
Resolutions proposed by the Board of Directors of Banco Popular Español, S.A. submitted to the Ordinary General Meeting of Shareholders at the session to be held in Madrid on 25 June 2009 on first call or on 26 June 2009 on second call.

AGENDA ITEM ONE

ONE.- Approval of the Annual Accounts (Balance Sheets, Profit and Loss Account and Annual Report, Statement of Change in Financial Position, Cash Flow Statement and Notes to the Financial Statements) and the Directors' Report of Banco Popular Español, S.A. and its consolidated Group, as well as the proposed application of results and the directors' performance for fiscal year 2008.

Proposal: Approval of the Annual Accounts (Balance Sheets, Profit and Loss Account and Annual Report, Statement of Change in Financial Position, Cash Flow Statement and Notes to the Financial Statements) and the Directors' Report of Banco Popular Español, S.A. and its consolidated Group, as well as the proposed application of results and the directors' performance for fiscal year 2008.

The individual and consolidated annual accounts and directors' report for fiscal year 2008, formulated by the Board of Directors at its meeting on 26 February 2009, are contained in the individual and consolidated annual reports, respectively.

The proposed distribution of 2008 profits earned by the Banco Popular Español as shown in the 2008 Annual Report is as follows:

	Euros
Distribution:	
Statutory reserves	1.015.400,55
Voluntary and other reserves	479.909.557,74
Active dividends	410.811.652,43
Interim dividends paid	161.846.489,66
Unpaid dividends	248.965.162,77
Distributed profits	891.736.610,72
FY profits	891.736.610,72

A total of 410,811,652.43 euros in dividends has already been paid in the form of first, second and third interim dividend payments for FY 2008, ratifying the resolutions adopted by the Board of Directors in which the Board agreed to pay those dividends.

AGENDA ITEM TWO

TWO.- Approval of the Merger Plan between the Banco Popular Español, S.A. and Banco de Andalucía, S.A. Approval of the merger balance sheet closed on the 31st December 2008. Approval of the Merger between the Banco Popular Español, S.A. and Banco de Andalucía, S.A. through the takeover of the latter by the former, termination of the merged company and the general transfer of its respective assets to the Banco Popular Español, S.A. with a capital increase to meet the share exchange and the corresponding modification of 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.

Proposal:

1.1 Approval of the Merger Plan formulated by the Board of Directors of the affected companies dated 19 May 2009.

Approval of the Merger Plan involving Banco Popular Español, S.A. as the absorbing company and Banco de Andalucía, S.A. as the absorbed company, formulated and signed by the directors of the companies and approved by their respective Boards of Directors on 19 May 2009. KPMG Auditores, S.L., as the independent expert designated by the Madrid Business Register, has issued the report required in article 236 of the Public Limited Companies Act on the Merger Plan.

As established in article 226 of the Business Register Regulations, the Merger Plan has been filed with the Business Registers in Madrid and Sevilla, where the pertinent marginal notes have been made.

1.2 Approval of the Merger Balance dated 31 December 2008, verified by the company's auditors.

Approval of the balance sheet for the period ended 31 December 2008 as the merger balance sheet. The balance sheet was formulated and approved by the Board of Directors and verified by the company's auditors.

1.3 Approval of the Merger of Banco Popular Español, S.A. and Banco de Andalucía, S.A. through the takeover of the latter by the former, termination of the merged company and the general transfer of its respective assets to Banco Popular Español, S.A. in compliance with the provisions of the Merger Plan.

Approval of the merger of Banco Popular Español, S.A., as the absorbing company, and Banco de Andalucía, S.A. as the absorbed company by means of the absorption of the latter by the former in the terms of the Merger Plan formulated and signed on 19 May 2009 by the Board of Directors of the affected companies.

As consequence of the merger by absorption, Banco de Andalucía, S.A. will be extinguished by dissolution without liquidation and its assets and liabilities will be transferred to Banco Popular Español, S.A., which acquires all of the rights and obligations of the absorbed company.

As established in article 228 of the Business Register Regulations, it is hereby made known that the merger shall take place under the following circumstances:

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

1.1 Absorbing company:

Banco Popular Español, S.A., a Spanish company with offices in Madrid, calle Velázquez 34 esquina a Goya 35, and corporate tax code (CIF) A-28000727. It is registered at the Madrid Commercial Registry Office 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.

1.2 Absorbed company:

Banco de Andalucía, S.A., a Spanish company with offices in Sevilla, calle Fernández y González nº 4 y 6 and tax identification number (CIF) A-11600624. Registered at the Sevilla Business Register in volume 1,353, section 3 of the Corporate Ledger, sheet 17,982, entry 2 and in the Spanish Bank and Bankers' Register under number 0004.

