



Portugal



2024

Institutional Presentation

Disclaimer

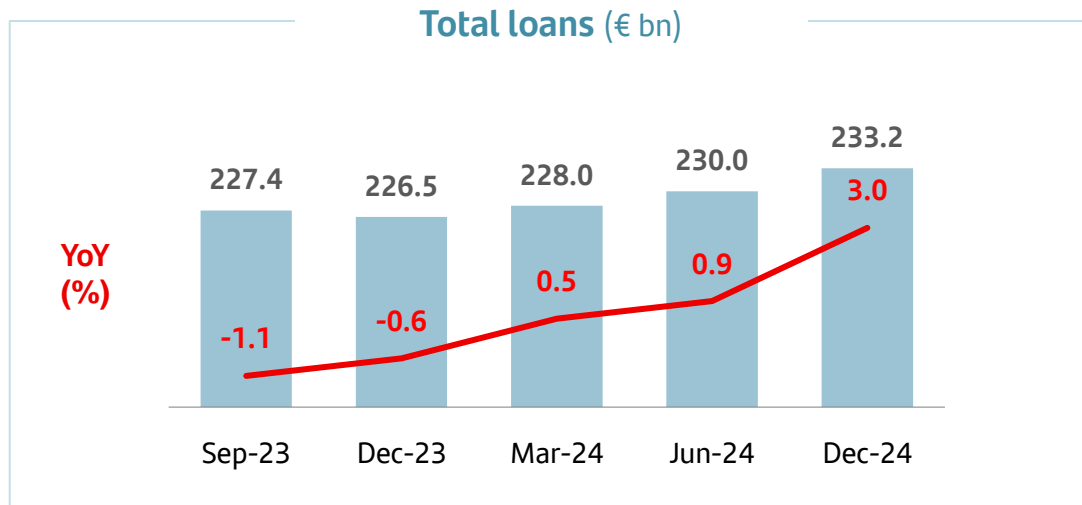
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The information contained herein is in accordance with the Bank of Portugal's criteria. Unless otherwise stated, data in this presentation refers to consolidated figures for Santander Totta SGPS, the group's holding company in Portugal. BST is Santander Totta SGPS' main operating unit, aggregating the group's retail banking business in Portugal.

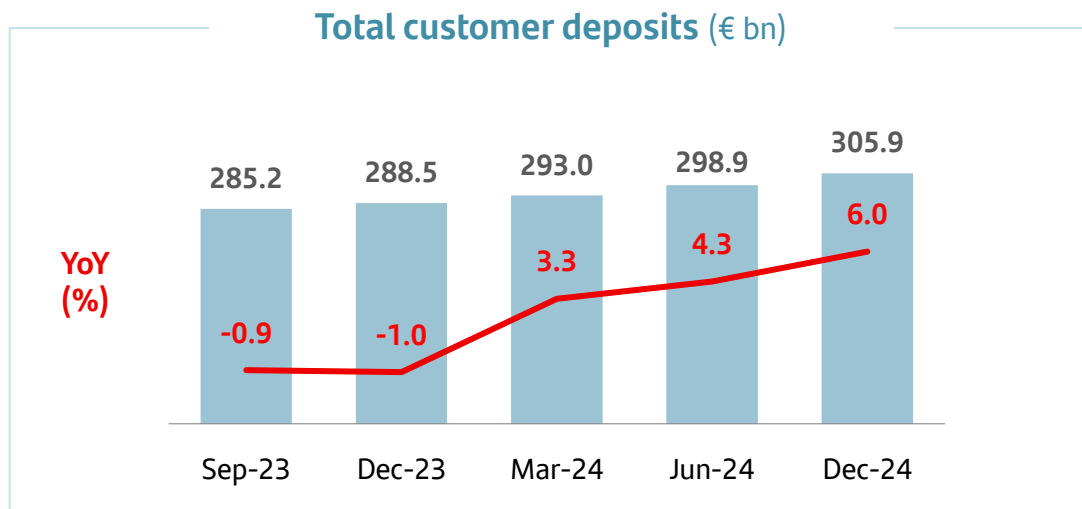
Macroeconomic environment and financial system

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 150bp, 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 recover progressively faster, 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 almost 11%, 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

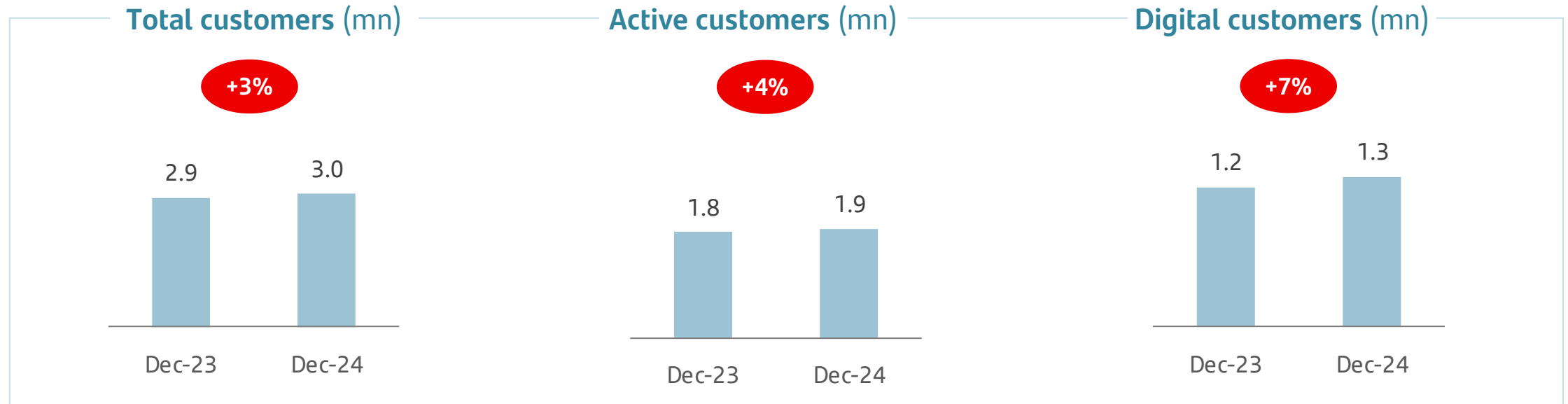
KEY DATA		2024	YoY Var.
	Customer loans (gross)	€50.3 bn	+12.9%
	Customer Deposits	€37.2 bn	+5.4%
	Attributable profit	€990.0 mn	+10.7%
	RoTE	25.4%	-0.6 pp
	Efficiency ratio	25.5%	-1.1 pp
	Loans market share ¹	16.7%	+15 bps
	Deposits market share ¹	12.9%	-7 bps
	Total customers	3.0 mn	+2.8%
	Digital customers	1.3 mn	+7.2%
	Branches ²	328	-1.2%
	Employees ²	4,610	-0.1%



Strategic Priorities

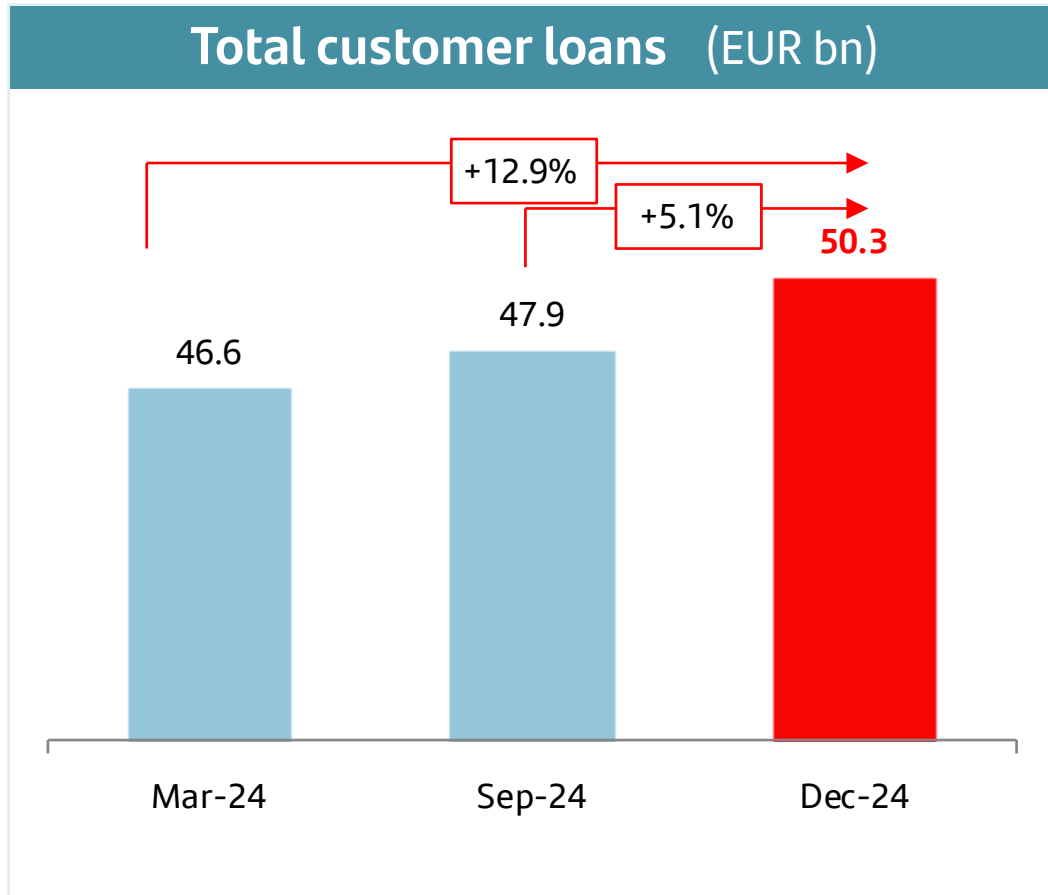
- ▶ Continue to implement our transformation plan with the aim of improving service quality and increasing our customer base
- ▶ Grow organically in terms of profitable market share and with adequate capital remuneration
- ▶ Maintain our position as market leaders in efficiency, improving the cost base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



