

## **Santander signs alliance with a group led by Warburg Pincus to create a leader in the custody business**

- **A group led by Warburg Pincus that includes Temasek will acquire a 50% stake in Santander's custody business in Spain, Mexico and Brazil subject to legal and regulatory approvals.**
- **The agreement creates a leading player in both Spain and Latin America and accelerates the business' service and growth potential.**
- **Customers will benefit from an enhanced operating platform.**
- **The transaction values the business at EUR 975 million and will generate a net capital gain for the Santander Group of EUR 410 million.**

**Madrid, June 19, 2014.** Banco Santander has entered into a definitive agreement with FINESP Holdings II B.V., an affiliate of Warburg Pincus, a global private equity firm focused on growth investing, to create a leader in the custody business. Under the terms of the agreement, which is conditional upon legal and regulatory approvals, the group which will also include Temasek, a Singapore based investment company, will acquire a 50% stake in Santander's current custody operations in Spain, Mexico and Brazil. The remaining 50% will be owned by Santander. The transaction is expected to close in the fourth quarter of 2014.

Santander is a leading custody provider in Spain, Brazil and Mexico, with EUR 738 billion in assets under custody. The transaction values Santander's custody operations in these countries at EUR 975 million and will generate a net capital gain for the Santander Group of approximately EUR 410 million, which will be used to strengthen the balance sheet.

The company will focus on enhancing the products and services provided to its customers through greater investment in its technology platform and team.

Warburg Pincus is a global private equity firm focused on growth investing with more than \$37 billion assets under management. The firm has a long standing successful track record in financial services investing, and has previously partnered with Banco Santander to jointly build best-in-class businesses. Incorporated in 1974, Temasek is an investment company based in Singapore. Supported by 11 offices globally, Temasek owns a \$215 billion portfolio as at 31 March 2013, with 71% of its underlying assets in Asia (including Singapore), and 25% in the mature economies of North America, Europe, Australia & New Zealand. Around 2% of the portfolio is held in Latin America.



Banco Santander's Chief Executive Officer, Javier Marín said: "With this alliance, Santander will significantly increase its fund administration, depositary and custody business in markets where we are already leading providers. The transaction will enable us to increase and improve the products and services we offer our clients, with a higher value-added proposition adapted to their needs."

Daniel Zilberman, Warburg Pincus Managing Director and Head of its European Financial Services Group, said "We are pleased to partner with Banco Santander and the Santander Custody management team to enhance the company's focus on providing best-in-class products and services to its customers in Spain and Latin America. The custody market benefits from long term structural growth and we look forward to supporting management in accelerating the company's growth and service offering."

**Banco Santander (SAN.MC, STD.N, BNC.LN)** is a retail and commercial bank, based in Spain, with a presence in 10 main markets. Santander is the largest bank in the euro zone by market capitalization. Founded in 1857, Santander had EUR 1.24 trillion in managed funds, 103 million customers, 13,927 branches –more than any other international bank– and 182,958 employees at the close of 2013. It is the largest financial group in Spain and Latin America. It also has significant positions in the United Kingdom, Portugal, Germany, Poland and the northeast United States. Santander registered EUR 4.37 billion in attributable profit in 2013, an increase of 90% from the previous year.

**Warburg Pincus LLC** is a leading global private equity firm focused on growth investing. The firm has more than \$37 billion in assets under management. The firm's active portfolio of more than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than \$48 billion in over 700 companies in more than 35 countries. Current and past financial sector investments include Aeolus Re, Arch Capital, Capital First, Datong International, FIS, HDFC, IDC, Kotak Mahindra Bank, Mellon Bank, National Penn, Bancshares, Primerica, Renaissance Re Holdings, Sterling Financial, Santander Consumer USA, Santander Asset Management, The Mutual Fund Store and Webster Financial. The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mauritius, Mumbai, San Francisco, Sao Paulo and Shanghai. For more information please visit [www.warburgpincus.com](http://www.warburgpincus.com).

**Temasek** is an investment company based in Singapore incorporated in 1974. Supported by 11 offices globally, Temasek owns a \$215 billion portfolio as at 31 March 2013, with 71% of its underlying assets in Asia (including Singapore), and 25% in the mature economies of North America, Europe, Australia & New Zealand. Around 2% of the portfolio is held in Latin America. Temasek's investment themes centre on: transforming economies, growing middle income populations, deepening comparative advantages y emerging champions. Temasek's portfolio covers a broad spectrum of sectors: financial services; transportation, logistics and industrials; telecommunications, media & technology; life sciences, consumer & real estate; energy & resources. Temasek's Total Shareholder Return since inception in 1974 has been 16% compounded annually. The company has had a corporate credit rating of AAA/Aaa since its inaugural credit rating in 2004, by rating agencies Standard & Poor's and Moody's respectively. For more information on Temasek, please visit [www.temasek.com.sg](http://www.temasek.com.sg).



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