

# Institutional Presentation



2<sup>nd</sup> QUARTER OF 2023  
(BR GAAP)

Results  
Presentation  
2Q23



Earnings  
Release  
2Q23



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# CEO Message



Mario Leão



We started to experience the positive effects of the increased lending selectivity implemented since the end of 4Q21. We noted improvements in the allowance for loan losses and in the short-term NPL ratio this quarter, evidencing the quality of the new vintages, which allows for a bias towards improving cost of credit over 2023 and enhances our ability to resume growth. We continue to make progress in building our growth pillars:

- (i) We are a **digital Bank with Branches**, and by strengthening our multichannel capabilities, we aim to serve our customers when, where and how they desire, providing them with a straightforward and comprehensive offering. Thus, through data intelligence, we can gain even deeper insights into our customers, understanding their life cycle, and striving for their principality.
- (ii) **Customer base monetization** drives franchise growth. We have a customer-oriented strategy, constantly seeking to deliver the finest experience, journey, and satisfaction, enabling us to increase customer acquisition and loyalty. All of this is accompanied by a strong commitment to the quality of our services, which translates into satisfaction, as we continue to evolve our NPS across our sales channels.
- (iii) **Business and revenue growth** through a comprehensive ecosystem, with substantial cross-selling opportunities, maximizing value via customer acquisition and profitability, in addition to monetizing equity stakes. As drivers of our growth, we underscore: (1) Investments for individuals with Toro, highlighted by the full acquisition of the company, AAA and Private; (2) In Companies, we remain committed to building the benchmark platform for business; (3) In Agribusiness, we operate throughout the value chain; (4) In cards, broadening our presence in the country's cultural domain; (5) In Consumer Finance, we remain market leaders in auto loans to individuals, with a focus on the quality of new lending. (6) In payroll loans, we maintained a strong origination pace, higher than the market.
- (iv) Through **Innovation and Technology**, we continued to leverage our business using a technological culture. We made strides with F1RST, with a culture aligned with our ambition, and we launched Tools Digital Services, aiming to expand our offering to the market in 2024. We also continued to demonstrate delivery speed while incorporating data intelligence as one of the pillars of our business.

**All our accomplishments are supported by our people through a unique and horizontal culture founded on empowerment, protagonism, and diversity, creating a company where "everyone is all business" by thinking as both customer and salesperson, while taking responsibility for the customer experience.**



# Key aspects of the Brazilian market



## FX (BRL/USD)

Relatively stable despite the uncertainties



## Inflation (% p.a.)

Slow convergence to the midpoint of the target range



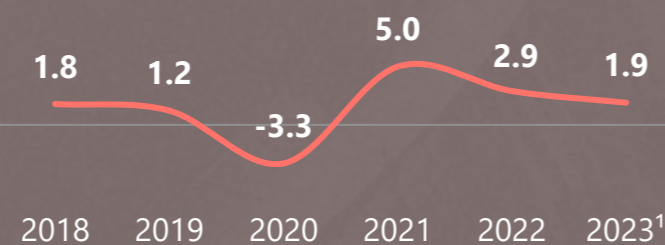
## Selic Rate (% p.a.)

