



-Fortress Capital- Capital Increase Programme

September 2009



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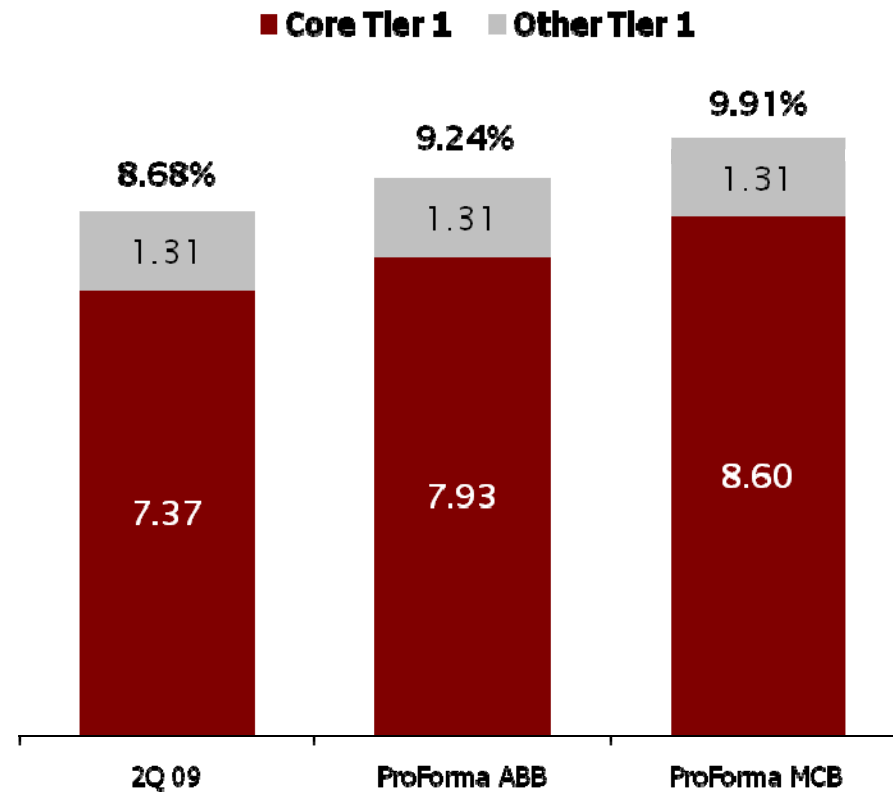
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Transaction Rationale

- ✓ Continue organic growth and take advantage of market opportunities
- ✓ Strengthen balance sheet in light of current adverse market environment
- ✓ Anticipate to the new European equity standards
- ✓ Set a new benchmark /differentiate from peers

Transaction Capital Impact



Note: Assumes 500 M€ ABB and 600 M€ MCB issues



Transaction Overview

**500 – 700
M€ MCB**



- Mandatory convertible bond (“MCB”) to retail investors for 500 M€ up to 700 M€
- 7% nominal yield during 1st year and Euribor (3 months) + 400 bp until maturity
- Conversion to be mandatory upon maturity (Oct. 2013) and voluntary for investor annually

