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COMP/M.5293 - SANTANDER / ALLIANCE & LEICESTER

SECTION 1.2

Description of the concentration

On 14 July 2008 Banco Santander, S.A. (“Santander”) and Alliance & Leicester (“A&L”) made an announcement to the London Stock Exchange under Rule 2.5 of the City Code, setting out the terms of a recommended acquisition by Santander of A&L. The acquisition will be effected by way of a scheme of arrangement and under the terms of the offer each A&L shareholder will receive one Santander share for every three A&L shares.

The offer is conditional on certain approvals of the Santander and A&L shareholders, the sanction of the scheme of arrangement by the court and merger and regulatory approvals, including from the European Commission.

Santander is the parent company of an international group of banking and financial companies operating in the UK, Spain and some other European countries, as well as in Latin America. Santander is mainly active in retail banking and asset management, corporate banking, investment banking and treasury. A&L is active in retail and commercial banking in the UK.

The acquisition will strengthen A&L’s capital and liquidity position, allow substantial efficiencies – making both A&L and Santander’s UK business (Abbey) better able to compete and create a more effective competitor in the key personal account and SME banking markets.