

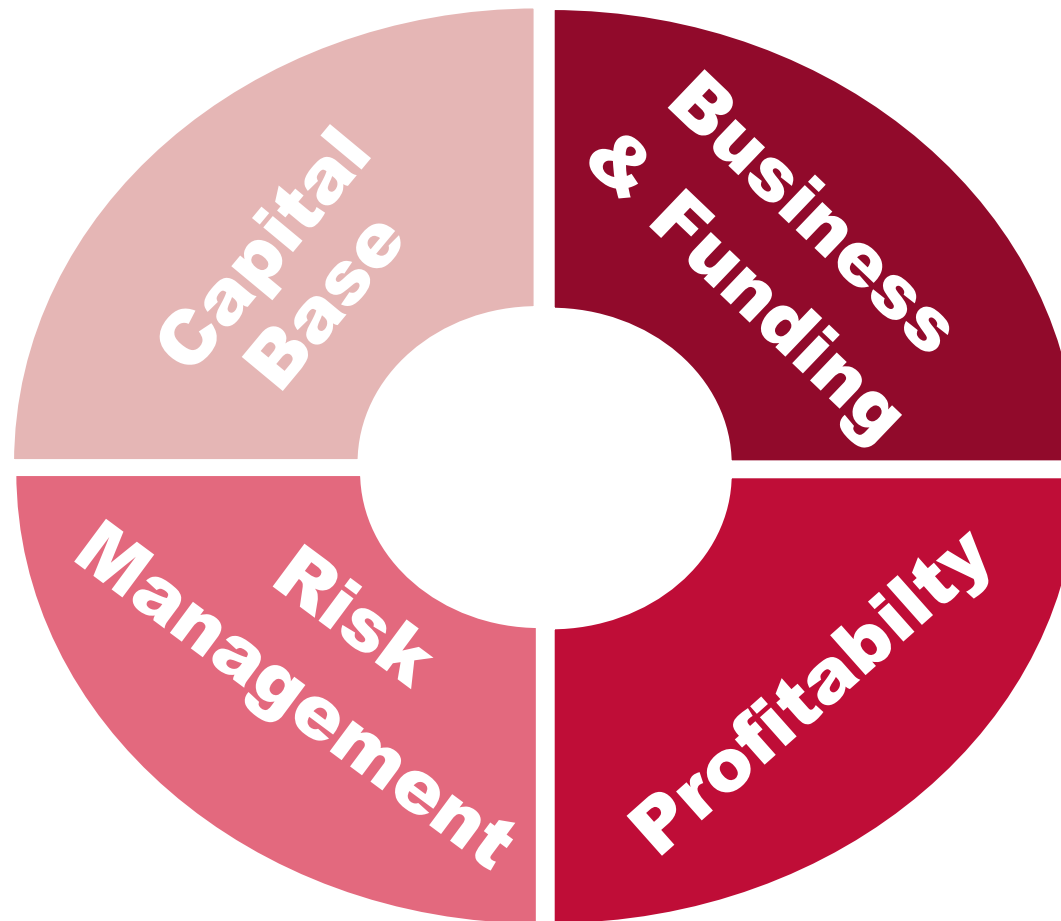
**A Coruña,
July 30th 2010**

1H2010 Results Presentation



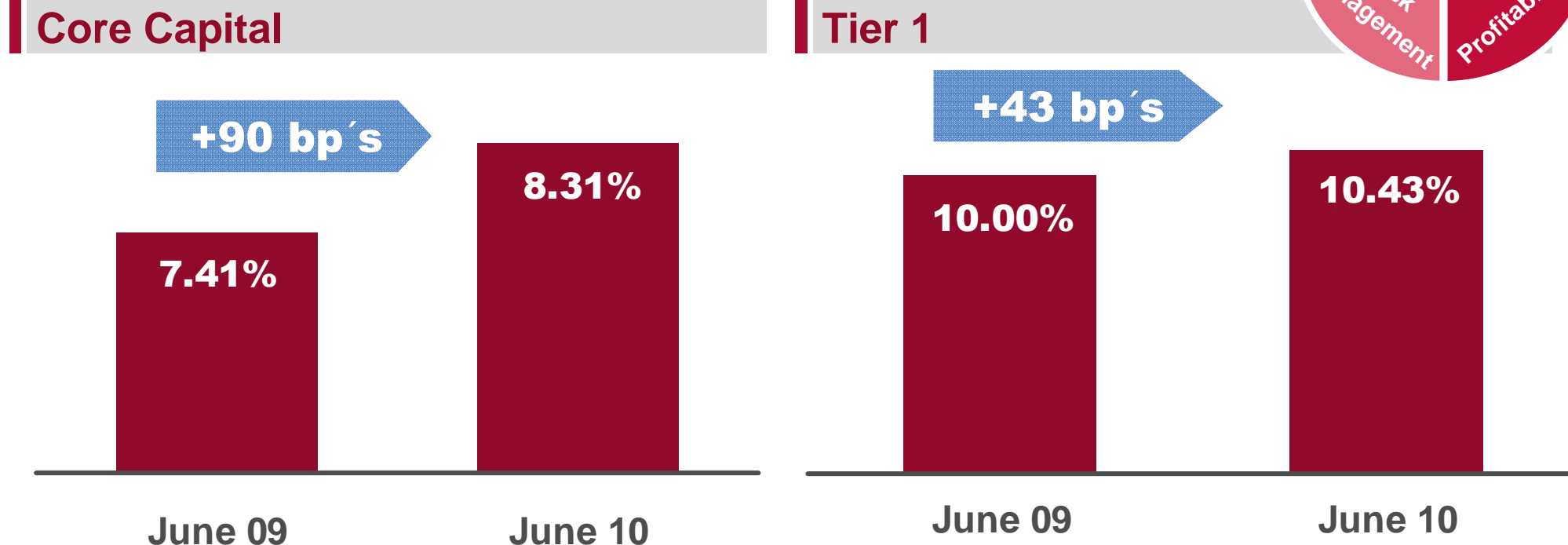
Banco Pastor

Contents



Capital Base & Stress test

A sound capital base...

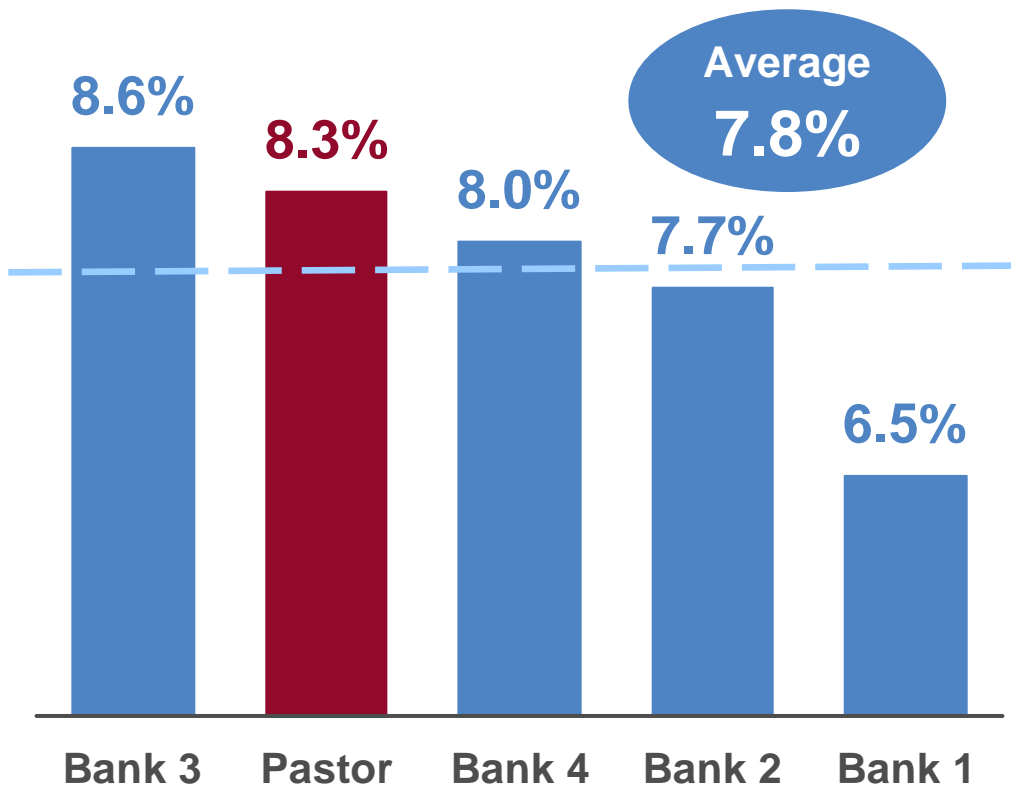


- ▣ €1.6 bln of Core and €2 bln of Tier 1 Capital
- ▣ Internal generation of 75 bp's yoy
- ▣ €100m Preferred Stock buy back

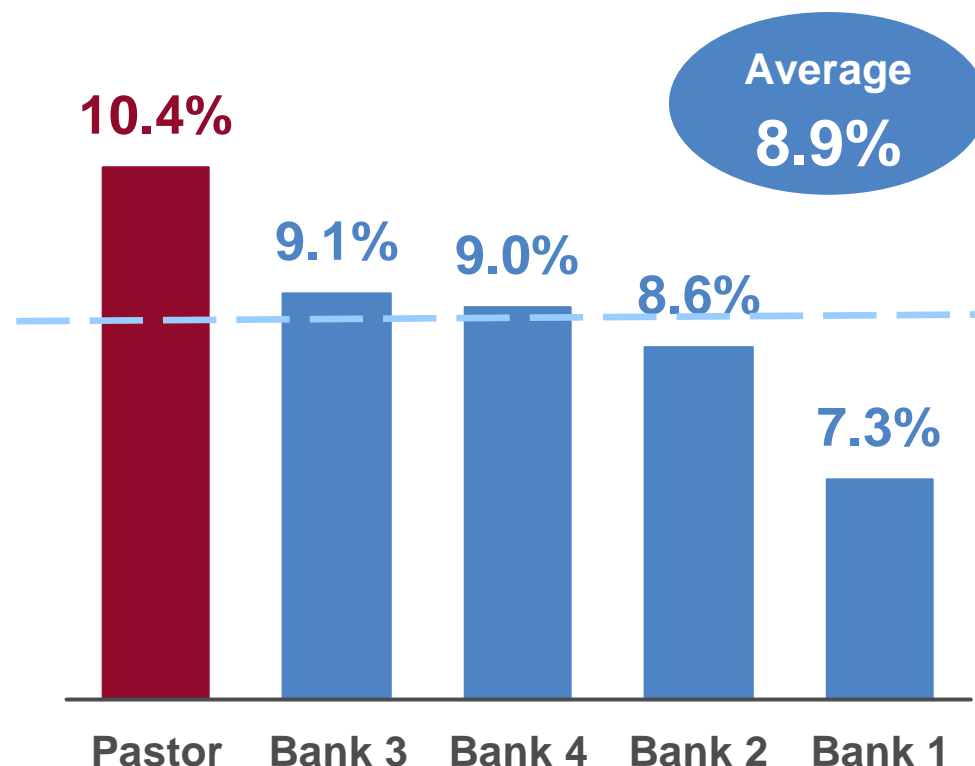
Capital Base & Stress test

Right now...

