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Quarterly report

April | May | June

Highlights

(Amounts in € thousand)	30.6.08	30.6.07	Var. %
Business volume			
Total assets managed	124,132,758	116,326,530	6.7
On-balance sheet total assets	108,928,332	97,986,899	11.2
Own funds	6,592,190	5,881,440	12.1
Funds managed:	98,168,892	94,418,819	4.0
On-balance sheet funds	82,964,466	76,079,188	9.1
Other intermediated funds	15,204,426	18,339,631	(17.1)
Lending to customers (gross)	90,609,900	83,844,221	8.1
Contingent exposures	12,467,254	11,486,679	8.5
Solvency (1)			
Basel II			
BIS ratio (%)	9.76	9.92	10.18
Of which: Tier 1 (%)	8.07	8.13	8.92
<small>(1) Calculated under BIS I for comparison.</small>			
Risk management			
Total risks	103,077,154	95,330,900	8.1
Non-performing loans	1,468,611	686,296	>
Allowances for credit losses	2,037,175	1,757,146	15.9
% nonperforming ratio	1.42	0.72	
% coverage (Credit loss allowance/Nonperforming loans) . .	138.71	256.03	
Earnings			
Net interest income	1,253,462	1,128,560	11.1
Gross income	1,787,238	1,671,455	6.9
Net operating income	1,185,298	1,121,435	5.7
Profit before tax	908,770	942,898	(3.6)
Consolidated profit for the year	712,684	650,298	9.6
Profit attributed to the Group	674,761	612,920	10.1
Net return and efficiency			
Average total assets	104,776,317	93,990,709	11.5
Average total equity	5,915,823	5,266,455	12.3
ROA (%)	1.36	1.39	
ROE (%)	22.81	23.28	
Operating efficiency (%) (*)	30.37	29.57	
Per share data			
Final number of shares (thousands)	1,215,433	1,215,433	-
Average number of shares (thousands)	1,214,709	1,215,236	-
Share closing market price (€)	8.79	13.82	(36.4)
Market capitalization	10,683,656	16,797,284	(36.4)
Share book value (€)	5.42	4.84	12.1
Net earnings per share (€)	0.555	0.504	10.2
Dividend per share paid in the period (€)	0.2456	0.2077	18.3
Price/Book value	1.62	2.86	
Price/Earnings (annualized)	7.9	13.7	
Other data			
Shareholders	121,267	113,641	6.7
Employees	15,419	14,413	7.0
Spain	13,706	13,003	5.4
Men	9,430	9,299	1.4
Women	4,276	3,704	15.4
Abroad	1,713	1,410	21.5
Men	1,132	1,123	0.8
Women	581	287	>
Branches	2,568	2,453	0.9
Spain	2,321	2,233	3.9
Abroad	247	220	12.3
Mundocredit branches	59	22	>
ATMs	3,439	3,416	0.7

*Operating costs (net of compensating fees) divided by gross income + non-financial service income (net).

The Group's consolidated financial statements at 30 June 2008 included herein have not been audited, but they were prepared in accordance with the accounting principles and methods established by the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which are consistent with those used in preparing the audited financial statements in the 2007 Annual Report.

Salient aspects

The profile of the first six months of 2008 clearly reflected a change of economic cycle in an international environment of crisis; sharp deceleration of GDP and increase of unemployment, rise in bank lending delinquency, contraction of credit and more expensive liabilities. The strategy of Banco Popular in this different and more difficult environment focuses on capital consolidation by organic means, on strengthening balance sheet quality by means of energetic generation of provisions for non-performing balances, and on the reorientation of commercial activity.

Capital continued an upward trend, with a 20 basis points increase in core capital from the start of the year to 6.67%, calculated on uniform terms with the December 2007 figure (BIS I). By 2008 year end core capital might exceed 7% as a result of retained earnings and the estimated contribution arising from the application of Basel II.

The strengthening of the balance sheet involves the booking of substantial provisions for present and potential delinquency, in anticipation, as far as possible, of the emergence of such balances by adopting a conservative vision of risk and making use of the sources of ordinary and extraordinary income at the Group's disposal. In accordance with this strategy, in the second quarter of 2008 €100 million of precautionary provisions had already been booked, using the substandard risk concept, to cater for the requirements that might arise from problems with the exposure to Martinsa-Fadesa. If this company were to go into administration (creditors agreement), as subsequently announced, the provisions required for exposure to it in the next twelve months would already have substantially been booked and would not have an additional impact on the income statement. This criterion of prudence led to the booking in the quarter of €332 million for asset impairment losses relating to loans and receivables, an amount higher than that which would correspond to the volume of delinquent balances at the end of June, which stood at 1.42%. Excluding the provisions relating to what might be called singular operations – that of Martinsa-Fadesa already mentioned and Inmobiliaria Colonial – the “ordinary” provisions, i.e. those indicating the basis of the regular trend in upcoming quarters, amounted to €159 million, very similar to the €129 million in the first quarter.

It should be noted that the specific provisions mentioned above were booked without making use of the general allowance balance recorded by the Group. The higher amount booked as precautionary provisions and for singular operations was covered by income from sales of property which gave rise to gains of slightly more than €200 million, recorded under the Other gains caption.

Another noteworthy divestment during the quarter was the sale of Banco Popular France to the French bank Crédit Mutuel, in the framework of a more general cooperation agreement with this entity. The gain on this transaction is recorded as a result of discontinued operations, revealing an overall income of €40 million after tax.

Two noteworthy aspects of earnings in the first half were the 13.3% growth in net interest income excluding dividends and the start of recovery of fees and commissions which points to a change in the downward trend of the first quarter. The outcome was 6.9% growth in gross income.

Another striking result in a hardly favourable economic and financial environment was the good performance of margins, despite the rise in customer and wholesale funding costs and the greater number of past due transactions: the customer spread remained steady and the spread and net interest income margin as a percentage of average assets declined by only 1 basis point compared with the first quarter.

As we have explained on previous occasions, the preparation for a near future of lower growth in the business of financial institutions because of weakness of the economy has demanded investments and expenditure which lead to still high rises in operating costs and the profitability of which will be materialised in upcoming years. However, the efficiency ratio, which is among the most noteworthy in Europe, improved for yet another quarter to stand at 30.37%, 18 basis points lower than at 2007 year end. Despite the impact of the costs arising from the strategy referred to earlier, net operating income was up 5.7%, and attributable profit was 10.1% higher. The ROE advanced by 100 basis points in the quarter to 22.8%.

