

H1 2022

FIXED INCOME INVESTORS PRESENTATION

It's time to build together a
better future for you



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 2021. 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 2021 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") on 1 March 2022, as updated by the Form 6-K filed with the SEC on 8 April 2022 in order to reflect our new organizational and reporting structure, as well as the section "Alternative performance measures" of the annex to the Banco Santander, S.A. ("Santander") Q2 2022 Financial Report, published as Inside Information on 28 July 2022. 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 war in Ukraine or 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 crises; (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



H1'22 Highlights

	Total assets (€ bn)	1,723
	Customer loans (€ bn excluding reverse repos)	1,015
	Customer deposits + mutual funds (€ bn; excluding repos)	1,099
	Branches	9,193
	H1'22 Net operating income (pre-provision profit) (€ mn)	13,685
	H1'22 Attributable profit (€ mn)	4,894
	Market capitalization (€ bn; 30-06-22)	45
	People (headcount)	200,651
	Customers (mn)	157
	Shareholders (mn)	4.0
	Communities 2019-H1'22 (mn; financially empowered people)	9

Index

1

**H1'22
Summary**

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

Links,
Appendix
and Glossary



H1'22 highlights



Growth

YoY percentage changes in constant euros

Total customers	+5%
Digital customers	+10%
Digital sales / total	+4pp
<hr/>	
Loans	+6%
Deposits	+5%
NII + fees	+7%



Profitability

H1'22 data and YoY percentage change

Profit	€4,894mn
Efficiency ratio	45.5%
RoTE	13.7%
EPS	+38%



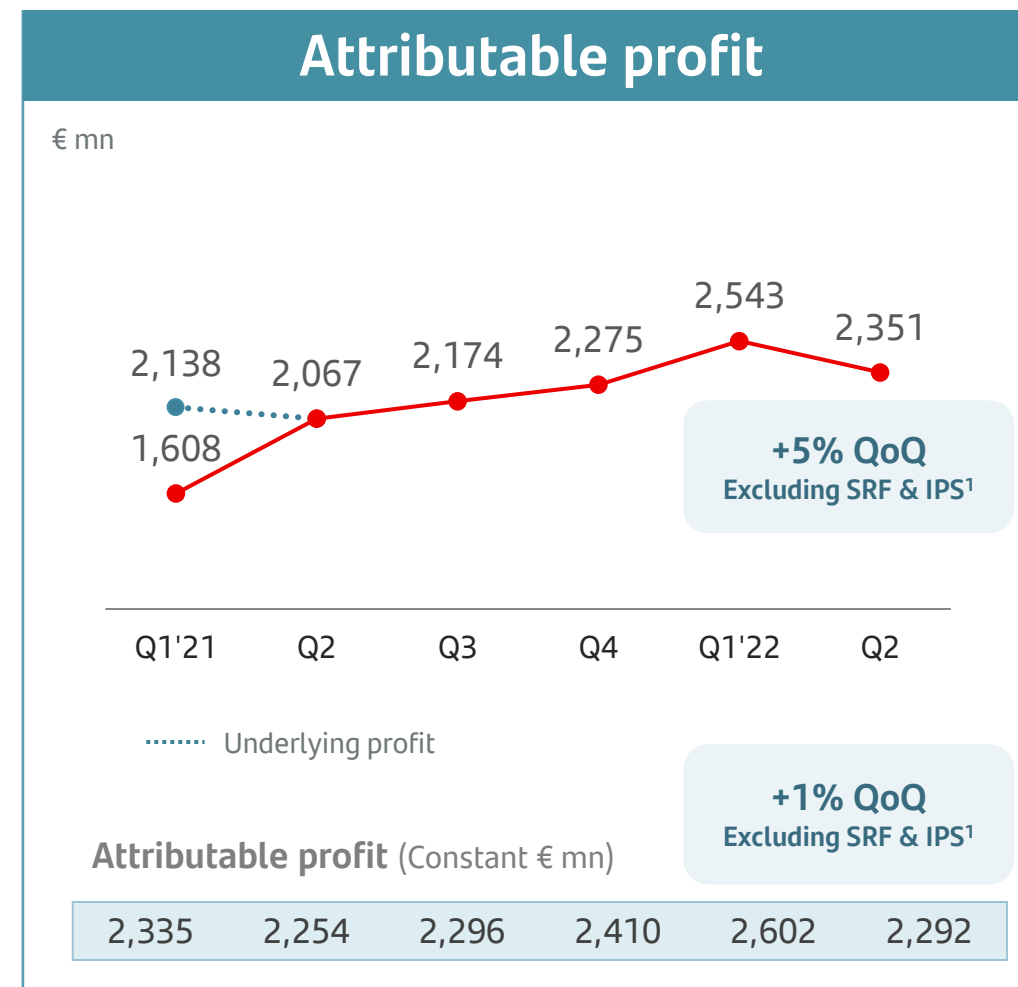
Strength

H1'22 data and YoY percentage change

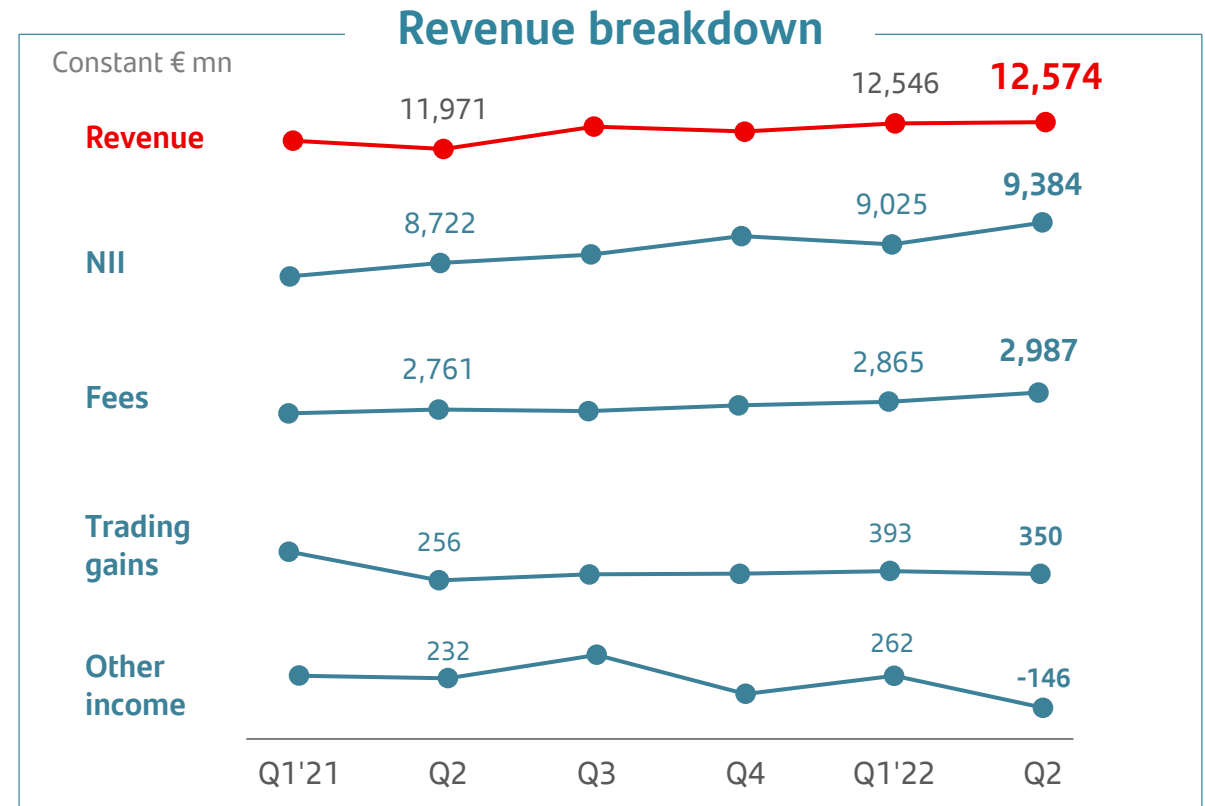
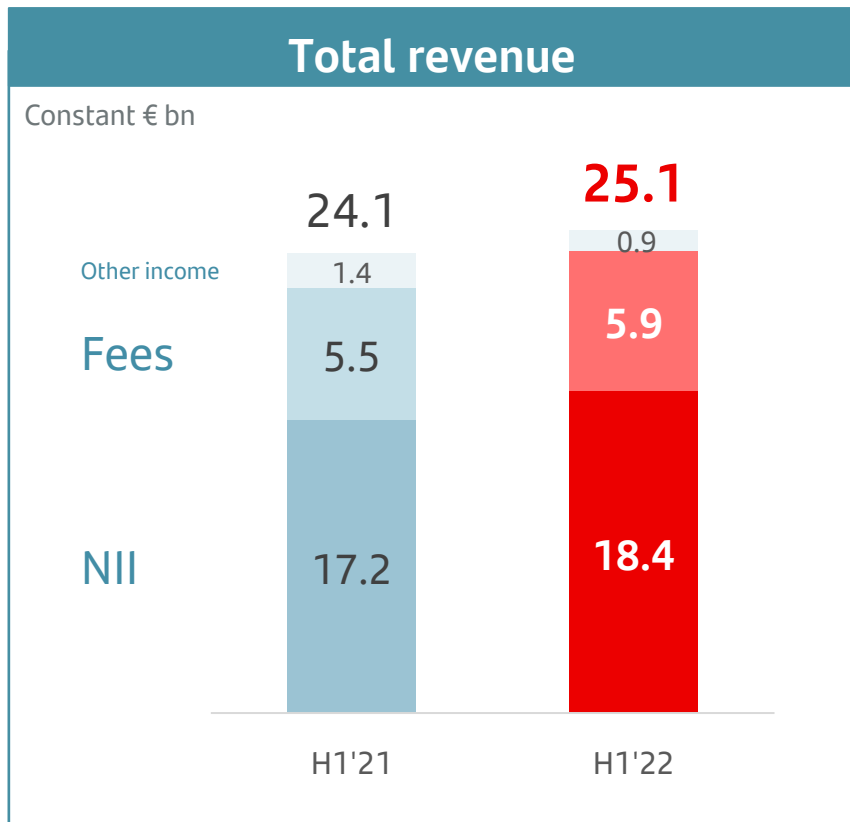
CoR	0.83%
NPL ratio	3.05%
FL CET1	12.05%
TNAVps + Cash DPS	+9%

Continued profit momentum, maintaining main P&L trends

€ million	H1'22	H1'21	% change	
			Euros	Constant euros
NII	18,409	16,196	14	7
Net fee income	5,852	5,169	13	7
Trading and other income	859	1,330	-35	-40
Total revenue	25,120	22,695	11	4
Operating expenses	-11,435	-10,377	10	5
Net operating income	13,685	12,318	11	3
LLPs	-4,735	-3,753	26	18
Other results	-1,035	-937	10	9
Underlying PBT	7,915	7,628	4	-5
Underlying att. profit	4,894	4,205	16	7
Net capital gains and provisions ¹	0	-530	-100	-100
Attributable profit	4,894	3,675	33	21













Revenue up boosted by NII and fees, partly offset by lower trading gains and other income



- In Q2, total revenue increased 4% excluding the SRF & IPS contributions
- NII and net fee income (97% of total income) increased QoQ and YoY supported by volumes, greater interest rates and activity
- In Q2, lower trading gains due to FX hedge and other income affected by the SRF & IPS contributions and lower US lease income

We continue to make structural changes to our operating model, driving sustainable efficiencies and mitigating the effects of overall higher inflation

Costs by region			
H1'22 vs. H1'21		In real terms ¹	
 Group	+5%	>>	-4.1%
 Europe	-1%	>>	-6.8%
 North America	+5%	>>	-2.5%
 South America²	+16%	>>	-1.1%
 Digital Consumer Bank	+2%	>>	-2.9%

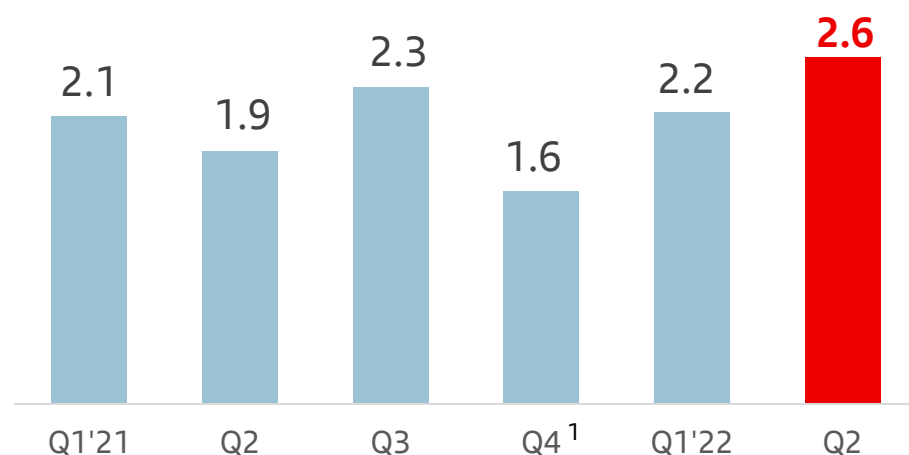
Efficiency ratio		
	H1'22	YoY change
 Group	45.5%	-0.2pp
 Europe	48.5%	-3.9pp
 North America	46.6%	+3.4pp
 South America	35.3%	+0.8pp
 Digital Consumer Bank	48.5%	-0.3pp

- **Focus on efficiency** with the aim of maintaining **costs below inflation**
- Improved efficiency ratio in **Europe** (-3.9pp to 48.5%) benefitting from our transformation process. In real terms, decreases in all countries
- **North America:** in real terms, strong decrease in the US while Mexico up due to salary agreements and investments in digitalization
- **South America** affected by salary agreements. Slight fall in real terms, with outstanding efficiency in the region. Of note, Brazil (c.30%)

Asset quality remains robust with LLPs normalizing following releases in 2021

Loan-loss provisions

Constant € bn

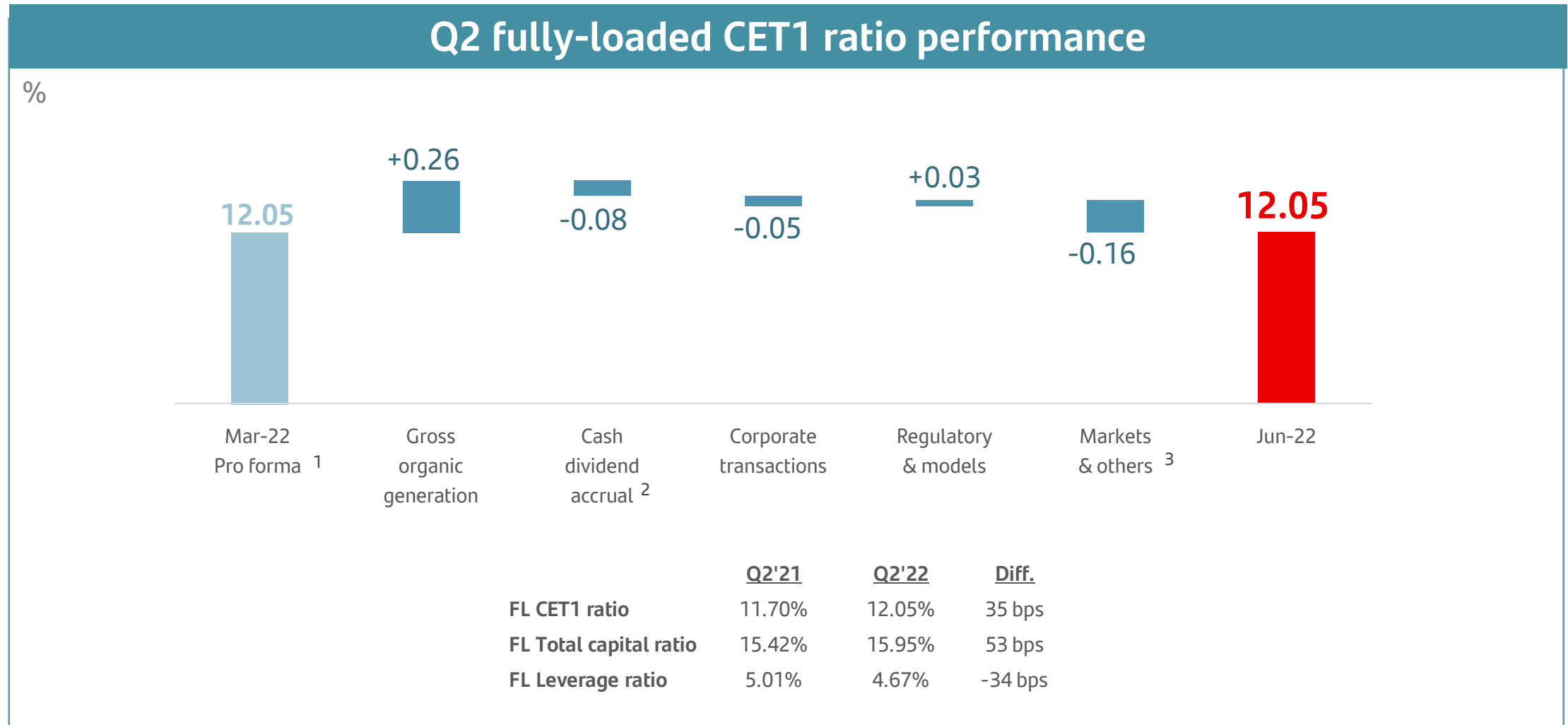


Credit quality

	Jun-21	Mar-22	Jun-22
CoR²	0.94%	0.77%	0.83%
NPL ratio	3.22%	3.26% ³	3.05%
Coverage ratio	73%	69%	71%
Stage 1	€904bn	€967bn	€998bn
Stage 2	€70bn	€68bn	€66bn
Stage 3	€33bn	€36bn	€34bn