Gradual cuts to deal with inflationary resilience

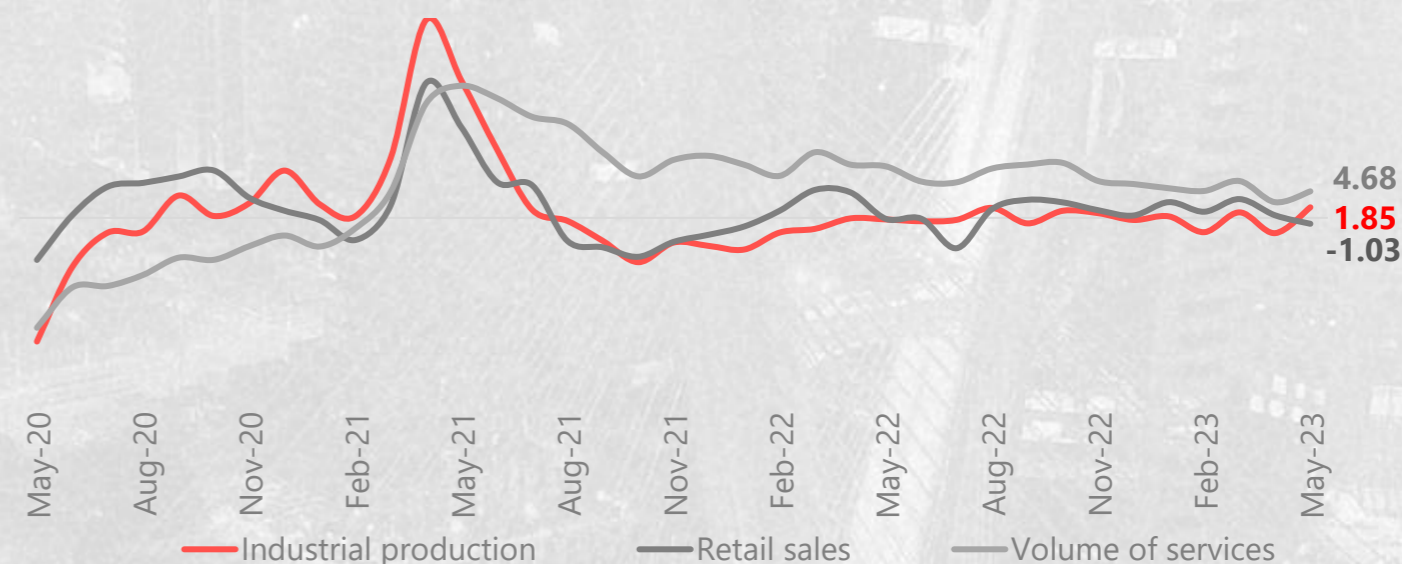


## GDP (% p.a.)

Economy at a moderate pace ahead



## Economic activity performance (%)



## Social indicator

# 8.0%

Unemployment Rate  
Jun-23

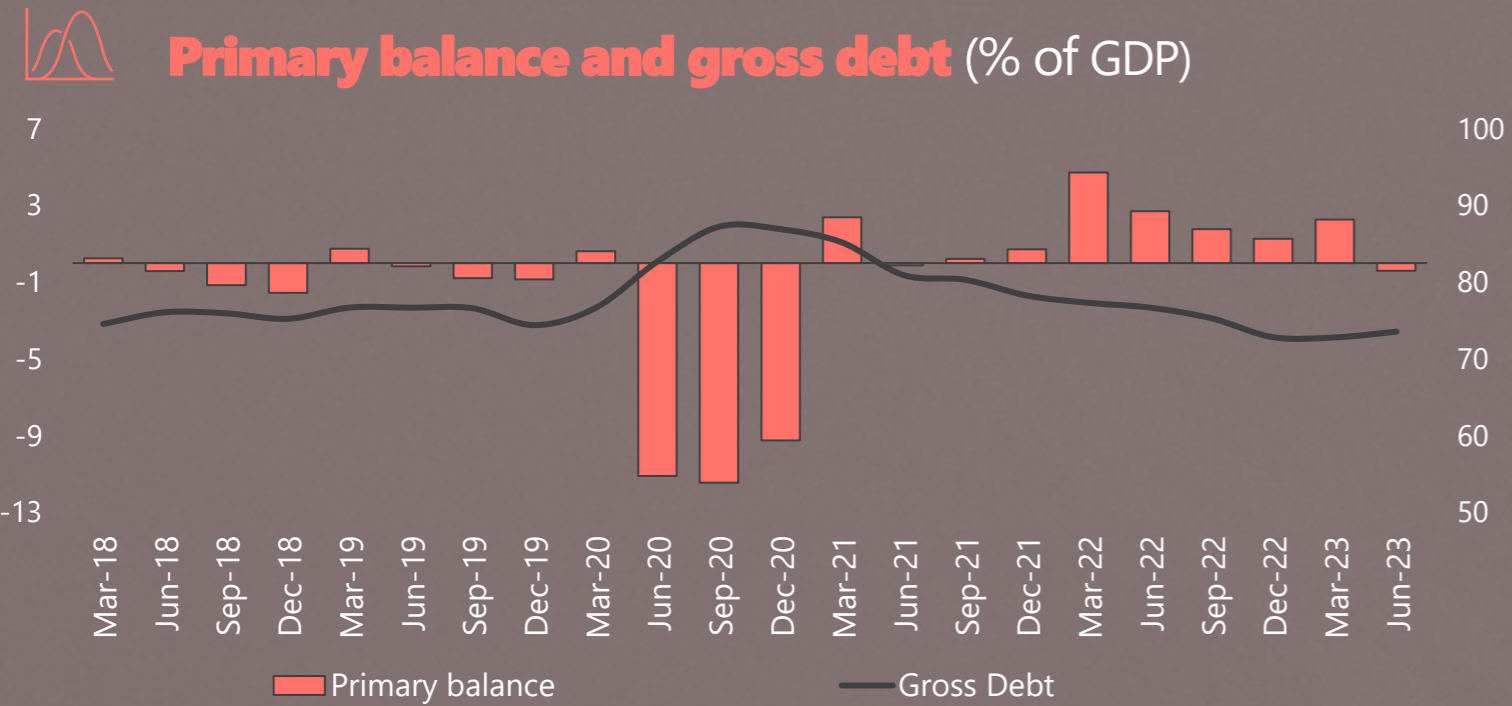
-0.8 p.p.  
Jun-23 vs. Mar-23

-1.3 p.p.  
Jun-23 vs. Jun-22

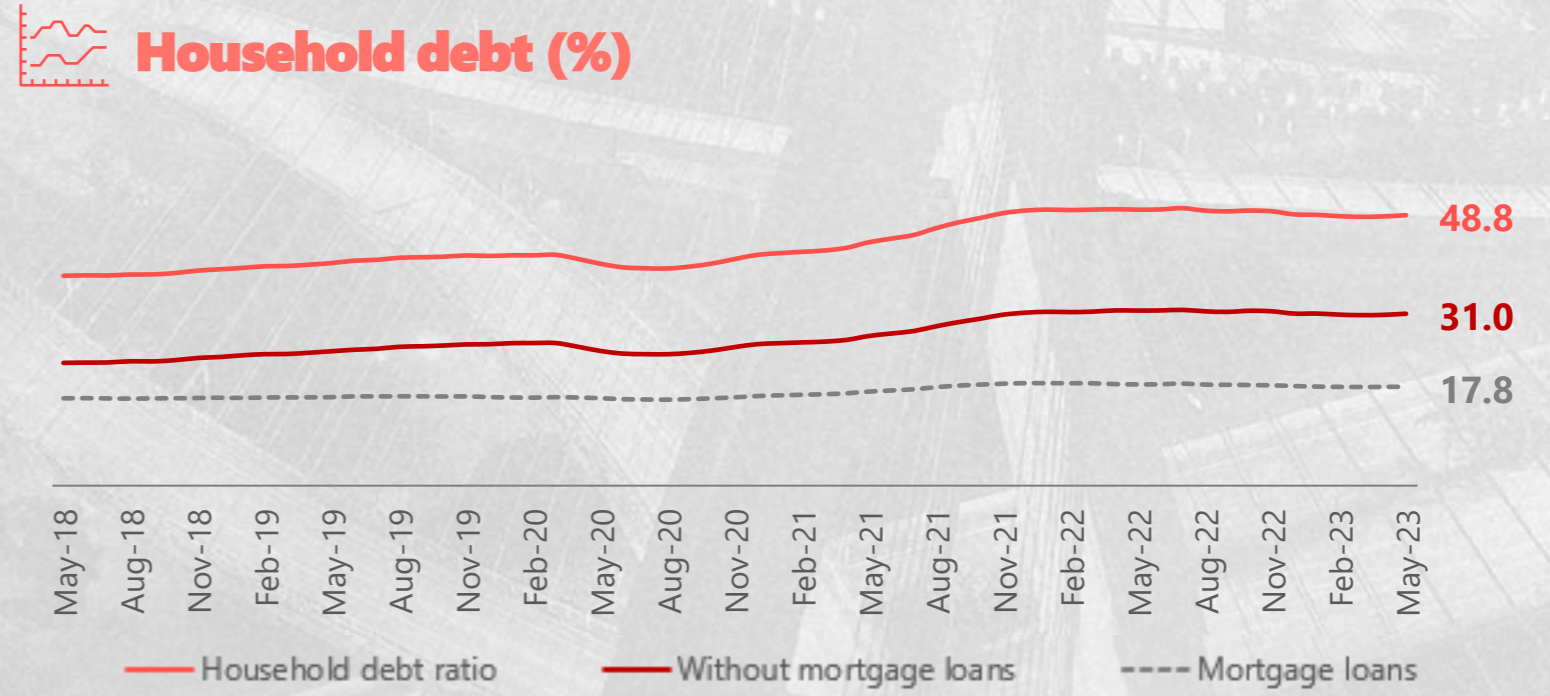
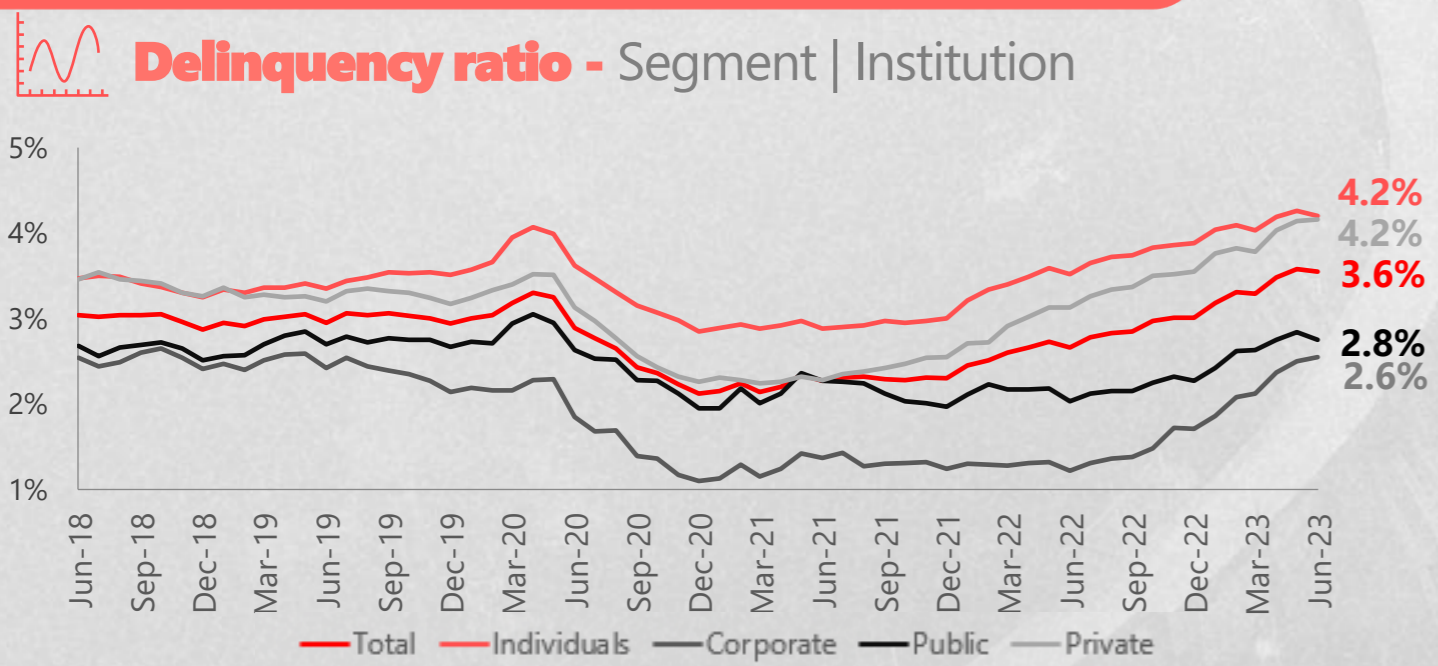


# Key aspects of the Brazilian market

## Characteristics of the Brazilian market



## Brazilian financial system profile



### Funding Instruments

Type of Deposits Allocation	Current Rate	Mandatory Allocation	Current Remuneration (maximum rates)
<b>Demand Deposit</b>			
Reserve Requirement	21%	Cash deposit in Bacen	-
Reserve Requirement - Additional	0%	-	-
Rural Loan	31.5%	Allocate 31.5% for Rural Loan	12% p.a.
Microcredit	2%	Allocate 2% for microcredit	4% p.m.
<b>Free Funding</b>	<b>45.5%</b>		
<b>Savings Deposit</b>			
Real Estate Financing	65%	Allocate 65% for real estate financing	TR + 12% <sup>1</sup> p.a.
Reserve Requirement	20%	Cash deposit in Bacen	TR + 6.17% p.a. or 70% <sup>2</sup> of Selic
Reserve Requirement - Additional	-	Mandatory allocation was extinguished	-
<b>Free Funding</b>	<b>15%</b>		
<b>Time Deposit</b>			
Reserve Requirement	20%	Cash deposit in Bacen	Selic
Reserve Requirement - Additional	-	Mandatory allocation was extinguished	-
<b>Free Funding</b>	<b>80%</b>		

<sup>1</sup> It is applied to regulated interest rate. <sup>2</sup> If the Selic rate target is equal or less than 8.5%, remuneration will be TR+70% of the effective Selic Rate.



# Santander Brasil's

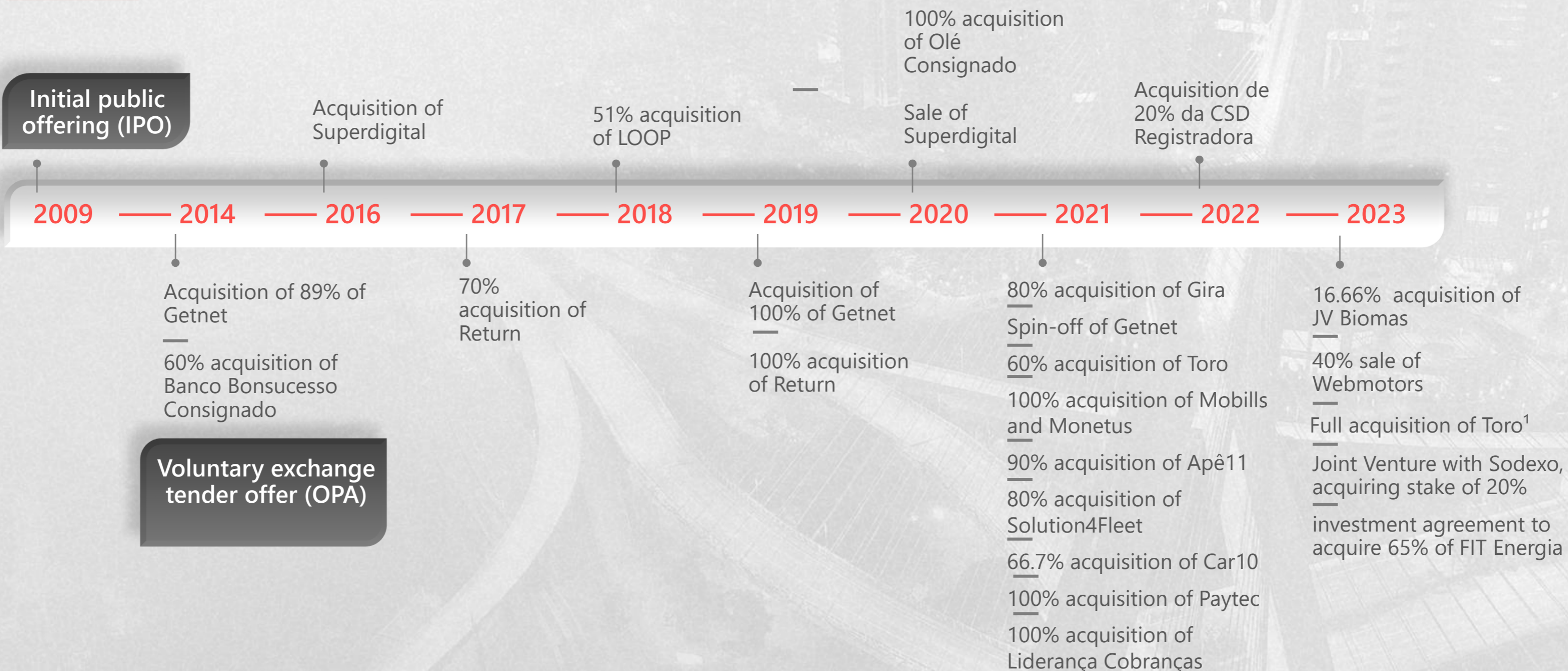
consolidated footprint in the Brazilian market

