Santander

Quarterly Shareholder Report - **Q1'25**

January - March 2025

See in Spanish

Key figures Group Q1'25

In Q1'25, profit attributable to the parent was €3,402 million, a new record for the fourth consecutive quarter

	Q1'25	change/ Q1'24
Total income	€15,537 mn	+1.0%
Net operating income	€9,048 mn	+2.4%
Profit before tax	€5,187 mn	+13.2%
Profit attributable to the parent	€3,402 mn	+19.3%

Note: Underlying income statement.

Solid balance sheet, with sound credit quality and capital ratios

	Mar-25	change/ Mar-24
Total assets	€1,845,177 mn	+2.5%
Loans and advances to customers	€1,064,416 mn	+1.4%
Customer deposits	€1,081,894 mn	+3.6%
Total funds	€1,386,326 mn	+5.4%

Note: total funds includes customer deposits, mutual funds, pension funds and managed portfolios.

	Mar-25	Mar-24
CET1 capital	12.9%	12.3%

Higher profitability and double-digit shareholder value creation

	change/ Mar-2024
TNAV per share + DPS	+14.5%

	Q1'25	Q1'24
EPS	€0.21	€0.17

Sound credit quality metrics

	Q1'25	Q1'24
Cost of risk	1.14%	1.20%
NPL ratio	2.99%	3.10%
NPL coverage ratio	66%	66%

ONE Transformation and global scale keep accelerating operational leverage and profitable growth

	Q1'25	Q1'24
RoTE (post-AT1)	15.8%	14.1%
Efficiency ratio	41.8%	42.6%

Total income

In the new interest rate environment, total income increased 1% in euros (+5% in constant euros) in line with the target we established for 2025. Of note was the positive performance of net interest income, as excluding Argentina (strongly impacted by the sharp fall in interest rates) net interest income would increase 4%, with most global businesses growing. Higher customer activity and network benefits were reflected in net fee income (+4%, +9% in constant euros), growing in most global businesses except Consumer.

Ratios

Credit quality remains robust, supported by the positive overall macroeconomic environment and employment across our footprint. The NPL ratio improved 10 bps year-on-year to 2.99%. Total loan-loss reserves reached €22,980 million, resulting in an NPL coverage ratio of 66%.

The Group's cost of risk improved 6 bps year-on-year to 1.14%, in line with our target for 2025.

Profitability

Profitability improved strongly year-on-year. RoTE (post-AT1) stood at 15.8% in Q1'25, compared to 14.1% in the same period of 2024.

Global businesses performance in Q1'25

Retail & Commercial Banking

Global business integrating our retail and commercial banking activities.

Loans decreased 1% year-on-year in constant euros due to lower volumes in the UK and Spain (mortgages and SMEs), in the US and Brazil, partially offset by increases in corporates in most countries. Deposits rose 2% in constant euros.

Attributable profit reached €1,902 million, increasing 24% year-on-year in euros and +28% in constant euros, driven by good revenue performance, lower costs and the impact of recording the temporary levy on revenue earned in Spain in full in Q1'24.

Loans	Deposits	Cost of risk
€608 bn	€644 bn	0.91%
-1%	+2%	-12 bps
Efficiency	**Profit**	**RoTE (post-AT1)**
39.4%	€1,902 mn	17.6%
-1.3 pp	+28%	+2.3 pp

Note: data and YoY changes in constant euros.

Digital Consumer Bank

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

Loans increased 4% year-on-year in constant euros, +6% in auto in a market that is ramping up from a weak start in January 2025. Deposits rose 12% in constant euros, supported by Openbank and in line with our strategy aimed at lowering funding costs and reducing net interest income volatility across the cycle.

Attributable profit reached €492 million in Q1'25, a 6% increase year-on-year in euros (+6% also in constant euros), supported by a solid performance in net interest income and good cost control.

Loans	Deposits	Cost of risk
€214 bn	€133 bn	2.14%
+4%	+12%	+1 bps
Efficiency	**Profit**	**RoTE (post-AT1)**
41.9%	€492 mn	9.7%
+0.8 pp	6%	-0.6 pp

Corporate & Investment Banking

Our global platform to support corporates and institutions.

Strong activity year-on-year, driven by our growth initiatives in Global Markets, with good performance in all geographic areas, and by Corporate Finance in Global Banking, mainly due to the US.

Attributable profit reached €806 million, a 13% increase year-on-year (+18% in constant euros). We had a good revenue performance, growing 8% in constant euros, and lower provisions, reflecting the high quality of our credit portfolio. We maintained a leading position in efficiency and profitability.

