Portugal

2025

Institutional Presentation

Santander

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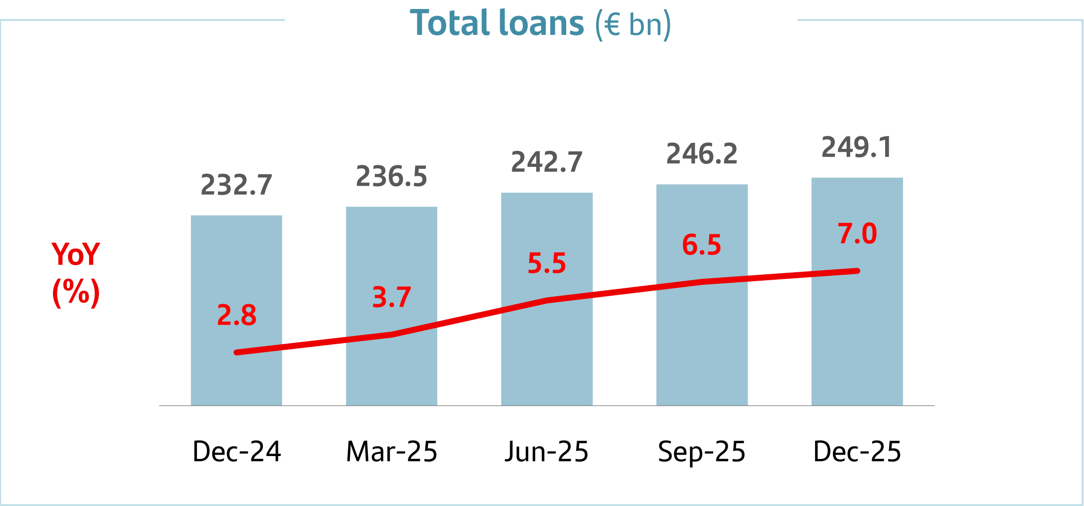
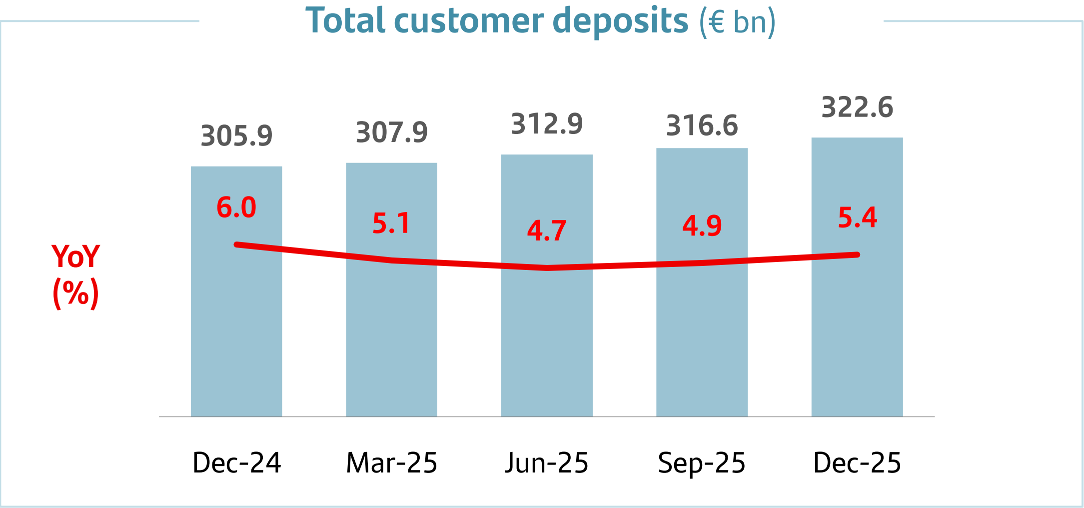
The information contained herein is in accordance with the Bank of Portugal's criteria.

Macroeconomic environment and financial system

01

Loan and deposit volumes continue to increase





- System loans are growing at a faster pace, as the ECB brought down the deposit rate to 2.0%, 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 are also dynamic, supported by credit lines from Banco Português de Fomento.
- 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.

Source: Statistics Portugal, Ministry of Finance, Santander Portugal forecasts and estimates.

Strategy and business

02

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

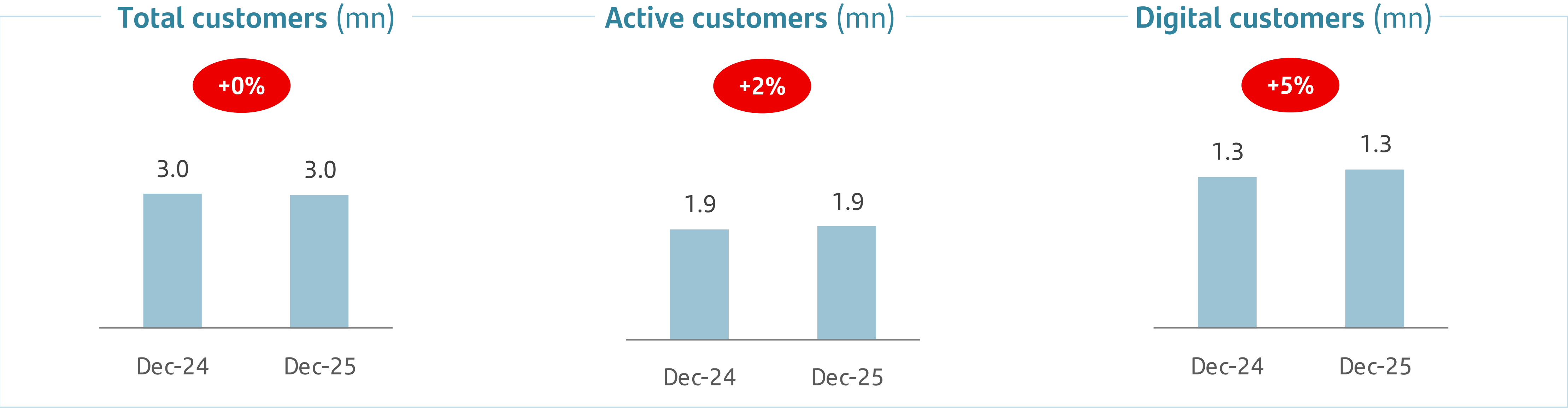
KEY DATA	2025	YoY Var.
Customer loans (gross)	€54.1 bn	+7.5%
Customer Deposits	€39.5 bn	+6.2%
Attributable profit	€963.8 mn	+0.5%
RoTE	31.8%	+5.9 pp
Efficiency ratio	28.0%	+2.3 pp
Loans market share[1]	16.6%	-8 bps
Deposits market share[1]	12.4%	+4 bps
Active customers	1.9 mn	+2.1%
Digital customers	1.3 mn	+5.1%
Branches[2]	278	-15.2%
Employees[2]	4,666	+1.2%

