

Results of the 2011 EBA EU-wide stress test: Summary ⁽¹⁻³⁾

Name of the bank: BANCO PASTOR, S.A.

Actual results at 31 December 2010	million EUR, %
Operating profit before impairments	368
Impairment losses on financial and non-financial assets in the banking book	-422
Risk weighted assets ⁽⁴⁾	18,339
Core Tier 1 capital ⁽⁴⁾	1,395
Core Tier 1 capital ratio, % ⁽⁴⁾	7.6%
Additional capital needed to reach a 5 % Core Tier 1 capital benchmark	

Outcomes of the adverse scenario at 31 December 2012, excluding all mitigating actions taken in 2011	%
Core Tier 1 Capital ratio	3.3%

Outcomes of the adverse scenario at 31 December 2012, including recognised mitigating measures as of 30 April 2011	million EUR, %
2 yr cumulative operating profit before impairments	427
2 yr cumulative impairment losses on financial and non-financial assets in the banking book	-1,558
2 yr cumulative losses from the stress in the trading book	-18
<i>of which valuation losses due to sovereign shock</i>	-1
Risk weighted assets	18,461
Core Tier 1 Capital	606
Core Tier 1 Capital ratio (%)	3.3%
Additional capital needed to reach a 5 % Core Tier 1 capital benchmark	317

Effects from the recognised mitigating measures put in place until 30 April 2011 ⁽⁵⁾	
<i>Equity raisings announced and fully committed between 31 December 2010 and 30 April 2011 (CT1 million EUR)</i>	0
<i>Effect of government support publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital ratio (percentage points of CT1 ratio)</i>	0.0
<i>Effect of mandatory restructuring plans, publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital ratio (percentage points of CT1 ratio)</i>	0.0

Additional taken or planned mitigating measures	percentage points contributing to capital ratio
Use of provisions and/or other reserves (including release of countercyclical provisions)	0.9
Divestments and other management actions taken by 30 April 2011	0.0
Other disinvestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules	0.0
Future planned issuances of common equity instruments (private issuances)	0.0
Future planned government subscriptions of capital instruments (including hybrids)	0.0
Other (existing and future) instruments recognised as appropriate back-stop measures by national supervisory authorities	1.4
Supervisory recognised capital ratio after all current and future mitigating actions as of 31 December 2012, % ⁽⁶⁾	5.6%

Notes

(1) The stress test was carried using the EBA common methodology, which includes a static balance sheet assumption and incorporates regulatory transitional floors, where binding (see <http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx> for the details on the EBA methodology).

(2) All capital elements and ratios are presented in accordance with the EBA definition of Core Tier 1 capital set up for the purposes of the EU-wide stress test, and therefore may differ from the definitions used by national supervisory authorities and/or reported by institutions in public disclosures.

(3) Neither baseline scenario nor the adverse scenario and results of the stress test should in any way be construed as a bank's forecast or directly compared to bank's other published information.

(4) Full static balance sheet assumption excluding any mitigating management actions, mandatory restructuring or capital raisings post 31 December 2010 (all government support measures and capital raisings fully paid in before 31 December 2010 are included).

(5) Effects of capital raisings, government support and mandatory restructuring plans publicly announced and fully committed in period from 31 December 2010 to 30 April 2011, which are incorporated in the Core Tier 1 capital ratio reported as the outcome of the stress test.

(6) The supervisory recognised capital ratio computed on the basis of additional mitigating measures presented in this section. The ratio is based primarily on the EBA definition, but may include other mitigating measures not recognised by the EBA methodology as having impacts in the Core Tier 1 capital, but which are considered by the national supervisory authorities as appropriate mitigating measures for the stressed conditions. Where applicable, such measures are explained in the additional announcements issued by banks/national supervisory authorities. Details of all mitigating measures are presented in the worksheet "3 - Mitigating measures).

Results of the 2011 EBA EU-wide stress test: Aggregate information and evolution of capital ⁽¹⁻⁴⁾

Name of the bank: BANCO PASTOR, S.A.

All in million EUR, or %

A. Results of the stress test based on the full static balance sheet assumption without any mitigating actions, mandatory restructuring or capital raisings post 31 December 2010 (all government support measures fully paid in before 31 December 2010 are included)

Capital adequacy	2010	Baseline scenario		Adverse scenario	
		2011	2012	2011	2012
Risk weighted assets (full static balance sheet assumption)	18,339	18,349	18,355	18,399	18,461
Common equity according to EBA definition	1,395	1,402	1,332	1,036	606
of which ordinary shares subscribed by government	0	0	0	0	0
Other existing subscribed government capital (before 31 December 2010)		0	0	0	0
Core Tier 1 capital (full static balance sheet assumption)	1,395	1,402	1,332	1,036	606
Core Tier 1 capital ratio (%)	7.6%	7.6%	7.3%	5.6%	3.3%

B. Results of the stress test recognising capital issuance and mandatory restructuring plans publicly announced and fully committed before 31 December 2010

