



Brazil



2023

Earnings Presentation

# Important Information

## Non-IFRS and alternative performance measures

This presentation 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 2022 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2023 (<https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anuales-suministrada-a-la-sec/2023/sec-2022-annual-20-f-2022-en.pdf>), as well as the section "Alternative performance measures" of Banco Santander, S.A. (Santander) Q4 2023 Financial Report, published on 31 January 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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# Important Information

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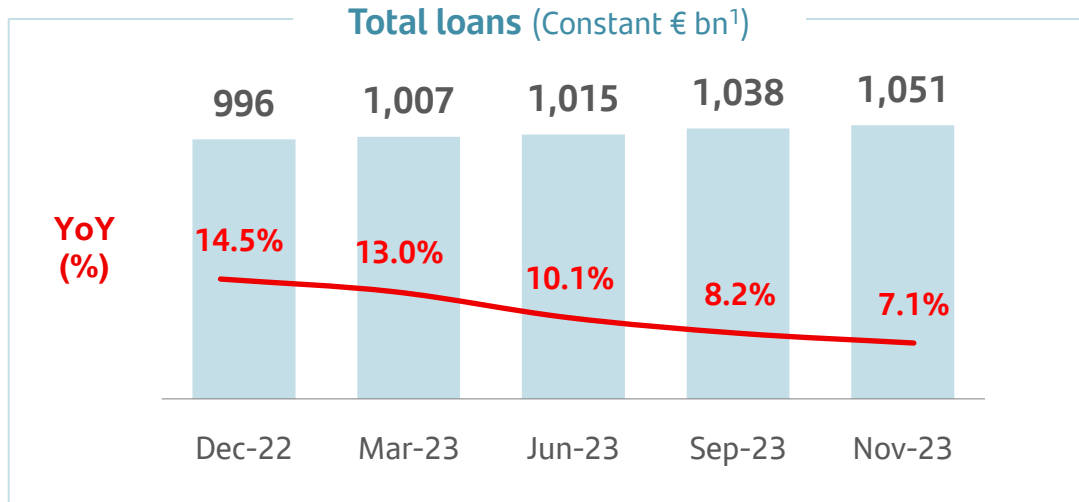
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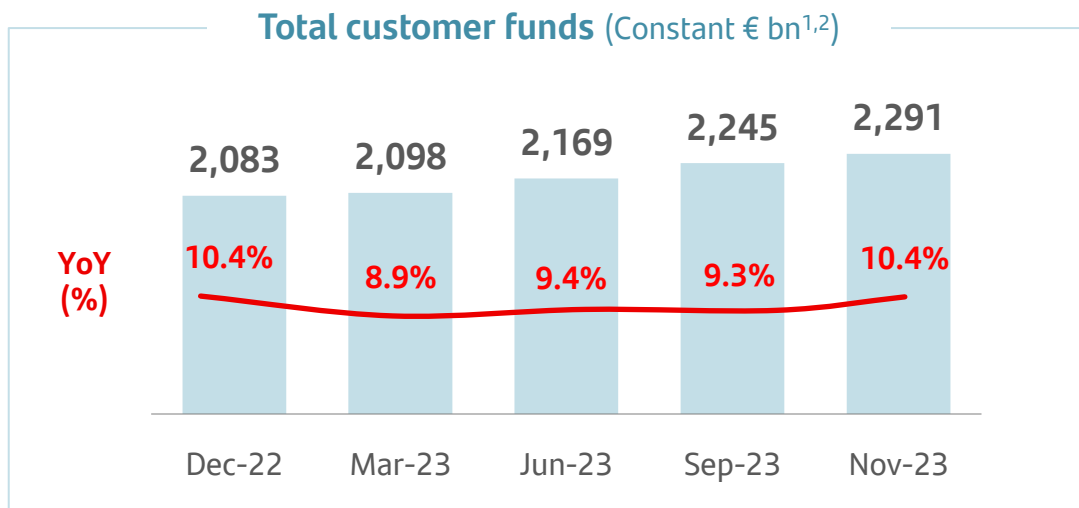
Appendix



# Macroeconomic conditions continued to impact loan portfolio growth. Loans to SMEs registered the highest growth in the quarter



- ▶ Total loan growth slowed (+7.1% YoY), with public banks (+7.9% YoY) still outperforming privately-owned banks (+6.5% YoY)
- ▶ In terms of segments, loans to individuals continued to grow (+9.2% YoY), driven by agricultural loans, auto loans, credit cards and mortgages. Loans to Corporates and SMEs grew +3.9% YoY, boosted by SMEs (+6.7% YoY)



- ▶ Total customer funds and mutual funds rose 10.4% YoY, mainly due to funding from customers which increased 15.2% YoY



Financial system



**Strategy and business**



Results














Concluding remarks



Appendix

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

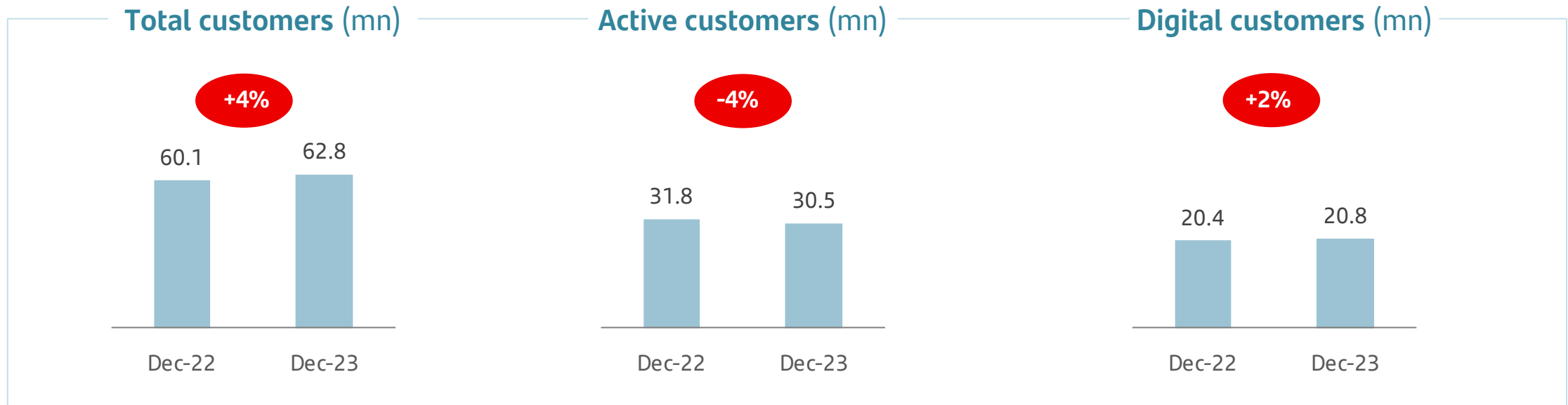
KEY DATA	2023	YoY Var. <sup>5</sup>
 Customer loans <sup>1</sup>	€102.6bn	+5.7%
 Customer funds <sup>2</sup>	€145.0bn	+13.9%
 Attributable profit	€1,921mn	-24.8%
 RoTE	13.7%	-5.5pp
 Efficiency ratio	34.6%	+2.2pp
 Loans market share <sup>3</sup>	9.0%	-39bps
 Deposits market share <sup>4</sup>	10.2%	-22bps
 Total customers	62.8mn	+4.5%
 Digital customers	20.8mn	+2.1%
 Branches	2,580	-9.4%
 Employees	57,775	+3.2%



