

A Coruña,
July 30th 2009

Results Presentation 1H09



Banco Pastor

Summary

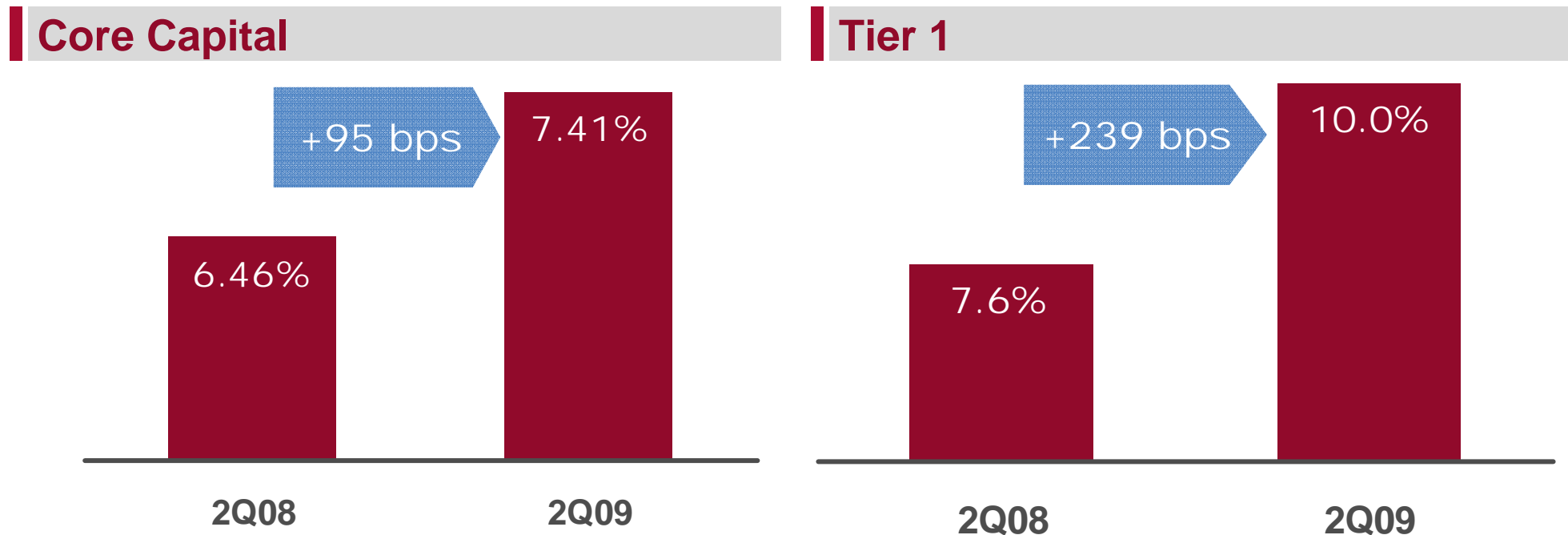
- ▣ PBT €116Mn; net profit €82Mn
- ▣ PPP rose to €491Mn and operating profit ex UNF increased 17,8%
- ▣ Efficiency levels at the pole position
 - Operating cost down by 1.2%
- ▣ Strong commercial activity:
 - Best mortgage origination since 4Q07
- ▣ Strengthened LL Reserves with generic at the maximum legal level
- ▣ Leading capital ratios
- ▣ Sale and lease back deal closed today

Contents



Capital Base

A leading capital position



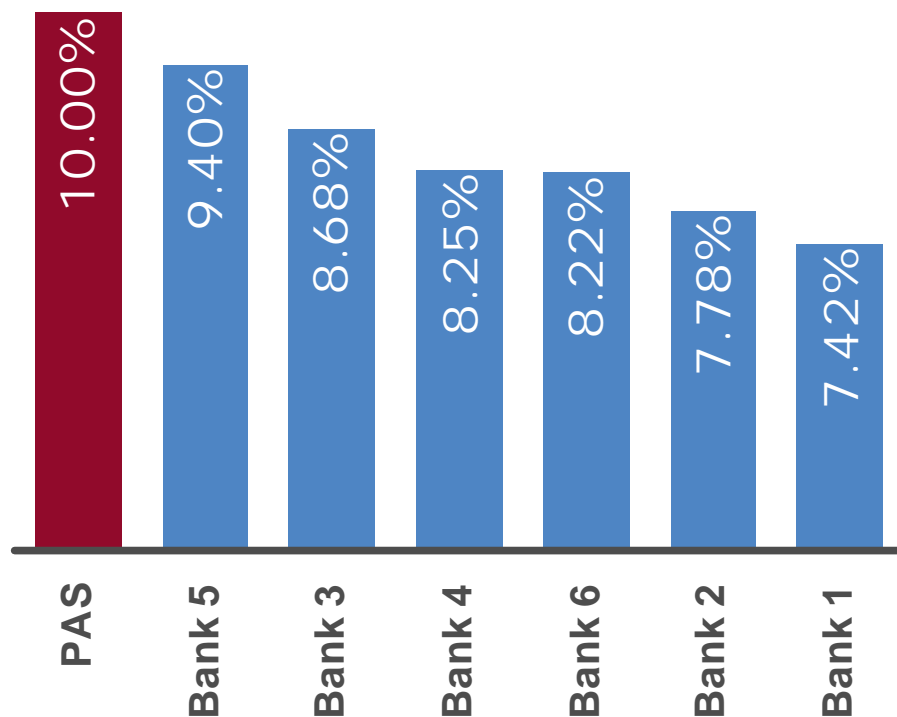
Actively managing capital

- ▣ Highest Core Capital Ratio in Spain, a level not seen since 2003
- ▣ €250Mn preferred shares issued in April to reinforce Tier 1
- ▣ Despite 144 Upper Tier 2 redemption, Pastor presents one of the strongest capital structures within the industry

