

24 April 2018

Q1'18 Earnings Presentation

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Important Information

In addition to the financial information prepared under International Financial Reporting Standards (“IFRS”), this presentation includes certain alternative performance measures as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) as well as Non-IFRS measures. The APMs and Non-IFRS Measures are performance measures that have been calculated using the financial information from the Santander Group but that are not defined or detailed in the applicable financial information framework and therefore have neither been audited nor are capable of being completely audited. These APMs and Non-IFRS Measures are used to allow for a better understanding of the financial performance of the Santander Group but should be considered only as additional information and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Santander Group defines and calculates these APMs and Non-IFRS Measures may differ to the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. For further details of the APMs and Non-IFRS Measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFR, see Section 26 of the Documento de Registro de Acciones for Banco Santander filed with the CNMV on 4 July 2017 (available on the web page of the CNMV -www.cnmv.es- and at Banco Santander -www.santander.com), Item 3A of the Annual Report on Form 20-F for the year ended 31 December 2017, filed with the U.S. Securities and Exchange Commission on 28 March 2018 (the “Form 20-F”) and section Alternative Performance Measures of the Financial Report for the first quarter of 2018 (available at Banco Santander –www.santander.com). For a discussion of the accounting principles used in translation of foreign currency-denominated assets and liabilities to euros, see note 2(a) to our consolidated financial statements included in our Annual Report for 2017 available on the CNMV’s website (www.cnmv.es) and on Banco Santander’s website (www.santander.com) and also included in our annual report on Form 20-F

1. **Group performance Q1'18**
2. **Business areas performance Q1'18**
3. **Concluding remarks**
4. **Appendix**
5. **Glossary**

Group performance Q1'18



01

Q1'18 Highlights

Commercial transformation

- ▶ Our customer base continues to increase: **Loyal +22%** and **Digital +24% YoY**
- ▶ Our **digital transformation** is increasing the penetration of **digital sales and transactions**
- ▶ **Top 3 in customer satisfaction in 7 countries** reflects our **improved operational excellence**

Results and profitability

- ▶ **Profit growth YoY: +10%** to **EUR 2,054 mn** (**+22%** in constant euros)
- ▶ Profit growth **QoQ¹: +33%** (**+37%** in constant euros)
- ▶ **Increased profitability: 12.4% RoTE**

Capital & dividends

- ▶ We continue to **generate capital** and **increase dividends**
- ▶ **FL CET1: 11.0%** (+16 bps QoQ)
- ▶ **DPS increased** from EUR 0.22 in 2017 to **EUR 0.23 in 2018²**. By 2019 100% in cash

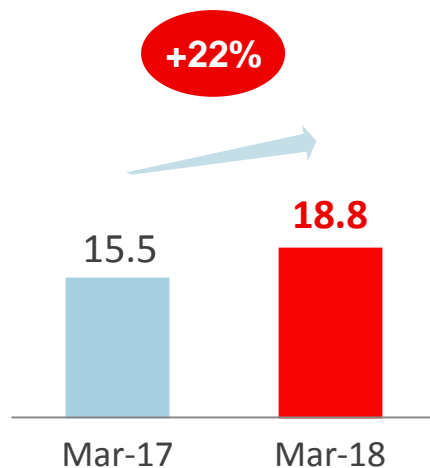
2018 Outlook

- ▶ Our Q1'18 performance makes us highly **confident to meet our 2018 targets**
- ▶ **Popular integration** on track. Legal integration approved

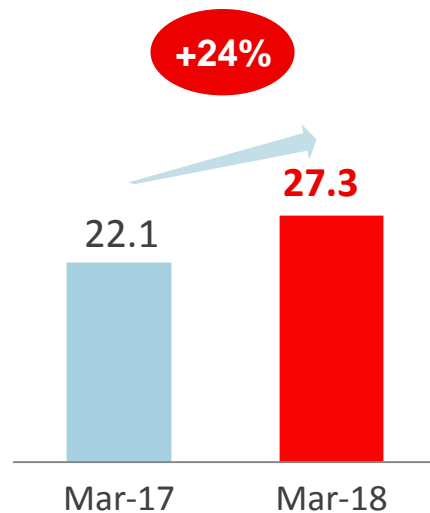
Our commercial and digital transformations are bearing fruit...

More loyal and digital customers

Loyal customers (mn)



Digital customers (mn)



Top 3 in customer satisfaction¹ in 7 countries



Improved operational excellence

...which is reflected in our predictable growth and balance sheet strength

GROWTH



Loans

EUR 856 bn (+13%)

Customer funds

EUR 893 bn (+16%)

PROFITABILITY



Attributable profit

EUR 2,054 mn (+22%)

RoTE

12.4% (+29 bps)

STRENGTH



FL CET1

11.00% (+34 bps)

NPL ratio

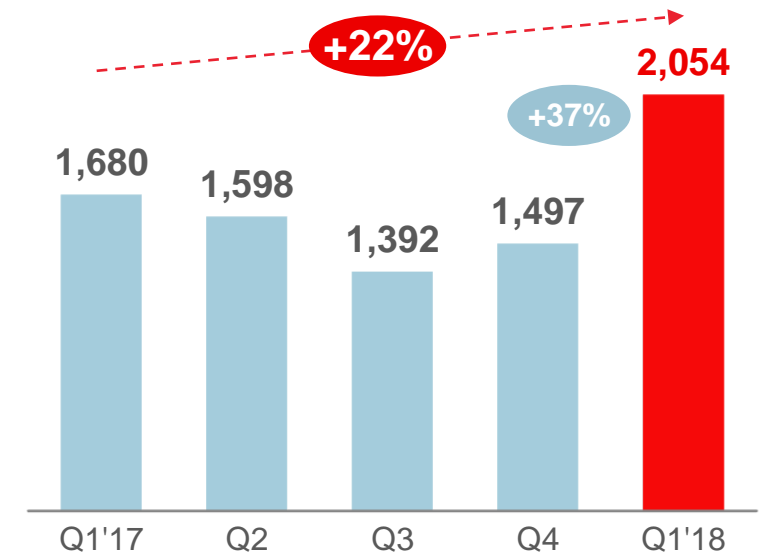
4.02% (+28 bps)

Excellent YoY performance driven by strong top-line growth and lower provisions

EUR mn	Q1'18	% vs. Q1'17	
		Euros	Constant euros
Net interest income	8,454	1	11
Net fees	2,955	4	14
Customer revenues	11,409	1	12
ROF and other	742	-5	5
Gross income	12,151	1	11
Operating expenses	-5,764	4	13
Net operating income	6,387	-2	10
Net loan-loss provisions	-2,282	-5	8
Other provisions	-416	-46	-42
PBT	3,689	11	23
Attributable Profit	2,054	10	22

