

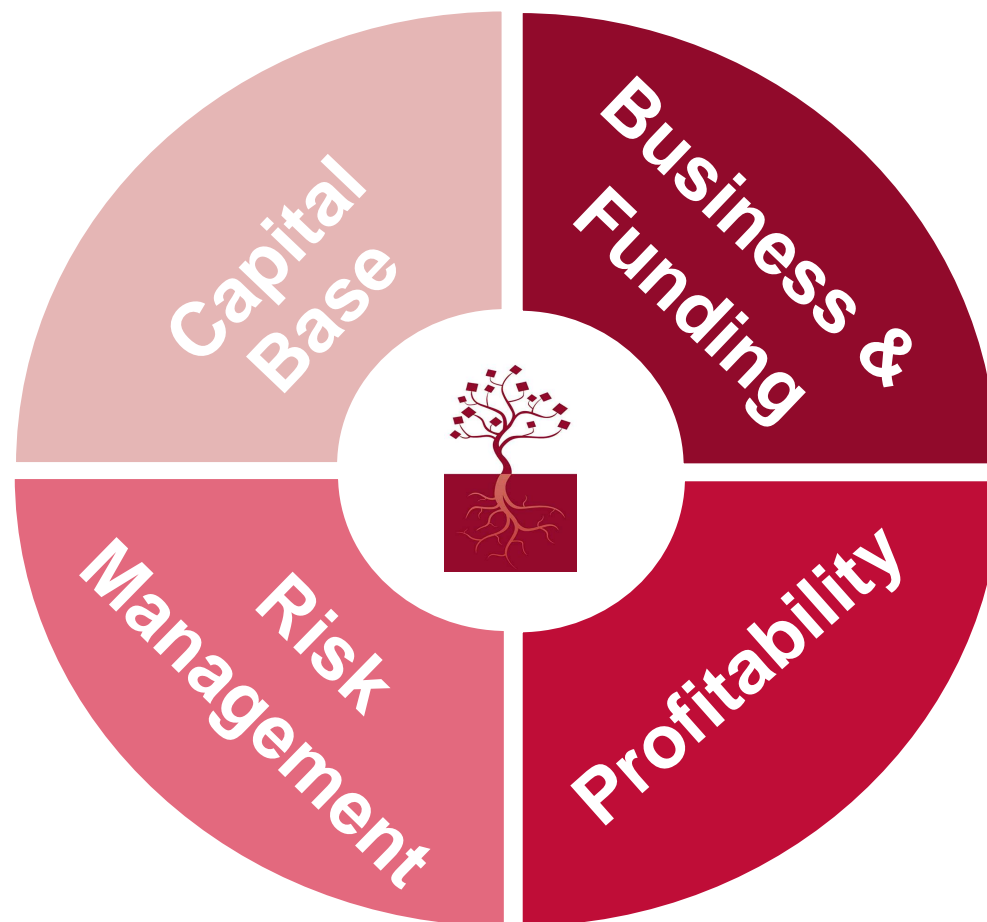
A Coruña,
February 16th, 2012

2011 Results Presentation



Banco Pastor

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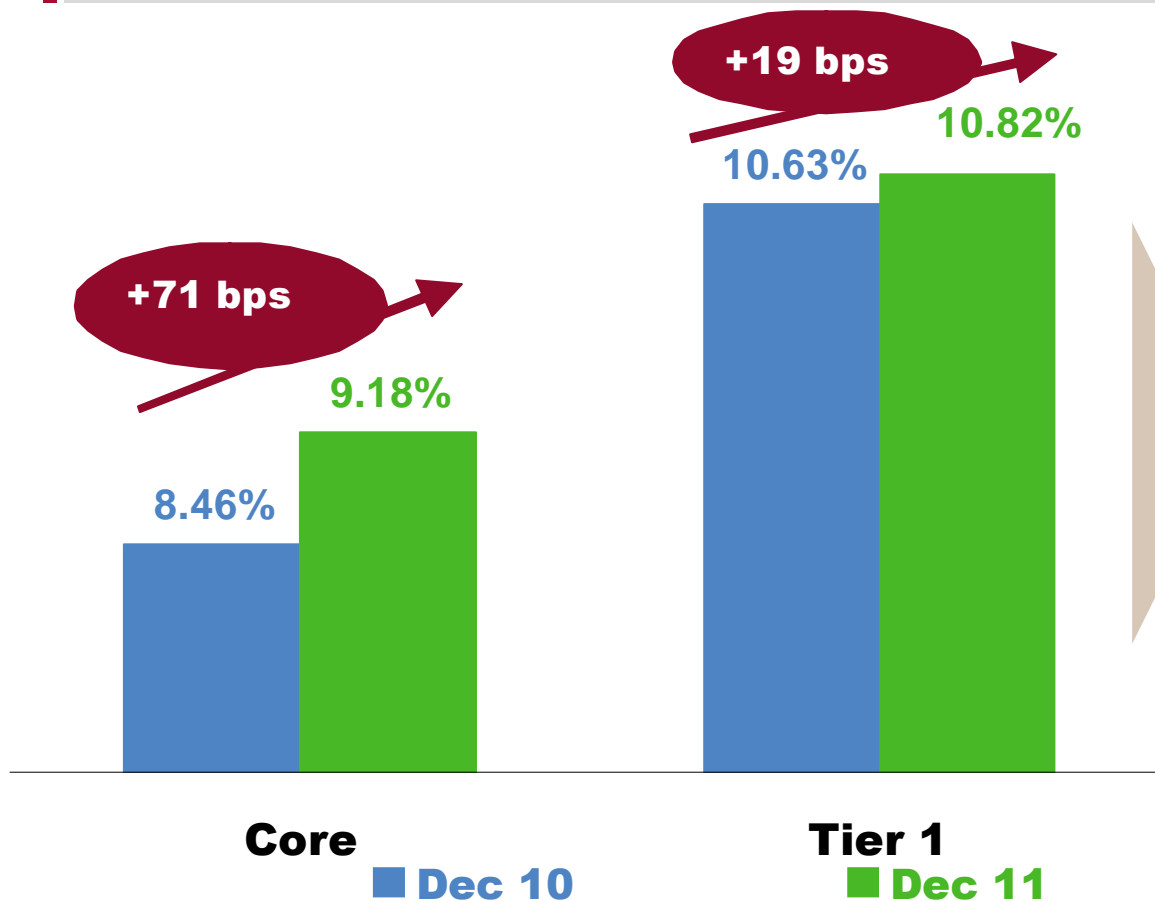


Capital

Stronger Capital base: Total BIS capital of €2.03Bn



Banco Pastor: Tier 1 and Core Capital performance



Anticipating Basel III:

- Eliminating €152Mn of minority interests
- Including €252Mn of mandatory convertible bond issue
- BIS ratio stands at 11.13%
- Tier 1 ratio reaches 10.82%
- 572.03Bn above minimum required

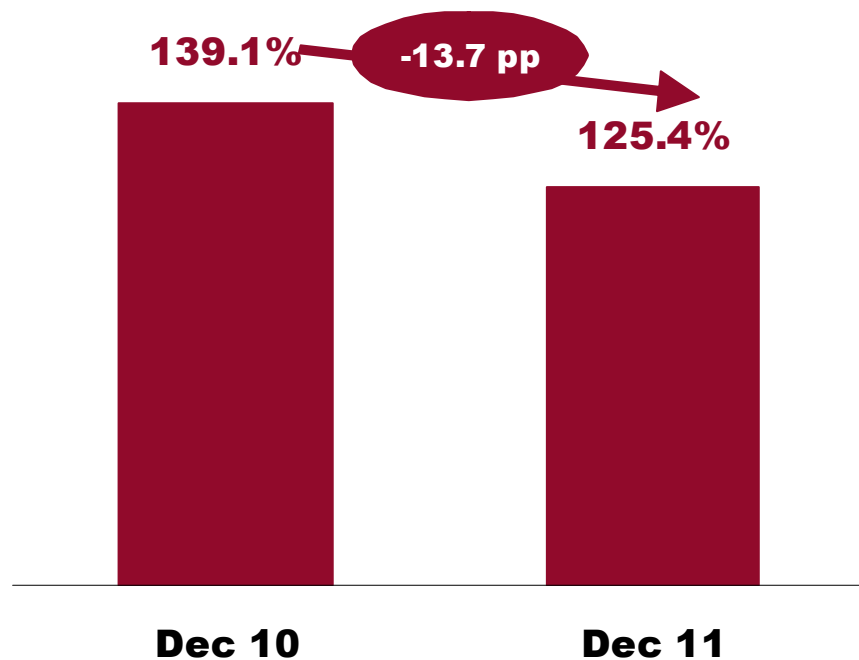
€1.98Bn Tier 1 and €1.68Bn Core Capital

Business & Funding

Commercial gap narrows and the trend remains improving



Gap LTD (%)



Sector commercial GAP stands at 149.3% (*)

Source: Bank of Spain
(*) figures as of November 2011

- ▣ Gap reduction in € 1.85Bn allows for anticipating 2012 maturities.
- ▣ Total deposits fund 79.7% of loans
- ▣ Substantial improvement of bank's liquidity, with -787 bps in Commercial Gap in 2011

The bank's commercial muscle enables coverage of 2012 maturities

Business & Funding

Gathering deposits at a good pace

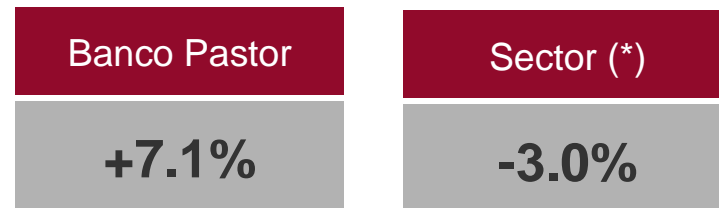
Drivers of deposits growth

	Dec 2011 €Mn	YoY	% Var.
TOTAL DEPOSITS	16.621	1.102	7,1%

Of which....

