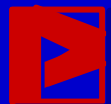


Banco Popular

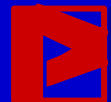
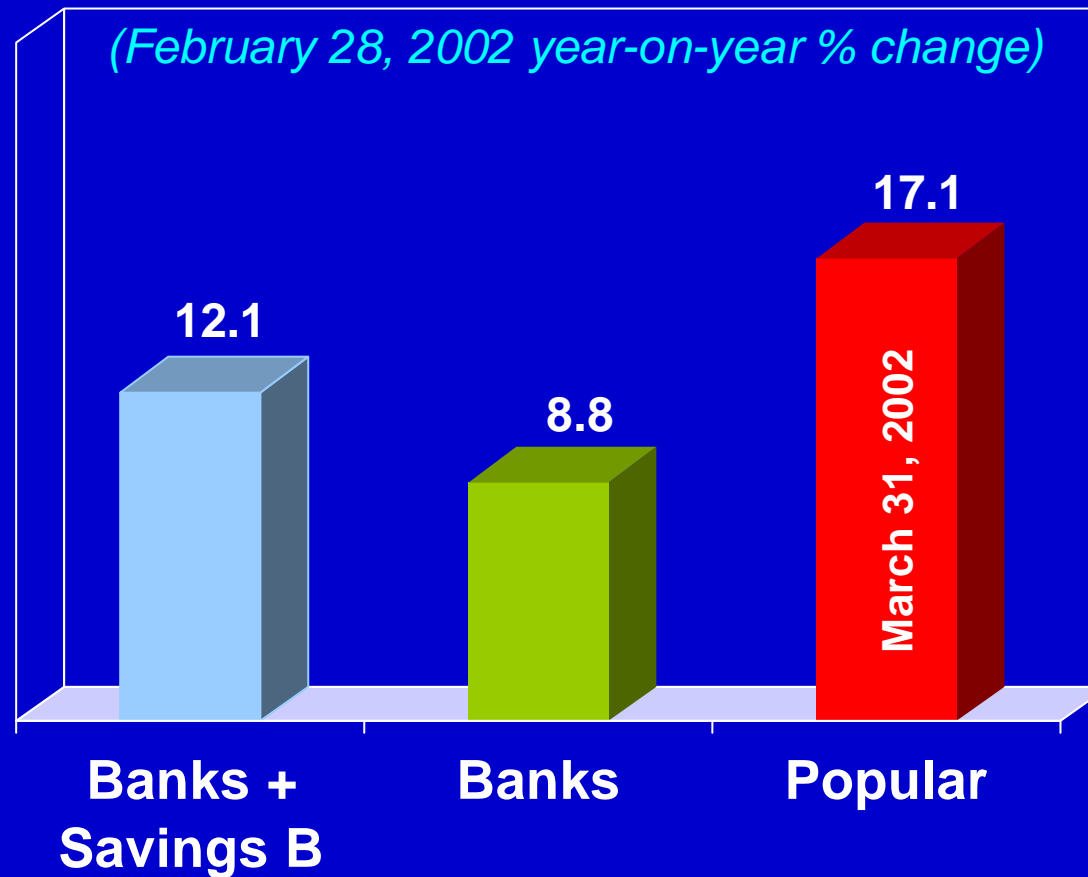
LOW COST GROWTH

April 2002



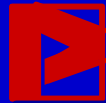
RECENT PERFORMANCE

LOANS OF PRIVATE-SECTOR RESIDENTS



RECENT PERFORMANCE

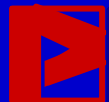
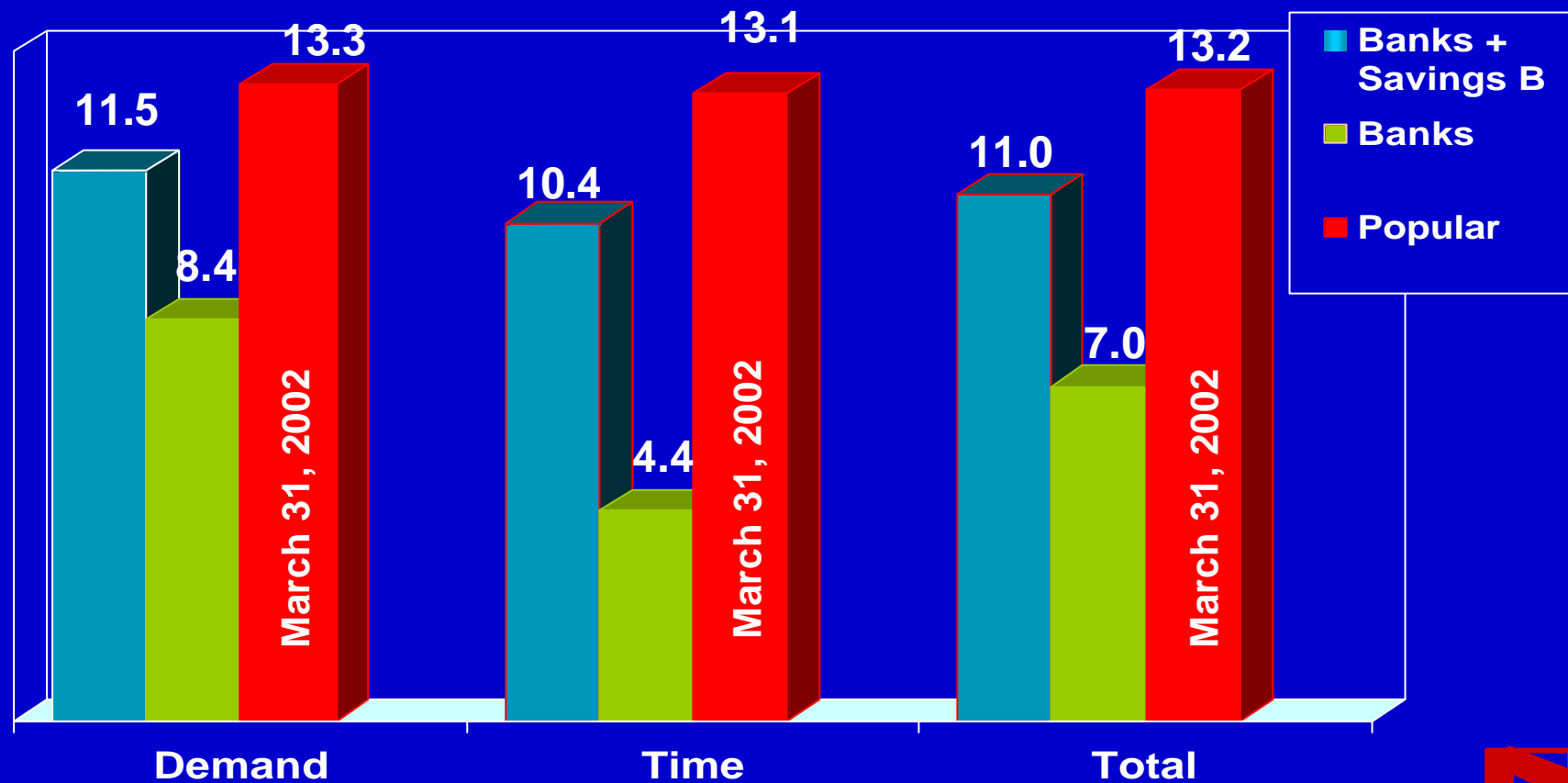
MARKET SHARE OVER COMMERCIAL BANKS



RECENT PERFORMANCE

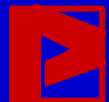
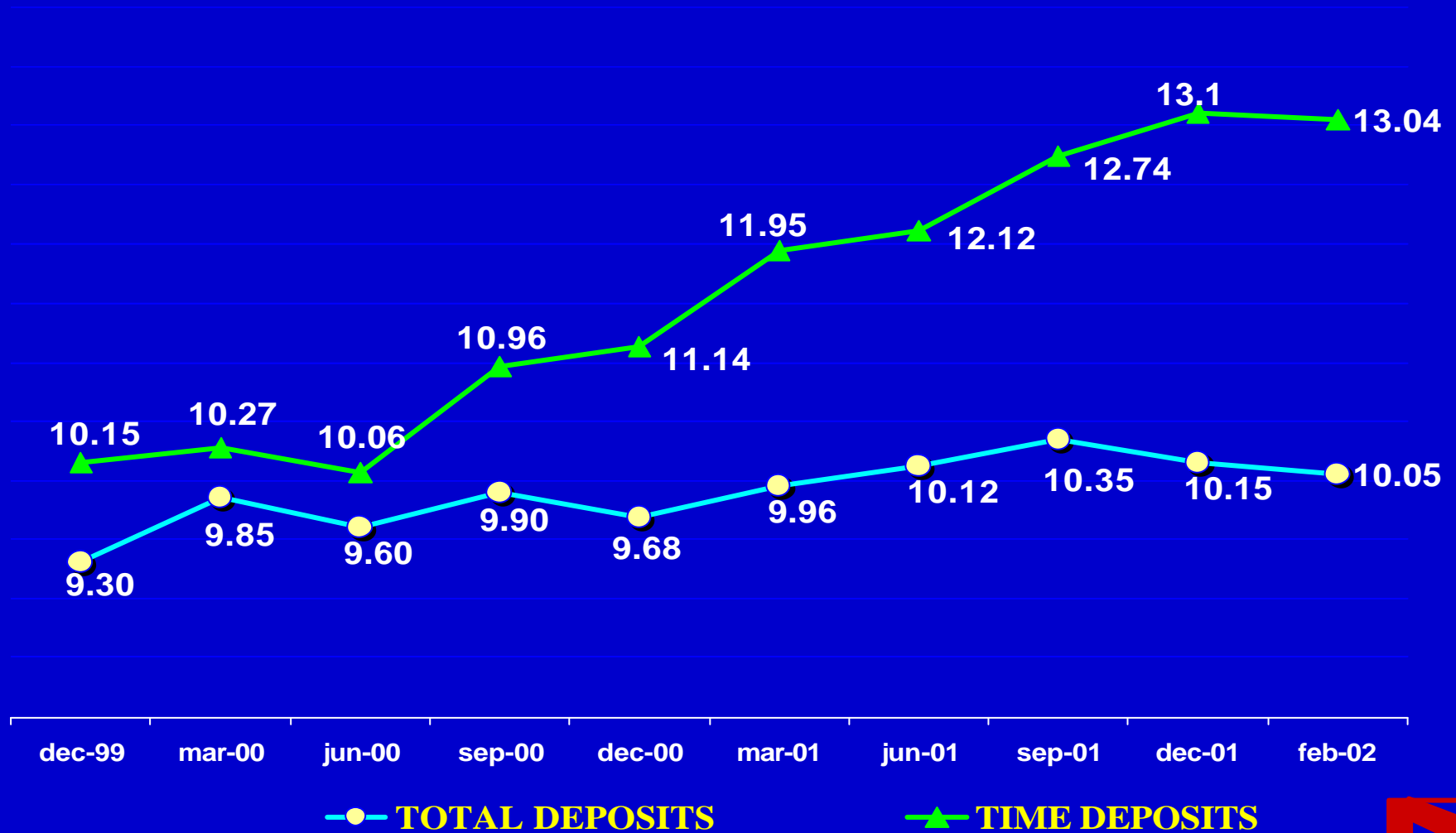
GROWTH OF DEPOSITS OF PRIVATE-SECTOR RESIDENTS

(February 28, 2002
year-on-year % change)



RECENT PERFORMANCE

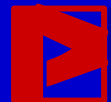
MARKET SHARE OVER COMMERCIAL BANKS



RECENT PERFORMANCE

MAJOR PRODUCTS MARKET SHARE

	Growth rate <i>(mar-02)</i>	Market share <i>(dec-01)</i>
Bill discounting	0.9	10.2
Mortgage loans	30.3	3.7
Personal loans & overdrafts	12.0	4.1
Leasing	11.9	9.4
Factoring	30.9	6.9



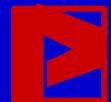
RECENT PERFORMANCE

MAJOR PRODUCTS MARKET SHARE

	Growth rate <i>(mar-02)</i>	Market share <i>(dec-01)</i>
Pension funds*	32.7	7.3
Mutual funds	0.5	3.2
Debit cards	22.1	18.3 (**)
Credit cards	23.6	14.9 (**)
Private & Fuel cards	21.1	
ATMs	10.8	27.4 (**)

(*) Assets in private/individual accounts

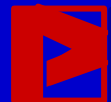
(**) As % of 4B system



1st. QUARTER PERFORMANCE

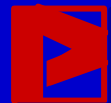
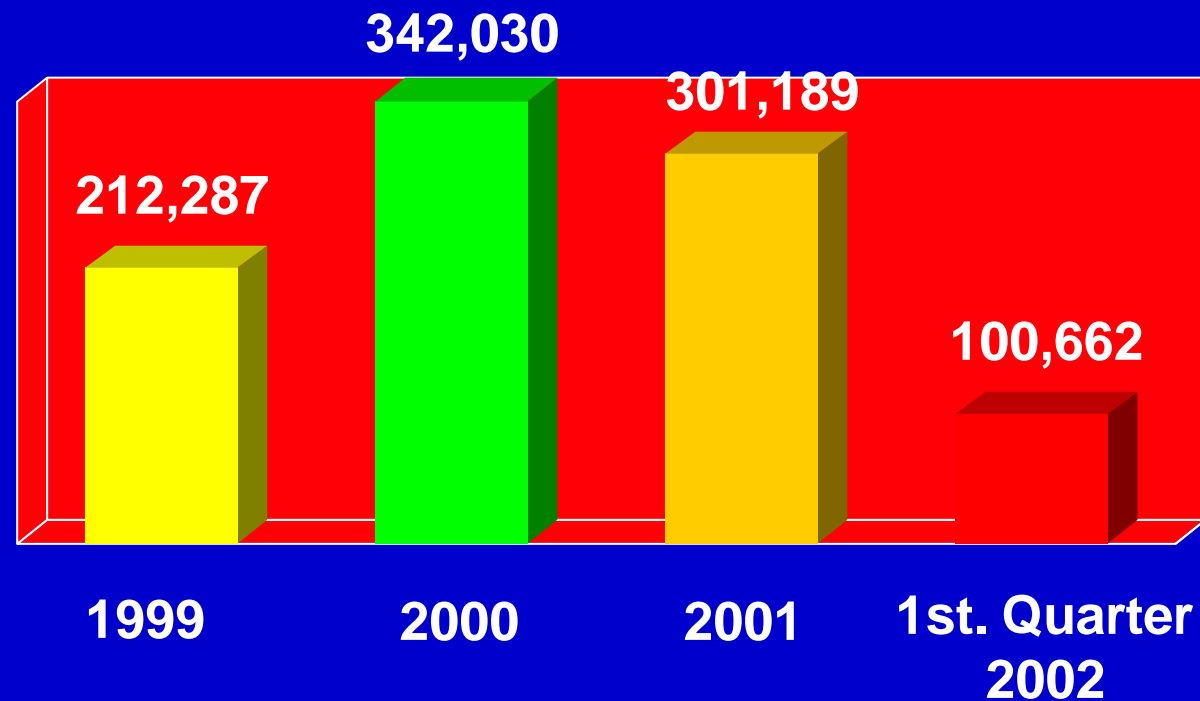
DISTRIBUTION HIGHLIGHTS

	<u>March 02</u>	<u>March 01</u>	<u>%</u>
Branches	2,163	2,106	2.7
ATMs	3,263	2,945	10.8
Cards	4,240,912	3,478,085	21.9
Customers	4,352,472	4,048,508	7.5
Staff	12,135	12,055	0.7



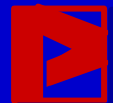
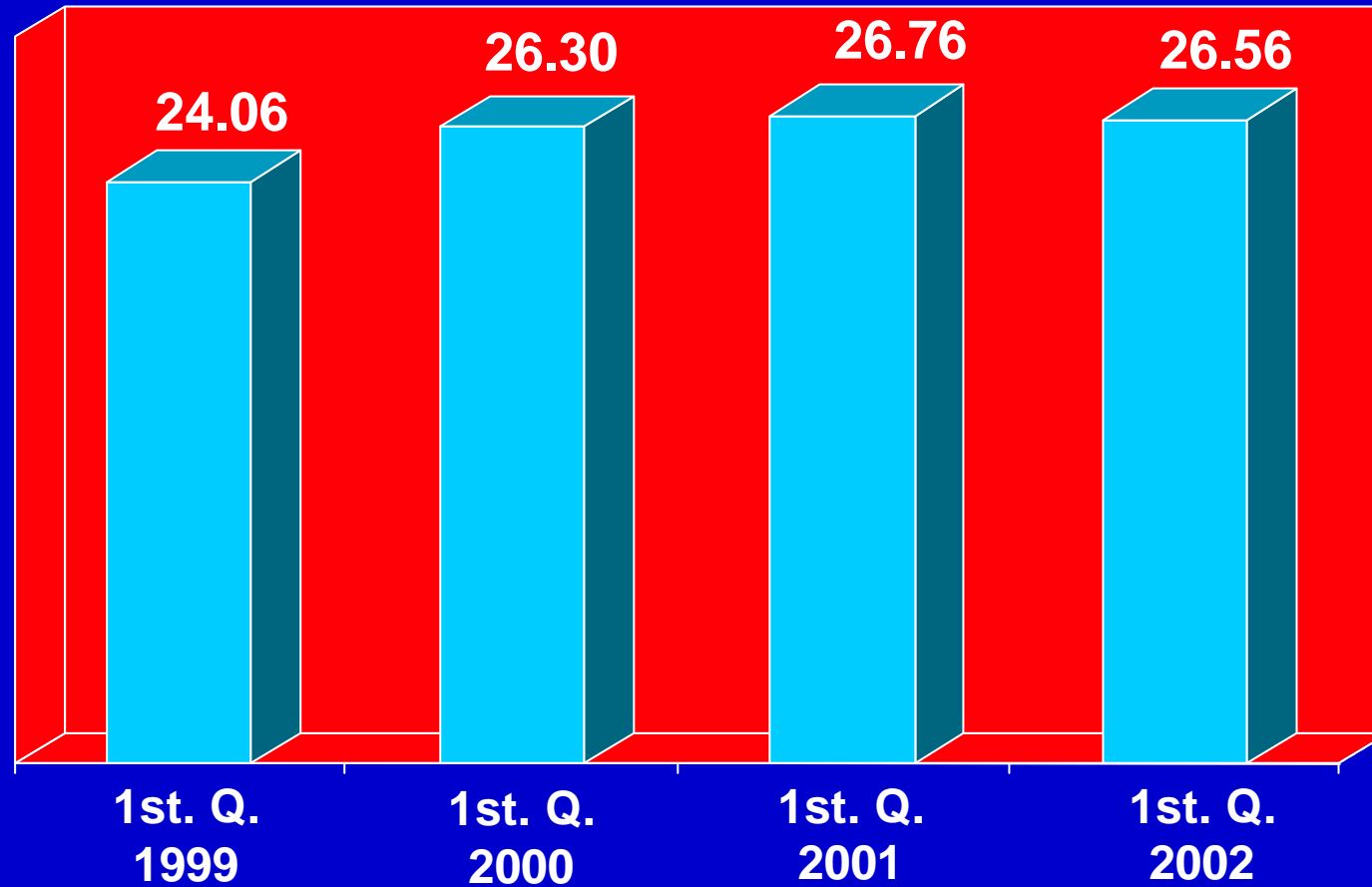
1st. QUARTER PERFORMANCE

NET NEW CLIENTS



1st. QUARTER PERFORMANCE

ROE (%)

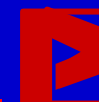


1st. QUARTER PERFORMANCE

(Accumulated % change)

	2001				2002
	1st. quarter	1st. half	9 mos.	Year	1st. quarter
Net interest revenue	21.1	22.9	23.7	24.4	20.6
Fees for services	14.4	10.8	6.1	5.6	(3.9)
Ordinary revenue *	19.0	19.1	17.0	18.0	12.2
Operating costs	13.9	13.4	12.7	12.2	5.2
Operating income *	24.5	25.0	21.6	23.8	18.6
Income before taxes	6.3	7.0	7.1	5.2	24.7
Net income attributable	15.1	15.6	16.1	15.2	11.3

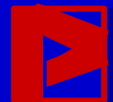
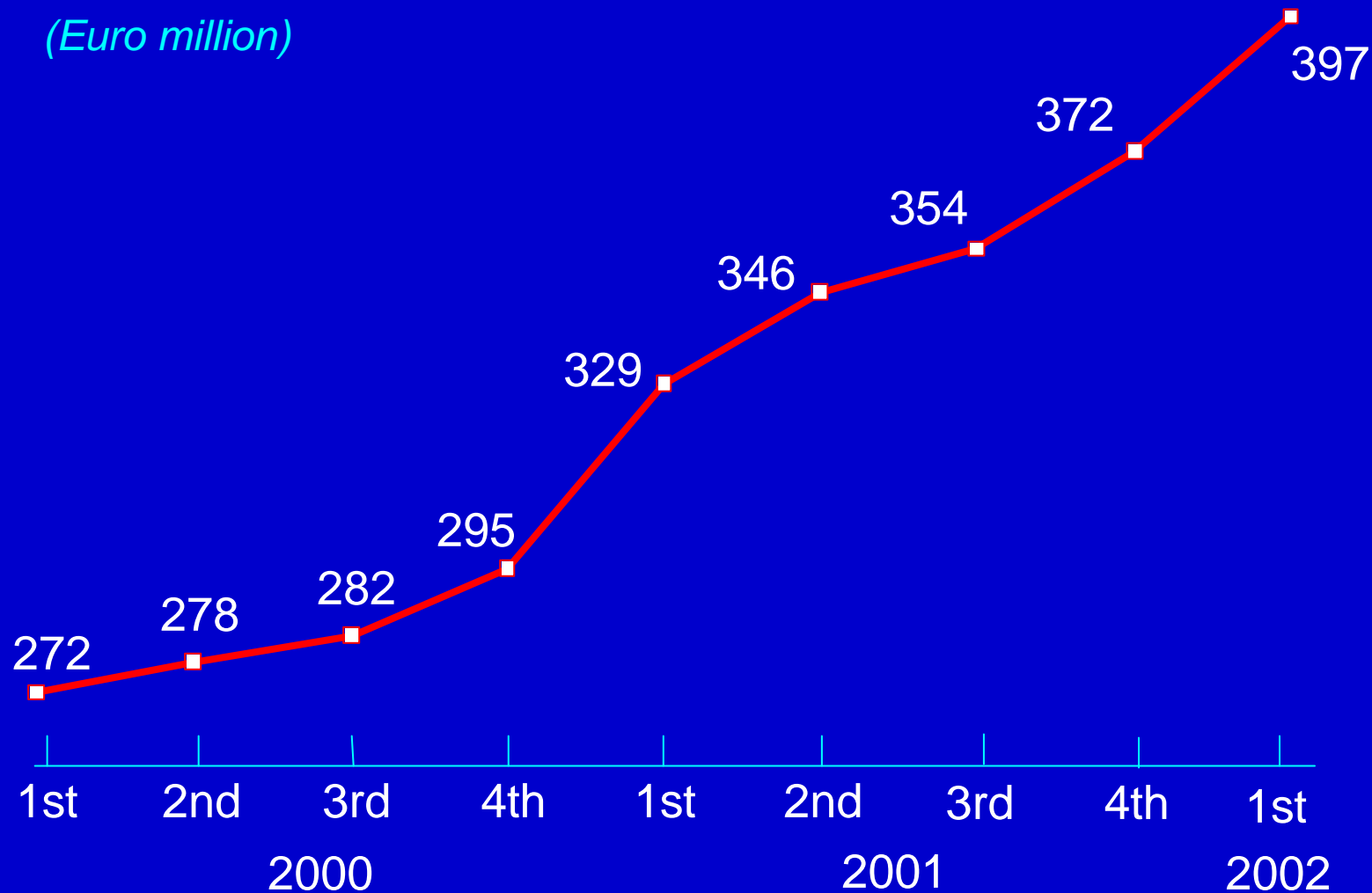
* Excluding non recurring gain in 2000 (AVASA)



1st. QUARTER PERFORMANCE

NET INTEREST REVENUE (Quarter standalone)

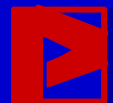
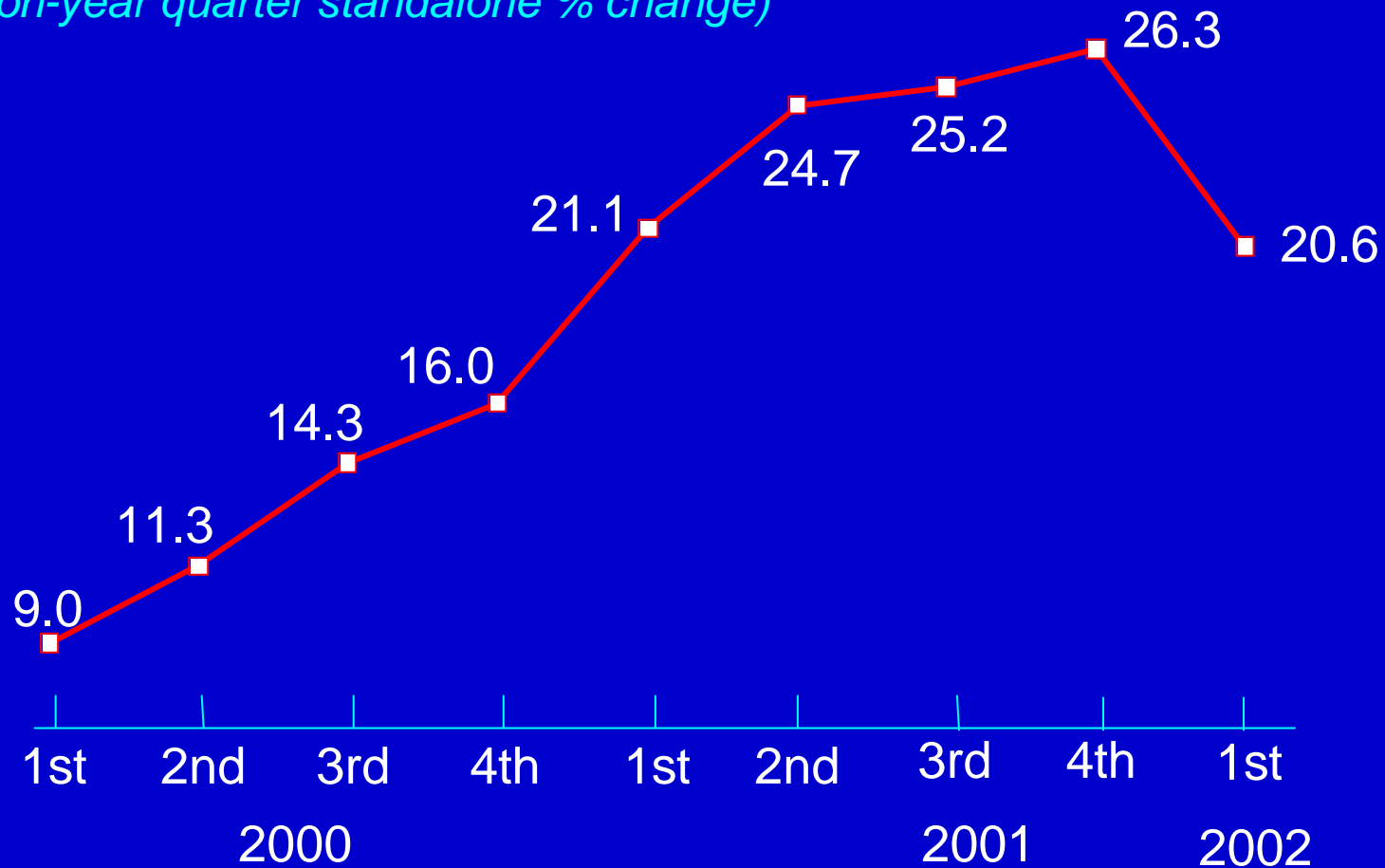
(Euro million)



1st. QUARTER PERFORMANCE

NET INTEREST REVENUE

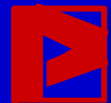
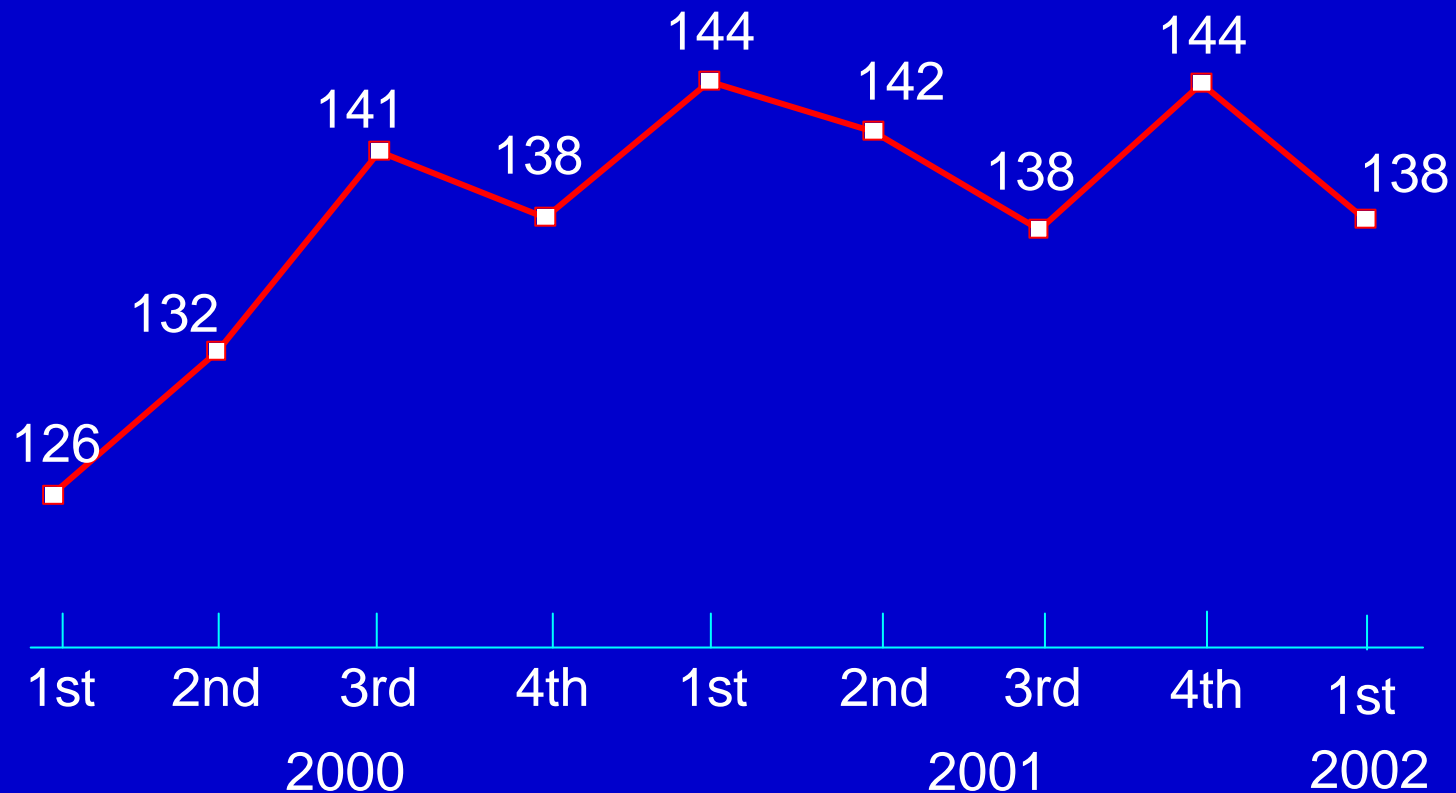
(Year-on-year quarter standalone % change)



1st. QUARTER PERFORMANCE

FEEs FOR SERVICES (Quarter standalone)

(Euro million)

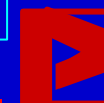


1st. QUARTER PERFORMANCE

(March 31, 2002)

FEES FOR SERVICES

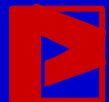
	Euro million	Year-on-year % change	As % of total fees
Loan-related fees	18	(3.4)	13.0
Fees from guarantees	13	12.5	9.4
Collection & card-related	57	6.8	41.3
Customer financial asset mgt.	35	(2.7)	25.4
Mutual funds	23	(5.8)	16.7
Other AM	12	3.7	8.7
Account mgt. Fees	11	15.6	8.0
TOTAL	134	→ +3.1	97.1
Investment banking	4	(71.4)	2.9
TOTAL	138	(3.9)	100



1st. QUARTER PERFORMANCE

FEES FOR SERVICES

Total Service Revenues:	<u>Analysis</u>	<u>Perspective</u>
Loan-related fees	Weak bill discount	Improve 2 nd quarter
Fees from guarantees	Normal	Loan trend growth
Collection & card-related	Fee cuts	Stable growth
Asset management		
Mutual funds	Low demand	Improve slowly
Other AM	Normal	Stable growth
Account mgt. fees	Normal	Stable growth
Investment banking	Low demand	Weak

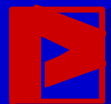


1st. QUARTER PERFORMANCE

FEE FOR SERVICES

OVERALL SLIGHTLY BETTER

FEE INCOME GROWTH i.e. FLAT



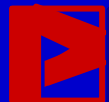
DIRECT & DEFERRED DEBIT CARDS

CURRENT SCENARIO IN SPAIN

LOW DENSITY OF CARDS: number of cards per
Popular's customer: 0.99

DWINDLING HIGH FEES: approx. -15% / -20%
lower price p.a.

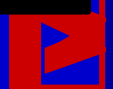
LOW INTEREST REVENUES: no real credit cards in Spain



DIRECT & DEFERRED DEBIT CARDS

MEDIUM TERM TREND

- INCREASE USE OF DEBIT CARDS
- MOUNTING PRESSURE ON FEES FROM:
CONSUMER ASSOCIATIONS
RETAILERS
EU AUTHORITIES
- HIGHER DEMAND FOR FLEXIBLE CONSUMER LOANS



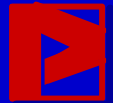
DIRECT & DEFERRED DEBIT CARDS

MEDIUM TERM TREND

TODAY



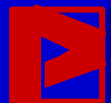
IN 5 YEARS



DIRECT & DEFERRED DEBIT CARDS

POPULAR'S STRATEGY

- Push with traditional cards placement growth
- Push with card-accepting retailers acquisition
- Boost NEW REVOLVING CARD placement

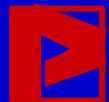


DIRECT & DEFERRED DEBIT CARDS

(February 28, 2002)

PLACEMENT GROWTH

	Number		Turnover		Mkt. Share %		In use %	
	Number	y-o-y %	Million	y-o-y %	2002	2001	2002	2001
Credit	899,409	22.3	338,170	11.0	17.0	15.3	61.7	66.3
Debit	1,207,053	21.7	332,261	10.1	16.1	14.1	40.5	44.3
Other Affinity	854,835	67.3	31,121	24.7	--	--	20.4	--
Petrol	1,222,578	4.9	37,356	17.6	--	--	28.2	17.0
TOTAL	4,183,875	22.9	738,908	11.4	--	--	35.5	31.3

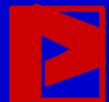


DIRECT & DEFERRED DEBIT CARDS

(February 28, 2002)

RETAILERS' ACQUISITION

	Number		Turnover		Mkt. Share %		In use %	
	Number	y-o-y %	Million	y-o-y %	2002	2001	2002	2001
Retailers	109,928	33.8	619,377	27.2	38.9	30.9	41.5	47.9



DIRECT & DEFERRED DEBIT CARDS

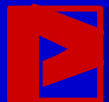
NEW REVOLVING CARD "HOP"

■ LAUNCHED 2 MONHS AGO

Initial target 2002: 50,000 cards

■ CURRENT VOLUMES:

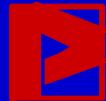
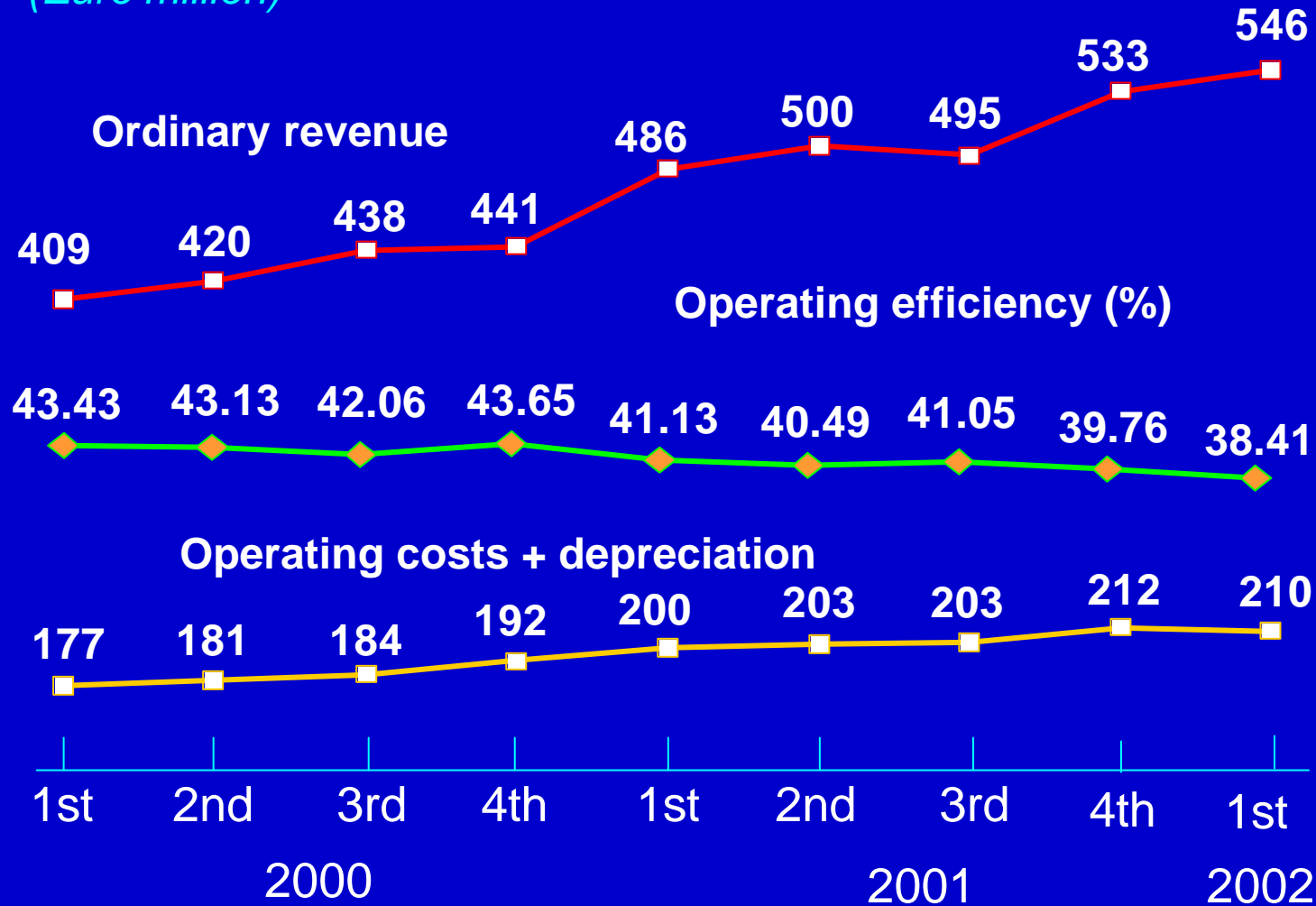
Number of cards	42,375
Total credit limits	142 million euros
Total lending	20 million euros
Target lending o/outstanding:	40%



1st. QUARTER PERFORMANCE

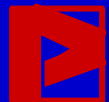
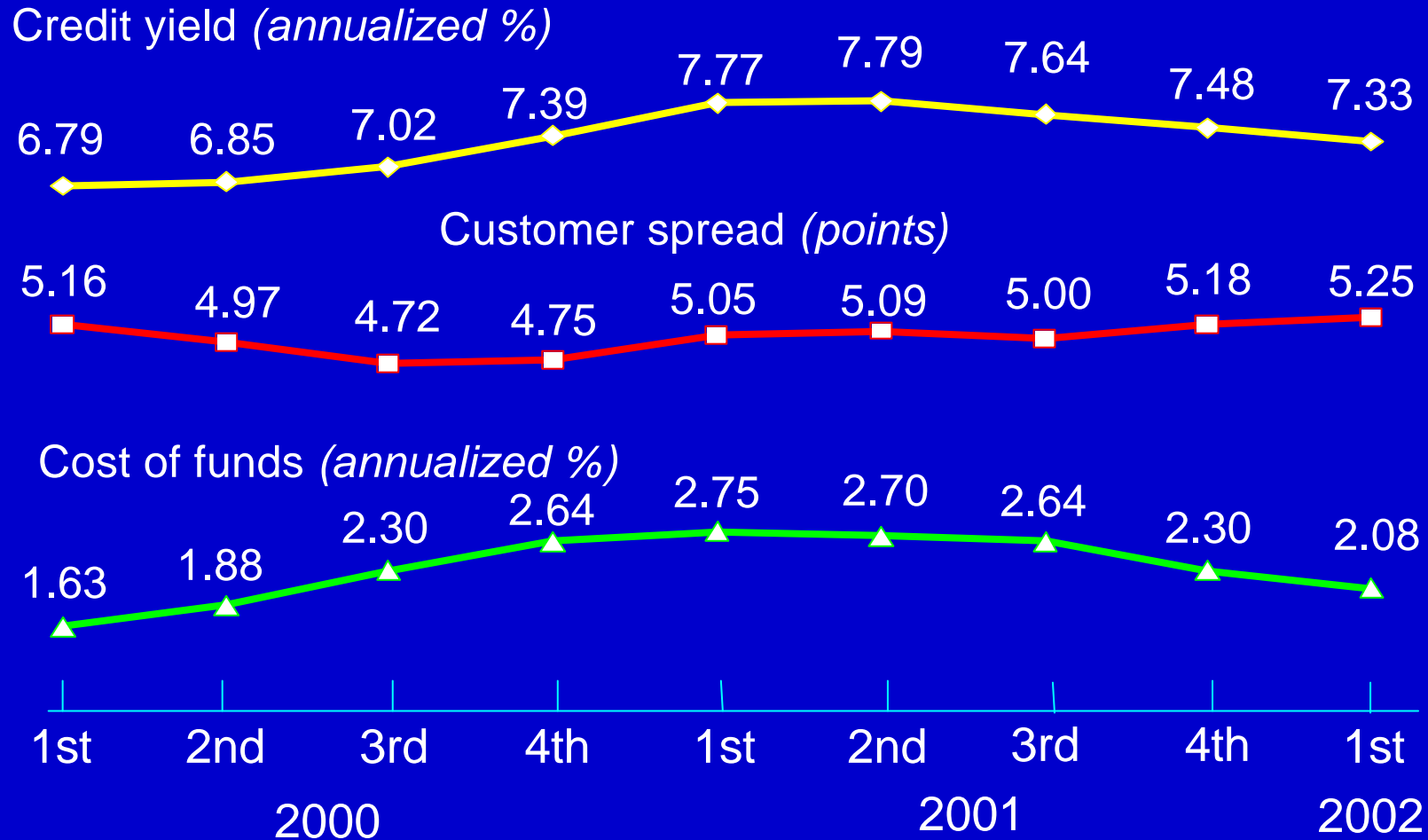
COST/INCOME RATIO

(Euro million)



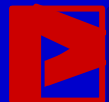
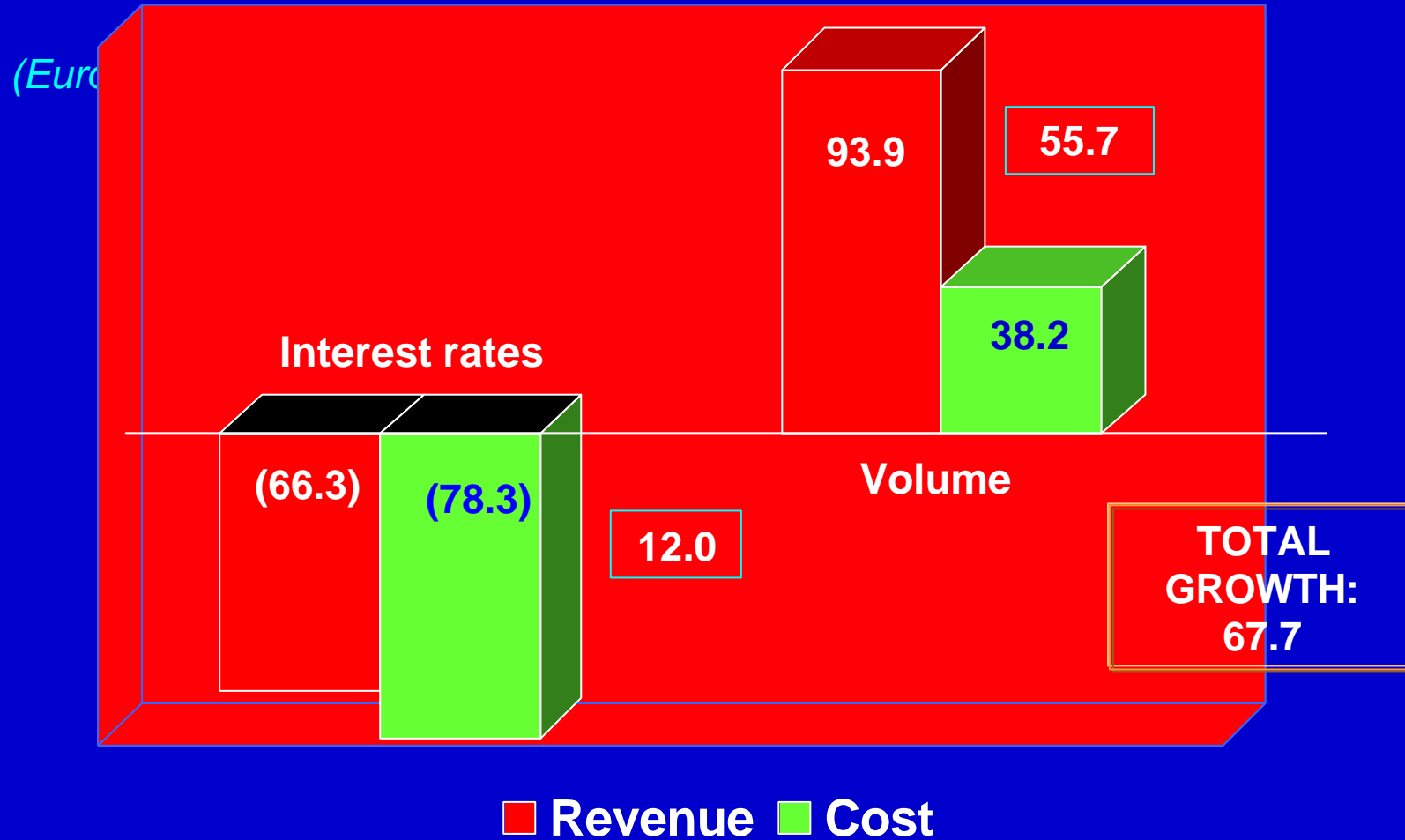
1st. QUARTER PERFORMANCE

QUARTERLY CUSTOMER SPREAD



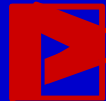
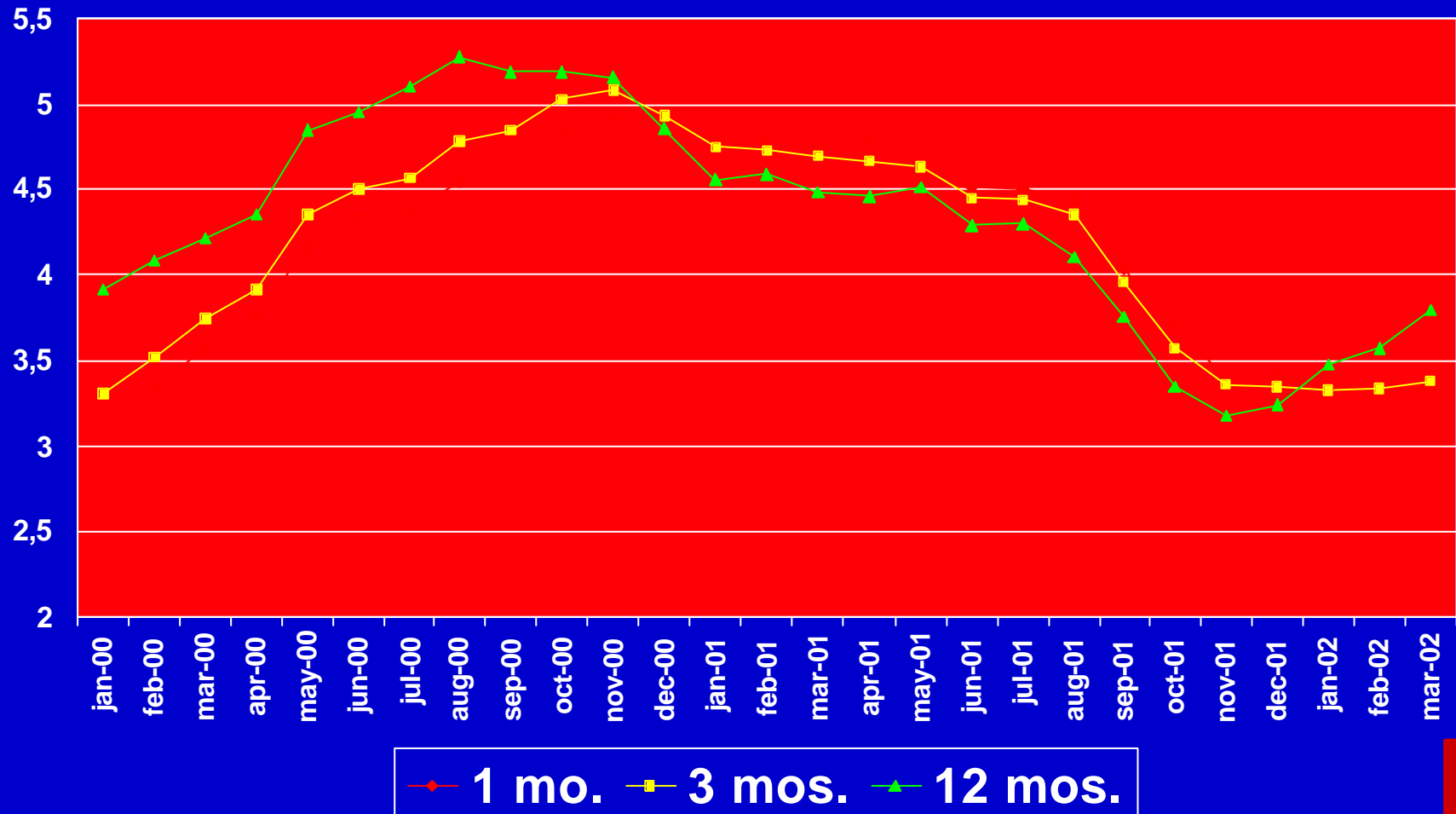
1st. QUARTER PERFORMANCE

BREAKDOWN OF INTEREST INCOME



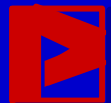
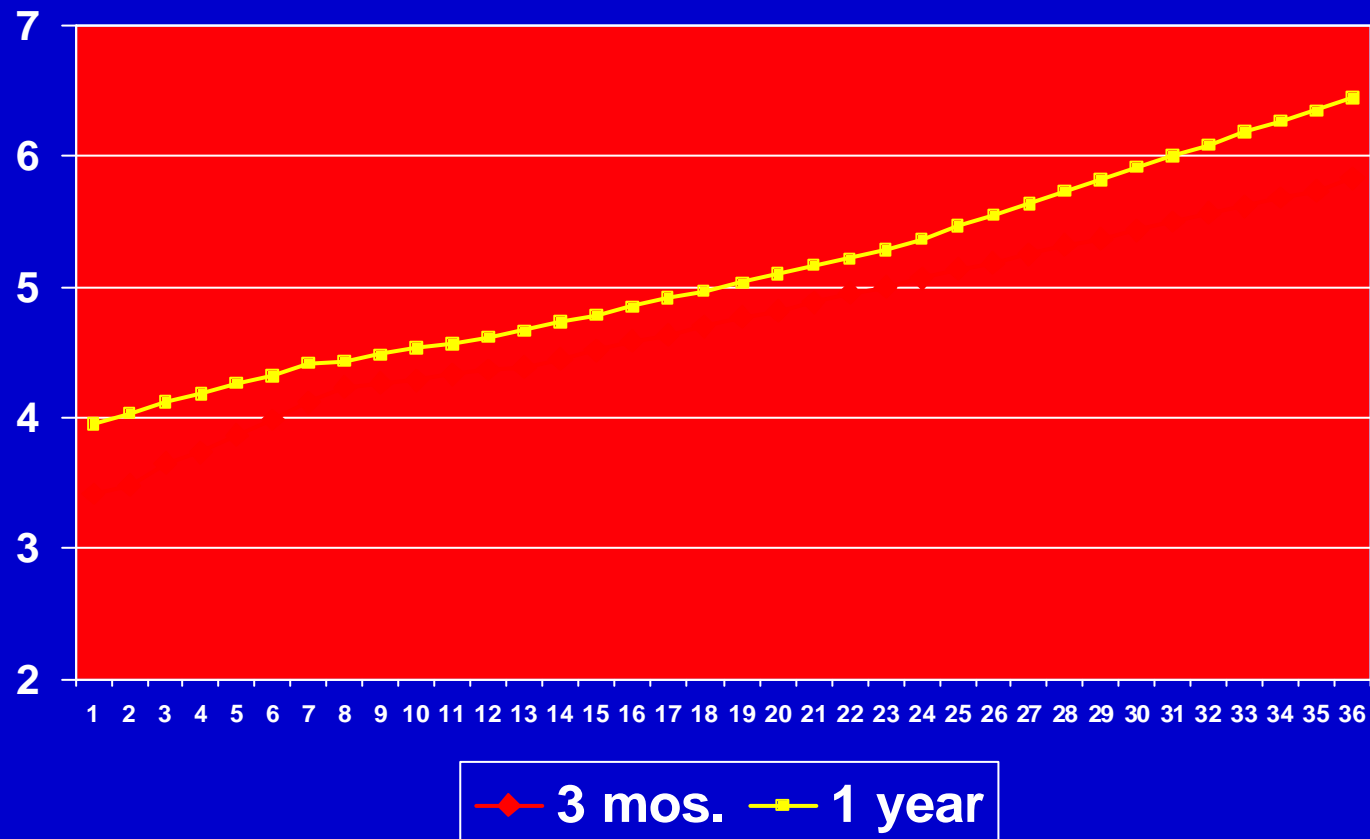
INTEREST RATES IMPACT

AVE. RATE TRANSACTED



INTEREST RATES IMPACT

CURVES OF IMPLICIT INTEREST RATES



INTEREST RATES IMPACT

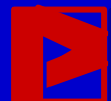
IMPACT OF RATES DECREASES

	Average repricing period	Theoretical impact (*)	Real change
Bill discounting	2 mos.	-1.38	-0.64
Mortgage loans	1 year	-1.05	-0.29
Personal loans	7 mos.	-1.45	-0.68
Overdrafts	3 mos.	-0.78	-0.44
Leasing	1 year	-1.05	-0.37

(*) Based on model:

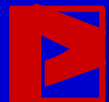
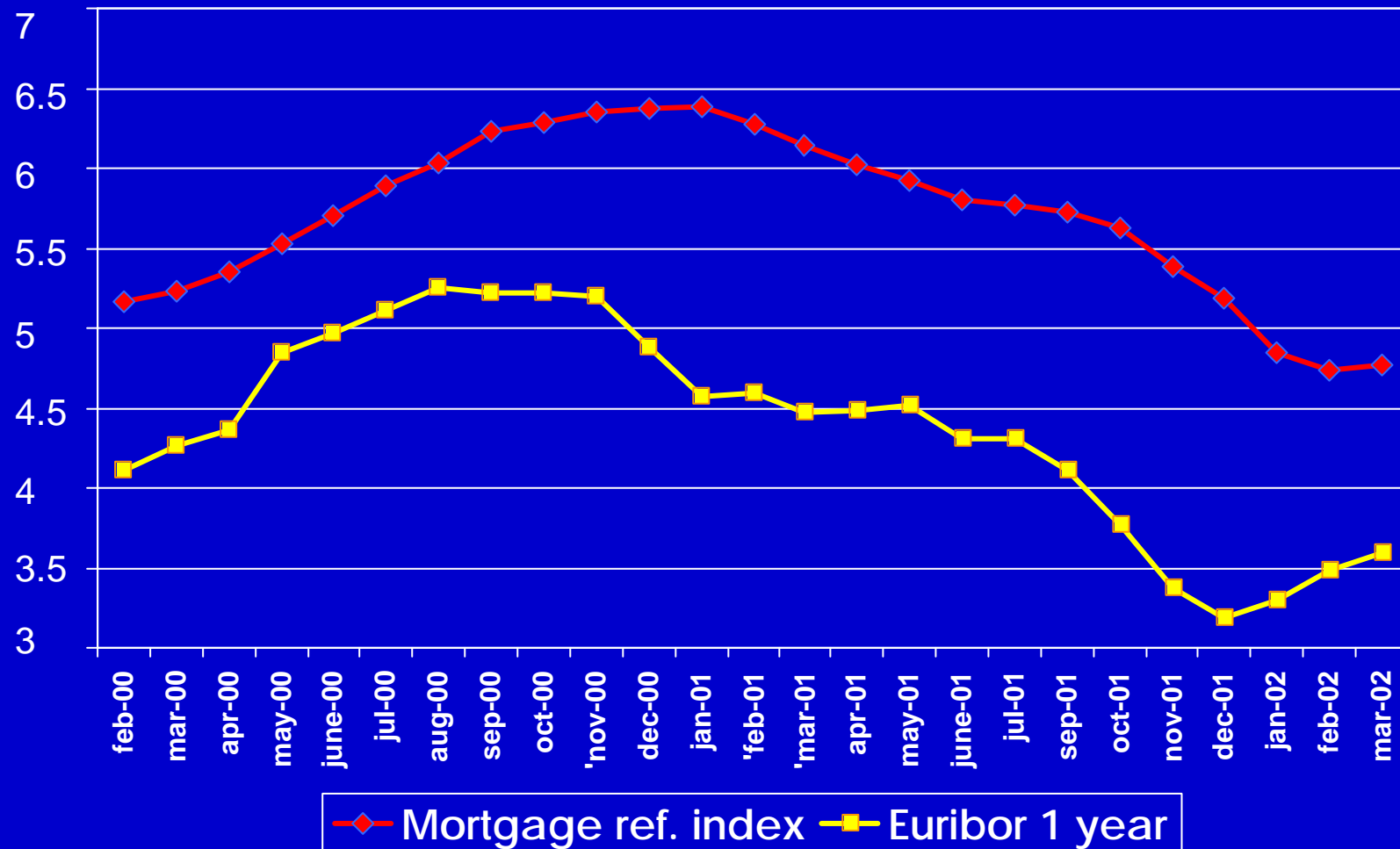
$$\sum_{i=1}^N i_n / N \text{ (year 2000)} - \sum_{i=1}^N i_n / N \text{ (year 2001)}$$

N = repricing period



INTEREST RATES IMPACT

MORTGAGE REFERENCE INDEX



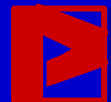
INTEREST RATES IMPACT

March 2002

Duration

Holding Period 365

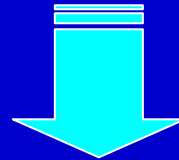
	Amount MM Euros	Interest Rate %	NPV MM Euros	Duration Days	NPV MM Euros	Duration Days
SENSITIVE ASSETS	31,151.4	5.71	31,674.2	193.89	30,677.1	126.55
MONETARY MARKET	4,619.7	3.48	4,641.3	36.82	4,637.1	35.33
LOANS	25,828.3	6.15	26,336.2	167.53	25,714.7	143.69
SECURITIES	703.4	4.27	696.7	2,236.79	325.3	72.11
SENSITIVE LIABILITES	22,608.1	3.06	22,705.2	89.66	22,269.3	76.45
MONETARY MARKET	8,903.1	3.39	8,924.2	49.70	8,810.1	39.99
CUSTOMER DEPOSITS	11,949.1	2.77	12,016.5	126.87	11,700.3	109.84
SECURITIES	1,755.9	3.44	1,764.5	38.37	1,758.9	36.96
EQUITY	2,820.6		8,968.9	457.75		



INTEREST RATES IMPACT

SENSITIVITY TO INTEREST RATES

For an 100 bpts. Interest Rates Move

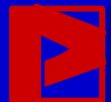


Total Revenue Sensitivity* \pm Euros 24.4 million



\pm 1.2 % Total Revenues

$$* (PV_a * (1 - DUR_a)) - (PV_l * (1 - DUR_l))$$

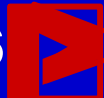


INTEREST RATES IMPACT

EFFECT ON YIELDS AND COSTS

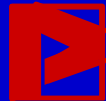
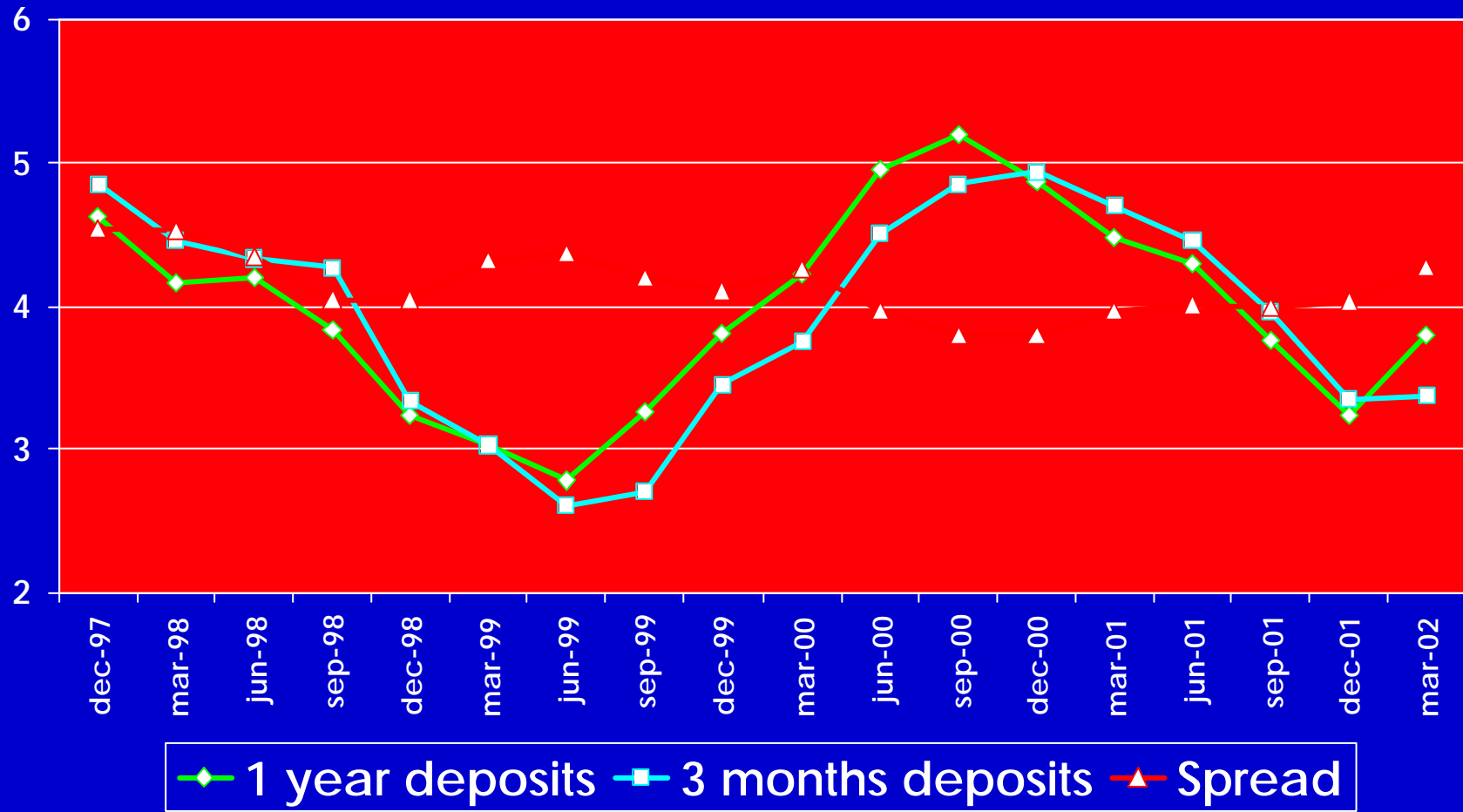
From Base To	Dec 00/ Mar 01	Dec 00/ Jun 01	Dec 00/ Sep 01	Dec 00/ Dec 01	Dec 00/ Mar 02
-----------------	-------------------	-------------------	-------------------	-------------------	-------------------

Bill discounting	-0.07	-0.27	-0.31	-0.48	-0.71
Mortgages	0.30	0.43	0.43	0.26	0.01
Consumer	0.14	0.15	-0.07	-0.39	-0.54
Overdrafts	0.14	0.12	0.03	-0.09	-0.30
Leasing	0.16	0.22	0.18	0.01	-0.21
TOTAL	0.16	0.17	0.10	-0.10	-0.32
Demand Deposits	0.02	-0.06	-0.01	-0.18	-0.18
Time Deposits	0.14	0.14	-0.01	-0.39	-0.57
Commercial Paper	-0.23	-0.47	-0.88	-1.44	-1.61
TOTAL	0.17	0.11	0.08	-0.21	-0.26
Differential	-0.01	+0.06	+0.02	+0.11	-0.06



INTEREST RATES IMPACT

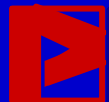
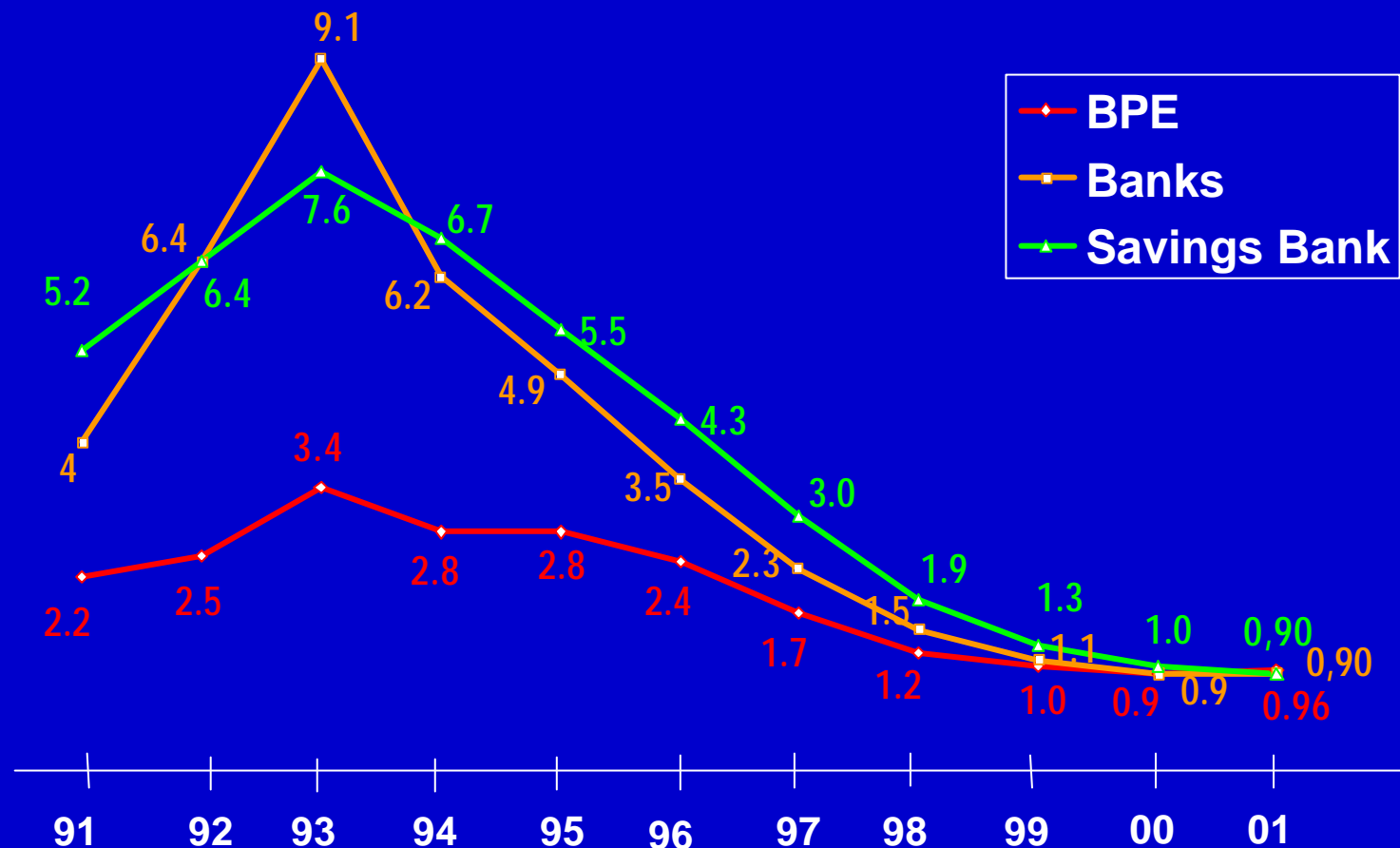
POPULAR'S SPREAD VS. RATES



NPL TRACK RECORD

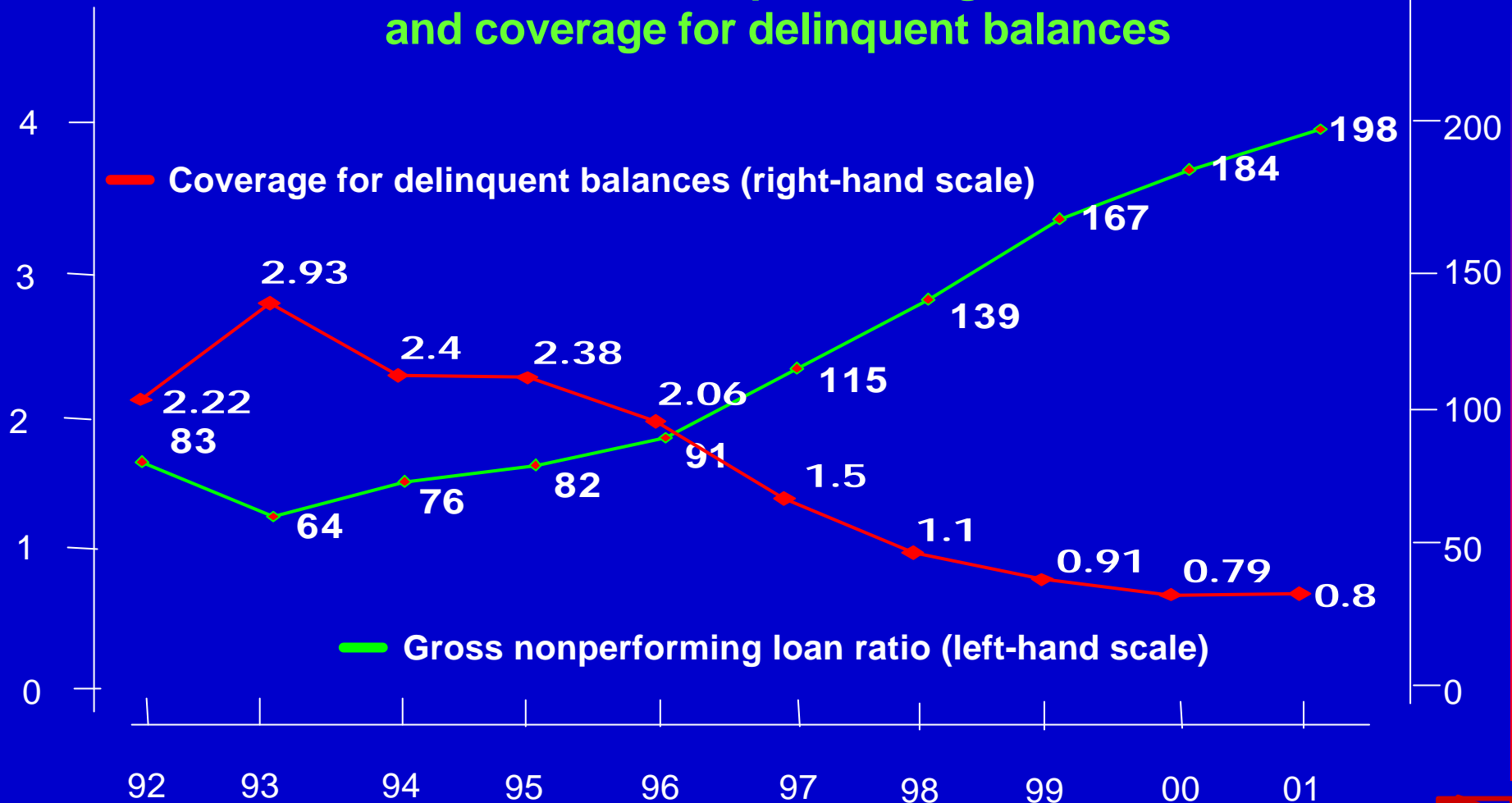
LOAN PORTFOLIO QUALITY

Nonperforming loans / Credit to private-sector resident borrowers (%)

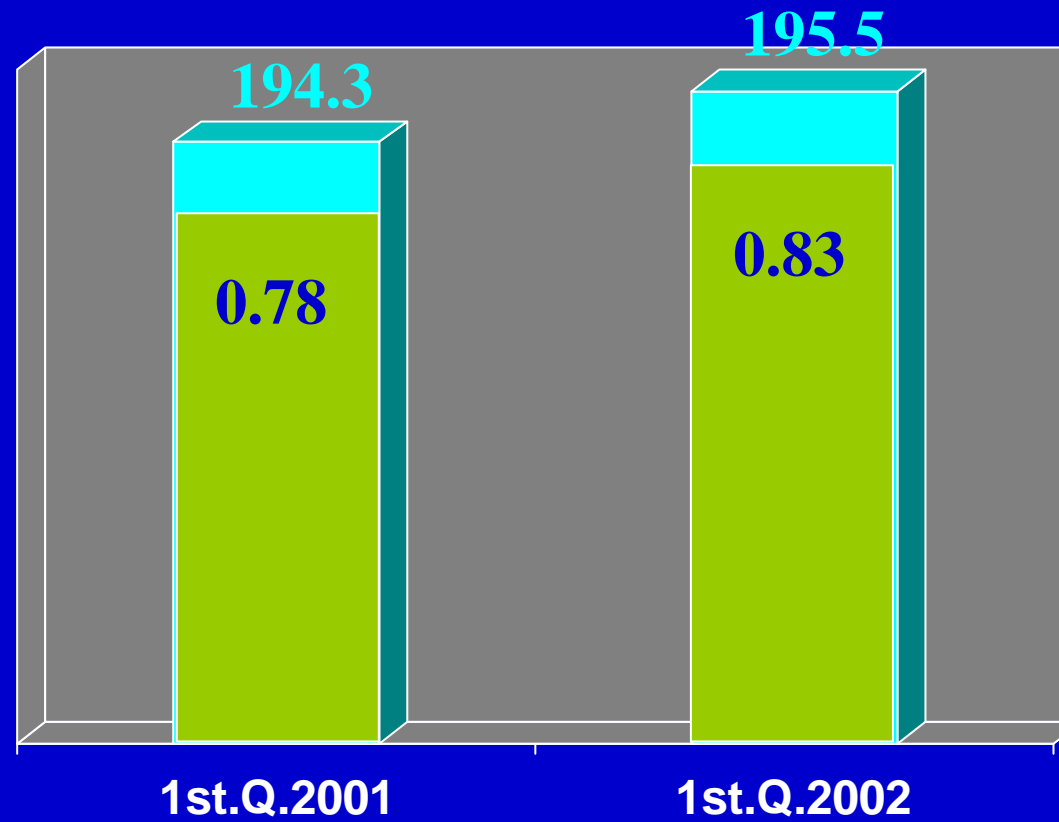


NPL TRACK RECORD

Variation in the non performing loans ratio and coverage for delinquent balances

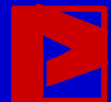


NPL TRACK RECORD



 Coverage for delinquent balances

 NPL ratio



STRATEGY

MAIN GOALS

Gain MARKET SHARE

Gain CUSTOMERS

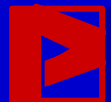
Boost FEE INCOME

OBJECTIVES

Outperform competitors

Build up medium term future

Launch new activities



STRATEGY

COMPLEMENTARY GOALS

- 1 Maintain credit quality
- 2 Increase cross-selling
- 3 Reduce cost of funding
- 4 Reduce overhead cost
- 5 Increase productivity

OBJECTIVES

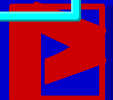
Basic tenet of Popular

Increase customer stickiness

Increase the bank's spread

Optimize cost/income ratio

Optimize cost/income ratio



BPE SHARE vs. EUROPEAN FINANCIALS

TWO YEARS

N173 Equity UGA

Worksheet List Edit Options Table 5 - POP REL EUROBANKS

Range 4/21/00 - 4/16/02 Period 2 Years weekly

Line 1	POP SM Equity - Last Price	HI	145.00	ON	04/16/02	LOW	99.00	ON	04/28/00	AVE	123.966
Line 2	BEIFINLE Index - Last Price	HI	135.69	ON	01/05/01	LOW	83.48	ON	09/21/01	AVE	112.88



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 212 1000 U.S. 1 212 318 2000 Copyright 2002 Bloomberg L.P.
 6755-419-0 16-Apr-02 17:31:57

BANCO POPULAR ESPAÑOL

Velázquez 34. 28001 Madrid

Telephone: 34 915207000. Fax: 34 915779208

Internet: <http://www.bancopopular.es>

