We want to help people and businesses prosper

2015 Financial report | January - March

Santander

Financial report

At Banco Santander, we take advantage of new communication technologies and the social networks to improve dialogue with our stakeholders

KEY CONSOLIDATED DATA

Balance sheet (EUR million)	Mar'15	Dec'14	%	Mar'14	%	2014
Total assets	**1,369,689**	1,266,296	8.2	1,168,842	17.2	1,266,296
Net customer loans	**793,965**	734,711	8.1	694,595	14.3	734,711
Customer deposits	**687,362**	647,628	6.1	620,135	10.8	647,628
Managed and marketed customer funds	**1,091,174**	1,023,437	6.6	966,704	12.9	1,023,437
Stockholders' equity	**91,915**	80,806	13.7	72,117	27.5	80,806
Total managed and marketed funds	**1,545,444**	1,428,083	8.2	1,313,138	17.7	1,428,083

Income statement* (EUR million)	1Q'15	4Q'14	%	1Q'14	%	2014
Net interest income	**8,038**	7,714	4.2	6,992	15.0	29,548
Gross income	**11,444**	11,040	3.7	10,124	13.0	42,612
Pre-provision profit (net operating income)	**6,067**	5,824	4.2	5,277	15.0	22,574
Profit before taxes	**2,990**	2,580	15.9	2,149	39.1	9,720
Attributable profit to the Group	**1,717**	1,455	18.0	1,303	31.8	5,816

(*).- Variations w/o exchange rate

Quarterly: Net interest income: +0.9%; Gross income: +0.7%; Pre-provision profit:+1.0%; Attributable profit:+12.1%

Year-on-year: Net interest income: +7.9%; Gross income: +6.8%; Pre-provision profit: +8.1%; Attributable profit: +21.8%

EPS, profitability and efficiency (%)	1Q'15	4Q'14	%	1Q'14	%	2014
EPS (euro)	**0.121**	0.112	7.3	0.113	6.4	0.479
RoE (1)	**7.6**	6.7		6.6		7.0
RoTE (1)	**11.5**	10.2		10.4		11.0
RoA	**0.6**	0.6		0.5		0.6
RoRWA	**1.4**	1.2		1.2		1.3
Efficiency ratio (with amortisations)	**47.0**	47.2		47.9		47.0

Solvency and NPL ratios (%)	Mar'15	Dec'14	%	Mar'14	%	2014
CET1 fully-loaded (1)	**9.7**	9.7				9.7
CET1 phase-in (1)	**11.9**	12.2		10.8		12.2
NPL ratio	**4.85**	5.19		5.52		5.19
Coverage ratio	**68.9**	67.2		66.3		67.2

Market capitalisation and shares	Mar'15	Dec'14	%	Mar'14	%	2014
Shares (millions at period-end)	**14,061**	12,584	11.7	11,561	21.6	12,584
Share price (euros)	**7.017**	6.996	0.3	6.921	1.4	6.996
Market capitalisation (EUR million)	**98,663**	88,041	12.1	80,014	23.3	88,041
Book value (euro)	**6.55**	6.42		6.24		6.42
Price / Book value (X)	**1.07**	1.09		1.11		1.09
P/E ratio (X)	**14.54**	14.59		15.26		14.59

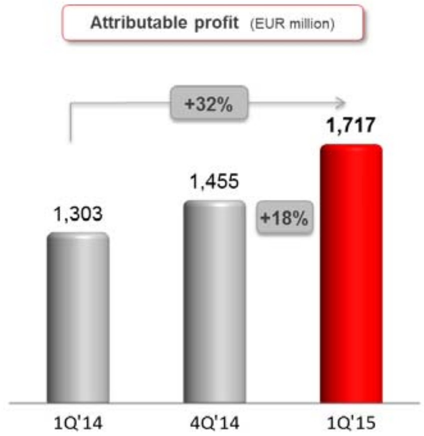
Other data	Mar'15	Dec'14	%	Mar'14	%	2014
Number of shareholders	**3,230,808**	3,240,395	(0.3)	3,299,097	(2.1)	3,240,395
Number of employees	**187,262**	185,405	1.0	185,165	1.1	185,405
Number of branches	**12,920**	12,951	(0.2)	13,590	(4.9)	12,951

(1).- In 2014, pro-forma taking into account the January 2015 capital increase

Note: The financial information in this report has not been audited, but it was approved by the Board of Directors at its meeting on April, 23 2015, following a favourable report from the Audit Committee on April, 21 2015. The Audit Committee verified that the information for 2015 was based on the same principles and practices as those used to draw up the annual financial statements.

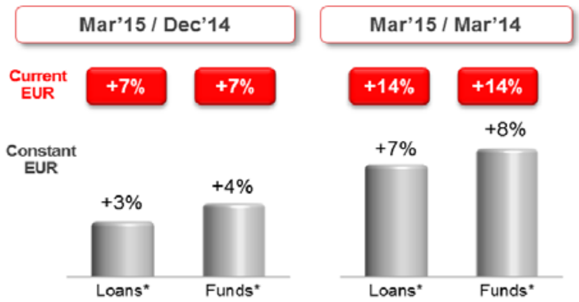
→ Profit growth and improved profitability

- **Attributable profit of €1,717 million, 32% more than in the first quarter of 2014**:
  - Positive impact of exchange rates performance.
  - Solid commercial revenues, driven more by net interest income.
  - Operating expenses excluding the change in perimeter fell in real terms, due to savings from the efficiency plan.
  - Improved cost of credit (1.38% vs. 1.65% in March 2014).
- **Higher profitability year-on-year and quarter-on-quarter**:
  - Efficiency ratio of 47.0% (0.9 p.p. better year-on-year).
  - Earnings per share up 6% year-on-year and RoTE rose by 1.1 p.p. to 11.5%.



→ The growth in volumes reflects the strategy followed in segments, products and countries

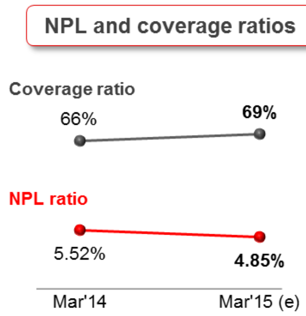
- Positive impact of 7 p.p. of exchange rates year-on-year.
- **Lending** increased 7% in constant euros, with growth in all countries except for Portugal. Perimeter impact: +1.5 p.p.
- In **funds**, 8% rise in constant euros. Of note Latin America and US.
- Solid funding structure and liquidity maintained. **Net loan-to-deposit ratio** of 115%.

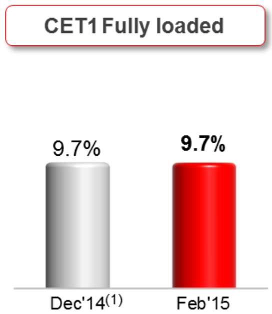


(*) Loans w/o repos; funds: deposits w/o repos + mutual funds

→ High solvency and improved credit quality of Grupo Santander

- Solvency reinforced by January's capital increase and the organic generation of capital in the quarter. The latter, partially absorbed by the incorporation of new businesses.
- **Fully loaded CET1 ratio** of 9.7% and total capital ratio 12.0%.
- **Fully loaded leverage ratio** of 4.6%.
- **Non-performing loan (NPL) entries,** isolating the perimeter and exchange rate effects, were 20% lower than in the first quarter of 2014.
- The **NPL ratio** continued to decline in the quarter, notably in Spain, Brazil, SCF, Mexico and the US.





(1) Including capital increase in January 2015

→ Progress in the commercial transformation programme and in the multi-channel distribution model

- The transformation of our retail banking model to one that is increasingly more simple, personal and fair continued.
- In order to improve productivity and customer satisfaction, use of the new *NEO CRM* tool is being extended.
- Of note among the specialised solutions for individual customers: extension of the *1|2|3* product range to other countries, introducing *Santander Select* in all countries for the high-income segment and homogenous private banking model.
- Among the specialised solutions for companies: geographic expansion and new offer proposals of *Santander Advance, Santander Passport* and *Santander Trade* continued.
- Further progress in strengthening multi-channels with new commercial websites, new apps for mobile phones, etc.

➔ Business areas: (more detail on pages 18-33)

- **Continental Europe**: first quarter attributable profit of €664 million, 3% more than in the fourth quarter of 2014 and 44% year-on-year. Gross income was higher than in the first quarter of 2014, costs were controlled and provisions lower. All units performed well in general terms.
- **United Kingdom:** attributable profit of £355 million, which continued to grow on a sustained basis (+15% quarter-on-quarter and +14% year-on-year). Higher gross income than in the first quarter of 2014, spurred by net interest income, greater costs due to investment programmes and a fall in provisions, reflected the better quality of the balance sheet.
- **Latin America:** attributable profit of €914 million, 4.5% more than the fourth quarter of 2014 and 23% year-on-year (without the forex impact). Gross income was higher than in the first quarter of 2014 with the exception of Chile (UF impact), costs were up due to the greater installed capacity and new commercial projects launched. Lower provisions because of Brazil.
- **United States:** attributable profit of $277 million, 12% lower quarter-on-quarter and 28% higher year-on-year. Over the first quarter of 2014, gross income growth and lower provisions, in both cases due to SCUSA, and increased costs in order to meet regulatory requirements.

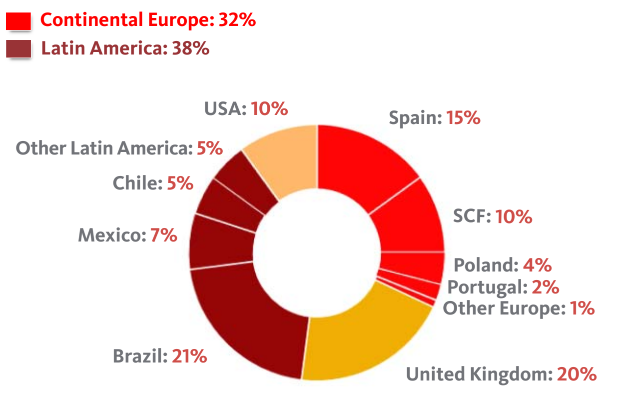
➔ The Santander share: (more detail on page 35)

- The Santander share stood at €7.017 at the end of March (+0.3% in the quarter). Its rise since the capital increase, at €6.18 per share, was 13.5%.
- In January, and under the *Santander Dividendo Elección* programme (scrip dividend), shareholders were able to opt to receive in cash or in shares the amount equivalent to the third dividend (€0.146 per share).
- In April, shareholders were also able to receive the amount equivalent to the fourth dividend (€0.151) in cash or in shares.

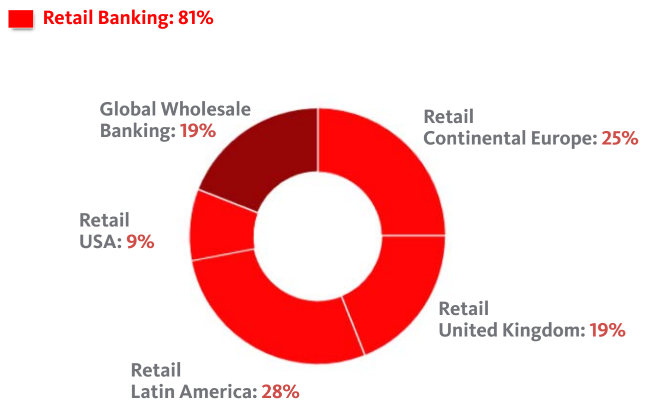
➔ Other significant events:

- From April 1 and until the release of this report, a significant event occurred with a possible impact on the Group's activity and business:
  - Banco Santander and its partners Warburg Pincus and General Atlantic have reached a preliminary and exclusive agreement, subject to the signing of final terms, to merge Santander Asset Management and Pioneer Investments to create a leading global asset manager in Europe and Latin America
  - The transaction values Santander Asset Management at €2.6 billion and Pioneer Investment at €2.75 billion.
- More detail can be found on the website of the National Securities Market Commission (www.cnmv.es) and on Santander's website (www.santander.com) in the section on Investor Relations.

Distribution of attributable profit by geographical business*. 1Q'15



Distribution of attributable profit by global business *. 1Q'15



(*) Excluding Spain's run-off real estate

Our purpose is to help people and businesses prosper
to achieve this, Santander has a customer-focused business model, unique among the major international banks.

Our aim is to be the best retail and commercial bank,
earning the lasting loyalty of our people, customers, shareholders and communities

Best bank for our employees

Attract, engage and retain the best talent, capable of providing the best service to our customers and guarantee the business success and sustainability.

Best bank for our customers

Build long-term customer relationships providing simple and tailor-made solutions, a fair and equal treatment and excellent service in our branches and digital channels, in order to enhance their satisfaction and engagement with the Bank.

Best bank for communities

Conduct our banking activity contributing to the economic and social progress of the communities in which we operate, in a responsible and sustainable way, and particularly committed to the field of higher education.

Best bank for our shareholders

Generate an attractive and sustainable return for our shareholders based on a business model with a high degree of recurring revenues, prudent risks, efficient, with disciplined use of capital and financial strength.

We continue to make progress in implementing our strategy to become a more simple, personal and fair

Simple | Personal | Fair

➔ Employees

The Human Resources Strategic Plan is being reviewed to ensure it meets the needs of the new working culture and contributes to the Group's different strategic lines.

Of note among the **initiatives** taken during the quarter were:

- The introduction of the 180º assessment for managers, including team members' feedback.
- The development of a talent management tool that makes performance evaluation and assessment of each employee's potential easier, thereby enhancing management of our professionals.
- The launch of the *Flexiworking* initiative to promote new ways of working, simplify processes and adjust management schemes and structures to the organisation.

➔ Customers

We continued to transform our commercial banking model and make it more personalised and modern.

Several **initiatives** were launched during the quarter to increase customer satisfaction and loyalty:

- Extending the new NEO CRM tool across units continued. This tool allows us to cover client needs in an integral way. It is already installed in Chile, Brazil, US and Spain.
- In the segment of individual customers, the 1|2|3 range of products was extended to Portugal, Poland and Germany following its success in UK. Moreover, the range of products offered under the *Santander Select* program was widened.
- In the companies segment, under the Santander Advance program, new initiatives were launched, such as *TPV virtual* and *Conecta tu Pyme*, giving customers a virtual showcase and even an online shop.

In addition, the Bank continued to advance in strengthening multi-channels with new and better commercial websites, new applications and capabilities for mobile phones (Santander Wallet in Spain, app for tablet), as well as programmes to encourage clients to join digital channels in Spain, UK, Brazil and Portugal.

➔ Shareholders

Several **steps** were taken during the quarter to enhance transparency with our shareholders and make it easier for them to exercise their rights. Particularly noteworthy was the 53% increase in meetings with shareholders, the implementation of an app to facilitate participation in General Shareholders' Meetings by electronic devices (which multiplied by a factor of 7) and redesigning the commercial web **Yo Soy Accionista**. Recent data shows that 94% of shareholders that use our off-site assistance services would recommend it.

➔ Communities

Grupo Santander continued to strengthen its commitment to **society**, with the following notable **initiatives** during the quarter:

- Santander UK launched the Santander Universities portal for companies. This new tool allows users to connect with other entrepreneurs, exchange best practices, and acquire knowledge on how to realize a business idea and launch it on the market.
- Ana Botín, the Group's executive chairman, signed an agreement with the Carlos III University to create a pioneering research institute in Big Data for financial services.
- Under the new corporate framework, Santander's CEO, José Antonio Alvarez, opened the *Tus finanzas, tu futuro* programme. This initiative is part of the the European Money Week framework and is promoted by the Spanish Banking Association (AEB) and Junior Achievement. The aim of the programme is to improve young people's financial education. More than 40 Santander employees volunteered to teach basic financial knowledge in various educational centres throughout Spain.

General background

Grupo Santander conducted its business in the first quarter in a more favourable economic environment in developed countries and also in many of the emerging markets where it operates. The expansion remained firm in the US and UK and in the euro zone the recovery began to consolidate, particularly in Germany and Spain. Among the emerging economies growth in Brazil, hit by adjustment policies, drought and some waning of confidence, slowed. Mexico and Chile, on the other hand, picked up and Poland kept up a satisfactory growth rate.

United States: growth moderated in the first quarter, although the trend remains close to 3%. Inflation, affected by the fall in oil prices, was around 0%, but the Federal Reserve, more attentive to the situation on the ground (underlying inflation of 1.3%) is preparing the market for a rise in interest rates that could begin in the summer.

Latin American economies performed to varying degrees:

- **Brazil**: GDP grew 0.3% in the fourth quarter of 2014 (+0.1% in the year). The jobless rate remains low (5.9% in February 2015). The Selic rate was 12.75%, after rising 50 b.p. in March, 100 b.p. since the end of 2014 and 200 b.p. in 12 months. These hikes aim to contain inflation, which was 8.1% in March, above the upper target range (6.5%). The real depreciated 20% against the dollar in the first quarter, partly reflecting the dollar's appreciation and the weaker growth, and 7% against the euro.

- **Mexico**: the economy secured its recovery in the fourth quarter and grew 2.1% in the whole of 2014. The expectations of a gradual strengthening during 2015 and 2016 remained, backed by more investment and structural reforms. With inflation under control, Banxico has held its benchmark rate at 3% since June 2014. The peso depreciated 3% against the dollar in the first quarter of 2015 and appreciated 8% against the euro.

- **Chile:** the economy showed clear signs of recovery in the fourth quarter, lifting growth for the year to 1.8%. Growth in 2015 is forecast at close to 3%. The expectations of moderate inflation have enabled the central bank to keep its key interest rate at 3% since October 2014. The peso depreciated 3% against the dollar in the first quarter and appreciated 9% against the euro.

Euro zone growth accelerated in the fourth quarter of 2014 to 0.3% quarter-on-quarter (0.9% year-on-year). The figures at the start of 2015 confirm the trend of a gradual upswing, although varying by country. Inflation has been negative since December, exerting downward pressure on inflation expectations. This led the ECB to approve a bond-buying programme between March 2015 and September 2016, which is favouring a softening of financial conditions and brought the euro to $1.08/€1.

- **Germany:** notable performance, with GDP growth in the fourth quarter of 0.7% quarter-on-quarter due to the strong contribution of consumption, spurred by solid fundamentals and real disposable incomes.

- **Spain:** faster pace of growth in the first quarter (+0.8% Bank of Spain estimate), a trend which will continue to be supported by domestic demand and private consumption. Factors behind this are the international environment (oil price, euro), the net job creation shown by the rise in social security contributors and the better financial conditions for the private sector.

- **Portugal:** ended 2014 with faster growth of 0.5% quarter-on-quarter, spurred by exports.

United Kingdom: growth still robust, due the impact of lower oil prices on consumption, an increase in household incomes, inflation at 0% and sterling's appreciation. The evolution of inflation once again cooled expectations of interest rate rises in the markets in the middle of 2016.

Poland: GDP in the fourth quarter rose 0.7% quarter-on-quarter (3.1% year-on-year). Economic fundamentals remain solid. Inflation reached a floor in February (-1.6%) and in March began to rise. The central bank lowered interest rates (key rate at 1.5%) and the cycle of cuts is estimated to have ended.

Exchange rates: 1 euro / currency parity

	Average (income statement)		Period-end (balance sheet)		
	1Q'15	1Q'14	31.03.15	31.12.14	31.03.14
US$	1.125	1.370	1.076	1.214	1.379
Pound sterling	0.743	0.828	0.727	0.779	0.828
Brazilian real	3.215	3.239	3.496	3.221	3.128
Mexican peso	16.820	18.128	16.512	17.868	18.015
Chilean peso	702.753	755.324	675.880	737.323	762.752
Argentine peso	9.774	10.351	9.483	10.277	11.035
Polish zloty	4.191	4.184	4.085	4.273	4.172

Grupo Santander results

First quarter highlights

→ **Attributable profit of €1,717 million,** 32% more than the first quarter of 2014 (+18% quarter-on-quarter) and mainly due to:

- Positive impact of exchange rates performance.
- Solid commercial revenues, driven more by net interest income.
- Operating expenses down in real terms (excluding the perimeter effect) thanks to the efficiency plan savings.
- Lower cost of credit (1.38% vs. 1.65% in March 2014) due to the reduction in provisions.

→ The **efficiency ratio** improved by 0.9 p.p. year-on-year to 47.0%.

→ Improved profitability year-on-year and quarter-on-quarter. **Earnings per share** up 6% over the first quarter of 2014 and **RoTE** of 11.5% (+1.1 p.p.).