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

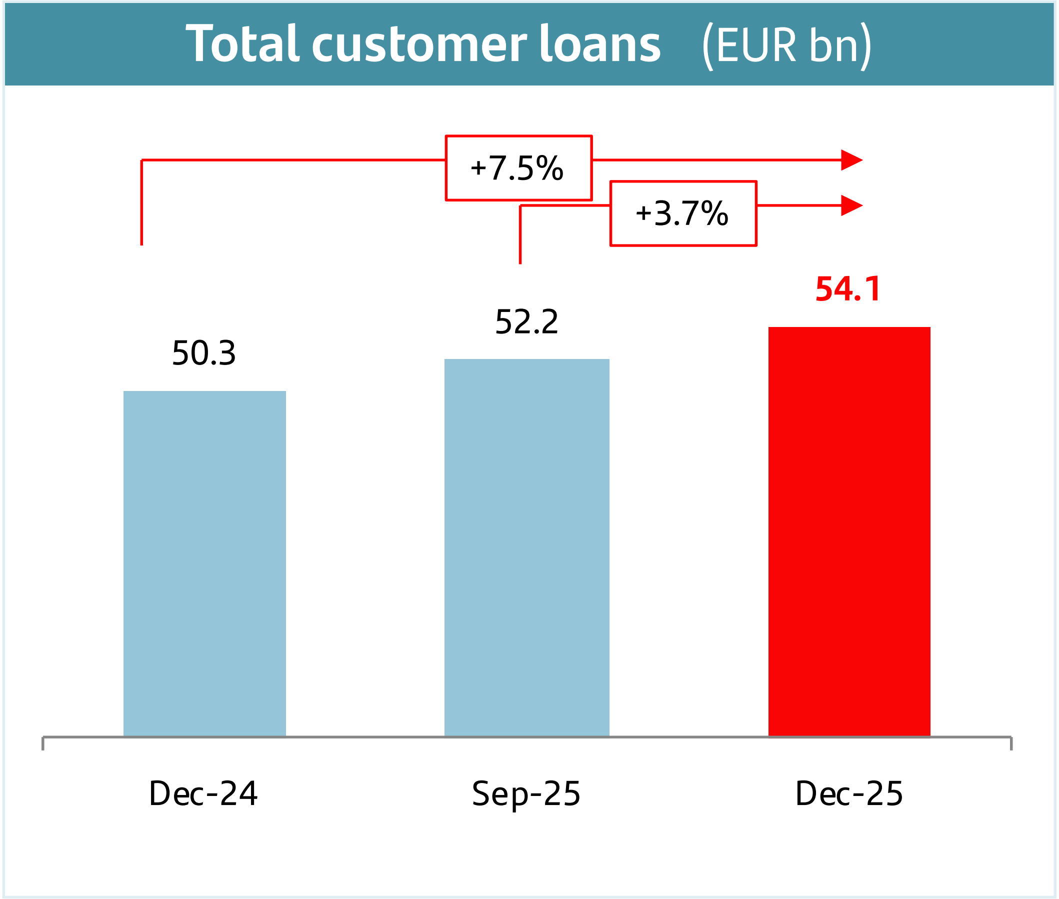
(1) As at Dec-25
(2) Branches and Employees in Portugal

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



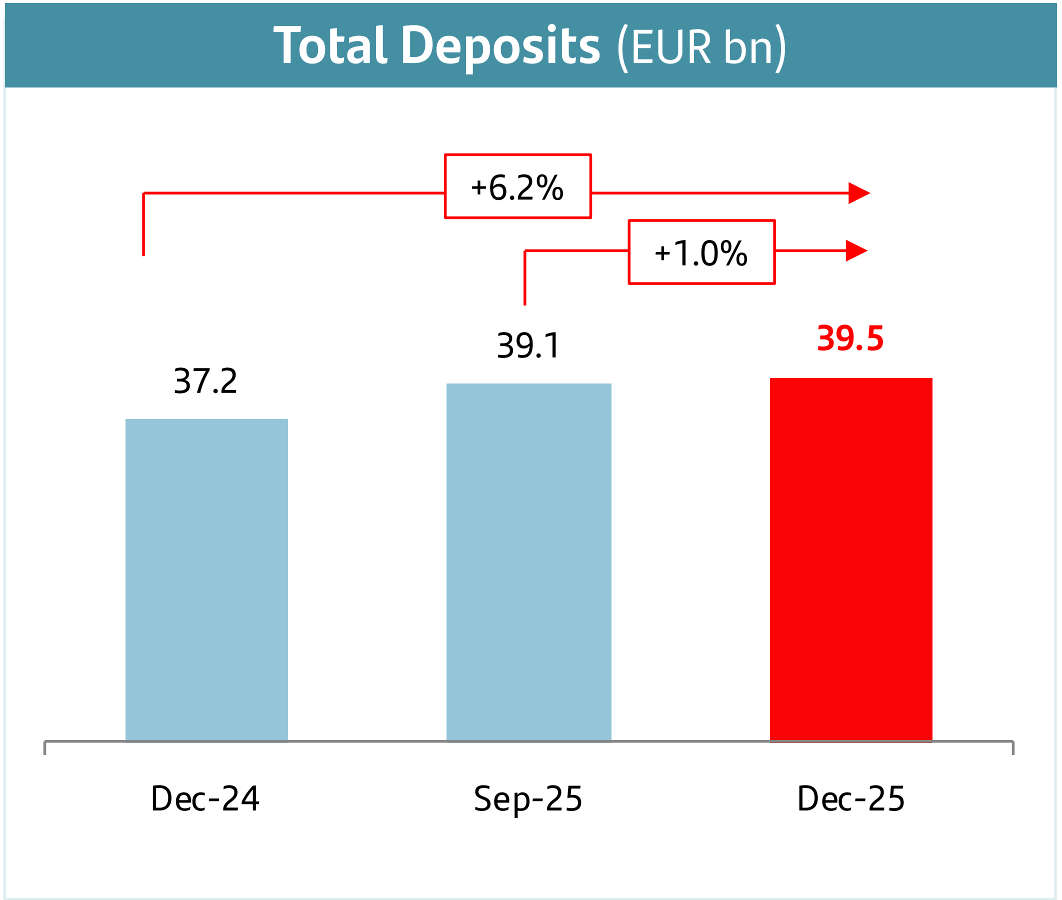
- We continue to execute our commercial and digital transformation, aimed at providing first-class service to customers, by simplifying its offer and processes, which is:
  - Contributing to the sustained growth in the number of active customers (+2% YoY); and
  - Translating into the continued increase in digital customers (+5%), underpinned by our focus on providing a seamless experience across channels.

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



	Dec-25	Dec-24	YoY (%)	QoQ (%)
Individuals	**27.6**	**25.4**	**+8.4**	**+2.2**
Mortgage	25.3	23.3	+8.6	+2.3
Consumer and other	2.3	2.2	+6.2	+1.6
Corporates and Institucionals	**26.5**	**24.9**	**+6.5**	**+5.3**
Total	**54.1**	**50.3**	**+7.5**	**+3.7**

Sound growth in customer funds, in deposits and particularly in off-balance funds



