We want to help people and businesses prosper

2015 Financial report | January - June

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)	Jun'15	Mar'15	%	Jun'15	Jun'14	%	2014
Total assets	**1,339,376**	1,369,689	(2.2)	**1,339,376**	1,188,169	12.7	1,266,296
Net customer loans	**799,233**	793,965	0.7	**799,233**	706,899	13.1	734,711
Customer deposits	**687,900**	687,362	0.1	**687,900**	617,761	11.4	647,628
Managed and marketed customer funds	**1,082,948**	1,091,174	(0.8)	**1,082,948**	982,494	10.2	1,023,437
Stockholders' equity	**91,497**	91,915	(0.5)	**91,497**	74,917	22.1	80,806
Total managed and marketed funds	**1,514,136**	1,545,444	(2.0)	**1,514,136**	1,342,365	12.8	1,428,083

Ordinary income statement* (EUR Million)	2Q'15	1Q'15	%	1H'15	1H'14	%	2014
Net interest income	**8,281**	8,038	3.0	**16,319**	14,362	13.6	29,548
Gross income	**11,618**	11,444	1.5	**23,062**	20,611	11.9	42,612
Pre-provision profit (net operating income)	**6,189**	6,067	2.0	**12,256**	10,858	12.9	22,574
Profit before taxes	**2,998**	2,990	0.3	**5,988**	4,584	30.6	9,720
Attributable profit to the Group	**1,709**	1,717	(0.5)	**3,426**	2,756	24.3	5,816

Variations w/o exchange rate Quarterly: Net interest income: +3.6%; Gross income: +2.1%; Pre-provision profit: +2.8%; Attributable profit: -0.2%
Year-on-year: Net interest income: +8.0%; Gross income: +6.9%; Pre-provision profit: +7.4%; Attributable profit: +15.6%

Ordinary EPS, profitability and efficiency* (%)	2Q'15	1Q'15	%	1H'15	1H'14	%	2014
EPS (1) (euro)	**0.115**	0.121	(4.4)	**0.236**	0.236	0.2	0.479
RoE (2)	**7.4**	7.6		**7.5**	6.9		7.0
RoTE (2)	**11.4**	11.5		**11.5**	10.9		11.0
RoA	**0.6**	0.6		**0.6**	0.6		0.6
RoRWA	**1.3**	1.4		**1.4**	1.2		1.3
Efficiency ratio (with amortisations)	**46.7**	47.0		**46.9**	47.3		47.0

Solvency and NPL ratios (%)	Jun'15	Mar'15	%	Jun'15	Jun'14	%	2014
CET1 fully-loaded (2)	**9.8**	9.7		**9.8**			9.7
CET1 phase-in (2)	**12.4**	11.9		**12.4**	10.9		12.2
NPL ratio	**4.64**	4.85		**4.64**	5.45		5.19
Coverage ratio	**70.1**	68.9		**70.1**	66.8		67.2

Market capitalisation and shares	Jun'15	Mar'15	%	Jun'15	Jun'14	%	2014
Shares (millions at period-end)	**14,317**	14,061	1.8	**14,317**	11,778	21.6	12,584
Share price (euros)	**6.264**	7.017	(10.7)	**6.264**	7.630	(17.9)	6.996
Market capitalisation (EUR million)	**89,679**	98,663	(9.1)	**89,679**	89,867	(0.2)	88,041
Book value (euro)	**6.40**	6.55		**6.40**	6.37		6.42
Price / Book value (X)	**0.98**	1.07		**0.98**	1.20		1.09
P/E ratio (X)	**13.27**	14.54		**13.27**	16.20		14.59

Other data	Jun'15	Mar'15	%	Jun'15	Jun'14	%	2014
Number of shareholders	**3,203,349**	3,230,808	(0.8)	**3,203,349**	3,279,897	(2.3)	3,240,395
Number of employees	**190,262**	187,262	1.6	**190,262**	183,648	3.6	185,405
Number of branches	**12,910**	12,920	(0.1)	**12,910**	13,142	(1.8)	12,951

(*).- In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

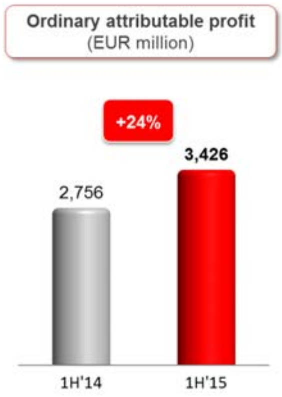
(1).- Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares

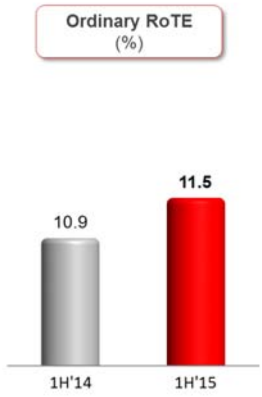
(2).- In 2014, pro-forma taking into account the January 2015 capital increase

Nota: The financial information in this report was approved by the Board of Directors at its meeting on July, 29 2015, following a favourable report from the Audit Committee on July, 22 2015.

→ Profit growth and improved profitability

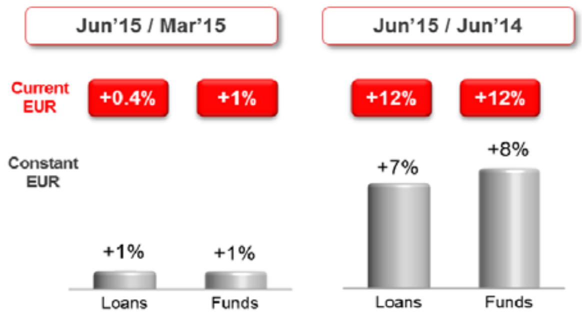
- **Second quarter ordinary attributable profit of EUR 1,709 million,** with good performance of the income statement's most recurring lines.
- **First half ordinary attributable profit of EUR 3,426 million,** 24% more than the same period of 2014:
  - Positive impact of exchange rates.
  - Commercial revenues continued to increase, mainly net interest income.
  - Stable costs in real terms and on a like-for-like basis.
  - Improved cost of credit (1.32% as against 1.56% in June 2014).
- **Higher profitability year-on-year**:
  - Efficiency ratio of 46.9% (0.4 p.p. better year-on-year).
  - RoTE rose by 0.6 p.p. year-on-year to 11.5%.





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

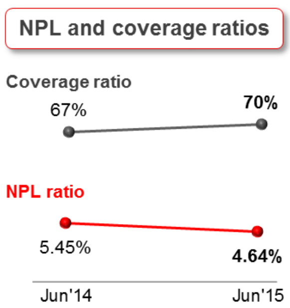
- Positive impact (4/5 p.p.) of exchange rates year-on-year.
- **Lending** increased 7% y-o-y in constant euros, with growth in all countries, except for Portugal and Spain. Perimeter impact: +2 p.p.
- **Funds** rose 8% in constant euros, with growth in all countries. Of note were Latin America, Poland and US.
- Solid funding structure and liquidity continued. **Net loan-to-deposit ratio** of 116%.

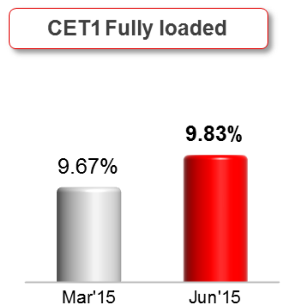


(*) Loans and deposits excluding repos

→ High solvency and enhanced Group credit quality

- **CET1 ratio fully loaded** of 9.8% and total capital ratio 12.4%, up 16 b.p. and 34 b.p., respectively, in the second quarter.
- Ordinary generation of 22 b.p. of **core capital** in the second quarter.
- **Leverage ratio (fully loaded)** of 4.8%.
- **Non-performing loan (NPL) entries,** isolating the perimeter and exchange rate effects, were 34% lower than in the first half of 2014.
- The **NPL ratio** continued to improve, notably in the second quarter in Spain, Poland, Santander Consumer Finance and the UK.





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

- Transforming our business model into one that is increasingly simple, personal and fair continued.
- The *NEO CRM* tool to improve productivity and customer satisfaction continued to be extended.
- Launch of differentiated value offers in various countries to improve engagement and long-term relations with individual customers, including the 1|2|3 account in Spain and Portugal.
- Of note among the specialized solutions for companies was further geographic expansion and new proposals of *Santander Advance*, already present in eight countries, and *Santander Trade*.
- Further progress in strengthening multi-channels with better websites, new developments for mobile phones, the *Santander Watch* app, etc.

➔ Business areas: (more detail on pages 20-35)

- **Continental Europe:** second quarter attributable profit of EUR 744 million, 12% more than in the first quarter, mainly due to lower provisions. First half profit of EUR 1,408 million (+46% year-on-year), with greater gross income, controlled costs and reduced provisions.
- **United Kingdom:** second quarter attributable profit of £398 million, which continued to grow on a sustained basis (+12%), mainly due to lower provisions. The first half attributable profit was 18% higher year-on-year at £753 million, with higher gross income fuelled by net interest income and reduced provisions, reflecting the better quality of the balance sheet and the improved macroeconomic environment.
- **Latin America:** second quarter ordinary attributable profit of EUR 939 million, 6% more than the first quarter, spurred by commercial revenues (net interest income and fee income). The first half profit was 20% higher year-on-year at EUR 1,854 million, with higher gross income and costs, because of the increased installed capacity and new commercial projects, and stable provisions (changes excluding the exchange rate impact).
- **United States:** second quarter attributable profit of $238 million, lower than the first quarter, due to higher provisions, as net operating income increased 8%. The first half profit of $515 million (+5% year-on-year) was affected by higher minority interests, as all revenue lines and net profit grew by more than 10%.

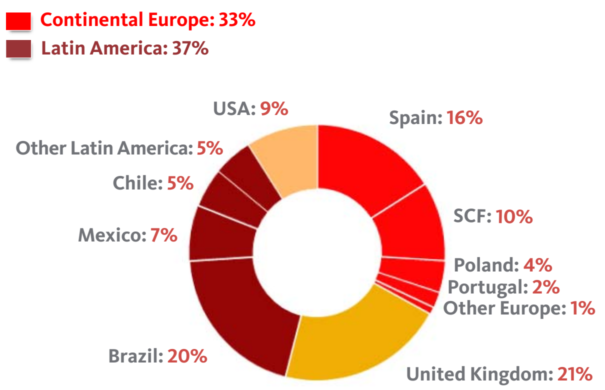
➔ Santander share: (more detail on page 38)

- The Santander share stood at EUR 6.498 at the date of publication of this report, 10.3% higher than at the time of the capital increase. The shareholder return in the same period was 15.5%.
- In April, 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 fourth dividend (EUR 0.151 per share) for 2014.
- As of August 1, the first interim dividend charged to 2015's earnings will be paid in cash (EUR 0.05 per share).

➔ Other significant events:

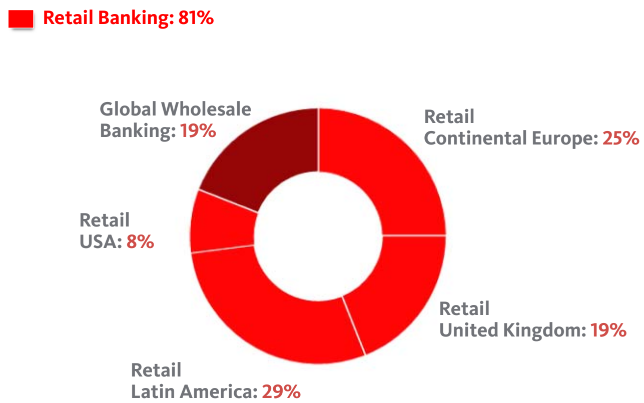
- Between July 1 and the date of publication of this report, the following significant event occurred which could have an impact on the Group's business and activity:
  - Grupo Santander reached agreement to acquire the 9.68% stake of DDFS LLC in Santander Consumer USA Holdings for EUR 928 million. This transaction, which is subject to the regulator's approval, will increase the Group's stake in SCUSA to around 68.7%.
- 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 investor relations section.

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



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

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



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, which responds to the needs of the new culture and contributes to the rest of the Group's strategic lines, began to be implemented. Of note among the main **points** are:

- **Flexiworking** - a new way of working which affects all employees in order to achieve a better work-life balance, and whose ultimate goal is to boost productivity.
- **Santander Benefits** - a new online space that promotes offers and services for the Group's professionals in Spain.
- **Santander Best4US** - exclusive international platform for employees and their families (various opportunities for learning about other cultures and languages with exchanges, sharing accommodation, etc).

→ Customers

Transforming our business model into one that is more personalised and modern continues, in order to enhance **customer** satisfaction and loyalty:

- The 1|2|3 account was introduced in Spain in May, following its success in the UK and Portugal and similar products in Poland, and Germany.
- The new commercial tool *NEO CRM* began to be developed in various countries in order to tend to individual customers' and companies' needs in an integral way. It is already used in Chile, Brazil, the US and Spain.
- Continued strengthening of the support for SMEs and companies with special proposals. *Santander Advance* was launched during the second quarter in Brazil, Chile and Argentina, bringing the total number of countries to eight. The *Santander Trade* portal provides new services and already has 17,000 members and 1.2 million visitors in a year.

The Bank continued to advance in strengthening its many channels with new and better commercial websites, new applications and functions for mobile phones, including *Apple Pay* in the UK, *Santander Watch* in Spain and the new *Deposit Capture* in the US.

→ Shareholders

We continued to develop **initiatives** to improve transparency with our **shareholders** and facilitate the exercise of their rights. Of note in the second quarter were:

- The shareholder and investor relations areas were unified in order to improve and optimize both the support as well as communication with shareholders/investors, safeguarding the special needs of each type of investor.
- Quality surveys for shareholders began to be conducted to evaluate telephone, written and face-to-face attention services, as well as best practices in meetings with shareholders.
- The Dividend Reinvestment Plan was re-launched.
- Launch of a push notification platform for the Santander Shareholders app.

→ Society

As part of its commitment to **society**, of note in the second quarter were:

- Alliance for Academic Mobility with the Ibero-American General Secretariat (SEGIB), with whom Banco Santander will endow 40,000 scholarships for Latin America until 2018.
- Universia España held its shareholders' meeting (79 Spanish universities and 15 from Latin America).
- The innovation and entrepreneurship prizes were presented in Mexico and the UK. A total of 1,220 projects from 215 universities were presented.
- The international congress of Universities for Poverty Alleviation was held at the Bank's headquarters with the participation of 64 universities from 20 countries who debated measures to combat poverty.

General background

Despite market volatility during the second quarter because of the Greek crisis, Grupo Santander conducted its business in an environment of growth in most of the countries where it operates.

Growth remained firm in the US and UK, and the euro zone recovery continued to strengthen.

Among the emerging economies, Brazil continued to be affected by adjustment policies. Mexico and Chile, however, gained momentum and Poland maintained satisfactory growth.

The **US** economy slowed down in the first quarter largely due to temporary factors and in the second quarter regained the path of expansion, though growth was softer than in the last quarter of 2014. This resulted in a downgrade in growth for the year (2.5%). Inflation was still below the Federal Reserve's target, but the trend is slightly upward. The Fed could raise its interest rates this year, though the market's most probable scenario is this does not happen until the fourth quarter.

Latin American economies had an uneven performance:

- **Brazil**: GDP shrank 0.2% in the first quarter over the fourth quarter of 2015 (-1.6% in the last 12 months). The jobless rate rose from 4.3% at the end of 2014 to 6.7%. The Selic benchmark rate was 13.75% (+50 b.p. in June, +150 b.p. in the first half of the year and +275 b.p. in the last 12 months). The aim of these increases was to prevent the rise in inflation, linked to the adjustment of tariffs and the real's depreciation, from impacting on medium-term expectations, which the central bank wants to anchor at around its central target of 4.5%.

  In order to reinforce its anti-inflation commitment, the central bank narrowed its target range from +/-2% (2.5-6.5%) to +/-1.5% (3-6%). Although the inflation rate rose in June to 8.9%, the expectations remain stable for 2016 (5.5%) and around 4.5% for 2017.

  After depreciating 20% against the dollar in the first quarter, the real appreciated 5% in the second quarter, reflecting tinvestors' greater confidence in Brazil's monetary and fiscal policies and its commitment to macroeconomic stability. The real appreciated 1% against the euro in the second quarter.

- **Mexico**: the economy continued to recover in the first quarter (year-on-year growth of 2.5%), spurred by stronger exports and domestic demand (consumption and investment). Inflation remains below 3% and the central bank's benchmark rate has remained unchanged at 3% since June 2014. The peso depreciated 2% against the dollar in the second quarter (in addition to 3% in the first quarter) and 5% against the euro in the second quarter (8% appreciation in the first quarter).

- **Chile**: the economy showed clear signs in the first quarter of greater activity, lifting year-on-year growth to 2.4% from 1.8% in the fourth quarter of 2014. Growth is expected to be close to 3% in 2015. The expectations of moderate inflation enabled the central bank to maintain its benchmark rate at 3% since October 2014. The peso depreciated 2% against the dollar and 5% against the euro in the second quarter (3% depreciation and 9% appreciation, respectively, in the first quarter).

The **euro zone** gained momentum in the first quarter. The pace of growth accelerated from 0.3% quarter-on-quarter to 0.4% (from 0.9% to 1.0% year-on-year). These figures reflect a general trend of improvement, with higher consumption (oil price impact).

The second quarter indicators point to a similar rate of recovery. Inflation remains very low (0.2% in June) but has begun an upward trend after exiting negative rates. The European Central Bank is committed to maintaining its quantitative-easing programme until at least September 2016.

- **Germany:** after growth of 0.7% quarter-on-quarter in the fourth quarter, expansion slowed to 0.3% because of the external sector's negative contribution, while domestic demand was solid.

- **Spain**: growth of 0.9% in the first quarter (2.7% year-on-year) looked like being followed by a stronger pace in the second quarter judging by May's 3.6% year-on-year rise in social security contributors and greater company and household confidence. Domestic demand is now the engine of growth, but there is also an upturn in exports.

- **Portugal** maintained 0.4% growth quarter-on-quarter in the first quarter, backed by consumption and investment, and partly offset by the external sector's negative contribution

United Kingdom: GDP rose 0.4% quarter-on-quarter in the first quarter, slightly below the growth in the fourth quarter and in an environment in which the impact of oil prices on consumption was more than compensated by weak exports due to the currency's appreciation. Inflation was around 0%, although the rise in salaries makes it likely that this will be short lived and prices will rise during the second half of the year.

Poland: GDP grew 1% quarter-on-quarter in the first quarter (seasonally adjusted) and 3.6% year-on-year. Activity is gaining strength and deflation is beginning to abate. Macroeconomic fundamentals are under control and policies well focused. The central bank lowered its benchmark rate (1.5%) and announced the end of the cycle of cuts, given the zloty's stability.

Banking business continued to be affected by interest rates at an all-time low in most countries and tougher competition in some markets, mainly on the assets side, and a demanding regulatory environment.

Exchange rates: 1 euro / currency parity

	Average (income statement)		Period-end (balance sheet)		
	1H'15	**1H'14**	**30.06.15**	**31.12.14**	**30.06.14**
US$	1.115	1.370	1.119	1.214	1.366
Pound sterling	0.732	0.821	0.711	0.779	0.802
Brazilian real	3.303	3.146	3.470	3.221	3.000
Mexican peso	16.875	17.972	17.533	17.868	17.712
Chilean peso	692.314	757.663	714.798	737.323	754.058
Argentine peso	9.831	10.688	10.168	10.277	11.106
Polish zloty	4.139	4.175	4.191	4.273	4.157

Rating agencies

In the first half of 2015:

- Moody's upgraded long-term senior debt from Baa1 to A3, and changed the outlook from stable to positive.
- The agency Scope also upgraded the long-term senior debt from A to A+.
- Standard & Poor´s and DBRS both reaffirmed Santander ratings with stable outlook.

	Long term	Short term	Outlook
DBRS	A	R1 (low)	Stable
Fitch Ratings	A-	F2	Stable
GBB Rating	A+		Stable
Moody's	A3	P-2	Positive
Standard & Poor´s	BBB+	A-2	Stable
Scope	A+	S-1	Stable

Grupo Santander results

First half highlights

→ **Second quarter ordinary attributable profit of EUR 1,709 million,** with a good performance of the income statement's most recurring lines (commercial revenues, costs and provisions).

→ **First half ordinary attributable profit of EUR 3,426 million,** 24% higher year-on-year mainly due to:

- Positive evolution of exchange rates (ordinary profit rose 16% excluding this impact).
- Commercial revenues continued to rise, chiefly because of net interest income.
- Stable costs in real terms and on a like-for-like basis.
- Lower cost of credit (1.32% vs. 1.56% in June 2014).

→ **The efficiency ratio** improved by 0.4 p.p. year-on-year to 46.9%.

→ Improved **ordinary RoTE** year-on-year to 11.5% (+0.6 p.p.).

Ordinary income statement

EUR Million

			Variation				Variation	
	2Q'15	1Q'15	%	% w/o FX	1H'15	1H'14	%	% w/o FX
Net interest income	**8,281**	**8,038**	**3.0**	**3.6**	**16,319**	**14,362**	**13.6**	**8.0**
Net fees	2,586	2,524	2.5	3.3	5,110	4,733	8.0	4.5
Gains (losses) on financial transactions	372	695	(46.5)	(46.9)	1,068	1,278	(16.4)	(19.8)
Other operating income	379	186	104.0	103.0	565	238	137.5	127.1
Dividends	239	33	619.3	616.7	273	251	8.6	7.8
Income from equity-accounted method	101	99	1.3	3.7	200	108	85.8	83.1
Other operating income/expenses	39	53	(26.3)	(31.7)	93	(121)	—	—
Gross income	**11,618**	**11,444**	**1.5**	**2.1**	**23,062**	**20,611**	**11.9**	**6.9**
Operating expenses	(5,429)	(5,377)	1.0	1.3	(10,806)	(9,753)	10.8	6.2
General administrative expenses	(4,826)	(4,785)	0.8	1.2	(9,611)	(8,616)	11.5	7.0
Personnel	*(2,836)*	*(2,755)*	*2.9*	*3.2*	*(5,591)*	*(4,970)*	*12.5*	*7.6*
Other general administrative expenses	*(1,989)*	*(2,030)*	*(2.0)*	*(1.5)*	*(4,020)*	*(3,646)*	*10.3*	*6.2*
Depreciation and amortisation	(603)	(592)	1.9	2.1	(1,196)	(1,137)	5.2	0.6
Net operating income	**6,189**	**6,067**	**2.0**	**2.8**	**12,256**	**10,858**	**12.9**	**7.4**
Net loan-loss provisions	(2,508)	(2,563)	(2.1)	(1.1)	(5,071)	(5,333)	(4.9)	(8.9)
Impairment losses on other assets	(78)	(60)	29.3	29.7	(138)	(157)	(12.6)	(13.2)
Other income	(605)	(454)	33.3	35.6	(1,059)	(784)	35.1	34.8
Ordinary profit before taxes	**2,998**	**2,990**	**0.3**	**0.6**	**5,988**	**4,584**	**30.6**	**22.2**
Tax on profit	(939)	(922)	1.8	2.6	(1,862)	(1,233)	51.0	42.3
Ordinary profit from continuing operations	**2,059**	**2,067**	**(0.4)**	**(0.2)**	**4,126**	**3,351**	**23.1**	**14.9**
Net profit from discontinued operations	0	0	(14.1)	(14.1)	0	(0)	—	—
Ordinary consolidated profit	**2,059**	**2,067**	**(0.4)**	**(0.2)**	**4,126**	**3,350**	**23.2**	**14.9**
Minority interests	350	350	(0.0)	(0.3)	700	594	17.7	11.8
Ordinary attributable profit to the Group	**1,709**	**1,717**	**(0.5)**	**(0.2)**	**3,426**	**2,756**	**24.3**	**15.6**
Ordinary EPS (euros) (1)	**0.115**	**0.121**	**(4.4)**		**0.236**	**0.236**	**0.2**	
Ordinary diluted EPS (euros) (1)	**0.115**	**0.120**	**(4.3)**		**0.236**	**0.235**	**0.3**	
Pro memoria:								
Average total assets	1,359,450	1,334,337	1.9		1,343,637	1,167,475	15.1	
Average stockholders' equity (2)	91,856	90,903	1.0		91,303	79,711	14.5	

NOTE:- In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

(1).- Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares

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

Second quarter results

- Ordinary attributable profit of EUR 1,709 million, with a good performance of the income statement's most recurring lines.
  - Net interest income and fee income continued to grow and costs and provisions remained basically stable.
  - This evolution, however, was not fully reflected in profit because of much lower trading gains than usual and the recording of higher non-credit provisions.
  - Profit was higher in most countries, notably Spain, the UK and Chile.

