



Portugal



1H'25

Institutional Presentation

Disclaimer

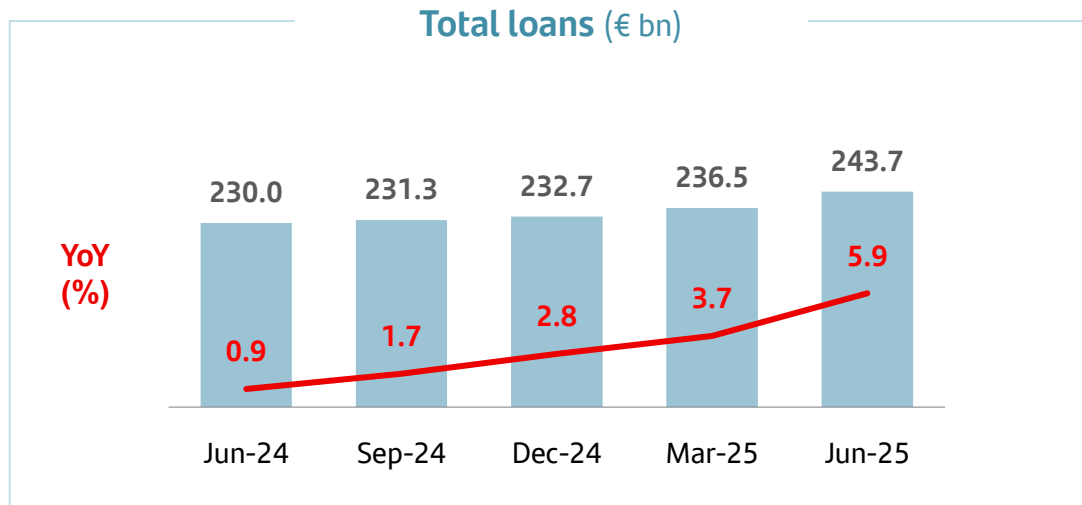
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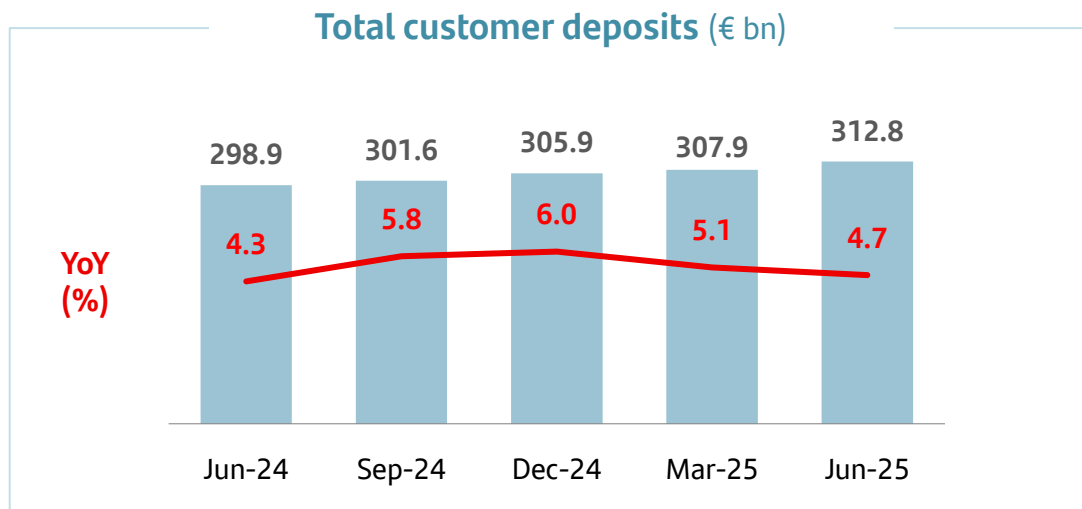
Macroeconomic environment and financial system

01

Loan and deposit volumes continue to increase



- ▶ System loans are growing at a faster pace, as the ECB has already cut rates by 200bp, supporting increased demand for loans, by both households and companies.
- ▶ New mortgage origination remains elevated, with still strong demand for loans with fixed rates for the initial 2-5 years of the loan. New corporate loans have also improved.
- ▶ Asset quality remained stable at historically low levels.














- ▶ Deposits continue to grow at a sound pace.
- ▶ Households remain focused on rebuilding their savings, pushing the savings rate up to 12%, resulting in a steady increase in deposits.

Strategy and business



02

Santander Portugal aims to provide best-in-class service to its customers, maintaining a leadership position in lending

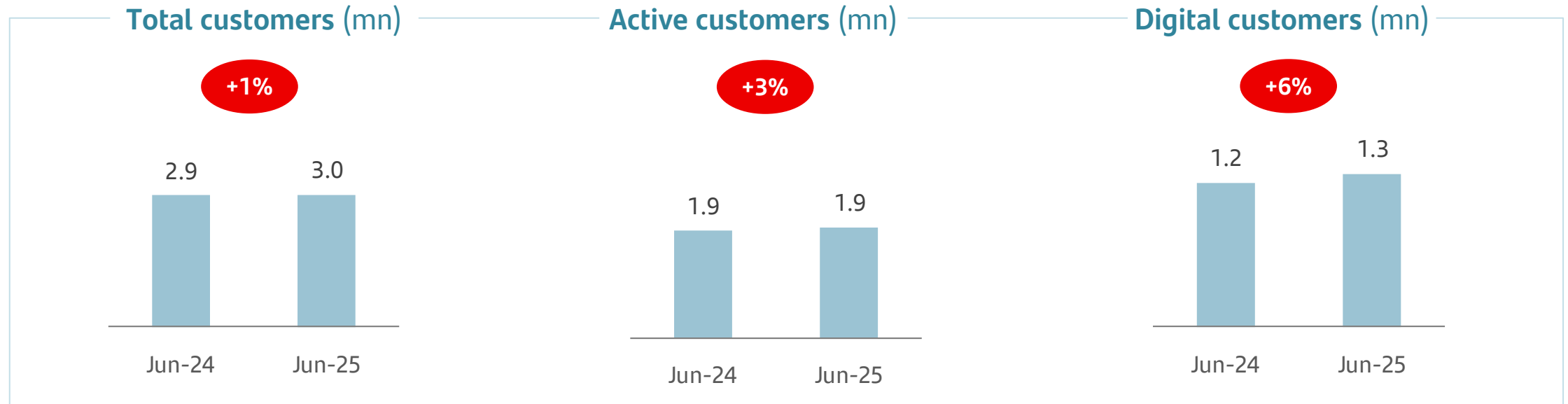
KEY DATA		1H'25	YoY Var.
	Customer loans (gross)	€51.7 bn	+10.0%
	Customer Deposits	€38.5 bn	+5.1%
	Attributable profit	€503.9 mn	-8.0%
	RoTE	32.9%	+7.3 pp
	Efficiency ratio	27.1%	+4.0 pp
	Loans market share ¹	16.5%	-3 bps
	Deposits market share ¹	12.6%	-17 bps
	Total customers	3.0 mn	+0.6%
	Digital customers	1.3 mn	+6.4%
	Branches ²	327	-0.6%
	Employees ²	4,673	+2.3%



Strategic Priorities

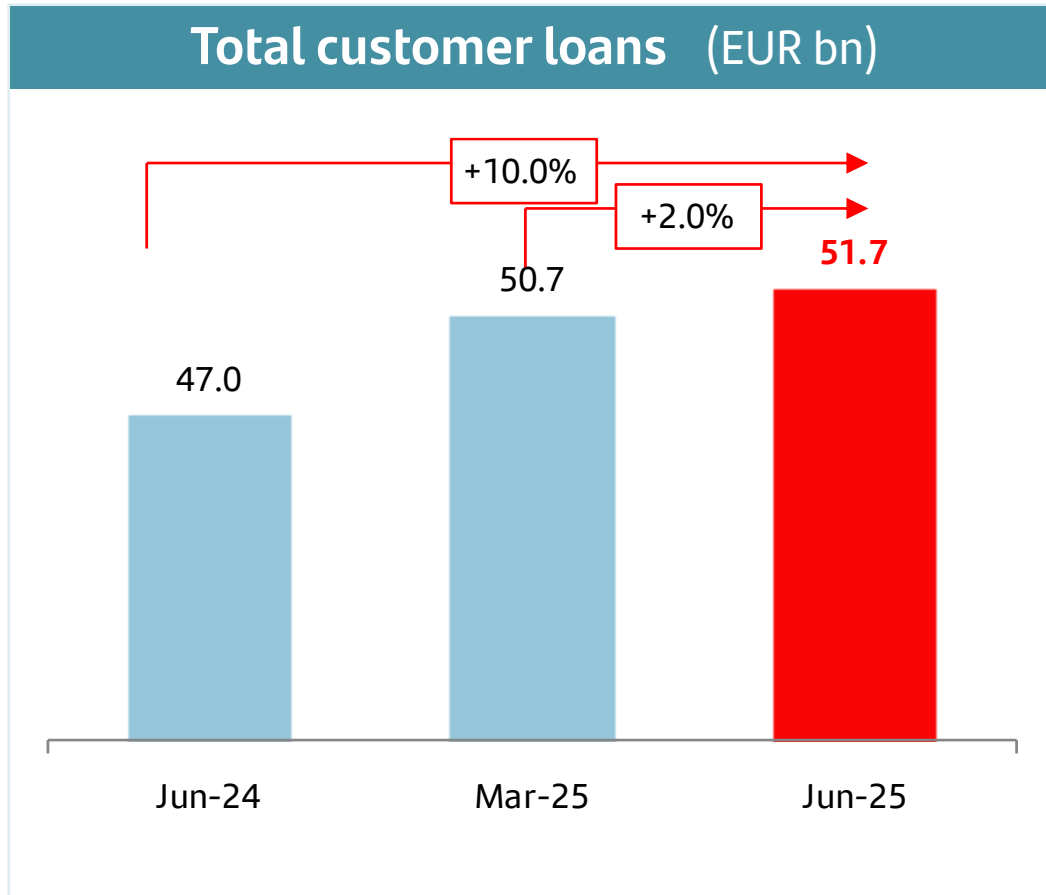
- ▶ Continue to implement our transformation plan with the aim of improving service quality and increasing our customer base
- ▶ Grow organically in terms of profitable market share and with adequate capital remuneration
- ▶ Maintain our position as market leaders in efficiency, improving the cost base
- ▶ Maintain an appropriate risk policy with high credit quality and strong capital position

