



INVESTOR DAY 2015

LONDON, 23-24 SEPTEMBER

Closing session

Ana Botín

Group Executive Chairman

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Note: The businesses included in each of our geographical segments and the accounting principles under which their results are presented here may differ from the businesses included in our public subsidiaries in such geographies and the accounting principles applied locally. Accordingly, the results of operations and trends shown for our geographical segments may differ materially from those disclosed locally by such subsidiaries.

In spite of the recent crisis, Santander has delivered profit every year, paid dividends every quarter and reinforced its capital base

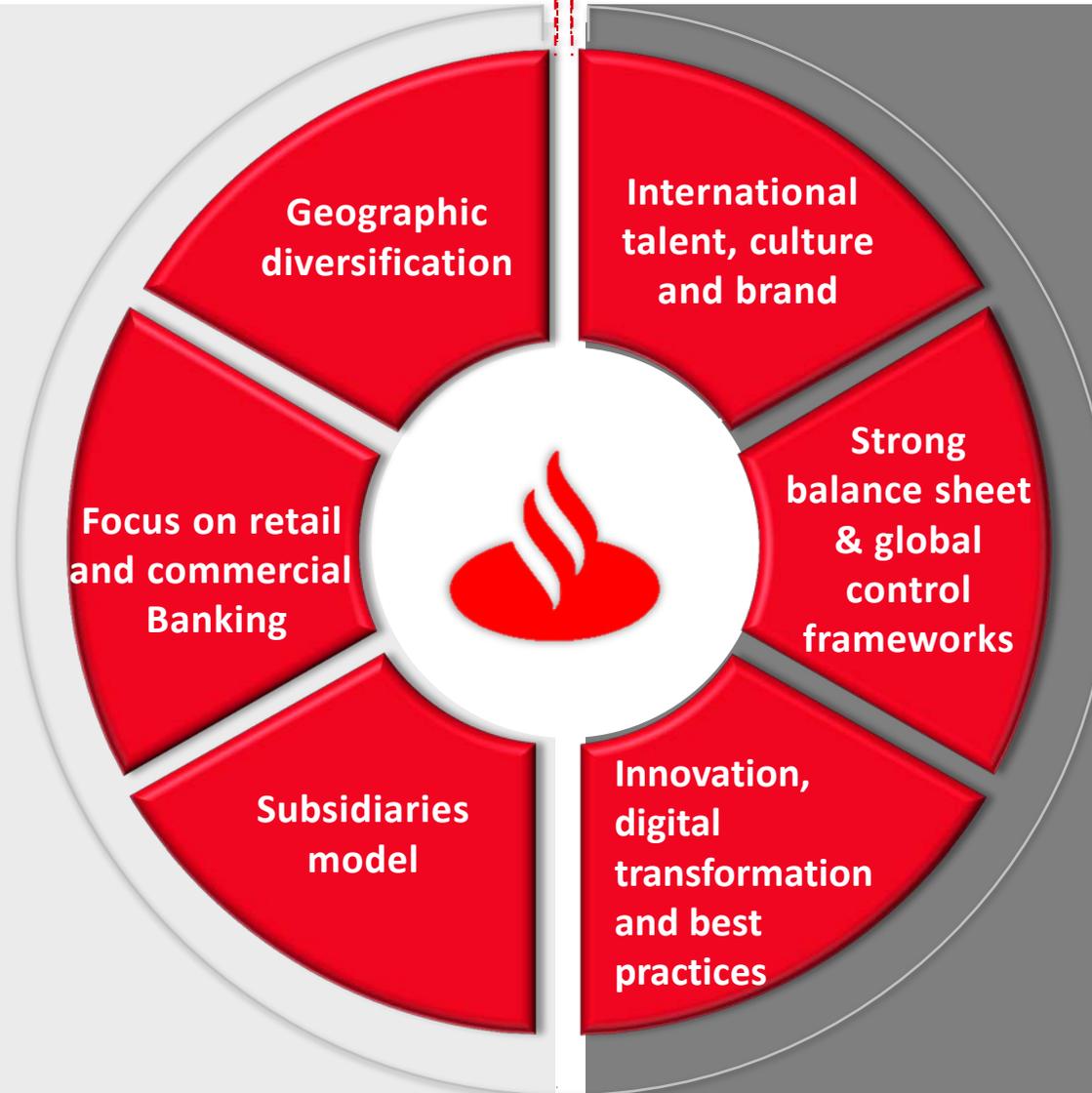
Group Statutory Profit (€bn)



