

2017 Earnings Presentation

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Simple | Personal | Fair



Important Information

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Note: Statements as to historical performance or financial accretion are not intended to mean that future performance, share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior year. Nothing in this presentation should be construed as a profit forecast.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

Important Information

In addition to the financial information prepared under International Financial Reporting Standards (“IFRS”), this presentation includes certain alternative performance measures as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) as well as Non-IFRS measures. The APMs and Non-IFRS Measures are performance measures that have been calculated using the financial information from the Santander Group but that are not defined or detailed in the applicable financial information framework and therefore have neither been audited nor are capable of being completely audited. These APMs and Non-IFRS Measures are used to allow for a better understanding of the financial performance of the Santander Group but should be considered only as additional information and in no case as a replacement of the financial information prepared under IFRS. Moreover, the way the Santander Group defines and calculates these APMs and Non-IFRS Measures may differ to the way these are calculated by other companies that use similar measures, and therefore they may not be comparable. For further details of the APMs and Non-IFRS Measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFR, see Section 26 of the Documento de Registro de Acciones for Banco Santander filed with the CNMV on July 4, 2017 (available on the Web page of the CNMV -www.cnmv.es- and at Banco Santander -www.santander.com), Item 3A of the Annual Report on Form 20-F for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission on March 31, 2017 (the “Form 20-F”) and section Alternative Performance Measures of the Financial Report 4th Quarter 2017 (available at Banco Santander –www.santander.com). For a discussion of the accounting principles used in translation of foreign currency-denominated assets and liabilities to euros, see note 2(a) to our consolidated financial statements on Form 20-F and to our consolidated financial statements available on the CNMV’s website (www.cnmv.es) and on Banco Santander’s website (www.santander.com).

1 Delivering ahead of plan

2 Group and business areas review

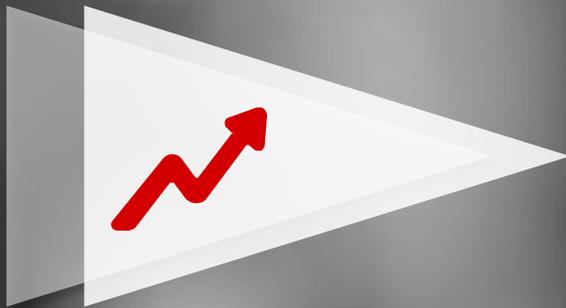
3 2018 Strategic priorities

4 Key takeaways

5 Appendix

2017 key achievements

Growth



Loyal customers

17Mn (+13%)

Customer revenues

€45,892Mn (+11%)

Profitability



Underlying RoTE

c.12% (+70 bps)

Cost-to-income

c.47% (-70 bps)

Strength



FL CET1

10.84% (+29 bps)

NPL ratio

4.08% (+15 bps)

Growth: Underlying PBT +20% YoY and attributable profit +7% YoY

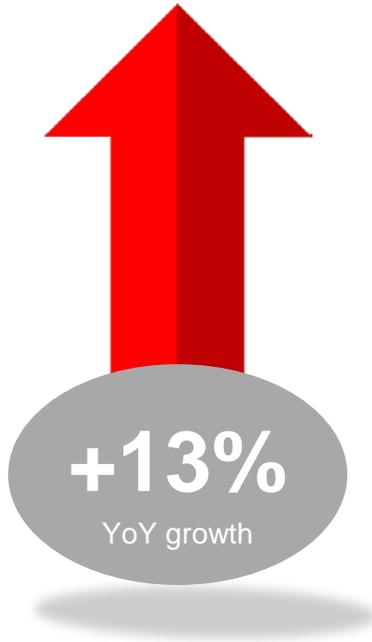
€Mn	2017	2016	Change
Net interest income	34,296	31,089	+10%
Net fees	11,597	10,180	+14%
Customer revenues	45,892	41,268	+11%
Other income	2,499	2,585	-3%
Gross income	48,392	43,853	+10%
Operating expenses	-22,918	-21,088	+9%
Net operating income	25,473	22,766	+12%
Net loan-loss provisions	-9,111	-9,518	-4%
Underlying PBT	13,550	11,288	+20%
Attributable profit	6,619	6,204	+7%

Net capital gains & provisions	
Allfunds	+297
Integration processes	-385
Goodwill	-603
Other	-206
Total	-897

Growth: Building loyalty & deeper relationships

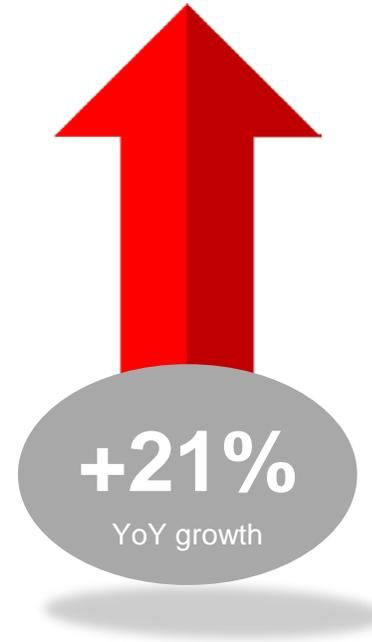
Loyal customers 

17.3Mn



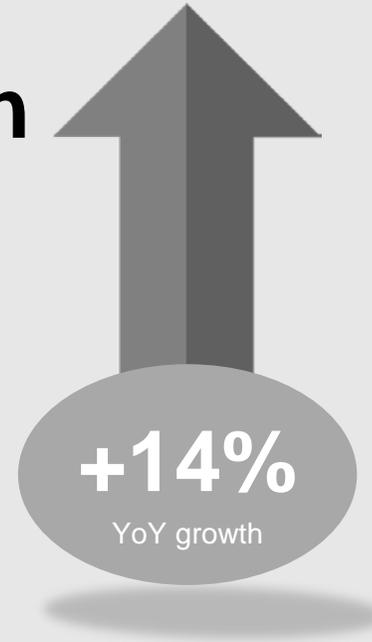
Digital customers 

25.4Mn



Net fees 

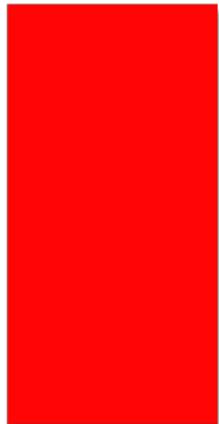
€11.6Bn



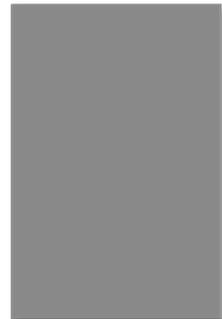
Profitability: RoTE improves +70bps YoY to c.12%

Underlying RoTE

c.12%



9%



Global Peers

Europe



SCF



(YoY)

12%
(+1pp)

Local peers avg.

8%

Americas



(YoY)

17%
(+2pp)

Local peers avg.

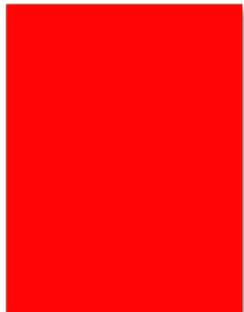
17%



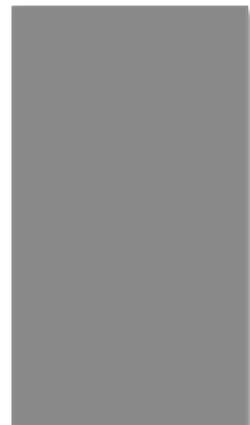
Profitability: Our cost-to-income improves by 70bps YoY to c.47%

Cost-to-income

c.47%



64%



Global
Peers

Top 3 in customer satisfaction



Strength: Focused on profitable growth & disciplined capital allocation

Organic growth

	2016		2017
RoTE ¹	c.11%	↗	c.12%
RoRWA ¹	1.4%	↗	1.5%

Inorganic growth

Acquisitions

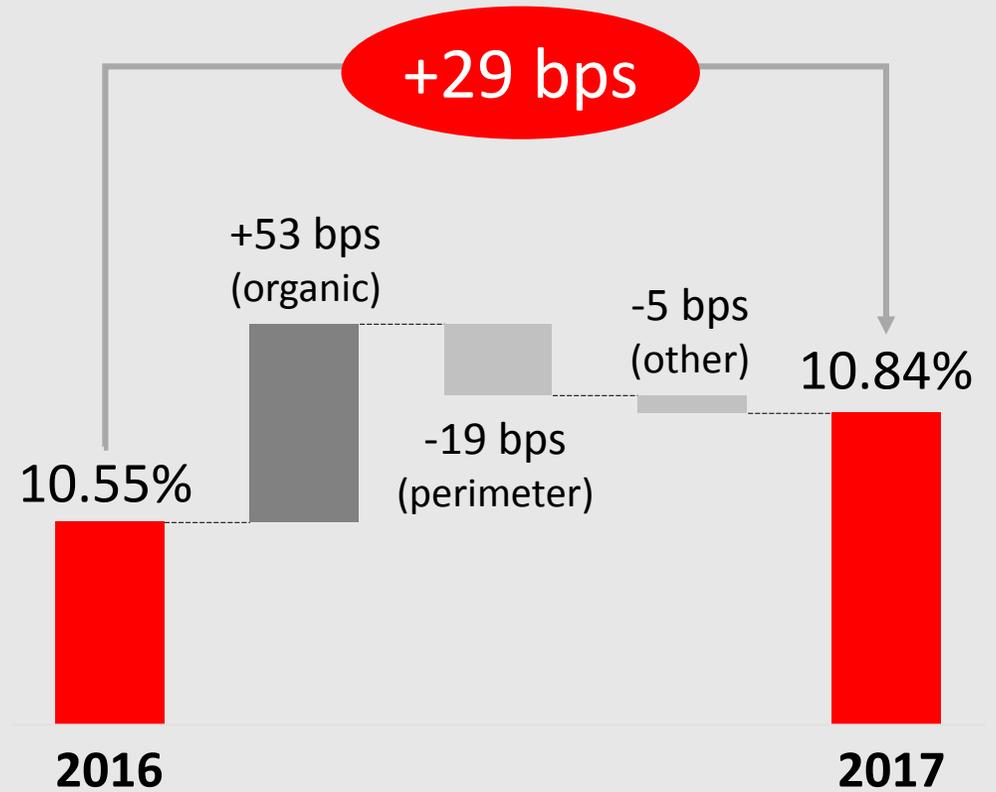
Popular



Disposals



CET1 FL (YoY)



(1) Underlying, including PSA operations

Strength: Priority for SAN Spain/Popular is responsible and profitable growth

Key challenges addressed in the first 60 days...

...while managing integration ...



€30 Bn

51% Popular
Real estate
disposal



78%

Loyalty bond
acceptance



+80 bps deposits mkt share
(Jun/Oct)

+1% revenues (YoY)*

from **c.9%** to **c.10%** RoTE (YoY)*

...in a responsible way



Customer
satisfaction



Wages

* Excluding Popular.

Delivered all strategic targets **ahead** of plan...



	2017	2017 Targets
Loyal customers (Mn)	17	17
Digital customers (Mn)	25	25
Fee income ¹	13%	Increase
Cost of credit risk	1.07%	Improve
Cost-to-income	47.4%	Broadly stable
EPS (€)	0.40	Increase
DPS (€) ²	0.22	Increase
FL CET1 (organic per year)	+53bps	+40bps
RoTE ³	11.8%	Increase

Note: Customer metrics exclude Popular
 (1) % change (constant euros) (2) Total dividends charged to 2017 earnings are subject to the Board and AGM approval (3) Underlying

...and growing the underlying EPS by 8%

€/share

2016

2017

Cash DPS

0.17

+11%

0.19

TNAV/ share

4.15

4.15

Underlying EPS

0.429

+8%

0.463

Embedding our common culture in the day to day of all our teams

Rewarding people for
“doing things right”

Making solid progress in the
Santander Way

Becoming the best place
to work



SIMPLE | PERSONAL | FAIR

Top 3 in **5** countries
(+2 YoY)

✓ 2018 target achieved
1 year ahead

c.100k employees
evaluated with new
methodology

81% (+9pp) employees agree
“we behave in a *SPF* way”

Fulfilling our purpose of helping people and businesses prosper

Promoting social and financial inclusion

Santander invests in numerous social programs to support communities



Microcredits

> 200K micro-entrepreneurs supported



People helped



Santander Universities

Supporting education

Santander, the world's largest corporate contributor to education

FORTUNE GLOBAL 500

Supporting entrepreneurship



Santander 
The biggest university entrepreneurship ecosystem in the world

1 Delivering ahead of plan

2 Group and business areas review

3 2018 Strategic priorities

4 Key takeaways

5 Appendix

2017 Key achievements

Growth



Customer revenues

€45,892Mn (+11%)

Loans¹

+12% (+2% ex-Pop)

Customer funds¹

+17% (+8% ex-Pop)

Profitability



Underlying PBT

€13,550Mn (+20%)

Underlying RoTE

c.12% (+70 bps)

EPS

€0.404 (+1%)

Strength



FL CET1

10.84% (+29 bps)

NPL ratio

4.08% (+15 bps)

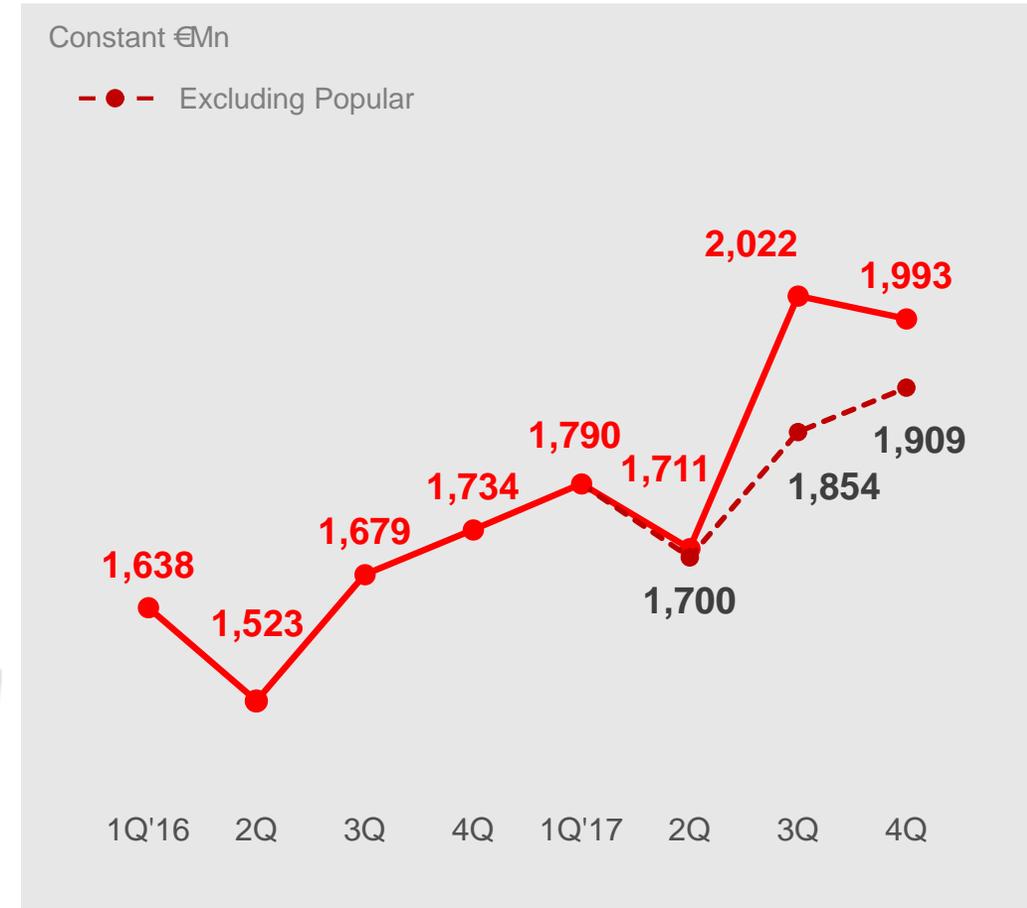
Cost of credit

1.07% (-11 bps)

Excellent quality and strong top-line growth with performance sustained QoQ

€Mn	2017	% vs. 2016	
		Euros	Constant euros
Net interest income	34,296	10	10
Net fees	11,597	14	13
Customer revenues	45,892	11	11
Other income	2,499	-3	-2
Gross income	48,392	10	10
Operating expenses	-22,918	9	9
Net operating income	25,473	12	11
Net loan-loss provisions	-9,111	-4	-6
Underlying PBT	13,550	20	21
Underlying attrib. profit	7,516	14	14
Net capital gains and provisions	-897	115	117
Attributable Profit	6,619	7	7

Underlying attributable profit



Results impacted by several one-offs, mainly related to integrations and goodwill

