
Acquisition of TotalBank

Madrid, July 2007

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A transaction with strong strategic rationale for Banco Popular

- TotalBank is a very attractive profitable franchise in the Miami Dade County, with excellent asset quality and significant growth potential
- The acquisition of a bank in Florida will contribute to diversify Banco Popular earnings stream to a market with a different economic cycle
- TotalBank is a large and scalable regional platform, with deep ties to the local community and a business model focused on SME's and the Hispanic market
- Miami Dade and Florida are sizeable markets with high growth potential
- The transaction allows Popular to transfer its know-how and best retail practices to TotalBank
- Transaction financially attractive, accretive from the 1st year and with limited impact on Banco Popular's capital ratios

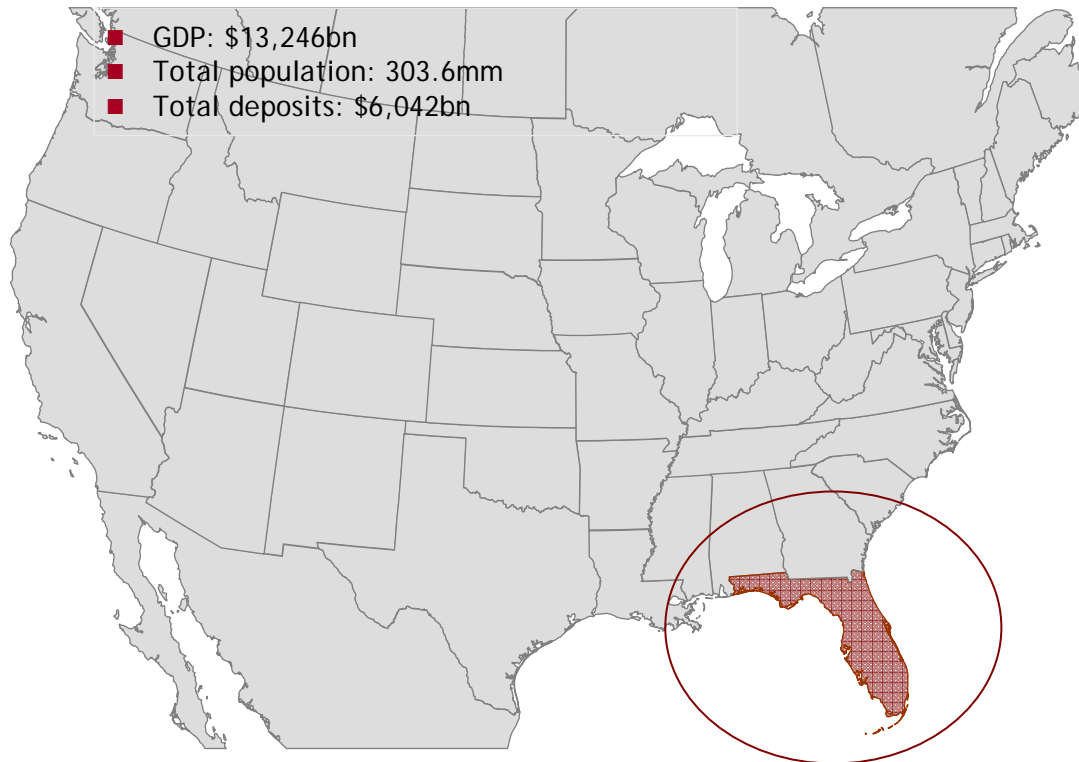
Transaction highlights

Transaction highlights

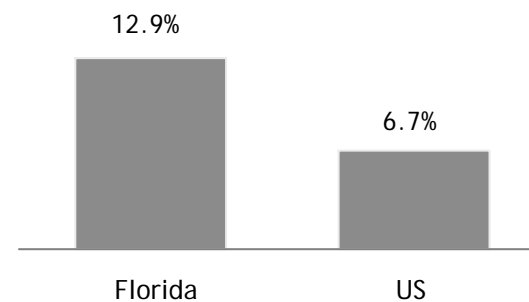
