Santander

Santander Portugal

Institutional Presentation H1'26

August 2026

Investor Relations

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It starts here

Disclaimer

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

SANTANDER PORTUGAL

Leading franchise with strong execution

Portugal's largest privately-owned bank by customer loans combines scale, high RoTE, efficiency and growing digital engagement.

High profitability, supported by a low cost-to-serve and sound capital base

Leading profitability in Portugal, as well as at European level

KEY DATA	1H26	YoY Var.
Active customers	**2.0 mn**	**+1.9%**
Digital customers	**1.4 mn**	**+5.0%**
% of active customers	69.1%	+2.0 pp
Customer loans (gross)	**€56.6 bn**	**+9.4%**
Loans market share[1]	16.3%	-28 bps
Customer Deposits	**€40.6 bn**	**+5.6%**
Deposits market share[1]	12.6%	-12 bps
Attributable profit	**€434.0 mn**	**-13.9%**
Efficiency ratio	28.9%	+3.2 pp
CoR	7 bp	+7 bp
RoTE	**30.1%**	**-2.8** pp

(1) As at 1H26

CUSTOMERS

Sustained customer growth and digitalization

We aim to be the best digital bank with branches

99% of our branches have self-service

Product of the Year
Financial App

ELEITO PRODUTO DO ANO 2026 POR CONSUMIDORES

Active Customers 1.96M (+1%) +12k vs Dec.25	Digital Customers 1.35M (+2%) + 27k vs Dec.25	Daily logins 1.2M In 1H26
New Debit and Credit Cards +72k +2.5% vs Dec.25	Daily purchases and withdrawals 1.32M +8.3% YoY	New Accounts 45k In 1H26

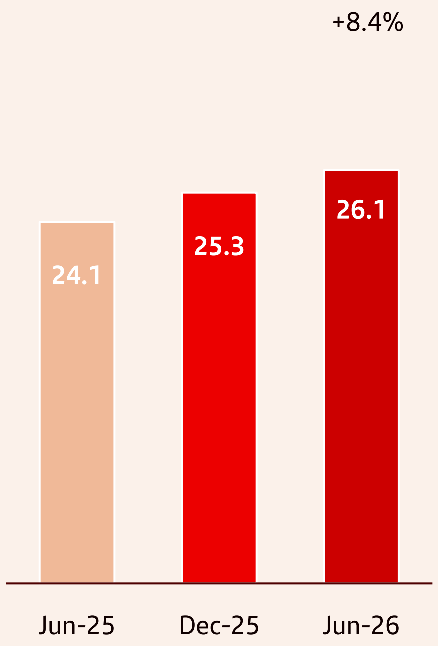
LOAN BOOK

Sound growth in all segments

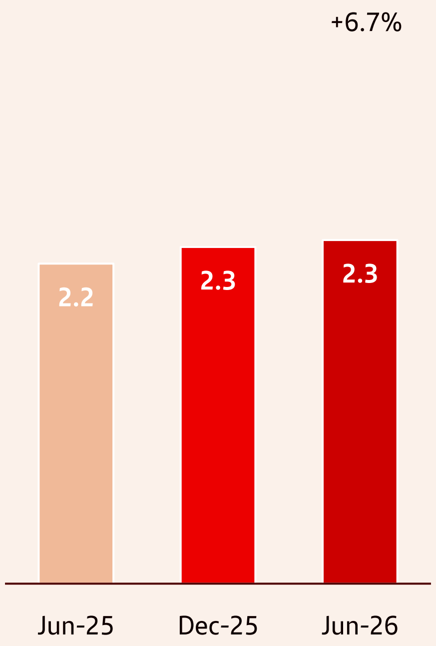
The loan book (gross) rose to **€56.6bn** (+9.4% YoY).

Since January 2025, we granted €1.6bn of mortgages to young people under 35 years old under the public-guarantee scheme

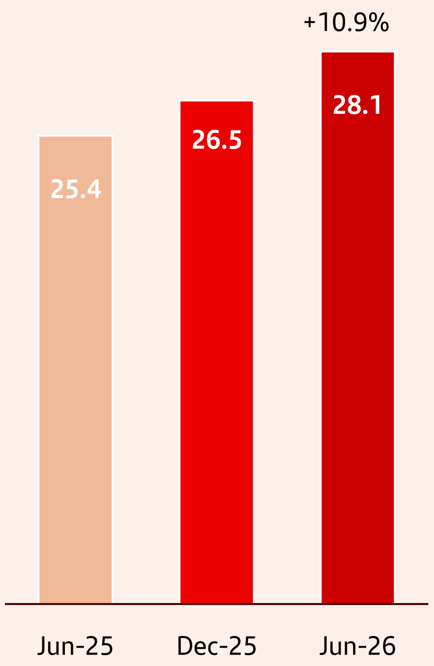
Mortgage Loans (€bn)



Consumer Loans (€bn)



Corporates and Institutionals Loans (€bn)

