

23 July 2019

H1'19 Earnings Presentation

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Important Information

Non-IFRS and alternative performance measures

In addition to the financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and derived from our financial statements, this document contains certain financial measures that constitute alternative performance measures (“APMs”) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures (“Non-IFRS Measures”). The financial measures contained in this document that qualify as APMs and non-IFRS measures have been calculated using the financial information from Santander Group but are not defined or detailed in the applicable financial reporting framework and have neither been audited nor reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period. While we believe that these APMs and non-IFRS measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute of IFRS measures. In addition, other companies, including companies in our industry, may calculate or use such measures differently, which reduces their usefulness as comparative measures. For further details of the APMs and Non-IFRS Measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see 2019 2Q Financial Report, published as Relevant Fact on 23 July 2019 and 2018 Annual Financial Report, filed with the Comisión Nacional del Mercado de Valores of Spain (CNMV) on 28 February 2019. These documents are available on Santander’s website (www.santander.com).

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

Forward-looking statements

Santander cautions that this document contains statements that constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expect”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “RoRAC”, “RoRWA”, “TNAV”, “target”, “goal”, “objective”, “estimate”, “future” and similar expressions. These forward-looking statements are found in various places throughout this document and include, without limitation, statements concerning our future business development and economic performance and our shareholder remuneration policy. While these forward-looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The following important factors, in addition to those discussed elsewhere in this document, could affect our future results and could cause outcomes to differ materially from those anticipated in any forward-looking statement: (1) general economic or industry conditions in areas in which we have significant business activities or investments, including a worsening of the economic environment, increasing in the volatility of the capital markets, inflation or deflation, and changes in demographics, consumer spending, investment or saving habits; (2) exposure to various types of market risks, principally including interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices; (3) potential losses associated with prepayment of our loan and investment portfolio, declines in the value of collateral securing our loan portfolio, and counterparty risk; (4) political stability in Spain, the UK, other European countries, Latin America and the US (5) changes in laws, regulations or taxes, including changes in regulatory capital and liquidity requirements, including as a result of the UK exiting the European Union and increased regulation in light of the global financial crisis; (6) our ability to integrate successfully our acquisitions and the challenges inherent in diverting management’s focus and resources from other strategic opportunities and from operational matters while we integrate these acquisitions; and (7) changes in our ability to access liquidity and funding on acceptable terms, including as a result of changes in our credit spreads or a downgrade in our credit ratings or those of our more significant subsidiaries. Numerous factors could affect the future results of Santander and could result in those results deviating materially from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Important Information

Forward-looking statements speak only as of the date of this document and are based on the knowledge, information available and views taken on such date; such knowledge, information and views may change at any time. Santander does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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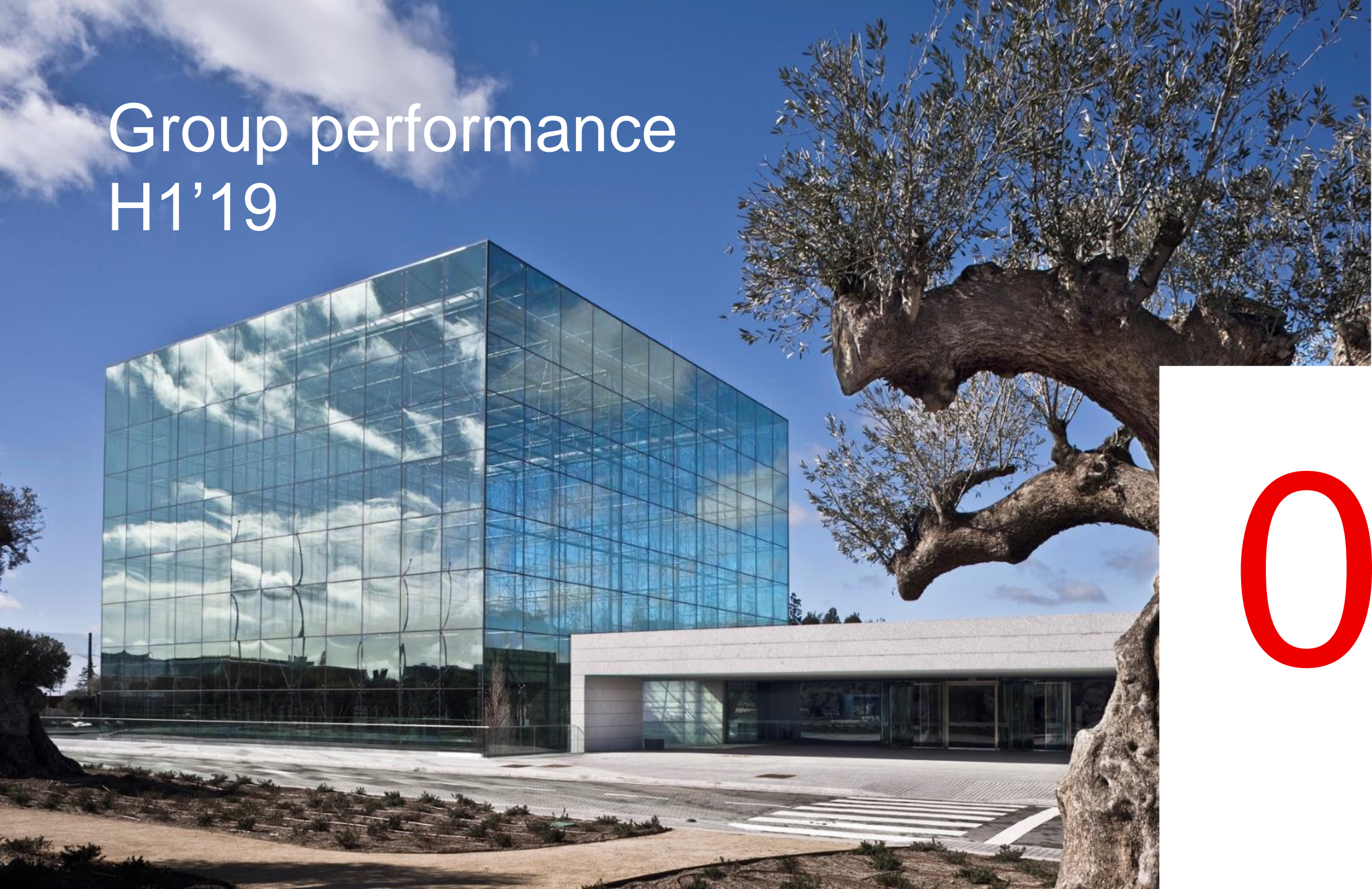
Historical performance is not indicative of future results

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

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Group performance H1'19



01

Highlights

QoQ strong growth in volumes (+2% loans ; +3% customer funds), underlying profit (+8%) and continued generation of capital organically (+11 bps)

Activity

- ▶ Our **loyal and digital customer** base continues double digit **growth**, increasing digital activity
- ▶ **Volumes increased**¹: loans (+2% QoQ; +4% YoY) and customer funds (+3% QoQ; +6% YoY)

Results

- ▶ **Q2'19 attributable profit**: EUR 1,391 mn impacted by a **EUR 706 mn charge**, mainly restructuring costs
- ▶ **Q2'19 underlying profit** of EUR 2,097 mn **up 8% QoQ**. Excluding the SRF contribution: +16%
- ▶ **H1'19 underlying profit**: **EUR 4,045 mn** backed by higher customer revenue, cost control and lower cost of credit

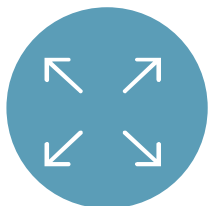
Profitability and solvency

- ▶ We continued to **generate capital organically** in Q2: +11 bps (**+29 bps YTD**)
- ▶ **CET1 Jun-19: 11.30%** impacted by regulatory effects and restructuring costs (-20 bps in Q2; -49 bps YTD)
- ▶ **High profitability**: 11.7% underlying RoTE

New reporting structure

- ▶ A new, **simplified organisational structure** into **3 regions** to accelerate the execution of our strategy
- ▶ **UK** aligned with ring-fencing structure and **Spain** with the local customer related business
- ▶ With the creation of **Santander Global Platform (SGP)**, we are taking a further step forward in our digital transformation

Highlights



Growth



Profitability



Strength

Customers	Loyal: +10%
	Digital: +22%

Results	Customer revenue: +5%
	Underlying att. profit: +2%

Solvency	CET1: 11.30% (+50 bps)
	TNAVps: 4.30 (+5%)

Volumes	Loans: +4%
	Customer funds: +6%

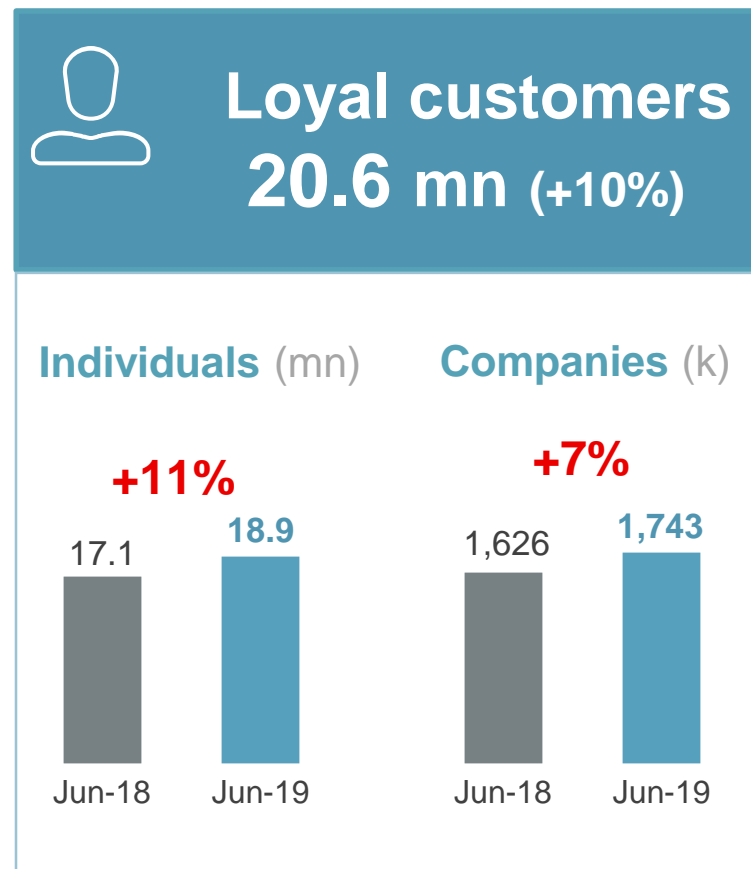
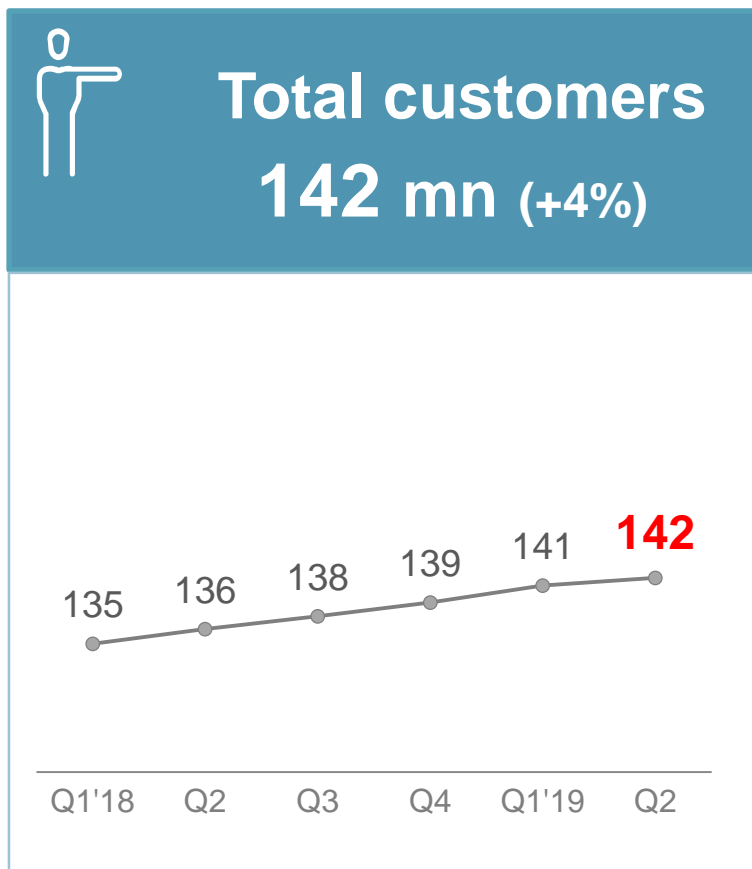
Profitability ratios ¹	RoTE: 11.7%
	RoRWA: 1.62%

Credit quality	NPL: 3.51% (-41 bps)
	Cost of credit: 0.98% (-1 bp)

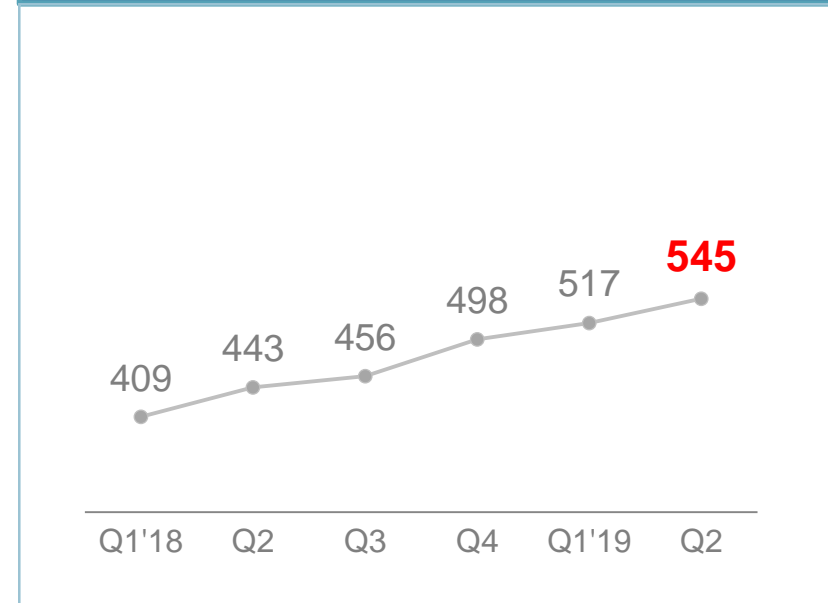
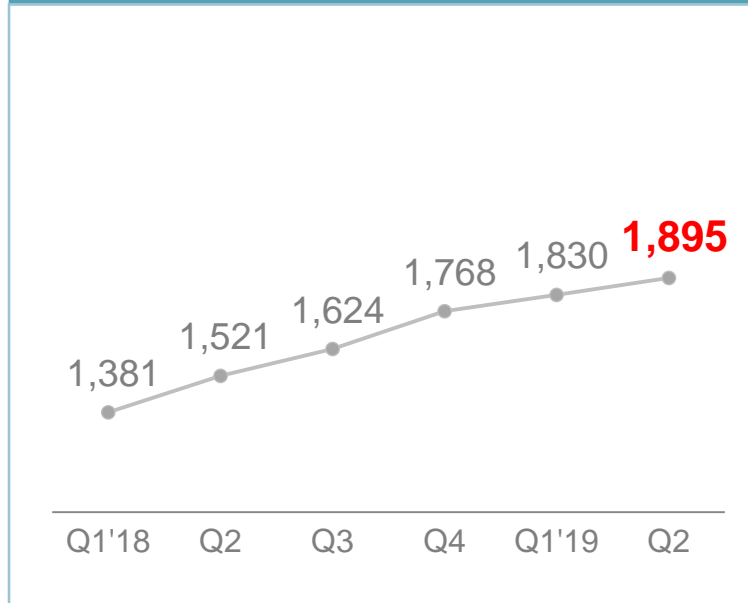
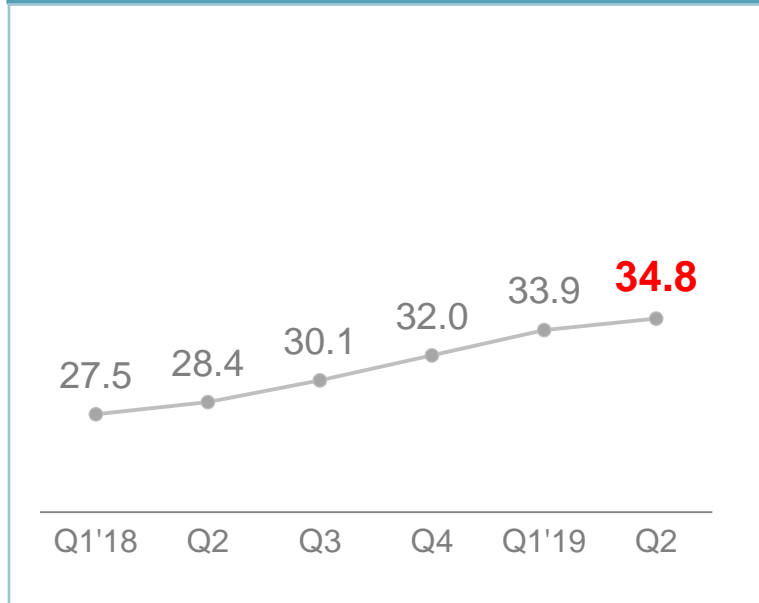
Business activity



Our successful commercial and digital transformation strategy is reflected in a **larger customer base, increased loyalty ratio...**



...as well as in an increased number of digital customers and activity



Note: YoY changes.



(1) Data as of 30 June. Every natural or legal person that, being part of a commercial bank, has logged in to their personal area of internet banking or mobile phone (or both) in the last 30 days. Digital customers in the last 90 days: 38.4 mn.

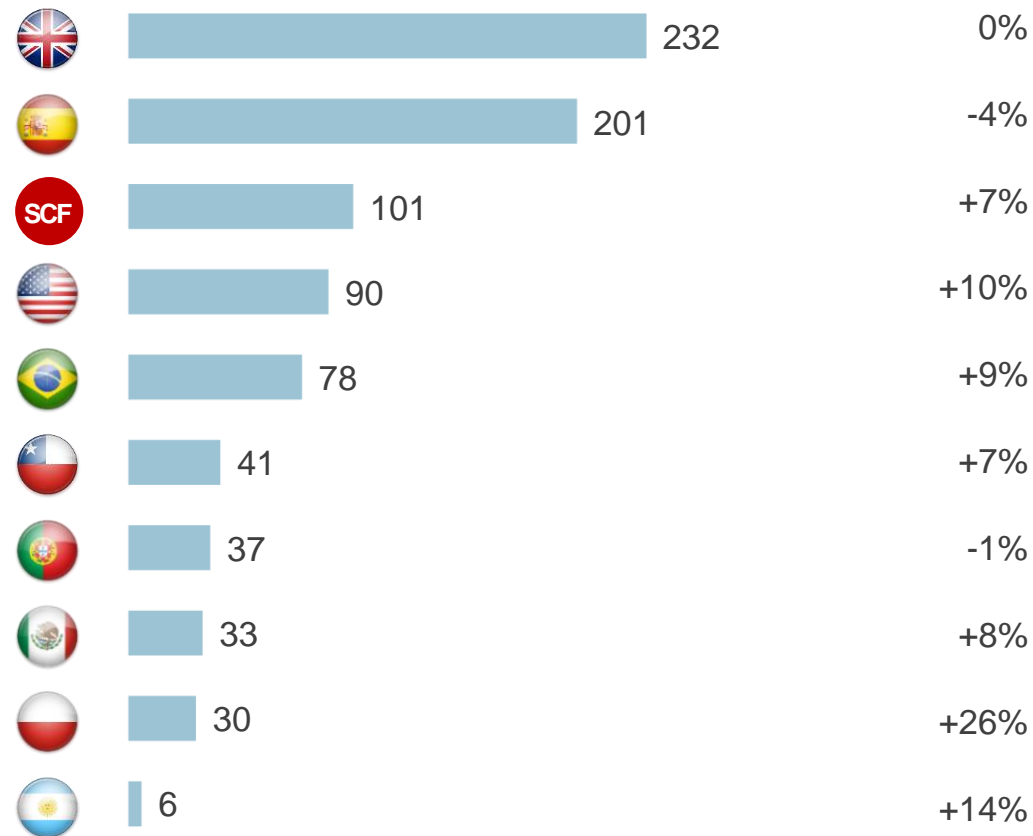
(2) Private accesses. Logins of bank's customers on Santander internet banking or apps. ATM accesses by mobile are not included.

(3) Customer interaction through mobile or internet banking which resulted in a change of balance (monetary and voluntary). ATM transactions are not included.

Continued widespread growth: **loans (+2% QoQ; +4% YoY)** and **customer funds (+3% QoQ; +6% YoY)**, boosted by developing markets

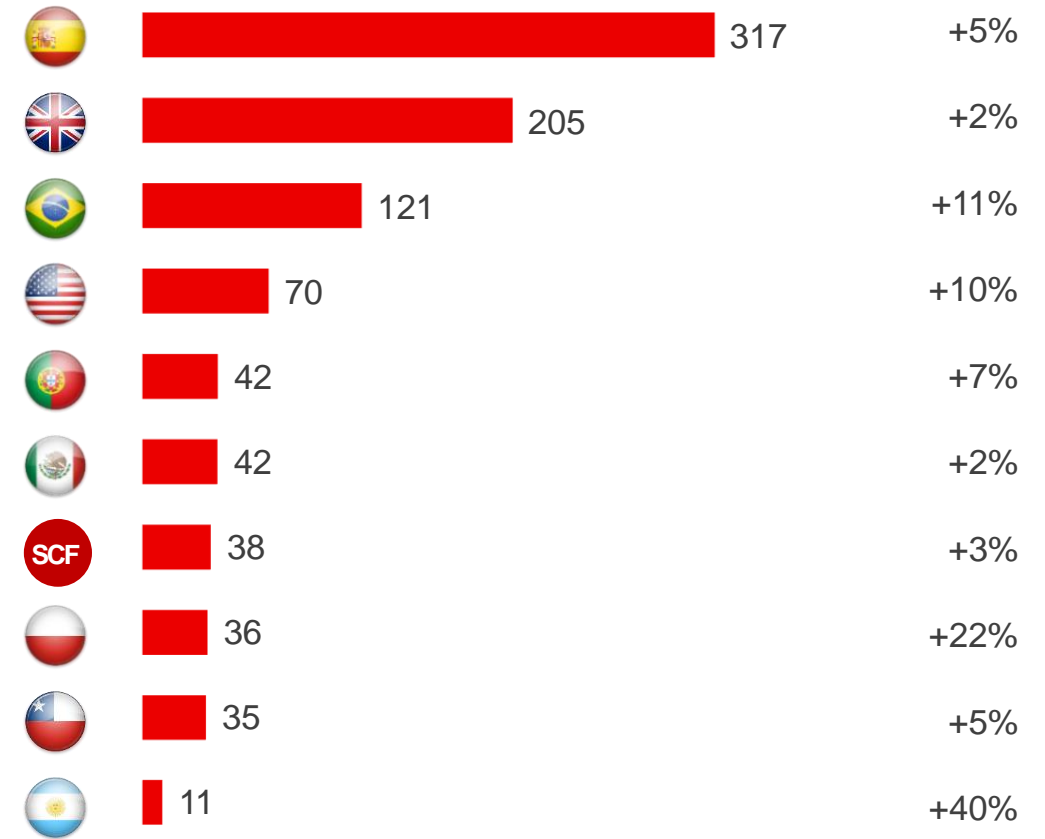
Loans and advances to customers in core markets

EUR bn and YoY change in constant EUR



Customer funds in core markets

EUR bn and YoY change in constant EUR



Results, profitability and solvency



H1'19 underlying P&L YoY performance

EUR million	H1'19	H1'18	% vs. H1'18	
			Euros	Constant euros
Net interest income	17,636	16,931	4	6
Net fee income	5,863	5,889	0	2
Gains on fin. trans. and other	937	1,342	-30	-29
Total income	24,436	24,162	1	3
Operating expenses	-11,587	-11,482	1	2
Net operating income	12,849	12,680	1	3
Loan-loss provisions	-4,313	-4,297	0	1
Other results	-957	-903	6	10
Underlying PBT	7,579	7,480	1	3
Taxes	-2,679	-2,659	1	3
Minority interests	-855	-769	11	11
Underlying attributable profit	4,045	4,052	0	2
Net capital gains and provisions ¹	-814	-300	171	171
Attributable profit	3,231	3,752	-14	-12

Higher customer revenue due to increased business volumes and spread management

Lower market revenue and higher cost of FX hedging

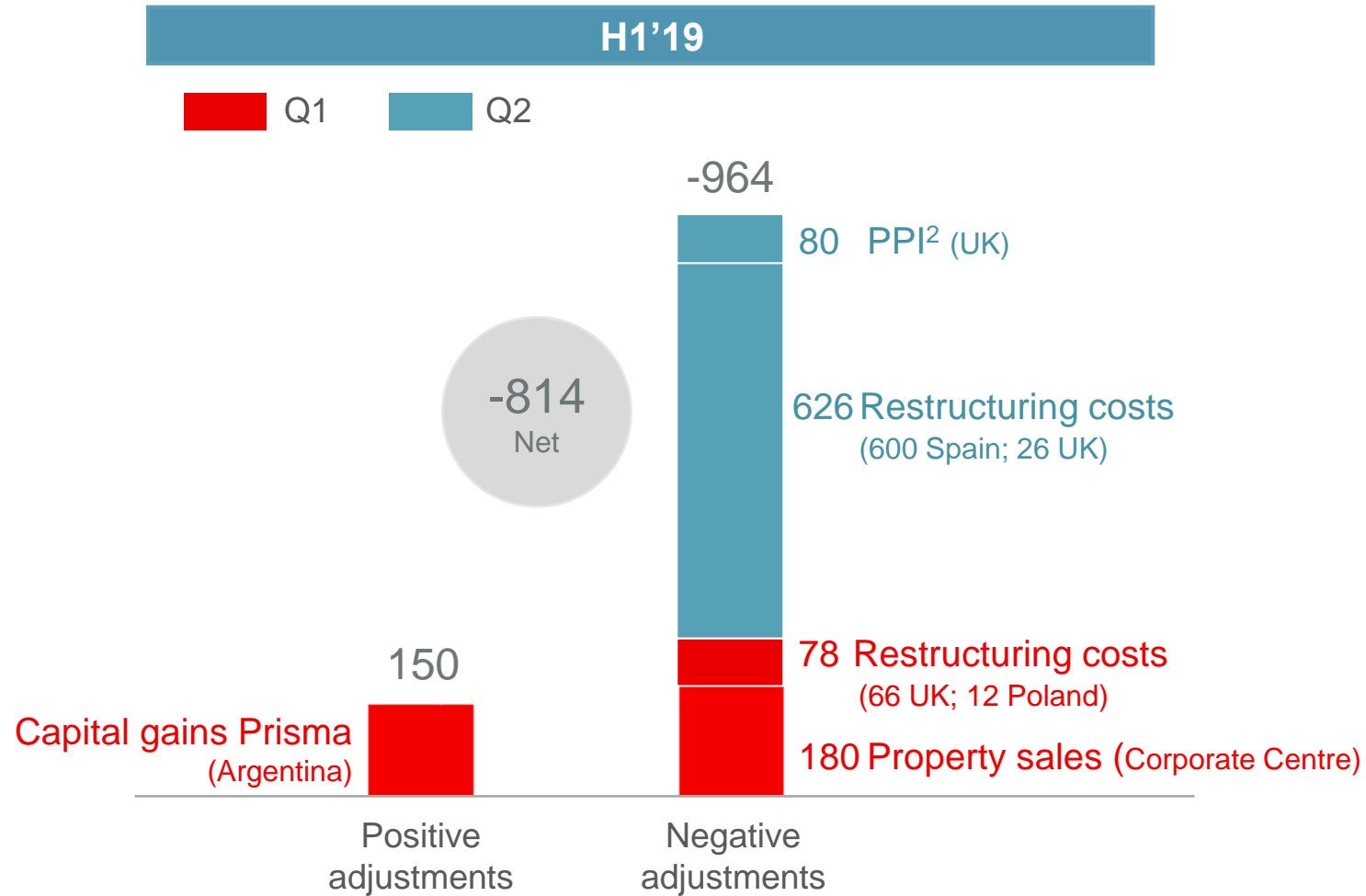
Cost control with an individualised and targeted cost management across the board

Good credit quality evolution, with low cost of credit and better NPL ratio

Mainly restructuring costs

Net capital gains and provisions

EUR million

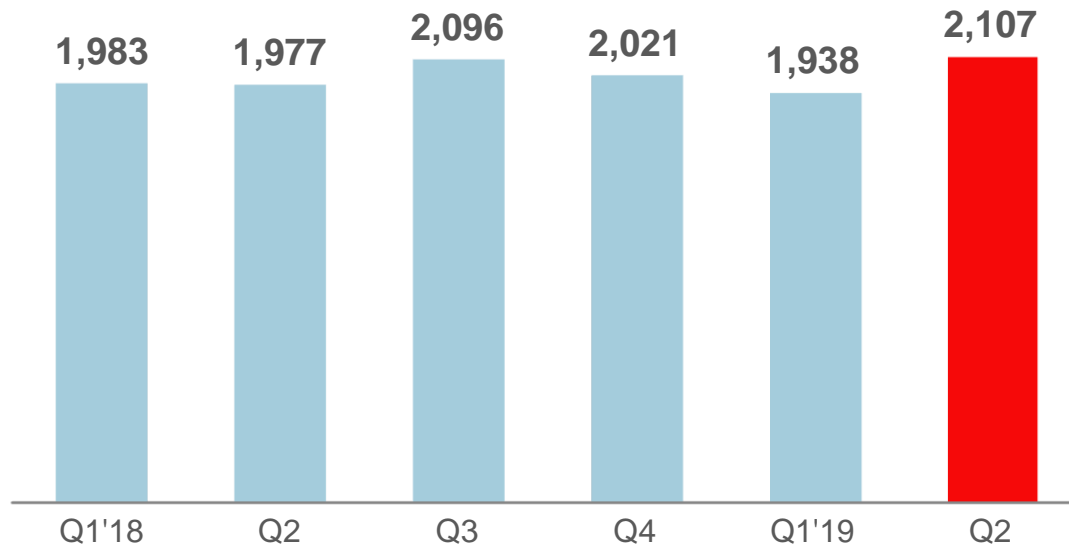


Pending accounting of capital gain from custody transaction¹: EUR 700 million

Q2 underlying profit strongest since 2011

Group underlying attributable profit

Constant EUR million



9% growth QoQ (in constant euros)
despite the annual SRF
contribution in Q2'19

Excluding this effect,
17% QoQ
(in constant euros)

Customer revenue growth QoQ (+3%) and YoY (+6%) driven by stronger customer activity

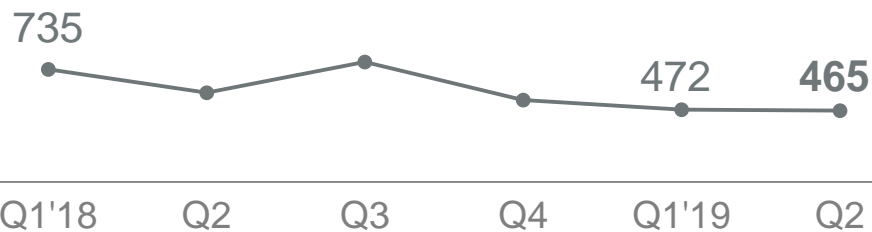
Net interest income



Net fee income



Other revenue¹



○ **YoY growth** due to higher volumes and spread management, with improvements in 7 of our 10 core markets

○ **QoQ increase backed by** South America and North America, particularly Brazil, Chile, the US and Argentina

○ **YoY increase in the majority of our main markets**

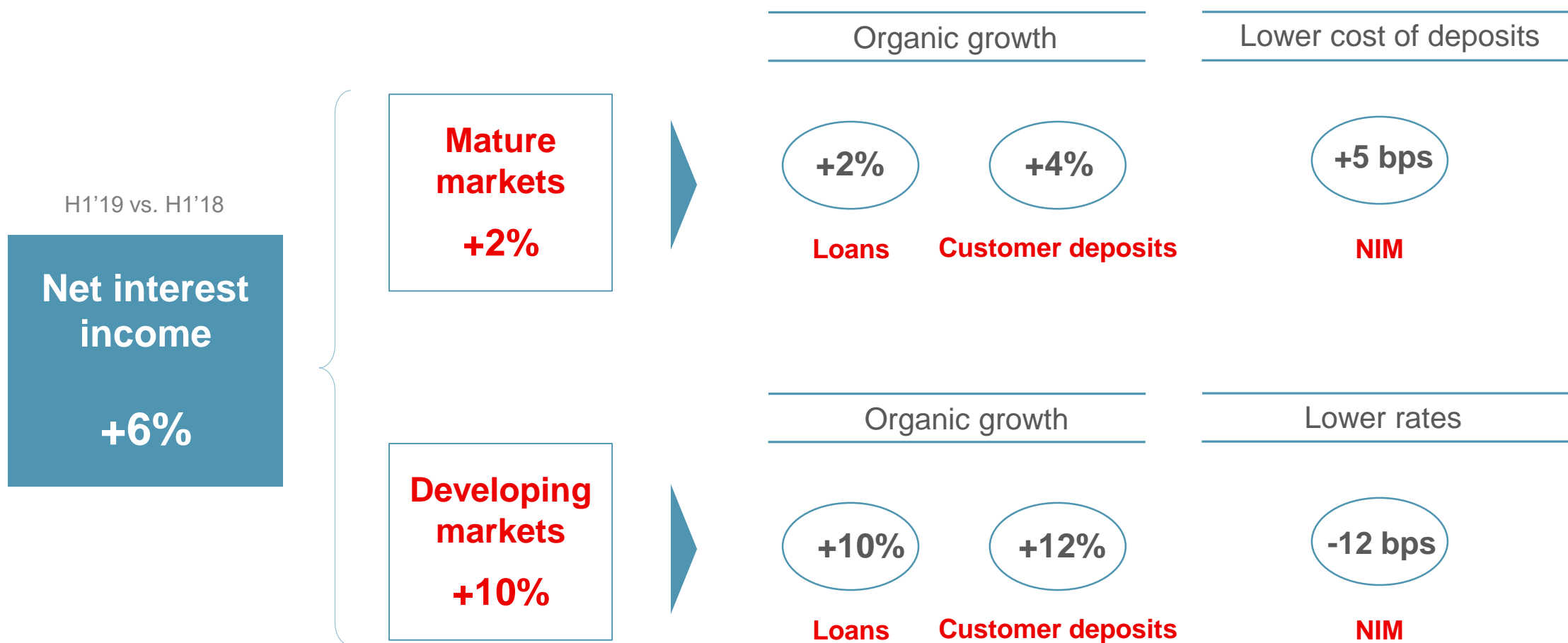
○ **QoQ improvement** boosted by Brazil and Mexico

○ H1'19 vs H1'18 affected by lower ALCO portfolio sales and FX hedges

○ **Q2'19 recorded** the annual **SRF** contribution

○ **Very low weight** as a percentage of total income (<4%)

Higher NII due to increased business volumes and wider spreads in mature markets



Higher net fee income driven by Retail Banking and WM&I contribution. SCIB still affected by markets

Activity growth¹



Mutual fund balances

+5%



Card turnover

+11%

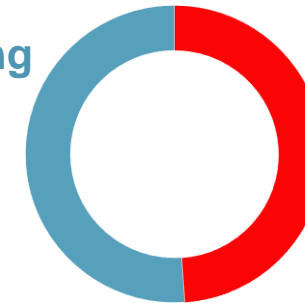


Insurance premiums

+10%

Net fee income by market¹

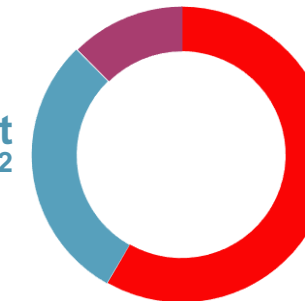
Developing markets
+10%



Mature markets
-4%

Net fee income by segment¹












Wealth Management & Insurance²
+4%



Retail Banking
+4%

Costs (-1.8% YoY in real terms) reflect the first integration synergies, maintaining a best-in-class cost-to-income ratio and high quality customer service

Cost evolution

H1'19 vs. H1'18, %	Nominal	In real terms ¹
	-7.3	-8.8
	2.0	0.3
	-0.6	-2.8
	12.0	10.3 ²
	-3.8	-4.7
	0.1	-2.0
	7.1	2.6
	3.1	-1.2
	1.7	-0.8
	89.0	41.3
	-9.1	-10.6

Targeted cost management by geographies:

- **Europe: -3.2%** cost reduction in real terms, enhancing operating efficiency
- **Better operational leverage in the US**, while we are investing to update distribution capacity in **Mexico**
- **Costs under control** in the South American markets
- **SGP** up EUR 46 mn due to the higher ongoing investments in its initial stage

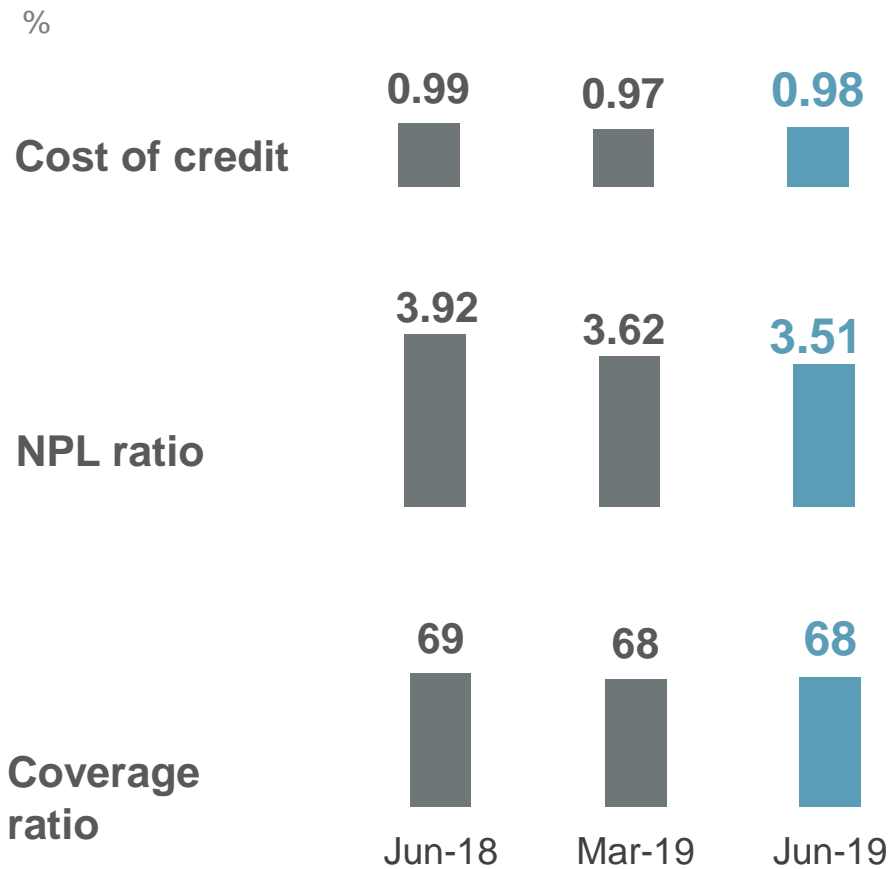


Costs in real terms
-1.8% YoY



Cost-to-income
47.4% in H1'19

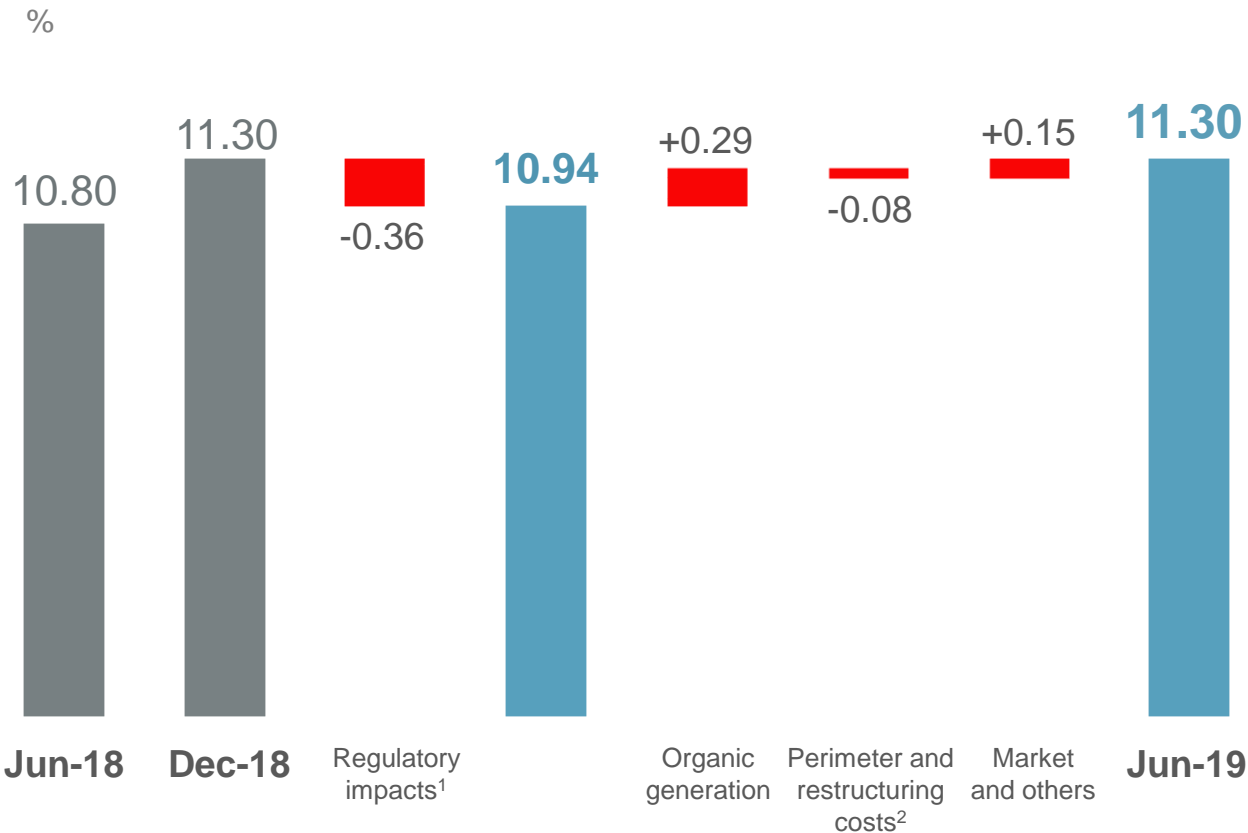
The positive trend in credit quality continued, underpinned by the **good evolution of the NPL ratio, coverage and cost of credit ratios**



-  **Cost of credit ratio** flat **YoY**, maintaining low levels in H1'19
-  **NPL ratio** fell YoY in most markets
-  High level of allowances to total loans: **strong first line of defense**

Continued to generate capital **organically (+11 bps QoQ; +29 bps YTD)** CET1 ratio impacted by regulatory effects and restructuring costs.