Our continuous commercial and digital transformation allows to grow customers, especially in high-value segments



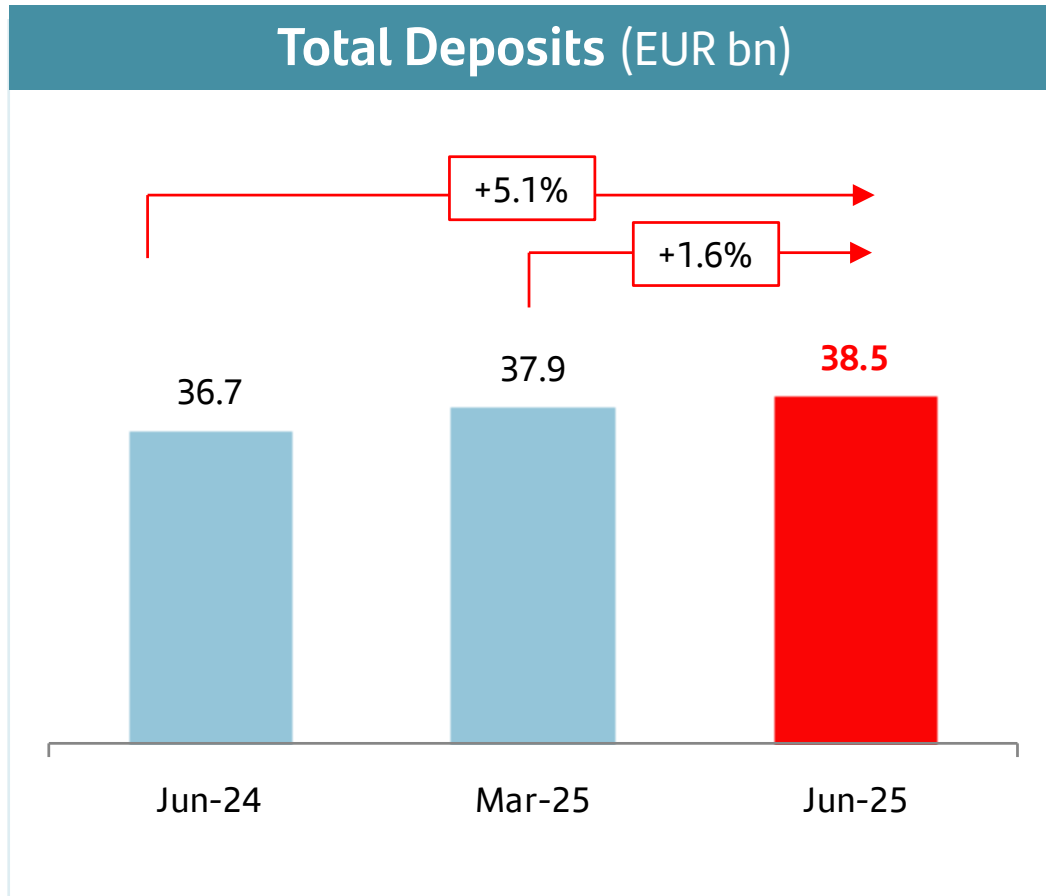
- ▶ We continue to execute our commercial and digital transformation, aimed at providing first-class service to customers, by simplifying its offer and processes, which is:
 - ▶ Contributing to the sustained growth in the number of active customers (+3% YoY); and
 - ▶ Translating into the continued increase in digital customers (+6%), underpinned by our focus on providing a seamless experience across channels.

Higher loans to customers, supported by strong origination of mortgages and corporate loans



	Jun-25	Jun-24	YoY (%)	QoQ (%)
Individuals	26.4	24.8	+6.5	+1.8
Mortgage	24.1	22.7	+6.5	+1.8
Consumer and other	2.2	2.1	+7.2	+1.8
Corporates and Institucionals	25.4	22.3	+13.9	+2.2
Total	51.7	47.0	+10.0	+2.0

Customer funds continue to grow, in deposits and especially in off-balance funds



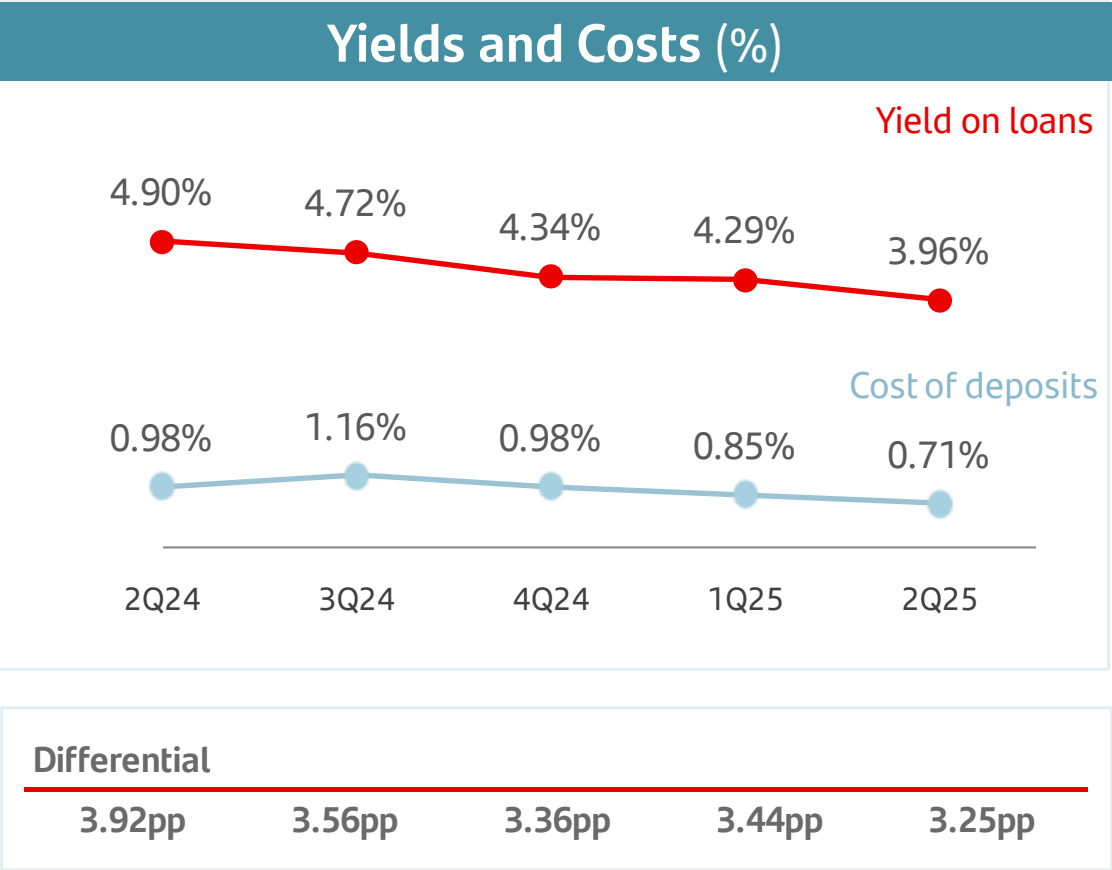
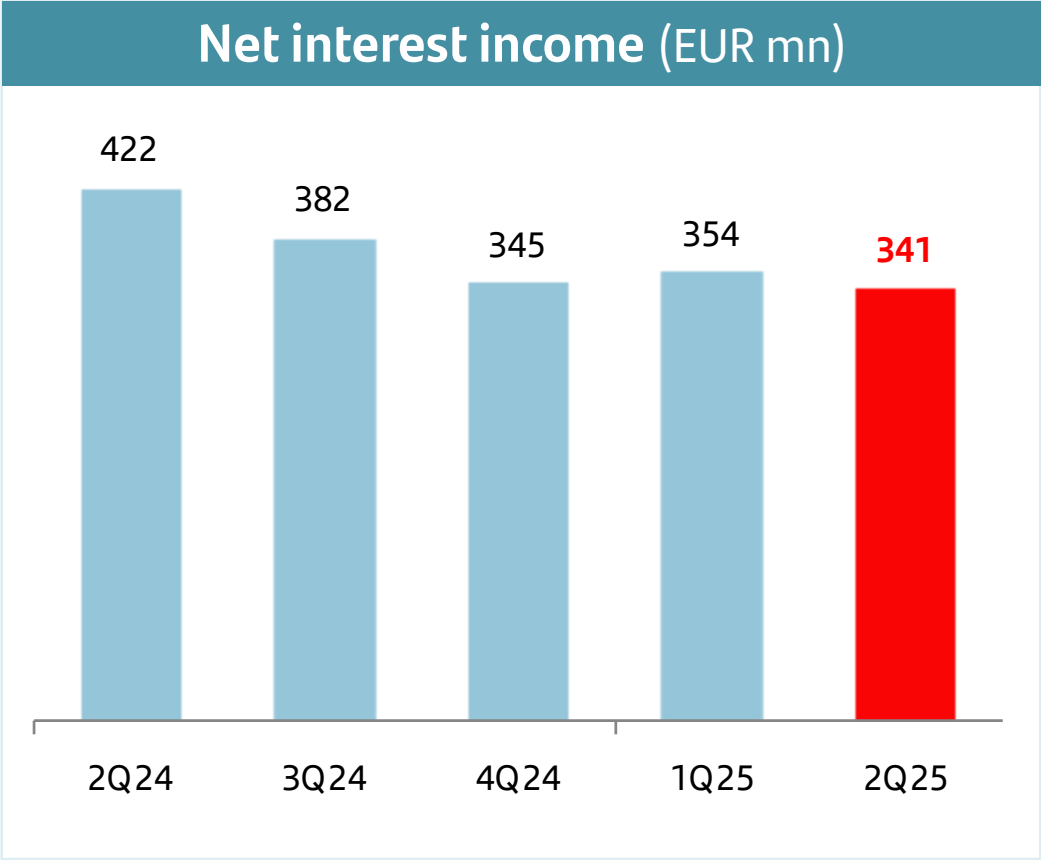
	Jun-25	Jun-24	YoY (%)	QoQ (%)
Deposits	38.5	36.7	+5.1	+1.6
Off Balance Sheet Resources	9.2	8.4	+8.8	+3.2
Investment Funds	5.2	4.5	+15.5	+3.9
Insurance and other	4.0	3.9	+1.0	+2.2
Total Customer Funds	47.7	45.1	+5.7	+1.9