Income statement

EUR million

	1Q'15	4Q'14	Variation %	Variation % w/o FX	1Q'14	Variation %	Variation % w/o FX
Net interest income	**8,038**	**7,714**	**4.2**	**0.9**	**6,992**	**15.0**	**7.9**
Net fees	2,524	2,524	0.0	(2.1)	2,331	8.3	3.6
Gains (losses) on financial transactions	695	620	12.1	9.8	767	(9.3)	(12.0)
Other operating income	186	182	2.3	(2.3)	34	446.1	382.4
Dividends	33	112	(70.3)	(70.5)	31	5.7	1.3
Income from equity-accounted method	99	64	56.2	54.0	65	51.8	45.5
Other operating income/expenses	53	6	745.2	312.0	(63)	—	—
Gross income	**11,444**	**11,040**	**3.7**	**0.7**	**10,124**	**13.0**	**6.8**
Operating expenses	(5,377)	(5,216)	3.1	0.3	(4,847)	10.9	5.4
General administrative expenses	(4,785)	(4,656)	2.8	0.0	(4,256)	12.4	6.8
Personnel	*(2,755)*	*(2,670)*	*3.2*	*0.2*	*(2,455)*	*12.2*	*6.4*
Other general administrative expenses	*(2,030)*	*(1,985)*	*2.3*	*(0.2)*	*(1,801)*	*12.7*	*7.4*
Depreciation and amortisation	(592)	(560)	5.7	2.7	(590)	0.3	(5.0)
Net operating income	**6,067**	**5,824**	**4.2**	**1.0**	**5,277**	**15.0**	**8.1**
Net loan-loss provisions	(2,563)	(2,452)	4.5	1.6	(2,695)	(4.9)	(10.3)
Impairment losses on other assets	(60)	(151)	(60.2)	(60.5)	(87)	(30.9)	(31.4)
Other income	(454)	(642)	(29.2)	(29.4)	(347)	31.1	28.3
Ordinary profit before taxes	**2,990**	**2,580**	**15.9**	**11.1**	**2,149**	**39.1**	**29.3**
Tax on profit	(922)	(814)	13.3	10.5	(569)	62.1	51.5
Ordinary profit from continuing operations	**2,067**	**1,766**	**17.1**	**11.3**	**1,579**	**30.9**	**21.3**
Net profit from discontinued operations	—	(19)	—	—	(0)	—	—
Ordinary consolidated profit	**2,067**	**1,746**	**18.4**	**12.5**	**1,579**	**30.9**	**21.3**
Minority interests	350	291	20.2	14.5	277	26.5	19.1
Ordinary attributable profit to the Group	**1,717**	**1,455**	**18.0**	**12.1**	**1,303**	**31.8**	**21.8**
Net capital gains and provisions	—	—	—	—	—	—	—
Attributable profit to the Group	**1,717**	**1,455**	**18.0**	**12.1**	**1,303**	**31.8**	**21.8**
EPS (euros)	**0.121**	**0.112**	**7.3**		**0.113**	**6.4**	
Diluted EPS (euros)	**0.120**	**0.112**	**7.3**		**0.113**	**6.5**	
Pro memoria:							
Average total assets	1,334,337	1,257,156	6.1		1,155,451	15.5	
Average stockholders' equity*	90,896	87,368	4.0		78,573	15.7	

(*).- Stockholders' equity: Shareholders' equity + equity adjustments by valuation. In 2014, pro-forma taking into account the January 2015 capital increase.

Gross income

- **Gross income** increased 4% in the first quarter, due to higher net interest income and benefiting from the positive impact of exchange rates.

- Growth of 13% year-on-year in current euros and 7% in constant euros, as follows:

  – **Net interest income** was 8% higher, mainly due to the lower cost of funds and growth in lending.

    Of note was Brazil which, for the second straight quarter rose and its year-on-year growth rate is already positive. Net interest income also increased in the UK, the US (due to the good performance of SCUSA), Santander Consumer Finance (favoured by the acquisitions and agreements), Spain and Mexico.

    Chile's net interest income, on the other hand, fell because of lower inflation in the quarter and Poland, due to the fall in interest rates.

  – **Fee income** grew 4%, but with an uneven performance by units because of countries' different economic cycles and, in some case, regulatory changes that limited revenues, chiefly in insurance and cards.

  – Of note in the rest of revenues was the 12% fall in **trading gains,** determined by higher gains in 2014 derived from management of interest rate and exchange rate hedging portfolios.

    There was a positive impact in **other operating results** driven by revenues from leasing operations, mainly in the US.

    Also, as a result of the change in accounting rules, the ordinary contribution to the Deposit Guarantee Fund in Spain is recorded when accruing interest, which is at the end of the year and so there was no charge for this item in the first quarter.

Operating expenses

- **Operating expenses** rose 11% (+5% in constant euros over the first quarter of 2014; +0.3% over the fourth quarter). This was due to several factors: the evolution of inflation in Latin America, the investment programmes to improve future efficiency, the impact of the measures taken by the Bank as a result of the new regulatory requirements, particularly in the US, and the change in perimeter.

- Once adjusted for the perimeter, costs were 3.2% higher and below the average inflation rate for the period (3.9%). This reflects the first results of the three-year efficiency and productivity plan launched at the end of 2013.

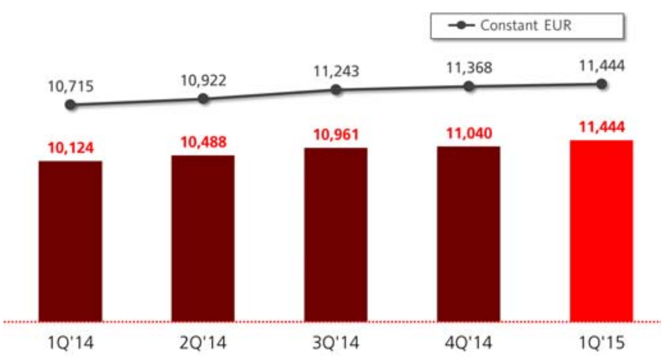
  Of note by countries was the fall in real terms in Brazil (-3.8%), Spain (-4.3%) and Portugal (-0.4%). Also, Santander Consumer Finance would register negative growth rates if the incorporations carried out in the quarter were excluded.

- The **efficiency ratio** improved by 0.9 p.p. to 47.0%.

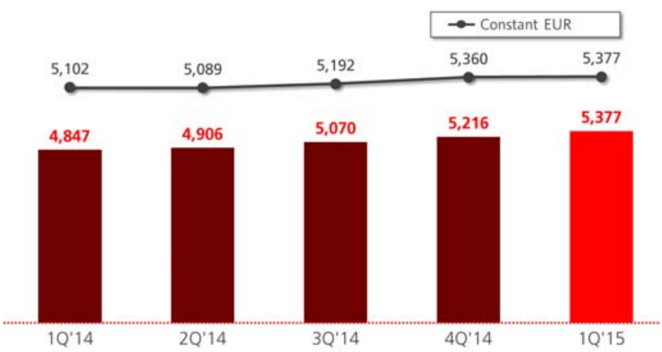
Loan-loss provisions

- **Loan-loss provisions** were 5% lower (-10% in constant euros), with significant falls in Spain, UK, Brazil and the US, among other. The decline was due to the improvement in the quality of portfolios, thanks to active risk management coupled, in some cases, with a better macroeconomic environment.

Gross income
EUR million



Operating expenses
EUR million



- Lower provisions, combined with higher lending, further reduced the Group's **cost of credit** from 1.65% in March 2014 to 1.38% a year later. Most units improved.

Net operating income net of provisions

- **Net operating income net of provisions** increased 36% (+27% in constant euros) and is the driver of the Group's profit growth, as it increased in nine of the 10 core units, and in eight of them at double-digit rates.

Other results and provisions

- **Other results and provisions** recorded a negative figure that was slightly worse that in the first quarter of 2014 but was significantly better than the fourth quarter when this line recorded the charges for the claims related to handling fees in Germany.

Profit

- **Pre-tax profit** increased 39% (+29% in constant euros).

- The tax charge rose, to a larger extent, due to greater tax pressure in some units such as Mexico, Chile and Brazil.

- **Minority interests** increased at a lower rate than profits because of the repurchase in Brazil in the fourth quarter.

- **Attributable profit** was €1,717 million, 32% higher year-on-year (+22% in constant euros) and due to higher net operating income and lower provisions.

  Nine of the 10 core units posted significant growth in their profits in costant euros. Of note were: Spain (+42%), Brazil (+41%), UK (+14%) and US (+28%).

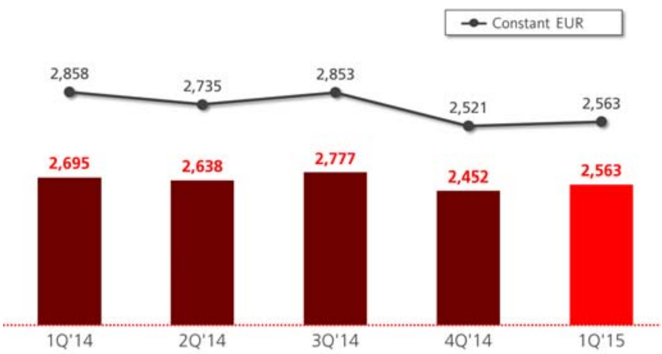
- **RoTE** was 11.5% (+1.1 p.p. year-on-year).

- **EPS** rose 6% to €0.12, due to the increase in the number of shares in the period.

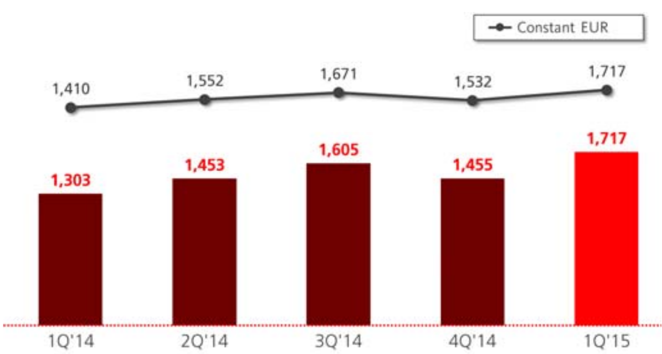
Note: For easier comparison with previous periods, non-recurring capital gains and provisions are recorded separately as "Net capital gains and provisions".

- The first quarter of 2015 does not included any amount for these concepts.
- The first quarter of 2014 included the capital gains obtained from the Altamira transaction (€385 million net) and SCUSA's IPO (€730 million net). A similar amount for restructuring costs and impairment of intangible assets was recorded. The impact of these amounts on profits was zero.
- The fourth quarter of 2014 recorded capital gains from the Insurance transaction (€250 million) and charges for a similar amount for non-recurring restructuring costs and provisions. The impact on profits was thus zero.

Loan-loss provisions
EUR million



Attributable profit to the Group
EUR million



Balance sheet

EUR million

Assets	31.03.15	31.03.14	Variation amount	%	31.12.14
Cash on hand and deposits at central banks	67,741	82,402	(14,661)	(17.8)	69,428
Trading portfolio	168,709	128,631	40,078	31.2	148,888
Debt securities	*53,564*	*48,765*	*4,799*	*9.8*	*54,374*
Customer loans	*5,726*	*5,902*	*(176)*	*(3.0)*	*2,921*
Equities	*15,412*	*8,200*	*7,212*	*88.0*	*12,920*
Trading derivatives	*89,305*	*60,252*	*29,052*	*48.2*	*76,858*
Deposits from credit institutions	*4,702*	*5,511*	*(810)*	*(14.7)*	*1,815*
Other financial assets at fair value	48,892	38,992	9,899	25.4	42,673
Customer loans	*10,201*	*11,054*	*(852)*	*(7.7)*	*8,971*
Other (deposits at credit institutions, debt securities and equities)	*38,691*	*27,939*	*10,752*	*38.5*	*33,702*
Available-for-sale financial assets	124,536	90,889	33,648	37.0	115,251
Debt securities	*118,974*	*86,849*	*32,125*	*37.0*	*110,249*
Equities	*5,562*	*4,039*	*1,523*	*37.7*	*5,001*
Loans	847,887	731,597	116,290	15.9	781,635
Deposits at credit institutions	*62,600*	*46,357*	*16,242*	*35.0*	*51,306*
Customer loans	*778,038*	*677,639*	*100,398*	*14.8*	*722,819*
Debt securities	*7,250*	*7,600*	*(351)*	*(4.6)*	*7,510*
Investments	3,564	3,502	61	1.8	3,471
Intangible assets and property and equipment	27,238	19,035	8,203	43.1	26,109
Goodwill	28,667	26,056	2,610	10.0	27,548
Other	52,455	47,738	4,717	9.9	51,293
Total assets	**1,369,689**	**1,168,842**	**200,846**	**17.2**	**1,266,296**

Liabilities and shareholders' equity					
Trading portfolio	125,507	105,947	19,560	18.5	109,792
Customer deposits	*6,794*	*13,197*	*(6,403)*	*(48.5)*	*5,544*
Marketable debt securities	*—*	*1*	*(1)*	*(100.0)*	*—*
Trading derivatives	*92,439*	*59,664*	*32,775*	*54.9*	*79,048*
Other	*26,273*	*33,084*	*(6,811)*	*(20.6)*	*25,200*
Other financial liabilities at fair value	64,078	51,500	12,577	24.4	62,318
Customer deposits	*40,190*	*33,683*	*6,508*	*19.3*	*33,127*
Marketable debt securities	*3,958*	*5,088*	*(1,129)*	*(22.2)*	*3,830*
Due to central banks and credit institutions	*19,929*	*12,730*	*7,199*	*56.6*	*25,360*
Financial liabilities at amortized cost	1,031,385	889,288	142,097	16.0	961,053
Due to central banks and credit institutions	*142,133*	*98,113*	*44,020*	*44.9*	*122,437*
Customer deposits	*640,378*	*573,255*	*67,122*	*11.7*	*608,956*
Marketable debt securities	*204,353*	*179,446*	*24,907*	*13.9*	*193,059*
Subordinated debt	*19,746*	*17,738*	*2,007*	*11.3*	*17,132*
Other financial liabilities	*24,775*	*20,735*	*4,040*	*19.5*	*19,468*
Insurance liabilities	670	1,548	(878)	(56.7)	713
Provisions	15,452	15,014	438	2.9	15,376
Other liability accounts	30,492	23,286	7,207	30.9	27,331
Total liabilities	**1,267,584**	**1,086,583**	**181,001**	**16.7**	**1,176,581**
Shareholders' equity	99,987	85,371	14,616	17.1	91,664
Capital stock	*7,030*	*5,781*	*1,250*	*21.6*	*6,292*
Reserves	*91,240*	*78,288*	*12,952*	*16.5*	*80,026*
Attributable profit to the Group	*1,717*	*1,303*	*415*	*31.8*	*5,816*
Less: dividends	*—*	*—*	*—*	*—*	*(471)*
Equity adjustments by valuation	(8,072)	(13,254)	5,182	(39.1)	(10,858)
Minority interests	10,190	10,142	47	0.5	8,909
Total equity	**102,105**	**82,259**	**19,846**	**24.1**	**89,714**
Total liabilities and equity	**1,369,689**	**1,168,842**	**200,846**	**17.2**	**1,266,296**

Group balance sheet

First quarter highlights

→ Positive impact of exchange rates on balances in both the first quarter (+4 p.p.) and year-on-year (+7 p.p.).

→ The growth trend in lending and customer funds was maintained in the **first quarter** in constant euros. The Group's **net loan-to-deposit ratio** remained at 115%, following acquisitions and agreements in SCF.

→ **In relation to March 2014 and in constant currency:**

- Lending grew 7%, with general rises in all countries except for Portugal.
- Customer funds increased 8%. Of note were Latin American countries and the US.

→ The fully loaded **CET1** was 9.7% and the total capital ratio 12.0%.

→ The fully loaded leverage ratio was 4.6%.

- Total **business managed and marketed** at the end of March stood at **€1,545,444 million,** of which €1,369,689 million was on balance sheet and the rest mutual and pension funds and administered portfolios.

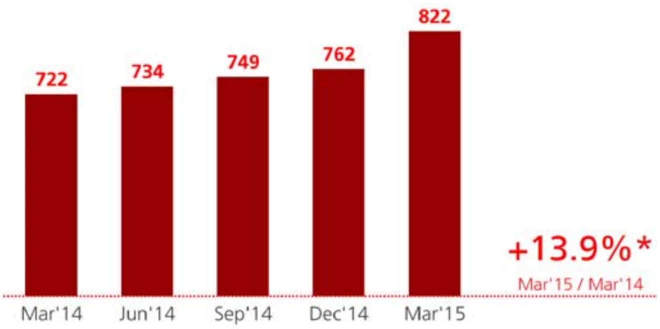
- Positive impact of around +4 p.p. in the quarter and +7 p.p. year-on-year of exchange rates on the evolution of the balances of loans and customer funds.

- Positive perimeter effect on loans of 1.5 p.p., mainly in the consumer area due to the acquisition of GE Nordics and Carfinco, and the launch of the agreement with PSA in France and UK.

Gross customer loans (excluding repos)

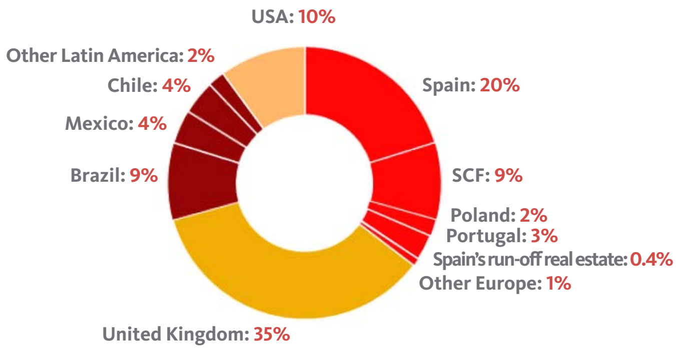
- Loans increased 7% **in the first quarter** and 3% after eliminating the exchange rate impact, with the following distribution:
  - Growth of 3% in Poland, UK and Chile, 4% in Mexico and US and 6% in Brazil. Stronger growth at Santander Consumer Finance (+13%), favoured by the acquisitions and agreements.
  - Slight drop, less than 1%, both in Spain and Portugal, where deleveraging continues.
- Loans were 14% higher **than in March 2014**. Eliminating the exchange rate impact, growth for the whole Group was 7%:
  - Rises in all the main countries, except for Portugal, more so in Latin America, SCF and Poland and more moderately in UK and the US (the latter affected by the sale of assets in the second half of 2014). Spain's loans rose 1% because of those to companies and instutions.
  - Generally speaking, growth to companies, benefiting from the *Advance* strategy.
  - As regards run-off real estate activity in Spain, net lending was down 32%.

Gross customer loans
EUR billion



(*) Excluding exchange rate impact: +6.3%

Customer loans
% o/ operating areas. March 2015



Managed and marketed customer funds

- Total funds (deposits without repos and mutual funds) increased 7% in the **first quarter** (+4% excluding the forex impact). All countries rose, except for Poland and Portugal.

- Savings were 14% higher **than in March 2014** (customer deposits without repos: +13% and mutual funds: +21%). Excluding the forex impact, 8% growth, as follows:

  – Increase of more than 10% in Latin America and US.

  – Growth of between 6% and 7% in Spain, Portugal and Poland, and 3% in the UK.

- The general strategy is to grow in demand deposits and mutual funds. All countries did so in both items, except for mutual funds in the UK, and reduce expensive deposits.

- Pension plans rose 8% in Spain and 12% in Portugal, the only countries where this product is marketed.

- As well as capturing customer deposits, Grupo Santander attaches strategic importance to maintaining a selective issuance policy in international fixed income markets, seeking to adapt the frequency and volume of market operations to each unit's structural liquidity needs, as well as to the receptiveness of each market.

- In the first quarter of 2015:

  – Medium- and long-term senior debt issues of €13,897 million and €1,500 million of subordinated debt.

  – €3,245 million of securitisations placed in the market.

  – €14,126 million of maturities of medium- and long-term debt.

- The net loan-to-deposit ratio at the end of March was 115%. The ratio of deposits plus medium- and long-term funding to lending was 114%, underscoring a comfortable funding structure.

Other balance sheet items

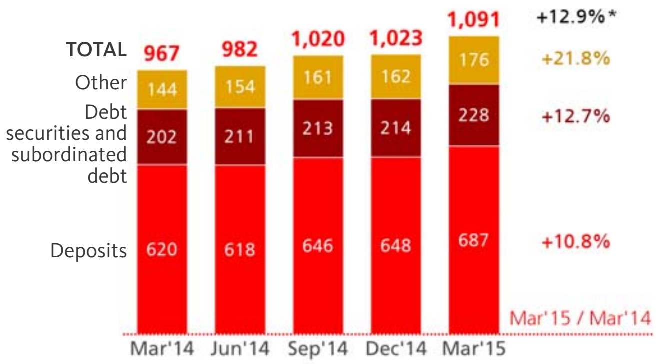
- Financial assets available for sale amounted to €124,536 million, €33,648 million more than in March 2014 due to increased debt positions in Spain, Portugal, Brazil, UK and US (the latter two with a notable forex impact).

- Trading derivatives amounted to €89,305 million in assets and €92,439 million in liabilities, higher year-on-year due to the fall in interest rates in the long-term curve.

- Goodwill was €28,667 million, up €2,610 million since March 2014, due to the incorporations in the first quarter, and the euro's depreciation against the dollar and sterling.