IPO and  
acquisitions

Efficiency and  
processes

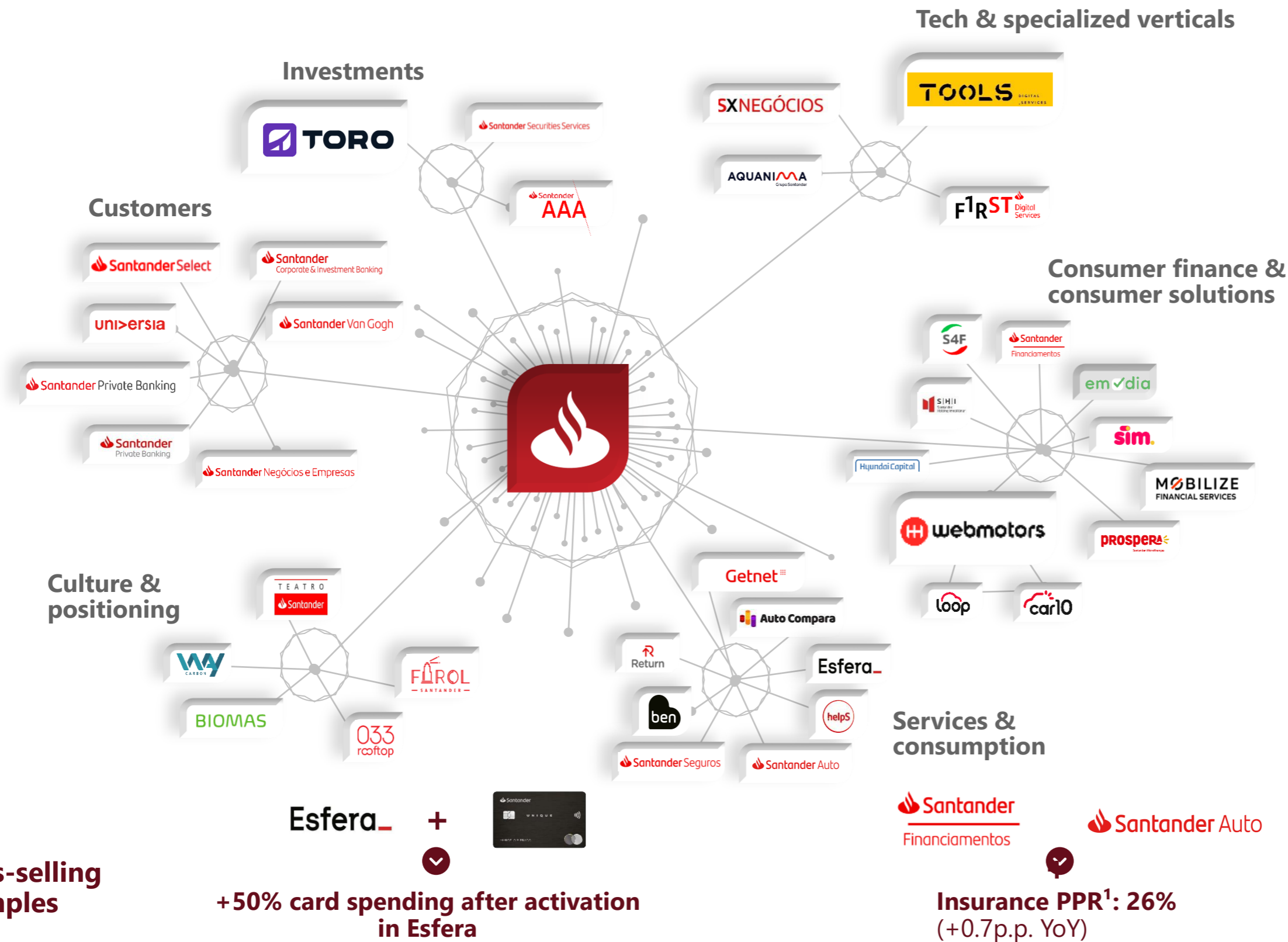
Commercial transformation and profitability

Initial public  
offering (IPO)



<sup>1</sup> Pending approval by regulatory authorities

# Clear opportunities of cross-selling and ecosystem monetization



**12**

Sectors of activity

Value extraction:

Customer acquisition and base profitability

Investment monetization

Quarter highlights:

Full acquisition of Toro

Sale of 40% equity stake in Webmotors, with a 42x P/E ratio and 59% IRR

Launch of Tools Digital Services with the objective to expand offerings to the market in 2024

# We continue to make progress in building our **growth pillars**



**Customer base monetization**, highlighted by the Select and Companies segments



**Expansion of strategic businesses**



**Innovation and technology** leveraging the business and increasing the productivity



# We are a digital Bank with branches

## Multichannel

Available where, how and when the customer desires



### The value of a digitized ecosystem

Qualified information flow through affiliates

32 million hits/month on Consumer Finance and Webmotors

10 million unique hits/month on Toro

10 million hits/month on Esfera, Sim, emdia and Return

4 million customers served/monthly via Virtual Assistant

**98%** of our loyal customers use two or more channels

## Principality

Products that fulfill all needs of our customers

### Data intelligence in the search for principality

We increased data usage by +15x in 2 years

87% of personalized offerings using Advanced Analytics

-60% in model development time (MLOps)

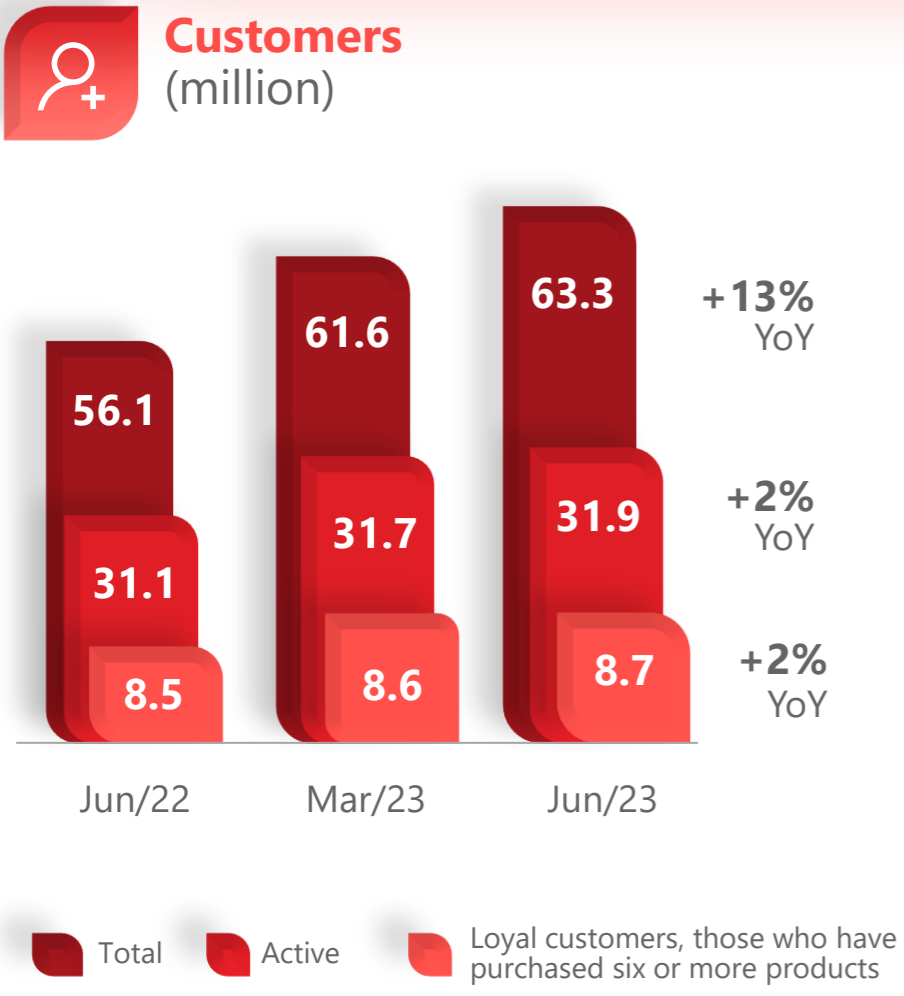
Hyper-personalization with 20 thousand niches

### Cognitive AI

Deep Learning in speech-to-text for improved renegotiation offerings

Scaled adoption of NLP<sup>1</sup> on the Virtual Assistant and Call Center

# Monetization through the recurrence and satisfaction of our customers



### Customer acquisition

**+3.5 million** customers attracted in 1H23

- 432 thousand** via Payroll
- 234 thousand** via Consumer Finance
- 237 thousand** via Universities
- 137 thousand** via Prospera

### NPS

Committed to **enhancing customer satisfaction**

**108 thousand** surveys sent daily to individuals

### Channels<sup>1</sup>

Physical	Digital	Remote
<b>71 points</b>	<b>65 points</b>	<b>60 points</b>
0 QoQ +10 YoY	0 QoQ +2 YoY	+5 QoQ +35 YoY

**Total Individuals 51 points**

-2 QoQ  
-4 YoY

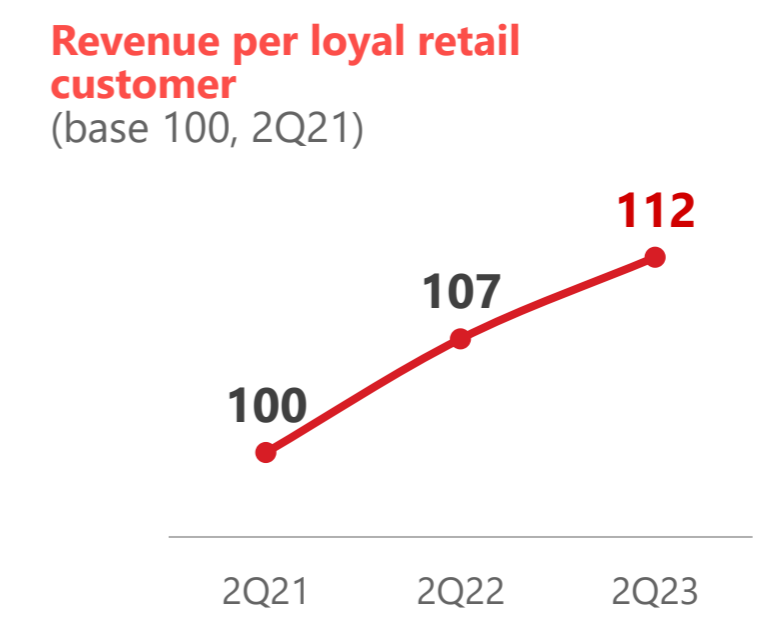
### Loyalty Strategies

- CRM/Hyper-personalization**
- Customized investment advice**
- Payroll**
- Comprehensive offering of products, partnerships and loyalty**

**69%** loyal customers from payroll

**Greater Recurrence** We hold **52%** of cards from loyal customers (+2 p.p. YoY)

**Loyal Customers** Access **+2x digital channels** than non-loyal customers





**Focus on the high-income segment as a growth lever**

**10 years of Select**



**Aim to be the prime platform for premium services in Brazil**

**Focus on providing:** tailored, readily available, efficient, and straightforward services

**Transactionality:** card offerings with unique products and benefits

**Financial advisory:** increase in the number of specialists

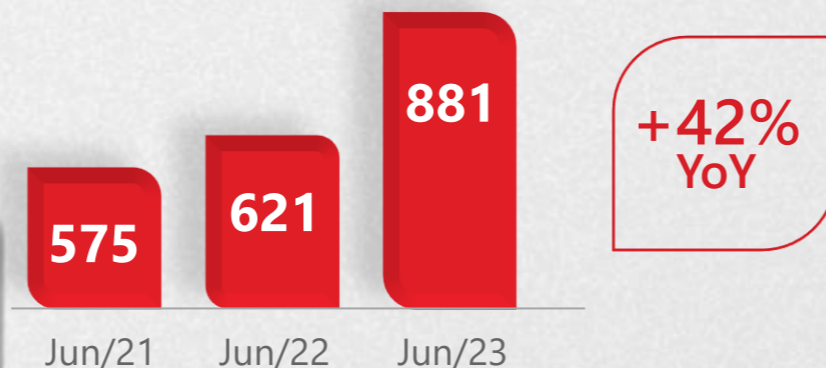
**Investment platform:** expansion of advisors and digitization



**Customers**

**881 thousand** overall customers with ambition of **1 million** in Dec/23

(thousand)



Share of loyal Select customers is **3x higher** than the percentage of retail individual customers

**NPS 63** points in 2Q23 (+0.5 point YoY)



**Portfolio**

Select represents **22%** of the individual loan portfolio (+5 p.p. in 2 years)

