

25 April 2023

# Earnings Presentation

—

## Q1'23



# 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, as well as the section “Alternative performance measures” of the Banco Santander, S.A. (Santander) Q1 2023 Financial Report, published on 25 April 2023. These documents are available on Santander’s website ([www.santander.com](http://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 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, save as expressly indicated under ‘Auditors’ review’, 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.

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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, 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) 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 (9) 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 and regulatory requirements, including those related to climate-related initiatives.

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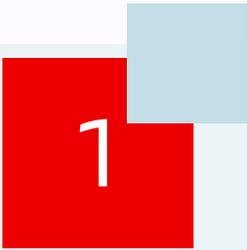
## **Past performance does not indicate future outcomes**

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.

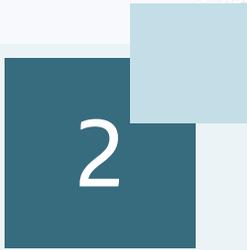
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# Index



**Q1'23 Highlights**  
**Our steps towards value creation**



**Group review**



**Final remarks**



**Appendix**

# Strong first quarter performance keeps us on track to meet our 2023 targets

## Strength

Q1'23

FL CET1

**12.2%**

Including second 2022  
share buyback programme

## Shareholder remuneration

2023 Payout

**50%**

Cash dividend + SBB

## Disciplined capital allocation

Q1'23

RWAs with RoRWA > CoE

**81%**

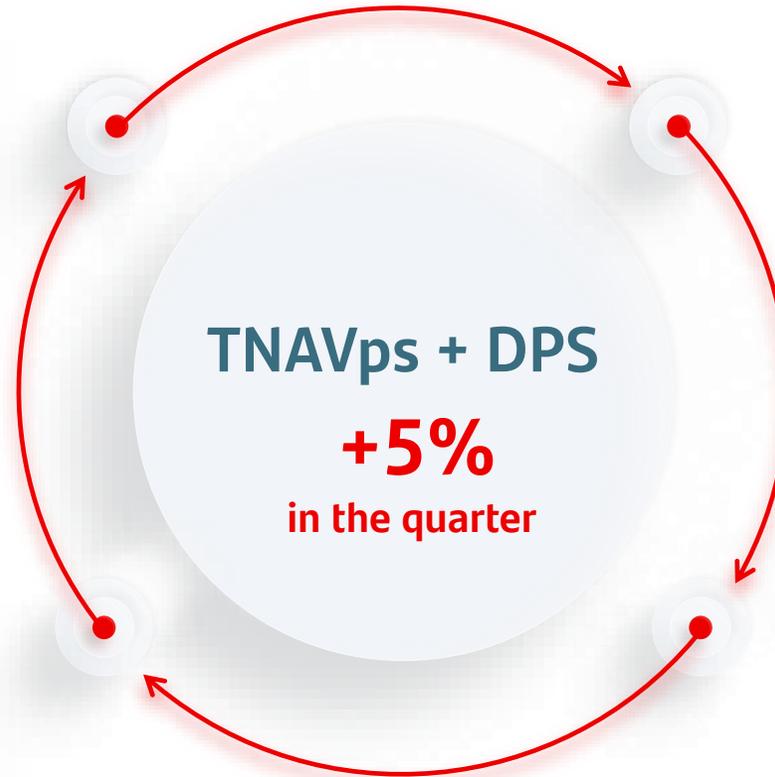
## Profitability

Q1'23

RoTE

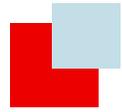
**14.4%**

15.3% without annualizing  
the temporary levy in Spain

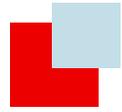


Note: Target payout is c.50% of Group reported profit (excluding non-cash, non-capital ratios impact items), distributed approximately 50% in cash dividends and 50% in share buybacks. Execution of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

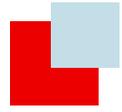
# Q1'23 Highlights



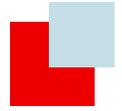
**Strong growth** in customers and volumes with **deposits up 6% YoY**



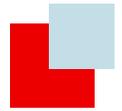
**Double-digit revenue growth** and **efficiency improvement**



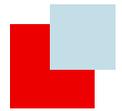
**Sound liquidity** ratios and **CoR** in line with targets



**Q1'23 profit of €2.6bn. Improved profitability** (RoTE: 14.4%)



**Strong organic capital** generation and **TNAVps + DPS** growth in Q1'23 (+5%)



**On track to reach our 2023 targets**

# Strong top line with efficiency improvement and contained CoR

Underlying P&L € million	Q1'23	Q1'22	% change	
			Euros	Constant euros
NII	10,185	8,855	15	14
Net fee income	3,043	2,812	8	7
Trading and other income	707	638	11	4
<b>Total revenue</b>	<b>13,935</b>	<b>12,305</b>	<b>13</b>	<b>12</b>
Operating expenses	-6,145	-5,535	11	11
<b>Net operating income</b>	<b>7,790</b>	<b>6,770</b>	<b>15</b>	<b>13</b>
LLPs	-2,873	-2,101	37	33
Other results*	-822	-498	65	69
<b>Attributable profit</b>	<b>2,571</b>	<b>2,543</b>	<b>1</b>	<b>-1</b>

<b>Att. profit (excl. temporary levy in Spain)</b>	<b>2,795</b>	<b>2,543</b>	<b>10</b>	<b>8</b>
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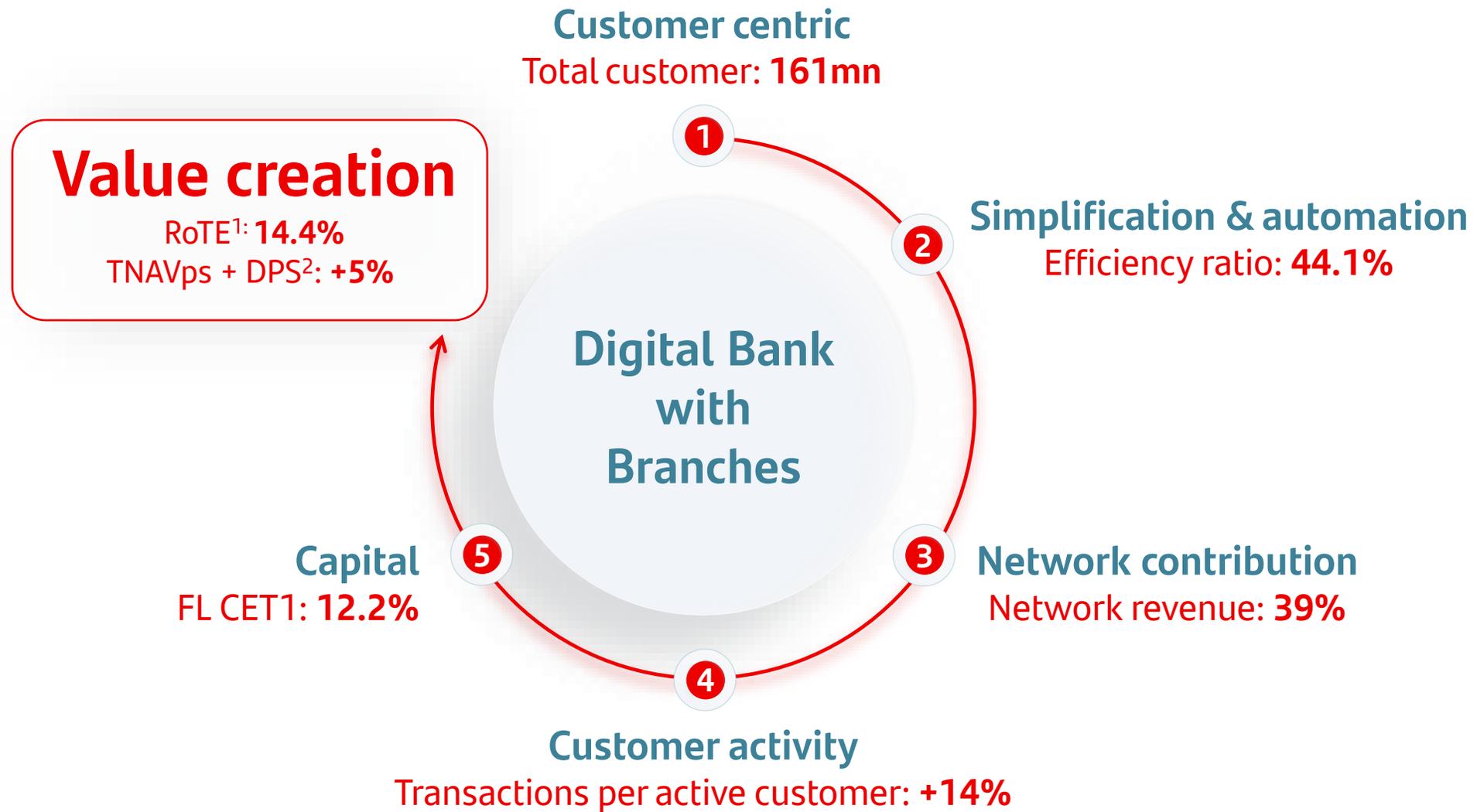
## Q1'23 drivers

- Volumes and interest rate tailwinds drove **YoY revenue growth**
- **Efficiency: 44.1%** driven by positive operating leverage
- **Net operating income c.€8bn** in the quarter
- **CoR<sup>1</sup>**: 1.05% well below our FY'23 target of <1.2%
- Profit impacted by the **temporary levy in Spain** (-€224mn).

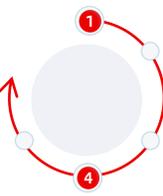
# Very solid start to the year that puts us on track to meet our 2023 targets

		2023 targets	Q1'23
Revenue <sup>1</sup>	>>	Double-digit growth	+12%
Efficiency ratio	>>	44-45%	44.1%
CoR	>>	<1.2%	1.05%
FL CET1	>>	>12%	12.2%
RoTE	>>	>15%	14.4% <sup>2</sup>

# 5 pillars for value creation across the Group, with focus on Retail & Commercial banking



# Customer focus driving volume and revenue growth across the Group



## Customer related initiatives

### • Network business initiatives

- ✓ Revenue growth YoY in Multi-Latinas (+53%) and Multi-Europeans (+72%)

### • Branch of the future

- ✓ Omnichannel best-in-class experience such as the new branch and digital onboarding processes in Mexico

### • Data-driven initiatives

- ✓ A full data programme launched in 9 countries to better serve customer priorities – 80% of Group customers in scope

### • Common mobile app across Europe (tactical solution)

- ✓ Live in Spain, Portugal and Poland
- ✓ Expect 16mn individual users after completing full rollout

## Customer centric

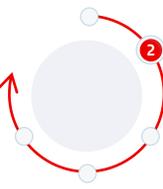
	Q1'23	YoY
 Total customers	<b>161mn</b>	<b>+9mn</b>
 Active customers	<b>99mn</b>	<b>+2mn</b>

## Customer activity

	Q1'23	YoY
 Loans	<b>€1,015bn</b>	<b>+3%</b>
 Deposits	<b>€928bn</b>	<b>+6%</b>

 Transactions per active customer	<b>+14%</b>
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# Making progress on simplifying our product offering and fully automating our front- and back-end operations



## ONE Transformation

### • Product portfolio simplification

- ✓ Simplified product catalogue -42% in Group in the last two years

### • Reducing in branch administrative and operational tasks

- ✓ We aim to optimize around 80-90% of customer-related processes

### • Global Tech Capabilities

- ✓ Accelerating digital transformation (E2E processes) in Europe

### • Gravity

- ✓ Migrating our core banking system to the cloud
- ✓ Overall progress across the Group around 30%. UK migration already completed for corporates

## Efficiency ratio

45.8%



FY'22

44.1%



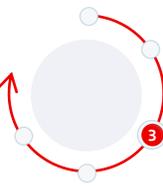
Q1'23



**Net operating  
income per customer<sup>1</sup>**

**+10%  
vs. Q1'22**

# Our Global and Network businesses' revenue grew above Group



## Investor Day strategy progress

## Revenue growth<sup>1</sup>

SCIB

- Further strengthening our **centres of expertise** with capabilities in **value-added, sophisticated products and services**
- **Growing our franchise in the US**, leveraging product and advisory capabilities

**+25%**

WM&I

- Enhancing the **private banking value proposition** across countries and scale up **alternative and institutional products**
- Providing our **CIB clients** with **Private Banking & SAM products and services**

**+43%**

PagoNxt

- Our **merchant platform** expanded innovative value-added services, deployed new global e-commerce capabilities and further developed specialized vertical solutions **sharing them across countries**
- Our **Payments Hub** operation already managing a significant part of all payments in Europe, mainly in Spain and Portugal