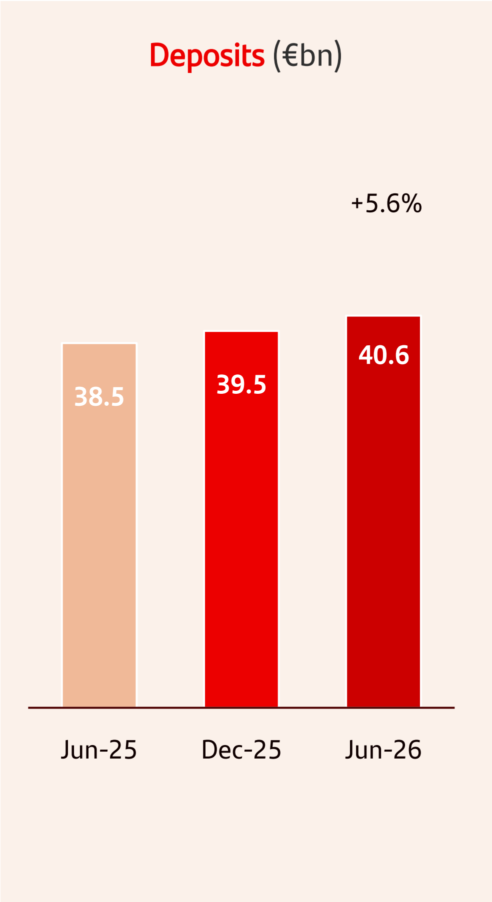


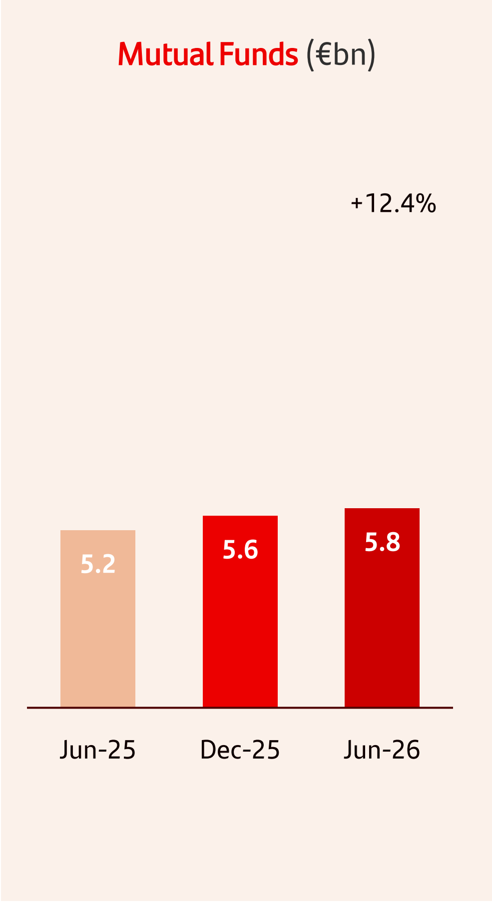
PRÉMIO CINCO ESTRELAS 2026 CRÉDITO HABITAÇÃO

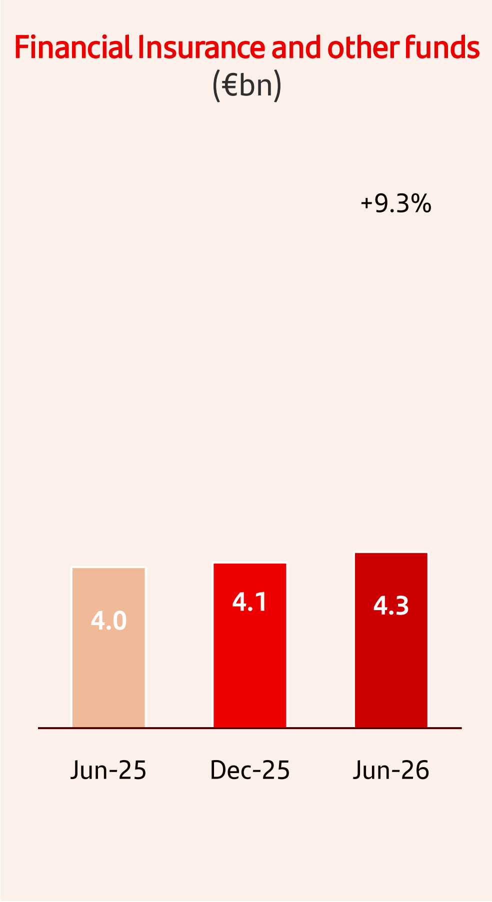
CUSTOMER FUNDS

Diversification of customer funds, with focus on off-balance

Commitment to a strategy of **diversification** of investment solutions results in the **positive evolution in both deposits and off-balance sheet resources**.







PROFITABILITY

Sound and sustained profitability

Customer transactions underpin growth in fees, while our transformation contributes to a lower cost-to-serve

Non-recurrent costs related to the transformation of the branch network and early retirements

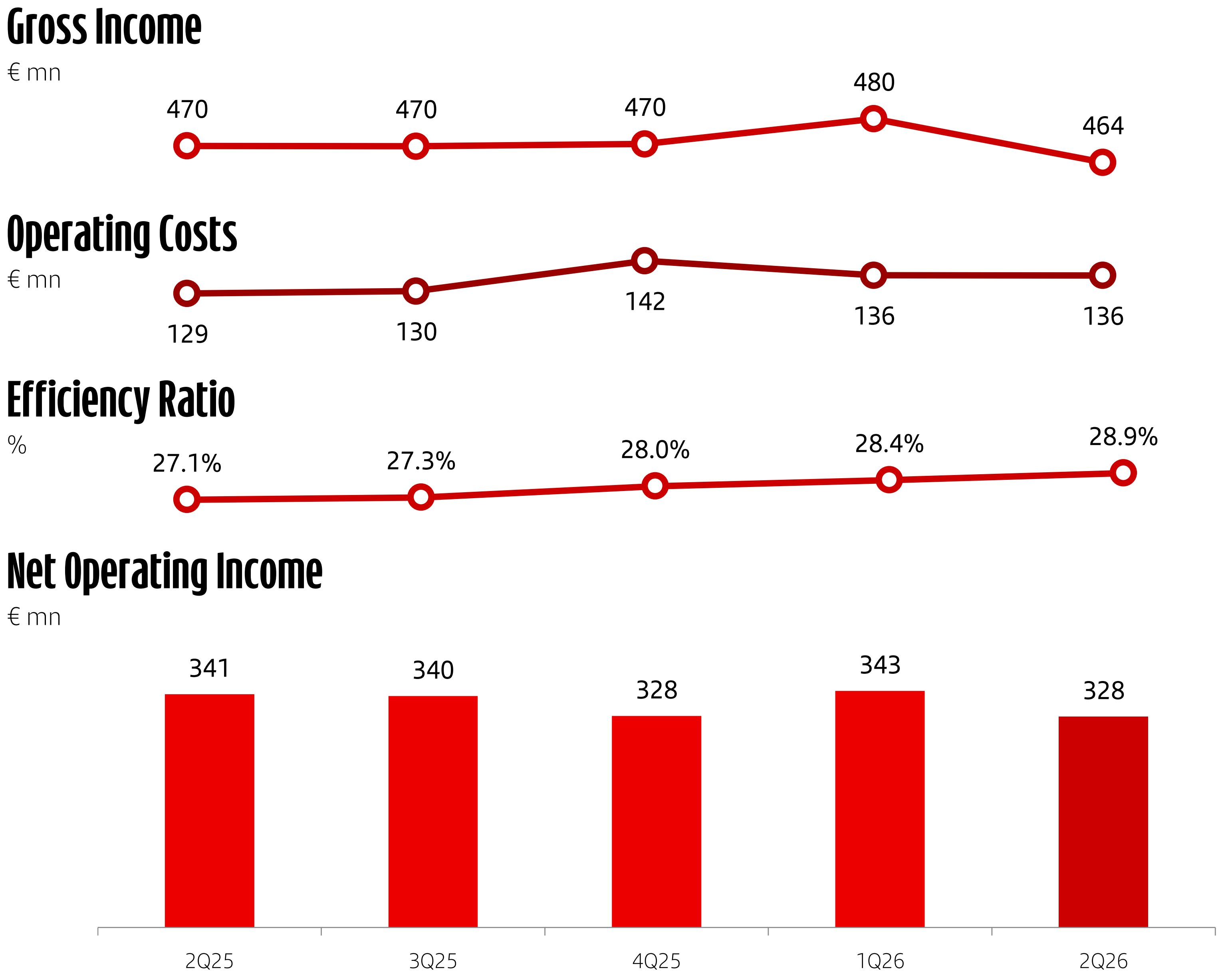
P&L (€ mn)

