



PROPOSED RESOLUTIONS TO BE SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO POPULAR ESPAÑOL, S.A. TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN MADRID ON 29 MAY 2007 ON FIRST CALL OR ON 30 MAY 2007 ON SECOND CALL FOR ITS APPROVAL.

FIRST AGENDA ITEM

ONE.- Approval of the Annual Accounts (Balance Sheets, Profit and Loss Account and Annual Report) 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 2006.

Proposal: Approval of the Annual Accounts (Balance Sheets, Profit and Loss Account and Annual Report) 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 2006.

The individual and consolidated annual accounts and directors' report for fiscal year 2005, formulated by the Board of Directors at its meeting on 21 February 2007, are contained in the individual and consolidated annual reports, respectively.

The proposed distribution of 2005 profits earned by the Banco Popular Español as shown in the Annual Report is as follows:

	Euros
Distribution:	
Statutory reserves	-
Voluntary reserves	179,477,397.84
For investment in Canary Islands	-
Active dividends	505,619,936.64
Interim dividends	124,703,378.60
Unpaid dividends	380,916,558.04
Distributed profits	685,097,334.48
FY profits	685,097,334.48

Of the sum of 505,619,936.64 which will be allocated to the payment of dividends, shareholders have already received 377,148,717.16 euros for the first, second and third quarter interim dividends paid against 2006 profits. The remaining 128,471,219.48 euros refers to the payment of a complementary dividend against 2006 profits in the amount of 0.1057 euros per share. This dividend will be paid to shareholders on 12 July 2007.

SECOND AGENDA ITEM

TWO.- Amendment of certain articles of the Articles of Association

On the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, it is proposed that Articles 14, 16, 18, and 21 of the Articles of Association be modified to adapt them to the Unified Code of Good Governance of Publicly Listed Companies approved by the Comisión Nacional del Mercado de Valores, and that article 22 and 23 be modified and articles 24 and 25 relative to the Director General and the Secretary General be eliminated.

2.1 Amendment of Article 14 relative to limitations on attendance at General Meetings of Shareholders.

Proposal

Amendment of the wording of the first paragraph of article 14 of the Articles of Association in order to reduce the limitations on attendance at General Meetings of Shareholders as follows:

Article 14.- The General Meetings may be attended by shareholders possessing shares representing a nominal value of at least one hundred euros. Shareholders possessing fewer shares may be represented by another shareholder or by any member of a group of shareholders which is formed to meet the minimum requirements

2.2 Amendment of Article 16 relative to the Vice President of the Board of Directors.

Proposal

Amendment of Article 16 of the Articles of Association to include a fourteenth paragraph relative to the vesting of certain powers of the Chairman in the Vice President or the Chairmen of the Board Committees to be worded as follows from now on:

Likewise, the Vice President or if there is no Vice President the Chairmen of the Committees, may request that a Board of Directors meeting be held or the inclusion of new agenda items on the agenda.

2.3 Amendment of Article 18 in relation to the functions of the Secretary of the Board of Directors.

Proposal

Amendment of Article 18 of the Articles of Association to include two additional paragraphs at the end of the Article relative to the functions of the Secretary of the Board of Directors which will be worded as follows from now on:

The Secretary of the Board will ensure that the actions of the Board of Directors are in keeping with the letter and the spirit of the law and with the Articles of Association, the Regulations of the Board of Directors and the General Meeting and other internal rules and that they take into account the recommendations for good corporate governance accepted by the Company.

When there is no Secretary of a particular Board Committee, the Secretary of the Board of Directors will act as such and will be replaced by the Assistant Secretary or one of the Assistant Secretaries.

2.4 Amendment of Article 21 to regulate the Committees of the Board of Directors in newly created, separate articles.

Proposal

Amendment of Article 21 of the Articles of Association to include the current first three paragraphs and two new articles referring to the Audit and Control Committee (Article 22), which will consist of the fourth through last paragraphs of the current Article 21 which include a reference to the removal of Committee members, and the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee (Article 23), respectively. The wording of Articles 22 and 23 will be as follows:

Article 22.- The Board of Directors will set up an Audit and Control Committee.

The Committee will be composed of a minimum of three and a maximum of five members, with a majority of non-executive members appointed by the Board of Directors. The Committee Chairman will be elected by the Board from among the non-executive directors. The Chairman will be replaced every four years and may be re-elected one year after stepping down. The term of office of the remaining members of the Committee will be four years and they may be re-elected for successive four-year periods. The Committee members will be removed from the committee when they are no longer directors or by decision of the Board of Directors.

The Committee will meet as often as necessary to perform its functions and when convened by the Chairman or when requested by any of its members. It must meet at least twice a year. It will also meet when the Board of Directors requests a report or the formulation of proposals on matters falling under its jurisdiction.

The Committee may request the attendance of the auditors or members of the executive staff or other Bank personnel at its meetings for informational purposes.

The Committee will be validly constituted when one-half plus one of its components are present or represented at the meeting.

Resolutions will be passed with the favourable vote of a majority of members in attendance at the session, which must be convened by the Chairman or the person standing in for him.

The Committee will keep the Board of Directors permanently informed on the performance of its functions.

The minimum competencies of the Audit and Control Committee will be:

1. To inform the General Meeting of Shareholders on questions falling under its jurisdiction raised by shareholders.
2. To propose the appointment of external auditors to the Board of Directors for submission to the General Meeting of Shareholders.
3. To supervise internal auditing services.
4. To oversee the financial information process and the company's internal control systems.
5. To handle relations with external auditors in order to receive information on questions that may jeopardize the independence of external auditors and other matters related to the account auditing process as well as other communications required by accounting laws and technical accounting standards.

Article 23.- The Board of Directors will create an Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee.

The Committee will be composed of a minimum of three and a maximum of five members, with a majority of non-executive members appointed by the Board of Directors. The Committee Chairman will be elected by the Board from among the non-executive directors. The Committee members will be removed from the committee when they are no longer directors.

The Committee will meet as often as necessary to perform its functions and when convened by the Chairman or when requested by any of its members. It must meet at least twice a year. It will also meet when the Board of Directors requests a report or the formulation of proposals on matters falling under its jurisdiction.

The Committee may request the attendance of the auditors or members of the executive staff or other Bank personnel at its meetings for informational purposes.

The Committee will be validly constituted when one-half plus one of its components are present or represented at the meeting.

Resolutions will be passed with the favourable vote of a majority of members in attendance at the session, which must be convened by the Chairman or the person standing in for him.

The Committee will keep the Board of Directors permanently informed on the performance of its functions.

The Committee shall have authority over the appointment and remuneration policies of Directors and Executives, corporate governance and social responsibility and other responsibilities as assigned by the Board of Directors.

2.5 Amendment of Articles 22 and 23 and elimination of Article 24 in relation to the composition and powers of General Management.

Proposal

In order to update the composition of General Management and the functions it performs in relation to managing the company, it is proposed that Article 22 and part II of Article 23 be amended and that Article 24 of the Articles of Association be eliminated. The proposed wording of these articles would be as follows:

Article 22.- The technical and executive governing body is the Corporate General Management Department.

It is composed of a minimum of three and a maximum of seven members appointed by the Board of Directors from among the Bank's executive management staff in consultation with the Bank's Management Association. If a vacancy lasting longer than thirty days occurs, the rest of the members may elect a replacement by simple majority vote.

In recognition of its technical and professional character and in accordance with the statutory purpose of the Management Association, the members of the Corporate General Management Department shall be professionals with at least four years of service as Bank executives.

The Corporate General Management Department may be presided over by the ~~Chairman~~ Managing Director of the company ~~or by a member of the Board of Directors. If neither one of them occupies the position, the Chairman of the Department will be elected from among its members for a term that may not exceed five years without the possibility of re-election.~~

~~The certifications of resolutions will be issued by the Bank's General Secretary, acting in harmony with the Corporate General Management Department just as the Secretary of the Board acts with the Board of Directors.~~

Any amendment to the provisions of this article or to the provisions of article 23 below must be approved by the General Meeting of Shareholders after hearing the opinion of the Professional Directors Association.

Article 23.- The powers of the Bank's Corporate General Management Department are as follows:

...

- II) By self-empowerment in accordance with the Bylaws of the Directors' Association:
 - a) Outlining the Bank's rules of governance and management for the administration of the Bank's affairs, with the exception of those matter which must be decided by the Board of Directors.
 - b) ~~Defining the permanent professional training policy of employees and directors, informing them of their rights and responsibilities in connection with their professional conduct.~~
 - c) ~~Participating in the cases of awards and sanctions and in the rehabilitation of those who have been sanctioned.~~
 - d) ~~Regulating the procedure for employees' children to join the Bank as well as their prior and subsequent professional training.~~

2.6 Elimination of Article 25 relative to the Secretary General.

Proposal

Since this statutory office has been vacant for years, it is proposed that Article 25 of the Articles of Association which regulates the Secretary General be eliminated along with the reference to this figure contained in Article 11 of the Articles of Association, which would be worded as follows hereinafter:

Article 11.- The faculties of government, administration and representation of the company shall reside in the General Meeting of Shareholders, the Board of Directors, the Chairman or Chief Executive Officer and the Bank's Managing Director ~~and General Secretary.~~

The statutory amendments associated with this resolution are subject to administrative authorisation, pursuant to the terms of Royal Decree 1245/1995, of 14 July on the creation of banks, cross-border activities and other questions relative to the legal system governing credit institutions or simple notification for recording in the Special Register.

THIRD AGENDA ITEM

THREE- Amendment of certain Articles of the General Meeting Regulations:

Pursuant to the proposal of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, it is proposed that the Regulations of the General Meeting of Shareholders indicated below be modified to adapt them to the Unified Code of Good Corporate Governance of Publicly Listed Companies approved by the Comisión Nacional del Mercado de Valores.

3.1 Amendment of Article 8 in relation to the information to be included on the corporate website.

Proposal

Amendment of Article 8 of the Regulations of the General Meeting in order to include an additional paragraph 8.1.d) relative to the information on members of the Board of Directors to be included on the corporate website. This article will be worded as follows hereinafter:

- d) Information on the members of the Board of Directors that includes a professional profile and biography; other Boards of Directors they sit on; their category on the Company's Board of Directors, indicating in the case of nominee directors the shareholder they represent or with whom they have ties; the date of their first and subsequent appointments; and the stocks and stock options they possess in the Company.

3.2 Amendment of Article 9 to include new competencies among the powers of the General Meeting of Shareholders.

Proposal

Amendment of Article 9 to include the approval of reports on board member remuneration policies and operations involving structural modifications of the Company among the powers of the General Meeting of Shareholders by means of the inclusion of new sections i) to l) which shall be worded as follows:

- i) Voting as a separate agenda item and on a consultative basis on the reports on director remuneration policies.
- j) Transformation of publicly listed companies into holding companies through the creation of affiliates or the incorporation of subsidiaries to handle core business previously handled by the Company itself, even when the Company retains full control over them.
- k) Acquisition and disposal of essential operating assets when it involves a modification of the company's business objectives.
- l) Operations which have effects that are equivalent to winding up the company.

3.3 Amendment of Articles 12 (publication of meeting announcement) and 28 (voting on proposals) in relation to separate voting on substantially independent matters.

Proposal

Amendment of Article 12.2 and creation of a new part 3 in Article 28 of the Regulations of the General meeting in relation to separate voting on substantially independent matters, which shall be worded hereinafter as follows:

12.2 Along with the other legal and statutory requirements, the meeting announcement will include the date and time of the General Meeting of Shareholders and the agenda which will include the substantially independent matters for separate voting, the manner and the place where the proposed resolutions are to be made available to shareholders and the legal documentation including the different reports and documents which must be distributed the shareholders in advance and the e-mail address and telephone number for shareholder queries.