Transaction terms	<ul style="list-style-type: none">▪ Transaction: Acquisition of 100% of TotalBank▪ Price: US\$300m▪ Consideration: 100% cash▪ Estimated closing: 4Q 2007
Impact of the transaction on Banco Popular	<ul style="list-style-type: none">▪ Transaction accretive from the first day<ul style="list-style-type: none">-Acquisition expected to be 0.7% accretive in 2008E▪ Attractive Internal Rate of Return, 17.6% and ROI (2010E) 10.1%▪ Limited impact on Banco Popular's capital base, estimated at 27bp

Florida is one of the most attractive markets for Spanish banks due to its unique characteristics

Macroeconomic overview of the market in Florida



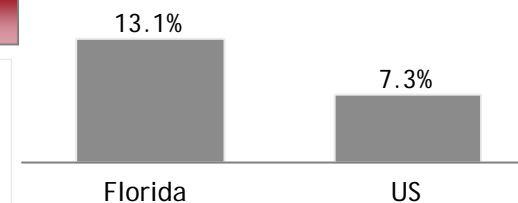
Projected population growth (2006-2011)



Florida deposit market

- 6% of total deposits in the US
- 4th largest state in the US in terms of deposits

Deposit growth 03–05 CAGR

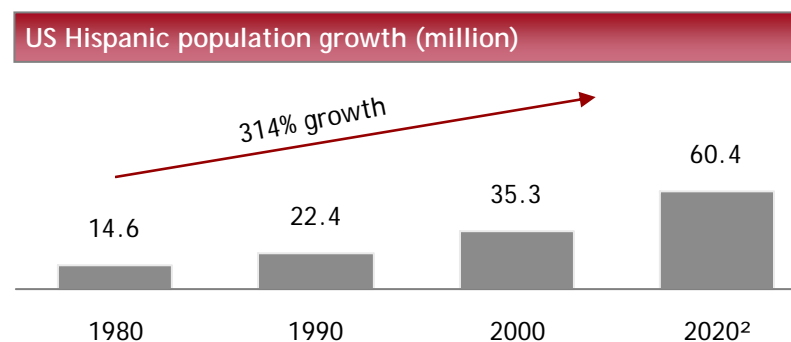
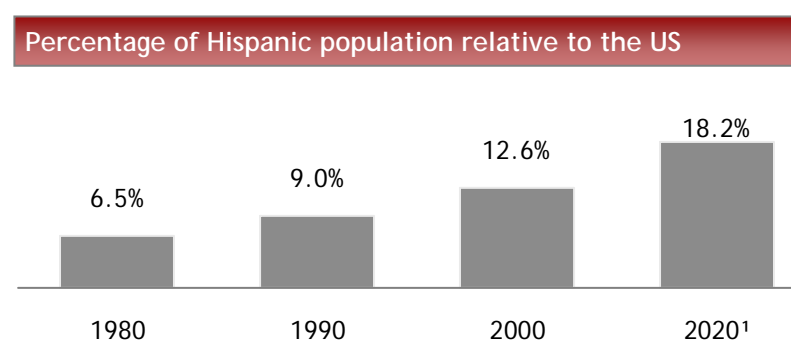
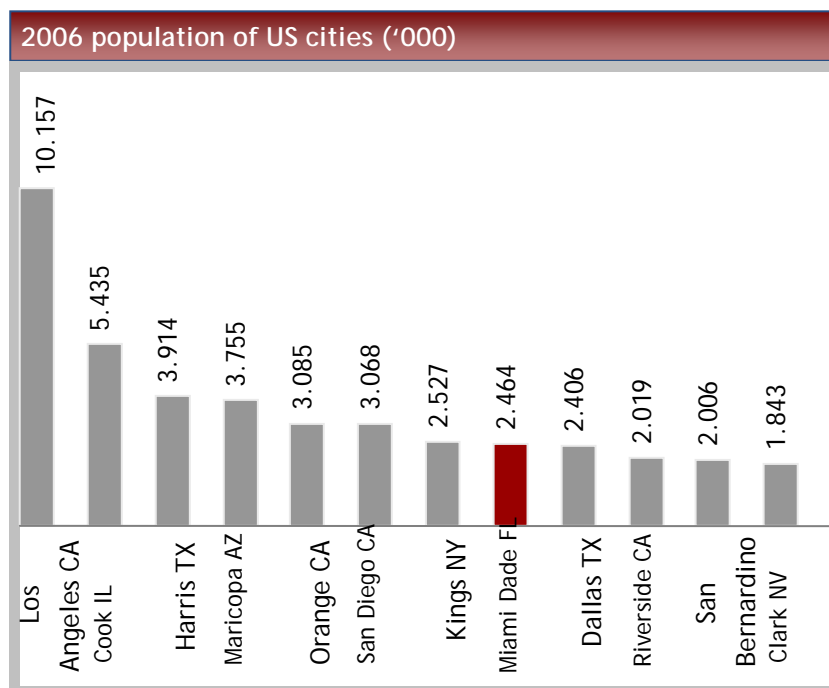