Two. – Statutory modifications.

As a consequence of the capital increase by Banco Popular Español, S.A. to cover the merger share exchange, according to the terms indicated in the Merger Plan and in Part Four, the first point of the Final Article of the Articles of Association must be amended. Once the capital increase is subscribed and paid in full, the wording of that article shall be as follows:

Final Article.-

1. The capital totals of ONE HUNDRED TWENTY-SIX MILLION, ONE HUNDRED SEVENTY-TWO THOUSAND THREE HUNDRED ELEVEN EUROS AND NINETY CENTS (126,172,311.90 €), represented by one billion two hundred sixty-one million, seven hundred twenty-three thousand one hundred nineteen shares (1,261,723,119), represented by book entries since the 14th December 1992. The capital is paid in full.

Three.- Share exchange.

The swap rate, based on the real value of the equity of the companies participating in the merger, will be six (6) shares of Banco Popular for one (1) share of Banco de Andalucía.

There are no plans for any complementary cash payments.

CREDIT SUISSE SECURITIES (EUROPE) LIMITED, as the financial adviser for the merger, has issued a fairness opinion to the Board of Directors of Banco Popular in which it has stated that the exchange rate is fair from a financial point of view.

The twenty-one million seven hundred twenty-nine thousand two hundred forty (21,729,240) shares of Banco de Andalucía representing 100% of its share capital have a par value of 0.75 € each, fully subscribed and paid in and are represented by book entries.

In conformity with the contents of article 249 of the Public Limited Companies Act, the shares of the Banco de Andalucía owned by the Banco Popular Español, S.A. may not be exchanged for shares of the Banco Popular and shall be redeemed.

Four.- Capital increase to cover the share exchange under the merger by absorption.

Banco Popular owns 17,398,812 shares of Banco de Andalucía, S.A. stock.

To cover the merger exchange equation, Banco Popular Español, S.A. shall increase its share capital by a nominal amount of two million, five hundred ninety-eight thousand two hundred fifty-six euros and eighty cents (€25,598,256.80) by issuing and marketing twenty-five million nine hundred eighty-two thousand five hundred sixty-eight (25,982,568) shares 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 aforementioned increase in share capital, the difference between the quoted price of the Banco Popular's shares at the close of the market on the 18th May 2009 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 157,974,013.44 euros, which implies a share premium of 6.08 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 Banco de Andalucía to Banco Popular, which shall inherit the rights and obligations of the absorbed company.

When the capital increase takes place, permission will be requested for the new shares issued under this resolution to trade on the stock exchanges where the shares of Banco Popular Español, S.A. are traded at the time of the capital increase.

For the purposes of article 27 b) of the Stock Exchange Act approved by Decree 1506/1967 of 30 June, it is hereby made known that the company shall abide by the rules that exist now or could be enacted in the future with regard to the stock exchange, and particularly with regard to the trading and the exclusion from trading of the shares of Banco Popular Español, S.A. It is further made known that if a request were made in the future to cease trading the shares of Banco Popular Español, S.A., such a request shall be made with the same formalities referred to in that article, guaranteeing the interest of the shareholders who oppose or vote against the resolution, complying with the requirements established in the Public Limited Companies Act and concordant provisions, all in accordance with the terms of the aforementioned Stock Exchange Act, the Securities Market Act and related provisions.

Five .-Share exchange procedure.

The procedure for exchanging the shares will be as follows:

- (a) Upon agreement of the merger by the General Meeting of Shareholders of the two participating Companies, and after submission to the National Securities Market Commission of documentation equivalent to that mentioned in articles 26.1.d) and 41.1.c) and other related documents of Royal Decree 1310/2005, of the 4th November, and filing of the merger deed with the Madrid Business Register, the share swap Banco de Andalucía shares for Banco Popular Español, S.A. shares shall take place.
- (b) The exchange shall take place as from the date indicated in the announcements published in the Official Gazette of the Business Register, 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. or, where appropriate, another financial entity, shall act as Agent in accordance with the afore-mentioned announcements.
- (c) The share swap shall be carried out by participating entities of 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) As a consequence of the merger, shares of the Banco de Andalucía shall be extinguished and cancelled.

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 as described in part four to meet the share swap 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 account register, the shareholders shall enjoy the same political rights as the holders of the shares currently on the market.

Seven. Date of merger for accounting purposes.

The transactions of Banco de Andalucía will be considered to have been carried out by Banco Popular as of 1 January 2009 for accounting purposes.

Eight. Special rights.

No one owns special category shares or special rights other than shares in the absorbed company, whereby no special rights are granted and no options of any kind are offered.