(1) After the capital increase of January 8, 2015

Our model is resilient and capable of delivering profitable growth: we are large but simple and our subsidiaries have the advantage of being part of the Group

Large, yet simple



**Value adding
Corporate
Centre**

Over the past 12 months we laid the foundations for the Bank we want for the next 10 years



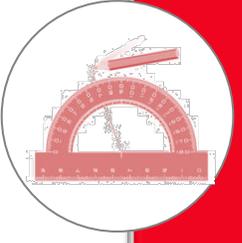
Capital

- €7.5bn **capital increase**
- Commitment to **FL CET1 > 11% capital base** by 2018
- **New dividend policy, increased cash dividend** (30 – 40% cash payout)
- **Organic capital generation**



Governance and team

- Changes on the **Board** (Group and subsidiaries)
- **Group Governance and Group-Subsidiary Governance**
- **New management team** in Corporate Centre and Countries¹
- Simplified **corporate structure** with greater transparency



Strategy and Culture

- Commercial **loyalty** strategies
- Investments in **infrastructure, digitalisation and regulatory projects**
- **Cultural transformation** programme

...whilst we continued to deliver for shareholders: +24% PAT, 46.9% C/I, 11.5% ROTE, 9.83% CET1 in H1 2015

(1) UK, Brazil, Spain, Mexico and US

2016-2018: Commercial model transformation: all about execution

2015

Laying the foundations
for our transformation



2016 – 2018

Transformation of our
commercial model

- **Loyal customers:** 18.5MM by 2018
- **Digitalisation:** 30MM digital customers by 2018
- **Operational excellence:**
 - C/I < 45% by 2018
 - Top 3 in customer satisfaction
- Organic **capital accumulation**
- **Simple | Personal | Fair**

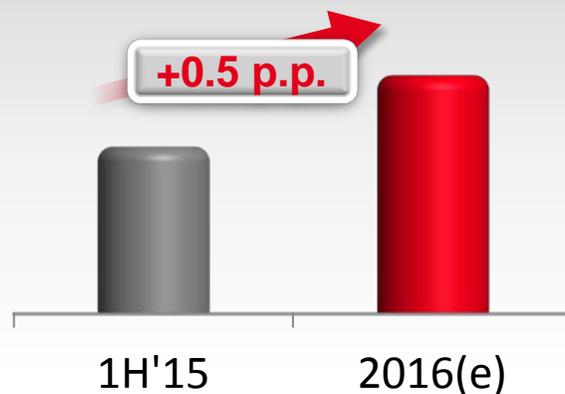
+ Increasing EPS, reaching double digit growth by 2018 and growing our dividend every year

Transparent performance Group metrics in 2016

Loyal retail and commercial customers (MM)



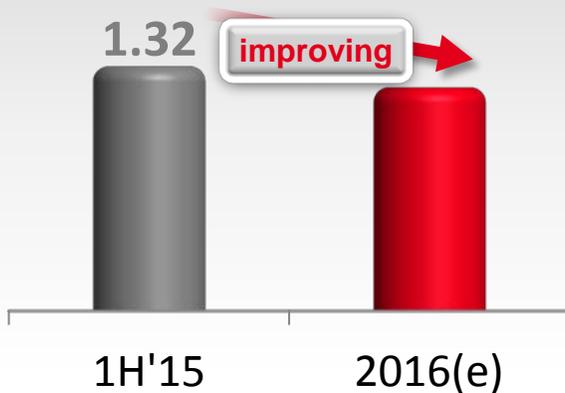
Average SME and Corp. market share growth



Digital customers (MM)



Cost of risk (%)



2016 vs. 2015:

- Accelerating fee income growth
- Stable C/I
- Growth in dividend and EPS

We will deliver dividend growth from 2016 and achieve double digit EPS growth by 2018