Florida

- GDP: \$673bn
- Total population: 18.5m
- 4th largest state in the US by population
- 3rd fastest growing state
- Total deposits: \$342bn

In particular Miami-Dade County combines unique characteristics to suit Banco Popular's strategy

- Most populated County in Florida with 2.4 million people
- Gateway to Latin America—57.3% of total population are Hispanics
- High concentration of SME's business in the county
- 20% of total deposits in Florida
- Miami is acknowledged as “Gateway to the Americas” with a strategic location that is home to 500 multinational companies



Extensive SMEs market where Banco Popular can apply its expertise

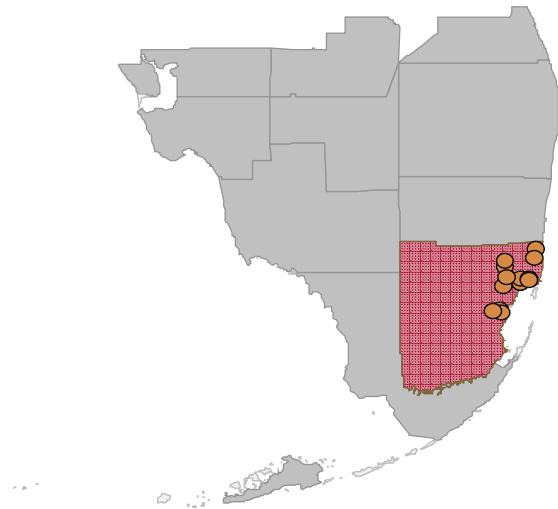
Overview of the SME's market

US	<ul style="list-style-type: none">▪ Small businesses in the US make up over 99% of all business enterprises▪ Create more than half of private gross domestic product▪ Employ 50% of private-sector workers▪ Small businesses tend to rely on community banks
Miami-Dade	<ul style="list-style-type: none">▪ There are approx. 73,000 business establishments in the County▪ 99.51% of total businesses in Miami-Dade are small businesses▪ 65.0% of those small businesses are professional, service oriented enterprises

Overview of TotalBank

- TotalBank was founded in 1974
- It is the 5th largest independent bank in Miami-Dade County, among those headquartered in Florida, by deposits
- The bank has 14 branches and 255 employees
- TotalBank is one of the most active banks in the community and very committed to its development

Overview of TotalBank branches



Market share by deposits of top 10 banks headquartered in Florida

Rank	Institution	Market share %
1	Ocean Bankshares	20.62
2	Mercantil Servicios (Commercebank)	12.96
3	BankUnited Financial	10.39
4	City National Bancshares	8.08
5	Total Bancshares	3.55
6	Great Florida	3.09
7	US Century Bank	3.02
8	Commercial Bankshares	2.97
9	BankAtlantic Bancorp	2.78
10	BAC Florida Bank	2.39

