

# Quarterly Shareholder Summary - H1'24

March - June 2024

## Key figures Group H1'24

**Record H1'24 results with an attributable profit of €6.1 bn, +16% vs. H1'23 (+15% in constant euros), boosted by excellent business and commercial dynamics**

	H1'24	change/ H1'23
Total income	€31,050 mn	10.0%
Net operating income	€18,137 mn	15.1%
Profit before tax	€9,508 mn	14.2%
Profit attributable to the parent	€6,059 mn	15.6%

Note: Underlying income statement.

### Solid, diversified and scaled balance sheet

	Jun-24	change/ Jun-23
Total assets	€1,786,261 mn	0.3%
Loans and advances to customers	€1,065,596 mn	2.0%
Customer deposits	€1,037,646 mn	2.4%
Total funds	€1,309,903 mn	4.3%

	Jun-24	Jun-23
Fully-loaded CET1 ratio	12.5%	12.2%

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

TNAV per share + DPS	+12% vs. Jun-23
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### Solid credit quality metrics

	H1'24	H1'23
Cost of risk	1.21%	1.08%
NPL ratio	3.02%	3.07%
NPL coverage ratio	66%	68%

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

	H1'24	H1'23
RoTE	15.9%	14.5%
Efficiency ratio	41.6%	44.2%

### 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 (+12% in euros, +11% in constant euros) and net fee income (+6% both in euros and constant euros), resulting in total income growth of 10% in euros (+9% in constant euros).

### Ratios

Credit quality remains robust, driven by the strong macroeconomic environment and employment across our footprint. The NPL ratio was 3.02%, improving 5 bps year-on-year. Total loan-loss reserves reached €23,323 million, resulting in a total coverage ratio of 66%.

### Profitability

Profitability improved year-on-year and quarter-on-quarter. RoTE stood at 15.9% in H1 2024, compared to 14.5% in the same period of 2023. Annualizing the impact of the temporary levy on revenue obtained in Spain, RoTE was 16.3%, boosted by strong revenue growth.

## Global businesses evolution H1'24

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** decreased 1% year-on-year in constant euros due to lower mortgage and SME balances in Europe, partially offset by increases in South America and Mexico. **Deposits** rose 2% in constant euros.

**Attributable profit of €3,326 million**, increasing 37% year-on-year (+35% in constant euros) driven by the good revenue performance, efficiency gains from our transformation programme and lower provisions in Europe.

Loans  
**€619 bn**  
-1%

Deposits  
**€637 bn**  
+2%

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

Efficiency  
**39.5%**  
-4.8pp

Profit  
**€3,326 mn**  
+35%

RoTE  
**18.1%**  
+4.3pp

## Digital Consumer Bank

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

**Loans** increased 6% year-on-year in constant euros, +8% in auto in a market that is starting to recover. Deposits rose 14% in constant euros, in line with our strategy aimed at lowering funding costs and reducing net interest income volatility across the cycle, to be able to offer our customers better pricing.

**Attributable profit reached €1,070 million** in H1 2024, a 4% increase year-on-year in both euros and constant euros, mainly driven by the solid net interest income and net fee income performances and cost control, despite the cost of risk normalization towards pre-pandemic levels.

Note: Revenue and costs are negligibly affected by distortions from Argentina.

Loans <b>€213 bn</b> +6%	Deposits <b>€122 bn</b> +14%	Cost of risk <b>2.17%</b> +31bps
Efficiency <b>40.6%</b> -2.7pp	Profit <b>€1,070 mn</b> +4%	RoTE <b>13.0%</b> +0.4pp

## Corporate & Investment Banking

Our global platform to support corporates and institutions.

**Strong activity year-on-year**, mainly supported by Global Banking (Global Debt Finance and Corporate Finance) and Global Markets as we execute our growth initiatives, and, to a lesser extent, in Global Transaction Banking.

**Attributable profit reached €1,405 million**, a 5% drop year-on-year (in euros and in constant euros). A record first half revenue was offset by higher costs related to investments in the development of new capabilities, and higher provisions. Nevertheless, we maintained a leading position in efficiency and profitability.

