

EMEA DC Statement February 21, 2019

The EMEA DC decided that: (i) for the purposes of the 2014 Definitions, Banco Santander, S.A. became the Successor to Banco Popular Español, S.A.U. and the Succession Date was 28 September 2018; and (ii) for the purposes of the Updated 2003 Definitions, there is no Successor to Banco Popular Español, S.A.U.

Background

Capitalised terms used but not defined in this statement have the meaning given to them in the 2018 ISDA Credit Derivatives Determinations Committees Rules (September 28, 2018 Version) (including in the Updated 2003 Definitions and the 2014 Definitions, as defined therein).

On 28 September 2018 the merger of Banco Popular Español, S.A.U. (the **Reference Entity**) into Banco Santander, S.A. (**Banco Santander**) was registered in the Commercial Registry of Cantabria (the **Merger**). The statement of Banco Santander announcing the registration of the Merger confirmed that “Banco Santander has become the issuer (or, as the case may be, the guarantor) of all issuances of Banco Popular outstanding at this date or in which it acted as guarantor”¹.

Section 2.2(c)(i) of the 2014 Definitions provides that an entity may only be a Successor if either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014.

The Succession Date did not occur on or after the Successor Backstop Date, being ninety calendar days prior to the Successor Resolution Request Date (which was 8 January 2019) but the EMEA DC determined that Banco Santander was the Universal Successor to the Reference Entity as Banco Santander assumed all obligations of the Reference Entity (including at least one Relevant Obligation) and the Reference Entity ceased to exist as of the Succession Date. Accordingly, Banco Santander was the sole Successor to the Reference Entity.

The Updated 2003 Definitions do not contain the concept of a Universal Successor, and require in all cases that the legally effective date of the Succession Event to occur on or after the Succession Event Backstop Date (again, ninety calendar days prior to the Succession Event Resolution Request Date). The EMEA DC therefore determined that, for the purpose of the Updated 2003 Definitions, there was no Successor to the Reference Entity.

¹ Statement dated 28 September 2018 by Banco Santander available [here](#).