Ordinary quarterly income statement

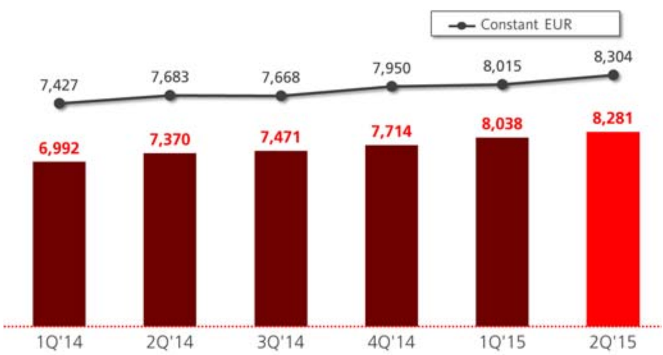
EUR Million

	2014				2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Net interest income	**6,992**	**7,370**	**7,471**	**7,714**	**8,038**	**8,281**
Net fees	2,331	2,403	2,439	2,524	2,524	2,586
Gains (losses) on financial transactions	767	511	952	620	695	372
Other operating income	34	204	99	182	186	379
Dividends	31	220	72	112	33	239
Income from equity-accounted method	65	42	72	64	99	101
Other operating income/expenses	(63)	(58)	(45)	6	53	39
Gross income	**10,124**	**10,488**	**10,961**	**11,040**	**11,444**	**11,618**
Operating expenses	(4,847)	(4,906)	(5,070)	(5,216)	(5,377)	(5,429)
General administrative expenses	(4,256)	(4,360)	(4,509)	(4,656)	(4,785)	(4,826)
Personnel	*(2,455)*	*(2,515)*	*(2,572)*	*(2,670)*	*(2,755)*	*(2,836)*
Other general administrative expenses	*(1,801)*	*(1,844)*	*(1,937)*	*(1,985)*	*(2,030)*	*(1,989)*
Depreciation and amortisation	(590)	(546)	(560)	(560)	(592)	(603)
Net operating income	**5,277**	**5,582**	**5,891**	**5,824**	**6,067**	**6,189**
Net loan-loss provisions	(2,695)	(2,638)	(2,777)	(2,452)	(2,563)	(2,508)
Impairment losses on other assets	(87)	(71)	(67)	(151)	(60)	(78)
Other income	(347)	(438)	(491)	(642)	(454)	(605)
Ordinary profit before taxes	**2,149**	**2,435**	**2,556**	**2,580**	**2,990**	**2,998**
Tax on profit	(569)	(664)	(649)	(814)	(922)	(939)
Ordinary profit from continuing operations	**1,579**	**1,771**	**1,908**	**1,766**	**2,067**	**2,059**
Net profit from discontinued operations	(0)	(0)	(7)	(19)	0	0
Ordinary consolidated profit	**1,579**	**1,771**	**1,901**	**1,746**	**2,067**	**2,059**
Minority interests	277	318	296	291	350	350
Ordinary attributable profit to the Group	**1,303**	**1,453**	**1,605**	**1,455**	**1,717**	**1,709**
Ordinary EPS (euros) (1)	**0.113**	**0.122**	**0.131**	**0.112**	**0.121**	**0.115**
Ordinary diluted EPS (euros) (1)	**0.113**	**0.122**	**0.131**	**0.112**	**0.120**	**0.115**

NOTE: In the second quarter of 2015 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil
(1).- Ordinary EPS: Ordinary attributable profit including the AT1 cost recorded in shareholders' equity / average number of shares for the period excluding treasury shares

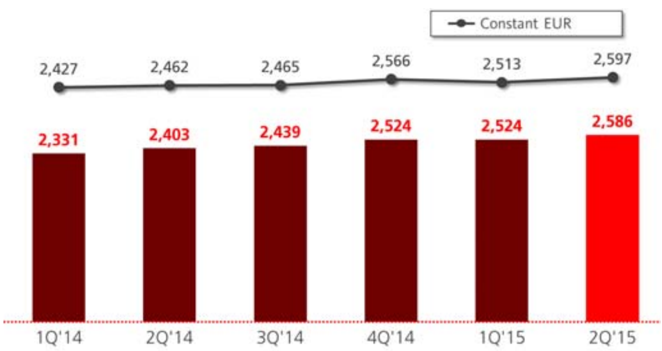
Net interest income

EUR Million



Net fees

EUR Million



First half results

Gross income

- **Gross income** increased 12% year-on-year in current euros and 7% in constant euros, the latter as follows:
  - **Net interest income** increased 8%, mainly due to a lower cost of funds and growth in lending.

    The main rises were in Brazil, the UK, the US, Santander Consumer Finance, Mexico and Portugal.

    Lower in Chile, due to reduced inflation, in Poland, because of the fall in interest rates, and in Spain, in an environment of low interest rates and tough competition in lending.
  - **Fee income** grew 5%, but with an uneven performance by units because of countries' different economic and activity cycles and, in some cases, regulatory changes that limited revenues, chiefly in insurance and cards.
  - 20% fall in **trading gains**, conditioned by the high gains in 2014 derived from management of interest rate and exchange rate hedging portfolios.
  - Positive impact on **other operating income** of revenues from leasing operations, mainly in the US, higher results from companies recorded by the equity method of accounting and collection of dividends.

    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 half, as it will be fully charged in the fourth quarter.

Operating expenses

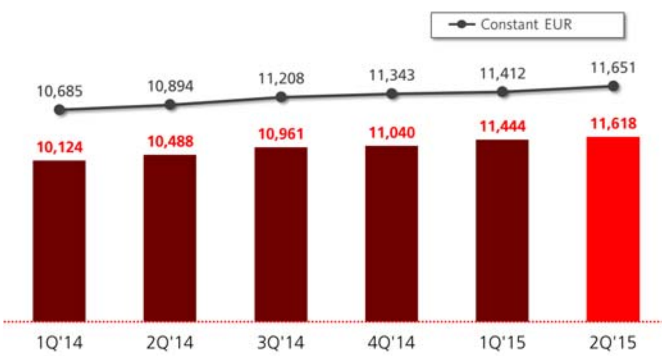
- **Operating expenses** rose 11% (+6% in constant euros year-on-year). This was due to several factors: the evolution of inflation in Latin America, the investment programmes to improve efficiency, the impact of the measures taken by the Bank as a result of the new regulatory requirements, particularly in the US, and the change of perimeter.
- Once adjusted for the perimeter, expenses were 3.9% higher and in line with the average inflation rate for the period (3.6%). This reflects the good results of the three-year efficiency and productivity plan launched at the end of 2013.

  Of note was the fall in real terms in Brazil (-6.7% on a like-for-like basis), Spain (-3.1%) and Portugal (-0.9%).
- The **efficiency ratio** improved by 0.4 p.p. to 46.9% at the end of June.

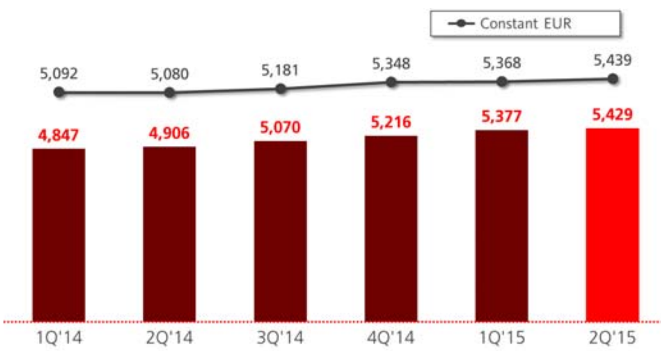
Loan-loss provisions

- **Loan-loss provisions** were 5% lower (-9% in constant euros), with significant falls in Spain, the UK and Portugal and, to a lesser extent, in Brazil. This was due to the improvement in the quality of portfolios, thanks to active risk management and in some cases a better macroeconomic environment.
- Lower provisions, combined with higher lending, further improved the Group's cost of credit from 1.56% in June 2014 to 1.32% a year later. Most units improved.

Gross income
EUR Million



Operating expenses
EUR Million



Net operating income net of provisions

- **Net operating income net of provisions** increased 30% (+23% in constant euros) and was the driver of the Group's profit growth, as it increased at double-digit rates in seven of the 10 core units, and only declined in two of them.

Other income and provisions

- **Other income and provisions** was EUR 1,197 million negative (EUR 941 million negative in the first half of 2014), due to larger provisions to strenghen the balance sheet.

Ordinary profit

- **Ordinary pre-tax profit** increased 31% (+22% in constant euros).
- The tax charge rose to a larger extent, due to greater tax pressure in some units such as Portugal, Brazil, Mexico and Chile.
- **Minority interests** increased less than profit because of the repurchase in Brazil in the fourth quarter of 2014.
- **Ordinary attributable profit** was EUR 3,426 million, 24% higher year-on-year (+16% in constant euros).

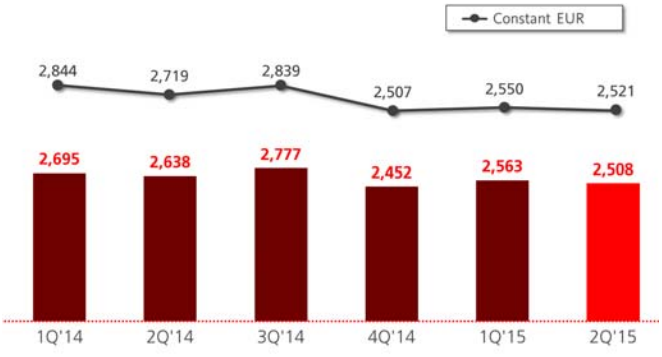
  The units that posted the most significant growth in their profits were Spain (+50%), Portugal (+44%), Brazil (+39%) and the UK (+18%). All these percentages are expressed in constant euros.
- The **ordinary RoTE** was 11.5% (+0.6 p.p. year-on-year).
- **Ordinary earnings per share** remained at EUR 0.24, the same as in the first half of 2014, affected by the increase in the number of shares (capital increase in January 2015 and Santander Dividendo Elección programmes in the last 12 months), as well as the higher financial cost due to new issues of AT1 instruments.

  The cost of these issues, in accordance with accounting rules, is not recorded in the income statement but against net equity, and it is included when calculating the EPS. Excluding this cost, the EPS increased 4%.

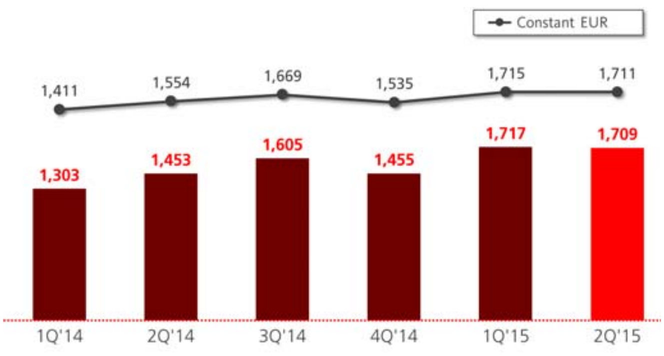
Group attributable profit

- The following non-recurring results in the first half of 2014 and the first half of 2015 are not included in the profit:
  - In the first half of 2014 capital gains were recorded by the Altamira operation, for the listing of SCUSA and by the change in the UK pension commitments (EUR 1,335 million overall). At the same time a fund was established for restructuring costs and a charge was made for impairment losses on intangible assets and other provisions of a similar amount. The net impact of these amounts on the first half profit was zero.
  - Additionally, in the second quarter the Group recorded attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil.
- Incorporating all of this, the Group's first half attributable profit was EUR 4,261 million, 55% higher than in the same period of 2014 (+44% in constant euros), and EPS was EUR 0.30 (+26%).

Loan-loss provisions
EUR Million



Ordinary attributable profit to the Group
EUR Million



Balance sheet
EUR Million

Assets	30.06.15	30.06.14	Variation amount	%	31.12.14
Cash on hand and deposits at central banks	67,962	83,877	(15,915)	(19.0)	69,428
Trading portfolio	151,201	130,773	20,428	15.6	148,888
Debt securities	*51,152*	*54,115*	*(2,963)*	*(5.5)*	*54,374*
Customer loans	*5,789*	*1,637*	*4,152*	*253.7*	*2,921*
Equities	*18,272*	*9,400*	*8,872*	*94.4*	*12,920*
Trading derivatives	*72,557*	*64,335*	*8,222*	*12.8*	*76,858*
Deposits from credit institutions	*3,431*	*1,287*	*2,144*	*166.6*	*1,815*
Other financial assets at fair value	37,245	30,421	6,824	22.4	42,673
Customer loans	*11,307*	*11,031*	*276*	*2.5*	*8,971*
Other (deposits at credit institutions, debt securities and equities)	*25,938*	*19,390*	*6,548*	*33.8*	*33,702*
Available-for-sale financial assets	129,035	90,636	38,399	42.4	115,251
Debt securities	*123,988*	*85,773*	*38,215*	*44.6*	*110,249*
Equities	*5,047*	*4,864*	*183*	*3.8*	*5,001*
Loans	844,932	755,264	89,668	11.9	781,635
Deposits at credit institutions	*55,949*	*53,232*	*2,717*	*5.1*	*51,306*
Customer loans	*782,137*	*694,231*	*87,906*	*12.7*	*722,819*
Debt securities	*6,846*	*7,801*	*(955)*	*(12.2)*	*7,510*
Investments	3,559	3,604	(45)	(1.2)	3,471
Intangible assets and property and equipment	27,112	19,739	7,373	37.3	26,109
Goodwill	28,594	26,663	1,931	7.2	27,548
Other	49,736	47,191	2,545	5.4	51,293
Total assets	**1,339,376**	**1,188,169**	**151,207**	**12.7**	**1,266,296**

Liabilities and shareholders' equity	30.06.15	30.06.14	Variation amount	%	31.12.14
Trading portfolio	107,888	96,621	11,267	11.7	109,792
Customer deposits	*7,635*	*5,250*	*2,386*	*45.4*	*5,544*
Marketable debt securities	—	—	—	—	—
Trading derivatives	*73,750*	*64,255*	*9,495*	*14.8*	*79,048*
Other	*26,503*	*27,116*	*(613)*	*(2.3)*	*25,200*
Other financial liabilities at fair value	55,364	50,446	4,918	9.7	62,318
Customer deposits	*31,756*	*32,103*	*(347)*	*(1.1)*	*33,127*
Marketable debt securities	*4,024*	*3,864*	*160*	*4.1*	*3,830*
Due to central banks and credit institutions	*19,584*	*14,479*	*5,105*	*35.3*	*25,360*
Financial liabilities at amortized cost	1,029,054	914,107	114,947	12.6	961,053
Due to central banks and credit institutions	*138,888*	*104,111*	*34,777*	*33.4*	*122,437*
Customer deposits	*648,508*	*580,408*	*68,100*	*11.7*	*608,956*
Marketable debt securities	*196,429*	*187,631*	*8,798*	*4.7*	*193,059*
Subordinated debt	*19,836*	*19,043*	*793*	*4.2*	*17,132*
Other financial liabilities	*25,393*	*22,914*	*2,479*	*10.8*	*19,468*
Insurance liabilities	648	1,602	(954)	(59.6)	713
Provisions	15,470	15,319	151	1.0	15,376
Other liability accounts	29,000	24,619	4,381	17.8	27,331
Total liabilities	**1,237,424**	**1,102,715**	**134,709**	**12.2**	**1,176,581**
Shareholders' equity	101,904	86,774	15,130	17.4	91,664
Capital stock	*7,158*	*5,889*	*1,269*	*21.5*	*6,292*
Reserves	*91,201*	*78,129*	*13,072*	*16.7*	*80,026*
Attributable profit to the Group	*4,261*	*2,756*	*1,505*	*54.6*	*5,816*
Less: dividends	*(716)*	—	*(716)*	—	*(471)*
Equity adjustments by valuation	(10,407)	(11,858)	1,451	(12.2)	(10,858)
Minority interests	10,455	10,538	(83)	(0.8)	8,909
Total equity	**101,952**	**85,455**	**16,497**	**19.3**	**89,714**
Total liabilities and equity	**1,339,376**	**1,188,169**	**151,207**	**12.7**	**1,266,296**

Group Balance Sheet

First half highlights

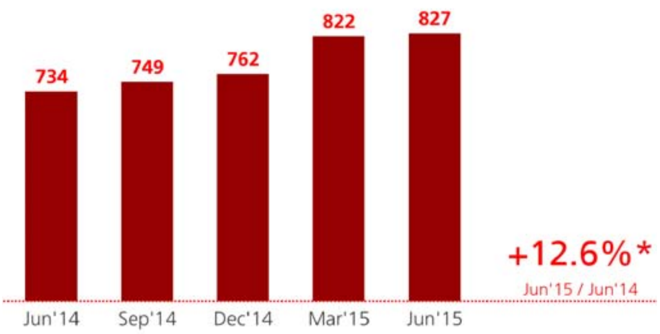
- Positive impact of exchange rates on the evolution of balances in the last 12 months (+4/+5 p.p.) and hardly any impact on the second quarter.
- The widespread growth trend in lending and customer funds was maintained in the **second quarter**. The Group's **net loan-to-deposit ratio** remained at 116%.
- **In relation to June 2014 and in constant currency:**
  - Lending grew 7%, with rises in all countries except Portugal and Spain.
  - Customer funds increased 8%, with growth in all countries. Of note were Latin American countries, Poland and the US.
- The **CET1** fully loaded was 9.8% (+16 b.p. in the quarter) and the total capital ratio 12.4% (+34 b.p.) in the quarter.
- The fully loaded leverage ratio was 4.8%.

- Total **business managed and marketed** at the end of June stood at **EUR 1,514,136 million**, of which EUR 1,339,376 million was on balance sheet and the rest mutual and pension funds and administered portfolios.
- Positive impact of around 4/5 p.p. in the last 12 months of exchange rates on the evolution of the balances of loans and customer funds. No significant impact in the second quarter.
- Positive perimeter impact on loans of 2 p.p. in year-on-year terms, mainly in the consumer area due to the acquisition of GE Nordics and Carfinco and implementation of the agreement with PSA in France and UK.

Gross customer loans (excluding repos)

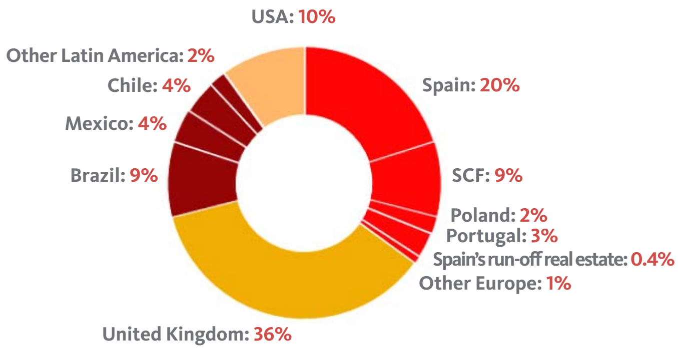
- Loans increased 1% in constant currency in the **second quarter,** with increases in most countries:
  - Growth of 3% in Poland and Chile, 4% in Mexico and 10% in Argentina, and slight rises in US, Santander Consumer Finance, UK, Spain and Portugal (the latter for the first time in five years).
  - Small decline of 1% in Brazil due to the dollar's depreciation against the real and the maturity of transactions with large companies.
  - Lastly, significant drop (-16%) of net lending in real estate activity in run-off in Spain.
- Lending was 12% higher **than in June 2014**. Eliminating the exchange rate impact, growth for the whole Group was 7%:
  - Rises in all the main countries, except Portugal and Spain, whose balances remained stable. More significant in Latin America, SCF and Poland and more moderate in the UK and US, the latter affected by the sale of assets since June 2014.
  - Generally speaking, growth to companies, benefiting from the *Advance* strategy.
  - As regards real estate activity in Spain in run-off, net lending was down 39% year-on-year.

Gross customer loans
EUR Billion



(*) Excluding exchange rate impact: +7.1%

Customer loans
% o/ operating areas. June 2015



Marketed and managed customer funds

- Total funds (deposits without repos and mutual funds) increased 1% in the second quarter. Growth everywhere except in Spain, Chile and the US, where funds fell a little.

- Funds were 12% higher **than in June 2014** (deposits without repos: +12% and mutual funds: +13%). Excluding the forex impact, 8% growth, as follows:

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

  – Growth of 6% in Spain and Portugal, and 4% in the UK.

- The general strategy to grow in demand deposits and mutual funds continued, with all countries doing so in both items except for mutual funds in the UK, and reduce expensive deposits.

- Pension plans rose 2% in Spain and 5% 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 half of 2015:

  – Medium- and long-term senior debt issues of EUR 21,979 million, EUR 2,414 million of subordinated debt and EUR 1,703 million of covered bonds.

  – EUR 6,724 million of securitisations placed in the market.

  – EUR 24,066 million of maturities of medium- and long-term debt.

  – Hybrid securities were also issued, as commented on in the section on capital.

- The net loan-to-deposit ratio at the end of June was 116%. The ratio of deposits plus medium- and long-term funding to lending was 112%, underscoring a comfortable funding structure.