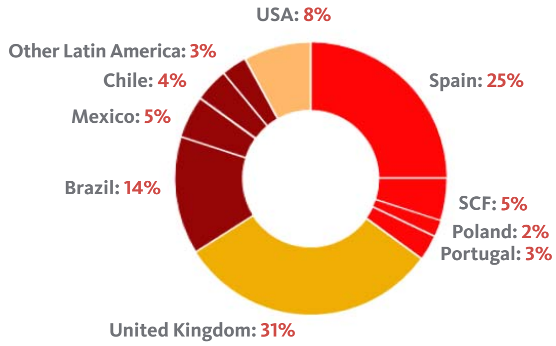
- Lastly, tangible and intangible assets amounted to €27,238 million, €8,203 million more than a year earlier, due to the rises in Spain, the UK and mainly, the US (the latter partly due to the exchange rate and to assets associated with leasing business).

Managed and marketed customer funds
EUR billion



(*) Excluding exchange rate impact: +6.9%

Managed and marketed customer funds
% o/ operating areas. March 2015



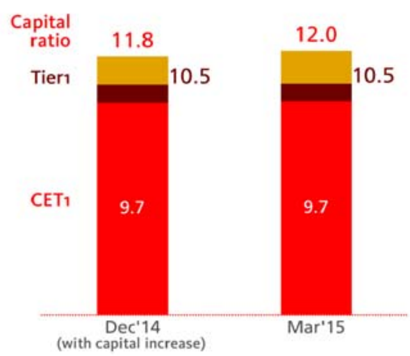
Shareholders' equity and solvency ratios

- The Group's total shareholders' equity stood at €91,915 million at the end of March, 14% more than the end of 2014 and 27% year-on-year.
- The eligible capital (fully-loaded) amounted to €74,299 million, higher than at the end of 2014 due to the €7,500 million capital increase in January, the first quarter's profit and the improvement in valuation adjustments.
- The common equity Tier 1 (CET1) ratio was 9.7% and the total ratio 12.0%. The rise in the CET1 in the first quarter and compared with December (taking into account the capital increase in January 2015) from internal capital generation was neutralised by the incorporation of consumer units, while the increase in the total ratio was due to the parent bank's T2 issue.
- This issue amounted to €1,500 million (demand of €8,300 million and from many countries) and bolstered the total capital ratio.
- From a qualitative standpoint, the Group has solid ratios appropriate for its business model, balance sheet structure and Grupo Santander's risk profile.

Eligible capital. March 2015
EUR million

	Phase-in	Fully loaded
CET1	73,596	59,750
Basic capital	73,596	64,652
Eligible capital	**81,971**	**74,299**
Risk-weighted assets	617,951	617,574
CET1 capital ratio	**11.9**	**9.7**
T1 capital ratio	**11.9**	**10.5**
BIS ratio	**13.3**	**12.0**

Capital ratios. Fully loaded
%



Rating agencies

In the first quarter of 2015:

- The rating agency Scope upgraded the long-term rating from A to A+.
- Moody's, due to changes in its bank rating methodology, placed the Bank under review for an upgrade of the long-term senior debt.

	Long term	Short term	Outlook
DBRS	A	R1 (high)	Negative
Fitch Ratings	A-	F2	Stable
GBB Rating	A+		Stable
Moody's	Baa1	P-2	Under review*
Standard & Poor´s	BBB+	A-2	Stable
Scope	A+		Stable

(*) for upgrade

Risk management

First quarter highlights

→ Net entries of non-performing loans were 23% lower quarter-on-quarter and down 20% year-on-year.

→ The Group's NPL ratio was 4.85% (-34 b.p. in the quarter). Of note were Spain, Brazil, SCF, Mexico and the US.

→ Loan-loss provisions were €2,563 million, 5% lower than in the first quarter of 2014 (-10% excluding the fx impact).

→ The cost of credit continued to improve to 1.38%.

Credit risk management

- Net entries of non-performing loans in the first quarter, isolating the perimeter and exchange rate effects, were €2,017 million (around 20% lower in the quarter and year-on-year). The latter fall was largely due to Spain and Brazil.
- Bad and doubtful loans amounted to €41,919 million at the end of March, 1% lower year-on-year and affected by exchange rates. The fall in constant euros was 3%. The Group's NPL ratio was 4.85%, 34 b.p. lower than in the fourth quarter of 2014 and 67 b.p. below that in the first quarter.
- Loan-loss provisions stood at €28,894 million, of which €8,467 million correspond to the collectively determined fund. The total amount was 3% higher in the quarter and the coverage ratio was 69% at the end of March. In order to qualify this figure, one has to take into account that the UK's and Spain's NPL ratios are affected by the weight of mortgage balances, which require fewer provisions as they have guarantees.
- The improvement in credit quality is reflected in the reduction in loan-loss provisions (5% below the first quarter of 2014), and in the consequent reduction in the cost of credit (from 1.65% at the end of March 2014 to 1.38% a year later).

The NPL and coverage ratios of the main countries where the Group operates are set out below:

- **Spain's** NPL ratio was 7.25% at the end of March (-13 b.p. in the quarter). The fall was mainly due to the good performance in companies. Coverage rose to 47%.
- Real estate activity in Spain ended the quarter with a NPL ratio of 80% and coverage of 62%. The total coverage ratio, including the outstanding balance, was 55% the same as that of foreclosed assets.
- **Portugal's** NPL ratio was 8.96% (7 b.p. more than at the end of 2014), due to the increase in the NPLs of individual borrowers, as well as the decline in lending. The coverage ratio was 52%, in line with the fourth quarter of 2014.
- **Poland's** NPL ratio was 7.33% (-9 b.p. in the quarter), due to the favourable evolution of lending and portfolio management. Coverage was 62%, 2 p.p. higher than at the end of 2014.
- **Santander Consumer Finance's** NPL ratio was 4.52%, significantly lower than at the end of 2014 (-30 b.p.), due to a good general performance in all countries. The coverage ratio was 104% (+4 p.p. over December 2014).

Credit risk management*

EUR million

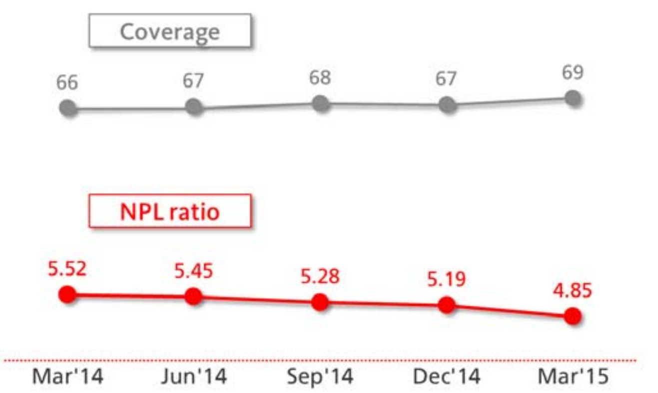
	31.03.15	31.03.14	Var. %	31.12.14
Non-performing loans	41,919	42,300	(0.9)	41,709
NPL ratio (%)	4.85	5.52		5.19
Loan-loss allowances	28,894	28,037	3.1	28,046
Specific	20,427	22,562	(9.5)	21,784
Collective	8,467	5,475	54.6	6,262
Coverage ratio (%)	68.9	66.3		67.2
Cost of credit (%) **	1.38	1.65		1.43

(*) Excluding country-risk
(**) 12 months net loan-loss provisions / average lending

Note: NPL ratio: Non-performing loans / computable assets

Grupo Santander. NPL and coverage ratios

%



Non-performing loans by quarter

EUR million

	2014				2015
	1Q	2Q	3Q	4Q	1Q
Balance at beginning of period	42,420	42,300	42,334	41,727	41,709
Net additions	2,536	2,535	1,959	2,623	2,017
Increase in scope of consolidation	148	—	—	763	54
Exchange differences	96	293	463	(299)	853
Write-offs	(2,900)	(2,793)	(3,029)	(3,105)	(2,715)
Balance at period-end	**42,300**	**42,334**	**41,727**	**41,709**	**41,919**

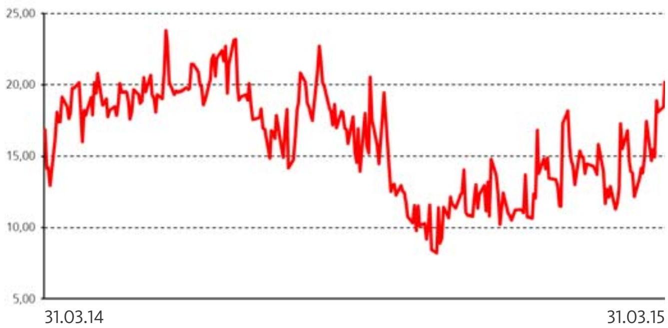
- In the **UK**, the NPL ratio was 1.75%, 4 b.p. lower than at the end of 2014 due largely to a good performance of corporates and consumer credit in a better macroeconomic environment, against a backdrop of very low interest rates. The coverage ratio was 41%.
- **Brazil's** NPL ratio was 4.90% at the end of March (-15 b.p. than at the end of 2014), due to the good performance of individual borrowers and SMEs and the growth in lending. The coverage ratio remained at 95%.
- **Mexico's** NPL ratio was 3.71%, 13 b.p. lower than at the end of 2014, largely due to lower net entries and the growth in lending. The coverage ratio was 88%.
- **Chile's** NPL ratio was 5.88%; 9 b.p. better than in the fourth quarter of 2014, and coverage 52% (stable in the quarter).
- In the **US,** the NPL ratio was 2.30% (-24 b.p. over December 2014) and coverage 211%.
  - **Santander Bank's** NPL ratio was 1.32%, 9 b.p. below the end of 2014, with a good performance of the retail and company portfolios as their NPL entries were significantly contained. Coverage was 114%.
  - **SCUSA's** NPL ratio was 59 b.p. lower at 3.38%, due to credit growth. Coverage remained very high at 337%, up 41 p.p. from the end of 2014.

Market risk

- The risk of trading activity in global wholesale banking in the first quarter, measured in daily VaR terms at 99%, averaged €14.2 million. It fluctuated between €10.7 million and €20.2 million. These are low figures, compared to our competitors as well as in relation to the Group's balance sheet and activity.
- The VaR at the end of March reached a maximum for the quarter, mainly due to the portfolios of Brazil and Spain, and because of increased exposure to interest rates.
- In addition to wholesale banking trading activity, there are other positions recorded for accounting purposes as trading. Total trading VaR of this accounting perimeter amounted to €21.5 million at the end of March 2015.

Trading portfolios*. VaR performance

EUR million



(*) Trading activity

Trading portfolios*. VaR by region

EUR million

	2015		2014
First quarter	Average	Latest	Average
Total	**14.2**	**20.2**	**17.7**
Europe	10.4	13.0	13.3
USA and Asia	0.9	1.1	0.6
Latin America	11.1	10.9	10.6
Global activities	2.3	2.2	2.5

(*),- Trading activity

Trading portfolios*. VaR by market factor

EUR million

First quarter	Min	Avg	Max	Latest
VaR total	**10.7**	**14.2**	**20.2**	**20.2**
Diversification efect	*(7.3)*	*(12.7)*	*(20.3)*	*(15.2)*
Interest rate VaR	9.7	13.2	18.9	15.4
Equity VaR	1.2	1.9	2.9	2.0
FX VaR	1.7	3.5	9.6	9.6
Credit spreads VaR	5.1	7.9	13.7	8.4
Commodities VaR	0.1	0.3	0.6	0.1

(*),- Trading activity

Description of the businesses

Grupo Santander is maintaining in 2015 the general criteria applied in 2014, as well as the business units with the following exceptions:

1) In the global businesses by re-ordering:

The business of Private Banking, Asset Management and Insurance, which previously appeared as an independent global business, is now integrated into Retail Banking.

2) Other adjustments:

Annual adjustment of the perimeter of the Global Customer Relationship Model between Retail Banking and Global Banking and Markets. This change has no impact on the businesses by geographic area.

For comparison purposes, the figures of previous periods of the global businesses have been re-expressed to include the changes in the affected areas.

The financial statements of each business unit have been drawn up by aggregating the Group's basic operating units. The information relates to both the accounting data of the legal units integrated in each business unit, as well as that provided by the management information systems. In all cases, the same general principles as those used in the Group are applied.

The operating business areas are structured into two levels:

Business by geographic area. Segments the activity of the Group's operating units by geographic area. This coincides with the Group's first level of management and reflects Santander's positioning in the world's three main currency areas (euro, sterling and dollar). The segments reported on are:

- **Continental Europe**. This covers all retail banking business, consumer banking, wholesale banking, and private banking, asset management and insurance conducted in this region, as well as the unit of run-off real estate activity in Spain. Detailed financial information is provided on Spain, Portugal, Poland and Santander Consumer Finance (which incorporates all the region's business, including the three countries mentioned herewith).

- **United Kingdom**. This includes retail banking, consumer banking, wholesale banking, and private banking, asset management and insurance conducted by the Group's various units and branches in the country.

- **Latin America**. This embraces all the Group's financial activities conducted via its subsidiary banks and subsidiaries. It also includes the specialised units of Santander Private Banking, as an independent and globally managed unit, and New York's business. The financial statements of Brazil, Mexico and Chile are also provided.

- **United States.** Includes the holding entity (SHUSA) and the businesses of Santander Bank, Santander Consumer USA and Puerto Rico.

Global business. This segments the activity of the operating units by type of business. The segments are: retail banking, global wholesale banking and the unit of run-off real estate activity in Spain.

- **Retail Banking**. This covers all customer banking businesses, including consumer banking, and excluding those of corporate banking, managed through the Global Customer Relationship Model. The results of the hedging positions in each country are also included, conducted within the sphere of each one's Assets and Liabilities Committee.

- **Global Wholesale Banking** (GBM). This business reflects the revenues from global corporate banking, investment banking and markets worldwide, including all treasuries managed globally, both trading and distribution to customers (always after the appropriate distribution with Retail Banking customers), as well as equities business.

As well as these operating units, which cover everything by geographic area and by business, the Group continues to maintain the area of **Corporate Activities.** This area incorporates the centralised activities relating to equity stakes in financial companies, financial management of the structural exchange rate position, within the scope of the Group's corporate Assets and Liabilities Management Committee, and of the parent bank's structural interest rate risk, as well as management of liquidity and of shareholders' equity through issues and securitisations.

As the Group's holding entity, this area manages all capital and reserves and allocations of capital and liquidity. It also incorporates amortisation of goodwill but not the costs related to the Group's central services (charged to the areas), except for corporate and institutional expenses related to the Group's functioning.

The figures of the Group's various units have been drawn up in accordance with these criteria, and so do not coincide individually with those published by each unit.

Net operating income

EUR million	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Continental Europe	**1,751**	**6.8**	**6.8**	**10.2**	**10.3**
o/w: Spain	913	10.0	10.0	1.6	1.6
Santander Consumer Finance	561	15.5	15.5	29.3	29.3
Poland	191	(8.8)	(9.2)	1.9	2.0
Portugal	117	(13.2)	(13.2)	10.1	10.1
United Kingdom	**736**	**9.2**	**2.8**	**15.8**	**3.9**
Latin America	**2,902**	**5.7**	**4.3**	**10.0**	**6.6**
o/w: Brazil	1,870	11.2	12.4	8.8	8.0
Mexico	484	2.7	(0.2)	19.0	10.4
Chile	320	(16.2)	(21.4)	(3.6)	(10.3)
USA	**1,136**	**19.2**	**7.5**	**36.9**	**12.4**
Operating areas	**6,526**	**8.5**	**5.3**	**14.6**	**8.2**
Corporate Activities	(460)	144.3	144.3	10.5	10.5
Total Group	**6,067**	**4.2**	**1.0**	**15.0**	**8.1**

Attributable profit to the Group

EUR million	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Continental Europe	**664**	**3.1**	**3.1**	**43.5**	**43.7**
o/w: Spain	357	19.5	19.5	42.1	42.1
Santander Consumer Finance	242	(8.7)	(8.7)	10.8	10.8
Poland	90	(4.1)	(4.5)	6.1	6.3
Portugal	56	(22.9)	(22.9)	58.0	58.0
United Kingdom	**477**	**22.2**	**15.2**	**27.0**	**14.0**
Latin America	**914**	**7.2**	**4.5**	**28.5**	**23.2**
o/w: Brazil	516	31.9	33.6	41.8	40.8
Mexico	167	(9.9)	(12.6)	21.3	12.5
Chile	109	(32.7)	(37.0)	(11.2)	(17.4)
USA	**246**	**(0.9)**	**(11.7)**	**55.9**	**28.1**
Operating areas	**2,302**	**7.8**	**4.0**	**34.8**	**26.8**
Corporate Activities	(585)	(14.1)	(14.1)	44.2	44.2
Total Group	**1,717**	**18.0**	**12.1**	**31.8**	**21.8**

Customer loans w/o repos

EUR million	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Continental Europe	**290,817**	**3.2**	**2.6**	**5.1**	**4.9**
o/w: Spain	161,023	(0.8)	(0.8)	1.3	1.3
Santander Consumer Finance	72,059	13.5	13.5	20.0	20.0
Poland	19,132	7.4	2.7	9.8	7.5
Portugal	24,226	(0.5)	(0.5)	(4.4)	(4.4)
United Kingdom	**275,654**	**10.2**	**2.9**	**19.8**	**5.2**
Latin America	**157,894**	**4.8**	**4.7**	**16.5**	**16.3**
o/w: Brazil	76,336	(2.7)	5.6	5.1	17.5
Mexico	29,827	12.5	4.0	29.7	18.9
Chile	35,567	12.9	3.5	23.4	9.3
USA	**82,751**	**17.2**	**3.9**	**33.5**	**4.2**
Operating areas	**807,116**	**7.2**	**3.3**	**14.6**	**7.0**
Total Group	813,260	7.3	3.4	14.4	6.8

Funds (deposits w/o repos + mutual funds)

EUR million	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Continental Europe	**311,900**	**4.2**	**3.8**	**6.4**	**6.2**
o/w: Spain	229,377	5.6	5.6	6.8	6.8
Santander Consumer Finance	30,991	0.5	0.5	1.2	1.2
Poland	24,227	2.9	(1.6)	9.1	6.9
Portugal	25,058	(0.9)	(0.9)	6.0	6.0
United Kingdom	**223,932**	**8.7**	**1.5**	**17.0**	**2.8**
Latin America	**181,443**	**2.6**	**2.4**	**13.9**	**13.5**
o/w: Brazil	85,802	(6.4)	1.5	0.2	12.0
Mexico	39,540	8.9	0.7	21.6	11.4
Chile	32,109	11.9	2.6	30.3	15.5
USA	**60,145**	**25.5**	**11.2**	**49.9**	**17.0**
Operating areas	**777,421**	**6.5**	**3.3**	**13.7**	**7.6**
Total Group	**780,020**	**6.7**	**3.5**	**14.0**	**7.8**

Main units of Continental Europe. **Spain**

First quarter highlights

- **More new lending than in the first quarter of 2014, with that to individuals up 36% and 24% to companies.**
- **The strategy in customer funds produced a 7% rise year-on-year, compatible with the reduction in the funding cost.**
- **Attributable profit of €357 million, 42% more year-on-year and 20% above the fourth quarter of 2014.**
- **Significant improvement in provisions, good performance in costs and revenues impacted by trading gains.**

Strategy and Activity

- The Spanish economy continued to recover firmly with improved financial conditions.
- The integration of the commercial networks was followed in the first quarter by focusing on branch specialization in order to facilitate a more personalized customer attention service, with, for example, the creation of 5 *Select* offices.
- Big push in the *Santander Advance* strategy in order to make us the reference bank for SMEs. New lending to *Advance* customers increased 36% and 1,981 companies took part in non-financial activities.
- Lending continued to recover with a greater generation of new loans, both to individuals (+36%) as well as to companies (+24%). New loans to the public sector declined 42% due to the refinancing of the payment programme for suppliers in the first quarter of 2014.
- The balance of gross loans to customers rose by €2,027 million over the last 12 months (+1.3%), setting us apart from most of our competitors and the sector.
- On the funding side, the aggregate of deposits and mutual funds increased by 7% year-on-year. The strategy of growing demand deposits (+18%) and mutual funds (+28%) and reducing time deposits (-16%) was maintained.
- This strategy lowered the cost of the deposits' stock by 60 b.p. year-on-year.

Results

Attributable profit was 42% higher year-on-year at €357 million and 20% more than the fourth quarter of 2014.

- Gross income declined 1.5% year-on-year in an environment of low interest rates and tough competition in lending. The rise in net interest income was offset by lower trading gains and fee income.
- Operating expenses declined 5%, thanks to the synergies achieved in the merger process and the optimization plans implemented.
- Loan-loss provisions continued to normalize (-28% year-on-year) due to the better economic situation and have been the main driver behind the improvement in profits.
- The NPL ratio was 7.25% (-36 b.p. year-on-year). Of note was the fall of NPLs in the first quarter due to negative NPL entries. The coverage ratio increased by two percentage points to 47%.

The rise in attributable profit in the quarter was due to higher gross income and cost control.

