

Mortgage Covered Bonds Investor Presentation

Banco Santander Totta, S.A.



IMPORTANT INFORMATION

Santander Totta SGPS, S.A. ("Santander Portugal") cautions that this presentation contains forward looking statements. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, (1) general market, macro-economic, governmental and regulatory trends, (2) movements in local and international securities markets, currency exchange rates, and interest rates, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties, The risk factors and other key factors that we have indicated could adversely affect our business and financial performance contained in our past and future filings and reports, including those with the Securities and Exchange Commission of Portugal.

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.

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Santander Portugal

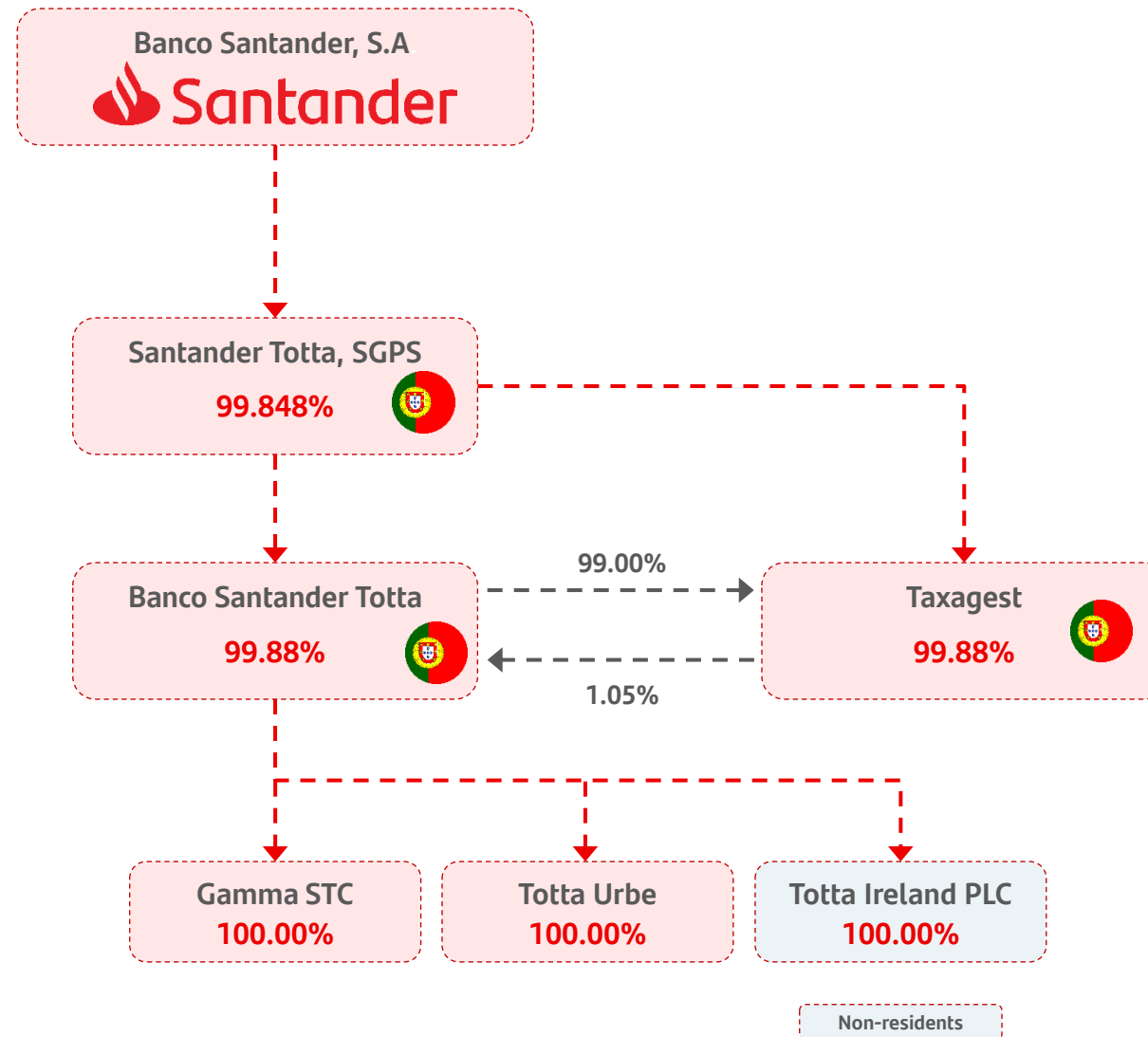


01

Santander Portugal: a long and successful history of bank integration

1988	Santander acquires BCI – Banco de Comércio e Indústria
1998	Rebranding of BCI into Banco Santander Portugal
2000	Acquisition of Totta & Açores and Crédito Predial Português Totta, founded in 1843, was the oldest commercial bank in Portugal, and was the result of the merger of several institutions between 1950 and 1970 (the latest, the merger of two of the largest banks in Portugal: Banco Totta & Aliança and Banco Lisboa & Açores) The market share increases from ~1.5% to 10%
2004	Merger of BSP, BTA and CPP, with single brand Santander Totta
2015	Acquisition of the assets and liabilities of Banif, becoming largest bank in Azores and Madeira, with market share increasing from 12% to 15%
2017	Acquisition of Banco Popular Portugal. Market share increases to 18%.
2018	Rebranding to Santander
2020	Largest privately owned bank by loans
2022-24	Santander in Portugal continues to be the most efficient, solid and profitable bank in Portugal

Santander Portugal is Grupo Santander's fully owned commercial bank in Portugal

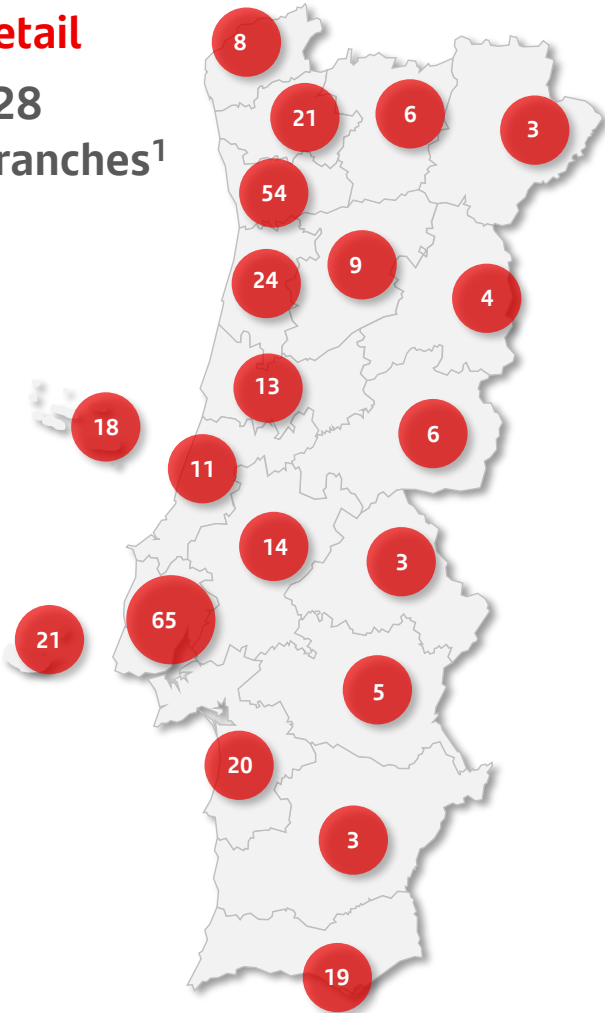


At the beginning of 2024, the Santander Group in Portugal began a reorganization process that provides for the merger, by incorporation, of Santander Totta SGPS ("Company") into Banco Santander Totta, S. A. ("Bank"). At the end of the 2024 financial year, all authorizations were received, and the simplified merger is scheduled for the first quarter of 2025 with the transfer to the Bank of the entire assets of the Company and its subsequent extinction.

Santander has a capillary branch network in Portugal

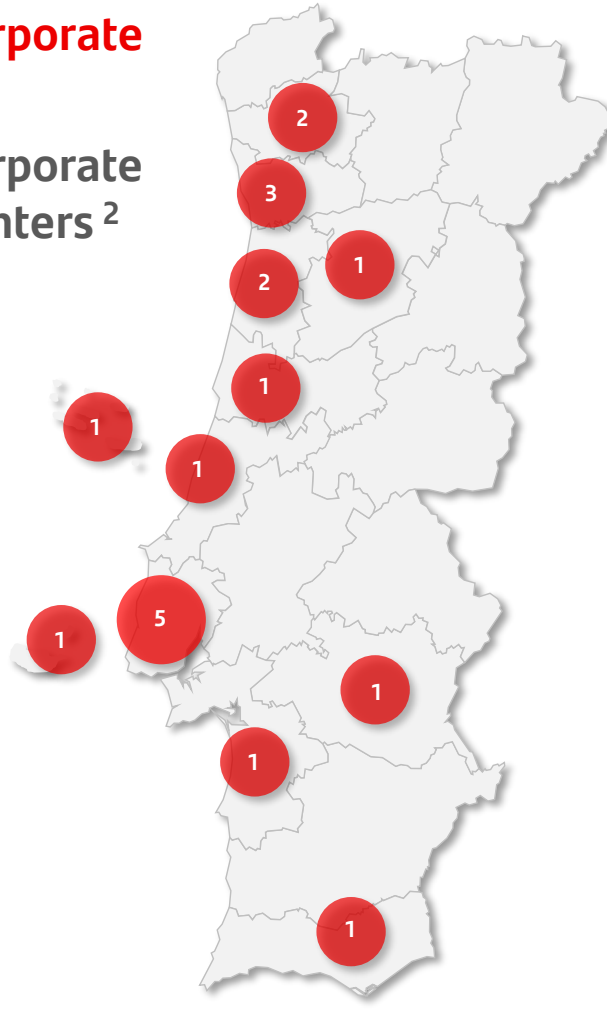
Retail

328 Branches¹



Corporate

20 Corporate Centers²



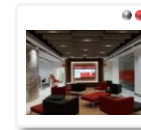
Branches types (new concepts)

From a traditional network to ...

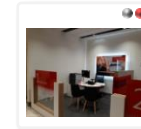
Traditional branches

Yearly classification revision considering three criteria: Business Volume, Revenues and Headcount.

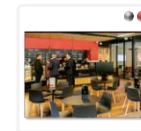
... embrace new concepts focused to provide a better Client service



Smart Red
Full Concept



Smart Red
Agile



Work Café (#4)
Lisbon, Porto, Coimbra and Espinho














Remote branch

1. Retail branches: 329 branches as of Jun 2024

2. Corporate Centers: Large Corporate Centers not included

Santander Portugal is the largest privately owned bank, by loans, and its strategy is focused on digital transformation to better serve its customers

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%	+39 bps
 Deposits market share ¹	12.7%	+2 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%

(1) As at Dec-24

(2) Branches and Employees in Portugal

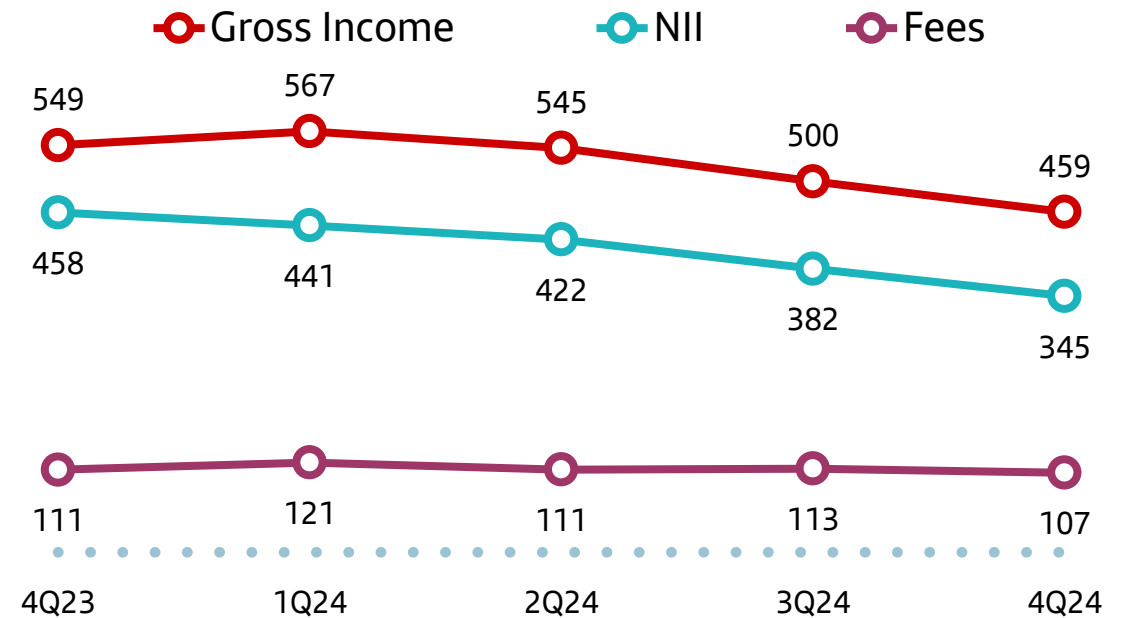
Awards – 2024



Strong profitability, underpinned by NII, strict cost control and sound asset quality

