

BANCO POPULAR ESPAÑOL, S.A.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The Board of Directors agrees to call a second Extraordinary General Meeting of Shareholders on the 10th November 2008 at 10 a.m. at calle José Ortega y Gasset no. 29, Madrid in the assumption that this Meeting cannot be held when it is first scheduled. This second meeting is also called the day before at the same place and time and has the following

AGENDA

One.- Approval of the Merger Plan between the Banco Popular Español, S.A., Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. Approval of the merger balance sheet closed on the 30th June 2008. Approval of the Merger between the Banco Popular Español, S.A., Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A., through the takeover of the last four by the first one, termination of the four merged companies and the general transfer of all their respective assets to the Banco Popular Español, S.A. Capital increase to meet the share exchange and the corresponding alteration to the final article of the merging company's Articles of association, all of which complies with the provisions established in the Merger Plan. Inclusion of the merger in the tax regime of Chapter VIII of Title VII of the Corporate Tax Law.

Two.- Delegation of powers in the Board of Directors, with the power of substitution, for formalising, interpreting, remedying and executing the agreements adopted by the General Meeting to the full.

ATTENDANCE

In compliance with the specifications of article 14 of Articles of association, shareholders who represent a minimum par value of one hundred Euros (one thousand shares) will be entitled to attend. Shareholders who wish to attend may obtain the Attendance Card at the Banco Popular Español's Shareholders' Office or through other means foreseen in this summons.

Shareholders who own fewer shares may be represented by another shareholder entitled to attend, or by any of those who complete the minimum amount established above through joining.

Personal attendance of the shareholder at the Meeting shall revoke any delegation or vote made previously.

RIGHT TO INFORMATION

Shareholders, bondholders and holders of special rights other than shares are entitled to examine and obtain at the company's address (C/ Velázquez nº 34 de Madrid) and from the institutional web site, www.bancopopular.es the whole content of the documents listed below and be supplied with or immediately sent, free of charge:

- The Merger Plan;
- Reports on the Merger Plan issued by directors of each participating Company;
- Annual accounts and the management report referring to the last three financial years of Companies participating in the merger, along with the corresponding accounts auditors' report;
- The merger balance sheet of each participating Company closed on the 30th June 2008, accompanied by the respective verification reports issued by the accounts auditor;
- Proposals for corporate agreements corresponding to the points on the Agenda submitted to the General Meeting;
- The independent expert's report on the Merger Plan;
- The whole contents of the alteration to the articles of association of the merging company;
- Valid articles of association of Companies participating in the merger;

- The list of names, surnames, nationality, age, address and date as of which they became directors of the Companies participating in the Merger;

This same documentation shall be available to workers' representatives for examination at the company offices.

Any consultation made on the Meeting and however much information shareholders require on the Company shall be handled or provided at the Shareholders' Office, Phone 34-91-520.72.65, Fax 34-91-577.92.09 and e-mail accionista@bancopopular.es or through the institutional web www.bancopopular.es.

INFORMATION ON THE MERGER PLAN:

One.- Identification of the companies participating in the Merger:

The merging Company is the Banco Popular Español, S.A., of Spanish nationality, with offices in Madrid, calle Velázquez 34 esquina a Goya 35, and corporate tax code (CIF) A28000727. It is registered at the Madrid Business Register in general volume 16,219, Ledger 0, Sheet 187, page M-2715, registration no. 1 and in the Spanish Bank and Bankers' Register under number 0075.

The merged companies are:

Banco de Castilla, S.A., of Spanish nationality, with offices in Salamanca, Plaza de los Bandos no.10 and tax identification code (CIF) A37000163. Registered at the Salamanca Business Register in volume 14, section 3 of the Corporate Ledger, sheet 189, registration 76 and in the Spanish Bank and Bankers' Register under number 0082.

Banco de Crédito Balear, S.A., of Spanish nationality, with offices in Palma de Mallorca, Plaza de España no.1 and tax identification code (CIF) A-07000136. Registered at the Balears Business Register in volume 21, ledger 190, sheet number 975, registration 1 and in the Spanish Bank and Bankers' Register under number 0024.

