

Institutional Presentation 2023



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**Our business
model and
strategy**

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**Group structure
and businesses**

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& activity**

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Our business model
and strategy

Santander, a leading financial group



2023 Highlights

	Total assets (€ bn)	1,797
	Customer loans (€ bn excluding reverse repos)	1,015
	Customer deposits + mutual funds (€ bn excluding repos)	1,177
	Branches	8,518
	2023 Net operating income (pre-provision profit) (€ mn)	32,222
	2023 Attributable profit (€ mn)	11,076
	Market capitalization (€ bn; 29-12-23)	61
	People (headcount)	212,764
	Customers (mn)	165
	Shareholders (mn)	3.7
	Financial inclusion starting 2023 (mn people)	1.8

The Santander Way

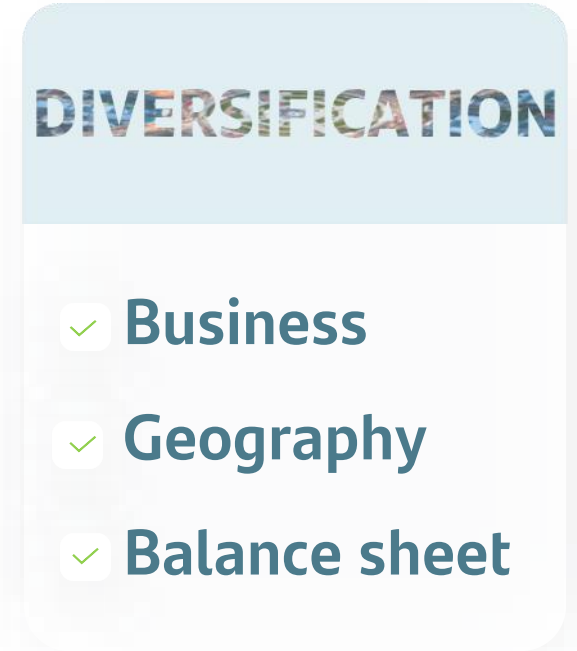
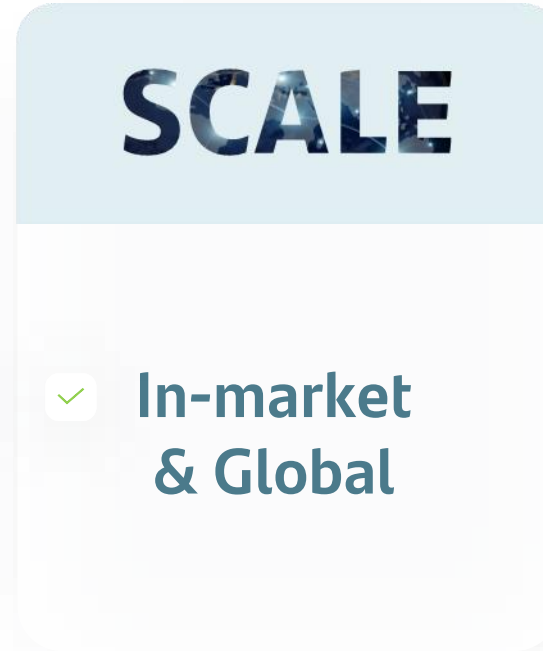
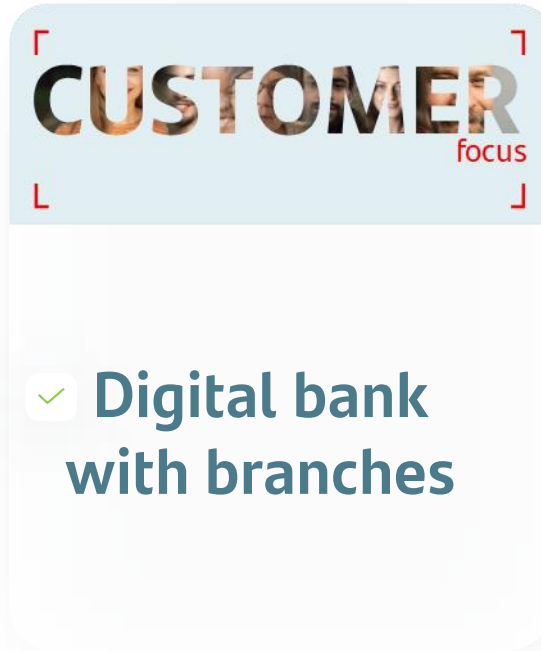
Who we are and what guides us



Santander business model



Our business model based on unique competitive advantages is the foundation for generating value for our shareholders



Entering a new phase of value creation

01.

Customer focus



We have grown our customer base over the last seven years, with balanced growth by region and business



165 (+5mn)
million customers

Distribution by market



15%



28%



45%



12%



100 mn (+0.3mn)
Active customers



54.2 mn (+5%)
Digital customers



Customer satisfaction

**Top 3 NPS¹ in
7 markets**



+10%
Transactions per
active customer

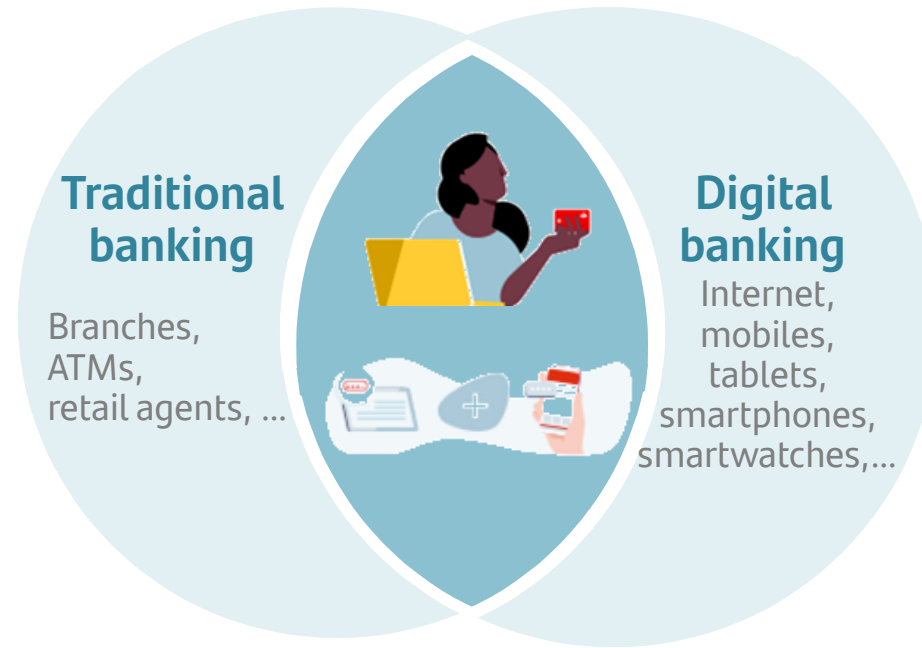


56%
Digital sales as a
% of total sales in 2023

Customer focus



To bring all our customers to a common operating model, while converging to a common technology to build a **digital bank with branches**



Branches: >8,000



Best omni-channel experience,
while we guarantee access to all
segments

Collaborative spaces and increased digital capabilities



Santander Smart
and **Ágil** branches

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



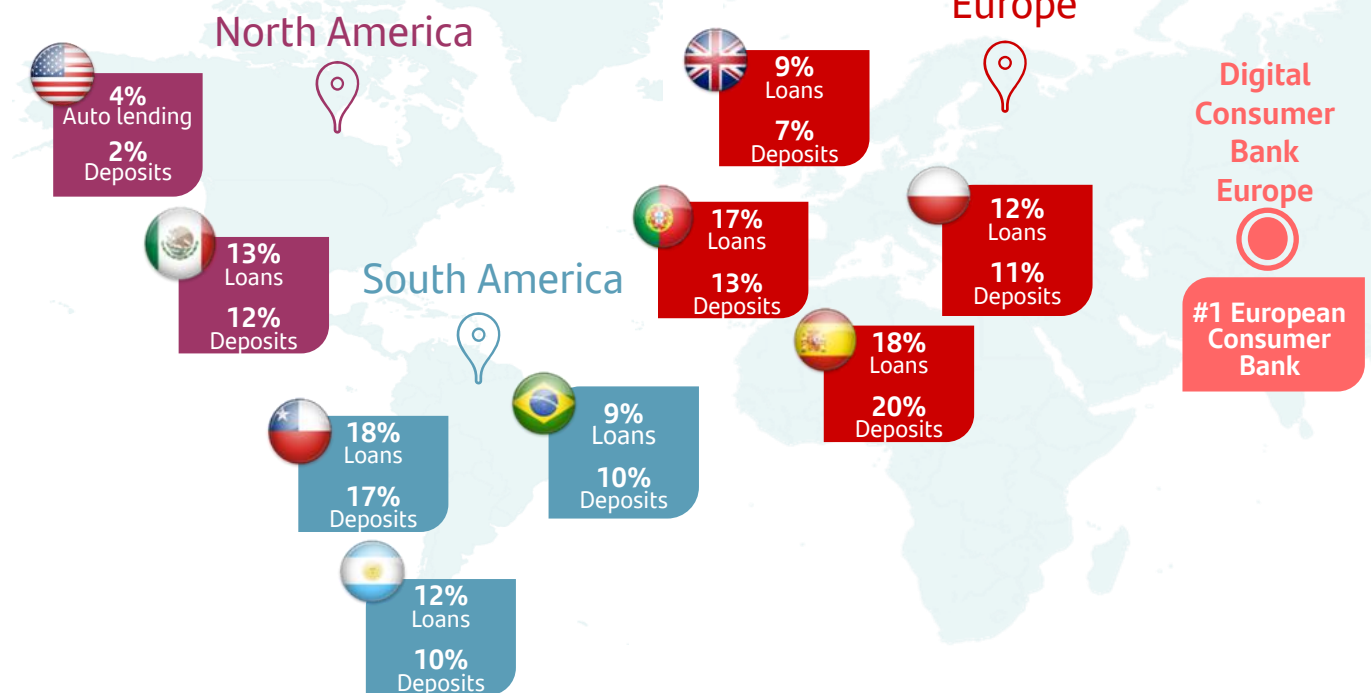
02.

Scale

Our unique combination of in-market scale and global scale network allow us to be among the most profitable banks in our markets

In-market scale

Market shares



Global scale

Five global businesses

Retail &
Commercial
Banking

Digital
Consumer
Bank

Corporate &
Investment
Banking

Wealth
Management &
Insurance

Payments



Market share data: as at Sep-23 or latest available. Spain includes Santander España + Hub Madrid + SCF España + Openbank and Other Resident sectors in deposits. The UK: includes London Branch. Poland: including SCF business in Poland. The US: retail auto loans includes Santander Consumer USA and Chrysler Capital combined. Deposits market share in the US as of 30/06/2023 considering all states where Santander Bank operates. Brazil: deposits including debenture, LCA (agribusiness notes), LCI (real estate credit notes), financial bills (*letras financeiras*), COE (certificates of structured operations) and LIG (*Letras imobiliarias Grantidas*).

