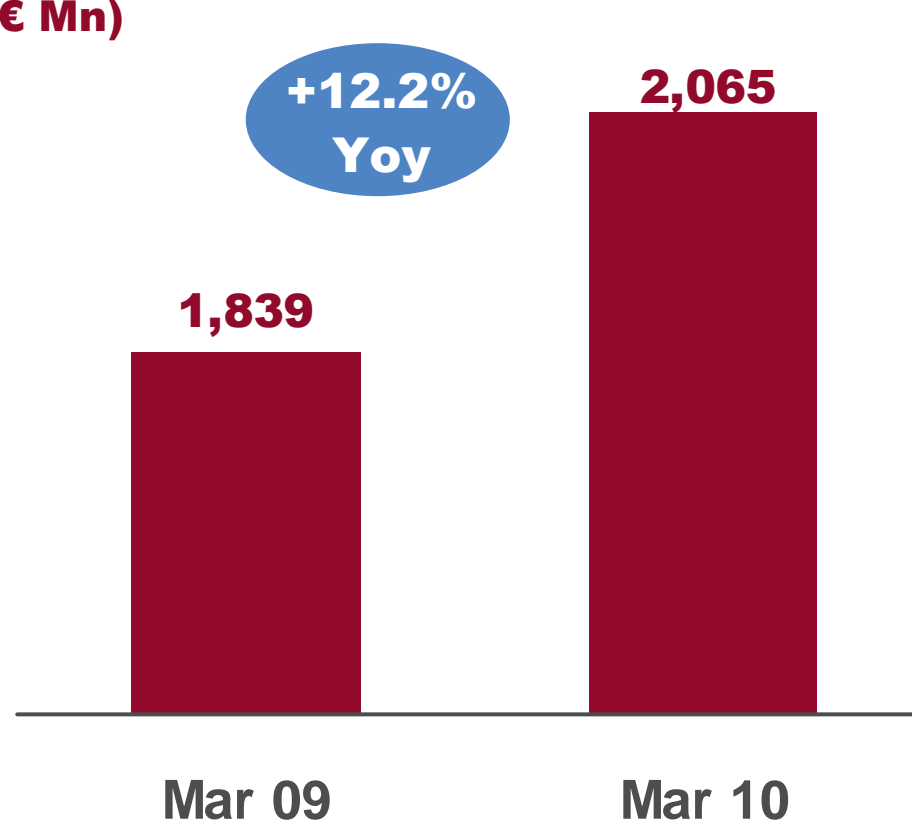
Business & Funding

Strong deposit growth both on and off-balance sheet

On-Balance Sheet Funds Yoy Growth
(€ Mn)



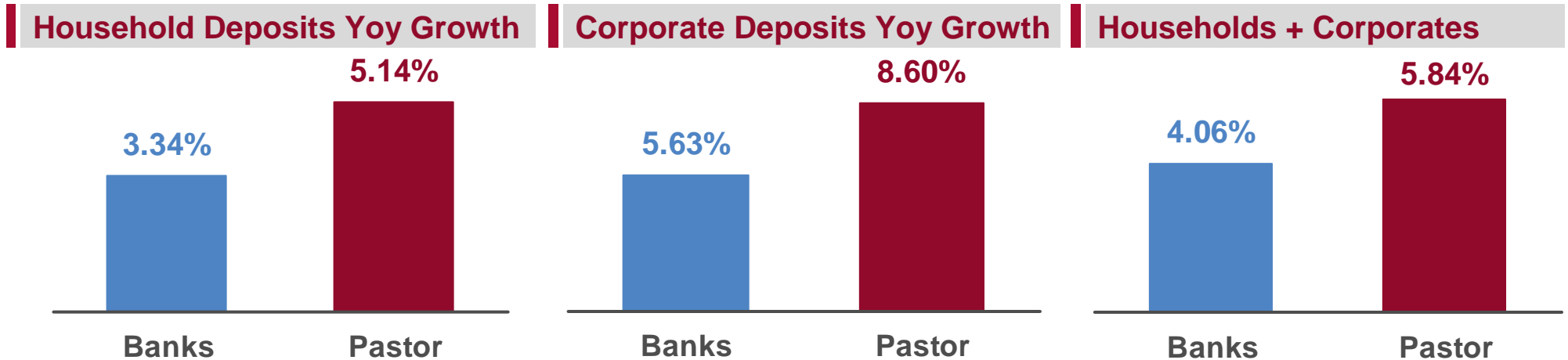
Off-Balance Sheet Funds Yoy Growth
(€ Mn)



Based on a GARP strategy

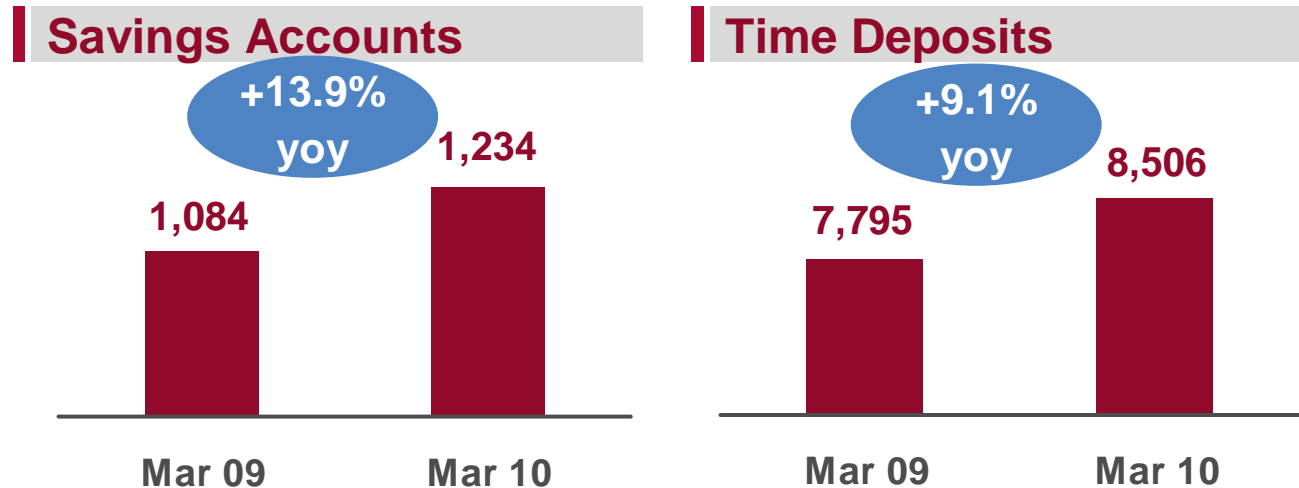
Business & Funding

So attracting both households and corporates...



