



Brazil



9M'21

Earnings Presentation

Important Information

Non-IFRS and alternative performance measures

This presentation contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and derived from our financial statements, 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 (ESMA/2015/1415en) and other non-IFRS measures (“Non-IFRS Measures”). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Santander Group; however, those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the “management adjustment” line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors’ Report included in our Annual Report on Form 20-F for the year ended 31 December 2020. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant 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. For further details on APMs and Non-IFRS Measures, including its 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 2020 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) on 26 February 2021, as updated by the Form 6-K filed with the SEC on 14 April 2021 in order to reflect our new organizational and reporting structure, as well as the section “Alternative performance measures” of the annex to the Banco Santander, S.A. (“Santander”) Q3 2021 Financial Report, published as Inside Information on 27 October 2021. These documents are available on Santander’s website (www.santander.com). Underlying measures, which are included in this presentation, 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 included businesses 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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Important Information

Numerous factors could affect our future results and could cause those results deviating from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

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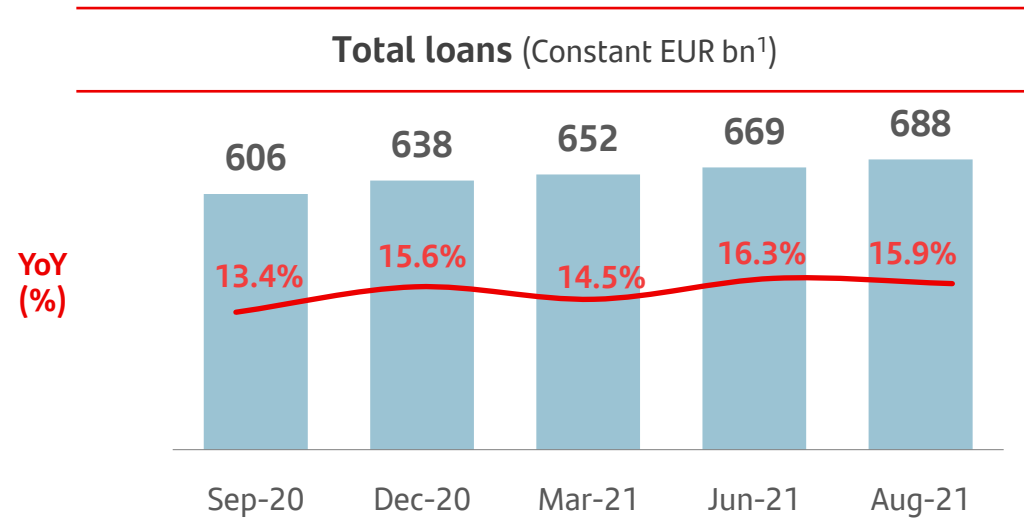


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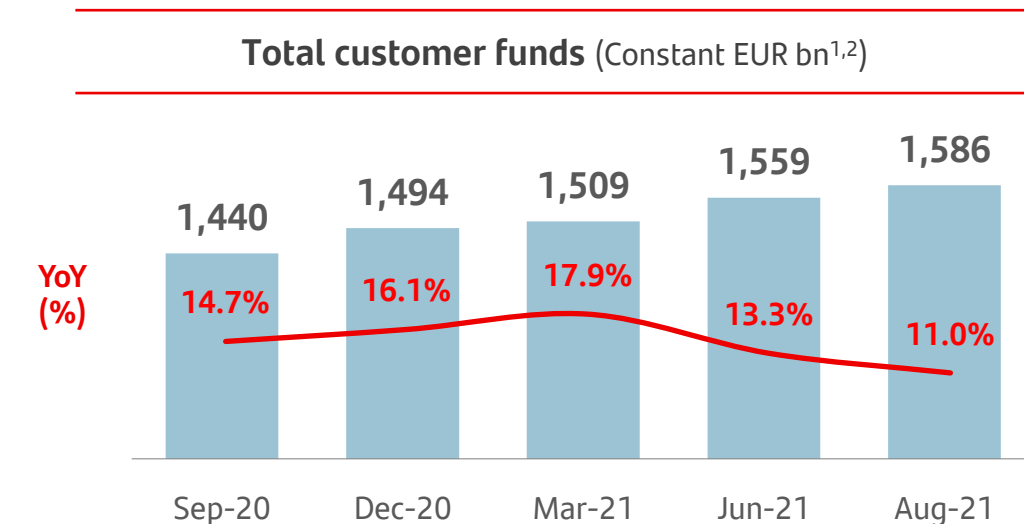




The growth of the total credit portfolio remained strong, as the result of a good performance in individual and commercial loans



- ▶ Total loans continued to grow (+16% YoY) driven by privately-owned banks (+22% YoY).
- ▶ By segment, credit to individuals continued its strong growth (+19% YoY), driven mainly by personal loans, mortgages, credit cards and agribusiness lending. Meanwhile, commercial loans grew at a good pace (+12% YoY), mostly boosted by SME loans.



- ▶ Asset quality remained virtually stable in the period.
- ▶ Funding from customers grew 10% YoY, while mutual funds rose 12%YoY.



