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Agenda

1 Market and financial system

2 Strengths and opportunities

3 Strategy

4 Targets

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4 Targets

The Argentine economy offers medium-to-long-term attractive prospects...

3rd **Largest LATAM economy**
(GDP per capita: US\$14,500)

2nd **Size of middle-income class in LATAM**
(55% of total population)

4th **Largest world-wide country in unconventional energy resources**
(2nd largest world-wide in gas, 4th largest world-wide in oil)

3rd **Largest world-wide in grain exports**
(6th largest world-wide producer)

Sources: Santander Río estimates, Central Bank and INDEC

...with a solid financial system: transactional, fragmented and profitable...

Financial system: strengths and opportunities

Profitable

- **€4.3bn** (net profit)
- **33% RoE**

Well capitalised

- BIS: **14.7%**

Fragmented

- Top 5 private banks: **36%** market share

Asset quality

- NPL: **2.0%** / Coverage: **140%**
- Government exposure: **10%**
(of total assets)

Funded with local deposits

- **84% of total funding**
- **92% local currency**

Transactional

- Main sources of revenues are **services** and **sight deposits**

Low intermediation

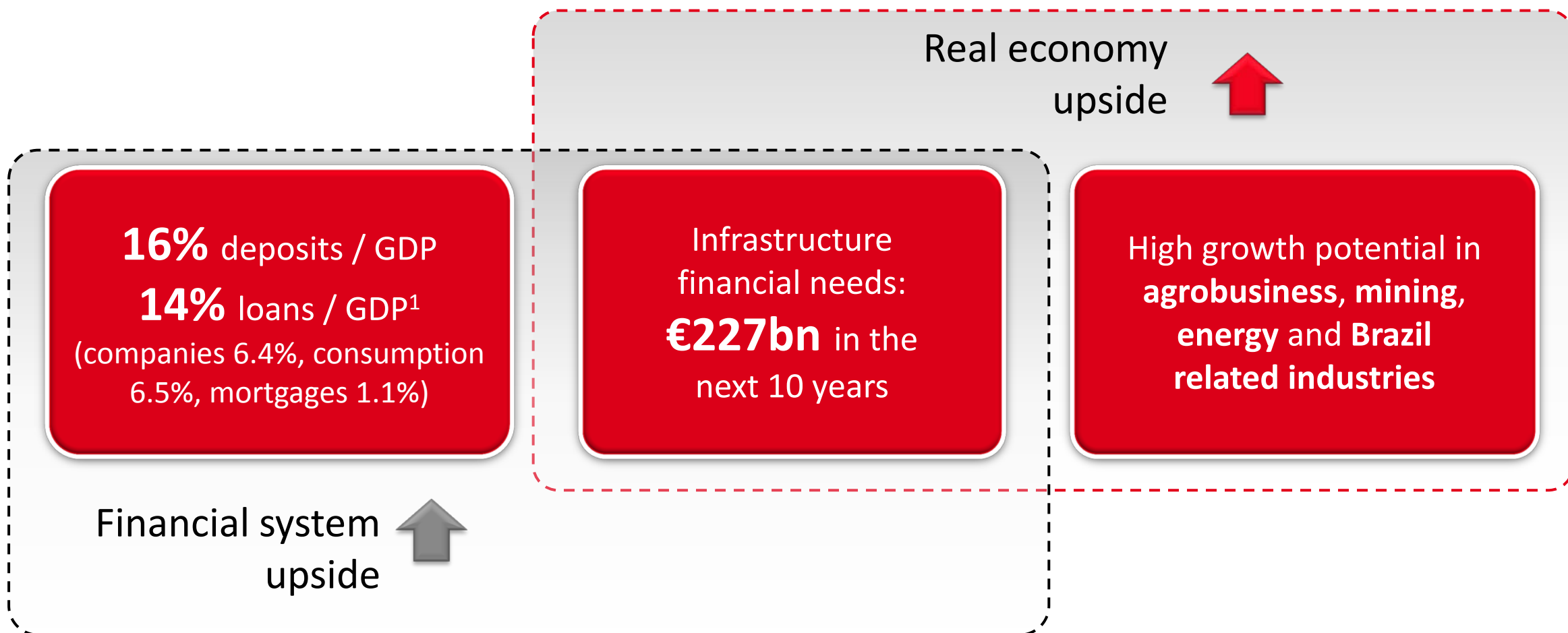
- Deposit / GDP: 16%
- Credit / GDP: 14%

Unaffected by international markets

- Foreign financing represents less than 1% of total funding

Sources: Santander Río and Central Bank, World Bank Figures as of Dec'14 in local criteria

...offering a high growth opportunity in the banking market



(1) Loans / GDP LATAM average: 38% (Brazil 54% , Chile 78%, Mexico 15% and Colombia 38%)

Sources: Santander Río and Central Bank

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1 Market and financial system