Spain. EUR million

	1Q'15	o/ 4Q'14 %	o/ 1Q'14 %
Gross income	1,764	4.4	(1.5)
Net operating income	913	10.0	1.6
Attributable profit to the Group	357	19.5	42.1
Loans w/o repos	161,023	(0.8)	1.3
Funds	229,377	5.6	6.8
Efficiency ratio (with amortisations) (%)	48.3	(2.6)	(1.6)
NPL ratio (%)	7.25	(0.13)	(0.36)
NPL coverage (%)	46.6	1.1	2.0

Contribution to the Group's profit

Main units of Continental Europe. Santander Consumer Finance

First quarter highlights

- **The agreement with PSA Finance and the recent integrations in the Nordic countries boost the growth potential.**
- **Year-on-year growth in lending in the core countries: Spain, Germany and Nordic countries.**
- **Attributable profit of €242 million, 11% more than in the first quarter of 2014.**
- **Good performance of gross income which offset the increase in operating expenses and provisions. All with perimeter impact.**

Strategy and Activity

- The units of Santander Consumer Finance (SCF) in continental Europe conducted their business in an environment of an upturn in consumption and car sales (+8% year-on-year in our footprint).
- The focuses this year are: progress in integrating the latest acquisitions, step up new lending and cross selling on the basis of each market, as well as business expansion through our competitive advantages.
- The agreement with Banque PSA Finance will consolidate our auto finance leadership and the acquisition of GE Nordics will increase the weight of direct credit in the business mix.
- Gross lending at March stood at €72,059 million (+20% year-on-year), mostly due to the incorporations.
- New lending increased 22% in the last 12 months (+9% excluding perimeter), fuelled by cards and used auto finance. Of note in local currency terms were the Nordic countries (+27%). The countries on the periphery of Europe grew (Spain and Portugal above the average).
- Of note on the funding side was the stability of customer deposits (at around €31,000 million), something that distinguishes Santander among its competitors. Growth is comfortably funded via senior debt issues and securitisations (+€1,444 million).
- Customer deposits, and medium and long-term issues-securitisations in the market covered 69% of net lending.

Results

- Attributable profit of €242 million, 11% higher than the first quarter of 2014.
- The income statement was affected by the perimeter impact of the units incorporated (GE business in Nordic countries, PSA in France and Carfinco).
- Gross income increased thanks to the strong growth in net interest income (+29%). Operating expenses rose at a much slower pace (+14%), but dropped at constant perimeter.
- The better evolution of revenues than costs improved the efficiency ratio by 3.1 p.p. over the first quarter of 2014 to 42.6%.
- Provisions rose 29%, partly due to the perimeter and because in the first quarter of 2014 provisions were released from some units.
- The NPL ratio was 4.52%, 30 b.p. lower in the quarter and coverage was 104%, 4 p.p. higher than in the fourth quarter.
- Of note by units was the good performance of the Nordic countries' profits (+66%; +15% excluding perimeter).
- The UK (included in Santander UK for accounting purposes) posted an attributable profit of €36 million. The joint venture with PSA joined this unit during the first quarter.

Santander Consumer Finance. EUR million

	1Q'15	o/ 4Q'14 %	o/ 1Q'14 %
Gross income	978	13.5	22.3
Net operating income	561	15.5	29.3
Attributable profit to the Group	242	(8.7)	10.8
Loans w/o repos	72,059	13.5	20.0
Funds	30,991	0.5	1.2
Efficiency ratio (with amortisations) (%)	42.6	(1.0)	(3.1)
NPL ratio (%)	4.52	(0.30)	0.38
NPL coverage (%)	103.6	3.5	(1.5)

Contribution to the Group's profit

10%

Main units of Continental Europe. **Poland** (changes in local currency)

First quarter highlights

- **Higher loans, with positive economic forecasts and European funds.**
- **Santander still the market leader in cards, mobile and online banking. Focus on large companies, SME and leasing.**
- **Deposits performance reflected the successful commercial strategy of recent quarters.**
- **In results, management of revenues in an environment of declining interest rates and lower provisions.**

Strategy and Activity

- Growth in loans and deposits, maintaining a solid funding structure, as underscored by a net loan-to-deposit ratio of 89%.
- Loans rose 8% over the first quarter of 2014, backed by the Bank's target segments: SMEs (+11%), companies (+9%), GBM (+14%), SME (+11%) and leasing (+16%).
- In funds, and following the sharp increase underpinned by the successful commercial campaigns in the second half of 2014, the first quarter's strategy was centred on management of spreads.
- We continue to be the market leader in cards, mobile and online banking, marketing various products and initiatives, such as the *BZWBK24* mobile channel, which has become more relevant with sales via this channel increasing six times in the last 12 months.
- The Bank also continued the *Next Generation Bank* programme to develop at all levels. Its main goal is to become the bank of first choice. The board, all businesses and product segments are involved in this programme.

Results

Attributable profit was 6% higher year-on-year at €90 million:

- Gross income rose 2% due to the impact of the following:
  - On the one hand, the reduction of interest rates (-50 b.p. in the quarter) mainly affecting consumer interest rates due to the maximum established by the Lombard rate, and tougher regulation, were reflected in lower year-on-year net interest income (stabilising in the first quarter) and fee income.
  - On the other, trading gains rose sharply backed by a strategy of interest rate hedging to offset the drop in net interest income.
- Operating expenses reflected the impact of higher general and personnel costs, partly due to the variable remuneration plan approved.
- Loan-loss provisions decreased over the first and the fourth quarters of 2014. Credit quality improved in the first quarter and the NPL ratio was 9 b.p. lower.
- Our bank in Poland continues to produce better-quality results than its peers, according to the latest data available, underscored by the success of the commercial strategy and increased productivity.

Poland. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	340	(3.6)	(4.0)	1.8	2.0
Net operating income	191	(8.8)	(9.2)	1.9	2.0
Attributable profit to the Group	90	(4.1)	(4.5)	6.1	6.3
Loans w/o repos	19,132	7.4	2.7	9.8	7.5
Funds	24,227	2.9	(1.6)	9.1	6.9
Efficiency ratio (with amortisations) (%)	43.8	3.2		(0.0)	
NPL ratio (%)	7.33	(0.09)		(0.02)	
NPL coverage (%)	61.6	1.3		(3.0)	

Main units of Continental Europe. Portugal

First quarter highlights

→ **Attributable profit was 58% higher year-on-year, driven by net interest income and lower provisions.**

→ **Funds increased, particularly mutual funds and demand deposits.**

→ **In a still deleveraging market, credit has been stabilizing in the last few quarters.**

Strategy and Activity

- Loans declined 4% year-on-year, slowing the downward trend in the first quarter of 2015 (-0.5%). By segments, better performance in companies than the sector. On a like-for-like basis, Santander fell 0.2% compared to the 5% drop in the market.
- Funds rose 6%, especially mutual funds (+29%) and demand deposits (+23%). The evolution of volumes improved the net loan-to-deposit ratio to 98%.
- The bank's strategy continues to focus on gaining more market share, particularly in companies, controlling NPLs, improving efficiency, cutting the funding cost and managing spreads on loans.
- Of note in the first quarter among the main commercial actions was the launch of the *Mundo 1/2/3* product in order to grow in the market's medium segment. This product includes a series of innovative solutions based on a current account that is linked to a card and a protection insurance policy.
- As regards companies, the bank is still very focused on boosting lending and capturing new customers, backed by the *Santander Advance* programme launched at the end of 2014 and which has turned into a key tool.

Results

Attributable profit increased 58% year-on-year to €56 million, due to the good performance of all the main lines of the income statement:

- Gross income was 4% higher, mainly because of net interest income where the funding cost improved,
- Costs declined 1%, due to the commercial network's optimization on the basis of the business environment.
- Loan-loss provisions were 36% lower and the cost of credit improved to 0.5%. In local criteria, the NPL and coverage ratios continued to be better than the system's average.

The first quarter profit was clearly higher than in all the quarters of 2014, except for the fourth quarter's when capital gains were generated from the sale of portfolios and provisions were below the quarterly average of last year.

Portugal. EUR million

		o/ 4Q'14	o/ 1Q'14
	1Q'15	%	%
Gross income	238	(8.7)	4.4
Net operating income	117	(13.2)	10.1
Attributable profit to the Group	56	(22.9)	58.0
Loans w/o repos	24,226	(0.5)	(4.4)
Funds	25,058	(0.9)	6.0
Efficiency ratio (with amortisations) (%)	50.9	2.5	(2.6)
NPL ratio (%)	8.96	0.07	0.70
NPL coverage (%)	52.4	0.6	1.8

United Kingdom (changes in sterling)

First quarter highlights

→ Growth in business activity, both in retail (current account and mortgages) and corporate loans.

→ Attributable profit up 14% year-on-year, fuelled by net interest income and drop in provisions. Over the fourth quarter up 15%.

→ Investment programmes continued to drive customer satisfaction and underpin future efficiency improvement.

→ The *1I2I3 World* customers continued to grow, improving risk profile, customer loyalty and levels of activity.

Strategy and Activity

- Lending increased 5% compared to March 2014, largely due to corporates (+9%) and mortgages (+1%). The PSA Finance UK limited joint venture completed in February, with a portfolio of £2,500 million at March 2015.
- New gross mortgage lending was £5,000 million, including £990 million to first time buyers and £148 million of Help to Buy. Growth is expected to be in line with the market.
- Support for UK businesses continued, with lending to corporates up 9% (+5% over the fourth quarter), in a contracting market. This performance is underpinned by the broader product suite and larger distribution capacity.
- Deposits rose 3% year-on-year, driven by 40% increase in current accounts (+8% over the fourth quarter), growing at a rate of £1bn per month. Furthermore, opening of current accounts by corporates rose 24% while GBM and savings product balances decreased.
- 1I2I3 World customers increased to 4.0 million, up 1.3 million in the last 12 months. Santander UK remained first choice for current account switchers since September 2013 with 94% of 1I2I3 Current Account customers having their primary bank account with us.
- Improved customer satisfaction reflected the investments made in branch refurbishments, digital technology and new corporate business centres.
- Santander UK is focussed on maintaining a strong balance sheet. At the end of March 2015, the CRD IV end point Common Equity Tier 1 capital ratio stood at 11.6% and leverage ratio was 3.7%.

Results

The results showed higher profitability and attributable profit which amounted to €477 million as it continues to register sustained growth (+14% over the first quarter of 2014 and +15% over the fourth quarter).

- Net interest income rose 8% year-on-year, underpinned by improved margins (reduced cost of liabilities) and higher volumes. Net interest income / average customer assets improved to 1.87% in the first quarter of 2015, from 1.79% in the same period of 2014.
- Operating expenses increased as a result of investment programmes in retail and corporate banking. These strategic investments underpin future efficiency improvements.
- Loan-loss provisions fell 43%, with improved credit quality across the loan portfolios, conservative loan-to-value criteria, and supported by a benign economic environment.

United Kingdom. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	1,551	7.7	1.4	16.7	4.7
Net operating income	736	9.2	2.8	15.8	3.9
Attributable profit to the Group	477	22.2	15.2	27.0	14.0
Loans w/o repos	275,654	10.2	2.9	19.8	5.2
Funds	223,932	8.7	1.5	17.0	2.8
Efficiency ratio (with amortisations) (%)	52.5	(0.6)		0.4	
NPL ratio (%)	1.75	(0.04)		(0.13)	
NPL coverage (%)	41.2	(0.7)		(1.7)	

Main units of Latin America. Brazil (changes in local currency)

First quarter highlights

→ **Strategy to boost commercial activity, customer loyalty and more sustainable revenues with less risk.**

→ **Lending and funds remained dynamic.**

→ **Attributable profit rose 41% year-on-year due to higher gross income, cost control, and lower provisions and minority interests.**

→ **Higher revenues, particularly net interest income which grew for the second quarter running.**

Strategy and Activity

- Lending rose 17% year-on-year (+6% in the first quarter). Both periods registered the exchange rate impact on the dollar portfolios and the entry of Bonsucesso. Excluding them, loans increased 11% year-on-year and 2% quarter-on-quarter.

  Strong rises in corporates and large companies (+39%, partly due to balances in dollars), mortgages (+35%) and BNDES (+21%).

- Better trend in loans to SMEs which increased 6% year-on-year compared to flat growth the previous year.

- Customer funds grew 12%. Mutual funds performed better and increased 17%, and demand and savings deposits 7%, in order to increase customer loyalty and transactions.

  Strategic priorities are being focused on business with individual customers and SMEs, to move forward with a more flexible business model, adapted to each individual customer's needs. In SMEs, we are strengthening adquirencia , while we continued with the gradual introduction of *Santander Negocios & Empresas*, which offers a wide and complete range of products and services to customers.

- Also, focusing on customers we are prioritizing multi-channel activity, with more accessible and easy-to-operate electronic channels, speeding up the opening of current accounts and implementing the new business model *CERTO* which improves and increases the commercial capacity, efficiency and customer reltionships. In addition, the start-up of the association with Banco Bonsucesso, S.A., boosted payroll business.

Results

Pre-tax profit was 23% higher. After taxes and minority interests, which are lower as a result of last October's acquisition, attributable profit increased 41% year-on-year to €516 million:

- Gross income rose 6% year-on-year. Net interest income performed well, and so did fee income which grew 12%, notably from insurance and cards.

- Operating expenses increased 3% (lower than inflation), following the investments made over the last few years to improve operational efficiency.

- Loan-loss provisions declined 9%, as a result of selective growth in the portfolio (profitability/risk mix). Credit quality indicators continued to improve: the cost of credit dropped 120 b.p. to 4.6% from 5.8% in the first quarter of 2014 and the NPL ratio improved by 84 b.p. to 4.90% (-15 b.p. in the quarter).

Attributable profit was 34% more than the fourth quarter's, with similar trends in the main lines: rising revenues, and costs and provisions falling.

Brazil. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	3,046	2.3	3.5	6.8	6.0
Net operating income	1,870	11.2	12.4	8.8	8.0
Attributable profit to the Group	516	31.9	33.6	41.8	40.8
Loans w/o repos	76,336	(2.7)	5.6	5.1	17.5
Funds	85,802	(6.4)	1.5	0.2	12.0
Efficiency ratio (with amortisations) (%)	38.6	(4.9)		(1.1)	
NPL ratio (%)	4.90	(0.15)		(0.84)	
NPL coverage (%)	95.2	(0.2)		—	

Main units of Latin America. Mexico (changes in local currency)

First quarter highlights

→ **The expansion plan and commercial strategy are reflected in commercial activity and market share gains.**

→ **Focus on the most profitable segments: *Select*, SMEs, companies and infrastructure.**

→ **Attributable profit rose 13% year-on-year due to higher gross income and a lower cost of credit.**

→ **The improvement in commercial revenues absorbed interest rates at lows and the portfolio's change of mix.**

Strategy and Activity

- Lending increased 19% and deposits without repos 12%. This spurt in growth was due to the greater installed capacity, combined with more products and better sales platforms.
- Lending growth was mainly due to SMEs (+24%), benefiting from the launch of products such as *Pyme tasa fija* and *Pyme total,* mortgages (+15%) and consumer credit (+20%). Credit cards is the segment of least growth (+4%), but outperformed a subdued market. Various campaigns were launched in the first quarter to place and use credit cards.
- Deposits grew and their structure improved, as more focus was placed on the demand deposits of individuals (+17%). Mutual funds increased 10%.
- The expansion plan begun in 2012 has already seen the opening of 194 new branches (nine in the first quarter), many of them specialised by segments. The plan to open 200 branches is expected to be completed by the end of June.
- Multi-channel activity continued to be fostered (new ATMs, mobile and online banking initiatives) and the creation of strategic alliances such as that with 7-Eleven, which provides basic banking services via its network of 1,853 shops.

Results

Pre-tax profit increased 15%. After deducting taxes (higher charge of 23%) and minority interests, attributable profit was €167 million (+13% year-on-year).

- Gross income rose 8% year-on-year. Net interest income was 11% higher due to growth in lending, which offset interest rates still at low levels and the change of mix of the credit portfolio. Trading gains also rose, though from a 2014 first quarter when they were low.
- Fee income, on the other hand, declined 5% due to the weak revenues from means of payment and investment banking.
- Operating expenses grew 6% year-on-year due to new commercial projects and the greater installed capacity. These strategic initiatives contribute competitive advantages and are aligned with the efficiency plans underway.
- Loan-loss provisions increased 10%, well below the growth in lending, as a result of which the cost of credit improved by 67 b.p. Credit quality remained stable.

Profit was lower over the fourth quarter due to the impact of seasonal factors on gross income and costs, and higher provisions and tax charge.

Mexico. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	833	5.0	2.1	16.9	8.4
Net operating income	484	2.7	(0.2)	19.0	10.4
Attributable profit to the Group	167	(9.9)	(12.6)	21.3	12.5
Loans w/o repos	29,827	12.5	4.0	29.7	18.9
Funds	39,540	8.9	0.7	21.6	11.4
Efficiency ratio (with amortisations) (%)	41.9	1.3		(1.0)	
NPL ratio (%)	3.71	(0.13)		0.09	
NPL coverage (%)	88.4	2.3		(10.2)	

Main units of Latin America. Chile (changes in local currency)

First quarter highlights

→ **The commercial transformation is reflected in greater activity in target segments in lending and funds.**

→ **Increase in transactions with loyalty customers. Customer attention quality maintained and migration to *Select*.**

→ **Profit of €109 million, with year-on-year and quarter-on-quarter comparisons affected by lower inflation.**

Strategy and Activity

- Santander is the leading bank in Chile in terms of assets and customers and has a marked retail focus (individuals and SMEs). The group maintains its strategy of improving long-term profitability in a scenario of lower spreads and greater regulation.
- Lending increased 9% year-on-year, with a greater advance in target segments: companies (+9%) and high income clients (+13%).
- Funds rose 15%, with similar performance of deposits (+15%) and mutual funds (+16%).
- The focus in the first quarter was on the special features of the summer holidays. The quality of customer attention, business dynamism and the increase in loyalty customers were maintained. This strategy is supported by the use of *NEO CRM* and channels such as *VOX* and Internet.
- High-income clients continued to migrate to *Select* (it tends to 41% of potential customers). The medium-income segment is progressing with the reconversion of traditional branches to the new attention model. There are currently five pilot branches, which have shown advances and been well received by customers.

Results

Attributable profit was 17% lower year-on-year, largely because of reduced revenues from the UF inflation-indexed portfolio:

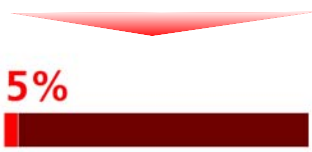
- The UF was -0.02% in the first quarter (+1.3% a year earlier). This impact was partly offset by greater lending and a better mix of deposits, as well as by higher trading gains due to the good dynamics of customer activity and greater results from the asset and liability management portfolio.
- Operating expenses were up 8% due to the indexation of contracts, rentals and salaries to year-on-year inflation, as well as the impact of the peso's depreciation on dollar- and euro-indexed IT service contracts.
- Loan-loss provisions rose 5%, which represented an improvement in terms of the cost of credit.

Attributable profit was 37% lower than in the fourth quarter, a period when net interest income was particularly high (quarterly UF change of 1.9%) and taxes were released due to the tax reform.

Chile. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	554	(8.9)	(14.4)	4.0	(3.3)
Net operating income	320	(16.2)	(21.4)	(3.6)	(10.3)
Attributable profit to the Group	109	(32.7)	(37.0)	(11.2)	(17.4)
Loans w/o repos	35,567	12.9	3.5	23.4	9.3
Funds	32,109	11.9	2.6	30.3	15.5
Efficiency ratio (with amortisations) (%)	42.3	5.1		4.5	
NPL ratio (%)	5.88	(0.09)		(0.11)	
NPL coverage (%)	52.0	(0.4)		1.3	

Contribution to the Group's profit



Other units of Latin America. Argentina (changes in local currency)

First quarter highlights

→ **Growth and trends in lending and deposits very aligned with the market.**

→ **Profit was 36% higher year-on-year, spurred by gross income.**

→ **Commercial revenues increased due to more business and transactions (collections, means of payment, etc).**

→ **Operating expenses increased because of the opening of more branches and transformation projects.**

Strategy and Activity

- Loans increased 26% year-on-year, notably those to large companies and consumer credit. Deposits rose 33% (time: +31% and demand:+35%).
- The Bank's strategy continued to focus on strengthening penetration and loyalty with high-income clients and SMEs. The *Select* products were strengthened for the high-income segment and new spaces and specialised corners continued to be opened, which boosted cross-selling to these customers.
- The expansion and transformation plan remained in place. Twelve new branches were opened in the first quarter and 91 were totally transformed. Some 200,000 customers are now using the *Santander Rio Mobile* app.

Results

- Attributable profit was €80 million, 36% more than the first quarter of 2014.
- The commercial strategy is reflected in a 33% rise in gross income, most notably in net interest income (+44%).
- Operating expenses rose 49% due to the increase in the number of branches, the transformation and technology projects and anticipating the review of the collective bargaining agreement. Net operating income was 17% higher.
- Loan-loss provisions were down 15%. Credit quality is high: cost of credit of 2.32%, NPL ratio of 1.59% and coverage of 143%.
- Profit was 4% lower than in the fourth quarter of 2014, due to the higher costs already pointed out, as gross income was up 12% and provisions were virtually unchanged.