## Strategic Priorities

- ▶ Continuing to develop the best integrated distribution platform in the market in order to strengthen connectivity between businesses and capture opportunities more swiftly
- ▶ Increasing and capitalizing on our customer base, primarily through greater loyalty, maximizing growth
- ▶ Simplifying products and processes and boosting operational efficiency and customer experience
- ▶ Keeping credit quality under control by continually anticipating trends and enhancing risk models
- ▶ Focusing on value creation, profitability and superior payout levels
- ▶ Innovating to adapt and satisfy to new demands

# Customer-centric strategy, seeking to become their main bank, prioritizing higher transactionality and profitability



- ▶ Constant improvement in our customer experience by optimizing and personalizing offerings, resulting in increased customer satisfaction across all segments, compared to 2022.
- ▶ Constantly enhancing our offerings through technology, by integrating sales channels, refining self-service and customer service
- ▶ Focus on adding value through our multichannel structure to increase customers and usage
- ▶ Total customers increased 4% YoY, while digital customers rose 2% YoY



# Continuous focus on our customers and our business diversification, through the development of our growth levers



## Retail & Commercial

Focus on **adding value** through our **multichannel** structure to increase customer **principality**

**1.2 mn high-income customers<sup>1</sup> at Select**, exceeding our 2023 ambition

**Agrobusiness. BRL 54 bn** credit portfolio, surpassing our ambition of BRL 50 bn in 2023

**Payroll.** Outperforming the market in loans throughout 2023

### SMEs

Specialized service to **enhance customer experience**

FY'23 **revenue in SMEs** increased 10% YoY

+6% in monthly **customer acquisition<sup>3</sup>**



## Corporate & SCIB

**1<sup>st</sup> place in local trade finance**, with 25% market share

**1<sup>st</sup> place in local FX**, with 13% market share

**1<sup>st</sup> place in commodities** ranking

**2<sup>nd</sup> largest independent energy trader**



## Wealth Management & Insurance

**AAA.** We have attained our goal of 1.4 k advisors, targeting 2.0 k in the coming months

**Private bank.** Record-breaking year in revenue

**Toro.** Investment platform with **BRL 17.4 bn** in Assets under Custody (**+76% YoY**)

**Insurance.** 29% of penetration rate in customers in Santander Financiamentos



## Digital Consumer Banking | Auto

Record **originations** (+38% in Q4'23<sup>3</sup>)

