

A panoramic view of the London skyline at sunset. The sky is a mix of deep blue and orange. Several prominent skyscrapers are visible, including The Shard, The Gherkin, and the Bank of America Tower. Red light trails, resembling fiber optic cables or data streams, curve across the scene from the left towards the right, passing behind the buildings.

 Santander  
**INVESTOR**  
DAY | 28 February  
2023  
**LONDON**

**Héctor Grisi**  
Group CEO

# 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](http://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%**

## Shareholder remuneration

Payout

**50%**

Cash dividend + SBB

## Disciplined capital allocation

RWA with RoRWA > CoE

**c.85%**

## Profitability

RoTE

**15-17%**

TNAVps+DPS  
**Double-digit  
growth**

Average  
through-the-cycle

... given our unique combination: local leadership with global scale & network

**Global and network businesses to increase local banks' profitability**

**>30% of revenue** currently from global and network businesses

SCIB, WM&I, PagoNxt,  
Auto business

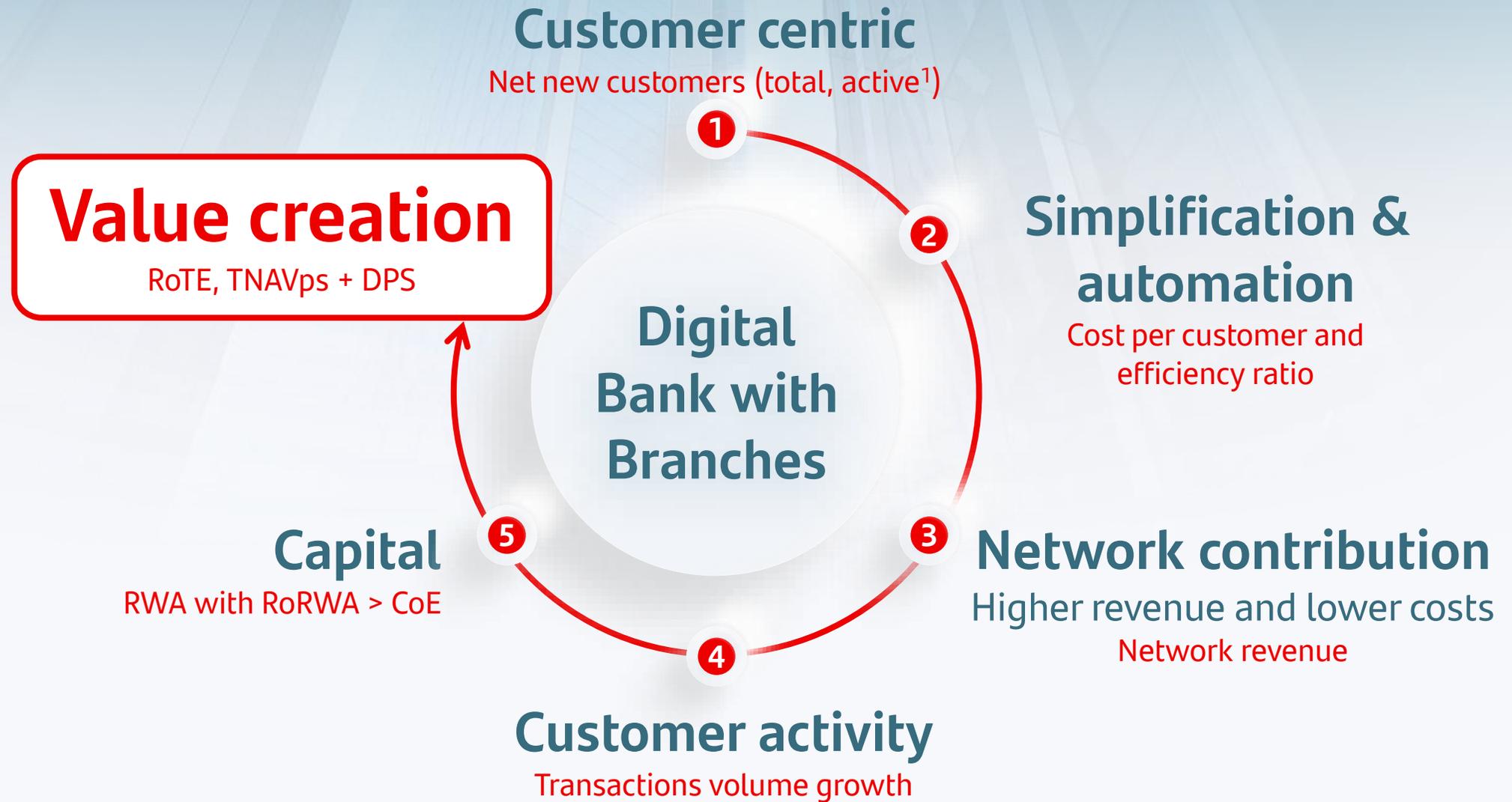
**As a result, we aim to be the most profitable bank in every market**

We are **Top 3 in profitability** in 9 out of our 10 markets

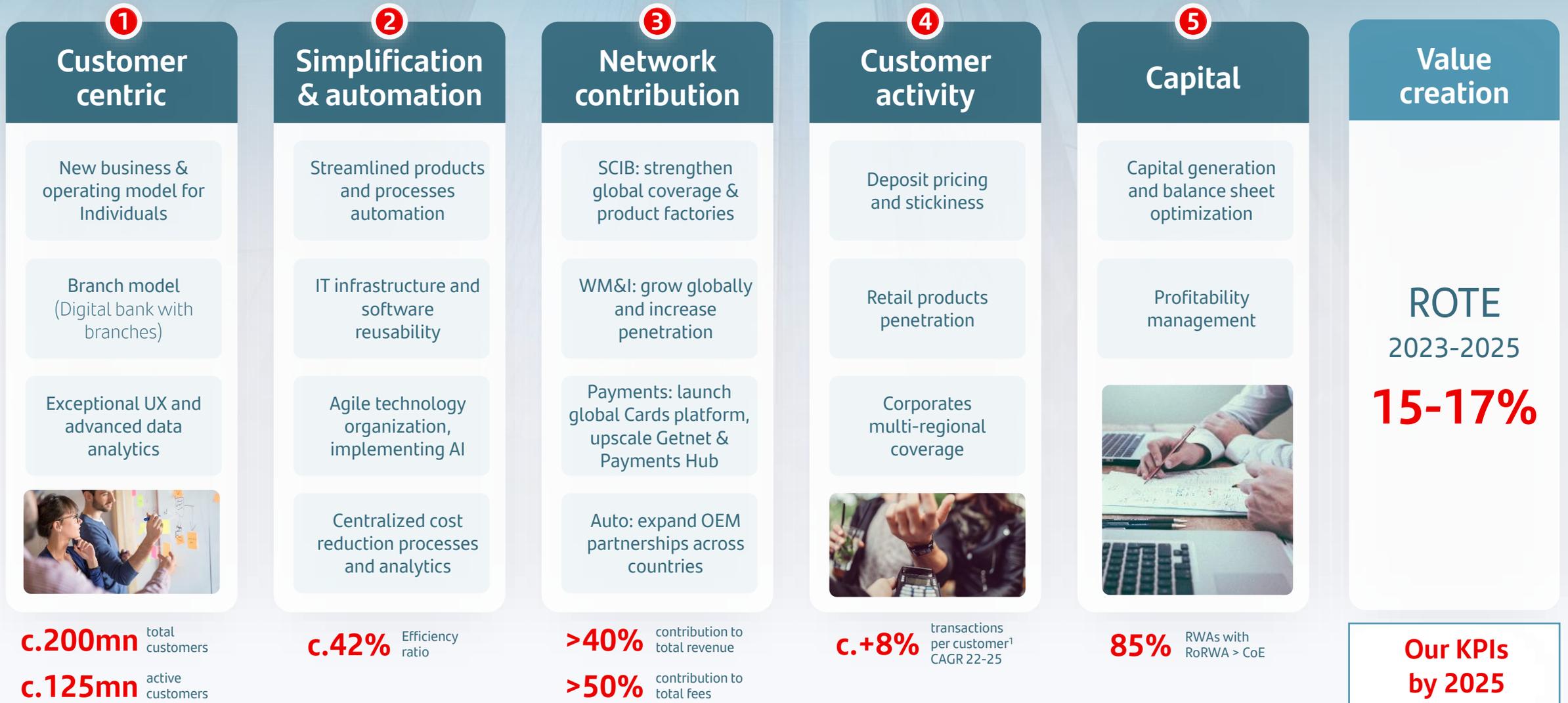
Retail & Commercial Banks



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



...with specific execution plans through 2025

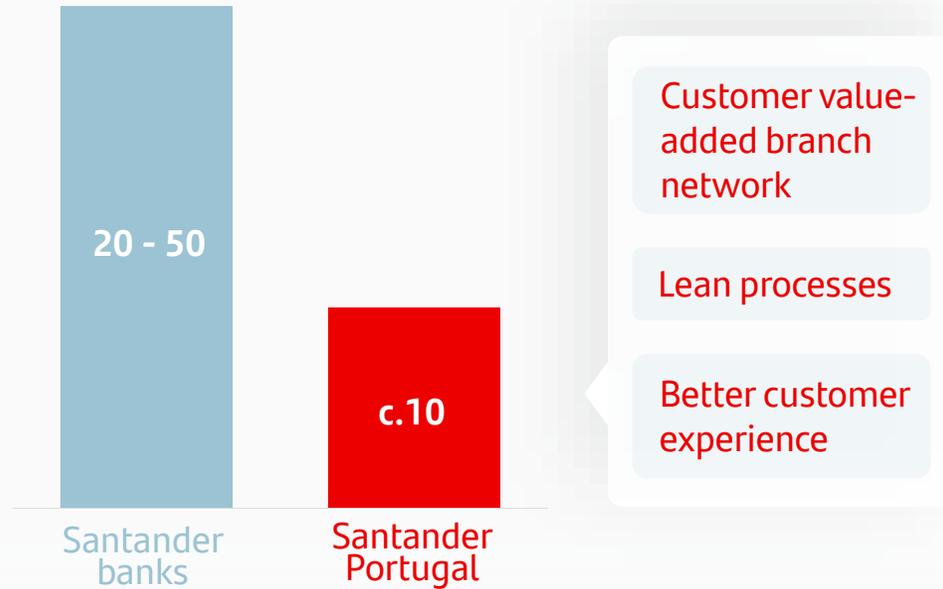


1) Includes merchant acquiring, cards and electronic A2A number of transactions.

# We will converge our Consumer & Commercial customers to a common operating and business model – **One Transformation**

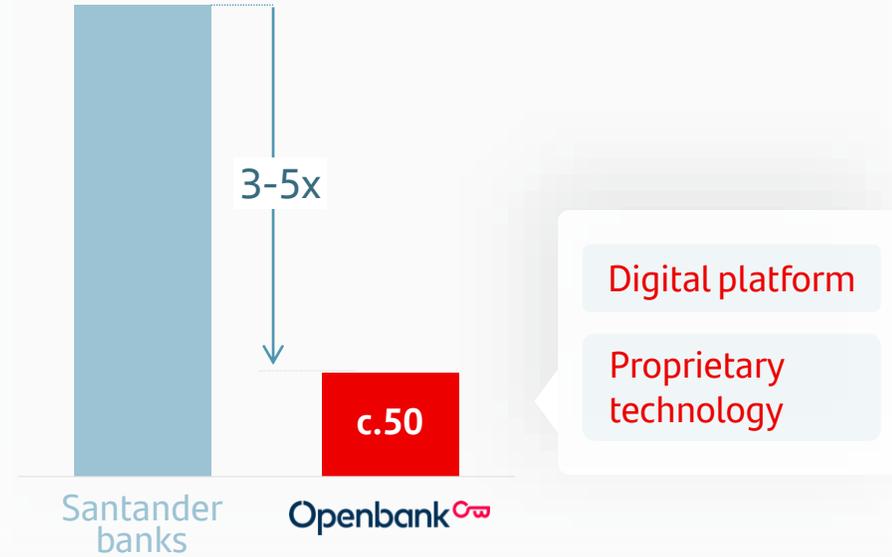
