



Portugal



3M'25

Institutional Presentation

# Disclaimer

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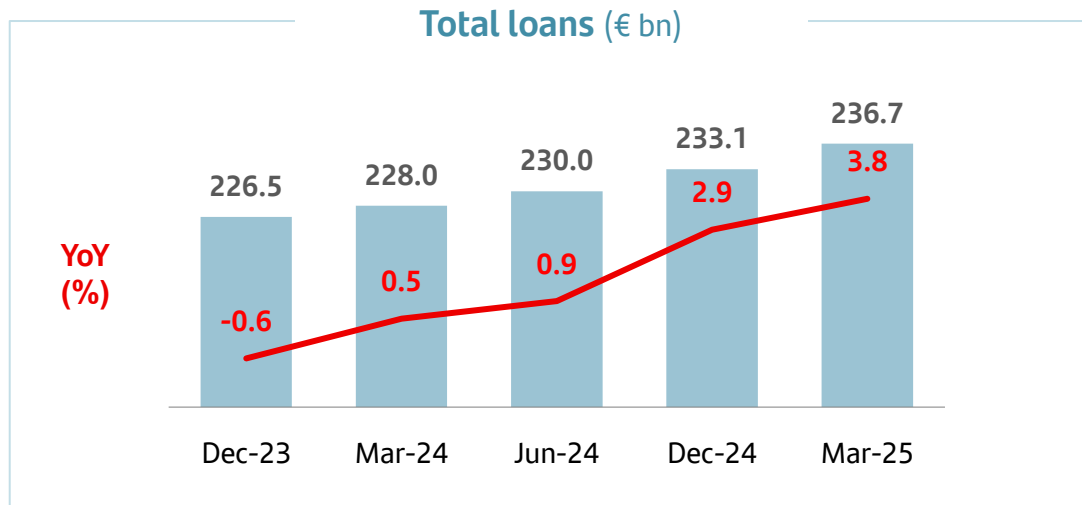
The information contained herein is in accordance with the Bank of Portugal's criteria.



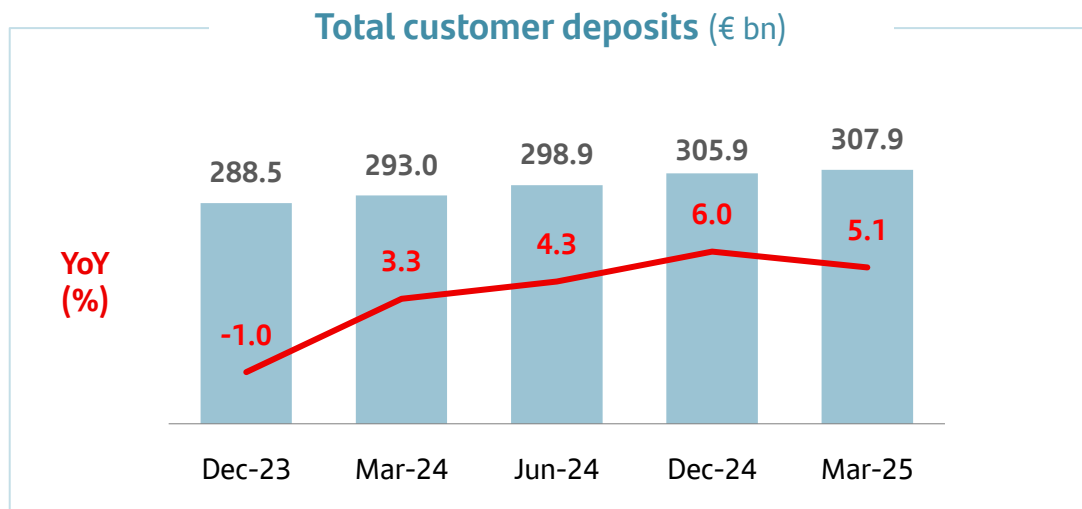
# Macroeconomic environment and financial system

01

# Loan and deposit volumes continue to increase



- ▶ System loans are growing at a progressively faster pace, as the ECB has already cut rates by 175bp, and both households and companies significantly reduced the level of early redemptions of loans.
- ▶ New loan origination improved for mortgages, with 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, even though rates on new deposits are receding, in line with the evolution of Euribor rates.
- ▶ 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

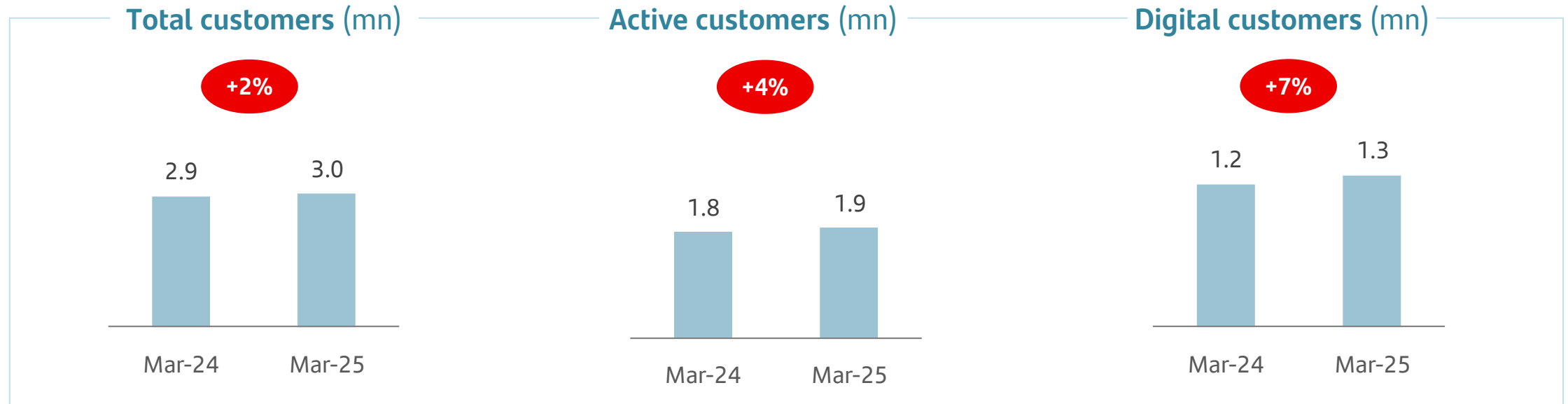
KEY DATA		Q1'25	YoY Var.
	Customer loans (gross)	€50.7 bn	+8.7%
	Customer Deposits	€37.9 bn	+6.7%
	Attributable profit	€268.8 mn	-8.7%
	RoTE	31.1%	-0.1 pp
	Efficiency ratio	26.9%	+4.2 pp
	Loans market share <sup>1</sup>	16.7%	+37 bps
	Deposits market share <sup>1</sup>	12.7%	+2 bps
	Total customers	3.0 mn	+1.7%
	Digital customers	1.3 mn	+6.7%
	Branches <sup>2</sup>	327	-0.9%
	Employees <sup>2</sup>	4,682	+2.2%



## Strategic Priorities

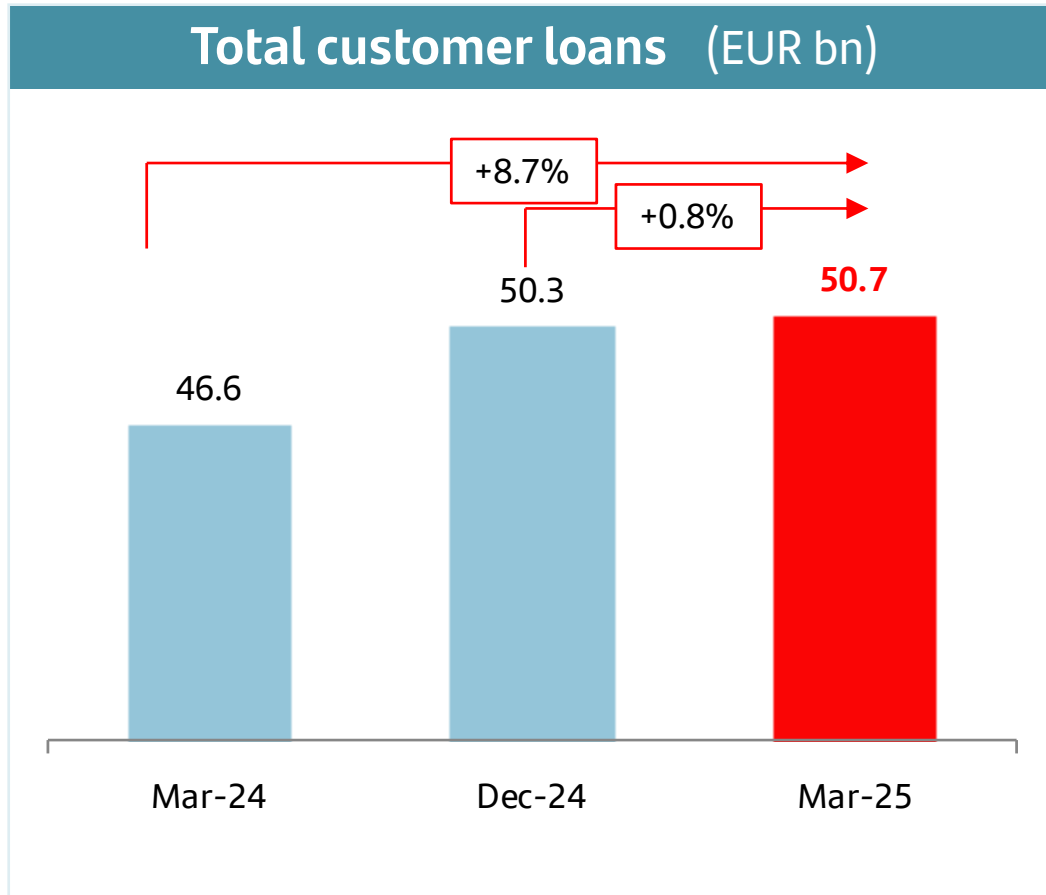
- ▶ Continue to implement our transformation plan with the aim of improving service quality and increasing our customer base
- ▶ Grow organically in terms of profitable market share and with adequate capital remuneration
- ▶ Maintain our position as market leaders in efficiency, improving the cost base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