Capital Base

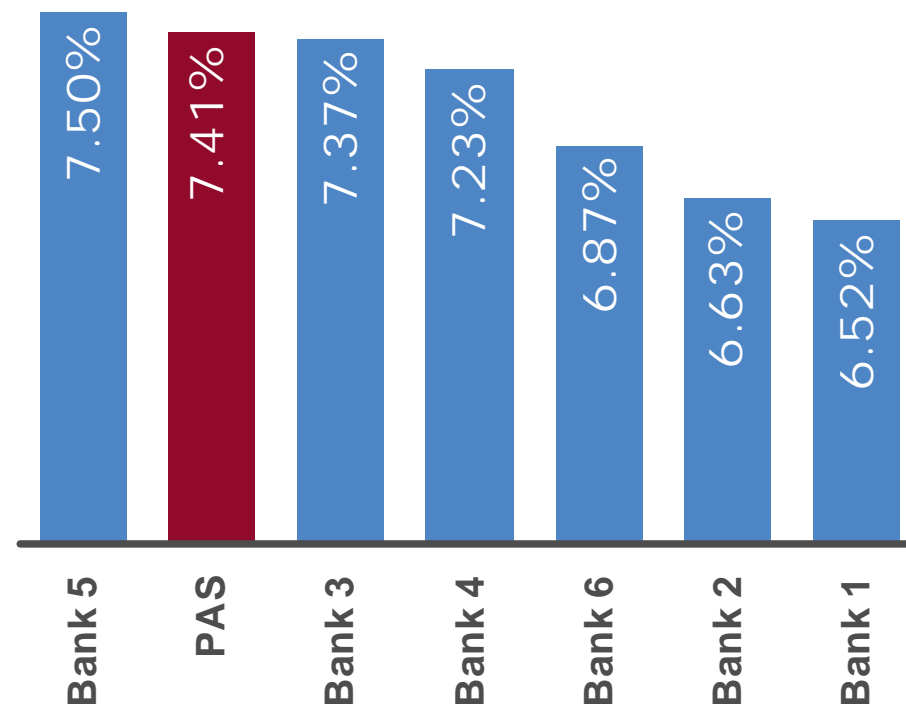
Cutting a long story short

Tier I



#1 In TIER 1

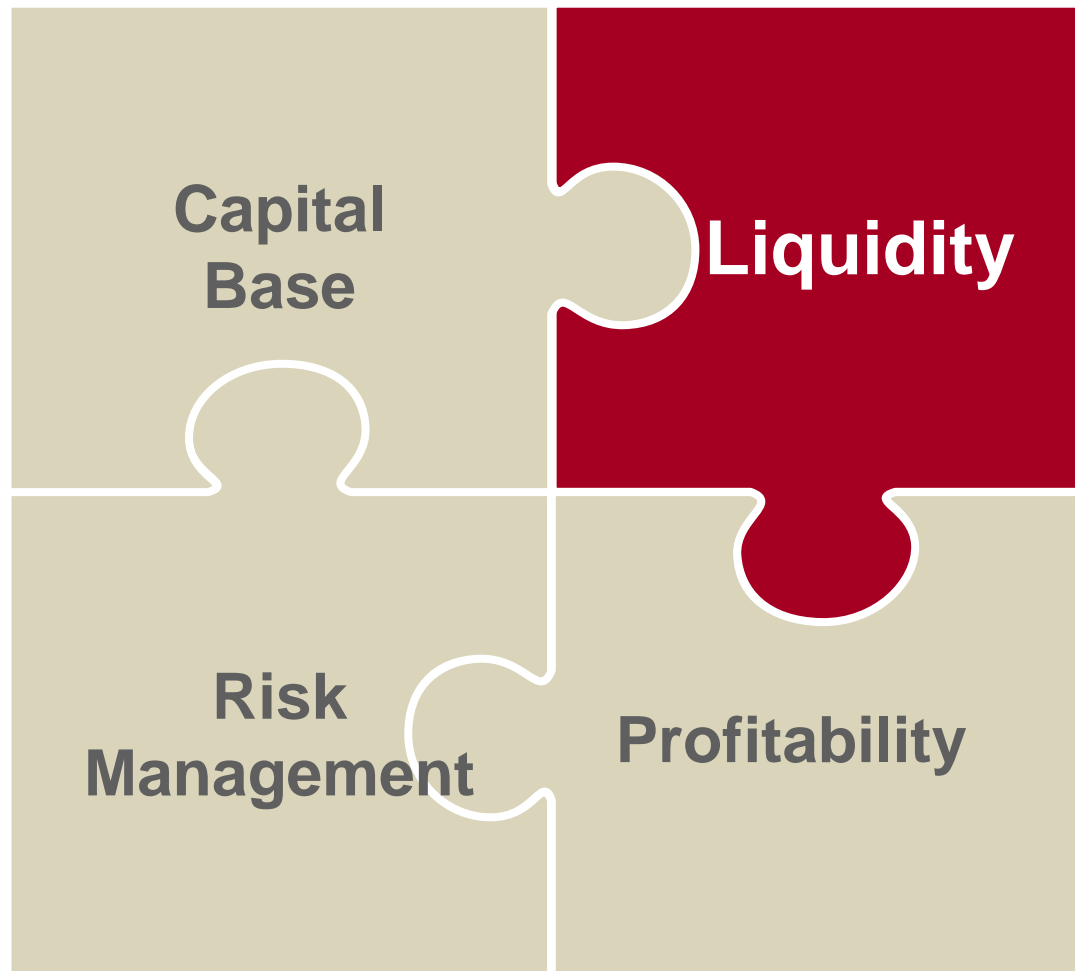
Core Capital



#2 In core capital

#1 Capital ratios among domestic banks

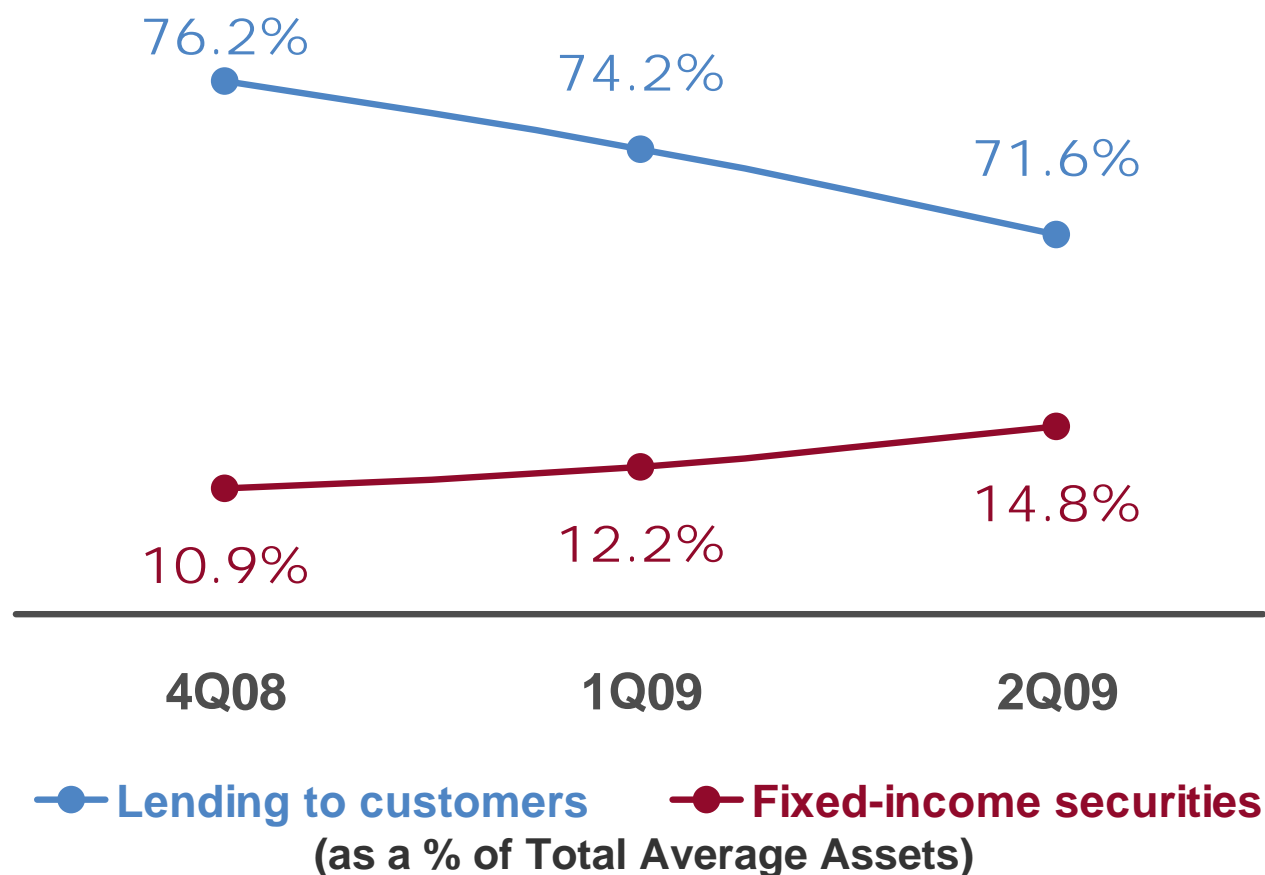
Contents



Liquidity

Towards a more liquid balance sheet

Relative weight to total assets

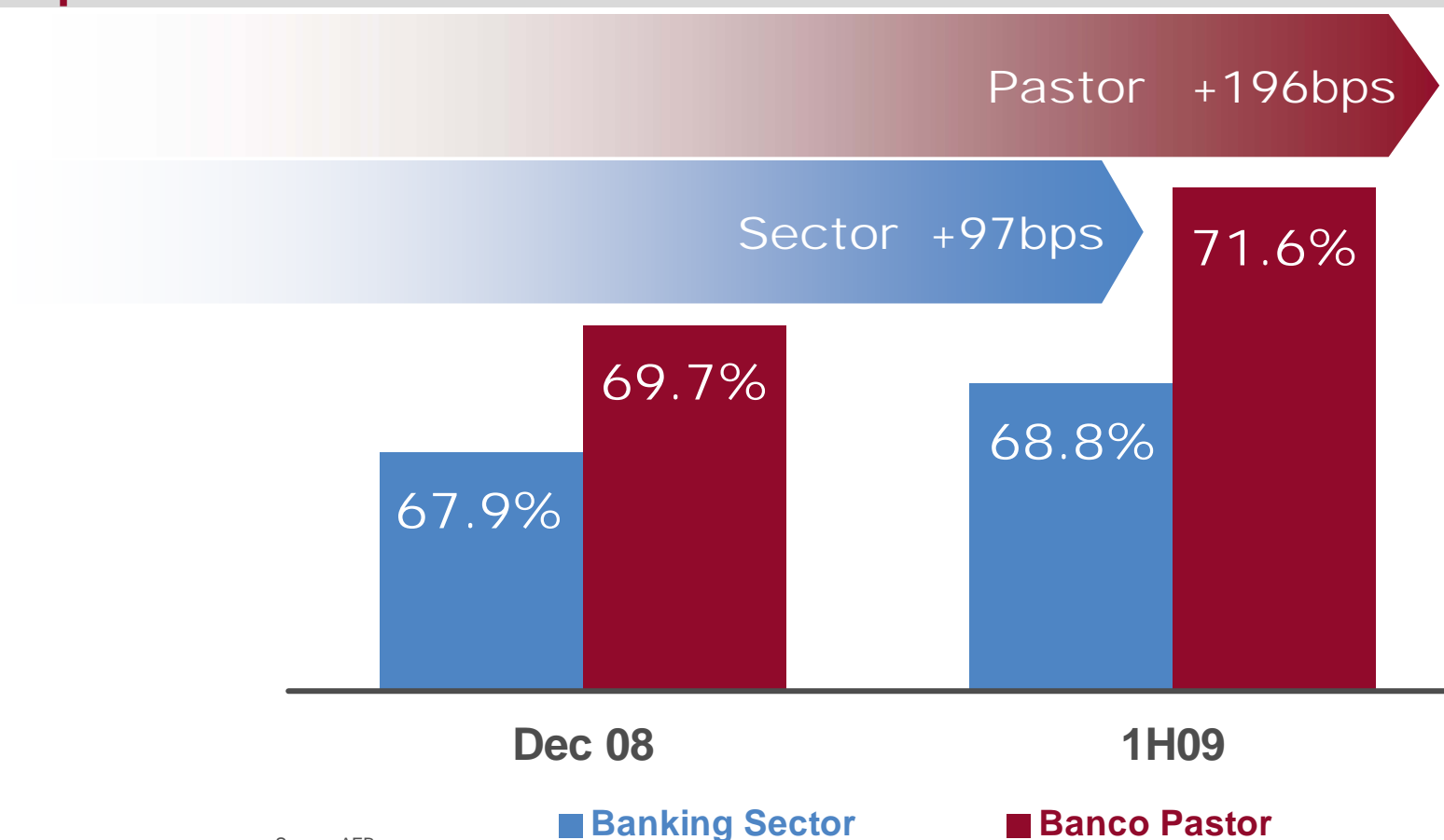


The weight of the fixed income portfolio has increased significantly in 6 months

Liquidity

Ahead of the sector and still improving...