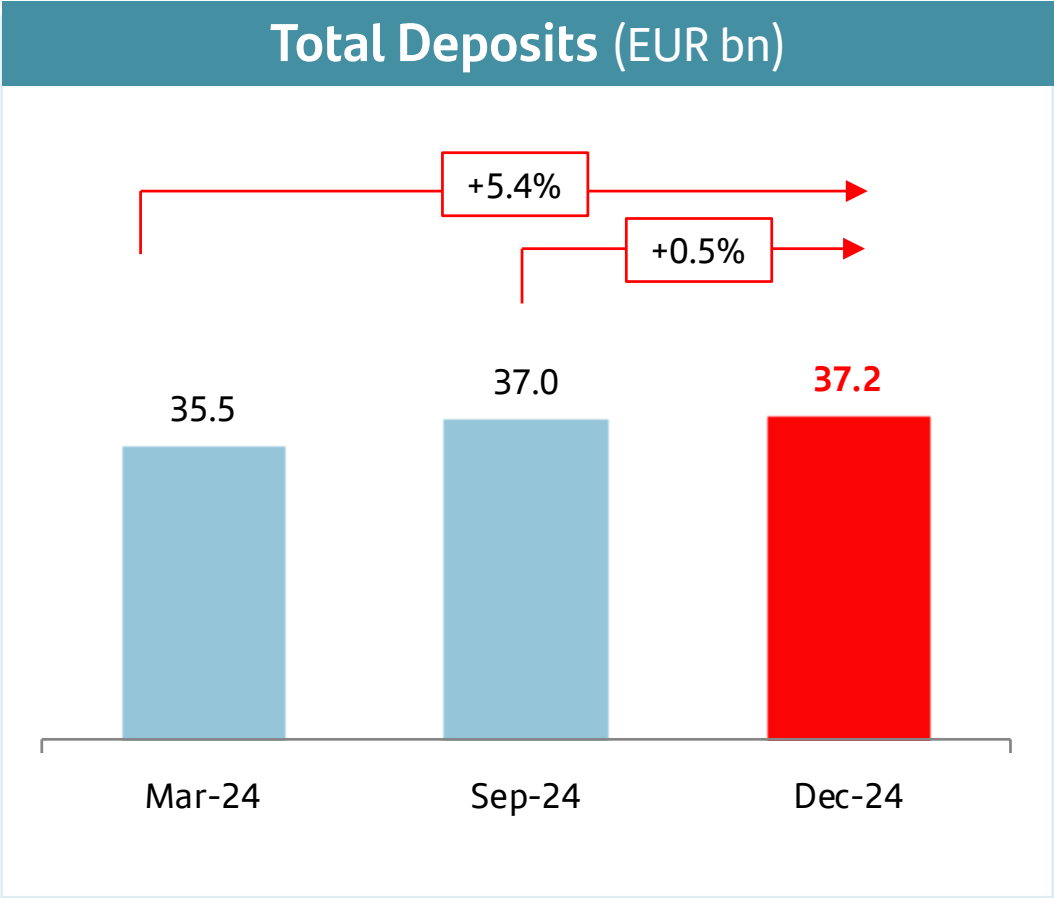
- ▶ We continue to execute our commercial and digital transformation, aimed at providing first-class service to customers, by simplifying its offer and processes, which is:
 - ▶ Contributing to the sustained growth in the number of active customers (+4% YoY); and
 - ▶ Translating into the continued increase 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



	Dec-24	Dec-23	YoY (%)	QoQ (%)
Individuals	25.4	24.1	+5.5	+1.1
Mortgage	23.3	22.0	+5.5	+1.1
Consumer and other	2.2	2.1	+5.2	+1.4
Corporates and Institucionals	24.9	20.5	+21.6	+9.4
Total	50.3	44.6	+12.9	+5.1

Sustained growth in customer funds, both in terms of deposits and off-balance funds



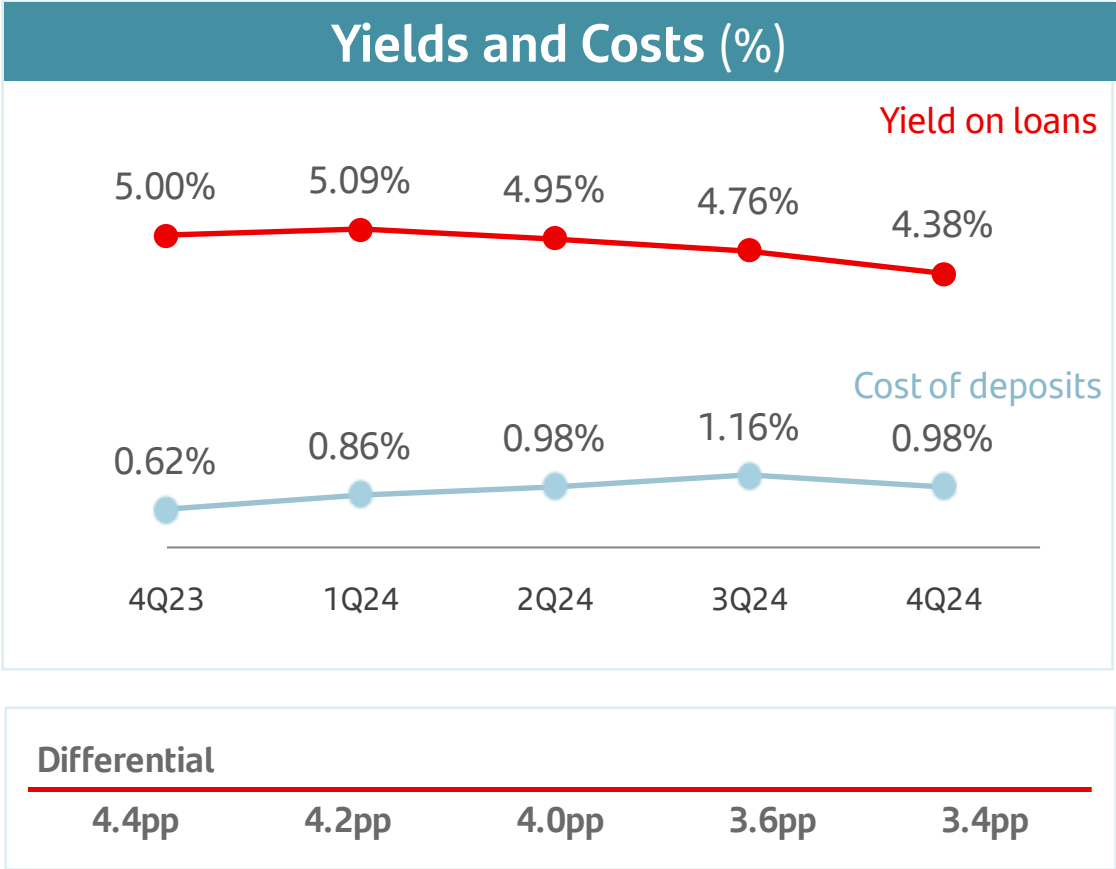
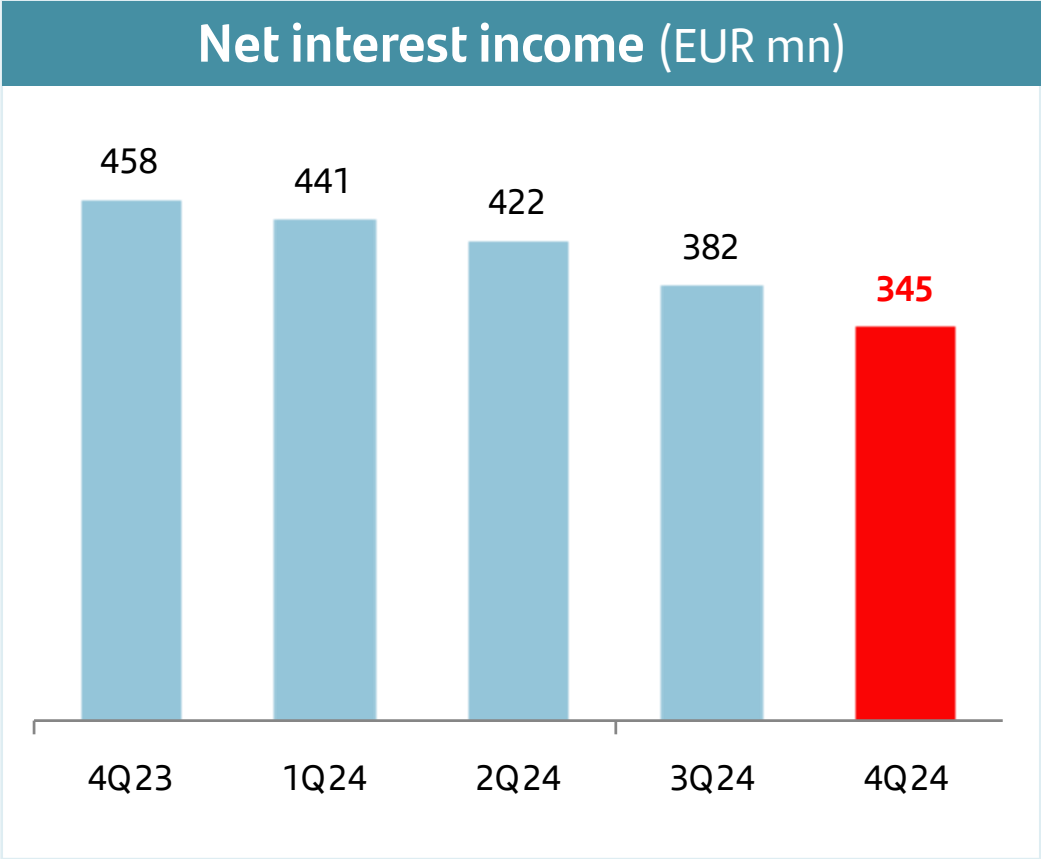
	Dec-24	Dec-23	YoY (%)	QoQ (%)
Deposits	37.2	35.2	+5.4	+0.5
Off Balance Sheet Resources	8.7	8.1	+8.1	+0.9
Investment Funds	4.9	4.3	+14.8	+4.5
Insurance and other	3.8	3.8	+0.5	-3.3
Total Customer Funds	45.9	43.3	+5.9	+0.6

