

Minimum requirements for own funds and eligible liabilities

From January 1st 2019, a requirement for total loss-absorbing capacity (TLAC) was introduced, as defined by the Financial Stability Board. In the EU TLAC requirements were implemented via EU regulation 2019/876 (also known as CRR II) that came into force in June 2019. This new regulation includes the new framework for the minimum requirements for eligible liabilities (MREL).

According with article 92a of EU regulation 2019/876, this requirement is applied to institutions considered a G-SII or that are part of a G-SII. Given the fact that Santander Totta SPGS, SA is almost fully owned by Banco Santander SA (considered a G-SII), this requirement is also applicable to Santander Totta SGPS, SA.

Santander Totta SGPS, SA's requirement, as of the reference date is

- 21% of total consolidated RWAs;
- 6.75% of total consolidated leverage exposure

Key metrics (KM2)

Figures in million euros

		Requirement for own funds and eligible liabilities for G-SiIs (TLAC)				
		31/dez/23	30/set/23	30/jun/23	31/mar/23	31/dez/22
Own Funds and eligible liabilities, ratios and components						
1	Own funds and eligible liabilities	4 444	4 314	4 644	4 035	4 537
2	Total risk exposure amount (TREA)	15 473	15 272	15 958	16 239	16 258
3	Own funds and eligible liabilities as a percentage of the total risk exposure amount	28,72%	28,25%	29,10%	24,85%	27,90%
EU-3a	Of which: own funds and subordinated liabilities	28,72%	28,25%	29,10%	24,85%	27,90%
4	Total exposure measure (TEM)	55 520	55 116	55 312	55 792	57 168
5	Own funds and eligible liabilities as a percentage of the total exposure measure	8,00%	7,83%	8,40%	7,23%	7,94%
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)	No	No	No	No	No
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)	0	0	0	0	0
6c	Share of the total non-subordinated liabilities that is included in own funds and eligible liabilities	0	0	0	0	0

Creditors ranking (TLAC3)

Figures in million euros

		Creditor ranking				
1	Description of creditor ranking	Own Funds *	AT1 instruments	Subordinated Debt	Senior Non preferred	TOTAL
2	Total capital and liabilities net of credit risk mitigation	4 109	400	213	1 113	5 835
3	Subset of row 2 that are excluded liabilities	0	0	0	0	0
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	4 109	400	213	1 113	5 835
5	Subset of row 4 that are potentially eligible as TLAC	4 109	400	213	1 113	5 835
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	0	0	0	0	0
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	0	0	8	1 113	1 120
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	0	0	205	0	205
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	0	0	0	0	0
10	Subset of row 5 that is perpetual securities	4 109	400	0	0	4 509

* Share Capital + Other Reserves and retained earnings + Result of the current year

TLAC Composition (TLAC1)

		Figures in million euros
		Requirement for own funds and eligible liabilities for G-SIIs (TLAC)
Own funds and eligible liabilities		
1	Common Equity Tier 1 capital (CET 1)	2 655
2	Additional Tier 1 capital (AT1)	400
6	T2 capital (T2)	273
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	3 328
Own funds and eligible liabilities: Non-regulatory capital elements		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	1 116
EU-12a	Eligible liabilities instruments issued directly by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	0
EU-12b	Eligible liabilities instruments issued that are subordinated to excluded liabilities issued (not grandfathered)	0
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	0
13	Eligible liabilities not subordinated to excluded liabilities (not grandfathered pre cap)	0
EU-13a	Eligible liabilities not subordinated to excluded liabilities issued before 27 June 2019 (pre cap)	0
14	Amount of non subordination instruments eligible, where applicable after application of Article 72b (3) CRR	0
17	Eligible liabilities items before adjustments	1 116
EU-17a	Of which subordinated	0
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
18	Own funds and eligible liabilities items before adjustments	4 444
19	Deductions of Exposures between MPE resolution groups	0
20	Deductions of Investments in other eligible liabilities instruments	0
22	Own funds and eligible liabilities after adjustments	4 444
EU-22a	Of which own funds and subordinated	0
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
23	Total Risk exposure amount	15 473
24	Total exposure measure	55 520
Ratio of own funds and eligible liabilities		
25	Own funds and eligible liabilities (as percentage of total risk exposure amount)	28,72%
EU-25a	Of which own funds and subordinated	0%
26	Own funds and eligible liabilities (as percentage of total exposure measure)	8,00%
EU-26a	Of which own funds and subordinated	0%
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	7,72%
28	Institution specific combined buffer requirement	3,00%
29	Of which: capital conservation buffer requirement	2,50%
30	Of which: countercyclical buffer requirement	0,00%
31	Of which: systemic risk buffer requirement	0,50%
EU-31a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0,00%
Memorandum items		
EU-32	Total amount of excluded liabilities referred to in Article 72a (2) CRR	47 470

Main features of own funds instruments of the creditors ranking (TLAC2)

EUR Million		December 31* 2023		
1 Issuer	Santander Totta SGPS, S.A.	Santander Totta SGPS, S.A.	Banco Santander Totta, S.A.	
2 Unique identifier (ex CUSIP, ISIN or Bloomberg Identifier for private placement)	PTSTOFOM0004	PTSTOCOM0007	PTBSREOM0028	
3 Regulatory Treatment	Portuguese law	Portuguese law	Portuguese law	
Governing law(s) of the instrument				
4 Transitional CRR rules	Tier 2 capital	AT1 Capital	Tier 2 capital	
5 Post-transitional CRR rules	Tier 2 capital	AT1 Capital	Tier 2 capital	
6 Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated	Solo and Consolidated	
7 Instrument type (types to be specified by each jurisdiction)	Subordinated	AT1 Capital Instrument	Subordinated	
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	200	400	8	
9 Nominal amount of instrument	1 000 EUR	100.000 EUR	1 000 EUR	
9a Issue price	100%	100%	100%	
9b Redemption price	100%	100%	100%	
10 Accounting classification	Liability - amortised cost	Capital - dividends	Liability - amortised cost	
11 Original date of issuance	9/02/2022	14/01/2021	6/10/2016	
12 Perpetual or dated	Dated	Perpetual	Dated	
13 Original maturity date	9/06/2032	n/a	6/10/2026	
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	
15 Optional call date, contingent call dates and redemption amount	at all time	14/01/2026	at all time	
16 Subsequent call dates, if applicable	n/a	Quarterly after the first call date	n/a	
Coupons & dividends				
17 Fixed or floating dividend/coupon	Fixed	Fixed	Fixo	
18 Coupon rate and any related index	4,71%	4,90%	7,50%	
19 Existence of a dividend stopper	No	No	No	
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Fully discretionary	Mandatory	
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Fully discretionary	Mandatory	
21 Existence of step up or other incentive to redeem	No	No	No	
22 Noncumulative or cumulative	Non Cumulative	Non Cumulative	Cumulative	
23 Convertible or non-convertible	Convertible	Convertible	Convertible	
24 If convertible, conversion trigger(s)	Triggers to statutory bail-in powers and mandatory write-down/conversion of capital instruments	Triggers to statutory bail-in powers and mandatory write-down/conversion of capital instruments	Triggers to statutory bail-in powers and mandatory write-down/conversion of capital instruments	
25 If convertible, fully or partially	Fully or partially	Fully or partially	Fully or partially	
26 If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion	
27 If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	
28 If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	
29 If convertible, specify issuer of instrument it converts into	Santander Totta SGPS, S.A.	Santander Totta SGPS, S.A.	Banco Santander Totta, S.A.	
30 Write-down features	Yes	Yes	Yes	
31 If write-down, write-down trigger(s)	Triggers to statutory bail-in powers and mandatory write-down/conversion of capital instruments	Trigger Level: Min CET1 5.125%	Triggers to statutory bail-in powers and mandatory write-down/conversion of capital instruments	
32 If write-down, full or partial	May be written down fully or partially	May be written down fully or partially	May be written down fully or partially	
33 If write-down, permanent or temporary	Permanent	Temporary	Permanent	
34 If temporary write-down, description of write-up mechanism	n/a	If issuer has positive results may, subject to its MDA, increase the nominal value of the instrument on a pro rata basis with other equivalent instruments (that can be used for loss absorbing and allow to be written down) up to the original nominal amount of the instrument.	n/a	
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated debt instruments not eligible as capital	AT1 Capital Instruments	Subordinated debt instruments not eligible as capital	
36 Non-compliant transitioned features	No	No	No	
37 If yes, specify non-compliant features	n/a	n/a	n/a	