Attributable profit

Constant EUR mn

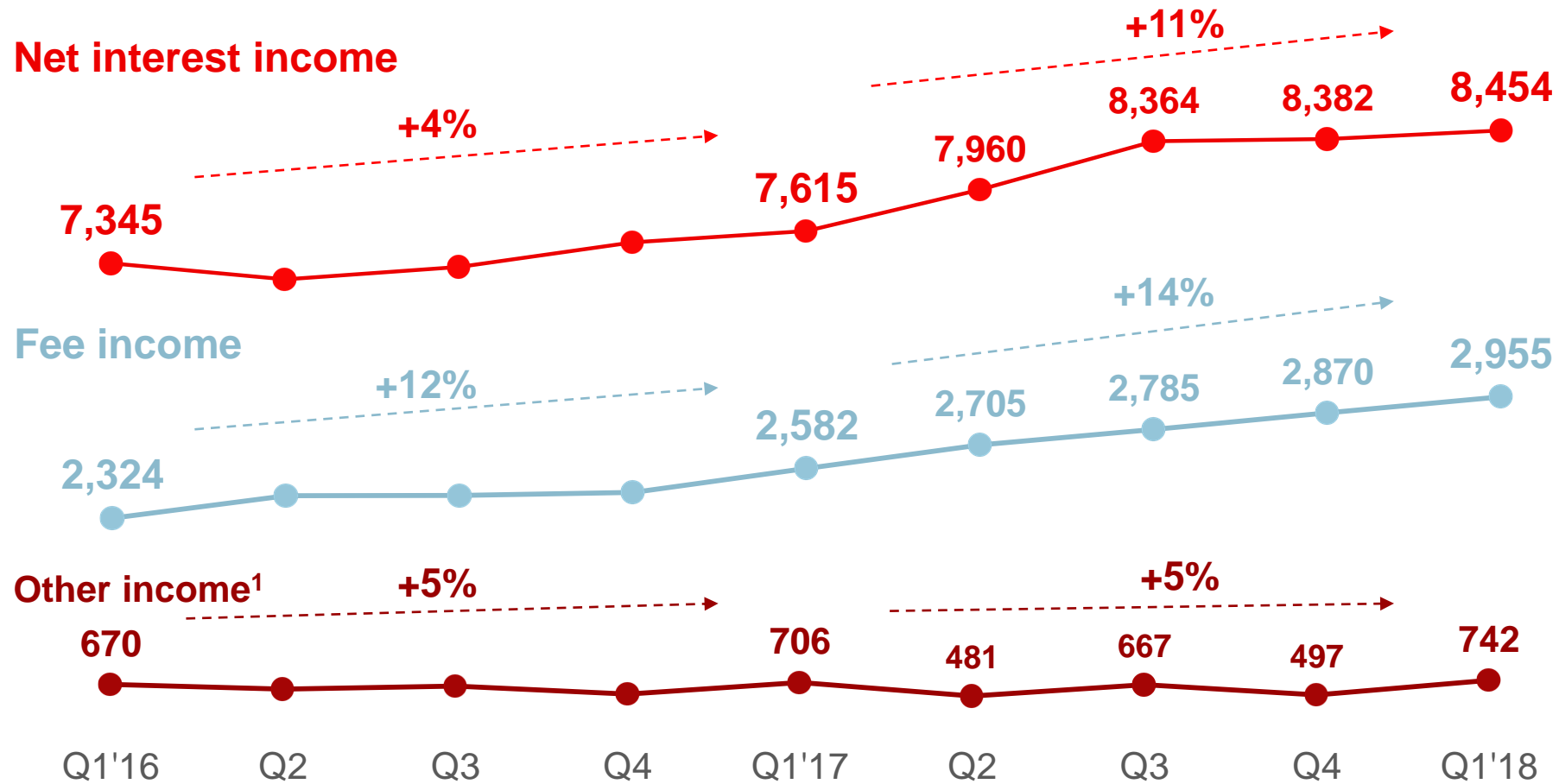


Underlying attributable profit

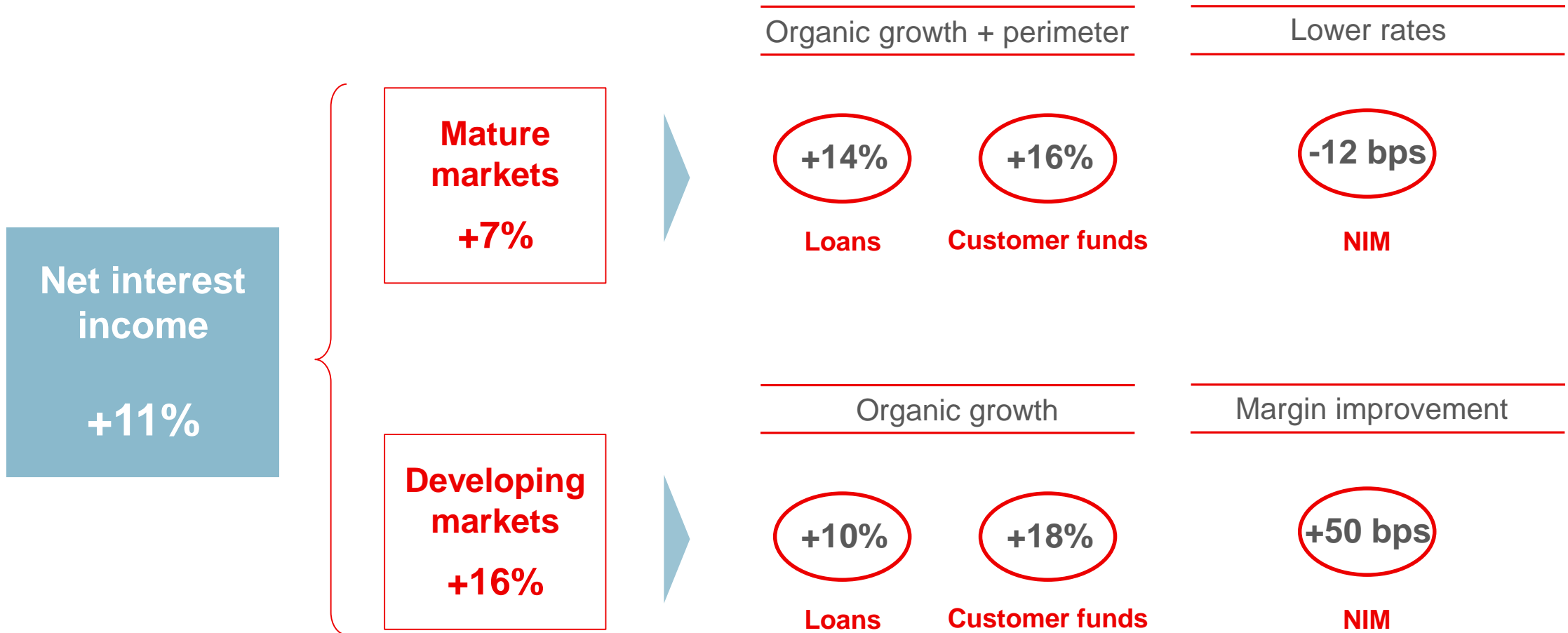
Constant EUR mn



Sustained gross income growth QoQ driven by strong recurring customer revenues

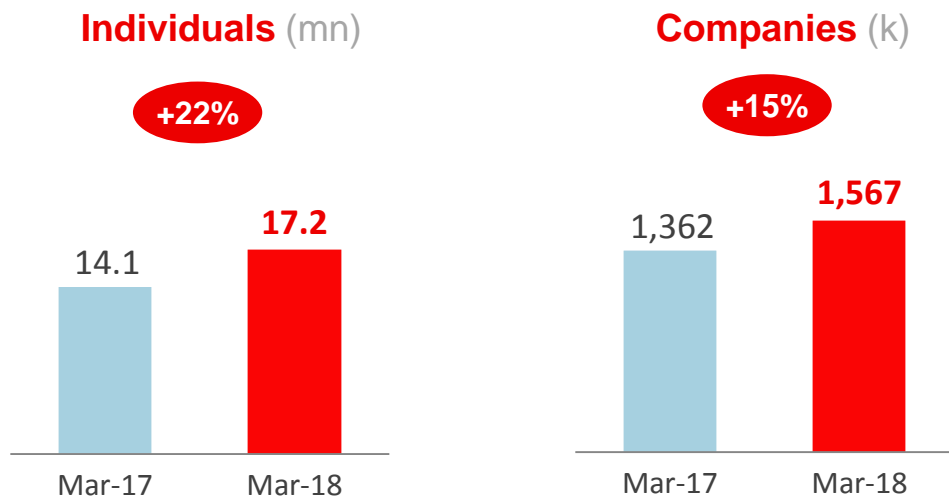


Higher NII due to increased business volumes and margin management



Higher fee income driven by rise in loyal customers, increased activity and commercialisation of value added products and services

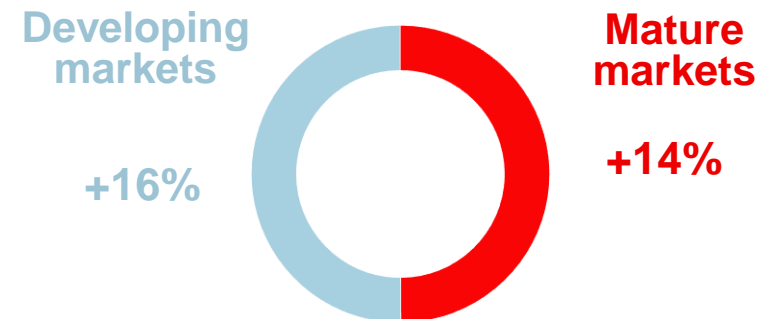
Loyal customers growth



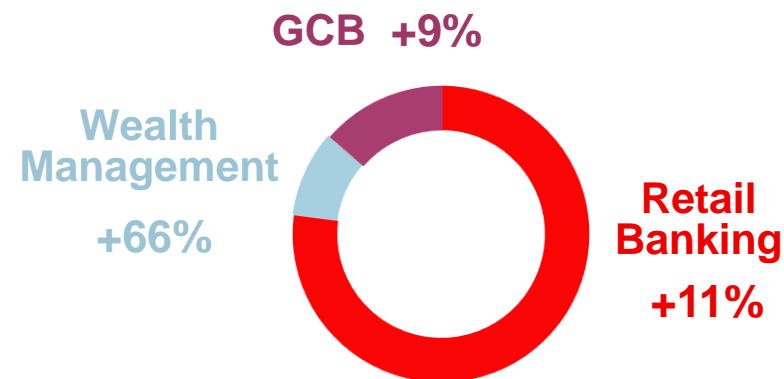
Activity growth



Total fee income by geography














Total fee income by segment



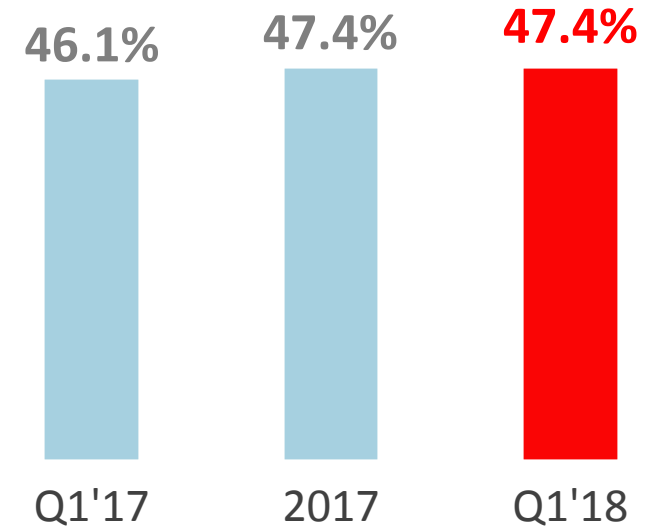
Higher costs due to commercial transformation and digitalisation investments, with optimisation measures not yet fully feeding through to synergies

Active cost management

Q1'18 vs. Q1'17, %

	Nominal ¹	In real terms ²
	5.6	2.2
	8.4	4.3
	2.1	0.7
	43.5	1.8
	13.6	6.6
	3.7	0.7
	14.3	-3.5
	1.4	-0.8
	43.0	5.4
	1.9	0.0
	1.3	-0.2

Cost-to-income impacted by integrations

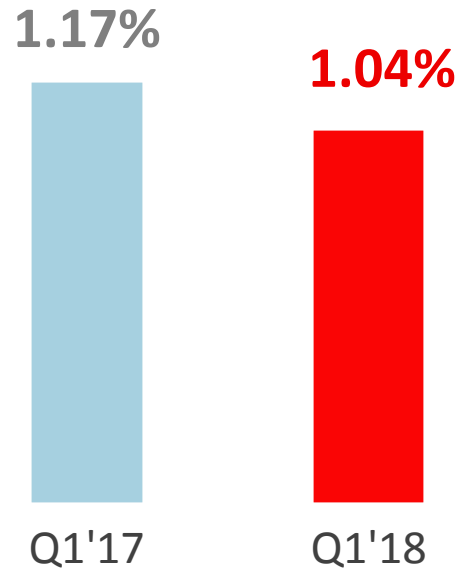


Top 3 in customer satisfaction³ in 7 countries

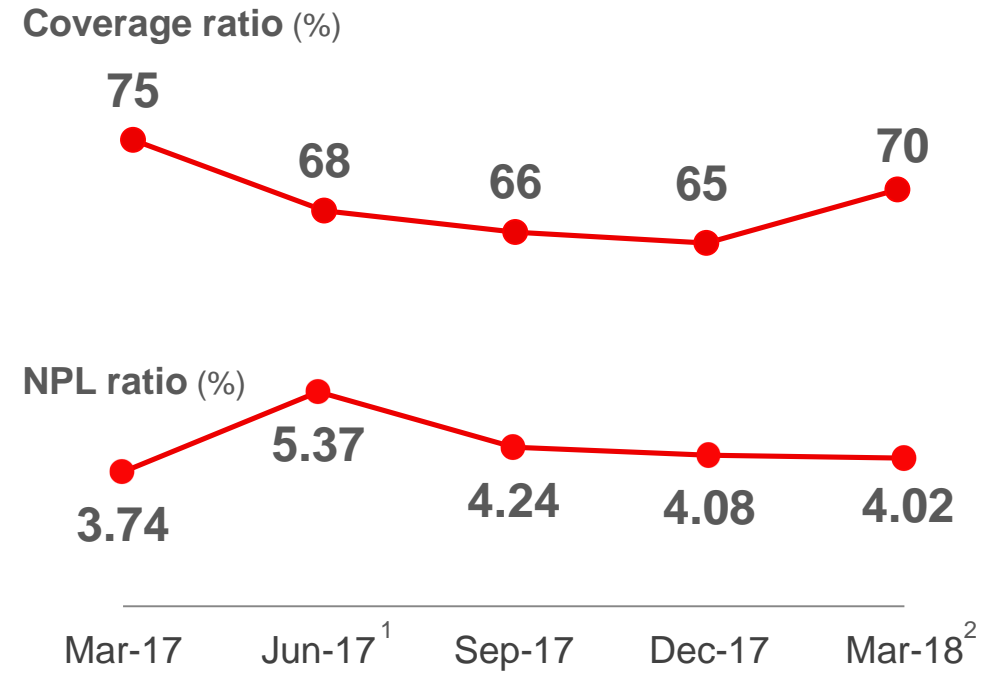


Lower cost of credit with some impact from the initial application of IFRS 9 in Q1'18

Better cost of credit at Group level



Group NPL and coverage ratio improving

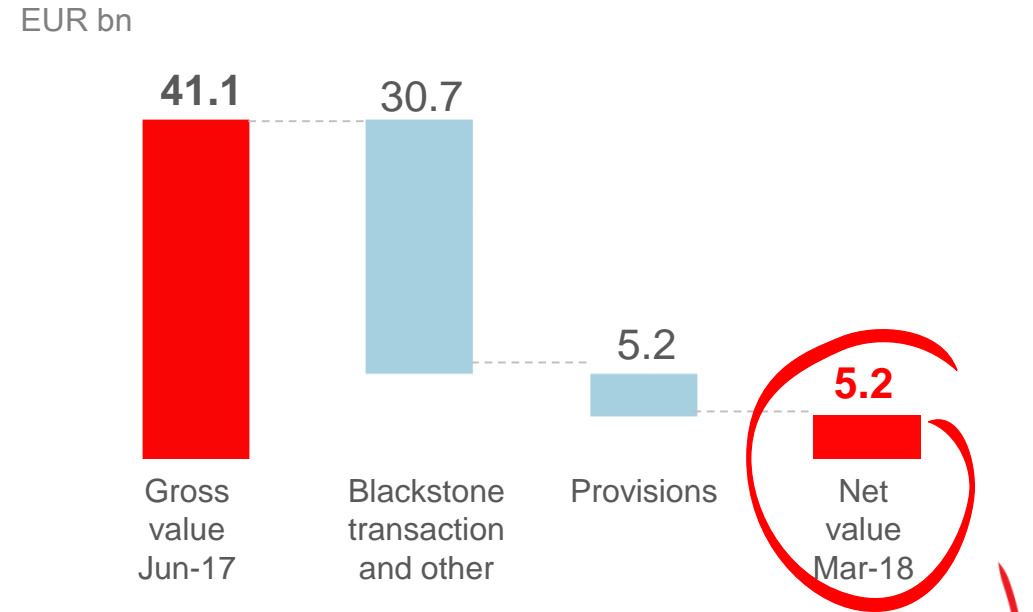


Real estate exposure reduction strategy

- ▶ Following the acquisition of Banco Popular, we announced our intention to **reduce Grupo Santander's NPE**
- ▶ Agreement with Blackstone **was completed in March 2018** according to plan:
 - ▶ **No material impact on results**
 - ▶ **Positive impact of 10 bps on the CET1 capital ratio**
- ▶ As a result of this operation the Spain Real Estate unit has an **exposure of EUR 5.2 billion**