Source: SNL Financial, data as of June 30, 2006

Overview of TotalBank key financial figures

Key data¹

(US\$m) 2006 1Q'07

Balance sheet

Total assets	1,279.6	1,357.4
Total gross loans	909.9	983.4
Total deposits	833.8	920.8
Total equity	83.2	86.1

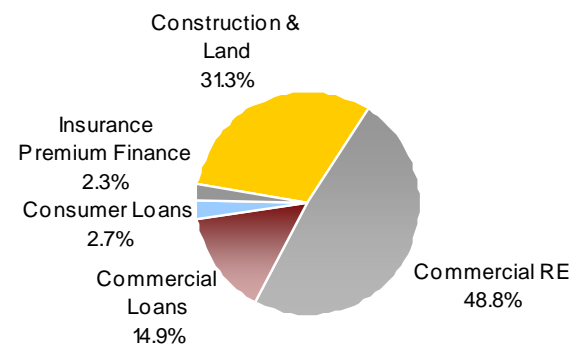
Income statement

Net interest income	48.1	12.3
Net income ²	20.1	5.1

Ratios

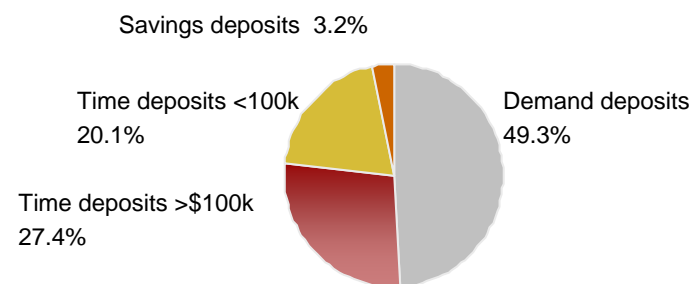
RoAA ²	1.78%	1.78% ³
RoAE ²	26.5%	27.5% ³
Tier 1 risk-based ratio	9.2%	8.7%

Loan portfolio composition (2006)



Gross loans and leases: \$910m

Deposits portfolio composition (2006)



Total deposits \$834m

Source: Company information

¹ Data as of the holding Company level

² No tax at the corporate level because of S-Corp status

³ Net income calculated as last twelve months figure

TotalBank has strong fundamentals in comparison with its peers

Comparison with peers		
	TotalBank ¹	Peers ²
Net interest margin	4.23%	3.90%
Efficiency ratio	57.2%	70.4%
NPAs/(Loans + OREOs)	0.11%	0.28%
Reserves/NPLs	857%	340%

Source: SNL Financial

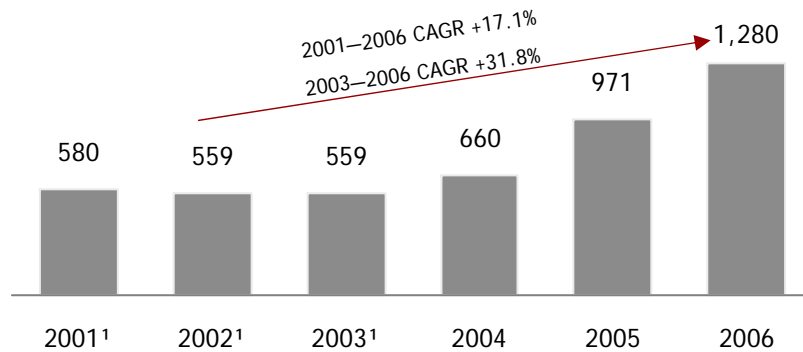
Note: Financial data as of last twelve months ended March 31, 2007

