



BANCO POPULAR ESPAÑOL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

€12,000,000,000 EURO-COMMERCIAL PAPER AND CERTIFICATE OF DEPOSIT PROGRAMME

Application has been made to the Irish Stock Exchange Limited for Euro-commercial paper notes (the “Notes”) and Euro certificates of deposit (“CDs”) issued during the twelve months after the date of this document under the €12,000,000,000 Euro-commercial paper and certificate of deposit programme (the “Programme”) of Banco Popular Español, S.A. described in this document to be admitted to the Official List of the Irish Stock Exchange Limited and to trading on its regulated market.

There are certain risks related to any issue of Notes or CDs under the Programme, which investors should ensure they fully understand (see “Risk Factors” on pages 5 to 8 of this Information Memorandum).

Potential investors should note the statements on pages 50 to 56 regarding the tax treatment in Spain of income obtained in respect of the Notes and CDs and the disclosure requirements imposed by Law 13/1985 of 25 May 1985, as amended, on the Issuer relating to the identity of holders of the Notes and CDs. In particular, payments on the Notes and CDs may be subject to Spanish withholding tax if certain information regarding holders is not received by the Issuer in a timely manner.

Arranger

Barclays Capital

Dealers

Banco Popular Español, S.A.

Barclays Capital

BofA Merrill Lynch

Citi

Credit Suisse

Deutsche Bank

Goldman Sachs International

ING Commercial Banking

Morgan Stanley

Nomura

Rabobank International

Société Générale Corporate and Investment Banking

The Royal Bank of Scotland plc

UBS Investment Bank

Under the Programme described in this Information Memorandum, Banco Popular Español, S.A. (the “Issuer”) may issue and have outstanding at any time Notes and CDs up to a maximum aggregate amount of €12,000,000,000 or its equivalent in alternative currencies. The Issuer has appointed Banc of America Securities Limited, Banco Popular Español, S.A., Barclays Bank PLC, Citibank International plc, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, ING Bank N.V., Morgan Stanley & Co. International plc, Nomura International plc, Société Générale, The Royal Bank of Scotland plc and UBS Limited (the “Dealers”) as dealers for the Notes and CDs under the Programme, and has authorised and requested the Dealers to circulate this Information Memorandum in connection with the Programme.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes or CDs, the issue price of Notes or CDs and any other terms and conditions not contained herein which are applicable to each issue of Notes or CDs will be set out in final terms (each the “Final Terms”) which will be attached to the relevant Note or CD (see “Forms of the Notes” and “Forms of CDs”). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes and CDs. The relevant Final Terms are also a summary of the terms and conditions of the Notes and CDs for the purposes of listing. Copies of each Final Terms containing details of each particular issue of Notes and CDs will be available from the specified office set out below of the Principal Paying Agent (as defined below).

The Issuer has confirmed to the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and is not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Notes or CDs, make any statement herein misleading in any material respect and that all reasonable enquiries have been made to verify the foregoing. The Issuer has further confirmed to the Dealers that this Information Memorandum (subject to being supplemented by the relevant Final Terms referred to herein) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and its subsidiaries and of the rights attaching to the relevant Notes or CDs.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Guidelines for Debt Securities promulgated by the Irish Stock Exchange Limited. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any other documents incorporated by reference.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes or CDs other than as contained or incorporated by reference in this Information Memorandum, in the Dealer Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained herein. Neither the delivery of this Information Memorandum or any Final Terms nor the offering, sale or delivery of any Note or CD shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this document has been most recently amended or supplemented or the balance sheet date of the most recent financial statements (if any) which are deemed to be incorporated into this document by reference.

The distribution of this Information Memorandum and any Final Terms and the offering, sale and delivery of the Notes and CDs in certain jurisdictions may be restricted by law. Persons into whose

possession this Information Memorandum or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and/or CDs and on the distribution of this Information Memorandum or any Final Terms and other offering material relating to the Notes and/or CDs, see “Subscription and Sale”. In particular, there are restrictions on the distribution of this Information Memorandum and the offer and sale of Notes and CDs in the United States, the United Kingdom, Japan and the Kingdom of Spain.

THE NOTES AND CDs HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

Neither this Information Memorandum nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Neither this Information Memorandum nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes or CDs and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Information Memorandum or any Final Terms should subscribe for or purchase any Notes or CDs. Each recipient of this Information Memorandum or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Potential purchasers should determine for themselves the relevance of the information contained in this Information Memorandum as supplemented from time to time and their decision to purchase any of the Notes or CDs should be based upon such investigation as they themselves deem necessary. This Information Memorandum should not be considered as a recommendation by any Dealer to purchase any of the Notes or CDs.

All references in this Information Memorandum to “United States dollars”, “U.S.\$” or “\$” are to the currency of the United States of America, all references to “Sterling” or “£” are to the currency of the United Kingdom, all references to “Japanese Yen” or “¥” are to the currency of Japan and all references herein to “euro”, “Euro”, “EUR” or “€” denote the single currency of those member states of the European Union participating in European and Monetary Union from time to time.

The Issuer has undertaken, in connection with the admission to listing of the Notes and CDs on the Official List of the Irish Stock Exchange Limited and the admission to trading of the Notes and CDs on the regulated market of the Irish Stock Exchange Limited (the “Main Securities Market”), that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes or CDs, that is material in the context of the issuance of Notes or CDs under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes or CDs to be admitted to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited. Any such supplement to this Information Memorandum will be subject to the approval for the Irish Stock Exchange Limited prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes or CDs (see “Risk Factors – Risks in Relation to the Notes and CDs – Spanish Taxation” and “Taxation – Taxation in the Kingdom of Spain”). **Holders of Notes and CDs must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes and/or CDs.**

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfill its obligations under Notes or CDs issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes and CDs issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes or CDs issued under the Programme, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or CDs may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes or CDs are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

Risks in Relation to the Banking Activities of the Group

The principal types of risk to which the banking activities of the Group (as defined below) are subject include the following:

1. **Credit Risk:** Credit risk can be defined as possible losses which may be generated by a potential default in whole or in part of obligations by a counterparty or debtor (including, but not limited to, an insolvency proceeding of a counterparty or debtor). These obligations arise in both the financial activities of the Group and its dealing and investment activities since they arise by means of loans, fixed interest or equity securities, derivative instruments or other types of products (for example, guarantees).
2. **Market Risk:** Market risk refers to the uncertainties to which the Group's financial position and future income are exposed as a result of adverse movements in the prices of financial instruments with which the Group operates in its activities in financial and securities markets.
3. **Interest Rate Risk:** Overall balance sheet interest risk can be defined as the extent to which an institution may be affected by future movements which occur in market interest rates. The principal reasons for this risk derive from the different speed and intensity with which changes in market interest rates are passed on to assets, liabilities and off-balance sheet positions based on the times when they fall due and repricing. Short term effects are shown in the profit and loss account and in the medium term are manifested by movements in the financial value of assets and liabilities which form part of the balance sheet.
4. **Liquidity Risk:** Liquidity risk comprises uncertainties in relation to the Group's ability, under adverse conditions, to access funding necessary to cover its obligations to customers, meet the maturity of its liabilities and to satisfy capital requirements. It includes both the risk of unexpected increases in the cost of financing and the risk of not being able to structure the maturity dates of the Group's liabilities reasonably in line with its assets, as well as the risk of not being able to meet its payment obligations on time at a reasonable price due to liquidity pressures.
5. **Exchange Rate Risk:** The exchange rate risk consists of the potential losses which may occur as a result of adverse movements in exchange rates in respect of the different currencies in which the Group operates.
6. **Operational Risk:** Operational risk includes:
 - a. The business risk which may result from unforeseeable changes in external factors without sufficient time to make the structural changes necessary to adapt to them, and the risk that unforeseeable events occur which could lead to losses for the Group.
 - b. Transactional risks resulting from errors in execution, registration failure, deriving from the complexity of certain products, errors in delivery and/or liquidation and/or human error.
 - c. Risks in operational controls which include losses resulting from potential errors in transaction documentation, in obtaining the appropriate authorisations, fraud, lack of

- personnel training, failure to comply with limits or procedures laid down, failure of internal controls or unavailability of personnel.
- d. Losses resulting from material loss and damage as well as extreme events, for example natural disasters.
 - e. Data processing risks, such as programming errors, systems failure and application design errors.
 - f. Legal risks, including the possibility that transactions may not be legally enforceable in the existing legal and/or regulatory framework, and also that changes in law and regulations may negatively affect the situation of the Group.
7. **Other Risk Factors:** There are other risk factors linked to the evolution of the Spanish economy which could have an adverse effect on developments in the business and profitability of the Issuer.

Risks in Relation to the Banking Market generally

The Group is vulnerable to disruptions and volatility in the global financial markets as well as to government action intended to alleviate the effects of the financial crisis.

Since August 2007, the global financial system has experienced difficult credit and liquidity conditions and disruptions leading to less liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency on interbank lending rates.

Following the bankruptcy filing by Lehman Brothers Holding Inc. in September 2008, it became apparent that a number of other major financial institutions, including some of the largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies, were experiencing significant difficulties. There were runs on deposits at several financial institutions and numerous institutions sought additional capital. Central banks around the world coordinated efforts to increase liquidity in the financial markets by taking measures such as increasing the amounts they lend directly to financial institutions, lowering interest rates and significantly increasing temporary reciprocal currency arrangements (or “swap lines”).

In spite of these measures, global investor confidence remains cautious. In addition, the world’s largest developed economies, including Spain, although improving in recent months, ended 2009 in economic recession, and recent downgrades of the sovereign debt of Greece, Portugal and Spain have caused volatility in the capital markets.

Continued or worsening disruption and volatility in the global financial markets could have a material adverse effect on the Group’s ability to access capital and liquidity on financial terms acceptable to the Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Group may be forced to raise the rates it pays on deposits to attract more customers. Any such increase in capital markets funding costs or deposit rates would entail a repricing of loans, which would result in a reduction of volumes, and may also have an adverse effect on the Group’s interest margins.

Risks in Relation to the Notes and CDs

There is no active trading market for the Notes or CDs

Notes and CDs issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes or CDs are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes and CDs issued under the Programme to be admitted to the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited, there is no assurance that such applications will be accepted, that any particular issue of Notes or CDs will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes or CDs.

Global Notes and Global CDs held in a clearing system

Because the Global Notes and Global CDs are held by or on behalf of Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes and CDs issued under the Programme may be represented by one or more Global Notes or Global CDs, as the case may be. Such Global Notes or Global CDs will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global CD, investors will not be entitled to receive definitive Notes or definitive CDs, as the case may be. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global CDs. While the Notes and CDs are represented by one or more Global Notes or Global CDs, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes or CDs are represented by one or more Global Notes or Global CDs, as the case may be, the Issuer will discharge its payment obligations under the Notes or CDs by making payments to the common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global CD must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under the relevant Notes or CDs. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global CDs.

Holders of beneficial interests in the Global Notes or Global CDs will not have a direct right to take enforcement action against the Issuer under the relevant Notes or CDs but will have to rely upon their rights under the Deed of Covenant.

The Issuer may redeem the Notes or CDs for tax reasons

An optional redemption feature of Notes or CDs is likely to limit their market value. During any period when the Issuer may elect to redeem Notes or CDs, the market value of those Notes or CDs generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes or CDs if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes or CDs as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the date of this Information Memorandum and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes or CDs are so redeemed.

Spanish Taxation

Under Spanish law, income in respect of the Notes and CDs will be subject to withholding tax in Spain, currently at the rate of 19 per cent., in relation to payments to (a) individual holders who are resident in Spain; and (b) Holders in respect of whom the Issuer does not receive such information (which may include a tax residence certificate) concerning such Holder's identity and tax residences as it may require to comply with Law 13/1985 and any implementing legislation. **The Issuer will not gross up payments in respect of any such withholding tax in any of the above cases (see "Taxation – Disclosure of Beneficial Owner Information in connection with Payments").**

Risk relating to procedures for collection of Holders' details

Law 4/2008 of 23 December, abolishing the Wealth Tax Levy, generalising the Value Added Tax monthly refund system and introducing other amendments to the tax legal system (**Law 4/2008**) amends, among other things, Additional Provision Two of Law 13/1985 which was the source of the obligation on Spanish issuers and their parent companies to report to the Spanish tax authorities on the identity and residence of Holders of their debt securities.

Law 4/2008 removes the obligation on Spanish issuers and their parent companies to provide to the Spanish tax authorities the relevant information concerning holders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985 continues to apply the obligation on the Issuer to disclose to the Spanish tax authorities the identity of certain Holders of the Notes and/or CDs who are Spanish resident Holders (individual and corporate) and non-Spanish resident Holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of the relevant secondary legislation. At the date of this Information Memorandum, such secondary legislation had not yet been adopted.

