

27 April 2016

Earnings Presentation 1Q'16

Simple | Personal | Fair



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Agenda

- **Group performance 1Q'16**

- Business areas 1Q'16

- Conclusions

- Appendix



1Q'16 Financial Highlights

■ **Attributable profit of €1,633 million**

vs. 1Q'15

-5% in euros
+8% (currency-neutral basis)

■ **Commercial revenues up y-o-y**
(currency-neutral basis)

Net interest income

+6%

Fee income

+7%

■ **Enhanced balance sheet quality and lower cost of credit**

NPL ratio

4.33%

Cost of credit

1.22%

■ **Capital increase compatible with high RoTE**

FL CET1

10.27%

RoTE

11.1%

1Q'16 Business Highlights

Var. Mar'16 / Mar'15

■ Selective growth:

- Lending to individuals and SMEs (+4%)
- Demand deposits (+9%)

| | |
|--------------|------------|
| Loans | +4% |
| Funds | +4% |

■ Loyal customers: **14.0** million

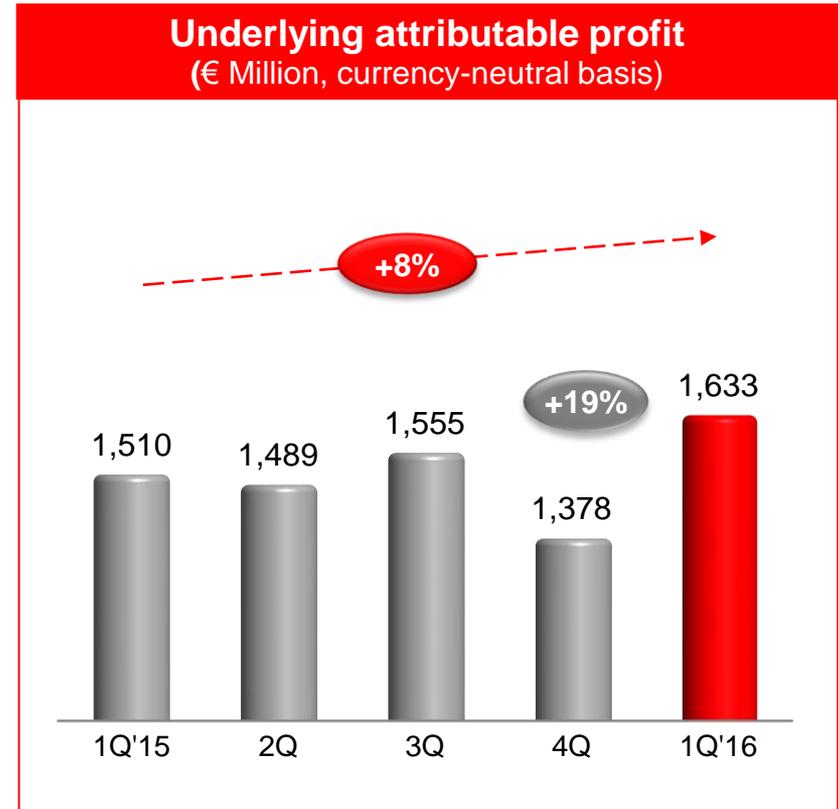
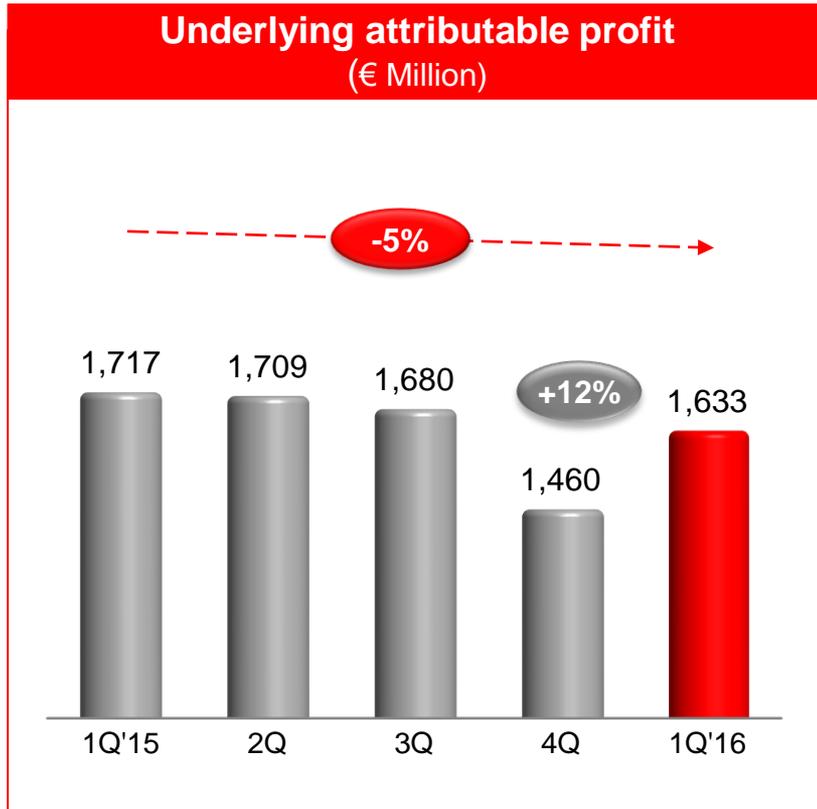
| | | |
|--------------------|-----------------|-------------|
| Individuals | +899,000 | +8% |
| Companies | +110,000 | +10% |

■ Digital customers: **17.8** million

| | | |
|-----------------------------|-------------------|-------------|
| Total customers | +2.6 mill. | +17% |
| Mobile banking users | +2.4 mill. | +49% |

Note: Loans excluding repos. Customer funds: deposits excluding repos + marketed mutual funds. % change on a currency-neutral basis

Good momentum in profits, growing on a currency-neutral basis



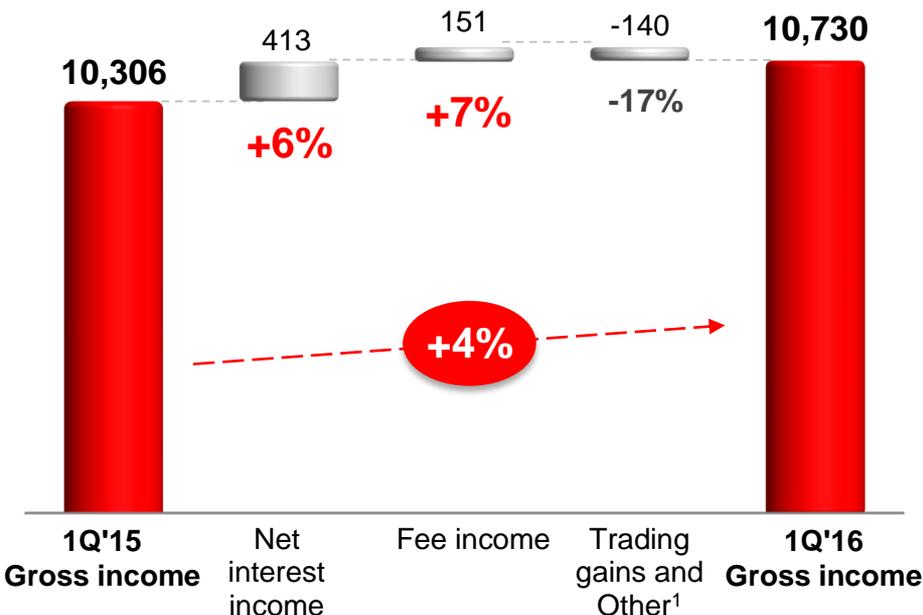
Higher attributable profit backed by commercial revenues and lower cost of credit (currency-neutral basis)

| € million | 1Q'16 | %1Q'15 | %1Q'15 (currency-neutral) | |
|----------------------------|--------------|-------------|------------------------------|--|
| NII + Fee income | 10,021 | -5.1 | 6.0 | Gross income backed by commercial transformation A |
| Gross income | 10,730 | -6.2 | 4.1 | |
| Operating expenses | -5,158 | -4.1 | 5.6 | Operational excellence and greater effort in cost control B |
| Net operating income | 5,572 | -8.1 | 2.8 | |
| Loan-loss provisions | -2,408 | -6.0 | 4.5 | Ongoing credit quality improvement, with stable provisions in recent quarters C |
| PBT | 2,732 | -8.6 | 2.7 | |
| Tax | -810 | -12.2 | -1.9 | |
| Attributable profit | 1,633 | -4.9 | 8.2 | Profit growth, focusing on generating shareholder value D |

Net interest income rose in 9 of 10 core units and fee income grew at a faster pace in general terms

Gross income

€ million and % change (currency-neutral basis)

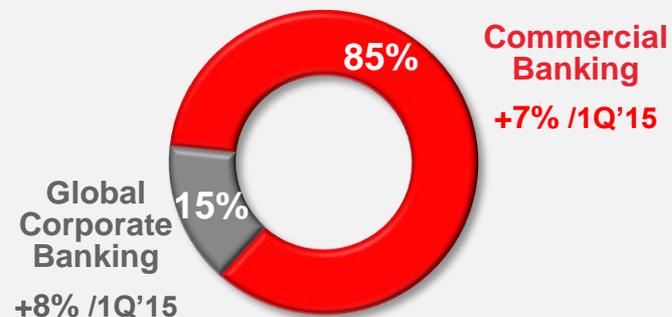


Net interest income

- NII growth driven by larger volumes in loans and deposits
- Lower cost of deposits and pressure on assets

Fee income by segment

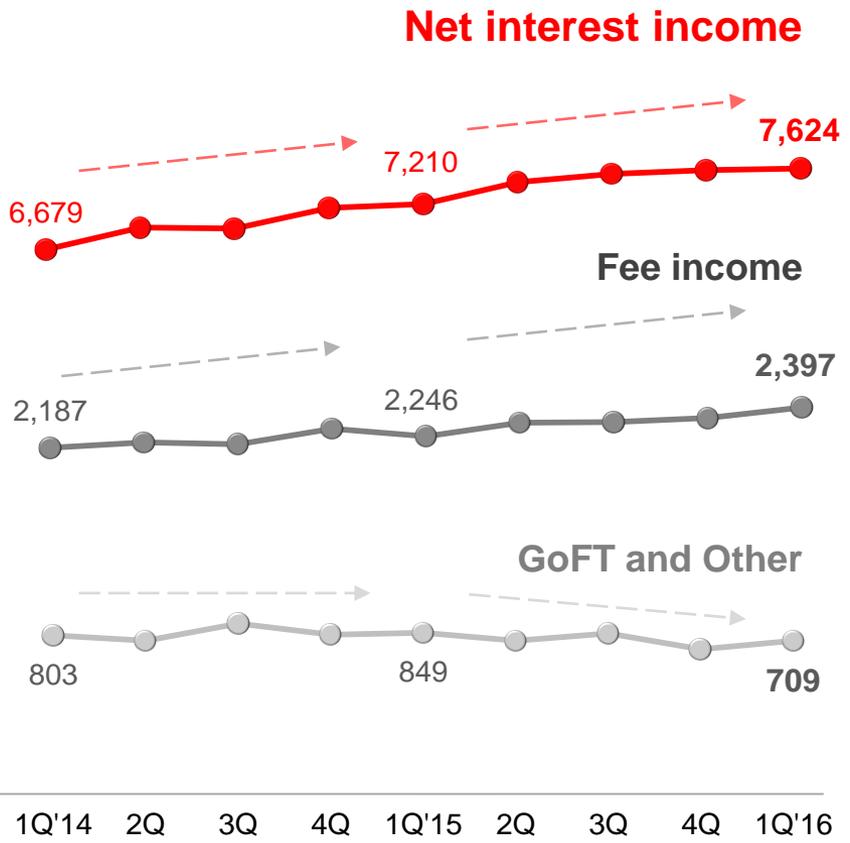
- The rise in fee income spurred by the increase in loyal customers



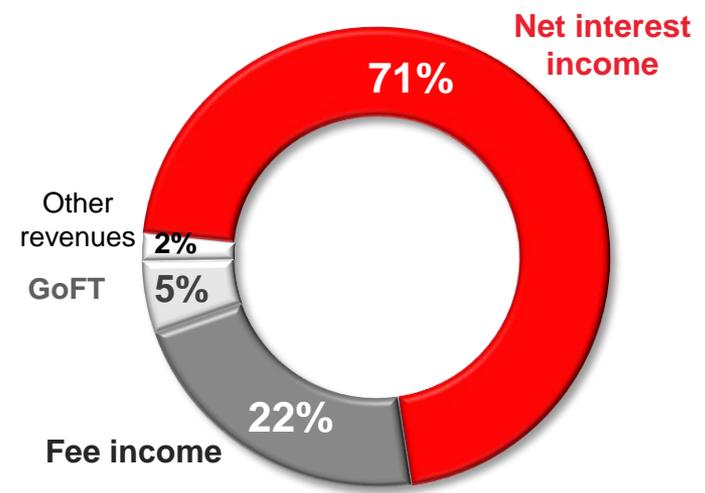
Commercial revenues continued to grow, underpinned by a structure that generates higher recurring income

Gross income

€ million (currency-neutral basis)



Gross income structure (1Q'16)



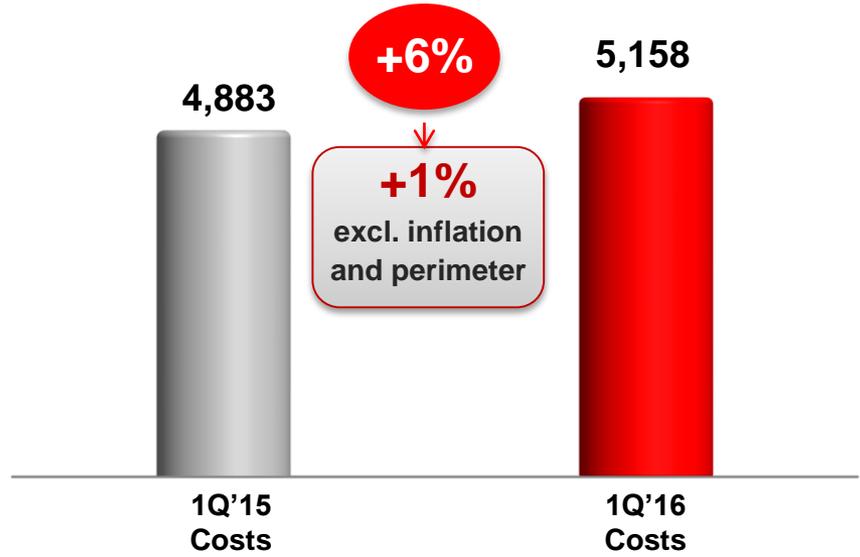
| | SAN | Peers (2015) |
|-------------------------|------------|------------------------|
| NII + fee income | 93% | 84% |
| GoTF and Other | 7% | 16% |