Loans <b>€144 bn</b> +7%	Deposits <b>€130 bn</b> -6%	Cost of risk <b>0.15%</b> -4bps
Efficiency <b>43.4%</b> +5.2pp	Profit <b>€1,405 mn</b> -5%	RoTE <b>19.1%</b> -2.2pp

## 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 €480 billion, +13% year-on-year, due to excellent commercial dynamics both in Private Banking and SAM. In Insurance, gross written premiums reached €6.1 billion in H1 2024.

**Attributable profit amounted to €818 million**, 15% higher year-on-year (+14% in constant euros).

Net new money (PB) <b>€11.9 bn</b> 8% of volumes*	Net sales (SAM) <b>€8.9 bn</b> 8% of volumes*	Gross written premiums <b>€6.1 bn</b> -1%
Efficiency <b>34.4%</b> -2.3pp	Profit <b>€818 mn</b> +14%	RoTE <b>80.4%</b> +3.5pp

Note: Including all fees generated by Santander Asset Management and Insurance, even those ceded to the commercial network, which are reflected in Retail's P&L, PAT+ fees of €1,714mn (+12%YoY).

\*Annualized net new money as % of total PB CAL. Annualized net sales as % of SAM 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 12% year-on-year in constant euros and the number of transactions improved 7%. In Cards, turnover increased 5% year-on-year in constant euros and transactions rose 8%.

**Attributable profit was €49 million**, €292 million (+30% year-on-year in constant euros) excluding write-downs after discontinuing our merchant platform in Germany and Superdigital in Latin America. The EBITDA margin in PagoNxt improved 8.9 pp to 20.1%.

TPV Getnet <b>€108 bn</b> +12%	Active customers Ebury <b>23k</b> +23%	Turnover Cards <b>€159 bn</b> +5%
Efficiency Payments <b>46.9%</b> +0.5pp	Profit Payments <b>€292 mn</b> +30%	EBITDA margin PagoNxt <b>20.1%</b> +8.9pp
	<b>€49 mn</b> -78% with one-offs*	

Note: Transactions include merchant payments, cards and electronic A2A payments.

\*Profit and YoY change including the write-downs related to our merchant platform in Germany and Superdigital in Latin America.

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 17.4% (+4.1pp); Consumer 12.8% (+0.3pp); CIB 19.0% (-2.3pp); Wealth 79.3% (+3.4pp); PagoNxt EBITDA 20.1% (not affected) and Group 15.9% (+1.4pp).

## Santander in the Market

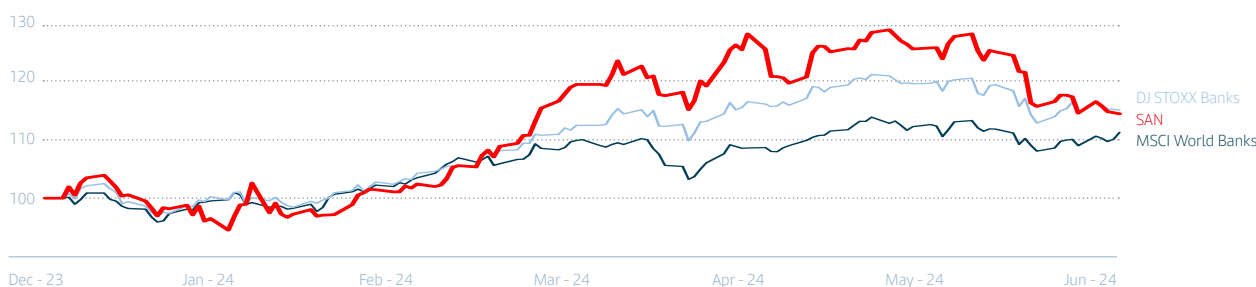
The SAN share closed H1'24 with a +14.6% revaluation

<b>Start</b> (29/12/2023)	€3.780
<b>Maximum</b> (29/04/2024)	€4.928
<b>Minimum</b> (30/01/2024)	€3.563
<b>End</b> (28/06/2024)	€4.331

