

FIXED INCOME INVESTORS PRESENTATION

—

H1'23



Important information

Non-IFRS and alternative performance measures

This presentation contains financial information prepared according to International Financial Reporting Standards (IFRS) and taken from our consolidated financial statements, as well as alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, and other non-IFRS measures. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors.

We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider them to be useful metrics for our management and investors to compare operating performance between periods.

Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR.

For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2022 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2023 (<https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anuales-suministrada-a-la-sec/2023/sec-2022-annual-20-f-2022-en.pdf>), as well as the section "Alternative performance measures" of Banco Santander, S.A. (Santander) Q2 2023 Financial Report, published on 26 July 2023 (<https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#quarterly-results>). Underlying measures, which are included in this document, are non-IFRS measures

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

Non-financial information

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

NFI is included to comply with Spanish Act 11/2018 on non-financial information and diversity and to provide a broader view of our impact. NFI is not audited nor reviewed by an external auditor. NFI is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. NFI is based on various materiality thresholds, estimates, assumptions, judgments and underlying data derived internally and from third parties. NFI is thus subject to significant measurement uncertainties, may not be comparable to NFI of other companies or over time or across periods and its inclusion is not meant to imply that the information is fit for any particular purpose or that it is material to us under mandatory reporting standards. NFI is for informational purposes only and without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

Forward-looking statements

Santander hereby warns that this presentation contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such statements can be understood through words and expressions like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future", "commitment", "commit", "focus", "pledge" and similar expressions. They include (but are not limited to) statements on future business development, shareholder remuneration policy and NFI. However, risks, uncertainties and other important factors may lead to developments and results to differ materially from those anticipated, expected, projected or assumed in forward-looking statements.

Important information

The following important factors (and others described elsewhere in this presentation and other risk factors, uncertainties or contingencies detailed in our most recent Form 20-F and subsequent 6-Ks filed with, or furnished to, the SEC), as well as other unknown or unpredictable factors, could affect our future development and results and could lead to outcomes materially different from what our forward-looking statements anticipate, expect, project or assume: (1) general economic or industry conditions (e.g., an economic downturn; higher volatility in the capital markets; inflation; 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) in areas where we have significant operations or investments; (2) climate-related conditions, regulations, policies, targets and weather events; (3) exposure to various market risks (e.g., risks from interest rates, foreign exchange rates, equity prices and new benchmark indices); (4) potential losses from early loan repayment, collateral depreciation or counterparty risk; (5) political instability in Spain, the UK, other European countries, Latin America and the US; (6) legislative, regulatory or tax changes (including regulatory capital and liquidity requirements), especially in view of the UK's exit from the European Union and increased regulation prompted by financial crises; (7) acquisition integration challenges arising from deviating management's resources and attention from other strategic opportunities and operational matters; (8) our own decisions and actions including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; (9) uncertainty over the scope of actions that may be required by us, governments and others to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations; and (10) changes affecting our access to liquidity and funding on acceptable terms, especially due to credit spread shifts or credit rating downgrades for the entire group or core subsidiaries.

Forward looking statements are based on current expectations and future estimates about Santander's and third-parties' operations and businesses and address matters that are uncertain to varying degrees, including, but not limited to developing standards that may change in the future; plans, projections, expectations, targets, objectives, strategies and goals relating to environmental, social, safety and governance performance, including expectations regarding future execution of Santander's and third-parties' energy and climate strategies, and the underlying assumptions and estimated impacts on Santander's and third-parties' businesses related thereto; Santander's and third-parties' approach, plans and expectations in relation to carbon use and targeted reductions of emissions; changes in operations or investments under existing or future environmental laws and regulations; and changes in government regulations, regulatory requirements and internal policies, including those related to climate-related initiatives.

Forward-looking statements are aspirational, should be regarded as indicative, preliminary and for illustrative purposes only, speak only as of the date of this presentation, are informed by the knowledge, information and views available on such date and are subject to change without notice. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise, except as required by applicable law.

Not a securities offer

This presentation and the information it contains does not constitute an offer to sell nor the solicitation of an offer to buy any securities.

Past performance does not indicate future outcomes

Statements about historical performance or growth rates must not be construed as suggesting that future performance, share price or results (including earnings per share) will necessarily be the same or higher than in a previous period. Nothing in this presentation should be taken as a profit and loss forecast.

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Santander at a Glance

Santander, a
leading financial
group

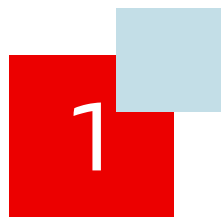
Simple | Personal | Fair



H1'23 Highlights

	Total assets (€ bn)	1,780
	Customer loans (€ bn excluding reverse repos)	1,022
	Customer deposits + mutual funds (€ bn excluding repos)	1,134
	Branches	8,823
	H1'23 Net operating income (pre-provision profit) (€ mn)	15,755
	H1'23 Attributable profit (€ mn)	5,241
	Market capitalization (€ bn; 30-06-23)	55
	People (headcount)	212,409
	Customers (mn)	164
	Shareholders (mn)	3.8
	Financial inclusion starting 2023 (mn people)	0.9

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**H1'23
Summary**



Santander
Business
Model &
Strategy



Capital



Asset
Quality



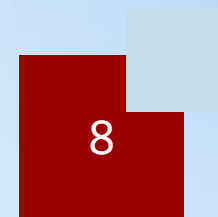
Liquidity &
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ESG



Concluding
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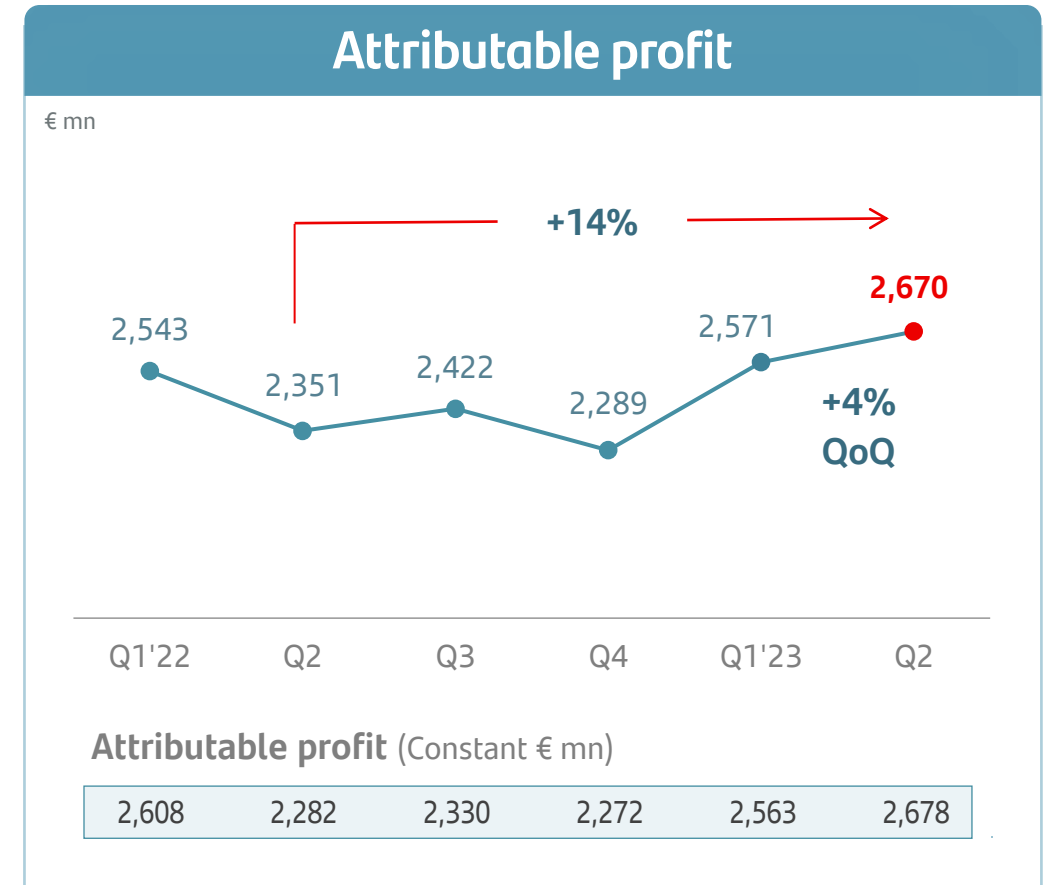


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Profit increased in H1'23, supported by customer revenue and efficiency improvement, with double-digit growth in net operating income

Underlying P&L			Current	Constant
€ million	H1'23	H1'22	%	%
NII	20,920	18,409	14	15
Net fee income	6,103	5,852	4	5
Other income	1,211	859	41	27
Total revenue	28,234	25,120	12	13
Operating expenses	-12,479	-11,435	9	11
Net operating income	15,755	13,685	15	15
LLPs	-5,771	-4,735	22	21
Other results*	-1,655	-1,035	60	69
Attributable profit	5,241	4,894	7	7



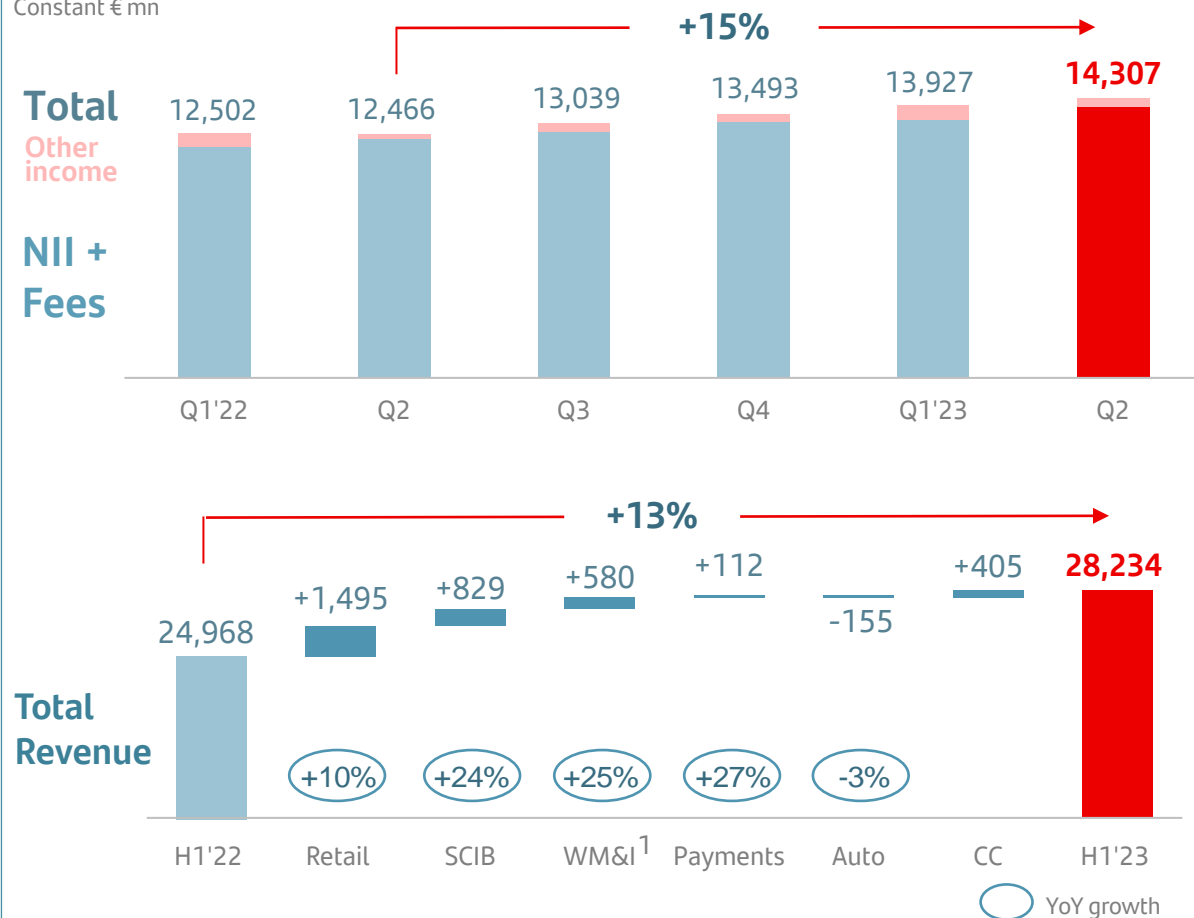
Well on track to achieve our 2023 financial targets

		FY 2023 targets	H1'23
Revenue ¹	>>	Double-digit growth	+13%
Efficiency ratio	>>	44-45%	44.2%
CoR	>>	<1.2%	1.08%
FL CET1	>>	>12%	12.2%
RoTE	>>	>15%	14.5%

Double-digit revenue growth backed by good customer activity across businesses and regions

Total revenue

Constant € mn



Revenue trends

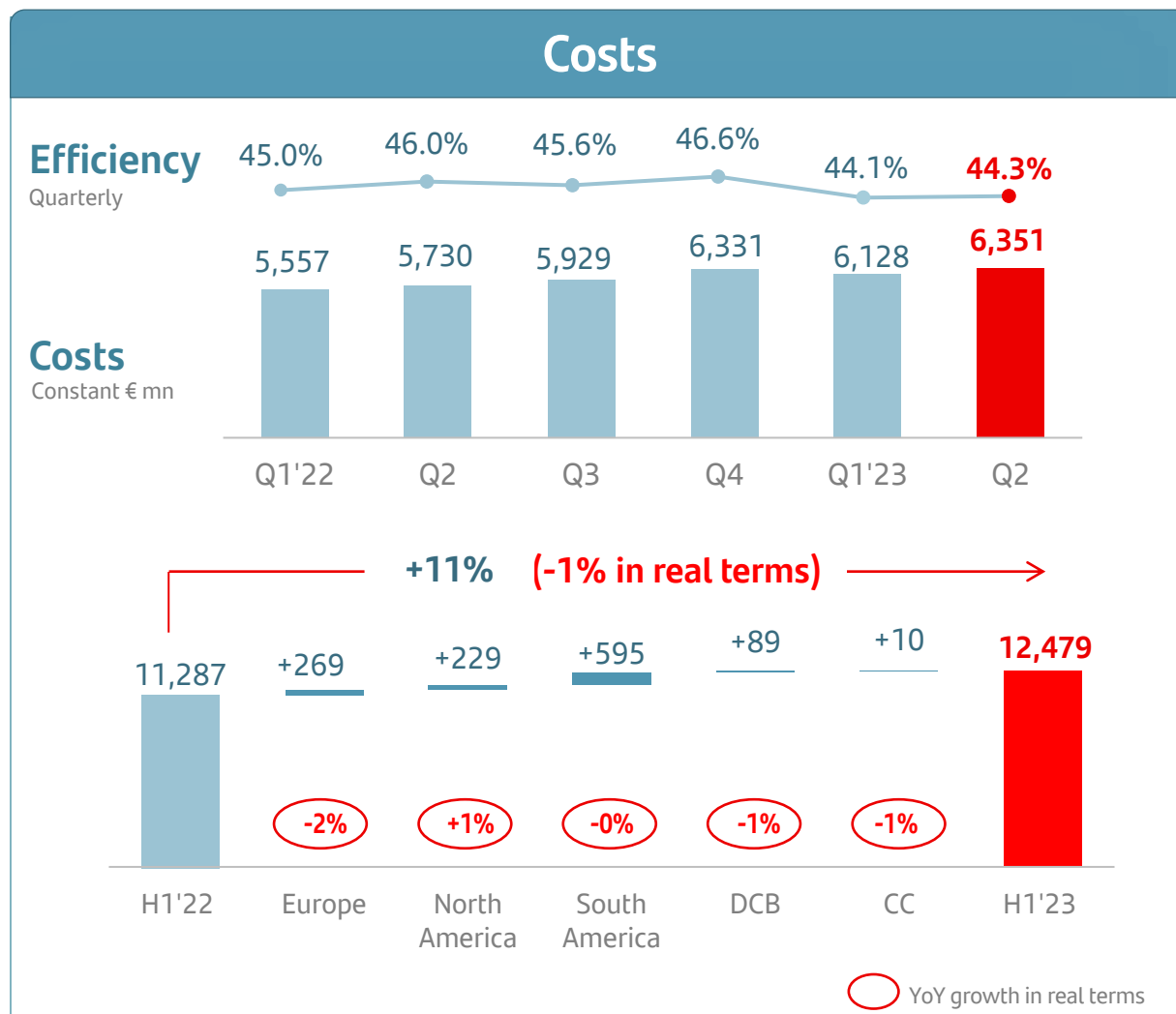
Group performance

- **>95% of total revenue is customer related** which drives the vast majority of total revenue growth
- **Double-digit revenue growth** across all businesses except Auto, which was mainly affected by negative interest rate sensitivity and lower leasing income in the US

By region

- **All regions increased.** Margin management in a context of higher interest rates in Europe and solid fee performance in North and South America
- Revenue up 5% in **DCB**, backed by **focus on profitability** with disciplined asset repricing and deposits growth
- Higher liquidity buffer remuneration and lower negative impact from FX hedging in the Corporate Centre

Focus on productivity and efficiency with costs decreasing in real terms



Costs and efficiency drivers

Efficiency improved

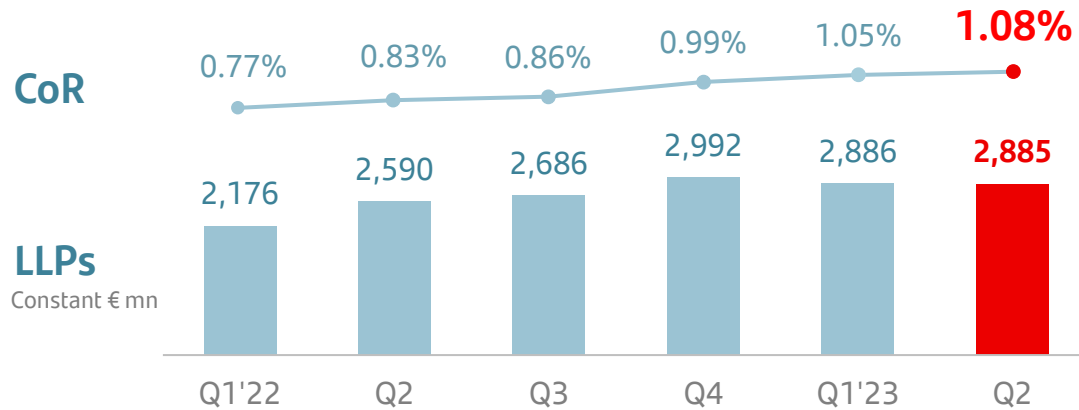
- Transformation towards **simpler and more integrated models** is driving cost improvements
- Cost performance includes investments in **transformation (technology)** for €1.2bn
- H1'23 Group **efficiency improved 1.3pp YoY to 44.2%** mainly driven by Europe (-7pp)

Costs grew below inflation

- Costs in real terms: -1% YoY**
- Costs **growing below inflation** in Europe, DCB and South America
- North America up 1% reflecting **investments in transformation**

Credit quality remains robust, on track to achieve Group 2023 CoR target

LLPs and Credit quality



Other credit quality metrics

	Jun-22	Mar-23	Jun-23
NPL ratio	3.05%	3.05%	3.07%
Coverage ratio	71%	68%	68%
Stage 1	€998bn	€1,005bn	€1,011bn
Stage 2	€66bn	€72bn	€75bn
Stage 3	€34bn	€34bn	€35bn

Credit quality drivers

Group NPL and stages

- **Credit quality remains robust** supported by record low unemployment in most countries
- **NPL ratio stood at 3.07%** (3.05% Jun-22) with **NPL coverage and stages** fairly stable

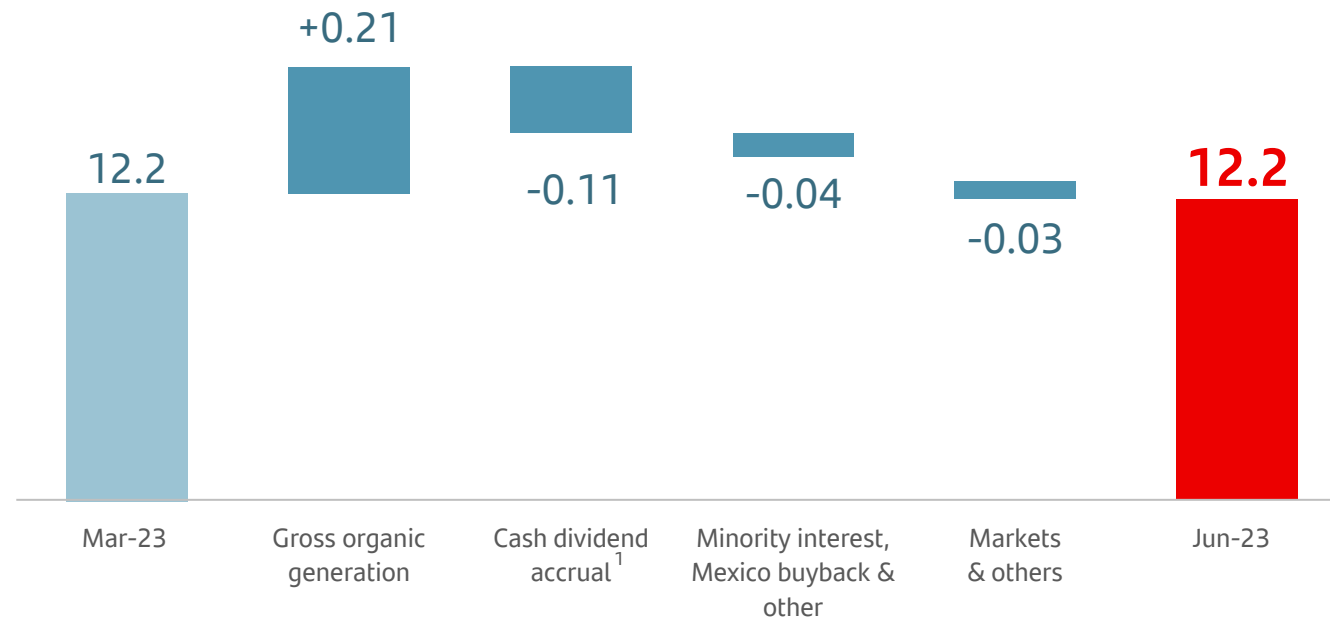
Detail by country

- **Spain** credit quality continues to improve with CoR dropping YoY
- CoR in the **UK**, **DCB** and **Mexico** slightly up from very low levels in H1'22
- **US** CoR remains better-than-expected at 1.57%
- **Brazil** NPL and CoR improved QoQ
- **Poland** impacted by CHF mortgages

Capital in line with our target of >12%

Q2'23 FL CET1 performance

Jun-23



Capital ratios

	H1'22	H1'23	Diff.
FL CET1 ratio	12.0%	12.2%	19bps
FL Total capital ratio	15.9%	15.9%	-1bps
FL Leverage ratio	4.7%	4.8%	12bps

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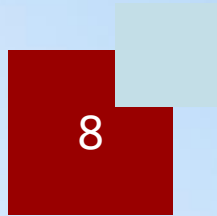
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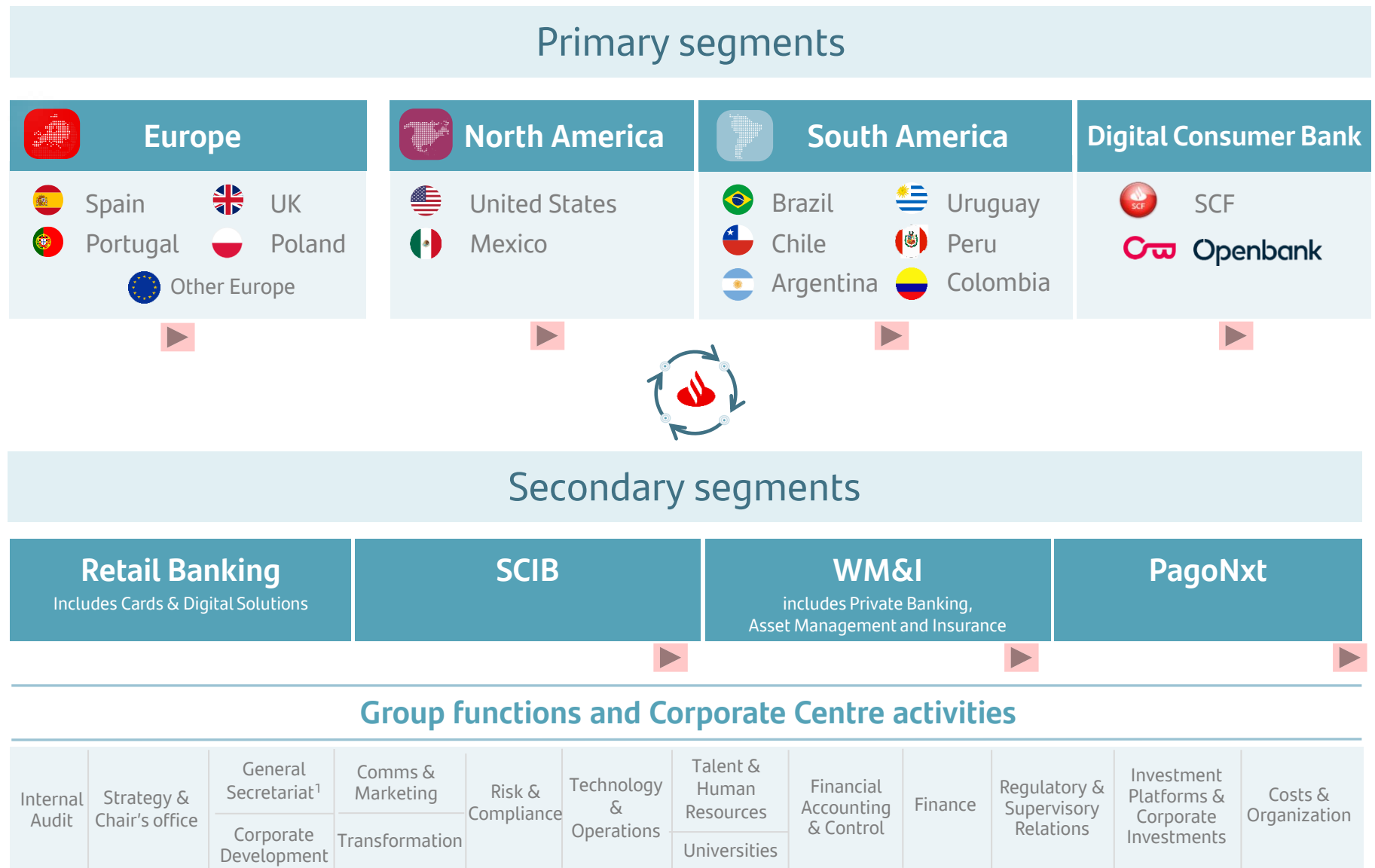
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Santander is managed according to primary and secondary segments

Group organizational structure

Towards the Santander of Tomorrow



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

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

Our business model is the foundation for generating value for our shareholders

1. Customer focus

Digital bank with branches



Top 3 NPS¹ in 5 markets



164 mn total customers

99 mn active customers

Transform our business and operating model through our global technology initiatives to build a digital bank with branches that provides access to financial services for our customers through several channels.

2. Scale

Local & global scale

Top 3 in lending²
in 9 of our markets



In-market scale in each of our core markets in volumes combined with our global scale support greater profitability and provide a competitive advantage over local peers.

3. Diversification

Geographic and business diversification.
Solid and diversified balance sheet

Distribution by market³



Our well balanced diversification between developing and mature markets, as well as between business and customer segments, delivers recurrent pre-provision profit with low volatility.

Our business model remains a source of great strength and resilience



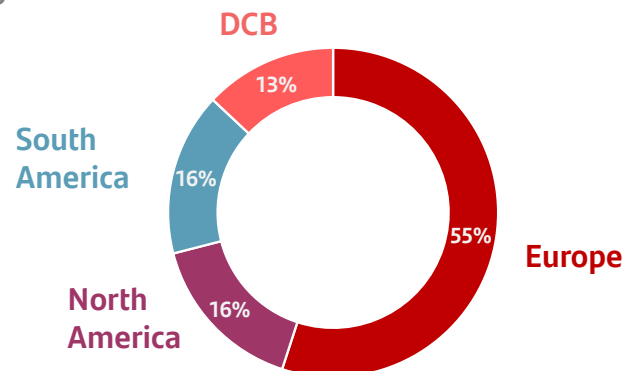
(1) NPS – internal benchmark of individual customers' satisfaction audited by Stiga/Deloitte in H1'23.
 (2) Market share in lending as of Mar-23 including only privately-owned banks. UK benchmark refers to the mortgage market. Digital Consumer Bank (DCB) refers to auto in Europe.
 (3) H1'23 attributable profit by region. Operating areas excluding the Corporate Centre.

We maintain our geographic and business diversification both in assets and liabilities ...