03.

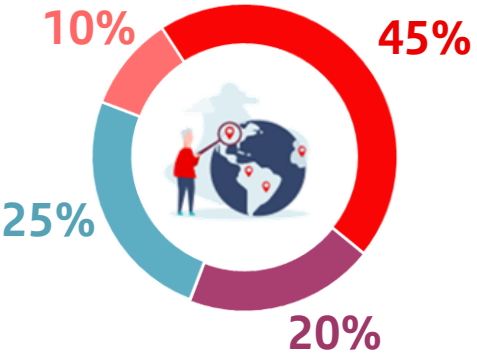
Diversification



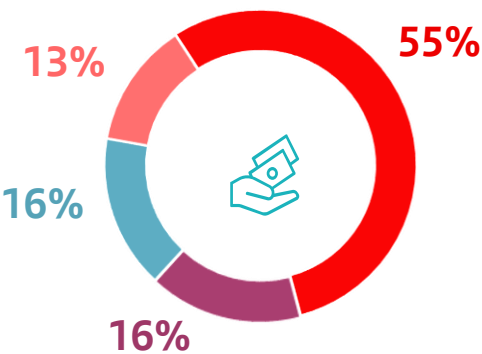
Geographical
well-diversified profit
and balance sheet



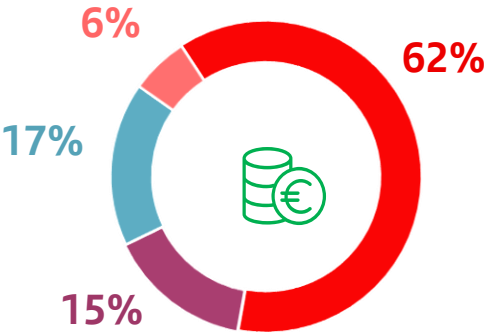
Profit



Customer loans



Customer funds



Europe North America South America DCB Europe

03.

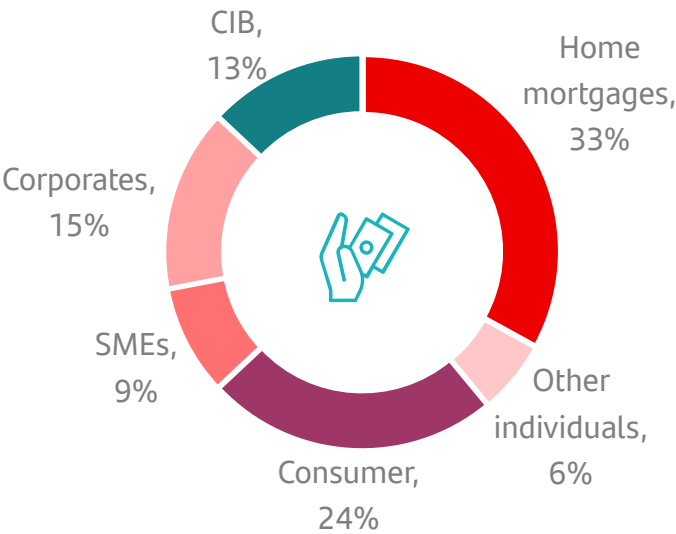
Diversification



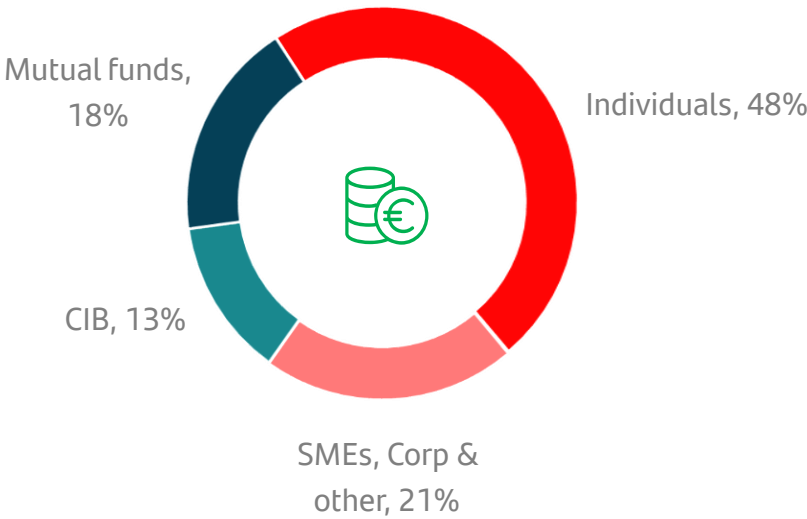
Business
diversification



Customer loans



Customer funds



03.

Diversification

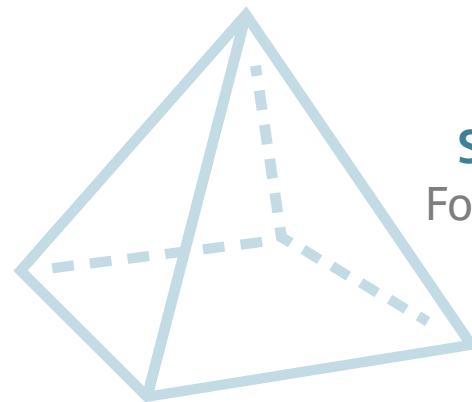
Rock-solid
balance sheet with
conservative risk
management

Simple, transparent and easy to analyze balance sheet

Medium-low risk profile

Strong liquidity ratios
well above requirements

Strong solvency ratios
Focus on capital efficiency
and asset rotation



**Stable and diversified
deposit structure**
High-quality retail
customer deposits

**Highly collateralized and
diversified loan portfolio**
Low-risk loan portfolio

Supporting value creation and sustainable remuneration to our shareholders

In summary

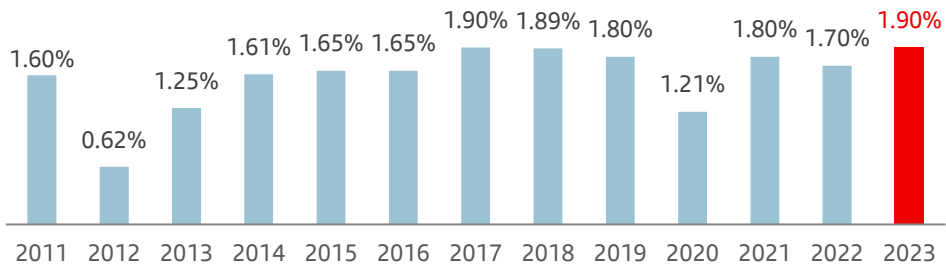


Our results show that our business model works. It is based on unique competitive advantages which differentiate us in terms of growth, cost and profitability

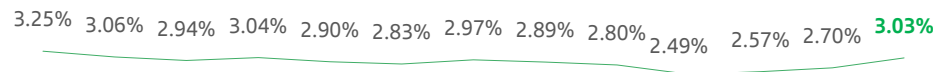


Reliable risk-return profile

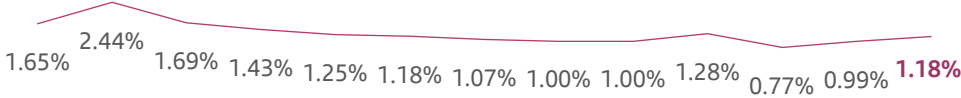
Differential Pre-provision profit / loans and cost of risk



Pre-provision profit / loans

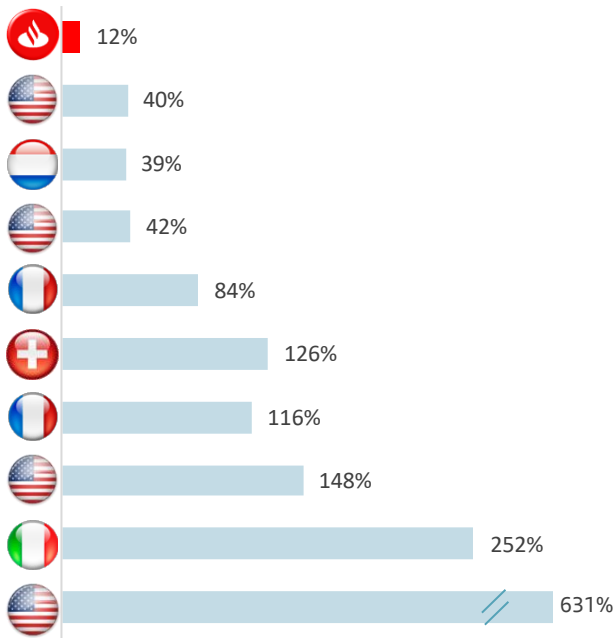


Cost of risk¹



Lower volatility of results

EPS volatility²



(1) Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months.
(2) Calculated using quarterly data from Jan-99 to Q3'23. Source: Bloomberg, with GAAP criteria. Standard deviation of the quarterly EPS starting from the first available data since Jan-99.



A new phase of
profitability and
growth underpinned
by three tenets



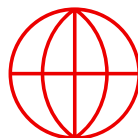
Think Value

Delivering double-digit value creation, on average through-the-cycle



Think Customer

Building a digital bank with branched with well targeted products and services to grow our customer base



Think Global

Best customer experience leveraging our global and in-market scale, network and technology capabilities to accelerate profitable growth

Environmental, Social and Governance

■ ■
We continue to
make progress on
our ESG agenda ■ ■

Green Finance
raised and facilitated

2023

€114.6bn

»»

2025 targets

€120bn

Socially responsible
Investments (AuM)

€67.7bn

»»

€100bn

Financial inclusion
(# People)