... which turns into double digit growth

Source: Bank of Spain, available data for the banking sector as of February 2010

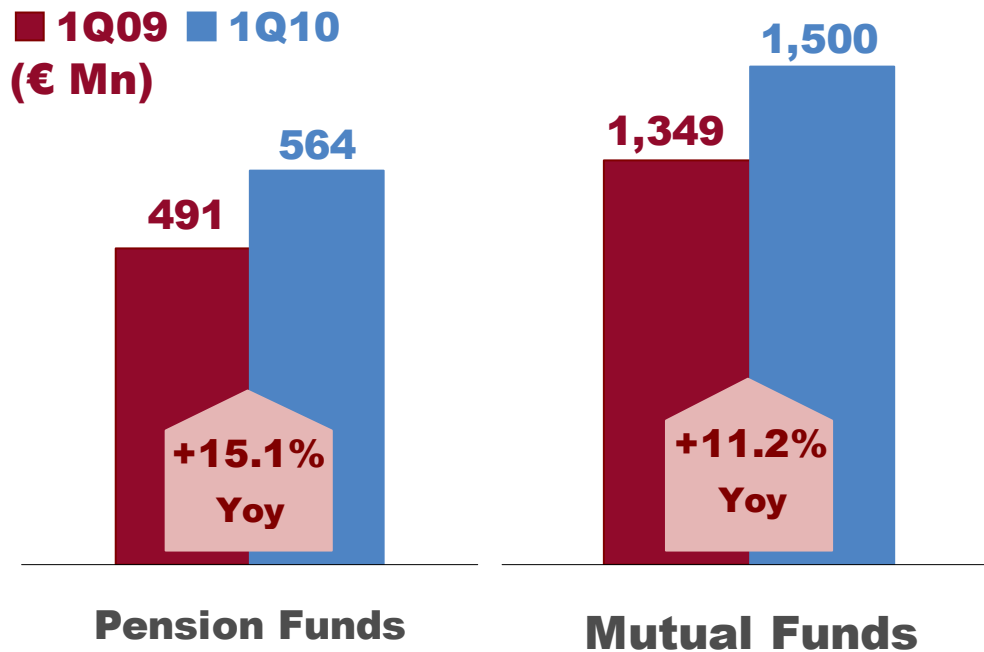


Outperforming the sector in deposit growth

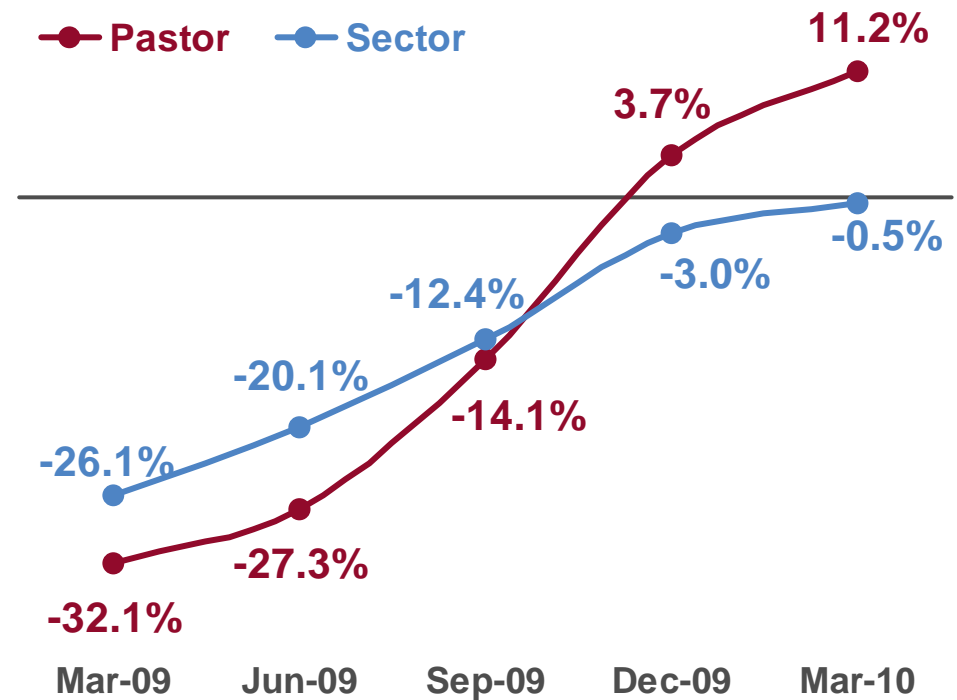
Business & Funding

...And also beating the sector in off-balance sheet funds

Yoy Off-Balance Sheet Funds Growth



Yoy Mutual funds growth vs. Sector



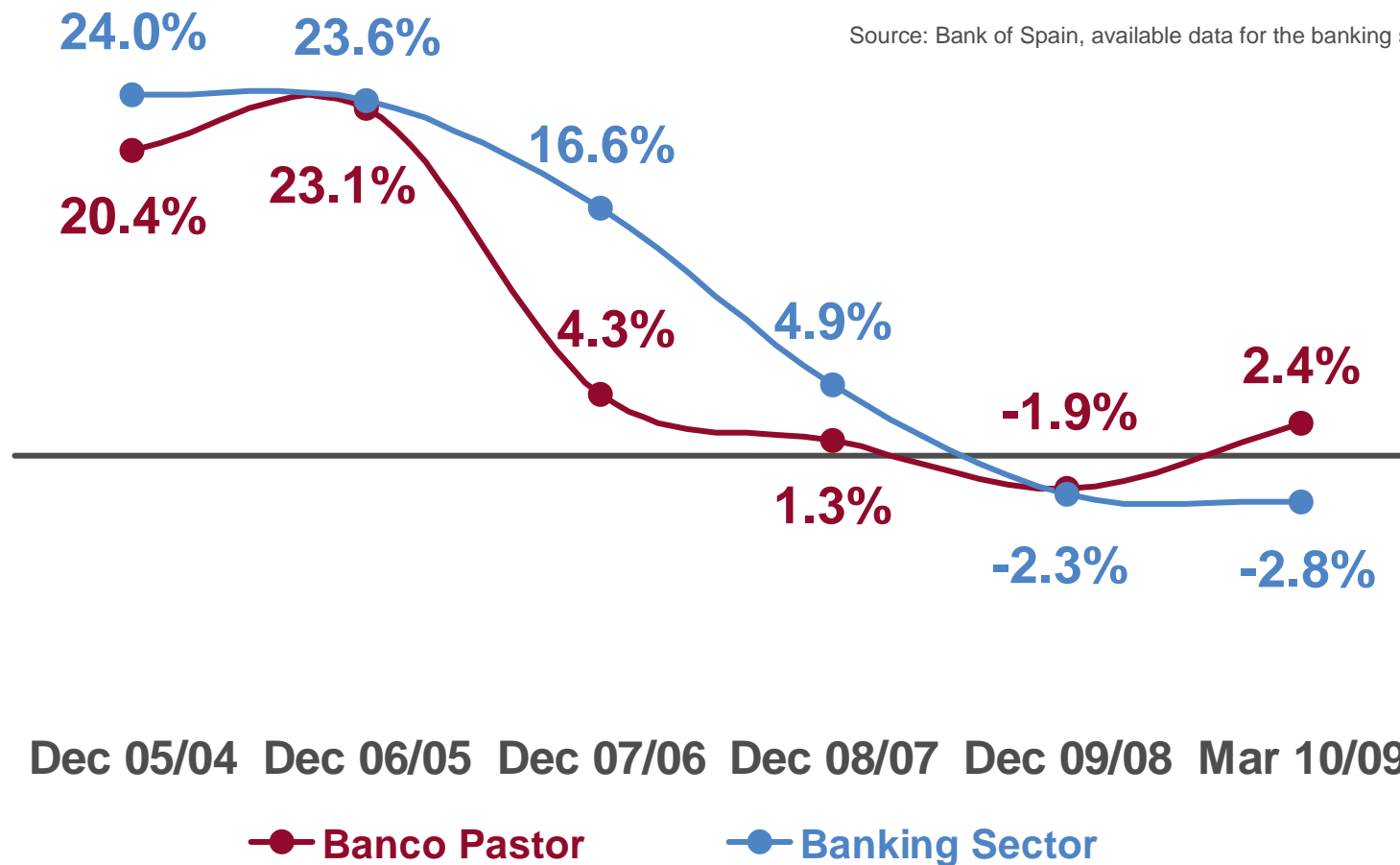
Source: Inverco for the sector

Business & Funding

Ahead of the game

Net Loans and Advances to Customers Yoy Growth Rate

Source: Bank of Spain, available data for the banking sector as of February 2010

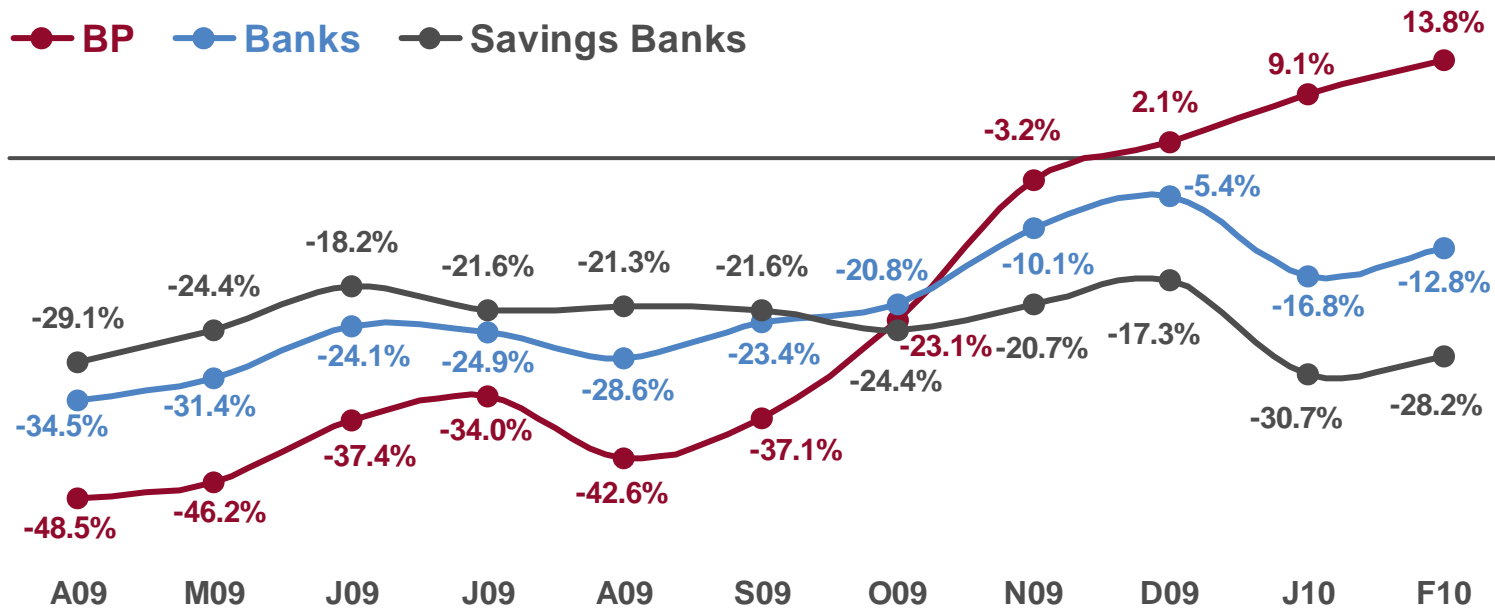


And beyond the chatter

Business & Funding