Loans and advances to customers

(excluding reverse repos, Jun-23)

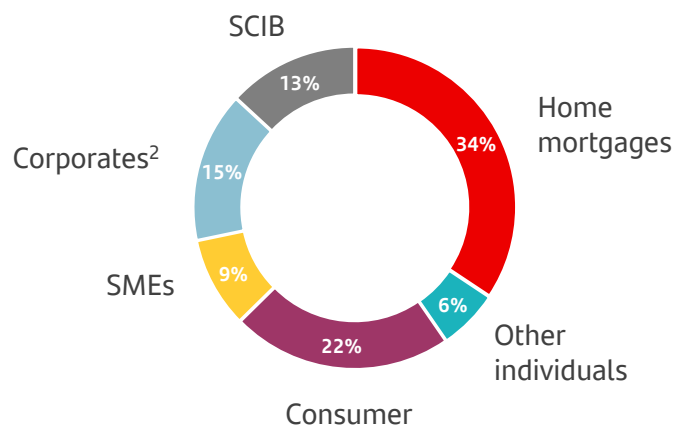
By area¹



Total gross loans
excluding reverse
repos: **€1,022bn**

RWAs: **€631bn**

By business



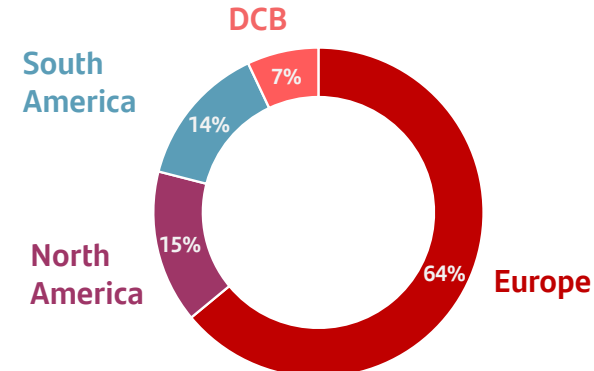
Breakdown of
total loan portfolio:

87% Retail
13% Wholesale

Customer deposits

(excluding repos, Jun-23)

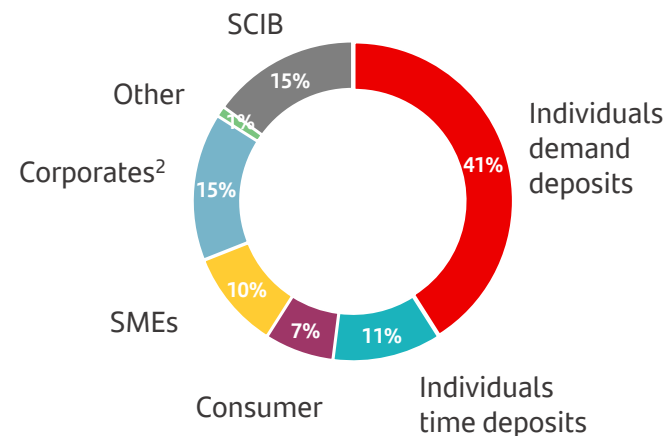
By area¹



Total customer deposits
(excluding repos):
€941bn

Total mutual funds:
€193bn

By business



Product breakdown:

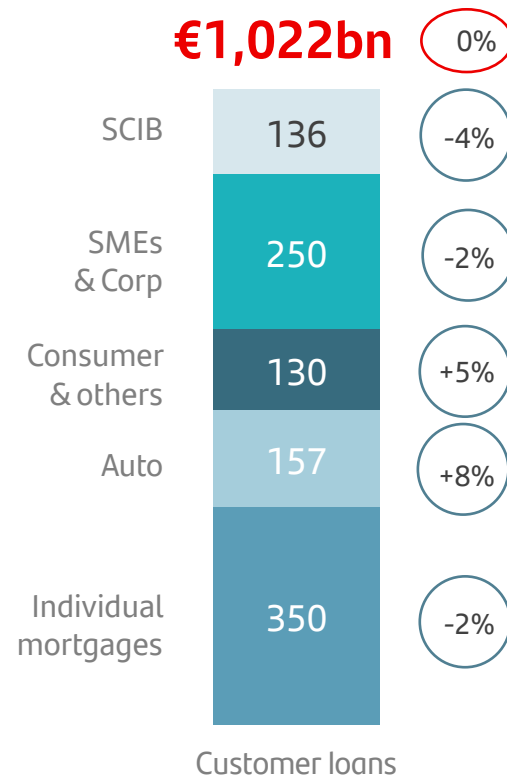
71% demand
29% time

85% Retail
c.80% Insured³

... with loans that remained flat despite changing interest rate dynamics...

Customer loans

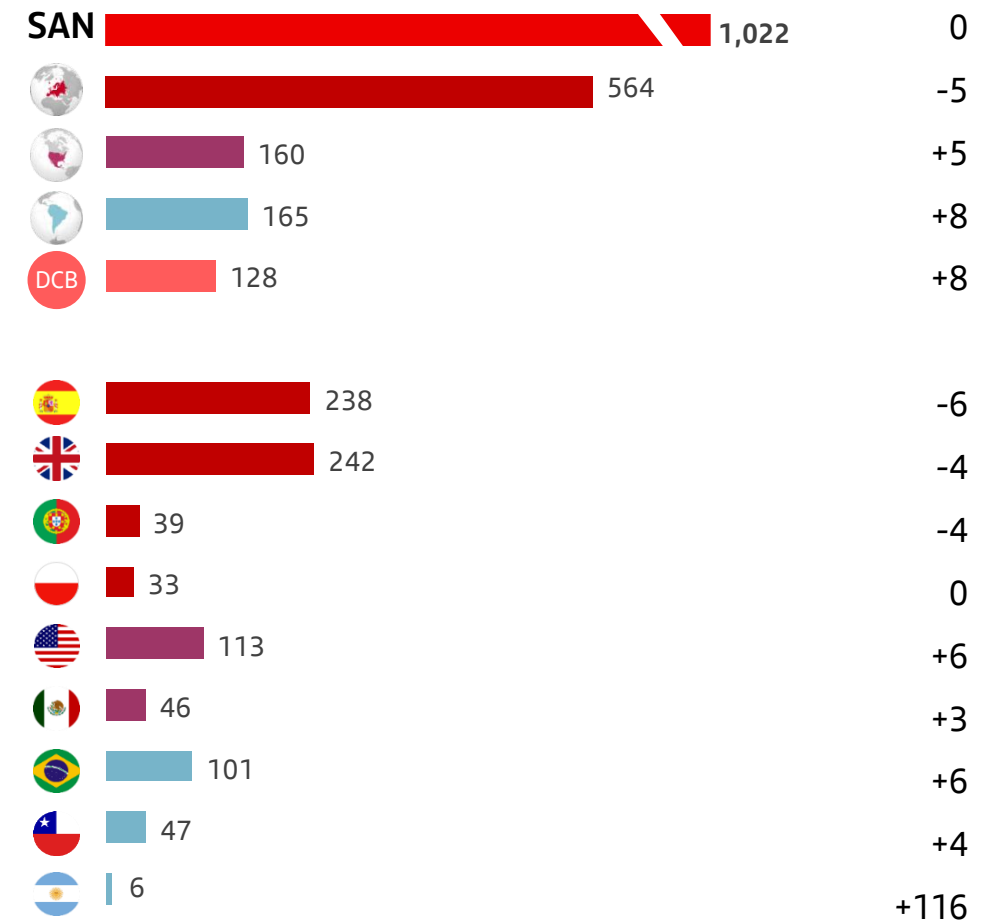
Jun-23, € bn and % change YoY in constant €



Loan growth heterogenous across footprint: early mortgage payments and lower corporate demand in Europe but continued robust growth in the Americas and DCB

Customer loans by country

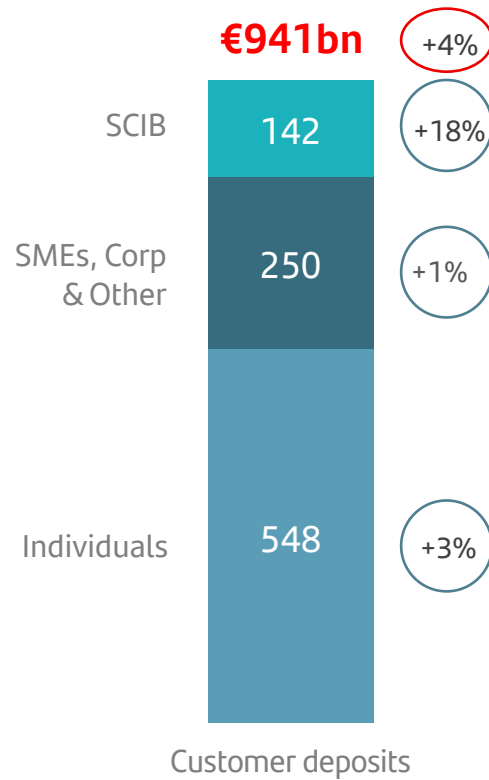
Jun-23, € bn and % change YoY in constant €



... and a strong and diversified deposit base

Customer deposits

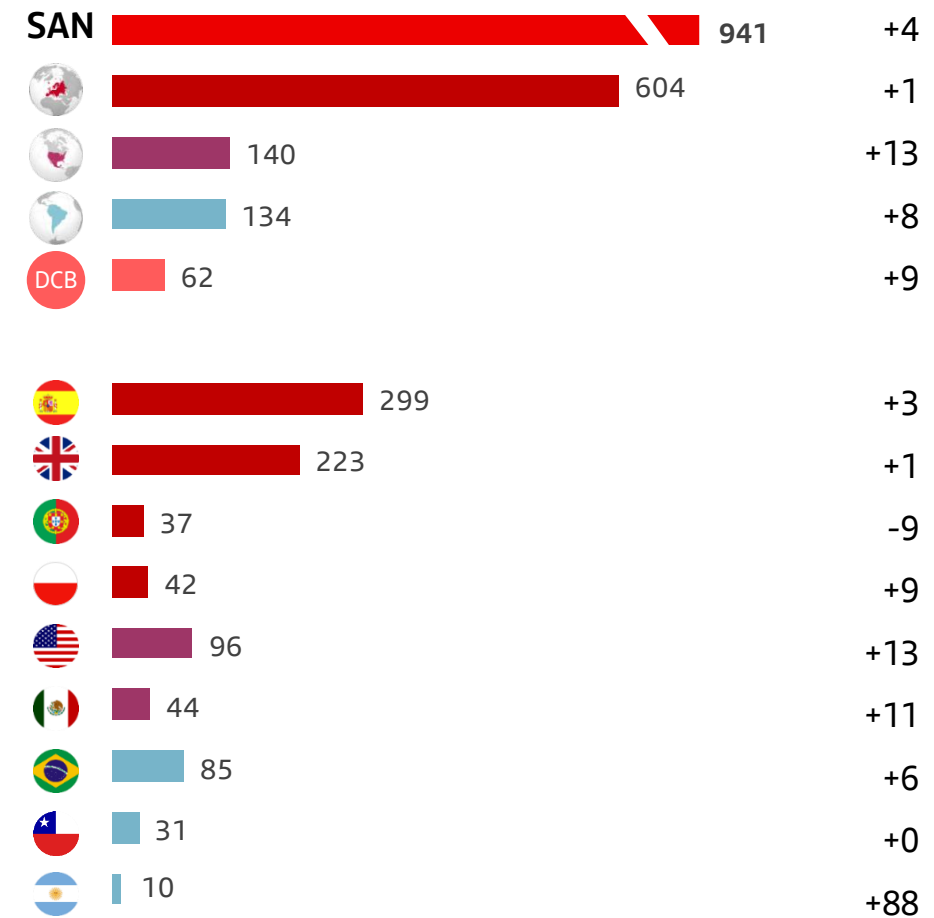
Jun-23, € bn and % change YoY in constant €



High-quality stable deposit base: c. 75% of total deposits are transactional¹ and c. 80% of deposits from individuals are insured.