GoFT: Gains on Financial Transactions

Active cost management allowing for further investment and to remain as best-in-class for efficiency

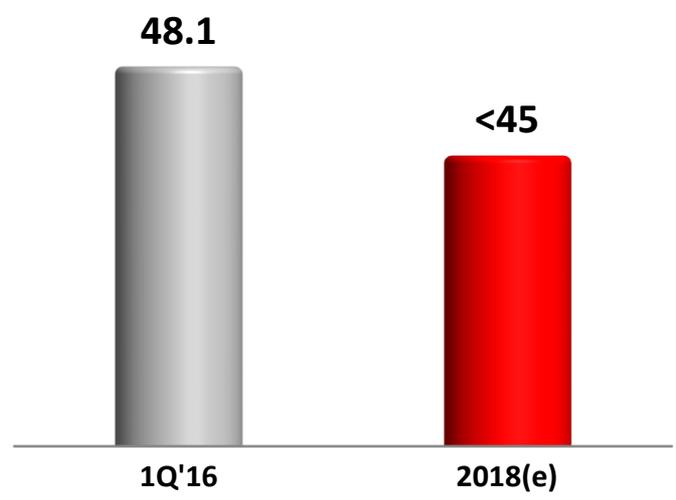
Total operating expenses

€ million and % change (currency-neutral basis)



Best-in-class in efficiency

%

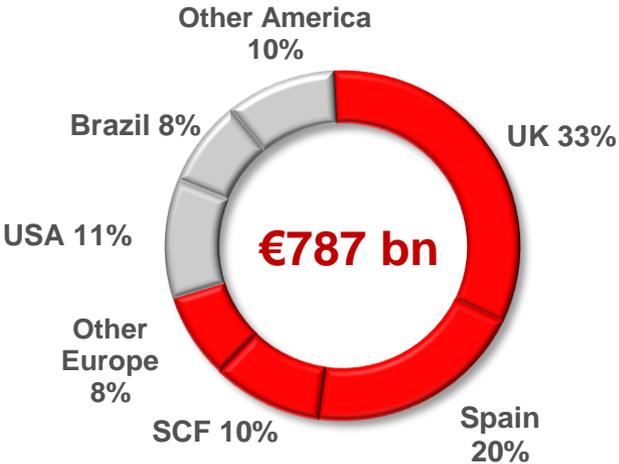


- **Of note: Brazil (-4%), Spain (-2%) and the UK (-1%)** in real terms and excluding perimeter
- Countries with higher inflation and investments in transformation and regulation registered the highest costs

- **Launching of measures to keep on investing in commercial transformation**
- **Maintaining the commitment made to the market at the Investor Day for 2018**

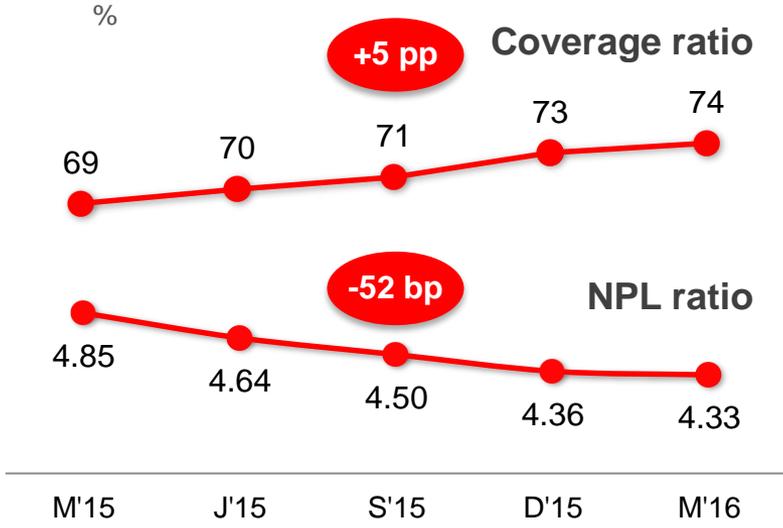
Credit quality continued to improve, backed by a well-diversified portfolio by country and sector

Loan portfolio



- Medium-low risk profile
- Well-diversified portfolio

NPL and coverage ratios



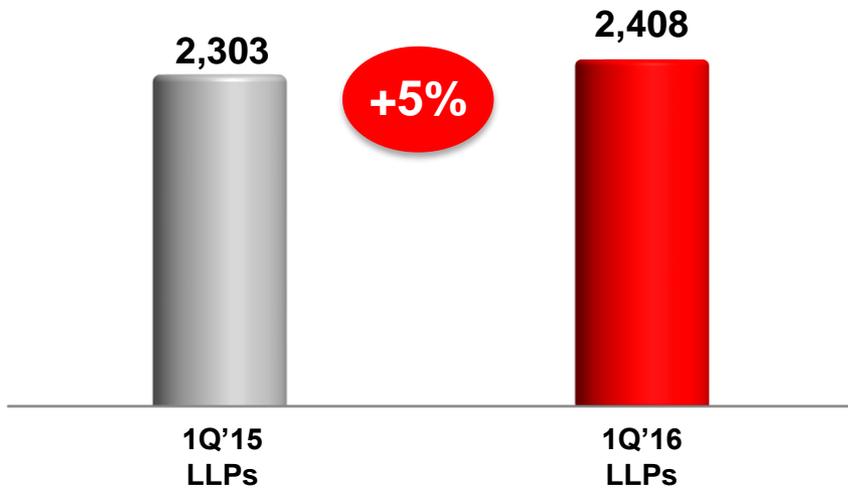
- Net NPL entries¹: -17% year-on-year
- NPL and coverage ratios improved in general terms. Of note: Spain, Mexico, Chile, Poland and SCF

Note: customer loans excluding repos (1) Currency-neutral and excluding perimeter

Continued improvement in cost of credit. Provisions up year-on-year, but stable in the last few quarters

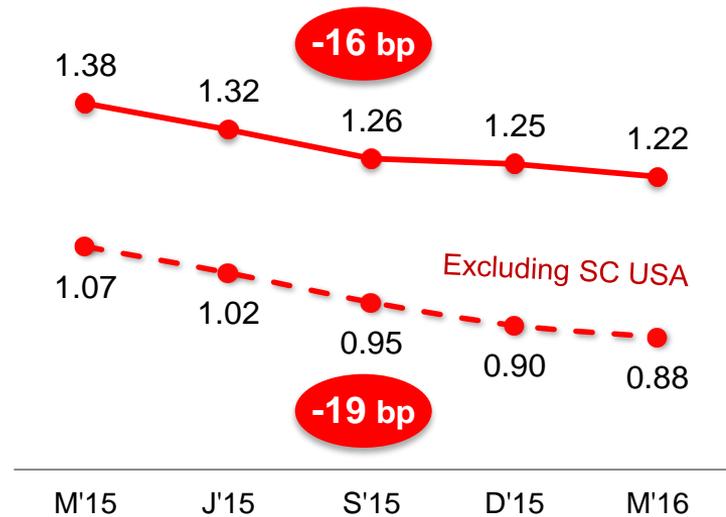
Total loan-loss provisions

€ million and % change (currency-neutral basis)



Cost of credit

%

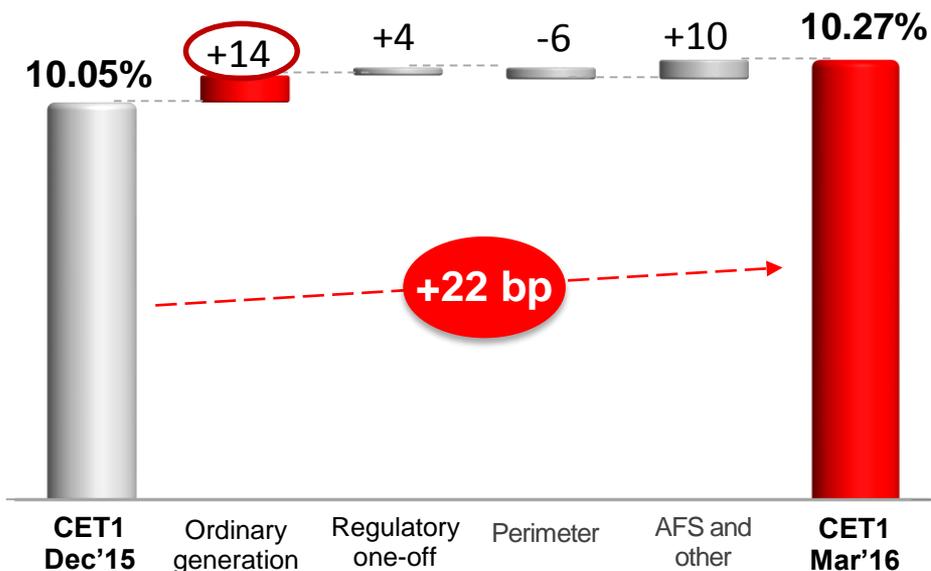


- Lower provisions in **Spain, UK and SCF**
- Higher in the **US** due to loan growth in SC USA and provisions for Oil&Gas in Santander Bank
- LLPs up in **Brazil** although **down over 3Q and 4Q'15**

- **Cost of credit** evolution reflects **risk management and change of mix**
- **Improvement in 7 of 10 units.**
- **Brazil stable at 4.6%**

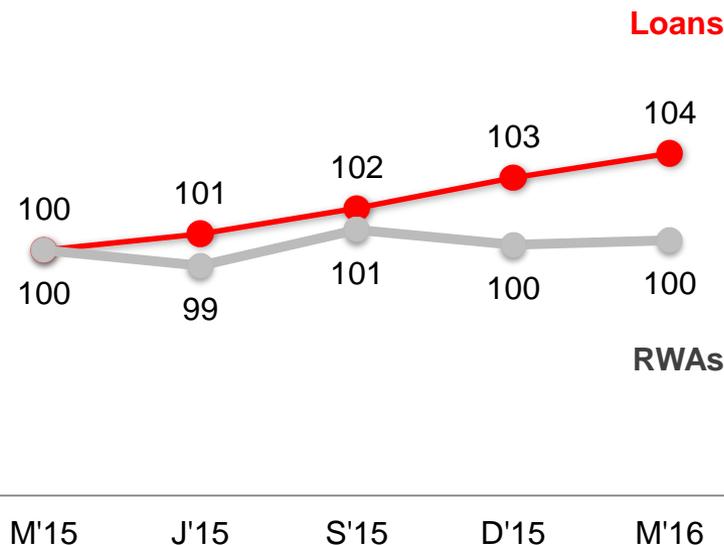
Making progress to reach our target of fully-loaded CET1 >11% in 2018, with profitable activity growth

Fully-loaded CET1 (%)



Loan growth > RWAs growth

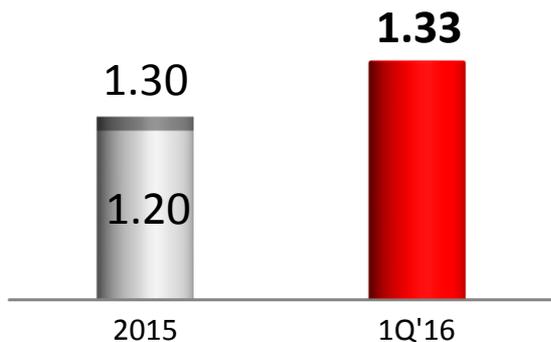
Base 100 (currency-neutral basis)



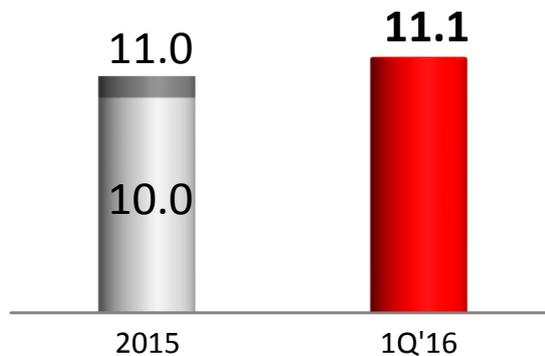
- The fully-loaded total ratio rose to 13.49%, including a T2 issue carried out in April by the parent bank for €1.5 billion
- Fully-loaded leverage ratio improvement: 4.8% at Mar'16 (4.6% Mar'15)

Profitability metrics in line with our targets

RoRWA (%)

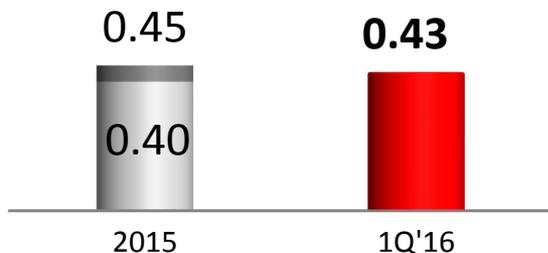


RoTE (%)

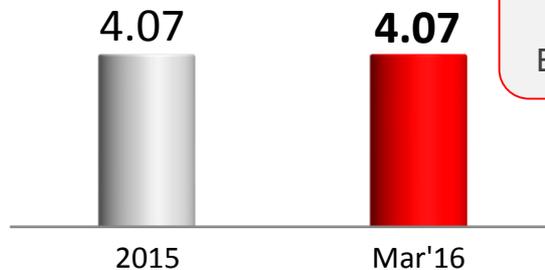


■ Underlying
■ Total

EPS¹ (euros)



Tangible net asset value per share² (euros)



€4.17 (Mar'16)
Excluding the FX impact

(1) When calculating EPS the cost of AT1 issues is considered. It is recorded against equity for accounting purposes (2) Published 4.12, adjusting the December's dividend to make homogeneous with 2014. Tangible net asset value per share = (Capital + reserves + retained profits + valuation adjustments – goodwill - intangible assets) / number of shares excluding treasury stock