Deposits to Loans Ratio



Source: AEB

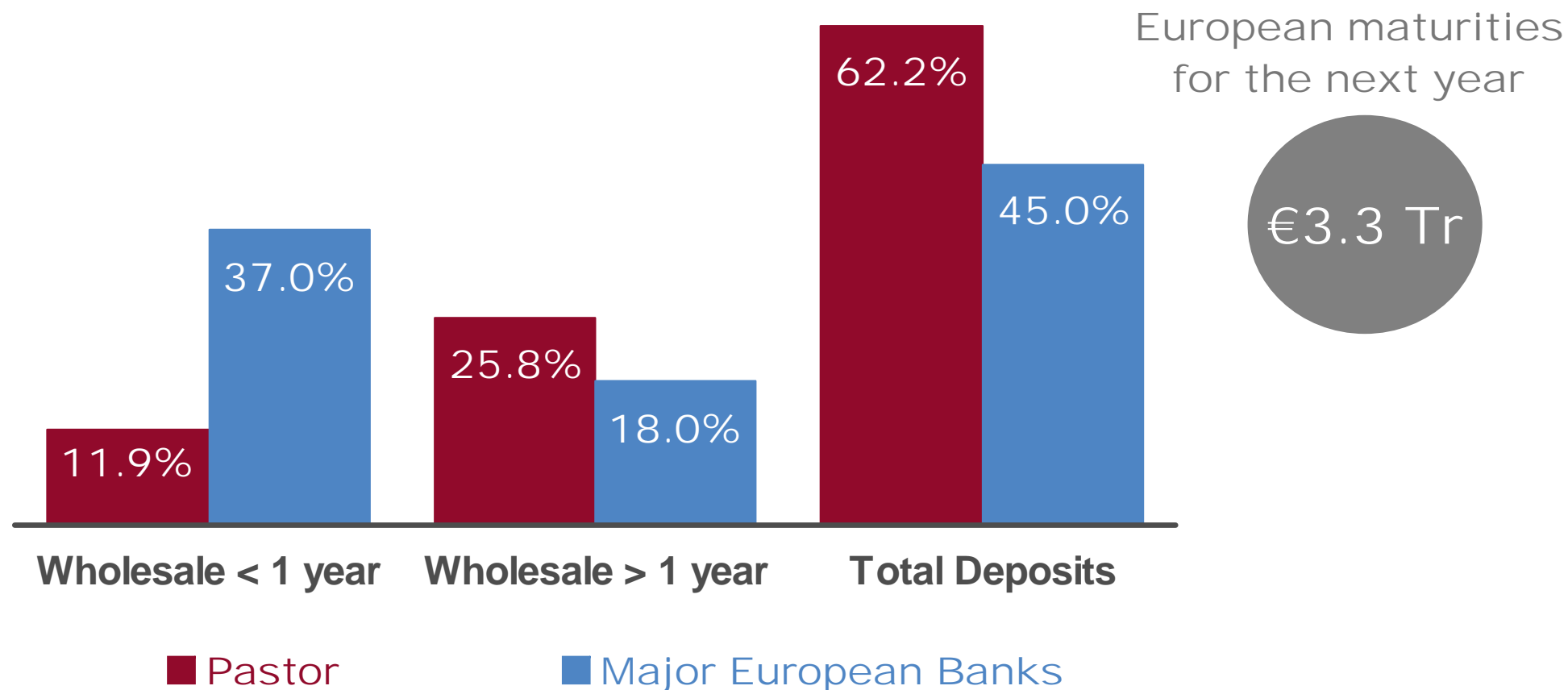
Note: Last available data for the banking sector in 1H09 correspond to March 09

More than doubling the sector's advance

Liquidity

Many more deposits and less refinancing needs

Liabilities structure (%)



Source: Credit Suisse & Banco Pastor

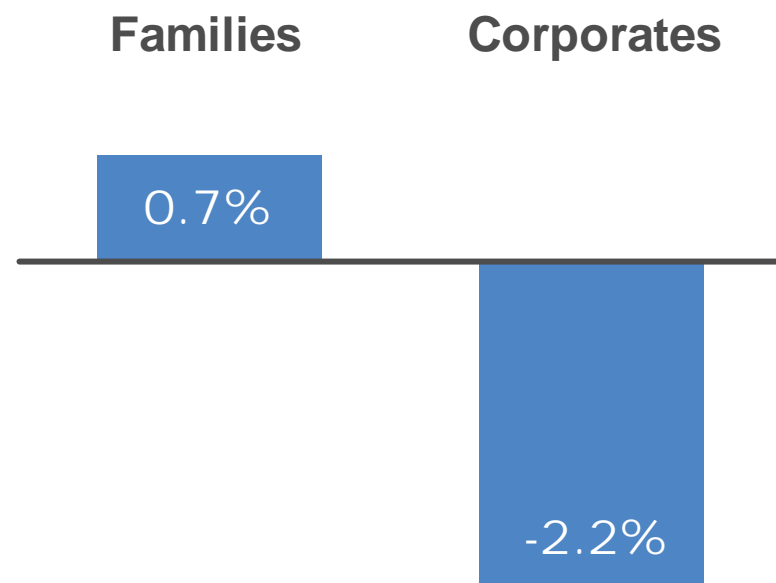
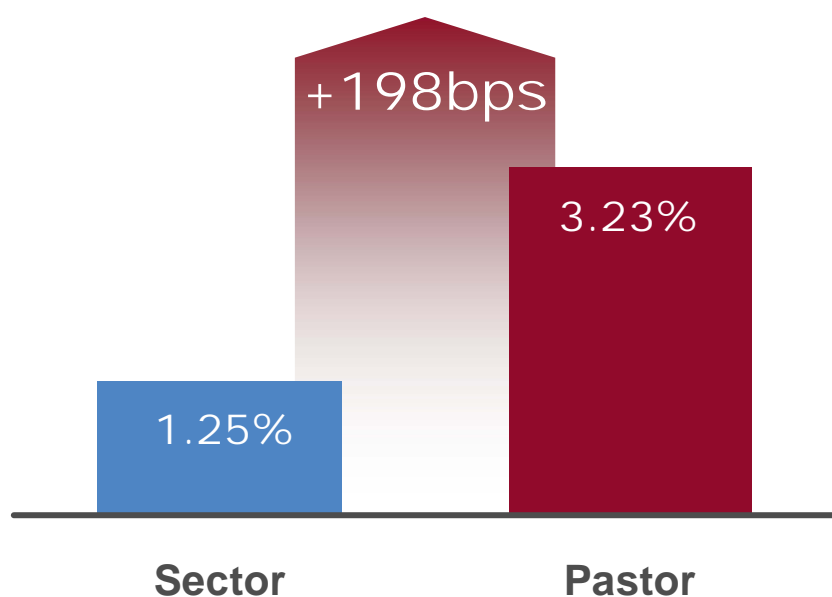
Much better positioned than our European counterparts

Liquidity

Balancing growth and costs while...

1H09 Deposits growth YTD (%)

Sector's Deposits evolution YTD (%)



Source: BoS

Note: Sector includes Banks and saving banks, last available data for the sector as of May 2009.

A solid performance

Contents



Risk Management

Sailing through the cycle....

