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# 2015 Earnings Presentation

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January 27<sup>th</sup>, 2016

Simple | Personal | Fair



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# Agenda

 **2015: Higher profitability...**

 **2015: ...progressing on our commercial transformation around the customer**

 **2015: Group and Business Areas review**

 **2016 – 2018: Key commercial and financial priorities**

# Delivering improved underlying financial performance

2015 results (change vs. 2014)

<b>Customer revenues</b>	<b>€42,222MM</b> (+7.6%)	↑
<b>Underlying profit</b>	<b>€6,566MM</b> (+12.9%)	↑
<b>Underlying RoTE</b>	<b>11.0%</b>	↑
<b>FL CET1</b>	<b>&gt;10%</b>	↑
<b>TNAV/Share</b>	<b>€4.12</b> (+11 cents)	↑
<b>Cash dividend/ share</b>	<b>€0.16</b> (+79%)	↑

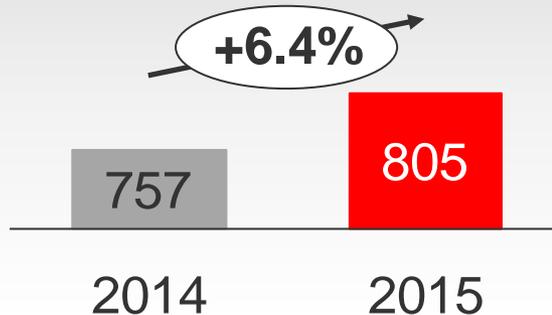
## Increasing underlying profit by c.13%

<i>MM Euro</i>	2014	2015	ABS.	%
Net interest income	29,548	32,189	2,642	8.9
Net fees	9,696	10,033	337	3.5
<b>Total customer revenues</b>	<b>39,244</b>	<b>42,222</b>	<b>2,978</b>	<b>7.6</b>
ROF and other	3,369	3,051	-318	-9.5
<b>Gross Income</b>	<b>42,612</b>	<b>45,272</b>	<b>2,660</b>	<b>6.2</b>
Operating expenses	-20,038	-21,571	-1,532	7.6
<b>Operating Income</b>	<b>22,574</b>	<b>23,702</b>	<b>1,128</b>	<b>5.0</b>
Net loan loss provisions	-10,562	-10,108	454	-4.3
<b>Underlying PBT</b>	<b>9,720</b>	<b>10,939</b>	<b>1,219</b>	<b>12.5</b>
<b>Underlying profit</b>	<b>5,816</b>	<b>6,566</b>	<b>750</b>	<b>12.9</b>

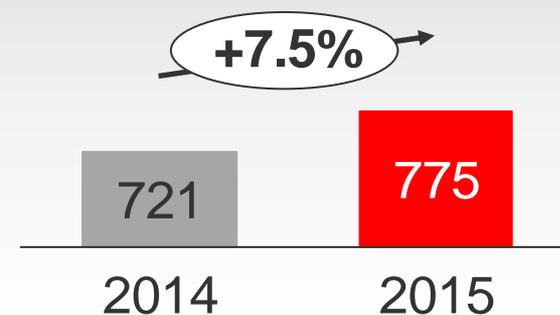
# Customer business growth combined with improving risk profile

## Customer business volumes, EUR Bn

### Loans<sup>1</sup>



### Deposits + Mutual funds<sup>1</sup>



## Key ratios, %

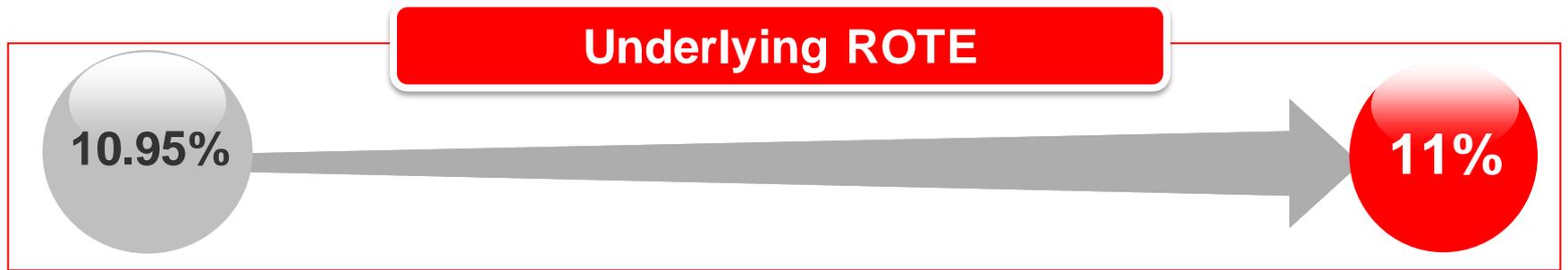
### NPL



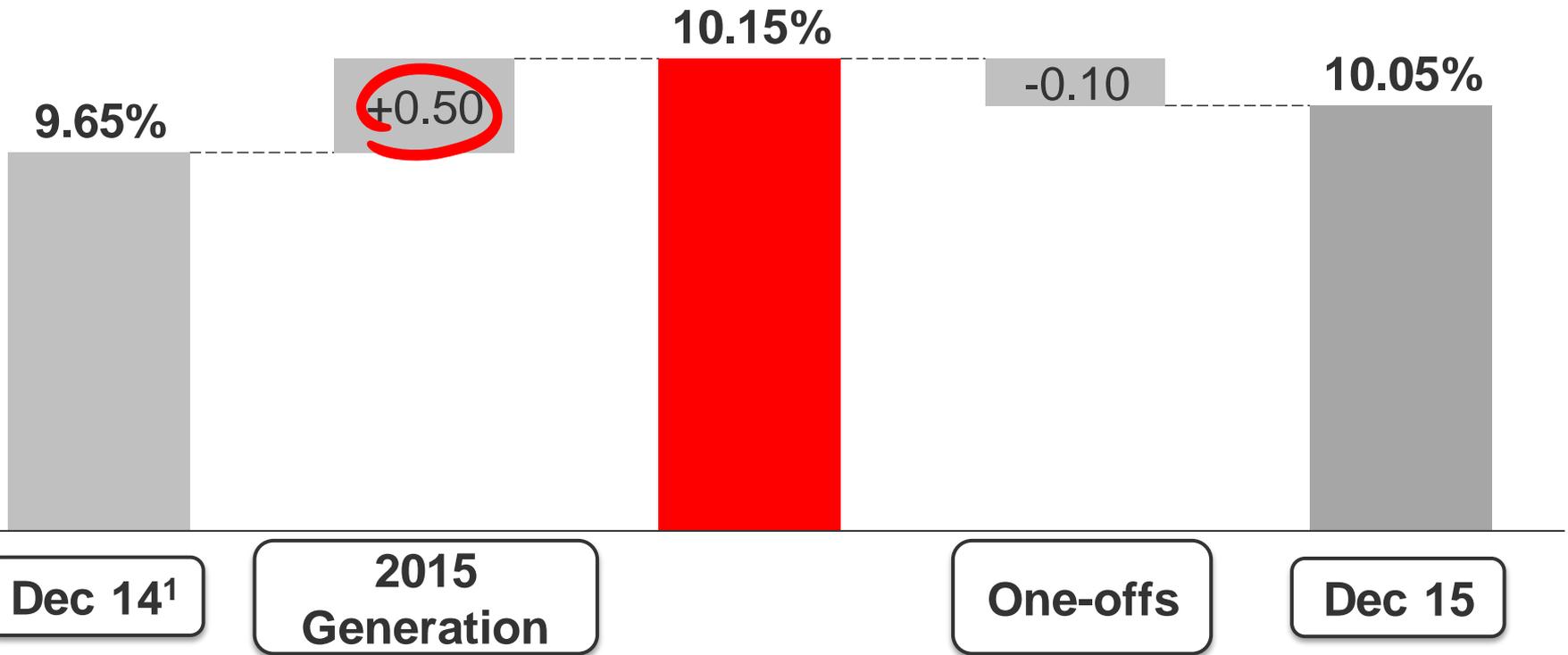
### Cost of Risk



# Higher profitability on an increased capital base



## FL CET1



# Our capital position is strong for our risk profile and model and has significant regulatory buffers

## We are...

- 1 | Medium-low risk**  
(€805Bn loans:  
Europe + North America: 87%; South America: 13%)
- 2 | Well provisioned**  
(73.1% coverage ratio)
- 3 | Consistently profitable**  
(c.€24Bn pre-provision profit, 11.0%  
RoTE)
- 4 | High operating leverage**  
(C/I 47.6% vs. 62% for peers)

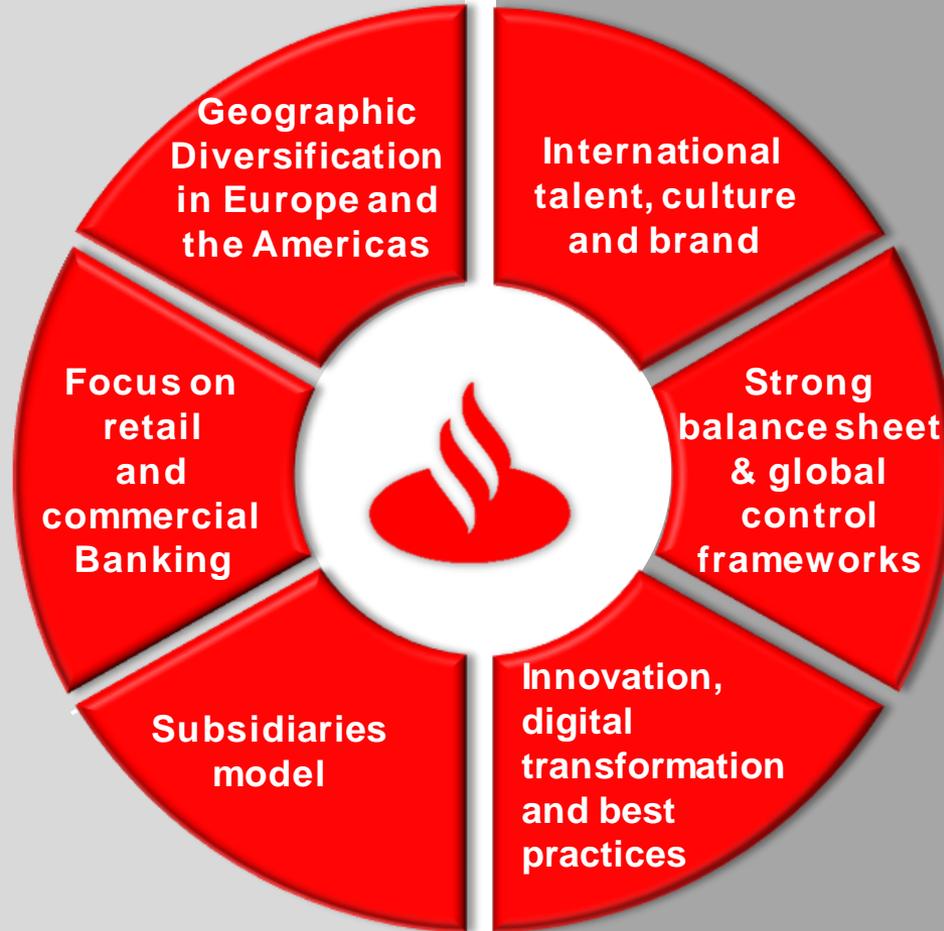
## ...and our low risk profile is recognised by regulators and rating agencies alike

- 1 | ECB** – c.300 bps above capital requirements
- 2 | AQR** - lowest adjustment: 4bps
- 3 | Stress test** - adverse scenario **-143bps impact** vs. -260bps for system
- 4 | Rating agencies** –  
Upgraded by S&P (October) and Moody's (June)

# The Santander Model

**Large,  
yet  
simple**

**10  
markets  
with  
critical  
mass**

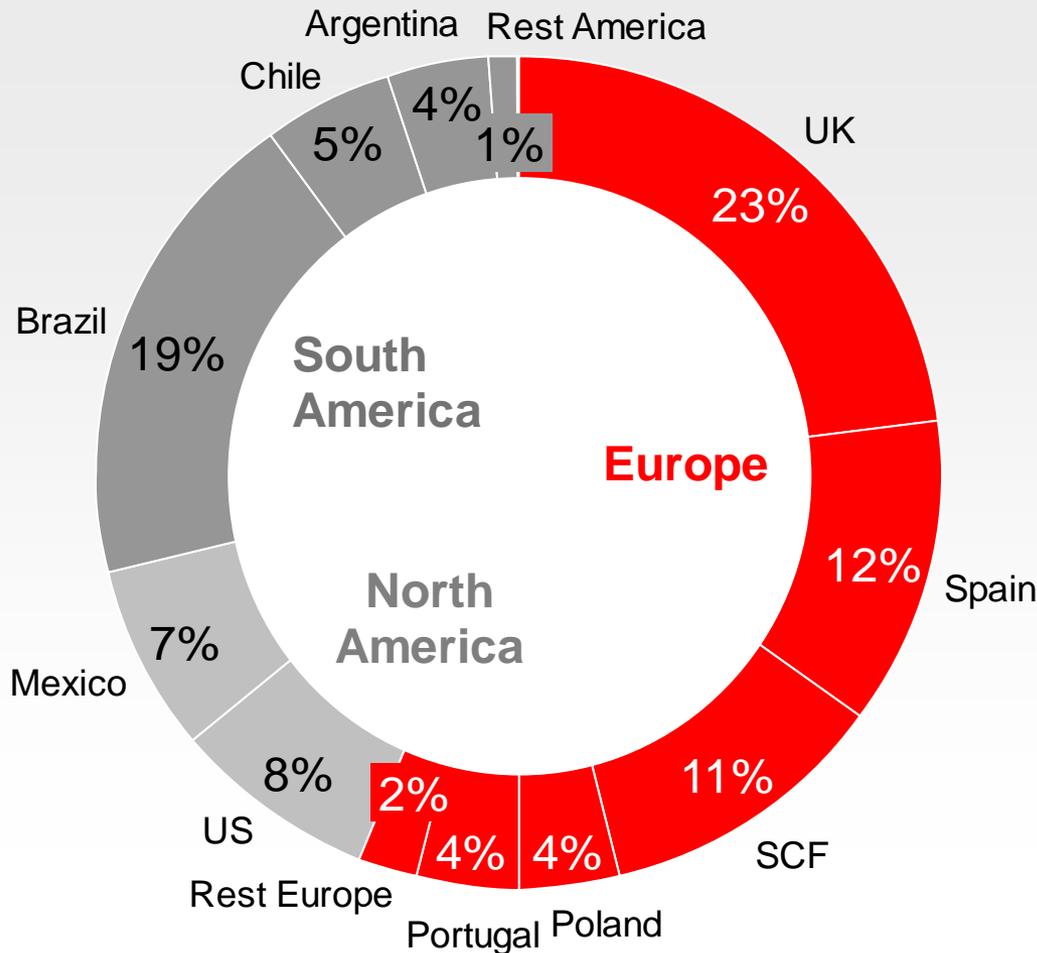


**Value  
adding  
Corporate  
Centre**

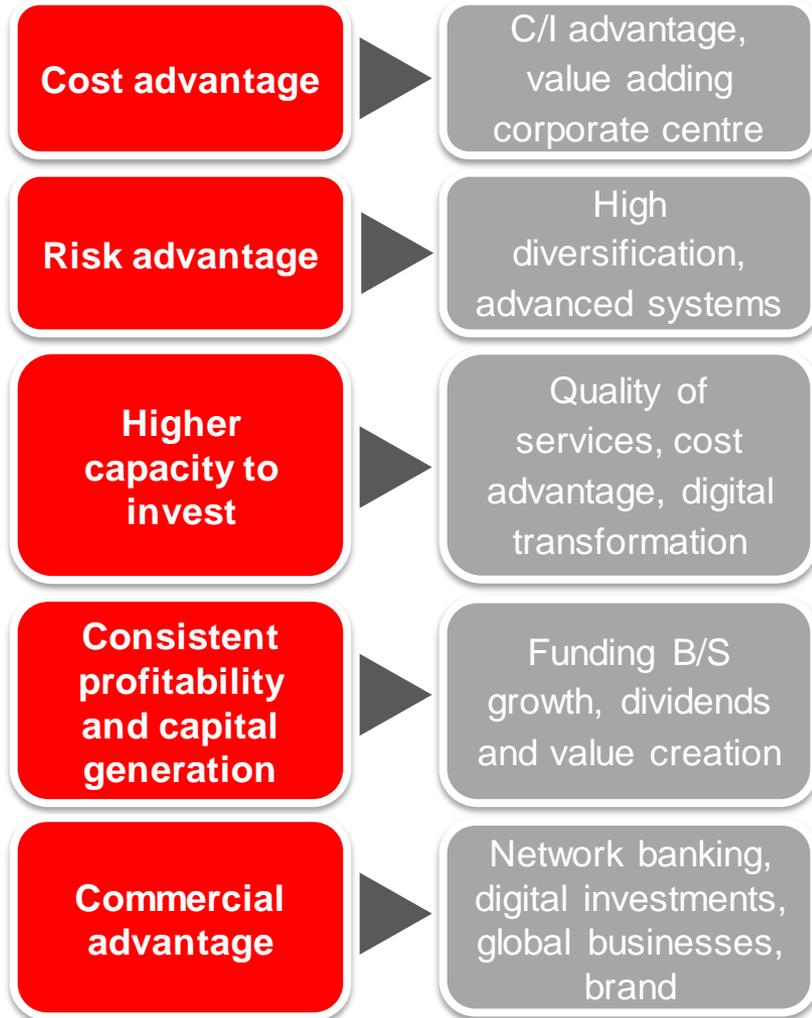
**C/I:  
47.6%**

# 10 markets with critical mass in Europe and the Americas allow us to deliver profits and dividends through the cycle

% of underlying Group attributable profit<sup>1</sup>



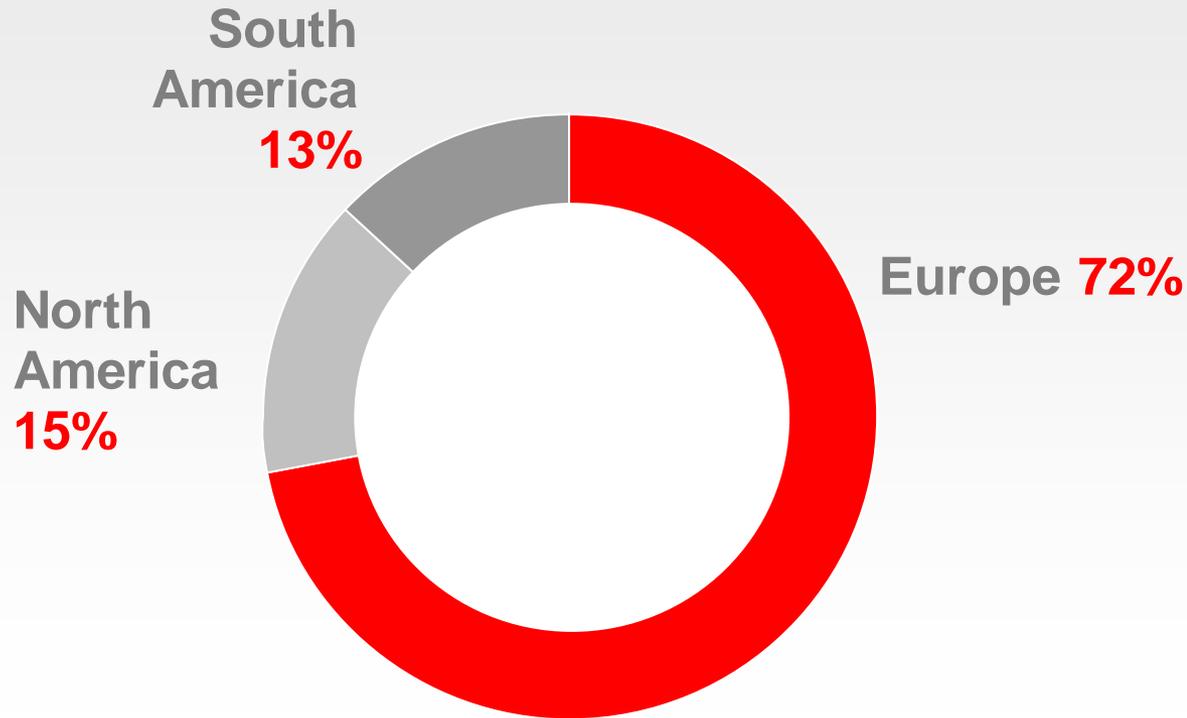
## The value of the Group



# Well geographically diversified risk profile

## Total customer loans by geography

December 2015



### Subsidiary model:

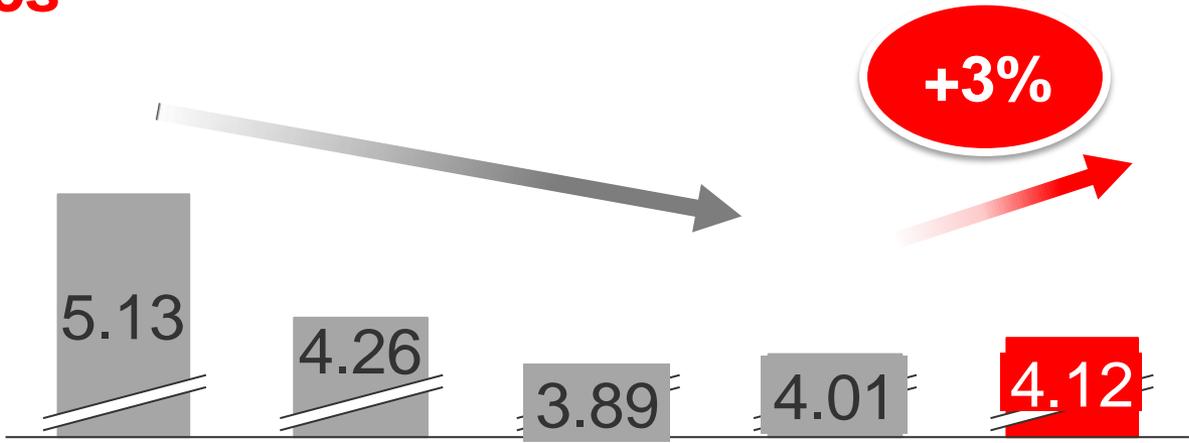
- Legally independent
- Autonomous in capital and liquidity