Other resident sector	14.482	1.476	11,3%
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Total Deposits 2011 Pastor vs. Sector



Source: Bank of Spain
(*) figures as of November 2011

- ▣ 31,665 new private customers captured over the past six months of 2011
- ▣ +11% growth in customer registrations in Sep-Dec 2011 vs. Jan-April 2011

Business & Funding

Widespread improvement in commercial activity in Galicia

**Almost 25,400 new families,
+6.4%**

▣ In Jan-Dec 2011, more than 25,000 new private customers captured in Galicia, or +6.4% above 2010

Maintaining the financial support for families

Residential mortgage loans remained stable throughout the year 2011

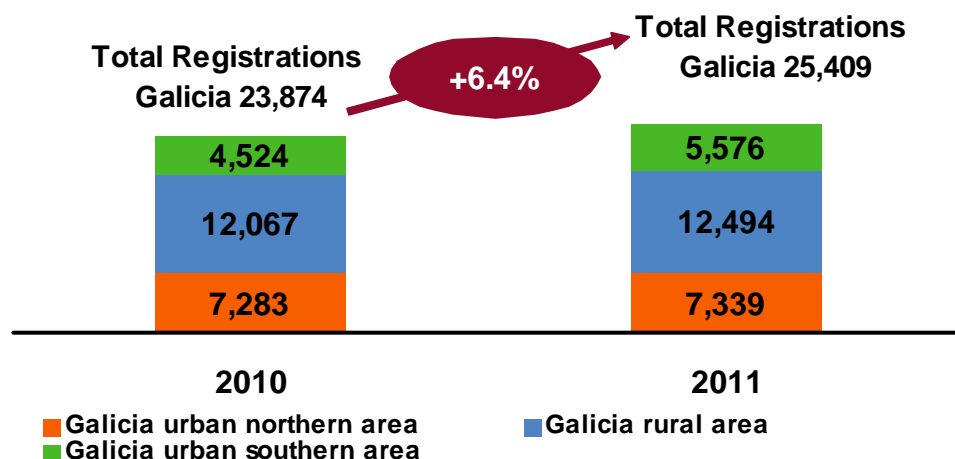
Cross-selling to bear in mind

▣ 3,998 new pension plans

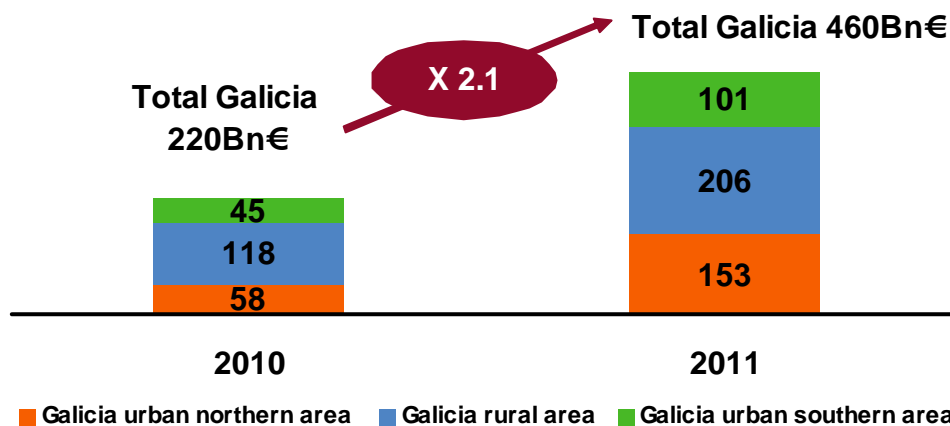
▣ 21,584 new insurance contracts signed



Private customers registrations in Galicia (number of individuals)



Individual customer deposits growth in Galicia (€Bn)



Business & Funding

Strengthening the support to the Galician productive fabric

Almost 2,000 enterprises captured, +7.5%

- #1 Galician financial entity in ICO granting in Galicia, with a 14.6% market share
- New ICO loan production in Galician branches grew by 18% vs. 2010
- Pastor and Popular joint 30% market share in Galicia in ICO granting

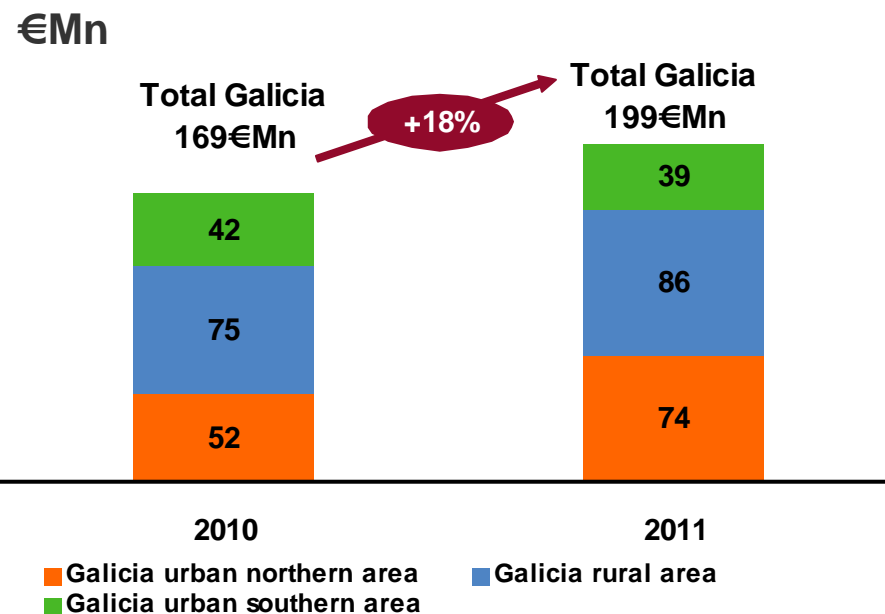
New focused commercial actions campaign

- 13.8% success ratio in Galicia vs. 8.5% in total Spain
- The new customers captured contribute 18.7Bn€ in financial business

Gaining market share in exposure to current customers risk ("BoS Risk Centre")

- 487 new commercial paper underwriters, the same figure than in 2010
- 287 new foreign business underwriters (+41% YoY)

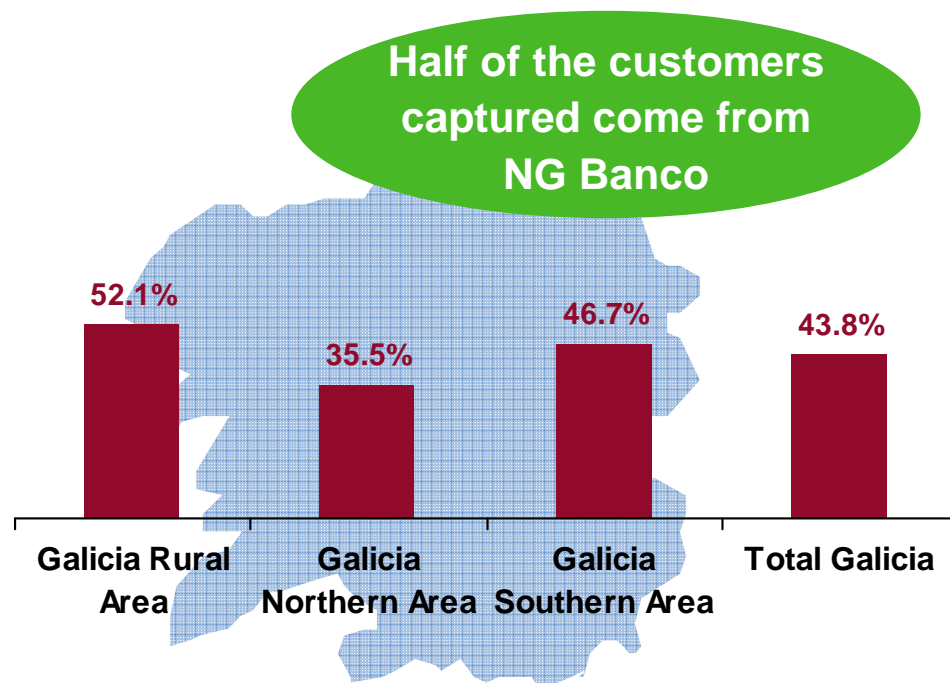
ICO granting in Galicia



Business & Funding

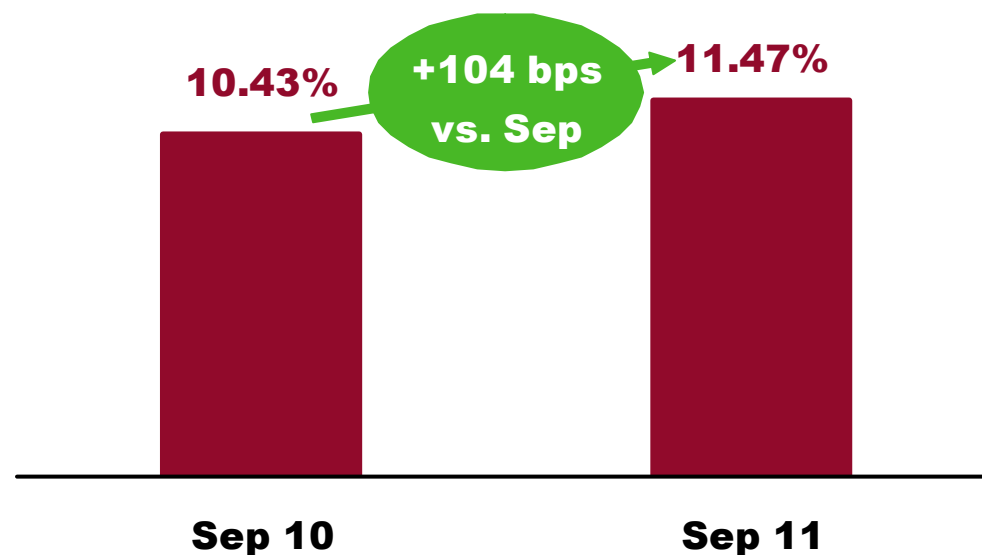
Market share in Galicia keeps on following an upwards trend

Private customers captured from competitors:
Monthly evolution



Proxy: Direct debit orders from Nova Galicia Banco's customers
(latest available data as for December 2011)

Business Volume Market share in Galicia



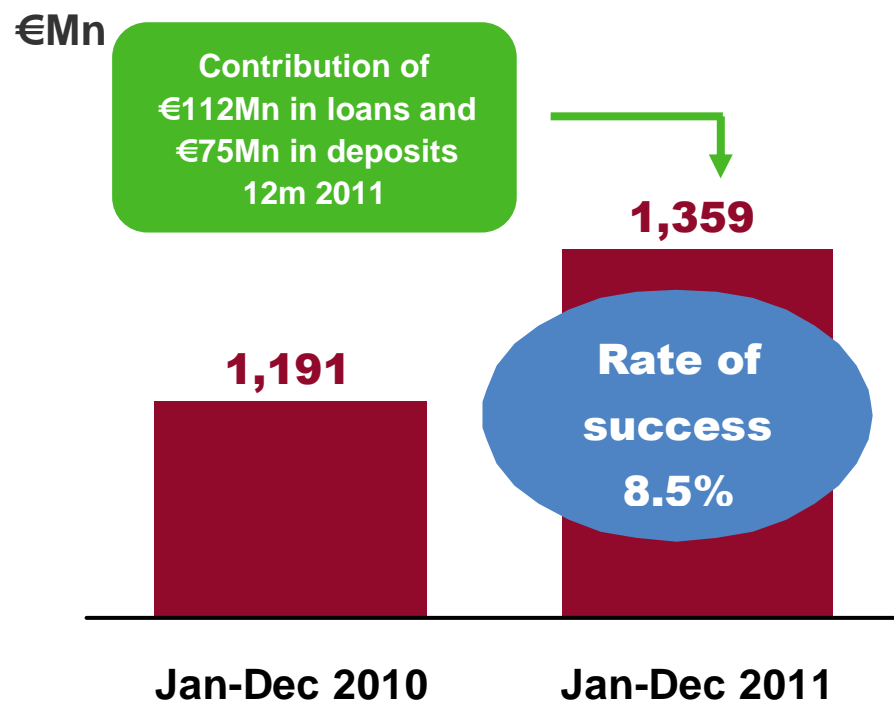
Banks and Savings Banks data as of September 2011