	H1'26	% H1'25
Net interest income	677.6	-2.6
Net fees	259.2	+5.5
Gross Income	**943.4**	**-1.2**
Operating costs	-257.0	-0.7
LLPs	-24.3	-
Underlying attributable profit	**452.8**	**-4.9**
Non-recurrent items	-18.8	-
Attributable profit	**434.0**	**-13.9**

NET OPERATING INCOME

Regulatory costs impact QoQ dynamics

In Q2'26 we booked the costs with the Banking Sector Contribution and the National Resolution Fund, in the amount of €43mn

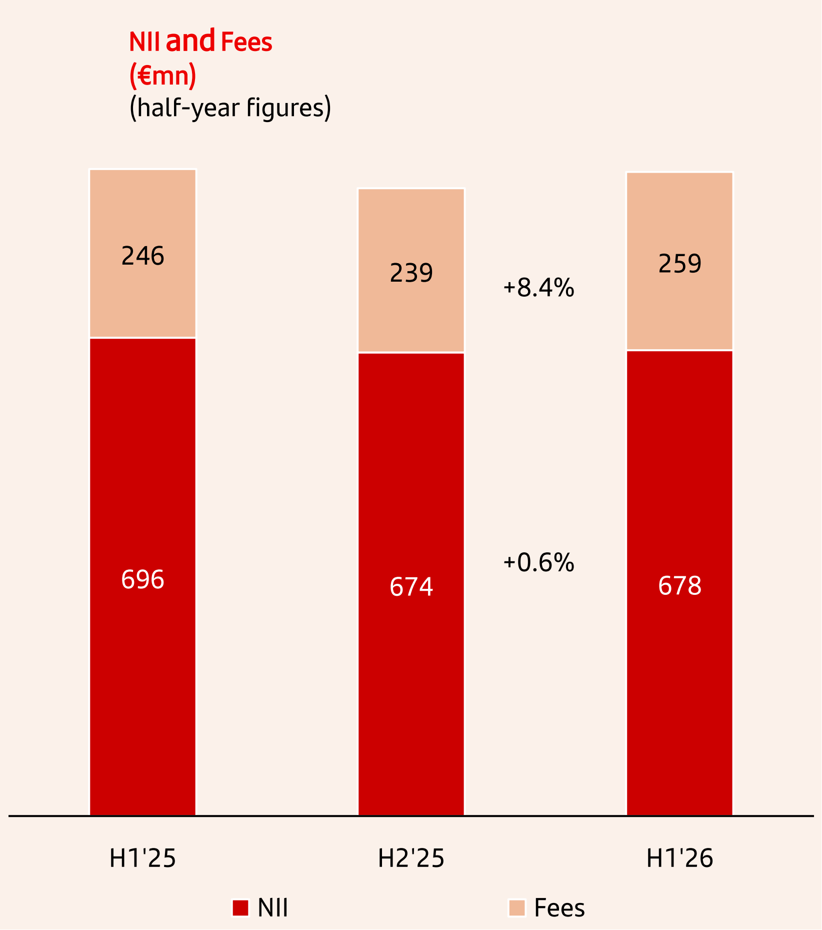


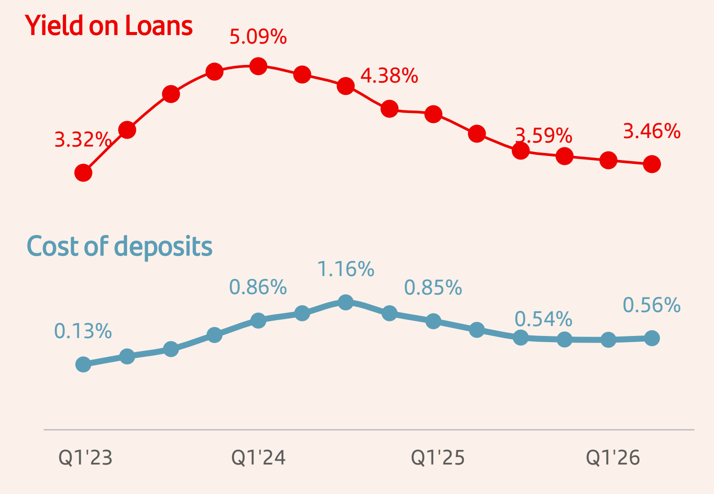
NII and FEES

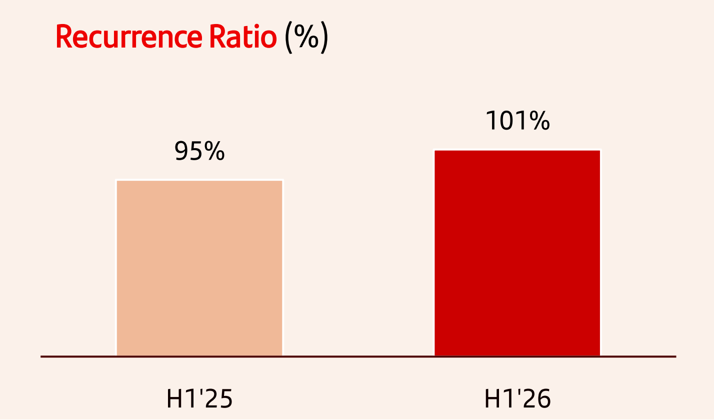
NII still reflects the repricing of the loan book