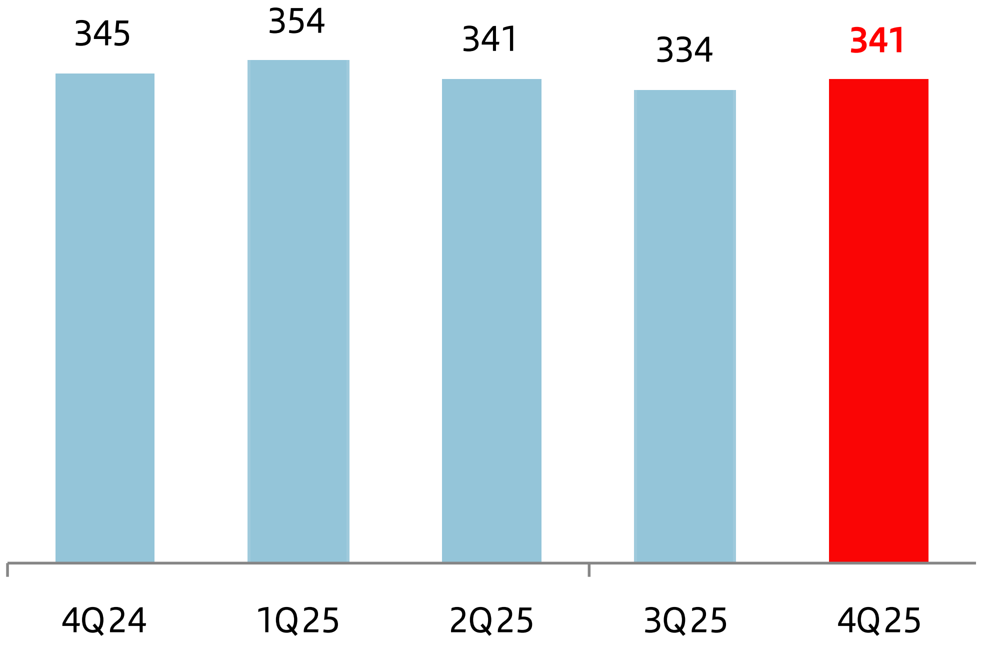
	Dec-25	Dec-24	YoY (%)	QoQ (%)
Deposits	**39.5**	**37.2**	**+6.2**	**+1.0**
Off Balance Sheet Resources	**9.7**	**8.7**	**+11.1**	**+2.0**
Investment Funds	5.6	4.9	+15.2	+3.1
Insurance and other	4.1	3.8	+6.0	+0.5
Total Customer Funds	**49.2**	**45.9**	**+7.1**	**+1.2**

Results

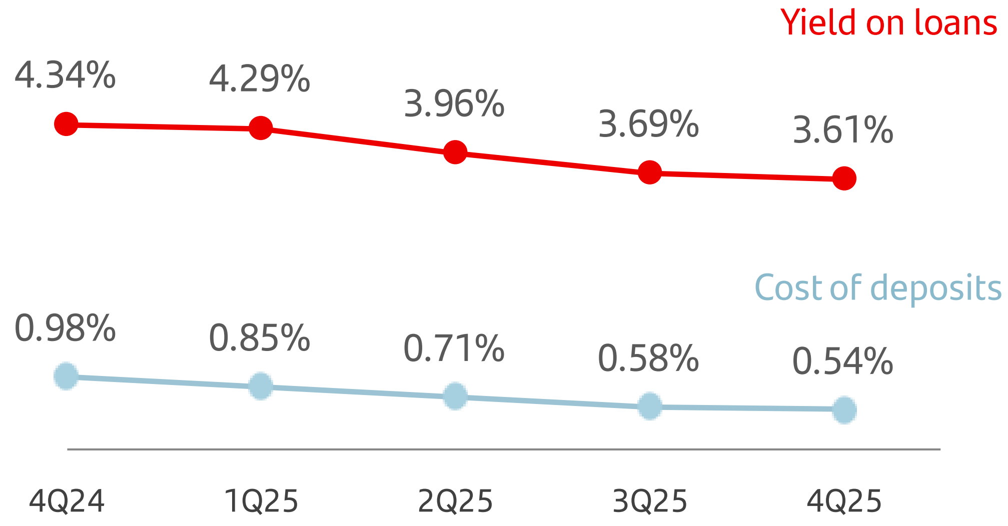
03

NII began stabilizing from Q2'25 onwards, as the ECB concluded its rate cut cycle. Our strict pricing policy continues to be reflected in the cost of deposits, protecting NII.

Net interest income (EUR mn)



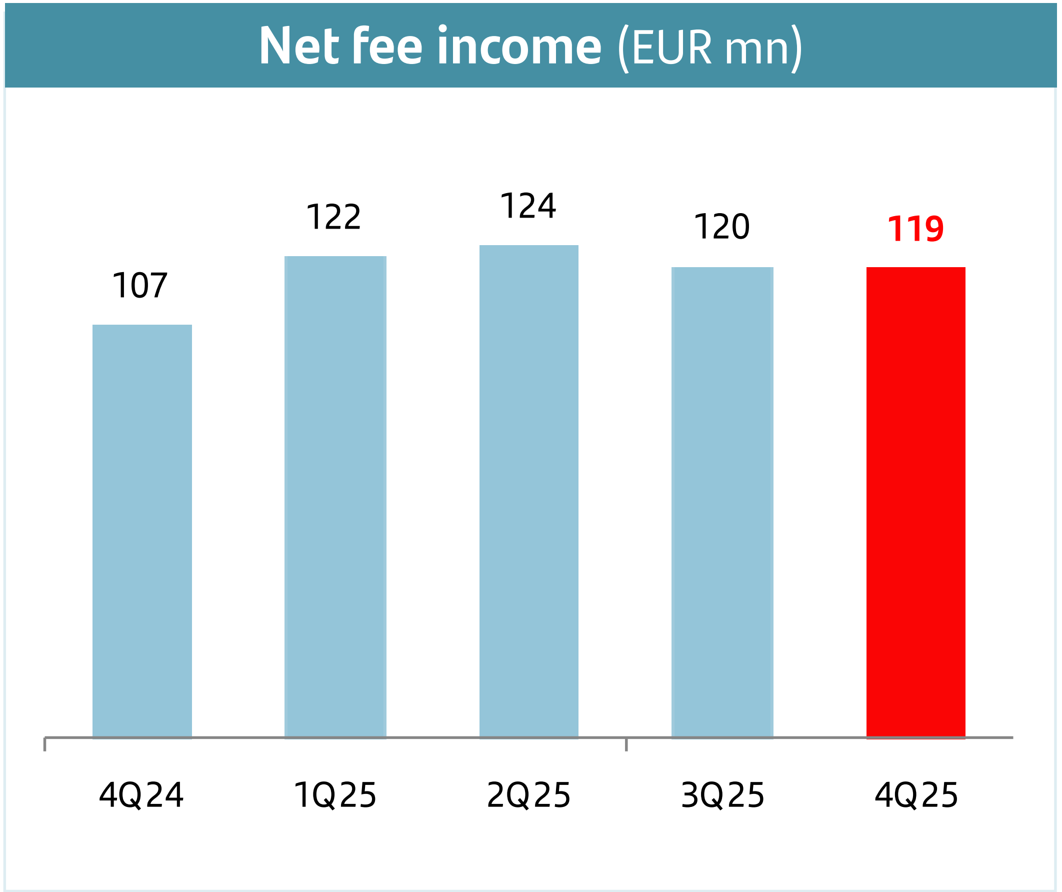
Yields and Costs (%)