Core Capital vs. peer group



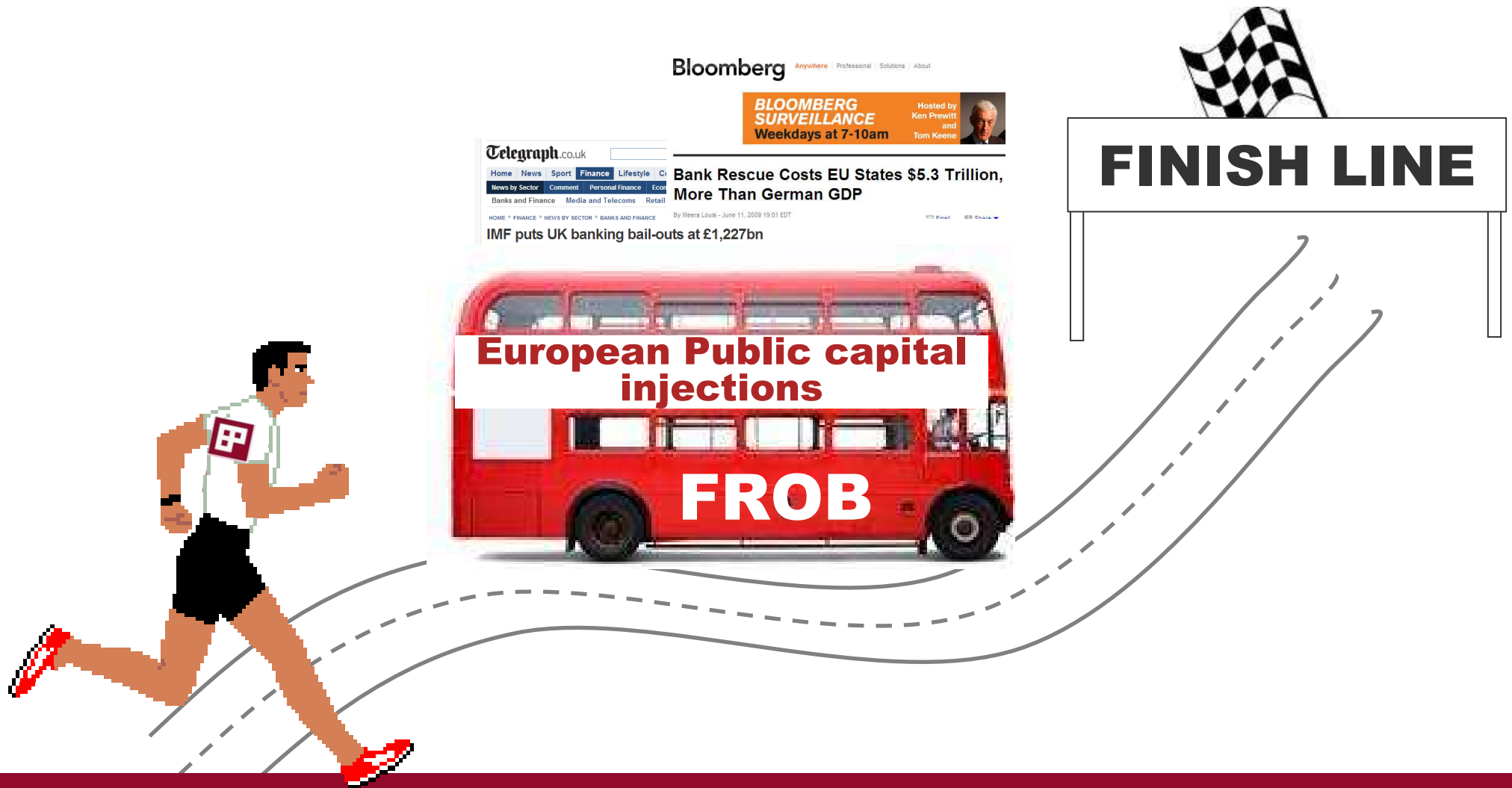
Tier 1 vs. peer group



Top notch capital

Capital Base & Stress test

To pass or not to pass? - that is the question...

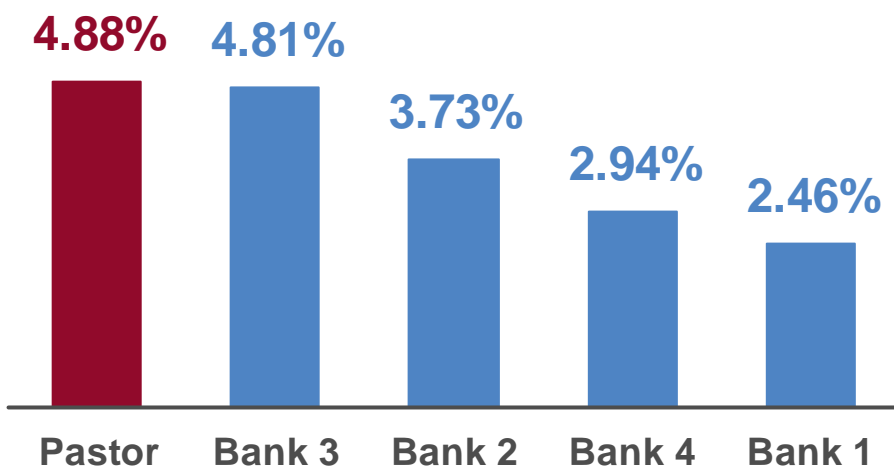


Stressed but blessed

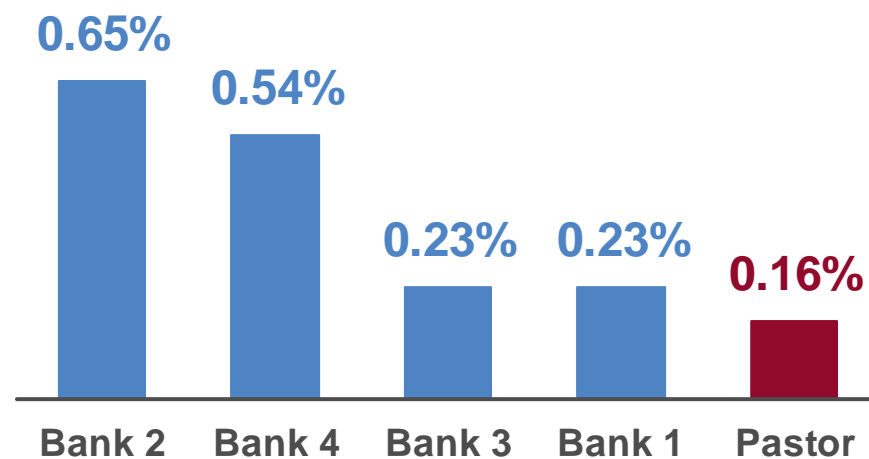
Capital Base & Stress test

Some highlights on health check

NPL ratio as of Dec 2009



YTD evolution



- ▣ The NPL position in December 2009 is penalising the results of the Stress Test
- ▣ Company acquisitions vs. assets swap
- ▣ Bond Portfolio

Capital Base & Stress test

Our take on recapitalization...

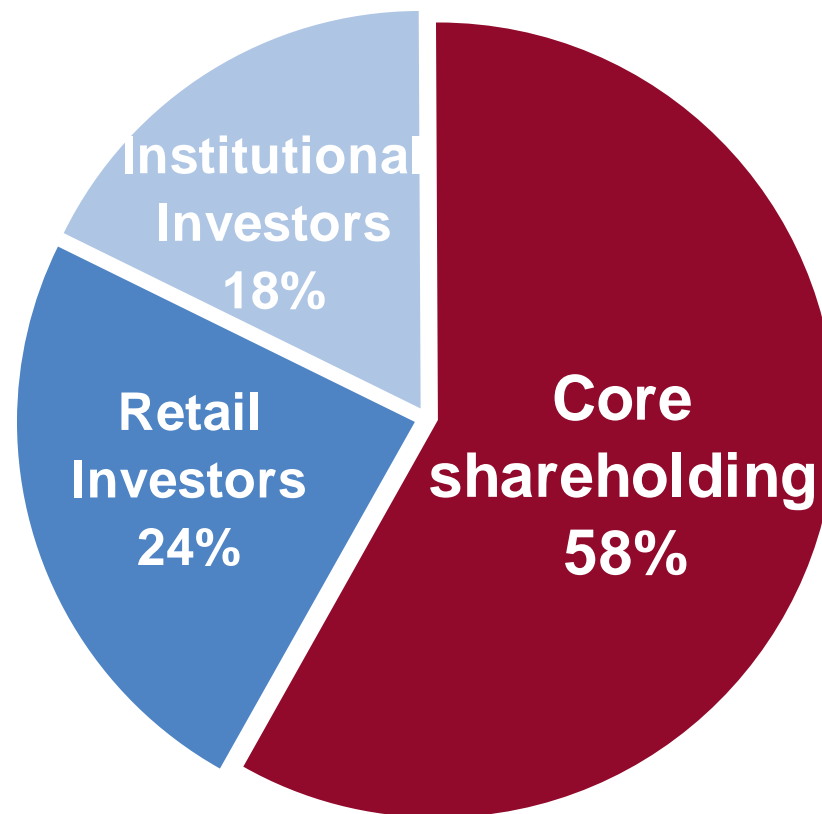
BoS

Adverse scenario: improbable and extreme

▣ -2.6 percentage points of GDP in the period 2010-2011

▣ Outside the current forecast ranges of national/international institutions and private analysts