Other balance sheet items

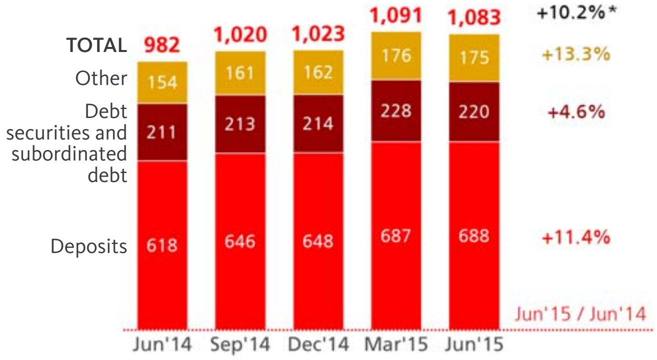
- Financial assets available for sale amounted to EUR 129,035 million. Compared to June 2014, increases in Spain, Poland, Portugal, Brazil, UK and US (the latter two with a notable forex impact).

- Trading derivatives amounted to EUR 72,557 million in assets and EUR 73,750 million in liabilities, higher year-on-year due to changes in interest rates and the impact of exchange rates.

- Goodwill was unchanged in the quater at EUR 28,594 million and up EUR 1,931 million since June 2014, due to the incorporations in the Group in the last 12 months and the euro's depreciation against the dollar and sterling.

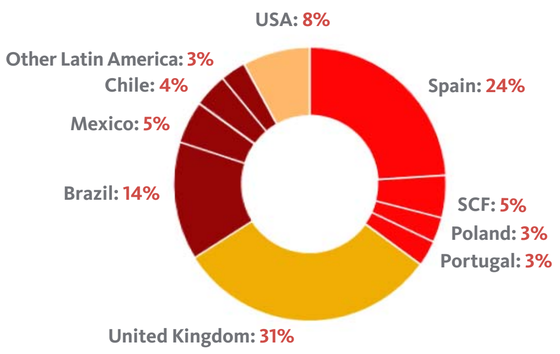
- Lastly, tangible and intangible assets amounted to EUR 27,112 million, EUR 7,373 million more than June 2014. Increases in Spain, UK and mainly the US (the latter partly due to the exchange rates and to assets associated with leasing business).

Managed and marketed customer funds
EUR billion



(*) Excluding exchange rate impact: +6.5%

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



Shareholders' equity and solvency ratios

- Total shareholders' equity stood at EUR 91.497 million at the end of June (+22% year-on-year).
- Eligible capital fully-loaded rose to EUR 75,253 million in June, as a result of the EUR 7,500 million capital increase in January and the first half retained earnings.
- The common equity Tier 1 (CET1) ratio fully-loaded was 9.83% at the end of June, up 16 b.p. in the second quarter as follows:
  - Organic generation of capital of 22 b.p. due to the ordinary profit generated in the second quarter and the reduction of risk-weighted assets, partly due to exchange rates and lower growth in lending.
  - Non-recurring effects with a net negative impact of 6 b.p.: 20 b.p. positive from the net result of the reversal of tax liabilities in Brazil, 3 b.p. negative from corporate operations and 23 b.p. negative from the impact of the markets' evolution on the valuation of fixed-income portfolios in the quarter. This latter impact was partially corrected in July.
- The total capital ratio was 12.37%, as to the increase in the CET1 is added the favourable impact of 12 b.p. from Santander UK's AT1 issue during the quarter (£750 million).
- From a qualitative standpoint, the Group has solid ratios appropriate for its business model, balance sheet structure and risk profile.

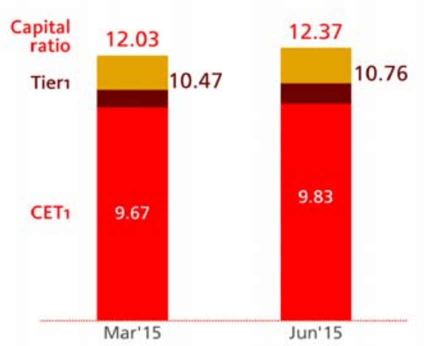
Eligible capital. June 2015

EUR Million

	Phase-in	Fully loaded
CET1	75,471	59,813
Basic capital	75,471	65,503
Eligible capital	**83,998**	**75,253**
Risk-weighted assets	609,485	608,564
CET1 capital ratio	**12.4**	**9.8**
T1 capital ratio	**12.4**	**10.8**
BIS ratio	**13.8**	**12.4**

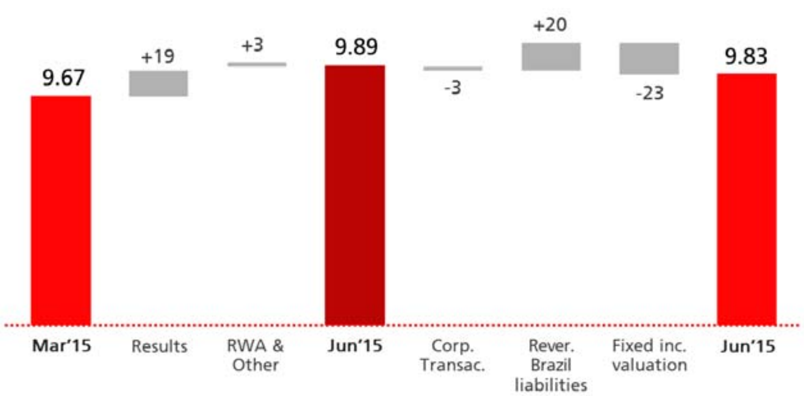
Capital ratios. Fully loaded

%



CET1 performance in the quarter

%



Risk Management

First half highlights

→ Net entries of non-performing loans were 35% lower in the second quarter than in the first and 34% in the first half.

→ The Group's NPL ratio was 4.64% (-21 b.p. in the quarter). Of note was the fall in Spain, Poland, SCF and the UK.

→ Loan-loss provisions were EUR 5,071 million, 5% lower than in the first half of 2014 (-9% excluding the exchange rate impact).

→ The cost of credit continued to improve to 1.32%.

Credit risk management

- Net entries of non-performing loans in the second quarter, isolating the perimeter and exchange rate effects, were EUR 1,315 million (35% lower than March 2015). Entries in the first half were EUR 3,332 million, 34% lower year-on-year and mainly due to Spain and Brazil.

- Bad and doubtful loans amounted to EUR 40,273 million at the end of June, 4% lower than March 2015 and 5% year-on-year. The Group's NPL ratio was 4.64%, 21 b.p. lower than in the second quarter of 2015 and 81 b.p. below June 2014.

- Loan-loss provisions stood at EUR 28,233 million, of which EUR 8,790 million correspond to the collectively determined fund. Coverage was 70% in June. In order to qualify this figure, one has to take into account that the UK and Spain 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 half of 2014), and in the consequent improvement in the cost of credit (1.32% in June 2015; 1.56% a year earlier).

The NPL and coverage ratios at the end of June of the main countries where the Group operates are set out below and their evolution during the second quarter:

- **Spain's** NPL ratio was 6.91% at the end of June (-34 b.p. in the quarter). This improvement was due to the good evolution of all the portfolios, particularly SMEs and companies, and to the sale of a EUR 420 million portfolio of bad loans. Coverage remained above 46%.

  Real estate activity in Spain ended June with a NPL ratio of 85% and coverage of 61%. The total coverage ratio, including the balance outstanding, was 57% and coverage of assets foreclosed 55%.

- **Portugal's** NPL ratio was 8.80% (-16 b.p. over March 2015), particularly due to SMEs. The coverage ratio was 54% (+2 p.p).

- **Poland's** NPL ratio was 7.07% (-26 b.p. over March 2015), due to the favourable evolution of lending and containment of the NPLs of individual borrowers as well as SMEs and companies. Coverage was 63% (+2 p.p.).

- **Santander Consumer Finance's** NPL ratio was 4.25% (-27 b.p. in the second quarter), due to a good performance in most countries. The coverage ratio was 105% (+1 p.p. over March 2015).

- In the **UK** the NPL ratio was 1.61% (-14 b.p.). The improvement was due to the good performance of companies and consumer credit in an environment of tough competition and low interest rates. The coverage ratio was 40% (-1 p.p.).

Credit risk management*

EUR Million

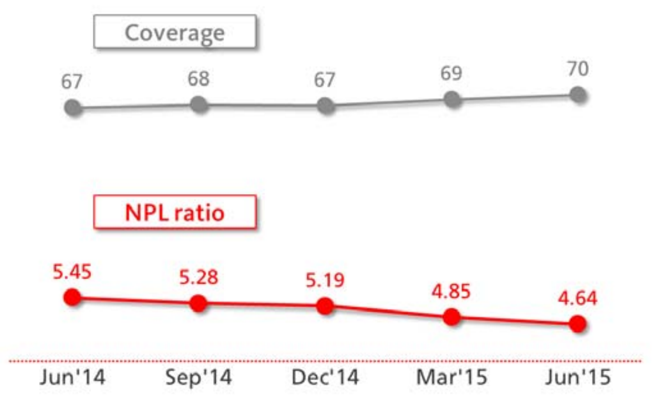
	30.06.15	30.06.14	Var. %	31.12.14
Non-performing loans	40,273	42,334	(4.9)	41,709
NPL ratio (%)	4.64	5.45		5.19
Loan-loss allowances	28,233	28,256	(0.1)	28,046
Specific	*19,444*	*22,660*	*(14.2)*	*21,784*
Collective	*8,790*	*5,596*	*57.1*	*6,262*
Coverage ratio (%)	70.1	66.8		67.2
Cost of credit (%) **	1.32	1.56		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	2Q
Balance at beginning of period	42,420	42,300	42,334	41,727	41,709	41,919
Net additions	2,536	2,535	1,959	2,623	2,017	1,315
Increase in scope of consolidation	148	—	—	763	54	1
Exchange differences	96	293	463	(299)	853	(36)
Write-offs	(2,900)	(2,793)	(3,029)	(3,105)	(2,715)	(2,925)
Balance at period-end	**42,300**	**42,334**	**41,727**	**41,709**	**41,919**	**40,273**

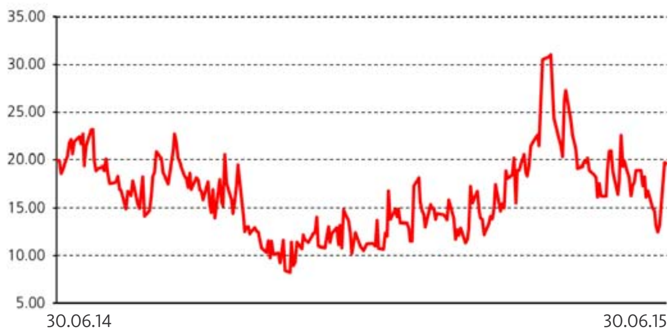
- **Brasil's** NPL ratio was 5.13% (+23 b.p.). The increase was due to the fall in lending and the higher NPLs of companies. The coverage ratio was 96%.
- **Mexico's** NPL ratio was 3.81% (+10 b.p.). One-off rise in companies NPLs, partly offset by the growth in lending. The coverage ratio was unchanged at 88%.
- **Chile's** NPL ratio was 5.73% (-15 b.p.). The fall was due to the good performance of SMEs and companies. The coverage ratio remained at 52%.
- In the **US**, the NPL ratio remained at 2.30%. The coverage ratio was 223%. (+13 p.p.)
  - **Santander Bank's** NPL ratio was 1.19% (-13 b.p. over March 2015). Good performance of mortgages and companies, due to the containment of NPL entries and the sale of a portfolio of bad loans. The coverage ratio increased by 10 p.p. to 124%.
  - **SCUSA's** NPL ratio was 26 b.p. higher at 3.64%, due to increased NPL entries. Coverage remained very high at 339% (+2 p.p in the quarter.).

Market risk

- The risk of trading activity in the second quarter of global wholesale banking, measured in daily VaR terms at 99%, fluctuated between EUR 12.5 million and EUR 31 million. These figures were low both in relative terms compared to our competitors as well as in relation to the Group's balance sheet and activity.
- Of note was the upward trend in VaR in April, the result of the increase in risk in Brazil and Spain, due to the greater exposure to interest rates. The VaR at the end of June stood at EUR 19.6 million, the result of reduced positions because of the uncertainty in Greece.
- In addition, there are other positions classified for accounting purposes as trading. The total VaR of trading of this accounting perimeter at the end of June was EUR 18.3 million.

Trading portfolios*. VaR performance

EUR million



(*) Activity performance in Global Wholesale Banking financial markerts

Trading portfolios*. VaR by region

EUR Million

	2015		2014
Second quarter	Average	Latest	Average
Total	**19.8**	**19.6**	**18.9**
Europe	13.1	17.8	14.4
USA and Asia	1.0	0.7	0.7
Latin America	13.3	6.7	14.9
Global activities	2.1	2.6	1.8

(*) Activity performance in Global Wholesale Banking financial markerts

Trading portfolios*. VaR by market factor

EUR Million

Second quarter	Min	Avg	Max	Latest
VaR total	**12.5**	**19.8**	**31.0**	**19.6**
Diversification efect	*(5.0)*	*(11.4)*	*(19.8)*	*(5.0)*
Interest rate VaR	12.6	18.1	28.2	15.0
Equity VaR	1.2	2.1	3.2	1.5
FX VaR	1.9	4.5	12.7	4.9
Credit spreads VaR	3.1	6.3	10.5	3.1
Commodities VaR	0.1	0.2	0.6	0.2

(*) Activity performance in Global Wholesale Banking financial markerts

Description of the businesses

Grupo Santander is maintaining in 2015 the general criteria applied in 2014, as well as the business segments 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 independent global business, is now integrated into Retail Banking.

2) Other adjustments:

Annual adjustment of the clients of the Global Customer Relationship Model between Retail Banking and Global Banking and Markets. This change has no impact on the principal segments (or geographic).

For comparison purposes, the figures of previous periods of the principal and secondary segments have been re-expressed to include the changes in the affected areas.

The financial statements of each business segment have been drawn up by aggregating the Group's basic operating units. The information relates to both the accounting data of the units integrated in each segment, 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, and 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 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), businesses of Santander Bank, Santander Consumer USA and Santander Puerto Rico.

Global business. The activity of the operating units is distributed by type of business between 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), except 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 (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 businesses, 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, placed by the Group's corporate Management of Assets and Liabilities 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	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Continental Europe	**1,745**	**(0.4)**	**(0.8)**	**3,496**	**7.2**	**7.0**
o/w: Spain	899	(1.4)	(1.4)	1,812	0.3	0.3
Santander Consumer Finance	572	1.9	1.9	1,133	25.3	25.3
Poland	184	(3.8)	(6.3)	375	(4.5)	(5.4)
Portugal	114	(2.5)	(2.5)	231	3.8	3.8
United Kingdom	**791**	**7.5**	**4.5**	**1,527**	**18.4**	**5.5**
Latin America	**3,015**	**3.9**	**7.3**	**5,917**	**8.8**	**8.9**
o/w: Brazil	1,881	0.6	6.0	3,751	6.9	12.2
Mexico	522	7.8	8.5	1,005	15.6	8.5
Chile	374	16.9	13.6	694	3.2	(5.7)
USA	**1,247**	**9.7**	**7.8**	**2,383**	**38.9**	**12.9**
Operating areas	**6,798**	**4.2**	**4.9**	**13,324**	**13.8**	**8.7**
Corporate Activities	(608)	32.3	32.3	(1,068)	25.6	25.6
Total Group	**6,189**	**2.0**	**2.8**	**12,256**	**12.9**	**7.4**

Ordinary attributable profit to the Group

EUR Million	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Continental Europe	**744**	**12.0**	**11.4**	**1,408**	**46.4**	**45.8**
o/w: Spain	413	15.6	15.6	771	50.3	50.3
Santander Consumer Finance	263	8.5	8.5	505	10.8	10.8
Poland	83	(8.0)	(10.4)	173	0.1	(0.8)
Portugal	51	(9.0)	(9.0)	107	44.0	44.0
United Kingdom	**551**	**15.5**	**12.3**	**1,029**	**32.7**	**18.3**
Latin America*	**939**	**2.8**	**5.8**	**1,854**	**22.6**	**20.4**
o/w: Brazil*	491	(4.7)	0.7	1,007	32.8	39.4
Mexico	175	4.2	4.9	342	11.4	4.6
Chile	150	37.7	34.2	259	1.6	(7.1)
USA	**216**	**(12.3)**	**(14.1)**	**462**	**29.6**	**5.4**
Operating areas*	**2,450**	**6.4**	**6.6**	**4,752**	**31.8**	**24.6**
Corporate Activities	(741)	26.8	26.8	(1,326)	56.2	56.2
Total Group*	**1,709**	**(0.5)**	**(0.2)**	**3,426**	**24.3**	**15.6**

(*) In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

Customer loans w/o repos

EUR Million	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Continental Europe	**290,936**	**0.0**	**0.3**	**290,936**	**4.1**	**4.2**
o/w: Spain	161,357	0.2	0.2	161,357	(0.3)	(0.3)
Santander Consumer Finance	72,780	1.0	1.0	72,780	20.0	20.0
Poland	19,229	0.5	3.1	19,229	7.2	8.1
Portugal	24,301	0.3	0.3	24,301	(3.7)	(3.7)
United Kingdom	**283,740**	**2.9**	**0.7**	**283,740**	**18.4**	**5.1**
Latin America	**156,033**	**(1.2)**	**1.4**	**156,033**	**9.5**	**15.1**
o/w: Brazil	75,902	(0.6)	(1.3)	75,902	(0.1)	15.5
Mexico	29,301	(1.8)	4.3	29,301	16.5	15.3
Chile	34,719	(2.4)	3.2	34,719	17.4	11.3
USA	**80,212**	**(3.1)**	**0.8**	**80,212**	**27.3**	**4.3**
Operating areas	**810,921**	**0.5**	**0.7**	**810,921**	**11.9**	**6.4**
Total Group	**816,917**	**0.4**	**0.7**	**816,917**	**12.1**	**6.6**

Funds (deposits w/o repos + mutual funds)

EUR Million	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Continental Europe	**310,792**	**(0.4)**	**(0.1)**	**310,792**	**6.0**	**6.1**
o/w: Spain	227,187	(1.0)	(1.0)	227,187	5.8	5.8
Santander Consumer Finance	31,812	2.6	2.6	31,812	3.5	3.5
Poland	23,918	(1.3)	1.3	23,918	9.4	10.3
Portugal	25,351	1.2	1.2	25,351	5.7	5.7
United Kingdom	**232,883**	**4.0**	**1.7**	**232,883**	**17.3**	**4.1**
Latin America	**181,545**	**0.1**	**2.8**	**181,545**	**8.7**	**14.5**
o/w: Brazil	89,379	4.2	3.4	89,379	(2.4)	12.9
Mexico	38,169	(3.5)	2.5	38,169	13.4	12.2
Chile	29,850	(7.0)	(1.7)	29,850	21.0	14.7
USA	**57,357**	**(4.6)**	**(0.8)**	**57,357**	**42.1**	**16.5**
Operating areas	**782,577**	**0.7**	**1.0**	**782,577**	**12.0**	**8.0**
Total Group	**784,798**	**0.6**	**1.0**	**784,798**	**12.2**	**8.3**

Main units of Continental Europe. Spain

First half highlights

→ **Attributable profit of EUR 771 million, 50% more than in the first half of 2014, thanks to a significant improvement in loan-loss provisions and a good performance of costs.**

→ **Launch of the 1|2|3 account as a new strategy in customer relations and loyalty.**

→ **Strong rise in new loans, in line with the economy's upturn.**

→ **Customer funds increased 6% year-on-year, compatible with reducing the financial cost.**

Strategy and activity

- A new strategy for managing individual customers was launched at the end of May via the 1|2|3 account, which includes a model to engage customers, enabling us to significantly enhance relations with them. The first phase is already seeing an improvement in the levels of cross-selling with new customers.
- The big push in the *Santander Advance* strategy continued in order to make us the reference bank for SMEs. Supporting the investment plans of our customers and all their financial and non-financial needs (training, internationalization, digitalization) is a strategic objective. Total *Advance* lending (SMEs and micro-businesses) rose 28% to EUR 6,218 million.
- New loans to individual customers were up 33% in the first half and 17% to companies.
- Funds rose 6% year-on-year. The focus remained on demand deposits (+20%), mutual funds (+17%), pension plans (+2%). Time deposits, however, were down 19%. This trend reduced the cost of deposits in the second quarter 50 b.p. below that in the same period of 2014.

Results

The second quarter attributable profit was EUR 413 million, 16% higher than in the first quarter. This was largely due to lower provisions under the process of improving the cost of credit, which stood at 0.84%.

The first half profit increased 50% year-on-year to EUR 771 million:

- Gross income declined a little over the first half of 2014 in an environment of low interest rates and strong competition in lending, reflected in lower net interest income in the past few quarters.
- Operating costs fell 4%, thanks to the synergies achieved with the optimization plans implemented.
- Loan-loss provisions were down 37% year-on-year, underscoring the continued normalization in a better cycle, which was reflected in negative NPL entries in the first half.
- The NPL ratio was 6.91% (-68 b.p. year-on-year). The coverage ratio increased by two percentage points to 47%.

Spain. EUR Million

	2Q'15	o/ 1Q'15 %	1H'15	o/ 1H'14 %
Gross income	1,751	(0.7)	3,516	(1.6)
Net operating income	899	(1.4)	1,812	0.3
Attributable profit to the Group	413	15.6	771	50.3
Loans w/o repos	161,357	0.2	161,357	(0.3)
Funds	227,187	(1.0)	227,187	5.8
Efficiency ratio (with amortisations) (%)	48.6	0.4	48.5	(1.0)
NPL ratio (%)	6.91	(0.34)	6.91	(0.68)
NPL coverage (%)	46.8	0.2	46.8	1.9

Contribution to the Group's profit

16%

Main units of Continental Europe. Santander Consumer Finance

First half highlights

→ **The agreement with PSA Finance and the recent acquisitions in the Nordic countries boost the area's growth potential.**

→ **Year-on-year growth in new lending in the core countries: Spain, Germany and Nordic countries.**

→ **First half attributable profit of EUR 505 million, 11% more than in the same period of 2014.**

→ **Good performance of gross income, which offset higher costs and more provisions. All of them registered perimeter impact.**

Strategy and activity

- The units of Santander Consumer Finance (SCF) in continental Europe conducted their business in an environment of recovery in consumption and car sales (+8% year-on-year in our footprint).
- The agreement with Banque PSA Finance will consolidate our auto finance leadership and the acquisition of GE Nordics increased the weight of direct credit in the business mix.
- The focuses of management this year are: progress in integrating the latest acquisitions and drive new lending and cross selling, backed by the brand agreements and competitive advantages.
- SCF continued to gain market share, supported by a business model with a wide geographic diversification, critical mass in key products, better efficiency than its peers and a system of analytical control of risks and recoveries.
- Gross lending stood at EUR 72,780 million (+20% year-on-year), mostly due to the agreements and acquisitions.
- New lending increased 23% year-on-year (+7% excluding perimeter), fuelled by direct credit and cards (+24%) and new auto finance (+34%). Of note in local currency terms were the Nordic countries (+30%).
- Stability of customer deposits (around EUR 32,000 million), something that distinguishes Santander from its competitors, coupled with high recourse to wholesale funding (EUR 2,989 million issued in the first half, via senior debt issues and securitisations).
- Customer deposits and medium- and long-term issues-securitisations in the market covered 68% of net lending.

Results

Second quarter attributable profit of EUR 263 million, 8% more than the first quarter, due to higher net interest income and lower provisions.