Showing a higher increase vs. the peer group

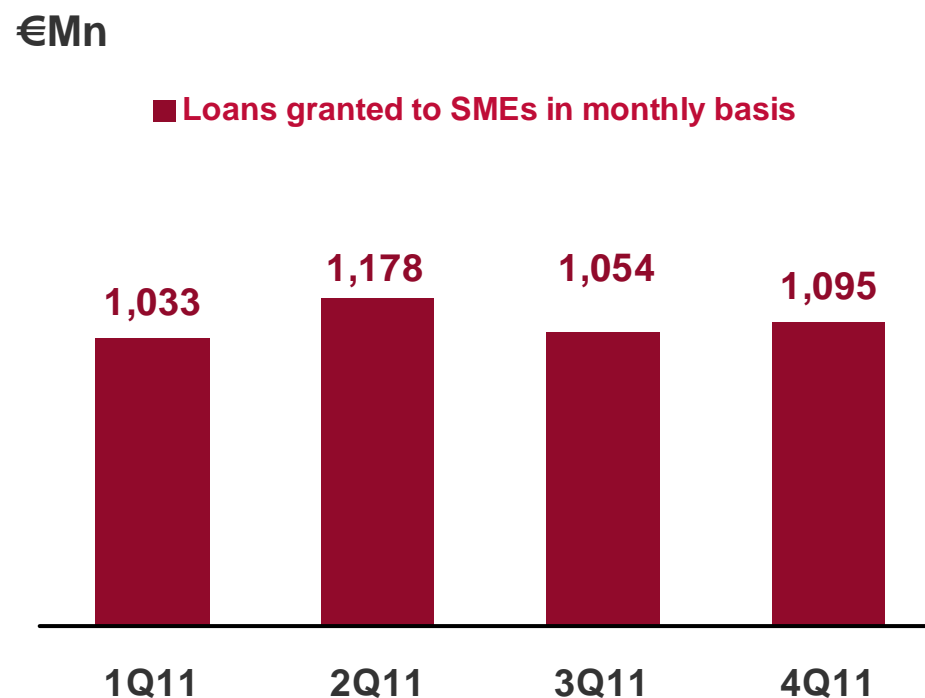
Business & Funding

A profitable business model based on SMEs

Analysis of the 2011 “Customer acquisition campaign”



New loan production



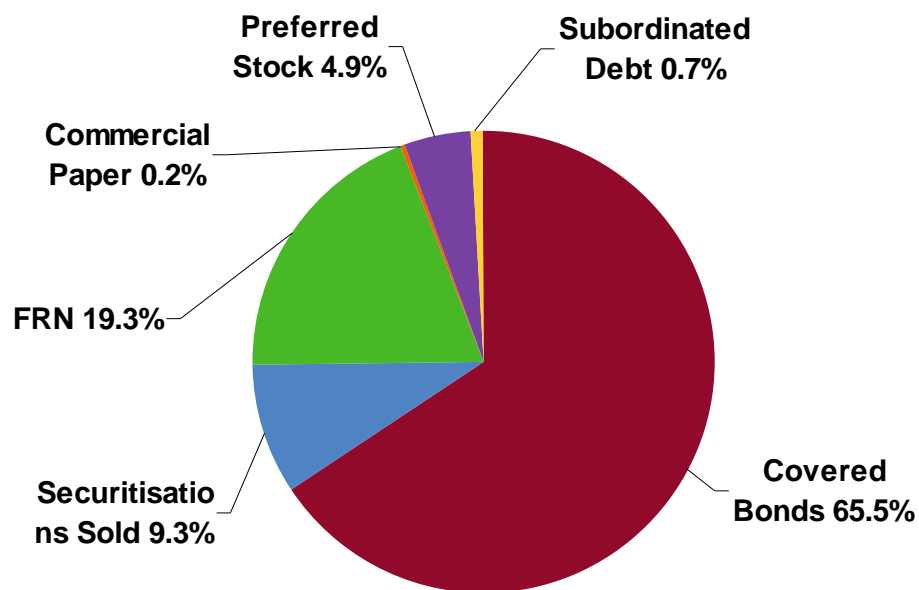
Consistent support to SMEs: Stable loan production throughout the year

Business & Funding

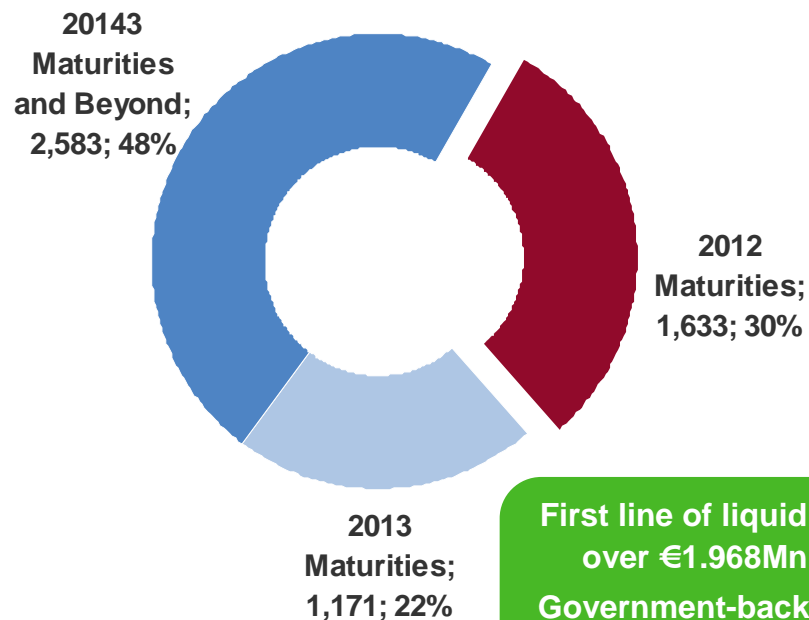
A comfortable liquidity position...

Total Institutional Funding: €6,147Bn

Wholesale funding maturity profile



€Mn



First line of liquidity over €1.968Mn
Government-backed issuing capacity €434Mn

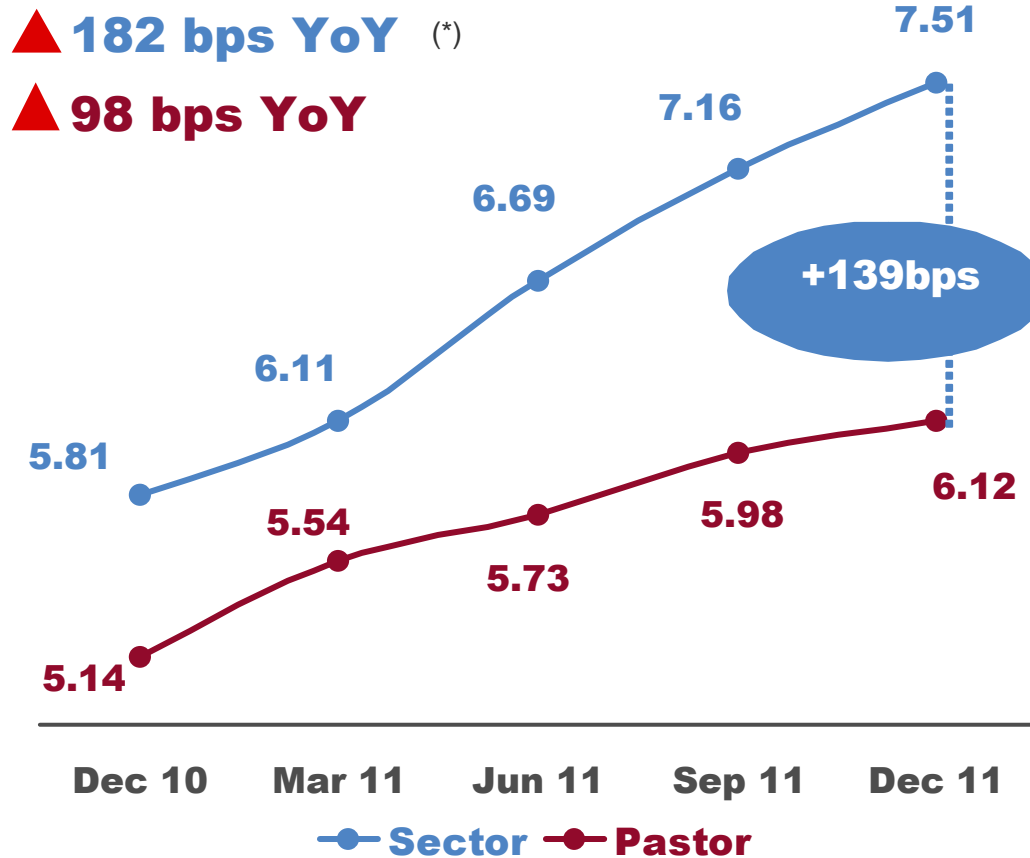
...with limited maturities

Risk Management



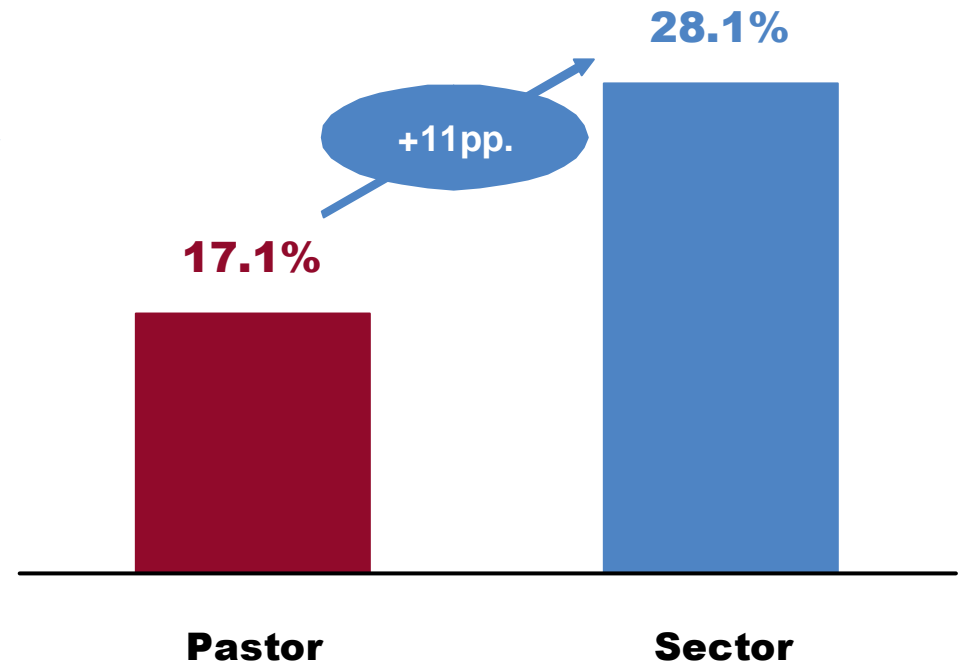
Asset quality and NPLs management

NPL Ratio Pastor vs. Sector (%)



