



Banco Popular Dividend: A customized dividend

March 2011

Dear Shareholder,

It is Banco Popular's intention¹ that for the next two dividends (at the beginning of May and in July) you will have the option of **choosing** between receiving your dividend in the form of new **shares** or receiving all or part of it in **cash**.

This initiative, being taken by Banco Popular in response to shareholders' suggestions, offers you the maximum flexibility regarding how you receive your shareholder remuneration. This will **enable you to choose according to your tax situation and your liquidity objective**.

You will automatically receive one right for each of your Banco Popular shares, free of charge and with no withholding tax.

This remuneration system will then allow you to choose one of these three options:

- To receive **new Banco Popular shares automatically with no withholding tax**. You need do nothing, your custodian entity will allot you the shares that are due to you based on the number of rights you own.
- To sell your rights on the market and receive the amount in **cash**. This option is **not subject to withholding tax**.
- To sell your rights to Banco Popular and receive an amount in **cash** equal to the traditional dividend. This option is **subject to withholding tax**.

Overleaf you will find a detailed explanation with an illustrated practical example.

For any further clarifications you may contact the Banco Popular Shareholder's Office by telephone on +34 915207265 or by email at accionista@bancopopular.es

BANCO POPULAR ESPAÑOL, S.A.

¹ Subject to approval at the Shareholders Meeting on the 8th of April 2011, Item no. 7 on the Agenda.

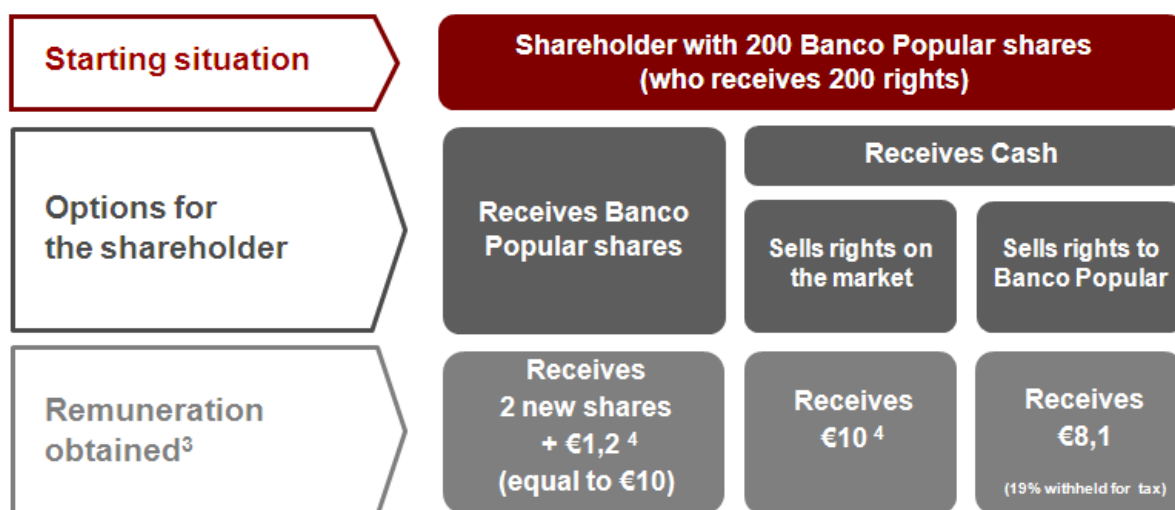
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Practical example for the forthcoming dividend

Assuming: You own 200 Banco Popular shares,
You will therefore be allotted 200 rights free of charge.

Assuming: Price of right = €0.05¹
Share reference market price = €4.40²
This means that one new share would be equal to 88 rights (4.40/0.05)

You would have three options:



You will also be able to choose a combined option depending on your requirements and interests, by selling some rights and taking out an option on some shares.

If you choose to receive new shares, you need do nothing. The allotment of new shares is automatic.

If you choose to receive all or some of your dividends in cash (by selling rights on the market or directly to Banco Popular), you should go to your branch between the 13th and the 20th of April.

The final data (timetable, price of right, equivalence equation, etc.) will be published from 12 April 2011 and may be consulted on our corporate website (www.bancopopular.es/grupo-banco-popular/english-version/) or by contacting the Shareholder's Office of Banco Popular (email: accionista@bancopopular.es, phone: +34 915207265).

Provisional timetable for the transaction⁵:

- 1-7 April: period of days in which the reference price of the shares will be set by taking the arithmetical average of the weighted average prices of Banco Popular shares on the Spanish stock exchanges in these 5 trading sessions.
- 8 April: the Board approves the price for the purchase of rights by Banco Popular.
- 12 April: reference date for issuance of rights allotted free of charge.
- 13 April: start date for trading rights allotted free of charge and applying for payment in cash.
- 20/21 April (depending on public holidays according to location) deadline for applying for payment in cash under Banco Popular's undertaking to purchase rights.
- 27 April: deadline for trading rights allotted free of charge.
- 3 May: cash payment
- 6 May: new shares delivered and admitted to trading on Spanish stock exchanges.

1: The price at which Banco Popular will purchase rights will be set on the 8th of April.

2: This market reference price will be the arithmetical average of the weighted average prices of Banco Popular shares on the Spanish stock exchanges in the 5 trading sessions between the 1st and the 7th of April (estimated dates).

3: Ask your custodian entity about any fees and commissions you may be charged for the processing of rights trading orders.

4: This may vary depending on the market price of the rights.

5: This timetable is an estimation. The final timetable will be available from the 12th of April.