- In Q2, LLPs increased mainly due to Poland (CHF mortgages), the US (macroeconomic outlook) and Brazil (retail)
- YoY comparison impacted by releases in the UK and the US in Q2'21. Rises also in Brazil and Poland
- Continued quarterly NPL ratio improvement in most units. The fall in Spain in Q2 was accelerated by portfolio sales
- CoR remained well below 1%

Continued organic generation, maintaining the CET1 ratio above 12%



Index

1

H1'22
Summary

2

**Santander
Business
Model &
Strategy**

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

Links,
Appendix
and Glossary



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

- **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

More details in
Appendix:



Secondary segments

Retail Banking	SCIB	WM&I	PagoNxt

- **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

Group functions and Corporate Centre activities

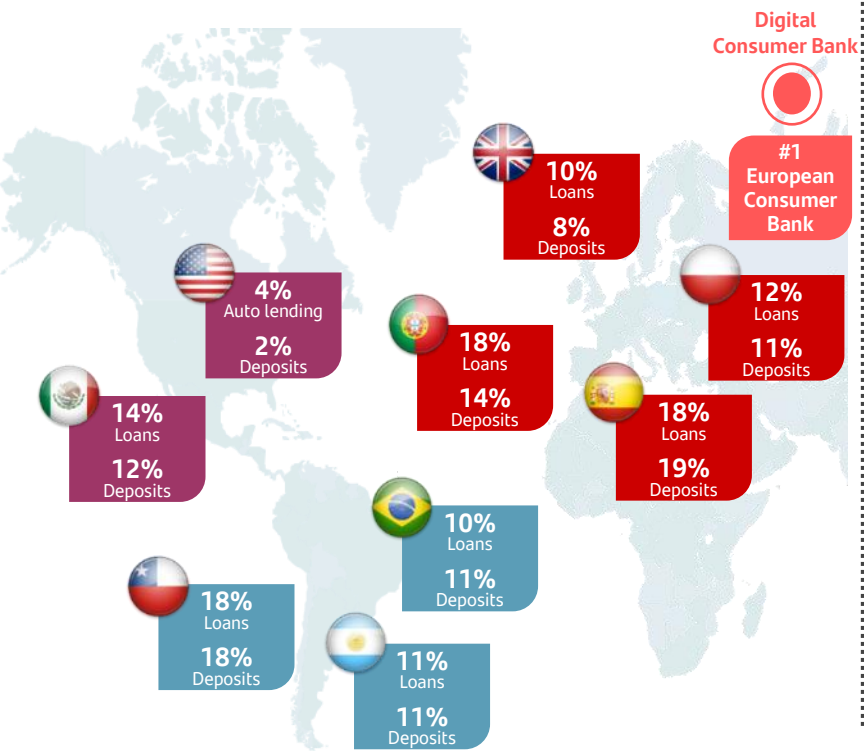
Audit	Compliance	Risk	Universities	Communication, Corporate Marketing and Research	Costs	General Secretariat ¹	Human Resources	Technology & Operations	Financial Control / Accounting	Finance	Strategy, Corporate Dev.& Financial Planning	Exec. Chairman's Office & Responsible Banking
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Our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

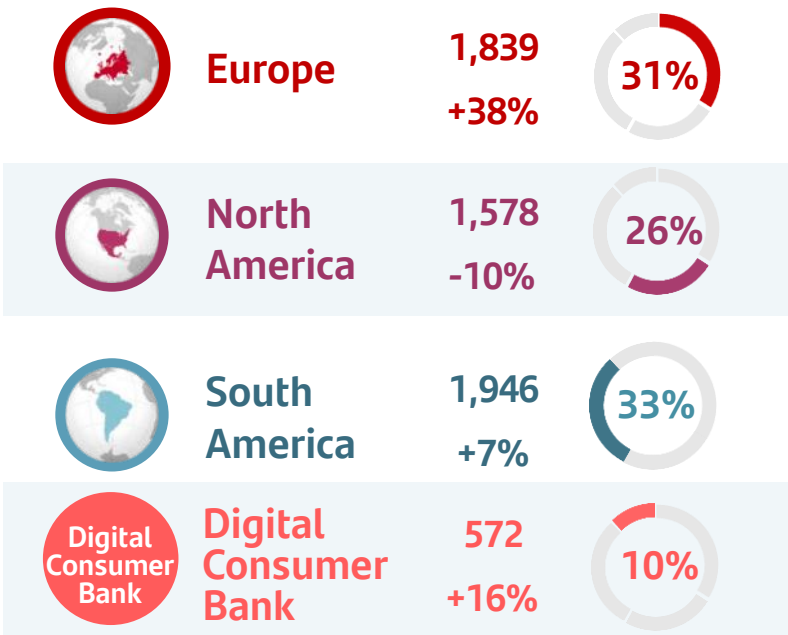
Unique personal banking relationships strengthen customer loyalty

Customer satisfaction in NPS¹



03. Diversification²

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

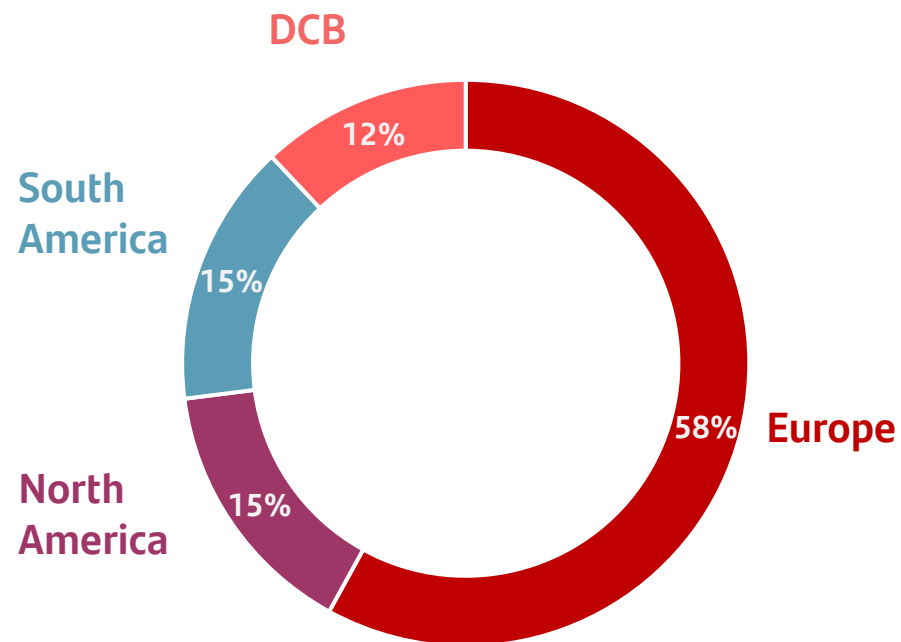


(1) Internal benchmark of individual customers' satisfaction audited by Stiga / Deloitte in H1'22.
 (2) H1'22 underlying attributable profit by region, YoY growth in constant euros and % operating areas ex. Corporate Centre.
 Market share data: as at Mar-22 and Argentina, Brazil, Portugal, USA and DCB latest available. Spain includes Santander España (public criteria) + Hub Madrid + SCF España + Openbank and Other Resident sectors in deposits. The UK includes London Branch. Poland: including SCF business in Poland. The US: retail auto loans includes Santander Consumer USA and Chrysler Capital combined. Deposits considering all states where Santander Bank operates. Brazil: deposits including debenture, LCA (agribusiness notes), LCI (real estate credit notes), financial bills (letras financeiras) and COE (certificates of structured operations).

Our geographic and business diversification both in assets ...

Loans and advances to customers by area

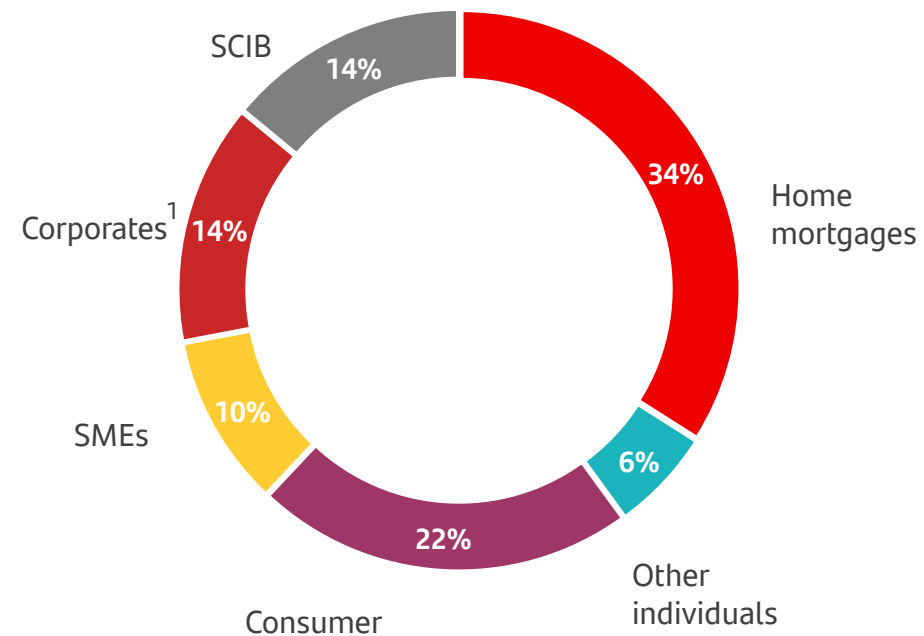
Breakdown of total gross loans excluding reverse repos, % of operating areas Jun-22



- ▶ Total gross loans excluding reverse repos: €1,015bn
- ▶ RWAs: €605bn

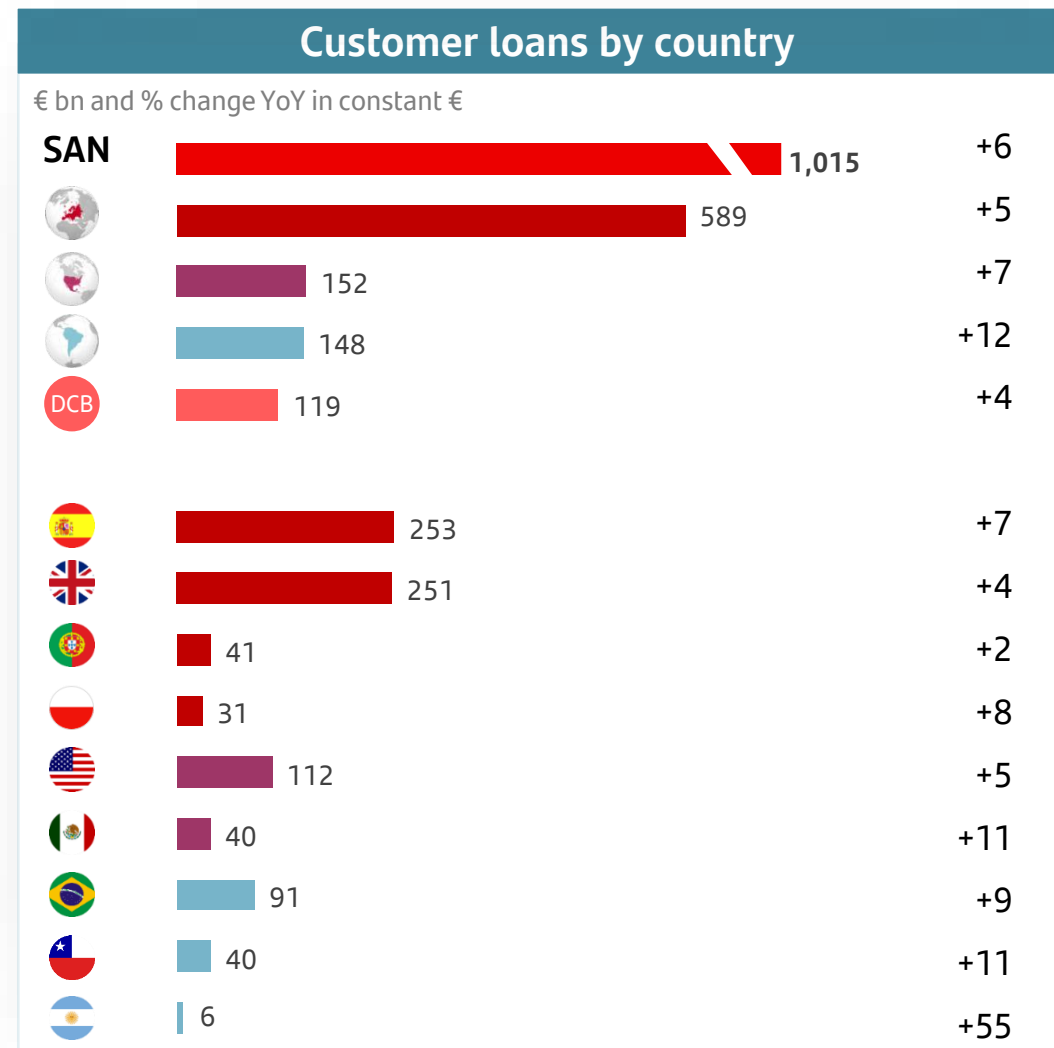
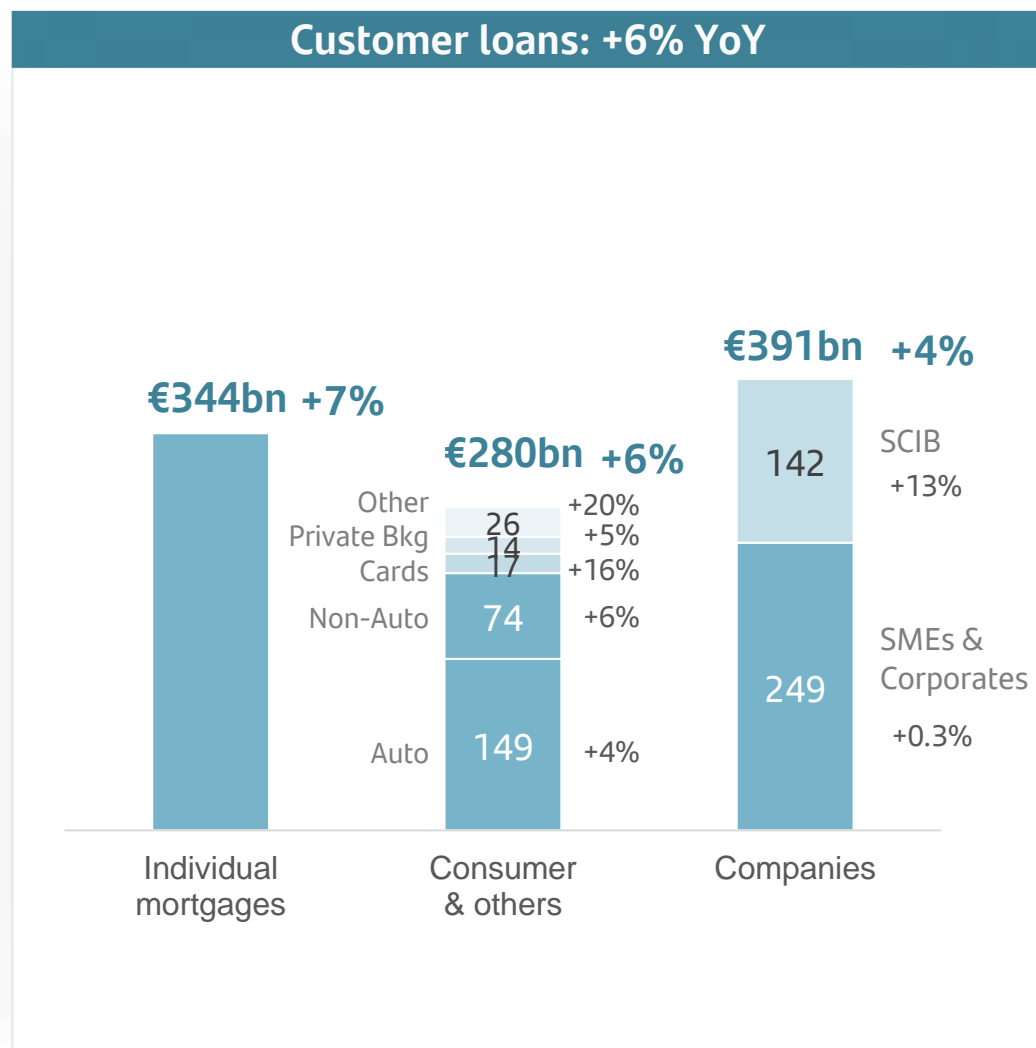
Loans and advances to customers by business