**+41%**

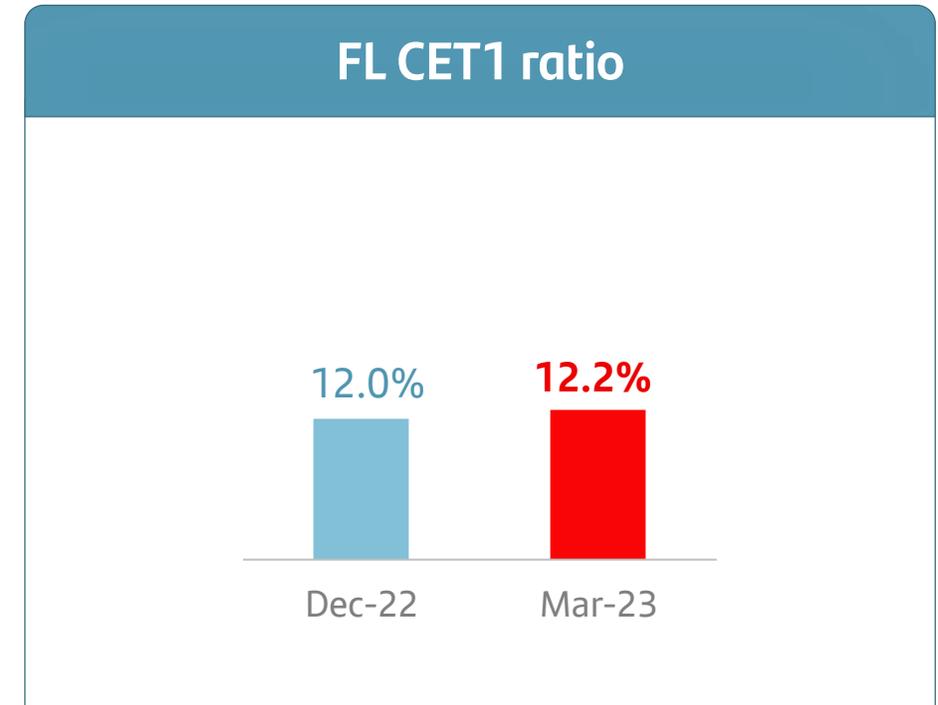
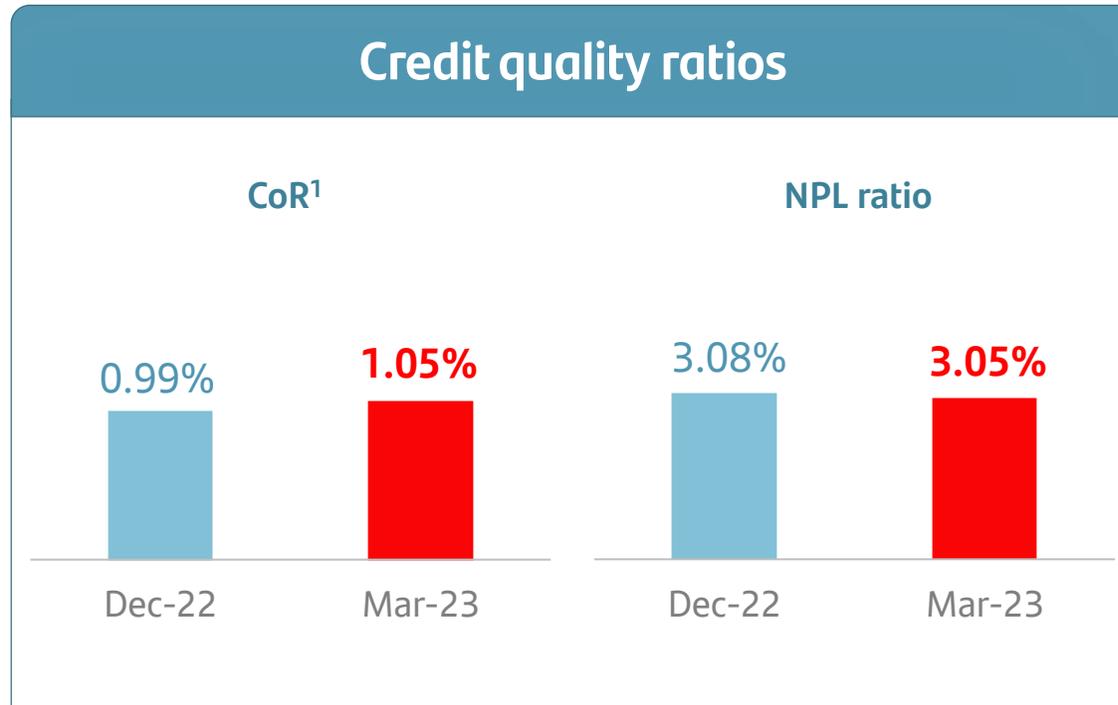
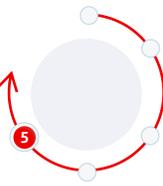
Auto

- Leveraging **strong relationships with OEMs in Europe** to build the leading automobile financing business in LatAm and to support US growth
- Developing **digital-first solutions** (operational leasing, subscription, dealer tools)

**-6%**

**Q1'23 total revenue contribution: 39% of total Group**

# Robust credit quality and strong capital generation

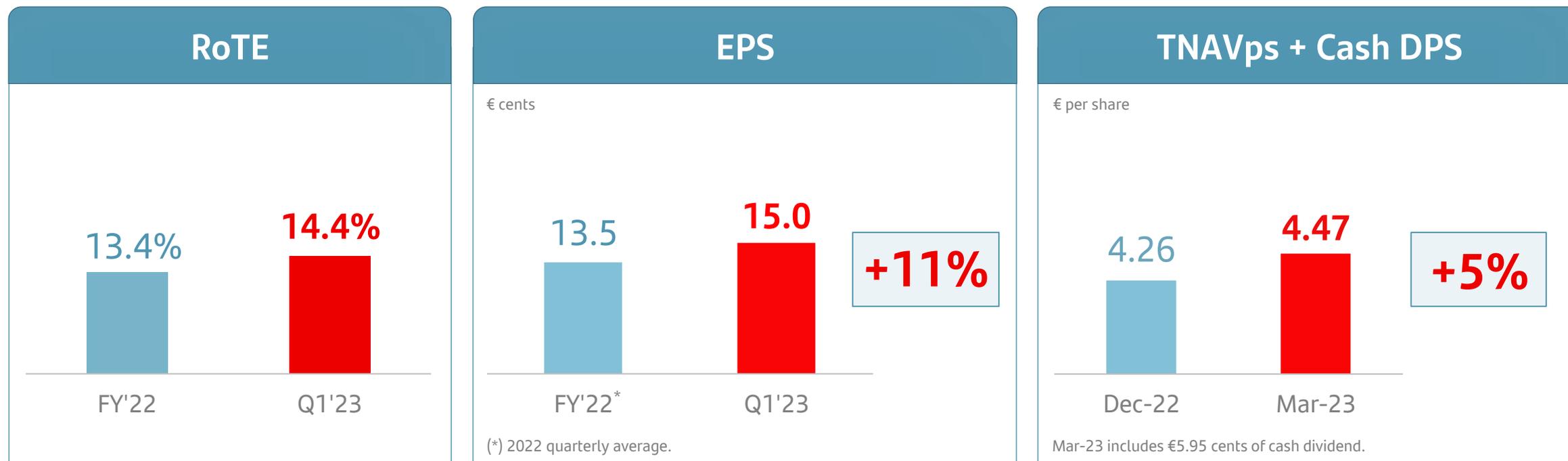
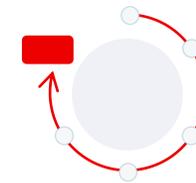


Rock-solid balance sheet further strengthened by our diversification and disciplined capital allocation



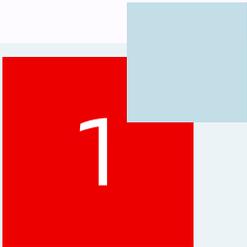
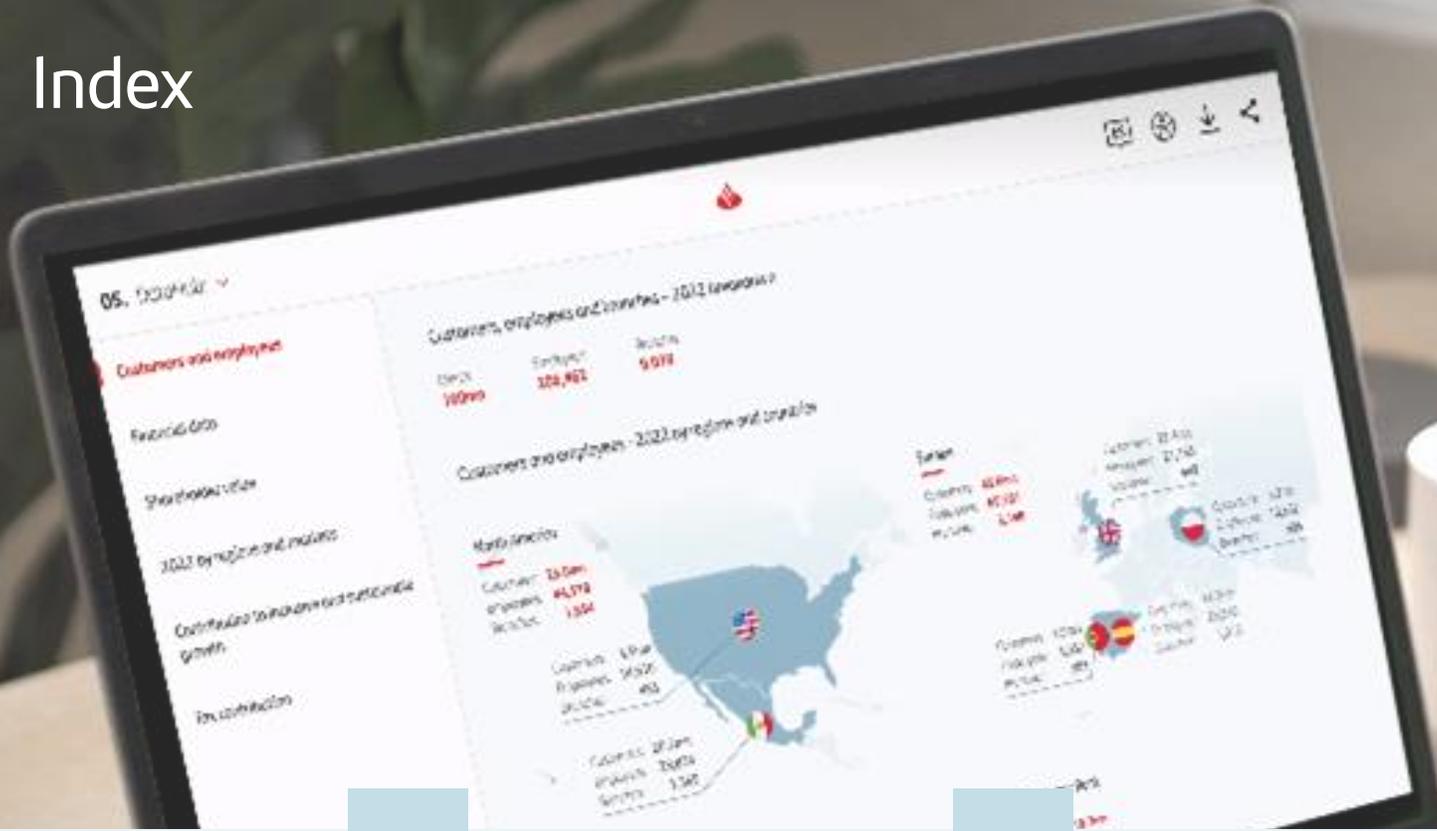
(1) Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months. Considering annualized Q1'23 provisions, cost of risk would be 1.08%.

# Increased profitability and shareholder value creation

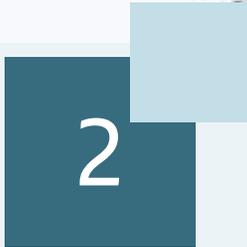


Completed the second 2022 share buyback programme, having repurchased 7% of our outstanding shares in the last two years<sup>1</sup>

# Index



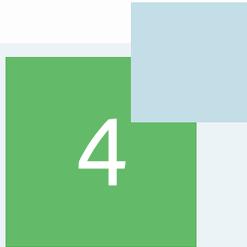
Q1'23 Highlights  
Our steps towards  
value creation