Smart growth in added value segments

New Individual Customer and Corporate Loans <€1 Mn underwriting: Yoy growth



Percentage of New Corporate Loan Underwriting >€1Mn 2010

Banks: 64%
Savings Banks: 55%
Pastor: 21%

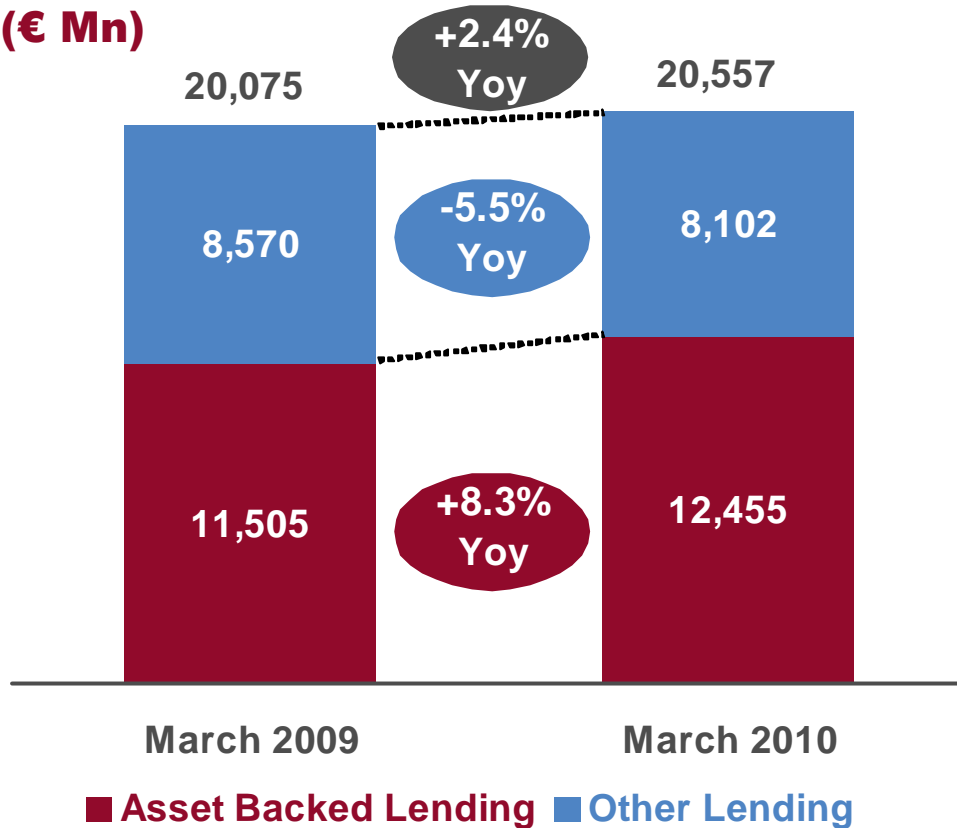
Source: Bank of Spain, available data for the banking sector as of February 2010

Business & Funding

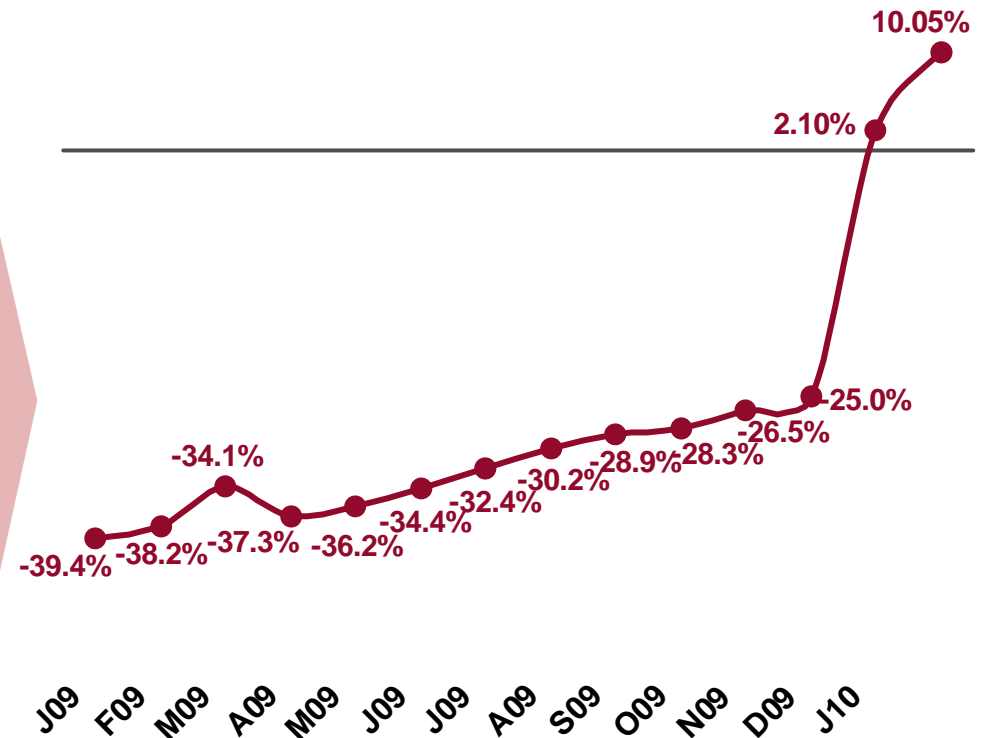
With a focus on asset backed lending

Net Loans to Customers Yoy Growth

(€ Mn)



House Purchases Yoy Growth



Source: Spanish Institute of Statistics (INE)

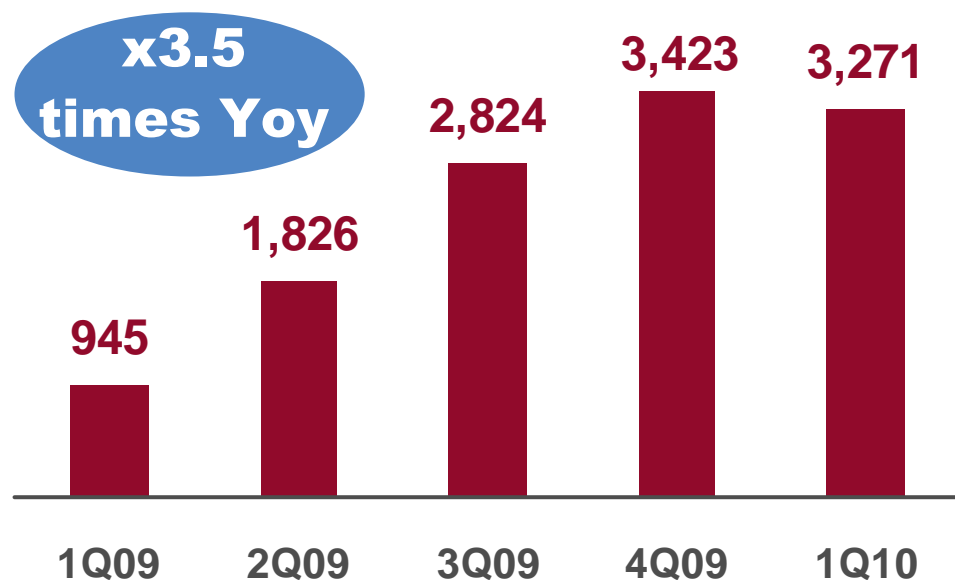
Business & Funding

Seizing new opportunities...

In mass affluent individuals **+19.3%**

and Companies **+15.2%**

New quarterly mortgage production
(Number Of Loans)



