Santander

INVESTOR DAY

28 February 2023
LONDON

José García Cantera
Group CFO

Important information

Forward-looking statements

Santander hereby warns that this document 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", "CoE", "RoTE", "TNAV", "efficiency ratio", "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.

In particular, references in this document to any metric, data or plan relating to the periods 2023 to 2025 are stated as forward-looking statements and should be understood as targets or goals.

The following important factors (and others described elsewhere in this document 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; and (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.

Forward-looking statements are aspirational, should be regarded as indicative, preliminary and for illustrative purposes only, speak only as of the date of this document, 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.

Non-IFRS and alternative performance measures

This document 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.

Important information

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.

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 2021 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 1 March 2022, as updated by the Form 6-K filed with the SEC on 8 April 2022 in order to reflect our new organizational and reporting structure, as well as the section "Alternative performance measures" of the annex to the Banco Santander, S.A. (Santander) 2022 Annual Report, published as Inside Information on 28 February 2023. These documents are available on Santander's website (www.santander.com). 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 document 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' of the 2022 Annual Report, 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.

Not a securities offer

This document 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 document should be taken as a profit and loss forecast.

Third party information

In this document, Santander relies on and refers to certain information and statistics obtained from publicly-available information and third-party sources, which it believes to be reliable. Neither Santander nor its directors, officers and employees have independently verified the accuracy or completeness of any such publicly-available and third-party information, make any representation or warranty as to the quality, fitness for a particular purpose, non-infringement, accuracy or completeness of such information or undertake any obligation to update such information after the date of this report. In no event shall Santander be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for inaccuracies or errors in, or omission from, such publicly-available and third-party information contained herein. Any sources of publicly-available information and third-party information referred or contained herein retain all rights with respect to such information and use of such information herein shall not be deemed to grant a license to any third party.

Entering a new phase of shareholder value creation

2023-2025 targets

Strength

CET1 FL

>12%

Disciplined capital allocation

RWA with RoRWA > CoE

c.85%

TNAVps+DPS

Double-digit growth

Average through-the-cycle

Shareholder remuneration

Payout

50%

Cash dividend + SBB

Profitability

RoTE

15-17%

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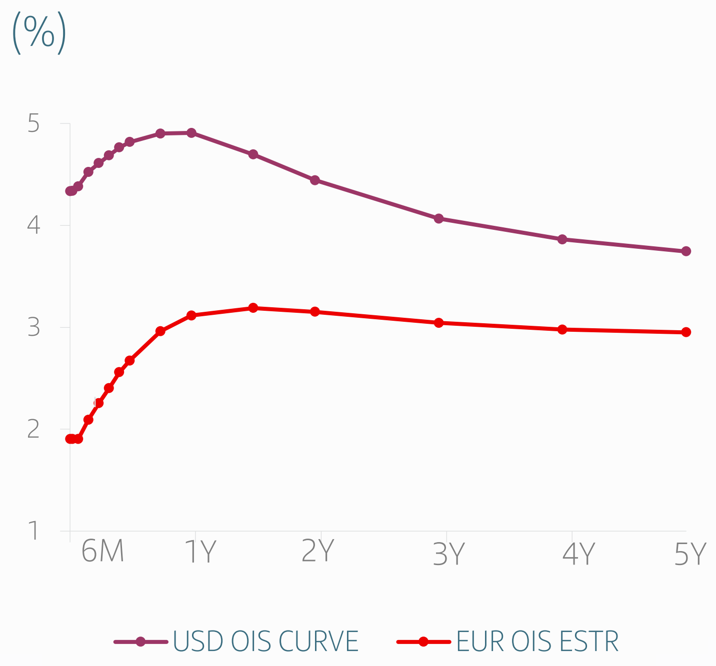
Note: Target payout will be c.50% of group reported profit (excluding non-cash, non-capital ratios impact items), distributed in approximately 50% in cash dividend and 50% in share buybacks. Execution of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

Macro framework of our guidance | Market consensus, IMF & forward curves

		Spain	UK	US	Mexico	Brazil
2023e (Δ22)	GDP	1.1% (-4.1pp)	-0.6% (-4.7pp)	1.4% (-0.6pp)	1.7% (-1.4pp)	1.2% (-1.9pp)
	CPI	4.9% (-3.9pp)	9.0% (-0.1pp)	3.5% (-4.6pp)	6.3% (-1.7pp)	4.7% (-4.7pp)
2024e (Δ23e)	GDP	2.4% (+1.3pp)	0.9% (+1.5pp)	1.0% (-0.4pp)	1.6% (-0.1pp)	1.5% (+0.3pp)
	CPI	3.5% (-1.4pp)	3.7% (-5.3pp)	2.2% (-1.3pp)	3.9% (-2.4pp)	3.9% (-0.8pp)
2025e (Δ24e)	GDP	2.7% (+0.3pp)	2.3% (+1.4pp)	1.8% (+0.8pp)	2.1% (+0.5pp)	2.0% (+0.5pp)
	CPI	2.3% (-1.2pp)	1.8% (-1.9pp)	2.0% (-0.2pp)	3.3% (-0.6pp)	3.0% (-0.9pp)

EUR and USD OIS fwd. curve



Source: IMF World Economic Outlook, latest estimates available; Bloomberg Forward curve OIS as at 31-Dec-22.

Against this backdrop, we are aiming to:

Capitalize from higher rates

Positive sensitivity to increasing rates in most countries

Expand customer margins

Ensure proper pricing of new deposits

Focus on cost efficiency

Fostering **ONE transformation** (process automation & simplification)

Optimize risk-reward in higher risk businesses

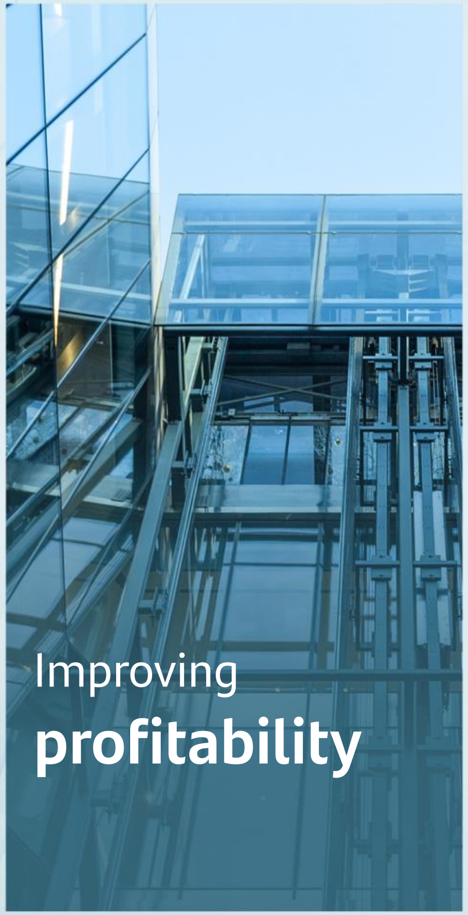
Maintaining a **low business risk profile**