## 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 (+4% YoY); and
  - ▶ Translating into the continued increase in digital customers (+7%), underpinned by our focus on providing a seamless experience across channels.

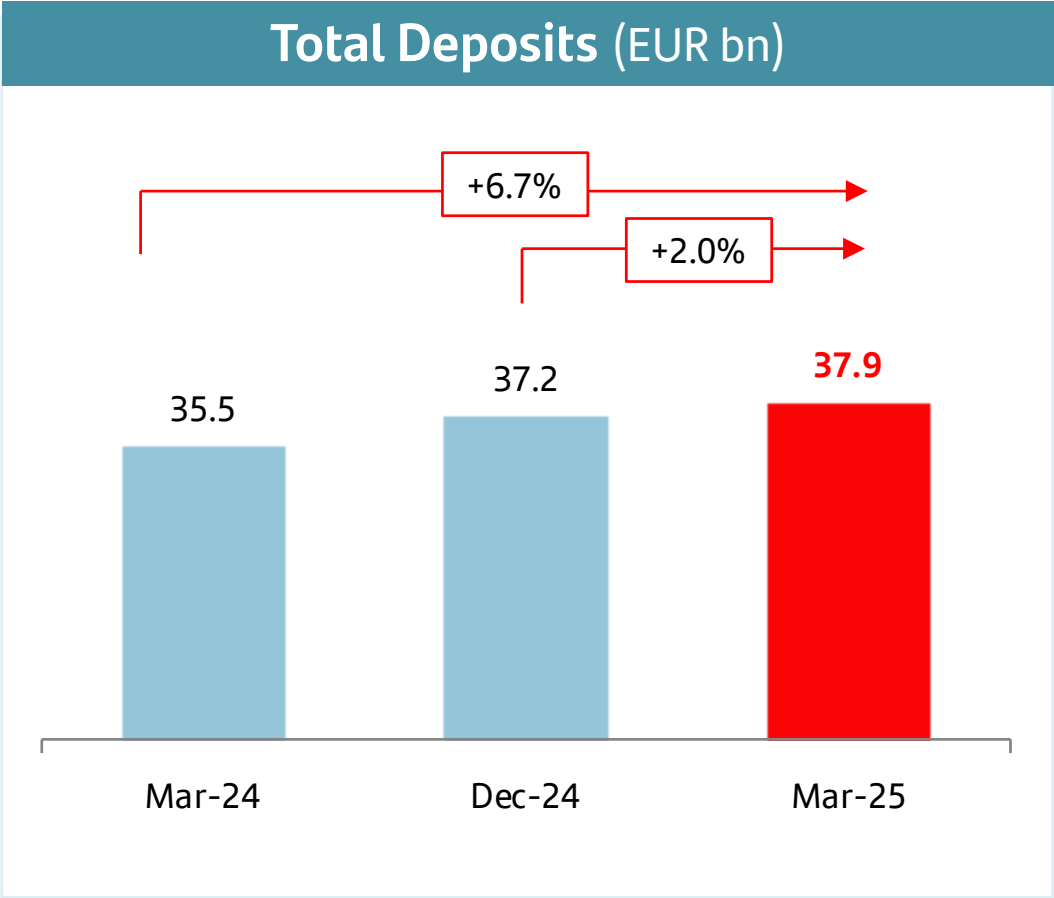
# Higher loans to customers, supported by strong origination of mortgages and corporate loans



	Mar-25	Mar-24	YoY (%)	QoQ (%)
Individuals	25.9	24.4	+6.0	+1.8
Mortgage	23.7	22.3	+6.1	+1.8
Consumer and other	2.2	2.1	+5.8	+1.4
Corporates and Institucionals	24.8	22.2	+11.7	-0.3
<b>Total</b>	<b>50.7</b>	<b>46.6</b>	<b>+8.7</b>	<b>+0.8</b>



Customer funds continue to grow, both in terms of deposits and off-balance funds



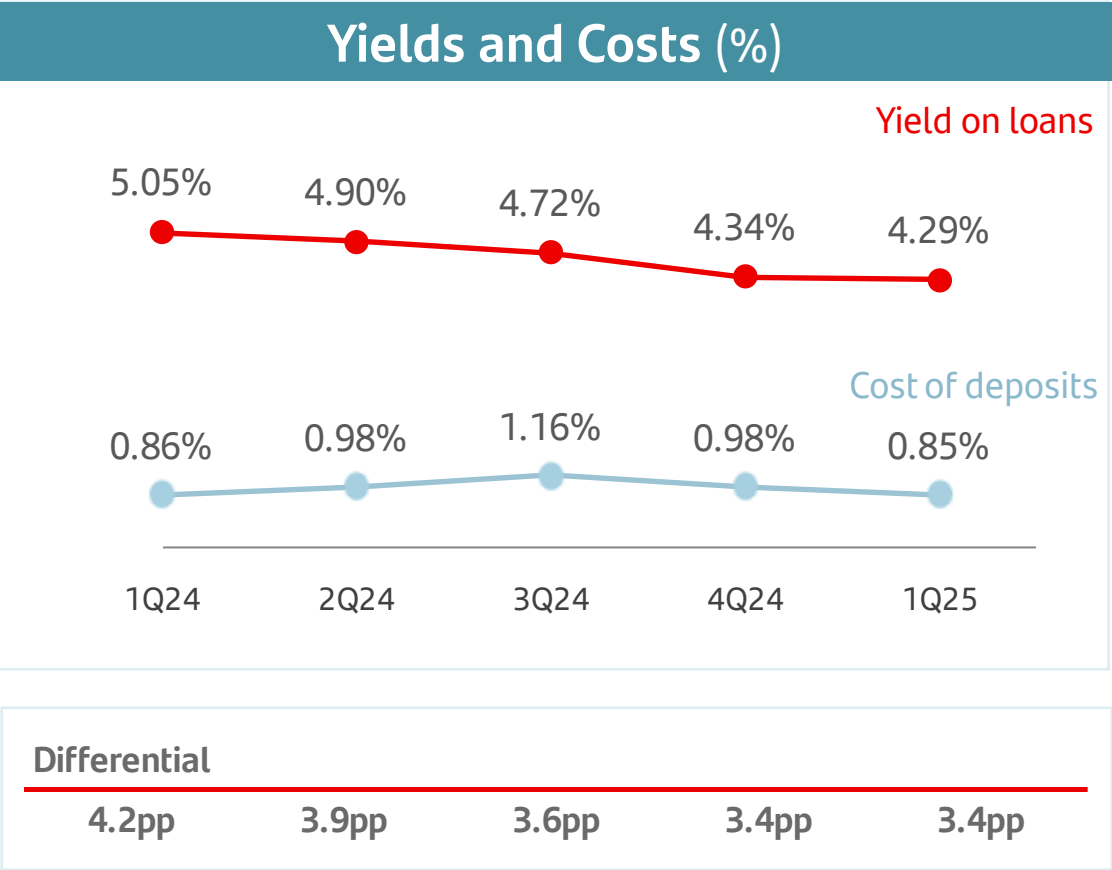
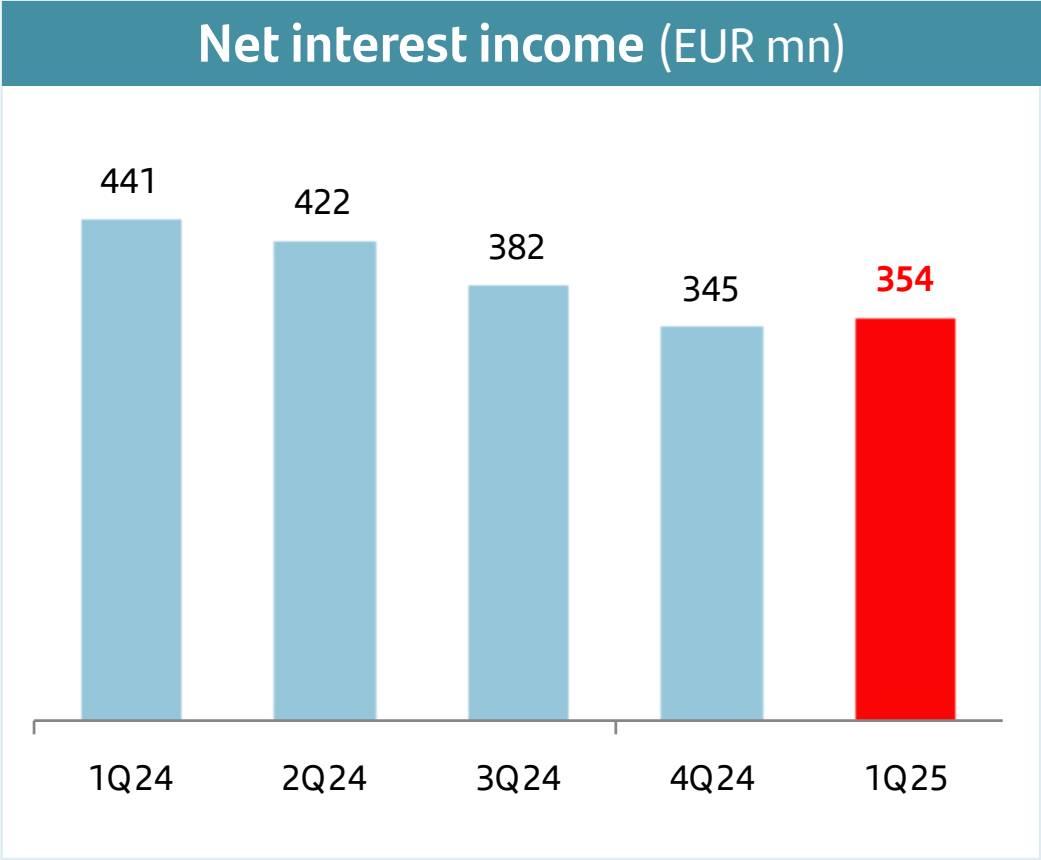
	Mar-25	Mar-24	YoY (%)	QoQ (%)
Deposits	37.9	35.5	+6.7	+2.0
Off Balance Sheet Resources	8.9	8.2	+7.8	+1.7
Investment Funds	5.0	4.4	+14.8	+2.5
Insurance and other	3.9	3.9	-0.2	+0.8
Total Customer Funds	46.8	43.8	+6.9	+1.9