Pending the enactment of such secondary legislation, and in accordance with the consultations from the General Directorate for Taxation dated 20 January 2009, the current procedures relating to the identity of the Holders of the Notes and/or CDs remain applicable, irrespective of whether or not the Holders of the Notes and/or CDs are resident in Spain. Euroclear and Clearstream, Luxembourg (the “ICSDs”) have established procedures to assist entities in complying with the reporting obligations required by Spanish tax law and regulations and to enable Holders of Notes and/or CDs to obtain a refund of amounts withheld on the payments of income deriving from the transfer, redemption or repayment of the Notes and/or CDs. These procedures were implemented by the ICSDs in response to certain tax rulings made by the Spanish tax authorities (Consultas V 2050-07, V 2051-07, V 0175-08 and V0179-08). The procedures which the Issuer and other parties expect to follow are stipulated in the global tax procedures published by the ICSDs, which are also described in the Fiscal Agency Agreement. In this regard, Holders of Notes and/or CDs should also consult announcements in relation to these global tax procedures published on a periodic basis on the websites of the ICSDs (www.Euroclear.com, www.Clearstream.com).

Holders of Notes and/or CDs should be aware that these procedures may be revised from time to time in accordance with applicable Spanish laws and regulations, further clarification from the Spanish tax authorities regarding such laws and regulations and the operational procedures of the ICSDs or in the event that the relevant Notes and/or CDs are not held through the ICSDs, and, in such circumstances, the parties undertake to use their best endeavours to revise the procedures and, if required by the Issuer, ensure that relevant Holders of Notes and/or CDs are made aware of such revised procedures. Any revision to the procedures agreed by the Issuer and Fiscal Agent shall be binding on all parties. None of the Issuer, the Dealers, the Issue Agent, the Principal Paying Agent, or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

KEY FEATURES OF THE PROGRAMME

Issuer:	Banco Popular Español, S.A.
Arranger:	Barclays Bank PLC
Dealers:	Banc of America Securities Limited Banco Popular Español, S.A. Barclays Bank PLC Citibank International plc Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International ING Bank N.V. Morgan Stanley & Co. International plc Nomura International plc Société Générale The Royal Bank of Scotland plc UBS Limited
Issue Agent and Principal Paying Agent:	The Bank of New York Mellon
Irish Listing Agent:	The Bank of New York Mellon (Ireland) Limited
Programme Amount:	The aggregate principal amount of Notes and CDs outstanding at any time will not exceed €12,000,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time.
Currencies:	Notes and CDs may be issued in Australian dollars, Canadian dollars, Danish Kroner, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian Kroner, Sterling, Swedish Kronor, Swiss Francs and United States dollars and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
Denominations:	Global notes (the “Global Notes”) and global CDs (“Global CDs”) shall be issued (and interests therein exchanged for definitive Notes and definitive CDs, if applicable) in the following minimum denominations: (a) for Sterling Notes and CDs, £100,000; (b) for U.S.\$ Notes and CDs, U.S. \$500,000; (c) for euro Notes and CDs, €500,000; or (d) for Yen Notes and CDs, ¥100,000,000, or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealers from time to time, subject in each case to compliance with all applicable legal and regulatory requirements.
Maturity of the Notes and CDs:	Not less than 21 nor more than 364 days, subject to applicable legal and regulatory requirements.
Tax Redemption:	Early redemption will only be permitted for tax reasons as described in the terms of the Notes and CDs.

Yield Basis:	The Notes and CDs will be issued at a discount and will not bear interest.
Status of the Notes and CDs:	The Notes and CDs will constitute and at all times shall constitute a direct and unsecured obligation of the Issuer ranking <i>pari passu</i> without any preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.
Taxation:	All payments under the Notes and CDs will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the Notes and CDs and as stated on page 50 under the heading “Spanish Taxation”.
Disclosure of identity of holders:	<p>Under Law 13/1985 as amended by Law 4/2008 the Issuer is obliged to disclose to the Spanish Tax and Supervisory Authorities the identity of Holders of the Notes and/or CDs who are Spanish resident holders (individuals or corporates) and non-Spanish resident holders operating through a permanent establishment. The Issuer, the Fiscal Agent, the common depository for the Notes and/or CDs and the clearing system will follow certain procedures to facilitate the collection of the above details from Holders. The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of the relevant secondary legislation, which has not been adopted at the date of this Information Memorandum. If the clearing systems are, in the future, unable to facilitate the collection of such information they may decline to allow the Notes and/or CDs to be cleared through the relevant system as this may affect the liquidity of the Notes and/or CDs.</p> <p>Pending the enactment of such secondary legislation, and in accordance with consultations from the General Directorate for Taxation dated 20 January 2009, the current procedures relating to the identity of the Holders of the Notes and/or CDs, as laid down in section 44 of Royal Decree 1065/2007, remain applicable irrespective of whether or not the Holders of the Notes and/or CDs are resident in Spain, and the clearing systems continue to require the compliance with such obligation.</p> <p>A summary of those procedures is set out in “Taxation – Disclosure of Beneficial Owner Information in Connection with Payments.” Holders of Notes and CDs must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes and CDs. None of the Issuer, the Arranger, the Dealers, the Issue Agent, the Principal Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefore.</p>
Form of the Notes and CDs:	The Notes and the CDs will be in bearer form. Each issue of Notes and CDs will initially be in global form (“Global Notes” and “Global CDs” respectively). Global Notes and Global CDs will be exchangeable into definitive Notes and CDs in whole, but not in part, in the limited circumstances set out in the Global Notes and Global CDs (see “Forms of the Notes” and “Forms of CDs”). Global Notes and Global CDs may be in new

global form or may not be in new global form and Global Notes and Global CDs in new global form may be held in a manner which would allow Eurosystem eligibility, in each case if so indicated in the relevant Final Terms.

Listing and Trading:

Each issue of Notes or CDs may be admitted to the Official List of the Irish Stock Exchange Limited and admitted to trading on the Main Securities Market of the Irish Stock Exchange Limited and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealers. No Notes or CDs may be issued on an unlisted basis.

Delivery:

Global Notes and Global CDs will be deposited with, if the Global Note or Global CD (as they case may be) is in new global form, a common safekeeper for and, if the Global Note or Global CD (as they case may be) is not in new global form a common depository for Euroclear or Clearstream, Luxembourg or any other recognised clearing system (and which, if the Global Note or Global CD (as the case may) is intended to be held in a manner that would allow Eurosystem eligibility, is authorised to hold notes and/or certificates of deposits as eligible collateral for Eurosystem monetary policy and intra-day credit operations). Account holders will, in respect of Global Notes and Global CDs, have the benefit of a Deed of Covenant dated 19 November 2010 (the “Deed of Covenant”), copies of which may be inspected during normal business hours at the specified office of the Issuer and Paying Agent. Definitive Notes or CDs (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.

Selling Restrictions:

The offering and sale of the Notes or CDs is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, Japan and the Kingdom of Spain (see “Subscription and Sale”).

Governing Law:

The Notes and CDs and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.

Use of Proceeds:

The net proceeds of the issue of the Notes and CDs will be used for the general funding purposes of the Group.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the audited consolidated annual accounts of the Issuer as at and for the year ended 31 December 2009 which includes 31 December 2008 financial information for comparative purposes (the “2009 Financial Statements”);
- (2) the audited consolidated annual accounts of the Issuer as at and for the year ended 31 December 2008 which includes 31 December 2007 financial information for comparative purposes (the “2008 Financial Statements”);
- (3) the audited consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2010 which includes 30 June 2009 financial information for comparative purposes (the “June 2010 Interim Financial Statements”); and
- (4) the unaudited consolidated interim information of the Issuer as at and for the nine months ended 30 September 2010 which includes the 30 September 2009 financial information for comparative purposes (the “2010 Third Quarter Financial Information”).

The tables below set out the relevant page references for the balance sheet, income statement, statement of changes in shareholders’ equity, cash flow statement, notes and auditor’s reports in the 2009 Financial Statements, 2008 Financial Statements and June 2010 Interim Financial Statements of the Issuer as set out in the annual report for the year ended 31 December 2009, in the annual report for the year ended 31 December 2008 and in the half-year report for the six months ended 30 June 2010, and the relevant page references for the balance sheet and income statements in the 2010 Third Quarter Financial Statements as set out in the quarterly report for the nine months ended 30 September 2010:

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Any information contained in any of the documents specified above which is not incorporated by reference in this Information Memorandum is either not relevant to investors or is covered elsewhere in this Information Memorandum.

BANCO POPULAR ESPAÑOL, S.A.

Information about the Issuer

Banco Popular Español, S.A. (the “Issuer”) was incorporated for an indefinite period in the presence of the Notary of Madrid, Mr. José Toral y Sagristá, on 14 July 1926, under the name “Banco Popular de los Previsores del Porvenir”, a public limited company registered in the Mercantile Registry of Madrid, volume 174, folio 44, page 5.458, 1st entry. It began operations on 1 October 1926, changing its name to “Banco Popular Español, S.A.” by a deed authorised by the Notary of Madrid, Mr. José Gastalver Gimeno, on 8 March 1947.

The Issuer’s registered office is at calle Velázquez nº 34, 28001 Madrid, Spain and the telephone number at that office is +34 902 30 10 00.

The Issuer is incorporated as a *sociedad anónima* (public limited company), and is governed by the Consolidated Text of the Capital Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*) approved by Royal Legislative Decree 1/2010, dated 2 July, and associated regulations.

Given its status as a financial entity, the Issuer’s activities are subject to supervision by the Bank of Spain.

The Issuer is registered in the Banks and Bankers’ Registry (*Registro de Bancos y Banqueros*) with number 0075.

In December 2008 Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A., and Banco de Vasconia, S.A. were merged by absorption with the Issuer. In August 2009 Banco de Andalucía, S.A. was merged by absorption with the Issuer. Following shareholder approval in the respective Shareholders’ Meetings, all the operations performed by the acquired banks are understood to have been performed by the Issuer for accounting purposes as of 1 January 2009.

The Banco Popular group is comprised of the Issuer and its consolidated subsidiaries (the “Group”). This includes four main banking subsidiaries of the Issuer, two of which operate in Spain: bancopopular-e S.A. which is a wholly-owned subsidiary, and Popular Banca Privada S.A. which is the private banking unit owned 60 per cent. by the Group and 40 per cent. by Dexia-BIL. The other two main wholly-owned subsidiaries are foreign banks: one in Portugal (Banco Popular Portugal S.A.) and another in the state of Florida in the USA (TotalBank). In addition, the Group has other subsidiaries and holds investments in other companies, including other banks and financial service companies.

At a meeting of the Executive Committee of the Issuer held on 9 September 2009, in accordance with the conferred authority and resolutions passed at the Ordinary General Shareholders’ Meeting held on 26 June 2009 and by the Board of Directors at its meeting dated 27 July 2009, it was resolved to increase share capital to €500 million. This share capital increase took place without pre-emptive shareholder acquisition rights and was a private placement amongst qualified institutional investors resident in as well as outside Spain, by means of an “Accelerated Bookbuilding” process, as the term is understood in international financial markets. This private placement was coordinated by the entity Credit Suisse Securities (Europe) Limited which was appointed by the Issuer as lead manager and bookrunner of the placement.

At the General Shareholders Meeting held on 26 June 2009 it was agreed to delegate to the Board of Directors, pursuant to article 319 of the Mercantile Registry Regulations, the authority to issue fixed income securities convertible into newly issued shares, and/or existing shares of the Issuer, up to a maximum amount of €2 billion, with the determination of the bases and types of the conversion and/or swap, with the waiver, if necessary, of preferential subscription rights, and the delegation of powers to increase the capital stock by the required amount. The time limit for exercising these delegated powers is five years.

By virtue of this delegation, the Board of Directors resolved in July 2009 to issue subordinated bonds compulsorily convertible into newly-issued ordinary shares of the Issuer through the subsidiary Popular Capital, S.A., for a total nominal amount of €700 million and at a conversion price of €7.1377 per share. These bonds are traded on the Electronic Bond Market of the Madrid Stock Exchange.

On 28 October 2010 Crédit Mutuel, and the Issuer confirmed the creation of a new banking platform over which they will have joint control, each holding a 50 per cent. stake. A total of 123 branches of

the Issuer's existing network have been transferred to the new bank. In exchange, Crédit Mutuel will invest €312 million, bringing the net asset value of the newly created bank to €625 million and will be a 5% shareholder in the Issuer, with the future appointment of a member to its Board of Directors. Share capital will be €258 million.

The new bank will seek opportunities for growth in the Spanish and Portuguese markets through participation in the reorganisation of the financial sector, currently underway in Spain. It will utilise the strength and experience of its two shareholders, both in business management and in the implementation of new technologies in banking, to take advantage of any new business opportunity.

Business Overview

At 31 December 2009 the Group had total assets of €129.29 billion, customer funds of €59.558 billion and shareholder funds of €8.416 billion (after distributions of the year's income). The Group's net income for the year ended 31 December 2009 was €780.347 million. At 30 June 2010 the Group had total assets of €128.28 billion, customer funds of €66.281 billion and shareholder funds of €8.621 billion. The Group's net income for the six months ended 30 June 2010 was €360.217 million.

