

Erste Group invests into CEE growth, acquires 49% controlling stake in Santander Bank Polska and 50% in Santander TFI

Significant and immediate improvement in profitability and growth profile

Erste Group becomes No. 3 bank in Poland. Erste Group enlarges CEE growth footprint by becoming No. 3 bank in Poland, following an agreement with Banco Santander SA to acquire a controlling stake (full consolidation) of 49% in Santander Bank Polska with full cash consideration for PLN 584 per share (approx. EUR 6.8bn). Erste Group also acquires 50% in asset management firm Santander TFI for an approx. EUR 0.2bn cash consideration. Banco Santander SA acquires 60% in Santander Consumer Bank from Santander Bank Polska prior to completion of the acquisition by Erste Group. The agreement includes an indemnity for the majority of Erste Group's share of potential CHF provisions beyond levels expected in the business plan.

Consistent strategic logic. The transaction significantly extends Erste Group's exposure to the fastest growing and most profitable banking markets in Europe (CEE) with a multi-decade economic convergence/growth profile. It also confers critical mass on entry, in line with Erste Group's strategic focus to be among the leading banks in any of its markets. Poland has a strong economic track record, and the Polish banking sector is on a long-term growth trajectory.

Full internal funding. Erste Group will fund the acquisition exclusively from internal resources, supported by cancellation of planned EUR 700m share buyback announced on 28 February 2025, application of a temporarily reduced dividend payout ratio of max. 10% to 2025e net profit and various balance sheet optimisation measures, resulting in an expected CET1 ratio upon closing of the transaction (estimated around year-end 2025, subject to closing conditions) of >13.5%, and, targets a CET1 ratio of >14.25% (new 2026 target level) in 2026. The dividend for the business year of 2024 remains unchanged at EUR 3 per share, payable on 28 May 2025 (subject to AGM approval). Erste Group targets to return to the current dividend payout range of 40-50% from the 2026 business year.

Compelling financial rationale. Erste Group's profitability profile and, consequently, distribution capacity is set to improve significantly following closing of the transaction: 2026e EPS uplift of >20% (versus 2026e EPS of EUR 7.1, based on most recent consensus expectations). Return on equity (ROE) and return on tangible equity (ROTE) for 2026 are estimated at ~16% and ~19%, respectively. Year 1 (2026e) return on investment equals ~11%, broadly in line with alternative capital deployment options.

Welcome Santander Bank Polska! Erste Group extends a warm welcome to the employees and customers of Santander Bank Polska to the Central European Erste family!

A detailed investor presentation on the transaction is available on Erste Group's IR website:
[Investors | Erste Group Bank AG](#)

Erste Group shares (ISIN AT0000652011) are traded in Vienna, Prague Bucharest.

The issues of Erste Group Bank AG are admitted to trading on the following regulated markets: Vienna, Luxembourg, Budapest, Bucharest, Stuttgart. The five biggest listed issues of Erste Group Bank AG in terms of issue volume have the following ISINs: AT0000A324F5, AT0000A33MP9, AT0000A39GD4, AT0000A3BOX2, XS1750974658.

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This information is also available on: www.erstegroup.com/en/investors/news