Source: Central Bank of Brazil

(1) End period exchange rate as of Aug-21

(2) Total Deposits+ mutual funds + other funding (debentures, real estate credit notes - LCI, agribusiness credit notes - LCA, financial bills (*letras financeiras*) and Certificate of Structured Transactions - COEs)

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Santander Brasil has a solid strategy, which benefits from being part of a large international Group

KEY DATA	9M'21	YoY Var. ⁵
 Customer loans ¹	EUR 74.4 bn	+12.7%
 Customer funds ²	EUR 103.8 bn	+3.5%
 Underlying att. Profit	EUR 1,762 mn	+28.9%
 Underlying RoTE	21.6%	+3.3 pp
 Efficiency ratio	29.3%	-252 bps
 Loans market share ³	10.4%	-13 bps
 Deposits market share ^{3,4}	10.6%	-17 bps
 Loyal customers	7.5 mn	+25.9%
 Digital customers	18.2 mn	+20.0%
 Branches	3,591	+0.8%
 Employees	47,877	+9.6%



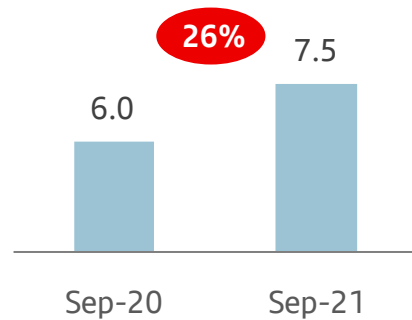
STRATEGIC PRIORITIES

- ▶ Anticipate trends through our capacity to capture business opportunities in different potential scenarios
- ▶ Increase our customer base, maximizing transactionality across our new businesses, while we improve and redefine the banking experience
- ▶ Grow the high credit quality portfolio, mainly in secured products, through the expansion of our core business and the consolidation of new businesses
- ▶ Improve operational efficiency, enhancing the high productivity culture
- ▶ Maintain profitability levels by adapting and innovating rapidly in the current environment



New record in customer acquisition and accelerated level of loyalty, fueled by improved service

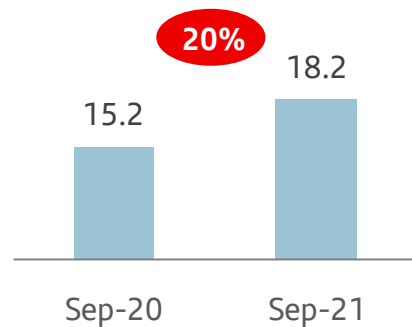
Loyal customers (mn)



Loyal / Active: 26% (+4 pp YoY)

- ▶ Dedication to service quality, with a high level of NPS. Leverage growth in loyal customers
- ▶ Steady evolution in digitalization enabled faster rate of execution
- ▶ Loyal individuals grew 26% YoY
- ▶ Loyal corporates and SMEs increased 21% YoY

Digital customers (mn)



Digital sales / total¹: 53% (+14 pp YoY)

- ▶ 70% of new customer acquisition made through digital channels, allowing us to significantly expand our base
- ▶ Digital transactions increased 53% YoY (9M'21 vs. 9M'20)
- ▶ Mobile customers: +24% YoY
- ▶ 24% of acquired customers through digital channels were unbanked



Diversification of distribution channels together with an end-to-end service model



Mortgage

- Origination to **individuals**: +74% YoY¹
- Growth of **26%** YoY in the Individuals portfolio



UseCasa (Home-Equity)

- Origination to **individuals**: +22% YoY¹
- Market leaders with a 25% share in new lending among individuals in Aug-21

Cards



- Record customer acquisition: **+650 k** cards issued per month, boosted by the digital channel
- We have celebrated a major partnership with American Express, targeting the high-income segment



Consumer Finance

- Market share of **20%** in loans to Individuals and Corporates in Aug-21
- **New lending**: increase of **17%** YoY² in vehicle originations
- **Auto Platform**: acquisition of companies specializing in car rentals, with a market for auto repair shops and services



Insurance and Capitalization

- Growth of **108%** YoY¹ Open digital insurance contracts
- Increase of **382%** YoY¹ in digital capitalization contracts
- Out of all new financing contracts issued by Santander Financiamentos, 19% purchased insurance through Santander Auto



Digital Business

- Record Account openings: **+285%** YoY²
- Share of Digital Transactions³: **90%** (+3 pp YoY²)



Gente Artificial Intelligence³

- Interactions: 18 mn / month



Santander SX

Market share of **16%** in PIX sent (financial volume) in Sep-21



Commitment to society by creating sustainable businesses and social initiatives since 2002



Environmental: supporting the green transition

Helping customers go green¹

Socio-environmental business:
BRL 42.8 bn

Going green ourselves

**SANTANDER
NET ZERO AMBITION**

We have been Carbon Neutral since 2010
Commitment **NET ZERO** in 2050

Amazônia plan

Commitment to the **development** of the region, with other peers
New business unit in the region, which has already disbursed BRL 270 mn of credit in sustainable culture



Social: building a more inclusive society

Talented & diverse team¹

We are one of the best companies to work for (LGBTQI+ and women) **26%** women in leadership positions

Financially empowering people^{1,2}

Prospera Santander Microfinance **667 k** active customers

Supporting society¹

>300 k people helped³ in 9M'21

Santander Universities **34 k** scholarships granted since 2019
25th anniversary



Governance: doing business the right way

A strong culture

Simple, Personal, Fair

Taking **ESG criteria** into account when determining **remuneration**

An independent, diverse Board

56% Independent directors

33% women on Board

Governance embedded to deliver on **ESG**

(1) As of Aug-21

(2) Offering tailored finance solutions to low-income/ vulnerable individuals (Prospera) + Financial Education initiatives to foster resilience