€Mn	2017	% vs. 2016	
		Euros	Constant euros
Net interest income	34,296	10	10
Net fees	11,597	14	13
Customer revenues	45,892	11	11
Other income	2,499	-3	-2
Gross income	48,392	10	10
Operating expenses	-22,918	9	9
Net operating income	25,473	12	11
Net loan-loss provisions	-9,111	-4	-6
Underlying PBT	13,550	20	21
Underlying attrib. profit	7,516	14	14
Net capital gains and provisions ¹	-897	115	117
Attributable Profit	6,619	7	7

(€Mn, net of tax)

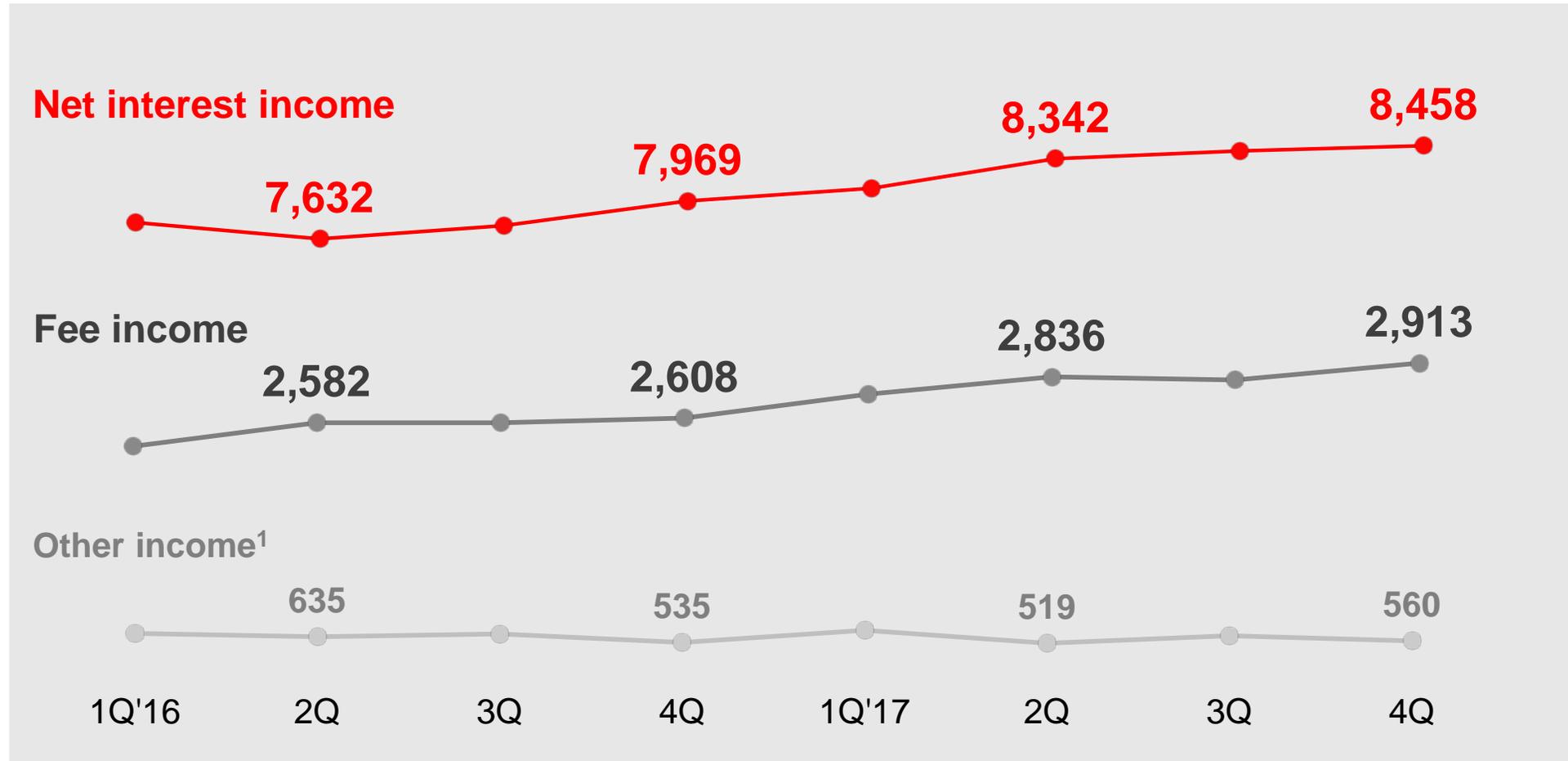
• Allfunds	+297
• Integration processes	-385
• Goodwill	-603
• Other	-206
• Total	-897

(1) Details of Net capital gains and provisions on slide 56

Revenues: sustained growth QoQ...

€Mn excluding Popular

...driven by strong recurring customer revenues



Note: Constant euros. (1) Other income includes gains on financial transactions, income from the equity accounted method, dividends and other operating results. Contribution to the SRF recorded in 2Q'16 and 2Q'17. Contribution to the DGF in 4Q'16 and 4Q'17

Costs: flat in the Group in real terms...

Chg. 2017 / 2016 (%)

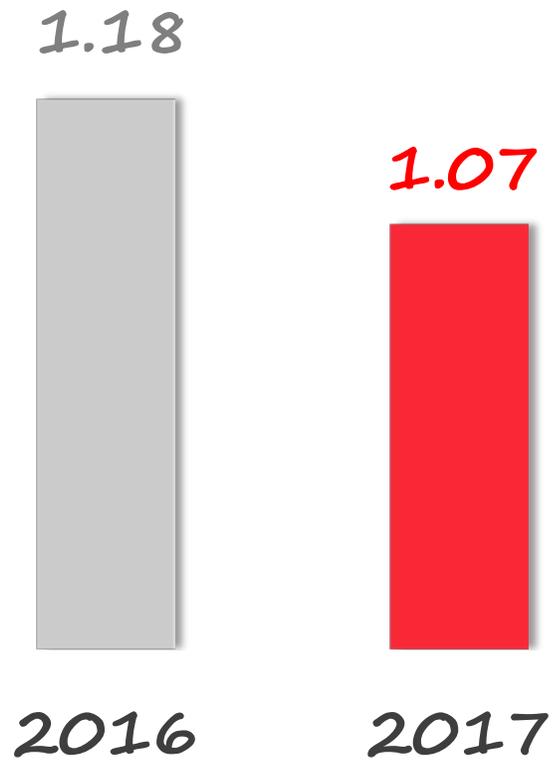
	Nominal	In real terms ¹	ΔRevenues vs. costs
	6.5	3.0	✓
	3.4	0.7	✓
SCF	3.8	0.2	✓
	-1.1	-3.1	✓
	11.9	5.8	✓
	1.7	-0.5	✓
	-6.7	-8.0	✓
	1.9	-0.2	-
	48.9	4.4	-
	1.9	0.0	✓
C.C.	5.8	3.9	-

...with cost-to-income stable or improving in 8 geographies

Loan-loss provisions: lower even though the loan portfolio increased

Cost of credit (%)

Better cost of credit at Group level...



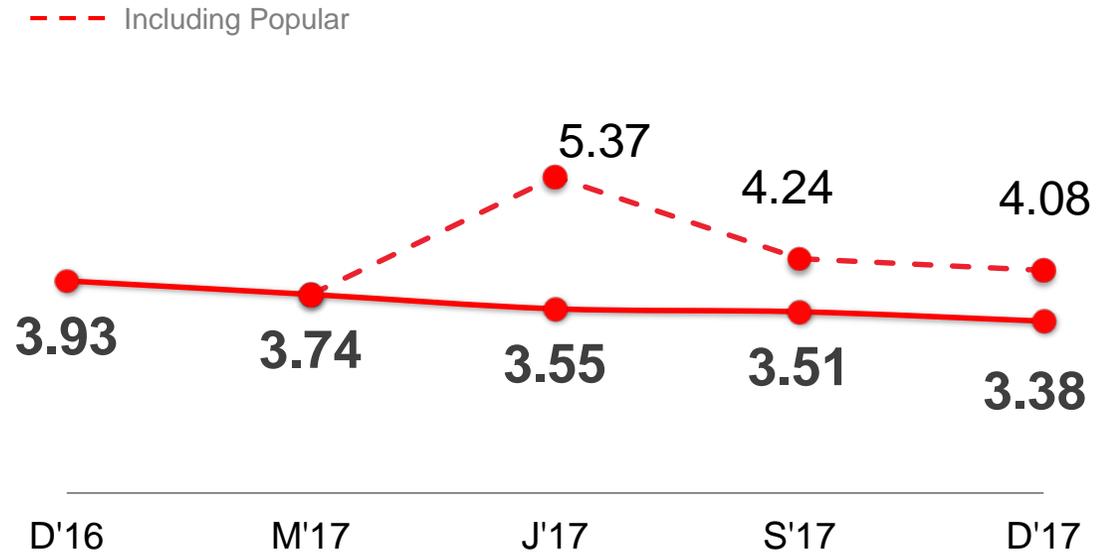
...and in most geographies



NPL ratio: The Group's ratio improved YoY for the 4th straight year (ex-Popular)

NPL ratio (%)

Group NPL ratio improving YoY...



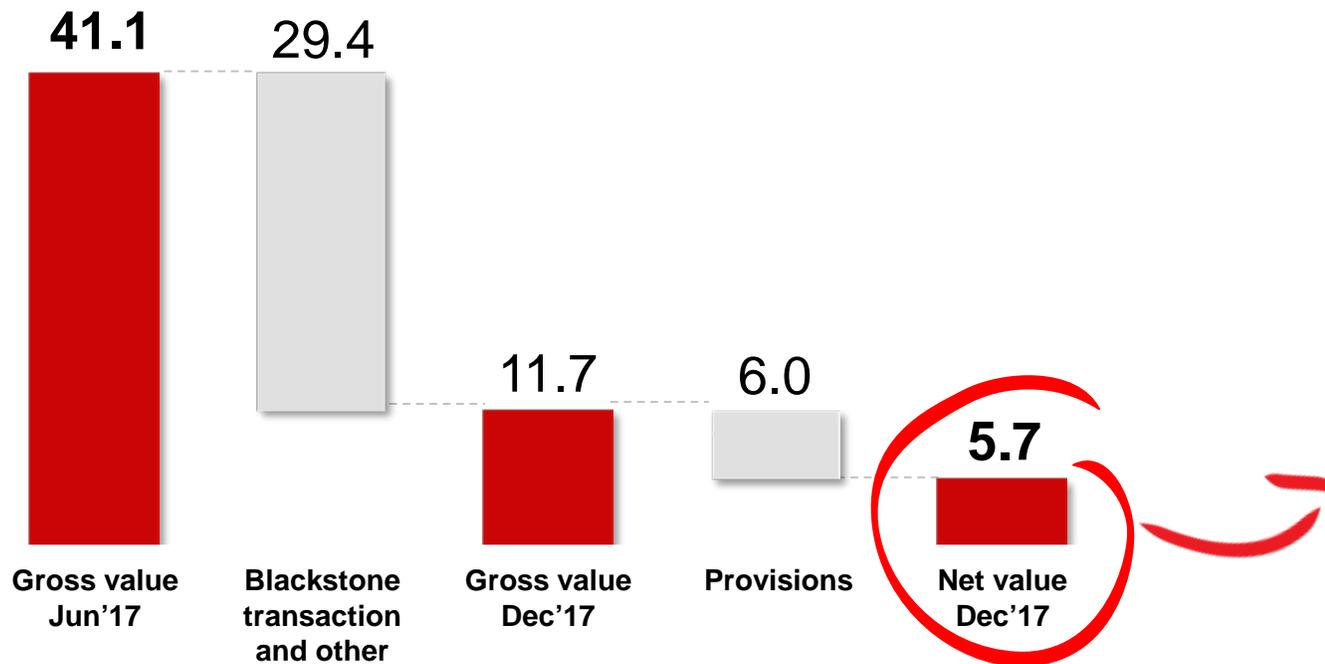
...backed by 8 geographies



Continuing the reduction of real estate exposure

Real estate exposure¹

€Bn



Net value

€Bn

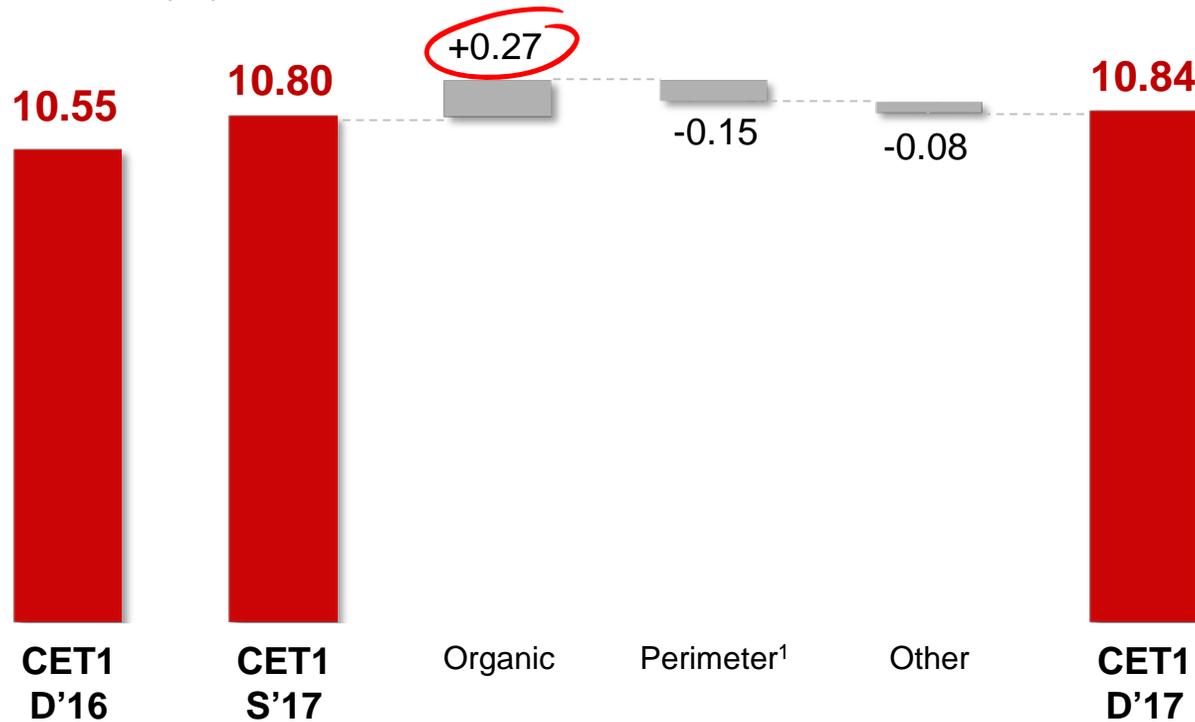
Dec'17

Real estate assets	4.7
Foreclosed assets	3.5
Rental assets	1.2
RE non-performing loans (NPLs)	1.0
RE assets + RE non-performing loans	5.7

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

In the quarter, high organic capital generation...

FL CET1 (%)



...reaching an **organic annual growth of 53 bps**
 (+29 bps net of perimeter and other)

	Dec'17	YoY change
FL Total capital ratio	14.48%	+61 bps
FL Tier 1 capital ratio	12.11%	+58 bps
Leverage ratio	5.0%	stable

Expected to organically generate
 c.40 bps in FL CET1 per year after
 paying dividends and growing loans

(1) Including SAM+ Allfunds (-10 bps) and SCUSA settlement (-5 bps)

Funding plan focused on TLAC-eligible instruments: Parent Bank and rest of units met 2017 plan

Parent Bank funding plan 2017

(€Bn)		Target	Issuances
Senior Non preferred		12-14	9.9
Senior preferred		-	0.7
Hybrids	AT1	2-3	1.7
	T2		1.1
Total		14-17	13.5



Issuances 2017:
€27Bn (c.€19Bn TLAC-eligible)

Diversified issuers:
 Parent bank, SCF, UK and USA

Diversified currencies:
 EUR, USD, GBP

Popular:
 Additional need for €750Mn AT1 and €1Bn T2

Santander in line with MREL requirements¹

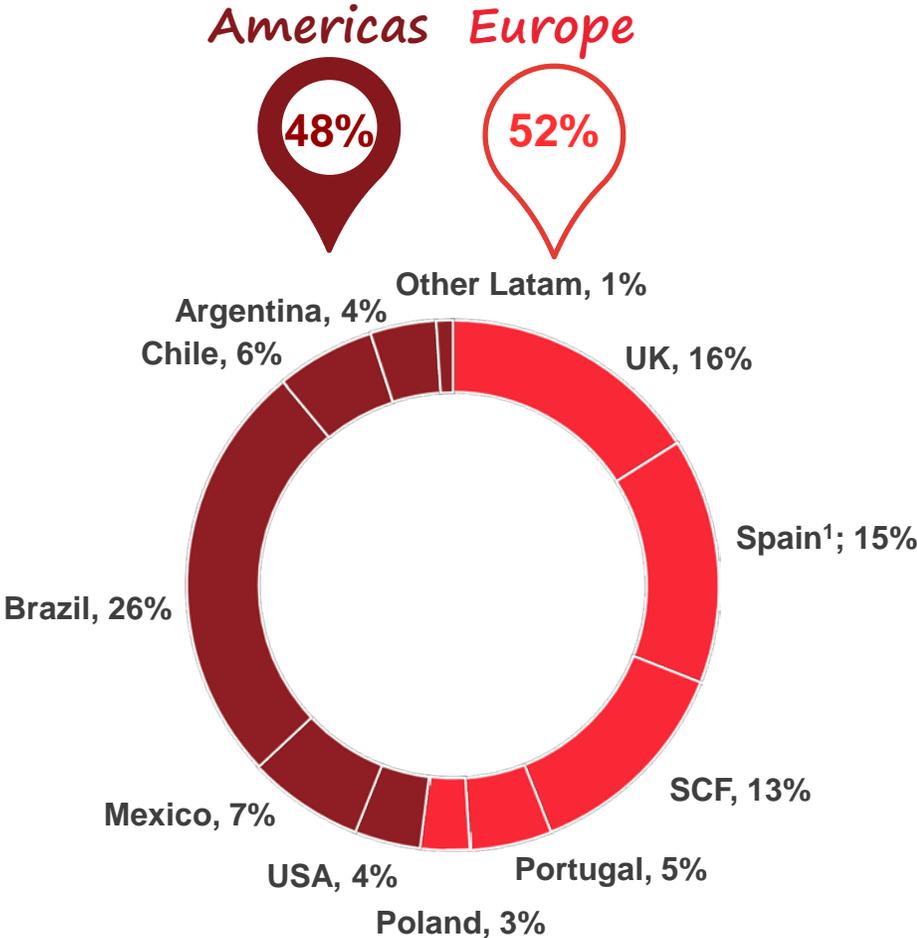
(1) Based on current available information



Breakdown by geographies

Solid profit growth across the board with results well diversified by geography

2017 Underlying attributable profit



Underlying attributable profit in core geographies

€Mn and % chg. / 2016 in constant euros

	2,544	+34%
	1,498	-4%
SCF	1,254	+15%
	1,180	+15%
	710	+16%
	586	+12%
	440	+10%
	408	+5%
	359	+14%
	300	+8%
Popular	263	n.a.

(*) Excluding Corporate Centre and Real Estate Activity Spain
 (1) Popular included (3%)

BRAZIL



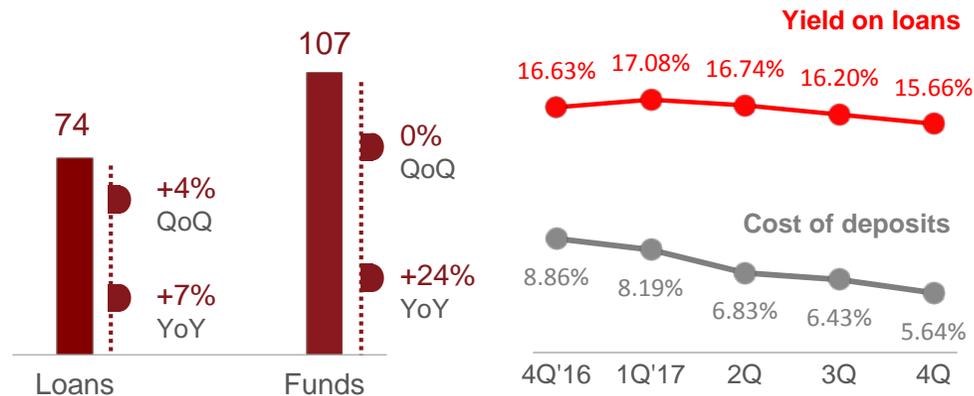
KEY DATA	2016	2017
Loyal customers (million)	3.7	4.2
Digital customers (million)	6.4	8.6
NPL ratio (%)	5.90	5.29
Cost of credit (%)	4.89	4.36
Efficiency ratio (%)	39.5	35.6
RoTE (%)	13.8	16.9

P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	2,530	2.9	10,078	17.3
Fee income	929	9.3	3,640	16.2
Gross income	3,512	1.8	14,273	18.3
Operating expenses	-1,289	6.1	-5,080	6.5
LLPs	-814	2.0	-3,395	-5.7
PBT	1,198	1.8	4,612	56.1
Underlying att. profit	642	0.2	2,544	33.7
Non-recurring	0	—	0	—
Attributable profit	642	0.2	2,544	33.7

(1) €Mn and % change in constant euros

ACTIVITY

Volumes in €Bn



- Business expanded, with greater operational efficiency, driving top-line growth, well above the average of our competitors (**RoTE: 17%**)
- **Strong growth in revenues:** NII supported by higher volumes and management of spreads; fee income driven by greater loyalty and customer activity
- Consistent **improvement in efficiency ratio** reflected higher productivity
- **Market share gain** in loans while improving cost of credit

UNITED KINGDOM



KEY DATA	2016	2017
Loyal customers (million)	4.0	4.2
Digital customers (million)	4.6	5.0
NPL ratio (%)	1.41	1.33
Cost of credit (%)	0.02	0.08
Efficiency ratio (%)	51.0	50.1
RoTE (%)	10.6	10.3

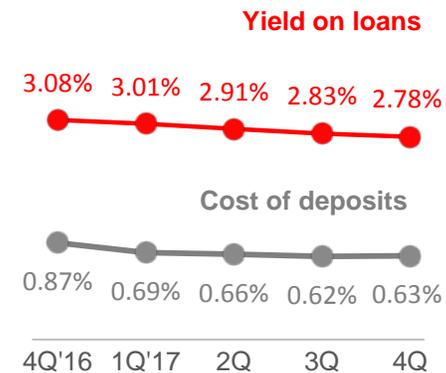
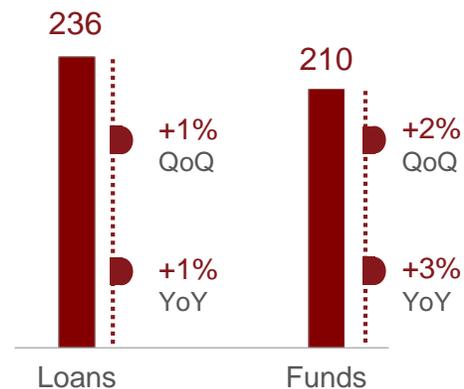
P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	1,048	-3.3	4,363	6.2
Fee income	243	-2.3	1,003	4.3
Gross income	1,344	-4.9	5,716	5.4
Operating expenses	-721	2.6	-2,861	3.4
LLPs	-81	22.4	-205	276.7
PBT	441	-20.2	2,184	-4.5
Underlying att. profit	297	-22.0	1,498	-4.4
Non-recurring ²	0	—	0	-100.0
Attributable profit	297	-22.0	1,498	-2.7

(1) €Mn and % change in constant euros

(2) 2016 profit included -€30Mn related to capital gains from the disposal of the stake in VISA Europe, restructuring costs and PPI

ACTIVITY

Volumes in €Bn



- **Growth** in retail c/a balances, mortgages and with UK companies excluding CRE
- **Revenues up** driven by retail liability margin improvement and fee income
- **Digitalisation** supports operational efficiency and improved customer experience
- **Credit quality remains solid**, excluding single name exposure
- **QoQ**: asset margin pressure in NII and single name charge in LLPs

SANTANDER CONSUMER FINANCE

SCF

KEY DATA	2016	2017
Active customers (million)	17.9	19.9
NPL ratio (%)	2.68	2.50
Cost of credit (%)	0.47	0.30
Efficiency ratio (%)	44.7	44.1
RoTE (%)	14.8	16.4

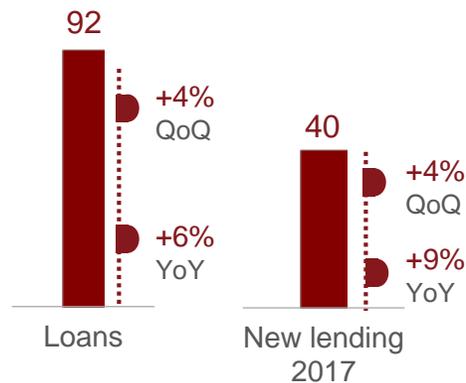
P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	906	1.3	3,571	5.2
Fee income	204	-8.6	878	1.8
Gross income	1,132	0.1	4,484	5.1
Operating expenses	-506	4.9	-1,978	3.8
LLPs	-58	-34.7	-266	-31.5
PBT	512	-3.3	2,083	15.4
Underlying att. profit	311	1.0	1,254	14.6
Non-recurring ²	-0	-99.7	-85	—
Attributable profit	311	39.1	1,168	4.4

(1) €Mn and % change in constant euros

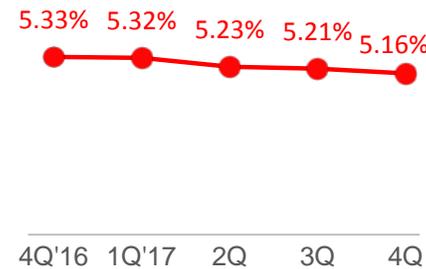
(2) 2016 profit included €25Mn related to capital gains from the disposal of the stake in VISA Europe and 2017 profit included -€85Mn related to integration costs

ACTIVITY

Volumes in €Bn



Yield on loans



- **High diversification and leadership in Europe**
- **Increased new lending:** auto loans (+11%) and credit cards (+9%)
- **Best-in-class profitability:** underlying profit up, boosted by higher NII and historically low NPLs and cost of credit
- **Main contribution to underlying profit:** Germany (€364Mn), Nordic countries (€318Mn) and Spain (€241Mn)

Note: % change in constant euros. Loans excluding repos. Underlying RoTE

Excluding Santander Consumer UK profit, recorded in Santander UK results. Including it, 2017 underlying attributable profit: €1,373Mn (+12% vs. 2016); 4Q'17: €343Mn (+1% vs. 3Q'17)

SPAIN – excl. Popular



KEY DATA	2016	2017
Loyal customers (million)	1.3	1.9
Digital customers (million)	2.7	3.2
NPL ratio (%)	5.41	4.72
Cost of credit (%)	0.37	0.33
Efficiency ratio (%)	58.8	57.2
RoTE (%)	8.9	10.1

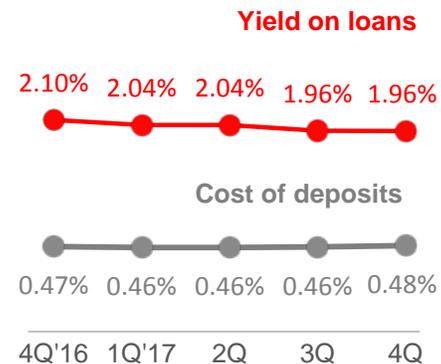
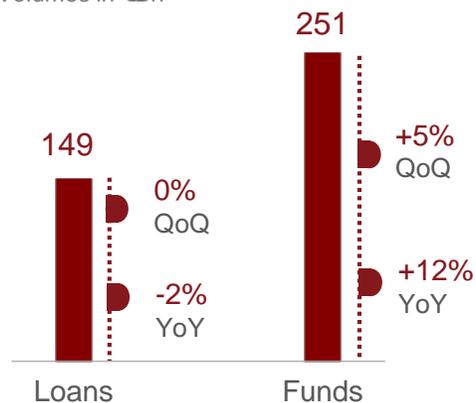
P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	686	-5.5	2,909	-5.5
Fee income	562	10.3	2,067	16.1
Gross income	1,368	-4.7	5,694	1.5
Operating expenses	-841	3.2	-3,259	-1.1
LLPs	-110	5.8	-513	-12.3
PBT	395	-14.3	1,714	17.5
Underlying att. profit	265	-14.8	1,180	15.4
Non-recurring ²	0	—	0	-100.0
Attributable profit	265	-14.8	1,180	46.4

(1) €Mn

(2) 2016 profit included -€216Mn related to capital gains from the disposal of the stake in VISA Europe and restructuring costs

ACTIVITY

Volumes in €Bn

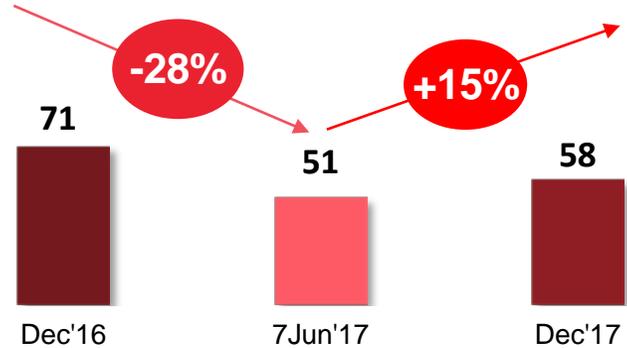


- Building lasting relations with customers and ongoing digital transformation
- Market share gain in mortgages and corporates. Leaders in mobile payments and GCB
- Profit backed by **fee income** (more than offsets pressure on NII), **cost control and LLPs**. NII + Fee income: +2.4%
- QoQ impacted by DGF and higher costs (POS integration perimeter and hardware depreciation)

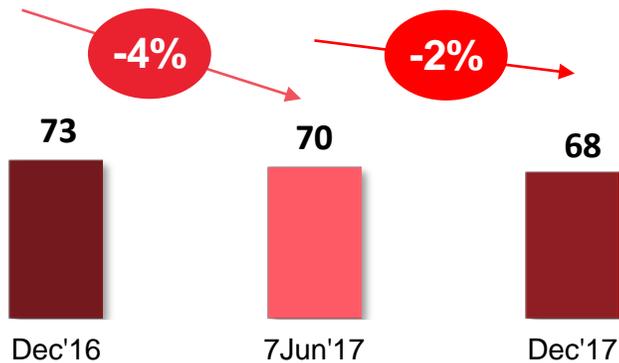
POPULAR

ACTIVITY

Customer deposits in Spain (€Bn)



Loans in Spain (excluding real estate) (€Bn)



P&L¹

	3Q'17	4Q'17	2017 ²
NII	456	438	1,003
Fee income	128	129	288
Gross income	634	536	1,309
Operating expenses	-388	-390	-873
LLPs	-38	-68	-114
PBT	216	71	302
Underlying att. profit	168	85	263
Non-recurring ³	-300	-	-300
Attributable profit	-132	85	-37

(1) €Mn (2) From 7 June 2017 (3) Integration costs

BANCO POPULAR'S MEASURES IN 4Q'17

- Loyalty bonds: €764Mn subscribed, 78% of the total amount
- Agreement to sell TotalBank: estimated positive impact in capital (+5 bps)
- Real Estate disposal expected to be completed in 1Q'18
- Agreement with Labour Unions for the Corporate Centre integration
- QoQ profit impacted by the contribution to the DGF (~€63Mn)

Good performance in other markets: larger customer base, higher profits and better credit quality

Mexico	€10Mn; +16%	<ul style="list-style-type: none"> ■ Significant investment in multichannel, digitalisation and commercial initiatives ■ Profit up driven by NII and fee income, resulting in a 400 bps higher RoTE. Solid credit quality
Chile	€586Mn; +12%	<ul style="list-style-type: none"> ■ Focus on customer satisfaction, loyalty and digital initiatives ■ Profit up driven by commercial revenues, cost control and lower cost of credit
Portugal¹	€440Mn; +10%	<ul style="list-style-type: none"> ■ The commercial transformation programme continues to boost loyal and digital customers ■ Profit up due to lower costs and LLPs. Strong improvement in asset quality ■ After Popular acquisition Santander Totta is the leading² privately owned bank
US¹	€408Mn; +5%	<ul style="list-style-type: none"> ■ SBNA: increasing profitability by improving NIM and cost control ■ SC USA: good profitability (RoTE: 13%). Focus on enhancing the loan mix and reduce the cost of funding ■ Additionally, 4Q'17 profit impacted by hurricanes, the SC USA settlement and tax reform
Argentina	€359Mn; +14%	<ul style="list-style-type: none"> ■ Integration of Citibank's retail business completed in August (in 5 months) ■ Market share gains and profit driven by customer revenues, absorbing integration charges
Poland	€300Mn; +8%	<ul style="list-style-type: none"> ■ Agreement for the acquisition of the retail and private banking businesses of Deutsche Bank Polska ■ PBT spurred by NII, fee income, LLPs and cost control. Profit affected by regulatory impacts

CORPORATE CENTRE

P&L

€Mn	2016	2017
NII	-739	-851
Gains/Losses on FT	-243	-227
Operating expenses	-450	-476
Provisions	-73	-227
Tax and minority interests	149	33
Underlying attrib. Profit	-1,439	-1,889
Non-recurring ¹	-186	-436
Attributable profit	-1,625	-2,326

- Higher losses in NII due to increased issuances (TLAC)
- Negative gains on financial transactions due to cost of hedging, offset by the positive FX impact in the business areas
- Operating expenses account for just 2% of Group's total costs

(1) 2017 including a charge for equity stakes and intangible assets, goodwill and a positive impact of Allfunds gains. 2016 includes restructuring costs.

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Our vision

Our purpose

To help people and businesses prosper

Our aim

To be the best **open digital financial services platform**, earning the lasting loyalty of our people, customers, shareholders and communities

A bank that is...