Group  
review



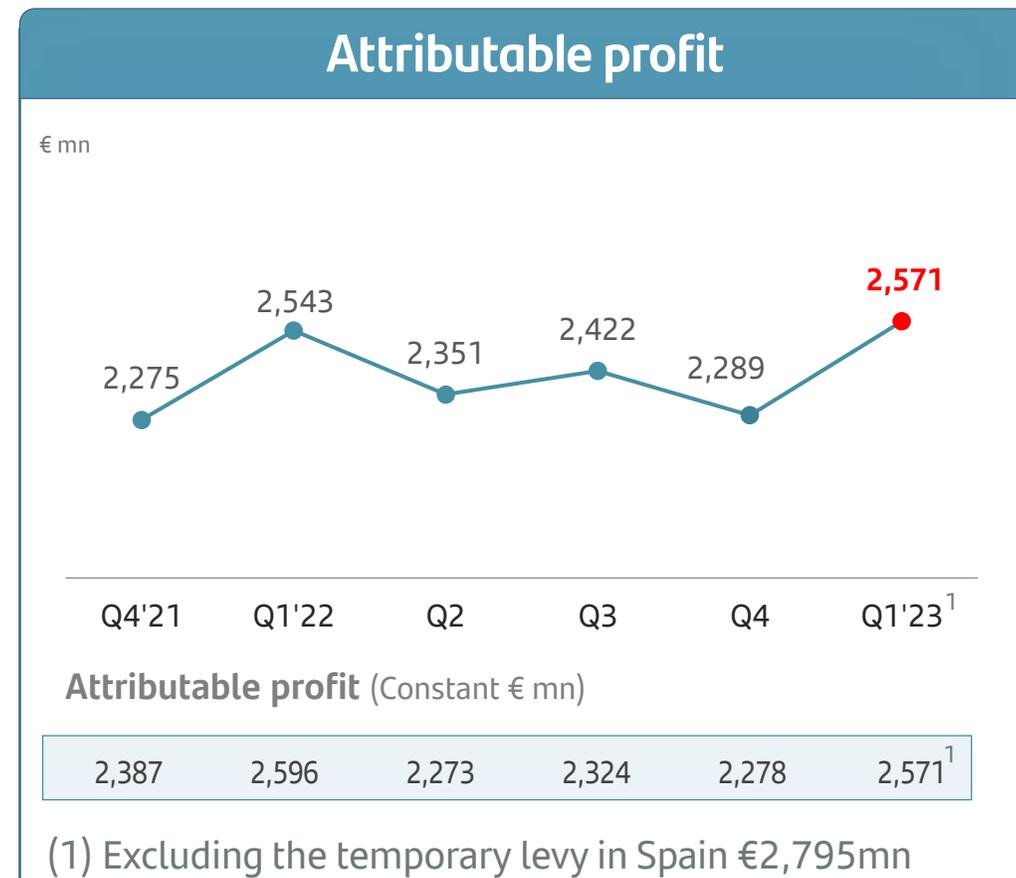
Final  
remarks



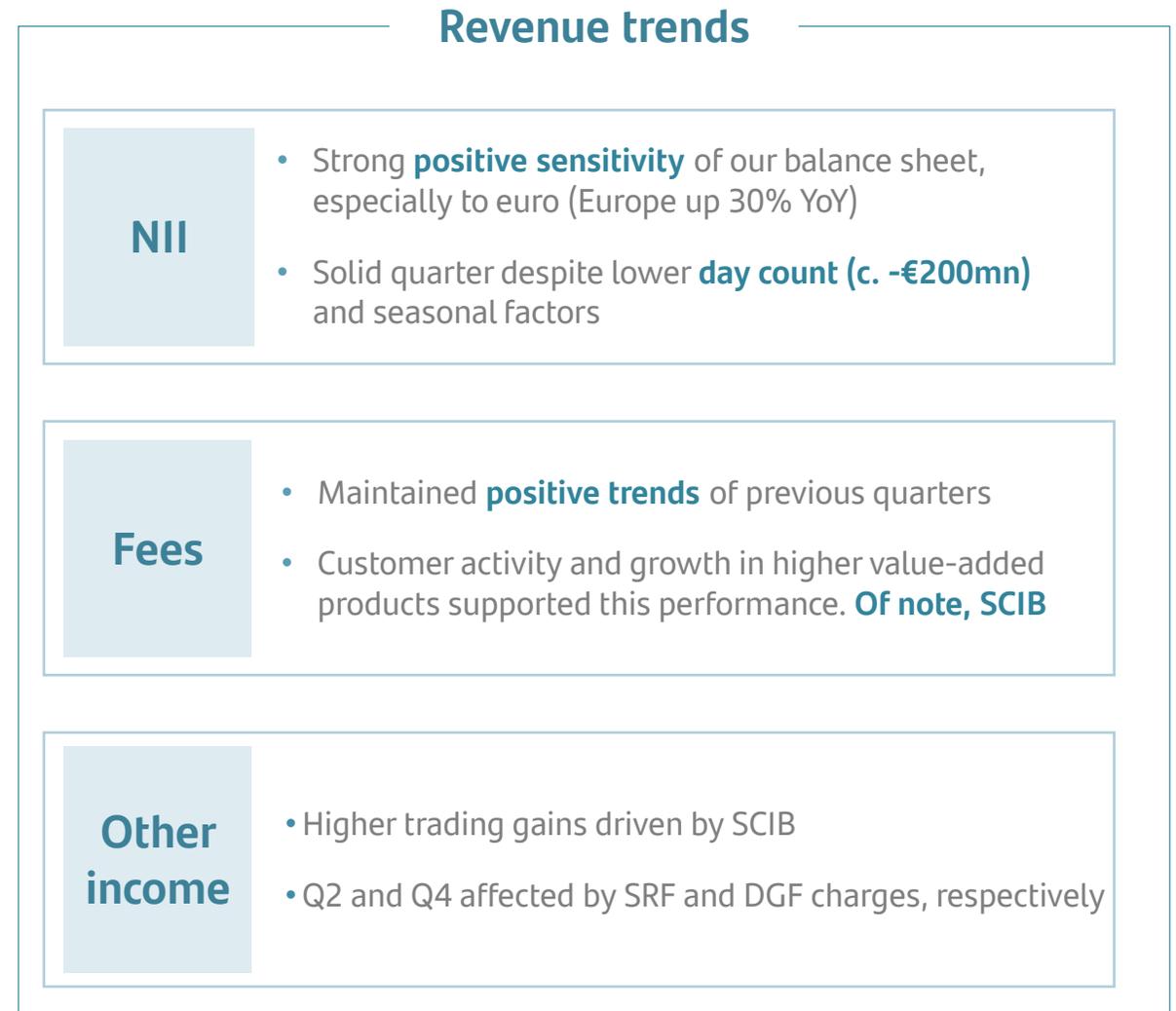
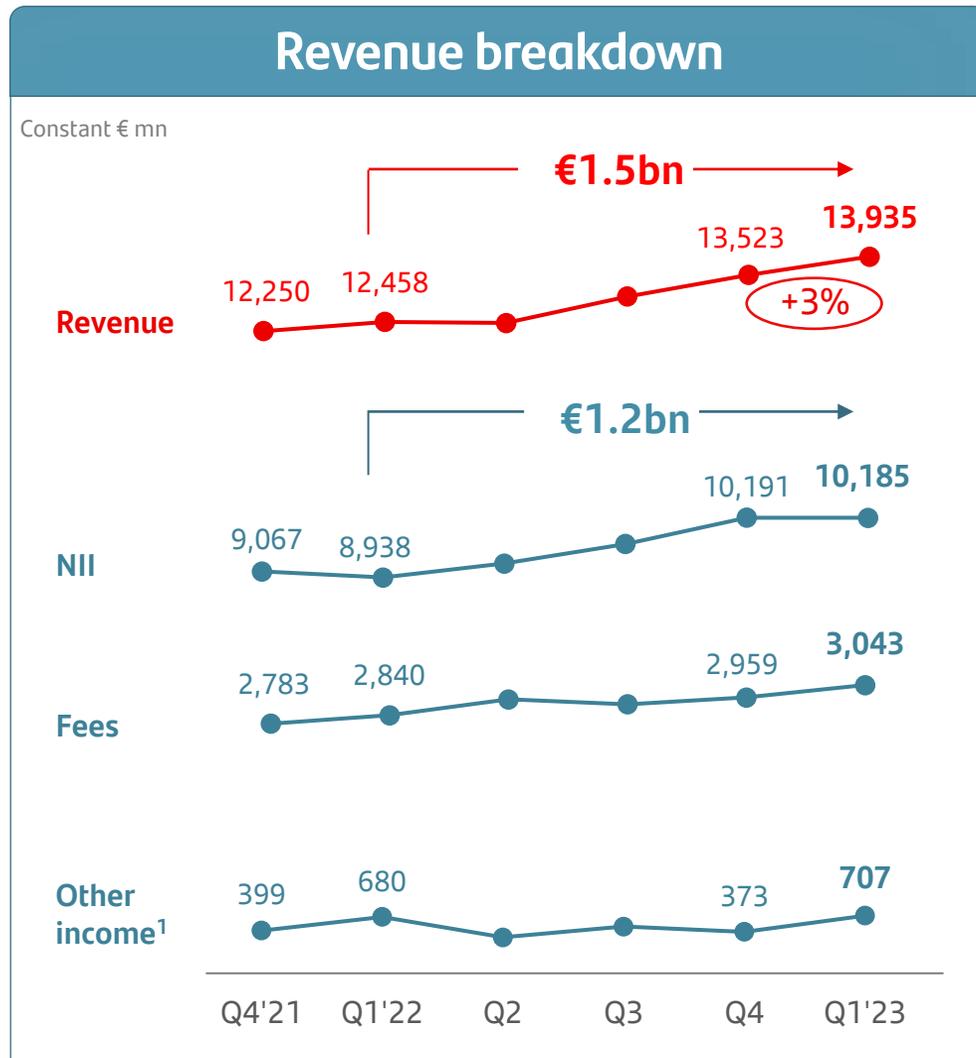
Appendix

# Strong top line with efficiency improvement and contained CoR

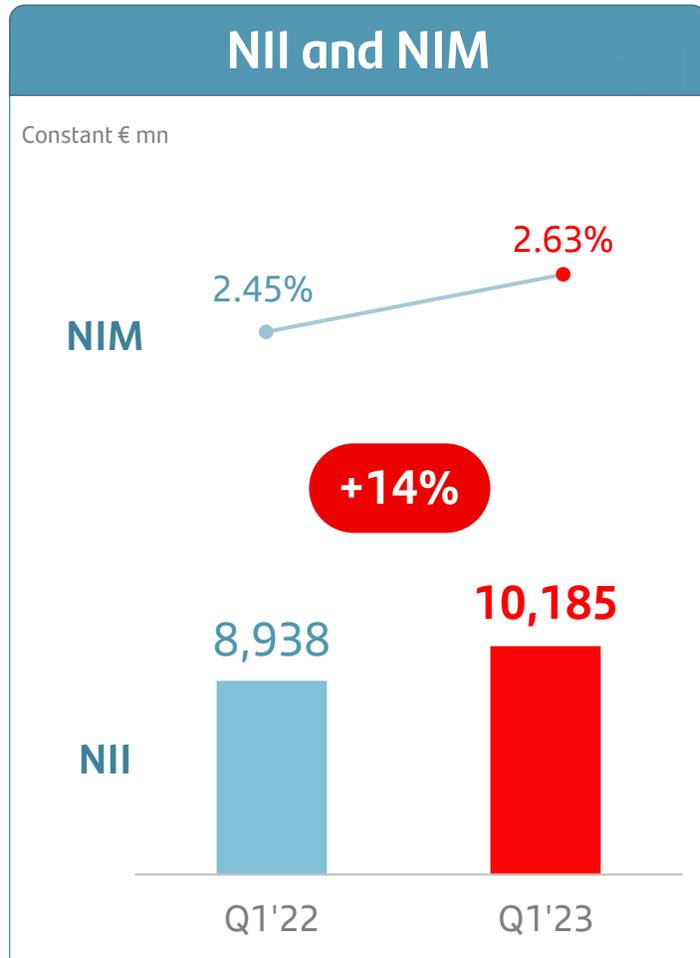
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# Continued revenue growth supported by good performance in Europe and global businesses



# NII and NIM up YoY, supported by volumes, interest rate increases and margin management



## NII drivers YoY

### Volume growth<sup>1</sup>

- **Loans up 3%** backed by consumer and mortgages
- **Deposits increased 6%** in all regions supported by individuals and SCIB

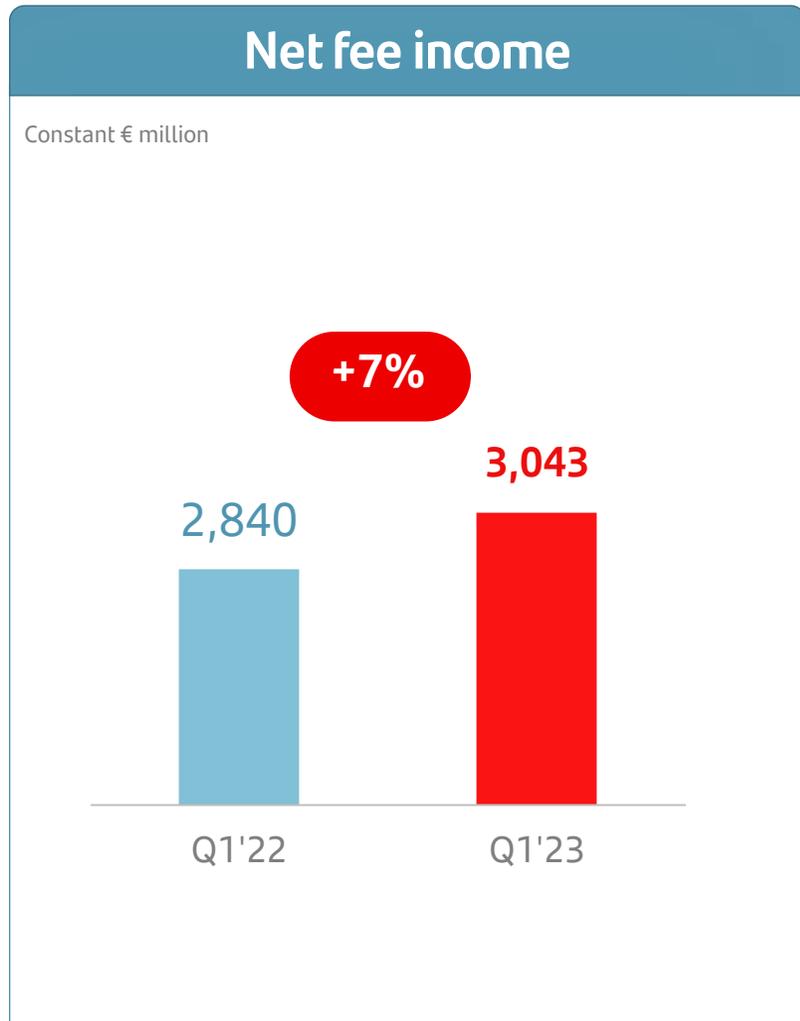
### Higher interest rates

- Benefiting **Europe (+30%)** and **Mexico (+14%)**
- Negative sensitivity in Brazil, Chile and DCB

### Active margin management

- Higher NIM supported by **management of cost of deposits and asset repricing**
- **Deposit betas in line with** the assumptions provided at the **Investor Day**

# Net fee income grew, supported by customer activity and growth in value-added products



## Net fee drivers

YoY % changes in constant euros

### Retail

- **Active customers** increased **2mn YoY**
- Transactionality and specific services for each segment

### SCIB

- **Growth in all regions.** Of note, Europe
- Strengthening value-added services

### WM&I

- **Private Banking: CAL** increased **5% QoQ**
- **SAM rose fees** due to commercial recovery in Q1'23
- **Increase in GWP** (non-related and saving products)

