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# INVESTOR DAY

DELIVERING PROFITABLE GROWTH



**Javier Marín**

Private Banking, Asset Management  
and Insurance

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**1** PBAM&I Division

**2** Private Banking

**3** Asset Management

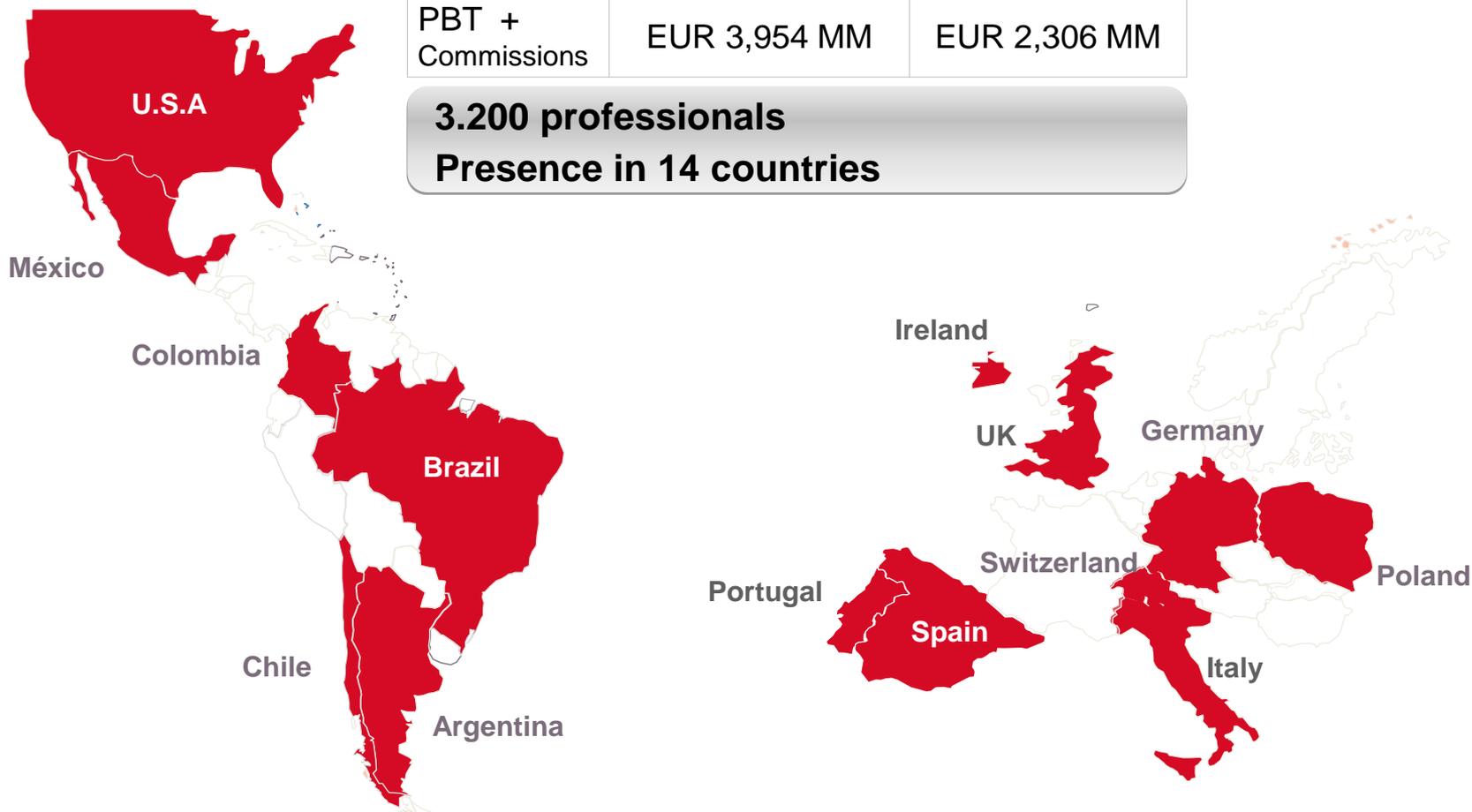
**4** Insurance

**5** Conclusions

# PB, AM and Insurance Division. Main figures

	2010	H1 2011
PBT	EUR 1,084 MM	EUR 600 MM
PBT + Commissions	EUR 3,954 MM	EUR 2,306 MM

**3.200 professionals**  
**Presence in 14 countries**



# PB, AM and Insurance. Our vision

- Leverage on the breadth and depth of Santander's local franchises to **deliver double digit revenue growth** in:
  - Private Banking
  - Asset Management
  - Insurance
- ... increasing the value of each client relationship for the Group

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# Private Banking. Main figures

	2010	H1 2011
AUMs	EUR 97,888 MM	EUR 103,629 MM
PBT	EUR 363 MM	EUR 192 MM

**More than 1.900 professionals**  
**Over 100 branches in 9 countries**



**Creating the reference private bank in  
our footprint**

# A dual business model

## Domestic Private Banking

- Based on the clients proximity, a wide offer of services and products, becoming their “Chief Financial Officer”

**Santander Private Banking model**



## International Private Banking

- Based on a powerful product base, market research and management capabilities

**Swiss model**



**A Bank for the wealthy, taking care of all their needs**

# Five core strengths business model

1

Value proposition for clients:

Banking and Investments...

... through a global advisory process

2

Proximity to clients:

Local presence

Dedicated network

3

Global product capabilities, combined with local specialists

Open Architecture

Economies of scale

Global risk model

4

Client relationship-driven Technology

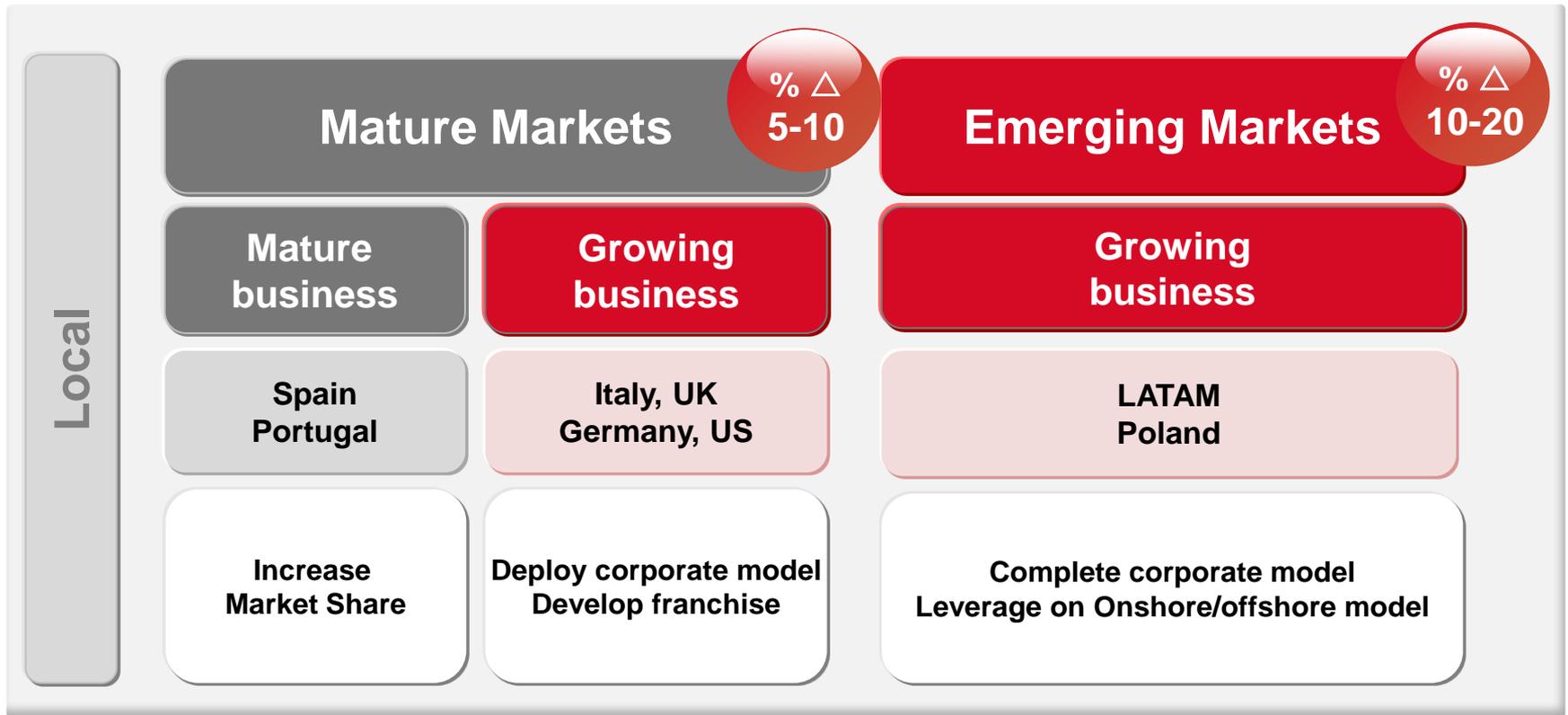
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Best in class efficiency