Results

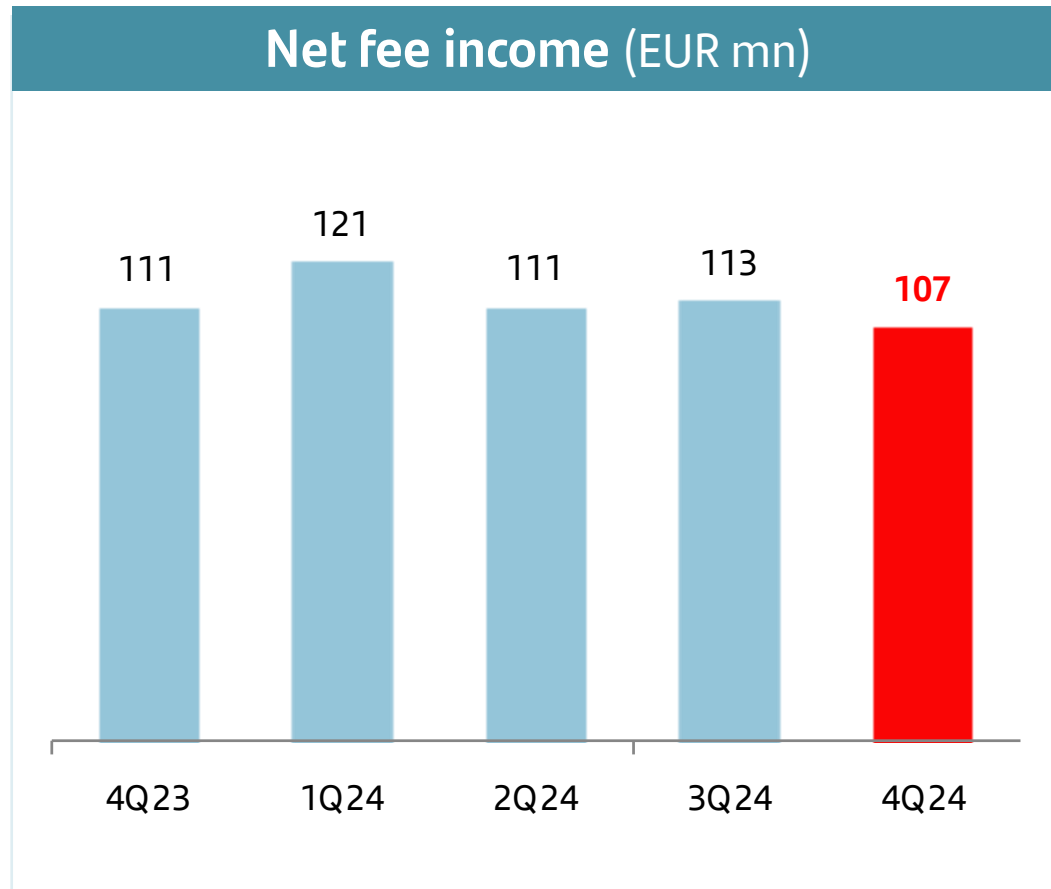


03

NII has been declining from the peak, as lower rates pass through to the loan book. The cost of deposits has also began declining, aligned with lower rates.

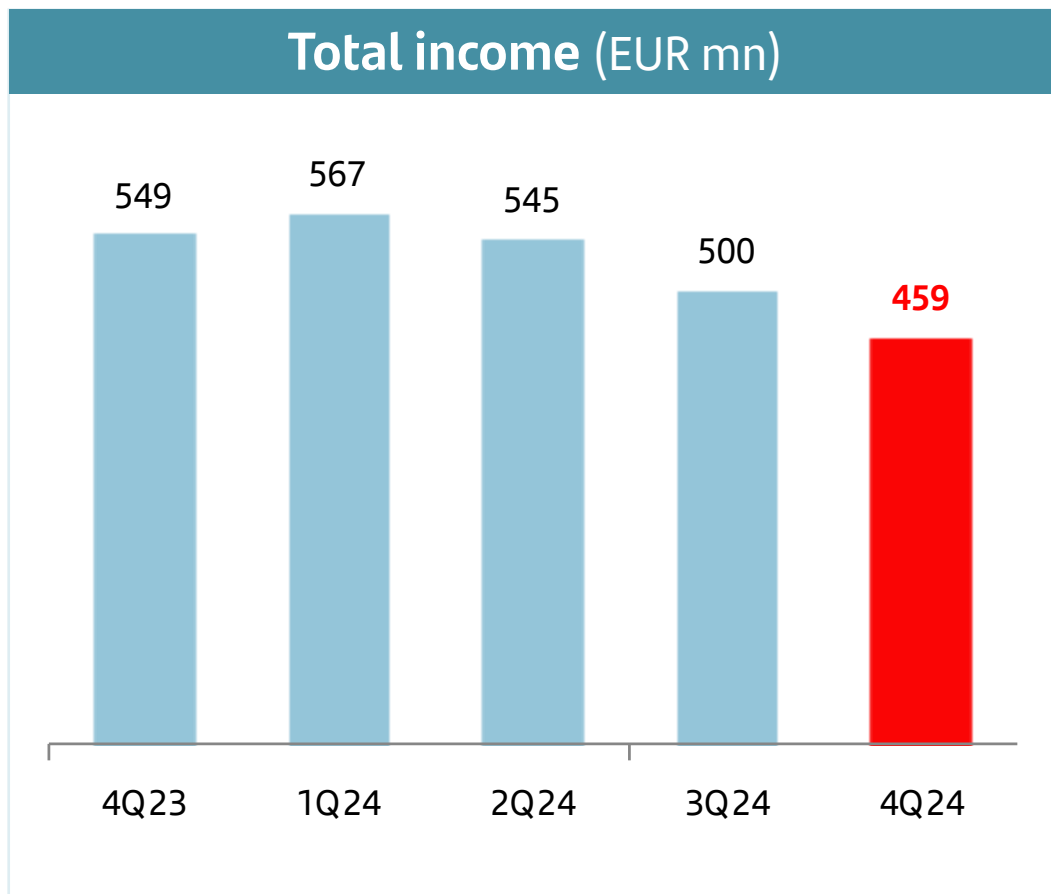


Net fee income declined marginally YoY, as the improvement in credit and insurance related fees was offset by lower advisory fees