Leaders with a **21%<sup>1</sup>** market share in **auto loans** to individuals

**Commercial agreements** should continue to enhance growth



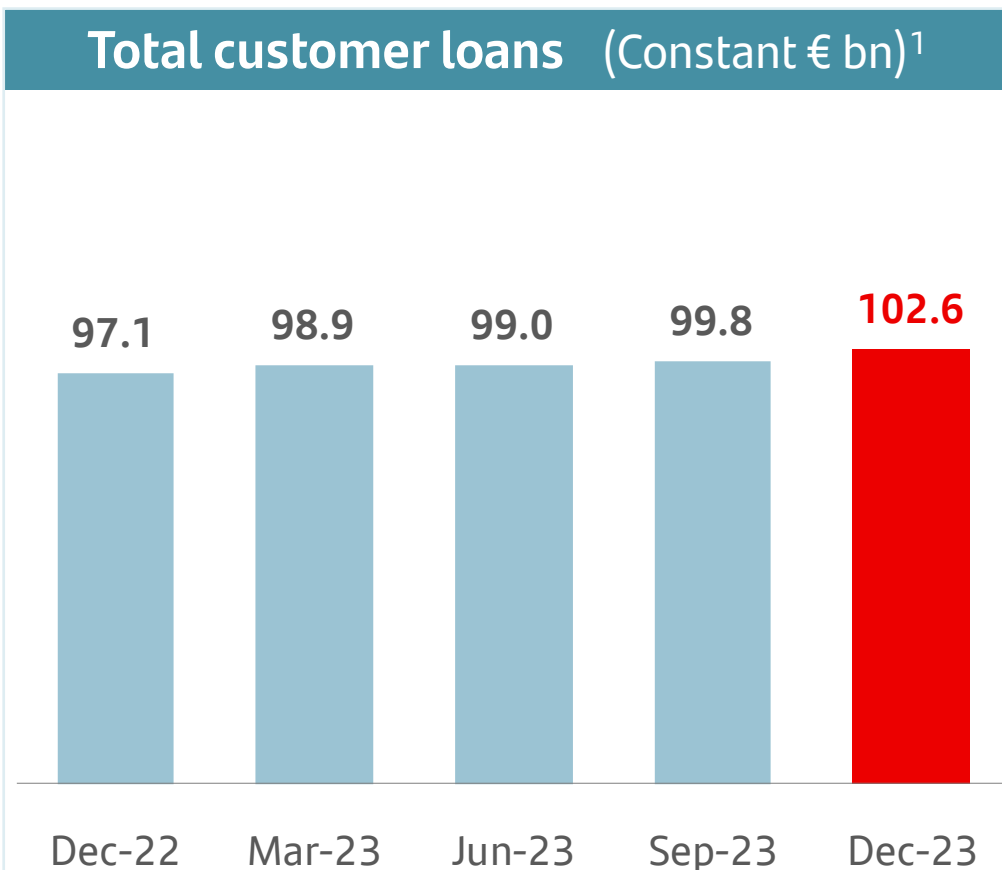
## Payments | Cards

**Credit turnover of BRL 238 bn<sup>2</sup>**

**+45% cards issued** in Q4'23<sup>3</sup>

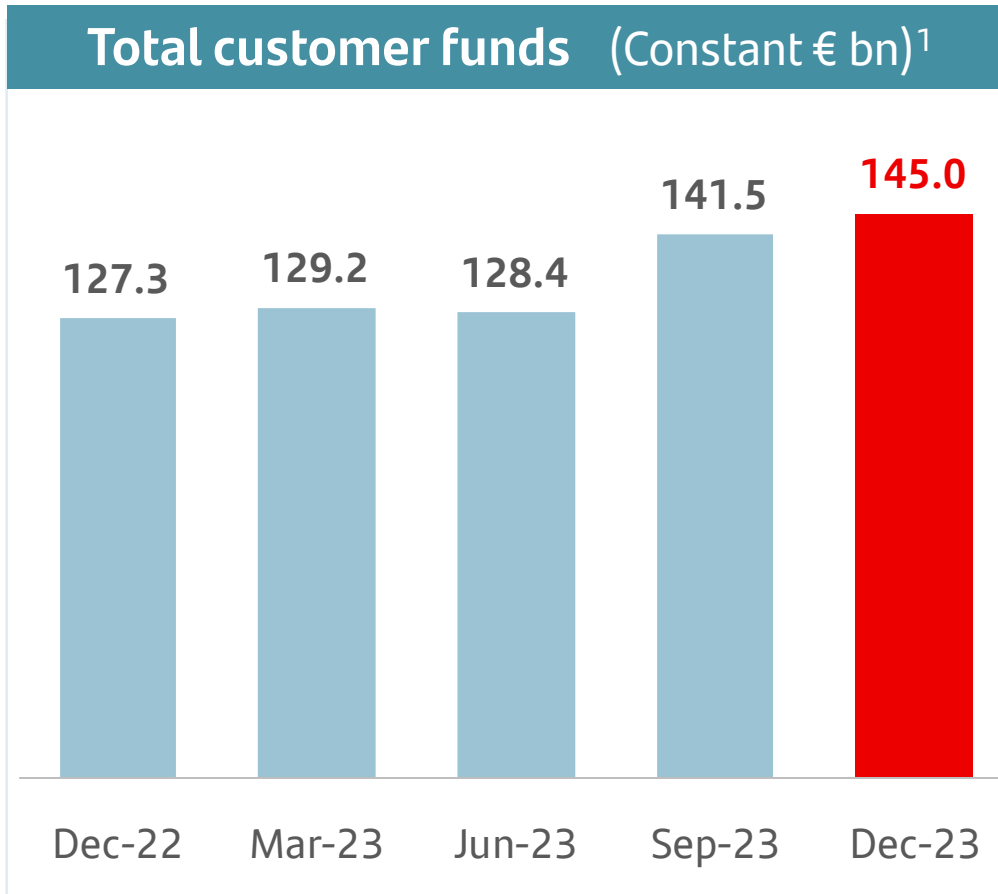
**+14% in average spending<sup>3</sup>**

# Loans rose 6% YoY mainly due to SMEs, Corporates and Individuals



	Dec-23	Dec-22	YoY (%)	QoQ (%)
<b>Individuals<sup>2</sup></b>	<b>44.6</b>	<b>42.3</b>	<b>5.5</b>	<b>2.6</b>
o/w Mortgages	11.7	11.0	6.3	1.8
o/w Consumer Credit	15.4	14.3	7.6	1.4
o/w Cards	8.1	7.5	8.6	8.8
<b>Consumer Finance</b>	<b>11.4</b>	<b>11.1</b>	<b>2.2</b>	<b>5.2</b>
<b>SMEs</b>	<b>11.2</b>	<b>10.4</b>	<b>8.1</b>	<b>3.9</b>
<b>Corporates &amp; Institutions<sup>3</sup></b>	<b>35.4</b>	<b>33.3</b>	<b>6.2</b>	<b>2.0</b>
<b>Total customer loans</b>	<b>102.6</b>	<b>97.1</b>	<b>5.7</b>	<b>2.8</b>

# Total customer funds grew 14% YoY, driven mainly by time deposits and mutual funds



	Dec-23	Dec-22	YoY (%)	QoQ (%)
Demand	17.6	17.2	2.1	-3.4
Time	72.7	62.6	16.2	3.9
<b>Total deposits</b>	<b>90.3</b>	<b>79.8</b>	<b>13.2</b>	<b>2.4</b>
Mutual Funds	54.7	47.5	15.2	2.8
<b>Total customer funds</b>	<b>145.0</b>	<b>127.3</b>	<b>13.9</b>	<b>2.5</b>
<i>Letras</i> <sup>2</sup>	24.5	20.0	22.8	7.2
<b>Customer funds + <i>Letras</i></b>	<b>169.5</b>	<b>147.3</b>	<b>15.1</b>	<b>3.2</b>