1.8mn

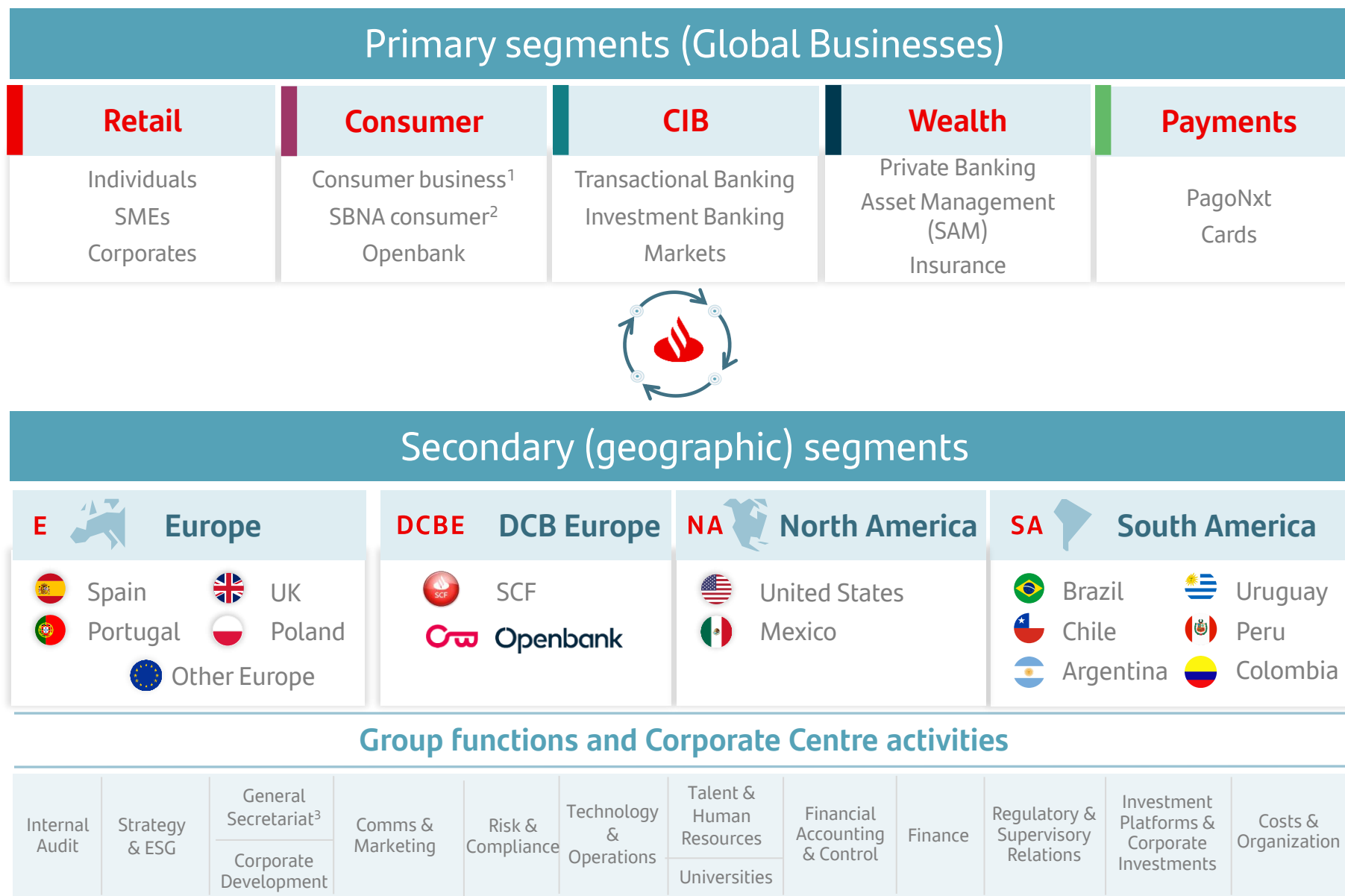
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5mn



2. Group structure and businesses

Group organizational structure from January 2024



Note: Corporate Centre is allocated to both the primary and secondary segments.

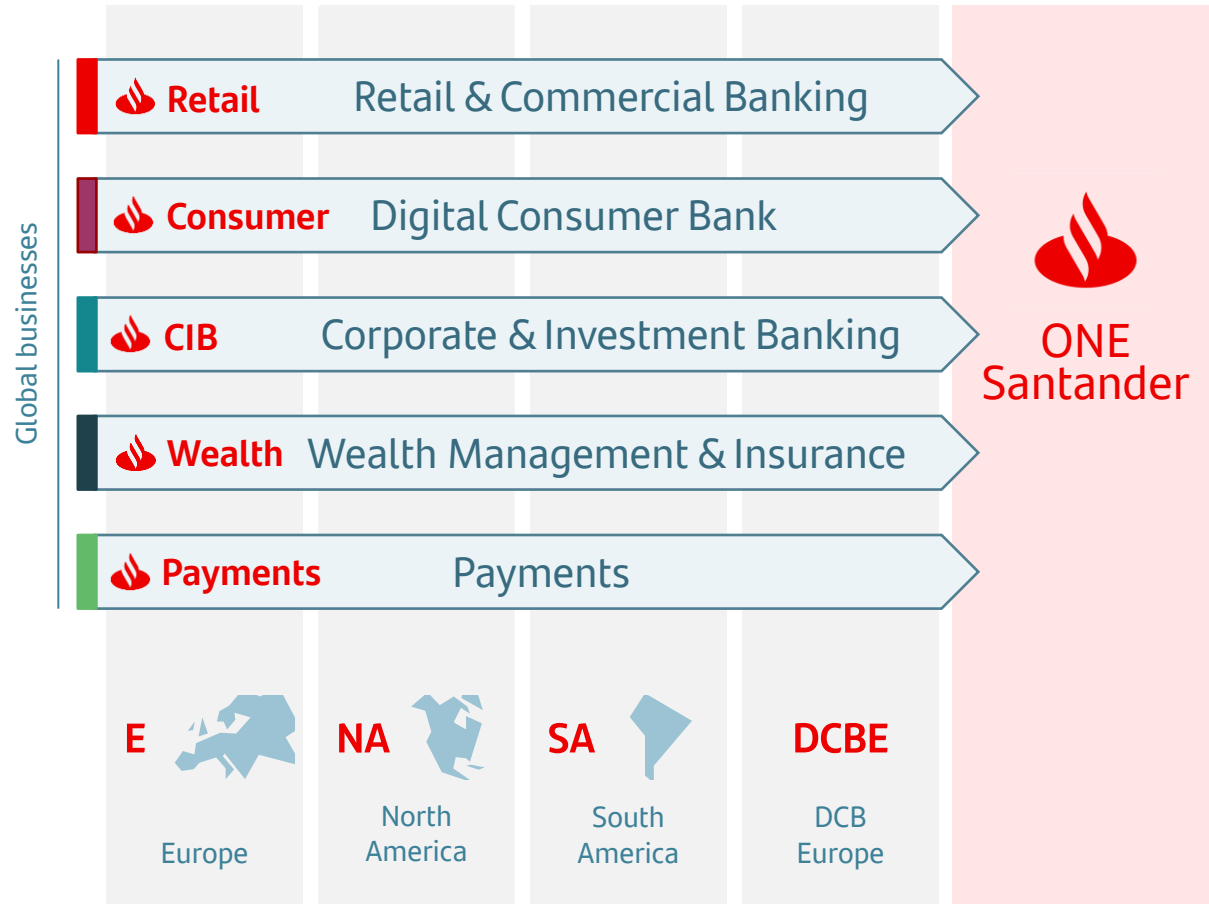
(1) Includes all consumer finance companies across the Group.

(2) Includes individuals.

(3) Includes Legal, Internal Governance, Tax and Security & Intelligence.

Our last
step towards
ONE Santander
announced on
18 September
2023

-
New reporting
from 2024*



Santander will concentrate operations in five global businesses which will become the bank's primary reporting segments, while will maintain current governance of subsidiaries autonomous in capital and liquidity







Global Businesses



Retail & Commercial Banking

‘A new global business integrating all our retail and commercial banking business globally to better serve our customers, improve efficiency and drive value creation’

2023 Highlights

	Total income (€ mn)	29,754
	Efficiency ratio	43.1%
	RoTE	15.1%
	Underlying attributable profit (€ mn)	5,659

Strategic priorities





- Implement a common operating model, leveraging the scale of Group and our local presence
- Spread transformation efforts across Retail & Commercial Banking footprint to foster simplification, process automation and deployment of our best-in-class tech platform
- Further increase profitability supported by customer base growth and cost-to-serve efficiencies



Digital Consumer Bank

‘Global leader in auto financing and digital consumer activities’

2023 Highlights

	Total income (€ mn)	12,296
	Efficiency ratio	42.8%
	RoTE	11.5%
	Underlying attributable profit (€ mn)	1,901

Strategic priorities





- Expand our leadership in consumer lending across our footprint (e.g. #1 finance company in Europe and LatAm, top 5 in the US and top 10 in China in auto finance) by providing the best customer experience and enhancing our global relationships
- Converge towards a more digital global operating model, building a world-class digital offering in mobility, supporting our partners' transformation journeys
- Continue to build flex-term solutions (leasing, subscription) based on common platforms



Corporate & Investment Banking

‘Santander CIB supports corporate and institutional clients, delivering tailored services and value-added wholesale products suited to their complexity and sophistication’

2023 Highlights

	Total income (€ mn)	7,527
	Efficiency ratio	45.0%
	RoTE	17.5%
	Underlying attributable profit (€ mn)	2,440

Strategic priorities

- Our aim is to become a **focused world-class CIB business**, positioning ourselves as a **strategic advisor** to our clients:
 - Double the size of our franchise in the US, focusing on reinforcing our advisory capabilities
 - Continue the globalization of our Markets business, with focus on institutional investors and the US
 - Accelerate asset rotation to optimize profitability and new business origination

Recent Awards

PFI
Europe Bank of the Year

SRP
Best House, Best Distributor
and Best Performance

Institutional Investor
Best Iberian Broker

Trade Finance Global
Best Trade Finance Bank

Leading positions in League Tables Q4'23

Structured Finance



Green Global

Debt Capital Markets



Equity Capital Markets



M&A



Export Finance













Source: Dealogic, Infralogic, Bloomberg



Wealth Management & Insurance

'We want to become the best Wealth and Insurance Manager in Europe and the Americas'

2023 Highlights

	Total assets under management	460
	Total fees generated as % of the Group's total fees ²	31%
	RoTE	72.2%
	Underlying attributable profit (€ mn)	1,467
	Total contribution to Group's profit (€ mn)	3,129
	Contribution to Group's profit	+15% YoY
	Private banking clients (k)	260
	Private banking net new money (€ bn)	13.7
	Santander Asset Management - net sales (€ bn)	9.0
	Insurance - Gross written premiums	+12% YoY



Note: new global business definitions as published on 20 December 2023. YoY changes in constant euros.

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

(2) Includes all fees generated by asset management and insurance businesses, even those ceded to the commercial network.