NPL: YoY growth rates

NPLs: €1.8Bn

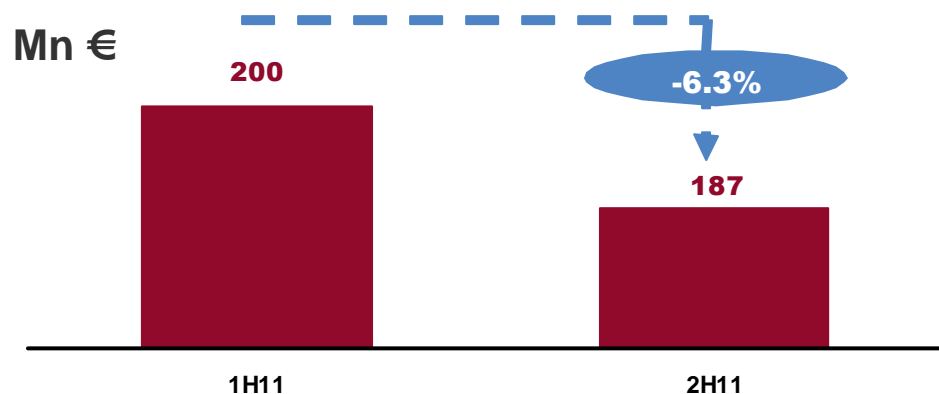


Source: Bank of Spain. (*) figures as of November 2011

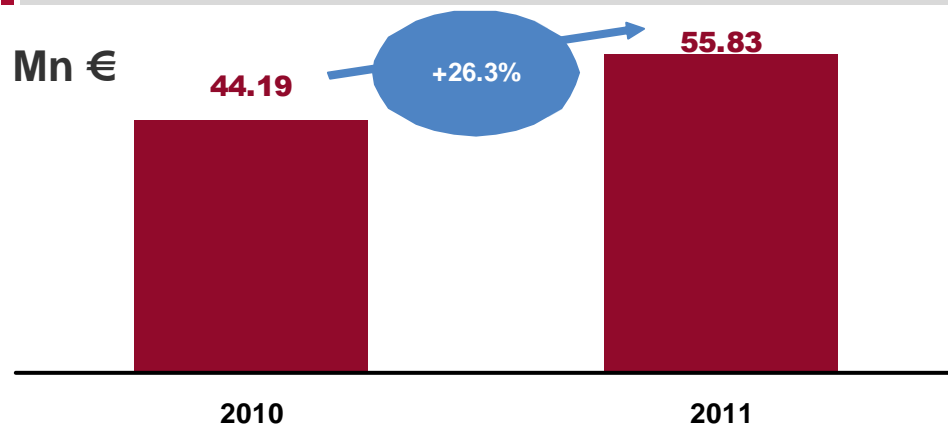
Risk Management

Asset quality

Net NPLs entries

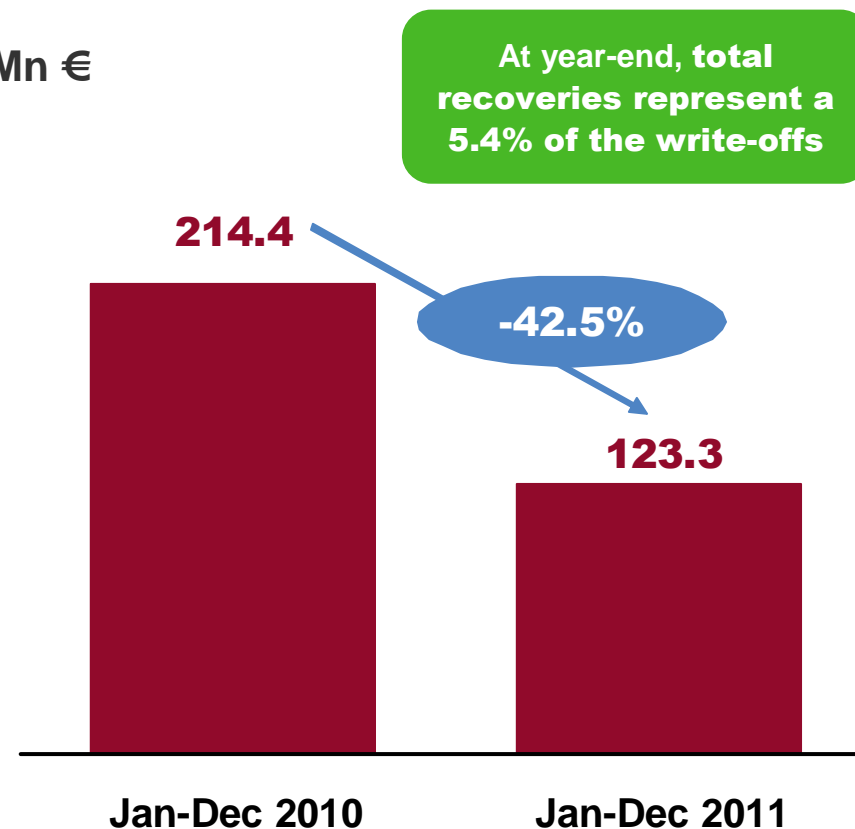


Net NPLs entries



Write-offs

Mn €

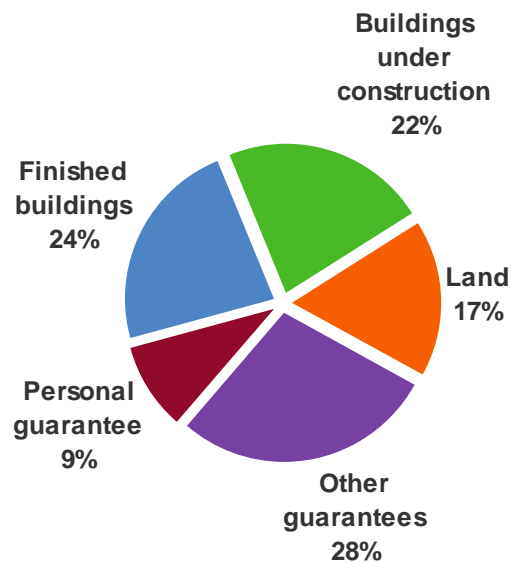


Moving towards the right direction: Net NPLs entries dropped by 6.3%

Risk Management

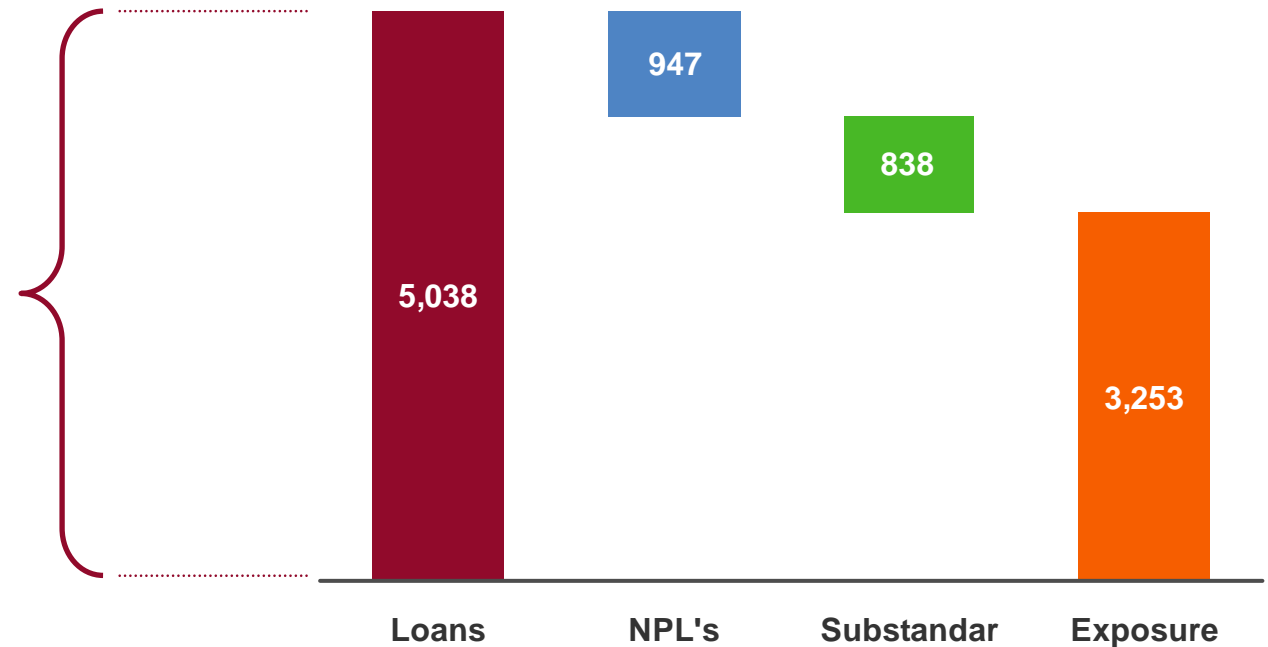
Loans to Real Estate & Construction

Breakdown by guarantee type (%)



Loans to Real Estate & Construction

Mn €



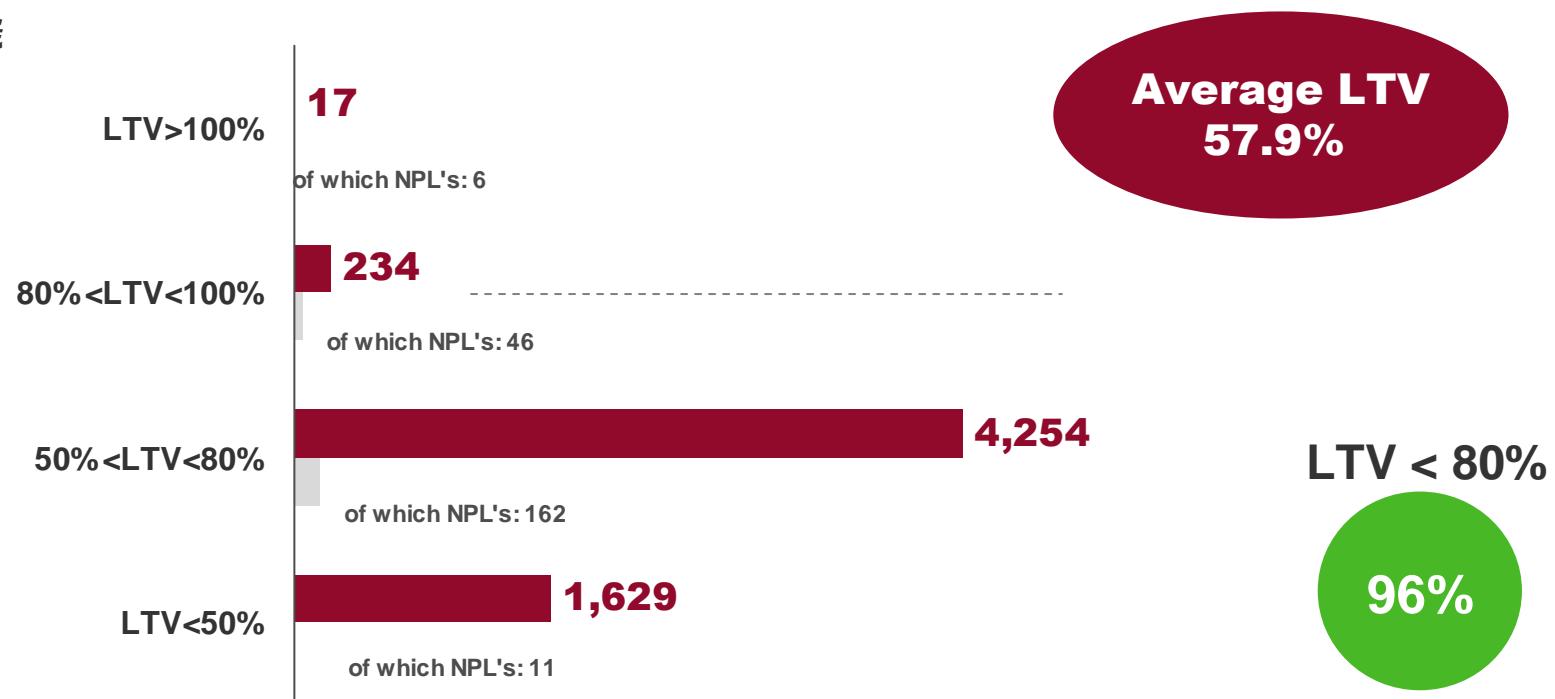
98.4% RE & Construction NPL's covered, only €39Mn remaining to provision

Risk Management

6.13€Bn Mortgage loans to households with very prudent LTVs

Breakdown of mortgage loans to households

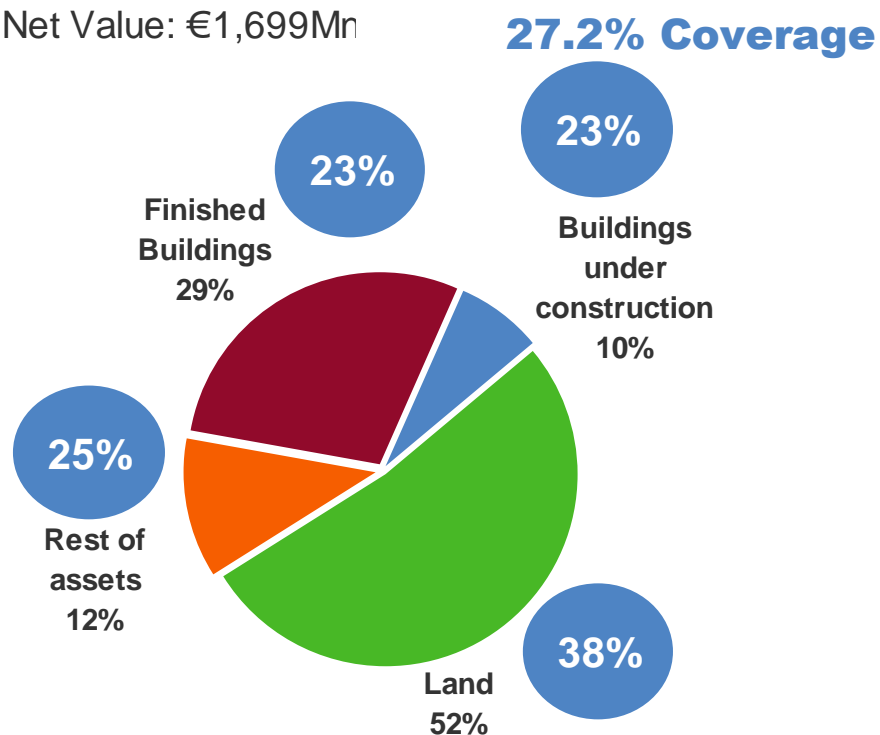
Mn €



NPAs held

Real Estate assets by type

Total Net Value: €1,699Mn



Net value

€1,700Mn

Accounting coverage

€635Mn

Market value (appraisals)

€2,335Mn

Profitability

P&L Account, a positive quarter

12 first months of 2011:

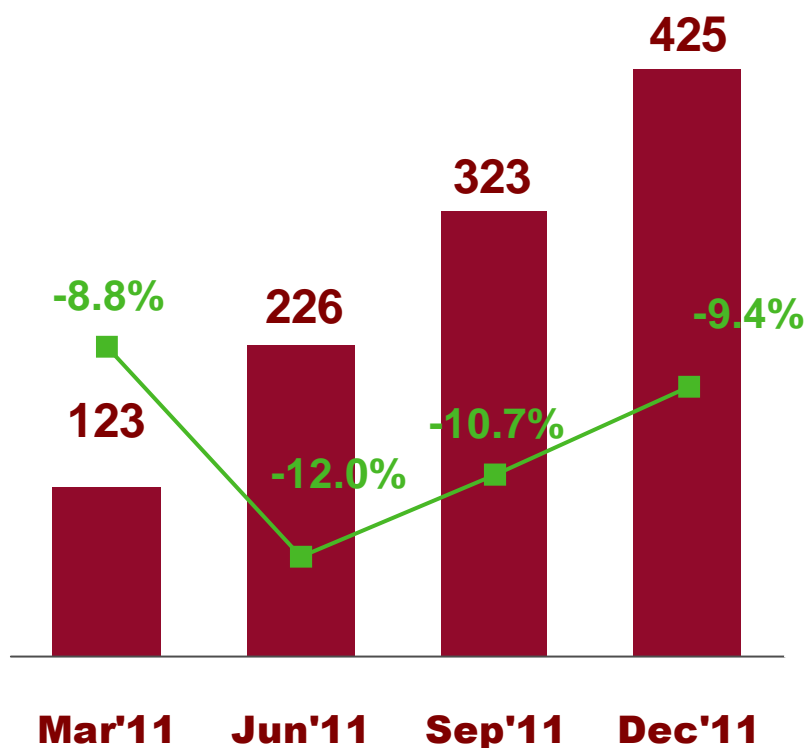
- ▣ In 12m2011 Net Interest Income reached €425.4Mn.
- ▣ The negative trend softened, with a decline of 9.4% vs. 10.7% and 12% drop fall in 9M-11 and 1H-11, respectively.
- ▣ 4Q11 Gross Operating Income stands at €143.2Mn.
- ▣ Significant reduction in losses from impairment of financial assets: -56.0% in the year.
- ▣ Operating Income after provisions increased by +55.0%.
- ▣ 4Q11 Net Attributed Profit multiplies by 4 times 4Q10.

<i>€ Thousands</i>	Dec 11	Dec 10	YoY %
NET INTEREST INCOME (ex Dividends)	425,405	469,434	-9.4%
NET INTEREST INCOME	427,215	473,398	-9.8%
(+) Net fees and commissions	94,651	126,781	-25.3%
(+) Results from financial transactions (net)	98,605	119,012	-17.1%
(+) Other operating income/expense	29,006	33,125	-12.4%
GROSS OPERATING INCOME	649,477	752,316	-13.7%
(-) Administrative expenses	356,791	356,199	0.2%
(-) Amortisation and depreciation	27,114	28,291	-4.2%
(-) Net provisions to allowances	(10,849)	(13,709)	-20.9%
(-) Losses from impairment of financial assets (net)	124,957	283,819	-56.0%
NET OPERATING PROFIT	151,464	97,716	55.0%
(-) Losses from impairments on other financial assets	18,115	71,574	-74.7%
(+) Other results (net)	(72,189)	(12,770)	N/A
INCOME BEFORE TAXES	61,160	13,372	357.4%
Profit/Loss from discontinued operations (net)	0	36,930	-100.0%
Tax	9,032	(12,471)	-172.4%
CONSOLIDATED NET PROFIT	52,128	62,773	-17.0%

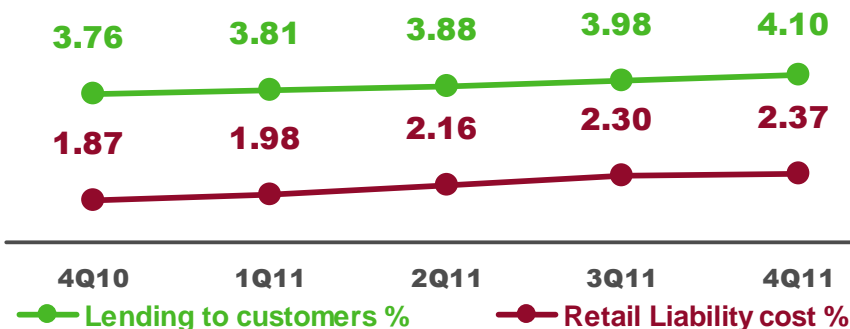
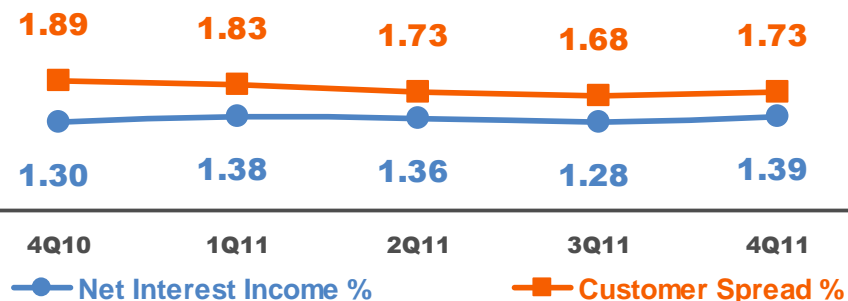
Profitability