6% threshold is already 50% more than the legal requirement



A unique and strong shareholder structure

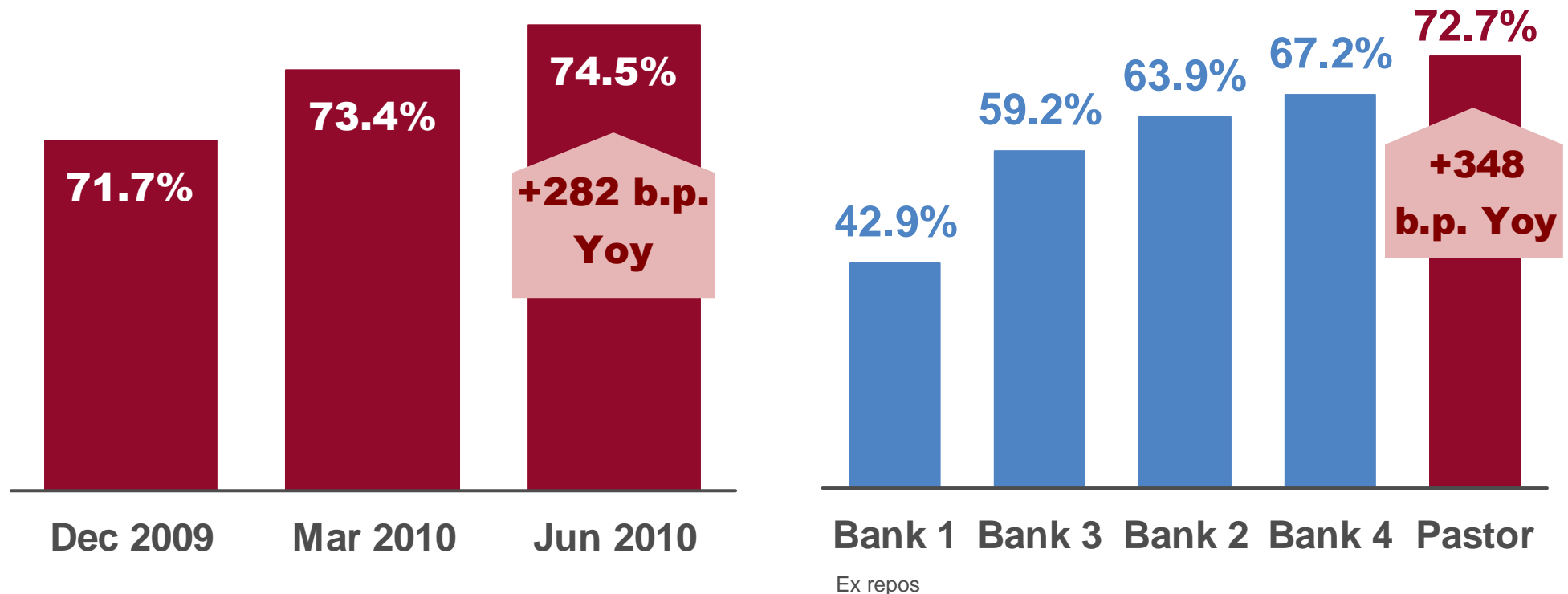
Business & Funding



A leading liquidity structure

Deposit to Loan ratio

Benchmark Ex-repo

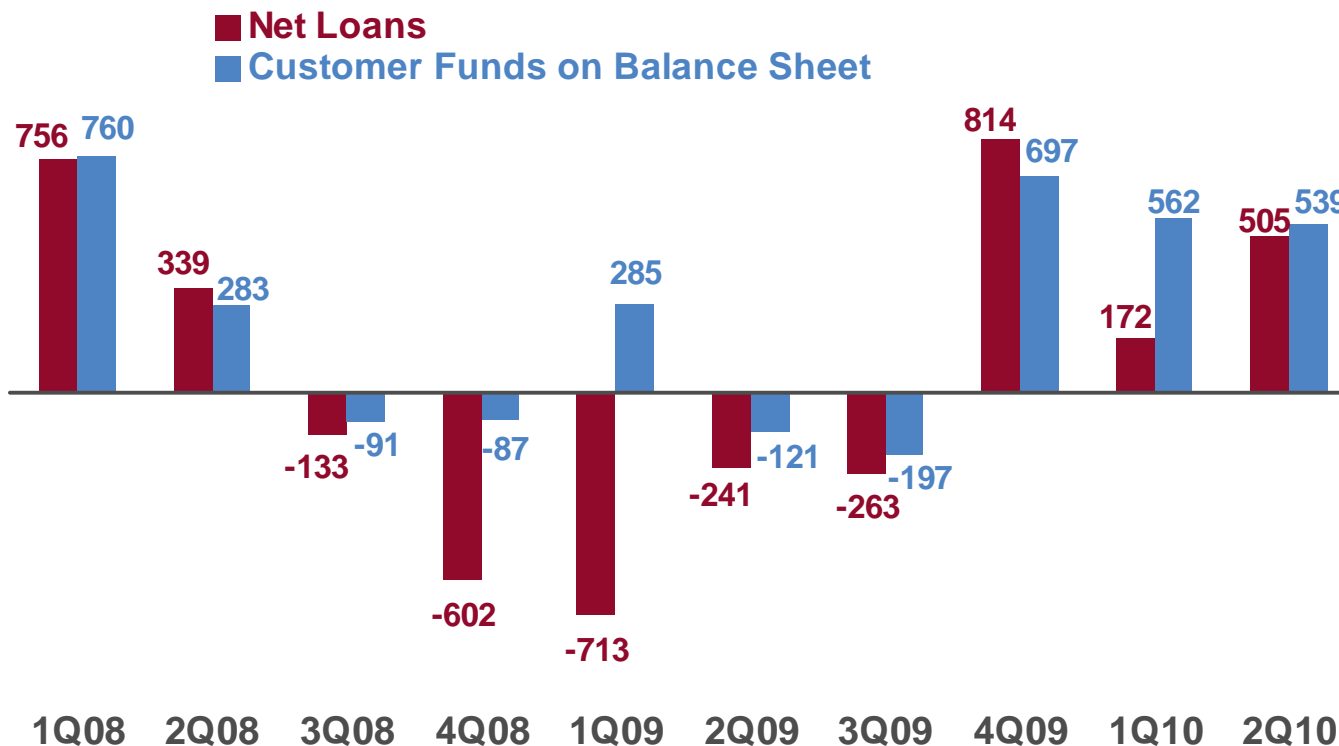


Further shrinking the commercial gap: 104 bps in the quarter

Business & Funding

This is not by chance...

Absolute quarterly growth (standalone quarters, € millions)



On-Balance Sheet Funds

**+11.7%
Yoy**

Loan portfolio

**+6.4%
Yoy**

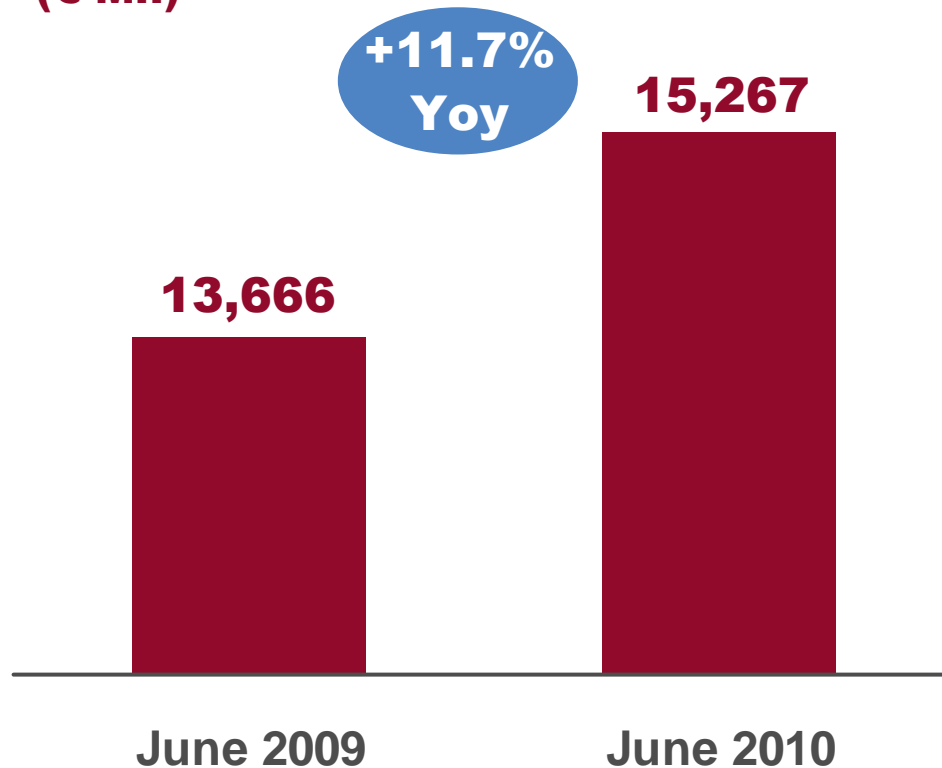
Narrowing the commercial gap in 8 of the last 10 standalone quarters

Business & Funding

A continued strength in customer deposits

On-Balance Sheet Funds Yoy Growth

(€ Mn)



Liability cost evolution

-15bps
YTD

+7bps
QOQ

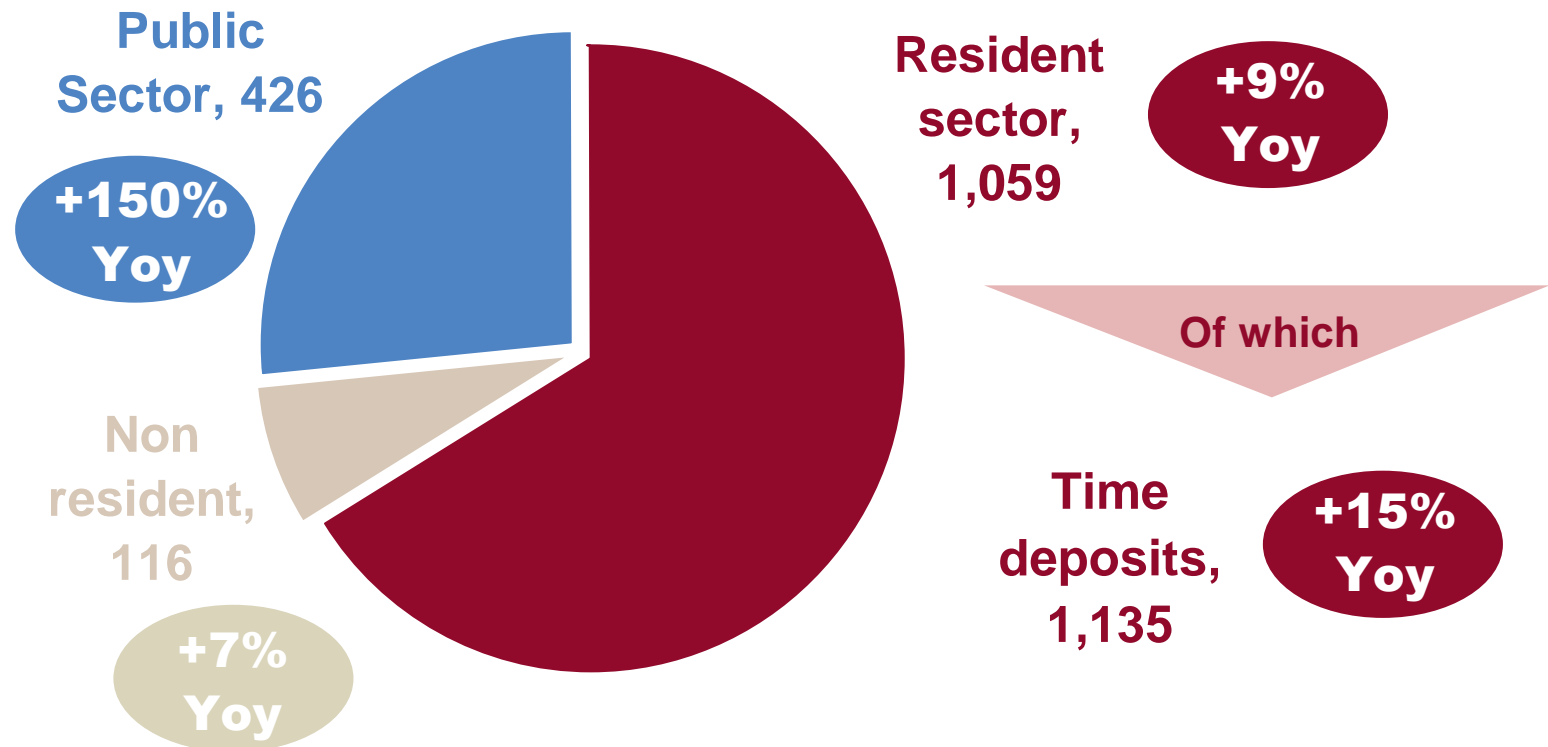
GARP

Always keeping an eye on costs

Business & Funding

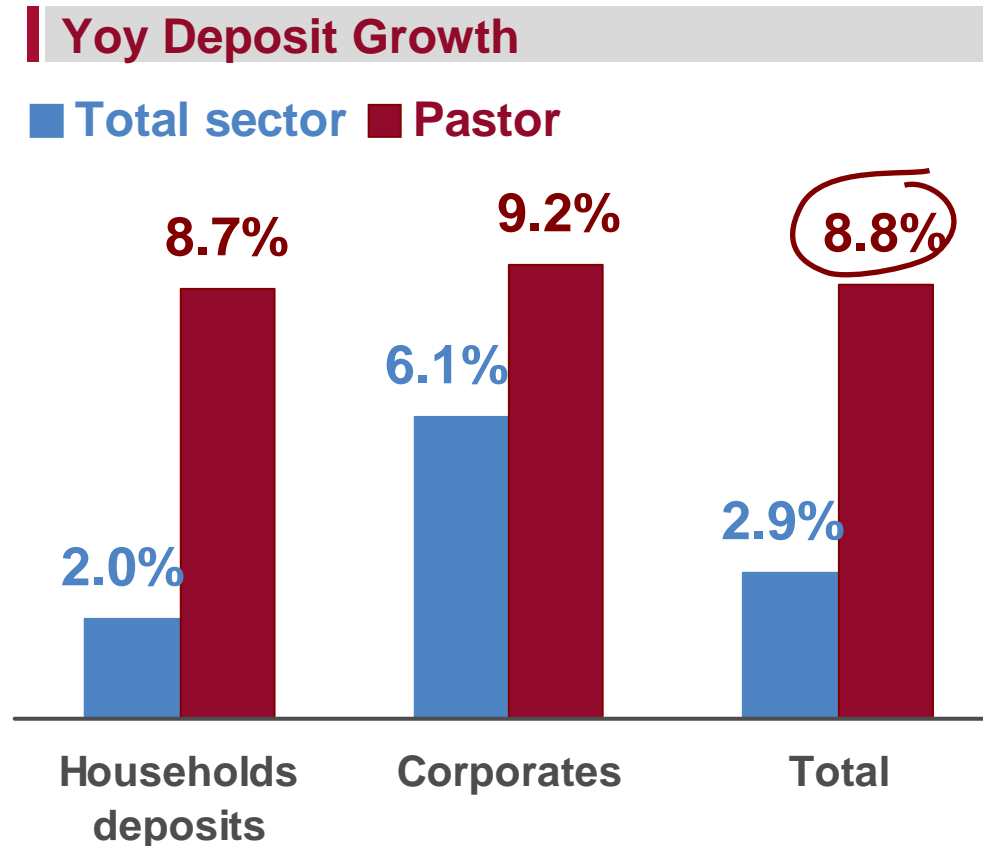
Growth driven by resident sector

Customer funds on balance sheet: yoy growth (€ Mn)



Business & Funding

And attracting both households and corporates...