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

Strategic priorities



- Continue building our global platform leveraging the connectivity of our teams
- Keep developing a more sophisticated value proposition
- Nurture our PB segments, with a global service supporting cross-border clients in Private Wealth



- Continue to be the preferred funds partner for our retail network
- Become a relevant player in the Alternatives businesses
- Grow in the Institutional and Private Banking segments
- Enable digital investment platforms in all countries







- Work to be the preferred insurance provider for our customers
- Focus on improving customer lifetime value and user experience through innovative programmes
- Leverage data analytics to deliver better service to our customers

Our ESG commitment: reach €100bn Socially Responsible Investments (SRI) AuMs by 2025



‘One-of-a-kind paytech business that offers innovative payment solutions’

2023 Highlights

	PagoNxt revenue (€ mn)	1,140; +17% YoY
	EBITDA margin	24.8%
Merchants		
	Total payments volume (€ bn)	206; +22% YoY
	# transactions	+29% YoY

Getnet

PagoNxt

Ebury

Strategic priorities

- We are a **one-of-a-kind paytech business** backed by Santander
- Helping our customers prosper and accelerate their growth through a **one-stop shop**, providing **solutions beyond payments** to merchants and SMEs & corporates
- **Strategic priorities:** scaling up our global technology platform, accelerating our commercial growth and pursuing the open market opportunity

Business verticals

▼ Getnet

Global and integrated **acquiring, processing and value-added solutions** for physical and e-comm merchants

▼ PagoNxt Payments

- **Payments Hub**, account-to-account payment and processing businesses
- **OneTrade**, solutions for the management of international business of **corporations and institutions**

▼ Ebury

Global **cross-border** payments platform for SMEs







Cards

Payments

‘Provide exceptional payments experiences, fostering customer loyalty and leveraging transactional data to enhance profitability’


2023 Highlights

	Turnover (€ bn)	306; +8% YoY
	Total revenue (€ mn)	4,158; +10% YoY
	# cards (mn)	99
	RoTE	35%

Strategic priorities

- Expand cards business to increase our revenue
- Expand, develop and adopt common digital services to improve customer experience
- Become a best-in-class global card issuing tech platform





Geographic segments











E



Europe

'We continue to accelerate our business transformation to achieve higher growth and a more efficient operating model'

2023 Highlights

	Branches	3,083
	Employees	67,457
	Total customers (mn)	46.3
	Digital customers (mn)	18.3
	Customer loans (€ bn)	552
	Customer funds (€ bn)	725
	Underlying attributable profit (€ mn)	5,482
	RoTE	14.5%

Strategic priorities

- Improve our customer experience with our omnichannel strategy and adding value to our customer interactions to become a digital bank with branches
- Grow our business supported by the best Group assets and leveraging our unique position, as a result of our scale and geographical diversification
- Increase efficiency by implementing a common operating model based on simplification, exploit Group's global scale through common platforms and services
- Maximize business value and sustainable growth focused on capital-efficient opportunities and risk management
- Further improve performance, profitability and efficiency











Spain

E



'Focus on our business transformation leveraging global solutions to enhance customer service while increasing efficiency and profitability'

2023 Highlights

	Branches	1,874
	Employees	26,834
	Total customers (mn)	15.0
	Digital customers (mn)	6.4
	Customer loans (€ bn)	230
	Customer funds (€ bn)	387
	Underlying attributable profit (€ mn)	2,371
	RoTE	14.2%

Strategic priorities

- Grow our customer base, providing the best customer experience across all channels
- Deliver a simpler value proposition for retail and a specialized one for high-value segments and evolve our customer relationship model towards a digital bank with branches
- Simplify our product portfolio and automate processes to enhance operational excellence
- Leverage our scale across the region to grow our business and build a common operating model
- Continue optimizing our capital management through better capital allocation and balance sheet mobilization



'Santander UK creates value by serving customers with tailored financial products and services'

2023 Highlights

	Branches	444
	Employees	22,280
	Total customers (mn)	22.5
	Digital customers (mn)	7.2
	Customer loans (€ bn)	235
	Customer funds (€ bn)	232
	Underlying attributable profit (€ mn)	1,545
	RoTE	13.0%









■ ■ Strategic priorities ■ ■

- Well established UK market position. Customer focused strategy with resilient balance sheet
- Deliver growth through customer loyalty and outstanding customer experience
- Simplify and digitalize the business for improved efficiency and returns
- Be a responsible and sustainable business. Engage, motivate and develop a talented and diverse team



'Santander Portugal aims to provide best-in-class service to its customers, maintaining a lending leadership position'

2023 Highlights

	Branches	376
	Employees	4,945
	Total customers (mn)	2.9
	Digital customers (mn)	1.2
	Customer loans (€ bn)	38
	Customer funds (€ bn)	41
	Underlying attributable profit (€ mn)	896
	RoTE	25.9%









■ ■ Strategic priorities ■ ■

- Continue to implement our transformation plan with the aim of improving service quality and increasing our customer base
- Grow organically in terms of profitable market share and with adequate capital remuneration
- Maintain our position as market leaders in efficiency, improving the cost base
- Maintain an appropriate risk policy with high credit quality and strong capital position



'3rd largest bank and one of the most innovative financial institutions in Poland'

2023 Highlights

	Branches	381
	Employees	10,822
	Total customers (mn)	5.9
	Digital customers (mn)	3.5
	Customer loans (€ bn)	35
	Customer funds (€ bn)	49
	Underlying attributable profit (€ mn)	674
	RoTE	17.7%

■ ■ Strategic priorities ■ ■









- Maintain Top 3 NPS position in a highly competitive digital market in Poland - implementing the agenda from our customer roadmap to strengthen our position
- Work to implement Total Experience, combining attention to the best employee and customer experience. An innovative approach to experience management with a direct impact on the bank's performance
- Continue to optimize the branch network to increase the number of cashless branches
- Optimize and automate repetitive processes with low added value for customers, further exit from paper communication, migration of customers to service in remote channels with new role of customer advisor in retail banking



DCBE Digital Consumer Bank Europe

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

2023 Highlights

	Branches	342
	Employees	16,795
	Total customers (mn)	20.2
	Points of sale (k)	>130
	Customer loans (€ bn)	135
	Customer funds (€ bn)	73
	Underlying attributable profit (€ mn)	1,199
	RoTE	12.3%

■ ■ Strategic priorities ■ ■









- Secure leadership positions in global digital consumer lending, both auto and non-auto (consumer)
- Continue with the transformation of our operating model in Europe, to defend our best-in-class efficiency through i) single IT platforms, ii) a simpler operational structure, and iii) automation and processes redesign
- Grow by progressing in transformational projects in Europe, with new OEM partnerships and leasing platform in auto
- Reduce sensitivity to interest rate rises by increasing deposit acquisition with focus on profitability



North America

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

2023 Highlights

	Branches	1,784
	Employees	45,593
	Total customers (mn)	25.0
	Digital customers (mn)	7.9
	Customer loans (€ bn)	161
	Customer funds (€ bn)	171
	Underlying attributable profit (€ mn)	2,354
	RoTE	9.8%

■ ■ Strategic priorities ■ ■

- Leveraging our own local strengths and capabilities while promoting strong Group network contributions in Mexico and the US
- Rationalize businesses and products with limited scale and profitability to generate efficiencies and profitable growth
- Provide a compelling value proposition by taking advantage of our global connectivity, adopting best practices and maximizing the benefits of our global platforms
- Boost sustainable profitability levels through loyalty strategies and a refined tailored service for better customer experience
- Focus on expanding and implementing sustainable finance opportunities within our businesses











United States



'Santander US combines a stable, retail-oriented depository base supporting its auto finance, wealth management and corporate banking businesses'

2023 Highlights

	Branches	415
	Employees	13,489
	Total customers (mn)	4.5
	Digital customers (mn)	1.1
	Customer loans (€ bn)	113
	Customer funds (€ bn)	108
	Underlying attributable profit (€ mn)	932
	RoTE ¹	9.1%









■ ■ Strategic priorities ■ ■

- Targeting segments with proven competitive advantage and strong Group network contribution
- Simplification: rationalize businesses and products with limited scale
- Transformation: leverage Group digital capabilities to drive scalability and lower cost to serve
- Network Contribution: leverage Group's network to drive top line growth and achieve scale synergies
- Profitable growth: support growth across target businesses while maintaining disciplined capital management



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

2023 Highlights

	Branches	1,369
	Employees	30,876
	Total customers (mn)	20.5
	Digital customers (mn)	6.9
	Customer loans (€ bn)	49
	Customer funds (€ bn)	63
	Underlying attributable profit (€ mn)	1,560
	RoTE	17.7%

■ ■ Strategic priorities ■ ■

- Advance with the technological transformation to improve the digital channels
- Simplify products, processes and operations to transform the service model, building on technology and data to improve customer experience
- Grow our customer base and increase loyalty through integrated digital products and offerings, new service models and mass market value proposition
- Remain the market leader with value-added products for corporates and by building on existing relationships to attract more customers, particularly individuals
- Improve deposit mix and contribute to better cost of deposits



SA



South America

'Moving forward to become the most profitable bank in each of the countries across the region while promoting synergies in our global and regional businesses'

2023 Highlights

	Branches	3,309
	Employees	80,997
	Total customers (mn)	73.0
	Digital customers (mn)	26.6
	Customer loans (€ bn)	161
	Customer funds (€ bn)	206
	Underlying attributable profit (€ mn)	3,038
	RoTE	14.4%

Strategic priorities

- In consumer finance, continue to strengthen our leadership position in the region, reinforcing partnerships with OEMs and developing new agreements by leveraging existing ones globally
- In payment methods, increase market share through Getnet and OneTrade. We are increasing our trade finance activity through new international solutions, such as Ebury's expansion in Brazil and building a unique global platform
- In CIB, continue to work on the development and implementation of joint initiatives to deepen relationships with multinational clients and become the leading wholesale banking operator in most countries and products
- For corporates, reinforce the differential value offering through Multi-Latins and work with other countries in the Group to increase synergies in multinational companies
- Continue to support our microcredit business, through Prospera and Surgir programmes











Brazil



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

2023 Highlights

	Branches	2,580
	Employees	57,775
	Total customers (mn)	62.8
	Digital customers (mn)	20.8
	Customer loans (€ bn)	103
	Customer funds (€ bn)	145
	Underlying attributable profit (€ mn)	1,921
	RoTE	13.7%

■ ■ Strategic priorities ■ ■

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











Chile

SA



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

2023 Highlights

	Branches	248
	Employees	9,948
	Total customers (mn)	4.1
	Digital customers (mn)	2.1
	Customer loans (€ bn)	44
	Customer funds (€ bn)	40
	Underlying attributable profit (€ mn)	582
	RoTE	14.8%









Strategic priorities

- Continue with a leadership position through the commercial network transformation and digital banking proposition
- Boost the innovative initiatives: Más Lucas, WorkCafé Expresso, Inversiones y Startup and specialized business service model focus on the agricultural, auto and Multi-Latins
- Specialization and a differential value-added offering and service for corporates in transactional products, FX and consulting
- Sustained generation of new business opportunities, fostering competition, seeking growth and leading the sustainable finance market



'The leading privately-owned bank in Argentina
in terms of loans and deposits'

2023 Highlights

	Branches	322
	Employees	8,455
	Total customers (mn)	4.8
	Digital customers (mn)	3.2
	Customer loans (€ bn)	4
	Customer funds (€ bn)	10
	Underlying attributable profit (€ mn)	386
	RoTE	55.6%

■ ■ Strategic priorities ■ ■

- Grow customer base and loyalty and ensure the best customer service through our multi-channel strategy
- Increase our market share in personal, agro and consumer credit, and position ourselves as a leader in sustainable finance and financial inclusion
- Expand our financial platform, simplifying processes and products and improving efficiency through our digital transformation
- Increase collaboration between businesses and develop new businesses with focus on profitable growth, optimizing capital allocation and preserving portfolio quality



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





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





'Bank specialized in corporates, CIB and auto finance'



2023 Highlights

	Underlying att. profit (€ mn)	187
	RoTE	24.8%

2023 Highlights

	Underlying att. profit (€ mn)	84
	RoTE	22.8%

2023 Highlights

	Underlying att. profit (€ mn)	28
	RoTE	14.0%

Strategic priorities

- Consolidate our position as the country's leading privately-owned bank, with business model that allows us to increase out customer base
- Strengthen our offer to individuals with SOY, Mi Auto and Getnet

Strategic priorities

- Accelerate growth in global businesses. Among the top 3 investment banks and leaders in syndicated loans, Debt Capital Markets and auto loans
- Progress in our digital strategy (expansion of NeoAuto, Surgir, ...)