Results

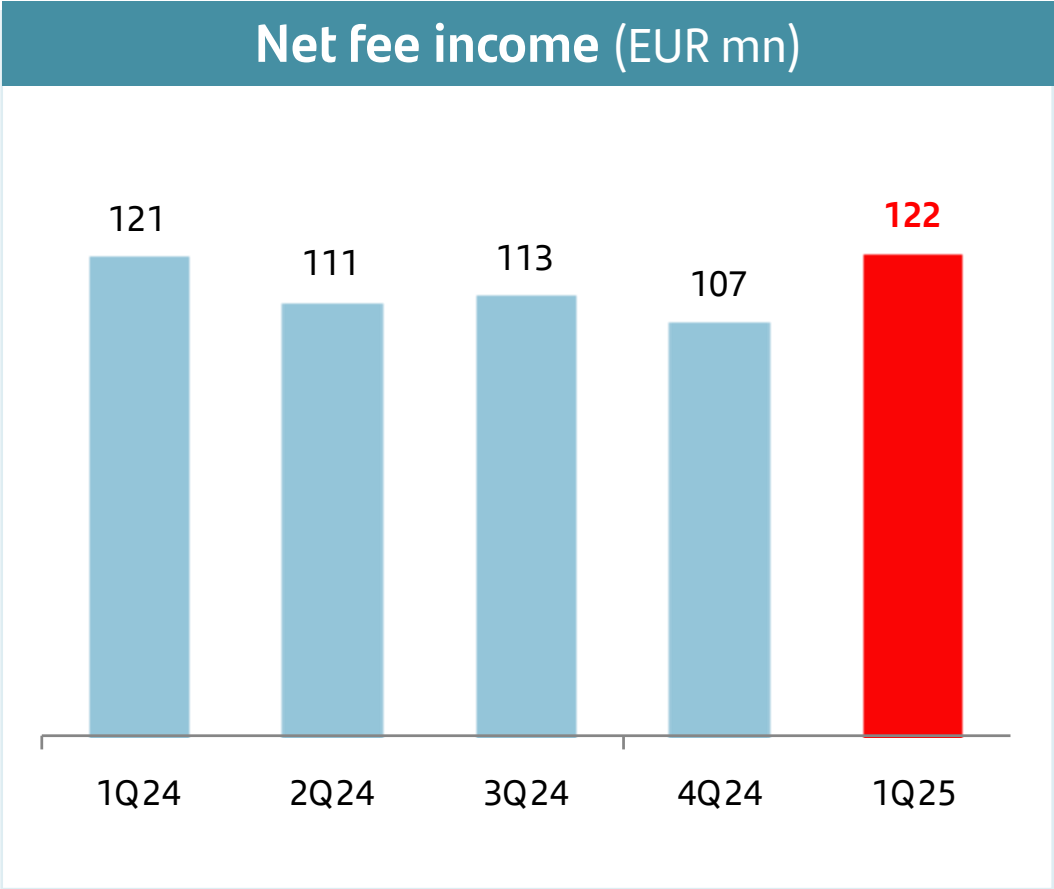


03

NII has recovered QoQ, due to higher volumes. Our strict pricing policy continues to be reflected in the cost of deposits.



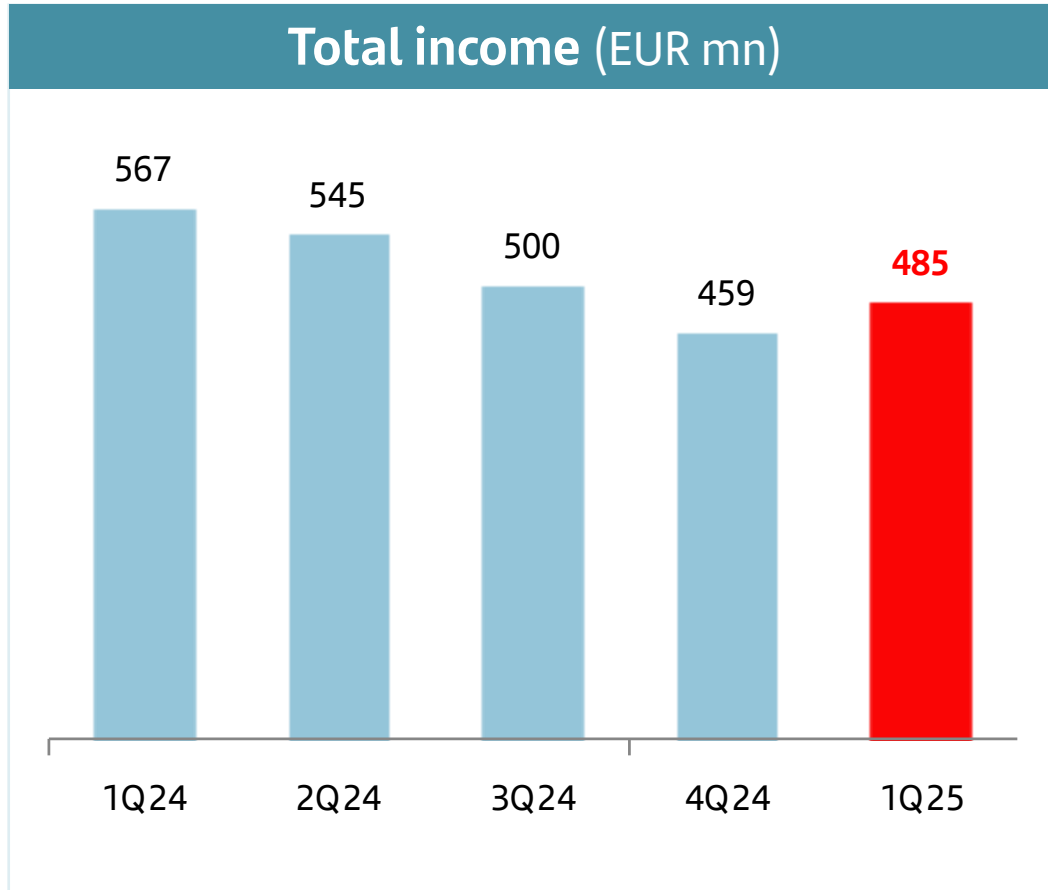
Net fee income improved QoQ, supported by strong origination of new loans, and also by increased customer transactions