+20,835 new clients



Among the 10 top financial institutions by ICO loans granted in 1Q10

Climbing 12 places in the ranking of financial institutions in only one quarter



32,000 selected companies targeted

Success rate: 9.4%



A profitable partnership

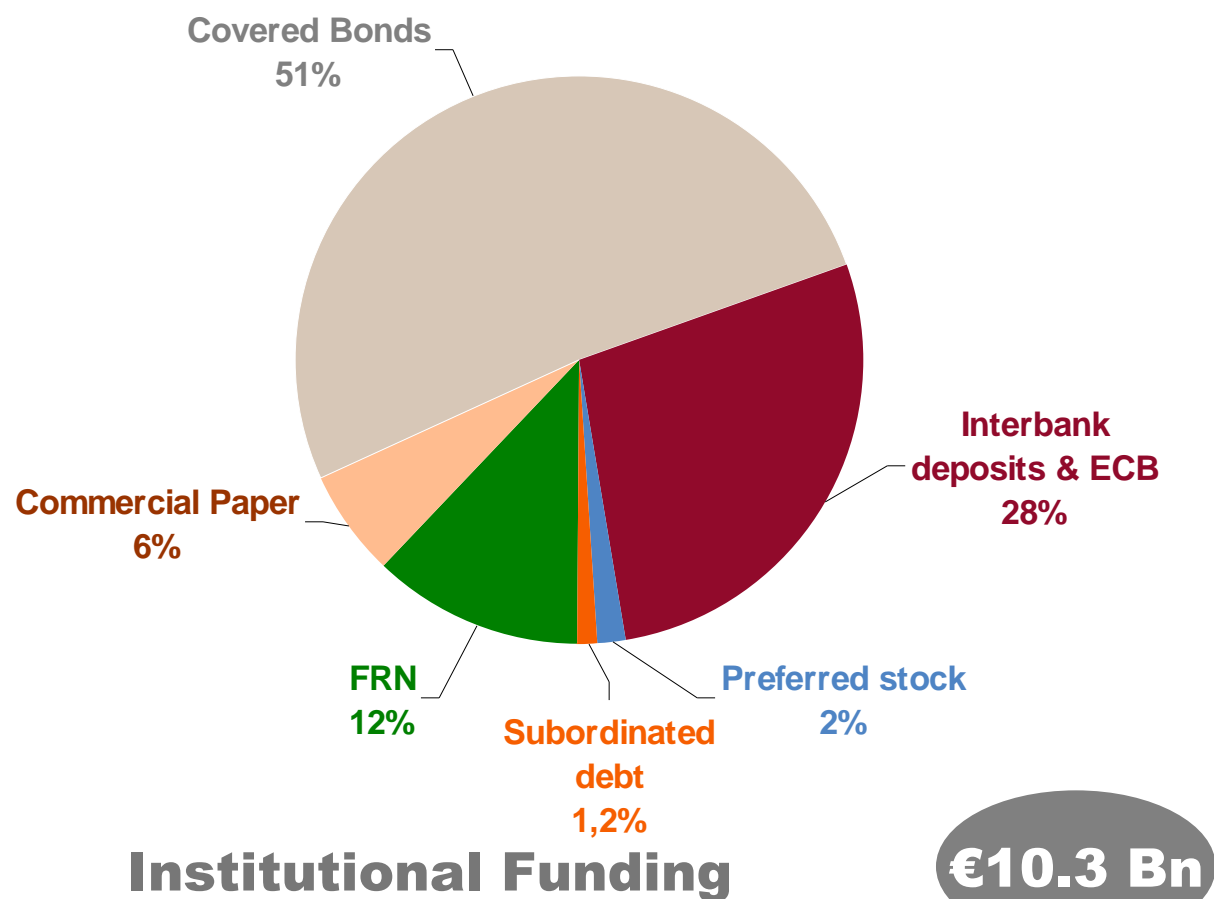
Fees on insurance activity: +256% Yoy

... and contributing to the recovery of the Spanish economy

Business & Funding

A highly diversified financial structure

Funding structure

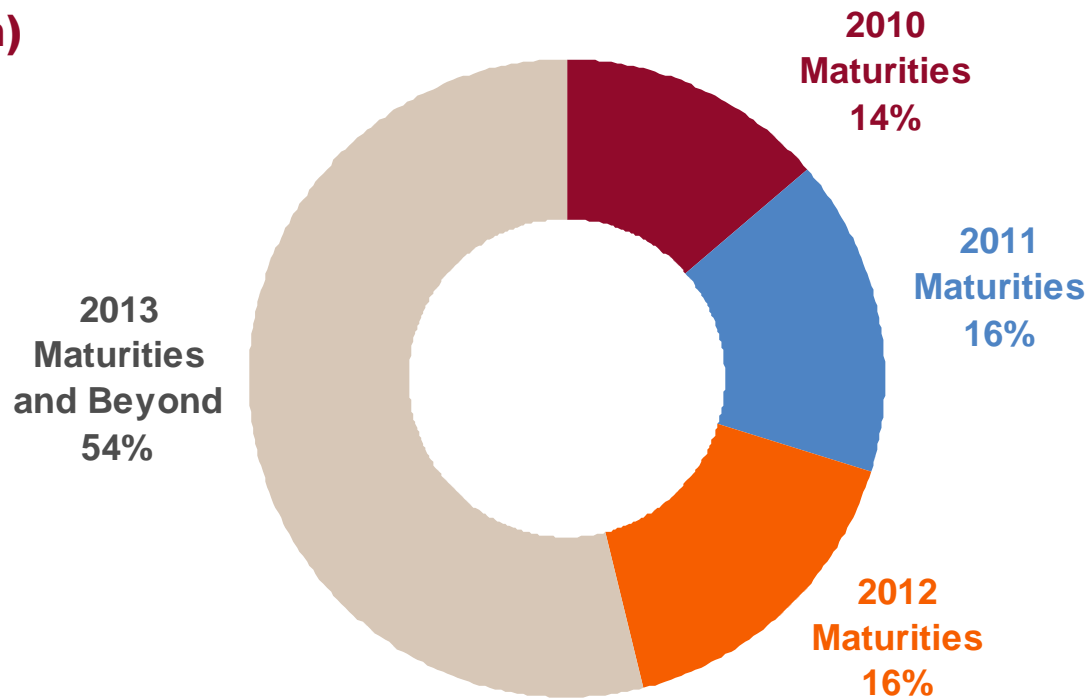


Business & Funding

And no relevant maturities until 2012

Maturity structure breakdown

(€ Mn)



Spanish financial institution maturities for 2010/11

€170 Bn

Source: AFI

Risk Management

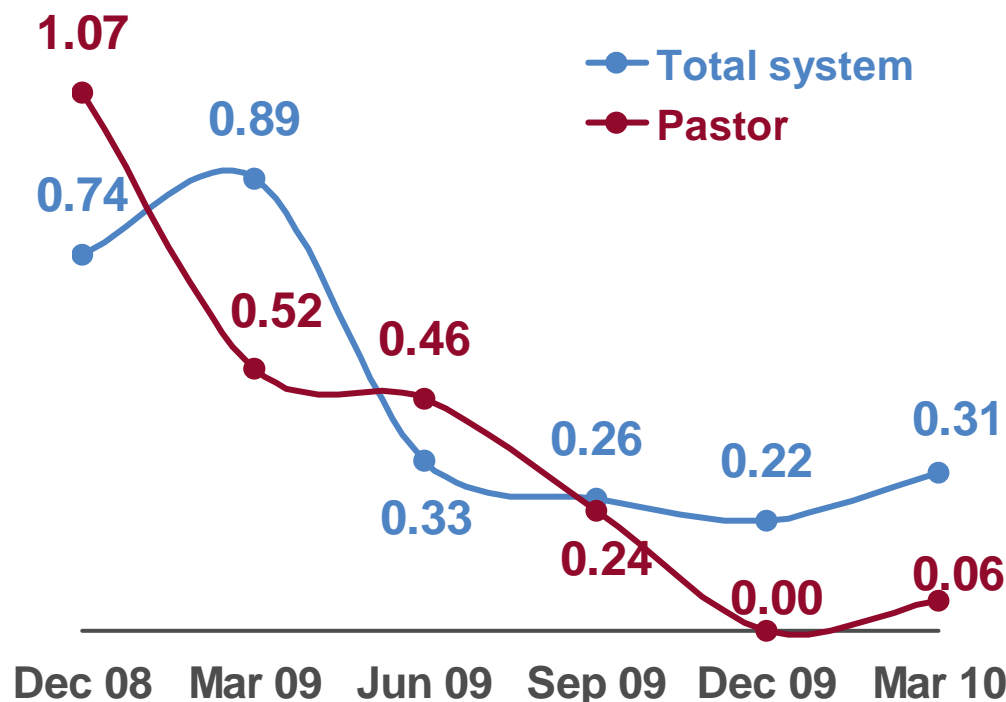
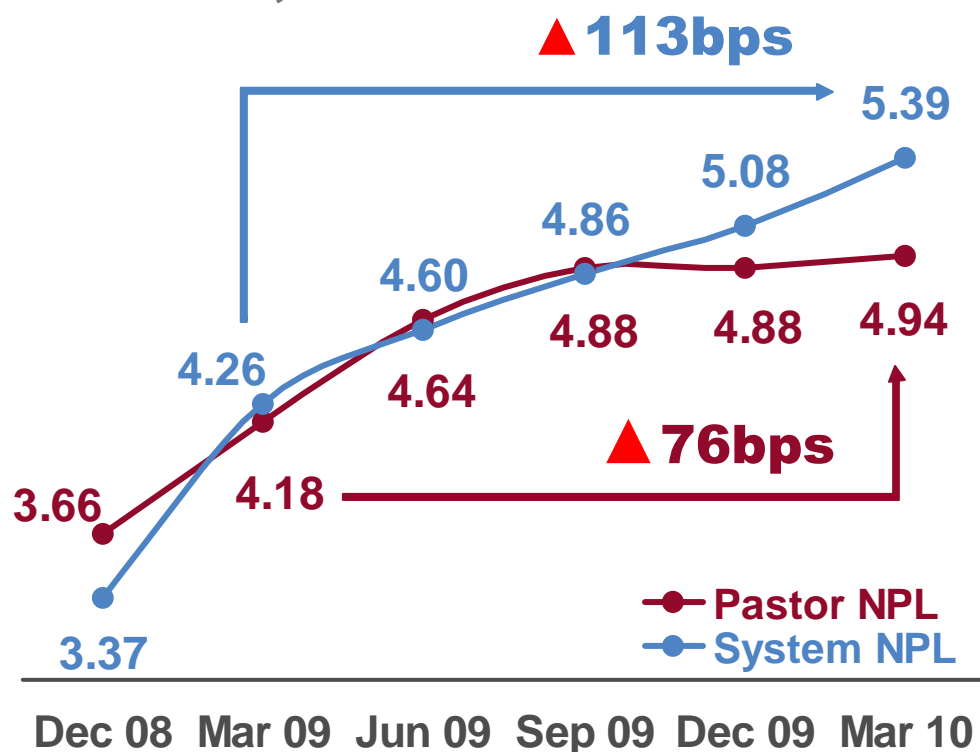