Higher volumes and controlled cost of deposits allow NII to recover from 2H25

Fees benefit from increased customer transactions, allowing the recurrence ratio to improve to 101%





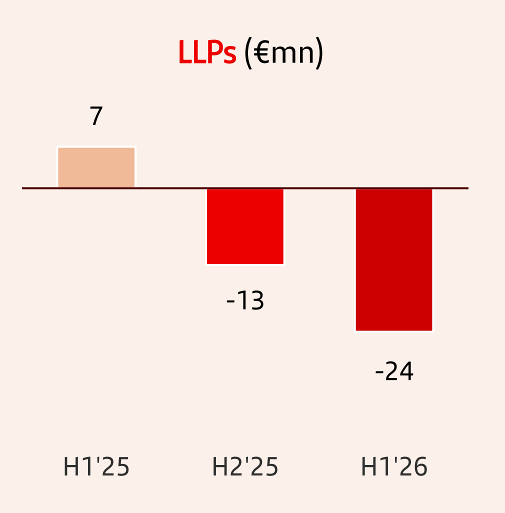


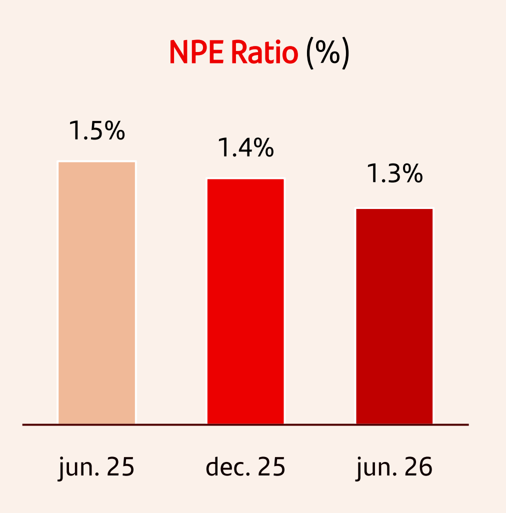
ASSET QUALITY

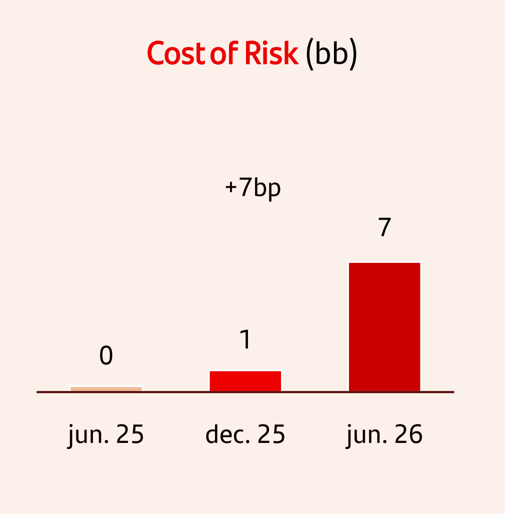
Low cost of risk and NPE

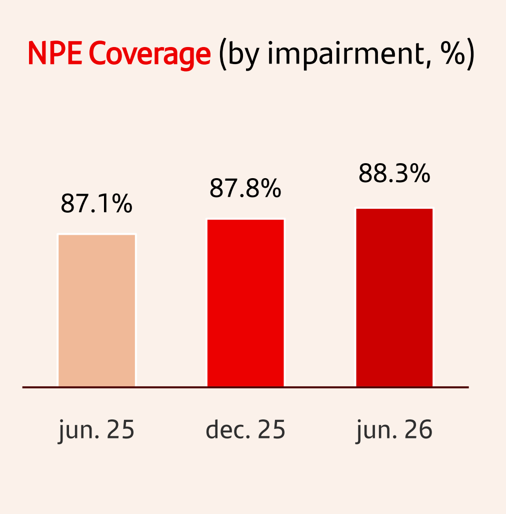
LLPs in 1H25 benefitted from loan recoveries.
The **cost of risk is low, at just 7bp**

Asset quality also reflected in the **NPE ratio, which declined to 1.3%**, with adequate coverage (of 88.3%).





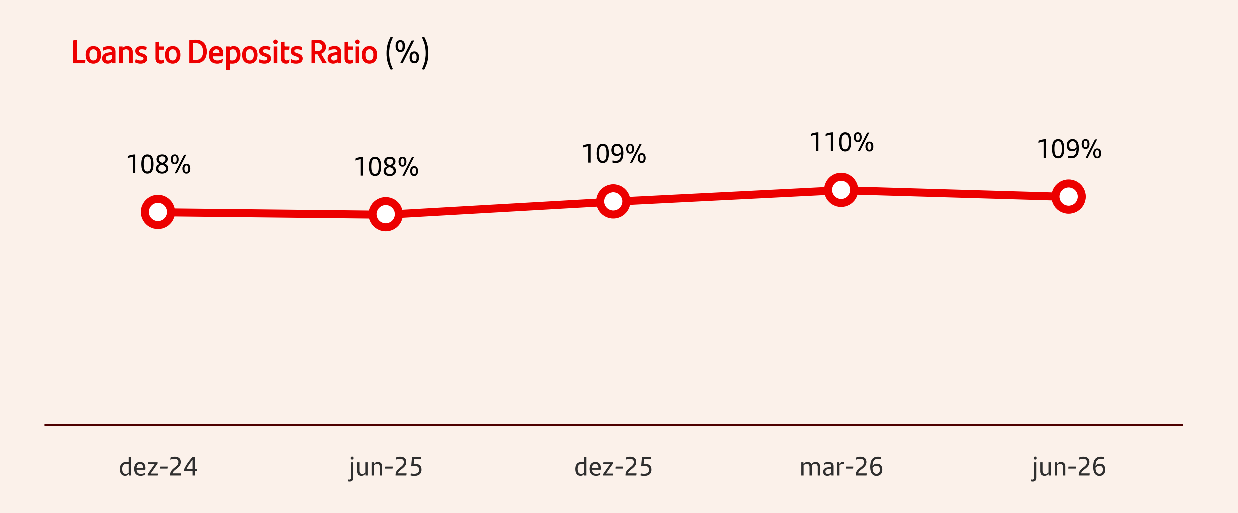




LIQUIDITY

Adequate liquidity structure

The Bank maintains sound liquidity ratios, combined with a stable loan to deposits ratio