	3M'25	3M'24	YoY (%)	QoQ (%)
Credit	18	25	-25.6	+59.8
Means of Payment	28	27	+2.4	+26.8
Mutual funds	10	9	+7.4	+0.3
Insurance	35	33	+7.8	+2.1
Other	30	27	+12.2	+3.1
Total net fee income	122	121	+0.6	+13.5

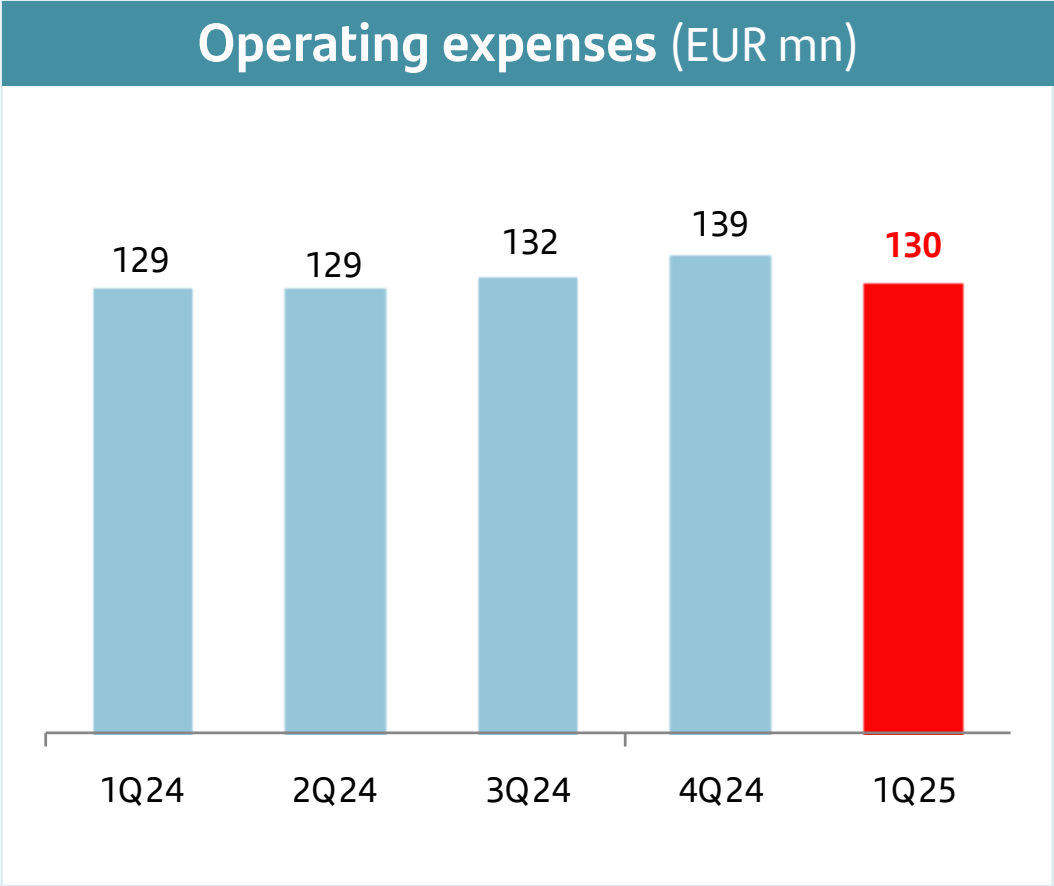


Total income rose 5.8% QoQ, aligned with the evolution of NII. YoY it is down by 14.5%.



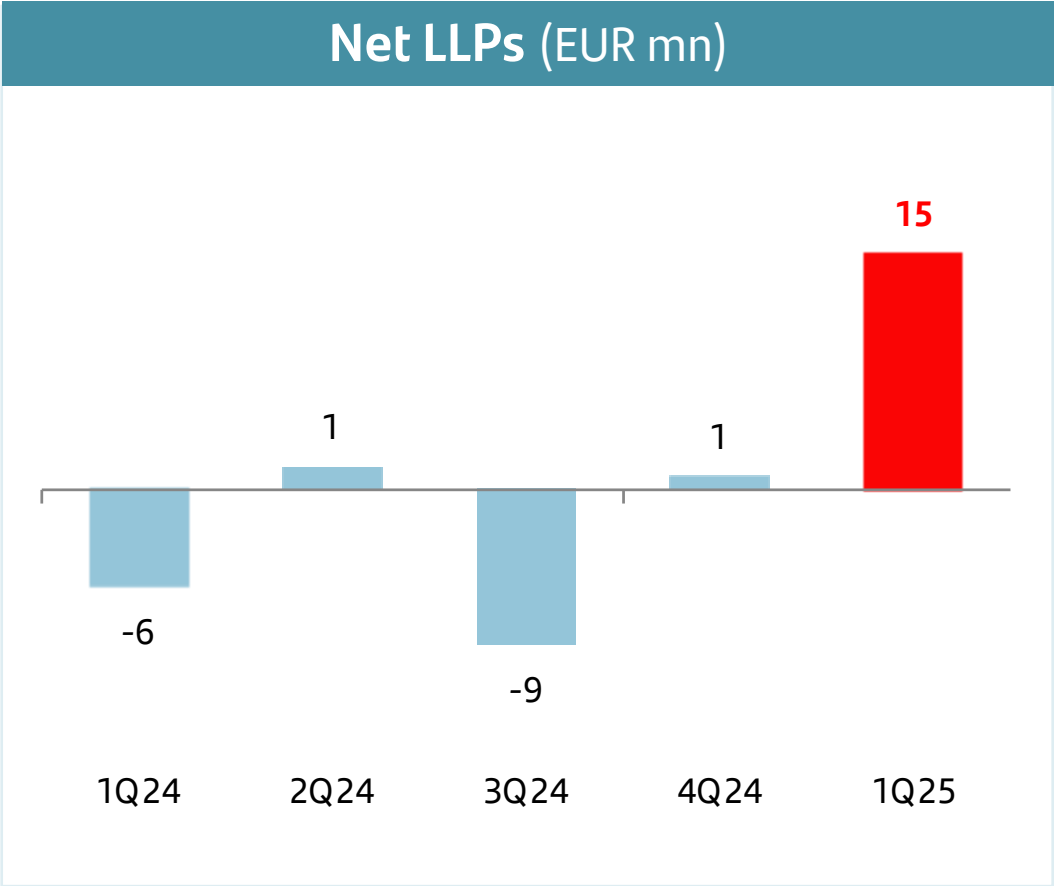
	3M'25	3M'24	YoY (%)	QoQ (%)
Net interest income	354	441	-19.6	+2.6
Net Fees	122	121	+0.6	+13.5
Customer revenue	476	561	-15.2	+5.2
Other	9	6	+55.7	+50.4
<b>Total income</b>	<b>485</b>	<b>567</b>	<b>-14.5</b>	<b>+5.8</b>

Expenses continue to grow below inflation, by 1.0% YoY, contributing to keep efficiency at sound levels



	3M'25	3M'24	YoY (%)	QoQ (%)
Operating Expenses	130	129	+1.0	-6.0
Efficiency ratio (with amortisations)	26.9%	22.7%	+4.1pp	-3.3pp
Branches in Portugal (#)	327	330	-0.9	-0.3
Employees in Portugal (#)	4,682	4,580	+2.2	+1.6