NPL

NPL Ratio

4.64%

NPL growth YTD

40.4%

713 bps

33.3%

Banks

Pastor

Global coverage

Global Coverage

110%

+14 pp

96%

110%

1Q09

2Q09

Source: BoS

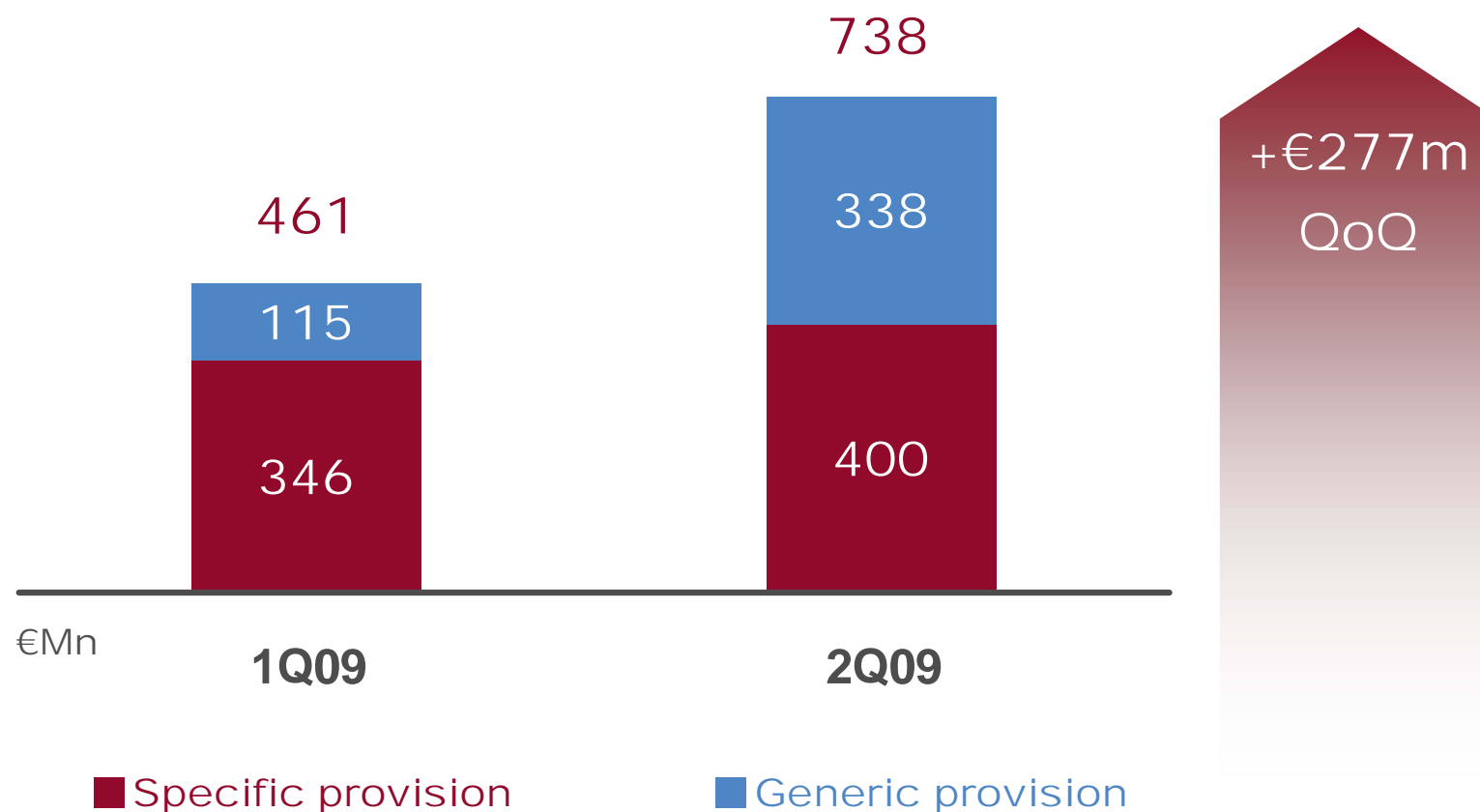
Note: Last available data for the Banking Sector as of May 2009.

Lowering the growth of npl's while reinforcing coverage

Risk Management

While reinforcing coverage with generic at maximum !!

Quarterly growth loan loss reserves

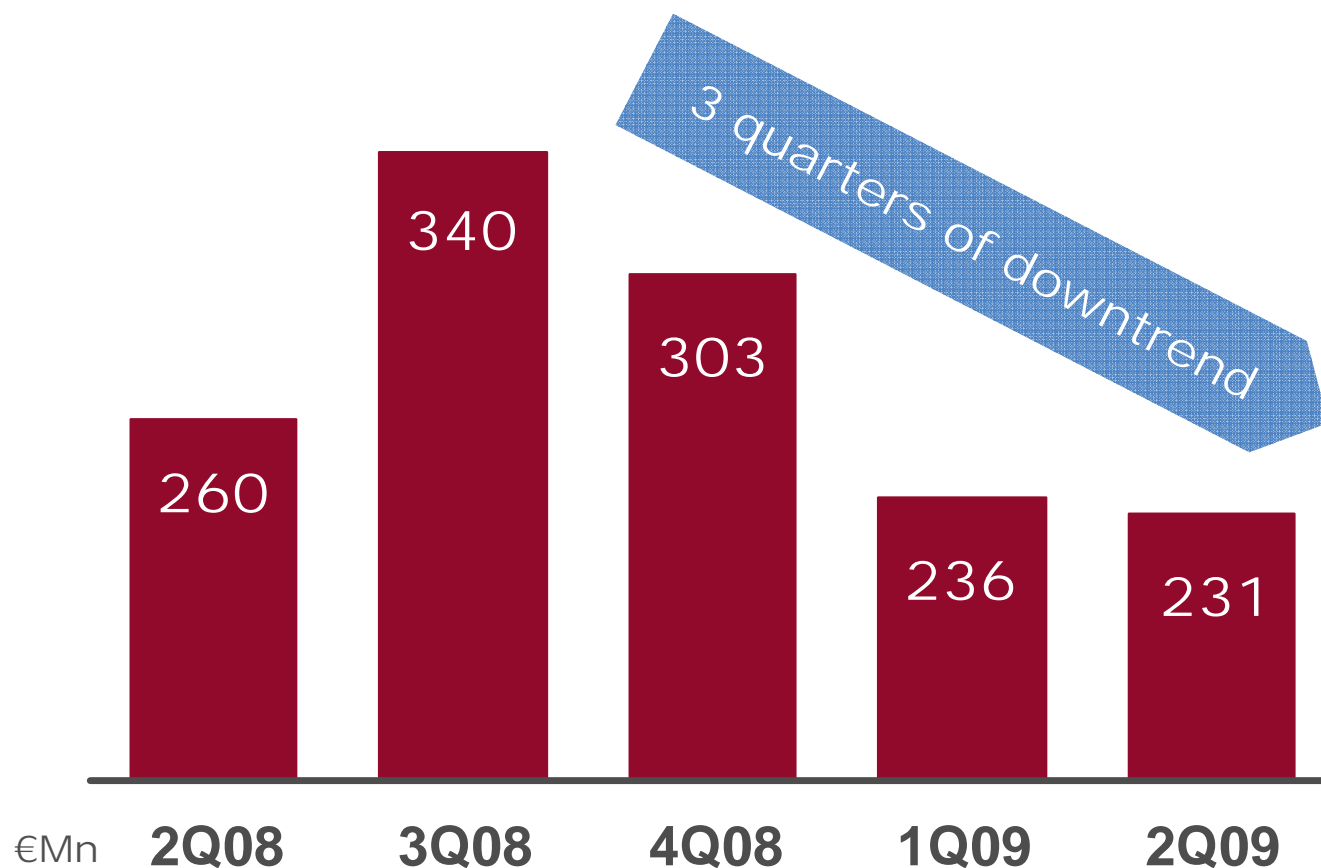


Provisions at the highest level ever!

Risk Management

Net entries decreasing again and below last year's

Quarterly net NPL entries

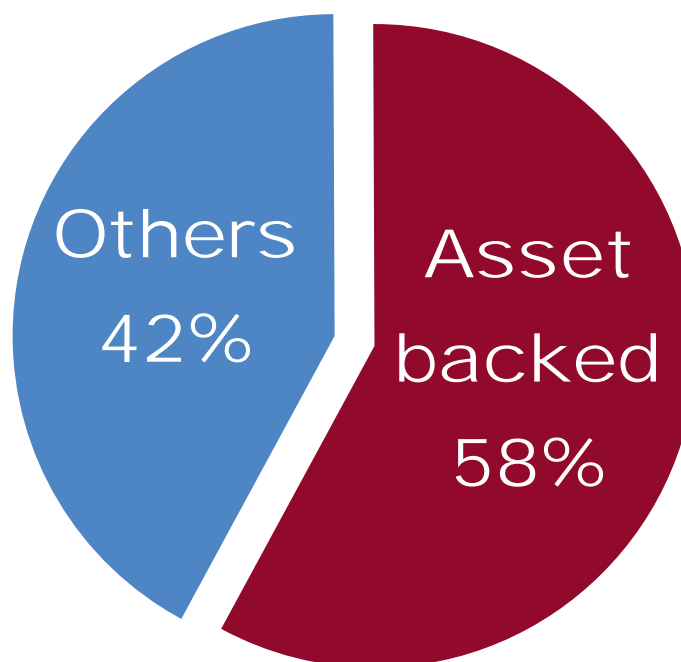


1/3 of branches show NPL recoveries higher than NPL entries

Risk Management

Significant collateral backing NPLs

Increased protection: NPL's covered with asset backed guarantees



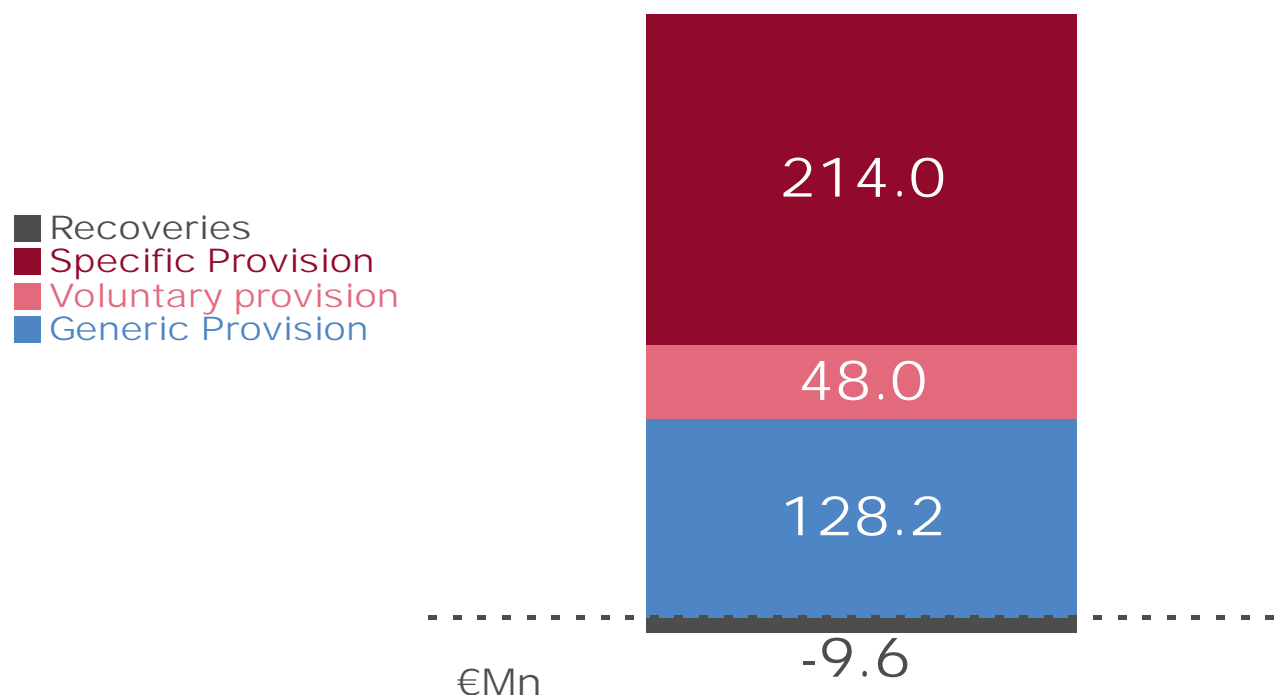
NPL's 1,332 €Mn

NPL's are backed with robust collateral

Risk Management

In terms of P/L....

