

9M 2021

FIXED INCOME INVESTORS PRESENTATION

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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 Appendix 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.

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Santander at a Glance

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

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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%

Note: changes in constant euros

(1) Q1'21: -EUR 530 mn (net of tax) mainly due to restructuring charges for FY'21

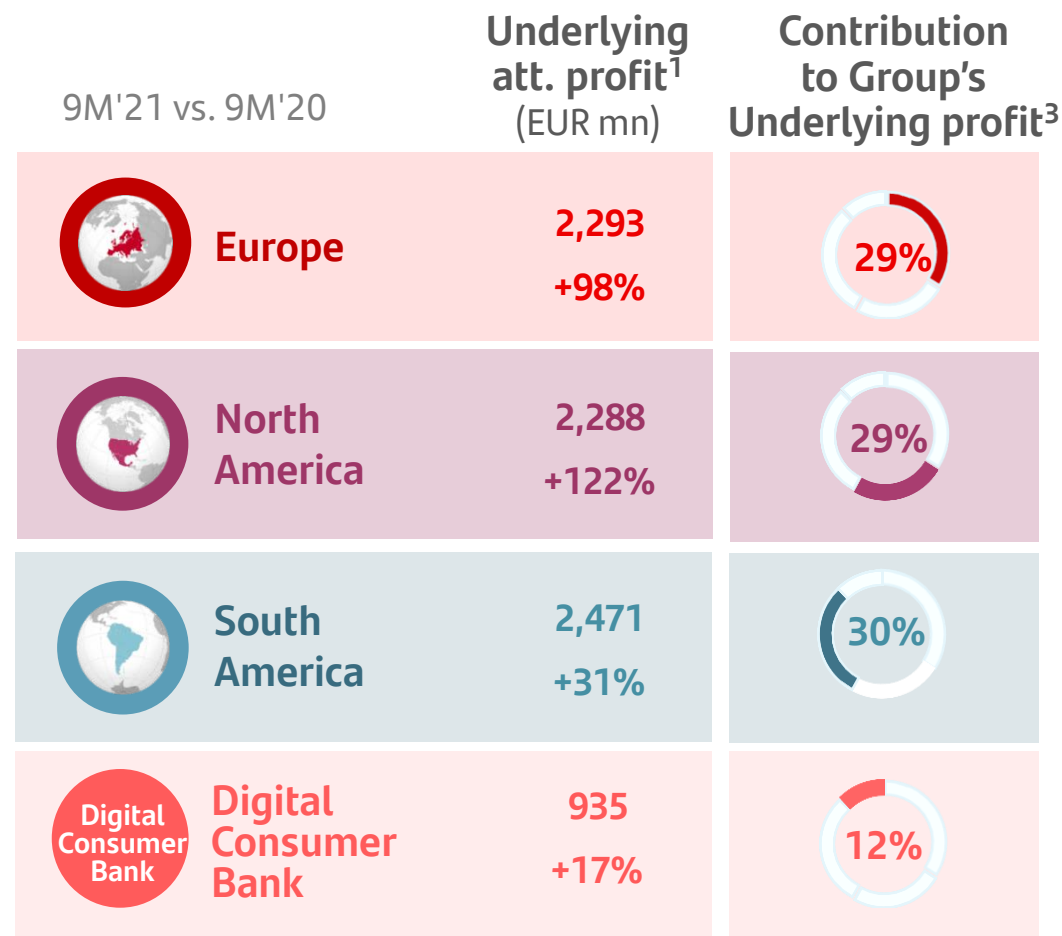
(2) Including EUR 4.85 cents from the dividend to be paid in November 2021 (already deducted from shareholders' equity in September) and EUR 2.75 cents paid in May 2021

(3) 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. The implementation of the remainder of the shareholder remuneration policy for 2021 is subject to the appropriate corporate and regulatory approvals

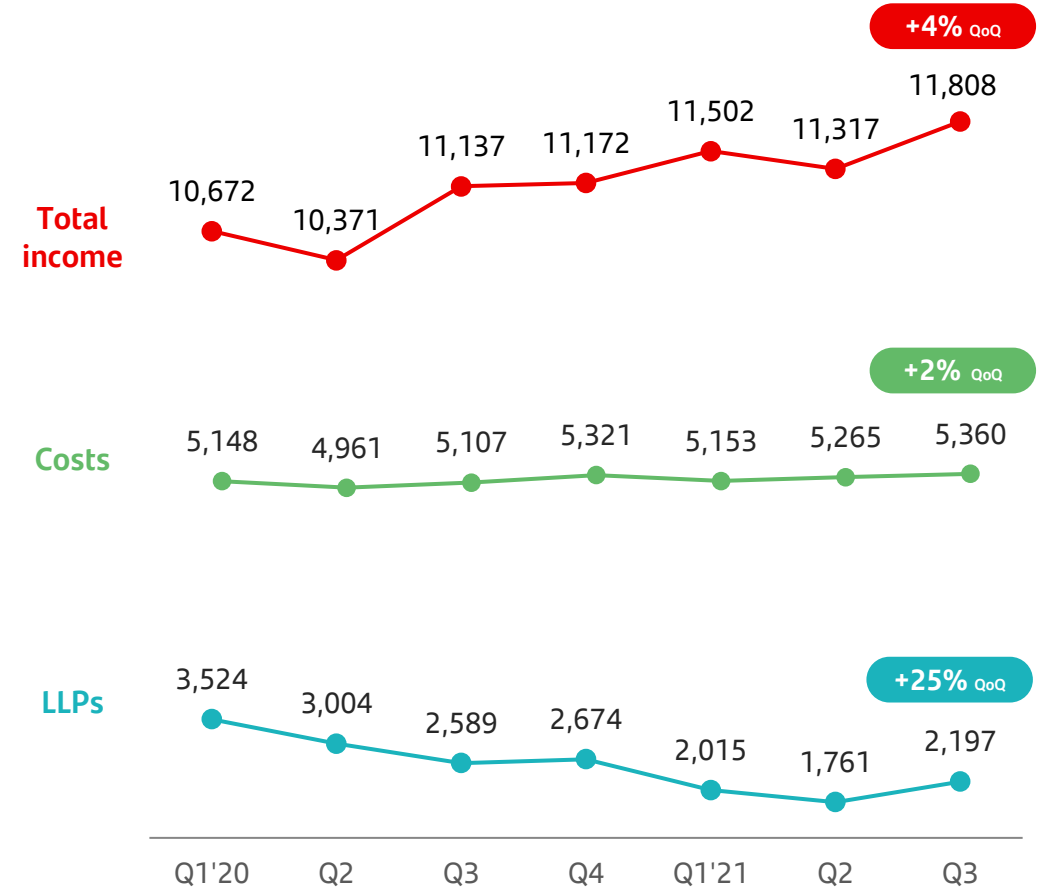
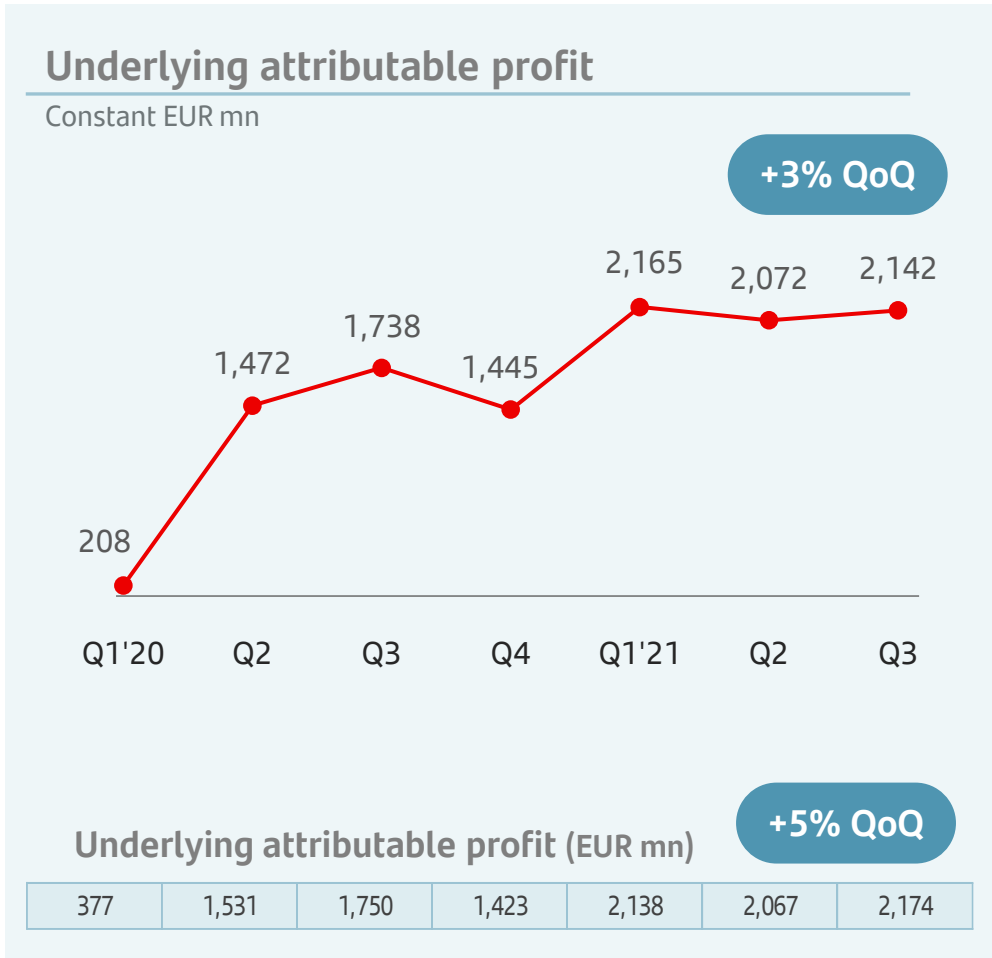
(4) Medium-term underlying RoTE

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	—	—



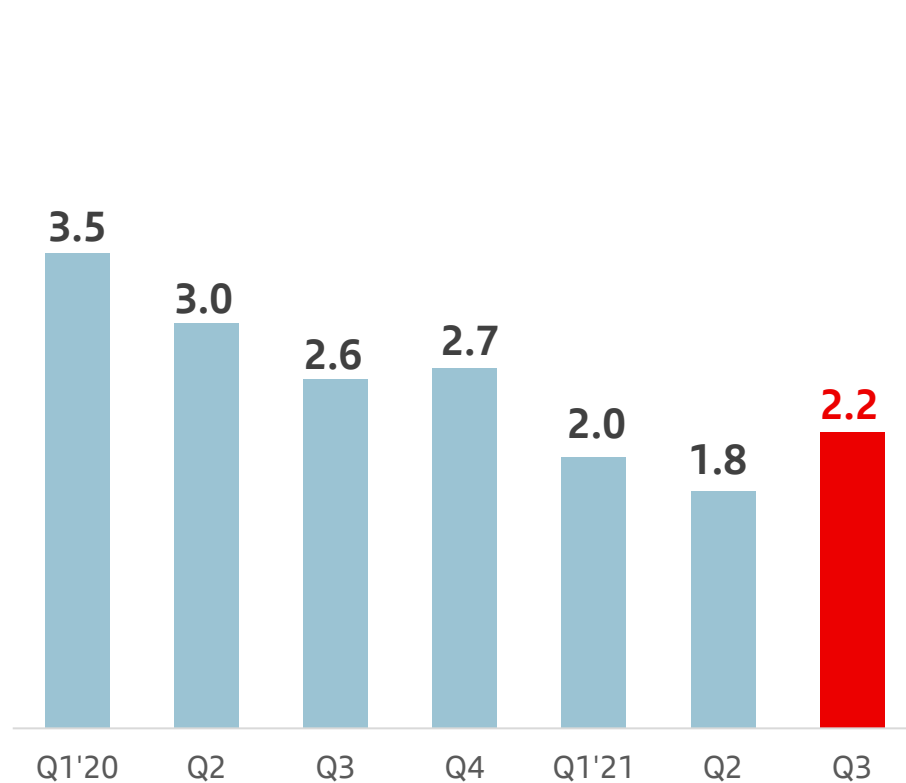
Strong revenue drove earnings growth in Q3, with some seasonality in provisions in the US



Cost of credit remained well below 1%. In Q3, LLPs reflected seasonality in the US

Loan-loss provisions

Constant EUR bn



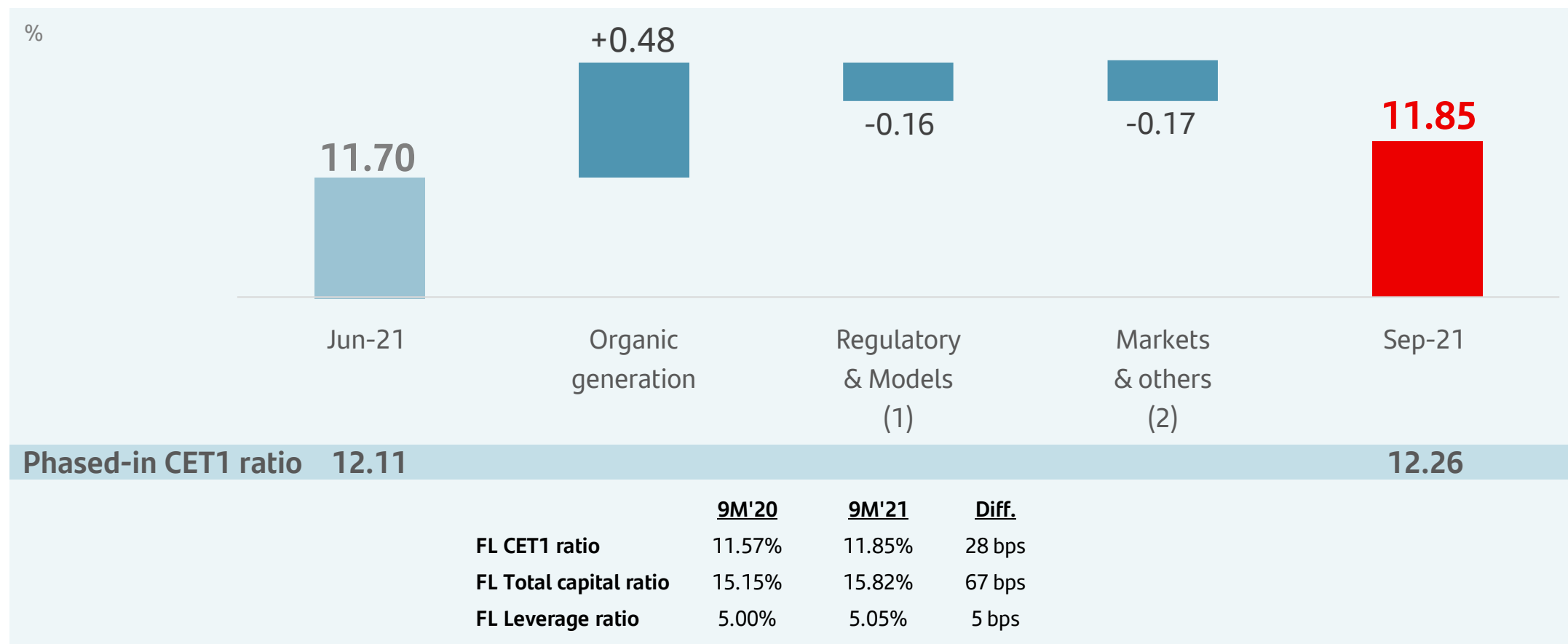
Credit quality indicators

	Sep-20		Jun-21		Sep-21
Cost of credit ¹	1.27%	>	0.94%	>	0.90%
NPL ratio	3.15%	>	3.22%	>	3.18%
Coverage ratio	76%	>	73%	>	74%

(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. Considering annualized 9M'21 provisions, cost of credit would be 0.83% (1.33% in 9M'20)

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



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Santander is managed according to primary and secondary segments

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

More details in Appendix:



Secondary segments

Retail Banking	SCIB	WM&I	PagoNxt

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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- **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

