# SANTANDER HOLDINGS USA, INC.

Fixed Income Investor Presentation

First Quarter 2020

May 7, 2020

# DISCLAIMER

This presentation of Santander Holdings USA, Inc. ("SHUSA") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans and future performance of SHUSA. Words such as "may," "could," "should," "will," "believe," "expect," "anticipate," "estimate," "intend," "plan," "goal" or similar expressions are intended to indicate forward-looking statements.

In this presentation, we may sometimes refer to certain non-GAAP figures or financial ratios to help illustrate certain concepts. These ratios, each of which is defined in this document, if utilized, may include Pre-Tax Pre- Provision Income, the Tangible Common Equity to Tangible Assets Ratio, and the Texas Ratio. This information supplements our results as reported in accordance with GAAP and should not be viewed in isolation from, or as a substitute for, our GAAP results. We believe that this additional information and the reconciliations we provide may be useful to investors, analysts, regulators and others as they evaluate the impact of these items on our results for the periods presented due to the extent to which the items are indicative of our ongoing operations. Where applicable, we provide GAAP reconciliations for such additional information. The enhanced prudential standards mandated by Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "DFA") (the "Final Rule") were enacted by the Federal Reserve System (the "Federal Reserve") to strengthen regulatory oversight of foreign banking organizations ("FBOs"). Under the Final Rule, FBOs with over $50 billion of U.S. non-branch assets, including Santander, were required to consolidate U.S. subsidiary activities under an intermediate holding company ("IHC"). Due to its U.S. non-branch total consolidated asset size, Santander is subject to the Final Rule. As a result of this rule, Santander transferred substantially all of its equity interests in U.S. bank and non-bank subsidiaries previously outside the Company to the Company, which became an IHC effective July 1, 2016. These subsidiaries included Santander BanCorp ("SBC"), Banco Santander International ("BSI"), Santander Investment Securities, Inc. ("SIS"), Santander Securities LLC ("SSLLC"), as well as several other subsidiaries. On July 1, 2017, an additional Santander subsidiary, SFS, a finance company located in Puerto Rico, was transferred to the Company. Additionally, effective July 2, 2018, Santander transferred SAM to the IHC.

Although SHUSA believes that the expectations reflected in these forward-looking statements are reasonable as of the date on which the statements are made, these statements are not guarantees of future performance and involve risks and uncertainties based on various factors and assumptions, many of which are beyond SHUSA's control. Among the factors that could cause SHUSA's financial performance to differ materially from that suggested by forward-looking statements are: (1) the adverse impact of COVID-19 on our business, financial condition, liquidity and results of operations; (2) the effects of regulation, actions and/or policies of the Board of Governors of the Federal Reserve System (the "Federal Reserve"), the Federal Deposit Insurance Corporation (the "FDIC"), the Office of the Comptroller of the Currency (the "OCC") and the Consumer Financial Protection Bureau (the "CFPB"), and other changes in monetary and fiscal policies and regulations, including policies that affect market interest rates and money supply, as well as in the impact of changes in and interpretations of generally accepted accounting principles in the United States of America ("GAAP"), including adoption of the Financial Accounting Standards Board's current expected credit losses credit reserving framework, the failure to adhere to which could subject SHUSA and/or its subsidiaries to formal or informal regulatory compliance and enforcement actions and result in fines, penalties, restitution and other costs and expenses, changes in our business practices, and reputational harm; (3) SHUSA's ability to manage credit risk that may increase to the extent our loans are concentrated by loan type, industry segment, borrower type or location of the borrower of collateral; (4) the slowing or reversal of the current U.S. economic expansion and the strength of the U.S. economy in general and regional and local economies in which SHUSA conducts operations in particular, which may affect, among other things, the level of non-performing assets, charge-offs, and provisions for credit losses; (5) acts of God, including pandemics and other significant public health emergencies, and other natural disasters; (6) inflation, interest rate, market and monetary fluctuations, including effects from the pending discontinuation of the London Interbank Offered Rate as an interest rate benchmark, may, among other things, reduce net interest margins, and impact funding sources and the ability to originate and distribute financial products in the primary and secondary markets; (7) the pursuit of protectionist trade or other related policies, including tariffs by the U.S., its global trading partners, and/or other countries, and/or trade disputes generally; (8) the ability of certain European member countries to continue to service their debt and the risk that a weakened European economy could negatively affect U.S.-based financial institutions, counterparties with which SHUSA does business, as well as the stability of global financial markets, including economic instability and recessionary conditions in Europe and the eventual exit of the United Kingdom from the European Union; (9) adverse movements and volatility in debt and equity capital markets and adverse changes in the securities markets, including those related to the financial condition of significant issuers in SHUSA's investment portfolio; (10) SHUSA's ability to grow revenue, manage expenses, attract and retain highly-skilled people and raise capital necessary to achieve its business goals and comply with regulatory requirements; (11) SHUSA's ability to effectively manage its capital and liquidity, including approval of its capital plans by its regulators and its subsidiaries' ability to pay dividends to it; (12) changes in credit ratings assigned to SHUSA or its subsidiaries; (13) the ability to manage risks inherent in our businesses, including through effective use of systems and controls, insurance, derivatives and capital management; (14) SHUSA's ability to timely develop competitive new products and services in a changing environment that are responsive to the needs of SHUSA's customers and are profitable to SHUSA, the success of our marketing efforts to customers, and the potential for new products and services to impose additional unexpected costs, losses or other liabilities not anticipated at their initiation, and expose SHUSA to increased operational risk; (15) competitors of SHUSA may have greater financial resources or lower costs, or be subject to different regulatory requirements than SHUSA, may innovate more effectively, or may develop products and technology that enable those competitors to compete more successfully than SHUSA and cause SHUSA to lose business or market share; (16) Santander Consumer USA Inc.'s ("SC's") agreement with Fiat Chrysler Automobiles US LLC ("FCA") may not result in currently anticipated levels of growth, is subject to performance conditions that could result in termination of the agreement, and is also subject to an option giving FCA the right to acquire an equity participation in the Chrysler Capital portion of SC's business; (17) consumers and small businesses may decide not to use banks for their financial transactions, which could impact our net income; (18) changes in customer spending, investment or savings behavior; (19) loss of customer deposits that could increase our funding costs; (20) the ability of SHUSA and its third-party vendors to convert, maintain and upgrade, as necessary, SHUSA's data processing and other information technology ("IT") infrastructure on a timely and acceptable basis, within projected cost estimates and without significant disruption to our business; (21) SHUSA's ability to control operational risks, data security breach risks and outsourcing risks, and the possibility of errors in quantitative models SHUSA uses to manage its business, including as a result of cyber-attacks, technological failure, human error, fraud or malice, and the possibility that SHUSA's controls will prove insufficient, fail or be circumvented; (22) changes to tax laws and regulations and the outcome of ongoing tax audits by federal, state and local income tax authorities that may require SHUSA to pay additional taxes or recover fewer overpayments compared to what has been accrued or paid as of period-end; (23) the costs and effects of regulatory or judicial actions or proceedings, including possible business restrictions resulting from such actions or proceedings; and (24) adverse publicity and negative public opinion, whether specific to SHUSA or regarding other industry participants or industry-wide factors, or other reputational harm; and (25) acts of terrorism or domestic or foreign military conflicts; and (26) the other factors that are described in Part I, Item IA – Risk Factors of SHUSA's 2019 Annual Report on Form 10-K.

Because this information is intended only to assist investors, it does not constitute investment advice or an offer to invest, and in making this presentation available, SHUSA gives no advice and makes no recommendation to buy, sell, or otherwise deal in shares or other securities of Banco Santander, S.A. ("Santander"), SHUSA, Santander Bank, N.A. ("Santander Bank" or "SBNA"), SC or any other securities or investments. It is not our intention to state, indicate, or imply in any manner that current or past results are indicative of future results or expectations. As with all investments, there are associated risks, and you could lose money investing. Prior to making any investment, a prospective investor should consult with its own investment, accounting, legal, and tax advisers to evaluate independently the risks, consequences, and suitability of that investment. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom.



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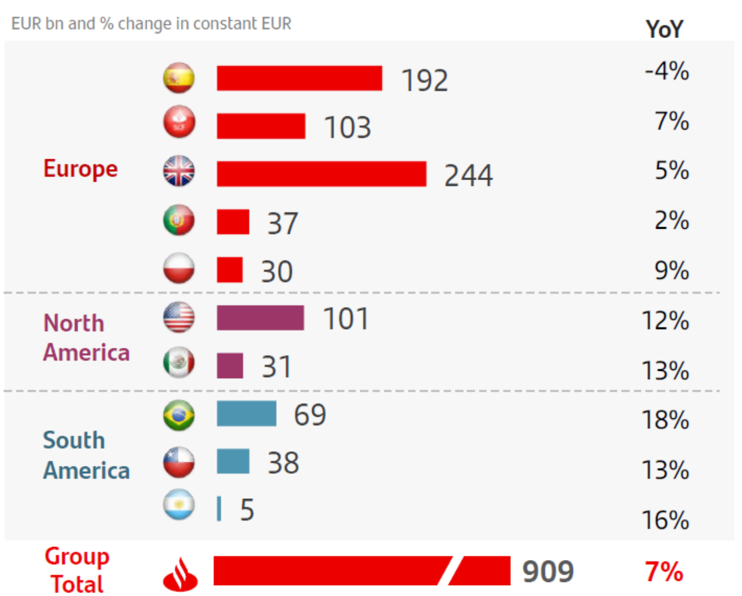
# SANTANDER GROUP

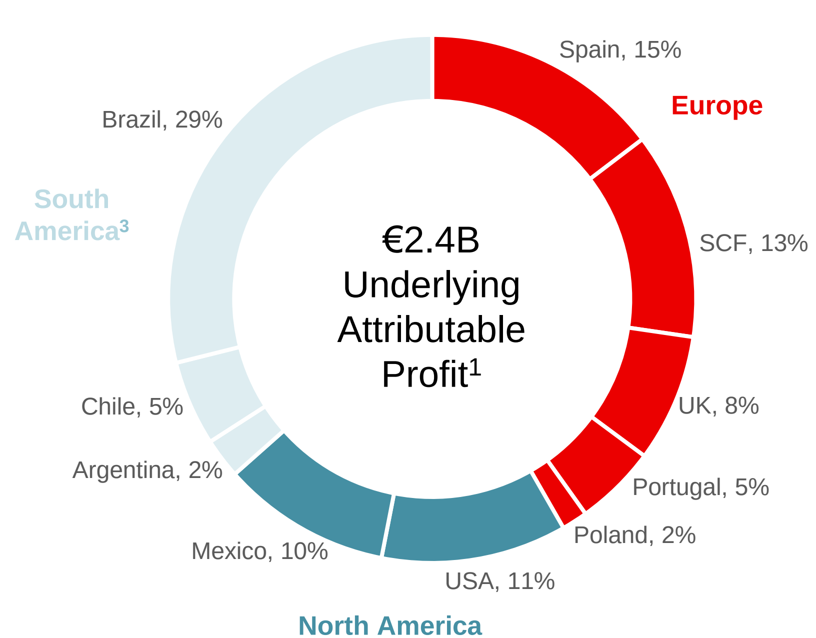
**Banco Santander, S.A. (SAN SM, STD US, BNC LN) is a leading retail and commercial bank, founded in 1857 and headquartered in Spain. It has a meaningful presence in 10 core markets in Europe and the Americas, and is one of the largest banks in the world by market capitalization.**

## The United States is a core market for Santander Group, contributing 11% to Q1 2020 underlying attributable profit

Q1 2020 Loans & Advances to Customers[1]




Contribution to Q1 2020 Underlying attributable profit[2]




1 Loans and advances to customers excluding reverse repos
2 Underlying profit weight excludes Corporate Centre (EUR -434 mn) and Santander Global Platform
3 South America's weight includes Uruguay & Andean Region (EUR 53 mn)



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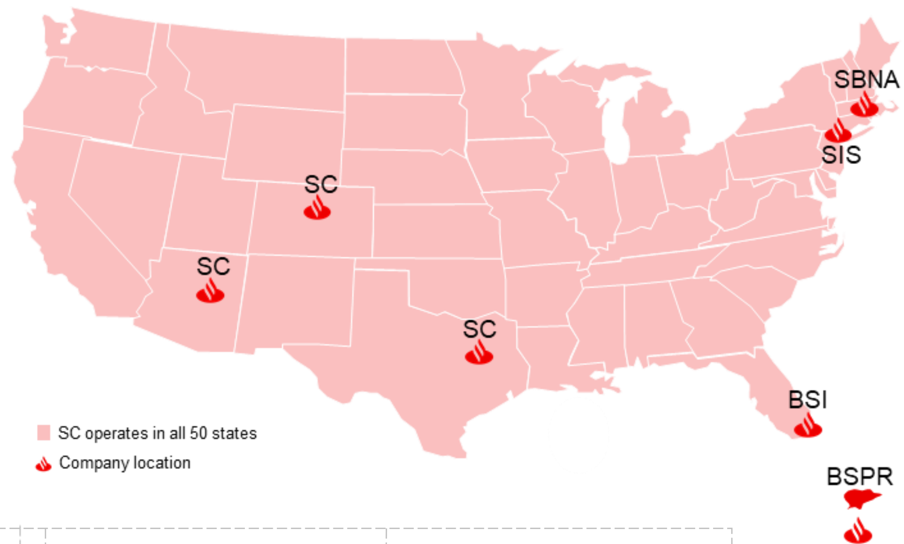
# SANTANDER US