Shares of the Banco Popular delivered to the shareholders of Banco de Andalucía under the merger agreement shall not grant their owners any special rights.

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.

1.4 Information on equity modifications.

The members of the Board of Directors hereby declare to the General Meeting of Shareholders that none of the companies involved in the merger have experienced substantial changes in their assets or liabilities between the date of the Merger Plan and date of the General Meeting of Shareholders.

The delivery to the shareholders of Banco Popular of one share for every fifty shares as a partial refund of the issue premium reserve and the delivery to the shareholders of Banco de Andalucía of the complementary dividend charged to FY 2008, which are reflected in the Merger Plan and were paid between the dates indicated are not considered relevant modifications since they were taken into account when calculating the equation for the share exchange contained in the Merger Plan.

1.5. Application of the tax regimen referred to in Chapter VIII of Title VII of the Revised Text of the Corporate Tax Law approved by Legislative Royal Decree 4/2004.

The tax authorities will be notified of the application of the tax regimen referred to in Chapter VIII of Title VII of the Revised Text of the Corporate Tax Law approved by Legislative Royal Decree 4/2004, as required under the terms of article 96 of that law.

1.6 Authorisation of the Merger.

The validity and efficacy of the Merger Plan approved by the shareholders is contingent upon approval by the Ministry of the Economy and Taxation, pursuant to the terms of article 45.c) of the Bank Law of 31 December 1946.

AGENDA ITEM THREE

THREE.- In Kind Remuneration:

3.1 Modification of article 29 of the Articles of Association to include the payment of dividends and issue premium reserve in the form of in kind remuneration.

Proposal: Pursuant to the proposal put forth by the Appointment, Remuneration, Corporate Governance and Conflict of Interest Committee and accepted by the Board of Directors, it is proposed that **article 29 of the Articles of Association** be amended to include the possibility of paying dividends and the issue premium reserve in the form of in kind remuneration, introducing a third and fourth paragraph that would be worded as follows:

“Article 29

...

The General Meeting of Shareholders may agree to distribute among the shareholders dividend payments or issue premium reserves in the form of stocks that trade or are slated to begin trading on an organised market inasmuch as they are homogeneous and sufficiently liquid assets.

The distribution among shareholders of interim dividends shall be governed by the law and the Board of Directors may agree to distribute them in the form of in kind remuneration as provided for in the preceding paragraph.”

The statutory modification referred to in this resolution is subject to administrative authorisation pursuant to the terms of Royal Decree 1245/1995 of 14 June, unless such authorisation is not necessary pursuant to the terms of article 8 of the said Royal Decree.

3.2 Complementary remuneration in addition to the dividend paid against 2008 profits by means of the partial distribution of the issue premium reserve in the form of shares delivered to the Bank from treasury stock.

Proposal: To approve the complementary remuneration of Banco Popular Español, S.A. shareholders in addition to the dividend paid against 2008 profits consisting of the partial distribution of the issue premium reserve by delivering shares to Banco Popular Español, S.A. from treasury stock, under the following conditions:

Shares to be delivered: The shares to be delivered to the shareholders will be shares representing the share capital of Banco Popular Español, S.A. from treasury stock at a rate of one (1) share for every fifty (50) shares in circulation.

Partial distribution of the issue premium reserve: The complementary remuneration of shareholders in addition to the dividend paid against 2008 profits will be carried out by distributing a portion of the issue reserve premium in an amount equivalent the value of each share at the average weighted price of the shares of Banco Popular Español, S.A. on the Spanish Stock Exchange (Sistema de Interconexión Bursátil Español) (Continuous Market) the business day before the date of the Ordinary General Meeting of Shareholders that approved the resolution (the “Value of Reference”) which is expected to be the 25th June 2009.

Shareholders entitled to receive the remuneration: The shareholders who, at the close of business on 6 July 2009 (the “date of reference”), are listed as shareholders of Banco Popular Español, S.A. on the accounting books of the participating entities of the IBERCLEAR (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.) shall be entitled to receive the in kind remuneration.

Delivery date of the shares: The shares of Banco Popular Español, S.A. will be delivered on or after 13 July 2009, using the legally-established systems and mechanisms, with Banco Popular acting as the agent bank in coordination with IBERCLEAR and its participating entities.