Capital adequacy	2010	Baseline scenario		Adverse scenario	
		2011	2012	2011	2012
Risk weighted assets (full static balance sheet assumption)	18,339	18,349	18,355	18,399	18,461
Effect of mandatory restructuring plans, publicly announced and fully committed before 31 December 2010 on RWA (+/-)		0	0	0	0
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	18,339	18,349	18,355	18,399	18,461
Core Tier 1 Capital (full static balance sheet assumption)	1,395	1,402	1,332	1,036	606
Effect of mandatory restructuring plans, publicly announced and fully committed before 31 December 2010 on Core Tier 1 capital (+/-)		0	0	0	0
Core Tier 1 capital after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	1,395	1,402	1,332	1,036	606
Core Tier 1 capital ratio (%)	7.6%	7.6%	7.3%	5.6%	3.3%

C. Results of the stress test recognising capital issuance and mandatory restructuring plans publicly announced and fully committed before 30 April 2011

Capital adequacy	2010	Baseline scenario		Adverse scenario	
		2011	2012	2011	2012
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	18,339	18,349	18,355	18,399	18,461
Effect of mandatory restructuring plans, publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on RWA (+/-)		0	0	0	0
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 30 April 2011		18,349	18,355	18,399	18,461
of which RWA in banking book		16,994	17,001	17,045	17,107
of which RWA in trading book		37	37	37	37
RWA on securitisation positions (banking and trading book)		31	37	81	143
Total assets after the effects of mandatory restructuring plans publicly announced and fully committed and equity raised and fully committed by 30 April 2011	31,135	31,135	31,135	31,135	31,135
Core Tier 1 capital after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	1,395	1,402	1,332	1,036	606
Equity raised between 31 December 2010 and 30 April 2011		0	0	0	0
Equity raisings fully committed (but not paid in) between 31 December 2010 and 30 April 2011		0	0	0	0
Effect of government support publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital (+/-)		0	0	0	0
Effect of mandatory restructuring plans, publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital (+/-)		0	0	0	0
Core Tier 1 capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		1,402	1,332	1,036	606
Tier 1 capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		2,053	1,984	1,687	1,213
Total regulatory capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		2,230	2,160	1,864	1,434
Core Tier 1 capital ratio (%)	7.6%	7.6%	7.3%	5.6%	3.3%
Additional capital needed to reach a 5% Core Tier 1 capital benchmark					317

Profit and losses	2010	Baseline scenario		Adverse scenario	
		2011	2012	2011	2012
Net interest income	469	488	445	414	369
Trading income	74	49	49	43	43
of which trading losses from stress scenarios		-2	-2	-9	-9
of which valuation losses due to sovereign shock				-1	-1
Other operating income ⁽⁵⁾	82	37	37	37	37
Operating profit before impairments	368	317	274	236	191
Impairments on financial and non-financial assets in the banking book ⁽⁶⁾	-422	-307	-374	-751	-807
Operating profit after impairments and other losses from the stress	-54	10	-100	-515	-615
Other income ^(5,8)	112	-2	-2	-4	-4
Net profit after tax ⁽⁷⁾	63	5	-72	-364	-434
of which carried over to capital (retained earnings)	47	4	-72	-364	-434
of which distributed as dividends	16	1	0	0	0

Additional information	2010	Baseline scenario		Adverse scenario	
		2011	2012	2011	2012
Deferred Tax Assets ⁽⁸⁾	38	38	38	38	38
Stock of provisions ⁽⁹⁾	765	1,072	1,446	1,300	1,978
of which stock of provisions for non-defaulted assets	240	254	269	256	273
of which Sovereigns ⁽¹⁰⁾	0	12	26	14	29
of which Institutions ⁽¹⁰⁾	0	2	4	2	4
of which Corporate (excluding Commercial real estate)	198	198	198	198	198
of which Retail (excluding Commercial real estate)	37	37	37	37	37
of which Commercial real estate ⁽¹¹⁾	5	5	5	5	5
of which stock of provisions for defaulted assets	525	818	1,177	1,044	1,705
of which Corporate (excluding Commercial real estate)	397	584	813	770	1,230
of which Retail (excluding Commercial real estate)	89	169	262	200	341
of which Commercial real estate	39	64	101	74	134
Coverage ratio (%) ⁽¹²⁾					
Corporate (excluding Commercial real estate)	37.0%	33.3%	33.8%	42.9%	46.0%
Retail (excluding Commercial real estate)	24.0%	25.1%	26.1%	29.0%	31.5%
Commercial real estate	45.9%	33.4%	34.2%	37.2%	39.6%
Loss rates (%) ⁽¹³⁾					
Corporate (excluding Commercial real estate)	1.8%	1.5%	1.9%	3.1%	3.8%
Retail (excluding Commercial real estate)	1.9%	0.9%	1.0%	1.2%	1.5%
Commercial real estate	0.9%	1.7%	2.4%	2.3%	4.0%
Funding cost (bps)	169			249	342