## SHUSA is an intermediate holding company ("IHC") for Santander US entities and issues senior unsecured notes under the ticker symbol "SOV"

### SHUSA Highlights

- **7 major locations**
- **$152B in assets**
- **16,900 employees**
- **5M customers**

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**SHUSA**
**100% Ownership**

| SBNA – Retail Bank 100% Ownership | SC – Auto Finance 76.5% Ownership | BSI – Private Banking 100% Ownership | SIS – Broker Dealer 100% Ownership | BSPR – Retail Bank 100% Ownership |
|---|---|---|---|---|
| $88B Assets | $47B Assets | $6B Assets | $5B Assets | $6B Assets |

**SBNA – Retail Bank**

Products include:
- C&I and commercial
- Multi-family
- Residential mortgage
- Dealer floorplan financing

**SC – Auto Finance**

- Preferred auto finance provider to Fiat-Chrysler
- Leading auto loan and lease originator and servicer
- #1 auto ABS issuer in 2019

**BSI – Private Banking**

- Private wealth management for HNW and UHNW clients

**SIS – Broker Dealer**

Investment banking services include:
- Global markets
- Global transaction banking
- Global debt financing
- Corporate finance

**BSPR – Retail Bank**

- Top 3 retail bank in Puerto Rico
- Established in 1972
- SHUSA recently agreed to sell Puerto Rico's retail and commercial franchise to FirstBank Puerto Rico

* As of March 31, 2020



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# SANTANDER BANK

## SBNA is a regional retail consumer bank with a stable deposit base in the northeast US

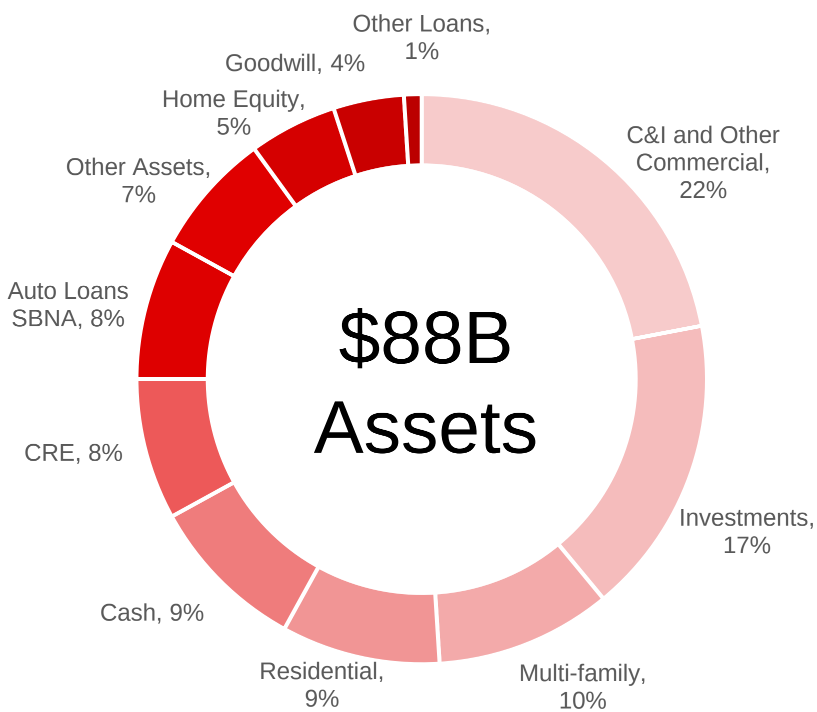
**SBNA Highlights**

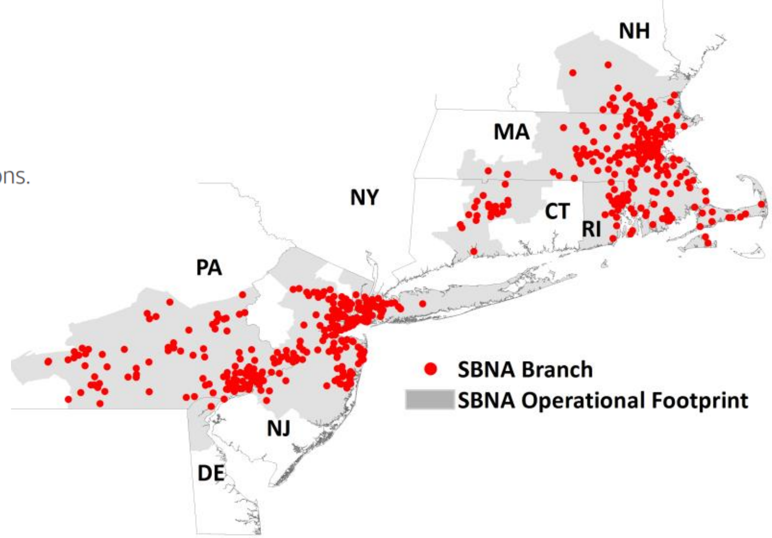
**575 branches**

**2,000 ATMs**
Includes 1,000 in CVS Pharmacy® locations.

**10,000 employees**

**2.1 million customers**




- Continue to improve loyalty and the customer experience across digital & physical channels in consumer bank
- Improve earning asset mix to drive further improvement in margins
- Online digital customers growth of 4% QPYQ* driven by roll-out of enhancements and digital capabilities

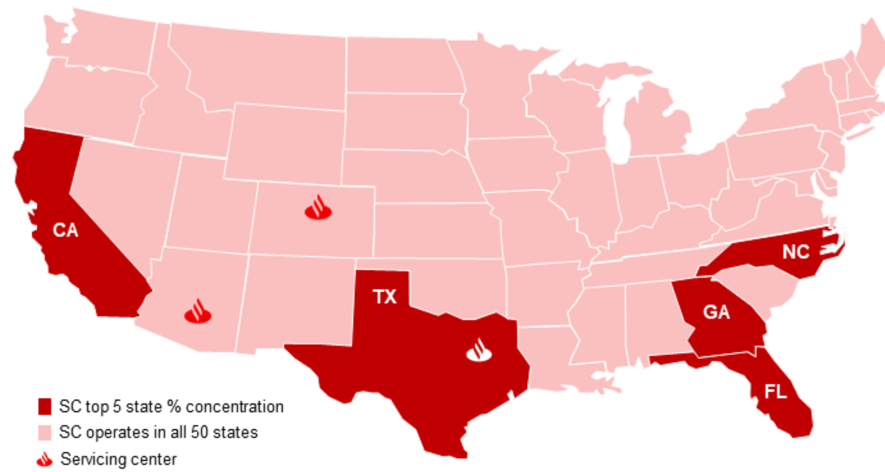
* | Quarter over prior-year quarter

# SANTANDER CONSUMER USA

## SC is a large and established auto finance provider across the full credit spectrum with demonstrated success through credit cycles

### SC Highlights

| | |
|---|---|
| 9 servicing centers | 1.1M loans/leases |
| 5,000 employees | 2.9M customers |




### Indirect Auto and OEM Relationships

FCA FIAT CHRYSLER AUTOMOBILES
Santander
CHRYSLER
NISSAN
DODGE
PENSKE
FIAT
CARMAX
Jeep
Hertz
RAM
SRT
enterprise

### Direct Auto

RoadLoans.com
cars.com
Autotrader

### Digital Auto

shiftdigital
vroom
AutoFi

- $60 billion in managed assets (includes $31B of loans, $18B of leases and $10B of assets serviced for others)
- Preferred auto finance provider for FCA US LLC providing loans, leases, dealer floorplan
- Leading auto ABS issuer in 2019



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# Santander US COVID-19 Relief Efforts

## Employees

- 90%+ of employees outside the retail network are working from home
- Temporary Emergency Paid Leave Program, premium compensation to frontline employees
- 75% of Santander Bank branches remain open with enhanced sanitization protocols

## Communities

- SAN US will provide $25M in financing to Community Development Financial Institutions
- SC donated $3M to organizations serving vulnerable populations hardest hit by the crisis

## SC

- Payment deferrals, late charge waivers, lease extensions, temporarily suspended involuntary repossessions
- Partnered with Fiat Chrysler to launch new subvented programs

## SBNA

- Temporary payment suspension, refunding late payment and overdraft fees
- Suspended collection calls and mortgage/HELOC foreclosures
- Waiving CD early withdrawal penalties and outgoing wire fees
- SBNA deploying substantial resources to support the Paycheck Protection Program
- Relief programs for floorplan dealers

# EARNINGS HIGHLIGHTS

## 1Q20 Results Impacted by Reserves

**CECL**

- ► $651M of incremental reserves due to macroeconomic factors, primarily driven by COVID-19, excluding these reserves pre-tax income of $495M, up from $356M in Q1 2019
- ► Allowance ratio of 7.3%, up 330 bps from Q4 2019

**Results**

- ► Santander Bank deposits of $58.4B, up 9% YoY in line with balance sheet growth
- ► SC total auto originations of ~$7.0B, including $1.1B in loans generated through Santander Bank
- ► SC's penetration rate with Fiat Chrysler 39%, up from 31% during Q1 2019

**Credit Performance**

- ► Santander Bank NPL ratio of 0.67% down from 33 bps YoY
- ► Oil & Gas, Retail, Restaurants, Hotel and Entertainment represent less than 3% of the SBNA portfolio
- ► SC net charge-off ratio of 7.7%, down 90 bps YoY

**Liquidity & Capital**

- ► CET1 ratio of 14.3%, down from 15.4% as of March 31, 2019
- ► SHUSA's ownership of SC increased to 76.5%, driven by a $455M tender offer
- ► SHUSA accessed nearly $450M in funding during April
- ► SC issued $2.1B in ABS during Q1 and an additional $965M during April



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# CURRENT EXPECTED CREDIT LOSSES (“CECL”) IMPACT

| *Dollars in Millions* | (Unaudited) | (Estimated)[1] | (Audited) |
|---|---|---|---|
| **Allowance Ratios** | **March 31, 2020** | **January 1, 2020** | **December 31, 2019** |
| Total Loans Held for Investment (LHFI) | $93,006 | $92,705 | $92,705 |
| Total Allowance for Credit Loss (ACL)[2] | $6,794 | ~$6,284 | $3,738 |
| **Total Allowance Ratio** | **7.3%** | **~6.8%** | **4.0%** |

» As of the end of Q1 2020, total allowance increased $3.0B compared to 12/31/2019
  - $2.5B increase due to Day 1 adoption CECL
  - $0.5B increase includes $651M increase driven by macroeconomic factors and COVID-19 reserves, partially offset by balance change and portfolio mix
  - Total allowance coverage ratio increases to 7.3%

» SHUSA is electing to defer CECL’s effect on regulatory capital for two years followed by a three-year phase-in period per regulatory guidance

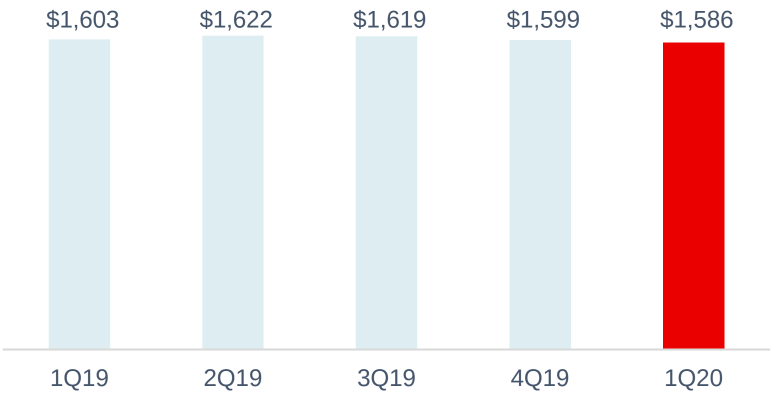


1 | Estimated and subject to change due to various internal and external factors
2 | Includes ACL for unfunded commitments

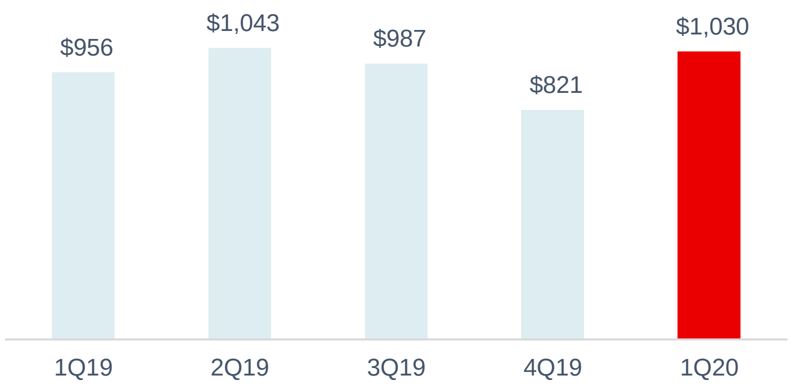
# SHUSA QUARTERLY PROFITABILITY

**Q1 2020 impacted by $651M of macroeconomic reserves primarily due to COVID-19, adjusted for these reserves pre-tax income for Q1 totaled $495M**