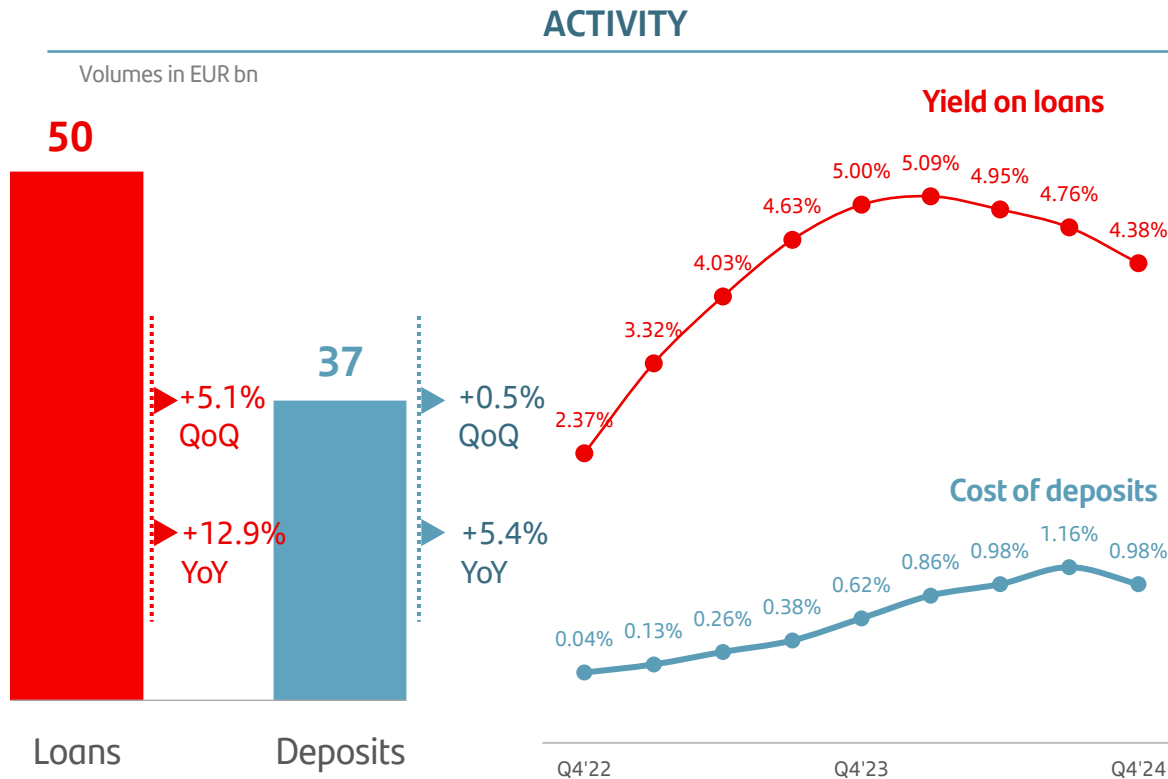
P&L (€ mn)

	2024	% 2023
Net interest income	1,589.7	+6.6
Net fees	452.2	-1.1
Gross Income	2,070.9	+5.9
Operating costs	-528.3	+1.6
Impairment	-13.0	-82.3
Profit before taxes	1,471.7	+12.2
Consolidated net income	990.0	+10.7

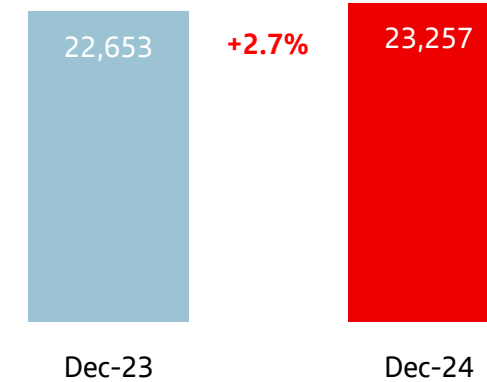


- ▶ **Attributable profit of 990.0mn (+10.7% YoY)**
- ▶ Gross income improvement led by NII, despite the impact from the ongoing new interest rate cycle which has brought quarterly NII down from its peak. Fees affected by advisory services, which offset the increase in credit and mutual funds fees. Strict cost control resulted in costs growing below inflation, leading to improved efficiency.
- ▶ LLPs declined, with a moderate cost of risk, as asset quality remains elevated, without any impact from the recent increase in interest rates
- ▶ Volumes grew in all segments, reflecting the value offer we provide customers with.
- ▶ The Bank remains focused in **maintaining an appropriate risk policy**, with high credit quality and strong capital position
- ▶ Santander Portugal **continues focused on organic growth in terms of profitable market share, with adequate capital remuneration**, improving our position as leading private sector bank, as well as market leaders in efficiency, improving the cost base

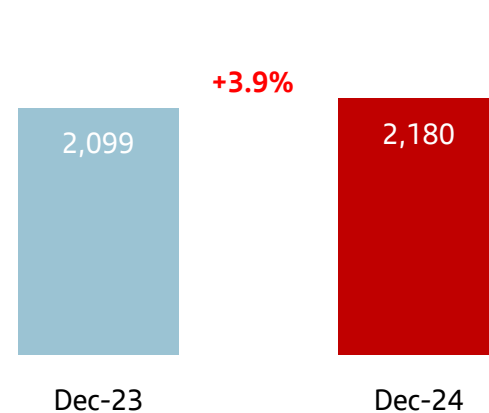
We have adapted our commercial offer to the customers' needs in a context of high interest rates, allowing to grow in loan origination and, especially, on the loan book



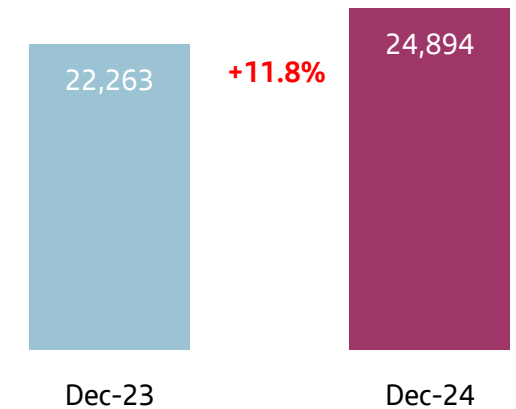
Mortgages



Consumption

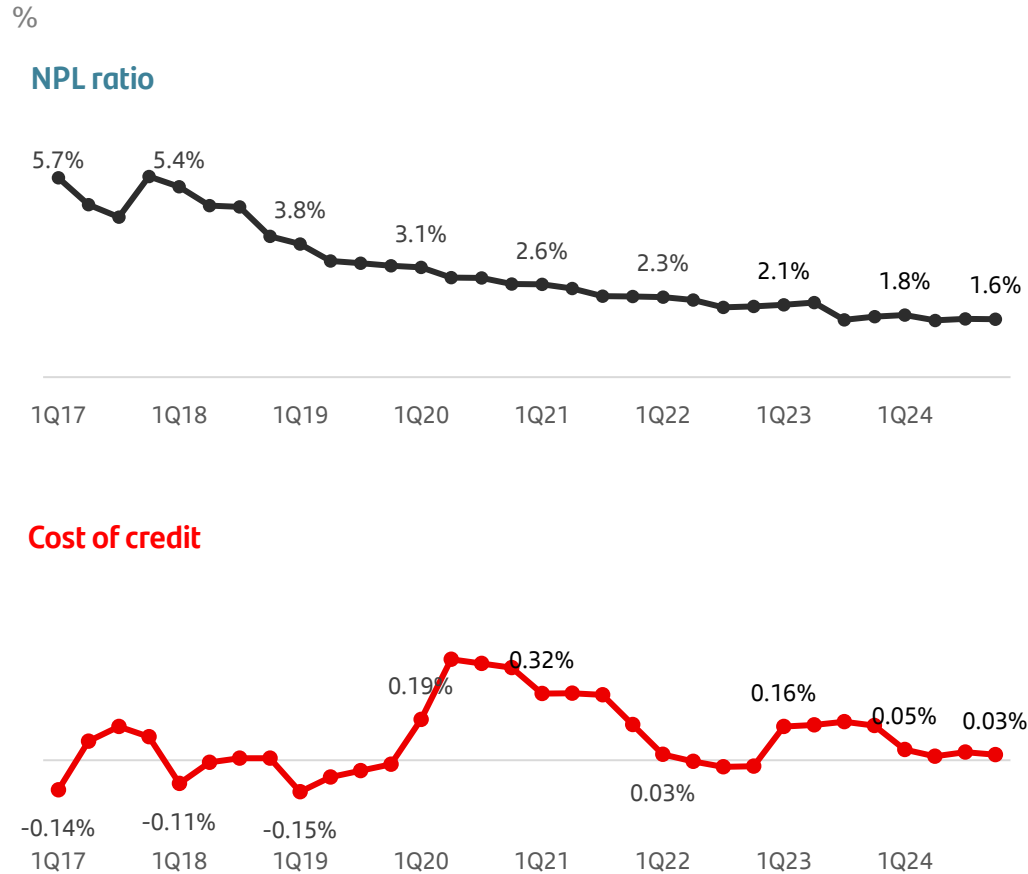


Companies & Institutionals

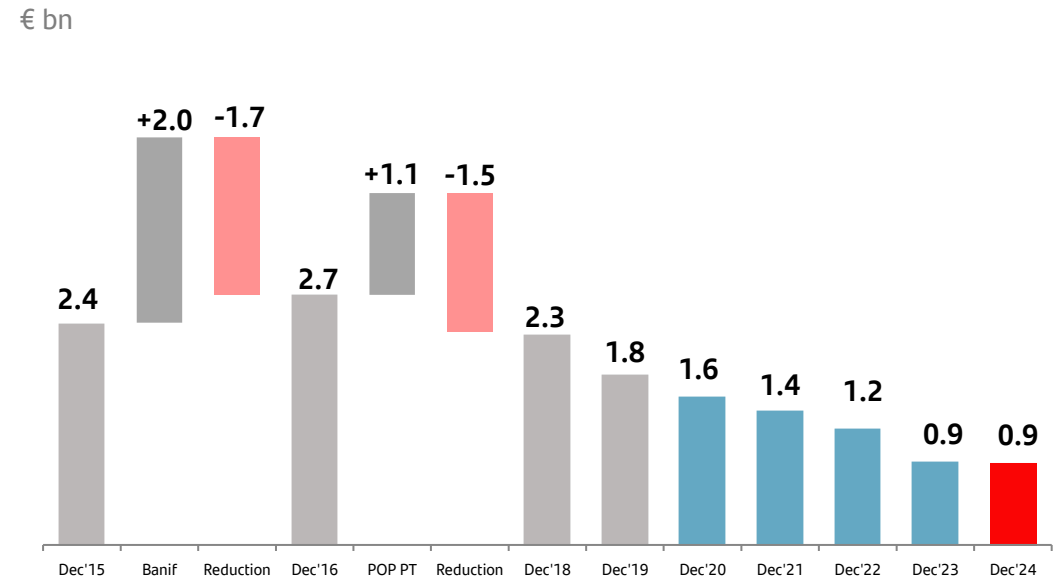


Asset quality ratios fell to historical minima, aligned with the low stock of NPEs, with residual cost of credit