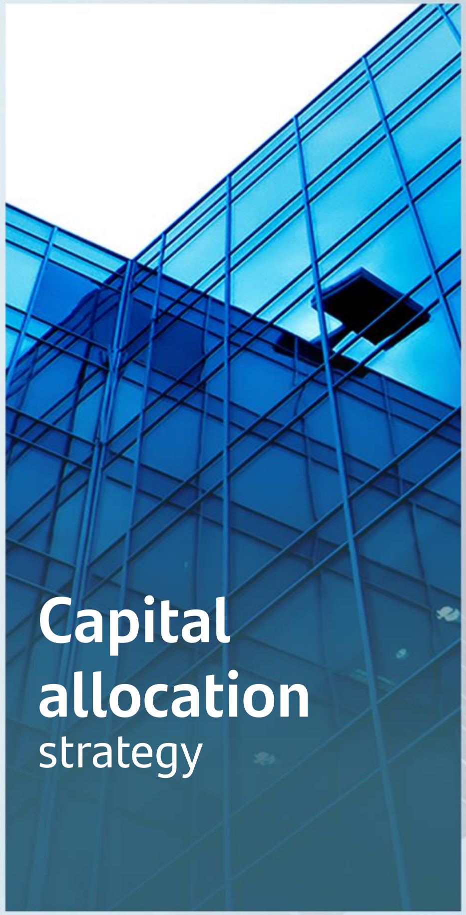
Ensure a strong capital ratio

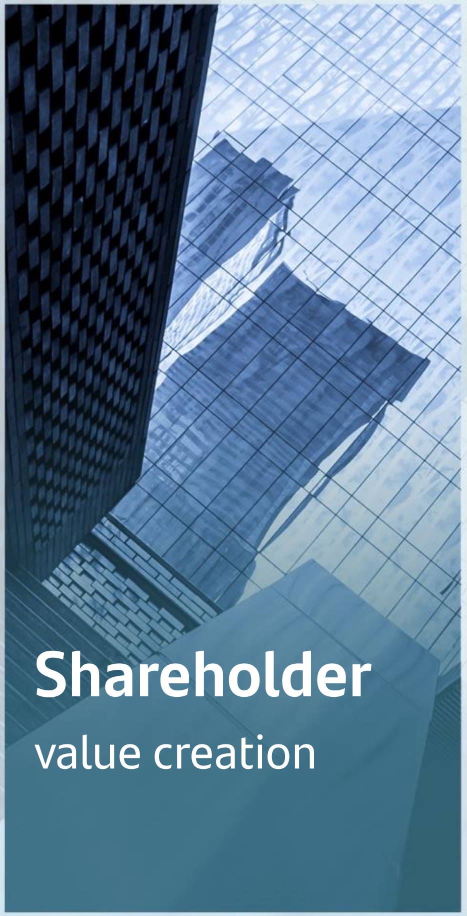
Focusing on capital efficiency and asset rotation


Low
business risk profile


Conservative
financial management


Improving
profitability


Capital allocation
strategy


Shareholder
value creation

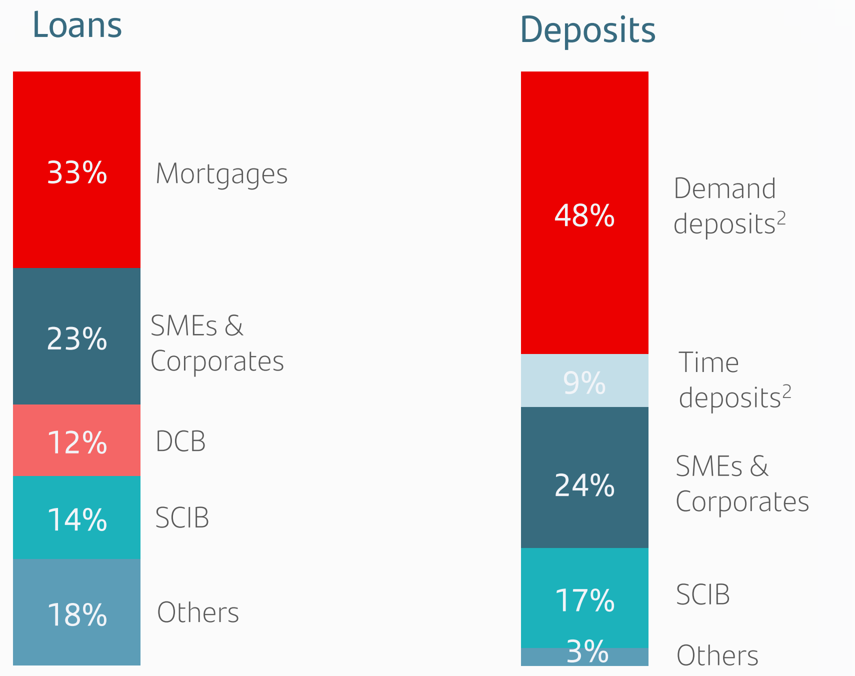
Low
business risk profile

Diversified commercial banking model and a retail deposits funded balance sheet

Regions' contribution[1]

	Loans	Deposits
	57%	67%
	16%	13%
	15%	14%
DCB	12%	6%

Balance Sheet



Loans	Deposits
€1,019bn	€962bn

Data as of 31 December 2022.

1) Weights of loans and advances to customers (excluding reverse repos) and deposits (excluding repos) showed as % of operating areas.
2) Deposits from individuals and DCB.

Balance sheet: 1/3 mortgages primarily in Europe. Very low risk profile

33%
Mortgages
out of total portfolio

79%

12%

7%

Others 2%

c.90%
Loan-to-values <80%

New business with strong affordability metrics

- **Improved overall risk profile in recent years**
- **LTV** >80% exposure reducing down c.50% since 2019
- 12% of portfolio at variable rate
- **Unemployment rate at low levels**

Average affordability rate 27%

- **Better LTV mix from 2019 to 2022**
- From 66% average LTV to 62%
- Reduction of €6bn in LTV >80% (to 16% from 25%)
- **Below historical** average **unemployment** rate

Main sensitivity in Spain and UK is to unemployment

Data as of 31 December 2022.

Balance sheet: 23% SMEs & Corporates, mainly in Europe

23%
SMEs & Corporates
out of total portfolio

	Europe	North America	South America
SMEs	81%	3%	16%
Corporates	51%	28%	21%

UK — Corporates

- **CRE Average LTV < c.50%** in 2022
- **CRE new business** with <1% of new business written above 60% LTV; no new loans for developers
- **Stage 3**: 0.5% of CCB portfolio

Spain — SMEs

- **c.75%** are **secured** loans
- **Of which, 44%** are **ICO loans** guaranteed at 78%

Spain — Corporates

- **c.75%** of **secured** loans
- **€12bn** with public entities

Brazil — SMEs

- **Coverage 96%**
- **Loss absorption** 2.4x

Brazil — Corporates

- **Low concentration**
- **Corporates Avg. Rating[1]**: 5.6 vs 4.7 2018 (out of 9)

US — Corporates

- **NPL coverage** of total portfolio **> 100%**
- **Main credit indicators remain stable:**

  -CoR 23bps

  -NCOs 22bps

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Data as of 31 December 2022.
1) Internal rating.

Balance sheet: stable credit metrics in DCB with growing Auto market share

12%
DCB
out of total portfolio

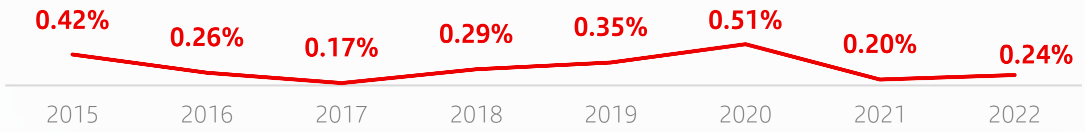
80% **Auto**

20% **Consumer loans**

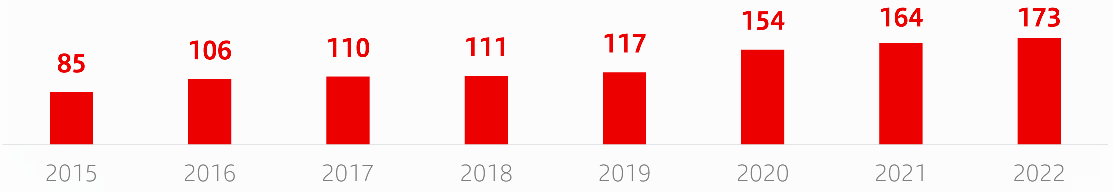
FY22	SAN New business[1]		Market Transactions
New auto	**+2%**	vs.	**-4%**
Used auto	**+15%**		**-11%**

Increasing **market share** in most countries

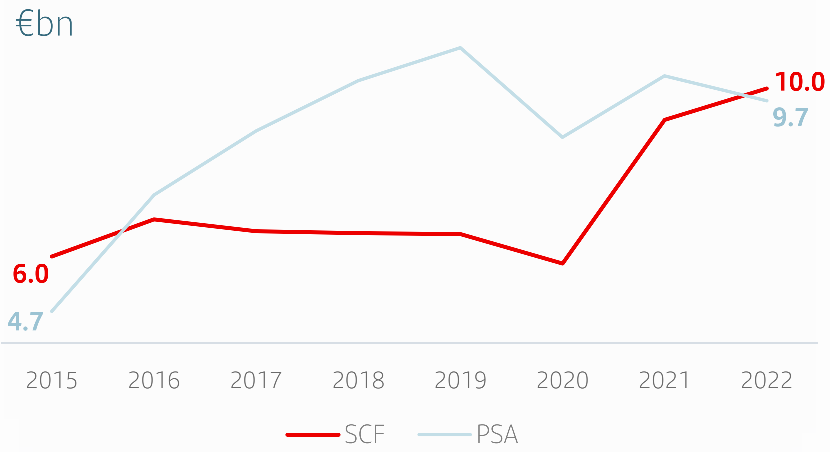
Auto cost of risk path



Captive agreements with OEMs



New business captives + PSA



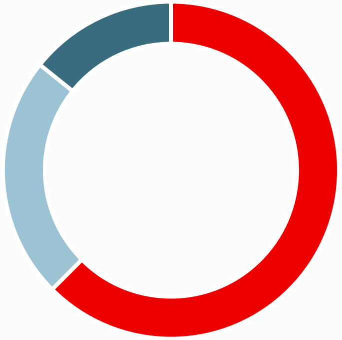
Data as of 31 December 2022.
1) For New auto, not considering PSA brands in SCF.

Balance sheet: SCIB LatAm leaders, strengthening in Europe & US, with a high-quality portfolio

14%
SCIB
out of total portfolio

BBB+	**0.14%**	**1.28%**
Rating[1]	Cost of risk	NPL ratio

Exposure by segment



2022 growth **concentrated on investment grade buckets: 87% of the total portfolio**

Proactive management to increase **SCIB portfolio's diversification:**

- ✓ No sectors concentrate more than 10% of the exposure
- ✓ Top 20 clients (average rating[1] of A+/A-) constitute 13% of the exposure
- ✓ Exposure in "single name client" < 1% of the total

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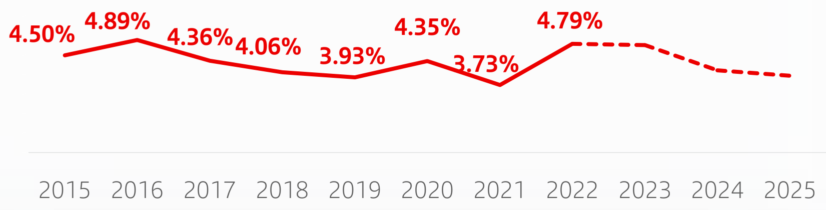
Data as of 31 December 2022.
1) S&P equivalent rating obtained from the internal ratings of the portfolio.

Balance sheet: Brazil well-balanced, focusing on higher rating customers & secured

Cost of risk path

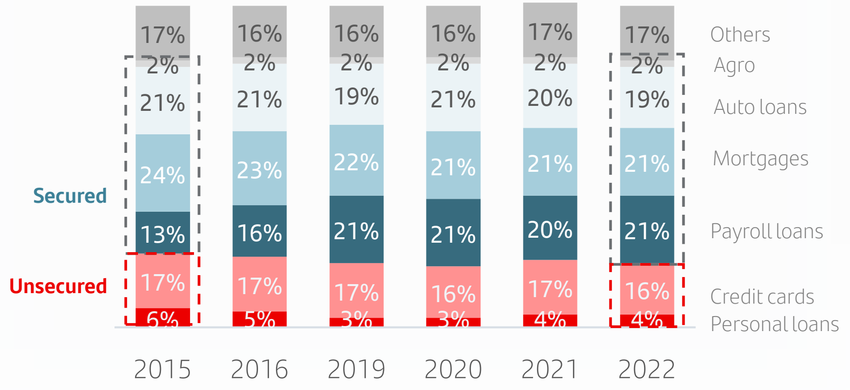


Improvement of our portfolio structure:

Selective production, significantly increasing the exposure to lower risk and collateralized portfolios:

- Customers profile improvement
- Increase of secured loans weighting

Individual + CF portfolio breakdown



Expected Loss sensitivity analysis[1]

	-100bps in GDP	+100bps in rates
Consumer	0.71%	0.93%
Corporate	3.18%	5.65%

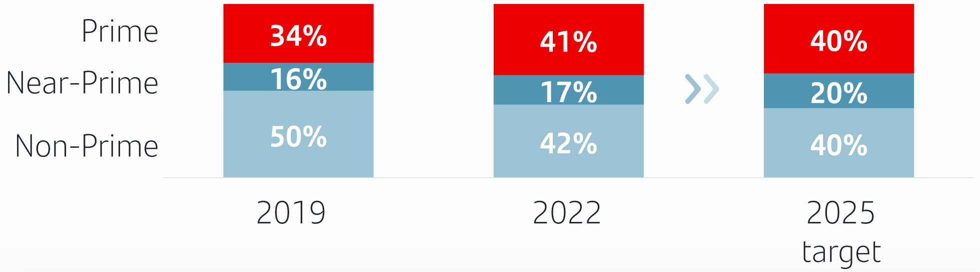
Stable CoR in 2023

1) Increase in the portfolio's expected loss for every 100bps deviation relative to current estimates.

Balance sheet: US Auto Finance, shifting to Prime and more deposit funding

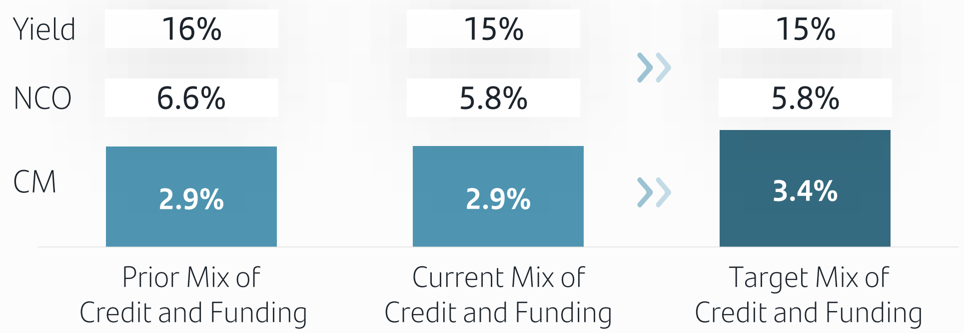
Auto loan portfolio mix shift

Deposit funding allows us to consistently compete across credit spectrum



	2019	2022	2025 target
% auto balance funded with deposits	17%	30%	45-50%

Illustrative US auto loan contribution margin (CM)[1] %



Portfolio credit performance and profitability will benefit from credit mix shift and increased customer deposits, lowering funding costs

Manheim index[2]

Recovery sensitivity

1% decrease in used car prices
represents a 1% to 2% increase
in Net Charge Offs ($)

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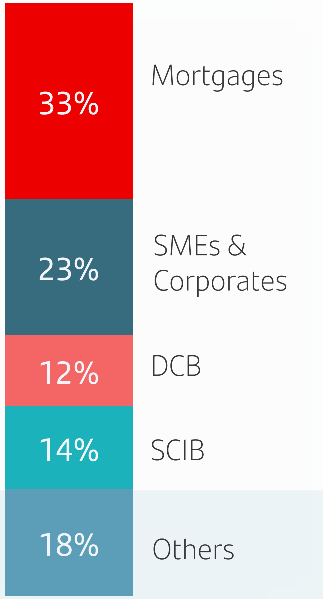
1) Using constant rates as of 31/01/2023. Illustrative Pre-Tax through-the-cycle contribution of Auto lending (excluding lease), applying wholesale or deposit funding as appropriate given credit mix shift and booking entity. "NCO" represents normal net charge off rate levels through–the-cycle. Not reflective of segment reporting.
2) Data labels represent year-end Manheim index values. Actual and forecasted values based on the 1995 Manheim based index. Projections based on Moody's Baseline scenario.