D. Other mitigating measures (see Mitigating measures worksheet for details), million EUR ⁽¹⁴⁾

All effects as compared to regulatory aggregates as reported in Section C	Baseline scenario		Adverse scenario	
	2011	2012	2011	2012
A) Use of provisions and/or other reserves (including release of countercyclical provisions), capital ratio effect ⁽⁶⁾	168	168	168	168
B) Divestments and other management actions taken by 30 April 2011, RWA effect (+/-)	0	0	0	0
B1) Divestments and other business decisions taken by 30 April 2011, capital ratio effect (+/-)	0	0	0	0
C) Other disinvestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules, RWA effect (+/-)	0	0	0	0
C1) Other disinvestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules, capital ratio effect (+/-)	0	0	0	0
D) Future planned issuances of common equity instruments (private issuances), capital ratio effect	0	0	0	0
E) Future planned government subscriptions of capital instruments (including hybrids), capital ratio effect	0	0	0	0
F) Other (existing and future) instruments recognised as appropriate back-stop measures by national supervisory authorities, RWA effect (+/-)	0	0	0	0
F1) Other (existing and future) instruments recognised as appropriate back-stop measures by national supervisory authorities, capital ratio effect (+/-)	252	252	252	252
Risk weighted assets after other mitigating measures (B+C+F)	18,349	18,355	18,399	18,461
Capital after other mitigating measures (A+B1+C1+D+E+F1)	1,822	1,752	1,456	1,026
Supervisory recognised capital ratio (%) ⁽¹⁵⁾	9.9%	9.5%	7.9%	5.6%

Notes and definitions

- (1) The stress test was carried using the EBA common methodology, which includes a static balance sheet assumption (see <http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx> for the details on the EBA methodology).
- (2) All capital elements and ratios are presented in accordance with the EBA definition of Core Tier 1 capital set up for the purposes of the EU-wide stress test, and therefore may differ from the definitions used by national supervisory authorities and/or reported by institutions in public disclosures.
- (3) Neither baseline scenario nor the adverse scenario and results of the stress test should in any way be construed as a bank's forecast or directly compared to bank's other published information.
- (4) Regulatory transitional floors are applied where binding. RWA for credit risk have been calculated in accordance with the EBA methodology assuming an additional floor imposed at a level of RWA, before regulatory transitional floors, for December 2010 for both IRB and STA portfolios.
- (5) Banks are required to provide explanations of what "Other operating income" and "Other income" constitutes for. "Other operating income" comprises, mainly, incomes from stockholdings not included in the trading book. "Other income": In 2010 the main figure is the result of capital gain from the sale of shareholding of insurance subsidiaries. In 2011 and 2012, it includes the participations and intangible assets (goodwill) impairment estimates.
- (6) If under the national legislation, the release of countercyclical provisions and/or other similar reserves is allowed, this figure for 2010 could be included either in rows "Impairments on financial assets in the banking book" or "Other income" for 2010, whereas under the EU-wide stress test methodology such release for 2011-2012 should be reported in Section D as other mitigating measures.
- (7) Net profit includes profit attributable to minority interests.
- (8) Deferred tax assets as referred to in paragraph 69 of BCBS publication dated December 2010: "Basel 3 – a global regulatory framework for more resilient banks and banking systems".
- (9) Stock of provisions includes collective and specific provisions as well as countercyclical provisions, in the jurisdictions, where required by the national legislation.
- (10) Provisions for non-defaulted exposures to sovereigns and financial institutions have been computed taking into account benchmark risk parameters (PDs and LGDs) provided by the EBA and referring to external credit ratings and assuming hypothetical scenario of rating agency downgrades of sovereigns.
- (11) For definition of commercial real estate please refer to footnote (5) in the worksheet "4 - EADs".
- (12) Coverage ratio = stock of provisions on defaulted assets / stock of defaulted assets expressed in EAD for the specific portfolio.
- (13) Loss rate = total impairment flow (specific and collective impairment flow) for a year / total EAD for the specific portfolio (including defaulted and non-defaulted assets but excluding securitisation and counterparty credit risk exposures).
- (14) All elements are reported net of tax effects.
- (15) The supervisory recognised capital ratio computed on the basis of additional mitigating measures presented in this section. The ratio is based primarily on the EBA definition, but may include other mitigating measures not recognised by the EBA methodology as having impacts in the Core Tier 1 capital, but which are considered by the national supervisory authorities as appropriate mitigating measures for the stressed conditions. Where applicable, such measures are explained in the additional announcements issued by banks/national supervisory authorities. Details of all mitigating measures are presented in the worksheet "3 - Mitigating measures".

Results of the 2011 EBA EU-wide stress test: Composition of capital as of 31 December 2010

Name of the bank: BANCO PASTOR, S.A.