The Issuer's business is concentrated in the traditional domestic retail banking business of savings and loans. Through its specialised subsidiaries it also offers factoring, investment management, mutual and pension funds, stock broking, life assurance and mortgage lending. At the date of this Information Memorandum, the Issuer's shares are listed on the Spanish stock exchanges and on Euronext Lisbon.

The commercial banking business in Portugal is conducted mainly through Banco Popular Portugal S.A., and the Group's emphasis is on reorienting the bank's business towards commercial or retail banking, fundamentally with small and medium sized companies. As of 31 December 2009, Banco Popular Portugal S.A. has network of 233 branches and 1,282 staff distributed throughout Portugal.

In 2009 Banco Popular Portugal S.A. experienced a substantial 42 per cent. increase in customer deposits which amounted to over €3.5 billion at year end. There was a slight (6 per cent.) fall in loans and receivables as a result of the sharp reduction in lending to the construction sector, which was offset by a greater volume of other term loans and finance leases. On a business level, Banco Popular Portugal S.A. increased its gross operating income by 5.8 per cent. and its net operating income by 5.9 per cent. in 2009. The 23 per cent. increase in provisions, mainly for the impairment of loans and receivables, reduced the profit after taxes by 37.7 per cent. to €16.34 million.

The commercial banking business in the USA is conducted through TotalBank, which was acquired at the end of 2007 and operates in the State of Florida. As of 31 December 2009, TotalBank had 15 branches and 337 employees; its total assets amounted to US\$ 1.958 billion and included €1.1 billion in loans and receivables.

Organisational Structure

As at the date of this Information Memorandum, the Group includes banks which are either wholly or majority owned and managed by the Issuer:

- Bancopopular-e S.A., specialising in Internet banking in Spain (wholly-owned subsidiary);
- Popular Banca Privada S.A., which provides private banking services in Spain (owned 60 per cent. by the Group and 40 per cent. by Dexia-BIL);
- Banco Popular Portugal S.A., a commercial bank operating in Portugal (wholly-owned subsidiary); and
- TotalBank, which provides a range of business and personal banking and financial products and services in the USA (wholly-owned subsidiary).

With respect to Popular Hipotecario, a subsidiary specialising in property financing, the Group owns 50 per cent. and the remaining 50 per cent. is owned Credit Mutuel.

The Group also includes twenty-three other operating companies which provide the broad range of financial services offered by the Group, including factoring, mutual and pension fund management, securities intermediation, portfolio and asset management, life insurance broking, venture capital

investment and equipment renting. Some of these companies are joint ventures of the Issuer and leading partner entities. The Group also includes companies which provide support for the Group's main activities and several other smaller companies.

By virtue of the Issuer's majority in capital stock and voting rights or agreements with its partners, the Group operates as a single unit with unified direction and management and common technical and support services. The banking and other subsidiaries of the Issuer act as geographical or functional units forming part of the Group's organisation, the primary differentiating features being those arising from the differing legal status of each.

Banking

The Group is engaged in all aspects of general banking but with a strong focus on the domestic retail sector where it enjoys a strong position particularly in the small business sector.

Banco Popular Portugal S.A. shares the Group's technological platform and is fully integrated with its central services, but it also maintains an independent infrastructure in order to comply with Portuguese regulations and to respond to the specific requirements of its customers.

The Group also has other affiliates including those specialising in factoring, mutual fund management, pension funds and plans, securities and stock markets, a share portfolio and ownership company, a venture capital company, renting, insurance and a number of special purpose financial and asset-holding companies, with which it meets substantially all the financial services requirements of its customers.

At 30 June 2010 the Group had 2,299 branches (2,048 are distributed throughout Spain, and 233 are located in Portugal and the USA) and 14,416 staff (12,627 in Spain and 1,789 in Portugal and the USA).

The Group's lending is almost entirely domestic and spread throughout Spain. At 31 December 2009 Popular's lending was concentrated as follows: industry (19.2 per cent.) services (51.8 per cent.); construction (23.9 per cent.); primary sector (2 per cent.); and others (3.1 per cent.). Corporate lending is largely to small and medium-sized companies, mostly short-term and orientated towards financing commercial activity.

Trend Information

There has been no material adverse change in the prospects of the Issuer and the Group since 30 June 2010.

Administrative, Management and Supervisory Bodies

Board of Directors

The table below sets forth, at the date of this Information Memorandum, the names of the members of the Board of Directors of the Issuer, the respective dates of their appointment their positions within the Issuer and their membership type.

Last appointed	First appointed	Name	Title	Type
26/06/2009	15/12/2008	Allianz, SE ⁽¹⁾	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)
30/05/2007	18/12/2003	Mr. Francisco Aparicio Valls	Secretary-Director	Executive
30/05/2008	27/11/1980	Asociación Profesional de Directivos BPE. ⁽²⁾	Director	Executive
30/05/2008	27/05/2003	Mr. Américo Ferreira de Amorim	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)
30/05/2008	20/06/2002	Mr. Eric Gancedo Holmer	Director	Independent

30/05/2007	21/06/2001	Mr. Luis Herrando Prat de la Riba ⁽³⁾	Vice-Chairman Director	Independent
Last appointed	First appointed	Name	Title	Type
30/05/2008	11/09/2008	Mr. Roberto Higuera Montejo ⁽⁴⁾	Vice-Chairman/ Managing Director	Executive
30/05/2008	24/11/1987	Mr. Casimiro Molins Ribot ⁽⁵⁾	Director	Other External Director
30/05/2008	23/06/1999	Mr. Manuel Morillo Olivera	Director	Independent
30/05/2008	19/12/1974	Mr. Miguel Nigorra Oliver ⁽⁵⁾	Director	Other External Director
30/05/2007	30/05/07	Mr. Nicolás Osuna García	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)
30/05/2007	30/05/07	Ms. Helena Revoredo Delveccio	Director	Independent
30/05/2008	1/12/1987	Mr. José Ramón Rodríguez García	Director	Independent
30/05/2008	19/10/2004	Mr. Ángel Carlos Ron Güimil	Chairman	Executive
30/05/2007	28/06/1988	Sindicatura de Accionistas de BPE ⁽⁶⁾	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)
30/05/2008	18/12/1996	Mr. Miguel A. de Solís y Martínez-Campos	Director	Independent
30/05/2008	19/12/2007	Vicente Tardío Barutel	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)
19/05/2009	19/05/2009	Unión Europea de Inversiones, S.A. ⁽⁷⁾	Director	Proprietary Director (<i>Consejero Dominical</i>) ^(*)

(1) Allianz SE was appointed as a "Proprietary Director" (*Consejero Dominical*) at the Board of Directors meeting held on 15 December 2008, ratified at the General Shareholders' Meeting held on 26 June 2009, to fill the vacancy produced by the resignation of Mr. Herbert Walter. From 1 February 2010 the representative of Allianz SE shall be Mr. Jan R. Carendi.

(2) Representative: Mr. Roberto Higuera Montejo, from 20 December 2006.

(3) Mr. Luis Herrando Prat de la Riva was appointed as Vice Chairman at the General Shareholders' Meeting held on 30 May 2008.

(4) Mr. Robert Higuera Montejo was appointed as Chief Executive Officer. Furthermore, he was appointed as Vice Chairman at the General Shareholders' Meeting held on 30 May 2008.

(5) Director Casimiro Molins has been classified as "Other External Directors" since his holding in the share capital does not reach a percentage that justifies classification as "Proprietary Director (*Consejero Dominical*)". He also cannot be considered "Independent", since he has a close relationship with one of the Directors of Unión Europea de Inversiones, S.A., a significant shareholder and director of the entity. Likewise, Director Miguel Nigorra has been reclassified since last year; his classification has changed from "Proprietary Director (*Consejero Dominical*)" to "Other External Directors". The reason for this change was that when Banco de Crédito Balear S.A. was merged by absorption with the Issuer, he ceased to have a significant holding, and his stake in the share capital of Banco Popular does not reach a percentage that justifies his classification as a "Proprietary Director (*Consejero Dominical*)". He also cannot be considered "Independent", since he has a close relationship with one of the Directors of Unión Europea de Inversiones, S.A., a significant shareholder and director of the entity, and because his direct shares are syndicated in Sindicatura de Accionistas de BPE.

(6) Representative: From 1 February 2010 the representative shall be Mr. Carlos Figuero García, who will be replacing Mr. José María Mas.

(7) The Director of Unión Europea de Inversiones, S.A. was appointed by the Board of Directors on 19 May 2009, with Luis Montuenga Aguayo becoming its representative, as a consequence of which he removed himself as "Proprietary Director (*Consejero Dominical*)".

(*) The Directors are classified as "Proprietary Director (*Consejero Dominical*)" due to being direct or indirect shareholders with a stake higher than 1 per cent. of the Issuer's stock capital, or having been appointed to represent shareholders that own said percentage of stock capital, as described in 21.2.2 of this Registration Document.

Nombre	Sociedad	Cargo
Allianz SE (representative: Jan Olof Richard Carendi)		
Aparicio Valls, Francisco	Centro Social Universitario Pan de Azúcar, S.A.	Sole Director
Asociación Profesional de Directivos (representative: Roberto Higuera Montejo)	Popular de Mediación, S.A. Popular de Factoring, S.A., E.F.C TotalBank	President President Director
Ferreira de Amorim, Americo	Grupo Amorim Unión Europea de Inversiones S.A.	President Director
Gancedo Holmer, Eric	bancopopular-e S.A., S.A. Manuel Gancedo, S.A. Gancedo y González, S.A. Aliseda	President Director Director Director
Herrando Prat, Luis	Instituto de Educación e Investigación, S.A. Sociedad de Promoción y Desarrollo Talde, S.A. Bilbao Equity SIMCAV, S.A. Asistencia Clínica Universitaria de Navarra, S.A. Popular Banca Privada S.A., S.A. Aliseda	President Director President Director President Director
Figuero García, Carlos (representative of Sindicatura de Accionistas)	Sindicatura de Accionistas de BPE S.A. Formación de la Mujer S.A. Viviendas y Oficinas S.A. Comercial de Libros y Documentación S.A	Sole Director Sole Director Sole Director Sole Director
Molins Ribot, Casimiro	Cementos Molins, S.A. Cementos Molins Industrial, S.A. Inversora Pedralves, S.A. Otinix, S.A.	President President President President
Morillo Olivera, Manuel	–	–
Nigorra Oliver, Miguel	Nova Santa Ponsa Golf, S.A. Gestión y Administración Registral, S.L. Habitat Golf Santa Ponsa, S.A.	President President-CEO President
Osuna García, Nicolás	Invernima, S.L. Grupo de Inversiones Noga, S.A.U	President President
Rodríguez García, José Ramón	Inmobiliaria Urbana de la Moncloa, S.A. Aliseda	President President
Revoredo Delveccio, Helena	Prosegur, S.A. Euroforum Escorial S.A. Gestevisión Telecinco S.A. TF Artes Gráficas S.A. Romeracapital Sicav S.A.	President President Director Director Director
Ron, Ángel Carlos	–	–
Santana, Vicente	Popular Banca Privada S.A., S.A. Cignus Valores SIMCAV, S.A. Fides Capital, S.C.R., S.A.	Director President Director
Higuera, Roberto	Popular de Mediación, S.A. Popular de Factoring, S.A., E.F.C TotalBank	President President Director

Nombre	Sociedad	Cargo
Solís, Miguel Ángel de	Sur CIA. Española de Seguros y Reaseguros, S.A.	Director
Tardío Barutel, Vicente	Allianz Compañía de Seguros y Reaseguros, S.A. Fénix Directo Compañía de Seguros y. Eurovida S.A.	President and CEO Representative Director
Unión Europea de Inversiones, S.A. (representante físico D. Luis Montuenga Aguayo)	Consultores Financieros e Industriales, S.A. Unión Europea de Inversiones, S.A.	Sole Director President

Executive Committee

The Board of Directors has delegated all of its powers in favour of the Executive Committee, except for those which cannot be delegated pursuant to the provisions of the Capital Companies Act (*Ley de Sociedades de Capital*) and Board Regulations (*Reglamentos del Consejo*).

At the date of this Information Memorandum, the Executive Committee was composed of the following six directors.

Chairman	Mr. Ángel Ron Güimil
Members	Mr. Eric Gancedo Holmer Mr. Luis Herrando Prat de la Riba Mr. José Ramón Rodríguez García Mr. Roberto Higuera Montejo
Secretary	Mr. Francisco Aparicio Valls

The resolutions adopted by the Executive Committee do not require subsequent ratification by a meeting of the Board of Directors, although the Executive Committee does inform the Board of Directors about the matters dealt with and the decisions adopted in its meetings.

Senior Management

The following table, excluding the chief executive officers, specifies the senior management of the Issuer.