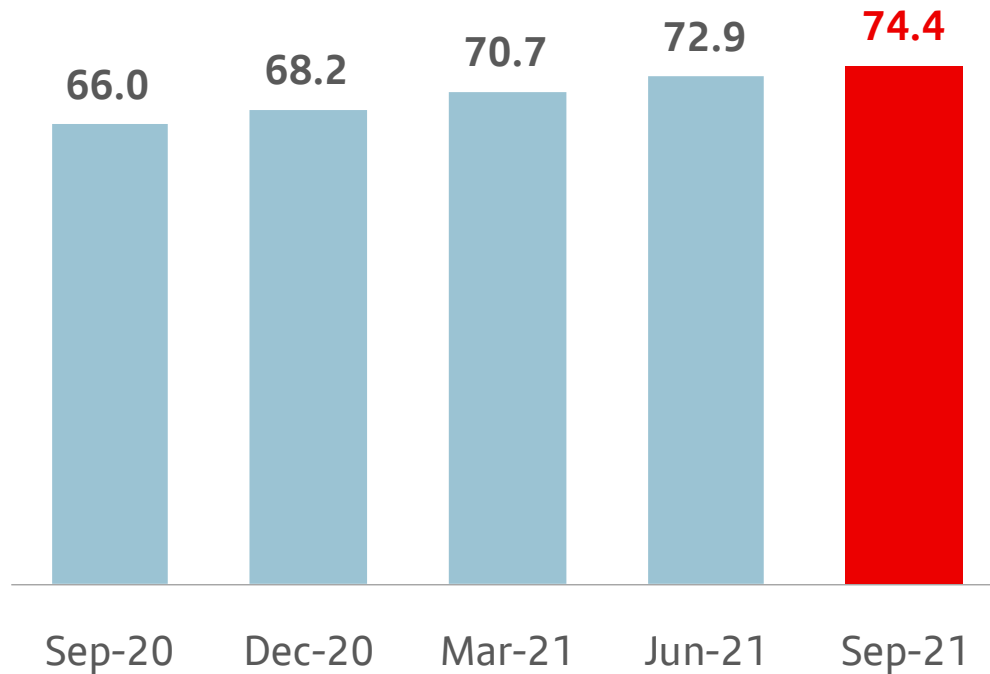
(3) People helped through our social programmes (volunteering, "Brasil Sem Fome" campaign, "Parceiro do Idoso" Programme and "Amigo de Valor" Programme)

(4) From 2019 to H1'21



Loan portfolio rose 13% YoY and 2% QoQ boosted by Individuals, Consumer Finance and SMEs

Total customer loans (Constant EUR bn)¹

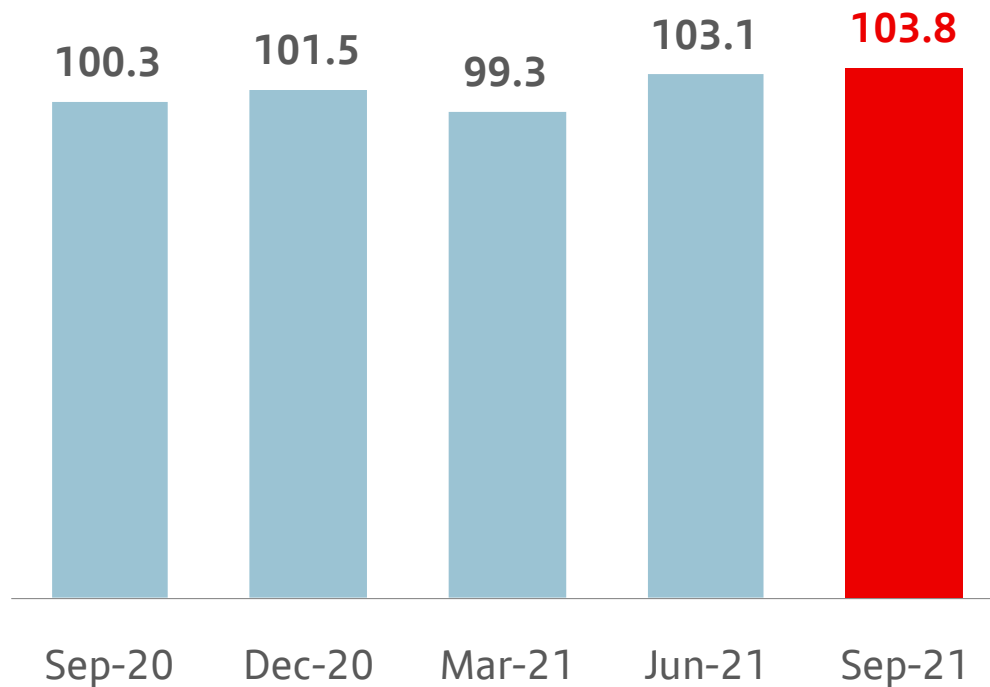


	Sep-21	Sep-20	YoY (%)	QoQ (%)
Individuals²	31.8	25.9	22.9	5.4
o/w Mortgages	8.6	6.8	25.6	5.0
o/w Consumer Credit	11.4	9.7	17.0	3.6
o/w Cards	5.8	4.7	23.1	7.2
Consumer Finance	9.0	7.9	13.7	15.2
SMEs	8.4	7.2	16.7	3.6
Corporates & Institutions³	25.1	24.9	0.8	-6.1
Total customer loans	74.4	66.0	12.7	2.1



