

Final Terms dated 13 October 2010

**BPE Financiaciones, S.A.**

**Issue of EURO 200,000,000 in aggregate principal amount of "BPE Financiaciones  
Subordinated Debt 2010 Series 1" (the "Notes")**

**Guaranteed by**

**BANCO POPULAR ESPAÑOL, S.A.**

**under the**

**€6,000,000,000 Euro Medium Term Note Programme**

### **PART A — CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 22 December 2009 as supplemented by the supplements dated 12 May 2010, 4 August 2010, two supplements dated 25 August 2010 and a further supplement dated 29 September 2010, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus, as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, as supplemented. The Base Prospectus, together with the supplements, is available for viewing at Ortega y Gasset 29, 28006 Madrid and [www.bancopopular.es](http://www.bancopopular.es) and copies may be obtained from Ortega y Gasset 29, 28006 Madrid.

1.	(i) Issuer:	BPE Financiaciones, S.A.
	(ii) Guarantor:	Banco Popular Español, S.A.
2.	Series Number:	Series 1
3.	Specified Currency or Currencies:	Euro (€)
4.	Aggregate Nominal Amount of Notes:	€200,000,000.00
5.	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	€50,000.00
	(ii) Calculation Amount:	€50,000.00
7.	(i) Issue Date:	22 October 2010
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	22 October 2020
9.	Interest Basis:	6.873 per cent. Fixed Rate
10.	Redemption/Payment basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable

- |     |   |   |
|-----|---|---|
| 13. | (i) Status of the Notes:<br>(ii) Status of the Guarantee:<br>(iii) Date General Shareholders Meeting approved for issuance of Notes and Guarantee obtained: | Subordinated. Condition 4 (c) applies<br>Subordinated. Condition 4 (d) applies<br>23 September 2010 |
| 14. | Method of distribution:   | With respect to €200,000,000.00 in aggregate nominal amount, non-syndicated free of payment         |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |   |   |
|-----|---|---|
| 15. | Fixed Rate Note Provisions:   | Applicable  |
|     | (i) Rate(s) of Interest:  | 6.873 per cent. per annum payable annually                    |
|     | (ii) Interest Payment Date(s)   | 22 October in each year up to and including the Maturity Date |
|     | (iii) Fixed Coupon Amount(s)  | €3,436.50 per Calculation Amount                              |
|     | (iv) Day Count Fraction   | Actual/Actual (ICMA)  |
|     | (v) Broken Amount(s)  | Not Applicable  |
|     | (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes (e.g. day count fractions) | Not Applicable  |
| 16. | Floating Rate Note Provisions:  | Not Applicable  |
| 17. | Variable Coupon Amount Provisions:  | Not Applicable  |
| 18. | Dual Currency Note Provisions:  | Not Applicable  |

**PROVISIONS RELATING TO REDEMPTION**

- |     |   |                                |
|-----|---|--------------------------------|
| 19. | Call Option   | Not Applicable                 |
| 20. | Put Option  | Not Applicable                 |
| 21. | Final Redemption Amount:  | €50,000 per Calculation Amount |
| 22. | Early Redemption Amount:<br>Early Redemption Amount(s) payable on | €50,000 per Calculation Amount |

redemption for taxation reasons or on event of default

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |   |  |
|---|--|
| 23. Form of Notes:  | Bearer Notes:<br><br>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 24. Business Day Jurisdictions for Condition 8(h) or other special provisions relating to Payment Dates:              | TARGET Business Day  |
| 25. New Global Note Form:   | Applicable   |
| 26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No   |
| 27. Details relating to Partly Paid Notes:  | Not Applicable   |
| 28. Details relating to Instalment Notes:   | Not Applicable   |
| 29. Redenomination, renominatisation and reconventioning provisions:  | Not Applicable   |
| 30. Consolidation provisions:   | Not Applicable   |
| 31. Other terms or special conditions:  | Conditions 11(a) and 11(c) shall not constitute an Event of Default in relation to the Notes   |
| 32. Temporary Commissioner:   | Alberto Cabeza Pérez   |

## **DISTRIBUTION**

- |  |  |
|--|--|
| 33. (i) If syndicated, names of Managers:          | Banco Popular Español, S.A.<br>Deutsche Bank AG, London Branch<br>Morgan Stanley & Co. International plc<br>Société Générale |
| (ii) Stabilising Manager (if any):                 | Société Générale   |
| 34. If non-syndicated, name and address of Dealer: | Not Applicable   |
| 35. U.S. Selling Restrictions                      | Reg. S Compliance Category 2; TEFRA D  |
| 36. Additional selling restrictions:               | Not Applicable   |

## **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €6,000,000,000 Euro Medium Term Note Programme of BPE Financiaciones, S.A.

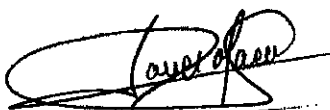
## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €6,000,000,000 Euro Medium Term Note Programme of BPE Financiaciones, S.A.

### RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

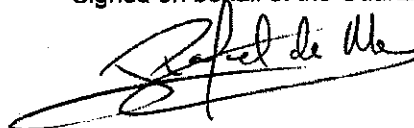
Signed on behalf of the Issuer:



By: Javier Moreno Navarro

Duly authorised

Signed on behalf of the Guarantor:



By: Rafael de Mena Arenas

Duly authorised

## PART B — OTHER INFORMATION

### 1. LISTING

- |                            |   |
|----------------------------|---|
| (i) Listing:               | Ireland   |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange as of the Issue Date. |

### 2. RATINGS

- |          |  |
|----------|--|
| Ratings: | The Notes to be issued have been rated as follows:<br>S&P: A-<br>Moody's: A1 |
|----------|--|

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the interests of Banco Popular Español, S.A., Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc and Société Générale as joint dealer managers in the exchange of certain existing securities for the Notes and as Managers, no person involved in the offer of the Notes has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |                                |   |
|--------------------------------|---|
| (i) Reasons for the offer:     | The net proceeds of the issue will be used for the general corporate purposes of the Guarantor. |
| (ii) Estimated total expenses: | €500.00   |

### 5. YIELD

- |                     |                           |
|---------------------|---------------------------|
| Indication of yield | 6.873 per cent. per annum |
|---------------------|---------------------------|

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. OPERATIONAL INFORMATION

- |              |              |
|--------------|--------------|
| ISIN Code:   | XS0550098569 |
| Common Code: | 55009856     |

- |   |     |
|---|-----|
| Intended to be held in a manner which would allow Eurosystem eligibility: | Yes |
|---|-----|

Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction

of the Eurosystem eligibility criteria.

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): Not Applicable

Delivery: With respect to €200,000,000.00 in aggregate nominal amount, delivery free of payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable