



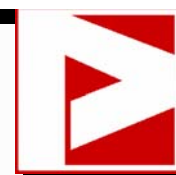
# Banco Popular Group

**FOCUSING ON EFFICIENT GROWTH**

**July | August | September**

# 2005

# DISCLAIMER



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## HIGHLIGHTS OF THE QUARTER

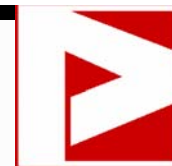
- 1** **Fast Core Business Growth**
- 2** **Improved Asset Quality**
- 3** **Strong Customer Acquisition**
- 4** **Branch Network Expansion**
- 5** **Solid Earnings & Efficiency Gains**

# 3rd. Quarter 2005

1

**Fast Core  
Business Growth**

# FAST CORE BUSINESS GROWTH



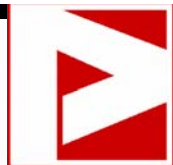
## MAJOR LOAN CATEGORIES (\*)

*(Accumulated % change)*

	Growth rate <i>September 05</i>	% of total loans
Bill discounting	2.2	9.6
Mortgage loans	26.7	54.9
Loans & overdrafts	24.3	30.1
Leasing	18.3	5.4
<b>TOTAL</b>	<b>22.7</b>	<b>100.0</b>

(\*) All loans except NPLs & Repos

# FAST CORE BUSINESS GROWTH

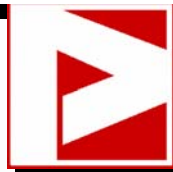


## CORE RESIDENT-CUSTOMER FUNDING

September 30, 2005

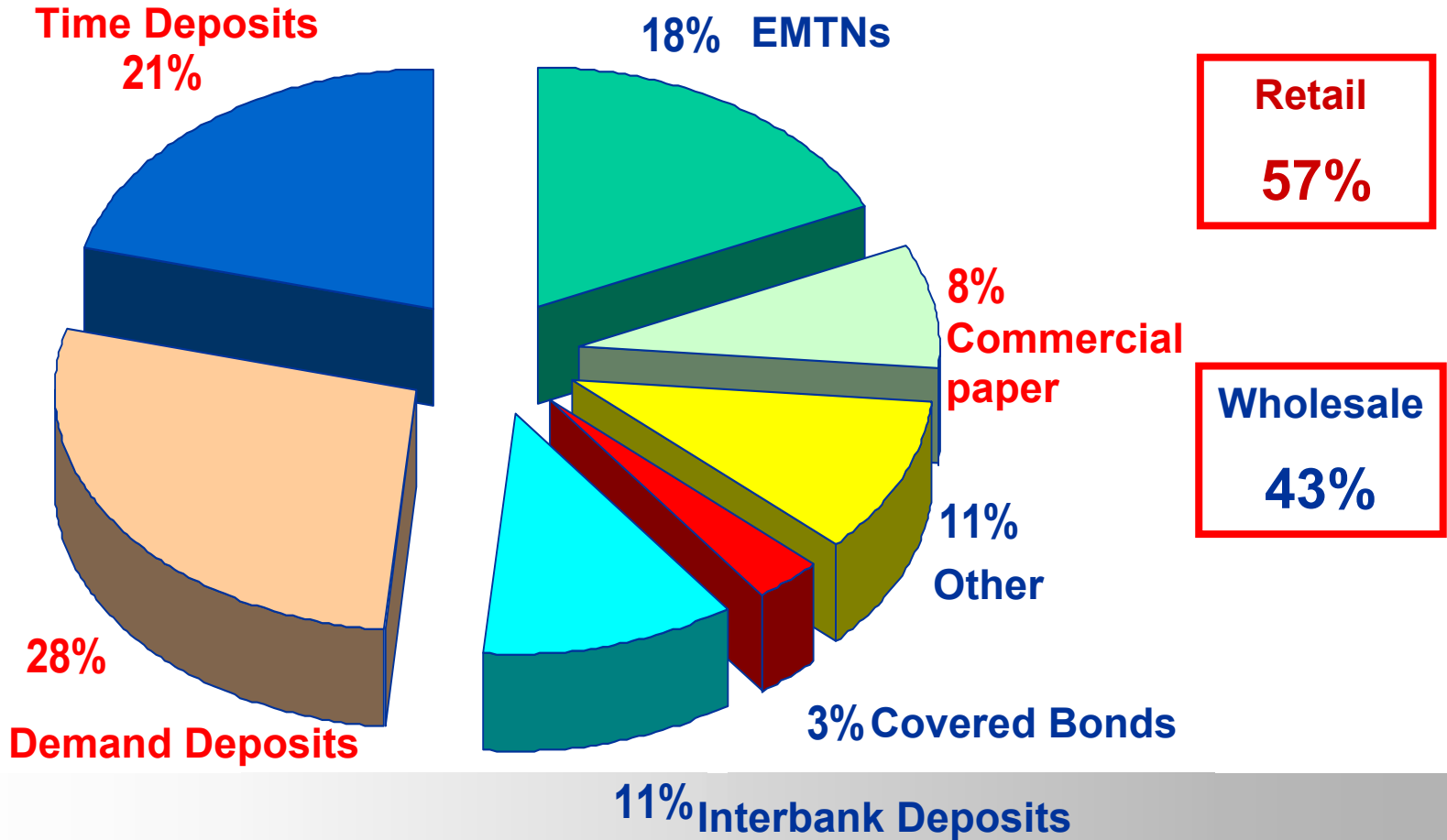
	<i>Amount (€ million)</i>	<i>Δ %</i>	<i>% of total</i>
<b>Demand deposits</b>	<b>14,500.5</b>	<b>9.9</b>	<b>48.5</b>
<b>Time deposits</b>	<b>10,117.0</b>	<b>4.8</b>	<b>33.9</b>
<b>Customers commercial paper</b>	<b>5,248.0</b>	<b>31.5</b>	<b>17.6</b>
<b>TOTAL</b>	<b>29,865.5</b>	<b>11.2</b>	<b>100.0</b>

# FAST CORE BUSINESS GROWTH

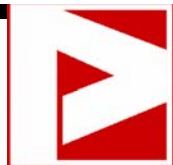


## FUNDING BREAK-DOWN

(As % of loans)



# FAST CORE BUSINESS GROWTH



## MUTUAL FUNDS VOLUMES IN 2005 vs. INDUSTRY –SPAIN ONLY-

	Net Asset Value	
	Sep. 05(€ million)	% change
Money Market	1,688.4	-4.72
Bonds	2,877.4	40.70
<b>Fixed income</b>	<b>4,565.8</b>	<b>19.62</b>
Equity	1,180.1	45.93
Balanced	1,017.7	20.32
Guaranteed	2,530.2	12.74
Global	470.6	19.90
<b>TOTAL</b>	<b>9,764.4</b>	<b>20.4</b>
		<b>13.8</b>

