

**HD** Grupo Financiero Santander Mexico, S.A.**B.** de C.V. Grupo Financiero Santander Mexico Announces That Its Parent **Company**, Banco Santander, S.A. Has Signed An Alliance With A **Group** Led By Warburg Pincus To Create A Leader In The Custody Business

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2014 JUL 1 (VerticalNews) -- By a News Reporter-Staff News Editor at **China** Weekly News -- Grupo Financiero Santander Mexico, S.A.**B.** de C.V. (BMV: SANMEX; NYSE: BSMX) ("Santander Mexico"), one of the leading financial groups in Mexico, announced that its parent **company**, Banco Santander, S.A. ("Santander") has entered into a definitive agreement with FINESP Holdings II **B.V.**, an affiliate of Warburg Pincus, a leading global private **equity firm** focused on growth investing, to create a leader in the custody business.

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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 leading 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 Marin 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."

Dan 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."

About Grupo Financiero Santander Mexico (NYSE: BSMX; BMV: SANMEX) Grupo Financiero Santander Mexico, S.A.**B.** de C.V. (Santander Mexico), one of Mexico's leading financial services holding companies, provides a wide range of financial and related services, including retail and **commercial** banking, securities brokerage, financial advisory and other related investment activities. Santander Mexico offers a multichannel financial services platform focused on mid- to high-income individuals and small- to medium-sized enterprises, while also providing integrated financial services to larger

multinational companies in Mexico. As of March 31, 2014, Santander Mexico had total assets of Ps.867.3 **billion** under Mexican GAAP and more than 10.7 **million** customers. Headquartered in Mexico City, the **Company** operates 1,038 branches and 241 offices nationwide and has a total of 14,384 employees.

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).

Keywords for this news article include: Asia, **China**, Economics, Singapore, Technology, Finance and Investment, Investment and Finance, Grupo Financiero Santander Mexico S.A.**B.** de C.V..

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**CO** bcosnt : Banco Santander Mexico S.A. | bncstd : Banco Santander SA | invmxo : Grupo Financiero Santander Mexico S.A.B. de C.V. | wpcap : Warburg Pincus LLC

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