

Santander and its subsidiary Bank Zachodni WBK acquire Deutsche Bank's retail banking business in Poland

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Banco Santander S.A. ("Santander") and its Polish subsidiary, Bank Zachodni WBK ("BZ WBK"), today announced that they have agreed to acquire the retail and private banking businesses from Deutsche Bank Polska, S.A. (excluding its foreign currency mortgage portfolio and including the shares of DB Securities, S.A. (Poland)) for an estimated total consideration of €305 million.

The acquisition will enhance BZ WBK's position as the third largest financial institution in Poland, with 6.8 million customers and market share of more than 11.7% in loans and 11% in deposits. Furthermore, BZ WBK will become the leading private banking services provider in Poland.

The acquisition includes Deutsche Bank Polska's retail and private banking business, SME business, asset management arm, and sales networks, with 113 branches and approximately 1,500 employees. The acquired business has €4,350 million in assets, with total loans of €4,300 million and customer deposits €2,505 million (at 30 June 2017).

Based on current figures¹, the integrated bank will have total assets of approximately €39.8 billion, with €30.3 billion in loans and €28.3 billion in customer deposits.

Banco Santander's Executive Chairman, Ana Botín, said: *"We have an outstanding business in Poland with the best mobile banking platform in the country. The Polish economy has been among the strongest in Europe and we see significant potential to grow our business further in the coming years. The acquisition enhances our position in important customer segments, such as private banking and SMEs, while also delivering strong returns for our shareholders."*

The deal, which is subject to regulatory and other approvals, is expected to close by the end of 2018. It is expected to deliver a return on investment of 15% by 2021 and have a positive impact on Santander's earnings per share, with no material impact on Santander's capital ratios.

About Bank Zachodni WBK

Bank Zachodni WBK is the third bank in the Polish banking sector. Since 2011, it has been part of the Santander Group. Bank Zachodni WBK Group includes among others: Santander Consumer Bank, BZ WBK Leasing, BZ WBK Factor and BZ WBK TFI. In total the Group serves 6.4 million customers across the country.

1. Figures for BZ WBK as of September 2017 and DB Polska figures as of June 2017