We will continue reducing this exposure in the coming quarters

Real estate exposure¹



Net value

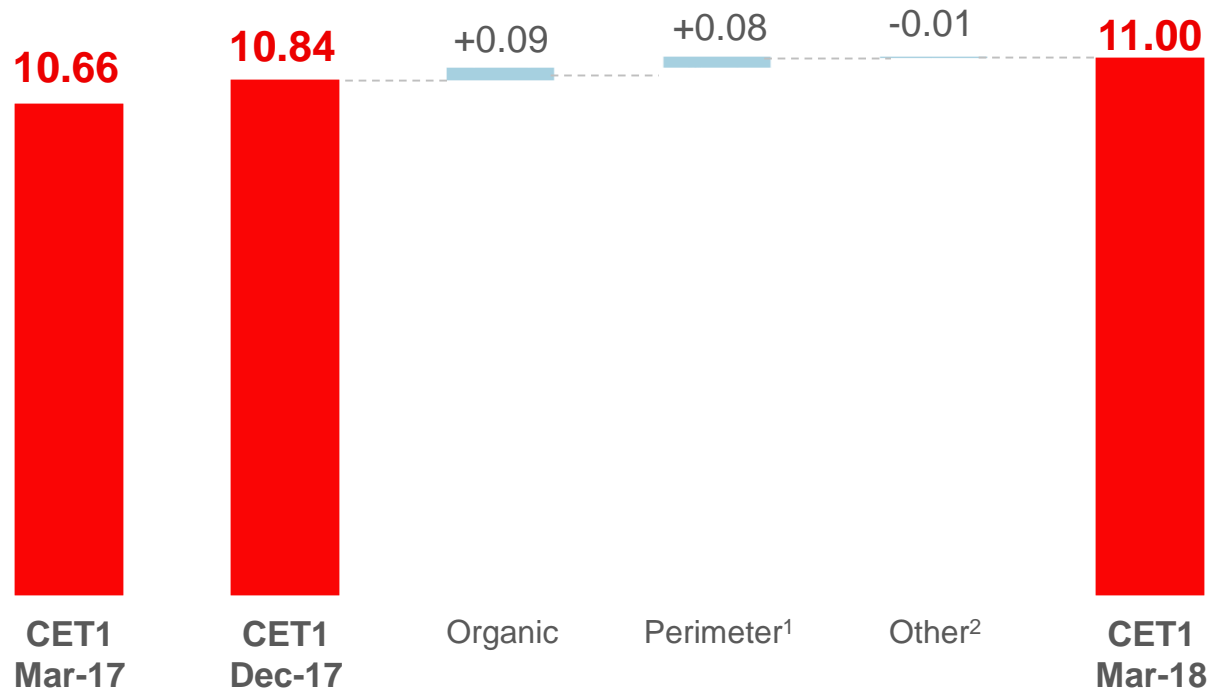
EUR bn

	Mar-18
Real estate assets	4.0
<i>Foreclosed assets</i>	2.8
<i>Rental assets</i>	1.2
RE non-performing loans (NPLs)	1.2
RE assets + RE non-performing loans	5.2

Progress in reaching our target of a fully loaded CET1 >11% in 2018

Fully loaded CET1 evolution

%



Leverage ratio: 5.1% (5.0% on Mar-17)

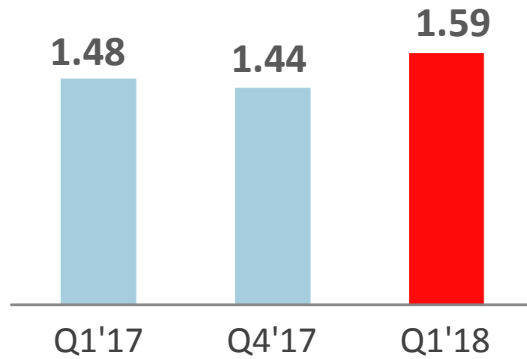
Proforma ratio with future estimated impacts

Mar-18

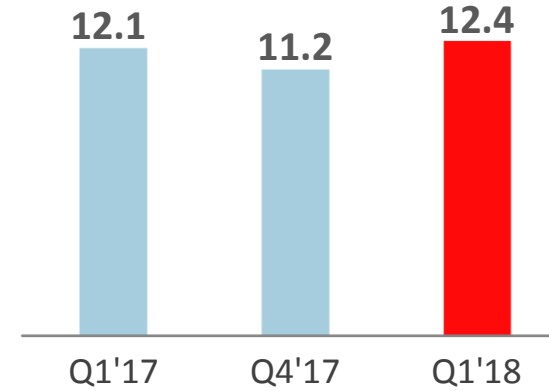
FL CET1	11.00
TotalBank	+0.05
WiZink	+0.09
SC USA minority interests	-0.18
Popular restructuring	-0.05
FL CET1 + transactions	10.91

Delivering on our commitments: positive performance of main ratios

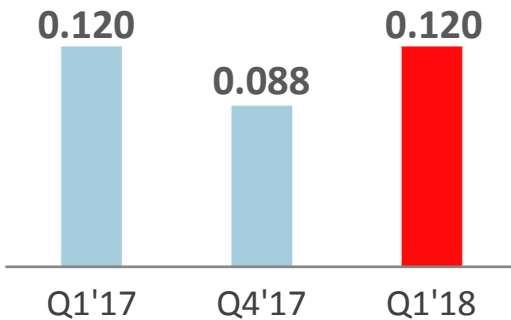
RoRWA (%)



RoTE (%)

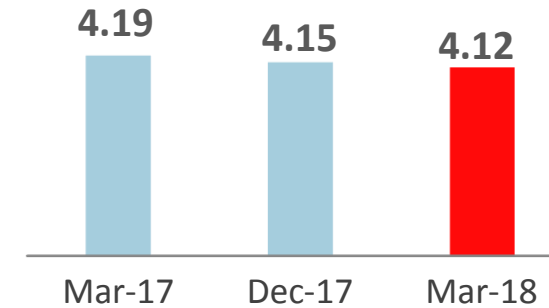


EPS¹ (EUR)



FY 2018 target
Double digit growth

TNAV per share¹ (EUR)



Mar-18 excluding IFRS 9 impact
EUR 4.20

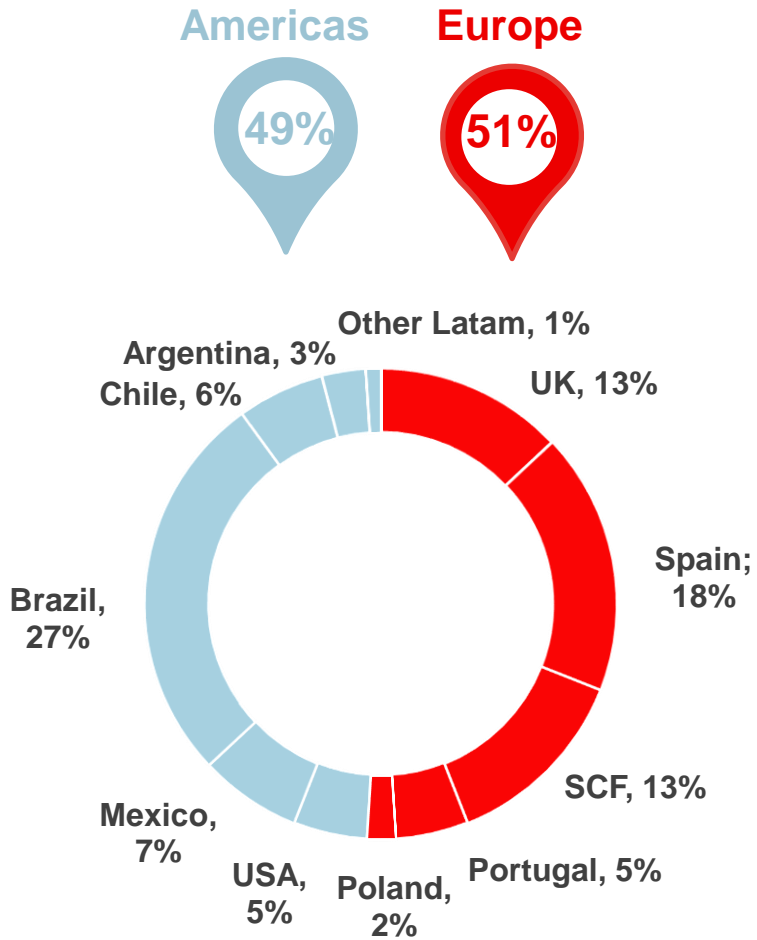
Business areas performance Q1'18



02

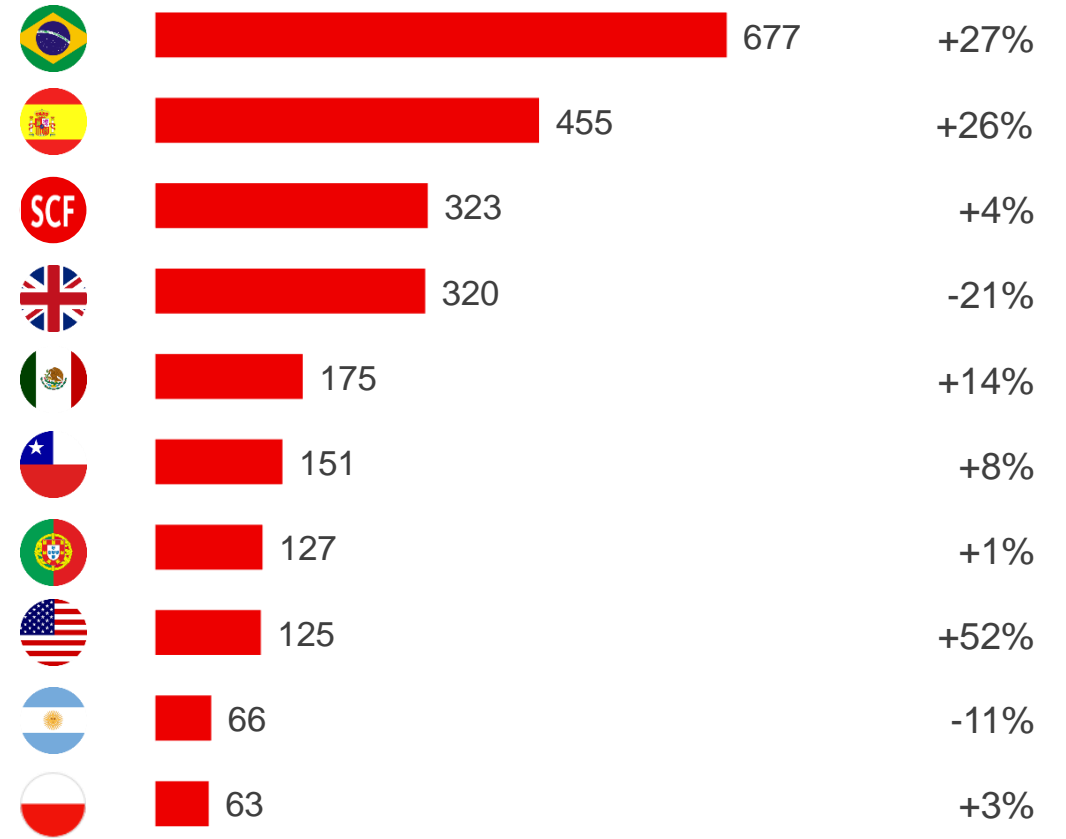
Group profit growth driven by most markets

Q1'18 Attributable profit¹



Q1'18 Attributable profit in core markets

EUR mn and % change vs. Q1'17 in constant euros





Brazil

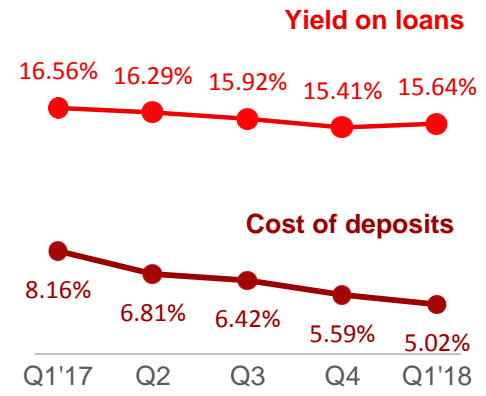
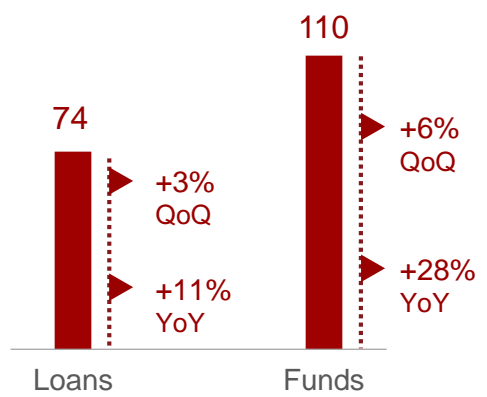
KEY DATA	Q1'17	Q1'18
Loyal customers (millions)	3.7	4.6
Digital customers (millions)	6.9	9.1
NPL ratio (%)	5.36	5.26
Cost of credit (%)	4.84	4.35
Efficiency ratio (%)	35.4	33.8
RoTE (%)	16.5	19.9

