

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



# Important information

## Non-IFRS and alternative performance measures

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

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- exposure to market risks (e.g., risks from interest rates, foreign exchange rates, equity prices and new benchmark indices);
- potential losses from early loan repayment, collateral depreciation or counterparty risk;
- political instability in Spain, the UK, other European countries, Latin America and the US;
- legislative, regulatory or tax changes (including regulatory capital and liquidity requirements), especially in view of the UK's exit from the European Union and greater regulation prompted by financial crises;
- acquisition integration and challenges arising from deviating management's resources and attention from other strategic opportunities and operational matters;
- uncertainty over the scope of actions that may be required by us, governments and other to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations;
- our own decisions and actions, including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; and
- changes affecting our access to liquidity and funding on acceptable terms, especially due to credit spread shifts or credit rating downgrade for the entire group or core subsidiaries.

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

Transaction with Erste Group	<b>Sale of c.49% of Santander Bank Polska</b>	<ul style="list-style-type: none"> <li>▪ All-cash transaction at 584 zlotys per Santander Bank Polska share for a total consideration of approximately €6.8 billion</li> <li>▪ 2.2x Q1 2025 TBV adjusted for the 2024 dividend, and 11x 2024 earnings</li> <li>▪ Premium of 7.5% versus the closing price on 2 May 2025 adjusted for the 2024 dividend and 14% versus the 6M VWAP</li> <li>▪ Following the transaction, Santander will own a stake in Santander Bank Polska<sup>(1)</sup></li> </ul>
	<b>Strategic cooperation</b>	<ul style="list-style-type: none"> <li>▪ Santander and Erste to establish a strategic cooperation that will allow Erste to leverage Santander's Corporate &amp; Investment Banking (CIB) and Payments platforms</li> </ul>
	<b>Sale of 50% of Asset Management Poland</b>	<ul style="list-style-type: none"> <li>▪ All-cash transaction for a total consideration for 50% of approximately €0.2 billion</li> </ul>
	<b>Total value</b>	<ul style="list-style-type: none"> <li>▪ Total value to Santander of €8.9 billion               <ul style="list-style-type: none"> <li>– Total cash proceeds of €7.0 billion</li> <li>– Value of 13% stake in Santander Bank Polska of €1.9 billion<sup>(2)</sup></li> </ul> </li> </ul>
	<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>▪ Deliver EPS accretion by 2027/2028 by redeploying the capital through a combination of incremental organic growth, share buybacks and bolt-on M&amp;A</li> <li>▪ 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)</li> <li>▪ Potential to exceed previously announced share buyback target for 2025-26 subject to regulatory approval, based on our capital hierarchy</li> </ul>
Transaction with Santander Bank Polska	<b>Acquisition of 60% of Consumer Bank Poland<sup>(3)</sup></b>	<ul style="list-style-type: none"> <li>▪ Intention to acquire 60% of the Polish consumer finance business currently owned by Santander Bank Polska</li> <li>▪ Commitment to invest in Poland and expand Consumer Finance Poland</li> </ul>
<b>Expected closing</b>		<ul style="list-style-type: none"> <li>▪ Around the end of 2025, subject to customary conditions, including regulatory approvals</li> </ul>

# 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<sup>(1)</sup>  
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

## Retail & Commercial Banking



Deconsolidation of Santander Bank Polska

Addition of dividend income from retained stake in Santander Bank Polska

Simplification: Higher hard currency exposure

80% → **87%**

Net profit contribution from top four currencies<sup>(1)</sup>

## Digital Consumer Bank



No impact on consolidated P&L

Removal of minority interest

**80%**

Net profit contribution from top two regions<sup>(2)</sup>

## Corporate & Investment Banking



Benefit from strategic cooperation with Erste Group

## Payments



## Wealth Management & Insurance



Deconsolidation of Santander Bank Polska Asset Management



# 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**