Customers funds increased 3% YoY underpinned by time deposits and mutual funds. In the quarter, the increase in mutual funds offset lower demand deposits

Total customer funds (Constant EUR bn)¹



	Sep-21	Sep-20	YoY (%)	QoQ (%)
Demand	16.5	16.3	1.0	-2.6
Time	47.0	45.2	4.0	0.0
Total deposits	63.4	61.4	3.2	-0.7
Mutual Funds	40.3	38.8	3.9	2.9
Total customer funds	103.8	100.3	3.5	0.7
<i>Letras</i> ²	10.3	9.1	13.6	11.1
Customer funds + Letras	114.1	109.4	4.3	1.6

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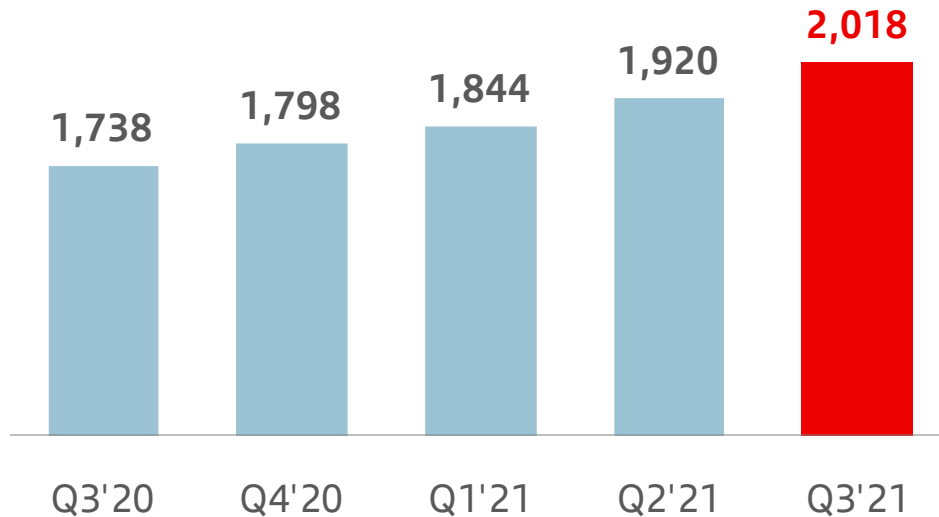
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NII rose 12% YoY and 5% QoQ due to higher volumes

Net interest income (Constant EUR mn)¹



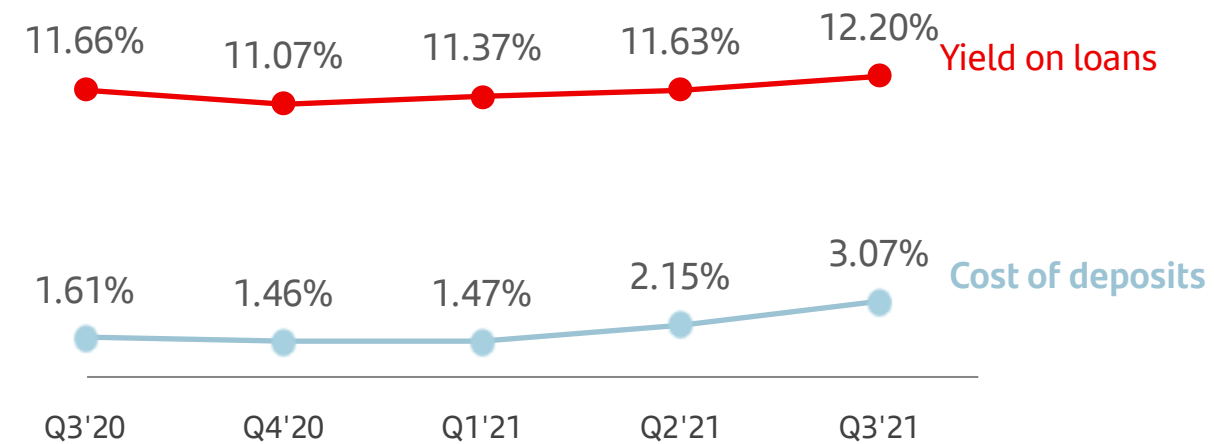
NIM²

4.93%	4.85%	4.87%	5.03%	5.29%
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Official interest rate³

2.08%	2.00%	2.25%	3.50%	5.25%
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Yields and Costs (%)