Jesús Arellano Escobar	General Control and Default Management
Francisco Gómez Martín	General Risk Management
Jacobo González Robatto Fernández	Director General Corporate and Finance
Eutimio Morales López	General Auditing
Tomás Pereira Pena	Central Legal Department
Ángel Rivera Congosto	General Business Management
Fernando Rodríguez Baquero	Technical Resources
Francisco J. Safont Marco	Management of the Catalonia Region

As provided by article 22 of the By-laws, the general management of the Issuer is the technical and executive governing body of the institution.

The members of the General Management, appointed by the Board of Directors from among the members of the senior management, number a minimum of three and a maximum of seven.

At present, the Issuer's General Management Committee is formed by Mr. Angel Ron Güimil, its Chairman, Mr. Ángel Rivera Congosto, Mr. Jesús Arellano Escobar, Mr. Jacobo González-Robatto Fernández, Mr. Francisco Gómez Martín, Mr. Eutimio Morales López and Mr. Fernando Rodríguez Baquero.

The principal activities of each member of the senior management outside of the Issuer are set out in the table below.

Name	Company	Title
Jesús Arellano Escobar	Sociedad Conjunta para la Emisión and Gestión de Medios de Pago EFC, S.A. (IBERIA CARDS)	Director
	Daesa, S.A.	Director
	Redes y Procesos S.A.	Chairman
Francisco Gómez Martín	–	–
Jacobo González Robatto Fernández	–	–
Jacobo González-Robatto Fernández	–	–
Eutimio Morales López	Intermediación and Servicios Tecnológicos, S.A.	Sole Director
	Bancopopular-e S.A.	Director
	Popular de Factoring S.A. E.F.C.	Director
Tomás Pereira Pena	–	–
Fernando Rodríguez Baquero	–	–
Ángel Rivera Congosto	Banco Popular Portugal S.A. S.A.	Director
	Europensiones S.A.	Chairman
	Eurovida S.A.	Vice Chairman
	Popular Gestión S.G.I.I.S.A.	Chairman
	Popular Factoring S.A.	Chairman
	Popular de Factoring S.A. E.F.C.	Director
	Popular Banca Privada S.A. S.A.	Director
Francisco J. Safont Marco	Avalis de Catalunya, S.A., S.G.R.	Representative ¹

¹ Representative of the Issuer.

There are no conflicts of interest, or potential conflicts of interest, between any duties toward the Issuer of any of the persons referred to above and their respective private interests and/or any other duties.

The business address of each member of the Board of Directors and the other members of the Issuer's management mentioned above is calle Velázquez nº 34, 28001 Madrid, Spain.

Major Shareholders

The Issuer is not aware of the existence of any individual or body corporate exercising, or who could exercise, directly or indirectly, control over it, nor is the Issuer aware of the existence of any agreement which could lead to a change of control at a subsequent date.

Statutory Auditors

The auditors of the Issuer are PricewaterhouseCoopers Auditores, S.L. (registered in the Official Registry of Auditors of Accounts (*Registro Oficial de Auditores de Cuentas*) under number SO.242). The address of PricewaterhouseCoopers Auditores, S.L. is Paseo de la Castellana, 43, 28046 Madrid, Spain.

The auditors have not resigned, been removed or re-appointed during the period covered by the historical financial information contained herein.

Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

The audited consolidated annual accounts of the Issuer for the financial years ended 31 December 2009 (which includes 31 December 2008 financial information for comparative purposes) and for the financial year ended 31 December 2008 (which includes 31 December 2007 financial information for comparative purposes), and the audited consolidated interim financial statements of the Issuer for the six months ended 30 June 2010 (which includes 30 June 2009 financial information for comparative purposes) each prepared in accordance with IFRS-EU, have been incorporated by reference in this Information Memorandum.

The unaudited consolidated interim financial information of the Issuer as at and for the nine months ended 30 September 2010 (which includes 30 September 2009 financial information for comparative purposes) have been incorporated by reference in this Information Memorandum.

The above mentioned consolidated annual accounts were audited by PricewaterhouseCoopers Auditores, S.L. No other information in this Information Memorandum (including the 2009 Third Quarter Financial Statements) has been audited by PricewaterhouseCoopers Auditores, S.L.

No financial data in this Information Memorandum has been extracted from a source other than the 2009 Financial Statements and 2008 Financial Statements or the 2010 Third Quarter Financial Information.

The Issuer has not been involved in any governmental, legal or arbitration proceedings (nor is the Issuer aware of any such proceedings which are pending or threatened) during the 12 months prior to the date of this Information Memorandum which may have, or have had in the recent past, a significant effect on the Issuer and/or the Group's financial position or profitability.

There has been no significant change in the financial position of the Group since 31 December 2009, the date of the 2009 Financial Statements of the Issuer.

Material Contracts

At the date of this Information Memorandum, no contracts had been entered into that were not in the ordinary course of business of the Issuer and which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes.

Third Party Information and Statement by Experts and Declarations of any Interest

The audit reports of PricewaterhouseCoopers Auditores, S.L. in respect of the 2009, 2008 and 2007 Financial Statements are incorporated by reference in this Information Memorandum.

The business address of PricewaterhouseCoopers Auditores, S.L., is stated under "Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses" above. PricewaterhouseCoopers Auditores, S.L. do not have any material interest in the Issuer.

There is no information contained in this Information Memorandum which has been sourced from a third party.

Documents on Display

For the period of fourteen days after the date of this Information Memorandum and for so long as any Notes shall be outstanding and throughout the life of the Programme, physical or electronic copies and, where appropriate, English translations of the following documents may be inspected (in the case of (f) and (g) below obtainable from the Paying Agents) during normal business hours at the specified offices of the Paying Agents and at the registered office of the Issuer, namely:

- (a) the constitutional documents of the Issuer;
- (b) the current listing particulars in relation to the Programme (including this Information Memorandum), together with any amendments or supplements thereto, including any supplementary listing particulars and any document incorporated therein by reference;
- (c) the Issuing and Paying Agency Agreement and all amendments thereto and restatements thereof;
- (d) the Deed of Covenant;
- (e) the Dealer Agreement and all amendments thereto and restatements thereof;
- (f) the most recent publicly available audited consolidated annual accounts (including the notes to the accounts setting out the comments and detailed explanations made by accountant officials of the Issuer and audited by PricewaterhouseCoopers Auditores, S.L. in respect of the figures set out in such annual accounts) of the Issuer beginning with the 2009, 2008 and 2007 Financial Statements and the June 2010 Interim Financial Statements; and
- (g) any Final Terms.

CERTAIN INFORMATION IN RESPECT OF THE NOTES AND CDs

Key Information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes and CDs will be used for the general funding purposes of the Group.

Information Concerning the Securities to be Admitted to Trading

Total amount of Notes and CDs Admitted to Trading

The aggregate amount of each issue of Notes and CDs will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes and/or CDs which may be outstanding at any one time is €12,000,000,000 (or its equivalent in other currencies).

Type and Class of Notes and CDs

Notes and CDs will be issued in tranches. Global Notes and Global CDs shall be issued (and interests therein exchanged for definitive Notes or definitive CDs, if applicable) in the following minimum denominations:

- (a) for Sterling Notes and CDs, £100,000;
- (b) for U.S.\$ Notes and CDs, U.S. \$500,000;
- (c) for euro Notes and CDs, €500,000; or
- (d) for Yen Notes and CDs, ¥100,000,000,

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time, subject in each case to compliance with all applicable legal and regulatory requirements.

The international security identification number of each issue of Notes or CDs will be specified in the relevant Final Terms.

Legislation under which the Notes and CDs have been created

The Notes and CDs and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.

Form of the Notes and CDs

The Notes and CDs will be in bearer form. Each issue of Notes and CDs will initially be represented by a Global Note or Global CD (as the case may be) which will be deposited with, if the Global Note or Global CD (as they case may be) is in new global form, a common safekeeper for and, if the Global Note or Global CD (as they case may be) is not in new global form, a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (and which, if the Global Note or Global CD (as the case may) is intended to be held in a manner that would allow Eurosystem eligibility, is authorised to hold notes or certificates of deposits as eligible collateral for Eurosystem monetary policy and intra-day credit operations). Each Global Note or Global CD may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note or Global CD.

Currency of the Notes or CDs

Notes or CDs may be issued in Australian dollars, Canadian dollars, Danish Kroner, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian Kroner, Sterling, Swedish Kronor, Swiss Francs and United States dollars and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes and CDs

The Notes and CDs will constitute and at all times shall constitute direct and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.

In the event of insolvency (concurso) of the Issuer, under Law 22/2003 (Ley Concursal) dated 9 July 2003 ("Law 22/2003"), claims relating to Notes and CDs (unless they qualify by law as subordinated credits in the limited circumstances established by Article 92 of Law 22/2003) will be ordinary credits (créditos ordinarios) as defined in Law 22/ 2003. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Accrued and unpaid interest due in respect of the Notes and CDs at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits.

Rights attaching to the Notes and CDs

Each issue of Notes and CDs will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or CD or, as the case may be, definitive Notes or CDs and must be read in conjunction with the relevant Notes or CDs. See "Forms of the Notes", "Form of Final Terms of the Notes", "Forms of CDs" and "Form of Final Terms of CDs".

Maturity of the Notes and CDs

The Maturity Date applicable to each issue of Notes and CDs will be specified in the relevant Final Terms. The Maturity Date of an issue of Notes or CDs may not be less than 21 days nor more than 364 days, subject to applicable legal and regulatory requirements.

Redemption for tax reasons

The Issuer may only redeem the Notes and CDs at their Nominal Amount (or at such other amount as may be specified in the relevant Final Terms) prior to the scheduled Maturity Date of the relevant Notes or CDs as a result of certain changes or amendments in Spanish tax laws or regulations, or the application or official interpretation thereof. The Issuer will be required to give not less than 14 days' notice to holders of the Notes or CDs of its intention to so redeem the Notes or CDs. Prior to the publication of any such notice, the Issuer will be required to deliver to the Principal Paying Agent (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing the conditions precedent to the right of the Issuer so to redeem have occurred; and (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay additional amounts (pursuant to the terms of the relevant Notes or CDs) as a result of such change or amendment. See "Form of the Notes" and "Forms of CDs".

Prescription

Claims for payment of the Nominal Amount shall become void unless the relevant Notes or CDs are presented for payment within ten years of the appropriate Relevant Date.

Yield Basis

The Notes and CDs will be issued at a discount and will not bear interest.

Authorisations and approvals

At the General Shareholders' Meeting of the Issuer held on 26 June 2009 the shareholders adopted a resolution authorising the Board of Directors of the Issuer to adopt a resolution to, inter alia, authorise the issuance by the Issuer of certain financial instruments. The Board of Directors, at a meeting held on 26 June 2009, adopted a resolution delegating, inter alia, such authorisation to the Executive Committee of the Issuer. The update of the Programme and the issuance of Notes and CDs pursuant thereto, was authorised by a resolution of the Executive Committee adopted at a meeting held on 19 October 2010.

Admission to Trading and Dealing Arrangements

Application has been made to the Irish Stock Exchange Limited for Notes and CDs issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List of the Irish Stock Exchange Limited and to trading on its regulated market (the Main Securities Market). Notes and CDs may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the relevant Dealer(s). No Notes or CDs may be issued on an unlisted basis.

The Bank of New York Mellon at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, is the Issue Agent and Principal Paying Agent in respect of the Notes and CDs.

The Bank of New York Mellon (Ireland) Limited at Hanover Building, Windmill Lane, Dublin 2, Ireland is the Irish Listing Agent in respect of the Notes and CDs.

Expense of the Admission to Trading

The expense in relation to the admission to trading of each issue of Notes and CDs will be specified in the relevant Final Terms.

Ratings

The credit ratings assigned to the Notes or CDs will be set out in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, charge or withdrawal at any time by the assigning rating agency.