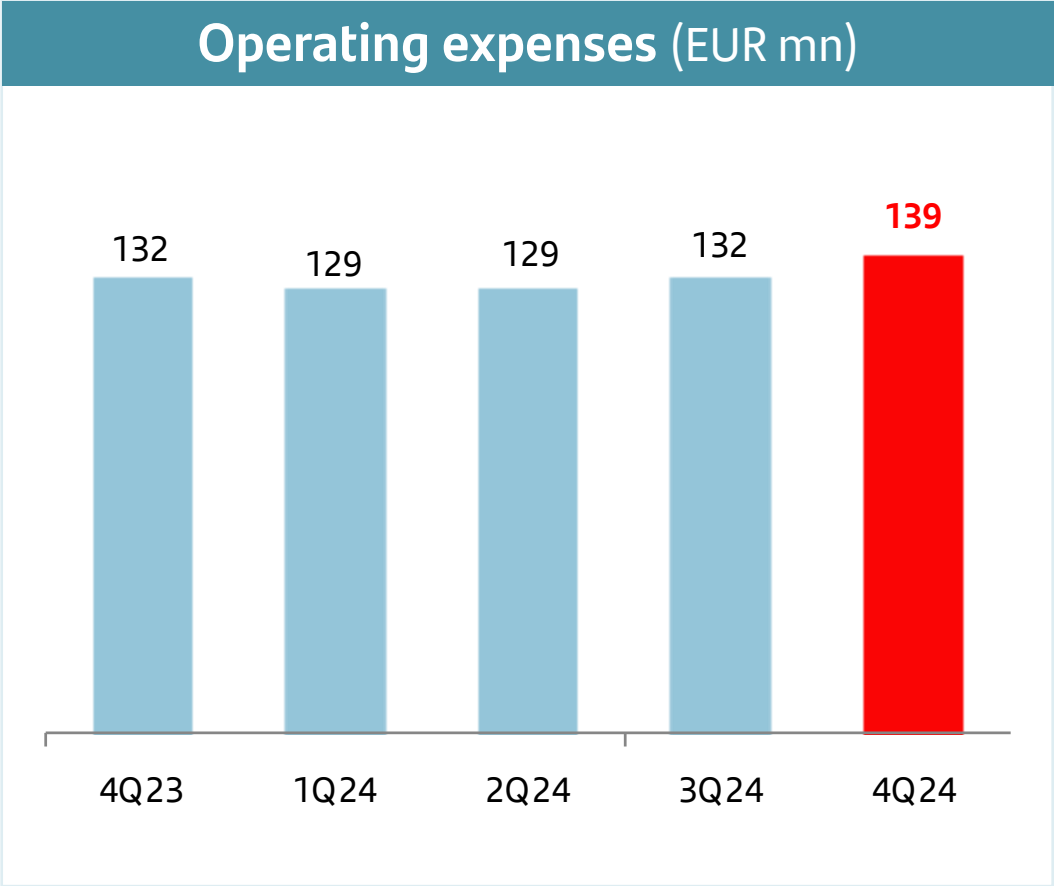
	2024	2023	YoY (%)	QoQ (%)
Credit	65	59	+10.1	-4.5
Means of Payment	104	109	-4.4	-20.7
Mutual funds	37	35	+6.4	+2.5
Insurance	134	124	+8.2	+2.6
Other	112	130	-14.1	-1.1
Total net fee income	452	457	-1.1	-4.9

Total income rose 5.9% YoY, aligned with the evolution of NII



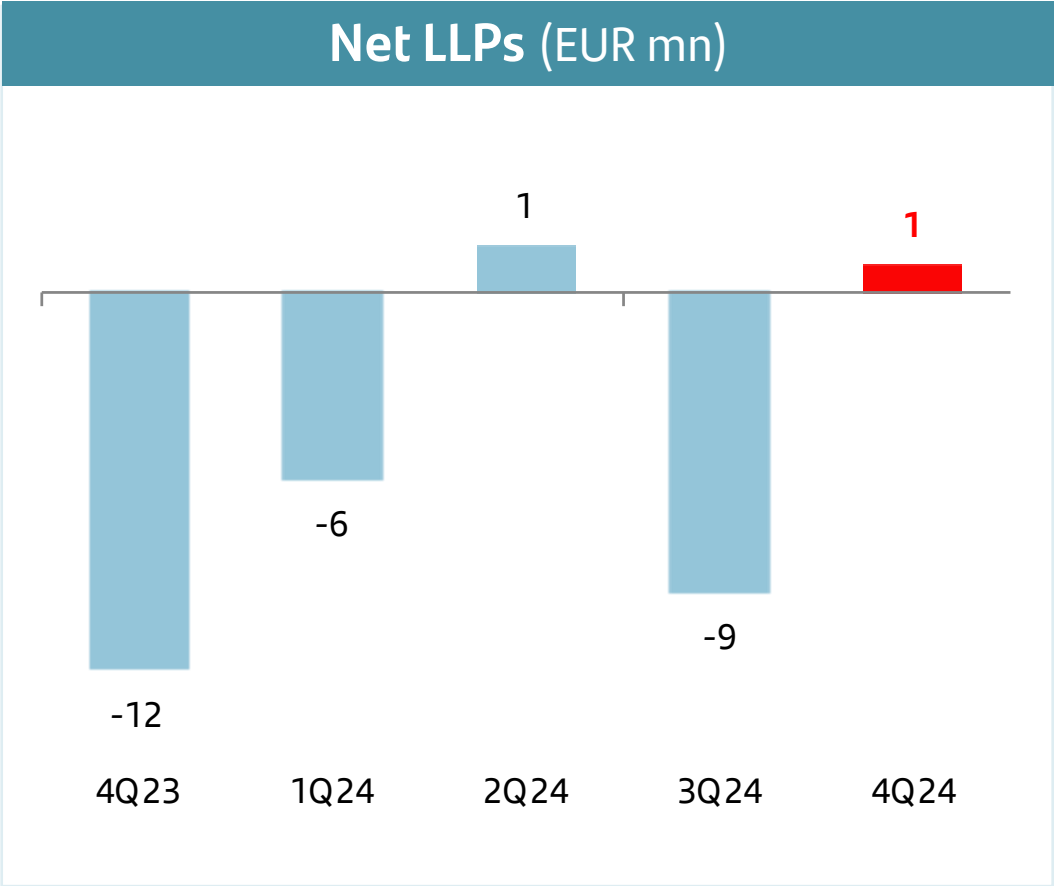
	2024	2023	YoY (%)	QoQ (%)
Net interest income	1,590	1,491	+6.6	-9.6
Net Fees	452	457	-1.1	-4.9
Customer revenue	2,042	1,948	+4.8	-8.6
Other	29	8	+252.3	+20.9
Total income	2,071	1,956	+5.9	-8.3

Expenses grew 1.6%, below inflation, allowing for further improvement in efficiency



	2024	2023	YoY (%)	QoQ (%)
Operating Expenses	528	520	+1.6	+4.7
Efficiency ratio (with amortisations)	25.5%	26.6%	-1.1pp	+3.8pp
Branches in Portugal (#)	328	332	-1.2	-0.3
Employees in Portugal (#)	4,610	4,615	-0.1	+0.7

Credit fundamentals remained robust, with low CoR and a further decline in the NPE ratio