Our business model drives predictable and profitable growth

Our business model is based on three pillars

01. Scale

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



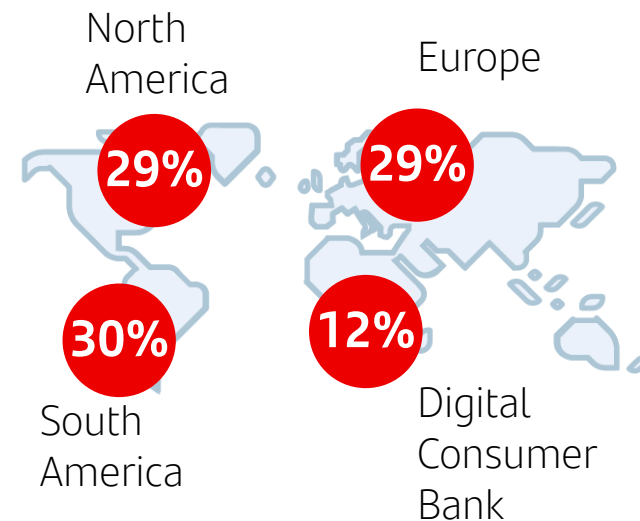
02. Customer focus

Unique personal banking relationships strengthen customer loyalty



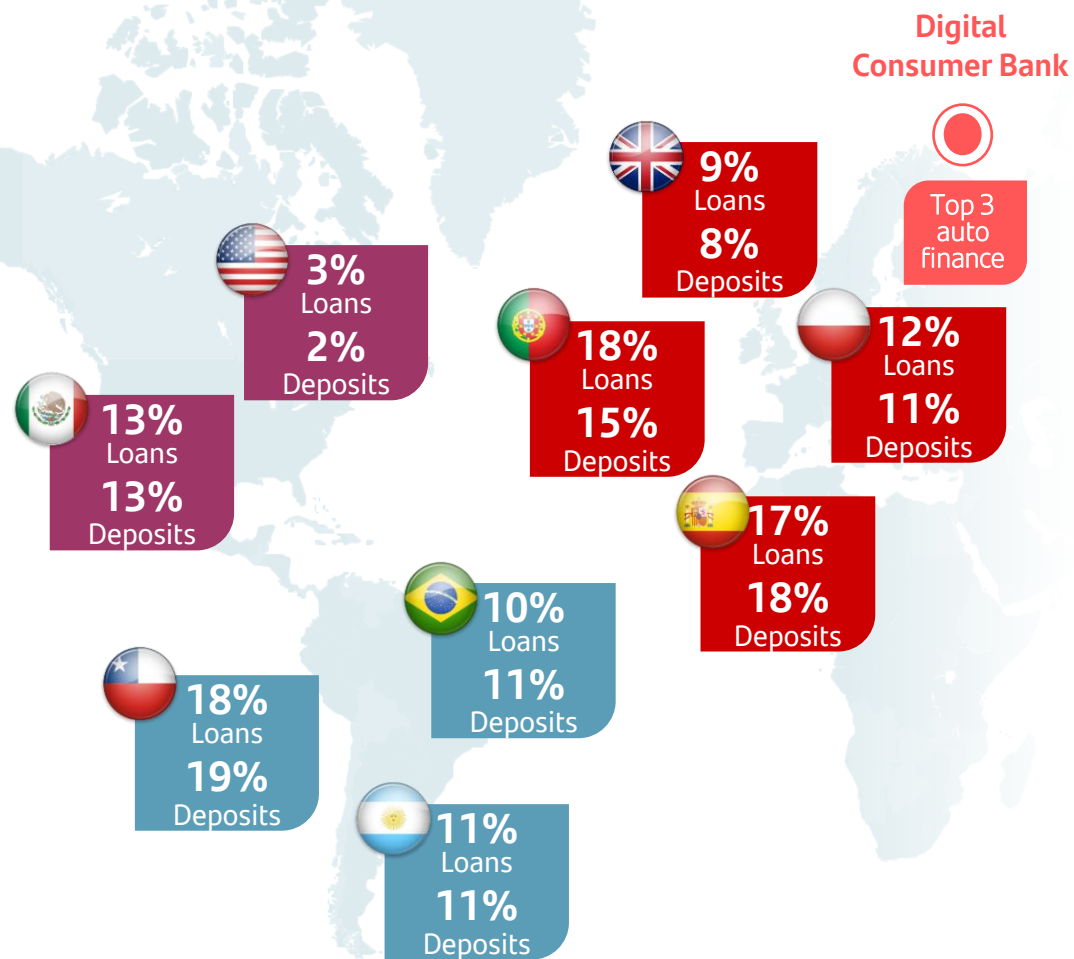
03. Diversification¹

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



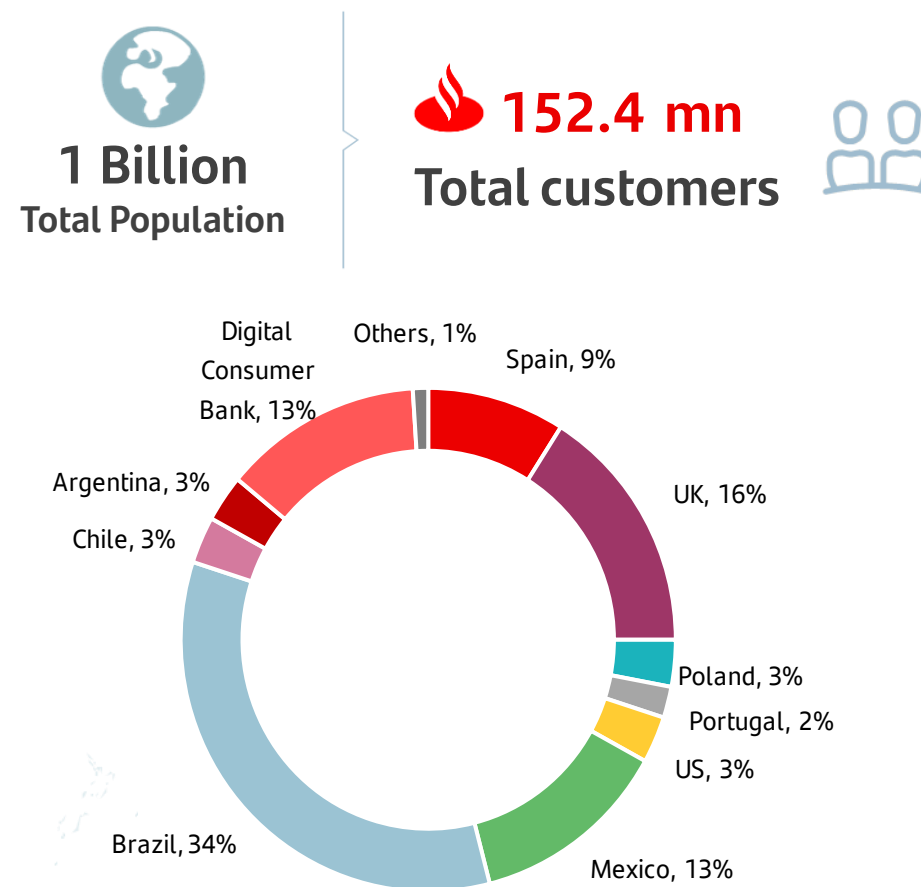
We have in-market scale in our core markets, with customers distributed across geographies with high growth potential

Market shares



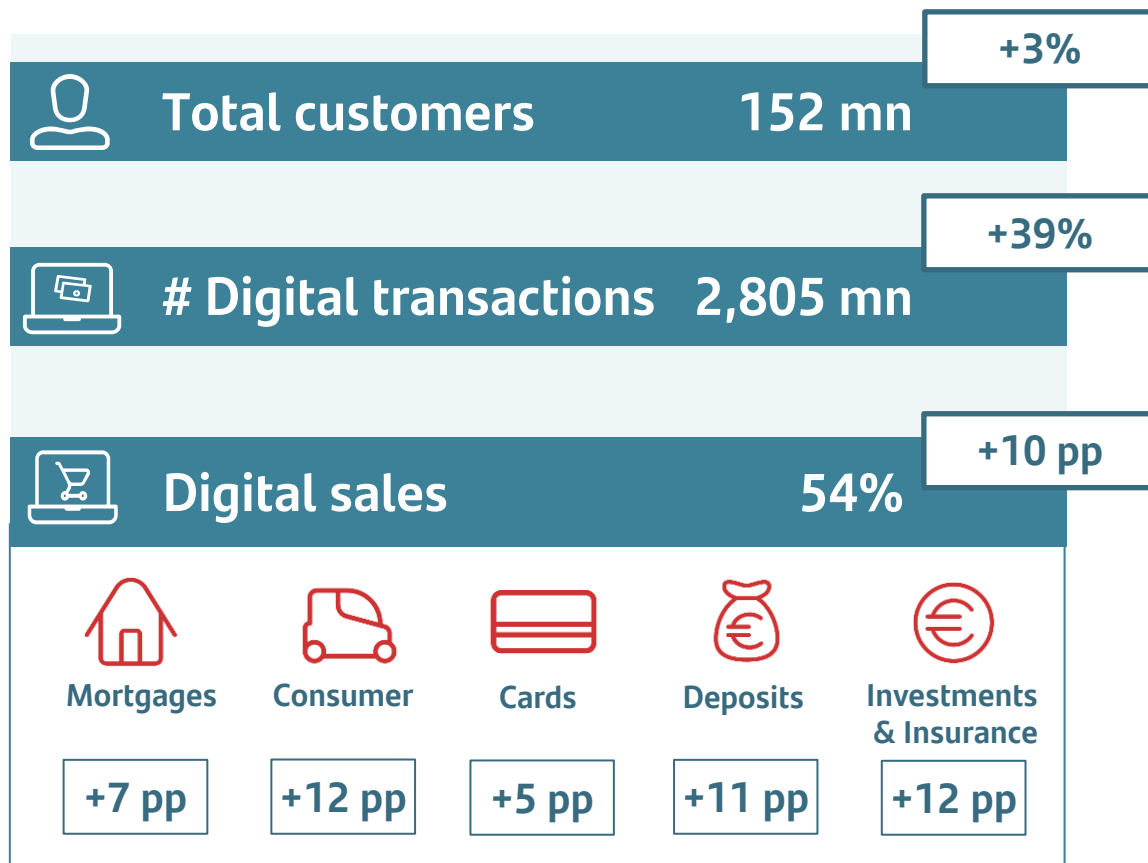
Customers distributed across geographies

Sep-21

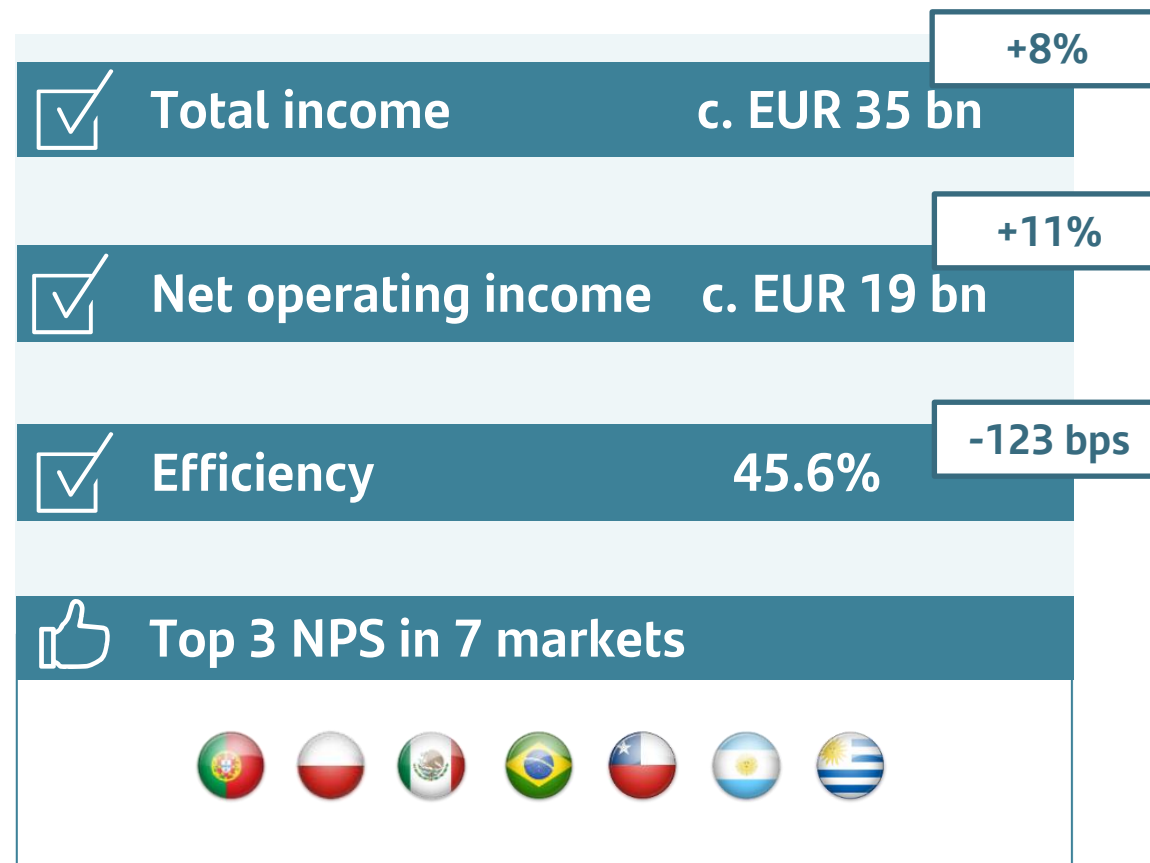


Steady customer growth and increased digitalization...

9M'21 and YoY changes



9M'21 and YoY changes in constant euros



E 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, Renewable Fuels


Santander Green Bond

Issuances

EUR 1 bn
9M'21

3 green bonds
EUR 3 bn
to date

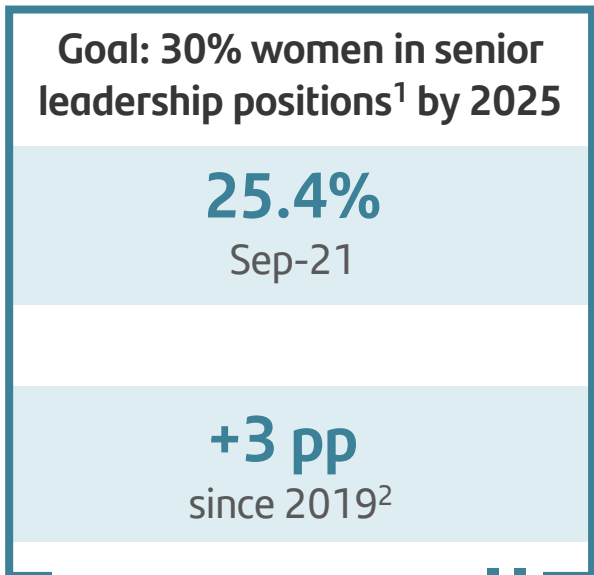


S Social 

Santander finance for all

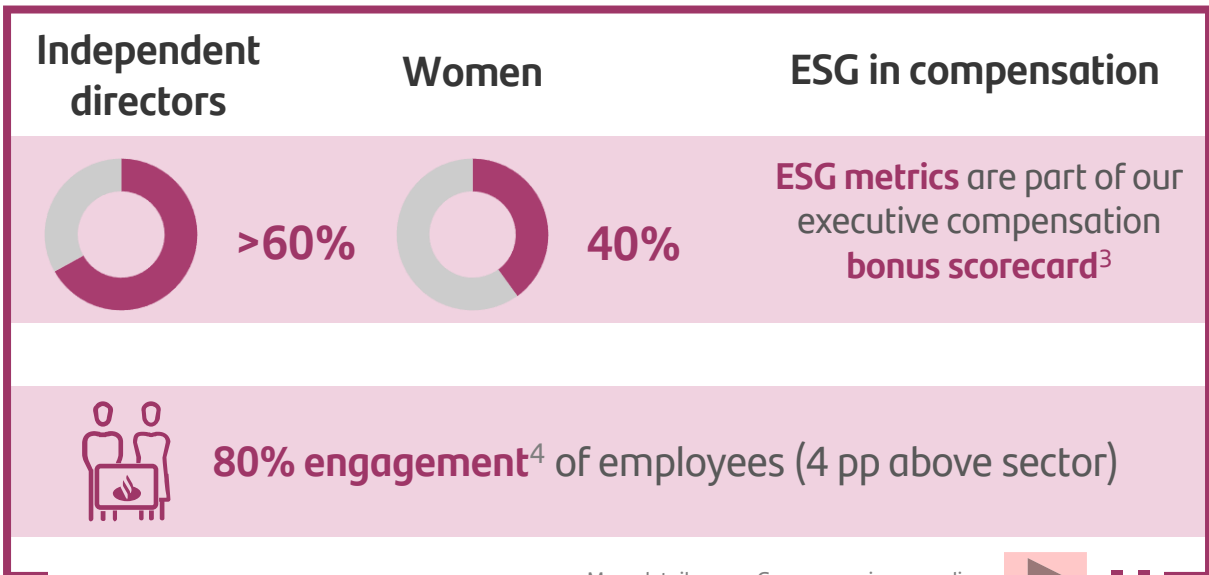


Diversity & Inclusion



G Governance 

An independent and diverse Group Board



More detail on our Governance in appendix 

Santander awards in Q3

- **World's Best Bank for Financial Inclusion 2021** by Euromoney
- **Most innovative entity in digital banking for its financial inclusion initiatives** by The Banker
- **Best Bank in Sustainable Finance in Latin America** by Global Finance and Euromoney



Dealogic - Regional Renewable Energy MLA Rankings - 9M'21
Bloomberg NEF Clean Energy - Asset finance - lead arrangers -9M'21

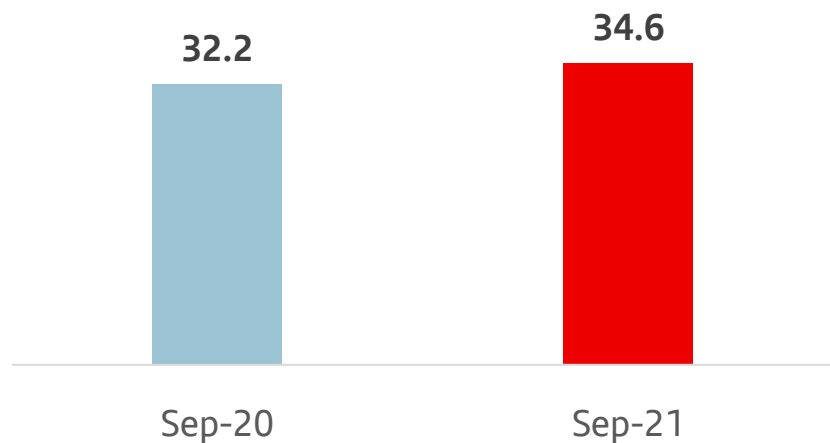
(1) Senior positions represent c.2,300 employees
(2) As of Jan-19
(3) Also including contribution to the climate project, development of green finance and contribution to financially empowering people
(4) Global Engagement Survey 2021

More detail our Responsible Banking goals in appendix 

... improves operational excellence by supporting top line performance and increasing cost savings

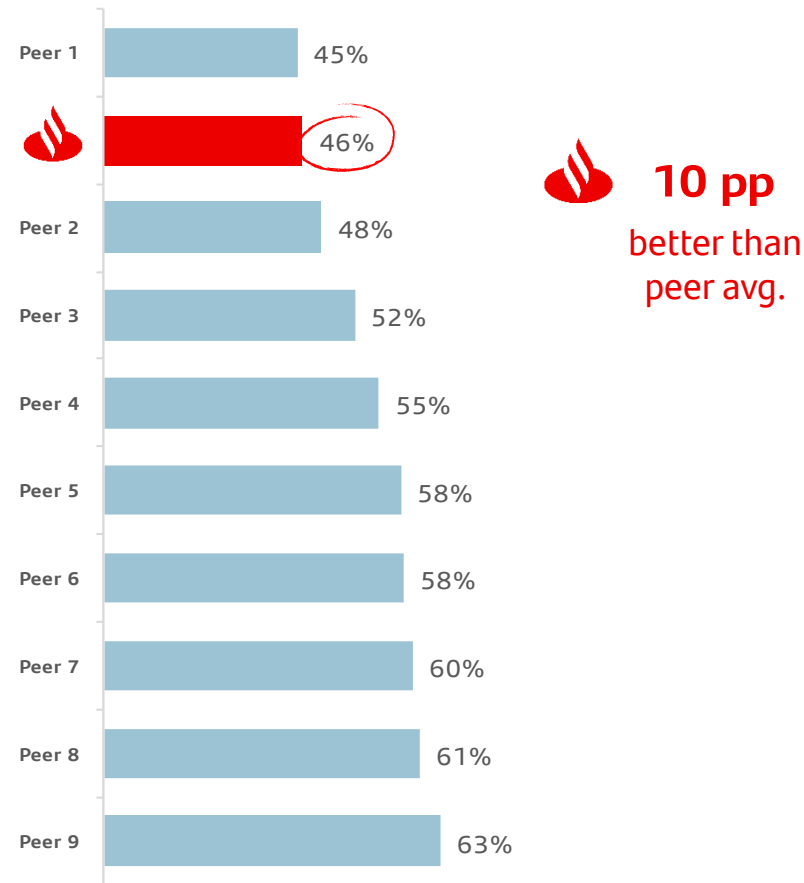
Revenue rebounding post-covid-19...

Total income, constant EUR mn



...maintaining one of the best cost-to-income among peers¹

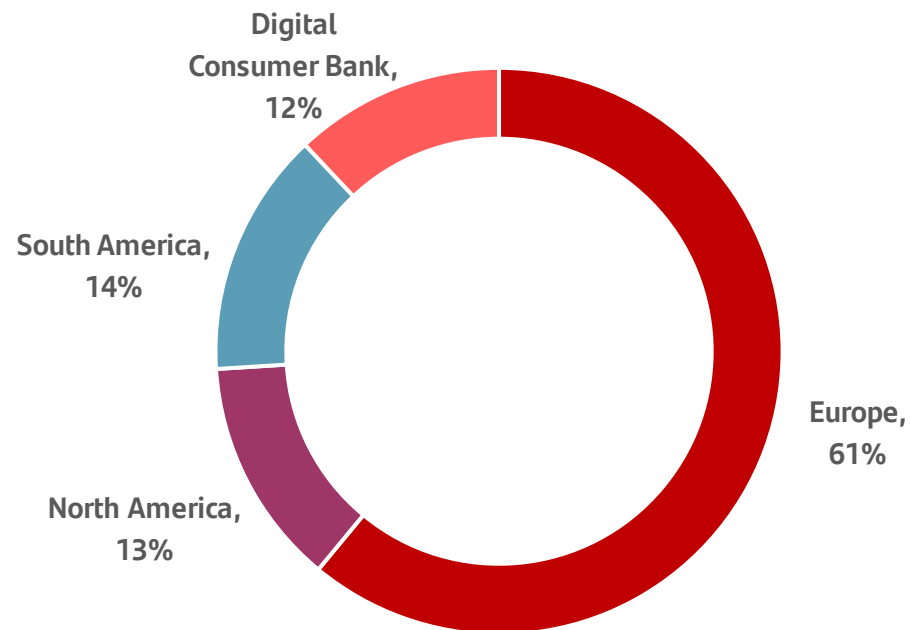
Cost-to-income, Peer data Q2'21, Santander 9M'21



Our geographic and business diversification both in assets ...

Loans and advances to customers by area

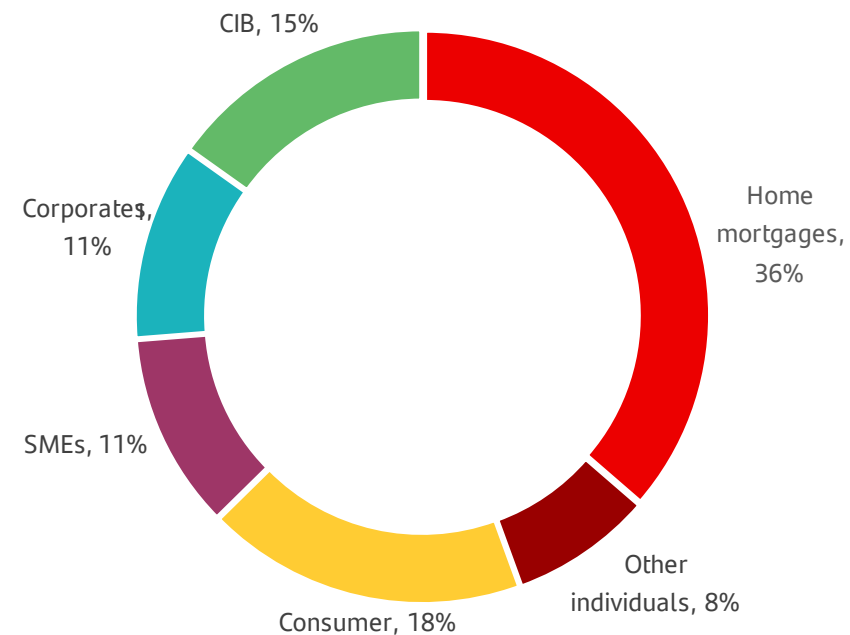
Breakdown of total gross loans excluding reverse repos, % of operating areas Sep-21



- ▶ Total gross loans excluding reverse repos: EUR 942 bn
- ▶ RWAs²: EUR 578 bn

Loans and advances to customers by business

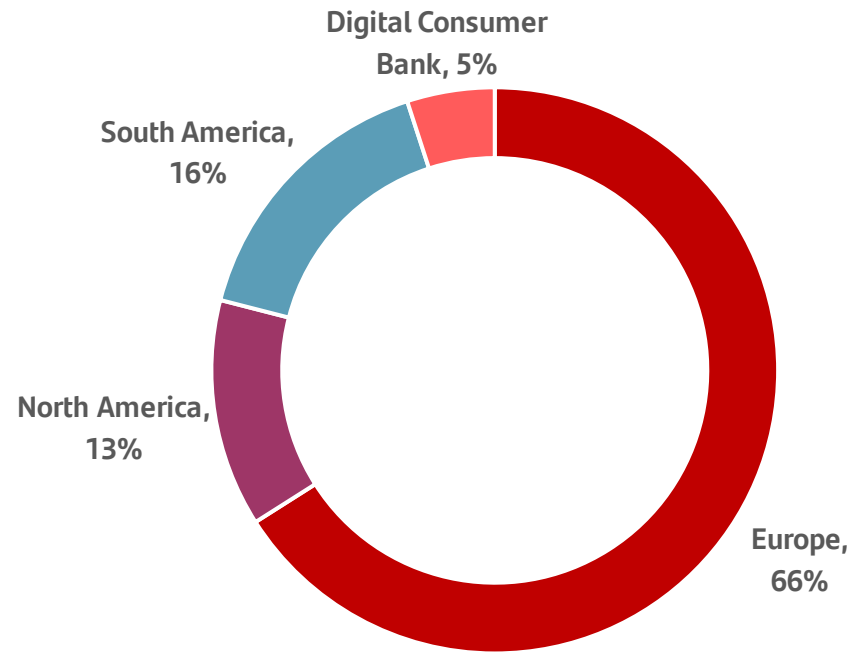
Breakdown of total gross loans excluding reverse repos, Sep-21



- ▶ 85% of loan portfolio is Retail, 15% Wholesale

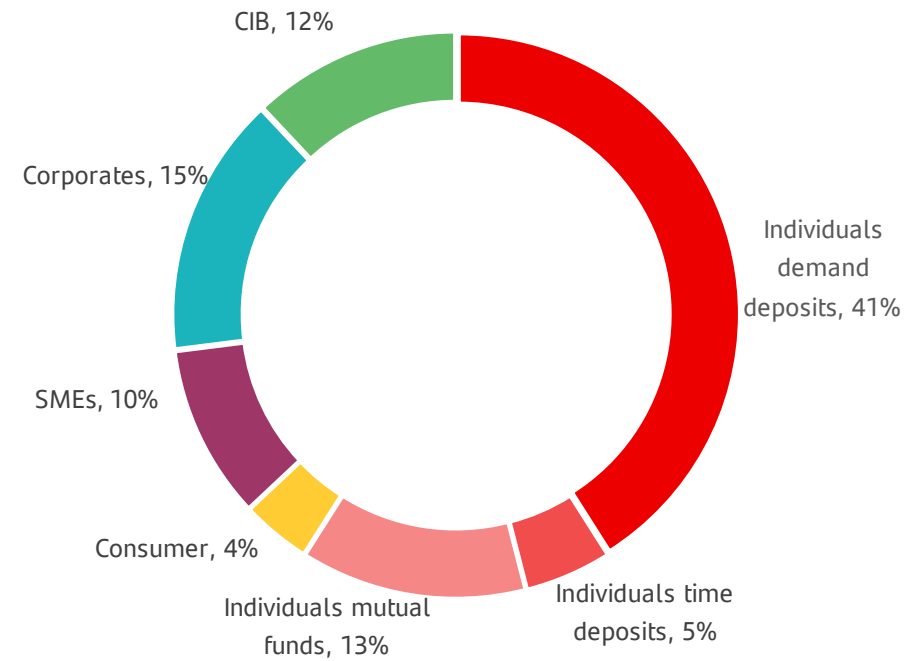
Customer funds by area

Breakdown of total gross loans excluding reverse repos, % of operating areas Sep-21







Customer funds by business

Breakdown of total gross loans excluding reverse repos, Sep-21



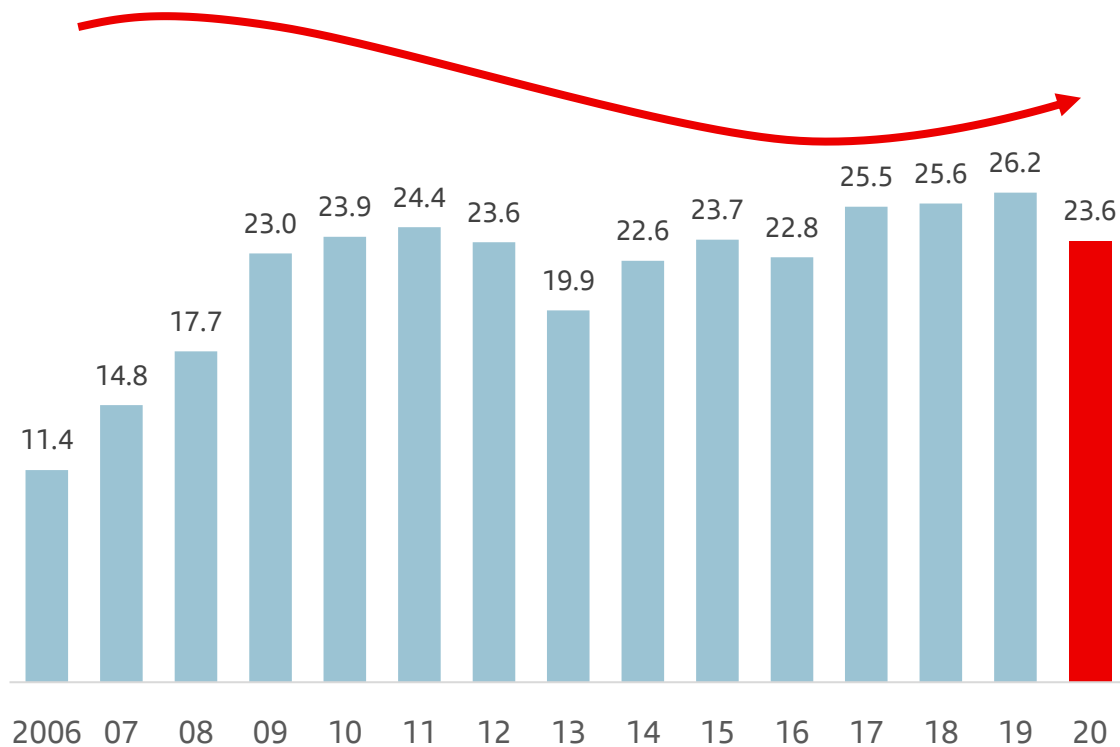
... coupled with our Regional organizational structure, drive strong Group net operating income growth (+11%) ...

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 America ¹	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

... which is resilient throughout the cycle

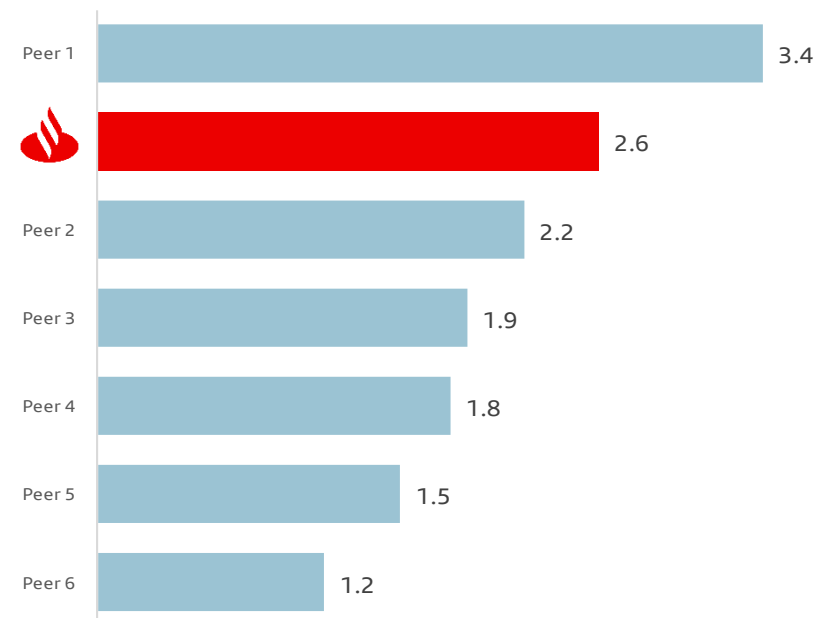
Resilient profit generation throughout the cycle

Group pre-provision profit, EUR bn



PPP/Loans well above most European peers¹

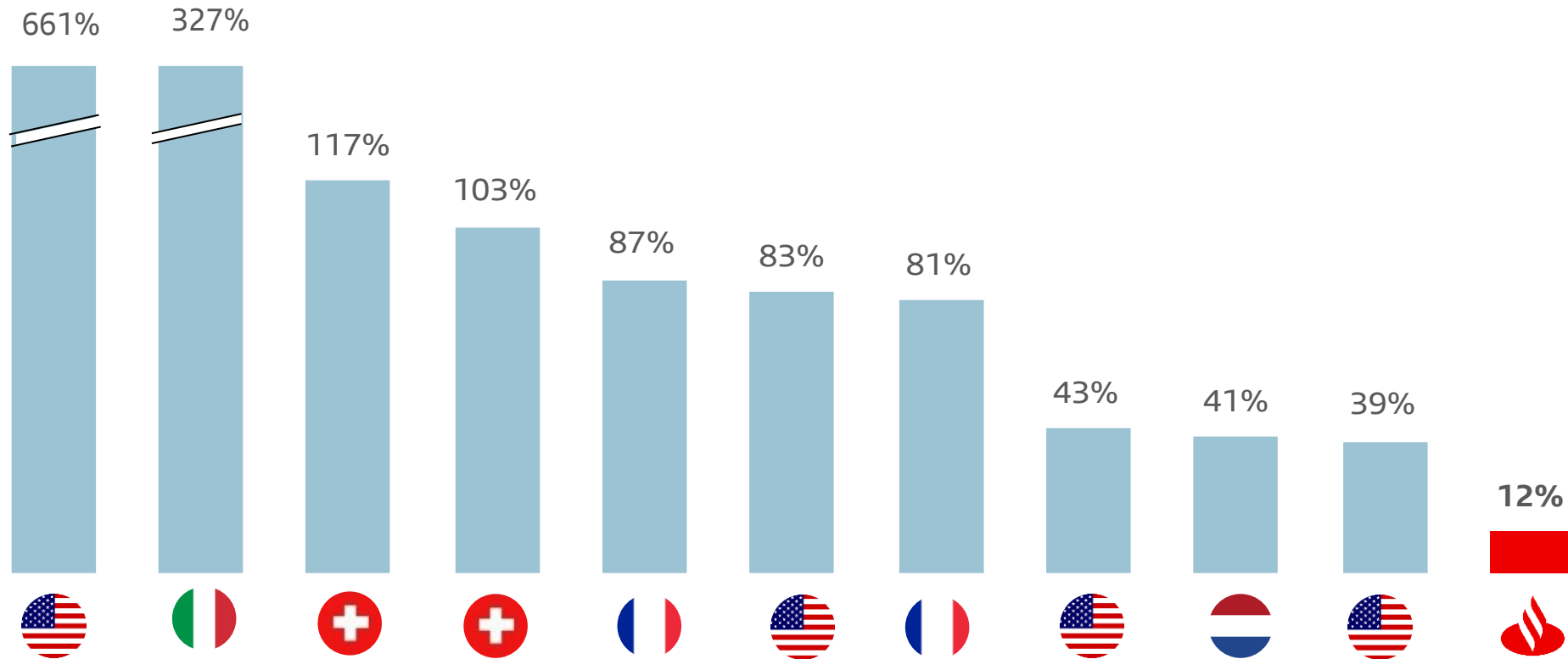
%, Peers Jun-21, Santander data Sep-21



Moreover, our results show long-term stable and predictable growth

Predictable results with the lowest volatility among peers coupled with growth in earnings

Quarterly reported EPS volatility¹, 1999-Q2'21



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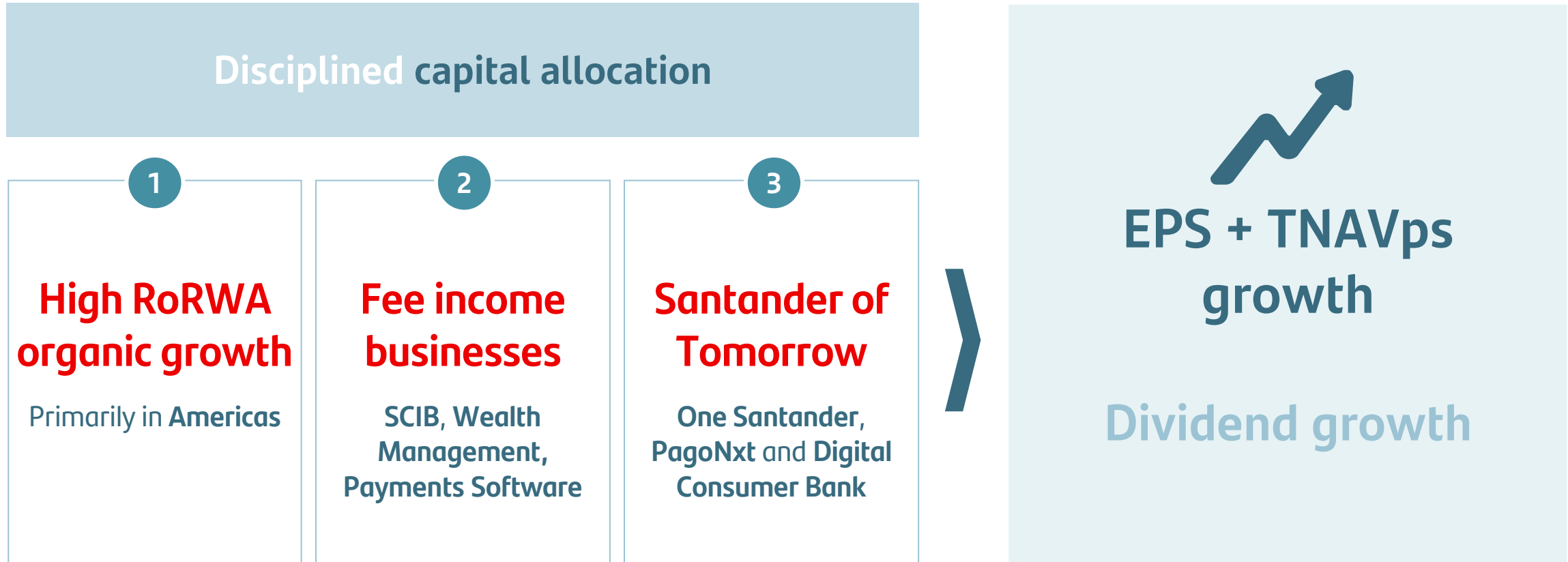
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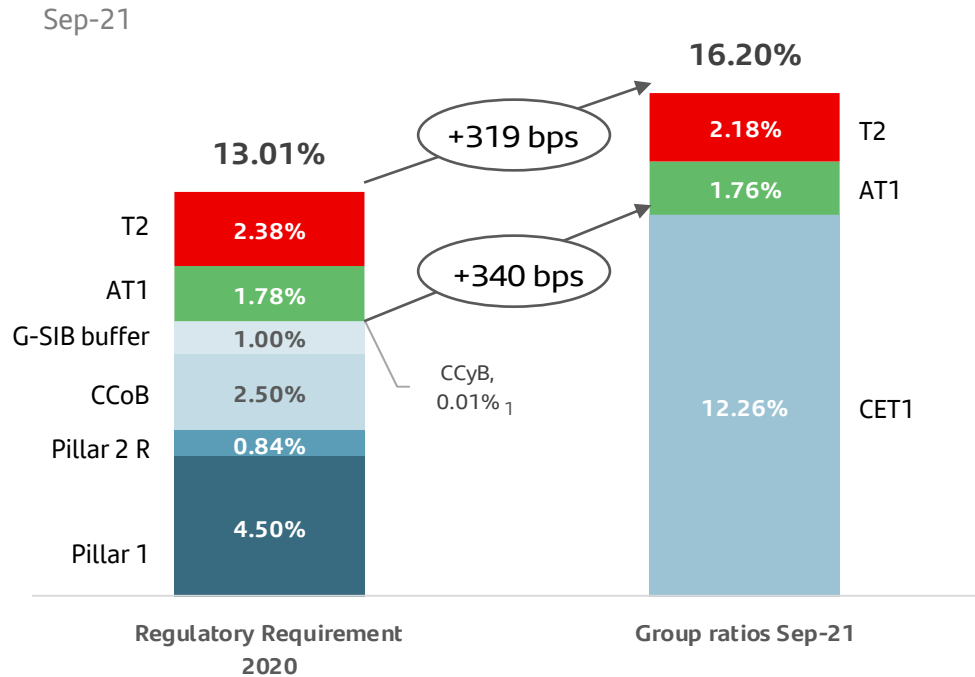


We strategically allocate capital to take advantage of higher growth opportunities

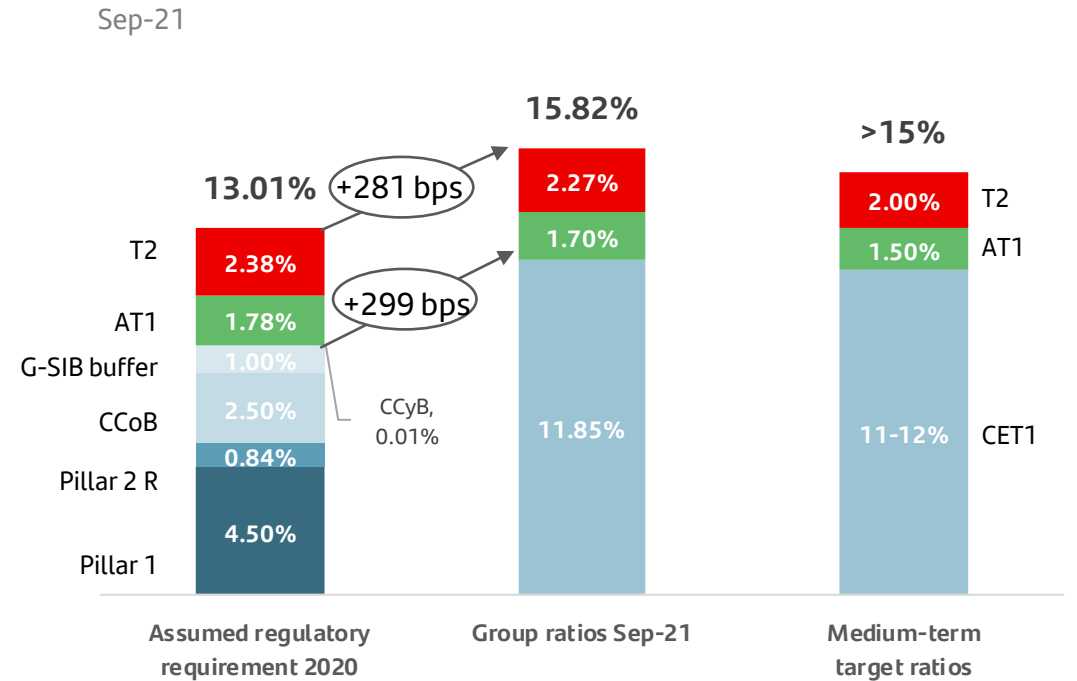


Santander's capital levels, both phased-in and fully loaded, exceed minimum regulatory requirements

SREP capital requirements and MDA*



Assumed capital requirements (fully-loaded)



- ▶ Following regulatory changes in response to the COVID-19 crisis, the **minimum CET1** to be maintained by the Group is **8.86%** (was 9.69% pre-changes)
- ▶ As of Sep-21, the distance to the MDA is 319 bps² and the CET1 management buffer is 340 bps

- ▶ AT1 and T2 issuance are planned to be zero to target 1.5% and 2% of RWAs



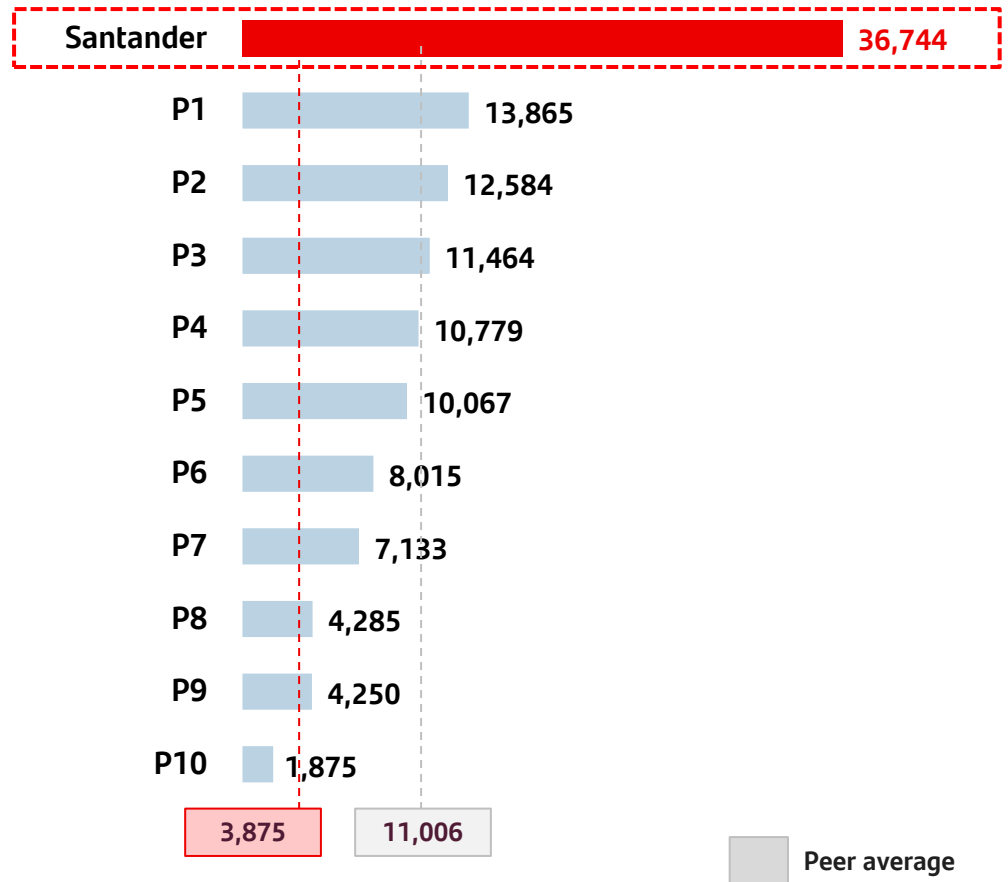
* The phased-in ratio includes the transitory treatment of IFRS 9, calculated in accordance with article 473 bis of the Regulation on Capital Requirements (CRR) and subsequent amendments introduced by Regulation 2020/873 of the European Union. Additionally, the Tier 1 and total phased-in capital ratios include the transitory treatment according to chapter 2, title 1, part 10 of the aforementioned CRR.

(1) Countercyclical buffer.

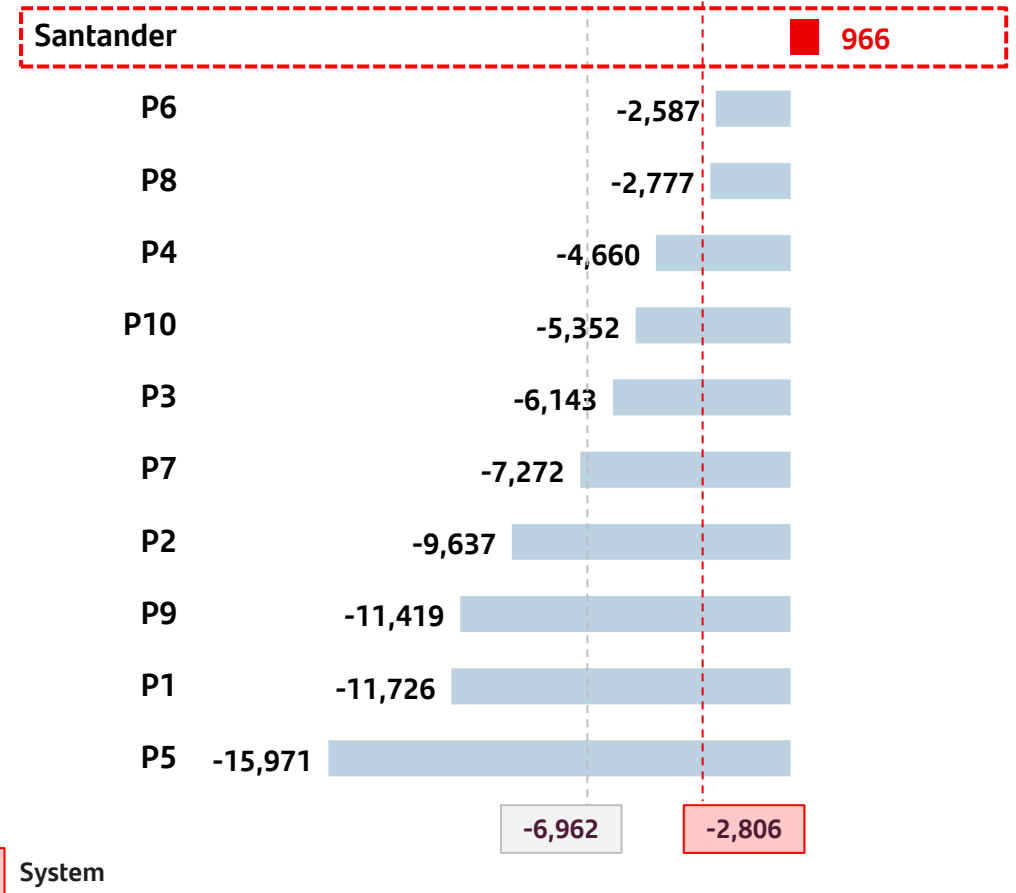
(2) MDA trigger = 3.40% - 0.02% - 0.20% = 3.19% (2 bps of AT1 and 20 bps of T2 shortfall is covered with CET1).

In the EBA Stress Test, Santander had the highest PAT in both scenarios and was the only one of its peers to generate profit in adverse scenario

Profit after tax¹ baseline (EUR bn)



Profit after tax^{1,2} adverse (EUR bn)



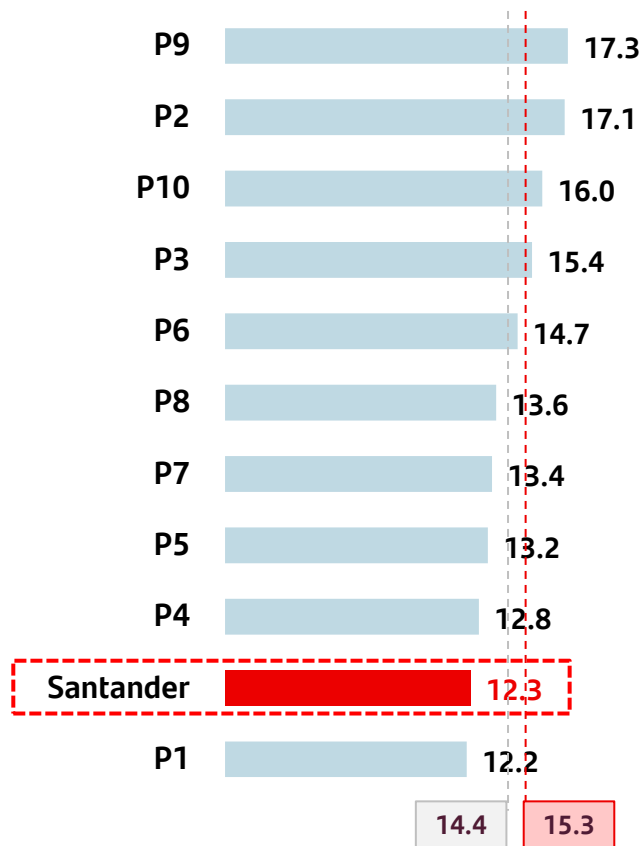
(1) Accumulated profit after tax (3 years).

(2) FX impact is only applied in the adverse scenario

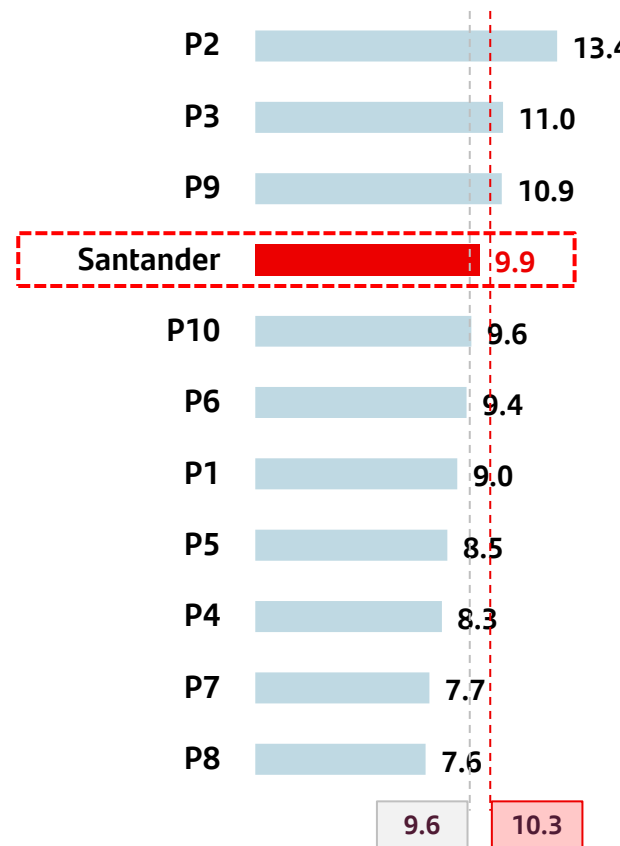
Peers include: BBVA, BNP, Commerzbank, Crédit Agricole, Deutsche Bank, ING, Intesa SP, Nordea, Société Générale and Unicredit

Santander was also is the bank with the lowest impact in the CET1 phased-in ratio under the adverse scenario

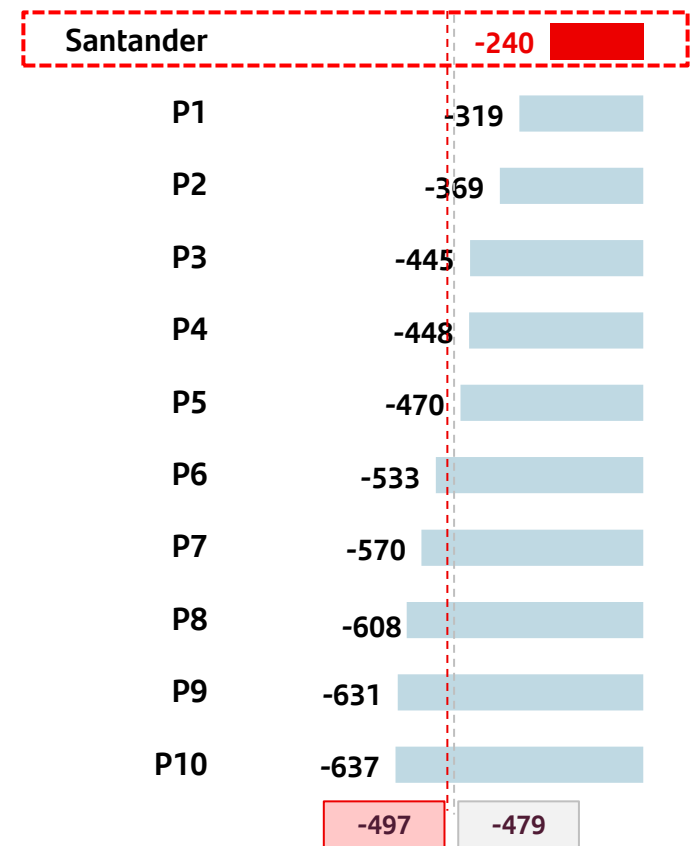
CET1 phased-in¹ 2020 (%)



CET1 phased-in¹ adverse 2023 (%)



Change (bps)



(1) Phased-in includes IFRS 9 transitional arrangements
Peers include: BBVA, BNP, Commerzbank, Crédit Agricole, Deutsche Bank, ING, Intesa SP, Nordea, Société Générale and Unicredit

Strong fundamentals for AT1 bond holders

Distance to trigger¹

- ▶ Santander Group's CET1 levels are well above the **minimum loss absorption trigger** of 5.125%: **>EUR 40 bn**
- ▶ The first line of defense is the Group's strong pre-provision profitability providing a high capacity to absorb provisions during the crisis and should continue to underpin the Group's earnings generation capacity

MDA

- ▶ As of Sep-21, the **distance to the MDA** is **3.19%**²
- ▶ Targeting a **comfortable management buffer**, in line with Santander's business model and predictable results

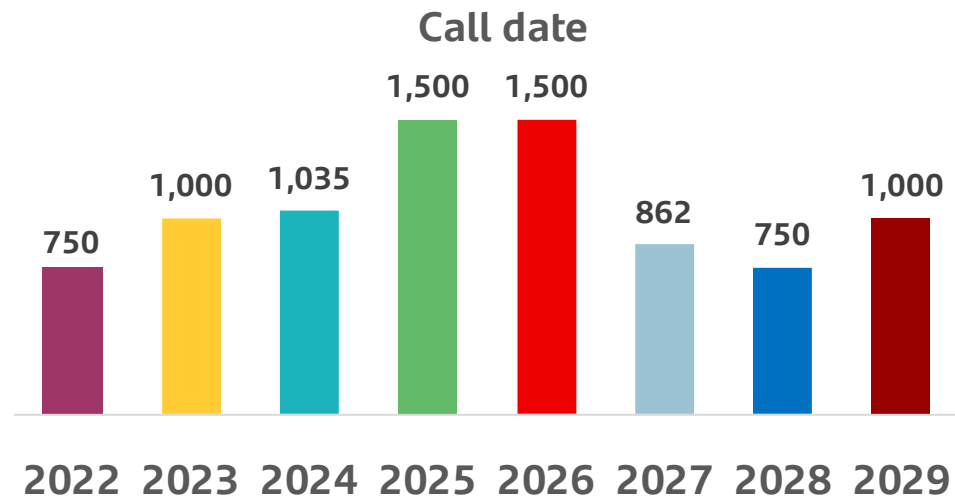
ADIs

- ▶ Santander Parent Bank has c. EUR 55 bn in Available Distributable Items, best-in-class.
- ▶ This amount of ADI represents c. 125 times the full Parent AT1 cost budgeted for 2021
- ▶ Santander has never been prohibited from making a Tier 1 payment or dividend due to insufficient ADIs. Santander has never cancelled the payment of coupons of any of its Tier 1 securities

AT1 issuances distributed by call date

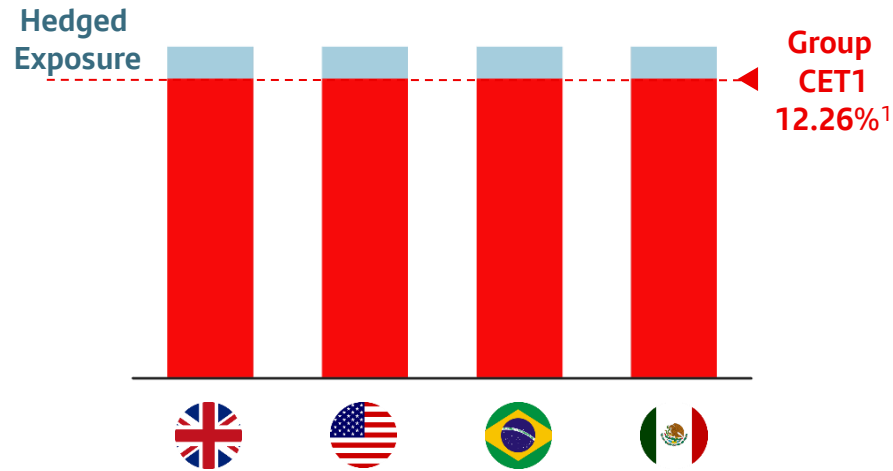
AT1 issuances outstanding at Sep-21

EUR mn	Currency	Nominal		Structure	Next call date	Reset
		EUR	Coupon			Spread
Banco Santander S.A.	EUR	750	6.75%	PNC5	25-Apr-22	680.3 bps
Banco Santander S.A.	EUR	1,000	5.25%	PNC6	29-Sep-23	499.9 bps
Banco Santander S.A.	USD	1,035	7.50%	PNC5	08-Feb-24	498.9 bps
Banco Santander S.A.	EUR	1,500	4.75%	PNC7	19-Mar-25	409.7 bps
Banco Santander S.A.	EUR	1,500	4.38%	PNC6	14-Jan-26	453.4 bps
Banco Santander S.A.	USD	862	4.75%	PNC6	12-May-27	375.3 bps
Banco Santander S.A.	EUR	750	4.13%	PNC7	12-May-28	431.1 bps
Banco Santander S.A.	EUR	1,000	3.63%	PNC8	21-Sep-29	376 bps



FX hedging policy on capital ratio and P&L

Stable capital ratio hedge



- ▶ Managed to mitigate FX volatility in our CET1 ratio
- ▶ Based on Group regulatory capital and RWAs by currency





Our P&L Policy

- ▶ Strategic management of the exposure to exchange rates on equity and dynamic on the countervalue of the units' annual results in euros
- ▶ Mitigate impact of FX volatility
- ▶ Corporate Centre assumes all hedging costs

Interest rate risk hedging

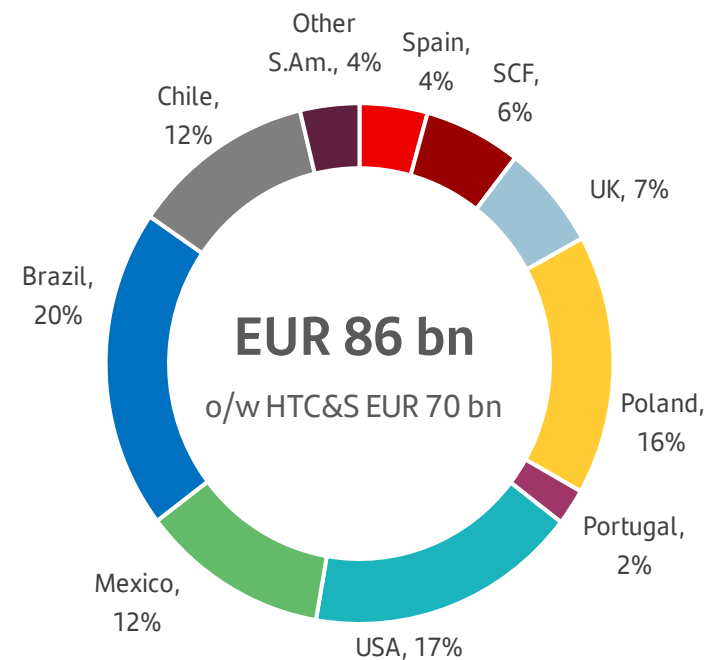
Mostly positive interest rate sensitivity

Net interest income sensitivity* to a +/-100 bp parallel shift
EUR mn, Aug-21

	+100 bps	-100 bps
 ¹	+958	-623
 ²	+561	-707
 ³	+196	-95
	-63	+63

ALCO portfolios reflect our geographic diversification

Distribution of ALCO portfolios by country
%, Sep-21



(1) Parent bank

(2) Ring-fenced bank

(3) SBNA. SC USA has positive sensitivity under a -100 bp shift scenario

*NOTE. Different criteria vs. Q4'20 presentation: -100 bps sensitivities affected by removal of management floors.

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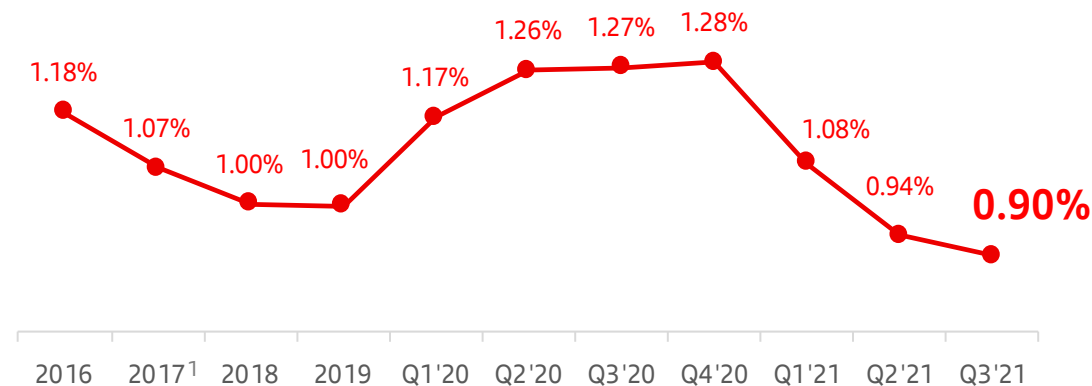
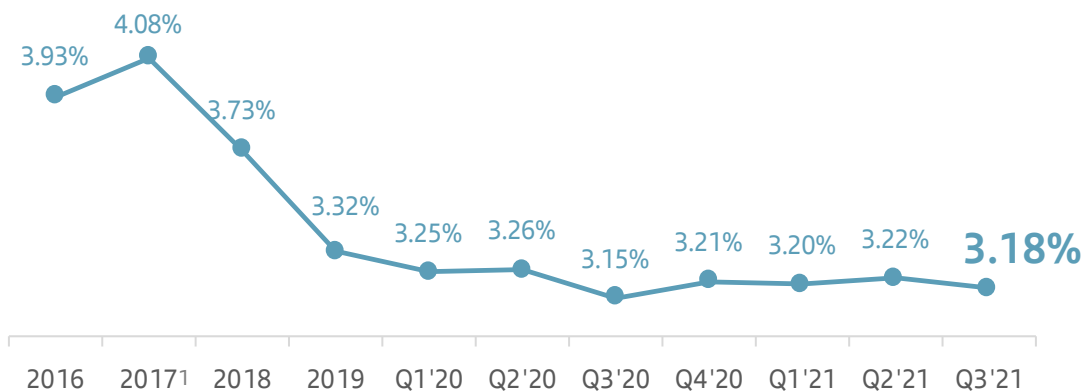
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Improved cost of credit driven by lower LLPs ...

Credit quality ratios



(1) Acquisition of Banco Popular in 2017

(2) Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months.

... with positive performance across most countries

NPL ratios by country

%	Q3 2020	Q2 2021	Q3 2021
Spain	5.98	6.22	5.99
UK	1.33	1.30	1.27
Poland	4.58	4.58	4.34
Portugal	4.25	3.71	3.44
US	1.85	2.00	2.36
Mexico	2.33	3.10	3.14
Brazil	4.64	4.55	4.72
Chile	4.76	4.57	4.36
Argentina	2.88	3.34	3.85
DCB	2.29	2.18	2.15

Cost of credit¹ by country

%	Q3 2020	Q2 2021	Q3 2021
Spain	0.80	1.00	1.01
UK	0.26	0.09	0.01
Poland	0.99	0.88	0.82
Portugal	0.42	0.41	0.35
USA	3.08	1.34	1.06
Mexico	2.97	2.74	2.69
Brazil	4.58	3.51	3.60
Chile	1.59	1.07	0.89
Argentina	5.54	3.94	3.51
DCB	0.79	0.64	0.57

Group

3.15%

3.22%

3.18%

Group

1.27%

0.94%

0.90%

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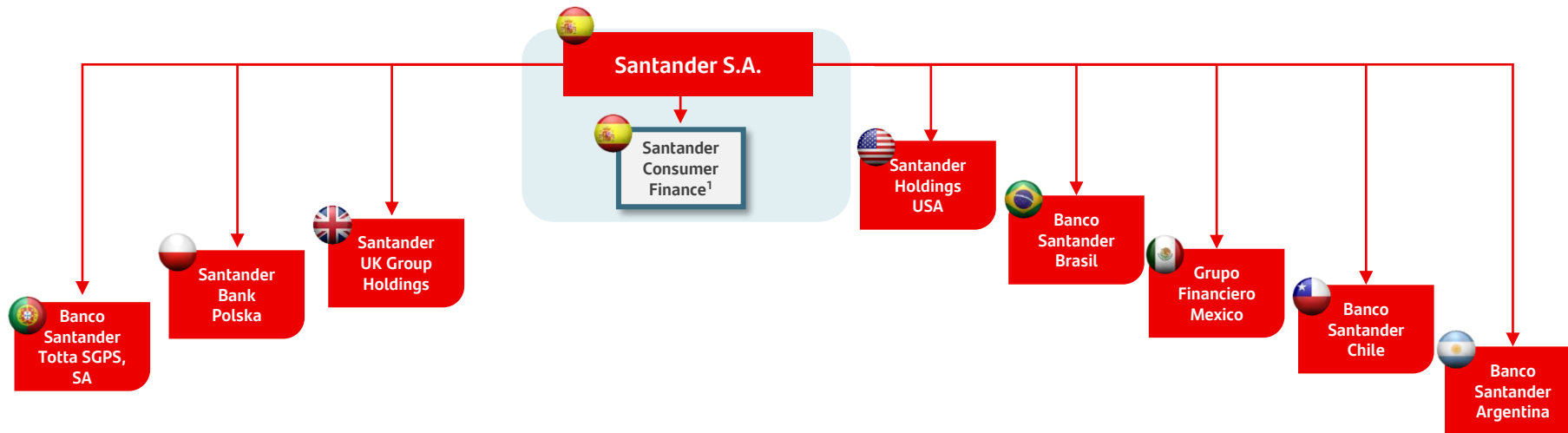
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The Group's business model combines local knowledge with global best practices through legally, financially and operationally autonomous subsidiaries...

Legal autonomy structure

Dec-20

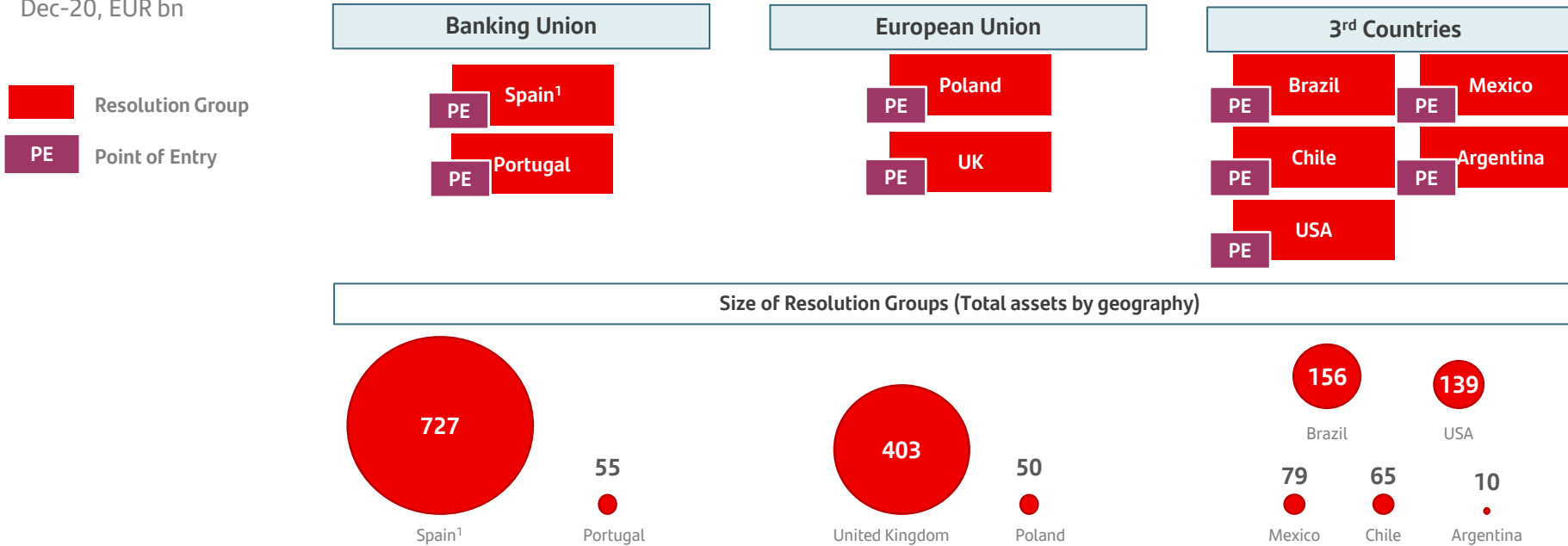


- ▶ **Legal autonomy:** There are no legal commitments that entail financial support
- ▶ **Financial autonomy:** Financial interconnections are limited and at market prices
- ▶ **Operational autonomy:** Shared services are limited and carried out through autonomous factories. Access to FMIs through other Group entities is very limited

... divided into different resolution groups that can be resolved separately though multiple entry points

MPE resolution strategy

Dec-20, EUR bn

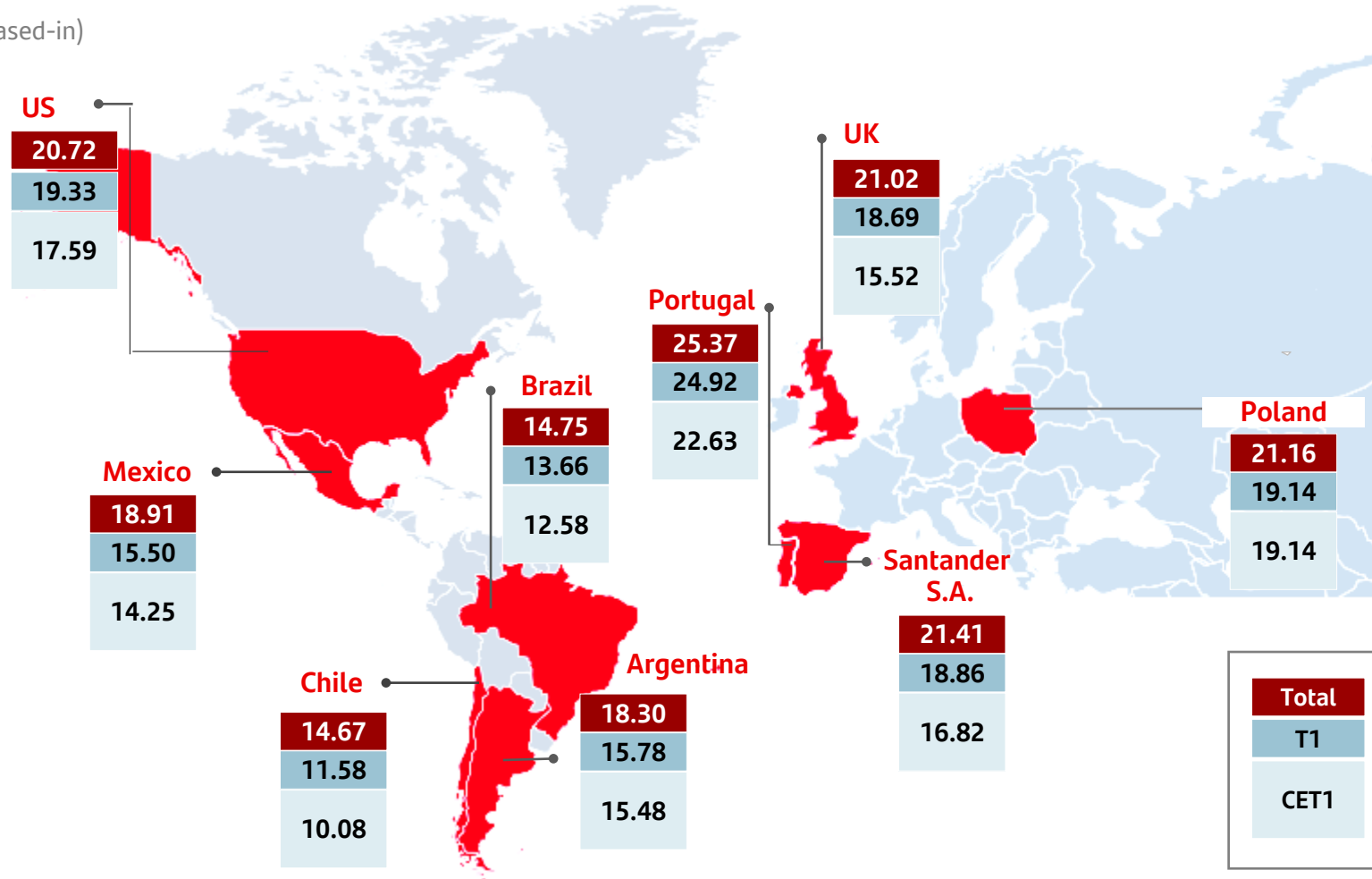


- ▶ We have defined the **Resolution Groups (RGs)** mirroring the model of autonomous financial groups so that all entities have been assigned to one RG
- ▶ Each RG comprises the entity identified as the entry point in resolution and the entities that belong to it

Santander follows an autonomous capital and liquidity model

Capital ratios by country

Jun-21, %, local figures (phased-in)



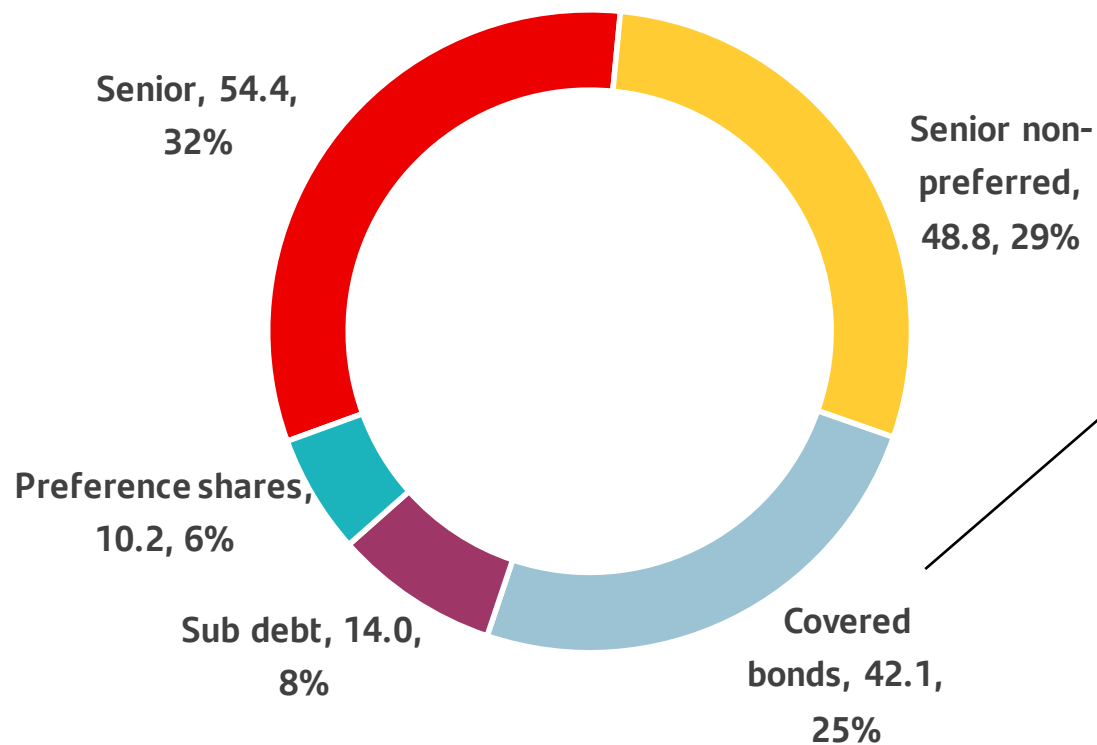
Santander's liquidity management is based on the following principles

- ▶ Decentralised liquidity model
- ▶ Needs derived from medium- and long-term activity must be financed by medium- and long-term instruments
- ▶ High contribution from customer deposits, due to the retail nature of the balance sheet
- ▶ Diversification of wholesale funding sources by instruments/investors, markets/currencies and maturities
- ▶ Limited recourse to wholesale short-term funding
- ▶ Availability of sufficient liquidity reserves, including the discount window / standing facility in central banks to be used in adverse situations
- ▶ Compliance with regulatory liquidity requirements both at Group and subsidiary level, as a new conditioning management factor



Stock of issuances shows diversification across instruments and entities

Debt outstanding by type

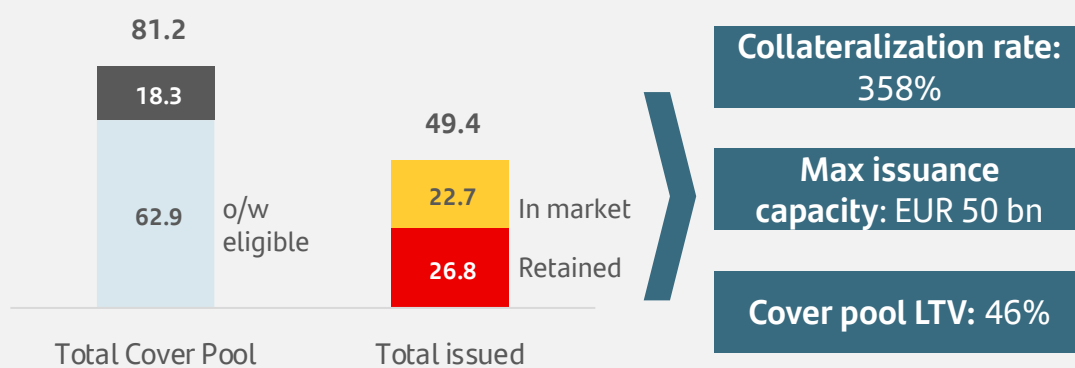
EUR bn and %, Sep-21



Includes the **issuance of 3 Green Bonds** in line with the Group's ESG strategy and Responsible Banking Agenda:

	Product	Nom. EUR	Maturity	Issuance spread
	Oct-19 Senior	EUR 1 bn	7	MS +65 bps
	Jun-20 SNP	EUR 1 bn	7	MS +140 bps
	Jun-21 SNP	EUR 1 bn	8NC7	MS +78 bps

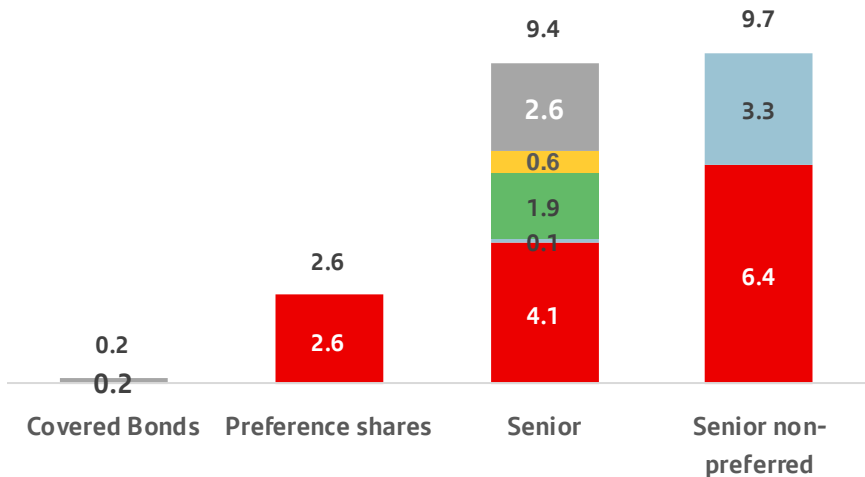
Banco Santander S.A. covered bonds (*cédulas hipotecarias*)



Conservative and decentralized liquidity and funding model

EUR 21.8 bn¹ issued in public markets in 9M'21

EUR bn, Sep-21

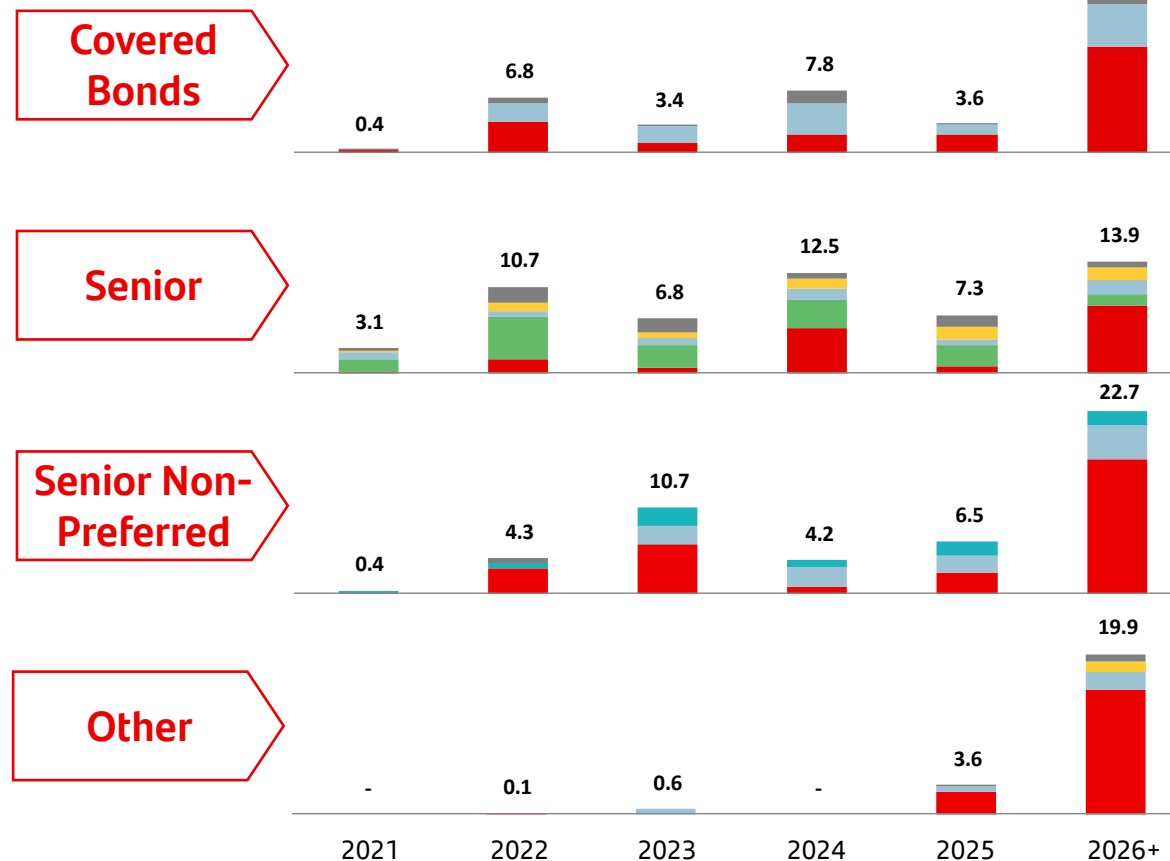


Average exchange rate

▶ Other includes issuances in Brazil, Chile, Argentina and Mexico

Very manageable maturity profile

EUR bn, Sep-21



■ Spain ■ UK ■ DCB ■ Chile ■ USA ■ Other



(1) Data includes public issuances from all units with period-average exchange rates. Excludes securitisations. Two T2 instruments issued in Q4'20 as prefunding for 2021, totalling EUR 2.3 billion, are not included.

(2) Includes Banco Santander S.A. and Santander International Products PLC Note: preference shares also includes other AT1 instruments.

Issuances YTD against funding plan

2021 Funding plan and issuances

EUR bn, Sep-21

	Snr Non-Preferred + Snr		Hybrids		Covered Bonds		TOTAL	
	Plan	Issued	Plan	Issued	Plan	Issued	Plan	Issued
Santander S.A	8-10	9.8	2-3	4.9 ¹	-	-	10-13	14.6
SCF	3-4	1.9	-	-	0-1	-	3-5	1.9
UK	2.5-3.5	3.4	-	-	-	-	2.5-3.5	3.4
SHUSA	3-4	-	-	-	-	-	3-4	-
Other ²	2.5-3.5	3.2	0-0.5	-	-	0.2	2.5-4	3.4
TOTAL²	19-25	18.2	2-3.5	4.9	0-1	0.2	21-29.5	23.3

Banco Santander S.A.'s 2021 funding plan contemplates the following:

- The Financial Plan is focused on covering TLAC/MREL requirements, with no secured issuances, to:
 - continue building up TLAC/MREL buffers.
 - pre-finance senior non-preferred / senior preferred transactions which lose TLAC eligibility due to entering in the <1 year window.
 - cover the increase in estimated RWAs which are the base of both requirements.



Note: Issuance plan subject to, amongst other considerations, market conditions and regulatory requirements. Other secured issuances (for example ABS, RMBS, etc.) are not considered in the table above. (1) Two T2 instruments issued in Q4'20 as prefunding for 2021, totalling EUR 2.3 billion: EUR 1 billion issued 22-Oct-20 with a coupon of 1.625% and USD 1.5 billion issued 3-Dec-20 with a coupon of 2.749%. Issuance of additional hybrid securities will depend on RWA growth, to continue fulfilling the AT1 and T2 buffers (1.5% and 2% respectively). (2) Santander International Products, Plc. Is not included in the table: in 9M'21 issued EUR 0.80 bn of Senior Unsecured

TLAC ratios for the Resolution Group headed by Banco Santander, S.A.

TLAC Ratio

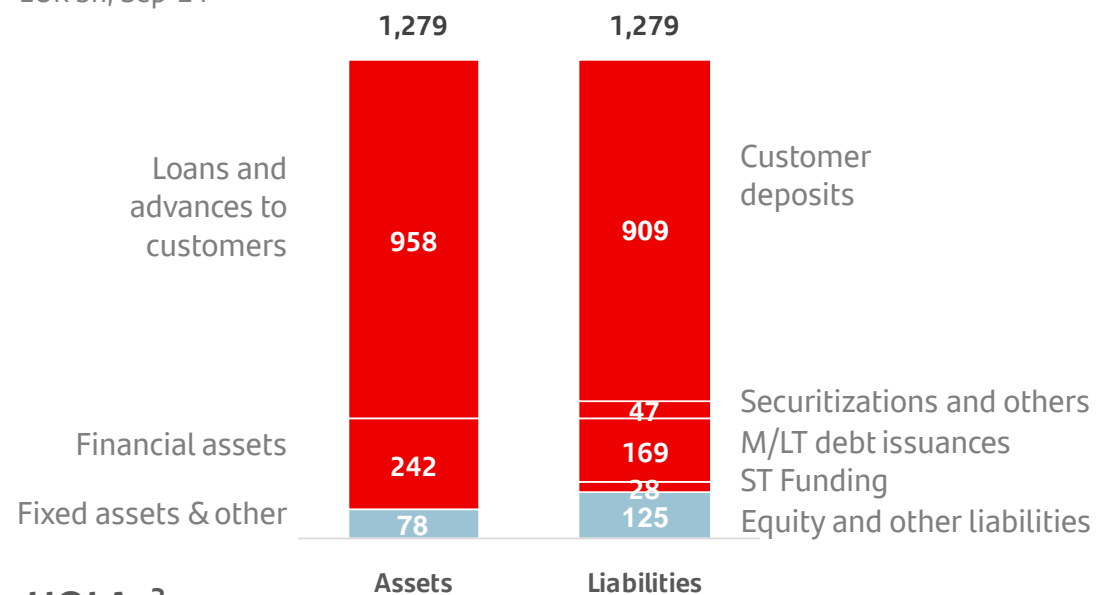
EUR mn	31 December 2020	31 March 2021	30 June 2021	30 September (E)
Own Funds	86,836	86,879	86,046	86,860
of which: Common Equity Tier 1 (CET1) capital	69,451	69,594	68,950	68,899
of which: Additional Tier 1 (AT1) capital	7,723	7,591	7,675	8,708
of which: Tier 2 (T2) capital	9,662	9,694	9,422	9,254
Eligible Liabilities	30,434	32,531	34,714	35,122
Subordinated instruments	964	1,120	2,824	1,458
Non preferred senior debt	22,540	24,352	24,730	26,364
Preferred senior debt and instruments with the same insolvency ranking	6,930	7,059	7,160	7,300
TLAC BEFORE DEDUCTIONS	117,270	119,410	120,760	121,982
Deductions	51,134	48,893	48,733	47,475
TLAC AFTER DEDUCTIONS	66,135	70,517	72,027	74,507
Risk Weighted Assets (RWAs)	277,178	282,373	286,386	291,993
TLAC RATIO (% RWAs)	23.9%	25.0%	25.2%	25.5%
Leverage Exposure (LE)	632,194	689,334	673,015	667,341
TLAC RATIO (% LE)	10.5%	10.2%	10.7%	11.2%

- TLAC ratio increased from 25.2% to 25.5% of RWAs (compared to a fully-loaded TLAC requirement of 21.5% in January 2022 and 19.5% in September 2021) as the growth of instruments more than offset the increase in RWAs.
- The instruments before deductions increased by EUR 1.2 bn as the issuances carried out (EUR 1.0 bn of AT1 and EUR 1.3 bn of senior non-preferred) and the dollar appreciation (EUR 0.4 bn) offset the loss of computability in the quarter (EUR 1.5 bn of subordinated debt). Additionally, we issued EUR 0.3 bn of senior debt in the quarter (without impact on the TLAC ratio, due to the cap on senior preferred debt). The deductions were EUR 1.3 bn lower due to higher excesses, mainly in Portugal, the UK and the US.
- In Q3, RWAs grew by EUR 5.6 bn, mainly due to transfer of portfolios to the Resolution Group perimeter and higher surpluses in other resolution groups.

Well-funded, diversified, prudent and highly liquid balance sheet (large % contribution from customer deposits), reflected in solid liquidity ratios

Liquidity Balance Sheet

EUR bn, Sep-21



HQLAs³

EUR bn, Sep-21

HQLAs Level 1	263.2
HQLAs Level 2	9.1
▶ Level 2A	3.4
▶ Level 2B	5.6

	Liquidity Coverage Ratio (LCR)		Net Stable Funding Ratio (NSFR)
	Sep-21 ¹	Jun-21	Jun-21
Spain ²	165%	159%	116%
UK ²	147%	146%	135%
Portugal	132%	132%	123%
Poland	185%	199%	155%
US	152%	143%	125%
Mexico	180%	167%	117%
Brazil	140%	172%	114%
Chile	135%	142%	123%
Argentina	235%	352%	181%
SCF	395%	490%	116%
Group	164%	164%	124%



Note: Liquidity balance sheet for management purposes (net of trading derivatives and interbank balances)

(1) Provisional data

(2) Spain: Parent bank, UK: Ring-fenced bank

(3) 12 month average, provisional data

The main metrics show the strength and stability of the Group's liquidity position

Evolution of key liquidity metrics¹

	2017	2018	2019	2020	Sep-21
Loans / ² net assets	75%	76%	77%	76%	75%
Loan-to- ² deposit ratio (LTD)	109%	113%	114%	108%	105%
Customer deposits and medium- and long-term funding / ² loans	115%	114%	113%	116%	117%
Short-term wholesale funding / net liabilities	2%	2%	3%	2%	2%
Structural liquidity surplus / net liabilities	15%	13%	13%	15%	17%
Encumbrance	28%	25%	24%	27%	26% ²

LTD and MLT funding metrics by geography

Sep-21

	(Deposits + M/LT funding) ²	
	LTD Ratio	/ Loans
Spain ³	75%	146%
UK	108%	107%
Portugal	94%	114%
Poland	80%	128%
USA	110%	126%
Mexico	91%	120%
Brazil	96%	118%
Chile	120%	104%
Argentina	53%	192%
DCB	205%	77%
GROUP	105%	117%

Banco Santander S.A. ratings

	Moody's			S&P			Fitch		
	Rating	Date last change	Direction last change	Rating	Date last change	Direction last change	Rating	Date last change	Direction last change
Covered Bonds	Aa1	03/12/2019	-	-	-	-	AA	04/12/2019	↑
Senior Debt	(P)A2	17/04/2018	↑	A	06/04/2018	↑	A	17/07/2018	↑
Senior Non-preferred	Baa1	27/09/2017	↑	A-	06/04/2018	↑	A-	09/02/2017	Initial
Subordinated	(P)Baa2	04/03/2014	↑	BBB+	06/04/2018	↑	BBB	27/03/2020	↓
AT1	Ba1	20/04/2017	↑	-	-	-	BB+	27/03/2020	↑
Short Term Debt	P-1	17/04/2018	↑	A-1	06/04/2018	↑	F2	17/07/2018	↓

Santander Parent & Subsidiaries' Senior Debt Ratings

	Moody's				S&P				Fitch			
	Rating	Date last change	Direction last change	Outlook	Rating	Date last change	Direction last change	Outlook	Rating	Date last change	Direction last change	Outlook
Group	(P)A2	17/04/2018	↑	STABLE	A	06/04/2018	↑	STABLE	A	17/07/2018	↑	STABLE
San UK PLC	A1	20/10/2020	↑	STABLE	A	09/06/2015	↑	STABLE	A+	03/01/2019	↑	STABLE
San UK Group Holding PLC	(P)Baa1	16/09/2015	↓	STABLE	BBB	10/04/2015	↑	STABLE	A	20/12/2019	↑	STABLE
Santander Consumer Finance SA	A2	17/04/2018	-	STABLE	A-	06/04/2018	-	STABLE	A	28/10/2019	-	STABLE
Banco Santander Totta SA	Baa2	08/09/2021	↑	STABLE	BBB	18/03/2019	↑	STABLE	BBB+	21/12/2017	↑	STABLE
Santander Holding US	Baa3	18/10/2016	↓	STABLE	BBB+	06/04/2018	↑	STABLE	BBB+	17/11/2017	↑	STABLE
Banco Santander Mexico	Baa1	22/04/2020	↓	STABLE	-	-	-	-	BBB+	13/06/2012	↓	STABLE
Banco Santander Chile	A1	27/07/2018	↓	NEG	A-	25/03/2021	↓	STABLE	-	-	-	-
Santander Bank Polska	A3	03/06/2019	↑	STABLE	-	-	-	-	BBB+	18/09/2018	Initial	STABLE
Banco Santander Brasil	Ba1	25/02/2016	↓	STABLE	BB-	12/01/2018	↓	STABLE	-	-	-	-
Kingdom of Spain*	Baa1	18/09/2020	↑	STABLE	Au	20/09/2019	↑	NEG	A-	19/01/2018	↑	STABLE



Note: Santander México decided to withdraw the S&P ratings

For more information on the Group's ratings see the Links page in the Appendix

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Concluding Remarks

- ▶ The Group's stable capital generation has been supported by strong pre-provision profits providing Santander with a high capacity to absorb provisions
- ▶ Strong capital levels in line with Santander's business model based on geographic diversification, solid market positions in areas where it operates and independent subsidiary model in terms of capital and liquidity
- ▶ The Group is well above the regulatory capital requirement with significant payment capacity from available distributable items, while maintaining comfortable margins to conversion and MDA triggers
- ▶ According to September 21 data, the Santander S.A. Resolution Group complies with the MREL and subordination requirements, TLAC and Group capital buffers
- ▶ Comfortable liquidity position reinforced further: compliance with regulatory liquidity requirements established at Group and subsidiary levels ahead of schedule, with high availability of liquidity reserves

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Links to Grupo Santander public materials

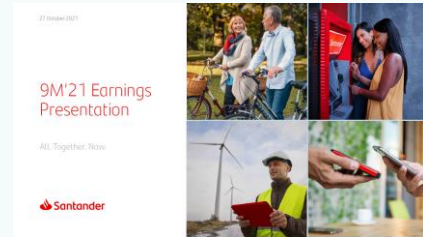
For additional information on the Group, please click on the images, icons or flags below

9M'21 financial results

Financial report



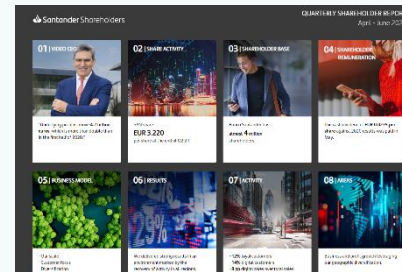
Earnings presentation



Series (excel)



Shareholders report (interactive)



Other information

2020 Annual report

Strategic Overview & Executive Chairman and CEO's letters



Annual report



Country presentations



Press release



Video CEO (3 minutes)



Ratings



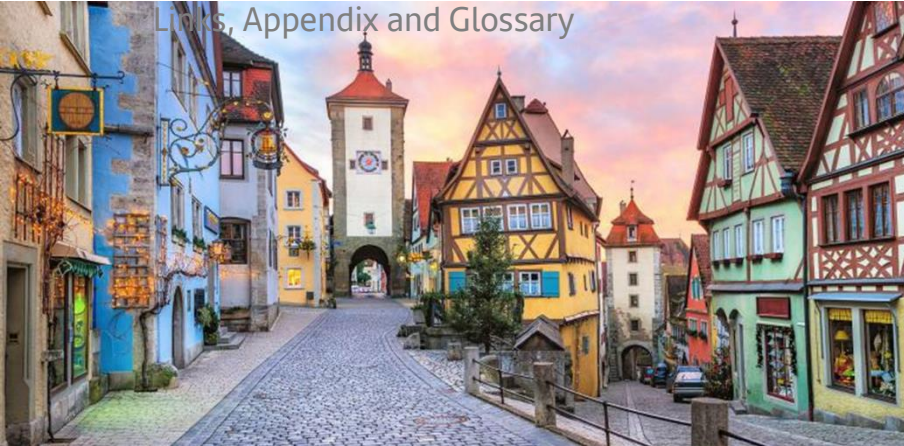
Institutional presentation



2020 Online report

Overview of our Corporate Governance presentation













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













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













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












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





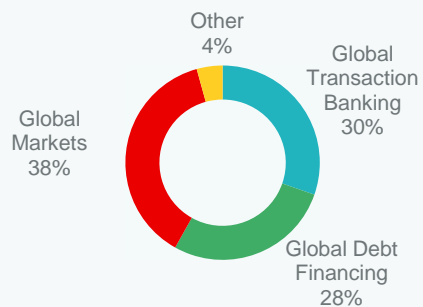
Santander Corporate & Investment Banking

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

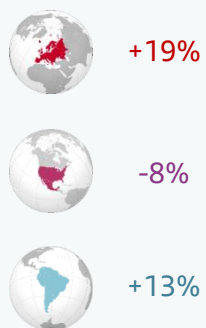
9M'21 Highlights

	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



Structured Finance



Green Global

Leaders in League Tables

Debt Capital Markets



Equity Capital Markets



Source: Dealogic



Recent Awards received





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 396 bn
	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 7.9 bn
	Santander Asset Management net sales	EUR 6.3 bn
	Insurance Gross written premiums	+5% YoY

Strategic priorities

Private Banking

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

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

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>



'Innovative payments solutions for both Santander and non-Santander clients'

9M'21 Highlights

PagoNxt revenue	EUR 334 mn¹; +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**

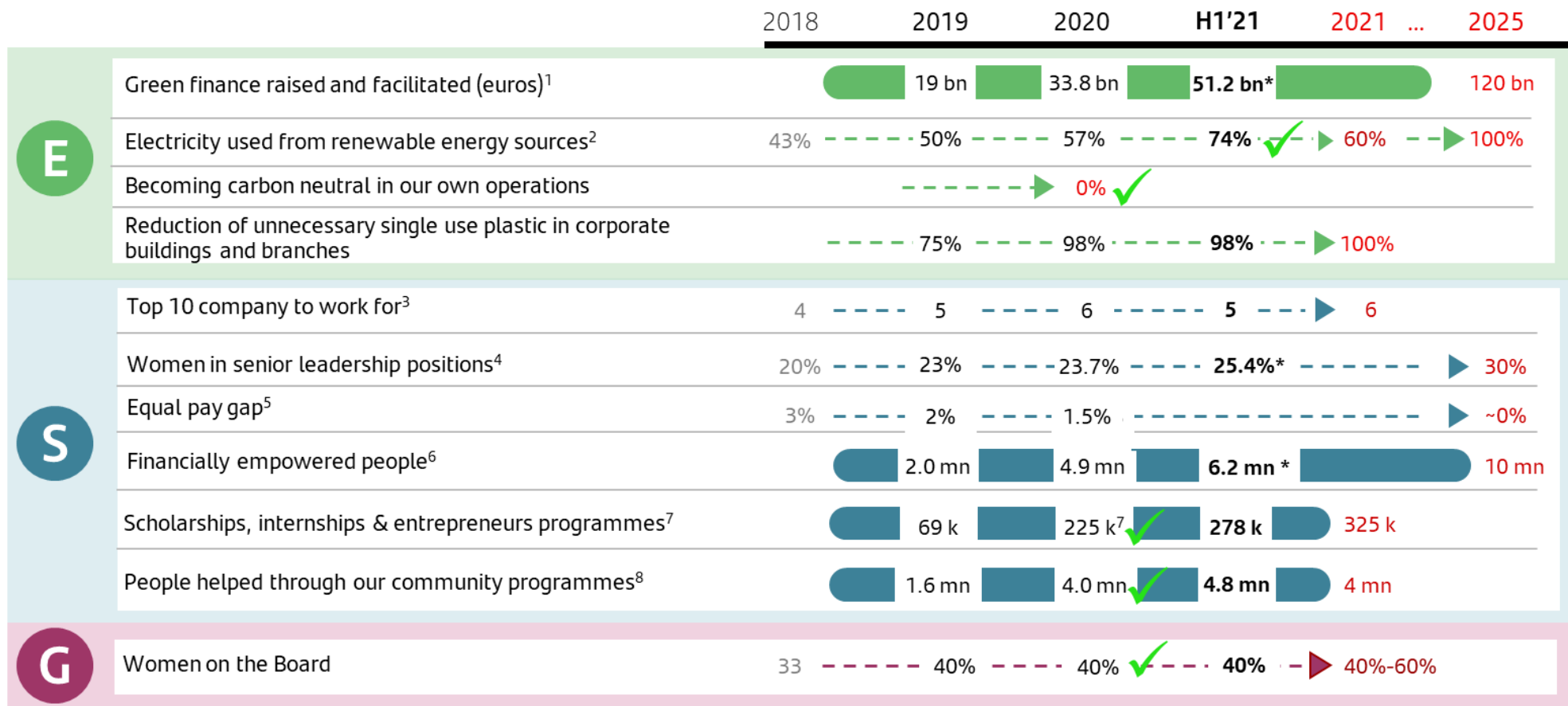
Because **we are**
all
about
payments

Because **we are**
the next
generation

- **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**



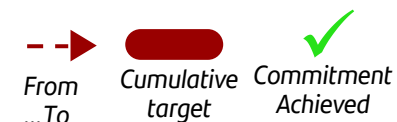
Santander's Responsible Banking goals



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.



Inclusion of our responsible banking targets as a qualitative metric in our executive remuneration bonus scorecard

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).

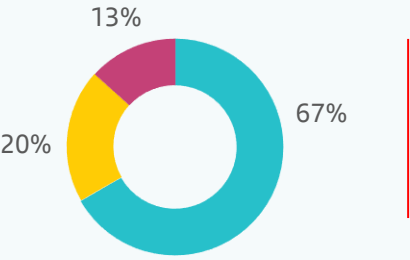
(8) People helped through our community investment programmes (excluded Santander Universities and financial education initiatives)



Our clear and robust governance is key for guaranteeing the sustainability of our business model over the long term


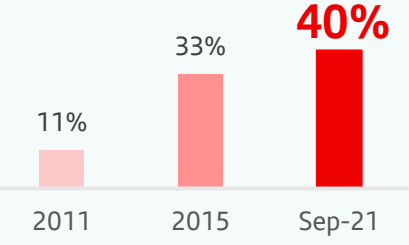
- 
Diversified and well-balanced shareholder base
- 
Effective engagement with our shareholders
- 
Effective board of directors
- 
Focus on **responsible business practices** and attention to all stakeholders' interests

Composition of the board of directors, Sep-21



- Non-executive directors (independent)
- Executive directors
- Non-executive directors (neither proprietary nor independent)

Women on the board



Year	Percentage
2011	11%
2015	33%
Sep-21	40%

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



Glossary and Acronyms

- **ADIs:** Available distributable items
- **bn:** Billion
- **bps:** Basis points
- **CCoB:** Capital Conservation Buffer
- **CCyB:** Countercyclical buffer
- **CET1:** Common equity tier 1
- **CIB:** Corporate & Investment Banking
- **Covid-19:** Corona Virus Disease 19
- **DCB:** Digital Consumer Bank
- **DGF:** Deposit Guarantee Fund
- **DPS:** Dividend per share
- **EPS:** Earning per share
- **FL:** Fully loaded
- **G-SIBs:** Global Systemically Important Banks
- **HTC:** Held to collect portfolio
- **HTC&S:** Held to collect & sell portfolio
- **k:** thousands
- **LTV:** Loan-to-Value
- **LLPs:** Loan-loss provisions
- **MDA:** Maximum distributable amount
- **M/LT:** Medium- and long-term
- **mn:** Million
- **MPE:** Multiple Point of Entry
- **MREL:** Minimum Required Eligible Liabilities
- **NII:** Net interest income
- **NPL:** Non-performing loans
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **PPP:** Pre-Provision Profit
- **QoQ:** Quarter-on-Quarter
- **RoRWA:** Return on risk-weighted assets
- **RWA:** Risk-weighted assets
- **RoTE:** Return on tangible equity
- **SCF:** Santander Consumer Finance
- **SMEs:** Small and Medium Enterprises
- **SRB:** Single Resolution Board
- **SRF:** Single Resolution Fund
- **ST:** Short term
- **TLAC:** Total Loss-Absorbing Capacity
- **TNAV:** Tangible net asset value
- **YoY:** Year-on-Year

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