CET1 ratio



	Jun-19	YoY change
FL Total capital ratio	14.80%	+56 bps
FL Tier 1 capital ratio	12.73%	+44 bps
Leverage ratio	5.0%	-9 bps

Santander currently complies with MREL requirement³



(1) IFRS 16 (-19 bps); models and TRIM (-15 bps); Other (-2 bps)

(2) Restructuring costs (-13 bps); Prisma (+2 bps); Other (+3 bps)

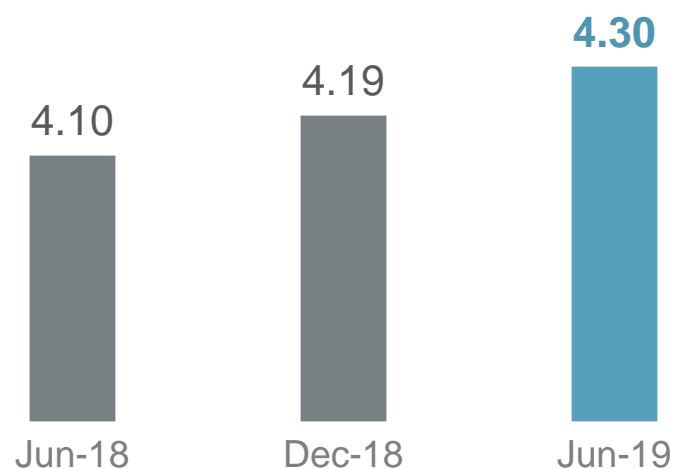
(3) Parent bank. Preliminary data

2019 data applying the IFRS 9 transitional arrangements. As indicated by the consolidating supervisor a pay-out of 50%, the maximum within the target range (40%-50%), was applied for the calculation of the capital ratios in 2019. Previously, the average cash pay-out for the last three years was considered.

Creating shareholder value whilst maintaining high profitability

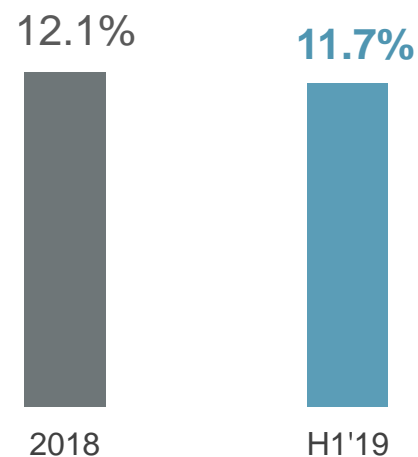
TNAV per share

EUR

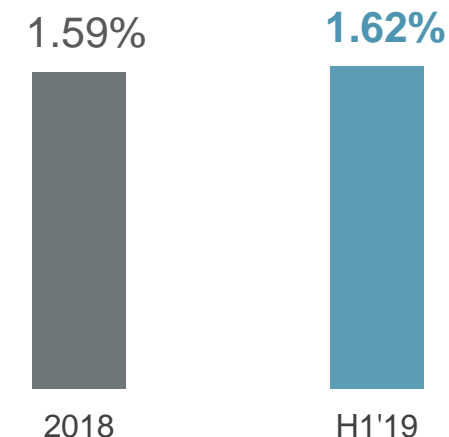


Profitability ratios

Underlying RoTE¹



Underlying RoRWA¹



(1) Statutory RoTE 2018 11.7% and H1'19 10.5%. Statutory RoRWA 2018 1.55% and H1'19 1.48%

Notes: The averages for the H1 RoTE and RoRWA denominators are calculated on the basis of 7 months from December to June.

For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the statutory RoTE is the annualised underlying attributable profit (excluding non-recurring results), to which are added non-recurring results without annualising them.

For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the statutory RoRWA is the annualised underlying consolidated result (excluding non-recurring results), to which is added non-recurring results without annualising them.

New reporting aligned with our organisational structure



Adapting our reporting to the new organisational structure and according to IFRS 8 requirements

1

Main changes in the organisational structure

- **3 regions:** Europe, North America and South America
- Converging the business model, the IT&Ops and shared services
- UK aligned with ring-fencing structure and Spain with the local customer related business

2

Creation of Santander Global Platform (SGP)

- **To accelerate** progress towards being the best open financial services platform
- Our digital services are consolidated under a single unit:
 - Openbank and Open Digital Services (ODS) **A**
 - Global Payments Services **B**
 - Digital Assets **C**

1 A new, simplified management structure

		Total customers (EUR million)	Loans (EUR billion)	Customer funds (EUR billion)	Underlying profit (EUR billion)	RoTE (%)
	Europe	67	638	658	2,354	10%
	North America	22	123	112	889	10% ¹
	South America	52	131	173	1,961	21%

Openbank

One of the largest full service digital banks in Europe, with best in class UX and a profitable business model

- Large customer base in Spain ...
 - Total customers: **1.2 mn**
 - # products per loyal customer: **4.6**
- ... reflected in transactionality ...
 - # transactions¹: **+29% YoY**
- ... and high growth and productivity
 - Loans: **+164%**; Deposits: **+22% YoY**
 - Business²: **EUR 36,200 per loyal customer**



Attract, engage and retain customers without a branch network, best user experience and profitability

Open Digital Services (ODS) – BaaS model

A technology company developing a “Banking as a Service” state-of-the-art platform to be used ...

... by Openbank in its international expansion ...

From  to      in the first phase³:



... and become the leading “Banking as a Service” platform to serve third parties



Payments platform to better serve existing and new customers
with best-in-class value propositions developed globally




Superdigital - “Banking without a bank”

>500k active users

From  to   in the first phase¹:

Global Merchant Services - Acquiring solutions

>1 million active customers

From  to   in the first phase¹:
Rest of
Latam

Pago FX - International transfers

Open market

First phase¹:  Three European countries

Global Trade Services - International trade products

>200k companies customers

Platform development in 2019 Initial roll-out¹     to rest of Santander geographies and open market

c SGP - Digital Assets - Common solutions (“built once, used by many”)

Our common digital assets and Centres of Digital Expertise help our banks in their digital transformation

Centres of Digital Expertise - Global capabilities

Main centres

	Programmes	Markets
Contact Centre	33	9
Conversion Rate Optimisation	>30	9
Machine Learning	21	9

Digital Assets - Technology projects & solutions¹

Globile -mobile platform. All countries and business collaborating to develop and reuse global App components (agile projects)

>20 components implemented across 6 countries

Open Platform - common services

Modern cloud-native, mobile first technology infrastructure

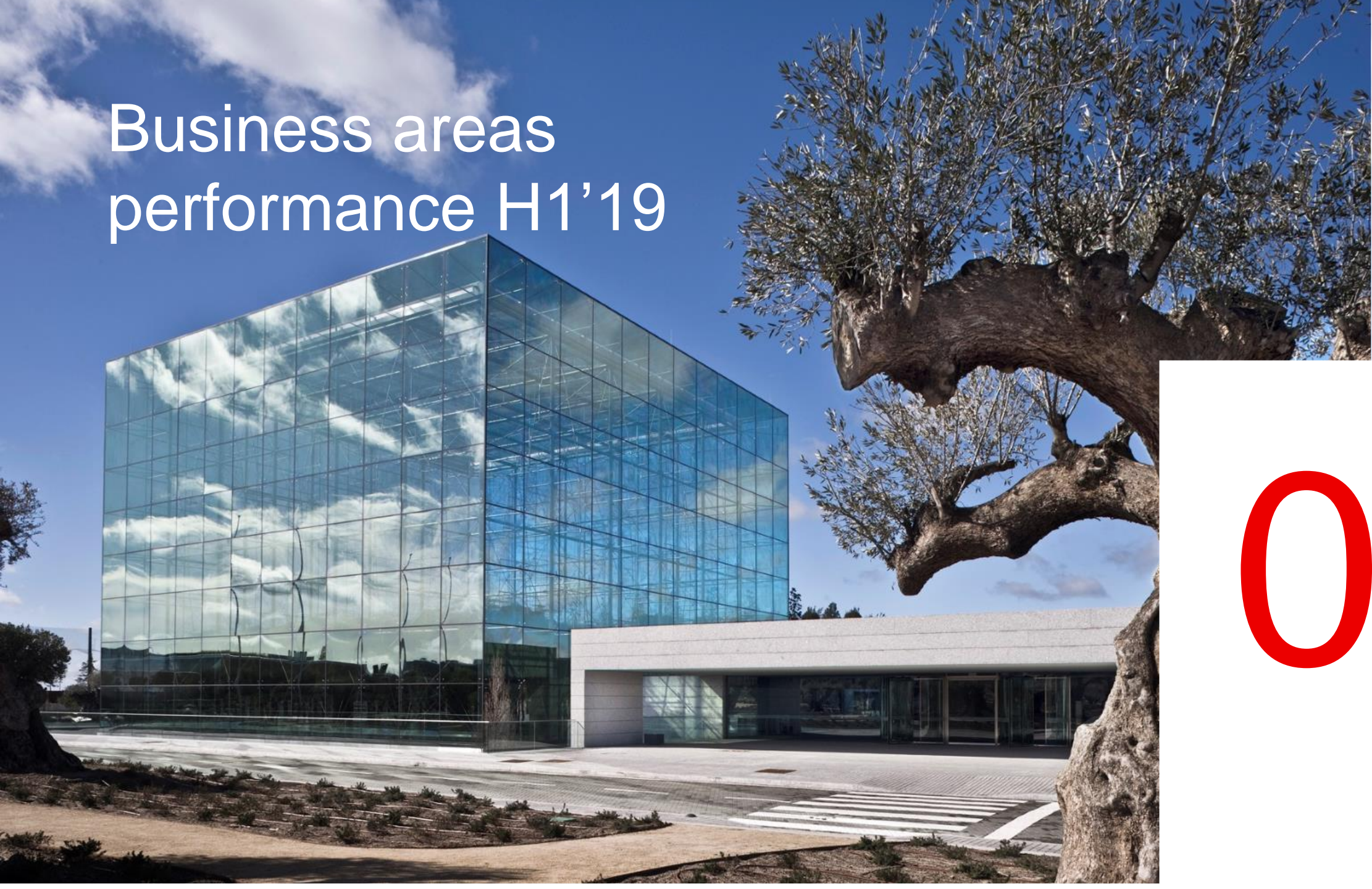


Continue leveraging the Group’s scale and ensuring all countries have access to the most innovative technology

Santander InnoVentures - Investments in fintech

c. USD 100 mn invested in 24 companies from 7 countries

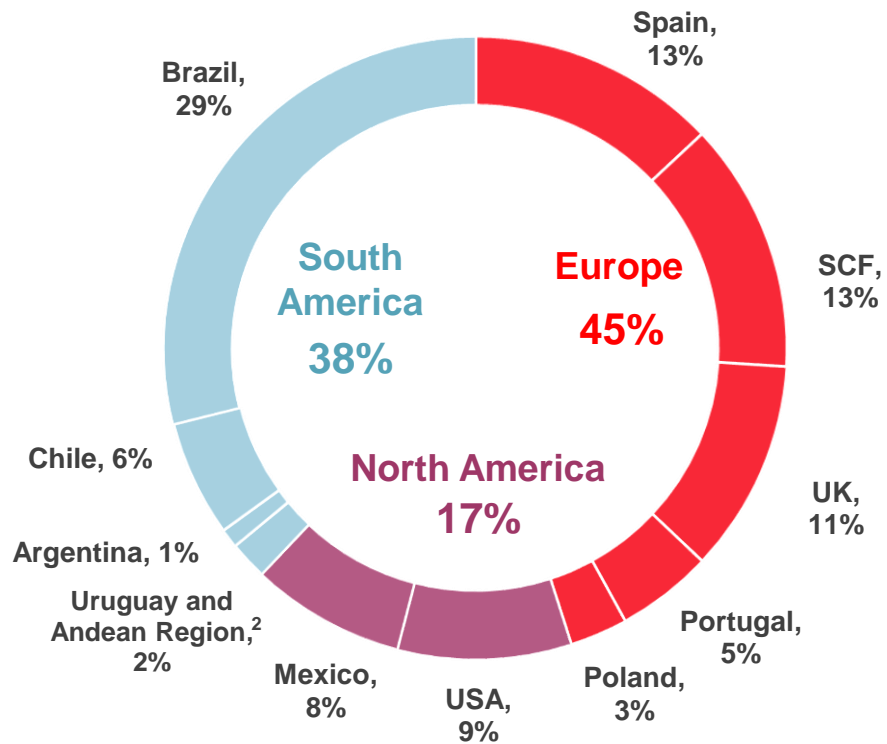
Business areas performance H1'19



02

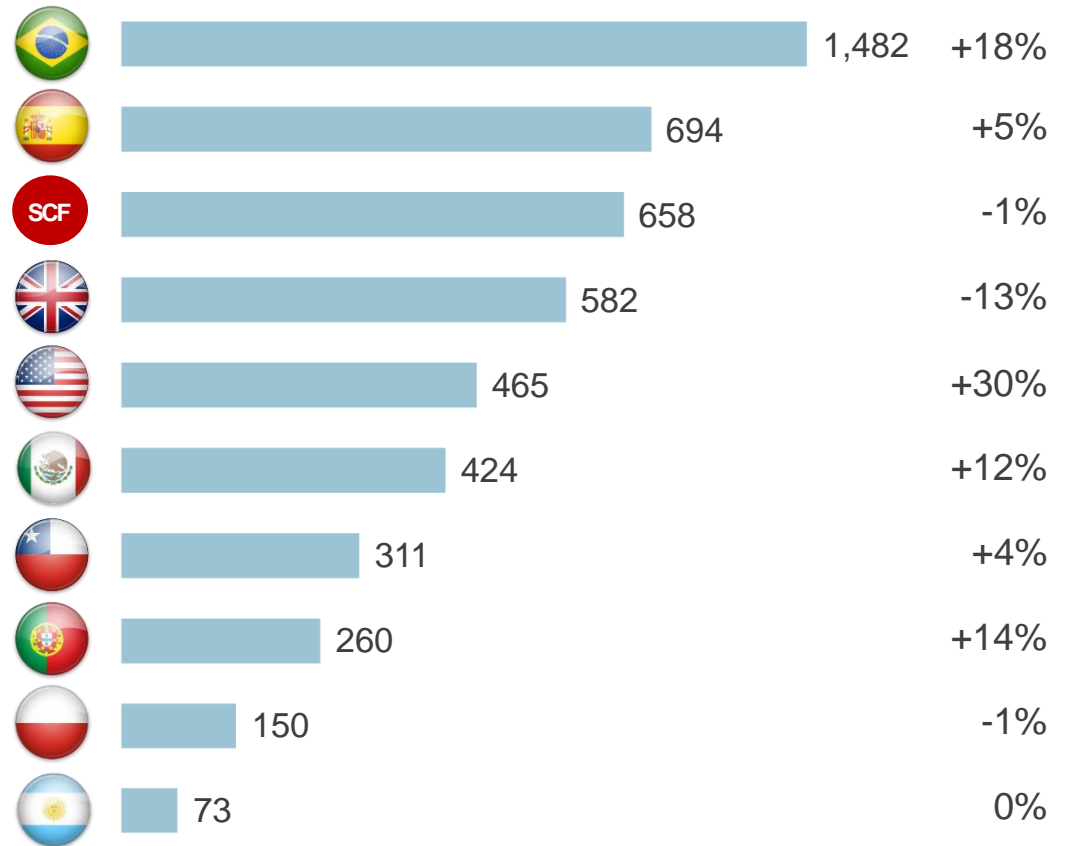
Increased weight of the Americas (55%) in Group profit

H1'19 Underlying attributable profit¹



H1'19 Underlying attributable profit in core markets

EUR mn and % change vs. H1'18 in constant euros





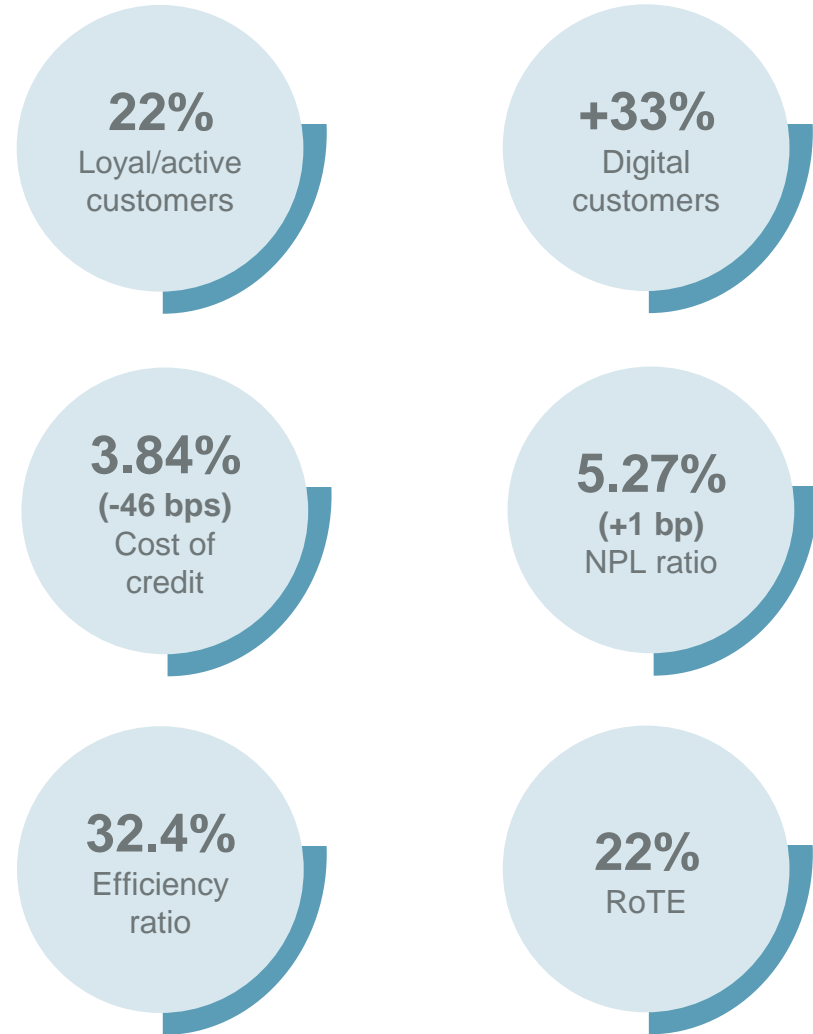
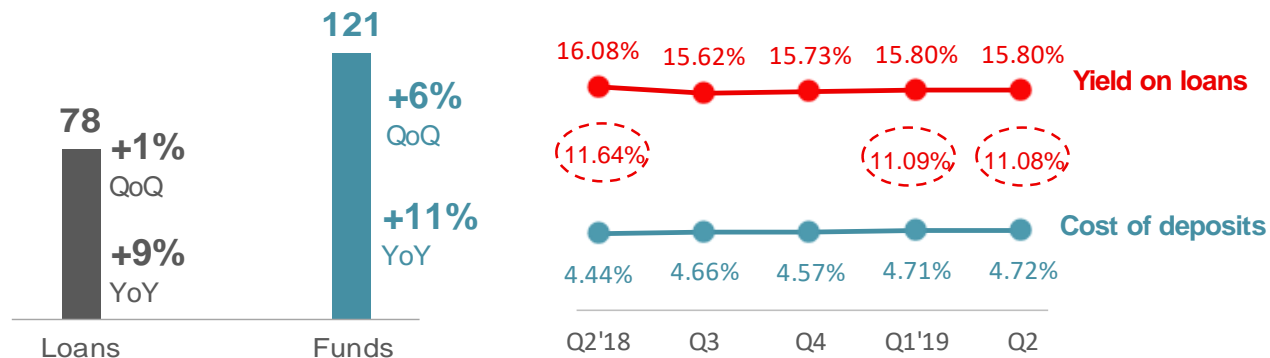
Brazil: YoY double-digit profit growth, higher RoTE (22%) and better customer service and satisfaction. QoQ strong customer revenue growth

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	2,520	5.5	4,979	6.6
Net fee income	924	2.3	1,855	8.7
Total income	3,453	4.2	6,864	6.5
Operating expenses	-1,102	1.0	-2,227	3.1
LLPs	-761	10.2	-1,471	-1.7
PBT	1,438	5.1	2,846	14.8
Underlying att. profit	762	8.8	1,482	18.2