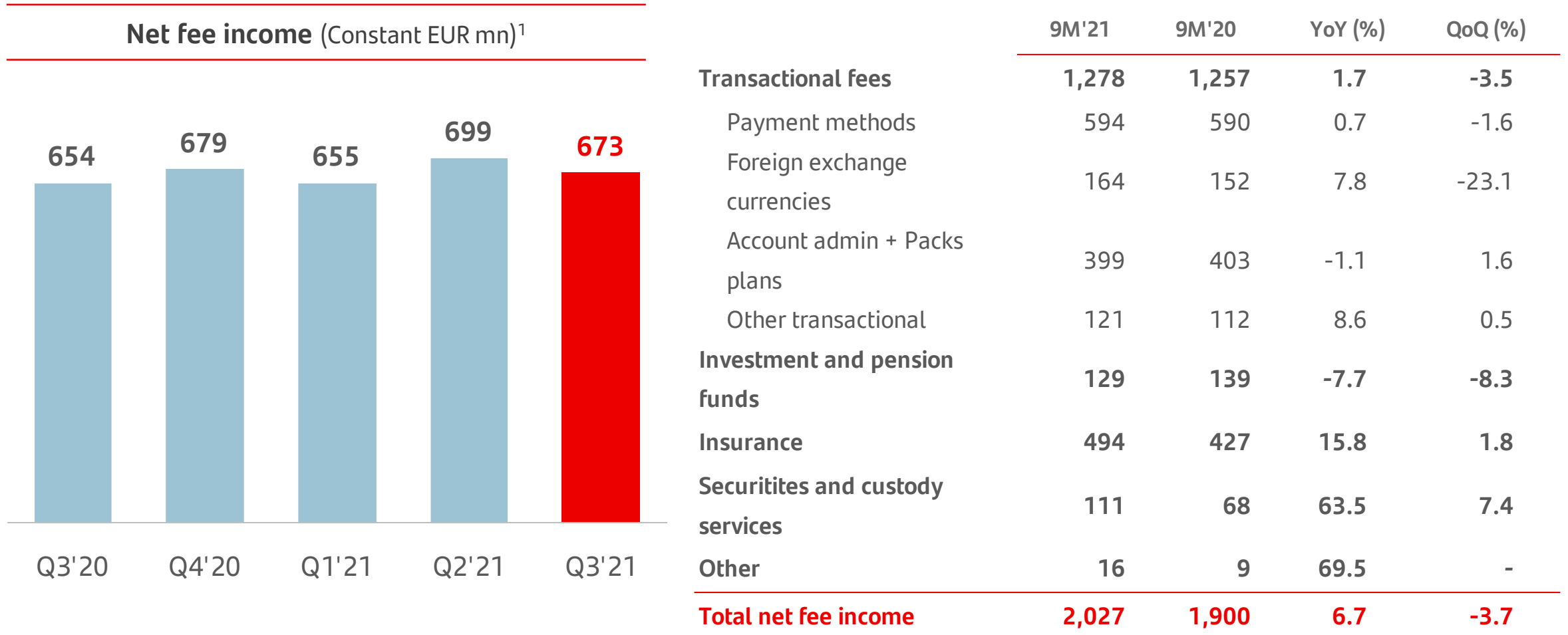


Differential

10.1 pp	9.6 pp	9.9 pp	9.5 pp	9.1 pp
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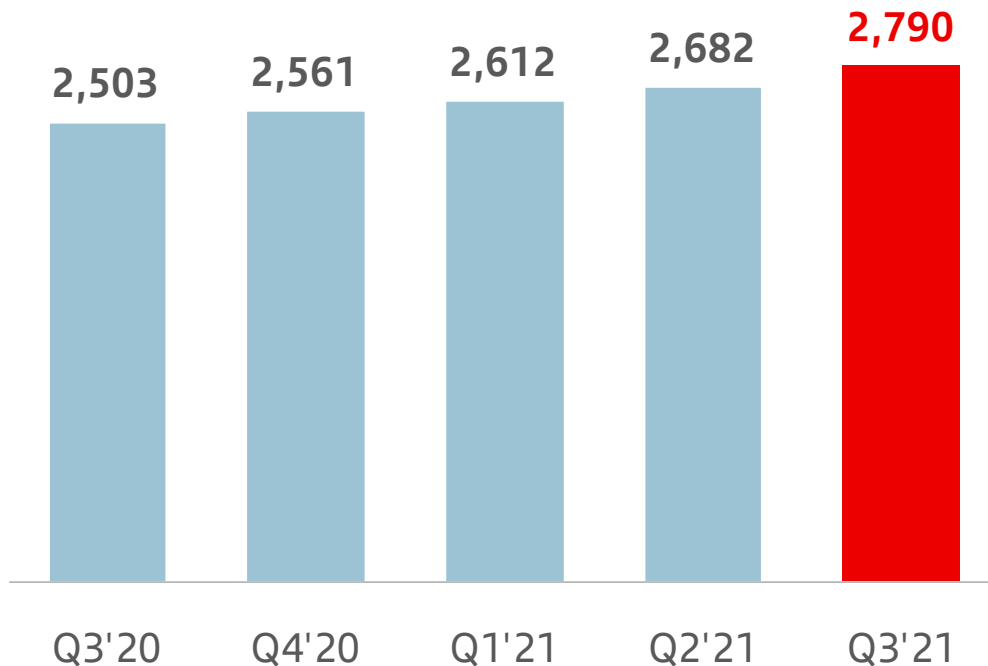
Net fee income rose YoY leveraging the larger customer base and greater loyalty