FORMS OF THE NOTES

Part A – Form of Multicurrency Global Note (Discounted)

BANCO POPULAR ESPAÑOL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

1. For value received, Banco Popular Español, S.A. (the “**Issuer**”) promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date or dates as the same may become payable in accordance with paragraph 4 (the “**Relevant Date**”) the nominal amount that this Global Note represents (the “**Nominal Amount**”). Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement dated 19 November 2010 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon as issue agent and principal paying agent (the “**Issue Agent**”, “**Principal Paying Agent**” and “**Paying Agent**”) and The Bank of New York Mellon (Ireland) Limited as Irish listing agent, a copy of which is available for inspection at the offices of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom and at the offices of The Bank of New York Mellon (Ireland) Limited at Hanover Building, Windmill Lane, Dublin 2, Ireland, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agents referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a Specified Office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system. The Issuer further undertakes that it will ensure that it maintains a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

2. This Global Note is issued in representation of an issue of Notes in the Nominal Amount.

If this Global Note indicates that it is intended to be issued in new global form, the Nominal Amount of this Global Note shall be the aggregate amount from time to time entered in the records of each Clearing System (as defined below). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer’s interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If this Global Note indicates that it is not intended to be issued in new global form, the Nominal Amount of this Global Note shall be the amount stated as the Nominal Amount set out in the Final Terms.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required

by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) in circumstances where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global Note to another paying agent in a member state of the European Union; or
 - (d) more than 15 days after the Relevant Date or the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or
 - (e) by or on behalf of a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities; or
 - (f) by or on behalf of a holder in respect of whom the Issuer (or the Principal Paying Agent on its behalf) has not received all details concerning such holder's identity and tax residence as it requires in order to comply with Spanish Law 13/1985, of 25 May as amended, Royal Decree 1065/2007 of 27 July 2007 and Spanish Royal Legislative Decree 4/2004 of 5 March 2004 and Spanish Order of 22 December 1999 and any developing regulations in force or as may be enacted from time to time, no later than 10.00 a.m. (CET) on the 10th calendar day of the month following the relevant payment date (or if such date is not a day on which commercial banks are open for general business in Spain, the day immediately preceding such date).
4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at their Nominal Amount if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 November 2010; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided, however*, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.
- Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent:
- (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
6. All Notes so purchased by the Issuer shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.
8. If the Relevant Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“Payment Business Day” means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“TARGET Business Day” means any day on which TARGET2 is operating credit or transfer instructions in respect of payments in Euro.

9. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the Clearing System(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days (other than by reason of public holidays); or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note; or
 - (c) the Notes are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative Clearing System is available.

Upon the tenth London Banking Day (as defined below) following presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Principal Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Principal Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the

Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

As used in this Global Note:

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme or any successor thereto;

“**Clearing System**” means each or any of Clearstream, Luxembourg, Euroclear or such other recognised clearing system as may be agreed from time to time between the Issuer and the Paying Agent and in which Notes may from time to time be held, or any successor to such entities and which, if this Global Note indicates that it is to be held in a manner which would allow Eurosystem eligibility, is authorised to hold (and is currently holding) this Global Note as eligible collateral for Eurosystem monetary policy and intra-day credit operations; and

“**Euroclear**” means Euroclear Bank S.A./N.V., or any successor thereto.

11. If, following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 19 November 2010, entered into by the Issuer).

As used in this Global Note:

“**London Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

12. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in United States dollars, Canadian dollars, Sterling or Euro on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (ii) a day on which the Clearing Systems are in operation;
 - (iii) in the case of payments in Euro, a TARGET Business Day; and
 - (iv) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.
13. On any payment being made, or any purchase or cancellation of, any of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) if this Global Note indicates that it is intended to be issued in new global form, details of such payment or purchase or cancellation (as the case may be) shall be entered in the records of each Clearing System; and
 - (b) if this Global Note indicates that it is not intended to be issued in new global form, details of such payment or purchase or cancellation (as the case may be) shall be annotated hereon and such annotation shall be prima facie evidence of such payment, purchase or cancellation.

14. Claims for payment of the Nominal Amount shall become void unless the relevant Notes are presented for payment within ten years of the Relevant Date.
15. This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent and, if this Global Note indicates that it is intended to be held in a manner that would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper (the “**Common Safekeeper**”).
16. This Global Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
17.
 - (a) *English courts*: The courts of England and Wales have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Global Note (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Global Note) and the parties submit to the exclusive jurisdiction of the English courts.
 - (b) *Appropriate forum*: The Issuer agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute arising from or connected with this Global Note (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Global Note) and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England and Wales*: Clause 17(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 17 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with a Dispute) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Ltd., Fifth Floor 100 Wood Street, London, EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent appoint a further person in England and Wales to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
18. If this Global Note has been admitted to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system). The Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the Clearing System(s) in which this Global Note is held.
19. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999

Signed on behalf of:

BANCO POPULAR ESPAÑOL, S.A.

By:.....

(Authorised Signatory)

**AUTHENTICATED by
THE BANK OF NEW YORK MELLON**

without recourse, warranty or liability
and for authentication purposes only

EFFECTUATED by:

[●]

as Common Safekeeper without recourse, warranty
or liability and for effectuation purposes only

By:.....

(Authorised Signatory)

By:.....

(Authorised Signatory)

FINAL TERMS

[Completed Final Terms to be attached]

Part B – Form of Multicurrency Definitive Note (Discounted)

BANCO POPULAR ESPAÑOL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

Nominal Amount of this Note: _____

1. For value received, Banco Popular Español, S.A. (the “**Issuer**”) promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms or on such earlier date or dates as the same may become payable in accordance with paragraph 3 (the “**Relevant Date**”) the Nominal Amount of this Note set out above. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement dated 19 November 2010 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon as issue agent and principal paying agent (the “**Issue Agent**”, “**Principal Paying Agent**” and “**Paying Agent**”) and The Bank of New York Mellon (Ireland) Limited as Irish listing agent, a copy of which is available for inspection at the offices of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom and at the offices of The Bank of New York Mellon (Ireland) Limited at Hanover Building, Windmill Lane, Dublin 2, Ireland, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the Specified Offices of the Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Note denominated in Euro, by Euro cheque drawn on, or by transfer to, a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member State of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a Specified Office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system. The Issuer further undertakes that it will ensure that it maintains a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of and payment in respect of this Note; or
 - (b) in circumstances where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Note to another paying agent in a member state of the European Union; or

- (d) more than 15 days after the Relevant Date or the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days; or
 - (e) by or on behalf of a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities; or
 - (f) by or on behalf of a holder in respect of whom the Issuer (or the Principal Paying Agent on its behalf) has not received all details concerning such holder's identity and tax residence as it requires in order to comply with Spanish Law 13/1985, of 25 May as amended, Royal Decree 1065/2007 of 27 July 2007 and Spanish Royal Legislative Decree 4/2004 of 5 March 2004 and Spanish Order of 22 December 1999 and any developing regulations in force or as may be enacted from time to time, no later than 10.00 a.m. (CET) on the 10th calendar day of the month following the relevant payment date (or if such date is not a day on which commercial banks are open for general business in Spain, the immediately preceding such date).
3. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at their Nominal Amount (as specified in the relevant Final Terms) if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 November 2010; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
- provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.*
- Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent:
- (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
 - (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.
4. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
5. All Notes so purchased by the Issuer shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
6. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.

7. If the Relevant Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein, “**Payment Business Day**”, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day; and

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“**TARGET Business Day**” means any day on which TARGET2 is operating credit or transfer instructions in respect of payments in Euro.

8. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
9. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note as follows:
- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Note is denominated in United States dollars, Canadian dollars or Euro, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) a day on which the Clearing Systems are in operation;
- (iii) in the case of payments in Euro, a TARGET Business Day; and
- (iv) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.

As used in this Note:

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme or any successor thereto;

“**Clearing System**” means each or any of Clearstream, Luxembourg, Euroclear or such other recognised clearing system as may be agreed from time to time between the Issuer and the Paying Agent and in which Notes may from time to time be held, or any successor to such entities; and

“**Euroclear**” means Euroclear Bank S.A./N.V., or any successor thereto.

- 10 Claims for payment of the Nominal Amount (as specified above) shall become void unless this Note is presented for payment within ten years of the Relevant Date.
- 11 This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent.
12. This Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
13. (a) *English courts:* The courts of England and Wales have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Note (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Note) and the parties submit to the exclusive jurisdiction of the English courts.
- (b) *Appropriate forum:* The Issuer agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute arising from or connected with this Note (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Note) and, accordingly, that it will not argue to the contrary.
- (c) *Rights of the bearer to take proceedings outside England and Wales:* Clause 13(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 13 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with a Dispute) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Ltd., Fifth Floor 100 Wood Street, London, EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent appoint a further person in England and Wales to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
14. If this Note has been admitted to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Note shall be published in accordance with the requirements of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system).
15. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

Signed on behalf of:

BANCO POPULAR ESPAÑOL, S.A.

By:.....
(Authorised Signatory)

**AUTHENTICATED by
THE BANK OF NEW YORK MELLON**

without recourse, warranty or liability
and for authentication purposes only

By:.....

(Authorised Signatory)

FINAL TERMS

[Completed Final Terms to be attached]

FORM OF FINAL TERMS FOR THE NOTES

Set out below is the form of Final Terms for the Notes which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

BANCO POPULAR ESPAÑOL, S.A.

€12,000,000,000 EURO-COMMERCIAL PAPER AND CERTIFICATE OF DEPOSIT PROGRAMME (the “Programme”)

ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF NOTES] [TITLE OF NOTES]

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 19 November 2010 (as amended, updated or supplemented from time to time, the “Information Memorandum”) in relation to the Programme) in relation to the issue of Notes referred to above (the “Notes”). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purposes of listing.

The particulars to be specified in relation to the issue of Notes are as follows:

Issuer:	Banco Popular Español, S.A.
Type of Note:	Euro commercial paper
Series No:	[]
Dealer(s):	[]
Specified Currency:	[]
Nominal Amount:	[]
Issue Date:	[]
Maturity Date:	[] <i>[May not be less than 21 days nor more than 364 days after the Issue Date]</i>
Issue Price:	[]
Denomination:	[]
Redemption basis:	<i>[Redemption at par/other]</i>
Delivery:	<i>[Free of/against] payment</i>
Listing:	<i>[Ireland/other]</i>
Ratings:	<i>[Standard & Poor’s España, S.A.: [A-1]]</i> <i>[Fitch Ratings: [F1+]]</i> <i>[Moody’s Investors Service España, S.A.: [P-1]]</i>
Clearing System(s):	Euroclear and Clearstream, Luxembourg
Issue Agent and Principal Paying Agent:	The Bank of New York Mellon
Irish Listing Agent (if not The Bank of New York Mellon (Ireland) Limited):	<i>[Not Applicable]/[Give name]</i>
Common Code:	[]
ISIN:	[]
New global form:	<i>[Yes/No]</i>

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

[Yes/No]

[Note that the designation “yes” simply means that the Notes or CDs are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes or CDs will be recognised as eligible collateral for Eurosystem monetary policy and intra-day 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.] *[include this text if “yes” selected in which case the Notes or CDs must be issued in new global form]*

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 €12,000,000,000 Euro-Commercial Paper and Certificate of Deposit Programme of Banco Popular Español, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

PART B - OTHER INFORMATION

1. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: []

3. YIELD

Indication of yield: []

CONFIRMED – BANCO POPULAR ESPAÑOL, S.A.

By: By:
(Authorised Signatory) (Authorised Signatory)

Dated: Dated:

FORMS OF CDS

Part A - Form of Multicurrency Global CD (Discounted)

BANCO POPULAR ESPAÑOL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

1. Banco Popular Español, S.A. (the “**Issuer**”) certifies that a sum has been deposited with it upon terms that on the Maturity Date set out in the Final Terms or on such earlier date or dates as the same may become payable in accordance with paragraph 4 (the “**Relevant Date**”) the nominal amount that this Global CD represents (the “**Nominal Amount**”) is payable. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global CD shall have the same meaning in this Global CD.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement dated 19 November 2010 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon as issue agent and principal paying agent (the “**Issue Agent**” and “**Principal Paying Agent**” and “**Paying Agent**”) and The Bank of New York Mellon (Ireland) Limited as Irish listing agent, a copy of which is available for inspection at the offices of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom and at the offices of The Bank of New York Mellon (Ireland) Limited at Hanover Building, Windmill Lane, Dublin 2, Ireland, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global CD at the offices of the Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global CD denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the CDs are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a Specified Office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system. The Issuer further undertakes that it will ensure that it maintains a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

2. This Global CD is issued in representation of an issue of CDs in the Nominal Amount set out in the Final Terms.

If this Global CD indicates that it is intended to be issued in new global form, the Nominal Amount of this Global CD shall be the aggregate amount from time to time entered in the records of each Clearing System (as defined below). The records of the relevant Clearing Systems (which expression in this Global CD means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer’s interest in the CDs) shall be conclusive evidence of the nominal amount of CDs represented by this Global CD and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of CDs represented by this Global CD at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If this Global CD indicates that it is not intended to be issued in new global form, the Nominal Amount of this Global CD shall be the amount stated as the Nominal Amount set out in the Final Terms.

3. All payments in respect of this Global CD by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing

authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global CD or the holder or beneficial owner of any interest herein or rights in respect hereof after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global CD is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global CD; or
 - (b) in circumstances where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global CD to another paying agent in a member state of the European Union; or
 - (d) more than 15 days after the Relevant Date or the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global CD on the last day of such period of 15 days; or
 - (e) by or on behalf of a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities; or
 - (f) by or on behalf of a holder in respect of whom the Issuer (or the Principal Paying Agent on its behalf) has not received all details concerning such holder’s identity and tax residence as it requires in order to comply with Spanish Law 13/1985, of 25 May as amended, Royal Decree 1065/2007 of 27 July 2007 and Spanish Royal Legislative Decree 4/2004 of 5 March 2004 and Spanish Order of 22 December 1999 and any developing regulations in force or as may be enacted from time to time, no later than 10.00 a.m. (CET) on the 10th calendar day of the month following the relevant payment date (or if such date is not a day on which commercial banks are open for general business in Spain, the immediately preceding such date).
4. The CDs may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days’ notice to the holders (which notice shall be irrevocable), at their Nominal Amount (as specified in the relevant Final Terms) if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 November 2010; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
- provided, however,* that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the CDs were then due.
- Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent:

- (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the CDs in accordance with this paragraph.