← **BANCO POPULAR GROUP \***  
 ← **INDUSTRY**

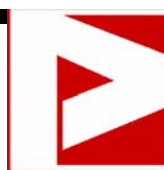
**Outperformance due to:**

	POPULAR	INDUSTRY
Net Inflows	13.2%	8.2%
Management / Markets	7.2%	5.6%

	Sep. 05	Sep. 04
Improvement in market share	4.03%	3.80%

\* Excluding BNC. The total amount including BNC amounts to €10,103.6 million (+21.5%)

# FAST CORE BUSINESS GROWTH



## GROWTH RATE – NON MORTGAGE LOANS

	Dec. 03	Sept. 04	Dec. 04	Sept. 05
Bill discounting	18.0	18.4	14.2	3.2
Loans & overdrafts	9.8	20.3	22.4	27.1
Leasing	12.0	24.3	24.3	16.8
<b>Non mortgage</b>	<b>12.5</b>	<b>20.3</b>	<b>20.1</b>	<b>18.9</b>
<b>Growth (y-on-y) Loans to private sector residents</b>	<b>19.4</b>	<b>23.5</b>	<b>23.7*</b>	<b>22.3</b>

Excluding REPOs, prepayment & other and NPL

\* Adjusted for securitization

# FAST CORE BUSINESS GROWTH



## CONTRIBUTION OF AFFINITY CUSTOMERS TO POPULAR'S GROWTH

(September 30, 2005)

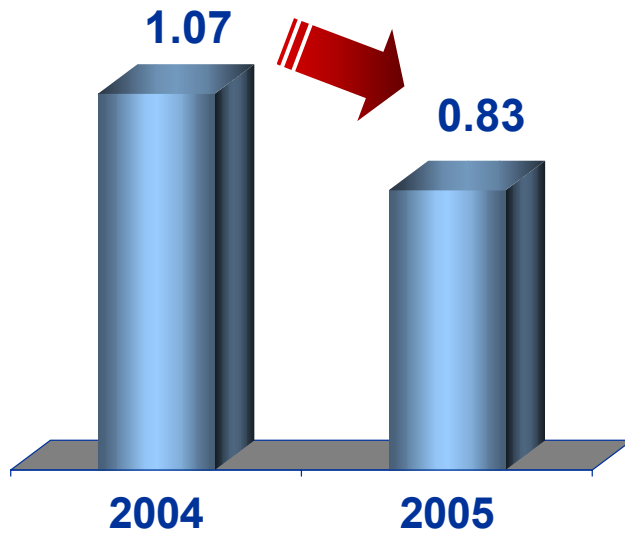
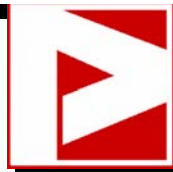
	Affinity clients	Contribution to total group
<b>No. of clients</b>	<b>673,742</b>	<b>11%</b>
<b>New clients</b>	<b>83,927</b>	<b>16%</b>
<b>Affinity loans (€ million)</b>	<b>17,637</b>	<b>36%</b>

# 3rd. Quarter 2005

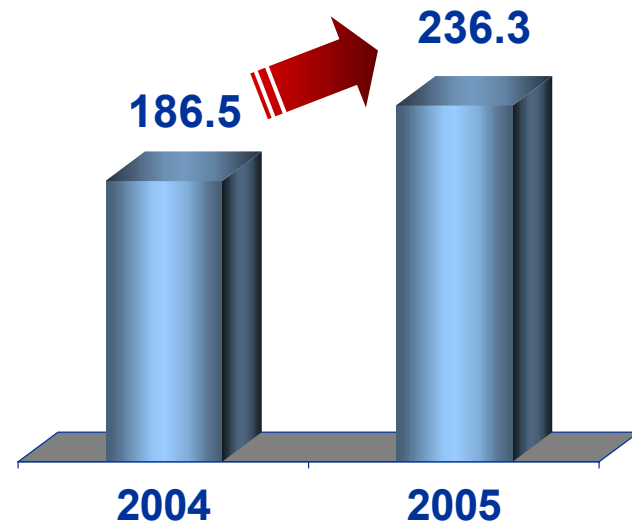
2

**Improved  
Asset Quality**

# IMPROVED ASSET QUALITY



Nonperforming loans



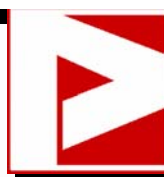
Coverage

# 3rd. Quarter 2005



**Strong  
Customer Acquisition**

# STRONG CUSTOMER ACQUISITION



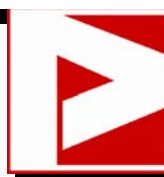
**531.142**

**net NEW customers in 12 mos.**

**+505,882 in Spain**

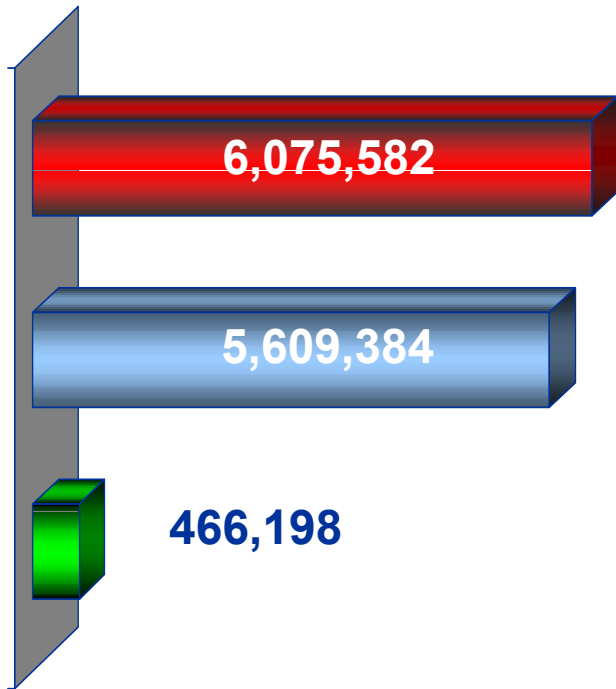
**+ 25,260 in Portugal**

# STRONG CUSTOMER ACQUISITION



## TOTAL

Y-o-y  $\Delta$

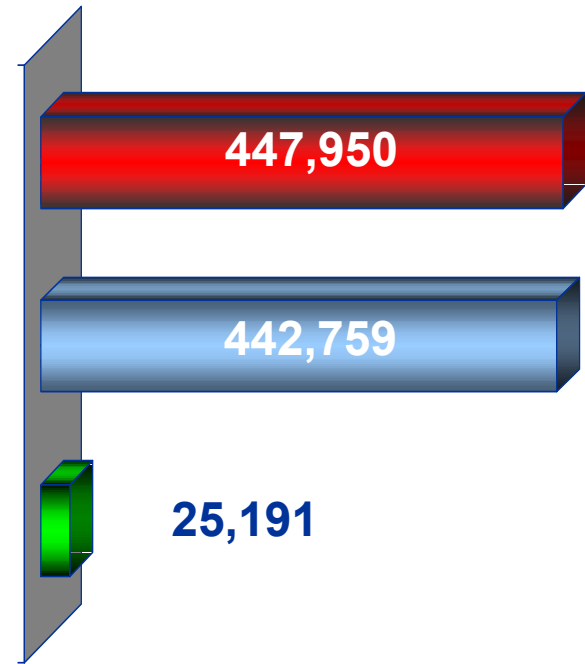


9.6%

9.8%

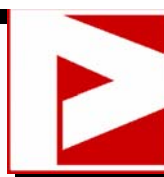
7.5%

## NEW (2005)

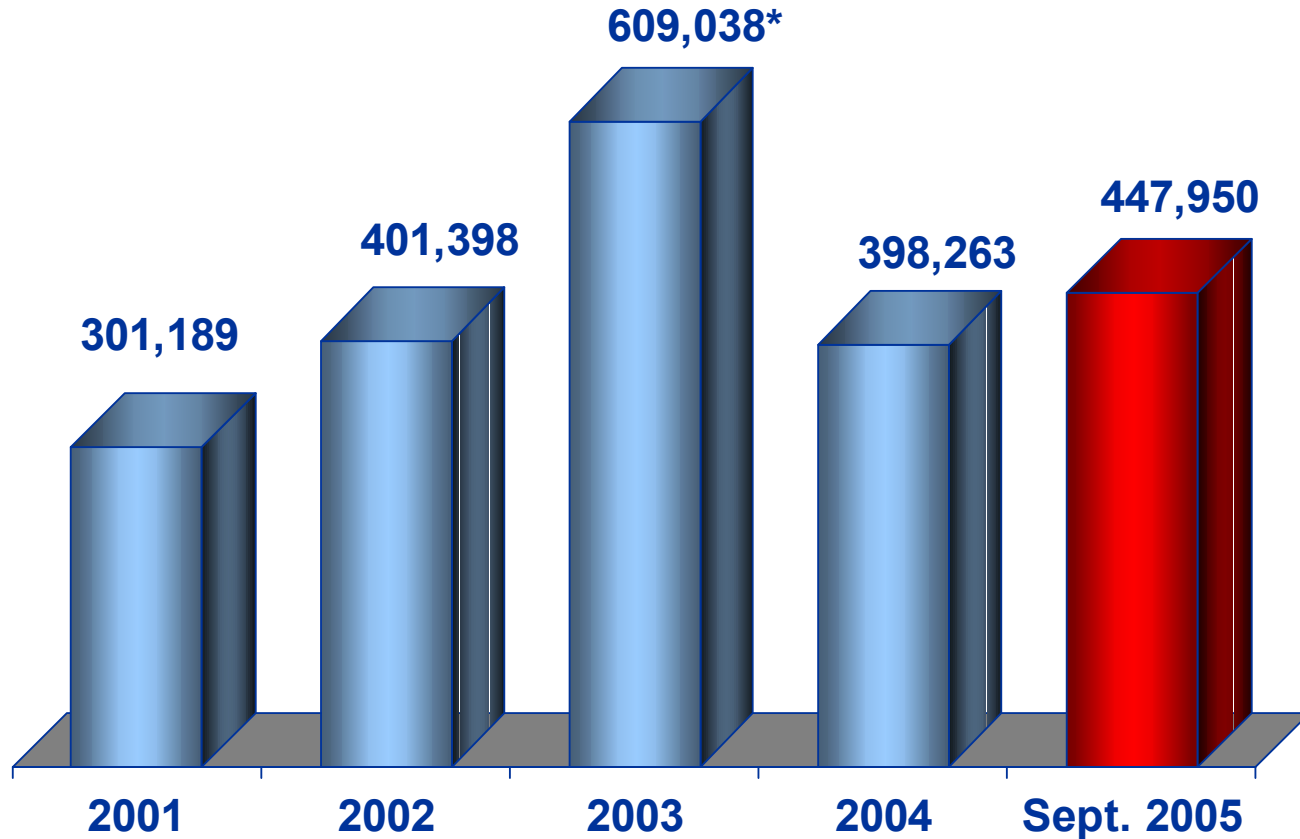


 Total  Individuals  Corporate

# STRONG CUSTOMER ACQUISITION



## NET NEW CLIENTS (inc. BNC)



\* BNC acquisition

# STRONG CUSTOMER ACQUISITION



## EXPLOIT NEW CUSTOMER POTENTIAL

### Total linked clients "Spain"

June 2004 .....	1,658,089
September 2004 .....	1,699,822
December 2004 .....	1,750,644
June 2005 .....	1,873,388
September 2005 .....	1,922,001

 **y-on-y**  
**13.1%**

One third of all Spanish clients have 4 products or more

# 3rd. Quarter 2005

4

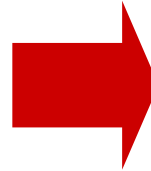
**Branch  
Network Expansion**

# BRANCH NETWORK EXPANSION



## NETWORK ACTIVITY THROUGH JUNE 05

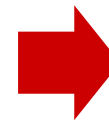
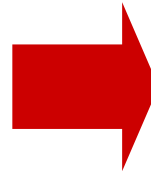
Opened Branches



Closed Branches



Impending Branches

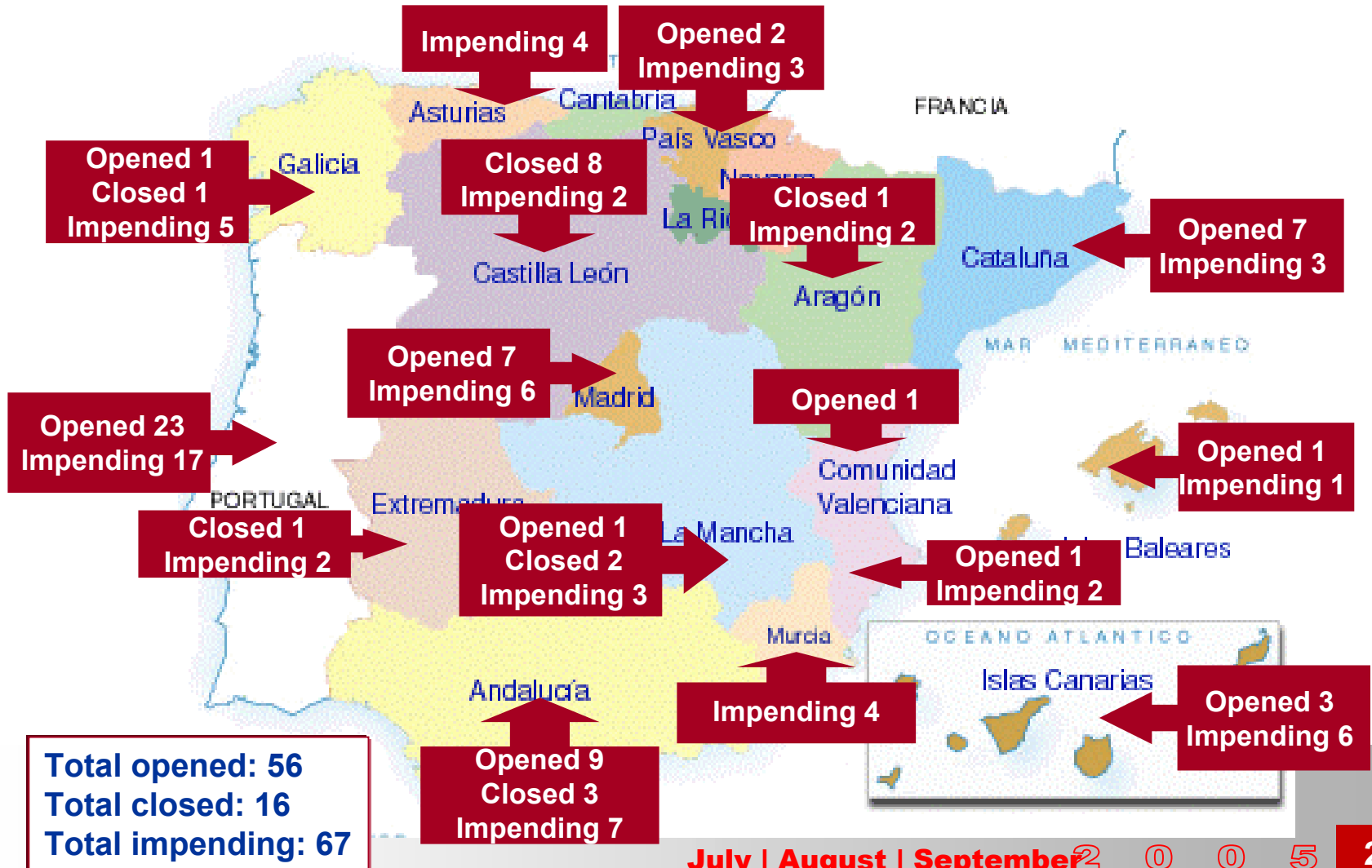


Refurbished 28  
In progress 39

# BRANCH NETWORK EXPANSION



## NETWORK ADJUSTMENTS THROUGH SEPTEMBER 05

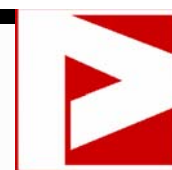


# 3rd. Quarter 2005

5

**Solid Earnings &  
Efficiency Gains**

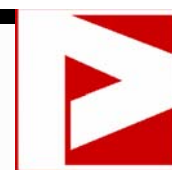
# SOLID EARNINGS, EFFICIENCY GAINS



*(Euro million)*

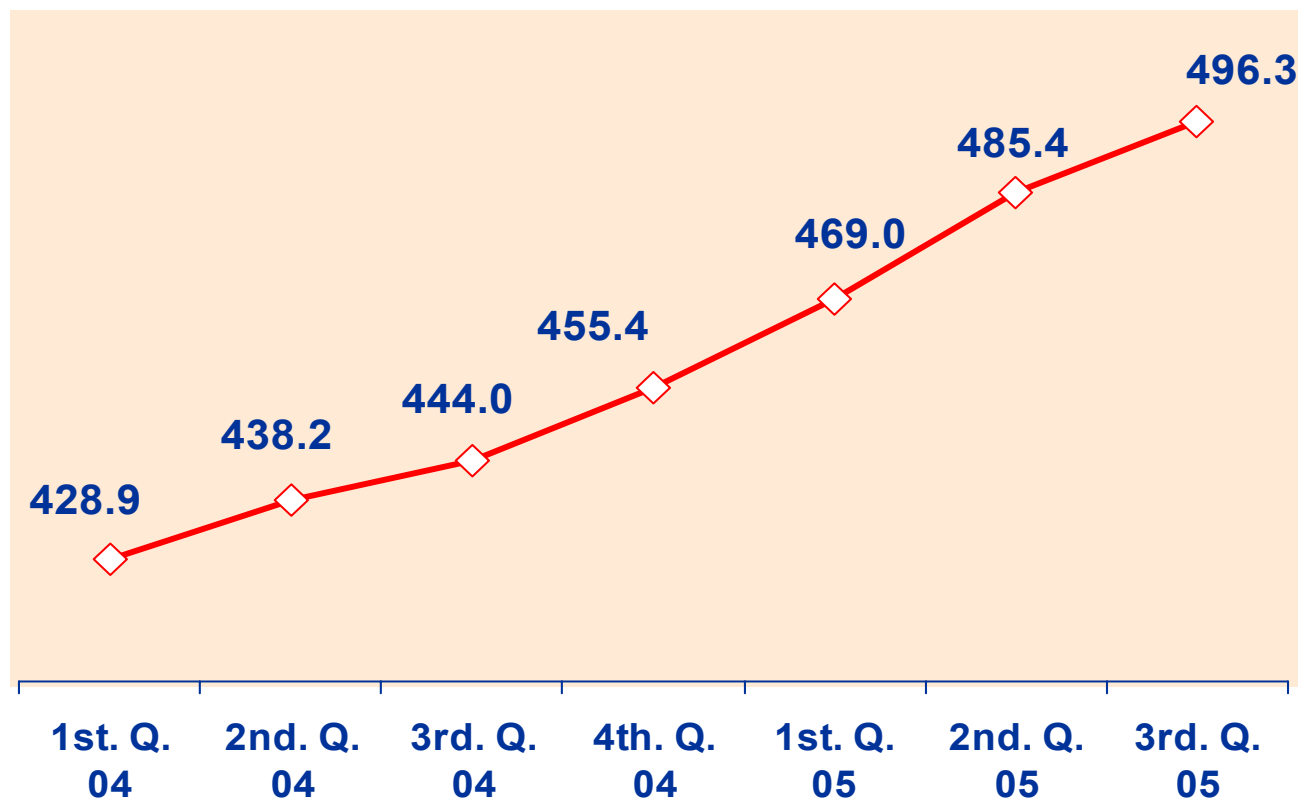
	<b>3rd. Q. 2005</b>	<b>y-on-y % Δ</b>
<b>Net interest revenue</b>	<b>1,450.7</b>	<b>10.6</b>
<b>Fees for services</b>	<b>532.0</b>	<b>10.3</b>
<b>Ordinary revenue</b>	<b>2,046.0</b>	<b>9.2</b>
<b>Operating cost</b>	<b>675.9</b>	<b>6.7</b>
<b>Operating income</b>	<b>1,289.2</b>	<b>10.1</b>
<b>Income before taxes</b>	<b>1,056.4</b>	<b>23.6</b>
<b>Net income attributable</b>	<b>650.6</b>	<b>21.1</b>

# SOLID EARNINGS, EFFICIENCY GAINS

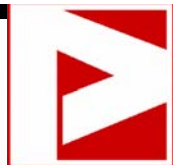


## NET INTEREST REVENUE

(Million euros)



# SOLID EARNINGS, EFFICIENCY GAINS



## FEES FOR SERVICES

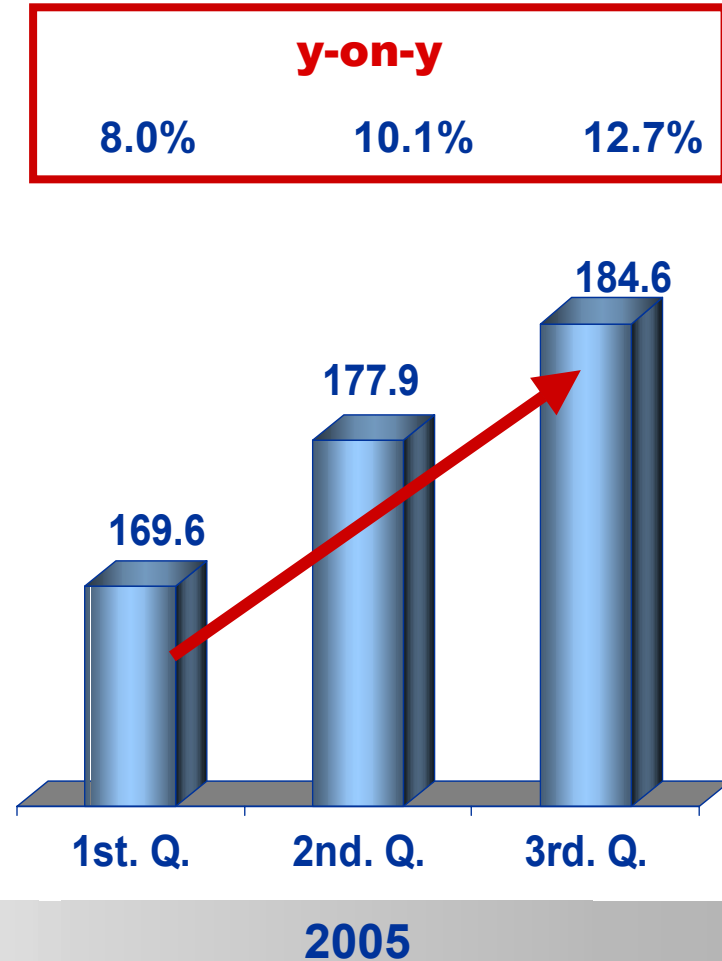
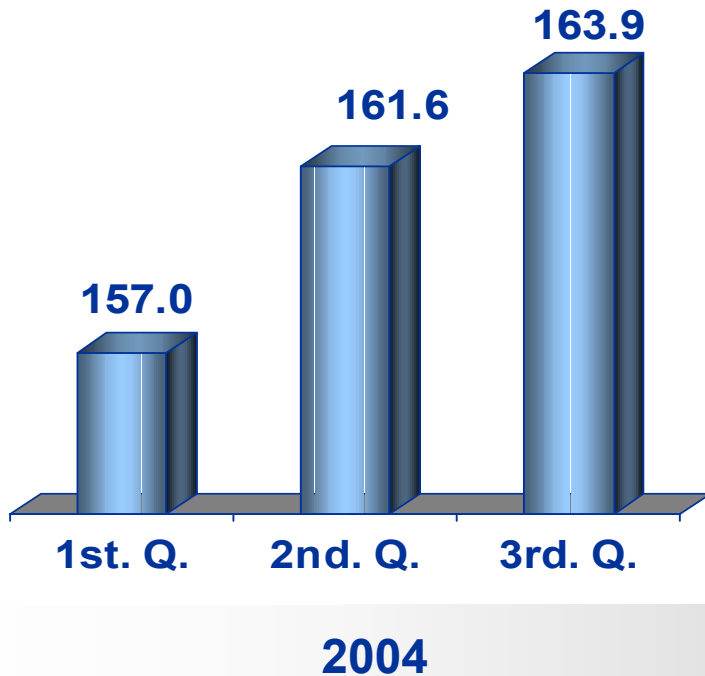
	Year-on-year % accum. $\Delta$	As % of total fees
Loan-related fees:	9.0	14.5
Bill discounting	10.5	6.7
Other	7.8	7.8
Fees from guarantees	3.4	13.8
Collection & card-related	2.3	28.4
Forex & securities dealing	107.6	3.3
Customer financial asset mgt:	14.5	28.3
Securities portfolio	12.0	3.9
Mutual funds	15.2	18.2
Pension plans	14.2	6.2
Account mgt. fees	0.6	8.1
Other	87.1	3.6
<b>TOTAL</b>	<b>10.3</b>	<b>100.0</b>

# SOLID EARNINGS, EFFICIENCY GAINS



## FEEES FOR SERVICES

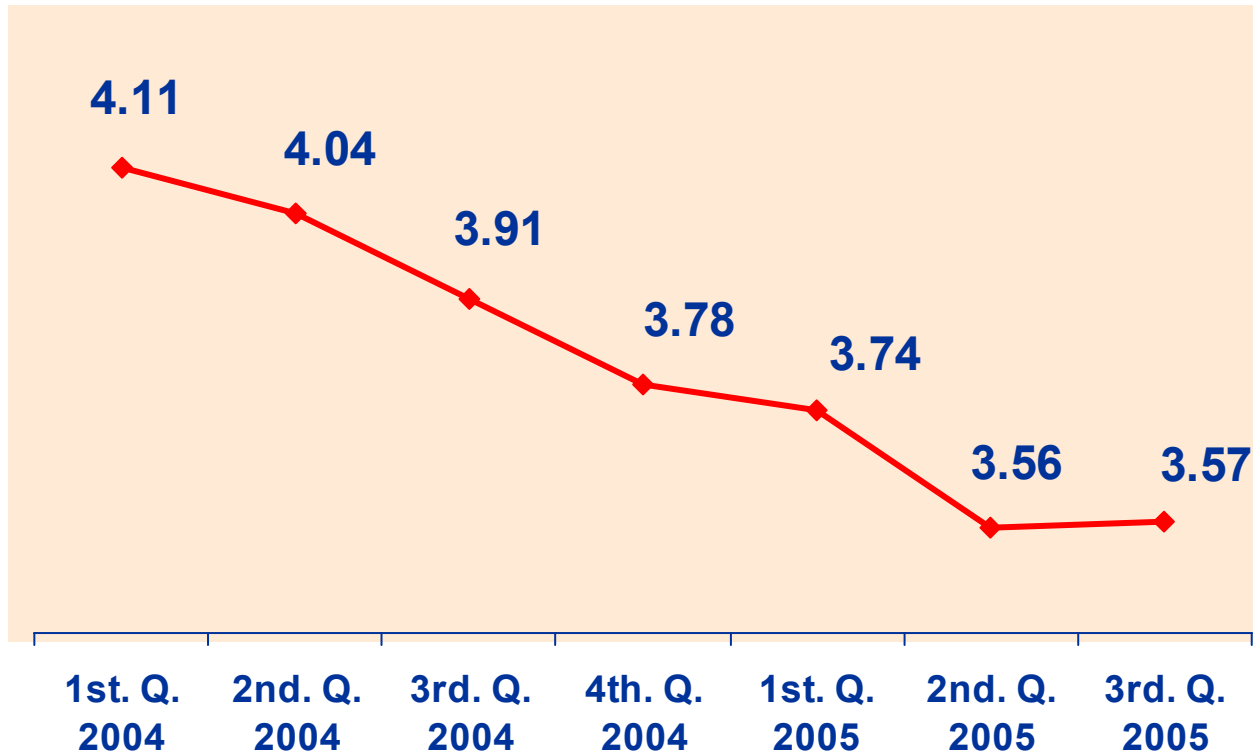
(Euro Million)



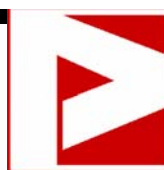
# SOLID EARNINGS, EFFICIENCY GAINS



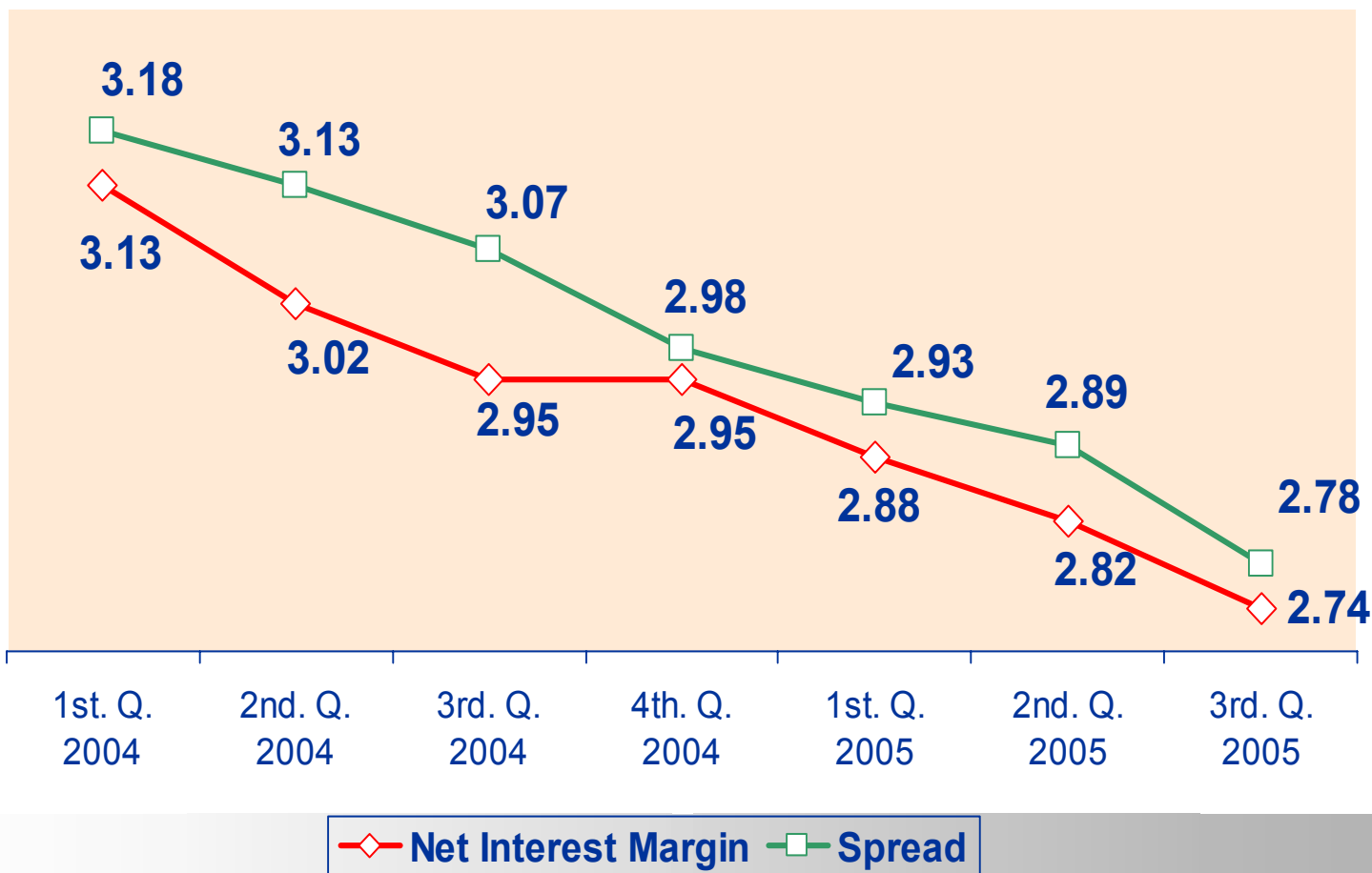
## CUSTOMER SPREAD



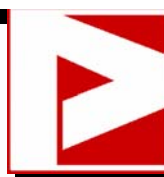
# SOLID EARNINGS, EFFICIENCY GAINS



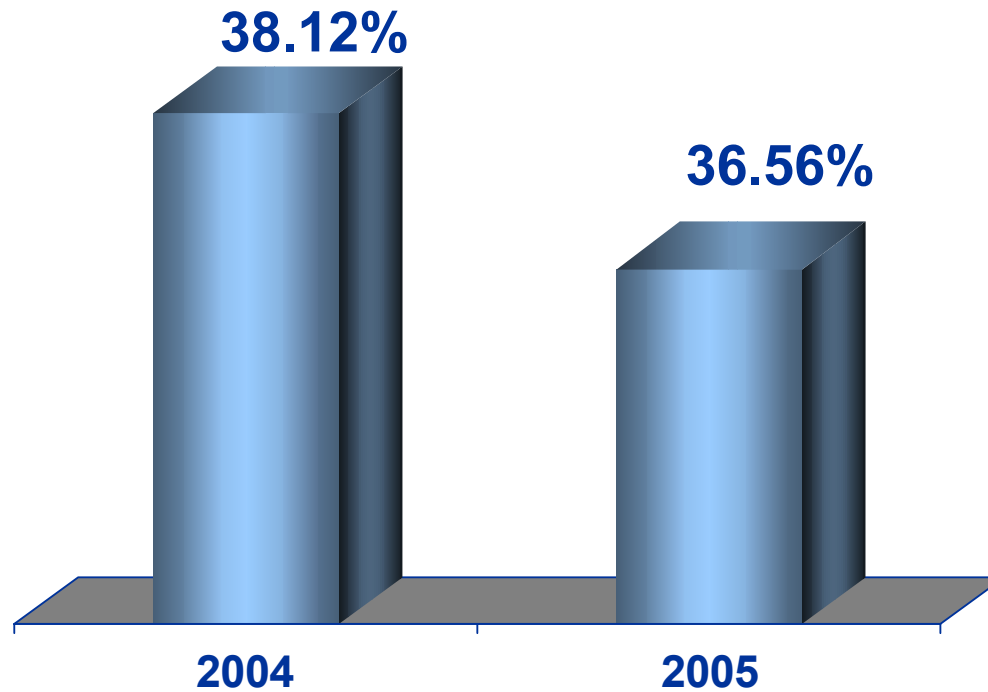
## NET INTEREST MARGIN & SPREAD



# SOLID EARNINGS, EFFICIENCY GAINS



## COST/INCOME RATIO



# SOLID EARNINGS, EFFICIENCY GAINS



## PROFITABILITY

### ROE



### ROA



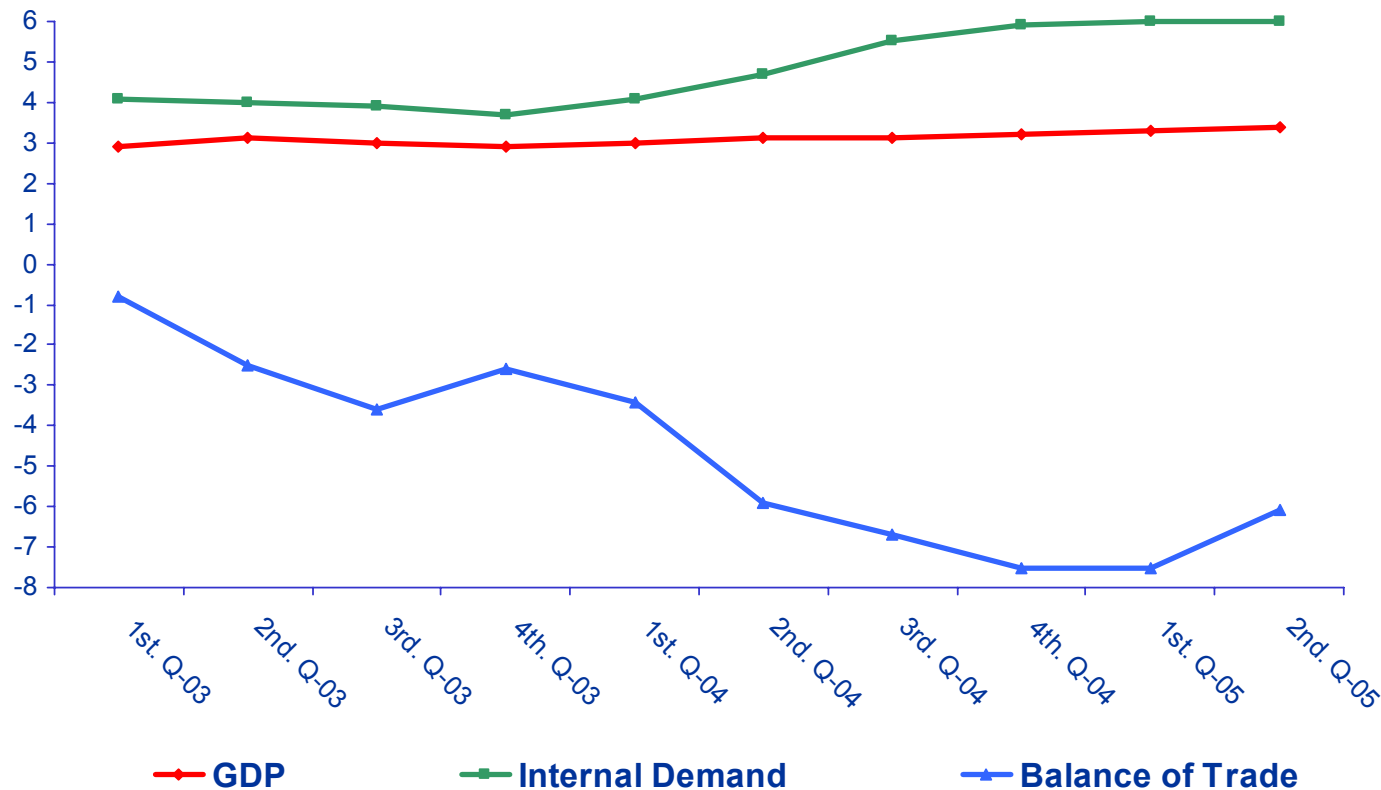
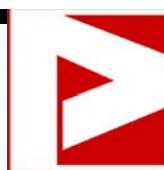
Source: AEB (Consolidated groups). December 2004

# 3rd. Quarter 2005



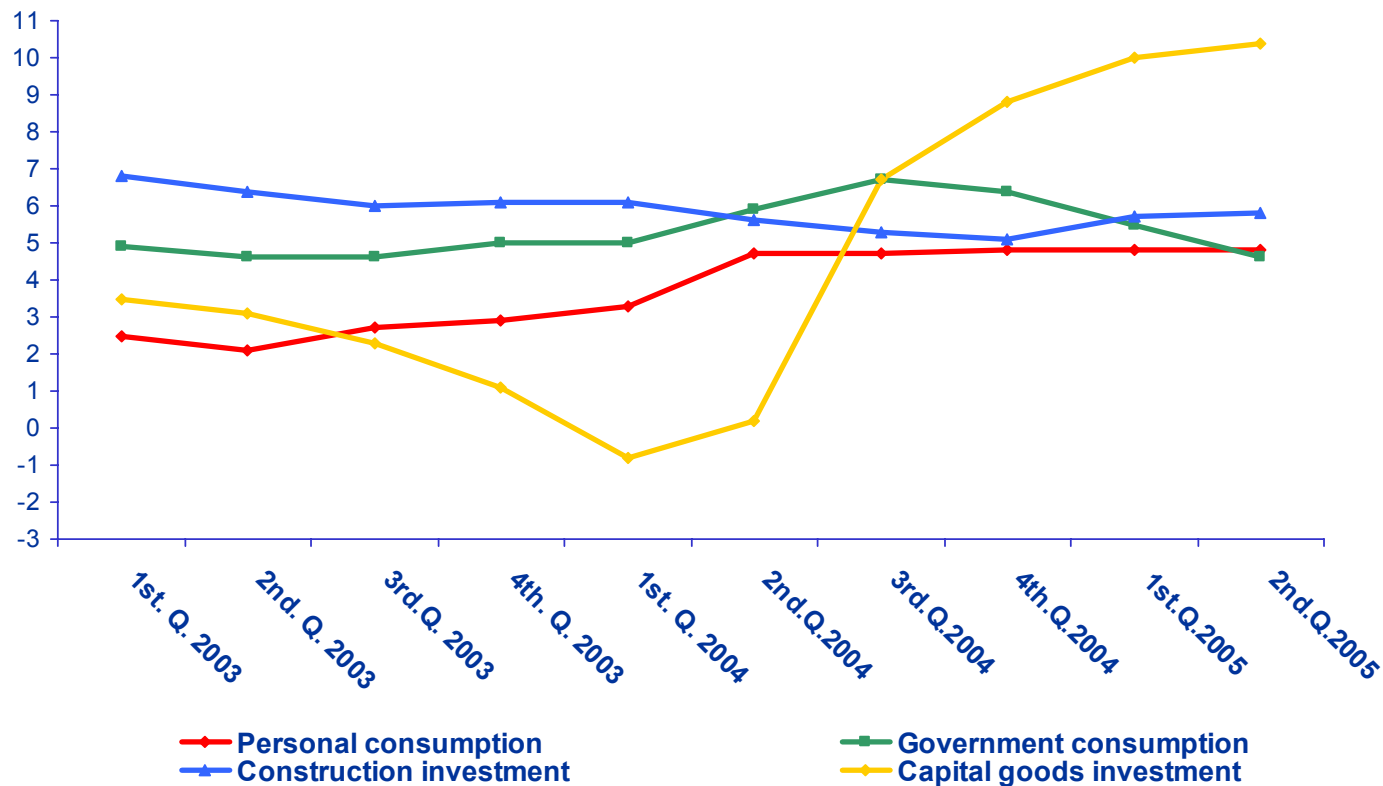
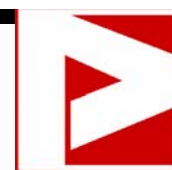
**Annex**

# MACROECONOMIC PARAMETERS IN SPAIN



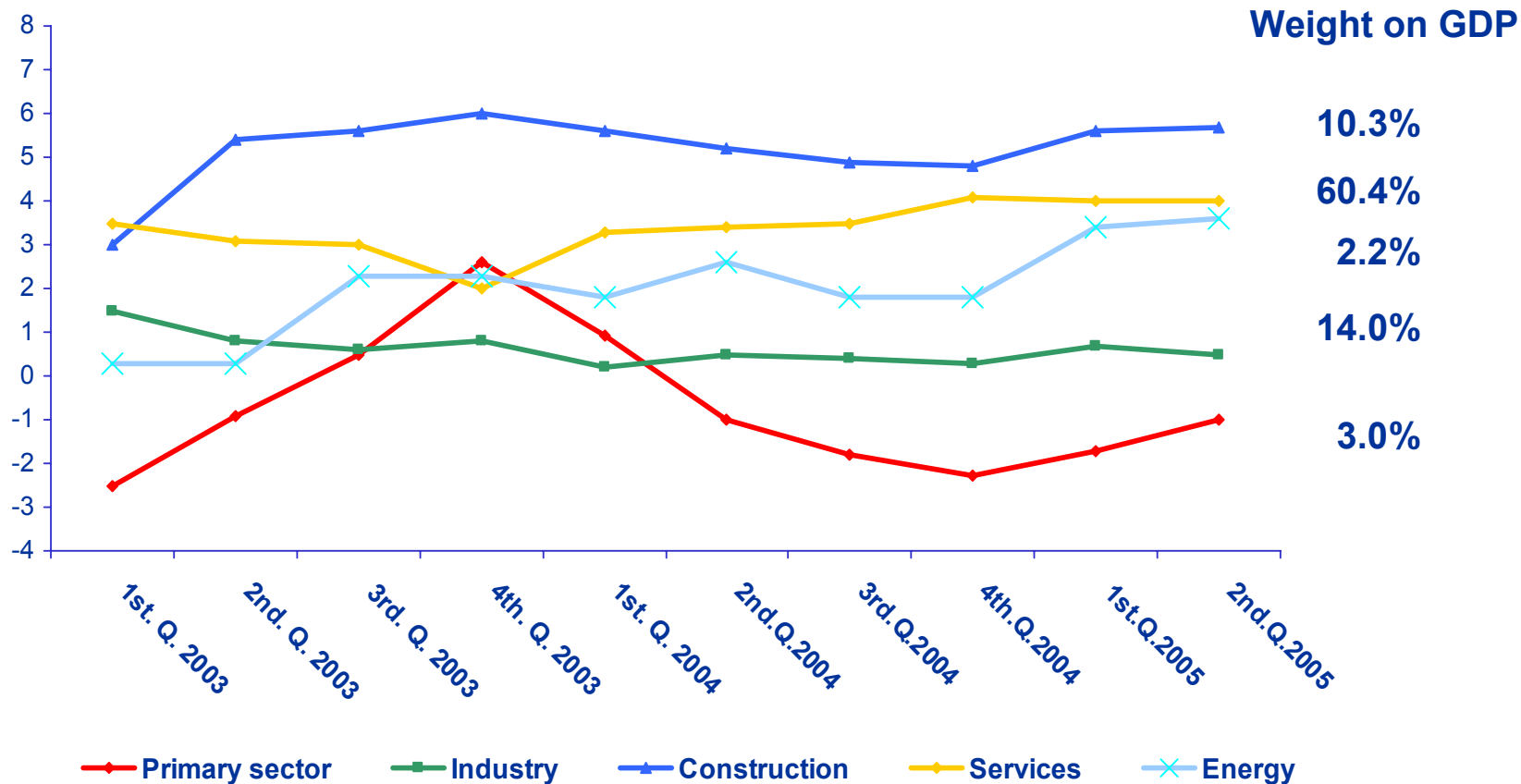
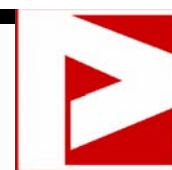
Source: INE

# MACROECONOMIC PARAMETERS IN SPAIN



Source: INE

# MACROECONOMIC PARAMETERS IN SPAIN



Source: INE

# **Banco Popular Español**

**Velázquez 34. 28001 Madrid**

**Telephone: 34 915207000**

**Fax: 34 915779208**

**Banco Popular Español**

**Banco de Andalucía**

**Banco de Castilla**

**Banco de Crédito Balear**

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