Results

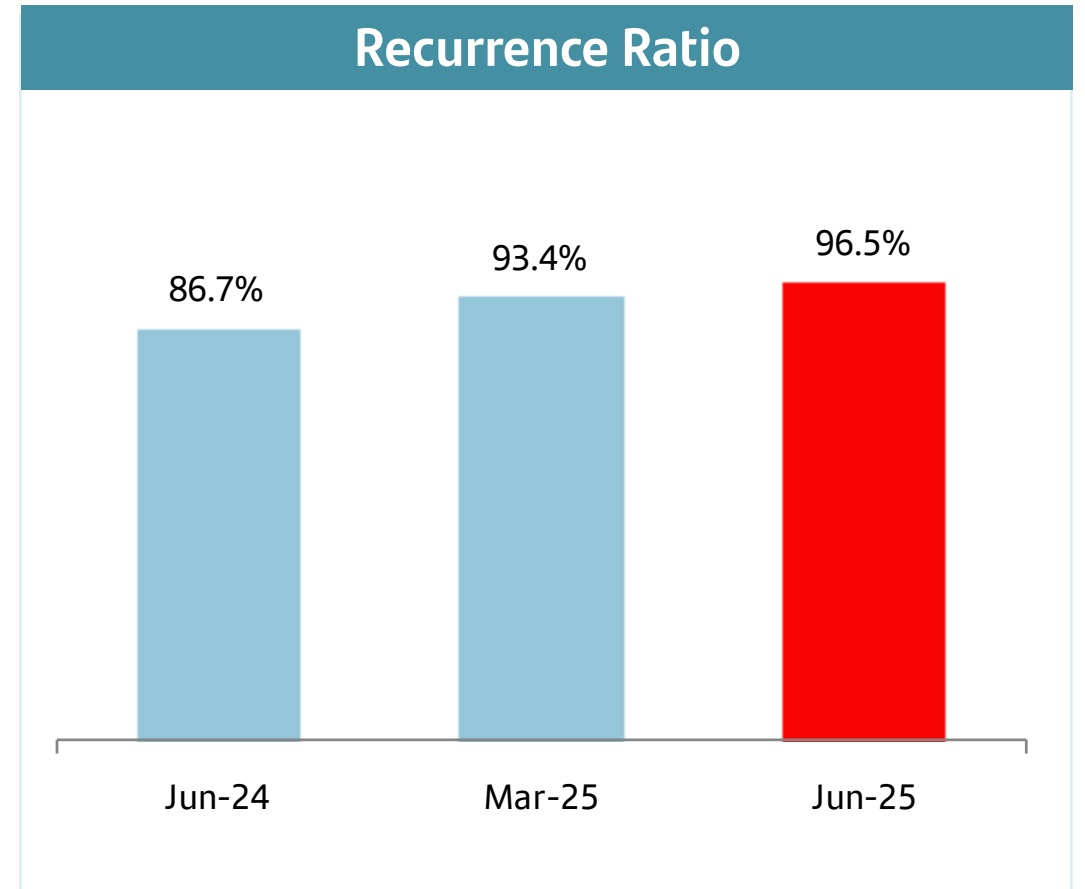
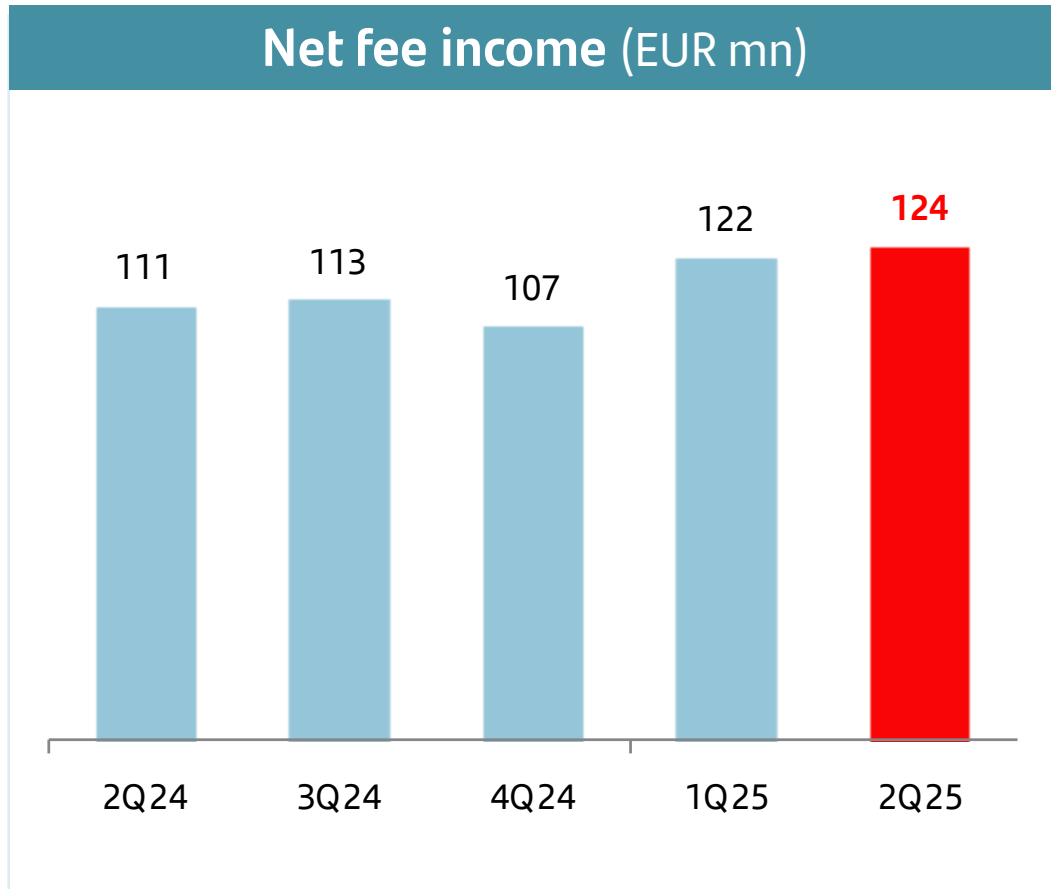