Finally, mention should be made of the consolidation of balance sheet funding, with a 15.9% rise in customer funds over the same period of 2007 – compared with the 8.1% increase in lending to customers. In view of the possibility of the problems in international wholesale markets getting worse, Banco Popular continued to strengthen its second line of liquidity, raising it to above €15,200 million of available funds, much higher than the €7,000 million of aggregate medium-term debt maturities over the next 18 months.

The strength of its capital, the soundness of its balance sheet and its comfortable liquidity enable the Group to look to the future with prudent confidence in its ability to take advantage of the opportunities that generally present themselves in situations like that presently prevailing.

Balance Sheet

(Amounts in € thousand)

	30.6.08	31.12.07	30.6.07	% variation	
				6 months	12months
Assets					
Cash and balances with central banks	2.077.235	1,955,178	1,320,007	6.2	57.4
Financial assets held for trading	744,761	1,173,709	2,334,829	(36.5)	(68.1)
Other financial assets at fair value through profit or loss	457,160	500,157	445,073	(8.6)	2.7
Available-for-sale financial assets	5,277,691	4,211,248	2,033,614	25.3	>
Loans and receivables.....	97,249,931	96,739,984	89,308,719	0.5	8.9
Loans and advances to other debtors.....	88,963,123	86,642,378	82,365,506	2.7	8.0
Other loans and receivables.....	8,286,808	10,097,606	6,943,213	(17.9)	19.4
Hedging derivatives.....	174,455	115,615	222,154	50.9	(21.5)
Investments	19,342	20,393	21,022	(5.2)	(8.0)
Insurance contracts linked to pensions	195,608	206,213	217,168	(5.1)	(9.9)
Tangible assets	699,656	729,573	710,413	(4.1)	(1.5)
Intangible assets	517,740	524,792	369,695	(1.3)	40.0
Tax assets.....	680,566	526,188	651,679	29.3	4.4
Other assets.....	834,187	466,303	352,526	78.9	>
Total Assets.....	108,928,332	107,169,353	97,986,899	1.6	11.2
Liabilities					
Financial liabilities held for trading	785,776	670,365	846,327	17.2	(7.2)
Other financial liabilities at fair value through profit or loss.....	26,233	37,016	43,974	(29.1)	(40.3)
Financial liabilities at amortised cost:	97,003,271	96,281,116	87,505,218	0.8	10.9
Deposits from credit institutions	13,263,761	9,421,401	10,397,636	40.8	27.6
Deposits from other creditors.....	42,956,580	42,661,584	35,775,696	0.7	20.1
Debt certificates including bonds.....	38,253,781	41,887,843	38,562,028	(8.7)	(0.8)
Subordinated liabilities	1,315,566	1,356,000	1,303,012	(3.0)	1.0
Other financial liabilities	1,213,583	954,288	1,466,846	27.2	(17.3)
Hedging derivatives	1,222,214	812,958	555,058	50.3	>
Insurance contract liabilities	943,972	970,189	894,399	(2.7)	5.5
Provisions for contingent exposures	453,765	467,005	477,094	(2.8)	(4.9)
Tax liabilities.....	505,580	251,998	506,227	>	(0.1)
Capital having the nature of a financial liability.....	438,539	438,537	438,452	-	-
Other liabilities.....	571,659	599,593	445,888	(4.7)	28.2
Total liabilities.....	101,951,009	100,528,777	91,712,637	1.4	11.2
Equity					
Minority interests	415,555	402,270	375,231	3.3	10.7
Valuation adjustments	(30,422)	13,968	17,591	<	<
Own funds.....	6,592,190	6,224,338	5,881,440	5.9	12.1
Capital, reserves and retained earnings	5,917,429	5,260,024	5,268,520	12.5	12.3
Profit or loss for the period.....	674,761	1,260,190	612,920		10.1
Dividends paid and declared	-	(295,876)	-		
Total equity.....	6,977,323	6,640,576	6,274,262	5.1	11.2
Total liabilities and equity.....	108,928,332	107,169,353	97,986,899	1.6	11.2
<i>Memorandum items:</i>					
Contingent exposures	12,467,254	12,314,679	11,486,679	1.2	8.5
Contingent commitments	20,356,689	20,678,554	20,048,571	(1.6)	1.5

Business Performance

In the present economic environment characterised by uncertainty in financial markets and the slowdown of activity, the performance of Banco Popular in the first half of 2008 focused on prudent management of the balance sheet, with special emphasis on raising customer funds to finance the growth of lending. The figures at the end of the first six months of 2008 are the outcome of the Group's commercial orientation.

The loans and advances to other debtors amounted to €90,610 million at 30 June 2008, an increase of 8.1% year on year. It should be borne in mind that at that date the figures for Banco Popular France were no longer included and those for TotalBank were included. Lending to the private sector increased by 7.7% year on year and, excluding overdrafts, exhibited balanced evolution in the component segments. Growth in mortgage lending continued to slow, and the year-on-year growth rate fell from 13.6% twelve months earlier to 8.2% at 30 June 2008.

The on-balance sheet customer funds were 15.9% higher year on year at the end of the first half, standing at €52,289 million. Mention should be made of the commercial effort made by the Group to capture time deposits. The funds obtained by this route offer greater stability in the present situation and permit containment of the Bank's commercial gap. Thus, while lending rose by €6,766 million in the twelve-month period, customer funds, excluding asset repos, increased by €6,507 million. Off-balance sheet funds – €15,204 million – continued their downward trend due to the negative evolution of financial markets. The stock market turmoil is favouring a switch of funds from property securities, pension plans and mutual funds, towards other more conservative forms of saving. Despite the notable decrease of the assets invested in mutual funds, the Group managed to increase its market share from 4.58% in June 2007 to 4.85% in June 2008.

In the second quarter of 2008 the Group continued to strengthen its second line of liquidity with ECB-eligible assets. Considering the non-discounted assets available, this second line stands at €15,211 million, 18.3% higher than in March 2008.

The deterioration of the economic situation has led to an upturn in the non-performing ratio to 1.42% at 30 June 2008. However, the control of risk quality and the emphasis on recovery of doubtful balances kept the ratio at controlled levels. Also, the coverage ratio was nearly 140%.

The Bank's level of capitalisation continued to strengthen, in terms both of the BIS I ratio, which is 9.76%, to make it comparable with June 2007, and in the composition of capital, with 6.67% of core capital at 30 June 2008. This strengthening of core capital was achieved despite the absorption in the second quarter of a mark-to-market adjustment of €50 million of the Bank's investment in Inmobiliaria Colonial. The core capital ratio was 20 basis points higher than the December 2007 figure as a result of the active management of the total risk-weighted assets and of the fact that the earnings amply offset the consumption of capital arising from the credit activity.