Breakdown of total gross loans excluding reverse repos, Jun-22



- ▶ 86% of loan portfolio is Retail, 14% Wholesale
- ▶ 65% secured, mostly by real estate collateral

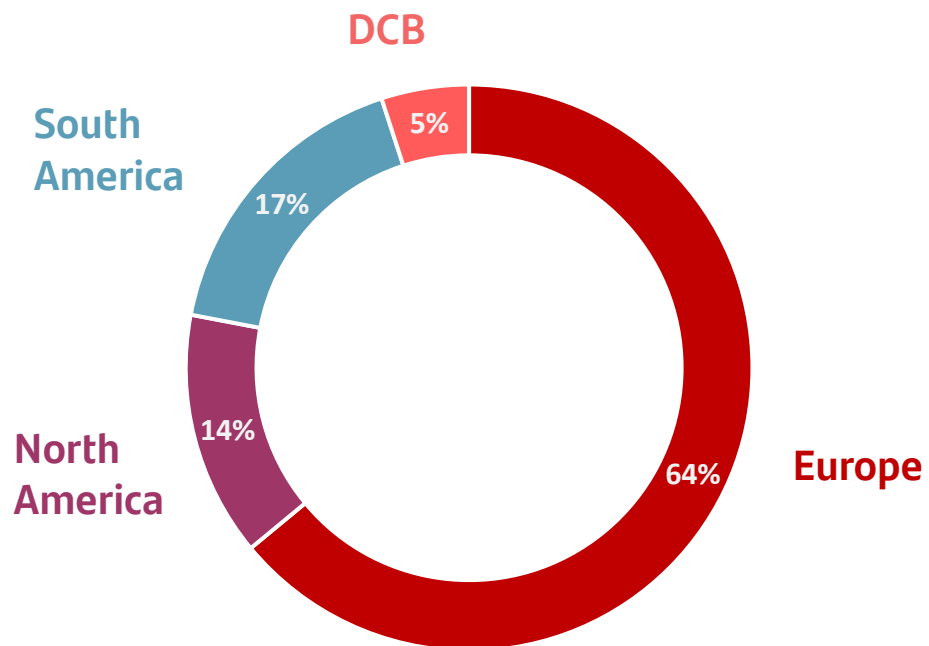
... which continue to grow well across products, segments and countries...



... and in liabilities ...

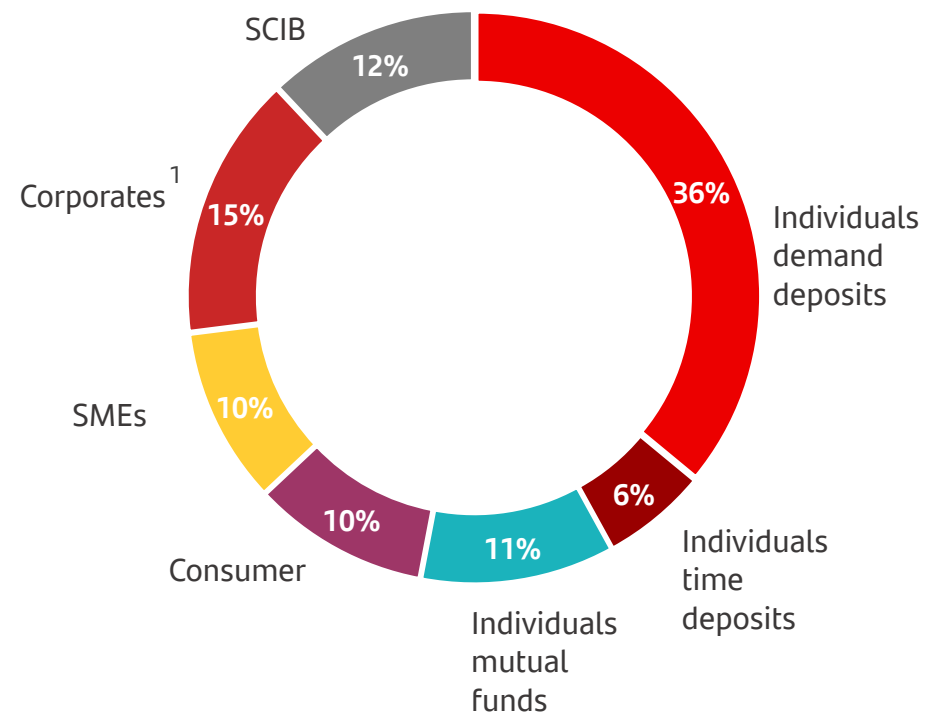
Customer funds by area

Breakdown of total customer funds excluding repos, % of operating areas Jun-22

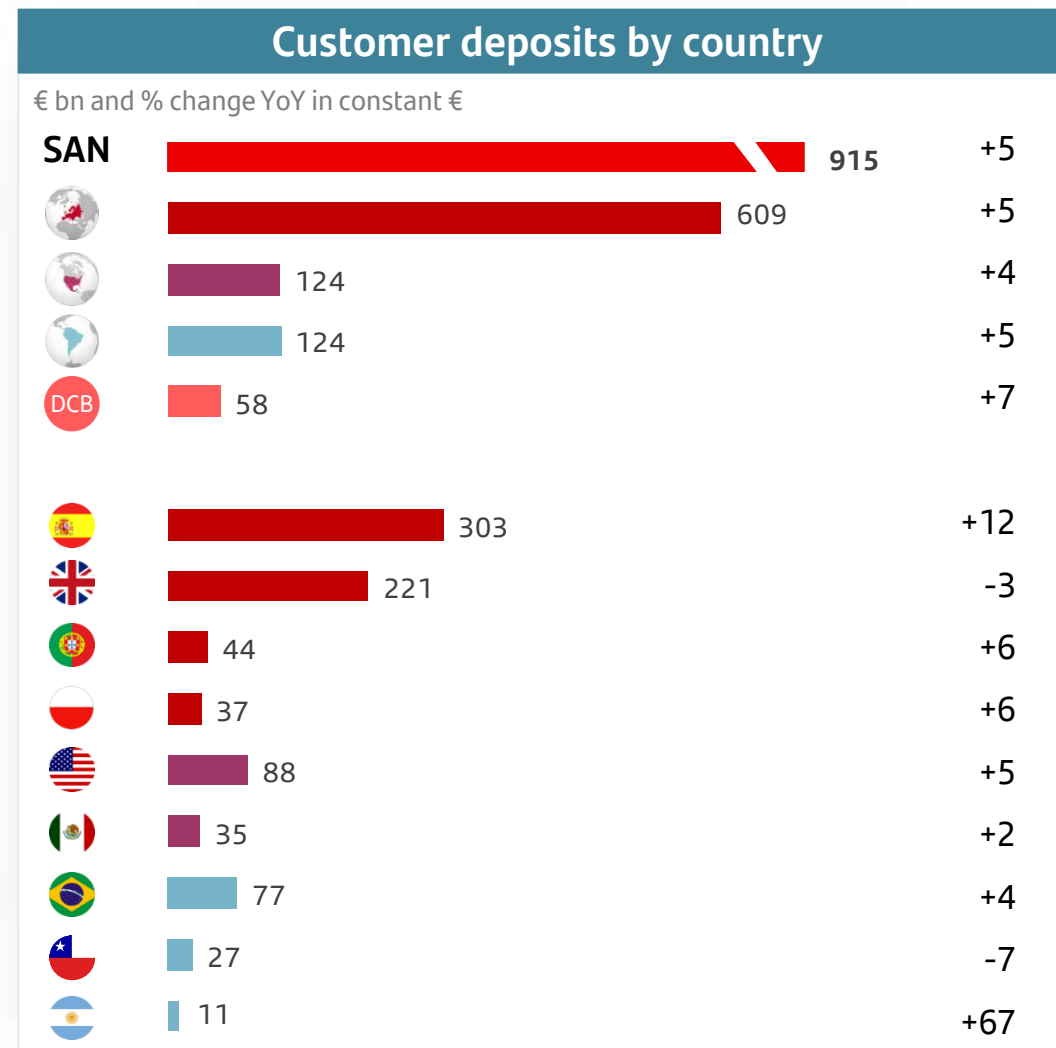
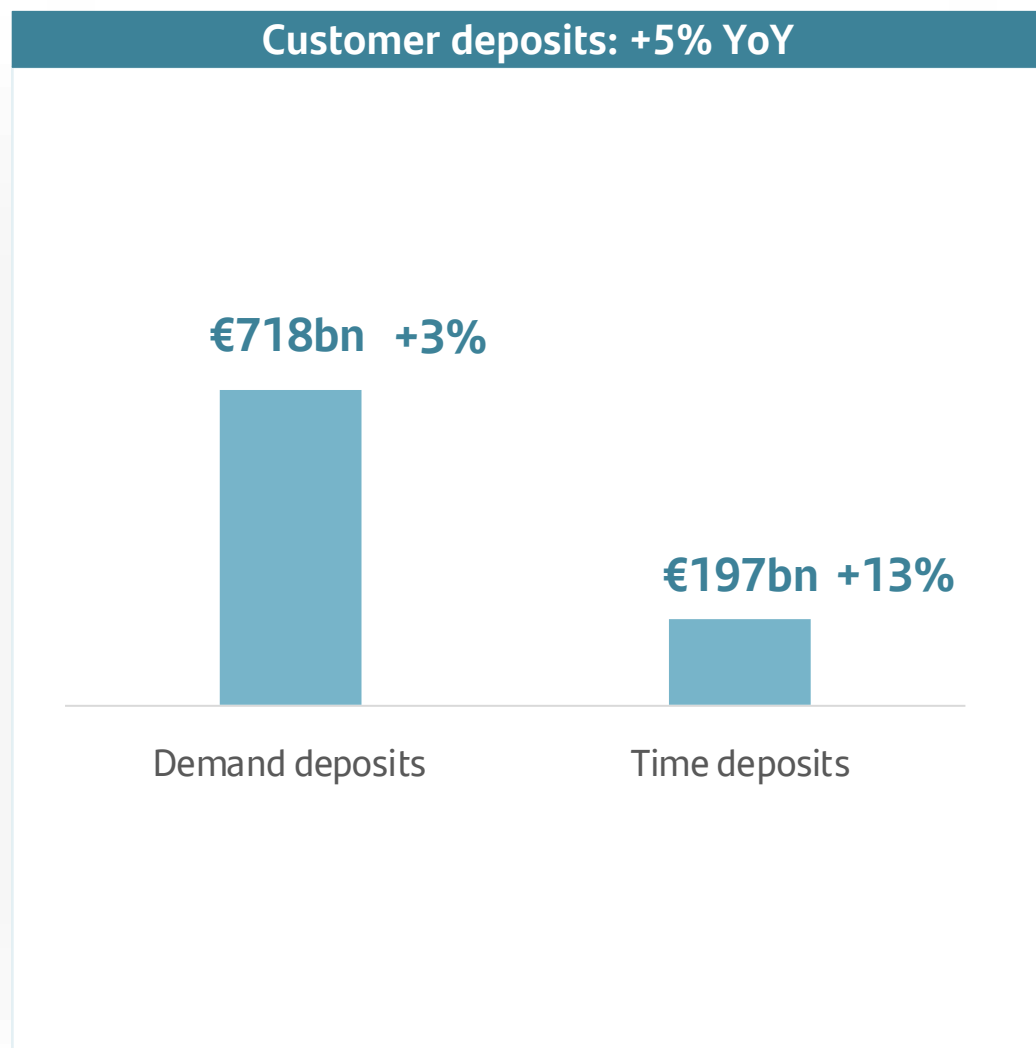


Customer funds by business





Breakdown of total customer funds excluding repos, Jun-22



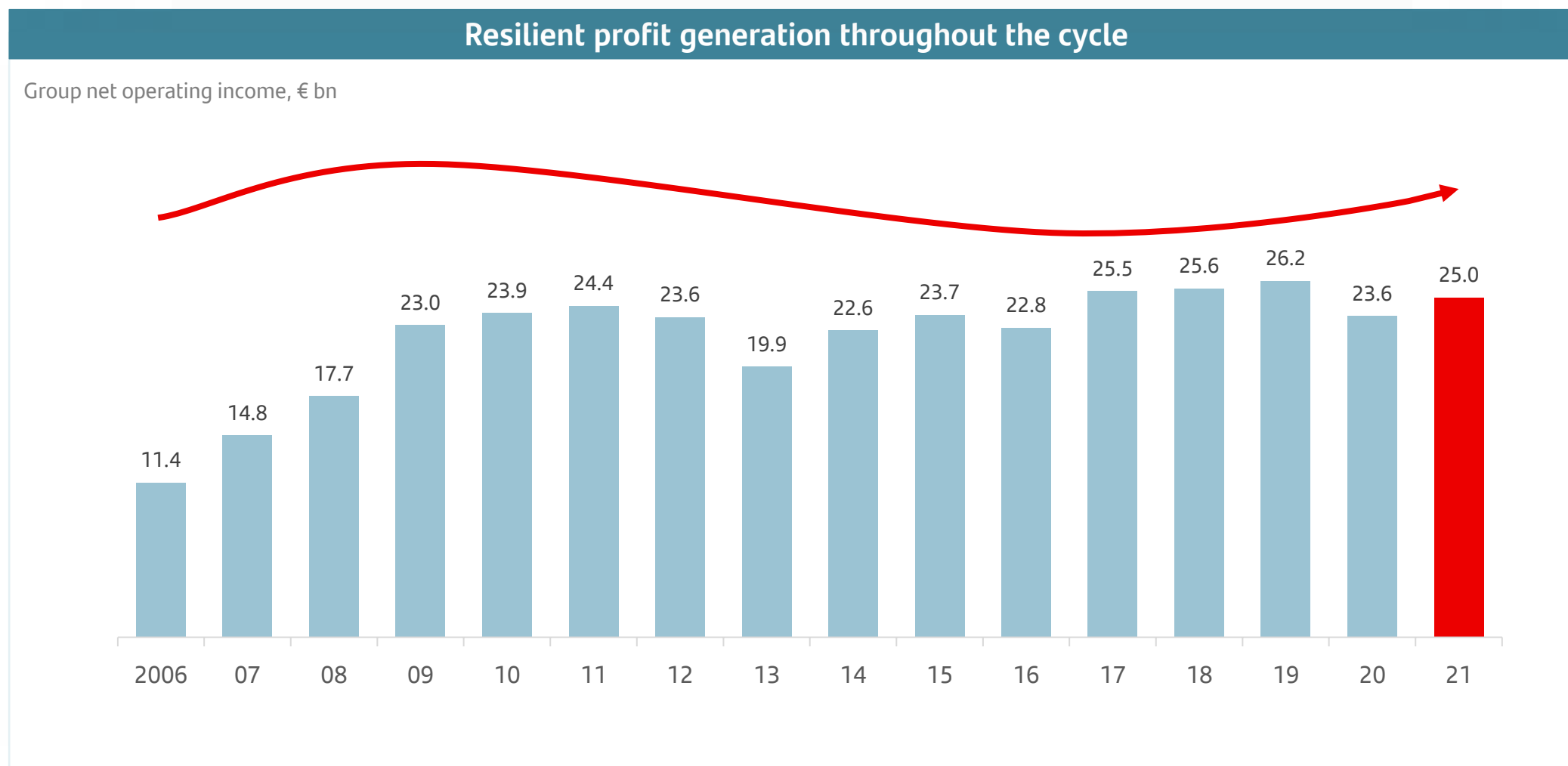
... with particular strength in time deposits...