Total credit charge offs Jun-09

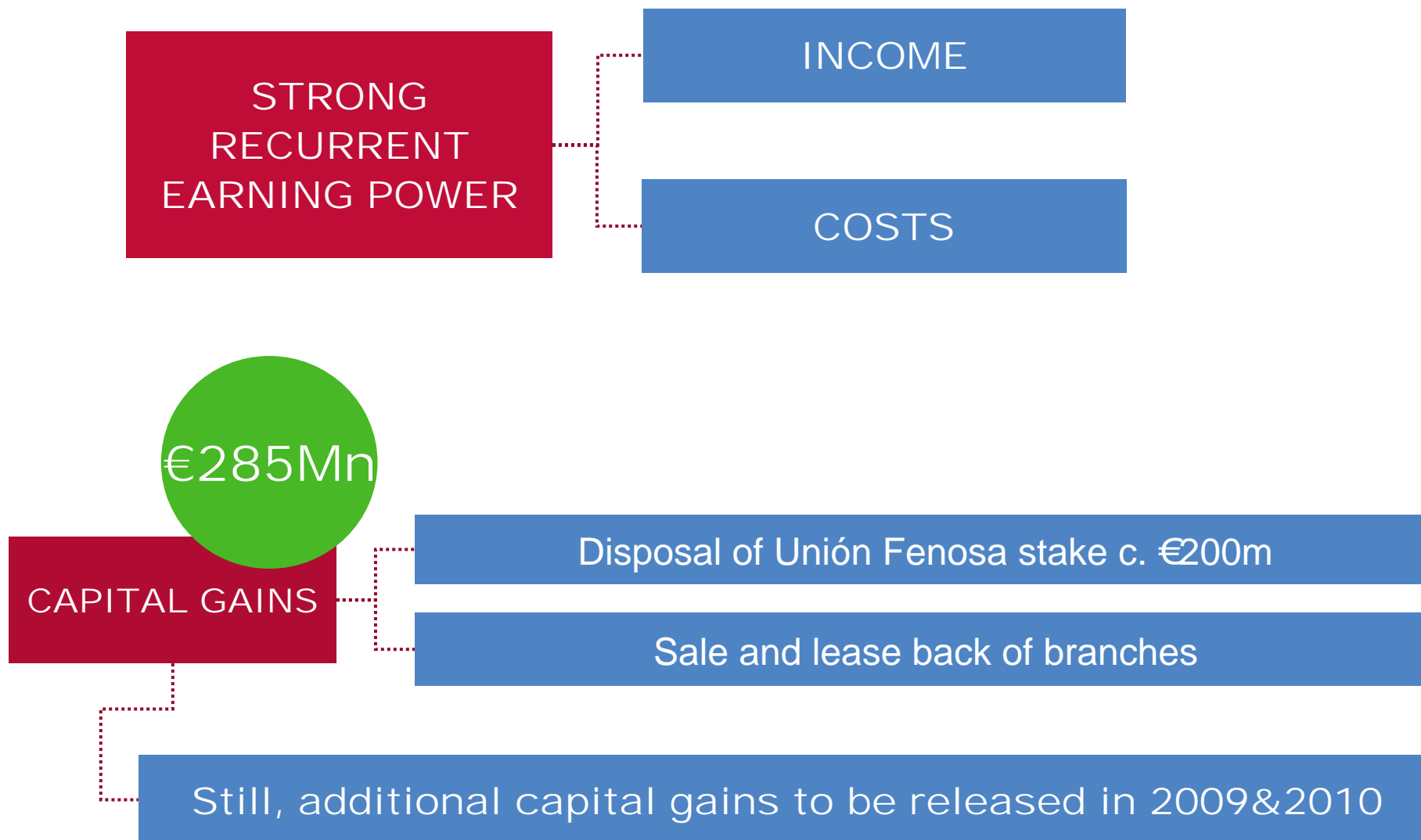


Running through the calendar while boosting the generic

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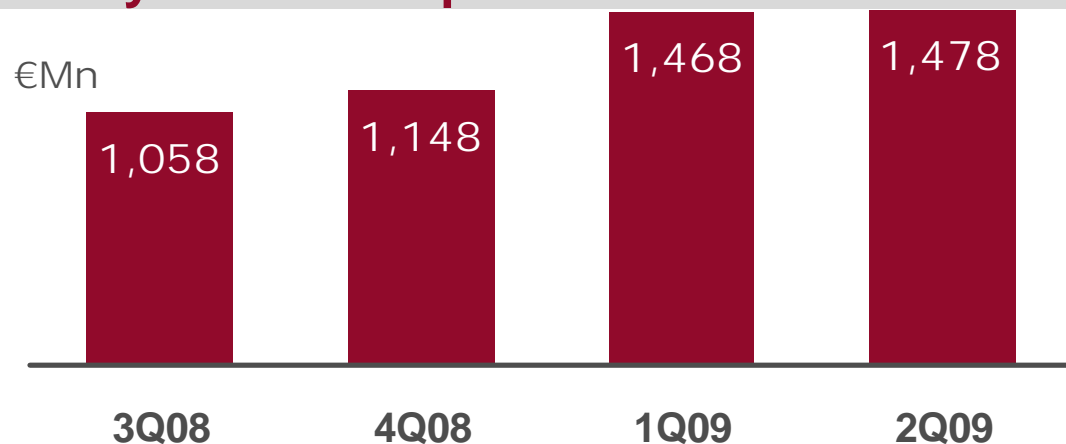
Profitability



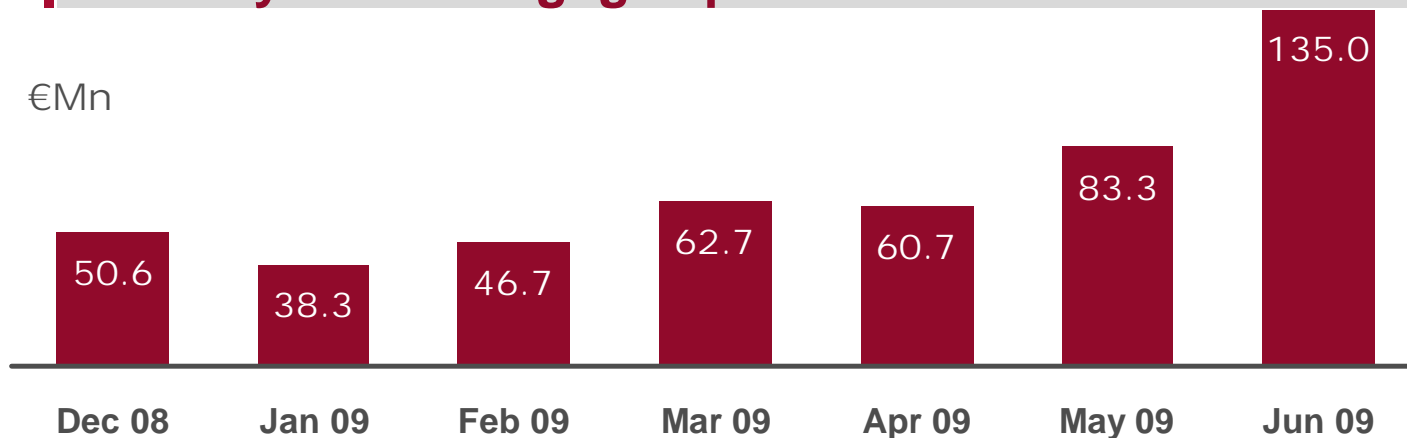
Profitability

Positioning ourselves for the new normal

Quarterly new loans production



Monthly new mortgages production



Best mortgage origination since 4Q07



Profitability

And moving beyond the crisis

In June...

x2

New Client's payroll accounts

x3

New Added Value Clients

CUENTA NÓMINA TRIplete

SIN COMISIONES **5%** **REGALO A ELEGIR**

DE DEVOLUCIÓN EN RECIBOS DE LUZ Y GAS

TRAJE TU NÓMINA A BANCO PASTOR Y GANA UN TRIplete HISTÓRICO

Banco Pastor
www.bancopastor.es

DEPÓSITO VACACIONES

¡Ahorras y Disfrutas!

Depósito de interés creciente
Sin penalización por cancelación anticipada

3% T.A.E. **+ 2 años** **Sorteo CRUCEROS por ADRIÁTICO y MAR EGEU**

MSC Cruceros

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www.bancopastor.es

Banco Pastor

Plan Autónomos

Conocemos sus necesidades reales
Por eso hemos diseñado el Plan Autónomos con grandes ventajas pensadas específicamente para los emprendedores.