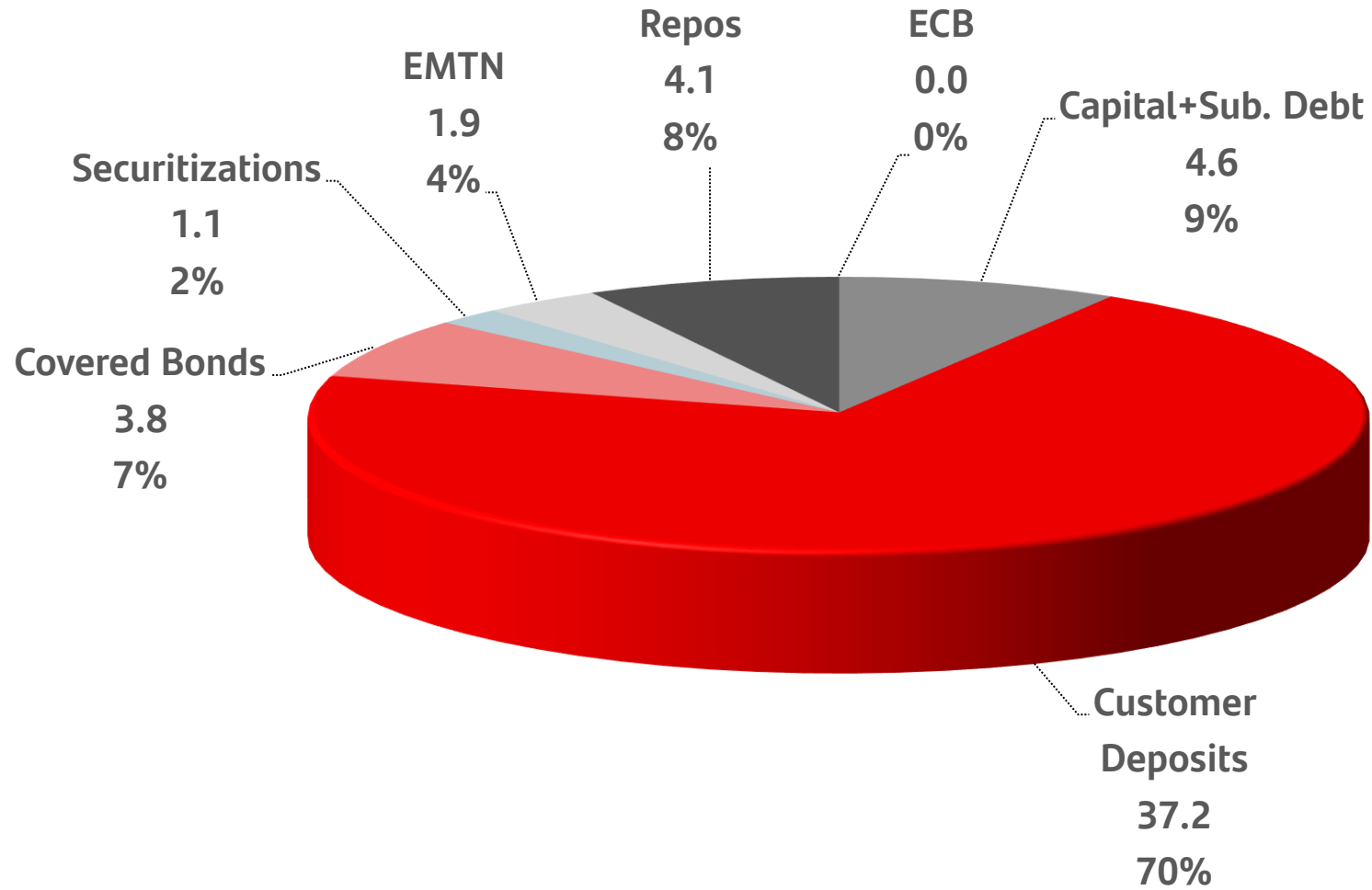
Credit quality ratios – Portugal



Stock of NPL



Adequate funding structure



LCR
142%

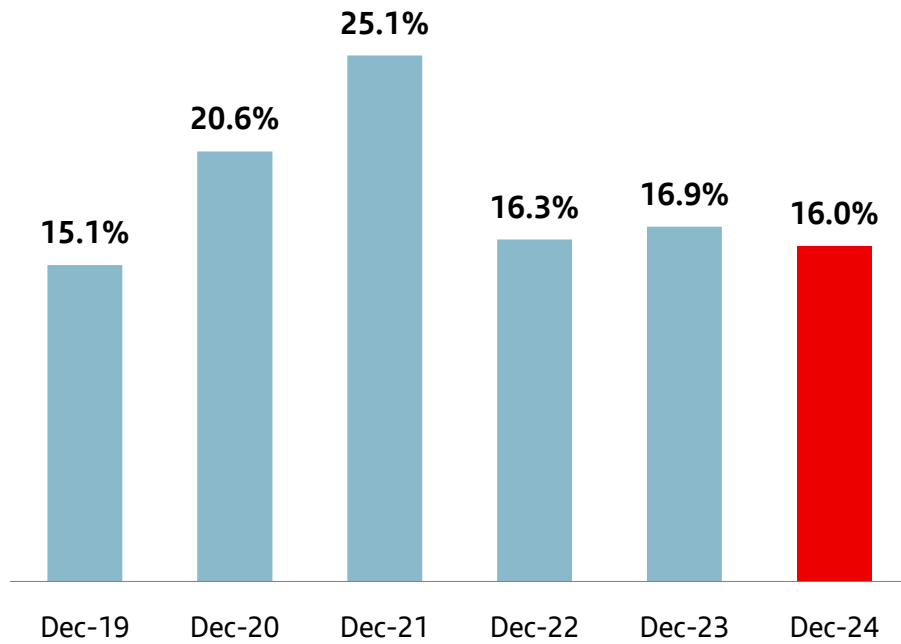
NSFR
122%

Liquidity Buffer
(% of deposits)
46%

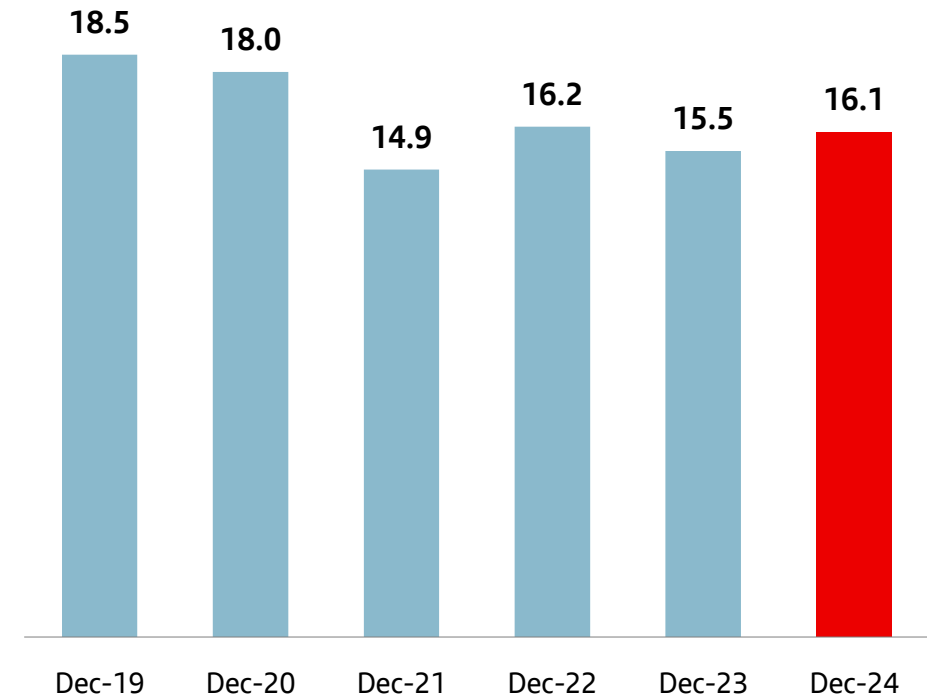
As of Dec/24

Solid capital base

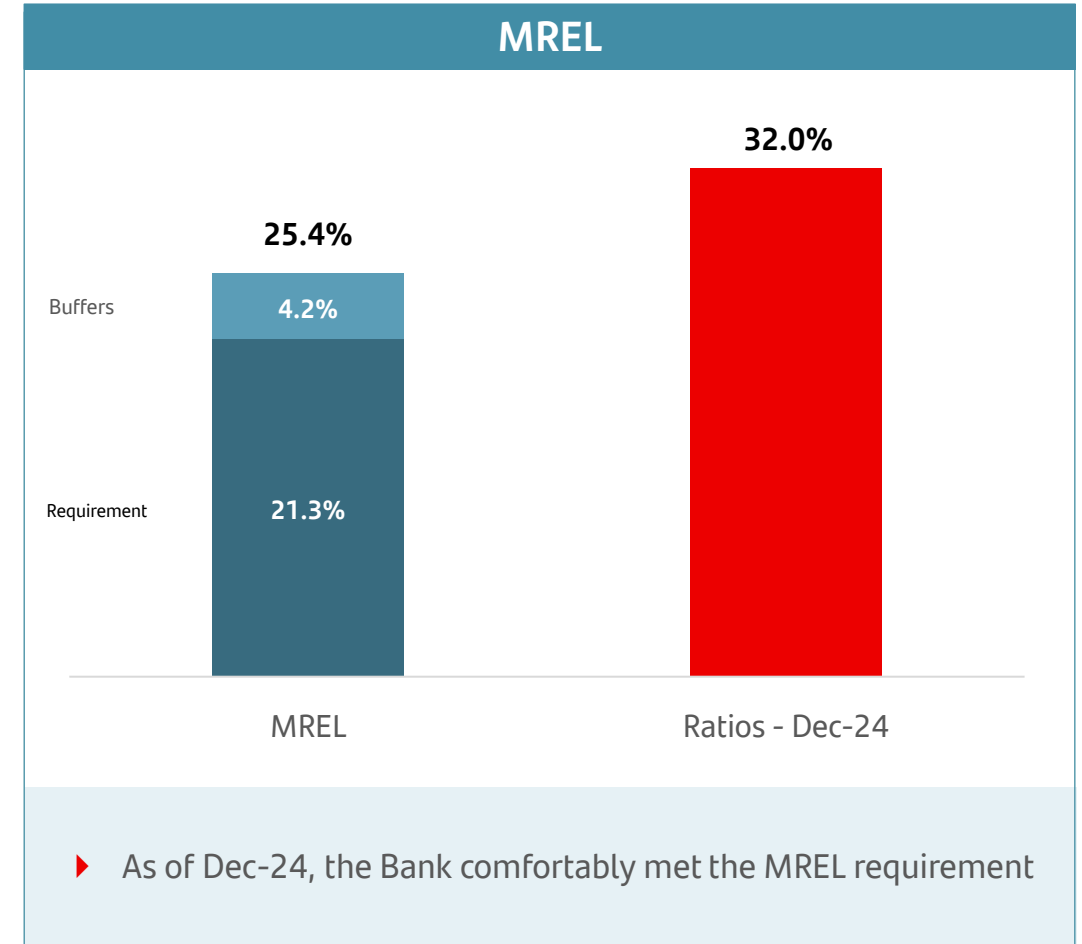
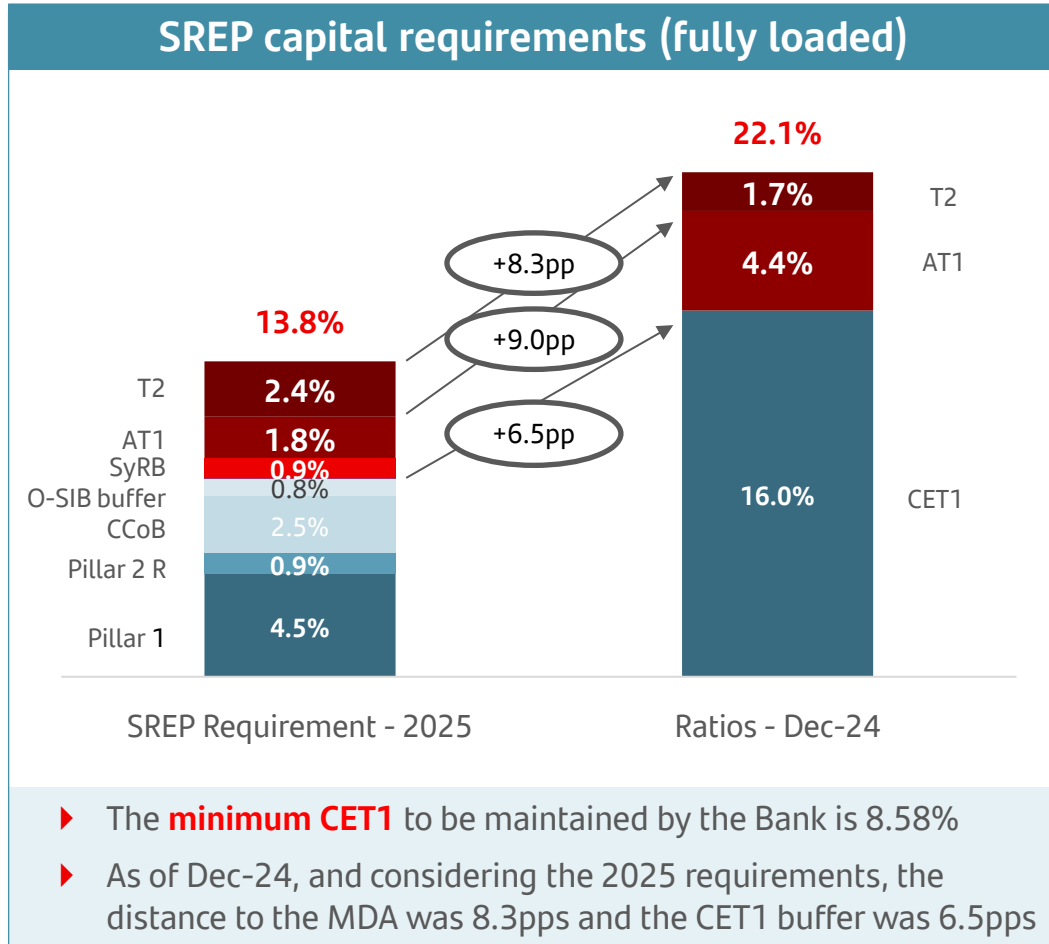
CET 1 – full implemented







RWA (bn€)



