Camila Stolf: Good morning everyone. Thank you for joining us for our first quarter 2026 earnings videoconference. We are live here from our headquarters in São Paulo and will be dividing this event into two parts.

First, Mario Leão will discuss the main highlights of the quarter and the directions for our growth in the coming periods, as well as provide an analysis of our financial performance. After that, we will have the Q&A session, in which our CFO, Carlos Muñiz, will also participate.

When it's time for questions, you'll see three audio options on your screen: Portuguese, English, or the original audio. To choose your preferred option, just click the button at the bottom of your screen. To ask a question, simply click the hand icon, which is also at the bottom of your screen.

The presentation we are about to deliver is already available for download on our Investor Relations website. I now hand it over to Mario to begin the presentation.

Mario Leão: Thank you, Camila. Good morning, everyone. It is a pleasure to be here once again, starting now at 10:02. I would like to begin by noting that this quarter the presentation is a bit leaner. We want to be able to cover the key messages more quickly and then move on to the Q&A, which we obviously greatly enjoy with all of you.

I'll start with the results. At the bottom-left, we report a profit that, as you've already seen, is down quarter on quarter and marginally lower year on year. I'll later go into more detail on the dynamics that drive this quarterly profit of R$ 3.8 billion, rounded. For now, I'd like to draw your attention to the figure we are highlighting here, which is the evolution of profit before tax.

This quarter, we grew profit before tax by 5.4%, showing that the bank's organic operations are moving in the direction we've been pursuing over the last few years. So, our execution — and we'll walk through it line by line — is converging toward a level of profit before tax that corresponds to annualized growth above 20%.

With this, in practice we are now paying more tax than we did in the last quarter and throughout last year, which was a point analysts and investors had raised and challenged us on. Thus, we are progressing exactly in line with our commitment to increase the bank's taxable base.

Part of this, naturally, comes from organic business performance, and part from how we're evolving the various Santander Brasil entities to book more profit in the bank vehicle and, in turn, boost our capacity to absorb our DTA stock, which is a highly relevant topic for capital, profitability and, indeed, our results. We can discuss this in more detail later.

How does this profit before tax grow, how is that reflected in the main line items? Our net interest income is up 3.1% quarter on quarter. We'll break this down by line items in a moment. There is clearly a significant impact here from market NII. I'll explain how we manage the bank in practice, focusing less on distinguishing between markets and customer liability and more on net interest income across the bank's entire liability perimeter. But, without a doubt, this is a positive development.

We saw a 5.5% drop in fees, which is largely seasonal. Shortly, you'll see, line by line, where fees are down, where we actually expected a decline and where they're up. There are several very positive items within fees that we'll highlight. We undoubtedly want more: we want to keep advancing and growing fees at a rate that outpaces the portfolio. This quarter, on an annualized basis, that's exactly what we're delivering, with fees growing 1.6x compared with the portfolio. We will continue to pursue this.

Our ROAE, clearly due to a mathematical effect — with the numerator decreasing on a quarterly basis and average equity, the denominator, increasing — ends up back at 16%. This is not a structural number; it is, I'd say, an accounting number. We are without a doubt still focused on delivering a ROAE that returns to growth over the course of the year, targeting an average ROAE that is consistent with and higher than what we achieved last year.

Our objective of pursuing a 20% ROAE, not as a final target but as an important milestone, has been strongly reaffirmed and endorsed, and we are working organically to bring the bank to that level over the next two years.

Our cost of risk figure is virtually unchanged and in fact declines slightly this quarter; we'll discuss that in more detail. On the efficiency side, due to stronger revenues and tight cost control we had a great quarterly performance, with efficiency improving by 110 basis points in the quarter.

We have a single slide where we focus more on strategy and on more qualitative data, and then I will move on to the numbers, but this point is worth highlighting. As always, we start with the client, keeping the client at the center. We cannot fail to cover this on a page.

On the left, you can see how our numbers are evolving. Our total customer base is up 6% on an annualized basis, and active customers are up 3%. So the franchise keeps growing, but what matters even more is how much value we capture from these active customers, the primacy of that relationship. You will see data showing how we are redefining this relationship, focusing on the mass income market in an increasingly targeted and more profitable way. So, we are continuously advancing our customer franchise, and of course we want to go further.

On the right, I want to highlight something very significant that we've just launched – this is really hot off the press. In the last few days, we launched our Santander Rewards, one of the most important initiatives in the many years I've led the bank, and, for the first time, we're taking the customer's overall relationship with us into account in how we reward them with points, benefits and advantages.

Rather than the traditional card relationship that we and the whole industry have always had — you spend a certain amount, you get a certain number of points, you get fee waivers, and so on —

we are now looking at the customer relationship in a holistic way and truly recognizing the customers who, in turn, prioritize Santander. We are doing this in a very clear, educational way, with strong engagement and an almost gamified approach. As a result, we are drawing customers ever closer through a dynamic, multichannel experience. This is a major launch. We will run a campaign starting on Saturday, tied to a large concert we will be sponsoring, possibly the biggest music event of the year in Rio, and through this we will further develop our customer franchise and, in particular, our card business, which is already one of our key pillars, as you will see in the numbers.

Here, going straight to the numbers so we can be very productive, and focusing on the portfolio, we remain exactly on the same path that I've been discussing with you, quite repeatedly, in a good way, for a few years now.

Santander's mindset is unquestionably focused on growth, but on growth with quality, growth with disciplined capital allocation and disciplined management of the marginal profitability of every disbursement. In every segment we originate on a daily basis — and you can imagine, we deploy many hundreds of millions every day, from mass income market customers to private banking clients, from small companies to very large ultra-large corporates — we assess the marginal profitability of the asset and of the client with each disbursement.

In my view, we've been executing this impeccably over the past few years. Naturally, we review it after the fact, in practice, every month we reassess the performance of all this and use it to feed back into our origination system. But the vintages we've originated in recent years have performed exactly as we expected and, as they blend, in a positive way, with the older vintages, they are making the portfolio increasingly better.

So when you see growth coming in flat to slightly negative, I view this development positively and note that in the individual segment we're seeing a decline, which is something we had anticipated in that segment.

We expected to see a decline in the individual segment, because in the low-income segment we are trimming the portfolio by a few percentage points this quarter. This is a technical, scientific process that we are executing in a systematic way, and it represents our low-income de-risking operating at full force. We have been doing this for a few years now. We expect that in 2026 and part of 2027 we will still be completing this low-income de-risking. It takes longer because the low-income portfolio is the one with the longest duration in our book, so it naturally requires more time, but we are pushing it forward as fast as we can.

So this low-income portfolio run-off, as we call it, anchors growth in the individual portfolio. But the capital I free up by running down that low-income exposure is redeployed into the parts of the low-income segment where I still want to grow – and that share is quite significant – and into the high-income and other segments.

Taken together, this results in a decline in the individual segment, but it's not a decline in individuals that concerns us. Part of this decrease is also due to seasonality in cards, considering the usual pattern of first quarters versus fourth quarters, as I mentioned. Our card business is one of the flagships of the franchise and has been performing extremely well. We delivered a record fourth quarter, with record turnover month after month. Naturally, volumes decline in the first quarter, and you'll see this in fee income as well.

But in mortgage lending, for example, our franchise is evolving very well. We're growing over the quarter and delivering close to, or just above, double-digit growth year over year. It's also important to note that in mortgages, Home Equity — which we call "Use Casa" — is a product where Santander is the market leader. And our origination is increasing by 13 points compared with traditional mortgage lending. In other words, we're originating significantly more Home Equity than we have ever done before.

Our monthly origination is now around R$ 350 million, almost R$ 400 million, which is virtually double what we were doing a year ago. In consumer finance, growth remains positive, even though it has been more moderate this quarter. In this segment, we intend to move broadly in line with the market. We do not want to grow at a pace that is out of proportion with the market, as we are already the leader, and if we were to take on more risk than the market, we would, in practice, be diluting the origination we have been carrying out very successfully.

Our Consumer Finance unit is one of our crown jewels, and we're extremely proud of it. That said, we have to manage it in a controlled and measured way, and the macroeconomic environment clearly doesn't allow us to pursue accelerated growth here. Even so, on a year-on-year basis, you can see that we are still achieving 14% growth in Consumer Finance.

I'd also highlight our position in electric vehicles: one out of every two electric vehicles financed in Brazil is financed by Santander. Our overall market share is around 20% to 21%, but in electric vehicles it rises to 50%, and for some brands — including several of the fastest-growing in Brazil — our share reaches between two-thirds and 75%. So we have very high penetration in electric vehicles.

This type of customer has the highest rating because the average loan amount is higher. New cars deliver better credit performance than used cars, almost by definition. So we have been focusing our consumer finance business on growing new-vehicle financing, especially for electric cars. This has already become, excluding cards, the business that generates the highest fee income for our bank.

We have seen exponential growth in our ability to generate fees per risk-weighted asset in the consumer finance unit. This unit is doing excellent cross-selling with the bank and is delivering impeccable performance across product lines, in both margin and fees.

Our small and mid-sized companies segment was essentially flat this quarter. As you know, this is a segment where, for years, I've said we aim to grow disproportionately. That growth did not materialize in the first quarter. We would obviously have preferred to see a different number, even though year-over-year growth is close to 10%, but we deliberately opted for a more cautious stance here, given the macro environment.

In the small and very small business segment, which we call Empresas 1, we face a greater credit challenge given the macro backdrop. As such, we were less aggressive in the first quarter, but obviously, directionally, together with the high-income segment, this remains one of the two major areas in which we have to deliver double-digit-plus annual growth, gain market share, and differentiate ourselves.

In the corporate segment, growth also remained essentially flat. Here, the FX impact, which was quite significant in the first quarter, is more relevant. As the largest international bank in Brazil, we have a very large trade portfolio. So, in dollar or euro terms, we saw an appreciation of the real, which is good for the economy but not necessarily for the portfolio.

So here, the foreign-exchange effect is pulling the portfolio lower, while the wholesale book is basically flat. This isn't due to a lack of appetite, nor is it a lack of capital. Obviously, as I've mentioned to you before, it really reflects our very strong focus on disciplined marginal profitability and on cross-sell.

So, overall, the portfolio was up 0.4%, and 3.4% for the year. As I noted earlier, fee income is growing at 1.6x that pace. We intend to maintain this pattern of fees growing faster than the portfolio, and you should hold us accountable for maintaining that management discipline.

I've already covered the main points on the right, but let me add one more on the individual segment: our high-income segment, combining Private and Select, has gained 3 percentage points of share. So, even as we shrink our mass income market exposure, we're growing our high-income segment. We're bringing in more high-income individual clients to Santander, and we expect that to keep happening for at least the next 1 to 2 years.

Moving from the portfolio to the next line, the net interest income, as I said earlier, we are seeing what I'd call a very good quarter-over-quarter growth of 3.1%. This performance is driven more by the market than by the client NII. In fact, the raw client NII figure is down 1.4%.

It is true that for clients, both in NII and fees, the difference between business days and calendar days reduces NII and fees by roughly R$ 300 million, so the impact of the number of days is far from negligible, but this is really just to give you some context.

But the way we manage the bank — and we've been doing so for the past two years — is that, although we report market NII and client NII with liabilities and assets shown separately, our financial management and ALM are run on the basis of the overall liability perimeter.

When we started in September 2024 to more significantly neutralize the bank's balance sheet by hedging new origination at the margin, using a dynamic hedge that, on average, ranges between 50% and 100% each day, which over roughly one year and nine months results in an average hedge level of around 70%–75%, in practice, this dynamic hedge reduces the balance sheet's volatility with respect to short-term interest rates and, of course, reduces the positive or negative carry associated with major interest rate moves.

At the same time, we lengthened the duration of our ALCO securities portfolio, moving out of very short-term securities — which were therefore much more sensitive to Copom decisions and short-term interest rates — and into much longer-term bonds that not only carry lower yields, but also allow us to recognize results over time through gains, as we call them, with the result embedded in mark-to-market.

We've coupled the positive progress in our financial management with a broader approach to ALM. At Santander, ALM is not measured solely by the raw number that ends up being reported in the market NII line. We manage and monitor overall liability management in dedicated committees; that is, a broader perimeter that combines client NII liability and ALM. This is the perimeter we use to evaluate the team, to evaluate ourselves, including my own performance, and this figure has been increasing every year.

We don't report it this way because the entire market uses the breakdown you see here, but I wanted to make this brief comment to say that, ultimately, we're not concerned that market NII is improving strongly while client NII on the liability side is dipping slightly, because the combined result is clearly moving in the right direction.

So, the key takeaways. If you strip out the accounting effects of CMN Resolution No. 4,966, the spread would be flat, which in a context where I'm continuing to de-risk the low-income segment and reallocate that capital into other segments that yield lower gross margins, keeping the spread flat is a very good result.

Second point. For the first time, probably in the bank's history, individual customers are bringing in a higher volume of funding than business clients. I've been telling you for years that one of our core pillars, one of the Golden Rules we've shared with you, one of our key management principles, is to evolve the bank's funding mix.

We're not where we want to be yet; our aim is to get to at least 60-40. But we've already reached 51-49, which is an important milestone. This is not just the result of much stronger transactional activity across our retail business as a whole and in the individual segment; it also lowers our funding costs, because it's cheaper to get funding from individuals than from businesses.

The second data point is perhaps even more striking: in the mass income market, in our low-income segment, look at the evolution from a starting base of 100. From 2024 to 2025, there's a slight evolution, with the portfolio edging down from 100 to 99, but from 2025 to 2026 it falls from 99 to 91. That's another eight percentage points on the same 2024 base of 100.

In this same segment, on exactly the same basis, transactional deposits rise from 100 to 106 in the first year and then climb another 16 points in the second. So, over just the last 12 months, deposits increased 16 percentage points with the same mass income market perimeter, while we cut exposure by eight points, two to one, with one move negative and the other positive. This shows we are focusing on a mass income segment that is a bit smaller, but far more productive and far more profitable. And that will show up in our results over time, without a doubt.

Turning to fees, this line comes under seasonal pressure in first quarters compared with fourth quarters and typically declines. Looking at this 5.5, I would obviously have preferred to see results flat to positive in the first quarter, but when I look at the breakdown, some of the numbers are clearly driven by seasonality, in others I'd say we performed quite well, and in others we need to perform much better.

So, going through this point by point. In cards, we see seasonality, as we've been growing — and, again, growing with quality, with a healthy portfolio throughout all of last year and in the last quarter we reached our all-time high — , in cards we are now seeing a seasonal decline.

It is our largest fee line, as it has been for a long time, and it is still growing year on year at nearly double-digit rates. And again, this is high-quality growth. These are fees with an appropriate level of credit in revolving and installment products, and with very good profitability.

Turning to the insurance business, which should have seen even greater seasonality in the first quarter, the decline was practically zero and we delivered double-digit year-on-year growth, of course. So we were very pleased with this performance. This result is driven less by credit-related insurance, meaning insurance linked to credit, where we have been less aggressive and are expanding the portfolio more slowly. Instead, we performed even better in what is more challenging, which is open insurance, the insurance that is not correlated with portfolio growth.

Thus, one clear positive in our fee income is the insurance line, which is our second-largest line. On the account side, we do have a decline, but it is almost a structural trend for the industry. I'd say that at Santander our decline has been smaller than the market's. The market is naturally under pressure from what we call "free accounts", accounts with no fees, and that's natural and healthy. Even so, we've successfully engaged our individual and business clients so that, on average, we hold the line and our decline is slower than that of many competitors. So I also view this number positively.

In credit operations, the decline is undoubtedly driven by seasonality and, of course, by our less aggressive stance on lending in some portfolios. It's not a number I like to see, but it is explained by lower asset origination. In asset management, I would say there are, in practice, two positives. In the "consórcio" business, we're back to growing at a faster pace. I want much more than that. I told the whole organization this morning that I expect us to grow at twice that pace each quarter. I think we'll get there, but even now it's already a more respectable growth rate on an annualized basis.

In asset management, we had a one-off adverse effect in the fourth quarter, but more importantly, we should look at the 20.9% year-on-year figure, which shows that our asset management franchise — admittedly disproportionately smaller than the rest of the bank and therefore where we most need to accelerate growth — is going to grow. This is not a business we plan to merely double; it is a business we expect to triple over the next few years, and we are already seeing a significantly stronger annual growth rate.

We had a very solid quarter in both collections and securities brokerage. These two lines clearly stood out. In capital markets brokerage, it was one of the strongest quarters we've ever had, and collections and payment services also delivered a very good performance. The "Other" line includes some offsetting effects from portfolio sales and business sales at the end of last year, but nothing that really stands out.

I've already gone over most of the main highlights, but our cards business continues to perform well. In two years, we've managed to grow turnover by almost 20%. In insurance, we've launched new lower-ticket products in our consumer finance arm, including "Mão na Roda", and on both the account and the card. Our "Conta e cartão protegidos" insurance lines have also performed very well, and we have some higher-value insurance products that we will sell to our high-income client base. In "consórcio", we're rolling out two essential products at the end of the quarter. They don't yet contribute to this quarter's results, but we have high expectations for them over the year, and they close gaps we had relative to competitors, especially independent ones: Fixed bid and Reduced installment.

On portfolio quality, we have a number of indicators. I'll keep it short so we still have time for the Q&A. First, the cost of risk, taken on its own, is down by a few basis points in the quarter, which is positive. Provisions for loan losses are up, but, in my view, at a very acceptable pace and mainly because recoveries decreased, driven by fewer portfolio sales. So we executed fewer portfolio sales in the quarter, our bulk recovery – which comes from those sales – was a bit smaller, and I'd say the BAU component was basically flat in the macro environment we're facing.

So, given the current environment and some portfolios that remain a concern, I have already briefly mentioned small companies. In agribusiness, we still face challenges, although I expect this year to be much better, or at least not as bad, as last year. Last year was indeed very difficult for the market as a whole, and Santander was not immune. We expect a relative improvement, but it will still be a challenging year in agribusiness, a challenging year for very small companies, and, in some parts, for our card portfolio as well, even though that business as a whole is performing very well. We still need to make some targeted adjustments, given the issue of household indebtedness, which has been widely discussed, including in connection with the new program the government is expected to launch in the coming days.

I would say that loan loss provisions performed well, the cost of risk is declining, and NPL formation is practically stable, and when we look at it over a one-year trend, it is at the same levels. So we are not concerned here. When we look at over-90 NPL, however, the comments are a bit different. In the short-term bucket of 15 to 90 days NPL, we are already seeing a slight inflection in the business segment, with a small decline in the quarter, and it is worth remembering that there is a component in the business loan book associated with government programs that, as we know, does not subsequently turn into loan loss provisions.

In the individual segment, there is an increase in 15-to-90-day NPL, but this is closely linked to the mortgage and consumer finance portfolios. In these two products, short-term NPL is almost business as usual, while the roll-forward into longer-term delinquency, and thus stage migration and higher loan loss provisions, remains very contained. We therefore expect these portfolios to show a reversal in the second quarter, with no formation of over-90-day NPL and no need for additional provisions.

The over-90 NPL has several effects. One of them is that, in the fourth quarter of last year, we carried out a very detailed technical review of each of our mass income market, retail, and consumer finance portfolios, and decided that, instead of recognizing losses using an almost average treatment across the portfolio, we would, from that fourth quarter onward, manage each portfolio individually, with a high degree of technical discipline. For some portfolios, we accelerated the timing at which we booked losses or recorded write-offs; for others, we delayed that timing, depending on each portfolio's historical recovery behavior.

So this has had some impact; it affected the fourth quarter and is also affecting us now by lengthening the average maturity of the portfolio, even though, again, some assets are actually maturing earlier. That, in turn, causes the over-90 bucket to stretch a bit, but we remain disciplined, of course, in writing off to loss everything we do not believe is recoverable, and then we seek to recover that through portfolio sales.

As I mentioned earlier, this pressure is more evident here in our agribusiness portfolios, in the low-income individual segment, and in Empresas 1, our very small companies segment. So there are parts of our portfolio that need closer monitoring. We monitor all of them, but we keep an even closer eye on those that are more directly linked to these increases in the over-90 NPL.

Turning to expenses, this is another quarter where, in my view, we've delivered very solid results, very much in line with what I've been repeating to you here, almost to the point of sounding monotonous, over the years. We're managing this line very carefully, where we have the greatest control. It's absolutely our responsibility to do that, but that doesn't mean it's easy.

We've had to manage through strong exchange-rate pressure over the year. This year FX worked in our favor, but throughout last year it didn't. On top of that, we've faced inflation, collective bargaining agreements, and now the repricing of technology components due to the conflict abroad, plus several other effects and, naturally, the ongoing expansion of our franchise. Even with all of this, we've been able to offset these pressures through tight management, and we're reporting a quarter in which expenses are essentially zero.

When we break down our costs between general, recurring expenses, which account for most of the total, and amortization, we are, in practice, reducing nominal spending by 0.7% in the quarter and, more importantly, by 0.3% on an annualized basis. There is also a breakdown between administrative and personnel expenses, but management, of course, looks at both lines. We are also trimming headcount. Last year, we reduced, I'd say, several thousand positions, and we continue to work on this, not by looking coldly at the number of people, but with the aim of having a leaner and more efficient organization.

Costs are higher, on the other hand, as a consequence of the investments we've made in technology and expansion in recent years, so it's a positive. Even so, on a blended basis growth is zero in the quarter and only 0.9% year over year. This naturally improves our efficiency, because we are improving the top line, even if not by a large amount yet. Obviously, I want to see revenue grow faster, but as revenue increases and costs stay flat, the efficiency ratio drops 110 basis points in a single quarter, which is good.

Some figures here: the cost to serve in Select, our high-income segment, is down 19% over two years. I didn't even need to reduce Select's cost-to-serve that much, because it is already a very profitable segment, with ROAE in the mid- to high-20% range. But, of course, it is healthy to have achieved that while continuing to keep customers highly engaged.

Even more important in the mass income segment is that we've reduced costs by 44% in two years. That's positive, but I want much more. The team knows we must drive at least another 30–40% reduction over the next one to two years to make our mass income segment virtually as low-cost as digital banks and, as a result, serve these clients in the best possible way.

Over the last two years, we have grown 22% in technology and business expansion, while at the same time reducing all other areas, our recurring expenses, by 3% in nominal terms.

Let me close by talking about Gravity. We've already discussed Gravity, and the Group talks about it a lot, but I want to quickly align on what it is, since it has only been implemented over the past few months. Gravity is Santander's move away from running the entire bank on mainframes — those costly machines you pay to purchase and then pay again to consume, the famous MIPs — and toward running the entire bank on what we call a lighter-weight platform: smaller, cheaper, more efficient and more modern machines.

On an annualized basis, once Gravity is implemented, which we expect to occur in the third quarter, ideally at the start, Gravity on its own should generate cost savings of nearly R$ 400 million per year from that point forward. To give you a sense of materiality, that represents almost two percentage points of the bank's total expense base. And of course, we are looking at every type of initiative that can deliver this.

Looking at AI, it obviously touches practically everything, and we are approaching AI both as an efficiency agenda and as a growth agenda. At the Investor Day in February, the Group committed to generating EUR 1 billion in 2028 in results from AI initiatives. Given Brazil's importance, that figure for Brazil is roughly EUR 200 million. With a quick calculation, that comes to about R$ 1.2 billion.

We've already, in practical terms, committed to having this level of efficiency in place by 2028. But to give you a sense of scale, this year, when we aggregate our various initiatives, and we didn't start working with AI just yesterday, we're already generating something in the range of R$ 400 million to R$ 500 million in results, mainly from efficiency gains driven by the more large-scale deployment of AI.

Let me close with the income statement, and then I'll stop. We've already covered each line, but to sum up, our first line, the top line, is growing. It obviously needs to grow more, and it will grow more over time, but it is already increasing, and with a mix that is becoming increasingly balanced, I'd say, so the direction is clearly right, and the mix is as well; what we need now is to work on accelerating the pace, without a doubt.

The middle lines — expenses, other items, and provisions — although they have increased somewhat, are also performing well. Altogether, thanks to the operating leverage of the business, this results in what I see as a very positive evolution in profit before tax, which, in turn, allows us to reflect the absorption of DTAs and the marginal improvement in capital in the tax line, and as a consequence, net income ends up declining, but only for mathematical reasons, which I would say is healthy.

The key point here, in my view, is the franchise's organic growth, which is driving very healthy CET1 and BIS ratios of 15.2% and 11.2%, respectively, and that, in turn, makes us comfortable to maintain our distribution policy, despite the capital add-ons, as we did recently with the JCP. We don't expect any changes throughout the year, and as our earnings increase, distributions should rise alongside them.

With that, I will stop here and hand it over to Camila to kick off the Q&A. For this Q&A, I will be joined for the first time by our new CFO, Carlos Muñiz. We agreed that I will take essentially all of the questions, but with him here beside me, he will have the chance to jump in and add any comments he would like, and in that way get to know you better. Thank you, and let's continue.

Camila Stolf: We are now starting our Q&A session. To participate, please click the hand icon at the bottom of your screen. We will answer questions in the language in which they are asked. We ask that each analyst limit themselves to one question so that everyone has the opportunity to participate.

Our first question is from Thiago Batista at UBS. Good morning, Thiago.

Thiago Batista: Good morning, Camila. Good morning, Mario. Good morning, Carlos. Mario, I'm not sure whether this is your last call or if there's still one more to come, but in any case, thank you for your collaboration over the past few years. My question is about Desenrola. We're expecting a formal announcement in the coming days of the new refinancing program. From what we know so far, it will be targeted at low-income customers, credit cards, consumer finance, and overdraft. Could you share your thoughts with us on this refinancing program that's about to be announced? And just a follow-up on the point you made regarding the DTA during the presentation: what impact do you expect the non-amortization of the DTA over the next few years to have on your capital?

Mario Leão: Great, Thiago. Thank you, it's a pleasure to speak with you. Yes, as things stand, this is my last presentation. It's been a pleasure, and I hope to stay close to all of you. I'll keep cheering for the bank and supporting it however I can.

Starting with "Desenrola", I spoke with the press a short while ago and want to highlight this for all of you. First, I believe the program is indeed necessary. It is being very well designed, led by the Ministry of Finance, by Minister Darío himself and by Executive Secretary Cerón. They have brought the banks in to design it together.

This is not a design created in a laboratory in Brasília that banks will later have to implement or see implemented on a single platform. It introduces significant improvements over the 2023 design, in which the platform was centralized and, for that reason, may not have generated as much volume as expected.

Now each bank will handle this through its own channels, working within a shared framework, a model framework, but every bank will be able to activate its own processes so that what we're calling "Desenrola 2" really moves from paper into practice.

So why do I say this is important, and that now is truly the right moment? We're all looking at the same data. Even though unemployment is at its current level, even though inflation had been coming down until very recently, and the economy is, almost miraculously, still growing despite the interest rate environment and the degree of household indebtedness, the level of disposable income is under severe strain.

As a result, actual delinquency levels remain unfavorable. We have not seen a substantial improvement in household indebtedness or in households' capacity to consume or to deleverage in recent years.

So, in my view, it makes sense to have this program. Once again, the components that make up the program the government will announce, as it should be, do make sense. We were involved in its design, and it should be quite successful, in the sense that many people, I would say I hope millions of Brazilians who are in debt and in arrears beyond a minimum period, probably in what we call somewhat longer arrears of more than 90 days, will have the opportunity to renegotiate with meaningful discounts and, of course, with government support for a certain portion of the remaining debt.

So it makes sense, it's going to happen, and since the banks took part in its design, they will undoubtedly support it, and Santander will be no different. That's where things stand with Desenrola and, obviously, saying anything beyond that would be getting ahead of the formal announcement. Naturally, we would prefer the government to make that announcement, but the main message is that it makes sense, we are going to embrace it, and I'm confident it will be effective.

When we talk about DTAs, we're dealing with several moving parts at the same time, Thiago. We already have a significant DTA base, and I'd say the industry as a whole is in the same position, some players have proportionally more, others a bit less. But because of the accounting standard that will change starting in 2025, everyone has accumulated DTAs in a material way.

In 2025, you still were not required to run this DTA through the tax P&L, but that starts in 2026, and at this point we have already recognized 4/120 of our DTA stock related to loan-loss provisions as of December 31, 2025 in the income statement, competing with the marginal loan-loss provision, something that has been happening since last year, as you well know.

So this combination of the marginal loan-loss provision now flowing into the tax books and, in our case, the inexorable 1/120 recognition of the historical loan-loss provisions, like clockwork, creates significant pressure on the consumption of the tax base, particularly in the bank vehicle.

Given that, what have we been doing, Thiago? As I mentioned briefly, since last year we've been reorganizing how results are distributed across our legal entities, always on an arm's length basis and, naturally, in line with regulatory requirements. The idea has been to move profit out of vehicles that have lower levels of DTA and, at times, a lower tax burden, like our consumer finance unit and some non-financial entities, and recognize that profit at the bank.

In practical terms, this means I'm generating more pre-tax profit at the bank, which is positive because it allows the bank to absorb its DTAs more quickly. The trade-off is that this profit is then taxed at a higher rate than in the other entities. So, in the short term, I'm effectively lowering net income, because I'm shifting more pre-tax profit to the vehicle with the higher tax burden.

But obviously, in the medium term — and I'd say it's not even medium term, because from the very next quarter onward — we're increasing, at the margin, the capital funded with our own cash and turning an asset that today earns nothing into one that starts to yield at least the Selic rate and, of course, together with the rest of the portfolio, more than that. These tectonic plates, so to speak, within our balance sheet and across all banks' balance sheets are shifting as we speak, and we're using this reorganization of our legal vehicles to push the bank's results higher. So, over time, you'll see Banco Santander Brasil S.A., CNPJ such-and-such, accounting for a growing share of results compared with the other vehicles, all done, once again, on an arm's-length basis and in the proper way.

In parallel, our underlying organic business has to grow, and it will expand across all vehicles, but it needs to grow primarily in the bank, so that the organic volume that flows there — over and above any reallocations between vehicles — also increases the bank vehicle's taxable base and, as a result, leads us to pay more tax and accelerate DTA absorption.

We expect to absorb all of the DTAs over the first, second, and third quarters. Sorry. Can you continue?

Carlos Muñiz: Ok. Our view is that we should be able to fully absorb all the DTAs we have sometime around the first or second quarter of 2027 or 2028. The exact timing will depend heavily on how commercial activity evolves, as Mario was saying, but we are taking every possible measure to optimize DTA utilization within the bank.

Mario Leão: That's it. Thank you, Thiago.

Camila Stolf: Thank you, Thiago. We now have a question from Daniel Vaz with Banco Safra. Welcome, Vaz.

Daniel Vaz: Good morning, Mario. Good morning, Carlos. Thank you for taking my question. I'd like to move into the topic of SMEs and try to break down the increase in NPL that we've seen over the last few quarters. We know that if we were to split this into components, there would be several different buckets. What I mainly want to understand is how much of this is coming from government programs. I believe "FGI-PEAC" has grown quite significantly, and I'd like to understand how much of the increase comes from this "FGI-PEAC" block, in which company-size segments, and whether there is any specific sector driving it. And if you could also add whether this should continue to rise over the next few quarters. We've seen grace periods ending on vintages originated in the past, and the government capitalizing "FGO" for "Desenrola 2.0", rather than "FGI", in order to disburse more under this program. So if you could address that in addition to the main question. Thank you.

Mario Leão: I'll give it a shot here. I hope my cough gets better. Daniel, it's a pleasure to speak with you. First, there's a significant component tied to programs. Our portfolio already has at least 25%, moving toward 30%, in government-backed credit lines. We see a lot of the delays there, which don't necessarily lead to loan-loss provisions. That said, there is some pressure on smaller companies, as I mentioned, in what we internally call the "Empresas 1" segment. So that is definitely a point of attention. The macro environment affects this segment across the board, so it remains a key focus for us.

I've said that, proportionally, I want this segment to grow much more than our other segments, but I'm not going to manage that from a distance. So we're monitoring it. This quarter, we did not grow;

that was because we preferred to stay more on the sidelines. However, going forward we will continue to look for opportunities where we can grow and will aim for double-digit-plus sequential growth in this segment over the coming years. Overall, it is a portfolio that requires very close attention.

Daniel Vaz: Should we expect NPL to keep rising?

Mario Leão: It is possible, Daniel. We cannot state definitively that it will happen, but with a tough macro environment and interest rates at the margin falling more slowly than expected, as I was telling journalists, a cut of one or two points does not make that much difference for this audience, whereas overall economic activity does. So whether Brazil grows by 1%, 2%, 0.5% or 1.5% makes quite a difference for this world of services — largely tied to commerce, services and retail — perhaps even more than a one-point move up or down in interest rates. So it is possible that NPL levels here will rise.

You brought up FGO, which I hadn't covered yet. We've already discussed this with the government, and they'll make an announcement at the appropriate time. Our understanding is that the government will not pull back support for "FGI" and "Pronamp" in order to capitalize "FGO" for "Desenrola 2". The government, the Ministry of Finance, and BNDES fully recognize how important these programs are for companies, especially small and small-to-mid-sized businesses, and we don't expect that support to be compromised by "Desenrola 2". Both initiatives will be managed in parallel, which we see as very positive.

Camila Stolf: Thank you, Vaz. We will now bring in Mario Pierry from BofA. Hi, Mario, welcome. Let's see if you're on the line.

Mario Pierry: Good morning, everyone. Thanks for the opportunity. Mario, I also want to thank you for your collaboration over the last few years and wish you success in the next chapter of your career. I'd like to drill down into the auto portfolio. You show that you're the market leader, with a 20% market share. We're still seeing healthy growth in this portfolio, but when we look at the Central Bank data, we see that delinquency in the segment has worsened quite a bit, by 130 basis points year on year. I'd like to understand how you're looking at this segment in an environment of still high interest rates, as you mentioned, what gives you the confidence to keep growing this portfolio and, given the Central Bank data showing this 130 basis-point deterioration, whether there is anything that might be skewing the industry NPL that you're not seeing. And the question here is whether several players have changed their write-off policies, and whether that might mean this 130 basis-point figure is somewhat inflated. Thank you.

Mario Leão: Thank you, Mario. Thank you for your remarks. It's been a pleasure, and we look forward to the next ones. When I briefly mentioned the topic of new and electric vehicles, Mario, I said that, as the market's leading finance company, and I'm not saying that with any arrogance, we end up with what I call gross penetration. What do I mean by "gross penetration"? An origination capacity that is virtually, not to say 100%, which would be an exaggeration but, out of every 100 contracts quoted, or applications, as they're called, in the market, we actually quote more than 90 of those applications. That gives us a view of the market that's almost complete. And from those 90, we choose to do around 20, rounding it off.

So what we're seeing is that 70 of the applications we originated are ones we ultimately choose not to execute. And the reason we walk away is the risk-return trade-off. We might see a very attractive, even compelling margin, but if the credit quality, the collateral quality, or the loan-to-value don't make sense, we prefer to decline and only move forward with the 20 we approve. That's why I've said we shouldn't grow disproportionately versus the market, because doing so would mean taking on disproportionate risk, and that's a risk we don't want to take.

How do we read the market data relative to our own figures? Are we experiencing the same deterioration as the market? No, we're not. And the reason is that, thanks to our broad, almost complete view of the market, we can decide, over time, where to place more of our bets. In recent months – really over the last one or two quarters – we've been putting relatively less emphasis on used vehicles and on motorcycles, and more on new vehicles. And within new vehicles, in particular, we've been very focused on electric vehicles.

It's no coincidence that our average share of electric-vehicle origination has reached 50%. And for some brands — the ones that are growing the fastest, and I won't be impolite and name them here — our share is close to 70%. This was a deliberate choice. In recent quarters, we have chosen to prioritize the new-vehicle segment, which has significantly lower NPL levels than used vehicles. Naturally, that leads us to higher-rated customers, because a new car is, on average, more expensive than a used one.

When we move toward customers with higher purchasing power, clients with higher income or greater financial capacity, we naturally see higher ratings as well. This combination of higher ratings, better credit capacity, and stronger collateral means our performance is better, both in the short term and over the medium term. That does not mean, however, that it is not a "nervous" business. It is a business that carries a cost of risk of a few percentage points. Obviously, that cost is not zero.

Brazil's ability to recover claims is still not comparable to that of the United States. We do have a legal framework for guarantees, but we are still far from having the kind of out-of-court recovery capacity they have abroad.

That said, things are improving at the margin, and we remain positive. We also run a smaller business, it accounts for maybe 5-6% of the total portfolio, but it is a very healthy consumer finance operation, ex-auto. Over the years, we have learned a lot, through plenty of missteps and many right calls, and today our consumer finance business is organized around the verticals we have been aiming to have for several years. It is a well-established, very profitable business, both in terms of new origination at the margin and stock.

We view auto as our core business, but we also have a segment that I'd describe as generating very solid alpha, with strong margins, which we've been managing effectively. That said, we can't allow it to grow out of proportion, because consumer finance in Brazil has to be done right, and we've learned the hard way that there are certain verticals we simply can't operate in. Overall, though, it's a healthy business. We're keeping a close eye on the macro environment, of course, but we're continuing to run it well and expect it to keep growing over the year, likely in line with the market. But if it grows slightly below the market, that's fine, because we're taking exactly the level of risk we want to take.

Mario Pierry: Thank you.

Mario Leão: Thank you.

Camila Stolf: Our next question comes from Itaú BBA analyst Pedro Leduc. Good morning, Pedro.

Pedro Leduc: Good morning, Camila, thank you. Mario, congratulations on your trajectory as well, and all the best in what comes next. I have two questions. First, looking at your portfolio, with SMEs growing 10% year on year, and considering the macro backdrop you mentioned, could you walk us through how you see the strategy from here, particularly the trade-off between risk and opportunities in light of the new segmentation you've introduced? Second, regarding the changes to the policies under CMN Resolution No. 4,966 and the potential extension of the write-off period, was there already any impact this quarter? We saw NPL formation behaving differently from loan-loss provisions, and I'd like to understand how we should think about the effects of this change, including on 90-day NPLs, over the coming quarters. Thank you.

Mario Leão: Cool. I'll start with this one, Pedro. As I mentioned — and thanks, as always, for your comments — we already felt some impact in the fourth quarter, and in this first quarter that impact from the change in our write-off policy has increased a bit. I want to emphasize again, because it's important to be clear: we're evolving from what we used to do to a much more technical and much more rigorous approach. In the past, we booked write-offs using an average, and anything based on an average is not necessarily the most technically accurate. It so happens that the average is now slightly higher than it was before, when we go through portfolios one by one. We decided to drill down in this way, we saw the outcome and thought, that's great, but what we did here was very technical.

Take cards, for instance, which, as I've been saying and as you've been following closely, is one of the portfolios where we've grown the most and, as I mentioned, one of the franchises I'm most confident in and that we're backing the most. In practice, we've started to bring loss recognition in the card portfolio forward because, ex post, when we look across several vintages, that's the actual pace at which we're able to recover. In the auto finance business, for example, and in a few other products, our recovery capacity extends over a longer period, so it would be incorrect to book the loss that early and then recover it later through portfolio sales, and so on. That's the technical analysis we're carrying out now.

I do not expect this to be so material over the year that it will drastically change our over curve. It will tend to affect the over, though: if we take what I can call our average over for the year, it should, especially in over 90, come in higher than last year's average figure. So the curve may shift up a bit in parallel, yes, and over time we can show how big that effect is without any problem, because, again, this is something we implemented on a solid technical basis, reviewed, of course, in every forum you can imagine, and we will continue to report it accordingly.

From a portfolio standpoint, you asked about NPLs and cost of risk. Pedro, once again we're dealing with several moving parts. When we look at the de-risking that we continue to carry out in the low-income segment — I mentioned some figures in my initial remarks — to make it more concrete, in this quarter alone our low-income portfolio is down by close to 4%. This decline in the low-income segment has two effects, and both are healthy when we look at them over a somewhat longer horizon.

In the short term, I am accelerating the run-down, the run-off, of the low-income segment, which means a heavier load of loan loss provisions, because I am speeding up this de-risking. The other negative effect, which, again, is actually healthy, is that I am giving up revenue that I would later have to provision, so my top line is effectively being anchored. This matters, so let me open a brief parenthesis: my top line, my revenue, mainly margin, on an annualized basis, Pedro, starts out declining, and this is an important data point for you; it starts out down by 1.5% to 2% of the bank's total aggregate, purely because of the de-risking I am carrying out in low income. So any revenue growth I deliver is a top-off to recover what falls away in low income from this technical, surgical reduction of the low-income portfolios I no longer want to hold and, of course, everything beyond that is healthy growth.

So, our 0.8 this quarter is clearly not a "wow" figure, but once you examine what's behind it, it's actually of very good quality, which is why my tone this quarter is positive. We're generating pre-tax profit that is growing nicely and is, let's say, in good health beneath the surface.

There is, however, this initial offsetting effect. So when we look at NPL formation, it is a few basis points higher, and when we look at the cost of risk going down, these things may seem to be pointing in opposite directions. The point is that there are many moving parts at the same time. There is also a concern you did not spell out, but that will likely come up in one of the questions: "And what about the wholesale names – are you adequately provisioned there?" We do not comment on individual names, as you know, but the message on the wholesale names, which I think is worth mentioning because they obviously feed into NPLs, into the cost of risk, and are relevant single-name exposures, as is always the case in wholesale, is that, first of all, we are clearly comfortable with the level of provisions we hold each quarter and, in fact, each month. And it is worth making a more general comment here, and you can hold us to this over time as it plays out in practice: in wholesale, we provision first based on the legal entity and second based on the structure.

Let me explain why I'm referring to the legal entity. For some of these single-name exposures that get a lot of attention in the media and among analysts, our position is largely outside Brazil. Because we're part of a Group, we have access to differentiated funding, for example in Madrid, and for many of these single names, for a number of them, more than 90% of our exposure sits at Santander Spain, to use a simplified description. From a management perspective, I'm the one responsible: it's my risk committee and my commercial team, but this does not affect the bank's legal entity and therefore does not impact the share. This is an important nuance for you to keep in mind: not all of Santander's exposure as a major creditor that you see reported is actually here in Brazil.

The second factor is structure. We operate heavily at the asset level and in project finance; as you know, we've been a leader in project finance for perhaps 10 years now. We're very active in infrastructure, energy, and similar sectors, and we also run a substantial book on the energy trading desk, which is an exposure that's more operational than financial. Looking at it asset by asset, we provision according to how the transaction is structured, the strength of the collateral, whether it's operational or not, and so on. And we only provision what actually sits on the bank's balance sheet here; in fact, one or two of these large cases are not even booked in the Brazilian vehicle. That's a broad answer; if there's anything I haven't covered, please feel free to ask.

Pedro Leduc: Mario, thank you very much for your additional remarks. Wishing you continued success.

Mario Leão: Thank you, Pedro. All the best to you.

Camila Stolf: We now have a question from Brian Flores from Citibank. Welcome, Brian.

Brian Flores: Thank you, everyone. Mario, I wish you every success, thank you for the collaboration, and I also want to wish Carlos all the best. You highlighted a very interesting point, which is the pace of client growth, at 6% year on year, whereas engagement, measured by active clients, has grown slightly less, at 3% year on year. I'd like to understand whether this gap between these growth rates poses a challenge for you in terms of monetization or expenses going forward, whether you might need to invest a bit more to get these clients more active, to deepen their engagement, or whether this gap creates any efficiency challenge down the road, given that, as you also mentioned, things have been tracking positively so far. Thank you.

Mario Leão: Thank you, Brian. Thank you for your words, and this is a very strategic question, an excellent one. As we talked about earlier today, when I shared this with the organization first thing this morning — I always begin with our employees — I really emphasized this point: growing 6% year on year, when you're already at 75, is solid growth. It takes you to a figure of more than 4 million, which is a good number.

I've said this more than once, and it's not just meant as a nice sound bite: we're not in a race to have more customers per se. Our focus is, of course, to keep growing the franchise by increasing the number of customers, but above all by having active customers and customers for whom we are the primary bank. You've zeroed in on the key point.

For me, the challenge is this: I can certainly do more to grow top-line revenue from customers, but I want to grow active customers and customers for whom we can become the primary bank. So the key challenge is to turn 3 into 6, maybe, or to turn 3 into an even higher figure, that's the challenge for management as a whole. How are we tackling this, Brian? Let me touch on a few points. Obviously, part of it comes down to our credit appetite, and I'm not going to change that appetite just to add more customers.

I need to grow our client base, but always within an appropriate credit appetite, aligned with the type of portfolio I want to have: a portfolio that is increasingly balanced, diversified, sustainable, and that delivers a ROAE of 20%-plus from 2028 onward, a target the Group committed to at its Investor Day. Now the Group itself is saying what I've been telling you since 2024, so we are working toward this and moving firmly in that direction, and it is inexorable. We will only achieve this if we continue to maintain the discipline on cost of risk and on marginal capital allocation that we've had so far. So I'm not going to drive growth by simply loosening our credit appetite.

Of course, if the macro environment improves, families begin to reduce their indebtedness, "Desenrola" and similar initiatives advance, and inflation falls, all of that will organically give me greater appetite in the segments where I already operate. But the key question is: in the segments where I already have credit appetite, how do I increase my penetration? That's where the tools, the commercial model, and the value proposition come in.

By tools, we mean technology, platforms, and our One App, which we rolled out to our entire customer base, possibly in record time, in nine months from start to finish. Since the turn of the year, all of our current-account customers have been on our One App, and now we are going to start migrating more and more of our single-product customers, those who have only a non-account product, so that they, too, become our clients via One App.

We have a new CRM that started in Brazil and has become a global platform we call the Customer Interaction Platform, which is the toolkit that essentially enables the hyper-personalization I've referred to several times in our disclosures.

The Santander Rewards program that we launched the day before yesterday is no small part of this, it enables us to offer a customer experience in which customers genuinely feel embraced at every touchpoint and feel recognized and valued. Taken together, all of this addresses our toolkit and value proposition. In addition, in each subsegment, especially high-income and SMEs, our aim is to deliver the value proposition customers expect, and not just one that matches the market, but one that outperforms it. And this is where the service model also comes into play.

In the high-income segment, in small and medium-sized enterprises and, of course, in wholesale, we need a service model that is at least on par with the market and, ideally, better. Through our service model, our offering and our tools, we need to deliver more, while staying within our risk appetite and our capital discipline. I'm confident we'll do that, but it's a very challenging journey, because we face extraordinary competitors in Brazil, both local and international, across all subsegments, and we also have a regulator that keeps raising the bar. But this is, without a doubt, the path. Thank you.

Brian Flores: Perfect, thank you very much. Wishing you success.

Mario Leão: Thank you.

Camila Stolf: We will now switch to English with Jorge Kuri from Morgan Stanley. Hello, Jorge. Good morning.

Jorge Kuri: Hi, everyone. Good morning. Thanks for taking questions. I guess, Mario, before my question, I just wanted to thank you for the open dialogue and proximity you had with the analyst community over the years and wish you all the best going forward. And you've spoken at length about the bank and all of the debates and the metrics, so I don't really have a question there. But I just want to maybe take a step back and ask about the leadership transition. Could you help us understand how Santander Spain, the board locally in Spain, is thinking about the company's next phase and what specific capabilities or experience the incoming CEO and CFO bring that you think are more relevant to the strategic or operational priorities ahead? And should we view these changes as maybe suggesting or supporting any shift in strategy, capital allocation, priorities, or is this just more sort of like the normal transition period that Santander rolls people over from time to time, position to position to renew sort of like energy, etc.? Just help us understand what's behind all of these leadership changes.

Mario Leão: Thanks, Jorge. It's a pleasure to speak again and cover transition, which is an important topic. So starting from the end, I cannot speak fully, obviously, on behalf of the Group and the board, but being part of the "Promontório", as they call the senior leadership of Santander Group, and also being part of the board, the transition has very little to do with a need for change, a need to alter the strategy or pivot from the direction we're taking or the segments we're focusing on.

It has to do much more with continuity and reinforcing the strategy which we've been building — not Mario himself, not the senior leadership from Brazil all alone, but the whole leadership of Brazil, the board and the Group's leadership that has been very close to Brazil all along. We've been building this together, so it would be unnatural that with the change of the CEO, and by the way, coincidentally, the CFO, the strategy will change.

So I do not expect, frankly — you can obviously challenge us through the next cycle — , but there should not be a relevant change in strategy. There should be hopefully even more focus on a disciplined execution of that strategy, which you know by heart, because I've repeated it 10 to 20 times at least, what we've been doing, what we're focused on, as we call now the "boring banking" strategy, which is as boring as it is, it is as powerful and sustainable as it could be.

So we are obviously in the middle of that path. We're not claiming victory, and by the way, victory is a moving target, but we are clearly in the right direction, and I'm pretty sure that the board and the Group with the new leadership here, which is predominantly the same leadership that I built with the new CFO, which I helped choose, and the new CEO, which I applaud the board and the Group's choice.

I'm sure Gilson, Carlos, and the whole leadership with the support of the board and the support of the whole Group will continue the execution path we've been taking, hopefully faster, hopefully better, but for sure along the same lines of capital discipline, profitability, being more profitable before being bigger — but obviously being both: being more profitable, being bigger, getting to 20%-plus ROTE by 2028 and hopefully beyond, because this franchise merits and has all the capabilities to have 20% lows ROTE on a sustainable and permanent basis going forward. So I do not envision any change and hopefully an even better execution than we've been executing. So ultimately, it is more a, I would call "BAU Santander transitioning cycle".

Gustavo, as you know, after 26 years of Santander and three as CFO, announced his departure late last year, and we had a very smooth and soft transition with one of the best, if not the best CFOs we had within the Group, that is Carlos Muñiz, so I'm selling him expensively to you, but he's one of the best indeed, and I'm sure you're going to have the chance to work alongside with him.

So I'm very excited to have a CFO that now encompasses the controller function in Brazil, which helps as well understand the numbers, narrate the numbers, etc. And on my side, as I announced around a month, month and change ago, it was also my decision to close this cycle of five years since my initial transition with Sergio. Very rich, very, very enlightening cycle for me, for the bank hopefully, and I'm very, very much looking forward to the cycle ahead.

So it is, I would say, as much as possible BAU. The leadership is very focused, very not stressed, not anxious, and I'm very, very excited to share the next phase with Gilson after a transition cycle. He's someone I know from my Citi days, a long time ago, and I very much look forward to seeing him as the next cycle CEO for Santander Brasil, along with Muñiz as CFO. Thank you, Jorge.

Camila Stolf: Thank you. We will now return to Portuguese with Bernardo Guttmann from XP. Good morning, Bernardo.

Bernardo Guttmann: Good morning, Camila, Mario, and Carlos. I'd also like to congratulate you, Mario, on your career at the bank and wish you success in your upcoming challenges, and likewise wish Carlos success in his new role. I'd like to come back to my question on growth and mix. The bank is pressing ahead with its move toward secured lines, in mortgages, consumer finance, and secured SME lending. From your perspective, is this shift already delivering the risk-adjusted returns you were expecting? And are there any segments where you see yourselves as still under-allocated and where you would like to grow further over the course of the year? Thank you.

Mario Leão: Thank you, Bernardo. I also want to apologize on behalf of all of us and thank you for your patience, yours and that of everyone still watching. Thank you for staying with us, I'll do my best to make it up to you here. You've touched on a key element of our strategy, which is also one of our Golden Rules in recent years, Bernardo: the mix, a healthier, more resilient mix. We use the term "all-weather." We want to deliver, and with every quarter we are delivering, a more all-weather Santander Brasil for the market, for the Group, and for our own management, and that is closely linked to having a well-balanced mix.

Are we already where we want to be? Certainly not. This is an ongoing process that will probably take another one or two years before we have the exact mix we're aiming for: a reduced mass income segment, as we intend, and all the other segments at their proportional size on a balance sheet that is, of course, larger. That said, we are already, I would say, at a more advanced stage of this mix rebalancing, as you rightly noted.

Do we see the impact of this showing up in the P&L lines? Undoubtedly yes. When we review each origination vintage and back-test its performance — as I mentioned, we do that every month, we also run very deep back-tests every three months — starting in the third month, once we already have a view of early-stage delinquency, what we refer to as M3. From that third month on, we conduct very detailed analyses, led by our CFO, Carlos Muñiz, together with our CRO, Carlos Dias. They form the first line in this equation, the first line of defense for profitability, and they challenge the business units, in that sequence, on how to improve the mix.

Do we see this in the new vintages? Without a doubt. Of course, we're always feeding what we learn back into the origination model, but I'd say that over 90% of what we're doing is exactly as we wanted. And what about the bank's aggregate results, Bernardo?

Of course, as I answered Pedro, our P&L has a lot of tectonic plates moving at once. Right now, I'm speeding up both the write-off and the run-off of the special portfolio. That does weigh on our results by increasing loan-loss provisions in this special portfolio, but it's a healthy move, because I'm effectively cleaning out the future loan-loss provisions I would likely face in this segment.

And I also have an impact on top-line revenue, because I am moving away from the highest-spread segment in the portfolio, which is the mass income segment. However, the underlying quality, the quality of the results I am building into an increasingly better blend every month and every quarter, is clearly being delivered, and you will be able to see this more clearly with each passing quarter.

