

# Quarterly Shareholder Summary - Q1'24

January - March 2024

## Key figures Group Q1'24

**Strong profit generation: attributable profit amounted to €2,852 million, +11% vs. Q1'23 (+9% in constant euros) with growth across all businesses and regions**

	Q1'24	change/ Q1'23
Total income	€15,045 mn	8.1%
Net operating income	€8,498 mn	9.3%
Profit before tax	€4,583 mn	19.6%
Profit attributable to the parent	€2,852 mn	10.9%

## Solid, diversified and scaled balance sheet

	Mar-24	change/ Mar-23
Total assets	€1,800,006 mn	2.9%
Loans and advances to customers	€1,049,533 mn	0.8%
Customer deposits	€1,044,453 mn	4.6%
Total funds	€1,315,779 mn	6.4%

	Mar-24	Mar-23
Fully-loaded CET1 ratio	12.3%	12.2%

## Delivering double-digit value creation and higher shareholder remuneration

TNAVps + DPS	+14% vs. Q1'23
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## Solid credit quality metrics

	Q1'24	Q1'23
Cost of risk	1.20%	1.05%
NPL ratio	3.10%	3.05%
NPL coverage ratio	66%	68%

## ONE Transformation is driving profitable growth and structural efficiency improvement

	Q1'24	Q1'23
RoTE	14.9%	14.4%
Efficiency ratio	42.6%	44.1%

### Total income

The benefits from our global scale, margin management and higher customer activity were reflected in year-on-year increases in net interest income (+18%, +16% in constant euros) and net fee income (+6%, +5%, in constant euros), resulting in total income growth of 10% (+9% in constant euros).

### Ratios

Credit quality remains robust, driven by strong employment and the macroeconomic environment across our footprint. The NPL ratio was 3.10%, 5bps higher year-on-year. Total loan-loss reserves reached €23,542 million, resulting in a total coverage ratio of impaired assets of 66%.

### Profitability

Profitability stood at 14.9% compared to 14.4% in the same period of 2023. Annualizing the impact of the temporary levy, RoTEs were 16.2% and 15.3%, respectively.

## Global businesses evolution Q1'24

Since January 2024, we have managed the bank through a simpler and more efficient operating model around 5 global businesses. This will allow us to capture the full potential of our in-market and global scale and deliver profitable growth.

### Retail & Commercial Banking

A new global business integrating our retail and commercial banking activities.

**Loans** fell 2% year-on-year in constant euros due to lower mortgage balances in Europe, partially offset by growth in South America and Mexico. **Deposits** rose 2% in constant euros.

**Attributable profit of €1,503 million**, increasing 26% year-on-year (+22% in constant euros) driven by the good revenue performance, efficiency gains from our transformation programme and lower provisions in Europe.

Loans  
**€621 bn**  
-2%

Deposits  
**€642 bn**  
+2%

Cost of risk  
**1.03%**  
+11bps

Efficiency  
**41.1%**  
-3.9pp

Profit  
**€1,503 mn**  
+22%

RoTE  
**17.6%**  
+2.9pp

## Digital Consumer Bank

A single model across our markets for our consumer and auto finance business and for Openbank.

**Loans** increased 4% in constant euros, +5% in auto, in a market that is starting to show signs of recovery. **Deposits** rose 13%, in line with our strategy aimed at lowering funding costs and reducing net interest income volatility in the current interest rate environment.

**Attributable profit reached €464 million**, a 5% year-on-year decrease (-5% in constant euros), mainly due to the cost of risk normalization to pre-pandemic levels and despite the good net operating income performance (+7%), driven by total income growth (+4%) and cost control.

Loans <b>€208 bn</b> +4%	Deposits <b>€119 bn</b> +13%	Cost of risk <b>2.12%</b> +32bps
Efficiency <b>41.2%</b> -1.9pp	Profit <b>€464 mn</b> -5%	RoTE <b>11.9%</b> -0.3pp

## Corporate & Investment Banking

Our global platform to support corporates and institutions.

**Strong activity year-on-year**, supported by Global Banking (both Global Debt Finance and Corporate Finance) and Global Markets, slightly offset by a weaker Global Transaction Banking, due to Cash Management.

**Attributable profit reached €705 million**, a 5% drop year-on-year (also -5% in constant euros). **Record quarterly revenue**, with increasing costs due to the investments in the development of new capabilities, and higher provisions. However, we maintained a leading position in efficiency and profitability.