Funds Managed

(Amounts in € thousand)

	30.6.08	31.12.07	30.6.07	% variation	
				6 months	12 months
Unadjusted customer deposits	43,382,044	42,766,229	35,597,283	1.4	21.9
General government	3,243,506	6,092,873	2,384,585	(46.8)	36.0
Other private sectors	40,138,538	36,673,356	33,212,698	9.4	20.9
Residents.	35,088,376	31,015,565	28,023,301	13.1	25.2
Nonresidents	5,050,162	5,657,791	5,189,397	(10.7)	(2.7)
Valuation adjustments (+/-)	(425,464)	(104,645)	178,413	>	<
Total customer deposits.	42,956,580	42,661,584	35,775,696	0.7	20.1
Unadjusted debt certificates including bonds:	38,367,566	41,814,696	38,660,653	(8.2)	(0.8)
Bonds and other securities outstanding . .	23,982,349	26,203,705	26,014,280	(8.5)	(7.8)
Commercial paper	14,385,217	15,610,991	12,646,373	(7.9)	13.7
Valuation adjustments (+/-)	(113,785)	73,147	(98,625)	<	15.4
Total debt certificates including bonds.	38,253,781	41,887,843	38,562,028	(8.7)	(0.8)
Subordinated liabilities	1,315,566	1,356,000	1,303,012	(3.0)	1.0
Capital having the nature of a financial liability	438,539	438,537	438,452	-	-
Total on-balance sheet funds (a)	82,964,466	86,343,964	76,079,188	(3.9)	9.1
Mutual funds	10,110,185	12,097,212	12,348,486	(16.4)	(18.1)
Asset portfolio management	1,052,403	1,571,305	1,863,318	(33.0)	(43.5)
Pension funds	4,041,838	4,271,852	4,127,827	(5.4)	(2.1)
Total other intermediated funds (b) . .	15,204,426	17,940,369	18,339,631	(15.3)	(17.1)
Total funds managed (a+b)	98,168,892	104,284,333	94,418,819	(5.9)	4.0

Customer deposits

(Amounts in € thousand)

	30.6.08	31.12.07	30.6.07	% variation	
				6 months	12 months
Demand deposits	13,163,403	15,360,499	13,494,977	(14.3)	(2.5)
Savings deposits	5,077,263	5,578,768	6,127,621	(9.0)	(17.1)
Time deposits	22,077,165	18,300,051	13,638,114	20.6	61.9
Asset repos	2,731,615	3,247,111	2,059,806	(15.9)	32.6
Other accounts	332,598	279,800	276,765	18.9	20.2
Domestic commercial paper	8,907,400	10,806,188	9,513,418	(17.6)	(6.4)
Total	52,289,444	53,572,417	45,110,701	(2.4)	15.9

Lending to customers

(Amounts in € thousand)

	30.6.08	31.12.07	30.6.07	% variation	
				6 months	12 months
Lending to general government.	487,378	129,943	176,368	>	>
Lending to other private sectors.	90,122,522	87,977,925	83,667,853	2.4	7.7
Residents.	81,743,804	79,550,141	76,260,368	2.8	7.2
Non-residents.	8,378,718	8,427,784	7,407,485	(0.6)	13.1
Total lending to customers	90,609,900	88,107,868	83,844,221	2.8	8.1
Valuation adjustments (+/-)	(1,646,777)	(1,465,490)	(1,478,715)	12.4	11.4
Total	88,963,123	86,642,378	82,365,506	2.7	8.0

Lending to customers by type

(Amounts in € thousand)

	30.6.08	31.12.07	30.6.07	% variation	
				6 months	12 months
Trade loans and discounts	7,042,874	7,709,354	7,817,936	(8.6)	(9.9)
Secured loans	48,511,480	47,086,454	44,911,366	3.0	8.0
Mortgage loans	48,345,059	46,860,392	44,662,669	3.2	8.2
Other.	166,421	226,062	248,697	(26.4)	(33.1)
Asset repos	2,591	2	182	>	>
Other term loans	26,468,937	26,338,589	24,494,391	0.5	8.1
Finance leases	3,755,230	3,788,261	3,750,605	(0.9)	0.1
Overdrafts and other.	3,404,464	2,364,628	2,208,358	44.0	54.2
Doubtful assets	1,424,324	820,580	661,383	73.6	>
Total lending to customers	90,609,900	88,107,868	83,844,221	2.8	8.1

Risk Management Performance (*)

(Amounts in € thousand)

	30.6.08	30.6.07	Variation	
			Amount	%
Nonperforming loans:				
Balance at 1 January	834,478	635,537	198,941	31.3
Additions	1,146,868	359,231	787,637	>
Recoveries	247,205	204,997	42,208	20.6
Other changes	-	-	-	-
Net variation	899,693	154,234	745,459	>
% increase	107,8	24,3		
Writeoffs	(265,560)	(103,475)	(162,085)	>
Balance at 30 June	1,468,611	686,296	782,315	>
Allowance for credit losses:				
Balance at 1 January	1,822,353	1,665,060	157,293	9.4
Annual provision:				
Gross	486,304	294,846	191,458	64.9
Recoveries	(148,072)	(91,774)	(56,298)	61.3
Net	338,232	203,072	135,160	66.6
Other variations	4,579	(15,012)	19,591	<
Writeoffs	(127,989)	(95,974)	(32,015)	33.4
Balance at 30 June	2,037,175	1,757,146	280,029	15.9
Memorandum items:				
Total risks	103,077,154	95,330,900	7,746,254	8.1
Loans transferred to suspense accounts	456,150	1,241,222	(785,072)	(63.2)
Risk quality measures (%):				
Nonperformance (Nonperforming loans/Total risks)	1.42	0.72	0.70	
Insolvency (Writeoffs/Total risks)	0.26	0.11	0.15	
Coverage (Credit loss allowance/Nonperforming loans)	138.71	256.03	(117.32)	

* Including doubtful off-balance sheet risks and country risk and the related country risk allowance.