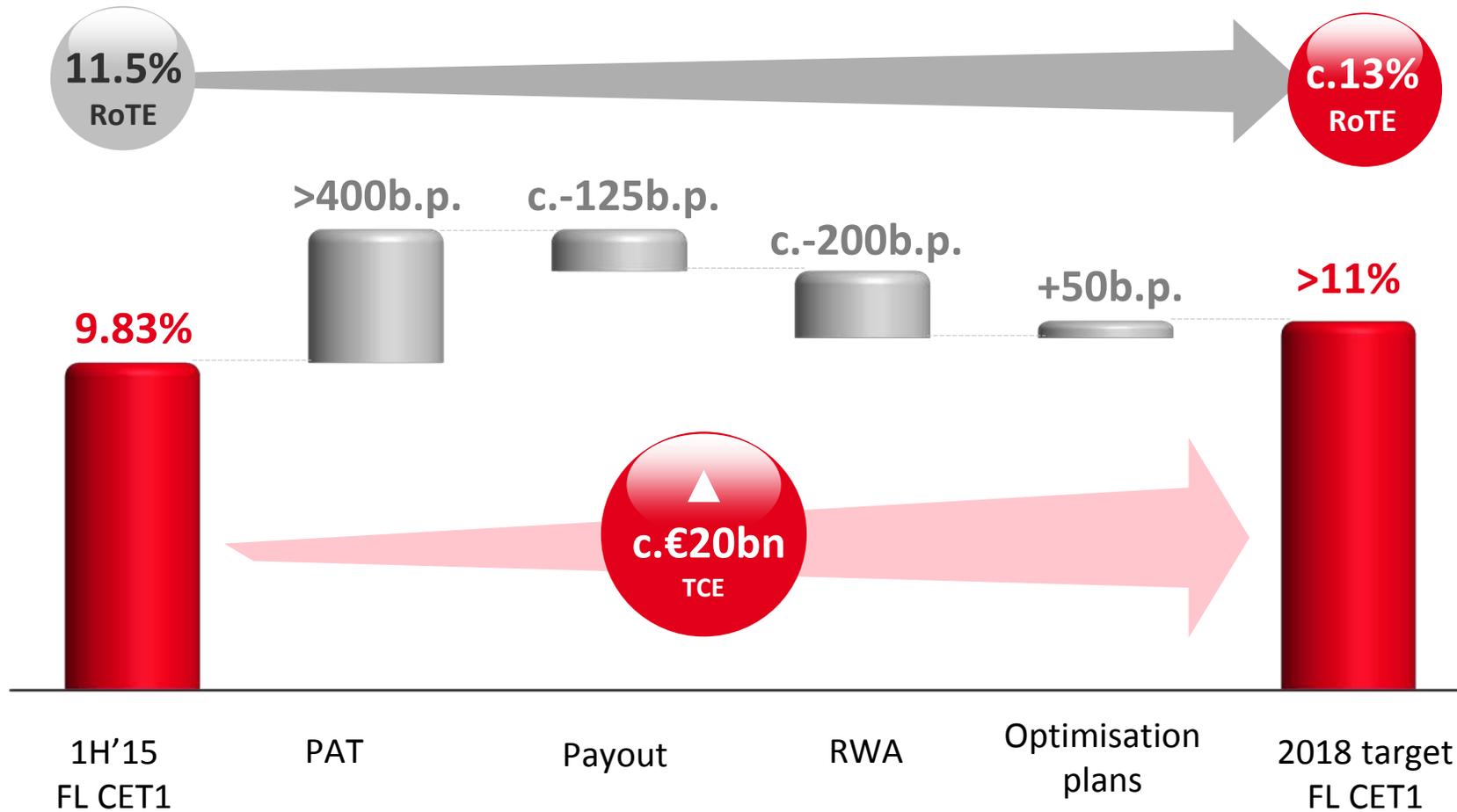
Our capital management...

- 1** | Listing of subsidiaries no longer a priority
- 2** | More visibility of corporate activities
- 3** | Disciplined M&A
- 4** | RWA optimisation
- 5** | Advanced Risk Management

... will deliver

- Increasing EPS, reaching double digit growth by 2018
- Organic capital accumulation
 - FL CET1 2018 >11%
- Growing our dividend:
 - 30-40% cash payout policy

