EXHIBIT 3
to the 2017 Banco Popular Español SA Updated 2003 Credit Derivatives Auction Settlement Terms

**Form of Notice of Physical Settlement**

Attention: [client contact]

By Fax: [facsimile]

By Phone: [telephone]

[Recipient of Notice of Physical Settlement]

Dear Sirs

**NOTICE OF PHYSICAL SETTLEMENT**

Credit Derivative Transaction Details:[[1]](#footnote-1) Representative Auction-Settled Transaction, formed pursuant to the 2017 Banco Popular Español SA Updated 2003 Credit Derivatives Auction Settlement Terms with respect to Bucket [1/2], published by the International Swaps and Derivatives Association, Inc. on September 28, 2017 (the "**Credit Derivatives Auction Settlement Terms**") entered into between [SELLER], as Seller (i.e., the party identified by the Auction Administrators as having an obligation to accept Delivery of Deliverable Obligations), and [BUYER] as Buyer (i.e., the party identified by the Auction Administrators as having the obligation to Deliver Deliverable Obligations), and for which the Floating Rate Payer Calculation Amount is [*Relevant Currency and* *amount*][[2]](#footnote-2).

Reference is made to the Credit Derivative Transaction described above (the "**Transaction**").

(1) Pursuant to the Credit Derivatives Auction Settlement Terms, the Credit Event Resolution Request Date for the Transaction is the date specified as such in Schedule 1 to the Credit Derivatives Auction Settlement Terms.

(2) Any capitalized term not otherwise defined in this Notice of Physical Settlement will have the meaning, if any, assigned to such term in the Credit Derivatives Auction Settlement Terms or, if no meaning is specified therein, in the Updated 2003 Definitions.

(3) We hereby confirm that we will settle the Transaction and require performance by you in accordance with the terms relating to Physical Settlement in the Updated 2003 Definitions. Subject to the terms of the Transaction, we will deliver to you on or before the Physical Settlement Date the following Deliverable Obligation(s) against payment of the Floating Rate Payer Calculation Amount multiplied by the Auction Final Price of [⚫] percent[[3]](#footnote-3):

• **Outstanding Principal Balance:** [⚫][[4]](#footnote-4)

**• Original Face Amount:** [⚫][[5]](#footnote-5)

**• Primary Obligor:** [⚫]

**• Maturity:** [⚫]

**• Coupon:** [⚫]

**• ISIN/CUSIP:** [⚫]

**• Type: [Bond/Loan]**

(4) This letter and any non-contractual obligations arising out of, or in connection with, it shall be governed by and interpreted in accordance with the law that governs, or is deemed to govern, the master agreement that the Transaction supplements, forms a part of, and is subject to.

Very truly yours,

[ ]

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

1. These Transactions Details will need to be adjusted appropriately where this form is used with respect to a transaction between a customer and a Participating Bidder. [↑](#footnote-ref-1)
2. The Quotation Amount of the Transaction identified by Auction Administrators or, in the case of a Representative Auction-Settled Transaction between a Participating Bidder and a customer, the amount specified by such Participating Bidder. [↑](#footnote-ref-2)
3. Adjustment of this provision will be required where Buyer is delivering Deliverable Obligations with a Principal Balance equal to less than the relevant Floating Rate Payer Calculation Amount. [↑](#footnote-ref-3)
4. In specifying an "Outstanding Principal Balance", parties should take into account any guidance published in connection with the Final List relating to the calculation of the outstanding principal balance of Deliverable Obligation(s). [↑](#footnote-ref-4)
5. "Original Face Amount" means the original issued amount of the relevant Deliverable Obligation(s) and is included here to provide further detail regarding the identity of the relevant Deliverable Obligation(s). [↑](#footnote-ref-5)