Situation at December 2010	December 2010		References to COREP reporting
	Million EUR	% RWA	
A) Common equity before deductions (Original own funds <u>without hybrid instruments and government support measures other than ordinary shares</u>) (+)	1,400	7.6%	COREP CA 1.1 - hybrid instruments and government support measures other than ordinary shares
Of which: (+) eligible capital and reserves	1,463	8.0%	COREP CA 1.1.1 + COREP line 1.1.2.1
Of which: (-) intangibles assets (including goodwill)	-63	-0.3%	Net amount included in T1 own funds (COREP line 1.1.5.1)
Of which: (-/+) adjustment to valuation differences in other AFS assets ⁽¹⁾	44	0.2%	Prudential filters for regulatory capital (COREP line 1.1.2.6.06)
B) Deductions from common equity (Elements deducted from original own funds) (-)	-4	0.0%	COREP CA 1.3.T1* (negative amount)
Of which: (-) deductions of participations and subordinated claims	-4	0.0%	Total of items as defined by Article 57 (l), (m), (n) (o) and (p) of Directive 2006/48/EC and deducted from original own funds (COREP lines from 1.3.1 to 1.3.5 included in line 1.3.T1*)
Of which: (-) securitisation exposures not included in RWA	0	0.0%	COREP line 1.3.7 included in line 1.3.T1*
Of which: (-) IRB provision shortfall and IRB equity expected loss amounts (before tax)	0	0.0%	As defined by Article 57 (q) of Directive 2006/48/EC (COREP line 1.3.8 included in 1.3.T1*)
C) Common equity (A+B)	1,395	7.6%	
Of which: ordinary shares subscribed by government			Paid up ordinary shares subscribed by government
D) Other Existing government support measures (+)			
E) Core Tier 1 including existing government support measures (C+D)	1,395	7.6%	Common equity + Existing government support measures included in T1 other than ordinary shares
Difference from benchmark capital threshold (CT1 5%)	478	2.6%	Core tier 1 including government support measures - (RWA*5%)
F) Hybrid instruments not subscribed by government	400	2.2%	Net amount included in T1 own funds (COREP line 1.1.4.1a + COREP lines from 1.1.2.2**01 to 1.1.2.2**05 + COREP line 1.1.5.2a (negative amount)) not subscribed by government
Tier 1 Capital (E+F) (Total original own funds for general solvency purposes)	1,795	9.8%	COREP CA 1.4 = COREP CA 1.1 + COREP CA 1.3.T1* (negative amount)
Tier 2 Capital (Total additional own funds for general solvency purposes)	176	1.0%	COREP CA 1.5
Tier 3 Capital (Total additional own funds specific to cover market risks)	0	0.0%	COREP CA 1.6
Total Capital (Total own funds for solvency purposes)	1,971	10.7%	COREP CA 1
Memorandum items			
Amount of holdings, participations and subordinated claims in credit, financial and insurance institutions <u>not deducted for the computation of core tier 1</u> but deducted for the computation of total own funds	4	0.0%	Total of items as defined by Article 57 (l), (m), (n) (o) and (p) of Directive 2006/48/EC not deducted for the computation of original own funds
Amount of securitisation exposures not included in RWA and <u>not deducted for the computation of core tier 1</u> but deducted for the computation of total own funds	0	0.0%	Total of items as defined by Article 57 (r) of Directive 2006/48/EC not deducted for the computation of original own funds
Deferred tax assets ⁽²⁾	38	0.2%	As referred to in paragraph 69 of BCBS publication dated December 2010 : "Basel 3 – a global regulatory framework for more resilient banks and banking systems"
Minority interests (excluding hybrid instruments) ⁽²⁾	9	0.0%	Gross amount of minority interests as defined by Article 65 1. (a) of Directive 2006/48/EC
Valuation differences eligible as original own funds (-/+) ⁽³⁾	-1	0.0%	COREP line 1.1.2.6

Notes and definitions

(1) The amount is already included in the computation of the eligible capital and reserves and it is provided separately for information purposes.

(2) According to the Basel 3 framework specific rules apply for the treatment of these items under the Basel 3 framework, no full deduction is required for the computation of common equity.

(3) This item represents the impact in original own funds of valuation differences arising from the application of fair value measurement to certain financial instruments (AFS/FVO) and property assets after the application of prudential filters.

Results of the 2011 EBA EU-wide stress test: Overview of mitigating measures ⁽¹⁻²⁾

Name of the bank: BANCO PASTOR, S.A.

Use of countercyclical provisions, divestments and other management actions

Please fill in the table using a separate row for each measure	Narrative description	Date of completion (actual or planned for future issuances)	Capital / P&L impact (in million EUR)	RWA impact (in million EUR)	Capital ratio impact (as of 31 December 2012) %
A) Use of provisions and/or other reserves (including release of countercyclical provisions).⁽³⁾					
Collective provisions after the stress test	"Provisión Genérica"		168		0.9%
B) Divestments and other management actions taken by 30 April 2011					
1)					
2)					
C) Other divestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules					
1)					
2)					