Total income increased 10% YoY underpinned by higher customer revenue

Total income (Constant EUR mn)¹

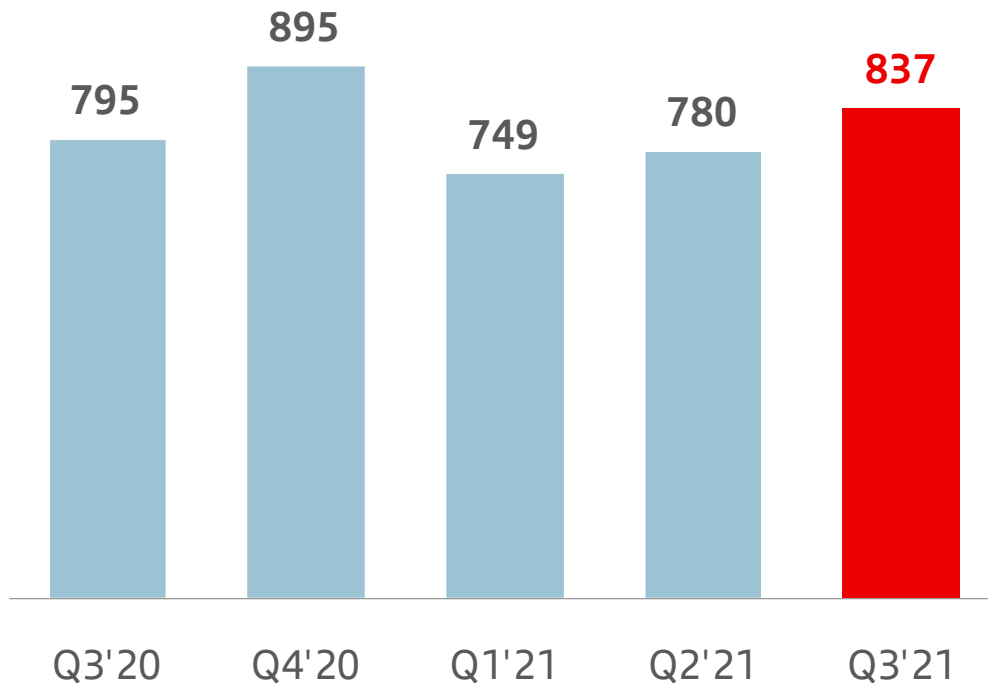


	9M'21	9M'20	YoY (%)	QoQ (%)
Net interest income	5,782	5,166	11.9	5.1
Net fee income	2,027	1,900	6.7	-3.7
Customer revenue	7,809	7,065	10.5	2.7
Other ²	276	296	-6.9	57.9
Total income	8,085	7,361	9.8	4.0



Continuous quest for operational efficiency led to a 1% increase in costs YoY, well below inflation. In the quarter, costs up 7% due to inflation and salary agreement

Operating expenses (Constant EUR mn)¹



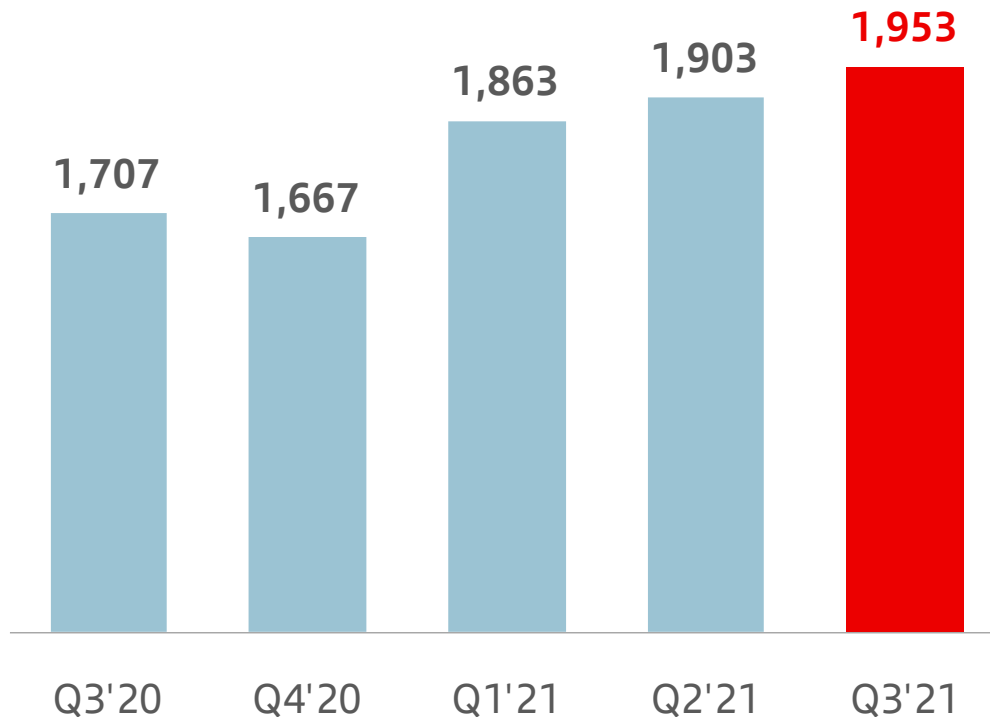
	9M'21	9M'20	YoY (%)	QoQ (%)
Operating Expenses	2,366	2,339	1.1	7.3

Branches (#)	3,591	3,562	0.8	0.0
Employees (#)	47,877	43,689	9.6	6.1



Net operating income increased 14% YoY due to higher NII and net fee income. Focus on productivity helped to improve the efficiency ratio

