

# Mergers: Commission approves acquisition of Banco Popular Español S.A. by Banco Santander

Banco Santander and Banco Popular universal banks, providing commercial, retail investment and wholesale banking services as well as insurance services in Spain and Portugal. The Commission investigated the transaction's impact on the markets for retail and corporate banking, leasing, factoring and the provision of ATM services in the Portuguese and Spanish national and regional markets.

Its investigation concluded that the transaction would not raise competition concerns. The parties' combined market shares are generally limited (below 25%) and strong competitors will remain in all affected markets.

Today's decision is the final step by the Commission clearing the acquisition. It follows the Commission's [approval on 7 June 2017](#) of the resolution scheme of Banco Popular under EU bank recovery and resolution rules, which was based on a proposed resolution scheme by the [Single Resolution Board](#) (SRB).

## **Companies and products**

**Banco Santander** is the parent company of an international group of banking and financial companies, operating mainly in Spain, other European countries including Portugal and the United Kingdom, Latin America and the United States.

**Banco Popular** is a Spanish financial entity listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.), operating mainly in Spain and Portugal. The resolution of Banco Popular was approved under [EU bank recovery and resolution rules](#). It involved the sale of Banco Popular to Banco Santander.

## **Background**

On 6 June 2017, the European Central Bank decided that Banco Popular was "failing or likely to fail" in accordance with Article 18(1) of the Single Resolution Mechanism set out in Regulation (EU) No 806/2014.

On 7 June 2017 the [Commission approved](#), in line with the Single Resolution Mechanism Regulation, the resolution scheme of Banco Popular, based on the proposal by the Single Resolution Board. Following the adoption of the resolution scheme, the entire business of Banco Popular and its subsidiaries were transferred to Banco Santander as of 7 June 2017. The customers of Banco Popular continued to be served with no disruption to the economy. All depositors continued to have uninterrupted access to the full amount of their deposits.

On the same day the Commission also adopted a [decision](#) based on Article 7(3) of the EU Merger Regulation granting the derogation from the standstill obligation, subject to certain conditions. Under this decision, Banco Santander could take certain measures to the extent necessary for Banco Popular's financial stability, pending the Commission's approval of its acquisition of Banco Popular under EU merger rules. The compliance with these conditions has been monitored by a Monitoring Trustee.

### **Merger control rules and procedures**

The transaction was notified to the Commission on 14 July 2017.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

A non-confidential version of today's decision will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8553](#).