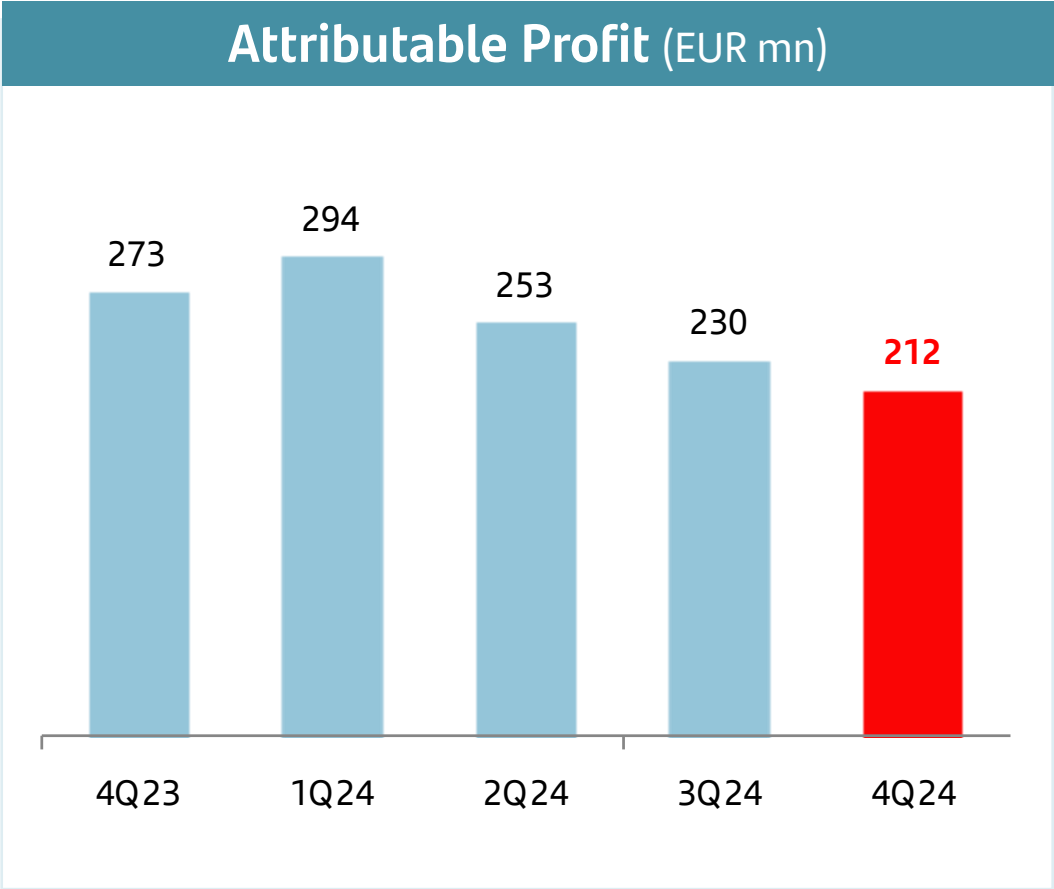


	2024	2023	YoY (%)	QoQ (%)
Net Operating Income	1,543	1,436	+7.4	-12.9
LLPs	-13	-73	-82.3	-
Net Operating Income after LLPs	1,530	1,363	+12.2	-10.4

NPE ratio	1.6%	1.7%	-0.1pp	-0.0pp
NPE coverage ratio	84.1%	89.2%	-5.1pp	+0.2pp
Cost of Credit ⁽¹⁾	0.03%	0.17%	-0.14pp	-0.03pp

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

Profit increased 10.7% YoY driven by NII growth, controlled costs and sound asset quality



	2024	2023	YoY (%)	QoQ (%)
Profit before taxes	1,472	1,311	+12.2	-15.0
Taxes and MI	-482	-417	+15.6	-28.0
Underlying Attributable Profit	990	895	+10.7	-8.0

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 initiated the downward cycle, 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.



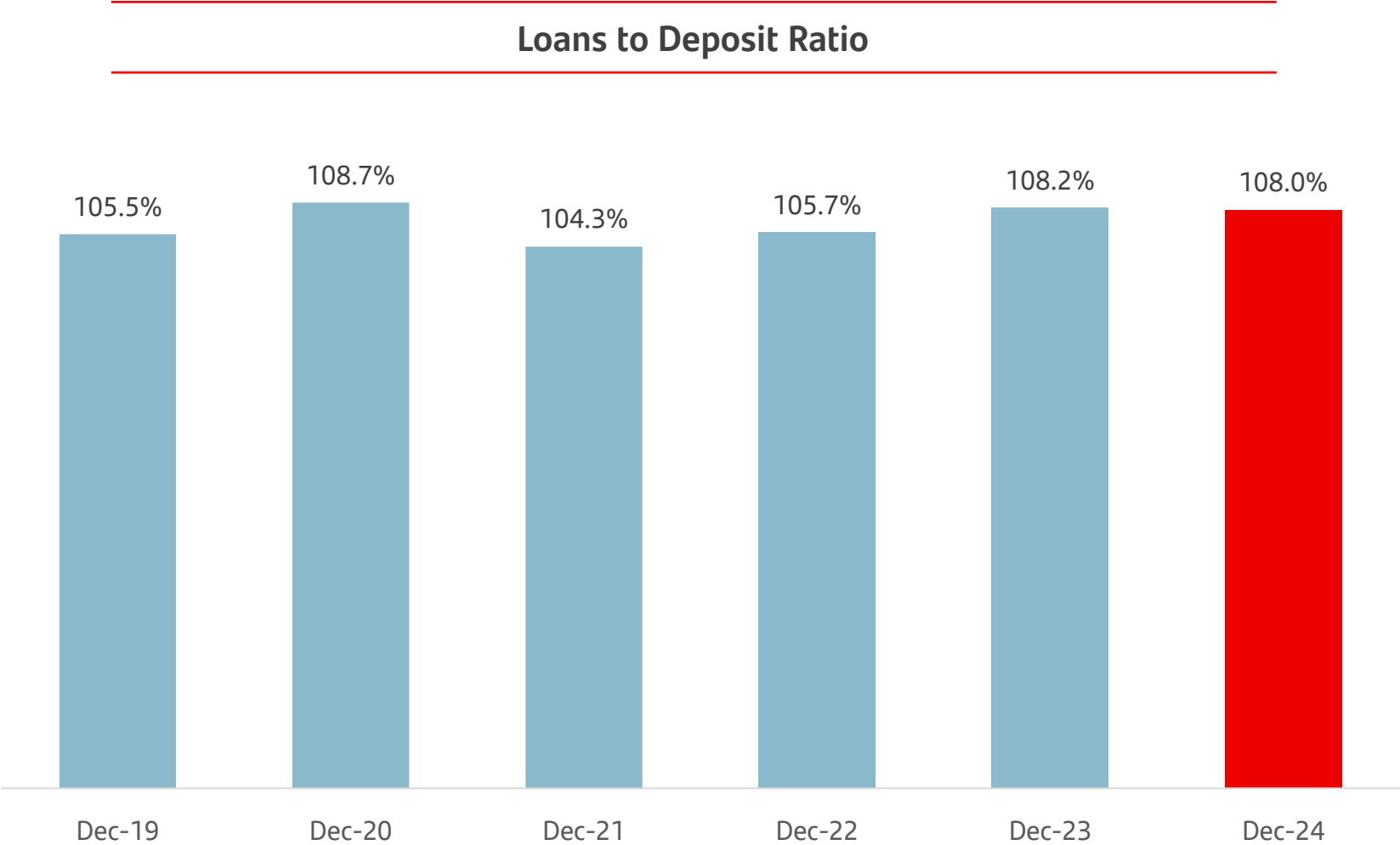
Results

- ▶ 6% growth YoY in total income still supported by NII, despite it gradually falling in QoQ terms since the peak in late 2023. We maintain strict management of liability costs. Net fees basically flat, as advisory fees offset the improvement in credit and transactional fees.
- ▶ Net operating income grew 7% as costs remain controlled. Efficiency improved 1pp.
- ▶ Credit fundamentals remained robust and the NPE declined from already low levels, while CoR declined further, to 3bps.
- ▶ Profit increased 11% YoY driven by NII growth, controlled costs and sound asset quality.

