

Institutional Presentation 9M'21



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**Our business
model and
strategy**

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and businesses**

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& activity**

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**Links to
Grupo Santander
public materials**



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- Our business model and strategy

Santander, a leading financial group

Simple | Personal | Fair



9M'21 Highlights

	Total assets (EUR bn)	1,578
	Customer loans (EUR bn excluding reverse repos)	942
	Customer deposits + mutual funds (EUR bn; excluding repos)	1,049
	Branches	9,904
	9M'21 Net operating income (pre-provision profit) (EUR mn)	18,848
	9M'21 Underlying attributable profit (EUR mn)	6,379
	9M'21 Attributable profit (EUR mn)	5,849
	Market capitalization (EUR bn; 30-09-21)	54
	People (headcount)	193,303
	Customers (mn)	152.4
	Shareholders (mn)	3.8
	Communities since 2019 (mn; financially empowered people)	6.2

Our corporate culture: The Santander Way

■ ■ It is the bedrock on which we are building a more responsible Bank ■ ■

Our purpose

To help people and businesses **prosper**.

Our aim

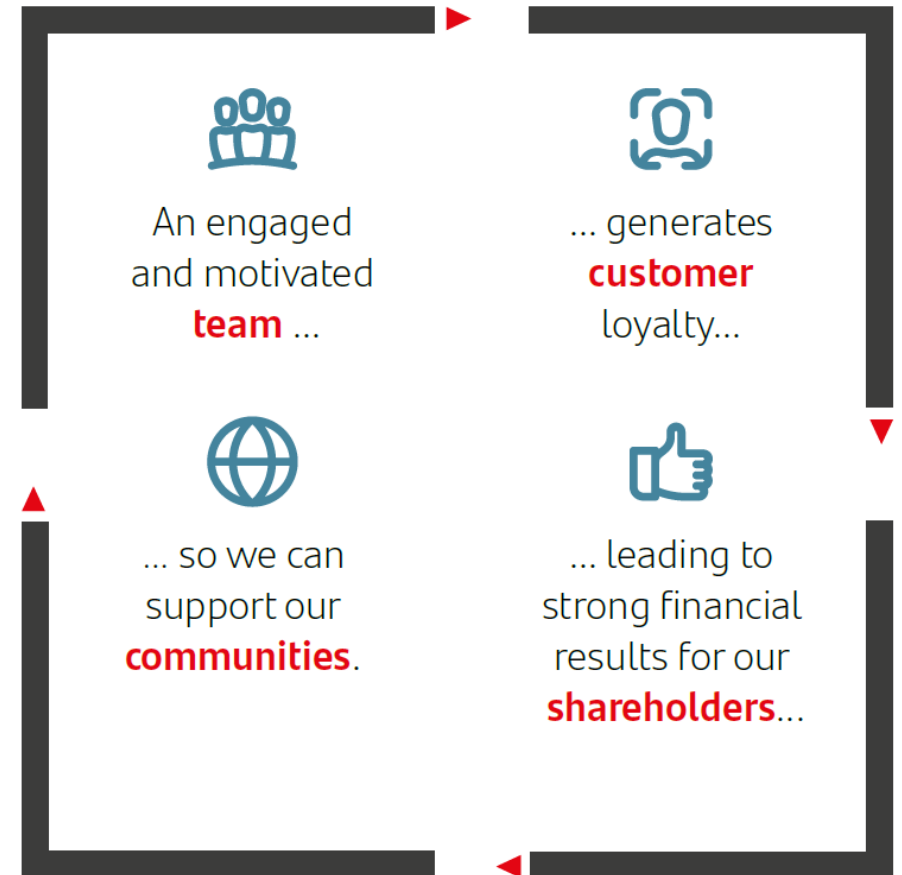
To be the best open financial services **platform**, by acting **responsibly** and earning the lasting **loyalty** of our people, customers, shareholders and communities.

Our how

Everything we do should be **Simple, Personal and Fair**.

Our stakeholders

We are earning the loyalty of all our stakeholders, generating a virtuous circle of growth.



Santander business model

Our business model is based on three pillars

1. Scale

Local scale and leadership. Worldwide reach through our global businesses and PagoNxt



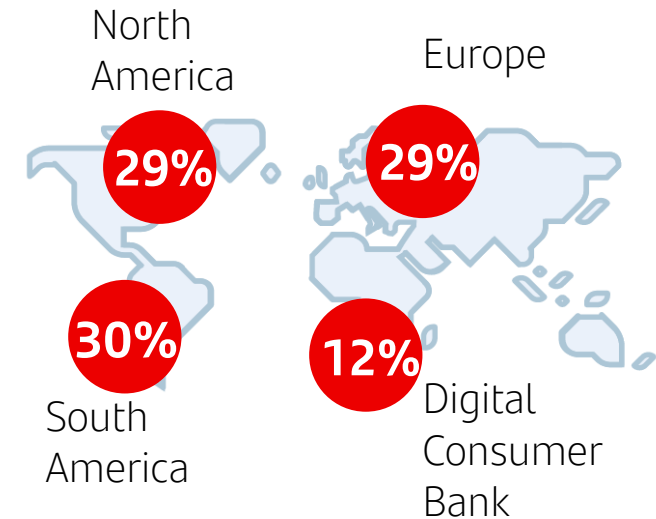
2. Customer focus

Unique personal banking relationships strengthen customer loyalty



3. Diversification¹

Our geographic and business diversification makes us more resilient under adverse circumstances



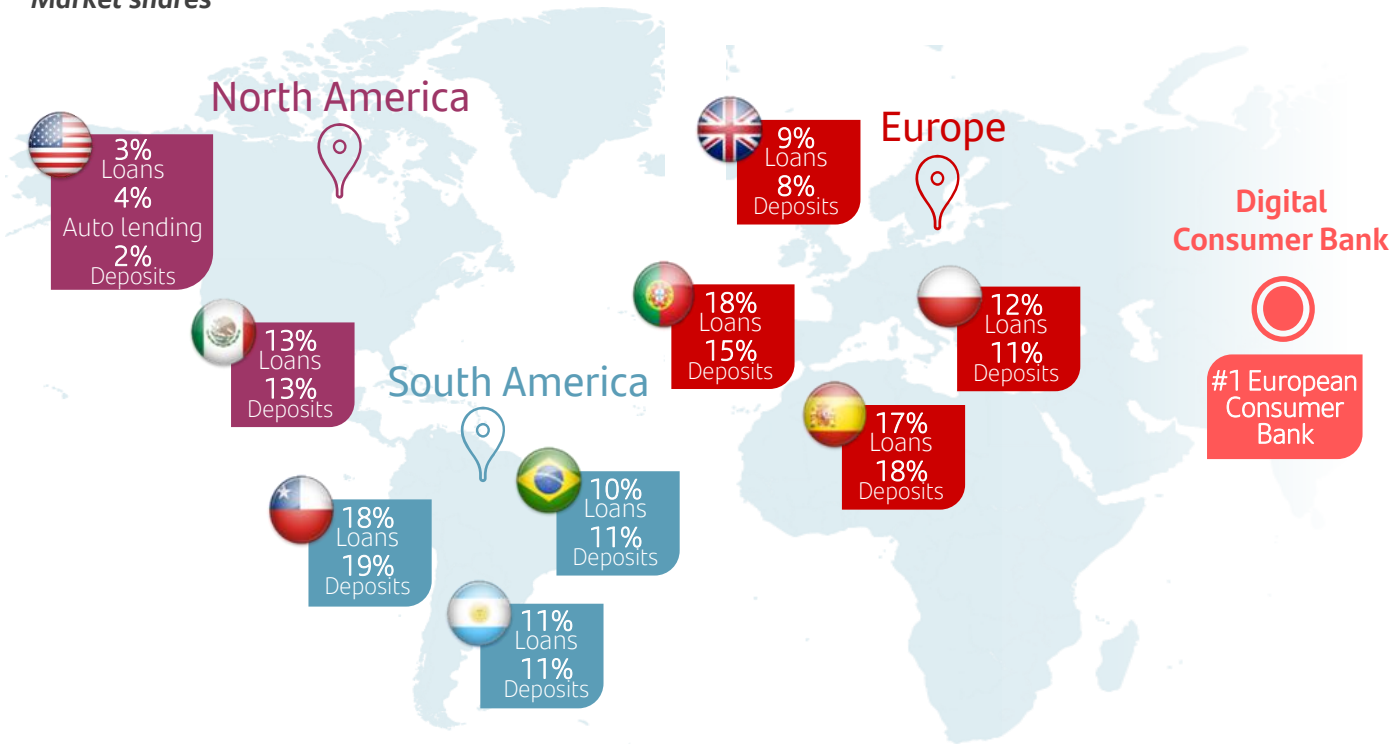
01.

Scale

Primary segments

We maintain leadership positions

Market shares



Secondary segments

Enabling greater collaboration across the Group to generate higher revenue and efficiencies



Santander Corporate & Investment Banking



Santander Wealth Management & Insurance

PagoNxt

PagoNxt



Market share data: as at Jun-21 and Argentina, USA and Digital Consumer Bank latest available. Spain includes Santander España (public criteria) + Hub Madrid + SCF España + Openbank and Other Resident sectors in deposits. The UK: includes London Branch. Poland: including SCF business in Poland. The US: in all states where Santander Bank operates. Brazil: deposits including debenture, LCA (agribusiness notes), LCI (real estate credit notes), financial bills (*letras financeiras*) and COE (*certificates of structured operations*)

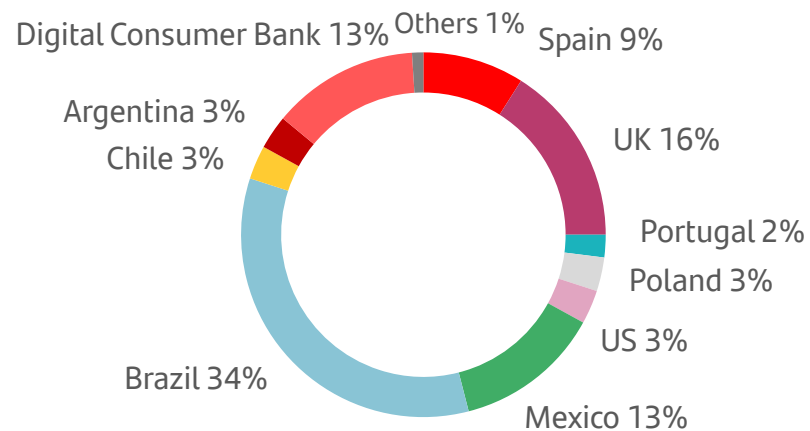
02.

Customer focus

Customer satisfaction
is essential to build
loyalty

152
million customers

Distribution by market, Sep-21



Top 3

in NPS¹ in 7 markets



+12%
loyal customers

+13%
digital customers

02.

Customer focus



Unique personal banking relationships with over 100,000 people talking to our customers every day in our branches and other customer support services



 **24.7 mn** (+12%)
loyal customers



22.6 mn (+12%)
Individuals



2.1 mn (+12%)
Companies



33%
Loyal/active customers

Customer support services

Available anytime, anywhere, anyhow



Branches: c. 10,000

The largest branch network in the international banking world¹



Collaborative spaces and increased digital capabilities

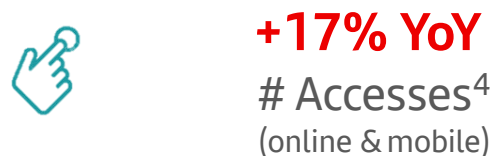
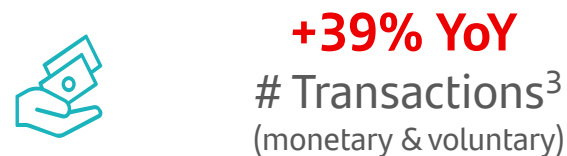
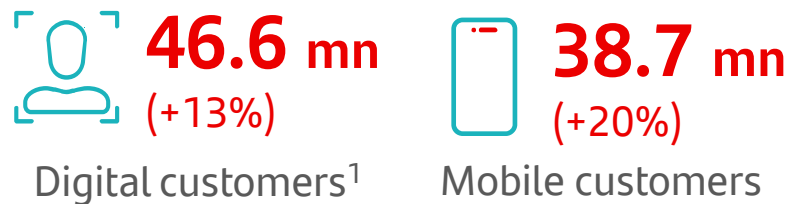


Santander Smart
and **Ágil** branches

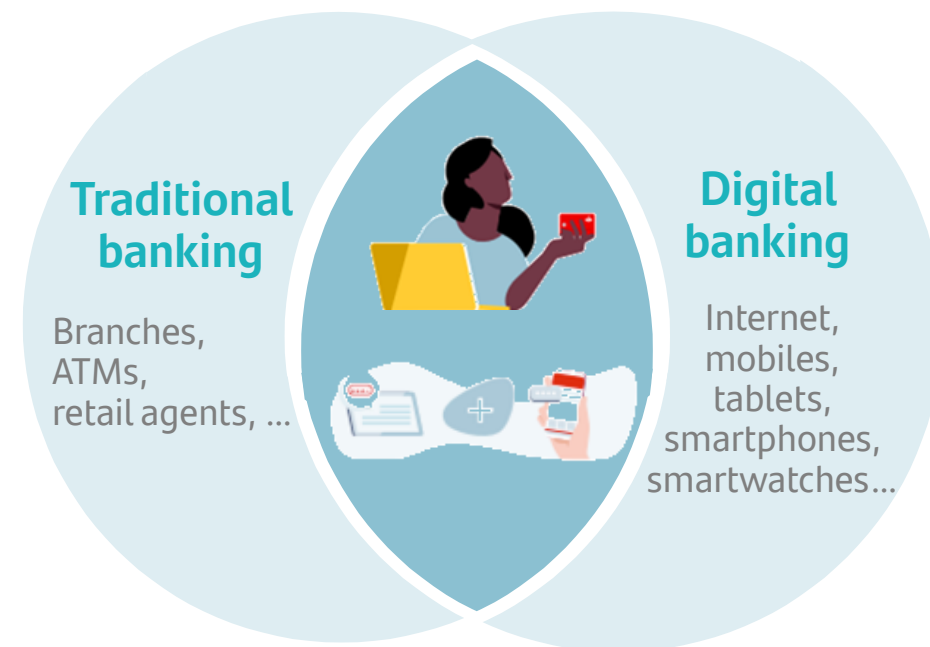
02.

Customer focus

Digital adoption has accelerated resulting in increased mobile customer base and digital sales penetration



Digital technology boosting financial access



Guaranteeing access for all segments

- Sparsely populated communities
- Low-income communities
- Most vulnerable groups
- University students

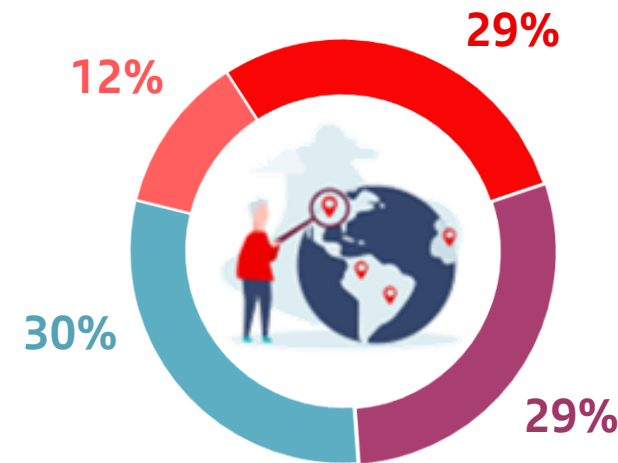
03.

Diversification

Geographic diversification with a good balance between mature and developing markets

Well balanced profit distribution

Contribution to 9M'21 underlying attributable profit¹

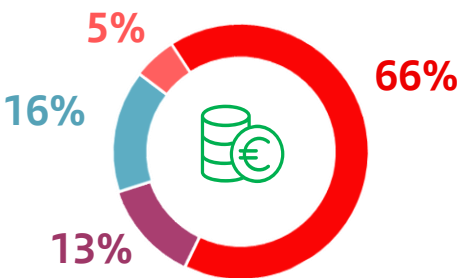
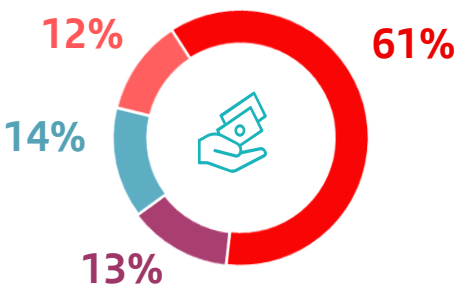


Higher exposure in Europe, greater opportunity to grow in the Americas

Sep-21 Group's contribution² by primary segments

Customer loans

Customer funds



Europe North America South America Digital Consumer Bank

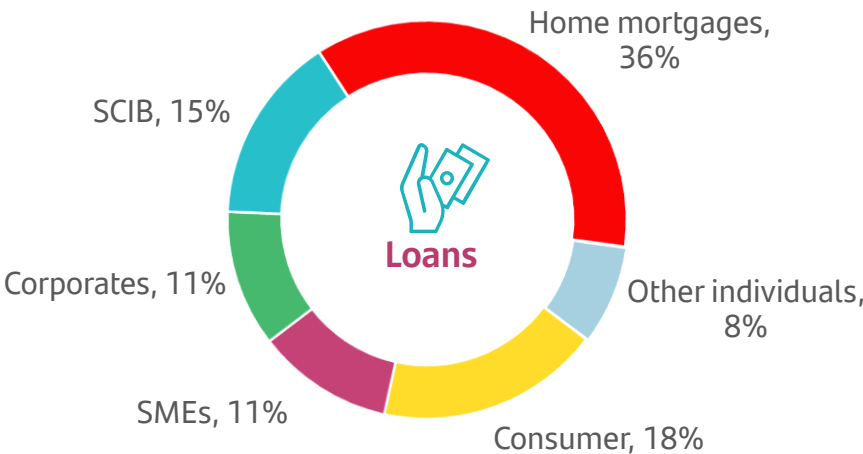
(1) As a % of operating areas, excluding Corporate Centre (2) As a percentage of operating areas
Note: customer loans excluding reverse repos. Customer funds: customer deposits excluding repos + marketed mutual funds

03.

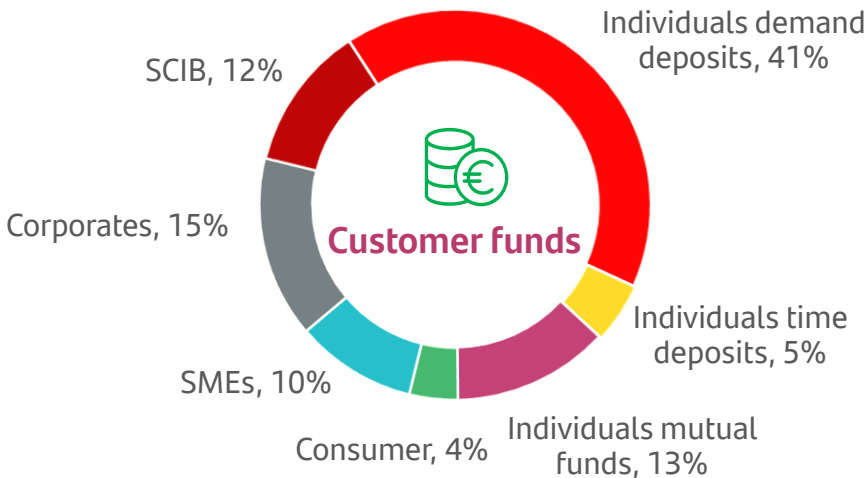
Diversification

Business diversification among customer segments (individuals, SMEs, corporates and large corporates)

Customer loans by business, Sep-21



Customer funds by business, Sep-21



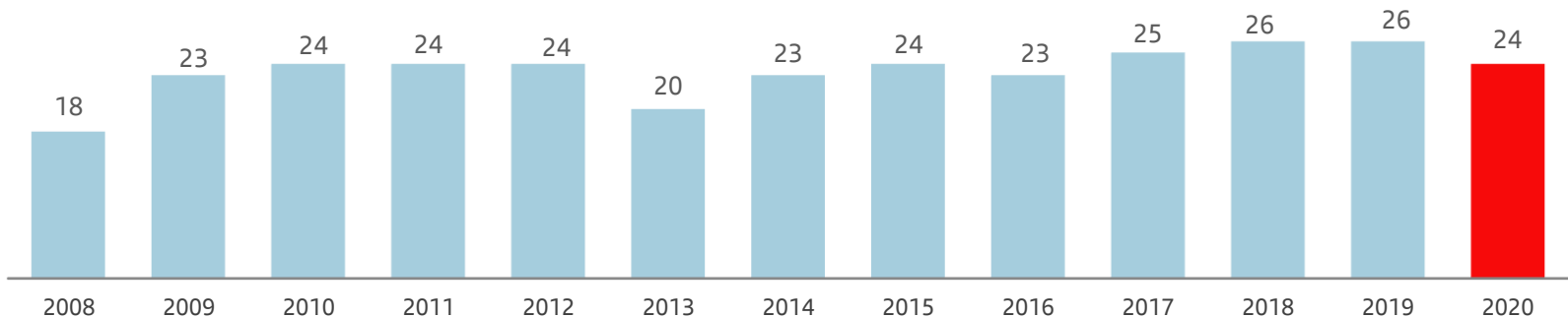
03.

Diversification

Recurring pre-provision profit with the lowest earnings per share volatility



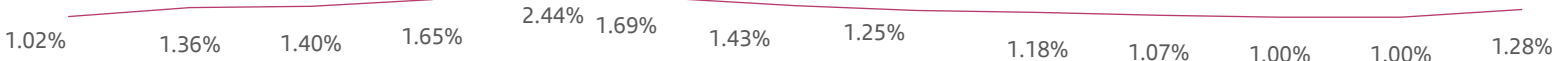
Pre-provision profit, EUR bn



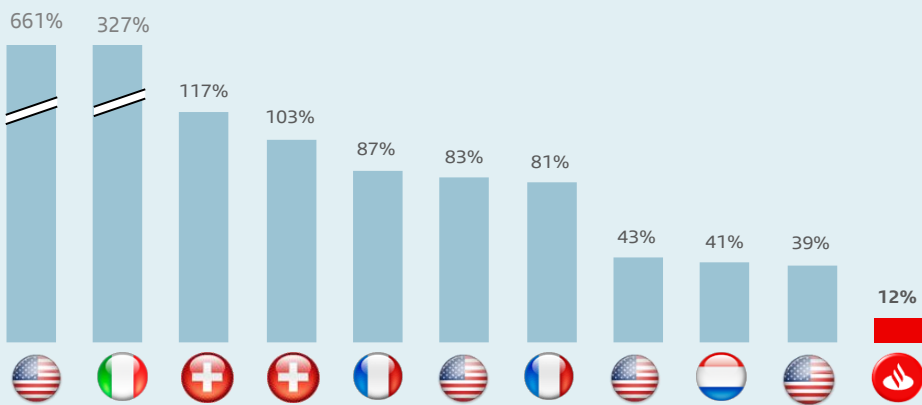
Pre-provision profit / loans



Cost of credit



EPS volatility calculated using quarterly data from Jan-99 to Q2'21¹



03.

Environmental, Social and Governance



Supporting the green transition of our clients and committed to our climate change goals...



Environmental - Ambition to be Net Zero by 2050



Net-Zero Banking Alliance

Setting decarbonization targets

Reduce emission intensity¹
by 2030

0.23 tCO₂/MWh

0.11 tCO₂/MWh

In Q3, we joined the
**Partnership for Carbon
Accounting Financials
(PCAF)**

Green finance mobilized

Goal: EUR 120 bn
by 2025

EUR 17 bn

9M'21

EUR 51 bn

Since 2019

9M'21 Global League
tables position

#1 by deals in
Bloomberg Clean
Energy

Top 3 by volume
in Dealogic Wind,
Renewables Fuel

Santander Green Bond

Issuances

EUR 1 bn

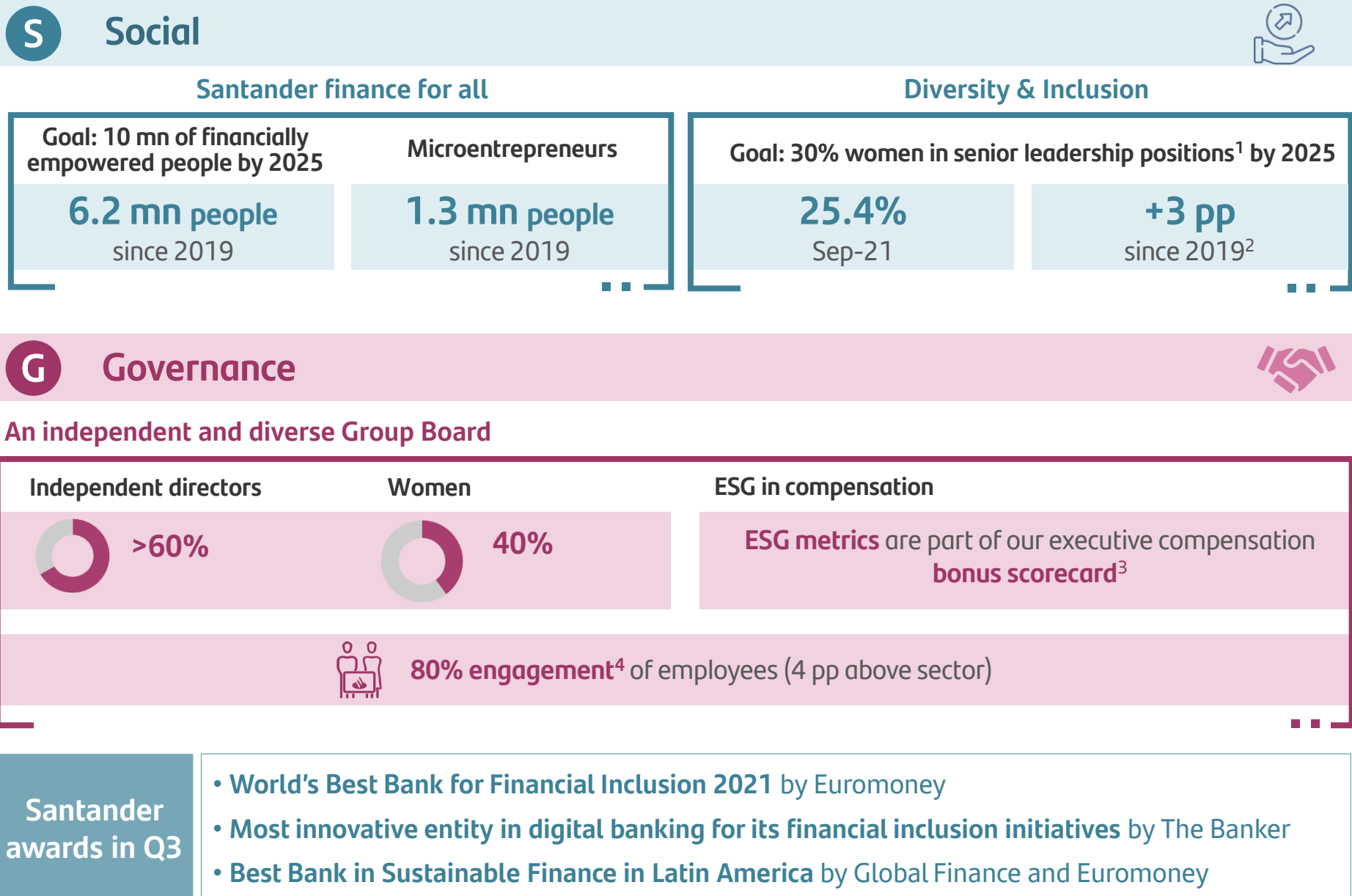
9M'21

3 green bonds
EUR 3 bn
to date

03.

Environmental, Social and Governance

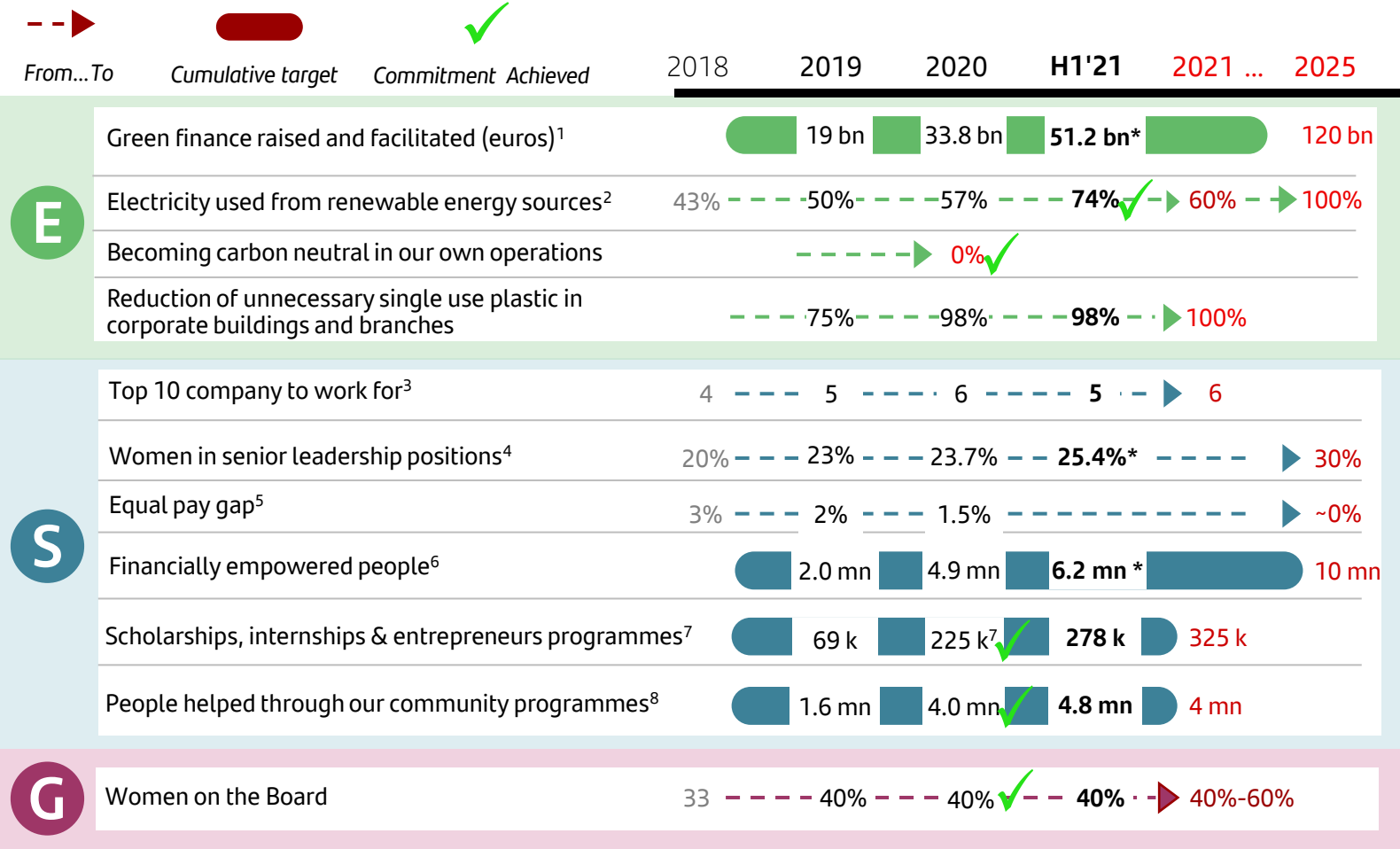
... whilst we continue building a more inclusive society



03.

Santander Responsible Banking goals

We build loyalty by being responsible towards our environment and society and in our day-to-day operations



Note: H1'21 data not audited

(*) 9M'21 provisional and not audited data

(1) Includes Santander overall contribution to green finance: project finance, syndicated loans, green bonds, capital finance, export finance, advisory, structuring and other products to help our clients in the transition to a low carbon economy. Commitment from 2019 to 2030 is EUR 220 bn

(2) In those countries where it is possible to certify renewable sourced electricity for the properties occupied by the Group

(3) According to relevant external indexes in each country (Great Place to Work, Top Employer, Merco, etc.)

(4) Senior positions represent 1% of total workforce

(5) Calculation of equal pay gap compares employees of the same job, level and function. Data reported annually

(6) People (unbanked, underbanked or financially vulnerable), who are given access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education

(7) People supported through Santander Universities initiative (students who will receive a Santander scholarship, will achieve an internship in an SME or participate in entrepreneurship programmes supported by the bank). Commitment refreshed after early completion in 2020 (200k).

(8) People helped through our community investment programmes (excluded Santander Universities and financial education initiatives)

Ambition to be net zero by 2050

With the first decarbonization targets:

Aligning our power generation portfolio to Paris by 2030

Stop providing financial services to power generation clients with a revenue dependency on thermal coal of over 10% by 2030

Reduce our exposure to thermal coal mining to zero by 2030



2. Group structure and businesses



Group organizational structure



Towards the
Santander of
Tomorrow



- **One Santander** (Europe, North America and South America). New operating model leveraging our global scale to deliver a better customer experience, supported by common culture and higher degrees of commonality, technology being one
- **Digital Consumer Bank**: our vision is to become the largest digital consumer bank in the world
- **Global businesses** (SCIB and WM&I) to enhance our local scale with global reach and collaboration
- **PagoNxt**: innovative payments solutions for both Santander and non-Santander clients
- **The Corporate Centre and other functions** servicing the whole Group

Primary segments

 Europe	 North America	 South America	Digital Consumer Bank
 Spain  UK  Portugal  Poland  Other Europe	 United States  Mexico	 Brazil  Uruguay  Chile  Peru  Argentina  Colombia	 SCF  Openbank

Secondary segments

Retail Banking	SCIB	WM&I	PagoNxt
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Group functions and Corporate Centre activities

Audit	Compliance	Risk	Universities	Communication, Corporate Marketing and Research	Costs	General Secretariat ¹	Human Resources	Technology & Operations	Financial Control / Accounting	Finance	Strategy, Corporate Dev.& Financial Planning	Exec. Chairman's Office & Responsible Banking
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Primary segments



EUROPE

'Accelerating our business transformation in One Europe to achieve superior growth with a more efficient operating model'

9M'21 Highlights

	Branches	3,265
	Employees	62,577
	Loyal customers (mn)	10.2
	Digital customers (mn)	15.9
	Customer loans (EUR bn)	567
	Customer funds (EUR bn)	695
	Underlying attributable profit (EUR mn)	2,293
	Underlying RoTE	8%

Strategic priorities

- Create a better bank where customers and our people feel a deep connection while delivering sustainable value for our shareholders
- Grow our business by better serving our customers
- Redefine how we interact with our customers
- Create a common operating model



Spain



'The commitment to and collaboration with our customers demonstrates the full potential of Santander España'

9M'21 Highlights

	Branches	1,948
	Employees	23,038
	Loyal customers (mn)	2.8
	Digital customers (mn)	5.3
	Customer loans (EUR bn)	200
	Customer funds (EUR bn)	336
	Underlying attributable profit (EUR mn)	730
	Underlying RoTE	6%







■ ■ Strategic priorities ■ ■

- Deliver the best experience to all our customers across all channels
- Achieve profitable growth through differentiated strategies for each of our businesses
- Simplify and automate our operations, technology and value proposition to enhance operational excellence
- Leverage our scale across One Europe to grow our business and build a common operating model
- Continue contributing to the economic recovery supporting our customers



'Santander UK creates value by serving more than 14 million active customers with tailored financial products and services'

9M'21 Highlights

 Branches	450
 Employees	20,008
 Loyal customers (mn)	4.4
 Digital customers (mn)	6.5
 Customer loans (EUR bn)	244
 Customer funds (EUR bn)	234
 Underlying attributable profit (EUR mn)	1,145
 Underlying RoTE	12%

■ ■ Strategic priorities ■ ■

- Deliver growth through customer loyalty and outstanding customer experience
- Simplify and digitalize the business to improve efficiency and returns
- Engage, motivate and develop a talented and diverse team
- Be a responsible and sustainable business











Portugal



'A strategy focused on customer experience and digital solutions for a sustained and profitable growth'

9M'21 Highlights

	Branches	397
	Employees	5,716
	Loyal customers (k)	845
	Digital customers (mn)	980
	Customer loans (EUR bn)	40
	Customer funds (EUR bn)	46
	Underlying attributable profit (EUR mn)	339
	Underlying RoTE	11%

Strategic priorities

- Further the digital and commercial transformation, to make it simpler, more agile and closer to customers
- Grow organically in terms of profitable market share, improving our lending leadership position and leveraging our position in the Corporate and SME segments
- Improve efficiency backed by our digital capabilities to better serve our customers
- Maintain an appropriate risk policy to maintain a low cost of credit, whilst maintaining a strong capital and liquidity position











Poland



'One of the largest and most innovative financial institutions in Poland, whose goal is to maintain its position of the best traditional, private and investment bank in the country'

9M'21 Highlights

	Branches	458
	Employees	9,776
	Loyal customers (mn)	2.2
	Digital customers (mn)	2.9
	Customer loans (EUR bn)	30
	Customer funds (EUR bn)	41
	Underlying attributable profit (EUR mn)	125
	Underlying RoTE ¹	5%

■ ■ Strategic priorities ■ ■









- Simplify organization (systems, structures and processes) while maximizing customers' self-service and increasing our digital customer base
- Improve customer satisfaction to maintain the Top 3 position in NPS
- Strive for being the Best Financial Services Platform, supporting further evolution to the Open Platform
- Increase profitability through effective net interest income management, higher fee income and cost control



NORTH AMERICA

'We provide a full range of financial services with particular focus on Retail, Private and Corporate Banking'

9M'21 Highlights

	Branches	1,888
	Employees	43,135
	Loyal customers (mn)	4.1
	Digital customers (mn)	6.5
	Customer loans (EUR bn)	127
	Customer funds (EUR bn)	134
	Underlying attributable profit (EUR mn)	2,288
	Underlying RoTE ¹	13%

■ ■ Strategic priorities ■ ■

- Boost the execution of our regional collaboration strategy, leveraging each country's best practices and global digital platforms
- Improve customer interaction through improved segmentation
- Boost customer attraction and retention through loyalty strategies
- Broadening our tailored service and product proposition for a better and simpler customer experience











United States



'Santander US combines a strong depositary base in the Northeast with its nationwide auto finance, wealth management and corporate banking capabilities'

9M'21 Highlights

	Branches	514
	Employees	15,484
	Loyal customers (k)	360
	Digital customers (mn)	1,032
	Customer loans (EUR bn)	95
	Customer funds (EUR bn)	91
	Underlying attributable profit (EUR mn)	1,788
	Underlying RoTE ¹	14%

Strategic priorities

- Leverage auto finance capabilities and interconnectivity of CIB and Wealth Management businesses
- Execute digital, consumer lending and branch transformation initiatives to improve customer experience and profitability of the consumer banking business
- Improve customer value proposition through improved segmentation for Select and Private clients
- Leverage existing capabilities across the region to optimize processes, reduce expenses and increase profitability
- Capitalize on CIB / Amherst Pierpont Securities merger to expand product suite and fee income











Mexico



'Santander México, one of the leading financial group in the country, focused on commercial transformation and innovation'

9M'21 Highlights

	Branches	1,374
	Employees	27,027
	Loyal customers (mn)	3.8
	Digital customers (mn)	5.3
	Customer loans (EUR bn)	32
	Customer funds (EUR bn)	43
	Underlying attributable profit (EUR mn)	602
	Underlying RoTE	14%

Strategic priorities









- To become the leading bank in terms of customer experience, leveraging new tools and process improvement
- Maintain strong growth rates in loyal and digital customers, as well as increase presence in high-potential businesses
- Strengthen the corporate business to maintain our position as market leaders in value-added products
- Accelerate technological transformation and digitalization, by increasing our capabilities to improve the operating model and IT performance



SOUTH AMERICA

'We remain focused on expanding, sharing best practices from each country and delivering profitable growth'

9M'21 Highlights

	Branches	4,443
	Employees	69,961
	Loyal customers (mn)	10.0
	Digital customers (mn)	23.5
	Customer loans (EUR bn)	126
	Customer funds (EUR bn)	163
	Underlying attributable profit (EUR mn)	2,471
	Underlying RoTE	20%

■ ■ Strategic priorities ■ ■

- Accelerate profitable growth, with a strategy that seeks to strengthen connectivity across the countries in South America, to capture new business opportunities
- Continue to progress in digital transformation through the development of digital platforms and a more efficient model
- Improve customer experience and loyalty
- Make headway in the development of joint initiatives between SCIB and corporates
- Continue to promote inclusive and sustainable businesses











Brazil



'The best way to grow in a profitable, recurring and sustainable manner is by providing high quality services'

9M'21 Highlights

	Branches	3,591
	Employees	47,877
	Loyal customers (mn)	7.5
	Digital customers (mn)	18.2
	Customer loans (EUR bn)	74
	Customer funds (EUR bn)	104
	Underlying attributable profit (EUR mn)	1,762
	Underlying RoTE	22%









■ ■ Strategic priorities ■ ■

- Anticipate trends through our capacity to capture business opportunities in different scenarios
- Increase customer base maximizing transactionality across our new businesses, while we improve and redefine the banking experience
- Grow the high credit quality portfolio through the expansion of core business and the consolidation of new businesses
- Improve operational efficiency, maintaining a high productivity culture and profitability



'We are the leading bank in the country and we always have the customer at the centre of our strategy'

9M'21 Highlights

	Branches	332
	Employees	10,570
	Loyal customers (k)	807
	Digital customers (mn)	1.9
	Customer loans (EUR bn)	39
	Customer funds (EUR bn)	40
	Underlying attributable profit (EUR mn)	463
	Underlying RoTE	18%









■ ■ Strategic priorities ■ ■

- Maintaining our leadership position in local banking in an increasingly dynamic economic environment
- Continuing to progress in our technological developments in order to improve efficiency
- Expanding our digital platforms such as Life and Superdigital, improving our customer service indicators, and increasing the loyal and digital customer base



'Towards a more digital and agile model,
with customer-centric decisions'

9M'21 Highlights

	Branches	408
	Employees	8,715
	Loyal customers (mn)	1.6
	Digital customers (mn)	2.7
	Customer loans (EUR bn)	5
	Customer funds (EUR bn)	11
	Underlying attributable profit (EUR mn)	180
	Underlying RoTE	25%

■ ■ Strategic priorities ■ ■

- Increasing our customer base and loyalty, and ensuring the best customer service
- Further developing new businesses
- Continuing our process of efficiency and simplification through digital transformation
- Boosting profitable growth, focusing on the transactional business and optimizing the use of capital



'Santander Uruguay is the country's leading privately-owned bank'

9M'21 Highlights

 Underlying att. profit (EUR mn)	80
 Underlying RoTE	22%

Strategic priorities

- Continue to invest in technology and process automation to further improve efficiency, accelerate digitalization and continue to increase our presence and market share



'Activity focused on corporates, the country's large companies and the Group's global customers (SCIB)'

9M'21 Highlights

 Underlying att. profit (EUR mn)	43
 Underlying RoTE	24%

Strategic priorities

- Increasing Corporate Finance's activity and expanding our auto and consumer finance entity by widening our product range, improving distribution channels and diversifying funding sources to improve customer satisfaction



'Focus on corporate and SCIB, and new alliances in auto finance'

9M'21 Highlights

 Underlying att. profit (EUR mn)	17
 Underlying RoTE	16%

Strategic priorities









- Implementing different regional initiatives such as Cockpit and Pioneer, in line with the strategy of One Santander, and launch of Prospera and Superdigital



Digital Consumer Bank

'Europe's consumer finance leader: solid business model, geographic diversification and leading market shares in auto/mobility finance and in personal finance/e-commerce'

9M'21 Highlights

	Branches	308
	Employees	15,920
	Active customers (mn)	19.1
	Points of sale (k)	>130
	Customer loans (EUR bn)	114
	Customer funds (EUR bn)	57
	Underlying attributable profit (EUR mn)	935
	Underlying RoTE	13%

■ ■ Strategic priorities ■ ■

- **Auto:** strengthen our auto financing leadership position, reinforce the leasing business and develop subscription services across our footprint
- **Consumer Non-Auto:** gain market share in consumer financing solutions leveraging our position in offline to grow in e-commerce, checkout lending and BuyNowPayLater
- **Retail:** improve digital capabilities to increase customer loyalty among our customer base, boosting digital banking activity
- **Cost reduction and simplification:** accelerate digitalization to transform the business and improve efficiency. Main drivers: organizational simplification and streamlining IT

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Secondary segments



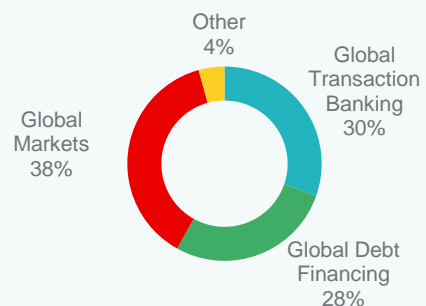
Santander Corporate & Investment Banking

'Santander CIB supports corporate and institutional customers, offering tailored services and value-added wholesale products suited to their complexity and sophistication'

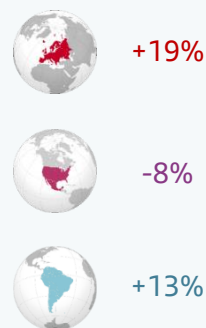
9M'21 Highlights

	Total income (EUR mn)	4,352
	Collaboration revenue	+13.2% YoY
	Underlying RoRWA	2.4%
	Underlying attributable profit (EUR mn)	1,744

Total income breakdown by business



Total income YoY growth by region



Strategic priorities

- Expanding our **content and product offerings** to continue to **become our clients' strategic advisors**, while accelerating the digitalization of our businesses
- Developing a **powerful ESG platform** to support our customers in their transition towards more **sustainable business models**
- Creating a **pan-European platform** with the aim of becoming the **benchmark wholesale bank in the region** and offering a more **differentiated service to our clients**
- Accelerating business growth in the **US** under a robust control environment by exploring new business opportunities
- Consolidate our leadership position in **South America**, further strengthening our franchises in Peru and Colombia



Top 3

Structured Finance



Green Global

Leaders in League Tables

Debt Capital Markets



Equity Capital Markets



Source: Dealogic



Recent Awards received

GLOBAL FINANCE







EUROMONEY



Santander Wealth Management & Insurance

'We strive to be the best wealth manager in Europe and the Americas'

9M'21 Highlights

	Total assets under management ¹ (EUR bn)	396
	Total fees generated as % of the Group's total fees ²	32%
	Underlying RoRWA	7.7%
	Underlying attributable profit (EUR mn)	698
	Total contribution to Group's profit ³ (EUR mn)	1,733
	Total contribution to Group's profit ³	+16% YoY
	Private Banking customers (k)	>200
	Private Banking collaboration volume	+43% YoY
	Private Banking net new money (EUR bn)	7.9
	Santander Asset Management net sales (EUR bn)	6.3
	Insurance Gross written premiums	+5% YoY

Strategic priorities

Santander Private Banking

- Strengthen the **global platform** and complete the **product offering**
- Increase investments in **digital tools and channels**
- Enhance our global **Private Wealth** proposition

Santander Asset Management

- Become the **best local partner** for our distribution networks
- Build a competitive edge on our **flagship and global products**, and boost our **institutional capabilities**
- Develop **digital platforms** for fund distribution in all markets

Santander Insurance

- Complete all the **end-to-end digital journeys** for our products
- Streamline the customer experience** based on our customer knowledge
- Become a leader in **SME and Auto insurance**

Environmental, Social and Governance product range



(1) Total assets marketed and/or managed. Private Banking + SAM excluding AUM of Private Banking customers managed by SAM

(2) Including fees generated by asset management and insurance transferred to the commercial network

(3) Profit after tax + net fee income generated by this business

More information at <https://www.santander.com/en/about-us/where-we-are/wealth-management-insurance>





9M'21 Highlights

PagoNxt revenue ¹	EUR 334 mn; +41% YoY
------------------------------	----------------------

Merchant Solutions

Active merchants (mn)	1.19; +11% YoY
-----------------------	----------------

Total payments volume (EUR bn)	81.2; +53% YoY
--------------------------------	----------------

Trade Solutions

Ebury active corporate / business clients (k)	>15
---	-----

One Trade active corporate / business clients (k)	>7.3
---	------

Consumer Solutions – Superdigital in Brazil

Active users	+13% YoY
--------------	----------

We are a fintech that combines the **most disruptive payment businesses**

Always with our customer at the center, we use **world-class technology** to deliver an innovative and comprehensive **payment service for everyone**

- **One-stop shop** providing payment solutions to merchants, SMEs & corporates and consumers
- Targeting **Santander's existing ecosystem** and **open market**
- **Technology-focused** to deliver differentiated user experiences
- Strategic, **close partner** of Group's **local banks**
- Levering on: **Scale, Efficiency and Global reach**

Because **we are**

all
about
payments

Because **we are**

the next
generation



Group functions and Corporate Centre activities

- Global T&O strategy
- HR strategy
- Risk management and compliance
- Corporate governance and internal control
- Our brand



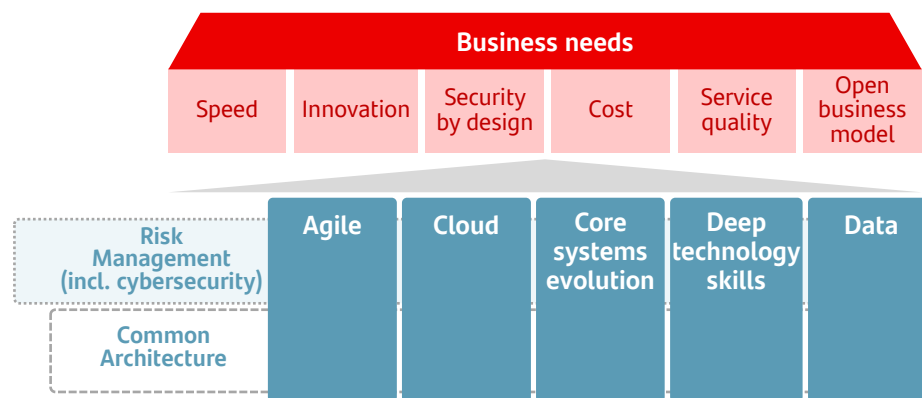
'The T&O mission is to enable the Group strategy by building customer-oriented, secure, efficient and innovative technology working with the business units in a flexible and agile way'

■ ■ Global T&O capabilities are key for our commercial and digital transformation ■ ■

Composed of **four main domains** that contribute to the digital transformation



Focused on **five technological pillars** to respond to the changing business needs



Operating model oriented to develop global products and digital services, guaranteeing their quality and security



Robust Santander T&O allowing us to continue running the Bank and serving our customers remotely with high standards during the covid-19 crisis



HR strategy: Our aim is to be an employer of choice

'Focus on employee engagement, leveraging our SPF culture to retain and attract the best talent'



193,303

Employees, Sep-21

95%

of full-time employees in 2020¹

54%

of women employees in 2020¹



Only bank among world's top 25 best workplaces according to Great Place to Work



(1) Last available
(2) Global Engagement Survey 2021

The **SPF culture** is based on our 8 corporate behaviours and 4 leadership commitments



Show respect



Truly listen



Talk straight



Keep promises



Being open and inclusive



Encouraging the team to prosper



Support people



Embrace change



Actively collaborate



Bring passion



Leading by example



Inspiring and executing transformation

Engagement among the best in the sector

91%



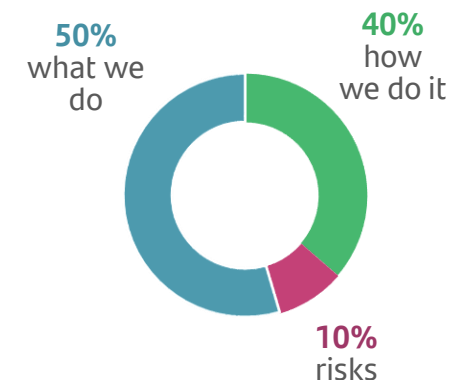
Employees believe they can contribute to our purpose of helping people and businesses prosper²

84%



Employees proud to work for Santander²

Our corporate management evaluation model





Risk management and compliance

'Our Risk Management & Compliance function is key to making sure we remain a robust, safe and sustainable bank that helps people and businesses prosper'

We rely on:


A customer centric **Risk strategy** that enhances our risk management & control model across Grupo Santander


3 lines of defence model with a robust risk committees structure


Clearly defined **management and control processes**


Common **Risk Principles** aligned with regulatory requirements and inspired by best market practices



Advanced risk management tools to effectively manage and control all risks under a forward-looking approach

Risk Profile Assessment

Continuous risks identification and evaluation to address potential threats

Scenario analysis

Anticipating potential impacts to take early action

Risk appetite & structure of limits

Amounts and types of risks deemed prudent to assume

Risk reporting structure

Comprehensive, versatile with deep analysis to facilitate decision making



Models & data unit: boosting our analytic capabilities to provide tailored value propositions for our customers through a cross-functional scope of risk & business models

risk pro

Our strong **Risk culture** is based on the principle that all employees are risk managers, supporting long-term business sustainability



Covid-19

Proactive and customer focused risk management enables us to maintain our robust position in this new environment



ESG risk management

Our risk management & control model is a crucial driver of Grupo Santander contribution to sustainable economic growth and the fulfilment of our **Net-Zero commitments**



Corporate governance and internal control

'As a responsible bank, we have a clear and robust governance which is key for guaranteeing a sustainable business model over the long term'



Diversified and well-balanced shareholder base



Effective engagement with our shareholders

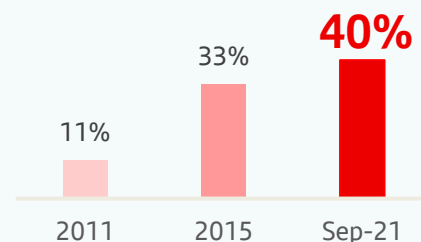
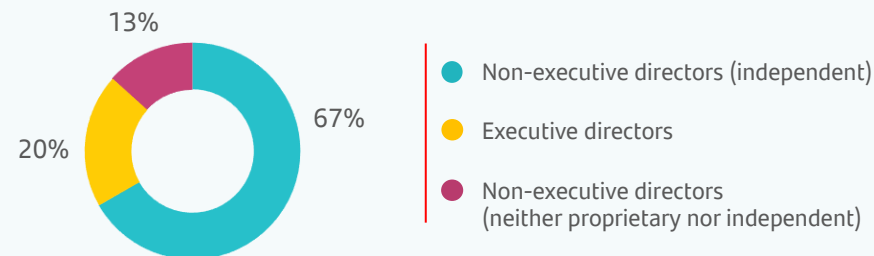


Effective board of directors



Focus on **responsible business practices** and attention to all stakeholders' interests

Composition of the board of directors, Sep-21



Women
on the board



Board committees

Executive

Audit

Nomination

Remuneration

Risk supervision, regulation and compliance

Innovation and technology

Responsible banking, sustainability and culture

External advisory board
International advisory board



Corporate governance and internal control

'Best practices on robust governance are channelled to all subsidiaries'

Group-subsidary governance model

Group

Board of Directors

Group Executive Chairman¹

Group CEO²
↕
Regional Heads³

Control, management and business functions

- Compliance
- Audit
- Risk
- Finance
- Financial Control / Accounting
- Others⁴

Subsidiary B

Subsidiary A

A
Board of Directors

B
CEO / Country Head

Control, management and business functions

- Compliance
- Audit
- Risk
- Finance
- Financial Control / Accounting
- Others⁴



The **Group-subsidary governance model** enhances **control** and **oversight** through:

A Presence of Grupo Santander in the subsidiaries' Boards of Directors establishing guidelines for board structure, dynamics and effectiveness

B Reporting of the CEO / Country Heads to the Group CEO / Regional Heads and Group Executive Committee

C Interaction between the Group's and the subsidiaries' control, management and business functions

The Group's appointment and suitability assessment procedure is a key element of Governance



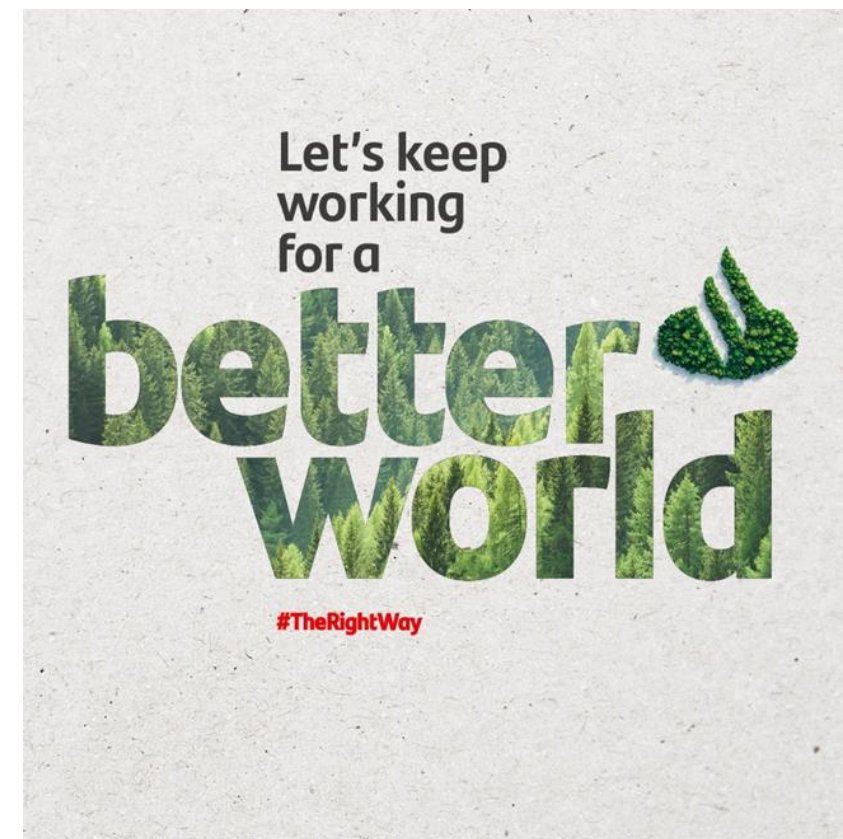
Santander brand

'Our brand embeds the essence of the Group's culture and identity'

Santander is one of the most valued brands in the world

3rd best global retail bank brand
by Interbrand's Best Global Brands ranking, 2021

As one of our most important strategic assets, our brand helps us connect with people and businesses, demonstrating our commitment to prosperity and determination to bring it to life in a positive and sustainable manner every day.





3. ● 9M'21 results & activity

Delivered another strong set of results in Q3, reflecting business momentum



Growth

- **Net operating income up 11% YoY** driven by **the 8% increase in total income** (volumes: +4% loans; +6% deposits; +17% mutual funds) and efficiency improvement
- **Widespread growth across** regions and businesses
- **Increased digitalization: 54% of sales** through digital channels in 9M'21 (44% in 9M'20) and c.47 million **digital customers (+13% YoY)**



Profitability

- **Q3'21 profit of EUR 2,174 mn: +3% QoQ**
- **9M'21 Group attributable profit** of EUR 5,849 mn¹ and **9M'21 underlying profit of EUR 6,379 mn (+87% YoY)**
- **Increased profitability: underlying RoTE of 12.6% and underlying EPS of EUR 34.4 cents**



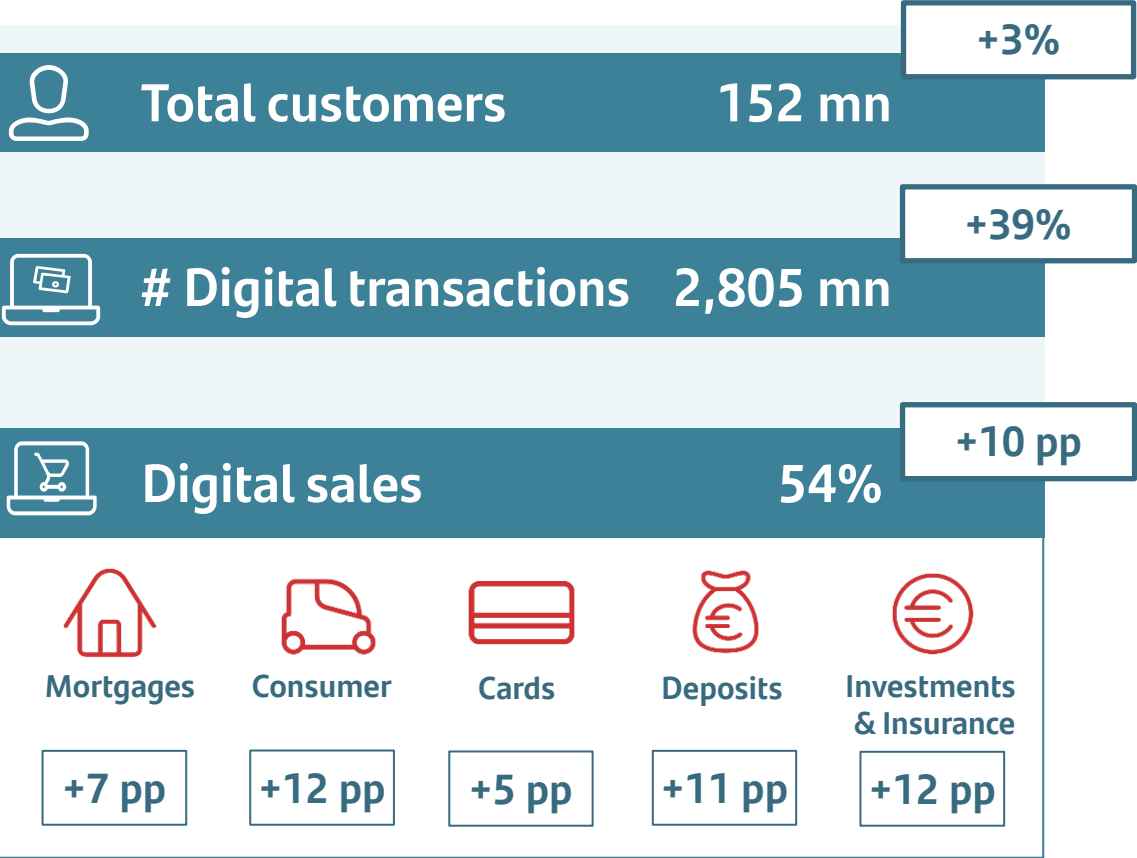
Strength

- **Cost of credit improved to 0.90%.** Loan-loss reserves stood at EUR 24.5 bn, with a coverage ratio of 74%
- **Fully-loaded CET1 ratio of 11.85%** with continued organic generation (+48 bps in Q3'21)
- **Outstanding TNAV performance: TNAVps of EUR 3.99. TNAV + Dividend per share²: +1.4% QoQ; +6.5% YoY**
- **Announced shareholder remuneration policy³ for 2021:** pay-out set at c.40% of underlying profit, to be split in equal parts in two cash dividend payments and share buyback programmes. Interim distribution of approximately EUR 1.7 bn

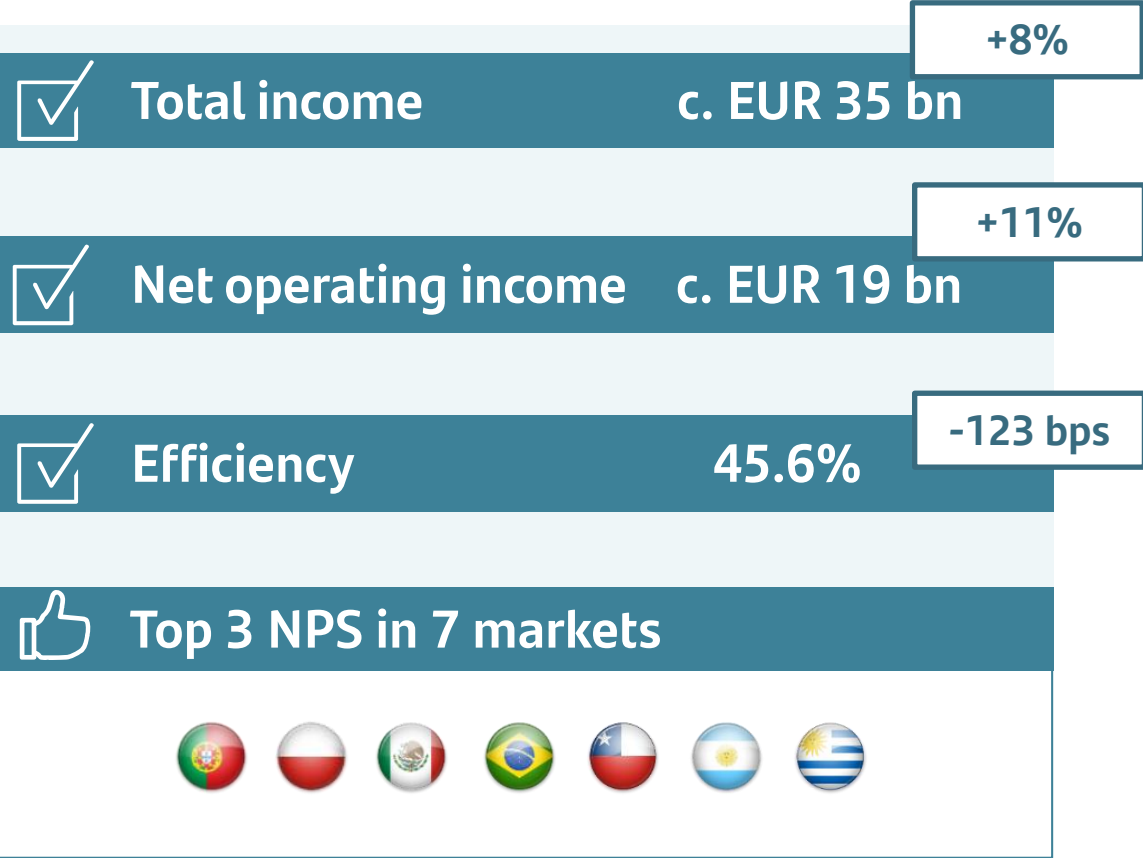
On track to outperform our FY'21 goals and we reiterate our M/T RoTE⁴ target of 13-15%

Steady customer growth and increased digitalization led to strong revenue generation and efficiency improvement

9M'21 and YoY changes



9M'21 and YoY changes in constant euros











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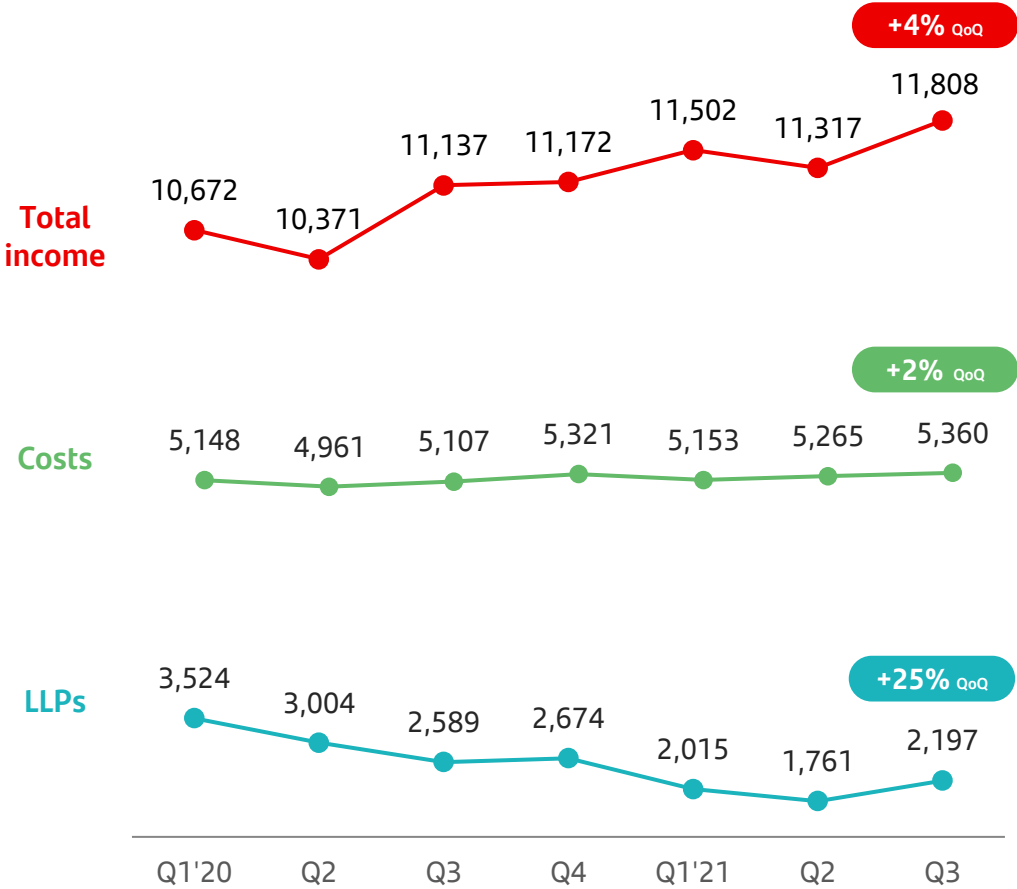
Group Performance

9M underlying profit of EUR 6.4 billion, driven by solid net operating income growth (+11%¹ YoY), improved efficiency and lower cost of credit

EUR million	9M'21	9M'20	% change	
			Euros	Constant euros
NII	24,654	23,975	3	7
Net fee income	7,810	7,559	3	8
Trading and other income	2,162	2,071	4	8
Total income	34,626	33,605	3	8
Operating expenses	-15,778	-15,726	0	4
Net operating income	18,848	17,879	5	11
LLPs	-5,973	-9,562	-38	-34
Other results	-1,443	-1,301	11	15
Underlying PBT	11,432	7,016	63	74
Underlying att. profit	6,379	3,658	74	87
Net capital gains and provisions ²	-530	-12,706	-96	-96
Attributable profit	5,849	-9,048	—	—

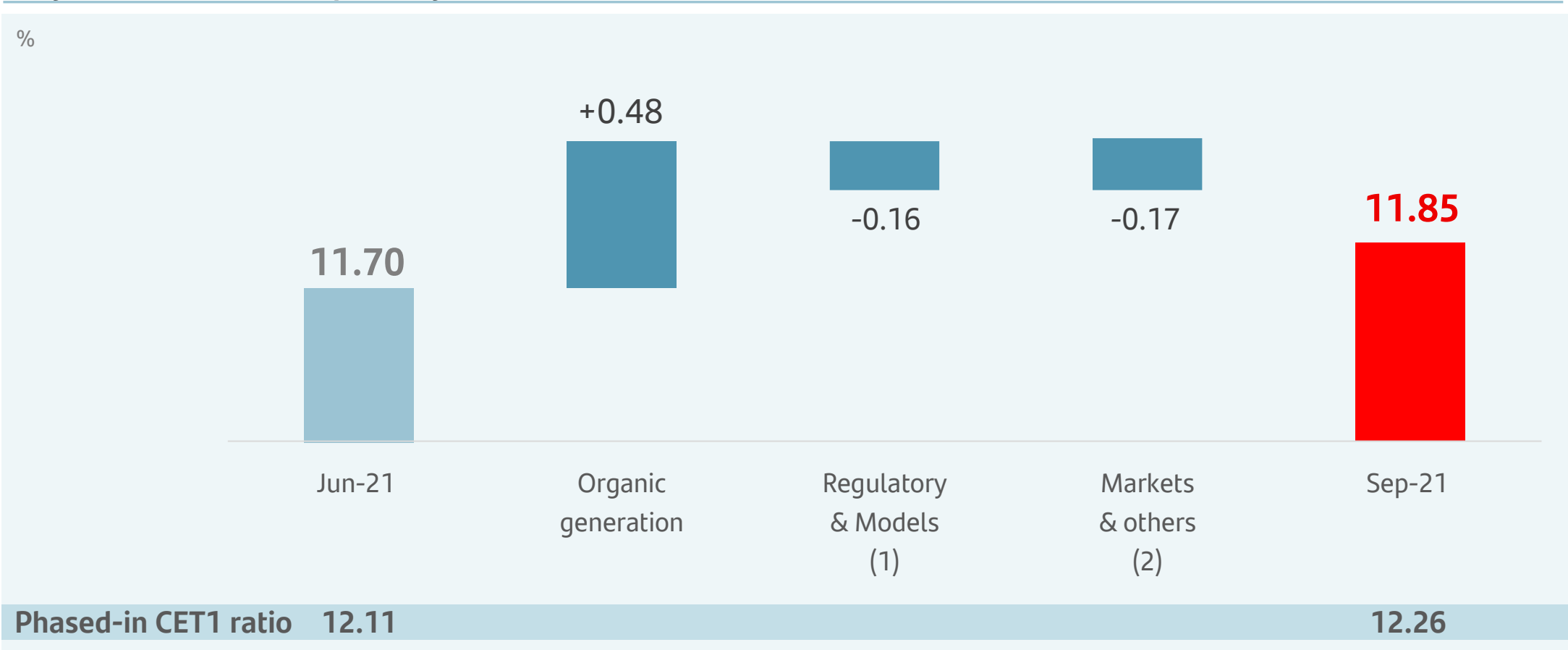
9M'21 vs. 9M'20	Underlying att. profit ¹ (EUR mn)	Contribution to Group's Underlying profit ³
 Europe	2,293 +98%	 29%
 North America	2,288 +122%	 29%
 South America	2,471 +31%	 30%
 Digital Consumer Bank	935 +17%	 12%

Strong revenue drove earnings growth in Q3, with some seasonality in provisions in the US



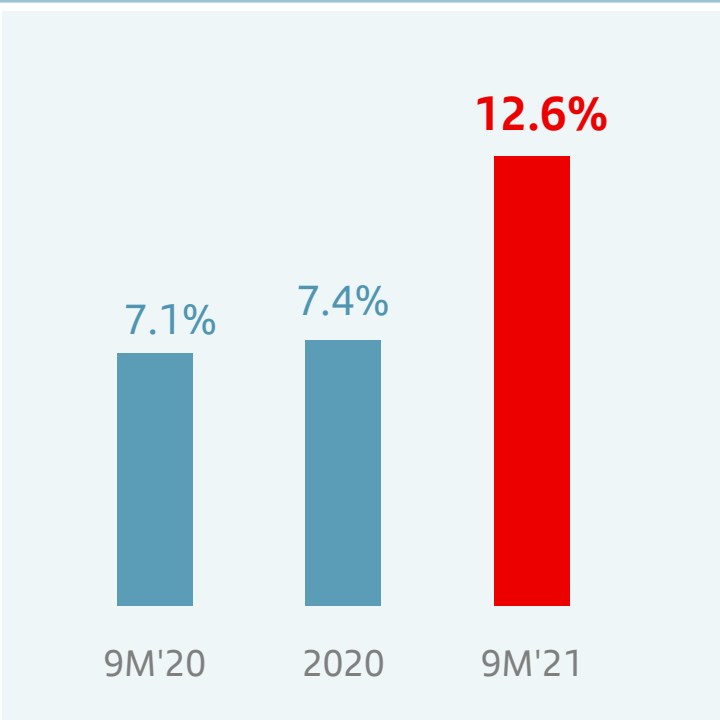
Strong organic generation, which enabled us to maintain the fully-loaded CET1 ratio at the top end of our 11-12% target range...

Fully-loaded CET1 ratio quarterly evolution



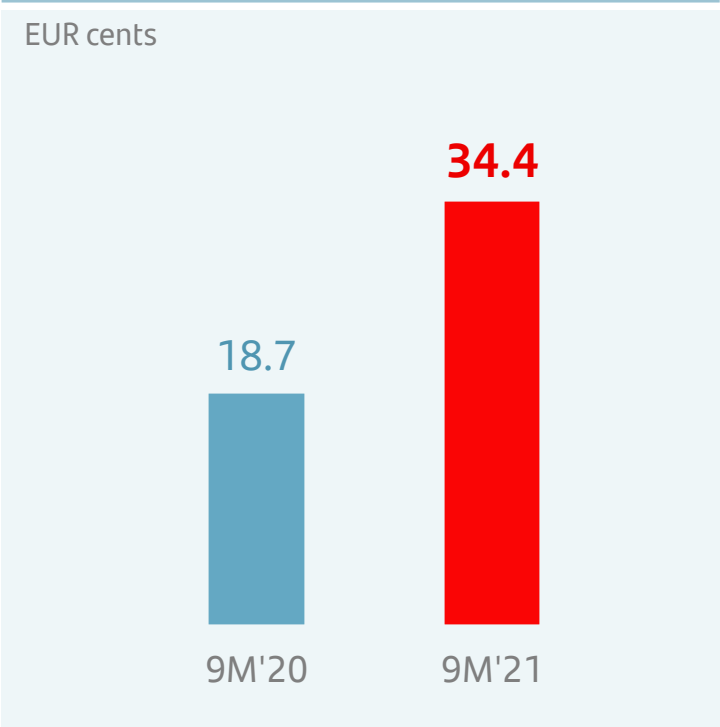
...whilst we continued to deliver outstanding growth in profitability and TNAVps

Underlying RoTE



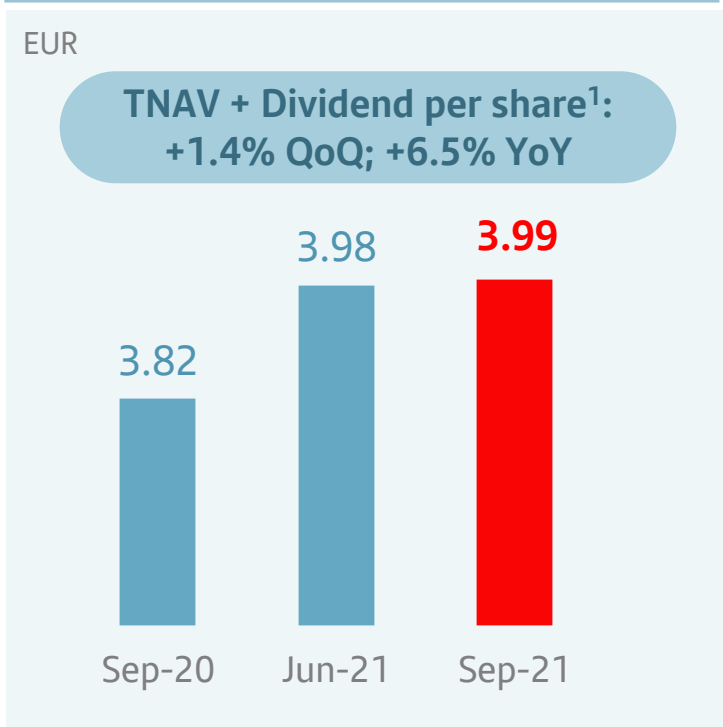
Statutory RoTE 9M'20: 3.3%, 2020: 1.9% and 9M'21: 11.8%

Underlying earnings per share



Statutory earnings per share 9M'20: -EUR 54.6 cents and 9M'21: EUR 31.3 cents

TNAV per share



(1) Including EUR 4.85 cents from the dividend to be paid in November 2021 (deducted in September) and EUR 2.75 cents paid in May 2021

Committed to delivering shareholder value

Shareholder remuneration policy for 2021

40% pay-out
of Group's FY21
underlying profit



Remuneration

To be split in equal parts:

Cash dividend payments

&

Share buybacks

Payable in two cycles:

Interim distribution (Nov-21¹)

&

Final distribution (May-22²)

Interim distribution in Nov-21¹

Total value

EUR 1.7 bn
40% of H1'21
underlying profit

Cash dividend

EUR 4.85 cents³
per share

Share

buyback programme*

EUR 841 mn

(*) The average purchase price of shares not to exceed EUR 3.98 nor 9.7% of the Bank's share capital.
Estimated duration of the buyback programme: from 6 October 2021 to 17 December 2021







- (1) The board of directors has approved the payment of the interim cash dividend against 2021 results in November and the repurchase programme, which commenced on 6 October 2021
- (2) The implementation of the remainder of the shareholder remuneration policy for 2021 is subject to the appropriate corporate and regulatory approvals
- (3) Equivalent to a total amount of EUR 841 mn

A faint, light blue world map is visible in the background, centered behind the text. The map shows the outlines of continents and major landmasses.

Business segments review

Our geographic and business diversification continued to be a key growth driver

9M'21 vs. 9M'20	Digital customers (mn)	Customer loans (EUR bn)	Customer deposits (EUR bn)	Net operating income (EUR mn)	Underlying att. profit (EUR mn)	Underlying RoTE
 Europe	15.9 +6%	567 +3%	589 +4%	6,108 +29%	2,293 +98%	8% +3.7 pp
 North America¹	6.5 +11%	127 +1%	109 +8%	4,649 +5%	2,288 +125%	13%² +6.7 pp
 South America	23.5 +18%	126 +10%	111 +11%	7,386 +12%	2,471 +31%	20% +3.1 pp
 Digital Consumer Bank	0.7 +24%	114 -1%	54 +7%	2,170 +4%	935 +17%	13% +2.3 pp

Global businesses

Corporate & Investment Banking

Another strong set of results in Q3'21

Strong underlying profit growth YoY backed by all revenue lines and a sharp reduction in LLPs

Leading positions in the rankings of different products (e.g. #1 in Structured Finance in LatAm and Europe by # of transactions)

	Underlying RoRWA	Total fees	Efficiency	
	2.4%	EUR 1,335 mn (+19% YoY)	37.7%	
P&L*	Q3'21	vs. Q2'21	9M'21	% 9M'20
Total income	1,414	9.2	4,352	12.1
Net operating income	840	12.4	2,709	12.3
Underlying att. profit	547	9.5	1,744	25.9

(*) EUR mn and % change in constant euros

Wealth Management & Insurance

Commercial flows YTD: Private Banking EUR 7.9 bn; SAM EUR 6.3 bn.

Gross written premiums (Insurance): +5% YoY boosted by protection business (+13%)

Total contribution to Group profit increased driven by higher volumes, private banking fees and growth in insurance protection business

	AUMs	Total fees ¹	Contribution to Group's profit ²	
	EUR 396 bn (+12% YoY)	EUR 2,494 mn (+11% YoY)	EUR 1,733 mn (+16% YoY)	
P&L*	Q3'21	vs. Q2'21	9M'21	% 9M'20
Total income	616	17.7	1,637	13.6
Net operating income	395	34.0	969	20.7
Underlying att. profit	292	38.2	698	23.9

(*) EUR mn and % change in constant euros

(1) Including fees generated by asset management and insurance transferred to the commercial network

(2) Profit after tax + fees generated by asset management and insurance transferred to the commercial network

Merchant solutions

Getnet franchise continues to grow:

Getnet

- **Brazil:** Getnet Brazil has recorded very significant market shares gains in the country (16% in Total Payments Volume and >30% in e-commerce)
- **Europe:** Getnet operations launched in Q3, commercial activity has started to focus on customer acquisition

Active merchants

Millions

1.19

Sep-21

+11%

YoY

Total Payments Volume (TPV)

EUR bn

81.2

Jan-Sep 21

+53%

YoY

Trade solutions

ONe Trade

Active corporate/ business clients²

7.3k

- 8 markets connected
- Q3 customers +80% vs. Q1'21

Ebury

>15k

- Monthly onboarding average: 500 companies
- Q3 revenue: +23% vs. Q1'21

Consumer solutions

superdigital

Active users²

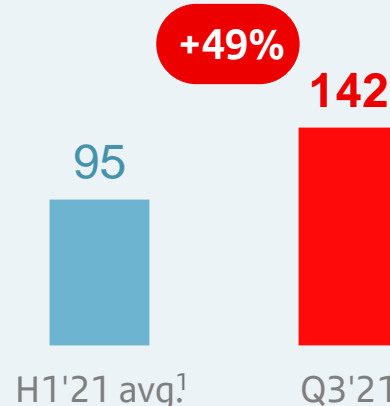
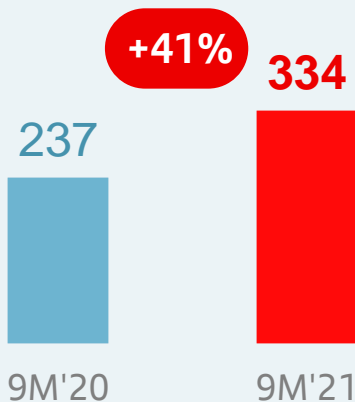


- Launched in Argentina in Q3

+13% YoY

PagoNxt revenue performance

Constant EUR mn



We are on track to reach our expected H2 revenue growth of c. +50% versus H1



4. ● Key takeaways

9M'21 Key takeaways

Solid P&L performance

Sound revenue
performance

Efficiency gains
-123 bps

Low cost of credit
0.90%

Revenue
+8%

**Net operating
income**
+11%

Underlying profit
EUR 6.4 bn

Volume growth and profitability improvement

Volume growth
YoY and QoQ

Increasing capital
ratio and
profitability

Delivering value for
our shareholders

Loans:
+32 bn YoY

Funds:
+73 bn YoY

FL CET1
11.85%

Und. RoTE
12.6%

Interim remuneration
Cash dividend Buyback
EUR 4.85 cents EUR 841 mn

Business normalization underpins our great confidence in our profitable growth ahead



Help millions around the world realise their dreams and prosper.

5 • Links to Grupo Santander public materials

Links to Grupo Santander public materials

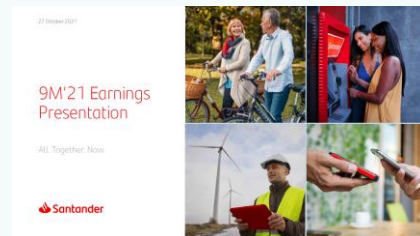
For additional information on the Group, please *click on the images, icons or flags below*

9M'21 financial results

Financial report



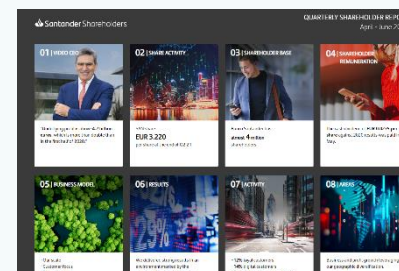
Earnings presentation



Series (excel)



Shareholders report (interactive)



Country presentations



Press release



Video CEO (3 minutes)



Fixed income presentation



Other information

2020 Annual report

Strategic Overview & Executive Chairman and CEO's letters



Annual report



2020 Online report

Overview of our Corporate Governance presentation



Important information

Non-IFRS and alternative performance measures

This presentation contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards ('IFRS') and derived from our financial statements, alternative performance measures ('APMs') as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ('Non-IFRS Measures'). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Santander Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the 'management adjustment' line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors' Report included in our Annual Report on Form 20-F for the year ended 31 December 2020. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. For further details on APMs and Non-IFRS Measures, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2020 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the 'SEC') on 26 February 2021, as updated by the Form 6-K filed with the SEC on 14 April 2021 in order to reflect our new organizational and reporting structure, as well as the section 'Alternative performance measures' of the annex to the Banco Santander, S.A. ('Santander') Q3 2021 Financial Report, published as Inside Information on 27 October 2021. These documents are available on Santander's website (www.santander.com). Underlying measures, which are included in this presentation, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

Forward-looking statements

Santander advises that this presentation contains 'forward-looking statements' as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like 'expect', 'project', 'anticipate', 'should', 'intend', 'probability', 'risk', 'VaR', 'RoRAC', 'RoRWA', 'TNAV', 'target', 'goal', 'objective', 'estimate', 'future' and similar expressions. Found throughout this presentation, they include (but are not limited to) statements on our future business development, economic performance and shareholder remuneration policy. However, a number of risks, uncertainties and other important factors may cause actual developments and results to differ materially from our expectations. The following important factors, in addition to others discussed elsewhere in this presentation, could affect our future results and could cause materially different outcomes from those anticipated in forward-looking statements: (1) general economic or industry conditions of areas where we have significant operations or investments (such as a worse economic environment; higher volatility in the capital markets; inflation or deflation; changes in demographics, consumer spending, investment or saving habits; and the effects of the COVID-19 pandemic in the global economy); (2) exposure to various market risks (particularly interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices); (3) potential losses from early repayments on our loan and investment portfolio, declines in value of collateral securing our loan portfolio, and counterparty risk; (4) political stability in Spain, the United Kingdom, other European countries, Latin America and the US (5) changes in legislation, regulations, taxes, including regulatory capital and liquidity requirements, especially in view of the UK exit of the European Union and increased regulation in response to financial crisis; (6) our ability to integrate successfully our acquisitions and related challenges that result from the inherent diversion of management's focus and resources from other strategic opportunities and operational matters; and (7) changes in our access to liquidity and funding on acceptable terms, in particular if resulting from credit spreads shifts or downgrade in credit ratings for the entire group or significant subsidiaries.

Important information

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

Forward-looking statements speak only as of the date of this presentation and are informed by the knowledge, information and views available on such date. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise.

No offer

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Historical performance is not indicative of future results

Statements about historical performance or accretion must not be construed to indicate that future performance, share price or future (including earnings per share) in any future period will necessarily match or exceed those of any prior period. Nothing in this presentation should be taken as a profit forecast.

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In particular, regarding the data provided by third parties, neither Santander, nor any of its administrators, directors or employees, either explicitly or implicitly, guarantees that these contents are exact, accurate, comprehensive or complete, nor are they obliged to keep them updated, nor to correct them in the case that any deficiency, error or omission were to be detected. Moreover, in reproducing these contents in by any means, Santander may introduce any changes it deems suitable, may omit partially or completely any of the elements of this document, and in case of any deviation between such a version and this one, Santander assumes no liability for any discrepancy.

Thank you.

Our purpose is to help people and businesses prosper.

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

Simple Personal Fair



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good