



Information to the holders of financial instruments issued by Banco Popular Spanish, S.A. deposited in BBVA

BBVA would like to inform its customers who have deposited securities of Banco Popular Español, S.A. in the bank that the Governing Committee of the Fund for the Orderly Restructuring of the Banking Sector (FROB), in its session held on June 7, 2017, has agreed to adopt the **necessary measures to implement the resolution operative on this entity, whereby the instrument of resolution is the sale of the business by means of the transmission of its stock.**

In compliance with the regulation on resolution, it has been established that the holders of ordinary shares and the holders of additional tier 1 and tier 2 equity instruments shall absorb the corresponding losses before any other resolution measure is adopted (the details of these instruments are available in the table on page 2).

Therefore, the holders of shares in Banco Popular Español, S.A., the holders of additional tier 1 equity instruments and the holders of additional tier 2 equity instruments shall assume the losses generated in this entity derived from its negative economic valuation as well as from the price offered for its purchase.

In order to carry out the above decision, the FROB has taken the following measures:

1. The share capital has been reduced to zero, which has entailed the impairment (extinction) of all the shares in this entity that have been available for trading on the stock market;
2. The contingent convertible bonds that this company had issued have been converted into shares, and a second reduction of the share capital to zero has been carried out, which has also resulted in their impairment;
3. The subordinated bonds that the entity had issued have also been converted into shares; and The entirety of the shares resulting from the conversion of the subordinated bonds referred to above have been sold by means of a competitive auction process, in which Banco Santander, S.A. has been the successful bidder for a total sum of one euro".

If you do not have any of the assets mentioned below, this information is not affected

Details of the financial instruments of Banco Popular Español, S.A. that have been affected

1. The shares in Banco Popular Español, S.A., ISIN ES0113790226, are impaired in their entirety.
2. The faculty of conversion and subsequent impairment will fall upon the following additional tier 1 equity instruments:

ADDITIONAL TIER 1 CAPITAL

Issuer	ISIN
Banco Popular Español S.A.	XS0979444402
Banco Popular Español S.A.	XS1189104356
Popular Capital S.A.	DE0009190702
Popular Capital S.A.	DE000A0BDW10
Popular Capital S.A.	XS0288613119
Pastor Participaciones Preferentes S.A.U.	X80225590362

3. Finally, the conversion of the nominal amount of the level 2 equity instruments is required, as it is necessary to achieve the objectives of the resolution. Thus, the following issues will be affected by the exercising of this faculty:

TIER 2 INSTRUMENTS

Issuer	ISIN
Banco Popular Español S.A.	ES0213790001
Banco Popular Español S.A.	ES0213790019
Banco Popular Español S.A.	ES0213790027
BPE Financiaciones S.A.	XS0550098569

Issuer	ISIN
Total Bankshares Corporation	SUBORDINATED DEBT TOTAL BANK 1
Total Bankshares Corporation	SUBORDINATED DEBT TOTAL BANK 2
Total Bankshares Corporation	SUBORDINATED DEBT TOTAL BANK 3
Total Bankshares Corporation	SUBORDINATED DEBT TOTAL BANK 4



For further information, BBVA provides information on bank recapitalisation instruments at <https://www.bbva.es/sistema/meta/info-legal/instrumentos-recapitalizacion.jsp>

In addition, the document related to the resolution process is available on the CNMV's website (cnmv.es), as well as an Informative Note from the CNMV on this transaction (you may request a copy of these documents at your BBVA branch).

Transactions and enquiries available via:



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