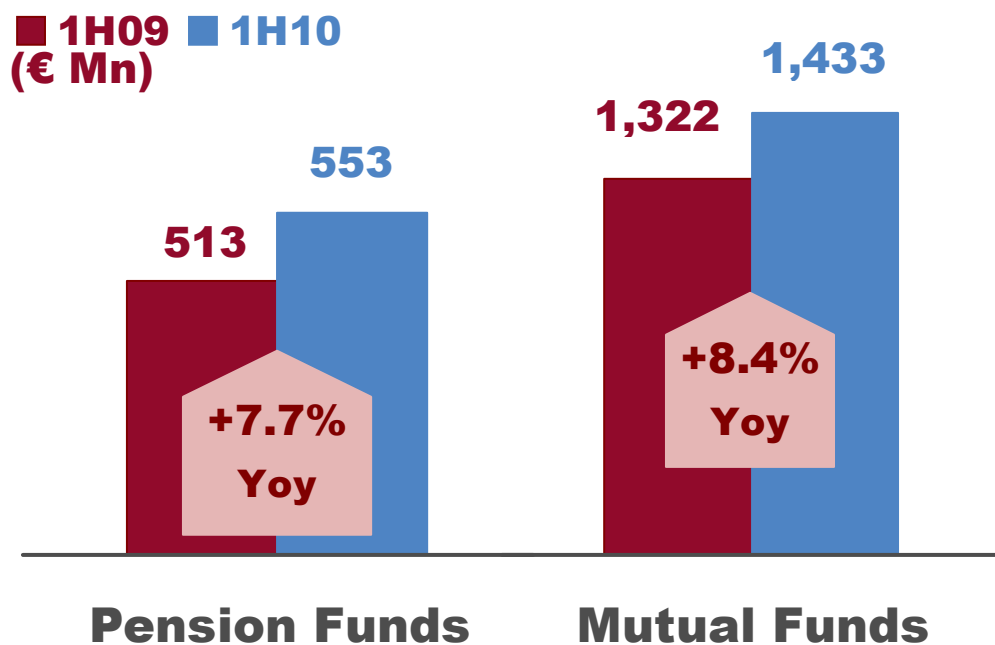
Sector data source: Bank of Spain as of May10

Outperforming the sector in deposit growth

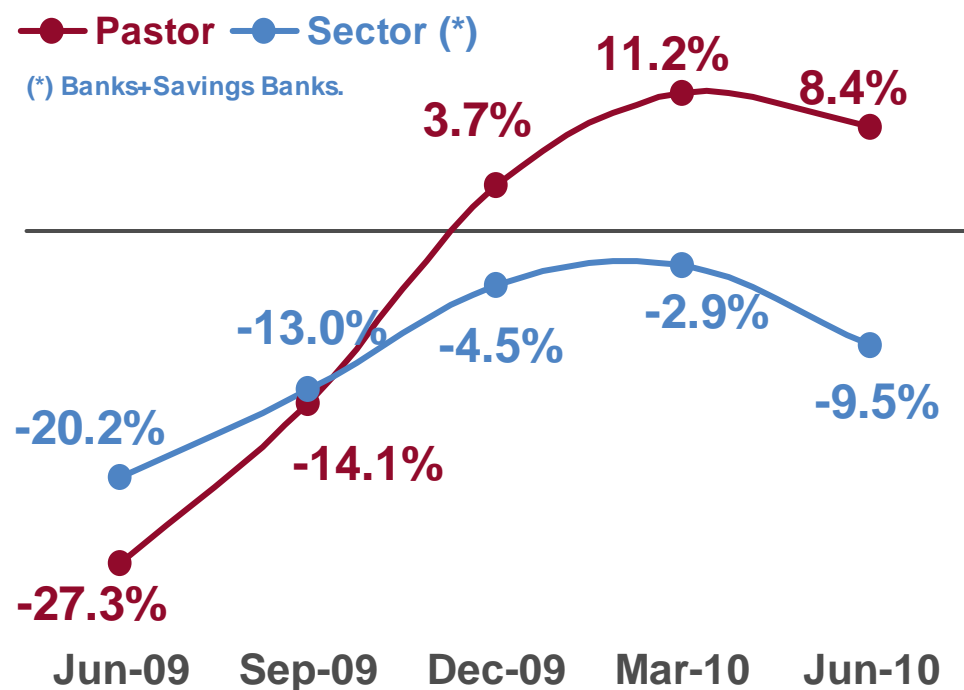
Business & Funding

While bearing in mind off-balance sheet funds

Yoy Off-Balance Sheet Funds Growth



Yoy Mutual funds growth vs. Sector

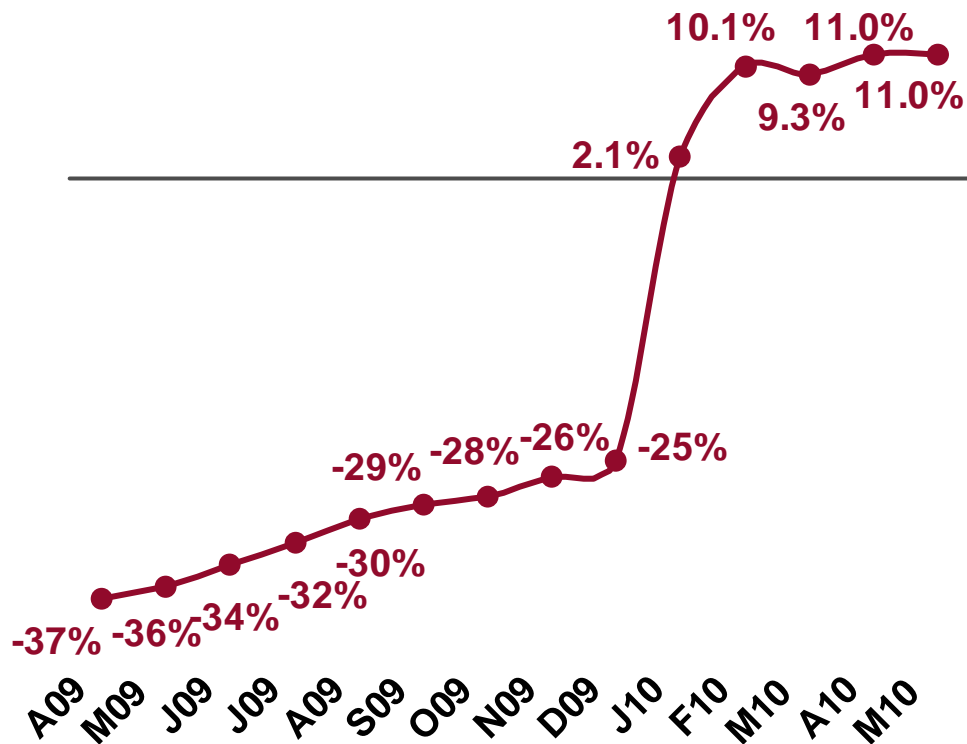


Source: Inverco for the sector

Business & Funding

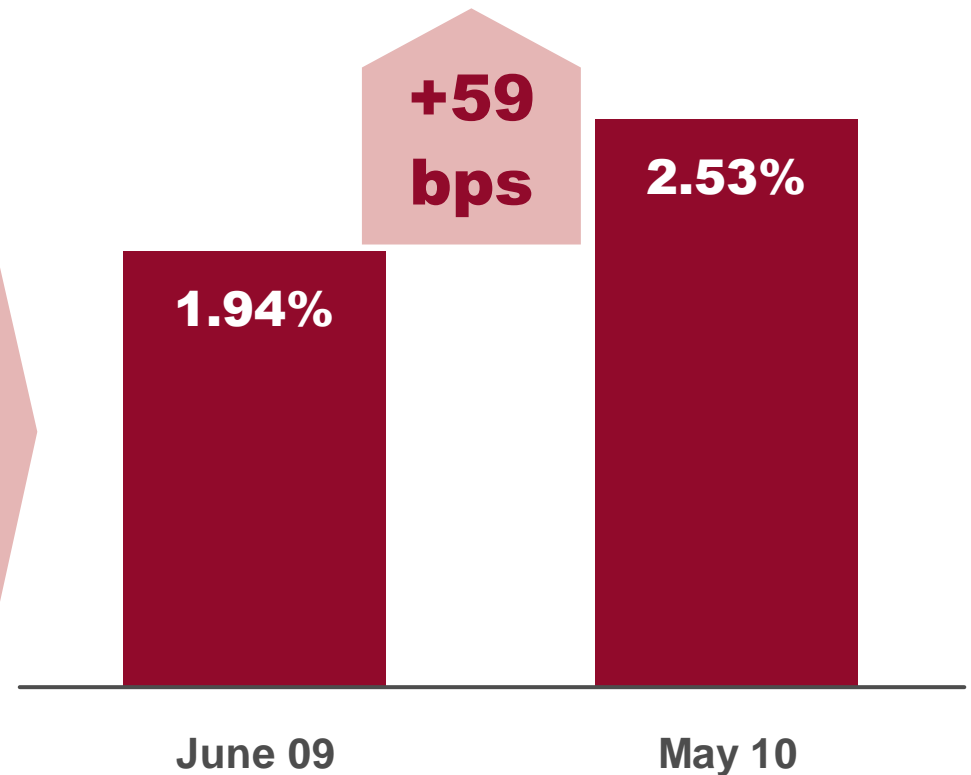
Providing support to families

House Purchases Yoy Growth



Source: Spanish Institute of Statistics (INE)