Su éxito es nuestro éxito

Elija entre

- Aplazar sin coste el recibo mensual de Autónomos
- Recibir una bonificación de hasta 300 € por su domiciliación

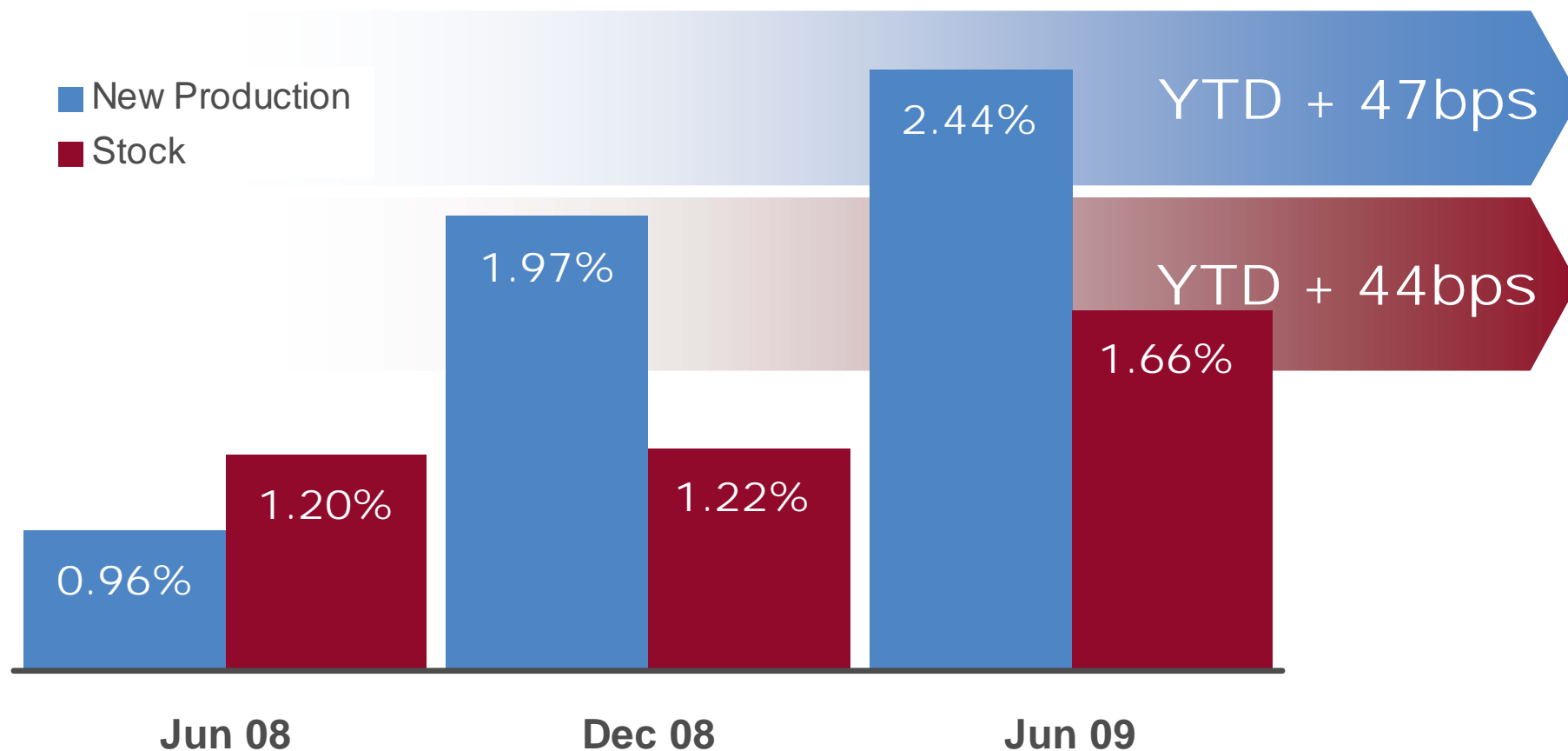
► Sin comisiones de administración y mantenimiento, ni de ingreso de cheques.
► Sin cuotas de emisión de Tarjeta de Telepeaje VIA-T, Tarjeta de Débito y Business.

Para más información consulte a su Asesor o en la sucursal de [Banco Pastor más cercana](#)

Profitability

New production adds value at an increasing rate

Spread New Loan Production vs Stock

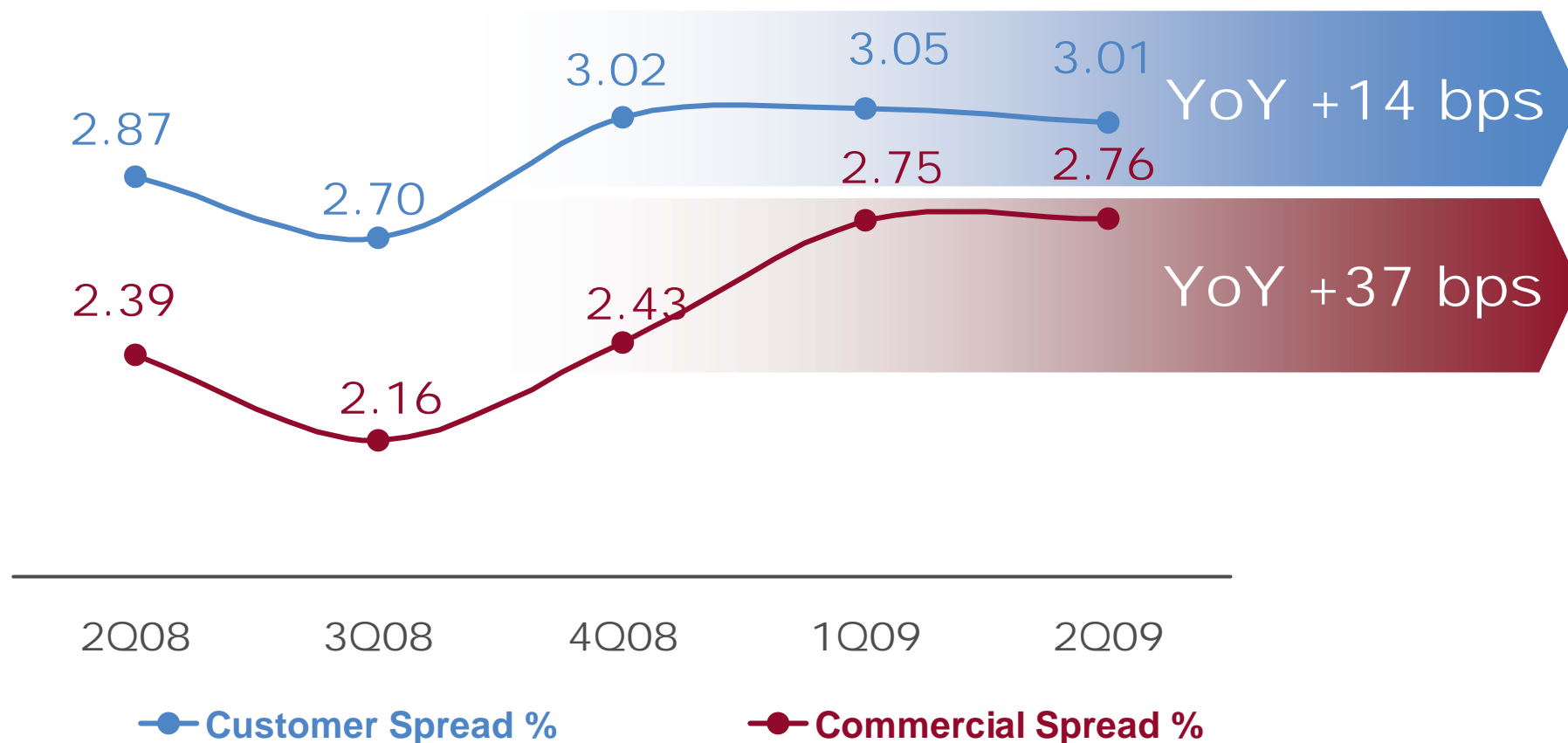


The stock's spread advances 44 bps in 6 months

Profitability

Showing a strong commercial spread

Customer & Commercial Spread

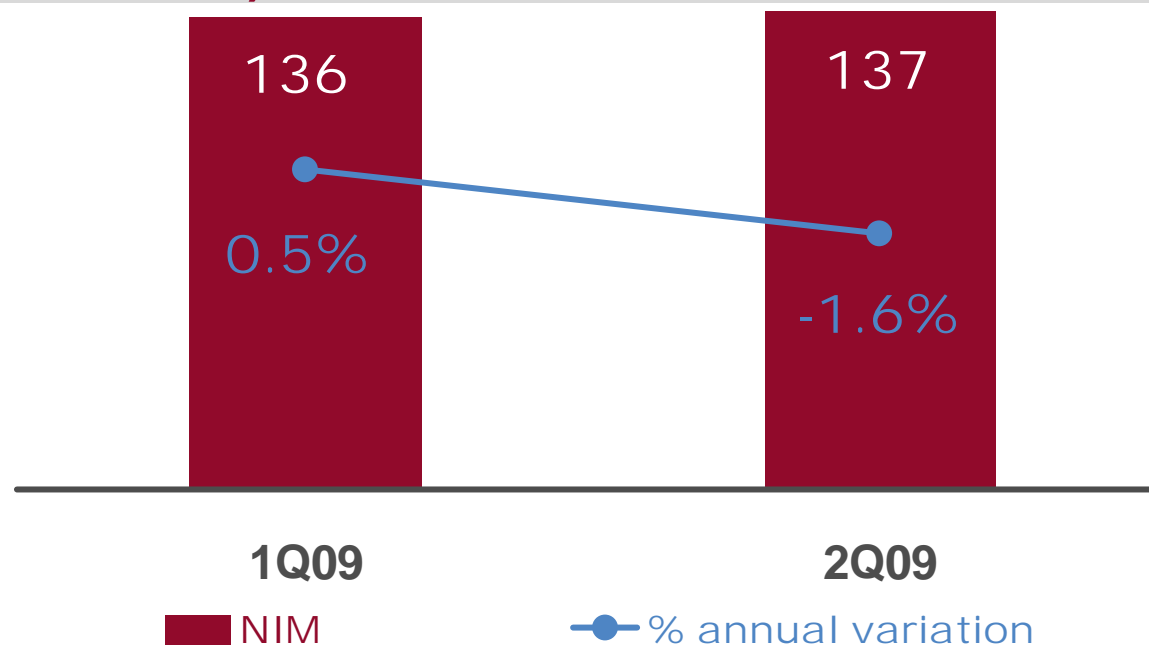


Protecting spreads under this lower rates scenario

Profitability

Net interest has remained stable in 1H09

NIM (quarterly evolution)