5. The Issuer or any subsidiary of the Issuer may at any time purchase CDs in the open market or otherwise and at any price.
6. All CDs so purchased by the Issuer shall be cancelled and shall not be reissued or resold. All CDs so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligation of the Issuer represented by this Global CD constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.
8. If the Relevant Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global CD shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global CD:

“Payment Business Day” means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day; and

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“TARGET Business Day” means any day on which TARGET2 is operating credit or transfer instructions in respect of payments in Euro.

9. This Global CD is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. This Global CD is issued in respect of an issue of CDs of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer CDs in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the Clearing System(s) in which this Global CD is held at the relevant time is closed for a continuous period of 14 days (other than by reason of public holidays); or
 - (b) if default is made in the payment of any amount payable in respect of this Global CD; or
 - (c) the CDs are required to be removed from both Euroclear and Clearstream, Luxembourg and no alternative Clearing System is available.

Upon the tenth London Banking Day (as defined below) following presentation and surrender of this Global CD during normal business hours to the Issuer at the offices of the Principal

Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Principal Paying Agent shall authenticate and deliver, in exchange for this Global CD, bearer definitive CDs denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global CD.

As used in this Global CD:

“Clearstream, Luxembourg” means Clearstream Banking, société anonyme or any successor thereto;

“Clearing System” means each or any of Clearstream, Luxembourg, Euroclear or such other recognised clearing system as may be agreed from time to time between the Issuer and the Paying Agent and in which CDs may from time to time be held, or any successor to such entities and which, if this Global CD indicates that it is to be held in a manner which would allow Eurosystem eligibility, is authorised to hold (and it currently holding) this Global CD as eligible collateral for Eurosystem monetary policy and intra-day credit operations; and

“Euroclear” means Euroclear Bank S.A./N.V., or any successor thereto.

11. If, following such surrender, definitive CDs are not issued in full exchange for this Global CD before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global CD (including the obligation hereunder to issue definitive CDs) will become void and the bearer will have no further rights under this Global CD (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 19 November 2010, entered into by the Issuer).

As used in this Global CD:

“London Banking Day” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

12. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global CD as follows:
 - (a) if this Global CD is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global CD is denominated in United States dollars, Canadian dollars, Sterling or Euro on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **“Business Day”** means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (ii) a day on which the Clearing Systems are in operation;
 - (iii) in the case of payments in Euro, a TARGET Business Day; and
 - (iv) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.
13. On any payment being made, or any purchase or cancellation of, any of the CDs represented by this Global CD, the Issuer shall procure that:
 - (a) if this Global CD indicates that it is intended to be issued in new global form, details of such payment or purchase or cancellation (as the case may be) shall be entered in the records of each Clearing System; and
 - (b) if this Global CD indicates that it is not intended to be issued in new global form, details of such payment or purchase or cancellation (as the case may be) shall be annotated

hereon and such annotation shall be prima facie evidence of such payment, purchase or cancellation.

14. Claims for payment of the Nominal Amount shall become void unless the relevant CDs are presented for payment within ten years of the Relevant Date.
15. This Global CD shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent and, if this Global CD indicates that it is intended to be held in a manner that would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper (the “**Common Safekeeper**”).
16. This Global CD and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
17.
 - (a) *English courts*: The courts of England and Wales have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Global CD (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Global CD) and the parties submit to the exclusive jurisdiction of the English courts.
 - (b) *Appropriate forum*: The Issuer agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute arising from or connected with this Global CD (including a Dispute relating to any non-contractual obligations arising out of or in connection with this Global CD) and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England and Wales*: Clause 17(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 17 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with a Dispute) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Ltd., Fifth Floor 100 Wood Street, London, EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent appoint a further person in England and Wales to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
18. If this Global CD has been admitted to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global CD shall be published in accordance with the requirements of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system). The Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the Clearing System(s) in which this Global CD is held.
19. No person shall have any right to enforce any provision of this Global CD under the Contracts (Rights of Third Parties) Act 1999.

Signed on behalf of:

BANCO POPULAR ESPAÑOL, S.A.

By:.....

(Authorised Signatory)

**AUTHENTICATED by
THE BANK OF NEW YORK MELLON**

without recourse, warranty or liability
and for authentication purposes only

EFFECTUATED by:

[●]

as Common Safekeeper without recourse, warranty
or liability and for effectuation purposes only

By:.....

(Authorised Signatory)

By:.....

(Authorised Signatory)

FINAL TERMS

[Completed Final Terms to be attached]

Part B - Form of Multicurrency Definitive CD (Discounted)

BANCO POPULAR ESPAÑOL, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

Nominal Amount of this CD: _____

1. Banco Popular Español, S.A. (the “**Issuer**”) certifies that a sum has been deposited with it upon terms that on the Maturity Date set out in the Final Terms or on such earlier date or dates as the same may become payable in accordance with paragraph 4 (the “**Relevant Date**”) the nominal amount of this CD set out above (the “**Nominal Amount**”) is payable. Terms defined in the Final Terms attached hereto but not otherwise defined in this CD shall have the same meaning in this CD.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement dated 19 November 2010 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon as issue agent and principal paying agent (the “**Issue Agent**”, “**Principal Paying Agent**” and “**Paying Agent**”) and The Bank of New York Mellon (Ireland) Limited as Irish listing agent, a copy of which is available for inspection at the offices of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom and at the offices of The Bank of New York Mellon (Ireland) Limited at Hanover Building, Windmill Lane, Dublin 2, Ireland, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this CD at the Specified Offices of the Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a CD denominated in Euro, by Euro cheque drawn on, or by transfer to, a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member State of the European Union. The Issuer undertakes that, so long as the CDs are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a Specified Office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system. The Issuer further undertakes that it will ensure that it maintains a paying agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

2. All payments in respect of this CD by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this CD after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this CD is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of and payment in respect of this CD; or
 - (b) in circumstances where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this CD to another paying agent in a member state of the European Union; or
 - (d) more than 15 days after the Relevant Date or the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this CD on the last day of such period of 15 days; or
 - (e) by or on behalf of a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities; or
 - (f) by or on behalf of a holder in respect of whom the Issuer (or the Principal Paying Agent on its behalf) has not received all details concerning such holder's identity and tax residence as it requires in order to comply with Spanish Law 13/1985, of 25 May as amended, Royal Decree 1065/2007 of 27 July 2007 and Spanish Royal Legislative Decree 4/2004 of 5 March 2004 and Spanish Order of 22 December 1999 and any developing regulations in force or as may be enacted from time to time, no later than 10.00 a.m. (CET) on the 10th calendar day of the month following the relevant payment date (or if such date is not a day on which commercial banks are open for general business in Spain, the immediately preceding such date).
3. The CDs may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at their Nominal Amount (as specified in the relevant Final Terms) if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 November 2010; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
- provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the CDs were then due.*
- Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent:
- (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
 - (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the CDs in accordance with this paragraph.
- 4. The Issuer or any subsidiary of the Issuer may at any time purchase CDs in the open market or otherwise and at any price.
 - 5. All CDs so purchased by the Issuer shall be cancelled and shall not be reissued or resold. All CDs so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
 - 6. The payment obligation of the Issuer represented by this CD constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking *pari passu* without any

preference among themselves and with all present and future unsecured and unsubordinated indebtedness of the Issuer, including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.

7. If the Relevant Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this CD shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein, “**Payment Business Day**”, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day; and

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“**TARGET Business Day**” means any day on which TARGET2 is operating credit or transfer instructions in respect of payments in Euro.

8. This CD is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
9. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this CD as follows:
 - (a) if this CD is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this CD is denominated in United States dollars, Canadian dollars or Euro, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) a day on which the Clearing Systems are in operation;
- (iii) in the case of payments in Euro, a TARGET Business Day; and
- (iv) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.

As used in this CD:

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme or any successor thereto;

“**Clearing System**” means each or any of Clearstream, Luxembourg, Euroclear or such other recognised clearing system as may be agreed from time to time between the Issuer and the Paying Agent and in which CDs may from time to time be held, or any successor to such entities; and

“Euroclear” means Euroclear Bank S.A./N.V., or any successor thereto.

10. Claims for payment of the Nominal Amount (as specified above) shall become void unless this CD is presented for payment within ten years of the Relevant Date.
11. This CD shall not be validly issued unless manually authenticated by The Bank of New York Mellon as Issue Agent.
12. This CD and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
13.
 - (a) *English courts*: The courts of England and Wales have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this CD (including a Dispute relating to any non-contractual obligations arising out of or in connection with this CD) and the parties submit to the exclusive jurisdiction of the English courts.
 - (b) *Appropriate forum*: The Issuer agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute arising from or connected with this CD (including a Dispute relating to any non-contractual obligations arising out of or in connection with this CD) and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England and Wales*: Clause 13(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 13 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with a Dispute) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Ltd., Fifth Floor 100 Wood Street, London, EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent appoint a further person in England and Wales to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
14. If this CD has been admitted to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this CD shall be published in accordance with the requirements of the Irish Stock Exchange Limited (and/or of the relevant listing authority, stock exchange and/or quotation system).
15. No person shall have any right to enforce any provision of this CD under the Contracts (Rights of Third Parties) Act 1999.

Signed on behalf of:
BANCO POPULAR ESPAÑOL, S.A.

By:.....
(Authorised Signatory)

**AUTHENTICATED by
THE BANK OF NEW YORK MELLON**
without recourse, warranty or liability
and for authentication purposes only

By:.....
(Authorised Signatory)

FINAL TERMS
[Completed Final Terms to be attached]

FORM OF FINAL TERMS FOR THE CDS

Set out below is the form of Final Terms for the CDs which will be completed in respect of each issue of CDs issued under the Programme and will be attached to the relevant Global or Definitive CDs on issue.

BANCO POPULAR ESPAÑOL, S.A.

€12,000,000,000 EURO-COMMERCIAL PAPER AND CERTIFICATE OF DEPOSIT PROGRAMME (the “Programme”)

ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF CDS] [TITLE OF CDS]

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 19 November 2010 (as amended, updated or supplemented from time to time, the “Information Memorandum”) in relation to the Programme) in relation to the issue of CDs referred to above (the “CDs”). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the CDs. These Final Terms are also a summary of the terms and conditions of the CDs for the purposes of listing.

The particulars to be specified in relation to the issue of CDs are as follows:

Issuer:	Banco Popular Español, S.A.
Type of CD:	Euro-certificate of deposit
Series No:	[]
Dealer(s):	[]
Specified Currency:	[]
Nominal Amount:	[]
Issue Date:	[]
Maturity Date:	[] <i>[May not be less than 21 days nor more than 364 days after the Issue Date]</i>
Issue Price:	[]
Denomination:	[]
Redemption basis:	<i>[Redemption at par/other]</i>
Delivery:	<i>[Free of/against] payment</i>
Listing:	<i>[Ireland/other]</i>
Ratings:	<i>[Standard & Poor’s España, S.A.: [A-1]]</i> <i>[Fitch Ratings: [F1+]]</i> <i>[Moody’s Investors Service España, S.A.: [P-1]]</i>
Clearing System(s):	Euroclear and Clearstream, Luxembourg
Issue Agent and Principal Paying Agent:	The Bank of New York Mellon
Irish Listing Agent (if not The Bank of New York Mellon (Ireland) Limited)	<i>[[Not Applicable]/[Give name]]</i>
Common Code:	[]
ISIN:	[]
New global form:	<i>[Yes/No]</i>

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

[Yes/No]

[Note that the designation “yes” simply means that the Notes or CDs are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes or CDs will be recognised as eligible collateral for Eurosystem monetary policy and intra-day 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.] *[include this text if “yes” selected in which case the Notes or CDs must be issued in new global form]*

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of CDs described herein pursuant to the €12,000,000,000 Euro-Commercial Paper and Certificate of Deposit Programme of Banco Popular Español, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

PART B - OTHER INFORMATION

1. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the CDs has an interest material to the offer.”]

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: []

3. YIELD

Indication of yield: []

CONFIRMED– BANCO POPULAR ESPAÑOL, S.A.

By: By:
(Authorised Signatory) (Authorised Signatory)

Dated: Dated:

TAXATION

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and any changes, which could be made with retroactive effect, in the interpretation and application thereof. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes and/or CDs, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers.