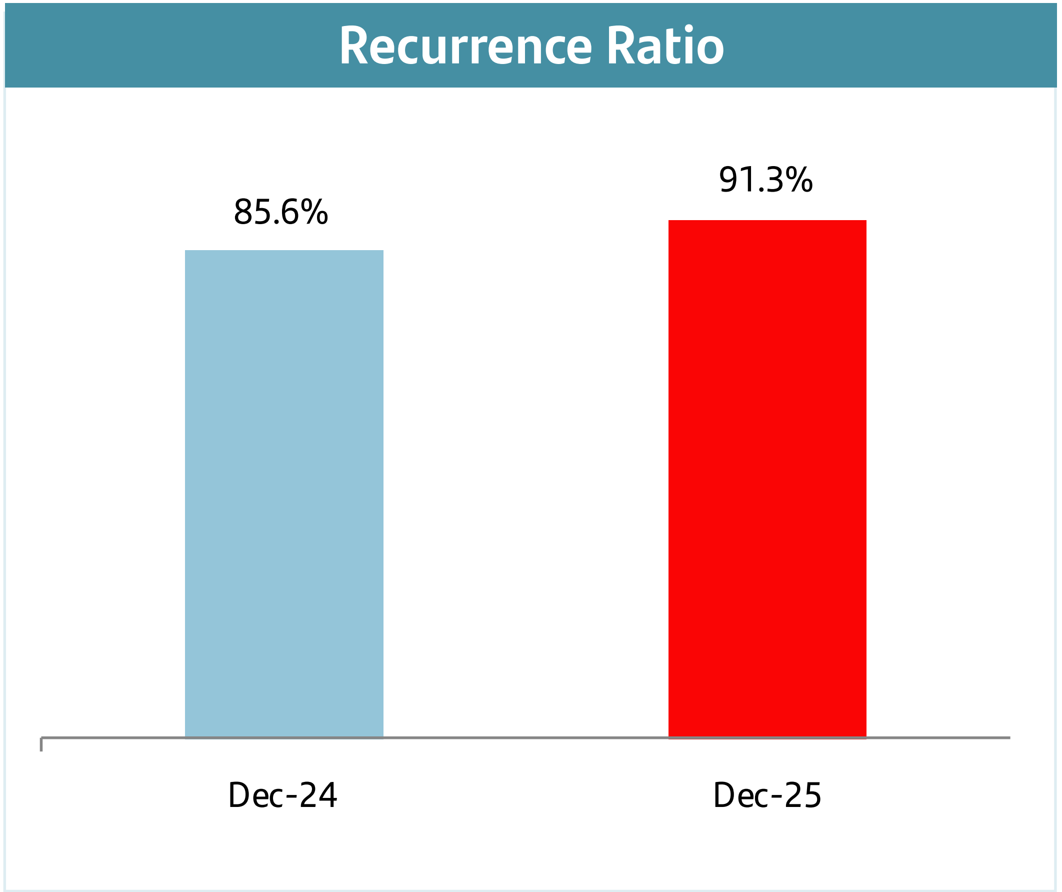


Differential

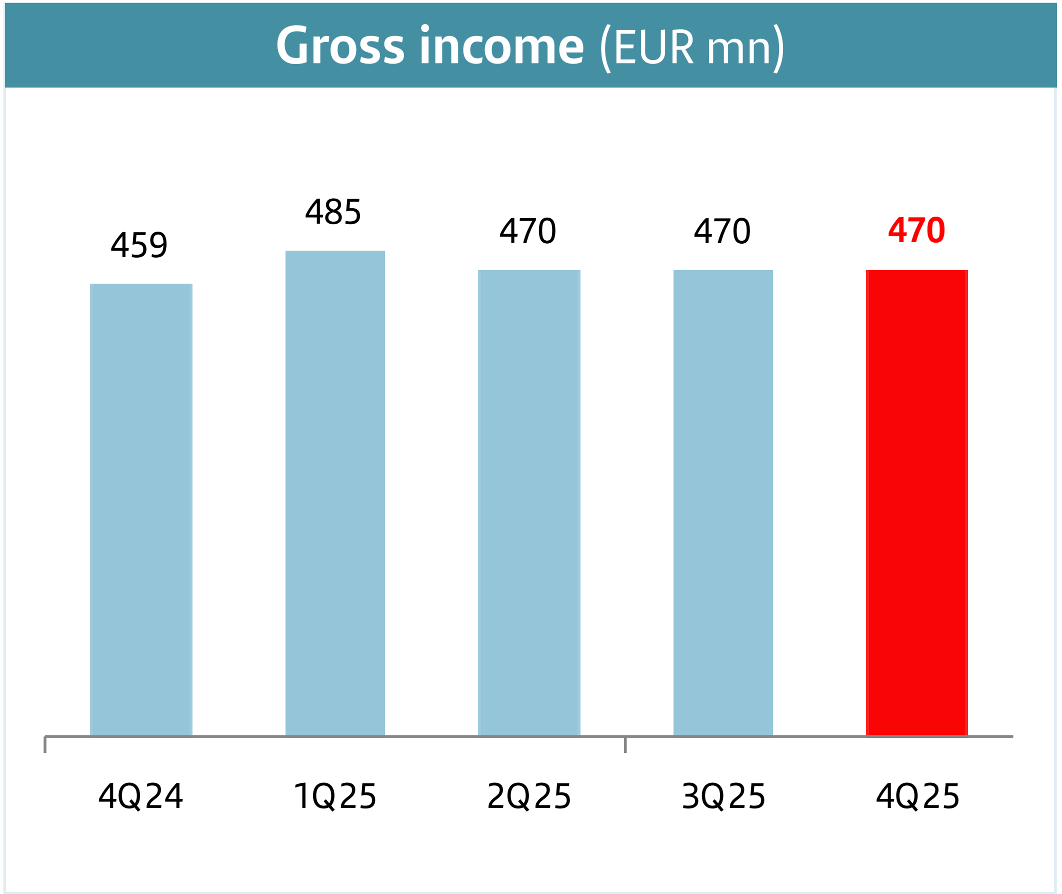
3.36pp	3.44pp	3.25pp	3.11pp	3.07pp

Net fee income grew, supported by strong origination of new loans and by increased customer transactions





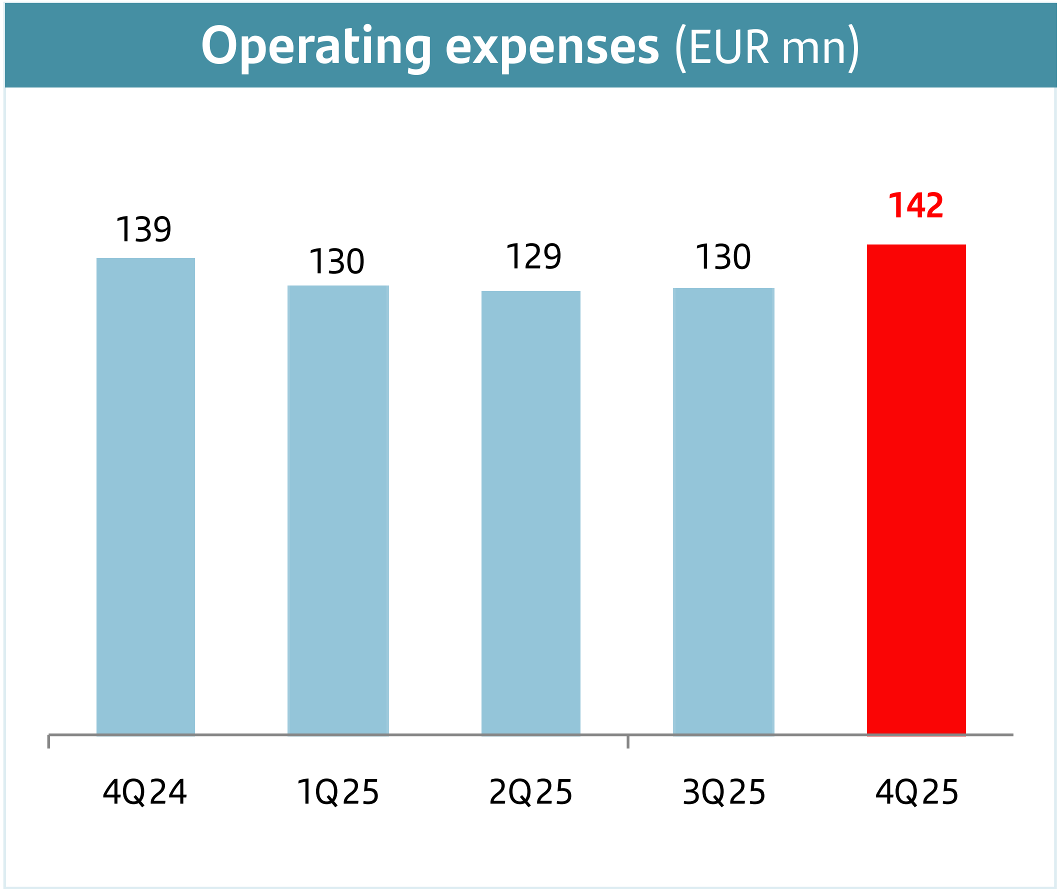
Gross income was flat during most of the year, but still declined YoY, aligned with NII, which was partly offset by higher fees