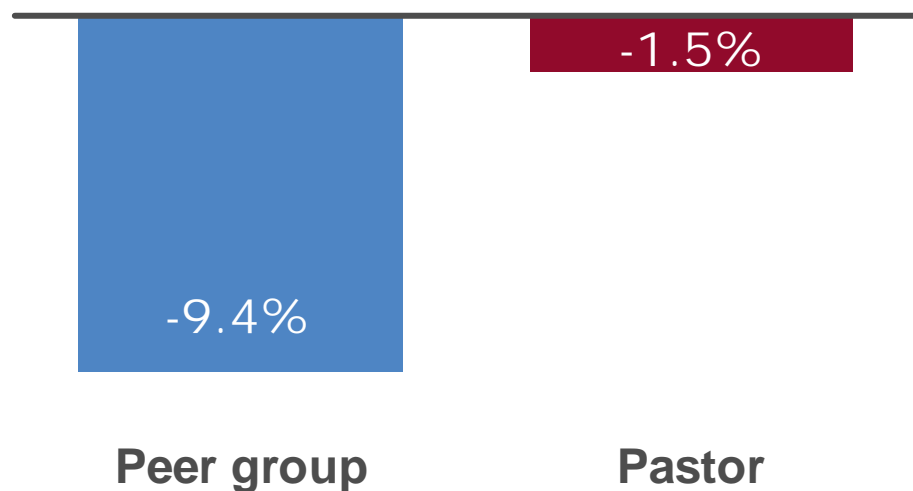
Going forward...

- ▣ The lion's share of institutional funding will reprice further down in September
- ▣ Production volumes at higher spreads keep increasing....
- ▣ Floors have not yet been fully activated

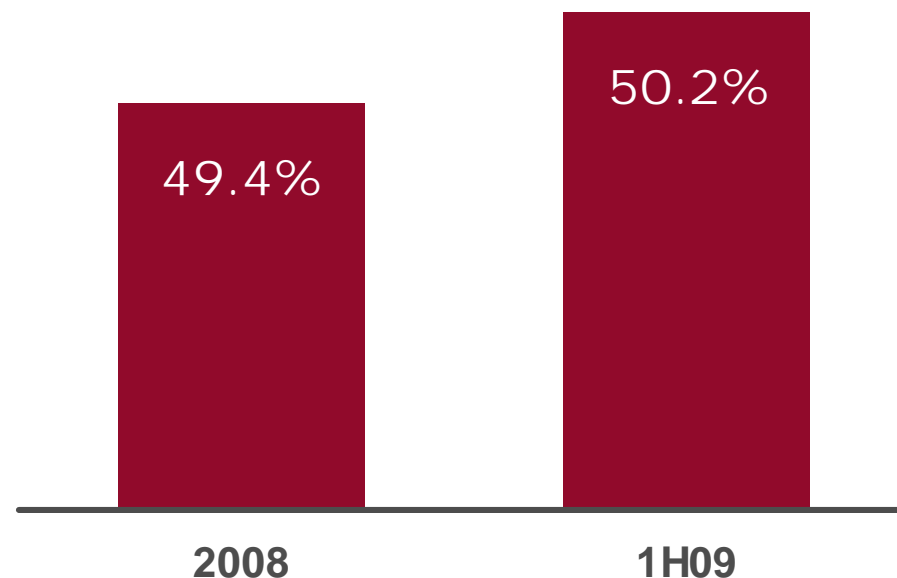
Profitability

Outperforming the industry

Net fees YoY evolution



Net fees / costs



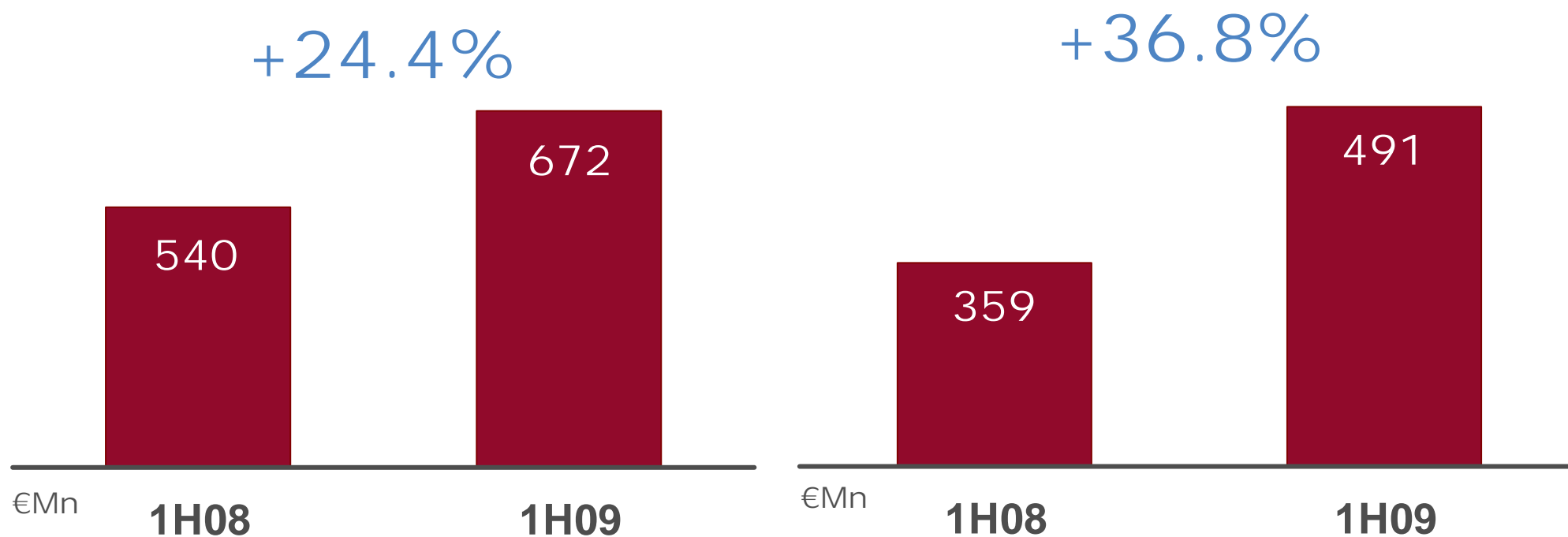
An average of 40 million per quarter that covers 50% of Total costs