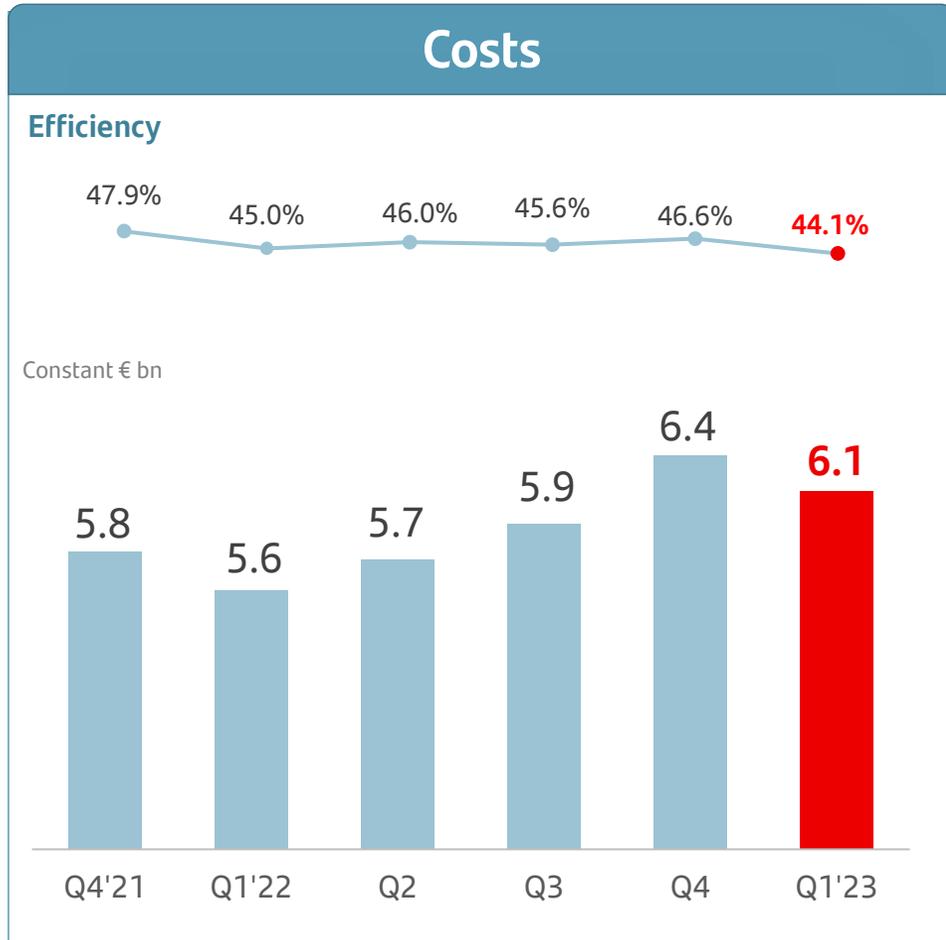
### PagoNxt

- Strong **Total Payments Value (TPV) +27%**
- **Fees up 31%**

### Auto

- **Increased activity** across the board
- Negative impact in Germany from new insurance regulation

# Focus on productivity and efficiency with costs decreasing in real terms



## Costs and efficiency drivers

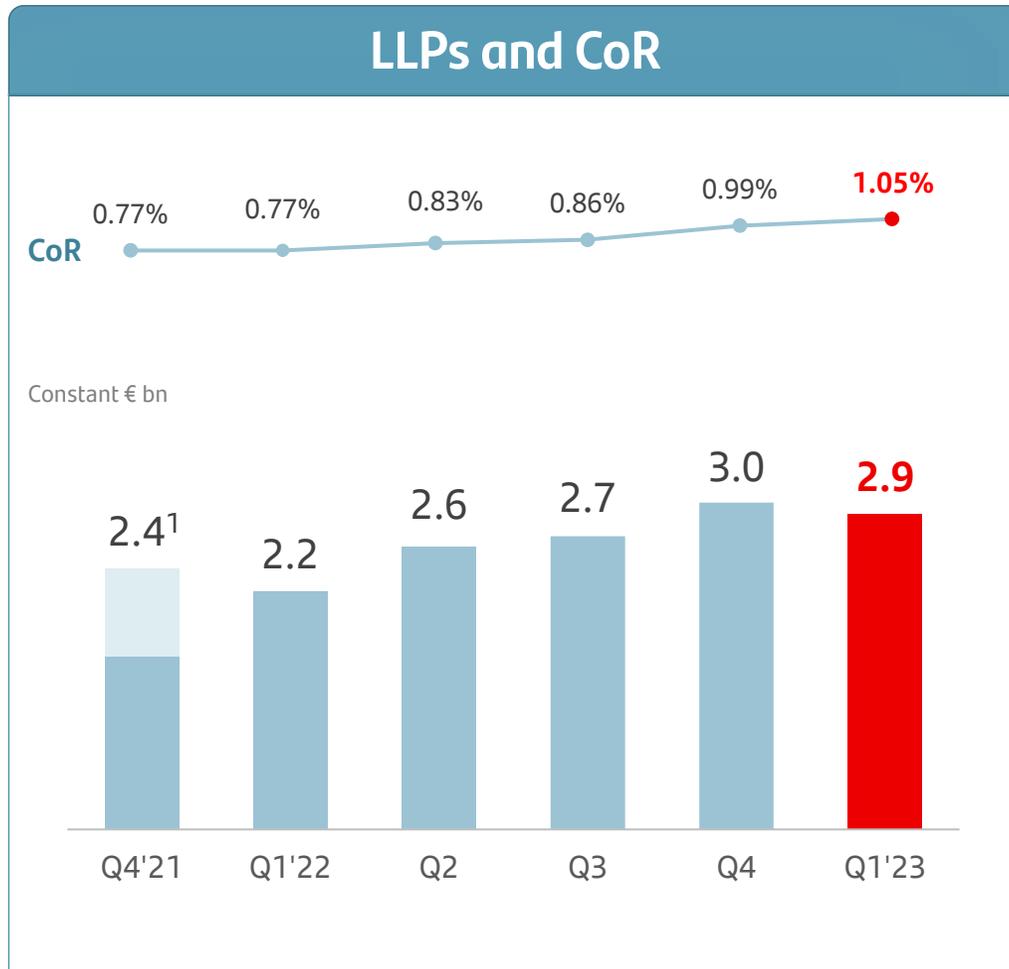
### Efficiency improvement continued

- Group efficiency of 44.1%. Most countries better than Q1'22. **Europe** continued to improve (-6pp).
- Ongoing transformation process towards **simpler and more integrated models**

### Costs grew below inflation

- **Costs in real terms: -1% YoY**
- Investments in IT, digitalization and salary agreements affected some markets

# Credit quality remains robust...



## LLPs and CoR drivers

### LLPs

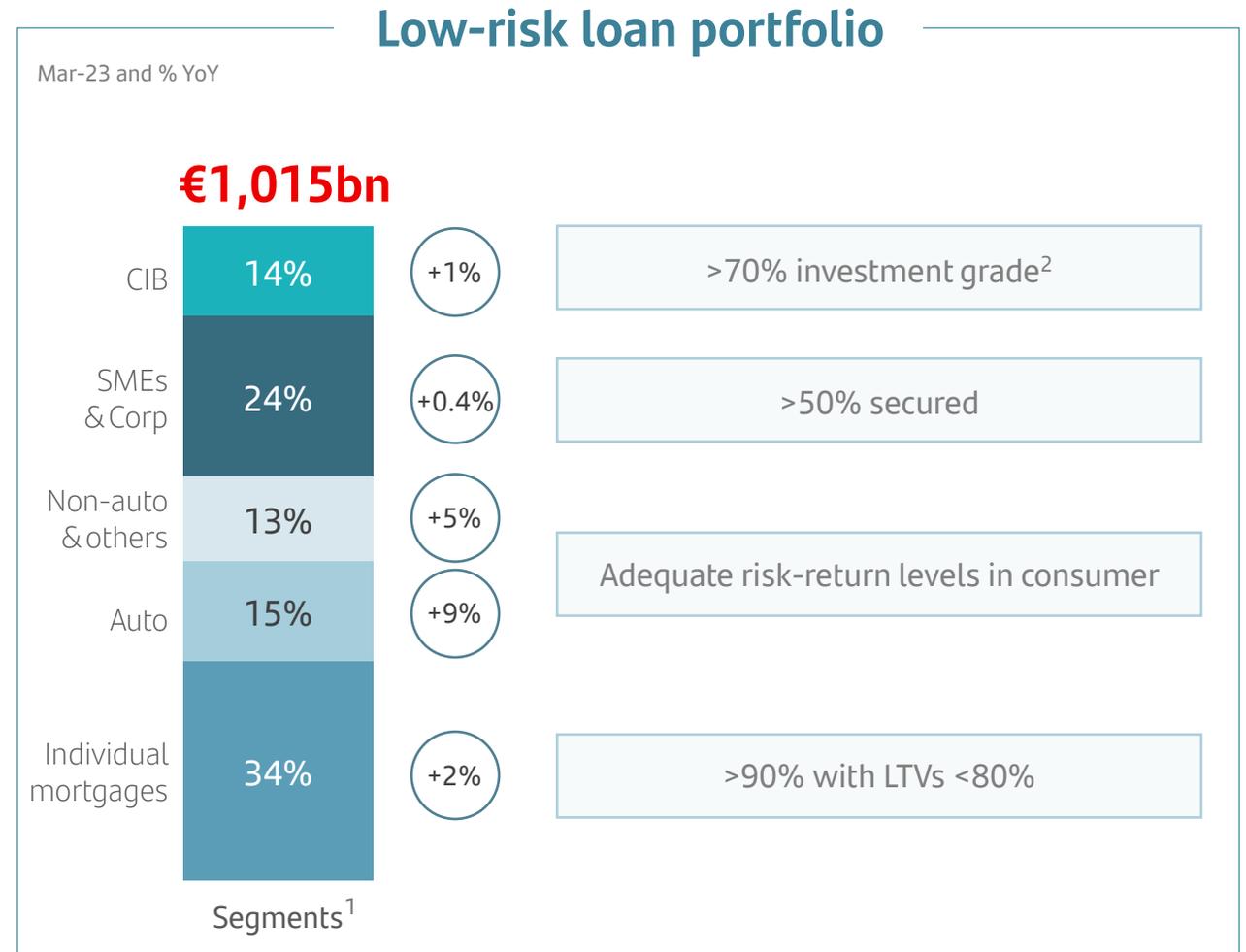
- Q1 LLPs **decreased 3% QoQ**. South America (-11%) and North America (-5%; US better than expected)
- Higher LLPs YoY due to **normalization in the US. Brazil in line with guidance**

### Cost of risk

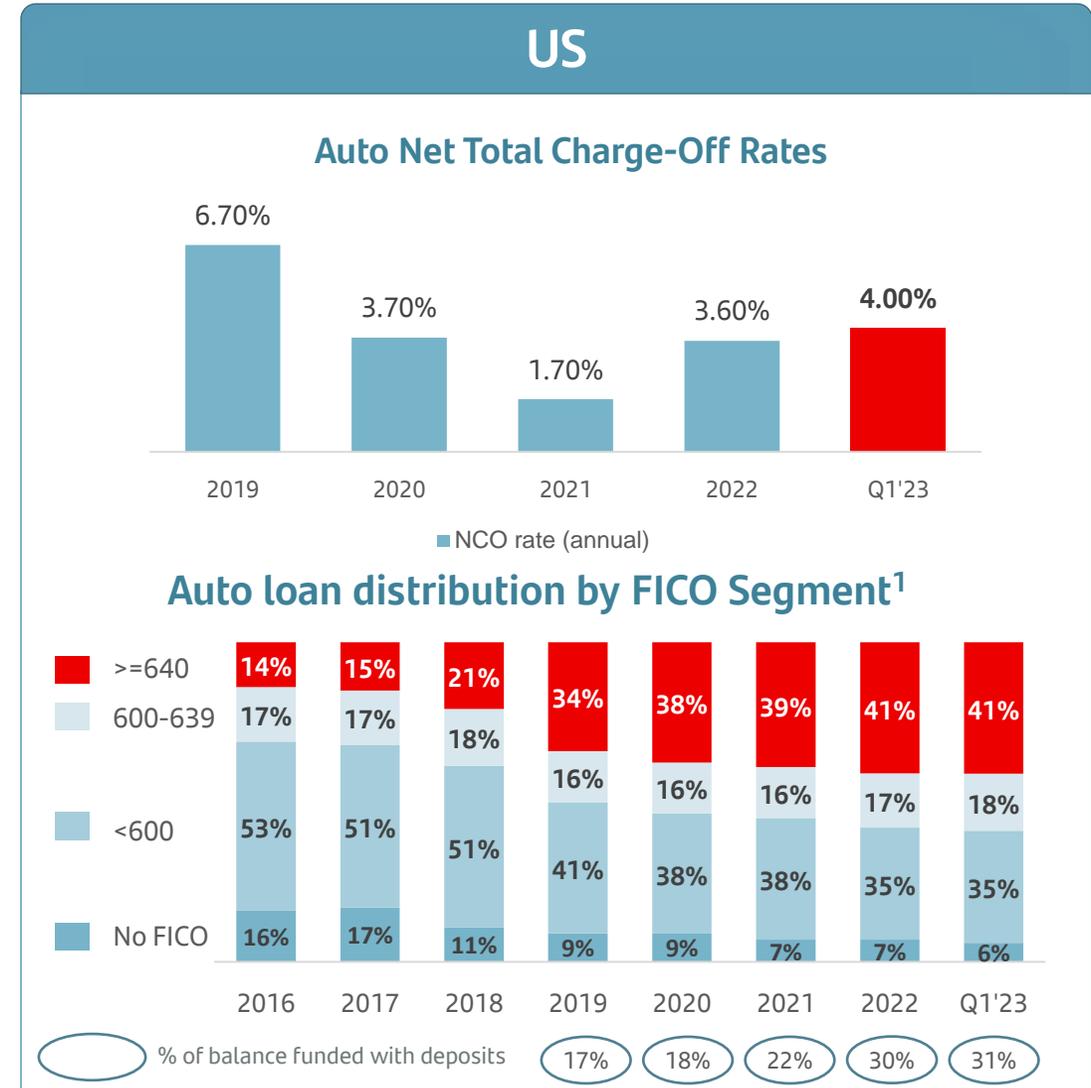
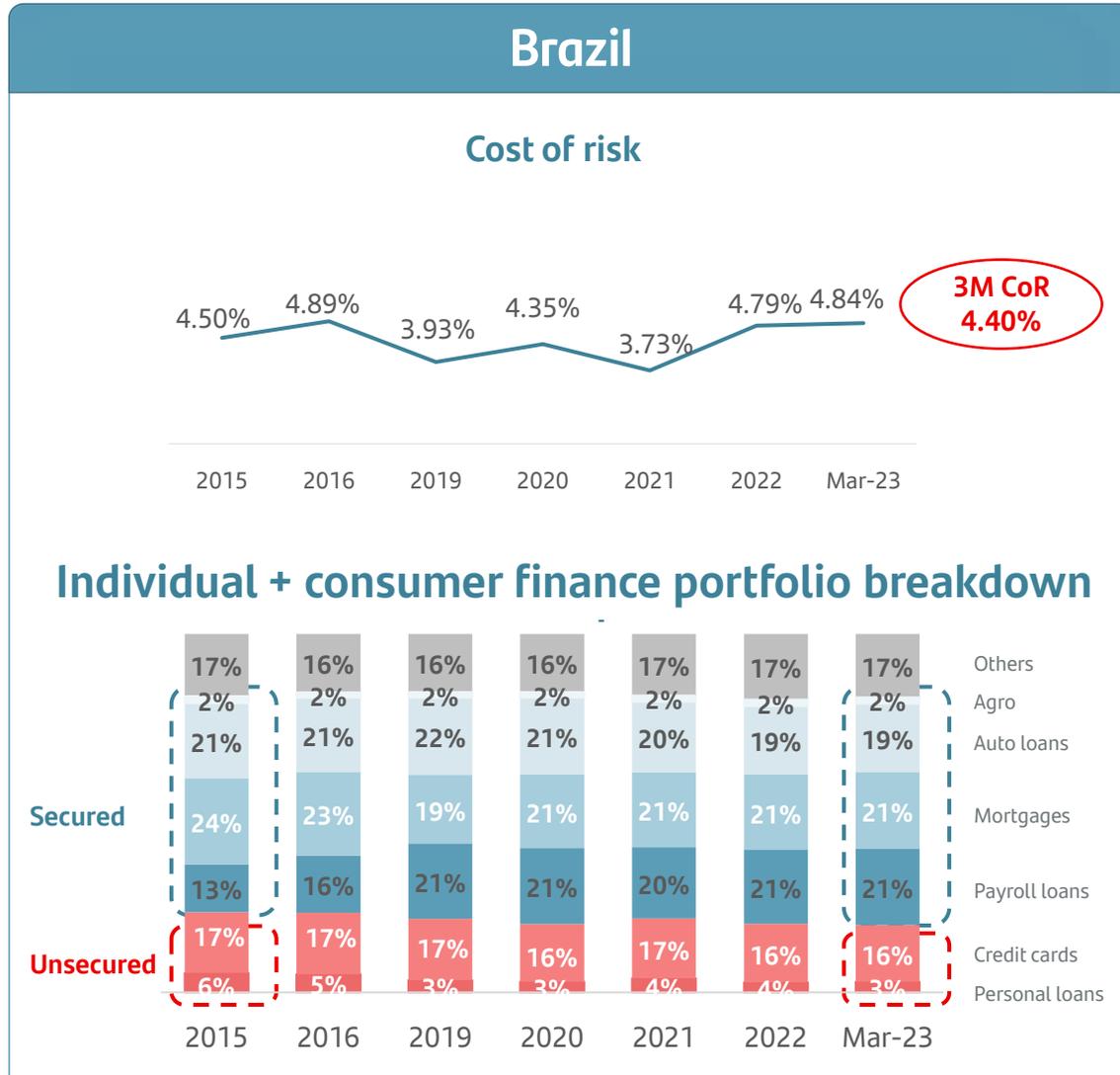
- **Spain, Mexico and Argentina improved YoY**
- The UK (0.12%) and the US (1.52%) up from very low levels in Q1'22. Poland impacted by CHF mortgages
- Brazil (4.84%) and DCB (0.48%) slightly higher

# ...backed by a highly collateralized and diversified loan portfolio

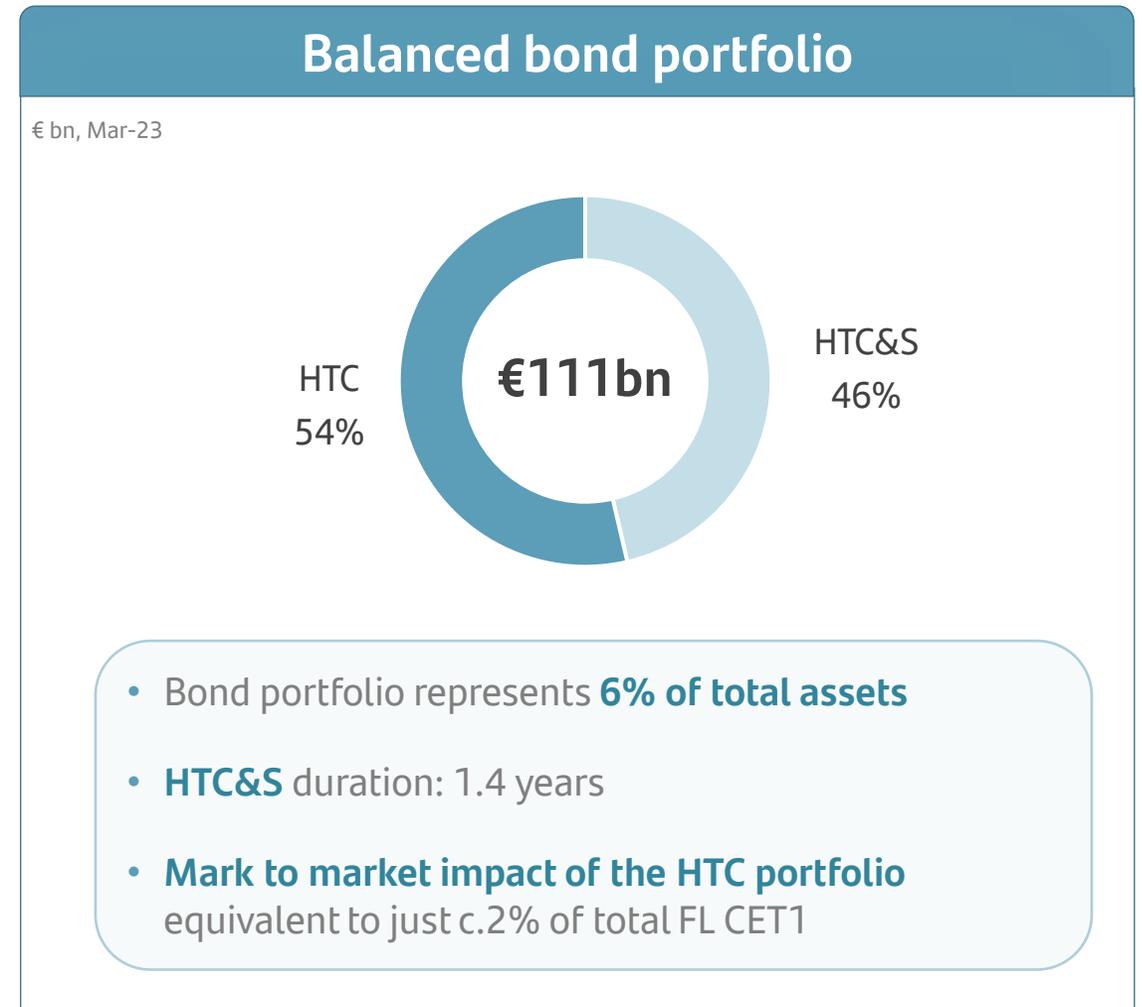
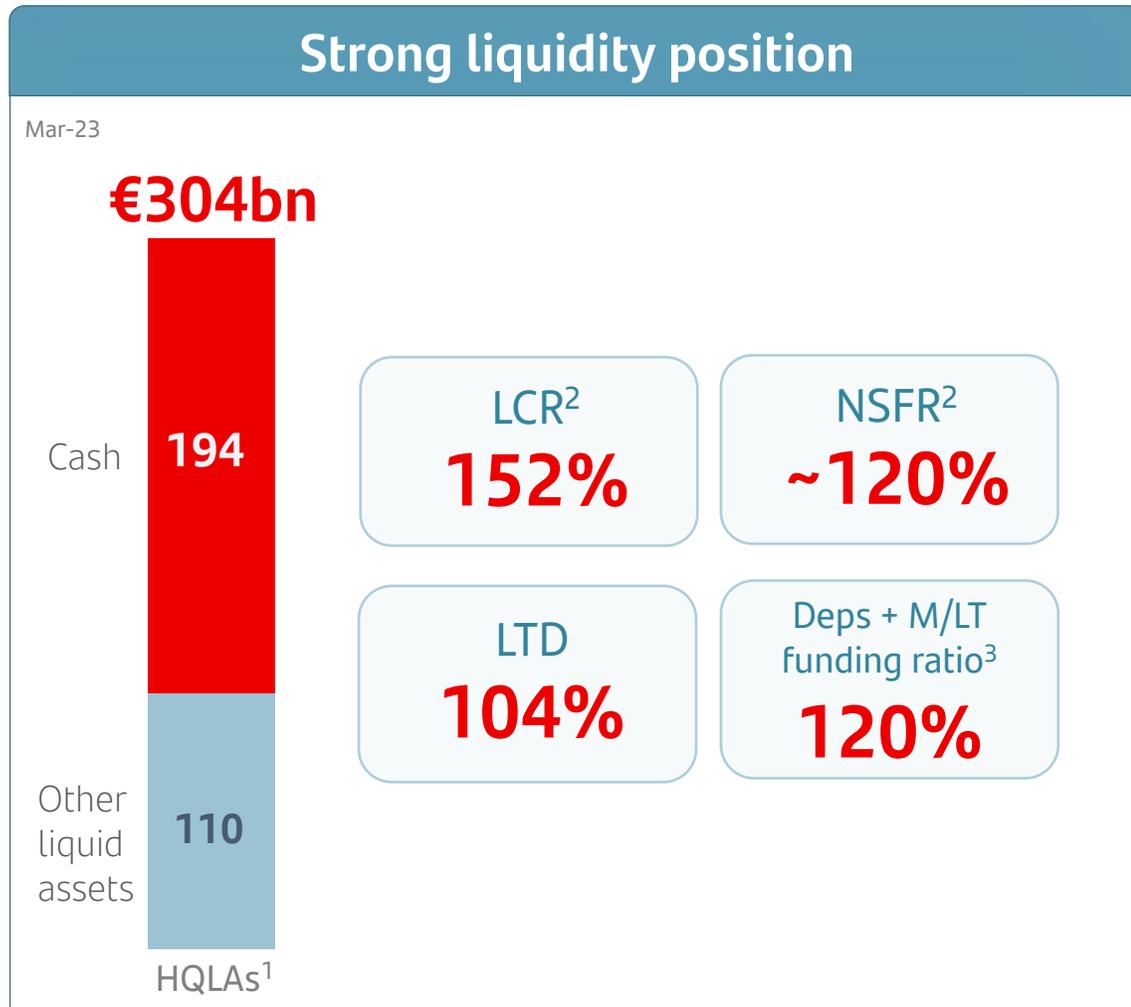
Credit quality		
	Mar-22	Mar-23
NPL ratio	3.26%	<b>3.05%</b>
Coverage ratio	69%	<b>68%</b>
Stage 1	€967bn	<b>€1,005bn</b>
Stage 2	€68bn	<b>€72bn</b>
Stage 3	€36bn	<b>€34bn</b>



# Brazil and US credit quality



# Conservative structural risk management with liquidity ratios well above requirements

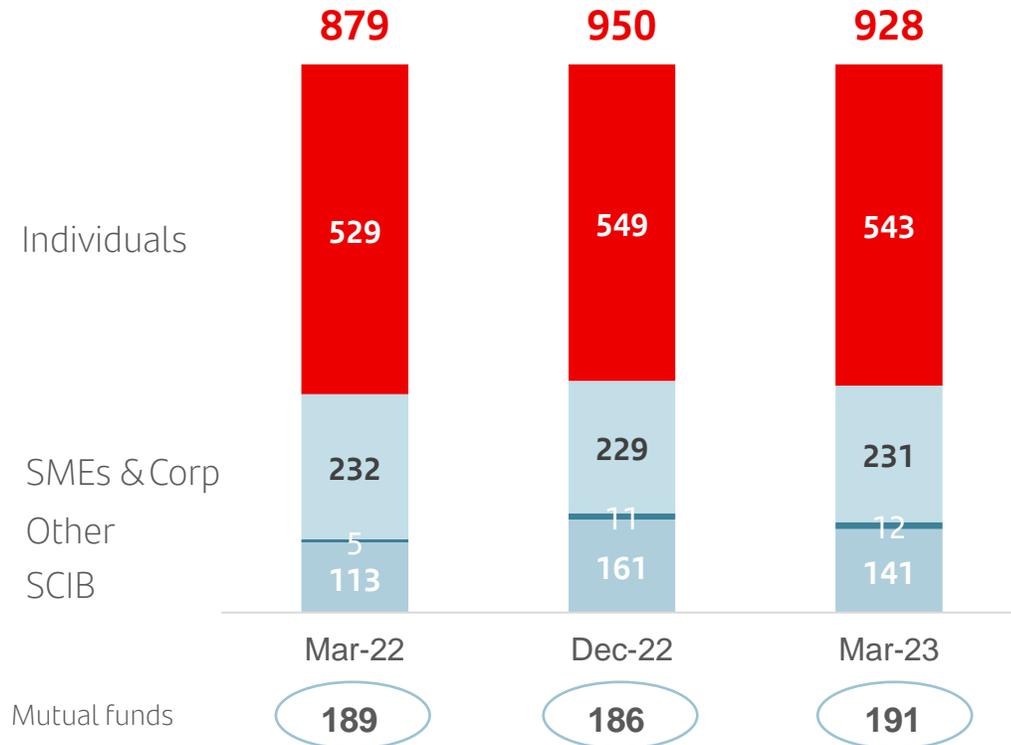


# Our diversified and stable deposit structure supports YoY growth across regions and segments

## Quarterly deposit performance

Constant € bn

- Seasonal drop in SCIB balances

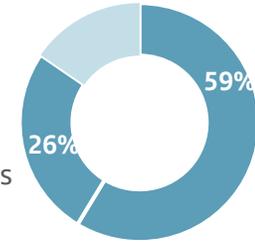


## Stable deposit structure based on retail funding

Mar-23

Total deposits

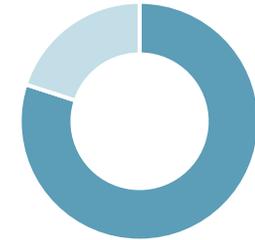
SMEs & Corporates



59% Individuals

Retail 85%

Deposits from individuals



Insured c.80%

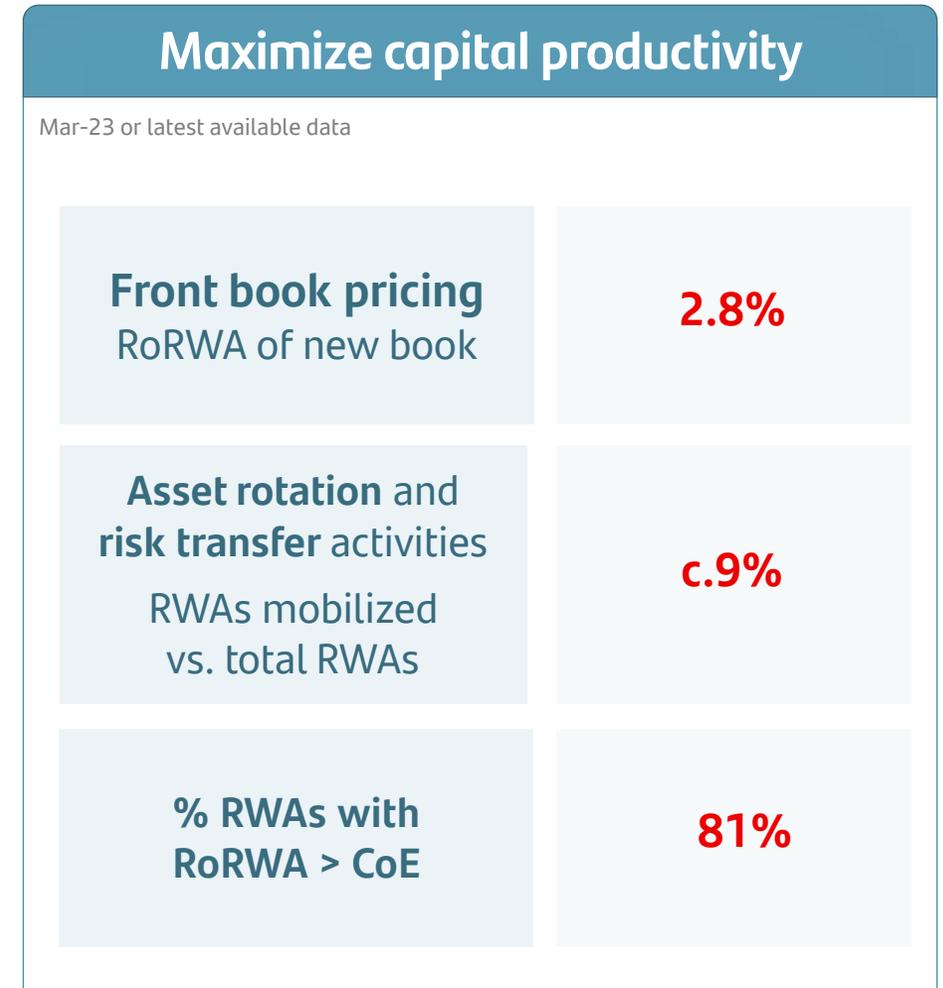
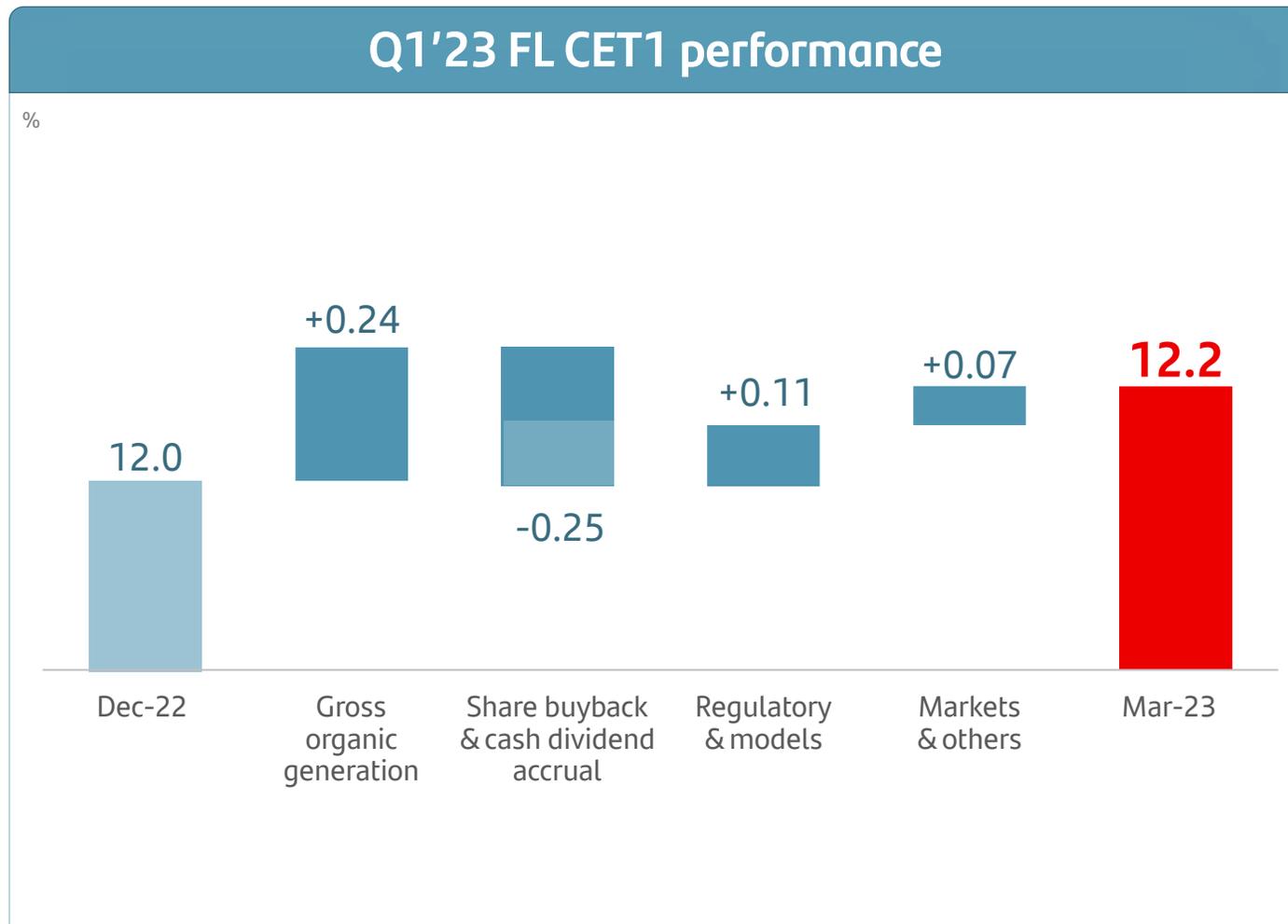
Total deposits by product

Demand -5% YoY



Time 27%  
+49% YoY

# Strong organic capital generation ensures sustainability of shareholder remuneration



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Appendix

# Entering a new phase of shareholder value creation

 <b>Customers and revenue</b>	 <b>One Transformation</b>	 <b>Network contribution</b>	 <b>Solid balance sheet</b>
<ul style="list-style-type: none"><li>✓ <b>Strong growth in customers and volumes</b></li><li>✓ <b>Robust revenue performance</b> driven by NII and fee income</li></ul> <hr/> <p>▶▶ <b>We expect these trends to continue in the coming quarters</b></p>	<ul style="list-style-type: none"><li>✓ <b>Automation &amp; simplification</b> to better serve our customers</li><li>✓ This is beginning to deliver savings, <b>reflected in efficiency</b></li></ul> <hr/> <p>▶▶ <b>We intend to accelerate this process in the coming quarters</b></p>	<ul style="list-style-type: none"><li>✓ <b>Identify the best business opportunities</b> across the Group</li><li>✓ <b>Global and Network revenue</b> already growing above Group</li></ul> <hr/> <p>▶▶ <b>We will continue to implement strategic initiatives to improve our local banks' operations</b></p>	<ul style="list-style-type: none"><li>✓ We continue to have a <b>medium-low risk profile</b></li><li>✓ <b>Strong liquidity and solvency ratios</b></li></ul> <hr/> <p>▶▶ <b>Focus on capital efficiency and asset rotation</b></p>



**Supporting shareholder value creation and sustainable profitability**

# On track to meet our 2023 financial targets

		2023 targets	Q1'23
Revenue <sup>1</sup>	>>	Double-digit growth	+12%
Efficiency ratio	>>	44-45%	44.1%
CoR	>>	<1.2%	1.05%
FL CET1	>>	>12%	12.2%
RoTE	>>	>15%	14.4% <sup>2</sup>

# 2023-2025 targets announced at the Investor Day

## Strength

FL CET1

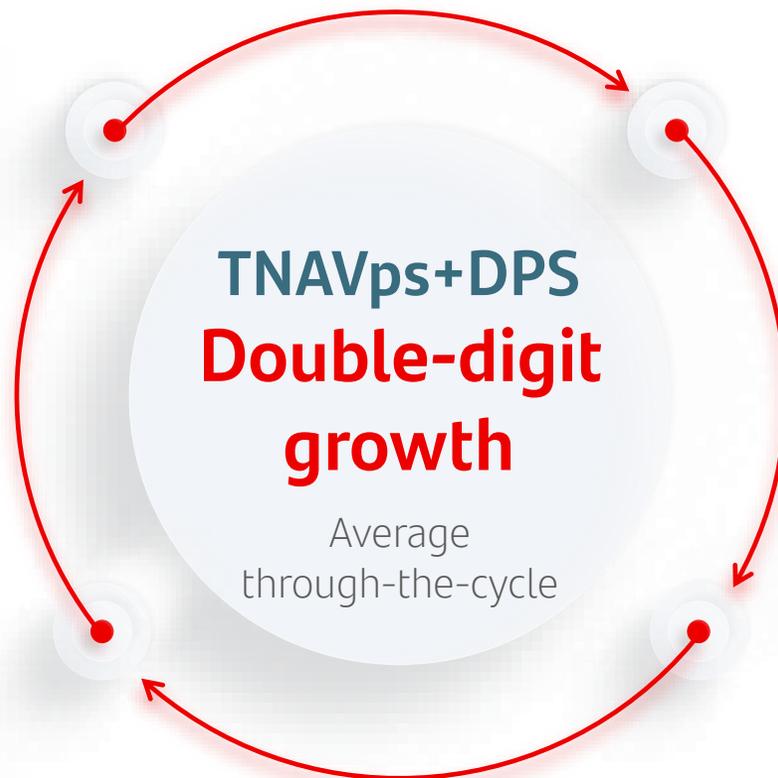
**>12%**

## Shareholder remuneration

Payout

**50%**

Cash dividend + SBB



## Disciplined capital allocation

RWAs with RoRWA > CoE

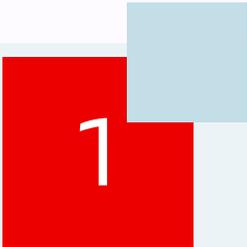
**c.85%**

## Profitability

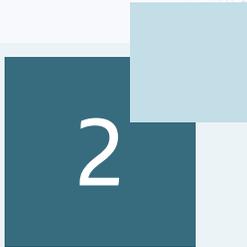
RoTE

**15-17%**

# Index



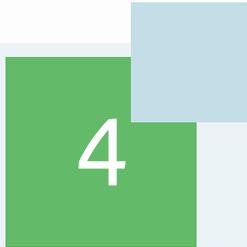
Q1'23 Highlights  
Our steps towards  
value creation



Group  
review



Final  
remarks



Appendix

# Appendix

**Primary and Secondary segments**

Responsible Banking

Reconciliation of underlying results to statutory results

Glossary

The other information in the Appendix regularly provided each quarter can be found in the document entitled "Supplementary Information", published together with this presentation on the Group's corporate website.

A light blue world map is centered in the background of the slide. The map shows the outlines of continents and countries. A vertical light blue bar runs through the center of the map, behind the text.