Capital ratios well above the regulatory requirements



Banco Santander Totta S.A. ratings

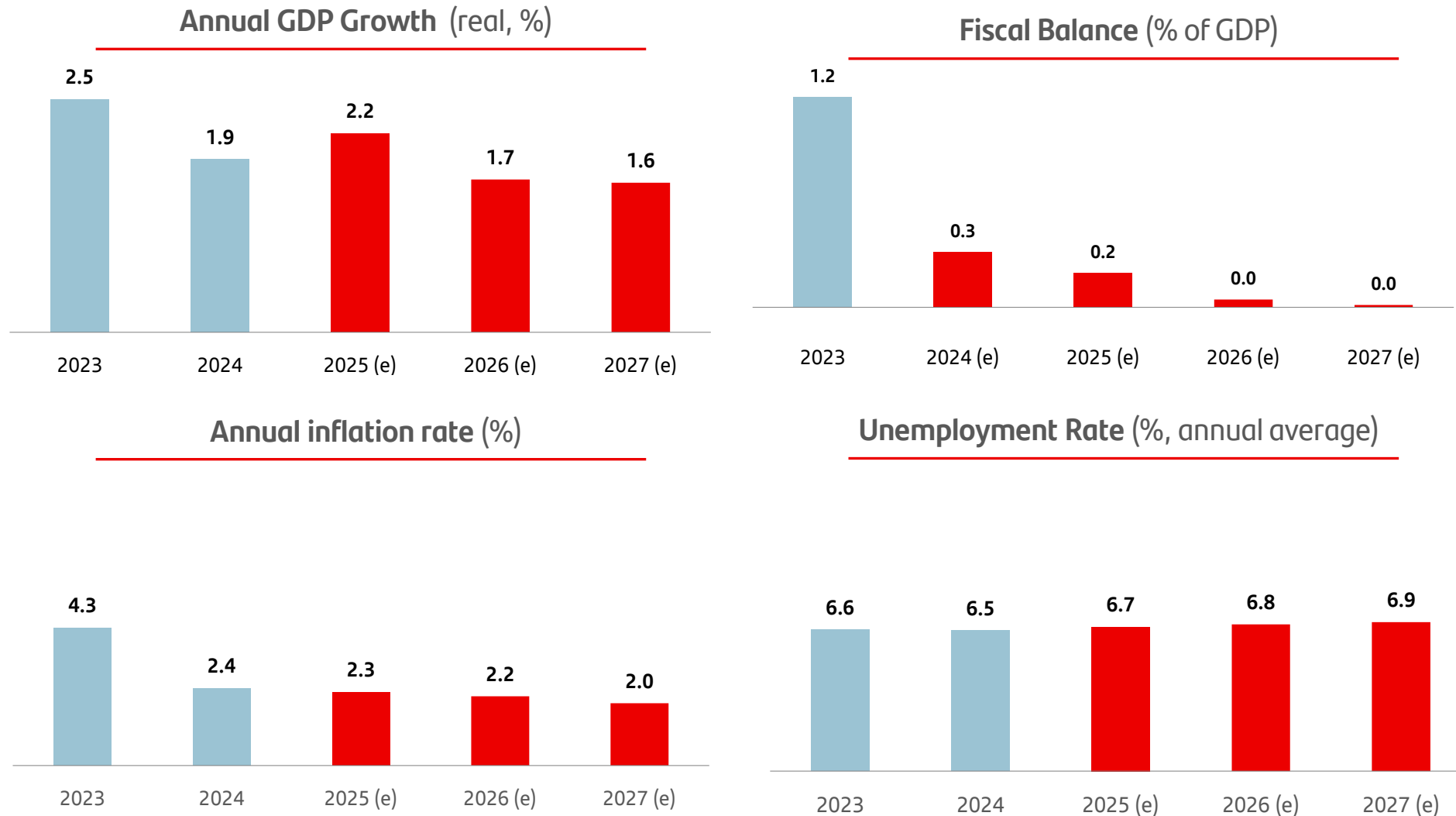
DBRS		Fitch		Moody's		S&P	
AH		A+		A1		A+	
A		A		A2	Bank 3	A	
AL	Bank 1	A-  	Bank 3	A3		A-  	Bank 1 Bank 3
BBBH	Bank 2	BBB+		Baa1	 Bank 1 Bank 2	BBB+	
BBB	Bank 4	BBB	Bank 2 Bank 4	Baa2	Bank 4	BBB	Bank 2
BBBL		BBB-		Baa3		BBB-	
BBH		BB+		Ba1		BB+	
BB		BB		Ba2		BB	
BBL		BB-		Ba3		BB-	
BH		B+		B1		B+	
B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

Macroeconomic Environment in Portugal



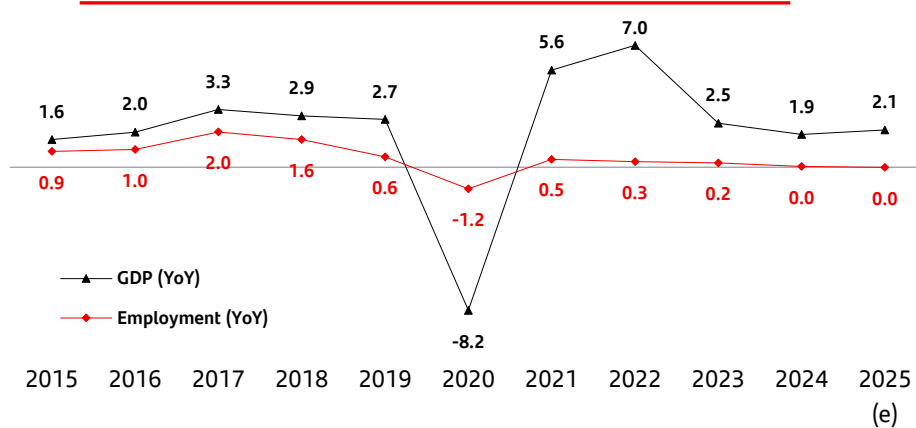
02

The economy should grow around potential, contributing to full employment. Inflation will gradually converge to around 2%, with some energy-price related volatility in the near-term

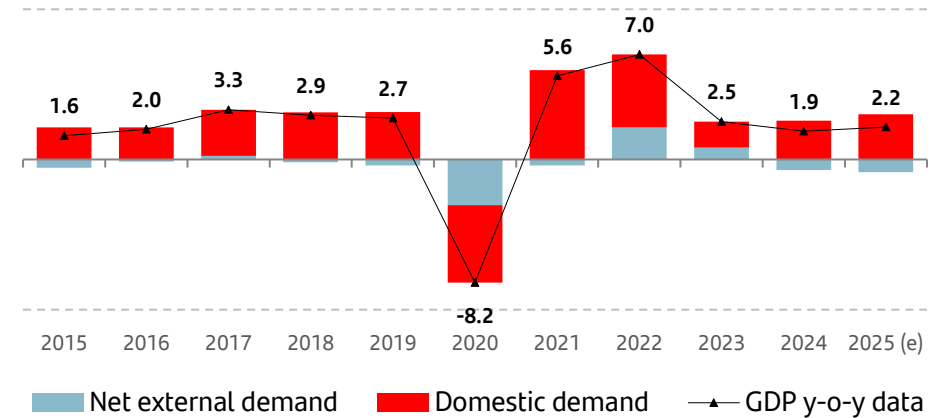


Growth will likely be led by domestic demand, with private consumption supported by low unemployment, but also due to higher investment

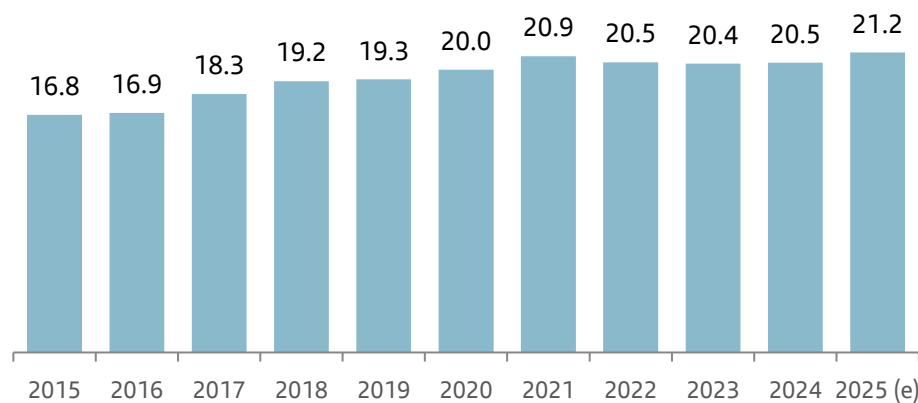
Real Growth and Job dynamics



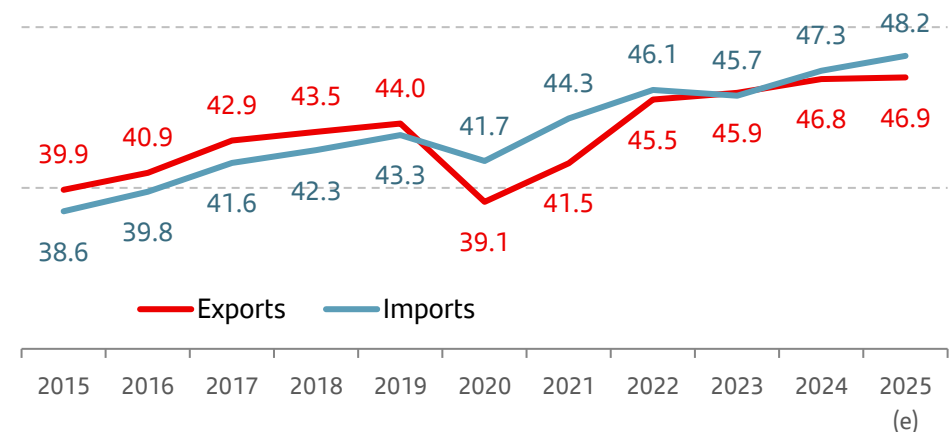
Contribution to GDP growth (% YoY)



Investment (% GDP)

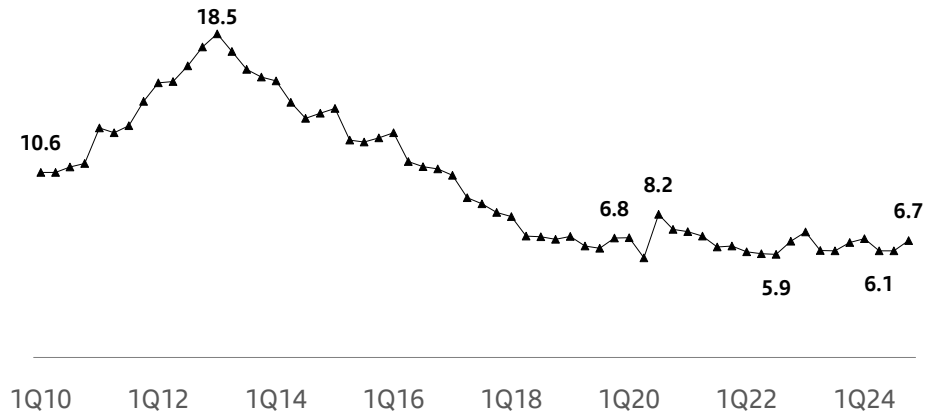


Exports and Imports (% GDP)

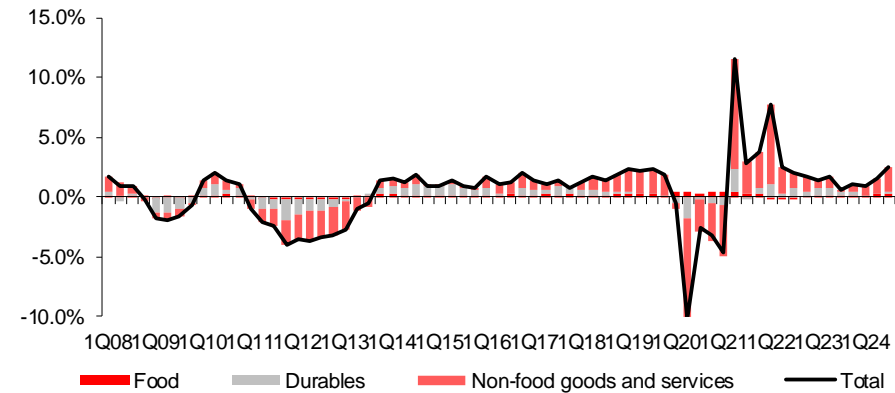


Household conditions remain supported by low unemployment, resilient savings and particularly by much lower debt levels

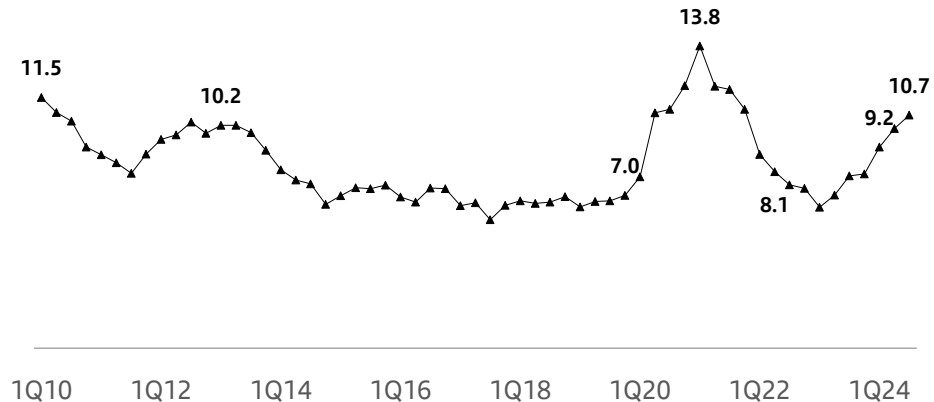
Unemployment Rate (%)



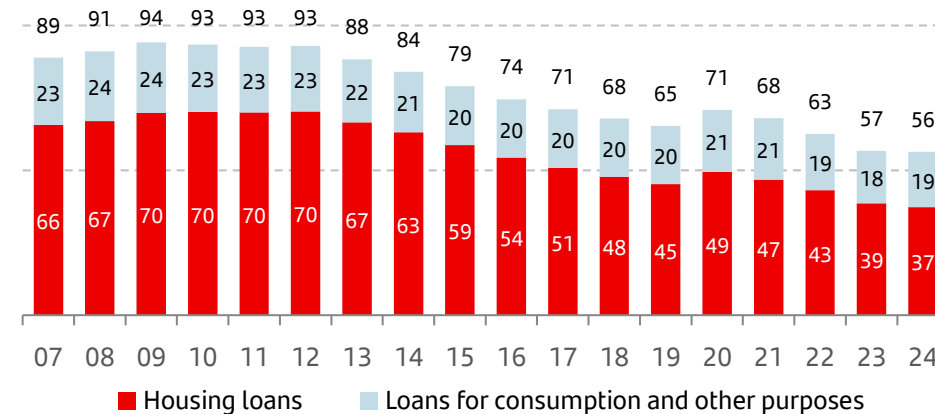
Private Consumption (% YoY)



Savings Rate (% disposable Income)



Household Debt (% GDP)