Profitability

Solid Margin growth

Gross Margin

PPP

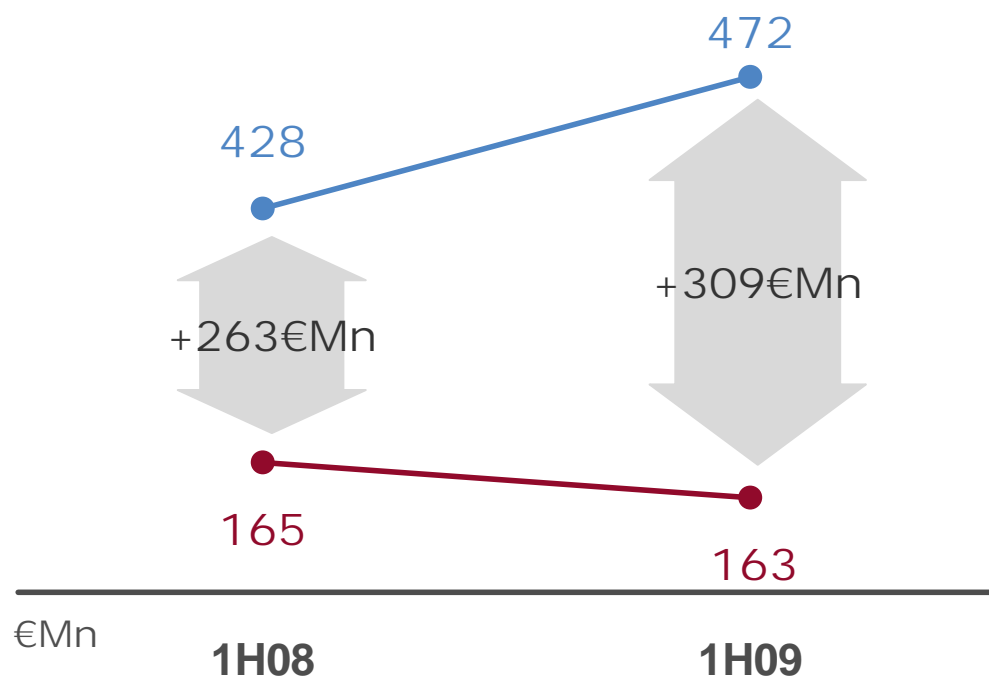


Showing the best growth within the sector

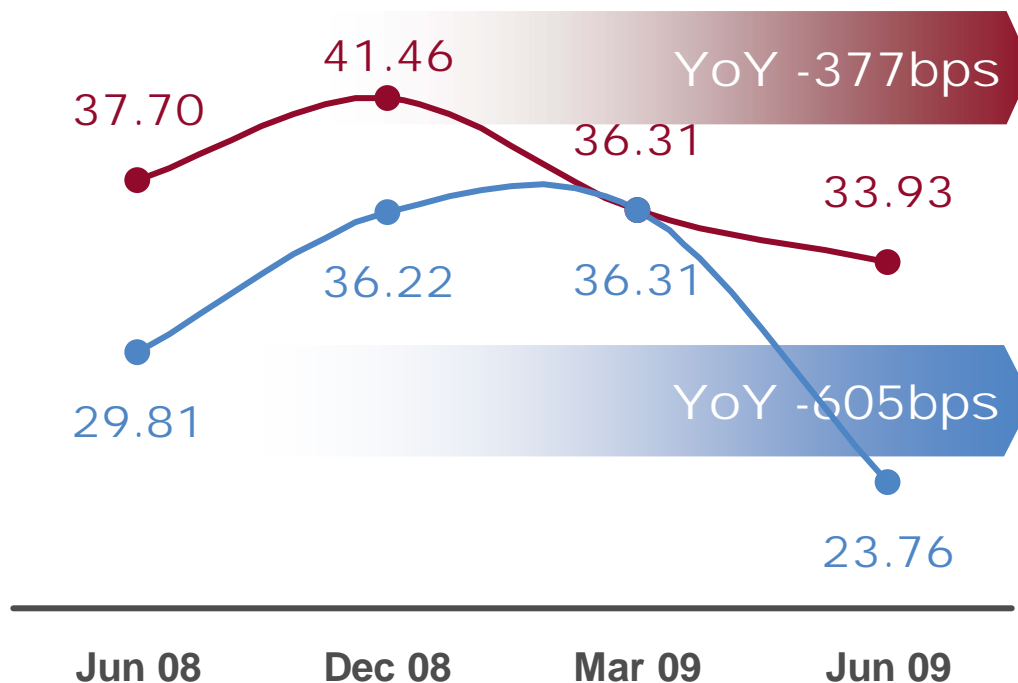
Profitability

Combining resilient income growth with cost management

Widening jaws



Cost to income ratio



—●— Gross operating income —●— Administrative expenses —●— Ordinary cost to income —●— Reported cost to income

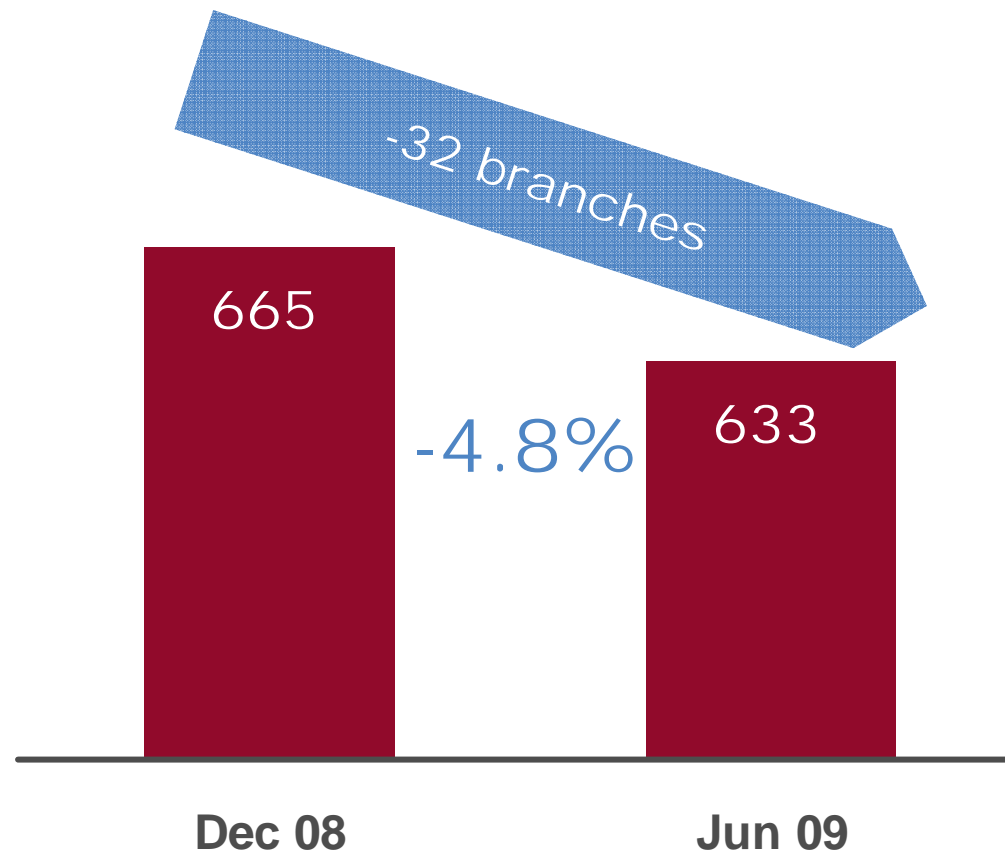
Note: Gross operating profit ex. UNF capital gains

A new historical low!

Profitability

Adaptability is the name of the game

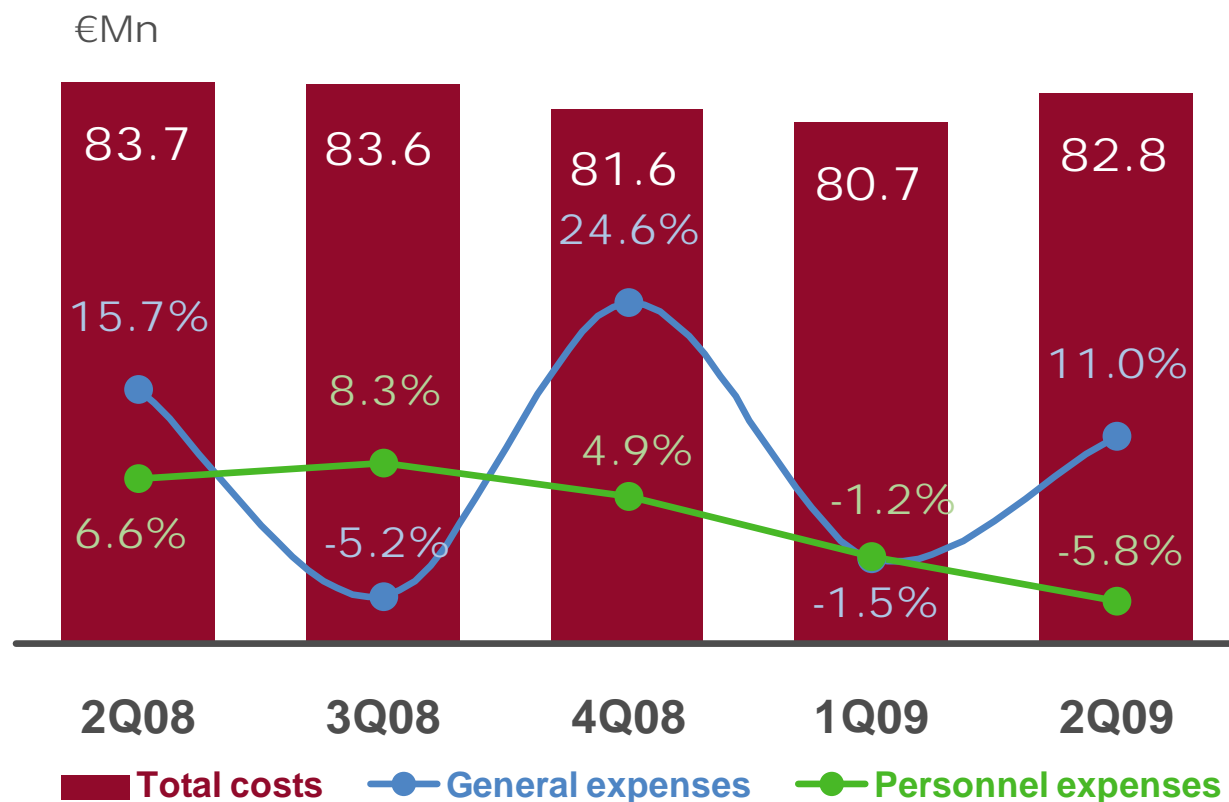
Number of branches evolution



Profitability

Cutting costs while keeping an eye in the long run

Total costs (€Mn), Personnel and General expenses: YoY evolution



Asymmetric trends:
investing in
IT

Human
resources
costs
control

A trade off: Tough on the short term while betting on the long run

Profitability

At the end of the day... a strong and visible bottom line!

Net Income attributed to the group

PBT €116Mn

Net Income €82Mn

Leading to generate capital organically

Looking to the future...