¹ TotalBank operatic metrics are at the Holding company

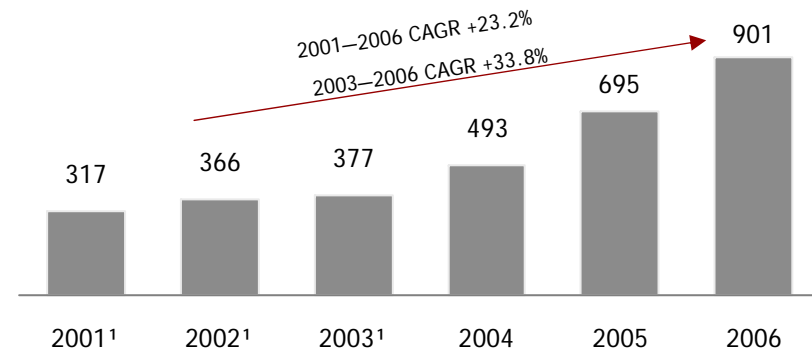
² Peer group refers to the median of the sample, including BankUnited, BankAtlantic, Capital City, SeaCoast, Bank of Florida, TIB, CenterState, Commercial and Sun American

TotalBank has experienced a high growth in the last years

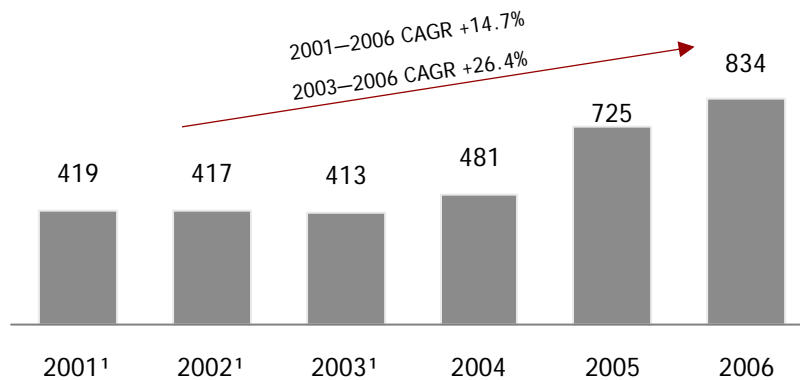
Total assets (\$m)



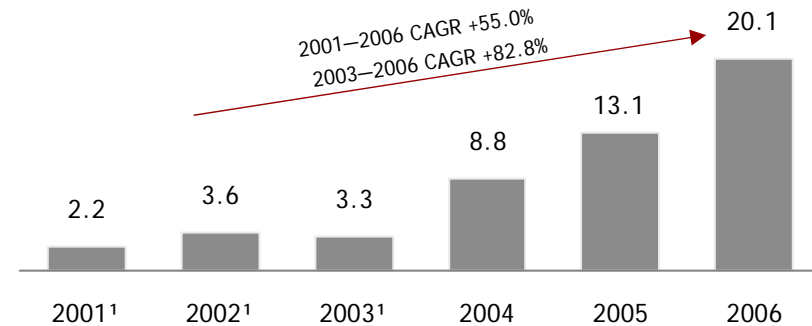
Total net loans (\$m)



Total deposits (\$m)



Net income (before taxes) (\$m)



Multiple paid for TotalBank is in line with comparable transactions

Overview of key transaction multiples

	TotalBank	Peers ¹
▪ P/FwdE ³	17.7x	22.7x
▪ P/BV	3.5x	3.3x
▪ Core Deposits Premium ²	35.1%	39.4%

Source: SNL Financial, company documents

¹ Peers include the following transactions, Banco Sabadell/TransAtlantic, Colonial BancGroup/Commercial Bankshares, Marshall & Ilsley/United Heritage Bankshares of FI, Park National/Vision Bancshares, National City/Fidelity Bankshares, National City/Harbor Florida Bancshares, Alabama National/Florida Choice Bankshares, Whitney Holding/First National Bancshares, Commerce Bancorp/Palm Beach County Bank, Boston Private/Gibraltar Financial, Colonial BancsGroup/FFLC Bancorp

² (Deal value – tangible common equity) / Core deposits

³ 2007 earnings according to current company Business Plan. Effective tax rate 35%

The transaction will be value accretive from year 1 with a negligible impact on Banco Popular's capital ratios