## Less time spent on operations in branches...

% Operational Activity in Branches



## ... with a high level of automation

# Operational FTEs per mn Customers



We are executing One Transformation based on proven operating model and technology





## Simplification

	2022	2025
Retail products (#) <sup>1</sup>	c.314	<20

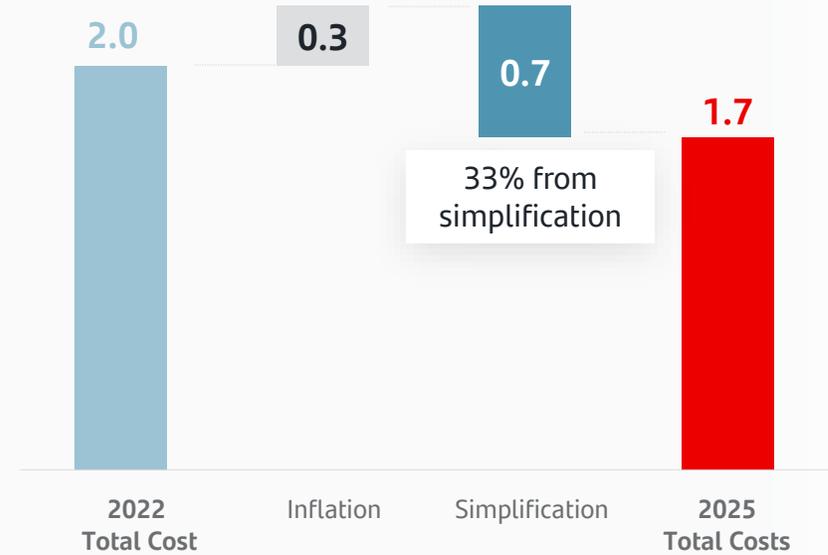
## Process automation and redesign

	2022	2025
% Operations in Branch	c.50	<15
Reduction & automation of high cost branch processes	c.500	c.100
Cost-to serve <sup>4</sup>	c.205bps	c.-20%

**Q1 2024: Launch of national deposit savings**

## Retail & Administrative Costs<sup>2</sup>

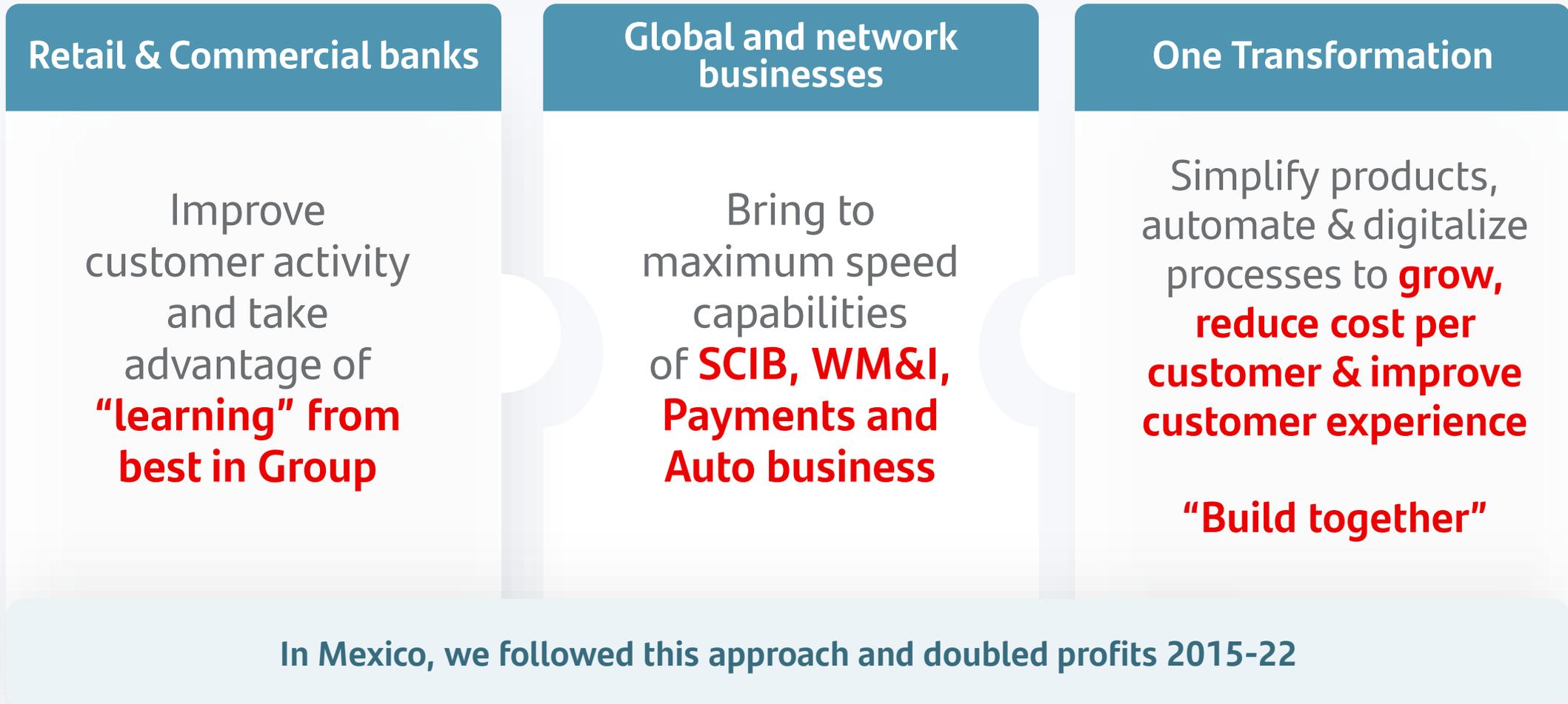
(USD bn)



C/I ratio<sup>3</sup> 74%

<45%

## A tried and tested process



Aiming to be the **most**  
**profitable bank** in each  
**GEOGRAPHY**



## Customer centric & activity

Increased loyalty, through better customer service & experience

Active customers growth target **>+5%**  
in 2022-2025

## Network contribution

Increase our connectivity and continue growing our global businesses

SCIB, WM&I and PagoNxt total revenue growth target **+10%**  
CAGR 22-25

## Simplification & automation

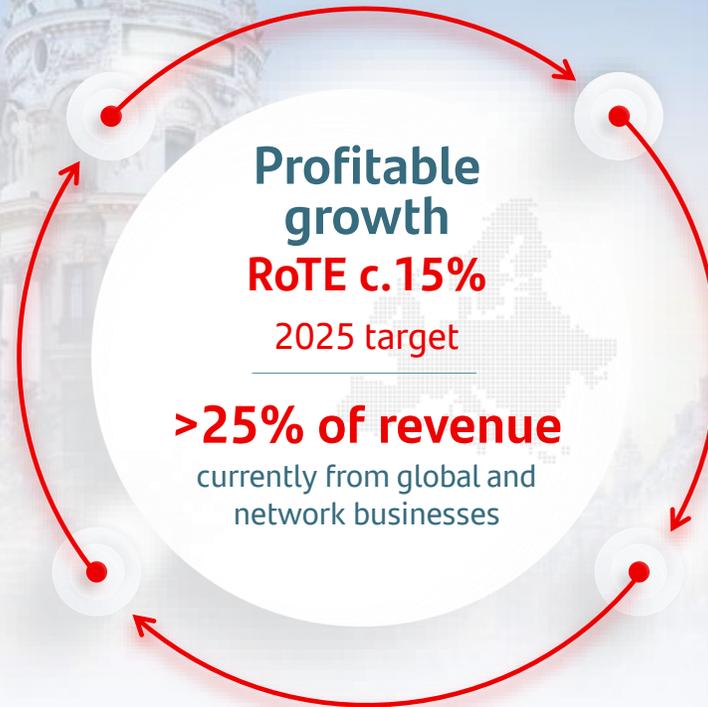
Simplification & automation and a more common operating model

Efficiency ratio target **-5p.p.**  
in 2022-2025

## Disciplined capital allocation

Improving pricing discipline and risk management

RWAs with RoRWA>CoE target **c.80%**  
in 2025





## Customer centric & activity

Redefine branch model and gain share of wallet to deliver growth

Active customers growth target **c.+10%**  
in 2022-2025

## Network contribution

Greater penetration and collaboration across the region

SCIB and WM&I total revenue growth target **+8%**  
CAGR 22-25

## Simplification & automation

Deploy a data driven platform

Cost per customer<sup>1</sup> target **c.-10%**  
in real terms<sup>2</sup>  
2022-2025

## Disciplined capital allocation

Profitability focus through price discipline and efficiency

RWAs with RoRWA>CoE target **c.75%**  
In 2025





## Country realities & markets are different but common approach & path



US

**Plan:** Modernize our **depository platform** to build a **digital first omnichannel experience** with a national deposit growth model

**74%**

Currently from global and network businesses

**+5%**

SCIB, WM&I and Auto total revenue growth CAGR 22-25 target

North America

**RoTE c.15%**  
2025 target



currently from global and network businesses



Mexico

**Plan:** Market share gain through **innovating in multichannel proposition, client attraction**, steadily improve deposit mix and contribute to **better cost of deposits**

**21%**

Currently from global and network businesses

**c.15%**

SCIB, WM&I, PagoNxt and Auto total revenue growth CAGR 22-25 target



Targeting segments with proven competitive advantage and strong Group network contribution  
Not trying to be a Universal Bank

Winning Factors		Adj. RoTE <sup>1,2</sup>	US <sup>1</sup>
 <b>Consumer</b>	Market leading full-spectrum Auto lender increasingly funded by bank deposits; 13.5K dealers and \$30bn+annual originations Front to back solutions to transform into digital-first omnichannel bank with branches	<b>Mid to High teens</b>	<b>≥15%</b> Adjusted Return on Tangible Equity through-the-cycle
 <b>Commercial</b>	Top 10 CRE and Multifamily lender serving leading US developers and investor Leverage Group capital markets, trade and cross-border payment solutions	<b>Mid teens</b>	
 <b>CIB</b>	Global hub for USD-based capital markets and investment banking; c.\$800mn in revenue in 2022 Leading with our strengths in energy transition, infrastructure, project finance & trade finance	<b>Low teens</b>	
 <b>Wealth Management</b>	Leading brand in LatAm HNW leveraging Group network contribution 6,000 + customers and \$40bn CAL <sup>3</sup>	<b>c.100%</b>	

1) Adjusted RoTE target, based on Group's deployed capital calculated as contribution of RWAs at 12%.  
2) Through-the-cycle.  
3) CAL – Customer Assets and Liabilities.



## Simplification

Rationalize businesses and products with limited scale and profitability

	2022	2025
Retail products on sale <sup>1</sup>	c.314	<20

10% additional growth in consumer deposits equates to 10bp reduction in cost to serve

## Transformation

Leverage Group digital capabilities to upgrade depository platform & drive significant operating leverage

	2022	2025
Retail deposit cost to serve <sup>2</sup>	c.205bps	c.-20%
Branch count	c.480	c.-25%

## Network contribution

Leverage Group's network to drive top line growth and achieve scale synergies

	2022	2025
CIB US revenue	\$779mn	c.20% YoY <sup>3</sup>
Wealth Mgmt. CAL growth	\$40bn CAL <sup>4</sup>	+18%

Profitable growth anchored on four key pillars

## Profitable growth

Support growth across target businesses while maintaining disciplined capital management

	2022	2025
Auto funded with deposits	30%	45-50%
Dividend payout	\$4,750mn	>100% payout in 2023

1) Number of products on sale driven by multiple variations within each category (retail vs commercial deposit and money market accounts, CDs with different tenures, etc.).  
 2) Non-interest expense assigned to retail deposit servicing (excluding marketing costs) based on \$41B of average retail consumer deposits in 2022 and ~3% CAGR through 2025.  
 3) 2023.  
 4) CAL – Customer Assets and Liabilities.



## Customer centric & activity

Loyal customers and transactional business

Revenue per customer<sup>1</sup> target

**+8%**  
in 2022-2025

## Network contribution

Take advantage of our unique status as regional leader

SCIB, WM&I, PagoNxt and Auto total revenue growth target

**c.+15%**  
CAGR 22-25

## Simplification & automation

Improve our cost management

Efficiency ratio target

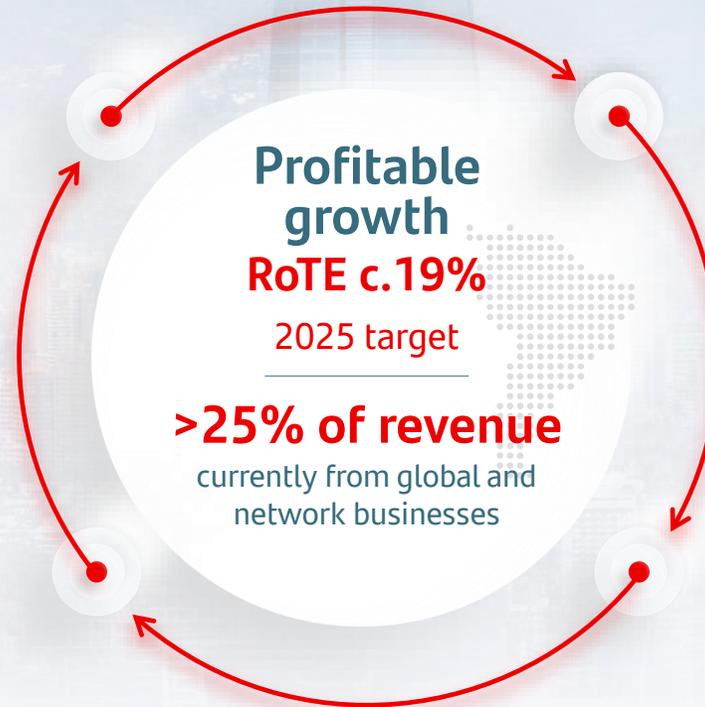
**c.36%**  
in 2025

## Disciplined capital allocation

According to productivity

Cost of risk target

**3.2-3.4%**  
in 2025



# Brazil deep dive | Increased profitability & risk-adjusted returns from higher customer penetration & lower costs



## Customer centric & activity

Increase loyalty

Active customers growth target

**c.+15%**  
in 2022-2025

## Network contribution

Become a top player in investments and insurance

SCIB, WM&I, PagoNxt & Auto total revenue growth target

**c.+10%**  
CAGR 22-25

## Simplification & automation

Further improve cost to income

Efficiency ratio target

**c.-100 bps**  
in 2022-2025

## Disciplined capital allocation

Increase capital allocation to collateralized products

RoRWA target

**c.2.8%**  
In 2025



## Customer centric & activity

Leasing, subscription & BNPL platforms

Active leasing customers (#)

**x2.5**  
in 2025

## Network contribution

Leverage our global OEM relationships and European coverage to gain business agreements

Accumulated new loans growth (€bn)

**c.+20%**  
in 2022-2025

## Simplification and automation

Evolve from self-contained units to common platforms

Cost-to-serve<sup>1</sup> target

**c.-15bps**  
in 2022-2025

## Capital and funding

Increase funding from customers' retail deposits

Incremental deposit funding

**c.+€20bn**  
in 2022-2025



# The result of our plans: Increased profitability across the board



1) Contribution to Group's profit excluding Corporate Centre.

2) North America 2025 RoTE : calculated using US RoTE adjusted based on Group's deployed capital calculated as contribution of RWAs at 12%.



# SCIB

Santander Corporate and  
Investment Banking



# WM&I

Wealth Management  
and Insurance



# Payments



# Auto

# SCIB | Our global scale & local expertise provide differentiated value-added to our clients

## Europe

Strengthen our advisory capabilities leveraging a pan-European platform

**>+5%** Revenue CAGR 22-25 target



**>15%** SCIB's current contribution to Europe revenue

## North America

Up-tier our franchise focused strategy leveraging on our strengths

**c.+15%** Revenue CAGR 22-25 target



**>10%** SCIB's current contribution to North America revenue

## South America

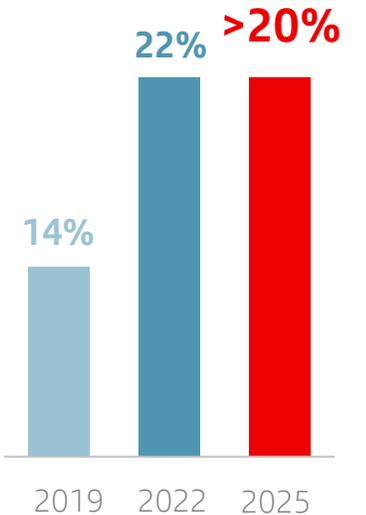
From multi-country to pan-regional

**c.+10%** Revenue CAGR 22-25 target

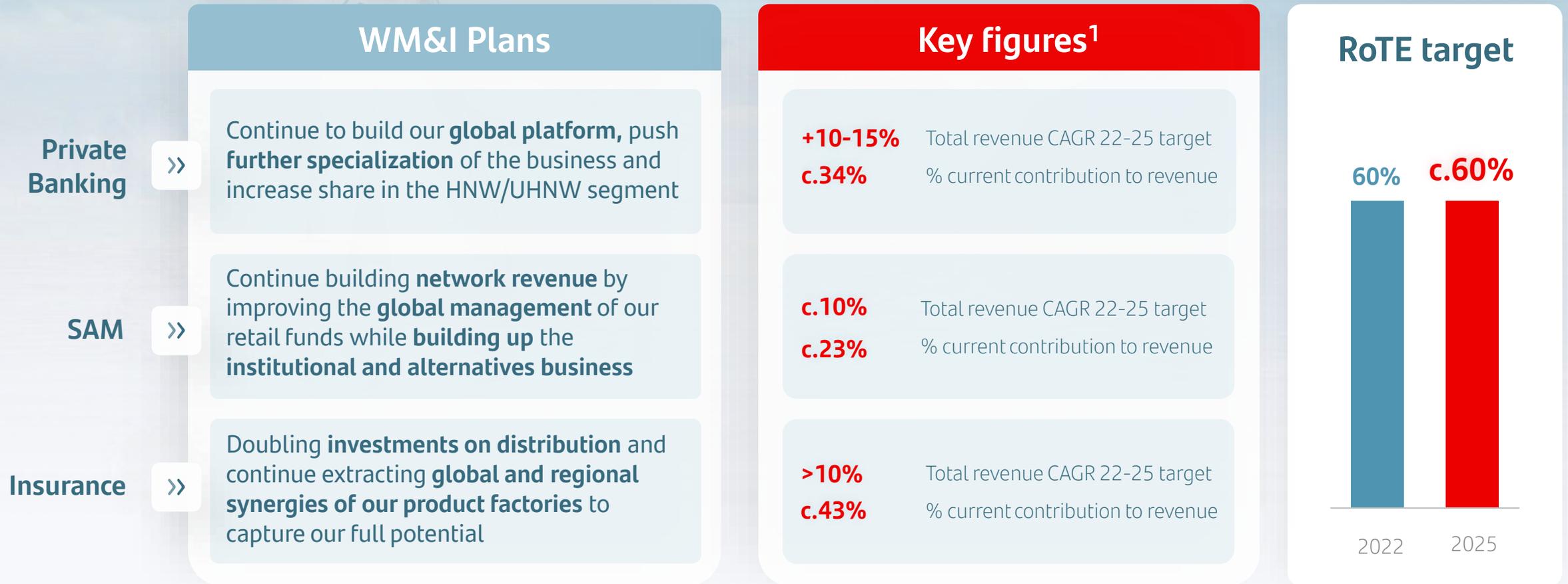


**>15%** SCIB's current contribution to South America revenue

## RoTE target



Global business and global platform leveraging on local SCALE



# Payments | PagoNxt and Global Cards | Integration in global platform

## Sustainable growth above key markets expectations

Payments' total transactions processed<sup>1</sup>  
expected to grow CAGR 2022-25

**c.15%**

vs. | **12%** European market  
**8%** LatAm market

## Growing above market rates

Cards managed globally, generating **>10%**  
of Group's profit in 2022

**97mn**  
2022

**115-120mn**  
2025 target

**c.25%**

Target common cards  
platform's savings<sup>2</sup> from 2025  
implementation onwards



## Increase banks profitability and customer engagement

2022 Comparison of customers without  
and with acquiring POS

	<b>x2.9</b>	Retail client avg. profitability
	<b>x2.1</b>	SMEs margin per client
	<b>x1.6</b>	SMEs margin per client

## Accelerating efficiency

Scaling up our global A2A global  
platform and efficient operations  
model

**c.-20%**

CAGR 22-25 target  
platform cost per  
transaction<sup>3</sup>

# Leverage our global OEM relationships to expand the business across our global footprint

## Sustainable growth above the market average

Continue to grow above the market leveraging our OEM relationships

Auto loans & leases growth globally (€bn) target **>20%** in 2022-25

## Build a leadership position in leasing

Leasing & subscription business

2025 Target  
**>600K** Auto fleet  
**Top 5** in Europe



## Global OEM relationships in Europe and the Americas

Strengthen our global OEM relationships

	2022	2025
Activity related to global OEMs	>40%	40-45%

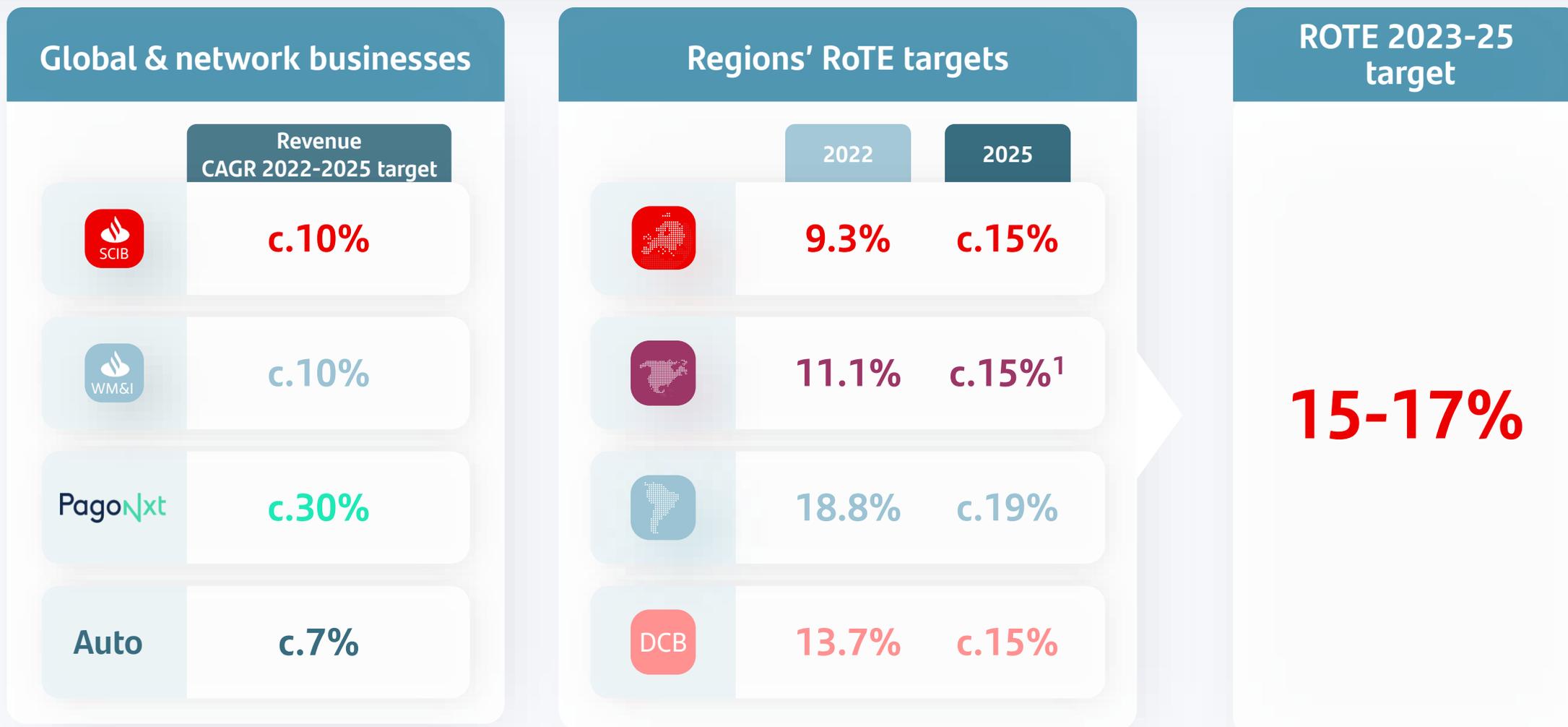
## Capture the value of our digital proprietary mobility platforms





# Our ambition

# The result of our plans: Increased profitability across the board



1) North America 2025 RoTE : calculated using US RoTE adjusted based on Group's deployed capital calculated as contribution of RWAs at 12%.

# Entering a new phase of shareholder value creation

2023-2025 targets

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**15-17%**

TNAVps+DPS  
**Double-digit  
growth**

Average  
through-the-cycle

# 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