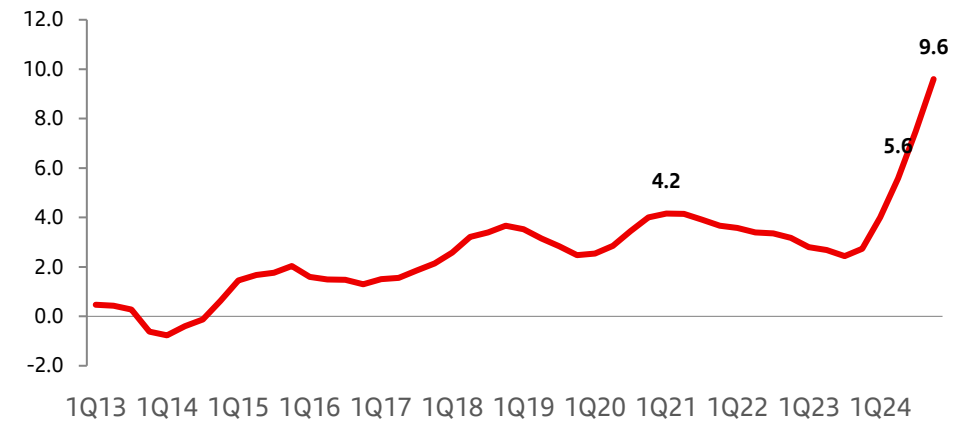


Wages have been growing at a progressively faster pace, given the full employment environment, which has supported household spending. Households also benefit from positive net wealth

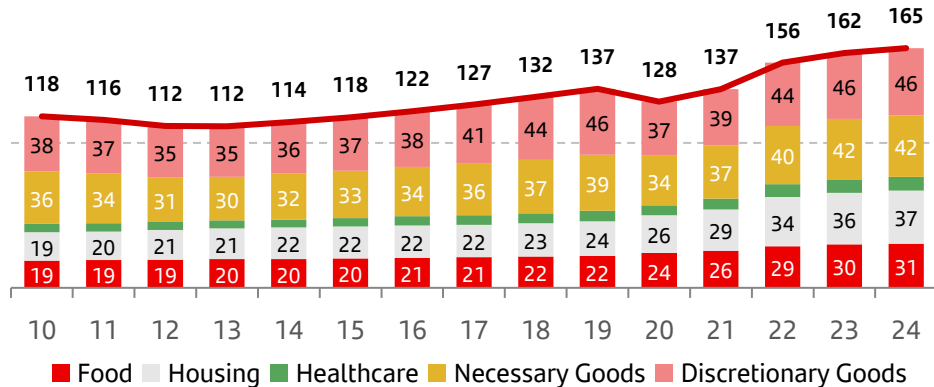
CPI (% YoY)



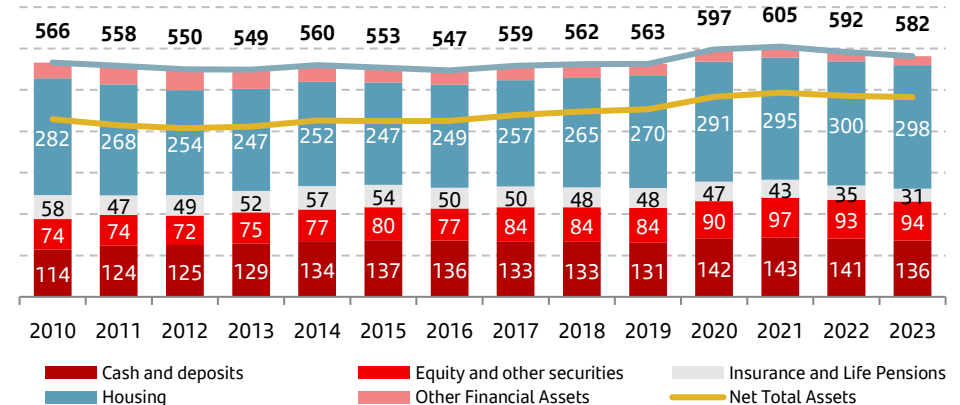
Wages (% YoY)



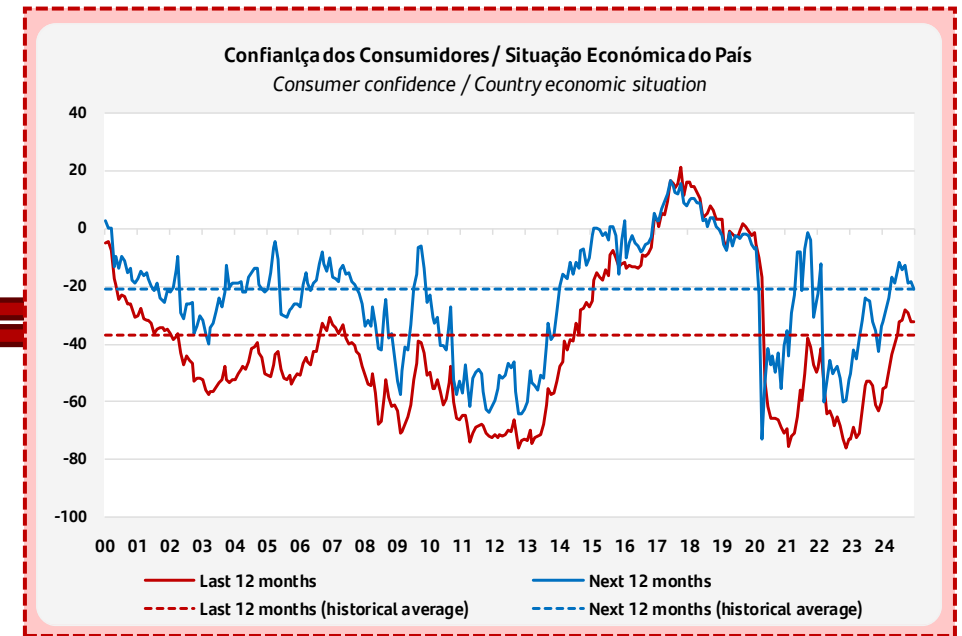
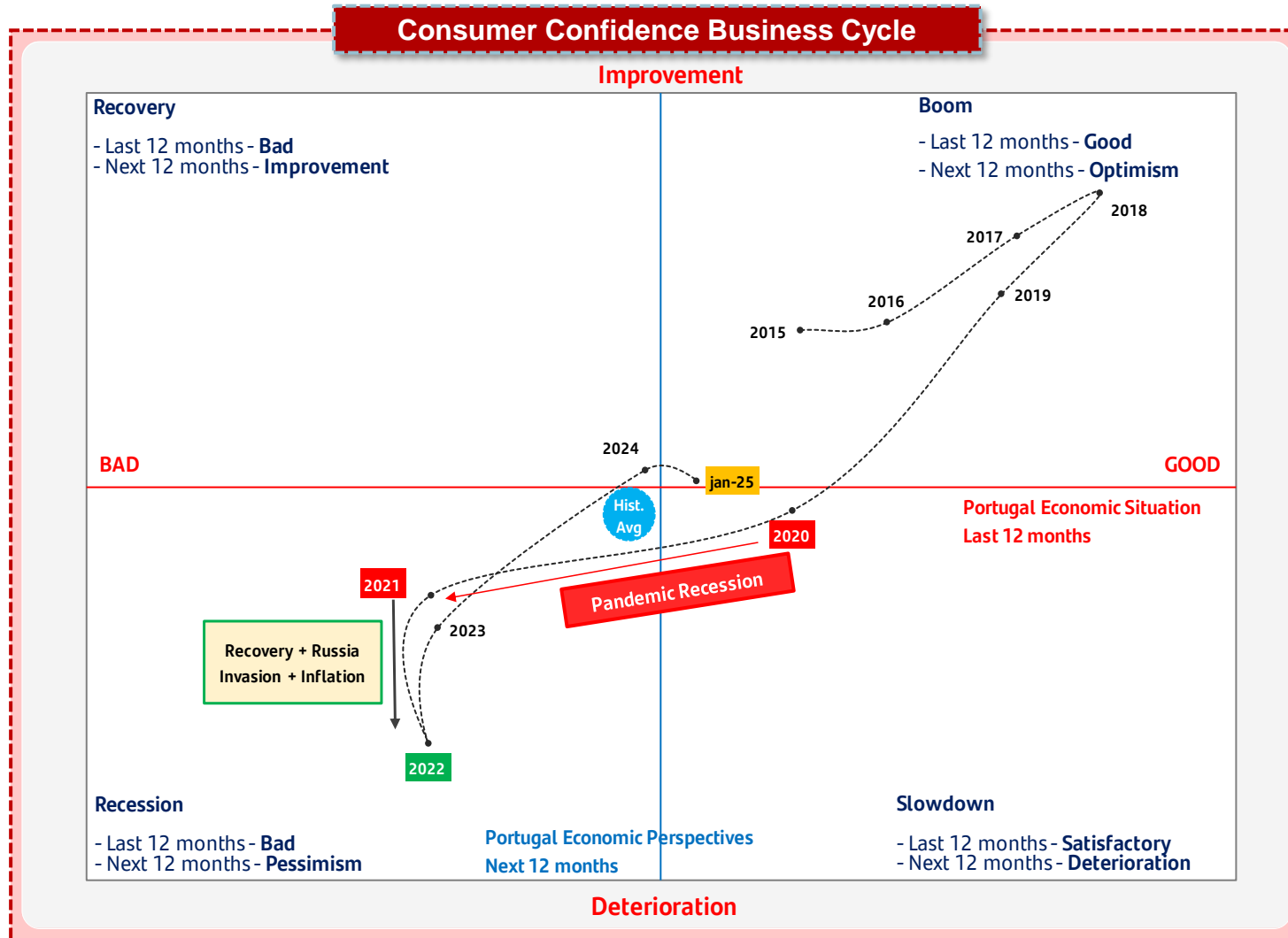
Private Consumption (€ bn, by type of goods and services)



Household Wealth (% disposable income)

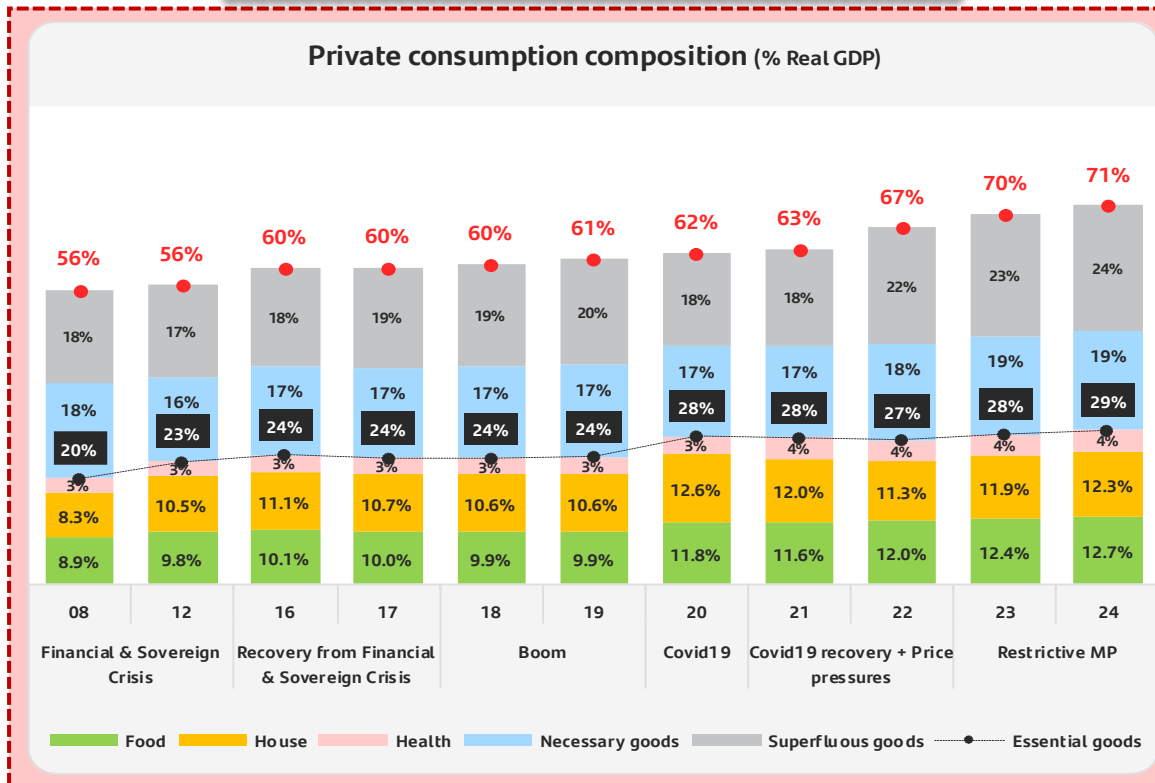


The economic climate has been strong, supported by the resilience of the labour market. Consumer confidence still above the historical average

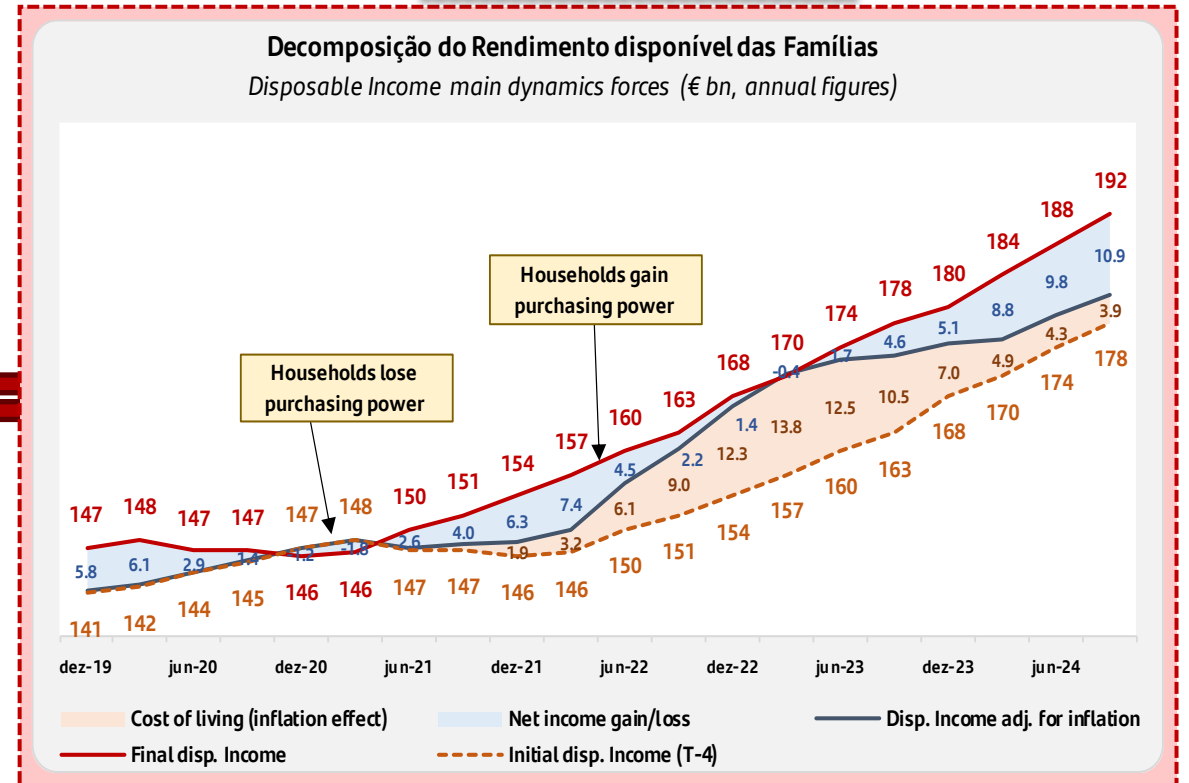


Disposable income has grown above inflation, due to higher wages and job creation, allowing the propensity to consume to be maintained, but consumer preferences were affected, with higher spending on essential goods.