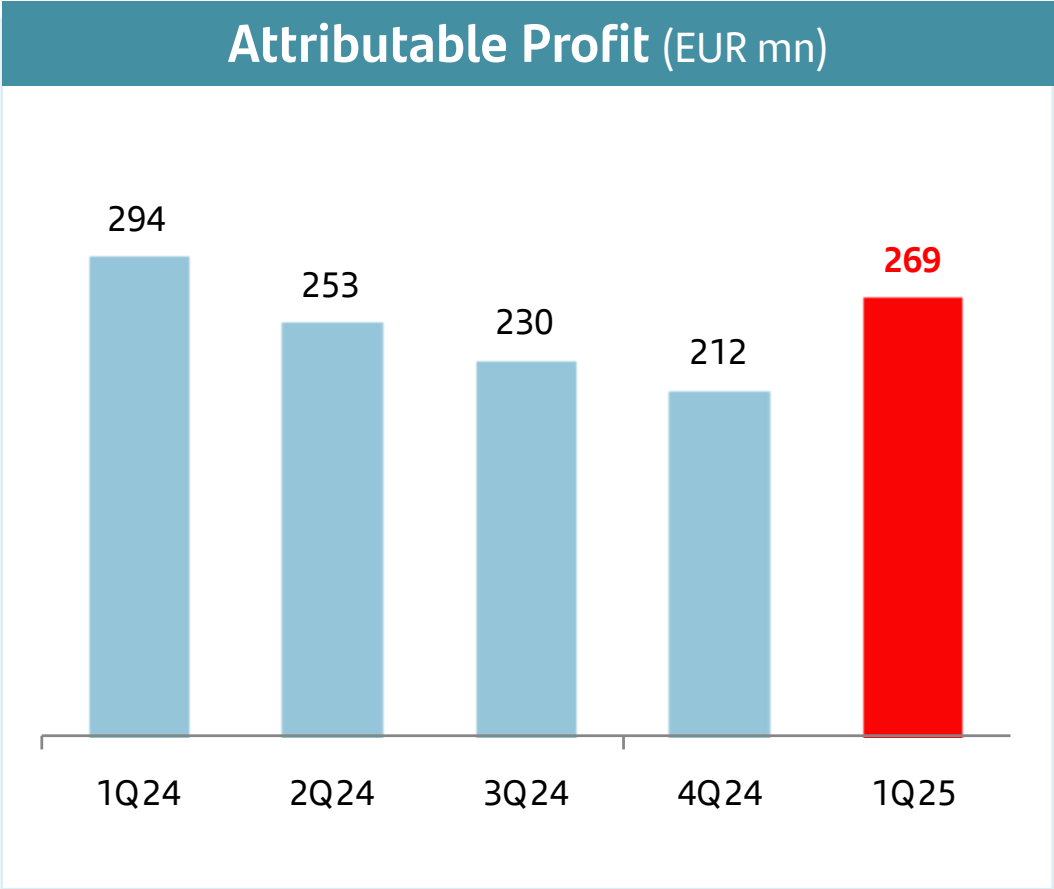
Credit fundamentals remained robust, with recoveries contributing to a further decline in NPEs



	3M'25	3M'24	YoY (%)	QoQ (%)
Net Operating Income	355	438	-19.1	+10.8
LLPs	15	-6	-348.6	+1578.6
Net Operating Income after LLPs	369	432	-14.6	+15.1

NPE ratio	1.5%	1.8%	-0.2pp	-0.1pp
NPE coverage ratio	87.1%	86.2%	+1.0pp	+3.1pp
Cost of Credit <sup>(1)</sup>	-0.02%	0.14%	-0.16pp	-0.05pp

Profit declined 8.7% YoY, but increased 27% QoQ, supported by NII, controlled costs and sound asset quality



	3M'25	3M'24	YoY (%)	QoQ (%)
Profit before taxes	368	429	-14.2	+22.1
Taxes and MI	-99	-135	-26.3	+10.9
Underlying Attributable Profit	269	294	-8.7	+26.9



# 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.



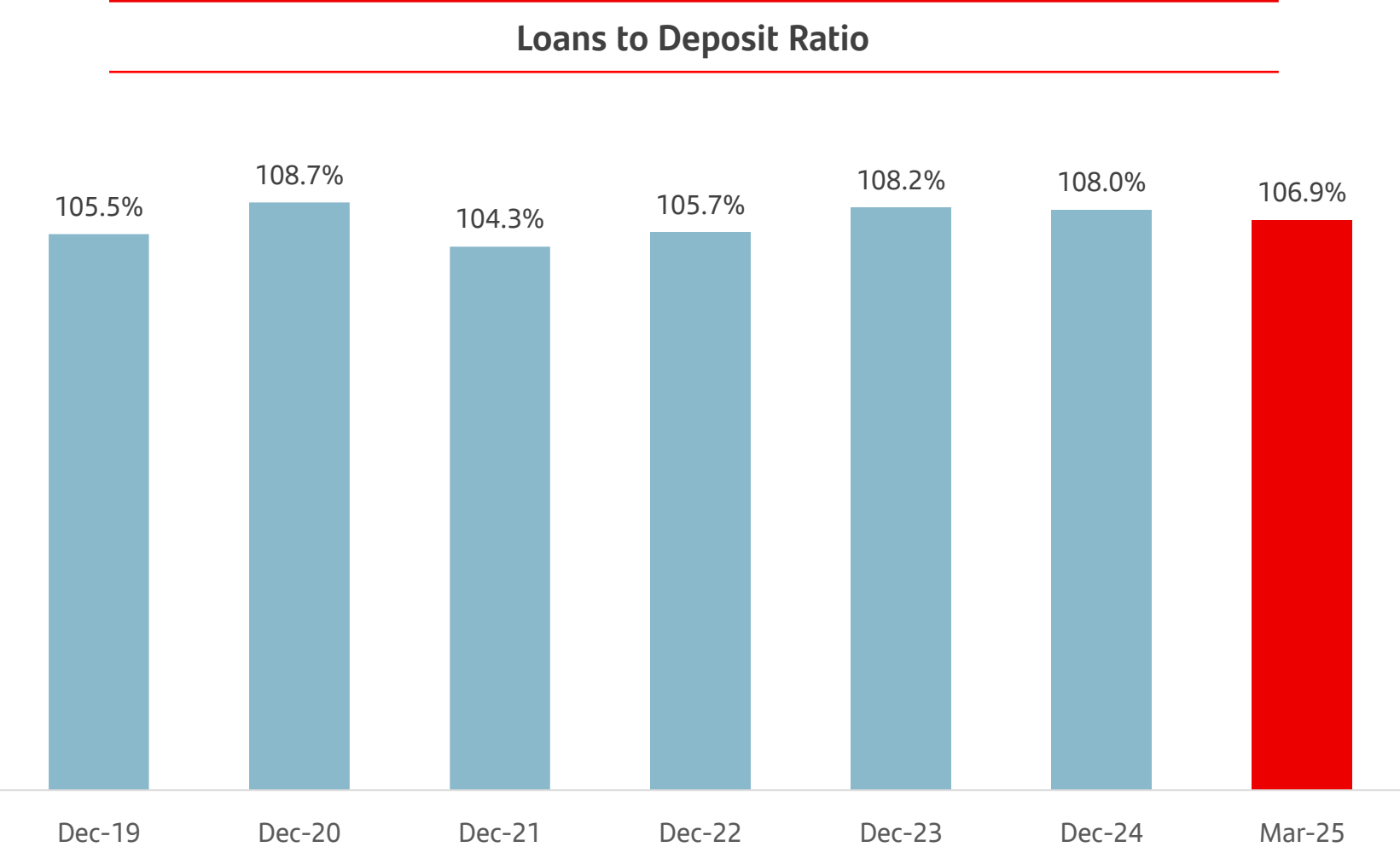
## Results

- ▶ 5.8% growth QoQ in total income supported by NII, despite it still be declining YoY. We maintain strict management of liability costs. Net fees grew, with loan origination and customer transactions.
- ▶ Net operating income grew 11% QoQ as costs remain controlled. Efficiency holds around mid-20s.
- ▶ Credit fundamentals remained robust, and recovery of overdue loans allowed for a further decline in NPEs.
- ▶ Profit increased 27% QoQ driven by NII growth, controlled costs and sound asset quality. YoY it declined 8.7%, due to NII dynamics.