New Mortgage Production Market share

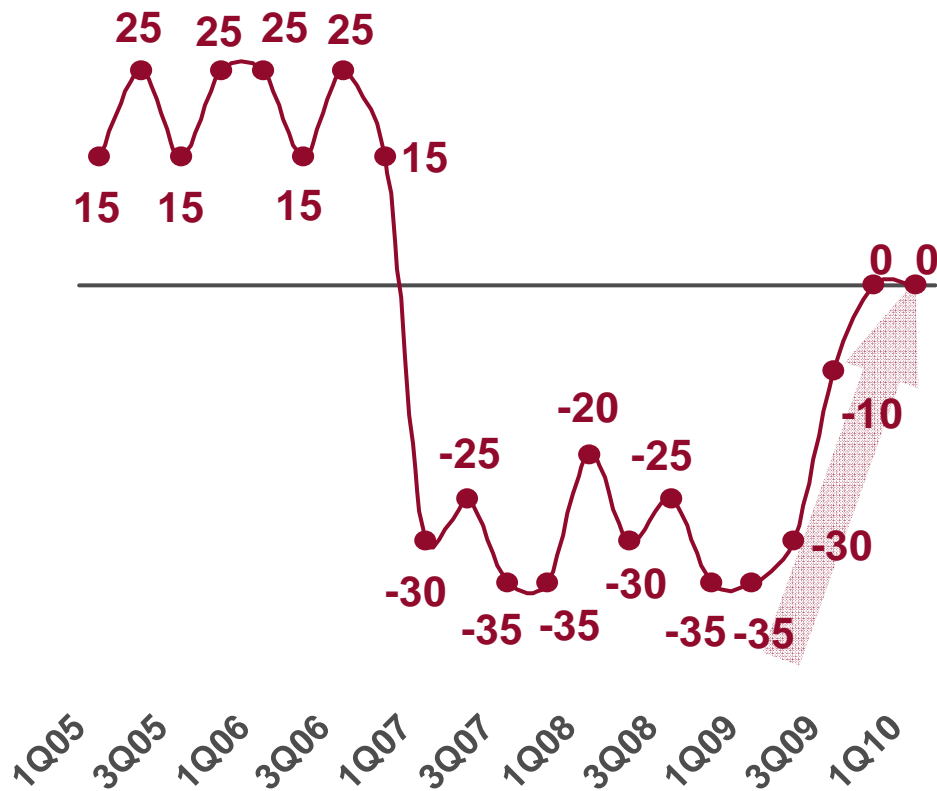


Through sustainable and balanced growth

Business & Funding

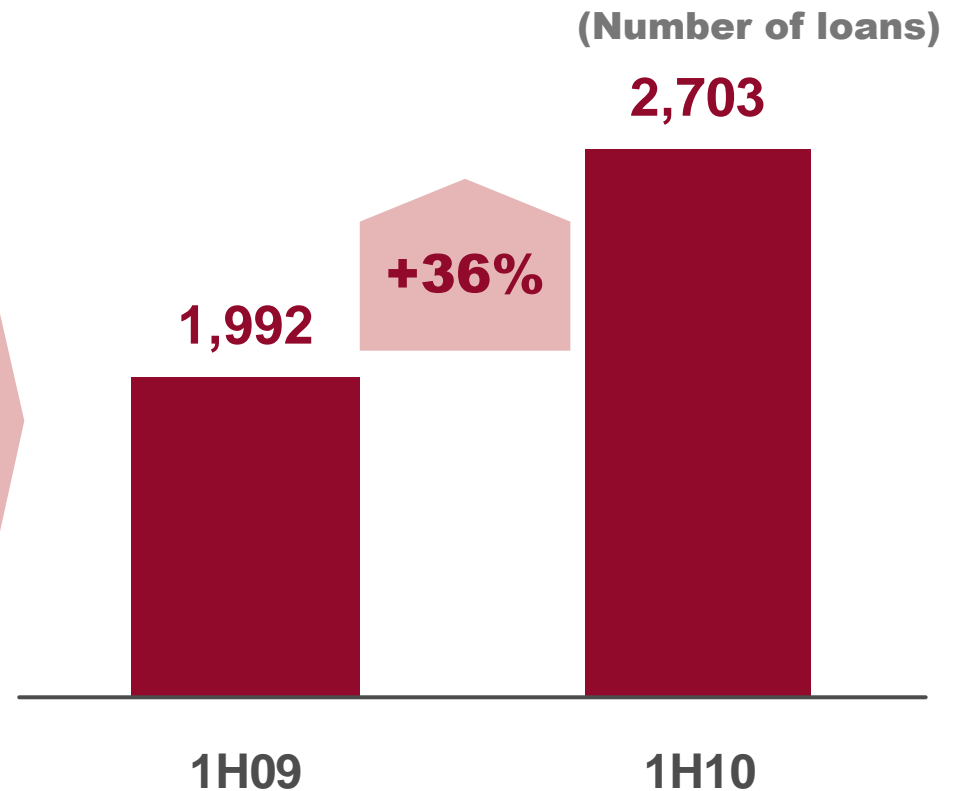
... and creditworthy SMEs

Non financial companies credit demand indicator



Source: Bank of Spain

New ICO loans underwritten to SMEs



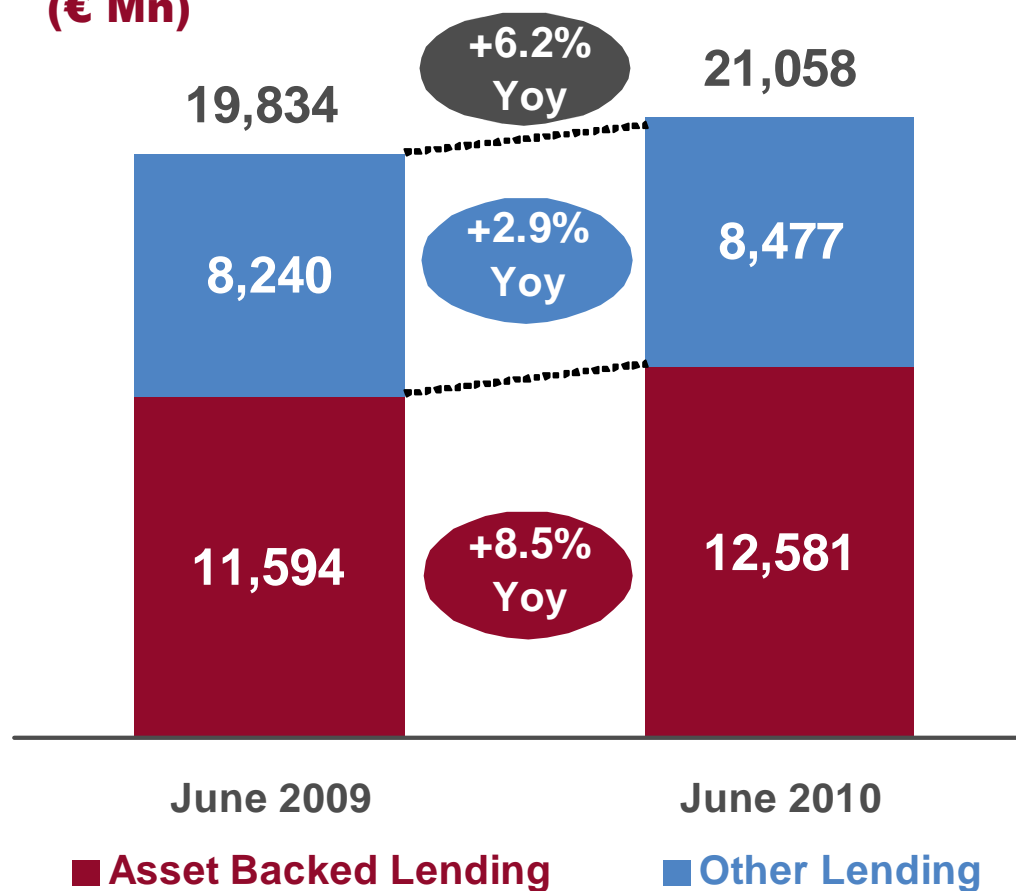
Ranking 9th in ICO loan production

Business & Funding

With a focus on asset backed lending

Net Loans to Customers Yoy Growth

(€ Mn)



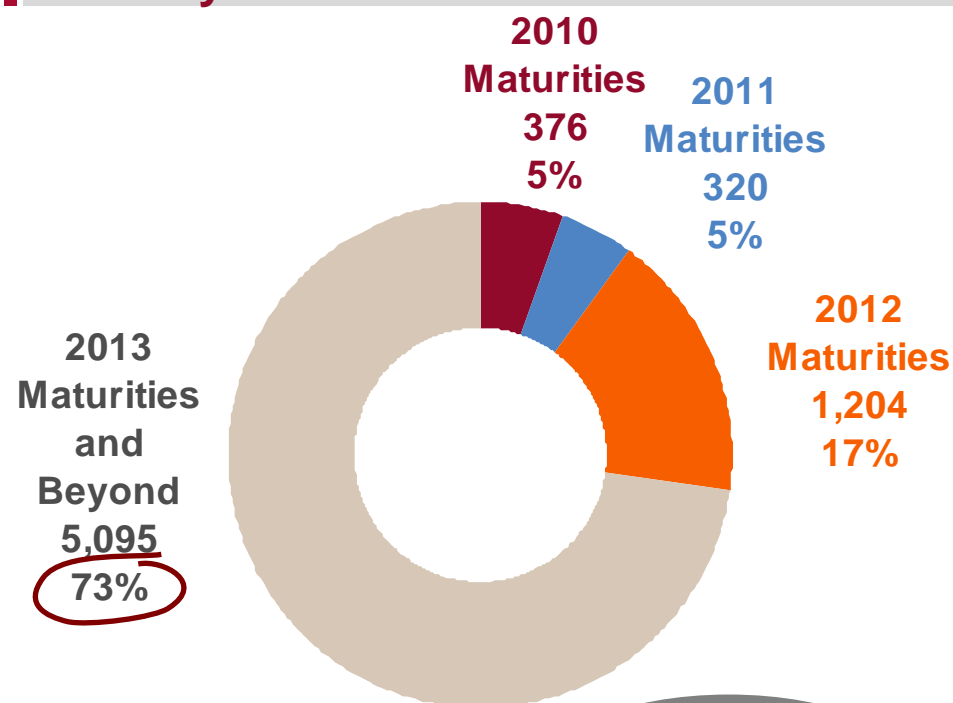
Business & Funding

A highly diversified financial structure

Funding Structure

	€ Mn	%
Covered Bonds	4,637	60%
Securitisations sold	1,286	17%
FRN	1,137	15%
Commercial Paper	376	5%
Preferred stock	150	2%
Subordinated debt	86	1%
Total Institutional Funding	7,673	100%

Maturity Structure Breakdown



Spanish financial institution maturities for 2010/11

€170 Bn

Source: AFI

The bank is well placed to cope with the difficult market conditions

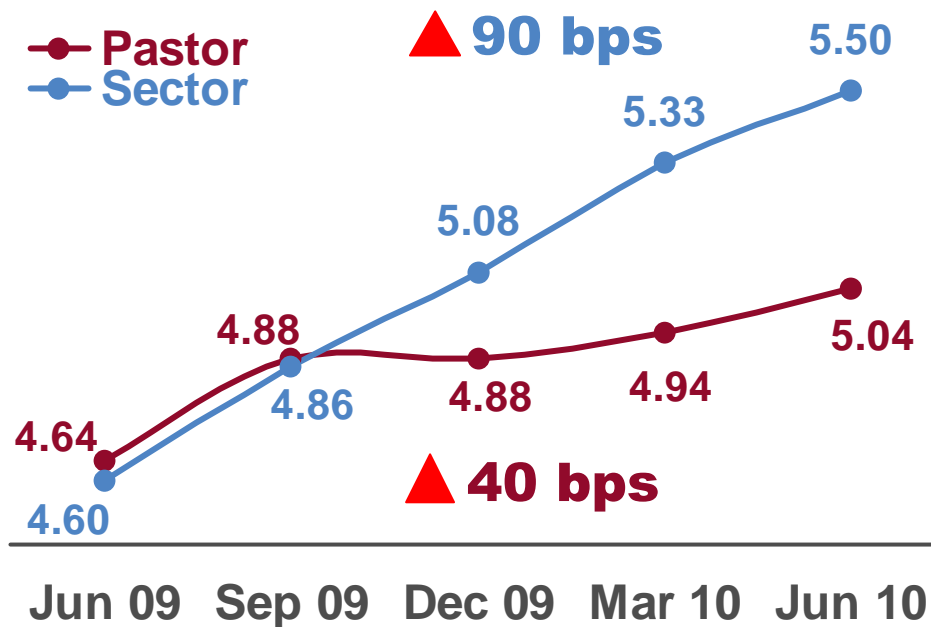
Risk Management



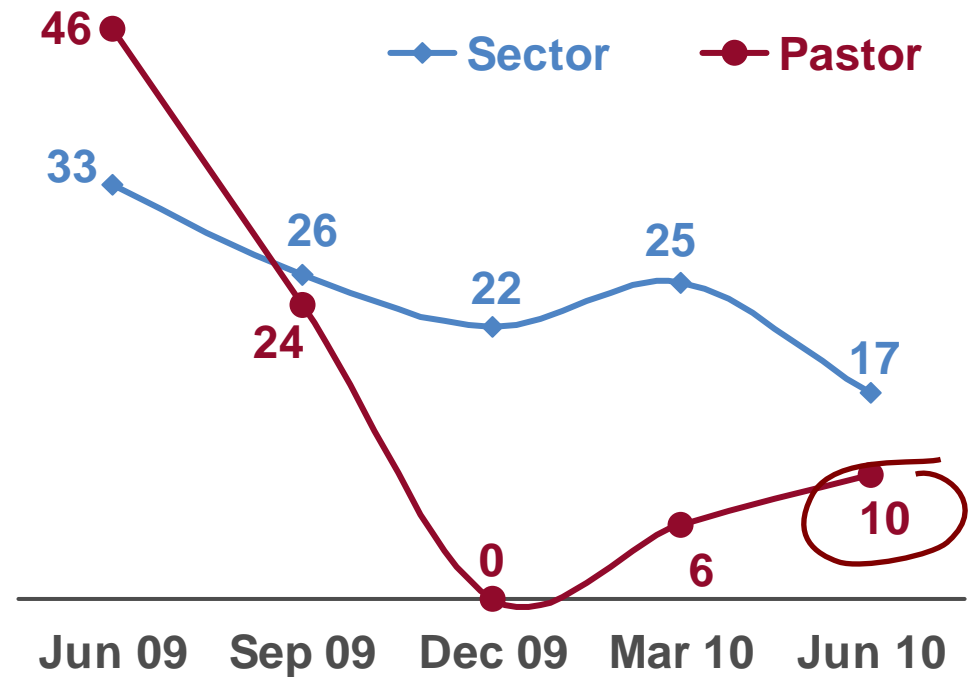
NPLs growing at a slower pace

NPL ratio Pastor vs. Sector

NPLs: 1,590 €Mn



NPL ratio evolution (bps)