Credit loss allowances	Specific	General	Country risk	Total
Balance at 1 January	240,472	1,577,405	4,476	1,822,353
Net provisions	345,797	(7,707)	142	338,232
Amount used	127,989	-	-	127,989
Other variations and transfers	(2,254)	2,131	4,702	4,579
Balance at 30 June	456,026	1,571,829	9,320	2,037,175

Solvency

(Amounts in € thousand)	30.6.08 (*)	30.6.07 (*)	% variation	Basel II 30/06/08 (**)
Capital	121,543	121,543	-	121,543
Reserves	5,803,410	5,147,362	12.7	5,803,410
Minority interests	376,933	336,864	11.9	376,933
Retained earnings in the period	375,781	331,221	13.5	375,781
Deductions	(603,946)	(417,821)	44.5	(607,724)
Total core capital	6,073,721	5,519,169	10.0	6,069,943
<i>Core capital (%)</i>	<i>6.67</i>	<i>6.59</i>		<i>7.37</i>
Preferred shares and equity interests	1,279,558	1,288,000	(0.7)	1,279,558
Total Tier 1 Capital	7,353,279	6,807,169	8.0	7,349,501
<i>Tier 1 ratio (%)</i>	<i>8.07</i>	<i>8.13</i>		<i>8.92</i>
Total Tier 2 Capital	1,532,111	1,493,564	2.6	1,039,943
BIS computable capital	8,885,390	8,300,733	7.0	8,389,444
Capital cushion	1,573,683	1,603,644	(1.9)	1,799,763
<i>BIS ratio (%)</i>	<i>9.76</i>	<i>9.92</i>		<i>10.18</i>
<i>Memorandum item:</i>				
Total BIS risk-weighted assets	91,083,046	83,713,615	8.8	82,371,013

(*) Figures for solvency per Basel I for comparison.

(**) Based on internal models expected to be approved by Bank of Spain at 2008 year end.

Equity

(Amounts in € thousand)	Capital & reserves	Valuation adjustments	Minority interests	Net worth
Adjusted balance at 31.12.2006	5,529,203	24,200	361,178	5,914,581
Treasury stock	(8,382)	-	-	(8,382)
Consolidation adjustments (net)	(5,436)	-	(4,217)	(9,653)
Valuation adjustments	-	(10,232)	(230)	(10,462)
2007 net profit	1,260,190	-	76,370	1,336,560
Dividends paid in 2007	(551,237)	-	(30,831)	(582,068)
Balance at 31.12.2007	6,224,338	13,968	402,270	6,640,576
Treasury stock	(47)			(47)
Consolidation adjustments (net)	(4,949)		261	(4,688)
Valuation adjustments		(44,390)	(230)	(44,620)
Profit 1st semester 2008	674,761		37,923	712,684
Dividends paid in 2008	(301,913)		(24,669)	(326,582)
Balance at 30.6.2008	6,592,190	(30,422)	415,555	6,977,323

Consolidated Earnings

Banco Popular once again made manifest the recurring nature of its earnings. The commercial activity of its various units spurred the business volumes and net interest income, the main driver of ordinary earnings. Also, the evolution of the business was compatible with adequate solvency and a sound liquidity position.

For uniform comparison purposes, the June 2007 earnings have been restated because of the sale of Banco Popular France in the second quarter of 2008 (on 5 June 2008). The figures for both periods are therefore comparable.

The net interest income, excluding dividends, amounted to €1,238 million in the first half of 2008 representing a year-on-year growth rate of 13.3%. Including the dividends collected, the net interest income amounted to €1,253 million.

The net fee and commission income amounted to €439 million at 30 June, practically unchanged from the first half of 2007. Fees for mutual funds and securities transactions continued to be adversely affected by the unfavourable performance of stock markets and customer preference for other savings formulae, which led to reduced activity in both these business areas. Conversely, the fees for discount and other lending-related services, demand accounts administration and other captions evolved satisfactorily with year-on-year growth rates of 32%, 7% and 8%, respectively.

Gains on financial assets and liabilities amounted to €47 million in the first half. Instability in the financial markets led to lower activity in the distribution of derivatives to customers, because of the greater risk involved and the Bank's prudence in marketing these products. Exchange differences (-8.5%) were negatively affected by the depreciation of the US dollar and the translation of the earnings to euros.

Gross income amounted to €1,787 million in the first half of 2008, 6.9% up on the figure for the same period in 2007.

Operating costs in the first six months of 2008 were 8.6% higher at €573 million. This evolution of costs was responsive to the Group's process of expansion, materialised in the opening of new branch offices, particularly of MundoCredit and Banco Popular Portugal and the inclusion of TotalBank. The growth in personnel expenses - €397 million - reflects the increase in the staff to cater for the expansion. General administrative expenses were 6.1% higher at €176 million.

The efficiency ratio - one of the signs distinguishing the Group from its competitors - was 30.37% at 30 June 2008.

At the end of the first half of 2008, the losses for impairment of assets amounted to €480 million and the allocations to other provisions totalled €11 million. The increase in the first item was due to the widespread upturn in borrower delinquency being experienced by banks. A substantial part of the amount related to the provisions booked for Inmobiliaria Colonial and Martinsa-Fadesa, as publicly notified at the time. Banco Popular has not made use of its general allowances which are mostly provisioned based on the growth of lending in order to cover the potential non-performing balances in the credit portfolio.

Other gains or losses include mainly the gains on the sale of Group-owned properties.

The pre-tax profit was €909 million. After the deduction of tax and the addition of earnings from discontinued operations (earnings and gain on the sale of Banco Popular France), the net profit attributable to the Group amounted to €675 million, representing year-on-year growth of 10.1%.

The earnings per share of €0.555 in the first half of 2008 compared with €0.504 in the same period of 2007. The rates of return continued at very sound levels: the ROE was 22.8%, in line with the rates in June and December 2007, and the ROA was 1.36%, in consonance with the June 2007 figure.

Consolidated income and profitability

(Amounts in € thousand)

(Annualized % of ATA)