Future capital raisings and other back stop measures

Please fill in the table using a separate row for each measure	Date of issuance (actual or planned for future issuances, dd/mm/yy)	Amount (in million EUR)	Maturity (dated/undated) ⁽⁴⁾	Loss absorbency in going concern (Yes/No)	Flexibility of payments (capacity to) (Yes/No)	Permanence (Undated and without incentive to) (Yes/No)	Conversion clause (where appropriate)			
							Nature of conversion (mandatory/discretionary)	Date of conversion (at any time/from a specific date: dd/mm/yy)	Triggers (description of the triggers)	Conversion in common equity (Yes/No)
D) Future planned issuances of common equity instruments (private issuances)										
E) Future planned government subscriptions of capital instruments (including hybrids)										
1) Denomination of the instrument										
2)										
F) Other (existing and future) instruments recognised as back stop measures by national supervisory authorities (including hybrids)										
1) Obligaciones convertibles		252	14/04/2014	Yes	Yes	Yes	mandatory	at any time	Types of conversion: 1. VOLUNTARY: 1.1. Voluntary Annual Conversion: The investor has the right to request conversion within the first fifteen calendar days prior to the tenth business day prior (the latter inclusive) to 14 April 2012 and 2013 (or, in the event of a delay in the Dated Date as provided in paragraph 5.1.3.4 of Securities Note, the days on which the first and second anniversaries of the Dated Date occur), 1.2. Voluntary Quarterly Conversion: When the Bank in lieu of paying the Remuneration, opts to open a Conversion Period within fifteen calendar days prior to the tenth business day prior (the latter including) to 14 April, 14 July, 14 October, or 14 January of each year during the term of the issue as appropriate (or, in the event of a delay in the Dated Date as provided in paragraph 5.1.3.4 of Securities Note, the new payment dates to be established) and 1.3. Voluntary Conditional Quarterly Conversion: If the Bank of Spain requires that remuneration not be paid for any remuneration period during the Issue. 2. MANDATORY: 2.1. on 14.04.2014; 2.2. if the Bank agree any decision, other than a merger, segregation or disposal of assets and liabilities, in order to liquidate the Bank.; 2.3. if the Bank takes any decision in order to reduce the capital; if the Bank is in bankruptcy, default of payments or the Bank is intervened by authorities; 2.4. if Bank of Spain decides the conversion due to Bank's financial situation or solvency.	Yes
2)										

Notes and definitions

(1) The order of the measures follows the order of mitigating measures reported in the Section D of the worksheet "1 - Aggregate information".

(2) All elements are reported net of tax effects.

(3) If under the national legislation, the release of countercyclical provisions and/or other similar reserves is allowed, this figure for 2010 could be included either in rows "Impairments on financial assets in the banking book" or "Other income" for 2010, whereas under the EU-wide stress test methodology such release for 2011-2012 should be reported in Section D of the worksheet "1- Aggregate information" as other mitigating measures and explained in this worksheet.

(4) If dated please insert the maturity date (dd/mm/yy) otherwise specify undated.

Results of the 2011 EBA EU-wide stress test: Credit risk exposures (EAD - exposure at default), as of 31 December 2010, min EUR, ⁽¹⁻⁹⁾

Name of the bank: BANCO PASTOR, S.A.

All values in million EUR, or %

	Non-defaulted exposures										Defaulted exposures (excluding sovereign)	Total exposures ⁽⁷⁾
	Institutions	Corporate (excluding commercial real estate)	Retail (excluding commercial real estate)					Commercial Real Estate				
			of which Residential mortgages	of which Revolving	of which SME	of which other	Loan to Value (LTV) ratio (%) ⁽⁶⁾					
			Loan to Value (LTV) ratio (%) ⁽⁶⁾									
Austria			0									
Belgium			0									
Bulgaria			0									
Cyprus			0									
Czech Republic			0									
Denmark			0									
Estonia			0									
Finland			0									
France			0									
Germany			0									
Greece			0									
Hungary			0									
Iceland			0									
Ireland			0									
Italy			0									
Latvia			0									
Liechtenstein			0									
Lithuania			0									
Luxembourg			0									
Malta			0									
Netherlands			0									
Norway			0									
Poland			0									
Portugal			0									
Romania			0									
Slovakia			0									
Slovenia			0									
Spain	1,544	10,824	8,715	6,472	57	264	1,979	0	1,421	45	1,516	28,779
Sweden			0									
United Kingdom			0									
United States	99		0									99
Japan			0									
Other non EEA non Emerging countries			0									
Asia			0									
Middle and South America			0									
Eastern Europe non EEA			0									
Others	22	257	96	81		15					14	389
Total	1,665	11,081	8,811	6,553	57	264	1,994	0	1,421	45	1,530	29,267

Notes and definitions

(1) EAD - Exposure at Default or exposure value in the meaning of the CRD.

(2) The EAD reported here are based on the methodologies and portfolio breakdowns used in the 2011 EU-wide stress test, and hence may differ from the EAD reported by banks in their Pillar 3 disclosures, which can vary based on national regulation. For example, this would affect breakdown of EAD for real estate exposures and SME exposures.

(3) Breakdown by country and macro area (e.g. Asia) when EAD >=5%. In any case coverage 100% of total EAD should be ensured (if exact mapping of some exposures to geographies is not possible, they should be allocated to the group "others").