Financial system



Strategy and business



**Results**



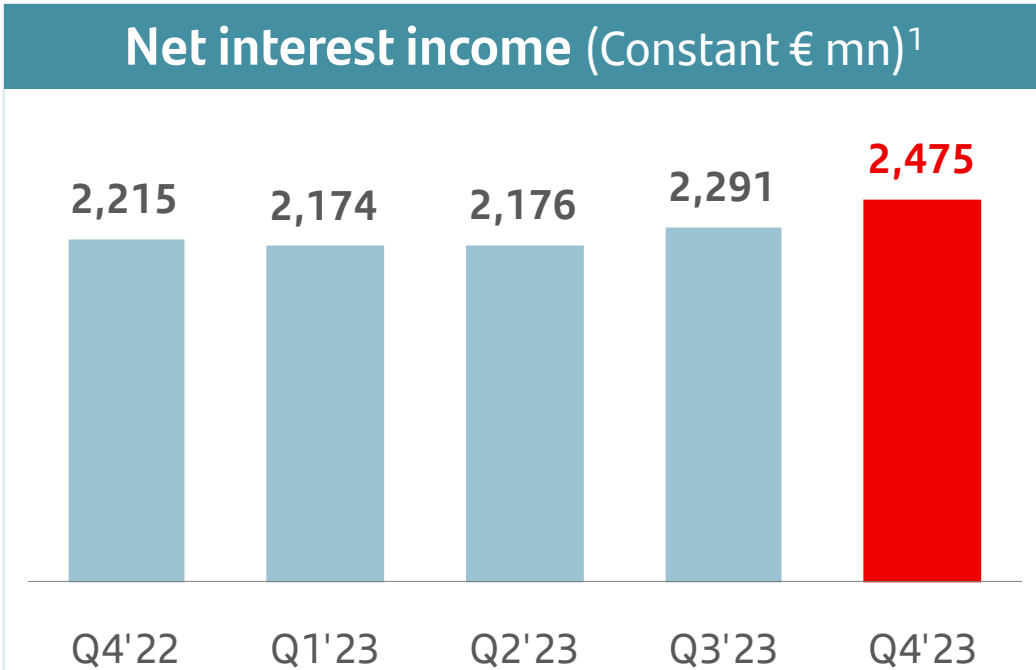
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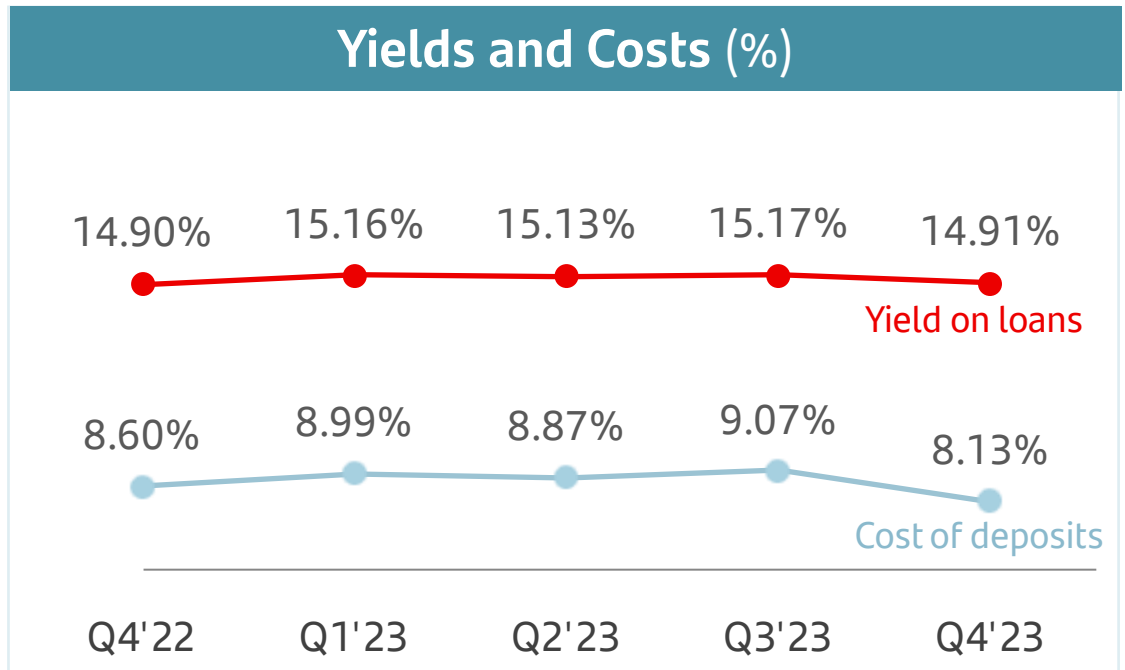
Appendix



NII increased YoY despite the impact from negative sensitivity to interest rate rises in H1'23. QoQ, it rose 8% driven by higher volumes and lower interest rates

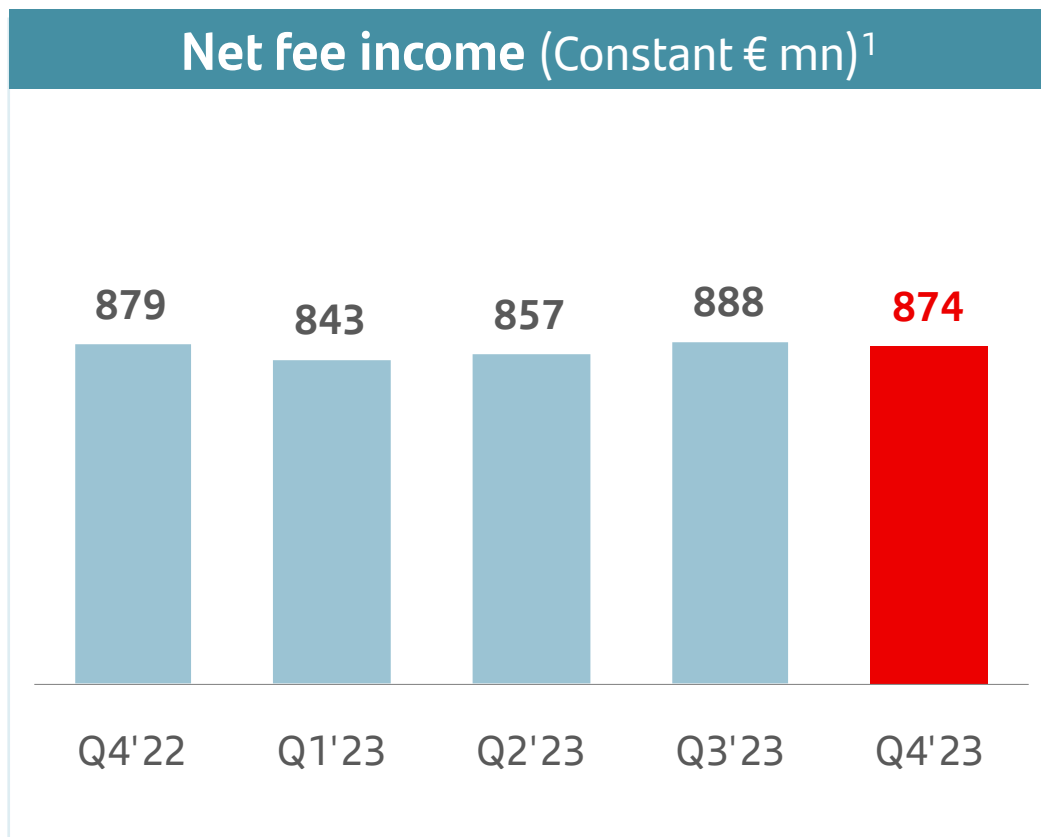


NII / Average total earning assets				
5.16%	4.97%	4.81%	4.85%	5.07%
Official interest rate <sup>2</sup>				
13.75%	13.75%	13.75%	13.38%	12.33%