LCR	NSFR	Liquidity Buffer (% of deposits)
142%	120%	46%

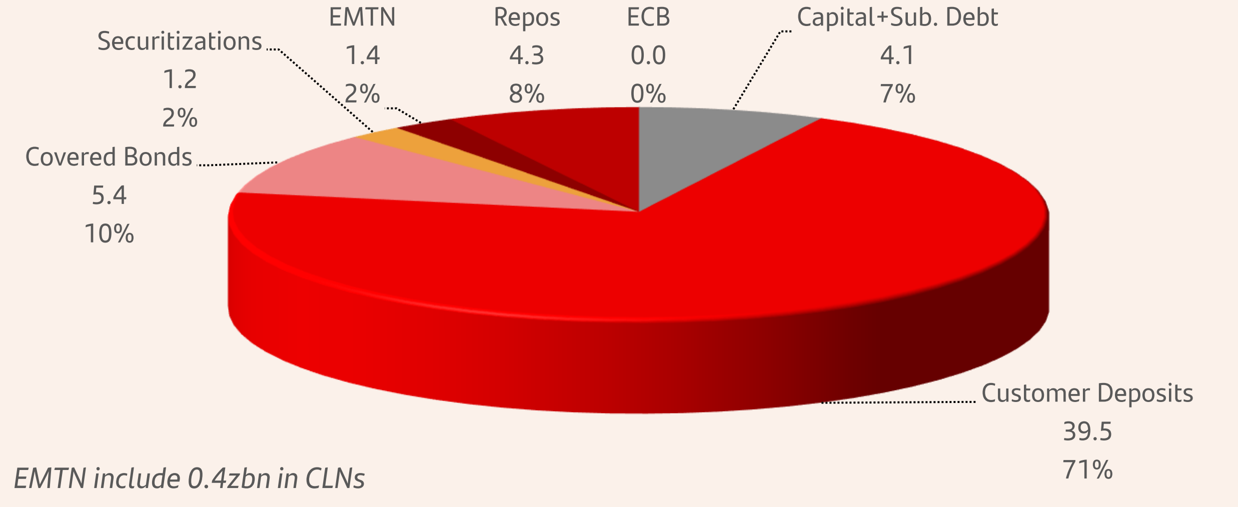
FUNDING

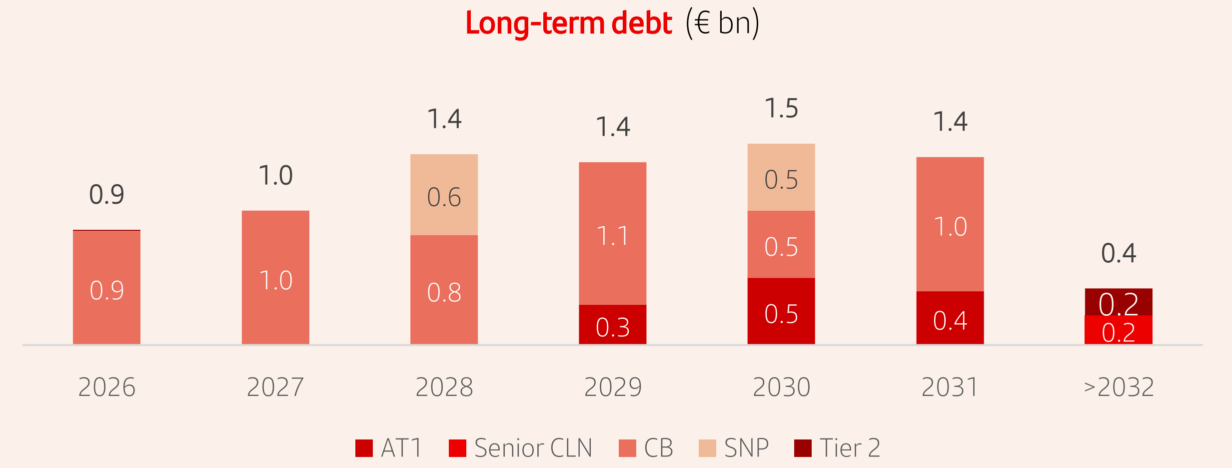
Adequate funding structure

Customer deposits (mostly retail deposits) represent 71% of the funding structure.

Market long term funding is represented by covered bonds, in the amount of €5.4bn

Capital related debt (AT1+T2+SNP) is issued to Banco Santander SA under its SPE resolution strategy