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



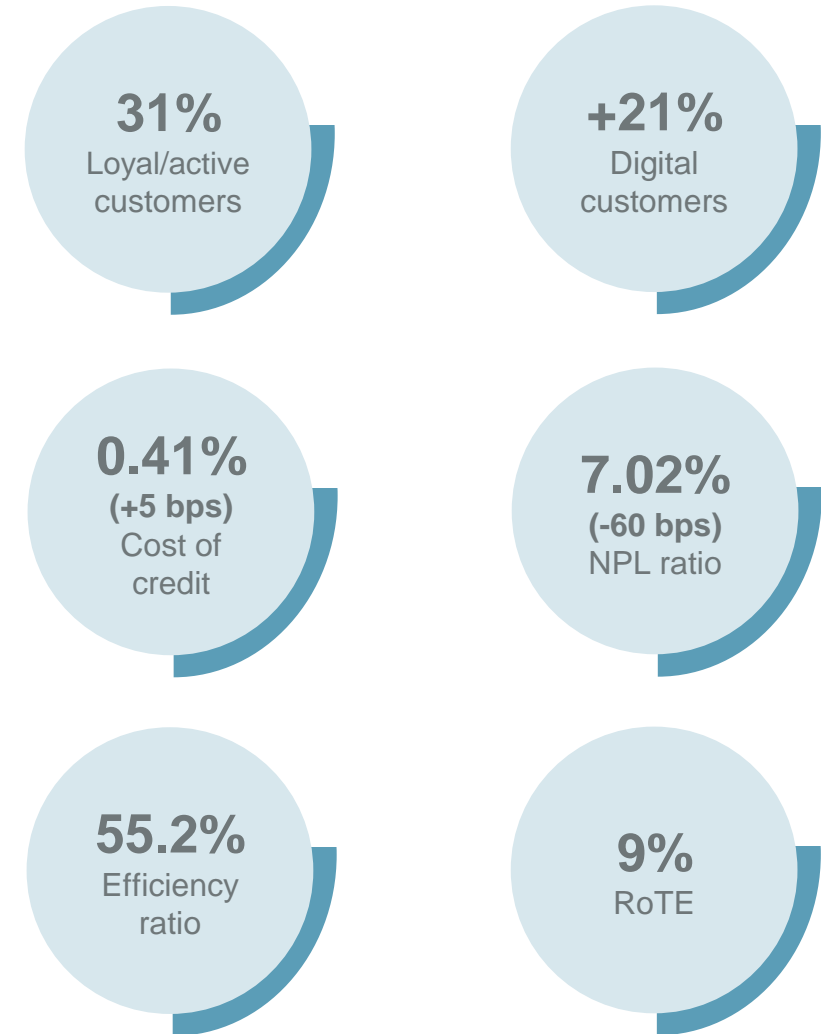
Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE



Spain: revenue affected by lower fee income (CIB) and IFRS 16 impact. Cost improvement reflects first integration synergies. QoQ evolution impacted by the SRF contribution

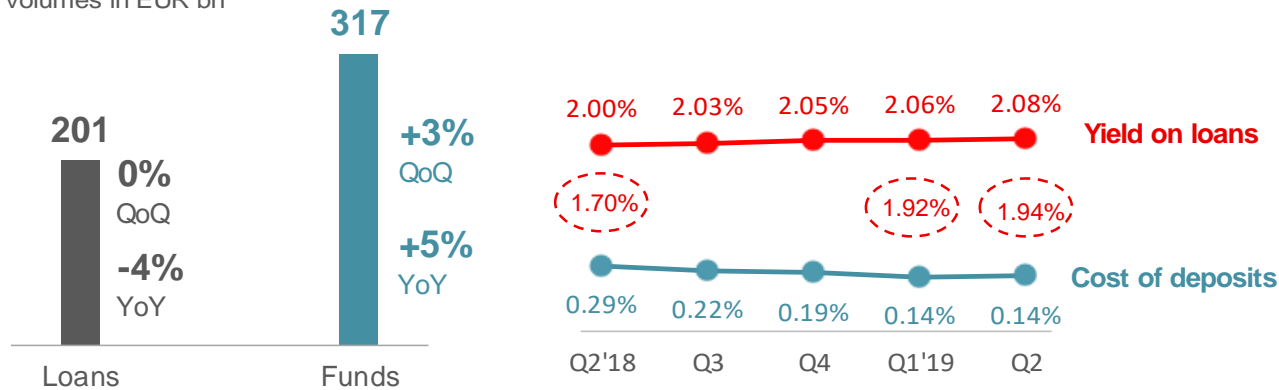
P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	1,009	0.0	2,018	1.1 +4%
Net fee income	624	0.1	1,247	-6.9
Total income	1,849	-0.4	3,706	-1.1
Operating expenses	-1,020	-0.5	-2,044	-7.3 -6%
LLPs	-228	-6.0	-470	7.7
PBT	458	-4.1	936	7.4
Underlying att. profit	338	-5.1	694	5.0 +8%

(*) EUR mn Changes excluding IFRS 16 impact



ACTIVITY

Volumes in EUR bn



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE



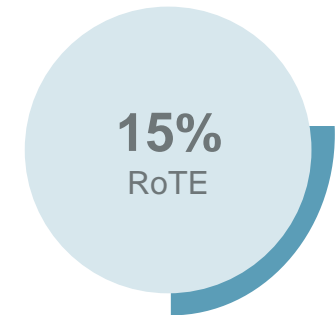
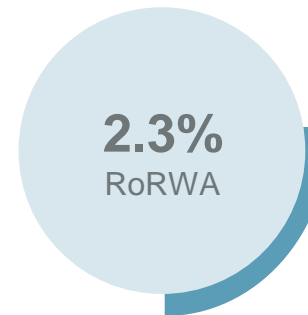
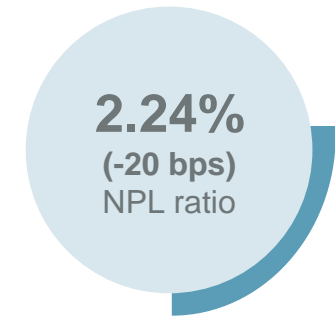
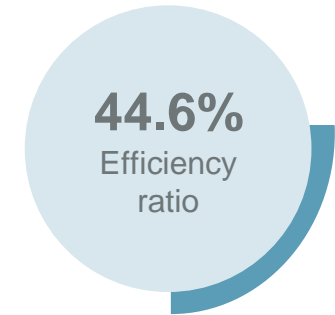
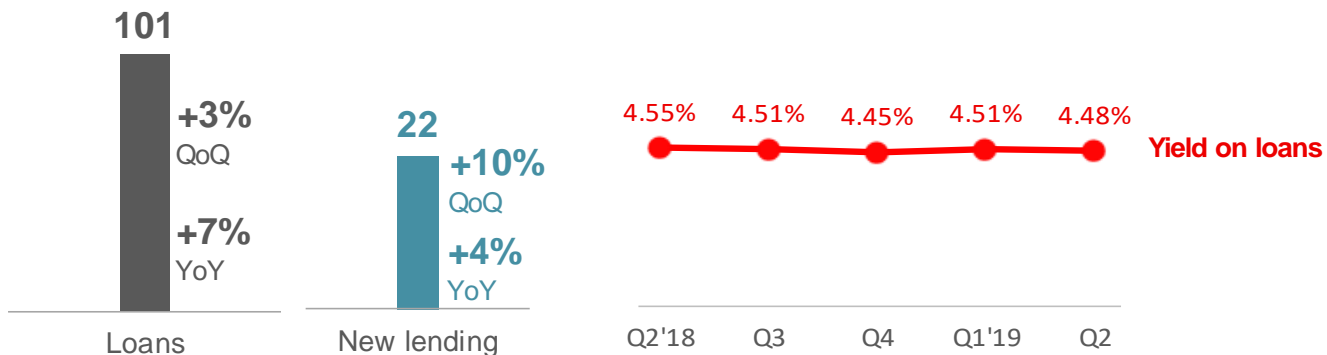
SCF: leadership in Europe with best-in-class profitability (RoRWA: 2.3%) and efficiency. Historically low NPL ratio and cost of credit (Q2 portfolio sales)

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	971	3.0	1,911	4.1
Net fee income	201	-6.1	415	3.0
Total income	1,154	-1.3	2,321	2.8
Operating expenses	-527	3.5	-1,035	2.0
LLPs	-59	-51.4	-181	-4.3
PBT	556	-1.1	1,117	2.3
Underlying att. profit	334	2.9	658	-1.0

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Credit quality ratios YoY change. Underlying RoTE Excluding Santander Consumer UK profit, which is recorded in Santander UK results. Including it, H1'19 underlying attributable profit: EUR 736 mn (+6% vs. Q1'19 and +2% vs. H1'18)



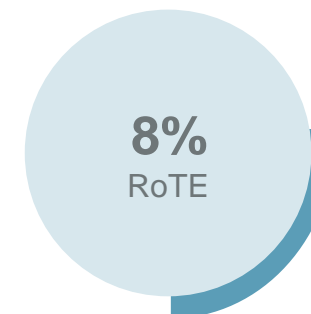
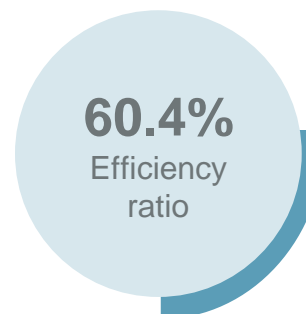
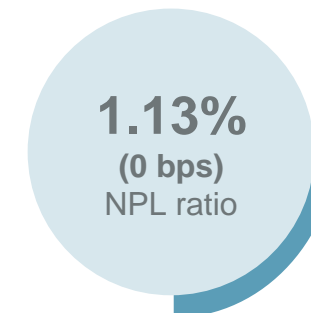
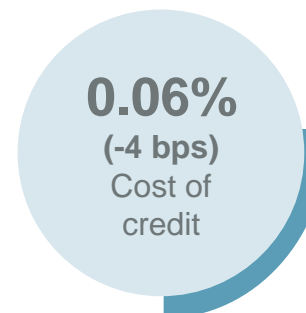
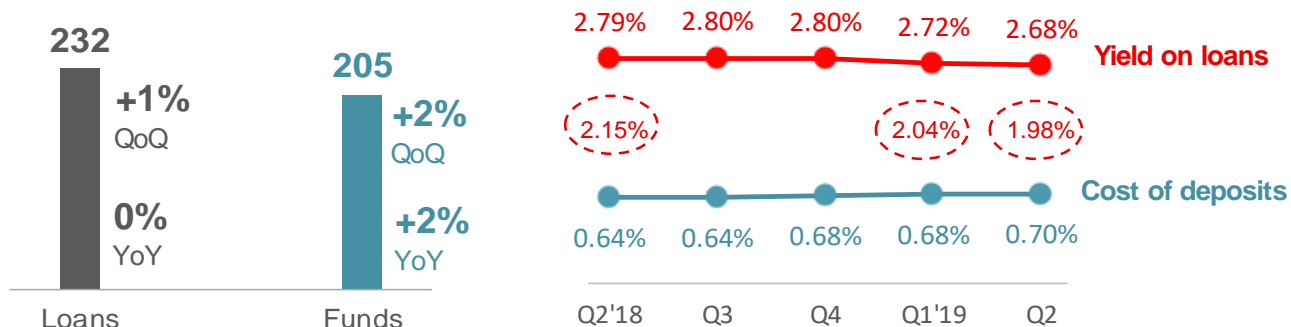
UK: results reflect continued competitive pressure on revenue. Cost improvement and resilient credit quality performance

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	944	-2.9	1,919	-7.2
Net fee income	207	-4.0	423	-8.4
Total income	1,183	-1.7	2,388	-8.4
Operating expenses	-703	-4.5	-1,442	-0.6
LLPs	-19	-67.7	-80	-22.3
PBT	435	22.2	792	-16.8
Underlying att. profit	327	29.0	582	-13.1

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE.
Excluding London Branch profit of EUR 31 mn in H1'19, which is recorded in Other Europe results.

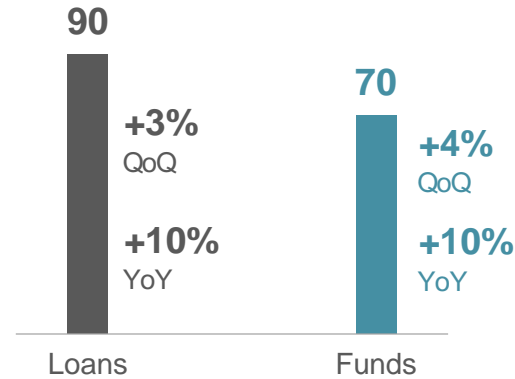
North America



Another positive quarter, with strong business volumes and profit growth

Efficiency improved (3 pp), driven by increased revenue and stable costs

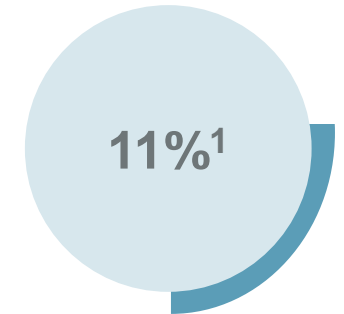
Activity



Underlying profit



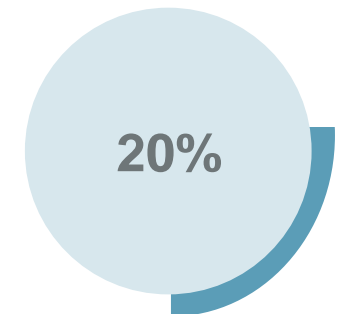
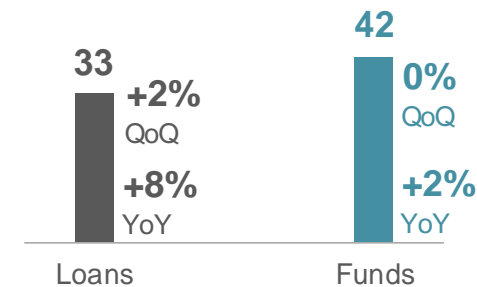
RoTE





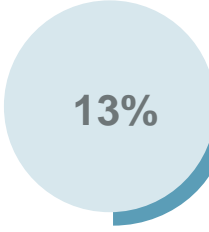



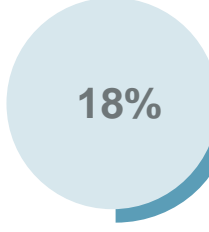

Continued to increase customer base, volumes and profitability

Double-digit profit growth due to higher customer revenue and lower cost of credit

Activity



Portugal, Poland, Chile and Argentina

	Underlying profit	RoTE
 <p>Profit growth thanks to ALCO portfolio sales, lower costs due to integration synergies and LLP releases (strong improvement in credit quality)</p>	 <p>EUR 260 mn +14%</p>	 <p>13%</p>
 <p>Net operating income after provisions: +12%, however underlying profit fell due to increased BFG and Banking Tax contribution, the latter adding to fiscal pressures as it is non-deductible.</p>	 <p>EUR 150 mn -1%</p>	 <p>17%¹</p>
 <p>QoQ strong NII growth favoured by higher inflation (UF) and faster volume growth. YoY profit increased driven by good market results and lower provisions, while the NII was affected by lower inflation</p>	 <p>EUR 311 mn +4%</p>	 <p>18%</p>
 <p>Profit virtually unchanged in constant euros, as the high inflation adjustment of EUR -74 million was offset by a rise in revenue higher than inflation</p> <p>Customer revenue boosted by NII (public securities, higher interest rates and BCRA² is now considered an equivalent supervisor) and fees (foreign currency transactions and cash deposits)</p>	 <p>EUR 73 mn 0%</p>	 <p>17%</p>

Corporate Centre

P&L*	H1'19	H1'18
NII	-600	-477
Gains/Losses on FT	-171	5
Operating expenses	-193	-212
Provisions and other income	-139	-160
Tax and minority interests	46	-18
Underlying att. profit	-1,108	-884

Higher loss in NII due to higher stock of issuances and IFRS 16 impact

FX hedging cost reflected in results from financial transactions

Operating expenses reflect the streamlining and simplification measures

(*) EUR mn

Concluding
remarks






03










Santander Group continued to deliver **good results in a challenging market**

- **Larger customer base**, increased **loyalty ratio**, the number of **digital** customers and their activity
- **Volumes growth higher than in 2018**, especially in customer funds
- **Revenue up** (+3% with NII +6%), **costs reflecting** the **first synergies** (in real terms Group: -2%; Europe -3%) and **low levels of cost of credit** (<1%)
- Continued to **generate capital organically** in Q2, **creating shareholder value** with a **TNAVps +5% YoY**, whilst maintaining **high profitability**
- **A new, simplified organisational structure** in 3 regions to accelerate the execution of our strategy
- **With the creation of Santander Global Platform**, we are furthering our digital transformation, extending the Group's talent and scale to high growth payments and digital businesses, targeting retail customers, merchants and SMEs.

New geographical areas. Key metrics H1'19 and mid-term targets

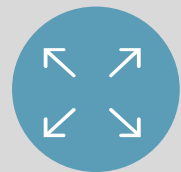
Key metrics	 Europe	 North America	 South America			
	H1'19	Medium-term targets	H1'19	Medium-term targets	H1'19	Medium-term targets
Commercial						
Loyal / Active customers	35%	40%	29%	31%	26%	31%
Digital customers	13 mn	c.16 mn	4 mn	c.7 mn	16 mn	c.20 mn
# of countries top3 in CSAT	2	All (4)	1*	1*	3	All (4)
Financial						
C/I	54%	47-49%	42%	39-41%	36%	33-35%
RoTE ²	10%	12-14%	10% ¹	14-16% ¹	21%	20-22%
RoRWA ²	1.5%	c.2%	2.2%	c.2%	3.4%	c.3.5%

RoTE H1'19 and medium-term target by countries

RoTE (%)		
	H1'19	Medium-term targets
	22%	>20%
	9%	14-16%
	15%	14-15%
	8%	9-11%
	20%	19-21%
	11% ¹	11-13% ¹
	18%	19-20%
	13%	13-15%
	17% ²	14-16% ²

We confirm our medium-term goals for the Group

Medium-term goals



Growth



Profitability



Strength

Appendix



04

Appendix

Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements



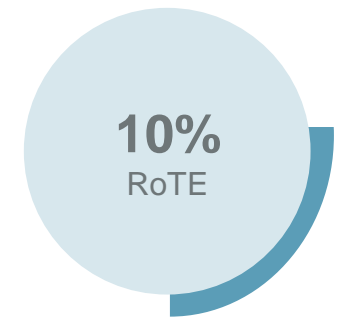
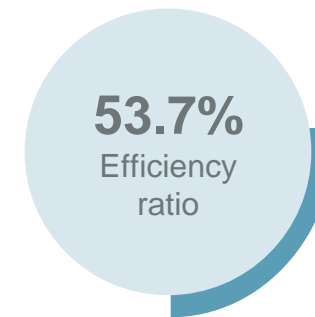
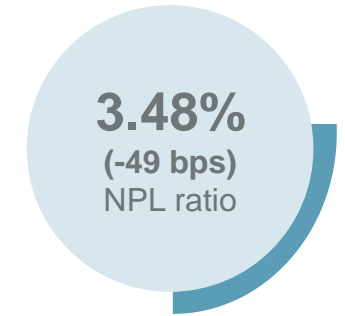
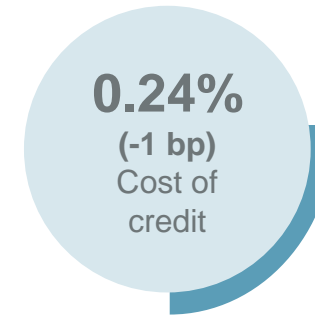
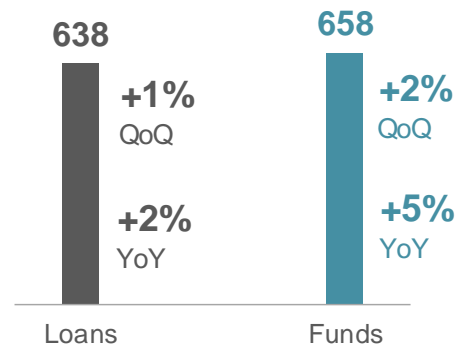
Europe: in a low interest rate and low growth environment, results reflect revenue pressure, cost control and good credit quality. Working to simplify and integrate our structure

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	3,580	0.5	7,141	1.8
Net fee income	1,304	-1.8	2,630	-4.6
Total income	5,188	-0.7	10,413	-1.1
Operating expenses	-2,789	-0.5	-5,591	-1.5
LLPs	-387	-15.4	-844	-1.7
PBT	1,781	0.7	3,549	-1.7
Underlying att. profit	1,191	2.4	2,354	-2.8

(*) EUR mn and % change in constant euros

ACTIVITY

EUR bn and % change in constant euros





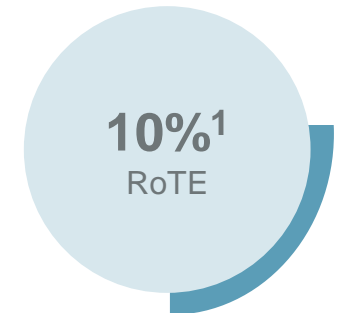
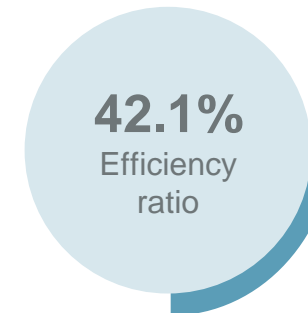
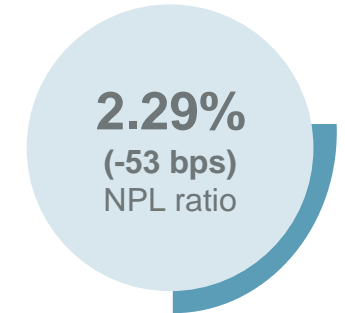
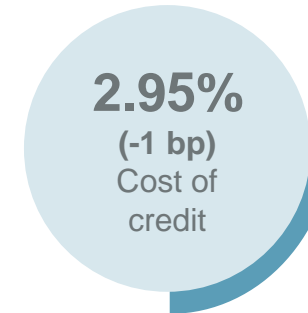
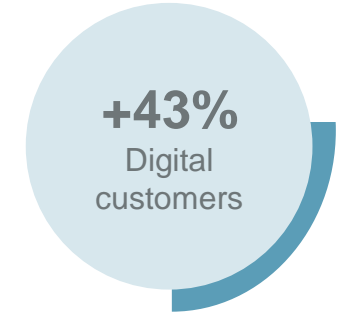
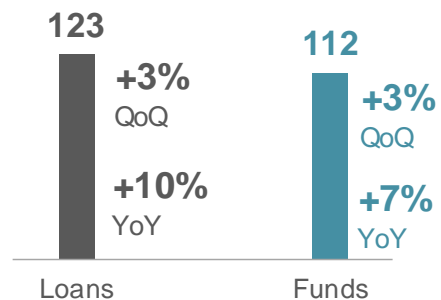
North America: double digit profit improvement in the US and Mexico, while increasing coordination between both countries

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	2,230	1.4	4,403	8.3
Net fee income	463	4.3	901	4.2
Total income	2,918	4.8	5,672	7.2
Operating expenses	-1,214	2.3	-2,386	2.3
LLPs	-793	-2.5	-1,597	5.7
PBT	881	22.1	1,594	17.9
Underlying att. profit	503	28.7	889	20.6

(*) EUR mn and % change in constant euros

ACTIVITY

EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change.