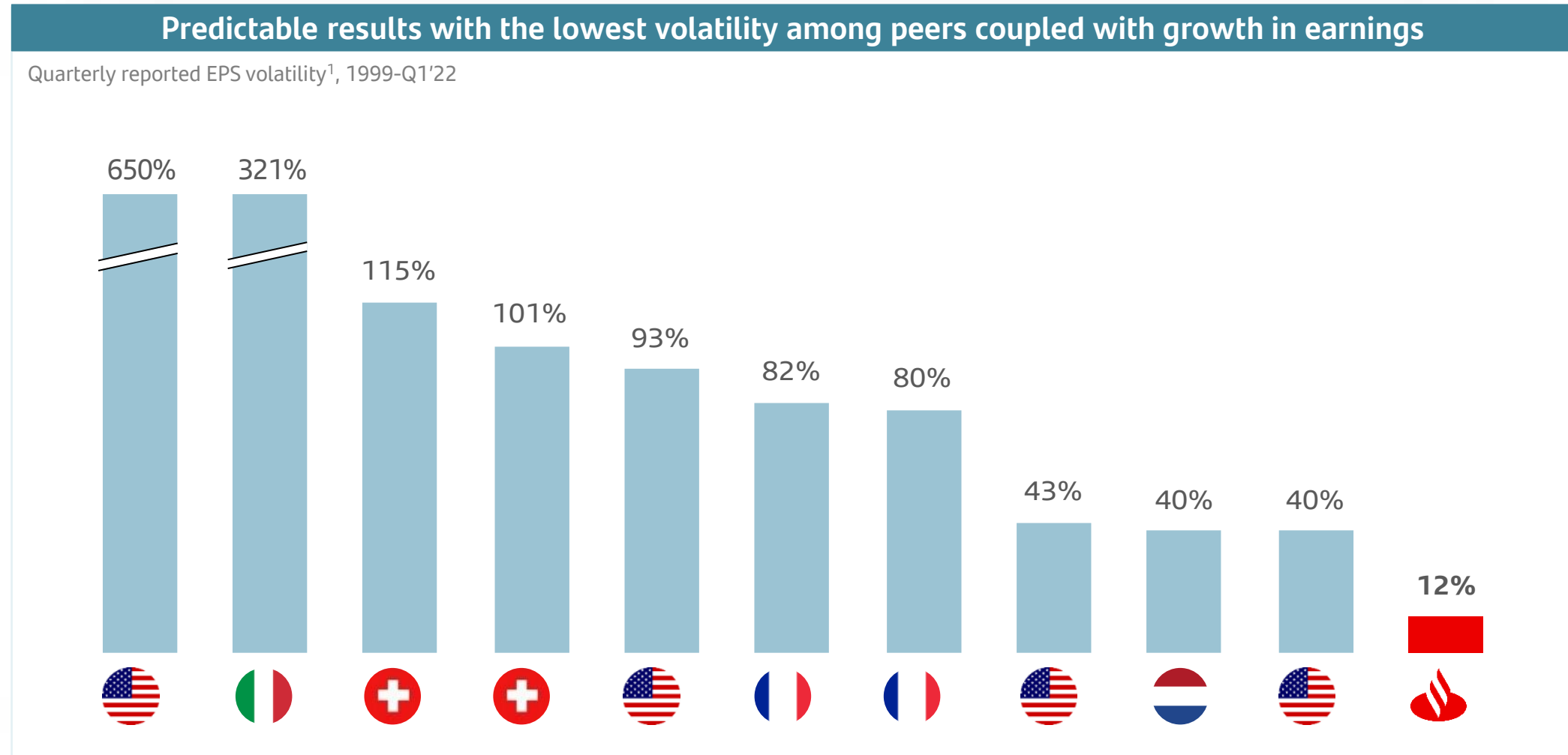
... coupled with our regional organizational structure, delivers growth and profitability...

H1'22 vs. H1'21	Total customers (mn)	Customer loans (€bn)	Customer deposits (€bn)	Net operating income (€mn)	Underlying att. profit (€mn)	RoTE ¹
 Europe	46.4 +1%	589 +5%	609 +5%	4,417 +17%	1,839 +38%	12.1% +3.2pp
 North America	25.3 +3%	152 +7%	124 +4%	3,088 -9%	1,578 -10%	23.3% -3.0pp
 South America	65.8 +11%	148 +12%	124 +5%	5,780 +7%	1,946 +7%	27.6% +1.0pp
 Digital Consumer Bank	19.4 --	119 +4%	58 +7%	1,325 +3%	572 +16%	12.8% +1.9pp

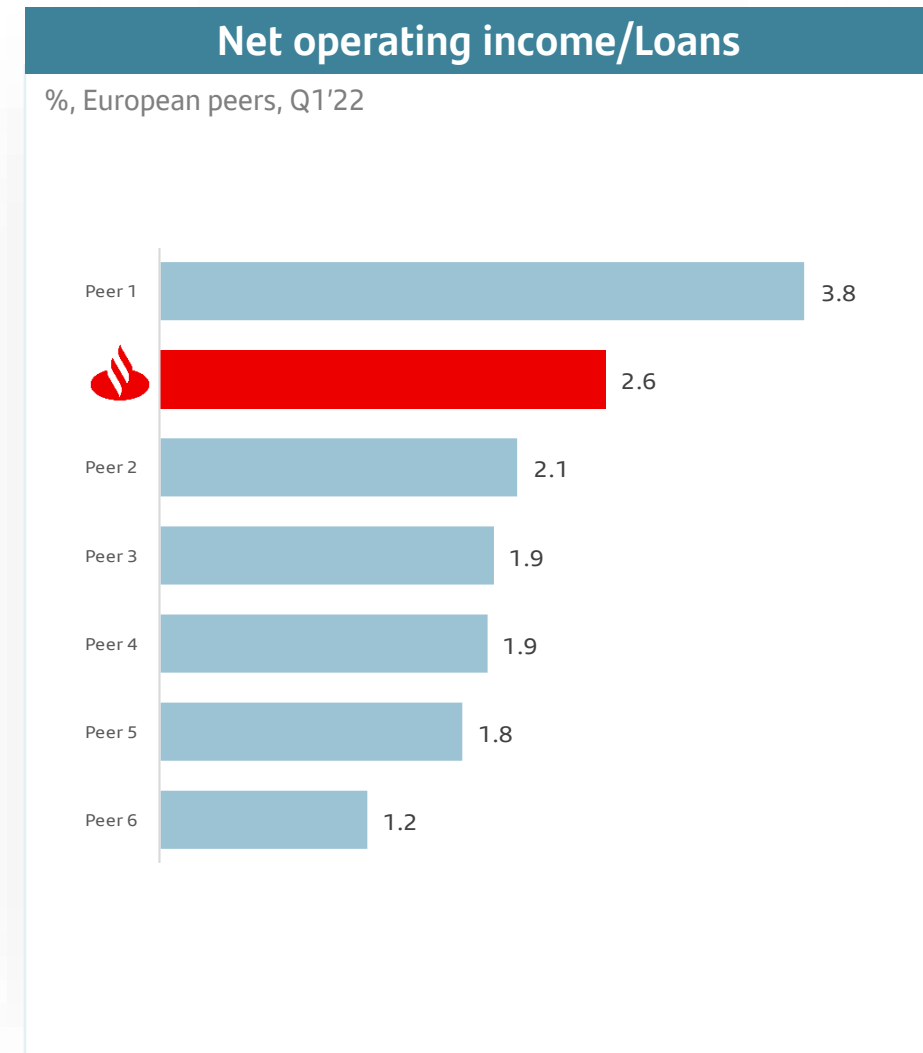
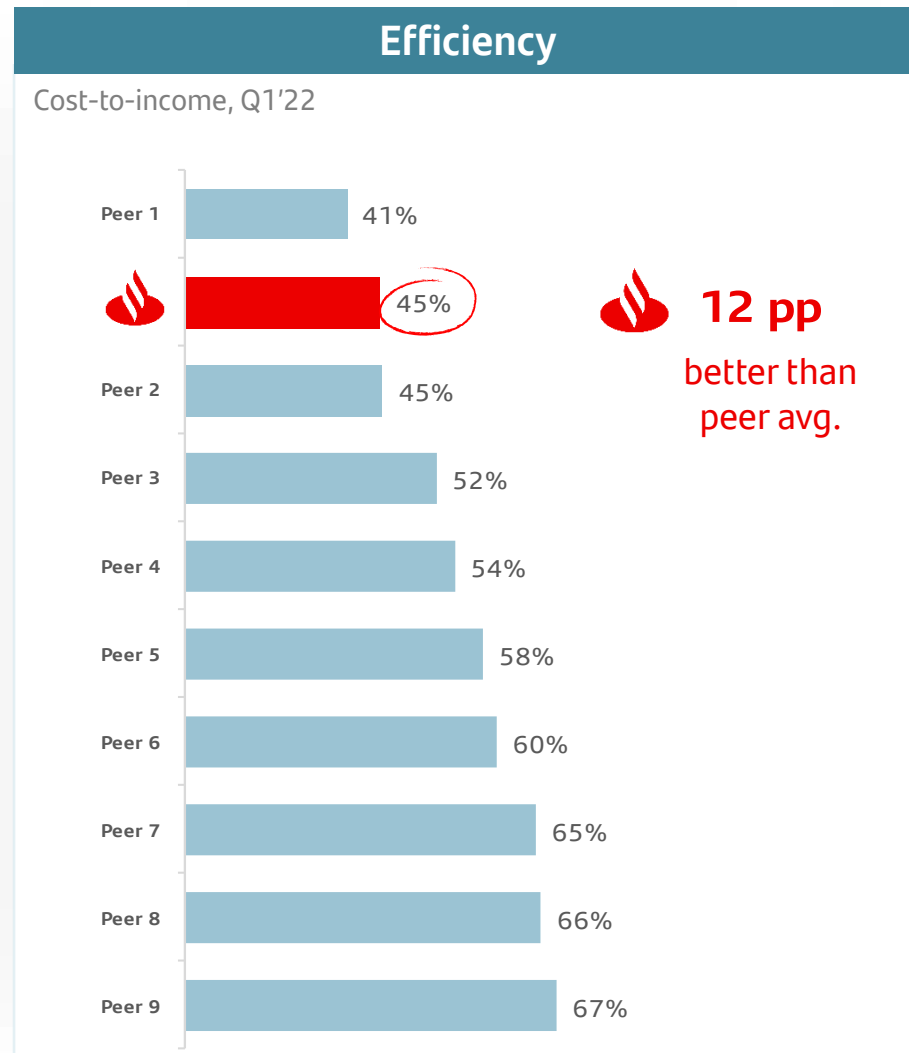
... which is resilient throughout the cycle...



... resulting in long-term stable and predictable growth



Moreover, we are able to generate profit efficiently, with one of the best C/I ratios and net operating income /loans well above most European peers



Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

Links,
Appendix
and Glossary

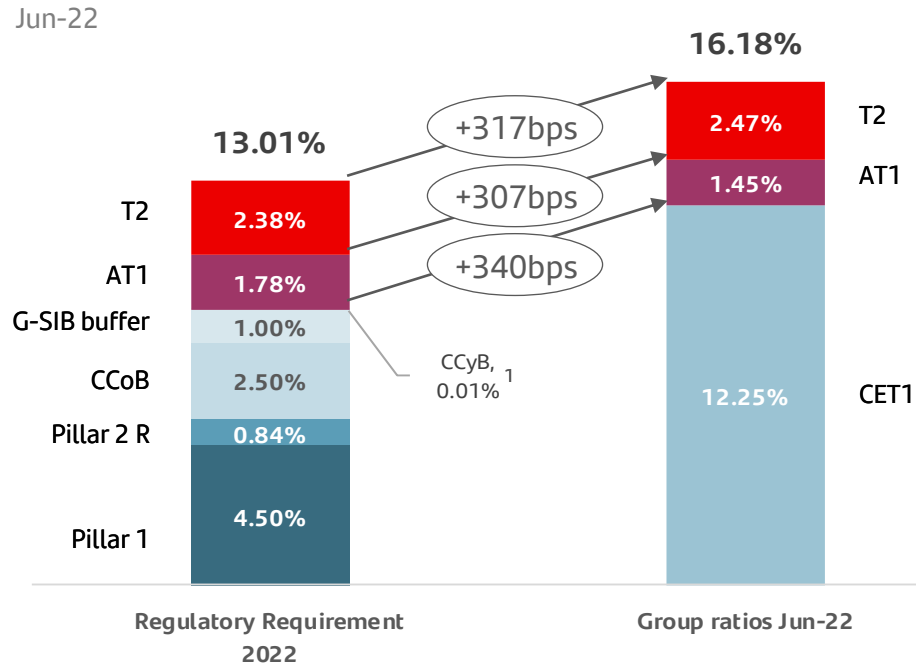


Disciplined capital allocation strategy to drive profitability improvement & maximize shareholder returns

		2021	H1 2022	2022 Targets
Capital accretive growth	RWA growth below loan growth ²	+1% < +4% RWAs loans	+1% < +6% RWAs loans	RWA growth < low-single digit
Risk adjusted new credit production	Front book RoRWA	1.8% ¹	2.5%	2.2%
Granular profitability management	% of RWAs with RoRWA < CoE	30%	23%	~20%

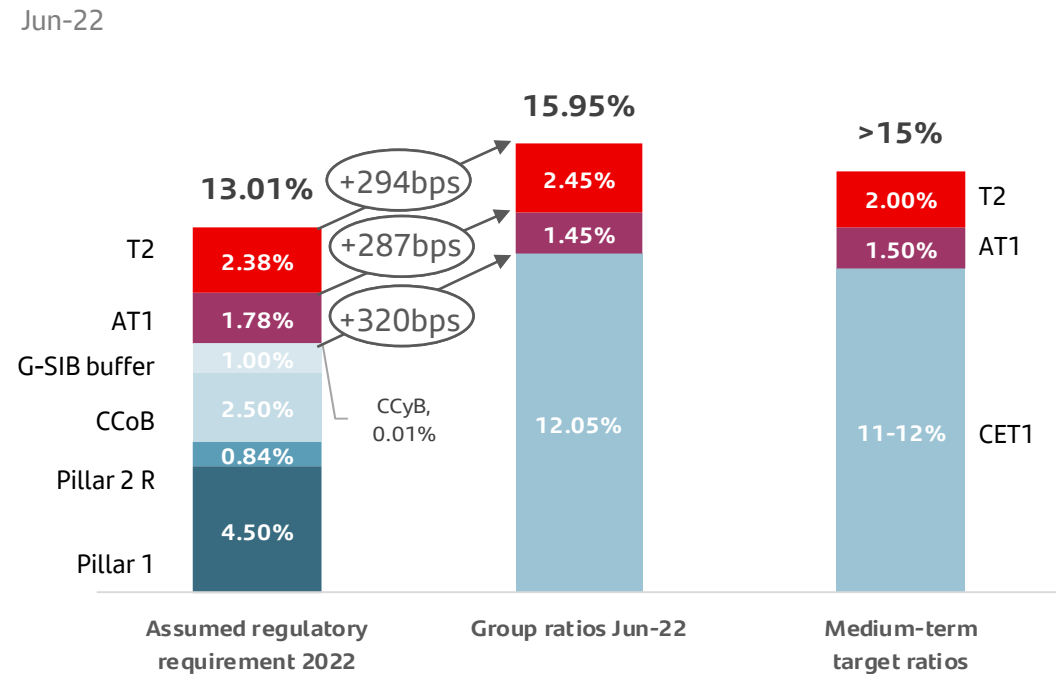
Santander's capital levels, both phased-in and fully loaded, exceed minimum regulatory requirements

SREP capital requirements and MDA*



- ▶ Following regulatory changes in response to the covid-19 crisis, the **minimum CET1** to be maintained by the Group is 8.85% (was 9.69% pre-changes).
- ▶ As of Jun-22, the distance to the MDA is 307 bps² and the CET1 management buffer is 340 bps.