First half profit of EUR 505 million (+11% year-on-year), benefiting from the units incorporated (GE's business in Nordic countries, PSA in France and Carfinco in Canada):

- Gross income increased (+22%, due to the sharp rise in net interest income) more than costs (+18%), improving the efficiency ratio to 43.0% (1.4 p.p. less than in the first half of 2014).
- Provisions increased 18%, partly due to the perimeter and to the release of funds in some units in the first quarter of 2014.
- The NPL ratio was 4.25% (-27 b.p. in the quarter) and coverage reached 105% (+1 p.p.). Both ratios are excellent for the standards of consumer business.
- Of note by units was the good performance of the Nordic countries' profits (+62% in local currency; +10% excluding the perimeter impact).

Santander Consumer Finance. EUR Million

	2Q'15	o/ 1Q'15 %	1H'15	o/ 1H'14 %
Gross income	1,010	3.3	1,988	22.2
Net operating income	572	1.9	1,133	25.3
Attributable profit to the Group	263	8.5	505	10.8
Loans w/o repos	72,780	1.0	72,780	20.0
Funds	31,812	2.6	31,812	3.5
Efficiency ratio (with amortisations) (%)	43.4	0.8	43.0	(1.4)
NPL ratio (%)	4.25	(0.27)	4.25	0.18
NPL coverage (%)	104.9	1.3	104.9	(0.3)

Contribution to the Group's profit

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

First half highlights

- **Year-on-year rise in lending, with positive economic outlook.**
- **Focus on large companies, SMEs, leasing and mortgages. Santander continues to be the market leader in cards, mobile and online banking.**
- **Deposits' performance reflected the successful commercial strategy of recent quarters.**
- **In results, revenues and costs management in an environment of lower interest rates.**

Strategy and activity

- The Bank continued the *Next Generation Bank* strategic programme to develop the Bank at all levels. Its main goal is to become the *Bank of Choice*. The board, all businesses and product segments are involved in this programme.
- We continue to be the market leader in cards, mobile and online banking, marketing various products and initiatives. The *BZWBK 24 Mobile* channel is regarded as the best in Poland and the second in Europe, according to the 2015 Global Mobile Banking Functionality Benchmark report published by the consultancy Forrester Research.
- Loans rose 8% over June 2014, backed by the Bank's target segments: SMEs (+13%), companies (+4%), GBM (+5%) and leasing (+22%). Lending to individual customers rose 9%, (mortgages: +10%, cash loans: +8% and credit cards: +12%).
- In funds, and following the sharp increase underpinned by the successful campaigns in the second half of 2014, the first half's strategy centred more on management of spreads, which was compatible with a small rise in the second quarter. Deposits grew 11% year-on-year (+6% from individuals and +26% from companies).
- This evolution maintained our solid funding structure (net loan-to-deposit ratio of 91%).

Results

Second quarter attributable profit of EUR 83 million. The first half profit of EUR 173 million was 1% lower than in the same period of 2014:

- Gross income fell 2% year-on-year due to the impact of the following:
  - On the one hand, the reduction in net interest income and fee income. The first, due to lower interest rates which particularly affected consumer interest rates because of the maximum set by the Lombard rate. The second, because of tougher regulation which mainly hit card business.
  - On the other hand, trading gains rose sharply backed by a strategy of interest rate hedging to offset the drop in net interest income.
- Operating expenses increased 1%, partly due to the new variable remuneration plan and higher regulatory charges.
- Loan-loss provisions were slightly lower compared to higher lending. The NPL ratio also improved and stood at 7.07%.
- 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/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	336	(1.4)	(3.9)	676	(1.6)	(2.5)
Net operating income	184	(3.8)	(6.3)	375	(4.5)	(5.4)
Attributable profit to the Group	83	(8.0)	(10.4)	173	0.1	(0.8)
Loans w/o repos	19,229	0.5	3.1	19,229	7.2	8.1
Funds	23,918	(1.3)	1.3	23,918	9.4	10.3
Efficiency ratio (with amortisations) (%)	45.2	1.4		44.5	1.7	
NPL ratio (%)	7.07	(0.26)		7.07	(0.35)	
NPL coverage (%)	63.5	1.9		63.5	(1.8)	

Main units of Continental Europe. **Portugal**

First half highlights

- **Commercial actions to capture individual customers and companies. Focus on increasing market share.**
- **Lending rose a little in the second quarter (+0.3%), for the first time in five years.**
- **Funds increased 6% year-on-year, notably demand deposits and mutual funds.**
- **Attributable profit was 44% higher year-on-year, mainly due to higher net interest income and lower provisions.**

Strategy and activity

- The bank's strategy continues to focus on, managing spreads on loans, gaining more market share, particularly in companies, controlling NPLs, improving efficiency, and cutting the funding cost.
- Of note in the first half, and one of the main commercial actions, was the launch of the *Mundo* 1|2|3 in order to grow in the market's medium segment, and which includes a series of innovative solutions based on a demand account linked to a card and protection insurance. Since its launch on March 2, the number of the 1|2|3 account customers has reached around 40,000.
- The Bank is still very focused on capturing new company clients, backed by the *Santander Advance* programme launched at the end of 2014 which has become a key tool (6,500 accounts opened for shops and SMEs).
- These strategies are reflected in a slower decline in lending (-4% year-on-year), following a change of trend in the second quarter (+0.3%). Of note were market shares in new lending of 14.9% in companies and 16.5% in mortgages, well above those for the stock.
- Funds rose 6%, especially demand deposits (+30%) and mutual funds (+19%), while time deposits declined a little (-2%).

Results

The second quarter attributable profit was EUR 51 million compared to EUR 56 million in the first quarter, largely due to reduced trading gains and higher taxes.

The first half profit of EUR 107 million was 44% higher year-on-year, and was due to the good performance of the main lines of the income statement:

- In gross income, net interest income increased due to the better cost of funding, partly offset by the fall in fee income and trading gains.
- Costs declined 1%, due to the commercial network's optimization in accordance with the business environment.
- Loan-loss provisions were 42% lower and the cost of credit improved to 0.38%. In local criteria, the NPL and coverage ratios continued to be better than the system's averages.

Portugal. EUR Million

	2Q'15	o/ 1Q'15 %	1H'15	o/ 1H'14 %
Gross income	234	(1.8)	472	1.4
Net operating income	114	(2.5)	231	3.8
Attributable profit to the Group	51	(9.0)	107	44.0
Loans w/o repos	24,301	0.3	24,301	(3.7)
Funds	25,351	1.2	25,351	5.7
Efficiency ratio (with amortisations) (%)	51.3	0.4	51.1	(1.1)
NPL ratio (%)	8.80	(0.16)	8.80	0.64
NPL coverage (%)	54.2	1.8	54.2	1.1

United Kingdom (changes in sterling)

First half highlights

- Growth in business activity, both in retail (current account and mortgages) and corporate loans.
- Attributable profit up 18% year-on-year (+12% over the first quarter), driven by net interest income and drop in provisions
- Investment programmes continued to drive customer satisfaction and underpin future efficiency improvement.
- The 1I2I3 World customer numbers continued to grow, improving customer loyalty, risk profile and activity levels.

Strategy and activity

- Lending increased 5% compared to June 2014, largely due to corporate lending (+11%), mortgages (+1%) and unsecured consumer and vehicle finance lending (+48%). The PSA Finance UK limited joint venture completed in February 2015.
- New gross mortgage lending was £11,900 million, including £2,300 million to first time buyers and £395 million of *Help to Buy*. Growth is expected to be in line with the market for the remainder of the year.
- Support for UK businesses continued despite a contracting market, with lending to corporates up 11% year-on-year (+8% over the end of 2014). This performance is underpinned by the broader product suite and larger distribution capacity.
- Customer deposit growth accelerated (+4% over the first half of 2014; +3% over December), driven by an increase in current accounts (+36% over the first half; +16% over December), growing at a rate of £1 bn per month since end 2012. Furthermore, current accounts by corporates rose 26%.
- 1I2I3 *World* customers increased to 4.3 million, up 1.3 million in the last 12 months and with 95% of 1I2I3 current account customers having their primary bank account with us. Santander UK remained first choice for current account switchers since September 2013.
- Customer satisfaction improved significantly over the last three years, with continued focus on further improvement.
- Santander UK is focused on maintaining a strong balance sheet. At the end of June 2015, the CRD IV end point Common Equity Tier 1 capital ratio stood at 11.7% and leverage ratio improved to 4.1% from 3.8% in December 2014.

Results

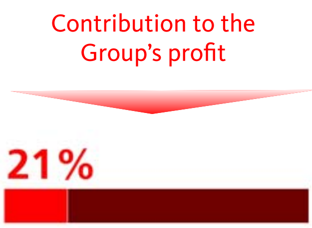
The second quarter attributable profit grew +12% over the first quarter, largely as a result of higher net interest income, and lower costs and loan loss provisions.

The first half attributable profit of £753 million (+18% over the first half of 2014) increased due to higher net interest income and lower loan loss provisions:

- Net interest income rose 7% year-on-year, underpinned by improved margins (reduced cost of liabilities) and higher volumes. Net interest income / average customer assets improved to 1.86% in the first half of 2015, from 1.80% 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 60%, with improved credit quality across the loan portfolios, conservative loan-to-value criteria, and supported by a benign economic environment. In addition, in the second quarter of 2015 provisions were released.

United Kingdom. EUR Million

		o/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	1,626	4.9	1.8	3,177	18.3	5.4
Net operating income	791	7.5	4.5	1,527	18.4	5.5
Attributable profit to the Group	551	15.5	12.3	1,029	32.7	18.3
Loans w/o repos	283,740	2.9	0.7	283,740	18.4	5.1
Funds	232,883	4.0	1.7	232,883	17.3	4.1
Efficiency ratio (with amortisations) (%)	51.3	(1.2)		51.9	(0.0)	
NPL ratio (%)	1.61	(0.14)		1.61	(0.30)	
NPL coverage (%)	40.3	(0.9)		40.3	(0.8)	



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

First half highlights

→ **Strategy to boost the number of customers, their loyalty and more sustainable revenues with lower risk.**

→ **Activity remained dynamic, with double-digit growth in loans and funds.**

→ **Ordinary profit increased 39% year-on-year due to higher gross income, control of costs and lower provisions and minority interests.**

→ **Additionally, in the second quarter the Group recorded attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities.**

Strategy and activity

- The strategy was still focused on fostering projects that aim to make us a more modern and simple bank and with more satisfied customers. Of note were:
  - The installation of the new *CERTO* commercial model that improves business capacity and efficiency.
  - The processes for capturing and activating new customers were speeded up (opening of account, delivery of cards and PIN on the same day) together with new digital channels that are simpler and more accessible. Acquiring activity was also strengthened.
  - The association with Banco Bonsucesso strengthened payroll business.
  - *Santander Negocios y Empresas*, which offers financial and non-financial solutions, was launched for SMEs.
- Lending rose 16% year-on-year, partly due to the exchange-rate impact on dollar portfolios and the entry of Bonsucesso (+9% excluding them). After a sharp rise in the first quarter, loans declined 1% in the second, because of the real's appreciation against the dollar and the maturity of operations with large companies.
- Strong year-on-year growth in lending to companies and large companies (+32%, partly aided by balances in dollars), mortgages (+34%) and BNDES (+16%). The trend in credit to SMEs continued to improve (+6% compared to stagnation in 2014).
- Funds grew 17%, with a good performance by mutual funds (+16%), time deposits (+14%) and other (+34%).

Results

The second quarter ordinary profit (excluding the reversal of tax liabilities) was EUR 491 million, very in line with the first quarter. Of note were higher revenues which were partly neutralized by higher costs (personnel, marketing, new projects, etc) and provisions.

The first half ordinary profit rose 25%. After deducting taxes and minority interests (lower as a result of last October's acquisition), ordinary attributable profit was EUR 1,007 million (+39% year-on-year).

- Gross income rose 9%, thanks to a good evolution of net interest income, which increased for the third quarter running, and fee income (+11%). Of note were the revenues from insurance, foreign trade and cards.
- Operating expenses increased 4%. In real terms and on a like-for-like basis, they fell 6.7%, reflecting the efforts made in prior years to improve efficiency and productivity.
- Loan-loss provisions declined 5%, as a result of selective growth in the portfolio (profitability/risk mix). Credit quality indicators continued to improve: the cost of credit dropped 93 b.p. to 4.4% and the NPL ratio fell by 65 b.p. year-on-year to 5.13%.

Brazil. EUR Million

		o/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	3,021	(0.8)	4.6	6,066	3.9	9.1
Net operating income	1,881	0.6	6.0	3,751	6.9	12.2
Ordinary attributable profit to the Group	491	(4.7)	0.7	1,007	32.8	39.4
Loans w/o repos	75,902	(0.6)	(1.3)	75,902	(0.1)	15.5
Funds	89,379	4.2	3.4	89,379	(2.4)	12.9
Efficiency ratio (with amortisations) (%)	37.7	(0.9)		38.2	(1.7)	
NPL ratio (%)	5.13	0.23		5.13	(0.65)	
NPL coverage (%)	95.9	0.7		95.9	1.1	

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

First half highlights

- → The expansion plan (now completed) and the commercial strategy are reflected in activity and market share gains.
- → Focus on the most profitable segments (Select, SMEs, companies) and on quality of service.
- → Profit before tax rose 9% year-on-year, driven by gross income.

Strategy and activity

- Lending increased 15% year-on-year and deposits without repos 16%. Growth benefited from the greater installed capacity, combined with improvements in segmentation of customers and better sales platforms.
- Lending growth was mainly due to consumer credit (+32%), including the acquisition of a portfolio from Scotiabank for MXN 2,800 million and where record months of placement were registered. Lending to SMEs rose 24%, mortgages 14% and to companies 15%. Credit card lending was more moderate (+6%), but higher than the market.
- Deposits grew and their structure improved, as more focus was placed on demand deposits (+22%). Mutual funds increased 6%.
- The expansion plan begun in 2012 was completed after the opening of 200 branches (eight in the second quarter), many of them specialized by segments.
- Multi-channel activity continued to be fostered (203 new ATMs in the quarter, mobile and online banking initiatives) and the development of strategic alliances with companies such as Oxxo, 7-Eleven and Telecom, which at the end of June enabled us to expand our basic banking services via a network of 16,806 shops.

Results

The first half pre-tax profit increased 9%. After deducting taxes (increased charge to 23%) and minority interests, attributable profit was EUR 342 million (+5% year-on-year).

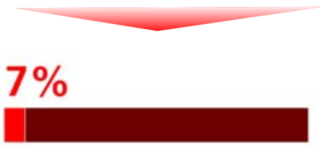
- Gross income rose 7% year-on-year. Net interest income was 13% higher due to growth in lending, which offset interest rates still at very low levels and the change of mix of the credit portfolio.
- Fee income increased 1% due to a better performance of those from insurance and mutual and pension funds. Trading gains, on the other hand, declined 17% because of the downturn in the markets.
- Costs grew 6% year-on-year due to new commercial projects and the greater installed capacity. They were stable with regard to the first quarter, once the expansion plan was completed.
- Loan-loss provisions increased 11%, due to higher volumes, the entry of the Scotiabank portfolio and one-off provisions for the companies segment. The cost of credit continued to be in line with previous quarters.

Profit was 5% higher than the first quarter, with trends similar to those for the first half: 5% rise in gross income (driven by net interest income and fee income), flat costs and higher provisions.

Mexico. EUR Million

		o/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	869	4.2	4.9	1,702	14.4	7.4
Net operating income	522	7.8	8.5	1,005	15.6	8.5
Attributable profit to the Group	175	4.2	4.9	342	11.4	4.6
Loans w/o repos	29,301	(1.8)	4.3	29,301	16.5	15.3
Funds	38,169	(3.5)	2.5	38,169	13.4	12.2
Efficiency ratio (with amortisations) (%)	40.0	(2.0)		40.9	(0.6)	
NPL ratio (%)	3.81	0.10		3.81	0.29	
NPL coverage (%)	87.5	(0.9)		87.5	(9.1)	

Contribution to the Group's profit



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

First half highlights

- **The commercial transformation is reflected in greater activity in the target segments of lending and funds.**
- **Increase in transactions with loyalty customers. Customer attention quality maintained and migration to Select.**
- **First half profit of EUR 259 million, with year-on-year comparison affected by lower inflation. Second quarter profit was 34% higher than the first.**

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 tougher regulation.
- The second quarter focus was on maintaining the quality of customer attention and the dynamism of business.
- In the segment for individual customers, this strategy was supported by use of *NEO CRM* and improvements and new functionalities were installed in remote and digital channels of attention (*VOX* and Internet).
- Company banking has seven specialized centres that offer customers greater proximity, particularly in the regions. This is reflected in an increase in customer satisfaction with the attention channels in this segment. *VOX* companies' satisfaction reached 83% compared to 62% at the end of 2014.
- These actions are feeding through to business. Lending increased 11% year-on-year, with greater progress in the target segments: companies and SMEs (+12%) and high income (+13%). Funds rose 15%, most notably demand deposits (+37%).

Results

The second quarter attributable profit was 34% higher than the first. Net interest income was particularly high (quarter-on-quarter growth in the UF of 1.5%) and provisions were lower. Costs increased because of the automatic revision of salaries as year-on-year inflation was above 3.5%.

Attributable profit fell 7% year-on-year, mainly due to reduced revenues from the inflation-indexed UF portfolio:

- The UF change was +1.4% in the first half compared to +3.1% in the same period of 2014. This impact was partly offset by higher volumes of assets, a lower cost of funding, higher trading gains and the good dynamics of business with customers.
- Costs were up 10% due to salary rises, the indexation of rentals and salaries to year-on-year inflation, as well as the impact of the peso's depreciation on IT service contracts indexed to the dollar and the euro.
- The cost of credit continued to improve. Loan-loss provisions remained in line with those in the first half of 2014, following a further fall in the second quarter, which was compatible with double-digit growth in lending.

Chile. EUR Million

		o/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	634	14.4	11.2	1,188	9.6	0.2
Net operating income	374	16.9	13.6	694	3.2	(5.7)
Attributable profit to the Group	150	37.7	34.2	259	1.6	(7.1)
Loans w/o repos	34,719	(2.4)	3.2	34,719	17.4	11.3
Funds	29,850	(7.0)	(1.7)	29,850	21.0	14.7
Efficiency ratio (with amortisations) (%)	41.0	(1.3)		41.6	3.6	
NPL ratio (%)	5.73	(0.15)		5.73	(0.21)	
NPL coverage (%)	51.6	(0.4)		51.6	(0.1)	

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

First half highlights

- **Credit and deposit growth and trends very aligned with the markets.**
- **Attributable profit increased 19% year-on-year and in the quarter. Both due to higher revenues.**
- **Commercial revenues grew because of greater activity and transactions (collections, means of payment, etc).**
- **Costs increased because of the opening of more branches and transformation projects.**

Strategy and activity

- The Bank's commercial strategy continued to focus on greater penetration and engagement with high-income and SME segments.
- The *Select* products were strengthened for high-income clients and new spaces and specialized corners continued to be opened, boosting cross-selling to these clients. *Santander Río Advance* was launched in April in order to bolster the SME segment.
- The expansion and transformation plan continued, with the opening of 14 new branches in the first half and 92 of branches have been totally transformed. Some 200,000 customers now use the *Santander Río Mobile*.
- Credit rose 34% year-on-year, particularly to companies and consumer loans. Deposits rose 40%.

Results

Attributable profit was 19% higher than in the first quarter, due to commercial revenues (+7%), while costs fell 2%. Net operating income was 14% higher.

The first half profit was EUR 175 million, 19% higher than in the same period of 2014.

- The commercial strategy is reflected in a 24% rise in gross income (+46% net interest income).
- Costs increased 43% due to branch openings, transformation and IT projects and the new salary agreement. Net operating income was up 6%.
- Loan-loss provisions declined 8%. Credit quality was high: cost of credit of 2.2%, a NPL ratio of 1.53% and coverage of 146%.

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

First half highlights

- **Lending and deposits remained strong.**
- **Attributable profit increased 46% year-on-year due to higher revenues.**

Strategy and activity

- Strategy continued to focus on more lending to the corporate segment, global clients and the country's large companies.
- Particular importance given to close relations with customers and quality of service, exploiting synergies with the Group's other units.
- Lending rose 21% year-on-year and deposits 29%, complemented by stable growth in medium-term financing.

Results

- Attributable profit in the second quarter was EUR 10 million, 40% higher than the first quarter.
- The first half profit was higher at EUR 17 million, fuelled by net operating income (+63% year-on-year). This, in turn, increased because of the improvement in efficiency (gross income: +50%; costs: +24%).
- Loan-loss provisions rose 23% from a very small base, due to the portfolio's good performance (NPL ratio of 0.23% and very high coverage).

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

First half highlights

- **Double-digit growth in loans and deposits.**
- **Attributable profit increased 30% year-on-year and 3% quarter-on-quarter, due to higher revenues and stable costs.**

Strategy and activity

- The Group is the country's leading private sector bank, with a strategy focused on growing in retail banking and improving efficiency and the quality of service.
- Loans grew 14% year-on-year: consumer credit (+18%) and SMEs (+33%). Deposits rose 24%.
- *Select Experience* was launched, resulting in a 25% increase year-on-year in deposits, the *Advance* programme for SMEs and sovereign bonds structured and placed in the international market.
- The number of complaints continued to fall and the response time improved.

Results

- Attributable profit in the first half was EUR 35 million, spurred by net operating income (+39% and +7% year-on-year and quarter-on-quarter, respectively).
- Costs were under control (+2%), following the efficiency plan developed in 2014.
- These changes produced an improvement of 8 p.p. in the efficiency ratio to 55.8% at the end of June.
- Loan-loss provisions increased, though from a low base, and credit quality remained excellent (NPL ratio of 1.12% and coverage of 229%).
- The second quarter attributable profit was EUR 17 million (+3% over the first quarter), maintaining the trend indicated for the first half in gross income (+5%) and control of costs.

Other Latin American units. Colombia

- Banco Santander de Negocios Colombia began to operate in January 2014. The new bank has a banking licence and share capital of $100 million. It specializes in the corporate and business market, with a particular focus on global clients, customers of the Group's International Desk programme and those local clients in the process of internationalizing.
- Its main products are those for investment banking and capital markets, transaction banking, treasury and risk coverage, foreign trade financing and working capital financing products in local currency, such as confirming.
- The bank reached a point of equilibrium in the second quarter between revenues and costs.

United States (changes in dollars)

First half highlights

→ **Investment continued to be made to improve commercial activity and comply with regulatory requirements.**

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

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

→ **Attributable profit was 5% higher year-on-year (+30% in euros).**

Strategy and activity

- Santander in the United States includes the holding SHUSA, commercial banking via Santander Bank and Banco Santander Puerto Rico, as well as the specialized consumer finance activity of Santander Consumer USA (SCUSA).
- Santander US continued to strengthen its management teams, risk management models, data bases and basic control functions. This is part of a multi-year project being developed to improve the Bank and comply with the regulator's expectations.
- On July 3, Grupo Santander announced it had reached an agreement to buy DDFS LLC's 9.68% stake in SCUSA. After this operation, subject to the corresponding regulatory approvals, the Group's stake will rise to around 68.7%.
- Santander Bank's credit strategy centres on companies and auto finance (backed by synergies with SCUSA). Lending increased 1% in the second quarter and 7% year-on-year, excluding the impact of portfolio sales and securitisations.
- The strategy in funds is to increase core deposits and reduce balances of the more expensive time deposits. Deposits without repos increased 1% in the quarter and 10% year-on-year.
- Deleveraging continued in Puerto Rico in order to reduce balance sheet risk.
- SCUSA continued its strategy to diversify its business mix between assets retained on the balance sheet, assets sold and more servicing of portfolios.

Results

The first half attributable profit was $515 million, 5% more than the same period of 2014, thanks to higher gross income that more than offset the increase in costs and provisions.

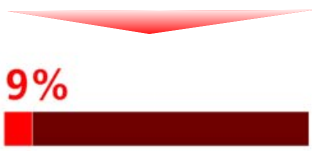
- Gross income rose 12%, mainly due to SCUSA, as a result of greater originations, which spurred net interest income, as well as sales of portfolios and fee income from servicing. Santander Bank's net interest income is under pressure from lower than expected interest rates, offset by trading gains.
- Operating expenses increased 11% due to the efforts made in regulatory compliance and IT investments.
- Loan-loss provisions rose 8%, due to Santander Bank, which shows a trend of normalization after recording very low levels in 2014 (recoveries in the first quarter) as well as SCUSA, because the higher level of retained loans and seasonal factors.

The second quarter profit was lower than the first, mainly due to higher provisions as net operating income increased 8% thanks to greater gross income.

United States. EUR Million

	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Gross income	1,910	8.1	6.2	3,676	37.9	12.2
Net operating income	1,247	9.7	7.8	2,383	38.9	12.9
Attributable profit to the Group	216	(12.3)	(14.1)	462	29.6	5.4
Loans w/o repos	80,212	(3.1)	0.8	80,212	27.3	4.3
Funds	57,357	(4.6)	(0.8)	57,357	42.1	16.5
Efficiency ratio (with amortisations) (%)	34.7	(1.0)		35.2	(0.5)	
NPL ratio (%)	2.30	—		2.30	(0.63)	
NPL coverage (%)	223.3	12.6		223.3	58.3	

Contribution to the Group's profit



Corporate Activities

First half highlights

- **This area incorporates the functions of balance sheet management, total management of capital and reserves, as well as of the parent bank's financial stakes.**
- **The Group's corporate centre manages each risk (balance sheet, liquidity and exchange rate), using diversified instruments of high quality and liquidity, and optimizing costs.**
- **Lower revenues in the first half year-on-year from the portfolio of assets, reduced cost of liabilities, higher regulatory costs, larger provisions and lower recovery of taxes.**
- **Larger losses in the second quarter than in the first, mainly due to lower trading gains.**

Strategy / Functions and Activity

- Global balance sheet management functions developed by the Financial Management area:
  - Active management of interest rate risk to soften 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).
  - Strategic management of the exposure to exchange rates on equity and on the counter value of the units' results in euros for the next 12 months. Net investments in equity covered by EUR 19,382 million (Brazil, UK, Mexico, Chile, US, Poland and Norway) with various instruments (spot, fx, forwards or tunnels of options).
- Intragroup liquidity management 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 maturity of the operation.
- Total management of capital and reserves: capital assigned to each unit.
- 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 was the stake in Metrovacesa 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 financial cost of issues because of the decline in interest rates as well as the lower volume (decline in businesses' liquidity needs in year-on-year comparison).
- Increased costs because of change in perimeter, expenses related to corporate operations underway (recorded in this area until in effect) and higher costs emanating from regulatory requirements .
- Other income, including real estate provisions and various contingencies, recorded losses of EUR 294 million, up from EUR 139 million in the first half of 2014. This rise was due to provisions to reinforce the balance sheet.
- Lastly, lower recovery of taxes because of the better evolution of businesses in Spain.

The higher losses in the second quarter than in the first were mainly due to reduced trading gains (down EUR 231 million), largely because of lower results from management of interest rate risk.

Corporate Activities. EUR Million

	2Q'15	1Q'15	% Var.	1H'15	1H'14	% Var.
Gross income	(403)	(252)	60.2	(655)	(461)	42.0
Net operating income	(608)	(460)	32.3	(1,068)	(850)	25.6
Ordinary attributable profit to the Group	(741)	(585)	26.8	(1,326)	(849)	56.2

Retail banking

First half highlights

- The transformation of our commercial banking model to one that is increasingly more simple, personal and fair continued.
- Customer-focused, developing specialized models, ranges of simple products and global proposals.
- Drive in multi-channels, particularly digital ones.
- Attributable profit of EUR 4,020 million, 34% more than in the first half of 2014 (+26% excluding the forex effect).

Strategy and activity

The bank continued the process of transforming retail banking and made progress in the main lines: improved knowledge of our customers, specialized management of each segment and differentiated value proposals, development of a multi-channel distribution model with the thrust of digital channels, and continuous improvement in customer satisfaction.

In order to **improve commercial productivity and customer satisfaction,** use of the new commercial tool *NEO CRM* continued to be extended so as to have a 360º view of customer performance and relations with the Bank. It is already installed in Chile (the origin of this best practice), Brazil, US and Spain, and is being developed in the rest of units.

In order to **improve long-term loyalty and relations with customers,** differentiated value proposals were launched in several countries:

- The 1|2|3 account was presented in Spain in May, following its success in the UK and Portugal and that of similar products in Poland and Germany.
- The *Paquete de Bienvenida* was launched in Brazil in order to streamline processes and improve the capturing of new clients. The *Autocompara* tool, already in Mexico, Spain and Chile, was also installed in a bid to strengthen car insurance business by helping clients to select the product that best meets their needs.
- The *Plan Santander Lanpass* was launched in Chile which rewards transactions and improves the benefits for customers.

We continued to strengthen support for **SMEs and companies:**

- *Santander Advance* was launched in Argentina, Brazil and Chile, completing the installation of this model in South America. This support programme for SMEs is now operating in eight countries.
- *Santander Trade* portal: new services for companies and SMEs, facilitating their establishment and businesses in foreign countries

The digital transformation is a strategic priority and is manifested in strengthening the multi-channels with better commercial websites and new applications and capabilities for mobile phones. Of note was Santander UK's participation in the first group of *Apple Pay* issuers and new apps for mobile phones in Portugal and Uruguay. The *Santander Watch* app was launched in Spain for the new Apple intelligent watch, and the new *Deposit Capture* function for cell phones in the US.

In short, we aim to improve the customer experience, focusing on the daily relationship with the Bank. The examples given here underscore our commitment to the people and companies that deposit their confidence in our Bank every day.

Results (in constant euros)

First half attributable profit of EUR 4,020 million (+26% year-on-year and +8% quarter-on quarter).

- This performance was due to the main lines of the income statement: 8% rise in gross income, due to net interest income; control of costs, which only rose 2.4% in real terms, and 9% drop in loan-loss provisions.

Retail Banking. EUR Million

	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Gross income	10,673	3.6	4.1	20,970	13.4	8.1
Net operating income	6,013	5.9	6.4	11,694	15.5	9.8
Ordinary attributable profit to the Group	2,087	8.0	7.8	4,020	34.2	26.0
Loans w/o repos	711,332	0.7	0.8	711,332	11.7	5.5
Funds	719,354	1.1	1.3	719,354	11.9	7.6

Global Wholesale Banking (SGB&M)

First half highlights

→ Attributable profit of EUR 921 million, 1% lower year-on-year and stable quarter-on-quarter, and in constant euros in both cases.

→ Positive evolution y-o-y of gross income, with higher provisions and greater costs from the ongoing investment in franchises.

→ Reference positions in Europe and Latin America, in 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, deepen the creation of the customer franchise in the UK, the US and Poland and step up our coverage in Asia and the Andean region, in line with the Group's expansion in these areas.

Of note in the second quarter were:

- ***Trade Finance***, rose in most countries, particularly in Spain, the rest of continental Europe, the UK, US, Brazil and Chile. The Group continued to be the leader in export finance and grew strongly in working capital solutions. Noteworthy was the Royal Caribbean operation, with EUR 800 million financing and coverage by the French export credit agency, in which SGB&M was the mandated lead arranger (EUR 100 million participation) and Glencore's EUR 247 million receivables purchase programme with coverage by the credit insurance company Euler Hermes.
- ***Cash Management*** made a solid contribution to business, particularly in Brazil, Mexico and the UK, with higher volumes as well as an increase in the number of active clients in transaction business.
- ***Syndicated Corporate Loans.*** We continued to be a reference in Europe and Latin America. We maintained our leadership in project finance. Of note in the second quarter was the financial advice provided to the consortium building Line 2 of the Lima Metro, as well as financial advice and acting as global coordinator in placing project bonds, the largest debt placement in international markets to finance a project in Peru ($1,155 million).
- In ***Corporate Finance***, strong recovery in Europe for equity capital markets. Lower activity in Latin America although with presence in the main capital increase operations: Telefónica in Brazil, Vesta in Mexico and Compañía Sudamericana de Vapores in Chile.
- The ***Debt Capital Markets*** continued to consolidate business in Europe, with greater activity particularly in the corporate segment, while in Latin America we participated in the region's main operations.
- As regards ***Markets'***, activity, positive evolution of revenues from sales business (strong growth in Latin America). Lower year-on-year contribution from the management of books which supports customer business.

Results (in constant euros)

Results were backed by the strength and diversification of customer revenues (86% of the total).

- SGB&M generated 12% of the Group's gross income from operating areas in the first half and 19% of attributable profit.
- Revenues increased 3% year-on-year due to net interest income and fee income (+14% combined). The performance was mixed. *Global Transaction Banking*, against a backdrop of contained spreads and low interest rates, increased 6%. Growth of 9% in *Financing Solutions & Advisory*, reflecting the soundness of the various businesses. In *Global Markets*, customer revenues were down 14% due to the lower contribution of European units.
- Operating expenses were higher because of investments in high potential markets, particularly in the US, UK, Poland and Asia, and loan-loss provisions increased, mainly in Brazil.

Trading gains fell 80% in the second quarter over the first, and costs rose 3%, but partly neutralized by lower loan-loss provisions (-25%). Attributable profit remained stable.

Global Wholesale Banking. EUR Million

		o/ 1Q'15			o/ 1H'14	
	2Q'15	%	% w/o FX	1H'15	%	% w/o FX
Gross income	1,355	(3.1)	(1.8)	2,752	5.9	3.3
Net operating income	842	(6.2)	(4.3)	1,740	1.7	0.1
Attributable profit to the Group	457	(1.4)	0.1	921	0.6	(1.0)
Loans w/o repos	92,581	(0.4)	0.5	92,581	19.4	19.1
Funds	62,978	(3.8)	(2.1)	62,978	12.4	12.9

Corporate Governance

Changes in Banco Santander's board of directors

On June 30, Mr. Ignacio Benjumea, until now general secretary and secretary of the board, was appointed a non-executive director, effective September 1. Mr. Juan Rodríguez Inciarte resigned from the board for personal reasons and will stop being senior executive vice-president at the end of the year.

Senior management

- The following changes in the Group's senior management were also announced on June 30.
- Mr. Jaime Pérez Renovales, senior executive vice-president of the Bank, was appointed, effective September 1, secretary general and secretary of the board and will lead the new division of General Secretariat and Human Resources.
- Mr. Rami Aboukhair, senior executive vice-president of the Bank and with extensive expertise in retail banking in Spain and the UK, has been appointed country head for Santander Spain.
- Mr. Ángel Rivera, senior executive vice-president of the Bank, has been appointed head of the Retail and Commercial Banking Division

Board of Directors, Santander Spain

The Board of Santander Spain was created as a collegiate body of internal governance. It will monitor and supervise the activities of Santander Spain, including its policies and strategies, risk, human resources and senior management appointments, as well as a number of control and monitoring tasks.

The board, chaired by Mr. Rodrigo Echenique, vice chairman of the Bank, will have, at least, one third independent directors with the country head of Spain (Mr. Rami Aboukhair) as a permanent member. The Group has also appointed to this board Mr. Ignacio Benjumea, Mr. Ángel Rivera (head of the Retail and Commercial Banking Division), Mr. José María Nus (chief risk officer), Mr. José García Cantera (chief financial officer), Mr. Carlos Barrabés, Mr. Javier Monzón and Mr. Gonzalo Alonso-Tejuca, the last three of whom are independent directors.

External auditor

In line with the corporate governance recommendations for rotation of the external auditor, and at the proposal of the audit committee and as a result of a selection procedure developed with full transparency, Banco Santander's board chose PricewaterhouseCoopers Auditores as external auditor of the Bank and its consolidated Group in order to verify the annual accounts of the financial years 2016, 2017 and 2018.

PwC's appointment is to be confirmed at the Bank's next AGM.

Corporate Social Responsibility

Grupo Santander continued to develop initiatives under its commitment to corporate social responsibility. The main ones during the second quarter were:

Santander, a responsible and committed Bank

- Banco Santander's mission is to help people and businesses prosper and become the best retail bank, gaining the confidence and trust of its employees, customers, shareholders and society by being a Simple, Personal and Fair bank.

Social investment

Santander Universities

- Santander is committed to assigning EUR 700 million to universities over the next four years and maintaining co-operation agreements with more than 1,100 universities throughout the world. These agreements enable the Bank to support education, research, entrepreneurship and international mobility

- Ana Botín, the executive chairman, chaired the XV general meeting of Universia's shareholders in Spain, where she reaffirmed the Group's commitment to higher education and recognized the role of universities as creators of knowledge, incubators of talent and engine of the economy and social progress.

  During the meeting, which brought together the highest representatives of the Universia's 79 partner universities and 15 chancellors of some of the leading universities in Latin America and Portugal, Ana Botín stated the need to use the talent and foster equality of opportunities so that anyone can access higher education and develop their potential, regardless of their background or economic capacity.

- Banco Santander signed a co-operation agreement with the Ibero-American General Secretariat to provide 40,000 scholarships until 2018 for travel by students, teachers and researchers in Latin American countries.

Investment in the community

- The Bank's employees lived between June 8 and 13 the *Semana Somos Santander* (We are Santander Week), when they celebrated being part of a global leader group, with a mission, a vision and a way of doing things together.

  Many corporate and local activities were held, including the second big collection of food. This initiative gives the Group's professionals the opportunity to demonstrate their spirit of solidarity and help improve the life of the most needy. A total of 60,400 kilograms of staple food products were donated, 2% more than in 2014, which were delivered to the NGOs participating in this initiative.

- For the 11th year running, Banco Santander held its Alpine skiing courses for the handicapped children of the Bank's professionals in Spain. The aim of these courses is to promote leisure activities adapted for people with some kind of disability, using sports to help their social integration. Forty-two children and young people took part.

The environment and climate change

- Banco Santander is firmly committed to preserving the environment by promoting many initiatives that protect and mitigate the environmental impact.

- In the sphere of clean energies, Banco Santander together with two of the largest pension funds in Canada created the sustainable investments company Cubico to manage and invest in renewable energy and water infrastructure globally. Cubico has a balanced and diversified portfolio of more than $2 billion, comprising 19 wind power, solar and water infrastructure assets.

- Santander Brazil led the issue of a project bond linked to a BRL 146 million project (EUR 42 million) for the financing of wind-power parks in the state of Bahía. It was the first issue of bonds in Brazil in this sector where Grupo Santander is the leader in Europe, the US and Latin America.

The Santander share

Shareholder remuneration

- Under the 2014 Santander Dividendo Elección programme (scrip dividend), shareholders could opt in April to receive in cash or in shares the amount equivalent to the fourth dividend (EUR 0.151 per share). In order to tend to those who chose the latter option (83.8% of the capital), 256,046,919 shares were issued.

- This brought the total shareholder remuneration for 2104 to EUR 0.60 per share.

- As regards the 2015 results, and in accordance with the Group's new dividend policy, the board agreed to pay in cash, as of August 1, the first interim dividend of EUR 0.05 per share.

Performance of the Santander share

- Of note during the first half of 2015 was the European Central Bank's launch of its quantitative easing programme, the delay in US monetary policy normalization and the negotiations between the Greek government and its creditors which, after a long period, ended without an agreement at the end of June and led to Athens' failure to repay to the IMF a pending debt.

- The Santander share price ended June at EUR 6.264, a performance influenced in the first half by the impact on markets on the EU periphery of the lack of agreement between Greece and its creditors. Spain's Ibex-35 rose 4.8% compared to 12.5% for the DJ Stoxx Banks and 9.4% for the DJ Stoxx 50.

- The Santander share stood at EUR 6.498 at the date of publication of this report, 10.3% higher than at the time of the capital increase. The shareholder return in the same period was 15.5%.

Capitalisation and trading

- At the end of June, Santander was the largest bank in the euro zone by market capitalization (EUR 89,679 million) and the 12th in the world. The share's weighting in the DJ Stoxx 50 was 2.4%, 7.9% in the DJ Stoxx Banks and 17.0% in the Ibex-35.

- A total of 12,818 million Santander shares were traded in the first half with an effective value of EUR 82,404 million, the highest among the EuroStoxx stocks, and a liquidity ratio of 91%. The number of shares traded daily was 102.5 million (EUR 659.2 million).

Shareholder base

- The total number of shareholders at the end of June was 3,203,349 of which 2,956,547 were held by Europeans (81.90% of the capital stock) and 229,969 by those from the Americas (17.66%).

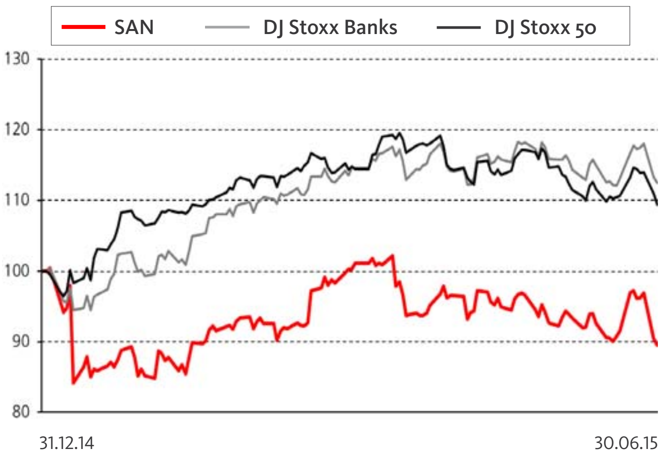
- Excluding the Bank's board, which holds 1.27% of the capital, retail shareholders have 40.96% and institutional ones 57.77%.

The Santander share. June 2015

Shareholders and trading data	
Shareholders (number)	3,203,349
Shares (number)	14,316,632,805
Average daily turnover (no. of shares)	102,544,990
Share liquidity (%) (Number of shares traded during the year / number of shares)	91
Price movements during the year	
Highest	7.169
Lowest	5.772
Last (30.06.15)	6.264
Market capitalisation (millions) (30.06.15)	89,679
Stock market indicators	
Price / Book value (X)	0.98
Ordinary P/E ratio (X)	13.27
Yield* (%)	7.64

(*).-Last three remuneration paid + one announced / 1H'15 average share price

Comparative performance of share prices



Financial information

APPENDIX

Income statement. Consolidated

EUR Million

			Variation				Variation	
	2Q'15	1Q'15	%	% w/o FX	1H'15	1H'14	%	% w/o FX
Net interest income	**8,281**	**8,038**	**3.0**	**3.6**	**16,319**	**14,362**	**13.6**	**8.0**
Net fees	2,586	2,524	2.5	3.3	5,110	4,733	8.0	4.5
Gains (losses) on financial transactions	372	695	(46.5)	(46.9)	1,068	1,278	(16.4)	(19.8)
Other operating income	379	186	104.0	103.0	565	238	137.5	127.1
Dividends	239	33	619.3	616.7	273	251	8.6	7.8
Income from equity-accounted method	101	99	1.3	3.7	200	108	85.8	83.1
Other operating income/expenses	39	53	(26.3)	(31.7)	93	(121)	—	—
Gross income	**11,618**	**11,444**	**1.5**	**2.1**	**23,062**	**20,611**	**11.9**	**6.9**
Operating expenses	(5,429)	(5,377)	1.0	1.3	(10,806)	(9,753)	10.8	6.2
General administrative expenses	(4,826)	(4,785)	0.8	1.2	(9,611)	(8,616)	11.5	7.0
Personnel	*(2,836)*	*(2,755)*	*2.9*	*3.2*	*(5,591)*	*(4,970)*	*12.5*	*7.6*
Other general administrative expenses	*(1,989)*	*(2,030)*	*(2.0)*	*(1.5)*	*(4,020)*	*(3,646)*	*10.3*	*6.2*
Depreciation and amortisation	(603)	(592)	1.9	2.1	(1,196)	(1,137)	5.2	0.6
Net operating income	**6,189**	**6,067**	**2.0**	**2.8**	**12,256**	**10,858**	**12.9**	**7.4**
Net loan-loss provisions	(2,508)	(2,563)	(2.1)	(1.1)	(5,071)	(5,333)	(4.9)	(8.9)
Impairment losses on other assets	(78)	(60)	29.3	29.7	(138)	(157)	(12.6)	(13.2)
Other income	(605)	(454)	33.3	35.6	(1,059)	(784)	35.1	34.8
Ordinary profit before taxes	**2,998**	**2,990**	**0.3**	**0.6**	**5,988**	**4,584**	**30.6**	**22.2**
Tax on profit	(939)	(922)	1.8	2.6	(1,862)	(1,233)	51.0	42.3
Ordinary profit from continuing operations	**2,059**	**2,067**	**(0.4)**	**(0.2)**	**4,126**	**3,351**	**23.1**	**14.9**
Net profit from discontinued operations	0	0	(14.1)	(14.1)	0	(0)	—	—
Ordinary consolidated profit	**2,059**	**2,067**	**(0.4)**	**(0.2)**	**4,126**	**3,350**	**23.2**	**14.9**
Minority interests	350	350	(0.0)	(0.3)	700	594	17.7	11.8
Ordinary attributable profit to the Group	**1,709**	**1,717**	**(0.5)**	**(0.2)**	**3,426**	**2,756**	**24.3**	**15.6**
Net capital gains and provisions (1)	835	—	—	—	835	—	—	—
Attributable profit to the Group	2,544	1,717	48.1	48.5	4,261	2,756	54.6	43.7

(1) Including :

- In the first half of 2014 capital gains were recorded by the Altamira operation, for the listing of SCUSA and by the change in the UK pension commitments (EUR 1,335 million overall). At the same time a fund was established for restructuring costs and a charge was made for impairment losses on intangible assets and other provisions of a similar amount. The net impact of these amounts on the first half profit was zero.

- Additionally, in the second quarter the Group recorded attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil.