Loans <b>€139 bn</b> -1%	Deposits <b>€143 bn</b> +1%	Cost of risk <b>0.14%</b> -2bps
Efficiency <b>42.0%</b> +5.0pp	Profit <b>€705 mn</b> -5%	RoTE <b>19.7%</b> -2.4pp

## Wealth Management & Insurance

Common service models for our private banking, asset management and insurance businesses.

**Total assets under management reached an all-time high of €482 billion**, 14% greater YoY, due to the positive commercial activity. In Insurance, gross written premiums in the period reached €3.0 billion.

**Attributable profit amounted to €400 million, 27% higher year-on-year** (+25% in constant euros), with an RoTE of 77%. Including fees ceded to the branch network, contribution to Group profit reached €838 million, +18% vs. Q1'23 (+16% in constant euros).

Net new money (PB) <b>€5.5 bn</b> 7% of volumes*	Net sales (SAM) <b>€3.8 bn</b> 7% of volumes*	Gross written premiums <b>€3.0 bn</b> -4%
Efficiency <b>34.4%</b> -4.0pp	PAT+ fees** <b>€838 mn</b> +16%	RoTE <b>80.4%</b> +9.4pp

\*Considering annualized net new money as a % of total CAL and net sales as a % of SAM AuMs.

\*\*Includes all fees generated by Santander Asset Management and Insurance, even those ceded to the commercial network, which are reflected in Retail & Commercial Banking's P&L.

## Payments: PagoNxt & Cards

Single infrastructures for our payment solutions: PagoNxt and Cards.

**Activity increased in both businesses supported by global platform development**, enabling further scale gains. In PagoNxt, Getnet's TPV rose 14% year-on-year in constant euros and the number of transactions improved 13%. In Cards, turnover increased 6% year-on-year in constant euros and transactions rose 8%.

**Attributable profit was €137 million**, increasing 29% year-on-year (+22% in constant euros) driven mainly by lower LLPs. In PagoNxt, EBITDA margin improved 9.5pp to 17.0%.

TPV Getnet <b>€54 bn</b> +14%	Active customers Ebury <b>22k</b> +20%	Turnover Cards <b>€78 bn</b> +6%
Efficiency Payments <b>48.1%</b> +3.3pp	Profit Payments <b>€137 mn</b> +22%	EBITDA margin PagoNxt <b>17.0%</b> +9.5pp

Note: Data and YoY changes in constant euros.

Global businesses' RoTEs are adjusted based on Group's deployed capital. Data are presented annualizing the impact of the temporary levy. Without annualizing its impact: Retail 15.6% (+2.3pp); Consumer 11.2% (-0.5pp); CIB 19.2% (-2.5pp); Wealth 77.3% (+9.1pp); PagoNxt EBITDA 17.0% (not affected) and Group 14.9% (+0.55pp).

## Santander in the Market

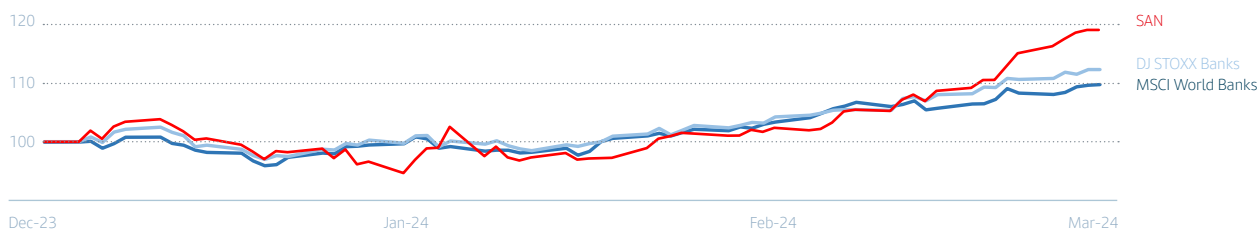
The SAN share closed Q1'24 with a +19.6% revaluation, outperforming the market

<b>Start</b> (29/12/2023)	€3.780
<b>Maximum</b> (28/03/2024)	€4.568
<b>Minimum</b> (30/01/2024)	€3.563
<b>End</b> (29/03/2024)	€4.522

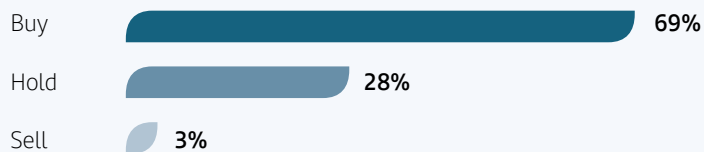
Evolution of the main indices:

SAN: <b>+19.6%</b>
Eurostoxx Banks: <b>+17.7%</b>
DJ Stoxx Banks: <b>+12.6%</b>
MSCI World Banks: <b>+10.1%</b>
Ibex 35: <b>+9.6%</b>
DJ Stoxx 50: <b>+8.2%</b>

Our business model and strategy is reflected in the appreciation of the Santander share, outperforming the market



97% of analysts recommend buying or holding SAN shares and they attribute an average target price of €5.04



Fuente: Bloomberg a 29/03/2024.

Banco Santander's market capitalization of €71,555 million is the second largest in the eurozone among financial institutions

### Shares and trading data

Shares (number)	15,825,578,572
Average daily turnover (number of shares)	34,712,614
Share liquidity (%)	55

(Annualized number of shares traded during the period / number of shares)

### Weighting of the Santander share on the main indices

DJ Stoxx Banks	7.2%
DJ Euro Stoxx Banks	11.7%
Ibex 35	12.6%

Source Bloomberg and Madrid Stock Exchange at 29/03/2024.

3,584,294 shareholders trust Banco Santander

### Distribution by type of shareholder

Institutions	58.87%
Retail	39.90%
Board	1.23%*

### Distribution by geographic area

Europe	72.78%
The Americas	25.97%
Other	1.25%

\*Shares owned or represented by directors.

As of 29/03/2024. Source: Banco Santander, S.A Shareholder register.

## Shareholder remuneration

We allocate 50% of the Group's underlying profit to shareholders remuneration. Keys to the next dividend charged to 2023 results:



### 50% of remuneration in cash

Payment of a final cash dividend of **€9.50 cents gross per share** entitled to receive the dividend, **payable from 2 May 2024**.



### 50% through share buybacks

The programme commenced on 20 February 2024 and is currently underway for a maximum amount of €1,459 million.

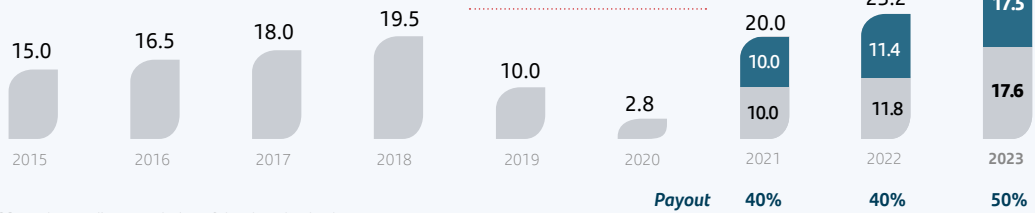


After completing both actions, **total shareholder remuneration against 2023 results is expected to total €5,538 million**. For 2024 results, the board of directors plans to continue with the same remuneration policy, which is a payout of approximately 50% of the Group's reported profit, distributed approximately equally between cash dividend and buyback programmes. The execution of the shareholder remuneration policy is subject to future corporate and regulatory approvals.

### Dividends and share buybacks\*

(cents per share)

■ Cash dividends  
■ Share repurchases



Note: Total remuneration charged to 2023 results pending completion of the share buyback program.  
\*Total shareholder fiscal year remuneration: Cash dividends + buybacks.

## Our business model, based on three unique competitive advantages, is the foundation to continue generating value for our shareholders

### 1. Customer focus

We are building a digital bank with branches to deliver the best customer experience and be the #1 bank for our customers.

Total customers	166 mn	+2.9% vs. Q1'23
Active customers	100 mn	+0.8% vs. Q1'23

### 2. Global and in-market scale

Our five global businesses and our presence in Europe, DCB Europe, North America and South America support value creation based on the profitable growth and operational leverage that ONE Santander provides.