Other Latin American units. Peru (changes in local currency)

First quarter highlights

→ **Business remained strong, both lending and deposits.**

→ **Attributable profit rose 36% year-on-year due to higher gross income.**

Strategy and Activity

- Lending increased 23% year-on-year and deposits 26%, complemented by growth in stable medium-term funding.
- The strategy continued to be aimed at boosting lending to the corporate segment, global customers and the country's large companies, as well as providing investment banking advisory services in public infrastructure.
- Particular importance is given to a close relationship with customers and quality of service, taking advantage of synergies with other Group units.

Results

- Profit was €7 million spurred by the rise in net operating income (+46% year-on-year).
- Loan-loss provisions declined 21%, due to the good performance of the portfolio (NPL ratio of 0.24% and very high coverage).

Other units of Latin America. Uruguay (changes in local currency)

First quarter highlights

→ **Double-digit growth in loans and deposits.**

→ **Attributable profit up 23% year-on-year and 14% quarter-on-quarter. Both rises due to higher revenues and lower costs.**

Strategy and Activity

- The Group continues to be the country's leading private sector bank, with a strategy to grow in retail banking, improve efficiency and the quality of service.
- Lending rose 10% year-on-year, notably consumer credit (+21%) and SMEs (+24%). Deposits increased 17%.
- Noteworthy in the first quarter was the launch of *Select Experience*, which increased deposits by 24% in this segment, the *Advance* programme for SMEs and the structuring and placement of sovereign bonds in the international market.
- The number of complaints came down in the quarter and response time improved.

Results

- Attributable profit of €18 million, up year-on-year and quarter-on-quarter, fuelled by net operating income (+33% and +19%, respectively).
- Over the first quarter, good performance of net interest income (+9%) and fee income (+20%), combined with cost down 3% as a result of the efficiency plan developed in 2014.
- Loan-loss provisions increased, although from a small base, and credit quality remained excellent (NPL ratio of 1.08% and coverage of 240%).

Other units of Latin America. Colombia

- Banco Santander de Negocios Colombia, a new Group subsidiary, began to operate in January 2014. The new bank has a banking licence and capital of $100 million. As a second-tier bank, its target market is the corporate and business one, with a special emphasis on global customers, customers of the Group's International Desk and those local customers becoming more international.
- It focuses on offering investment banking, treasury and risk hedging products, foreign trade financing and working capital products in local currency, such as confirming.

United States (changes in dollars)

First quarter highlights

→ **Santander Bank grew selectively in deposits and loans.**

→ **SCUSA continued its strong growth in lending and servicing activity.**

→ **Attributable profit was 28% higher year-on-year (+56% in euros), mainly due to SCUSA's revenue growth.**

→ **Further investments to improve commercial activity and comply with regulatory requirements.**

Strategy and Activity

- Santander in the United States includes the holding SHUSA, retail banking via Santander Bank and Banco Santander Puerto Rico, as well as the specialised consumer finance activity of Santander Consumer USA (SCUSA).
- Santander Bank's credit strategy centres on companies and auto finance (backed by synergies with SCUSA). Total lending increased 5% quarter-on-quarter and 9% year-on-year, excluding the impact of portfolio sales and securitisations for an amount of $4,100 million since June 2014.
- The strategy in funds is to increase core deposits and reduce balances of the more expensive time deposits. Penetration of the public institutions segment continued. Total deposits excluding repos increased 4% in the quarter and 10% year-on-year.
- Deleveraging continued in Puerto Rico in order to reduce balance sheet risk.
- SCUSA continued to optimize its business mix between assets retained on the balance sheet, assets sold and more servicing of portfolios (agreements with Bank of America and Citizens Bank). Strong origination business continued, backed by the agreement with Chrysler and personal credit.
- The Group continued to invest in human resources and technology in order to improve commercial activity and comply with the regulator's requirements.
- We are strengthening our executive teams, risk management models, data bases and basic control functions. This is part of a multi-annual project to improve the bank and meet the regulator's expectations.

Results

Attributable profit was €246 million, 28% more than the first quarter of 2014 thanks to higher gross income and lower provisions.

- Gross income rose 11%, mainly due to SCUSA, as a result of greater originations, which spurred net interest income, as well as sales of portfolios and servicing in other revenues. Santander Bank's net interest income is under pressure from lower than expected interest rates, partly offset by balance sheet repositioning in the last part of 2014.
- Operating expenses increased 9%, very affected by the efforts made in regulatory compliance and investments in technology.
- Loan-loss provisions declined 4% thanks to SCUSA, reflecting the enhanced credit quality. Normalisation trend at Santander Bank after recording very low levels in 2014 (recovery in the first quarter).

Attributable profit was lower than in the fourth quarter of 2014, because that quarter registered the capital gains from the sale of assets due to optimisation of Santander Bank's balance sheet.

United States. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	1,766	16.3	4.7	35.2	11.1
Net operating income	1,136	19.2	7.5	36.9	12.4
Attributable profit to the Group	246	(0.9)	(11.7)	55.9	28.1
Loans w/o repos	82,751	17.2	3.9	33.5	4.2
Funds	60,145	25.5	11.2	49.9	17.0
Efficiency ratio (with amortisations) (%)	35.7	(1.6)		(0.8)	
NPL ratio (%)	2.30	(0.24)		(0.58)	
NPL coverage (%)	210.7	17.9		47.4	

Contribution to the Group's profit

Corporate Activities

First quarter highlights

- This area incorporates the functions of the Group balance sheet management, and management of capital and reserves, as well as the parent bank financial stakes.
- Adequate management of each risk (balance sheet, liquidity and exchange rate) is carried out by the Group's corporate centre, using diversified instruments of high quality and liquidity, and optimising costs.
- Reduced revenues year-on-year from the assets portfolio and lower cost of liabilities, higher regulatory costs and lower recovery of taxes.
- Lower losses than in the fourth quarter due to reduced provisions.

Strategy / Functions and Activity

- Global balance sheet management functions developed by the Financial Management area:
  - Active management of interest rate risk to ease the impact of interest rate changes on net interest income, conducted via positions in bonds and derivatives of high credit quality, very liquid and low capital consumption.
  - Structural management of liquidity risk to finance the Group's recurring activity. This is achieved by diversifying the various funding sources (issues and securitisations) and maintaining an adequate profile (volumes, maturities and costs).
  - Dynamic management of the exposure to exchange rates on equity and on the counter value of units' results in euros for the next 12 months. Net investments in equity covered by €16,833 million (Brazil, UK, Mexico, Chile, US, Poland and Norway) with various instruments (spot, fx, forwards and tunnels of options).
- Total management of capital and reserves: capital assigned to each unit, as well as injecting the liquidity that some business units might need. The price at which these operations are conducted is the market rate (euribor or swap) plus the premium which, in concept of liquidity, the Group supports by immobilizing funds during the tenor of the operation.
- Lastly, and marginally, Corporate Activities reflects the stakes of a financial nature that the Group has under its policy of optimizing investments. Of note in 2015 is Metrovacesa stake which until December 2014 was recorded by the equity accounted for method.

Results

In year-on-year terms:

- Lower revenues due to reduced results from centralized management of interest rate and exchange rate risk, which was partly offset by the lower funding cost of issuances from the fall in interest rates.
- Increased operating expenses because of expenses related to corporate operations underway (recorded in this area until in effect) and higher costs resulting from regulatory requirements.
- Other income which records real estate provisions and various contingencies posted losses of €117 million, €44 million higher than in the first quarter of 2014.
- Lastly, lower recovery of taxes due to the better business evolution in Spain.
- In relation to the fourth quarter, the lower losses were due the fact that in the fourth quarter higher provisions for contingencies were recorded and a higher allocation for taxes.

Corporate Activities. EUR million

	1Q'15	4Q'14	% Var,	1Q'14	% Var,
Gross income	(252)	(7)	—	(224)	12.1
Net operating income	(460)	(188)	144.3	(416)	10.5
Attributable profit to the Group	(585)	(681)	(14.1)	(405)	44.2

Retail Banking

First quarter highlights

→ The transformation of our retail banking model to one that is increasingly more simple, personal and fair continued.

→ Customer-focused, developing specialised models, ranges of simple products and global proposals.

→ Drive in multi-channels, particularly digital ones.

→ Attributable profit of €1,933 million, 41% more than in the first quarter of 2014 (+32% excluding the forex effect).

Strategy and Activity

Significant progress continued to be made in the programme to transform retail banks based on the following principals: improved knowledge of our customers and of their satisfaction, specialised management of each segment, global proposals and development of a multi-channel distribution model with the thrust of digital channels. The main actions are set out below.

In order to **improve customer productivity and satisfaction,** use of the new commercial tool *NEO CRM* is being extended. It is already installed in Chile (the origin of this best practice), Brazil, US and Spain, and will be transferred to other units this year.

Specialised solutions were launched **for individual customers** with different income levels, including:

- Innovative products with a greater degree of engagement: continued success of the *1|2|3 World* range in the UK, launch of the *Mundo 1|2|3* in Portugal and similar products in Poland and Germany.
- Expansion of the *Santander Select* offer, specialised attention model for high-income clients. Installed in all countries and providing service to more than two million customers.
- In Private Banking, homogeneous model that provides integral solutions via specialised units. This model was recognised by the magazine Euromoney as the best private bank in 2015 in Argentina, Chile and Portugal.

Specialised solutions were also launched **for companies** of all sizes and sectors:

- *Santander Advance*: innovative proposal value for SMEs, with the launch in the quarter of new initiatives such as *TPV virtual* and *Conecta tu Pyme,* where customers can have a virtual showcase and even an online shop.
- *Santander Passport*: specialised attention model for companies with international activity. Already launched in eight countries and in China through the agreement with the Bank of Shanghai.
- *Santander Trade:* unique portal in the financial system that helps to internationalise companies' activity. Reinforced with *Santander Trade Club,* an online community that enables the Bank's clients in different countries to get in touch with one another and which already has 10,000 companies in 11 countries.

The **digital transformation** is a strategic priority, and the Bank continues to advance in strengthening multi-channels with new and better commercial websites, new applications and capabilities for mobile phones (*Santander Wallet* in Spain, app for tablet), as well as programmes to encourage clients to join digital channels in Spain, UK, Brazil and Portugal.

Results

Attributable profit of 1,933 million (+41% year-on-year and 32% higher excluding the forex impact).

- This performance was due to the main lines of the income statement: 7% rise in gross income, mainly due to net interest income; control of costs, which only rose 1% in real terms, and 13% drop in loan-loss provisions. All excluding the exchange rate impact.

Retail Banking. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	10,298	2.9	(0.1)	13.5	7.0
Net operating income	5,680	3.3	0.2	15.7	8.7
Attributable profit to the Group	1,933	(2.1)	(5.2)	40.6	31.7
Loans w/o repos	706,301	7.5	3.2	14.3	6.1
Funds	711,716	5.8	2.5	13.8	7.3

Global Wholesale Banking (SGB&M)

First quarter highlights

→ Attributable profit of €464 million (-6% year-on-year and 52% quarter-on-quarter in constant euros).

→ Positive evolution of gross income, higher provisions and operating expenses due to investments in franchises underway.

→ Reference position in Europe and Latin America in sindicated corporate loans, project finance and issues, among others.

Strategy and Activity

- SGB&M maintained the lines of action begun in 2014: develop the sale of products to all the Bank's clients, foster transaction business, further the construction of the customer franchise in the UK, US and Poland and deepen our coverage in Asia and the Andean region, in line with the Group's expansion in these areas.

Noteworthy developments, among others:

- **Trade finance,** increased in most countries, particularly in Spain, the rest of continental Europe and Brazil. The Group held its leadership in export finance and strong growth in Working Capital Solutions. Of note was the Carnival operation with a €450 million financing, guaranteed by the Italian export credit agency. SGB&M was the mandated lead arranger with a €150 million participation.
- **Cash management,** made a solid contribution, particularly in Brazil, Mexico, Chile and UK, with higher volumes and more active customers in transaction business.
- In **syndicated corporate loans,** we continued to be a reference in Europe and Latin America. Of note in the first quarter was the syndicated loan for Sacyr to refinance the acquisition of 20% of Repsol for $2,265 million, among other operations. In **Project Finance**, where we remained the leader in Latin America and Spain, we provided finance to First Reserve for several wind-power plants in the US and participated as underwriter and mandated lead manager of the light rail network in Sydney, Australia.
- Of note in **Corporate Finance,** was the big rise in activity in equity capital markets, where Santander participated in the stock market listing of AENA (Spain) and Abengoa's Yieldco (US), among other.
- In the **capital markets**, Santander continued to consolidate its business in Europe with strong activity in all segments, while in Latin America it was involved in the region's key operations.
- As for **markets** activity, positive evolution of revenues from sales business (growth in UK and Latin America). Smaller year-on-year contribution from management of books.

Results (in constant euros)

SGB&M's results were supported by the strength and diversification of customer revenues (83% of the total).

- The area generated in the first quarter 12% of the total gross income of the Group's operating areas and 19% of attributable profit.
- Gross income increased 5% year-on-year due to net interest income and fee income (+17% combined). Mixed performance by activity. Global Transaction Banking rose 5% against a backdrop of contained spreads and low interest rates. Financing Solutions and Advisory up 10%, reflecting the soundness of various businesses. Lastly, customer revenues in Global Markets were 19% lower because of the reduced contribution of the European units.
- Operating expenses increased due to investments in high potential markets, particularly UK, Poland and Asia, and loan-loss provisions increased, mainly in Brazil.

Gross income was 28% higher than in the fourth quarter and attributable profit up 52%.

Global Wholesale Banking. EUR million

		o/ 4Q'14		o/ 1Q'14	
	1Q'15	%	% w/o FX	%	% w/o FX
Gross income	1,398	30.9	27.6	9.1	5.4
Net operating income	898	49.7	46.3	6.6	3.9
Attributable profit to the Group	464	58.5	52.4	(3.1)	(6.0)
Loans w/o repos	92,987	5.8	4.7	22.8	19.0
Funds	65,459	15.3	13.4	13.1	10.8

Corporate Governance

- **Institutional information**

  In order to foster the informed participation of shareholders at the Annual General Meeting, all the proposed agreements, the relevant reports of administrators and other documentation were published on February 25, 2015 on the Group's website (www.santander.com), as well as the Group's 2014 Annual Report and the reports of the committees of auditing, appointments, remuneration and risk supervision, regulation and compliance.

  These reports set out the main activities of the board and its committees in 2014, including detailed information on the rules and procedures on which the Bank's corporate governance model is based.

- **Annual General Shareholders' Meeting**

  The Bank's ordinary AGM was held on March 27 and attended by a total of 471,628 shareholders (in person and represented) holding 8,397,610,313 shares (59.72% of the Bank's share capital).

  The agreements submitted to a vote received on average 93.71% of votes in favour, having approved with 95.02% of votes the Bank's management during 2014.

  For the first time the directors' remuneration policy was submitted to the AGM's binding approval; the policy for 2015 and 2016 obtained 91.66% of votes in favour. This policy covers the remuneration of directors as such and the performance of executive functions for these years, including the amount of the annual fixed remuneration and its change in the period to which the policy refers, as well as the various parameters for setting the variable remuneration components. It also includes the main terms and conditions of executive directors' contracts.

  Investors and analysts positively viewed, among other things, that a portion of the variable remuneration for 2015 and 2016 depends on meeting certain multi-annual objectives such as customer satisfaction and loyalty and the satisfaction of employees.

  Among the agreements adopted by the meeting was the ratification as directors of Mr. José Antonio Álvarez Álvarez, Mr. Bruce Carnegie-Brown, Mr. Carlos Fernández González and Ms. Sol Daurella Comadran – the first one as the Chief Executive Officer and the other three as independent directors - , as well as the re-election of Mr. Juan Rodríguez Inciarte, Mr. Matias Rodríguez Inciarte, Mr. Juan Miguel Villar Mir and Mr. Guillermo de la Dehesa Romero as directors, the first two as executive directors, the third as an independent director and Mr. de la Dehesa Romero as a non-executive director (neither proprietary nor independent), as his continuation in the post for more than 12 years at the expiry of his mandate prevented him from re-election as an independent director.

  As a result of these ratification and re-election agreements for a period of three years, the board has 15 members, five of whom are executive and 10 non-executive. Of the latter, eight are independent, one proprietary and one neither proprietary nor independent.

  The website (www.santander.com) has full information of the agreements adopted at the AGM.

Corporate Social Responsibility

Grupo Santander continues to develop initiatives under its commitment to Corporate Social Responsibility. The main events in the first quarter are set out below:

Santander, a responsible and committed Bank

- Banco Santander's mission is to help people and businesses prosper and be the best retail and commercial bank that earns the lasting confidence of our people, customers, shareholders and society, as a Simple, Personal and Fair institution.

Sustainability Report

- Santander published its 2014 Sustainability Report (available at www.santander.com). This report covers the Group's sustainability strategy and the main initiatives in this sphere at the corporate level, as well as those developed in each of the countries where Santander operates. It is the Group's key communication tool in sustainability, and has been verified by Deloitte.

  The report is part of the annual report and its contents are fully aligned with Grupo Santander's new corporate strategy and culture. It deals with the aspects demanded by the various stakeholders and sustainability indices, such as corporate governance, employees, customers, shareholders, suppliers, the environment and the community.

  The report was drawn up after internal and external studies to identify the priority economic, social and environmental aspects of stakeholders and so be able to respond to their main demands.

- For the first time, the objectives set by the Group for the main stakeholders (employees, customers, shareholders and society) are made public.

- In the sphere of the environment, the three main lines of action are listed: control and reduction of in-house consumption, financial products with environmental criteria and incorporation of social and environmental criteria for risk analysis in large loans, in accordance with the Equator Principles.

  As regards the main environmental indicators, the Group's electricity consumption was 3% lower in 2014 than in 2013 and emission of greenhouse gases was down 5%.

Investment in the community

- Santander UK supported the sixth edition of the 2015 *Student Enterprise Conference*, Europe's most important meeting of student entrepreneurs. The event attracted more than 800 university students and the Bank's professionals in the UK and at it the Santander Universities Company Portal was presented. This is a new tool which enables users to connect with other entrepreneurs, exchange good practices and acquire knowledge on how to put into effect a business idea and launch it on the market.

- Ana Botín, executive chairman of Santander Group, and the rector of the Carlos III University in Madrid signed an agreement to create a pioneering research institute in Big Data for financial services.

- Under the corporate framework of financial education, Mr. José Antonio Álvarez, chief executive officer of Banco Santander, inaugurated the programme *Tus finanzas, tu futuro*, an initiative that is part of the European Money Week and promoted by the Spanish Banking Association (AEB) and Junior Achievement. The programme aims to improve the financial education of young people and incorporates more than 40 Banco Santander employees on a voluntary basis who give sessions on basic financial knowledge in various schools around Spain.

- As regards the participation of the Bank's teams in initiatives supporting the community, the VII call for social projects ended in March. This event enables the Bank's employees in Spain to propose projects developed by NGOs in the spheres of children's education, social exclusion, health and disability, and international co-operation.

- The 10 winning projects, chosen by employees' votes, are financed thanks to the contributions of the Bank's professionals who participate in the programme *Euros de tu nómina*, which are matched by the Bank. Contributions totaled more than €368,000 and were handed in on April 13.

The Santander share

Shareholder remuneration

- Under the 2014 *Santander Dividendo Elección* programme (scrip dividend), shareholders could opt in January to receive in cash or in shares the amount equivalent to the third dividend (€0.146 per share). In order to tend to those who chose the latter option (83.7% of the capital), 262,578,993 new shares were issued.

- In April, and also under the same programme, shareholders were able to opt to receive the amount equivalent to the fourth dividend in cash or in shares. Every shareholder received a free allotment of new shares for each share they own.

- Shareholders were able to sell the rights to the Bank at a set price (€0.151 gross per right), to the stock market between April 14 and 28 at the market price, or receive new shares in the proportion of one new share for every 46 rights (in the last two cases without withholding tax*). In order to meet the request for new shares, a capital increase was carried out for a maximum of €152,832,455 (represented by 305,664,910 shares).

- The total shareholder remuneration for 2014 was €0.60 per share.

Performance of the Santander share

- Stock markets ended higher, mainly due to the European Central Bank's stimulus programme.

- The Santander share ended March at €7.017 per share (+0.3% since the end of 2014), a smaller rise than the Ibex-35 (+12.1%), the DJ Stoxx Banks (+13.5%) and the DJ Stoxx 50 (+14.3%).

Capitalisation and trading

- At the end of March, Santander was the largest bank in the euro zone by market capitalization (€98,663 million) and the 11th in the world. The share's weighting in the DJ Stoxx 50 was 2.6%, 8.8% in the DJ Stoxx Banks and 17.9% in the Ibex-35.

- A total of 7,950 million Santander shares were traded in the first quarter with an effective value of €49,961 million, among the highest of the EuroStoxx, and a liquidity ratio of 57%. The number of shares traded daily was 126.2 million (€793.0 million).