Source: Bank of Spain, available data as of May 2010

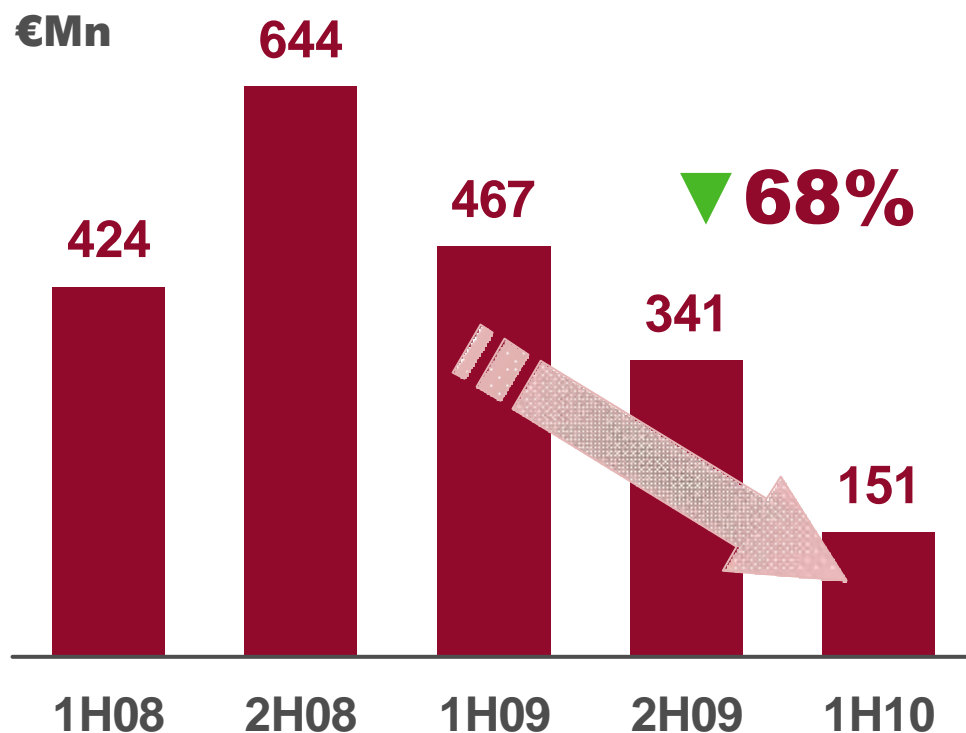
4 consecutive quarters below the sector

Risk Management

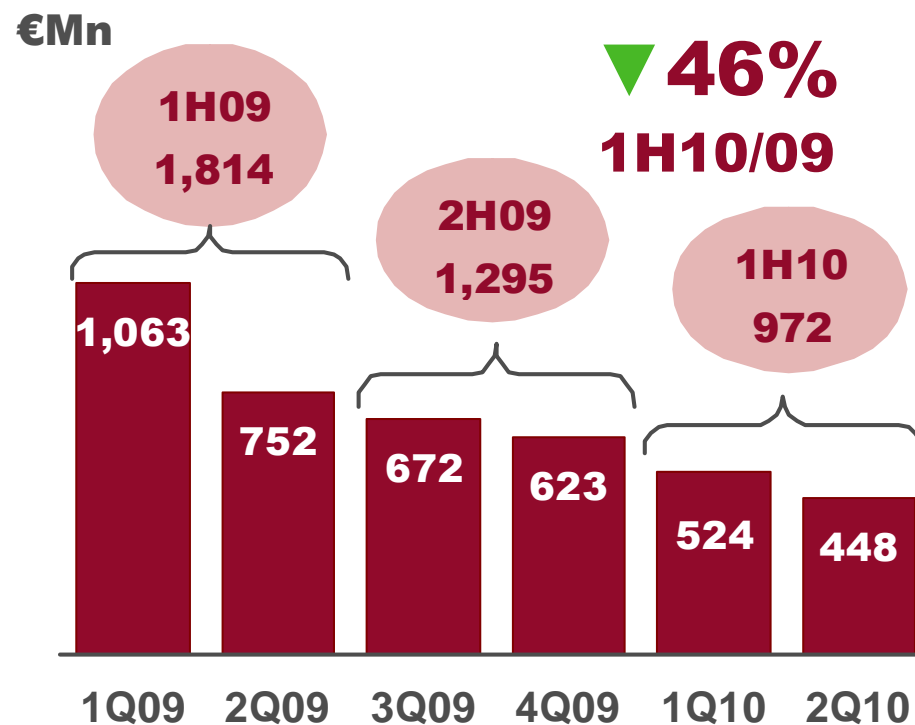


NPL formation keeps falling down

NPL net entries



Gross entries quarterly evolution

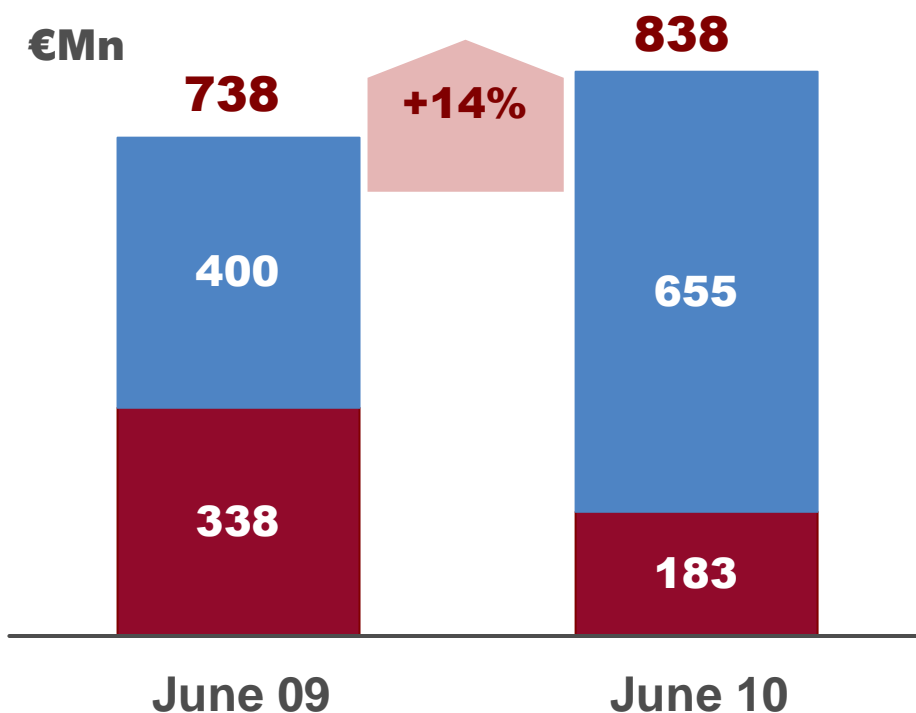


Reducing still further and now at the lowest level in the last 2 years

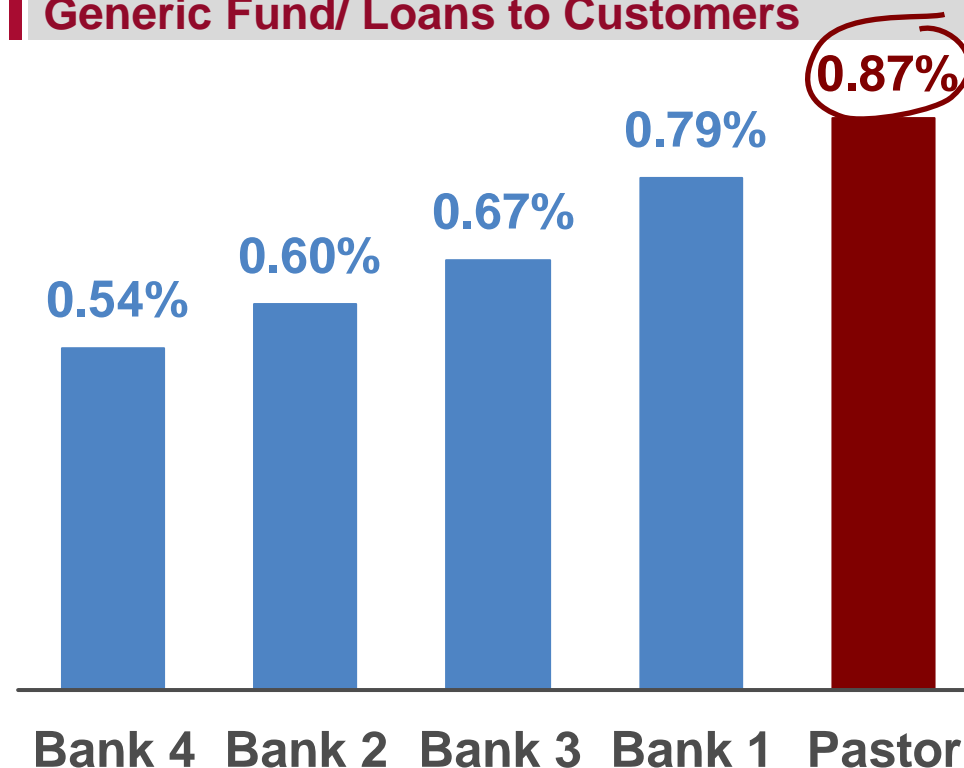
Risk Management

Reinforcing reserves...

Loan Loss Reserves Evolution



Generic Fund/ Loans to Customers



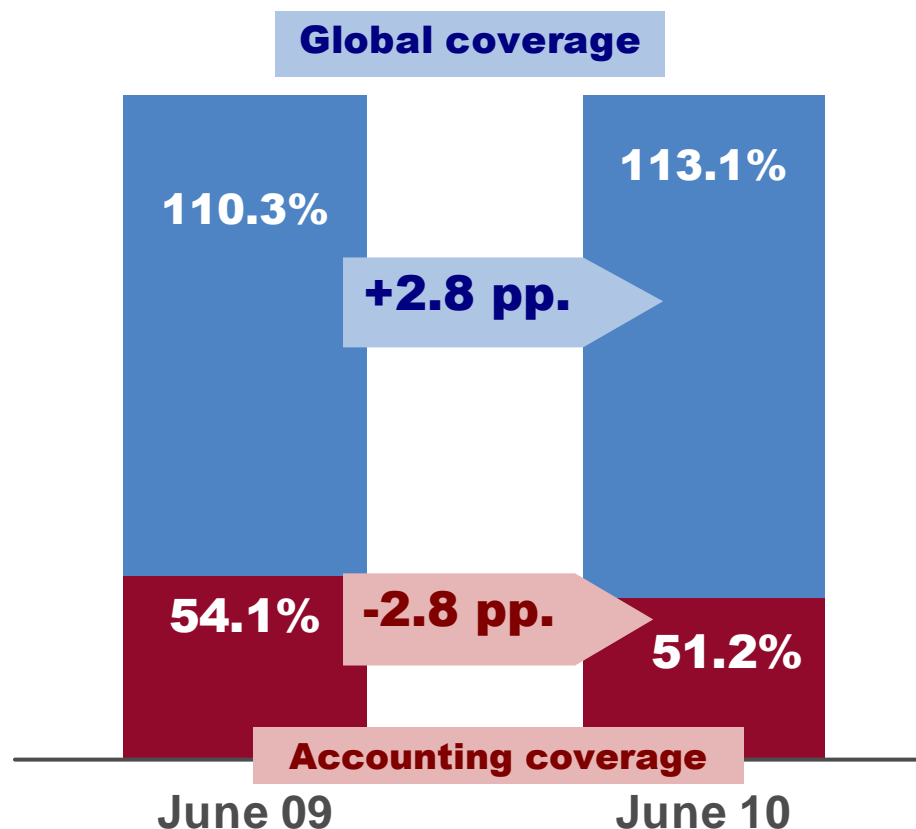
■ Generic Provision ■ Specific Provision