Accretion/Dilution analysis

	2008E	2009E
Standalone EPS ¹	1.21	1.36
Pro-forma EPS	1.22	1.37
Accretion/Dilution	0.7%	0.7%

- IRR of the transaction: 17.6%
- ROI (2010E):10.1%
- Impact on Core Tier 1 ratio: -27bp

¹ As per I / B / E / S consensus

Appendix: acquisition experience in Portugal

From BNC to BPP

- Phase I. Acquisition
 - Acquisition in 2003 of BNC Corporation
 - Search for synergies (operational and functional)
 - Creation of specialized teams for planning and follow-up
- Phase II. Integration
 - Staff and senior executives
 - Definition and integration of main processes and business
 - Change from BNC into BPP trade mark
- Phase III. Consolidation
 - On-going expansion of branch network
 - Alignment with parent company structure
 - On-going increase of market share

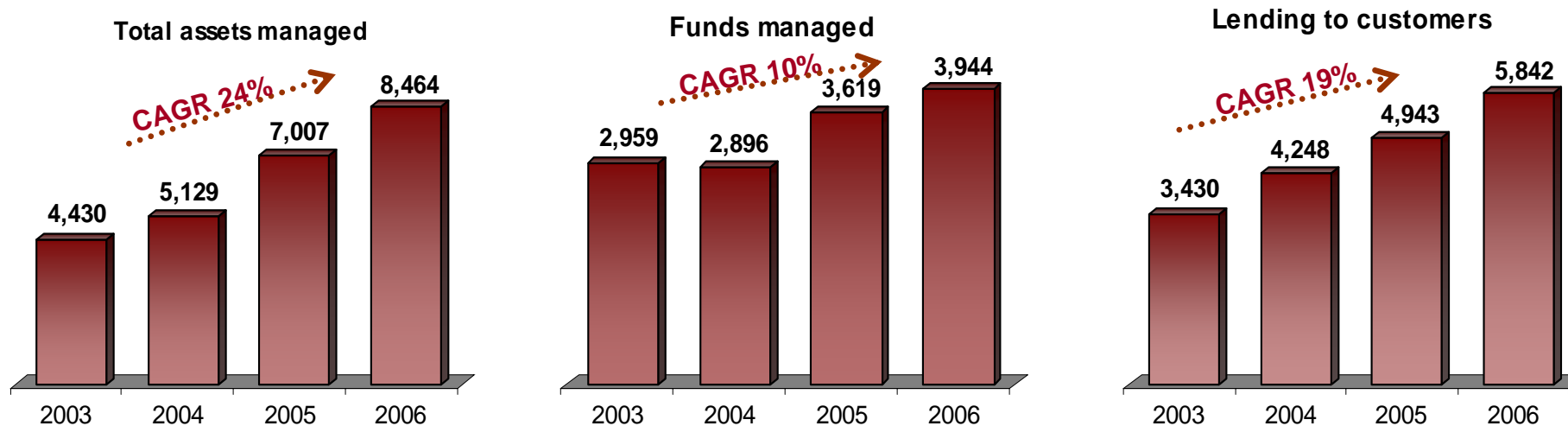
ROI in 2006 of 9.6% despite difficult environment in Portugal

Solid Business

Business volume*	2003	2004	2005	2006
Total assets managed	4,430	5,129	7,007	8,464
On-balance sheet total assets	4,079	4,675	6,272	7,546
Total equity**	280	321	364	437
Funds managed	2,959	2,896	3,619	3,944
On-balance sheet funds	2,608	2,442	2,885	3,026
Other intermediated funds	351	454	734	918
Lending to customers	3,430	4,248	4,943	5,842
Contingent risks	196	225	307	352