The trend of the Net Interest Income shows an improved on quarterly basis

NII (YoY%)



NIM Evolution %



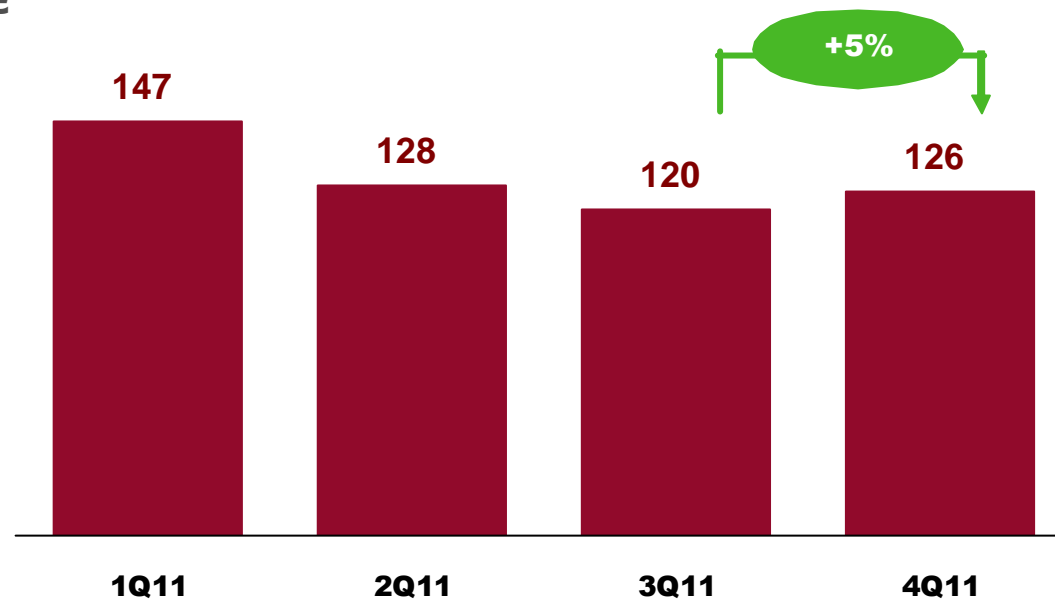
Preserving Balance Sheet Profitability: An improvement of 5.7% in Q4 Net Interest Income

Profitability

In a period of lower activity for seasonal reasons, margins showed a significant improvement

Basic Margin

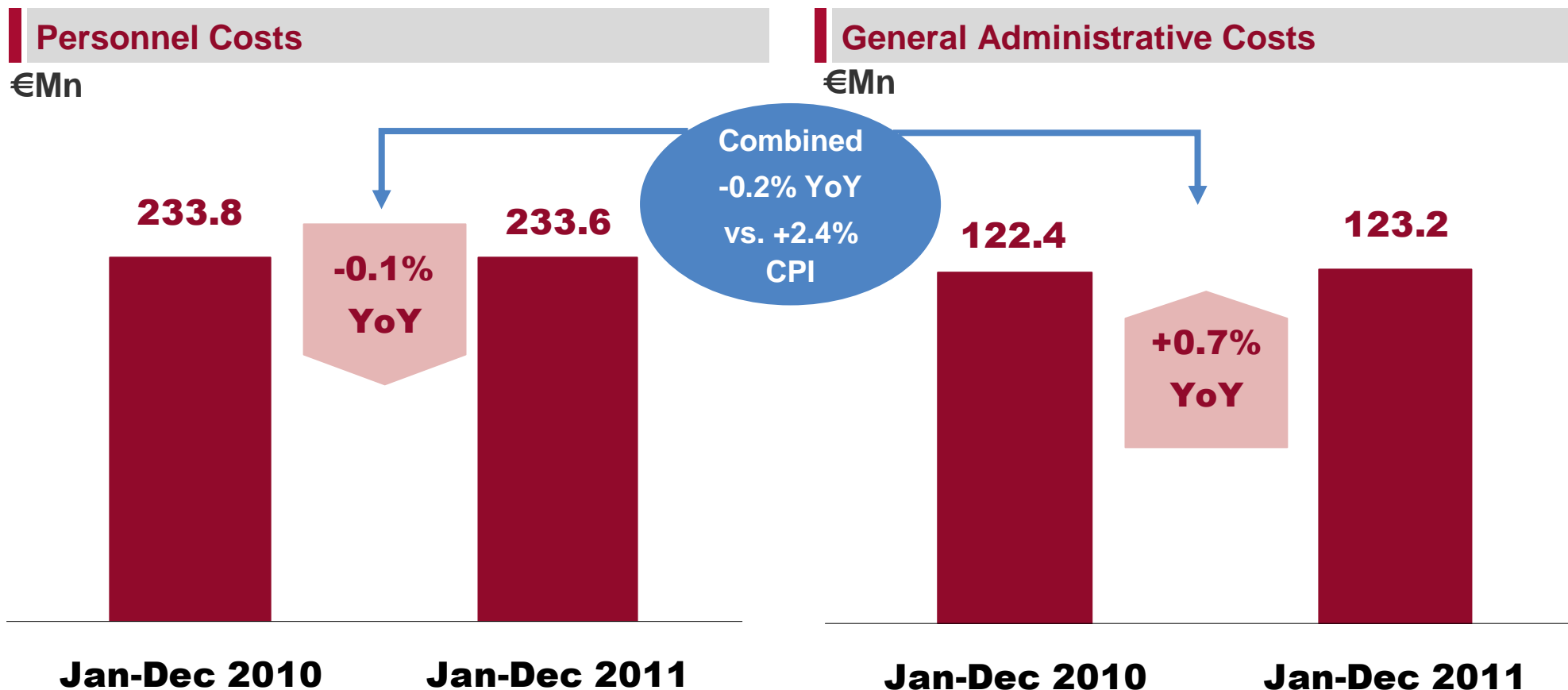
Mn €



The Basic Margin shows a positive performance

Profitability

Costs under control: 54% efficiency ratio vs. 59.3% in the sector (BoS as of November 2011)



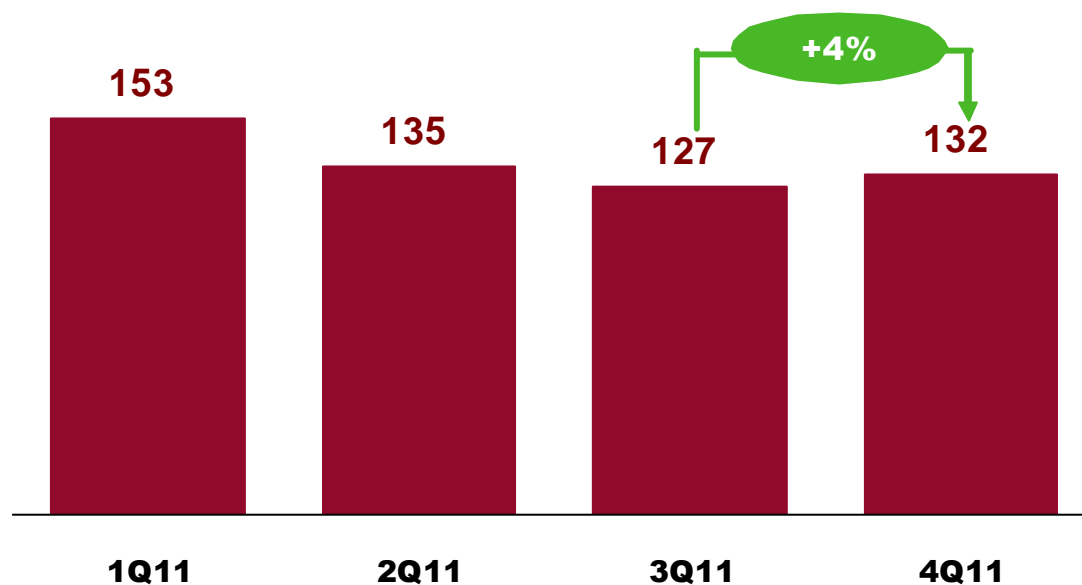
Since Dec-10, 30 branches closed, in net terms.
The number of employees stands at 4,107 professionals with a 2% reduction YoY.

Profitability

Recurrent Margin shows a positive evolution

Operating Recurrent Margin (*)

Mn €



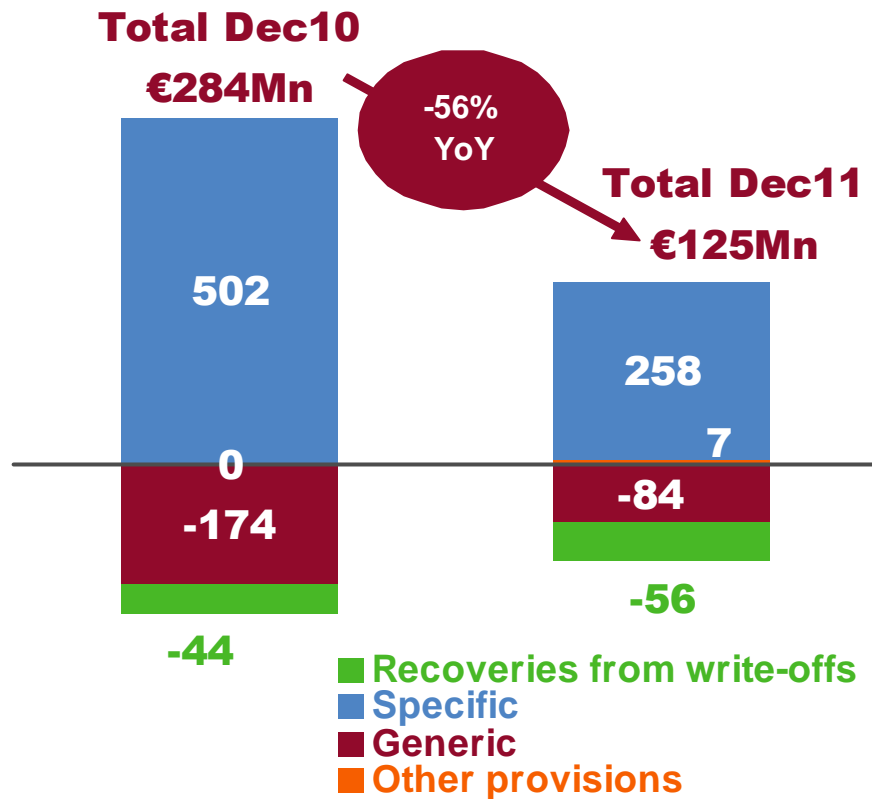
(*) Gross Margin (ex Results from financial transactions)