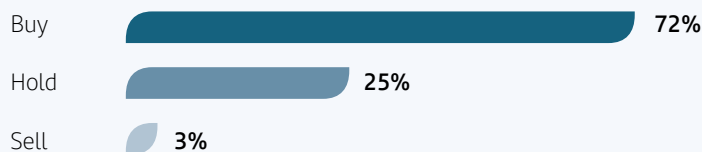
Evolution of the main indices:

SAN: +14.6%
Eurostoxx Banks: +15.6%
DJ Stoxx Banks: +15.2%
MSCI World Banks: +11.3%
Ibex 35: +8.3%
DJ Stoxx 50: +9.7%

Our business model and strategy reflect a good performance of the Santander share, which closed the first half of the year in line with the sector and the European market



97% of analysts recommend buying or holding SAN shares and they attribute an average target price of €5.56



Fuente: Bloomberg a 28/06/2024.

Banco Santander's market capitalization of €67,098\* million is the second largest in the eurozone among financial institutions

### Shares and trading data

Shares (number)	15,494,273,572
Average daily turnover (number of shares)	34,106,207
Share liquidity (%) (Annualized number of shares traded during the period / number of shares)	54

\*After cancelling the shares from the second share buyback programme against 2023 results.

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

DJ Stoxx Banks	6.8%
DJ Euro Stoxx Banks	11.5%
Ibex 35	12.2%

Source Bloomberg and Madrid Stock Exchange at 28/06/2024.

## 3,526,649 shareholders trust Banco Santander

### Distribution by type of shareholder

Institutions	58.99%
Retail	39.75%
Board	1.26%*

\*Shares owned or represented by directors.

As of 28/06/2024. Source: Banco Santander, S.A Shareholder register.

### Distribution by geographic area

Europe	72.63%
The Americas	25.93%
Other	1.44%

## Shareholder remuneration

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



### 50% of remuneration in cash

Payment of a cash dividend of **€8.10 and €9.50 cents gross per share**, paid in November 2023 and May 2024, respectively.



### 50% through share buybacks

Share buyback programme of **€1,310 million and €1,459 million completed** in January and June 2024, respectively.



After completing both actions, **total shareholder remuneration against 2023 results was €5,552 million.**

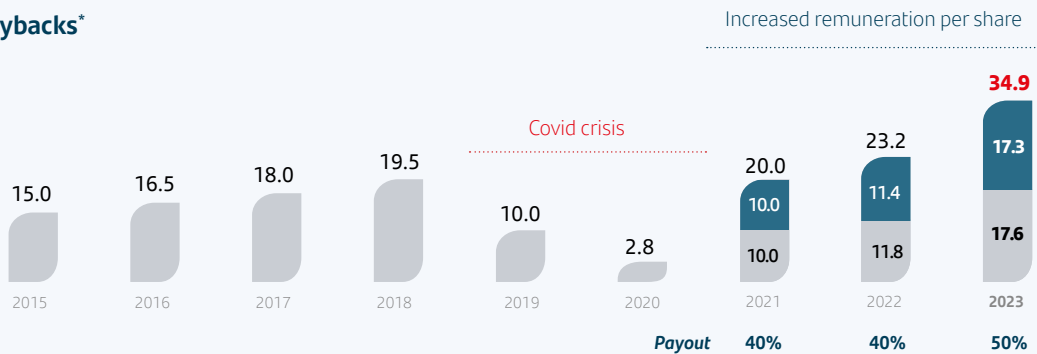


For 2024 results, the board of directors plans to continue with the same remuneration policy, which is a payout of approximately 50% of the Group's reported profit, distributed approximately equally between cash dividend and buyback programmes. The execution of the shareholder remuneration policy is subject to future corporate and regulatory approvals.

### Dividends and share buybacks\*

(cents per share)

■ Cash dividends  
■ Share repurchases



\*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	168 mn	+2.7% vs. H1'23
Active customers	101 mn	+1.8% vs. H1'23