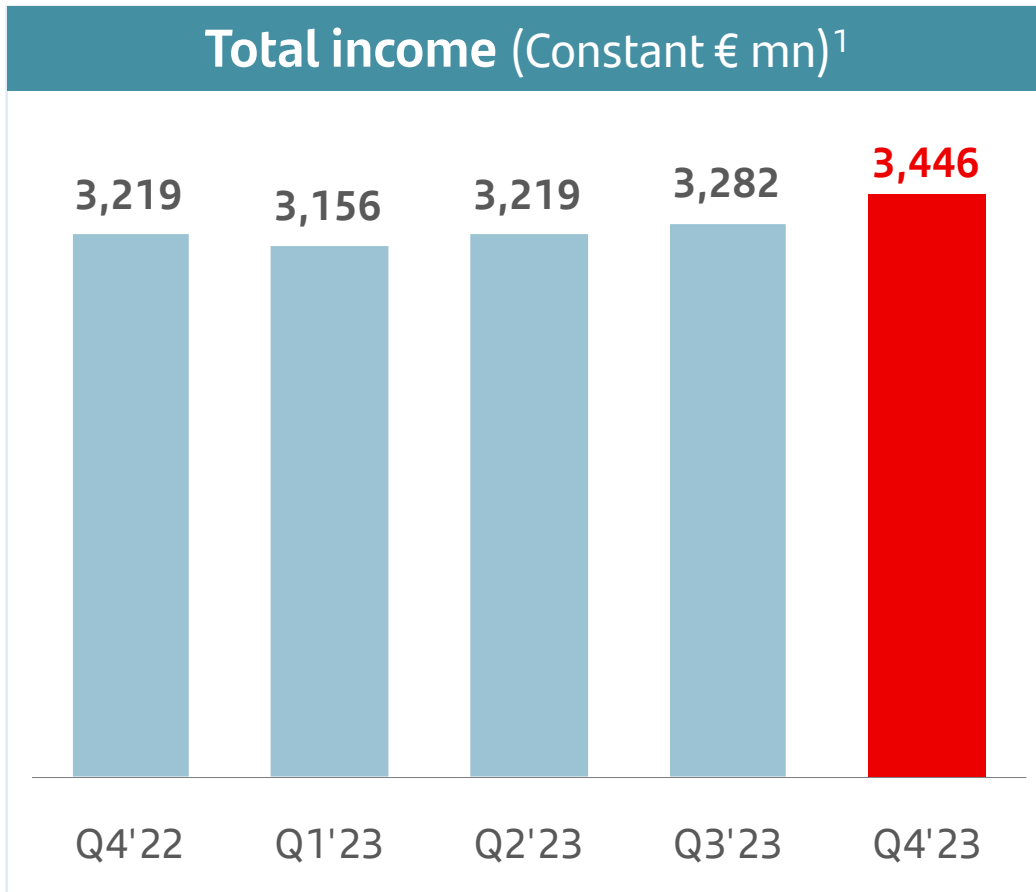
Differential				
6.3pp	6.2pp	6.3pp	6.1pp	6.8pp

# Net fee income rose 5% YoY underpinned by transactional fees



	2023	2022	YoY (%)	QoQ (%)
<b>Transactional fees</b>	<b>2,408</b>	<b>1,799</b>	<b>33.8</b>	<b>-12.8</b>
o/w Payment methods	1,043	751	38.8	-21.1
o/w Foreign exchange currencies	366	291	25.7	201.7
o/w Account admin + Packs plans	535	581	-7.8	-19.6
<b>Insurance</b>	<b>777</b>	<b>809</b>	<b>-3.9</b>	<b>0.6</b>
<b>Investment and pension funds</b>	<b>176</b>	<b>175</b>	<b>0.8</b>	<b>-5.5</b>
<b>Securities and custody services</b>	<b>117</b>	<b>106</b>	<b>10.2</b>	<b>94.5</b>
<b>Other</b>	<b>(31)</b>	<b>421</b>	<b>-</b>	<b>-44.5</b>
<b>Total net fee income</b>	<b>3,462</b>	<b>3,310</b>	<b>4.6</b>	<b>-1.5</b>

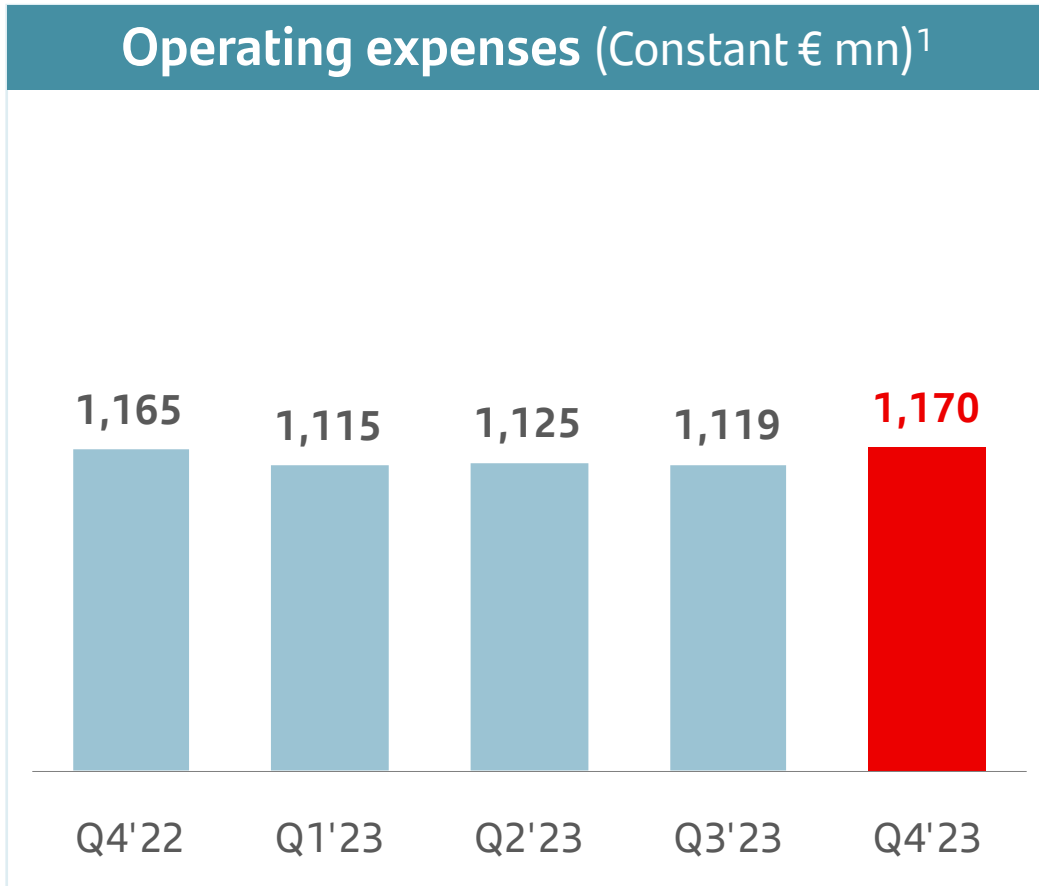
Total income rose 1% YoY due to the good performance in net fee income and recovery in NII, which offset lower gains on financial transactions. +5% QoQ driven by NII