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**500 M€
ABB**



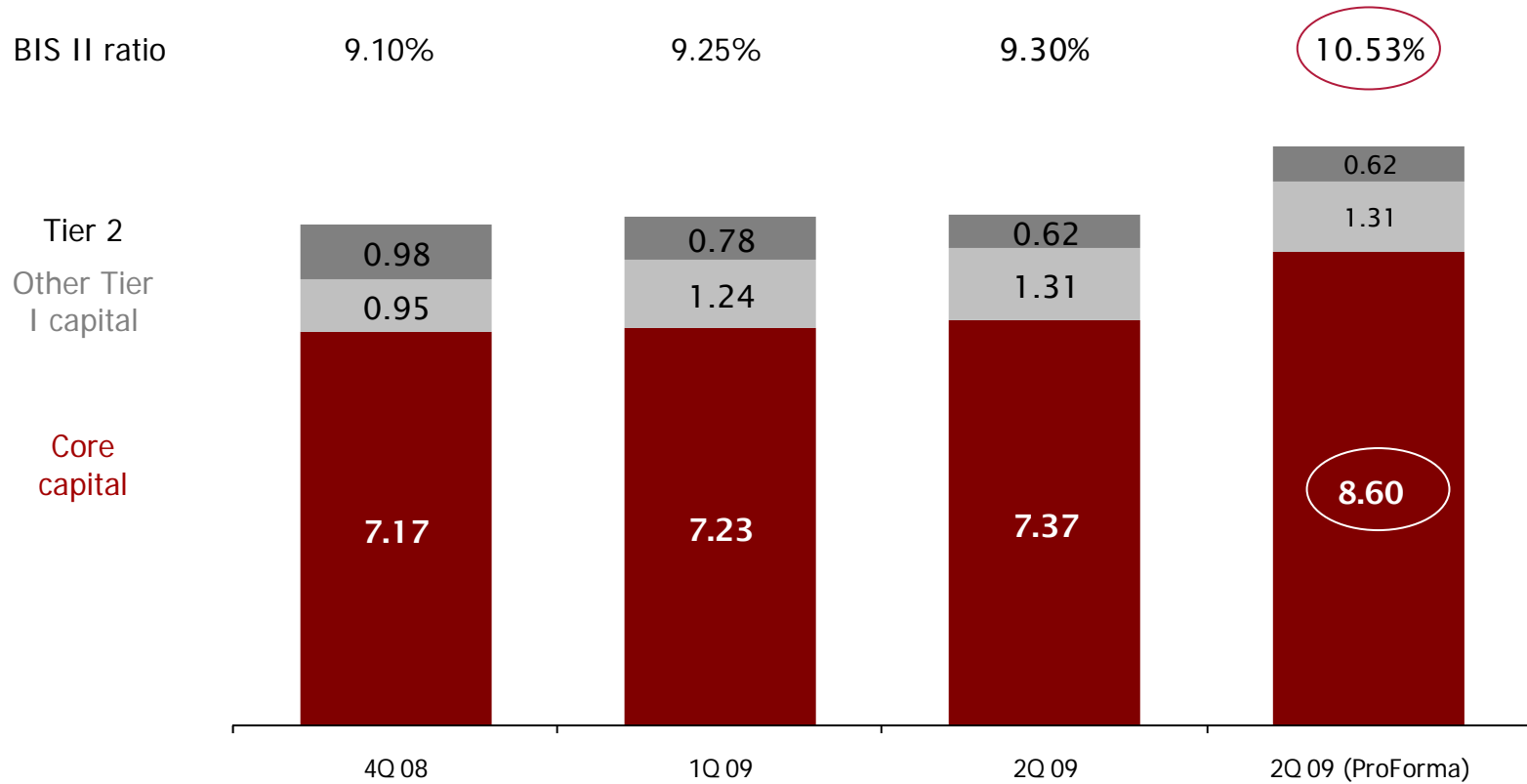
- Issuance of ordinary shares (on a non pre-emptive basis) to Spanish and international institutional investors via a backstopped accelerated book-building (“ABB”) of up to 500 M€
- Book closed at 7.00 €/Sh. New shares issued 71.4m
- The demand was >3x the 500 million Euros planned, with the large majority of the demand coming from international investors.

Additional capital of 1.0 – 1.2 Bn€



We increase our already strong capital ratios...

Evolution of Banco Popular capital ratios

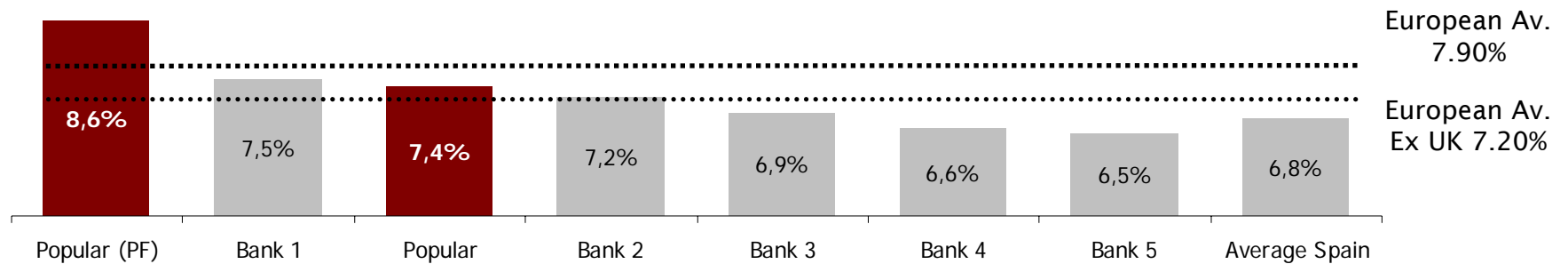


2Q09 ProForma assumes 500 M€ ABB and 600 M€ MCB issues



...whilst distancing us further from our peers

Core capital of Spanish banks (Q2 2009)



Source: Credit Suisse and company reports 1H09 results;
Note: Popular PF assumes 500 M€ ABB and 600 M€ MCB issues



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