#### Global businesses

- Retail
- Consumer
- CIB
- Wealth
- Payments

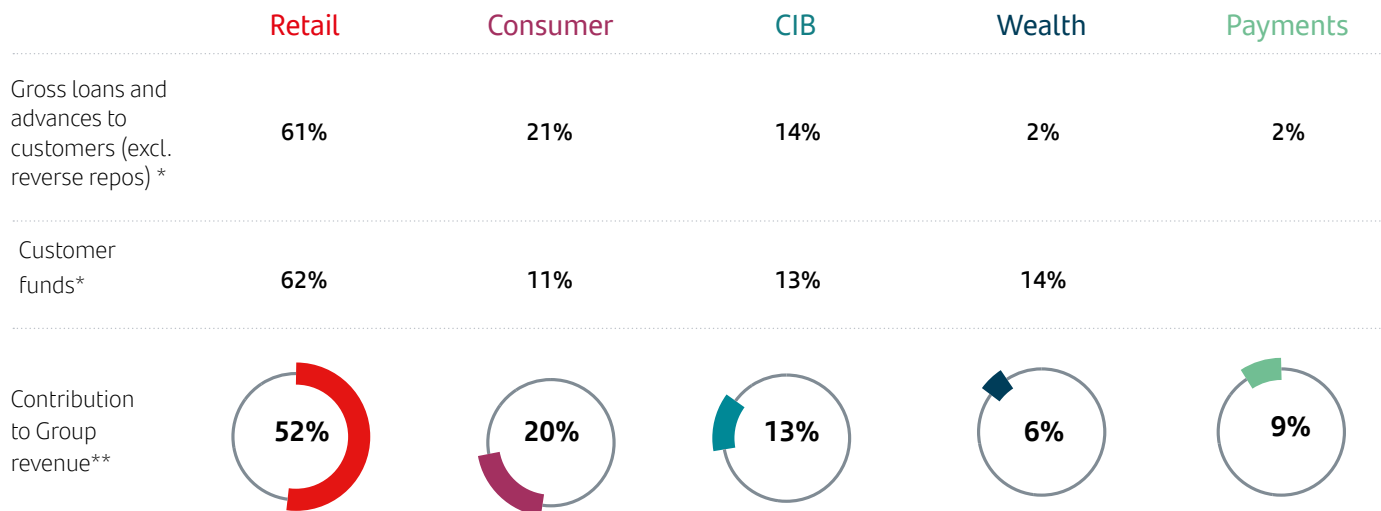
#### Santander's regions

- Europe
- DCB Europe
- North America
- South America



### 3. Diversification by business, geographical and balance sheet

Well-balanced diversification between businesses and markets with a solid and simple balance sheet that gives us recurrent net operating income with low volatility and more predictable results.



\*% operating areas. March 2024.

\*\*As % of total operating areas, excluding the Corporate Centre.

### Looking ahead: strong start to the year, which puts us on track to deliver our 2024 targets, or even overdeliver some of them

	Q1'24	2024 targets
Revenue*	9%	Mid-single digit growth
Efficiency	42.6%	<43%
CoR	1.20%	c.1.2%
FL CET1	12.3%	>12.0%**
RoTE	14.9%***	16%

\*YoY change in constant euros, except Argentina in current euros.

\*\*After Basel III implementation.

\*\*\*RoTE 16.2% annualizing the temporary levy impact.

### For more information on Banco Santander's quarterly results see:

[CEO video summary](#)
[Press release](#)
[Q1'24 Financial Report](#)
[Q1'24 Earnings presentation](#)

### About us

**Banco Santander is a leading commercial bank, founded in 1857 and headquartered in Spain.** Santander is a global bank organised around 5 global businesses, with a meaningful presence in 10 core markets in the Europe, North America and South America regions, and is one of the largest banks in the world by market capitalization.

**Santander aims to be the best open financial services platform** providing services to individuals, SMEs, corporates, financial institutions and governments. **The bank's purpose is to help people and businesses prosper in a simple, personal and fair way.**

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This document contains financial information prepared according to International Financial Reporting Standards (IFRS) and taken from our consolidated financial statements, as well as alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, and other non-IFRS measures. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider them to be useful metrics for our management and investors to compare operating performance between periods. APMs we use are presented unless otherwise specified on a constant FX basis, which is computed by adjusting comparative period reported data for the effects of foreign currency translation differences, which distort period-on-period comparisons. Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR. For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2023 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 21 February 2024 (<https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anales-suministrada-a-la-sec/2024/sec-2023-annual-20-f-2023-en.pdf>), as well as the section "Alternative performance measures" of the Banco Santander, S.A. (Santander) Q1 2024 Financial Report, published on 30 April 2024 (<https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#quarterly-results>). Underlying measures, which are included in this document, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the businesses included and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

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This document contains, in addition to financial information, non-financial information (NFI), including environmental, social and governance-related metrics, statements, goals, commitments and opinions.

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