	2025	2024	YoY (%)	QoQ (%)
Net interest income	1,370	1,567	-12.6	+2.0
Net Fees	484	452	+7.1	-0.4
Customer revenue	**1,854**	**2,019**	**-8.2**	**+1.4**
Other [(1)]	41	29	+40.0	-32.9
Gross income	**1,895**	**2,048**	**-7.5**	**+0.2**

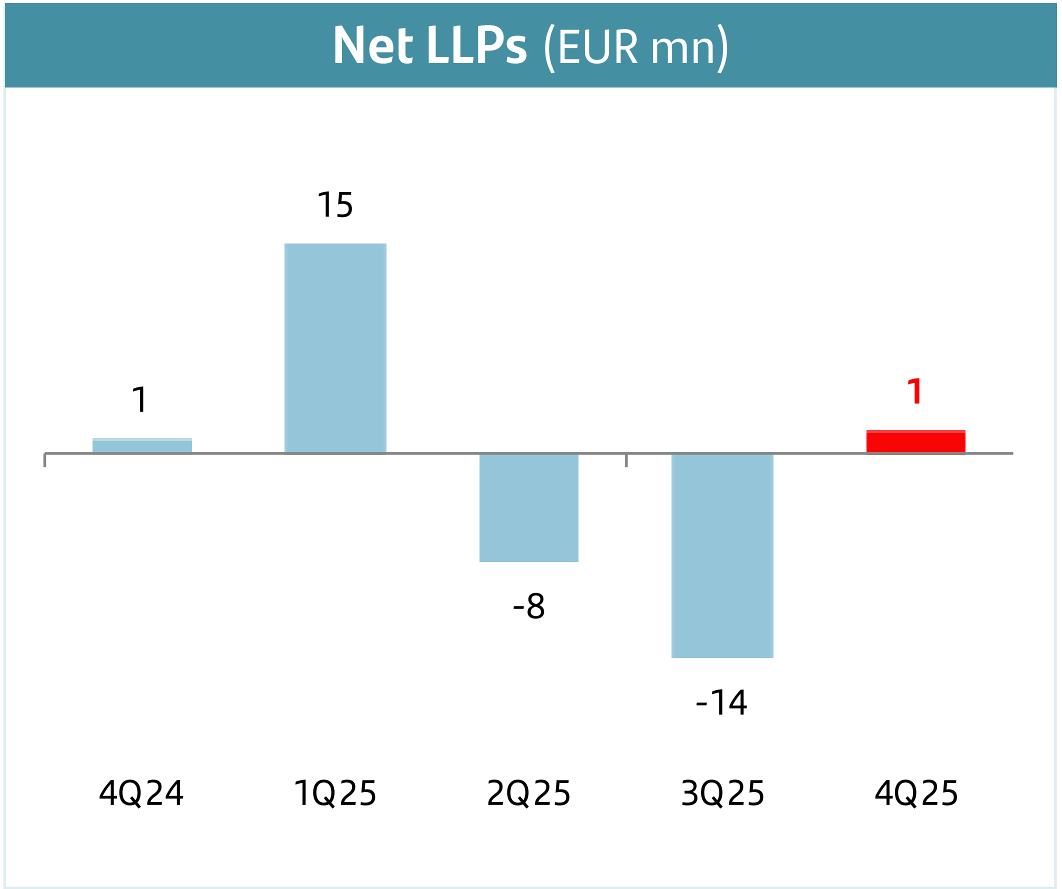
(1) Other includes gains/losses on financial transactions and other operating income.

Our commercial and digital transformation continues to be the key driver of low cost of service, with flat costs



	2025	2024	YoY (%)	QoQ (%)
Operating Expenses	**531**	**527**	**+0.6**	**+9.9**
Efficiency ratio *(with amortisations)*	28.0%	25.7%	+2.3pp	
Branches in Portugal (#)	278	328	-50	
Employees in Portugal (#)	4,666	4,610	+56	

Credit fundamentals remained solid, with further decline in NPEs and reduced cost of credit