Information on total profit*

	2Q'15	1Q'15	%	1H'15	1H'14	%	2014
Attributable profit to the Group (1)	**2,544**	1,717	48.1	**4,261**	2,756	54.6	5,816
EPS (euro)	**0.175**	0.121	45.3	**0.296**	0.236	25.7	0.479
RoE (2)	**8.4**	7.6		**8.4**	6.9		7.0
RoTE (2)	**12.8**	11.5		**12.9**	10.9		11.0
RoA	**0.7**	0.6		**0.7**	0.6		0.6
RoRWA	**1.5**	1.4		**1.5**	1.2		1.3
P/E ratio (X)	**10.6**	14.5		**10.6**	16.2		14.6

(*).- In 2Q'15 and 1H'15 including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil
(1).- Variations w/o exchange rate: quarterly: +48.5%; year-on-year: +43.7%
(2).- In 2014, pro-forma taking into account the January 2015 capital increase.

Net fees. Consolidated

EUR Million

	2Q'15	1Q'15	Var. %	1H'15	1H'14	Var. %
Fees from services	1,546	1,510	2.4	3,056	2,818	8.4
Mutual & pension funds	199	240	(16.8)	439	429	2.4
Securities and custody	278	216	28.7	493	400	23.2
Insurance	563	559	0.6	1,122	1,086	3.3
Net fee income	**2,586**	**2,524**	**2.5**	**5,110**	**4,733**	**8.0**

Operating expenses. Consolidated

EUR Million

	2Q'15	1Q'15	Var. %	1H'15	1H'14	Var. %
Personnel expenses	2,836	2,755	2.9	5,591	4,970	12.5
General expenses	1,989	2,030	(2.0)	4,020	3,646	10.3
Information technology	274	287	(4.6)	561	444	26.5
Communications	117	133	(12.3)	250	260	(3.8)
Advertising	174	156	11.3	330	301	9.5
Buildings and premises	461	475	(3.0)	936	890	5.1
Printed and office material	43	38	11.6	81	72	12.1
Taxes (other than profit tax)	129	134	(4.0)	263	224	17.5
Other expenses	793	806	(1.7)	1,599	1,455	9.9
Personnel and general expenses	**4,826**	**4,785**	**0.8**	**9,611**	**8,616**	**11.5**
Depreciation and amortisation	603	592	1.9	1,196	1,137	5.2
Total operating expenses	**5,429**	**5,377**	**1.0**	**10,806**	**9,753**	**10.8**

Operating means. Consolidated

	Employees			**Branches**		
	30.06.15	**30.06.14**	**Var.**	**30.06.15**	**30.06.14**	**Var.**
Continental Europe	**56,555**	**56,297**	**258**	**5,444**	**5,638**	**(194)**
o/w: Spain	24,322	25,465	(1,143)	3,490	3,609	(119)
Santander Consumer Finance	14,143	12,272	1,871	592	576	16
Poland	11,763	12,058	(295)	770	817	(47)
Portugal	5,399	5,515	(116)	576	626	(50)
United Kingdom	**26,273**	**25,902**	**371**	**901**	**988**	**(87)**
Latin America	**88,055**	**83,299**	**4,756**	**5,782**	**5,705**	**77**
o/w: Brazil	48,567	47,205	1,362	3,436	3,449	(13)
Mexico	17,310	14,859	2,451	1,356	1,293	63
Chile	12,276	11,971	305	479	481	(2)
USA	**16,466**	**15,594**	**872**	**783**	**811**	**(28)**
Operating areas	**187,349**	**181,092**	**6,257**	**12,910**	**13,142**	**(232)**
Corporate Activities	2,913	2,556	357			
Total Group	**190,262**	**183,648**	**6,614**	**12,910**	**13,142**	**(232)**

Net loan-loss provisions. Consolidated

EUR Million

	2Q'15	1Q'15	Var. %	1H'15	1H'14	Var. %
Non performing loans	2,928	2,906	0.8	5,833	5,993	(2.7)
Country-risk	17	1	—	18	(4)	—
Recovery of written-off assets	(436)	(343)	27.1	(780)	(656)	18.9
Total	**2,508**	**2,563**	**(2.1)**	**5,071**	**5,333**	**(4.9)**

Customer loans. Consolidated

EUR Million

	30.06.15	30.06.14	Variation amount	%	31.12.14
Spanish Public sector	16,034	16,227	(193)	(1.2)	17,465
Other residents	155,774	162,352	(6,578)	(4.1)	154,905
Commercial bills	8,471	6,689	1,783	26.7	7,293
Secured loans	93,731	98,962	(5,231)	(5.3)	96,426
Other loans	53,571	56,701	(3,129)	(5.5)	51,187
Non-resident sector	654,899	555,784	99,115	17.8	589,557
Secured loans	410,797	339,213	71,583	21.1	369,266
Other loans	244,102	216,571	27,531	12.7	220,291
Gross customer loans	**826,707**	**734,363**	**92,344**	**12.6**	**761,928**
Loan-loss allowances	27,474	27,464	9	0.0	27,217
Net customer loans	**799,233**	**706,899**	**92,334**	**13.1**	**734,711**
Pro memoria: Doubtful loans	39,154	40,948	(1,794)	(4.4)	40,424
Public sector	173	126	47	37.2	167
Other residents	18,167	21,003	(2,836)	(13.5)	19,951
Non-resident sector	20,814	19,819	995	5.0	20,306

Managed and marketed customer funds. Consolidated

EUR Million

	30.06.15	30.06.14	Variation amount	%	31.12.14
Resident public sector	8,526	7,357	1,169	15.9	9,349
Other residents	164,045	163,548	498	0.3	163,340
Demand deposits	102,770	79,661	23,109	29.0	88,312
Time deposits	58,925	77,913	(18,988)	(24.4)	67,495
Other	2,350	5,974	(3,624)	(60.7)	7,532
Non-resident sector	515,328	446,855	68,473	15.3	474,939
Demand deposits	309,849	244,068	65,781	27.0	273,889
Time deposits	149,958	155,736	(5,777)	(3.7)	151,113
Other	55,521	47,052	8,469	18.0	49,937
Customer deposits	**687,900**	**617,761**	**70,139**	**11.4**	**647,628**
Debt securities	200,453	191,495	8,958	4.7	196,890
Subordinated debt	19,836	19,043	793	4.2	17,132
On-balance-sheet customer funds	**908,189**	**828,299**	**79,890**	**9.6**	**861,649**
Mutual funds	135,582	119,739	15,842	13.2	124,708
Pension funds	11,503	11,258	245	2.2	11,481
Managed portfolios	27,675	23,198	4,477	19.3	25,599
Other managed and marketed customer funds	**174,760**	**154,195**	**20,564**	**13.3**	**161,788**
Managed and marketed customer funds	**1,082,948**	**982,494**	**100,454**	**10.2**	**1,023,437**

Eligible capital (fully loaded)*

EUR Million

	30.06.15	31.12.14	Variation amount	%
Capital stock and reserves	98,462	93,748	4,714	5.0
Attributable profit	4,261	5,816	(1,555)	(26.7)
Dividends	(1,150)	(1,014)	(136)	13.4
Other retained earnings	(10,817)	(11,468)	651	(5.7)
Minority interests	5,019	4,131	888	21.5
Goodwill and intangible assets	(30,280)	(29,164)	(1,116)	3.8
Treasury stock and other deductios	(5,683)	(5,767)	84	(1.5)
Core CET1	**59,813**	**56,282**	**3,531**	**6.3**
Preferred shares and other eligibles T1	5,690	4,728	962	20.3
Tier 1	**65,503**	**61,010**	**4,493**	**7.4**
Generic funds and eligible T2 instruments	9,749	7,561	2,188	28.9
Eligible capital	**75,253**	**68,571**	**6,682**	**9.7**
Risk-weighted assets	608,564	583,366	25,198	4.3
CET1 capital ratio	**9.8**	**9.7**	**0.2**	
T1 capital ratio	**10.8**	**10.5**	**0.3**	
BIS ratio	**12.4**	**11.8**	**0.6**	

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

Continental Europe
EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**2,287**	**0.1**	**(0.3)**	**4,571**	**6.8**	**6.6**
Net fees	867	3.1	2.7	1,709	(3.4)	(3.6)
Gains (losses) on financial transactions	4	(97.8)	(98.1)	169	(42.7)	(42.8)
Other operating income*	234	168.8	168.9	321	202.5	201.4
Gross income	**3,392**	**0.4**	**(0.0)**	**6,771**	**4.9**	**4.8**
Operating expenses	(1,647)	1.2	0.8	(3,274)	2.7	2.5
General administrative expenses	(1,461)	0.5	0.1	(2,915)	3.0	2.8
Personnel	*(865)*	*3.0*	*2.6*	*(1,705)*	*2.2*	*1.9*
Other general administrative expenses	*(596)*	*(2.9)*	*(3.3)*	*(1,209)*	*4.2*	*4.1*
Depreciation and amortisation	(186)	7.3	7.1	(360)	0.2	0.1
Net operating income	**1,745**	**(0.4)**	**(0.8)**	**3,496**	**7.2**	**7.0**
Net loan-loss provisions	(509)	(20.2)	(20.4)	(1,147)	(26.5)	(26.4)
Other income	(140)	16.8	16.7	(260)	(25.1)	(25.1)
Profit before taxes	**1,095**	**10.2**	**9.7**	**2,088**	**54.2**	**53.6**
Tax on profit	(285)	9.9	9.4	(544)	70.7	70.3
Profit from continuing operations	**810**	**10.4**	**9.7**	**1,545**	**49.1**	**48.4**
Net profit from discontinued operations	0	263.8	263.8	0	—	—
Consolidated profit	**810**	**10.4**	**9.7**	**1,545**	**49.1**	**48.5**
Minority interests	67	(4.9)	(6.2)	137	85.1	83.7
Attributable profit to the Group	**744**	**12.0**	**11.4**	**1,408**	**46.4**	**45.8**
Balance sheet						
Customer loans**	278,598	0.3	0.5	278,598	4.3	4.4
Trading portfolio (w/o loans)	62,282	(18.2)	(18.2)	62,282	5.4	5.4
Available-for-sale financial assets	57,289	1.8	2.1	57,289	40.4	40.3
Due from credit institutions**	71,928	(13.8)	(13.7)	71,928	34.4	33.2
Intangible assets and property and equipment	5,343	(0.4)	0.2	5,343	(2.9)	(3.3)
Other assets	21,310	(0.2)	0.1	21,310	(22.8)	(22.7)
Total assets/liabilities & shareholders' equity	**496,749**	**(4.6)**	**(4.4)**	**496,749**	**9.5**	**9.4**
Customer deposits**	262,561	(1.6)	(1.4)	262,561	3.0	3.1
Marketable debt securities**	21,525	(4.1)	(3.9)	21,525	14.7	15.5
Subordinated debt**	171	(61.3)	(60.4)	171	(58.2)	(58.0)
Insurance liabilities	647	(3.4)	(3.4)	647	(59.6)	(59.6)
Due to credit institutions**	104,730	2.4	2.8	104,730	49.1	47.6
Other liabilities	80,345	(20.9)	(20.8)	80,345	(1.9)	(1.9)
Stockholders' equity ***	26,770	1.6	2.0	26,770	4.2	4.3
Other managed and marketed customer funds	**69,622**	**(1.6)**	**(1.5)**	**69,622**	**12.1**	**12.1**
Mutual and pension funds	62,340	(1.6)	(1.5)	62,340	13.1	13.2
Managed portfolios	7,283	(1.2)	(1.2)	7,283	3.6	3.7
Managed and marketed customer funds	**353,880**	**(1.8)**	**(1.6)**	**353,880**	**5.2**	**5.3**
Ratios (%) and operating means						
ROE	11.27	1.04		10.76	3.18	
Efficiency ratio (with amortisations)	48.6	0.4		48.4	(1.1)	
NPL ratio	8.19	(0.38)		8.19	(0.85)	
NPL coverage	58.9	0.3		58.9	0.6	
Number of employees	56,555	(0.4)		56,555	0.5	
Number of branches	5,444	(0.5)		5,444	(3.4)	

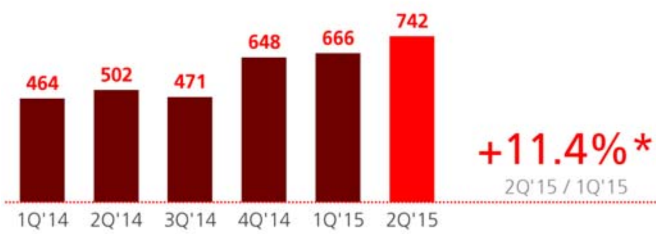
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

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

(*) Customer deposits + mutual funds

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

Attributable profit
Constant EUR Million



(*) In euros: +12.0%

Spain
EUR Million

Income statement	2Q'15	% o/ 1Q'15	1H'15	% o/ 1H'14
Net interest income	**1,132**	**(2.7)**	**2,295**	**(1.9)**
Net fees	445	4.3	873	(5.7)
Gains (losses) on financial transactions	(18)	—	91	(61.3)
Other operating income*	192	191.0	258	240.4
Gross income	**1,751**	**(0.7)**	**3,516**	**(1.6)**
Operating expenses	(852)	0.0	(1,704)	(3.6)
General administrative expenses	(756)	(1.0)	(1,520)	(4.3)
Personnel	*(459)*	*0.2*	*(917)*	*(7.0)*
Other general administrative expenses	*(297)*	*(2.7)*	*(603)*	*0.2*
Depreciation and amortisation	(96)	8.6	(184)	2.6
Net operating income	**899**	**(1.4)**	**1,812**	**0.3**
Net loan-loss provisions	(261)	(28.9)	(629)	(36.8)
Other income	(52)	60.5	(85)	1.0
Profit before taxes	**586**	**14.3**	**1,099**	**50.9**
Tax on profit	(167)	11.0	(317)	48.3
Profit from continuing operations	**419**	**15.7**	**781**	**51.9**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**419**	**15.7**	**781**	**51.9**
Minority interests	6	23.7	11	576.5
Attributable profit to the Group	**413**	**15.6**	**771**	**50.3**

Balance sheet				
Customer loans**	158,383	0.4	158,383	(0.6)
Trading portfolio (w/o loans)	58,976	(18.8)	58,976	5.1
Available-for-sale financial assets	42,857	2.2	42,857	51.8
Due from credit institutions**	53,097	(18.8)	53,097	50.9
Intangible assets and property and equipment	2,904	1.3	2,904	(19.3)
Other assets	4,895	9.0	4,895	(50.7)
Total assets/liabilities & shareholders' equity	**321,112**	**(6.9)**	**321,112**	**9.8**
Customer deposits**	184,294	(2.9)	184,294	1.8
Marketable debt securities**	524	(5.3)	524	(60.5)
Subordinated debt**	1	—	1	(87.9)
Insurance liabilities	551	(2.6)	551	4.8
Due to credit institutions**	58,407	1.8	58,407	84.0
Other liabilities	65,304	(23.7)	65,304	(1.5)
Stockholders' equity ***	12,030	7.5	12,030	5.6
Other managed and marketed customer funds	**62,224**	**(1.5)**	**62,224**	**12.4**
Mutual and pension funds	56,057	(1.5)	56,057	13.9
Managed portfolios	6,167	(1.2)	6,167	(0.0)
Managed and marketed customer funds	**247,042**	**(2.5)**	**247,042**	**3.9**

Ratios (%) and operating means				
ROE	14.38	1.80	13.44	4.34
Efficiency ratio (with amortisations)	48.6	0.4	48.5	(1.0)
NPL ratio	6.91	(0.34)	6.91	(0.68)
NPL coverage	46.8	0.2	46.8	1.9
Number of employees	24,322	(1.7)	24,322	(4.5)
Number of branches	3,490	(0.6)	3,490	(3.3)

(*).- 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 % (Jun'15 / Jun'14)

(*) Customer deposits + mutual funds

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

Attributable profit
EUR Million

Santander Consumer Finance

EUR Million

Income statement	2Q'15	% o/ 1Q'15	1H'15	% o/ 1H'14
Net interest income	**795**	**6.1**	**1,545**	**29.6**
Net fees	214	(2.0)	433	0.6
Gains (losses) on financial transactions	(8)	—	(8)	—
Other operating income*	9	(5.3)	19	536.1
Gross income	**1,010**	**3.3**	**1,988**	**22.2**
Operating expenses	(438)	5.1	(855)	18.4
General administrative expenses	(377)	4.1	(740)	20.9
Personnel	*(219)*	*10.7*	*(417)*	*27.6*
Other general administrative expenses	*(158)*	*(3.8)*	*(323)*	*13.2*
Depreciation and amortisation	(61)	12.1	(115)	4.4
Net operating income	**572**	**1.9**	**1,133**	**25.3**
Net loan-loss provisions	(131)	(21.8)	(299)	18.3
Other income	(36)	60.9	(58)	88.6
Profit before taxes	**405**	**9.1**	**777**	**25.1**
Tax on profit	(111)	14.0	(209)	38.4
Profit from continuing operations	**294**	**7.4**	**568**	**20.8**
Net profit from discontinued operations	0	263.8	0	—
Consolidated profit	**294**	**7.4**	**568**	**20.8**
Minority interests	31	(1.3)	63	358.0
Attributable profit to the Group	**263**	**8.5**	**505**	**10.8**

Balance sheet				
Customer loans**	69,546	1.2	69,546	19.8
Trading portfolio (w/o loans)	59	93.0	59	(78.0)
Available-for-sale financial assets	1,841	64.1	1,841	211.6
Due from credit institutions**	6,136	10.5	6,136	(6.0)
Intangible assets and property and equipment	767	(1.6)	767	(3.6)
Other assets	4,001	(5.2)	4,001	30.2
Total assets/liabilities & shareholders' equity	**82,350**	**2.4**	**82,350**	**18.8**
Customer deposits**	31,810	2.6	31,810	3.5
Marketable debt securities**	18,043	(4.6)	18,043	33.6
Subordinated debt**	70	1.0	70	7.5
Insurance liabilities	—	—	—	—
Due to credit institutions**	19,708	13.0	19,708	43.1
Other liabilities	4,051	(5.2)	4,051	35.2
Stockholders' equity ***	8,668	(0.4)	8,668	5.2
Other managed and marketed customer funds	**7**	**(2.4)**	**7**	**5.0**
Mutual and pension funds	7	(2.4)	7	5.0
Managed portfolios	—	—	—	—
Managed and marketed customer funds	**49,930**	**(0.1)**	**49,930**	**12.7**

Ratios (%) and operating means				
ROE	12.23	0.65	11.96	0.60
Efficiency ratio (with amortisations)	43.4	0.8	43.0	(1.4)
NPL ratio	4.25	(0.27)	4.25	0.18
NPL coverage	104.9	1.3	104.9	(0.3)
Number of employees	14,143	(0.1)	14,143	15.2
Number of branches	592	3.0	592	2.8

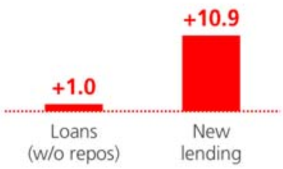
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

Activity performance

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

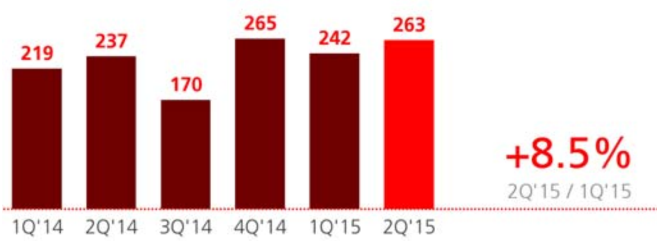
Activity performance

q-o-q % (Jun'15 / Mar'15)



Attributable profit

EUR Million



Poland

EUR Million

		o/ 1Q'15			o/ 1H'14	
Income statement	**2Q'15**	**%**	**% w/o FX**	**1H'15**	**%**	**% w/o FX**
Net interest income	**192**	**0.5**	**(2.0)**	**383**	**(9.9)**	**(10.7)**
Net fees	110	9.4	6.7	210	(4.8)	(5.6)
Gains (losses) on financial transactions	19	(65.5)	(67.2)	72	298.0	294.5
Other operating income*	16	—	—	11	(53.2)	(53.6)
Gross income	**336**	**(1.4)**	**(3.9)**	**676**	**(1.6)**	**(2.5)**
Operating expenses	(152)	1.7	(0.9)	(301)	2.3	1.4
General administrative expenses	(140)	1.9	(0.6)	(277)	2.5	1.6
Personnel	*(81)*	*0.5*	*(2.0)*	*(162)*	*5.9*	*4.9*
Other general administrative expenses	*(59)*	*4.0*	*1.5*	*(115)*	*(1.9)*	*(2.7)*
Depreciation and amortisation	(12)	(1.5)	(4.1)	(24)	(0.7)	(1.6)
Net operating income	**184**	**(3.8)**	**(6.3)**	**375**	**(4.5)**	**(5.4)**
Net loan-loss provisions	(46)	16.6	13.8	(85)	(0.2)	(1.0)
Other income	(2)	173.7	169.0	(3)	(83.8)	(83.9)
Profit before taxes	**136**	**(10.0)**	**(12.4)**	**287**	**(0.7)**	**(1.6)**
Tax on profit	(23)	(16.2)	(18.6)	(51)	(5.4)	(6.3)
Profit from continuing operations	**113**	**(8.6)**	**(11.0)**	**236**	**0.4**	**(0.5)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**113**	**(8.6)**	**(11.0)**	**236**	**0.4**	**(0.5)**
Minority interests	30	(10.2)	(12.6)	64	1.3	0.4
Attributable profit to the Group	**83**	**(8.0)**	**(10.4)**	**173**	**0.1**	**(0.8)**
Balance sheet						
Customer loans**	18,329	0.1	2.7	18,329	7.4	8.3
Trading portfolio (w/o loans)	1,132	(10.0)	(7.7)	1,132	41.8	43.0
Available-for-sale financial assets	5,647	5.5	8.2	5,647	34.0	35.1
Due from credit institutions**	1,245	1.8	4.4	1,245	105.1	106.8
Intangible assets and property and equipment	235	(2.6)	(0.1)	235	9.7	10.6
Other assets	1,660	(23.5)	(21.5)	1,660	(35.4)	(34.9)
Total assets/liabilities & shareholders' equity	**28,248**	**(1.1)**	**1.5**	**28,248**	**10.9**	**11.8**
Customer deposits**	20,181	(1.5)	1.1	20,181	10.1	11.0
Marketable debt securities**	350	45.6	49.3	350	190.7	193.1
Subordinated debt**	100	(73.1)	(72.4)	100	(70.2)	(70.0)
Insurance liabilities	—	—	—	—	(100.0)	(100.0)
Due to credit institutions**	1,657	30.8	34.2	1,657	6.1	7.0
Other liabilities	3,591	(5.2)	(2.7)	3,591	25.0	26.0
Stockholders' equity ***	2,370	(1.4)	1.2	2,370	9.1	10.0
Other managed and marketed customer funds	**3,928**	**(0.8)**	**1.8**	**3,928**	**7.7**	**8.6**
Mutual and pension funds	3,766	(1.2)	1.3	3,766	5.9	6.8
Managed portfolios	162	10.3	13.2	162	78.6	80.1
Managed and marketed customer funds	**24,559**	**(2.0)**	**0.6**	**24,559**	**9.5**	**10.4**
Ratios (%) and operating means						
ROE	13.74	(1.61)		14.55	(1.48)	
Efficiency ratio (with amortisations)	45.2	1.4		44.5	1.7	
NPL ratio	7.07	(0.26)		7.07	(0.35)	
NPL coverage	63.5	1.9		63.5	(1.8)	
Number of employees	11,763	(1.1)		11,763	(2.4)	
Number of branches	770	(1.8)		770	(5.8)	