Net operating income (Constant EUR mn)¹

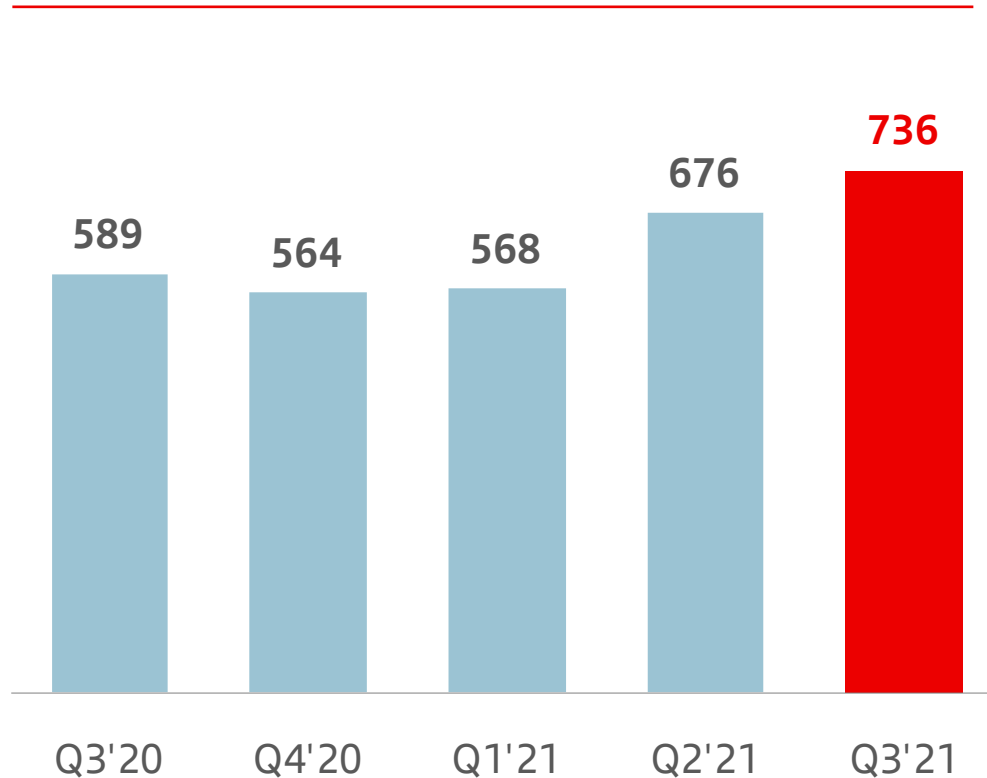


	9M'21	9M'20	YoY (%)	QoQ (%)
Total income	8,085	7,361	9.8	4.0
Operating Expenses	(2,366)	(2,339)	1.1	7.3
Net operating income	5,719	5,022	13.9	2.7
Efficiency ratio	29.3%	31.8%	-252 bps	



LLPs decreased 10% due to covid-19 related provisions recorded in 2020. Controlled cost of credit, supported by the continuous evolution of our risk models

Net LLPs (Constant EUR mn)¹



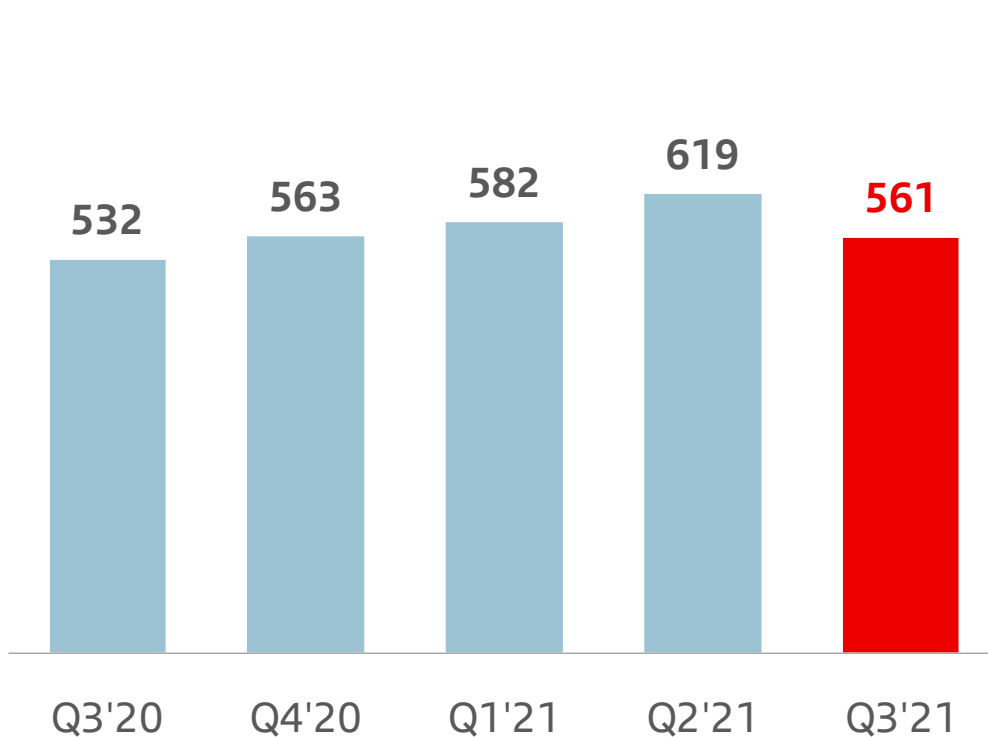
	9M'21	9M'20	YoY (%)	QoQ (%)
Net operating income	5,719	5,022	13.9	2.7
Loan-loss provisions	(1,980)	(2,192)	-9.7	8.9
Net operating income after provisions	3,740	2,830	32.1	-0.8

NPL ratio	4.72%	4.64%	8 bps	17 bps
Cost of credit ²	3.60%	4.58%	-98 bps	9 bps
Coverage ratio	112%	115%	-3.1 pp	-0.5 pp