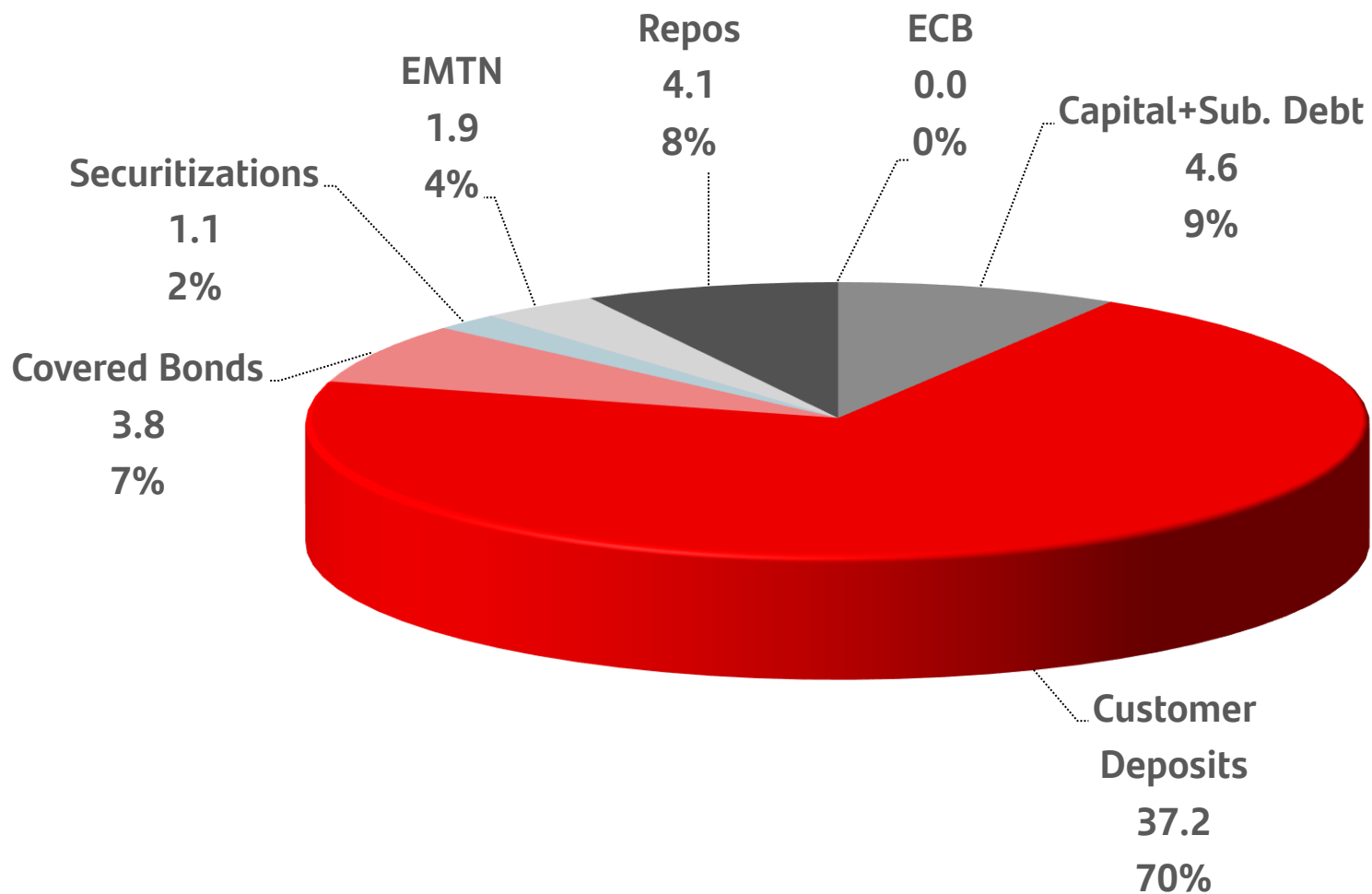
Financial and liquidity management

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

142%

NSFR

120%

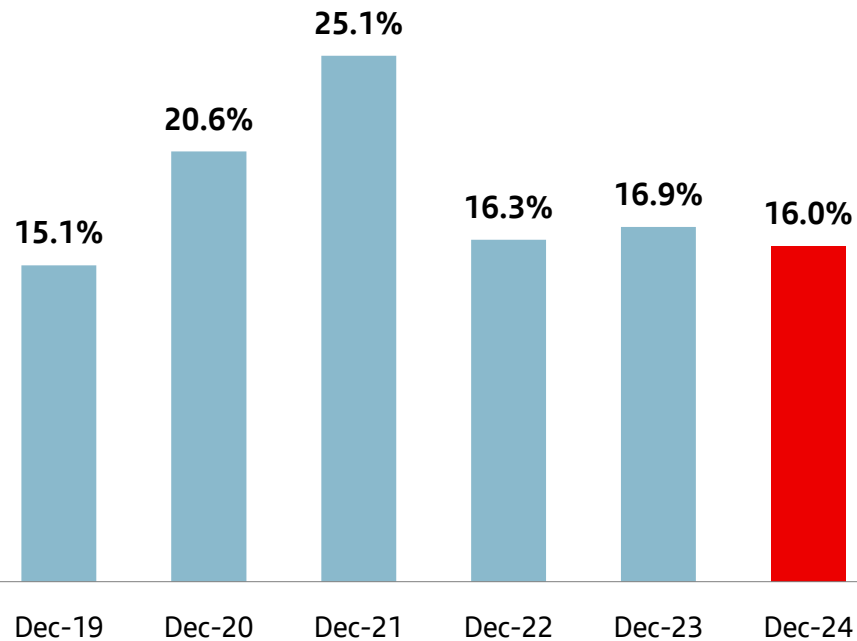
Liquidity Buffer

(% of deposits)

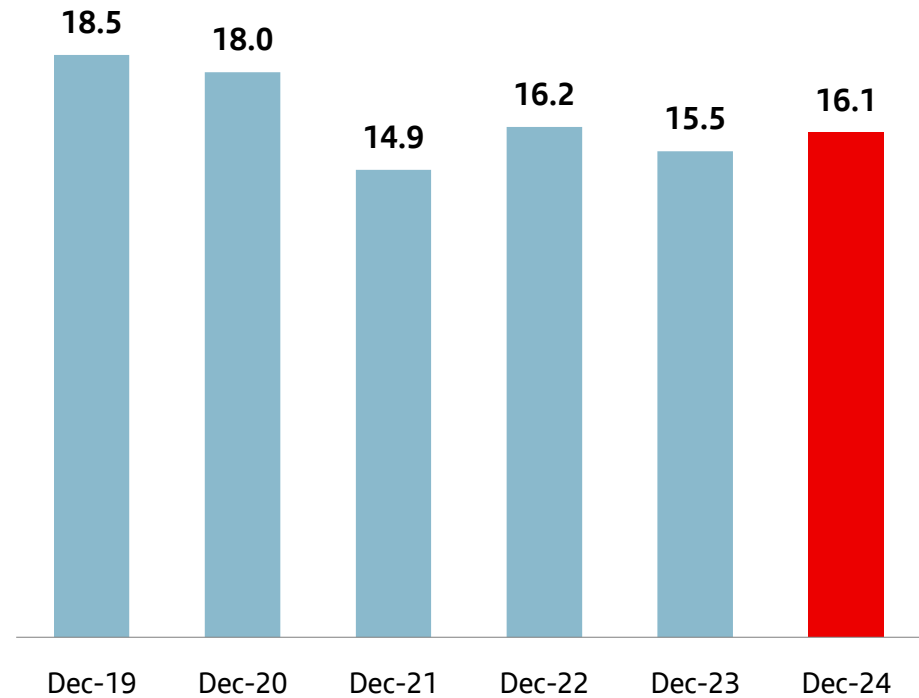
46%

Sound capital levels, with adequate management of RWAs

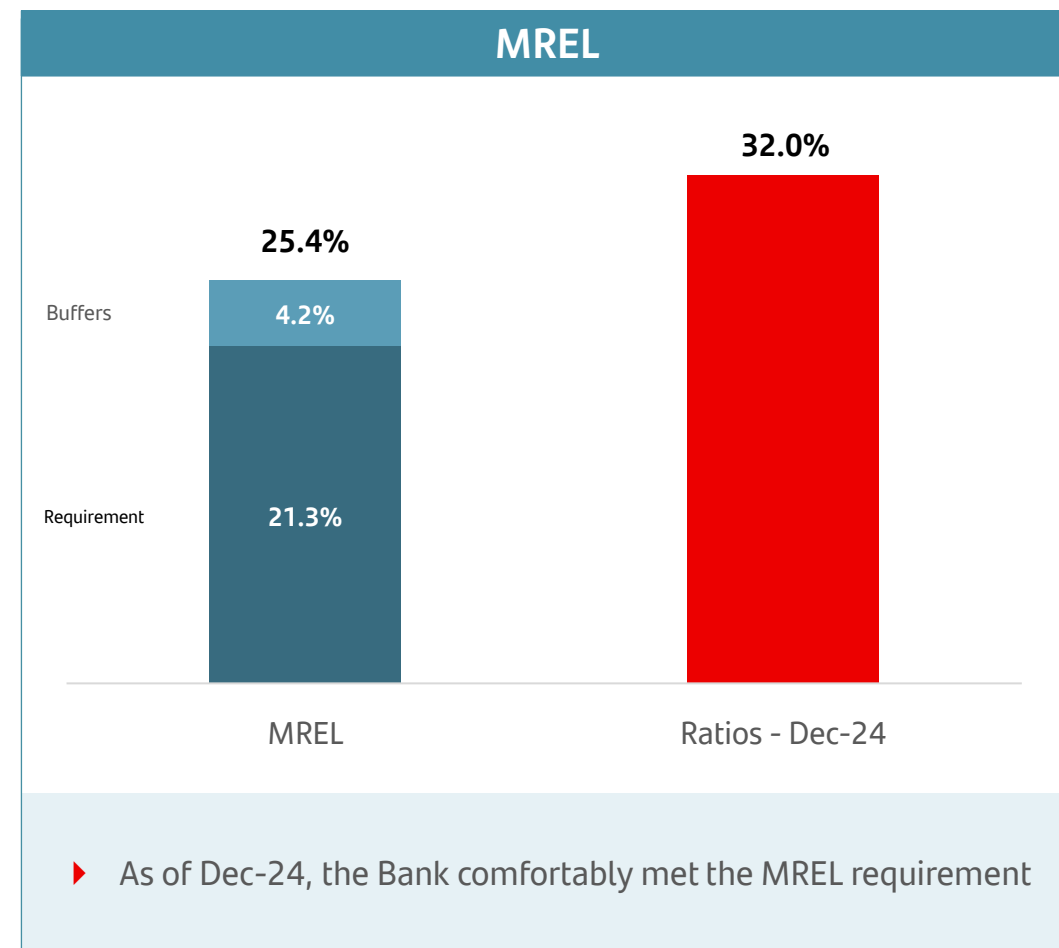
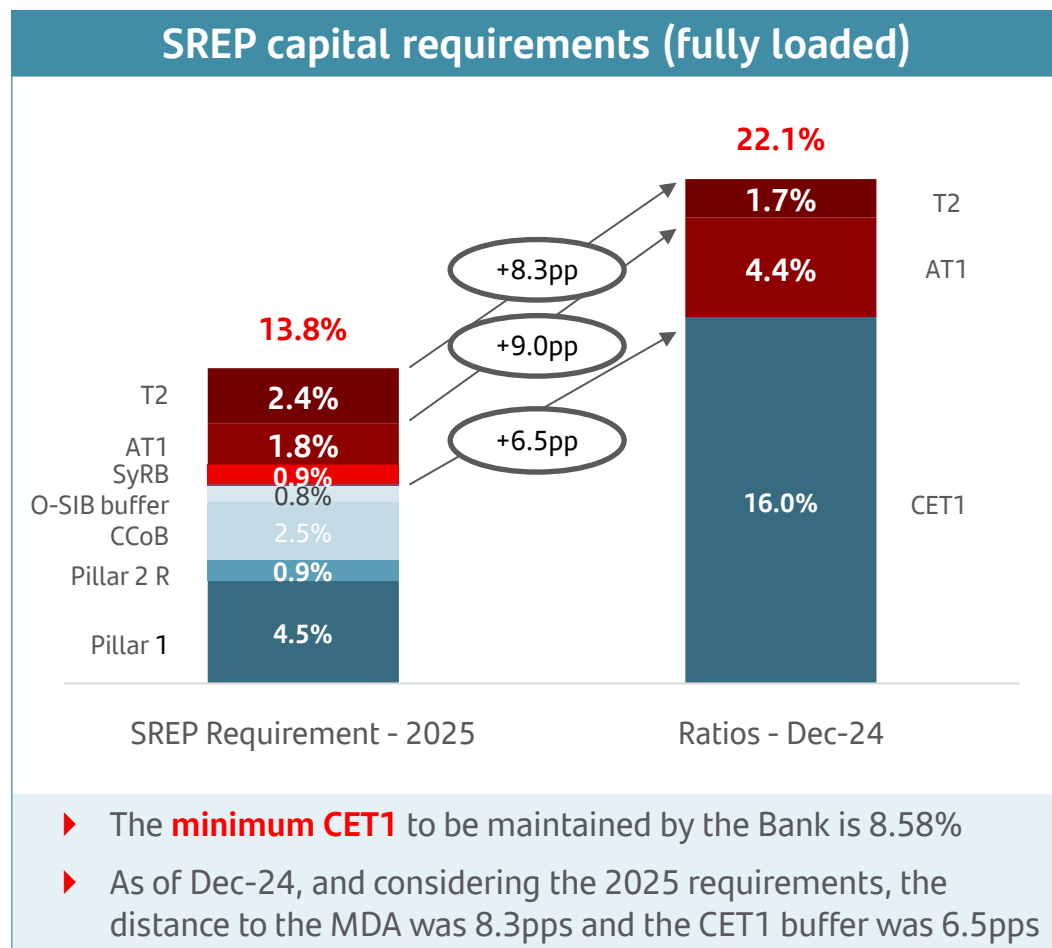
CET 1 – full implemented



RWA (bn€)