**Leveraging on retail footprint (client referrals and cost synergies) and on a Global Brand**

# Perspectives 2011-2013

AUM CAGR figures



**Total AUMs CAGR 10-15%**

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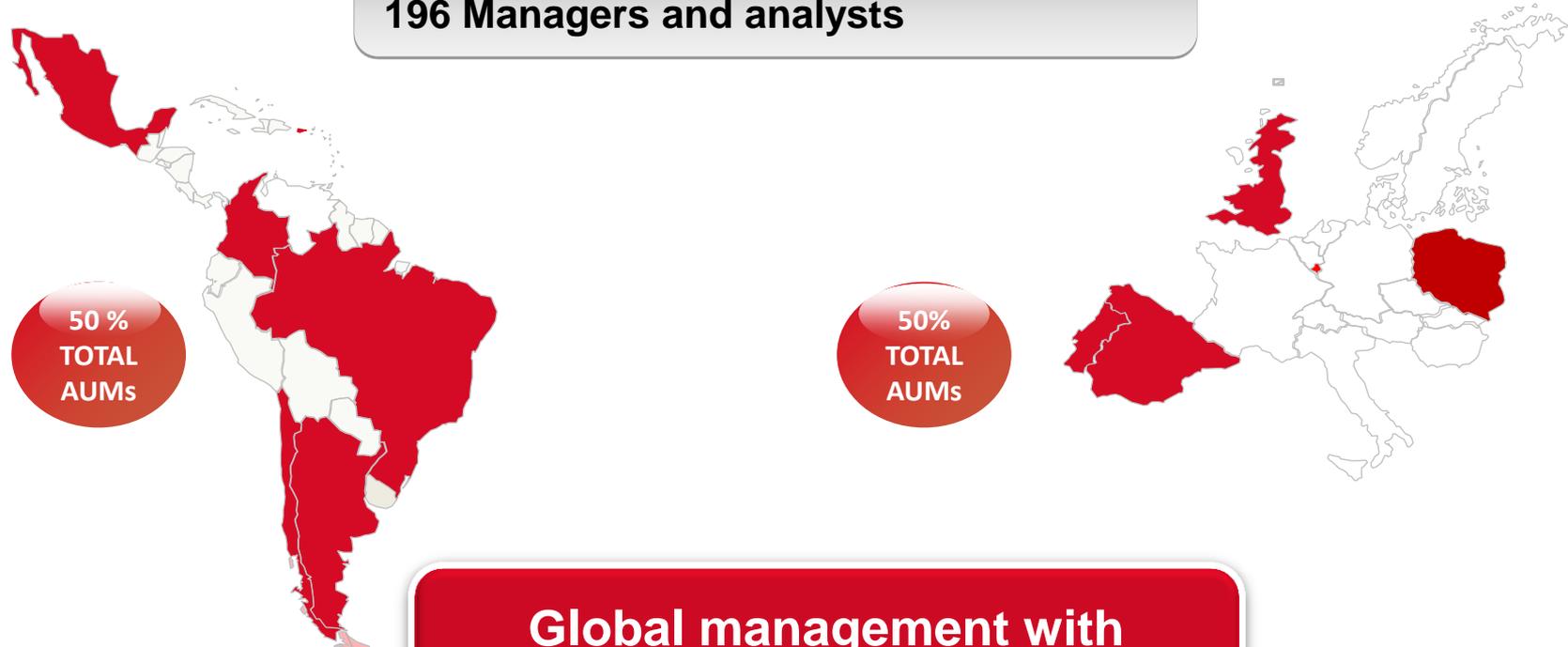
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Conclusions