As of Jun/26

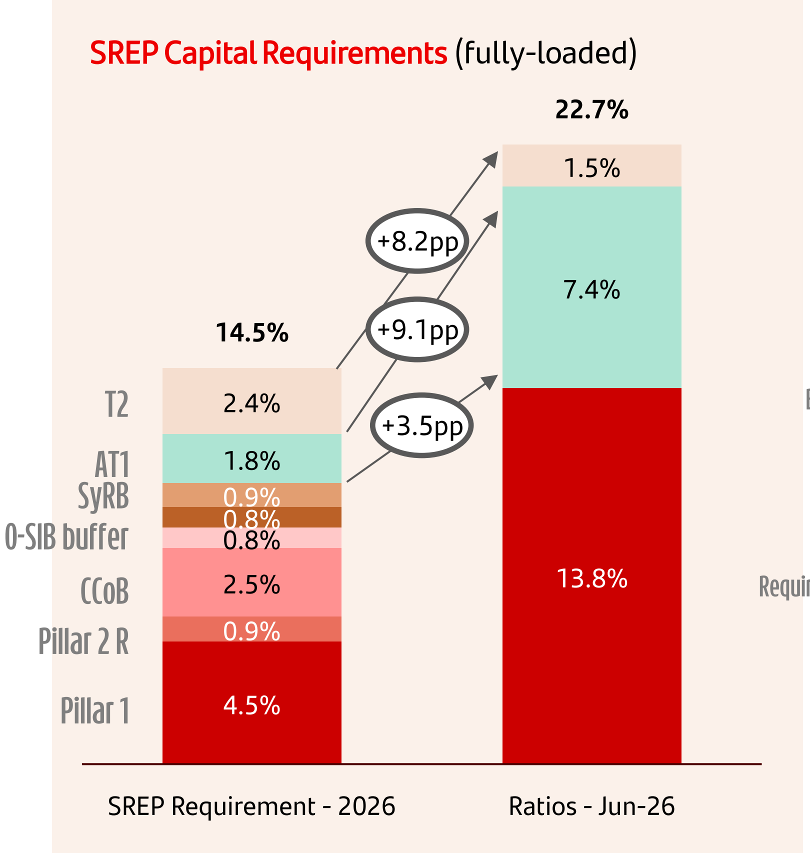
CAPITAL

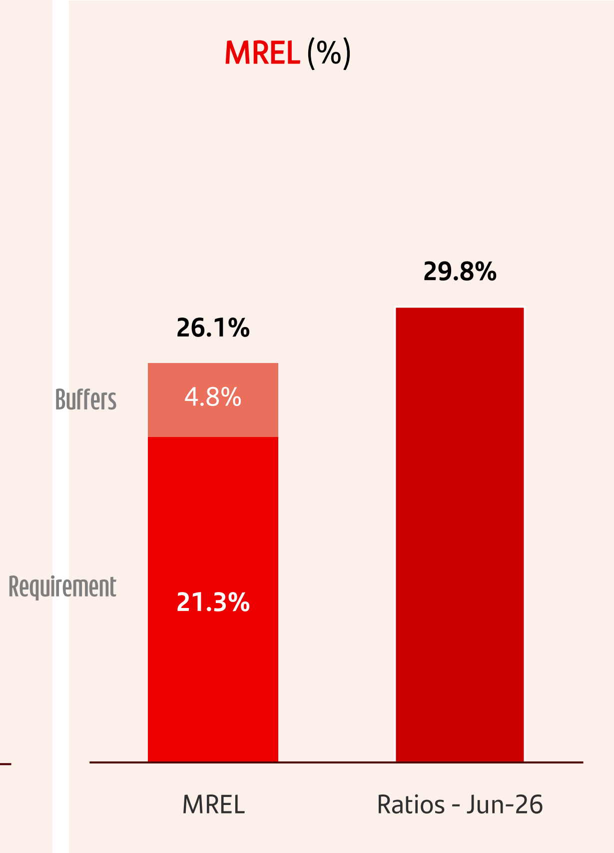
Sound capital levels

Capital ratios well above the regulatory requirements. The minimum CET1 to be maintained by the Bank is 10.3%

As of Jun-26, and considering the 2026 requirements, the distance to the MDA was 8.2pp and the CET1 buffer was 3.5pp

At the same period, the Bank comfortably met the MREL requirement





RATINGS

Strong ratings

Santander Portugal has strong risk notations, reflecting its financial performance

DBRS		Fitch		Moody's		S&P	
AH	Bank 1	A+	Santander Bank 3	A1		A+	
A	Santander	A		A2	Bank 3	A	Santander Bank 1
AL	Bank 2	A-	Bank 4	A3	Bank 4	A-	Bank 3
BBBH		BBB+	Bank 2	Baa1	Santander Bank 1 | Bank 2	BBB+	Bank 2
BBB		BBB		Baa2		BBB	

Peer Group (Largest domestic banks)

Last update: 01-Sep-26

AWARDS AND RECOGNITION

Leading magazines reaffirm our customers' assessment

Euromoney e Global Finance reaffirm Best Bank in Portugal awards

Investment, Companies, Mortgage Loans, App and OneCare Health Insurance recognized by our customers

Best Bank in Portugal

Best Bank in Portugal

Best Bank for SME in Portugal

Best Investment Bank in Portugal

Best Trde Finance Bank inPortugal

Best Settlement & Custody and Best Book Runner Bonds in Portugal

Fundo Santander Private Defensivo Best Flexible OIC

Cinco Estrelas Award Mortgage Lending

Product of the Year Best Financial App

Product of the Year Best Health Insurance – OneCare

Recommended Brand

Merco University Talent

Top Employer in Portugal

Best Bank in Social Responsability in Portugal

Banco Santander Totta, SA

BALANCE SHEET (million euro)	jun-26	jun-25	Var.
Cash, cash balances at central banks and other demand deposits	1,758	2,399	-26.7%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	3,327	5,090	-34.6%
Financial assets at amortised cost	54,040	49,068	+10.1%
Tangible assets	247	376	-34.3%
Intangible assets	44	39	+11.9%
Tax assets	97	135	-28.5%
Non-current assets held for sale	68	20	>200%
Other assets	417	400	+4.3%
Total Assets	59,997	57,527	+4.3%
Financial liabilities held for trading	605	1,246	-51.4%
Financial liabilities at amortised cost	54,011	50,991	+5.9%
Resources from Central Banks and Credit Institutions	4,733	4,425	+7.0%
Customer deposits	40,649	38,502	+5.6%
Debt securities issued	8,298	7,704	+7.7%
Other financial liabilities	331	361	-8.3%
Provisions	102	122	-15.7%
Tax liabilities	237	296	-19.8%
Other liabilities	523	724	-27.8%
Total Liabilities	55,480	53,378	+3.9%
Share capital atributtable to BST shareholders	4,517	4,149	+8.9%
Non controlling interests	0	0	-100.0%
Total Shareholders' Equity	4,517	4,149	+8.9%
Total Shareholders' Equity and Total Liabilities	59,997	57,527	+4.3%

Banco Santander Totta, SA

CONSOLIDATED INCOME STATEMENTS* (million euro)	jun-26	jun-25	Var.
Net interest income	677.6	695.7	-2.6%
Income from equity instruments	8.7	7.2	+20.0%
Net fees	259.2	245.6	+5.5%
Other operating results	-11.4	-6.7	+70.2%
Commercial revenue	934.0	941.8	-0.8%
Gain/losses on financial assets	9.3	13.0	-28.1%
Gross Operating Income	943.4	954.8	-1.2%
Operating costs	-272.4	-258.8	+5.2%
Staff expenses	-160.7	-144.8	+11.0%
Other Administrative Expenses	-88.0	-94.0	-6.3%
Depreciation	-23.6	-20.0	+17.9%
Net operating Income	671.0	696.0	-3.6%
Impairment (net) of financial assets at amortised cost	-24.3	7.0	-
Net provisions and other results	-33.0	0.8	-
Income before taxes	613.7	703.8	-12.8%
Taxes	-179.7	-199.9	-10.1%
Consolidated net income	434.0	503.9	-13.9%

(*) Not audited

Macreconomic outlook

Annex

It starts here

PORTUGAL | EXECUTIVE SUMMARY

Stronger growth, but increasingly dependent on consumption

2ND QUARTER AND JULY 2026

The economy accelerated in the 2nd quarter of 2026, supported by consumption, employment and income. However, investment lost momentum, and the **adverse external balance** worsened, making the quality of growth and the outlook for the coming quarters the main challenges.