...while maintaining the highest generic fund

Risk Management

And achieving a 4% LLR to Loans ratio

Coverage ratio



Almost 2/3 of NPLs are asset backed

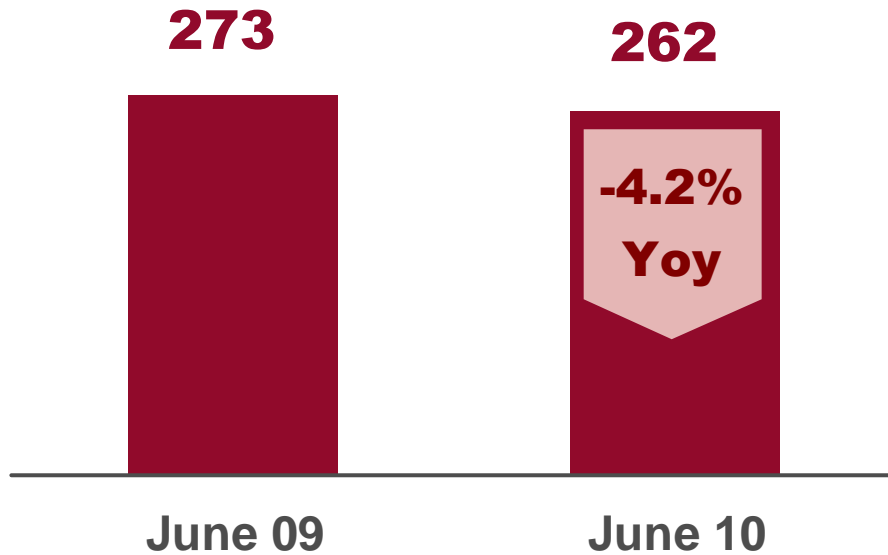
Profitability

Sailing through the repricing game and uncharted market waters

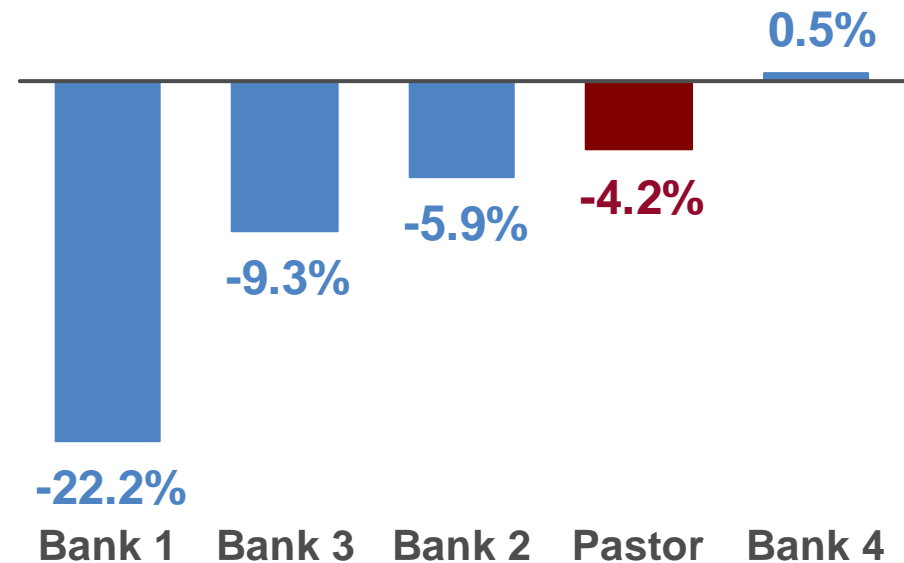


Net Interest Income Evolution

€Mn



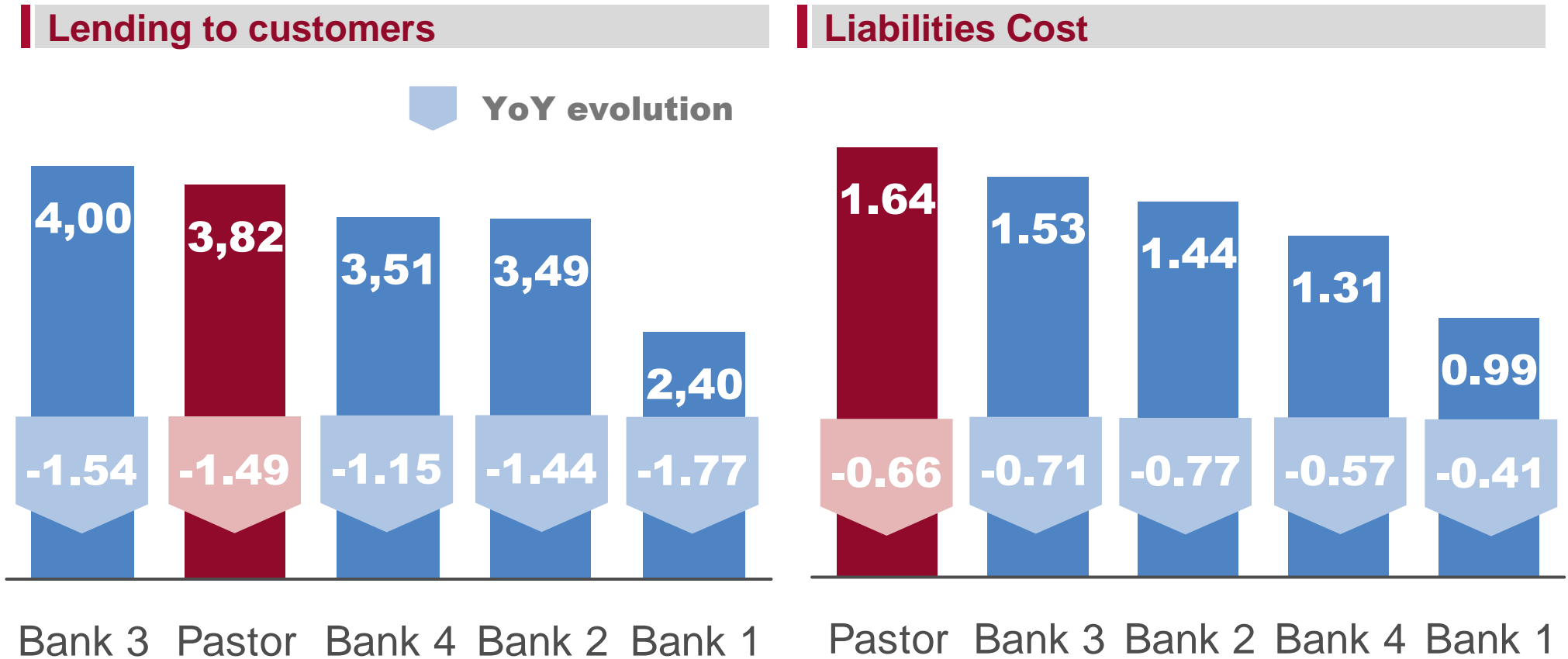
Net Interest Income YoY



Still delivering one of the best relative behaviours within the industry

Profitability

Here's how it plays out

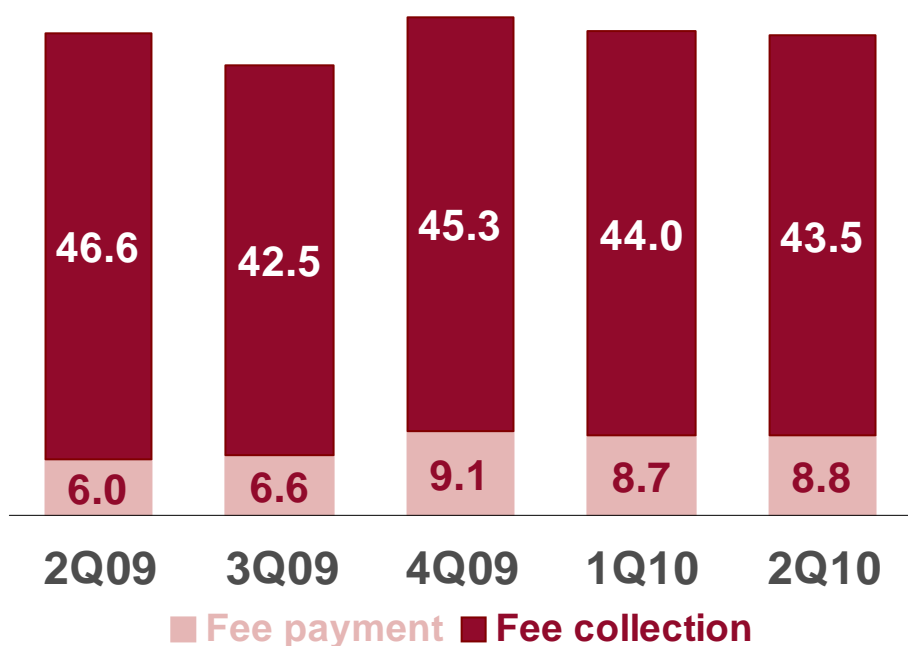


Top deposit growth at the lowest cost increase

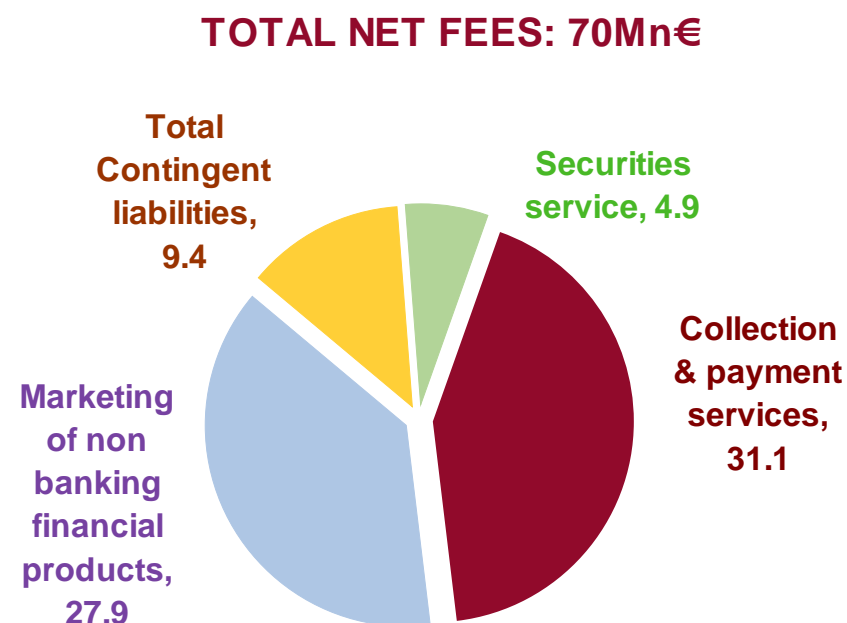
Profitability

Displaying recurrency

Net fees QoQ evolution



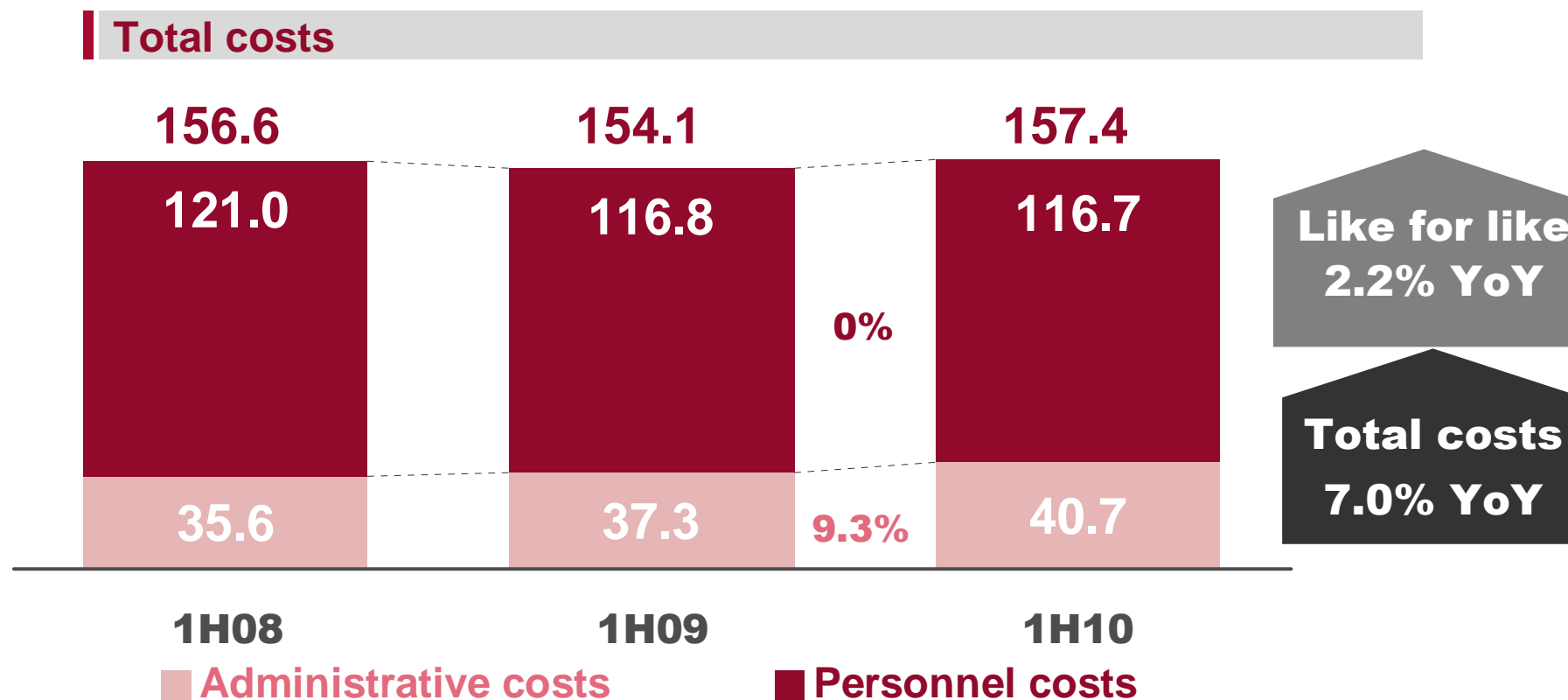
Net fees



Good behaviour of insurance and pension fund fees

Profitability

Tight cost management on a permanent basis