Strategic priorities

- Continue to offer sustainable and inclusive financial solutions with CIB and Corporate offerings
- Strengthen the Multi-Latin business



Group functions and Corporate Centre activities

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



Technology and Operations (T&O)

'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 digital transformation

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

Technology



Cybersecurity



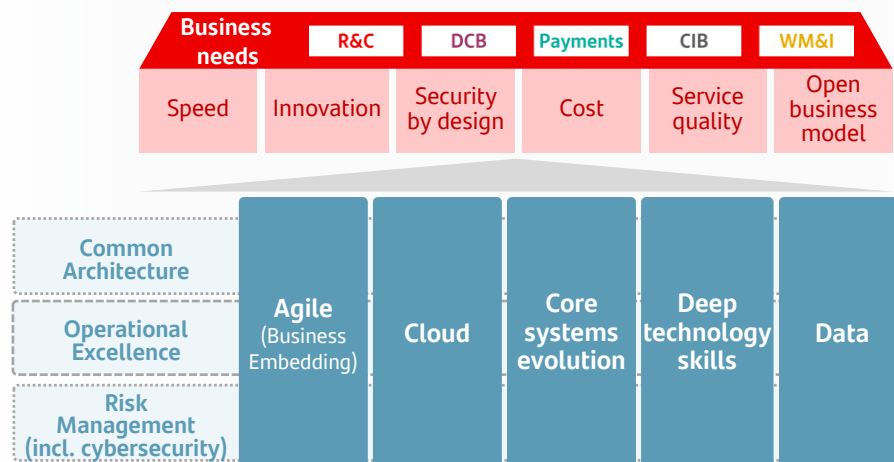
Operations



Data



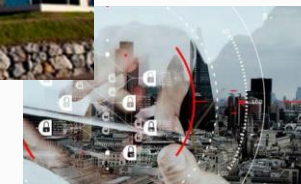
Focused on **five technological pillars** to respond to the changing business needs



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



c.4,500 tech professionals



The robust T&O service allows us to run the bank and serves our customers with high standards of quality and efficiency



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'



212,764

Employees (Dec-23)

98%

workforce with a permanent contract
(as of end 2023)

53%

women in our workforce
(as of end 2023)

The **SPF culture** is based on our 5 corporate behaviours

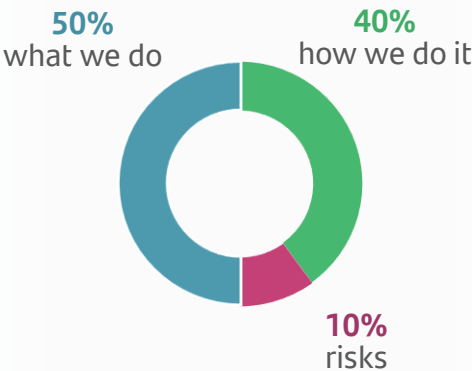


Your VOICE Continuous Employee Listening (*)

Santander scores **above benchmark** in engagement and other key dimensions
Average score (out of 10)



Our **corporate management** evaluation model



(*) Data from latest Your Voice engagement survey issued to the full organization from 9 to 19 October 2023. Workday/Peakon benchmark for Finance Companies. Engagement score is the average of 4 engagement questions around engagement, loyalty, belief and satisfaction. D&I score relates to the question "I'm satisfied with Santander's efforts to support diversity and inclusion". Health & Wellbeing score relates to the question "Employee health and wellbeing is a priority at Santander". T&C score relates to the question "Organizational transformation and change is managed well at Santander".



Risk, compliance & conduct management

'Our risk, compliance & conduct management is key to remain a strong, secure and sustainable bank, that helps people and businesses prosper'

A risk, compliance & conduct management model that relies on:



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



A **3 lines of defence model** with a robust risk governance



Clearly defined **management and control processes**



Advanced management tools

Risk Profile Assessment

Systematic exercise to assess the risk profile, including all risk types defined in the Corporate framework, through a single methodology

Risk Appetite Statement & Structure of Limits

Aggregate level and types of risk we deem prudent for our business strategy, even in unforeseen circumstances

Scenario Analysis

Anticipating potential impacts to take preventive action

Risk Reporting

Comprehensive, versatile with deep analysis to facilitate decision-making



Models' unit

Data and advanced analytics are a key lever to drive our business strategy, be more efficient, improve quality and meet the challenges of our customers and employees



Oversee Plan

Risk, compliance annual plans to better oversight and follow up on the implementation of long-term strategies



A proactive management, **customer-centric**, with the goal of maintaining our medium-low risk profile



Embedding ESG factors across the different risks types, both from a **regulatory and management perspective**

risk pro A **risk culture** based on the principle that all employees are risk managers



Corporate governance and internal control

'As a responsible bank, we have clear and robust governance to ensure a long-term sustainable business model'



Diversified and well-balanced
shareholder base



Effective engagement
with our shareholders
and investors

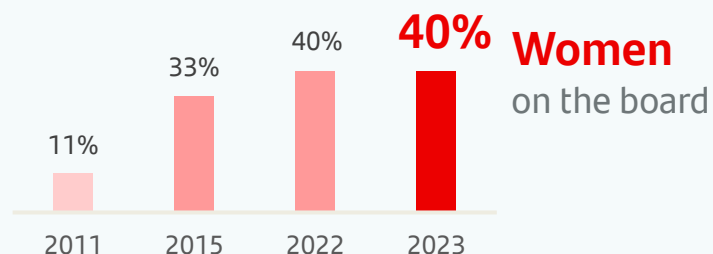
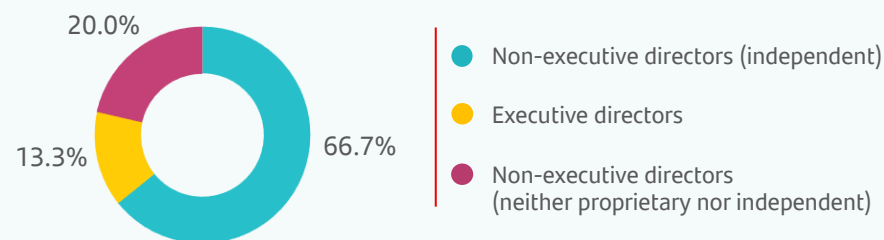


Effective board of directors



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

Composition of the board of directors, Dec-23



40% 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

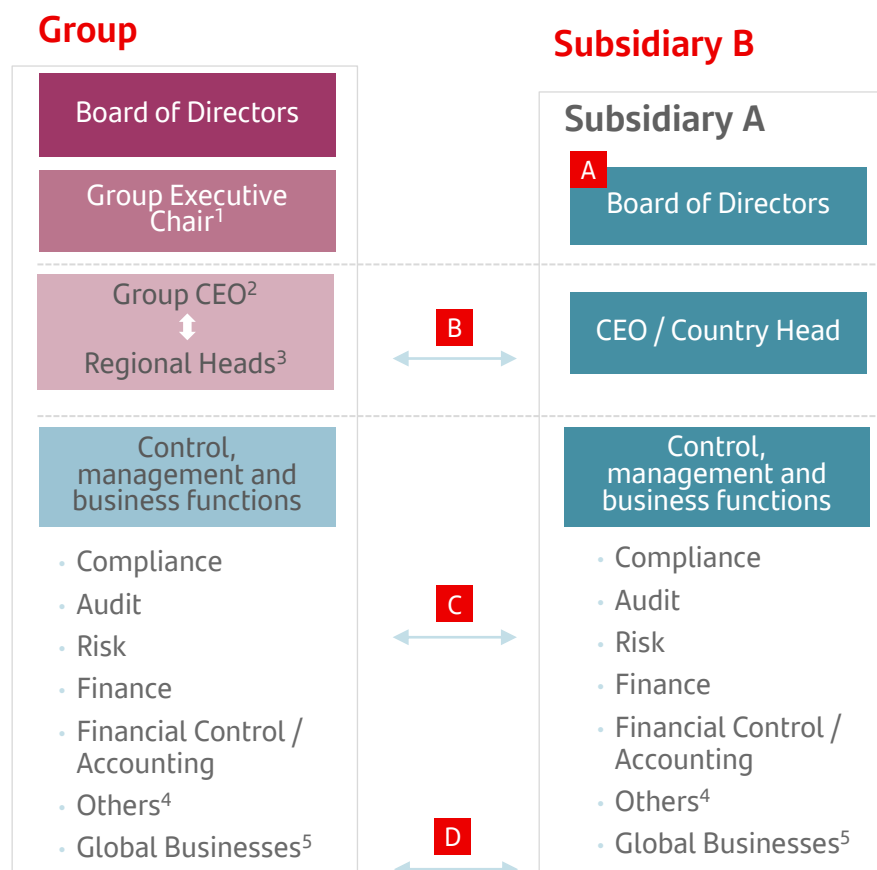
International advisory board



Corporate governance and internal control

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

Group-subsidary governance model



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

- A** Presence of the Group 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
- D** Interaction between global businesses * and local businesses

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, 2023

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.