# Global Asset manager with multilocal focus in core countries

	2010	H1'2011
AUMs *	EUR 138,600 MM	EUR 139,374 MM
PBT + Commissions	EUR 1,100 MM	EUR 545 MM

**More than 560 professionals  
196 Managers and analysts**



**Global management with  
a unique local presence**

# Evolving our model

PAST

*From*  
***“Local Management, Local Presence”***

- Strong Local Empowerment
- Predominance of Monetary Funds
- Limited Use of Global Synergies

FUTURE

*To*  
***“Global Management, Local Presence”***

- Global Investment proposition
- Global Operational and risk control framework
- Selective Presence in Institutional Markets
- Global framework for product development based on Client Segmentation
- Global selection of 3rd party funds
- New Model of Relations with Branch Network

# Towards a New Business Model

## Responsibilities

- **With a Mission of becoming a Leading Global Management Entity**

- With strong local presence
- And global management capacity

- **Based on 3 pillars**

### Performance

*“Excellence as a key element”*

### Product

*“Innovating through our global presence”*

### Service

*“Close and active relations with our branch networks”*

### Global SAM

- Single macro-global vision
- Management of regional and global mandates.
- Open architecture.
- Performance and risk control.

- Development of global products
- Local support for product development.
- Exchanging best practices

- Defining the framework for commercial activity, communication, training and marketing
- Setting quality benchmarks
- Sharing and implementing best practices.

### Local Management Entities

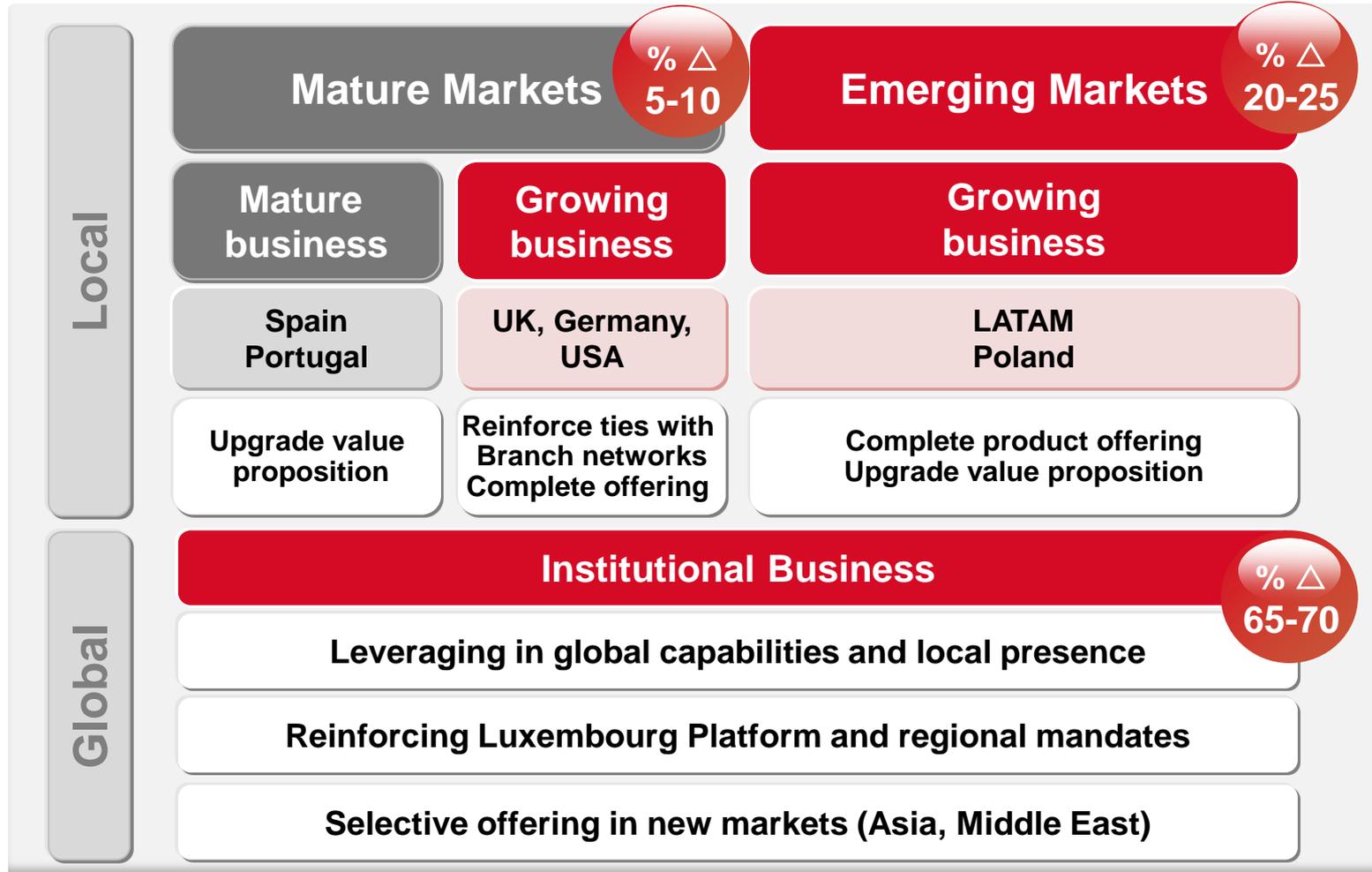
- Local performance objective (1st quartile)
- Management of local mandates
- Research in local entities

- Identifying clients and branches' needs.
- Development of local products

- Implementing the commercial activity framework
- Staying close to branch networks

# Perspectives 2011-2013

AUM CAGR figures



**Total AUMs CAGR 15-20%**

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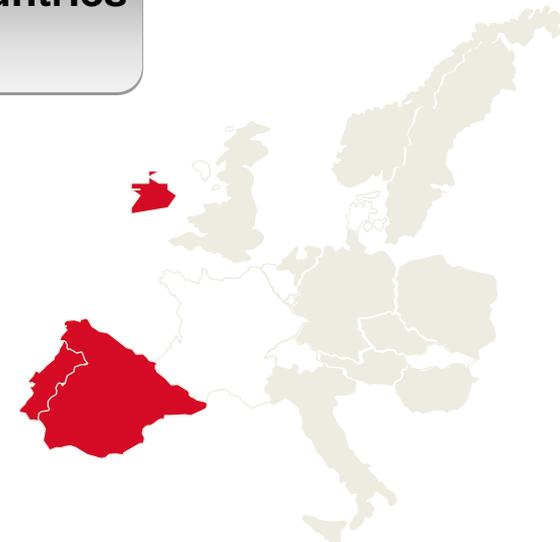
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# Insurance. Main Figures

	2010	H1'2011
Premiums	EUR 9,000 MM	EUR 5,550 MM
PBT + Commissions	EUR 2,491 MM	EUR 1,569 MM

**15 Million clients protected in 15 countries**  
**More than 560 professionals**



**Protecting clients to complete the Bank's value proposition**

# Evolving our model

## From “Selling Insurance Products”

PAST



- Bias to credit related distribution
- Growing with the market

## To “Protecting Banking Clients”

FUTURE



- Based on Client segments instead of Products
- Different Protection Levels:
  - Finance
  - Family
  - Wealth
  - Future
- Upgrade product depth through selective joint ventures (i.e. Zurich agreement in Latam)

# Perspectives 2011-2013

Diversified growth sources, but still at two different cruising speeds

PBT + Commissions CAGR figures

**Mature Markets**

%  $\Delta$   
2-5

**EUROPE + USA**

*but*

**Growing  
business**

**Non Related  
Products**

**More than 90%  
of the Clients without  
protection**

**Savings**

**Germany  
UK  
USA**

**Emerging Markets**

%  $\Delta$   
15-25

**LATAM + POLAND**

*with*

**Appealing  
Opportunities**

**Related  
Products**

**Enhance  
Cross Selling  
& Credit Cycle**

**Non Related  
Products**

**More than 90%  
of the Clients  
w/o protection**

**Savings**

- **Motor Insurance Business Growth**
- **Development of SME product offering**

**PBT+Commissions CAGR: 10-15%**

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# Conclusions

Cagr. 2011/2013

**Private Banking**  
(AUMs)

**Asset Mgmt.**  
(AUMs)

**Insurance**  
(PBT + Comm.)



5-10%

5-10%

2-5%



15-20%

20-25%

15-25%



**10-15%**

**15-20%**

**10-15%**

Mature markets + Emerging Countries + global management and model

**Differential Advantage**

# Exporting Know how: Private Banking



**Global Model**

- Complement offering
- Commercial approach

**CAGR achieved: ~ 52%**



**Global Model**

- Complement offering
- Commercial approach
- Global RM IT platform

**CAGR achieved: ~ 54%**



**Global Management**

- **Based on Four Pillars:**
  - People: Career path
  - Value Proposition
  - Products
  - Business Intelligence
- Risk Management
- Advisory Process

Innovation Best Practices

# Exporting Know how: Asset Management



## Select Funds

- Value added profiled FoF fund range first implemented in personal banking Spain

€ 1,000 MM growth in 6 months



## Guaranteed funds

- Guaranteed funds as an alternative to low risk products into retail
- AUMs growth MX: 114%
- AUMs growth BRA: 478%



## Global Management

- Global and regional mandates Team, with the help of Local research and management teams
- Global Risk Management Team
- Global 3<sup>rd</sup> party fund selection Team
- Unified reporting

 Innovation  Best Practices

# Exporting Know how: Insurance



## Motor Insurance

Aggregator panel developed & implemented in Spain & exported to Latam.  
**Comms 2011 € 26m**  
**2011-2013 CAGR ~ 87%**



## SAN Financiamiento

Transfer of business model from Germany to Brazil

## Prestamista

Premiums 2005 – 2011  
**CAGR ~ 56%**

## Savings

Launch of Savings products in MX & CH  
**PBT + Comms € 7.7m**



## Telemarketing

Diversification of distribution channels  
**Impact € 38m**

## Open Market

From 2011, target open market (by segment)  
**PBT + comms € 23.7m**



## Single Premium

Mortgages Single premium Spanish model exported to CH, MX, CO & UY  
**PBT + Comms € 47.6m**

## GAP Insurance

Product innovation  
**Impact € 21m**

Innovation Best Practices