Loans	Deposits	Cost of risk
€142 bn	€134 bn	0.08%
+4%	-4%	-6 pbs
Efficiency	**Profit**	**RoTE (post-AT1)**
42.9%	€806 mn	+21.6%
+1.3 pp	+18%	+3.1 pp

Wealth Management & Insurance

Common service models for our Private Banking, Asset Management and Insurance businesses.

Total assets under management reached new record levels of €511 billion, +11% year-on-year in constant euros, due to solid commercial dynamics in both Private Banking and Santander Asset Management and good market performance. In Insurance, gross written premiums reached €2.7 billion, +6% year-on-year in constant euros.

Attributable profit amounted to €471 million, +25% higher year-on-year (+28% in constant euros), with good revenue performance in all business lines and an RoTE (post-AT1) of 68%.

NNM (PB)	Net Sales (SAM)	GWP
€5.7 bn	€4.8 bn	€2.7 bn
7% of volumes*	8% of volumes*	+6%
Efficiency	**Profit**	**RoTE (post-AT1)**
36.5%	€471 mn	68.0%
-1.4 pp	+28%	-2.1 pp

* Annualized YTD net new money as a % of PB's 2024 customer assets and liabilities (CAL). Annualized YTD net sales as a % of SAM's 2024 AuMs.

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 Total Payments Volume (TPV) rose 14% year-on-year in constant euros and the number of transactions improved 4%. In Cards, turnover increased 7% year-on-year in constant euros and transactions rose 5%.

Attributable profit was €126 million, 9% higher year-on-year, +30% in constant euros. The EBITDA margin in PagoNxt improved 11.6 pp to 28.6%.

TPV Getnet	Loans	EBITDA margin PagoNxt
€56 bn	€25 bn	28.6%
+14%	+15%	+11.6 pp
Cards Spending	**Efficiency**	**Profit**
€81 bn	€43.9 bn	€126 mn
+7%	-4.5 pp	+30%

Note: YoY changes in constant euros. The 2024 global business series have been slightly modified. These adjustments do not affect Group results. For more information, see the Appendix and the Quarterly financial report. Global businesses' RoTEs are adjusted based on Group's deployed capital; targets have been adjusted for AT1 costs.

Santander in the market

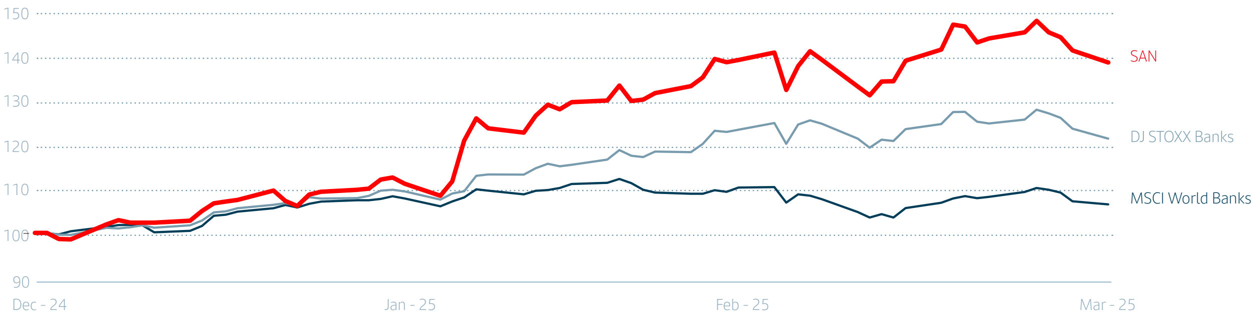
The SAN share closed Q1'25 with a positive return of 38.8%

Start (31/12/2024)	€4.465
Maximum (26/03/2025)	€6.661
Minimum (02/01/2025)	€4.255
End (31/03/2025)	€6.196

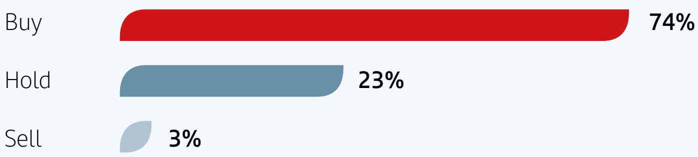
Perfomance of the main indexes:

SAN: **+38.8%**
Eurostoxx Banks: **+27.5%**
DJ Stoxx Banks: **+21.5%**
MSCI World Banks: **+6.6%**
Ibex 35: **+13.3%**
DJ Stoxx 50: **+5.5%**

During the quarter, Santander's share outperformed both the sector and the European market



97% of analysts recommend buying or holding SAN shares and they attribute an average target price of €6.81



Source: Bloomberg as of 31/03/2025.