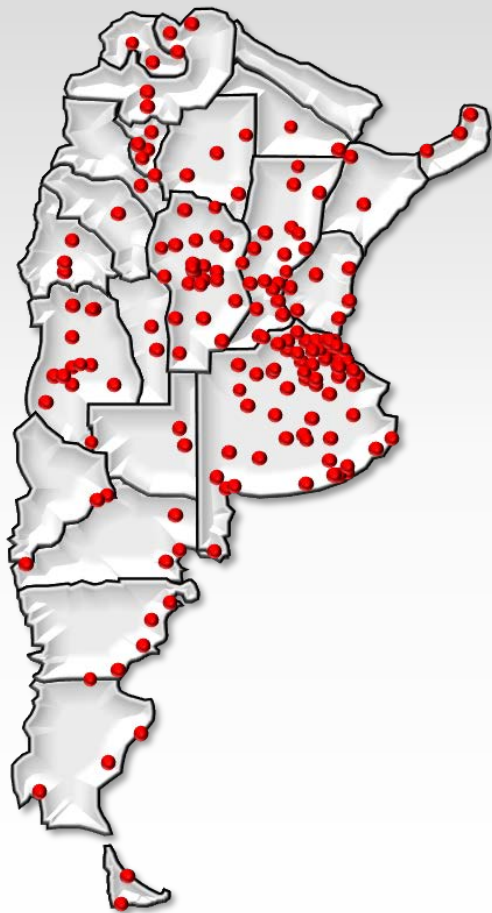
2 Strengths and opportunities

3 Strategy

4 Targets

Santander Río is the leading franchise in Argentina...

Country-wide branch network



1st Private Bank in Argentina

9.4% (#1)
loans + deposits

7.2% (#2)
branches

A highly recognised franchise



Best bank (15')



Best digital bank (15')



Ranks 1

Successful transactional business

2/3 Gross income driven by sight deposits margin and fees

Solid balance sheet

14.5%
BIS

1.2%
NPL

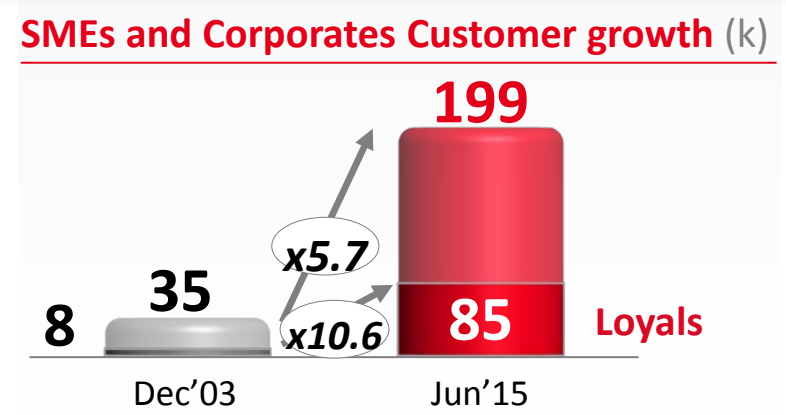
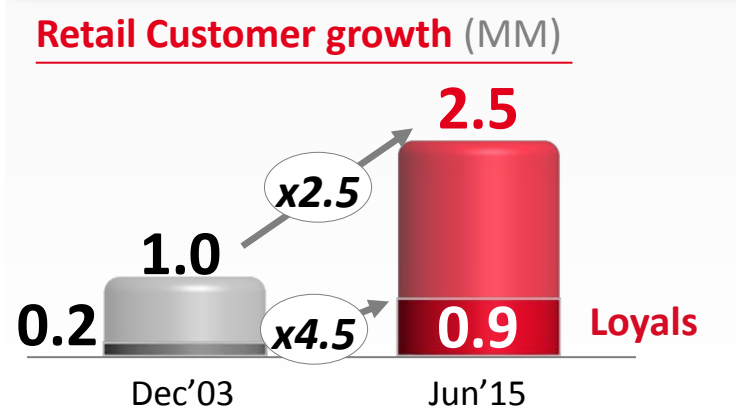
3.4%
Gov. Exposure

Figures as of 1H'15 in local criteria
Sources: Santander Río and Central Bank

...with a customer oriented strategy focused on transactional income...

Retail	SMEs and Commercials	Corporates
2.46MM customers	199k customers	1,270 firms
Including 750k payroll accounts	Provide +220k payroll accounts	Provide +200k payroll accounts
L/D ratio = 88%	L/D ratio = 76%	L/D ratio = 73%

The leading bank in transactional products and services¹



280 Global Groups

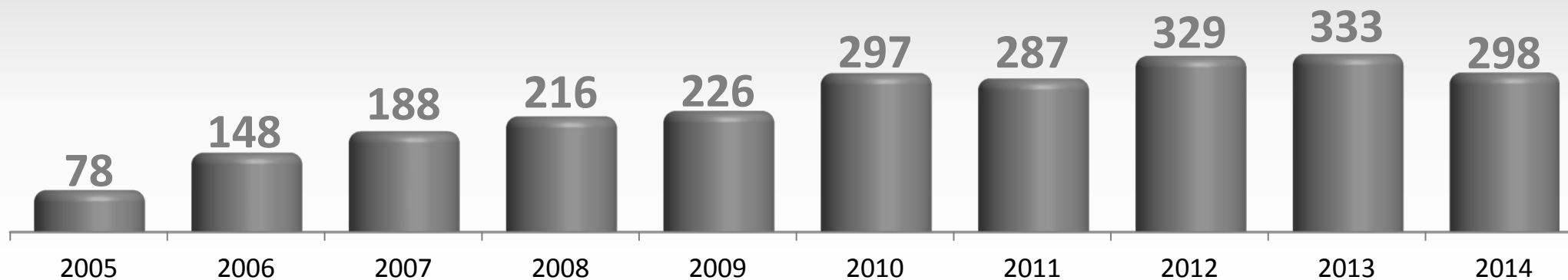
- 24 Argentine Groups
- 140 Financial & Insurance Institutions

(1) Includes leadership in debit and credit cards, payroll accounts, insurances, payment and collections, and corporate finance
 Source: Santander Río and Brain Network Survey

...delivering sustainable profit regardless of the macro-economic scenario

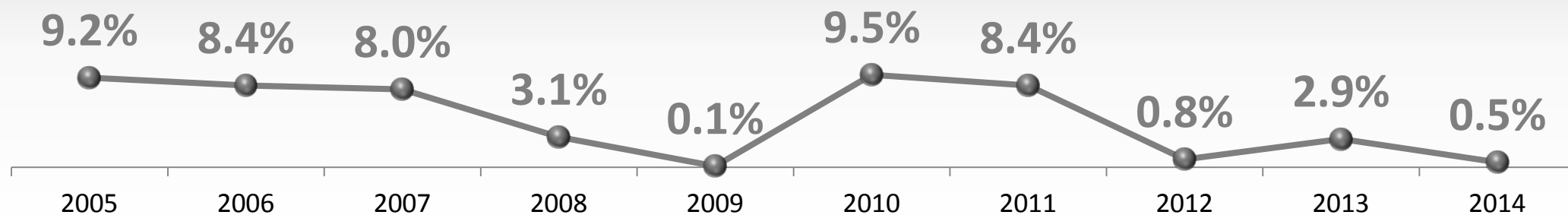
Attributable net income

(€MM)



GDP Growth

(Annual growth)



Source: Santander Río and INDEC

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3 **Strategy**

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Key strategic drivers

To sustain leadership in the financial market...

**Teams:
engaged + talented**

**Broaden our
customer base /
a more digital bank**



- **Investment plan** to increase market share in loans and deposits
- **Higher volumes** due to credit growth driven by increased financial intermediation

Ready to capture growth opportunity based on a customer centric strategy

...and a total gross investment plan of €1.8bn (57% EBITDA) in 2015-2018



Expansion and transformation

Commercial expansion
Opening c.130 traditional branches in 1H'15-2018

Branches based on digitalisation and automated processes
2015 = 25% of the whole net / 2018 = 100%



Expand digital banking¹

- e-Wallet
- Big data

- Mobile banking
- Paperless banking

- Analytic CRM customer centric



Focus on priority segments

High-income customers:



SMEs:



↑ financial intermediation

- Long term financing

- Investment banking

- Increase bancarisation

Source: Santander Río

(1) 45% of total customers use online banking and 8% mobile banking

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2018 Argentina targets

		1H'15	2018
People	Great Place to Work bank ranking	Top 1	Top 1
	Buildings efficiency plan	7%	100%
	New ways of working: survey favourability	84	>= 80
Customers	Retail loyal costumers (k)	922	1,060
	SMEs and Commercial loyal customers (k)	85	103
	Digital banking customers (k)	1,190	1,493
	Customer satisfaction benchmark	n/a	Top 3
	Branch network transformation plan	25%	100%
	Credit growth	34%	30%
	Fee income CAGR	35% ¹	>25% ²
Shareholders	RoTE	31%	c.30%
	FL CET1	10.0%	>11%
	NPL ratio	1.5%	<1.7%
	C/I ratio	55.8%	50%
Communities	Number of scholarships 2016-2018 (k)		6.3
	People supported 2016-2018 (k)		25

Note: Group criteria except FL CET1 (1) 1H'14-1H'15 (2) 2015-2018

Transparent performance metrics for 2016

Key metric	1S 2015	2016	Improvement	Comment
Total Loyal customers (k)	1,007	1,064	+6%	<ul style="list-style-type: none"> Having reached high loyalty ratios, retail loyal clients will grow as total clients and SMEs above total clients
Digital customers (k)	1,190	1,288	+8%	<ul style="list-style-type: none"> High penetration in Online Banking. Focus to grow in mobile
SMEs customers with Pack Advance (k)	77	96	+25%	<ul style="list-style-type: none"> 47% of SMEs customers with Pack Advance (transactional products plus credit line) as of December 2016

Key takeaways



The Argentine economy offers **attractive prospects** with a **solid financial system**



Leadership in the financial market: Santander is well **prepared to capture the benefits** of credit and customer growth



Leverage profitability: investment plan will mature in 2017/18, gains of scale, efficiency driven by productivity improvements



Key goals for 2018: **RoTE: c.30%**



Simple | Personal | Fair