### Group – Subsidiary Governance:

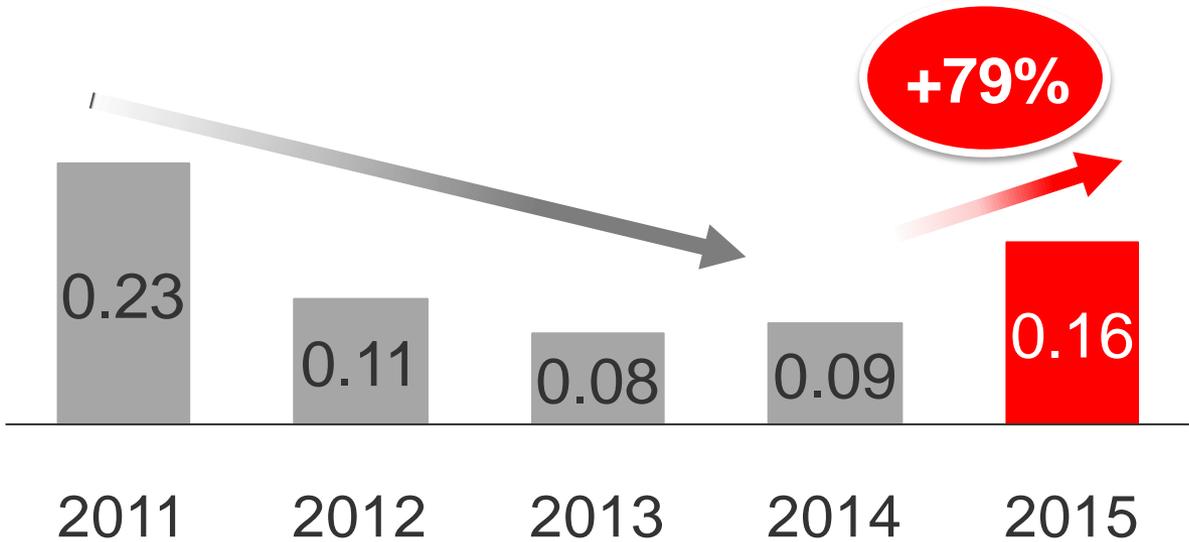
- Tight control and oversight over subsidiaries

# 2015 was a turning point. Recovering focus on shareholders metrics

**TNAV/share**  
€



**Cash dividend/share**  
€



# Agenda



**2015: Higher profitability...**



**2015: ...progressing on our commercial transformation around the customer**



**2015: Group and Business Areas review**



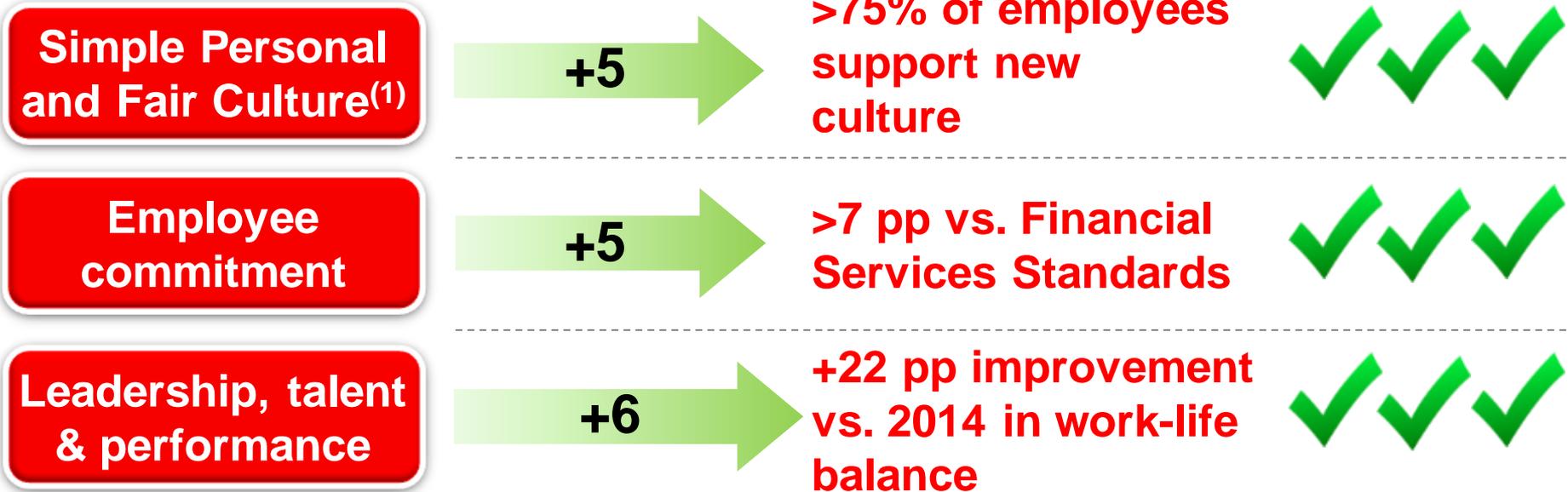
**2016 – 2018: Key commercial and financial priorities**

# In 2015 we have made significant progress on our strategic plan and delivered on all commitments

<b>People</b>	Survey Results: c.5pp 	
<b>Customers</b>	Loyal customers: 10% 	
	Digital customers: 17% 	
	C/I: 47.6% 	5 countries Top 3 in CSAT <sup>1</sup> 
<b>Shareholders</b>	Reinforced Boards at Group and subsidiaries 	
	Corporate Centre -3pp in C/I ROTE 11.0% 	
	FL CET1 >10% 	
<b>Communities</b>	2015 People supported: 1.2MM 	

# Significant progress in our cultural change programme

Internal survey 2015 results, pp improvement over 2014



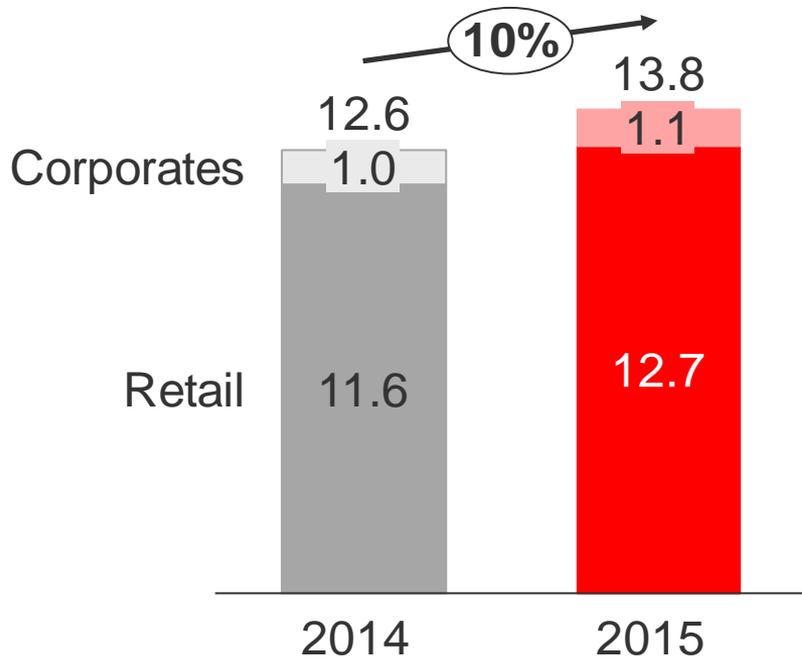
**150,000+** employees participated

(1) Includes questions on employee perception of SPF culture at the bank

# Loyal customer base increased, driving top line growth

## Loyal customer base increased...

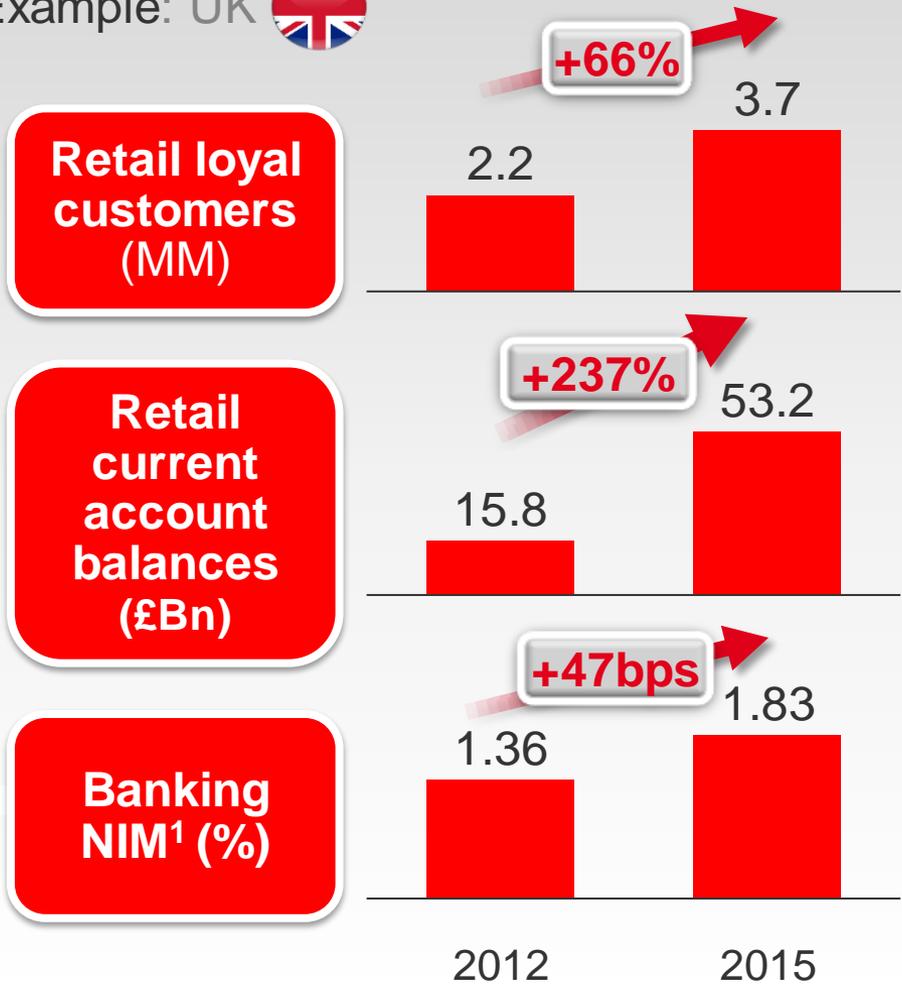
Loyal customers, MM



**Retail and SMEs loyal customers are x4 more profitable and corporates x5**

## ... driving top line and franchise value growth

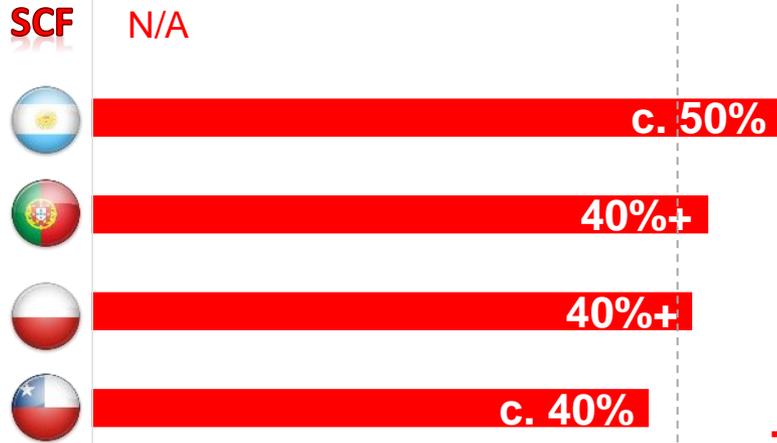
Example: UK



# Significant profitable organic growth upside in our largest markets

## Loyal customers / Active customers, %

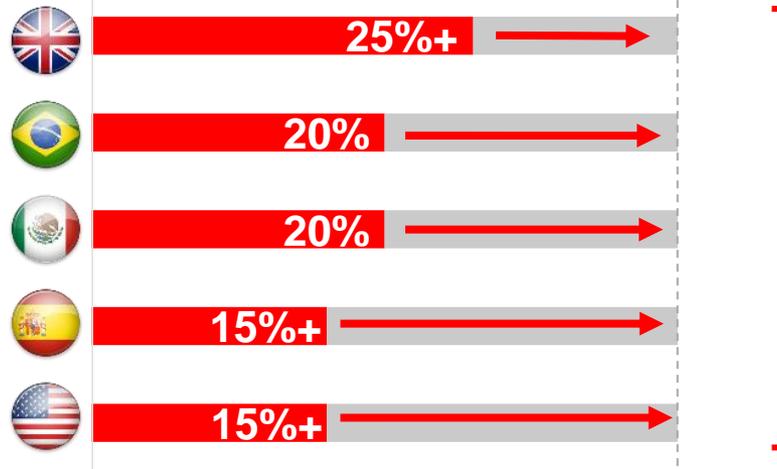
**Leading franchises**



**c.30%** of Group underlying profit<sup>1</sup>

Total population:  
**340 MM**

**High upside potential**



**c.70%** of Group underlying profit<sup>1</sup>

Total population:  
**535 MM<sup>2</sup>**

(1) Excluding Corporate Centre and Spain Real State activities (2) USA includes only population of the Northeast, Florida and Texas

# Implementing effective digital solutions driving improved customer experience

## UK

**1** out of every **3** new accounts are opened via our digital channels



## Spain

**One 1|2|3 account opened every minute** on digital channels<sup>2</sup>

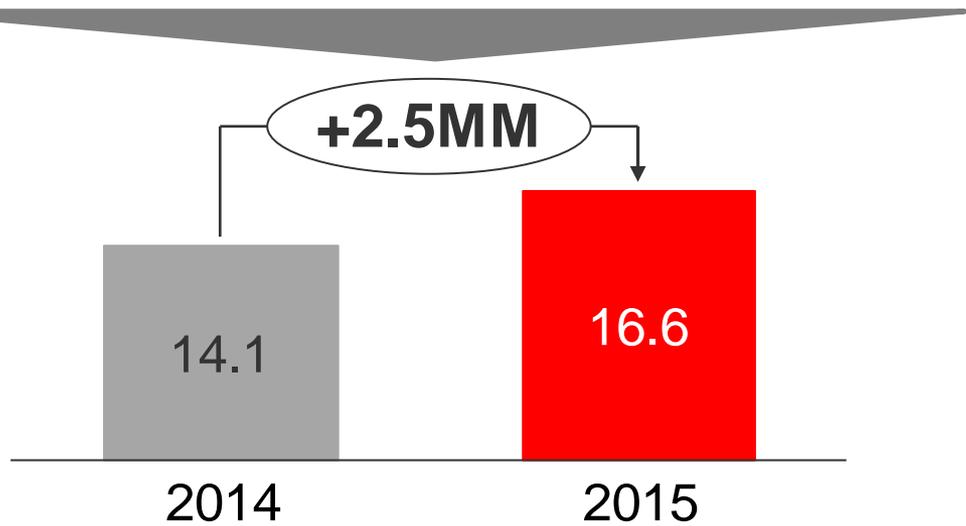


## Poland

**Mobile cash loan** in 60 seconds



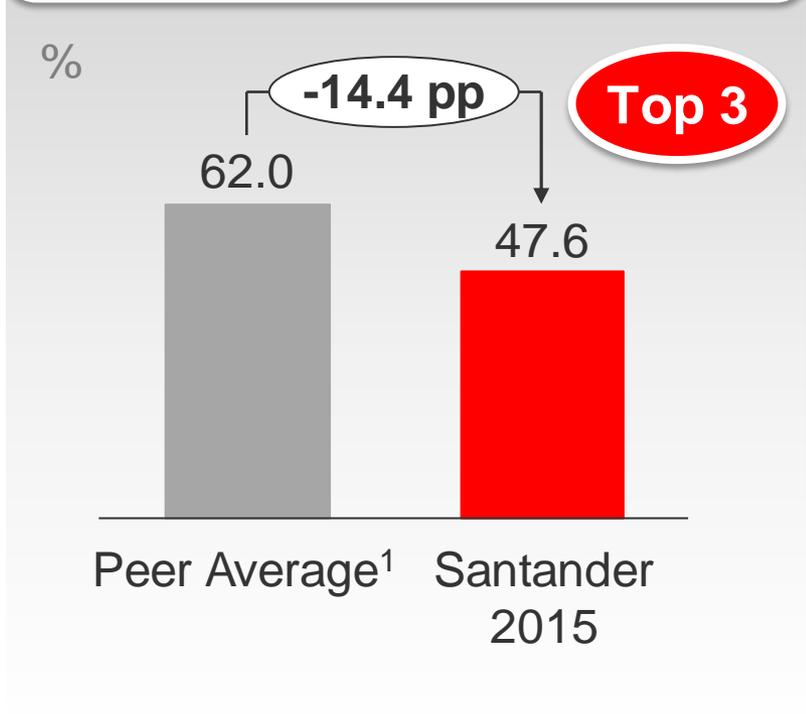
**Digital customers<sup>1</sup>**  
Total Group  
(MM)



(1) Person or legal entity, that being a customer of a commercial bank, has logged into his personal area of internet banking, mobile banking or both in the last 30 days  
(2) Applicable to Santander existing customers, opened every weekday minute on digital channels

# Operational excellence: Corporate Centre allows for top efficiency and improved customer satisfaction

## Best-in-class efficiency ratio



## Excellence in customer satisfaction driving revenue growth

5 geographies within Top3

**Customer satisfaction improvement<sup>2</sup>** **+4pp**

**Customer revenues growth** **+7.6%**

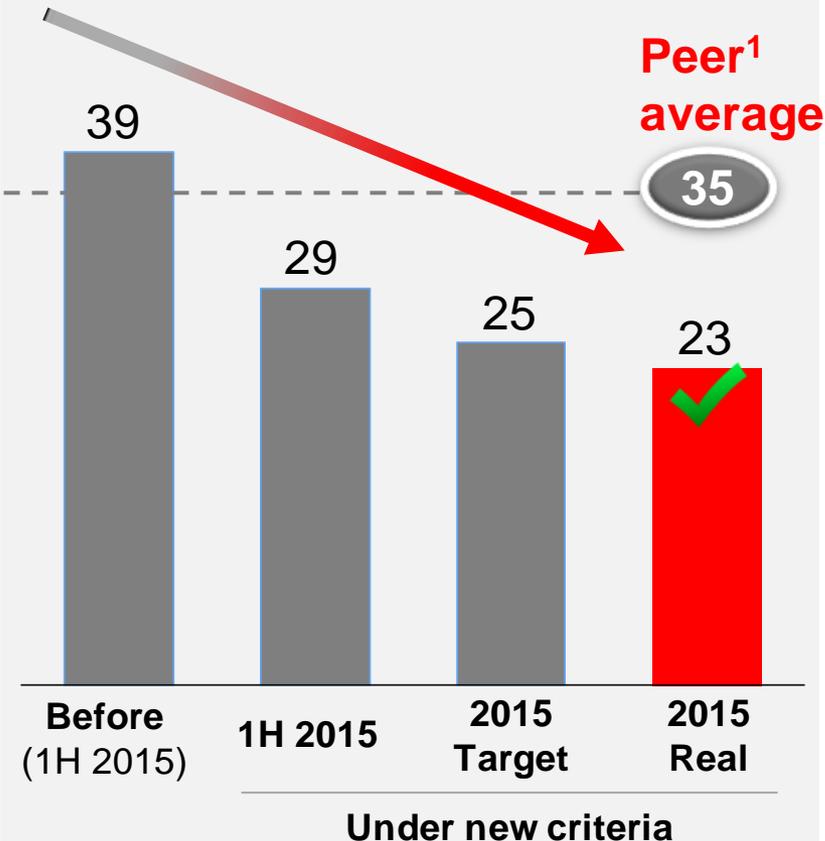
(1) Peer Group: BBVA, BNP Paribas, Citigroup, Deutsche, HSBC, Intesa Sanpaolo, Itaú, JPMorgan Chase, Lloyds, Société Générale, UBS, UniCredit, Bank of America, Wells Fargo, Barclays, Standard Chartered and ING Group

(2) Weighted average by retail active customers in October 2015 (Santander Country NET satisfaction vs. Peer Group Country NET satisfaction)

# Simplified, value adding Corporate Centre

## Increased transparency on divisional costs...

Corporate Centre attributable loss / Underlying attributable profit (%)



## ... while continuing to add value to the subsidiaries through synergies

Revenue Synergies

- ✓ Global digital projects
- ✓ Collaboration revenues
- ✓ International business

Cost Synergies

- ✓ IT development & infrastructure
- ✓ Global procurement
- ✓ Global operations

**-3 pp in C/I for the Group**

**Top 3 C/I: 47.6%**

## Corporate Governance and team strengthened

### Board of Directors

- 33% women
- >50% Independent Directors
- 335 yearly hours per director (x3 vs. peers)<sup>1</sup>

### New Risk Governance

### Subsidiary Governance

- New Country Heads in Top 5 countries
- 50+ new appointments to Subsidiaries' Boards
- New Group-Subsidiary Governance Model

(1) 2014 data, Benchmark: Bank of America, Goldman Sachs, JP Morgan, Citigroup, Morgan Stanley, Wells Fargo, Societe Generale, BNP Paribas, BBVA, Credit Suisse, Deutsche Bank, UBS, Unicredit, Intesa San Paolo, Nordea, Lloyds, Barclays, Standard Chartered, HSBC

# ~1.2MM people supported globally in 2015

## Changes to sustainability policies

- New **Sustainability and social and environmental risk management policies**
- **Reviewed activities** in sensitive sectors:
  - **Defense**
  - **Energy**
  - **Soft commodities**



- **1,200 Universities** supported & **25MM** students and professors reached<sup>1</sup>
- **35,000 grants** and grants awarded
- **c.7k entrepreneurs** and **c.500 start-ups** supported in 2015

## Contribution to society

- **200k children** benefited through education programmes
- **250k micro-enterprise** projects financed
- Around **60,000 employees** participated in volunteering programs

**It is not just about what you do with your profits. It is also about HOW you make them**

# In summary: our diversified retail and commercial banking model and critical mass delivers...

2015 results vs. 2014

...profitable business growth...

