

PRICE SENSITIVE INFORMATION

Banco Popular Español, S.A.U. (“**Banco Popular**”) announces that its Board of Directors and the Boards of Directors of Banco Pastor, S.A.U. (“**Pastor**”) and Popular Banca Privada, S.A.U. (“**Popular Banca Privada**”) have agreed the merger by absorption of Pastor and Popular Banca Privada by Banco Popular, pursuant to the procedure established in Articles 49 and 51 of the Spanish Structural Modifications Law (the “**Subsidiaries’ Merger**”); and that, additionally and subject to the effectiveness of the first one, its Board of Directors and that of Banco Santander, S.A. (“**Santander**”) have agreed the merger by absorption of Banco Popular by Santander, pursuant to the procedure established in Articles 49 and 51 of the Spanish Structural Modifications Law (the “**Principal Merger**”)

Accordingly,

- (i) On one hand, the Boards of Directors of Banco Popular, Pastor and Popular Banca Privada have agreed to approve and sign the common draft terms of the merger by absorption of Pastor and Popular Banca Privada (being the absorbed companies) by Banco Popular (being the absorbing company). The absorbed companies are directly wholly-owned by Banco Popular.

In accordance with the abovementioned common draft terms of merger, once the Subsidiaries’ Merger is completed, and after the mandatory authorisation of the Subsidiaries’ Merger by the Minister of Economy, Industry and Competitiveness has been obtained, Banco Popular will acquire, by universal succession, all of the assets and liabilities of each of the absorbed companies.

- (ii) On the other, the Boards of Directors of Banco Popular and Santander have agreed to approve and sign the common draft terms of the merger by absorption of Banco Popular (being the absorbed company) by Santander (being the absorbing company). Banco Popular is directly wholly-owned by Santander.

In accordance with the abovementioned common draft terms of merger, once Principal Merger is completed, and after the mandatory authorisation of the Principal Merger by the Minister of Economy, Industry and Competitiveness has been obtained, and satisfied (or, when applicable, waived) the rest of the conditions precedent whom the Principal Merger is subject to, Santander will acquire, by universal succession, all of the assets and liabilities of Banco Popular, including those acquired from Pastor and from Popular Banca Privada by virtue of the Subsidiaries’ Merger and whose registration is required to the effectiveness of the Principal Merger.

The draft terms of merger are available on the corporate websites of Banco Popular (www.grupobancopopular.com) as well as, in each case, as applicable, on the corporate websites of Santander (www.santander.com), Pastor (www.bancopastor.es) and Popular Banca Privada (www.popularbancaprivada.es).