Banco de Galicia, S.A., of Spanish nationality, with offices in Vigo (Pontevedra), Calle Policarpo Sanz nº 23 and tax identification code (CIF) A36600229. Registered at the Pontevedra Business Register on sheet 139 of Corporate Ledger 827, page number 2304, registration 557 and in the Spanish Bank and Bankers' Register under number 0097.

Banco de Vasconia, S.A., of Spanish nationality, with offices in Pamplona, Plaza del Castillo nº 39 and tax identification code (CIF) A-31000417. Registered at the Navarre Business Register in general volume 167 of the Corporate Ledger, sheet 1, page number NA-1240, registration 937 and in the Spanish Bank and Bankers' Register under number 0095.

Two.- Share exchange.

The share exchange rate determined according to the real asset value of Companies participating in the Merger will be the following: Five (5) shares of the Banco Popular Español, S.A., for three (3) shares of the Banco de Castilla, S.A.; Sixteen (16) shares of the Banco Popular Español, S.A., for seven (7) shares of the Banco de Crédito Balear, S.A.; Two (2) shares of the Banco Popular Español, S.A., for one (1) share of the Banco de Galicia, S.A. and Seven (7) shares of the Banco Popular Español, S.A., for (5) shares of the Banco de Vasconia, S.A.

No complementary cash payment is foreseen, unless it is necessary to establish mechanisms intended for facilitating the share exchange for shareholders of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A. and Banco de Vasconia, S.A. who own a number of shares that is not a multiple of the number resulting from the exchange equation, through purchasing shares at peak prices.

In conformity with the contents of article 249 of the Corporate Law, the shares of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A., owned by the Banco Popular Español, S.A., may not be exchanged for shares of the Banco Popular and shall be redeemed.

Three.- Capital increase to cover the share exchange.

The Banco Popular owns 41,291,024 shares of the Banco de Castilla, S.A., 9,088,178 of the Banco de Crédito Balear, S.A., 28,463,390 of the Banco de Galicia, S.A. and 30,981,290 of the Banco de Vasconia, S.A.

To cover the merger exchange equation, the Banco Popular Español, S.A. shall increase its share capital by a nominal amount of two million, thirty thousand, eight hundred Euros and ten cents (2,030,801.10 €), through issuing and marketing twenty million, three hundred and eight thousand and eleven ordinary shares (20,308,011) with a par value of 0.10 Euros each, which shall be of the same category and series as those currently on the market, represented by book entries.

In the afore-mentioned increase in share capital, the difference between the quoted price of the Banco Popular's shares at the close of the market on the 24th September 2008 and the par value of the new shares issued by the same bank shall be considered a share premium. Therefore, the increase in capital shall be issued with an overall share premium of 173,836,574.16 Euros, which implies a share premium of 8.56 Euros for each share issued.

Both the par value of such shares and the corresponding share premium shall be totally paid as a consequence of the general transfer of the assets of Companies merged by the Banco Popular, which shall inherit the rights and obligations of the four Companies.

As a consequence of the increase in share capital, changes to the first point of the Final Article of the Articles of association shall be submitted for approval by the General Meeting of Shareholders of the Banco Popular Español, S.A. Once the increase has been subscribed and paid up in full, the article shall read as follows:

Final Article.- 1. The capital registers a total of ONE HUNDRED AND TWENTY-THREE MILLION, FIVE HUNDRED AND SEVENTY-FOUR THOUSAND AND FIVE EUROS AND TEN CENTS (123,574,055.10 €), represented by one thousand and thirty-five million, seven hundred and forty thousand and fifty-one shares (1,235,740,551), represented by book entries since the 14th December 1992. The share capital has been paid in full.

Four.- Share exchange procedure.

The share exchange procedure of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. for shares of the Banco Popular Español, shall be the following:

(a) Upon agreement of the merger by the General Meeting of Shareholders of the five participating Companies, and after submission before the National Securities Market Commission of documentation equivalent to that mentioned in articles 26.1.d) and 41.1.c), presumably necessary, and other related documents of Royal Decree 1310/2005, of the 4th November, and registration of the merger deed at the Madrid Business Register, the share exchange of shares of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. for shares of the Banco Popular Español, S.A. shall take place.