03

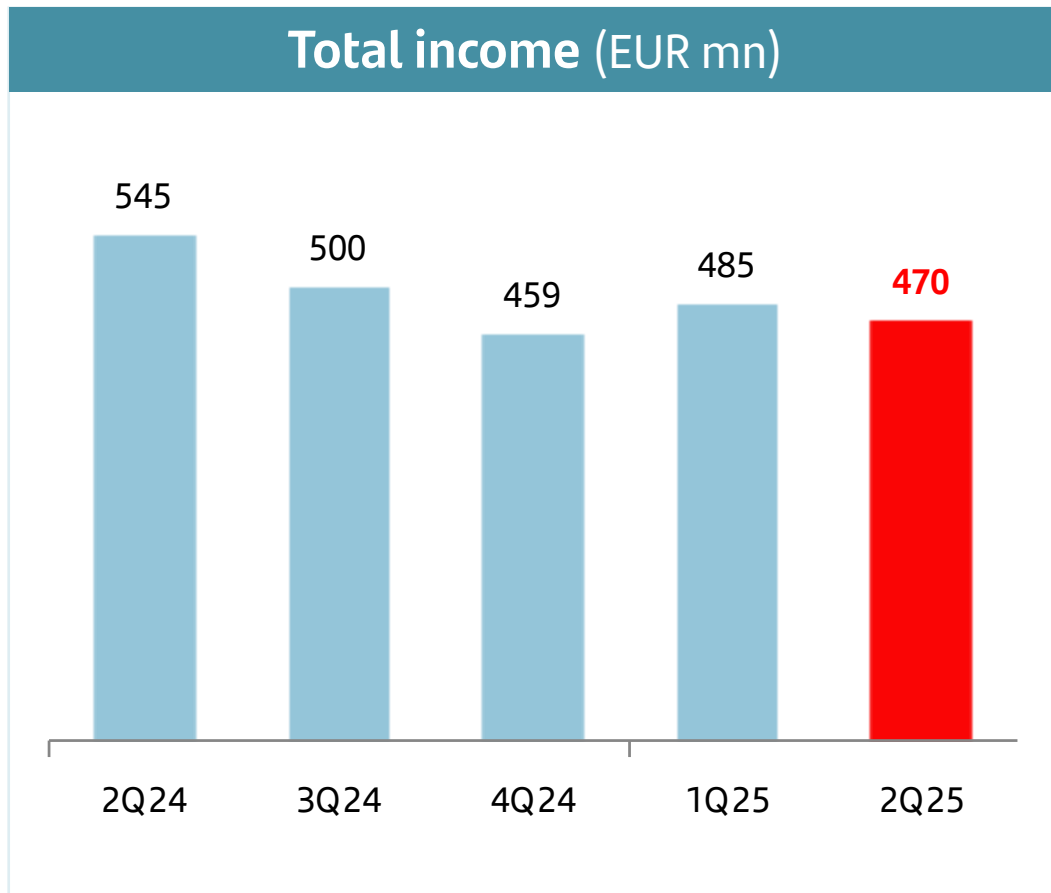
NII declined, in line with the reduction in ECB interest rates. Our strict pricing policy continues to be reflected in the cost of deposits, protecting NII.



Net fee income improved, both QoQ and YoY, supported by strong origination of new loans, and also by increased customer transactions

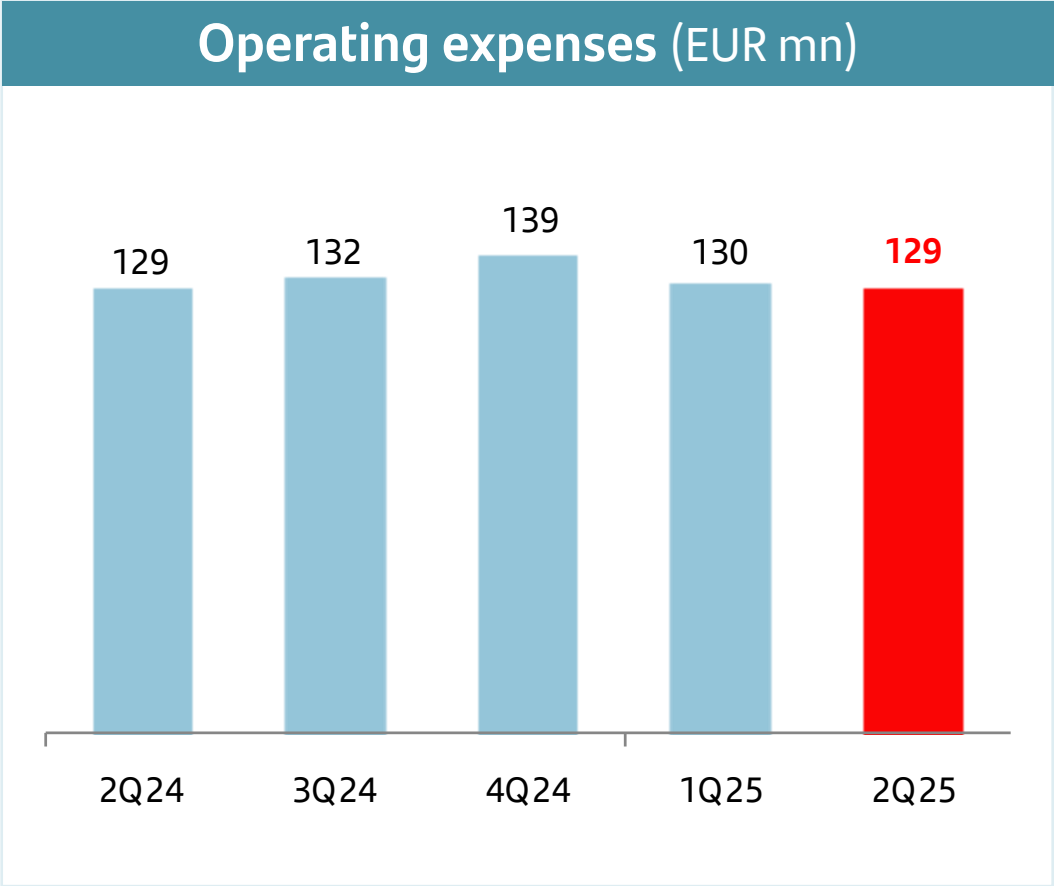


Total income declined, reflecting the evolution of NII, partly offset by higher fees



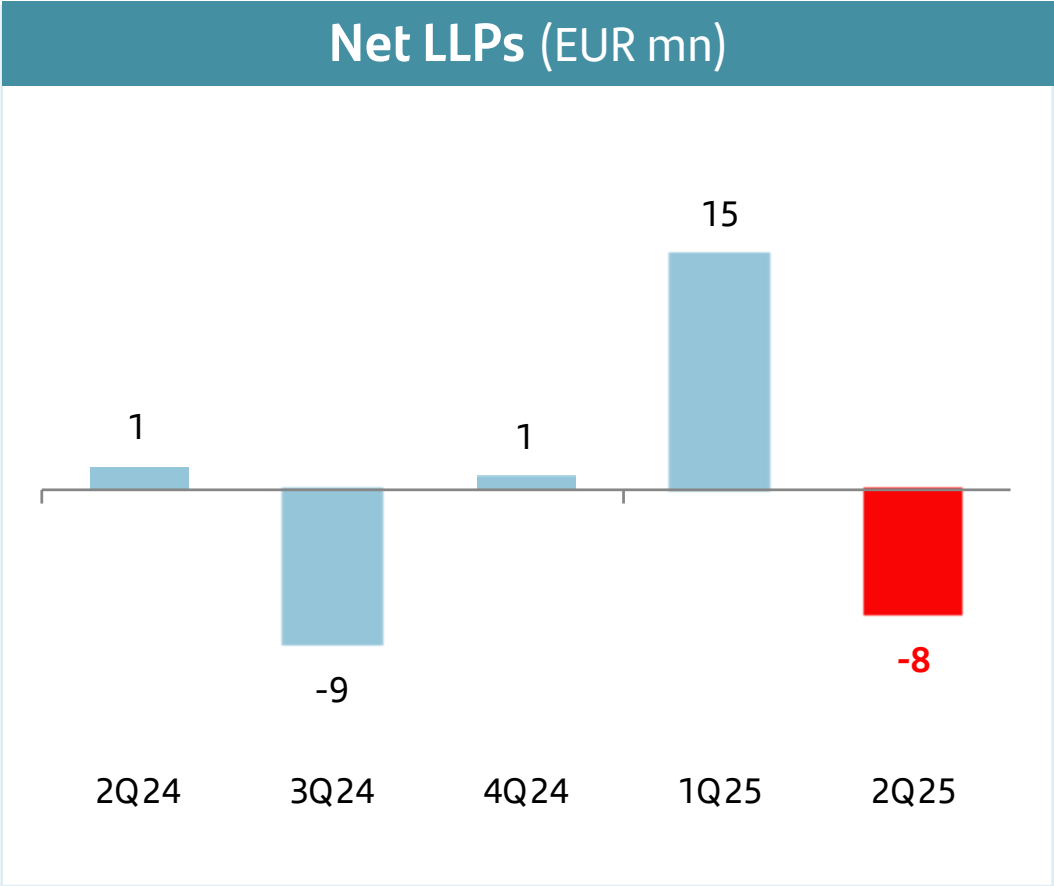
	H1'25	H1'24	YoY (%)	QoQ (%)
Net interest income	696	862	-19.3	-3.6
Net Fees	246	232	+5.7	+1.9
Customer revenue	941	1,095	-14.0	-2.2
Other ⁽¹⁾	13	18	-24.4	-52.8
Total income	955	1,112	-14.2	-3.1

Our commercial and digital transformation allows to keep operating expenses controlled and maintain high efficiency levels