**Deposits + funds  
Growth**

**+7.5%**

**Customer  
revenues**

**+7.6%**

**Underlying profit**

**+12.9%**

**Underlying RoTE**

**11.0%**

... to:

1) Cover RWA growth

**Loans Growth**

**+6.4%**

2) Grow capital and TNAV/Share

**FL CET1**

**+50 bps**

(excluding non  
recurring items)

**TNAV/Share**

**+11  
cents**

3) Pay growing cash dividends  
per share

**Cash dividend/  
share**

**+79%**

# Agenda



**2015: Higher profitability...**



**2015: ...progressing on our commercial transformation around the customer**



**2015: Group and Business Areas review**



**2016 – 2018: Key commercial and financial priorities**

# Good financial performance in 2015

Change 2015/2014

**Loan growth<sup>1</sup>**

**+6.4%**

**Fully-loaded CET1**

**+50 b.p.**  
(excl. non-recurring items)

**Funds growth<sup>1</sup>**

**+7.5%**

**Underlying RoTE**

**11.0%**

**Customer revenues**

**+7.6%**

**TNAV per share**

**+11 €cents**

**Underlying profit**

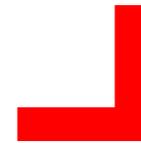
**+12.9%**

**Cash dividend per share**

**+79%**

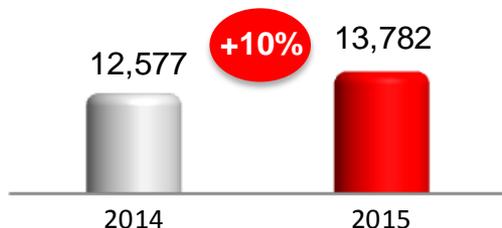


# **Group Activity**



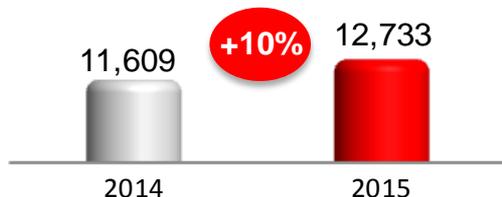
# Loyal customers rose by 1.2 million, backed by commercial transformation

## Total



- Double-digit growth with all countries increasing
- Of note: the **UK** (+11%) and **Mexico** (+14%)

## Retail



- Individual customers: launching of new products, processes streamlining and improved customer experience
- Loyalty underpinned by **1I2I3 Strategy**

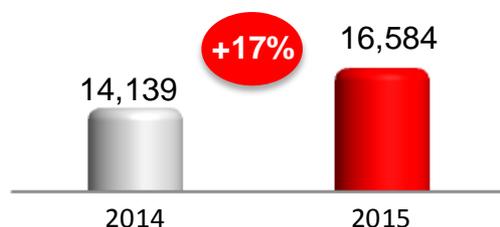
## SMEs and Corporates



- Growth spurred by **SMEs: Advance and 1I2I3 World**
- Double-digit growth in six countries. **UK** (+11%), **Brazil** (+12%), **Chile** (+12%), **Portugal** (+14%), **Poland** (+12%) and **Argentina** (+16%)

# Digital customers increased 2.5 million driven by multi-channels

## Digital customers



- Growth in all countries where the Group is present
- Double-digit growth in nine countries
- Notably Mexico (+36%), Spain (+25%), the UK (+22%) and Portugal (+20%)

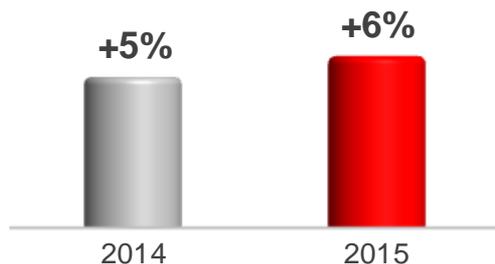
## % of active customers



- 6.9 million of mobile device users (+50% in 2015)
- 15% sales through digital channels
- 58% transactions<sup>1</sup> through digital channels
- Logins per month: 9 via the Internet and 13 via mobile devices

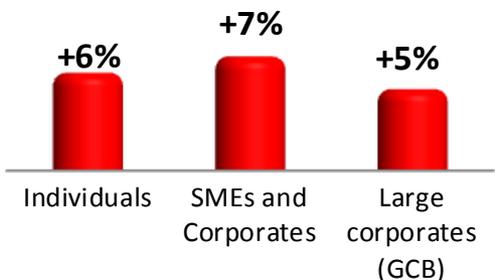
# Growth in loans driven by greater business activity and customer loyalty

## Loans



- **Growth spurred by Latin America and Consumer business:** SCF (+22%), Mexico (+19%), Chile (+11%) and Brazil (+9%)
- UK rose mainly due to companies (+10%) and mortgages (+2%)
- Strong growth in new lending in Spain and Portugal, still not reflected in balances

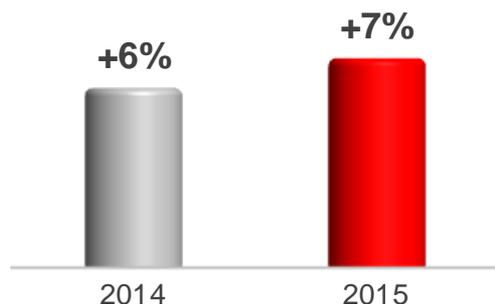
## By segment



- **Change of mix** toward lower risk products
- **Market share gains** in SMEs and Companies. Notably the UK, Portugal, Poland and Mexico
- **Large Companies:** greater focus on profitability, keeping leadership in Latin America and Spain

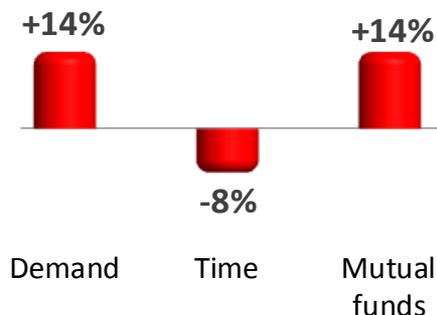
# Growth in customer funds driven by greater business and customer loyalty

## Customer funds



- All business units increased
- Of note the **UK (+6%), Mexico (+9%), Chile (+9%)** fuelled by deposit growth

## By product



- Strategy centred on **loyalty and profitability**
- The **strategy to grow demand deposits** and mutual funds continued



**Group Profit & Loss**

## Underlying profit up 13% fuelled by higher commercial revenues and lower cost of credit

€ million	2015	% /2014 current	% /2014 constant
NII+ Fee income	42,222	7.6	7.1
Gross income	45,272	6.2	5.6
Operating expenses	-21,571	7.6	6.9
<b>Net op. income</b>	<b>23,702</b>	<b>5.0</b>	<b>4.4</b>
Loan-loss provisions	-10,108	-4.3	-4.0
<b>Underlying PBT <sup>1</sup></b>	<b>10,939</b>	<b>12.5</b>	<b>10.3</b>
<b>Underlying attrib. profit <sup>1</sup></b>	<b>6,566</b>	<b>12.9</b>	<b>10.1</b>
<b>Attributable profit</b>	<b>5,966</b>	<b>2.6</b>	<b>0.1</b>

Commercial revenues growth

Efficiency plan enabled transformation and regulatory costs to be absorbed

Lower loan-loss provisions

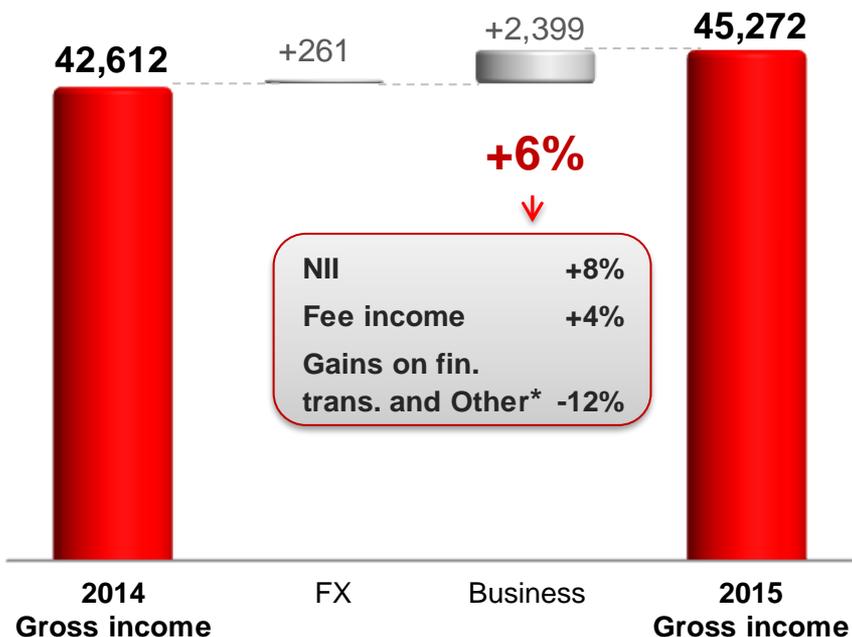
**Underlying profit increased 13%**

**We keep an underlying RoTE<sup>1</sup> of 11%**

# Gross income growth with improved quality. Commercial revenues up (+7%), gains on financial transactions down (-18%)

## Total Gross income

€ million and % change in constant euros



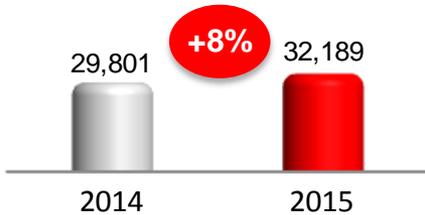
- **Net interest income** rose fuelled by growth in volumes and spreads management
- **Of note by country:** SCF (+31%), Mexico (+14%), Brazil (+10%), USA (+7%) and UK (+5%)

- **Fee income** up driven by Latin America and the US
- **Europe** affected by regulation
- **Faster growth expected** due to enhanced loyalty

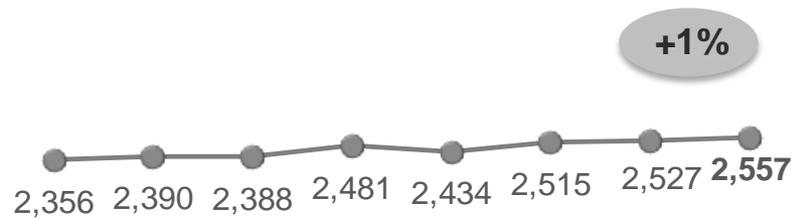
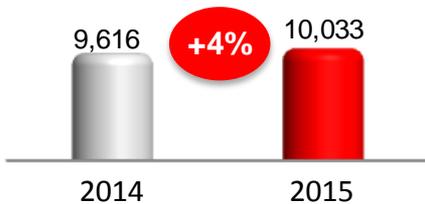
- **Lower gains on financial transactions** due to reduced financial activity
- Increased contribution to DGF and Resolution Fund in Spain, Portugal and Poland

# Commercial revenues kept up growth trend

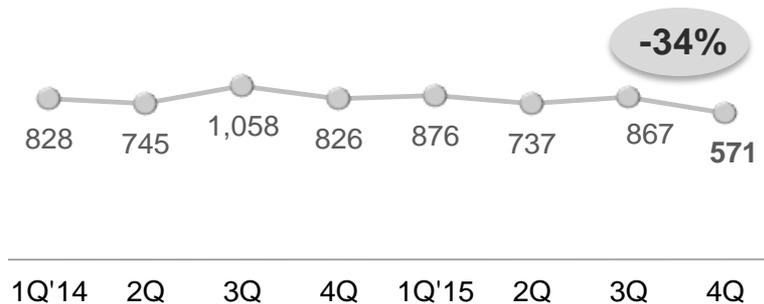
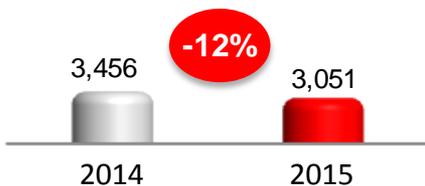
## NII



## Fee income



## Gains on financial transactions & Other

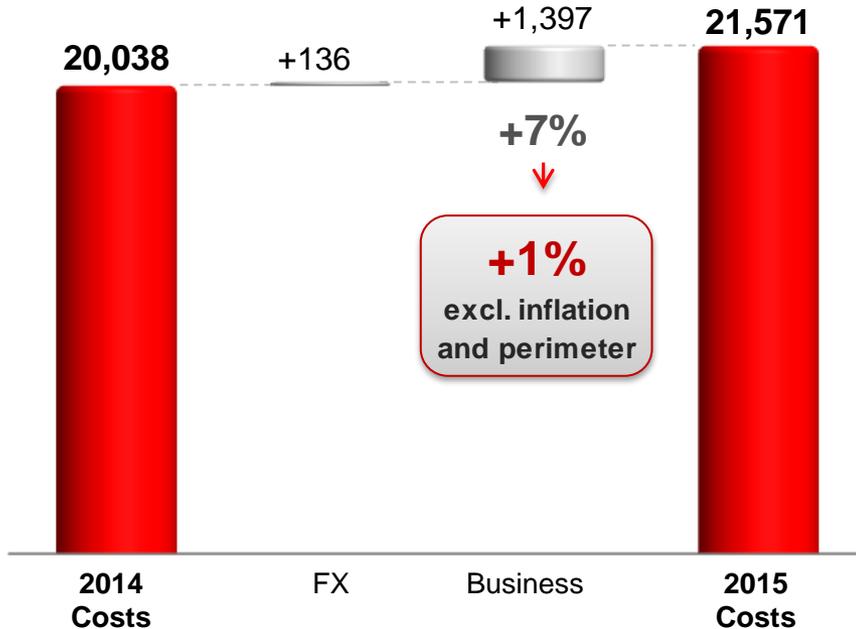


**Drop in 4Q'15 due to provisions for deposit guarantee funds**

# Costs basically stable in real terms and excluding perimeter

## Total operating expenses

€ million and % change in constant euros



- **Efficiency plan** enabled transformation and regulatory costs to be absorbed
- Achieved savings plan of **€2bn. a year ahead of schedule**

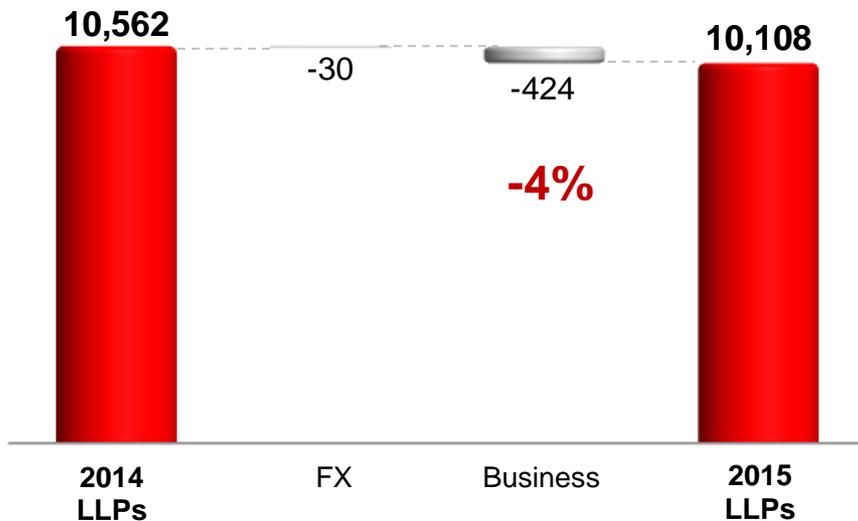
- Of note **Brazil** (-6%), **Spain** (-1%) and **Portugal** (-1%) in real terms and excluding perimeter

- The highest rises in costs were in the US (regulatory and franchise development) and Chile (personnel, indexed to euro and dollar and amortisations)

# Lower loan-loss provisions compatible with the growth in volumes

## Total loan-loss provisions

€ million and % change in constant euros

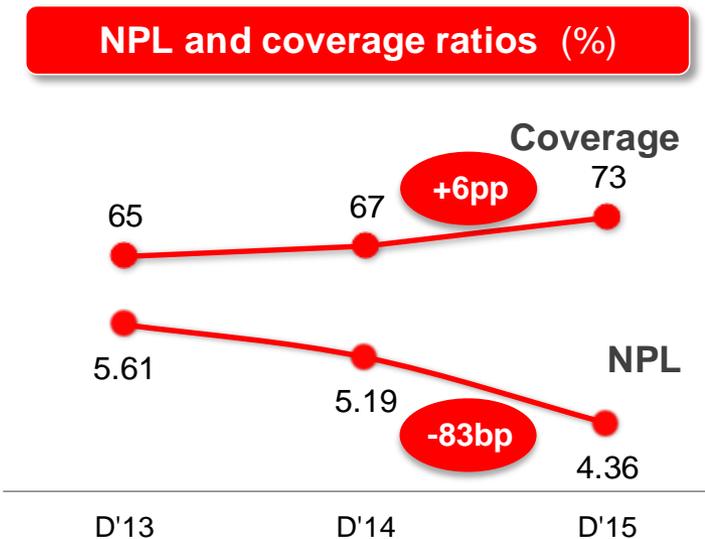
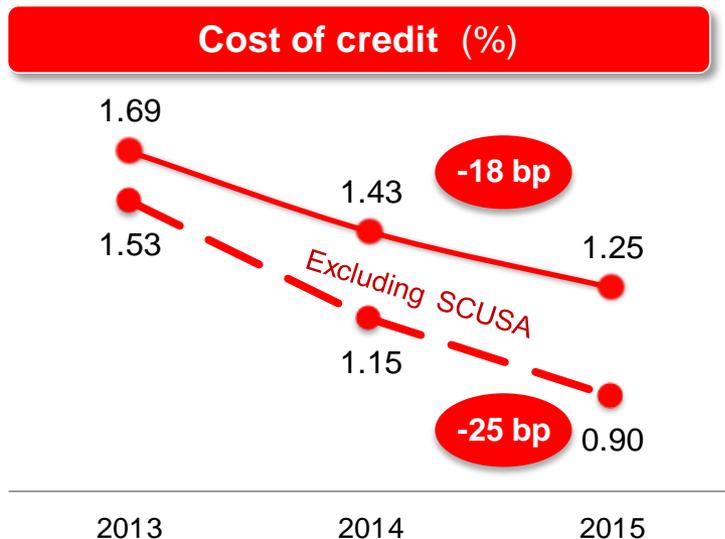


- Of note were the **declines** in the **UK, Spain, Portugal, Poland and Real Estate Activity in Spain**

- **Higher** provisions in units with **strong growth in volumes** (Mexico and Argentina) and higher on balance sheet loan retentions (USA)

- **Brazil's rose** (5%), although performing better than competitors in terms of credit quality
- The increase was mainly due to companies, as individuals performed very well

# Credit quality and cost of credit continued to improve in 2015

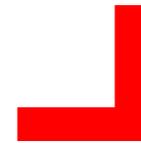


- Lower cost of credit in 9 of the 10 core units
- Of note were Spain, Portugal, the UK and Brazil

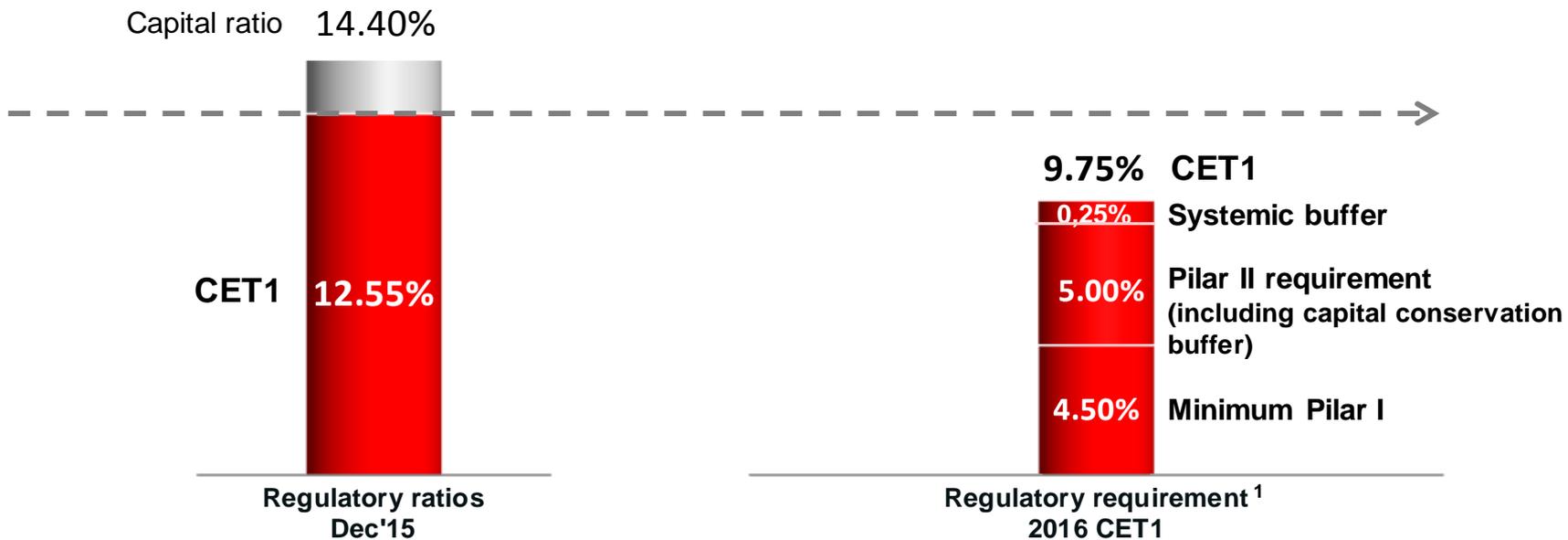
- Sharp drop in net NPL entries (-20%)
- Lower NPL ratio in all countries, except for Brazil (Santander performed better than other private sector banks)
- Of note: Spain, Poland, SCF and Portugal



**Capital**

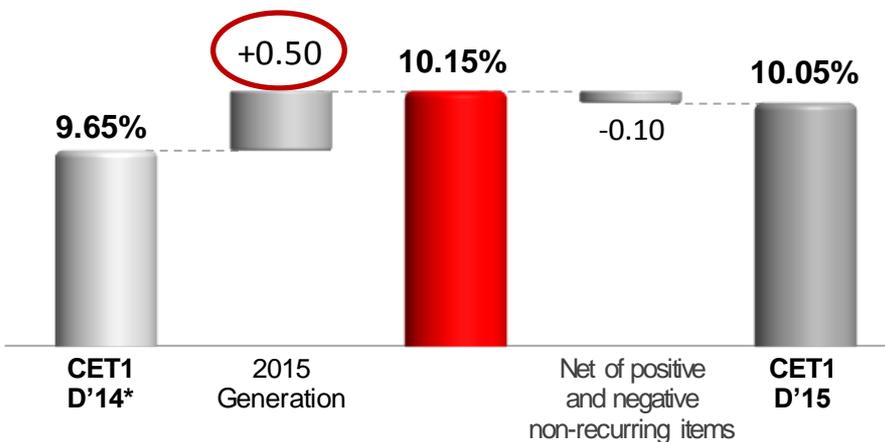


# Capital position: Surplus of 280 b.p. over the minimum required by 2016



# Achieved the fully-loaded CET1 of 10% at year-end ...

**Fully-loaded CET1 (%)**



- Capital **generation** of **+50 b.p.** before non-recurring items

- Absorbed impacts of DPV portfolio valuations and corporate transactions

- Higher rise in the **total ratio (+130 b.p.)** to **13.05%** due to AT1 and T2 issues