(4) The allocation of countries and exposures to macro areas and emerging/non-emerging is according to the IMF WEO country groupings. See: <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/groups.htm>

(5) Residential real estate property which is or will be occupied or let by the owner, or the beneficial owner in the case of personal investment companies, and commercial real estate property, that is, offices and other commercial premises, which are recognised as eligible collateral in the meaning of the CRD, with the following criteria, which need to be met:

(a) the value of the property does not materially depend upon the credit quality of the obligor. This requirement does not preclude situations where purely macro economic factors affect both the value of the property and the performance of the borrower; and

(b) the risk of the borrower does not materially depend upon the performance of the underlying property or project, but rather on the underlying capacity of the borrower to repay the debt from other sources. As such, repayment of the facility does not materially depend on any cash flow generated by the underlying property serving as collateral.

(6) Loan to value ratio - ratio of EAD to the market value of real estate used as collateral for such exposures. Given the different methodologies applied to assessing the value, the bank is required to explain the computation of the ratio. In particular

(a) whether collateral values is marked-to-market or any other valuation method is used, (b) whether the amount has been adjusted for principal repayments, and (c) how guarantees other than the underlying property are treated.

Definition of Loan to Value ratio used: the individual LTV of each loan is the ratio of its EAD, adjusted for principal payments, to the aggregate value of all properties that serve as collateral for the loan. The aggregate LTV by country is the EAD-weighted average of individual LTVs.

(7) Total exposures is the total EAD according to the CRD definition based on which the bank computes RWA for credit risk. Total exposures, in addition to the exposures broken down by regulatory portfolios in this table, include EAD for securitisation transactions, counterparty credit risk, sovereigns, guaranteed by sovereigns, public sector entities and central banks.

Results of the 2011 EBA EU-wide stress test: Exposures to sovereigns (central and local governments), as of 31 December 2010, mIn EUR ^(1,2)

Name of the bank: BANCO PASTOR, S.A.

All values in million EUR

Residual Maturity	Country/Region	GROSS DIRECT LONG EXPOSURES (accounting value gross of specific provisions)		NET DIRECT POSITIONS (gross exposures (long) net of cash short position of sovereign debt to other counterparties only where there is maturity matching)				DIRECT SOVEREIGN EXPOSURES IN DERIVATIVES	INDIRECT SOVEREIGN EXPOSURES IN THE TRADING BOOK
			of which: loans and advances		of which: AFS banking book	of which: FVO (designated at fair value through profit&loss) banking book	of which: Trading book ⁽³⁾		
3M	Austria	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Belgium	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Bulgaria	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Cyprus	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Czech Republic	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Denmark	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Estonia	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
3M	Finland	0	0	0	0	0	0	0	0
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		

Residual Maturity	Country/Region	GROSS DIRECT LONG EXPOSURES (accounting value gross of specific provisions)		NET DIRECT POSITIONS (gross exposures (long) net of cash short position of sovereign debt to other counterparties only where there is maturity matching)				DIRECT SOVEREIGN EXPOSURES IN DERIVATIVES Net position at fair values (Derivatives with positive fair value + Derivatives with negative fair value)	INDIRECT SOVEREIGN EXPOSURES IN THE TRADING BOOK Net position at fair values (Derivatives with positive fair value + Derivatives with negative fair value)
			of which: loans and advances		of which: AFS banking book	of which: FVO (designated at fair value through profit&loss) banking book	of which: Trading book (3)		
5Y	Finland	0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0		
		0	0	0	0	0	0	0	
3M	France	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0	0	
3M	Germany	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0	5	
3M	Greece	0	0	0	0	0	0		
1Y		41	0	41	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		41	0	41	0	0	0	12	
3M	Hungary	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0	17	
3M	Iceland	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0	0	
3M	Ireland	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		0	0	0	0	0	0	0	
3M	Italy	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		103	0	103	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y		0	0	0	0	0	0		
		103	0	103	0	0	0	0	
3M	Latvia	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		

Residual Maturity	Country/Region	GROSS DIRECT LONG EXPOSURES (accounting value gross of specific provisions)		NET DIRECT POSITIONS (gross exposures (long) net of cash short position of sovereign debt to other counterparties only where there is maturity matching)				DIRECT SOVEREIGN EXPOSURES IN DERIVATIVES Net position at fair values (Derivatives with positive fair value + Derivatives with negative fair value)	INDIRECT SOVEREIGN EXPOSURES IN THE TRADING BOOK Net position at fair values (Derivatives with positive fair value + Derivatives with negative fair value)
			of which: loans and advances		of which: AFS banking book	of which: FVO (designated at fair value through profit&loss) banking book	of which: Trading book ⁽³⁾		
		0	0	0	0	0	0	0	
3M	Other non EEA non Emerging countries	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y	0	0	0	0	0	0			
		0	0	0	0	0	0	0	
3M	Asia	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y	0	0	0	0	0	0			
		0	0	0	0	0	0	0	
3M	Middle and South America	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y	0	0	0	0	0	0			
		0	0	0	0	0	0	0	
3M	Eastern Europe non EEA	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y	0	0	0	0	0	0			
		0	0	0	0	0	0	0	
3M	Others	0	0	0	0	0	0		
1Y		0	0	0	0	0	0		
2Y		0	0	0	0	0	0		
3Y		0	0	0	0	0	0		
5Y		0	0	0	0	0	0		
10Y		0	0	0	0	0	0		
15Y	0	0	0	0	0	0			
		0	0	0	0	0	0	0	
	TOTAL	2.553	645	2.443	68	0	110	17	0