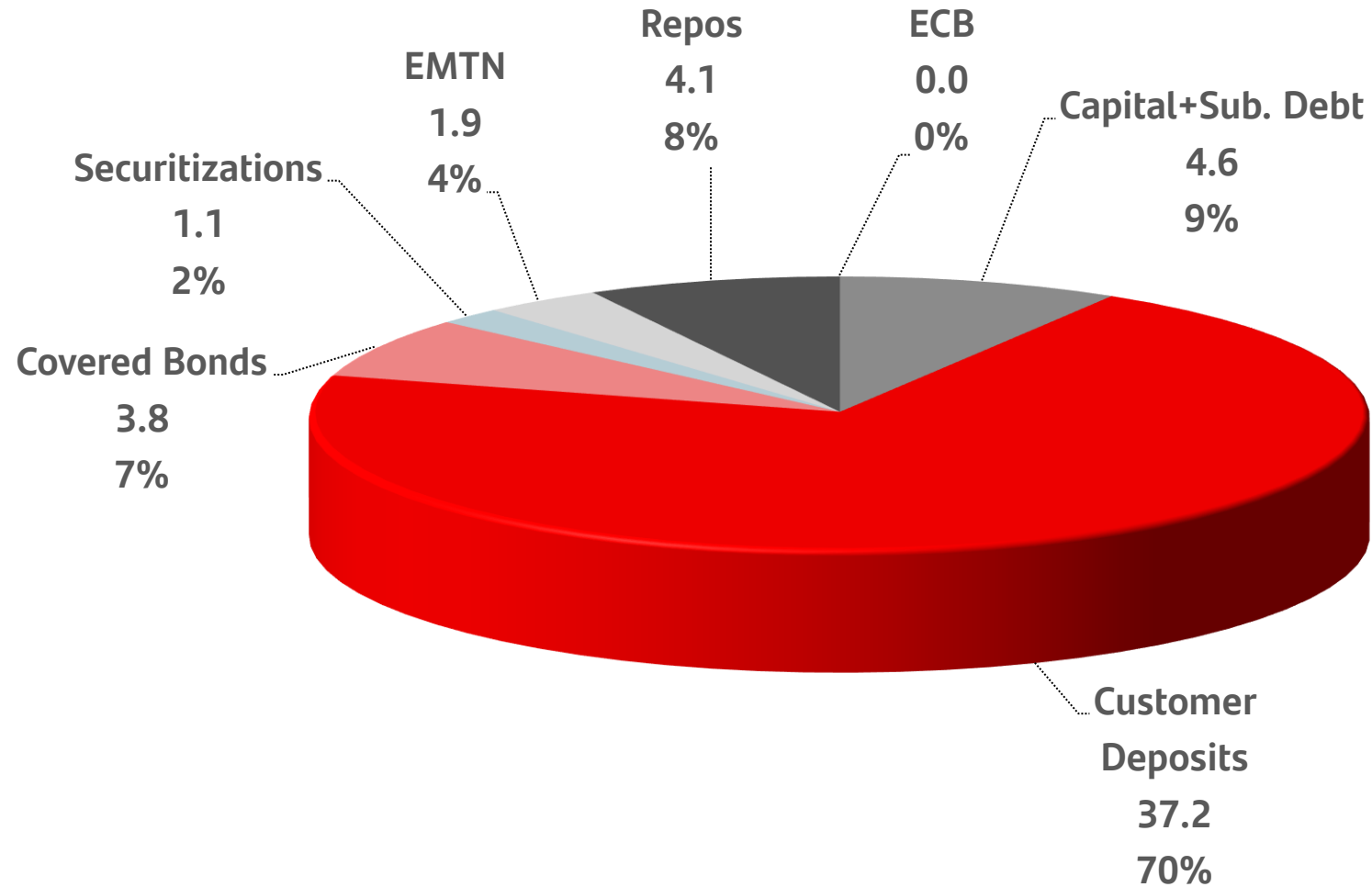
# Financial and liquidity management

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

144%\*

NSFR

121%

Liquidity Buffer

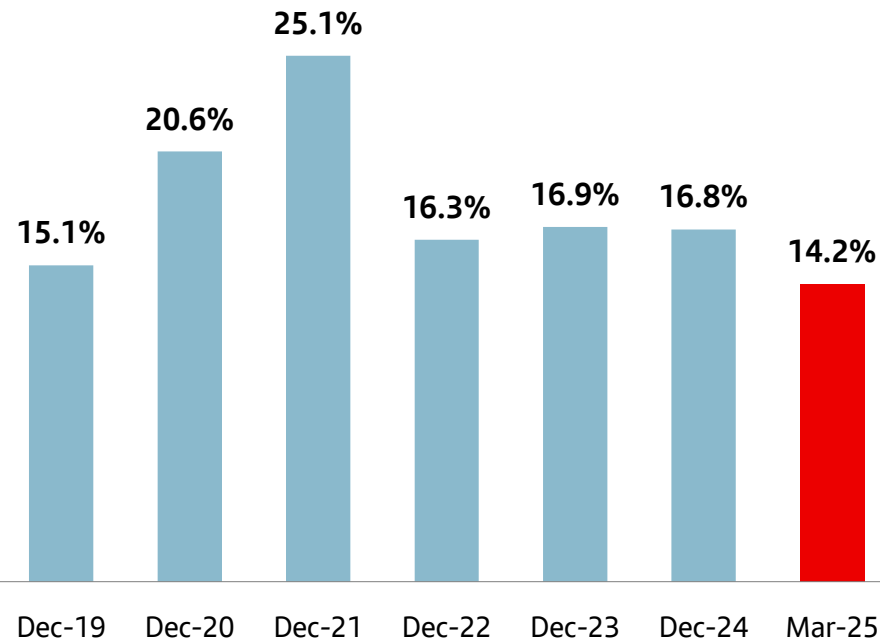
(% of deposits)