28.3 As established on the meeting Agenda, the shareholders will vote separately on matters which are substantially different to enable shareholders to exercise their voting preference separately. In particular, this rule shall apply to:

- a) The appointment or ratification of Directors, each of which must be voted on individually.
- b) In the case of amendments of the Articles of Association, each article or group of articles which is substantially independent.
- c) Voting, on a consultative basis, on the reports on Director remuneration policies.

3.4 Amendment of Article 28 in relation to the splitting of votes at General Meetings.

Proposal

Creation of a new part 6 to Article 28 of the Regulations of the General Meeting in relation to the splitting of votes at General Meetings of Shareholders which shall be worded as follows:

28.6 The Company will allow the splitting of votes so that the financial intermediaries acting as legitimate shareholders but representing different clients may cast their votes following their clients' instructions.

FOURTH AGENDA ITEM

FOUR.- Appointment and Re-election of Directors.

4.1 Appointment of Nicolás Osuna García as an Independent Director

Proposal:

Following the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Board of Directors at its session held on 19 April 2007 agreed to appoint Nicolás Osuna García to the Board of Directors.

In view of his professional and biographical profile, the Board proposed that he be named an Independent Director.

4.2 Appointment of Helena Revoredo Delveccio as an Independent Director

Proposal:

Following the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Board of Directors at its session held on 19 April 2007 agreed to appoint Helena Revoredo Delveccio to the Board of Directors.

In view of his professional and biographical profile, the Board proposed that she be named an Independent Director.

4.3 Re-election of Luis Herrando Prat de la Riba as an Independent Director.

Proposal:

Following the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Board of Directors at its session held on 19 April 2007 agreed to re-elect Luis Herrando Prat de la Riba to the Board of Directors.

In view of his professional and biographical profile, the Board proposed that he be named an Independent Director.

4.4 Re-election of Francisco Aparicio Valls as the Chief Executive Officer

Proposal:

Following the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Board of Directors at its session held on 19 April 2007 agreed to re-elect Francisco Aparicio Valls to the Board of Directors.

In view of his professional and biographical profile, the Board proposed that he be named the Chief Executive Officer.

4.5 Re-election of the *Sindicatura de Accionistas de BPE* as a nominee director.

Proposal:

Following the recommendation of the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Board of Directors at its session held on 19 April 2007 agreed to re-elect the Sindicatura de Accionistas de BPE to the Board of Directors.

In view of his profile, the Board proposed that it be named a nominee director.

FIFTH AGENDA ITEM

FIVE.- Re-election of Auditors to audit the financial statements of the Bank and its consolidated group.

Proposal: Following the recommendation of the Audit and Control Committee, assumed by the Board of Directors and pursuant to article 204 of the Spanish Public Limited Companies Act, re-election of PricewaterhouseCoopers Auditores, S.L. as the auditors of the financial statements of the Bank and its consolidated group for one year.

SIXTH AGENDA ITEM

SIX.- Authorisation to acquire treasury stock, under the conditions permitted by law, and to amortize them against stockholder equity through a reduction of capital, up to a limit of five percent (5%) of the share 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 five percent of the share capital at any given time.
- * The Bank and any acquiring subsidiary must be able to fund the unavailable reserve stipulated by law in these cases without depleting the capital or the legally unavailable reserves.
- * All shares thus acquired must be paid in full.
- * The minimum and maximum purchase prices may not be more than 20% more or less than the quoted price of the shares on the stock market on the date of the purchase.

This authorisation, which is granted for the maximum legal period, is understood without prejudice to the circumstances envisaged in the Law such as the freedom of acquisition.

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 operation but within eighteen months of the date of the General Meeting.

This authorisation encompasses and replaces the authorisation granted at the Ordinary and Extraordinary General Meeting of Shareholders held on 31 May 2006.

SEVENTH AGENDA ITEM

SEVEN.- Authorisation to the Board of Directors to issue promissory notes, bonds and debenture, 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 unstable interest rate, within the maximum legal period of five years.

Proposal:

1.- To invalidate the resolution passed by the General Meeting of Shareholders on 25 May 2005, item eight on the Agenda, authorising the Board of Directors to issue securities.

2.- 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 unstable interest rate, within the maximum legal period of five years. 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.

3.- Pursuant to the terms of Article 141.1 of the Public Limited Companies Act, the Board of Directors is also hereby authorised to delegate all or part of the powers conferred on it in this resolution, to the Executive Committee, the President, the CEO or persons the Board deems convenient, as broadly and sufficiently as may be required by law.

EIGHTH AGENDA ITEM

EIGHT- 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.

NINTH AGENDA ITEM

NINE.- Report to the General Meeting on changes introduced to the Board of Directors Rules.

Proposal: Report to the General Meeting of Shareholders on the changes introduced in the Board of Directors Rules.

Amendment of Article 6 B) b1) to raise the ownership percentage to 5% of the share capital to class a Director as a nominee director, in accordance with the definition contained in the Unified Code of Good Corporate Governance to be worded as follows:

b1) Nominee Directors: proposed by the shareholders who control 5% or more of the Bank's share capital or designated a such in view of their status as shareholders although their ownership percentage is less than 5%.

Amendment of the second paragraph of point 1 of Articles 24 and 25) to reflect the fact that when the Board of Directors does not appoint a Secretary of the Audit and Control Committee or the Appointments, Remuneration, Corporate Governance and Conflict of Interest Committee, the Secretary of the Board of Directors will act as such and may be replaced by the Undersecretaries of the Board. The proposed wording would be as follows:

The Board of Directors will appoint a Committee Chairman from among the Committee members, as well as a Secretary, who need not be a Committee member. When no Secretary is appointed, the Secretary of the Board of Directors will act as such and may be replaced by the Assistant Secretary or one of the Assistant Secretaries.

TENTH AGENDA ITEM

TEN.- Tax filing under the tax consolidation scheme provided for in Chapter VII, Title VII of the revised text of the Corporate Income Tax Act approved by Royal Legislative Decree 4/2004 of 5 March.

Proposal: As of 1 January 2008, tax filing under the tax consolidation scheme provided for in Chapter VII, Title VII of the revised text of the Corporate Income Tax Act approved by Royal Legislative Decree 4/2004 of 5 March.

ELEVENTH AGENDA ITEM

ELEVEN.- Empowerment of the Board of Directors with the authority to formalise, interpret, remedy and execute the resolutions passed by the General Meeting of Shareholders and to approve the revised text of the Articles of Association.

Proposal: To vest the Board of Directors with the powers that are legally necessary to fully execute the resolutions passed by the General Meeting of Shareholders, including the ability to delegate the Executive Committee or other persons with such powers as the Board deems appropriate and to take any and all actions as may be required to obtain the authorisation or registration required by the Bank of Spain, the Directorate General of the Treasury and Financial Policy, the National Stock Market Commission, the Business Register or any other public or private entity. To this end, they are authorised with the broadest powers to formalize, interpret, remedy and execute the resolutions passed by the General Meeting until they are definitively registered in all corresponding registers and to rectify or correct such resolutions, provided that such rectifications or corrections are limited to following the verbal or written instructions of the Business Registrar of the competent government authority.

The Chairman of the Board, Ángel Carlos Ron Güimil, the Secretary of the Board, Francisco Aparicio Valls, and the Vice Presidents, Francisco Javier Zapata Cirugeda and Francisco Javier Lleó Fernández, are further empowered to appear individually before a notary public and to sign and grant any and all public deeds as may be necessary to formalise the preceding resolutions, with the complementary authority to take any and all decisions as may be necessary to register or deposit them with the pertinent Registers, including partial registration if necessary, and to rectify or correct the said resolutions, provided that such rectifications or corrections are limited to following the verbal or written instructions of the Business Registrar

Finally, the Board of Directors is vested with the authority to approved a new, revised text of the Articles of Association within one year, with the specific authority to renumber the Articles based on the approved amendments and to introduced any corrections or clarifications as may be required for a better understanding, as long as they do not alter the meaning of the approved amendment.