Notes and definitions

(1) The allocation of countries and exposures to macro areas and emerging/non-emerging is according to the IMF WEO country groupings. See: <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/groups.htm>

(2) The exposures reported in this worksheet cover only exposures to central and local governments on immediate borrower basis, and do not include exposures to other counterparties with full or partial government guarantees (such exposures are however included in the total EAD reported in the worksheet "4 - EADs").

(3) According to the EBA methodologies, for the trading book assets banks have been allowed to offset only cash short positions having the same maturities (paragraph 202 of the Methodological note).

BANCO PASTOR, S.A. CAPITAL UPDATE - EU WIDE STRESS TEST RESULTS.

Banco Pastor, S.A. (hereinafter Banco Pastor) was subject to the 2011 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Bank of Spain, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB).

Banco Pastor notes the announcements made today by the EBA and Bank of Spain on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The EU-wide stress test, carried out across 91 banks covering over 65% of the EU banking system total assets, seeks to assess the resilience of European banks to severe shocks and their specific solvency to hypothetical stress events under certain restrictive conditions.

The assumptions and methodology were established to assess banks' capital adequacy against a 5% Core Tier 1 capital benchmark and are intended to restore confidence in the resilience of the banks tested. The adverse stress test scenario was set by the ECB and covers a two-year time horizon (2011-2012). The stress test has been carried out using a static balance sheet assumption as at December 2010. The stress test does not take into account future business strategies and management actions and is not a forecast of Banco Pastor profits.

As a result of the assumed shock, the estimated consolidated Core Tier 1 capital ratio of Banco Pastor would change to 3.30% under the adverse scenario in 2012 compared to 7.61% as of end of 2010. Nevertheless, this result does not incorporate the following additional mitigating measures which are considered by our national supervisory authority, Bank of Spain, as appropriate mitigating measures for the stressed conditions:

- mandatory convertible bonds fully issued and disbursed by April 14th 2011 which are considered as core capital by Bank of Spain both for regulatory ratio and for the fulfilment of the Royal Decree Law 2/2011
- existing collective provision (that is to say countercyclical) at December 31st 2010.

Considering these two effects, the Core Tier 1 capital ratio of Banco Pastor reaches 5.60% under the adverse scenario in 2012. Both ratios do not take into account future mitigating actions planned by Banco Pastor.

The EU-wide stress test requires that the results and weaknesses identified, which will be disclosed to the market, are acted on to improve the resilience of the financial system.



Banco Pastor

The capital raised and measures taken by the bank are aimed at assuring all stakeholders, including depositors, other customers, staff and investors, that Banco Pastor will continue to be a part of the Spanish banking sector and provide long term support to its customers.

The measures already implemented to strengthen the capital position have been based both on the capitalization of retained earnings and on the access to capital markets. It is fair to highlight that no public support has been needed to meet capital requirements in this unlikely macro scenario

Such retained profit has mainly been dedicated to reinforce the collective provisions that, according to Spanish regulation, can only be applied to cover eventual oncoming credit losses. As of December 31st 2010 collective provisions accounted for 240 million EUR or 0.90% over RWA after taxes.

Recent access to capital markets has allowed Banco Pastor to raise 252 million EUR (1.40% of December 31st 2010 RWA) on a mandatory convertible issue which is a forward rights issue and was successfully settled by April 14th 2011.

Banco Pastor sovereign exposure is related to Spanish bonds and bills. In regard to exposure to Greece, it has been substantially reduced from 40 million EUR on December 31st 2010 to 3 million EUR today on day.

Notes to editors

The detailed results of the stress test under the baseline and adverse scenarios as well as information on Banco Pastor S.A. credit exposures and exposures to central and local governments are provided in the accompanying disclosure tables based on the common format provided by the EBA.

The stress test was carried out based on the EBA common methodology and key common assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures) as published in the EBA Methodological note. Therefore, the information relative to the baseline scenarios is provided only for comparison purposes. Neither the baseline scenario nor the adverse scenario should in any way be construed as a bank's forecast or directly compared to bank's other published information.

See more details on the scenarios, assumptions and methodology on the EBA website: <http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx>

BANCO PASTOR, S.A. – RESULTADOS DE LOS STRESS TESTS DE LA UNIÓN EUROPEA

Banco Pastor, S.A. (en adelante “Banco Pastor”) se ha sometido a los Stress tests realizados en 2011 en toda la Unión Europea por la Autoridad Bancaria Europea (EBA), en cooperación con Banco de España (supervisor nacional), el Banco Central Europeo (ECB), la Comisión Europea (EC) y el Consejo Europeo de Riesgo Sistémico (ESRB).

Banco Pastor toma nota del anuncio realizado hoy por la EBA y el Banco de España sobre los Stress tests de la Unión Europea, y asume plenamente los resultados de este ejercicio.

Los Stress tests de la Unión Europea han sido realizados sobre 91 bancos que concentran más del 65% de los activos totales del sector bancario de la Unión Europea, tienen como objetivo evaluar la resistencia de los bancos europeos a graves turbulencias y su solvencia frente a hipotéticas situaciones de estrés bajo ciertas condiciones restrictivas.

Las hipótesis y metodología han sido establecidos con objeto de evaluar la adecuación de capital de cada entidad financiera, fijándose un ratio de capital Core Tier 1 mínimo a alcanzar del 5%, y pretenden restaurar la confianza en la resistencia de los bancos analizados. El escenario adverso ha sido impuesto por el Banco Central Europeo, y cubre un horizonte temporal de dos años (2011-2012). Los Stress tests han sido realizados asumiendo un balance a 31 de diciembre de 2010 que permanece constante. El test no contempla futuras estrategias de negocio ni medidas de gestión, y no es una estimación de los beneficios futuros de Banco Pastor.

Como resultado de las hipótesis de estrés asumidas, la estimación de la ratio de capital Core Tier 1 consolidada de Banco Pastor se situaría al cierre de 2012 en el 3,30% bajo el escenario adverso, en comparación con el 7,61% al cierre de 2010. Sin embargo, este resultado no incorpora las siguientes medidas mitigadoras, reconocidas por nuestro supervisor nacional, Banco de España, como medidas mitigadoras adecuadas en situaciones de estrés:

- obligaciones necesariamente convertibles en acciones, totalmente emitidas y desembolsadas a 30 de abril de 2011, que Banco de España considera como core capital a efectos del cálculo de los ratios de solvencia y como capital principal a efectos del cumplimiento del Real Decreto Ley 2/2011
- provisiones genéricas (es decir, anticíclicas) existentes en los estados financieros a 31 de diciembre de 2010.

Teniendo en cuenta estos dos efectos, la ratio de capital Core Tier 1 de Banco Pastor alcanzaría el 5,60% en el escenario adverso en 2012. Ninguna de estas dos ratios tienen en cuenta futuras acciones mitigadoras emprendidas por Banco Pastor.

Los Stress tests de la Unión Europea requieren que, a la vista de los resultados y debilidades identificadas que se comunicarán al mercado, se emprendan acciones encaminadas a reforzar la resistencia del sistema financiero.

El capital obtenido y las medidas adoptadas por el Banco tienen por objeto asegurar a todas las partes interesadas, incluyendo depositantes, otros clientes, empleados e inversores, que Banco Pastor continuará formando parte del sector bancario español y proporcionará apoyo a largo plazo a sus clientes.

Las medidas ya implementadas para reforzar la posición de capital se han basado tanto en la capitalización de los beneficios retenidos como en el acceso a los mercados de capitales. Es importante resaltar que no se ha necesitado apoyo gubernamental para cumplir las exigencias de capital en este improbable escenario macroeconómico.

Este beneficio retenido ha sido destinado fundamentalmente a reforzar las provisiones genéricas (anticíclicas) que, de acuerdo con la normativa española, sólo pueden aplicarse a la cobertura de posibles pérdidas futuras por riesgo de crédito. A 31 de diciembre de 2010, las provisiones genéricas alcanzaban los 240 millones de euros o un 0,90% de los activos ponderados por riesgo, netas de impuestos.

El acceso reciente a los mercados de capital ha permitido a Banco Pastor obtener 252 millones de euros (1,40% de los activos ponderados por riesgos a 31 de diciembre de 2010) a través de una emisión de obligaciones necesariamente convertibles en acciones, que es una futura ampliación de capital, y fue desembolsada con éxito el 14 de abril de 2011.

La exposición de Banco Pastor a deuda soberana corresponde fundamentalmente a bonos y letras del Tesoro español. En cuanto a la exposición a Grecia, se ha reducido sustancialmente desde los 40 millones de euros a 31 de diciembre de 2010 hasta los 3 millones de euros a fecha de hoy.

Notas para la redacción

Los resultados detallados de los Stress tests bajo los escenarios base y adverso, así como la información sobre la cartera crediticia de Banco Pastor y su exposición a gobiernos centrales y locales se acompañan en las tablas adjuntas, elaboradas con el formato común proporcionado por la EBA.

Los Stress tests han sido realizados basándose en la metodología e hipótesis comunes establecidos (tales como balance constante y tratamiento uniforme de las titulaciones) en la nota metodológica de la EBA. Consecuentemente, la información relativa a los escenarios base sólo se facilita a efectos comparativos. Ni el escenario base ni el adverso deberían ser nunca considerados como estimaciones ni comparados directamente con otra información pública sobre el banco.

Más información sobre los escenarios, hipótesis y metodología disponible en la página web de la EBA: <http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx>