

Santander recovers management of Banco Popular's ATMs and cards

- The Bank reaches an agreement with Euro Automatic Cash that allows customers throughout the Group (Santander, Popular, Pastor and Openbank) to use 7,500 ATMs in Spain free of charge.
- Euro Automatic Cash (50% Santander Group and 50% Crédit Mutuel Group) will continue to operate a network of ATMs, free for customers of Santander Group, and will continue to serve the entities with which it has agreements.
- Popular will acquire the credit and debit card business commercialized by Popular in Spain and Portugal, and will sell to Varde its 49% stake in WiZink.
- Santander Group and Blackstone form a joint venture that will manage Banco Popular's real estate business, with stakes of 49% and 51%, respectively.

Madrid, 26 March 2018 - PRESS RELEASE

Santander reorganizes Banco Popular's partnerships with third parties to recover management of strategic businesses and facilitate the integration, with a view to improve customer experience.

The Bank reached an agreement with Euro Automatic Cash, the owner of Popular's ATMs, to offer all customers of the Santander Group (Santander, Popular, Pastor and Openbank) use of the latter's entire network of 7,500 ATMs in Spain, free of charge. Popular's clients have been able to use the ATMs owned by Santander since last October, but the agreement with this company, needed in order for customers of Santander to have free access to Popular's ATM network, had not yet been closed.

To make this agreement possible, Santander Group and Crédit Mutuel, co-owners of Euro Automatic Cash, have redefined the partnership agreement they signed in 2014, which transferred ownership of Popular's network of ATM's to Euro Automatic Cash. The new agreement means that Popular recovers the ATMs installed in its branches and, at the same time, Santander transfers the ATMs located outside of its branches to Euro Automatic Cash.

Euro Automatic Cash will continue to serve entities with which it has agreements and will continue, with the support of its partners, to carry out its strategic plan. Clients of Santander Group will also be able to use this network free of charge, according to the agreement.

Until now, Popular's ATMs only allowed cash withdrawals and account balance and activity inquiries. With this agreement, Santander will be able to install ATM machines in Popular's branches that can accept deposits, bills/tax payments and new functions, which will improve the service to customers and streamline branch operations.

The transaction does not consume capital and maintains the share structure of Euro Automatic Cash, 50% property of Euro Information (Crédit Mutuel Group) and 50% Popular (Santander Group).

External Communications

Ciudad Grupo Santander, edificio Arrecife, pl. 2
28660 Boadilla del Monte (Madrid) Tel.: +34 91 2895211
comunicacion@gruposantander.com
www.santander.com - Twitter: @bancosantander

In addition, Banco Santander reached an agreement with Varde to recover ownership of Popular's credit and debit card business in Spain and Portugal. In 2014, this business was transferred to WiZink, a company 49% owned by Popular and 51% by Varde. The current agreement means that Popular would sell its 49% stake in Wizink to Varde.

Santander Group expects that the net effect of both transactions will have a positive impact on its fully loaded CET1 capital ratio of approximately 10 basis points. These transactions will not have significant impact on the Group's financial results.

The transactions with Varde and WiZink are subject to the relevant regulatory approvals, expected for the second half of 2018.

Finally, last week, Santander Group and Blackstone formalized the transfer of part of Banco Popular's non-performing real estate business (as well as its management unit, Aliseda Servicios de Gestión Inmobiliaria, S.L.) to a company in which they will have 49% and 51% stakes, respectively. This transaction was communicated on 8 August of last year.

External Communications

Ciudad Grupo Santander, edificio Arrecife, pl. 2
28660 Boadilla del Monte (Madrid) Tel.: +34 91 2895211
comunicacion@gruposantander.com
www.santander.com - Twitter: @bancosantander