P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	2,482	2.9	17.3
Fee income	920	4.1	17.5
Gross income	3,445	2.8	10.4
Operating expenses	-1,165	-5.1	5.6
LLPs	-822	5.5	7.6
PBT	1,304	14.5	37.0
Attributable profit	677	10.7	27.3

(1) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn



- ▶ **Customer base and user experience** (NPS) continue to be the **primary driving forces behind our results**, contributing to profit and RoTE (20%)
- ▶ **Positive top line trends** underscoring revenue recurrence: NII (higher volumes and spreads) and fee income (greater transactionality and loyalty)
- ▶ **Controlled costs and increased productivity**
- ▶ **Loans still growing** above market average, while cost of credit improves. Controlled levels of LLPs and NPLs due to our risk model resilience



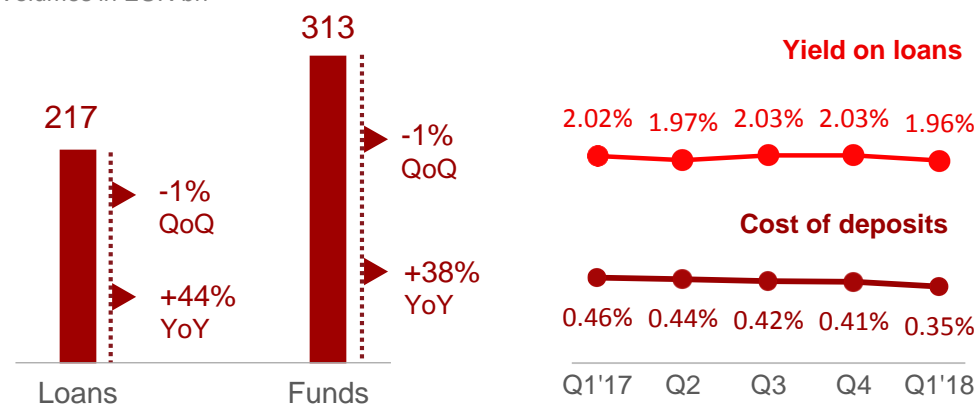
Spain

KEY DATA	Q1'17	Q1'18
Loyal customers (millions)	1.4	2.4
Digital customers (millions)	2.8	4.1
NPL ratio (%)	5.22	6.27
Cost of credit (%)	0.33	0.29
Efficiency ratio (%)	51.8	55.5
RoTE (%)	12.7	11.1

P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	1,037	-2.9	38.9
Fee income	673	-1.2	46.5
Gross income	2,063	12.4	34.1
Operating expenses	-1,145	-3.6	43.5
LLPs	-207	18.1	26.8
PBT	608	36.0	18.4
Attributable profit	455	37.6	25.7

ACTIVITY

Volumes in EUR bn



(1) EUR mn

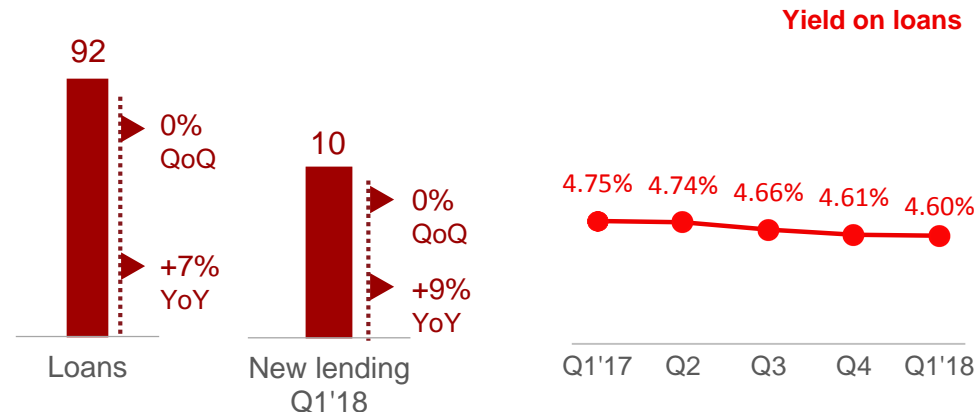
- ▶ Includes Popular in Q1'18 and in Q4'17. **Integration on track as scheduled**
- ▶ **Offering joint commercial initiatives:** Launch of 1|2|3 Profesional (75k accounts since its launch in March)
- ▶ **Volumes** hit by outflows in large companies and institutions
- ▶ **Positive trends in commercial revenues** with an improvement in the cost of credit. Costs reflect the incorporation of less efficient business
- ▶ **QoQ:** Drop in NII due to lower volumes and ALCO portfolio sales in Q4. Seasonal increase in provisions

Santander Consumer Finance

KEY DATA	Q1'17	Q1'18
Active customers (millions)	19.5	19.4
NPL ratio (%)	2.62	2.48
Cost of credit (%)	0.39	0.36
Efficiency ratio (%)	44.9	44.6
RoTE (%)	17.1	16.6

ACTIVITY

Volumes in EUR bn



Note: % change in constant euros. Loans excluding reverse repos.

Excluding Santander Consumer UK profit, recorded in Santander UK results. Including it, Q1'18 attributable profit: EUR 351 mn (+3% vs. Q1'17 and +3% vs. Q4'17)

P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	915	1.0	3.9
Fee income	215	5.3	-7.1
Gross income	1,140	0.7	2.8
Operating expenses	-509	0.5	2.1
LLPs	-120	>	>
PBT	535	4.5	4.2
Attributable profit	323	3.8	4.0

(1) EUR mn and % change in constant euros

- ▶ **High diversification and leadership in Europe**
- ▶ **Increased new lending in almost all geographies:** auto loans (+12%) and credit cards (+12%)
- ▶ **Best-in-class profitability:** profit up, boosted by higher NII, cost control and historically low NPLs and cost of credit
- ▶ **Main contribution to profit:** Germany (EUR 77 mn), Spain (EUR 68 mn) and Nordic countries (EUR 56 mn)
- ▶ **Germany commercial network integration on track as scheduled**



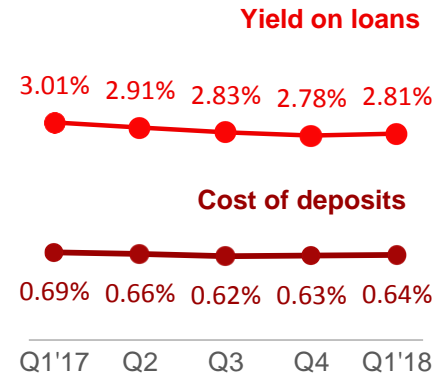
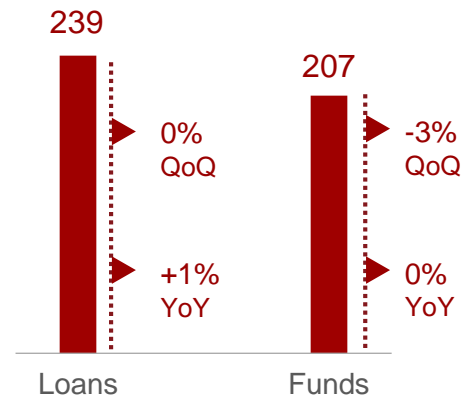
United Kingdom

KEY DATA	Q1'17	Q1'18
Loyal customers (millions)	4.1	4.4
Digital customers (millions)	4.7	5.2
NPL ratio (%)	1.31	1.17
Cost of credit (%)	0.03	0.10
Efficiency ratio (%)	50.5	56.6
RoTE (%)	11.3	9.1

P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	1,031	-2.0	-3.3
Fee income	242	-0.9	-1.8
Gross income	1,349	-0.1	-3.2
Operating expenses	-764	5.5	8.4
LLPs	-66	-18.6	>
PBT	457	2.9	-20.2
Attributable profit	320	6.8	-21.1

ACTIVITY

Volumes in EUR bn



(1) EUR mn and % change in constant euros

- ▶ In a **competitive market**, **strong growth** in mortgages with focus on retention and service
- ▶ **Profit impacted** by pressure on revenue, investments in technology and regulatory projects, and provisions for single cases
- ▶ **Credit quality remains solid** with a **low cost of credit** and **NPL**
- ▶ **QoQ**: continued NII pressure from new asset margins and SVR compensated by lower provisions

Good performance: higher customer base, higher profits and better credit quality



EUR 175 mn; +14%

- ▶ **Significant investment** in multichannel, digitalisation and commercial initiatives
- ▶ **Profit up** driven by **NII and fee income**, resulting in a **high RoTE** (20%). Solid credit quality



EUR 151 mn; +8%

- ▶ **Focus on customer satisfaction**, loyalty and digital initiatives. Strong volume acceleration
- ▶ **Profit up** driven by **commercial revenues, cost control and lower cost of credit**



EUR 127 mn; +1%

- ▶ After Popular acquisition Santander Totta is **the largest¹ privately owned bank**
- ▶ The **commercial transformation programme** continues to boost loyal and digital customers
- ▶ **Profit** impacted by ALCO sales in Q1'17 and higher tax rate. **PBT: +10%**



EUR 125 mn; +52%

- ▶ **Attributable profit growth** due to lower LLPs and cost control
- ▶ **Santander Bank**: increasing profitability by improving NIM and efficiency ratio
- ▶ **SC USA**: higher profitability due to better cost of credit and lower costs. Focus on improving cost of funding



EUR 66 mn; -11%

- ▶ **Leading privately owned bank** by loans and deposits. Of note were SMEs, consumer loans and strong increase in mutual funds
- ▶ Profit affected by **Citibank integration costs** and **higher provisions** (volume growth and 2017 releases)



EUR 63 mn; +3%

- ▶ Strong YoY **credit growth across all segments and products** accompanied by an **increase in deposits**
- ▶ **Focus on commercial revenue** and **cost control** though profit affected by the timing change of BFG payment to Q1

Corporate Centre

P&L

EUR mn

	Q1'17	Q4'17	Q1'18
NII	-194	-223	-224
Gains/Losses on FT	-119	30	12
Operating expenses	-119	-120	-121
Provisions	-37	-51	-79
Tax and minority interests	29	32	6
Underlying attrib. Profit	-468	-378	-421
Non-recurring ¹	0	-306	0
Attributable profit	-468	-684	-421

- ▶ Higher loss in NII YoY due to increased issuances (TLAC)
- ▶ Lower cost of hedging reflected in gains on financial transactions
- ▶ Operating expenses remained virtually unchanged as a result of the streamlining and simplification measures

Concluding
remarks



03

We are on track to meet our 2018 targets

	2017	Q1'18	2018 Targets
Loyal customers (mn)	17.3	18.8	18.6
Digital customers (mn)	25.4	27.3	30
Fee income ¹	13%	14%	~10% CAGR 2015-18
Cost of credit risk	1.07%	1.04%	1.2% 2015-18 average
Cost-to-income	47.4%	47.4%	45-47%
EPS (EUR)	0.40	0.120 (Q1'18)	Double digit growth
DPS (EUR) ²	0.22	0.23	Yearly increase
FL CET1	10.84%	11.00%	>11%
RoTE	10.4% ³	12.4%	>11.5%