1 GDP GROWTH
GDP ACCELERATES

2.5% QoQ growth (flash estimate)

0.8% YoY growth (flash estimate)

- Stronger growth
- Less dependent on an external driving force

2 EMPLOYMENT AND INCOME
RESILIENT DOMESTIC DEMAND

5.40 million employed

5.3% unemployment rate (seasonally adjusted)

+1.8% average gross monthly wage

- Higher employment
- Higher income and purchasing power

3 INFLATION
INCOMPLETE DISINFLATION

3.0% YoY inflation (June)

2.6% underlying inflation (June)

- Prices decelerate
- Internal pressures persist

4 INVESTMENT
MAIN TEST FOR GROWTH

+2.0% Construction production (YoY)

+7.2% Construction costs of housing (YoY) (June)

- Investment losing momentum
- Lower capacity to grow

5 EXTERNAL SECTOR
REDUCED EXTERNAL BALANCE

€1.2 billion current account balance (1st quarter 2026)

-€1.0 billion in the 12 months to Q1 2026

- Positive balance remains
- Lower financing capacity

6 HOUSING AND CREDIT
MARKET REMAINS RESILIENT

3.135% average interest rate on housing loans

414 € monthly installment (median)

+10.9% house prices (1st quarter)

2.240 €/m² sales price (median)

- Purchasing power remains
- More demanding loan conditions

Non-performing loan ratio: 0.2% of outstanding stock (June)

7 PUBLIC FINANCES
STRONGER FINANCIAL POSITION

+0.5% of GDP public balance 1st semester 2026)

92.9% of GDP public debt (1st quarter 2026)

€15.0 billion additional net financing need (total year 2026)

- Lower vulnerability
- Higher budgetary margin

WHAT TO WATCH IN 2027?

- Consumption recovers
- Inflation slows down
- Preserving external balance

CONCLUSION

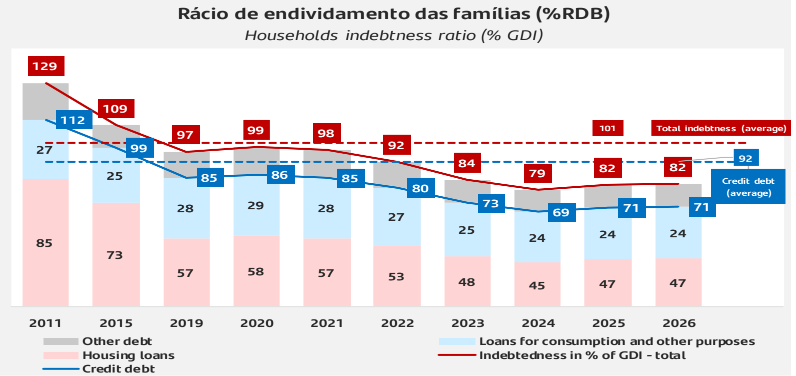
The economy continues to grow, but growth has become increasingly dependent on consumption. **The quality of investment will be crucial for turning expansion into lasting capacity.**

Sources: INE – National Accounts (Quarterly Flash Estimate 2nd Quarter 2026) | INE – CPI (June 2026) | INE – Employment (2nd Quarter 2026) | INE – Balance of Payments (1st Quarter 2026) | INE – Housing Statistics (1st Quarter 2026) | Banco de Portugal – Financial Stability Report (June 2026) | IGCP – Financing Programme 2026 (Update 2nd Quarter)

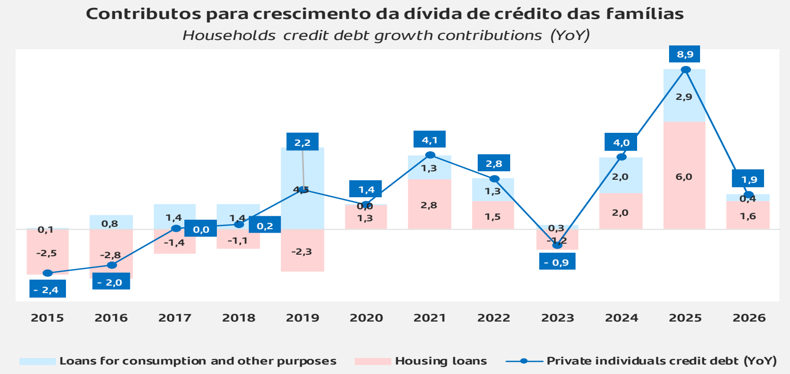
Households | Leverage is rising, but remains manageable

Mortgage lending has resumed and debt is increasing, yet household indebtedness remains well below past peaks and supported by stronger income, savings and macroprudential standards.

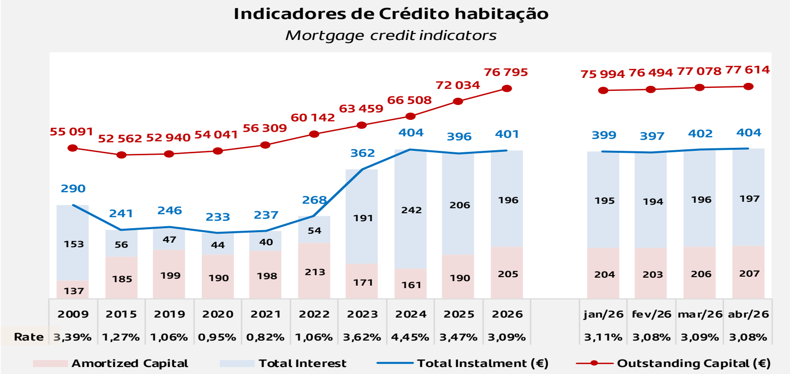
1 Household debt is rising, but remains below past peaks