More information at <https://www.santander.com/en/about-us/our-brand>





3. 2023 results & activity

Achieved a record year and delivered on our financial targets



Record results with 5mn new customers YoY contributing to double-digit revenue growth

FY'23 Attributable Profit

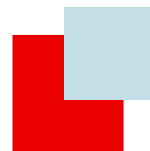
€11.1bn

+15%

FY'23 Revenue

€58bn

+11%



First year of ONE Transformation is driving **profitable growth** and structural **efficiency improvement**

Cost-to-income

44.1%

-173bps

RoTE

15.1%

+169bps



Strong balance sheet, with solid credit quality metrics and a higher capital ratio

CoR

1.18%

+0.19pp

FL CET1

12.3%

+0.2pp



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

TNAVps + DPS

+15%

Cash DPS c.+50%

EPS

+21.5%

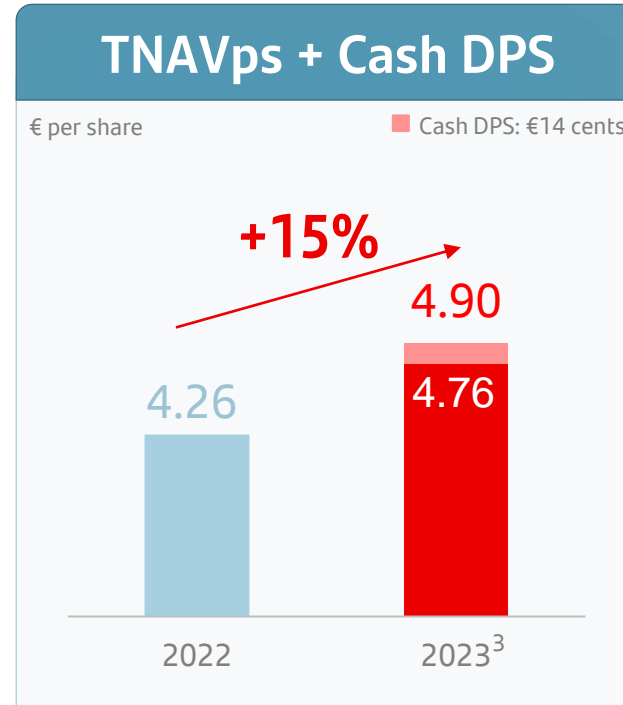
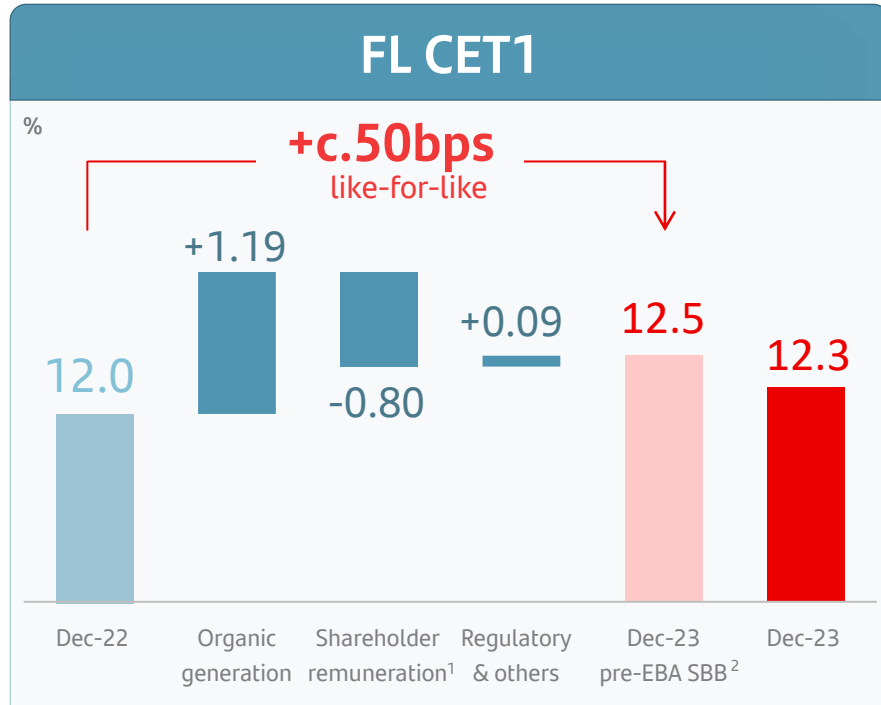
All time high attributable profit boosted by double-digit net operating income growth

P&L € million	2023	2022	Current %	Constant %
NII	43,261	38,619	12	16
Net fee income	12,057	11,790	2	5
Other income	2,329	1,745	33	11
Total revenue	57,647	52,154	11	13
Operating expenses	-25,425	-23,903	6	10
Net operating income	32,222	28,251	14	16
LLPs	-12,458	-10,509	19	19
Other results*	-3,066	-2,492	23	34
Attributable profit	11,076	9,605	15	18

Delivered on Group 2023 targets

- Double-digit revenue growth
- Efficiency ratio improvement YoY
- Record net operating income
- CoR <1.2%
- RoTE >15%

Strong performance drove higher gross organic capital generation and TNAVps + Cash DPS growth of 15%, while improving our payout to 50%



Since 2021, Santander has repurchased c.9% of its outstanding shares⁴

Note: Our shareholder remuneration policy is c.50% payout split in approximately equal parts (cash and share buybacks). Cash DPS against 2023 results estimated as 25% of the profit for the year. Implementation of 2023 shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

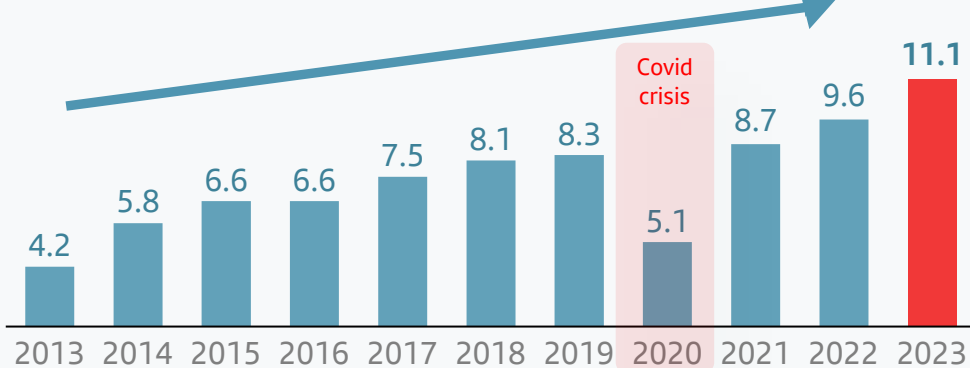


- (1) Dividend accrual during 2023 + impact on capital of share buybacks approved by regulator in 2023, and in line with our remuneration policy.
- (2) FL CET1 ratio previous to deducting 26bp resulting from the following of new EBA Q&A 2023_6887 released in Q4 of accruing share buybacks included in distribution policies.
- (3) TNAVps + DPS includes the €5.95 cent cash dividend paid in May 2023 and the €8.10 cent cash dividend paid in November 2023 executed as part of the shareholder remuneration policy⁵¹
- (4) Including €1,310mn from the first buyback programme against 2023 results completed on 25 January 2024.

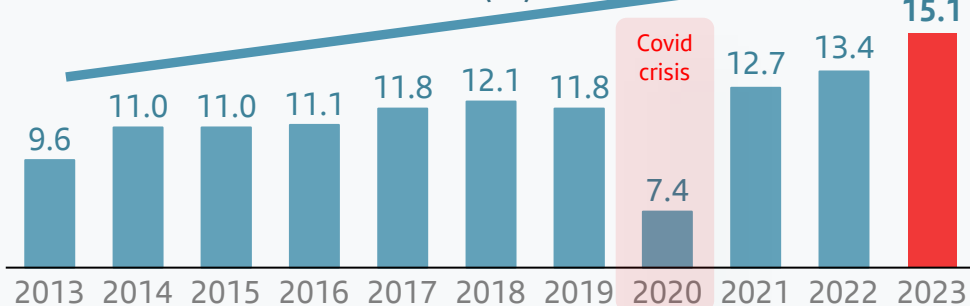
Our business model and strategy deliver sustained earnings with lower volatility and allow us to accelerate profitable growth and shareholder value creation

High profitable growth

Attributable profit¹ (€bn)

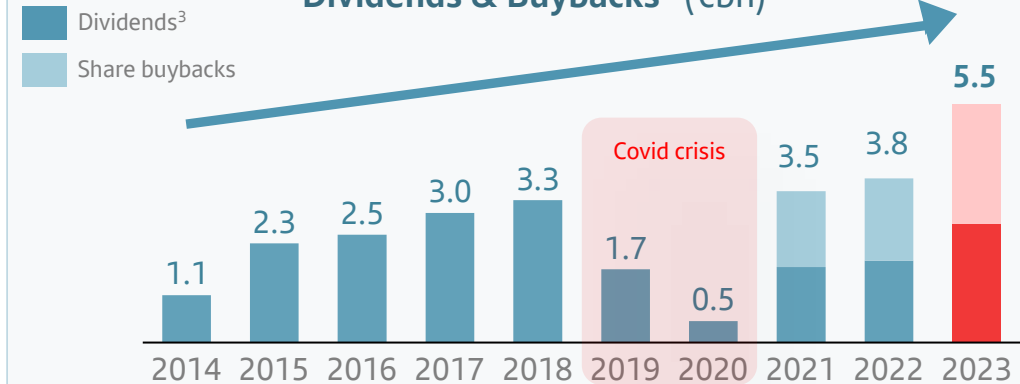


RoTE¹ (%)

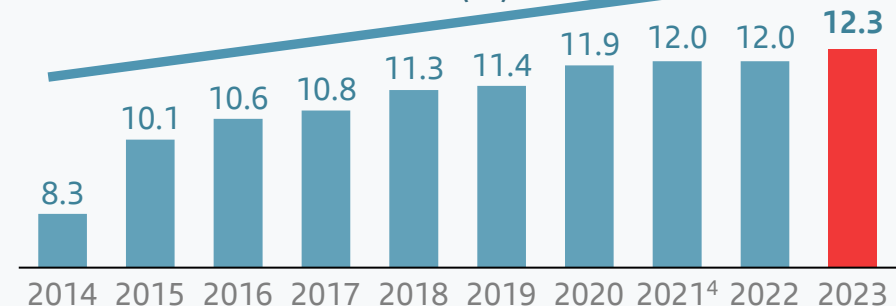


Increasing remuneration and strengthening capital

Dividends & Buybacks² (€bn)



FL CET1 (%)



(1) Underlying.

(2) Total shareholder remuneration charged against the results corresponding to the calendar year: cash dividend + share buybacks, excluding scrip dividends. Our shareholder remuneration policy for 2023 is c.50% payout split in approximately equal parts (cash and share buybacks). Cash DPS against 2023 results estimated as 25% of the profit for the year. Implementation of 2023 shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

(3) Cash dividend.

(4) Including acquisition of SC USA minority interest which closed on 31 January 2022 and the acquisition of Amherst Pierpont.

A strong first year in our new phase of value creation for our shareholders...