	2023	2022	YoY (%)	QoQ (%)
Net interest income	9,116	8,940	2.0	8.0
Net fee income	3,462	3,310	4.6	-1.5
<b>Customer revenue</b>	<b>12,578</b>	<b>12,250</b>	<b>2.7</b>	<b>5.4</b>
Other <sup>2</sup>	526	717	-26.6	-7.0
<b>Total income</b>	<b>13,104</b>	<b>12,967</b>	<b>1.1</b>	<b>5.0</b>



Costs grew 8% YoY (+3% in real terms) and +4% QoQ impacted by salary agreements, business growth and investments in technology

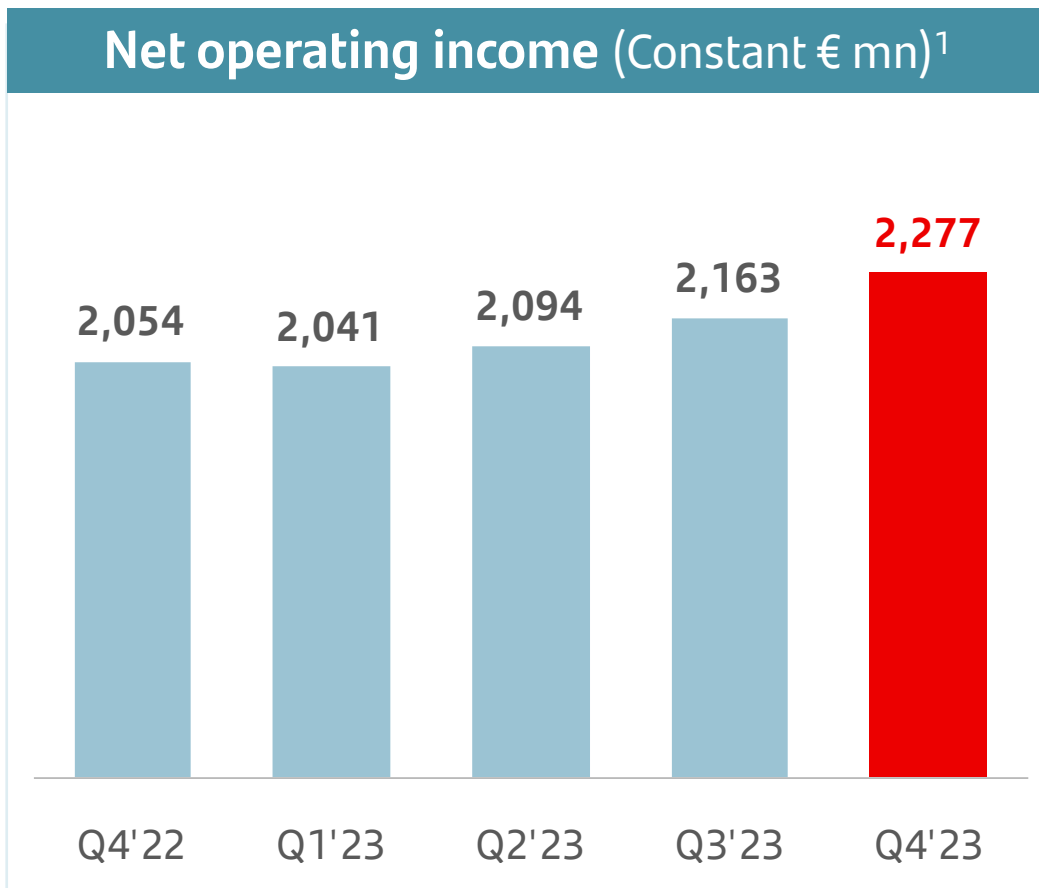


	2023	2022	YoY (%)	QoQ (%)
<b>Operating Expenses</b>	<b>4,529</b>	<b>4,198</b>	<b>7.9</b>	<b>4.5</b>

Branches (#)	2,580	2,847	-9.4	-3.1
Employees (#)	57,775	55,993	3.2	0.1



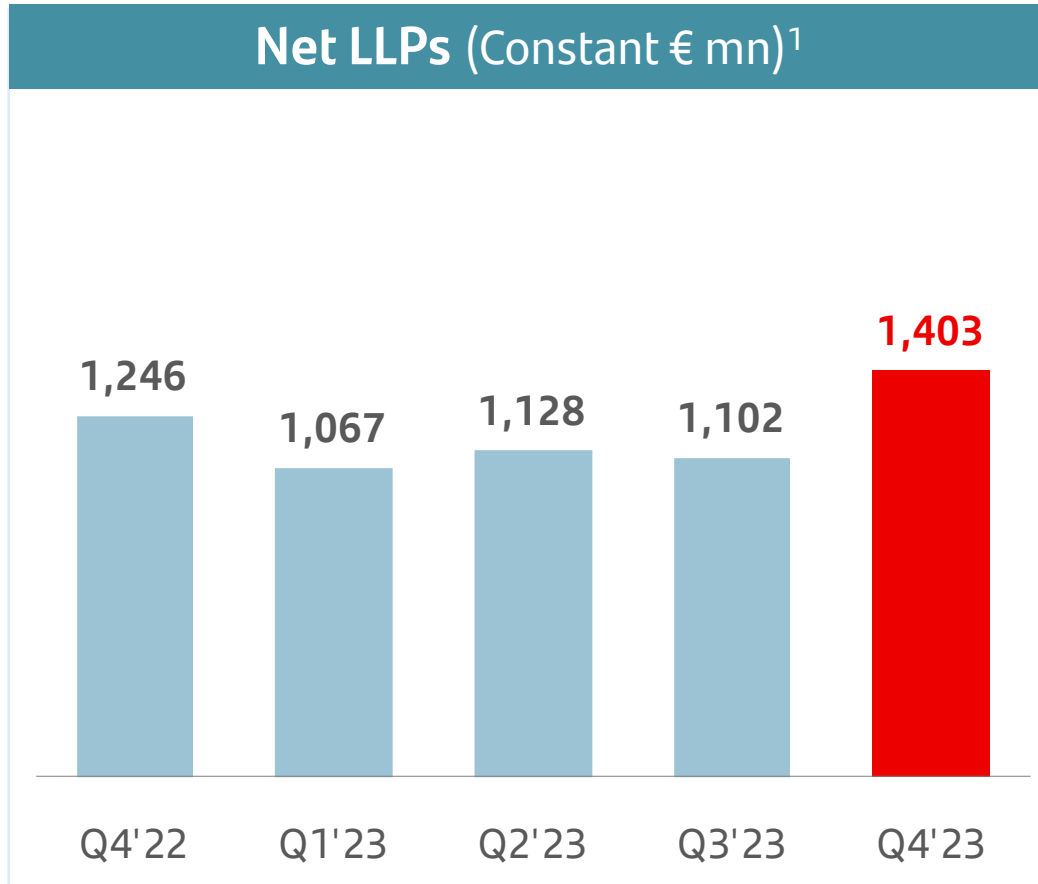
Net operating income decreased YoY impacted by higher costs. QoQ, it grew 5% due to the good NII performance



	2023	2022	YoY (%)	QoQ (%)
Total income	13,104	12,967	1.1	5.0
Operating Expenses	(4,529)	(4,198)	7.9	4.5
<b>Net operating income</b>	<b>8,574</b>	<b>8,768</b>	<b>-2.2</b>	<b>5.2</b>
Efficiency ratio	34.6%	32.4%	2.2pp	



LLPs rose 6% YoY, in line with loan growth. In the quarter, provisions were impacted by one-offs in the CIB portfolio. The NPL ratio improved YoY and QoQ

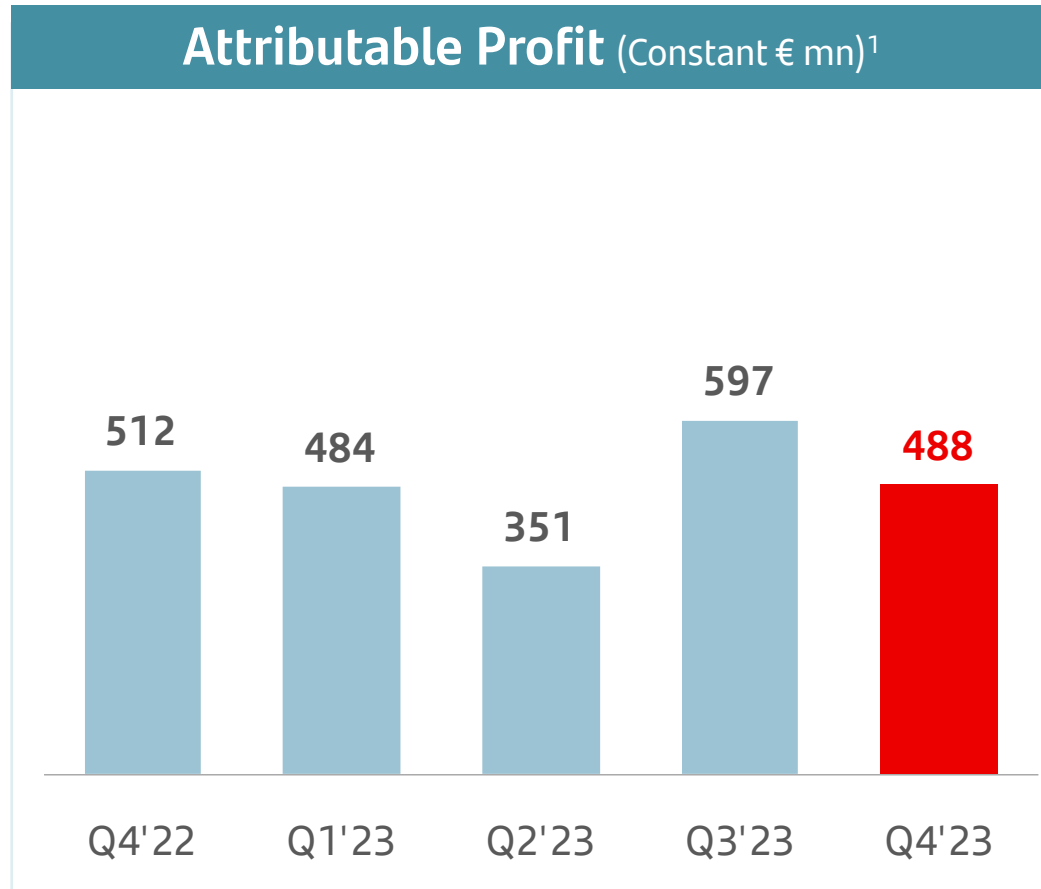


	2023	2022	YoY (%)	QoQ (%)
Net operating income	8,574	8,768	-2.2	5.2
Loan-loss provisions	(4,701)	(4,436)	6.0	27.3
<b>Net operating income after provisions</b>	<b>3,874</b>	<b>4,332</b>	<b>-10.6</b>	<b>-17.7</b>

Cost of risk <sup>2</sup>	4.77%	4.79%	-2bps	10bps
NPL ratio	6.56%	7.57%	-100bps	-15bps
Coverage ratio	85%	80%	5.2pp	1.8pp



# Attributable profit declined YoY and QoQ mainly impacted by higher costs and LLPs, partially offset by customer revenue growth



	2023	2022	YoY (%)	QoQ (%)
PBT	2,911	4,072	-28.5	-24.3
Tax on profit	(776)	(1,238)	-37.3	-45.6
<b>Consolidated profit</b>	<b>2,135</b>	<b>2,835</b>	<b>-24.7</b>	<b>-18.2</b>
Minority interests	(215)	(279)	-23.2	-17.6
<b>Attributable profit</b>	<b>1,921</b>	<b>2,555</b>	<b>-24.8</b>	<b>-18.2</b>
Effective tax rate	26.7%	30.4%	-3.7pp	