Customer deposits by country

Jun-23, € bn and % change YoY in constant €



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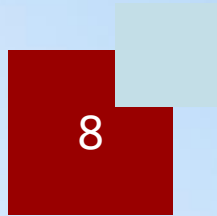
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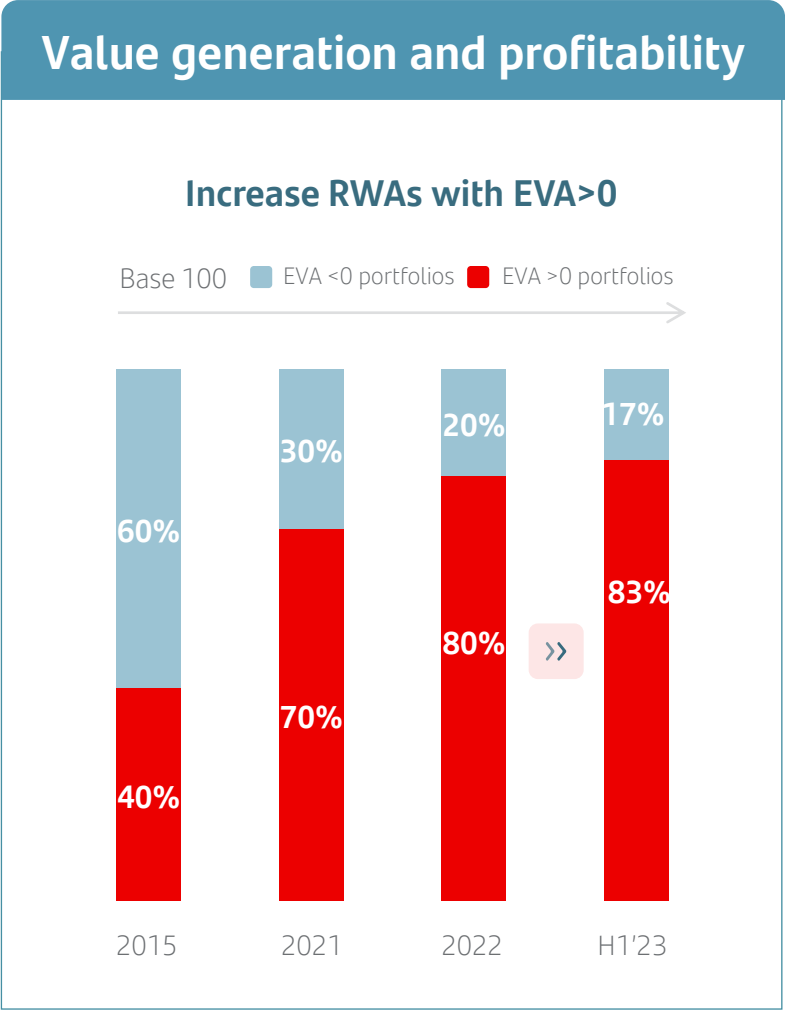
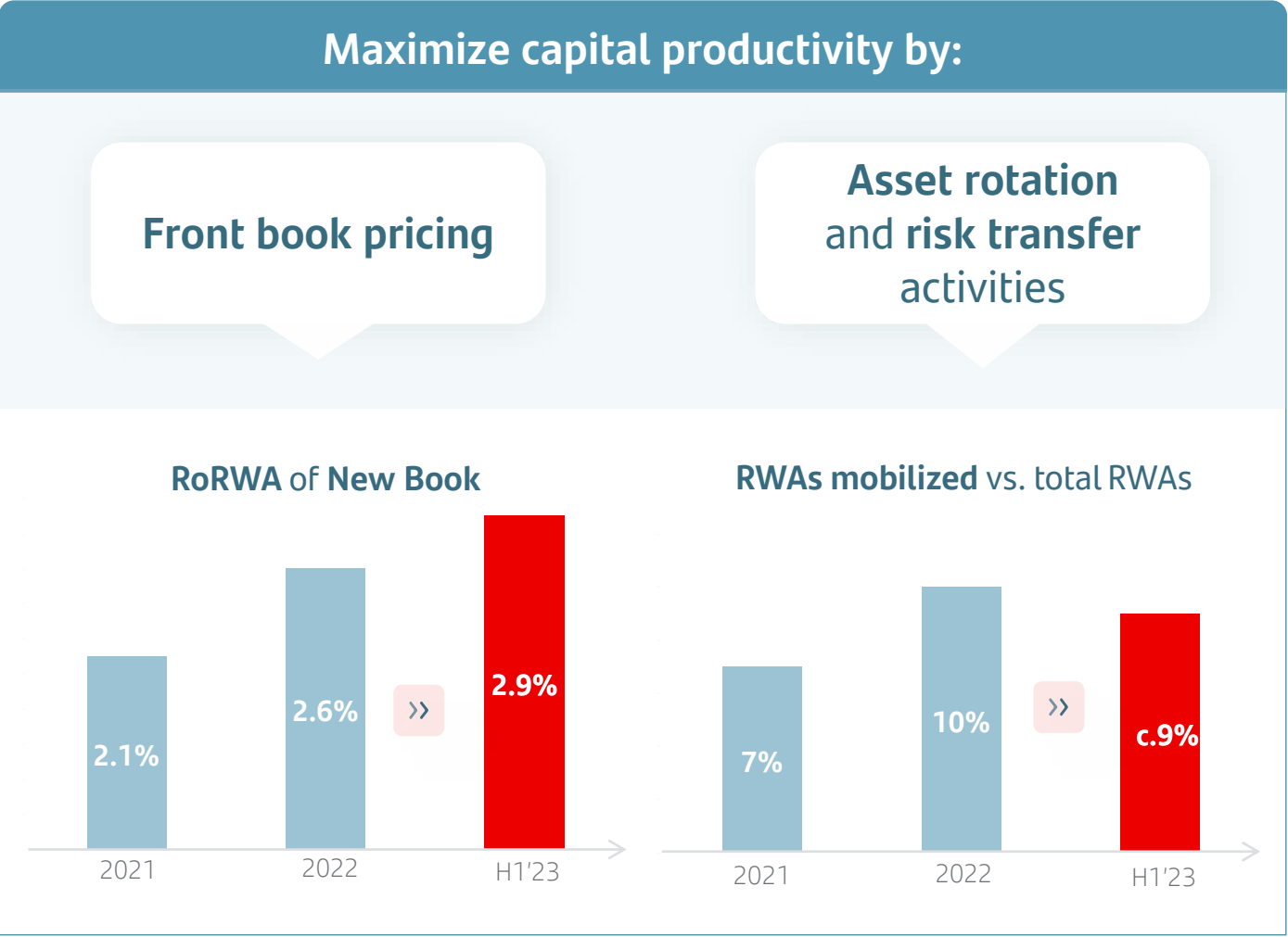
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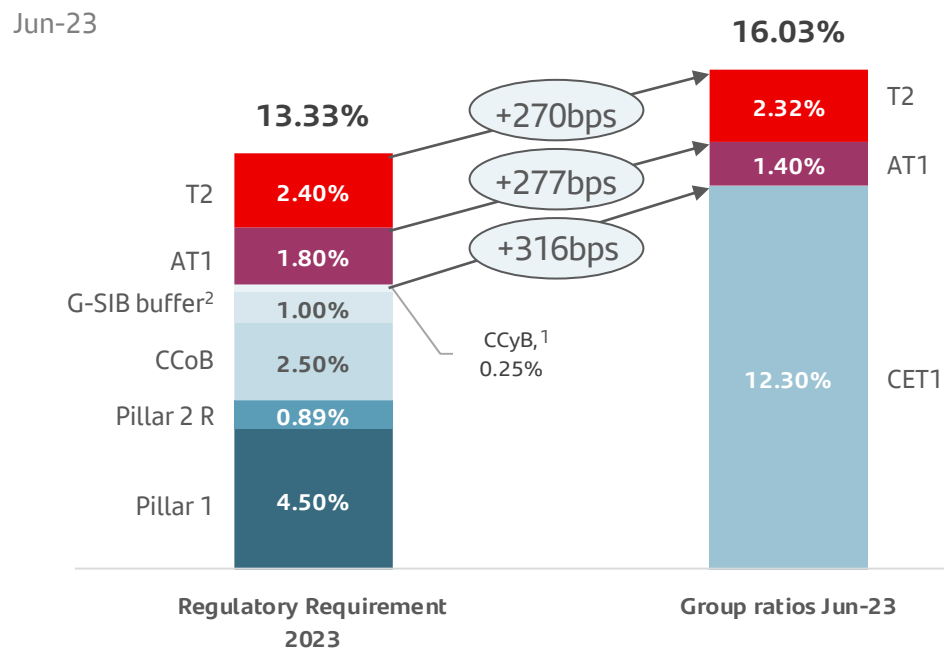


Capital allocation discipline is key to improving profitability and creating value



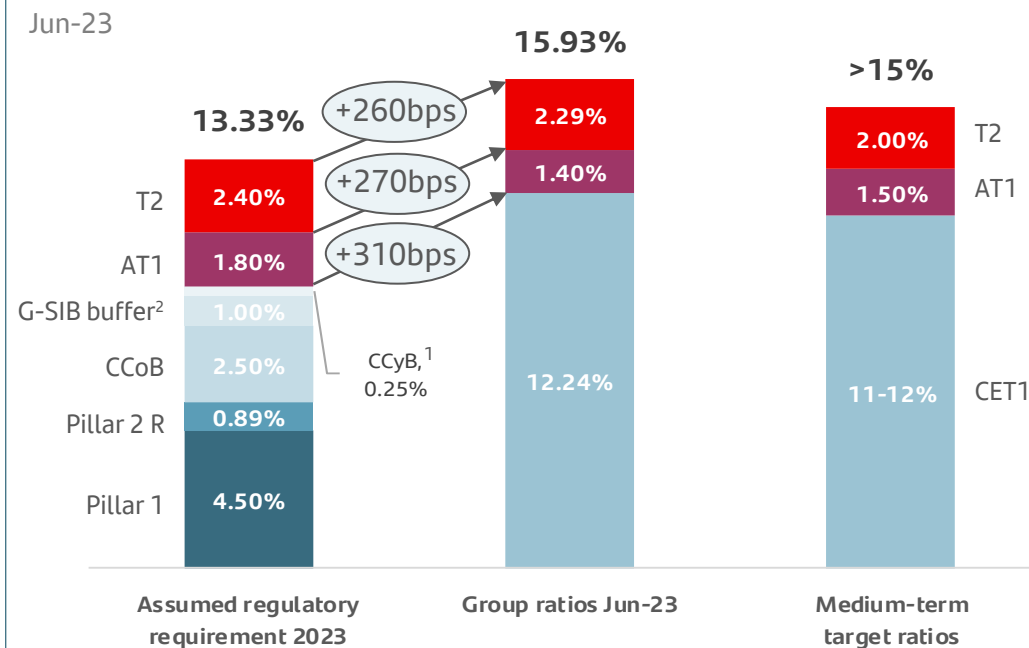
Santander's capital levels, both phased-in and fully loaded, exceed minimum regulatory requirements

SREP capital requirements and MDA*



- The minimum CET1 to be maintained by the Group is 9.14%
- As of Jun-23, the distance to the MDA is 270bps³ and the CET1 management buffer is 316bps

Assumed capital requirements (fully-loaded)**



- AT1 and T2 ratios are planned to be close to 1.5% and 2.0% of RWAs respectively

* The phased-in ratio includes the transitory treatment of IFRS 9, calculated in accordance with article 473 bis of the Capital Requirements Regulation (CRR2) and subsequent modifications introduced by Regulation 2020/873 of the European Union. Total phased-in capital ratios include the transitory treatment according to chapter 4, title 1, part 10 of the CRR2.

** Fully-loaded CRR and fully-loaded IFRS 9.

(1) Estimated countercyclical buffer as of Jun-23.

(2) According to recent a resolution draft from Banco de España, our D-SIB buffer is expected to increase from 1% to 1.25% from January 2024 following a change in methodology. Institutions must hold capital at the consolidated level for the higher of the G-SIB and D-SIB requirements. Santander currently applies a 1% CET1 surcharge, globally (G-SIB) and locally (D-SIB), as they are both set at 1%.

(3) MDA trigger = 3.16% - 0.39% - 0.07% = 2.70% (39bps of AT1 shortfall and 7bps of T2 shortfall are covered with CET1).

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%: **>€45bn**.
- 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-23, the **distance to the MDA is 270bps²**.

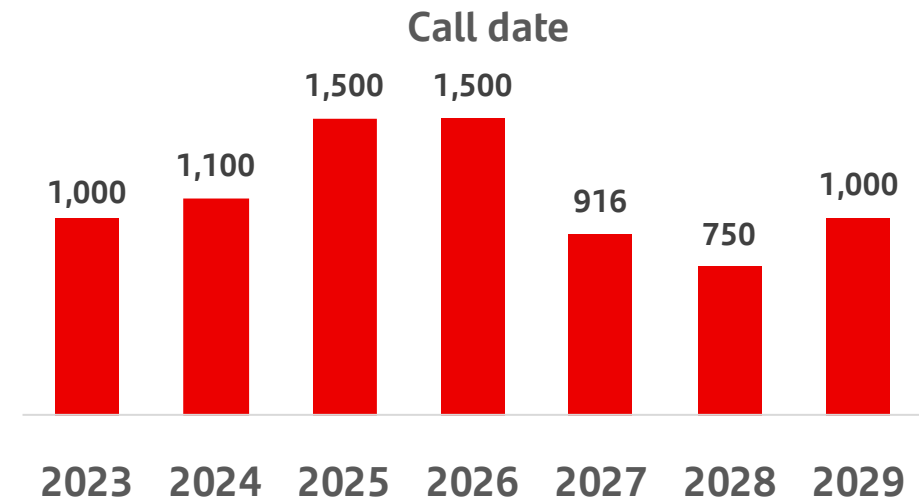
ADIs

- Santander Parent Bank has €62bn in Available Distributable Items, **best-in-class**.
- This amount of ADI represents **129 times** the full Parent AT1 budgeted for 2023.
- 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

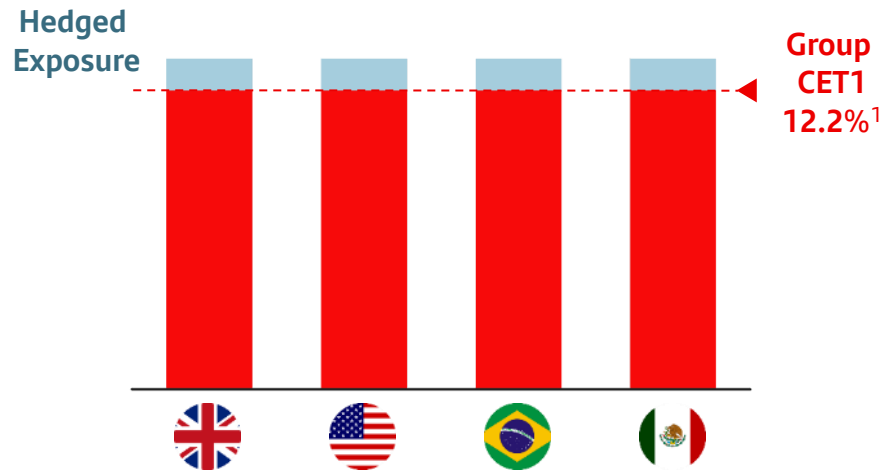
Banco Santander, S.A. AT1 issuances outstanding at Jun-23

Currency	Nominal € mn	Coupon	Structure	Next call date	Reset Spread
EUR	1,000	5.25%	PNC6	29-Sep-23	499.9bps
USD	1,100	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	916	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	376.0bps



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.