So, on new vintages, that box is clearly ticked, with a very rigorous back-testing discipline behind it. If we had more time, Muñiz, our recently appointed CFO, could spend a good half hour here just walking you through how he is already applying this discipline, but you can be sure that it is one of the key parts of our weekly management.

Over time, this mix will start to improve the portfolio, and that will show through. That is what gives me confidence that, on a mix basis, we will reach 20%+ profitability from 2028 onward, at a minimum, once we have finished cleaning up everything that needed to be cleaned up and, with the new vintages increasingly making up the whole portfolio, we will have originations at 20%, 20%+ ROTE, at a minimum. Thank you.

Bernardo Guttmann: Thank you, Mario. I wish you success.

Camila Stolf: We will now move on to our final question, which comes from Marcelo Mizrahi with Banco Bradesco BBI. Good morning, Mizrahi.

Marcelo Mizrahi: Hi, everyone. How are you? First, Mario, thank you for everything throughout this journey on the buy side and now on the sell side, thank you for the lessons, the learning, and the collaboration. Best of luck to Carlos; we'll be interacting a lot. My question is this: earlier this week we wrote specifically about this 15-to-90 issue, the 15-to-90-day NPL compared with the 90-day NPL. As you mentioned, and as the Central Bank also highlighted last year, the 90-day NPL metric has, in practice, lost some of its comparability, both versus how it looked in the past and, in Santander's case, how it had been evolving. My first question is this: when we look at Santander's 15-to-90-day NPL, the signals we're seeing in individuals and even in small and medium-sized companies are constructive. In fact, in SMEs it actually comes down in the first quarter versus the fourth, and in individuals it does go up, but by less than in recent years. We went back over the last four or five years and looked at every first quarter at Santander's 15-to-90, and last year in particular that 15-to-90 moved up by more than the 0.2% increase we saw this quarter. So, when I look at the 15-to-90, which I now see as the more reliable comparison metric, I see the asset quality trend as somewhat more constructive. The question that naturally follows from that is cost of risk. Looking ahead, there is clearly the challenge of de-risking the portfolio, but the question is: if we factor in the specific cases — I'm not sure whether you've already provisioned for them or expect higher provisions going forward — together with the portfolio profile, which already carries somewhat lower risk, and with what we're starting to see in companies, SMEs and individuals, should we be thinking about cost of risk rising over the year, or staying more or less stable? I think the main expectation, if we go back to what we were assuming for the first quarter, was for provisions to be significantly higher, precisely because of this pattern, both the seasonality and the specific cases. So I'd like to hear you talk a bit more about how you see the cost of risk evolving from here.

Mario Leão: Nice, Marcelo, thanks, and thanks as well for your remarks. It's really been a two-way learning experience; being close to you all has taught me and the bank a lot. I often say this is one of the most valuable games we play, because it's ultra-technical and you always bring the toughest questions, which pushes us to be better prepared every time. So thank you for that. You touched on several points, and I'll try to touch on most of them; if I leave anything out or there's any loose end, please let me know and I'll close it.

You're right that the 15-90 has constructive aspects, especially when we look at it through the lens of typical first-quarter seasonality. It's good that you went back to that history; last year's figures, in particular, were tougher, and the impact of mortgages at that time, which I mentioned today and remember discussing exactly a year ago when we talked through the mortgage story, was even more material than it is now.

It's a meaningful amount. In mortgages, that portfolio alone represents 25-30% of the 15-90 delta. Once we add consumer finance, those two together clearly account for more than half. And these are products where this kind of short-term delay is built into the way they work and, as I've said, remains very healthy. The situation in small and mid-sized companies is also constructive. How do I look at this? Marcelo, we've actually been more conservative on portfolio growth for at least a year and a half now, and you'll be the first to back that up. I'm not claiming that makes us superior, but we have been working to be more selective in our customer segments, in every sub-group of each sub-segment.

So we will indeed seek to achieve performance in overs that is in line with, and ideally better than, the market, particularly given that our portfolio is growing more slowly. The trade-off of growing the book less is that the denominator does not expand as much, so I do not benefit from the dilutive effect, both on cost of risk and on NPL formation, that I would have if the portfolio were growing 10-12% per year, which would clearly improve our indicators. And I am not getting that effect because I chose not to; it is a deliberate decision, not a coincidence, but it does not help on this particular front.

So, clearly this quarter, because of exchange-rate effects and a few specific portfolios, our portfolio, on a broader basis, which is how we will always present it to you, is down slightly. I do not expect the portfolio to end 2026 below the 2025 level, obviously not, but it should grow, as it has in recent years, by a few points, or X points, less than what Febraban, at least, expects the market as a whole to grow; nevertheless, it will grow.

So the denominator should grow in a way that helps dilute the cost of risk. If we execute this properly at the portfolio level, we should be able to keep provisions from increasing faster than the loan portfolio and, as a result, the cost of risk should essentially stay in the same order of magnitude. With a few basis points moving one way or the other, we would still treat that as the same order of magnitude. That said, it's still very early in the year, and we can't state a definitive macro scenario yet, because it obviously hasn't been resolved.

I've already discussed the household segment in depth. I said that in the small and medium segments, including the very small ones, we do indeed have a point of concern, and agribusiness is still far from resolved; this is not specific to Santander, it's an industry issue. So we're not in a position to say that there will be a clearly visible reduction in the cost of risk this year, but we do expect that the cost of risk will not deteriorate in a way that is materially noticeable this year.

What I can indeed guarantee is that, over a slightly longer horizon, when we look out to 2027 and 2028, the way we are de-risking the portfolio and originating portfolios in an increasingly balanced, well-calibrated, and diversified manner means we are effectively designing a bank that will reduce its cost of risk along that path to 2027 and 2028. That is easier to state with conviction, because we will be seeing more of the medium-plus-term effect of our de-risking and of the new origination, which is becoming increasingly precise and better, as I mentioned just a short while ago in response to one of the questions.

So, this year we expect it to remain essentially flat, with only a few basis points of movement up or down. This quarter, it even came in a few basis points lower, despite the portfolio not growing. As the portfolio grows, we will have a tailwind on this front because the impact is diluted, but we will maintain the same discipline we have today and continue to manage the macro environment that we, you, and all our competitors have to face in the best possible way.

I believe I've covered your points, and on your question about the names, I had already touched on this when answering Pedro, we do believe that our March 31 balance sheet reflects the right level of provisions for those single names. These situations, however, continue to evolve. April will evolve relative to March, and May will evolve relative to April. We don't book provisions ex-ante for scenarios that haven't yet occurred. Instead, we build our recovery-capacity model and our net present value model for the exposures, and we factor in the relevant scenarios. When negotiations are under way and we're at the table with companies structuring constructive solutions, we typically monitor those discussions to determine the level of provisioning we need.

Again, we really shouldn't generalize. Our exposure to holdings is very limited, and our clean exposures are also at very low levels. Most of our exposure is to operating assets and projects, to transactions in areas such as energy or derivatives, which are of a different nature from clean, long-term holding operations, where our presence is minimal.

So we will continue to do this and, of course, depending on how these names evolve, we will undoubtedly reinforce our provisions. I hope I've addressed all the points and, once again, the topic of ratios and the cost of risk is one that cuts across many areas. Once more, the team is available to support you, and I'll now turn it back over to Camila for the closing remarks.

Camila Stolf: Thank you. I would like to thank everyone who joined us this morning. The entire Santander Brasil Investor Relations team and I remain available to address any remaining questions. Thank you, good morning, and have a great week.

Mario Leão: Once again, thank you all. It has been a pleasure to be with you over all these years. I wish you success, and I will continue to be here, supporting and cheering for the bank as much as possible. Thank you.