Positive trends makes us confident to deliver solid results in 2018



Save the date

SANTANDER | October 3rd 2018
INVESTOR DAY | **LONDON**

Appendix



04

Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

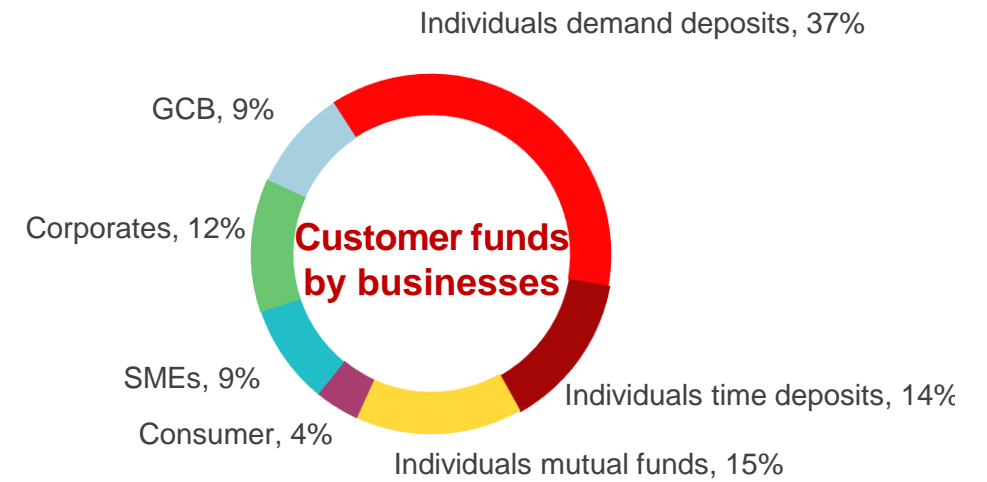
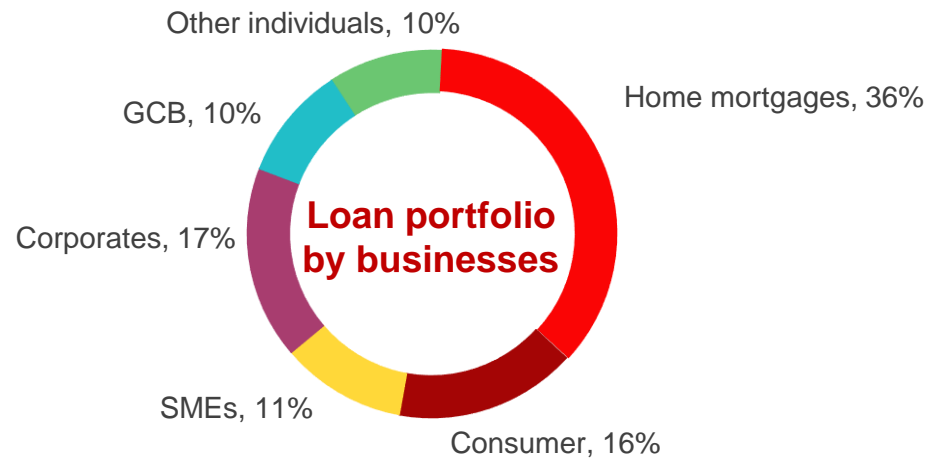
Overall increase in loans and customer funds, boosted by developing markets and Banco Popular integration

Loan portfolio

MATURE MARKETS			DEVELOPING MARKETS		
Mar-18	EUR bn	YoY Chg.	Mar-18	EUR bn	YoY Chg.
Spain	217	44%	Poland	23	5%
UK	239	1%	Brazil	74	11%
USA	72	-3%	Mexico	29	8%
SCF	92	7%	Chile	39	4%
Portugal	37	30%	Argentina	8	41%

Customer funds

MATURE MARKETS			DEVELOPING MARKETS		
Mar-18	EUR bn	YoY Chg.	Mar-18	EUR bn	YoY Chg.
Spain	313	38%	Poland	28	6%
UK	207	0%	Brazil	110	28%
USA	59	-6%	Mexico	38	9%
SCF	37	4%	Chile	34	3%
Portugal	37	19%	Argentina	13	41%



Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

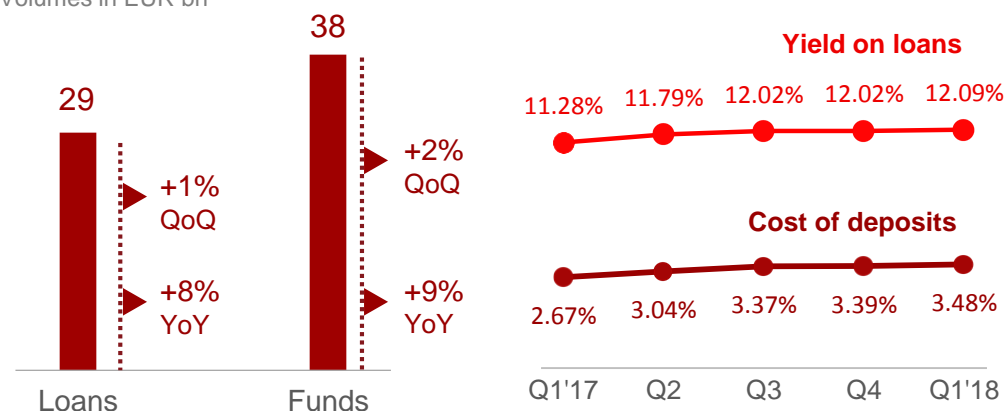
Mexico



KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	1,663	2,065
Digital customers (thousands)	1,528	2,061
NPL ratio (%)	2.77	2.68
Cost of credit (%)	2.94	2.95
Efficiency ratio (%)	38.8	40.9
RoTE (%)	18.8	19.6

ACTIVITY

Volumes in EUR bn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	649	6.4	11.0
Fee income	187	7.1	11.0
Gross income	831	3.4	7.7
Operating expenses	-340	1.9	13.6
LLPs	-200	9.7	-8.4
PBT	288	8.6	15.0
Attributable profit	175	1.5	14.1

(1) EUR mn and % change in constant euros

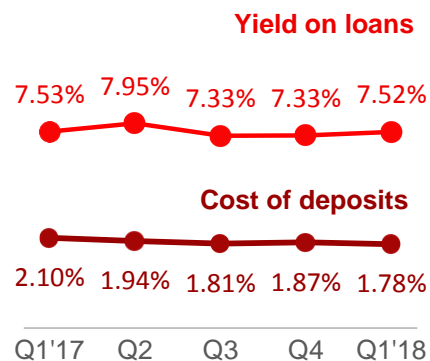
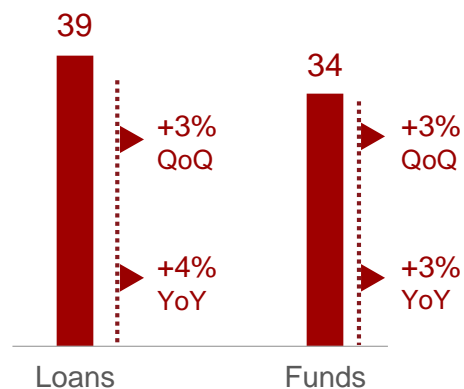
- ▶ **Significant investment** in multichannel, digitalisation and commercial initiatives
- ▶ Efforts made to **retain customers, attract payrolls** (market share: +88 bps YoY) and increase in digital customers (+35%)
- ▶ **Profit up** due to **strong NII and fee income**, resulting in a **high RoTE**
- ▶ **Solid credit quality**: flat NPL ratio, coverage ratio at 114% and cost of credit around 3%



KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	609	635
Digital customers (thousands)	979	1,028
NPL ratio (%)	4.93	5.00
Cost of credit (%)	1.42	1.22
Efficiency ratio (%)	40.9	40.3
RoTE (%)	17.1	17.2

ACTIVITY

Volumes in EUR bn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	490	-1.1	7.1
Fee income	111	20.1	9.4
Gross income	640	0.8	5.2
Operating expenses	-258	3.2	3.7
LLPs	-121	9.7	5.6
PBT	282	1.8	14.5
Attributable profit	151	2.1	8.4

(1) EUR mn and % change in constant euros

- ▶ Santander is the **largest privately owned bank in Chile** by assets and customers
- ▶ **Economy gaining momentum** with growth forecast at 3.5% in 2018
- ▶ Focus on **customer satisfaction, loyalty and digital initiatives**: Santander Life well accepted and new WorkCafé Branch openings
- ▶ Loan and fund **growth accelerate QoQ**
- ▶ **Profit up** driven by commercial revenues, cost control and lower cost of credit

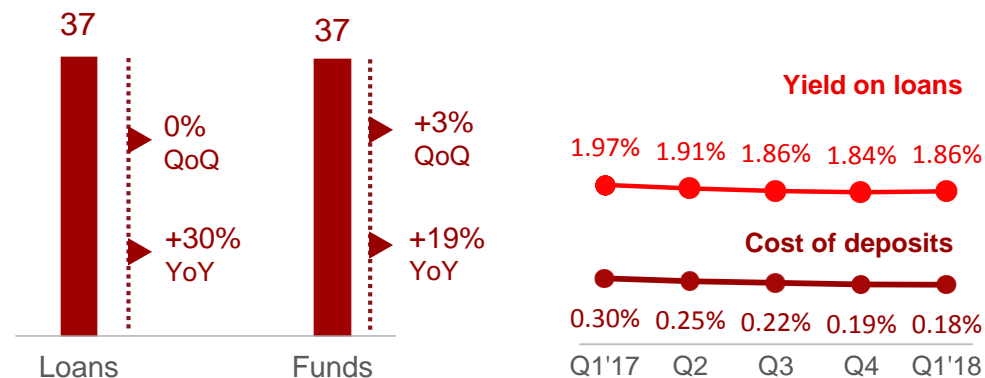
Portugal



KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	660	712
Digital customers (thousands)	524	653
NPL ratio (%)	8.47	8.29
Cost of credit (%)	0.07	0.08
Efficiency ratio (%)	47.2	46.4
RoTE (%)	15.3	12.7

ACTIVITY

Volumes in EUR bn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	222	0.2	29.3
Fee income	98	6.3	9.4
Gross income	341	3.3	16.2
Operating expenses	-158	-5.1	14.3
LLPs	-8	-	-
PBT	166	-0.8	10.2
Attributable profit	127	6.3	1.1

(1) EUR mn

- ▶ Figures include Popular in Q1'18 and in Q4'17, with **Santander Totta being the largest² privately owned bank**
- ▶ **Very dynamic activity, with market shares in new lending** above 20% for both corporates and mortgages
- ▶ The digital transformation continues to enhance customer loyalty
- ▶ **Commercial revenue increased, continued cost control and low cost of credit**
- ▶ **Profit impacted** by ALCO sales in Q1'17 and higher tax rate

United States

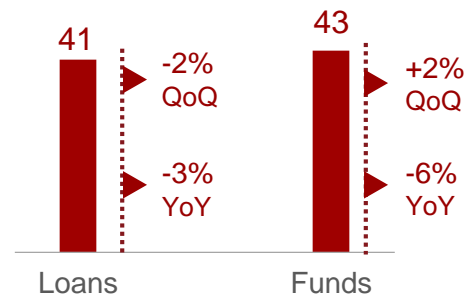


KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	280	301
Digital customers (thousands)	801	805
NPL ratio (%)	2.43	2.86
Cost of credit (%)	3.63	3.29
Efficiency ratio (%)	44.6	46.6
RoTE (%)	2.8	3.9

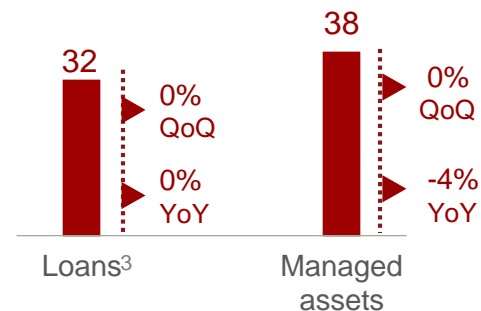
ACTIVITY

Volumes in EUR bn

Santander Bank



Santander Consumer USA



Note: % change in constant euros. Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds. Santander Bank's customers

(3) Includes leasing

P&L ¹	Q1'18	%Q4'17 ²	%Q1'17
NII	1,221	-0.1	-5.4
Fee income	214	0.3	-9.4
Gross income	1,578	3.0	-3.1
Operating expenses	-735	-0.6	1.4
LLPs	-579	-5.5	-17.5
PBT	241	59.4	39.7
Attributable profit	125	-	51.9

(1) EUR mn and % change in constant euros

(2) Q4'17 profit included EUR -76 mn related to hurricane provisions, SC USA settlement, tax reform and other

- ▶ **Attributable profit strong increase** due to **lower LLPs and cost control**
- ▶ **Santander Bank:** increasing profitability by improving NIM and efficiency ratio
- ▶ **SC USA:** High profitability (RoTE: 13%) due to better cost of credit and lower costs. Focus on improving cost of funding
- ▶ Additionally, focussing on **closing out regulatory issues** and **optimising capital structure**, through organic growth and dividend payments