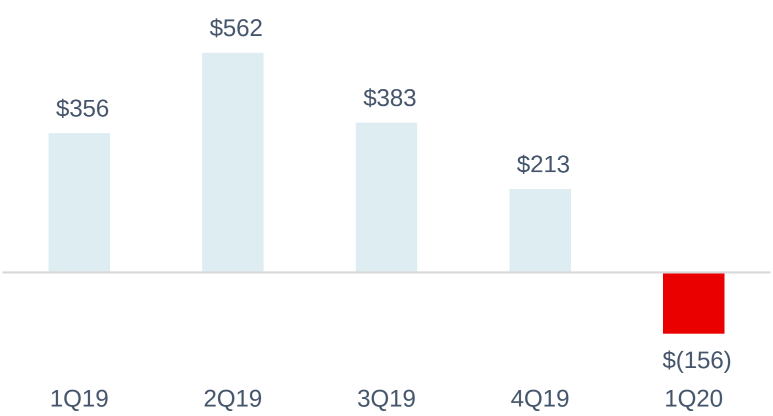
### NET INTEREST INCOME ($M)



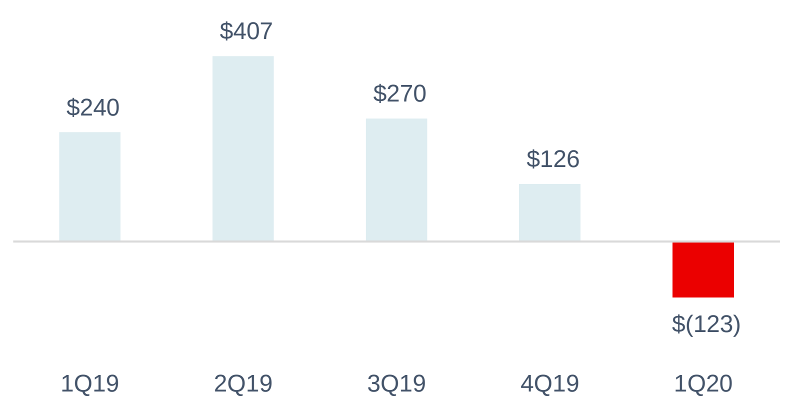

### PRE-TAX PRE-PROVISION INCOME ($M)




### PRE-TAX INCOME ($M)




### NET INCOME[1,2] ($M)



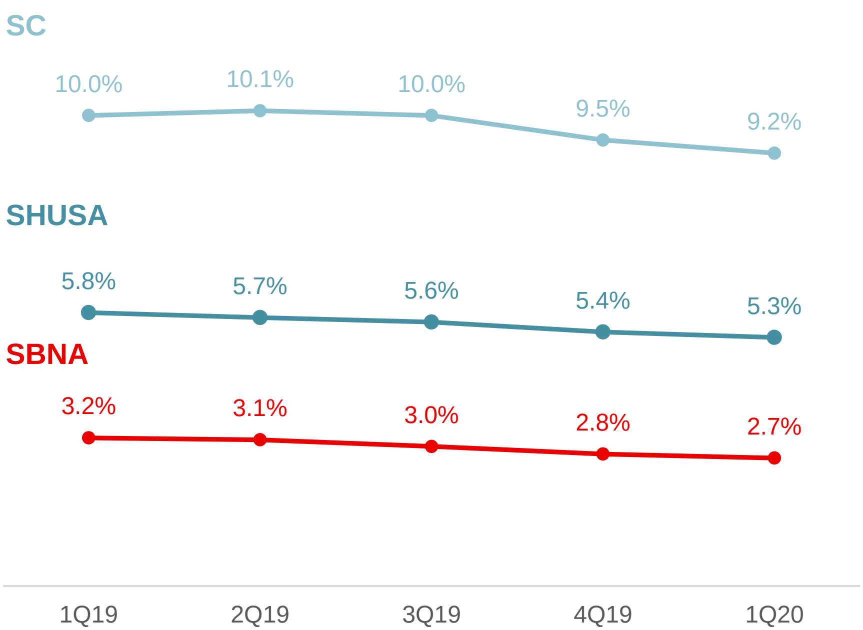



1 Net income does includes noncontrolling interest.
2 See Page 22 for the consolidating income statement.

# NIM AND INTEREST RATE RISK (IRR) SENSITIVITY

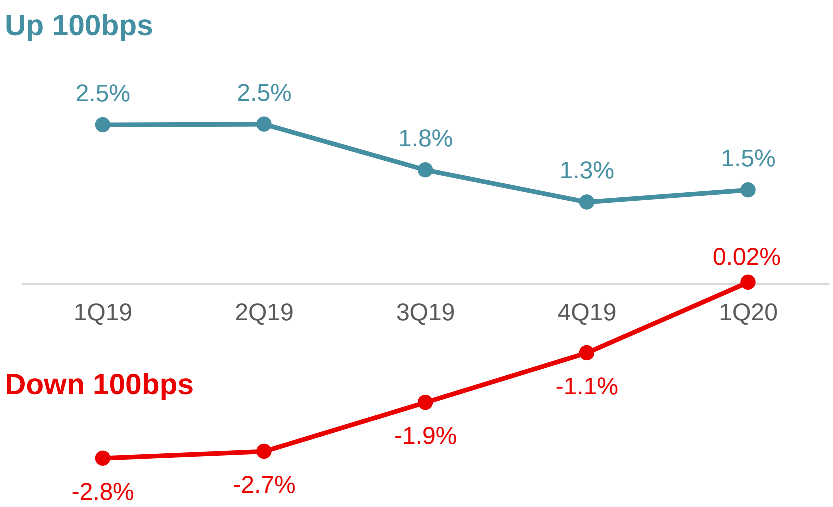
## SHUSA's asset sensitive position has decreased since Q1 2019

### NET INTEREST MARGIN




### SHUSA INTEREST RATE RISK

(Change in annual net interest income for parallel rate movements)



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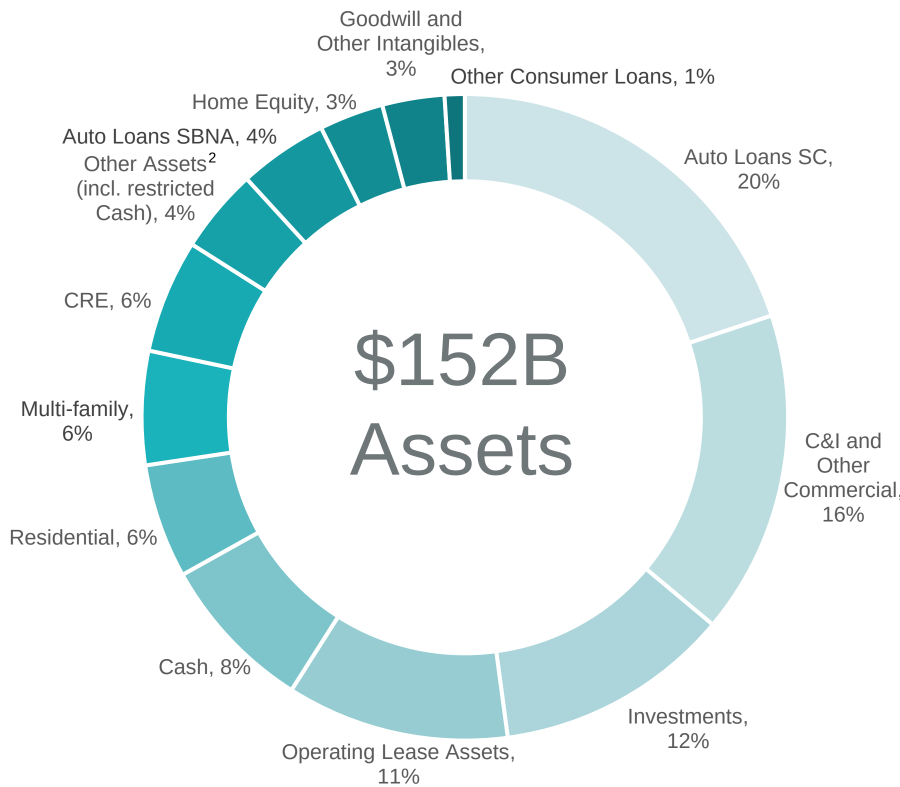
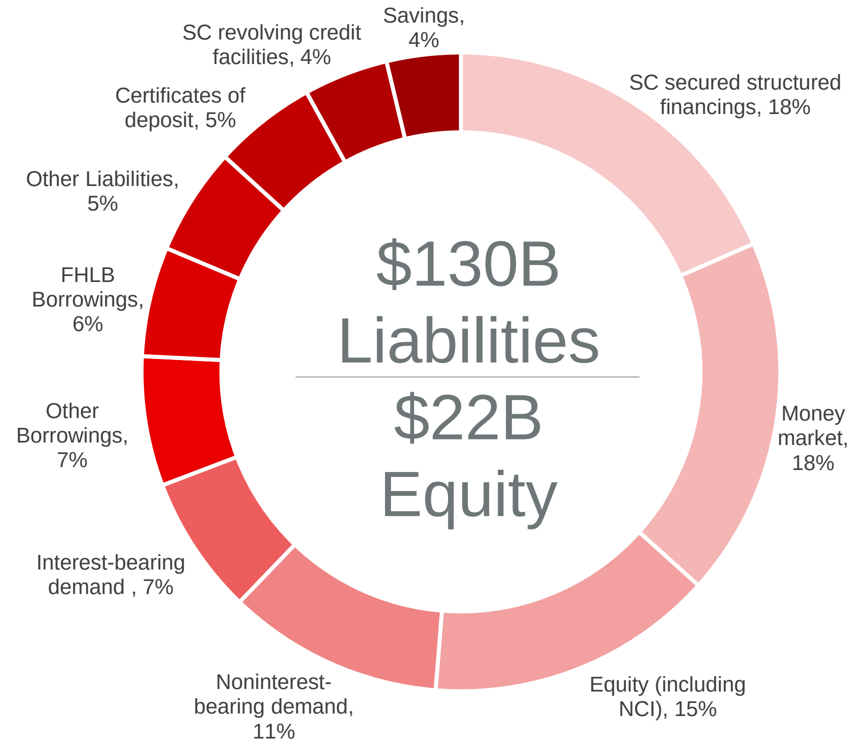
# BALANCE SHEET OVERVIEW

**SHUSA's balance sheet[1] grew 9% YoY through auto originations at SC and SBNA**



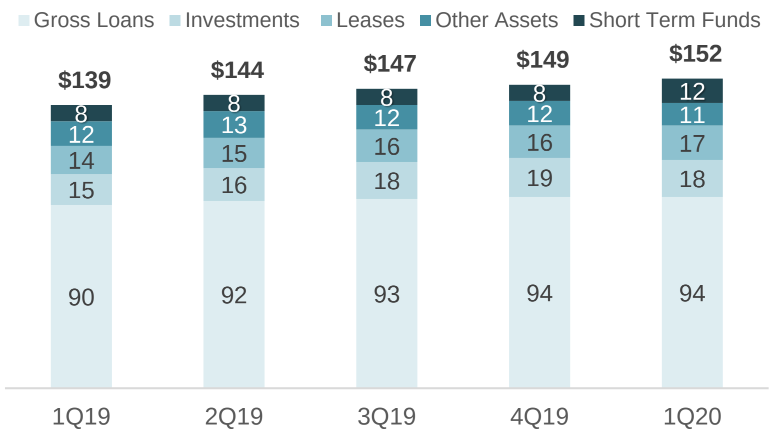




1 See page 23 for the consolidated balance sheet
2 Includes loans held for sale and allowance for loan and lease losses

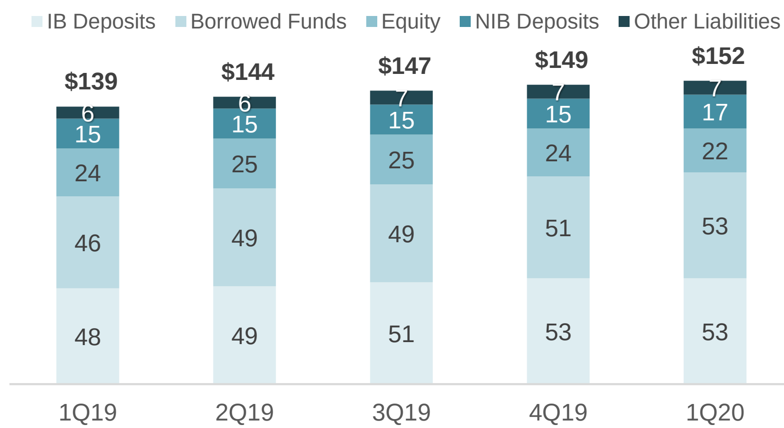
# BALANCE SHEET TRENDS

**Balance sheet trend[1] reflects auto loan and lease growth funded by deposits and borrowed funds**

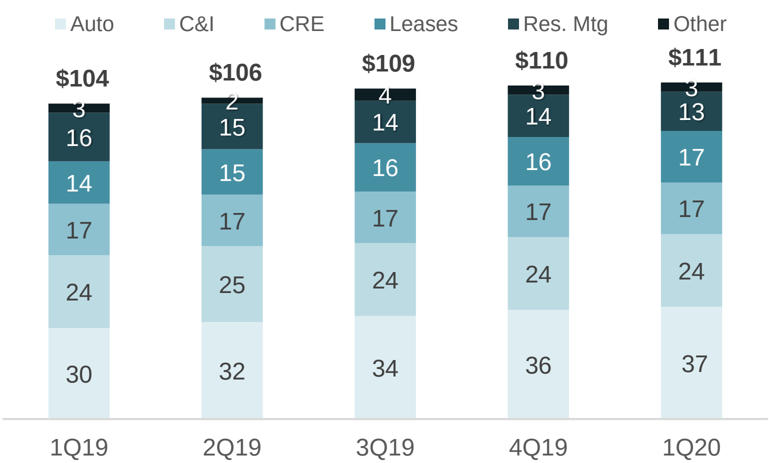
## ASSETS ($B)