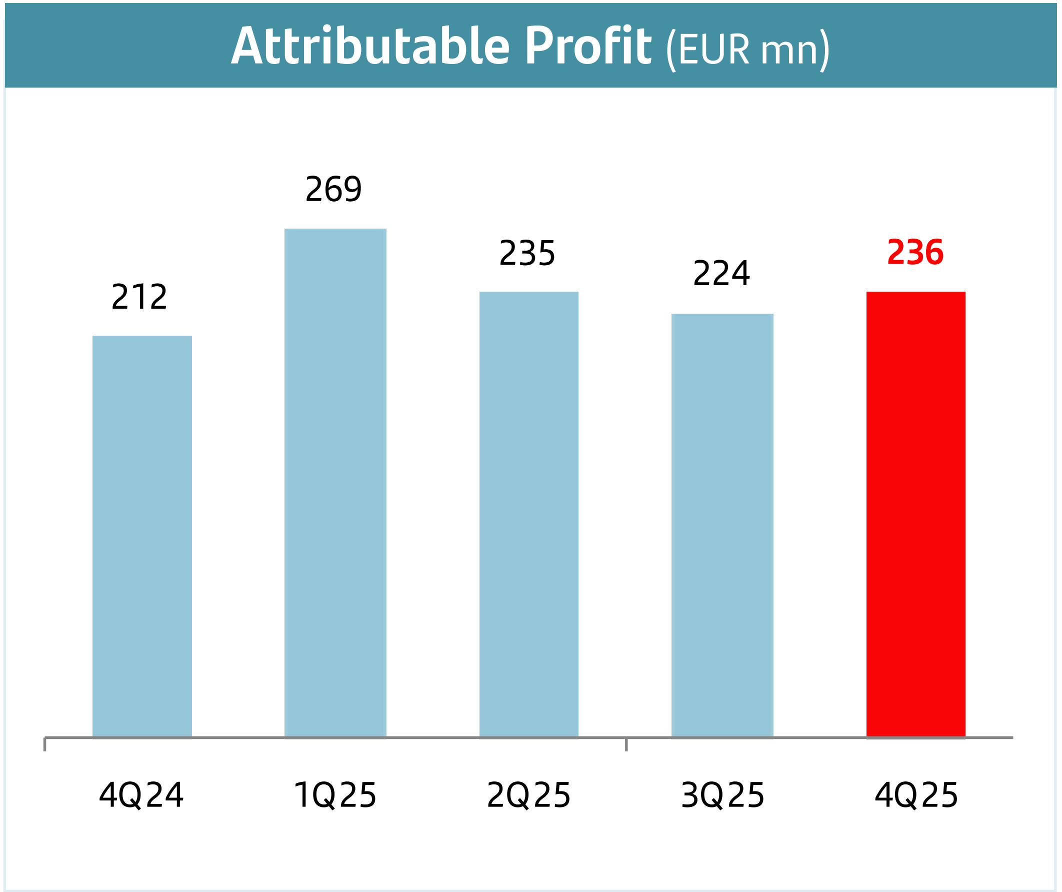


	2025	2024	YoY (%)	QoQ (%)
Net Operating Income	**1,364**	**1,520**	**-10.3**	**-3.5**
LLPs	-6	-13	-54.1	-
Net Operating Income after LLPs	**1,358**	**1,508**	**-9.9**	**+1.2**

	2025	2024	YoY (%)
NPE ratio	1.4%	1.6%	-0.2pp
NPE coverage ratio	87.8%	84.1%	+3.7pp
Cost of Credit (1)	0.01%	0.03%	-0.02pp

(1) Cost of credit based on allowances for loan-loss provisions over the last 12 months / average loans and advances to customers over the last 12 months.

Profit improved 0.5% YoY, with the dynamics of NII, which were partly offset by increased customer transactions and operational efficiency



	2025	2024	YoY (%)	QoQ (%)
Profit before taxes	**1,362**	**1,443**	**-5.6**	**+4.0**
Taxes and MI	-398	-484	-17.8	+1.6
Underlying Attributable Profit	**964**	**959**	**+0.5**	**+5.0**

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.

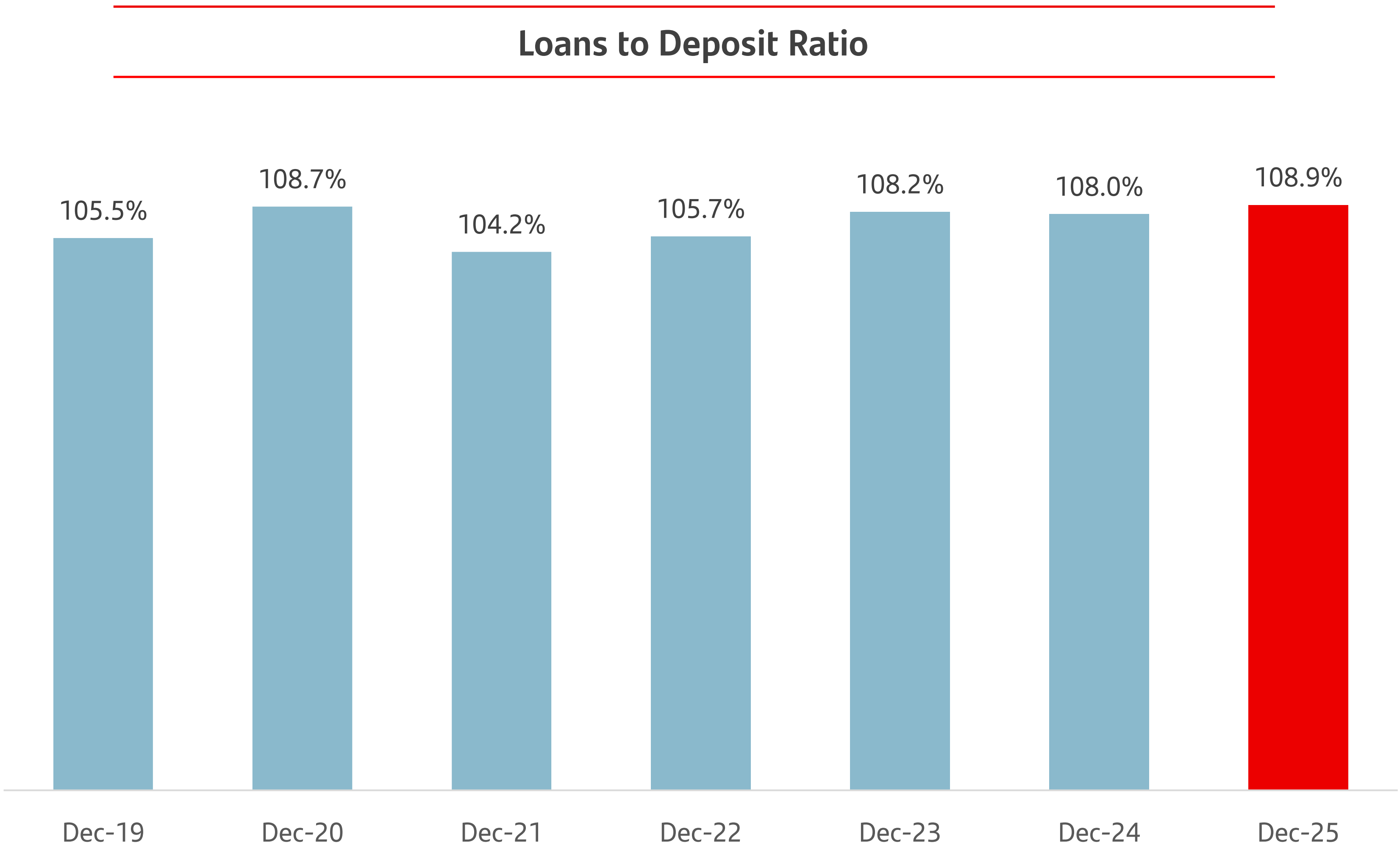
Results

- Gross income stabilized during most of 2025, but still declined YoY, as NII reflected the repricing of the loan book during the ECB interest rate cut cycle. We have maintained 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 grew 0.5% YoY, as NII was offset by higher fees, low cost of service and lower LLPs.