*€ in million

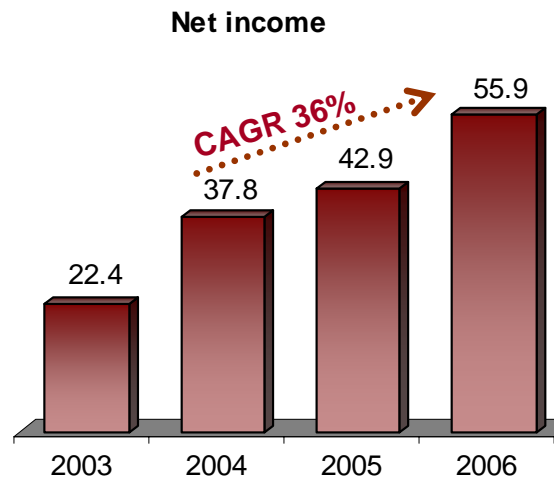
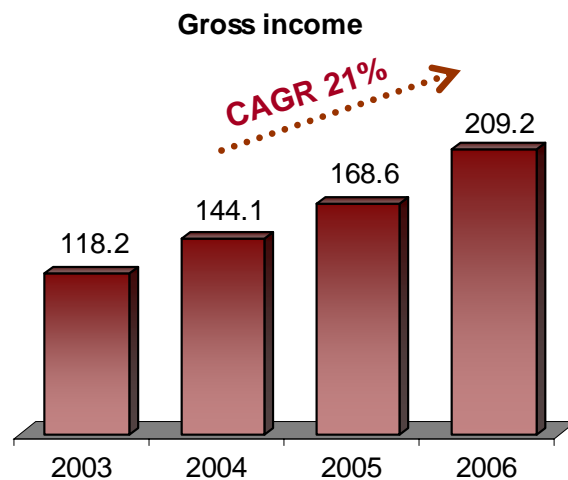
**After the distribution of the results of each year



Good Profit & Loss Trending

Income Statement*	2003	2004	2005	2006
Net interest income	87.5	118.0	133.4	166.4
Gross income	118.2	144.1	168.6	209.2
Net operating income	55.6	73.5	83.9	115.2
Profit before taxes	30.8	50.4	55.2	78.1
Net income	22.4	37.8	42.9	55.9

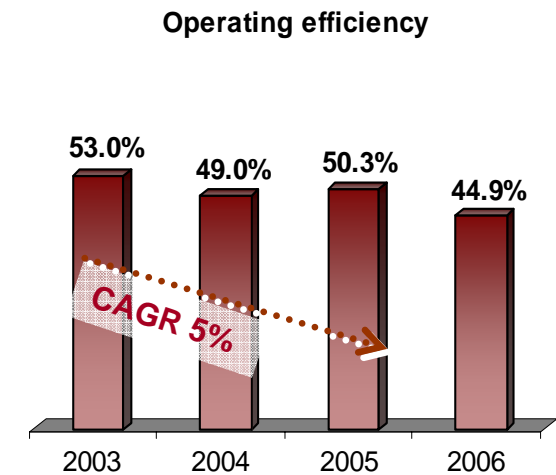
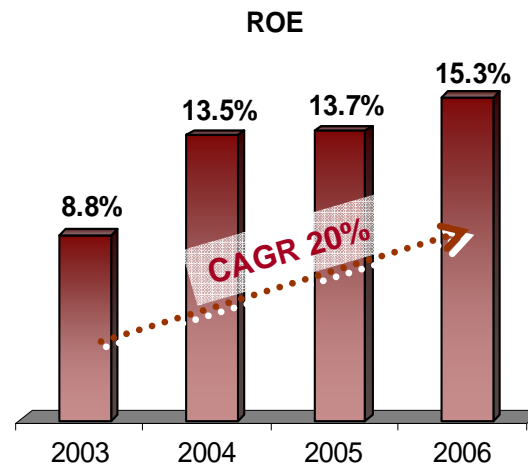
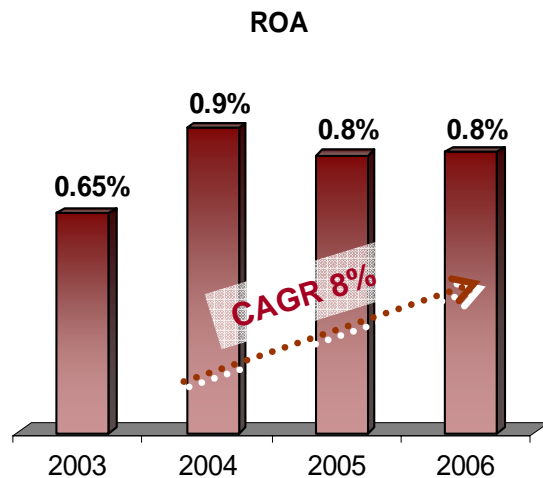
*€ in million