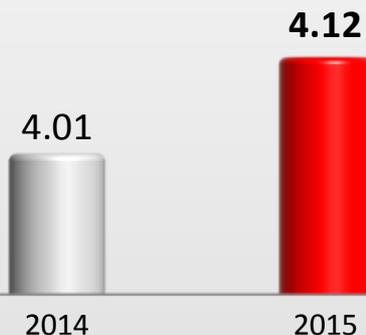
- Fully-loaded leverage ratio: 4.7%

... consistent with the increase in RoRWA, TNAV per share and dividend per share

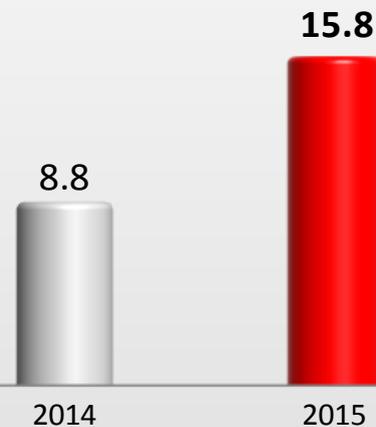
Underlying RoRWA (%)



Tangible net asset value per share<sup>1</sup> (euros)



Cash dividend (cents per share)

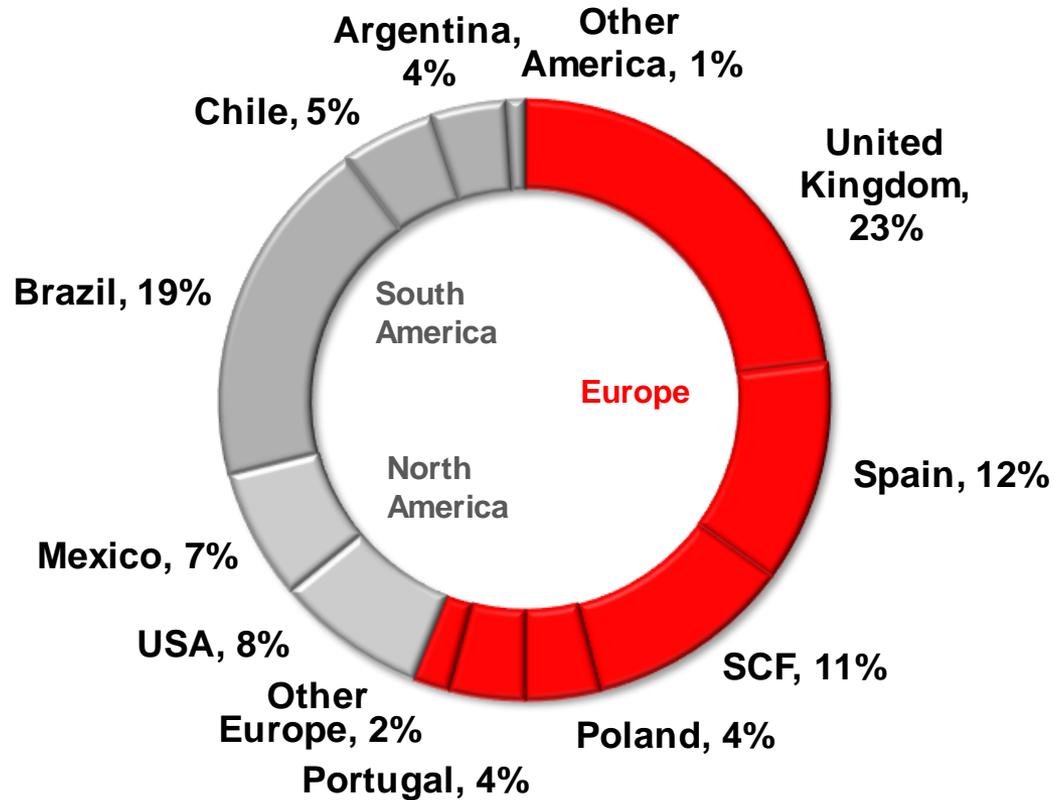


(1) Tangible book value per share = (Capital + reserves + retained profits + valuation adjustments - goodwill - intangible assets) / number of shares excluding treasury stock. Calculated on a like-for-like basis



# **Business Areas**

# Well diversified earnings between Europe and the Americas



## Strategic metrics performance

	2014	2015
1 2 3 Accounts (thousand)	-	860
Customer satisfaction (position)	5 <sup>o</sup>	1 <sup>o</sup>
Cost of credit	1.06%	0.62%
SMEs market share <sup>1</sup>	20%	20%
RoTE	7.4%	8.1%

## P&L

€ million

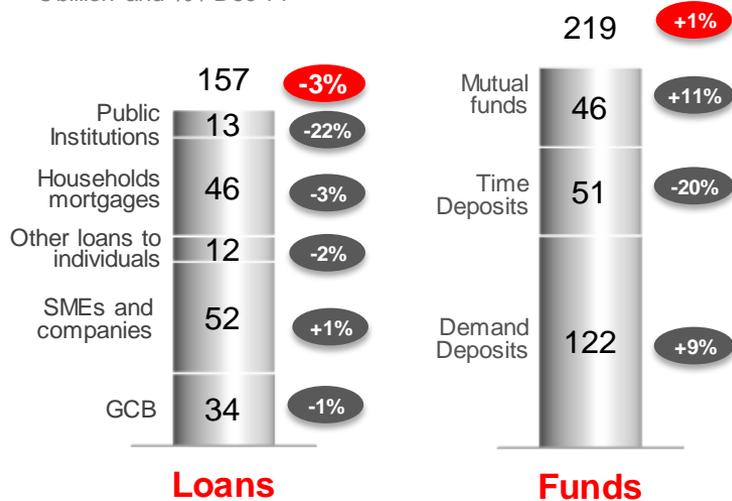
	2015	% /2014
NII + Fee income	5,118	-5.6
Gross income	6,080	-8.4
Operating expenses	-3,434	-1.8
Net op. income	2,646	-15.7
Loan-loss provisions	-992	-43.2
<b>PBT</b>	<b>1,392</b>	<b>17.7</b>
<b>Attributable profit</b>	<b>977</b>	<b>18.2</b>

- Long term loyalty underpinned by the **1|2|3 strategy** (860,000 accounts in 7 months)
- **Greater customer satisfaction** backed by the effort made in **quality customer service**
- **Higher profit** underpinned by lower provisions and operating expenses (efficiency plan)
- In gross income, **NII under pressure** (low interest rates and tough competition in loans), lower gains on financial transactions and greater contribution to the DGF and Resolution Fund.  
**Fee income stabilising**

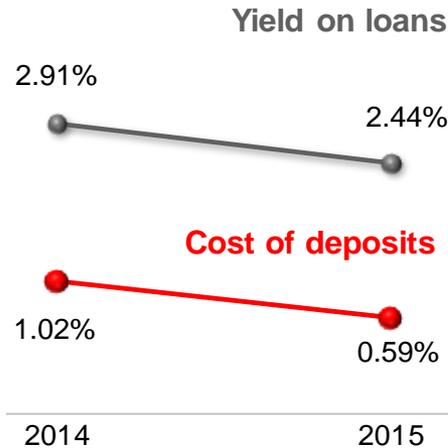
# SPAIN

## Volumes<sup>1</sup> (D'15)

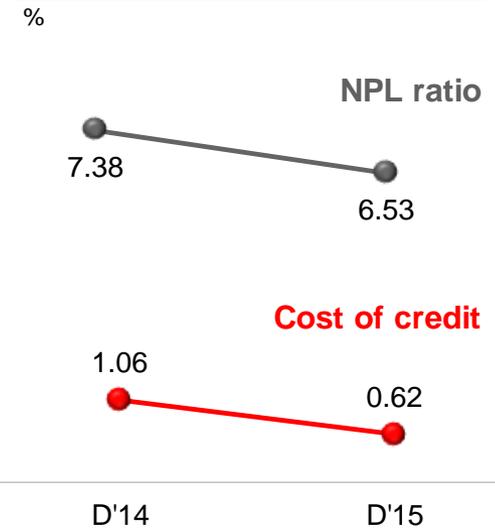
€ billion and % / Dec'14



## Customer NIM



## NPL ratio and Cost of credit



- **Increased new lending to SMEs and the self-employed (+18%). Individuals:+27%**
- Higher lending to companies. Total loans not growing due to lower loans to institutions and maturity of mortgages
- In customer funds, **growth in demand deposits** linked to long-term relationship strategy. **Cost of deposits stable** in the last few quarters, absorbing launching of 1|2|3 account
- **Sharp improvement in the cost of credit and the NPL ratio** (negative NPL entries)

# UNITED KINGDOM

## Strategic metrics performance

	2014	2015
Digital customers (mill.)	3.0	3.7
Fee income CAGR (%)	-2	-4
SMEs loan growth vs. market	>5 p.p.	>5 p.p.
RoTE	11.2%	11.8%

## P&L

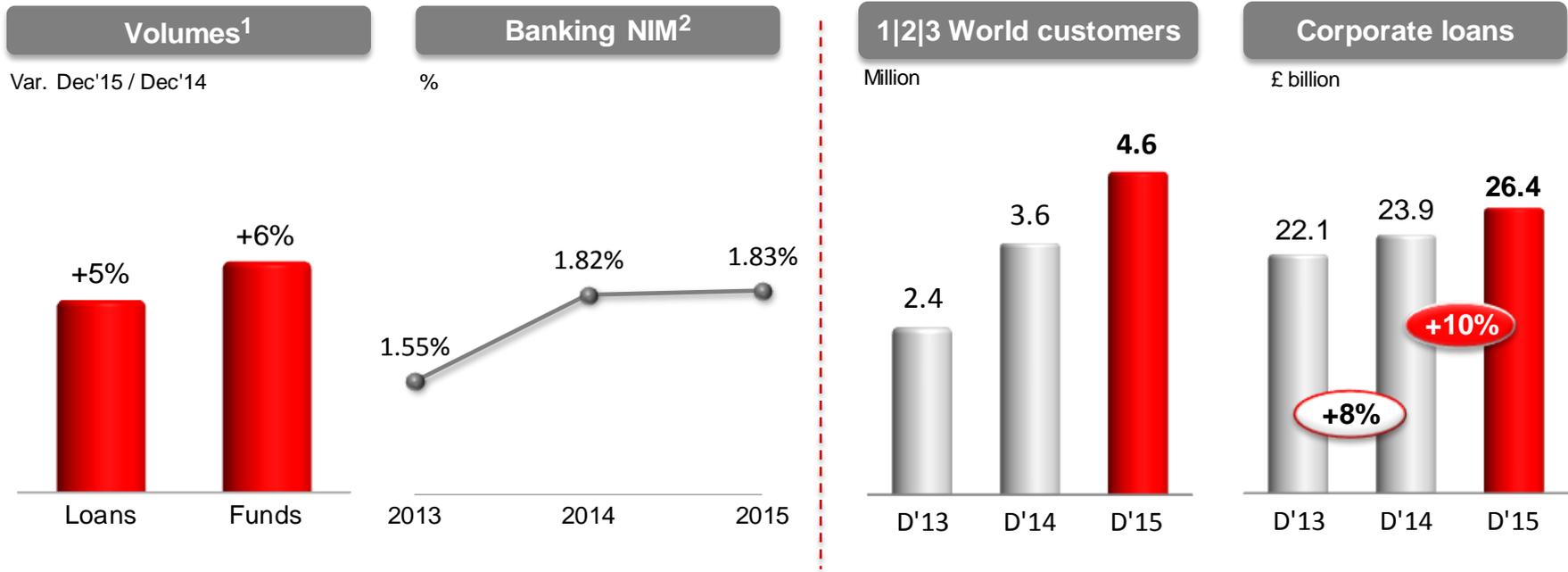
Million £

	2015	% /2014
NII + Fee income	4,377	3.2
Gross income	4,630	3.7
Operating expenses	-2,435	3.5
Net op. income	2,195	3.9
Loan-loss provisions	-78	-70.9
<b>PBT</b>	<b>1,860</b>	<b>17.0</b>
<b>Attributable profit<sup>1</sup></b>	<b>1,430</b>	<b>14.0</b>

(1) Excluding PPI. Including it, Attributable profit; 989 million (-21.1%)

- **Investment in business growth** and **enhancement in digital channels**
- **Revenue growth** driven by volumes with stable banking NIM (net interest income: +5%)
- **Underlying profit** up backed by the **significant reduction** in loan-loss provisions
- **Provision charge of £450 million<sup>2</sup>**, representing current best estimate of the remaining costs (response to the FCA Consultation)

# UNITED KINGDOM



- **Loan growth** across all customer segments and further **increase in loyal retail customers**
- **Market share gain in corporates:** leading to greater diversification
- **Added 1 million 1|2|3 customers** and an average of **£1bn per month** in **retail current account** deposits
- **Significant improvement in customer loyalty** and **achieved target to be Top3 in customer satisfaction**

# BRAZIL

## Strategic metrics performance

	2014	2015
Total loyal customers (mill.)	3.0	3.2
Digital customers (mill.)	3.8	4.4
NPL ratio <sup>1</sup> (%)	3.3	3.2
Micro credit <sup>2</sup>	#1	#1
RoTE	13%	14%

## P&L

€ million

	2015	% /2014*
NII + Fee income	10,963	9.7
Gross income	11,140	9.6
Operating expenses	-4,452	5.3
Net op. income	6,689	12.7
Loan-loss provisions	-3,297	4.7
<b>PBT</b>	<b>2,513</b>	<b>19.9</b>
<b>Attributable profit</b>	<b>1,631</b>	<b>32.7</b>

(\*) % change excluding FX impact

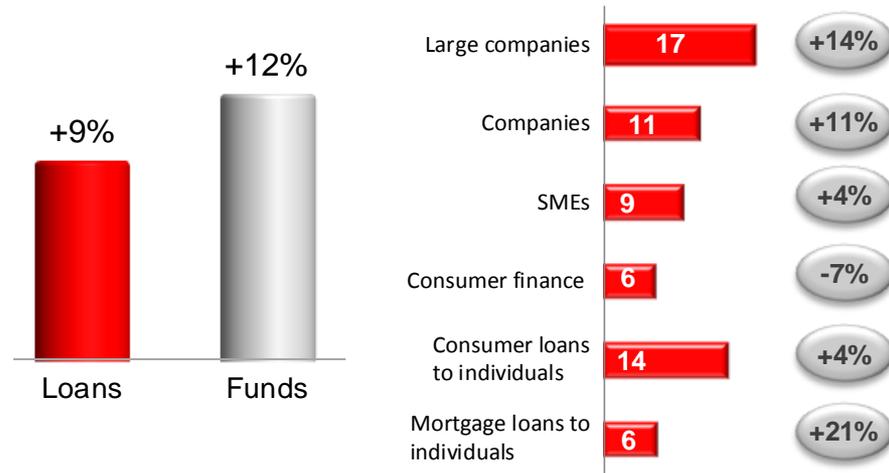
- **More sustainable business model:** greater loyalty, higher efficiency and lower risk profile
- **Better quality and higher recurrence revenues** (NII + fee income rose for the fifth straight quarter)
- **Operating expenses** rose at **half the rate of inflation**
- Amid a recession environment, the growth rate of **provisions** is below that of loans (change of mix)
- **PBT** rose **20%** fuelled by the **main P&L items**. Also, lower minority interests

# BRAZIL

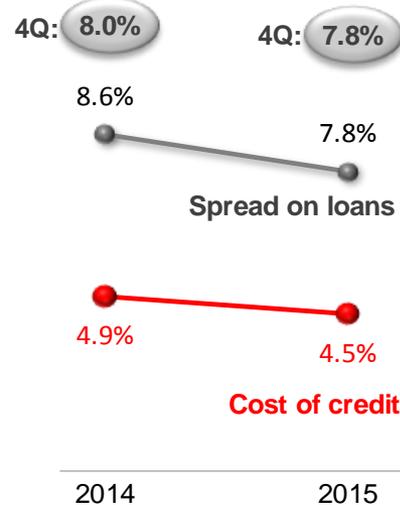
## Volumes<sup>1</sup>

€ billion and % change in constant €

### Loans



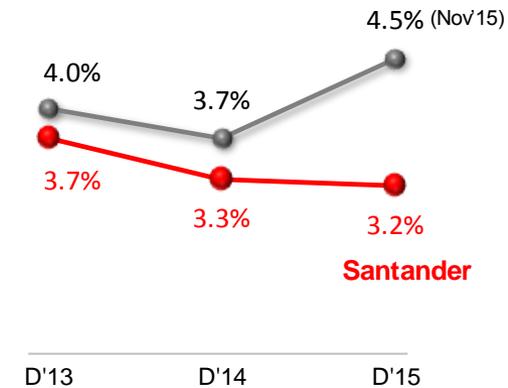
## Spread and Cost of credit



## NPLs – Over 90 days

Local criteria

### National private sector banks



- **Loan growth compatible with change of mix**
  - Greater focus on companies, large companies and mortgage loans
  - SMEs recovery, which moved to positive growth rates in 2015
- **Total spread reflects the change of mix**, although it rose by product / segment
- **The NPL ratio in line with the sector's best performing peers**

# UNITED STATES

## Strategic metrics performance

	2014	2015
Digital customers (thousands)	550	617
Retail loyal customers (thousands)	153	248
RoTE	8.3%	6.5%

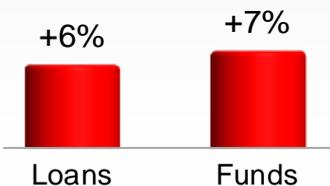
## P&L

\$ million	2015	% /2014
NII + Fee income	7,984	7.2
Gross income	8,647	9.0
Operating expenses	-3,354	12.9
Net op. income	5,293	6.7
Loan-loss provisions	-3,440	16.2
<b>PBT</b>	<b>1,689</b>	<b>-16.2</b>
<b>Attributable profit</b>	<b>752</b>	<b>-34.2</b>

## Activity<sup>1</sup>

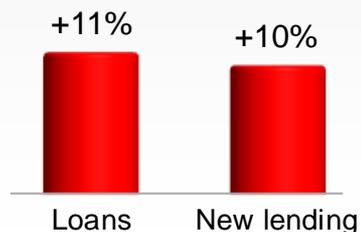
### Santander Bank

Var. Dec'15 / Dec'14



### SCUSA

Var. Dec'15 / Dec'14



- The various actions taking place have a temporary **impact on revenues and costs**:
  - **Creation of holding underway (IHC)**. Integrates the businesses carried out within the country
  - **Investment** in improving banking franchise
  - **Santander Consumer USA**: focus on auto business, exiting personal loan business

# SANTANDER CONSUMER FINANCE

## Strategic metrics performance

	2014	2015
Active customers <sup>1</sup> (mill.)	16.6	16.8
Growth of loan portfolio	+9%	+21%
Dealer satisfaction <sup>2</sup>	>80%	>80%
RoTE	11.8%	12.6%

## P&L

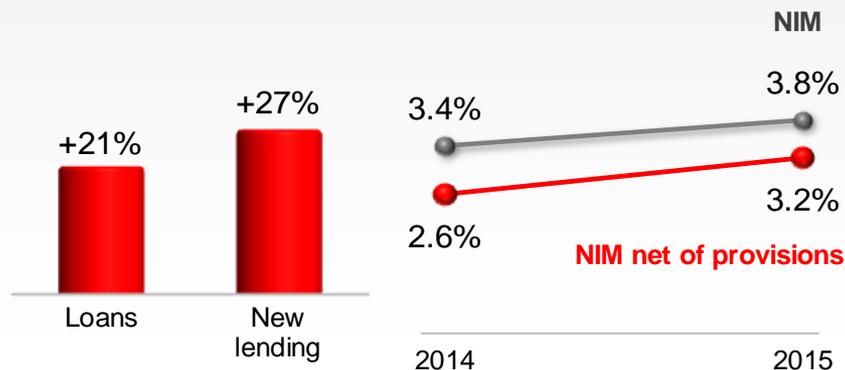
€ million	2015	% /2014
NII + Fee income	3,973	23.8
Gross income	3,965	23.0
Operating expenses	-1,774	20.8
Net op. income	2,192	24.8
Loan-loss provisions	-537	-1.2
<b>PBT</b>	<b>1,502</b>	<b>27.8</b>
<b>Attributable profit</b>	<b>938</b>	<b>18.0</b>

## Activity

### Volumes<sup>3</sup>

### Customer NIM

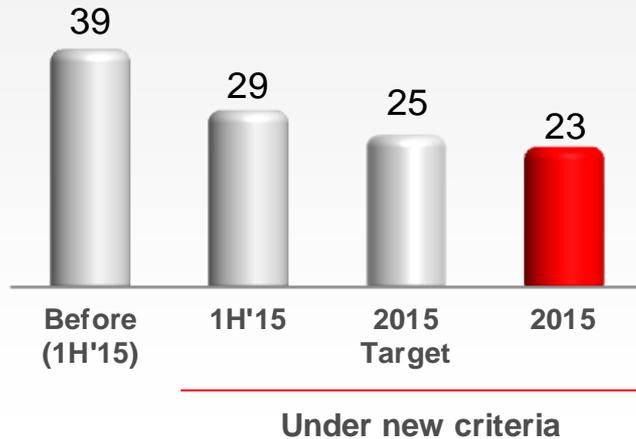
Var. Dec'15 / Dec'14



- The **agreement** with PSA and the **integration** of GE Nordics **strengthened leadership in Europe**
- **Increased new loans in the large units: Spain, Germany and the Nordic countries**
- **Higher revenues, with improved efficiency and cost of credit, and low NPL ratio (3.42%) for this business**
- **Main countries profit: Germany (€393 mill.); Nordic countries (€234 mill.); Spain (€169 mill.)**

# CORPORATE CENTRE

## Weight / Total Group, %



## P&L

€ million

	2015	2014
<b>NII + Fee income</b>	-641	-646
<b>Gains on financial transactions</b>	150	700
<b>Operating expenses</b>	-547	-586
<b>Provisions</b>	-481	-451
<b>Taxes and minority interests</b>	29	-149
<b>Underlying attributable profit<sup>1</sup></b>	<b>-1,493</b>	<b>-1,151</b>

(1) Not including net capital gains and provisions for -€600 million.