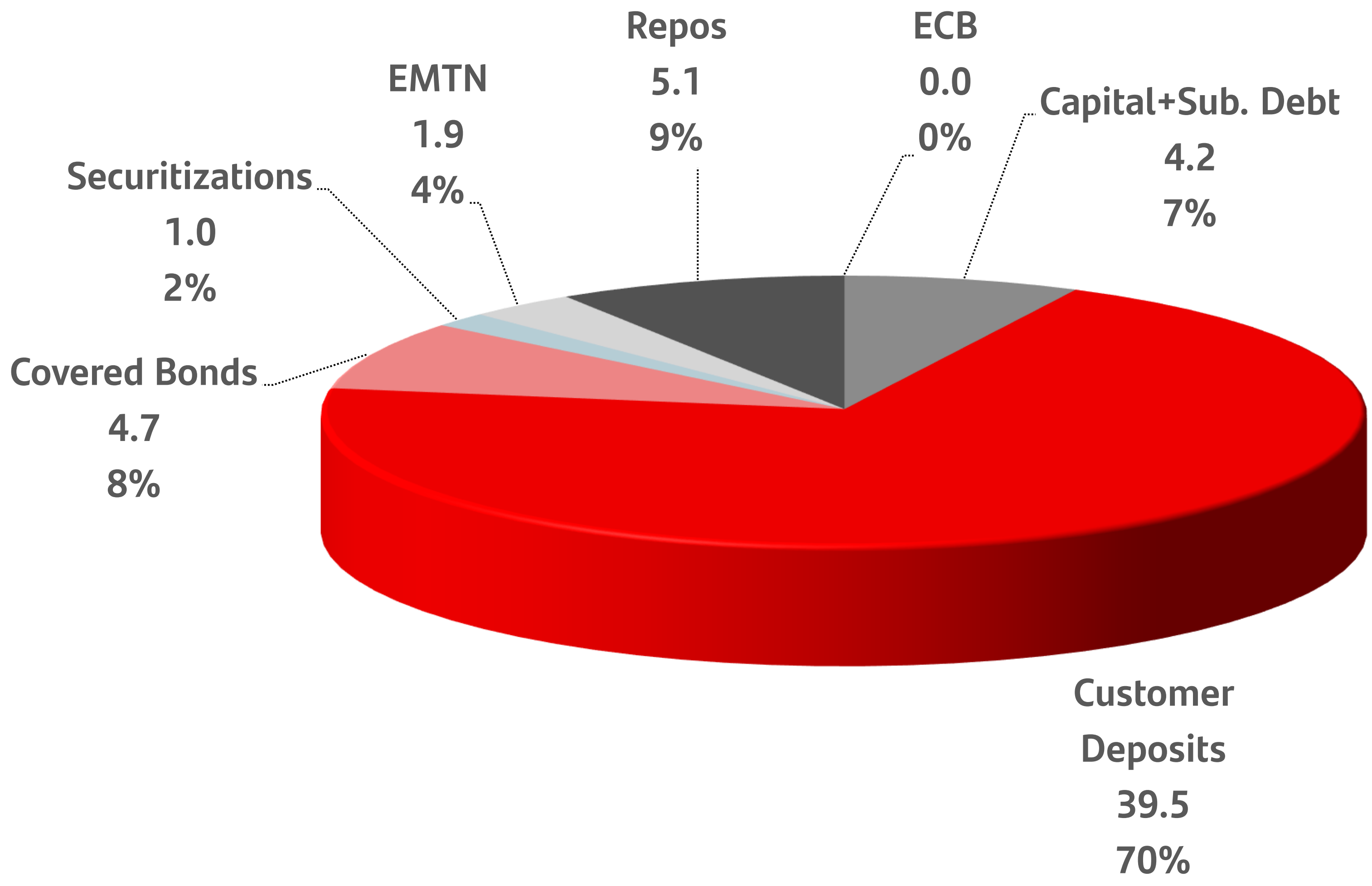
Financial and liquidity management

04

LtD ratio has been stable



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



LCR
133%

NSFR
129%

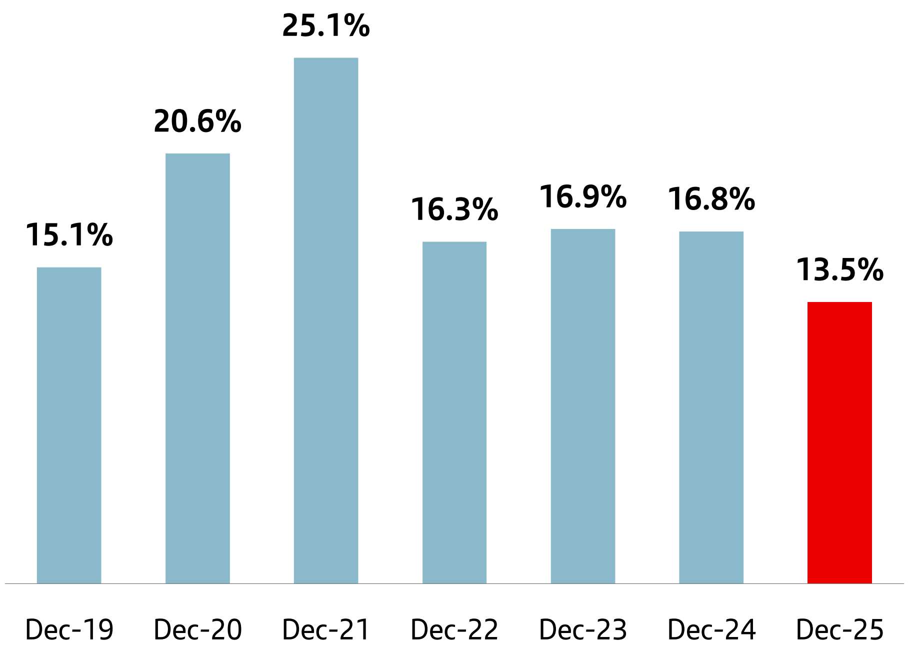
Liquidity Buffer
(% of deposits)
46%

As of Dec/25

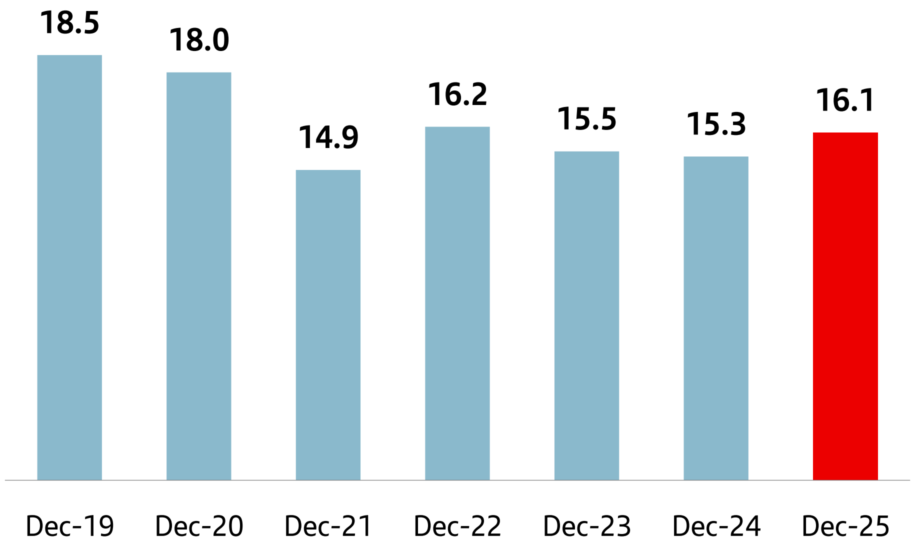
EMTN include 0.4bn in CLNs

Sound capital levels, with adequate management of RWAs

CET 1 – full implemented

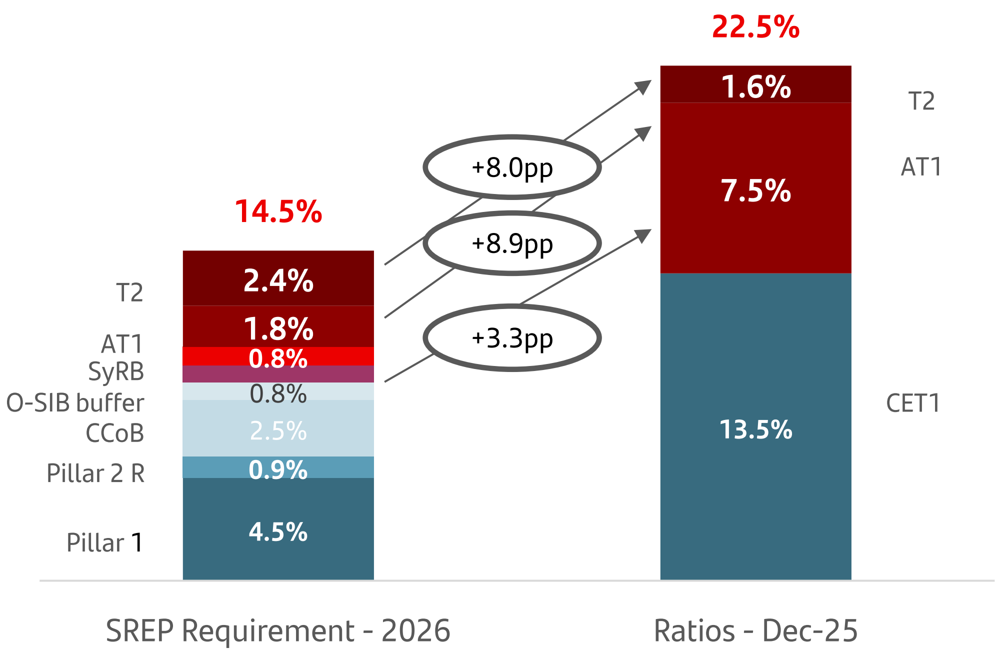


RWA (bn€)



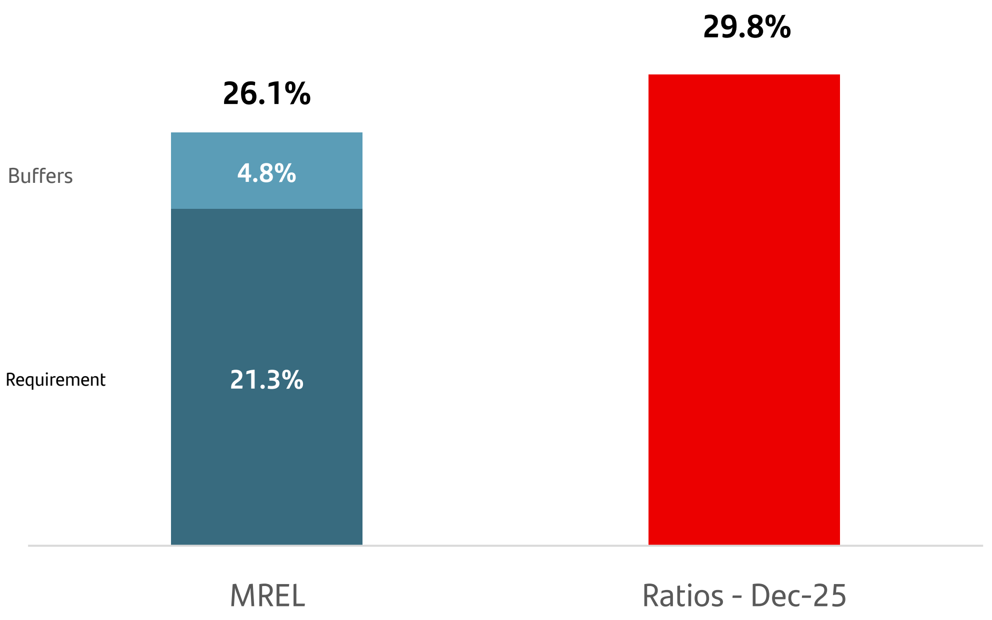
Capital ratios well above the regulatory requirements

SREP capital requirements (fully loaded)



- The **minimum CET1** to be maintained by the Bank is 10.2%
- As of Dec-25, and considering the 2026 requirements, the distance to the MDA was 8.0pp and the CET1 buffer was 3.3pp

MREL



- As of Dec-25, the Bank comfortably met the MREL requirement

Benchmarking

05

Long Term Ratings – Senior Debt

DBRS

AH	
A	Santander, Bank 1
AL	Bank 2
BBBH	
BBB	
BBBL	
BBH	
BB	
BBL	
BH	
B	

Fitch

A+	
A	Santander
A-	Bank 3
BBB+	Bank 2
BBB	Bank 4
BBB-	
BB+	
BB	
BB-	
B+	
B	

Moody's

A1	
A2	Bank 3
A3	
Baa1	Santander, Bank 1, Bank 2, Bank 4
Baa2	
Baa3	
Ba1	
Ba2	
Ba3	
B1	
B2	

S&P

A+	
A	Santander, Bank 1, Bank 3
A-	
BBB+	Bank 2
BBB	
BBB-	
BB+	
BB	
BB-	
B+	
B	

Peer Group (Main Banks)
Last update 31-Jan-2026

Appendix

06

Banco Santander Totta, SA

BALANCE SHEET (million euro)	dez-25	dez-24	Var.
Cash, cash balances at central banks and other demand deposits	1,774	1,998	-11.2%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	4,483	5,405	-17.1%
Financial assets at amortised cost	51,430	47,613	+8.0%
Tangible assets	357	385	-7.2%
Intangible assets	46	36	+28.2%
Tax assets	112	120	-6.7%
Non-current assets held for sale	19	26	-25.3%
Other assets	489	497	-1.5%
Total Assets	58,710	56,080	+4.7%