	30.6.08	30.6.07	% variation	30.6.08	30.6.07	Variation
Interest and similar income	3,029,214	2,367,294	28.0	5.78	5.05	0.73
- Interest expense and similar charges	1,791,014	1,274,099	40.6	3.42	2.72	0.70
=Net interest income excluding dividends	1,238,200	1,093,195	13.3	2.36	2.33	0.03
+Return on equity instruments	15,262	35,365	(56.8)	0.03	0.08	(0.05)
=Net interest income	1,253,462	1,128,560	11.1	2.39	2.41	(0.02)
+Share of profit or loss of equity method companies	90	3,384	(97.3)	-	0.01	-
+ Net fees and commissions	438,686	439,637	(0.2)	0.84	0.94	(0.10)
+Insurance business	25,273	26,754	(5.5)	0.05	0.06	(0.01)
±Gains or losses on financial assets and liabilities	47,246	48,549	(2.7)	0.09	0.10	(0.01)
±Exchange differences (net)	22,481	24,571	(8.5)	0.04	0.05	(0.01)
=Gross income	1,787,238	1,671,455	6.9	3.41	3.57	(0.16)
+ Non-financial service fee income (net)	19,665	19,414	1.3	0.04	0.04	-
+ Compensating fees and other income	24,910	28,469	(12.5)	0.05	0.06	(0.01)
- Operating costs:	572,750	527,572	8.6	1.10	1.13	(0.03)
Personnel expenses	396,712	361,728	9.7	0.76	0.77	(0.01)
Other general administrative expenses	176,038	165,844	6.1	0.34	0.36	(0.02)
- Depreciation	52,086	48,820	6.7	0.10	0.10	-
- Other operating expenses	21,679	21,511	0.8	0.04	0.05	(0.01)
=Net Operating income	1,185,298	1,121,435	5.7	2.26	2.39	(0.13)
- Losses from impairment of assets	479,601	186,957	>	0.92	0.40	0.52
- Other provisions to allowances (net)	11,120	3,634	>	0.02	0.01	0.01
±Other gains or losses (net)	214,193	12,054	>	0.41	0.03	0.38
= Profit or loss before tax	908,770	942,898	(3.6)	1.73	2.01	(0.28)
- Income tax	236,109	295,937	(20.2)	0.45	0.63	(0.18)
± Earnings from discontinued operations	40,023	3,337	>	0.08	0.01	(0.07)
=Consolidated profit or loss for the period.	712,684	650,298	9.6	1.36	1.39	(0.03)
- Profit or loss attributed to minority interests	37,923	37,378	1.5	0.07	0.08	(0.01)
=Profit or loss attributed to the Group	674,761	612,920	10.1	1.29	1.31	(0.02)

Net return on average risk-weighted assets (RORWA) (%) (*)	1.59	1.61	(0.02)
Net return on average equity (ROE) (%)	22.81	23.28	(0.47)
Leverage	16.77	16.77	-
Operating efficiency (%)	30.37	29.57	0.80

€ million:

Average total assets	104,776	93,664	11,112
Risk-weighted average total assets (RWA) (*)	83,714	80,699	3,015
Average total equity	5,916	5,266	650

* Calculated under BIS I for comparison.

Quarterly Consolidated Income

(Amounts in € thousand)

	2007				2008	
	1st	2nd	3rd	4th	1st	2nd
Interest and similar income	1,129,291	1,238,003	1,352,040	1,473,468	1,493,544	1,535,670
- Interest expense and similar charges	597,213	676,886	773,349	879,913	876,339	914,675
=Net interest income excluding dividends	532,078	561,117	578,691	593,555	617,205	620,995
+Return on equity instruments	16,677	18,688	9,857	10,219	5,288	9,974
=Net interest income	548,755	579,805	588,548	603,774	622,493	630,969
+Share of profit or loss of equity method companies	666	2,718	76	460	40	50
+ Net fees and commissions	224,049	215,588	212,615	224,023	214,240	224,446
+Insurance business	13,813	12,941	11,482	15,141	12,761	12,512
±Gains or losses on financial assets & liabilities	19,939	28,610	12,617	11,289	20,060	27,186
±Exchange differences (net)	11,922	12,649	14,936	12,611	11,160	11,321
=Gross income	819,144	852,311	840,274	867,298	880,754	906,484
+ Non-financial service fee income (net)	10,092	9,322	8,772	11,036	10,191	9,474
+ Compensating fees and other income	14,889	13,580	11,478	12,882	12,890	12,020
- Operating costs:	246,115	252,988	270,441	273,063	271,968	287,892
Personnel expenses	180,642	181,086	191,770	193,813	198,583	198,129
Other general administrative expenses	80,362	85,482	90,149	92,132	86,275	89,763
- Depreciation.	24,447	24,373	24,758	26,064	26,209	25,877
- Other operating expenses	10,751	10,760	10,792	10,853	10,938	10,741
=Net Operating income	547,923	573,512	543,055	568,354	581,830	603,468
- Losses from impairment of assets	106,148	80,809	60,834	73,794	135,953	343,648
- Other provisions to allowances (net)	4,047	(413)	8,166	7,177	5,049,	6,071
±Other gains or losses (net)	6,246	5,808	13,631	14,892	34,324	179,869
=Profit or loss before tax	443,974	498,924	487,686	502,275	475,152	433,618
- Income tax	139,742	156,195	153,600	154,031	134,702	101,407
± Earnings from discontinued operations	1,560	1,777	1,960	1,972	2,932	37,091
=Consolidated profit or loss for the period.	305,792	344,506	336,046	350,216	343,382	369,302
- Profit or loss attributed to minority interests	18,157	19,221	19,913	19,079	20,864	17,059
=Profit or loss attributed to the Group	287,635	325,285	316,133	331,137	322,518	352,243

Quarterly Profitability

(Annualized % of ATA)

	2007				2008	
	1st	2nd	3rd	4th	1st	2nd
Interest and similar income	4.94	5.16	5.40	5.67	5.75	5.81
- Interest expense and similar charges	2.61	2.82	3.09	3.39	3.37	3.46
=Net interest income excluding dividends	2.33	2.34	2.31	2.28	2.38	2.35
+ Return on equity instruments	0.07	0.08	0.04	0.04	0.02	0.04
=Net interest income	2.40	2.42	2.35	2.32	2.40	2.39
+ Share of profit or loss of equity method companies	-	0.01	-	-	-	-
+ Net fees and commissions	0.98	0.9	0.85	0.86	0.82	0.85
+ Insurance business	0.06	0.05	0.05	0.06	0.05	0.05
± Gains or losses on financial assets and liabilities	0.09	0.12	0.05	0.05	0.08	0.10
± Exchange differences (net)	0.05	0.05	0.06	0.05	0.04	0.04
=Gross income	3.58	3.55	3.36	3.34	3.39	3.43
+ Non-financial service fee income (net)	0.04	0.04	0.03	0.04	0.04	0.04
+ Compensating fees and other income	0.08	0.06	0.05	0.05	0.05	0.05
- Operating costs:	1.14	1.12	1.13	1.10	1.10	1.09
Personnel expenses	0.79	0.76	0.77	0.75	0.77	0.75
Other general administrative expenses	0.35	0.36	0.36	0.35	0.33	0.34
- Depreciation.	0.11	0.1	0.1	0.10	0.10	0.10
- Other operating expenses	0.05	0.04	0.04	0.04	0.04	0.04
=Net Operating income	2.40	2.39	2.17	2.19	2.24	2.29
- Losses from impairment of assets	0.47	0.33	0.24	0.28	0.52	1.30
- Other provisions to allowances (net)	0.02	-	0.03	0.03	0.02	0.03
± Other gains or losses (net)	0.03	0.02	0.05	0.05	0.13	0.68
= Profit or loss before tax	1.94	2.08	1.95	1.93	1.83	1.64
- Income tax	0.61	0.65	0.62	0.59	0.52	0.38
± Earnings from discontinued operations (net)	0.01	0.01	0.01	0.01	0.01	0.14
=Consolidated profit or loss for the period.	1.34	1.44	1.34	1.35	1.32	1.40
- Profit or loss attributed to minority interests	0.08	0.08	0.08	0.07	0.08	0.07
=Profit or loss attributed to the Group	1.26	1.36	1.26	1.27	1.24	1.33
Net return on average risk-weighted assets (RORWA) (%) (*)	1.55	1.67	1.59	1.61	1.54	1.63
Net return on average equity (ROE) (%)	21.85	24.71	24.05	25.18	21.81	23.81
Leverage	16.33	17.2	17.92	18.69	16.5	17.03
Operating efficiency (%)	29.73	29.4	31.9	31.14	30.58	30.17
<i>€ million:</i>						
Average total assets	91,415	95,913	100,150	103,961	103,913	105,639
Risk-weighted average total assets (RWA) (*)	79,056	82,343	84,513	87,094	89,349	90,452
Average total equity	5,267	5,266	5,259	5,261	5,915	5,917