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# Our culture is based on productivity and cost management. Continuous improvement in customer experience bringing a positive revenue trend



## Financial System

- ▶ Total loans increased 7% YoY, with state-owned banks still outperforming their privately-owned counterparts
- ▶ Loans continued to grow, increasing 9% YoY in individuals and 7% in SMEs
- ▶ Total customer funds rose 10% YoY, largely driven by higher volumes of deposits



## Strategy & Business

- ▶ Continuous focus on our customers and our business diversification, through the development of our growth levers
- ▶ Loans rose 6% YoY mainly due to SMEs, Corporates and Individuals
- ▶ Total customer funds grew 14% YoY, driven mainly by time deposits and mutual funds



## Results

- ▶ Total income rose 1% YoY due to the good performance in net fee income and recovery in NII, which offset lower gains on financial transactions
- ▶ Costs grew 8% YoY (+3% in real terms) impacted by salary agreements, business growth and investments in technology
- ▶ LLPs rose 6% YoY, in line with loan growth. In the quarter, provisions were impacted by one-offs in the CIB portfolio
- ▶ Attributable profit dropped YoY mainly impacted by higher costs and LLPs, partially offset by customer revenue growth



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# Balance sheet



Constant € million <sup>1</sup>	Variation			
	Dec-23	Dec-22	Amount	%
Loans and advances to customers	96,399	90,783	5,616	6.2
Cash, central banks and credit institutions	53,618	43,029	10,589	24.6
Debt instruments	47,325	39,374	7,951	20.2
Other financial assets	8,161	5,984	2,177	36.4
Other asset accounts	14,590	14,783	(193)	(1.3)
<b>Total assets</b>	<b>220,093</b>	<b>193,952</b>	<b>26,140</b>	<b>13.5</b>
Customer deposits	110,162	94,737	15,425	16.3
Central banks and credit institutions	28,333	24,725	3,608	14.6
Marketable debt securities	27,976	25,272	2,704	10.7
Other financial liabilities	28,625	27,086	1,539	5.7
Other liabilities accounts	7,938	5,768	2,170	37.6
<b>Total liabilities</b>	<b>203,035</b>	<b>177,588</b>	<b>25,447</b>	<b>14.3</b>
<b>Total equity</b>	<b>17,058</b>	<b>16,364</b>	<b>693</b>	<b>4.2</b>
<b>Other managed customer funds</b>	<b>62,156</b>	<b>53,762</b>	<b>8,394</b>	<b>15.6</b>
Mutual funds	54,747	47,543	7,204	15.2
Pension funds	(0)	0	(0)	—
Managed portfolios	7,409	6,218	1,190	19.1

# Underlying income statement



Constant € million <sup>1</sup>	Variation			
	2023	2022	Amount	%
Net interest income	9,116	8,940	176	2.0
Net fee income	3,462	3,310	152	4.6
Gains (losses) on financial transactions	483	740	(257)	(34.7)
Other operating income	43	(23)	66	—
<b>Total income</b>	<b>13,104</b>	<b>12,967</b>	<b>137</b>	<b>1.1</b>
Operating expenses	(4,529)	(4,198)	(331)	7.9
<b>Net operating income</b>	<b>8,574</b>	<b>8,768</b>	<b>(194)</b>	<b>(2.2)</b>
Net loan-loss provisions	(4,701)	(4,436)	(265)	6.0
Other gains (losses) and provisions	(963)	(260)	(703)	270.4
<b>Profit before tax</b>	<b>2,911</b>	<b>4,072</b>	<b>(1,161)</b>	<b>(28.5)</b>
Tax on profit	(776)	(1,238)	462	(37.3)
<b>Profit from continuing operations</b>	<b>2,135</b>	<b>2,835</b>	<b>(699)</b>	<b>(24.7)</b>
Net profit from discontinued operations	—	—	—	—
<b>Consolidated profit</b>	<b>2,135</b>	<b>2,835</b>	<b>(699)</b>	<b>(24.7)</b>
Non-controlling interests	(215)	(279)	65	(23.2)
<b>Profit attributable to the parent</b>	<b>1,921</b>	<b>2,555</b>	<b>(635)</b>	<b>(24.8)</b>



# Quarterly underlying income statement



Constant € million<sup>1</sup>

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Net interest income	2,321	2,207	2,197	2,215	2,174	2,176	2,291	2,475
Net fee income	805	834	792	879	843	857	888	874
Gains (losses) on financial transactions	98	246	212	184	131	170	119	63
Other operating income	47	(10)	(1)	(59)	9	16	(15)	33
<b>Total income</b>	<b>3,270</b>	<b>3,277</b>	<b>3,200</b>	<b>3,219</b>	<b>3,156</b>	<b>3,219</b>	<b>3,282</b>	<b>3,446</b>
Operating expenses	(1,007)	(991)	(1,035)	(1,165)	(1,115)	(1,125)	(1,119)	(1,170)
<b>Net operating income</b>	<b>2,263</b>	<b>2,285</b>	<b>2,165</b>	<b>2,054</b>	<b>2,041</b>	<b>2,094</b>	<b>2,163</b>	<b>2,277</b>
Net loan-loss provisions	(923)	(1,141)	(1,127)	(1,246)	(1,067)	(1,128)	(1,102)	(1,403)
Other gains (losses) and provisions	(123)	(37)	(20)	(79)	(184)	(324)	(219)	(236)
<b>Profit before tax</b>	<b>1,217</b>	<b>1,107</b>	<b>1,018</b>	<b>730</b>	<b>790</b>	<b>641</b>	<b>842</b>	<b>638</b>
Tax on profit	(458)	(310)	(299)	(170)	(257)	(231)	(187)	(101)
<b>Profit from continuing operations</b>	<b>759</b>	<b>797</b>	<b>720</b>	<b>559</b>	<b>533</b>	<b>410</b>	<b>656</b>	<b>536</b>
Net profit from discontinued operations	—	—	—	—	—	—	—	—
<b>Consolidated profit</b>	<b>759</b>	<b>797</b>	<b>720</b>	<b>559</b>	<b>533</b>	<b>410</b>	<b>656</b>	<b>536</b>
Non-controlling interests	(79)	(79)	(74)	(47)	(49)	(59)	(58)	(48)
<b>Profit attributable to the parent</b>	<b>680</b>	<b>718</b>	<b>645</b>	<b>512</b>	<b>484</b>	<b>351</b>	<b>597</b>	<b>488</b>

# 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**