Financial liabilities held for trading	718	1,557	-53.9%
Financial liabilities at amortised cost	53,080	49,186	+7.9%
Resources from Central Banks and Credit Institutions	5,485	4,644	+18.1%
Customer deposits	39,452	38,069	+3.6%
Debt securities issued	7,869	6,176	+27.4%
Other financial liabilities	274	298	-7.9%
Provisions	105	124	-15.7%
Tax liabilities	87	532	-83.6%
Other liabilities	401	522	-23.2%
Total Liabilities	54,391	51,922	+4.8%
Share capital atributtable to BST shareholders	4,320	4,156	+3.9%
Non controlling interests	0	1	-101.7%
Total Shareholders' Equity	4,320	4,157	+3.9%
Total Shareholders' Equity and Total Liabilities	58,710	56,080	+4.7%

Banco Santander Totta, SA

CONSOLIDATED INCOME STATEMENTS* (million euro)	dez-25	dez-24 (**)	Var.
Net interest income	1,370.0	1,566.8	-12.6%
Income from equity instruments	7.2	8.2	-11.9%
Net fees	484.3	452.2	+7.1%
Other operating results	-4.0	-0.3	>200%
Commercial revenue	1,857.6	2,026.9	-8.4%
Gain/losses on financial assets	37.3	21.0	+77.2%
Gross Operating Income (1)	1,894.9	2,047.9	-7.5%
Operating costs	-530.7	-527.4	+0.6%
Staff expenses	-302.4	-291.4	+3.8%
Other Administrative Expenses	-180.7	-195.4	-7.5%
Depreciation	-47.6	-40.6	+17.2%
Net operating Income	1,364.2	1,520.5	-10.3%
Impairment (net) of financial assets at amortised cost	-6.0	-13.0	-54.1%
Net provisions and other results	3.4	-64.4	-
Income before taxes and non-controlling interests	1,361.7	1,443.1	-5.6%
Taxes	-397.9	-483.7	-17.8%
Non-controlling interests	0.0	0.0	-
Consolidated net income	963.8	959.4	+0.5%

(*) Not audited

(**) Pro forma accounts for perimeter harmonization purposes

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

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

Santander

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

FTSE4Good