Procedure for carrying out the share swap: The following terms and conditions to facilitate the share swap for the shareholders who own a number of shares which is neither fifty (50) nor a multiple of fifty (50):

1. When the number of shares owned by a shareholder is less than fifty (50) or more than fifty (50) but not a multiple of fifty (50), those shares are known as “surplus shares”.
2. On or after 13 July 2009, the shares will be delivered to the shareholders at a swap rate of exactly one (1) share for every fifty (50) shares in circulation owned by the shareholders through the participating entities of IBERCLEAR.
3. When the swap rate is applied to the “surplus shares” these shares are not entitled to an entire share but rather to a fraction of the share obtained by dividing it by fifty (the “pico”). The “pico” value is obtained by multiplying the value of reference by the fraction which the “pico” represents, rounding the result to the nearest hundredth of a euro. The “picos” are liquidated by paying the cash equivalent of the value of the “pico”, on the understanding that the shareholders participate in the system without the need for specific instructions.

The legally-mandated withholdings and payments on account and any commissions or costs charged by the participating entities of BERCLEAR or the receivers will be the responsibility of the shareholders.

AGENDA ITEM FOUR

FOUR.- Ratification of nominee directors and reduction of the maximum number of members of the Board of Directors from twenty to fifteen in order to bring the Articles of Association into compliance with the recommendations of the Unified Code of Good Governance.

Proposal: Pursuant to the proposal put forth by the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, which was accepted by the Board of Directors at its session held on 19 May 2009:

4.1 Ratification of Allianz, SE which possesses a stake of more than 9%, appointed by co-optation.

Ratification of Allianz SE as a director, appointed by the Board of Directors by co-optation at the session held on 15 December 2008.

4.2 Ratification of Unión Europea de Inversiones, S.A. which possesses a stake of more than 6%, appointed by co-optation.

Ratification of Unión Europea de Inversiones, S.A. as a director, appointed by the Board of Directors by co-optation at the session held on 19 May 2009.

4.3 Modification of Article 17 of the Articles of Association and introduction of a Second Transitory Provision to reduce the maximum number of Board members from twenty to fifteen.

In order to bring the Articles of Association in line with the ninth recommendation of the Unified Code of Good Governance for Publicly Listed Companies, it is proposed that the third paragraph of article 17 of the Articles of Association be modified to set the maximum number of members of the Board of Directors at fifteen (15), with article 17 henceforth reading as follows:

“Article 17.-

...

The minimum number of Board members or Directors will be twelve and the maximum will be fifteen, all of whom must necessarily be shareholders. The General Meeting is responsible for appointing Directors and for determining the number of Board members, within the established limits.”

However, since the Board of Directors currently has twenty members, the number will be reduced to a maximum of fifteen gradually. To that end, it is proposed that a Second Transitory Provision be added to the Articles of Association, to be worded as follows:

“Second Transitory Provision.

Inasmuch as the number of Board members is greater than fifteen, which is the maximum number established in Article 17 of the Articles of Association, as vacancies occur they will not be filled and those Board positions will be abolished.

To guarantee the best corporate governance of the Bank, the vacancies that arise among Executive Directors may be filled by the Board of Directors and the General Meeting of Shareholders within the scope of their respective, legally-established powers.

The determination of whether a director is an External or Executive director for the purposes of the preceding paragraphs, will depend on how the director is classified in the last approved Corporate Governance Report or how the director was most recently classified by the Appointments, Remuneration, Corporate Governance or Conflict of Interest Committee.

Once the Board of Directors has just fifteen members, the modification of the third paragraph of Article 17 of the Articles of Association approved by the Ordinary General Meeting of Shareholders held on 26 June 2009 will become fully effective and consequently this Second Transitory Provision will be invalidated.”

The statutory modification referred to in this resolution is subject to administrative authorisation pursuant to the terms of Royal Decree 1245/1995 of 14 June, unless such authorisation is not necessary pursuant to the terms of article 8 of the said Royal Decree.

AGENDA ITEM FIVE

FIVE.- Re-election of the auditing firm in charge of auditing the Bank's individual and consolidated financial statements.

Proposal: Pursuant to the proposal put forward by the Audit and Control Committee and assumed by the Board of Directors and according to the terms of article 204 of the Public Limited Companies Act, it is proposed that PricewaterhouseCoopers Auditores, S.L. be re-elected as the auditors of the Bank's individual and consolidated financial statements for one year.

AGENDA ITEM SIX

SIX.- Authorisation for the Bank and its subsidiaries to acquire treasury stock, under the conditions and within the limits permitted by law, and to amortize them against stockholder equity through a reduction of capital.

Proposal: Pursuant to article 75 of the Public Limited Companies Act, the following resolution is proposed:

To authorise the Board of Directors of Banco Popular Español and the governing bodies of the companies controlled by Banco Popular Español to acquire, under the conditions allowed by the law, shares in Banco Popular Español up to the limits and subject to the requirements set out below:

- * The par value of the shares acquired, combined with those already possessed by the Bank and its subsidiaries, may not exceed the legally authorised limit of the share capital at any given time.
- * The Bank and any acquiring subsidiary must be able to meet all legal requirements at all times during the validity of this authorisation.
- * All shares thus acquired must be paid in full.
- * The purchase price may not be less than the par value or more than 20% higher than the traded value of the stock on the stock market on the acquisition date.

This authorisation, which is granted for the maximum amount of time allowed by law, is understood to be notwithstanding the situations of free acquisition provided for under the law.

The Board of Directors is further authorised to dispose of the treasury stock acquired or which may be acquired in the future and to amortise such treasury stock against stockholder equity, reducing the share capital and amending the Articles of Association accordingly, in the amounts considered appropriate or necessary at any given time, up to the maximum limit of treasury stock established at any given time, in one or more operations but within the maximum legal period.

This authorisation encompasses and replaces the authorisation granted at the Ordinary General Meeting of Shareholders held on 30 May 2008.

AGENDA ITEM SEVEN

SEVEN.- The Board of Directors is authorised, pursuant to the provisions of article 153.1.b) of the Public Corporations Act and the provisions of article 161.1 of the Public Corporations Act, to increase the share capital to the legally permitted limit by raising the par value of the existing shares or by issuing new ordinary, privileged or redeemable shares, with or without a premium and with or without voting rights, according to the legally and statutorily allowed classes and types, which may include preferential subscription rights, modifying the final Article of the Articles of Association accordingly.

Proposal:

One.- To invalidate the unused portion of the resolution passed by the General Meeting of Shareholders held on 25 May 2005 under Agenda item number seven which authorised the Board of Directors to increase the share capital.

Two.- It is proposed that the Board of Directors be authorised, pursuant to the provisions of article 153.1.b) of the Public Corporations Act and the provisions of article 161.1 of the Public Corporations Act, to increase the share capital to the legally permitted limit by raising the par value of the existing shares or by issuing new ordinary, privileged or redeemable shares, with or without a premium and with or without voting rights, according to the legally and statutorily allowed classes and types, which may include preferential subscription rights, modifying the final Article of the Articles of Association accordingly, which shall henceforth read as follows:

***“6. By resolution of the Ordinary General Meeting of Shareholders of 26 June 2009, the Board of Directors may increase the share capital to the legally permitted limit by raising the par value of the existing shares or by issuing new ordinary, privileged or redeemable shares, with or without a premium and with or without voting rights, according to the legally and statutorily allowed classes and types. The Board of Directors is authorised to do this, without having to first consult the General Meeting of Shareholders, in one or more operations within a term of five years which ends on 25 June 2014, pursuant to the provisions of article 153.1.b) of the Public Corporations Act and the provisions of article 161.1 of the Public Corporations Act, and may include preferential subscription rights pursuant to article 159.2 of the Public Corporations Act.*”**

Three.- To request approval for the new shares issued under this resolution to trade on the Stock Market Interconnection System on those stock markets where the Bank's shares are traded at the time of each capital increase.

Likewise, to authorise the Board of Directors, which may in turn delegate the Executive Committee or the persons of its choosing, in the broadest terms allowed by law, to request and obtain permission for the new share issued under this resolution to trade on the stock markets where the Bank's shares are traded at the time of each capital increase through the Stock Market Interconnection System (Continuous Market) or the pertinent system in each case,

drafting, presenting and executing any and all documents and taking any and all steps as may be necessary to that end.

For the purposes of article 27 b) of the Stock Exchange Act approved by Decree 1506/1967 of 30 June, it is hereby made known that the company shall abide by the rules that exist now or could be enacted in the future with regard to the stock exchange, and particularly with regard to the trading and the exclusion from trading of the Bank's shares. It is further made known that if a request were made in the future to cease trading the shares of Banco Popular Español, S.A., such a request shall be made with the same formalities referred to in that article, guaranteeing the interest of the shareholders who oppose or vote against the resolution, complying with the requirements established in the Public Limited Companies Act and concordant provisions, all in accordance with the terms of the aforementioned Stock Exchange Act, the Securities Market Act and related provisions.

The statutory modification referred to in this resolution is subject to administrative authorisation pursuant to the terms of Royal Decree 1245/1995 of 14 June, unless such authorisation is not necessary pursuant to the terms of article 8 of the said Royal Decree.

AGENDA ITEM EIGHT

EIGHT.- Authorisation to the Board of Directors to issue promissory notes, bonds and ordinary or subordinated, secured or unsecured, non-convertible debentures, preferred ownership interest securities, mortgage bonds (“cédulas”) and mortgage interest securities, mortgage transfer notes, regional or local bonds (“cédulas territoriales”) or any fixed interest-bearing securities of whatsoever nature, in euros or in foreign currency, at fixed or unstable interest rates, within the maximum legal period of five years.

Proposal:

One.- To invalidate the unused portion of the resolution passed by the General Meeting of Shareholders held on 30 May 2007 under Agenda item number seven which authorised the Board of Directors to increase the share capital.

Two.- To delegate powers to the Board of Directors to issue promissory notes, bonds and debentures, ordinary or subordinated, secured or unsecured, non-convertible, preferred ownership interest securities, mortgage bonds (“cédulas”) and mortgage interest securities, mortgage transfer notes, regional or local bonds (“cédulas territoriales”) or any fixed interest-bearing securities of whatsoever nature, in euros or in foreign currency, at fixed or adjustable rates, within the maximum legal period of five years. The Board is authorised to exercise this power one or more times, in compliance with the legal provisions in force and after obtaining the necessary authorisations.

Three.- To authorise the Board of Directors, with powers to delegate to the Executive Committee or the persons it deems fit, in terms as broad and sufficient as may be required by law, to establish and define the conditions inherent to any issues pursuant to this resolution and, should it be deemed fit, to apply to the securities market management companies, those managing other secondary markets and other public institutions and competent bodies, to admit the shares issued for listing, subjecting the company to the rules in place or which may be issued in the future in the stock market field, particularly related to trading, permanence and exclusion from official listing.

AGENDA ITEM NINE

NINE.- Pursuant to the terms of article 319 of the Business Register Regulations, authorisation of the Board of Directors to issue fixed income securities that may be converted into new shares and/or swapped for shares of the Bank already in circulation and to determine the conversion and/or swap options, abolish preferential subscription rights and delegate the power to increase the share capital by the necessary amount. Vesting the Board with full powers to enforce the resolution fully, including the power to abstain from or postpone enforcement or to enforce the resolution partially.

Proposal:

One.- Pursuant to the terms of article 319 of the Business Register Regulations, it is proposed that the Board of Directors be authorised to issue fixed income securities that may be converted into new shares and/or swapped for shares of the Bank already in circulation, up to a limit of two billion five hundred million (€2,500,000,000) euros and to determine the conversion and/or swap options, abolish preferential subscription rights and delegate the power to increase the share capital by the necessary amount. Vesting the Board with full powers to enforce the resolution fully, including the power to abstain from or postpone enforcement or to enforce the resolution partially.

I. General Elements

To order the issue of one or more duly identified and numbers series of debentures that may be converted into and/or swapped for shares of Banco Popular Español, S.A., until 25 June 2014 (legal deadline) and up to a maximum amount of two billion five hundred million euros (€2,500,000,000) or its equivalent in another currency at the time and in the manner deemed most appropriate by the Board of Directors, once the necessary administrative authorisations have been obtained and all legal requirements met.

Pursuant to section one of article 292 of the Public Limited Companies Act, the conversion rules and options are listed below:

- 1.- The debentures may be converted into new Bank shares and/or swapped for shares of Banco Popular Español, S.A. already in circulation.
- 2.- The par value of the debentures will be used for the purpose of determining the conversion and/or swap value.
- 3.- The value of the shares thus created may never be lower than the par value.
- 4.- The Board of Directors is responsible for determining the value of the shares, which shall comply with the applicable laws at all times.

- 5.- As far as political rights are concerned, these shares shall carry the same rights as those currently in circulation and shall be considered to be in the same class.
- 6.- As far as the right to dividends is concerned, the shareholders of the new shares shall fully enjoy the right to receive any dividends paid by the bank once they are issued, provided that the dividends refer to the fiscal year in which the shares were issued. As far as the payout of other company profits is concerned, the shareholders shall participate proportionally based on the issue date.
- 7.- Unless specifically excluded, the shareholders of Banco Popular Español, S.A. shall have preferential subscription rights as provided for under the law.
- 8.- The Board of Directors may limit the final amount of the issue in the corresponding execution agreement to that part of the issue effectively subscribed by the shareholders exercising their preferred subscription rights. Otherwise, the governing body may offer the unsubscribed portion to other interested parties in the manner deemed to be in the best interest of the Bank.
- 9.- To protect the interests of the subscribers of each issue, the Bank shall implement the corrective measures needed to guarantee that their stakes are not diluted during the period between the issue and the conversion.
- 10.- The conversion and redemption of the share issue shall take place on the date or dates shown in the public deed executed for each issue and may not take place later than fifteen years after the issue date. The conversion period and the exact date of the conversion will be established by the Bank's Board of Directors in accordance with the authorisation granted herein. At the discretion of Banco Popular Español, S.A. the conversion may be carried out by converting the debentures into new shares, swapping them for shares already in circulation or a combination of the two, which will be decided when the conversion and/or swap takes place and which may not, in any case, result in discriminatory treatment of bondholders with identical conversion and/or swap dates.
- 11.- According to part four of article 159 of the Public Limited Companies Act, there shall be no preferred subscription rights when the capital increase is due to the conversion of debentures into shares or absorption of another companies or part of the assets split away from another company. When there is a free assignment of shares in capital increases charged to reserves, the holders of the debentures shall not be entitled to participate, although the conversion ratio will be adjusted proportionally.

II. Capital Increase

To authorise the Board of Directors to increase the Bank's share capital, one or more times, on the date or dates of its choosing, to meet its obligations in relation to the conversion of the debentures issued pursuant to this resolution, up to a maximum of two billion five hundred million euros (€2,500,000,000), issuing shares as necessary in compliance with the terms of article 292.1 of the Public Limited Companies Act, the conversion conditions approved by the Bank's General Meeting of Shareholders and the decisions taken by the Bank's Board of Directors in the exercise of its powers.

Furthermore, to authorise the Board of Directors to establish the amount of the share capital and to redraft the pertinent articles of the Articles of Association relative to share capital and to extend this authorisation for the period of time that is necessary to complete the conversion and/ or swap.

III. *Partial or total exclusion of the preferred subscription rights of shareholders and the holders of convertible debentures.*

To authorise the Board of Directors, pursuant to the terms of article 159.2 of the Public Limited Companies Act, to partially or completely exclude the preferred subscription rights of shareholders and holders of convertible debentures when this is necessary to raise financial resources on international markets or when it is otherwise deemed to be in the Bank's best interest. Should the Board decide to suspend preferred subscription rights in relation to a particular issue of convertible debentures which it ultimately decides to carry out under this authorisation, when the debenture issue is approved it will also draft in a detailed report on why such a measure is justified as mandated by law, which shall be accompanied by the correlative report of the auditors referred to in article 159.2 of the Public Limited Companies Act. These reports will be available to shareholders and the holders of convertible debentures and reported to the first General Meeting held after the decision is made to issue the debentures.

Two .- Admission to trading

To request admission to trading on secondary markets - official or unofficial, organised or unorganised, national or foreign - of the debentures issued under this resolution.

Likewise, to authorise the Board of Directors, which may in turn delegate the Executive Committee or the persons of its choosing, in the broadest terms allowed by law, to request and obtain permission for the new share issued under this resolution to trade on the stock markets where the Bank's shares are traded at the time of each capital increase through the Stock Market Interconnection System (Continuous Market) or the pertinent system in each case, drafting, presenting and executing any and all documents and taking any and all steps as may be necessary to that end.

For the purposes of article 27 b) of the Stock Exchange Act approved by Decree 1506/1967 of 30 June, it is hereby made known that the company shall abide by the rules that exist now or could be enacted in the future with regard to the stock exchange, and particularly with regard to the trading and the exclusion from trading of the Bank's shares. It is further made known that if a request were made in the future to cease trading the shares of Banco Popular Español, S.A., such a request shall be made with the same formalities referred to in that article, guaranteeing the interest of the shareholders who oppose or vote against the resolution, complying with the requirements established in the Public Limited Companies Act and concordant provisions, all in accordance with the terms of the aforementioned Stock Exchange Act, the Securities Market Act and related provisions.

Three.- Delegation of powers to the Board of Directors

To vest the Board of Directors with the powers that are legally required to determine the total value of each issue (in respect of the maximum authorised by the General Meeting), set the date

on which the capital increase or increases are to take place, and establish the other technical characteristics of the issue, including but not limited to:

- a) Deciding the amount of each issue, within the established limits.
- b) Determining the dates and deadlines for the issue, circulation and subscription of the securities (including capital increases), for the accrual and payment of interest, for the conversion and/or swap, for closing and for the redemption of the issues, all in compliance with the laws in force and internal Bank procedures.
- c) Establishing the exact denomination, numbering, series, issuing currency, place of subscription and par value of the debenture issues, which may never be less than the par value of the shares.
- d) Determining the fixed or adjustable interest rate, issue rate and redemption rate.
- e) Determining the pro rata standards, the maximum amount per subscriber during open subscription, the cash or in kind nature of the outlay, total or partial.
- f) Establishing the manner in which the cost of the issue will be distributed, the possible subordination of the issue and the priority of credit in relation to the obligations of the issuing bank, as well as the possibility of extending each series.
- g) Deciding on the circumstances under which the debentures may be redeemed early and how this will be accomplished, whether on the initiative of the bondholders or the issuing Bank, the redemption conditions and the eventual incorporation of options, warrants and other separately negotiable rights into the debentures, always respecting the maximum deadlines established in this regard.
- h) Defining the scope of the preferred subscription rights of shareholders and the holders of convertible debentures to new issues of shares or convertible debentures when such issues entail such preferred rights according to the law or the Articles of Association.
- i) Requesting that the newly issued securities be allowed to trade on official stock markets in Spain and abroad and any other authorised markets, drafting, executing and presenting any and all documents and taking any and all steps as may be necessary in this regard.
- j) Taking the steps needed to set up a Bondholder's Syndicate and appointing a Commissioner.