Shareholder base

- The total number of shareholders at the end of March was 3,230,808, of which 2,981,057 are European (83.03% of the capital stock) and 232,971 from the Americas (16.53%).

- Excluding the Bank's board, which holds 1.31% of the capital, retail shareholders have 41.75% and institutional ones 56.94%.

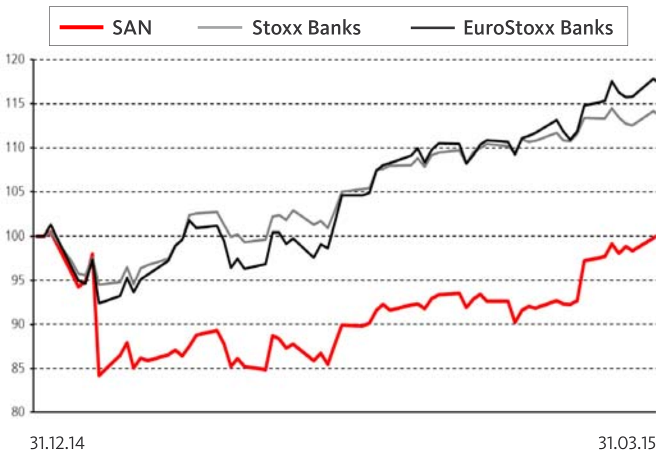
(*) The options, maturities and procedures indicated could present special features for shareholders holding Santander shares in the various foreign stock markets where the Bank is listed.

The Santander share. March 2015

Shareholders and trading data	
Shareholders (number)	3,230,808
Shares (number)	14,060,585,886
Average daily turnover (no. of shares)	126,193,519
Share liquidity (%) (Number of shares traded during the year / number of shares)	57
Price movements during the year	
Highest	7.116
Lowest	5.772
Last (31.03.15)	7.017
Market capitalisation (millions) (31.03.15)	98,663
Stock market indicators	
Price / Book value (X)	1.07
P/E ratio (X)	14.54
Yield* (%)	9.41

(*).-Total remuneration for 2014 / 1Q'15 average share price

Comparative performance of share prices



Financial information

APPENDIX

Quarterly Income statement. Consolidated

EUR million

	2014				2015
	1Q	2T	3T	4Q	1Q
Net interest income	**6,992**	**7,370**	**7,471**	**7,714**	**8,038**
Net fees	2,331	2,403	2,439	2,524	2,524
Gains (losses) on financial transactions	767	511	952	620	695
Other operating income	34	204	99	182	186
Dividends	31	220	72	112	33
Income from equity-accounted method	65	42	72	64	99
Other operating income/expenses	(63)	(58)	(45)	6	53
Gross income	**10,124**	**10,488**	**10,961**	**11,040**	**11,444**
Operating expenses	(4,847)	(4,906)	(5,070)	(5,216)	(5,377)
General administrative expenses	(4,256)	(4,360)	(4,509)	(4,656)	(4,785)
Personnel	*(2,455)*	*(2,515)*	*(2,572)*	*(2,670)*	*(2,755)*
Other general administrative expenses	*(1,801)*	*(1,844)*	*(1,937)*	*(1,985)*	*(2,030)*
Depreciation and amortisation	(590)	(546)	(560)	(560)	(592)
Net operating income	**5,277**	**5,582**	**5,891**	**5,824**	**6,067**
Net loan-loss provisions	(2,695)	(2,638)	(2,777)	(2,452)	(2,563)
Impairment losses on other assets	(87)	(71)	(67)	(151)	(60)
Other income	(347)	(438)	(491)	(642)	(454)
Ordinary profit before taxes	**2,149**	**2,435**	**2,556**	**2,580**	**2,990**
Tax on profit	(569)	(664)	(649)	(814)	(922)
Ordinary profit from continuing operations	**1,579**	**1,771**	**1,908**	**1,766**	**2,067**
Net profit from discontinued operations	(0)	(0)	(7)	(19)	0
Ordinary consolidated profit	**1,579**	**1,771**	**1,901**	**1,746**	**2,067**
Minority interests	277	318	296	291	350
Ordinary attributable profit to the Group	**1,303**	**1,453**	**1,605**	**1,455**	**1,717**
Net capital gains and provisions	—	—	—	—	—
Attributable profit to the Group	**1,303**	**1,453**	**1,605**	**1,455**	**1,717**
EPS (euros)	**0.113**	**0.122**	**0.131**	**0.112**	**0.121**
Diluted EPS (euros)	**0.113**	**0.122**	**0.131**	**0.112**	**0.120**

Net fees. Consolidated

EUR million

	1Q'15	4Q'14	Var. %	1Q'14	Var. %
Fees from services	1,510	1,525	(1.0)	1,392	8.5
Mutual & pension funds	240	246	(2.4)	213	12.6
Securities and custody	216	186	16.1	186	16.0
Insurance	559	568	(1.6)	540	3.6
Net fee income	**2,524**	**2,524**	**0.0**	**2,331**	**8.3**

Operating expenses. Consolidated

EUR million

	1Q'15	4Q'14	Var. %	1Q'14	Var. %
Personnel expenses	2,755	2,670	3.2	2,455	12.2
General expenses	2,030	1,985	2.3	1,801	12.7
Information technology	287	256	12.0	243	18.3
Communications	133	108	23.6	123	8.1
Advertising	156	200	(22.0)	125	24.9
Buildings and premises	475	433	9.6	448	6.0
Printed and office material	38	42	(9.9)	36	4.7
Taxes (other than profit tax)	134	119	12.8	109	23.3
Other expenses	806	826	(2.4)	717	12.5
Personnel and general expenses	**4,785**	**4,656**	**2.8**	**4,256**	**12.4**
Depreciation and amortisation	592	560	5.7	590	0.3
Total operating expenses	**5,377**	**5,216**	**3.1**	**4,847**	**10.9**

Operating means Consolidated

EUR million

	Empleados			Oficinas		
	31.03.15	**31.03.14**	**Var.**	**31.03.15**	**31.03.14**	**Var.**
Continental Europe	**56,776**	**57,235**	**(459)**	**5,470**	**6,050**	**(580)**
o/w: Spain	24,744	26,327	(1,583)	3,511	4,000	(489)
Santander Consumer Finance	14,161	12,222	1,939	575	577	(2)
Poland	11,896	12,167	(271)	784	830	(46)
Portugal	5,408	5,512	(104)	584	633	(49)
United Kingdom	**26,209**	**25,642**	**567**	**921**	**999**	**(78)**
Latin America	**85,279**	**84,325**	**954**	**5,725**	**5,726**	**(1)**
o/w: Brazil	46,505	48,312	(1,807)	3,391	3,489	(98)
Mexico	16,944	14,837	2,107	1,350	1,279	71
Chile	12,095	12,104	(9)	476	485	(9)
USA	**16,145**	**15,436**	**709**	**804**	**815**	**(11)**
Operating areas	**184,409**	**182,638**	**1,771**	**12,920**	**13,590**	**(670)**
Corporate Activities	2,853	2,527	326			
Total Group	**187,262**	**185,165**	**2,097**	**12,920**	**13,590**	**(670)**

Net loan-loss provisions. Consolidated

EUR million

	1Q'15	4Q'14	Var. %	1Q'14	Var. %
Non performing loans	2,906	2,852	1.9	3,284	(11.5)
Country-risk	1	(20)	—	(0)	—
Recovery of written-off assets	(343)	(380)	(9.6)	(589)	(41.7)
Total	**2,563**	**2,452**	**4.5**	**2,695**	**(4.9)**

Customer loans. Consolidated

EUR million

	31.03.15	31.03.14	Variation amount	%	31.12.14
Spanish Public sector	17,392	15,409	1,983	12.9	17,465
Other residents	155,846	162,693	(6,847)	(4.2)	154,905
Commercial bills	8,188	6,797	1,391	20.5	7,293
Secured loans	96,271	97,648	(1,378)	(1.4)	96,426
Other loans	51,387	58,248	(6,861)	(11.8)	51,187
Non-resident sector	648,820	543,753	105,067	19.3	589,557
Secured loans	403,085	323,789	79,296	24.5	369,266
Other loans	245,736	219,964	25,772	11.7	220,291
Gross customer loans	**822,059**	**721,856**	**100,203**	**13.9**	**761,928**
Loan-loss allowances	28,094	27,261	833	3.1	27,217
Net customer loans	**793,965**	**694,595**	**99,370**	**14.3**	**734,711**
Pro memoria: Doubtful loans	40,711	41,101	(390)	(0.9)	40,424
Public sector	169	88	80	91.3	167
Other residents	19,327	21,741	(2,414)	(11.1)	19,951
Non-resident sector	21,215	19,272	1,943	10.1	20,306

Managed and marketed customer funds. Consolidated

EUR million

	31.03.15	31.03.14	Variation amount	%	31.12.14
Resident public sector	12,706	7,856	4,850	61.7	9,349
Other residents	163,702	158,292	5,410	3.4	163,340
Demand deposits	94,580	76,468	18,111	23.7	88,312
Time deposits	65,118	76,823	(11,706)	(15.2)	67,495
Other	4,005	5,000	(995)	(19.9)	7,532
Non-resident sector	510,954	453,988	56,966	12.5	474,939
Demand deposits	299,008	232,123	66,885	28.8	273,889
Time deposits	156,089	163,845	(7,755)	(4.7)	151,113
Other	55,856	58,020	(2,164)	(3.7)	49,937
Customer deposits	**687,362**	**620,135**	**67,227**	**10.8**	**647,628**
Debt securities	208,312	184,534	23,777	12.9	196,890
Subordinated debt	19,746	17,738	2,007	11.3	17,132
On-balance-sheet customer funds	**915,419**	**822,408**	**93,012**	**11.3**	**861,649**
Mutual funds	135,254	111,392	23,862	21.4	124,708
Pension funds	11,960	11,064	896	8.1	11,481
Managed portfolios	28,541	21,839	6,701	30.7	25,599
Other managed and marketed customer funds	**175,755**	**144,296**	**31,459**	**21.8**	**161,788**
Managed and marketed customer funds	**1,091,174**	**966,704**	**124,471**	**12.9**	**1,023,437**

Eligible capital (fully loaded)*

EUR million

	31.03.15	31.12.14	Variation amount	%
Capital stock and reserves	98,558	93,748	4,810	5.1
Attributable profit	1,717	5,816	(4,099)	(70.5)
Dividends	(576)	(1,014)	438	(43.2)
Other retained earnings	(8,418)	(11,468)	3,050	(26.6)
Minority interests	4,829	4,131	698	16.9
Goodwill and intangible assets	(30,303)	(29,164)	(1,139)	3.9
Treasury stock and other deductios	(6,057)	(5,767)	(290)	5.0
Core CET1	**59,750**	**56,282**	**3,468**	**6.2**
Preferred shares and other eligibles T1	4,902	4,728	174	3.7
Tier 1	**64,652**	**61,010**	**3,642**	**6.0**
Generic funds and eligible T2 instruments	9,646	7,561	2,085	27.6
Eligible capital	**74,299**	**68,571**	**5,728**	**8.4**
Risk-weighted assets	617,574	583,366	34,208	5.9
CET1 capital ratio	**9.7**	**9.7**	**—**	
T1 capital ratio	**10.5**	**10.5**	**—**	
BIS ratio	**12.0**	**11.8**	**0.3**	

(*).- In 2014, pro-forma data taking into account the January 2015 capital increase

Continental Europe

EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**2,285**	**0.5**	**0.5**	**9.1**	**9.2**
Net fees	842	(1.1)	(1.2)	(4.4)	(4.4)
Gains (losses) on financial transactions	166	326.1	335.0	(28.8)	(28.6)
Other operating income*	87	25.2	24.7	—	—
Gross income	**3,379**	**4.6**	**4.5**	**5.7**	**5.8**
Operating expenses	(1,627)	2.3	2.2	1.3	1.3
General administrative expenses	(1,454)	2.8	2.7	2.6	2.5
Personnel	*(840)*	*1.4*	*1.2*	*(0.1)*	*(0.1)*
Other general administrative expenses	*(614)*	*4.9*	*4.9*	*6.4*	*6.4*
Depreciation and amortisation	(174)	(2.0)	(2.0)	(8.3)	(8.2)
Net operating income	**1,751**	**6.8**	**6.8**	**10.2**	**10.3**
Net loan-loss provisions	(638)	9.6	9.7	(19.3)	(19.2)
Other income	(120)	56.8	55.1	(20.7)	(20.7)
Profit before taxes	**993**	**1.2**	**1.2**	**53.5**	**53.7**
Tax on profit	(259)	(3.6)	(3.5)	75.5	75.9
Profit from continuing operations	**734**	**3.0**	**3.0**	**47.0**	**47.2**
Net profit from discontinued operations	0	—	—	—	—
Consolidated profit	**734**	**5.9**	**5.9**	**47.0**	**47.2**
Minority interests	70	42.9	42.4	91.9	92.1
Attributable profit to the Group	**664**	**3.1**	**3.1**	**43.5**	**43.7**
Balance sheet					
Customer loans**	277,834	4.1	3.5	4.8	4.5
Trading portfolio (w/o loans)	76,180	15.7	15.6	36.7	36.3
Available-for-sale financial assets	56,290	6.5	5.8	40.8	40.1
Due from credit institutions**	83,481	27.0	26.3	51.3	50.2
Intangible assets and property and equipment	5,367	(8.1)	(9.6)	(7.5)	(7.5)
Other assets	21,346	(5.2)	(5.8)	(31.1)	(31.2)
Total assets/liabilities & shareholders' equity	**520,498**	**8.5**	**7.9**	**14.9**	**14.5**
Customer deposits**	266,841	4.3	3.9	3.4	3.2
Marketable debt securities**	22,440	15.5	14.6	42.2	43.1
Subordinated debt**	441	7.7	3.8	8.4	6.6
Insurance liabilities	669	(6.1)	(6.5)	(56.8)	(56.8)
Due to credit institutions**	102,240	33.0	31.4	53.2	51.2
Other liabilities	101,520	0.9	0.7	19.8	19.5
Stockholders' equity ***	26,347	1.9	1.1	2.7	2.3
Other managed and marketed customer funds	**70,750**	**8.4**	**8.1**	**21.1**	**20.9**
Mutual and pension funds	63,379	8.6	8.3	22.2	22.0
Managed portfolios	7,372	6.7	6.7	12.1	12.1
Managed and marketed customer funds	**360,472**	**5.8**	**5.3**	**8.4**	**8.2**
Ratios (%) and operating means					
ROE	10.23	0.38		2.90	
Efficiency ratio (with amortisations)	48.2	(1.1)		(2.1)	
NPL ratio	8.57	(0.36)		(0.55)	
NPL coverage	58.6	1.4		0.6	
Number of employees	56,776	0.9		(0.8)	
Number of branches	5,470	(0.2)		(9.6)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Mar'15 / Mar'14 w/o FX)

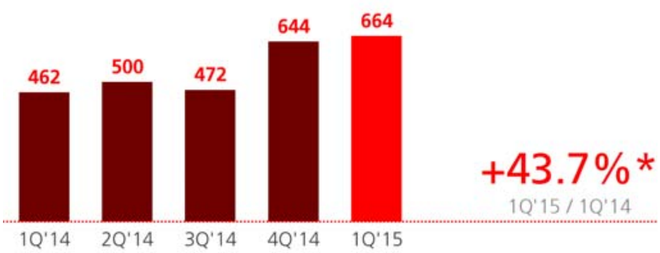
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit

Constant EUR million



(*) In euros: +43.5%

Spain
EUR million

Income statement	1Q'15	% o/ 4Q'14	% o/ 1Q'14
Net interest income	**1,163**	**(4.6)**	**1.5**
Net fees	427	(4.2)	(6.3)
Gains (losses) on financial transactions	108	—	(47.2)
Other operating income*	66	(6.0)	—
Gross income	**1,764**	**4.4**	**(1.5)**
Operating expenses	(852)	(0.9)	(4.7)
General administrative expenses	(764)	(1.2)	(4.6)
Personnel	*(458)*	*(2.1)*	*(8.2)*
Other general administrative expenses	*(306)*	*0.2*	*1.3*
Depreciation and amortisation	(88)	1.8	(5.4)
Net operating income	**913**	**10.0**	**1.6**
Net loan-loss provisions	(367)	14.7	(27.6)
Other income	(32)	(59.9)	(2.1)
Profit before taxes	**513**	**19.6**	**43.3**
Tax on profit	(150)	19.8	44.1
Profit from continuing operations	**362**	**19.5**	**42.9**
Net profit from discontinued operations	—	—	—
Consolidated profit	**362**	**19.5**	**42.9**
Minority interests	5	18.8	150.7
Attributable profit to the Group	**357**	**19.5**	**42.1**

Balance sheet			
Customer loans**	157,709	0.4	0.2
Trading portfolio (w/o loans)	72,674	16.3	40.8
Available-for-sale financial assets	41,926	9.3	55.7
Due from credit institutions**	65,380	33.8	75.2
Intangible assets and property and equipment	2,866	(16.3)	(25.7)
Other assets	4,489	(13.1)	(67.9)
Total assets/liabilities & shareholders' equity	**345,043**	**9.4**	**18.5**
Customer deposits**	189,734	6.3	3.6
Marketable debt securities**	553	(21.5)	(74.8)
Subordinated debt**	0	(100.0)	(100.0)
Insurance liabilities	566	5.0	2.8
Due to credit institutions**	57,378	49.0	122.0
Other liabilities	85,621	0.3	25.9
Stockholders' equity ***	11,191	(4.9)	(1.2)
Other managed and marketed customer funds	**63,173**	**7.9**	**21.6**
Mutual and pension funds	56,928	8.2	23.2
Managed portfolios	6,244	5.0	8.5
Managed and marketed customer funds	**253,459**	**6.6**	**6.8**

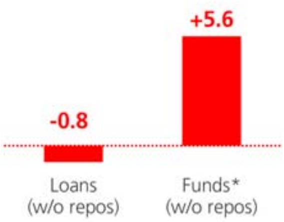
Ratios (%) and operating means			
ROE	12.58	2.27	3.64
Efficiency ratio (with amortisations)	48.3	(2.6)	(1.6)
NPL ratio	7.25	(0.13)	(0.36)
NPL coverage	46.6	1.1	2.0
Number of employees	24,744	(0.9)	(6.0)
Number of branches	3,511	—	(12.2)

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

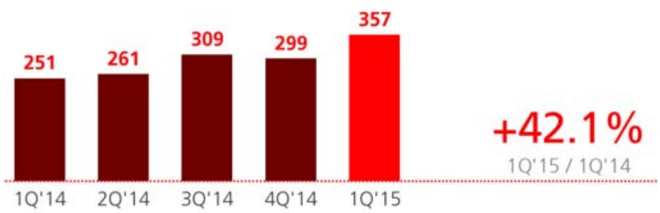
Activity performance
y-o-y % (Mar'15 / Mar'14)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Mar'15 / Dec'14)



Attributable profit
EUR million



Santander Consumer Finance

EUR million

Income statement	1Q'15	% o/ 4Q'14	% o/ 1Q'14
Net interest income	**750**	**14.9**	**29.1**
Net fees	219	10.5	(0.4)
Gains (losses) on financial transactions	0	(97.6)	(66.8)
Other operating income*	10	13.7	—
Gross income	**978**	**13.5**	**22.3**
Operating expenses	(417)	10.8	14.0
General administrative expenses	(362)	13.5	18.7
Personnel	*(198)*	*14.1*	*20.7*
Other general administrative expenses	*(165)*	*12.8*	*16.5*
Depreciation and amortisation	(54)	(4.5)	(10.0)
Net operating income	**561**	**15.5**	**29.3**
Net loan-loss provisions	(168)	17.6	29.3
Other income	(22)	—	63.5
Profit before taxes	**372**	**(9.0)**	**27.7**
Tax on profit	(98)	(12.8)	48.8
Profit from continuing operations	**274**	**(7.6)**	**21.6**
Net profit from discontinued operations	0	—	—
Consolidated profit	**274**	**(1.1)**	**21.6**
Minority interests	31	176.2	385.9
Attributable profit to the Group	**242**	**(8.7)**	**10.8**

Balance sheet			
Customer loans**	68,690	13.6	19.6
Trading portfolio (w/o loans)	31	(64.8)	(96.5)
Available-for-sale financial assets	1,122	13.5	134.9
Due from credit institutions**	5,551	1.4	(23.4)
Intangible assets and property and equipment	779	(0.9)	(14.7)
Other assets	4,220	13.0	33.3
Total assets/liabilities & shareholders' equity	**80,392**	**12.4**	**14.7**
Customer deposits**	30,989	0.5	1.2
Marketable debt securities**	18,915	20.9	68.6
Subordinated debt**	69	4.4	7.8
Insurance liabilities	—	—	—
Due to credit institutions**	17,442	30.8	5.1
Other liabilities	4,273	27.8	19.5
Stockholders' equity ***	8,704	5.1	8.2
Other managed and marketed customer funds	**7**	**3.6**	**10.8**
Mutual and pension funds	7	3.6	10.8
Managed portfolios	—	—	—
Managed and marketed customer funds	**49,980**	**7.3**	**19.3**