Profitability

Risk premium more than halved in just one year

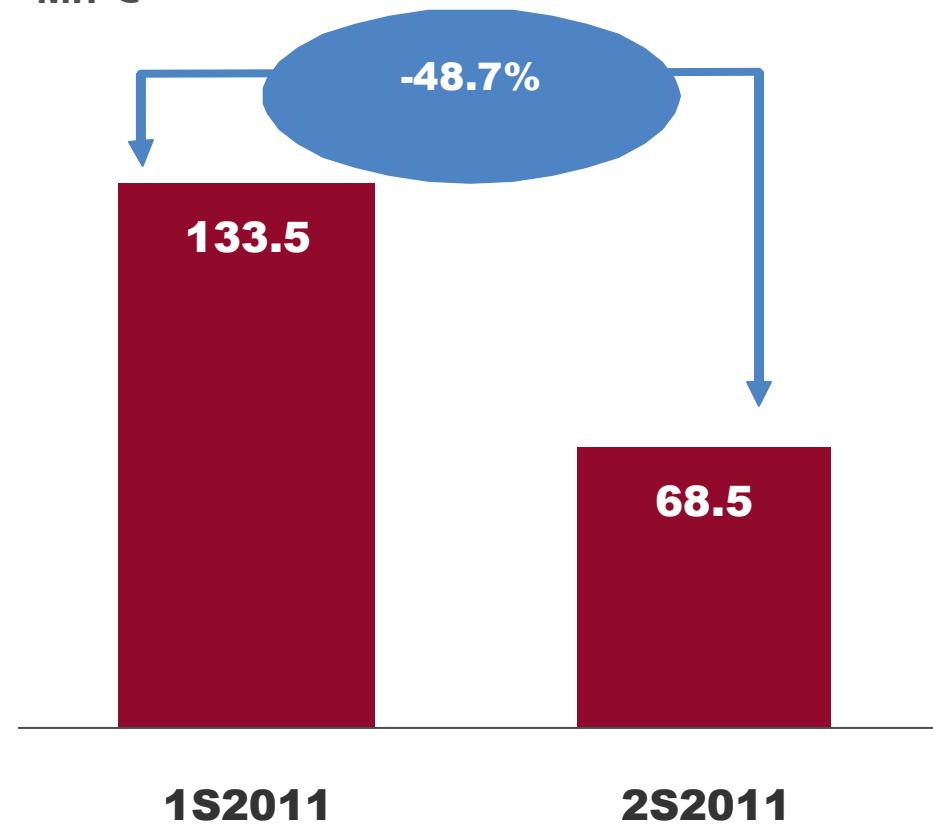
Total Charge-Offs Dec11/Dec10

Mn €



Specific provisions, net of write-offs recoveries

Mn €



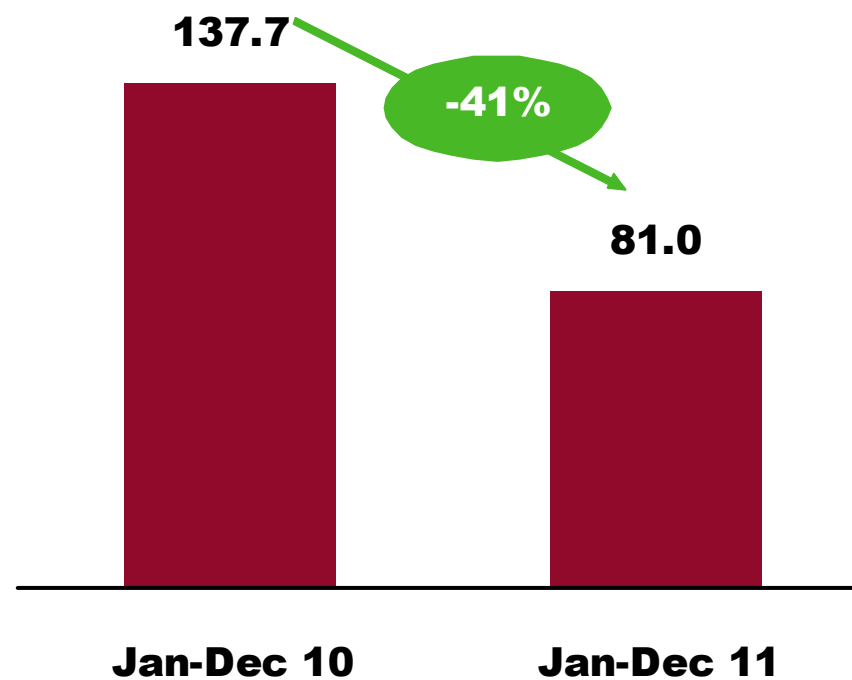
A significant reduction of the Specific Risk Premium to 110 bps in 2011, 84 bps in Q4

Profitability

An ongoing process of assets write-offs

Losses from impairment of foreclosed assets:
Year performance

Mn €

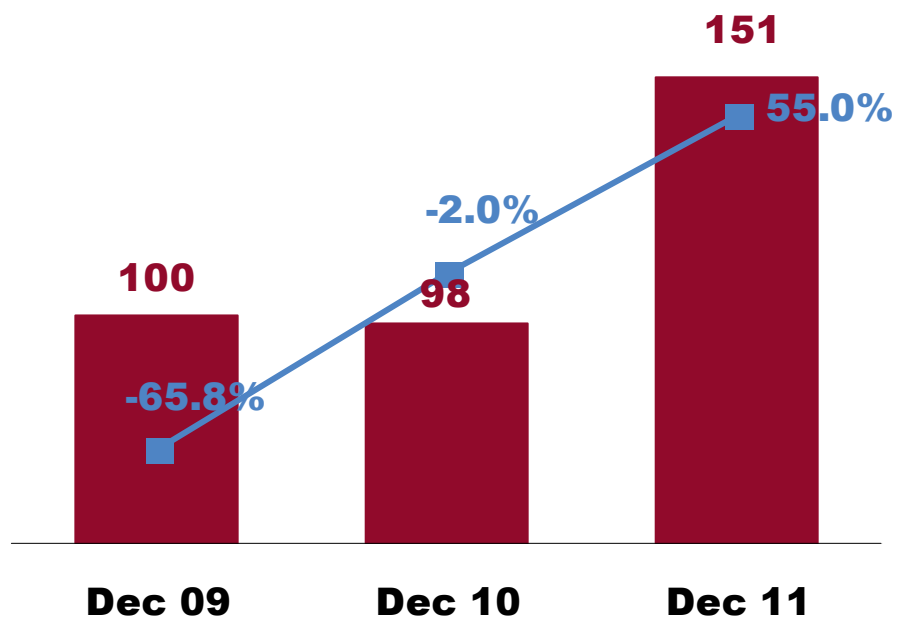


Rentabilidad

Operating Income and Net Income from continuing transactions

Operating Income before taxes & after provisions

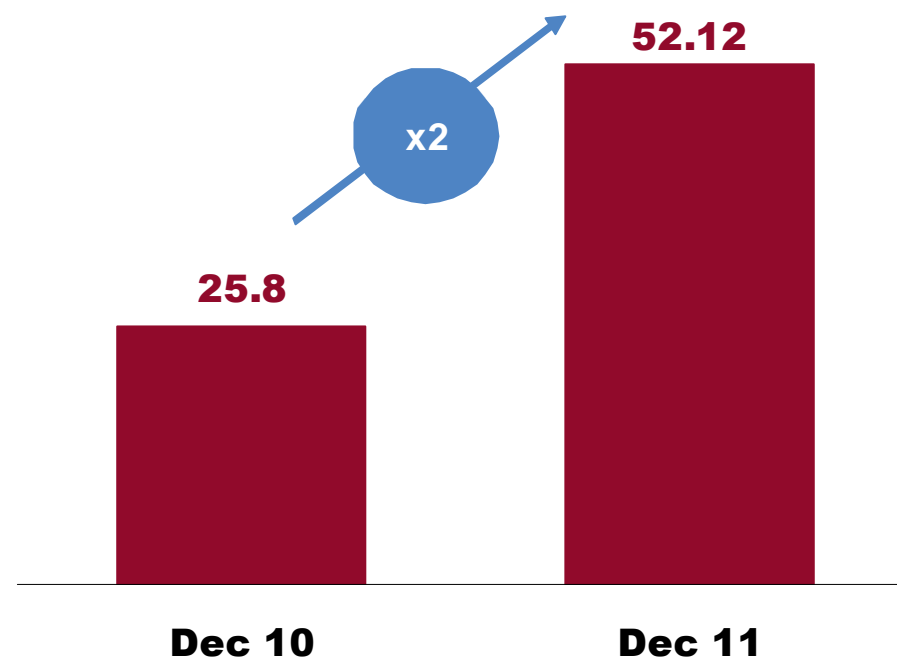
Mn €



■ Operating Income before taxes & after provisions
—■ YoY %

Net Income from continuing transactions

Mn €

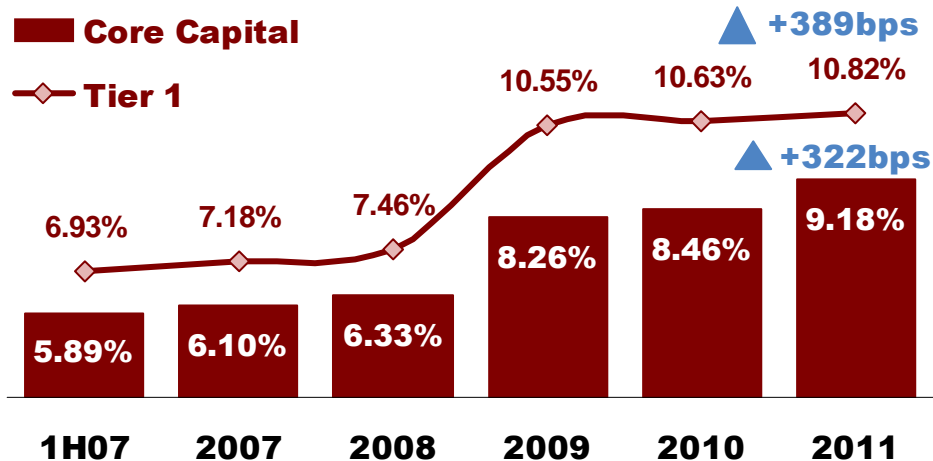


■ Net Income from continuing transactions

12m11 Operating Income After Provisions stands at €151.5Mn, with 54€Mn YoY increase, whilst Net Income from Continuing Transactions doubled to 52Mn€