Adopting any other resolutions as may be required for the full and effective execution of the operations associated with issuing, subscribing, recovering and redeeming the securities and any complementary or auxiliary actions in relation thereto.

The Board of Directors is authorised to delegate some or all of the powers vested in it under this resolution to the Executive Committee, the Chairman, the CEO or the persons it deems fit, in terms as broad and sufficient as may be required by law, to establish and define the conditions inherent to any issues pursuant to this resolution and, should it be deemed fit, to apply to the securities market management companies, those managing other secondary markets and other public institutions and competent bodies, to admit the shares issued for listing, subjecting the company to the rules in place

or which may be issued in the future in the stock market field, particularly related to trading, permanence and exclusion from official listing.

AGENDA ITEM TEN

TEN.- Report on the remuneration policies affecting the members of the Board of Directors, for a consultative vote.

Proposal: Presentation to the General Meeting of Shareholders of the report on the remuneration policy affecting the members of the Board of Directors, for a consultative vote.

AGENDA ITEM ELEVEN

ELEVEN.- Empowerment of the Board of Directors, including delegation powers, with the authority to formalise, interpret, remedy and fully execute the resolutions of the General Meeting of Shareholders.

Proposal: To delegate the Board of Directors with all of the legal powers needed to take any and all actions as may be necessary or conducive to the full execution, development and effectiveness of the resolutions adopted by the General Meeting of Shareholders, including the power to delegate the Executive Committee or the persons of the Board's choice, taking any and all steps as may be necessary or conducive to obtaining the authorisations or inscriptions required by the Bank of Spain, the Ministry of the Economy and Taxation, the Comisión Nacional del Mercado de Valores, the Business Register or any other public or private body.

To that end, these powers shall include but are not limited to signing all kinds of public and private instruments, making declarations, publishing announcements, requesting authorisation, notifying supervisory authorities and requesting the registration of the resolutions in the pertinent registers. To that end, they may formalise, interpret, remedy, clarify, complete and execute, in the broadest sense, the resolutions adopted by the General Meeting in order to file them with the corresponding registers, and they rectify, clarify, complete or remedy those resolutions provided that such rectifications or corrections are in keeping with the spirit and legal framework of the resolutions and are limited to following the orders of the Bank of Spain, the Comisión Nacional del Mercado de Valores, the Directorate General of the Treasury and Financial Policy of the Ministry of the Economy and Taxation or any other competent authority.

The Chairman, Ángel Ron Güimil, the Vice President – Chief Executive, Roberto Higuera Montejo, the Secretary of the Board, Francisco Aparicio Valls and the Assistant Secretaries, Francisco Javier Zapata Cirugeda and Francisco Javier Lleó Fernández are authorised, jointly and severally, to appear before the competent administrative authorities, particularly the Bank

of Spain, the Ministry of the Economy and Taxation, the Comisión Nacional del Mercado de Valores, the governing bodies of the stock exchange and any other authority, administration or institution in relation to any of the decisions adopted by the General Meeting in order to take the actions that are needed for their full validity and effectiveness.

The Chairman, Ángel Carlos Ron Güimil, the Secretary of the Board, Francisco Aparicio Valls and the Assistant Secretaries Francisco Javier Zapata Cirugeda and Francisco Javier Lleó Fernández, are furthermore empowered, without distinction, to appear before a notary public to sign any and all public deeds which may be required to formalise and solemnise the foregoing resolutions, with the complementary faculties deemed convenient, until such time as they are registered or deposited in the corresponding register, even partially if necessary, and to rectify or correct the foregoing resolutions provided that such rectifications or corrections are limited to following the verbal or written instructions of the Business Registrar.

AGENDA ITEM TWELVE

TWELVE.- Information on the changes made to the Rules of the Board of Directors.

A report will be made to the General Meeting of Shareholders on the following changes made to the Rules of the Board of Directors in order to adapt them to the Unified Code of Good Governance.

AGENDA ITEM THIRTEEN

THIRTEEN.- Presentation of an explanatory report on the elements of the Directors' Report referred to in article 116 bis of the Stock Market Act.

Presentation to the General Meeting of Shareholders of an explanatory report on the elements of the Directors' Report referred to in article 116 bis of the Stock Market Act.