	H1'25	H1'24	YoY (%)	QoQ (%)
Operating Expenses	259	257	+0.5	-1.4
Efficiency ratio (with amortisations)	27.1%	23.1%	+4.0pp	+0.5pp
Branches in Portugal (#)	327	329	-0.6	+0.0
Employees in Portugal (#)	4,673	4,566	+2.3	-0.2

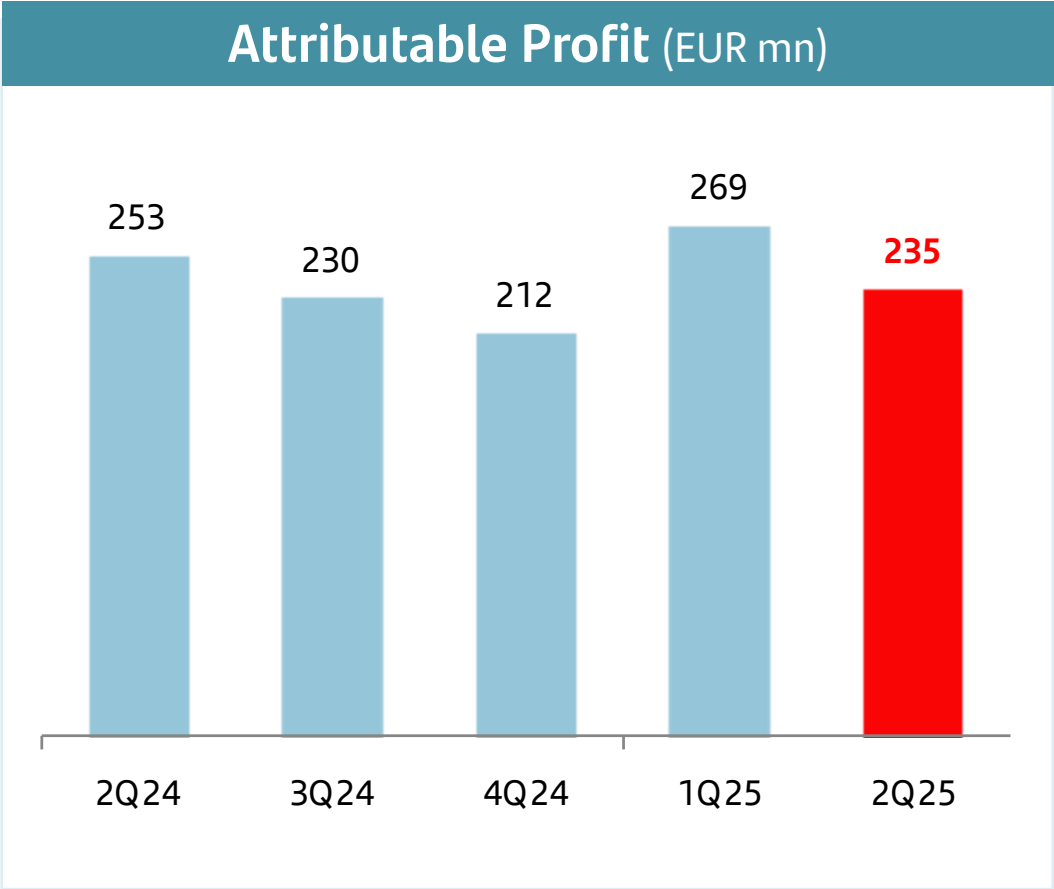
Credit fundamentals remained robust, with recoveries contributing to a further decline in NPEs



	H1'25	H1'24	YoY (%)	QoQ (%)
Net Operating Income	696	855	-18.6	-3.8
LLPs	7	-4	-259.4	-
Net Operating Income after LLPs	703	850	-17.3	-9.7

NPE ratio	1.5%	1.6%	-0.1pp	+0.0pp
NPE coverage ratio	87.1%	85.9%	+1.2pp	-0.1pp
Cost of Credit ⁽¹⁾	0.00%	0.09%	-0.09pp	+0.02pp

Profit declined 8.0% YoY. QoQ dynamics influenced by the regulatory costs with the resolution fund contribution



	H1'25	H1'24	YoY (%)	QoQ (%)
Profit before taxes	704	815	-13.7	-8.9
Taxes and MI	-200	-268	-25.3	+1.1
Underlying Attributable Profit	504	548	-8.0	-12.6

Santander Portugal's transformation allowed to grow customers in high-value segments, increase transactions, and to maintain outstanding financial performance



Financial System

- ▶ Loans are growing in the system, as interest rates moved to a lower level, allowing for sound new origination levels, both in individuals and in corporates.
- ▶ Deposits are also increasing, as households are rebuilding their savings base, also continuing to transform sight deposits into term deposits.



Strategy & Business

- ▶ We continue executing our continuous transformation process with the aim of improving service quality and increasing our customer base, in high-value segments.
- ▶ We are growing organically in terms of profitable market share and with adequate capital remuneration.
- ▶ We also maintain our position as market leaders in efficiency, improving the cost base.
- ▶ We maintain an appropriate risk policy with high credit quality and strong capital position.



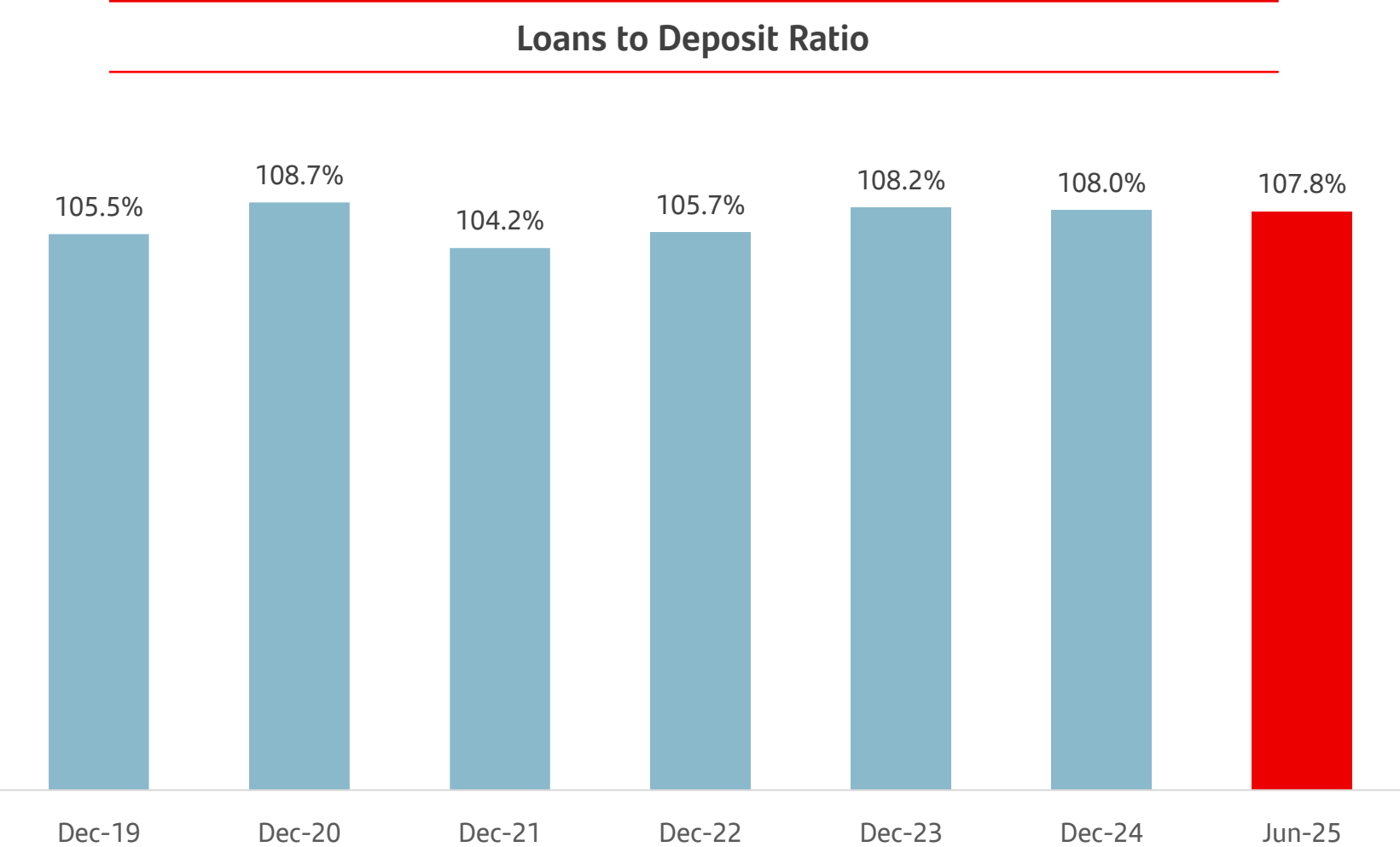
Results

- ▶ Total income is still declining YoY, as NII continues to reflect the repricing of the loan book as the ECB has cut rates by 200bps. We maintain strict management of liability costs. Net fees grew, with loan origination and customer transactions.
- ▶ Efficiency holds below 30%, as our transformation allows to keep operating expenses controlled.
- ▶ Credit fundamentals remained robust, and recovery of overdue loans allowed for a further decline in NPEs.
- ▶ Profit declined YoY, reflecting NII dynamics.