Consumer Preferences' Drivers



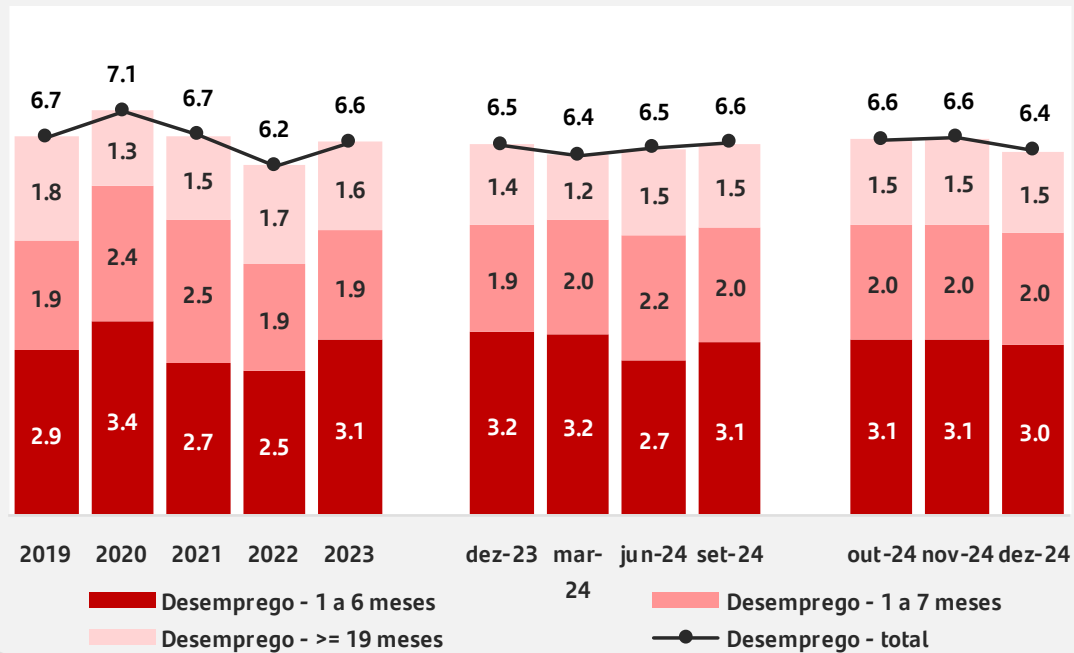
Households' Disposable Income Dynamics



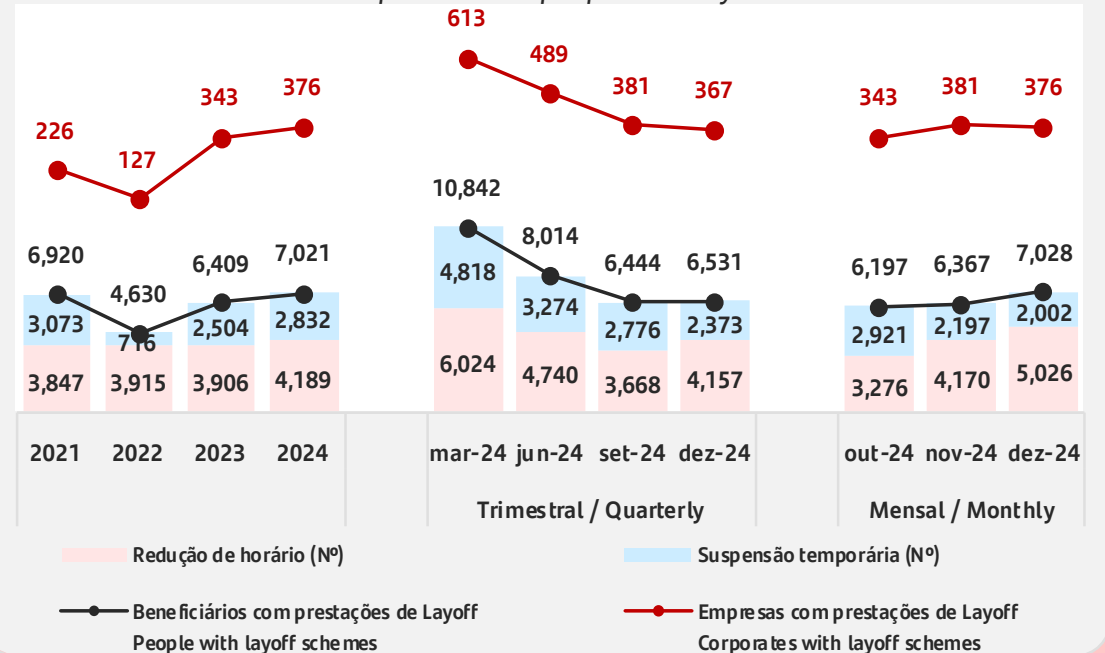
Labour market conditions remain favourable, with the unemployment rate remaining in line with full employment

Unemployment

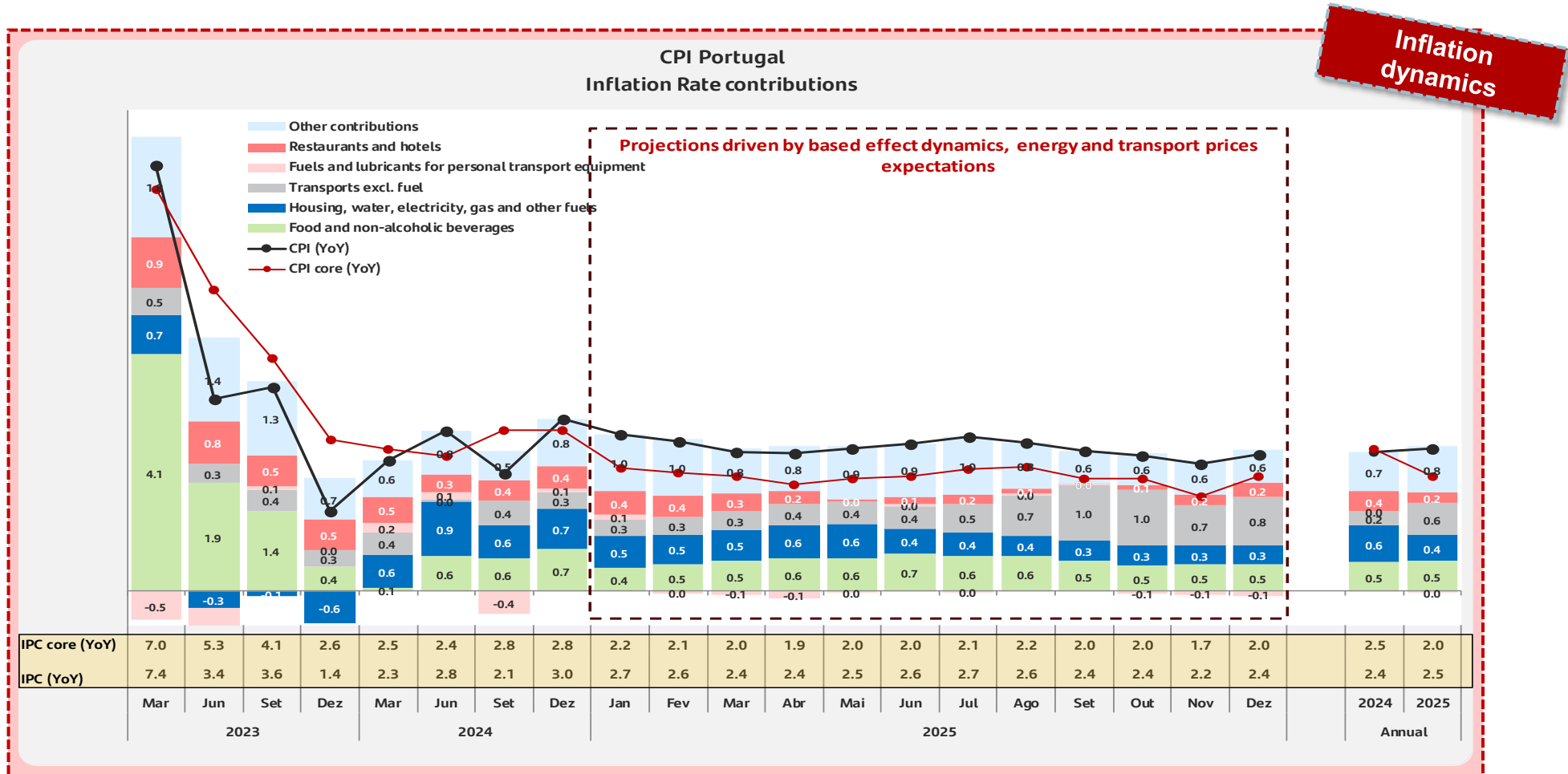
Taxa de Desemprego por período de duração
Unemployment rate per duration period (%)



Nº de empresas e beneficiários com prestações de Layoff
Nº corporates and people with layoff schemes

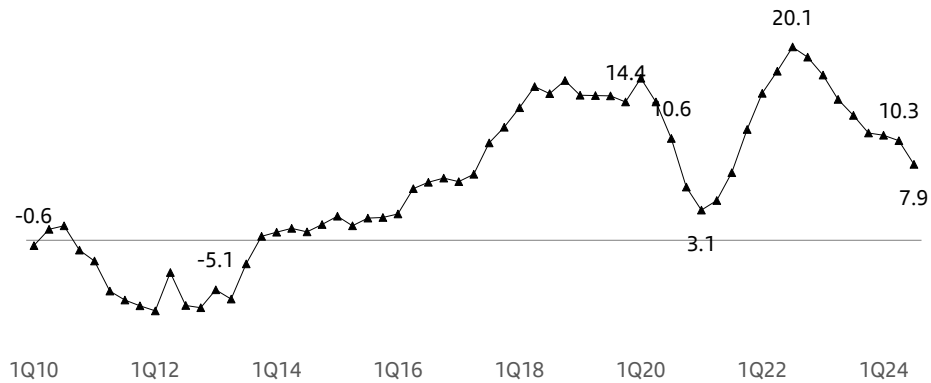


Inflation continue to hover just above 2%, with some volatility related to energy prices

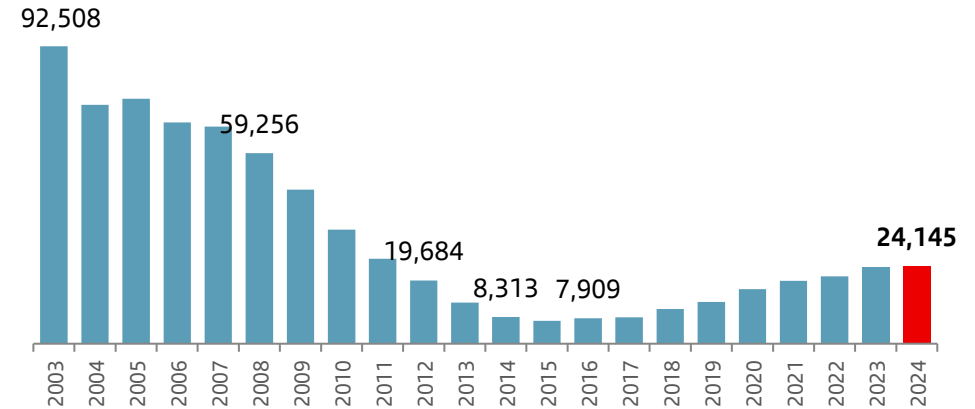


The residential market is characterized by still low new supply of housing, which coupled with resilient demand led to higher prices. Mortgage NPLs are at an all-time low