46%

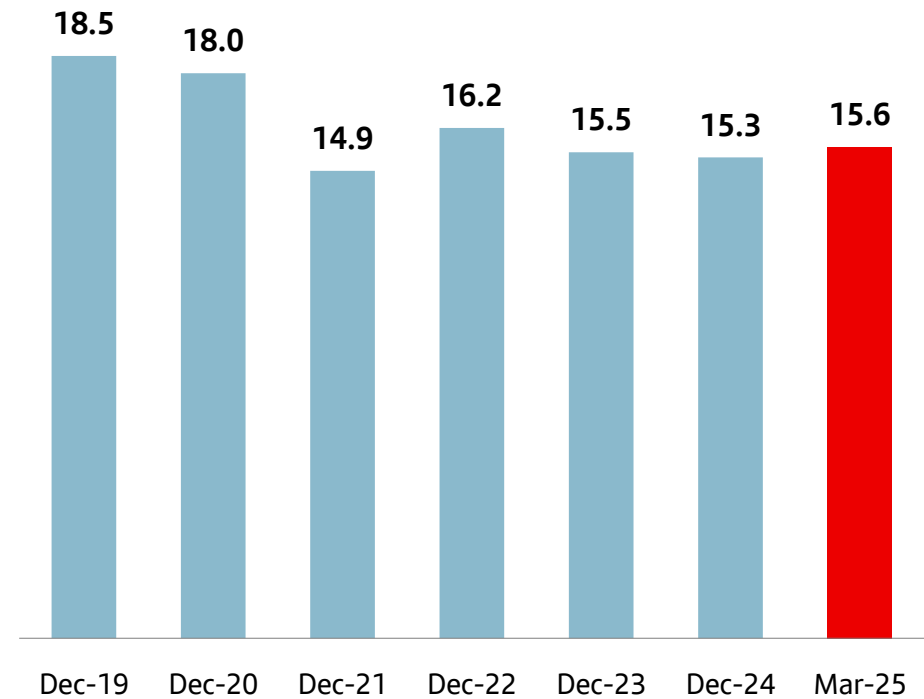


## Sound capital levels, with adequate management of RWAs

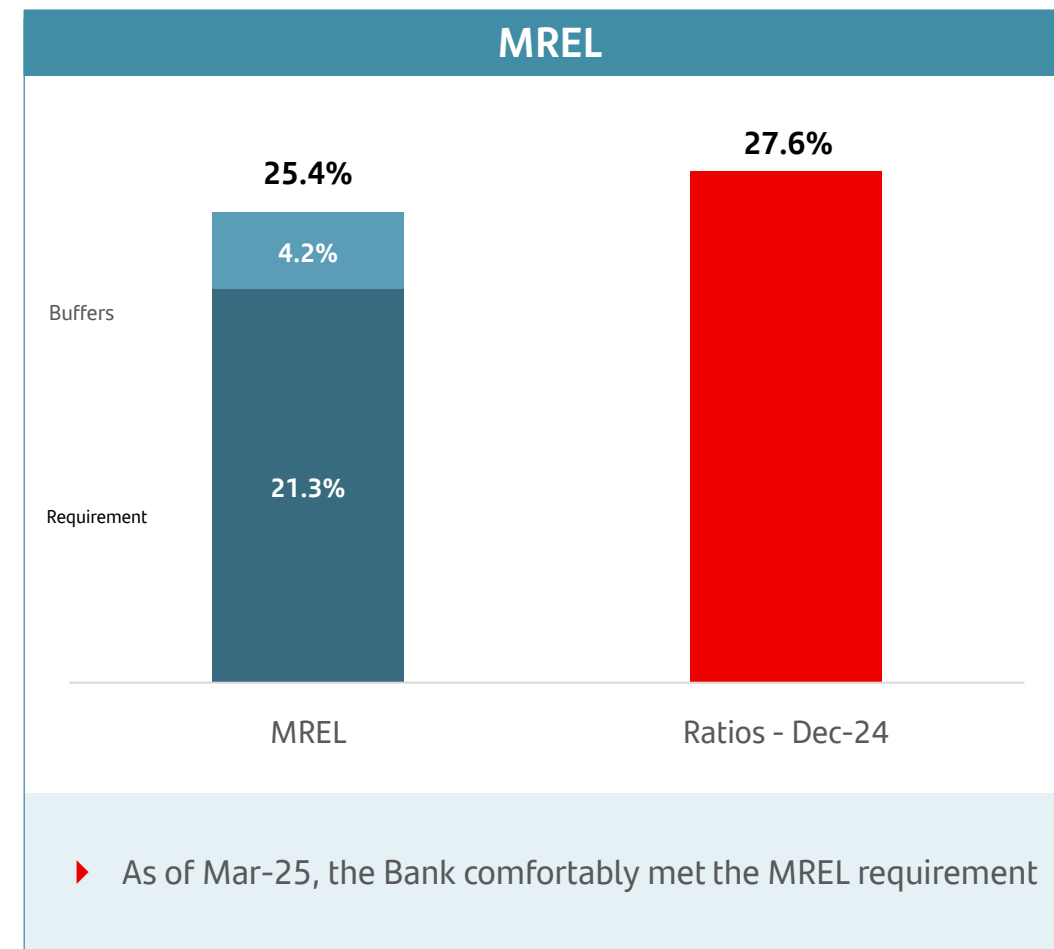
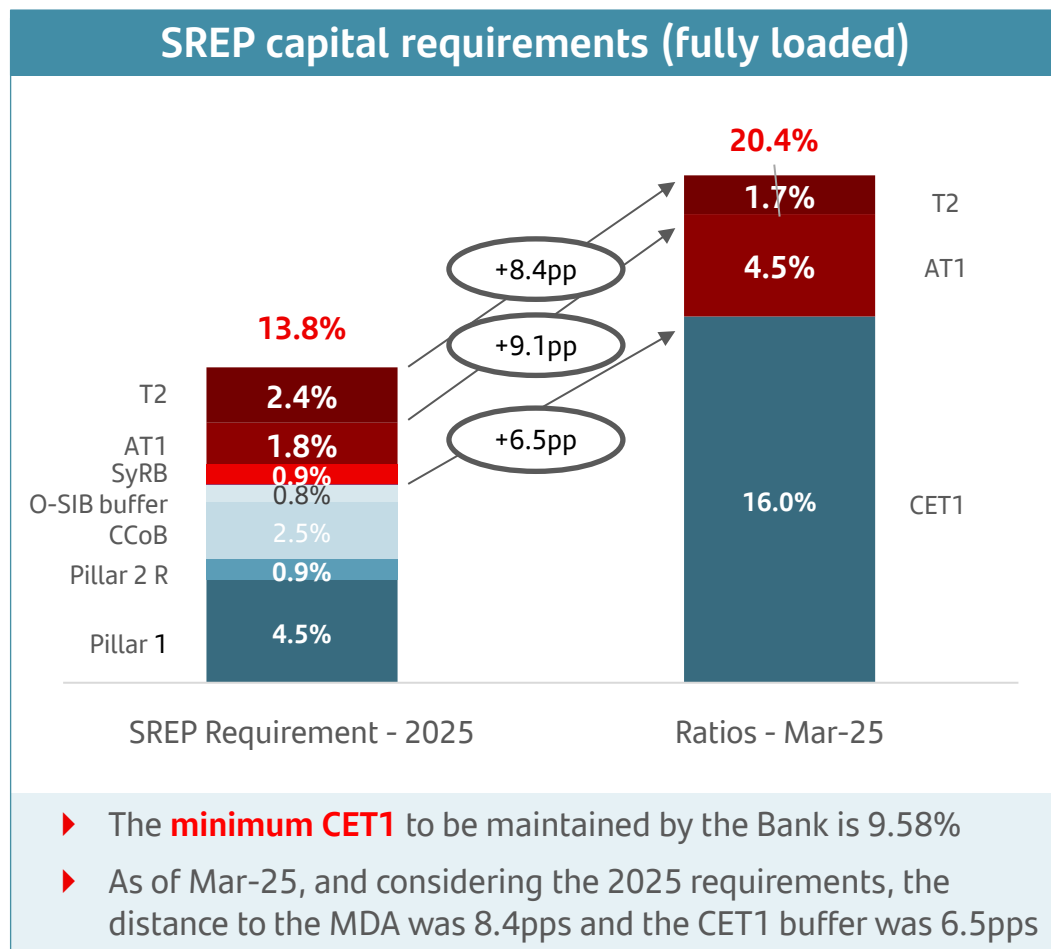
CET 1 – full implemented



RWA (bn€)