Balance sheet: just 4% medium-high risk, with adequate risk-reward

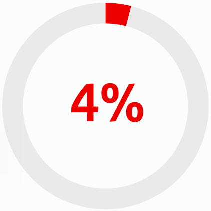
Balance sheet

Loans



€1,019bn

Low risk profile



Medium-high risk profile

Consumer

Our 4% higher risk portfolio has delivered superior profitability in the last years

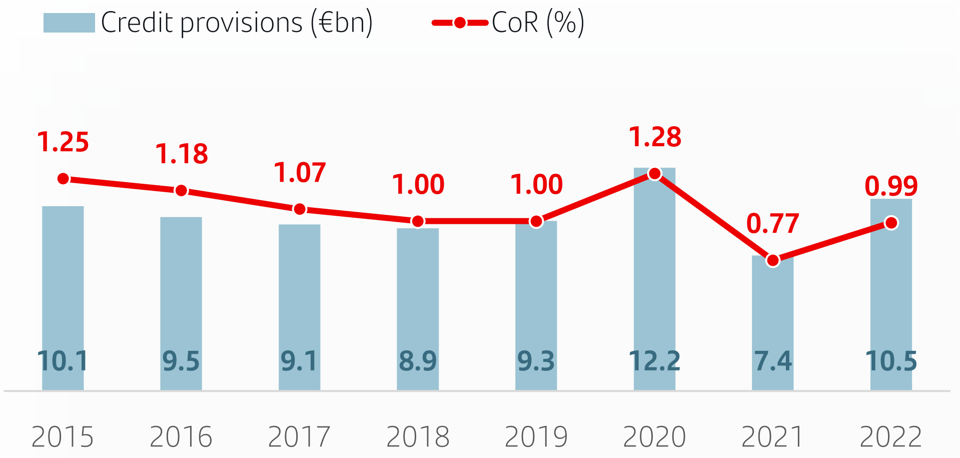
Consumer	%LLPs o/Group 2019-2022[1]	RoRWA 2019-2022[1]
Brazil	5%	2.7%
US	18%	3.9%

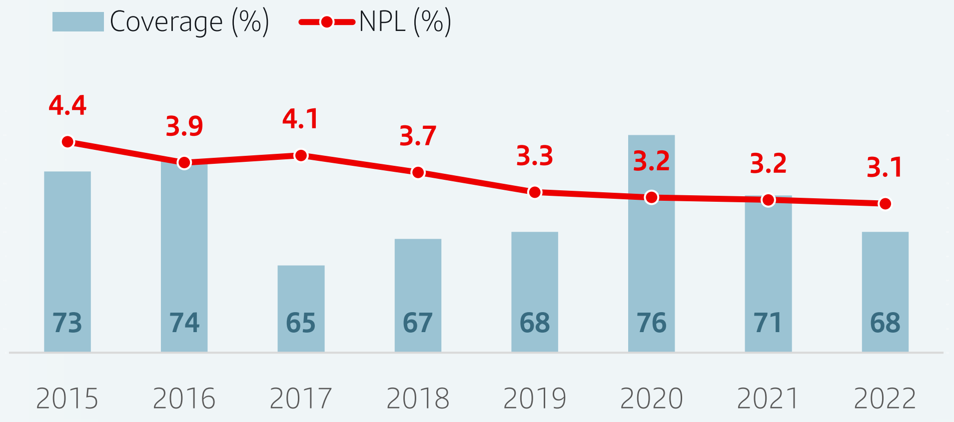
23% of the total Group provisions[1]

Data as of 31 December 2022.

1) Calculated as simple average of the period.

We expect CoR to remain at c.1% through-the-cycle and below 1.2% in 2023





2025 targets

Cost of risk

c.0.3-0.4%

- **Better starting point** than previous crisis
- Downward trend in CoR in **Spain**
- Gradual normalization in the **UK**

c.2.0-2.2%

- **Very sound asset quality in Mexico**
- **Cost of risk in the US will normalize** below pre-pandemic levels

c.3.2-3.4%

- **Brazil** cost of risk is expected to improve despite one-offs
- **Rest of SA** good asset quality levels

DCB **c.0.6-0.7%**

- **Stable and predictable**

c.1.0-1.1% **Total Group**

Conservative financial management

Our balance sheet: simple, transparent & easy to analyze

Stable deposit structure

c.80%

of retail deposits[1]

- Liquidity Coverage and Net Stable Funding Ratios strong across all subsidiaries
- Liquidity buffer consists of 98% EHQLA's and diversified by currencies: €312bn HQLAs
- Significant early repayment of central bank facilities to minimize refinancing risk

Solid liquidity ratios

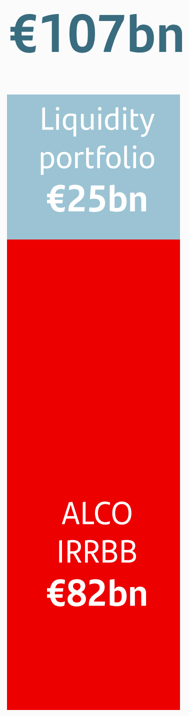
	LCR	NSFR	LtD[2]
Spain[3]	148%	116%	75%
UK[3]	157%	137%	109%
US	125%	109%	105%
Brazil	127%	112%	96%
Santander	**152%**	**121%**	**101%**

Data as of 31 December 2022.
1) Retail deposits including SMEs and corporates over total deposits excluding repos.
2) Loan to Deposits ratio: Liquidity balance sheet for management purposes (net of trading derivatives and interbank balances).
3) For LCR and NSFR: Santander S.A., UK ring-fenced bank.

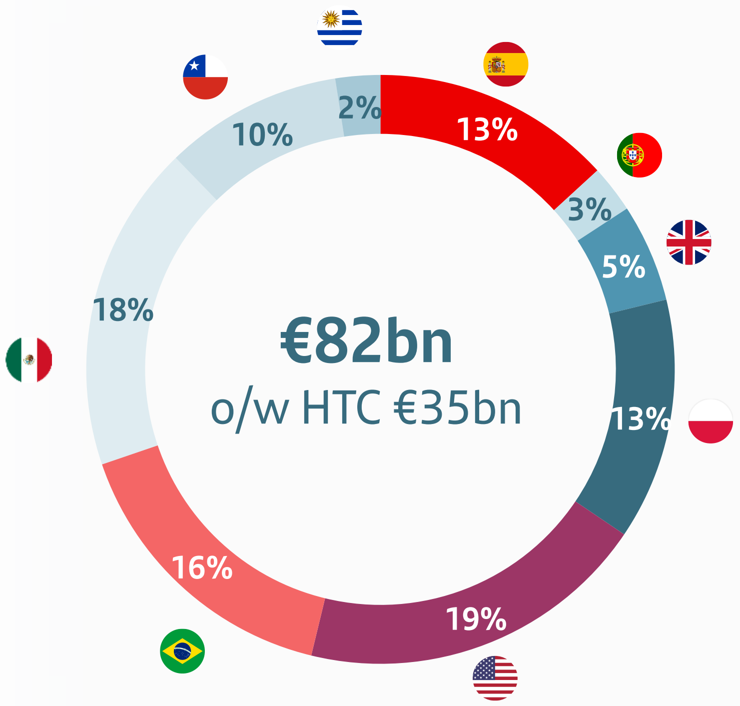
We will continue rebuilding our EUR ALCO portfolio

Interest
Rate risk

Bond portfolio[1]



ALCO IRRBB portfolio



ALCO portfolio in Spain

Continue rebuilding ALCO portfolio:

€2bn Avg. 2022 » **€16bn** Avg. 2023 target

ALCO in Spain would have to increase c.3x to reach neutral rate position

Data as of 31 December 2022.
1) ALCO portfolio: Interest rate risk in the banking book (IRRBB) €82bn; other government bond holdings: €25bn.

Comfortable financial plan that complies with TLAC & MREL requirements

Focused on optimizing liquidity and refinancing maturities:

- For 2023, 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

Banco Santander S.A. funding plan

€bn	2023	2024	2025
Hybrids	0.5-1.5	2-3	2-3
SNP+Senior	9-10	12-13	8-9
Covered Bonds	6-7	1-2	1-2
Total issuance	**15.5-18.5** c.60% of 2023 already executed	**15-18**	**11-14**

% RWAs

	2023	2024	2025
TLAC	26% (21.9%)	24% (21.9%)	23% (21.9%)
MREL	36% (33.8%)	37% (36.1%)	37% (36.1%)

Requirement / Surplus / Total ratio

Conservative approach to FX risk in P&L and capital ratio

Forex Risk

Financial results

- Tactically: hedge to protect the Group P&L generated in non-Euro currencies
- Decisions based on current estimates

2023 P&L hedge

Fully covered	Partially covered
Mexico, Poland	US, UK, Brazil, Chile

CET1 ratio: 100% excess[1] hedged

	2022		2025 target
FX Exposure	€23bn	»	c.€20bn
Cost of hedge[2]	€1.2bn	»	€0.6-1.0bn

1) Excess: We hedge excess capital using European capital requirements regulation (CRR) on all the Group's RWAs, above the capital level of the Group.
2) Cost of hedge is calculated considering the incurred cost due to the realized hedges. Figures updated with the latest information available.

Improving profitability

We have ambitious profitability targets in all our businesses

Aiming to be the most profitable bank where we operate

RoTE
15-17%
2023-2025 target

TNAVps +DPS
Double-digit growth
Average through-the-cycle

Payout
50%
Cash + SBB

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

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RoTE targets

	2022	2025
	9.3%	c.15%
	11.1%	c.15%[1]
	18.8%	c.19%
DCB	13.7%	c.15%
	13.4%	15-17%

1) North America RoTE: calculated using US RoTE adjusted based on Group's deployed capital calculated as contribution of RWAs at 12%.

Strong revenue growth ahead…

22-25 Group revenue

% CAGR 22-25 target (Constant €)

1) Other revenue includes gains (losses) on financial transactions and other operating income.

… led by NII mainly in Europe and higher fees leveraging on global and network businesses

2025 revenue targets
CAGR 22-25 (Constant €)

Europe	c.7-8%	**Disciplined repricing** of loans and deposits **Network contribution** (multi-Europeans, CIB pan-European platform, Getnet, insurance penetration)
North America	c.7-8%	**Auto relationships** expansion CCB client base growth **Network contribution** (CIB and WM&I)
South America	c.8-9%	Banking penetration delivering **profitable growth in Euros** Country synergies **Network contribution** (Auto & multi-latinas)
DCB	c.6-7%	Leverage new business platforms Growth through **global OEM relationships** and **European coverage**

Santander Corporate & Investment Banking
Capitalizing on our global coverage and product factories

c.10%

CAGR 22-25 (Constant €)
Cross-border and collaboration revenue

Wealth Management & Insurance
Increasing global revenue and customer penetration

c.10%

CAGR 22-25
Private Banking network AuMs

Payments
Integrating our payments volume into a global platform

c.15%

CAGR 22-25
Total transactions processed[1]

Santander Auto
Leverage our global OEM relationships

7-8%

CAGR 22-25
Auto loans and leases

Note: 22-25 CAGR figures reflect targets for those periods.
1) Total transactions include merchant payments, cards and electronic A2A payments.

Tailwinds from higher interest rates in 2023 support our c.7-8% revenue CAGR target…

22-23 Δ Net interest income using forward rates with constant balance sheet and spreads

Balance sheet	Δ Net interest income	Base β (%)	NII sensitivity to β Δ 10pp
€	1,700	25-30	(1.5%)
£	500	40-50	<(0.3%)
$	150	50-60	<(0.3%)
Total	2,350		<(2.0%)

… & strong volumes and double-digit growth in fee income in 2023

Net interest income

Double-digit growth

Base interest rates

c.+8pp

Volumes

c.+2% YoY

Spread expansion

NIM[1] c.+8bps

Fee income

Double-digit growth

Active customers[2]

c.+6% YoY

Global and network businesses

+3pp increase in contribution

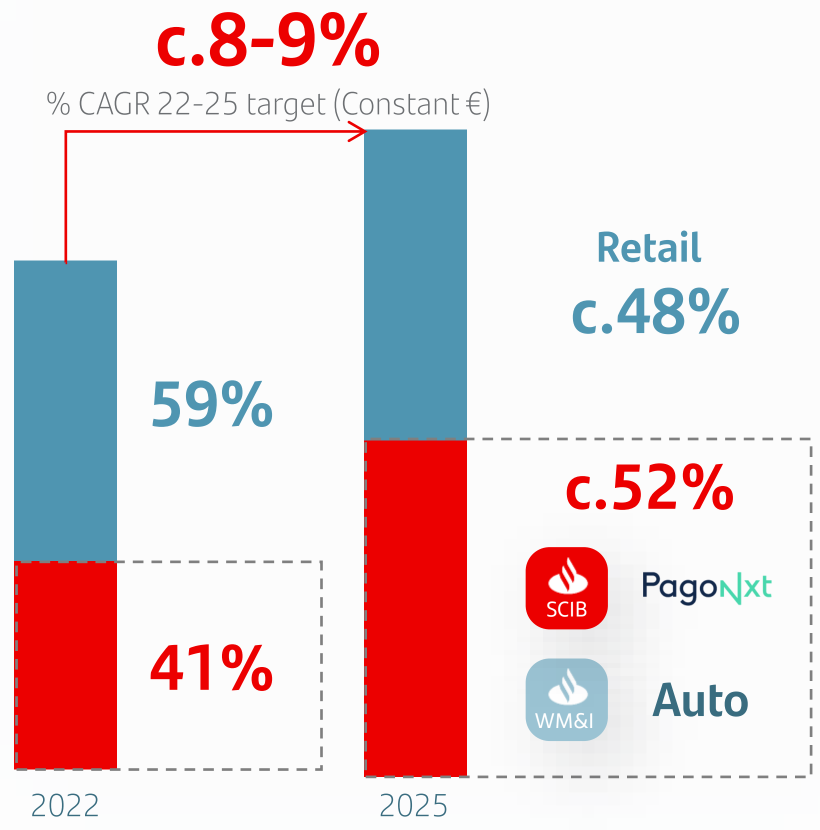
2023 Revenue

Double-digit growth

1) NIM target as Net interest income / Average Earning Assets.
2) Those customers who meet the transactionality threshold in the past 90 days.

High-single digit growth in fee income supported by our global and network businesses

Global and network businesses target to reach >50% of total fee income by 2025



Retail	Active customers[1] increase, +8% CAGR 22-25 Main countries reaching c.40% in transactional fees on average
Santander Corporate & Investment Banking	Strengthening value-added services (e.g. ESG and digital solution)
Wealth Management & Insurance	By launching new products and expanding collaboration with SCIB
PagoNxt	One Trade and Payment Hub serving our Group payments needs Open-market development: business maturity
Santander Auto	>40% activity related to global OEM relationships in Europe

Santander

1) Those customers who meet the transactionality threshold in the past 90 days.

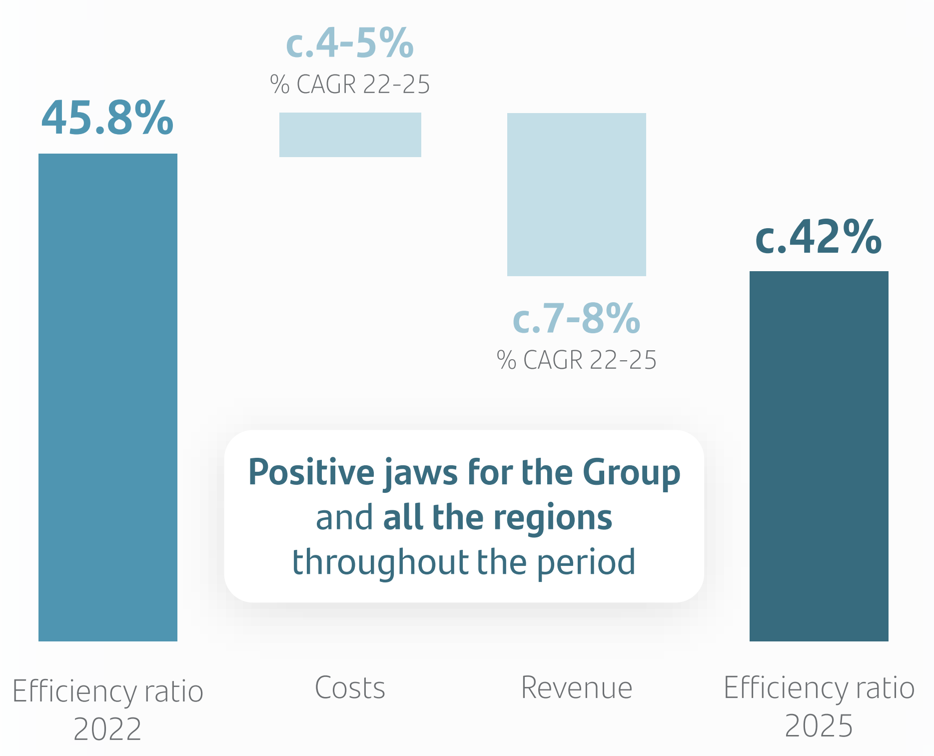
We will maintain our relentless drive to expand operating jaws

	2022	2025 target	
Cost growth below inflation[1]	(5%)	(7.5%)	**One Transformation** **Efficiencies**, processes **simplification** and **automation**, the use of **common platforms** and synergies across the board
Improve efficiency ratio	45.8%	c.42%	Costs containment paired with income growth will lead to **positive jaws** in most of our geographies

1) YoY costs growth in real terms, excluding inflation impact.

Our aim is to remain best-in-class in operating leverage

22-25 Group efficiency ratio target



2025 targets
Efficiency ratio

c.42% (Europe)
- Simplification and automation
- Shared tech platforms and services
- Accumulated inflation will pressure personnel costs

c.42% (North America)
- Consolidating contact centers and selected operations into Mexico
- In US, transformation and efficiency in CCB

c.36% (South America)
- Continue being best-in-class in efficiency in inflationary period
- Synergies in multi-latinas, Getnet, Cards and WM&I

DCB c.42%
- Simplification and automation
- Evolve to common platforms delivering lower unitary cost

Note: Efficiency ratio in current €. 22-25 CAGR figures reflect targets for those periods in constant €.

Corporate Centre weight trending downwards

Corporate Centre weight out of Group underlying profit[1]

2019	2022	2025 target
18%	13%	7%

Reporting changes introduced in 2022 improving allocation criteria and **ensuring all costs are considered by business units**:

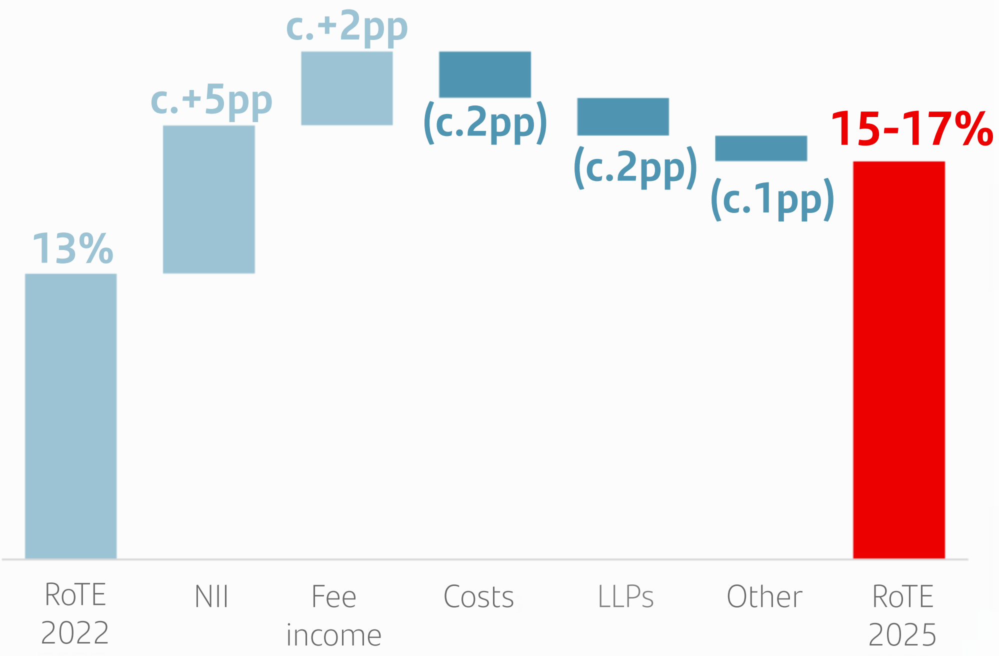
1. MREL/TLAC costs of eligible debt issuances allocated to the business units
2. Cost of funding excess capital (above Group's ratio) charged to operating units

1. Our **highly liquid balance** sheet will now benefit from a **normalized interest rate environment**
2. **FX lower impact** from P&L FX hedges

1) % weight over operating areas. Corporate Centre weight for 2019 and 2022 is excluding the negative impact of FX Hedge.

Revenue growth and costs containment will deliver best-in-class profitability

15-17% RoTE target



Strong revenue growth ahead, led by **NII** and leveraging **our global and network businesses**

CAGR 22-25 target (Constant €)
c.7-8%

Unabated **cost management**

Efficiency ratio 2025 target
c.42%

Gradual **cost of risk** normalization

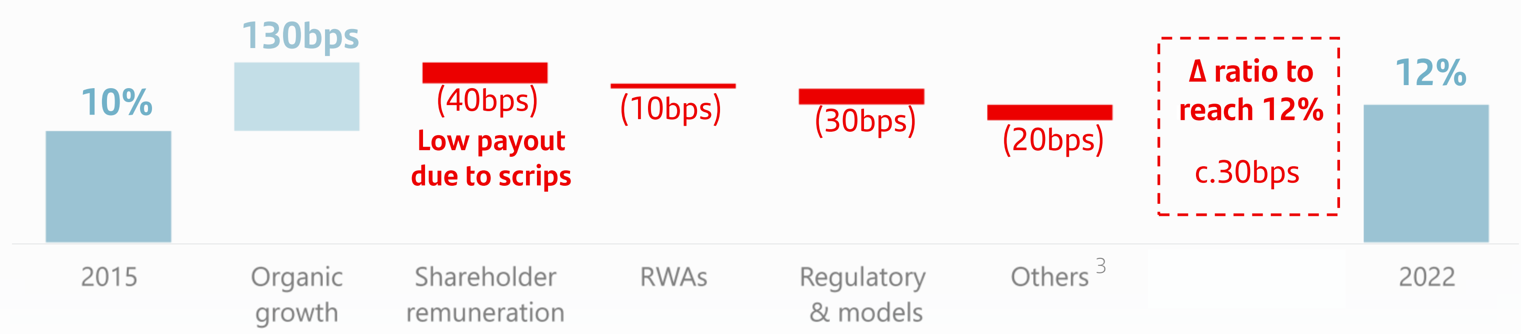
Cost of risk 2025 target
c.1.0-1.1%

Capital allocation strategy

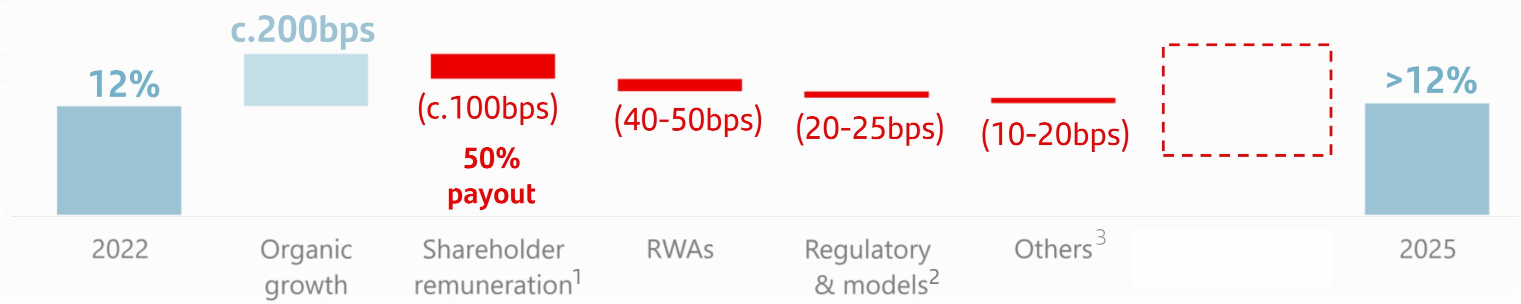
Clear road ahead (even post Basel III) to further increase shareholder remuneration

CET1 fully loaded yearly average

2015-2022



2023-2025
target



1) Execution of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.
2) Includes the impact of Basel III in 2025 that will come into force from January 1st 2025.
3) Others include AT1s, hedges and deductions, perimeter & one-offs.

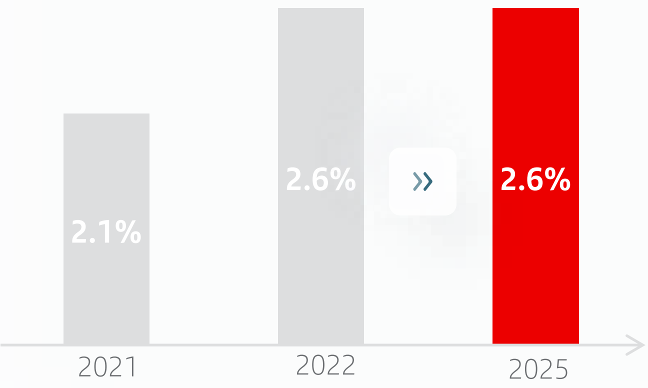
Capital allocation discipline is a key element to improve profitability and create value

Maximize capital productivity by:

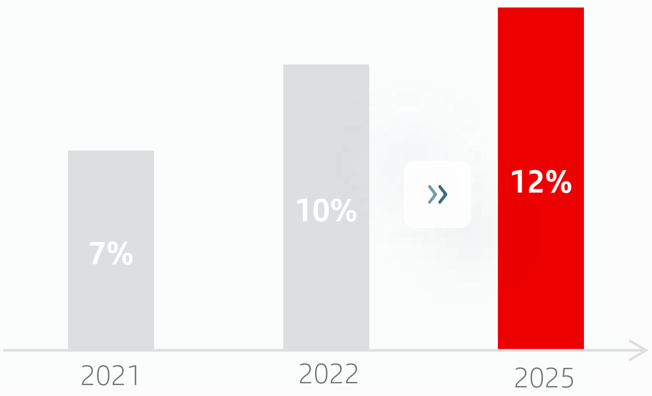
Front book pricing

Asset rotation and **risk transfer** activities

RoRWA of **New Book**

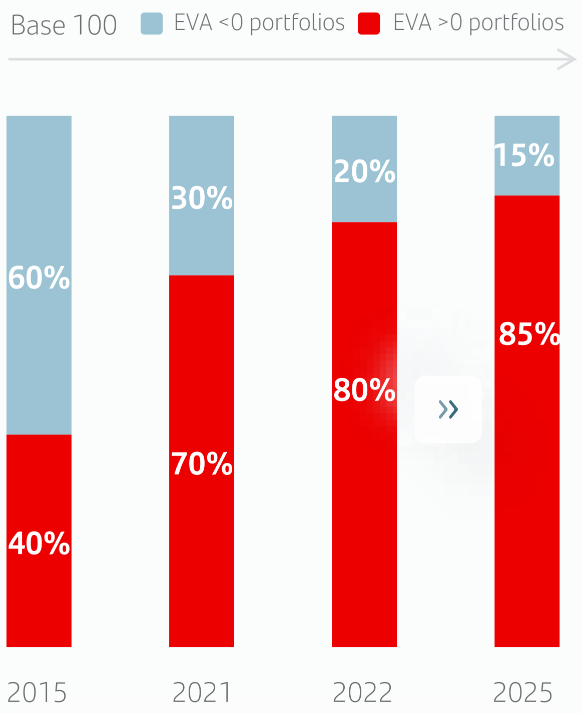


RWAs mobilized vs. total RWAs



Value generation and profitability

Increase RWAs with EVA>0

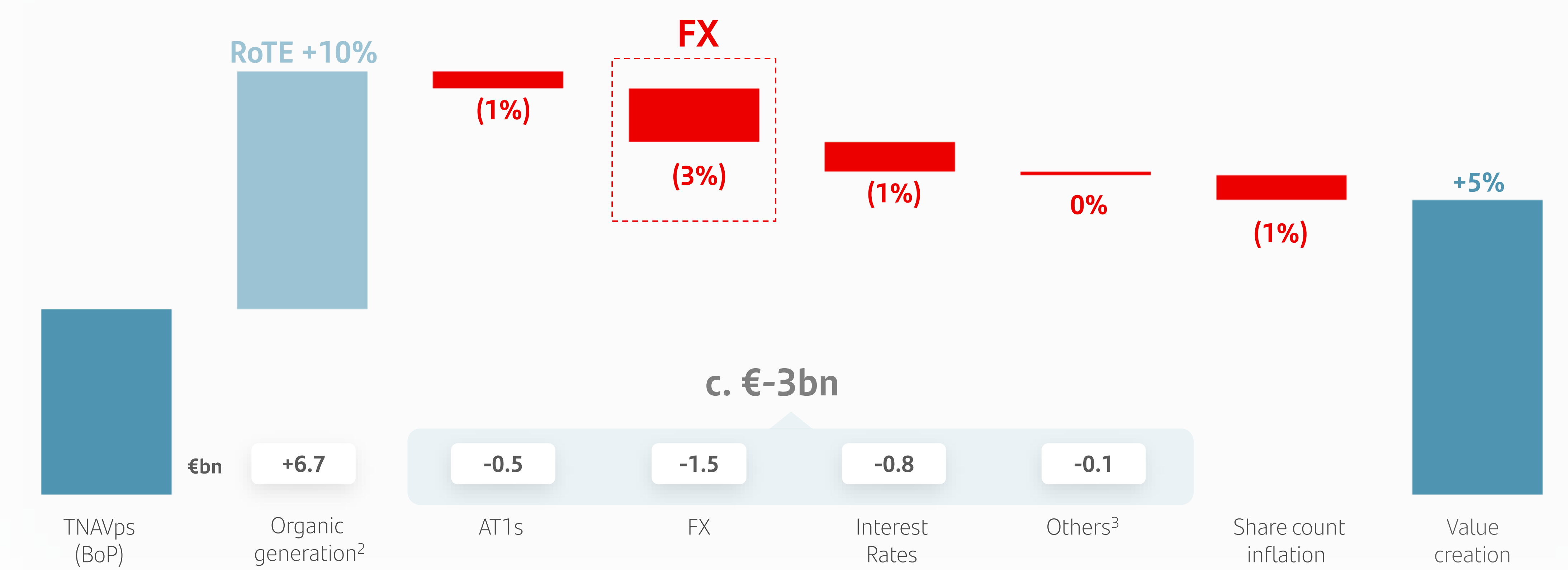


Note: 2025 figures reflect targets for that period.

Shareholder value creation

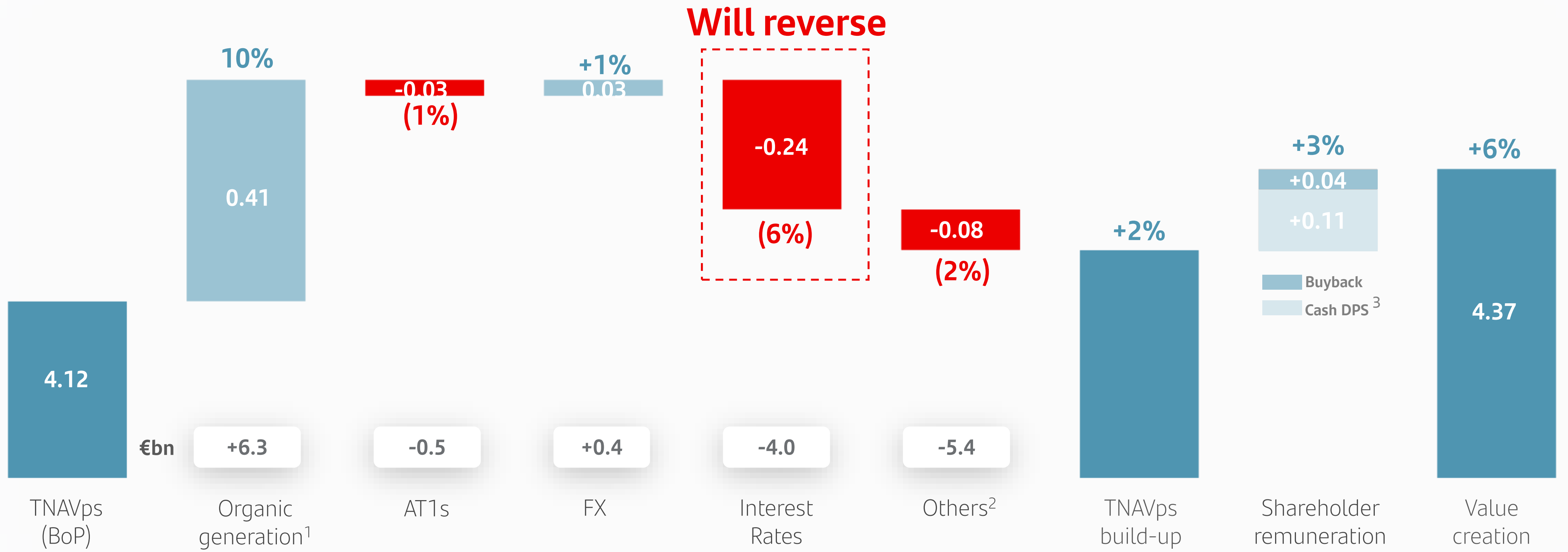
2016-2022: 7 years average 10% RoTE created 5% per share value[1] in euros

Value creation considering yearly 2016-2022 average of all components



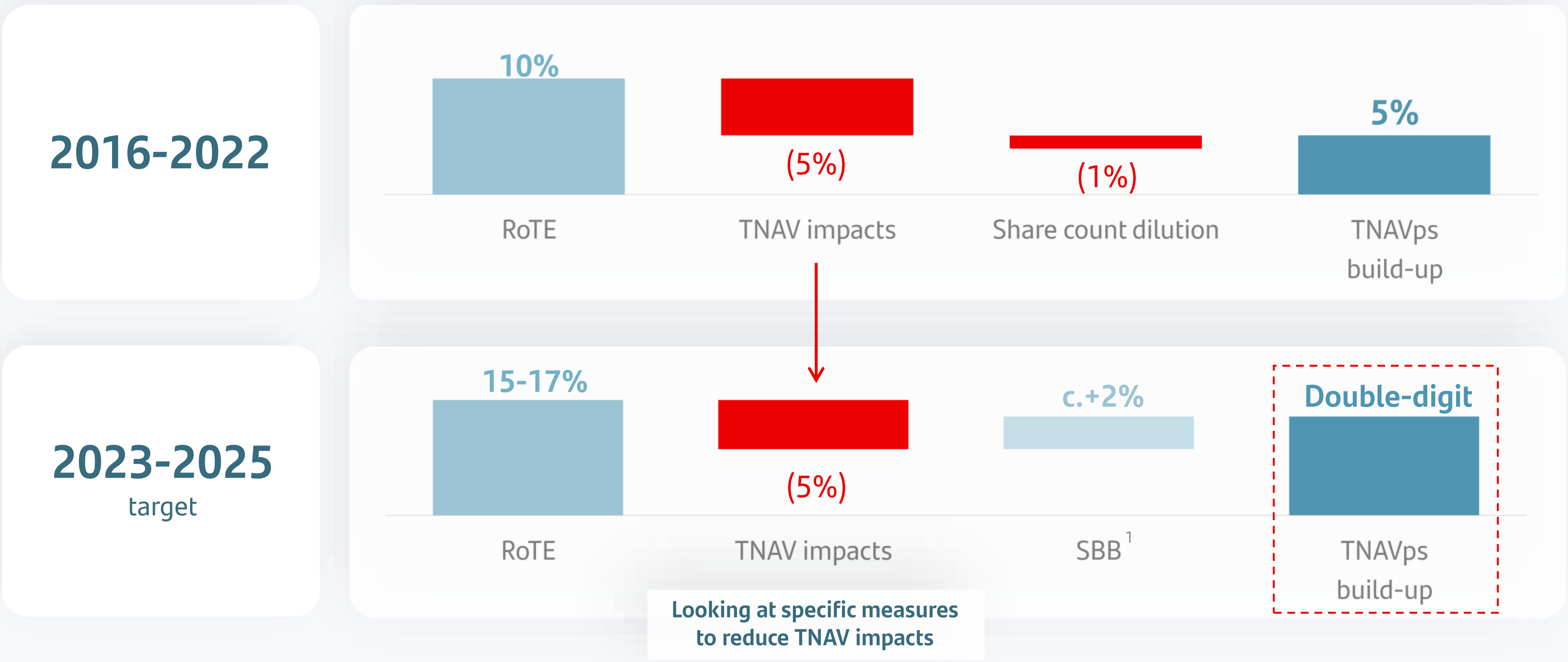
1) High level analysis of TNAVps main components' evolution over the past 7 years, using a simple average calculation.
2) Average profit 2016-22 adjusted by 2019-2020 exceptional items that do not affect TNAV (goodwill…).
3) Others include hyperinflation accounting adjustments, intangibles and other minor items.

2022: value creation offset by interest rates, which will reverse over time



1) Organic generation net of SBB effect (-€1.5bn) and Cash DPS (-€1.8bn).
2) Others include intangibles and other items.
3) 2022 final cash dividend subject to shareholder approval.

2023-2025: TNAVps growth to benefit from higher profitability & share count accretion (SBB)



Note: 2023-2025 TNAV build-up assuming value accretion generated by SBBs on future periods.
1) Execution of the shareholder remuneration policy is subject to future corporate and regulatory decisions and approvals.

Entering a new phase of shareholder value creation

2023-2025 targets

Strength

CET1 FL

>12%

Disciplined capital allocation

RWA with RoRWA > CoE

c.85%

TNAVps+DPS

Double-digit growth

Average through-the-cycle

Shareholder remuneration

Payout

50%

Cash dividend + SBB

Profitability

RoTE

15-17%

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

Thank You.

Our purpose is to help people
and business prosper.

Our culture is based on believing
that everything we do should be:

Simple Personal Fair

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

FTSE4Good

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