SIMPLE | PERSONAL | FAIR

Our key assets support the path to long-term success

Scale



Predictable
growth

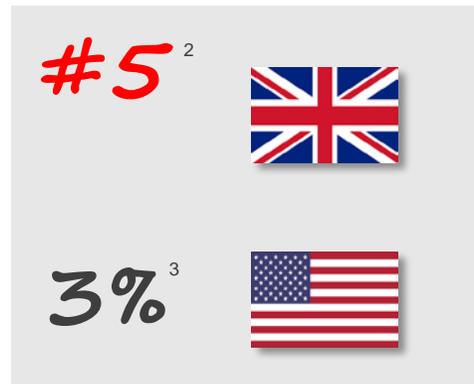


Innovation



Scale: We have in-market scale and have proven we can deliver profitable organic growth

Ranking in loans market share¹



17Mn
Loyal customers



25Mn
Digital customers




1,000Mn
Total population



 **133Mn**
Total customers



Latest available data

Note*: Santander's market share for the respective countries are: Mexico (13%), Chile (19%), Argentina (10%), Brazil (9%), Portugal (16%, including Popular), UK (10%), Spain (18%, including Popular), SCF (10% in new car loans, including PSA operations and not considering brand's financial captive) and Poland (10%)

Note**: Customer metrics exclude Popular

(1) Only private banks for Portugal, Argentina and Brazil

(2) UK mortgages (excluding Social Housing), Consumer credit and commercial loans (excluding Financial Institutions) (3) SBNA 3% market share in the states where the Group operates. SCUSA 3% market share.

Predictable growth: Diversified business across Europe & Americas

YoY Growth	Mature markets ¹	Emerging markets ²
 Loans	+14% (0%) ³	+7%
 Funds	+18% (+5%) ³	+14%
 Customer revenues	+7% (+1%) ³	+16%
 Total customers	+4% ³	+10%
 Loyal customers	+13% ³	+14%

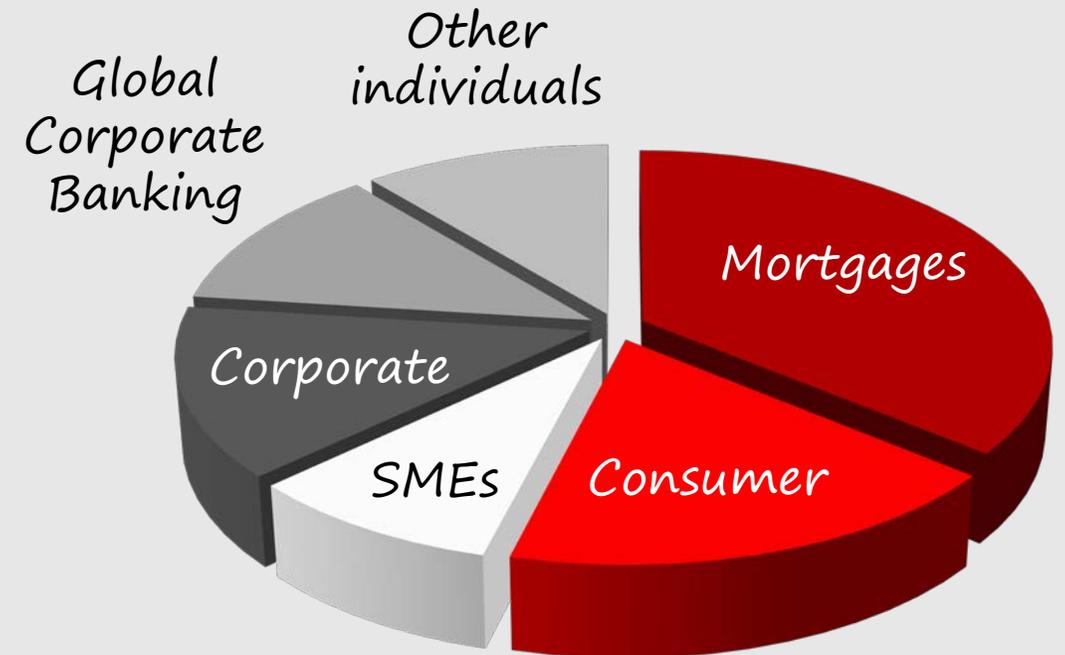
Note: % change in constant euros

(1) Mature markets include Portugal, UK, Spain, SCF and US.

(2) Emerging markets include Mexico, Brazil, Argentina, Chile and Poland

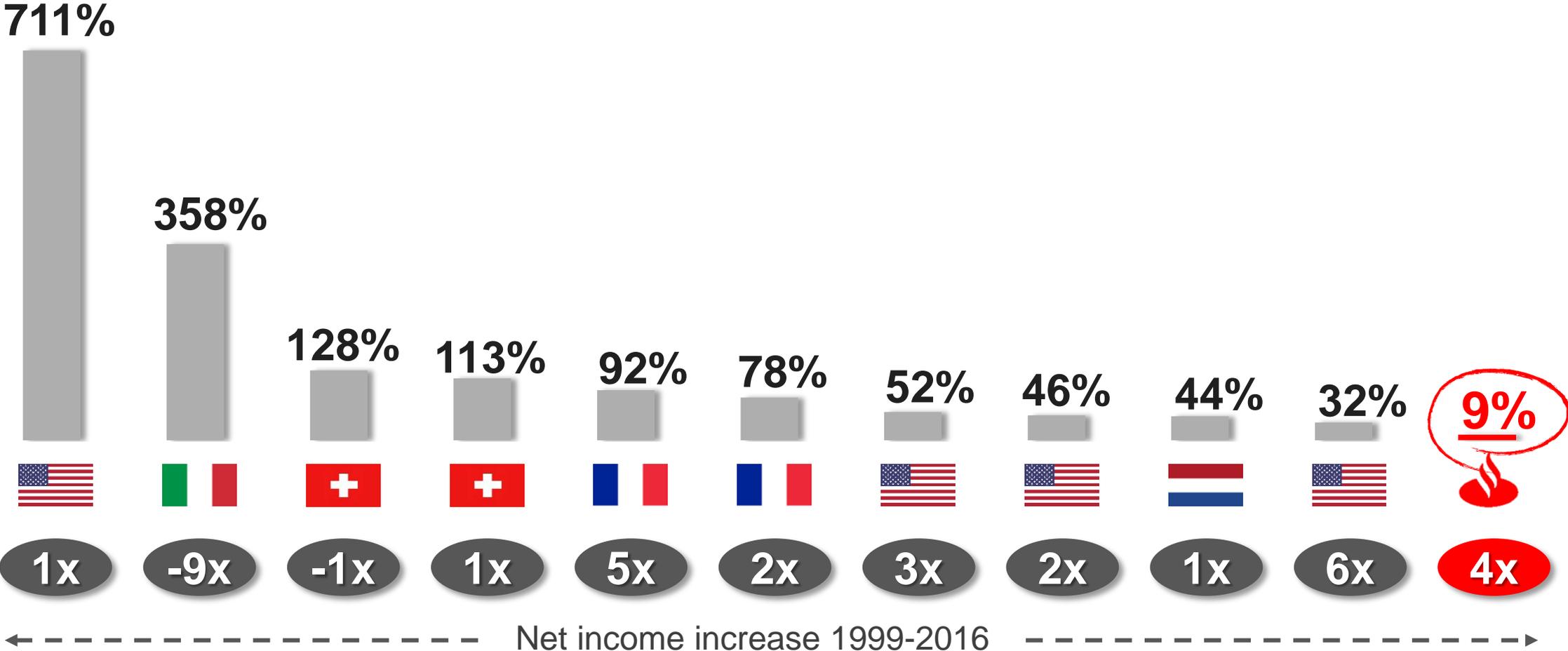
(3) Excluding Popular.

Loan portfolio by business



Predictable growth: Over the last 20 years earnings have increased 4x with the lowest volatility amongst peers

Quarterly reported EPS volatility (Jan'99-9M'17)



Source: Bloomberg; Note: GAAP criteria
 Note: Standard deviation of the quarterly EPS starting from the first available data since Jan'99

Predictable growth: Cash DPS & customer revenues grew in 2017 by 11% and CET1 by €3.5Bn

Top tier profitability allows us to equally:



*Pay
dividends*

**+11% Cash dividend
per share**
(2017 vs. 2016)



*Finance
business
growth*

**+11% customer
revenues**
(2017 vs. 2016)



*Accumulate
capital*

+29bps
10.84% FL CET1
(2017 vs. 2016)

Distributed
ledger technology



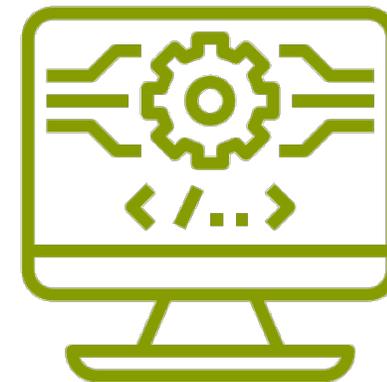
Data & A.I



Payments



Platforms &
Services



Innovation: Same day mobile international payments in “3 clicks & 40 seconds” for our retail customers using distributed ledger technology



➔ Digital wallet

➔ Personal Finance Manager

➔ Same day international Payments

➔ P2P payments

Going live in 4 countries
1Q '2018



Full transparency on fees
and FX upfront

We expect to be one of the
first global banks to roll
out Distributed Ledger
Technology based
payments for individuals

€10Bn target market for international
retail payments¹



Initial investment in
September 2015

(1) International retail payments volume (ex-interbank) in Santander's natural markets (Western Europe, Latam, North America and Eastern Europe)

Innovation: Unique customer insights deliver better experience & bottom line

Increasing both:

Customer
loyalty

Operational
excellence

GLOBAL MACHINE LEARNING PLATFORM

- Open source platform and a team of >100 data scientists
- Learning from >5Bn transactions
- Results obtained on >10Mn customers

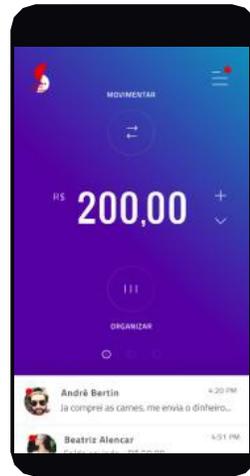
15-30% lower acquisition costs

10-30% increase in loyalty

10-60% lower churn

Innovation: "Superdigital" a digital platform for the unbanked

>1Mn
customers



IN (Charge)

- Can receive transfers from third parties
- Top-ups from current account
- Transfers from other Super customers

- ATM withdrawals (in any entity)
- Payments (Internet and physical)
- Transfers to other Super customers and other banks

OUT



+2.4X
Revenues
(2016-17)



Openbank 100% Digital

(YoY)

+26% Loyal customers

+20% Deposits growth

-27% Deposits cost



Santander Cash Nexus

Global Treasury Services for
multinationals

Single entry point

Up to **75% workload reduction**

Number of multinationals



€4.1 Bn monthly payments value

Growing our digital customer base...



c. **41%** of our active customers



c. **2x** more profitable

...being where our customers are in the digital world



Smart watch Pay

First bank to offer smart watch Payments



Santander App

Speak directly or set up a meeting with your banker from your App



Messenger BOTS

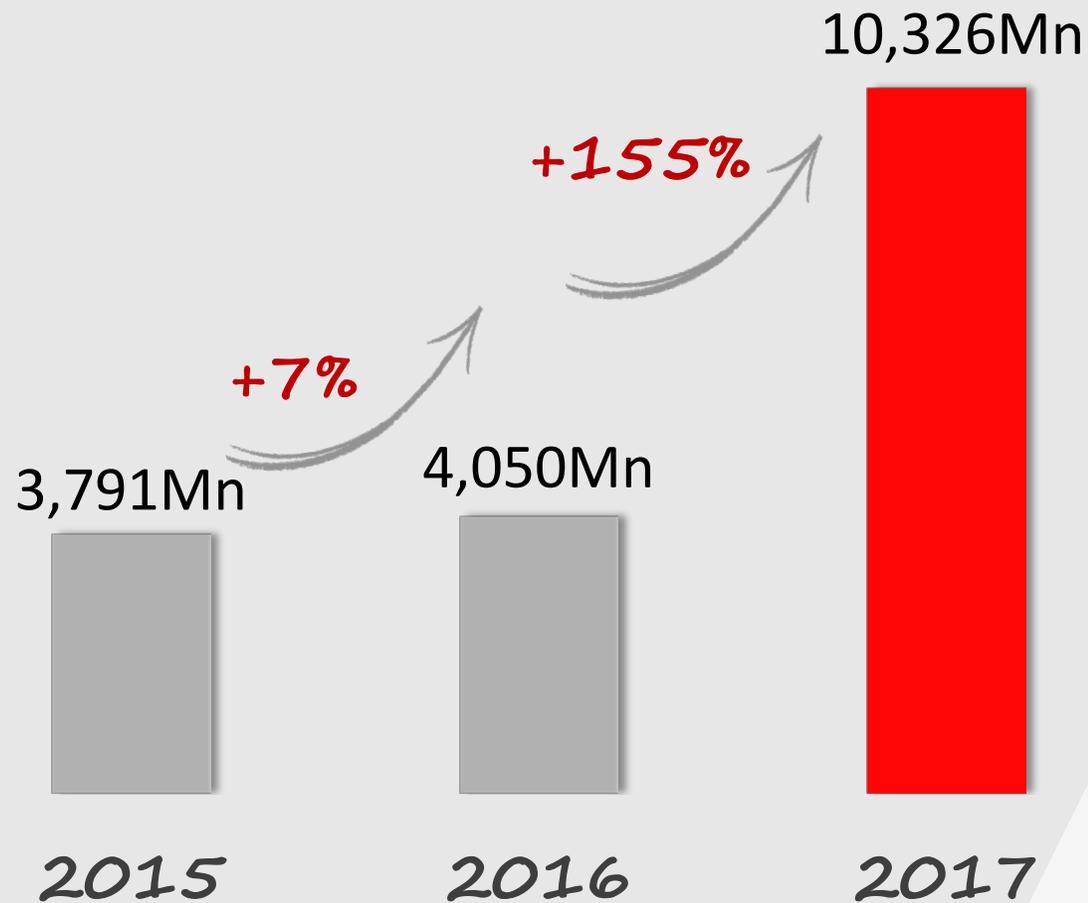
Facebook ChatBot

Real time assistant through Facebook Messenger



Innovation: Growing the number of digital contacts per customer while reducing our cost per transaction

digital transactions



Digital sales share

Over total volume of sales (Dec '17)

31%

Costs per transaction

Transaction costs for every 1,000 transactions (2016-17)

-22%

Note: Average of monthly digital transactions (web and mobile) within the Group's 10 core geographies

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Committed to delivering **GROWTH** in a sustainable, predictable and responsible way

+20% **Underlying PBT** 

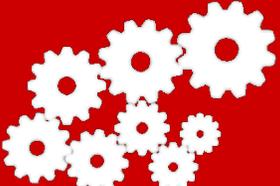
Organic capital growth and low volatility earnings, signs of **STRENGTH**

10.84% **CET1 FL** 

PROFITABILITY improving and above peers. Priorities remain operational excellence and customer loyalty

c.12% **Underlying RoTE** 

Commercial transformation & **INNOVATION** delivering ahead of plan.

Highly confident to meet 2018 targets 

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Appendix

Santander Group (with and w/o Popular) and non-recurring items detail

Other geographies' results

Global segments results

Liquidity

NPL and coverage ratios, and cost of credit

Quarterly income statements

Glossary

Santander Group (with
and w/o Popular) and
non-recurring items detail

Excellent quality and strong top-line growth, with and without Popular

2017 P&L — P&L breakdown

€Mn	2017	% vs. 2016	
		Euros	Constant euros
Net interest income	34,296	10	10
Net fees	11,597	14	13
Customer revenues	45,892	11	11
Other income	2,499	-3	-2
Gross income	48,392	10	10
Operating expenses	-22,918	9	9
Net operating income	25,473	12	11
Net loan-loss provisions	-9,111	-4	-6
Underlying PBT	13,550	20	21
Underlying attrib. profit	7,516	14	14
Net capital gains and provisions	-897	115	117
Attributable Profit	6,619	7	7

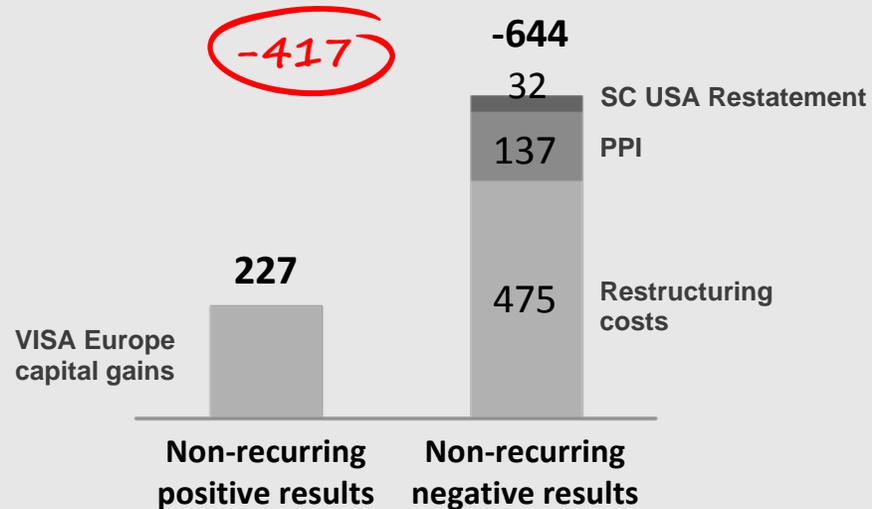
€Mn	2017	% vs. 2016	
	Total Group excl. Popular	Euros	Constant euros
Net interest income	33,293	7	7
Net fees	11,308	11	11
Customer revenues	44,601	8	8
Other income	2,481	-4	-3
Gross income	47,082	7	7
Operating expenses	-22,045	5	5
Net operating income	25,038	10	10
Net loan-loss provisions	-8,997	-5	-7
Underlying PBT	13,248	17	18
Underlying attrib. profit	7,253	10	10
Net capital gains and provisions	-597	43	44
Attributable Profit	6,656	7	8

2016 and 2017 profit impacted by several non-recurring items

P&L – Net capital gains and provisions

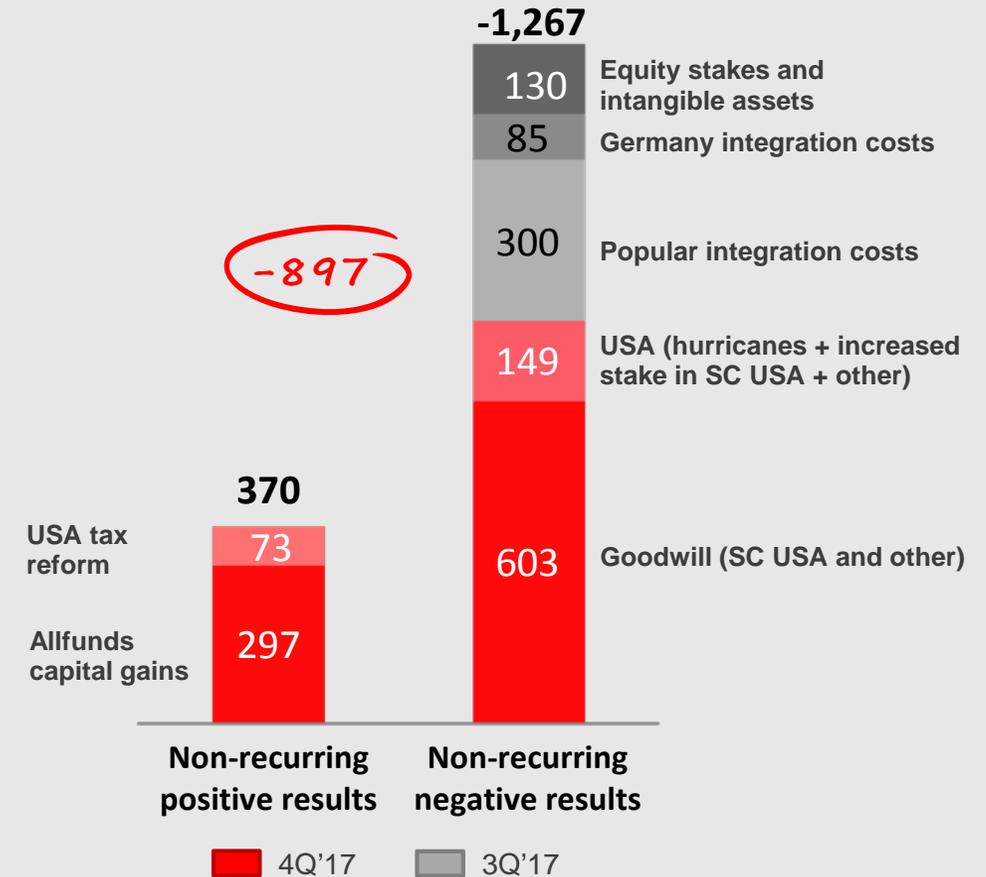
2016

€Mn net of tax



2017

€Mn net of tax



Highly diversified balance sheet, by geography and product

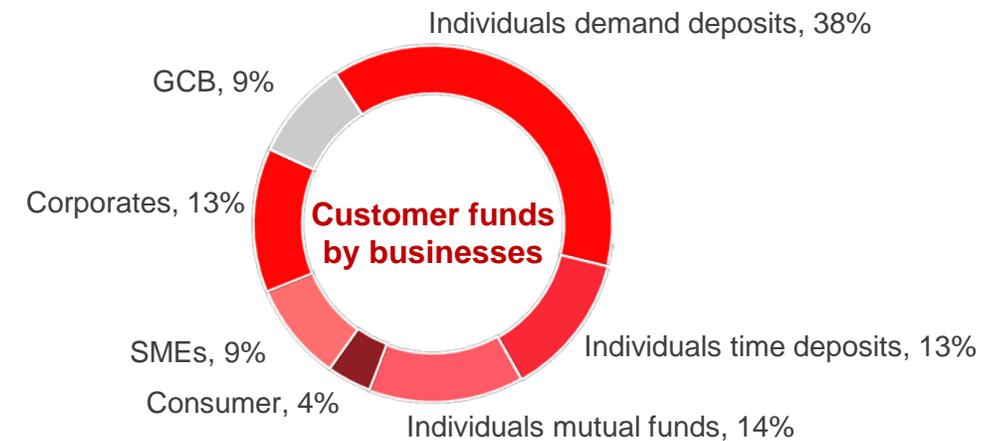
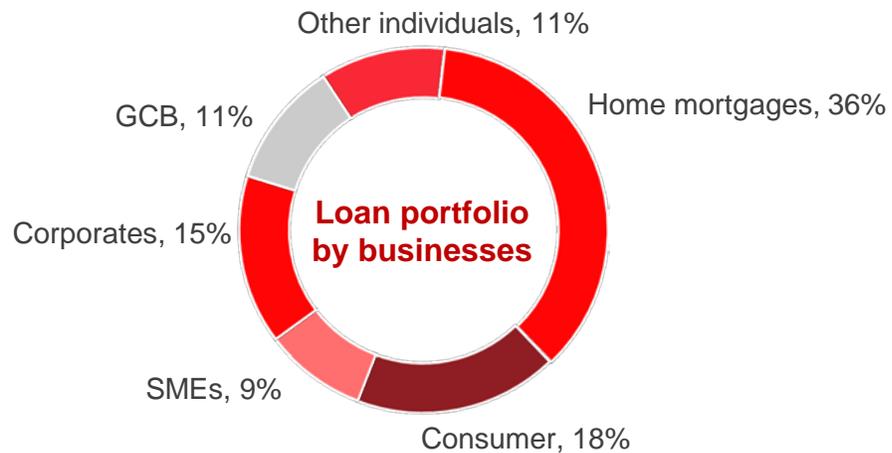
2017 BALANCE SHEET – Volumes' performance excluding Popular

Loan portfolio: growth supported by developing markets

Mature markets			Developing markets		
Dec'17	€Bn	YoY change	Dec'17	€Bn	YoY change
Spain	149	-2%	Poland	23	5%
UK	236	1%	Brazil	74	7%
USA	75	-4%	Mexico	27	5%
SCF	92	6%	Chile	38	3%
Portugal	31	8%	Argentina	8	44%

Customer funds: growth in 8 core units

Mature markets			Developing markets		
Dec'17	€Bn	YoY change	Dec'17	€Bn	YoY change
Spain	251	12%	Poland	28	2%
UK	210	3%	Brazil	107	24%
USA	59	-9%	Mexico	36	6%
SCF	35	2%	Chile	33	0%
Portugal	32	2%	Argentina	13	53%



Note: Loans excluding repos. Customer funds: deposits excluding repos + marketed mutual funds. % change in constant euros



Other geographies'
results



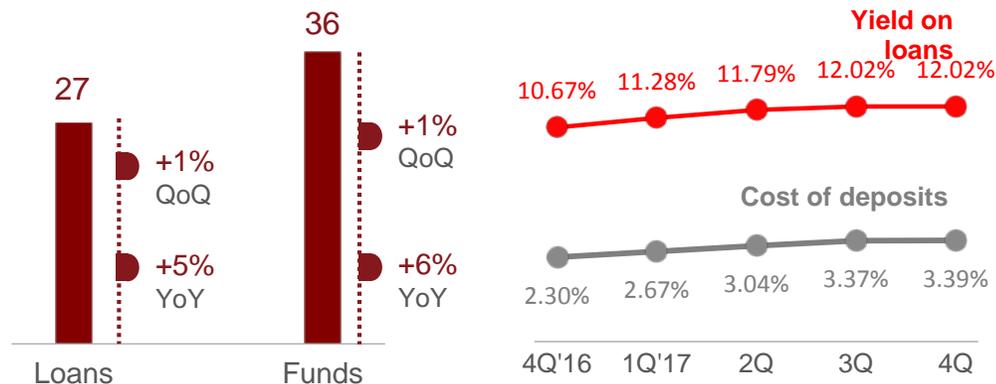
KEY DATA	2016	2017
Loyal customers (thousands)	1,608	1,993
Digital customers (thousands)	1,282	1,948
NPL ratio (%)	2.76	2.69
Cost of credit (%)	2.86	3.08
Efficiency ratio (%)	39.8	39.9
RoTE (%)	15.5	19.5

P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	630	-1.8	2,601	12.5
Fee income	181	-1.5	749	8.7
Gross income	830	-0.9	3,460	11.5
Operating expenses	-345	3.0	-1,382	11.9
LLPs	-187	-16.2	-905	12.3
PBT	274	-0.2	1,134	9.7
Underlying att. profit	178	4.1	710	16.5
Non-recurring	0	—	0	—
Attributable profit	178	4.1	710	16.5

(1) €Mn and % change in constant euros

ACTIVITY

Volumes in €Bn



- **Significant investment** in multichannel, digitalisation and commercial initiatives²
- Efforts made to **retain customers** (customer churn: -52%), **attract payrolls** (market share: +83 bps YoY) and increase in digital customers (+52%)
- Profit up due to **strong NII and fee income**, resulting in a **400 bps higher RoTE**
- **Solid credit quality**: NPL ratio improved, coverage ratio ~100% and cost of credit around 3%

Note: % change in constant euros. Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds.
 (2) Santander Plus, Santander-Aeromexico, Super Connect, Super Digital among others

CHILE



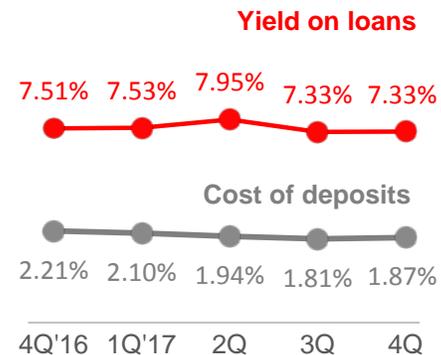
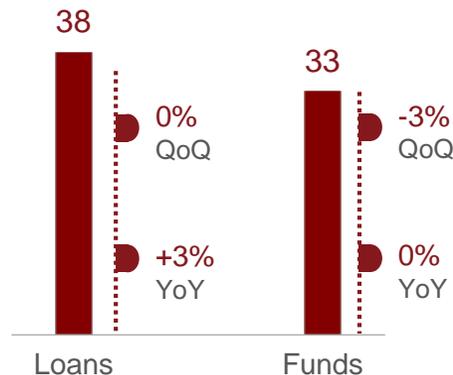
KEY DATA	2016	2017
Loyal customers (thousands)	604	622
Digital customers (thousands)	959	1,012
NPL ratio (%)	5.05	4.96
Cost of credit (%)	1.43	1.21
Efficiency ratio (%)	40.7	40.6
RoTE (%)	17.2	17.9

P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	492	10.0	1,907	0.1
Fee income	91	-3.4	391	8.6
Gross income	630	2.9	2,523	2.0
Operating expenses	-248	-3.3	-1,025	1.7
LLPs	-110	0.5	-462	-12.0
PBT	276	6.9	1,059	15.9
Underlying att. profit	146	1.2	586	11.7
Non-recurring	0	—	0	—
Attributable profit	146	1.2	586	11.7

(1) €Mn and % change in constant euros

ACTIVITY

Volumes in €Bn



- Santander is the **main privately owned bank in Chile** by assets and customers
- Focus on **customer satisfaction, loyalty and digital initiatives**: launch of Digital Onboarding and Santander Life (new model for mass market)
- **Profit up** driven by commercial revenues, cost control and lower cost of credit
- QoQ profit impacted by volatile local environment

Note: % change in constant euros. Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds.

PORTUGAL – excl. Popular



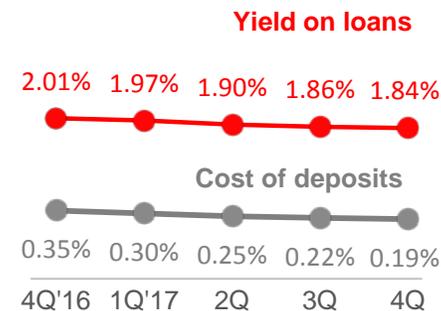
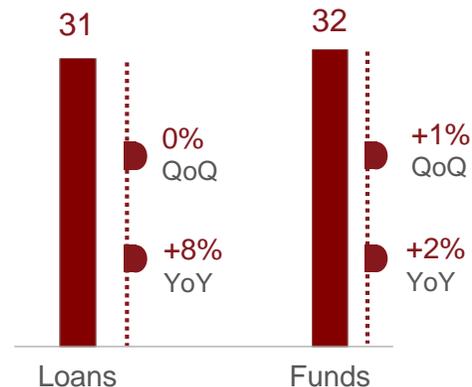
KEY DATA	2016	2017
Loyal customers (thousands)	636	686
Digital customers (thousands)	502	558
NPL ratio (%)	8.81	5.71
Cost of credit (%)	0.18	-0.04
Efficiency ratio (%)	48.7	48.0
RoTE (%)	13.0	12.7

P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	181	2.0	697	-4.9
Fee income	84	-0.2	341	8.7
Gross income	281	-7.8	1,145	-5.3
Operating expenses	-138	0.9	-550	-6.7
LLPs	12	—	12	—
PBT	155	8.8	573	7.5
Underlying att. profit	104	0.5	440	10.2
Non-recurring	0	—	0	—
Attributable profit	104	0.5	440	10.2

(1) €Mn

ACTIVITY

Volumes in €Bn



- Digital transformation boosted sales and loyal and digital customers
- Strong market share in new lending: corporates (17%) and mortgages (21%)
- Profit up due to lower costs and LLPs. Strong improvement in asset quality
- QoQ: Profit hit by lower trading gains and the higher tax charge
- After Popular acquisition Santander Totta is the leading² privately owned bank

Note: Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds

(2) By domestic assets and loans, as of Sep'17

UNITED STATES – excl. Popular



KEY DATA	2016	2017
Loyal customers (thousands)	280	303
Digital customers (thousands)	778	814
NPL ratio (%)	2.28	2.79
Cost of credit (%)	3.68	3.42
Efficiency ratio (%)	42.5	46.0
RoTE (%)	3.1	3.1

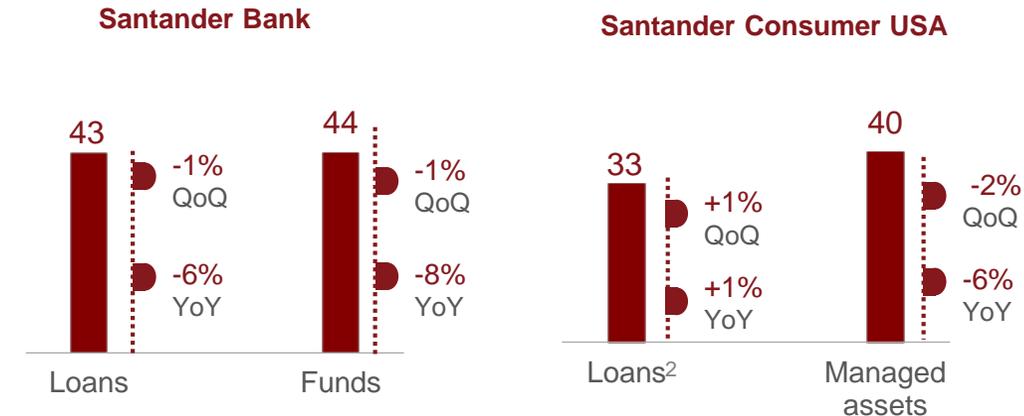
P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	1,273	-3.3	5,569	-4.1
Fee income	222	-1.3	971	-10.2
Gross income	1,596	-0.5	6,959	-5.8
Operating expenses	-773	3.9	-3,198	1.9
LLPs	-638	0.4	-2,780	-11.7
PBT	155	-29.8	892	-12.3
Underlying att. profit	71	-23.5	408	5.2
Non-recurring ²	-76	—	-76	138.1
Attributable profit	-5	—	332	-6.7

(1) €Mn and % change in constant euros

(2) 2016 profit included -€32Mn related to SC USA Restatement and in 2017 profit included -€76Mn related to hurricane provisions, SC USA settlement, tax reform and other.