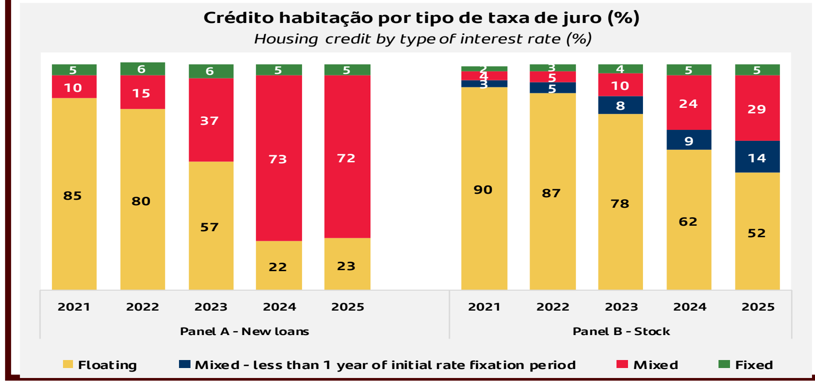
2 Credit growth is mortgage-led, not a broad-based build-up



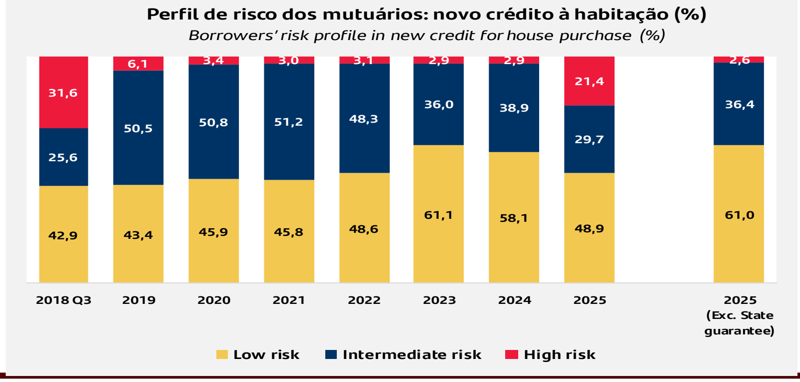
3 Debt service pressure has stabilized as rates eased



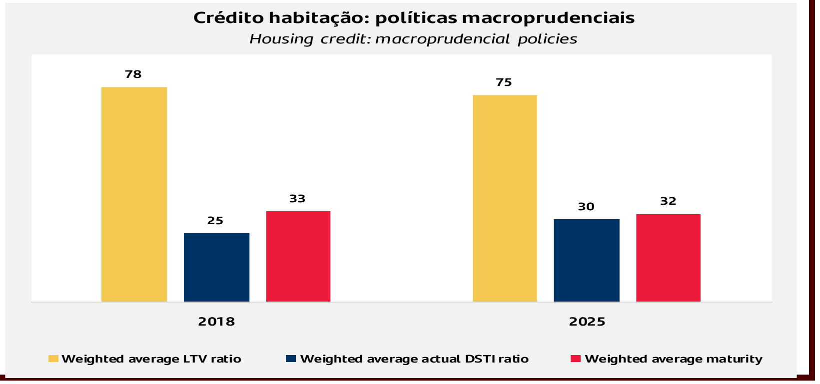
4 Mixed-rate reduces near-term payment shock risk



5 Risk profile remains mostly low, with high-LTVs



6 Macroprudential standards anchor underwriting discipline



KEY TAKEAWAYS

- Leverage rising, but remains well below historical peaks.
- Growth is mortgage-led, supported by housing demand.
- Debt service pressure has stabilised as rates eased.
- Mixed-rate origination reduces near-term rate shock risk.
- Risk profile contained, with most borrowers in low to intermediate risk buckets.
- Macroprudential standards remain in place, supporting underwriting quality.

INVESTOR TAKEAWAY

Leverage rising, but well contained.

Stronger fundamentals and prudential policies support financial stability.

Source: Statistics Portugal, Bank of Portugal, Santander Portugal

Portugal outlook | Constructive base case, limited room for error

Moderate growth, declining public debt and easing inflation support the central scenario, but execution, productivity and investment quality will determine resilience.

Central scenario: 2026-2028	WEIGHTS	MACROECONOMIC SCENARIO			
	2026	2025	2026	2027	2028
GROSS DOMESTIC PRODUCT (REAL)	**100%**	**1,9%**	**1,8%**	**2,0%**	**2,1%**
› Private consumption	64%	3,5%	2,2%	1,9%	1,6%
› Public consumption	17%	1,7%	1,2%	1,6%	1,9%
› Investment	21%	5,7%	1,3%	4,4%	4,5%
DOMESTIC DEMAND	**102%**	**3,7%**	**1,9%**	**2,4%**	**2,3%**
Exports	45%	0,4%	0,4%	2,4%	2,4%
Imports	47%	4,2%	0,4%	3,0%	2,7%
Employment rate		62,0%	62,2%	62,1%	61,9%
Unemployment rate		**6,0%**	**5,9%**	**6,4%**	**6,8%**
Current and capital account (% GDP)		2,8%	2,8%	2,9%	2,9%
Current account (% GDP)		**0,7%**	**0,7%**	**0,7%**	**0,7%**
Consumer Price Index		2,3%	2,6%	2,3%	2,0%
Deflator		**4,0%**	**3,1%**	**2,9%**	**2,8%**
Overall balance of General Government		0,2%	0,1%	0,3%	0,5%
General Government Public Debt		**88,1%**	**83,9%**	**79,7%**	**75,5%**

Source: Santander Portugal

The central scenario does not eliminate uncertainty; it serves as a reference to support decision-making.

Positive growth, but without strong acceleration
Real GDP will grow close to 2% between 2026 and 2028, consistent with moderate expansion, without a boom.

Domestic demand remains the main support
Private consumption and investment continue to sustain activity, although with greater selectivity.

Inflation is converging, but still shapes decisions
The CPI will decline from 2.6% in 2026 to 2.0% in 2028, but the path will depend on energy, wages and services.

Public debt remains on a downward trajectory
Debt falls from around 90% of GDP in 2025 to 77% in 2028, strengthening the sovereign buffer.

Main risk: execution and quality of growth
The scenario depends on productive investment, absorption of funds, productivity and control of domestic risks.

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


THANK YOU!
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