Assumed capital requirements (fully-loaded)**



- ▶ AT1 and T2 ratios are planned to be close to 1.5% and 2% of RWAs respectively.

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%: **€43bn**.
- ▶ 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 Jun-22, the **distance to the MDA** is **3.07%**².
- ▶ Targeting a **comfortable management buffer**, in line with Santander's business model and predictable results.

ADIs

- ▶ Santander Parent Bank has c. €57bn in Available Distributable Items, best-in-class.
- ▶ This amount of ADI represents c.120 times the full Parent AT1 cost budgeted for 2022.
- ▶ 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

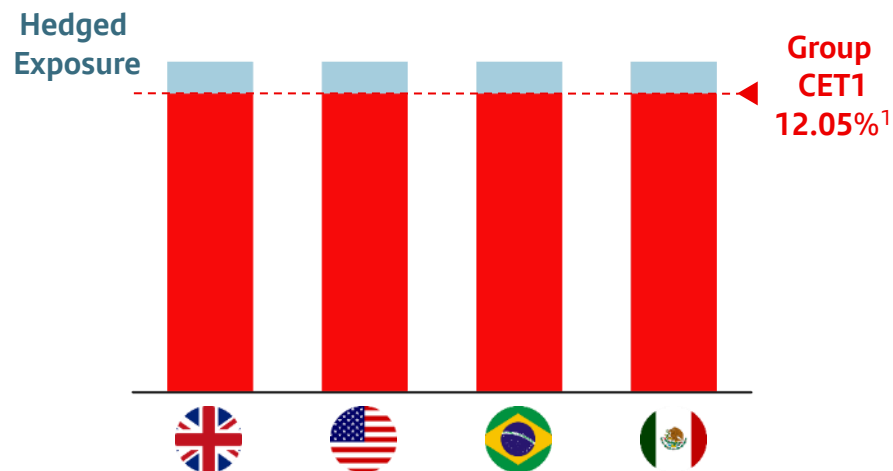
Banco Santander, S.A. AT1 issuances outstanding at Jun-22

Currency	Nominal € mn	Coupon	Structure	Next call date	Reset Spread
EUR	1,000	5.25%	PNC6	29-Sep-23	499.9bps
USD	1,149	7.50%	PNC5	08-Feb-24	498.9bps
EUR	1,500	4.75%	PNC7	19-Mar-25	409.7bps
EUR	1,500	4.38%	PNC6	14-Jan-26	453.4bps
USD	957	4.75%	PNC6	12-May-27	375.3bps
EUR	750	4.13%	PNC7	12-May-28	431.1bps
EUR	1,000	3.63%	PNC8	21-Sep-29	376bps



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

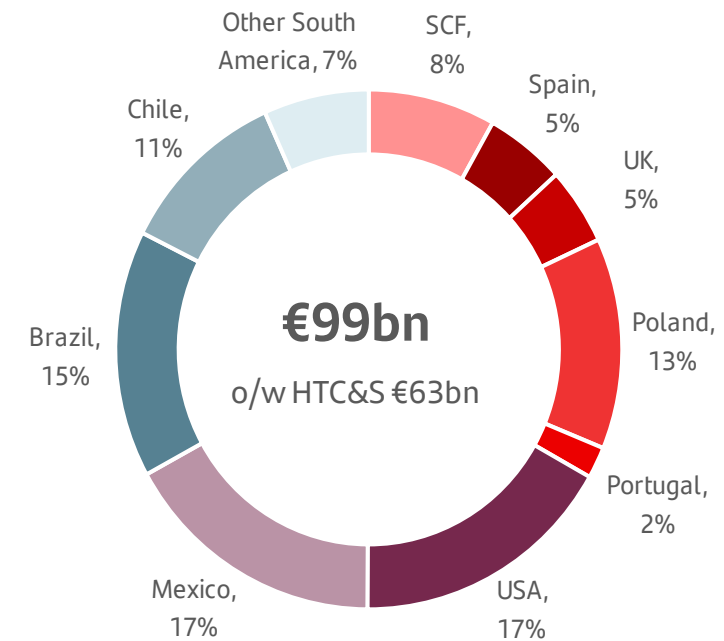
Mostly positive interest rate sensitivity

12m net interest income sensitivity to a +/-100 bp parallel shift
€ mn, May-22

	+100 bps	-100 bps
 ¹	+751	-882
 ²	+303	-334
 ³	+143	-154
	-109	+109

ALCO portfolios reflect our geographic diversification

Distribution of ALCO portfolios by country
%, Jun-22



Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

**Asset
Quality**

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

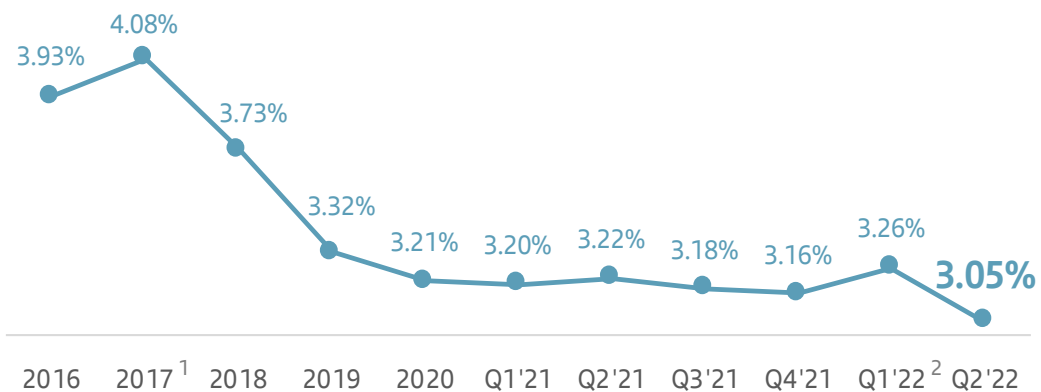
Links,
Appendix
and Glossary



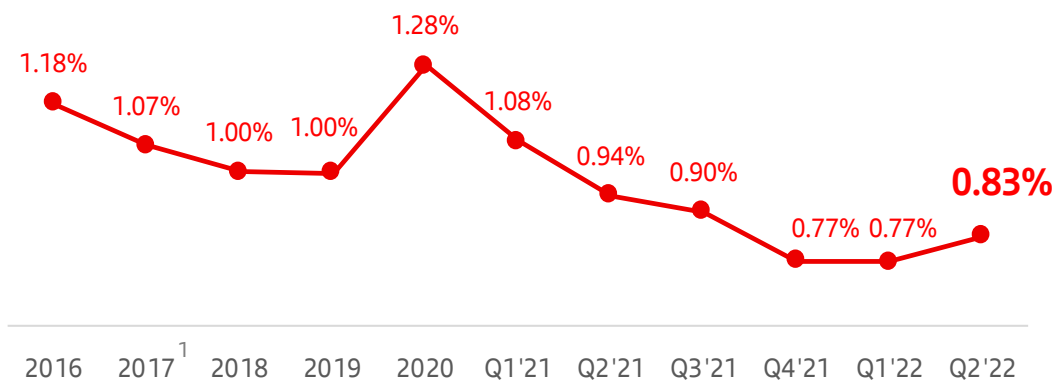
Credit quality remains solid...

Credit quality ratios

	Q2'21	Q1'22	Q2'22	
NPL ratio	3.22%	3.26%	3.05%	▼ 21bps QoQ ▼ 17bps YoY



	Q2'21	Q1'22	Q2'22	
Cost of risk ³	0.94%	0.77%	0.83%	▲ 7bps QoQ ▼ 11bps YoY



... at the Group and country level

NPL ratios by country

%	Q2 2021	Q1 2022	Q2 2022
Spain	5.16	4.47	3.83
UK	1.30	1.42	1.17
Portugal	3.71	3.42	3.33
Poland	4.58	3.50	3.45
US	2.00	2.75	2.64
Mexico	3.10	3.09	2.95
Brazil	4.55	5.68	6.34
Chile	4.57	4.70	4.70
Argentina	3.34	3.21	2.48
DCB	2.18	2.27	2.22

Group

3.22%

3.26%

3.05%

Cost of risk¹ by country

%	Q2 2021	Q1 2022	Q2 2022
Spain	0.91	0.88	0.79
UK	0.09	-0.08	-0.02
Portugal	0.41	0.03	-0.05
Poland	0.88	0.65	0.95
USA	1.34	0.49	0.78
Mexico	2.74	2.22	2.05
Brazil	3.51	3.94	4.26
Chile	1.07	0.83	0.89
Argentina	3.94	3.31	3.07
DCB	0.64	0.44	0.44

Group

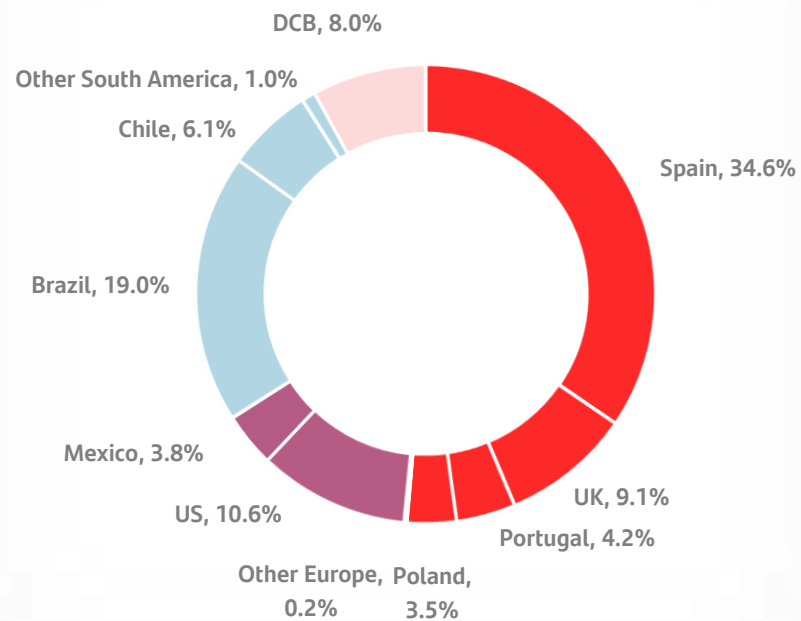
0.94%

0.77%

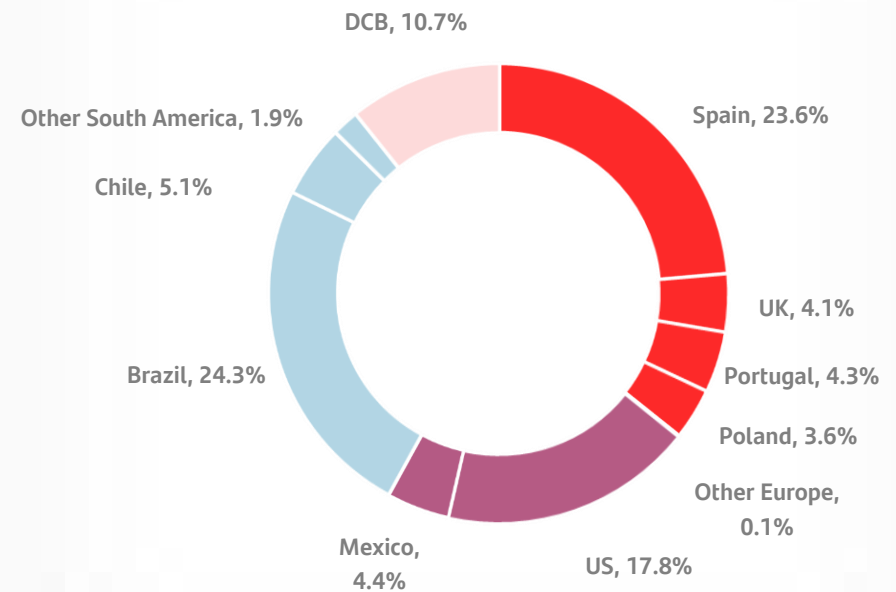
0.83%

Distribution of credit impaired loans in line with total portfolio

Credit impaired loans



Loan-loss allowances



The Stage 3 ratio of the most vulnerable sectors is broadly in line with the Group ratio

Exposure to vulnerable sectors				
Mar-22, € bn				
Industry	Exposure	Stage 1	Stage 2	Stage 3
Automobile	31.4	91.3%	7.0%	1.7%
Hotel & Leisure ¹	15.2	60.9%	23.7%	15.5%
Transport	18.2	84.6%	10.2%	5.2%
Oil & Gas	23.4	97.3%	1.4%	1.3%
Retail (non-Food)	22.6	89.5%	6.8%	3.8%
Construction ²	12.0	77.7%	12.7%	9.7%
Group Exposure³	1,071	90.3%	6.4%	3.3%

Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

**Liquidity &
Funding.
Ratings**

6

ESG

7

Concluding
Remarks

8

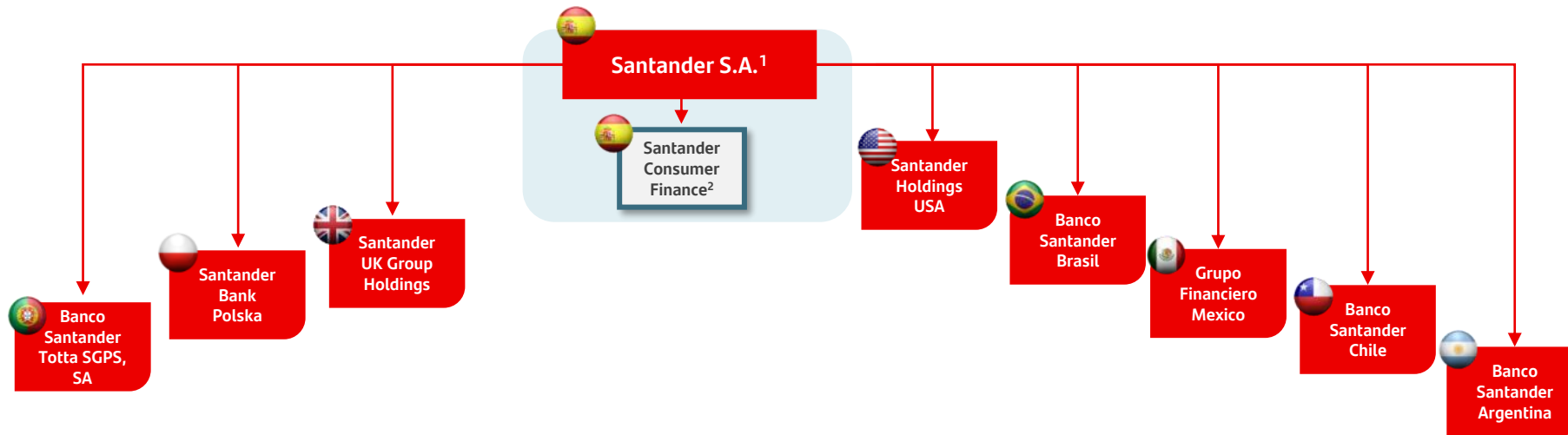
Links,
Appendix
and Glossary



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

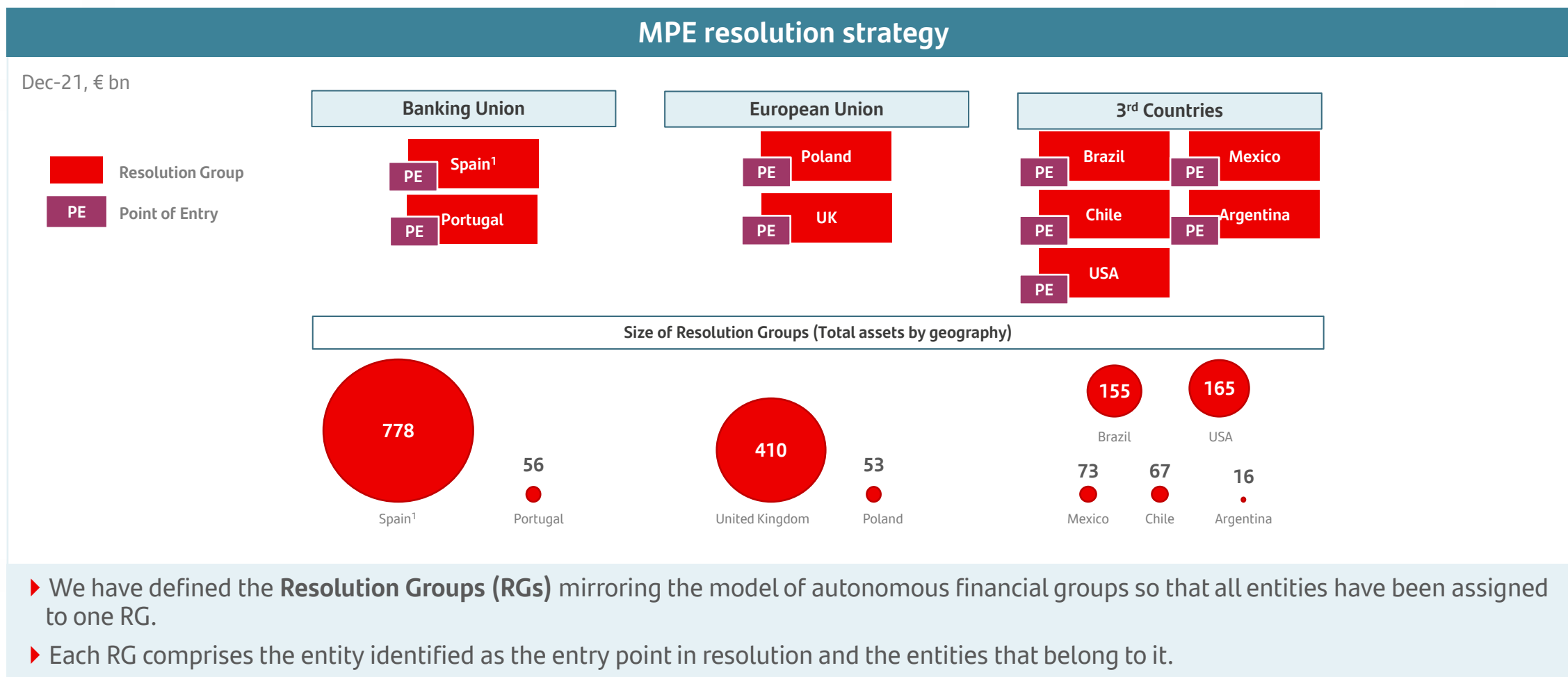
Legal autonomy structure

Dec-21

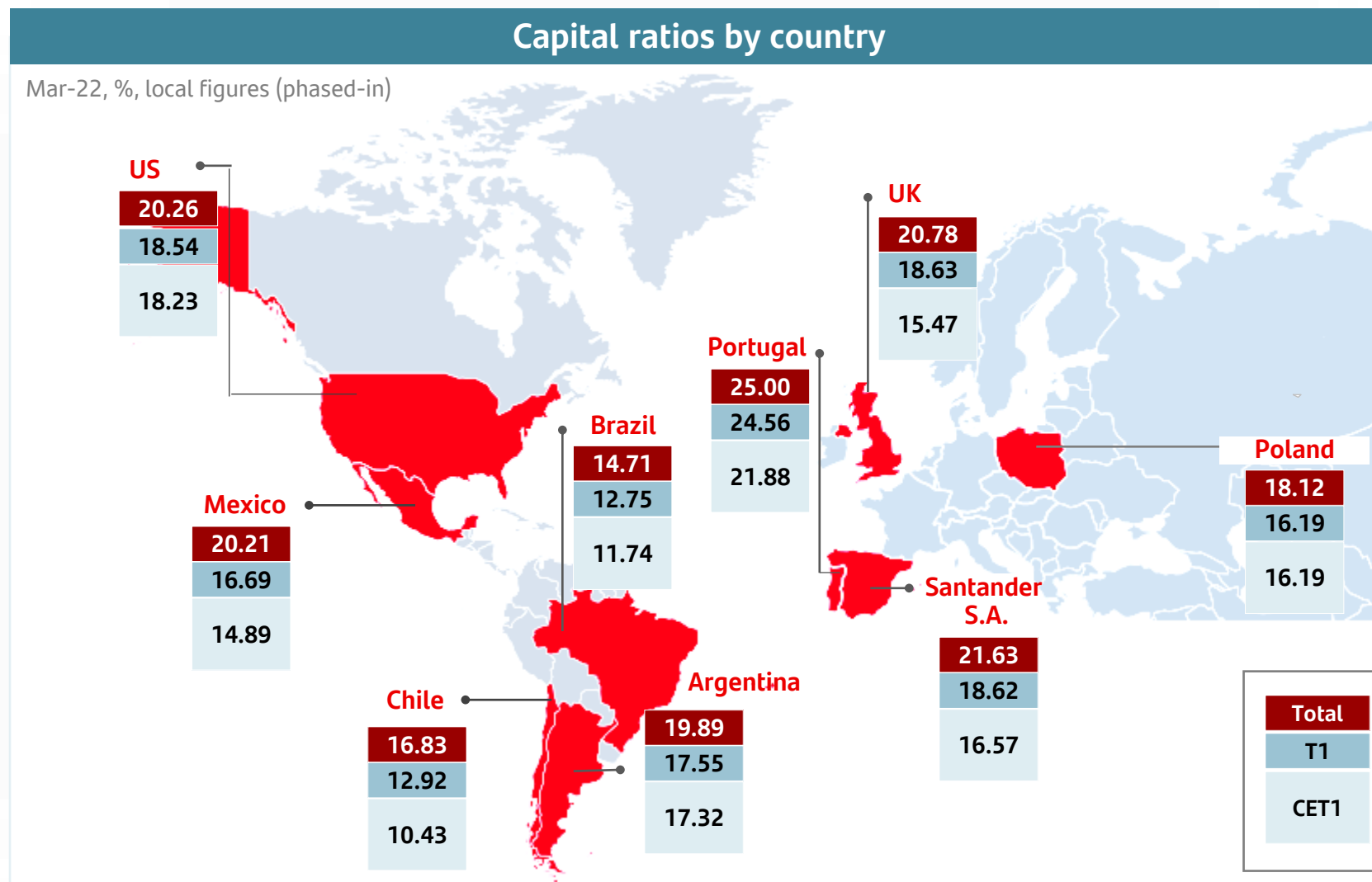


- ▶ **Legal autonomy:** There are no legal commitments that entail financial support.
- ▶ **Financial autonomy:** Financial interconnections are limited and at market prices.
- ▶ **Operational autonomy:** Shared services are limited and carried out through autonomous factories. Access to FMIs through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

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



Santander follows an autonomous capital and liquidity model



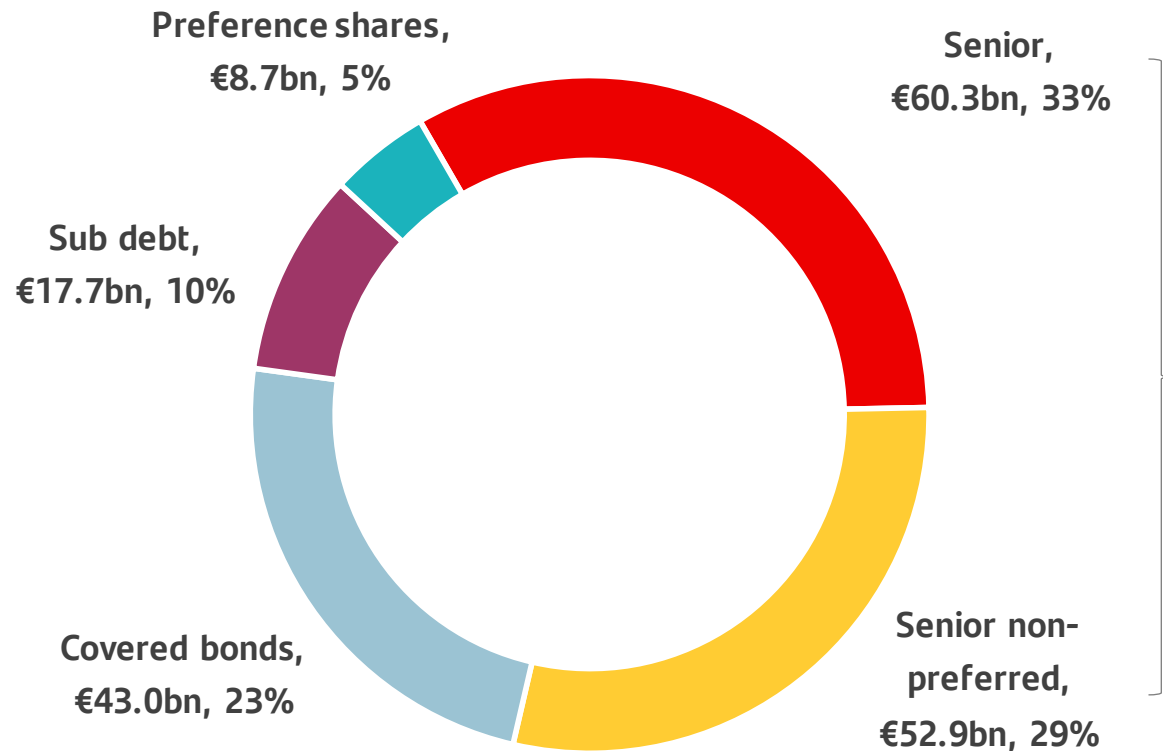
Santander's liquidity management is based on the following principles

- ▶ Decentralized 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

Jun-22



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

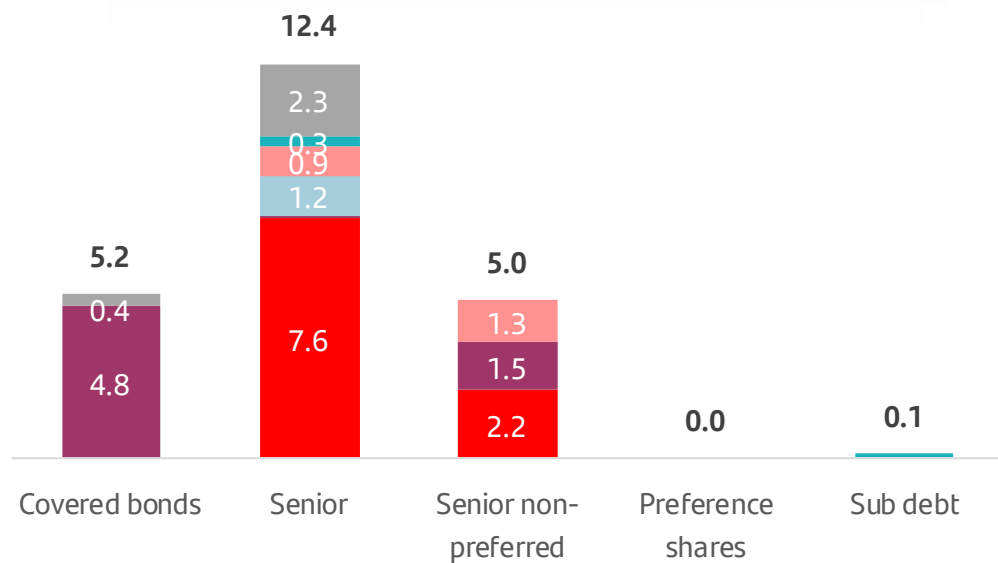


	Product	Nominal	Maturity	Issuance spread
Oct-19	Senior	€1bn	7	MS +65bps
Jun-20	SNP	€1bn	7	MS +140bps
Jun-21	SNP	€1bn	8NC7	MS +78bps

Conservative and decentralized liquidity and funding model

€23bn¹ issued in public markets in H1'22

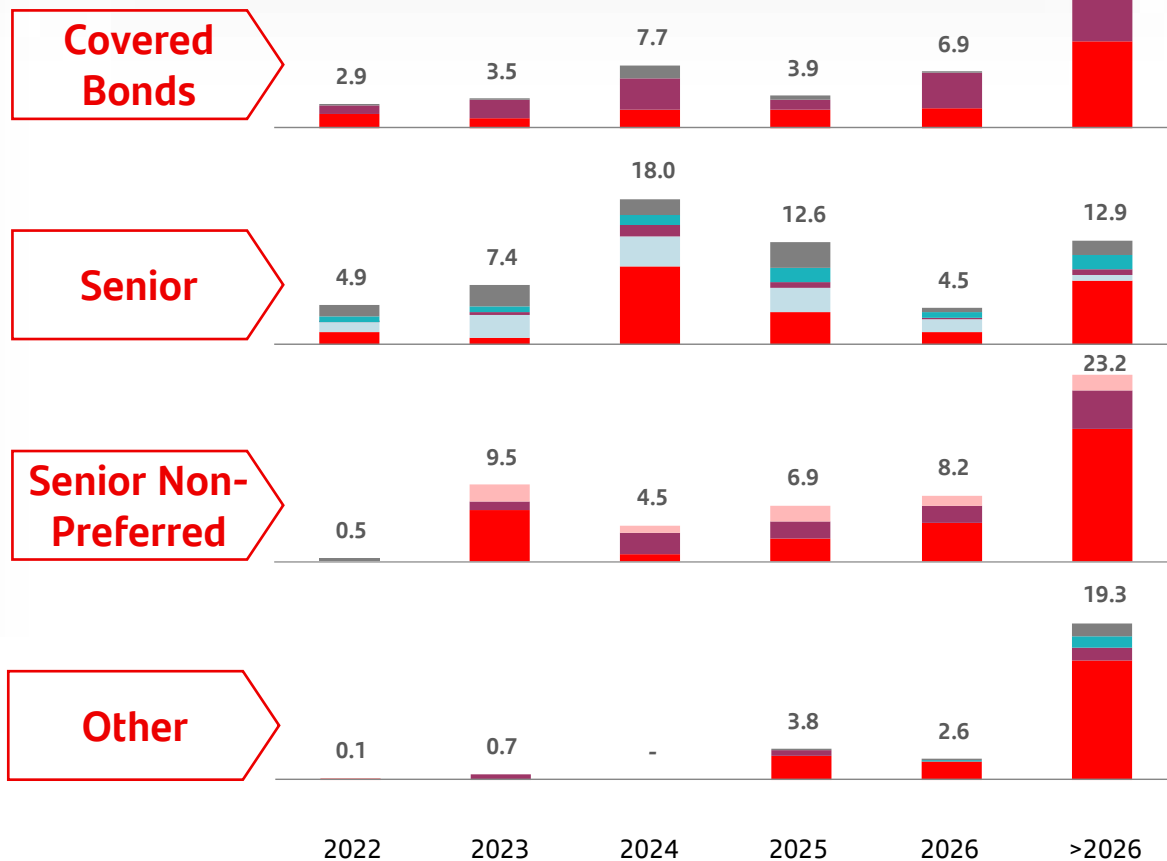
€ bn, Jun-22, Average exchange rates



► Other includes issuances in Brazil, Mexico, Portugal and Poland.

Very manageable maturity profile

€ bn, Jun-22



■ Spain² ■ UK ■ DCB ■ Chile ■ USA ■ Other



(1) Data includes public issuances from all units with period-average exchange rates. Excludes securitizations.

(2) Includes Banco Santander, S.A. and Santander International Products PLC.

Note: preference shares also includes other AT1 instruments.

YTD issuances against 2022 funding plan

Execution of 2022 funding plan								
€ bn, Jun-22								
	Hybrids		SNP + Senior		Covered Bonds		TOTAL	
	Plan	Issued	Plan	Issued	Plan	Issued	Plan	Issued
Banco Santander, S.A.	3 - 3.5	1.8 ¹	9 - 10	11.6 ²	-	-	12 - 13.5	13.4
SCF	-	0.0	5 - 6	1.2	0 - 0.5	-	5 - 6.5	1.2
UK	-	0.0	3 - 4	1.6	0.5 - 0.75	4.8	3.5 - 4.75	6.3
SHUSA	-	0.0	2 - 2.5	2.2	-	-	2 - 2.5	2.2
TOTAL	3 - 3.5	1.8¹	19 - 22.5	16.6²	0.5 - 1.25	4.8	22.5 - 27.25	23.2

Banco Santander, S.A.'s 2022 funding plan contemplates the following:

- ▶ The Financial Plan is mainly focused on covering TLAC/MREL requirements to:
 - ▶ continue building up TLAC/MREL buffers.
 - ▶ pre-finance senior non-preferred / senior preferred transactions which lose TLAC/MREL eligibility due to entering in the <1 year window.
 - ▶ cover the increase in estimated RWAs which are the base of both requirements.

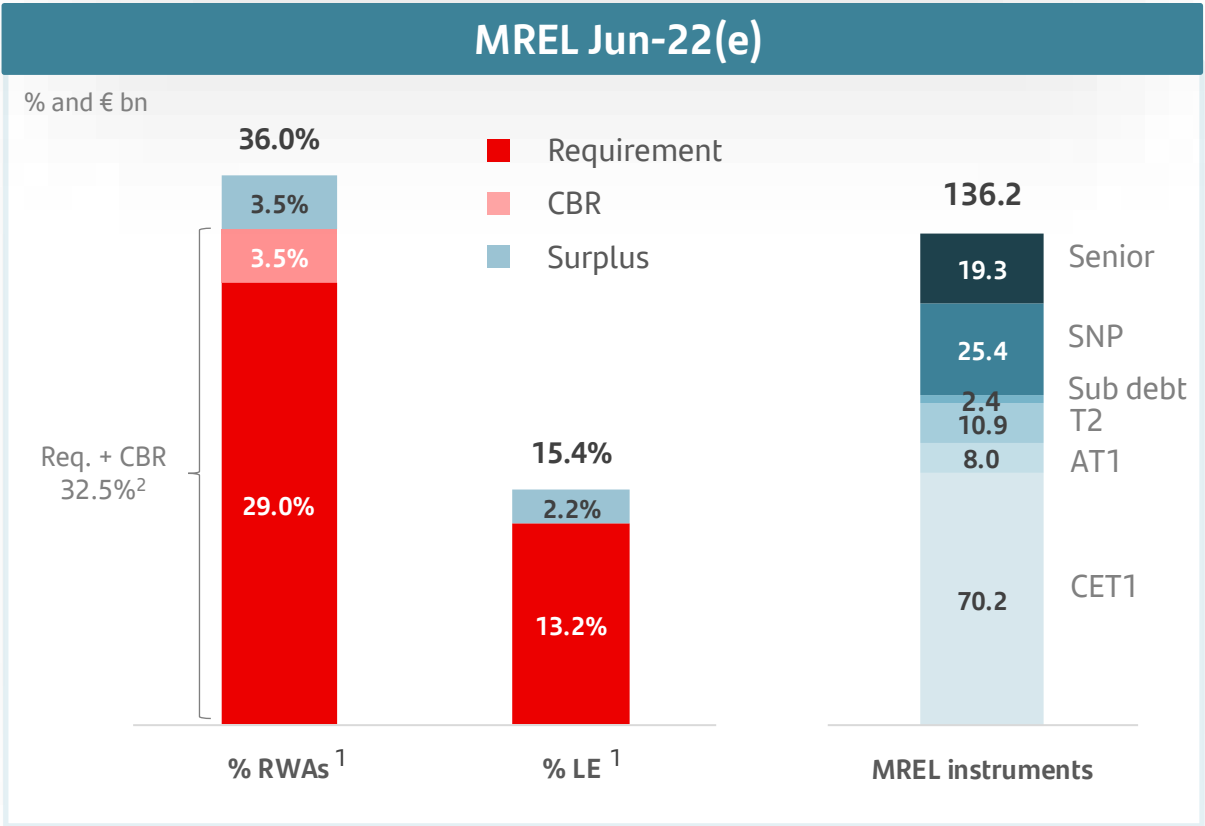
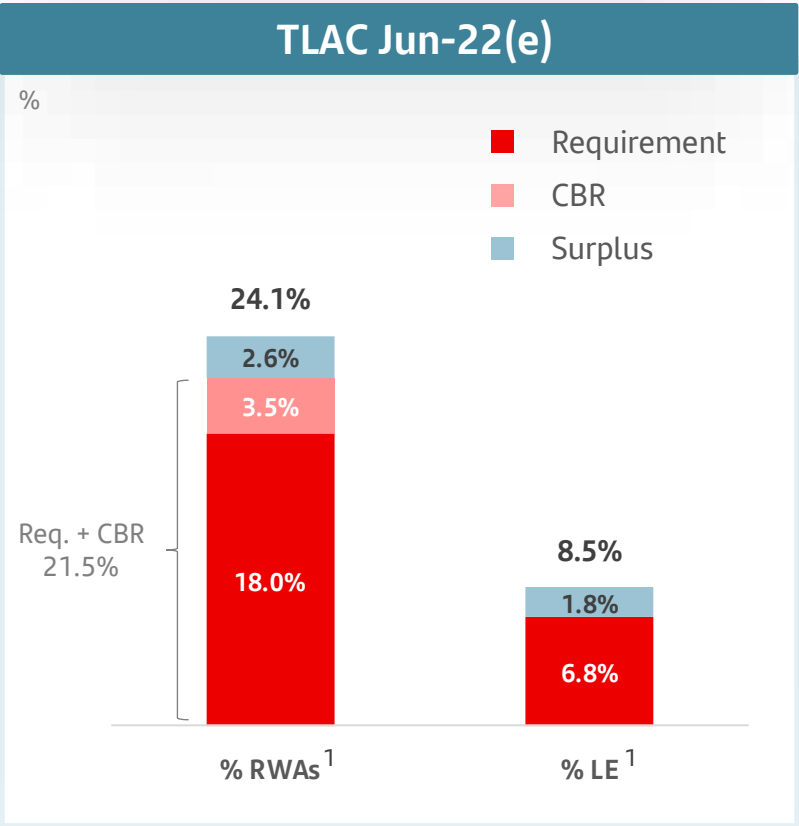


Note: Issuance plan subject to, amongst other considerations, market conditions and regulatory requirements. Other secured issuances (for example ABS, RMBS, etc.) are not considered in the table above.

(1) Includes €1.8bn of sub debt issued in Q4'21 as pre-funding for 2022.

(2) Includes €2.1bn of senior non-preferred issued Q4'21 as pre-funding for 2022.

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



Distance
to M-MDA

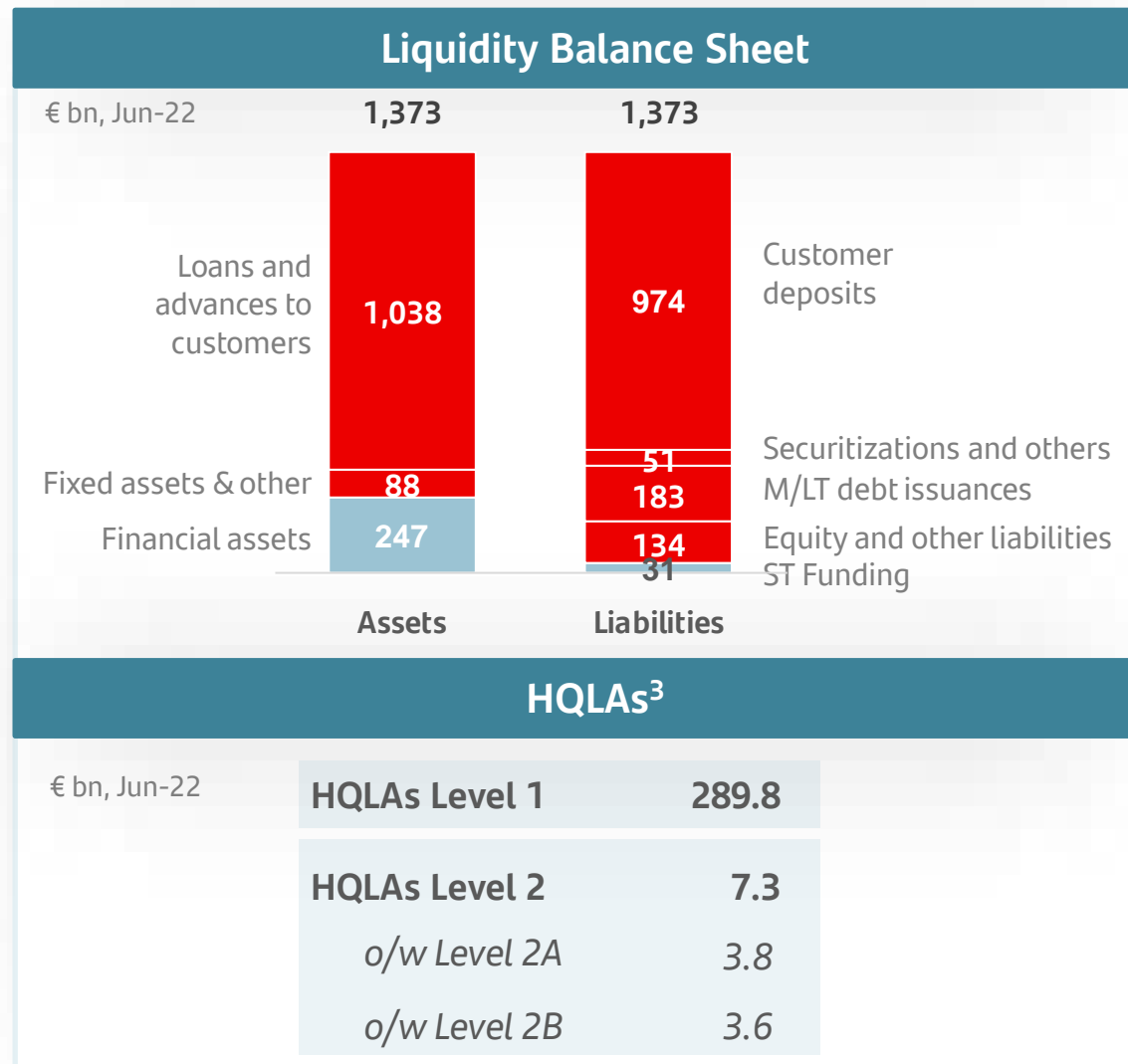
€8bn	€15bn
256bps	176bps

€13bn	€19bn
352bps	217bps



Note: Figures applying the IFRS 9 transitional arrangements.
 (1) TLAC RWAs are €293bn and leverage exposure is €829bn. MREL RWAs are €379bn and leverage exposure is €886bn.
 (2) MREL Requirement based on RWAs from Jan-24: 30.32% + Combined Buffer Requirement (CBR).

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



	Liquidity Coverage Ratio (LCR)		Net Stable Funding Ratio (NSFR)
	Jun-22 ¹	Mar-22	Mar-22
Spain ²	162%	141%	115%
UK ²	171%	176%	137%
Portugal	155%	138%	124%
Poland	167%	171%	148%
US	124%	142%	121%
Mexico	174%	168%	123%
Brazil	162%	154%	118%
Chile	163%	139%	121%
Argentina	219%	242%	174%
SCF	266%	302%	112%
Group	165%	157%	123%

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

Evolution of key liquidity metrics

	2018	2019	2020	2021	Jun-22
Loans ¹ / net assets	76%	77%	76%	75%	76%
Loan ¹ -to-deposit ratio (LTD)	113%	114%	108%	106%	107%
Customer deposits and medium- and long-term funding / loans ¹	114%	113%	116%	117%	116%
Short-term wholesale funding / net liabilities	2%	3%	2%	2%	2%
Structural liquidity surplus / net liabilities	13%	13%	15%	16%	16%
Encumbrance	25%	24%	27%	26%	26% ²

LTD and MLT funding metrics by geography

Jun-22

	LTD Ratio	(Deposits + M/LT funding) / Loans ¹
Spain ³	85%	126%
UK	113%	103%
Portugal	90%	117%
Poland	83%	123%
USA	110%	119%
Mexico	95%	116%
Brazil	99%	122%
Chile	140%	93%
Argentina	54%	185%
DCB	203%	73%
GROUP	107%	116%

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	-	-	-	-	AAu	28/01/2022	↑
Senior Debt	(P)A2	17/04/2018	↑	A+	16/12/2021	↑	A	17/07/2018	↑
Senior Non-preferred	Baa1	29/10/2021	Initial	A-	27/10/2021	Initial	A-	01/11/2021	Initial
Subordinated	(P)Baa2	04/03/2014	↑	BBB+	06/04/2018	↑	BBB	27/03/2020	↓
AT1	Ba1	28/09/2017	Initial	-	-	-	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	A2	17/04/2018	↑	STABLE	A+	16/12/2021	↑	STABLE	A-	29/05/2014	↑	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	16/12/2021	-	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+	02/06/2014	↑	STABLE
Banco Santander Brasil	Ba1	25/02/2016	↓	STABLE	BB-	12/01/2018	↓	STABLE	-	-	-	-
Kingdom of Spain*	Baa1	15/07/2022	-	STABLE	Au	20/09/2019	↑	STABLE	A-	19/01/2018	↑	STABLE

Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

Links,
Appendix
and Glossary



ESG strategy

Overarching goal: Achieving our purpose by promoting **sustainable & inclusive growth**

3 strategic pillars	Ambition	Strategic Actions	Main SDGs
Support climate transition	Deliver our Net zero ambition by 2050 helping our customers in their transition to a sustainable and low carbon economy	<ul style="list-style-type: none"> • Alignment of the sectors with highest level of GHG emissions with our Net zero commitment, in line with NZBA, while taking into consideration other environmental goals • Support customers in accelerating their transition, engaging with them and developing a best-in-class sustainable finance and investment proposition 	 
Contribute to generate positive society returns	Support productive inclusion across our main stakeholders : employees, customers and communities	<ul style="list-style-type: none"> • Diverse and inclusive workplace that fosters employee wellbeing • Support financial inclusion of the most vulnerable customers, promoting access to banking products and services and offering financial education • Community support, with focus on Education, Employability and Entrepreneurship 	   
Embed ESG across the organization	Incorporate ESG in behaviours, policies, processes and governance throughout the Group	<ul style="list-style-type: none"> • Consistent tone from the top to drive cultural change and deliver on our commitments (climate, diversity, training...) • Integrate ESG into strategic processes, Risk Management & rest of relevant functions and build capabilities 	 

Our achievements



Environmental

Green finance¹

€74bn since 2019

AuMs in SRI²

€30bn Jun-22

Decarbonization targets in 2030 (vs 2019)



Power generation³

-46%



Thermal coal-related power⁴ and mining

Phase-out



Energy⁵

-29%



Aviation³

-33%



Steel³

-32%

NEW



Social

Microcredits

€426mn

loans through microfinance programmes in

8 countries



Financially empowered people

9mn

Since 2019
10 mn by 2025



Governance

ESG metrics

20% of long-term incentives in top management scorecard

Group Board



>60%

Independent directors



40%

Women

Note: H1'22 data not audited. For further information on ESG strategy see the Santander Corporate [ESG presentation](#).

(1) Only SCIB global business.