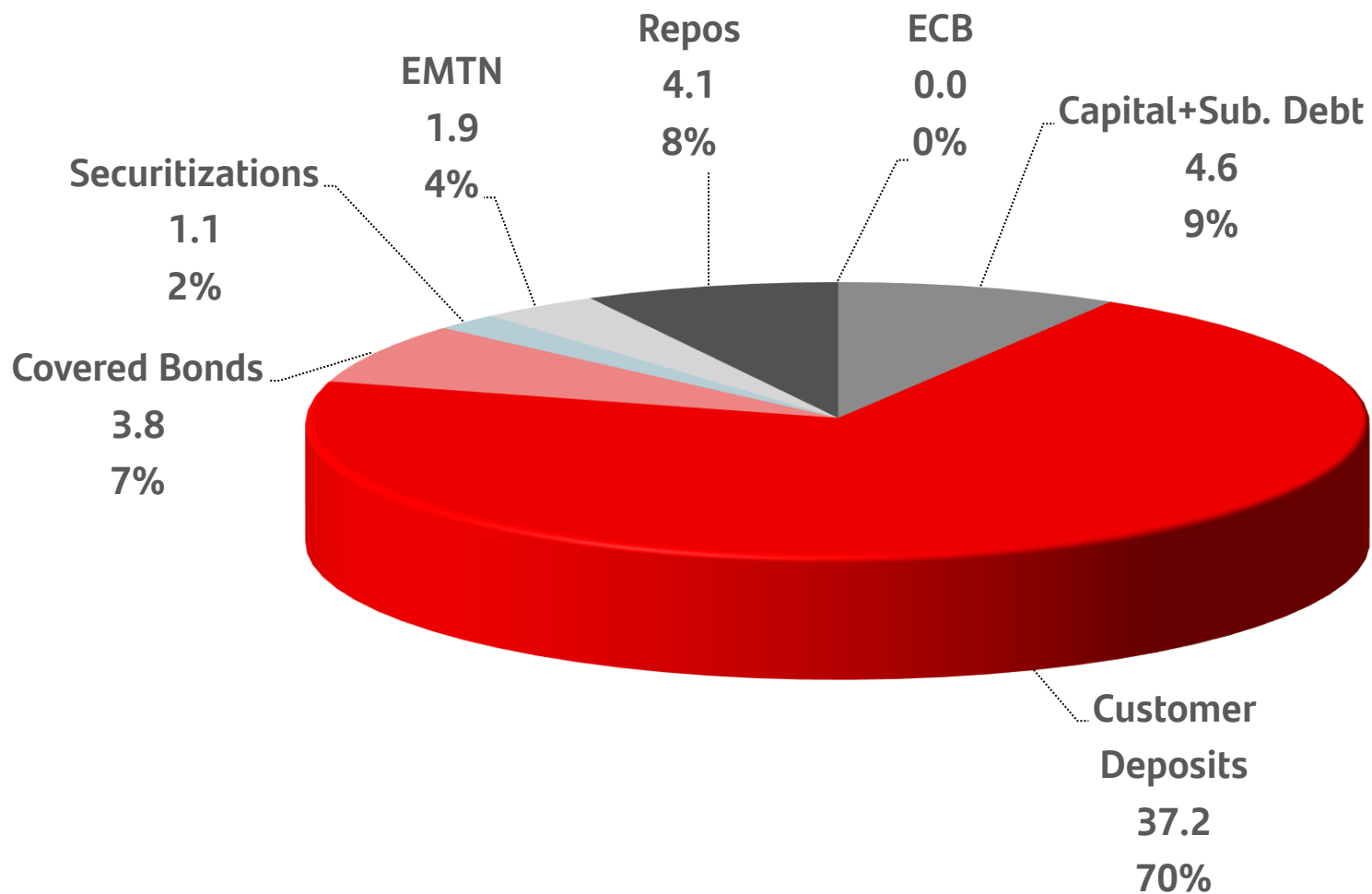
Financial and liquidity management

04

LtD ratio has been fairly stable



Customer deposits (mostly retail deposits) represent 70% of the funding structure, and the Bank maintains sound liquidity ratios



LCR

138%

NSFR

123%

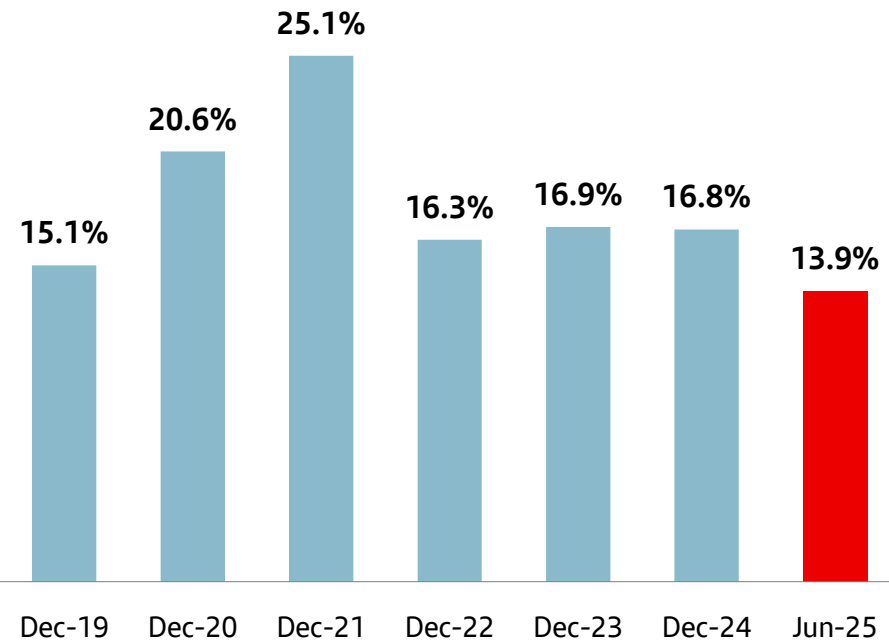
Liquidity Buffer

(% of deposits)