(1) Adjusted for excess of capital in the US. Otherwise 9.5%



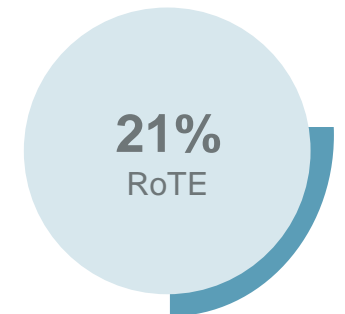
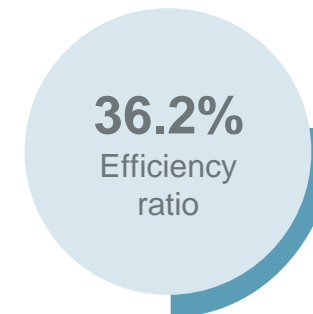
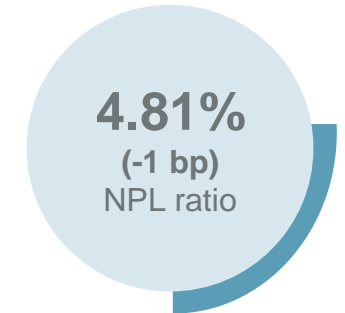
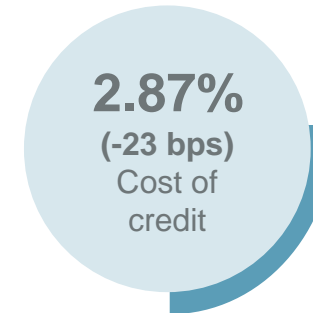
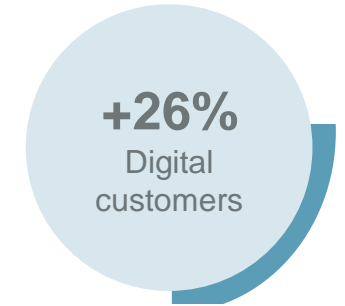
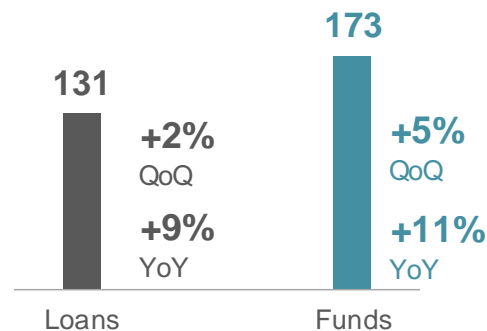
South America: strong growth in profit and volumes. Focus on accelerating profitable growth, strengthening a more connected regional network

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	3,425	9.2	6,647	9.4
Net fee income	1,178	2.9	2,355	10.9
Total income	4,647	6.5	9,134	8.7
Operating expenses	-1,664	4.0	-3,309	9.1
LLPs	-956	8.8	-1,859	2.4
PBT	1,876	8.0	3,661	12.3
Underlying att. profit	1,035	14.7	1,961	14.9

(*) EUR mn and % change in constant euros

ACTIVITY

EUR bn and % change in constant euros



Openbank

One of the largest full service digital bank in Europe, with best in class UX and a profitable business model

To attract, engage and retain customers without a branch network, best user experience and profitability

ODS

A technology company developing a new banking platform to be used by Openbank in its international expansion.

In addition, to become the leading “Banking as a Service” platform to serve third parties

Global Payments Services

- **Superdigital** - “Banking without a bank” - platform that allows customers to open a digital payments account
- **Pago FX**- App for the open market with low cost, transparent, same day or next day international transfers
- **Global Merchant Services** - Create a single global merchant services (acquiring) business platform across our footprint. It will also serve multinational merchants as a single point of interaction and potentially non-group entities
- **Global Trade Services** - Strategic initiative to leverage Santander’s strength in trade and cross-border services, to develop a leading service platform in international business (Trade Finance, Supply chain, FX payments products...)

Digital Assets

- **Centres of Digital Expertise** - Global capabilities to drive digital transformation: Contact Centre, Conversion Rate Optimisation and Machine Learning
- **Santander InnoVentures** - Our venture capital investments in the fintech ecosystem, positioning Santander as an innovative bank and benchmark for the sector and leveraging digital capabilities for our customers
- **Digital Assets** - Group-wide technology projects and solutions for our banks and third parties under a Software as a Service (SaaS) model. Globile and Open Platform as examples

Appendix

Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

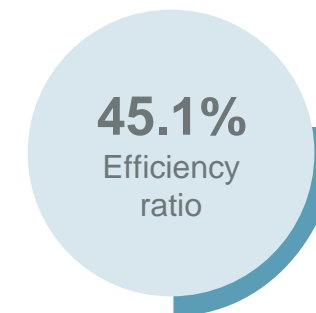
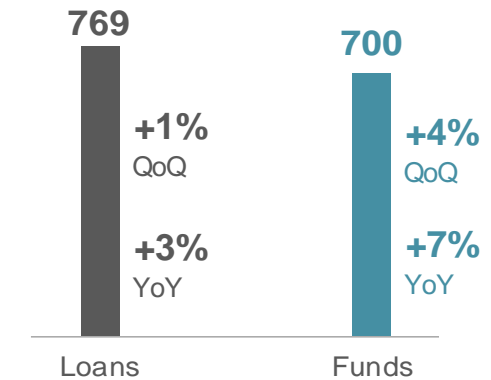
Retail Banking: continued focus on customer loyalty and digital transformation. We continued to launch new products and services that cover the needs of our customers

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	8,390	3.5	16,553	4.8
Net fee income	2,269	-0.9	4,583	5.2
Total income	10,881	2.9	21,528	3.9
Operating expenses	-4,882	1.7	-9,712	1.5
LLPs	-2,090	-2.6	-4,251	4.7
PBT	3,512	8.5	6,776	6.5
Underlying att. profit	2,053	14.7	3,856	6.0

(*) EUR mn and % change in constant euros

ACTIVITY

EUR bn and % change in constant euros



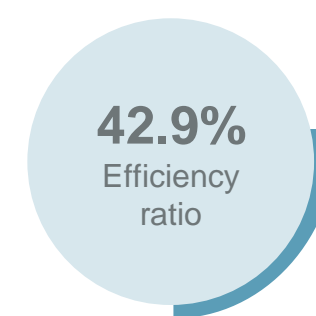
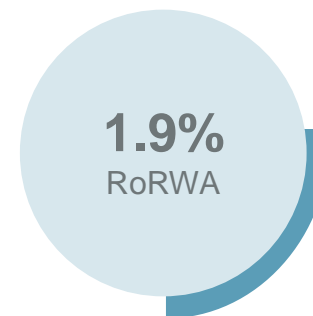
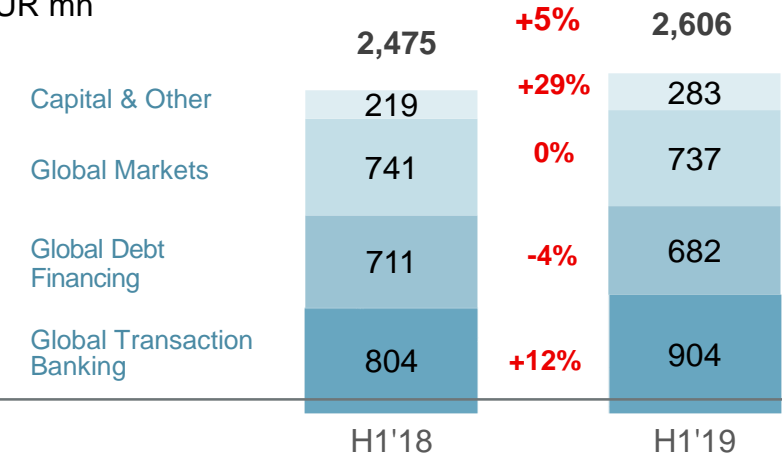
Corporate & Investment Banking: profit growth YoY with good evolution of value-added businesses, offset by reduced activity in markets

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	701	8.0	1,354	22.5
Net fee income	377	7.6	730	-9.3
Total income	1,313	2.5	2,606	5.3
Operating expenses	-559	0.3	-1,119	9.1
LLPs	-46	375.1	-55	-55.7
PBT	693	-0.1	1,396	8.4
Underlying att. profit	434	-3.2	889	9.5

(*) EUR mn and % change in constant euros

Total income¹

EUR mn



Wealth Management & Insurance: strategic initiatives focused on the development of Private Banking's global and digital platform and strengthening SAM and Insurance's value proposition

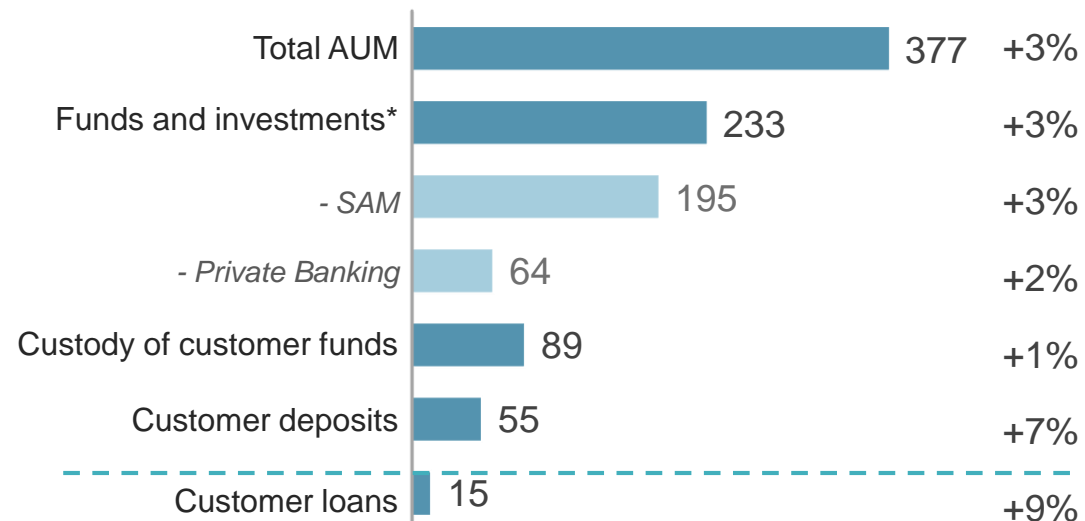
P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	144	3.4	283	10.7
Net fee income	298	8.5	574	-0.8(**)
Total income	560	6.9	1,085	5.9
Operating expenses	-226	-1.7	-455	2.3
LLPs	0	--	7	--
PBT	332	11.6	632	10.1
Underlying att. profit	241	11.3	459	10.1

(*) EUR mn and % change in constant euros

(**) Including total fee income generated by asset management and insurance transferred to the commercial network: +4% YoY

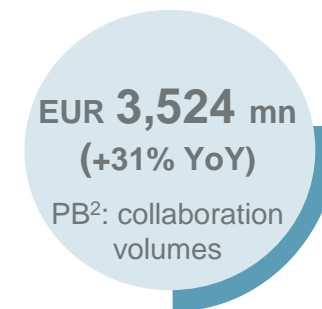
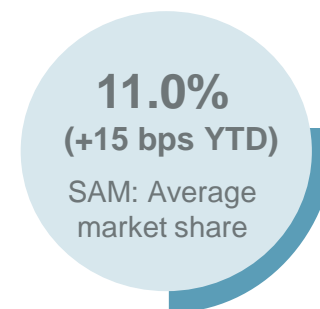
ACTIVITY

EUR bn and % change YoY in constant euros



(*) Total adjusted for funds from private banking customers managed by SAM

Note: Total assets marketed and/or managed in 2019 and 2018



Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements



USA: another positive quarter for Santander US, with strong business volumes and profit growth.

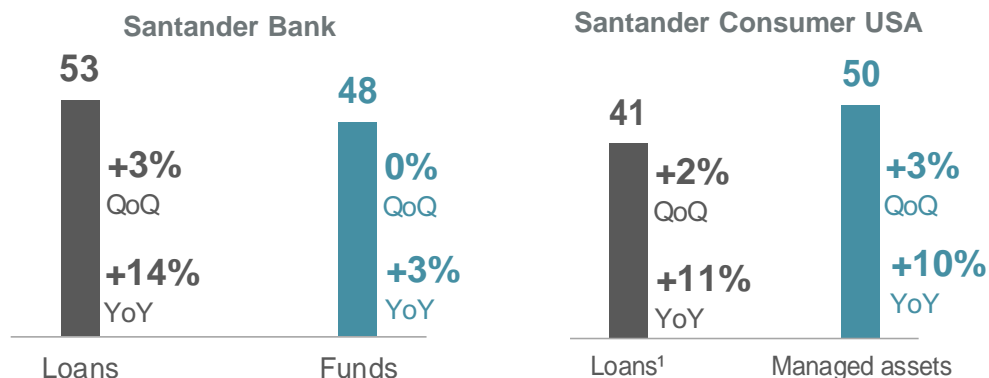
YoY NII and LLP comparison impacted by reclassification of TDRs

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	1,453	2.2	2,860	6.8
Net fee income	244	3.3	479	3.1
Total income	1,920	4.7	3,734	7.4
Operating expenses	-805	2.7	-1,581	0.1
LLPs	-568	-8.1	-1,178	7.4
PBT	521	39.6	891	23.1
Underlying att. profit	284	55.1	465	30.2

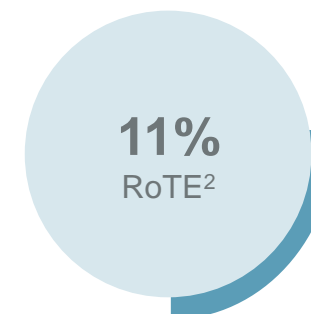
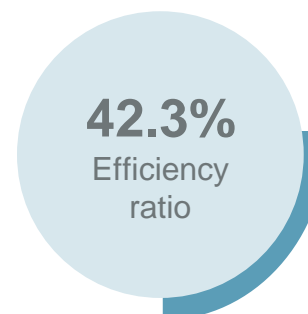
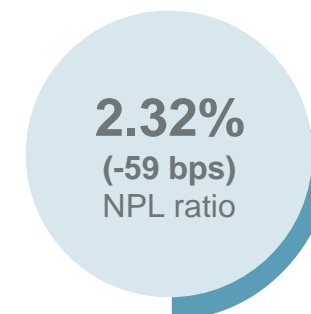
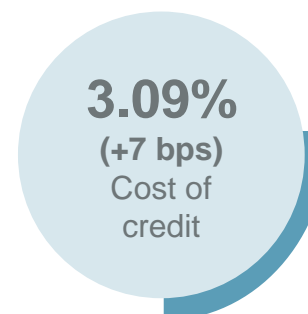
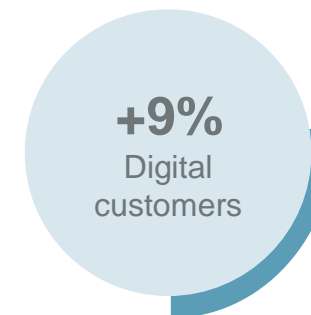
(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds Customers and credit quality ratios YoY change Santander Bank's customers (1) Includes leasing (2) Adjusted for excess capital. Otherwise, Santander US 6% and SC USA 20%



SC USA RoTE: 31%²



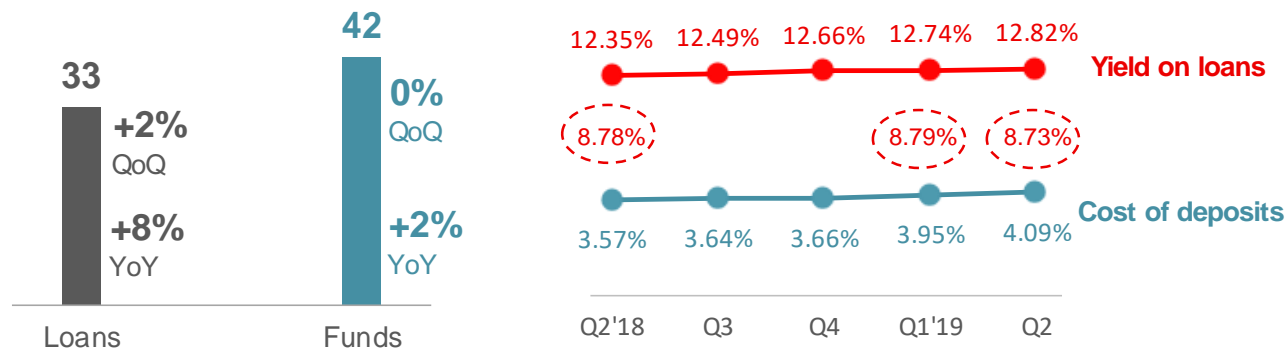
Mexico: continued to increase customer base, volumes and profitability. Double-digit profit growth due to higher customer revenue and lower cost of credit

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	777	-0.1	1,543	11.2
Net fee income	218	5.4	423	5.6
Total income	999	4.9	1,938	7.0
Operating expenses	-409	1.5	-806	7.1
LLPs	-225	15.2	-419	1.1
PBT	360	3.3	703	11.9
Underlying att. profit	219	5.4	424	11.6

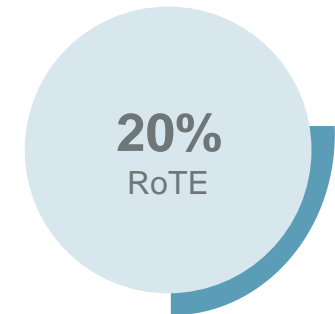
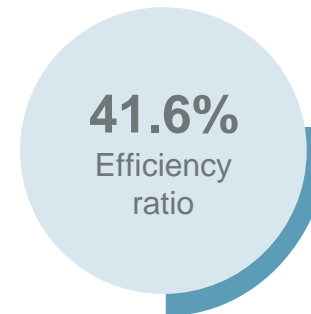
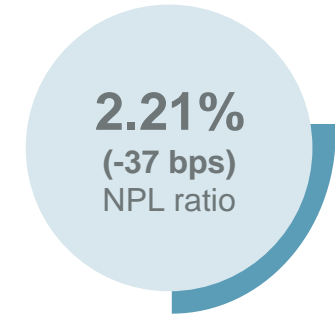
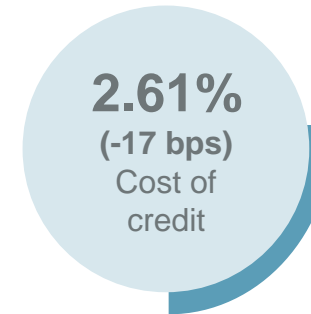
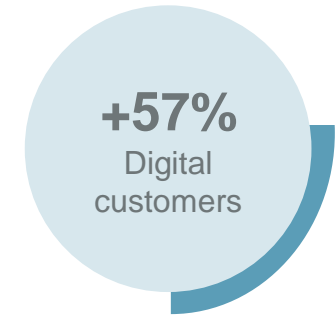
(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE





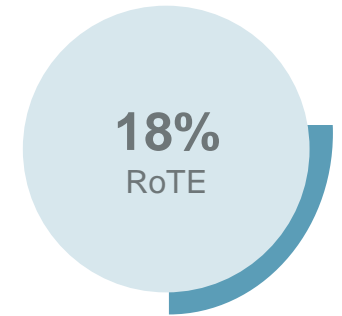
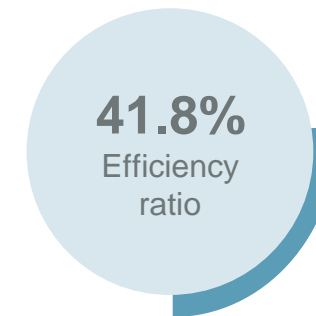
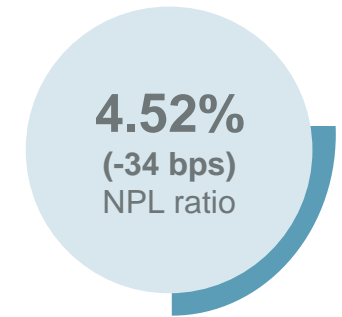
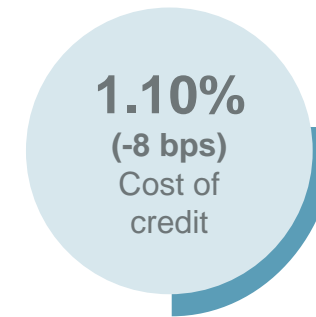
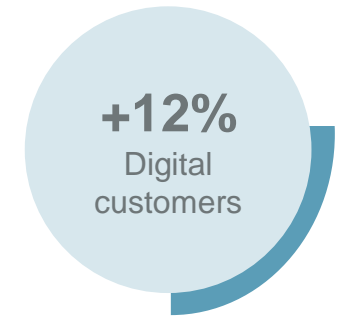
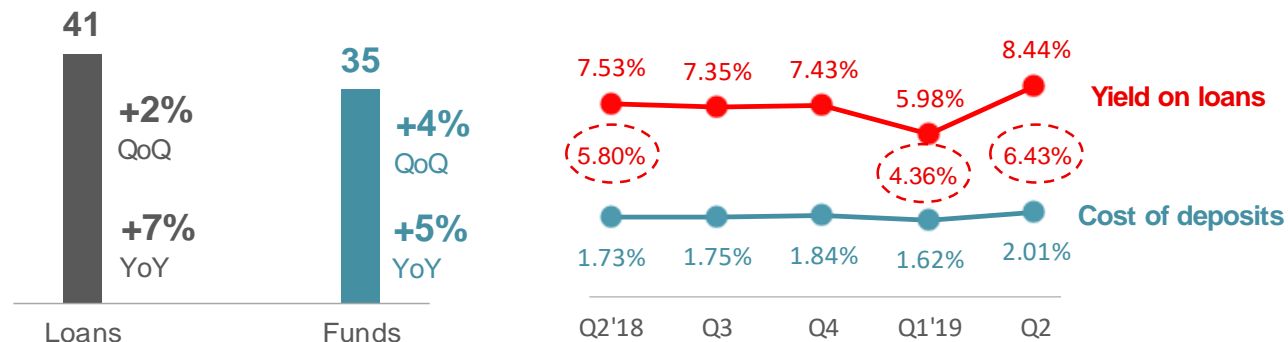
Chile: QoQ strong NII growth favoured by higher inflation (UF) and faster volume growth. YoY profit increased driven by good market results and lower provisions. NII affected by lower inflation

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	500	15.0	940	-1.7
Net fee income	97	-4.5	200	-9.4
Total income	656	10.8	1,255	0.9
Operating expenses	-269	6.8	-524	1.7
LLPs	-105	4.2	-208	-9.4
PBT	281	1.9	560	1.5
Underlying att. profit	163	11.4	311	4.4

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE



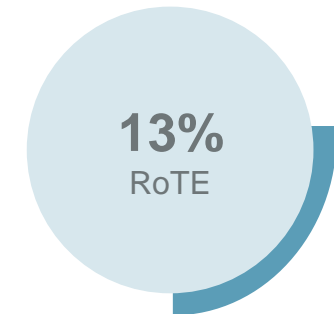
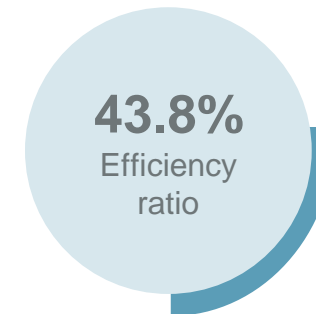
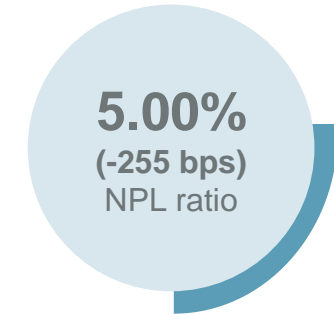
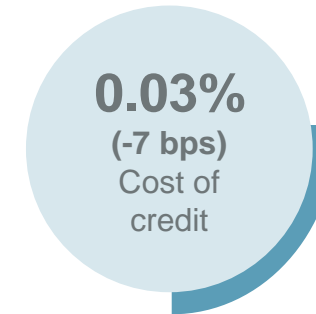
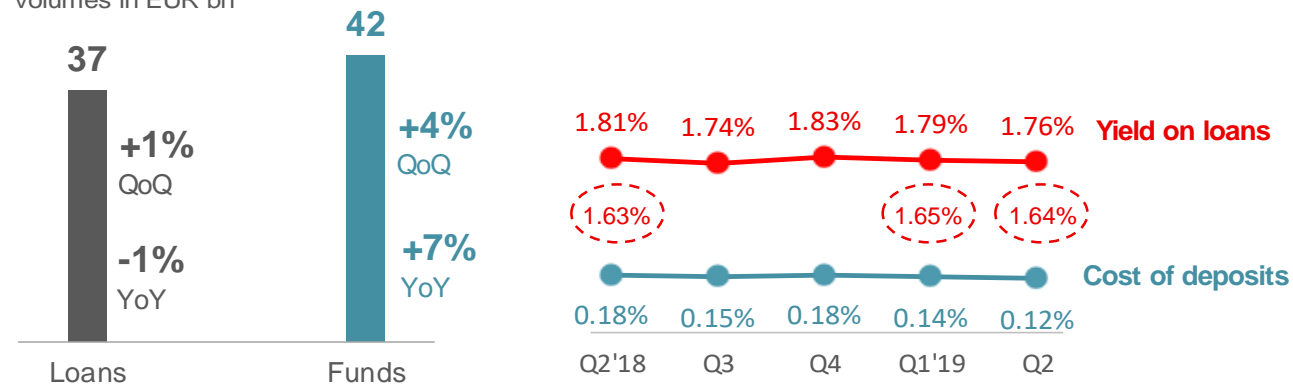
Portugal: Profit growth thanks to ALCO portfolio sales, lower costs due to integration synergies and LLP releases (strong improvement in credit quality)

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	213	-1.2	429	-1.4
Net fee income	99	0.8	197	4.1
Total income	354	-0.9	712	3.5
Operating expenses	-154	-1.9	-312	-3.8
LLPs	-1	--	12	--
PBT	186	-3.9	379	16.9
Underlying att. profit	125	-7.1	260	13.5

(*) EUR mn

ACTIVITY

Volumes in EUR bn



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds. Underlying RoTE Customers and credit quality ratios YoY change. Underlying RoTE



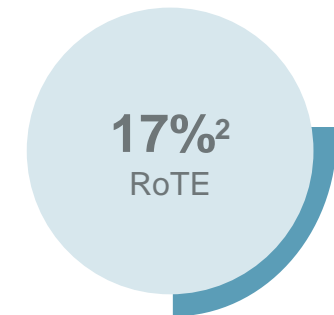
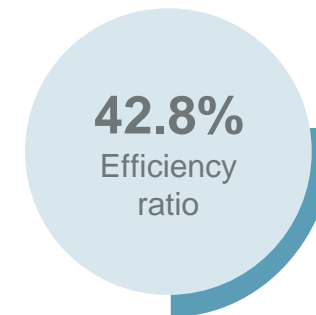
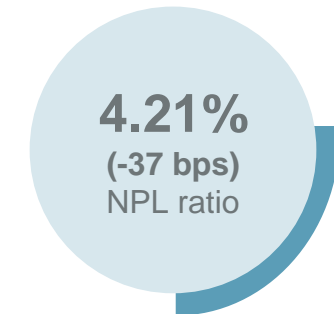
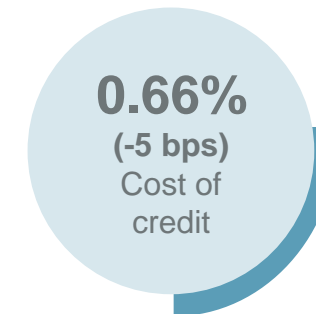
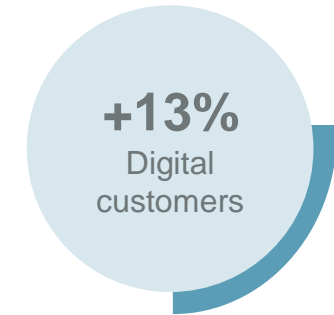
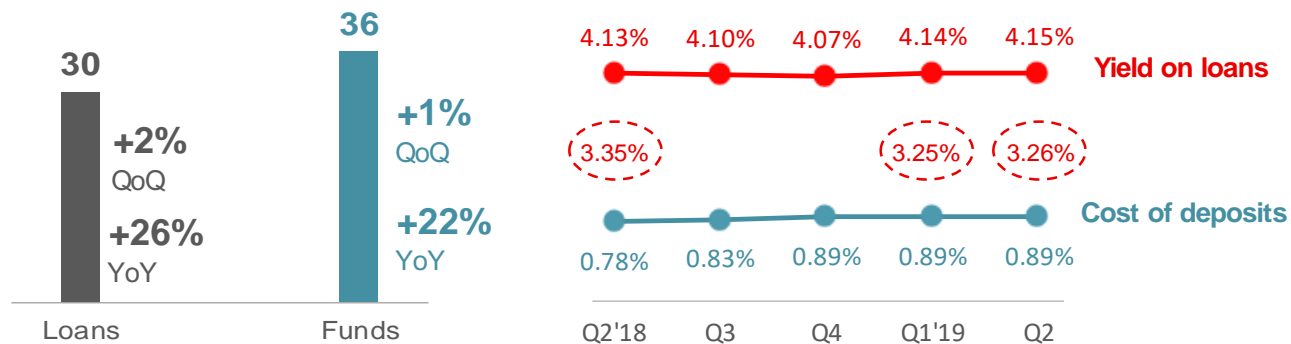
Poland: strong top line growth not reflected in underlying profit due to higher BFG and Banking Tax contribution. QoQ growth from dividend income and the non-repeat of BFG and Banking Tax

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	284	0.6	565	18.0
Net fee income	117	2.3	230	3.2
Total income	440	16.1	817	13.6
Operating expenses	-176	1.3	-349	12.0
LLPs	-64	46.5	-107	25.1
PBT	166	30.0	293	6.5
Underlying att. profit	89	43.8	150	-1.5

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds. Underlying RoTE Customers and credit quality ratios YoY change.
 (1) BFG: Bank Guarantee Fund. FY2019 paid in Q1'19. Higher contribution to BFG and Banking Tax YoY due to DBP integration
 (2) Adjusted for excess capital. Otherwise, 10%



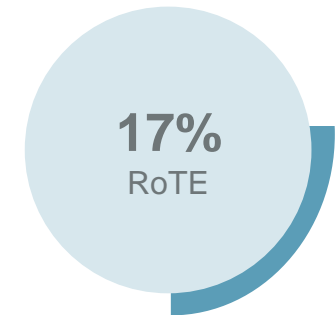
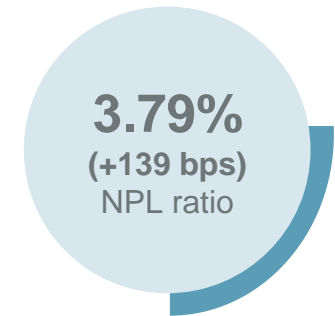
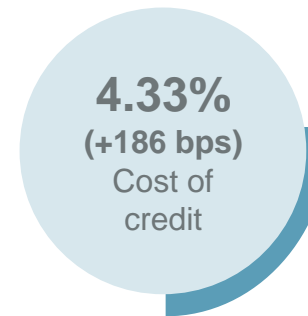
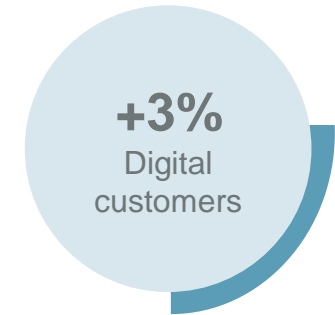
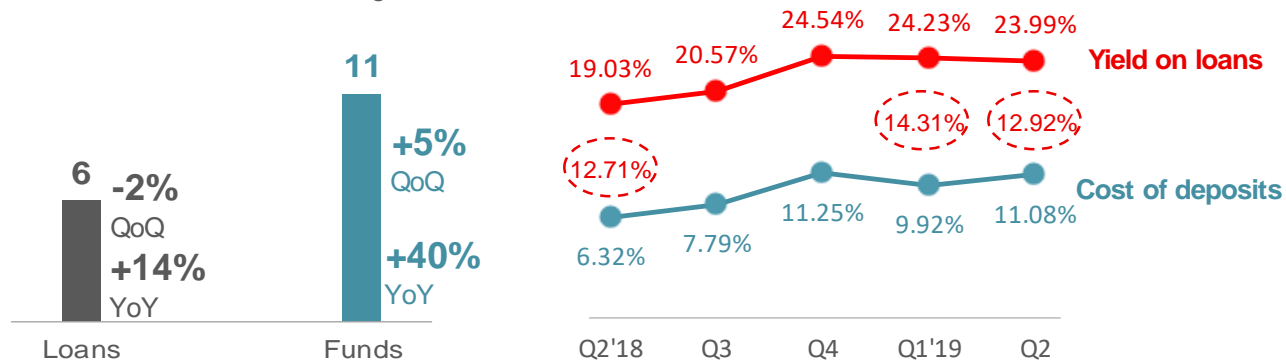
Argentina: profit virtually unchanged in constant euros, as the high inflation adjustment of EUR -74 million was offset by a rise in revenue higher than inflation

P&L*	Q2'19	% Q1'19	H1'19	% H1'18
NII	298	43.8	511	113.4
Net fee income	125	11.8	241	71.3
Total income	389	21.5	720	66.9
Operating expenses	-229	16.7	-431	89.0
LLPs	-70	0.5	-143	114.5
PBT	94	--	127	19.7
Underlying att. profit	63	--	73	0.3

(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros

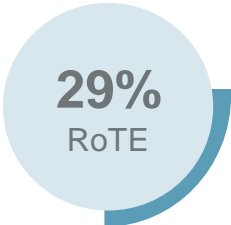
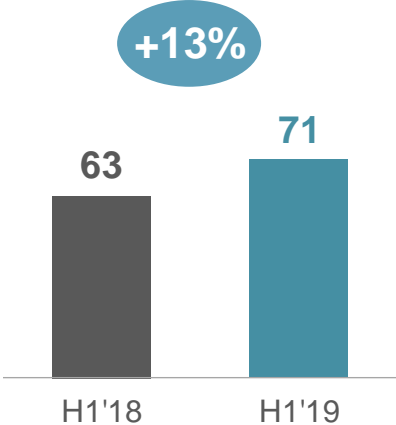


Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Efficiency ratio and RoTE impacted by high inflation adjustments account. Underlying RoTE

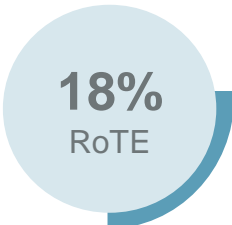
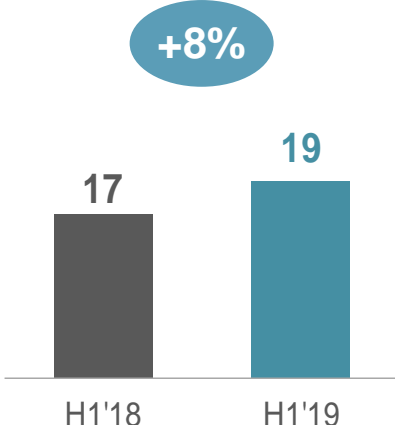
Uruguay and Andean Region. Underlying attributable profit



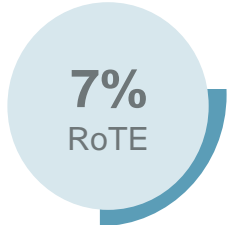
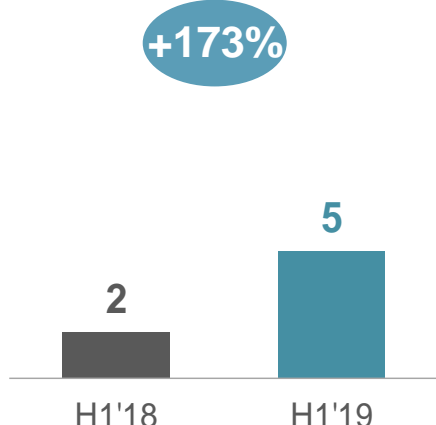
URUGUAY



PERU



COLOMBIA



Appendix

Primary segments

Secondary segments

Other countries

Liquidity

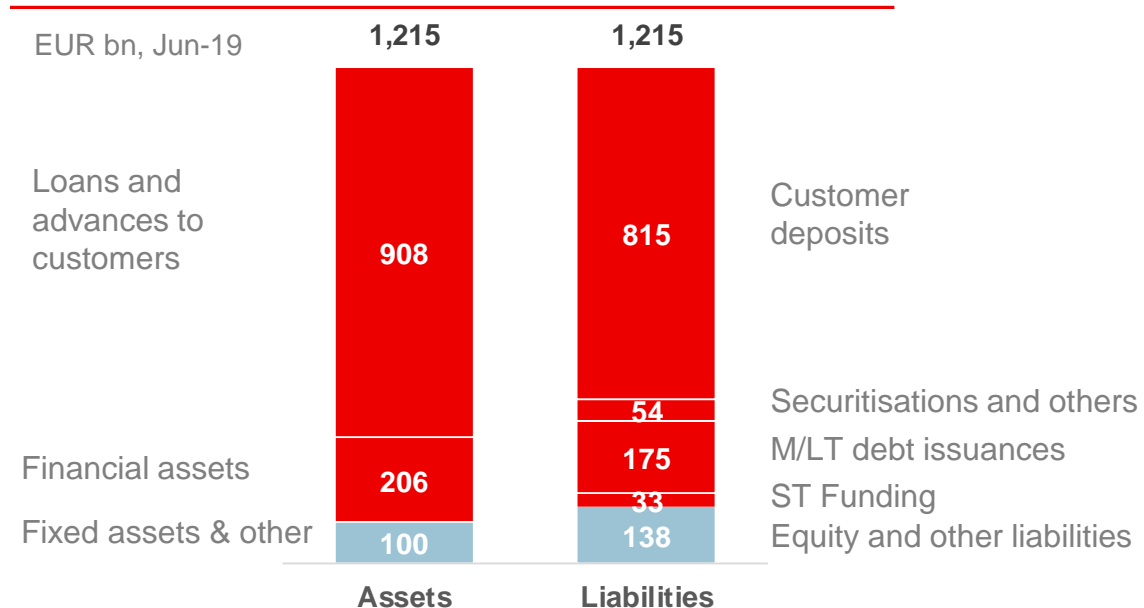
NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

Well-funded, prudent and highly liquid balance sheet with high contribution from customer deposits and diversified wholesale instruments