ACTIVITY

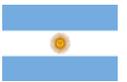
Volumes in €Bn



- 4Q'17 profit impacted by hurricanes, SC USA settlement and tax reform
- **Santander Bank:** increasing profitability by improving NIM and efficiency ratio
- **SC USA:** Good profitability (RoTE:13%). Focus on enhancing the loan mix and reduce the cost of funding
- **SHUSA paid its first dividend to the Group in 6 years**

Note: % change in constant euros. Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds. Santander Bank's customers
(2) Includes leasing

ARGENTINA



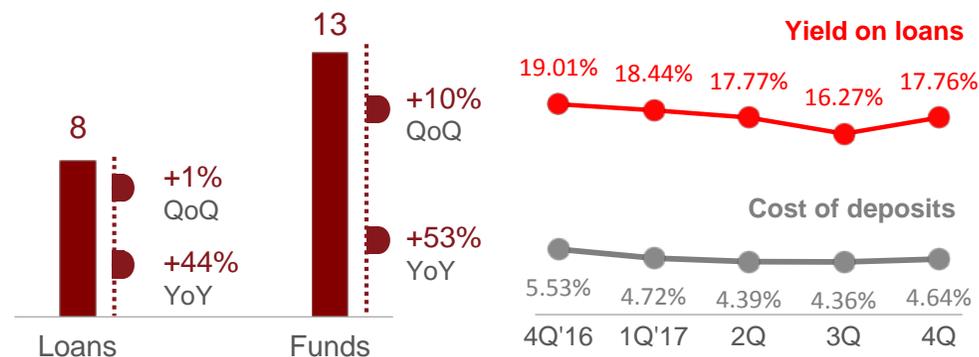
KEY DATA	2016	2017
Loyal customers (thousands)	1,118	1,340
Digital customers (thousands)	1,511	1,957
NPL ratio (%)	1.49	2.50
Cost of credit (%)	1.72	1.85
Efficiency ratio (%)	53.8	55.5
RoTE (%)	35.5	32.0

P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	261	10.0	985	57.8
Fee income	138	-0.7	596	43.1
Gross income	449	7.6	1,747	44.3
Operating expenses	-244	5.3	-970	48.9
LLPs	-41	-8.2	-159	69.4
PBT	141	30.2	526	19.1
Underlying att. profit	96	34.1	359	13.8
Non-recurring	0	—	0	—
Attributable profit	96	34.1	359	13.8

(1) €Mn and % change in constant euros

ACTIVITY

Volumes in €Bn



- Integration of Citibank's retail business **completed** in August (in 5 months)
- Market share gains in consumer loans, mortgages and deposits
- Profit driven by customer revenues, absorbing integration charges
- Cost of credit remains low with comfortable coverage (100%)

Note: % change in constant euros. Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds
 (*) Excluding Citibank customers

POLAND



KEY DATA	2016	2017
Loyal customers (thousands)	1,350	1,387
Digital customers (thousands)	1,979	2,089
NPL ratio (%)	5.42	4.57
Cost of credit (%)	0.70	0.62
Efficiency ratio (%)	44.1	42.6
RoTE (%)	11.6	11.6

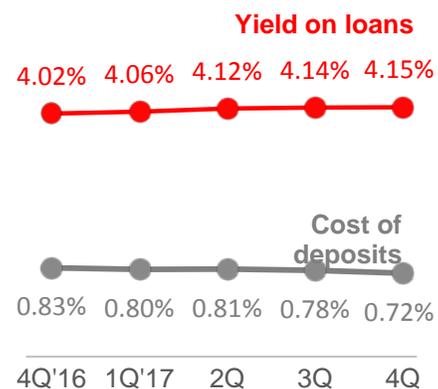
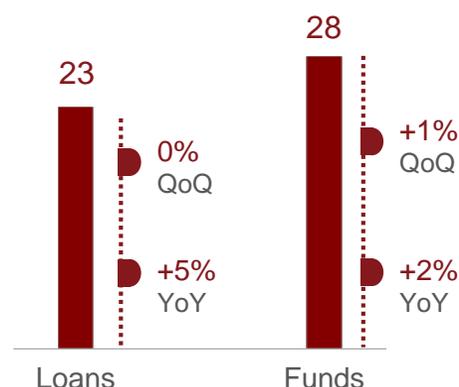
P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	243	2.6	928	8.6
Fee income	116	1.3	443	8.1
Gross income	378	4.9	1,419	5.4
Operating expenses	-160	6.2	-605	1.9
LLPs	-40	10.4	-137	-7.5
PBT	159	9.7	581	11.6
Underlying att. profit	81	6.1	300	7.7
Non-recurring ²	0	—	0	-100.0
Attributable profit	81	6.1	300	-2.8

(1) €Mn and % change in constant euros

(2) 2016 profit included €29Mn related to capital gains from the disposal of the stake in VISA Europe and restructuring costs

ACTIVITY

Volumes in €Bn



- Agreement for the **acquisition** of the retail and private banking businesses of **Deutsche Bank Polska, S.A.**
- **Loan growth** fuelled by corporates and individuals. Deposit base stable with **significant growth in demand and saving accounts**
- PBT spurred by NII, fee income, LLPs and cost control. **Profit affected by regulatory impacts³**
- **Strong credit quality improvement:** lower NPL ratio and better cost of credit

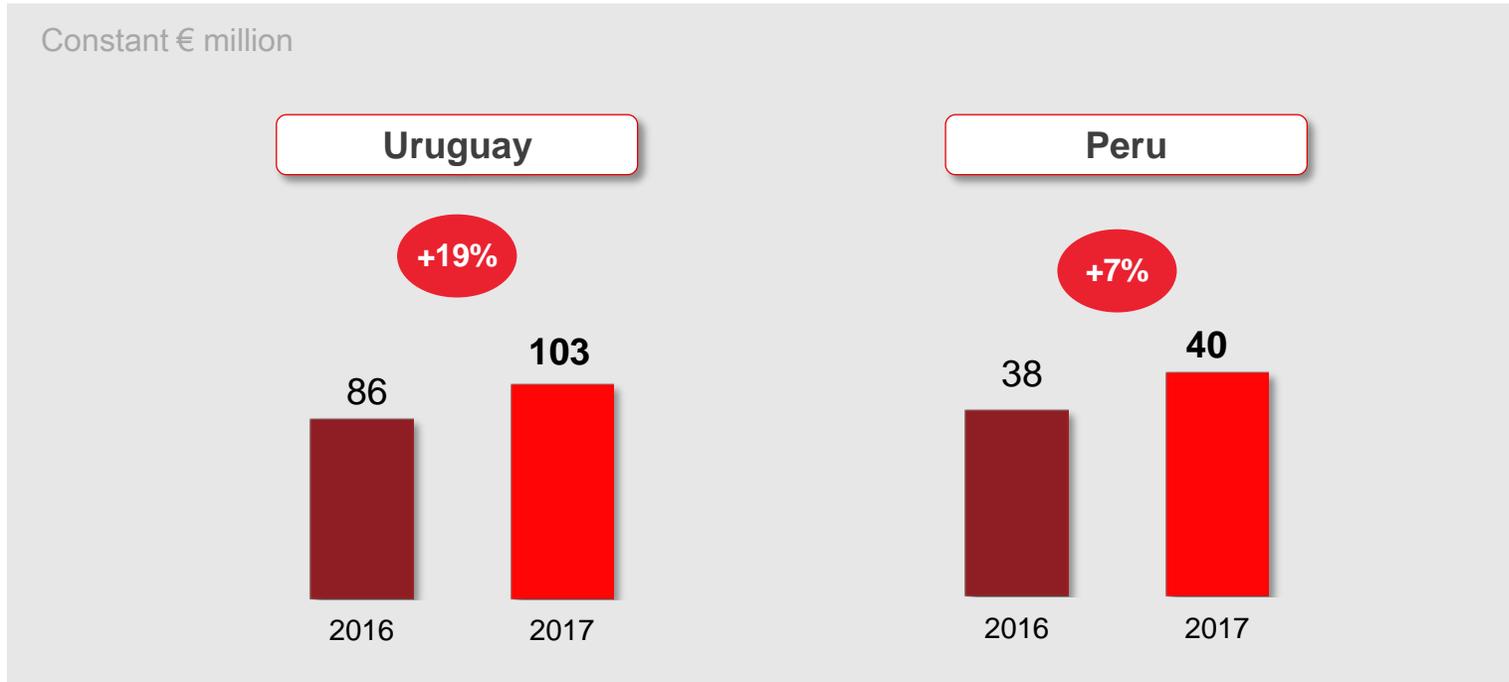
Note: % change in constant euros. Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds. Underlying RoTE in 2016

(3) Tax on assets, contribution to BFG and new consideration of BFG as non-tax deductible

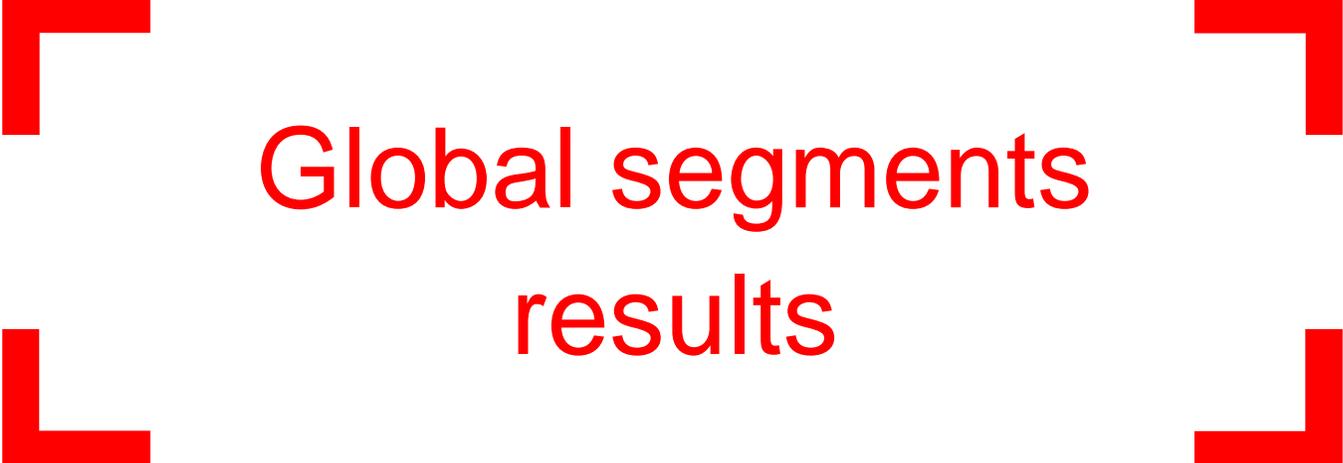
OTHER LATIN AMERICAN COUNTRIES

Attributable profit

Constant € million



- Focusing on loyalty, transactions and target segments
- Uruguay's profit driven by higher revenues and cost control
- Peru's profit driven by higher revenues and release of provisions

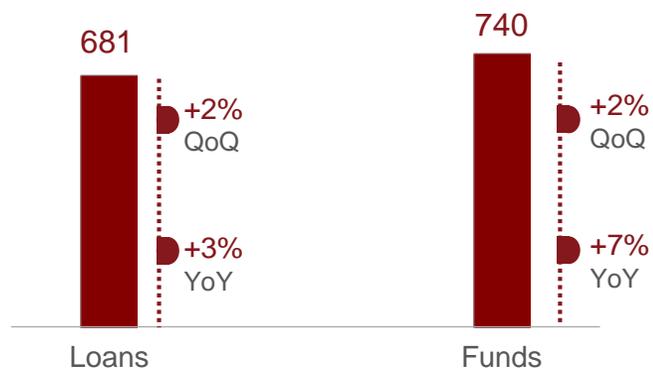


Global segments results

RETAIL BANKING

ACTIVITY

€Bn and % change in constant euros



P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	7,812	0.7	31,701	7.9
Fee income	2,444	4.3	9,718	9.8
Gross income	10,520	0.9	42,755	8.4
Operating expenses	-4,874	4.2	-19,374	4.9
LLPs	-1,872	-7.3	-8,174	-7.2
PBT	3,349	4.4	12,820	22.7
Underl. attrib. Profit	1,980	5.7	7,624	17.8
Non-recurring ²	-76	-10.6	-161	-5.0
Attributable profit	1,904	6.4	7,463	18.4

(1) €Mn and % change in constant euros

(2) In 2017 hurricane provisions, SC USA settlement, tax reform and other. In 2016 capital gains from VISA Europe disposal and restructuring costs

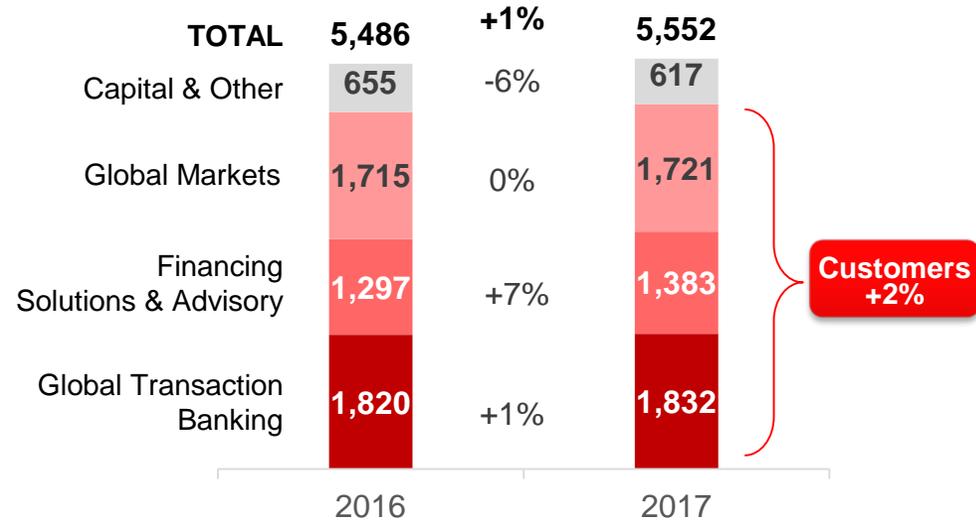
- The retail banking model continued to be transformed into an increasingly Simple, Personal and Fair model
- Focused on three main priorities: customer loyalty, digital transformation and operational excellence
- Further development of the multi-channel model, centred on digital channels
- Progress in achieving our targets. 17.3 million loyal customers (+13% from December 2016) and 25.4 million digital customers (+21% from December 2016)

Note: Loans excluding repos. Funds: deposits excluding repos + marketed mutual funds.

GLOBAL CORPORATE BANKING

GROSS INCOME

Constant €Mn



P&L ¹	4Q'17	%3Q'17	2017	%2016
NII	587	-2.0	2,478	-2.5
Fee income	393	0.1	1,627	15.9
Gross income	1,239	-8.4	5,552	1.2
Operating expenses	-519	6.0	-1,988	4.8
LLPs	-207	81.8	-690	0.8
PBT	484	-32.9	2,804	-0.9
Underl. attrib. Profit	320	-30.8	1,821	-2.4
Non-recurring ²	0	—	0	-100.0
Attributable profit	320	-30.8	1,821	0.8

(1) €Mn and % change in constant euros

(2) In 2016 restructuring costs

- Improved quality of customer revenues, driven by value-added business and higher fee income that offset lower use of the balance sheet
- Better positioning in value-added businesses. Drive in low capital consumption businesses (export finance, agent finance and trade finance)
- Continued improvement in services to retail network customers through digitalisation and tailored products
- Attributable profit up 1% and accounting 20% of the operating areas



Liquidity

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

Key liquidity ratios

Dec'17

Net Loan-to-Deposit ratio (LTD):	109%
Deposits + M/LT funding / net loans:	117%
Liquidity Coverage Ratio (LCR)¹:	133%

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

Funding plan - issuances

Jan-Dec'17

Group issuances	€27bn (~€19bn TLAC-eligible)
Diversified issuers	Parent bank, SCF, UK and USA
Diversified currencies	EUR, USD, GBP

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

(1) Provisional data

NPL, coverage ratios and
cost of credit

NPL ratio

%

	31.03.16	30.06.16	30.09.16	31.12.16	31.03.17	30.06.17	30.09.17	31.12.17
Continental Europe	7.08	6.84	6.43	5.92	5.62	5.11	4.95	4.50
Spain	6.36	6.06	5.82	5.41	5.22	4.99	4.99	4.72
Santander Consumer Finance	3.28	2.95	2.86	2.68	2.62	2.61	2.60	2.50
Poland	5.93	5.84	5.71	5.42	5.20	4.66	4.70	4.57
Portugal	8.55	10.46	9.40	8.81	8.47	7.67	6.93	5.71
United Kingdom	1.49	1.47	1.47	1.41	1.31	1.23	1.32	1.33
Latin America	4.88	4.98	4.94	4.81	4.50	4.44	4.45	4.50
Brazil	5.93	6.11	6.12	5.90	5.36	5.36	5.32	5.29
Mexico	3.06	3.01	2.95	2.76	2.77	2.58	2.56	2.69
Chile	5.45	5.28	5.12	5.05	4.93	5.00	4.95	4.96
USA	2.19	2.24	2.24	2.28	2.43	2.64	2.56	2.79
Operating Areas	4.36	4.32	4.19	3.95	3.77	3.57	3.53	3.39
Total Group	4.33	4.29	4.15	3.93	3.74	3.55	3.51	3.38

NOTE. Total Group including Popular: 5.37% in Jun 2017 ; 4.24% in Sep 2017 ; 4.08% in Dec 2017

Coverage ratio

%

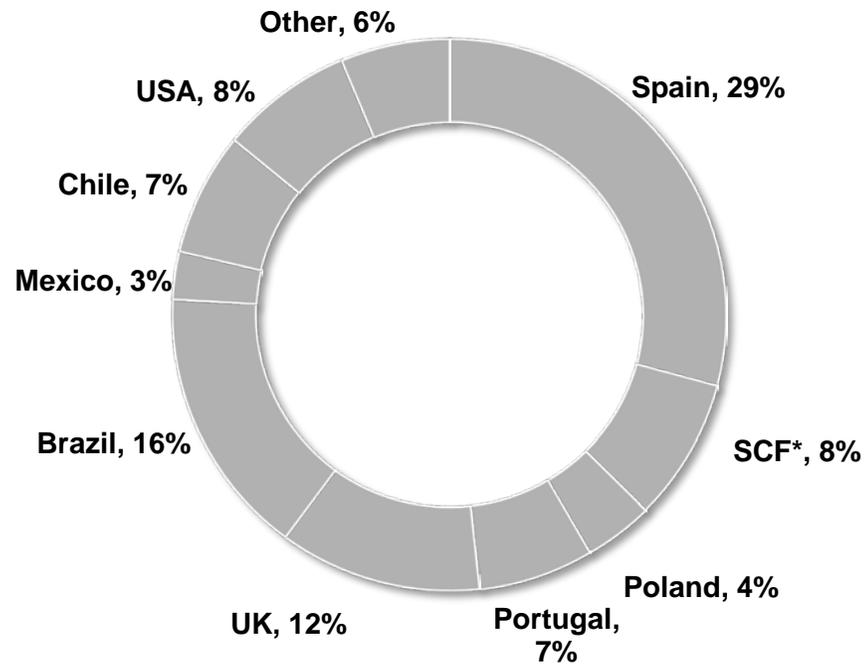
	31.03.16	30.06.16	30.09.16	31.12.16	31.03.17	30.06.17	30.09.17	31.12.17
Continental Europe	65.4	61.3	61.3	60.0	60.6	58.7	58.1	58.0
Spain	50.2	47.6	47.6	48.3	49.1	46.0	45.2	45.9
Santander Consumer Finance	111.9	110.6	110.7	109.1	108.9	106.5	104.3	101.4
Poland	67.0	65.8	68.9	61.0	61.2	67.5	67.6	68.2
Portugal	87.7	61.9	57.8	63.7	61.7	59.8	60.4	59.1
United Kingdom	36.5	36.5	36.0	32.9	33.8	32.6	31.5	32.0
Latin America	79.7	81.4	84.5	87.3	90.5	89.1	89.9	84.8
Brazil	83.7	85.3	89.3	93.1	98.1	95.5	97.6	92.6
Mexico	97.5	102.3	101.9	103.8	104.8	113.8	110.3	97.5
Chile	54.6	55.5	58.1	59.1	58.9	58.2	58.5	58.2
USA	221.1	220.6	216.2	214.4	202.4	183.1	187.5	170.2
Operating Areas	73.3	72.0	72.8	73.5	74.6	72.6	72.1	70.7
Total Group	74.0	72.5	72.7	73.8	74.6	72.7	72.3	70.8

NOTE. Total Group including Popular: 67.7% in Jun 2017 ; 65.8% in Sep 2017 ; 65.2% in Dec 2017

Non-performing loans and loan-loss allowances. December 2017 – Group excl. Popular

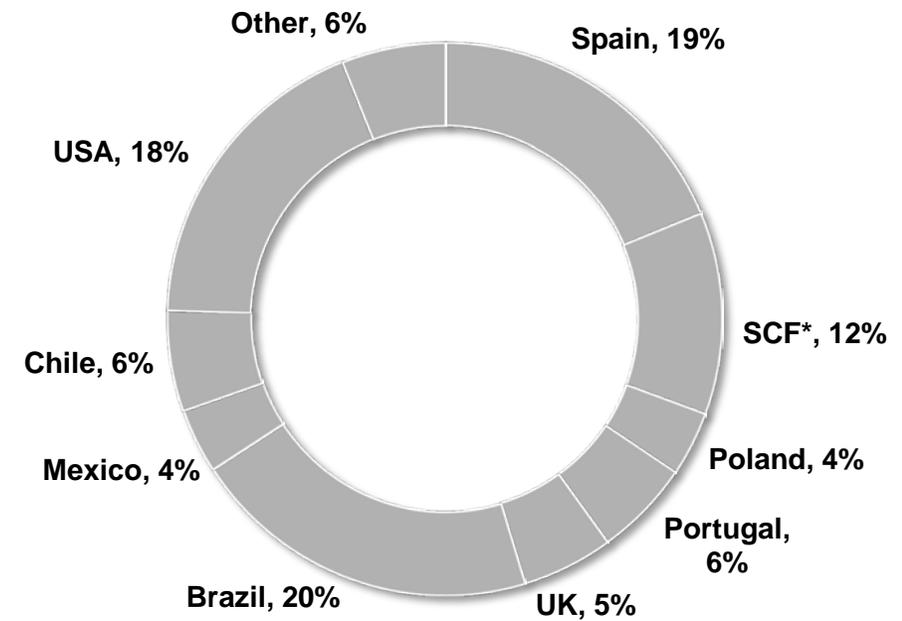
Non-performing loans

100%: €28,104Mn



Loan-loss allowances

100%: €19,906Mn



Percentage over Group's total

(*) Excluding SCF UK

Cost of credit

%

	31.03.16	30.06.16	30.09.16	31.12.16	31.03.17	30.06.17	30.09.17	31.12.17
Continental Europe	0.60	0.51	0.46	0.44	0.38	0.37	0.34	0.32
Spain	0.54	0.45	0.41	0.37	0.33	0.33	0.31	0.33
Santander Consumer Finance	0.64	0.55	0.49	0.47	0.39	0.37	0.34	0.30
Poland	0.82	0.75	0.76	0.70	0.66	0.65	0.61	0.62
Portugal	0.28	0.21	0.17	0.18	0.07	0.03	0.03	(0.04)
United Kingdom	0.01	0.03	0.05	0.02	0.03	0.02	0.03	0.08
Latin America	3.39	3.41	3.42	3.37	3.36	3.37	3.27	3.17
Brazil	4.63	4.71	4.87	4.89	4.84	4.79	4.55	4.36
Mexico	2.95	2.96	2.86	2.86	2.94	3.01	3.14	3.08
Chile	1.58	1.59	1.55	1.43	1.42	1.37	1.27	1.21
USA	3.85	3.77	3.80	3.68	3.63	3.65	3.57	3.42
Operating Areas	1.24	1.20	1.20	1.19	1.18	1.19	1.15	1.12
Total Group	1.22	1.19	1.19	1.18	1.17	1.19	1.15	1.12

NOTE. Total Group including Popular: 1.17% in Jun 2017 ; 1.12% in Set 2017 ; 1.07% in Dec 2017



Quarterly income statements

Grupo Santander (with Popular)

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	10,021	10,119	10,395	10,734	11,246	11,522	11,569	11,556	41,268	45,892
Gross income	10,730	10,755	11,080	11,288	12,029	12,049	12,252	12,062	43,853	48,392
Operating expenses	(5,158)	(5,227)	(5,250)	(5,453)	(5,543)	(5,648)	(5,766)	(5,961)	(21,088)	(22,918)
Net operating income	5,572	5,528	5,831	5,835	6,486	6,401	6,486	6,101	22,766	25,473
Net loan-loss provisions	(2,408)	(2,205)	(2,499)	(2,406)	(2,400)	(2,280)	(2,250)	(2,181)	(9,518)	(9,111)
Other	(433)	(544)	(392)	(591)	(775)	(848)	(645)	(544)	(1,960)	(2,812)
Underlying profit before taxes	2,732	2,779	2,940	2,838	3,311	3,273	3,591	3,375	11,288	13,550
Underlying consolidated profit	1,922	1,864	2,036	2,072	2,186	2,144	2,347	2,285	7,893	8,963
Underlying attributable profit	1,633	1,526	1,695	1,766	1,867	1,749	1,976	1,924	6,621	7,516
Net capital gains and provisions*	—	(248)	—	(169)	—	—	(515)	(382)	(417)	(897)
Attributable profit	1,633	1,278	1,695	1,598	1,867	1,749	1,461	1,542	6,204	6,619

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs in 4Q16 PPI and restatement Santander Consumer USA
in 3Q17 charges for integration costs and equity stakes and intangible assets
in 4Q17 Allfunds capital gains, USA fiscal reform, goodwill charges and in the US, provisions for hurricanes, increased stake in Santander Consumer USA and other

Grupo Santander (with Popular)

Constant € million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	10,227	10,214	10,330	10,577	10,820	11,318	11,817	11,938	41,349	45,892
Gross income	10,921	10,849	11,014	11,111	11,570	11,836	12,519	12,466	43,897	48,392
Operating expenses	(5,204)	(5,235)	(5,214)	(5,381)	(5,357)	(5,555)	(5,880)	(6,126)	(21,034)	(22,918)
Net operating income	5,717	5,614	5,800	5,731	6,213	6,281	6,639	6,340	22,862	25,473
Net loan-loss provisions	(2,520)	(2,271)	(2,501)	(2,362)	(2,285)	(2,236)	(2,311)	(2,279)	(9,655)	(9,111)
Other	(459)	(556)	(381)	(585)	(747)	(834)	(663)	(568)	(1,980)	(2,812)
Underlying profit before taxes	2,739	2,787	2,918	2,784	3,181	3,211	3,665	3,494	11,228	13,550
Underlying consolidated profit	1,932	1,867	2,019	2,036	2,099	2,099	2,399	2,366	7,854	8,963
Underlying attributable profit	1,638	1,523	1,679	1,734	1,790	1,711	2,022	1,993	6,574	7,516
Net capital gains and provisions*	—	(259)	3	(157)	—	—	(515)	(382)	(414)	(897)
Attributable profit	1,638	1,264	1,682	1,577	1,790	1,711	1,507	1,611	6,161	6,619

(*).- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs in 4Q16 PPI and restatement Santander Consumer USA
in 3Q17 charges for integration costs and equity stakes and intangible assets
in 4Q17 Allfunds capital gains, USA fiscal reform, goodwill charges and in the US, provisions for hurricanes, increased stake in Santander Consumer USA and other

Grupo Santander (w/o Popular)

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	10,021	10,119	10,395	10,734	11,246	11,382	10,984	10,989	41,268	44,601
Gross income	10,730	10,755	11,080	11,288	12,029	11,910	11,617	11,526	43,853	47,082
Operating expenses	(5,158)	(5,227)	(5,250)	(5,453)	(5,543)	(5,552)	(5,379)	(5,571)	(21,088)	(22,045)
Net operating income	5,572	5,528	5,831	5,835	6,486	6,358	6,239	5,955	22,766	25,038
Net loan-loss provisions	(2,408)	(2,205)	(2,499)	(2,406)	(2,400)	(2,272)	(2,212)	(2,114)	(9,518)	(8,997)
Other	(433)	(544)	(392)	(591)	(775)	(828)	(652)	(537)	(1,960)	(2,792)
Underlying profit before taxes	2,732	2,779	2,940	2,838	3,311	3,258	3,375	3,305	11,288	13,248
Underlying consolidated profit	1,922	1,864	2,036	2,072	2,186	2,133	2,180	2,200	7,893	8,700
Underlying attributable profit	1,633	1,526	1,695	1,766	1,867	1,738	1,809	1,839	6,621	7,253
Net capital gains and provisions*	—	(248)	—	(169)	—	—	(215)	(382)	(417)	(597)
Attributable profit (Ex-Popular)	1,633	1,278	1,695	1,598	1,867	1,738	1,594	1,457	6,204	6,656

(*).- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs in 4Q16 PPI and restatement Santander Consumer USA
in 3Q17 charges for integration costs and equity stakes and intangible assets
in 4Q17 Allfunds capital gains, USA fiscal reform, goodwill charges and in the US, provisions for hurricanes, increased stake in Santander Consumer USA and other

Grupo Santander (w/o Popular)

Constant € million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	10,227	10,214	10,330	10,577	10,820	11,178	11,232	11,371	41,349	44,601
Gross income	10,921	10,849	11,014	11,111	11,570	11,697	11,885	11,931	43,897	47,082
Operating expenses	(5,204)	(5,235)	(5,214)	(5,381)	(5,357)	(5,459)	(5,493)	(5,736)	(21,034)	(22,045)
Net operating income	5,717	5,614	5,800	5,731	6,213	6,238	6,392	6,194	22,862	25,038
Net loan-loss provisions	(2,520)	(2,271)	(2,501)	(2,362)	(2,285)	(2,228)	(2,273)	(2,211)	(9,655)	(8,997)
Other	(459)	(556)	(381)	(585)	(747)	(814)	(670)	(560)	(1,980)	(2,792)
Underlying profit before taxes	2,739	2,787	2,918	2,784	3,181	3,196	3,449	3,423	11,228	13,248
Underlying consolidated profit	1,932	1,867	2,019	2,036	2,099	2,089	2,232	2,281	7,854	8,700
Underlying attributable profit	1,638	1,523	1,679	1,734	1,790	1,700	1,854	1,909	6,574	7,253
Net capital gains and provisions*	—	(259)	3	(157)	—	—	(215)	(382)	(414)	(597)
Attributable profit (Ex-Popular)	1,638	1,264	1,682	1,577	1,790	1,700	1,639	1,526	6,161	6,656

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs in 4Q16 PPI and restatement Santander Consumer USA
in 3Q17 charges for integration costs and equity stakes and intangible assets
in 4Q17 Allfunds capital gains, USA fiscal reform, goodwill charges and in the US, provisions for hurricanes, increased stake in Santander Consumer USA and other

Spain (w/o Popular)

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,243	1,232	1,185	1,198	1,206	1,287	1,235	1,248	4,858	4,976
Gross income	1,543	1,343	1,398	1,324	1,539	1,351	1,435	1,368	5,608	5,694
Operating expenses	(837)	(834)	(824)	(802)	(798)	(806)	(815)	(841)	(3,297)	(3,259)
Net operating income	706	509	574	522	741	545	621	528	2,311	2,434
Net loan-loss provisions	(231)	(129)	(140)	(85)	(163)	(137)	(104)	(110)	(585)	(513)
Other	(37)	(82)	(51)	(97)	(64)	(64)	(55)	(23)	(267)	(207)
Underlying profit before taxes	438	298	382	340	514	344	461	395	1,459	1,714
Underlying consolidated profit	312	213	274	243	367	246	316	267	1,043	1,197
Underlying attributable profit	307	208	270	237	362	241	311	265	1,022	1,180
Net capital gains and provisions*	—	(216)	—	—	—	—	—	—	(216)	—
Attributable profit	307	(8)	270	237	362	241	311	265	806	1,180

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs

Santander Consumer Finance

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,041	1,061	1,099	1,052	1,121	1,096	1,121	1,110	4,253	4,449
Gross income	1,045	1,051	1,106	1,060	1,118	1,099	1,135	1,132	4,262	4,484
Operating expenses	(483)	(468)	(467)	(486)	(502)	(485)	(484)	(506)	(1,904)	(1,978)
Net operating income	562	583	639	574	616	614	650	625	2,357	2,506
Net loan-loss provisions	(114)	(70)	(116)	(87)	(61)	(57)	(90)	(58)	(387)	(266)
Other	(39)	(41)	(36)	(52)	(37)	(35)	(30)	(55)	(168)	(157)
Underlying profit before taxes	410	472	487	434	518	522	531	512	1,803	2,083
Underlying consolidated profit	293	324	346	319	370	382	370	373	1,282	1,495
Underlying attributable profit	251	282	291	269	314	319	309	311	1,093	1,254
Net capital gains and provisions*	—	25	—	—	—	—	(85)	(0)	25	(85)
Attributable profit	251	307	291	269	314	319	224	311	1,119	1,168

(*).- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe
in 3Q17 charges for integration costs

Santander Consumer Finance

Constant € million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,047	1,063	1,100	1,049	1,116	1,096	1,122	1,114	4,258	4,449
Gross income	1,051	1,053	1,106	1,057	1,113	1,099	1,136	1,136	4,267	4,484
Operating expenses	(485)	(469)	(467)	(485)	(500)	(485)	(485)	(508)	(1,906)	(1,978)
Net operating income	565	584	639	572	613	614	651	628	2,360	2,506
Net loan-loss provisions	(115)	(70)	(116)	(87)	(60)	(57)	(89)	(58)	(388)	(266)
Other	(39)	(42)	(36)	(52)	(37)	(35)	(30)	(55)	(168)	(157)
Underlying profit before taxes	412	472	487	433	515	522	532	514	1,804	2,083
Underlying consolidated profit	295	325	345	318	368	381	371	375	1,283	1,495
Underlying attributable profit	253	282	291	268	312	319	310	313	1,094	1,254
Net capital gains and provisions*	—	26	(0)	(0)	—	—	(85)	(0)	25	(85)
Attributable profit	253	308	291	268	312	319	225	313	1,119	1,168

(*).- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe
in 3Q17 charges for integration costs

Poland

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	292	298	321	323	318	343	350	360	1,233	1,371
Gross income	311	345	330	329	321	363	358	378	1,314	1,419
Operating expenses	(145)	(146)	(149)	(139)	(146)	(150)	(149)	(160)	(579)	(605)
Net operating income	166	199	181	190	175	212	209	218	735	814
Net loan-loss provisions	(33)	(34)	(43)	(35)	(27)	(34)	(36)	(40)	(145)	(137)
Other	(22)	(29)	(6)	(25)	(23)	(27)	(28)	(19)	(83)	(96)
Underlying profit before taxes	111	136	132	129	125	152	144	159	508	581
Underlying consolidated profit	88	108	100	91	86	120	110	116	387	432
Underlying attributable profit	64	75	69	63	59	83	76	81	272	300
Net capital gains and provisions*	—	29	—	—	—	—	—	—	29	—
Attributable profit	64	104	69	63	59	83	76	81	301	300

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs

Poland

PLN million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,275	1,301	1,391	1,412	1,374	1,449	1,489	1,522	5,379	5,835
Gross income	1,357	1,507	1,430	1,440	1,386	1,532	1,525	1,599	5,733	6,041
Operating expenses	(632)	(638)	(647)	(609)	(630)	(634)	(636)	(675)	(2,527)	(2,576)
Net operating income	724	869	783	831	756	898	889	924	3,207	3,465
Net loan-loss provisions	(144)	(149)	(186)	(153)	(116)	(142)	(155)	(171)	(632)	(585)
Other	(97)	(126)	(25)	(111)	(100)	(112)	(119)	(78)	(360)	(410)
Underlying profit before taxes	483	593	573	566	539	644	614	674	2,215	2,471
Underlying consolidated profit	384	471	434	399	372	506	470	492	1,688	1,840
Underlying attributable profit	281	327	300	277	257	351	324	344	1,185	1,276
Net capital gains and provisions*	—	128	(0)	0	—	—	—	—	128	—
Attributable profit	281	455	300	277	257	351	324	344	1,313	1,276

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs

Portugal (w/o Popular)

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	273	262	260	251	261	249	262	266	1,047	1,038
Gross income	337	281	287	304	294	265	305	281	1,209	1,145
Operating expenses	(154)	(149)	(142)	(143)	(139)	(137)	(137)	(138)	(589)	(550)
Net operating income	183	132	145	161	155	128	168	143	620	595
Net loan-loss provisions	(22)	(6)	(16)	(9)	10	6	(16)	12	(54)	12
Other	(2)	(21)	(5)	(5)	(14)	(9)	(11)	(1)	(34)	(35)
Underlying profit before taxes	158	104	124	146	151	125	142	155	533	573
Underlying consolidated profit	122	81	93	106	126	108	104	105	402	442
Underlying attributable profit	121	80	92	106	125	107	103	104	399	440
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	121	80	92	106	125	107	103	104	399	440

United Kingdom

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,434	1,393	1,302	1,307	1,349	1,409	1,317	1,291	5,436	5,366
Gross income	1,513	1,501	1,377	1,425	1,432	1,544	1,397	1,344	5,816	5,716
Operating expenses	(794)	(788)	(703)	(683)	(723)	(723)	(694)	(721)	(2,967)	(2,861)
Net operating income	719	713	675	742	709	821	703	623	2,850	2,855
Net loan-loss provisions	(7)	(68)	(44)	61	(15)	(42)	(66)	(81)	(58)	(205)
Other	(59)	(71)	(85)	(124)	(105)	(171)	(89)	(101)	(339)	(466)
Underlying profit before taxes	654	574	545	679	588	608	547	441	2,452	2,184
Underlying consolidated profit	462	401	370	483	423	414	382	304	1,716	1,523
Underlying attributable profit	453	390	364	474	416	408	377	297	1,681	1,498
Net capital gains and provisions*	—	107	—	(137)	—	—	—	—	(30)	—
Attributable profit	453	497	364	338	416	408	377	297	1,651	1,498

(*).- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe and restructuring costs in 4Q16 PPI

United Kingdom

£ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,105	1,096	1,108	1,133	1,160	1,213	1,183	1,146	4,442	4,702
Gross income	1,166	1,180	1,172	1,234	1,231	1,329	1,255	1,193	4,752	5,008
Operating expenses	(611)	(619)	(599)	(594)	(622)	(622)	(623)	(639)	(2,424)	(2,507)
Net operating income	554	561	573	640	609	706	632	554	2,328	2,502
Net loan-loss provisions	(5)	(53)	(37)	48	(13)	(36)	(59)	(72)	(48)	(179)
Other	(45)	(56)	(71)	(104)	(90)	(147)	(81)	(90)	(277)	(408)
Underlying profit before taxes	504	452	465	583	506	524	492	392	2,004	1,914
Underlying consolidated profit	356	316	316	414	364	356	344	270	1,402	1,334
Underlying attributable profit	349	307	311	407	358	351	339	265	1,373	1,313
Net capital gains and provisions*	—	83	2	(110)	—	—	—	—	(24)	—
Attributable profit	349	390	313	297	358	351	339	265	1,349	1,313

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe and restructuring costs in 4Q16 PPI

Brazil

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	2,365	2,583	2,899	3,155	3,455	3,413	3,392	3,458	11,002	13,718
Gross income	2,381	2,703	3,050	3,187	3,717	3,502	3,542	3,512	11,321	14,273
Operating expenses	(947)	(1,046)	(1,177)	(1,305)	(1,314)	(1,233)	(1,244)	(1,289)	(4,475)	(5,080)
Net operating income	1,434	1,657	1,873	1,882	2,403	2,269	2,298	2,223	6,845	9,193
Net loan-loss provisions	(720)	(753)	(951)	(953)	(910)	(852)	(819)	(814)	(3,377)	(3,395)
Other	(177)	(193)	(134)	(193)	(358)	(349)	(268)	(211)	(696)	(1,186)
Underlying profit before taxes	536	711	788	736	1,135	1,068	1,211	1,198	2,772	4,612
Underlying consolidated profit	399	481	544	575	713	689	747	738	1,999	2,887
Underlying attributable profit	359	429	488	510	634	610	659	642	1,786	2,544
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	359	429	488	510	634	610	659	642	1,786	2,544

Brazil

R\$ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	10,161	10,216	10,500	11,271	11,561	12,036	12,567	13,139	42,147	49,304
Gross income	10,227	10,708	11,067	11,364	12,438	12,367	13,129	13,367	43,366	51,301
Operating expenses	(4,068)	(4,138)	(4,266)	(4,671)	(4,397)	(4,355)	(4,613)	(4,895)	(17,143)	(18,259)
Net operating income	6,159	6,570	6,801	6,693	8,041	8,013	8,516	8,472	26,223	33,042
Net loan-loss provisions	(3,093)	(2,972)	(3,473)	(3,398)	(3,045)	(3,008)	(3,045)	(3,105)	(12,937)	(12,203)
Other	(762)	(763)	(457)	(686)	(1,198)	(1,231)	(1,007)	(825)	(2,668)	(4,261)
Underlying profit before taxes	2,304	2,835	2,870	2,609	3,798	3,773	4,464	4,543	10,619	16,578
Underlying consolidated profit	1,716	1,908	1,979	2,055	2,386	2,431	2,757	2,802	7,658	10,376
Underlying attributable profit	1,540	1,704	1,774	1,821	2,121	2,152	2,432	2,438	6,840	9,143
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	1,540	1,704	1,774	1,821	2,121	2,152	2,432	2,438	6,840	9,143

Mexico

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	767	768	767	794	804	856	879	811	3,096	3,350
Gross income	792	786	796	828	824	914	892	830	3,203	3,460
Operating expenses	(322)	(317)	(311)	(325)	(319)	(361)	(356)	(345)	(1,274)	(1,382)
Net operating income	470	469	486	503	505	553	536	485	1,928	2,078
Net loan-loss provisions	(221)	(214)	(194)	(203)	(233)	(246)	(240)	(187)	(832)	(905)
Other	(6)	(11)	(5)	(8)	(4)	(6)	(4)	(24)	(30)	(39)
Underlying profit before taxes	243	244	288	293	267	301	292	274	1,067	1,134
Underlying consolidated profit	187	192	223	217	211	238	231	225	820	904
Underlying attributable profit	143	146	172	169	163	187	182	178	629	710
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	143	146	172	169	163	187	182	178	629	710

Mexico

Million pesos

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	15,253	15,690	16,028	16,922	17,348	17,505	18,399	18,076	63,893	71,327
Gross income	15,745	16,054	16,647	17,645	17,779	18,706	18,677	18,508	66,093	73,671
Operating expenses	(6,402)	(6,479)	(6,497)	(6,922)	(6,894)	(7,386)	(7,460)	(7,683)	(26,300)	(29,423)
Net operating income	9,343	9,576	10,151	10,723	10,886	11,320	11,218	10,825	39,792	44,248
Net loan-loss provisions	(4,399)	(4,364)	(4,062)	(4,337)	(5,032)	(5,019)	(5,015)	(4,201)	(17,162)	(19,267)
Other	(123)	(233)	(98)	(161)	(90)	(131)	(89)	(522)	(615)	(832)
Underlying profit before taxes	4,821	4,979	5,990	6,225	5,764	6,170	6,113	6,102	22,015	24,149
Underlying consolidated profit	3,724	3,919	4,643	4,629	4,548	4,865	4,841	4,996	16,915	19,250
Underlying attributable profit	2,839	2,979	3,577	3,589	3,523	3,829	3,808	3,963	12,983	15,123
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	2,839	2,979	3,577	3,589	3,523	3,829	3,808	3,963	12,983	15,123

Chile

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	509	534	561	613	592	589	534	583	2,216	2,298
Gross income	556	577	616	672	645	644	604	630	2,422	2,523
Operating expenses	(235)	(237)	(249)	(265)	(264)	(260)	(253)	(248)	(986)	(1,025)
Net operating income	321	339	368	407	381	383	351	382	1,435	1,498
Net loan-loss provisions	(109)	(127)	(146)	(131)	(122)	(122)	(108)	(110)	(514)	(462)
Other	1	(1)	6	(35)	2	7	11	3	(27)	23
Underlying profit before taxes	213	211	228	241	261	267	255	276	894	1,059
Underlying consolidated profit	173	181	187	195	214	218	209	218	735	859
Underlying attributable profit	122	126	129	137	147	149	143	146	513	586
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	122	126	129	137	147	149	143	146	513	586

Chile

Ch\$ billion

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	393	409	414	441	413	430	403	434	1,657	1,681
Gross income	430	441	455	484	450	470	456	470	1,810	1,846
Operating expenses	(182)	(182)	(184)	(191)	(184)	(190)	(191)	(185)	(737)	(750)
Net operating income	248	260	272	293	266	280	265	285	1,073	1,096
Net loan-loss provisions	(84)	(98)	(108)	(94)	(85)	(89)	(81)	(82)	(384)	(338)
Other	1	(0)	5	(26)	1	5	8	2	(20)	17
Underlying profit before taxes	165	162	169	173	182	195	192	205	668	775
Underlying consolidated profit	134	138	138	140	149	159	158	163	550	629
Underlying attributable profit	94	96	95	98	103	109	108	109	384	429
Net capital gains and provisions	—	—	—	—	—	—	—	—	—	—
Attributable profit	94	96	95	98	103	109	108	109	384	429

United States (w/o Popular)

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	1,831	1,755	1,724	1,708	1,763	1,738	1,545	1,495	7,019	6,540
Gross income	1,968	1,888	1,867	1,809	1,879	1,880	1,604	1,596	7,532	6,959
Operating expenses	(777)	(774)	(784)	(864)	(837)	(845)	(743)	(773)	(3,198)	(3,198)
Net operating income	1,191	1,114	1,083	946	1,042	1,035	861	824	4,334	3,761
Net loan-loss provisions	(861)	(704)	(776)	(867)	(811)	(697)	(634)	(638)	(3,208)	(2,780)
Other	(66)	(13)	(3)	(8)	(32)	(24)	(2)	(31)	(90)	(90)
Underlying profit before taxes	264	397	304	71	199	314	225	155	1,036	892
Underlying consolidated profit	160	253	213	54	138	235	154	109	681	636
Underlying attributable profit	82	159	141	14	95	149	93	71	395	408
Net capital gains and provisions*	—	—	—	(32)	—	—	—	(76)	(32)	(76)
Attributable profit	82	159	141	(19)	95	149	93	(5)	363	332

(*)- Including: in 4Q16 restatement Santander Consumer USA
in 4Q 17 fiscal reform, provisions for hurricanes, increased stake in Santander Consumer USA and other

United States (w/o Popular)

\$ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	2,018	1,983	1,925	1,838	1,877	1,912	1,820	1,765	7,764	7,373
Gross income	2,168	2,133	2,085	1,945	2,001	2,068	1,893	1,884	8,332	7,845
Operating expenses	(856)	(874)	(875)	(932)	(891)	(929)	(875)	(909)	(3,538)	(3,605)
Net operating income	1,312	1,259	1,210	1,013	1,109	1,138	1,018	975	4,794	4,240
Net loan-loss provisions	(949)	(797)	(867)	(935)	(863)	(768)	(749)	(753)	(3,548)	(3,134)
Other	(72)	(16)	(3)	(8)	(34)	(27)	(4)	(36)	(99)	(101)
Underlying profit before taxes	291	446	340	69	212	343	265	186	1,146	1,006
Underlying consolidated profit	177	285	238	54	147	257	182	132	754	717
Underlying attributable profit	90	178	157	12	101	163	111	85	437	460
Net capital gains and provisions*	—	—	—	(36)	—	—	—	(85)	(36)	(85)
Attributable profit	90	178	157	(24)	101	163	111	(0)	401	374

(*)- Including: in 4Q16 restatement Santander Consumer USA
in 4Q 17 fiscal reform, provisions for hurricanes, increased stake in Santander Consumer USA and other

Banco Popular

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income						140	584	567		1,291
Gross income						139	634	536		1,309
Operating expenses						(96)	(388)	(390)		(873)
Net operating income						43	247	146		436
Net loan-loss provisions						(8)	(38)	(68)		(114)
Other						(20)	8	(8)		(20)
Underlying profit before taxes						15	216	71		302
Underlying consolidated profit						11	167	85		263
Underlying attributable profit						11	168	85		263
Net capital gains and provisions*						—	(300)	—		(300)
Attributable profit						11	(132)	85		(37)

(*).- Including: in 3Q17 charges for integration costs

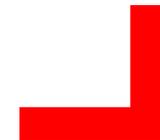
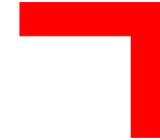
Corporate Centre

€ million

	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	2016	2017
NII + Fee income	(173)	(192)	(201)	(204)	(198)	(223)	(227)	(240)	(771)	(889)
Gross income	(223)	(244)	(316)	(282)	(341)	(340)	(300)	(239)	(1,066)	(1,220)
Operating expenses	(126)	(120)	(104)	(99)	(119)	(118)	(118)	(120)	(450)	(476)
Net operating income	(349)	(365)	(421)	(381)	(460)	(458)	(419)	(359)	(1,516)	(1,696)
Net loan-loss provisions	1	(5)	5	0	(5)	(11)	(22)	(8)	2	(45)
Other	(5)	(55)	(59)	44	(32)	(53)	(54)	(43)	(75)	(181)
Underlying profit before taxes	(353)	(424)	(474)	(337)	(497)	(522)	(494)	(410)	(1,589)	(1,923)
Underlying consolidated profit	(317)	(418)	(414)	(298)	(471)	(561)	(481)	(378)	(1,448)	(1,890)
Underlying attributable profit	(311)	(418)	(412)	(299)	(468)	(563)	(480)	(378)	(1,439)	(1,889)
Net capital gains and provisions*	—	(186)	—	—	—	—	(130)	(306)	(186)	(436)
Attributable profit	(311)	(604)	(412)	(299)	(468)	(563)	(610)	(684)	(1,625)	(2,326)

(*)- Including: in 2Q16 capital gains from the disposal of the stake in Visa Europe, and restructuring costs
in 3Q17 equity stakes and intangible assets
in 4Q17 goodwill charges

Glossary



Glossary - Acronyms

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

Thank you

Our purpose is to help people and businesses prosper.

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

Simple | Personal | Fair