(b) The exchange shall take place as from the date indicated in the announcements published in the Commercial Registry's Official Bulletin, in one of the leading daily newspapers of the provinces where the companies participating in the merger have their respective offices and, when considered necessary, in Spanish Stock Market Bulletins. For this purpose, the Banco Popular Español, S.A., predictably or, where appropriate, another financial entity, shall act as Agent, in accordance with the afore-mentioned announcements.

(c) The share exchange of shares of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. for those of the Banco Popular Español, S.A. shall be carried out by entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) (**Management Company for Securities Registry, Clearance and Settlement**), which are their depositories, according to the procedures established for book entries, in conformity with the specifications of Royal Decree 116/1992, of the 14th February, and by applying the contents of article 59 of the Corporate Law, where applicable.

(d) Shareholders who own shares representing a fraction of the number of shares of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A. and Banco de Vasconia, S.A. established as a share exchange may purchase or transfer shares in order to exchange them according to this method. Notwithstanding the above, companies involved in the merger may establish mechanisms intended for facilitating the exchange for shareholders of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A. and Banco de Vasconia, S.A. who own a number of shares that is not a multiple of the number resulting from the exchange equation. This includes nominating a Peak Agent.

(e) As a consequence of the merger, shares of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. shall be totally wiped off and cancelled.

Five.- Merger Balance Sheets.

The merger balance sheets of entities participating in the merger are those closed on the 20th June 2008, formulated by their respective Boards of Directors on the 25th September 2008. All merger balance sheets have been verified by PricewaterhouseCoopers Auditores, S.L., the Companies' accounts' auditor.

Six. Date as from which the exchanged shares allow for participation in corporate earnings.

The shares that the Banco Popular Español, S.A. issues when increasing its capital to meet the share exchange shall be ordinary shares, equal to those currently on the market and shall be represented by book entries.

As from the date of registration of the new shares in Iberclear's accounts' registers, they shall grant their title holders the same political rights as those currently on the market. With regard to economic rights, the new shares shall entitle participation in corporate earnings distributed as from the 17th January 2009, inclusive.

Seven. Date of merger for accounting purposes.

Transactions carried out by the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. shall be considered completed for accounting purposes on behalf of the Banco Popular Español, S.A. as from the 30th June 2008.

Eight. Special rights.

No one owns special category shares or special rights other than shares in merged Companies, whereby no special right or offer of any type of option is granted.

Shares of the Banco Popular Español, S.A. presented to shareholders of the Banco de Castilla, S.A., Banco de Crédito Balear, S.A., Banco de Galicia, S.A. and Banco de Vasconia, S.A. on account of the merger shall not grant their owners any special right.

Nine. Advantages for independent experts and directors.

In the merging company, no type of advantages shall be given to the independent expert involved in the merger process or to directors of any of the entities participating in the merger.

Ten. Taxation.

The merger shall be taxed according to Chapter VIII of Title VII of the Refunded Tax of the Corporate Tax Law approved by Legislative Royal Decree 4/2004.

DELEGATION AND VOTE THROUGH REMOTE COMMUNICATION SYSTEMS

Shareholders may exercise their delegation and voting rights by post, with regard to each agreement submitted to the Meeting's Agenda, by following the instructions contained on the corresponding remote delegation and voting card available at any of the Offices of the Banco Popular Español and the Shareholders' Office.

To exercise delegation and voting rights by means of remote e-mail systems (through the institutional web site www.bancopopular.es or by mobile phone through accessing www.grupobancopopular.mobi) shareholders should follow the procedures and instructions and comply with the conditions indicated for this purpose in the subsection, "2008 Extraordinary General Meeting" of the afore-mentioned institutional web site.

Delegate votes and votes issued by post or by means of remote e-mail systems should be received at least twenty-four hours before the first scheduled Meeting starts. Votes received after this shall be considered invalid.

The Company reserves the right to change or suspend delegation or voting mechanisms by e-mail for technical or security reasons.

NOTARY'S INVOLVEMENT

In conformity with the contents of article 114 of the Corporate Law, the Board of Directors has agreed to request the presence of a Public Notary to draw up the minutes of the Meeting.

Madrid, 6th October 2008
Secretary of the Board of Directors
Francisco Aparicio Valls