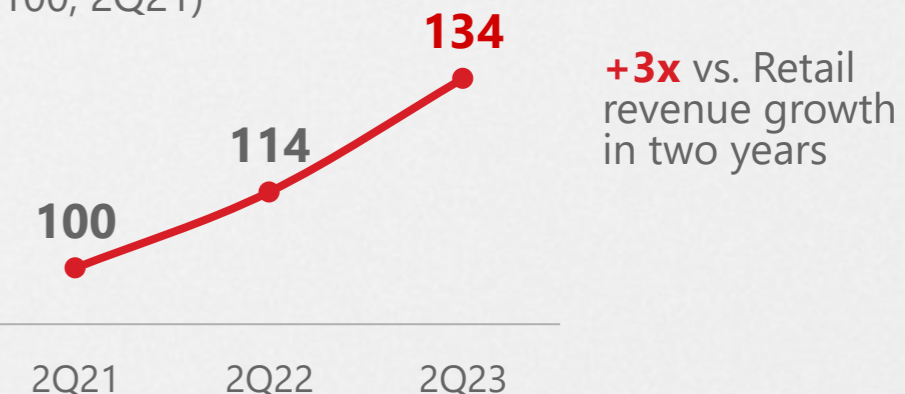
(R\$ billion)



**Investments**

Investment penetration rate in Select customers: **67%** in Jun/23

**Revenue per loyal customer**  
(base 100, 2Q21)



# Offer suited to each customer profile

Customer base monetization

Business expansion

Innovation and technology

## Individuals<sup>1</sup>

### Santander | Private banking

Investments above R\$ 5 million

### Santander | Select

Monthly income above R\$ 15,000 or R\$ 100,000 in investments

### Santander | Van Gogh

Monthly income from R\$ 7,000 to R\$ 15,000

### Santander | Especial

Monthly income below R\$ 7,000

## Corporate and SMEs

### SCIB

Global Customers List

### Corporate

Revenue above R\$ 200 million

### Empresas E3 Núcleo

Revenue from R\$ 30 million to R\$ 200 million

### Empresas E2 Polo

Revenue from R\$ 3 million to R\$ 30 million

### Empresas E1 Agência

Revenue from R\$ 130,000 to R\$ 3 million

### Empresas MEI

Up to R\$ 130,000 in revenue

Large Corporate

SMEs

Segmentation

<sup>1</sup> The ranges indicate the most suitable segment for each customer profile, although anyone (regardless of income) is able to join the Select or Van Gogh segments by purchasing their respective service packages



# Diversified **business model** and relevant **scale** across all segments

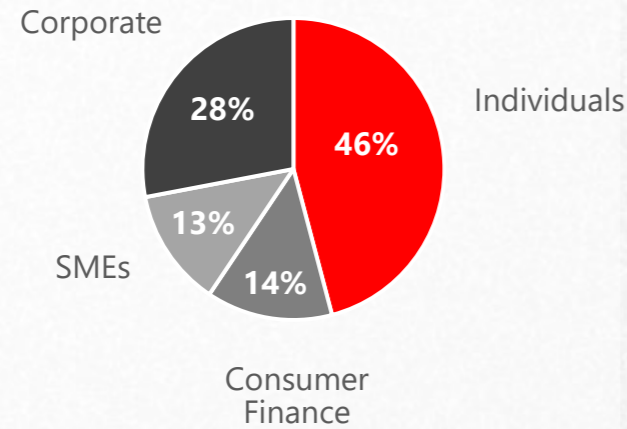
Customer base monetization

Business expansion

Innovation and technology

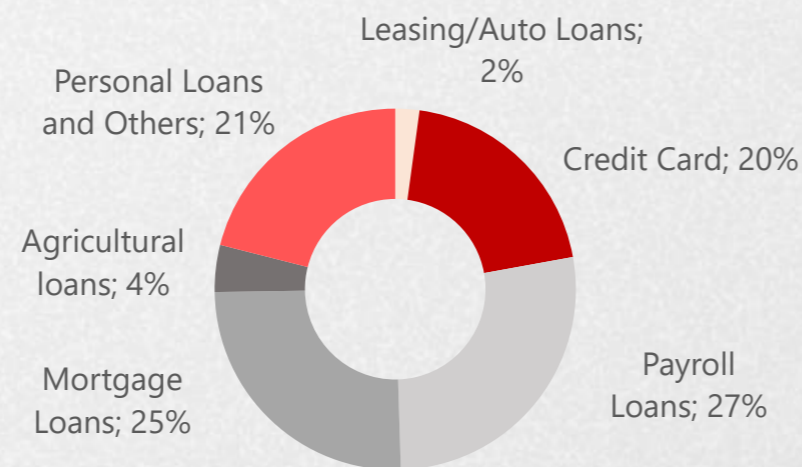
## Credit portfolio

**R\$ 499.3**  
Billion,  
of which



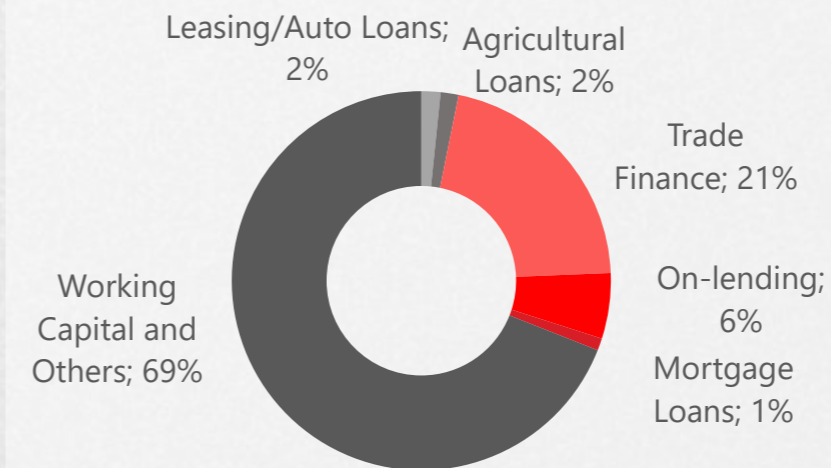
## Individuals

R\$ billion	Balance	QoQ
Payroll	62.7	+1.7%
Mortgage	57.8	+1.2%
Personal and Others	48.2	-2.2%
Credit Card	45.8	+0.2%
Agricultural	9.6	-6.1%
Leasing/Auto	4.9	+4.9%



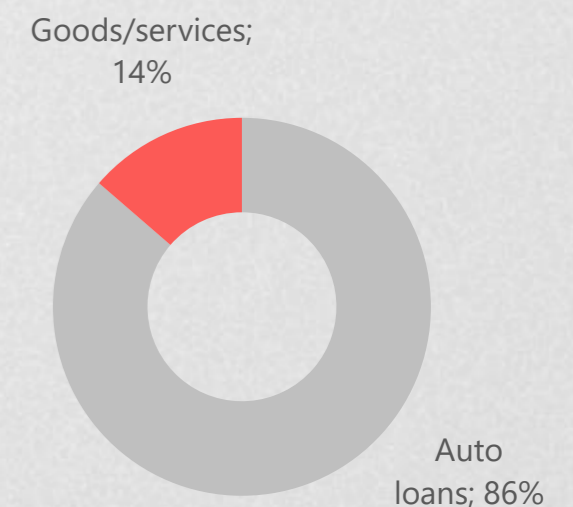
## Corporate and SMEs

R\$ billion	Balance	QoQ
Working Capital and Others	139.9	0.0%
Trade Finance	43.0	+1.3%
On-lending	11.3	-6.1%
Agricultural	3.1	-35.2%
Leasing/Auto	3.3	-1.4%
Mortgage	2.1	+7.8%



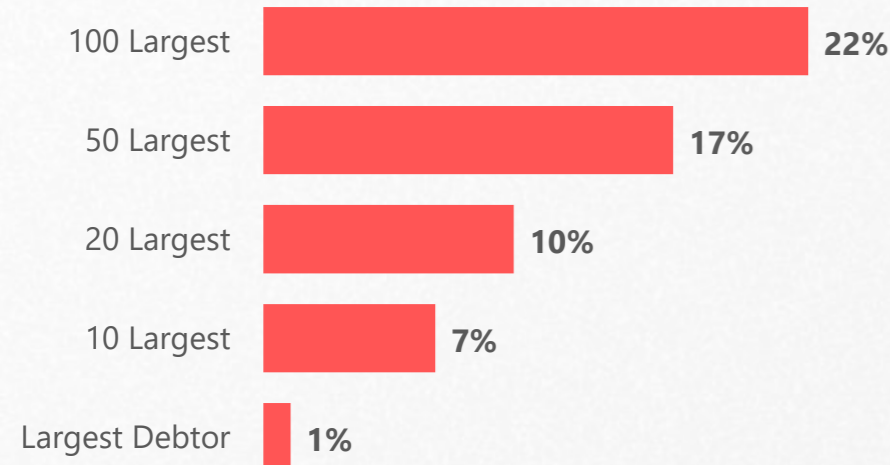
## Consumer Finance

R\$ billion	Balance	QoQ
Auto loans	58.3	+0.4%
Goods/services	9.2	+1.4%



## Loan concentration

Santander Brasil risk



# Individual Investments

Customer base monetization

Business expansion

Innovation and technology



## Expansion of the funding plan

Specialization and proximity

Advancements in digitalization

Leveraging technology to boost productivity

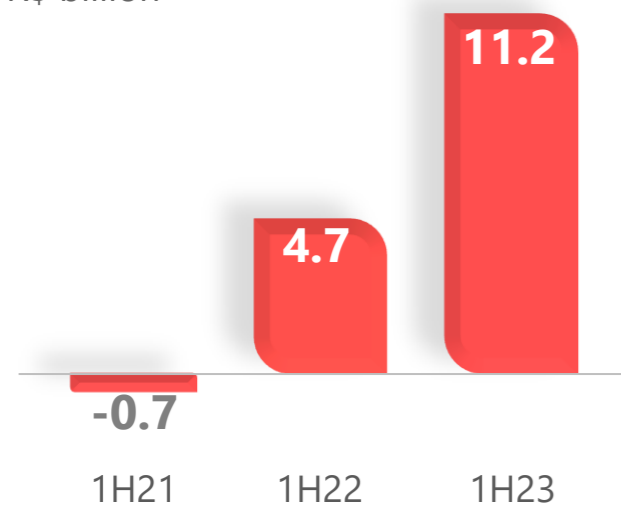
Comprehensive and targeted offering

## Retail investments

Revenue growth of +12% YoY

### Net inflow

R\$ billion



**1.3** million customers (+32% YoY)



**56%** of the base up to 35 years

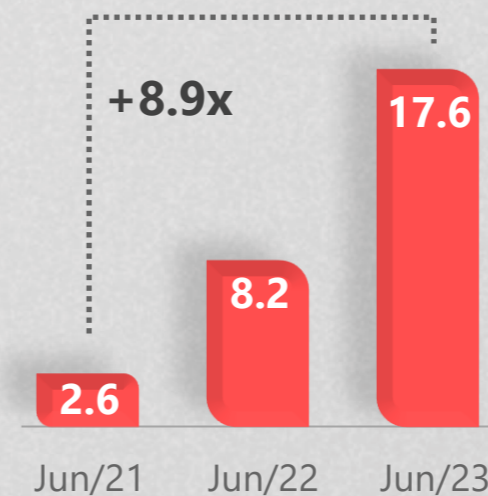
**+4.6x** revenues (1H23 vs. 1H21)