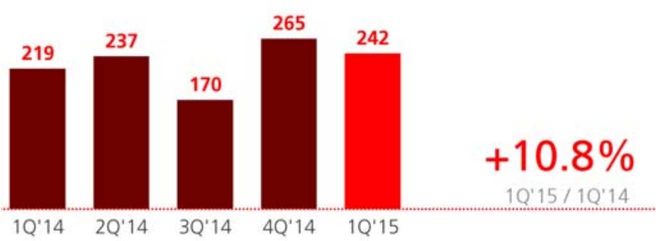
Ratios (%) and operating means			
ROE	11.58	(0.96)	0.56
Efficiency ratio (with amortisations)	42.6	(1.0)	(3.1)
NPL ratio	4.52	(0.30)	0.38
NPL coverage	103.6	3.5	(1.5)
Number of employees	14,161	8.5	15.9
Number of branches	575	(0.7)	(0.3)

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
y-o-y % (Mar'15 / Mar'14)

Activity performance
q-o-q % (Mar'15 / Dec'14)

Attributable profit
EUR million



Poland

EUR million

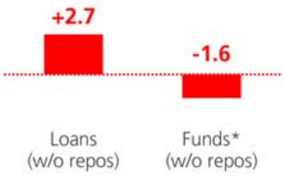
Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**191**	**(1.8)**	**(2.3)**	**(8.0)**	**(7.8)**
Net fees	100	(6.5)	(7.0)	(8.5)	(8.4)
Gains (losses) on financial transactions	54	12.4	12.4	374.0	374.9
Other operating income*	(4)	—	—	—	—
Gross income	**340**	**(3.6)**	**(4.0)**	**1.8**	**2.0**
Operating expenses	(149)	4.1	3.6	1.8	2.0
General administrative expenses	(137)	5.0	4.5	1.9	2.1
Personnel	*(81)*	*2.3*	*1.8*	*5.3*	*5.5*
Other general administrative expenses	*(56)*	*9.1*	*8.5*	*(2.6)*	*(2.4)*
Depreciation and amortisation	(12)	(5.0)	(5.5)	0.5	0.7
Net operating income	**191**	**(8.8)**	**(9.2)**	**1.9**	**2.0**
Net loan-loss provisions	(39)	(31.0)	(31.2)	(8.9)	(8.8)
Other income	(1)	—	—	(71.3)	(71.3)
Profit before taxes	**151**	**(13.4)**	**(13.7)**	**6.6**	**6.8**
Tax on profit	(28)	(41.6)	(41.7)	4.8	4.9
Profit from continuing operations	**123**	**(2.8)**	**(3.2)**	**7.0**	**7.2**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**123**	**(2.8)**	**(3.2)**	**7.0**	**7.2**
Minority interests	33	0.8	0.3	9.5	9.7
Attributable profit to the Group	**90**	**(4.1)**	**(4.5)**	**6.1**	**6.3**
Balance sheet					
Customer loans**	18,303	7.8	3.1	9.4	7.1
Trading portfolio (w/o loans)	1,258	7.9	3.2	55.5	52.3
Available-for-sale financial assets	5,355	(7.9)	(12.0)	4.4	2.3
Due from credit institutions**	1,223	15.3	10.3	(2.6)	(4.6)
Intangible assets and property and equipment	241	2.1	(2.4)	7.9	5.7
Other assets	2,168	(14.6)	(18.4)	(5.2)	(7.1)
Total assets/liabilities & shareholders' equity	**28,548**	**2.7**	**(1.8)**	**8.0**	**5.8**
Customer deposits**	20,481	1.7	(2.8)	8.9	6.7
Marketable debt securities**	240	4.5	(0.1)	98.5	94.4
Subordinated debt**	372	10.4	5.5	11.0	8.7
Insurance liabilities	—	(100.0)	(100.0)	(100.0)	(100.0)
Due to credit institutions**	1,267	0.4	(4.0)	(42.9)	(44.0)
Other liabilities	3,786	9.2	4.4	41.6	38.7
Stockholders' equity ***	2,403	5.5	0.9	9.3	7.1
Other managed and marketed customer funds	**3,960**	**12.7**	**7.7**	**11.4**	**9.1**
Mutual and pension funds	3,813	11.2	6.3	10.4	8.1
Managed portfolios	147	73.0	65.4	46.2	43.1
Managed and marketed customer funds	**25,053**	**3.4**	**(1.1)**	**9.8**	**7.5**
Ratios (%) and operating means					
ROE	15.34	(0.94)		(0.24)	
Efficiency ratio (with amortisations)	43.8	3.2		(0.0)	
NPL ratio	7.33	(0.09)		(0.02)	
NPL coverage	61.6	1.3		(3.0)	
Number of employees	11,896	(0.6)		(2.2)	
Number of branches	784	(0.5)		(5.5)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

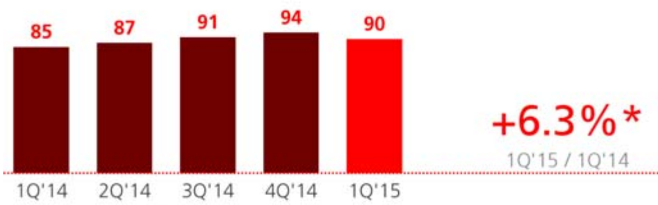
Activity performance
y-o-y % (Mar'15 / Mar'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Mar'15 / Dec'14 w/o FX)



Attributable profit
Constant EUR million



(*) In euros: +6.1%

Portugal

EUR million

Income statement	1Q'15	% o/ 4Q'14	% o/ 1Q'14
Net interest income	**142**	**(0.7)**	**10.4**
Net fees	68	(4.0)	(5.9)
Gains (losses) on financial transactions	15	(57.1)	(17.9)
Other operating income*	13	7.3	47.4
Gross income	**238**	**(8.7)**	**4.4**
Operating expenses	(121)	(3.9)	(0.7)
General administrative expenses	(106)	(2.6)	3.1
Personnel	*(73)*	*(6.4)*	*0.0*
Other general administrative expenses	*(33)*	*6.8*	*10.5*
Depreciation and amortisation	(15)	(12.0)	(20.5)
Net operating income	**117**	**(13.2)**	**10.1**
Net loan-loss provisions	(22)	27.1	(35.6)
Other income	(21)	5.5	(29.3)
Profit before taxes	**74**	**(24.2)**	**75.3**
Tax on profit	(17)	(28.1)	93.4
Profit from continuing operations	**56**	**(23.0)**	**70.4**
Net profit from discontinued operations	—	—	—
Consolidated profit	**56**	**(23.0)**	**70.4**
Minority interests	0	(30.5)	—
Attributable profit to the Group	**56**	**(22.9)**	**58.0**

Balance sheet			
Customer loans**	23,045	(0.6)	(4.9)
Trading portfolio (w/o loans)	2,160	3.7	14.6
Available-for-sale financial assets	6,877	(1.9)	2.5
Due from credit institutions**	2,173	0.4	(14.5)
Intangible assets and property and equipment	700	(3.9)	(12.5)
Other assets	5,857	(9.2)	0.8
Total assets/liabilities & shareholders' equity	**40,813**	**(1.9)**	**(2.8)**
Customer deposits**	23,529	(2.0)	(0.2)
Marketable debt securities**	2,732	(4.3)	21.5
Subordinated debt**	—	—	—
Insurance liabilities	30	8.1	(62.8)
Due to credit institutions**	11,042	(4.3)	(14.5)
Other liabilities	888	12.8	3.6
Stockholders' equity ***	2,593	8.4	12.7
Other managed and marketed customer funds	**2,870**	**14.8**	**28.9**
Mutual and pension funds	2,491	13.9	21.7
Managed portfolios	379	20.7	111.3
Managed and marketed customer funds	**29,131**	**(0.8)**	**3.8**

Ratios (%) and operating means			
ROE	9.09	(2.75)	2.64
Efficiency ratio (with amortisations)	50.9	2.5	(2.6)
NPL ratio	8.96	0.07	0.70
NPL coverage	52.4	0.6	1.8
Number of employees	5,408	(0.0)	(1.9)
Number of branches	584	(1.7)	(7.7)

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Mar'15 / Mar'14)

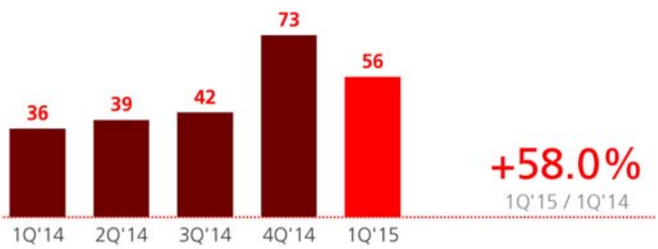
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14)

Attributable profit

EUR million



United Kingdom

EUR million

		o/ 4Q'14		o/ 1Q'14	
Income statement	**1Q'15**	**%**	**% w/o FX**	**%**	**% w/o FX**
Net interest income	**1,194**	**6.5**	**0.2**	**20.7**	**8.3**
Net fees	287	4.8	(1.4)	16.0	4.0
Gains (losses) on financial transactions	60	70.1	63.6	(23.2)	(31.1)
Other operating income*	10	5.0	(1.1)	(31.5)	(38.6)
Gross income	**1,551**	**7.7**	**1.4**	**16.7**	**4.7**
Operating expenses	(815)	6.4	0.1	17.5	5.4
General administrative expenses	(697)	7.6	1.2	20.3	7.9
Personnel	*(457)*	*8.1*	*1.8*	*20.3*	*7.9*
Other general administrative expenses	*(240)*	*6.6*	*0.2*	*20.2*	*7.9*
Depreciation and amortisation	(118)	0.1	(5.9)	3.4	(7.2)
Net operating income	**736**	**9.2**	**2.8**	**15.8**	**3.9**
Net loan-loss provisions	(76)	109.3	105.0	(36.9)	(43.4)
Other income	(56)	(59.0)	(61.8)	19.8	7.5
Profit before taxes	**605**	**20.3**	**13.4**	**29.0**	**15.7**
Tax on profit	(120)	6.7	0.4	28.2	15.1
Profit from continuing operations	**485**	**24.2**	**17.1**	**29.1**	**15.9**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**485**	**24.2**	**17.1**	**29.1**	**15.9**
Minority interests	8	—	—	—	—
Attributable profit to the Group	**477**	**22.2**	**15.2**	**27.0**	**14.0**
Balance sheet					
Customer loans**	279,334	11.2	3.8	19.4	4.9
Trading portfolio (w/o loans)	42,850	8.9	1.7	36.1	19.5
Available-for-sale financial assets	12,937	15.5	7.9	54.8	35.9
Due from credit institutions**	19,885	41.1	31.7	11.9	(1.7)
Intangible assets and property and equipment	3,094	14.6	7.0	23.3	8.3
Other assets	34,749	(2.6)	(9.1)	(21.6)	(31.2)
Total assets/liabilities & shareholders' equity	**392,848**	**10.9**	**3.6**	**16.1**	**1.9**
Customer deposits**	220,684	9.1	1.8	13.2	(0.6)
Marketable debt securities**	78,569	12.9	5.4	18.4	4.0
Subordinated debt**	5,787	7.6	0.5	(0.5)	(12.6)
Insurance liabilities	—	—	—	—	—
Due to credit institutions**	26,258	(1.7)	(8.2)	(9.5)	(20.5)
Other liabilities	45,703	31.0	22.3	58.8	39.4
Stockholders' equity ***	15,847	3.2	(3.7)	17.4	3.1
Other managed and marketed customer funds	**10,469**	**8.3**	**1.1**	**8.7**	**(4.5)**
Mutual and pension funds	10,313	8.3	1.1	8.7	(4.6)
Managed portfolios	156	8.9	1.7	11.0	(2.6)
Managed and marketed customer funds	**315,509**	**10.0**	**2.7**	**14.0**	**0.1**
Ratios (%) and operating means					
ROE	12.39	2.17		0.72	
Efficiency ratio (with amortisations)	52.5	(0.6)		0.4	
NPL ratio	1.75	(0.04)		(0.13)	
NPL coverage	41.2	(0.7)		(1.7)	
Number of employees	26,209	2.4		2.2	
Number of branches	921	(0.9)		(7.8)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Mar'15 / Mar'14 w/o FX)

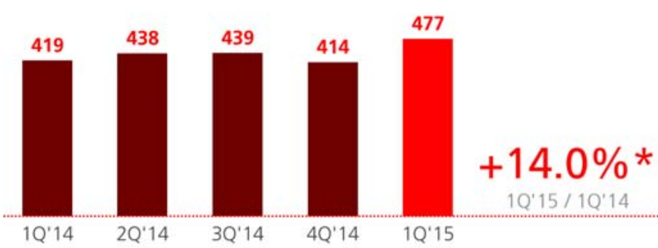
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit

Constant EUR million



(*) In euros: +27.0%

Latin America

EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**3,622**	**1.9**	**0.5**	**8.2**	**4.9**
Net fees	1,191	(4.0)	(5.3)	13.7	9.3
Gains (losses) on financial transactions	189	370.2	317.2	50.2	39.7
Other operating income*	(2)	—	—	(38.3)	(52.0)
Gross income	**5,000**	**2.9**	**1.5**	**10.7**	**7.0**
Operating expenses	(2,097)	(0.7)	(2.1)	11.6	7.5
General administrative expenses	(1,890)	(1.4)	(2.8)	12.6	8.4
Personnel	*(1,061)*	*0.5*	*(1.1)*	*13.7*	*9.3*
Other general administrative expenses	*(829)*	*(3.7)*	*(4.8)*	*11.2*	*7.3*
Depreciation and amortisation	(207)	5.3	3.9	3.4	(0.1)
Net operating income	**2,902**	**5.7**	**4.3**	**10.0**	**6.6**
Net loan-loss provisions	(1,210)	(3.9)	(4.5)	(2.3)	(4.8)
Other income	(203)	(24.1)	(23.4)	26.5	24.7
Profit before taxes	**1,489**	**22.3**	**19.1**	**20.3**	**15.6**
Tax on profit	(430)	122.8	119.1	31.1	26.5
Profit from continuing operations	**1,059**	**3.3**	**0.4**	**16.4**	**11.6**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**1,059**	**3.3**	**0.4**	**16.4**	**11.6**
Minority interests	145	(15.9)	(19.4)	(27.1)	(29.8)
Attributable profit to the Group	**914**	**7.2**	**4.5**	**28.5**	**23.2**

Balance sheet	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Customer loans**	152,014	5.0	4.8	17.2	16.7
Trading portfolio (w/o loans)	35,970	0.2	(0.4)	31.8	27.8
Available-for-sale financial assets	31,065	(0.5)	3.2	16.4	22.3
Due from credit institutions**	27,890	16.7	14.8	23.1	19.3
Intangible assets and property and equipment	4,175	5.2	7.8	8.5	13.2
Other assets	46,855	10.2	12.5	8.1	10.9
Total assets/liabilities & shareholders' equity	**297,969**	**5.6**	**6.0**	**17.5**	**17.7**
Customer deposits**	142,779	3.7	3.2	13.1	12.3
Marketable debt securities**	34,578	8.3	11.3	24.2	29.6
Subordinated debt**	6,771	4.7	7.4	1.6	5.6
Insurance liabilities	1	—	—	—	—
Due to credit institutions**	37,711	6.9	9.1	48.0	48.7
Other liabilities	51,003	11.3	11.5	11.1	11.4
Stockholders' equity ***	25,126	0.6	0.3	17.2	15.3
Other managed and marketed customer funds	**81,763**	**3.1**	**4.4**	**15.4**	**16.7**
Mutual and pension funds	67,503	1.3	4.2	12.0	16.6
Managed portfolios	14,261	12.8	5.4	34.4	17.3
Managed and marketed customer funds	**265,891**	**4.1**	**4.7**	**14.8**	**15.5**

Ratios (%) and operating means	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
ROE	14.37	0.32		1.06	
Efficiency ratio (with amortisations)	41.9	(1.5)		0.3	
NPL ratio	4.49	(0.16)		(0.57)	
NPL coverage	83.9	(0.8)		(2.2)	
Number of employees	85,279	0.3		1.1	
Number of branches	5,725	(0.1)		(0.0)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Mar'15 / Mar'14 w/o FX)

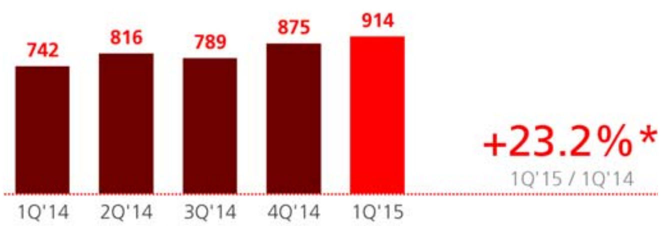
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit

Constant EUR million



(*) In euros: +28.5%

Brazil
EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**2,289**	**4.6**	**5.9**	**4.1**	**3.3**
Net fees	708	(9.4)	(8.1)	12.5	11.7
Gains (losses) on financial transactions	28	—	—	69.4	68.2
Other operating income*	21	(48.9)	(47.9)	212.9	210.6
Gross income	**3,046**	**2.3**	**3.5**	**6.8**	**6.0**
Operating expenses	(1,176)	(9.3)	(8.1)	3.8	3.0
General administrative expenses	(1,055)	(10.1)	(8.8)	4.9	4.1
Personnel	*(581)*	*(7.1)*	*(5.8)*	*5.7*	*4.9*
Other general administrative expenses	*(474)*	*(13.6)*	*(12.3)*	*3.9*	*3.2*
Depreciation and amortisation	(120)	(1.9)	(0.8)	(5.1)	(5.8)
Net operating income	**1,870**	**11.2**	**12.4**	**8.8**	**8.0**
Net loan-loss provisions	(826)	(6.8)	(5.7)	(8.7)	(9.3)
Other income	(209)	(14.4)	(13.0)	46.6	45.5
Profit before taxes	**835**	**51.5**	**52.7**	**24.3**	**23.4**
Tax on profit	(264)	123.4	123.9	30.6	29.6
Profit from continuing operations	**571**	**31.8**	**33.2**	**21.6**	**20.7**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**571**	**31.8**	**33.2**	**21.6**	**20.7**
Minority interests	55	31.4	29.4	(47.9)	(48.3)
Attributable profit to the Group	**516**	**31.9**	**33.6**	**41.8**	**40.8**

Balance sheet	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Customer loans**	72,492	(2.5)	5.8	5.8	18.3
Trading portfolio (w/o loans)	14,720	(19.4)	(12.5)	30.1	45.4
Available-for-sale financial assets	23,071	0.6	9.2	16.6	30.3
Due from credit institutions**	11,351	10.5	19.9	25.5	40.2
Intangible assets and property and equipment	2,683	1.7	10.3	(4.1)	7.2
Other assets	29,622	6.5	15.6	(0.0)	11.7
Total assets/liabilities & shareholders' equity	**153,938**	**(1.5)**	**6.9**	**9.1**	**21.9**
Customer deposits**	65,221	(4.8)	3.3	(1.1)	10.6
Marketable debt securities**	22,597	3.2	12.0	13.6	26.9
Subordinated debt**	4,471	2.4	11.1	(2.5)	9.0
Insurance liabilities	1	—	—	—	—
Due to credit institutions**	21,014	(7.9)	(0.1)	52.0	69.9
Other liabilities	28,360	11.0	20.5	9.4	22.3
Stockholders' equity ***	12,274	(6.3)	1.7	12.3	25.5
Other managed and marketed customer funds	**47,664**	**(4.3)**	**3.9**	**4.2**	**16.5**
Mutual and pension funds	44,589	(4.2)	4.0	4.7	17.0
Managed portfolios	3,075	(5.3)	2.8	(2.3)	9.2
Managed and marketed customer funds	**139,953**	**(3.2)**	**5.0**	**2.8**	**14.9**

Ratios (%) and operating means	1Q'15	o/ 4Q'14		o/ 1Q'14	
ROE	15.78	3.62		2.78	
Efficiency ratio (with amortisations)	38.6	(4.9)		(1.1)	
NPL ratio	4.90	(0.15)		(0.84)	
NPL coverage	95.2	(0.2)		—	
Number of employees	46,505	0.1		(3.7)	
Number of branches	3,391	(0.6)		(2.8)	

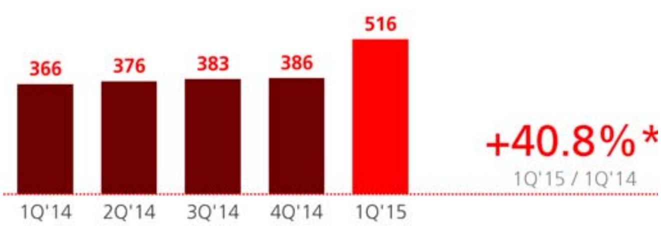
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
y-o-y % (Mar'15 / Mar'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit
Constant EUR million



(*) In euros: +41.8%

Mexico
EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**610**	**4.5**	**1.4**	**19.8**	**11.1**
Net fees	195	(1.5)	(4.2)	2.6	(4.8)
Gains (losses) on financial transactions	44	93.1	92.1	63.8	52.0
Other operating income*	(15)	41.6	38.0	20.2	11.5
Gross income	**833**	**5.0**	**2.1**	**16.9**	**8.4**
Operating expenses	(349)	8.4	5.4	14.0	5.8
General administrative expenses	(309)	7.3	4.3	13.2	5.0
Personnel	*(171)*	*5.7*	*2.7*	*20.3*	*11.6*
Other general administrative expenses	*(139)*	*9.3*	*6.4*	*5.6*	*(2.0)*
Depreciation and amortisation	(40)	17.5	14.2	20.5	11.8
Net operating income	**484**	**2.7**	**(0.2)**	**19.0**	**10.4**
Net loan-loss provisions	(211)	19.0	15.9	18.0	9.5
Other income	8	—	—	—	—
Profit before taxes	**281**	**(4.2)**	**(7.1)**	**24.0**	**15.1**
Tax on profit	(65)	27.0	23.6	35.1	25.3
Profit from continuing operations	**215**	**(10.8)**	**(13.6)**	**21.0**	**12.3**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**215**	**(10.8)**	**(13.6)**	**21.0**	**12.3**
Minority interests	48	(13.9)	(16.6)	20.1	11.4
Attributable profit to the Group	**167**	**(9.9)**	**(12.6)**	**21.3**	**12.5**
Balance sheet					
Customer loans**	29,112	12.5	4.0	30.1	19.2
Trading portfolio (w/o loans)	16,677	63.7	51.3	47.7	35.4
Available-for-sale financial assets	4,065	(12.1)	(18.8)	17.0	7.2
Due from credit institutions**	8,447	19.7	10.6	1.2	(7.2)
Intangible assets and property and equipment	493	12.1	3.6	24.8	14.4
Other assets	6,323	14.0	5.4	12.2	2.8
Total assets/liabilities & shareholders' equity	**65,118**	**21.2**	**12.0**	**26.4**	**15.8**
Customer deposits**	30,965	8.2	(0.0)	21.0	10.9
Marketable debt securities**	4,492	37.6	27.1	80.0	65.0
Subordinated debt**	1,202	10.4	2.1	27.1	16.5
Insurance liabilities	—	—	—	—	—
Due to credit institutions**	9,974	62.1	49.8	68.4	54.4
Other liabilities	13,608	38.9	28.4	13.3	3.9
Stockholders' equity ***	4,877	1.7	(6.1)	6.9	(2.0)
Other managed and marketed customer funds	**13,222**	**14.7**	**6.0**	**20.0**	**10.0**
Mutual and pension funds	13,222	14.7	6.0	20.0	10.0
Managed portfolios	—	—	—	—	—
Managed and marketed customer funds	**49,881**	**12.1**	**3.6**	**24.5**	**14.2**
Ratios (%) and operating means					
ROE	13.90	(1.61)		1.35	
Efficiency ratio (with amortisations)	41.9	1.3		(1.0)	
NPL ratio	3.71	(0.13)		0.09	
NPL coverage	88.4	2.3		(10.2)	
Number of employees	16,944	0.1		14.2	
Number of branches	1,350	0.2		5.6	

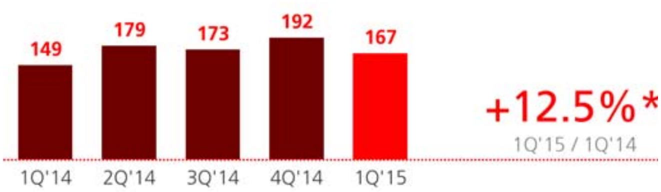
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
y-o-y % (Mar'15 / Mar'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit
Constant EUR million



(*) In euros: +21.3%

Chile
EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**398**	**(18.9)**	**(23.9)**	**(2.5)**	**(9.3)**
Net fees	87	0.5	(5.5)	6.9	(0.5)
Gains (losses) on financial transactions	66	134.6	120.9	68.4	56.7
Other operating income*	4	33.9	27.3	(17.7)	(23.5)
Gross income	**554**	**(8.9)**	**(14.4)**	**4.0**	**(3.3)**
Operating expenses	(234)	3.5	(2.7)	16.4	8.3
General administrative expenses	(213)	2.1	(4.1)	18.3	10.0
Personnel	*(129)*	*(1.0)*	*(7.0)*	*19.8*	*11.5*
Other general administrative expenses	*(84)*	*7.2*	*0.8*	*15.9*	*7.9*
Depreciation and amortisation	(21)	21.2	14.0	0.9	(6.1)
Net operating income	**320**	**(16.2)**	**(21.4)**	**(3.6)**	**(10.3)**
Net loan-loss provisions	(132)	(15.5)	(20.7)	13.4	5.5
Other income	6	—	—	—	—
Profit before taxes	**195**	**(6.7)**	**(12.3)**	**(6.9)**	**(13.4)**
Tax on profit	(44)	—	—	33.8	24.5
Profit from continuing operations	**150**	**(36.3)**	**(40.3)**	**(14.5)**	**(20.5)**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**150**	**(36.3)**	**(40.3)**	**(14.5)**	**(20.5)**
Minority interests	41	(44.2)	(47.7)	(22.1)	(27.5)
Attributable profit to the Group	**109**	**(32.7)**	**(37.0)**	**(11.2)**	**(17.4)**
Balance sheet					
Customer loans**	34,510	13.0	3.5	23.3	9.2
Trading portfolio (w/o loans)	2,940	(4.4)	(12.4)	66.6	47.6
Available-for-sale financial assets	2,290	0.7	(7.7)	(6.7)	(17.3)
Due from credit institutions**	4,599	19.9	9.9	57.4	39.5
Intangible assets and property and equipment	382	10.2	1.0	22.3	8.3
Other assets	3,564	33.0	21.9	39.1	23.3
Total assets/liabilities & shareholders' equity	**48,285**	**12.9**	**3.5**	**27.0**	**12.6**
Customer deposits**	26,499	13.5	4.0	29.7	14.9
Marketable debt securities**	7,404	11.3	2.1	37.1	21.5
Subordinated debt**	1,070	8.7	(0.4)	(3.6)	(14.6)
Insurance liabilities	—	—	—	—	—
Due to credit institutions**	4,404	0.5	(7.9)	(3.1)	(14.2)
Other liabilities	5,712	28.7	18.0	46.4	29.7
Stockholders' equity ***	3,196	8.1	(0.9)	22.2	8.3
Other managed and marketed customer funds	**7,871**	**8.5**	**(0.6)**	**34.2**	**18.9**
Mutual and pension funds	5,793	4.1	(4.5)	30.9	16.0
Managed portfolios	2,078	22.8	12.5	44.6	28.2
Managed and marketed customer funds	**42,845**	**12.0**	**2.7**	**30.6**	**15.7**
Ratios (%) and operating means					
ROE	14.15	(9.79)		(4.84)	
Efficiency ratio (with amortisations)	42.3	5.1		4.5	
NPL ratio	5.88	(0.09)		(0.11)	
NPL coverage	52.0	(0.4)		1.3	
Number of employees	12,095	0.1		(0.1)	
Number of branches	476	0.2		(1.9)	

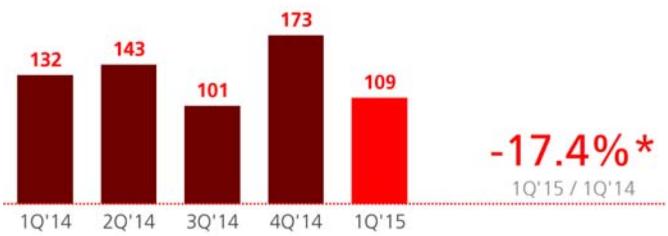
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance
y-o-y % (Mar'15 / Mar'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance
q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit
Constant EUR million



(*) In euros: -11.2%

United States

EUR million

		o/ 4Q'14		o/ 1Q'14	
Income statement	**1Q'15**	**%**	**% w/o FX**	**%**	**% w/o FX**
Net interest income	**1,421**	**16.5**	**5.1**	**29.4**	**6.3**
Net fees	220	23.9	11.9	34.2	10.2
Gains (losses) on financial transactions	34	(39.7)	(46.7)	21.2	(0.4)
Other operating income*	91	40.4	22.7	459.2	359.3
Gross income	**1,766**	**16.3**	**4.7**	**35.2**	**11.1**
Operating expenses	(630)	11.3	(0.0)	32.3	8.7
General administrative expenses	(561)	10.3	(1.0)	34.7	10.7
Personnel	*(328)*	*13.7*	*2.0*	*39.9*	*14.9*
Other general administrative expenses	*(233)*	*5.9*	*(5.0)*	*28.1*	*5.2*
Depreciation and amortisation	(69)	20.4	8.7	15.2	(5.4)
Net operating income	**1,136**	**19.2**	**7.5**	**36.9**	**12.4**
Net loan-loss provisions	(639)	10.9	0.2	16.9	(4.0)
Other income	(18)	—	—	690.4	549.2
Profit before taxes	**479**	**17.6**	**5.2**	**70.3**	**39.9**
Tax on profit	(133)	35.4	22.1	67.8	37.8
Profit from continuing operations	**346**	**11.9**	**(0.2)**	**71.3**	**40.7**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**346**	**11.9**	**(0.2)**	**71.3**	**40.7**
Minority interests	100	64.6	47.9	126.6	86.1
Attributable profit to the Group	**246**	**(0.9)**	**(11.7)**	**55.9**	**28.1**
Balance sheet					
Customer loans**	78,763	17.3	3.9	33.3	4.0
Trading portfolio (w/o loans)	357	(61.5)	(65.9)	182.1	120.1
Available-for-sale financial assets	16,497	29.9	15.2	83.9	43.5
Due from credit institutions**	3,549	44.1	27.7	71.9	34.1
Intangible assets and property and equipment	7,925	15.6	2.4	144.2	90.6
Other assets	6,653	(3.1)	(14.1)	29.3	0.9
Total assets/liabilities & shareholders' equity	**113,744**	**17.3**	**3.9**	**44.6**	**12.9**
Customer deposits**	54,462	16.9	3.6	37.7	7.5
Marketable debt securities**	19,221	20.1	6.5	54.6	20.6
Subordinated debt**	891	15.4	2.3	30.5	1.8
Insurance liabilities	—	—	—	—	—
Due to credit institutions**	23,437	35.8	20.4	94.5	51.7
Other liabilities	5,843	(0.4)	(11.8)	52.8	19.2
Stockholders' equity ***	9,889	(5.9)	(16.6)	(2.0)	(23.5)
Other managed and marketed customer funds	**12,773**	**69.1**	**49.9**	**138.5**	**86.1**
Mutual and pension funds	6,020	267.1	225.3	614.5	457.5
Managed portfolios	6,753	14.2	1.2	49.6	16.7
Managed and marketed customer funds	**87,347**	**23.2**	**9.2**	**50.5**	**17.5**
Ratios (%) and operating means					
ROE	9.82	0.31		3.06	
Efficiency ratio (with amortisations)	35.7	(1.6)		(0.8)	
NPL ratio	2.30	(0.24)		(0.58)	
NPL coverage	210.7	17.9		47.4	
Number of employees	16,145	1.4		4.6	
Number of branches	804	(0.9)		(1.3)	

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

y-o-y % (Mar'15 / Mar'14 w/o FX)

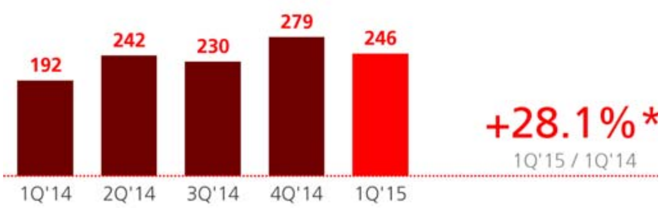
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit

Constant EUR million



(*) In euros: +55.9%

Corporate Activities

EUR million

Income statement	1Q'15	4Q'14	%	1Q'14	%
Net interest income	**(483)**	**(453)**	**6.6**	**(534)**	**(9.5)**
Net fees	(15)	(18)	(19.9)	(8)	78.7
Gains (losses) on financial transactions	247	449	(45.1)	302	(18.2)
Other operating income	(1)	14	—	16	—
Dividends	1	5	(76.4)	5	(77.8)
Income from equity-accounted method	(12)	(3)	296.9	0	—
Other operating income/expenses	10	13	(19.1)	10	(0.7)
Gross income	**(252)**	**(7)**	**—**	**(224)**	**12.1**
Operating expenses	(208)	(181)	15.0	(191)	8.7
General administrative expenses	(183)	(169)	8.2	(164)	11.6
Personnel	*(69)*	*(75)*	*(8.5)*	*(67)*	*2.8*
Other general administrative expenses	*(115)*	*(94)*	*21.6*	*(97)*	*17.6*
Depreciation and amortisation	(25)	(12)	113.1	(27)	(9.0)
Net operating income	**(460)**	**(188)**	**144.3**	**(416)**	**10.5**
Net loan-loss provisions	0	2	(91.0)	1	(89.6)
Other income	(117)	(342)	(65.9)	(72)	61.4
Ordinary profit before taxes	**(576)**	**(529)**	**9.0**	**(487)**	**18.4**
Tax on profit	19	(143)	—	79	(76.0)
Ordinary profit from continuing operations	**(557)**	**(671)**	**(17.0)**	**(408)**	**36.6**
Net profit from discontinued operations	0	—	—	—	—
Ordinary consolidated profit	**(557)**	**(671)**	**(17.0)**	**(408)**	**36.6**
Minority interests	27	9	198.3	(3)	—
Ordinary attributable profit to the Group	**(585)**	**(681)**	**(14.1)**	**(405)**	**44.2**
Net capital gains and provisions	—	—	—	—	—
Attributable profit to the Group	**(585)**	**(681)**	**(14.1)**	**(405)**	**44.2**

Balance sheet	1Q'15	4Q'14	%	1Q'14	%
Trading portfolio (w/o loans)	3,866	2,916	32.6	2,947	31.2
Available-for-sale financial assets	7,748	7,285	6.3	6,892	12.4
Investments	816	643	26.9	276	195.8
Goodwill	28,667	27,548	4.1	26,056	10.0
Liquidity lent to the Group	34,627	42,130	(17.8)	28,985	19.5
Capital assigned to Group areas	80,711	72,189	11.8	70,542	14.4
Other assets	63,459	56,131	13.1	49,132	29.2
Total assets/liabilities & shareholders' equity	**219,894**	**208,842**	**5.3**	**184,831**	**19.0**
Customer deposits*	2,597	5,279	(50.8)	1,379	88.3
Marketable debt securities*	53,504	59,954	(10.8)	62,102	(13.8)
Subordinated debt*	5,855	4,107	42.6	4,173	40.3
Other liabilities	62,520	63,229	(1.1)	45,195	38.3
Stockholders' equity ***	95,418	76,272	25.1	71,982	32.6
Other managed and marketed customer funds	**—**	**—**	**—**	**—**	**—**
Mutual and pension funds	—	—	—	—	—
Managed portfolios	—	—	—	—	—
Managed and marketed customer funds	**61,956**	**69,340**	**(10.6)**	**67,654**	**(8.4)**

Operating means					
Number of employees					
	2,853	2,633	8.4	2,527	12.9

(*).- Including all on-balance sheet balances for this item
(**).- Capital + reserves + profit + valuation adjustments

Retail Banking

EUR million

Income statement	1Q'15	o/ 4Q'14 %	o/ 4Q'14 % w/o FX	o/ 1Q'14 %	o/ 1Q'14 % w/o FX
Net interest income	**7,786**	**3.8**	**0.6**	**11.9**	**5.3**
Net fees	2,185	(0.1)	(2.1)	9.2	4.4
Gains (losses) on financial transactions	162	(26.4)	(28.5)	38.6	25.5
Other operating income*	165	61.5	49.4	—	—
Gross income	**10,298**	**2.9**	**(0.1)**	**13.5**	**7.0**
Operating expenses	(4,618)	2.4	(0.5)	10.9	5.0
Net operating income	**5,680**	**3.3**	**0.2**	**15.7**	**8.7**
Net loan-loss provisions	(2,323)	0.9	(2.2)	(7.5)	(13.2)
Other income	(360)	9.6	9.0	33.5	29.7
Profit before taxes	**2,998**	**4.5**	**1.2**	**40.8**	**32.0**
Tax on profit	(781)	25.9	22.7	53.2	43.5
Profit from continuing operations	**2,217**	**(1.4)**	**(4.7)**	**36.9**	**28.3**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**2,217**	**(0.5)**	**(3.9)**	**37.0**	**28.3**
Minority interests	283	11.9	6.2	16.5	9.3
Attributable profit to the Group	**1,933**	**(2.1)**	**(5.2)**	**40.6**	**31.7**

(*).- Including dividends, income from equity-accounted method and other operating income/expenses

Activity performance

y-o-y % (Mar'15 / Mar'14 w/o FX)

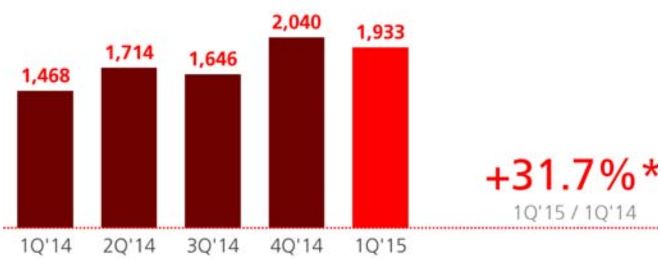
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Mar'15 / Dec'14 w/o FX)

Attributable profit

Constant EUR million



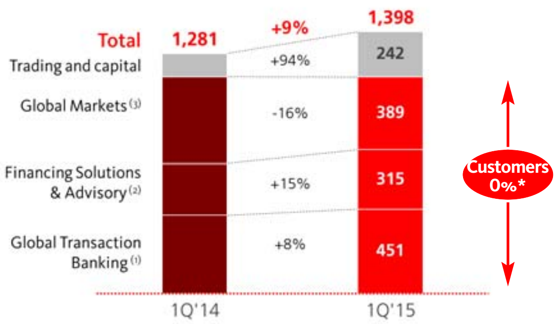
(*) In euros: +40.6%

Global Wholesale Banking
EUR million

		o/ 4Q'14		o/ 1Q'14	
Income statement	**1Q'15**	**%**	**% w/o FX**	**%**	**% w/o FX**
Net interest income	**737**	**10.2**	**8.4**	**30.2**	**26.0**
Net fees	352	(0.3)	(2.9)	5.0	0.8
Gains (losses) on financial transactions	286	—	—	(17.6)	(20.3)
Other operating income*	22	(76.9)	(76.9)	(31.5)	(32.8)
Gross income	**1,398**	**30.9**	**27.6**	**9.1**	**5.4**
Operating expenses	(500)	6.8	3.8	13.8	8.1
Net operating income	**898**	**49.7**	**46.3**	**6.6**	**3.9**
Net loan-loss provisions	(198)	87.9	95.2	84.5	83.6
Other income	4	—	—	—	—
Profit before taxes	**704**	**64.0**	**57.8**	**(1.6)**	**(4.4)**
Tax on profit	(201)	86.2	78.9	0.2	(2.2)
Profit from continuing operations	**503**	**56.5**	**50.6**	**(2.3)**	**(5.3)**
Net profit from discontinued operations	—	—	—	—	—
Consolidated profit	**503**	**56.5**	**50.6**	**(2.3)**	**(5.3)**
Minority interests	39	36.7	32.3	8.8	4.7
Attributable profit to the Group	**464**	**58.5**	**52.4**	**(3.1)**	**(6.0)**

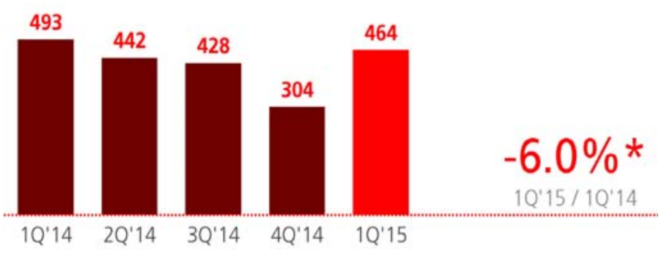
(*).- Including dividends, income from equity-accounted method and other operating income/expenses

Gross income breakdown
EUR million



(*) Excluding exchange rate impact: total revenues: +5%; customers -4%

Attributable profit
Constant EUR million



(*) In euros: -3.1%

(1) **Global Transaction Banking:** includes the business of cash management, trade finance, basic financing and custody.

(2) **Financing Solutions & Advisory:** includes the units of origination and distribution of corporate loans and structured financings, bond and securitisation origination teams, corporate finance units (mergers and acquisitions, primary markets of equities, investment solutions for corporate clients via derivatives), and asset & capital structuring.

(3) **Global Markets:** includes the sale and distribution of fixed income and equity derivatives, interest rates and inflation; the trading and hedging of exchange rates, and short-term money markets for the Group»s wholesale and retail clients; management of books associated with distribution; and brokerage of equities, and derivatives for investment and hedging solutions.

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