Underlying attributable profit rose 29% YoY boosted by higher customer revenue, cost control and lower LLPs. Profit declined 9% QoQ due to higher costs and provisions

Underlying Attributable Profit (Constant EUR mn)¹



	9M'21	9M'20	YoY (%)	QoQ (%)
PBT	3,526	2,630	34.1	-5.8
Tax on profit	(1,563)	(1,112)	40.6	-3.2
Consolidated profit	1,963	1,518	29.3	-7.7
Minority interests	(201)	(151)	33.3	8.6
Underlying attributable profit	1,762	1,367	28.9	-9.5

Effective tax rate	44.3%	42.3%	2.0 pp
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We continue to deliver profitability, backed by a business model centred on enhancing customer service, enabling faster growth in customer loyalty and acquisition



Financial System

- ▶ Loans increased 16% YoY on the back of privately-owned banks (+22%)
- ▶ Asset quality remained stable, influenced by bank actions for this period
- ▶ Higher loan growth, achieving +19% YoY in individuals and +12% YoY in commercial loans, the latter propelled by SMEs
- ▶ Total customer funds grew 10% YoY, while mutual funds increased 12%

Strategy & Business

- ▶ Broad reach of our distribution channels, with a robust service platform, has enabled us to boost customer loyalty while driving greater profitability for our business
- ▶ Loan portfolio rose 13% YoY underpinned by Individuals and SMEs
- ▶ Customer funds increased 3% YoY underpinned by time deposits and mutual funds

Results

- ▶ Total income increased 10% YoY underpinned by higher customer revenue
- ▶ Continuous quest for operational efficiency through process digitalization led to a 1% YoY increase in costs, well below inflation
- ▶ Controlled cost of credit, supported by the continuous evolution of our risk models
- ▶ Underlying attributable profit increased 29% YoY boosted by higher customer revenue, cost control and lower provisions

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Balance sheet



Constant EUR million ¹	Sep-21	Sep-20	Variation	
			Amount	%
Loans and advances to customers	70,737	62,759	7,978	12.7
Cash, central banks and credit institutions	29,913	29,606	307	1.0
Debt instruments	38,036	34,949	3,087	8.8
Other financial assets	6,178	6,278	(100)	(1.6)
Other asset accounts	11,084	11,983	(899)	(7.5)
Total assets	155,948	145,575	10,373	7.1
Customer deposits	73,772	72,899	873	1.2
Central banks and credit institutions	27,768	21,050	6,718	31.9
Marketable debt securities	14,160	12,639	1,521	12.0
Other financial liabilities	22,303	20,370	1,933	9.5
Other liabilities accounts	5,126	6,299	(1,174)	(18.6)
Total liabilities	143,129	133,258	9,871	7.4
Total equity	12,819	12,317	502	4.1
Other managed customer funds	45,526	43,094	2,432	5.6
Mutual funds	40,343	38,834	1,509	3.9
Pension funds	0	(0)	0	—
Managed portfolios	5,183	4,260	923	21.7



Income statement

Constant EUR million ¹	Variation			
	9M'21	9M'20	Amount	%
Net interest income	5,782	5,166	617	11.9
Net fee income	2,027	1,900	127	6.7
Gains (losses) on financial transactions	328	313	15	4.8
Other operating income	(52)	(17)	(35)	213.2
Total income	8,085	7,361	724	9.8
Operating expenses	(2,366)	(2,339)	(26)	1.1
Net operating income	5,719	5,022	697	13.9
Net loan-loss provisions	(1,980)	(2,192)	212	(9.7)
Other gains (losses) and provisions	(214)	(200)	(13)	6.7
Underlying profit before tax	3,526	2,630	896	34.1
Tax on profit	(1,563)	(1,112)	(451)	40.6
Underlying profit from continuing operations	1,963	1,518	445	29.3
Net profit from discontinued operations	—	—	—	—
Underlying consolidated profit	1,963	1,518	445	29.3
Non-controlling interests	(201)	(151)	(50)	33.3
Underlying attributable profit to the parent	1,762	1,367	395	28.9



Quarterly income statement

Constant EUR million¹

	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Net interest income	1,743	1,684	1,738	1,798	1,844	1,920	2,018
Net fee income	667	578	654	679	655	699	673
Gains (losses) on financial transactions	11	208	94	114	132	77	119
Other operating income	(13)	(20)	17	(30)	(19)	(14)	(19)
Total income	2,409	2,450	2,503	2,561	2,612	2,682	2,790
Operating expenses	(771)	(773)	(795)	(895)	(749)	(780)	(837)
Net operating income	1,638	1,677	1,707	1,667	1,863	1,903	1,953
Net loan-loss provisions	(819)	(784)	(589)	(564)	(568)	(676)	(736)
Other gains (losses) and provisions	(97)	(35)	(67)	(40)	(99)	(27)	(87)
Underlying profit before tax	722	858	1,051	1,063	1,196	1,200	1,131
Tax on profit	(283)	(369)	(460)	(434)	(549)	(515)	(499)
Underlying profit from continuing operations	439	489	591	629	647	685	632
Net profit from discontinued operations	—	—	—	—	—	—	—
Underlying consolidated profit	439	489	591	629	647	685	632
Non-controlling interests	(42)	(50)	(59)	(67)	(65)	(65)	(71)
Underlying attributable profit to the parent	397	439	532	563	582	619	561

Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair