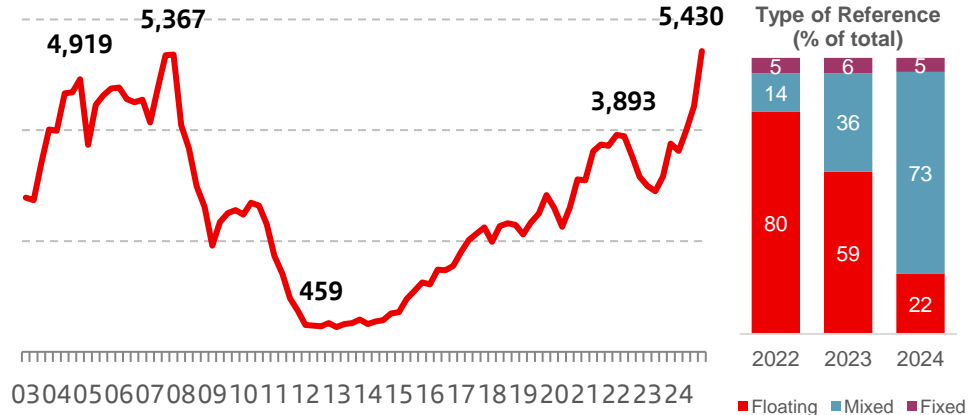
Housing Prices (% YoY)



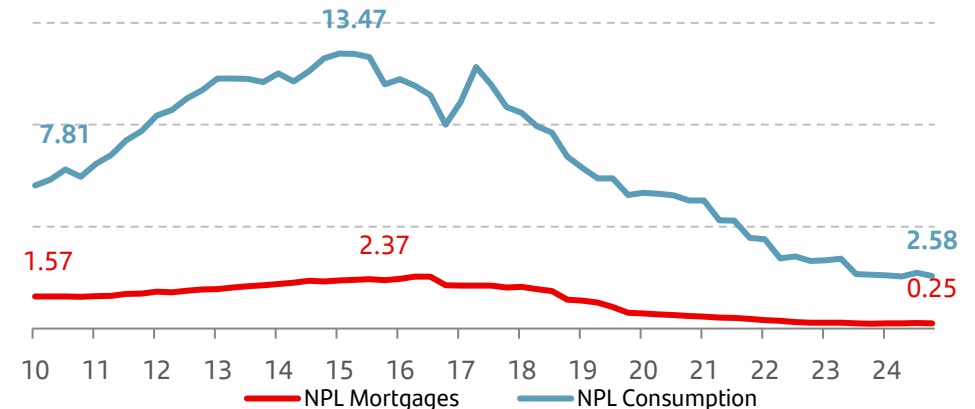
Housing Construction - Dwellings (#)



New Mortgages (€ mn)

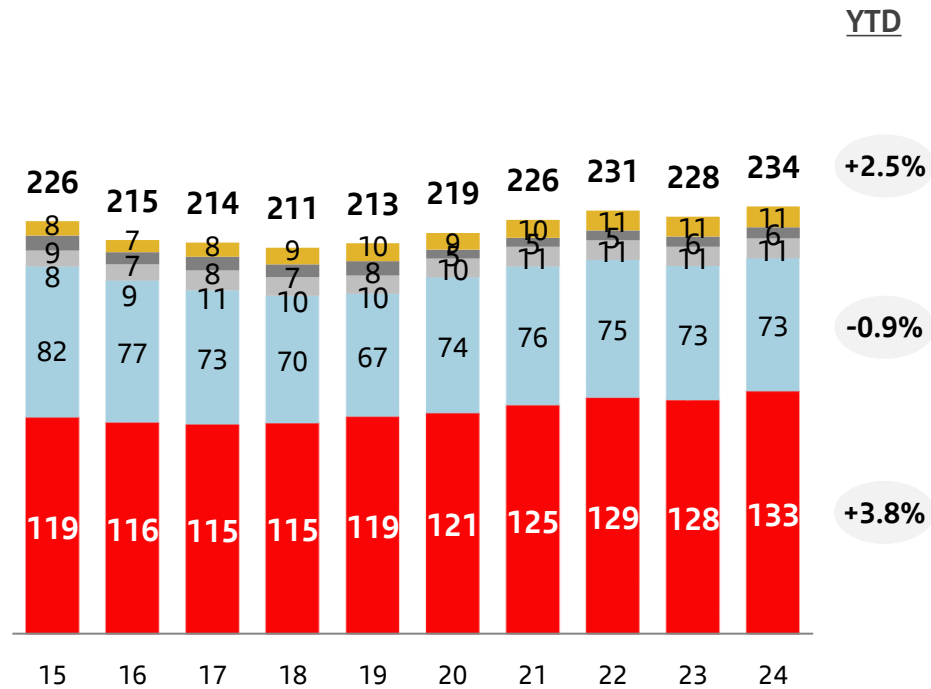


Household Debt NPLs (%)

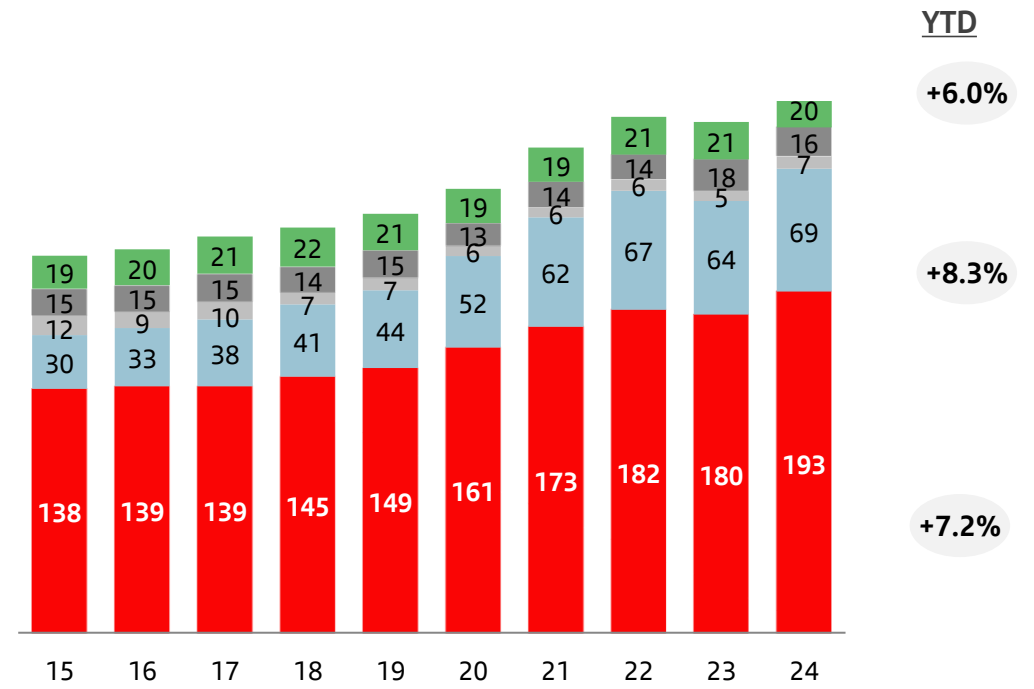


In 2024, as interest rates declined with the ECB new monetary policy cycle, new loans and stock increased. The increase in wages also allowed for an increase in deposits, as households rebuild savings

Loans to customers (EUR bn)



Customer Deposits (EUR bn)



■ Households
 ■ Non-financial corporates
 ■ General Govt
 ■ Non-monetary financial institutions
 ■ Non-resident sectors

Mortgage Covered Bonds



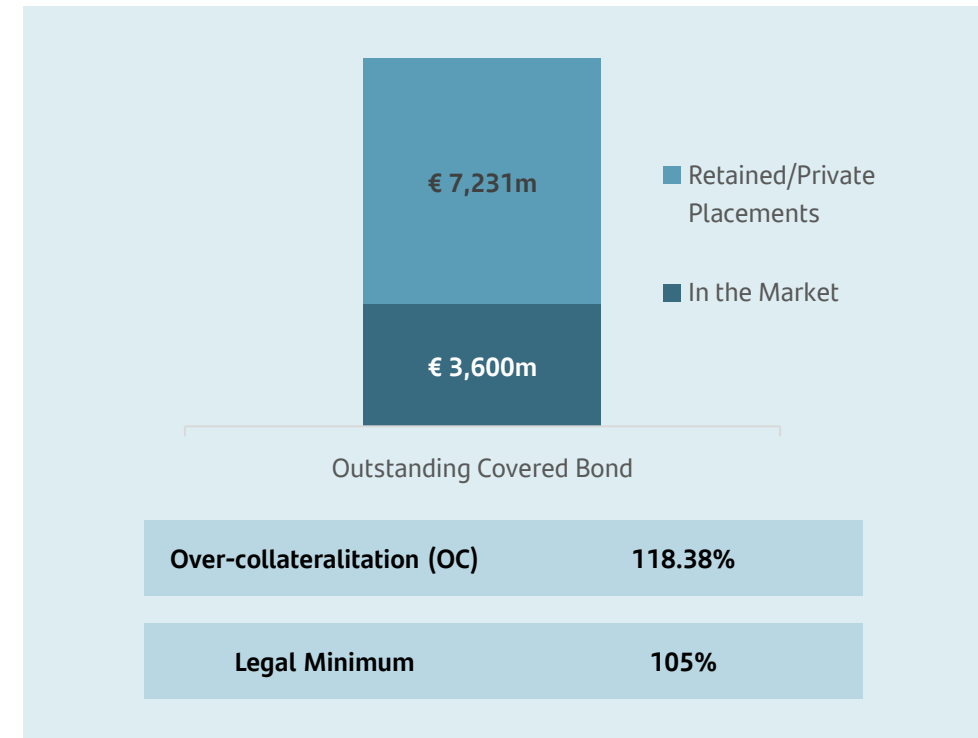
03

Cover Pool – General Information

Mortgage Cover pool	
Cover Pool Size (m)	12,822.5 € ⁽¹⁾
<i>Residential Assets</i>	12,533.0 €
<i>Commercial Assets</i>	0 €
Outstanding Covered Bonds (m)	10,831.4 €
Number of Loans	179,700
Average Loan Size	69,616.9 €
WA LTV	55.10%
WA Seasoning (Months)	87.32
WA Remaining life (Months)	328.69
WA Interest Rate	3.92%
<i>Floating Rates Notes</i>	98.65%
<i>Fixed Rates Notes</i>	1.35%
WA Life (Years)	27.4

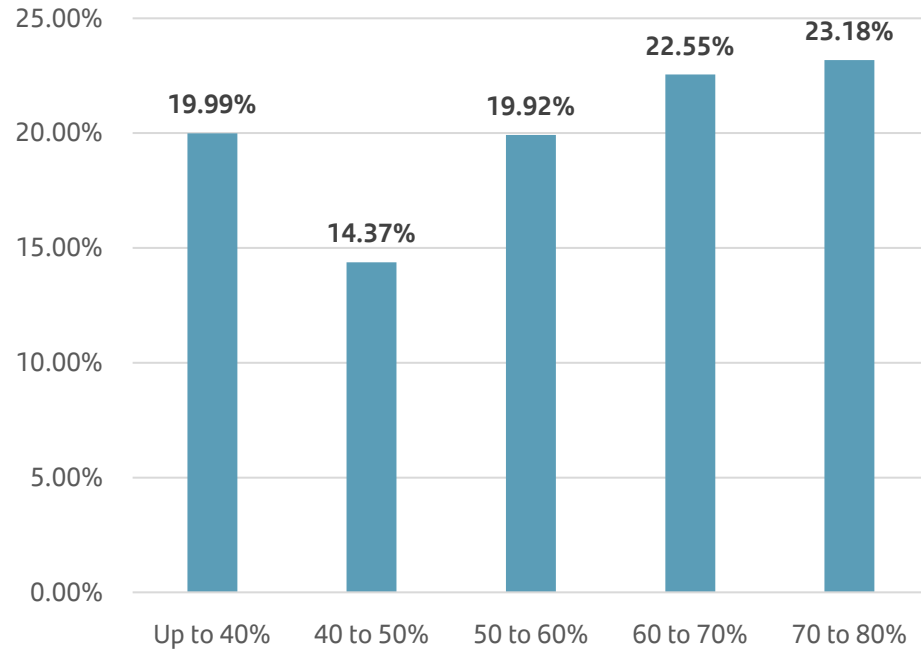
(1): 289.5m€ are accounted as Domestic Substitute Assets

Covered Bonds & OC

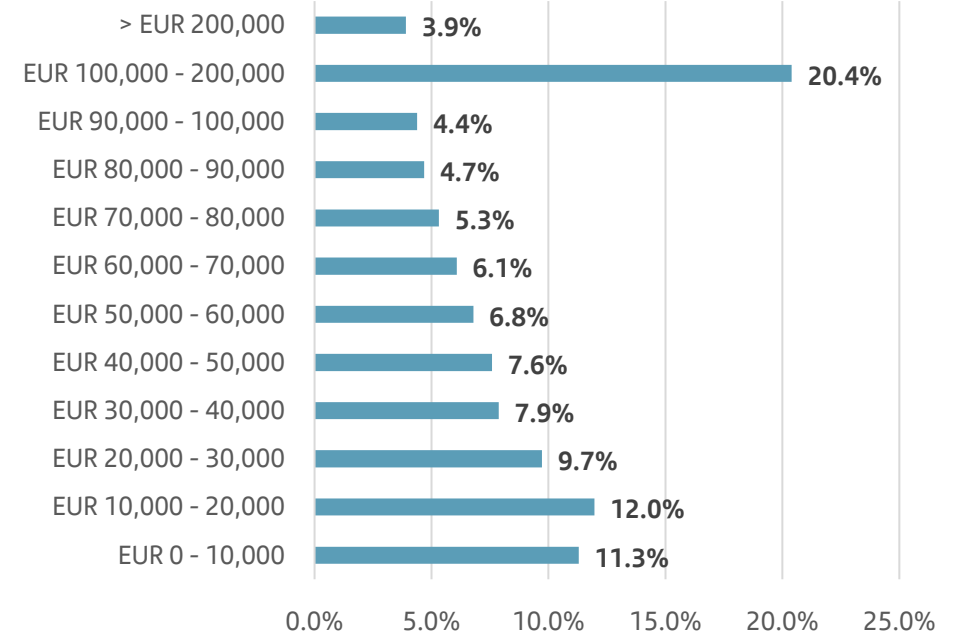


Cover Pool – LTV Breakdown and Loans Balance

LTV Breakdown

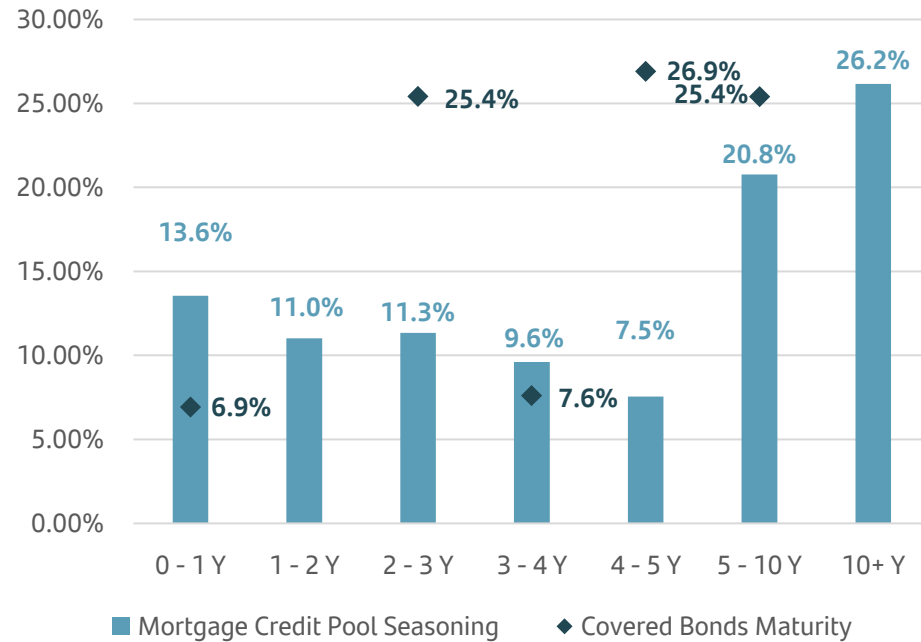


Loans Balance

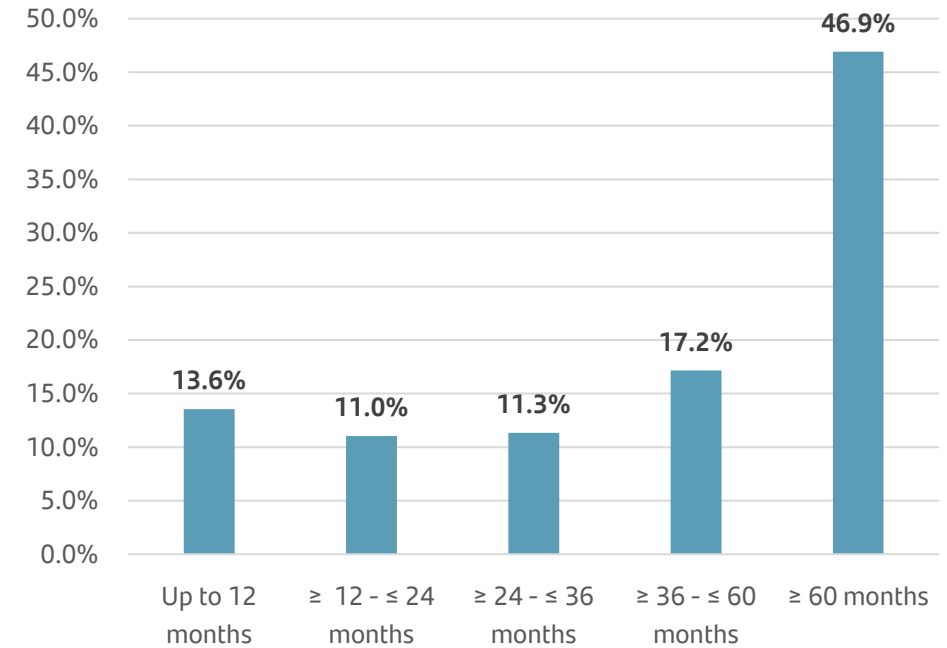


Cover Pool – Maturity Structure and Seasoning

Maturity Structure

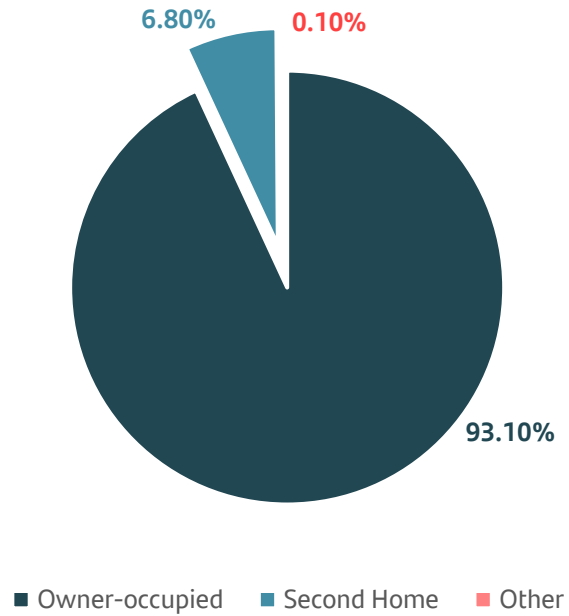


Seasoning (months)

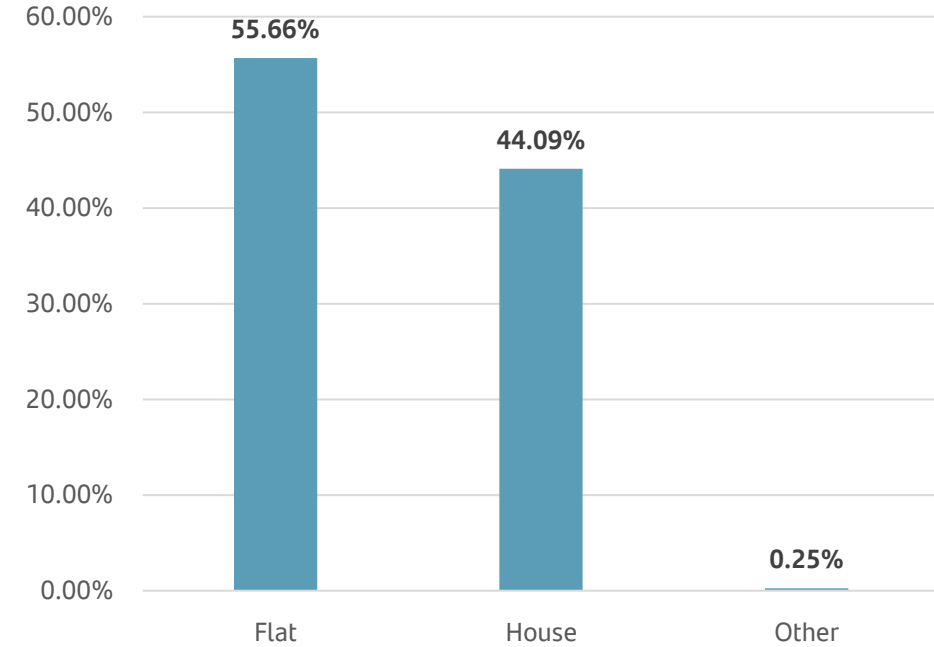


Cover Pool – Loan Purpose and Property Type

Loan Purpose



Residential Property Type



Cover Pool – Geographical Distribution

Geographical Distribution



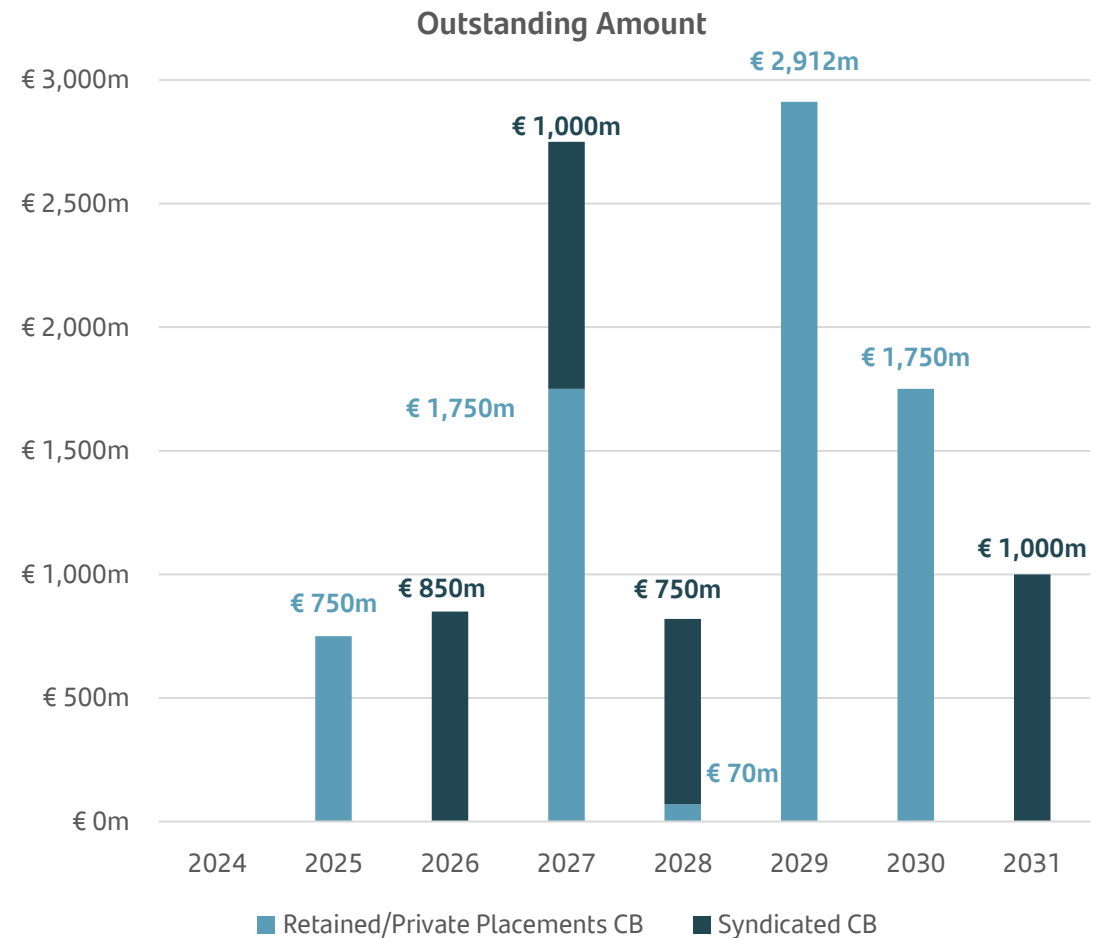
Geographical Distribution	Number of Loans	% Total Loans
North	63,926	35.56%
Center	35,565	19.78%
Lisbon	53,459	29.74%
Alentejo	10,330	5.75%
Algarve	9,859	5.48%
Madeira	4,036	2.25%
Azores	2,595	1.44%

Cover Pool – Covered Bonds Outstanding

Covered Bonds Outstanding

Syndicated Covered Bonds Issues				
Security Description	Issue Date	Issued Amount	Outstanding Amount	Maturity
SANTAN 3.750% 09/11/26	11/09/2023	€850mn	€850mn	11/09/2026
SANTAN 1.250% 09/26/27	26/09/2017	€1,000mn	€1,000mn	26/09/2027
SANTAN 3.375% 04/19/28	19/04/2023	€750mn	€750mn	19/04/2028
SANTAN 3.250% 02/15/31	15/02/2024	€1,000mn	€1,000mn	15/02/2031

Retained/Private Placements Covered Bonds Issues				
Security Description	Issue Date	Issued Amount	Outstanding Amount	Maturity
SANTAN 0.505% 03/27/25	27/03/2020	€750mn	€750mn	27/03/2025
SANTAN 1.481% 04/10/27	10/04/2017	€1,000mn	€1,000mn	10/04/2027
SANTAN 1.201% 12/07/27	07/12/2017	€750mn	€750mn	07/12/2027
SANTAN 3.854% 10/16/28	16/10/2023	€25.7mn	€25.7mn	16/10/2028
SANTAN 3.738% 11/15/28	15/11/2023	€27.3mn	€27.3mn	15/11/2028
SANTAN 3.050% 12/28/28	28/12/2023	€16.9mn	€16.9mn	28/12/2028
SANTAN 3.111% 12/28/28	05/02/2024	€11.9mn	€11.9mn	05/02/2029
SANTAN 3.291% 12/28/28	07/03/2024	€49.6mn	€49.6mn	07/03/2029
SANTAN 0.639% 03/04/29	04/03/2022	€750mn	€750mn	04/03/2029
SANTAN 3.399% 05/29/29	29/05/2024	€1,000mn	€1,000mn	29/05/2029
SANTAN 0.412% 07/05/29	05/07/2019	€1,100mn	€1,100mn	05/07/2029
SANTAN 3.549% 06/02/30	02/06/2023	€1,000mn	€1,000mn	02/06/2030
SANTAN 0.000% 10/28/30	28/10/2020	€750mn	€750mn	28/10/2030



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



FTSE4Good