Taxation in the Kingdom of Spain

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- (a) of general application, Additional Provision Two of Law 13/1985, of 25 May 1985 on investment ratios, own funds and information obligations of financial intermediaries, as amended by Law 19/2003, of 4 July 2003 on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures, Law 23/2005, of 18 November 2005, on certain measures to promote productivity and Law 4/2008, abolishing the Wealth Tax Levy, generalising the Value Added Tax monthly refund system and introducing other amendments to the tax legal system, as well as Royal Decree 1065/2007 ("Royal Decree 1065/ 2007"), of 27 July 2007 establishing information obligations in relation to preferential holdings and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules;
- (b) for individuals with tax residency in Spain who are personal income tax ("Personal Income Tax") tax payers, Law 35/2006, of 28 November 2006 on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law (the "Personal Income Tax Law"), and Royal Decree 439/2007, of 30 March 2007 promulgating the Personal Income Tax Regulations, along

with Law 19/1991, of 6 June 1991 on Wealth Tax as amended by Law 4/2008 and Law 29/1987, of 18 December 1987 on Inheritance and Gift Tax;

- (c) for legal entities resident for tax purposes in Spain which are corporate income tax (“Corporate Income Tax”) taxpayers, Royal Legislative Decree 4/2004, of 5 March 2004 promulgating the Consolidated Text of the Corporate Income Tax Law, and Royal Decree 1777/2004, of 30 July 2004 promulgating the Corporate Income Tax Regulations (the “Corporate Income Tax Regulations”); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax (“Non-Resident Income Tax”) taxpayers, Royal Legislative Decree 5/2004, of 5 March 2004 promulgating the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, of 30 July 2004 promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of 6 June 1991 on Wealth Tax as amended by Law 4/2008 and Law 29/1987, of 18 December 1987 on Inheritance and Gift Tax.

Whatever the nature and residence of the holder of a beneficial interest in the Notes and/or CDs (each, a “Beneficial Owner”), the acquisition and transfer of the Notes and/or CDs will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from value added tax, in accordance with Law 37/1992, of 28 December 1992 regulating such tax.

1. Individuals with Tax Residency in Spain

1.1 *Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Payments of income deriving from the transfer, redemption or repayment of the Notes and/or CDs constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and must be included in each investor’s taxable savings and taxed at the tax rate applicable from time to time, currently 19 per cent. for taxable income up to €6,000 and 21 per cent. for taxable income exceeding €6,001.

Such income is subject to a withholding on account of Personal Income Tax at the tax rate applicable from time to time, currently 19 per cent.

1.2 *Wealth Tax (Impuesto sobre el Patrimonio)*

Law 4/2008 has amended Law 19/1991 introducing a credit of 100 per cent. over the tax due and removing the obligation to file Wealth Tax declaration as from 1 January 2008. Due to this amendment to Law 19/1991, non-Spanish resident individuals are not effectively subject to Wealth Tax.

1.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes and/or CDs by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules.

2. Legal Entities with Tax Residency in Spain

2.1 *Corporate Income Tax (Impuesto sobre Sociedades)*

Payments of income deriving from the transfer, redemption or repayment of the Notes and/or CDs must be included in the profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax. In accordance with Section 59.s) of the Corporate Income Tax Regulations there is no obligation to make a withholding on income obtained by Spanish Corporate Income Tax taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organised markets in OECD countries. In relation to Notes or CDs which are listed on the Official List of the Irish Stock Exchange Limited and admitted to trading on the Main Securities Market of the Irish Stock Exchange Limited, this

requirement will be satisfied. On 27 July 2004, the Directorate General for Taxation (*Dirección General de Tributos*) issued a reply to a non-binding consultation indicating that in the case of issues made by entities resident in Spain, such as the Issuer, the exemption applies in the case of Notes or CDs placed outside Spanish territory, in another OECD country.

The Issuer considers that the Notes and CDs will fall within this exemption as the Notes and CDs are to be placed outside Spain and in the international capital markets. Consequently, the Issuer will not make any withholding on payments to Spanish Corporate Income Tax taxpayers that provide the relevant information to qualify as such. If the Spanish tax authorities maintain a different opinion on this matter, however, the Issuer will be bound by that opinion and with immediate effect shall make the appropriate withholding.

In order to implement the exemption from withholding, the Order of 22 December 1999 setting out the procedure for the payment of income derived from financial assets (the “1999 Order”) will be followed (please see “Disclosure of Beneficial Owner information in connection with Payments” below).

2.2 *Wealth Tax (Impuesto sobre el Patrimonio)*

Spanish resident legal entities are not subject to Wealth Tax.

2.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities with tax residency in Spain which acquire ownership or other rights over the Notes and/or CDs by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes and/or CDs in their taxable income for Spanish Corporate Income Tax purposes.

3. *Individuals and Legal Entities with no Tax Residency in Spain*

3.1 *Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)*

(a) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes and/or CDs by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes and/or CDs form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes and CDs are the same as those for Spanish Corporate Income Tax taxpayers.

(b) *Non-Spanish resident investors not acting through a permanent establishment in Spain*

Payments of income deriving from the transfer, redemption or repayment of the Notes and/or CDs, obtained by individuals or legal entities without tax residency in Spain, and who are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from Non-Resident Income Tax.

Law 4/2008 amends, among other things, Additional Provision Two of Law 13/1985, which was the source of the obligation on Spanish issuers or their parent companies to report to the Spanish tax authorities on the identity and residence of holders of their debt securities. This reporting obligation was typically satisfied, in part, by the collection of certain information from investors at the time of the payment of income deriving from the transfer, redemption or repayment of the Notes and/or the CDs. Spanish issuers, Euroclear and Clearstream, Luxembourg (among others) developed certain procedures to enable the timely delivery of such information.

Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning holders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985, therefore, continues to apply the reporting obligation only in respect of Spanish resident holders (individual and corporate) and non-resident holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Information Memorandum, such secondary legislation had not yet been adopted.

Pending the enactment of such secondary legislation, and in accordance with the consultations from the General Directorate of Taxation dated 20 January 2009, the current procedures relating to the identity of Holders of the Notes (detailed under “Disclosure of Beneficial Owner information in connection with Payments” below) as laid down in section 44 of Royal Decree 1065/2007, remain applicable irrespective of whether or not the Holders of the Notes and/or CDs are resident in Spain, and both Euroclear and Clearstream, Luxembourg, and any other relevant clearing system require compliance with such obligations.

If these information obligations are not complied with in the manner indicated the Issuer will apply a withholding, currently at the rate of 19 per cent. and the Issuer will not, as a result, be under any obligation to pay additional amounts.

3.2 *Wealth Tax (Impuesto sobre el Patrimonio)*

Law 4/2008 has amended Law 19/1991 introducing a credit of 100 per cent. over the tax due and removing the obligation to file Wealth Tax declaration as from 1 January 2008. Due to this amendment to Law 19/1991, non-Spanish resident individuals are not effectively subject to Wealth Tax.

Non-Spanish resident legal entities are not subject to Spanish wealth tax.

3.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes and/or CDs by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with the Spanish legislation applicable in the relevant autonomous region (Comunidad Autónoma).

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes and/or CDs by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

4. *Disclosure of Beneficial Owner Information in Connection with Payments*

4.1 *Tax Reporting Obligations of the Issuer*

The Issuer is required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to payments made in respect of the Notes and CDs. The Spanish tax authorities may rely on such returns in order to assess whether or not the Issuer has correctly withheld tax on payments made by it under the Notes and CDs.

The Issuer completes each annual return on the basis of the information provided to it by, or on behalf of, Beneficial Owners.

The information required by the Issuer in order to comply with its annual reporting obligations and make payments under the Notes and CDs free of withholding is that set out in Section 44 of Royal Decree 1065/2007.

4.2 *Euroclear and Clearstream, Luxembourg Procedures*

Euroclear and Clearstream, Luxembourg (the “ICSDs”) have established procedures to assist entities in complying with the reporting obligations required by Spanish tax law and regulations and to enable Holders of the Notes and/or CDs to obtain a refund of amounts withheld on the

payments of income deriving from the transfer, redemption or repayment of the Notes and/or CDs. These procedures were implemented by the ICSDs in response to certain tax rulings made by the Spanish tax authorities (Consultas V 2050-07, V 2051-07, V 0175-08 and V 0179-08). The procedures which the Issuer and other parties expect to follow are stipulated in the global tax procedures published by the ICSDs, which are also described in the Fiscal Agency Agreement. In this regard, Holders of the Notes and/or the CDs should also consult announcements in relation to these global tax procedures published on a periodic basis on the websites of the ICSDs (www.Euroclear.com, www.Clearstream.com).

4.3 ***Individuals and Legal Entities without Tax Residency in Spain***

In accordance with sub-section 44(1) of Royal Decree 1065/2007, each annual return filed by the Issuer with the Spanish tax authorities must include the following information with respect to the relevant Notes and/or CDs:

- (a) the identity and country of residence of the recipient of the income from the Notes or CDs. When such income is received on behalf of the Beneficial Owner by a third party, the identity and country of residence of that third party;
- (b) the amount of income received; and
- (c) details identifying the Notes or CDs.

In accordance with sub-section 44(2) of Royal Decree 1065/2007, for the purpose of preparing the return referred to in sub-section 44(1), certain documents with information regarding the identity and country of residence of each non-Spanish resident Beneficial Owner must be received by the Issuer at the time of each payment in respect of the Notes and/or CDs. In particular, Beneficial Owners wishing to receive payments free of Spanish withholding tax on the relevant payment date must provide (or arrange to be provided on their behalf by Euroclear and Clearstream, Luxembourg as their legal representatives (each, a “Legal Representative”)) the documents described below no earlier than the close of business on the day preceding the relevant payment date:

- (A) a non-Spanish resident Beneficial Owner who acts on its own account and is a central bank, other public institution or international organisation, a bank or credit institution or a financial entity, including collective investment institutions, pension funds and insurance entities resident in an OECD country or in a country with which Spain has entered into a treaty for the avoidance of double-taxation subject to a specific administrative registration or supervision scheme, must certify its name and tax residency in accordance with Annex I of the Order of 16 September 1991 (the “Order”), the form of which is attached hereto as Annex I;
- (B) in the case of transactions in which any of the entities indicated in the foregoing paragraph (a) is not the Beneficial Owner but acts as an intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident Beneficial Owner in accordance with Annex II of the Order, the form of which is attached hereto as Annex II;
- (C) in the case of transactions which are channelled through a securities clearing and deposit entity recognised for these purposes by Spanish law or by the law of another OECD member country (for example, Euroclear and Clearstream), the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident Beneficial Owner on the relevant payment date in accordance with Annex II of the Order, the form of which is attached hereto as Annex II;
- (D) in all other cases the relevant non-Spanish resident Beneficial Owner must arrange annually for the delivery to the Spanish tax authorities of a tax residency certificate issued by the tax authorities of the country in which it is resident for tax purposes.

In accordance with sub-section 44(3) of Royal Decree 1065/2007, for the purpose of implementing the exemptions provided for the following procedure must be followed: on the relevant payment date the Issuer must arrange for the net amounts payable after deduction of

Spanish withholding tax at the applicable rate (currently 19 per cent.) to be transferred to the entities referred to in paragraphs (A), (B) and (C). In the case of the Notes and CDs, withholding tax will be applied to the whole of the amount representing the difference between the Issue Price (as specified in the relevant Final Terms) of the relevant Notes or CDs and the redemption amount payable on the relevant maturity or redemption date. If the documents referred to in (A), (B) and (C) are accurately completed by the Legal Representatives (in reliance on accurate and timely information provided to them in accordance with their procedures), and delivered by them (along with all other information required to be collected by the Issuer in accordance with its tax reporting obligations under Spanish law) to the Principal Paying Agent by the relevant time on the payment date, the Issuer will pay an immediate refund of amounts withheld to those non-Spanish resident Beneficial Owners entitled to receive payments free of withholding on that date. Payments made to non-Spanish resident Beneficial Owners who provide the relevant document (or in respect of whom the relevant document is provided) to the Principal Paying Agent other than by the Legal Representative, or in respect of whom the relevant document is provided after the relevant time on the payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 19 per cent., although such Beneficial Owners may be entitled to a refund at a later date of amounts withheld as further described under paragraphs 4.5 and 4.6, below.

4.4 *Legal Entities with Tax Residency in Spain subject to Spanish Corporate Income Tax*

Beneficial Owners who are legal entities resident for tax purposes in Spain and subject to Spanish Corporate Income Tax, and permanent establishment in Spain of a non-resident subject to Non-Resident Income Tax, may receive payments in respect of the Notes and CDs free of withholding provided that they provide (or arrange to be provided on their behalf by their Legal Representative) accurate and timely information enabling them to qualify for such an exemption from withholding. In particular, if the Legal Representatives of the entities referred to in 4.3(A) above provide to the Principal Paying Agent by the relevant time on the relevant payment date a list of Beneficial Owners who are subject to Spanish Corporate Income Tax, specifying each Beneficial Owner's name, address and Tax Identification Number as well as the ISIN code of the relevant Notes and/or CDs, the number of such Notes or CDs held on the relevant payment date, the gross income and the amount withheld, all substantially in the form set out in Annex III below (along with all other information required to be collected by the Issuer in accordance with its tax reporting obligations under Spanish law), the Issuer will pay an immediate refund of amounts withheld to those Beneficial Owners entitled to receive payments free of withholding on that date. Payments made to Beneficial Owners who provide the relevant information (or in respect of whom the relevant information is provided) to the Principal Paying Agent other than by the Legal Representative, or in respect of whom the relevant information is provided after the relevant time on the payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 19 per cent., although such Beneficial Owners may be entitled to a refund at a later date of amounts withheld as further described under paragraphs 4.5 and 4.6, below.