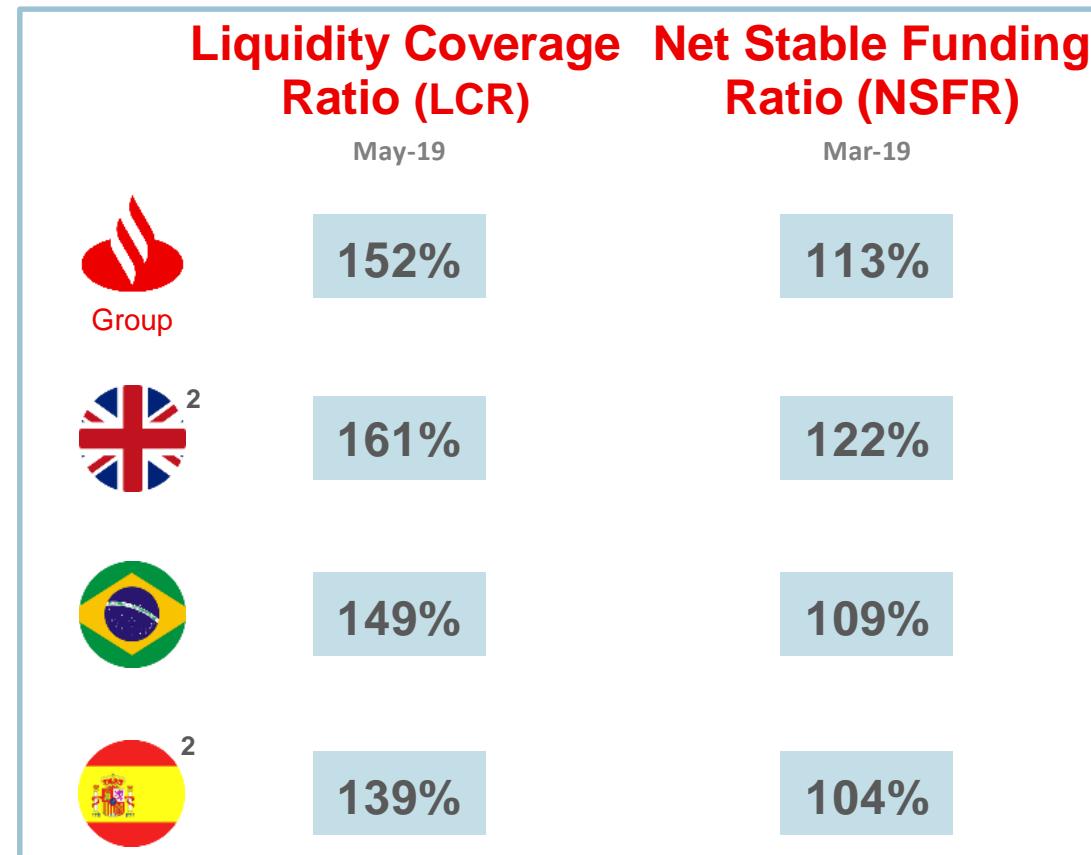
Liquidity Balance Sheet



HQLAs¹

EUR bn, Jun-19

HQLAs Level 1	189.8
HQLAs Level 2	15.0
▶ Level 2A	7.3
▶ Level 2B	7.7



Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

Coverage ratio by stage

EUR bn	Exposure ¹	Coverage	
	Jun-19	Jun-19	Jun-18
<i>Stage 1</i>	870	0.5%	0.6%
<i>Stage 2</i>	53	8.5%	8.5%
<i>Stage 3</i>	34	42.8%	43.2%

NPL ratio

%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
EUROPE	4.08	3.97	3.90	3.67	3.61	3.48
Spain	7.74	7.62	7.55	7.32	7.29	7.02
Santander Consumer Finance	2.48	2.44	2.45	2.29	2.33	2.24
United Kingdom	1.17	1.13	1.12	1.08	1.17	1.13
Portugal	8.29	7.55	7.43	5.94	5.77	5.00
Poland	4.77	4.58	4.23	4.28	4.39	4.21
NORTH AMERICA	2.80	2.82	2.83	2.79	2.33	2.29
US	2.86	2.91	3.00	2.92	2.41	2.32
Mexico	2.68	2.58	2.41	2.43	2.12	2.21
SOUTH AMERICA	4.83	4.82	4.83	4.81	4.83	4.81
Brazil	5.26	5.26	5.26	5.25	5.26	5.27
Chile	5.00	4.86	4.78	4.66	4.67	4.52
Argentina	2.54	2.40	2.47	3.17	3.50	3.79
TOTAL GROUP	4.02	3.92	3.87	3.73	3.62	3.51

Coverage ratio

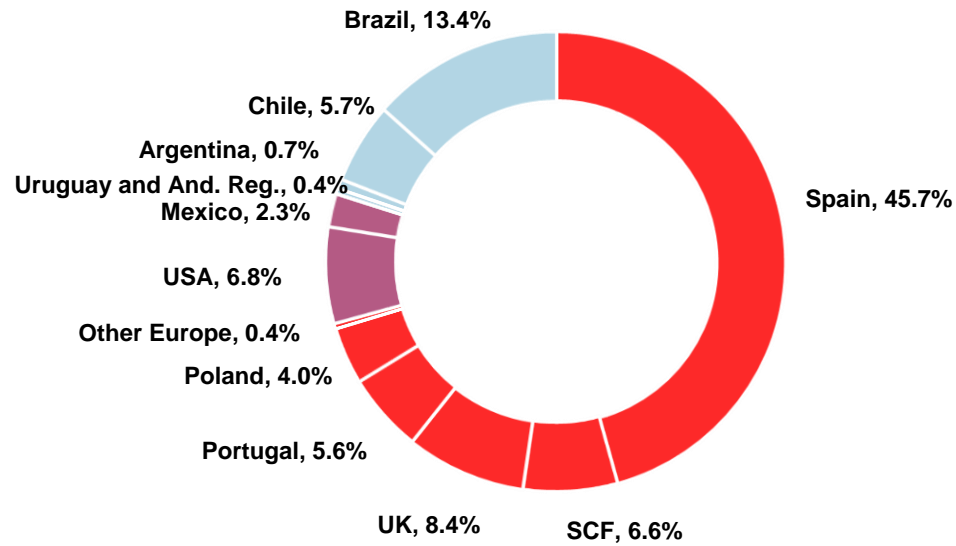
%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
EUROPE	54.4	52.9	52.1	50.1	49.5	49.9
Spain	49.8	47.5	46.4	43.7	43.3	42.9
Santander Consumer Finance	107.2	107.7	106.4	106.4	105.3	105.9
United Kingdom	34.4	33.8	33.0	32.9	30.9	31.9
Portugal	53.9	52.7	53.4	50.5	50.7	52.9
Poland	72.0	72.1	71.6	67.1	67.6	69.7
NORTH AMERICA	153.5	146.5	139.4	137.4	153.4	150.3
US	169.1	156.9	145.5	142.8	161.0	158.4
Mexico	113.5	116.1	120.5	119.7	130.1	126.9
SOUTH AMERICA	96.5	94.4	94.1	94.6	94.1	93.0
Brazil	110.4	108.7	109.1	106.9	107.7	105.5
Chile	61.0	60.0	59.6	60.6	59.7	59.1
Argentina	121.3	121.5	124.0	135.0	118.6	126.4
TOTAL GROUP	70.0	68.6	67.9	67.4	67.8	68.1

Non-performing loans and loan-loss allowances. June 2019

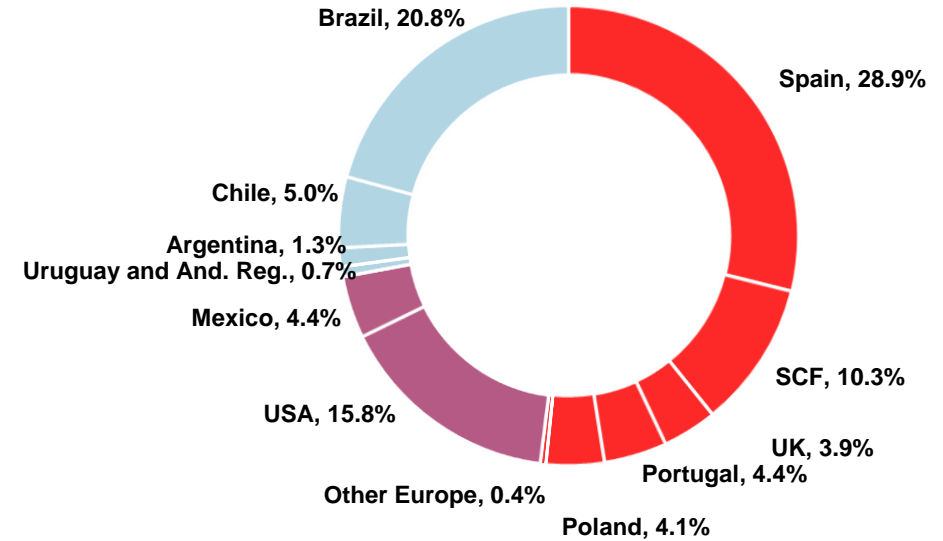
Non-performing loans

100%: EUR 34,185 million



Loan-loss allowances

100%: EUR 23,165 million



Cost of credit

%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
EUROPE	0.24	0.25	0.26	0.24	0.24	0.24
Spain	0.35	0.36	0.41	0.38	0.40	0.41
Santander Consumer Finance	0.36	0.37	0.40	0.38	0.38	0.36
United Kingdom	0.11	0.10	0.09	0.07	0.07	0.06
Portugal	0.08	0.10	0.03	0.09	0.03	0.03
Poland	0.69	0.71	0.69	0.65	0.61	0.66
NORTH AMERICA	3.22	2.96	2.92	3.12	2.97	2.95
US	3.29	3.02	3.00	3.27	3.11	3.09
Mexico	2.95	2.78	2.72	2.75	2.62	2.61
SOUTH AMERICA	3.15	3.10	3.00	2.99	2.89	2.87
Brazil	4.35	4.30	4.17	4.06	3.88	3.84
Chile	1.22	1.18	1.18	1.19	1.13	1.10
Argentina	2.06	2.47	2.92	3.45	4.02	4.33
TOTAL GROUP	1.04	0.99	0.98	1.00	0.97	0.98

Appendix

Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

Santander Responsible Banking

Adapting to the new business environment

- We are facing a **new business environment** that requires a motivated, skilled workforce that can deliver what customers need and harness the power of new technology while we face new regulations and laws
- Our task is to **exceed our stakeholders' expectations, and do the basics brilliantly**, every day. Key to this is having a strong culture - a business in which all we do is Simple, Personal and Fair

We will continue supporting inclusive and sustainable growth

- **Inclusive:** meeting all our customers' needs; helping companies to create jobs; helping people to be financially empowered, and get the education and skills they need.
- **Sustainable:** supporting the transition to a low carbon economy; and helping financing renewable energy, smart and sustainable infrastructures, while taking into account social and environmental risks and opportunities

Our activity helps us to address a number of the **United Nations' Sustainable Development Goals**, and support the **Paris Agreement's** aim to combat climate change and adapt to its effects. We are:

...embedding sustainability across business areas and contributing to develop methods to align with the Paris Agreement and contribute to the SDGs.



UNEP FI Principles for Responsible Banking

...fulfilling our fundamental responsibilities in the areas of human rights, labour, environment and anticorruption.



UN Global Compact principles

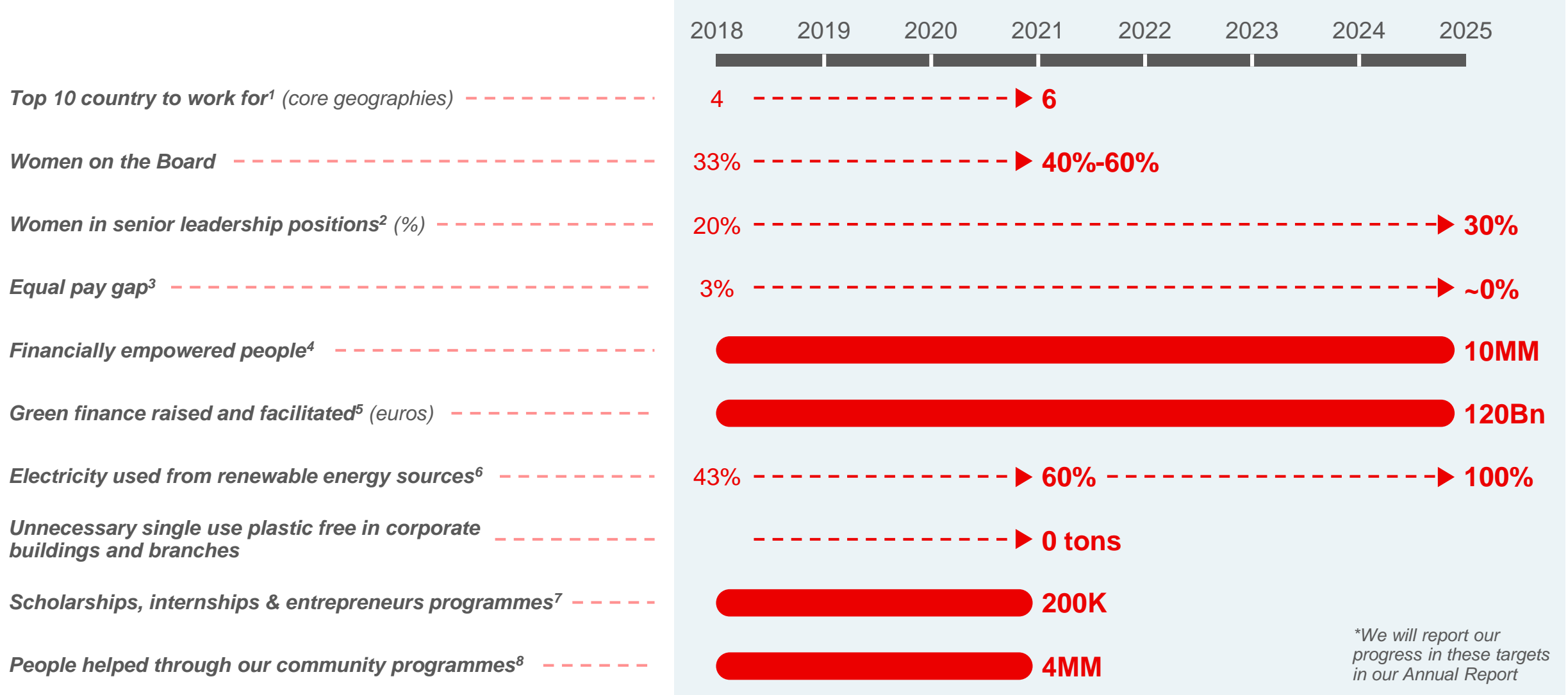
...identifying and assessing risk and opportunities developing a forward looking climate strategy and disclosing to stakeholders.



Task Force for Climate-related Financial Disclosure

Our commitments

---▶ From...To....
 Cumulative target



**We will report our progress in these targets in our Annual Report*



(1) According to a well-known external source in each country (e.g. Great Place to Work, Merco); (2) Senior positions represent 1% of total workforce; (3) Compares employees of the same job, level and function; (4) Mostly unbanked and underbanked, empowered through products, services and social investment initiatives – to get access to the financial system, receive tailored finance and increase knowledge and resilience through financial education; (5) Includes SAN overall contribution to green finance: project finance, syndicated loans, green bonds, capital finance, export finance, advisory, structuring and other products to help our clients transition to a low carbon economy. Commitment from 2019 to 2030 is 220Bn; (6) For countries where it is possible to certify the source of the electricity for the Group's properties; (7) Supported through SAN Universities (students who receive a Santander scholarship, are interns in an SME or participate in entrepreneurship programmes supported by SAN); (8) Excluding people helped through SAN Universities and financial education initiatives

Primary segments

Secondary segments

Other countries

Liquidity

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

GRUPO SANTANDER

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	8,454	8,477	8,349	9,061	8,682	8,954	16,931	17,636
Net fee income	2,955	2,934	2,640	2,956	2,931	2,932	5,889	5,863
Gains (losses) on financial transactions and other	742	600	731	525	472	465	1,342	937
Total income	12,151	12,011	11,720	12,542	12,085	12,351	24,162	24,436
Operating expenses	(5,764)	(5,718)	(5,361)	(5,936)	(5,758)	(5,829)	(11,482)	(11,587)
Net operating income	6,387	6,293	6,359	6,606	6,327	6,522	12,680	12,849
Net loan-loss provisions	(2,282)	(2,015)	(2,121)	(2,455)	(2,172)	(2,141)	(4,297)	(4,313)
Other gains (losses) and provisions	(416)	(487)	(488)	(605)	(471)	(486)	(903)	(957)
Underlying profit before tax	3,689	3,791	3,750	3,546	3,684	3,895	7,480	7,579
Underlying consolidated profit	2,409	2,412	2,356	2,369	2,358	2,542	4,821	4,900
Underlying attributable profit	2,054	1,998	1,990	2,022	1,948	2,097	4,052	4,045
Net capital gains and provisions*	—	(300)	—	46	(108)	(706)	(300)	(814)
Attributable profit	2,054	1,698	1,990	2,068	1,840	1,391	3,752	3,231

GRUPO SANTANDER

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	8,278	8,438	8,722	8,987	8,650	8,986	16,716	17,636
Net fee income	2,843	2,886	2,802	2,883	2,917	2,946	5,729	5,863
Gains (losses) on financial transactions and other	735	582	782	534	472	465	1,317	937
Total income	11,855	11,906	12,307	12,404	12,039	12,397	23,762	24,436
Operating expenses	(5,641)	(5,671)	(5,626)	(5,827)	(5,742)	(5,845)	(11,312)	(11,587)
Net operating income	6,214	6,235	6,681	6,577	6,297	6,552	12,449	12,849
Net loan-loss provisions	(2,249)	(2,004)	(2,237)	(2,444)	(2,164)	(2,149)	(4,253)	(4,313)
Other gains (losses) and provisions	(398)	(470)	(522)	(600)	(469)	(488)	(868)	(957)
Underlying profit before tax	3,567	3,761	3,922	3,533	3,664	3,915	7,328	7,579
Underlying consolidated profit	2,336	2,396	2,470	2,371	2,347	2,553	4,732	4,900
Underlying attributable profit	1,983	1,977	2,096	2,021	1,938	2,107	3,960	4,045
Net capital gains and provisions*	—	(300)	—	46	(111)	(703)	(300)	(814)
Attributable profit	1,983	1,677	2,096	2,067	1,827	1,404	3,660	3,231

EUROPE

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	3,502	3,508	3,562	3,631	3,561	3,580	7,010	7,141
Net fee income	1,372	1,382	1,354	1,327	1,327	1,304	2,754	2,630
Gains (losses) on financial transactions and other	477	282	503	355	337	304	759	642
Total income	5,352	5,173	5,419	5,314	5,225	5,188	10,524	10,413
Operating expenses	(2,841)	(2,825)	(2,735)	(2,764)	(2,802)	(2,789)	(5,666)	(5,591)
Net operating income	2,510	2,348	2,684	2,550	2,423	2,399	4,858	4,822
Net loan-loss provisions	(457)	(403)	(406)	(306)	(457)	(387)	(859)	(844)
Other gains (losses) and provisions	(195)	(194)	(205)	(435)	(198)	(231)	(388)	(429)
Underlying profit before tax	1,859	1,751	2,072	1,809	1,768	1,781	3,610	3,549
Underlying consolidated profit	1,359	1,276	1,498	1,339	1,276	1,306	2,635	2,583
Underlying attributable profit	1,260	1,162	1,384	1,242	1,163	1,191	2,422	2,354

EUROPE

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	3,506	3,507	3,583	3,646	3,561	3,580	7,013	7,141
Net fee income	1,373	1,383	1,359	1,331	1,327	1,304	2,756	2,630
Gains (losses) on financial transactions and other	480	282	505	356	337	304	762	642
Total income	5,359	5,172	5,448	5,333	5,225	5,188	10,531	10,413
Operating expenses	(2,847)	(2,827)	(2,752)	(2,775)	(2,802)	(2,789)	(5,674)	(5,591)
Net operating income	2,511	2,345	2,696	2,558	2,423	2,399	4,857	4,822
Net loan-loss provisions	(456)	(403)	(407)	(308)	(457)	(387)	(859)	(844)
Other gains (losses) and provisions	(195)	(193)	(206)	(436)	(198)	(231)	(389)	(429)
Underlying profit before tax	1,860	1,750	2,083	1,814	1,768	1,781	3,610	3,549
Underlying consolidated profit	1,360	1,274	1,506	1,343	1,276	1,306	2,634	2,583
Underlying attributable profit	1,261	1,161	1,391	1,246	1,163	1,191	2,422	2,354

Spain

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	969	1,026	1,044	1,054	1,009	1,009	1,995	2,018
Net fee income	669	671	651	633	623	624	1,340	1,247
Gains (losses) on financial transactions and other	247	163	370	117	224	216	411	440
Total income	1,885	1,860	2,065	1,804	1,857	1,849	3,746	3,706
Operating expenses	(1,112)	(1,093)	(1,065)	(1,068)	(1,025)	(1,020)	(2,205)	(2,044)
Net operating income	773	767	1,000	737	832	829	1,540	1,661
Net loan-loss provisions	(217)	(220)	(213)	(140)	(242)	(228)	(437)	(470)
Other gains (losses) and provisions	(131)	(102)	(132)	(60)	(112)	(143)	(233)	(255)
Underlying profit before tax	425	446	655	537	478	458	871	936
Underlying consolidated profit	326	335	486	408	356	338	661	694
Underlying attributable profit	326	335	486	408	356	338	661	694

Santander Consumer Finance

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	915	928	937	943	941	971	1,843	1,911
Net fee income	215	188	206	189	214	201	403	415
Gains (losses) on financial transactions and other	10	10	13	56	13	(18)	21	(5)
Total income	1,140	1,126	1,157	1,187	1,167	1,154	2,266	2,321
Operating expenses	(510)	(508)	(476)	(495)	(508)	(527)	(1,018)	(1,035)
Net operating income	630	618	681	692	659	627	1,248	1,286
Net loan-loss provisions	(120)	(69)	(124)	(47)	(122)	(59)	(189)	(181)
Other gains (losses) and provisions	24	13	5	(166)	24	(12)	36	12
Underlying profit before tax	534	562	561	479	561	556	1,096	1,117
Underlying consolidated profit	388	411	405	357	402	401	799	803
Underlying attributable profit	322	345	331	295	324	334	667	658

Santander Consumer Finance

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	912	925	935	942	941	970	1,836	1,911
Net fee income	214	188	206	189	214	201	402	415
Gains (losses) on financial transactions and other	11	10	14	56	13	(18)	21	(5)
Total income	1,136	1,123	1,155	1,186	1,168	1,153	2,259	2,321
Operating expenses	(508)	(507)	(475)	(495)	(508)	(526)	(1,015)	(1,035)
Net operating income	628	616	680	691	659	627	1,244	1,286
Net loan-loss provisions	(120)	(69)	(124)	(47)	(122)	(59)	(189)	(181)
Other gains (losses) and provisions	24	13	5	(166)	24	(12)	37	12
Underlying profit before tax	532	560	561	478	561	555	1,092	1,117
Underlying consolidated profit	386	409	404	357	402	401	796	803
Underlying attributable profit	321	344	331	294	324	334	664	658