* Calculated under BIS I for comparison.

Yields and Costs

(Amounts in € thousand and rates annualized)

	30.6.08				30.6.07			
	Average balance	Distribution (%)	Income or expense	Average rate (%)	Average balance	Distribution (%)	Income or expense	Average rate (%)
Financial system	7,612,899	7.27	151,025	3.97	7,780,355	8.31	142,776	3.67
Lending to customers (a)	87,597,240	86.60	2,778,306	6.34	78,557,992	83.87	2,195,812	5.59
Securities portfolio	4,218,312	4.03	108,570	5.15	1,555,572	1.66	57,783	7.43
Other earning assets	335,220	0.32	6,575	3.92	349,321	0.37	6,288	3.60
<i>Total earning assets(b)</i>	<i>99,763,671</i>	<i>95.22</i>	<i>3,044,476</i>	<i>6.10</i>	<i>88,243,240</i>	<i>94.21</i>	<i>2,402,659</i>	<i>5.45</i>
Other assets	5,012,646	4.78	-	-	5,420,990	5.79	-	-
Total assets (c)	104,776,317	100.00	3,044,476	5.81	93,664,230	100.00	2,402,659	5.13
Financial system	11,393,228	10.87	235,127	4.13	9,254,890	9.88	160,757	3.47
Customer funds (d)	40,736,230	38.88	597,379	2.93	34,987,894	37.35	343,872	1.97
Demand accounts	13,087,859	12.49	101,729	1.55	12,903,875	13.78	62,431	0.97
Savings and time deposits	27,648,371	26.39	495,650	3.59	22,084,019	23.57	281,441	2.55
Marketable debt securities & other	40,649,944	38.80	948,626	4.67	39,061,542	41.70	762,623	3.90
Other interest-bearing liabilities	302,369	0.29	9,882	6.54	335,441	0.36	6,847	4.08
<i>Total interest-bearing liabilities (e)</i>	<i>93,081,771</i>	<i>88.84</i>	<i>1,791,014</i>	<i>3.85</i>	<i>83,639,767</i>	<i>89.29</i>	<i>1,274,099</i>	<i>3.05</i>
Other non-interest-bearing liabilities	5,778,723	5.51	-	-	4,758,008	5.09	-	-
Equity	5,915,823	5.65	-	-	5,266,455	5.62	-	-
Total liabilities and equity (f)	104,776,317	100.00	1,791,014	3.42	93,664,230	100.00	1,274,099	2.72
<i>Customer spread (a-d)</i>				<i>3.41</i>				<i>3.62</i>
<i>Spread (b-e)</i>				<i>2.25</i>				<i>2.40</i>
<i>Net interest margin (c-f)</i>				<i>2.39</i>				<i>2.41</i>

Quarterly Yields and Costs

(Data in % and rates annualized)

	2007						2008			
	2nd		3rd		4th		1st		2nd	
	Distribu tion	Rate	Distribu tion	Rate	Distribu tion	Rate	Distribu tion	Rate	Distribu tion	Rate
Financial system	8.56	3.64	8.27	4.22	8.22	4.08	7.46	3.96	7.07	3.97
Loans and discounts (a)	83.54	5.72	83.13	5.92	82.03	6.24	83.61	6.29	83.60	6.39
Securities portfolio	1.89	7.27	3.09	5.10	4.43	5.40	3.92	5.10	4.13	5.19
Other earning assets	0.36	4.54	0.34	3.59	0.33	3.68	0.33	3.74	0.31	4.11
<i>Total earning assets(b)</i>	<i>94.35</i>	<i>5.55</i>	<i>94.83</i>	<i>5.74</i>	<i>95.01</i>	<i>6.01</i>	<i>95.32</i>	<i>6.05</i>	<i>95.11</i>	<i>6.15</i>
Other assets	5.65	-	5.17	-	4.99	-	4.68	-	4.89	-
Total assets (c)	100.00	5.24	100.00	5.44	100.00	5.71	100.00	5.77	100.00	5.85
Financial system	9.96	3.46	10.20	3.82	10.07	3.95	9.90	3.98	11.83	4.24
Customer funds (d)	36.38	2.03	35.54	2.27	36.21	2.67	38.37	2.88	39.38	2.98
Demand accounts	13.20	0.95	12.71	1.12	13.06	1.53	12.83	1.62	12.16	1.49
Savings and time deposits	23.18	2.65	22.83	2.92	23.15	3.31	25.54	3.52	27.22	3.65
Marketable debt securities & other	42.61	4.04	43.01	4.37	42.71	4.70	40.34	4.60	37.28	4.74
Other interest-bearing liabilities. . .	0.34	5.76	0.32	4.32	0.30	5.01	0.29	6.48	0.28	6.60
<i>Total interest-bearing liabilities (e)</i>	<i>89.29</i>	<i>3.16</i>	<i>89.07</i>	<i>3.47</i>	<i>89.29</i>	<i>3.79</i>	<i>88.90</i>	<i>3.79</i>	<i>88.77</i>	<i>3.90</i>
Other non-interest-bearing liabilities	5.22	-	5.68	-	5.65	-	5.41	-	5.63	-
Equity	5.49	-	5.25	-	5.06	-	5.69	-	5.60	-
Total liabilities and capital (f)	100.00	2.82	100.00	3.09	100.00	3.39	100.00	3.37	100.00	3.46
<i>Customer spread (a-d)</i>		<i>3.69</i>		<i>3.65</i>		<i>3.57</i>		<i>3.41</i>		<i>3.41</i>
<i>Spread (b-e)</i>		<i>2.39</i>		<i>2.27</i>		<i>2.22</i>		<i>2.26</i>		<i>2.25</i>
<i>Net interest margin (c-f)</i>		<i>2.42</i>		<i>2.35</i>		<i>2.32</i>		<i>2.40</i>		<i>2.39</i>