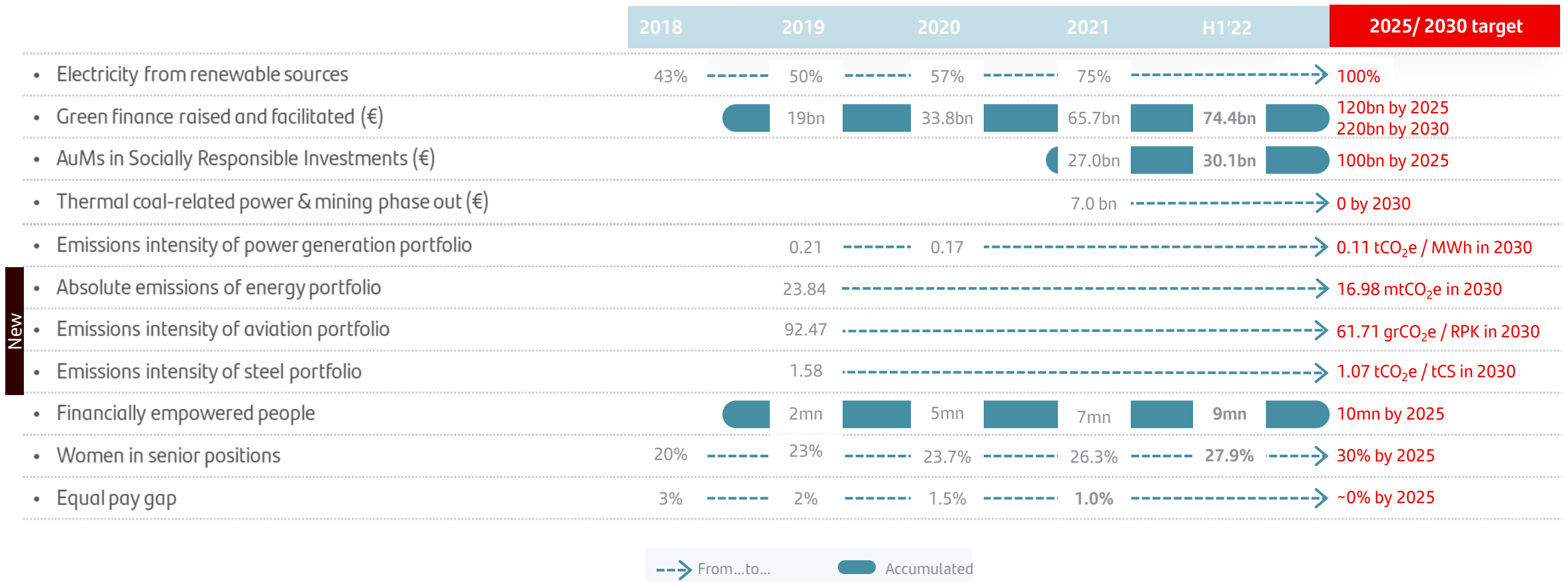
(2) Socially responsible investment. AuMs classified as Article 8 and 9 funds (SFDR) from SAM, plus third-party funds and other ESG products according to EU taxonomy from Private Banking. We apply equivalent ESG criteria to SAM's funds in Latin America.

(3) Emissions intensity.

(4) Refers to power generation clients with over 10% of their revenue depending on thermal coal.

(5) Absolute emissions.

ESG public targets

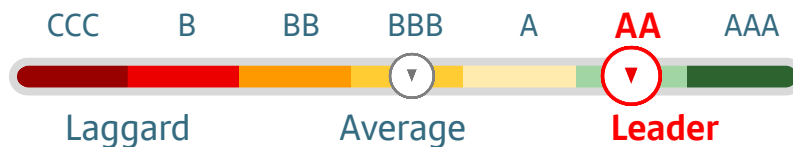


ESG Ratings/Indices (1/2)

MSCI



AA

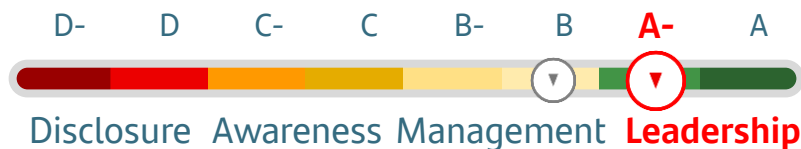


- ▶ Out of 191 banks, 3% are AAA and 29% AA

CDP



A-



- ▶ Above the sector average (B)

SUSTAINALYTICS



23.9

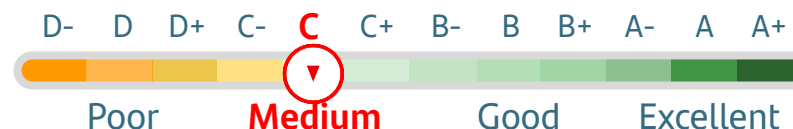


- ▶ 268th out of 1,045 banks / 86th of 407 diversified banks

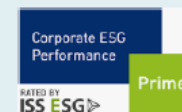
ISS ESG



C



- ▶ Industry benchmark: C+, Santander in top 10%
- ▶ Once again ISS ESG awarded us its **Prime badge** for companies with ESG performance above the sector-specific "Prime" threshold



Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA



86



- ▶ 8th out of 242 banks (98th percentile)
- ▶ 21 years in a row, featuring on the Dow Jones Sustainability World Index (DJSI World)

Santander

For further information on ESG strategy see the Santander Corporate [ESG presentation](#).

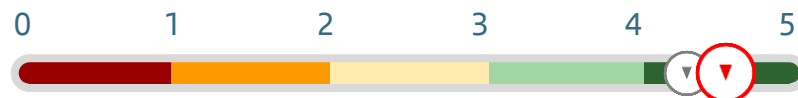
▼ 2021

▼ 2020

ESG Ratings/Indices (2/2)



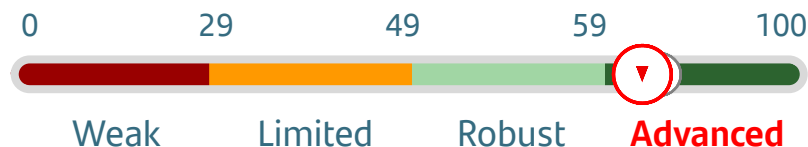
4.5



- ▶ 98th percentile in banks sector
- ▶ Banco Santander has been part of the FTSEGood Index since 2003. In June 2021, we obtained 4.5 points **ranking two points above sector's average**



61



- ▶ 11th out of 31 diversified banks



Silver



- ▶ Santander was included in the 2022 S&P Sustainability Yearbook, receiving a silver class award for its performance during 2021



90.26



- ▶ #1 out of 131 banks; 2nd overall
- ▶ This is the first year the bank has obtained the **maximum score** in the disclosure component and in Pro-Women Brand

Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

**Concluding
Remarks**

8

Links,
Appendix
and Glossary



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 June 2022 data, the Banco 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.

Index

1

H1'22
Summary

2

Santander
Business
Model &
Strategy

3

Capital

4

Asset
Quality

5

Liquidity &
Funding.
Ratings

6

ESG

7

Concluding
Remarks

8

**Links,
Appendix
and Glossary**



Links to Grupo Santander public materials

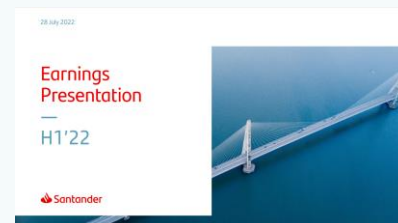
For additional information on the Group, please click on the images, icons or flags below

H1'22 financial results

Financial report



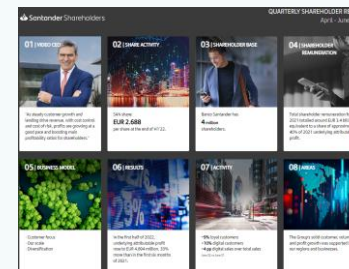
Earnings presentation



Series (Excel)



Shareholders report (interactive)



Country presentations



Press release



CEO video (3 minutes)



Institutional Presentation



ESG



Ratings



Pillar 3



Other information

2021 Digital Annual review

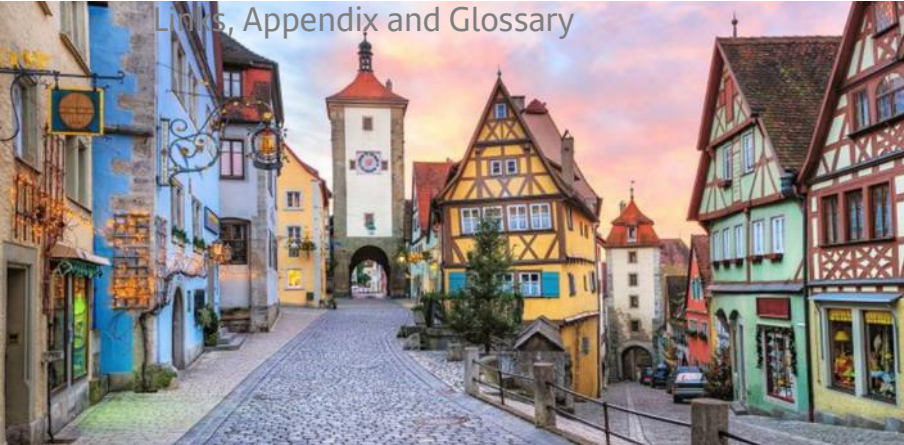


2021 Annual report



Overview of our Corporate Governance presentation













EUROPE

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

H1'22 Highlights

	Branches	3,178
	Employees	63,579
	Total customers (mn)	46.4
	Digital customers (mn)	16.8
	Customer loans (€ bn)	589
	Customer funds (€ bn)	705
	Underlying attributable profit (€ mn)	1,839
	RoTE ¹	12.1%

Strategic priorities

- Grow our business by better serving our customers through regional simplification and an improved value proposition
- Redefine customer interaction, enhancing our digital capabilities to offer comprehensive experiences (such as OneApp)
- Create a common operating model that embeds technology into our business, leveraging our scale in the region













NORTH AMERICA

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

H1'22 Highlights

	Branches	1,859
	Employees	43,779
	Total customers (mn)	25.3
	Digital customers (mn)	7.0
	Customer loans (€ bn)	152
	Customer funds (€ bn)	151
	Underlying attributable profit (€ mn)	1,578
	RoTE ¹	23.3%

Strategic priorities

- Strengthen One Santander in North America by unifying a common and regional approach to forge future growth within the region
- Boost customer attraction and retention, while broadening our tailored products and services proposition for a more straightforward customer experience
- Leverage our regional capabilities and sharing best practices to optimize expenses and improve profitability
- Focus on expanding and implementing sustainable finance opportunities within our businesses













SOUTH AMERICA

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

H1'22 Highlights

	Branches	3,786
	Employees	75,588
	Total customers (mn)	65.8
	Digital customers (mn)	25.3
	Customer loans (€ bn)	148
	Customer funds (€ bn)	182
	Underlying attributable profit (€ mn)	1,946
	RoTE ¹	27.6%

Strategic priorities









- Strengthen connectivity and share best practices across countries, capturing new business opportunities
- Focus on delivering profitable growth, increasing loyalty and customer attraction, as well as controlling risks and costs
- Make headway in the development of joint initiatives between SCIB and corporates
- In payment methods, focus on e-commerce strategies and on the business of instant domestic and international transfers
- Continue to promote inclusive and sustainable businesses, such as micro-credit programmes, and further developed ESG initiatives



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'

H1'22 Highlights

	Branches	370
	Employees	15,894
	Active customers (mn)	19.4
	Points of sale (k)	>130
	Customer loans (€ bn)	119
	Customer funds (€ bn)	60
	Underlying attributable profit (€ mn)	572
	RoTE ¹	12.8%

Strategic priorities

- To become the largest digital consumer bank leveraging SCF's footprint, profiting from Openbank's technology and reinforcing our leadership with strategic alliances
- **Auto:** strengthen auto financing leadership by reinforcing mobility solutions with focus on leasing and subscription
- **Consumer (non-auto):** gain market share in consumer lending, with focus on e-commerce checkout lending and buy now, pay later (BNPL)
- **Simplification for efficiency:** maintain high speed digitalization in order to transform the business and improve efficiency
- **ESG:** enhance green finance propositions (fully-electric vehicles, electric chargers, solar panels, etc.) in both auto and consumer loans





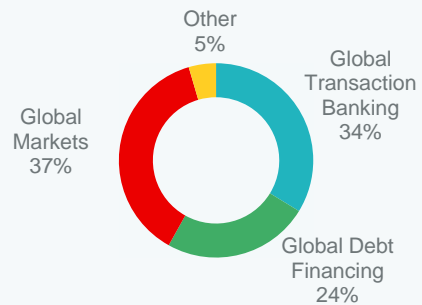
Santander Corporate & Investment Banking

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

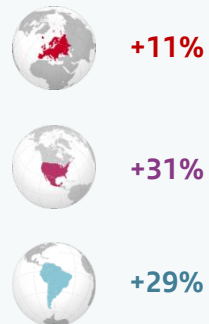
H1'22 Highlights

	Total income (€ mn)	3,612
	Collaboration revenue	+33% YoY
	RoTE	24.3%
	Underlying attributable profit (€ mn)	1,531

Total income breakdown by business



Revenue YoY growth by region



Strategic priorities

- Continue the business transformation to partner with our clients as strategic advisors, strengthening our value-added services, with an increased focus on ESG and Digital solutions
- In Europe, our aim is to become one of the relevant European CIB players by strengthening our advisory capabilities leveraging a pan-European platform to better serve our global clients' needs
- In South America, our ambition is to become the top CIB player in most countries and products, consolidating our leadership position evolving from multi-country to pan-regional
- In the US, our aim is to up-tier our CIB franchise to compete on a level playing field. Focus on the Amherst Pierpont Securities (APS) integration as a step to deliver on our growth aspirations



Leaders in League Tables Q2'22

Structured Finance



Green Finance



Debt Capital Markets



Source: Dealogic, Inframation, Bloomberg



Recent Awards

EUROMONEY

Best Investment Bank in Spain

GTR Global Trade Review

Best Supply Chain Finance Bank

GlobalCapital

Most Impressive Bank for Latin American Bonds



Wealth Management & Insurance

'We strive to become the best responsible wealth and insurance manager in Europe and the Americas'

H1'22 Highlights

	Total assets under management ¹ (€ bn)	395
	Total fees generated as % of the Group's total fees ²	30%
	RoTE	57.1%
	Underlying attributable profit (€ mn)	515
	Total contribution to Group's profit ³ (€ mn)	1,276
	Total contribution to Group's profit ³	+15% YoY
	Private Banking customers (k)	>220
	Private Banking collaboration volume	+22% YoY
	Private Banking net new money (€ bn)	5.8
	Santander Asset Management net sales (€ bn)	-1.7
	Insurance Gross written premiums	+17% YoY



(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 and excluding insurance one-offs in 2021. Otherwise, +8%.

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

Strategic priorities



- Continue to build our global platform
 - Expand and develop our product and service proposition
 - Deploy the best digital tools
- Renew or improve our top 3 position as Best Global Private Bank according to *Euromoney* (clients up to \$250mn)



- Continue to be the preferred funds partner for our retail network
 - Complete the creation of the global hubs
 - Expand the One Investments model and methodologies
 - Work to complete the implementation of our digital funds distribution platforms



- Optimize our customer service by completing our digital proposition using customer data
- Manage our portfolio to extend policy life
- Increase customer base penetration

ESG transversal across our businesses: offer sustainable investment management in our private banking platform, expand our SRI range to help reach our commitment of €100bn AuM by 2025, work towards our Net Zero commitments and create a sustainable insurance value proposition.



H1'22 Highlights

PagoNxt revenue **€398mn; +87%**

Merchants

Active merchants (mn) 1.27; +5%

Total payments volume (€ bn) 74.6; +35%

International Trade

Active customers (One Trade & Ebury; k) >25

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, SMEs & corporates and consumers

Business lines

▼ Merchants

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

▼ International Trade

Specialized **cross-border trading solutions** for businesses in a global market yet to be fully digitalized

▼ Payments

Wholesale **account to account payment processing** and instant connectivity to schemes in multiple geographies

▼ Consumers

Financial **marketplace for the economic inclusion** of the underbanked population with focus in Latam



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



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