Improved NPL trends again

NPL ratio Pastor vs Sector

NPL's: 1,531 €Mn

NPL ratio evolution



Source: Bank of Spain, available data for the banking sector as of February 2010

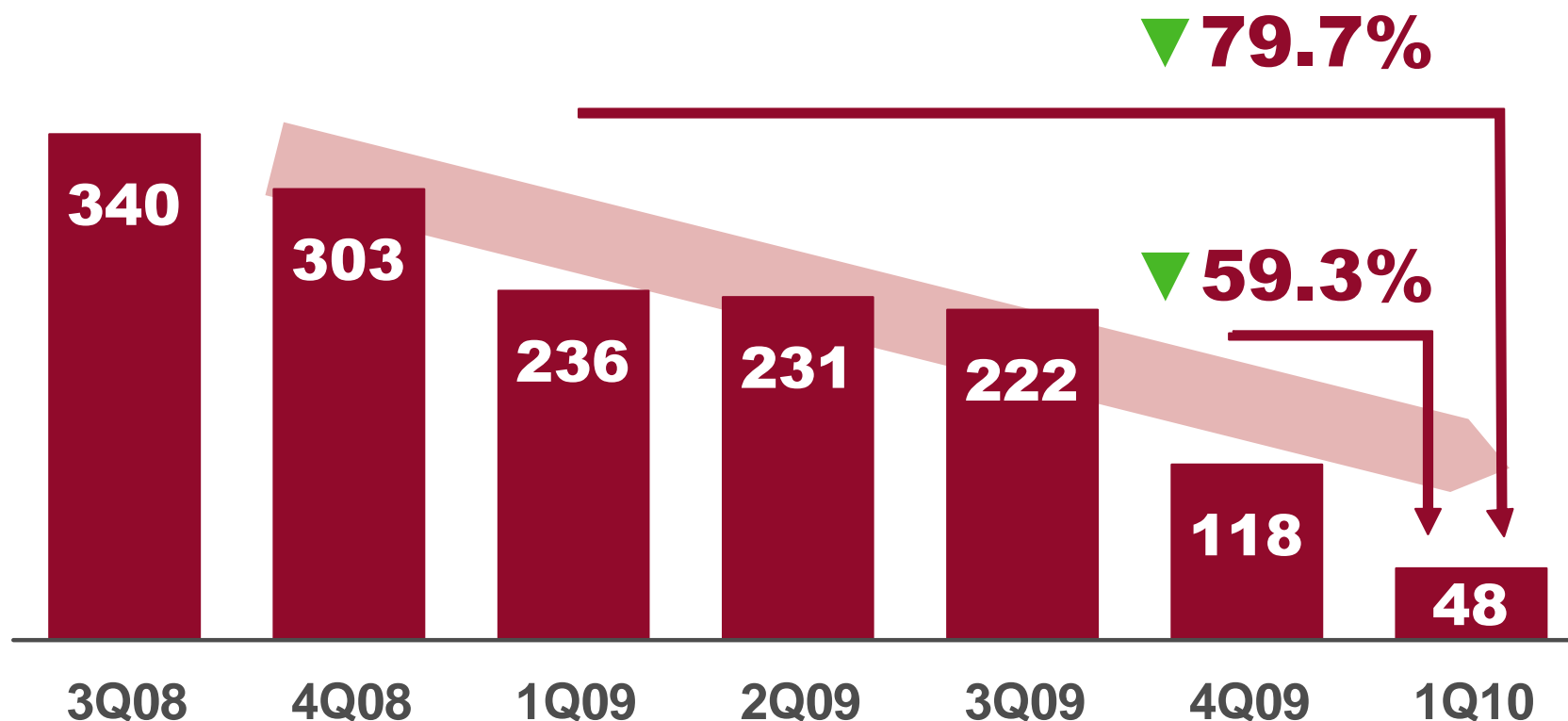
3 quarters in a row growing significantly below the sector

Risk Management

Net entries keep slowing down

Quarterly NPL net entries

€Mn



Already 6 quarters in a row...

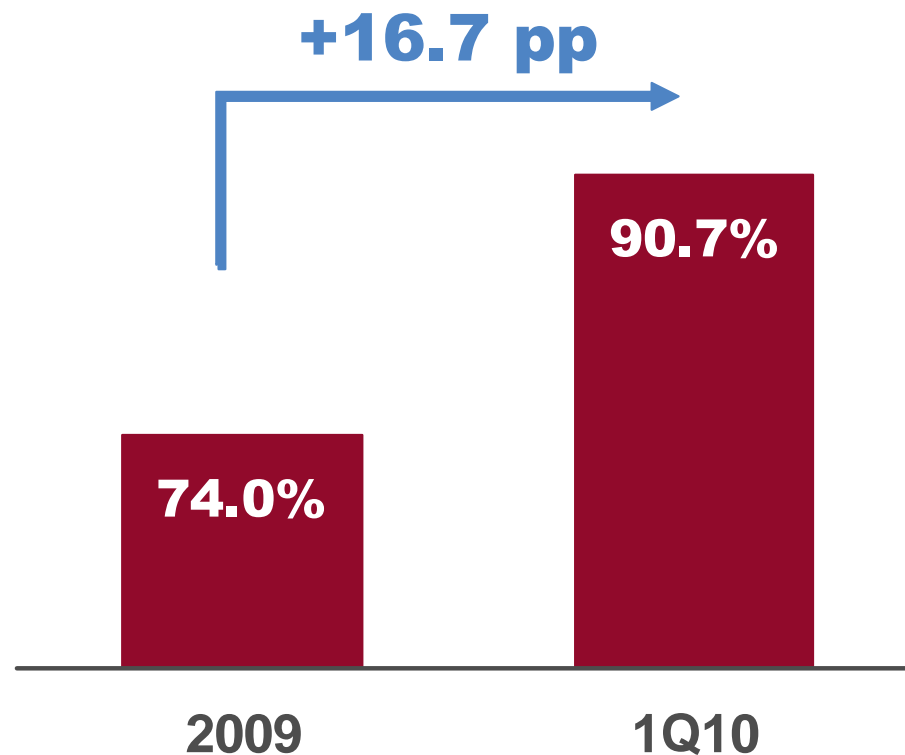
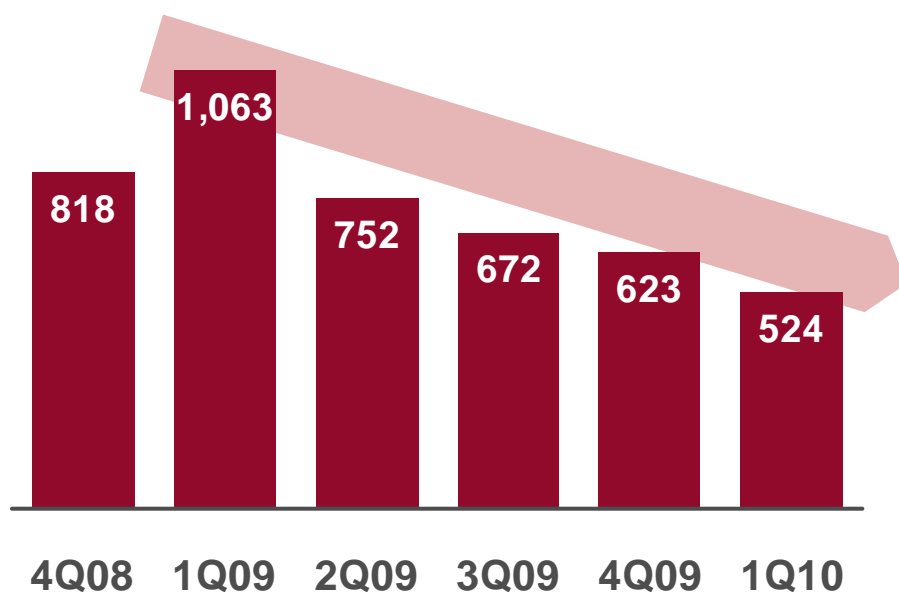
Risk Management

And gross entries have been cut by half

Quarterly gross entries

Recoveries/ Entries Ratio

€Mn



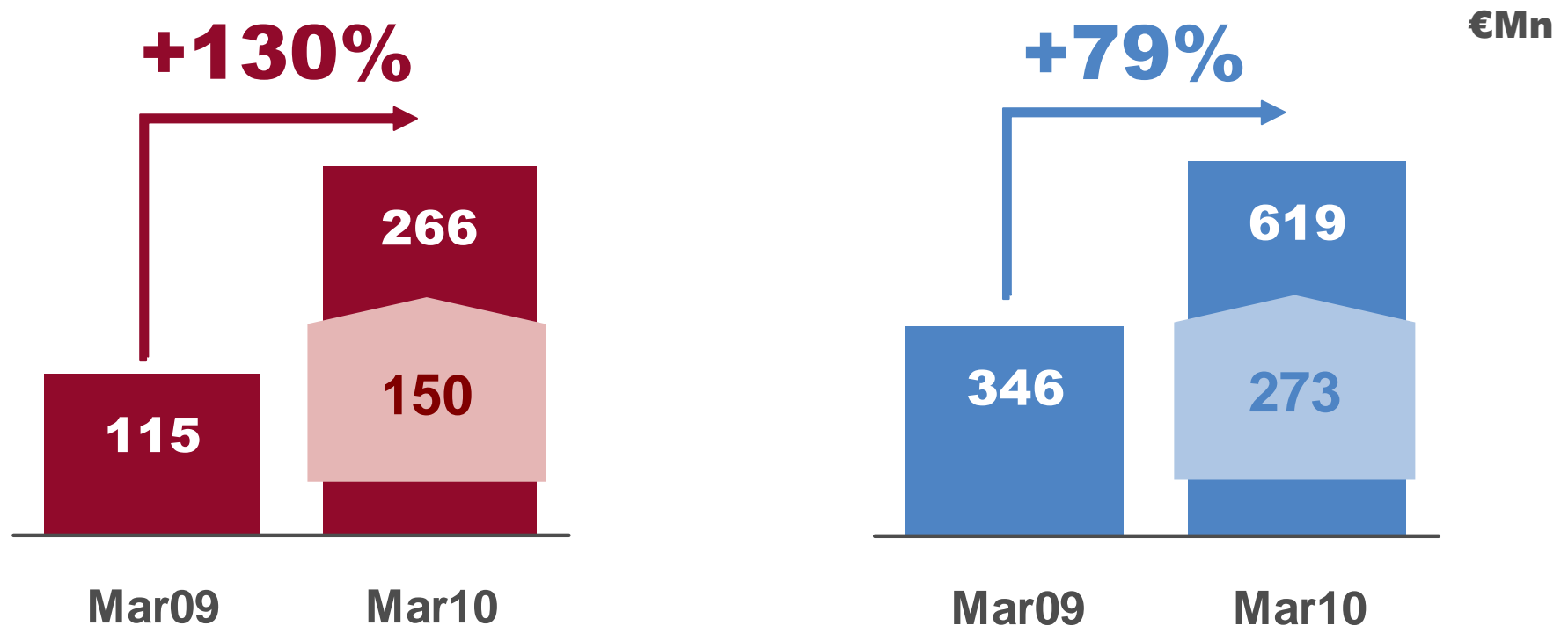
45% of the branches show recoveries higher than entries