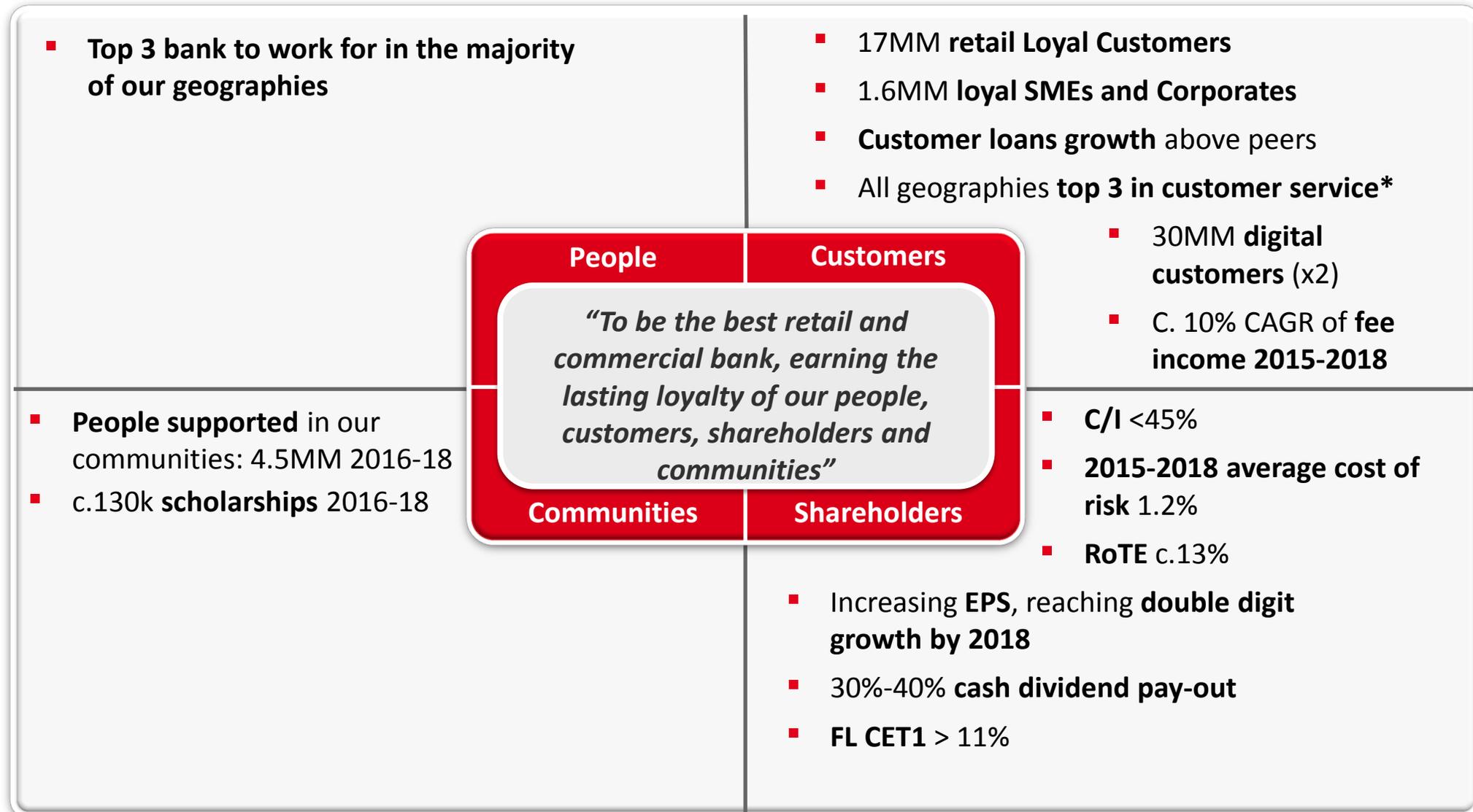
Our commitments: a growth model, with growing: RWA, TBV and overall with increased profitability



Generating Capital

- **>100b.p.** increase in our FLB3 CET1
- Generation of Tangible Common Equity (TCE) **c.€20bn**
- Improving **RoTE (c.150b.p.)**
- **RoRWA c.+20b.p.**

Our 2018 targets



* Except for the US – approaching peers

Key takeaways of our Investor Day



A scale retail and commercial bank operating in **10 markets, well balanced between developed and emerging economies**



Foundations laid to:

- Simplify operations in our 10 core markets
- Maximise service and efficiency benefits of being part of the Santander Group
- Capture opportunities in the new era of digital banking, and increase customer loyalty
- Be at the forefront in meeting regulatory and societal expectations



The best bank for our people and customers in a majority of our 10 markets by 2018, **with improved and sustainable risk adjusted financial returns for our shareholders**



Our purpose

*To help people
and businesses
prosper*

Our aim

*To be the best retail and commercial
bank, earning the lasting loyalty of our
people, customers, shareholders and
communities*

A bank that is...

SIMPLE | PERSONAL | FAIR

Thank you