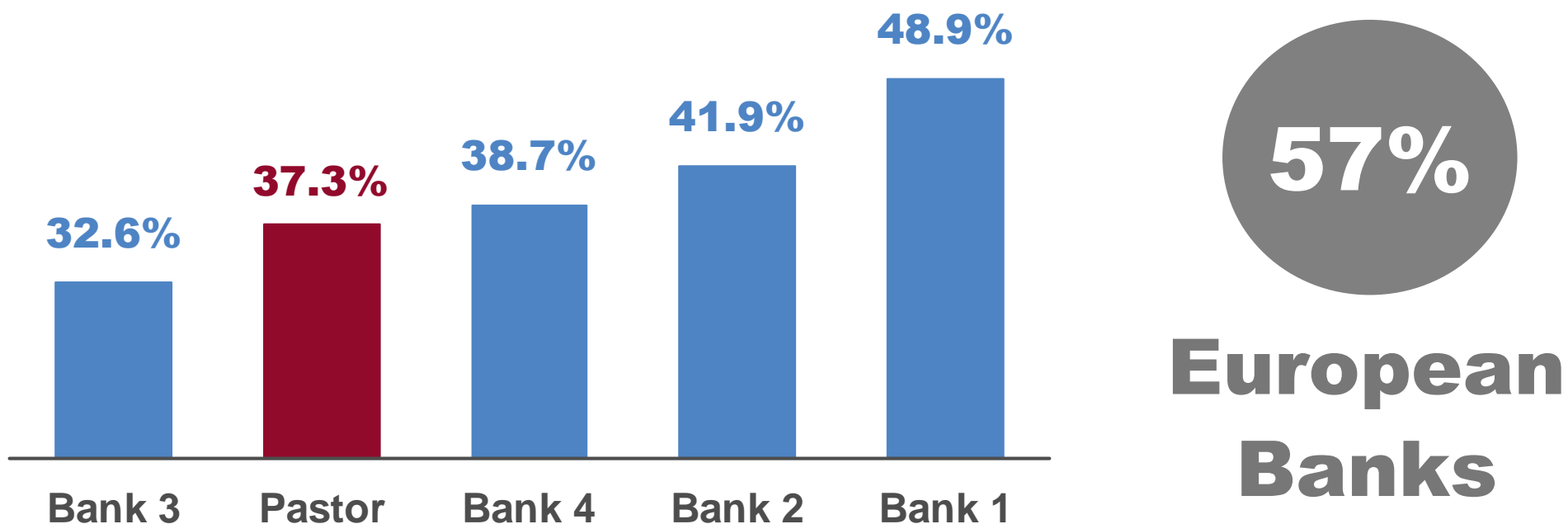


Ex rental costs:€17.3m as of June 2010

Profitability

Preserving a very good efficiency ratio

Efficiency ratio

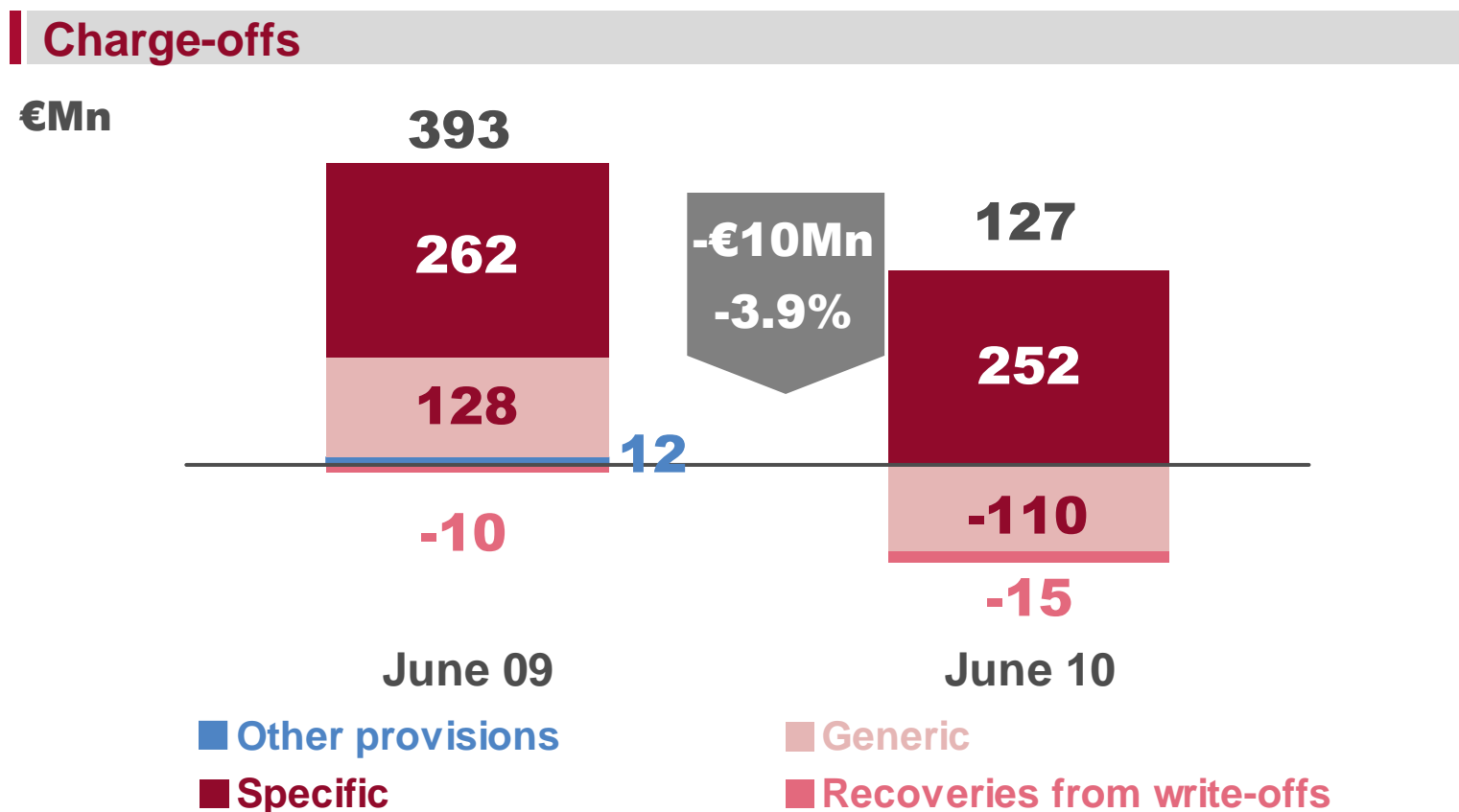


(*) Pastor excludes rental costs for a like for like comparison with peer group whose operations took place this year

Sector average stood at 41.9%, after a -100 bps YoY decrease

Profitability

Specific risk declines



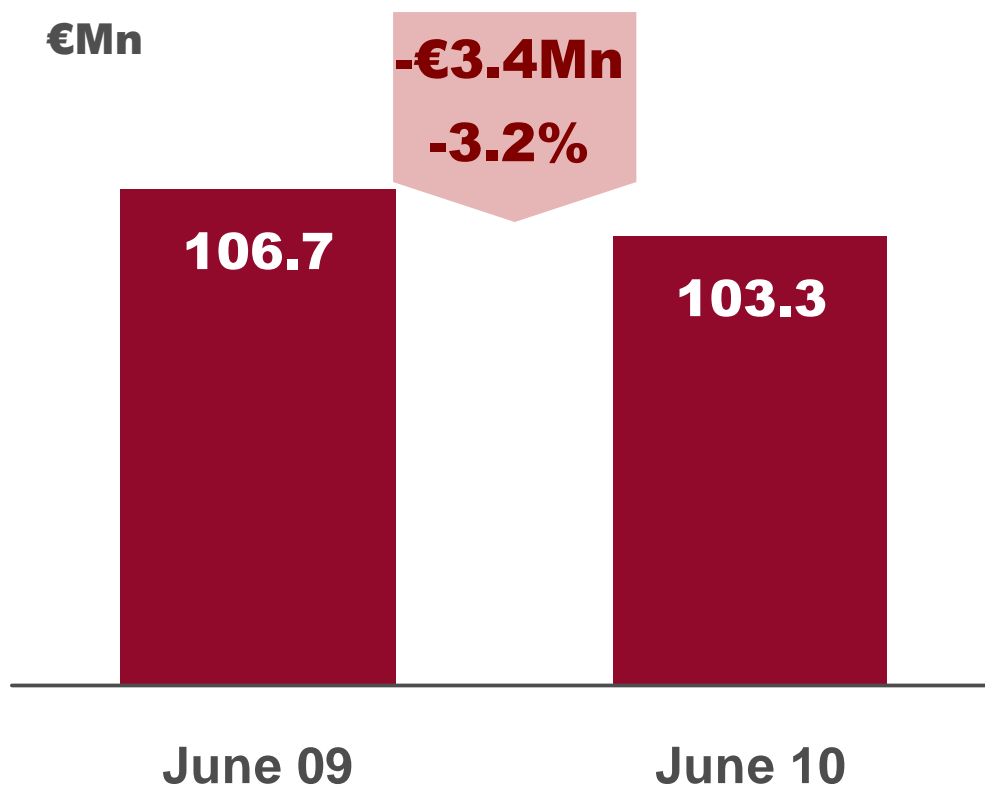
For the second consecutive quarter

Profitability

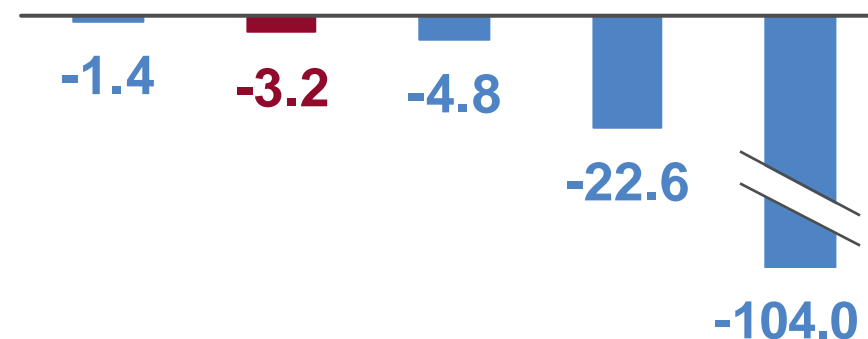
Profits share sector's trend

PBT after provisions

€Mn



YoY evolution



Bank 4 Pastor Bank 3 Bank 1 Bank 2

Net consolidated profit -25%

Strong financial position...



The bank is taking advantage of market opportunities

... and consistent business model

Disclaimer

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