Diversified bond portfolio represents just 7% of total assets

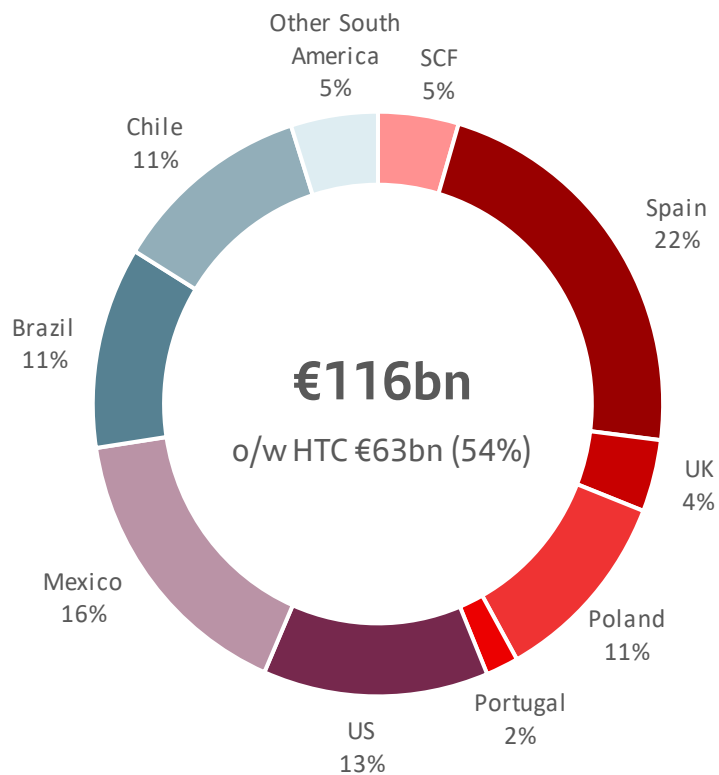
Bond portfolio

%, Jun-23

€116bn

Liquidity
portfolio
€29bn

ALCO IRRBB
€87bn



- Bond portfolio represents **7% of total assets**
- **HTC&S** duration: 1.3 years
- **Mark to market impact of the HTC portfolio** equivalent to c.2% of total FL CET1

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Capital



**Asset
Quality**



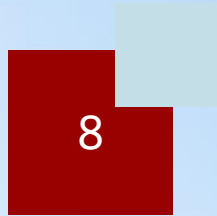
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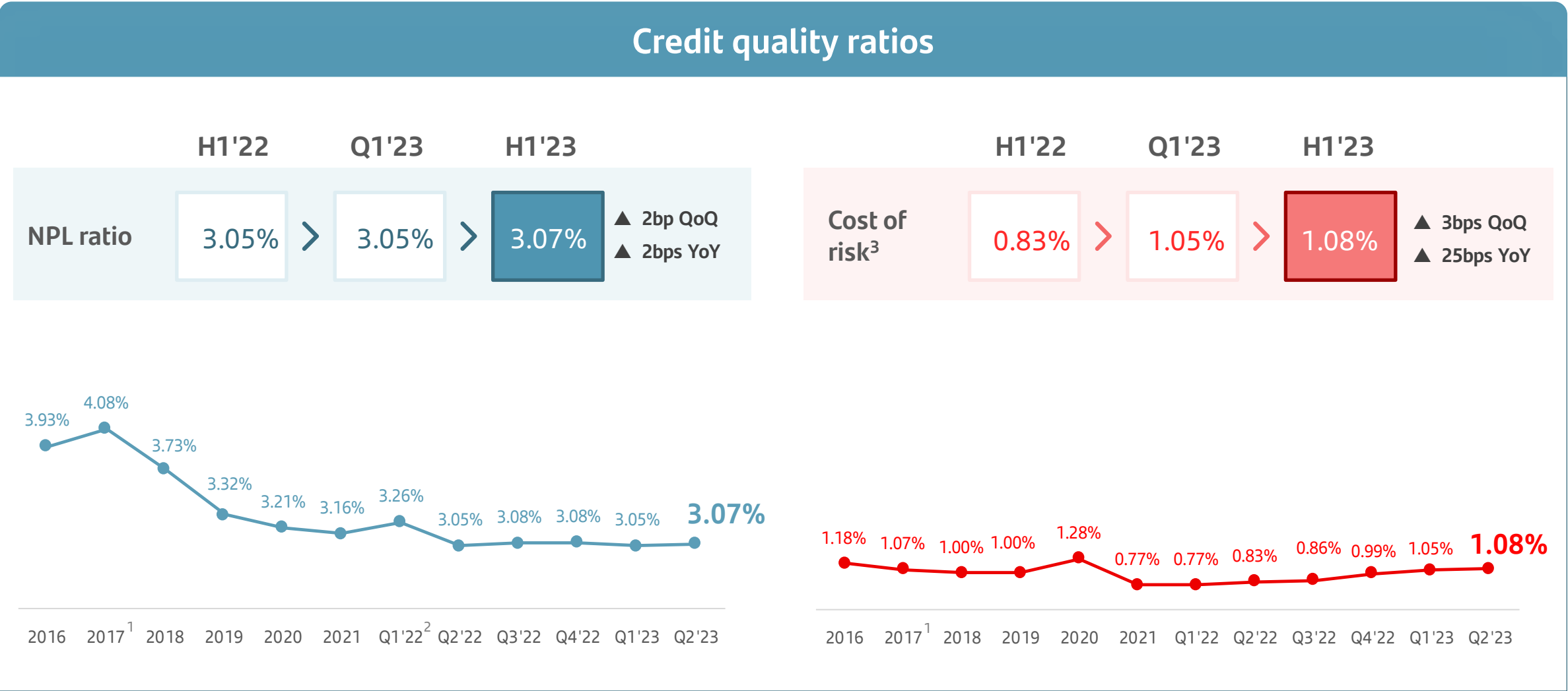
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Credit quality remains solid...



(1) Acquisition of Banco Popular in 2017.
 (2) Including +19bp impact from the New Definition of Default application.
 (3) Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months.

... at the Group and country level

NPL ratios by country

%	Q2 2022	Q1 2023	Q2 2023
Spain	3.83	3.19	3.11
UK	1.17	1.27	1.32
Portugal	3.33	3.05	3.09
Poland	3.45	3.66	3.74
US	2.64	3.13	3.46
Mexico	2.95	2.39	2.60
Brazil	6.34	7.34	7.00
Chile	4.70	4.75	4.95
Argentina	2.48	2.08	1.92
DCB	2.22	2.05	2.04

Group

3.05%

3.05%

3.07%

Cost of risk¹ by country

%	Q2 2022	Q1 2023	Q2 2023
Spain	0.79	0.62	0.62
UK	-0.02	0.12	0.11
Portugal	-0.05	0.06	0.10
Poland	0.95	1.71	1.87
USA	0.78	1.52	1.57
Mexico	2.05	1.98	2.13
Brazil	4.26	4.84	4.74
Chile	0.89	0.95	0.88
Argentina	3.07	2.97	3.46
DCB	0.44	0.48	0.54

Group

0.83%

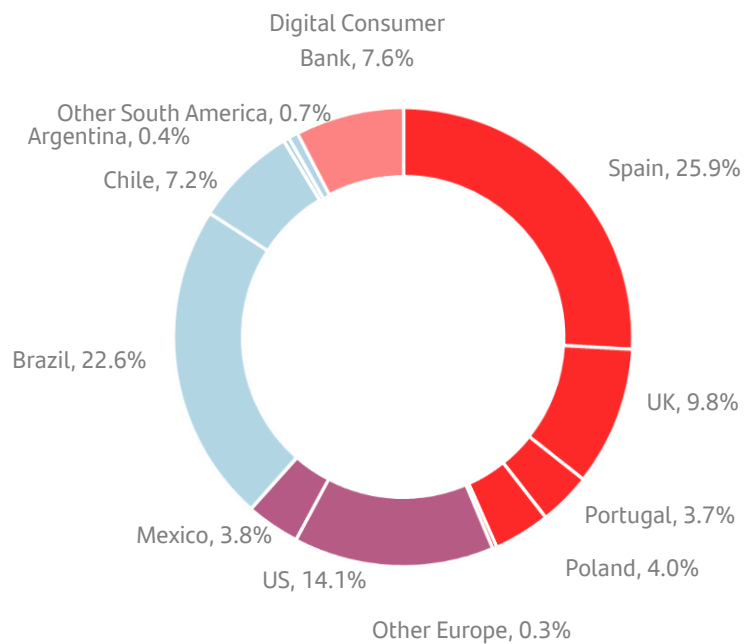
1.05%

1.08%

Distribution of credit impaired loans in line with total portfolio

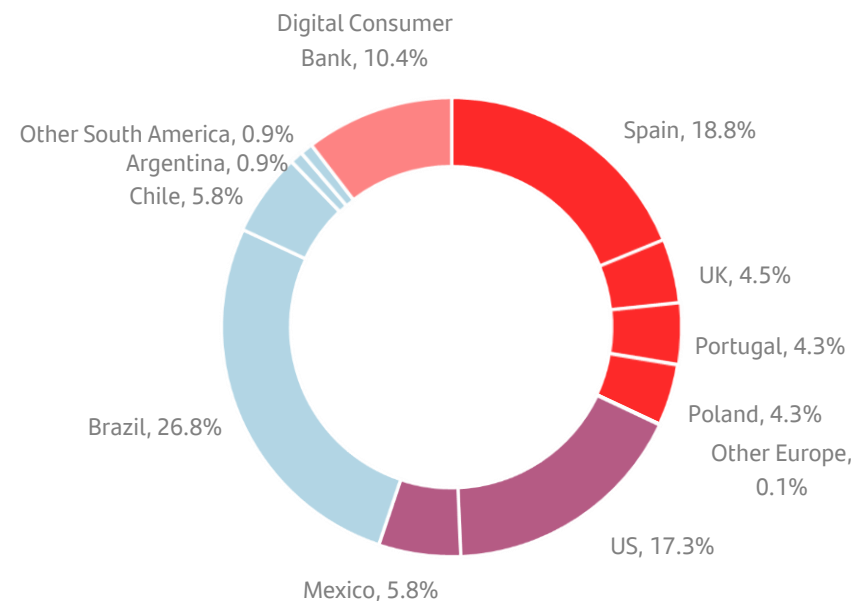
Credit impaired loans

Jun-23, % of operating areas



Loan-loss allowances

Jun-23, % of operating areas

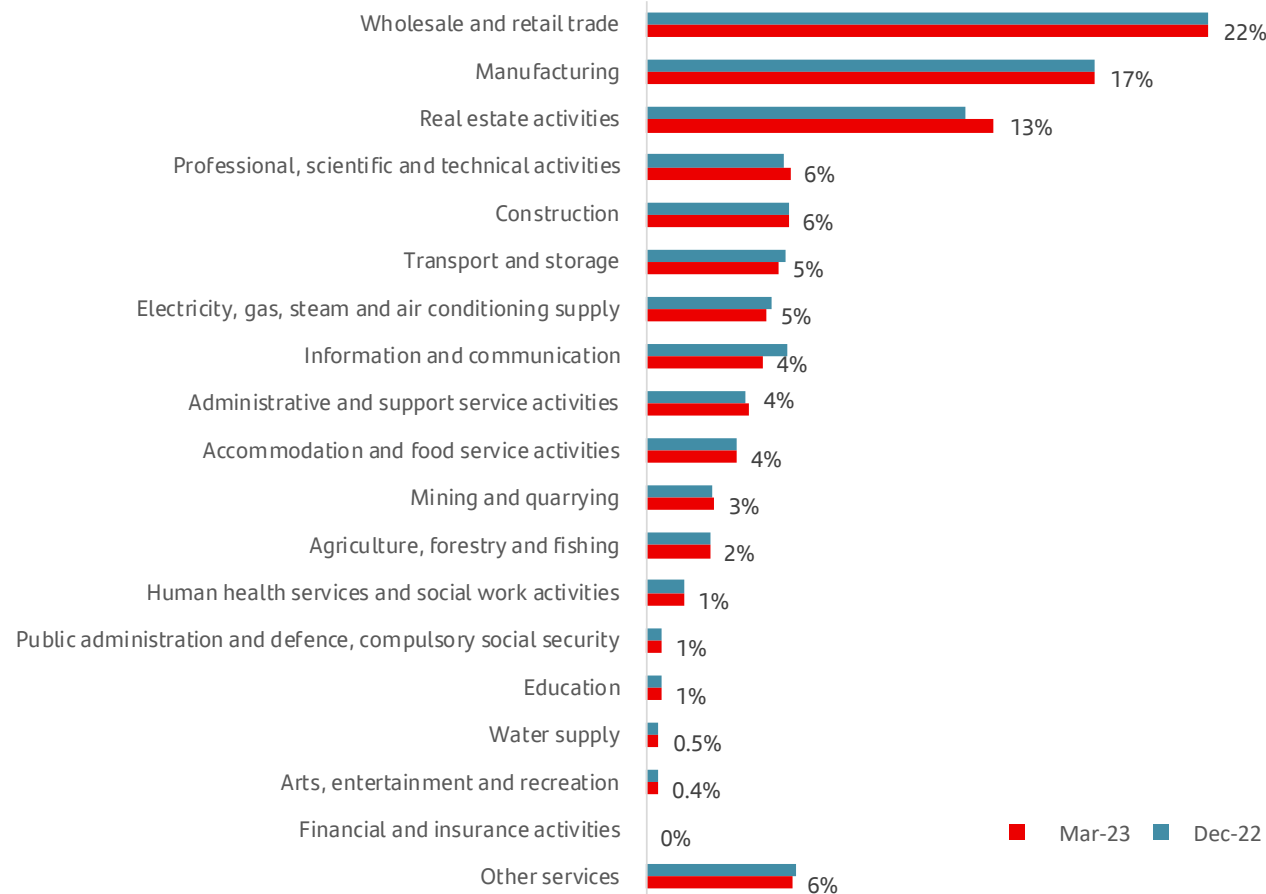


Strong portfolio diversification with c.60% exposure to individuals and stable sector distribution

Credit quality

	Jun-22	Mar-23	Jun-23
NPL ratio	3.05%	3.05%	3.07%
Coverage ratio	71%	68%	68%
Stage 1	€998bn	€1,005bn	€1,011bn
Stage 2	€66bn	€72bn	€75bn
Stage 3	€34bn	€34bn	€35bn

Sector distribution ¹



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H1'23
Summary



Santander
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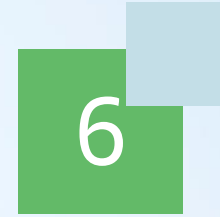
Capital



Asset
Quality



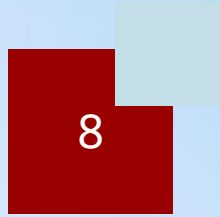
**Liquidity &
Funding.
Ratings**



ESG



Concluding
Remarks



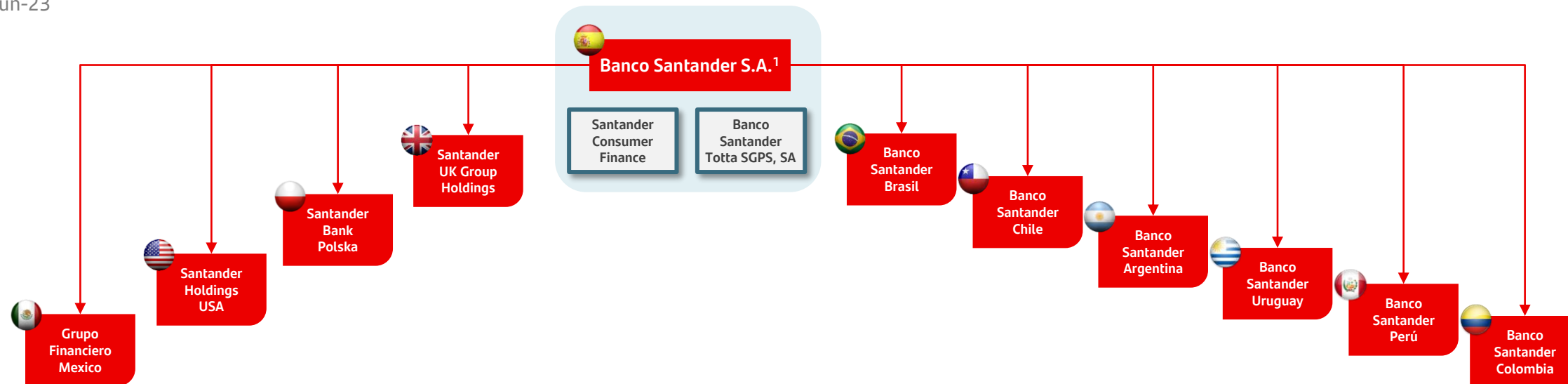
Links,
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and
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The Group's business model combines local knowledge with global best practices through legally, financially and operationally autonomous subsidiaries...

Legal autonomy structure

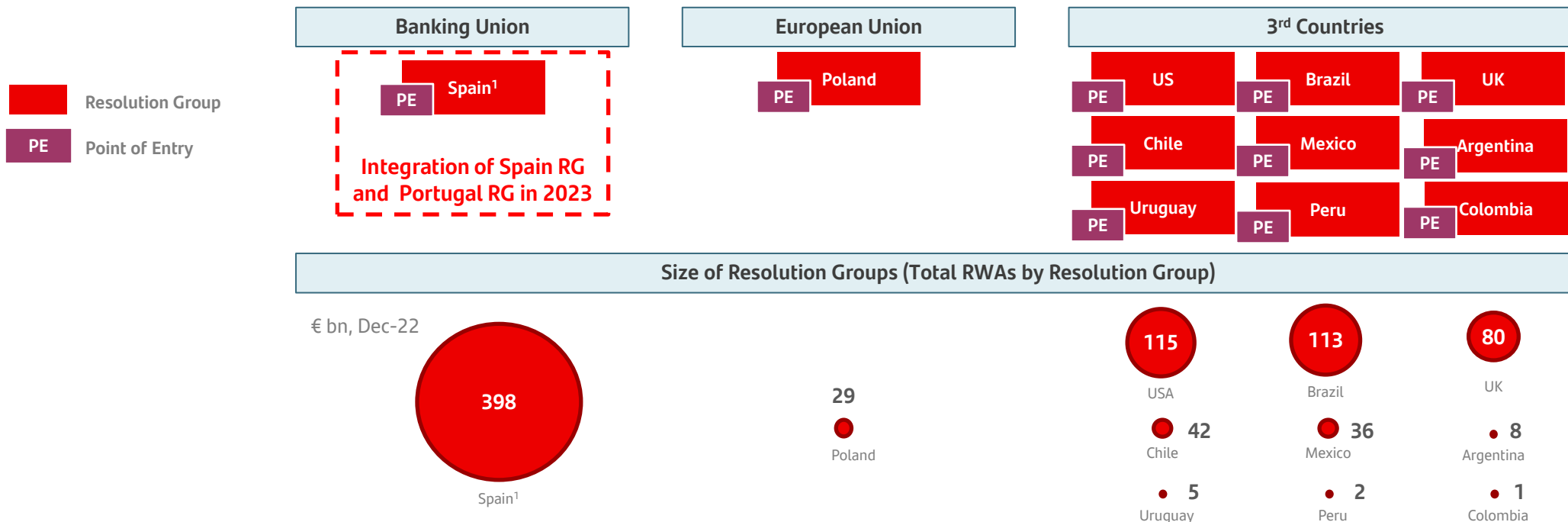
Jun-23



- **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

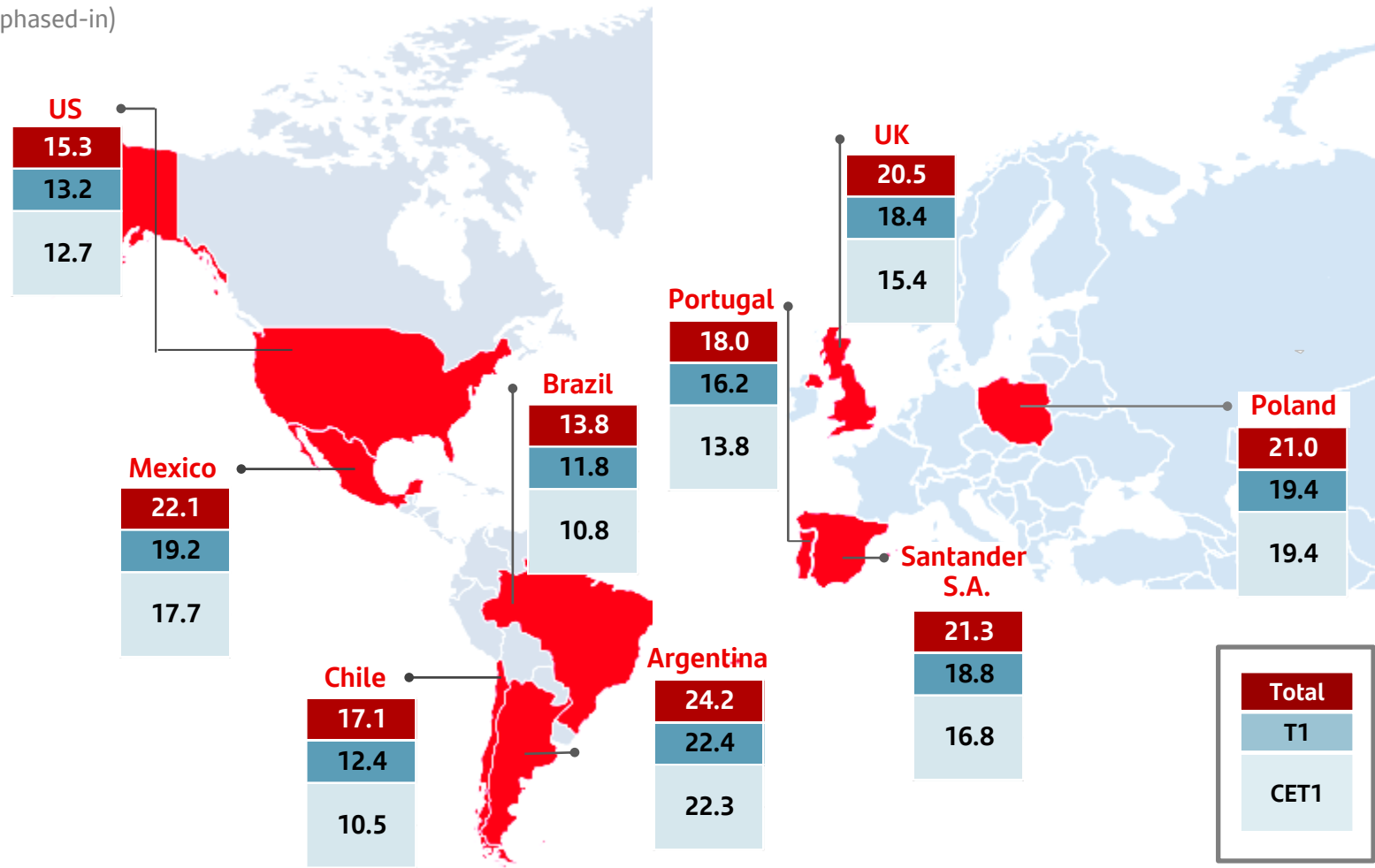


- ▶ We have defined the **Resolution Groups (RGs)** mirroring the model of autonomous financial groups so that all entities have been assigned to one RG
- ▶ Each RG comprises the entity identified as the entry point in resolution and the entities that belong to it

Santander follows a model subsidiaries autonomous in capital and liquidity

Capital ratios by country

Mar-23, %, local figures (phased-in)



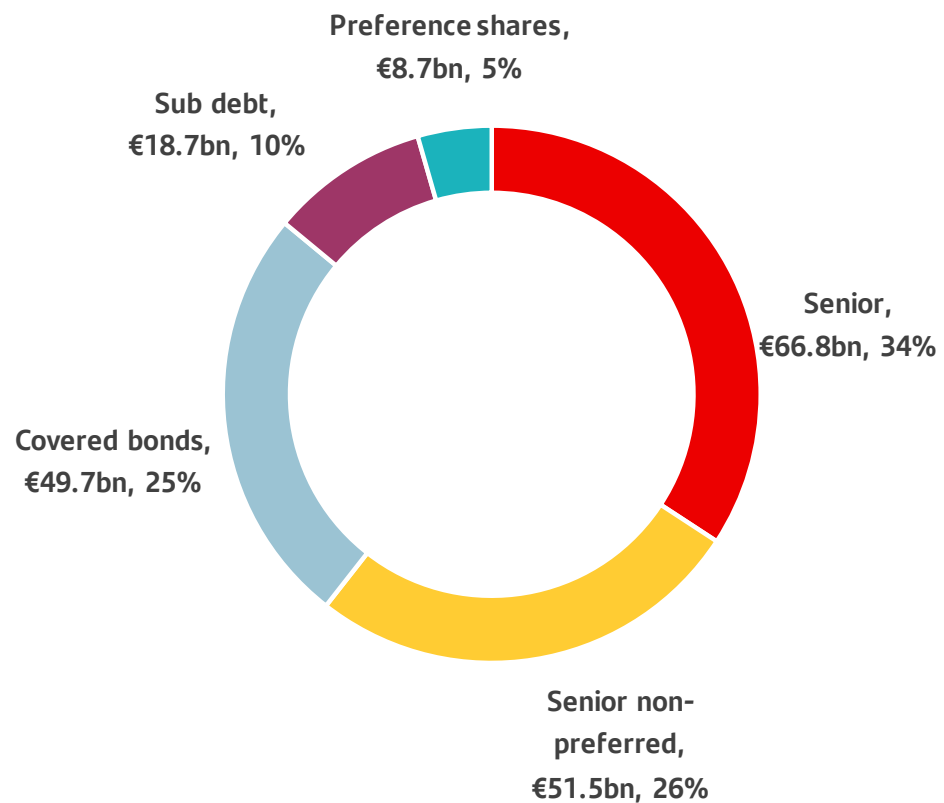
Santander's liquidity management is based on the following principles

- ▶ 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

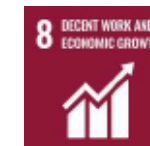
Debt outstanding by type

Jun-23



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

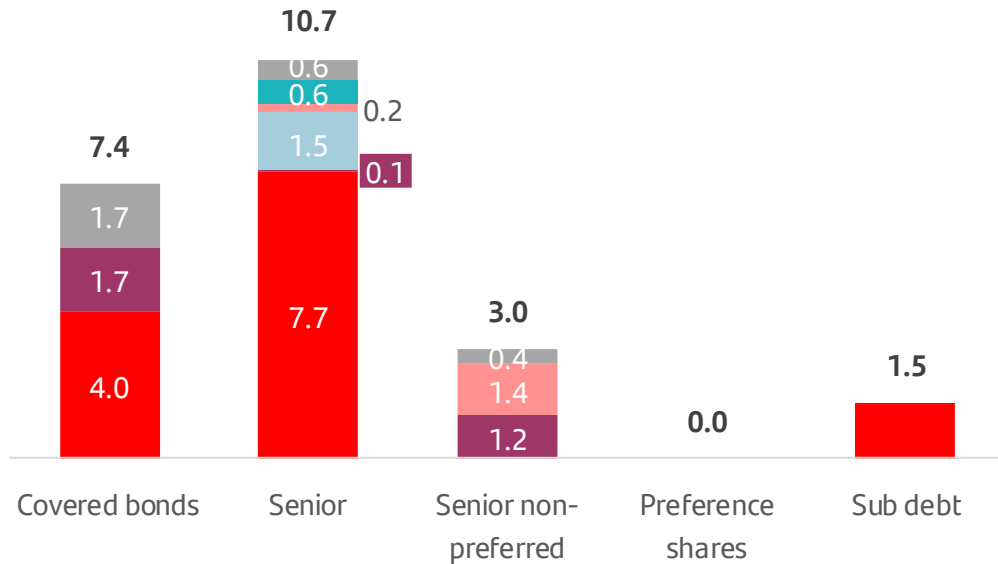
	Issuer	Product	Nominal	Maturity	Issuance spread
Oct-19	Banco Santander S.A.	Senior	EUR 1,000mn	7	MS +65bps
Jun-20	Banco Santander S.A.	SNP	EUR 1,000mn	7	MS +140bps
Jun-21	Banco Santander S.A.	SNP	EUR 1,000mn	8NC7	MS +78bps
Jan-21	Santander Consumer Bank AS	Senior	SEK 500mn	5	
Apr-21	Santander Consumer Bank AS	Senior	SEK 1,000mn	3	
Nov-21	Santander Consumer Bank AS	Senior	NOK 750mn	3	
Nov-21	Santander Consumer Bank AS	Senior	NOK 250mn	5	
Sep-22	Santander Holdings USA	SNP	USD 500mn	4NC3	
Mar-23	Santandr Bank Polska	SNP	PLN 1.9bn	2NC1	



Conservative and decentralized liquidity and funding model

€23bn¹ issued in public markets in H1'23

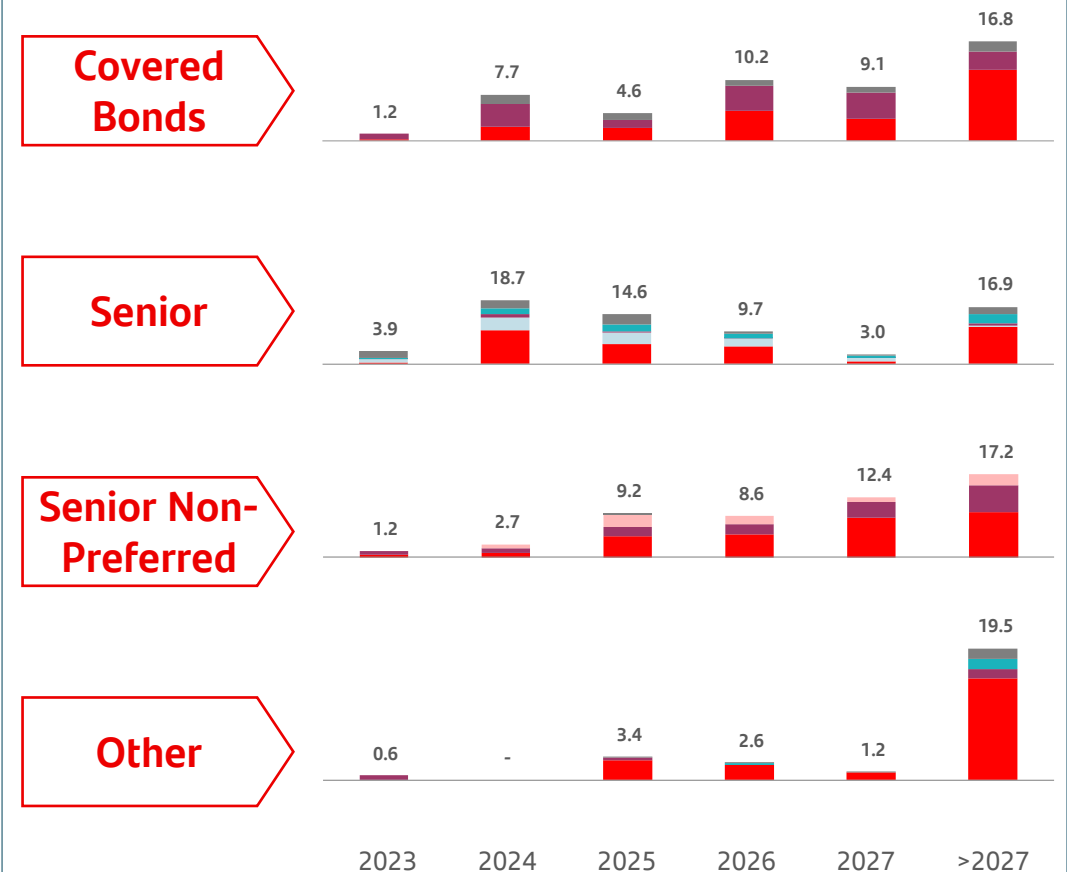
€ bn, Jun-23



- Covered bonds include the first ECA covered bond placed in market in Q1'23 (€0.5bn by Banco Santander, S.A)
- Other includes issuances in Brazil, Mexico, Poland and Portugal

Very manageable maturity profile

€ bn, Jun-23



■ Spain² ■ UK ■ DCB ■ Chile ■ US ■ 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.

H1'23 issuances against funding plan

Execution of 2023 funding plan

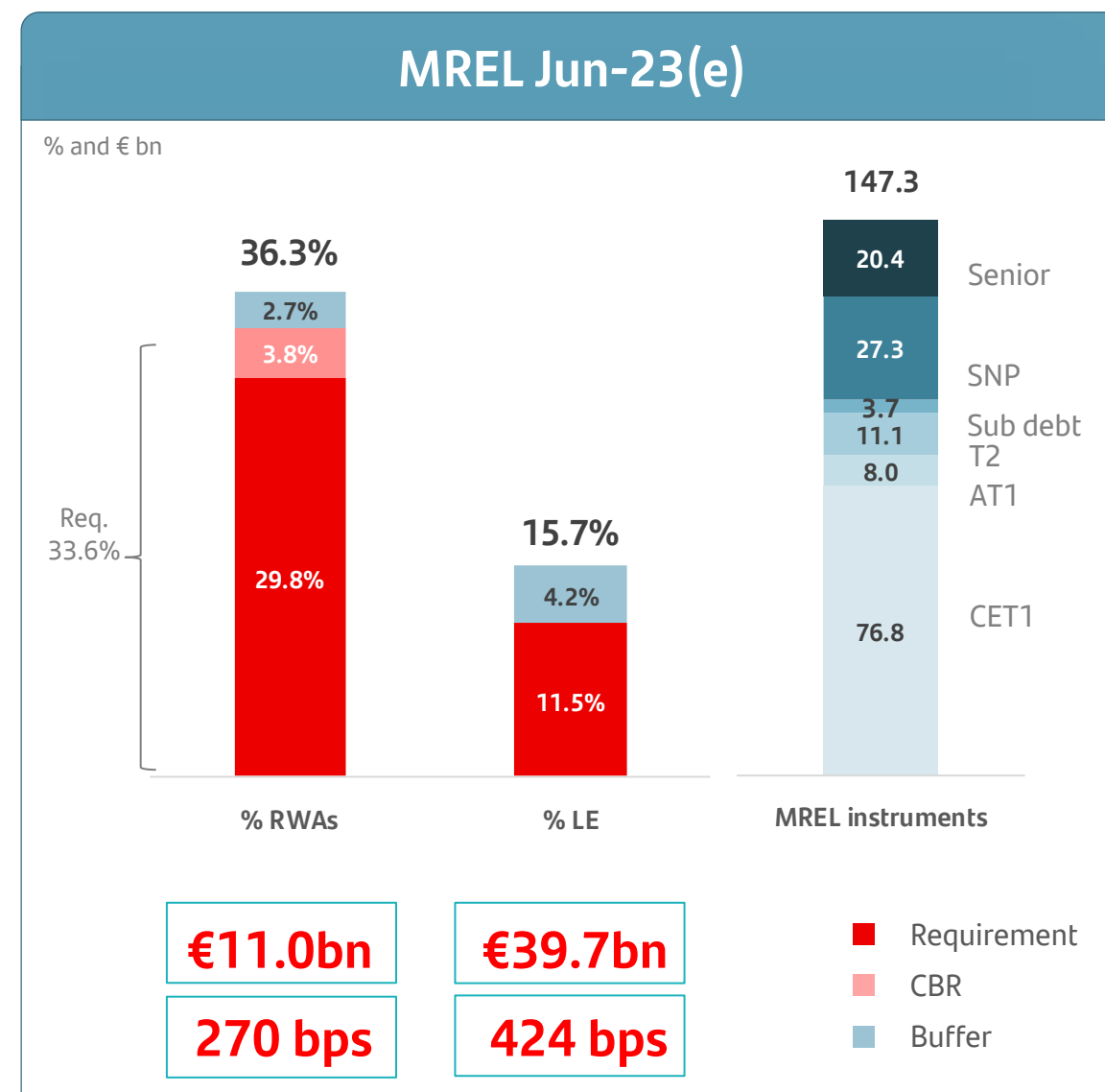
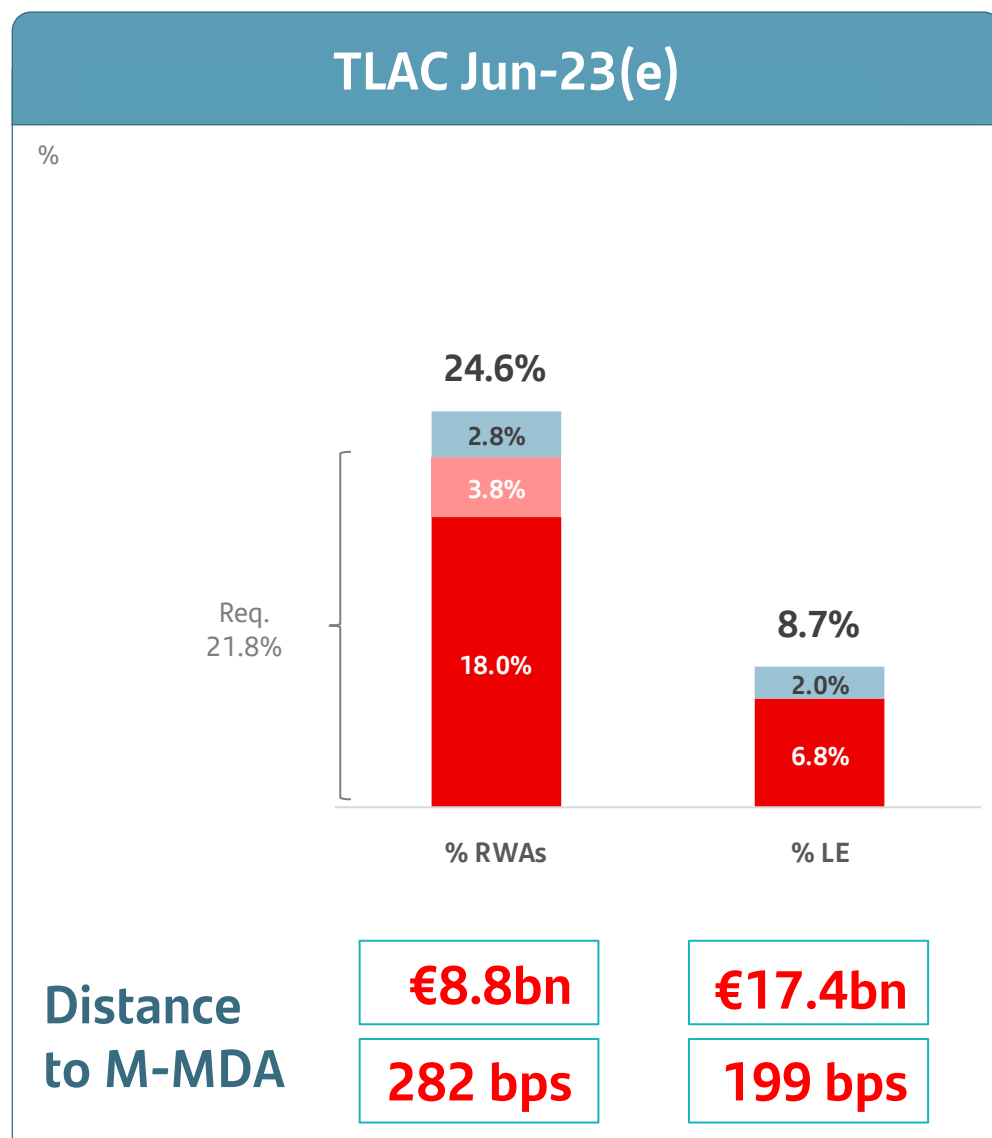
€ bn, Jun-23

	Hybrids		SNP + Senior		Covered Bonds		TOTAL	
	Plan	Issued	Plan	Issued	Plan	Issued	Plan	Issued
Banco Santander, S.A	0.5 - 1.5	1.5	9-10	7.2	6-7	4.0 ¹	15.5 - 18.5	12.7
UK ²	-	-	3-4	1.2	5-6	1.7	8-10	2.9
SCF	-	-	2-4	1.5	-	-	2-4	1.5
SHUSA	-	-	1-2	1.6	-	-	1-2	1.6
TOTAL	0.5 - 1.5	1.5	15 - 20	11.5	11-13	5.7	26.5 - 34.5¹	18.7

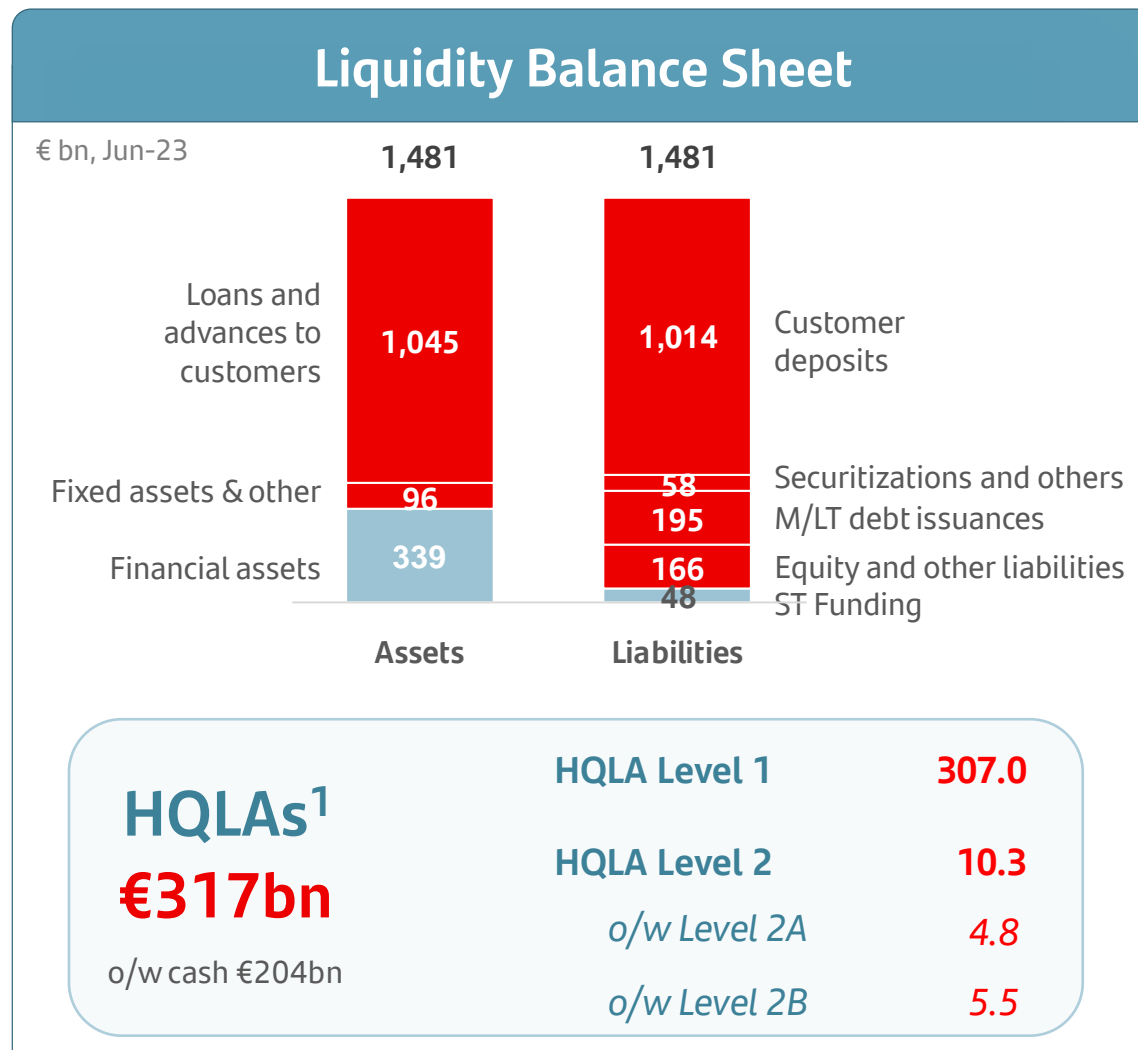
Banco Santander, S.A.'s 2023 funding plan contemplates the following:

- ▶ Continue fulfilling the 1.5% AT1 and 2% T2 buffers subject to RWA growth
- ▶ MREL & TLAC ratios above regulatory requirements
- ▶ Liquidity position remains solid, with LCR and NFSR above minimum requirements and ample liquidity buffers
- ▶ Frontloading of issuances in the first half of the year, having issued c.70% of the funding plan, particularly focused on liquidity issuances

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



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-23 ¹	Mar-23	Mar-23
Spain ²	153%	139%	115%
UK ²	154%	156%	135%
Portugal	129%	132%	116%
Poland	208%	187%	153%
US	142%	133%	112%
Mexico	196%	205%	115%
Brazil	137%	126%	114%
Chile	180%	185%	116%
Argentina	231%	230%	195%
SCF	231%	264%	110%
Group	158%	152%	121%

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

Evolution of key liquidity metrics

	2019	2020	2021	2022	Jun-23
Loans / net assets ¹	77%	76%	75%	72%	71%
Loan-to-deposit ratio (LTD) ¹	117%	111%	108%	103%	103%
Customer deposits and medium- and long-term funding / loans ¹	110%	114%	115%	121%	121%
Short-term wholesale funding / net liabilities	3%	2%	2%	3%	3%
Structural liquidity surplus / net liabilities	13%	15%	16%	19%	20%
Encumbrance	24%	27%	26%	22%	23% ²