Capital ratios well above the regulatory requirements



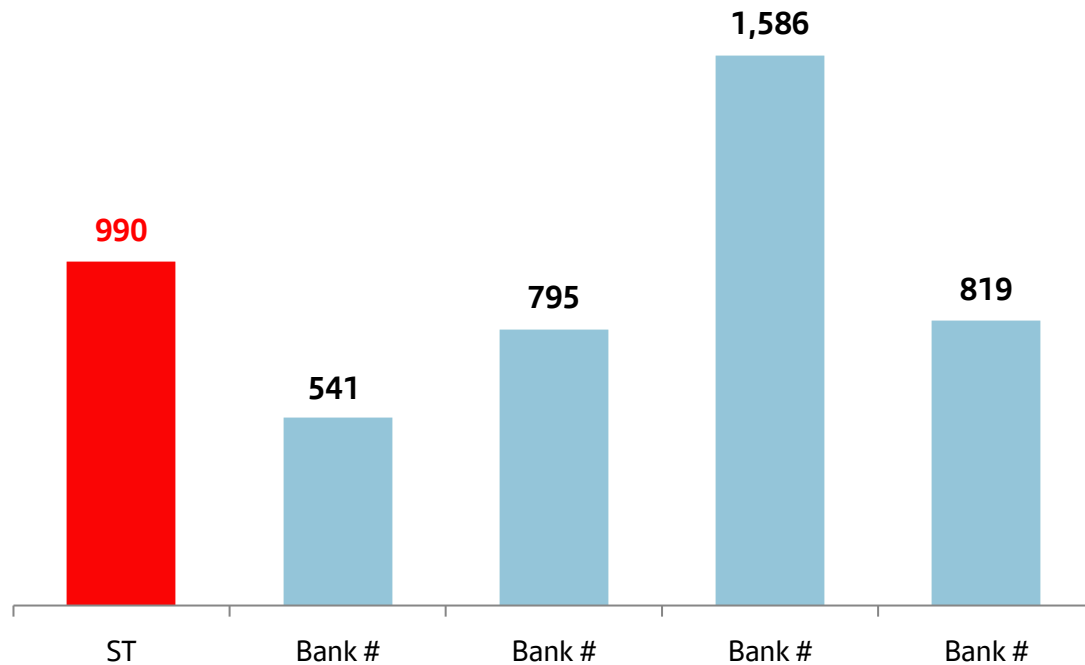
Benchmarking



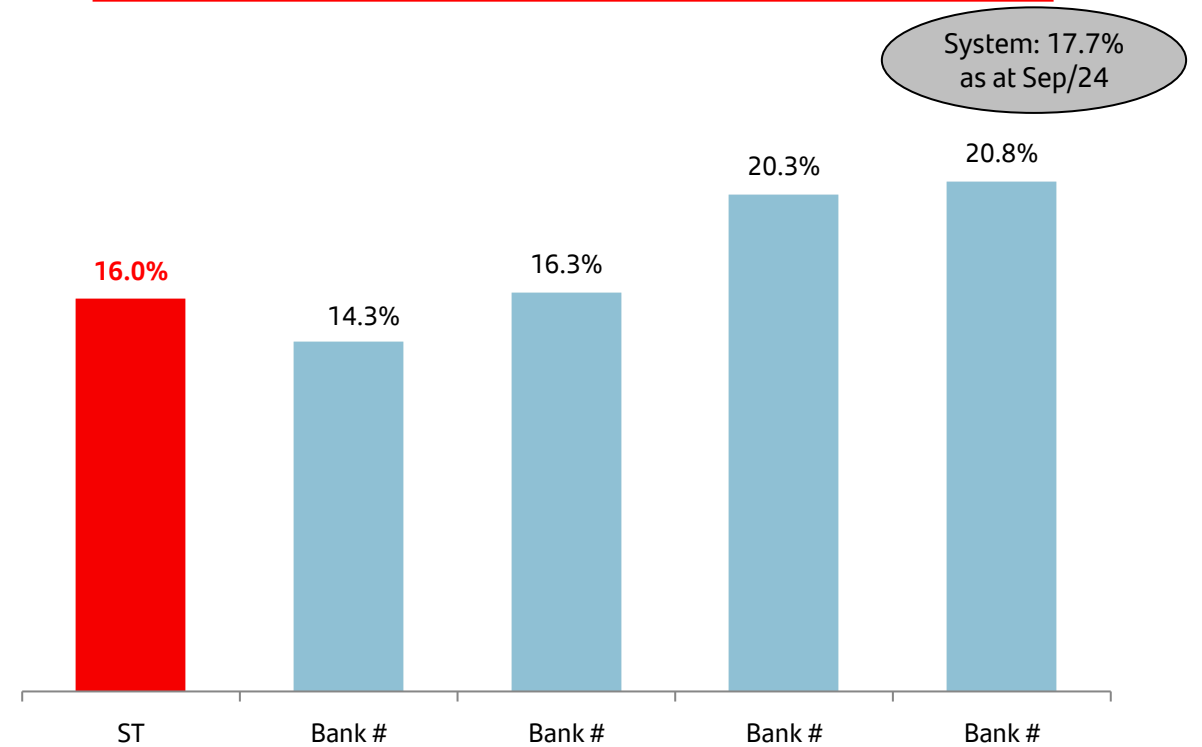
05

Sustained profitability and strong capital position

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

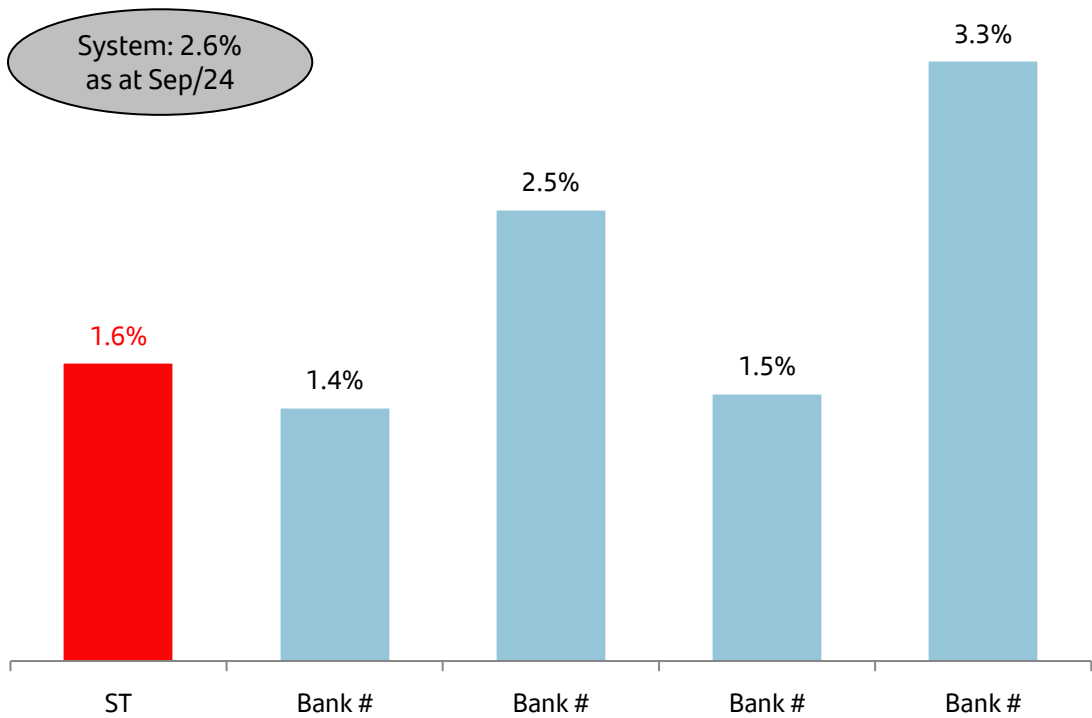


CET 1 (full implemented)

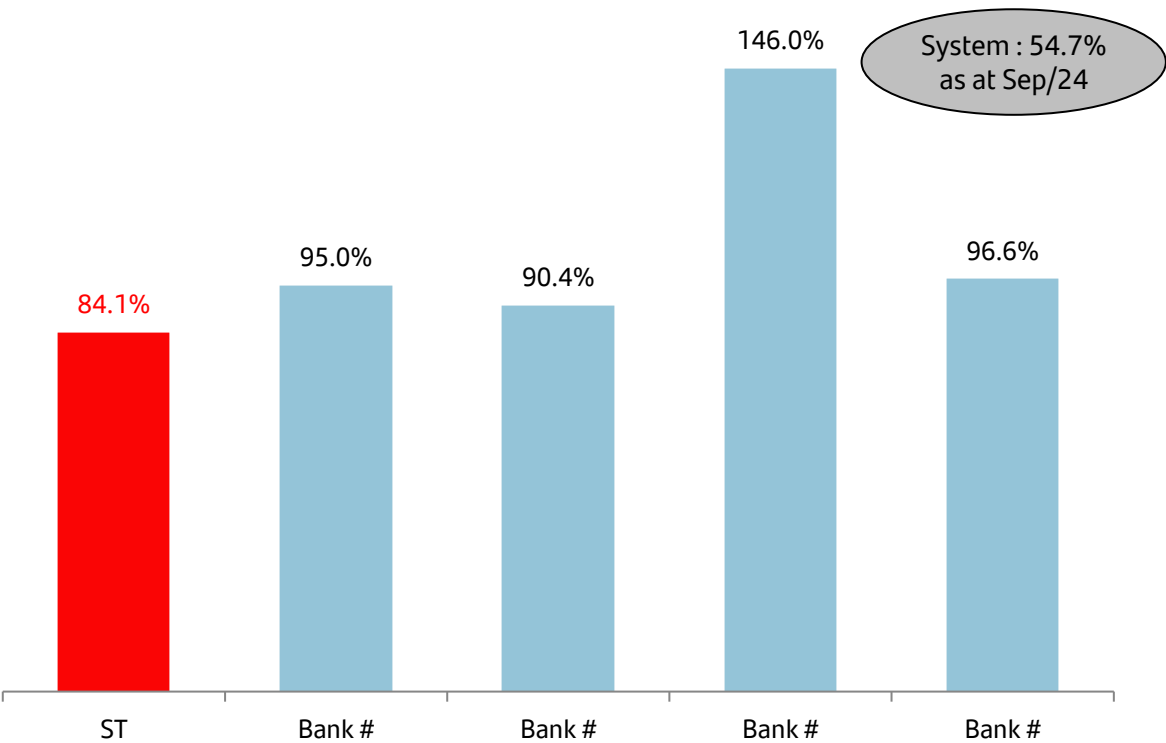


As at Dec/24

NPE Ratio







NPE Coverage Ratio



As at Dec/24

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 1	A-	Bank 3 	A3		A-	Bank 3
BBBH	Bank 2	BBB+		Baa1	 Bank 1 Bank 2	BBB+	
BBB	Bank 4	BBB	Bank 2 Bank 4	Baa2	Bank 4	BBB	Bank 2
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

Santander Totta, SGPS

BALANCE SHEET (million euro)	dez-24	dez-23	Var.
Cash, cash balances at central banks and other demand deposits	1,998	6,285	-68.2%
Financial assets held for trading, at fair value through profit or loss, and at fair value through other comprehensive income	5,405	5,338	+1.3%
Financial assets at amortised cost	47,613	41,870	+13.7%
Investments in subsidiaries, joint ventures and associates	0	0	-
Tangible assets	385	404	-4.8%
Intangible assets	38	34	+11.7%
Tax assets	125	168	-25.3%
Non-current assets held for sale	26	36	-27.3%
Other assets	497	457	+8.7%
Total Assets	56,086	54,590	+2.7%
Financial liabilities held for trading	1,557	1,476	+5.5%
Financial liabilities at amortised cost	49,115	47,496	+3.4%
Resources from Central Banks and Credit Institutions	4,644	5,749	-19.2%
Customer deposits	37,157	35,239	+5.4%
Debt securities issued	7,017	6,249	+12.3%
Other financial liabilities	298	259	+15.0%
Provisions	131	140	-6.8%
Tax liabilities	192	373	-48.4%
Other liabilities	523	769	-32.1%
Total Liabilities	51,518	50,254	+2.5%
Share capital atributable to ST SGPS shareholders	4,566	4,335	+5.3%
Non controlling interests	2	2	+1.4%
Total Shareholders' Equity	4,568	4,336	+5.3%
Total Shareholders' Equity and Total Liabilities	56,086	54,590	+2.7%

Santander Totta, SGPS

CONSOLIDATED INCOME STATEMENTS* (million euro)	dez-24	dez-23	Var.
Net interest income	1,589.7	1,491.0	+6.6%
Income from equity instruments	8.2	1.7	>200%
Results from associates	0.0	-3.8	-100.0%
Net fees	452.2	457.0	-1.1%
Other operating results	-0.3	-17.4	-98.3%
Insurance activity	0.0	0.0	-
Commercial revenue	2,049.8	1,928.5	+6.3%
Gain/losses on financial assets	21.0	178.1	-88.2%
Net Income from Banking Activities (1)	2,070.9	2,106.6	-1.7%
Operating costs	-528.3	-519.8	+1.6%
Staff expenses	-291.6	-284.5	+2.5%
Other Administrative Expenses	-196.1	-181.0	+8.3%
Depreciation	-40.6	-54.3	-25.2%
Net operating Income	1,542.5	1,586.9	-2.8%
Impairment (net) of financial assets at amortised cost	-13.0	-73.3	-82.3%
Net provisions and other results	-57.9	-51.9	+11.5%
Income before taxes and non-controlling interests	1,471.7	1,461.7	+0.7%
Taxes	-481.3	-431.1	+11.6%
Non-controlling interests	-0.4	-0.4	+5.8%
Consolidated net income	990.0	1,030.2	-3.9%

(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