- **Lower gains on financial transactions** due to lower revenues of interest rate hedging (reduced ALCO portfolio in 2015)
- Reduced share over the Group's total profit

## Summary of other units performance in 2015

(Units breakdown in appendix)

### Mexico

Attributable profit: €629 mill.; +3%

- Market share gain and 8% rise in PBT
- Revenues growth and improved cost of credit

### Chile

Attributable profit: €455 mill.; -13%

- Sharp increase in customers and volumes
- Profit impacted by lower UF inflation and higher taxes

### Argentina

Attributable profit: €378 mill.; +22%

- Greater activity backed by expansion plan
- Profit up fuelled by higher revenues and lower cost of credit

### Poland

Attributable profit: €300 mill.; -15%

- Loans growth. Leadership in digital channels
- Profit impacted by interest rates drop. Costs under control and lower cost of credit

### Portugal

Attributable profit: €300 mill.; +63%

- Increased customers and market share gain
- Moving towards profit normalisation

# Agenda



**2015: Higher profitability...**



**2015: ...progressing on our commercial transformation around the customer**



**2015: Group and Business Areas review**



**2016 – 2018: Key commercial and financial priorities**

# Our strategy



## Our purpose

*To help people  
and businesses  
prosper*

## Our aim

*To be the best retail and commercial  
bank, earning the lasting loyalty of our  
people, customers, shareholders and  
communities*

A bank that is...

**SIMPLE | PERSONAL | FAIR**

# The financial industry faces challenges from which Santander is well positioned to benefit



## Pressure on RoTE



## Santander Strategy / Model

### Revenues

- Low interest rates
- Developed economies: low growth despite recovery
- Emerging economies: growth deceleration in some markets

- ✓ **Critical mass: min 10pp market share**
- ✓ **Higher structural growth EM**
- ✓ **Presence in markets with c.1Bn people** – “pay for value” model

### Costs

- Additional regulatory costs
- Pressure on C/I

- ✓ **Cost leadership**
- ✓ **Digital opportunity**
- ✓ Value adding **corporate centre** and Group **synergies**

### Cost of Risk

- Developed economies: improving
- Emerging economies: deteriorating

- ✓ **Sharing best practices/ARM**
- ✓ **Geographic diversification**

### Capital

- Increased regulatory standards

- ✓ **Model transformation will generate increased organic capital**

# Our priority is to execute on our commercial transformation **AROUND OUR CUSTOMER** delivering increased profitability and creating value for our shareholders

**1** Commercial and digital **transformation** around the **customer**...

---

**2** ...through **Op. Excellence** & Corporate Centre value added...

---

**3** ...will deliver **organic capital generation** to capture the...

---

**4** Opportunity for **organic profitable growth in core markets**...

---

**5** Based on **Cultural Transformation**

---

# 1 We will continue to optimize our commercial model...

**Instant customer onboarding**

**More loyal customers**

**Personalized Customer Service**

**More satisfaction**

**Convenient automated processes**

**Lower Cost to Serve**

**+**

▪ **“Pay for value” services**

▪ **Other services beyond traditional banking**

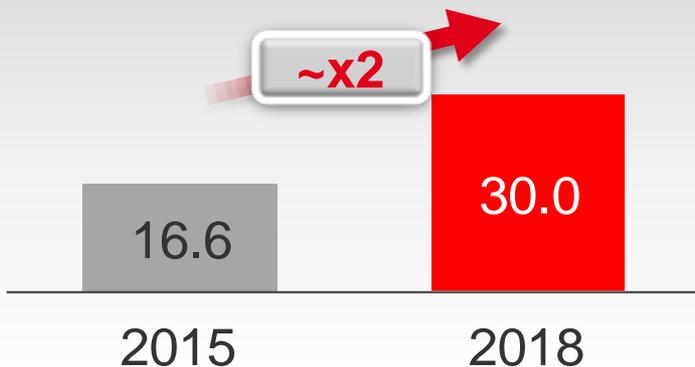
**More fee businesses**

# 1 ...growing in loyal customers

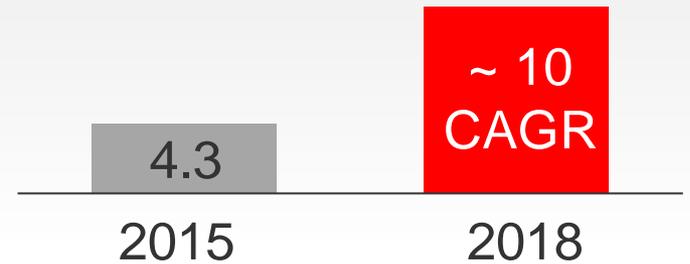
## More loyal customers (MM)



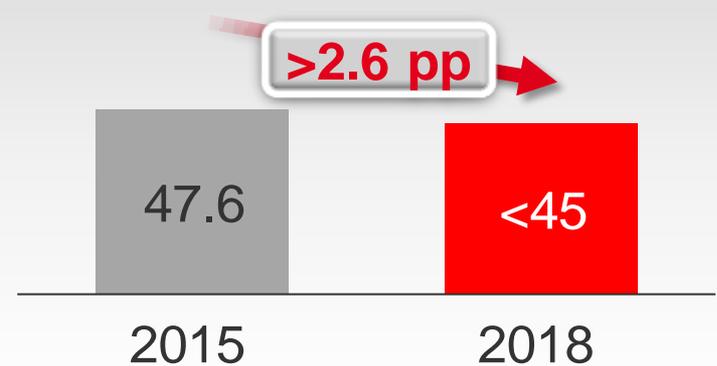
## More digital customers (MM)



## Fee Income Growth<sup>1</sup> (%)



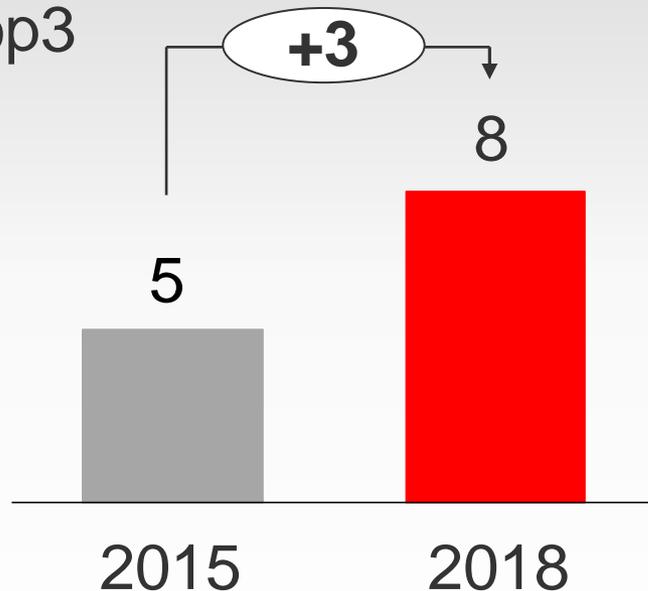
## Less C/I (%)



## 2 Best-in-class customer experience

### Customer service improvement

Geographies within  
Top3



### Main levers for 2016

- Re-design customer journeys
- Post-event Customer Feedback
- Excellence in Service Attitude

## 2 Global scale projects will add increasing value to subsidiaries

### Examples

#### Supply Chain Finance

- Global **Big Data SChF** platform
- New source of **fee income**

**>€2.5Bn**  
potential revenue pool

#### Santander Wallet

- Global **mobile payments app**
- Digital **financing**

**c. 7MM**  
mobile banking users (+50% yoy)

#### Smartbank

- Global **mobile app for students**
- **Direct onboarding** from app store
- **E-Money account**

Reaching  
**c.25MM**  
students

#### Global trade portal

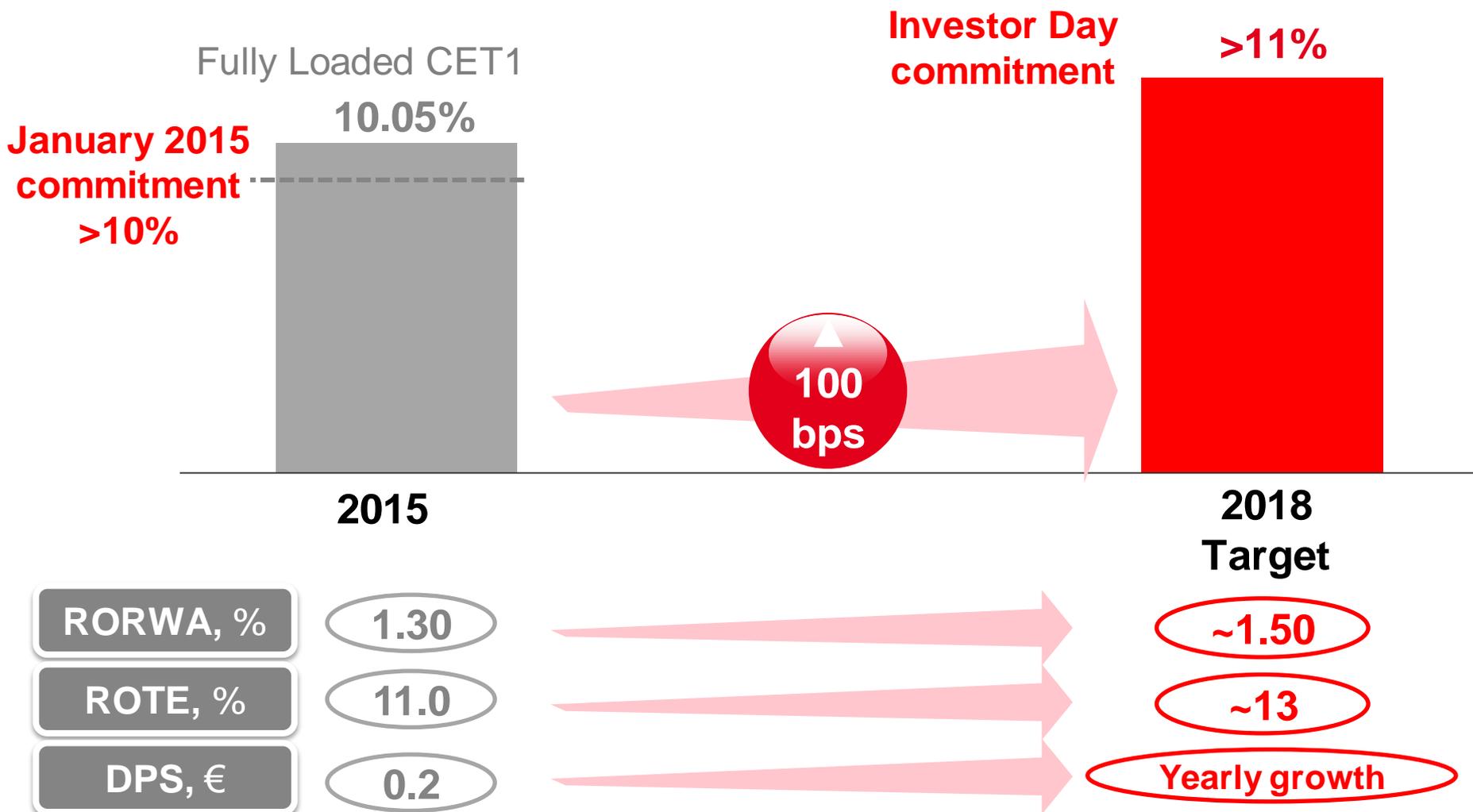
- **Global trade network**
- **Online trade portal** connecting **35,000+ active members**

**3.3MM,**  
active SME and corporate customers



**The Corporate Centre leads transformational projects across geographies**

# 3 Our commitment: to focus on increasing TNAV/S whilst supporting business growth and growing dividends



# 4

## Spain: focus on increasing loyalty and recoveries



### Opportunities and priorities

GDP back to growth

Retail Loyal customers

Cuenta 123

SME Loyal customers

Operational excellence

Risk and profitability management

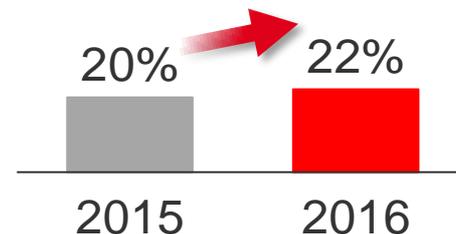
- **+2.9%** in 2016
- Leadership in high value segments
- **Market share: 8.6%** of primary accounts vs. **11.6%** of branches
- Leadership in Corporate
- **39pp** difference between loyal SMEs vs. total SMEs working with us
- More than **200 projects** to improve processes
- Recoveries and focus on **Risk/Return criteria**
- **RORAC** management

### 2016 targets

123 accounts (k)



SME market share<sup>1</sup> (%)



Cost of credit <0.60% in 2016

# 4

## UK: Customer loyalty and operational excellence



### Opportunities and priorities

#### Scale

- Only full service **challenger of scale** in the UK market

#### Focused on loyalty

- **+ c.4MM** loyal customers
- From **3% to 6%** in **SME market share** since 2012

#### Delivering profitable results

- **+61%** in underlying profit vs. 2012<sup>1</sup>

#### Strong growth in digital

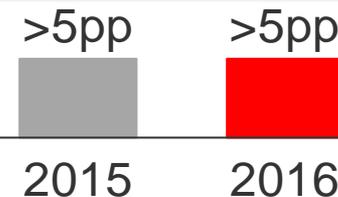
- **1,500** new active mobile users very day
- **1/3** of current accounts, credit cards and mortgage sold **digitally**

### 2016 targets

#### Digital customers (MM)



#### Corporate loans growth vs. mkt.(%)



#### Fee income CAGR 5-10% in 2016

# 4 Brazil: resilient and open-opportunity franchise



## Opportunities and priorities

### Strategic positioning

- **c.10%** mkt share
- **3rd largest private bank**

### Business

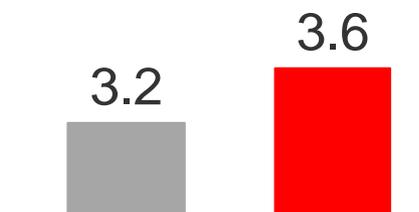
- Strong position in **acquiring** (aiming market share of 10% in 2016), and **Corporate/IB**
- **Opportunities:** Agro, Education, Digital

### Profitability

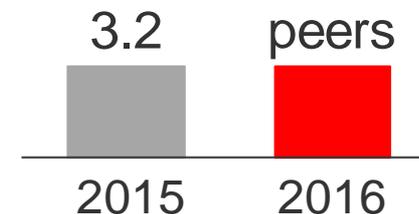
- **NPLs:** peer levels
- **Costs:** in 3 years 20% real savings.

## 2016 targets

### Total loyal customers (MM)



### NPLs<sup>1</sup> (%)



**2016 profits > 2015  
in local currency**

# 4

## USA: on track to extract full value



### Opportunities and priorities

#### Regulatory

- Significant **progress**
- Multi-year **transformation program (CART)**<sup>1</sup>

#### SBNA

**675** branches

**€50Bn+** in client deposits

- **Fix the basics** and enhance digital offering

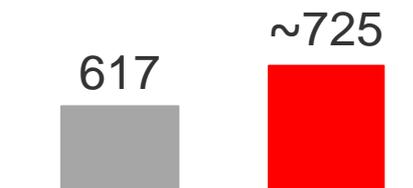
#### Santander Consumer USA

**Top 3** in retail auto lending<sup>2</sup>

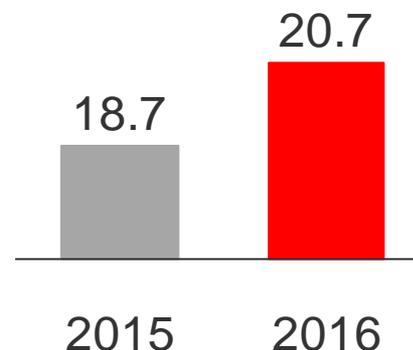
- **Industry leading service platform**
- **Focus in core business**

### 2016 targets

#### Digital customers (thousands)



#### Commercial lending balance (\$Bn)



# 4

## SCF: Maintain consumer finance leadership at European level, achieving profitable growth

### Opportunities and priorities

**Extend & maximise captive car finance**

- Increase **active customers**

**Banque PSA Finance**

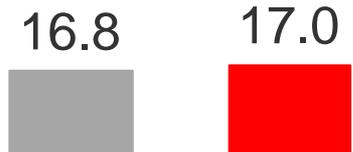
- **Maximise** value of the **joint ventures**

**Boost consumer finance business**

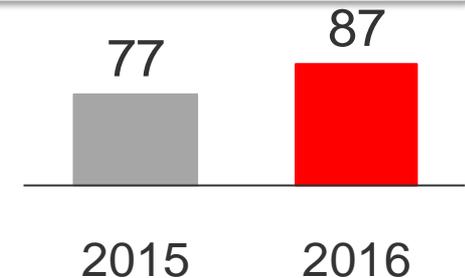
- **Extend** pan-European top **retailers agreements**

### 2016 targets

**Active customers<sup>1</sup>**  
(MM)



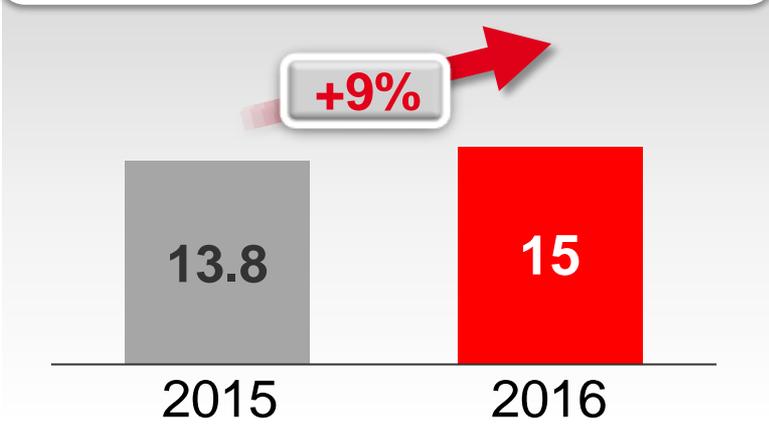
**Loan portfolio<sup>2</sup> (Bn)**



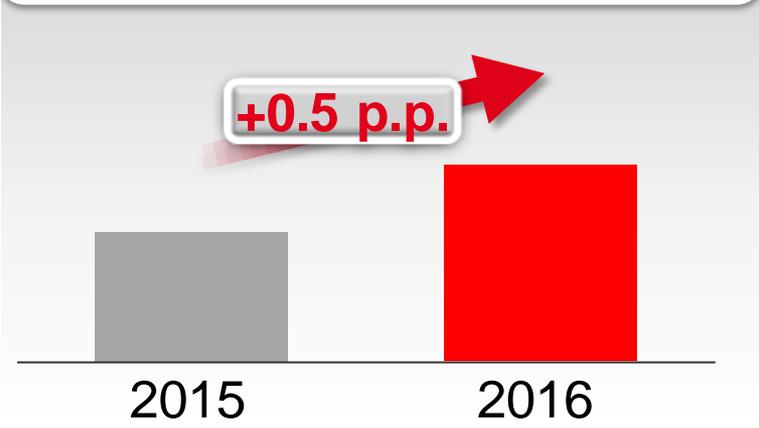
**C/I maintained in 2016 despite PSA integration<sup>2</sup>**

# Delivering on our 2016 targets will lead us to growing EPS and DPS

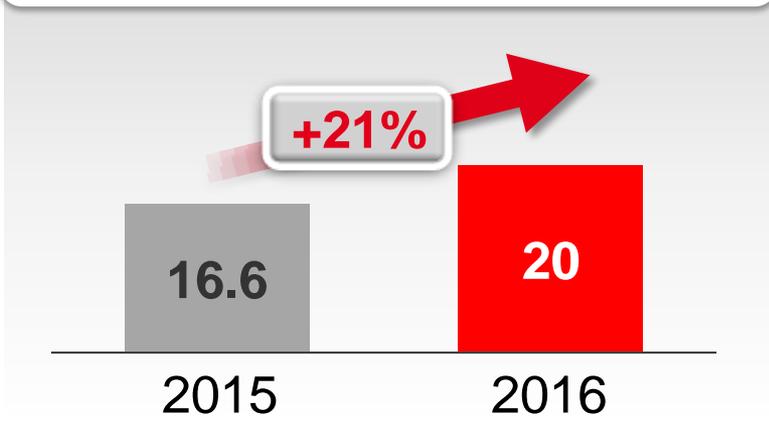
## Loyal retail and commercial customers (MM)



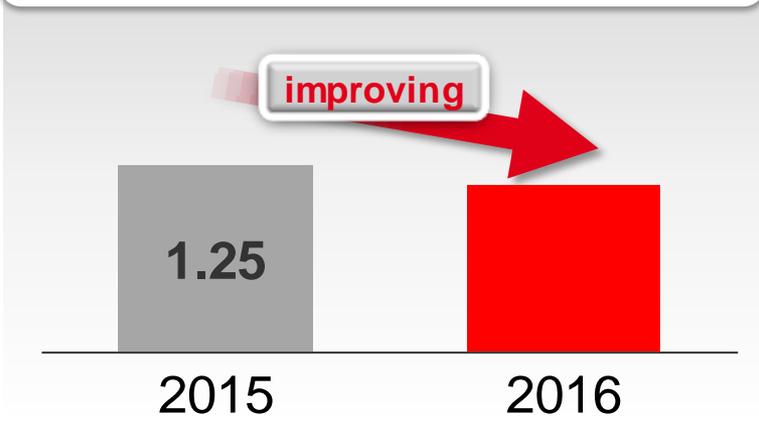
## Average SME and Corp. market share growth



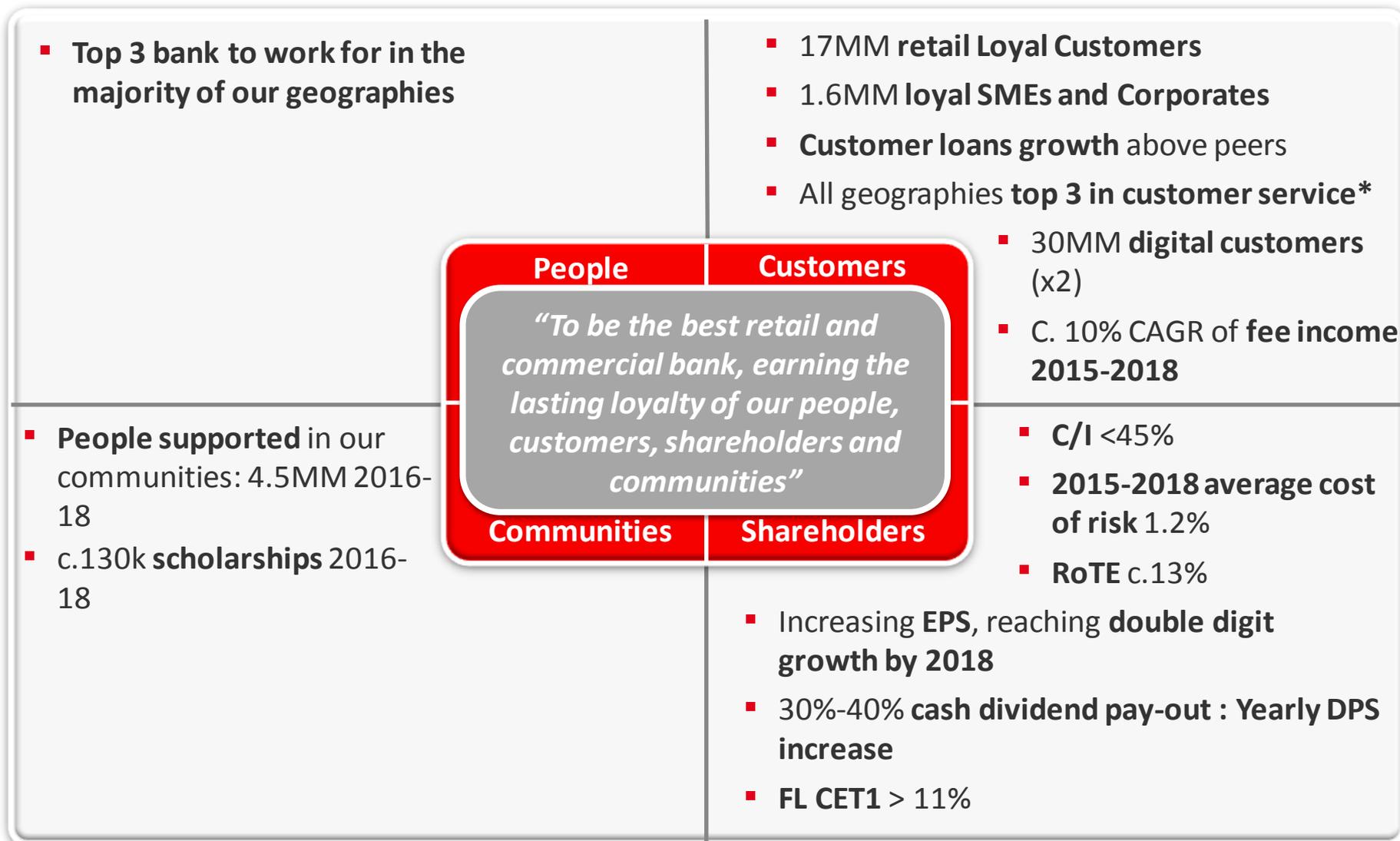
## Digital customers (MM)



## Cost of risk (%)



# We are on track to deliver our 2018 targets



\* Except for the US – approaching peers

# 2015 results show progress towards our targets

## Shareholder targets

	2014 results	2015 results
C/I	47.0%	47.6%
Average cost of risk	1.43%	1.25%
Underlying RoTE	10.95%	11.0%
EPS	0.48€	0.45€
Cash dividend pay-out	20%	38%
FL CET1	9.65%	10.05%

Underlying PBT & RoTE: in Constant Euros, excluding one-off charges (i.e. PPI and restructuring costs)

EPS: Underlying profit (including AT1s)/ average number of shares

FL CET1: 2014 including capital increase of January 2015

# Key takeaways of the 2015 Earnings presentation

1

In **2015** we began a transformation of our model centred around our **customers**. We did this while achieving **profitable growth and delivering our commitments on ROTE, TNAV and capital**

2

We are on **track** to achieve **our targets for 2016** which will be a year of **ongoing optimization** of our model and **delivering profitable growth to our shareholders**

3

**By 2018**, as a result of our transformation, we will produce higher quality and more predictable earnings than our peers. **We will increase TNAV/Share, DPS from 2016 and reaching double digit EPS growth by 2018**

# Appendix

## Appendix

**Other geographic units results**

**Global segments results**

**Group balance sheet and results**

**NPL and coverage ratios, and cost of credit**

**Liquidity and funding**

**Quarterly income statements**



**Other geographic  
units results**

## Strategic metrics performance

	2014	2015
Digital customers (thousands)	644	876
Retail Payrolls (thousands)	2,913	3,143
Credit cards (thousands)	2,332	2,556
SMEs loans (MXN million)	51,835	63,493
RoTE	13.5%	13.2%

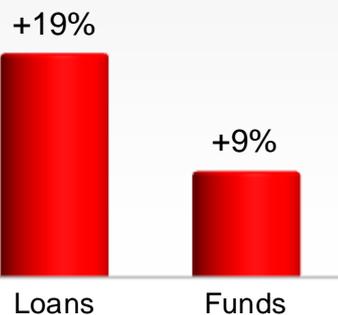
## P&L

Constant € million	2015	% /2014
NII + Fee income	3,251	11.5
Gross income	3,317	9.4
Operating expenses	-1,370	6.3
Net op. income	1,947	11.7
Loan-loss provisions	-877	15.4
<b>PBT</b>	<b>1,067</b>	<b>8.2</b>
<b>Attributable profit</b>	<b>629</b>	<b>3.2</b>

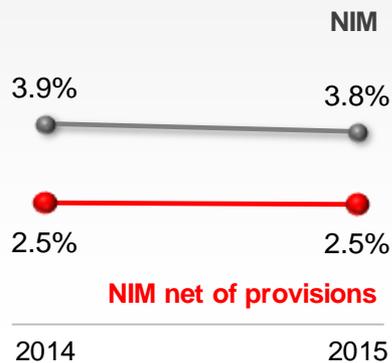
## Activity

### Volumes<sup>1</sup>

Var. Dec'15 / Dec'14



### Customer NIM



- **Increase of customer base and market share gains** as a result of **expansion plan and commercial strategy**
- **PBT rose y-o-y (+8%)** driven by higher revenues and improved efficiency
- **Higher commercial revenues (+11%)** absorbed interest rates at their lowest levels and change of mix
- **Cost of credit slightly better**

## Strategic metrics performance

	2014	2015
Retail loyal customers (thousands)	496	520
Loyal companies (thousands)	35	39
Digital customers (thousands)	836	918
Customer satisfaction (position)	4	4
RoTE	20.0%	15.5%

## P&L

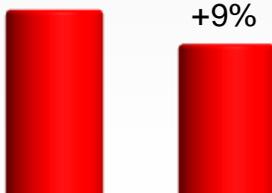
Constant € million	2015	% /2014
NII + Fee income	2,151	-0.2
Gross income	2,336	1.9
Operating expenses	-1,004	10.8
Net op. income	1,332	-4.0
Loan-loss provisions	-567	4.2
<b>PBT</b>	<b>768</b>	<b>-6.1</b>
<b>Attributable profit</b>	<b>455</b>	<b>-12.5</b>

## Activity

### Volumes<sup>1</sup>

Var. Dec'15 / Dec'14

+11%

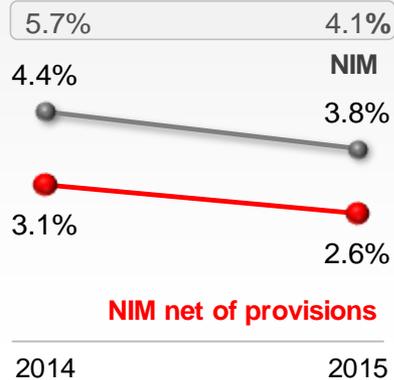


Loans

Funds

### Customer NIM

UF inflation<sup>2</sup>



2014

2015

- Improve rates of **satisfaction, customer loyalty and target segments**
- **Profit** affected by lower UF inflation and higher taxes
- Higher **costs** due to those **indexed to forex, salary rises and amortisations**
- **The rise in provisions** well below the growth in loans

## Strategic metrics performance

	2014	2015
Retail loyal customers(thousands)	1,157	1,242
Loyal companies (thousands)	53	60
Digital customers (thousands)	1,772	1,885
NPL ratio	7.4%	6.3%
RoTE	16.6%	12.9%

## P&L

Constant € million

	2015	% /2014
NII + Fee income	1,204	-5.2
Gross income	1,276	-7.3
Operating expenses	-594	1.5
Net op. income	683	-13.7
Loan-loss provisions	-167	-9.8
<b>PBT</b>	<b>511</b>	<b>-17.1</b>
<b>Attributable profit</b>	<b>300</b>	<b>-15.4</b>

## Activity

### Volumes<sup>1</sup>

Var. Dec'15 / Dec'14

+11%



Loans

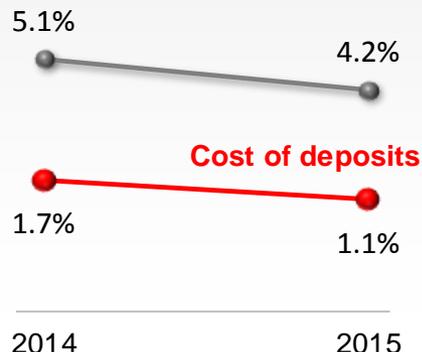
+4%



Funds

### Customer NIM

Yield on loans



- **A reference bank in innovation and digital channels**
- **Growth strategy in loans and deposits profitability**
- **Profit and revenues** affected by lower interest rates (Lombard rate limit), tougher regulation on fees and extraordinary contribution to the DGF
- **Cost control and lower provisions with reduced NPL ratio**

# PORTUGAL

## Strategic metrics performance

	2014	2015
Retail loyal customers (thousands)	485	502
Loyal companies (thousands)	20	23
Digital customers (thousands)	318	381
Market share in loans	11.0%	11.5% <sup>1</sup>
RoTE	8.1%	12.5%

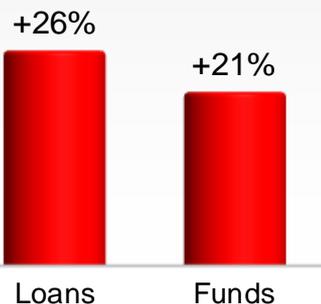
## P&L

€ million	2015	% /2014
NII + Fee income	818	-0.9
Gross income	1,016	6.2
Operating expenses	-494	-0.7
Net op. income	522	13.7
Loan-loss provisions	-72	-42.1
<b>PBT</b>	<b>419</b>	<b>77.3</b>
<b>Attributable profit</b>	<b>300</b>	<b>62.8</b>

## Activity

### Volumes<sup>2,3</sup>

Var. Dec'15 / Dec'14



### Cost of new term deposits

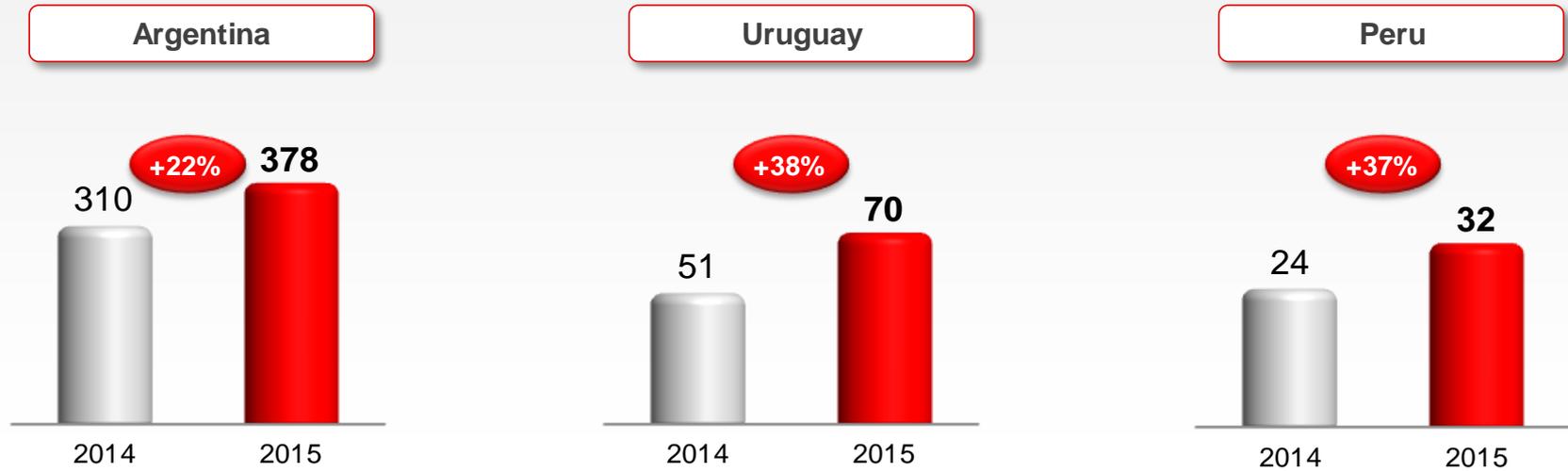


- **Increased customer base and market share gain**
- **Management priorities:** cost of deposits, operating cost control and credit quality
- **Strengthening Santander's presence in the country** with Banif's acquisition (+2.5 p.p. market share gain)

# OTHER LATIN AMERICAN COUNTRIES

## Attributable profit

Constant € million



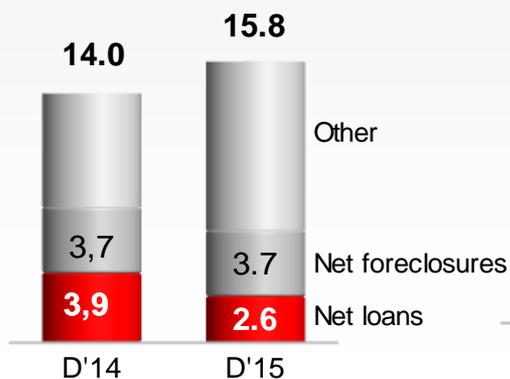
- **Focus on loyalty, transactions and target segments**
- **Double-digit growth in volumes**
- **Gross income driven by revenues growth**

# REAL ESTATE ACTIVITY SPAIN

## Activity

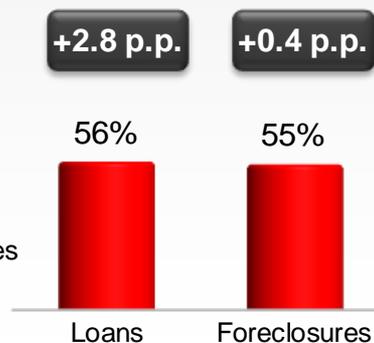
### Total Balance

€ billion



### Coverage ratio

D'15 and Dec'15 / Dec'14 change



## P&L

€ million

	2015	2014	% /2014
Gross income	137	-31	—
Operating expenses	-235	-230	2.2
Provisions	-511	-633	-19.3
Tax recovery	180	248	-27.6
<b>Attributable profit</b>	<b>-420</b>	<b>-652</b>	<b>-35.6</b>

- Reduction of loan exposures continued at a pace around 30%
- Higher coverage ratio
- Lower losses due to reduced provision needs



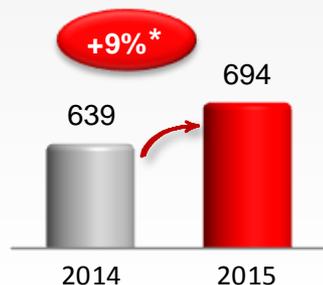
# **Global Segments Results**

# RETAIL BANKING

## Activity

€ billion

### Net loans



(\*) +8% excluding fx impact

### Deposits (excl. repos) + mutual funds



(\*) +7% excluding fx impact

## P&L

€ million

	2015	%2014*
NII + Fee income	38,649	6.5
Gross income	40,359	6.2
Operating expenses	-18,730	7.1
Net op. income	21,629	5.5
Loan-loss provisions	-9,249	-4.9
<b>PBT</b>	<b>10,629</b>	<b>12.2</b>
<b>Attributable profit</b>	<b>6,854</b>	<b>10.5</b>

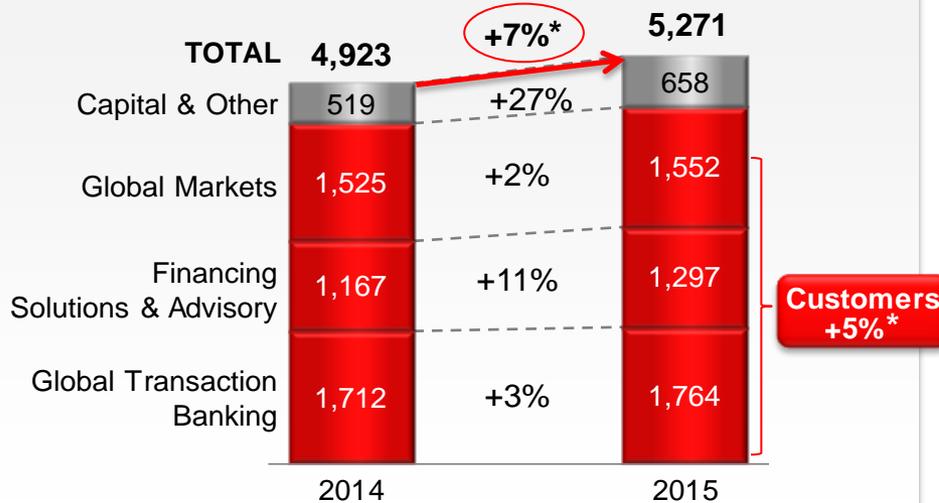
(\*) % change excluding fx impact

- **The retail banking model continued to be transformed into an increasingly Simple, Personal and Fair model**
- **Customer-centred, developing specialised models, range of simple products and global offers**
- **Further development of the multi-channel model, centred on digital channels**
- **Progress in achieving our targets: 13.8 million loyal customers (+10% in 2015) and 16.6 million digital customers (+17% in 2015)**

# SANTANDER GLOBAL CORPORATE BANKING (SGCB)

## Gross income

€ Million



(\*) Excluding FX impact: total gross income, +8%; customer revenues, +5%

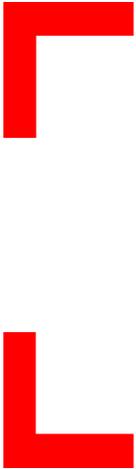
## P&L

€ million

	2015	%2014*
NII + Fee income	4,255	11.7
Gross income	5,271	7.9
Operating expenses	-2,058	10.0
<b>Net op. income</b>	<b>3,212</b>	<b>6.5</b>
Loan-loss provisions	-679	28.8
<b>PBT</b>	<b>2,441</b>	<b>2.3</b>
<b>Attributable profit</b>	<b>1,625</b>	<b>1.7</b>

(\*) % change excluding FX impact

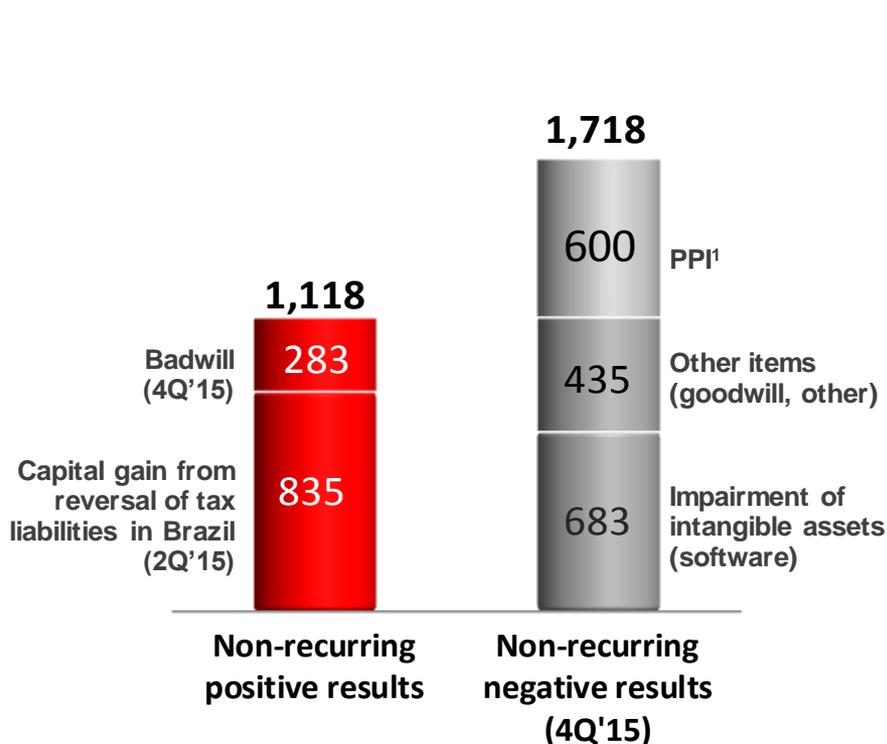
- **Customer-focused strategy**, underpinned by the **Division's global capacities** and their **interconnection with local units**
- **Reference positions** in export finance, corporate lending, project finance and issuances, among other, in Europe and Latin America
- **Positive evolution of revenues**. Rise in provisions and costs due to investment in developing franchises



**Group  
Balance Sheet  
and Results**

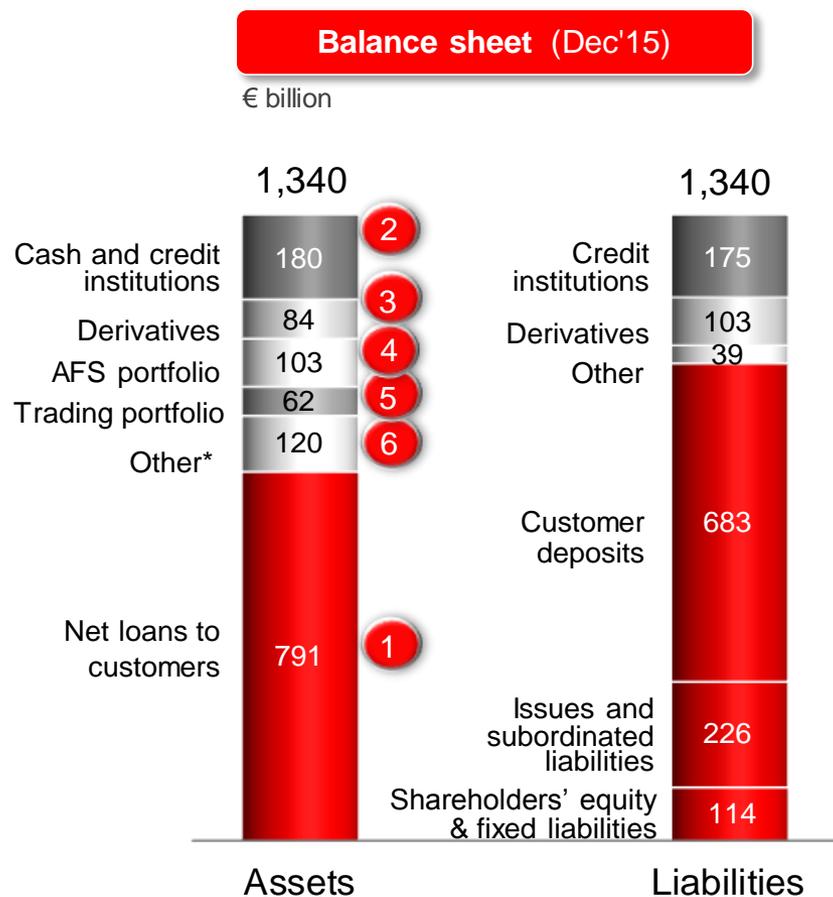


## Non-recurring capital gains and provisions were recorded in 2015



€ million	2015	% / 2014	% / 2014*
NII + Fee income	42,222	7.6	7.1
Gross income	45,272	6.2	5.6
Operating expenses	-21,571	7.6	6.9
<b>Net op. income</b>	<b>23,702</b>	<b>5.0</b>	<b>4.4</b>
Loan-loss provisions	-10,108	-4.3	-4.0
<b>Underlying PBT</b>	<b>10,939</b>	<b>12.5</b>	<b>10.3</b>
<b>Underlying attrib. profit</b>	<b>6,566</b>	<b>12.9</b>	<b>10.1</b>
Net capital gains and provisions	-600		
<b>Attributable profit</b>	<b>5,966</b>	<b>2.6</b>	<b>0.1</b>

# Retail balance sheet, appropriate for a low risk business model, liquid and well capitalised



- 1** Lending: 59% of balance sheet
- 2** Cash, central banks and credit institutions: 13%
- 3** Derivatives (with counterparty on the liabilities side): 6% of balance sheet
- 4** Available for sale portfolio (AFS): 8%
- 5** Trading portfolio: 5%
- 6** Other (goodwill, fixed assets, accruals): 9%

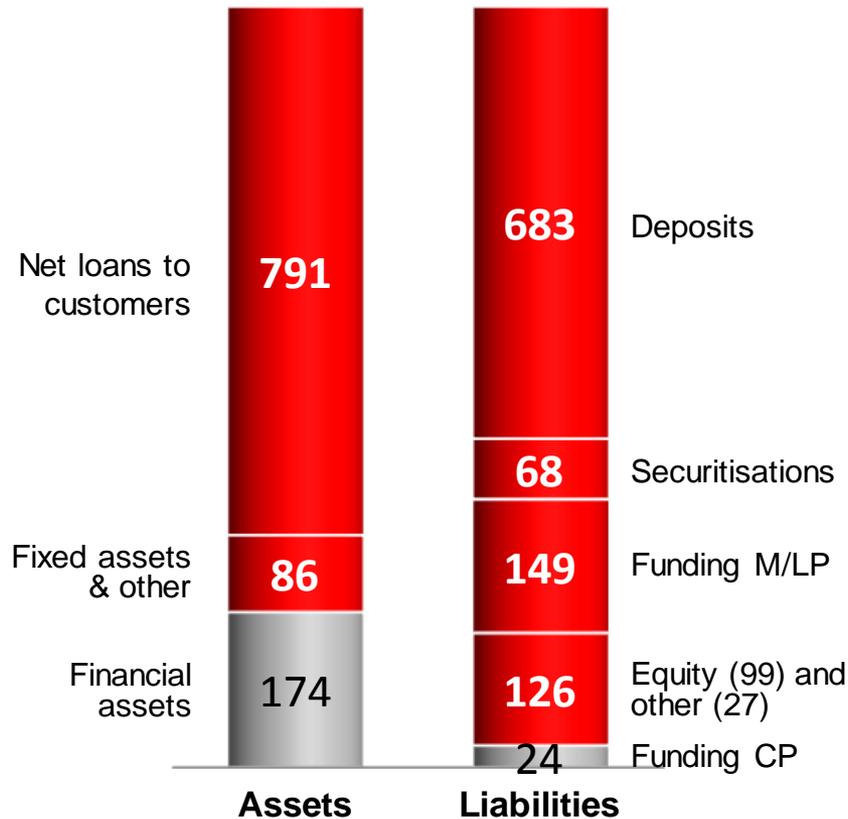


**Liquidity and funding**

**Well-funded balance sheet with high structural liquidity surplus**

**Liquidity balance sheet (Dec'15)**

€ billion



**Commercial Gap: EUR 108 bn.**

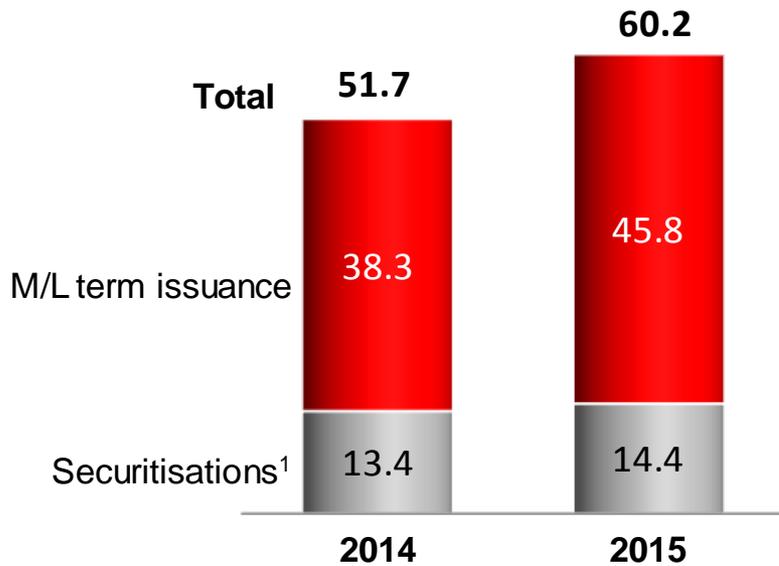
**Structural liquidity<sup>1</sup> surplus: EUR 149.1 bn. (14% net liabilities)**

Note: Liquidity balance sheet for management purposes (net of trading derivatives and interbank balances). Provisional  
 (1) Financial assets – short term wholesale funding markets

# Higher recourse to wholesale funding in 2015, backed by improved market conditions: issuances outpaced maturities

## Issuances

€ billion



## Diversified issuances – 2015



(1) Placed in the market and including structured finance



NPL, coverage ratios  
and cost of credit

# NPL ratio

%

	31.03.14	30.06.14	30.09.14	31.12.14	31.03.15	30.06.15	30.09.15	31.12.15
<b>Continental Europe</b>	9.08	9.00	8.92	8.88	8.52	8.15	7.89	7.27
Spain	7.61	7.59	7.57	7.38	7.25	6.91	6.61	6.53
Santander Consumer Finance	4.14	4.07	3.97	4.82	4.52	4.25	4.15	3.42
Poland	7.35	7.42	7.43	7.42	7.33	7.07	7.14	6.30
Portugal	8.26	8.16	8.49	8.89	8.96	8.80	8.86	7.46
<b>United Kingdom</b>	1.88	1.91	1.80	1.79	1.75	1.61	1.51	1.52
<b>Latin America</b>	5.19	5.18	5.13	4.79	4.64	4.74	4.65	4.96
Brazil	5.74	5.78	5.64	5.05	4.90	5.13	5.30	5.98
Mexico	3.62	3.52	3.74	3.84	3.71	3.81	3.54	3.38
Chile	5.99	5.94	5.98	5.97	5.88	5.73	5.60	5.62
<b>USA</b>	2.78	2.79	2.57	2.42	2.20	2.20	2.20	2.13
<b>Operating Areas</b>	5.54	5.46	5.29	5.19	4.87	4.68	4.52	4.39
<b>Total Group</b>	5.52	5.45	5.28	5.19	4.85	4.64	4.50	4.36

# Coverage ratio

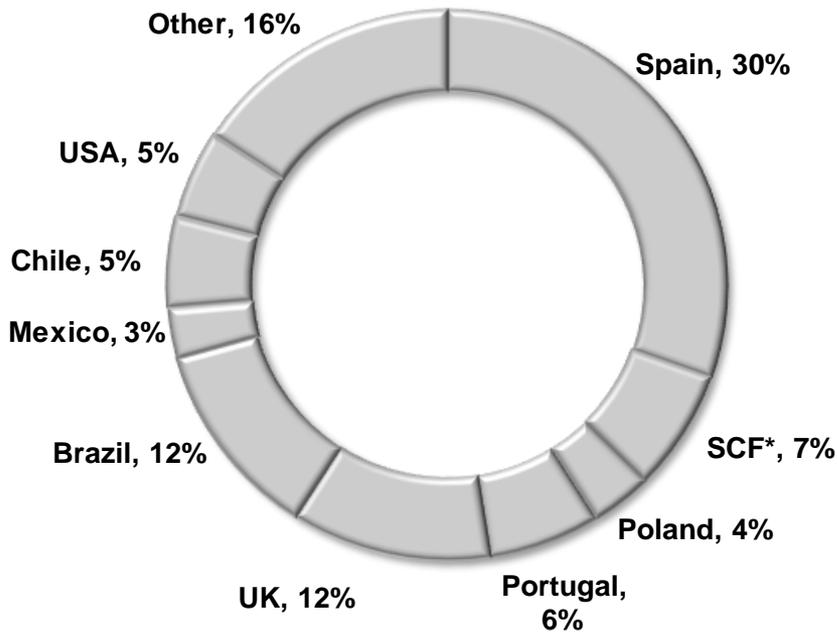
%

	31.03.14	30.06.14	30.09.14	31.12.14	31.03.15	30.06.15	30.09.15	31.12.15
<b>Continental Europe</b>	<b>58.0</b>	<b>58.4</b>	<b>58.1</b>	<b>57.2</b>	<b>58.6</b>	<b>58.9</b>	<b>60.4</b>	<b>64.2</b>
Spain	44.6	44.9	45.5	45.5	46.6	46.8	47.8	48.1
Santander Consumer Finance	105.1	105.2	106.4	100.1	103.6	104.9	107.2	109.1
Poland	64.6	65.3	65.8	60.3	61.6	63.5	63.1	64.0
Portugal	50.6	53.1	53.9	51.8	52.4	54.2	56.2	99.0
<b>United Kingdom</b>	<b>42.9</b>	<b>41.1</b>	<b>43.4</b>	<b>41.9</b>	<b>41.2</b>	<b>40.3</b>	<b>39.6</b>	<b>38.2</b>
<b>Latin America</b>	<b>85.9</b>	<b>86.0</b>	<b>83.4</b>	<b>84.5</b>	<b>83.6</b>	<b>84.4</b>	<b>85.4</b>	<b>79.0</b>
Brazil	95.2	94.8	91.4	95.4	95.2	95.9	96.0	83.7
Mexico	98.6	96.6	90.1	86.1	88.4	87.5	93.0	90.6
Chile	50.7	51.7	52.3	52.4	52.0	51.6	52.8	53.9
<b>USA</b>	<b>163.2</b>	<b>165.6</b>	<b>183.7</b>	<b>193.6</b>	<b>211.5</b>	<b>224.2</b>	<b>218.3</b>	<b>225.0</b>
<b>Operating Areas</b>	<b>66.0</b>	<b>66.4</b>	<b>67.0</b>	<b>66.6</b>	<b>68.3</b>	<b>69.4</b>	<b>70.5</b>	<b>72.6</b>
<b>Total Group</b>	<b>66.3</b>	<b>66.8</b>	<b>67.5</b>	<b>67.2</b>	<b>68.9</b>	<b>70.1</b>	<b>71.1</b>	<b>73.1</b>

# Non-performing loans and loan-loss allowances. 2015

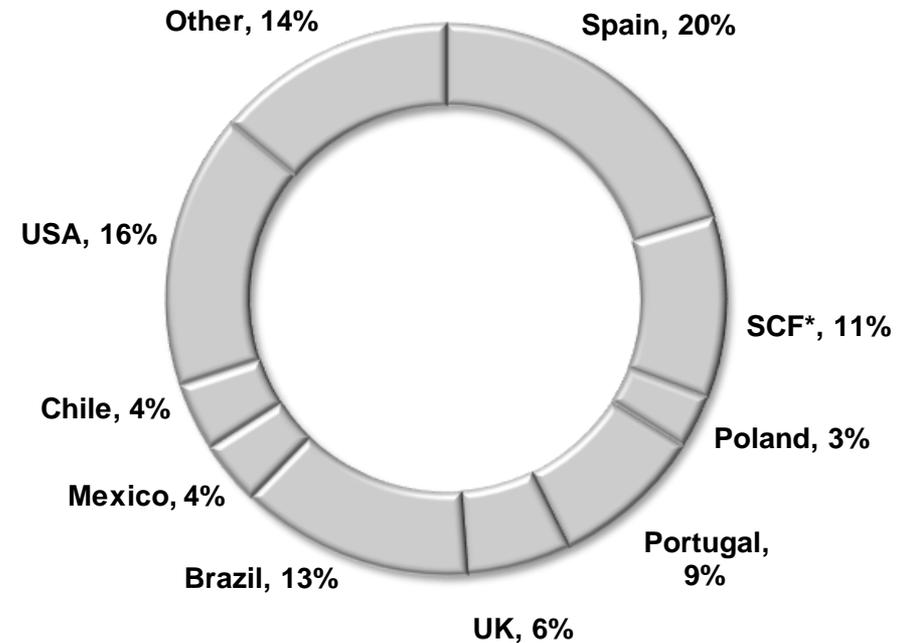
## Non-performing loans

100%: €37,094 mill.



## Loan-loss allowances

100%: €27,121 mill.



# Cost of credit

%

	31.03.14	30.06.14	30.09.14	31.12.14	31.03.15	30.06.15	30.09.15	31.12.15
<b>Continental Europe</b>	<b>1.20</b>	<b>1.14</b>	<b>1.07</b>	<b>1.01</b>	<b>0.95</b>	<b>0.86</b>	<b>0.77</b>	<b>0.68</b>
Spain	1.37	1.31	1.21	1.06	0.97	0.84	0.71	0.62
Santander Consumer Finance	0.89	0.87	0.85	0.90	0.93	0.91	0.87	0.77
Poland	0.98	0.92	0.95	1.04	1.00	1.00	0.96	0.87
Portugal	0.63	0.55	0.47	0.50	0.45	0.38	0.35	0.29
<b>United Kingdom</b>	<b>0.23</b>	<b>0.22</b>	<b>0.19</b>	<b>0.14</b>	<b>0.11</b>	<b>0.08</b>	<b>0.04</b>	<b>0.03</b>
<b>Latin America</b>	<b>4.36</b>	<b>4.06</b>	<b>3.88</b>	<b>3.70</b>	<b>3.53</b>	<b>3.39</b>	<b>3.33</b>	<b>3.36</b>
Brazil	5.82	5.38	5.14	4.91	4.63	4.45	4.40	4.50
Mexico	3.59	3.58	3.26	2.98	2.92	2.89	2.87	2.91
Chile	1.82	1.76	1.71	1.75	1.74	1.68	1.68	1.65
<b>USA</b>	<b>2.82</b>	<b>3.03</b>	<b>3.27</b>	<b>3.31</b>	<b>3.25</b>	<b>3.39</b>	<b>3.36</b>	<b>3.66</b>
<b>Operating Areas</b>	<b>1.61</b>	<b>1.55</b>	<b>1.50</b>	<b>1.44</b>	<b>1.38</b>	<b>1.33</b>	<b>1.27</b>	<b>1.26</b>
<b>Total Group</b>	<b>1.65</b>	<b>1.56</b>	<b>1.52</b>	<b>1.43</b>	<b>1.38</b>	<b>1.32</b>	<b>1.26</b>	<b>1.25</b>

# Spain Real Estate Activity. Exposure and coverage ratios

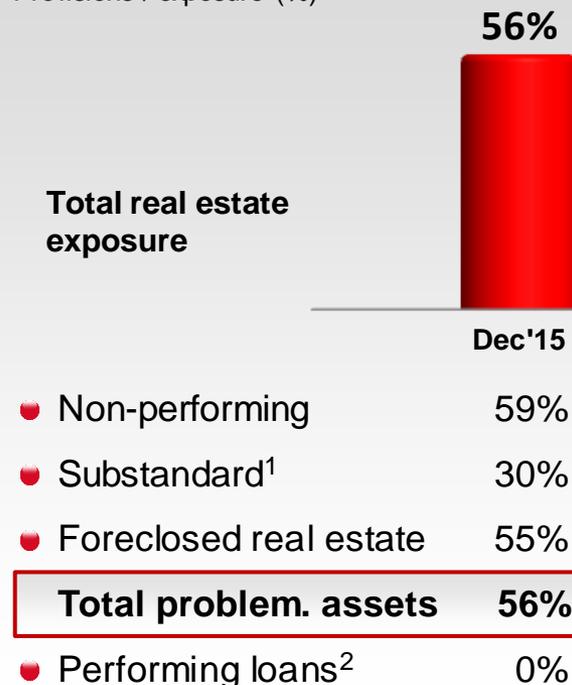
## Coverage by borrowers' situation (December 2015)

€ million

	Gross risk	Coverage Fund	Net Risk
● Non-performing	5,524	3,246	2,278
● Substandard <sup>1</sup>	387	117	270
● Foreclosed real estate	8,253	4,546	3,707
● Total problematic assets	14,164	7,909	6,255
● Performing loans <sup>2</sup>	48	0	48
<b>Real estate exposure</b>	<b>14,212</b>	<b>7,909</b>	<b>6,303</b>

## Total coverage (problematic assets + performing loans)

Provisions / exposure (%)



# Spain Real Estate Activity. Loans and foreclosures

## LOANS

€ Million

	Dec'15	Dec'14	Var.
Finished buildings	2.735	3.577	-842
Buildings under constr.	137	330	-193
Developed land	1.603	2.641	-1.038
Building and other land	699	752	-53
Non mortgage guarantee	785	1.176	-391
<b>Total</b>	<b>5.959</b>	<b>8.476</b>	<b>-2.517</b>

## Foreclosed REAL ESTATE (Dec. 2015)

€ Million

	Gross amount	Coverage	Net amount
Finished buildings	2,292	46%	1,235
Buildings under constr.	832	49%	424
Developed land	2,670	60%	1,082
Building land	2,411	61%	947
Other land	48	60%	19
<b>Total</b>	<b>8,253</b>	<b>55%</b>	<b>3,707</b>



# Quarterly P&L



# Santander Group

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	9,323	9,773	9,910	10,238	10,563	10,867	10,457	10,336	39,244	42,222
Gross income	10,124	10,488	10,961	11,040	11,444	11,618	11,316	10,894	42,612	45,272
Operating expenses	(4,847)	(4,906)	(5,070)	(5,216)	(5,377)	(5,429)	(5,342)	(5,422)	(20,038)	(21,571)
<b>Net operating income</b>	<b>5,277</b>	<b>5,582</b>	<b>5,891</b>	<b>5,824</b>	<b>6,067</b>	<b>6,189</b>	<b>5,974</b>	<b>5,472</b>	<b>22,574</b>	<b>23,702</b>
Net loan-loss provisions	(2,695)	(2,638)	(2,777)	(2,452)	(2,563)	(2,508)	(2,479)	(2,558)	(10,562)	(10,108)
Other	(433)	(508)	(558)	(792)	(514)	(683)	(716)	(742)	(2,292)	(2,654)
<b>Underlying profit before taxes</b>	<b>2,149</b>	<b>2,435</b>	<b>2,556</b>	<b>2,580</b>	<b>2,990</b>	<b>2,998</b>	<b>2,778</b>	<b>2,173</b>	<b>9,720</b>	<b>10,939</b>
<b>Underlying consolidated profit</b>	<b>1,579</b>	<b>1,771</b>	<b>1,901</b>	<b>1,746</b>	<b>2,067</b>	<b>2,059</b>	<b>1,991</b>	<b>1,702</b>	<b>6,998</b>	<b>7,819</b>
<b>Underlying attributable profit</b>	<b>1,303</b>	<b>1,453</b>	<b>1,605</b>	<b>1,455</b>	<b>1,717</b>	<b>1,709</b>	<b>1,680</b>	<b>1,460</b>	<b>5,816</b>	<b>6,566</b>
Attributable profit	1,303	1,453	1,605	1,455	1,717	2,544	1,680	25	5,816	5,966

# Santander Group

Constant EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	9,550	9,843	9,831	10,194	10,203	10,560	10,682	10,777	39,417	42,222
Gross income	10,377	10,586	10,888	11,018	11,078	11,297	11,550	11,348	42,869	45,272
Operating expenses	(4,967)	(4,954)	(5,047)	(5,207)	(5,232)	(5,299)	(5,433)	(5,606)	(20,175)	(21,571)
<b>Net operating income</b>	<b>5,410</b>	<b>5,632</b>	<b>5,842</b>	<b>5,811</b>	<b>5,846</b>	<b>5,998</b>	<b>6,116</b>	<b>5,742</b>	<b>22,695</b>	<b>23,702</b>
Net loan-loss provisions	(2,750)	(2,626)	(2,744)	(2,413)	(2,461)	(2,428)	(2,542)	(2,677)	(10,533)	(10,108)
Other	(425)	(491)	(526)	(800)	(491)	(662)	(728)	(773)	(2,243)	(2,654)
<b>Underlying profit before taxes</b>	<b>2,235</b>	<b>2,515</b>	<b>2,572</b>	<b>2,598</b>	<b>2,894</b>	<b>2,908</b>	<b>2,846</b>	<b>2,292</b>	<b>9,919</b>	<b>10,939</b>
<b>Underlying consolidated profit</b>	<b>1,649</b>	<b>1,829</b>	<b>1,915</b>	<b>1,752</b>	<b>2,002</b>	<b>1,992</b>	<b>2,035</b>	<b>1,790</b>	<b>7,146</b>	<b>7,819</b>
<b>Underlying attributable profit</b>	<b>1,371</b>	<b>1,510</b>	<b>1,627</b>	<b>1,455</b>	<b>1,660</b>	<b>1,653</b>	<b>1,717</b>	<b>1,536</b>	<b>5,963</b>	<b>6,566</b>
Attributable profit	1,371	1,510	1,627	1,455	1,660	2,488	1,717	101	5,963	5,966

# Continental Europe

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	2,699	2,779	2,707	2,831	2,899	2,884	2,842	2,798	11,017	11,423
Gross income	3,029	3,146	3,080	3,249	3,409	3,218	3,253	2,950	12,504	12,830
Operating expenses	(1,634)	(1,611)	(1,584)	(1,614)	(1,670)	(1,679)	(1,689)	(1,699)	(6,444)	(6,736)
<b>Net operating income</b>	<b>1,394</b>	<b>1,534</b>	<b>1,496</b>	<b>1,635</b>	<b>1,739</b>	<b>1,539</b>	<b>1,564</b>	<b>1,251</b>	<b>6,059</b>	<b>6,093</b>
Net loan-loss provisions	(791)	(770)	(737)	(583)	(637)	(512)	(495)	(331)	(2,880)	(1,975)
Other	(197)	(215)	(188)	(93)	(139)	(186)	(137)	(291)	(693)	(753)
<b>Profit before taxes</b>	<b>407</b>	<b>550</b>	<b>571</b>	<b>959</b>	<b>963</b>	<b>842</b>	<b>932</b>	<b>629</b>	<b>2,486</b>	<b>3,366</b>
<b>Consolidated profit</b>	<b>318</b>	<b>415</b>	<b>425</b>	<b>663</b>	<b>712</b>	<b>625</b>	<b>690</b>	<b>452</b>	<b>1,821</b>	<b>2,479</b>
<b>Attributable profit</b>	<b>284</b>	<b>378</b>	<b>381</b>	<b>604</b>	<b>640</b>	<b>560</b>	<b>625</b>	<b>393</b>	<b>1,648</b>	<b>2,218</b>

# Spain

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	1,339	1,375	1,334	1,373	1,371	1,296	1,251	1,199	5,420	5,118
Gross income	1,620	1,665	1,661	1,690	1,749	1,522	1,571	1,238	6,636	6,080
Operating expenses	(897)	(877)	(859)	(863)	(855)	(856)	(863)	(860)	(3,496)	(3,434)
<b>Net operating income</b>	<b>722</b>	<b>788</b>	<b>802</b>	<b>827</b>	<b>894</b>	<b>666</b>	<b>708</b>	<b>379</b>	<b>3,140</b>	<b>2,646</b>
Net loan-loss provisions	(507)	(488)	(429)	(320)	(366)	(264)	(205)	(156)	(1,745)	(992)
Other	(41)	(63)	(18)	(89)	(44)	(71)	(58)	(89)	(212)	(263)
<b>Profit before taxes</b>	<b>174</b>	<b>237</b>	<b>354</b>	<b>417</b>	<b>483</b>	<b>331</b>	<b>444</b>	<b>134</b>	<b>1,183</b>	<b>1,392</b>
<b>Consolidated profit</b>	<b>122</b>	<b>166</b>	<b>252</b>	<b>293</b>	<b>345</b>	<b>238</b>	<b>317</b>	<b>99</b>	<b>833</b>	<b>999</b>
<b>Attributable profit</b>	<b>120</b>	<b>166</b>	<b>252</b>	<b>289</b>	<b>340</b>	<b>232</b>	<b>311</b>	<b>94</b>	<b>827</b>	<b>977</b>

# Santander Consumer Finance

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	776	801	801	832	949	990	1,011	1,022	3,209	3,973
Gross income	776	805	800	843	959	991	1,018	998	3,224	3,965
Operating expenses	(370)	(361)	(358)	(379)	(422)	(442)	(443)	(467)	(1,468)	(1,774)
<b>Net operating income</b>	<b>406</b>	<b>444</b>	<b>442</b>	<b>465</b>	<b>537</b>	<b>549</b>	<b>575</b>	<b>530</b>	<b>1,756</b>	<b>2,192</b>
Net loan-loss provisions	(130)	(123)	(149)	(143)	(168)	(131)	(142)	(97)	(544)	(537)
Other	(14)	(17)	(71)	65	(22)	(36)	(44)	(50)	(37)	(152)
<b>Profit before taxes</b>	<b>263</b>	<b>304</b>	<b>222</b>	<b>387</b>	<b>348</b>	<b>382</b>	<b>389</b>	<b>383</b>	<b>1,175</b>	<b>1,502</b>
<b>Consolidated profit</b>	<b>198</b>	<b>220</b>	<b>160</b>	<b>256</b>	<b>251</b>	<b>272</b>	<b>281</b>	<b>271</b>	<b>834</b>	<b>1,076</b>
<b>Attributable profit</b>	<b>192</b>	<b>213</b>	<b>146</b>	<b>245</b>	<b>220</b>	<b>241</b>	<b>242</b>	<b>236</b>	<b>795</b>	<b>938</b>

# Poland

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	317	328	322	302	291	301	300	311	1,269	1,204
Gross income	334	353	335	353	340	336	309	292	1,376	1,276
Operating expenses	(148)	(149)	(144)	(144)	(151)	(153)	(146)	(143)	(585)	(594)
<b>Net operating income</b>	<b>187</b>	<b>204</b>	<b>191</b>	<b>209</b>	<b>190</b>	<b>182</b>	<b>162</b>	<b>149</b>	<b>791</b>	<b>683</b>
Net loan-loss provisions	(43)	(42)	(44)	(57)	(39)	(46)	(39)	(44)	(186)	(167)
Other	(3)	(16)	8	22	(1)	(2)	3	(4)	11	(4)
<b>Profit before taxes</b>	<b>141</b>	<b>146</b>	<b>155</b>	<b>174</b>	<b>150</b>	<b>135</b>	<b>125</b>	<b>101</b>	<b>616</b>	<b>511</b>
<b>Consolidated profit</b>	<b>115</b>	<b>119</b>	<b>122</b>	<b>126</b>	<b>122</b>	<b>112</b>	<b>99</b>	<b>77</b>	<b>482</b>	<b>410</b>
<b>Attributable profit</b>	<b>84</b>	<b>87</b>	<b>91</b>	<b>93</b>	<b>89</b>	<b>82</b>	<b>73</b>	<b>57</b>	<b>355</b>	<b>300</b>

# Poland

PLN million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	1,327	1,367	1,344	1,271	1,220	1,232	1,255	1,327	5,309	5,034
Gross income	1,399	1,471	1,400	1,487	1,427	1,371	1,293	1,247	5,756	5,338
Operating expenses	(618)	(621)	(603)	(606)	(632)	(626)	(614)	(611)	(2,448)	(2,484)
<b>Net operating income</b>	<b>781</b>	<b>850</b>	<b>797</b>	<b>880</b>	<b>794</b>	<b>745</b>	<b>679</b>	<b>636</b>	<b>3,308</b>	<b>2,855</b>
Net loan-loss provisions	(180)	(174)	(184)	(238)	(164)	(187)	(164)	(186)	(776)	(700)
Other	(12)	(66)	33	90	(3)	(9)	11	(16)	45	(17)
<b>Profit before taxes</b>	<b>589</b>	<b>609</b>	<b>646</b>	<b>732</b>	<b>627</b>	<b>549</b>	<b>526</b>	<b>435</b>	<b>2,577</b>	<b>2,137</b>
<b>Consolidated profit</b>	<b>479</b>	<b>496</b>	<b>508</b>	<b>533</b>	<b>512</b>	<b>456</b>	<b>416</b>	<b>331</b>	<b>2,016</b>	<b>1,715</b>
<b>Attributable profit</b>	<b>352</b>	<b>362</b>	<b>379</b>	<b>393</b>	<b>372</b>	<b>333</b>	<b>306</b>	<b>245</b>	<b>1,485</b>	<b>1,256</b>

# Portugal

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	202	204	206	215	211	208	200	200	826	818
Gross income	228	237	230	261	238	234	226	318	956	1,016
Operating expenses	(124)	(123)	(123)	(128)	(123)	(122)	(124)	(125)	(498)	(494)
<b>Net operating income</b>	<b>105</b>	<b>114</b>	<b>106</b>	<b>133</b>	<b>115</b>	<b>112</b>	<b>102</b>	<b>193</b>	<b>459</b>	<b>522</b>
Net loan-loss provisions	(34)	(40)	(32)	(17)	(22)	(21)	(24)	(5)	(124)	(72)
Other	(30)	(29)	(20)	(20)	(21)	(23)	23	(10)	(99)	(31)
<b>Profit before taxes</b>	<b>40</b>	<b>45</b>	<b>55</b>	<b>96</b>	<b>72</b>	<b>67</b>	<b>101</b>	<b>178</b>	<b>236</b>	<b>419</b>
<b>Consolidated profit</b>	<b>32</b>	<b>36</b>	<b>40</b>	<b>72</b>	<b>55</b>	<b>49</b>	<b>77</b>	<b>120</b>	<b>181</b>	<b>301</b>
<b>Attributable profit</b>	<b>34</b>	<b>38</b>	<b>41</b>	<b>72</b>	<b>55</b>	<b>49</b>	<b>77</b>	<b>119</b>	<b>184</b>	<b>300</b>

# United Kingdom

GBP million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	1,023	1,045	1,070	1,101	1,100	1,110	1,092	1,076	4,240	4,377
Gross income	1,100	1,105	1,124	1,136	1,152	1,173	1,150	1,155	4,464	4,630
Operating expenses	(580)	(578)	(585)	(609)	(612)	(608)	(605)	(610)	(2,351)	(2,435)
<b>Net operating income</b>	<b>520</b>	<b>527</b>	<b>539</b>	<b>527</b>	<b>540</b>	<b>565</b>	<b>545</b>	<b>545</b>	<b>2,113</b>	<b>2,195</b>
Net loan-loss provisions	(99)	(71)	(70)	(27)	(56)	(12)	6	(15)	(268)	(78)
Other	(38)	(51)	(58)	(108)	(41)	(36)	(94)	(85)	(256)	(257)
<b>Profit before taxes</b>	<b>382</b>	<b>405</b>	<b>411</b>	<b>392</b>	<b>443</b>	<b>516</b>	<b>457</b>	<b>444</b>	<b>1,589</b>	<b>1,860</b>
<b>Consolidated profit</b>	<b>307</b>	<b>321</b>	<b>322</b>	<b>305</b>	<b>356</b>	<b>401</b>	<b>350</b>	<b>350</b>	<b>1,254</b>	<b>1,457</b>
<b>Attributable profit</b>	<b>307</b>	<b>321</b>	<b>322</b>	<b>305</b>	<b>350</b>	<b>394</b>	<b>343</b>	<b>343</b>	<b>1,254</b>	<b>1,430</b>

# United States

USD million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	1,830	1,894	1,890	1,838	1,940	2,011	2,019	2,014	7,451	7,984
Gross income	1,907	1,972	2,038	2,012	2,101	2,210	2,169	2,167	7,929	8,647
Operating expenses	(722)	(719)	(750)	(779)	(783)	(806)	(858)	(907)	(2,970)	(3,354)
<b>Net operating income</b>	<b>1,186</b>	<b>1,253</b>	<b>1,287</b>	<b>1,233</b>	<b>1,318</b>	<b>1,404</b>	<b>1,311</b>	<b>1,260</b>	<b>4,959</b>	<b>5,293</b>
Net loan-loss provisions	(748)	(684)	(811)	(718)	(719)	(834)	(834)	(1,053)	(2,961)	(3,440)
Other	(3)	(4)	(19)	43	(21)	(46)	(41)	(56)	17	(164)
<b>Profit before taxes</b>	<b>434</b>	<b>566</b>	<b>458</b>	<b>559</b>	<b>579</b>	<b>524</b>	<b>436</b>	<b>150</b>	<b>2,016</b>	<b>1,689</b>
<b>Consolidated profit</b>	<b>306</b>	<b>377</b>	<b>340</b>	<b>410</b>	<b>401</b>	<b>349</b>	<b>294</b>	<b>73</b>	<b>1,433</b>	<b>1,117</b>
<b>Attributable profit</b>	<b>246</b>	<b>287</b>	<b>275</b>	<b>334</b>	<b>289</b>	<b>239</b>	<b>207</b>	<b>17</b>	<b>1,142</b>	<b>752</b>

# Brazil

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	2,807	2,949	2,988	2,937	2,962	2,869	2,598	2,534	11,680	10,963
Gross income	2,826	2,952	3,158	2,943	3,007	2,981	2,656	2,497	11,879	11,140
Operating expenses	(1,140)	(1,204)	(1,299)	(1,298)	(1,187)	(1,151)	(1,056)	(1,059)	(4,942)	(4,452)
<b>Net operating income</b>	<b>1,686</b>	<b>1,748</b>	<b>1,858</b>	<b>1,645</b>	<b>1,820</b>	<b>1,830</b>	<b>1,600</b>	<b>1,438</b>	<b>6,937</b>	<b>6,689</b>
Net loan-loss provisions	(905)	(933)	(958)	(887)	(826)	(828)	(813)	(830)	(3,682)	(3,297)
Other	(143)	(166)	(253)	(244)	(209)	(263)	(255)	(151)	(805)	(878)
<b>Profit before taxes</b>	<b>639</b>	<b>650</b>	<b>647</b>	<b>514</b>	<b>785</b>	<b>739</b>	<b>533</b>	<b>457</b>	<b>2,449</b>	<b>2,513</b>
<b>Consolidated profit</b>	<b>444</b>	<b>471</b>	<b>487</b>	<b>403</b>	<b>532</b>	<b>509</b>	<b>434</b>	<b>350</b>	<b>1,806</b>	<b>1,824</b>
<b>Attributable profit</b>	<b>339</b>	<b>362</b>	<b>376</b>	<b>361</b>	<b>477</b>	<b>452</b>	<b>385</b>	<b>317</b>	<b>1,437</b>	<b>1,631</b>

# Brazil

R\$ million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	9,092	9,017	8,988	9,324	9,522	9,736	10,129	10,570	36,420	39,958
Gross income	9,156	9,026	9,514	9,344	9,666	10,109	10,362	10,468	37,040	40,605
Operating expenses	(3,694)	(3,684)	(3,917)	(4,116)	(3,815)	(3,904)	(4,110)	(4,396)	(15,410)	(16,225)
<b>Net operating income</b>	<b>5,462</b>	<b>5,343</b>	<b>5,597</b>	<b>5,228</b>	<b>5,851</b>	<b>6,205</b>	<b>6,251</b>	<b>6,072</b>	<b>21,630</b>	<b>24,379</b>
Net loan-loss provisions	(2,930)	(2,850)	(2,882)	(2,818)	(2,657)	(2,808)	(3,138)	(3,415)	(11,481)	(12,017)
Other	(462)	(508)	(770)	(772)	(672)	(888)	(975)	(667)	(2,511)	(3,201)
<b>Profit before taxes</b>	<b>2,070</b>	<b>1,985</b>	<b>1,945</b>	<b>1,638</b>	<b>2,523</b>	<b>2,509</b>	<b>2,139</b>	<b>1,990</b>	<b>7,638</b>	<b>9,161</b>
<b>Consolidated profit</b>	<b>1,440</b>	<b>1,442</b>	<b>1,466</b>	<b>1,283</b>	<b>1,711</b>	<b>1,726</b>	<b>1,704</b>	<b>1,509</b>	<b>5,630</b>	<b>6,650</b>
<b>Attributable profit</b>	<b>1,098</b>	<b>1,106</b>	<b>1,132</b>	<b>1,146</b>	<b>1,534</b>	<b>1,536</b>	<b>1,514</b>	<b>1,362</b>	<b>4,482</b>	<b>5,946</b>

# Mexico

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	688	706	741	768	791	834	794	832	2,903	3,251
Gross income	701	760	778	780	819	854	794	850	3,019	3,317
Operating expenses	(312)	(317)	(325)	(328)	(355)	(353)	(327)	(334)	(1,282)	(1,370)
<b>Net operating income</b>	<b>389</b>	<b>442</b>	<b>453</b>	<b>452</b>	<b>463</b>	<b>501</b>	<b>467</b>	<b>516</b>	<b>1,736</b>	<b>1,947</b>
Net loan-loss provisions	(179)	(191)	(210)	(177)	(211)	(224)	(227)	(215)	(756)	(877)
Other	(2)	(2)	6	(1)	8	(2)	1	(10)	2	(4)
<b>Profit before taxes</b>	<b>209</b>	<b>250</b>	<b>249</b>	<b>274</b>	<b>260</b>	<b>274</b>	<b>241</b>	<b>291</b>	<b>982</b>	<b>1,067</b>
<b>Consolidated profit</b>	<b>166</b>	<b>200</b>	<b>204</b>	<b>228</b>	<b>201</b>	<b>213</b>	<b>193</b>	<b>224</b>	<b>797</b>	<b>831</b>
<b>Attributable profit</b>	<b>126</b>	<b>154</b>	<b>154</b>	<b>172</b>	<b>153</b>	<b>160</b>	<b>143</b>	<b>173</b>	<b>606</b>	<b>629</b>

# Mexico

Million pesos

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	12,470	12,578	12,871	13,308	13,300	14,117	14,479	15,219	51,226	57,115
Gross income	12,712	13,548	13,516	13,491	13,769	14,450	14,503	15,547	53,268	58,269
Operating expenses	(5,659)	(5,656)	(5,647)	(5,667)	(5,973)	(5,978)	(5,978)	(6,131)	(22,629)	(24,060)
<b>Net operating income</b>	<b>7,053</b>	<b>7,892</b>	<b>7,870</b>	<b>7,824</b>	<b>7,795</b>	<b>8,472</b>	<b>8,526</b>	<b>9,416</b>	<b>30,639</b>	<b>34,209</b>
Net loan-loss provisions	(3,237)	(3,401)	(3,654)	(3,058)	(3,545)	(3,791)	(4,131)	(3,939)	(13,349)	(15,406)
Other	(28)	(34)	106	(13)	130	(36)	17	(174)	31	(64)
<b>Profit before taxes</b>	<b>3,788</b>	<b>4,458</b>	<b>4,322</b>	<b>4,753</b>	<b>4,380</b>	<b>4,644</b>	<b>4,412</b>	<b>5,302</b>	<b>17,321</b>	<b>18,739</b>
<b>Consolidated profit</b>	<b>3,003</b>	<b>3,561</b>	<b>3,542</b>	<b>3,959</b>	<b>3,381</b>	<b>3,606</b>	<b>3,530</b>	<b>4,080</b>	<b>14,066</b>	<b>14,597</b>
<b>Attributable profit</b>	<b>2,279</b>	<b>2,748</b>	<b>2,682</b>	<b>2,992</b>	<b>2,574</b>	<b>2,704</b>	<b>2,613</b>	<b>3,155</b>	<b>10,701</b>	<b>11,046</b>

# Chile

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	489	525	470	577	485	593	554	519	2,062	2,151
Gross income	532	550	504	608	553	633	606	543	2,194	2,336
Operating expenses	(204)	(213)	(220)	(229)	(238)	(263)	(243)	(260)	(866)	(1,004)
<b>Net operating income</b>	<b>328</b>	<b>336</b>	<b>284</b>	<b>379</b>	<b>316</b>	<b>370</b>	<b>364</b>	<b>283</b>	<b>1,327</b>	<b>1,332</b>
Net loan-loss provisions	(116)	(118)	(131)	(156)	(132)	(126)	(153)	(157)	(521)	(567)
Other	(7)	(3)	3	(18)	6	(3)	(4)	4	(24)	3
<b>Profit before taxes</b>	<b>206</b>	<b>216</b>	<b>156</b>	<b>205</b>	<b>190</b>	<b>241</b>	<b>207</b>	<b>130</b>	<b>783</b>	<b>768</b>
<b>Consolidated profit</b>	<b>173</b>	<b>189</b>	<b>132</b>	<b>234</b>	<b>147</b>	<b>212</b>	<b>182</b>	<b>113</b>	<b>728</b>	<b>655</b>
<b>Attributable profit</b>	<b>120</b>	<b>129</b>	<b>89</b>	<b>160</b>	<b>106</b>	<b>147</b>	<b>125</b>	<b>78</b>	<b>498</b>	<b>455</b>

# Chile

Ch\$ billion

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	369.5	399.2	359.3	432.0	340.6	405.7	414.4	396.5	1,560.0	1,557.2
Gross income	402.0	417.9	385.6	454.5	388.8	432.5	453.8	415.9	1,660.0	1,691.0
Operating expenses	(154.0)	(162.2)	(168.3)	(171.1)	(167.0)	(179.8)	(182.1)	(197.7)	(655.5)	(726.6)
<b>Net operating income</b>	<b>248.0</b>	<b>255.7</b>	<b>217.3</b>	<b>283.5</b>	<b>221.9</b>	<b>252.7</b>	<b>271.7</b>	<b>218.2</b>	<b>1,004.5</b>	<b>964.5</b>
Net loan-loss provisions	(87.7)	(89.6)	(100.0)	(116.6)	(92.5)	(86.0)	(113.4)	(118.6)	(393.9)	(410.5)
Other	(5.1)	(2.0)	2.1	(13.4)	4.3	(2.0)	(2.9)	2.8	(18.4)	2.2
<b>Profit before taxes</b>	<b>155.3</b>	<b>164.1</b>	<b>119.4</b>	<b>153.4</b>	<b>133.8</b>	<b>164.7</b>	<b>155.3</b>	<b>102.5</b>	<b>592.2</b>	<b>556.2</b>
<b>Consolidated profit</b>	<b>131.0</b>	<b>143.3</b>	<b>101.5</b>	<b>175.3</b>	<b>103.5</b>	<b>145.5</b>	<b>136.1</b>	<b>88.9</b>	<b>551.1</b>	<b>474.0</b>
<b>Attributable profit</b>	<b>90.9</b>	<b>98.1</b>	<b>68.3</b>	<b>119.7</b>	<b>74.5</b>	<b>100.7</b>	<b>93.5</b>	<b>61.0</b>	<b>377.1</b>	<b>329.8</b>

# Corporate Centre

EUR million

	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15	2014	2015
NII + Fee income	(240)	(158)	(116)	(132)	(222)	(138)	(139)	(142)	(646)	(641)
Gross income	(25)	(83)	117	23	(230)	(177)	(56)	(32)	32	(495)
Operating expenses	(144)	(146)	(146)	(149)	(142)	(150)	(142)	(112)	(586)	(547)
<b>Net operating income</b>	<b>(170)</b>	<b>(229)</b>	<b>(29)</b>	<b>(126)</b>	<b>(372)</b>	<b>(327)</b>	<b>(199)</b>	<b>(144)</b>	<b>(554)</b>	<b>(1,042)</b>
Net loan-loss provisions	2	(2)	0	2	(1)	2	(1)	26	2	27
Other	(27)	(48)	(53)	(325)	(98)	(132)	(148)	(130)	(453)	(507)
<b>Underlying profit before taxes</b>	<b>(195)</b>	<b>(278)</b>	<b>(82)</b>	<b>(449)</b>	<b>(470)</b>	<b>(457)</b>	<b>(348)</b>	<b>(247)</b>	<b>(1,004)</b>	<b>(1,523)</b>
<b>Underlying consolidated profit</b>	<b>(187)</b>	<b>(265)</b>	<b>(111)</b>	<b>(588)</b>	<b>(465)</b>	<b>(489)</b>	<b>(392)</b>	<b>(117)</b>	<b>(1,152)</b>	<b>(1,464)</b>
<b>Underlying attributable profit</b>	<b>(187)</b>	<b>(265)</b>	<b>(111)</b>	<b>(588)</b>	<b>(491)</b>	<b>(489)</b>	<b>(395)</b>	<b>(119)</b>	<b>(1,151)</b>	<b>(1,493)</b>
Attributable profit	(187)	(265)	(111)	(588)	(491)	346	(395)	(1,554)	(1,151)	(2,093)

# Thank you

Our purpose is to help people and businesses prosper.

Our culture is based on the belief that everything we do should be

**Simple | Personal | Fair**