2023 vs. 2025 ID targets

Strength

FL CET1

12.3%

>12%

Shareholder remuneration

Payout

50%

Cash dividend + SBB
50% annually

Disciplined capital allocation

RWAs with RoRWA > CoE

84%

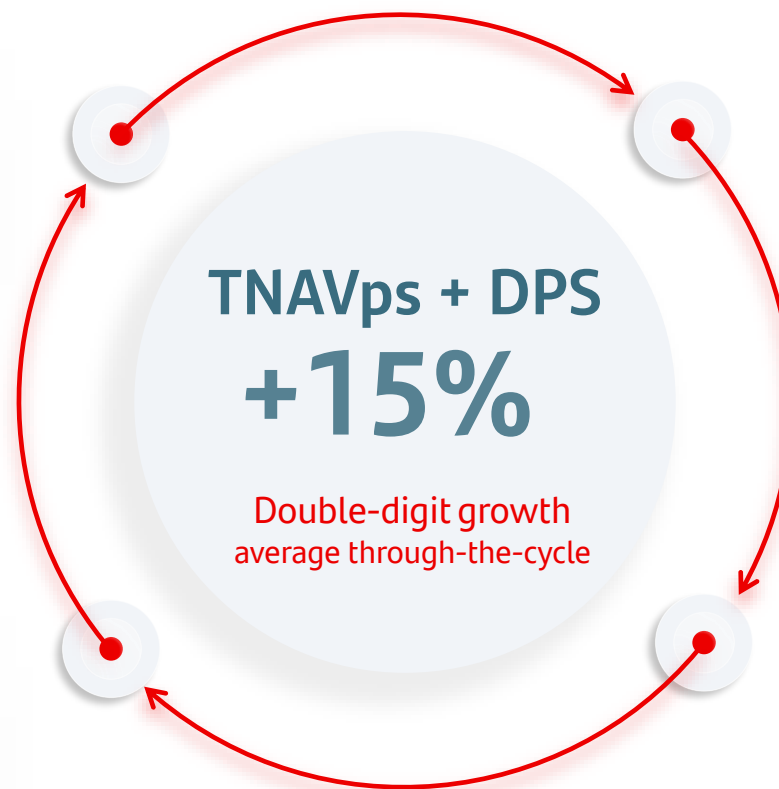
c.85%

Profitability

RoTE

15.1%

15-17%



...leveraging our business model strengths: diversification, customer focus and global and in-market scale

Our two key strategic and operating advantages...

Leadership position
in local markets



Global network
businesses



...are driving structural
benefits helping us become the most
profitable bank in every market

Higher growth in customer
revenue and profitability
from network effects

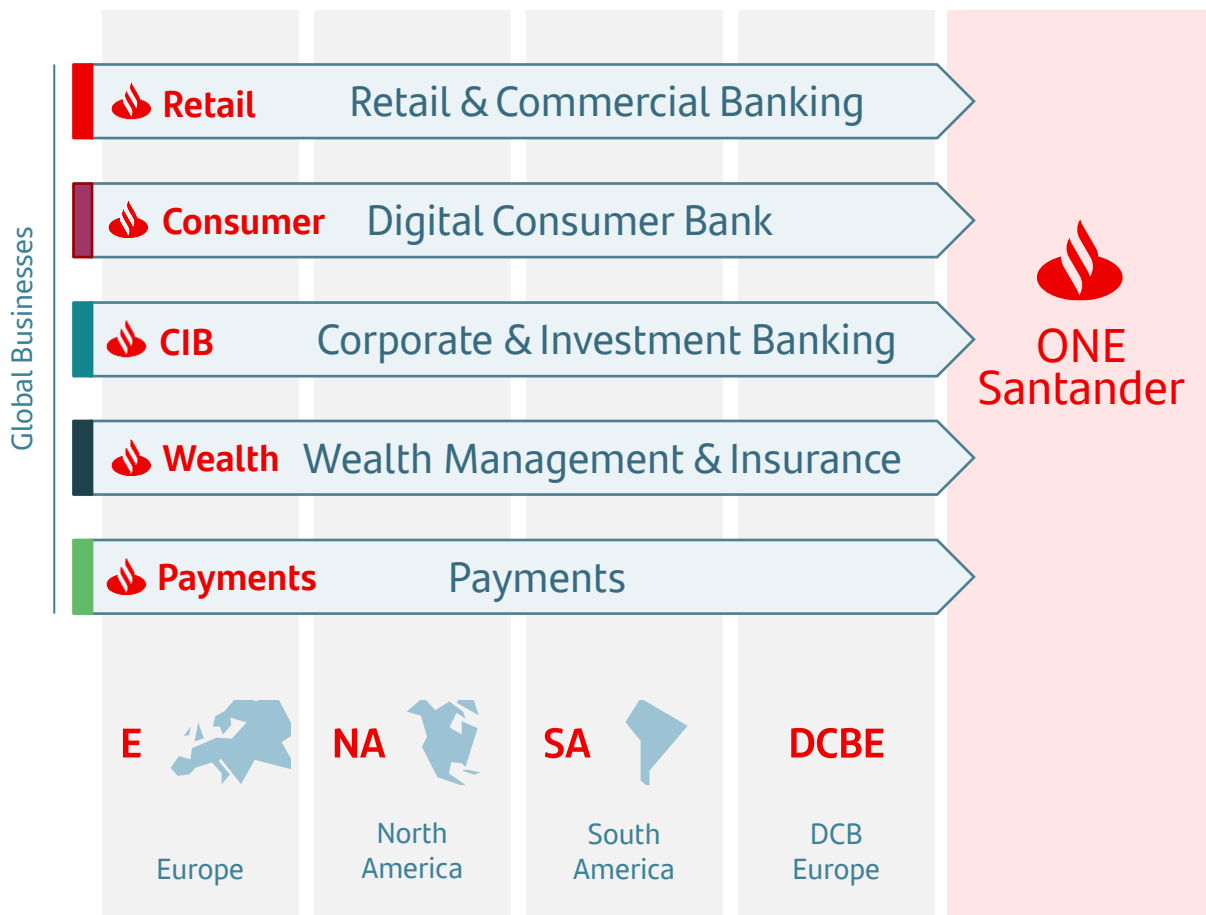


Lower costs
from common operating model
+ Tech platforms

Currently we are Top 3 in profitability in 8 out of our 10 markets¹

With our last step towards ONE Santander, we have laid the foundation to capture the full potential of our in-market and global value

Tangible progress on our transformation







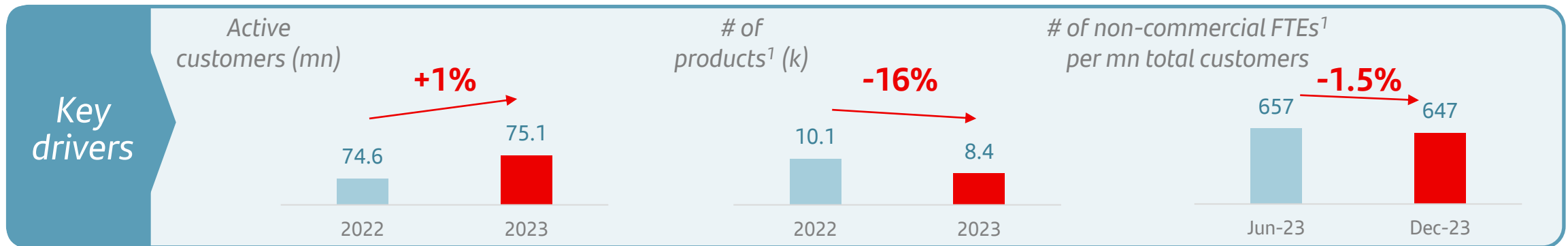
Our model capitalizes on our strategic advantage of combining global capabilities with local expertise



Retail





Driving growth and efficiency on the back of our new model and proprietary technology

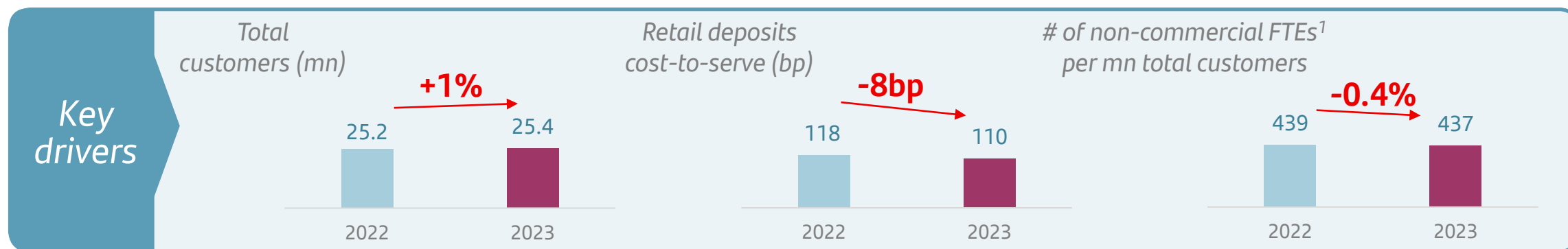
 Customer experience	 Operational leverage	 Global platform	 2025 target
Product simplification and digital first	Common operating model globally leveraging process automation	Proprietary back-end (Gravity) and our cloud based front-end (ODS) technologies	c.17% RoTE 15.1% 2023 <42% C/I 43.1% 2023



Consumer

Transforming into a best-in-class, global business and operating model

 Customer experience	 Operational leverage	 Global platform	 2025 target
Global relationship management (OEMs, importers, retailers)	Operational & commercial benchmark to maximize profitability and growth	From multiple country-specific platforms to global platforms (e.g. Leasing, BNPL)	> 14% RoTE 11.5% 2023 c.40% C/I 42.8% 2023



Playing to our strengths to better serve our corporate customers and institutions

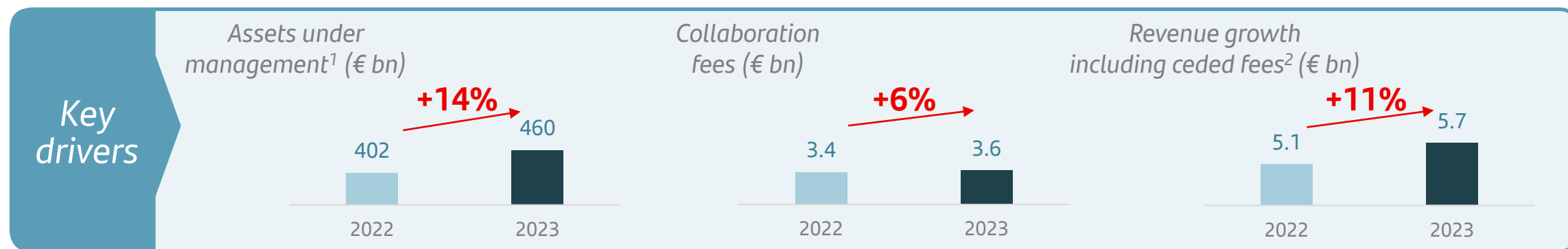
Customer experience	Operational leverage	Global platform	2025 target
Trusted advisor for our customers, leveraging our global and local products	Continue growing fee and transactional business through our global centres of expertise and tech	Optimize capital returns on the back of origination and global distribution capabilities	>20% RoTE 17.5% 2023 <45% C/I 45.0% 2023