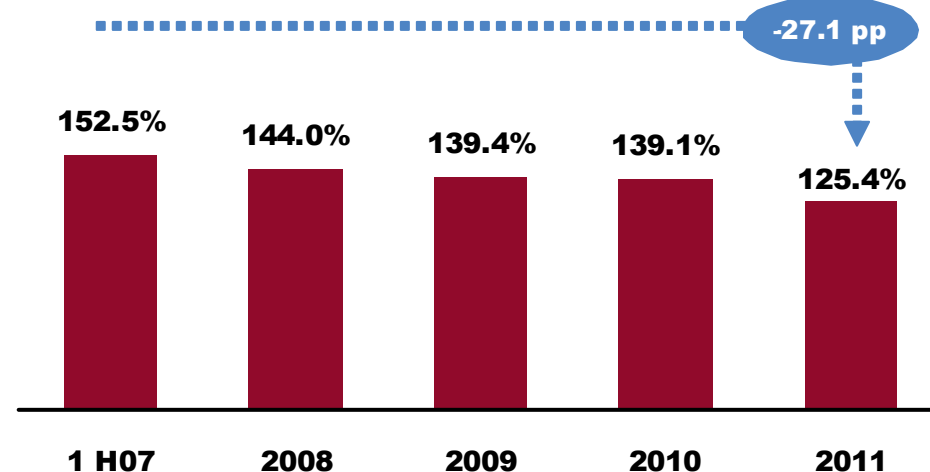
Summary and conclusions

CAPITAL

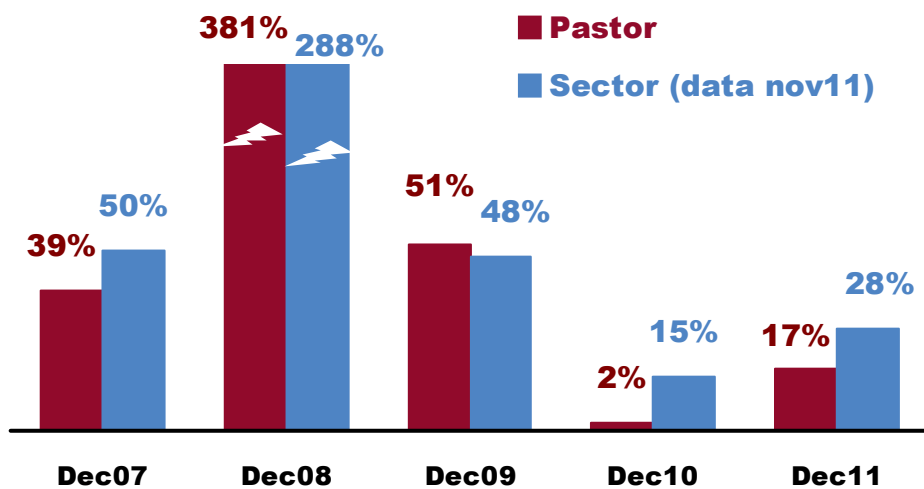


(*) Core Capital and Tier 1 under Basel III

LIQUIDITY (LTD)

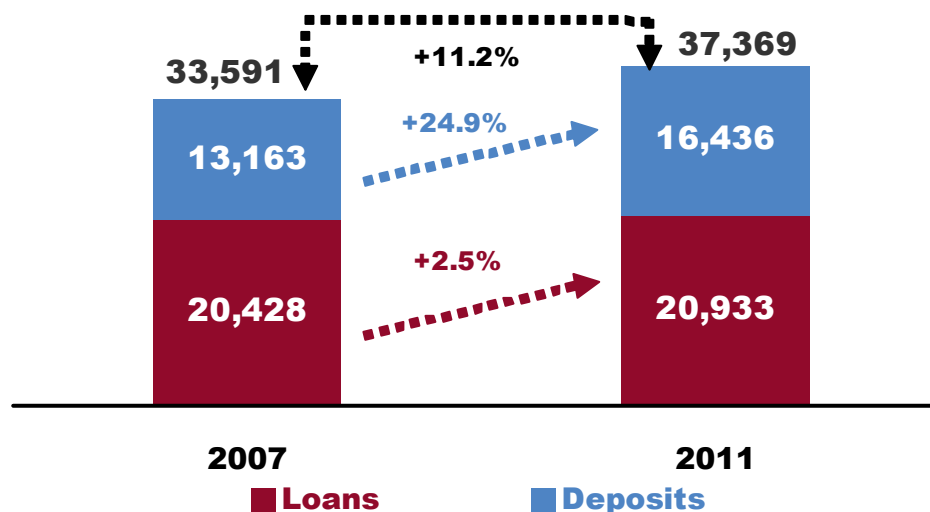


RISK MANAGEMENT (*)



(*) NPLs YoY growth

BUSINESS AND FUNDING



P&L account breakdown

(€ Thousands)	Dec. 11	Dec. 10	Difference	
			Absolute	%
= NET INTEREST INCOME (ex-dividends)	425,405	469,434	(44,029)	(9.4)%
(+) Dividend Income	1,810	3,964	(2,154)	(54.3)%
= NET INTEREST INCOME	427,215	473,398	(46,183)	(9.8)%
(+/-) Income from equity method	5,615	3,554	2,061	58.0%
(+) Net fees and commissions	94,651	126,781	(32,130)	(25.3)%
(+/-) Results from financial transactions+Other results	121,996	148,583	(26,587)	(17.9)%
= GROSS OPERATING INCOME	649,477	752,316	(102,839)	(13.7)%
(-) Administrative expenses	356,791	356,199	592	0.2%
(-) Personnel expenses	233,574	233,845	(271)	(0.1)%
(-) Other general administrative expenses	123,217	122,354	863	0.7%
(-) Amortisation and depreciation	27,114	28,291	(1,177)	(4.2)%
(+/-) Net provisions to allowances	(10,849)	(13,709)	2,860	(20.9)%
(+/-) Losses from impairment of financial assets (net)	124,957	283,819	(158,862)	(56.0)%
(-) Loan book charge offs	117,794	283,448	(165,654)	(58.4)%
(-) Other financial assets	7,163	371	6,792	N/A
= NET OPERATING PROFIT	151,464	97,716	53,748	55.0%
(+/-) Other results (net)	(90,304)	(84,344)	(5,960)	7.1%
= INCOME BEFORE TAXES	61,160	13,372	47,788	357.4%
(+/-) Income tax	9,032	(12,471)	21,503	N/A
= NET PROFIT FROM CONTINUOUS OPERATIONS	52,128	25,843	26,285	101.7%
(+/-) Results from discontinued transactions (net)	0	36,930	(36,930)	N/A
= CONSOLIDATED NET PROFIT	52,128	62,773	(10,645)	(17.0)%
= INCOME ATTRIBUTED TO THE GROUP	51,939	62,062	(10,123)	(16.3)%

Balance Sheet breakdown: Assets

(€ Thousands)

Assets	Dec. 11	Dec. 10	Difference	
			Absolute	%
Cash and due from central banks	432,215	283,834	148,381	52.3
Trading portfolio	177,409	207,375	(29,966)	(14.5)
Other financial assets at fair value	193,952	577,650	(383,698)	(66.4)
Available for sale financial assets	2,542,147	1,749,832	792,315	45.3
Loans and advances to customers	22,109,232	23,533,832	(1,424,600)	(6.1)
Lending to customers	20,932,508	21,652,136	(719,628)	(3.3)
Held-to-maturity investments	2,079,066	2,031,689	47,377	2.3
Macro-Hedge adjustments to financial assets	20,615	10,121	10,494	103.7
Hedging derivatives	102,095	154,068	(51,973)	(33.7)
Non current assets for sale	1,352,943	1,069,425	283,518	26.5
Participating interests	104,162	102,653	1,509	1.5
Pension-linked insurance contracts	21,583	25,442	(3,859)	(15.2)
Tangible assets	166,640	182,474	(15,834)	(8.7)
Intangible assets	28,999	25,602	3,397	13.3
Tax assets	282,915	279,926	2,989	1.1
Other assets	761,914	900,775	(138,861)	(15.4)
TOTAL ASSETS	30,375,887	31,134,698	(758,811)	(2.4)

Balance Sheet breakdown: Liabilities

€ Thousands

Liabilities	Dec. 11	Dec. 10	Difference	
			Absolute	%
Trading portfolio	122,188	76,663	45,525	59.4
Other financial liabilities at fair value	184,906	489,633	(304,727)	(62.2)
Financial liabilities at amortised cost	28,094,139	28,730,489	(636,350)	(2.2)
Customer deposits	16,436,479	15,029,770	1,406,709	9.4
Hedging derivatives	106,121	69,112	37,009	53.5
Insurance contract liabilities	2,485	2,761	(276)	(10.0)
Allowances	74,505	105,476	(30,971)	(29.4)
Tax liabilities	22,356	15,551	6,805	43.8
Other liabilities accounts	46,579	38,892	7,687	19.8
TOTAL LIABILITIES	28,653,279	29,528,577	(875,298)	(3.0)
Equity				
	Dec. 11	Dec. 10	Difference	
			Absolute	%
Shareholder's equity	1,753,638	1,479,424	274,214	18.5
Issued capital	90,041	88,083	1,958	2.2
Paid in capital	144,763	146,720	(1,957)	(1.3)
Reserves	1,244,974	1,202,275	42,699	3.6
Other equity instruments	246,776	785	245,991	N/A
(-) Adjustment reserve	(18,830)	(13,445)	(5,385)	40.1
Income attributed to the Group	51,939	62,062	(10,123)	(16.3)
(-) Dividends and payments	(6,025)	(7,056)	1,031	(14.6)
Valuation adjustments	(50,189)	(44,105)	(6,084)	13.8
Minority interests	19,159	170,802	(151,643)	(88.8)
TOTAL EQUITY	1,722,608	1,606,121	116,487	7.3
TOTAL EQUITY AND LIABILITIES	30,375,887	31,134,698	(758,811)	(2.4)
<i>Pro-memoria</i>				
Contingent risks	862,465	946,420	(83,955)	(8.9)
Contingent commitments	1,809,119	2,565,880	(756,761)	(29.5)

Disclaimer

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These factors include but are not limited to, first of all, interest rates, exchange rates and any other economic or financial conditions not only domestic but global; secondly, any macroeconomic, politics, governmental, social and regulatory situation; thirdly, competition; fourthly technology and last, any changes in the financial health or credit quality of our customers, debtors or counter-parties.

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