Agenda

- Group performance 1Q'16

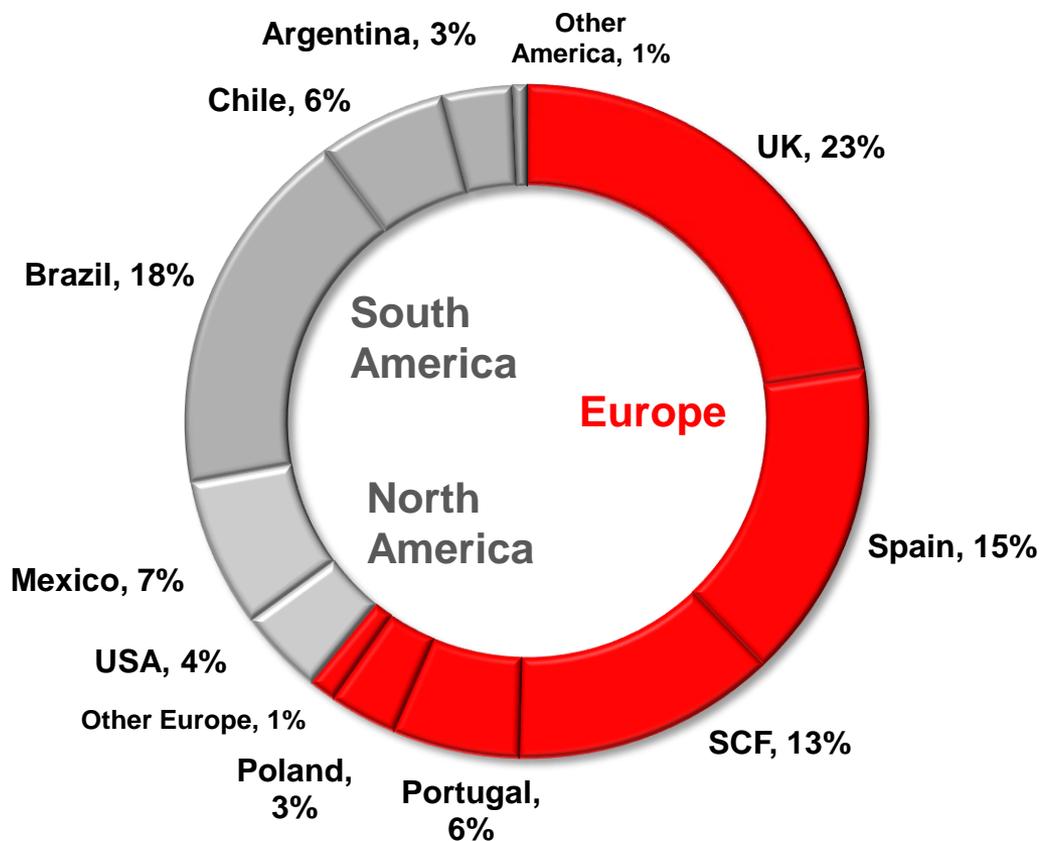
- Business areas 1Q'16

- Conclusions

- Appendix



Well-diversified results between Europe and the Americas



1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|-------------------------------------|----------------|----------------|
| 1 2 3 Accounts (thousand) | - | 1,060 |
| Retail Bkg. fee income ¹ | -4% | +8% |
| Customer satisfaction (position) | 5 ^o | 1 ^o |
| Cost of credit | 0.97% | 0.54% |

(1) Y-o-Y % change

P&L

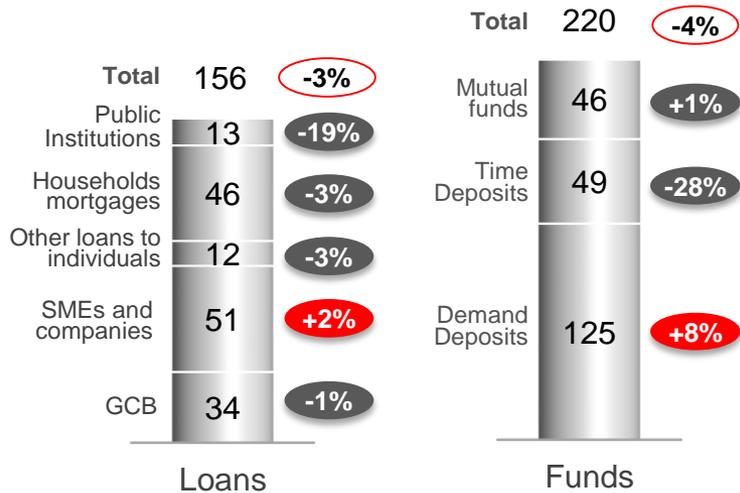
€ million

| | 1Q'16 | %4Q'15 | %1Q'15 |
|----------------------------|------------|--------------|-------------|
| Nil + fee income | 1,243 | 3.7 | -9.3 |
| Gross income | 1,543 | 24.6 | -11.8 |
| Operating expenses | -837 | -2.7 | -2.2 |
| Net operating inc. | 706 | 86.6 | -21.0 |
| LLPs | -231 | 47.6 | -37.0 |
| PBT | 438 | 228.3 | -9.3 |
| Attributable profit | 307 | 227.3 | -9.6 |

- Medium and long term loyalty underpinned by the **1|2|3 strategy**
- **Greater customer satisfaction** reflects the effort made in **service quality**
- In results, **lower cost of credit** and **control of costs**
- In the first quarter, **net interest income up** (driven by the lower cost of deposits) **and fee income**

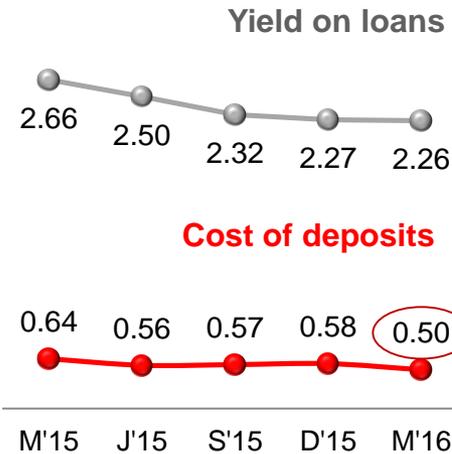
Volumes¹ (Mar'16)

€ billion and % / Mar'15



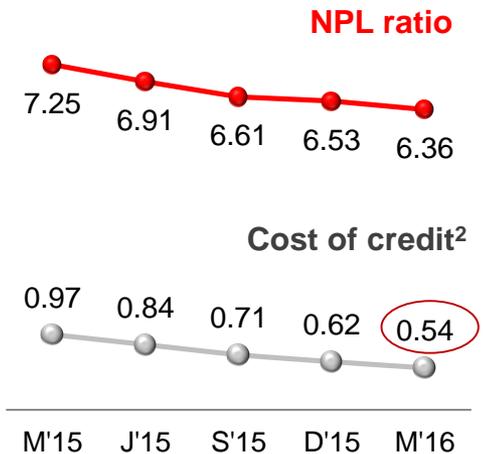
Customer NIM

%



NPL ratio and Cost of credit

%



- **The 1|2|3 strategy offered good results in terms of individuals and SMEs activity:**

- Individuals: new lending up 30%, market share gain (payrolls, pension cheques, cards), improved fee income and lower cost of deposits
- SMEs and self-employed: new lending up 13% and greater customer capturing

- **Improved customer risk profile: lower cost of credit and NPL ratio (negative net NPL entries)**

UNITED KINGDOM

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|---|-------|-------|
| Digital customers (mill.) | 3.5 | 4.2 |
| Corporate lending growth vs. market | >5 pp | >5 pp |
| Share of corporates / total loans | 12.9% | 13.7% |
| NPL ratio | 1.75% | 1.49% |
| Retail customer satisfaction ¹ | 60.7% | 62.5% |

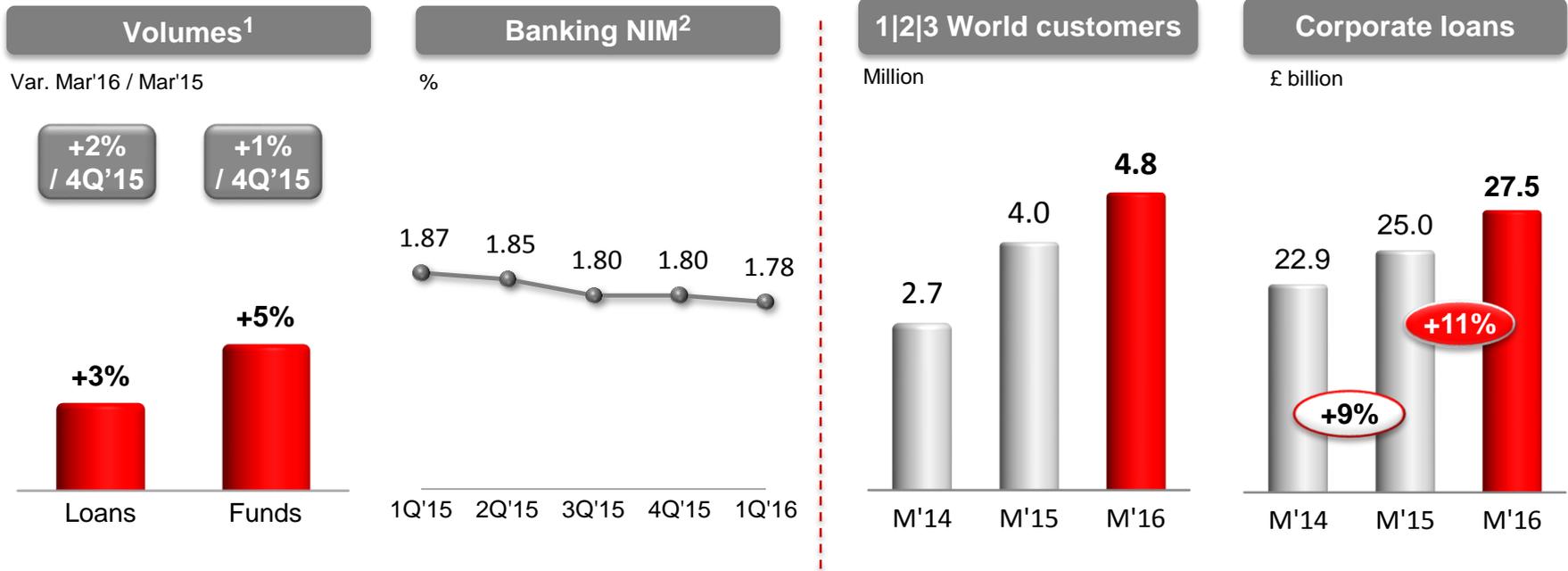
P&L

£ million

| | 1Q'16 | %4Q'15 | %1Q'15 |
|----------------------------|------------|-------------|-------------|
| NII + fee income | 1,105 | 2.7 | 0.5 |
| Gross income | 1,166 | 0.9 | 1.2 |
| Operating expenses | -611 | 0.2 | 0.0 |
| Net operating inc. | 554 | 1.8 | 2.6 |
| LLPs | -5 | -66.8 | -91.1 |
| PBT | 504 | 13.4 | 13.8 |
| Attributable profit | 349 | 1.7 | -0.3 |

- **Good progress in strategic metrics**, with ongoing improvement in retail customer satisfaction
- **Stable NII** despite greater margin pressure (new asset margins and SVR² attrition)
- **Fee income up 10%** year-on-year excluding impact of regulatory changes in the interchange rate
- **Profit before tax (+14%)**, with business momentum, cost control and lower cost of credit
- **Attributable profit** impacted by the **introduction** of a new bank corporation tax surcharge

UNITED KINGDOM



- **1|2|3 customer base continues to grow** (131,000 more in 1Q'16), with current account balances up a monthly average of £1bn since 2012 and **improved** gross income driven by **fee income**
- **Loan growth across all business segments**, mainly companies, mortgages and consumer lending
- **Market share gain in corporates:** strong rise despite tougher competition

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|---|----------------|----------------|
| Loyal customers (mill.) | 3.0 | 3.3 |
| Digital customers (mill.) | 4.0 | 4.6 |
| Biometrics (thousand customers) | 9 | 836 |
| Cost of credit | 4.6% | 4.6% |
| Customer satisfaction ¹ (ranking among 5 largest banks) | 4 ^o | 2 ^o |

P&L

€ million

| | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|------------|-------------|-------------|
| Nil + fee income | 2,365 | -3.9 | 6.7 |
| Gross income | 2,381 | -2.3 | 5.8 |
| Operating expenses | -947 | -7.5 | 6.6 |
| Net operating inc. | 1,434 | 1.4 | 5.3 |
| LLPs | -720 | -9.4 | 16.4 |
| BAI | 536 | 15.8 | -8.7 |
| Attributable profit | 359 | 13.1 | 0.4 |

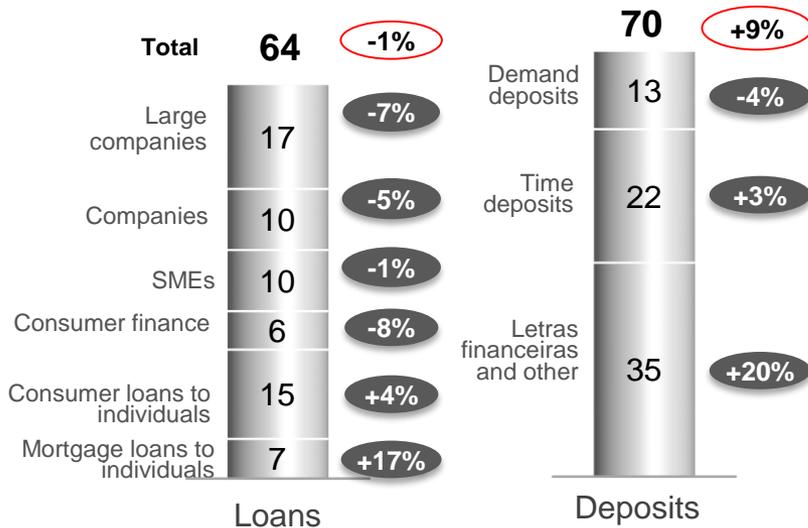
(*) % change (currency-neutral basis)

- Focus on **loyalty, growing digital customers and enhancing customer satisfaction**
- **Attributable profit of €359 million**, unchanged from 1Q'15 and higher than in 4Q'15
- **Good performance y-o-y of commercial revenues** (seasonal impact over 4Q'15)
- **Costs increased below the inflation rate**
- In a complex environment, **provisions** rose y-o-y but were **down over 3Q'15 and 4Q'15**

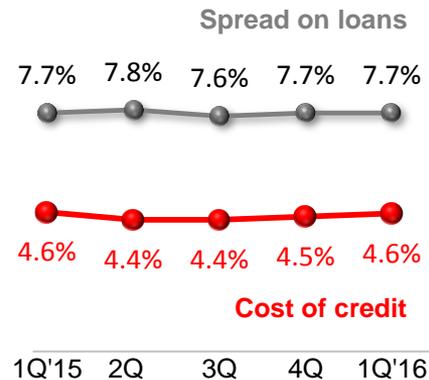
BRAZIL

Volumes¹

€ billion and % change (currency-neutral basis)

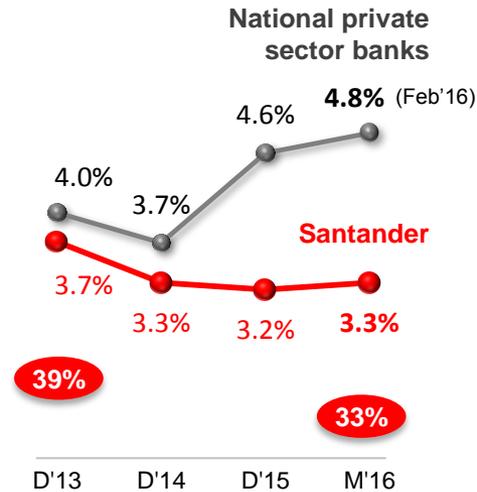


Spread and cost of credit



NPLs – Over 90 days

Local criteria



% Share of consumer finance and consumer loans to individuals / total SAN portfolio

- Sharp slowdown in loans in a recession environment
- Higher spreads by product / segment, not reflected in the total due to the change of mix
- The NPL ratio performed better than national private sector banks and main competitors

UNITED STATES

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|-------------------------------|-------|-------|
| Digital customers (thousand) | 569 | 681 |
| C&I loans (\$Bn) | 18 | 19 |
| Core deposits (\$Bn) | 43 | 48 |
| SC servicing portfolio (\$Bn) | 11 | 14 |
| Total cost of credit | 3.25% | 3.85% |

P&L

| US\$ million | 1Q'16 | %4Q'15 | %1Q'15 |
|----------------------------|------------|-------------|--------------|
| NII + fee income | 2,018 | 0.2 | 4.0 |
| Gross income | 2,168 | 0.1 | 3.2 |
| Operating expenses | -856 | -5.6 | 9.4 |
| Net operating inc. | 1,312 | 4.2 | -0.5 |
| LLPs | -949 | -9.9 | 32.0 |
| BAI | 291 | 93.5 | -49.7 |
| Attributable profit | 90 | n.m. | -68.8 |

Activity¹

Santander Bank

Var. Mar'16 / Mar'15

+2%

/ 4Q'15

+3%

/ 4Q'15

+5%

Loans

+6%

Funds

Santander Consumer USA

Var. Mar'16 / Mar'15

+0.5%

/ 4Q'15

-5%

/ 4Q'15

+5%

Loans

+27%

Servicing

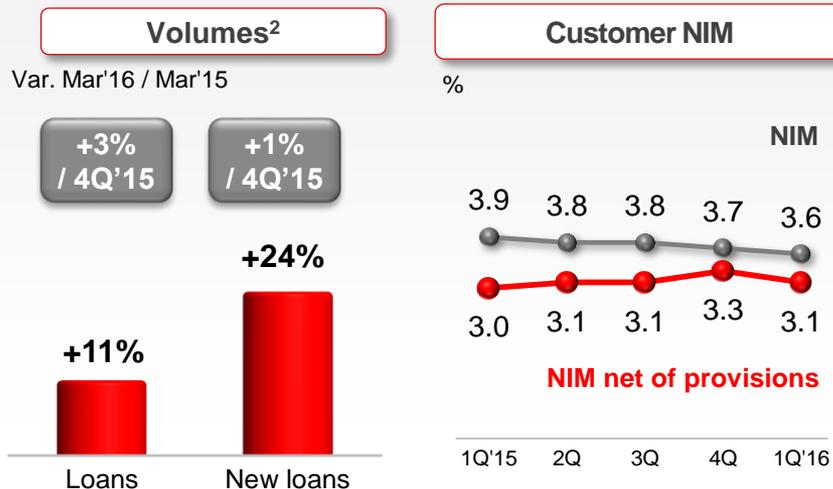
- Focus on driving business activity and meet regulatory requirements
- Net interest income and fee income rose in Santander Bank and SC USA due to larger volumes
- Costs slowing down
- Higher provisions due to loan growth in SC USA and provisions for Oil&Gas in Santander Bank

SANTANDER CONSUMER FINANCE

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|---|-------|-------|
| Active customers ¹ (mill.) | 17.1 | 17.4 |
| Banque PSA Finance agreement (# of countries incorporated) | 2 | 7 |
| Cost of credit | 0.93% | 0.64% |
| NPL ratio | 4.52% | 3.28% |

Activity



P&L

€ million

| | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|------------|------------|-------------|
| NII + fee income | 1,041 | 2.4 | 11.6 |
| Gross income | 1,045 | 5.3 | 10.9 |
| Operating expenses | -483 | 4.0 | 16.5 |
| Net operating inc. | 562 | 6.5 | 6.5 |
| LLPs | -114 | 18.3 | -30.7 |
| BAI | 410 | 7.3 | 20.0 |
| Attributable profit | 251 | 6.9 | 16.7 |

(*) % change (currency-neutral basis)

- **The agreement with Banque PSA Finance** continued to be rolled out **in 1Q'16 with Italy and Holland**
- **Increased new lending** in the large units: Spain, Germany and Nordic countries
- **Sharp rise in gross income, lower cost of credit and reduced NPL ratio** for this type of business
- **Main countries profit:** Germany (€76 mill.); Nordic countries (€62 mill.); Spain (€51 mill.)

Other units performance in 1Q'16

(Detailed information in the appendix)

Mexico

Attributable profit **€143** mill.; **+10%**

- Market share gain
- Higher gross income and improved credit quality

Chile

Attributable profit **€122** mill.; **+26%**

- Sharp rise in volumes
- Higher commercial revenues (favourable UF impact) and lower provisions

Argentina

Attributable profit **€67** mill.; **+37%**

- Market share gain in loans and deposits
- Profit up backed by higher NII (+16%) and fee income (+36%)

Poland

Attributable profit **€64** mill.; **-25%**

- Growth in volumes and commercial revenues (+5%)
- Profit impacted by new tax on assets and lower gains on financial transactions

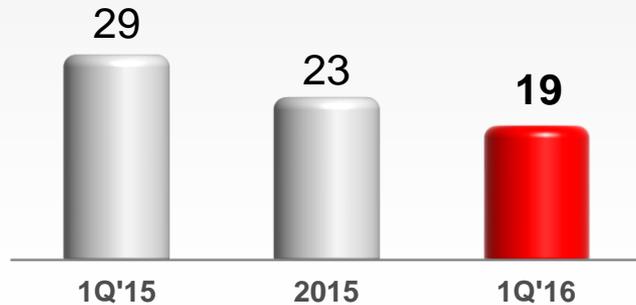
Portugal

Attributable profit **€121** mill.; **+121%**

- Profits and volumes positively impacted by Banif's incorporation
- Increase in 1|2|3 customers and market share gain (mainly companies)

CORPORATE CENTRE

Profit weight / Total Group (%)



P&L

€ million

| | 1Q'16 | 1Q'15 |
|----------------------------|-------|-------|
| Gross income | -223 | -230 |
| Operating expenses | -126 | -142 |
| Provisions | -4 | -98 |
| Tax and minority interests | 42 | -21 |
| Attributable profit | -311 | -491 |

- **Sharp profit weight reduction** over the Group's total
- **Improved net interest income** driven by lower wholesale funding cost
- **Lower costs and provisions** in line with the Corporate Centre's streamlining

Agenda

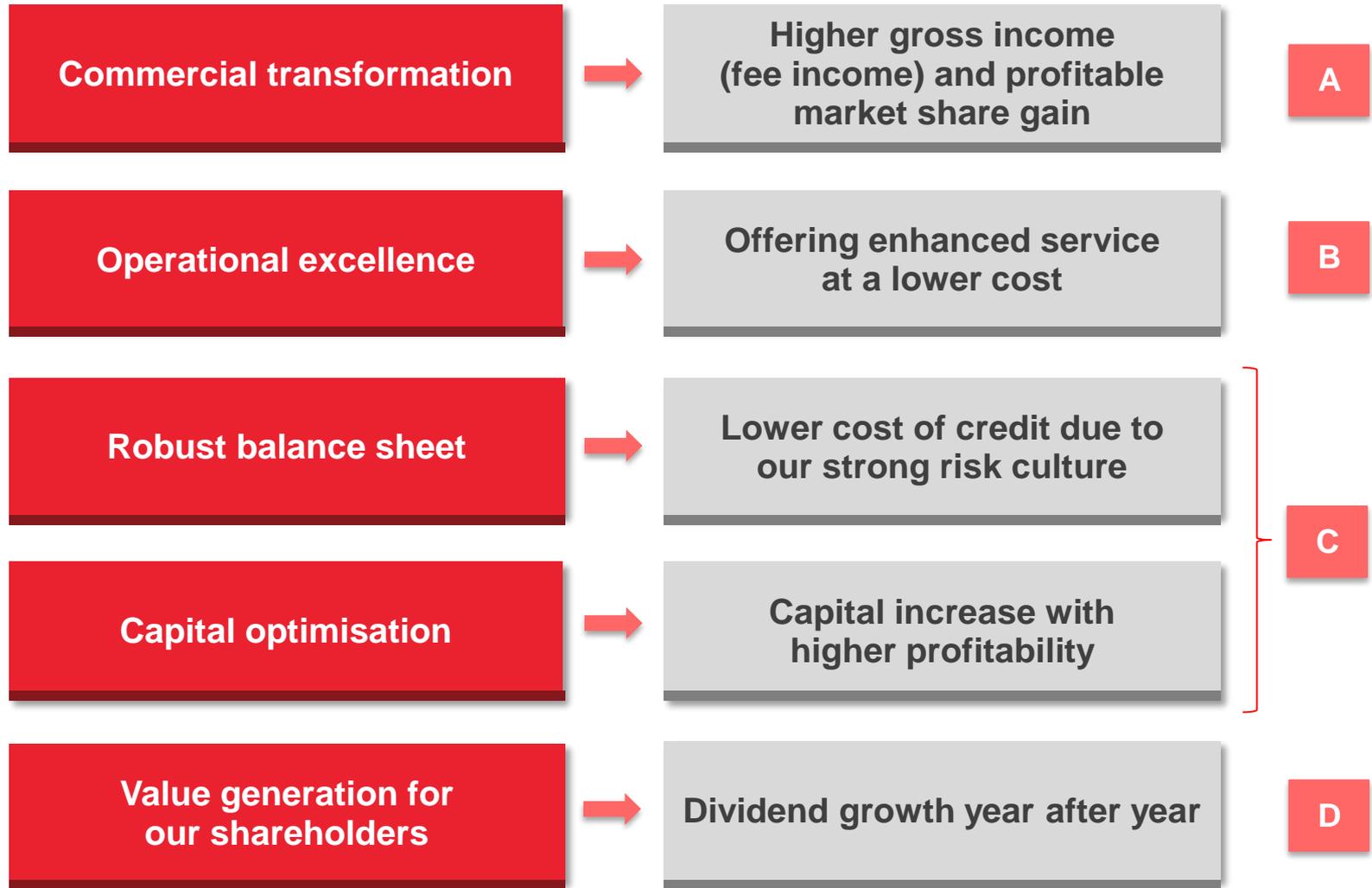
- Group performance 1Q'16
- Business areas 1Q'16

- **Conclusions**

- Appendix

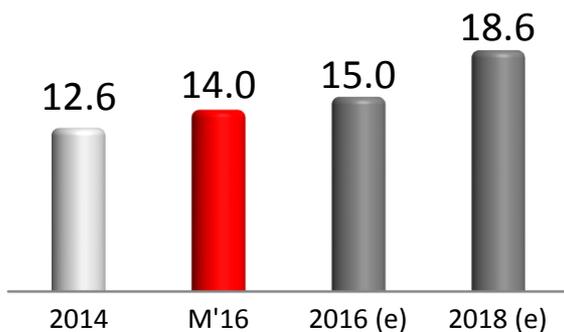


Delivering on our commitments to reach 2018 targets

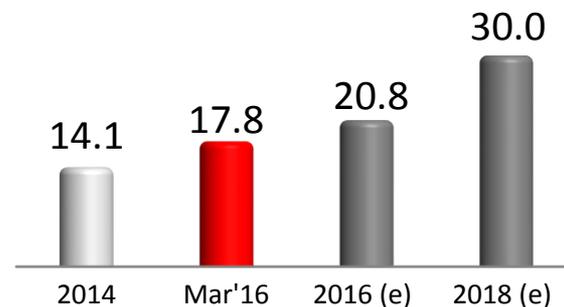


The commercial transformation will allow us to grow loyal and digital customers, gain profitable market share and increase the most transactional revenues

Loyal customers (million)

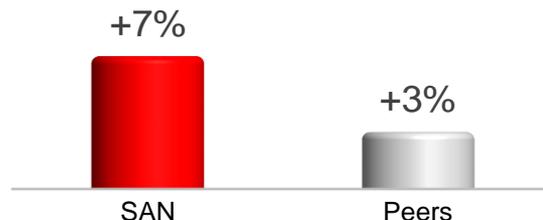


Digital customers (million)



Loan growth - SAN > peers

% Dec'15 / Dec'14

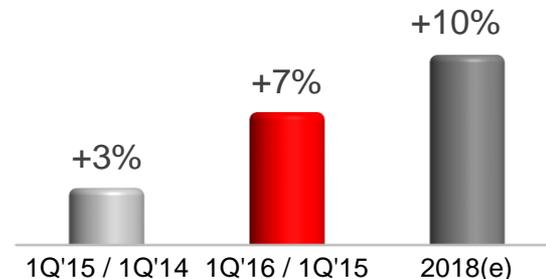


Strong position

YoY var. 2015 in bp

| Rank | Country | YoY var. 2015 in bp |
|------|-----------------------|---------------------|
| #1 | Argentina | +94 |
| #2 | Portugal ¹ | +54 |
| #3 | Poland | +27 |
| #3 | Spain | +30 |
| #3 | Mexico | +36 |
| #3 | Brazil ⁴ | -2 |
| #1 | Chile | -8 |
| #5 | UK ² | +43 |
| - | USA | = |

Faster growth in fee income



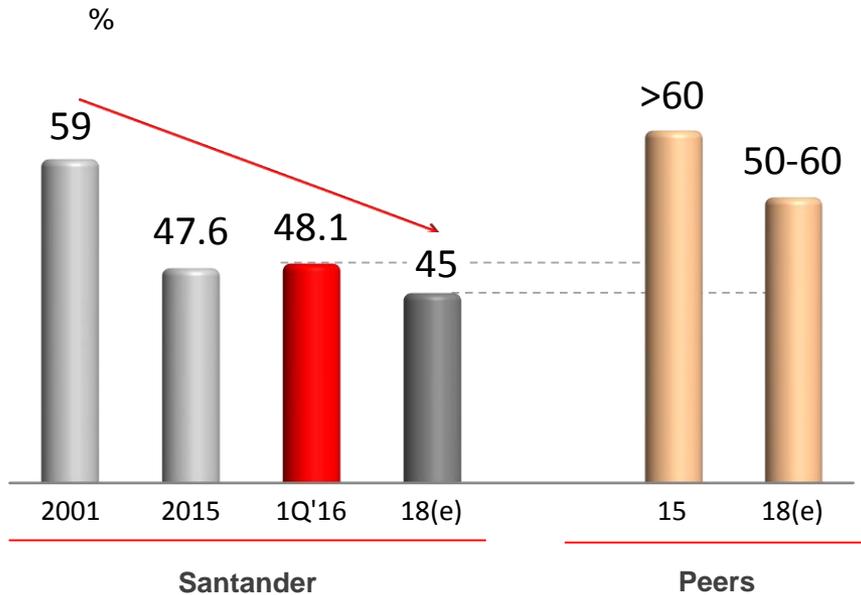
% 1Q'16 / 1Q'15

| Country | % 1Q'16 / 1Q'15 |
|-----------------|-----------------|
| Brazil | +8 |
| USA | +6 |
| Spain | +2 |
| UK ³ | +10 |
| SCF | +5 |
| Mexico | +6 |
| Chile | +11 |
| Portugal | +32 |
| Argentina | +36 |
| Poland | -1 |

(1) +338 bp including Banif; (2) Estimated market share for SMEs with an annual turnover of £250 thousand to £50 million; source: BoEStats
 (3) Excluding regulatory impact of interchange rate (4) Position among private sector banks

Cost discipline to offset investments and remain best-in-class for efficiency

Best-in-class in efficiency



- Cost control plans in all countries
- Corporation streamlining

Investments

Commercial transformation

| | |
|---|--|
| Mobile phone payment | use of +14% in Spain YTD +23% transactions in Poland (/Oct15) |
| Next generation branch, Biometrics | 360 branches in Spain (2016) >1 mill. customers in Brazil |
| New Smart ATMs | 330 (2015) and 720 (1H16e) in Spain |
| Apps, websites ... | voice banking companies' websites |
| Contact Centres | 12 countries 35 core services sites |

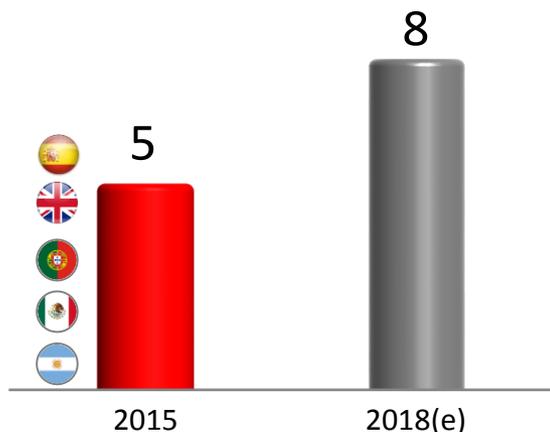
Regulation costs: # of projects and people

- Savings in business as usual. Investments in regulatory projects and commercial transformation
- These investments will enable future efficiency improvement

These investments allow us to provide an enhanced service and better customer satisfaction

Customer satisfaction

Top 3 countries



- Five countries in the Top 3 satisfaction indices
- Launching various measures in order to continue offering a better service

Spain

1I2I3 World, new cards, apps. and processes

| | Dec'14 | Mar'16 |
|--------------------------|-----------------------|---|
| Individuals satisfaction | 5 th place | 1 st place |
| Contact Centre | 2 nd place | 1 st quality Gold Star Service Excellence (EFQM) |

United Kingdom

Launch of 1I2I3 World, transfer of Contact Centres to UK

| | Mar'12 | Mar'16 |
|----------------------------------|--------|--------|
| Individuals satisfaction | 51.3% | 62.5% |
| Individuals complaints (indexed) | 100 | 31 |

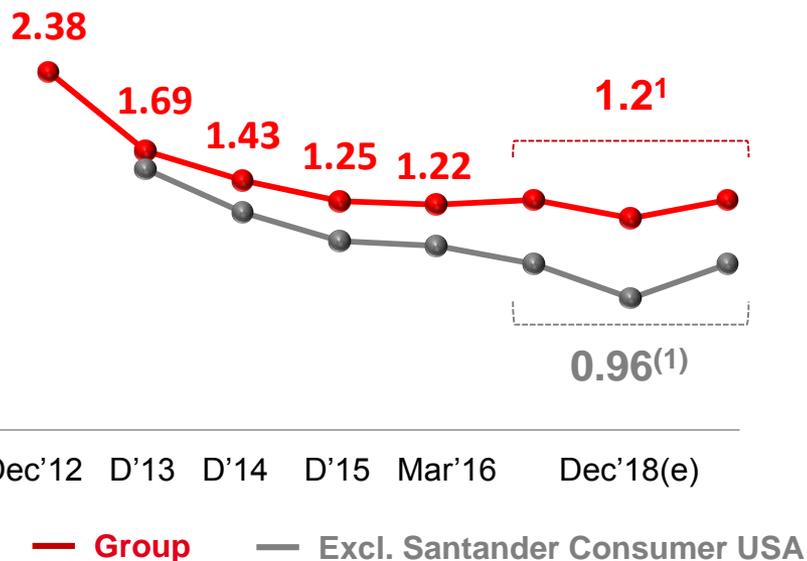
Brazil

Commercial tool CERTO, launch of "É comigo Santander", ...

| | Dec'13 | Mar'16 |
|---|-----------------------|-----------------------|
| Customer satisfacton ¹ (5 largest banks) | 5 th place | 2 nd place |

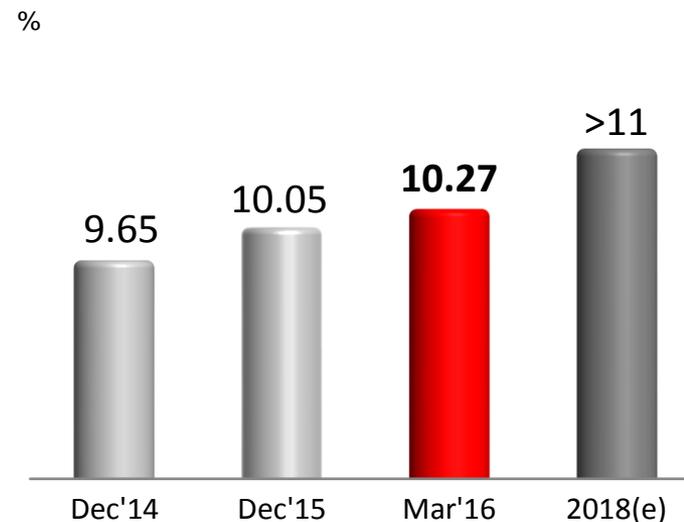
Robust balance sheet backed by our strong risk culture and effective management of capital

Cost of credit (%)



- Cost of credit on an improvement trend
- Sharing best practices within the Group
- Risk pro, competitive advantage, ARM, ERM

Fully-loaded CET1



Mar'16 2018 Target

RoRWA (%)

1.33

~1.50

RoTE (%)

11.1

~13

DPS (€)

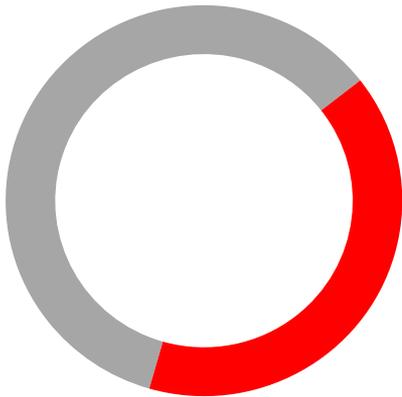
0.2

Annual growth

Our priority is growth in EPS, DPS and TNAV per share

Attributable profit allocation

60-70%
Reserves



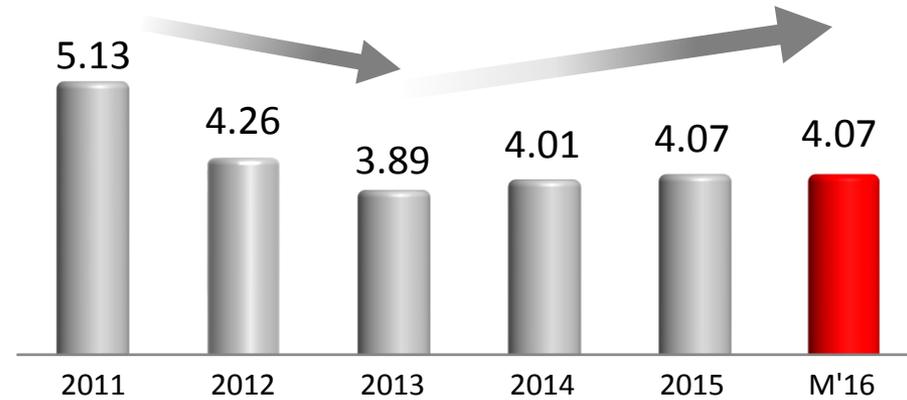
30-40%
Dividends

• **Dividends charged to 2016 profits** planned to be submitted to the AGM for approval: **€0.21 per share**

• **Total dividend: +5%**

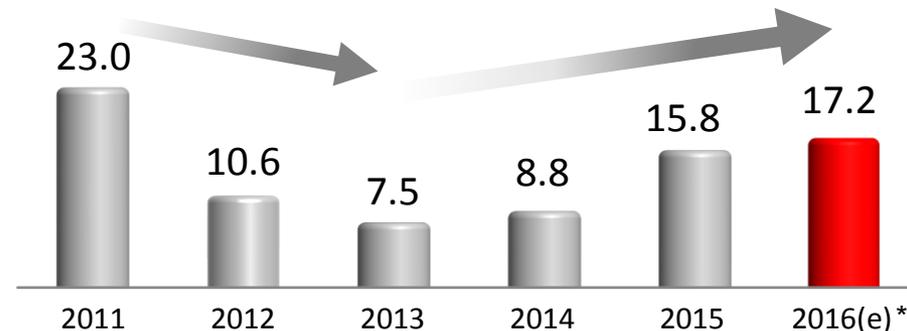
• **Cash dividend: about +10%**

TNAV / share (€)



€4.17 (Mar'16) excluding valuation adjustments impact

Cash dividend (€ cents per share)



GROUP STRATEGY
UPDATE | LONDON
September 30th 2016



Save the date for

GROUP STRATEGY UPDATE

Presented by Santander's top Management

London, September 30th, 2016

Details of agenda and logistics to follow.

Agenda

- Group performance 1Q'16
- Business areas 1Q'16
- Conclusions
- Appendix



Appendix

Other geographic units results

Global segments results

Group balance sheet

NPL and coverage ratios, and cost of credit

Liquidity and funding

Quarterly income statements



**Other geographic
units results**

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|--------------------------------|--------|--------|
| Digital customers (thousand) | 678 | 933 |
| Payrolls (thousand) | 2,878 | 3,144 |
| Demand deposits (y-o-y change) | +17% | +25% |
| SMEs loans (MXN mill.) | 55,337 | 62,248 |
| Cost of credit | 2.92% | 2.95% |

P&L

| € million | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|------------|--------------|-------------|
| NII + fee income | 767 | 0.2 | 14.7 |
| Gross income | 792 | 1.3 | 14.4 |
| Operating expenses | -322 | 4.4 | 7.2 |
| Net operating inc. | 470 | -0.8 | 19.9 |
| LLPs | -221 | 11.7 | 24.1 |
| PBT | 243 | -9.1 | 10.1 |
| Attributable profit | 143 | -10.0 | 10.3 |

(*) % change (currency-neutral basis)

Activity

Volumes¹

Var. Mar'16 / Mar'15

0%
/ 4Q'15

+3%
/ 4Q'15

+14%

+12%

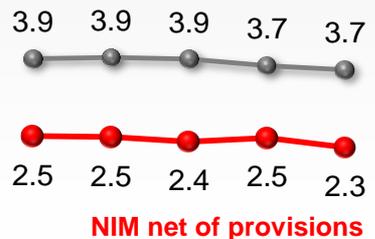
Loans

Funds

Customer NIM

%

NIM



1Q'15 2Q 3Q 4Q 1Q'16

NIM net of provisions

- **Market share gain** in loans and deposits reflecting the **commercial strategy** and the **rise** in customers
- **Year-on-year growth in attributable profit driven by commercial revenues (+15%)**
- **NII up 18%** due to higher volumes and better funds structure
- **Enhanced credit quality**, with lower NPL ratio and stable cost of credit

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|---|---------|---------|
| Loyal customers (thousand) | 527 | 561 |
| Digital customers (thousand) | 869 | 910 |
| Cost of credit | 1.74% | 1.58% |
| NPL ratio | 5.88% | 5.45% |
| Improved customer satisfaction* (higher in SAN vs. peers) | +2 p.p. | +6 p.p. |

(*) Y-o-Y evolution at Oct/14 and Oct/15 (latest available)

P&L

| € million | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|-------|---------|---------|
| NII + fee income | 509 | -0.9 | 15.4 |
| Gross income | 556 | 3.3 | 10.5 |
| Operating expenses | -235 | -8.1 | 8.8 |
| Net operating inc. | 321 | 13.7 | 11.8 |
| LLPs | -109 | -28.8 | -8.7 |
| PBT | 213 | 60.8 | 23.2 |
| Attributable profit | 122 | 53.9 | 26.2 |

(*) % change (currency-neutral basis)

Activity

Volumes¹

Var. Mar'16 / Mar'15

+2%
/ 4Q'15

-1%
/ 4Q'15

+9%



Loans

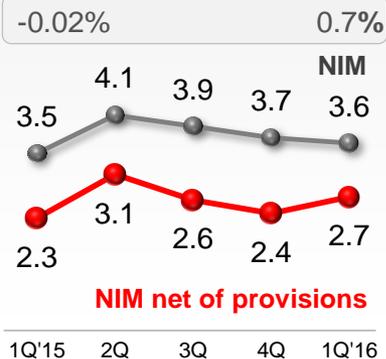
+4%



Funds

Customer NIM

% Inflation UF²



- Improved **customer satisfaction** indices, **loyalty and target segments**
- Attributable profit** driven by higher commercial revenues and lower provisions
- NII up 16%** fuelled by larger volumes, lower cost of funds and higher UF inflation
- Costs** rose due to those **indexed to exchange rates, personnel and amortisations**

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|------------------------------|-------|-------|
| Digital customers (thousand) | 1,823 | 1,924 |
| Loyal companies (thousand) | 72 | 80 |
| Cost of credit | 1.00% | 0.82% |
| NPL ratio | 7.33% | 5.93% |
| Market share in loans | 8.8% | 9.8% |

P&L

| € million | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|------------|-------------|--------------|
| Nil + fee income | 292 | -3.8 | 4.5 |
| Gross income | 311 | 8.7 | -4.9 |
| Operating expenses | -145 | 3.5 | 0.0 |
| Net operating inc. | 166 | 13.8 | -8.8 |
| LLPs | -33 | -22.4 | -12.1 |
| PBT | 111 | 11.0 | -23.0 |
| Attributable profit | 64 | 14.6 | -24.5 |

(*) % change (currency-neutral basis)

Activity

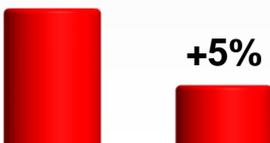
Volumes¹

Var. Mar'16 / Mar'15

+3%
/ 4Q'15

0%
/ 4Q'15

+11%

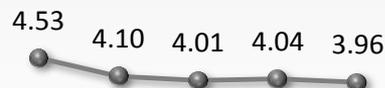


Loans Funds

Customer NIM

%

Yield on loans



Cost of deposits



1Q'15 2Q 3Q 4Q 1Q'16

- **Benchmark bank in innovation and digital channels**
- **Growth in loans:** mainly in companies (+20%), mortgages (+8%) and cards (+21%)
- **Gross income impacted by lower ALCO revenues**
- **Lower provisions** and reduced NPL ratio
- **Profit impacted by new tax on assets (Bank Levy)**

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|-------------------------------------|--------|--------|
| Loyal individuals (thousand) | 482 | 504 |
| Loyal companies (thousand) | 21 | 24 |
| Digital customers (thousand) | 332 | 393 |
| Cost of credit | 0.45% | 0.28% |
| Market share in loans | 10.92% | 14.23% |

P&L

€ million

| | 1Q'16 | %4Q'15 | %1Q'15 |
|----------------------------|-------|--------|--------|
| Nil + fee income | 273 | 36.6 | 29.6 |
| Gross income | 337 | 5.9 | 41.5 |
| Operating expenses | -154 | 23.1 | 24.8 |
| Net operating inc. | 183 | -5.2 | 59.6 |
| LLPs | -22 | 356.0 | 2.1 |
| PBT | 158 | -11.2 | 121.3 |
| Attributable profit | 121 | 1.2 | 121.4 |

Activity

Volumes¹

Var. Mar'16 / Mar'15

-2%
/ 4Q'15

0%
/ 4Q'15

+24%

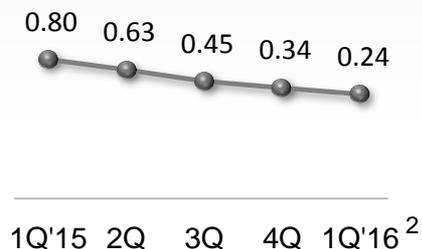
+22%

Loans

Funds

Cost of time deposits – New deposits

%



- Focusing on **Banif's integration**
- **Increase in 1I2I3 customers**, (over 27,000 new accounts in the first quarter)
- **Market share gain (excluding Banif)**, notably in companies
- Profit driven by **higher gross income and sharp reduction in the cost of credit**

ARGENTINA

1Q'16 strategy and highlights

| | 1Q'15 | 1Q'16 |
|------------------------------|-------|-------|
| Loyal individuals (thousand) | 973 | 1,001 |
| Loyal companies (thousand) | 81 | 92 |
| Digital customers (thousand) | 1,146 | 1,331 |
| Cost of credit | 2.32% | 2.04% |
| NPL ratio | 1.59% | 1.21% |

P&L

| € million | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|-----------|-------------|-------------|
| Nil + fee income | 265 | 7.8 | 23.3 |
| Gross income | 306 | 13.3 | 34.0 |
| Operating expenses | -180 | 18.0 | 36.8 |
| Net operating inc. | 126 | 7.1 | 30.2 |
| LLPs | -23 | -31.7 | 27.5 |
| PBT | 99 | 13.8 | 32.5 |
| Attributable profit | 67 | -5.7 | 36.6 |

(*) % change (currency-neutral basis)

Activity

Volumes¹

Var. Mar'16 / Mar'15

+2%
/ 4Q'15

+8%
/ 4Q'15

+44%

+57%

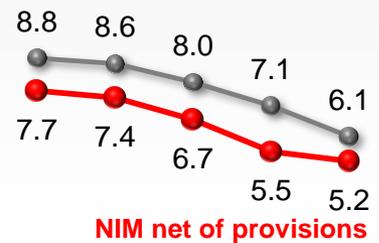
Loans

Funds

Customer NIM

%

NIM



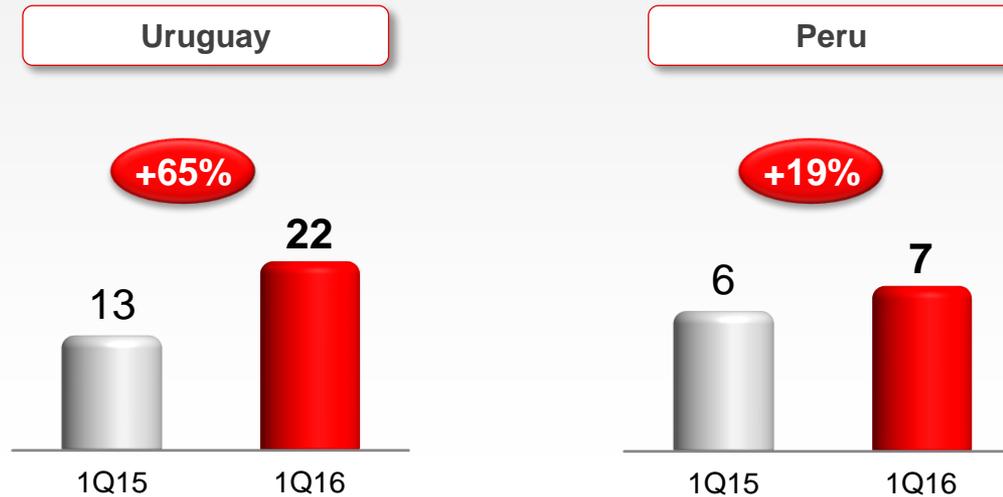
1Q'15 2Q 3Q 4Q 1Q'16

- Better scenario for banking business
- Market share gain in loans and deposits backed by the commercial expansion plan
- Profit up driven by net interest income (+16%) and fee income (+36%)
- Higher costs due to branch network expansion and transformation projects

OTHER LATIN AMERICAN COUNTRIES

Attributable profit

€ million (currency-neutral basis)



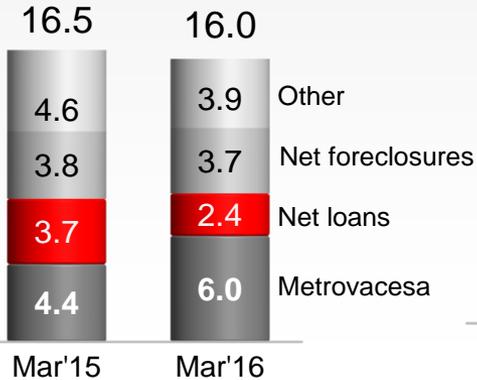
- Focus on loyalty, transactions and target segments
- Double-digit growth in volumes
- Profits driven by revenues growth

REAL ESTATE ACTIVITY SPAIN

Activity

Total Balance

€ billion



Coverage ratio

Mar'16 and % change / Mar'15



P&L

€ million

| | 1Q'16 | 1Q'15 | %1Q'15 |
|----------------------------|------------|------------|--------------|
| Gross income | -1 | 39 | — |
| Operating expenses | -54 | -66 | -17.8 |
| Provisions | -36 | -92 | -60.5 |
| Tax recovery | 27 | 36 | -24.8 |
| Attributable profit | -63 | -85 | -25.2 |

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



Global Segments Results

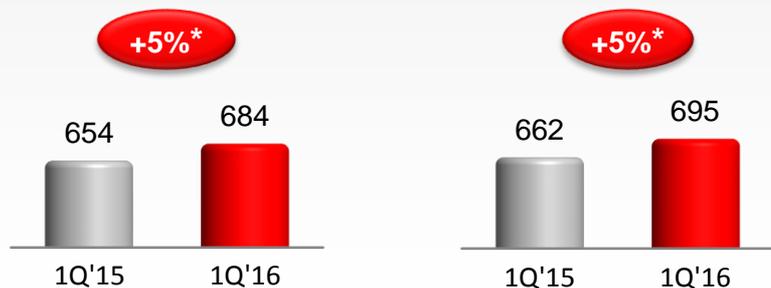
RETAIL BANKING

Activity

€ billion (currency-neutral basis)

Net loans

Funds



(*) -2% in euros

(*) -2% in euros

P&L

€ million

| | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|--------------|-------------|-------------|
| NII + fee income | 9,198 | 1.3 | 5.8 |
| Gross income | 9,552 | 3.7 | 3.7 |
| Operating expenses | -4,492 | -1.3 | 7.3 |
| Net operating income | 5,060 | 8.6 | 0.6 |
| Loan-loss provisions | -2,161 | -2.8 | 3.3 |
| PBT | 2,482 | 23.4 | -5.4 |
| Attributable profit | 1,554 | 20.2 | -6.6 |

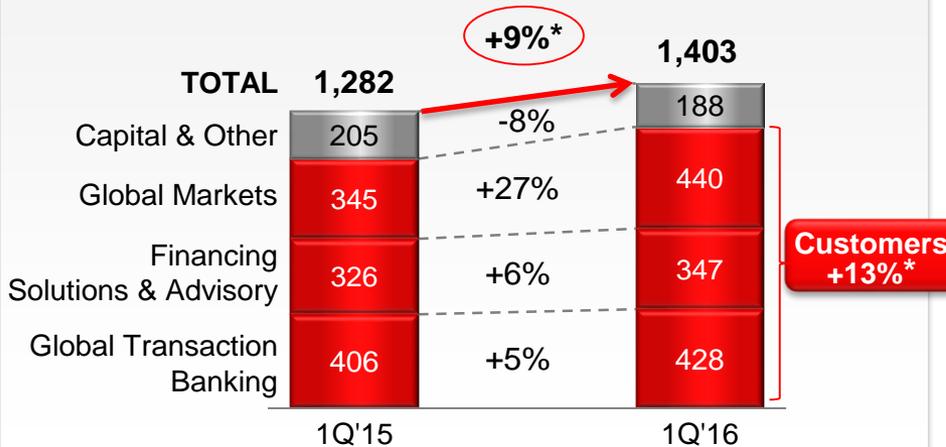
(*) % change (currency-neutral basis)

- The retail banking model continued to be transformed into an increasingly **Simple, Personal and Fair** model
- Focused on three main priorities: **customer loyalty, digital transformation and operational excellence**
- Further development of the **multi-channel model**, centred on digital channels
- Progress in achieving our targets. At March, **14.0 million loyal customers (+8% from March 2015) and 17.8 million digital customers (+17% from March 2015)**

SANTANDER GLOBAL CORPORATE BANKING (SGCB)

Gross income

€ Million (currency-neutral basis)



(*) In euros: total gross income, -4%; customer revenues, +1%

P&L

€ million

| | 1Q'16 | %4Q'15* | %1Q'15* |
|----------------------------|------------|-------------|-------------|
| NII + Fee income | 1,007 | -2.0 | 1.2 |
| Gross income | 1,403 | 8.1 | 9.4 |
| Operating expenses | -485 | -2.9 | -0.6 |
| Net op. income | 917 | 15.0 | 15.6 |
| LLPs | -223 | -10.4 | 32.6 |
| PBT | 694 | 37.6 | 10.8 |
| Attributable profit | 454 | 32.1 | 7.7 |

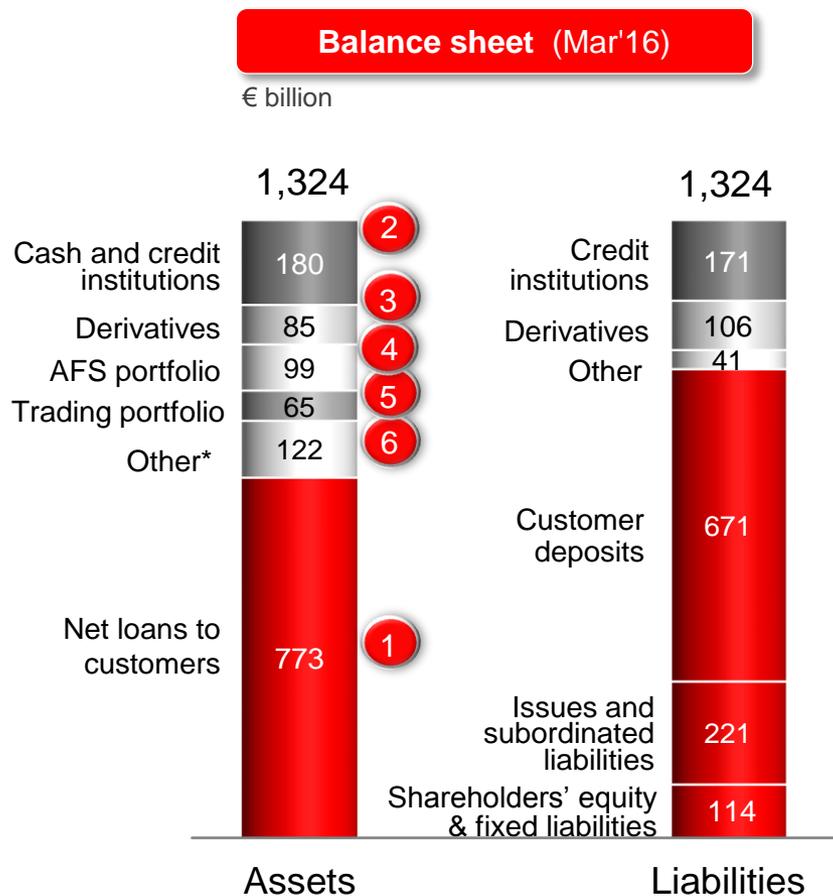
(*) % change (currency-neutral basis)

- **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, among other, in Europe and Latin America
- **Attributable profit up 8% (currency-neutral basis)**, underpinned by **strong and diversified customer revenues (+13%)**



**Group
Balance Sheet**

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



- 1 Lending: 58% of balance sheet
- 2 Cash, central banks and credit institutions: 14%
- 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%

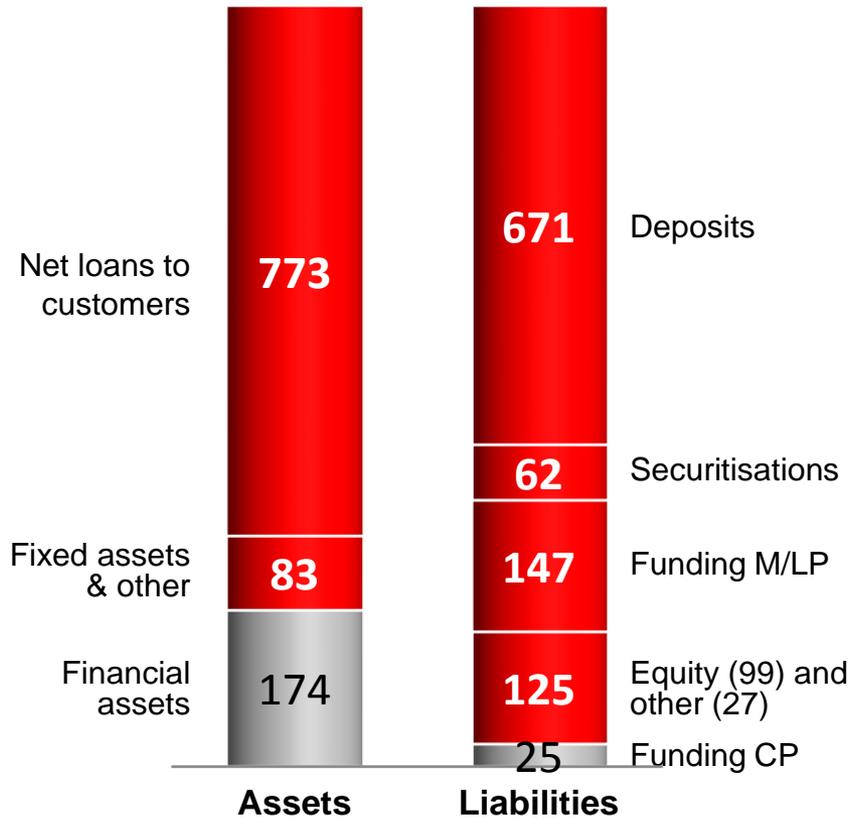


Liquidity and funding

Well-funded balance sheet with high structural liquidity surplus

Liquidity balance sheet (Mar'16)

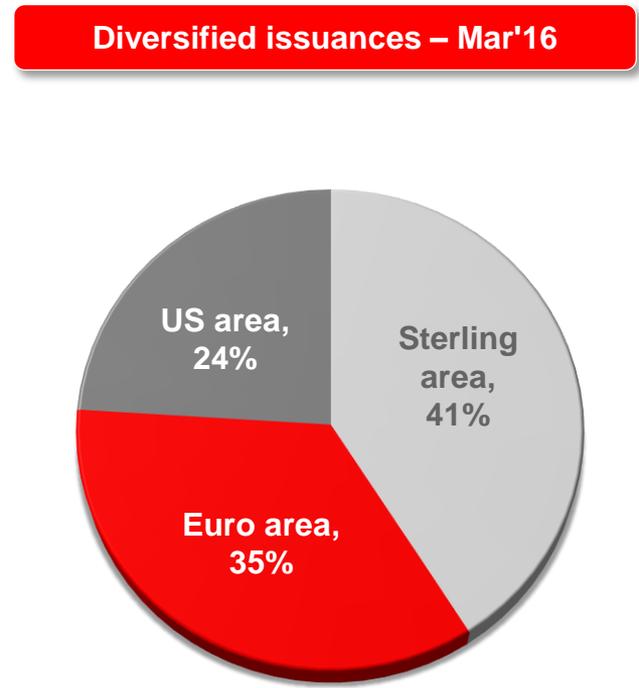
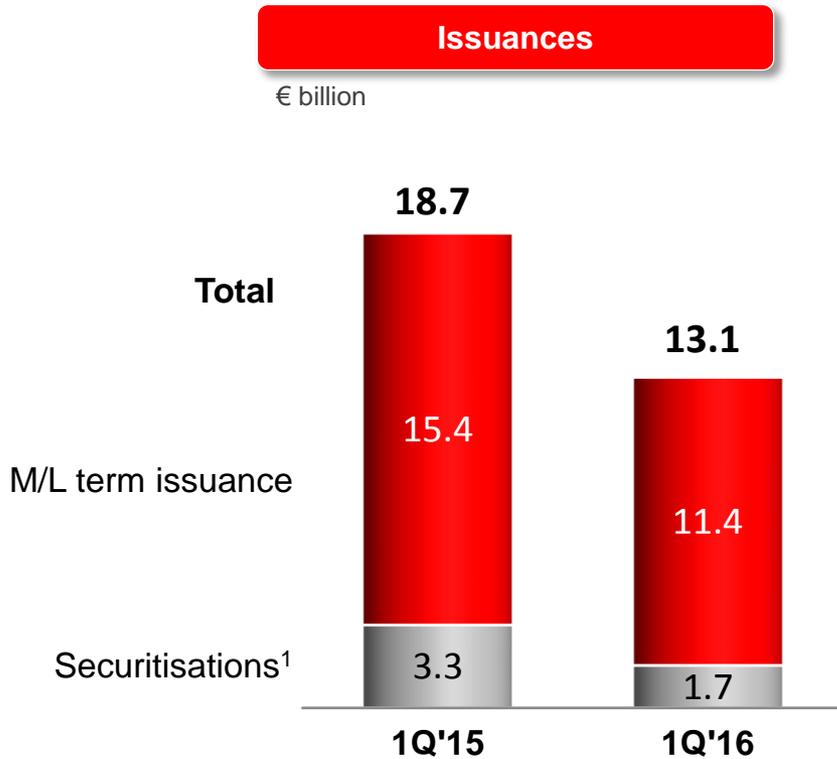
€ billion



Commercial Gap: EUR 102.8 bn.

Structural liquidity¹ surplus: EUR 149.1 bn. (14% net liabilities)

Commercial activity evolution enabled a lower recourse to medium and long-term wholesale funding, without eroding the structural liquidity surplus



(1) Placed in the market and including structured finance



NPL, coverage ratios
and cost of credit

NPL ratio

%

| | 31.03.15 | 30.06.15 | 30.09.15 | 31.12.15 | 31.03.16 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Continental Europe | 8.52 | 8.15 | 7.89 | 7.27 | 7.08 |
| Spain | 7.25 | 6.91 | 6.61 | 6.53 | 6.36 |
| Santander Consumer Finance | 4.52 | 4.25 | 4.15 | 3.42 | 3.28 |
| Poland | 7.33 | 7.07 | 7.14 | 6.30 | 5.93 |
| Portugal | 8.96 | 8.80 | 8.86 | 7.46 | 8.55 |
| United Kingdom | 1.75 | 1.61 | 1.51 | 1.52 | 1.49 |
| Latin America | 4.64 | 4.74 | 4.65 | 4.96 | 4.88 |
| Brazil | 4.90 | 5.13 | 5.30 | 5.98 | 5.93 |
| Mexico | 3.71 | 3.81 | 3.54 | 3.38 | 3.06 |
| Chile | 5.88 | 5.73 | 5.60 | 5.62 | 5.45 |
| USA | 2.20 | 2.20 | 2.20 | 2.13 | 2.19 |
| Operating Areas | 4.87 | 4.68 | 4.52 | 4.39 | 4.36 |
| Total Group | 4.85 | 4.64 | 4.50 | 4.36 | 4.33 |

Coverage ratio

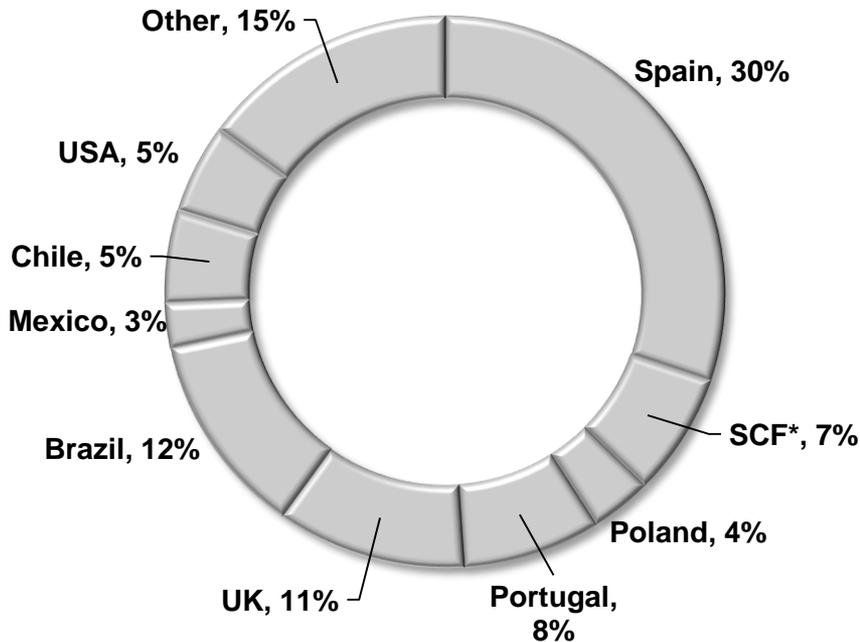
%

| | 31.03.15 | 30.06.15 | 30.09.15 | 31.12.15 | 31.03.16 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Continental Europe | 58.6 | 58.9 | 60.4 | 64.2 | 65.4 |
| Spain | 46.6 | 46.8 | 47.8 | 48.1 | 50.2 |
| Santander Consumer Finance | 103.6 | 104.9 | 107.2 | 109.1 | 111.9 |
| Poland | 61.6 | 63.5 | 63.1 | 64.0 | 67.0 |
| Portugal | 52.4 | 54.2 | 56.2 | 99.0 | 87.7 |
| United Kingdom | 41.2 | 40.3 | 39.6 | 38.2 | 36.5 |
| Latin America | 83.6 | 84.4 | 85.4 | 79.0 | 79.7 |
| Brazil | 95.2 | 95.9 | 96.0 | 83.7 | 83.7 |
| Mexico | 88.4 | 87.5 | 93.0 | 90.6 | 97.5 |
| Chile | 52.0 | 51.6 | 52.8 | 53.9 | 54.6 |
| USA | 211.5 | 224.2 | 218.3 | 225.0 | 221.1 |
| Operating Areas | 68.3 | 69.4 | 70.5 | 72.6 | 73.3 |
| Total Group | 68.9 | 70.1 | 71.1 | 73.1 | 74.0 |

Non-performing loans and loan-loss allowances. March 2016

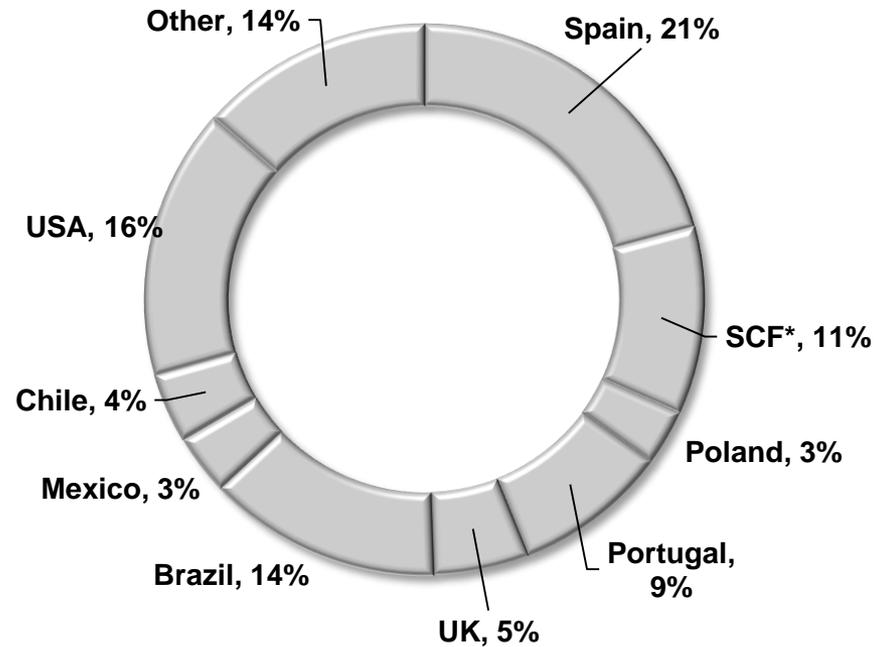
Non-performing loans

100%: €36,148 mill.



Loan-loss allowances

100%: €26,756 mill.



Cost of credit

%

| | 31.03.15 | 30.06.15 | 30.09.15 | 31.12.15 | 31.03.16 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Continental Europe | 0.95 | 0.86 | 0.77 | 0.68 | 0.60 |
| Spain | 0.97 | 0.84 | 0.71 | 0.62 | 0.54 |
| Santander Consumer Finance | 0.93 | 0.91 | 0.87 | 0.77 | 0.64 |
| Poland | 1.00 | 1.00 | 0.96 | 0.87 | 0.82 |
| Portugal | 0.45 | 0.38 | 0.35 | 0.29 | 0.28 |
| United Kingdom | 0.11 | 0.08 | 0.04 | 0.03 | 0.01 |
| Latin America | 3.53 | 3.39 | 3.33 | 3.36 | 3.39 |
| Brazil | 4.63 | 4.45 | 4.40 | 4.50 | 4.63 |
| Mexico | 2.92 | 2.89 | 2.87 | 2.91 | 2.95 |
| Chile | 1.74 | 1.68 | 1.68 | 1.65 | 1.58 |
| USA | 3.25 | 3.39 | 3.36 | 3.66 | 3.85 |
| Operating Areas | 1.38 | 1.33 | 1.27 | 1.26 | 1.24 |
| Total Group | 1.38 | 1.32 | 1.26 | 1.25 | 1.22 |

Spain Real Estate Activity. Exposure and coverage ratios

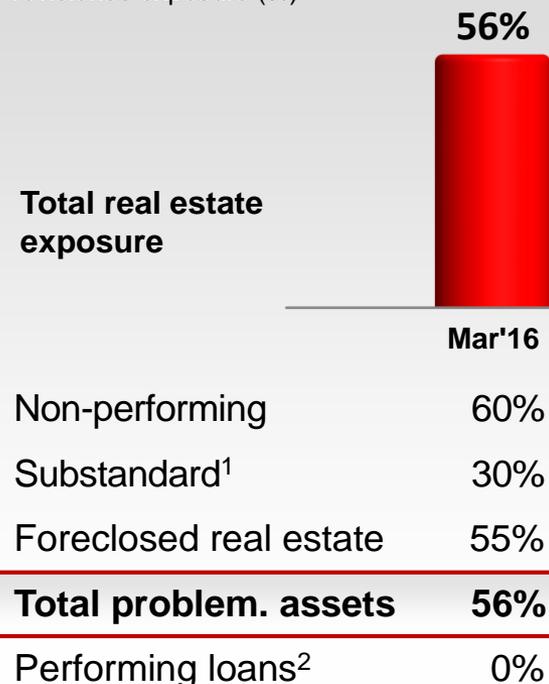
Coverage by borrowers' situation (March 2016)

€ million

| | Gross risk | Coverage Fund | Net Risk |
|---------------------------------|---------------|---------------|--------------|
| Non-performing | 5,164 | 3,078 | 2,086 |
| Substandard ¹ | 363 | 110 | 253 |
| Foreclosed real estate | 8,275 | 4,541 | 3,734 |
| Total problematic assets | 13,802 | 7,729 | 6,073 |
| Performing loans ² | 40 | 0 | 40 |
| Real estate exposure | 13,842 | 7,729 | 6,113 |

Total coverage (problematic assets + performing loans)

Provisions / exposure (%)



Spain Real Estate Activity. Loans and foreclosures

LOANS

€ Million

| | Mar'16 | Dec'15 | Var. |
|-------------------------|--------------|--------------|-------------|
| Finished buildings | 2,533 | 2,735 | -202 |
| Buildings under constr. | 157 | 137 | 20 |
| Developed land | 1,438 | 1,603 | -165 |
| Building and other land | 743 | 699 | 44 |
| Non mortgage guarantee | 696 | 785 | -89 |
| Total | 5,567 | 5,959 | -392 |

Foreclosed REAL ESTATE (Mar'16)

€ Million

| | Gross amount | Coverage | Net amount |
|-------------------------|--------------|------------|--------------|
| Finished buildings | 2,268 | 47% | 1,200 |
| Buildings under constr. | 870 | 47% | 457 |
| Developed land | 2,671 | 59% | 1,083 |
| Building land | 2,414 | 60% | 973 |
| Other land | 52 | 60% | 21 |
| Total | 8,275 | 55% | 3,734 |



Quarterly P&L

Grupo Santander

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| NII + Fee income | 10,563 | 10,867 | 10,457 | 10,336 | 10,021 |
| Gross income | 11,444 | 11,618 | 11,316 | 10,894 | 10,730 |
| Operating expenses | (5,377) | (5,429) | (5,342) | (5,422) | (5,158) |
| Net operating income | 6,067 | 6,189 | 5,974 | 5,472 | 5,572 |
| Net loan-loss provisions | (2,563) | (2,508) | (2,479) | (2,558) | (2,408) |
| Other | (514) | (683) | (716) | (742) | (433) |
| Underlying profit before tax | 2,990 | 2,998 | 2,778 | 2,173 | 2,732 |
| Underlying consolidated prof | 2,067 | 2,059 | 1,991 | 1,702 | 1,922 |
| Underlying attributable profit | 1,717 | 1,709 | 1,680 | 1,460 | 1,633 |
| Attributable profit | 1,717 | 2,544 | 1,680 | 25 | 1,633 |

Grupo Santander

€ million (on a currency-neutral basis)

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------------|---------|---------|---------|---------|---------|
| NII + Fee income | 9,457 | 9,784 | 9,882 | 9,949 | 10,021 |
| Gross income | 10,306 | 10,489 | 10,719 | 10,502 | 10,730 |
| Operating expenses | (4,883) | (4,947) | (5,067) | (5,217) | (5,158) |
| Net operating income | 5,423 | 5,542 | 5,653 | 5,286 | 5,572 |
| Net loan-loss provisions | (2,303) | (2,265) | (2,361) | (2,478) | (2,408) |
| Other | (459) | (621) | (679) | (739) | (433) |
| Underlying profit before taxes | 2,660 | 2,656 | 2,612 | 2,069 | 2,732 |
| Underlying consolidated profit | 1,835 | 1,809 | 1,854 | 1,615 | 1,922 |
| Underlying attributable profit | 1,510 | 1,489 | 1,555 | 1,378 | 1,633 |
| Attributable profit | 1,510 | 2,324 | 1,555 | (57) | 1,633 |

Spain

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 1,371 | 1,296 | 1,251 | 1,199 | 1,243 |
| Gross income | 1,749 | 1,522 | 1,571 | 1,238 | 1,543 |
| Operating expenses | (855) | (856) | (863) | (860) | (837) |
| Net operating income | 894 | 666 | 708 | 379 | 706 |
| Net loan-loss provisions | (366) | (264) | (205) | (156) | (231) |
| Other | (44) | (71) | (58) | (89) | (37) |
| Profit before taxes | 483 | 331 | 444 | 134 | 438 |
| Consolidated profit | 345 | 238 | 317 | 99 | 312 |
| Attributable profit | 340 | 232 | 311 | 94 | 307 |

Santander Consumer Finance

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 949 | 990 | 1,011 | 1,022 | 1,041 |
| Gross income | 959 | 991 | 1,018 | 998 | 1,045 |
| Operating expenses | (422) | (442) | (443) | (467) | (483) |
| Net operating income | 537 | 549 | 575 | 530 | 562 |
| Net loan-loss provisions | (168) | (131) | (142) | (97) | (114) |
| Other | (22) | (36) | (44) | (50) | (39) |
| Profit before taxes | 348 | 382 | 389 | 383 | 410 |
| Consolidated profit | 251 | 272 | 281 | 271 | 293 |
| Attributable profit | 220 | 241 | 242 | 236 | 251 |

Santander Consumer Finance

€ million (on a currency-neutral basis)

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 933 | 968 | 1,001 | 1,017 | 1,041 |
| Gross income | 943 | 969 | 1,008 | 993 | 1,045 |
| Operating expenses | (415) | (433) | (438) | (465) | (483) |
| Net operating income | 528 | 536 | 569 | 528 | 562 |
| Net loan-loss provisions | (165) | (128) | (140) | (96) | (114) |
| Other | (22) | (36) | (44) | (50) | (39) |
| Profit before taxes | 341 | 372 | 385 | 382 | 410 |
| Consolidated profit | 246 | 264 | 278 | 270 | 293 |
| Attributable profit | 215 | 234 | 238 | 235 | 251 |

Poland

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 291 | 301 | 300 | 311 | 292 |
| Gross income | 340 | 336 | 309 | 292 | 311 |
| Operating expenses | (151) | (153) | (146) | (143) | (145) |
| Net operating income | 190 | 182 | 162 | 149 | 166 |
| Net loan-loss provisions | (39) | (46) | (39) | (44) | (33) |
| Other | (1) | (2) | 3 | (4) | (22) |
| Profit before taxes | 150 | 135 | 125 | 101 | 111 |
| Consolidated profit | 122 | 112 | 99 | 77 | 88 |
| Attributable profit | 89 | 82 | 73 | 57 | 64 |

Poland

PLN million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| NII + Fee income | 1,220 | 1,232 | 1,255 | 1,327 | 1,275 |
| Gross income | 1,427 | 1,371 | 1,293 | 1,247 | 1,357 |
| Operating expenses | (632) | (626) | (614) | (611) | (632) |
| Net operating income | 794 | 745 | 679 | 636 | 724 |
| Net loan-loss provisions | (164) | (187) | (164) | (186) | (144) |
| Other | (3) | (9) | 11 | (16) | (97) |
| Profit before taxes | 627 | 549 | 526 | 435 | 483 |
| Consolidated profit | 512 | 456 | 416 | 331 | 384 |
| Attributable profit | 372 | 333 | 306 | 245 | 281 |

Portugal

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 211 | 208 | 200 | 200 | 273 |
| Gross income | 238 | 234 | 226 | 318 | 337 |
| Operating expenses | (123) | (122) | (124) | (125) | (154) |
| Net operating income | 115 | 112 | 102 | 193 | 183 |
| Net loan-loss provisions | (22) | (21) | (24) | (5) | (22) |
| Other | (21) | (23) | 23 | (10) | (2) |
| Profit before taxes | 72 | 67 | 101 | 178 | 158 |
| Consolidated profit | 55 | 49 | 77 | 120 | 122 |
| Attributable profit | 55 | 49 | 77 | 119 | 121 |

United Kingdom

£ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| NII + Fee income | 1,100 | 1,110 | 1,092 | 1,076 | 1,105 |
| Gross income | 1,152 | 1,173 | 1,150 | 1,155 | 1,166 |
| Operating expenses | (612) | (608) | (605) | (610) | (611) |
| Net operating income | 540 | 565 | 545 | 545 | 554 |
| Net loan-loss provisions | (56) | (12) | 6 | (15) | (5) |
| Other | (41) | (36) | (94) | (85) | (45) |
| Profit before taxes | 443 | 516 | 457 | 444 | 504 |
| Consolidated profit | 356 | 401 | 350 | 350 | 356 |
| Attributable profit | 350 | 394 | 343 | 343 | 349 |

Brazil

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|---------|---------|---------|---------|-------|
| NII + Fee income | 2,962 | 2,869 | 2,598 | 2,534 | 2,365 |
| Gross income | 3,007 | 2,981 | 2,656 | 2,497 | 2,381 |
| Operating expenses | (1,187) | (1,151) | (1,056) | (1,059) | (947) |
| Net operating income | 1,820 | 1,830 | 1,600 | 1,438 | 1,434 |
| Net loan-loss provisions | (826) | (828) | (813) | (830) | (720) |
| Other | (209) | (263) | (255) | (151) | (177) |
| Profit before taxes | 785 | 739 | 533 | 457 | 536 |
| Consolidated profit | 532 | 509 | 434 | 350 | 399 |
| Attributable profit | 477 | 452 | 385 | 317 | 359 |

Brazil

R\$ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|---------|---------|---------|---------|---------|
| NII + Fee income | 9,522 | 9,736 | 10,129 | 10,570 | 10,161 |
| Gross income | 9,666 | 10,109 | 10,362 | 10,468 | 10,227 |
| Operating expenses | (3,815) | (3,904) | (4,110) | (4,396) | (4,068) |
| Net operating income | 5,851 | 6,205 | 6,251 | 6,072 | 6,159 |
| Net loan-loss provisions | (2,657) | (2,808) | (3,138) | (3,415) | (3,093) |
| Other | (672) | (888) | (975) | (667) | (762) |
| Profit before taxes | 2,523 | 2,509 | 2,139 | 1,990 | 2,304 |
| Consolidated profit | 1,711 | 1,726 | 1,704 | 1,509 | 1,716 |
| Attributable profit | 1,534 | 1,536 | 1,514 | 1,362 | 1,540 |

Mexico

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 791 | 834 | 794 | 832 | 767 |
| Gross income | 819 | 854 | 794 | 850 | 792 |
| Operating expenses | (355) | (353) | (327) | (334) | (322) |
| Net operating income | 463 | 501 | 467 | 516 | 470 |
| Net loan-loss provisions | (211) | (224) | (227) | (215) | (221) |
| Other | 8 | (2) | 1 | (10) | (6) |
| Profit before taxes | 260 | 274 | 241 | 291 | 243 |
| Consolidated profit | 201 | 213 | 193 | 224 | 187 |
| Attributable profit | 153 | 160 | 143 | 173 | 143 |

Mexico

Million pesos

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| NII + Fee income | 13,300 | 14,117 | 14,479 | 15,219 | 15,253 |
| Gross income | 13,769 | 14,450 | 14,503 | 15,547 | 15,745 |
| Operating expenses | (5,973) | (5,978) | (5,978) | (6,131) | (6,402) |
| Net operating income | 7,795 | 8,472 | 8,526 | 9,416 | 9,343 |
| Net loan-loss provisions | (3,545) | (3,791) | (4,131) | (3,939) | (4,399) |
| Other | 130 | (36) | 17 | (174) | (123) |
| Profit before taxes | 4,380 | 4,644 | 4,412 | 5,302 | 4,821 |
| Consolidated profit | 3,381 | 3,606 | 3,530 | 4,080 | 3,724 |
| Attributable profit | 2,574 | 2,704 | 2,613 | 3,155 | 2,839 |

Chile

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|-------|-------|
| NII + Fee income | 485 | 593 | 554 | 519 | 509 |
| Gross income | 553 | 633 | 606 | 543 | 556 |
| Operating expenses | (238) | (263) | (243) | (260) | (235) |
| Net operating income | 316 | 370 | 364 | 283 | 321 |
| Net loan-loss provisions | (132) | (126) | (153) | (157) | (109) |
| Other | 6 | (3) | (4) | 4 | 1 |
| Profit before taxes | 190 | 241 | 207 | 130 | 213 |
| Consolidated profit | 147 | 212 | 182 | 113 | 173 |
| Attributable profit | 106 | 147 | 125 | 78 | 122 |

Chile

Ch\$ billion

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| NII + Fee income | 341 | 406 | 414 | 397 | 393 |
| Gross income | 389 | 432 | 454 | 416 | 430 |
| Operating expenses | (167) | (180) | (182) | (198) | (182) |
| Net operating income | 222 | 253 | 272 | 218 | 248 |
| Net loan-loss provisions | (92) | (86) | (113) | (119) | (84) |
| Other | 4 | (2) | (3) | 3 | 1 |
| Profit before taxes | 134 | 165 | 155 | 103 | 165 |
| Consolidated profit | 104 | 146 | 136 | 89 | 134 |
| Attributable profit | 74 | 101 | 94 | 61 | 94 |

United States

\$ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------|-------|-------|-------|---------|-------|
| NII + Fee income | 1,940 | 2,011 | 2,019 | 2,014 | 2,018 |
| Gross income | 2,101 | 2,210 | 2,169 | 2,167 | 2,168 |
| Operating expenses | (783) | (806) | (858) | (907) | (856) |
| Net operating income | 1,318 | 1,404 | 1,311 | 1,260 | 1,312 |
| Net loan-loss provisions | (719) | (834) | (834) | (1,053) | (949) |
| Other | (21) | (46) | (41) | (56) | (72) |
| Profit before taxes | 579 | 524 | 436 | 150 | 291 |
| Consolidated profit | 401 | 350 | 294 | 73 | 177 |
| Attributable profit | 289 | 239 | 207 | 17 | 90 |

Corporate Centre

€ million

| | 1Q 15 | 2Q 15 | 3Q 15 | 4Q 15 | 1Q 16 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| NII + Fee income | (222) | (138) | (139) | (142) | (173) |
| Gross income | (230) | (177) | (56) | (32) | (223) |
| Operating expenses | (142) | (150) | (142) | (112) | (126) |
| Net operating income | (372) | (327) | (199) | (144) | (349) |
| Net loan-loss provisions | (1) | 2 | (1) | 26 | 1 |
| Other | (98) | (132) | (148) | (130) | (5) |
| Underlying profit before tax | (470) | (457) | (348) | (247) | (353) |
| Underlying consolidated prof | (465) | (489) | (392) | (117) | (317) |
| Underlying attributable profit | (491) | (489) | (395) | (119) | (311) |
| Attributable profit | (491) | 346 | (395) | (1,554) | (311) |

Thank you

Our purpose is to help people and businesses prosper.

The Santander Way should be

Simple | Personal | Fair