As at 31 March 2025, Santander's market capitalization of €93,885 million was the largest in the eurozone among financial institutions

Shares and trading data

Shares (number)	**15,152,492,322**
Average daily turnover (number of shares)	**35,893,232**
Share liquidity (%)	**60**

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

Weighting of the Santander share in the main indices

Stoxx Europe 600 Banks	**7.2%**
Euro Stoxx Banks	**11.9%**
Ibex 35	**11.4%**

Source: Bloomberg and Madrid Stock Exchange as of 31/03/2025.

3,435,876 shareholders trust Banco Santander

Distribution by type of shareholder

Institutions	**61.94%**
Retail	**36.77%**
Board	**1.29%***

*Shares owned or represented by directors.

Distribution by geographic area

Europe	**71.57%**
The Americas	**26.96%**
Other	**1.47%**

As of 31/03/2025. Source: Banco Santander, S.A Shareholder Register.

Shareholder remuneration charged against 2024 results

Total cash dividend	Buyback programme	Total remuneration
€21.00 cents per share	€3,112 mn	€6,300 mn
+19% vs. 2023		+13% vs. 2023

The ordinary general shareholders' meeting approved **a final cash dividend charged against 2024 results in the gross amount of €11.00 cents per share entitled to dividends cash that will be paid from 2 May 2025**. Including the interim cash dividend paid in November 2024 €10.00 cents), **the total cash dividend per share paid against 2024 results will be €21.00 cents, around 19% more than the dividends paid against 2023 results.**

These dividends are complemented by two share buyback programmes. The first has already been completed for a total of €1,525 million, and the second started on 6 February 2025 after having been approved by the board of directors and having obtained the required regulatory authorization, for a maximum amount of €1,587 million. Following the completion of the second share buyback programme, the Group will have repurchased 14% of its outstanding shares since we began our buybacks in 2021.

After both actions have been carried out, **total shareholder remuneration against 2024 results is therefore expected to be around €6.3 billion, 13% higher than the remuneration against 2023 results**, distributed approximately equally between cash dividends and share buybacks.

On 5 February 2025, we announced that the board of directors intends to return up to €10 billion to our shareholders through share buybacks corresponding to 2025 and 2026 results as well as to distribute excesses of our capital.[1].

1.This share buyback target includes i) buybacks that are part of the existing shareholder remuneration policy, and ii) additional buybacks following the publication of annual results to distribute year-end excesses of CET1 capital.

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	**175 mn**	+5.4% vs. Q1'24
Active customers	**104 mn**	+4.1% vs. Q1'24

2. Global and in-market scale

Santander has a unique combination of global scale and local leadership. Our activities are organized under five global businesses, which support value creation based on the profitable growth and operational leverage that ONE Santander provides.

Global businesses

Retail	Retail & Commercial Banking
Consumer	Digital Consumer Bank
CIB	Corporate & Investment Banking
Wealth	Wealth Management & Insurance
Payments	Payments

ONE Santander

3. Diversification: 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.

	Retail	Consumer	CIB	Wealth	Payments
Gross loans and advances to customers (excl. reverse repos)[1]	**60%**	**21%**	**14%**	**2%**	**3%**
Customer funds[1]	**61%**	**12%**	**12%**	**15%**	
Contribution to Group revenue[2]	**50%**	**21%**	**14%**	**6%**	**9%**

1. As percentage of total operating areas. March 25.
2. As percentage of total operating areas, excluding the Corporate Centre.

Another record quarter that puts us ahead on our 2025 targets

	Revenue	Fees	Cost base	CoR	CET1[1]	RoTE post-AT1	TNAVps + Cash DPS
2025 targets	c.€62 bn	Mid-high single digit growth	Down vs. 2024 in euros	c.1.15%	13% operating range: 12-13%	c.16.5%	Double-digit growth through-the-cycle
Q1'25	€15.5 bn +1% YoY in euros	+9% in constant euros, YoY	-1% YoY in euros	1.14%	12.9%	15.8% +1.7 pp	+14.5%

1. CET1 ratio phased-in CRR.
Note: targets market dependent. Based on macro assumptions aligned with international economic institutions. TNAVps + Cash DPS includes the €10.00 cent cash dividend per share paid in November 2024, executed as part of our shareholder remuneration policy.

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

CEO video summary | Press release | Q1'25 Financial Report | Q1'25 Earnings presentation

About us

Banco Santander is a leading commercial bank, founded in 1857 and headquartered in Spain. Santander is a global bank organized under 5 global businesses, with a meaningful presence in 10 core markets in Europe, North America and South America, 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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Think **Customer**
Think **Global**

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