Risk Management

And provisions at maximum levels

Generic Provision evolution

Specific Provision evolution



Total Loan Loss reserves 884 Mn

+91.8%

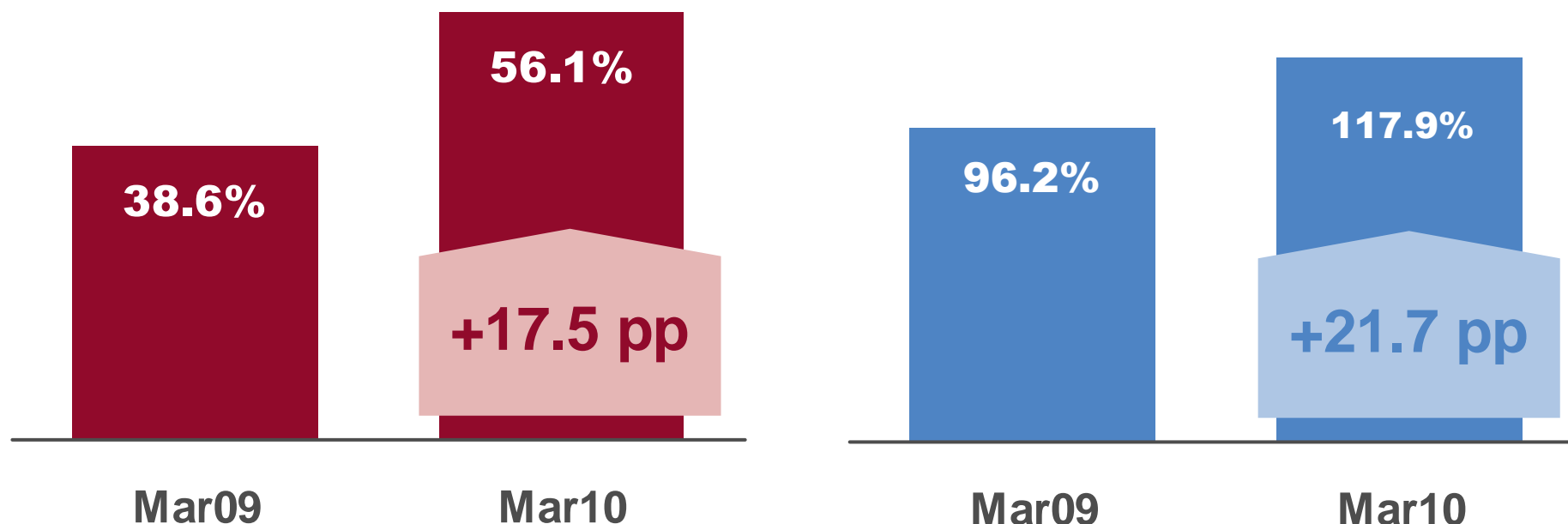
Almost doubling in one year

Risk Management

That lead to a very solid coverage

Accounting coverage

Global coverage



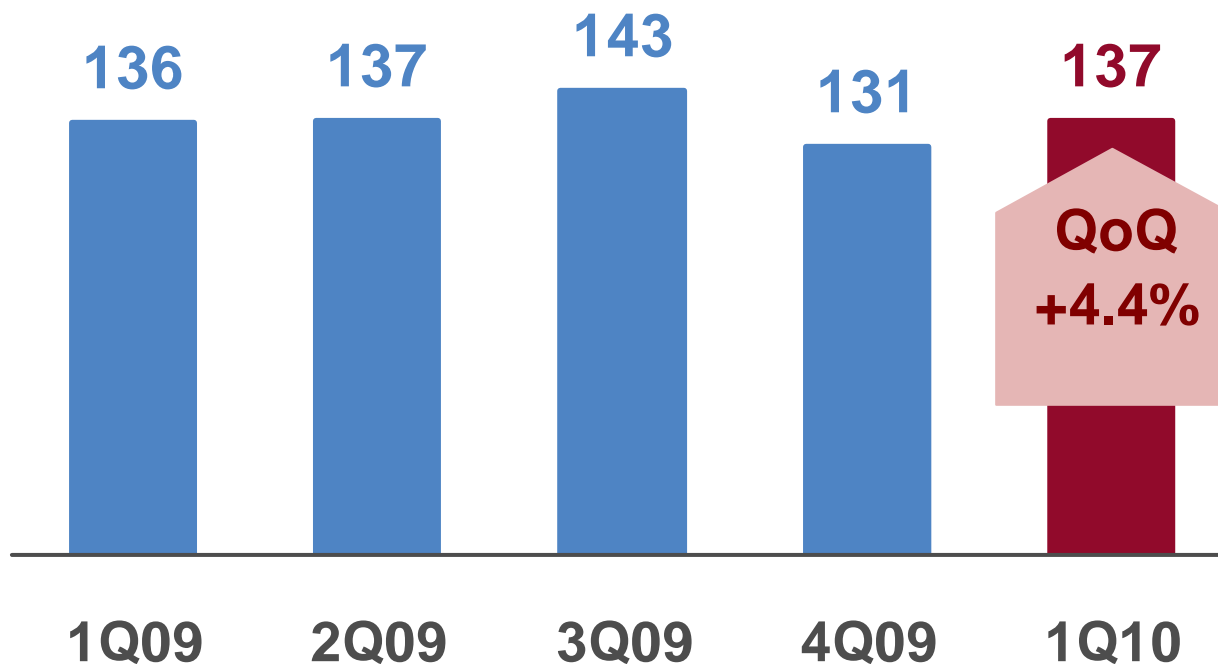
Almost two thirds of NPLs are asset backed

Profitability



Resilient earnings in a very challenging year

NII quarterly evolution

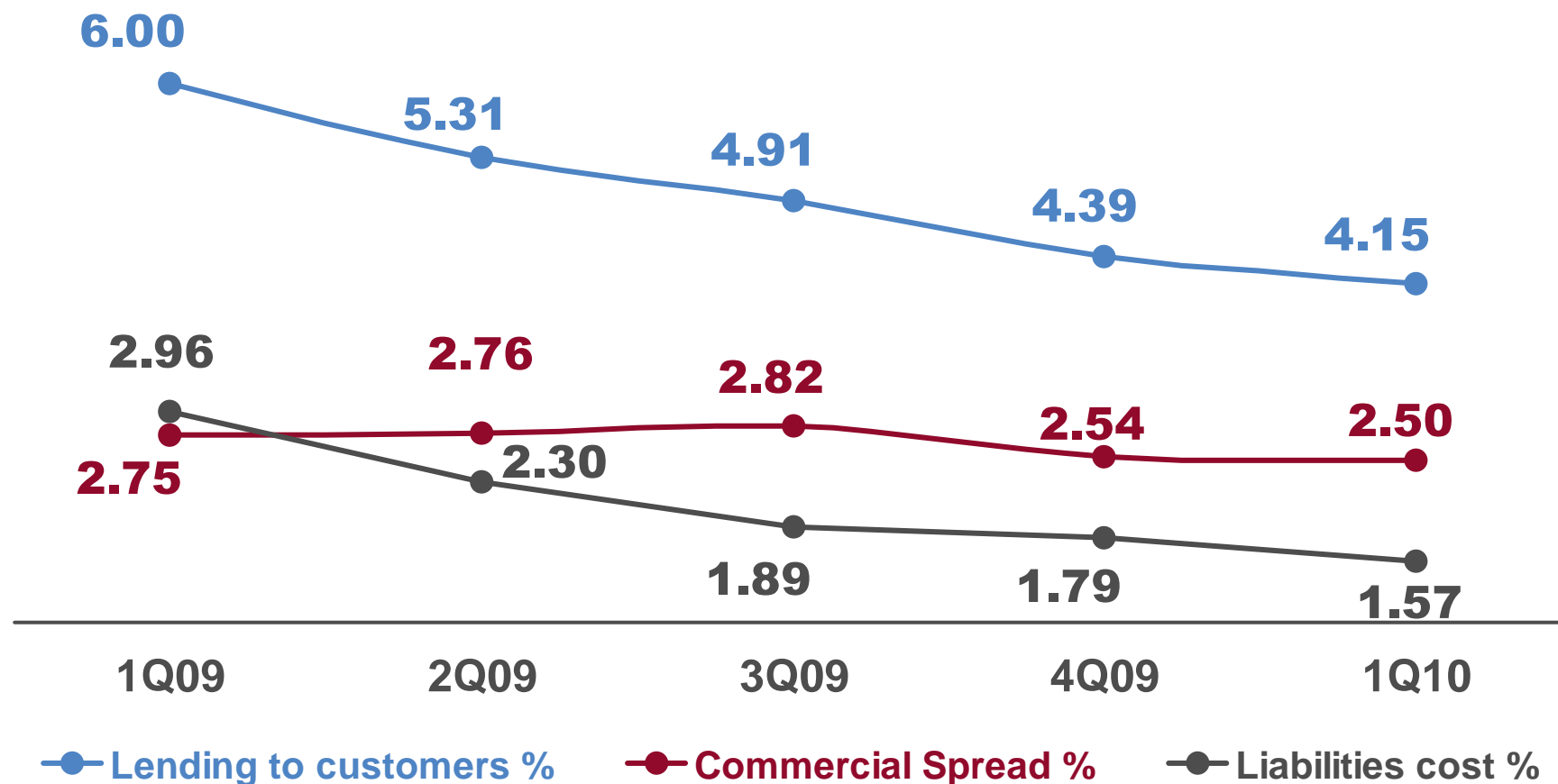


Speeding up quarterly growth

Profitability

Despite the quarterly unfavorable repricing game

Commercial spread

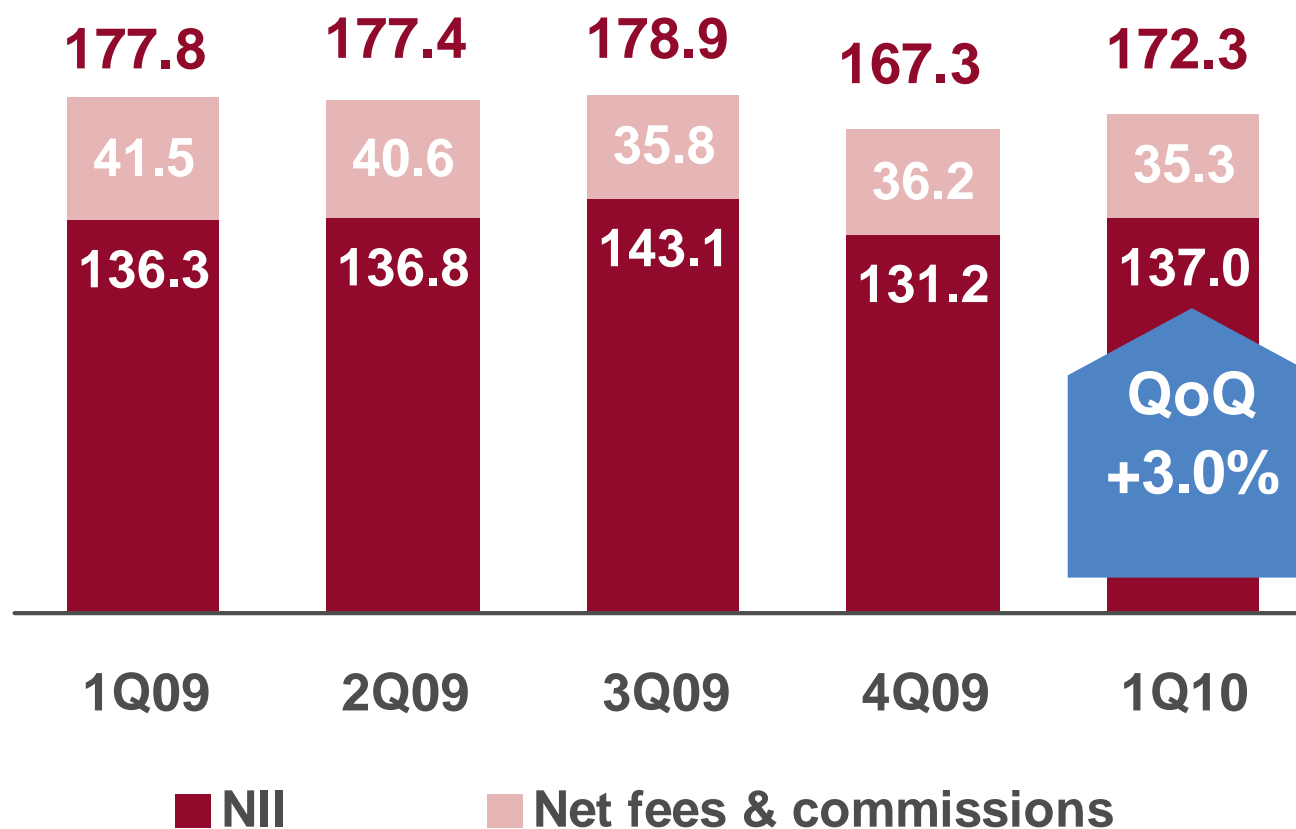


The new production is adding value to the stock

Profitability

The key to bottom line...