Wealth





Accelerating our customers connectivity with our global product platforms

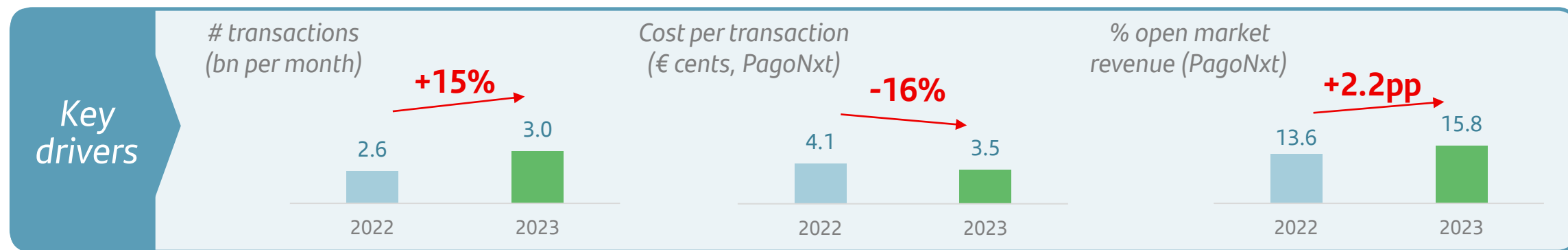
 Customer experience	 Operational leverage	 Global platform	 2025 target
Providing our customers with a specialized product & service proposition in all countries	Leverage our global operations and factories to connect geographies and increase collaboration with CIB and Retail	Global platforms and infrastructure to improve efficiency and time-to-market	c.60% RoTE 72.2% 2023 c.10% Revenue growth +22% 2023



Payments










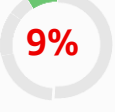

Seizing a growing opportunity by capturing scale through global platforms

 Customer experience	 Operational leverage	 Global platform	 2025 target
Deliver best-in-class payment solutions leveraging our global and local scale	Reduce cost per transaction through capex optimization and operational efficiency	Migrate volumes to common global platforms to gain scale and offer competitive pricing in the open market	PagoNxt >30% EBITDA margin 24.8% 2023 c.30% Revenue growth +17% 2023



In summary, our global platforms will deliver operational leverage and profitable growth to become the most profitable bank in every market





Most upside from changes to common platforms in Retail, Consumer and Payments, which represent 81% of total revenue

2023		Revenue (€bn)	Contribution to Group's revenue ¹	Efficiency	RoTE ²	2025 RoTE ² target
Global businesses	 Retail	30 +12%		43.1% -157bps	15.1% +1.0pp	c.17%
	 Consumer	12 +1%		42.8% +86bps	11.5% -4.0pp	>14%
	 CIB	8 +17%		45.0% +171bps	17.5% +1.6pp	>20%
	 Wealth	3 +22%		37.9% -333bps	72.2% +19.8pp	c.60%
	 Payments	5 +12%		44.2% -235bps	EBITDA margin PagoNxt 24.8% +15.7pp	>30%
 Group		58 +13%		44.1% -173bps	15.1% +1.7pp	15-17%



4. ● Final remarks

Record results in our first year of our new phase of value creation and growth

-  **Excellent progress in the execution of our strategy**
Efficiency and profitability improvement
-  **Resilient balance sheet with a stronger capital ratio**
Foundation for further growth, value creation and shareholder remuneration
-  **Strong first year in our new phase of value creation and growth**
Supported by our winning combination of local leadership with global scale and network
-  **Last step towards ONE Santander unlocks full potential of the Group**
Common operating model supporting value creation based on profitable growth and operational leverage provided by global platforms

€11.1bn

Profit

44.1%

Efficiency

+21.5%

EPS

+15%

TNAVps + DPS

c.+50%

Cash DPS

In summary, a great set of results delivering on all our 2023 targets

		2023 targets	Our 2023 achievement	
Revenue ¹	>>	Double-digit growth	+13%	✓
Efficiency ratio	>>	44-45%	44.1%	✓
CoR	>>	<1.2%	1.18%	✓
FL CET1	>>	>12%	12.3%	✓
RoTE	>>	>15%	15.1%	✓

Looking ahead, we are well positioned to continue driving additional profitable growth in 2024

Our consistent track record and the implementation of ONE Santander make us confident we will deliver on the following targets in 2024



Double-digit growth of **TNAVps+DPS** through-the-cycle



Help millions around the world realise their dreams and prosper.

5 ● Links to public materials

Links to Grupo Santander public materials

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

2023 financial results

Financial report



Earnings presentation

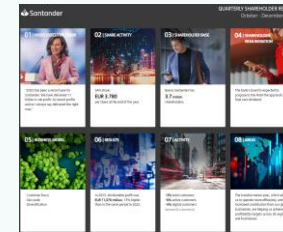


Series (Excel)



(New operating model)

Shareholders report (interactive)



Country presentations



Press release



Video
(3 minutes)



Fixed income presentation



Pillar 3



Ratings



Other information

2023 Digital Annual review



2023 Annual report



Overview of our Corporate Governance presentation





Glossary

Glossary - Acronyms

- **ALCO:** Assets and Liabilities Committee
- **AM:** Asset management
- **AuMs:** Assets under Management
- **bn:** Billion
- **BNPL:** Buy now, pay later
- **bps:** Basis points
- **c.:** *Circa*
- **CAL:** Customer assets and liabilities
- **CET1:** Common equity tier 1
- **CHF:** Swiss franc
- **CIB:** Corporate & Investment Bank
- **CoE:** Cost of equity
- **CoR:** Cost of risk
- **Covid-19:** Coronavirus Disease 19
- **CRE:** Commercial Real Estate
- **DCB:** Digital Consumer Banking
- **DGF:** Deposit guarantee fund
- **DPS:** Dividend per share
- **EPS:** Earning per share
- **ESG:** Environmental, social and governance
- **FL:** Fully-loaded
- **FX:** Foreign exchange
- **FY:** Full year
- **IFRS 9:** International Financial Reporting Standard 9, regarding financial instruments
- **LLPs:** Loan-loss provisions
- **mn:** million
- **NII:** Net interest income
- **NIM:** Net interest margin
- **NPL:** Non-performing loans
- **NPS:** Net promoter score
- **OEM:** Original equipment manufacturer
- **PB:** Private Banking
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **pp:** Percentage points
- **Ps:** Per share
- **QoQ:** Quarter-on-Quarter
- **Repos:** Repurchase agreements
- **RoE:** Return on equity
- **RoRWA:** Return on risk-weighted assets
- **RoTE:** Return on tangible equity
- **RWA:** Risk-weighted assets
- **SAM:** Santander Asset Management
- **SAN:** Santander
- **SBB:** share buybacks
- **SC USA:** Santander Consumer USA
- **SME:** Small and Medium Enterprises
- **TNAV:** Tangible net asset value
- **TPV:** Total Payments Volume
- **YoY:** Year-on-Year
- **YTD:** Year to date

Glossary - Definitions

PROFITABILITY AND EFFICIENCY

- **RoTE:** Return on tangible capital: Group attributable profit / average of: net equity (excluding minority interests) – intangible assets (including goodwill)
- **RoRWA:** Return on risk-weighted assets: consolidated profit / average risk-weighted assets
- **Efficiency:** Operating expenses / total income. Operating expenses defined as general administrative expenses + amortisations

VOLUMES

- **Loans:** Gross loans and advances to customers (excl. reverse repos)
- **Customer funds:** Customer deposits excluding repos + marketed mutual funds

CREDIT RISK

- **NPL ratio:** Credit impaired loans and advances to customers, customer guarantees and customer commitments granted / Total risk. Total risk is defined as: Total loans and advances and guarantees to customers (including credit impaired assets) + contingent liabilities granted that are credit impaired
- **NPL coverage ratio:** Total allowances to cover impairment losses on loans and advances to customers, customer guarantees and customer commitments granted / Credit impaired loans and advances to customers, customer guarantees and customer commitments granted
- **Cost of risk:** Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months

CAPITALIZATION

- **Tangible net asset value per share – TNAVps:** Tangible stockholders' equity / number of shares (excluding treasury shares). Tangible stockholders' equity calculated as shareholders equity + accumulated other comprehensive income - intangible assets

ESG METRICS

- **Green Finance raised and facilitated** = Nominal amount of PF, PF Advisory, PF bonds, Green bonds, ECA, M&A, ECM transactions classified by SCFS panel and reported in the League Tables since the beginning of the exercise.
- **SRI** = Volume of assets under management classified as article 8 - promoting ESG objectives - and 9 - with explicit sustainability objectives - of the SFDR regulation (EU Reg. 2019/2088). Includes assets managed by Santander Asset Management (SAM), third-party funds and SAM funds managed with equivalent criteria in those geographies where SFDR does not apply (mainly LatAm).
- **Financial inclusion (# People)** = Number of people who are unbanked, underbanked, in financial difficulty, with difficulties in accessing credit or with limited financial literacy who, through the Group's products, services and social investment initiatives, are able to access the financial system, receive tailored finance. Financially underserved groups are defined as people who do not have a current account, or who have an account but obtained alternative (non-bank) financial services in the last 12 months. Beneficiaries of various programs are included in the quantification process only once in the entire period. Only new empowered people are counted, taking as a base year those existing since 2019.



Notes: The averages for the RoTE and RoRWA denominators are calculated using the monthly average over the period, which we believe should not differ materially from using daily balances.
The risk-weighted assets included in the denominator of the RoRWA metric are calculated in line with the criteria laid out in the CRR (Capital Requirements Regulation).

Important information

Non-IFRS and alternative performance measures

This presentation contains financial information prepared according to International Financial Reporting Standards (IFRS) and taken from our consolidated financial statements, as well as alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, and other non-IFRS measures. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider them to be useful metrics for our management and investors to compare operating performance between periods. APMs we use are presented unless otherwise specified on a constant FX basis, which is computed by adjusting comparative period reported data for the effects of foreign currency translation differences, which distort period-on-period comparisons. Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR. For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2022 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2023 (<https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anales-suministrada-a-la-sec/2023/sec-2022-annual-20-f-2022-en.pdf>), as well as the section "Alternative performance measures" of Banco Santander, S.A. (Santander) Q4 2023 Financial Report, published on 31 January 2024 (<https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#quarterly-results>). Underlying measures, which are included in this document, are non-IFRS measures.

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

Non-financial information

This presentation contains, in addition to financial information, non-financial information (NFI), including environmental, social and governance-related metrics, statements, goals, commitments and opinions.

NFI is included to comply with Spanish Act 11/2018 on non-financial information and diversity and to provide a

broader view of our impact. NFI is not audited nor reviewed by an external auditor. NFI is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. NFI is based on various materiality thresholds, estimates, assumptions, judgments and underlying data derived internally and from third parties. NFI is thus subject to significant measurement uncertainties, may not be comparable to NFI of other companies or over time or across periods and its inclusion is not meant to imply that the information is fit for any particular purpose or that it is material to us under mandatory reporting standards. NFI is for informational purposes only and without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

Forward-looking statements

Santander hereby warns that this presentation contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such statements can be understood through words and expressions like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future", "commitment", "commit", "focus", "pledge" and similar expressions. They include (but are not limited to) statements on future business development, shareholder remuneration policy and NFI.

Important information

While these forward-looking statements represent our judgement and future expectations concerning our business developments and results may differ materially from those anticipated, expected, projected or assumed in forward-looking statements.

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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