# Primary segments

Detail by region  
and country

# Increased volumes across the board, mainly in deposits. Profit supported by Europe and the Corporate Centre

Mar-23

		Loans (€ bn)	Deposits (€ bn)
	Europe	566 -2%	599 +3%
	North America	157 +6%	137 +9%
	South America	160 +12%	130 +10%
	Digital Consumer Bank	127 +11%	61 +9%
	Group	1,015 +3%	928 +6%

Contribution to Group profit	Profit (€ mn)	RoTE
	1,189 +19%	12.8% +3.1 pp
	627 -28%	10.5% -2.1 pp
	790 -14%	15.3% -4.6 pp
	244 -12%	9.9% -2.7 pp

Corporate Centre: Q1'23: -€279mn; Q1'22: -€462mn

## Highlights

- Continued progress in our **transformation projects**, developing a common front and back as well as advances in shared services
- High total customer growth** in the region (+1mn YoY)
- Loans** fairly stable, affected by prepayments, while **deposits** grew across the region, mainly time deposits
- Strong efficiency gains** as costs grew below inflation, with **controlled cost of risk**
- Strong profit growth** YoY and QoQ despite temporary levy in Spain. **Excluding it: €1.4bn (+40% YoY)**

## Key data and P&L

Loans	Deposits	Mutual Funds
€566bn -2%	€599bn +3%	€95bn -6%
Efficiency	CoR	RoTE
41.9% -5.9pp	0.42% +4bps	12.8% +3.1pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	3,597	1.5	29.8	26.7
Net fee income	1,168	11.4	1.8	1.2
Total revenue	5,171	9.3	22.2	20.1
Operating expenses	-2,167	-2.1	7.1	5.2
<b>Net operating income</b>	<b>3,004</b>	<b>19.3</b>	<b>36.1</b>	<b>33.8</b>
LLPs	-642	1.1	25.7	24.8
<b>Attributable profit</b>	<b>1,189</b>	<b>22.5</b>	<b>19.2</b>	<b>16.8</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Spain

- Strong YoY growth in **customers** (+736k) and deposits (+7%). Loan volumes affected by prepayments
- **Profit boosted** by NII, cost control and CoR improvement. Excluding temporary levy, profit +83% YoY

Loans	Deposits	Mutual Funds
€242bn -3%	€301bn +7%	€74bn -4%
Efficiency	CoR	RoTE
39.8% -8.3pp	0.62% -26bps	11.1% +3.7pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22
NII	1,460	4.0	46.4
Net fee income	752	16.4	0.8
Total revenue	<b>2,547</b>	<b>17.1</b>	<b>26.0</b>
Operating expenses	-1,014	-4.1	4.3
<b>Net operating income</b>	<b>1,533</b>	<b>37.2</b>	<b>46.2</b>
LLPs	-415	6.4	6.0
<b>Attributable profit</b>	<b>466</b>	<b>2.2</b>	<b>27.7</b>

(\*) € mn and % change.

## UK

- **Loan volumes** were flat on the back of disciplined pricing and softer mortgage market. Customer growth (+199k)
- **Strong net operating income** (+18% YoY), partially offset by transformation costs and higher tax expense

Loans	Deposits	Mutual Funds
€242bn 0.0%	€218bn +0.5%	€7bn -12%
Efficiency	CoR	RoTE
49.3% -2.7pp	0.12% +21bps	13.6% +2.7pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	1,283	0.5	13.6	7.6
Net fee income	83	-11.5	-5.4	-10.4
Total revenue	<b>1,368</b>	<b>0.2</b>	<b>11.8</b>	<b>6.0</b>
Operating expenses	-674	1.1	6.0	0.4
<b>Net operating income</b>	<b>694</b>	<b>-0.7</b>	<b>18.2</b>	<b>12.0</b>
LLPs	-59	-26.0	22.5	16.0
<b>Attributable profit</b>	<b>395</b>	<b>55.0</b>	<b>11.1</b>	<b>5.3</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Portugal

- Increased **customer base** (+74k). Lower volumes as deposits were used to repay mortgages early
- Profit +21% YoY** as higher rates boosted NII and cost of risk well controlled

Loans	Deposits	Mutual Funds
€39bn -2%	€37bn -5%	€4bn -8%
Efficiency	CoR	RoTE
32.6% -5.0pp	0.06% +3bps	20.9% +5.9pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22
NII	261	13.0	53.6
Net fee income	124	5.0	1.6
<b>Total revenue</b>	<b>405</b>	<b>11.8</b>	<b>21.8</b>
Operating expenses	-132	5.2	5.5
<b>Net operating income</b>	<b>273</b>	<b>15.4</b>	<b>31.7</b>
LLPs	-14	75.3	72.8
<b>Attributable profit</b>	<b>180</b>	<b>3.5</b>	<b>21.4</b>

(\*) € mn and % change.

## Poland

- Higher volumes** driven by customer growth (211k) and corporate loans (SMEs and CIB)
- Profit up 51% YoY**, as NII growth absorbed impacts from higher inflation and CHF portfolio charges

Loans	Deposits	Mutual Funds
€31bn +0.5%	€39bn +5%	€3bn -5%
Efficiency	CoR	RoTE
27.1% -5.4pp	1.71% +107bps	19.5% +4.6pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	586	6.0	46.6	43.8
Net fee income	145	15.4	7.1	5.0
<b>Total revenue</b>	<b>729</b>	<b>4.8</b>	<b>45.5</b>	<b>42.7</b>
Operating expenses	-197	8.0	21.3	19.0
<b>Net operating income</b>	<b>531</b>	<b>3.6</b>	<b>57.1</b>	<b>54.1</b>
LLPs	-151	0.7	142.7	138.1
<b>Attributable profit</b>	<b>167</b>	<b>24.1</b>	<b>51.4</b>	<b>48.6</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.



## Highlights

- **Product rationalization and business simplification** on track and beginning to deliver savings
- **Larger customer base** and enhanced customer experience through tailored products and services
- **Overall growth in volumes**, driven by most segments in Mexico and by CIB, multifamily and Auto in the US
- **Solid revenue performance**, absorbing higher funding costs and lower lease income in the US
- **Bottom line** affected by continued LLP normalization

## Key data and P&L

Loans	Deposits	Mutual Funds
€157bn +6%	€137bn +9%	€29bn +3%
Efficiency	CoR	RoTE
47.7% +2.7pp	1.62% +70bps	10.5% -2.1pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	2,448	-3.4	6.1	14.9
Net fee income	521	4.2	6.8	17.7
Total revenue	3,141	-2.2	3.9	12.4
Operating expenses	-1,500	-5.9	10.2	19.0
<b>Net operating income</b>	<b>1,641</b>	<b>1.5</b>	<b>-1.3</b>	<b>7.0</b>
LLPs	-808	-5.0	69.2	84.2
<b>Attributable profit</b>	<b>627</b>	<b>6.5</b>	<b>-27.9</b>	<b>-22.2</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## USA

- **Strong growth in volume:** loans up mainly due to Auto, multifamily and SCIB. Deposits supported by time deposits
- **Continued LLP normalization** and lower lease income YoY

Loans	Deposits	Mutual Funds
€114bn +7%	€95bn +9%	€15bn +6%
Efficiency	CoR	RoTE <sup>2</sup>
49.9% +5.9pp	1.52% +103bps	11.6% -12.0pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	1,465	-3.4	1.7	6.3
Net fee income	190	9.1	-7.8	-3.6
Total revenue	1,827	-1.8	-3.5	0.9
Operating expenses	-912	-0.7	9.3	14.3
<b>Net operating income</b>	<b>915</b>	<b>-3.0</b>	<b>-13.7</b>	<b>-9.7</b>
LLPs	-567	-7.4	112.2	121.9
<b>Attributable profit</b>	<b>300</b>	<b>9.6</b>	<b>-50.8</b>	<b>-48.6</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Mexico

- **Successful customer attraction strategy** reflected in +1.3mn new customers and **growth in volumes**
- **Profit up YoY with outstanding profitability** supported by strong top line growth and improved efficiency and CoR

Loans	Deposits	Mutual Funds
€44bn +3%	€42bn +9%	€15bn +1%
Efficiency	CoR	RoTE
41.6% -2.5pp	1.98% -24bps	18.0% +3.3pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	983	-3.4	13.6	30.5
Net fee income	320	3.1	13.4	30.3
Total revenue	1,300	-1.6	15.3	32.5
Operating expenses	-540	-12.1	8.9	25.1
<b>Net operating income</b>	<b>760</b>	<b>7.6</b>	<b>20.4</b>	<b>38.3</b>
LLPs	-239	1.6	13.6	30.6
<b>Attributable profit</b>	<b>359</b>	<b>5.0</b>	<b>25.5</b>	<b>44.2</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.



## Highlights

- Continued progress in **increasing connectivity** across the region and executing the **digital agenda** to improve **efficiency and profitability**
- Total customer growth** (+10%) driven by higher transactionality and improved customer experience
- Double-digit growth in **loans and deposits**, with a strengthened risk model
- Profit down 14% YoY** mainly due higher provisions and costs, affected by inflation. In real terms, costs dropped 1%
- In the quarter, **profit remained stable**, despite seasonality, driven by good cost control and lower LLPs (mainly in Brazil)

## Key data and P&L

Loans	Deposits	Mutual Funds
€160bn +12%	€130bn +10%	€63bn +11%
Efficiency	CoR	RoTE
39.1% +3.8pp	3.39% +66bps	15.3% -4.6pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	3,163	-3.4	4.2	4.1
Net fee income	1,166	-3.8	16.4	15.1
Total revenue	<b>4,404</b>	<b>-2.8</b>	<b>4.4</b>	<b>5.0</b>
Operating expenses	-1,723	-6.4	19.2	16.1
<b>Net operating income</b>	<b>2,680</b>	<b>-0.4</b>	<b>-3.3</b>	<b>-1.1</b>
LLPs	-1,232	-11.1	19.8	23.4
<b>Attributable profit</b>	<b>790</b>	<b>-0.3</b>	<b>-13.7</b>	<b>-12.2</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Brazil

- **Selective volume growth** focused on secured and higher rated customers
- **Profit down YoY** due to higher provisions and costs, affected by inflation and negative NII sensitivity to interest rate rises
- **Costs and LLPs improved in the quarter**

Loans	Deposits	Mutual Funds
€96bn +10%	€79bn +9%	€47bn +4%
Efficiency	CoR	RoTE
35.3% +4.5pp	4.84% +90bps	14.1% -6.9pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	2,105	-1.9	-6.4	-1.7
Net fee income	817	-4.1	4.8	10.0
Total revenue	3,057	-2.0	-3.5	1.3
Operating expenses	-1,080	-4.3	10.7	16.2
<b>Net operating income</b>	<b>1,977</b>	<b>-0.6</b>	<b>-9.8</b>	<b>-5.4</b>
LLPs	-1,034	-14.3	15.7	21.4
<b>Attributable profit</b>	<b>469</b>	<b>-5.5</b>	<b>-28.7</b>	<b>-25.2</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Chile

- Continued **transformation of the business** to offer the best products and services
- **Profit YoY** impacted by negative NII sensitivity. **Fees grew 31%** driven by active customer growth (+114k)
- **Trends improved in the quarter** across the main P&L lines

Loans	Deposits	Mutual Funds
€48bn +9%	€31bn -1%	€10bn +20%
Efficiency	CoR	RoTE
41.9% +5.9pp	0.95% +12bps	14.7% -6.7pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	371	3.7	-26.2	-23.2
Net fee income	153	12.9	31.4	36.8
Total revenue	606	9.7	-10.4	-6.7
Operating expenses	-254	-2.4	4.3	8.6
<b>Net operating income</b>	<b>352</b>	<b>20.5</b>	<b>-18.7</b>	<b>-15.4</b>
LLPs	-117	1.5	19.0	23.9
<b>Attributable profit</b>	<b>150</b>	<b>10.8</b>	<b>-23.1</b>	<b>-19.9</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Argentina

- Changes affected by **high inflation**
- Customer and volume growth, with stable credit quality. **#1 NPS**, with one of the best rated apps among local banks
- **Profit up** driven by strong revenue growth and efficiency and CoR improvement

Loans	Deposits	Mutual Funds
€6bn +91%	€11bn +101%	€5bn +146%
Efficiency	CoR	RoTE
49.8% -9.7pp	2.97% -33bps	29.8% +11.5pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	532	-14.7	226.5	77.4
Net fee income	137	-18.4	109.2	13.6
Total revenue	501	-20.1	153.6	37.8
Operating expenses	-250	-18.7	112.3	15.3
<b>Net operating income</b>	<b>251</b>	<b>-21.5</b>	<b>214.5</b>	<b>70.9</b>
LLPs	-43	0.3	102.3	9.9
<b>Attributable profit</b>	<b>139</b>	<b>14.6</b>	<b>331.7</b>	<b>134.5</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Uruguay, Peru and Colombia

- Focus on **digital expansion** in Uruguay and on **joint initiatives** between CIB and Corporates in Peru and Colombia
- **Profit up 21%** in Uruguay mainly driven by NII. Peru and Colombia also grew driven by higher revenue
- **High profitability:** double-digit RoTEs

RoTEs		
Uruguay	Peru	Colombia
22.2% +1.3pp	23.0% +0.1pp	15.6% -3.2pp



## Highlights

- We further **expanded our value proposition** with new capabilities in BNPL and mobility (leasing, subscription)
- **New lending up 7% YoY**, with **margins beginning to improve** as repricing starts to catch up with rising funding costs
- Effort to **grow customer deposits** as main funding source to neutralize negative interest rate sensitivity
- **Fee income** impacted by new fee regulation in Germany
- **Costs** grew well below inflation (**-5% in real terms**) and **CoR normalizing but still at low levels**
- **Profit** affected by temporary levy in Spain. **Excluding it: -4% YoY**

## Key data and P&L

New lending	Loans	Customer Funds
€13bn +7%	€127bn +11%	€64bn +10%
Efficiency	CoR	RoTE
49.1% -0.1pp	0.48% +4bps	9.9% -2.7pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
NII	1,029	4.8	3.0	0.9
Net fee income	191	-10.9	-6.9	-7.3
Total revenue	1,343	-2.0	4.2	2.4
Operating expenses	-659	8.4	3.9	2.3
<b>Net operating income</b>	<b>684</b>	<b>-10.4</b>	<b>4.5</b>	<b>2.5</b>
LLPs	-193	67.4	34.1	30.4
<b>Attributable profit</b>	<b>244</b>	<b>-37.9</b>	<b>-11.6</b>	<b>-13.5</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Highlights

- **NII improved significantly** driven by the higher liquidity buffer remuneration as a result of the higher interest rates
- **Lower negative FX hedging impact** resulted in higher trading gains
- Slight decrease in LLPs and other results

## Income statement

Underlying P&L*	Q1'23	Q1'22
NII	-52	-172
Gains/losses on financial transactions	-54	-119
Operating expenses	-95	-87
LLPs and other provisions	-41	-49
Tax and minority interests	-19	-25
<b>Attributable profit</b>	<b>-279</b>	<b>-462</b>

(\*) € mn.