Basic Margin evolution

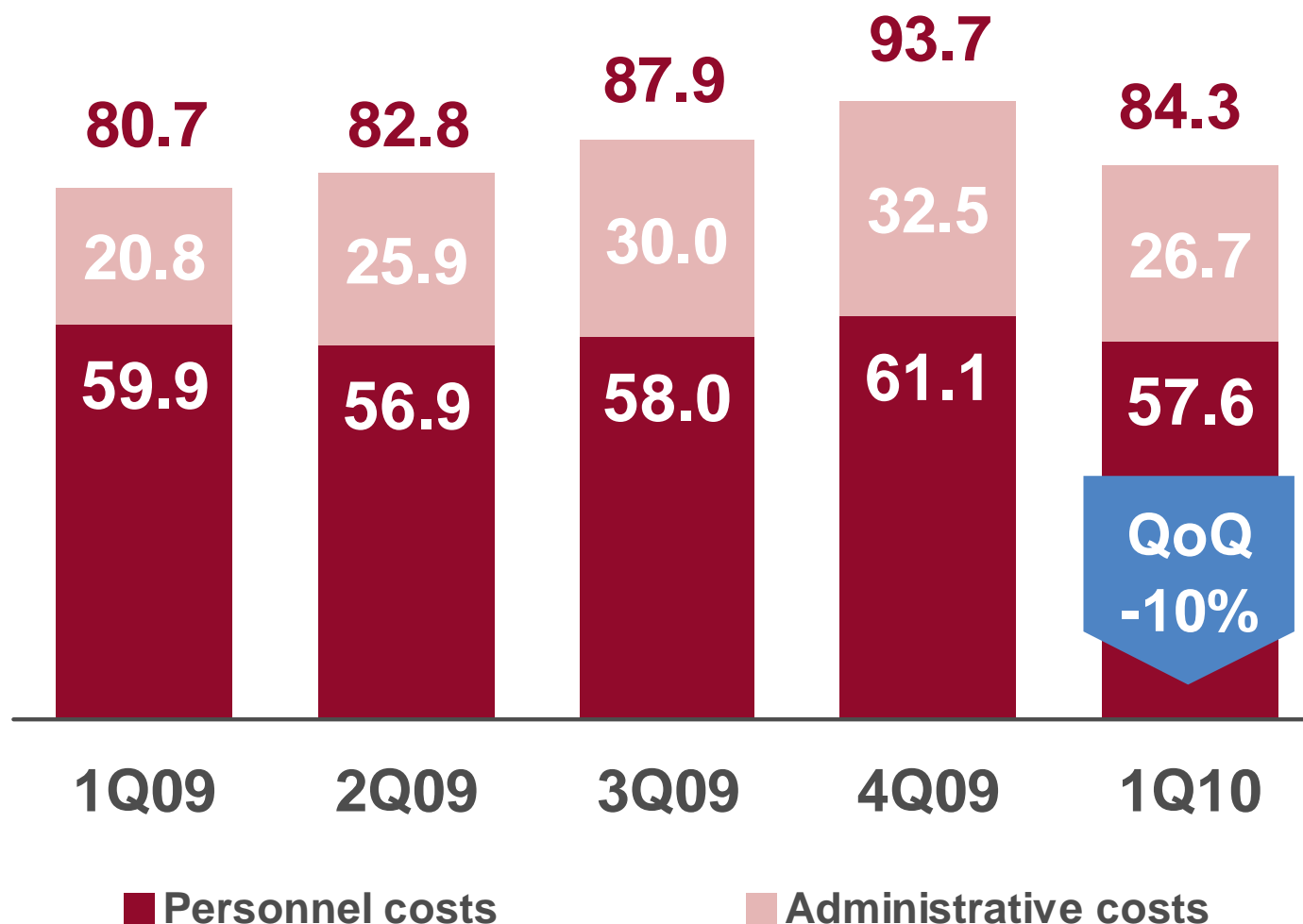


...Is the top line

Profitability

Renewed emphasis on cost control and efficiency

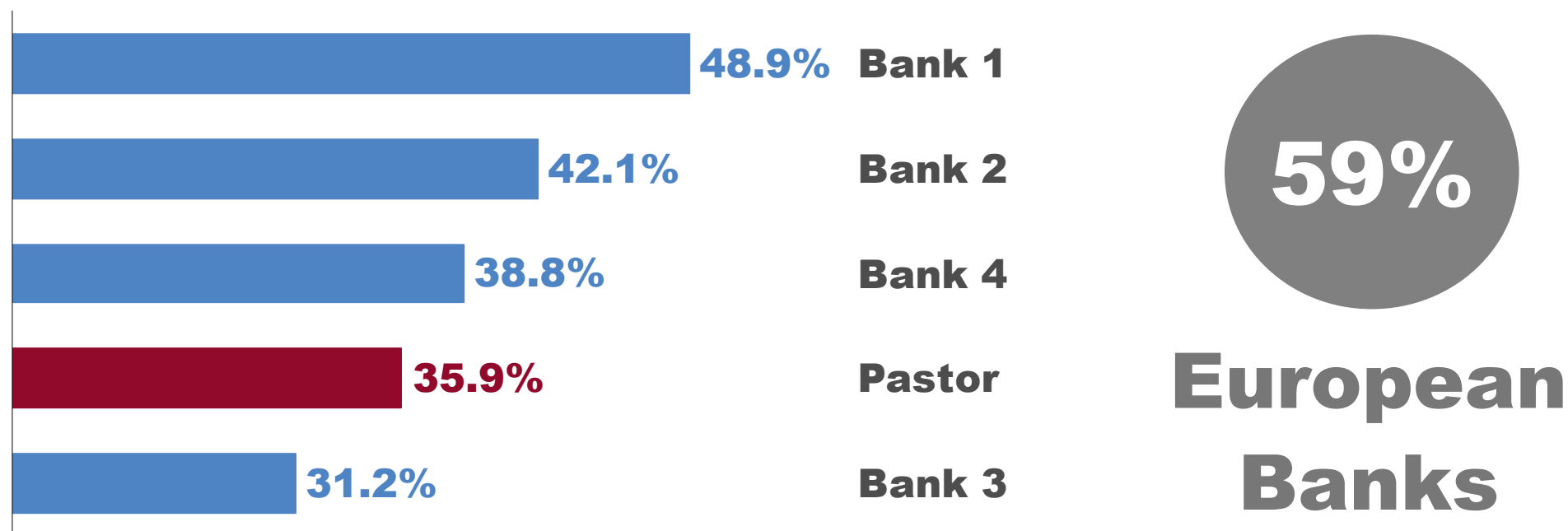
Total costs



Profitability

Leading the sector in efficiency improvement

Efficiency ratio

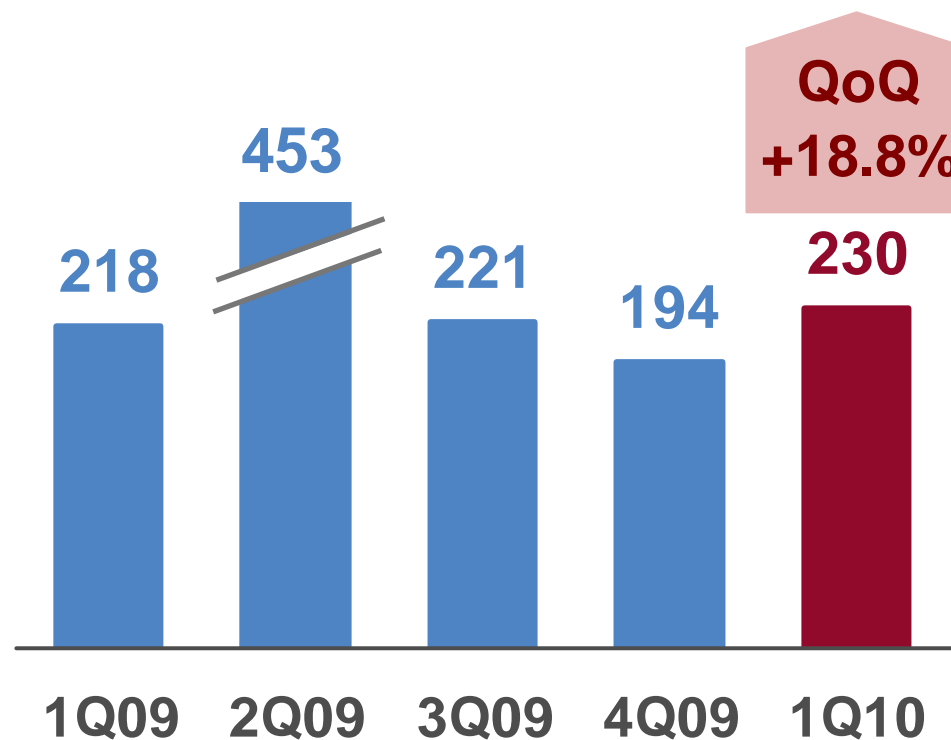


Sector average stood at 41.3%, after a -240 b.p. yoy decrease

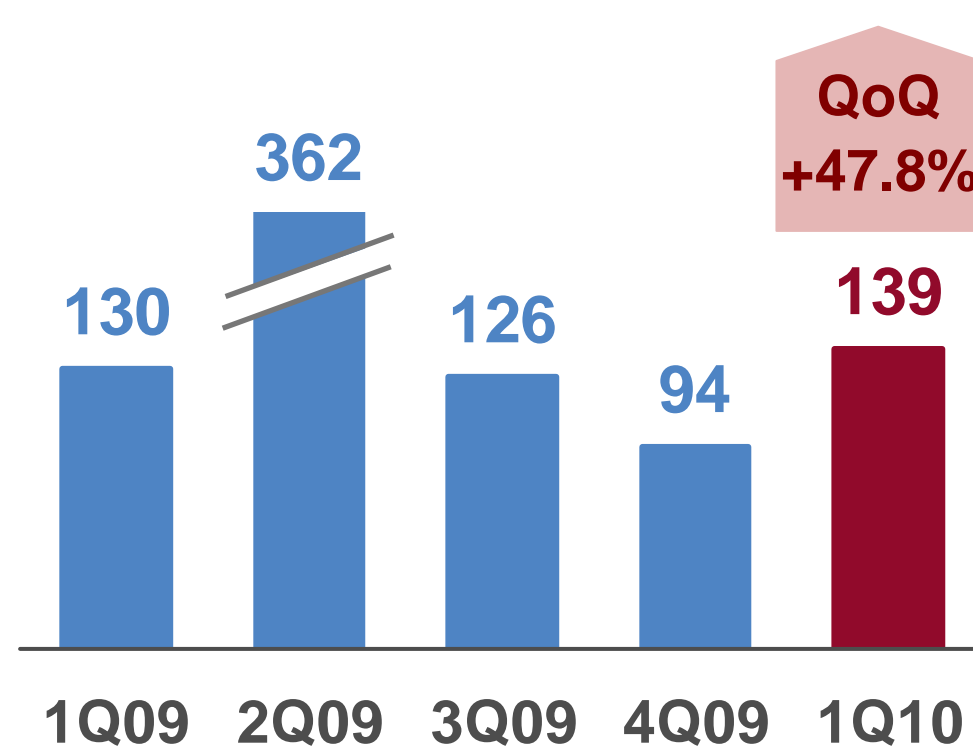
Profitability

A good Q1...

Gross Operating income



Operating Margin

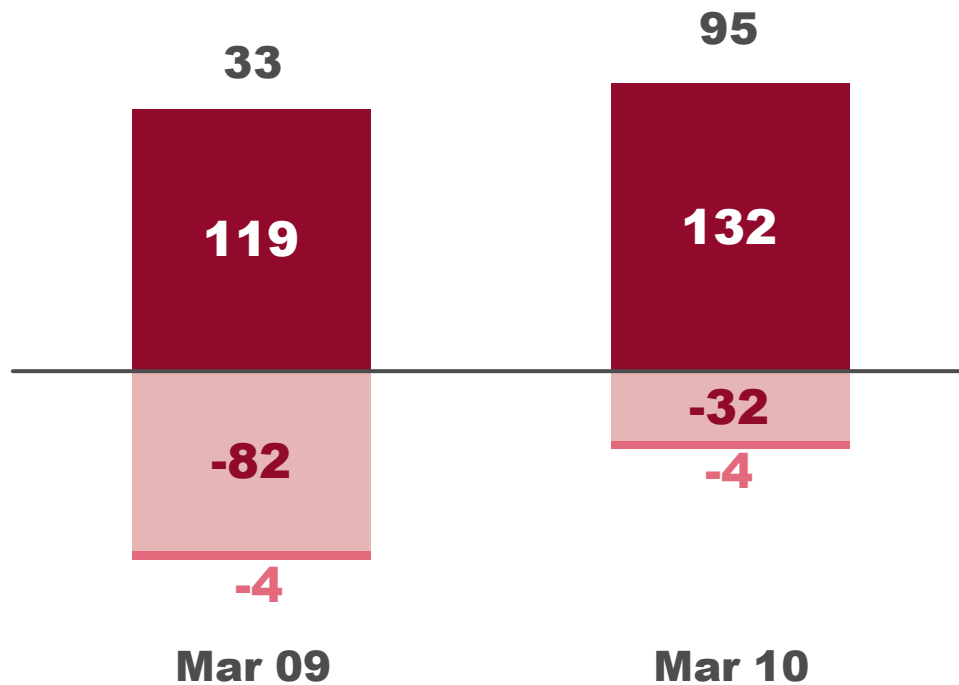


Building up recurrency

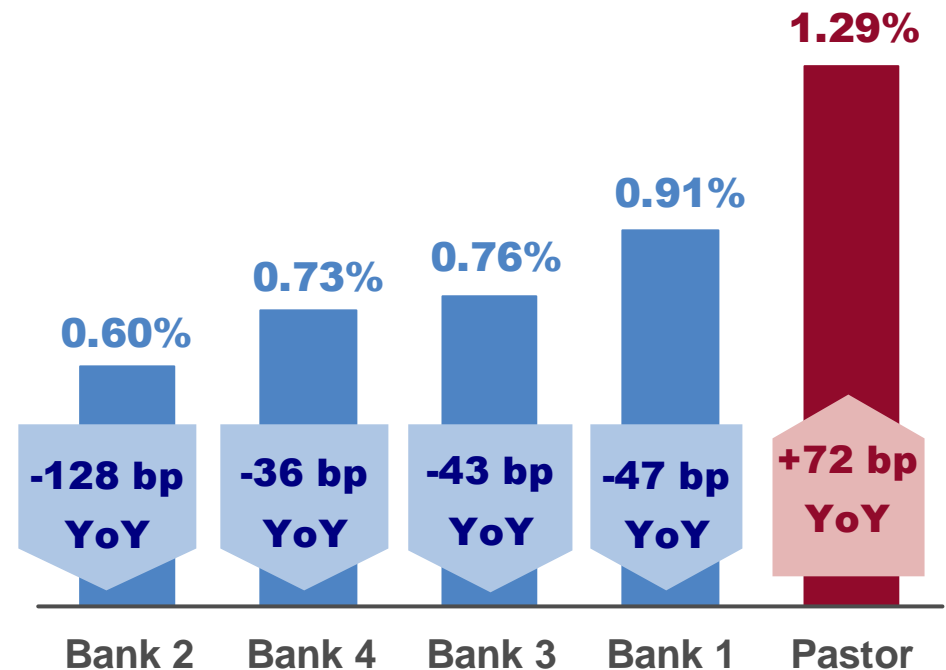
Profitability

Preserving the generic fund

Charge-offs



Generic Fund / Loans to Customers



■ Generic ■ Specific ■ Recoveries from write-offs

The specific charge-offs only increased 11% YoY

In summary



Continued focus on strengthening the franchise by protecting our competitive position in funding and capital

Increasing number of New Clients, deeper relationships with existing ones

Maintained resilience and flexibility with a continued focus on cost efficiency

Sound risk management to remain below the sector average