

Madrid, 1st December 2017

**PRICE SENSITIVE INFORMATION COMMUNICATION
TO THE
COMISIÓN NACIONAL DEL MERCADO DE VALORES**

Banco Popular Español, S.A. informs it has reached an agreement to sell the entire stake it holds in its subsidiary Totalbank.

The agreed sale price is USD 528 million (c. EUR 444 million), with a capital gain in Popular's individual accounts of EUR 170 million. This sale will have a positive impact of 60 basis points in its CET1 (fully-loaded) capital ratio.

It is also expected to have a positive impact of 5 basis points in Grupo Santander's CET1 (fully-loaded) capital ratio, and a non-material effect in its profit-and-loss account.

The transaction is subject to the usual conditions and regulatory authorizations, and is foreseen to be closed during the second semester of 2018.