# Capital ratios well above the regulatory requirements



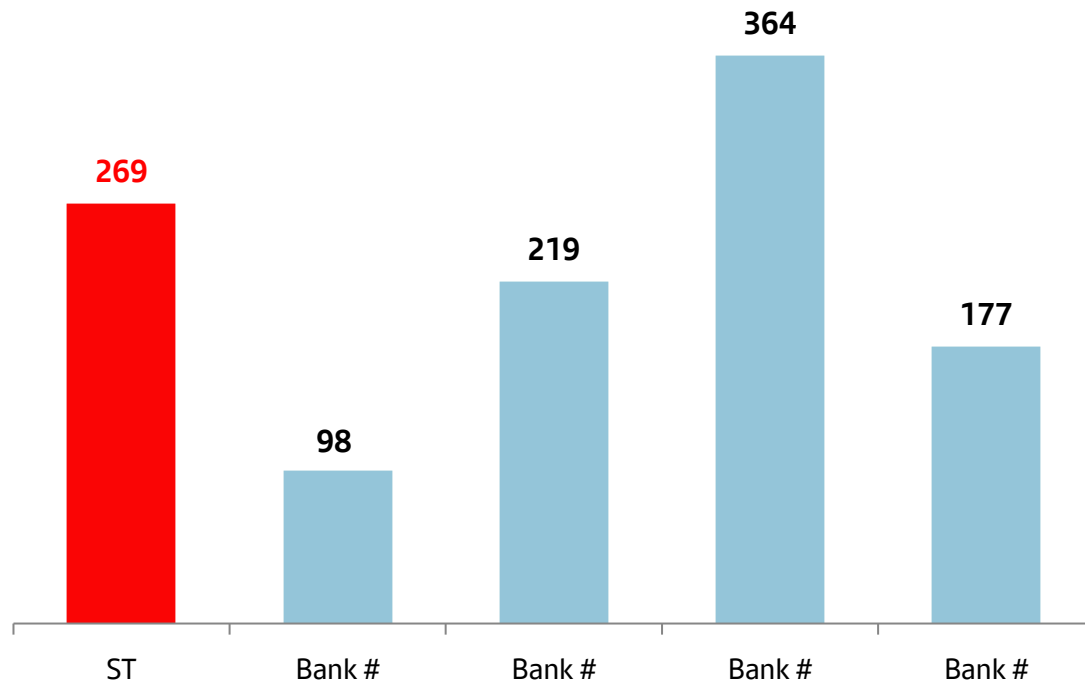
# Benchmarking



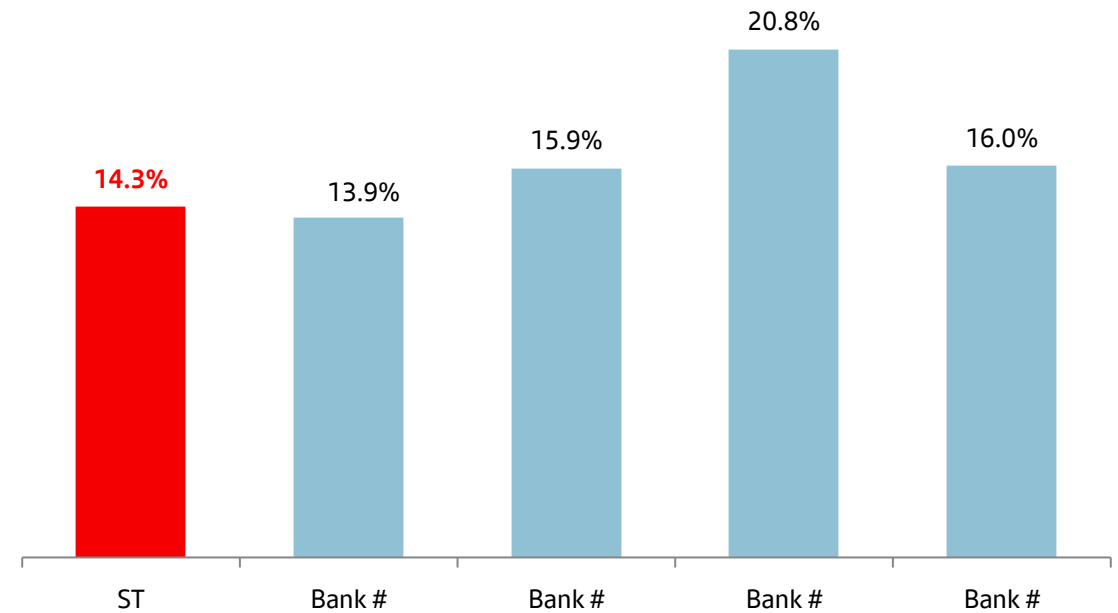
05

## Sustained profitability and strong capital position

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



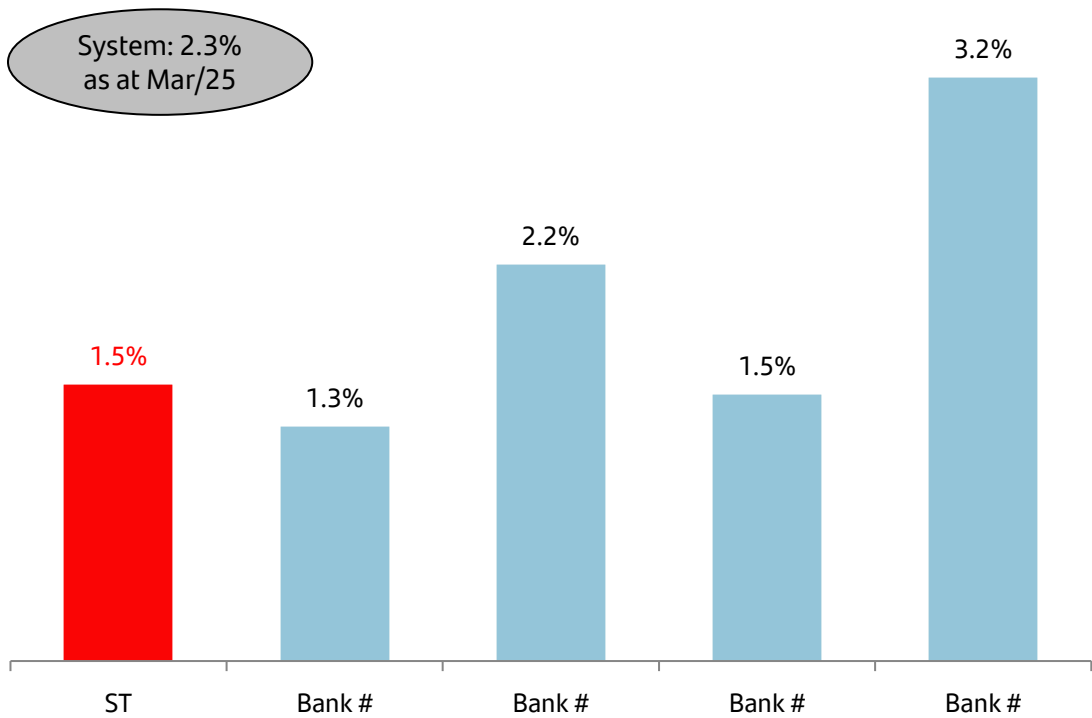
CET 1 (full implemented)



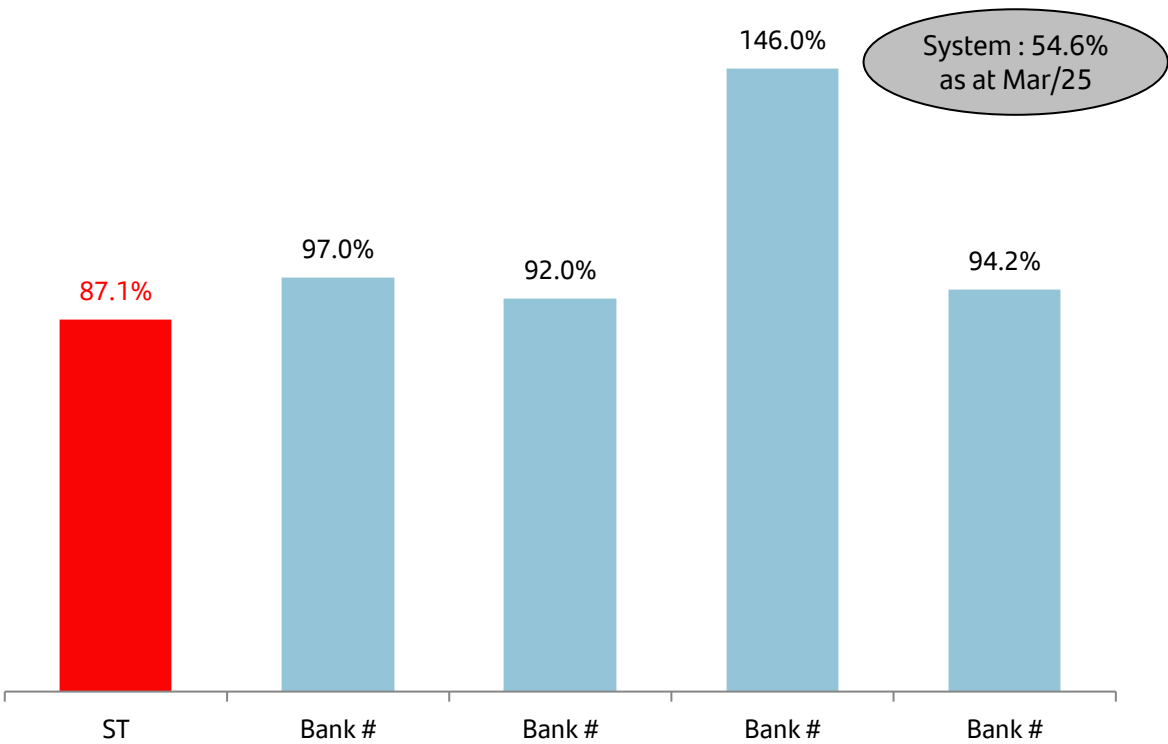
As at Mar/25



NPE Ratio











NPE Coverage Ratio



As at Mar/25

## Long Term Ratings – Senior Debt

DBRS		Fitch		Moody's		S&P	
AH		A+		A1		A+	
A	 <b>Santander</b>	A	 <b>Santander</b>	A2	Bank 3	A	 <b>Santander</b>  Bank 1
AL	Bank 2	A-	Bank 3 	A3		A-	Bank 3
BBBH	Bank 4	BBB+		Baa1	 <b>Santander</b> 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

<b>BALANCE SHEET (million euro)</b>	<b>mar-25</b>	<b>mar-24</b>	<b>Var.</b>
Cash, cash balances at central banks and other demand deposits	2,377	4,807	-50.5%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	5,305	5,473	-3.1%
Financial assets at amortised cost	48,091	43,977	+9.4%
Investments in subsidiaries, joint ventures and associates	0	0	-
Tangible assets	382	398	-4.2%
Intangible assets	37	33	+11.2%
Tax assets	137	170	-19.2%
Non-current assets held for sale	19	35	-44.7%
Other assets	363	448	-18.9%
<b>Total Assets</b>	<b>56,712</b>	<b>55,342</b>	<b>+2.5%</b>
Financial liabilities held for trading	1,511	1,657	-8.8%
Financial liabilities at amortised cost	50,654	48,162	+5.2%
Resources from Central Banks and Credit Institutions	4,593	5,077	-9.5%
Customer deposits	37,882	35,516	+6.7%
Debt securities issued	7,834	7,317	+7.1%
Other financial liabilities	345	251	+37.5%
Provisions	123	133	-7.4%
Tax liabilities	256	491	-47.8%
Other liabilities	766	560	+36.8%
<b>Total Liabilities</b>	<b>53,311</b>	<b>51,002</b>	<b>+4.5%</b>
Share capital atributable to BST shareholders	3,401	4,338	-21.6%
Non controlling interests	0	2	-95.7%
<b>Total Shareholders' Equity</b>	<b>3,401</b>	<b>4,340</b>	<b>-21.6%</b>
<b>Total Shareholders' Equity and Total Liabilities</b>	<b>56,712</b>	<b>55,342</b>	<b>+2.5%</b>

## Banco Santander Totta, SA

<b>CONSOLIDATED INCOME STATEMENTS* (million euro)</b>	<b>mar-25</b>	<b>mar-24</b>	<b>Var.</b>
<b>Net interest income</b>	<b>354.2</b>	<b>440.6</b>	<b>-19.6%</b>
Income from equity instruments	0.0	0.0	+17.6%
Results from associates	0.0	0.0	-
Net fees	121.7	120.9	+0.6%
Other operating results	2.5	1.6	+56.9%
<b>Commercial revenue</b>	<b>478.3</b>	<b>563.0</b>	<b>-15.0%</b>
Gain/losses on financial assets	6.7	4.3	+55.3%
<b>Net Operating Income</b>	<b>485.0</b>	<b>567.3</b>	<b>-14.5%</b>
Operating costs	-130.3	-129.0	+1.0%
Staff expenses	-72.5	-70.2	+3.2%
Other Administrative Expenses	-47.9	-49.3	-2.9%
Depreciation	-9.9	-9.4	+5.1%
<b>Net operating Income</b>	<b>354.7</b>	<b>438.3</b>	<b>-19.1%</b>
Impairment (net) of financial assets at amortised cost	14.6	-5.9	-
Net provisions and other results	-1.1	-3.3	-66.3%
<b>Income before taxes and non-controlling interests</b>	<b>368.2</b>	<b>429.1</b>	<b>-14.2%</b>
Taxes	-99.4	-134.7	-26.2%
Non-controlling interests	0.0	-0.1	-100.0%
<b>Consolidated net income</b>	<b>268.8</b>	<b>294.4</b>	<b>-8.7%</b>

(\*) 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