LTD and MLT funding metrics by geography

Jun-23

	LTD Ratio	(Deposits + M/LT funding) / Loans ¹
Spain ³	79%	138%
UK	109%	108%
Portugal	103%	107%
Poland	76%	134%
US	106%	123%
Mexico	87%	123%
Brazil	98%	126%
Chile	148%	90%
Argentina	63%	160%
DCB	202%	69%
GROUP	103%	121%

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	↓	NEGATIVE	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	Baa1	26/05/2023	↑	POSITIVE	BBB+	16/09/2022	↑	STABLE	A-	07/11/2022	↑	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	A2	20/09/2022	↓	STABLE	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	↑	POSITIVE	-	-	-	-
Kingdom of Spain*	Baa1	15/07/2022	-	STABLE	Au	20/09/2019	↑	STABLE	A-	19/01/2018	↑	STABLE

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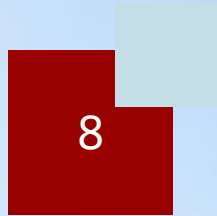
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ESG



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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 	 

We continue to make progress on our ESG agenda

	Jun-23		2025 targets
Green Finance raised and facilitated (since 2019)	€98.6bn	>>	€120bn
Socially responsible Investments (AuM)	€58.6bn	>>	€100bn
Financial inclusion (# People) ¹	0.9mn	>>	5mn

ESG Ratings/Indices (1/2)

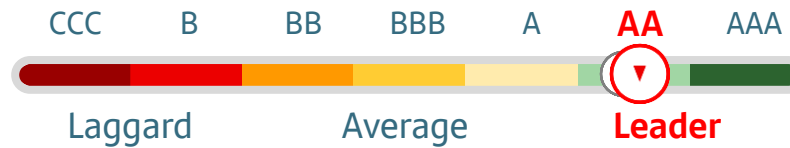
2023
or latest
available

Previous

MSCI



AA



► We maintained the same score in 2022

CDP



A

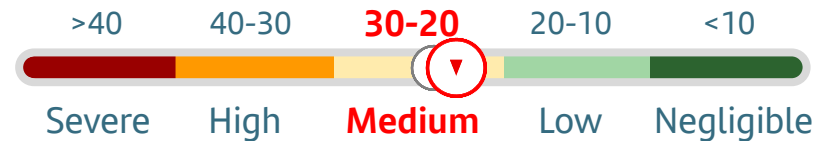


► Leadership band, above the sector (B-) and Europe average (B)

SUSTAINALYTICS



22.4

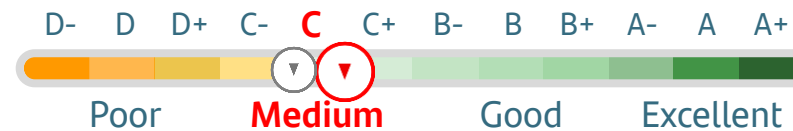


► 26th percentile 100th out of 401 banks diversified banks

ISS ESG



C



► 55.6 points, Santander in top 10%

► Once again ISS ESG awarded us its Prime badge for companies with ESG performance above the sector-specific "Prime" threshold



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

The use by Banco Santander, S.A. of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Banco Santander, S.A. by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

ESG Ratings/Indices (2/2)

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



83



2023
or latest
available



Previous

- ▶ 98th percentile
- ▶ **22 years in a row**, featuring on the Dow Jones Sustainability Index World (DJSI World) and in the DJSI Europe Index



FTSE4Good



4.2

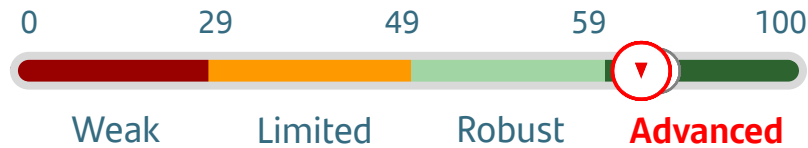


- ▶ 77th percentile in banks sector
- ▶ Banco Santander has been part of the FTSEGood Index since 2003. In 2022, we obtained 4.2 points, **above sector average**

MOODY'S | ESG Solutions



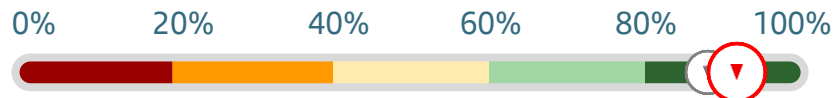
61



- ▶ 11th out of 31 diversified banks



92.87



- ▶ **#1** out of 153 banks; 2nd overall

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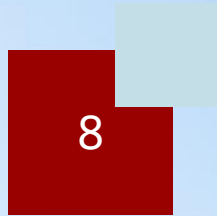
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Concluding Remarks

- ▶ 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 June 2023 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.

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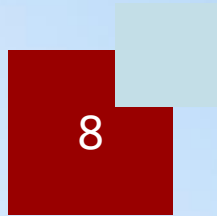
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Links to Grupo Santander public materials

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

H1'23 financial results

Financial report



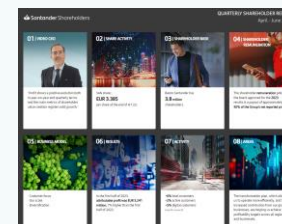
Earnings presentation



Series (Excel)



Shareholders report (interactive)



Country presentations



Press release



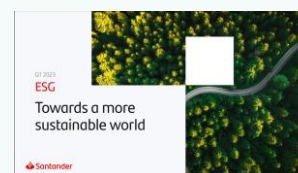
CEO video (3 minutes)



Institutional Presentation



ESG



Ratings

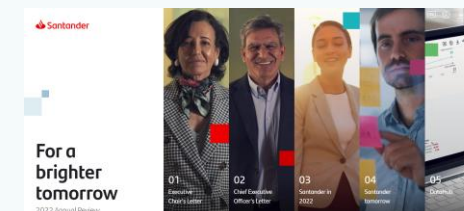


Pillar 3

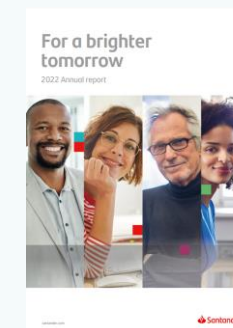


Other information

2022 Digital Annual review



2022 Annual report



Overview of our Corporate Governance presentation





EUROPE

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

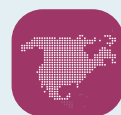
H1'23 Highlights

	Branches	3,103
	Employees	66,819
	Total customers (mn)	45.9
	Digital customers (mn)	18.0
	Customer loans (€ bn)	564
	Customer funds (€ bn)	703
	Underlying attributable profit (€ mn)	2,536
	RoTE	13.5%

Strategic priorities

- Customer centric: grow our active customer base through better customer service and experience
- Simplification and automation: enhance efficiency through a common operating model in the region
- Network contribution: grow our global business revenue by increasing connectivity across the region
- Customer activity: improve loyalty through a value proposition for individuals and SMEs
- Disciplined capital allocation: improve pricing discipline and risk management













NORTH AMERICA

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

H1'23 Highlights

	Branches	1,814
	Employees	45,657
	Total customers (mn)	25.0
	Digital customers (mn)	7.7
	Customer loans (€ bn)	160
	Customer funds (€ bn)	168
	Underlying attributable profit (€ mn)	1,346
	RoTE	11.1%

■ ■ Strategic priorities ■ ■

- Continue to target segments with proven competitive advantages and strong Group network contributions in Mexico and the US
- Deploy capital to the most profitable businesses, rationalizing businesses and products with limited scale and profitability to generate efficiencies and profitable growth
- Boost sustainable profitability levels by increasing customer attraction and retention
- Focus on expanding and implementing sustainable finance opportunities within our businesses













SOUTH AMERICA

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

H1'23 Highlights

	Branches	3,543
	Employees	81,413
	Total customers (mn)	73.1
	Digital customers (mn)	25.8
	Customer loans (€ bn)	165
	Customer funds (€ bn)	196
	Underlying attributable profit (€ mn)	1,458
	RoTE	14.0%

■ ■ Strategic priorities ■ ■









- In consumer finance, continue to strengthen our leadership position in the region by automating and scaling our operations
- Focus on making headway in the development of joint initiatives between CIB and corporates
- In payment methods, implement a global card platform and improve our already efficient operating model. Continue expanding Getnet
- In CIB, continue to make headway in our ambition to become the leading CIB operator in most of the products and countries in which we operate, moving towards a common offering for the region
- Continue to promote inclusive and sustainable businesses, such as micro-credit and green finance offers



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'

H1'23 Highlights

	Branches	363
	Employees	16,624
	Total customers (mn)	19.7
	Points of sale (k)	>130
	Customer loans (€ bn)	128
	Customer funds (€ bn)	65
	Underlying attributable profit (€ mn)	521
	RoTE	10.8%

■ ■ Strategic priorities ■ ■

Secure leadership in global digital consumer lending:

- **Auto:**
 - Progress further with strategic initiatives to build a world-class digital offering in mobility
 - Provide our OEMs and partners with innovative finance and sale solutions (lending, leasing, renting and subscription) on dealer websites and in auto marketplaces
- **Consumer (non-auto):** gain market share through specialization and tech platforms in buy now, pay later (BNPL), checkout lending, credit cards and direct loans
- **Digital Bank:** continuing to increase loyalty among our Openbank and SC Germany retail customers and boosting digital banking





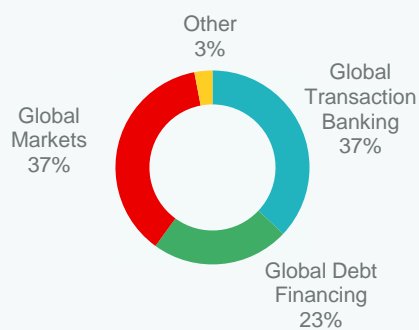
Corporate & Investment Banking

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

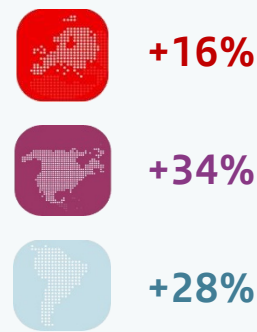
H1'23 Highlights

	Total revenue (€ mn)	4,353
	Efficiency ratio	35%
	RoTE	29%
	Underlying attributable profit (€ mn)	1,876

Total revenue breakdown by business



Revenue YoY growth by region



Strategic priorities

- Become a **World-class CIB business** focused on positioning ourselves as a **strategic advisor** to our clients
 - Become a reference franchise in **Europe** by leveraging our regional platform
 - **Raise the level of our US franchise** and continue to grow **Santander Capital Markets**
 - **Consolidate our leadership position in South America** and evolve into a pan-regional CIB

Recent Awards

GTR Global Trade Review

Best Bank for Supply Chain Finance

The Banker

Deal of the Year – Equities for Porsche €9.4bn IPO

GlobalCapital

Best Bank for ESG Capital Markets in Latam

Leading positions in League Tables H1'23



Structured Finance



Debt Capital Markets



Equity Capital Markets



M&A



Source: Dealogic, Infralogic, Bloomberg















Wealth Management & Insurance

“We want to become the best responsible Wealth and Protection Manager in Europe and the Americas”

H1'23 Highlights

	Total assets under management ¹ (€ bn)	440
	Total fees generated as % of the Group's total fees ²	30%
	RoTE	89%
	Underlying attributable profit (€ mn)	819
	Total contribution to Group's profit ² (€ mn)	1,637
	Total contribution to Group's profit growth ²	+30% YoY
	Private Banking customers (k)	251
	Private Banking net new money (€ bn)	6.4
	Santander Asset Management net sales (€ bn)	3.2
	Insurance Gross written premiums growth	+11% YoY



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

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

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

Strategic priorities



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



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



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

Our ESG commitment: reach €100bn SRI AuMs by 2025





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

H1'23 Highlights



PagoNxt revenue (€ mn)

521; +27% YoY

Merchants



Total payments volume (€ bn)

95; +25% YoY



transactions

+32% YoY

Getnet

Ebury

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

Strategic priorities: scaling up our global technology platform; accelerating our commercial growth and pursuing the open market opportunity

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 countries



Glossary and Acronyms

- **ADIs:** Available distributable items
- **ALCO:** Assets and liabilities committee
- **AT1:** Additional Tier 1
- **AuMs:** Assets under management
- **bn:** Billion
- **Bps:** basis points
- **CBR:** Combined buffer requirement
- **CCoB:** Capital conservation buffer
- **CCyB:** Countercyclical buffer
- **CET1:** Common equity tier 1
- **CIB:** Corporate & investment banking
- **CoR:** Cost of risk
- **DPS:** Dividend per share
- **EBA:** European Banking Authority
- **ESG:** Environmental, social and governance
- **EVA:** Economic Value Added
- **FL:** Fully-loaded
- **FY:** Full year
- **FX:** Foreign exchange
- **G-SIB:** Global Systemically Important Banks
- **HQLA:** High quality liquid asset
- **HTC:** Held to collect portfolio
- **HTC&S:** Held to collect & sell portfolio
- **IFRS 9:** International Financial Reporting Standard 9, regarding financial instruments
- **LE:** Leverage exposure
- **LLPs:** Loan-loss provisions
- **M/LT:** Medium- and long-term
- **MDA:** Maximum distributable amount
- **mn:** million
- **MPE:** Multiple point of entry
- **MREL:** Minimum requirement for own funds and eligible liabilities
- **NII:** Net interest income
- **NIM:** Net interest margin
- **NPL:** Non-performing loans
- **NPS:** Net promoter score
- **OEMs:** original equipment manufacturer
- **Pp:** percentage points
- **QoQ:** Quarter-on-quarter
- **RoRWA:** Return on risk-weighted assets
- **RoTE:** Return on tangible equity
- **RWA:** Risk-weighted assets
- **SAM:** Santander Asset Management
- **SCF:** Santander Consumer Finance
- **SCIB:** Santander Corporate & Investment Banking
- **SDG:** Sustainable Development Goals
- **SME:** Small and medium enterprises
- **SNP:** Senior non-preferred
- **SREP:** Supervisory Review and Evaluation Process
- **SRF:** Single resolution fund
- **SRI:** Socially responsible investment
- **ST:** Short term
- **T1/T2:** Tier 1/Tier 2
- **TLAC:** Total loss-absorbing capacity
- **TNAV:** Tangible net asset value
- **YoY:** Year-on-year
- **WM&I:** Wealth Management & Insurance

Glossary - Definitions

PROFITABILITY AND EFFICIENCY

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

VOLUMES

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

CREDIT RISK

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

CAPITALIZATION

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

ESG METRICS

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



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

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