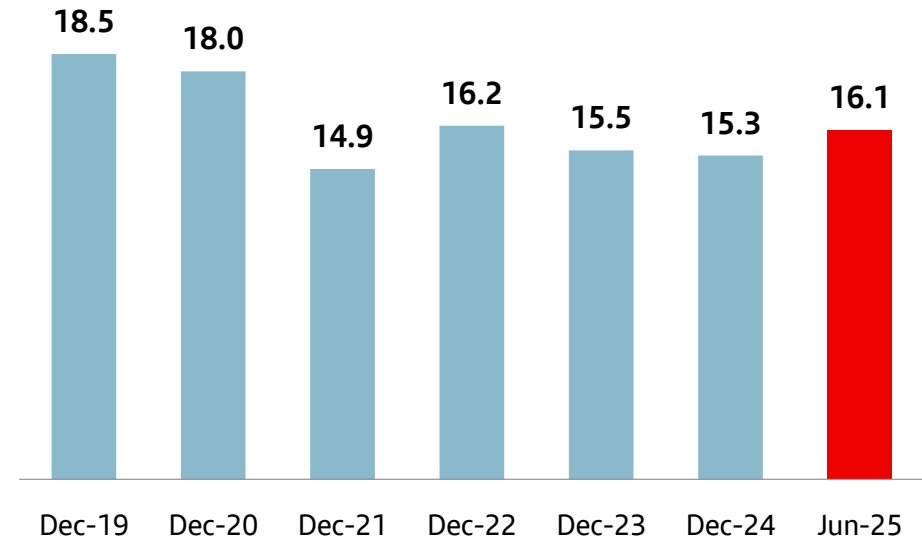
45%

Sound capital levels, with adequate management of RWAs

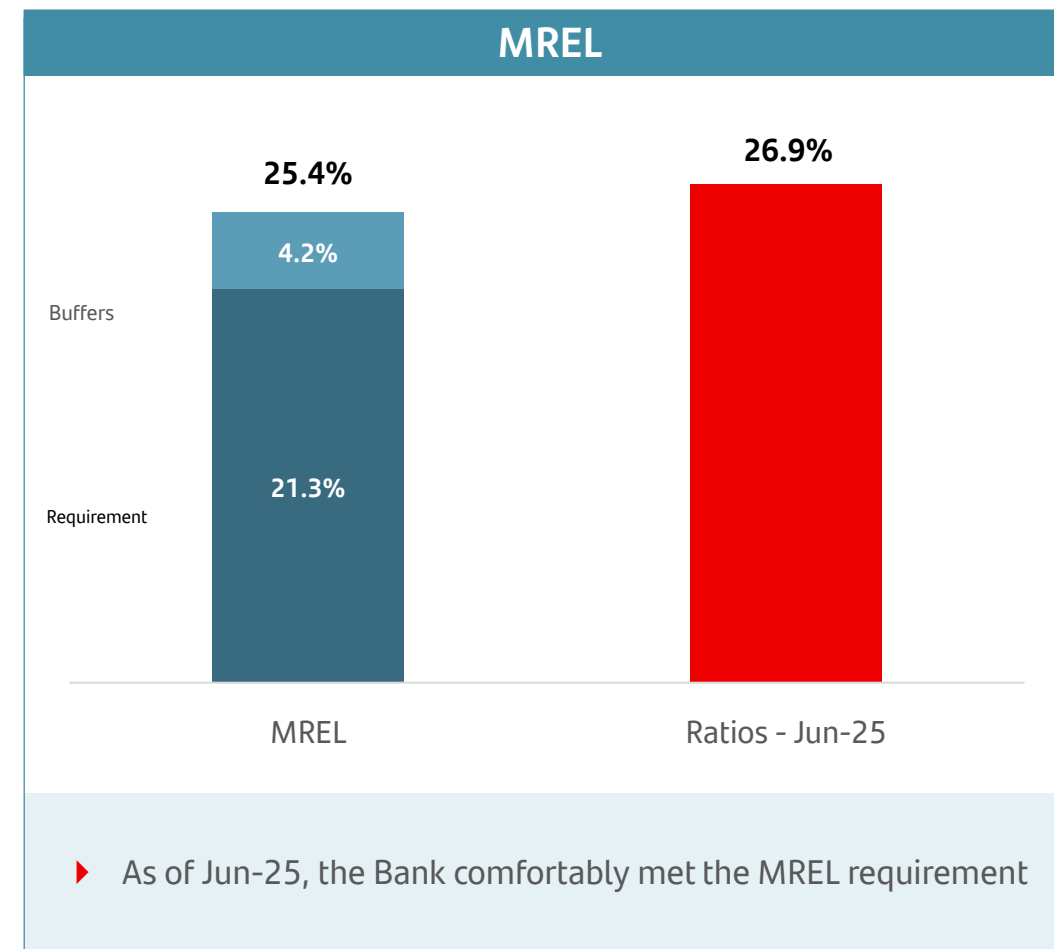
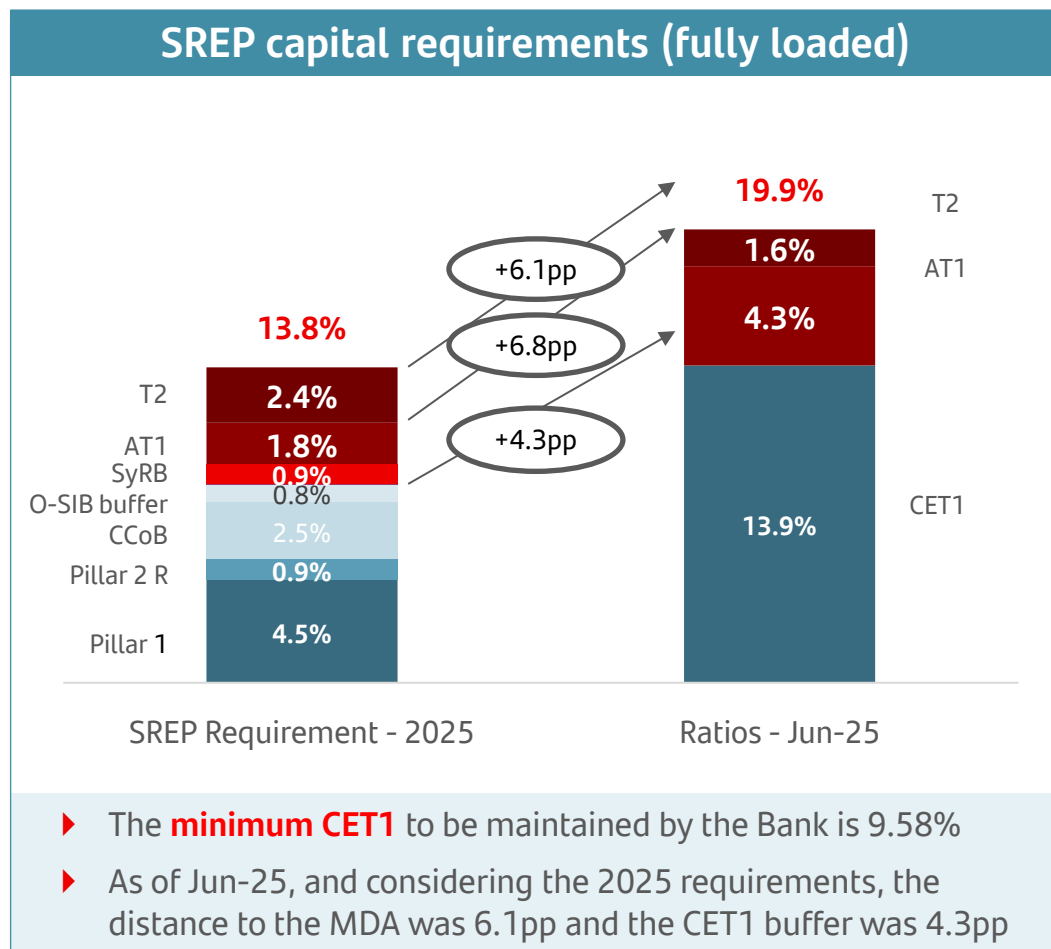
CET 1 – full implemented



RWA (bn€)



Capital ratios well above the regulatory requirements



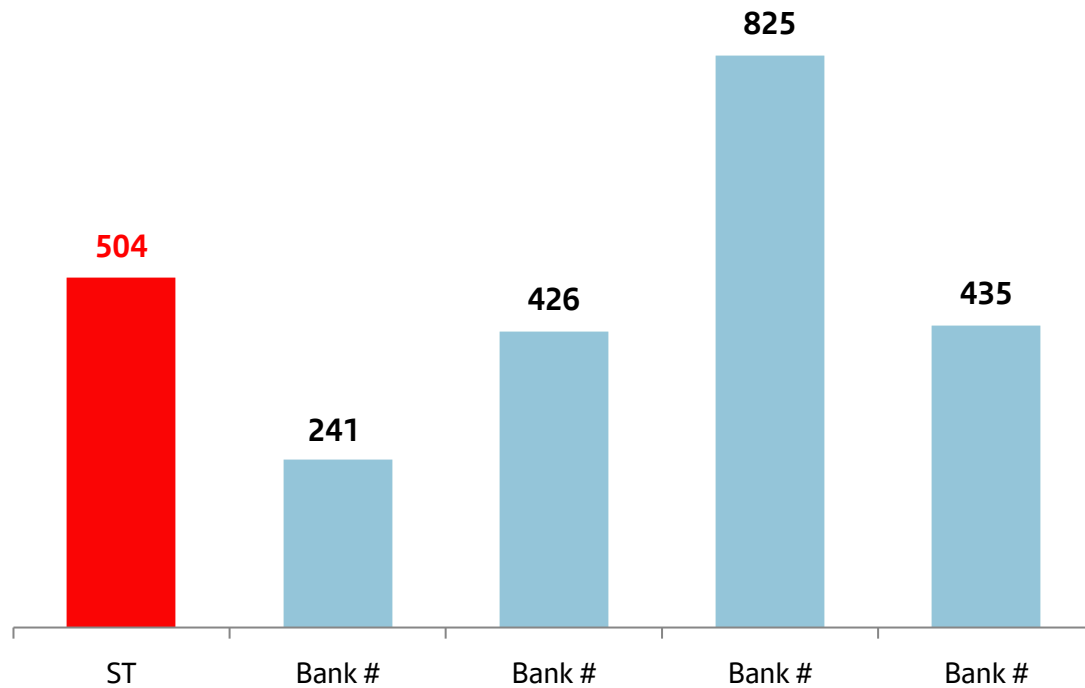
Benchmarking



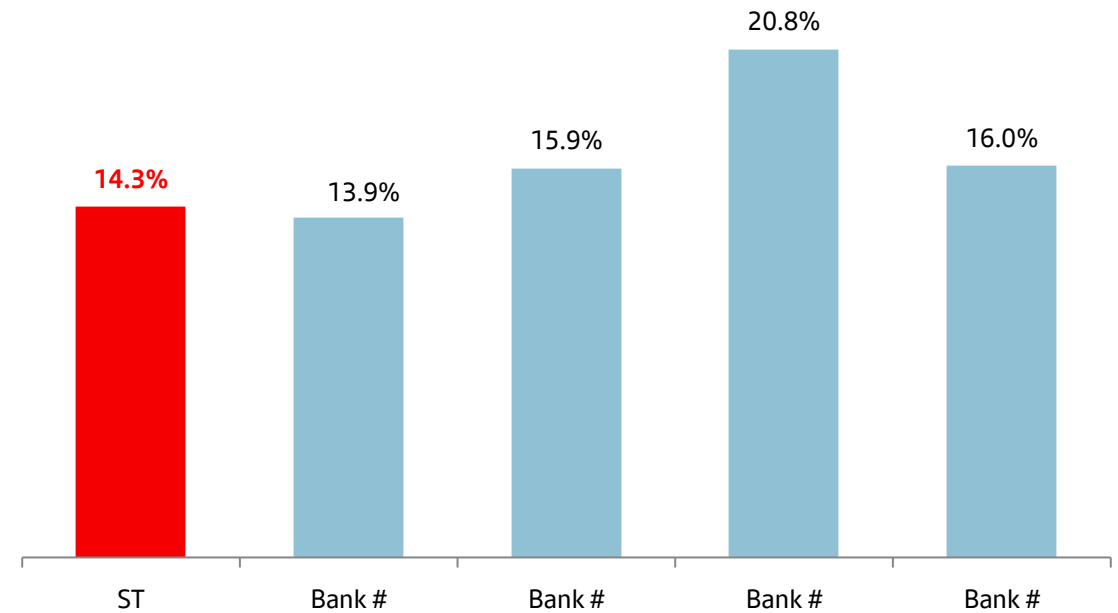
05

Sustained profitability and strong capital position

Net Income – Domestic (M€, adjusted for one-offs)