(*).- 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 % (Jun'15 / Jun'14 w/o FX)

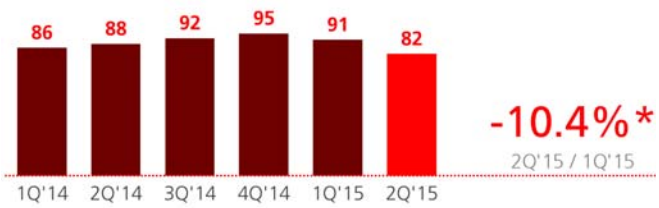
(*) Customer deposits + mutual funds

Activity performance

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

Attributable profit

Constant EUR Million



(*) In euros: -8.0%

Portugal

EUR Million

Income statement	2Q'15	% o/ 1Q'15	1H'15	% o/ 1H'14
Net interest income	**141**	**(1.1)**	**283**	**6.0**
Net fees	67	(1.7)	136	(2.4)
Gains (losses) on financial transactions	10	(30.6)	25	(36.8)
Other operating income*	16	24.0	28	42.0
Gross income	**234**	**(1.8)**	**472**	**1.4**
Operating expenses	(120)	(1.1)	(241)	(0.9)
General administrative expenses	(105)	(0.4)	(211)	2.2
Personnel	*(74)*	*1.0*	*(147)*	*0.4*
Other general administrative expenses	*(32)*	*(3.5)*	*(64)*	*6.5*
Depreciation and amortisation	(14)	(6.2)	(30)	(18.2)
Net operating income	**114**	**(2.5)**	**231**	**3.8**
Net loan-loss provisions	(21)	(4.6)	(43)	(42.4)
Other income	(23)	10.2	(45)	(24.5)
Profit before taxes	**70**	**(5.6)**	**143**	**61.4**
Tax on profit	(19)	8.8	(36)	96.7
Profit from continuing operations	**51**	**(10.0)**	**107**	**52.2**
Net profit from discontinued operations	—	—	—	—
Consolidated profit	**51**	**(10.0)**	**107**	**52.2**
Minority interests	(0)	—	(0)	(99.2)
Attributable profit to the Group	**51**	**(9.0)**	**107**	**44.0**
Balance sheet				
Customer loans**	23,097	0.2	23,097	(4.2)
Trading portfolio (w/o loans)	2,076	(3.9)	2,076	10.4
Available-for-sale financial assets	5,711	(17.0)	5,711	(19.8)
Due from credit institutions**	1,934	(11.0)	1,934	(22.3)
Intangible assets and property and equipment	693	(1.0)	693	(9.1)
Other assets	5,903	0.8	5,903	(6.0)
Total assets/liabilities & shareholders' equity	**39,415**	**(3.4)**	**39,415**	**(7.6)**
Customer deposits**	23,796	1.1	23,796	2.3
Marketable debt securities**	2,608	(4.5)	2,608	(31.6)
Subordinated debt**	0	—	0	(95.0)
Insurance liabilities	24	(17.9)	24	(69.7)
Due to credit institutions**	9,791	(11.3)	9,791	(20.2)
Other liabilities	971	9.4	971	5.4
Stockholders' equity ***	2,224	(14.2)	2,224	(3.4)
Other managed and marketed customer funds	**2,876**	**0.2**	**2,876**	**20.0**
Mutual and pension funds	2,465	(1.0)	2,465	13.4
Managed portfolios	411	8.5	411	85.3
Managed and marketed customer funds	**29,281**	**0.5**	**29,281**	**(0.6)**
Ratios (%) and operating means				
ROE	8.43	(0.66)	8.84	2.23
Efficiency ratio (with amortisations)	51.3	0.4	51.1	(1.1)
NPL ratio	8.80	(0.16)	8.80	0.64
NPL coverage	54.2	1.8	54.2	1.1
Number of employees	5,399	(0.2)	5,399	(2.1)
Number of branches	576	(1.4)	576	(8.0)

(*).- 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 % (Jun'15 / Jun'14)

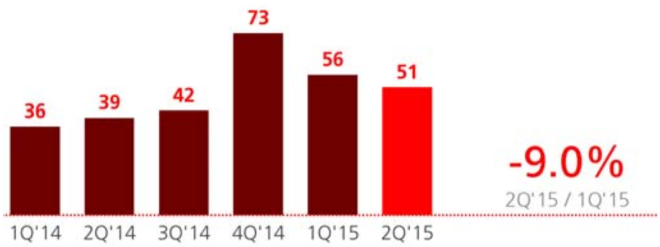
(*) Customer deposits + mutual funds

Activity performance

q-o-q % (Jun'15 / Mar'15)

Attributable profit

EUR Million



United Kingdom

EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**1,247**	**4.5**	**1.4**	**2,441**	**20.6**	**7.5**
Net fees	291	1.7	(1.3)	578	16.9	4.2
Gains (losses) on financial transactions	83	38.9	35.4	144	(2.7)	(13.3)
Other operating income*	4	(61.4)	(63.5)	14	(26.4)	(34.4)
Gross income	**1,626**	**4.9**	**1.8**	**3,177**	**18.3**	**5.4**
Operating expenses	(835)	2.4	(0.5)	(1,649)	18.2	5.4
General administrative expenses	(707)	1.4	(1.5)	(1,403)	19.4	6.4
Personnel	*(478)*	*4.7*	*1.6*	*(935)*	*21.9*	*8.6*
Other general administrative expenses	*(229)*	*(4.7)*	*(7.6)*	*(468)*	*14.8*	*2.3*
Depreciation and amortisation	(128)	8.3	5.3	(246)	11.9	(0.3)
Net operating income	**791**	**7.5**	**4.5**	**1,527**	**18.4**	**5.5**
Net loan-loss provisions	(18)	(76.2)	(78.1)	(94)	(54.7)	(59.7)
Other income	(51)	(8.9)	(11.7)	(106)	(2.7)	(13.3)
Profit before taxes	**723**	**19.5**	**16.3**	**1,327**	**36.4**	**21.5**
Tax on profit	(162)	35.5	32.0	(281)	41.9	26.4
Profit from continuing operations	**561**	**15.6**	**12.4**	**1,046**	**35.0**	**20.3**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**561**	**15.6**	**12.4**	**1,046**	**35.0**	**20.3**
Minority interests	9	20.3	17.0	17	—	—
Attributable profit to the Group	**551**	**15.5**	**12.3**	**1,029**	**32.7**	**18.3**

Balance sheet	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Customer loans**	287,896	3.1	0.8	287,896	20.3	6.8
Trading portfolio (w/o loans)	41,349	(3.5)	(5.6)	41,349	30.0	15.4
Available-for-sale financial assets	12,785	(1.2)	(3.3)	12,785	32.1	17.3
Due from credit institutions**	17,654	(11.2)	(13.2)	17,654	22.7	8.9
Intangible assets and property and equipment	3,175	2.6	0.4	3,175	35.3	20.1
Other assets	26,772	(23.0)	(24.6)	26,772	(32.6)	(40.2)
Total assets/liabilities & shareholders' equity	**389,632**	**(0.8)**	**(3.0)**	**389,632**	**15.6**	**2.6**
Customer deposits**	230,233	4.3	2.0	230,233	19.0	5.6
Marketable debt securities**	72,622	(7.6)	(9.6)	72,622	10.3	(2.1)
Subordinated debt**	5,273	(8.9)	(10.9)	5,273	(11.1)	(21.1)
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	26,318	0.2	(2.0)	26,318	(3.7)	(14.5)
Other liabilities	39,385	(13.8)	(15.7)	39,385	28.9	14.4
Stockholders' equity ***	15,800	(0.3)	(2.5)	15,800	12.0	(0.6)
Other managed and marketed customer funds	**10,807**	**3.2**	**1.0**	**10,807**	**9.3**	**(3.0)**
Mutual and pension funds	10,645	3.2	1.0	10,645	9.3	(3.0)
Managed portfolios	162	4.2	1.9	162	12.1	(0.5)
Managed and marketed customer funds	**318,935**	**1.1**	**(1.1)**	**318,935**	**15.9**	**2.9**

Ratios (%) and operating means	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
ROE	13.97	1.57		13.22	1.58	
Efficiency ratio (with amortisations)	51.3	(1.2)		51.9	(0.0)	
NPL ratio	1.61	(0.14)		1.61	(0.30)	
NPL coverage	40.3	(0.9)		40.3	(0.8)	
Number of employees	26,273	0.2		26,273	1.4	
Number of branches	901	(2.2)		901	(8.8)	

(*).- 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 % (Jun'15 / Jun'14 w/o FX)

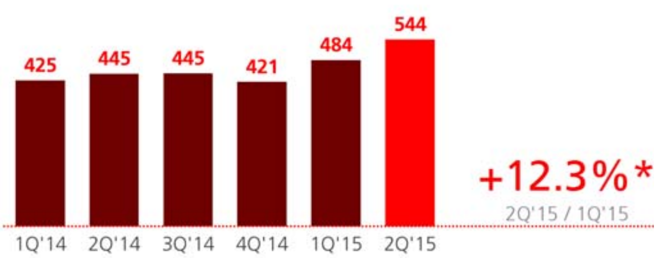
(*) Customer deposits + mutual funds

Activity performance

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

Attributable profit

Constant EUR Million



(*) In euros: +15.5%

Latin America
EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**3,689**	**1.8**	**5.2**	**7,310**	**6.8**	**7.1**
Net fees	1,208	1.5	4.7	2,399	11.7	10.9
Gains (losses) on financial transactions	171	(9.5)	(9.5)	359	49.3	35.2
Other operating income*	27	—	—	25	(35.3)	(30.2)
Gross income	**5,094**	**1.9**	**5.1**	**10,094**	**8.9**	**8.7**
Operating expenses	(2,080)	(0.8)	2.1	(4,177)	9.0	8.3
General administrative expenses	(1,873)	(0.9)	2.0	(3,763)	9.2	8.4
Personnel	*(1,080)*	*1.8*	*4.6*	*(2,141)*	*11.3*	*10.1*
Other general administrative expenses	*(792)*	*(4.4)*	*(1.4)*	*(1,622)*	*6.5*	*6.2*
Depreciation and amortisation	(207)	0.1	3.2	(414)	7.8	7.8
Net operating income	**3,015**	**3.9**	**7.3**	**5,917**	**8.8**	**8.9**
Net loan-loss provisions	(1,226)	1.4	4.9	(2,436)	(3.3)	(2.0)
Other income	(273)	34.1	40.9	(476)	40.1	45.1
Ordinary profit before taxes	**1,516**	**1.8**	**4.7**	**3,005**	**16.5**	**14.7**
Tax on profit	(401)	(6.9)	(3.7)	(831)	27.0	26.1
Ordinary profit from continuing operations	**1,115**	**5.3**	**8.1**	**2,174**	**12.9**	**10.9**
Net profit from discontinued operations	—	—	—	—	—	—
Ordinary consolidated profit	**1,115**	**5.3**	**8.1**	**2,174**	**12.9**	**10.9**
Minority interests	176	21.1	22.7	320	(22.6)	(23.7)
Ordinary attributable profit to the Group	**939**	**2.8**	**5.8**	**1,854**	**22.6**	**20.4**
Balance sheet						
Customer loans**	150,276	(1.1)	1.5	150,276	10.2	15.7
Trading portfolio (w/o loans)	35,985	0.0	3.2	35,985	6.0	10.5
Available-for-sale financial assets	34,711	11.7	12.8	34,711	38.6	52.4
Due from credit institutions**	27,578	(1.1)	2.0	27,578	22.9	26.8
Intangible assets and property and equipment	4,111	(1.5)	0.1	4,111	6.7	16.4
Other assets	44,102	(5.9)	(4.4)	44,102	(1.2)	6.8
Total assets/liabilities & shareholders' equity	**296,763**	**(0.4)**	**2.0**	**296,763**	**11.5**	**17.8**
Customer deposits**	140,369	(1.7)	1.1	140,369	9.7	15.2
Marketable debt securities**	36,915	6.8	8.3	36,915	16.1	26.3
Subordinated debt**	6,686	(1.3)	0.2	6,686	(1.1)	8.3
Insurance liabilities	1	21.8	20.9	1	—	—
Due to credit institutions**	40,249	6.7	9.0	40,249	33.2	40.8
Other liabilities	46,664	(8.5)	(6.6)	46,664	(2.2)	3.8
Stockholders' equity ***	25,879	3.0	5.5	25,879	18.4	23.0
Other managed and marketed customer funds	**83,096**	**1.6**	**3.4**	**83,096**	**8.7**	**15.3**
Mutual and pension funds	68,892	2.1	3.5	68,892	5.5	15.1
Managed portfolios	14,204	(0.4)	2.8	14,204	27.5	16.3
Managed and marketed customer funds	**267,067**	**0.4**	**2.7**	**267,067**	**9.9**	**16.5**
Ratios (%) and operating means						
Ordinary ROE	14.86	0.49		14.59	0.54	
Efficiency ratio (with amortisations)	40.8	(1.1)		41.4	0.1	
NPL ratio	4.59	0.10 P.		4.59	(0.44)	
NPL coverage	84.7	0.8 P.		84.7	(1.6)	
Number of employees	88,055	3.3		88,055	5.7	
Number of branches	5,782	1.0		5,782	1.3	

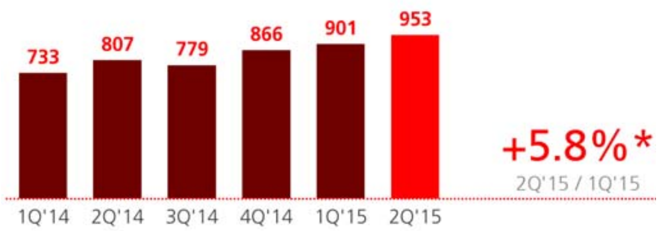
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments
NOTE: In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

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

(*) Customer deposits + mutual funds

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

Ordinary attributable profit
Constant EUR Million



(*) In euros: +2.8%

Brazil
EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**2,222**	**(2.9)**	**2.4**	**4,511**	**0.4**	**5.4**
Net fees	684	(3.4)	2.0	1,391	5.9	11.2
Gains (losses) on financial transactions	69	147.7	157.2	97	—	—
Other operating income*	46	121.4	130.2	67	31.7	38.3
Gross income	**3,021**	**(0.8)**	**4.6**	**6,066**	**3.9**	**9.1**
Operating expenses	(1,140)	(3.0)	2.4	(2,316)	(0.5)	4.4
General administrative expenses	(1,022)	(3.1)	2.2	(2,077)	(0.1)	4.9
Personnel	*(577)*	*(0.6)*	*4.8*	*(1,158)*	*1.6*	*6.6*
Other general administrative expenses	*(445)*	*(6.2)*	*(0.9)*	*(919)*	*(2.2)*	*2.7*
Depreciation and amortisation	(118)	(2.0)	3.4	(238)	(4.1)	0.6
Net operating income	**1,881**	**0.6**	**6.0**	**3,751**	**6.9**	**12.2**
Net loan-loss provisions	(828)	0.2	5.7	(1,654)	(10.0)	(5.5)
Other income	(263)	26.0	32.2	(472)	53.3	60.9
Ordinary profit before taxes	**789**	**(5.4)**	**(0.1)**	**1,624**	**19.1**	**25.0**
Tax on profit	(242)	(8.5)	(3.3)	(506)	29.5	35.9
Ordinary profit from continuing operations	**548**	**(4.0)**	**1.3**	**1,118**	**14.9**	**20.6**
Net profit from discontinued operations	—	—	—	—	—	—
Ordinary consolidated profit	**548**	**(4.0)**	**1.3**	**1,118**	**14.9**	**20.6**
Minority interests	56	2.2	7.7	111	(48.4)	(45.8)
Ordinary attributable profit to the Group	**491**	**(4.7)**	**0.7**	**1,007**	**32.8**	**39.4**

Balance sheet	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Customer loans**	72,083	(0.6)	(1.3)	72,083	0.8	16.6
Trading portfolio (w/o loans)	15,822	7.5	6.7	15,822	(6.7)	7.9
Available-for-sale financial assets	26,054	12.9	12.1	26,054	42.0	64.2
Due from credit institutions**	13,299	17.2	16.3	13,299	31.3	51.8
Intangible assets and property and equipment	2,672	(0.4)	(1.2)	2,672	(4.4)	10.5
Other assets	28,573	(3.5)	(4.3)	28,573	(9.6)	4.6
Total assets/liabilities & shareholders' equity	**158,503**	**3.0**	**2.2**	**158,503**	**4.8**	**21.1**
Customer deposits**	67,207	3.0	2.3	67,207	(1.8)	13.6
Marketable debt securities**	24,688	9.3	8.4	24,688	13.4	31.1
Subordinated debt**	4,455	(0.4)	(1.1)	4,455	(7.6)	6.9
Insurance liabilities	1	21.8	20.9	1	—	—
Due to credit institutions**	23,645	12.5	11.7	23,645	46.7	69.6
Other liabilities	24,920	(12.1)	(12.8)	24,920	(13.4)	0.1
Stockholders' equity ***	13,587	10.7	9.9	13,587	19.6	38.4
Other managed and marketed customer funds	**49,878**	**4.6**	**3.9**	**49,878**	**0.6**	**16.3**
Mutual and pension funds	46,614	4.5	3.8	46,614	0.5	16.2
Managed portfolios	3,264	6.1	5.4	3,264	2.0	18.0
Managed and marketed customer funds	**146,228**	**4.5**	**3.7**	**146,228**	**1.1**	**16.9**

Ratios (%) and operating means	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Ordinary ROE	15.26	(0.53)		15.40	1.89	
Efficiency ratio (with amortisations)	37.7	(0.9)		38.2	(1.7)	
NPL ratio	5.13	0.23		5.13	(0.65)	
NPL coverage	95.9	0.7		95.9	1.1	
Number of employees	48,567	4.4		48,567	2.9	
Number of branches	3,436	1.3		3,436	(0.4)	

(*).- 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
NOTE: In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

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

(*) Customer deposits + mutual funds

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

Ordinary attributable profit
Constant EUR Million

(*) In euros: -4.7%

Mexico

EUR Million

		o/ 1Q'15			o/ 1H'14	
Income statement	**2Q'15**	**%**	**% w/o FX**	**1H'15**	**%**	**% w/o FX**
Net interest income	**635**	**4.1**	**4.7**	**1,244**	**19.9**	**12.6**
Net fees	213	9.7	10.4	408	7.2	0.6
Gains (losses) on financial transactions	34	(21.4)	(20.8)	78	(12.1)	(17.5)
Other operating income*	(14)	(7.5)	(6.9)	(28)	47.1	38.2
Gross income	**869**	**4.2**	**4.9**	**1,702**	**14.4**	**7.4**
Operating expenses	(347)	(0.6)	0.0	(697)	12.6	5.7
General administrative expenses	(306)	(1.2)	(0.5)	(615)	11.0	4.2
Personnel	*(176)*	*3.2*	*3.9*	*(347)*	*19.8*	*12.5*
Other general administrative expenses	*(130)*	*(6.6)*	*(6.0)*	*(268)*	*1.4*	*(4.8)*
Depreciation and amortisation	(41)	3.5	4.2	(81)	26.6	18.8
Net operating income	**522**	**7.8**	**8.5**	**1,005**	**15.6**	**8.5**
Net loan-loss provisions	(224)	6.3	7.0	(435)	17.7	10.5
Other income	(2)	—	—	6	—	—
Profit before taxes	**295**	**5.2**	**5.8**	**576**	**15.9**	**8.9**
Tax on profit	(68)	3.3	4.0	(133)	27.2	19.4
Profit from continuing operations	**228**	**5.7**	**6.4**	**443**	**13.0**	**6.1**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**228**	**5.7**	**6.4**	**443**	**13.0**	**6.1**
Minority interests	53	11.1	11.7	101	18.4	11.1
Attributable profit to the Group	**175**	**4.2**	**4.9**	**342**	**11.4**	**4.6**

Balance sheet						
Customer loans**	28,609	(1.7)	4.3	28,609	16.7	15.5
Trading portfolio (w/o loans)	15,391	(7.7)	(2.0)	15,391	32.6	31.3
Available-for-sale financial assets	3,986	(2.0)	4.1	3,986	1.1	0.0
Due from credit institutions**	7,086	(16.1)	(10.9)	7,086	1.6	0.6
Intangible assets and property and equipment	460	(6.7)	(0.9)	460	16.1	14.9
Other assets	5,781	(8.6)	(2.9)	5,781	5.2	4.2
Total assets/liabilities & shareholders' equity	**61,312**	**(5.8)**	**(0.0)**	**61,312**	**15.8**	**14.7**
Customer deposits**	28,747	(7.2)	(1.4)	28,747	15.9	14.7
Marketable debt securities**	4,720	5.1	11.6	4,720	23.6	22.4
Subordinated debt**	1,181	(1.8)	4.3	1,181	21.7	20.4
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	8,444	(15.3)	(10.1)	8,444	7.7	6.6
Other liabilities	13,329	(2.1)	4.0	13,329	23.4	22.2
Stockholders' equity ***	4,891	0.3	6.5	4,891	4.1	3.1
Other managed and marketed customer funds	**12,557**	**(5.0)**	**0.8**	**12,557**	**7.1**	**6.0**
Mutual and pension funds	12,557	(5.0)	0.8	12,557	7.1	6.0
Managed portfolios	—	—	—	—	—	—
Managed and marketed customer funds	**47,205**	**(5.4)**	**0.5**	**47,205**	**14.3**	**13.1**

Ratios (%) and operating means						
ROE	14.44	0.54		14.19	0.58	
Efficiency ratio (with amortisations)	40.0	(2.0)		40.9	(0.6)	
NPL ratio	3.81	0.10		3.81	0.29	
NPL coverage	87.5	(0.9)		87.5	(9.1)	
Number of employees	17,310	2.2		17,310	16.5	
Number of branches	1,356	0.4		1,356	4.9	

(*).- 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 % (Jun'15 / Jun'14 w/o FX)

