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## **M.8077 - BANCOPOPULAR-E / BANCO POPULAR PORTUGA**

### **SECTION 1.2**

#### **Description of the concentration**

1. The notified operation consists of the projected acquisition by Bancopopular-e S.A. ("**E-Com**" or the "**Acquirer**") of the payment cards' business of Banco Popular Portugal, S.A. (the "**Assets**") from Banco Popular Portugal, S.A ("**BPOP**"), which is a wholly-owned subsidiary of Banco Popular Español S.A. ("**Banco Popular**") (the "**Proposed Transaction**").
2. E-Com is a full function joint venture controlled by Banco Popular and certain private affiliated funds managed by Värde Partners Inc. ("Värde"),<sup>1</sup> each of which holds, respectively, a 49% and 51% stake in E-Com.<sup>2</sup>
3. Based on this, the Proposed Transaction can be viewed as entailing the transfer to a full function joint venture (E-Com) by one of its parent companies (Banco Popular) of a set of assets which constitutes the basis or nucleus of an extension of the activities of this joint venture into a new geographic market.<sup>3</sup> As such, by virtue of paragraphs 106 and 107 of the Consolidated Jurisdictional Notice,<sup>4</sup> and the decisional practice of the European Commission<sup>5</sup> the Proposed Transaction leads to a concentration operation entailing the change from sole control by Banco Popular to joint control by Banco Popular and Värde over the Assets, in which the undertakings concerned are Värde and Banco Popular.
4. The business activities of the Assets, E-Com, Banco Popular and Värde are as follows:
  - The business activities of the Assets are confined to the market for the issuing of payment cards in Portugal.

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<sup>1</sup> The affiliated funds managed by Värde holds the 51% stake in E-Com via an indirectly wholly-owned Luxembourg subsidiary Aneto S.a.r.L.

<sup>2</sup> The acquisition of joint control over E-Com by Värde and Banco Popular ("**Project Olimpo**") was cleared by the European Commission on 10 December 2014 (COMP. M.7415 Värde /Banco Popular/E-Com).

<sup>3</sup> The Assets will enable E-Com to spread the geographic scope of its payment card activities to the Portuguese market.

<sup>4</sup> Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings of 16 April of 2008.

<sup>5</sup> Case COMP/M.3039 — Soprol/Céréol/Lesieur of 30 January 2003.

- E-Com provides services related to the issuing of payment cards and, to a lesser extent, the insurance distribution within the Spanish market. E-Com is not currently active in Portugal.
- Värde is a global investment firm, with its head office in Minneapolis, USA and offices in London and Singapore, which focuses on credit and event driven strategies with a global investor base including foundations and endowments, pension plans, insurance companies and other institutional investors. Its activities are focused primarily in the United States, Europe and Asia. It has no activities which overlap with the Target.
- Banco Popular is a Spanish listed firm which specializes in retail and commercial banking in Spain and Portugal. Following the Proposed Transaction Banco Popular will not retain any activity which overlaps with the activities of the Assets.