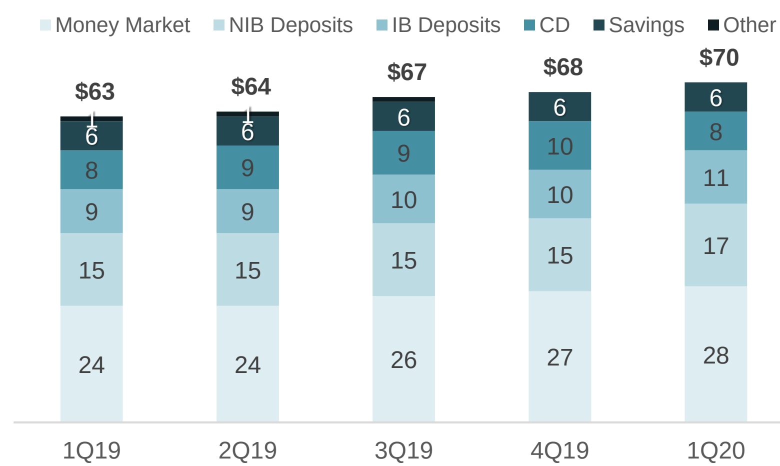

## LIABILITIES & EQUITY ($B)




## LOANS & LEASES ($B)




## DEPOSITS ($B)






1 | See pages 32 and 33 for trend detail on SBNA loan portfolio

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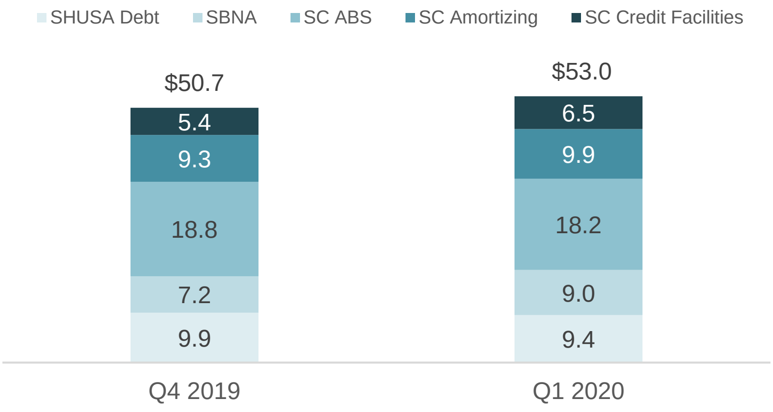
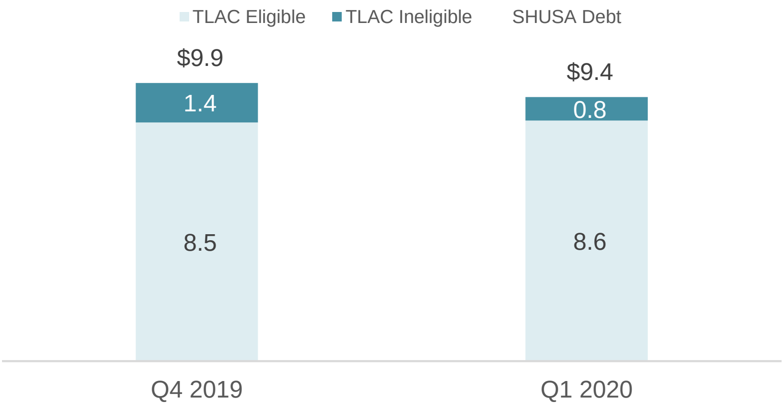
# BORROWED FUNDS PROFILE

## Public issuances consist of SHUSA unsecured debt and SC auto ABS

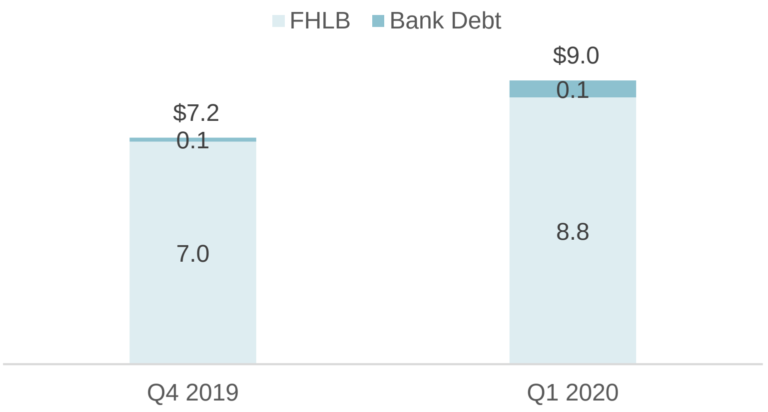
### SHUSA CONSOLIDATED ($B)



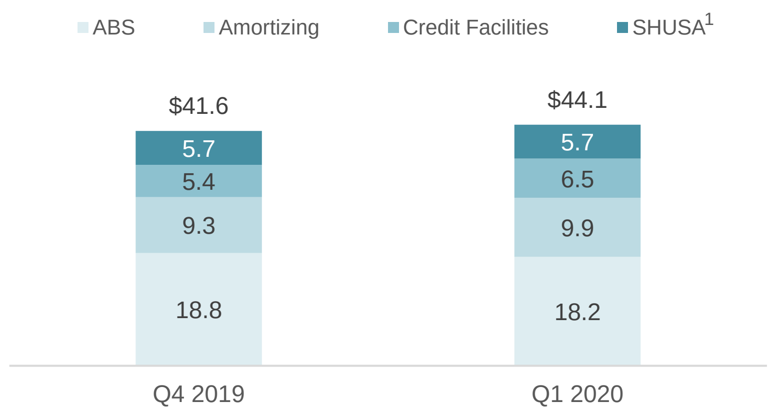

### SHUSA HOLDCO ($B)




### SBNA ($B)




### SC ($B)




1 | Related party funding from SHUSA to SC is eliminated at the consolidated level



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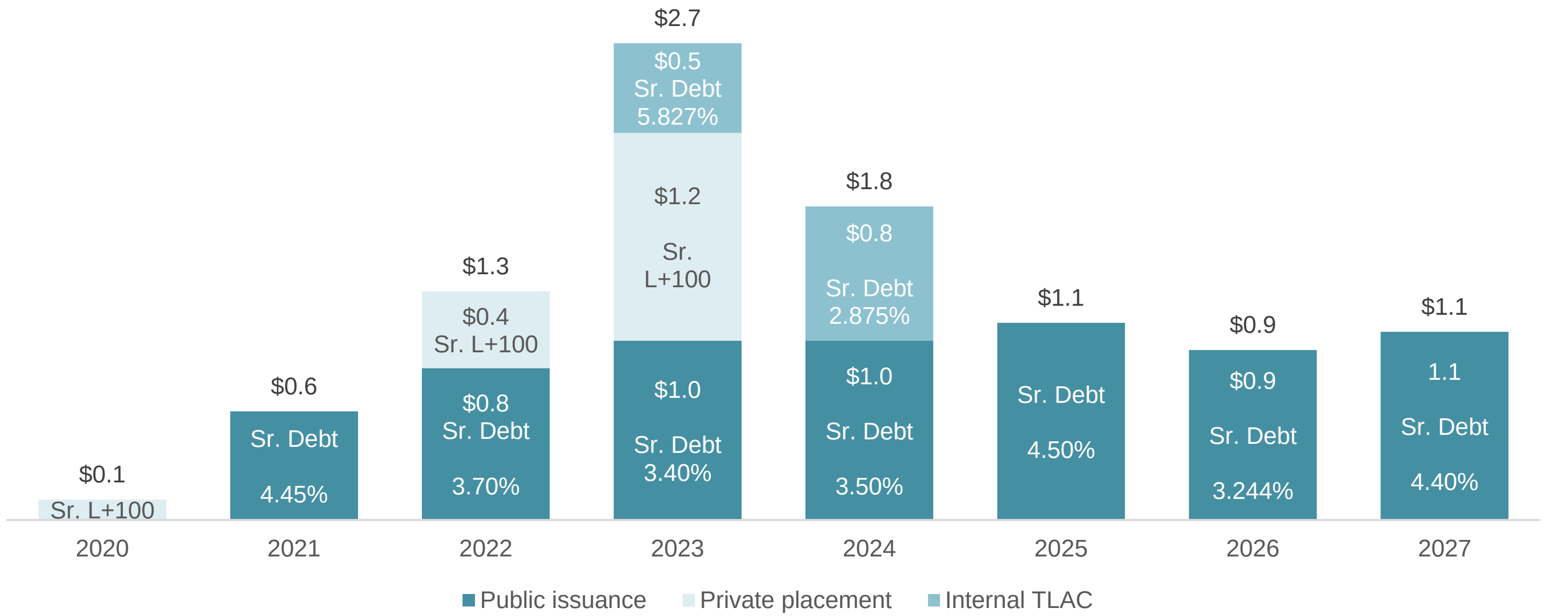
# SHUSA DEBT & TLAC

During 1Q20:

- SHUSA repurchased $1.0B of its 2.65% senior notes due April 2020
- SHUSA issued $0.5B of 5.83% senior notes due March 2023 to Santander, an affiliate

As of 1Q20, SHUSA met the Federal Reserve TLAC and Long-term debt ("LTD") requirements[1], with 21.8% TLAC, 7.3% LTD[1] and a CET1 ratio of 14.3%

**DEBT MATURITY SCHEDULE (*$ in Billions*)**






1 | SHUSA's requirement is 20.5% for TLAC and 6.0% for LTD as a percentage of risk-weighted assets

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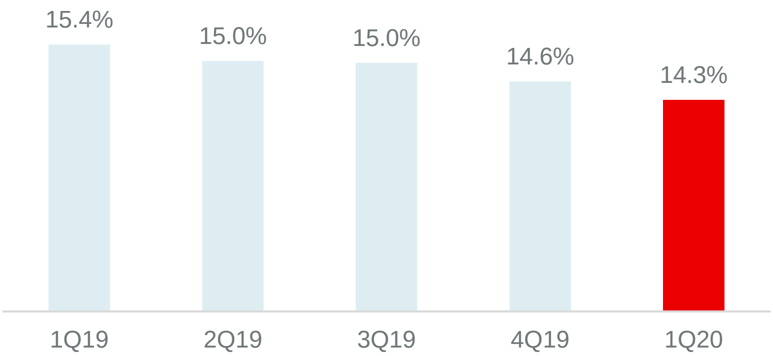
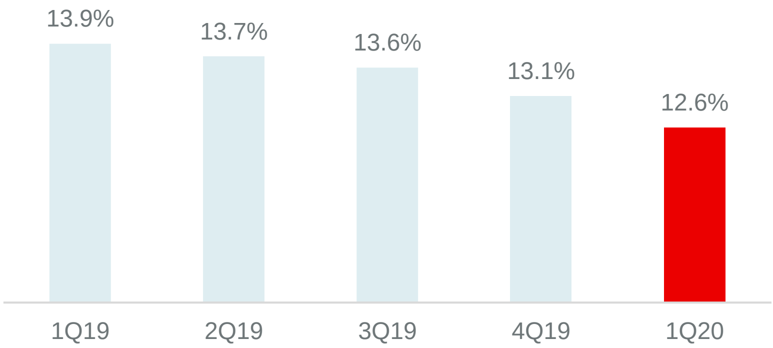
# CAPITAL RATIOS

**Modest decline in ratios[1] due to asset growth and regulator approved capital actions**

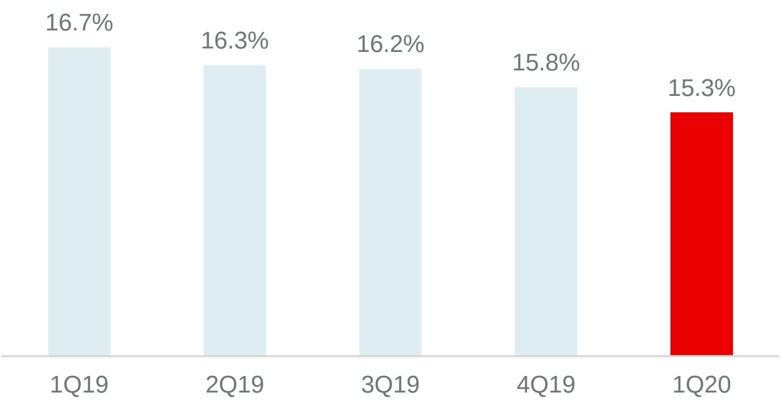
## CET1



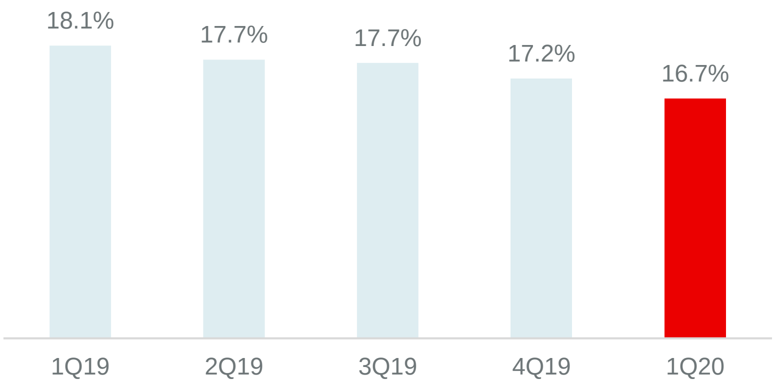

## TIER 1 LEVERAGE RATIO




## TIER 1 RISK-BASED CAPITAL RATIO




## TOTAL RISK-BASED CAPITAL RATIO






1 | Capital ratios calculated under the U.S. Basel III framework on a transitional basis.