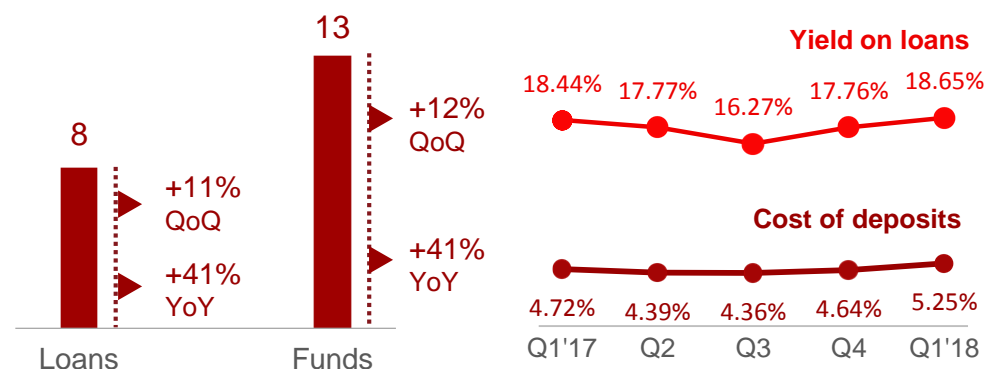
Argentina



KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	1,162	1,381
Digital customers (thousands)	1,600	2,029
NPL ratio (%)	1.82	2.54
Cost of credit (%)	1.68	2.06
Efficiency ratio (%)	54.5	57.9
RoTE (%)	36.8	28.4

ACTIVITY

Volumes in EUR bn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	214	-1.8	39.6
Fee income	129	10.2	23.1
Gross income	377	0.2	34.8
Operating expenses	-218	6.3	43.0
LLPs	-49	44.5	>
PBT	92	-21.5	-14.4
Attributable profit	66	-17.9	-10.9

(1) EUR mn and % change in constant euros

- ▶ Santander is the **leading privately owned bank** in Argentina by loans and deposits
- ▶ **Volume growth:** of note were **SMEs, consumer loans** and strong increase in mutual funds
- ▶ **Gross income increased** spurred by **larger volumes, margin management** and **higher fee income**
- ▶ Profit affected by **Citibank's integration costs** and **higher provisions**. Coverage ratio at 121% (100% in Dec-17)

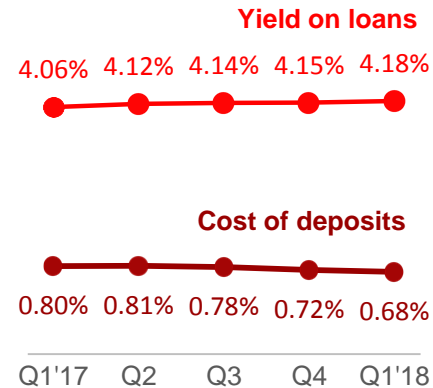
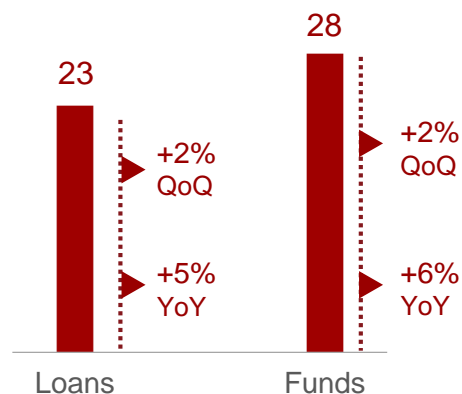
Poland



KEY DATA	Q1'17	Q1'18
Loyal customers (thousands)	1,327	1,712
Digital customers (thousands)	2,018	2,111
NPL ratio (%)	5.20	4.77
Cost of credit (%)	0.66	0.69
Efficiency ratio (%)	45.5	46.2
RoTE (%)	9.7	8.9

ACTIVITY

Volumes in EUR bn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	247	0.0	9.7
Fee income	112	-4.5	8.0
Gross income	333	-13.1	0.3
Operating expenses	-154	-4.9	1.9
LLPs	-46	11.6	64.6
PBT	120	-25.5	-6.9
Attributable profit	63	-23.3	2.8

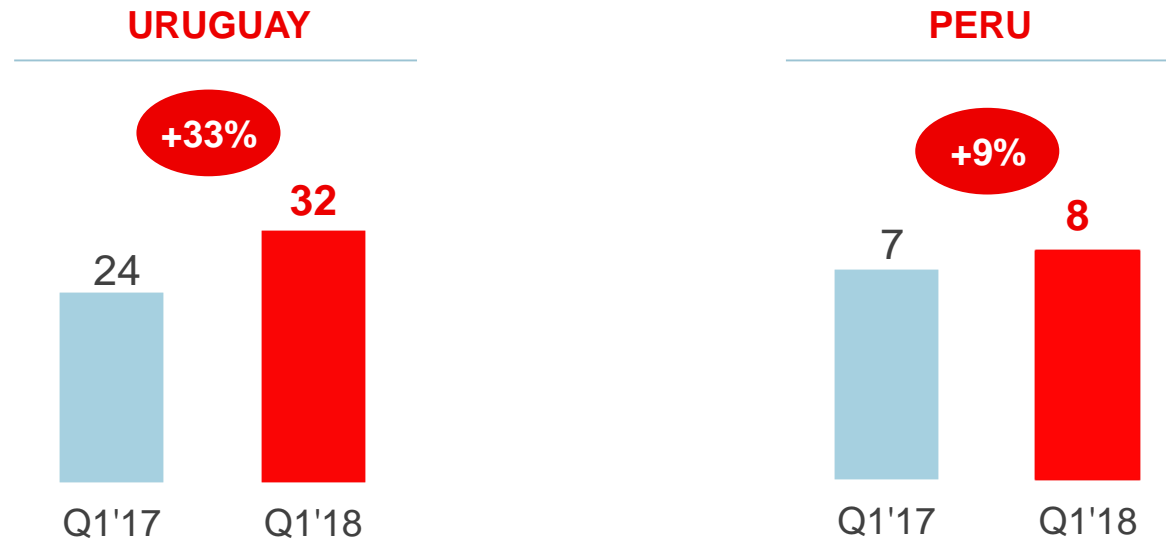
(1) EUR mn and % change in constant euros

- ▶ **Loan growth** across all key segments and products
- ▶ Deposit base increasing with **significant growth in demand deposits**
- ▶ **Strong credit quality in line with expectations:** NPL ratio dropped and cost of credit steady
- ▶ **Focus on commercial revenue and cost control**
- ▶ **Profit and RoTE affected by the timing change of total Resolution Fund payment to Q1** and lower trading gains

Other Latin American Countries

Attributable profit

Constant EUR mn



- ▶ Focusing on loyalty, transactions and target segments
- ▶ Uruguay's profit driven by higher NII and fee income, with improved C/I
- ▶ Peru's profit driven by higher revenues

Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

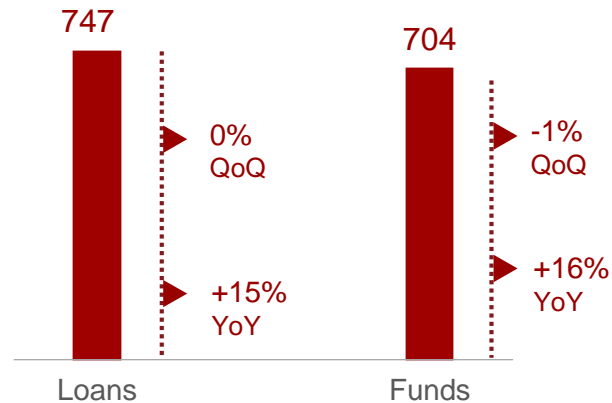
NPL and coverage ratios and cost of credit

Quarterly income statements

Retail Banking

ACTIVITY

Volumes in EUR bn and % change in constant euros



P&L ¹	Q1'18	%Q4'17 ²	%Q1'17
NII	8,034	0.9	12.4
Fee income	2,284	-2.0	11.3
Gross income	10,671	1.7	11.5
Operating expenses	-4,886	-2.1	12.8
LLPs	-2,161	16.2	10.4
PBT	3,285	2.0	23.6
Attributable profit	1,931	2.7	21.8

(1) EUR mn and % change in constant euros

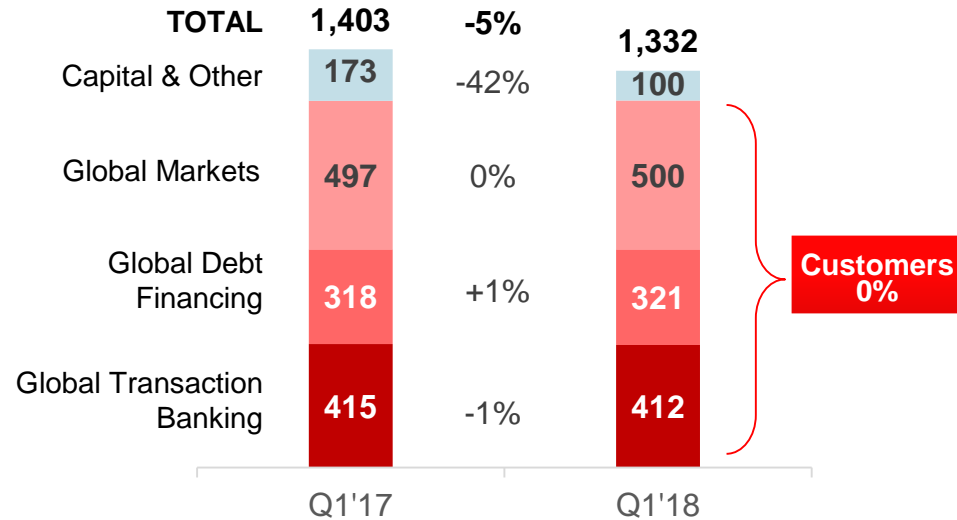
(2) Q4'17 profit included EUR -57 mn related to hurricane provisions, SCUSA settlement and tax reform in the USA

- ▶ Focused on three main priorities: customer loyalty, digital transformation and operational excellence
- ▶ New commercial initiatives and launch of several offers across multi-channel model
- ▶ Progress in achieving our targets. 18.8 million loyal customers (+22% from March-17) and 27.3 million digital customers (+24% from March-17)
- ▶ Profit boosted by perimeter effect after Popular acquisition and the strong performance in commercial revenues

Global Corporate Banking

REVENUE

Constant EUR mn



P&L ¹	Q1'18	%Q4'17	%Q1'17
NII	551	-1.3	-4.9
Fee income	404	5.2	9.4
Gross income	1,332	11.3	-5.1
Operating expenses	-527	1.6	14.3
LLPs	-71	-65.5	-42.8
PBT	733	64.3	-9.2
Attributable profit	483	65.2	-9.1

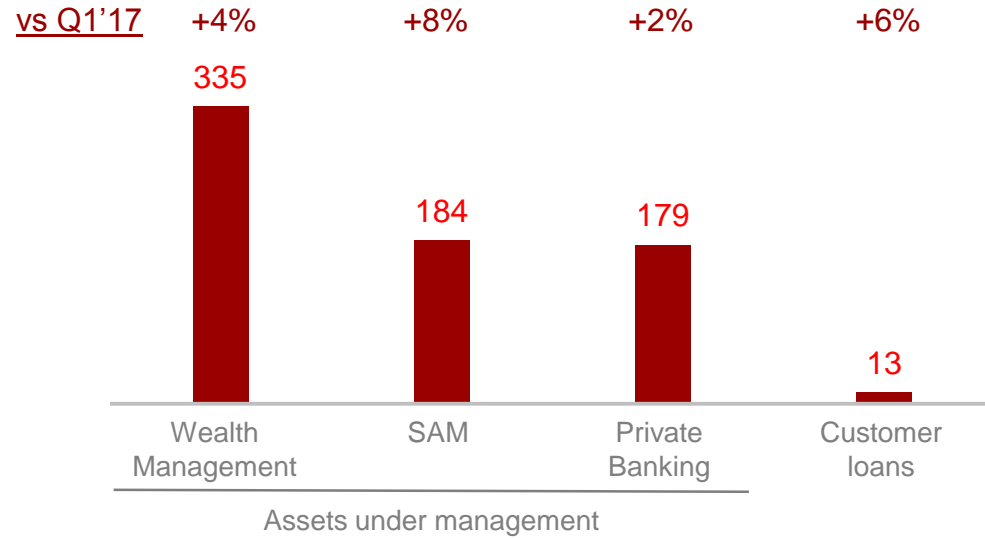
(1) EUR mn and % change in constant euros

- ▶ Higher revenue from international activity, benefiting from cross-border flows across our geographic footprint
- ▶ Continued improvement in services to retail network customers, adapting our product offering to the Bank's digital transformation
- ▶ Attributable profit declined 9% YoY, due to strong gains on financial transactions Q1'17. Profit was 16% above 2017 quarterly average.
- ▶ Improved quality of customer revenues, driven by value-added business and higher fee income that offset lower use of the balance sheet.

Wealth Management

ACTIVITY

Constant EUR bn



Note: Total assets marketed and/or managed in 2018 and 2017

- ▶ New Global Division that includes the Private Banking and Santander Asset Management (SAM) businesses of the Group in more than 10 countries
- ▶ Both businesses continue to be a reference in private banking and asset management in Spain and Latin America
- ▶ Key initiatives: development of UHNW proposition, Private Banking digital platform, strengthening of the SAM product catalogue
- ▶ Growth in volumes and revenues. Fee income growth driven by higher volumes and greater customer loyalty
- ▶ **Total contribution³ to the Group's profit of 253 million (+16% over estimated Q1'17)**

P&L ¹	Q1'18	%Q4'17 ²	%Q1'17
NII	100	3.9	9.8
Fee income	276	59.1	68.5
Gross income	379	27.2	38.9
Operating expenses	-182	37.6	47.0
LLPs	-5	-60.5	-18.6
PBT	191	26.3	35.3
Attributable profit	126	34.2	25.6

(1) EUR mn and % change in constant euros

(2) Q4'17 profit included EUR -19 mn related to tax reform in the USA

Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

We made good headway YTD in our funding plan to enhance the Group's TLAC position and optimise its cost of capital

Key liquidity ratios

Mar-18

Net loan-to-deposit ratio (LTD):	112%
Deposits + M/LT funding / net loans:	113%
Liquidity Coverage Ratio (LCR)¹:	138%

**Comfortable liquidity position
(Group and subsidiaries)**

Funding plan - issuances

Jan-Mar 18

Group issuances²	EUR 8bn (~EUR 6bn TLAC-eligible)
Main issuers	Parent bank and UK
Main issuance currencies	EUR, USD, GBP

**Focus on TLAC-eligible instruments, following
our decentralised liquidity and funding model**

Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

NPL ratio

%

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Continental Europe	5.62	8.70	6.30	5.82	5.81
Spain	5.22	10.52	6.82	6.32	6.27
Santander Consumer Finance	2.62	2.61	2.60	2.50	2.48
Poland	5.20	4.66	4.70	4.57	4.77
Portugal	8.47	9.10	8.39	7.51	8.29
United Kingdom	1.31	1.23	1.32	1.33	1.17
Latin America	4.50	4.40	4.41	4.46	4.43
Brazil	5.36	5.36	5.32	5.29	5.26
Mexico	2.77	2.58	2.56	2.69	2.68
Chile	4.93	5.00	4.95	4.96	5.00
Argentina	1.82	2.21	2.34	2.50	2.54
USA	2.43	2.64	2.56	2.79	2.86
Operating Areas	3.77	5.40	4.27	4.10	4.04
Total Group	3.74	5.37	4.24	4.08	4.02

Coverage ratio

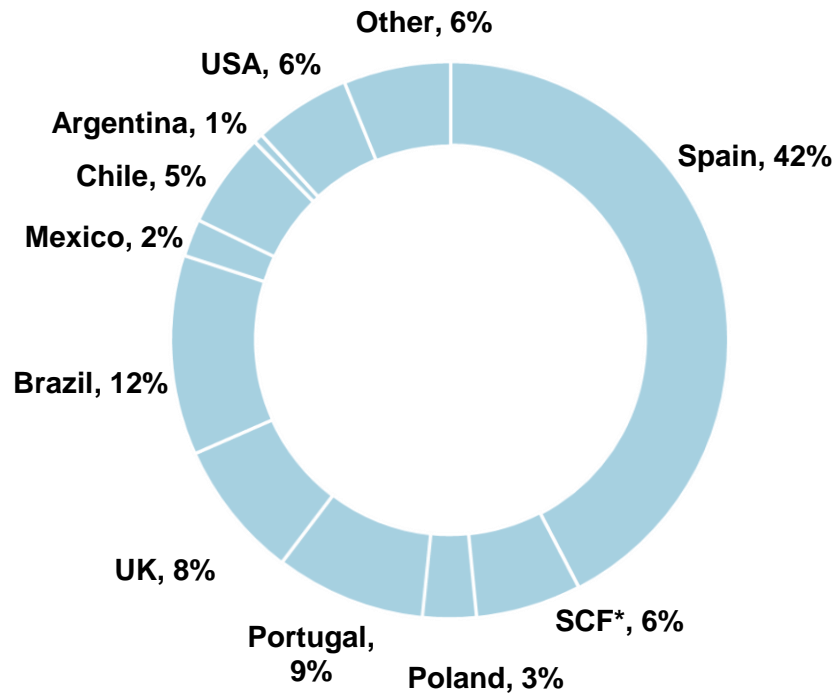
%

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Continental Europe	60.6	59.7	53.7	54.4	56.8
Spain	49.1	56.6	46.2	46.8	51.1
Santander Consumer Finance	108.9	106.5	104.3	101.4	107.2
Poland	61.2	67.5	67.6	68.2	72.0
Portugal	61.7	55.6	56.1	62.1	53.9
United Kingdom	33.8	32.6	31.5	32.0	34.6
Latin America	90.5	89.2	90.1	85.0	98.4
Brazil	98.1	95.5	97.6	92.6	110.4
Mexico	104.8	113.8	110.3	97.5	113.5
Chile	58.9	58.2	58.5	58.2	61.0
Argentina	134.1	109.9	102.8	100.1	121.3
USA	202.4	183.1	187.5	170.2	169.1
Operating Areas	74.6	67.6	65.7	65.1	69.7
Total Group	74.6	67.7	65.8	65.2	70.0

Non-performing loans and loan-loss allowances. March 2018

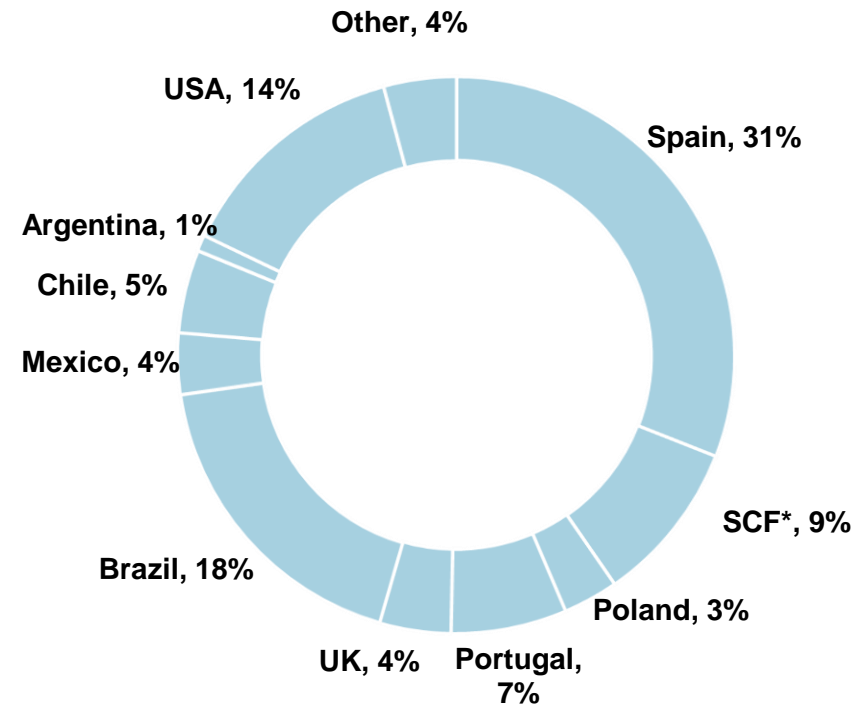
Non-performing loans

100%: EUR 37,408 million



Loan-loss allowances

100%: EUR 26,173 million



Cost of credit

%

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Continental Europe	0.38	0.36	0.32	0.31	0.32
Spain	0.33	0.32	0.28	0.30	0.29
Santander Consumer Finance	0.39	0.37	0.34	0.30	0.36
Poland	0.66	0.65	0.61	0.62	0.69
Portugal	0.07	0.03	0.10	0.04	0.08
United Kingdom	0.03	0.02	0.03	0.08	0.10
Latin America	3.36	3.36	3.25	3.15	3.12
Brazil	4.84	4.79	4.55	4.36	4.35
Mexico	2.94	3.01	3.14	3.08	2.95
Chile	1.42	1.37	1.27	1.21	1.22
Argentina	1.68	1.75	1.85	1.85	2.06
USA	3.63	3.65	3.57	3.42	3.29
Operating Areas	1.18	1.18	1.12	1.07	1.03
Total Group	1.17	1.17	1.12	1.07	1.04

Loans and customer funds by units and businesses

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

Grupo Santander

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	11,246	11,522	11,569	11,556	11,408
Gross income	12,029	12,049	12,252	12,062	12,151
Operating expenses	(5,543)	(5,648)	(5,766)	(5,961)	(5,764)
Net operating income	6,486	6,401	6,486	6,101	6,387
Net loan-loss provisions	(2,400)	(2,280)	(2,250)	(2,181)	(2,282)
Other	(775)	(848)	(645)	(544)	(416)
Underlying profit before taxes	3,311	3,273	3,591	3,375	3,689
Underlying consolidated profit	2,186	2,144	2,347	2,285	2,409
Underlying attributable profit	1,867	1,749	1,976	1,924	2,054
Net capital gains and provisions*	—	—	(515)	(382)	—
Attributable profit	1,867	1,749	1,461	1,542	2,054

Grupo Santander

Constant EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	10,197	10,665	11,149	11,253	11,408
Gross income	10,903	11,146	11,816	11,750	12,151
Operating expenses	(5,085)	(5,268)	(5,588)	(5,819)	(5,764)
Net operating income	5,818	5,878	6,228	5,931	6,387
Net loan-loss provisions	(2,112)	(2,068)	(2,140)	(2,110)	(2,282)
Other	(711)	(789)	(626)	(534)	(416)
Underlying profit before taxes	2,995	3,020	3,462	3,287	3,689
Underlying consolidated profit	1,974	1,968	2,266	2,228	2,409
Underlying attributable profit	1,680	1,598	1,907	1,873	2,054
Net capital gains and provisions*	—	—	(515)	(376)	—
Attributable profit	1,680	1,598	1,392	1,497	2,054

Spain

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,206	1,409	1,753	1,749	1,710
Gross income	1,539	1,475	2,011	1,835	2,063
Operating expenses	(798)	(893)	(1,161)	(1,188)	(1,145)
Net operating income	741	582	850	647	918
Net loan-loss provisions	(163)	(144)	(120)	(175)	(207)
Other	(64)	(64)	(62)	(25)	(104)
Underlying profit before taxes	514	374	667	447	608
Underlying consolidated profit	367	267	489	333	455
Underlying attributable profit	362	262	484	330	455
Net capital gains and provisions	—	—	(300)	—	—
Attributable profit	362	262	184	330	455

Santander Consumer Finance

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,121	1,096	1,121	1,110	1,130
Gross income	1,118	1,099	1,135	1,132	1,140
Operating expenses	(502)	(485)	(484)	(506)	(509)
Net operating income	616	614	650	625	631
Net loan-loss provisions	(61)	(57)	(90)	(58)	(120)
Other	(37)	(35)	(30)	(55)	24
Underlying profit before taxes	518	522	531	512	535
Underlying consolidated profit	370	382	370	373	388
Underlying attributable profit	314	319	309	311	323
Net capital gains and provisions*	—	—	(85)	(0)	—
Attributable profit	314	319	224	311	323

Santander Consumer Finance

Constant EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,111	1,092	1,118	1,110	1,130
Gross income	1,108	1,094	1,131	1,132	1,140
Operating expenses	(498)	(483)	(483)	(506)	(509)
Net operating income	610	611	649	626	631
Net loan-loss provisions	(60)	(58)	(89)	(58)	(120)
Other	(37)	(35)	(30)	(56)	24
Underlying profit before taxes	513	519	530	512	535
Underlying consolidated profit	366	379	369	373	388
Underlying attributable profit	310	317	308	311	323
Net capital gains and provisions*	—	—	(85)	(0)	—
Attributable profit	310	317	223	311	323

Poland

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	318	343	350	360	359
Gross income	321	363	358	378	333
Operating expenses	(146)	(150)	(149)	(160)	(154)
Net operating income	175	212	209	218	179
Net loan-loss provisions	(27)	(34)	(36)	(40)	(46)
Other	(23)	(27)	(28)	(19)	(13)
Underlying profit before taxes	125	152	144	159	120
Underlying consolidated profit	86	120	110	116	89
Underlying attributable profit	59	83	76	81	63
Net capital gains and provisions	—	—	—	—	—
Attributable profit	59	83	76	81	63

Poland

PLN million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,374	1,449	1,489	1,522	1,500
Gross income	1,386	1,532	1,525	1,599	1,390
Operating expenses	(630)	(634)	(636)	(675)	(642)
Net operating income	756	898	889	924	748
Net loan-loss provisions	(116)	(142)	(155)	(171)	(191)
Other	(100)	(112)	(119)	(78)	(55)
Underlying profit before taxes	539	644	614	674	502
Underlying consolidated profit	372	506	470	492	373
Underlying attributable profit	257	351	324	344	264
Net capital gains and provisions	—	—	—	—	—
Attributable profit	257	351	324	344	264

Portugal

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	261	262	311	313	320
Gross income	294	275	345	330	341
Operating expenses	(139)	(142)	(166)	(167)	(158)
Net operating income	155	133	179	163	183
Net loan-loss provisions	10	5	(37)	10	(8)
Other	(14)	(9)	(16)	(5)	(9)
Underlying profit before taxes	151	129	126	168	166
Underlying consolidated profit	126	111	81	120	128
Underlying attributable profit	125	110	80	119	127
Net capital gains and provisions	—	—	—	—	—
Attributable profit	125	110	80	119	127

United Kingdom

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,349	1,409	1,317	1,291	1,274
Gross income	1,432	1,544	1,397	1,344	1,349
Operating expenses	(723)	(723)	(694)	(721)	(764)
Net operating income	709	821	703	623	586
Net loan-loss provisions	(15)	(42)	(66)	(81)	(66)
Other	(105)	(171)	(89)	(101)	(62)
Underlying profit before taxes	588	608	547	441	457
Underlying consolidated profit	423	414	382	304	326
Underlying attributable profit	416	408	377	297	320
Net capital gains and provisions	—	—	—	—	—
Attributable profit	416	408	377	297	320

United Kingdom

GBP million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,160	1,213	1,183	1,146	1,125
Gross income	1,231	1,329	1,255	1,193	1,192
Operating expenses	(622)	(622)	(623)	(639)	(675)
Net operating income	609	706	632	554	517
Net loan-loss provisions	(13)	(36)	(59)	(72)	(58)
Other	(90)	(147)	(81)	(90)	(55)
Underlying profit before taxes	506	524	492	392	404
Underlying consolidated profit	364	356	344	270	288
Underlying attributable profit	358	351	339	265	282
Net capital gains and provisions	—	—	—	—	—
Attributable profit	358	351	339	265	282

Brazil

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	3,455	3,413	3,392	3,458	3,403
Gross income	3,717	3,502	3,542	3,512	3,445
Operating expenses	(1,314)	(1,233)	(1,244)	(1,289)	(1,165)
Net operating income	2,403	2,269	2,298	2,223	2,280
Net loan-loss provisions	(910)	(852)	(819)	(814)	(822)
Other	(358)	(349)	(268)	(211)	(154)
Underlying profit before taxes	1,135	1,068	1,211	1,198	1,304
Underlying consolidated profit	713	689	747	738	761
Underlying attributable profit	634	610	659	642	677
Net capital gains and provisions	—	—	—	—	—
Attributable profit	634	610	659	642	677

Brazil

BRL million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	11,561	12,036	12,567	13,139	13,568
Gross income	12,438	12,367	13,129	13,367	13,737
Operating expenses	(4,397)	(4,355)	(4,613)	(4,895)	(4,644)
Net operating income	8,041	8,013	8,516	8,472	9,093
Net loan-loss provisions	(3,045)	(3,008)	(3,045)	(3,105)	(3,276)
Other	(1,198)	(1,231)	(1,007)	(825)	(615)
Underlying profit before taxes	3,798	3,773	4,464	4,543	5,202
Underlying consolidated profit	2,386	2,431	2,757	2,802	3,034
Underlying attributable profit	2,121	2,152	2,432	2,438	2,699
Net capital gains and provisions	—	—	—	—	—
Attributable profit	2,121	2,152	2,432	2,438	2,699

Mexico

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	804	856	879	811	836
Gross income	824	914	892	830	831
Operating expenses	(319)	(361)	(356)	(345)	(340)
Net operating income	505	553	536	485	491
Net loan-loss provisions	(233)	(246)	(240)	(187)	(200)
Other	(4)	(6)	(4)	(24)	(3)
Underlying profit before taxes	267	301	292	274	288
Underlying consolidated profit	211	238	231	225	225
Underlying attributable profit	163	187	182	178	175
Net capital gains and provisions	—	—	—	—	—
Attributable profit	163	187	182	178	175

Mexico

MXN million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	17,348	17,505	18,399	18,076	19,257
Gross income	17,779	18,706	18,677	18,508	19,143
Operating expenses	(6,894)	(7,386)	(7,460)	(7,683)	(7,832)
Net operating income	10,886	11,320	11,218	10,825	11,310
Net loan-loss provisions	(5,032)	(5,019)	(5,015)	(4,201)	(4,610)
Other	(90)	(131)	(89)	(522)	(72)
Underlying profit before taxes	5,764	6,170	6,113	6,102	6,628
Underlying consolidated profit	4,548	4,865	4,841	4,996	5,181
Underlying attributable profit	3,523	3,829	3,808	3,963	4,021
Net capital gains and provisions	—	—	—	—	—
Attributable profit	3,523	3,829	3,808	3,963	4,021

Chile

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	592	589	534	583	601
Gross income	645	644	604	630	640
Operating expenses	(264)	(260)	(253)	(248)	(258)
Net operating income	381	383	351	382	382
Net loan-loss provisions	(122)	(122)	(108)	(110)	(121)
Other	2	7	11	3	22
Underlying profit before taxes	261	267	255	276	282
Underlying consolidated profit	214	218	209	218	223
Underlying attributable profit	147	149	143	146	151
Net capital gains and provisions	—	—	—	—	—
Attributable profit	147	149	143	146	151

Chile

CLP billion

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	413,110	430,039	403,461	434,470	444,260
Gross income	450,136	469,704	456,238	469,635	473,564
Operating expenses	(184,039)	(189,977)	(191,129)	(184,867)	(190,863)
Net operating income	266,097	279,727	265,110	284,768	282,700
Net loan-loss provisions	(85,110)	(89,381)	(81,474)	(81,875)	(89,852)
Other	1,438	4,750	8,384	2,363	16,034
Underlying profit before taxes	182,425	195,096	192,020	205,256	208,882
Underlying consolidated profit	149,458	158,760	157,744	162,572	164,822
Underlying attributable profit	102,796	108,904	107,839	109,081	111,380
Net capital gains and provisions	—	—	—	—	—
Attributable profit	102,796	108,904	107,839	109,081	111,380

Argentina

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	374	428	382	398	343
Gross income	405	470	423	449	377
Operating expenses	(221)	(269)	(235)	(244)	(218)
Net operating income	184	201	187	205	159
Net loan-loss provisions	(29)	(42)	(46)	(41)	(49)
Other	1	(35)	(35)	(23)	(17)
Underlying profit before taxes	156	123	106	141	92
Underlying consolidated profit	108	86	71	97	67
Underlying attributable profit	108	85	70	96	66
Net capital gains and provisions	—	—	—	—	—
Attributable profit	108	85	70	96	66

Argentina

ARS billion

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	6,241	7,378	7,644	8,101	8,293
Gross income	6,764	8,104	8,460	9,103	9,117
Operating expenses	(3,690)	(4,640)	(4,713)	(4,964)	(5,278)
Net operating income	3,074	3,464	3,747	4,139	3,840
Net loan-loss provisions	(486)	(730)	(903)	(828)	(1,196)
Other	17	(596)	(659)	(466)	(411)
Underlying profit before taxes	2,606	2,138	2,185	2,845	2,232
Underlying consolidated profit	1,807	1,486	1,462	1,960	1,610
Underlying attributable profit	1,795	1,477	1,453	1,948	1,599
Net capital gains and provisions	—	—	—	—	—
Attributable profit	1,795	1,477	1,453	1,948	1,599

United States

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,763	1,738	1,545	1,495	1,435
Gross income	1,879	1,880	1,604	1,596	1,578
Operating expenses	(837)	(845)	(743)	(773)	(735)
Net operating income	1,042	1,035	861	824	843
Net loan-loss provisions	(811)	(697)	(634)	(638)	(579)
Other	(32)	(24)	(2)	(31)	(23)
Underlying profit before taxes	199	314	225	155	241
Underlying consolidated profit	138	235	154	109	174
Underlying attributable profit	95	149	93	71	125
Net capital gains and provisions*	—	—	—	(76)	—
Attributable profit	95	149	93	(5)	125

United States

USD million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	1,877	1,912	1,820	1,765	1,764
Gross income	2,001	2,068	1,893	1,884	1,940
Operating expenses	(891)	(929)	(875)	(909)	(904)
Net operating income	1,109	1,138	1,018	975	1,036
Net loan-loss provisions	(863)	(768)	(749)	(753)	(712)
Other	(34)	(27)	(4)	(36)	(28)
Underlying profit before taxes	212	343	265	186	296
Underlying consolidated profit	147	257	182	132	214
Underlying attributable profit	101	163	111	85	154
Net capital gains and provisions*	—	—	—	(85)	—
Attributable profit	101	163	111	(0)	154

Corporate Centre

EUR million

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
NII + Fee income	(198)	(223)	(227)	(240)	(233)
Gross income	(341)	(340)	(300)	(238)	(227)
Operating expenses	(119)	(118)	(118)	(120)	(121)
Net operating income	(460)	(458)	(419)	(359)	(348)
Net loan-loss provisions	(5)	(11)	(22)	(8)	(37)
Other	(32)	(53)	(54)	(43)	(43)
Underlying profit before taxes	(497)	(522)	(495)	(410)	(427)
Underlying consolidated profit	(471)	(561)	(481)	(378)	(421)
Underlying attributable profit	(468)	(563)	(480)	(378)	(421)
Net capital gains and provisions*	—	—	(130)	(306)	—
Attributable profit	(468)	(563)	(610)	(684)	(421)

Glossary



05

Glossary - Acronyms

- **AFS:** Available for sale
- **Bn:** Billion
- **CET1:** Common equity tier 1
- **C&I:** Commercial and Industrial
- **DGF:** Deposit guarantee fund
- **FL:** Fully-loaded
- **EPS:** Earning per share
- **LTV:** Loan to Value
- **LLPs:** Loan-loss provisions
- **MXN:** Mexican Pesos
- **NII:** Net interest income
- **NIM:** Net interest margin
- **NPL:** Non-performing loans
- **n.m.:** Non meaningful
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **RoRWA:** Return on risk-weighted assets
- **RWA:** Risk-weighted assets
- **RoTE:** Return on tangible equity
- **SCF:** Santander Consumer Finance
- **SC USA:** Santander Consumer USA
- **SGCB:** Santander Global Corporate Banking
- **SMEs:** Small and Medium Enterprises
- **SRF:** Single Resolution Fund
- **ST:** Short term
- **SVR:** Standard variable rate
- **TNAV:** Tangible net asset value
- **UF:** Unidad de fomento (Chile)
- **y-o-y:** Year on Year
- **UK:** United Kingdom
- **US:** United States

Glossary – definitions

PROFITABILITY AND EFFICIENCY

- **RoTE:** Return on tangible capital: Group attributable profit / average of: net equity (excluding minority interests) – intangible assets (including goodwill)
- **RoRWA:** Return on risk-weighted assets: consolidated profit / average risk-weighted assets
- **Efficiency:** Operating expenses / gross income. Operating expenses defined as general administrative expenses + amortisations

CREDIT RISK

- **NPL ratio:** Non-performing loans and customer advances, customer guarantees and contingent liabilities / total risk. Total risk is defined as: normal and non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **NPL coverage ratio:** Provisions to cover losses due to impairment of customer loans and advances, customer guarantees and contingent liabilities / non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **Cost of credit:** Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months

CAPITALISATION

- **Tangible net asset value per share – TNAV:** Tangible stockholders' equity / number of shares (excluding treasury shares). Tangible stockholders' equity calculated as shareholders equity + accumulated other comprehensive income - intangible assets

Notes: 1) The averages for the RoTE and RoRWA denominators are calculated on the basis of four months from December to March.

2) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the RoTE is the annualised underlying attributable profit (excluding non-recurring results), to which are added non-recurring results without annualising them.

3) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the RoRWA is the consolidated annualised result (excluding non-recurring results), to which is added non-recurring results without annualising them.

4) The risk-weighted assets included in the RoRWA denominator are calculated in accordance with the criteria defined by the Capital Requirements Regulation (CRR).

Thank you

Our purpose is to help people
and business prosper

Our culture is based on believing
that everything we do should be

Simple Personal Fair



MEMBER OF
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