### 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

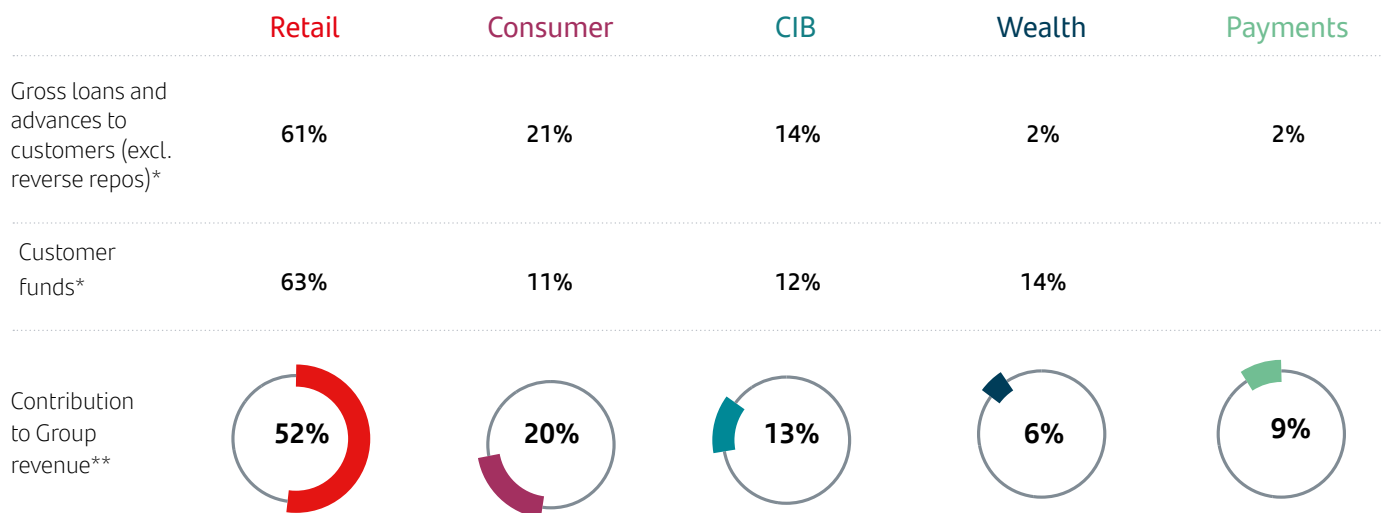
#### Santander's regions

- 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, June 2024.

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

## Looking ahead: Record H1'24 results keep us on track to meet or exceed our full-year 2024 targets

	H1'24	2024 targets	Upgraded 2024 targets
Revenue*	+9%	Mid-single digit growth	High-single digit growth
Efficiency	41.6%	<43%	c.42%
CoR	1.2%	c.1.2%	Confirmed
FL CET1	12.5%	>12.0%**	Confirmed
RoTE	15.9%***	16%	>16%

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

\*\*After Basel III implementation.

\*\*\*RoTE 16.3% annualizing the temporary levy impact.

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

[CEO video summary](#)
[Press release](#)
[H1'24 Financial Report](#)
[H1'24 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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## Disclaimer



### Important Information

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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) Q2 2024 Financial Report, published on 24 July 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.

#### Non-financial information

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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In particular, forward looking statements are based on current expectations and future estimates about Santander's and third-parties' operations and businesses and address matters that are uncertain to varying degrees and may change, including, but not limited to (a) expectations, targets, objectives, strategies and goals relating to environmental, social, safety and governance performance, including expectations regarding future execution of Santander's and third-parties' (including governments and other public actors) energy and climate strategies, and the underlying assumptions and estimated impacts on Santander's and third-parties' businesses related thereto; (b) Santander's and third-parties' approach, plans and expectations in relation to carbon use and targeted reductions of emissions, which may be affected by conflicting interests such as energy security; (c) changes in operations or investments under existing or future environmental laws and regulations; (d) changes in rules and regulations, regulatory requirements and internal policies, including those related to climate-related initiatives; (e) our own decisions and actions including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; (f) events that lead to damage to our reputation and brand; (g) exposure to operational losses, including as a result of cyberattacks, data breaches or other security incidents; and (h) the uncertainty over the scope of actions that may be required by us, governments and others to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations.

In addition, the important factors described in this document and other risk factors, uncertainties or contingencies detailed in our most recent Form 20-F and subsequent 6-Ks filed with, or furnished to, the SEC, as well as other unknown or unpredictable factors, could affect our future development and results and could lead to outcomes materially different from what our forward-looking statements anticipate, expect, project or assume.

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