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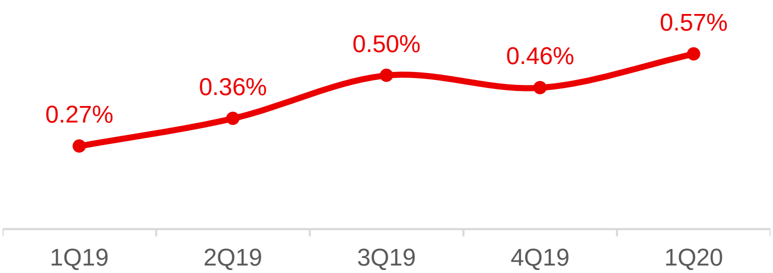
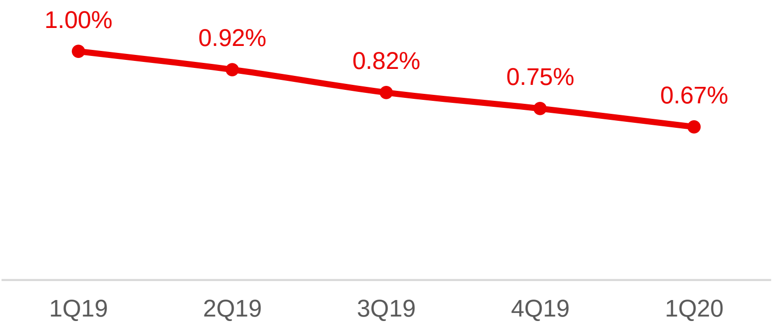
# SBNA ASSET QUALITY

## CECL build and COVID-19 reserves contributed to allowance increases in the quarter

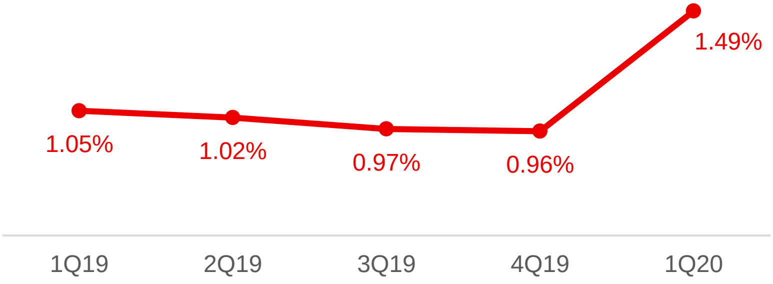
### ANNUALIZED NET CHARGE-OFF RATIO



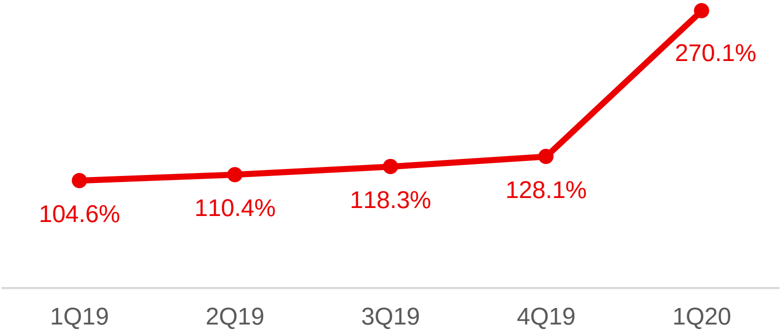

### NPL RATIO[1]




### ALLL TO TOTAL LOANS[2]




### RESERVE COVERAGE (ALLL/NPL)




1 NPLs = Non accruing loans *plus* accruing loans 90+ days past due (“DPD”)
2 ALLL = Allowance for loan and lease losses



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# SC AUTO ORIGINATIONS

| ($ in Millions) | Three Months Ended Originations Q1 2020 | Q4 2019 | Q1 2019 | % Variance QoQ | YoY |
|---|---|---|---|---|---|
| Total Core Retail Auto | $ 2,306 | $ 2,427 | $ 2,620 | (5%) | (12%) |
| Chrysler Capital Loans (<640)[1] | 1,190 | 1,313 | 1,331 | (9%) | (11%) |
| Chrysler Capital Loans (≥640)[1] | 1,432 | 1,935 | 1,112 | (26%) | 29% |
| Total Chrysler Capital Retail | 2,622 | 3,248 | 2,443 | (19%) | 7% |
| Total Leases[2] | 2,024 | 1,816 | 1,967 | 11% | 3% |
| **Total Auto Originations[3]** | **$ 6,952** | **$ 7,491** | **$ 7,030** | **(7%)** | **(1%)** |
| SBNA Originations[4] | $ 1,081 | $ 1,895 | $ 1,036 | (43%) | 4% |

1 | Approximate FICOs
2 | Includes nominal capital lease originations
3 | Includes SBNA Originations
4 | SBNA Originations remain off of SC's balance sheet in the Service For Others portfolio



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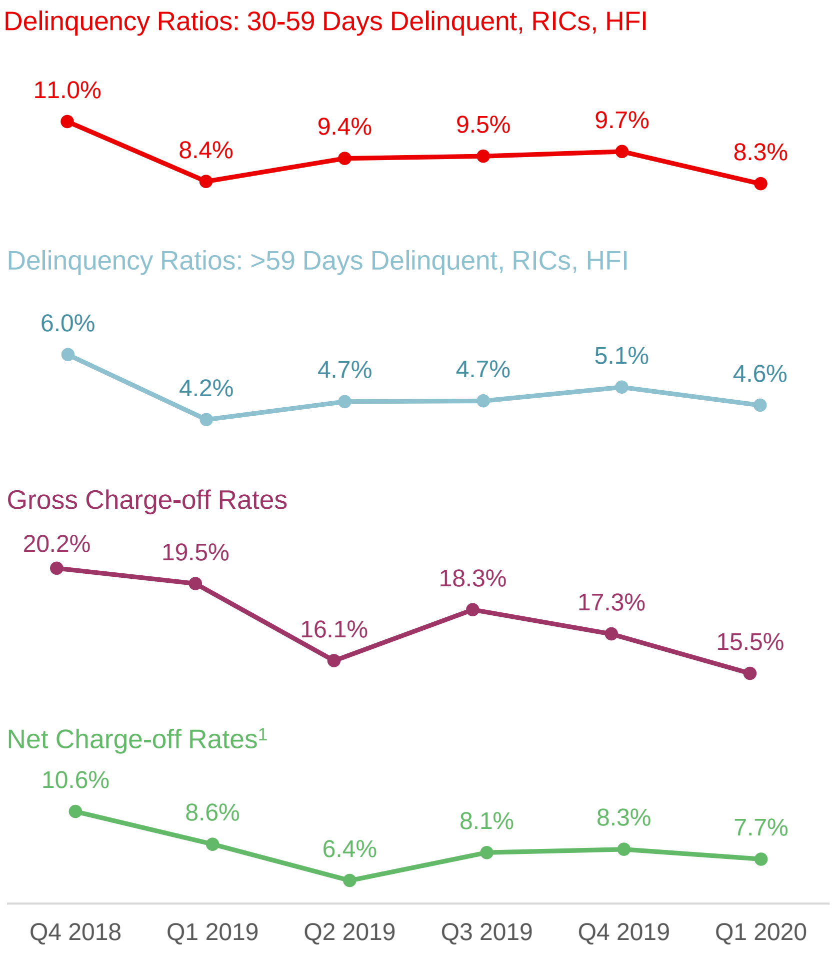
# SC AUTO LOAN ASSET QUALITY




**Early stage delinquencies** decreased 10 bps YoY

**Late stage delinquencies** increased 40 bps YoY

**Gross charge-off rates** decreased 400 bps YoY

**Net charge-offs** decreased 90 bps YoY

1 | Net Charge-off rates on retail installment contracts, held for investment



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# RATING AGENCIES

**SHUSA and SBNA ratings impacted by overall ratings of Banco Santander with recent revisions to outlook from both Fitch and S&P**

## SHUSA LONG TERM SENIOR UNSECURED RATINGS

| | |
|---|---|
| FitchRatings | Negative outlook (April 29, 2020) |
| STANDARD & POOR'S | Negative outlook (April 1, 2020) |
| MOODY'S | Stable outlook (December 14, 2017) |

## RATINGS BY SANTANDER ENTITY & CATEGORY

| Agency | Entity | ST Deposits | LT Deposits | Sr. Debt |
|---|---|---|---|---|
| Fitch | Santander | F-2 | A | A- |
| Fitch | SHUSA | F-2 | N/A | BBB+ |
| Fitch | SBNA | F-2 | A- | BBB+ |
| S&P | Santander | A-1 | A-1 | A |
| S&P | SHUSA | A-2 | N/A | BBB+ |
| S&P | SBNA | A-2 | A-2 | A- |
| Moody's | Santander | P-1 | A-2 | A2 |
| Moody's | SHUSA | N/A | N/A | N/A |
| Moody's | SBNA | P-1 | A2 | Baa1 |


# APPENDIX

Santander

# CONSOLIDATING INCOME STATEMENT

| ($ in Millions) | SBNA | | SC | | Other[1] | | IHC Entities[2] | | SHUSA | |
|---|---|---|---|---|---|---|---|---|---|---|
| | For the year three-month period ended March 31, 2020 | | | | | | | | | |
| Interest income | $ | 665 | $ | 1,339 | $ | 6 | $ | 100 | $ | 2,110 |
| Interest expense | | (157) | | (329) | | (24) | | (14) | | (524) |
| Net interest income | $ | 508 | $ | 1,010 | $ | (18) | $ | 86 | $ | 1,586 |
| Fees & other income/(expense) | | 135 | | 775 | $ | (28) | | 136 | | 1,018 |
| Other non interest income | | 11 | | - | $ | (3) | | 1 | | 9 |
| Net revenue/(loss) | $ | 654 | $ | 1,785 | $ | (49) | $ | 223 | $ | 2,613 |
| General, administrative and other expenses | | (520) | | (883) | | (36) | | (144) | | (1,583) |
| Provision for credit losses | | (255) | | (908) | | - | | (23) | | (1,186) |
| Income/(loss) before taxes | $ | (121) | $ | (6) | $ | (85) | $ | 56 | $ | (156) |
| Income tax (expense)/benefit | | 42 | | 2 | | 2 | | (13) | | 33 |
| Net income/(loss) | | (79) | | (4) | | (83) | | 43 | | (123) |
| Less: Net income attributable to NCI[3] | | - | | 4 | | - | | - | | 4 |
| Net income attributable to SHUSA | | (79) | | (8) | | (83) | | 43 | | (127) |



1 Includes holding company activities, IHC eliminations, and eliminations and purchase accounting marks related to SC consolidation.
2 The entities acquired in the formation of the IHC are presented within "other" in SHUSA's financial statement segment presentation due to immateriality.
3 SHUSA net income includes NCI.

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# CONSOLIDATING BALANCE SHEET

| ($ in Millions) | SBNA | SC | Other[1] | IHC Entities[2] | SHUSA |
|---|---|---|---|---|---|
| | For the year three-month period ended March 31, 2020 | | | | |
| Assets | | | | | |
| Cash and cash equivalents | $ 7,710 | $ 502 | $ 1,083 | $ 2,589 | $ 11,884 |
| Investments available-for-sale at fair value | 9,581 | 95 | 2,607 | - | 12,283 |
| Investments held-to-maturity | 4,390 | - | - | - | 4,390 |
| Other investment securities[3] | 1,064 | - | 26 | - | 1,090 |
| Loans held for investment ("HFI") | 55,302 | 30,830 | 2,705 | 4,169 | 93,006 |
| Less ALLL | (999) | (5,460) | (158) | (7) | (6,624) |
| Total loans HFI, net | $ 54,303 | $ 25,370 | $ 2,547 | $ 4,162 | $ 86,382 |
| Goodwill | 3,403 | 74 | 967 | - | 4,444 |
| Other assets | 7,118 | 21,054 | 3,254 | 246 | 31,672 |
| Total assets | $ 87,569 | $ 47,095 | $ 10,484 | $ 6,997 | $ 152,145 |
| Liabilities and Stockholder's Equity | | | | | |
| Deposits | $ 61,794 | $ - | $ 1,555 | $ 5,323 | $ 68,672 |
| Borrowings and other debt obligations | 8,971 | 40,217 | 3,794 | - | 52,982 |
| Other liabilities | 3,096 | 1,732 | 3,285 | 154 | 8,267 |
| Total liabilities | $ 73,861 | $ 41,949 | $ 8,634 | $ 5,477 | $ 129,921 |
| Stockholder's equity including NCI | 13,708 | 5,146 | 1,850 | 1,520 | 22,224 |
| Total liabilities and stockholder's equity | $ 87,569 | $ 47,095 | $ 10,484 | $ 6,997 | $ 152,145 |



1 Includes holding company activities, IHC eliminations, and eliminations and purchase accounting marks related to SC consolidation.
2 The entities acquired in the formation of the IHC are presented within "other" in SHUSA's financial statement segment presentation due to immateriality.
3 Other investment securities include trading securities.

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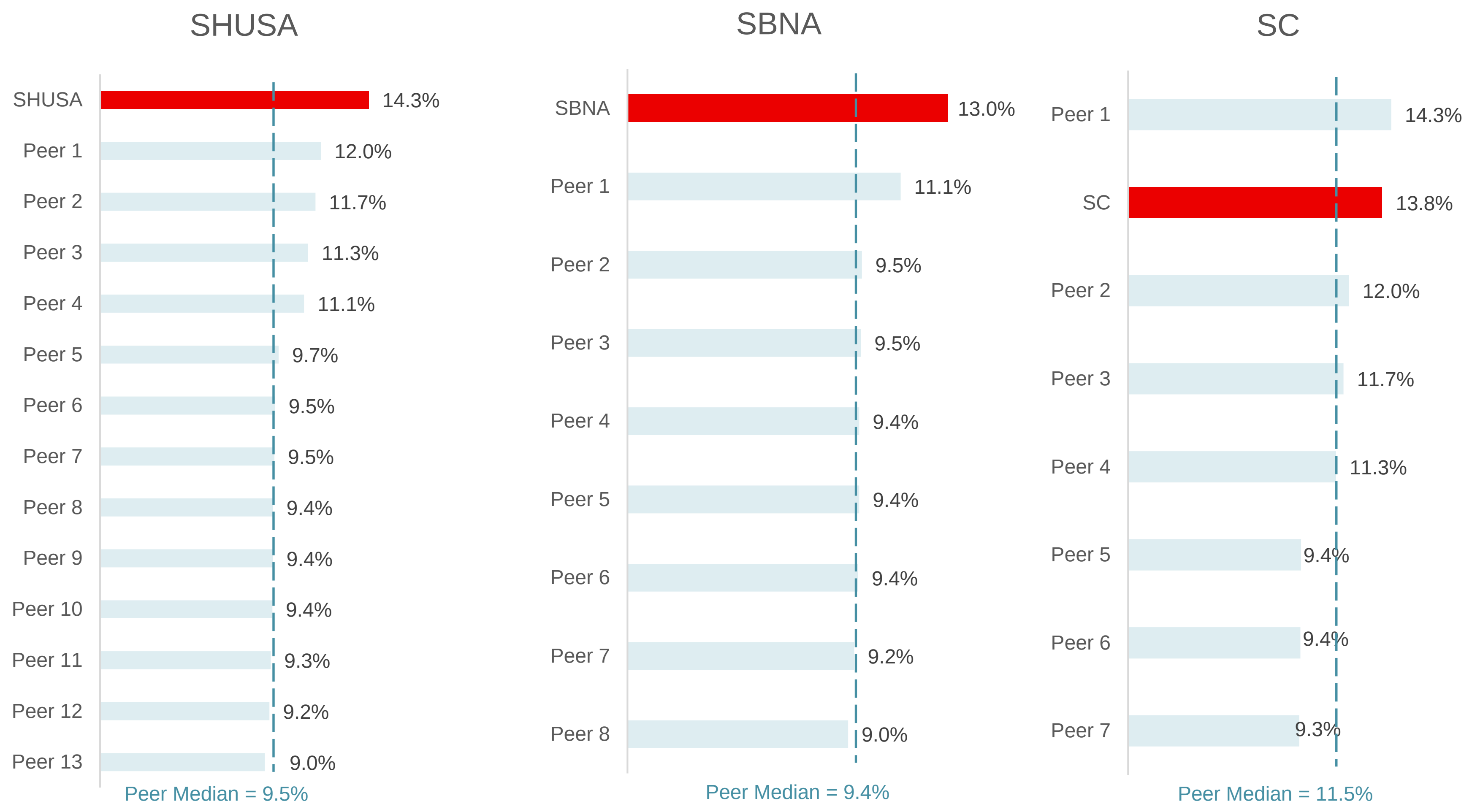
# SHUSA: QUARTERLY TRENDED STATEMENT OF OPS

| *($ in Millions)* | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| Interest income | $ 2,141 | $ 2,176 | $ 2,185 | $ 2,148 | $ 2,110 |
| Interest expense | (538) | (554) | (566) | (549) | (524) |
| Net interest income | $ 1,603 | $ 1,622 | $ 1,619 | $ 1,599 | $ 1,586 |
| Fees & other income | 897 | 961 | 999 | 866 | 1,018 |
| Other non interest income | $ (2) | 2 | 2 | 3 | 9 |
| Net revenue | $ 2,498 | $ 2,585 | $ 2,620 | $ 2,468 | $ 2,613 |
| General, administrative, and other expenses | (1,542) | (1,542) | (1,633) | (1,647) | (1,583) |
| Provision for credit losses | (600) | (481) | (604) | (608) | (1,186) |
| Income before taxes | $ 356 | $ 562 | $ 383 | $ 213 | $ (156) |
| Income tax (expense)/benefit | (116) | (155) | (113) | (87) | 33 |
| Net income | 240 | 407 | 270 | 126 | (123) |
| Less: Net income attributable to NCI | 73 | 111 | 67 | 39 | 4 |
| Net income attributable to SHUSA | 167 | 296 | 203 | 87 | (127) |

| | 1Q19 | 2Q19 | 2Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| Net interest margin | 5.8% | 5.7% | 5.6% | 5.4% | 5.3% |

# CAPITAL RATIO COMPARISON

## Santander US entities remain well-capitalized versus peers[1]




1 Peers: ALLY, BBVA, BMO, BNP, COF, CIT, CFG, CMA, DFS, FITB, HBAN, KEY, MTB, MUFG, RF, TD, TF

* Peer data from company filings as of Q1 2020



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# SHUSA: NON-GAAP TO GAAP RECONCILIATIONS

| *($ in Millions)* | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| SHUSA Pre-Tax Pre-Provision Income | | | | | |
| Pre-tax income, as reported | $ 356 | $ 562 | $ 383 | $ 213 | $ (156) |
| Provision for credit losses | 600 | 481 | 604 | 608 | 1,186 |
| Pre-tax pre-provision Income | $ 956 | $ 1,043 | $ 987 | $ 821 | 1,030 |
| | | | | | |
| CET 1 to Risk-Weighted Assets | | | | | |
| CET 1 capital | $ 16,979 | $ 17,277 | $ 17,504 | $ 17,392 | $ 17,113 |
| Risk-weighted assets | 110,469 | 114,877 | 116,652 | 118,898 | 120,055 |
| *Ratio* | *15.4%* | *15.0%* | *15.0%* | *14.6%* | *14.3%* |
| | | | | | |
| Tier 1 Leverage | | | | | |
| Tier 1 capital | $ 18,397 | $ 18,695 | $ 18,888 | $ 18,781 | $ 18,311 |
| Avg total assets, leverage capital purposes | 132,154 | 136,165 | 139,301 | 143,057 | 144,758 |
| *Ratio* | *13.9%* | *13.7%* | *13.6%* | *13.1%* | *12.6%* |
| | | | | | |
| Tier 1 Risk-Based | | | | | |
| Tier 1 capital | $ 18,397 | $ 18,695 | $ 18,888 | $ 18,781 | $ 18,311 |
| Risk-weighted assets | 110,469 | 114,877 | 116,652 | 118,898 | 120,055 |
| *Ratio* | *16.7%* | *16.3%* | *16.2%* | *15.8%* | *15.3%* |
| | | | | | |
| Total Risk-Based | | | | | |
| Risk-based capital | $ 20,039 | $ 20,391 | $ 20,601 | $ 20,480 | $ 20,007 |
| Risk-weighted assets | 110,469 | 114,877 | 116,652 | 118,898 | 120,055 |
| *Ratio* | *18.1%* | *17.7%* | *17.7%* | *17.2%* | *16.7%* |



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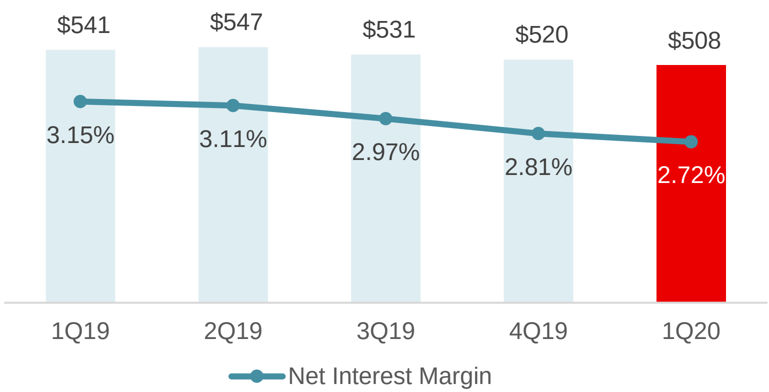
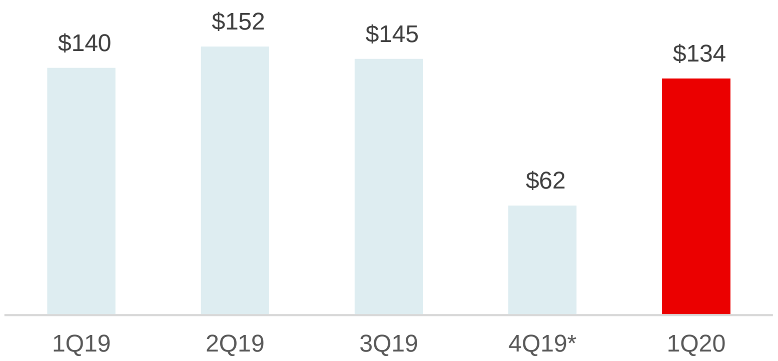
# SBNA: QUARTERLY PROFITABILITY

## NET INTEREST INCOME ($M)

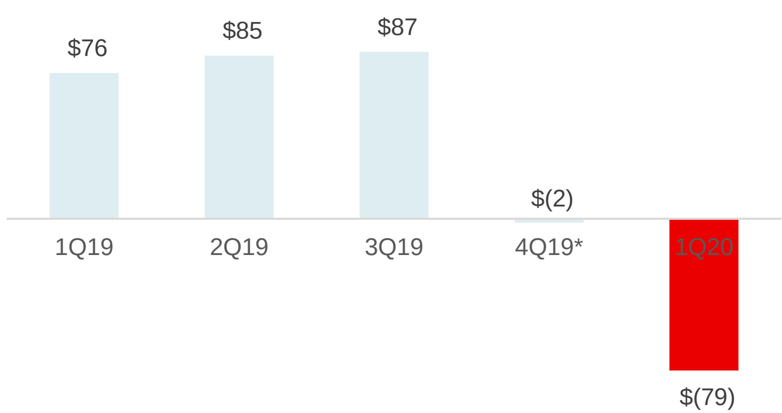



## PRE-TAX PRE-PROVISION INCOME ($M)




## PRE-TAX INCOME ($M)


## NET INCOME/(LOSS) ($M)




* | Includes non-recurring compensation expenses. Please see form 10- for further details.

# SBNA: QUARTERLY TRENDED STATEMENT OF OPS

| *($ in Millions)* | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| Interest income | $ 698 | $ 719 | $ 712 | $ 695 | $ 665 |
| Interest expense | (157) | (172) | (181) | (175) | (157) |
| Net interest income | $ 541 | $ 547 | $ 531 | $ 520 | $ 508 |
| Fees & other income | 130 | 142 | 180 | 151 | 135 |
| Other non-interest income | $ (2) | 2 | 2 | 3 | 11 |
| Net revenue | $ 669 | $ 691 | $ 713 | $ 674 | $ 654 |
| General, administrative & other expenses | (529) | (539) | (568) | (612) | (520) |
| Release of/(provision for) credit losses | (48) | (47) | (50) | (63) | (255) |
| Income before taxes | $ 92 | $ 105 | $ 95 | $ (1) | $ (121) |
| Income tax expense | (16) | (20) | (8) | (1) | 42 |
| Net income/(loss) | 76 | 85 | 87 | (2) | (79) |

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| Net interest margin before provision | 3.2% | 3.1% | 3.0% | 2.8% | 2.7% |



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# SBNA: QUARTERLY AVERAGE BALANCE SHEET

| ($ in Millions) | 1Q20 Average Balance | 1Q20 Yield/ Rate | 4Q19 Average Balance | 4Q19 Yield/ Rate | QoQ Change Average Balance | QoQ Change Yield/ Rate | 1Q19 Average Balance | 1Q19 Yield/ Rate |
|---|---|---|---|---|---|---|---|---|
| Assets | | | | | | | | |
| Deposits and investments | $ 19,703 | 2.05% | $ 18,159 | 2.12% | $ 1,544 | (0.07%) | $ 15,996 | 2.60% |
| Loans | 55,011 | 4.10% | 56,042 | 4.28% | (1,031) | (0.18%) | 52,622 | 4.51% |
| Allowance for loan losses | (886) | - | (542) | - | (344) | - | (546) | - |
| Other assets | 10,311 | - | 9,889 | - | 422 | - | 9,108 | - |
| Total assets | $ 84,139 | 3.16% | $ 83,548 | 3.33% | $ 591 | (0.17%) | $ 77,180 | 3.62% |
| Liabilities and Stockholder's Equity | | | | | | | | |
| Interest-bearing demand deposits | $ 8,817 | 0.48% | $ 8,937 | 0.48% | $ (120) | - | $ 8,444 | 0.69% |
| Noninterest-bearing demand deposits | 12,206 | - | 12,223 | - | (17) | - | 12,320 | - |
| Savings | 3,777 | 0.07% | 3,731 | 0.06% | 46 | 0.01% | 3,817 | 0.69% |
| Money market | 28,648 | 1.02% | 28,201 | 1.17% | 447 | (0.15%) | 25,984 | 1.15% |
| Certificates of deposit | 7,723 | 1.74% | 7,839 | 1.91% | (116) | (0.17%) | 6,660 | 1.86% |
| Borrowed funds | 6,910 | 2.26% | 6,502 | 2.57% | 408 | (0.31%) | 4,373 | 3.27% |
| Other liabilities | 2,385 | - | 2,278 | - | 107 | - | 2,068 | - |
| Equity | 13,673 | - | 13,837 | - | $ (164) | - | 13,514 | - |
| Total liabilities and stockholder's equity | $ 84,139 | 0.74% | $ 83,548 | 0.84% | $ 591 | (0.10%) | $ 77,180 | 0.81% |
| Net interest margin | | 2.72% | | 2.81% | | (0.09%) | | 3.15% |



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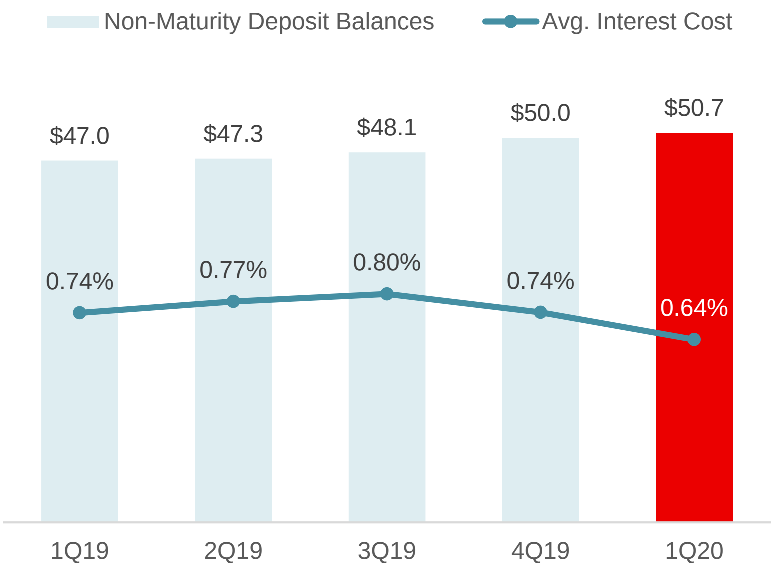
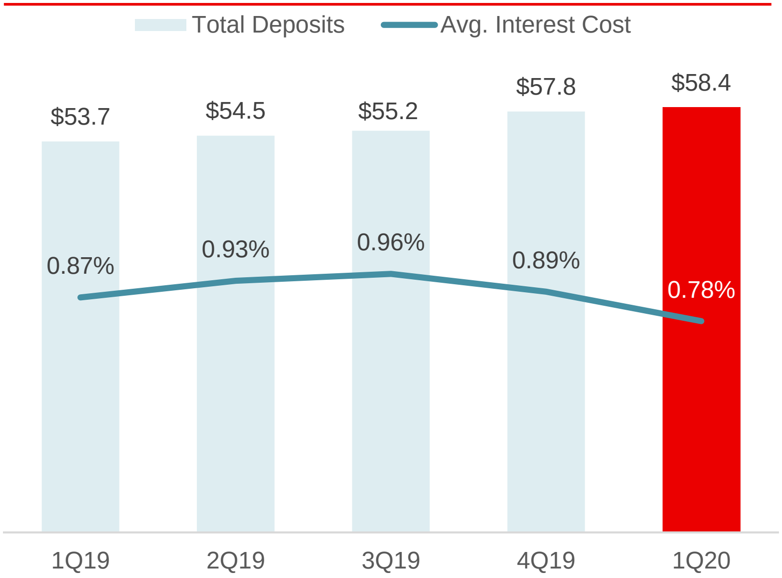
# SBNA: FUNDING – DEPOSITS

## AVERAGE NON-MATURITY DEPOSIT BALANCES[1] ($B)




## AVERAGE TOTAL DEPOSIT BALANCE[1] ($B)

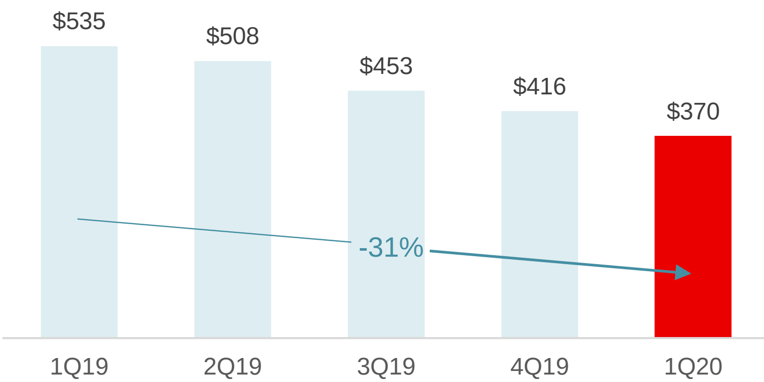




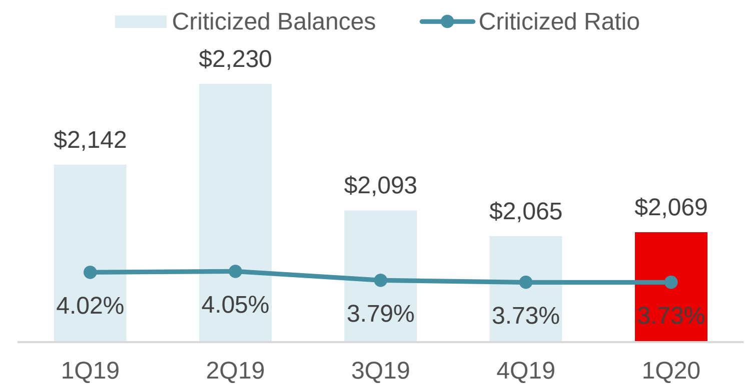

1 Represents average quarterly balances.
* SBNA total deposits less the SHUSA cash deposit held at SBNA.

# SBNA: ASSET QUALITY

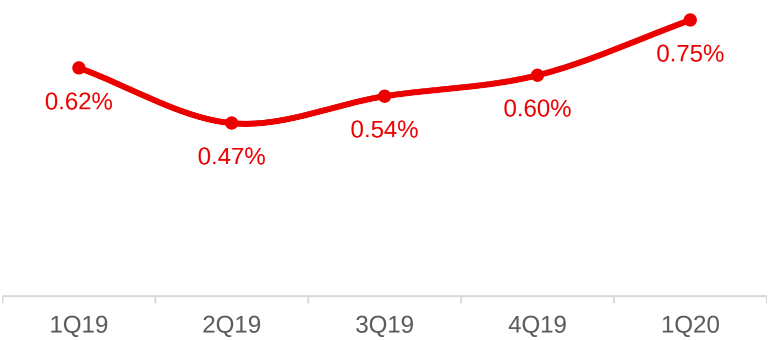
## NPLs



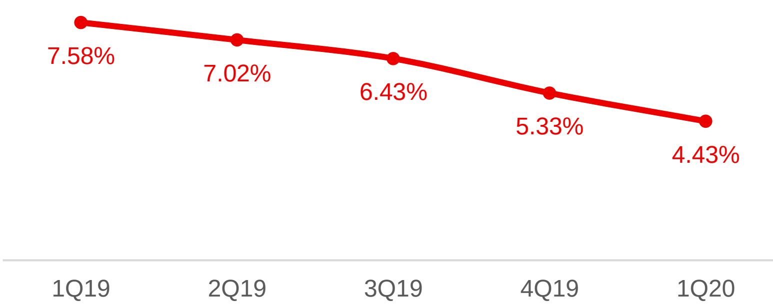

## CRITICIZED BALANCES[1]




## DELINQUENCY[2]




## TEXAS RATIO[3]

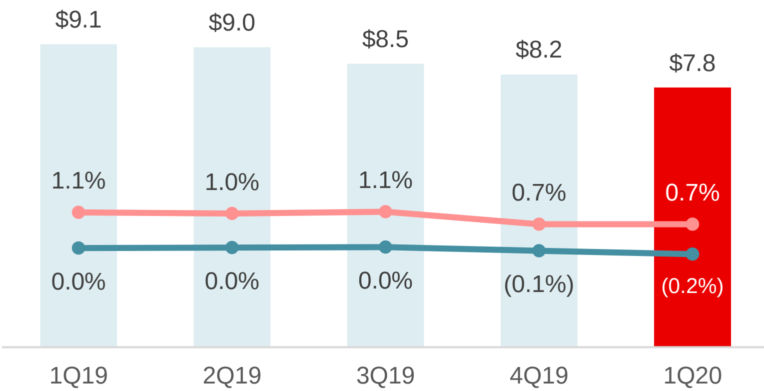



1 Criticized = loans that are categorized as special mention, substandard, doubtful, or loss
2 Delinquency = accruing loans 30-89 DPD plus accruing loans 90+ DPD
3 See page 37 for non-GAAP measurement reconciliation of Texas Ratio

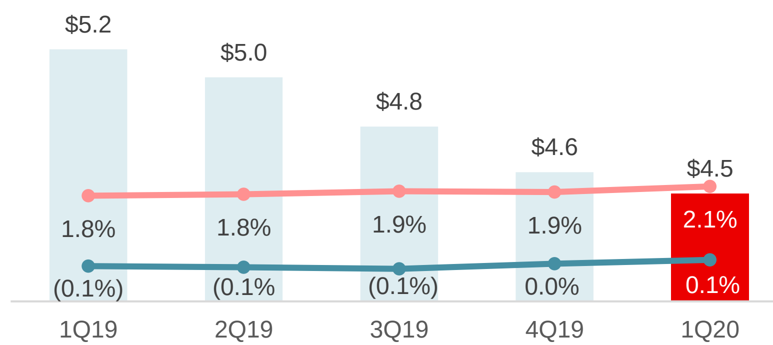
# SBNA: ASSET QUALITY (CONTINUED)

Outstandings* | NPLs to Total Loans | Net Charge-Offs

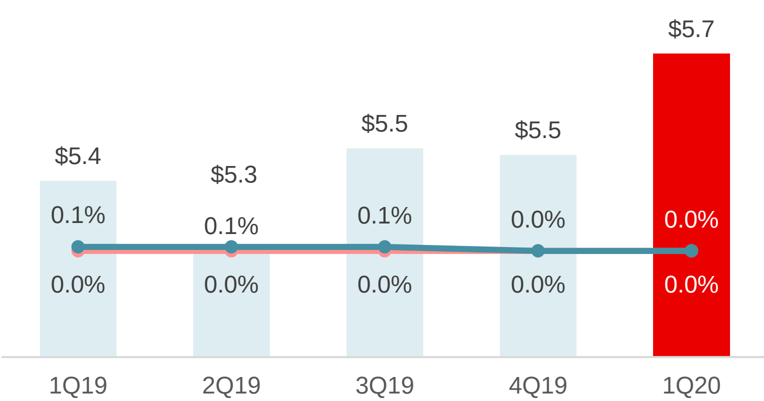
## MORTGAGES



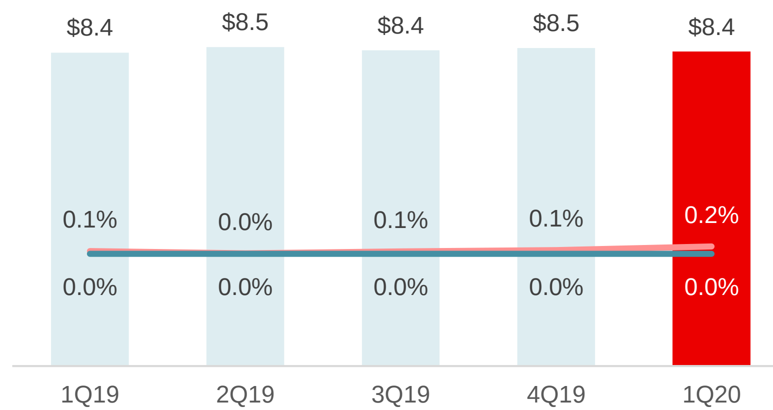

## HOME EQUITY




## COMMERCIAL REAL ESTATE[1]




## SANTANDER REAL ESTATE CAPITAL (SREC)






1 Commercial real estate (“CRE”) is comprised of the commercial real estate and continuing care retirement communities business segments (SREC segment included . in separate graph)

* Dollars in billions

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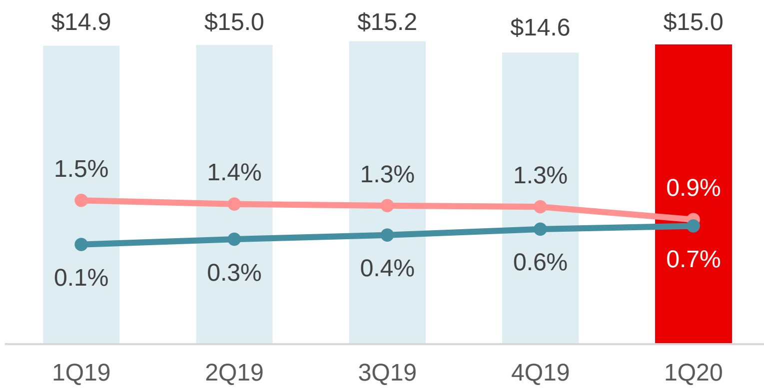
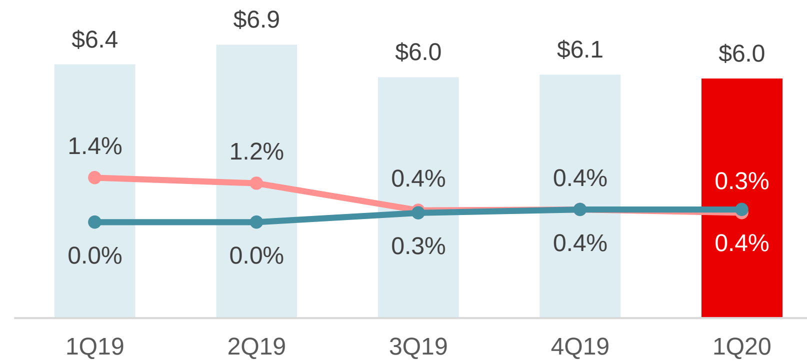
# SBNA: ASSET QUALITY (CONTINUED)

Outstandings* | NPLs to Total Loans | Net Charge-Offs

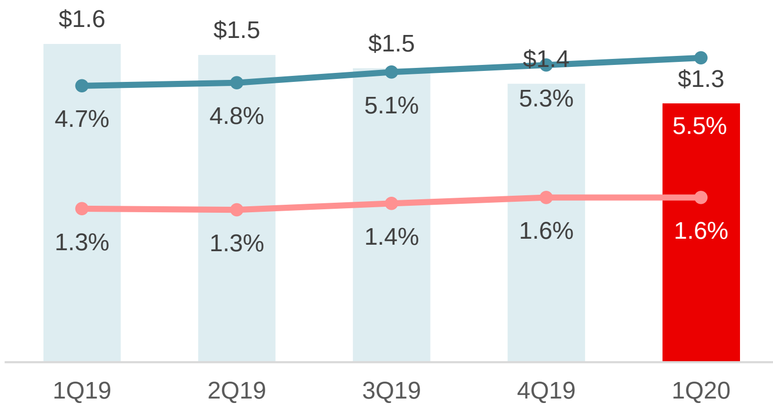
## COMMERCIAL BANKING[1]



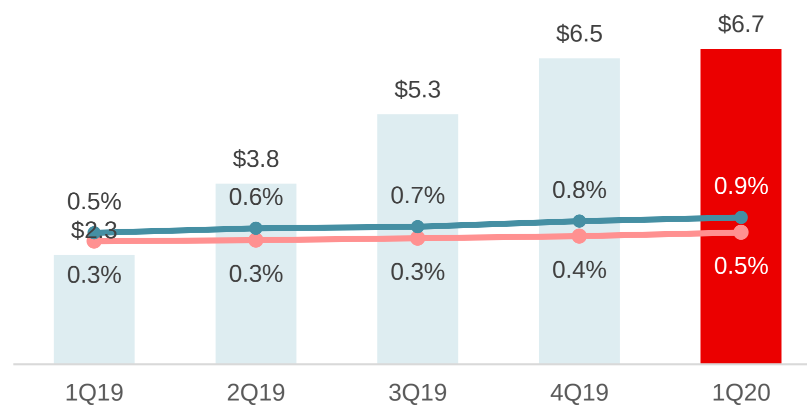

## CORPORATE & INVESTMENT BANKING




## OTHER CONSUMER[2]




## INDIRECT AUTO[3]




1 Commercial Banking = Equipment Finance & Leasing, Commercial Equipment Vehicle Finance-Strategic, Financial Institutions Coverage, International Trade Banking, Middle Market, Asset Based Lending, Institutional-NonProfit, Government Banking, Life Sciences & Technology, Professional & Business Services, Energy Finance, Mortgage Warehouse, Other Non-Core Commercial, Chrysler Auto Finance, Footprint Dealer Floorplan and Commercial Banking Not Classified Elsewhere and all other Commercial Business segments.
2 Other Consumer = Direct Consumer, Indirect Consumer, RV/Marine, Credit Cards, SFC, & Retail run-off
3 Indirect Auto = Origination program assets through SC, full roll-out in Q2'18
* Dollars in billions



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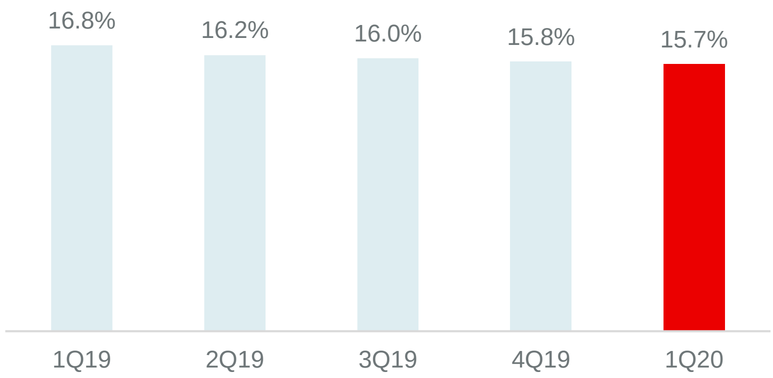
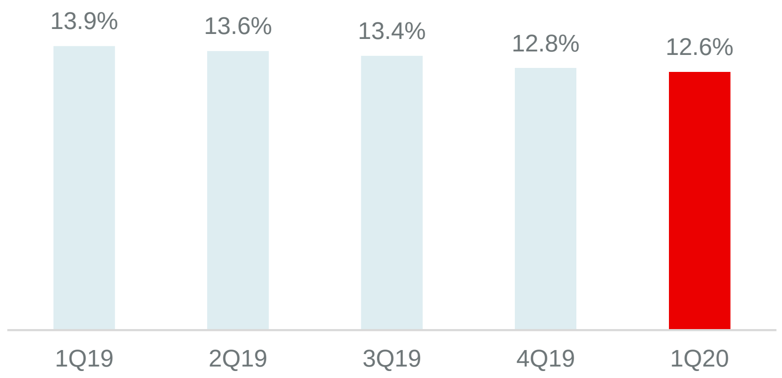
# SBNA: CAPITAL RATIOS

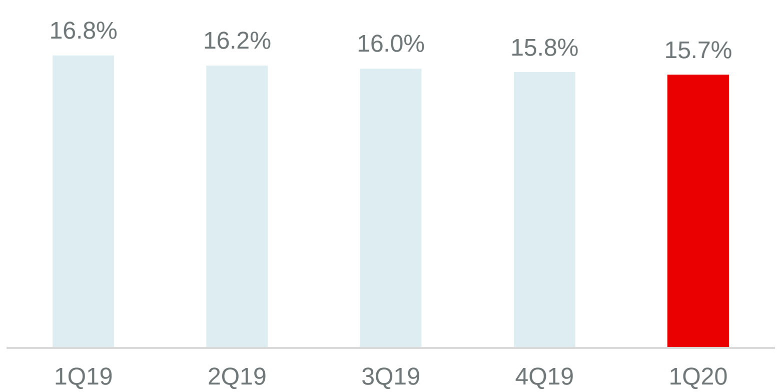
## CET1



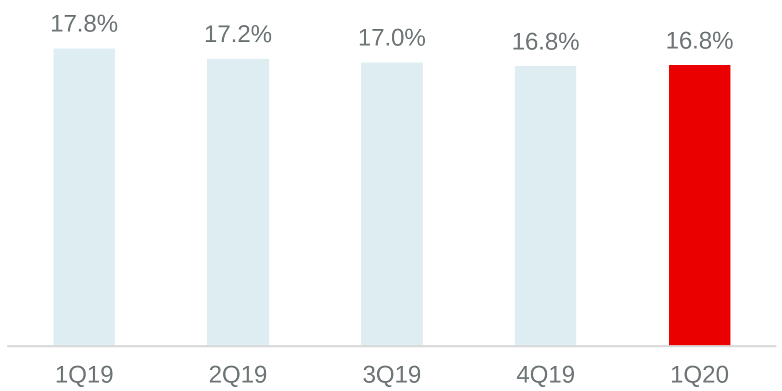

## TIER 1 LEVERAGE RATIO




## TIER 1 RISK-BASED CAPITAL RATIO




## TOTAL RISK-BASED CAPITAL RATIO




* | Capital ratios calculated under the U.S. Basel III framework on a transitional basis.



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# SBNA: NON-GAAP TO GAAP RECONCILIATIONS

| *($ in Millions)* | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| SBNA Pre-Tax Pre-Provision Income | | | | | |
| Pre-tax income, as reported | $ 92 | $ 105 | $ 95 | $ (1) | $ (121) |
| (Release of)/provision for credit losses | 48 | 47 | 50 | 63 | 255 |
| Pre-tax pre-provision Income | $ 140 | $ 152 | $ 145 | $ 62 | 134 |
| | | | | | |
| CET 1 to Risk-Weighted Assets | | | | | |
| CET 1 capital | $ 10,239 | $ 10,303 | $ 10,335 | $ 10,220 | $ 10,173 |
| Risk-weighted assets | 61,057 | 63,635 | 64,543 | 64,678 | 64,971 |
| *Ratio* | *16.8%* | *16.2%* | *16.0%* | *15.8%* | *15.7%* |
| | | | | | |
| Tier 1 Leverage | | | | | |
| Tier 1 capital | $ 10,239 | $ 10,303 | $ 10,335 | $ 10,220 | $ 10,173 |
| Avg total assets, leverage capital purposes | 73,903 | 75,719 | 77,262 | 80,007 | 80,825 |
| *Ratio* | *13.9%* | *13.6%* | *13.4%* | *12.8%* | *12.6%* |
| | | | | | |
| Tier 1 Risk-Based | | | | | |
| Tier 1 capital | $ 10,239 | $ 10,303 | $ 10,335 | $ 10,220 | $ 10,173 |
| Risk-weighted assets | 61,057 | 63,635 | 64,543 | 64,678 | 64,971 |
| *Ratio* | *16.8%* | *16.2%* | *16.0%* | *15.8%* | *15.7%* |
| | | | | | |
| Total Risk-Based | | | | | |
| Risk-based capital | $ 10,890 | $ 10,952 | $ 10,965 | $ 10,844 | $ 10,930 |
| Risk-weighted assets | 61,057 | 63,635 | 64,543 | 64,678 | 64,971 |
| *Ratio* | *17.8%* | *17.2%* | *17.0%* | *16.8%* | *16.8%* |

# SBNA: NON-GAAP TO GAAP RECONCILIATIONS (cont.)

| SBNA Texas Ratio<br>*($ in Millions)* | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|---|---|---|---|---|---|
| Total Equity | $13,561 | $13,736 | $13,799 | $13,681 | $14,014 |
| Goodwill and other intangibles | (3,607) | (3,632) | (3,635) | (3,643) | (3,637) |
| Allowance for loan losses | 560 | 560 | 536 | 533 | 999 |
| Total equity and loss allowances for Texas Ratio | $10,514 | $10,664 | $10,700 | $10,571 | $11,376 |
| | | | | | |
| Nonperforming assets | $ 558 | $ 528 | $ 470 | $ 433 | $ 384 |
| 90+ DPD accruing | 7 | 6 | 6 | 6 | 6 |
| Accruing troubled debt restrcuturings | 232 | 215 | 212 | 122 | 112 |
| Total nonperforming assets | $ 797 | $ 749 | $ 688 | $ 561 | $ 502 |
| | | | | | |
| Texas ratio | *7.6%* | *7.0%* | *6.4%* | *5.3%* | *4.4%* |



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