Net Fee and Commission Income

(Amounts in € thousand)

	30.6.08	30.6.07	% variation	Distribution (%)	
				2008	2007
Asset transaction service fees:	68,561	52,032	31.8	15.6	11.8
Bill discounting	22,536	23,694	(4.9)	5.1	5.4
Other	46,025	28,338	62.4	10.5	6.4
Provision of guarantees and other sureties	60,833	61,587	(1.2)	13.9	14.0
Operating services:	309,292	326,018	(5.1)	70.5	74.2
Collection and payment handling	111,215	107,717	3.2	25.4	24.5
Securities and foreign currency purchases and sales.	8,192	13,624	(39.9)	1.9	3.1
Customer financial asset management:	103,269	124,016	(16.7)	23.5	28.2
Securities portfolios and asset management	15,697	15,850	(1.0)	3.6	3.6
Mutual funds	60,408	80,927	(25.4)	13.7	18.4
Pension plans	27,164	27,239	(0.3)	6.2	6.2
Administration of demand deposits	53,088	49,713	6.8	12.1	11.3
Other	33,528	30,948	8.3	7.6	7.1
Total	438,686	439,637	(0.2)	100.0	100.0

Personnel and general expenses

(Amounts in € thousand)

	30.6.08	30.6.07	% variation	Distribution (%)	
				2008	2007
Personnel expenses:	396,712	361,728	9.7	69.3	68.6
Wages and salaries	299,307	273,483	9.4	52.3	51.8
Social security charges	71,008	65,701	8.1	12.4	12.5
Other personnel expenses	12,994	10,326	25.8	2.3	2.0
Pensions	13,403	12,218	9.7	2.3	2.3
General expenses:	176,038	165,844	6.1	30.7	31.4
Rents and common services	30,496	26,704	14.2	5.3	5.1
Communications	13,047	12,697	2.8	2.3	2.4
Maintenance of premises and equipment	11,387	11,636	(2.1)	2.0	2.2
IT and other technical expenses	35,399	36,079	(1.9)	6.1	6.8
Stationery and office supplies	3,897	4,061	(4.0)	0.6	0.8
Technical reports and legal expenses	7,820	7,301	7.1	1.4	1.4
Advertising and publicity	15,455	16,111	(4.1)	2.7	3.0
Insurance	2,175	2,256	(3.6)	0.4	0.4
Security and fund transport services	8,536	9,312	(8.3)	1.5	1.8
Travel	6,739	6,198	8.7	1.2	1.2
Property taxes, VAT and other	25,223	23,805	6.0	4.4	4.5
Other general expenses	15,864	9,684	63.8	2.8	1.8
Total	572,750	527,572	8.6	100.0	100.0

Information by segment

As stated in the 2007 annual reporting documents, the Banco Popular Group is managed and directed at entity level. For the purposes of the information by segment and as indicated in that annual report, the main segment defined is the geographical segment, and the secondary segment is the activity segment. The balance sheet total in each geographical segment reflects the amount corresponding to Spain and Portugal, respectively. In each of the secondary segments the contribution of each to total assets in the consolidated balance sheet is shown.

The most relevant figures relating to the first segment are as follows:

	30.6.08		30.6.07		% variation	
	Spain *	Portugal	Spain *	Portugal	Spain *	Portugal
Net interest income	1,180,596	72,866	1,048,932	79,628	11.6	(8.5)
Gross income	1,689,489	97,749	1,565,718	105,737	7.1	(7.6)
Net operating income	1,140,717	44,581	1,064,449	56,986	6.6	(21.8)
Total assets	100,504,892	8,423,440	90,384,003	7,602,896	11.2	10.8
Total liabilities and equity	105,509,887	3,418,445	94,218,433	3,768,466	12.0	(9.3)
Intra-group financing	5,004,995	(5,004,995)	3,834,430	(3,834,430)	30.5	30.5
Number of employees	14,039	1,380	13,137	1,276	6.9	8.2
Number of branch offices	2,335	233	2,269	206	2.9	13.1

(*) Also includes the remaining international activity that does not constitute a separate segment.

The breakdown by business activity segment is as follows:

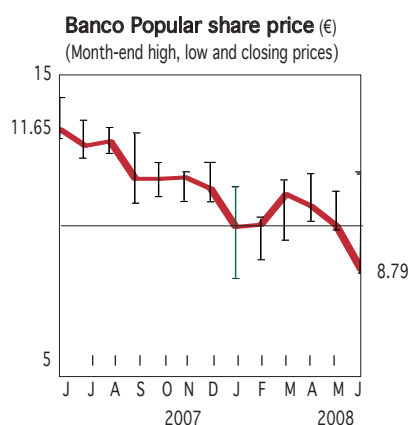
	Consolidated profit			Total assets		
	30.6.08	30.6.07	% variation	30.6.08	30.6.07	% variation
Asset management	25,999	28,909	(10.1)	939,077	1,119,200	(16.1)
Insurance activity	15,003	17,114	(12.3)	918,766	1,055,846	(13.0)
Commercial banking	421,119	546,491	(22.9)	90,355,591	83,814,474	7.8
Corporate and markets	170,517	57,784	>	16,394,534	11,997,379	36.7
Total	712,684	650,298	9.6	108,928,332	97,986,899	11.2

Market Performance of the Bank's Shares

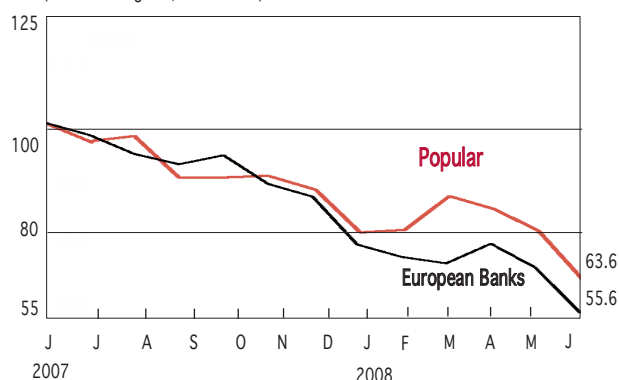
Market information

Quarters	Share liquidity (Number in thousands)			Share market price (€)			Dividend paid (€)	Market return*
	Average shares outstanding	Shares traded	%	High	Low	Closing		
2007 1st	1,215,433	577,638	47.53	15.65	13.73	15.44	0.1033	13.2
2nd	1,215,433	511,582	42.09	16.07	13.55	13.82	0.1044	(9.8)
3rd	1,215,433	607,837	50.01	14.16	11.27	12.05	0.1057	(12.0)
4th	1,215,433	657,763	54.12	12.61	11.30	11.70	0.1213	(1.9)
Year total	1,215,433	2,354,820	193.7	16.07	11.27	11.70	0.4347	(11.6)
2008 1st	1,215,433	995,846	81.9	11.98	8.51	11.50	0.1222	(0.7)
2nd	1,215,433	805,224	66.3	12.21	8.69	8.79	0,1234	(22.5)

* Appreciation (depreciation) and dividend as % of initial price in each period.



Banco Popular compared with European banks as a whole
 June 2007 - June 2008
 (Month-end figures; rebase 100)



Market ratios

	31.6.08	31.6.07
Price / Book value	1.62	2.86
Price / Earnings (PE ratio)	7.9	13.7
Dividend return*	5.62	3.02

* Calculated with the dividend paid in the second quarter, annualized.

Treasury Stock

(Thousands of shares)	Number				Total outstanding (a)	Total traded (b)	Treasury Stock*	
	Average	Maximum	Minimum	Closing			As % of (a)	As % of (b)
2007								
First quarter	201	1,946	64	167	1,215,433	577,638	0.02	0.03
Second quarter	191	217	155	214	1,215,433	511,582	0.02	0.04
Third quarter	647	781	213	697	1,215,433	607,837	0.05	0.11
Fourth quarter	710	720	691	720	1,215,433	657,763	0.06	0.11
2008								
First quarter	723	724	720	724	1,215,433	998,308	0.06	0.07
Second quarter	724	724	724	724	1,215,433	805,224	0.06	0.09

* Calculated on average treasury stock held in the quarter.

Basis of presentation and accounting principles and standards

Pursuant to Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002, the obligation for companies whose securities were listed on a regulated market in a Member State of the European Union at the date of their balance sheets to prepare consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) came into force on January 1, 2005.

The Bank of Spain, as the accounting regulator of the Spanish banking industry, implemented and adapted the accounting standards for credit institutions in its Circular 4/2004, as published in the Official State Gazette on December 30, 2004.

Basis of presentation

The accompanying interim financial information was prepared in accordance with the new regulations and reflects all the economic activities of the Banco Popular Group, both financial and insurance and non-financial, and accordingly provides a true and fair view of the consolidated net worth, financial position, risks and results of operations. As a result of the disposal in the first half of 2008 of the Group's business unit in France, the income statements, statements of yields and costs and profitability data in this report have been restated pursuant to IFRS 5 for comparison purposes.

Accounting principles and policies and valuation standards

The Group's accounting policy is based on the accounting principles set forth in Note 15 to the 2007 consolidated financial statements, which included most notably the following:

A) Impairment of the value of assets: The treatment of financial assets differs from that of all other assets, as discussed below.

Coverage is envisaged for the losses on financial assets, provided that they are based on objective evidence. Specific and general allowances are booked for customer-attributable credit-loss risk, and specific allowances for country risk.

The specific allowance reflects the deterioration of assets individually identified as impaired, and the general allowance reflects the inherent loss incurred based on the nature of each risk and estimated by statistical procedures pending allocation to specific transactions.

The Bank of Spain has stipulated models and methodology conforming to IFRS for the calculation of the foregoing allowances.

The regulations require strict treatment in the classification of doubtful balances in customer transactions, since default in the payment of one installment triggers the classification as nonperforming of the entire transaction.

For all other assets, including goodwill, impairment is deemed to exist if and when the book value of the assets exceeds their recoverable amount. In the case of goodwill, an impairment test must be performed at least once a year, since goodwill is not systematically amortized, and the appropriate writedown is booked if there is evidence of impairment.

B) Income:

B1) Fees: Under IFRS the treatment of fees collected or paid differs depending on whether they are compensation for a service rendered or a cost incurred, or are remuneration additional to the

interest rate on the transaction. The former are recognized as income when the service is rendered or the cost is incurred, and the latter are accrued over the term of the transaction.

B2) Interest and dividends: Interest is recognized on an accrual basis by the effective interest rate method, and dividends are recorded when declared.

C) Financial instruments are classified for valuation purposes and recorded as follows:

- Instruments classified in the trading portfolio, including financial derivatives, are recorded at fair value, with changes taken to the income statement.
- Loans and discounts and held-to-maturity investments are recorded at their amortized cost.
- Available-for-sale financial assets are valued at fair value, and changes in value are recorded in net worth until realized, at which time they are recognized in the income statement.
- Substantially all financial liabilities are valued at amortized cost.

D) Non-financial and intangible assets and inventories. These are valued at cost. For the valuation of tangible assets, the Banco Popular Group has not, on a general basis, taken the option provided in IFRS to revalue them, and accordingly they are presented in the balance sheet at cost restated, where appropriate, pursuant to the applicable enabling legislation, net of accumulated depreciation.

E) Non-current assets for sale. This heading is used to record foreclosed assets.

F) Capital having the nature of a financial liability. Issues of preferred shares launched by the Banco Popular Group qualify as liabilities and the remuneration on them therefore forms part of the financial cost.

Disclaimer

This financial report has been prepared by Banco Popular solely for purposes of information. It may contain estimates and forecasts with respect to the future development of the business and to the financial results of the Banco Popular Group, which stem from the expectations of the Banco Popular Group and which, by their very nature, are exposed to factors, risks and circumstances that could affect the financial results in such a way that they might not coincide with such estimates and forecasts. These factors include, but are not restricted to, (i) changes in interest rates, exchange rates or any other financial variable, both on the domestic as well as on the international securities markets, (ii) the economic, political, social or regulatory situation, and (iii) competitive pressures. In the event that such factors or other similar factors were to cause the financial results to differ from the estimates and forecasts contained in this report, or were to bring about changes in the strategy of the Banco Popular Group, Banco Popular does not undertake to publicly revise the content of this report.

This financial report contains summarised information and in no case shall its content constitute an offer, invitation or recommendation to subscribe or acquire any security whatsoever, nor is it intended to serve as a basis for any contract or commitment whatsoever.

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