Improved Ratios and Returns

Net return and efficiency	2003	2004	2005	2006
Average total assets*	3,452	4,377	5,233	6,909
Average total equity*	256	280	314	400
ROA	0.65%	0.9%	0.8%	0.8%
ROE	8.8%	13.5%	13.7%	15.3%
Operating efficiency (exclude depreciation)	53.0%	49.0%	50.3%	44.9%

*€ in million

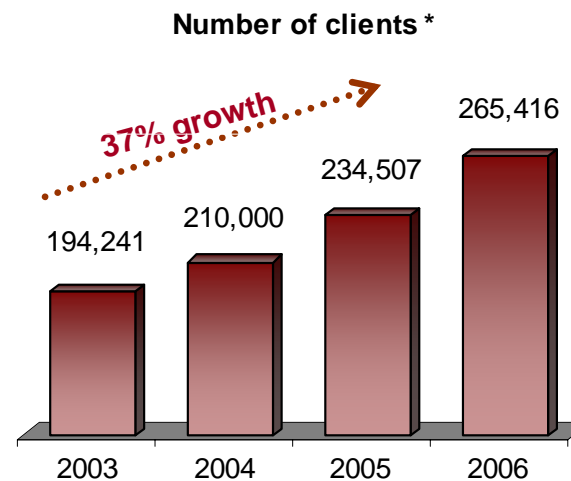
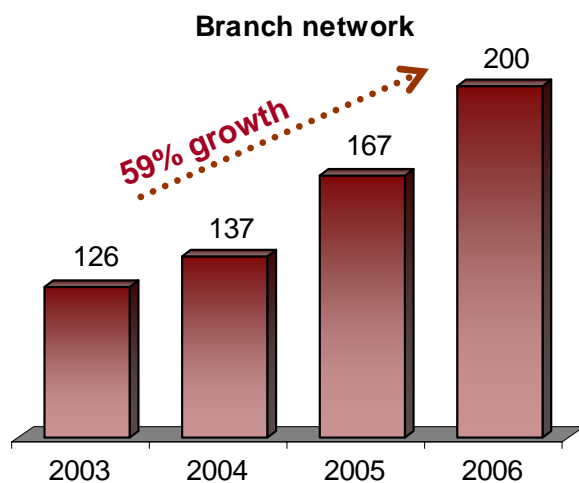
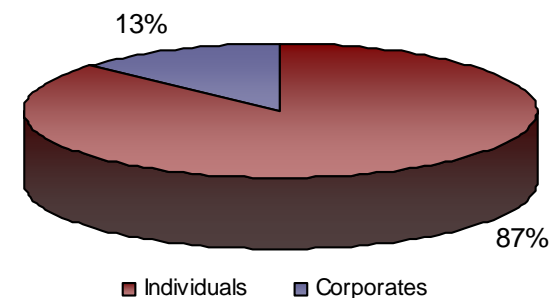


Improved Ratios and Returns [i]

Other ratios	2003	2004	2005	2006
Employees per branch	8.6	8.6	7.1	5.93
Customers per employee	179	178	198	224
Customers per branch	1,542	1,533	1,404	1,327
Loans & receivables per branch	27.2	31.0	29.6	29.2
Funds managed per branch*	23.5	21.1	21.7	19.7
Loans & receivables per employee*	3.2	3.6	4.2	4.9
Funds managed per employee*	2.7	2.5	3.1	3.3

*€ in million

Type of clients



* According to the concept of Client defined by GBPE