4.5 *Quick Refund by the Issuer*

In the case of both paragraph 4.3 and paragraph 4.4 above, in order for a Beneficial Owner to benefit from an applicable exemption from Spanish withholding tax, the documentation described in paragraphs 4.3 and 4.4 must be received by the Principal Paying Agent in accordance with the detailed procedures established in the Issuing and Paying Agency Agreement (which may be inspected during normal business hours at the specified office of the Principal Paying Agent).

If the Principal Paying Agent does not receive the relevant certificate in respect of an eligible Beneficial Owner by the relevant time on the relevant payment date, it will be obliged to transfer payment to such Beneficial Owner (or to a nominee on behalf of such Beneficial Owner) subject to Spanish withholding tax (currently at the rate of 19 per cent.). However, the Beneficial Owner may obtain a refund by the Issuer of the amount withheld by ensuring that the Principal Paying Agent receives the relevant, correctly completed certificate by no later than 10:00 am (CET) on the 10th calendar day of the month following the relevant payment date (or if such date is not

a Local Banking Day (as defined in the Issuing and Paying Agency Agreement), the Local Banking Day immediately preceding such date) (the “Quick Refund Deadline”).

4.6 Refund by the State

Beneficial Owners who might otherwise have been entitled to a refund but in respect of whom the Principal Paying Agent does not receive the relevant certificate on or before a Quick Refund Deadline may seek a refund of Spanish tax withheld directly from the Spanish tax authorities.

Set out below are Annexes I, II and III. Sections in English have been translated from the original Spanish. In the event of any discrepancy between the Spanish language version of the certificates contained in each of Annexes I, II and III and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

Annex I

The translation into English of this certificate is for information only and, in the case of discrepancy with the Spanish language version, such Spanish version will prevail

Modelo de certificación en inversiones por cuenta propia

Form of certificate for own account investments

(Nombre)

(Name) _____

(Domicilio)

(Address) _____

(NIF)

(Fiscal id number) _____

(en calidad de)

,en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.a) del Real Decreto 1065/2007,

(function) _____

,in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.a) of Royal Decree 1065/2007,

Certifico:

I certify:

1. **Que el nombre o razón social de la Entidad que represento es:**
that the name of the Entity I represent is: _____
2. **Que su residencia fiscal es la siguiente:**
that its residence for tax purposes is: _____
3. **Que la Entidad que represento está inscrita en el Registro de**
that the institution I represent is recorded in the _____ Register of _____
(país estado, ciudad), con el número
(country, state, city), under number _____ .
4. **Que la Entidad que represento está sometida a la supervisión de** *(Organo supervisor)*
that the institution I represent is supervised by _____ (Supervisory body)
en virtud de *(normativa que lo regula).*
under _____ (governing rules).

Todo ello en relación con:

All the above in relation to: _____

Identificación de los valores poseídos por cuenta propia

Identification of securities held on own account _____

Importe de los rendimientos

Amount of income _____

Lo que certifico en _____ **a** _____ **de** _____ **de 20**

I certify the above in _____ on the _____ of _____ of 20

Annex II

The translation into English of this certificate is for information only and, in the case of discrepancy with the Spanish language version, such Spanish version will prevail

Modelo de certificación en inversiones por cuenta ajena

Form of certificate for third party investments

(Nombre)

(Name) _____

(Domicilio)

(Address) _____

(NIF)

(Fiscal id number) _____

(en calidad de)

,en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.b) y c) del Real Decreto 1065/2007,

(function) _____

,in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.b) and c) of Royal Decree 1065/2007,

Certifico:

1. Que el nombre o razón social de la Entidad que represento es:
that the name of the Entity I represent is: _____
2. Que su residencia fiscal es la siguiente:
that its residence for tax purposes is: _____
3. Que la Entidad que represento está inscrita en el Registro de
that the institution I represent is recorded in the _____ Register of _____
(país estado, ciudad), con el número
(country, state, city), under number _____ .
4. Que la Entidad que represento está sometida a la supervisión de (Organo supervisor)
that the institution I represent is supervised by _____ (Supervisory body)
en virtud de (normativa que lo regula).
under _____ (governing rules).
5. Que, de acuerdo con los Registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o Entidades residentes en España o en los países o territorios que tienen en España la consideración de paraísos fiscal de acuerdo con las normas reglamentarias en vigor.^(*)

That, according to the records of the Entity I represent, the list of beneficial owners hereby attached, including the names of all the non-resident holders, their country of residence and the corresponding income amounts, is accurate and does not include person(s) or institution(s) resident in Spain or, in tax haven countries or territories as defined under Spanish applicable regulations.^(*)

Lo que certifico en _____ a ____ de _____ de 20

I certify the above in _____ on the _____ of _____ of 20

(*) Derogado con arreglo al artículo 4 y Disposición Derogatoria del Real Decreto Ley 2/2008, de 21 de Abril.

(*) Requirements abolished by virtue of article 4 and Repealing Disposition of Royal Decree-Law 2/2008, of 21 April.

RELACIÓN ADJUNTA A CUMPLIMENTAR:
TO BE ATTACHED:

Identificación de los valores:
Identification of the securities

Listado de titulares:
List of beneficial owners:

Nombre/País de residencia/Importe de los rendimientos
Name/Country of residence/Amount of income

Annex III

The translation into English of this certificate is for information only and, in the case of discrepancy with the Spanish language version, such Spanish version will prevail

Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de no Residentes,

Certificate for application of the exemption on withholding to Spanish corporation tax taxpayers and to permanent establishments of non-resident income tax taxpayers,

(Nombre)

(Name) _____

(Domicilio)

(Address) _____

(NIF)

(Fiscal id number) _____

(en calidad de)

(function) _____

,en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,

,in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

Certifico:

1. **Que el nombre o razón social de la Entidad que represento es:**
that the name of the Entity I represent is: _____
2. **Que su residencia fiscal es la siguiente:**
that its residence for tax purposes is: _____
3. **Que la Entidad que represento está inscrita en el Registro de**
that the institution I represent is recorded in the _____ Register of _____
(país estado, ciudad), con el número
(country, state, city), under number _____ .
4. **Que la Entidad que represento está sometida a la supervisión de** *(Organo supervisor)*
that the institution I represent is supervised by _____ (Supervisory body)
en virtud de *(normativa que lo regula).*
under _____ (governing rules).
5. **Que, a través de la Entidad que represento, los titulares incluidos en la relación adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.**

That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporations Tax taxpayers and permanent establishment in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.
6. **Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.**

That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal

Lo que certifico en _____ a ____ de _____ de 20

I certify the above in _____ on the _____ of _____ of 20

RELACIÓN ADJUNTA
TO BE ATTACHED

Identificación de los valores:
Identification of the securities

Razón social/Domicilio/Número de identificación fiscal/Número de valores/Importe de los rendimientos brutos/Retención al 18%/19%.

Name/Domicile/Fiscal Identification Number/Number of securities/Gross income/Amount withheld at 18%/19%.

SUBSCRIPTION AND SALE

General

Notes and CDs may be sold from time to time by the Issuer to any one or more Dealers. Notes and CDs may also be sold by the Issuer direct to institutions who are not Dealers. The arrangements by which Notes or CDs may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 19 November 2010 (the “Dealer Agreement”, as amended, supplemented or restated from time to time) and made between the Issuer and the Dealers.

All applicable laws and regulations must be observed in any jurisdiction in which Notes or CDs may be offered, sold or delivered. No person may directly or indirectly offer, sell, resell, reoffer or deliver Notes or CDs or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes or CDs, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or CDs or have in their possession or distribute such offering material, in all cases at their own expense.

The United States of America

The Notes and CDs have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and the Notes and CDs may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed that it has offered and sold, and will offer and sell, Notes and CDs only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S (“Regulation S”) of the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes or CDs, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes or CDs, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes or CDs from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

The United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, to the Issuer that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Notes or CDs in circumstances in which section 21(1) of the FSMA would not (if the Issuer was not an authorised person) apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes or CDs in, from or otherwise involving the United Kingdom.

Japan

Each Dealer has acknowledged that the Notes and CDs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the “FIEL”) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes or CDs, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Kingdom of Spain

Each Dealer has represented and agreed that the Notes and CDs may not be offered or sold in Spain other than by institutions authorised under the Securities Market Law 24/1988 of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended (the “Securities Market Law”) and related legislation, and Royal Decree 217/2008 of 15 February on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 217/2008, de 15 de febrero, sobre el Régimen Jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), to provide investment services in Spain, and in compliance with the provisions of the Securities Market Law and any other applicable legislation, provided that offers of the Notes and CDs shall not be directed specifically at or made to investors located in Spain.

France

Each of the Dealers and the Issuer has represented and agreed, that it has not offered or sold, and will not offer or sell directly or indirectly any Notes or CDs to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Information Memorandum or any other offering material relating to the Notes or CDs, except to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*. The Information Memorandum has not been submitted for clearance to the *Autorité des marchés financiers*.

GENERAL INFORMATION

1. The Notes and CDs have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number in relation to the Notes and CDs of each Series and any other clearing system as shall have accepted the relevant Notes and CDs for clearance will be specified in the Final Terms relating thereto.
2. The admission of the Programme to listing on the Official List of the Irish Stock Exchange Limited and to trading on the Main Securities Market of the Irish Stock Exchange Limited is expected to take effect on or around 19 November 2010. The admission of the Notes and CDs to trading on the Main Securities Market of the Irish Stock Exchange Limited will be expressed as a percentage of their principal amount. Any Notes or CDs intended to be admitted to listing on the Official List of the Irish Stock Exchange Limited and admitted to trading on the Main Securities Market of the Irish Stock Exchange Limited will be so admitted to listing and trading upon submission to the Irish Stock Exchange Limited of the relevant Final Terms and any other information required by the Irish Stock Exchange Limited, subject in each case to the issue of the relevant Notes or CDs. Prior to official listing, dealings will be permitted by the Irish Stock Exchange Limited in accordance with its rules. Transactions will normally be effected for delivery on the second working day in Dublin after the day of the transaction.

However, Notes and CDs may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes or CDs may be issued pursuant to the Programme on an unlisted basis.

3. There has been no significant change in the financial position of the Group since 30 September 2010, the date of the most recent published financial information of the Issuer, and no material adverse change in the prospectus or financial or trading position of the Group since 30 June 2010, the date of the most recent published audited consolidated financial statements of the Issuer.
4. The Issuer has not been involved in any governmental, legal or arbitration proceedings (nor is the Issuer aware of any such proceedings which are pending or threatened) during the 12 months prior to the date of this Information Memorandum which may have, or have had in the recent past, a significant effect on the Issuer and/or the Group's financial position or profitability.
5. At the date of this Information Memorandum, no contracts had been entered into that were not in the ordinary course of business of the Issuer and which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes or CDs.
6. For so long as any Notes or CDs shall be outstanding and throughout the life of the Programme, physical or electronic copies and, where appropriate, English translations of the following documents may be inspected (in the case of (f), (g) and (h) below obtainable from the Paying Agent) during normal business hours at the specified offices of the Paying Agent and at the registered office of the Issuer, namely:
 - (a) the constitutional documents of the Issuer;
 - (b) the current listing particulars in relation to the Programme (including this Information Memorandum), together with any amendments or supplements thereto, including any supplementary listing particulars and any document incorporated therein by reference;
 - (c) the Issuing and Paying Agency Agreement and all amendments thereto and restatements thereof;
 - (d) the Deed of Covenant;
 - (e) the Dealer Agreement and all amendments thereto and restatements thereof;
 - (f) the most recent publicly available audited consolidated annual accounts of the Issuer (which, at the date of this Information Memorandum are those for the financial year ended 31 December 2009 (which includes 31 December 2008 financial information for comparative purposes) and for the financial year ended 31 December 2008 (which

includes 31 December 2007 financial information for comparative purposes)), the most recently publicly available consolidated interim financial statements of the Issuer which, at the date of this Information Memorandum are those for the six months ended 30 June 2010 (which includes 30 June 2009 financial information for comparative purposes)) and the most recent publicly available unaudited consolidated interim financial statements of the Issuer (which at the date of this Information Memorandum, are those for the nine months ended 30 September 2010 (which includes 30 September 2009 financial information for comparative purposes)); and

- (h) any Final Terms.

THE ISSUER

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