**4.6 ★** Apple Store

**4.7 ★** Google Play

## Exponential AuC

R\$ billion



## Full acquisition of Toro

### Operation synergies

Advisor management platform

Maximization of the offering

Education and engagement

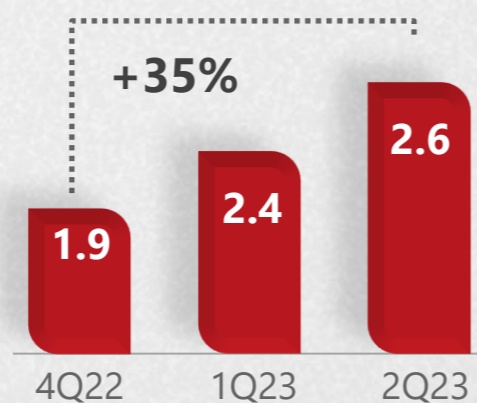
Improved experience



## Accelerated expansion plan

### Net inflow per advisor

R\$ million



Closer relationship maximizing customer satisfaction

**1.3 thousand advisors** in Jun/23  
**New commitment of 2,000** by 1Q24

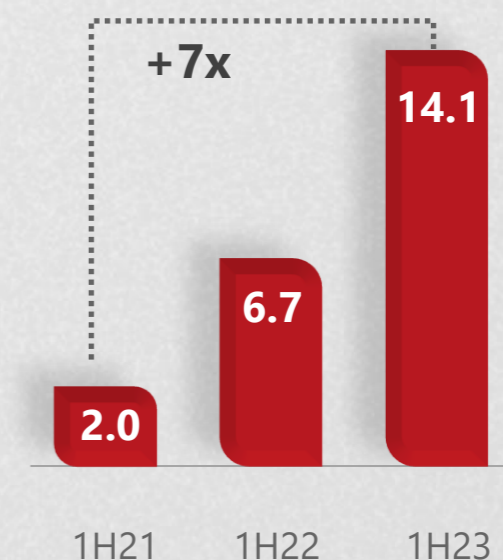
**Presence in 90 cities** in Jun/23 and **120** by 1Q24

**NPS 69** points



### Net Inflow

R\$ billion



Offshore inflow of **USD 1.0 billion** in 1H23

**+0.6 p.p.** market share vs. Dec/22

**NPS 85 points** (+5.0 points YoY)

# Companies

## Building the benchmark platform for companies



More Customers

**1.3 million** active customers (+2% QoQ)

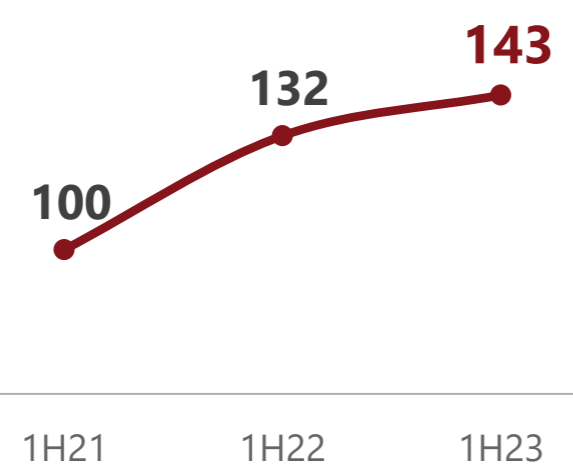


Greater loyalty

**R\$ 203 billion** portfolio (+9% YoY)

### Total Revenues

(base 100, 1H21)



## Wholesale

**Leadership in trade finance**, with a 25% market share

**Expansion of the commodities desk** to oil derivatives

**FX leader** for the 9<sup>th</sup> consecutive year<sup>1</sup>

**2<sup>nd</sup> place in the agricultural commodities ranking**, with a 14.8% share

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

**Invisible Banking** Partnership with SAP to digitize offerings

Share of **13%**<sup>2</sup>

**Consistent acceleration in the growth of the loan and securities portfolio**

**+21% YoY Portfolio<sup>3</sup>**

**+7% YoY Revenues**

## SMEs

### Customer growth

New customer acquisition to the Bank: **45 thousand/month** (+5% YoY)

Loyal customers account for **53%** of active customers

### Digital transformation

**190 digital channel initiatives** in 1H23, providing a more comprehensive, user-friendly, and intuitive experience with new offerings

### Revenue evolution

**10%** YoY from cash  
**26%** YoY from "consórcios"

**10%** YoY Total revenues

### Loan portfolio expansion

**R\$ 63.0 billion** (+7% YoY)

Companies ranging from R\$ 30 and 200 million account for **44%** of the total SME portfolio (+1 p.p. YoY)

**NPS 58 points**

**Tech Hub** created in 2019  
**1,000** companies in the SMEs portfolio  
Global coverage sets us apart

<sup>1</sup> According to the BACEN ranking <sup>2</sup> Among independent traders <sup>3</sup> Considering the AA-H loan portfolio within wholesale and securities

# Strengthening the Agro ecosystem with a presence throughout the value chain

Customer base monetization

Business expansion

Innovation and technology

## AGRO NEGÓCIO



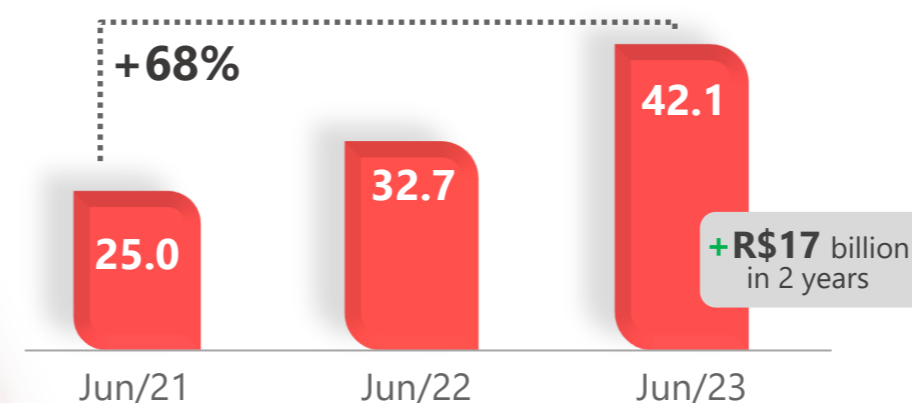
### 300 specialists

spread across Brazil

**+39%** in 2 years

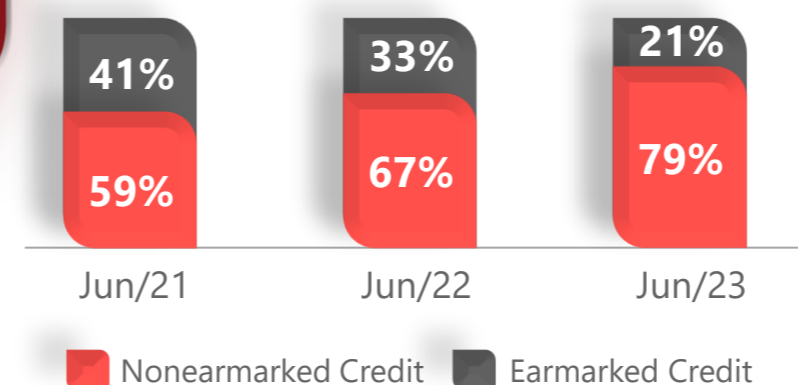
### Agro portfolio<sup>1</sup>

(R\$ billion)



### Portfolio mix

**79%** of the portfolio is derived from non-earmarked credit



**Cross-selling with a strong increase**

**Participation in major industry fairs**

**R\$ 5.4** billion prospected in 1H23 (**+59%** YoY)

**Leading** on-lending provider of the low-carbon line<sup>2</sup>

### Digital transformation

**Automatic credit approval**, with harvest predictability

Document recognition **technology** via OCR<sup>3</sup>

We have shortened the lead-time by **53%** in Retail contracts and by **67%** in Wholesale contracts



# Customer finance

Customer base monetization

Business expansion

Innovation and technology

## Santander Financiamentos

Market share<sup>1</sup>

**22%**

auto loans to individuals' portfolio

LTV<sup>2</sup>

**49.8%**

auto loans portfolio

Auto loans portfolio for individuals<sup>1</sup>

**R\$ 58.3 billion**

Origination

**R\$ 215 thousand**

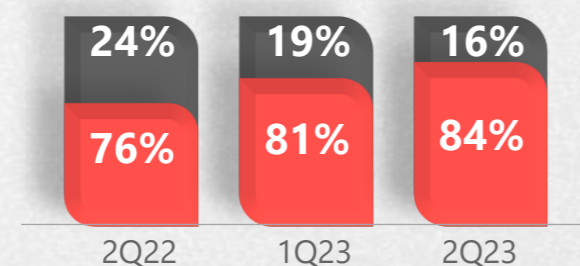
Agreements on the 2Q23 and market share of 20% (+2 p.p. YoY)

Cross-selling

**234 mil**

New customers to the bank on the 1H23 (+24% YoY)

Origination Mix



■ Top Ratings (9 and 10) ■ Other Ratings

**sim.**

Loan platform for the open market

Strategy based on growth with quality

## Ecosystem strength

Santander ecosystem has enabled an expansion of the strategy, leveraging an efficient operation to capture the market with a comprehensive value proposition

Origination of personal loan

**R\$ 294 million** in the 1H23

Enrolled customers

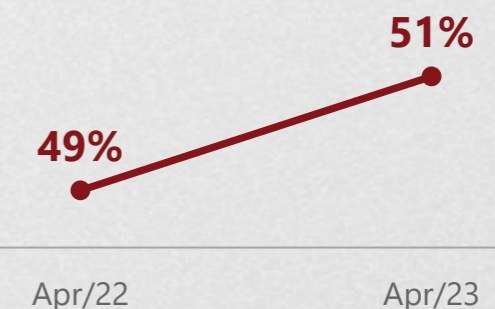
**8.9 million** (+12% YoY)

## Payroll loans

**R\$ 63 billion** portfolio (+13% YoY)

**Origination growth** higher than the market

Share of Wallet | Loyal Customers



**Digitalization strategy**

of agreements, with 252 digitalized and 219 originated in the 1H23



# Continuous advances in strategic businesses

Customer base monetization

Business expansion

Innovation and technology



## Cards

**R\$166 billion** in turnover in 1H23, with **R\$112 billion** from credit transactions

Focus on a better risk profile, with **97%** of acquisitions originating from current bank customers (+0.6 p.p. YoY)

**Partnership with Live Nation**, expansion into the concert segment in order to increase customer's loyalty

Launch of the **Black Corporate Card and self-service feature** when requesting a business card



## Consórcios

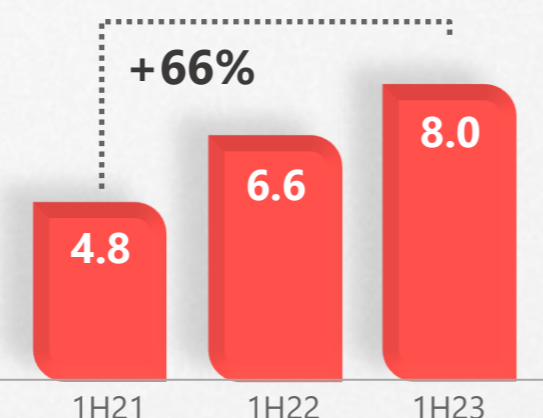
**R\$ 36 billion** "consórcios" portfolio (+23% YoY)

**70%** of auto credit letters are paid within 2 days

**+2x** new groups YoY

**Growth in "consórcios" origination**

(R\$ billion)



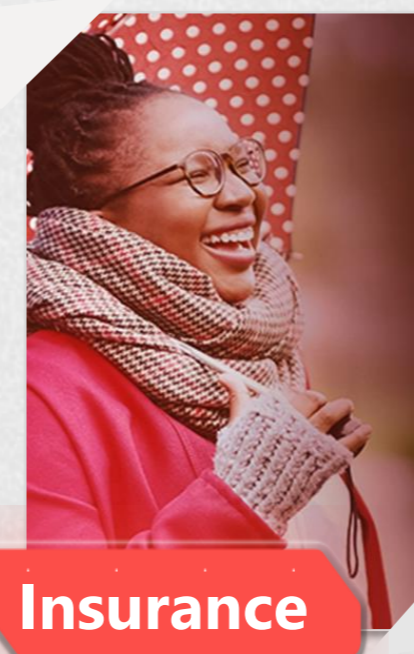
## Real Estate

We have made **digital signatures** and **electronic registration** available to our customers, with a 100% digital journey

The revenue from a real estate customer is **2.6x** higher than that of an active loyal account holder

Reducing by **15%** the lead-time for product issuance in the 1H23

**R\$60 billion** loan portfolio (+7% YoY), with origination growing 13% over the year



## Insurance

We wrote a total of **R\$ 5.2 billion** in premiums issued in the 1H23

**12%** market share in premiums in personal insurance (+2 p.p. YoY)

**14%** market share in personal accident insurance

**26%** of all Consumer Finance financing is contracted with insurance coverage by Santander Auto (+0.7 p.p. YoY)



# Expanding the ecosystem

Return



Management and securitization of non-performing assets.

Return, a management and securitization of non-performing assets company, reached a Shareholders' Equity of R\$ 2.4 billion in the quarter. We have begun exploring cross-sell opportunities among emdia, Return and the Bank, leveraging the bank's flow and the extensive reach of our businesses. Thinking about the customers' journey, we continue to invest in the development of systems and websites, with simpler and more intuitive journeys.

emdia, a debt renegotiation company, offers customers the possibility of renegotiating their debts both through human assistance and online, available to our customers 24 hours a day, 7 days a week. In this quarter, we increased operations with existing customers (+18%), in addition to acquiring new customers (+24%) through the connection between Return, emdia and the Bank, as previously mentioned, resulting in an increase in customer interactions. To better serve our customers, we launched our new website with several improvements in self-service debt renegotiation.



emdia



ben



Corporate benefits and expense management company. In the semester, we reached a turnover of R\$ 1.3 billion, an increase by 12% YoY, and 921 thousand cards issued, a growth of 29% YoY. In addition, we have 416 thousand accredited establishments (+10% YoY) and 2.7 thousand HR customers.



# Concentrating on customer service from sales to after-sales

Customer base monetization

Business expansion

Innovation and technology

▲ 3,690.47 +0.19 +0.01%

Clear definition of channel vocation for each segment

Unique experience, through deeper channel integration

Harnessing cutting-edge technology and processes

## Digital Channel

584 million visits/month<sup>1</sup> (+10% YoY)

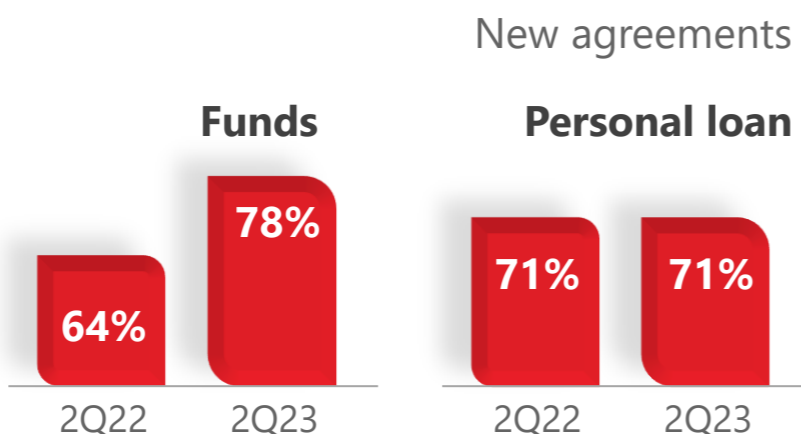
22 million new agreements in 1H23

Virtual Assistance: 4 million customers served/month (+76% YoY)

97% of bank transactions are conducted through digital channels (+3 p.p. YoY)

Greater activation of individual accounts in M1 (+28 p.p. YoY)

### Digital channel share expansion

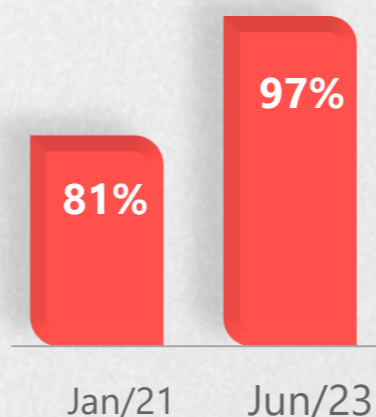


## Remote Channel

8.7 million inquiries/month

R\$ 2.4 billion in origination in 2Q23

### Resolution Rate



## Commercial Network

2.9 thousand stores (-145 YoY)

10.3 million visits/month

Revenue growth  
Mature stores account for 70% of revenues

## Prospera

1.4 thousand agents (+192 YoY)

Serving 1 million customers (+25% YoY) across 1.7 thousand municipalities

R\$ 2.9 billion portfolio (+28% YoY) and revenue growth (22% YoY)

## Channel External

21.4 thousand points of sale (+17 thousand YoY)

Strengthening the physical presence by expanding 2,037 municipalities to 2,558 in 12 months

R\$ 1.6 billion average loan volume per month (+33 % YoY)

Expanded Offering: Home equity, personal loans with auto guarantee and consórcios

# Innovation and Technology boosting our customer focus

Customer base monetization

Business expansion

Innovation and technology

**FIRST** Digital Services

Our technology company, with a culture aligned to our ambition, innovating and accelerating for our business

**TOOLS** DIGITAL SERVICES

1<sup>st</sup> Bank to create a services and operations' company

**4.9k**  
employees  
(+51% YoY)

**+19 points**  
in the eNPS YoY,  
80 points in 2Q23

**3**  
operational sites

**2.4k**  
employees  
+51% vs. launch

**496**  
services provided for Santander,  
including accounting reconciliation,  
payroll and accounts payable (+17% QoQ)

## Communities integrated with the business

**27 Business Domains** focus on **results and transformation**

**Obsession with customer experience**, striving to be the best on the Downtdetector app

## Digital Bank with branches

Emphasis on **digitalization** and **simplification** of the customer experience

**CERTO Portal** enabling a multichannel execution of our business strategy

## Data speed and intelligence

**16k** deployments in 6 months **(+41% YoY)**

**Online telemetry** supporting communities on the businesses management

**Data Transformation** market benchmark, with data lake and cloud-based models to accelerate business decisions

## Open Finance focusing on principality

Customer perspective to **promote our principality**

**4.1 million** active inbound consents received (+1.5x vs outbound)

**+341k** individual customers with rating upgrade

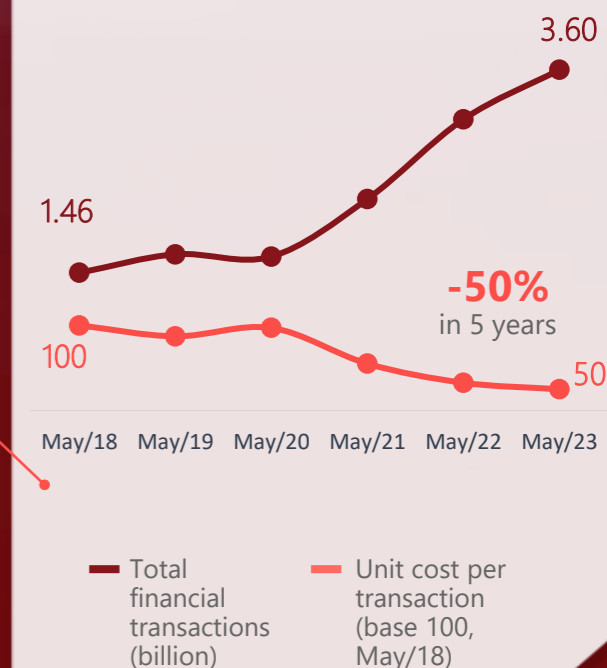
## Increased availability with hybrid cloud technology

**Hybrid public** (Azure and AWS) and **private cloud**

**Only bank in Latin America with a Tier-IV Data Center**

We already have **91.4%** of our operations running in the **cloud** (+1.4 p.p. QoQ)

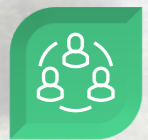
## Operational efficiency



# Unique culture

Our people are the greatest lever for enchanting our customers

eNPS<sup>1</sup> 78 pts



## Diversity & Inclusion

**34.7%**

Black employees

(+6.8 p.p. YoY)

**35.7%**

Women in leadership roles

(+5.7 p.p. YoY)

**55.4%**

Women employees

(+2.4 p.p. YoY)



## Protagonism in knowledge

### Academia Santander 2030

Encouraging the protagonism of our employees with training focused on the experience of our customers and optimizing processes

Concepts such as customer-centricity, entrepreneurship and innovation, data analysis, and a digital mindset

**95%**

Of employees participated in training over the year

**69%**

of internal courses are taught by our own employees



# Committed to the environment

we promote sustainable businesses, and we commit to being net zero by 2050



## Ambiental

### Net Zero

**Carbon neutral** since 2010

**Use of 100% renewable energy in 4Q22**  
(anticipating 2025 target)

**Ambition of being Net Zero by 2050**

we joined the **Alliance for Sustainable Mobility**, in order to improve urban mobility, by placing **more electric** and **hybrid** vehicles on the streets

We supported FEBRABAN in creating a self-regulation normative for the beef supply chain, following the agenda of Amazon Plan, which includes the goal of **zero illegal deforestation among beef supply chain customers by 2025**

### CBIOS

**Participation in the market creation** in 2020



**Market Leaders** with 43% market share





For over 20 years we have been contributing to building a more inclusive society, with access to education and financial products

### SANTANDER UNIVERSIDADES

For the past **25 years**, we have invested in education through Santander Universidades

**+64 thousand** scholarships grated this year

### AMIGO DE VALOR

Since 2002, the program has benefited more than **1.6 million** children and adolescents in vulnerable situations

For **2023** we have expanded the program to support pediatric hospitals and organizations that focus on families whose children are undergoing highly complex treatment

**Supporting the development of the country**





# Corporate Governance

## ESG Management best practices

### Structure

Shareholders Meeting

Board of Directors (BOD)

Advisory Committees to the Board

Executive Board (C-Level)

Executive Committee:  
Composed of CEO and Executive Vice-Presidents  
Executive Officers

**ESG as a metric** for evaluating executive performance

**Diverse and independent Board of Directors**

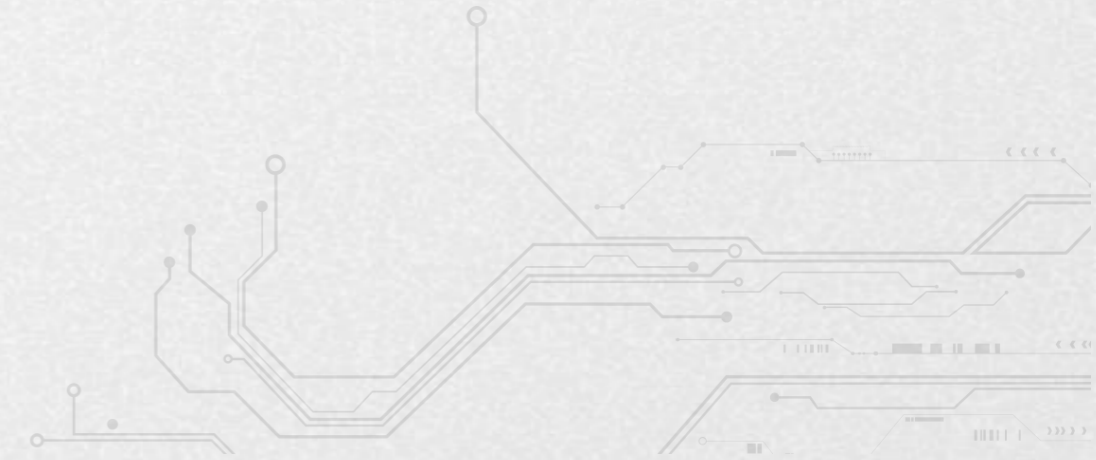
**30% of the members are women<sup>1</sup>**  
**50% of the members are independent<sup>1</sup>**

	Independent Directors	Non-independent Directors	Independent Members	Non-independent Members
BOD	5	5	-	-
Audit	1	-	3	-
Nomination and Governance	2	1	1	-
Compensation	2	-	1	-
Risk and Compliance	1	-	2	-
Sustainability	1	-	3	3

# CFO Message



**Gustavo Alejo**



“

We achieved an important evolution in our portfolio quality indicators this quarter, thanks to the strategy that we have adopted since 4Q21, with a greater lending selectivity, focusing on collateralized products. As a result, we have improved our Loan Loss Provision by 12% in the quarter, demonstrating the quality of the new vintages, which currently represent 59% of the total loan portfolio with an improvement trend for cost of risk throughout 2023. This evolution enhanced our ability to resume growth. Additionally, our loss absorption indicators continue to develop, highlighting the profitability of our portfolio.

We grew our expanded portfolio by 2.0% in the quarter and 10.6% in the year, thanks to the accelerated growth of the securities and rural products bonds (“CPR”) portfolio. The loan portfolio decreased 0.2% in the quarter and 6.6% growth YoY, with notable growth in Retail and Corporate. In customer funding, we achieved 3.4% growth in the quarter and 11.8% growth in the year, reflecting our strategy to expand funding, supported by individual investments, AAA, Toro, and Private.

As to revenues, we managed to once again increase our NII for the quarter, despite our more selective approach, which exerts pressure on spreads due to the change in the mix. Customers reflect higher volumes, while market NII shows a significant improvement, with a downward trend throughout the year. Our fees increased in the quarter, benefiting from greater customer transactionality.

We remain committed to constant cost control and increased productivity, focusing on process optimization, product simplification and transaction unit cost reduction. In the quarter, we had marginal growth, and the recurring efficiency ratio reached 42.9%. One-off results had a neutral effect on our earnings. Recurring net profit reached R\$ 2,309 million in 2Q23, a 7.9% increase compared to 1Q23, supported by comfortable capital and liquidity levels.

**We continue to build a higher-quality balance sheet and expand our businesses, extracting value from a digitized ecosystem**”  
**and using data intelligence to pursuit our customers’ principality.**



# Results

(R\$ million)	2Q23	1Q23	2Q23 x 1Q23	1H23	1H22	1H23 x 1H22
Net Interest Income	13,579	13,145	3.3%	26,724	26,713	0.0%
Fees	4,810	4,699	2.4%	9,509	9,499	0.1%
<b>Total Revenues</b>	<b>18,389</b>	<b>17,844</b>	<b>3.1%</b>	<b>36,234</b>	<b>36,212</b>	<b>0.1%</b>
Allowance for Loan Losses	-5,980	-6,765	-11.6%	-12,745	-10,357	23.1%
General Expenses	-5,973	-5,913	1.0%	-11,886	-10,966	8.4%
Others	-4,436	-3,272	35.6%	-7,709	-4,413	74.7%
<b>Recurring Profit Before Taxes</b>	<b>2,000</b>	<b>1,895</b>	<b>5.5%</b>	<b>3,895</b>	<b>10,476</b>	<b>-62.8%</b>
Taxes and Minority Interest	309	245	25.8%	554	-2,387	n.a.
<b>Recurring net profit</b>	<b>2,309</b>	<b>2,140</b>	<b>7.9%</b>	<b>4,449</b>	<b>8,089</b>	<b>-45.0%</b>
Additional Provision	1,450	-4,236	n.a.	-2,786		n.a.
Tax Liabilities	-2,672	4,236	n.a.	1,564		n.a.
Divestment of Webmotors stake	1,105		n.a.	1,105		n.a.
Taxes on extraordinary events	67		n.a.	67		n.a.
<b>Net Profit</b>	<b>2,259</b>	<b>2,140</b>	<b>5.5%</b>	<b>4,399</b>	<b>8,089</b>	<b>-45.6%</b>

## 2Q23

### Recurring Efficiency

**42.9%**  
+2.1 p.p. QoQ

## 1H23

**41.8%**  
+6.9 p.p. YoY

## 2Q23

### Recurring ROA

**0.9%**  
0.0 p.p. QoQ

**0.8%**  
-0.8 p.p. YoY

## 2Q23

### Recurring ROAE

**11.2%**  
+0.7 p.p. QoQ

**10.9%**  
-9.9 p.p. YoY

## BIS Ratio

**13.5%**  
-0.3 p.p. QoQ  
-0.7 p.p. YoY

**14.1%**  
Considering Resolution No. 229<sup>1</sup>

## CET1

**10.6%**  
-0.2 p.p. QoQ  
-0.5 p.p. YoY

**11.2%**  
Considering Resolution No. 229<sup>1</sup>



# Results



**Net Interest Income** | 1H23

Customer NII \_\_\_\_\_

**R\$ 28.7** **+2.1%**  
Billions YoY

Market Activities \_\_\_\_\_

**R\$ -2.0** **+40.8%**  
Billions

Spread (p.a.) \_\_\_\_\_

**10.0%** **-1.0**  
p.p. YoY



**Fees** | 1H23

Cards \_\_\_\_\_

**R\$ 2.7** **-0.3%**  
Billions YoY

Current Account \_\_\_\_\_

**R\$ 2.0** **+3.3%**  
Billions YoY

Insurance \_\_\_\_\_

**R\$ 1.6** **-1.4%**  
Billion YoY

Capital Market \_\_\_\_\_

**R\$ 0.8** **+2.2%**  
Billion YoY

Credit Operations and  
Collections Services \_\_\_\_\_

**R\$ 1.4** **+0.8%**  
Billion YoY

More information in  
Earnings Release  
2Q23



Asset Management<sup>1</sup> \_\_\_\_\_

**R\$ 0.7** **+5.0%**  
Billion YoY

**Expenses** | 1H23

Total expenses \_\_\_\_\_

**R\$ 11.9** **8.4%**  
Billions YoY

Administrative \_\_\_\_\_

**R\$ 4.9** **2.1%**  
Billions YoY

Personnel \_\_\_\_\_

**R\$ 5.5** **13.5%**  
Billions YoY

Depreciation and Amortization<sup>2</sup> \_\_\_\_\_

**R\$ 1.5** **12.3%**  
Billion YoY



# Results



## Net Interest Income | 2Q23

Customer NII

**R\$ 14.4** **+0.7%**  
Billions QoQ

Market Activities

**R\$ -0.8** **-28.0%**  
Billion

Spread (p.a.)

**9.9%** **-0.2**  
p.p. QoQ



## Fees | 2Q23

Cards

**R\$ 1.4** **+1.5%**  
Billion QoQ

Current Account

**R\$ 1.0** **+0.8%**  
Billion QoQ

Insurance

**R\$ 0.8** **+5.1%**  
Billion QoQ

Capital Market

**R\$ 0.4** **+19.4%**  
Billion QoQ

Credit Operations and Collections Services

**R\$ 0.7** **-0.2%**  
Billion QoQ

More information in  
Earnings Release  
2Q23



Asset Management<sup>1</sup>

**R\$ 0.3** **-2.9%**  
Billion QoQ

## Expenses | 2Q23

Total expenses

**R\$ 6.0** **1.0%**  
Billions QoQ

Administrative

**R\$ 2.5** **2.1%**  
Billions QoQ

Personnel

**R\$ 2.8** **-0.5%**  
Billions QoQ

Depreciation and Amortization<sup>2</sup>

**R\$ 0.8** **3.4%**  
Billion QoQ

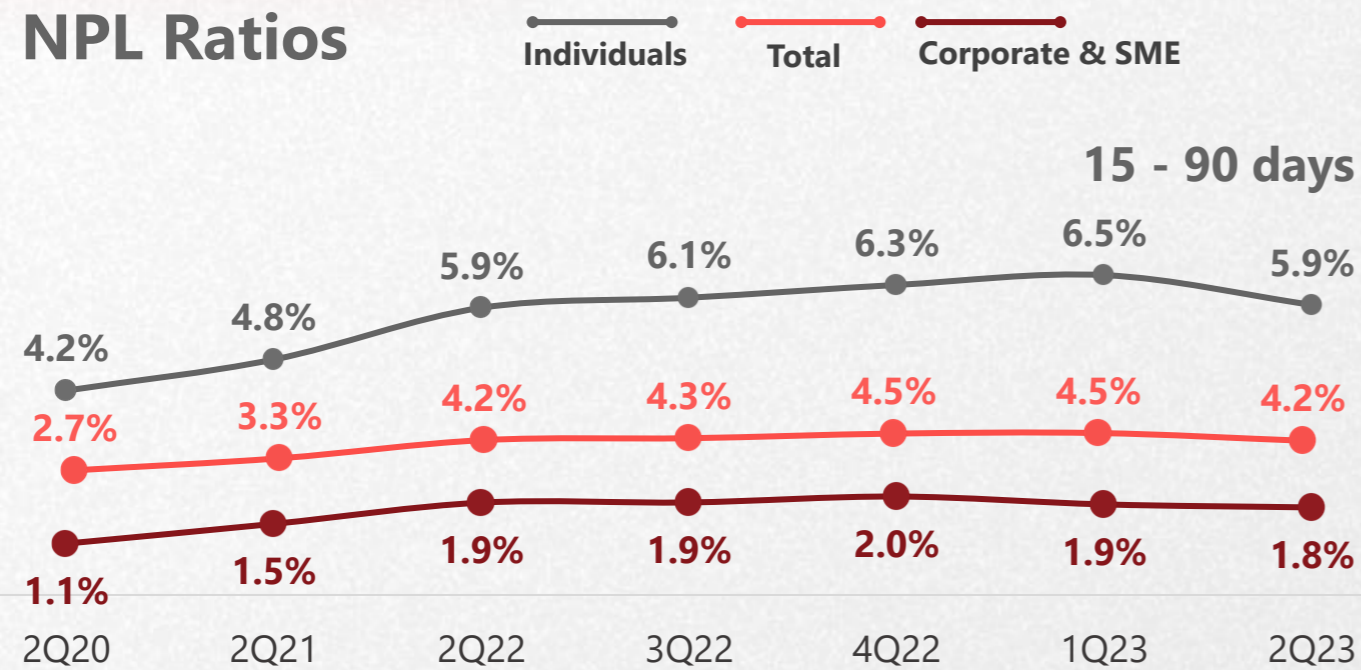


# Portfolio quality

More information in Earnings Release 2Q23

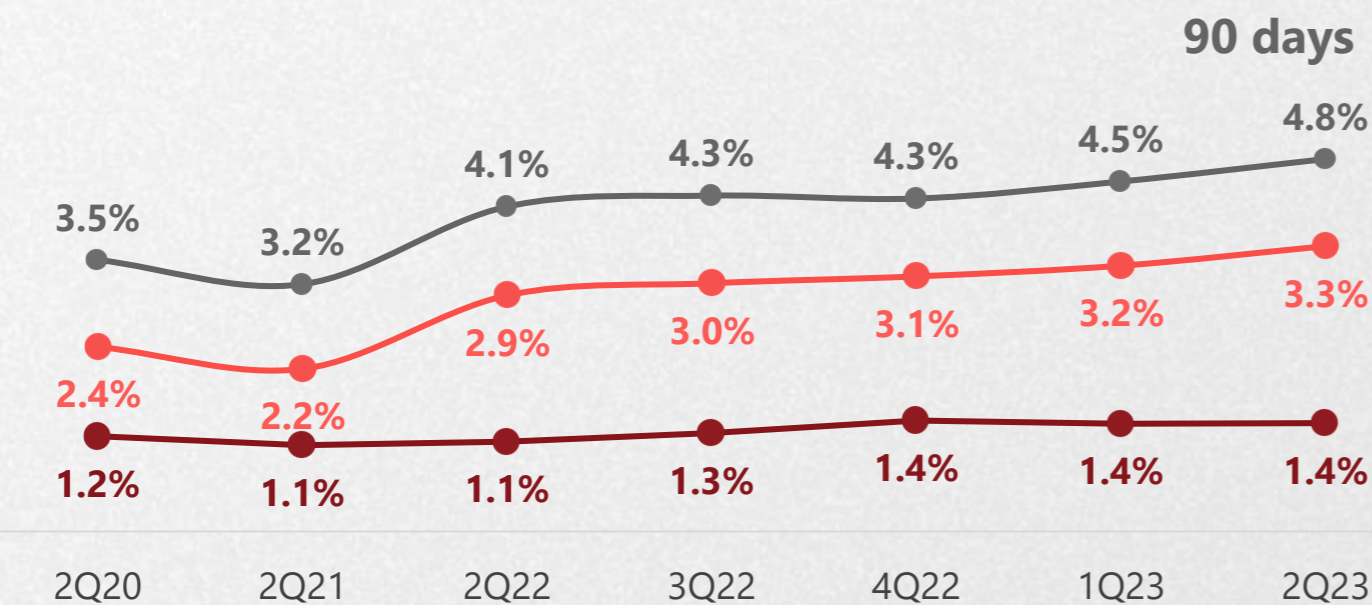


## NPL Ratios



**Wholesale**  
**0.15%**  
Stable QoQ  
-0.10 p.p. YoY

**SMEs**  
**5.21%**  
-0.18 p.p. QoQ  
+0.11 p.p. YoY



**Wholesale**  
**0.10%**  
-0.01 p.p. QoQ  
+0.04 p.p. YoY

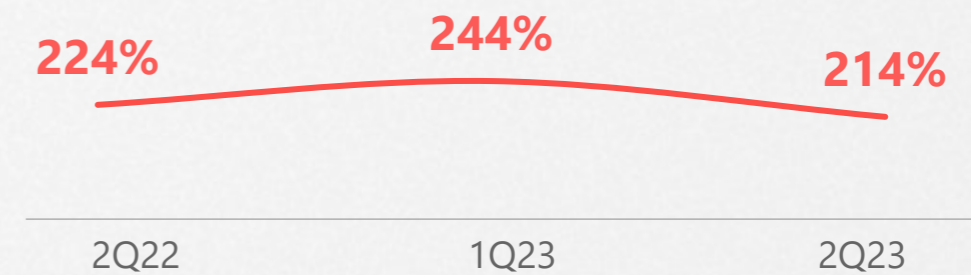
**SMEs**  
**4.15%**  
-0.02 p.p. QoQ  
+0.83 p.p. YoY

## Cost of risk<sup>1</sup>

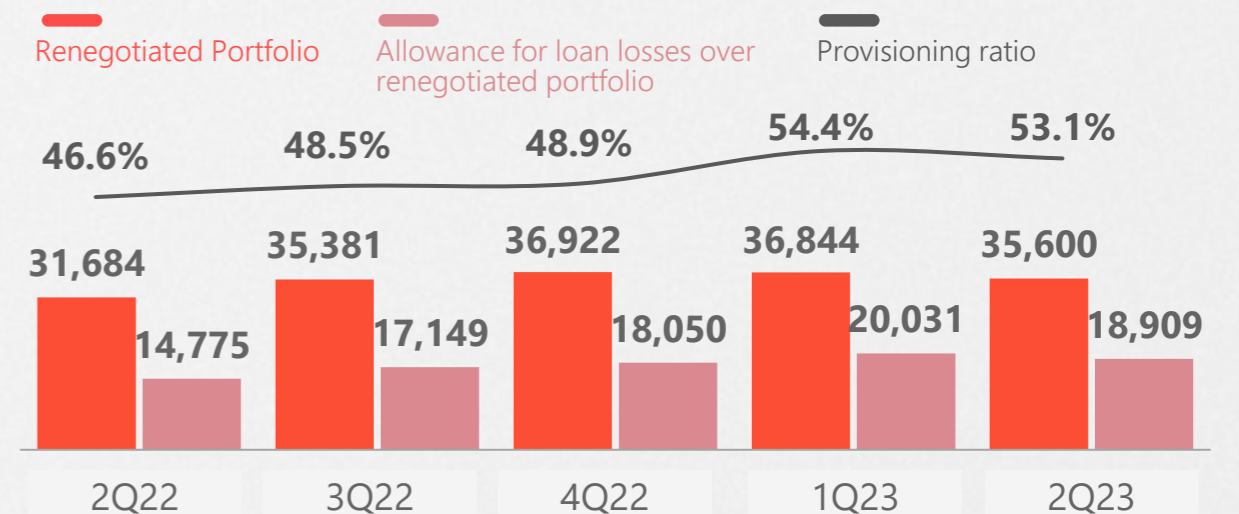


## Coverage

Ratio over 90 days



## Renegotiated Loan Portfolio



<sup>1</sup>As of this quarter, we started to include agribusiness receivables certificates ("CRA"), credit rights investment funds ("FIDC"), and rural product bonds ("CPR") in the composition of "other operations", alongside debentures, real estate receivables certificates ("CRI"), international distribution promissory notes, promissory notes, and guarantees. For comparability purposes, we have reclassified the portfolio for the year 2022 and 1Q23. <sup>2</sup>Disregarding the effect of the additional provision booked in 1Q23. <sup>3</sup>Disregarding the impact of the additional provision reversal that took place in 2Q23. Considering the extraordinary events that occurred during the first half of the year, the 3-month credit cost would have been 3.0%, while the 12-month credit cost would have reached 4.9%.

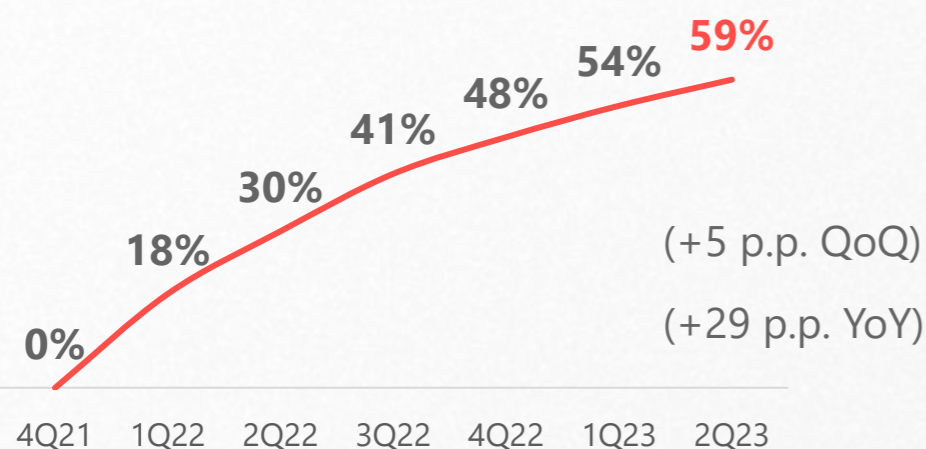
# Portfolio quality

Improved loan quality indicators, with the conclusion of the adjustment period

More information in Earnings Release 2Q23



## Share of new vintages in total portfolio



## Loan quality (Jun/23)

	Old vintages	New vintages
<b>NPL 15-90</b>	4.8%	3.8%
<b>NPL 90</b>	3.7%	3.1%



## Focus on collateralized products

**66%** of the individual loan portfolio is collateralized  
(+0.6 p.p. QoQ)  
(+1.7 p.p. YoY)

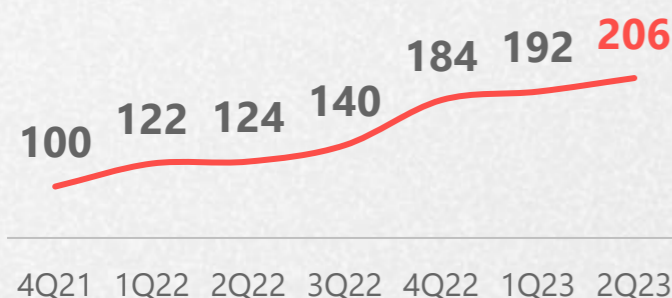


## Loss Absorption<sup>1</sup> of new vintages (base 100 in 4Q21)

New vintages with a better risk profile, reflected in the portfolio's profitability progression



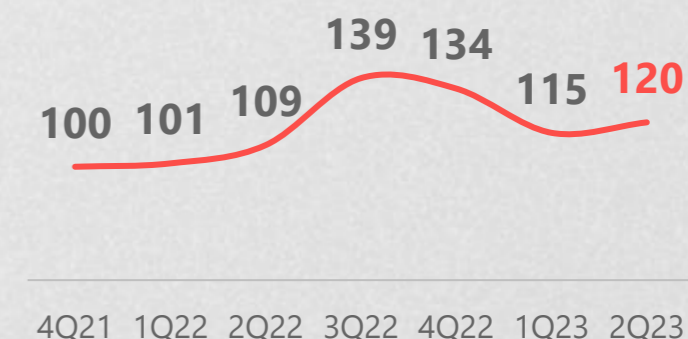
### Auto Loans (individuals)



### Cards (individuals)



### Personal Loans



Results  
Presentation  
2Q23



Earnings  
Release  
2Q23



# Takeaways

## Quarter Highlights and expectations

- **Obsessive pursuit of customer experience and principality through the use of technology and data**
- **Portfolio expansion continues, with good growth in strategic businesses**
- **Improved NII performance, indicating a favorable trend for 2H23**
- **Cost of risk continues to advance with the quality of new vintages**
- **Portfolio dynamics with good growth potential over the next 12-18 months**





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que as pessoas e os negócios prosperem.

E acreditamos que tudo deve ser  
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