

Sale of 49% stake in Santander Bank Polska to Erste Group



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- climate-related conditions, regulations, targets and weather events;

Important information

- exposure to market risks (e.g., risks from interest rates, foreign exchange rates, equity prices and new benchmark indices);
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Sale of 49% stake in Santander Bank Polska to Erste Group

Transaction with Erste Group	Sale of c.49% of Santander Bank Polska	▪ All-cash transaction at 584 zlotys per Santander Bank Polska share for a total consideration of approximately €6.8 billion ▪ 2.2x Q1 2025 TBV adjusted for the 2024 dividend, and 11x 2024 earnings ▪ Premium of 7.5% versus the closing price on 2 May 2025 adjusted for the 2024 dividend and 14% versus the 6M VWAP ▪ Following the transaction, Santander will own a stake in Santander Bank Polska⁽¹⁾
	Strategic cooperation	▪ Santander and Erste to establish a strategic cooperation that will allow Erste to leverage Santander's Corporate & Investment Banking (CIB) and Payments platforms
	Sale of 50% of Asset Management Poland	▪ All-cash transaction for a total consideration for 50% of approximately €0.2 billion
	Total value	▪ Total value to Santander of €8.9 billion – Total cash proceeds of €7.0 billion – Value of 13% stake in Santander Bank Polska of €1.9 billion⁽²⁾
	Use of proceeds	▪ Deliver EPS accretion by 2027/2028 by redeploying the capital through a combination of incremental organic growth, share buybacks and bolt-on M&A ▪ Intention to distribute 50% of the capital released from this disposal to accelerate the delivery of our €10 billion share buyback target for 2025-26 upon completion in early 2026 (equivalent to c.€3.2 billion of share buybacks) ▪ Potential to exceed previously announced share buyback target for 2025-26 subject to regulatory approval, based on our capital hierarchy
Transaction with Santander Bank Polska	Acquisition of 60% of Consumer Bank Poland ⁽³⁾	▪ Intention to acquire 60% of the Polish consumer finance business currently owned by Santander Bank Polska ▪ Commitment to invest in Poland and expand Consumer Finance Poland
Expected closing		▪ Around the end of 2025, subject to customary conditions, including regulatory approvals

Track record of value creation in Poland



2011

- Entered in 2011 through a majority stake acquisition in **Bank Zachodni WBK**

2013

- Merger of Bank Zachodni WBK and **KBC's Polish banking arm Kredyt Bank**

2014

- BZ WBK acquired 60% of Santander Consumer Bank from Santander Consumer Finance

2018

- Acquisition of **Deutsche Bank Polska's Retail and Private Banking Business**, further enhancing Santander's position as the third largest financial institution in Poland

2018

- BZ WBK officially **rebranded** to Santander Bank Polska to align with the global Santander brand

2024

- Sale of **5.2% stake** in Santander Bank Polska through an ABB, aiming to increase the free float and liquidity of Santander Bank Polska shares

Present

- Today, Santander Bank Polska proudly serves **7.5 million customers**, operating through our 349 national branches



€3.1bn

Capital
invested

€3bn

Dividends
received

3x

Exit value⁽¹⁾
vs initial
investment

5x

Growth in
profits

Clear strategic and financial rationale

1

Simplify Santander's global footprint to increase focus on strategically connected markets

2

Crystallise value at a significant premium to the Group's valuation

3

Reinvest capital in value accretive opportunities aligned with Santander's strategic footprint and capital hierarchy – prioritising organic growth, share buybacks and bolt-on acquisitions targeting returns above 20%

4

Deliver higher EPS, returns and growth prospects once capital re-deployment completed

5

Establish a global strategic cooperation with Erste Group in CIB and Payments to connect Erste Group's CEE footprint with Santander's international markets

Significant capital release

CET1 transaction impact

CET1 (1)

December 2025 expected

+c.100bps

60bps

14%

40bps

13%

Pre-transaction
CET1CET1
impactRWA
releasePro-forma
CET1

Net capital gain

c€2bn

TNAV increase

c€4bn

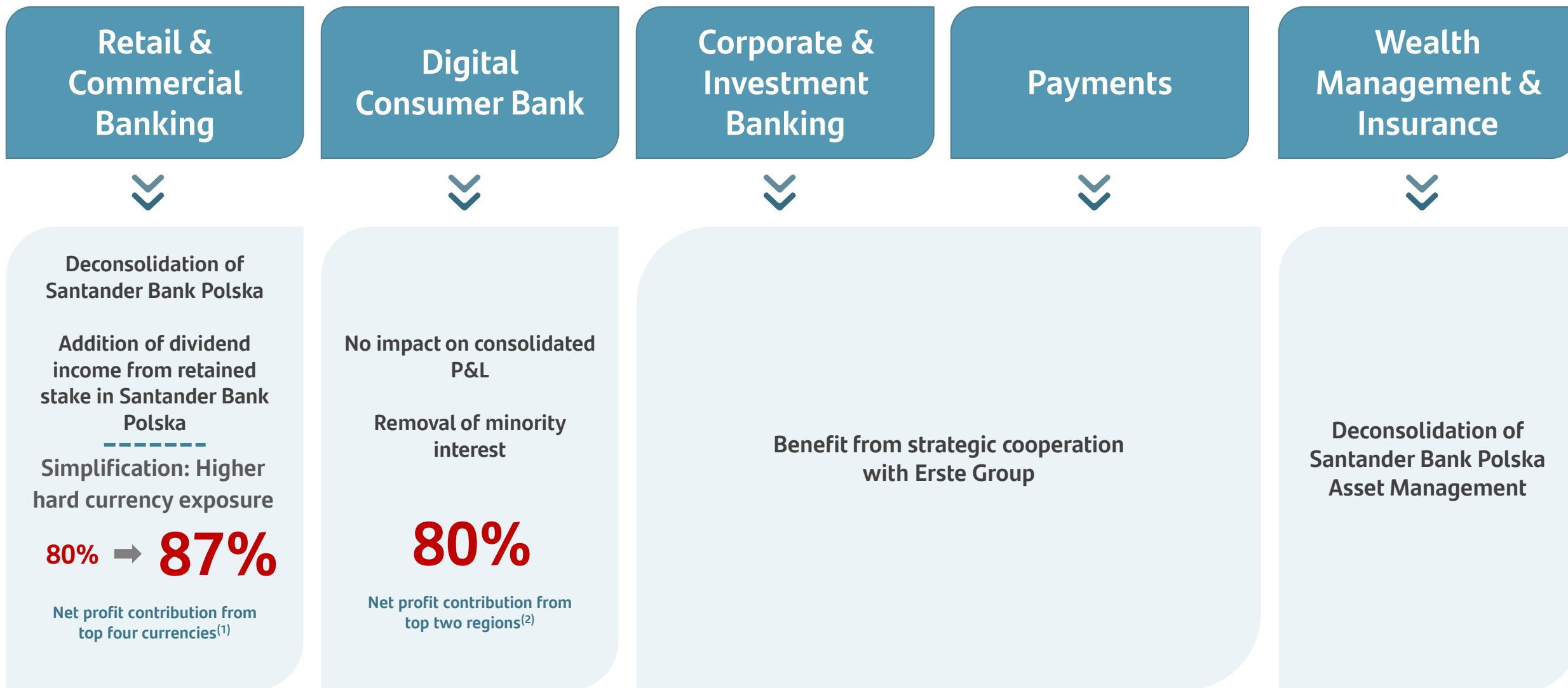
Total CET1
capital released

c€6.4bn

Use of proceeds

- Proceeds to be used in a manner consistent with existing capital hierarchy
- Post-transaction, Santander to temporarily run with a CET1 ratio above its target operating range of 12-13%
 - Santander to prioritise profitable organic growth that creates a compounding effect on earnings, returns, book value and distributions
 - Santander intends to distribute 50% of the capital released from this disposal to accelerate the delivery of our €10bn share buyback target for 2025-26 after completion in early 2026
 - Potential to exceed the previously announced share buyback target, subject to regulatory approval, given the attractiveness of buybacks at current valuation
 - Further bolt-on M&A will need to be complementary to Santander's strategic aims and generate financial returns that surpass those of organic investments or share buybacks

Impact on Santander's primary segments



Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair

