

Final Terms dated 2 June 2010

BPE Financiaciones, S.A.
Issue of €300,000,000 Puttable Floating Rate Notes due June 2012
Guaranteed by
BANCO POPULAR ESPAÑOL, S.A.
under the
€6,000,000,000 Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

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

- | | | |
|-----|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i) Issuer: | BPE Financiaciones, S.A. |
| | (ii) Guarantor: | Banco Popular Español, S.A. |
| 2. | Series Number: | 2 |
| 3. | Specified Currency or Currencies: | Euro ("€") |
| 4. | Aggregate Nominal Amount of Notes: | €300,000,000 |
| 5. | Issue Price: | 100 per cent of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | €50,000 |
| | (ii) Calculation Amount: | €50,000 |
| 7. | (i) Issue Date: | 7 June 2010 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | The Specified Interest Payment Date scheduled to fall on nearest to 7 June 2012 |
| 9. | Interest Basis: | Floating Rate. 3 months Euribor + the relevant Margin specified in paragraph 16 (ix) below.

(Further particulars specified below) |
| 10. | Redemption/Payment basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Investor Put |

(Further particulars specified below)

13. (i) Status of the Notes: Senior
(ii) Status of the Guarantee: Senior
(iii) Date General Shareholders Meeting approved for issuance of Notes and Guarantee obtained: 21 May 2010

14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Not Applicable

16. Floating Rate Note Provisions: Applicable

(i) Interest Period(s): Interest Period 1: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 June 2010 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2010

Interest Period 2: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2010 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2010

Interest Period 3: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2010 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2011

Interest Period 4: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2011 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 June 2011

Interest Period 5: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 June 2011 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2011

Interest Period 6: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2011 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2011

	Interest Period 7: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2011 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2012
	Interest Period 8: From and including the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2012 to but excluding the Specified Interest Payment Date scheduled to fall on nearest to 07 June 2012
(ii) Specified Interest Payment Dates:	7 September, 7 December, 7 March and 7 June in each year, commencing on 7 September 2010; all such dates being subject to adjustment in accordance with the Business Day Convention below.
(iii) Business Day Convention:	Modified Following Business Day Convention
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(v) Calculation Agent:	Bank of New York Mellon
(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(vii) Screen Rate Determination:	
— Reference Rate:	3 months EURIBOR
— Reference Banks:	<ul style="list-style-type: none"> - Deutsche Bank, AG. - Banco Bilbao Vizcaya Argentaria, S.A. - Société Générale - Sanpaolo IMI Spa - Rabobank Nederland
— Relevant Time:	11.00 a.m. Brussels time
— Relevant Screen Page:	Reuters screen Page "EURIBOR01",
— Interest Determination Date(s):	Two TARGET Business Days prior to the beginning of each Interest Period
— Relevant Financial Centre:	Euro-zone
(viii) ISDA Determination:	Not Applicable
(ix) Margin(s):	Plus:
	Interest Period 1: 0.10 per cent per annum
	Interest Period 2: 0.30 per cent per annum
	Interest Period 3: 0.60 per cent per annum
	Interest Period 4: 0.90 per cent per annum
	Interest Period 5: 1.20 per cent per annum
	Interest Period 6: 1.40 per cent per annum
	Interest Period 7: 1.60 per cent per annum
	Interest Period 8: 1.90 per cent per annum

(x) Minimum Rate of Interest: Not Applicable

(xi) Maximum Rate of Interest: Not Applicable

(xii) Day Count Fraction: ACT/360

(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: Not Applicable

17. Variable Coupon Amount Provisions: Not Applicable

18. Dual Currency Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. Call Option Not Applicable

20. Put Option Applicable.

- (i) Optional redemption Date(s):
- 1st Optional Redemption Date: the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2010
 - 2nd Optional Redemption Date : the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2010
 - 3rd Optional Redemption Date: the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2011
 - 4th Optional Redemption Date : the Specified Interest Payment Date scheduled to fall on nearest to 07 June 2011
 - 5th Optional Redemption Date : the Specified Interest Payment Date scheduled to fall on nearest to 07 September 2011
 - 6th Optional Redemption Date : the Specified Interest Payment Date scheduled to fall on nearest to 07 December 2011
 - 7th Optional Redemption Date : the Specified Interest Payment Date scheduled to fall on nearest to 07 March 2012

- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): €50,000 per Note of €50,000 Specified Denomination
- (iii) Notice Period: Not less than 10 (ten) and not more than 20 (twenty) TARGET Business Days prior to the relevant Optional Redemption Date.
21. Final Redemption Amount: €50,000 per Note of €50,000 Specified Denomination
22. Early Redemption Amount: €50,000 per Note of €50,000 Specified Denomination
Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Bearer Notes
Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
24. Business Day Jurisdictions for Condition 8(h) or other special provisions relating to Payment Dates: TARGET2
25. New Global Note Form: Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. Details relating to Partly Paid Notes: Not Applicable
28. Details relating to Instalment Notes: Not Applicable
29. Redenomination, renominatisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. Other terms or special conditions: Not Applicable
32. Temporary Commissioner: Alberto Cabeza Pérez

DISTRIBUTION

33. (i) If syndicated, names of Managers: Not Applicable

- (ii) Stabilising Manager (if any): Not Applicable
34. If non-syndicated, name and address of Dealer: Société Générale
Tour Société Générale
17, Cours Valmy
92987 Paris La Défense Cedex
France
35. U.S. Selling Restrictions Reg.S compliance category, TEFRA D
36. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

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

RESPONSIBILITY

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

Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: Javier Moreno Navarro

By: Rafael de Mena Arenas

Duly authorised

Duly authorised

PART B — OTHER INFORMATION

1. LISTING

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

2. RATINGS

- | | |
|----------|-------------------------------------------------------------------|
| Ratings: | The Notes to be issued have been preliminary rated:
Fitch: AA- |
|----------|-------------------------------------------------------------------|

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

Save as discussed in “Plan of Distribution” and “General Information”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

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

- | | |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| (i) Reasons for the offer: | The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the Guarantor. |
| (ii) Estimated net proceeds: | €299,999,575 |
| (iii) Estimated total expenses: | €425 |

5. YIELD

Not Applicable.

6. HISTORIC INTEREST RATES

Details of historic EURIBOR rates can be obtained from Reuters.

7. PERFORMANCE OF INDEX/FORMULA/other variable, AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable.

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable.

9. OPERATIONAL INFORMATION

- | | |
|--------------|--------------|
| ISIN Code: | XS0512835462 |
| Common Code: | 51283546 |

CUSIP Code: Not Applicable

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

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

Delivery: Delivery against payment

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

Calculation Agent: Bank of New York Mellon