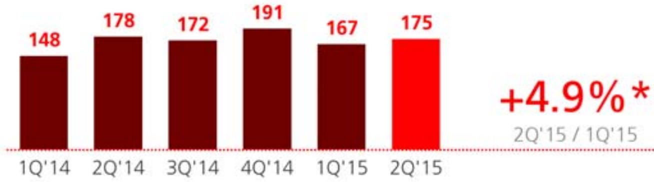
(*) Customer deposits + mutual funds

Activity performance

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

Attributable profit

Constant EUR Million



(*) In euros: +4.2%

Chile

EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**498**	**25.0**	**21.7**	**896**	**4.7**	**(4.4)**
Net fees	96	10.4	7.3	183	14.4	4.5
Gains (losses) on financial transactions	36	(45.3)	(47.6)	101	73.0	58.1
Other operating income*	4	17.4	14.1	8	(16.8)	(24.0)
Gross income	**634**	**14.4**	**11.2**	**1,188**	**9.6**	**0.2**
Operating expenses	(260)	11.0	7.8	(494)	20.1	9.7
General administrative expenses	(238)	11.7	8.5	(451)	19.6	9.3
Personnel	*(151)*	*16.6*	*13.4*	*(280)*	*21.2*	*10.7*
Other general administrative expenses	*(87)*	*4.1*	*1.1*	*(171)*	*17.1*	*7.0*
Depreciation and amortisation	(22)	3.6	0.6	(43)	25.7	14.9
Net operating income	**374**	**16.9**	**13.6**	**694**	**3.2**	**(5.7)**
Net loan-loss provisions	(126)	(4.1)	(7.0)	(258)	10.2	0.7
Other income	(3)	—	—	3	—	—
Profit before taxes	**245**	**25.9**	**22.5**	**439**	**2.4**	**(6.4)**
Tax on profit	(30)	(33.3)	(35.7)	(74)	19.7	9.4
Profit from continuing operations	**215**	**43.3**	**39.7**	**366**	**(0.5)**	**(9.1)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**215**	**43.3**	**39.7**	**366**	**(0.5)**	**(9.1)**
Minority interests	65	58.1	54.2	107	(5.2)	(13.4)
Attributable profit to the Group	**150**	**37.7**	**34.2**	**259**	**1.6**	**(7.1)**

Balance sheet	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Customer loans**	33,733	(2.3)	3.4	33,733	17.5	11.4
Trading portfolio (w/o loans)	2,918	(0.8)	5.0	2,918	38.6	31.4
Available-for-sale financial assets	2,831	23.6	30.8	2,831	57.6	49.4
Due from credit institutions**	4,020	(12.6)	(7.6)	4,020	41.0	33.7
Intangible assets and property and equipment	371	(2.9)	2.7	371	32.0	25.1
Other assets	2,621	(26.5)	(22.2)	2,621	25.4	18.9
Total assets/liabilities & shareholders' equity	**46,495**	**(3.7)**	**1.8**	**46,495**	**22.9**	**16.5**
Customer deposits**	24,203	(8.7)	(3.4)	24,203	21.4	15.1
Marketable debt securities**	7,441	0.5	6.3	7,441	21.1	14.8
Subordinated debt**	1,023	(4.4)	1.1	1,023	7.9	2.3
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	5,795	31.6	39.2	5,795	24.8	18.3
Other liabilities	5,128	(10.2)	(5.0)	5,128	38.5	31.3
Stockholders' equity ***	2,904	(9.1)	(3.9)	2,904	18.2	12.0
Other managed and marketed customer funds	**7,792**	**(1.0)**	**4.7**	**7,792**	**22.8**	**16.4**
Mutual and pension funds	5,786	(0.1)	5.6	5,786	19.3	13.1
Managed portfolios	2,006	(3.5)	2.1	2,006	34.1	27.1
Managed and marketed customer funds	**40,459**	**(5.6)**	**(0.1)**	**40,459**	**21.2**	**14.9**

Ratios (%) and operating means	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
ROE	20.03	5.88		17.17	(3.16)	
Efficiency ratio (with amortisations)	41.0	(1.3)		41.6	3.6	
NPL ratio	5.73	(0.15)		5.73	(0.21)	
NPL coverage	51.6	(0.4)		51.6	(0.1)	
Number of employees	12,276	1.5		12,276	2.5	
Number of branches	479	0.6		479	(0.4)	

(*).- 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 % (Jun'15 / Jun'14 w/o FX)

(*) Customer deposits + mutual funds

Activity performance

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

Attributable profit

Constant EUR Million

(*) In euros: +37.7%

United States
EUR Million

		o/ 1Q'15			o/ 1H'14	
Income statement	**2Q'15**	**%**	**% w/o FX**	**1H'15**	**%**	**% w/o FX**
Net interest income	**1,506**	**6.0**	**4.1**	**2,927**	**30.8**	**6.4**
Net fees	229	4.0	2.1	449	33.3	8.4
Gains (losses) on financial transactions	98	187.6	184.1	133	203.4	146.8
Other operating income*	77	(16.3)	(18.0)	168	245.7	181.2
Gross income	**1,910**	**8.1**	**6.2**	**3,676**	**37.9**	**12.2**
Operating expenses	(662)	5.1	3.3	(1,293)	36.1	10.7
General administrative expenses	(589)	4.9	3.0	(1,150)	36.2	10.8
Personnel	*(342)*	*4.3*	*2.4*	*(670)*	*39.3*	*13.3*
Other general administrative expenses	*(246)*	*5.6*	*3.8*	*(480)*	*32.1*	*7.4*
Depreciation and amortisation	(74)	7.4	5.5	(142)	35.7	10.4
Net operating income	**1,247**	**9.7**	**7.8**	**2,383**	**38.9**	**12.9**
Net loan-loss provisions	(754)	18.0	16.0	(1,394)	33.3	8.4
Other income	(42)	125.1	122.1	(60)	—	795.0
Profit before taxes	**451**	**(5.7)**	**(7.5)**	**930**	**39.8**	**13.7**
Tax on profit	(135)	1.6	(0.3)	(268)	34.3	9.2
Profit from continuing operations	**316**	**(8.6)**	**(10.3)**	**662**	**42.1**	**15.6**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**316**	**(8.6)**	**(10.3)**	**662**	**42.1**	**15.6**
Minority interests	100	0.8	(1.0)	200	82.8	48.6
Attributable profit to the Group	**216**	**(12.3)**	**(14.1)**	**462**	**29.6**	**5.4**
Balance sheet						
Customer loans**	76,121	(3.4)	0.5	76,121	26.9	3.9
Trading portfolio (w/o loans)	284	(20.5)	(17.3)	284	14.3	(6.3)
Available-for-sale financial assets	16,741	1.5	5.5	16,741	103.5	66.7
Due from credit institutions**	3,773	6.3	10.6	3,773	69.3	38.7
Intangible assets and property and equipment	7,854	(0.9)	3.1	7,854	71.0	40.1
Other assets	6,793	2.1	6.2	6,793	3.6	(15.2)
Total assets/liabilities & shareholders' equity	**111,566**	**(1.9)**	**2.0**	**111,566**	**36.3**	**11.6**
Customer deposits**	52,516	(3.6)	0.3	52,516	31.7	7.9
Marketable debt securities**	20,942	9.0	13.3	20,942	45.7	19.4
Subordinated debt**	845	(5.1)	(1.3)	845	24.3	1.9
Insurance liabilities	—	—	—	—	—	—
Due to credit institutions**	20,580	(12.2)	(8.7)	20,580	63.6	34.0
Other liabilities	6,574	12.5	17.0	6,574	62.0	32.7
Stockholders' equity ***	10,109	2.2	6.3	10,109	(1.8)	(19.6)
Other managed and marketed customer funds	**11,233**	**(12.1)**	**(8.5)**	**11,233**	**96.0**	**60.6**
Mutual and pension funds	5,207	(13.5)	(10.0)	5,207	516.9	405.4
Managed portfolios	6,026	(10.8)	(7.2)	6,026	23.3	1.0
Managed and marketed customer funds	**85,536**	**(2.1)**	**1.8**	**85,536**	**41.0**	**15.5**
Ratios (%) and operating means						
ROE	8.62	(1.20)		9.20	1.90	
Efficiency ratio (with amortisations)	34.7	(1.0)		35.2	(0.5)	
NPL ratio	2.30	—		2.30	(0.63)	
NPL coverage	223.3	12.6		223.3	58.3	
Number of employees	16,466	2.0		16,466	5.6	
Number of branches	783	(2.6)		783	(3.5)	

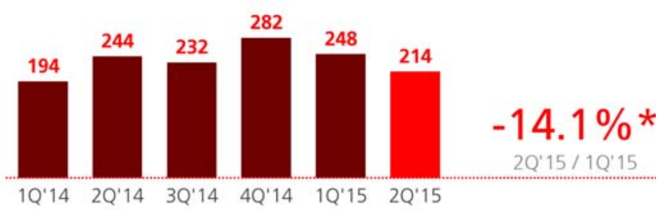
(*).- Including dividends, income from equity-accounted method and other operating income/expenses
(**).- Including all on-balance sheet balances for this item
(***).- Capital + reserves + profit + valuation adjustments

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

(*) Customer deposits + mutual funds

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

Attributable profit
Constant EUR Million



(*) In euros: -12.3%

Corporate Activities
EUR Million

Income statement	2Q'15	1Q'15	%	1H'15	1H'14	%
Net interest income	**(448)**	**(483)**	**(7.3)**	**(930)**	**(1,023)**	**(9.0)**
Net fees	(9)	(15)	(35.2)	(24)	(14)	71.5
Gains (losses) on financial transactions	16	247	(93.6)	263	550	(52.3)
Other operating income	38	(1)	—	37	25	45.7
Dividends	38	1	—	39	15	165.0
Income from equity-accounted method	(10)	(12)	(20.9)	(22)	(15)	46.5
Other operating income/expenses	10	10	(7.7)	20	26	(22.9)
Gross income	**(403)**	**(252)**	**60.2**	**(655)**	**(461)**	**42.0**
Operating expenses	(205)	(208)	(1.4)	(413)	(389)	6.3
General administrative expenses	(197)	(183)	7.4	(380)	(320)	18.8
Personnel	*(71)*	*(69)*	*2.8*	*(140)*	*(129)*	*8.4*
Other general administrative expenses	*(126)*	*(115)*	*10.2*	*(241)*	*(192)*	*25.7*
Depreciation and amortisation	(8)	(25)	(66.7)	(33)	(69)	(51.9)
Net operating income	**(608)**	**(460)**	**32.3**	**(1,068)**	**(850)**	**25.6**
Net loan-loss provisions	(0)	0	—	(0)	0	—
Other income	(177)	(117)	52.2	(294)	(139)	111.1
Ordinary profit before taxes	**(786)**	**(576)**	**36.4**	**(1,362)**	**(989)**	**37.7**
Tax on profit	43	19	124.8	62	137	(55.2)
Ordinary profit from continuing operations	**(743)**	**(557)**	**33.4**	**(1,300)**	**(852)**	**52.7**
Net profit from discontinued operations	—	0	(100.0)	0	—	—
Ordinary consolidated profit	**(743)**	**(557)**	**33.4**	**(1,300)**	**(852)**	**52.7**
Minority interests	(2)	27	—	25	(3)	—
Ordinary attributable profit to the Group	**(741)**	**(585)**	**26.8**	**(1,326)**	**(849)**	**56.2**

Balance sheet	2Q'15	1Q'15	%	1H'15	1H'14	%
Trading portfolio (w/o loans)	3,062	3,866	(20.8)	3,062	3,297	(7.1)
Available-for-sale financial assets	7,509	7,748	(3.1)	7,509	6,863	9.4
Investments	774	816	(5.2)	774	542	42.9
Goodwill	28,594	28,667	(0.3)	28,594	26,663	7.2
Liquidity lent to the Group	22,744	34,627	(34.3)	22,744	24,882	(8.6)
Capital assigned to Group areas	78,732	80,711	(2.5)	78,732	70,229	12.1
Other assets	74,264	63,459	17.0	74,264	53,591	38.6
Total assets/liabilities & shareholders' equity	**215,679**	**219,894**	**(1.9)**	**215,679**	**186,067**	**15.9**
Customer deposits*	2,221	2,597	(14.5)	2,221	1,563	42.1
Marketable debt securities*	48,449	53,504	(9.4)	48,449	60,754	(20.3)
Subordinated debt*	6,861	5,855	17.2	6,861	5,263	30.4
Other liabilities	66,476	62,520	6.3	66,476	45,281	46.8
Stockholders' equity **	91,672	95,418	(3.9)	91,672	73,206	25.2
Other managed and marketed customer funds	—	—	—	—	—	—
Mutual and pension funds	—	—	—	—	—	—
Managed portfolios	—	—	—	—	—	—
Managed and marketed customer funds	**57,530**	**61,956**	**(7.1)**	**57,530**	**67,580**	**(14.9)**
Operating means						
Number of employees	2,913	2,853	2.1	2,913	2,556	14.0

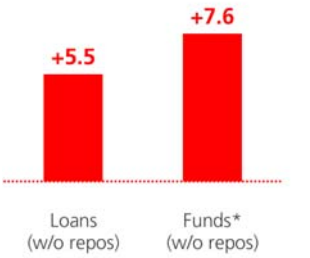
(*).- Including all on-balance sheet balances for this item
(**).- Capital + reserves + profit + valuation adjustments

Retail Banking
EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**7,993**	**2.7**	**3.1**	**15,779**	**11.3**	**5.9**
Net fees	2,193	0.4	1.2	4,378	8.3	4.8
Gains (losses) on financial transactions	298	83.6	80.8	461	122.7	97.2
Other operating income*	188	13.9	13.1	353	383.6	319.1
Gross income	**10,673**	**3.6**	**4.1**	**20,970**	**13.4**	**8.1**
Operating expenses	(4,659)	0.9	1.3	(9,277)	10.8	6.0
Net operating income	**6,013**	**5.9**	**6.4**	**11,694**	**15.5**	**9.8**
Net loan-loss provisions	(2,315)	(0.3)	0.6	(4,638)	(4.9)	(9.1)
Other income	(454)	26.2	29.4	(814)	33.8	33.3
Ordinary profit before taxes	**3,244**	**8.2**	**8.1**	**6,241**	**34.4**	**26.4**
Tax on profit	(838)	7.3	7.6	(1,619)	44.0	35.4
Ordinary profit from continuing operations	**2,406**	**8.5**	**8.3**	**4,622**	**31.4**	**23.5**
Net profit from discontinued operations	0	263.8	263.8	0	—	—
Ordinary consolidated profit	**2,406**	**8.5**	**8.3**	**4,622**	**31.4**	**23.5**
Minority interests	319	12.5	11.8	602	15.4	9.1
Ordinary attributable profit to the Group	**2,087**	**8.0**	**7.8**	**4,020**	**34.2**	**26.0**

(*).- Including dividends, income from equity-accounted method and other operating income/expenses
NOTE: In 2Q'15 and 1H'15 not including attributable profit of EUR 835 million due to the net result of the reversal of tax liabilities in Brazil

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



(*) Customer deposits + mutual funds

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

Ordinary attributable profit
Constant EUR Million

(*) In euros: +8.0%

Global Wholesale Banking

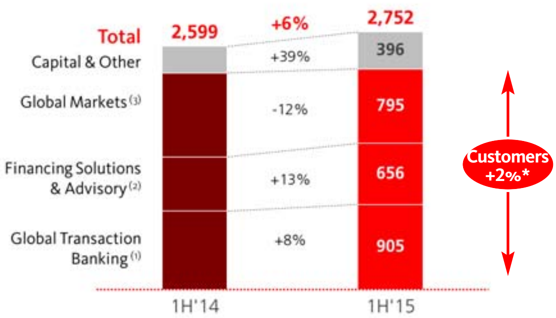
EUR Million

Income statement	2Q'15	o/ 1Q'15 %	o/ 1Q'15 % w/o FX	1H'15	o/ 1H'14 %	o/ 1H'14 % w/o FX
Net interest income	**741**	**0.6**	**2.7**	**1,478**	**22.0**	**20.0**
Net fees	402	14.0	14.9	754	7.7	4.7
Gains (losses) on financial transactions	58	(79.7)	(79.8)	344	(33.9)	(37.1)
Other operating income*	153	596.0	595.5	175	6.1	6.3
Gross income	**1,355**	**(3.1)**	**(1.8)**	**2,752**	**5.9**	**3.3**
Operating expenses	(513)	2.5	2.6	(1,013)	14.1	9.1
Net operating income	**842**	**(6.2)**	**(4.3)**	**1,740**	**1.7**	**0.1**
Net loan-loss provisions	(144)	(27.4)	(24.6)	(342)	12.2	10.5
Other income	(23)	—	—	(19)	(51.0)	(51.8)
Profit before taxes	**675**	**(4.1)**	**(2.4)**	**1,379**	**0.8**	**(0.7)**
Tax on profit	(184)	(8.3)	(6.3)	(386)	2.1	1.1
Profit from continuing operations	**491**	**(2.4)**	**(0.9)**	**993**	**0.3**	**(1.4)**
Net profit from discontinued operations	—	—	—	—	—	—
Consolidated profit	**491**	**(2.4)**	**(0.9)**	**993**	**0.3**	**(1.4)**
Minority interests	33	(14.8)	(12.7)	72	(4.0)	(5.8)
Attributable profit to the Group	**457**	**(1.4)**	**0.1**	**921**	**0.6**	**(1.0)**

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

Gross income breakdown

EUR Million



(*) Excluding exchange rate impact: total revenues: +3%; customers : -1%

Attributable profit

Constant EUR Million

(*) In euros: -1.4%

(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.

Consolidated summarised financial statements

Consolidated income statement

- Consolidated balance sheet

NOTE: The financial information for the first half of 2015 and 2014 corresponds to that included in the consolidated summarised financial statements at these dates, drawn up in accordance with the International Accounting Standards (IAS) 34, Interim Financial Information. The accounting policies and methods used are those established by the International Financial Reporting Standards adopted by the European Union (IFRS-EU), Circular 4/2004 of the Bank of Spain and the International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS-IASB).

Consolidated income statement

EUR Million

	1H'15	1H'14
Interest and similar income	29,182	26,580
Interest expense and similar charges	(12,240)	(12,218)
INTEREST INCOME	**16,942**	**14,362**
Income from equity instruments	273	251
Share of results of entities accounted for using the equity method	200	108
Fee and commission income	6,606	6,034
Fee and commission expense	(1,495)	(1,300)
Gains/ Losses on financial assets and liabilities (net)	(298)	1,328
Exchange differences (net)	1,333	(50)
Other operating income	1,844	2,944
Other operating expenses	(1,753)	(3,066)
GROSS OPERATING INCOME	**23,652**	**20,611**
Administrative expenses	(9,611)	(8,721)
Personnel expenses	*(5,591)*	*(4,999)*
Other general expenses	*(4,020)*	*(3,722)*
Depreciation and amortisation	(1,195)	(1,165)
Provisions (net)	(1,560)	(1,506)
Impairment losses on financial assets (net)	(5,295)	(5,369)
PROFIT FROM OPERATIONS	**5,991**	**3,850**
Impairment losses on other assets (net)	(287)	(831)
Gains / (Losses) on disposal of assets not classified as non-current assets held for sale	193	2,302
Negative consolidation difference	—	—
Gains / (Losses) on non-current assets held for sale not classified as discontinued operations	(56)	(85)
PROFIT/ (LOSS) BEFORE TAX	**5,841**	**5,236**
Income tax	(765)	(1,948)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**5,076**	**3,288**
Profit from discontinued operations (net)	—	—
CONSOLIDATED PROFIT FOR THE PERIOD	**5,076**	**3,288**
Profit for the period attributable to the parent	4,261	2,756
Profit attributable to minority interests	815	532
EARNINGS PER SHARE		
Basic earning per share (euros)	0.30	0.24
Diluted earning per share (euros)	0.30	0.24

NOTE: The financial information in this report was approved by the Bank»s Board of Directors at its meeting on July 29, 2015, following a favourable report from the Audit Committee on July 22, 2015. In its review, the Audit Committee ensured that the first half information has been drawn up in accordance with the same principles and practices as the annual financial statements.

Consolidated balance sheet

EUR Million

ASSETS	30.06.15	31.12.14	30.06.14
Cash and balances with central banks	67,962	69,428	83,877
Financial assets held for trading	151,201	148,888	130,773
Other financial assets at fair value through profit or loss	37,245	42,673	30,421
Available-for-sale financial assets	129,035	115,250	90,637
Loans and receivables	844,932	781,635	755,264
Held-to-maturity investments	—	—	—
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	1,417	1,782	1,384
Hedging derivatives	6,107	7,346	6,333
Non-current asets held for sale	5,608	5,376	5,208
Investments	3,559	3,471	3,603
Associates	*1,931*	*1,775*	*1,927*
Jointly controlled entities	*1,628*	*1,696*	*1,676*
Insurance contracts linked to pensions	337	345	344
Reinsurance assets	340	340	359
Tangible assets	24,054	23,256	17,028
Property, plant and equipment	*18,251*	*16,889*	*13,730*
Investment property	*5,803*	*6,367*	*3,298*
Intangible assets	31,652	30,401	29,374
Goodwill	*28,594*	*27,548*	*26,663*
Other intangible assets	*3,058*	*2,853*	*2,711*
Tax assets	27,149	27,956	26,576
Current	*4,833*	*5,792*	*4,794*
Deferred	*22,316*	*22,164*	*21,782*
Other assets	8,778	8,149	6,862
TOTAL ASSETS	**1,339,376**	**1,266,296**	**1,188,043**

LIALIBITIES AND EQUITY			
Financial liabilities held for trading	107,888	109,792	96,621
Other financial liabilities at fair value through profit or loss	55,364	62,317	50,446
Financial liabilities at amortised cost	1,029,054	961,052	914,107
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	81	31	70
Hedging derivatives	10,086	7,255	6,497
Liabilities associated with non-current assets held for sale	—	21	1
Liabilities under insurance contracts	648	713	1,602
Provisions	15,470	15,376	15,205
Tax liabilities	7,297	9,379	8,190
Current	*2,522*	*4,852*	*4,846*
Deferred	*4,775*	*4,527*	*3,344*
Other liabilities	11,536	10,646	9,588
TOTAL LIABILITIES	**1,237,424**	**1,176,582**	**1,102,327**
Shareholders' equity	101,904	91,663	87,035
Capital or endowment fund	*7,158*	*6,292*	*5,889*
Share premium	*45,072*	*38,611*	*36,537*
Reserves	*45,924*	*41,160*	*41,652*
Other equity instruments	*308*	*265*	*338*
Less: Treasury shares	*(103)*	*(10)*	*(137)*
Profit for the year attributable to the Parent	*4,261*	*5,816*	*2,756*
Less: Dividends and remuneration	*(716)*	*(471)*	—
Valuation adjustments	(10,407)	(10,858)	(11,857)
Available-for-sale financial assets	*700*	*1,560*	*911*
Cash flow hedges	*75*	*204*	*(76)*
Hedges of net investments in foreign operations	*(4,684)*	*(3,570)*	*(2,940)*
Exchange differences	*(2,612)*	*(5,385)*	*(6,580)*
Non-current assets held for sale	—	—	—
Entities accounted for using the equity method	*(127)*	*(85)*	*(221)*
Rest valuation adjustments	*(3,759)*	*(3,582)*	*(2,951)*
Total equity attributable to the parent	91,497	80,805	75,178
Minority interests	10,455	8,909	10,538
Valuation adjustments	*(647)*	*(655)*	*(1,008)*
Other equity instruments	*11,102*	*9,564*	*11,546*
TOTAL EQUITY	**101,952**	**89,714**	**85,716**
TOTAL LIABILITIES AND EQUITY	**1,339,376**	**1,266,296**	**1,188,043**

Memorandum items			
Contingent liabilities	44,359	44,078	44,695
Contingent commitments	218,641	208,040	199,599

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