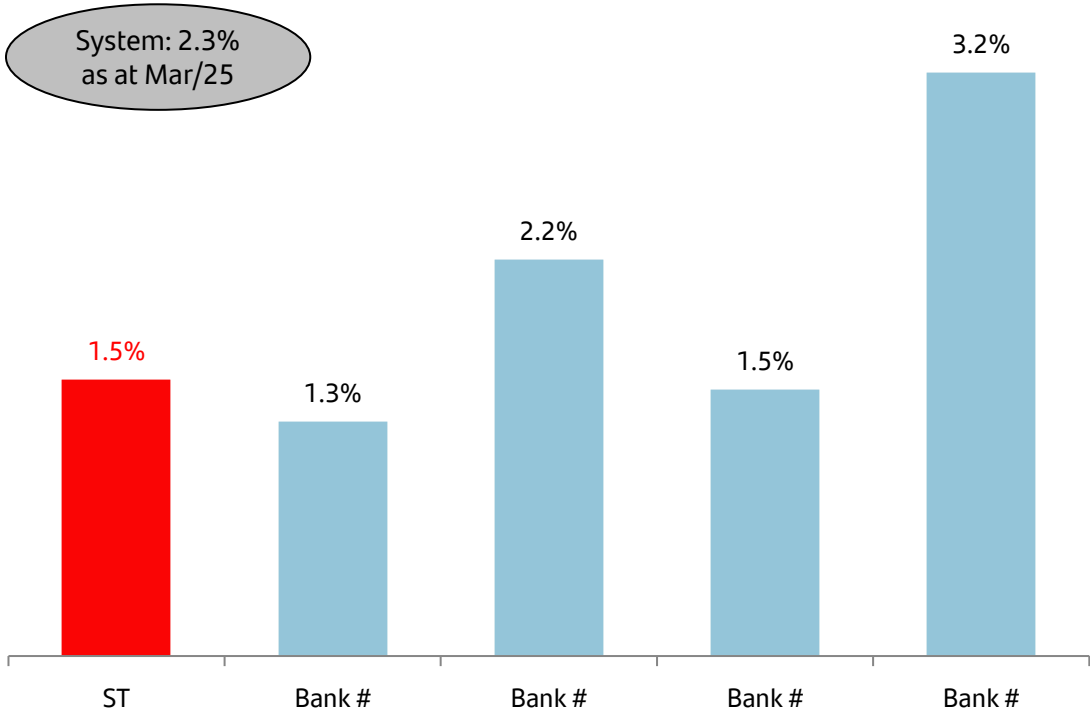
CET 1 (full implemented)



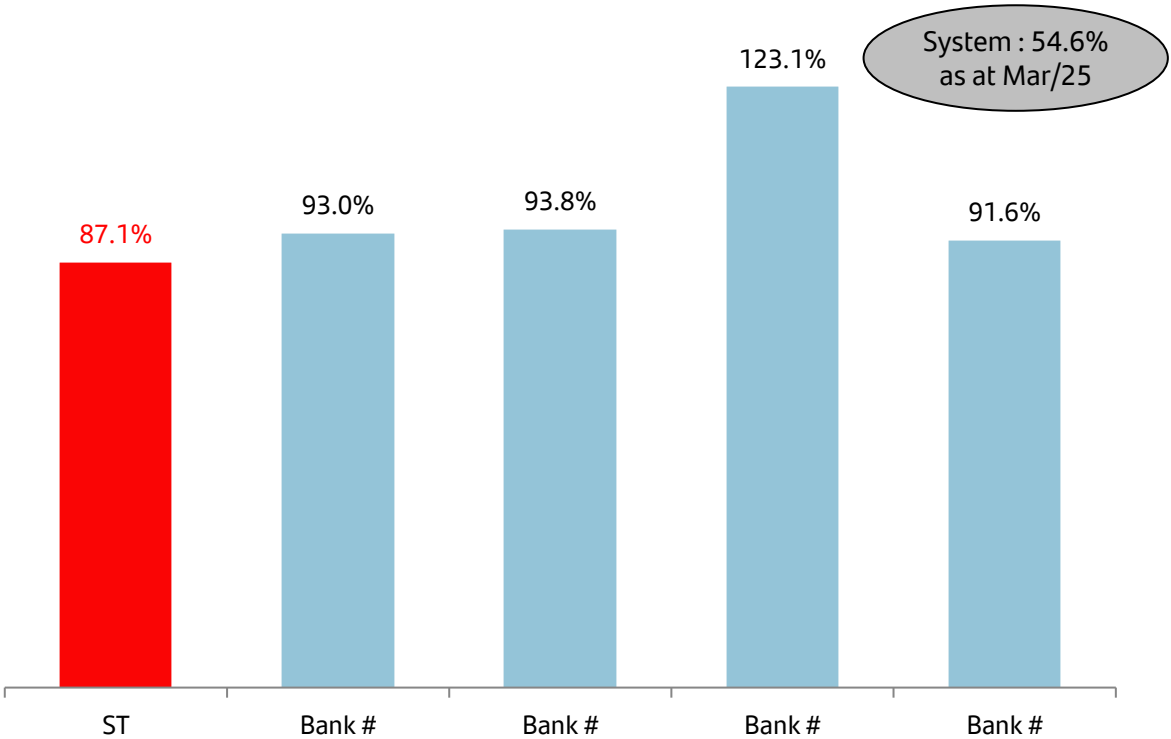
System: 18.0%
as at Dec/24

As at Jun/25

NPE Ratio









NPE Coverage Ratio



As at Jun/25

Long Term Ratings – Senior Debt

DBRS		Fitch		Moody's		S&P	
AH		A+		A1		A+	
A		A		A2	Bank 3	A	 Bank 1 
AL	Bank 2	A-	Bank 3 	A3		A-	Bank 3
BBBH	Bank 4	BBB+		Baa1	 Bank 1 Bank 2	BBB+	Bank 2
BBB		BBB	Bank 2 Bank 4	Baa2	Bank 4	BBB	
BBBL		BBB-		Baa3		BBB-	
BBH		BB+		Ba1		BB+	
BB		BB		Ba2		BB	
BBL		BB-		Ba3		BB-	
BH		B+		B1		B+	
B		B		B2		B	

Appendix



06

Banco Santander Totta, SA

BALANCE SHEET (million euro)	jun-25	jun-24	Var.
Cash, cash balances at central banks and other demand deposits	2,399	4,771	-49.7%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	5,090	5,575	-8.7%
Financial assets at amortised cost	49,068	44,484	+10.3%
Tangible assets	376	392	-4.1%
Intangible assets	39	34	+15.4%
Tax assets	135	168	-19.4%
Non-current assets held for sale	20	38	-47.2%
Other assets	400	426	-6.3%
Total Assets	57,527	55,888	+2.9%
Financial liabilities held for trading	1,246	1,783	-30.2%
Financial liabilities at amortised cost	50,990	48,248	+5.7%
Resources from Central Banks and Credit Institutions	4,425	5,008	-11.6%
Customer deposits	38,502	36,650	+5.1%
Debt securities issued	7,704	6,289	+22.5%
Other financial liabilities	360	301	+19.7%
Provisions	122	126	-3.2%
Tax liabilities	296	593	-50.1%
Other liabilities	725	614	+18.0%
Total Liabilities	53,378	51,365	+3.9%
Share capital attributable to BST shareholders	4,149	4,522	-8.2%
Non controlling interests	0	2	-95.9%
Total Shareholders' Equity	4,149	4,523	-8.3%
Total Shareholders' Equity and Total Liabilities	57,527	55,888	+2.9%

Banco Santander Totta, SA

CONSOLIDATED INCOME STATEMENTS* (million euro)	jun-25	jun-24	Var.
Net interest income	695.7	862.2	-19.3%
Income from equity instruments	7.2	8.2	-12.2%
Net fees	245.6	232.3	+5.7%
Other operating results	-6.7	-3.1	+114.3%
Commercial revenue	941.8	1,099.6	-14.3%
Gain/losses on financial assets	13.0	12.7	+1.9%
Gross Operating Income (1)	954.8	1,112.3	-14.2%
Operating costs	-258.8	-257.5	+0.5%
Staff expenses	-144.8	-142.1	+2.0%
Other Administrative Expenses	-94.0	-96.2	-2.3%
Depreciation	-20.0	-19.2	+3.9%
Net operating Income	696.0	854.8	-18.6%
Impairment (net) of financial assets at amortised cost	7.0	-4.4	-
Net provisions and other results	0.8	-35.2	-
Income before taxes and non-controlling interests	703.8	815.3	-13.7%
Taxes	-199.9	-267.3	-25.2%
Non-controlling interests	0.0	-0.2	-100.0%
Consolidated net income	503.9	547.7	-8.0%

(1) Includes the costs with the Resolution and Deposit Guarantee Funds

(*) Not audited

Thank you.

Our purpose is to help people
and business prosper.

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

Simple Personal Fair



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