A light blue world map is centered in the background of the slide. A vertical light blue bar runs through the center of the map, behind the text.

# Secondary segments

Detail by CIB, WM&I and payment business

## Corporate & Investment Banking

- Creation of **Santander US Capital Markets (SanCap)**<sup>1</sup>, enabling us to offer our clients enhanced capabilities and strengthen our US and global franchise
- **Partnership** with Allianz Trade and fintech Two to offer online innovative receivables solutions on B2B transactions
- **Robust operating performance driven by double-digit growth in all core businesses**, especially Markets and GTB

Total fees	Profit	RoTE
<b>€619mn</b> +16%	<b>€976mn</b> +30%	<b>31%</b> +6pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>1</sup>
Total revenue	2,206	19.5	24.6	24.8
Net operating income	1,468	48.5	28.1	27.7
<b>Attributable profit</b>	<b>976</b>	<b>94.5</b>	<b>29.7</b>	<b>27.6</b>

(\*) € mn and % change in constant euros.

(1) % change in current euros.

## Wealth Management & Insurance

**Strong growth in contribution to Group profit (+28%)** in a complex market environment:

- **Private Banking** delivered **outstanding growth** on the back of NII and good commercial activity levels (x2 PAT)
- **SAM** showed solid **growth in Q1'23 net sales (c.€2bn)**, reversing end 2022 trends
- **Insurance** achieved **good results** in gross written premiums due to **non-related** and **saving products** (+9% in profit contribution)

AuMs	Total fees <sup>2</sup>	RoTE
<b>€421bn</b> +5%	<b>€892mn</b> +2%	<b>81%</b> +29pp

Underlying P&L*	Q1'23	% Q4'22	% Q1'22	% Q1'22 <sup>3</sup>
Total revenue	830	10.3	42.9	44.8
Net operating income	551	16.4	68.2	69.6
<b>Attributable profit</b>	<b>377</b>	<b>10.4</b>	<b>62.2</b>	<b>63.8</b>

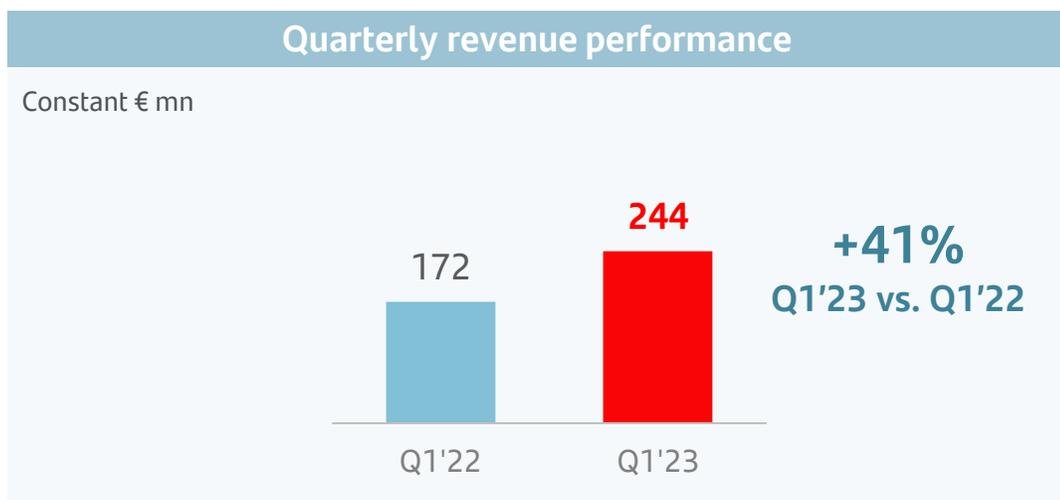
<b>Contribution to profit</b>	<b>773</b>	<b>-0.7</b>	<b>28.3</b>	<b>30.7</b>
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(\*) € mn and % change in constant euros.

(3) % change in current euros.

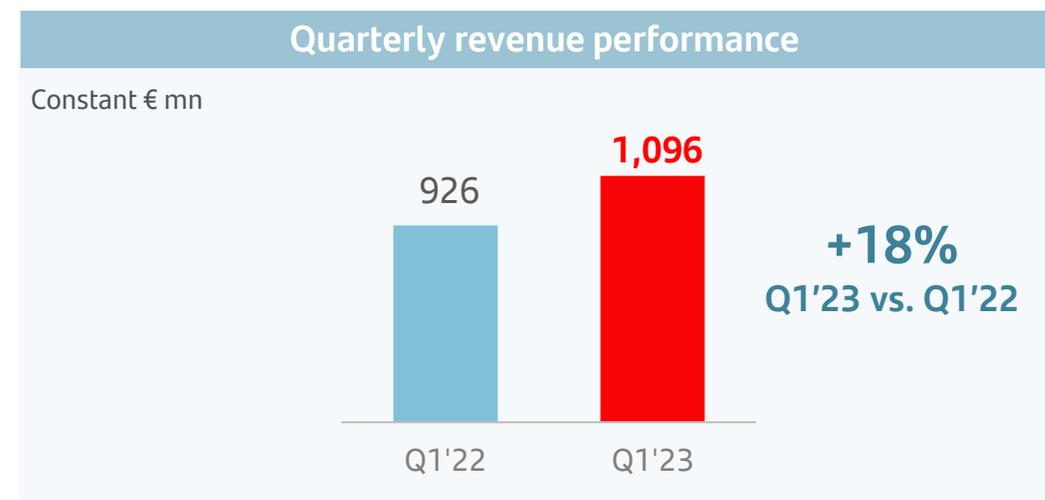
- **Merchant Acquiring: Total Payments Volume rose** backed by Brazil (+16%), Europe (+35%) and Mexico (+39%)
- **Revenue increased 50% YoY (+41% in constant euros)** due to overall increase in business activity and volumes across regions especially in our Merchant (Getnet) and Trade (Ebury) businesses

Merchant	
<b>Total Payments Volume (TPV)</b>	<b>Number of transactions</b>
<b>€46bn</b> +27%	+32%



- **97 million cards** managed globally
- **Revenue grew 20% YoY (+18% in constant in euros)**
- **High profitability** with an **RoTE of 41%**

Cards	
<b>Turnover</b>	<b>Number of transactions</b>
<b>€75bn</b> +10%	+6%



# Appendix

Primary and Secondary segments

**Responsible Banking**

Reconciliation of underlying results to statutory results

Glossary

# We continue to make progress on our ESG agenda

	Mar-23		2025 targets
Green Finance raised and facilitated (since 2019)	€96.2bn	>>	€120bn
Socially responsible Investments (AuM)	€58.1bn	>>	€100bn
Financial inclusion (# People) <sup>1</sup>	0.4mn	>>	5mn

# Appendix

Primary and Secondary segments

Responsible Banking

**Reconciliation of underlying results to statutory results**

Glossary

# Reconciliation of underlying results to statutory results

	January-March 2023			January-March 2022		
	Statutory results	Adjustments	Underlying results	Statutory results	Adjustments	Underlying results
Net interest income	10,396	(211)	10,185	8,855	—	8,855
Net fee income	3,043	—	3,043	2,812	—	2,812
Gains (losses) on financial transactions <sup>1</sup>	715	—	715	387	—	387
Other operating income	(232)	224	(8)	251	—	251
<b>Total income</b>	<b>13,922</b>	<b>13</b>	<b>13,935</b>	<b>12,305</b>	<b>—</b>	<b>12,305</b>
Administrative expenses and amortizations	(6,145)	—	(6,145)	(5,535)	—	(5,535)
<b>Net operating income</b>	<b>7,777</b>	<b>13</b>	<b>7,790</b>	<b>6,770</b>	<b>—</b>	<b>6,770</b>
Net loan-loss provisions	(3,347)	474	(2,873)	(2,101)	—	(2,101)
Other gains (losses) and provisions	(598)	(224)	(822)	(498)	—	(498)
<b>Profit before tax</b>	<b>3,832</b>	<b>263</b>	<b>4,095</b>	<b>4,171</b>	<b>—</b>	<b>4,171</b>
Tax on profit	(967)	(263)	(1,230)	(1,302)	—	(1,302)
<b>Profit from continuing operations</b>	<b>2,865</b>	<b>—</b>	<b>2,865</b>	<b>2,869</b>	<b>—</b>	<b>2,869</b>
Net profit from discontinued operations	—	—	—	—	—	—
<b>Consolidated profit</b>	<b>2,865</b>	<b>—</b>	<b>2,865</b>	<b>2,869</b>	<b>—</b>	<b>2,869</b>
Non-controlling interests	(294)	—	(294)	(326)	—	(326)
<b>Profit attributable to the parent</b>	<b>2,571</b>	<b>—</b>	<b>2,571</b>	<b>2,543</b>	<b>—</b>	<b>2,543</b>

(1) Includes exchange differences.

Explanation of adjustments in Q1'23:

- Temporary levy on revenue in Spain amounted to EUR 224 million, which was moved from total income to other gains (losses) and provisions. Considering the temporary nature of the levy, if we eliminate its impact to provide a like-for-like comparison with last year's results, attributable profit would have been EUR 2,795 million.
- Income in Brazil related to reversal of tax liabilities amounted to EUR 261 million (EUR 211 million recorded in NII and a positive impact of EUR 50 million in tax) and provisions to strengthen the balance sheet, which net of tax was EUR 261 million (EUR 474 million recorded in net loan-loss provisions and a positive impact of EUR 213 million in tax).

# Appendix

Primary and Secondary segments

Responsible Banking

Reconciliation of underlying results to statutory results

Glossary

# Glossary - Acronyms

- **ALCO:** Assets and Liabilities Committee
- **AM:** Asset management
- **AT1:** Additional Tier 1
- **AuMs:** Assets under Management
- **BFG:** Deposit Guarantee Fund in Poland
- **bn:** Billion
- **BNPL:** Buy now, pay later
- **bps:** Basis points
- **c.:** *Circa*
- **CAL:** Customer assets and liabilities
- **CET1:** Common equity tier 1
- **CHF:** Swiss franc
- **CIB:** Corporate & Investment Bank
- **CoE:** Cost of equity
- **CoR:** Cost of risk
- **Covid-19:** Coronavirus Disease 19
- **CRE:** Commercial Real Estate
- **DCB:** Digital Consumer Bank
- **DGF:** Deposit guarantee fund
- **DPS:** Dividend per share
- **eNPS:** Employee net promoter score
- **EPS:** Earning per share
- **ESG:** Environmental, social and governance
- **FL:** Fully-loaded
- **FX:** Foreign exchange
- **FY:** Full year
- **GDF:** Global Debt Finance
- **GDP:** Gross domestic product
- **GTB:** Global Transaction Banking
- **GWPs:** Gross written premiums
- **HQLA:** High quality liquid asset
- **HTC&S:** Held to collect and sell
- **IFRS 9:** International Financial Reporting Standard 9, regarding financial instruments
- **IPS:** Institutional Protection Scheme
- **LCR:** Liquidity coverage ratio
- **LLPs:** Loan-loss provisions
- **LTV:** Loan to value
- **M/LT:** Medium-and long-term
- **mn:** million
- **MREL:** Minimum requirement for own funds and eligible liabilities
- **NII:** Net interest income
- **NIM:** Net interest margin
- **NOI:** Net operating income
- **NPL:** Non-performing loans
- **NPS:** Net promoter score
- **OEM:** Original equipment manufacturer
- **PB:** Private Banking
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **PoS:** Point of Sale
- **pp:** Percentage points
- **Ps:** Per share
- **QoQ:** Quarter-on-Quarter
- **Repos:** Repurchase agreements
- **RoA:** Return on assets
- **RoE:** Return on equity
- **RoRWA:** Return on risk-weighted assets
- **RoTE:** Return on tangible equity
- **RWA:** Risk-weighted assets
- **SAM:** Santander Asset Management
- **SAN:** Santander
- **SBB:** share buybacks
- **SCIB:** Santander Corporate & Investment Banking
- **SC USA:** Santander Consumer USA
- **SME:** Small and Medium Enterprises
- **SRF:** Single Resolution Fund
- **ST:** Short term
- **T1/T2:** Tier 1/Tier 2
- **TLAC:** Total loss absorbing capacity
- **TLTRO:** Targeted longer-term refinancing operations
- **TNAV:** Tangible net asset value
- **TPV:** Total Payments Volume
- **YoY:** Year-on-Year
- **YTD:** Year to date
- **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 or with limited financial literacy who, through the Group's products, services and social investment initiatives, are able to access the financial system, receive tailored finance. Financially underserved groups are defined as people who do not have a current account, or who have an account but obtained alternative (non-bank) financial services in the last 12 months. Beneficiaries of various programs are included in the quantification process only once in the entire period. Only new empowered people are counted, taking as a base year those existing since 2019.



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

# 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**  
Powered by the S&P Global CSA