United Kingdom

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	1,023	1,029	1,016	1,011	975	944	2,052	1,919
Net fee income	219	240	230	224	216	207	459	423
Gains (losses) on financial transactions and other	29	50	55	8	15	32	79	46
Total income	1,270	1,319	1,300	1,242	1,206	1,183	2,590	2,388
Operating expenses	(725)	(715)	(697)	(700)	(739)	(703)	(1,440)	(1,442)
Net operating income	545	605	603	542	467	479	1,150	946
Net loan-loss provisions	(66)	(36)	(26)	(43)	(61)	(19)	(102)	(80)
Other gains (losses) and provisions	(59)	(44)	(63)	(155)	(50)	(25)	(103)	(75)
Underlying profit before tax	420	524	514	344	357	435	944	792
Underlying consolidated profit	297	382	364	254	260	333	678	593
Underlying attributable profit	290	375	358	249	254	327	665	582

United Kingdom

GBP million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	904	901	907	896	850	825	1,805	1,676
Net fee income	193	210	205	198	189	181	404	370
Gains (losses) on financial transactions and other	25	44	49	7	13	28	69	40
Total income	1,122	1,156	1,160	1,101	1,052	1,034	2,278	2,086
Operating expenses	(641)	(626)	(622)	(620)	(644)	(615)	(1,267)	(1,259)
Net operating income	481	530	538	481	407	419	1,011	826
Net loan-loss provisions	(58)	(32)	(24)	(38)	(53)	(17)	(90)	(70)
Other gains (losses) and provisions	(52)	(39)	(56)	(137)	(43)	(22)	(91)	(65)
Underlying profit before tax	371	460	458	306	311	380	831	691
Underlying consolidated profit	262	335	325	225	227	291	597	518
Underlying attributable profit	257	328	319	221	222	286	585	508

Portugal

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	222	213	211	211	216	213	435	429
Net fee income	98	91	92	96	98	99	189	197
Gains (losses) on financial transactions and other	22	42	20	26	44	42	63	86
Total income	341	346	323	334	357	354	688	712
Operating expenses	(159)	(165)	(157)	(162)	(157)	(154)	(324)	(312)
Net operating income	182	181	165	171	200	200	363	400
Net loan-loss provisions	(8)	(0)	(11)	(12)	13	(1)	(8)	12
Other gains (losses) and provisions	(9)	(22)	13	36	(20)	(13)	(31)	(33)
Underlying profit before tax	166	159	166	195	193	186	324	379
Underlying consolidated profit	127	103	115	136	135	126	231	261
Underlying attributable profit	127	103	114	136	135	125	229	260

Poland

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	247	240	243	265	281	284	487	565
Net fee income	112	114	111	115	113	117	227	230
Gains (losses) on financial transactions and other	(26)	44	13	10	(18)	39	17	22
Total income	333	398	367	390	377	440	731	817
Operating expenses	(154)	(163)	(157)	(165)	(173)	(176)	(317)	(349)
Net operating income	178	236	210	224	204	263	414	467
Net loan-loss provisions	(46)	(41)	(33)	(41)	(43)	(64)	(87)	(107)
Other gains (losses) and provisions	(13)	(34)	(26)	(61)	(34)	(34)	(48)	(68)
Underlying profit before tax	119	160	151	122	127	166	280	293
Underlying consolidated profit	89	131	114	88	89	130	220	219
Underlying attributable profit	63	92	80	61	61	89	155	150

Poland

PLN million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	1,031	1,025	1,047	1,139	1,209	1,216	2,055	2,425
Net fee income	469	487	478	493	488	499	957	987
Gains (losses) on financial transactions and other	(110)	183	54	41	(76)	168	73	92
Total income	1,390	1,695	1,579	1,674	1,622	1,883	3,085	3,505
Operating expenses	(646)	(693)	(676)	(710)	(745)	(755)	(1,339)	(1,500)
Net operating income	745	1,002	904	963	877	1,128	1,746	2,005
Net loan-loss provisions	(191)	(175)	(143)	(177)	(186)	(272)	(366)	(458)
Other gains (losses) and provisions	(55)	(146)	(113)	(261)	(145)	(146)	(201)	(291)
Underlying profit before tax	499	681	648	525	546	710	1,180	1,256
Underlying consolidated profit	371	557	489	379	385	556	928	941
Underlying attributable profit	262	391	344	263	264	379	653	643

Other Europe

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	127	71	111	147	139	159	198	299
Net fee income	60	77	64	71	62	56	137	118
Gains (losses) on financial transactions and other	196	(27)	32	139	60	(7)	169	53
Total income	382	122	207	357	261	209	504	469
Operating expenses	(181)	(181)	(182)	(174)	(200)	(208)	(361)	(408)
Net operating income	202	(59)	24	183	61	0	142	62
Net loan-loss provisions	0	(36)	1	(24)	(2)	(16)	(36)	(18)
Other gains (losses) and provisions	(7)	(4)	(0)	(28)	(7)	(4)	(11)	(11)
Underlying profit before tax	194	(99)	25	131	52	(19)	95	33
Underlying consolidated profit	132	(86)	15	96	33	(21)	46	13
Underlying attributable profit	132	(87)	15	94	32	(22)	45	10

Other Europe

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	129	72	111	147	139	159	200	299
Net fee income	61	78	65	71	62	56	140	118
Gains (losses) on financial transactions and other	197	(26)	33	139	60	(7)	171	53
Total income	387	124	208	358	261	208	511	469
Operating expenses	(184)	(183)	(184)	(174)	(200)	(208)	(367)	(408)
Net operating income	203	(59)	25	183	61	0	144	62
Net loan-loss provisions	(0)	(36)	1	(24)	(2)	(16)	(36)	(18)
Other gains (losses) and provisions	(8)	(4)	(0)	(28)	(7)	(4)	(12)	(11)
Underlying profit before tax	196	(99)	25	131	53	(19)	96	33
Underlying consolidated profit	133	(86)	15	96	34	(21)	47	13
Underlying attributable profit	133	(87)	16	94	32	(22)	46	10

NORTH AMERICA

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	1,869	1,933	2,065	2,286	2,173	2,230	3,802	4,403
Net fee income	402	408	407	399	439	463	809	901
Gains (losses) on financial transactions and other	138	197	194	178	142	226	335	368
Total income	2,409	2,538	2,666	2,863	2,753	2,918	4,947	5,672
Operating expenses	(1,078)	(1,103)	(1,134)	(1,173)	(1,172)	(1,214)	(2,181)	(2,386)
Net operating income	1,331	1,435	1,532	1,690	1,581	1,705	2,766	3,286
Net loan-loss provisions	(779)	(634)	(876)	(1,159)	(804)	(793)	(1,413)	(1,597)
Other gains (losses) and provisions	(26)	(62)	(74)	(40)	(64)	(31)	(88)	(95)
Underlying profit before tax	526	739	581	491	713	881	1,265	1,594
Underlying consolidated profit	397	535	423	383	526	664	932	1,189
Underlying attributable profit	298	393	318	296	386	503	690	889

NORTH AMERICA

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	2,018	2,047	2,120	2,341	2,186	2,217	4,066	4,403
Net fee income	432	432	416	409	441	460	865	901
Gains (losses) on financial transactions and other	151	208	200	180	143	225	359	368
Total income	2,601	2,688	2,735	2,930	2,770	2,902	5,289	5,672
Operating expenses	(1,165)	(1,167)	(1,162)	(1,198)	(1,179)	(1,207)	(2,332)	(2,386)
Net operating income	1,437	1,521	1,573	1,732	1,590	1,695	2,957	3,286
Net loan-loss provisions	(843)	(669)	(903)	(1,191)	(809)	(788)	(1,511)	(1,597)
Other gains (losses) and provisions	(28)	(66)	(77)	(40)	(64)	(31)	(94)	(95)
Underlying profit before tax	566	786	592	501	718	876	1,352	1,594
Underlying consolidated profit	427	569	431	392	529	660	996	1,189
Underlying attributable profit	320	418	324	303	389	500	737	889

United States

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	1,221	1,281	1,337	1,553	1,407	1,453	2,501	2,860
Net fee income	214	219	208	217	234	244	434	479
Gains (losses) on financial transactions and other	143	170	190	196	174	222	313	396
Total income	1,578	1,670	1,735	1,967	1,815	1,920	3,248	3,734
Operating expenses	(736)	(738)	(749)	(796)	(775)	(805)	(1,475)	(1,581)
Net operating income	842	931	986	1,171	1,039	1,115	1,773	2,154
Net loan-loss provisions	(579)	(445)	(649)	(945)	(611)	(568)	(1,024)	(1,178)
Other gains (losses) and provisions	(23)	(50)	(69)	(57)	(58)	(26)	(73)	(84)
Underlying profit before tax	240	436	268	169	370	521	676	891
Underlying consolidated profit	173	297	174	122	260	383	471	643
Underlying attributable profit	124	209	124	91	181	284	334	465

United States

USD million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	1,500	1,526	1,555	1,780	1,598	1,633	3,026	3,231
Net fee income	263	261	241	248	266	275	525	541
Gains (losses) on financial transactions and other	176	203	222	225	197	250	379	447
Total income	1,940	1,990	2,018	2,252	2,061	2,158	3,929	4,219
Operating expenses	(905)	(879)	(869)	(908)	(881)	(905)	(1,784)	(1,786)
Net operating income	1,035	1,111	1,148	1,344	1,180	1,253	2,145	2,433
Net loan-loss provisions	(712)	(528)	(758)	(1,092)	(694)	(637)	(1,239)	(1,331)
Other gains (losses) and provisions	(28)	(60)	(81)	(65)	(66)	(29)	(88)	(95)
Underlying profit before tax	295	523	308	187	420	586	818	1,007
Underlying consolidated profit	213	356	200	135	295	431	570	726
Underlying attributable profit	153	251	143	101	206	319	404	525

Mexico

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	649	653	728	733	766	777	1,301	1,543
Net fee income	187	188	199	181	204	218	376	423
Gains (losses) on financial transactions and other	(5)	27	3	(18)	(32)	4	22	(28)
Total income	831	868	931	897	939	999	1,699	1,938
Operating expenses	(342)	(364)	(385)	(378)	(397)	(409)	(706)	(806)
Net operating income	489	504	546	519	542	590	993	1,132
Net loan-loss provisions	(200)	(189)	(227)	(215)	(193)	(225)	(389)	(419)
Other gains (losses) and provisions	(3)	(12)	(5)	17	(6)	(5)	(15)	(10)
Underlying profit before tax	286	303	313	321	343	360	589	703
Underlying consolidated profit	224	237	249	261	266	280	461	547
Underlying attributable profit	173	183	194	205	205	219	357	424

Mexico

MXN million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	14,945	15,080	16,086	16,573	16,703	16,694	30,026	33,397
Net fee income	4,312	4,355	4,390	4,098	4,455	4,695	8,666	9,149
Gains (losses) on financial transactions and other	(114)	623	71	(407)	(687)	83	509	(604)
Total income	19,143	20,058	20,546	20,264	20,471	21,471	39,201	41,942
Operating expenses	(7,870)	(8,418)	(8,504)	(8,534)	(8,655)	(8,786)	(16,289)	(17,441)
Net operating income	11,273	11,640	12,043	11,730	11,816	12,685	22,913	24,501
Net loan-loss provisions	(4,610)	(4,357)	(5,020)	(4,853)	(4,211)	(4,850)	(8,967)	(9,062)
Other gains (losses) and provisions	(72)	(272)	(115)	383	(120)	(105)	(344)	(225)
Underlying profit before tax	6,591	7,011	6,908	7,259	7,485	7,729	13,601	15,214
Underlying consolidated profit	5,155	5,484	5,491	5,892	5,804	6,028	10,639	11,832
Underlying attributable profit	3,995	4,233	4,281	4,626	4,472	4,713	8,228	9,185

SOUTH AMERICA

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	3,298	3,259	2,952	3,382	3,222	3,425	6,557	6,647
Net fee income	1,189	1,151	903	1,254	1,178	1,178	2,340	2,355
Gains (losses) on financial transactions and other	123	131	28	4	88	45	254	132
Total income	4,610	4,541	3,883	4,640	4,487	4,647	9,151	9,134
Operating expenses	(1,716)	(1,645)	(1,353)	(1,843)	(1,645)	(1,664)	(3,361)	(3,309)
Net operating income	2,894	2,896	2,530	2,797	2,842	2,984	5,790	5,825
Net loan-loss provisions	(1,010)	(948)	(810)	(968)	(903)	(956)	(1,958)	(1,859)
Other gains (losses) and provisions	(152)	(181)	(153)	(177)	(154)	(151)	(333)	(306)
Underlying profit before tax	1,732	1,767	1,566	1,652	1,785	1,876	3,499	3,661
Underlying consolidated profit	1,077	1,084	895	1,020	1,093	1,205	2,161	2,297
Underlying attributable profit	920	926	747	858	926	1,035	1,846	1,961

SOUTH AMERICA

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	2,969	3,107	3,250	3,239	3,177	3,470	6,076	6,647
Net fee income	1,045	1,078	1,050	1,168	1,161	1,195	2,123	2,355
Gains (losses) on financial transactions and other	101	102	71	10	87	45	203	132
Total income	4,115	4,287	4,372	4,417	4,424	4,710	8,402	9,134
Operating expenses	(1,501)	(1,532)	(1,574)	(1,699)	(1,622)	(1,687)	(3,033)	(3,309)
Net operating income	2,614	2,755	2,798	2,718	2,802	3,023	5,369	5,825
Net loan-loss provisions	(914)	(902)	(899)	(925)	(890)	(969)	(1,816)	(1,859)
Other gains (losses) and provisions	(132)	(161)	(183)	(170)	(151)	(154)	(292)	(306)
Underlying profit before tax	1,569	1,692	1,716	1,624	1,760	1,900	3,261	3,661
Underlying consolidated profit	974	1,035	993	1,009	1,078	1,219	2,009	2,297
Underlying attributable profit	826	881	840	846	913	1,048	1,707	1,961

Brazil

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	2,482	2,424	2,377	2,475	2,459	2,520	4,906	4,979
Net fee income	920	872	776	929	931	924	1,792	1,855
Gains (losses) on financial transactions and other	42	27	27	(8)	21	9	70	30
Total income	3,445	3,323	3,180	3,396	3,411	3,453	6,768	6,864
Operating expenses	(1,169)	(1,100)	(1,036)	(1,196)	(1,125)	(1,102)	(2,269)	(2,227)
Net operating income	2,276	2,224	2,145	2,201	2,286	2,351	4,499	4,637
Net loan-loss provisions	(822)	(750)	(665)	(726)	(710)	(761)	(1,571)	(1,471)
Other gains (losses) and provisions	(154)	(170)	(174)	(198)	(167)	(153)	(325)	(320)
Underlying profit before tax	1,300	1,303	1,306	1,276	1,409	1,438	2,603	2,846
Underlying consolidated profit	758	726	695	749	816	856	1,484	1,673
Underlying attributable profit	674	643	615	659	721	762	1,317	1,482

Brazil

BRL million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	9,898	10,383	10,874	10,747	10,516	11,095	20,282	21,611
Net fee income	3,670	3,738	3,577	4,032	3,980	4,070	7,408	8,050
Gains (losses) on financial transactions and other	169	119	128	(32)	91	41	288	132
Total income	13,737	14,241	14,579	14,747	14,587	15,206	27,978	29,793
Operating expenses	(4,662)	(4,716)	(4,756)	(5,188)	(4,810)	(4,857)	(9,378)	(9,666)
Net operating income	9,075	9,525	9,823	9,559	9,777	10,350	18,599	20,127
Net loan-loss provisions	(3,276)	(3,220)	(3,070)	(3,155)	(3,037)	(3,347)	(6,496)	(6,384)
Other gains (losses) and provisions	(615)	(727)	(793)	(859)	(716)	(673)	(1,342)	(1,390)
Underlying profit before tax	5,184	5,578	5,960	5,545	6,024	6,330	10,762	12,354
Underlying consolidated profit	3,021	3,114	3,185	3,250	3,491	3,769	6,135	7,261
Underlying attributable profit	2,687	2,758	2,822	2,863	3,082	3,353	5,445	6,435

Chile

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	490	495	481	477	440	500	985	940
Net fee income	111	117	101	95	103	97	227	200
Gains (losses) on financial transactions and other	40	30	49	49	56	59	70	115
Total income	640	642	632	622	600	656	1,282	1,255
Operating expenses	(259)	(273)	(257)	(259)	(255)	(269)	(531)	(524)
Net operating income	381	369	374	363	344	387	751	731
Net loan-loss provisions	(121)	(115)	(117)	(120)	(102)	(105)	(236)	(208)
Other gains (losses) and provisions	22	32	19	31	37	(1)	54	37
Underlying profit before tax	282	287	276	274	279	281	568	560
Underlying consolidated profit	222	231	220	226	219	237	453	456
Underlying attributable profit	150	157	152	153	148	163	307	311

Chile

CLP million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	362,502	366,847	370,827	370,410	333,439	383,545	729,349	716,985
Net fee income	81,758	86,556	78,318	73,959	78,010	74,473	168,315	152,483
Gains (losses) on financial transactions and other	29,304	22,193	37,699	38,131	42,713	45,387	51,496	88,100
Total income	473,564	475,595	486,844	482,500	454,162	503,405	949,159	957,567
Operating expenses	(191,398)	(202,047)	(198,556)	(200,524)	(193,440)	(206,641)	(393,445)	(400,081)
Net operating income	282,166	273,549	288,288	281,976	260,722	296,763	555,715	557,485
Net loan-loss provisions	(89,852)	(84,920)	(90,252)	(93,034)	(77,584)	(80,828)	(174,772)	(158,412)
Other gains (losses) and provisions	16,034	23,790	14,617	23,614	28,393	(417)	39,824	27,976
Underlying profit before tax	208,348	212,419	212,652	212,555	211,531	215,518	420,767	427,049
Underlying consolidated profit	164,447	171,185	169,725	174,910	165,949	182,169	335,632	348,119
Underlying attributable profit	111,006	116,570	117,196	118,562	112,355	125,176	227,576	237,531

Argentina

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	214	234	(6)	327	213	298	447	511
Net fee income	129	133	(6)	192	116	125	263	241
Gains (losses) on financial transactions and other	34	63	(58)	(46)	2	(33)	97	(31)
Total income	377	430	(70)	472	331	389	807	720
Operating expenses	(219)	(208)	(1)	(324)	(202)	(229)	(426)	(431)
Net operating income	158	222	(71)	148	129	161	381	289
Net loan-loss provisions	(49)	(75)	(7)	(99)	(73)	(70)	(125)	(143)
Other gains (losses) and provisions	(17)	(41)	4	9	(22)	3	(58)	(19)
Underlying profit before tax	92	107	(73)	58	34	94	198	127
Underlying consolidated profit	66	71	(71)	17	10	63	137	74
Underlying attributable profit	66	71	(71)	17	10	63	136	73

Argentina

ARS million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	5,172	6,385	7,820	8,507	10,117	14,548	11,557	24,665
Net fee income	3,121	3,660	4,472	5,022	5,486	6,131	6,781	11,616
Gains (losses) on financial transactions and other	824	1,683	(799)	(1,972)	102	(1,596)	2,507	(1,494)
Total income	9,117	11,729	11,492	11,557	15,704	19,083	20,846	34,787
Operating expenses	(5,291)	(5,722)	(7,738)	(8,523)	(9,602)	(11,210)	(11,014)	(20,812)
Net operating income	3,826	6,006	3,755	3,034	6,102	7,872	9,832	13,975
Net loan-loss provisions	(1,196)	(2,021)	(2,546)	(2,615)	(3,441)	(3,459)	(3,218)	(6,900)
Other gains (losses) and provisions	(411)	(1,077)	(849)	721	(1,067)	131	(1,488)	(936)
Underlying profit before tax	2,218	2,908	360	1,140	1,594	4,544	5,126	6,138
Underlying consolidated profit	1,600	1,950	(644)	99	497	3,056	3,550	3,553
Underlying attributable profit	1,589	1,935	(649)	107	490	3,043	3,525	3,534

Other South America

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	112	106	100	103	109	108	218	217
Net fee income	29	29	31	38	29	32	58	60
Gains (losses) on financial transactions and other	7	11	9	8	8	9	18	17
Total income	148	146	141	150	146	149	294	295
Operating expenses	(70)	(65)	(59)	(65)	(63)	(64)	(135)	(127)
Net operating income	78	81	81	84	83	85	160	168
Net loan-loss provisions	(17)	(9)	(22)	(22)	(18)	(20)	(26)	(38)
Other gains (losses) and provisions	(3)	(2)	(2)	(18)	(2)	(1)	(5)	(3)
Underlying profit before tax	59	71	58	44	63	64	129	128
Underlying consolidated profit	31	55	51	29	47	48	86	95
Underlying attributable profit	31	55	51	29	47	47	85	94

Other South America

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	106	101	97	101	107	110	208	217
Net fee income	27	28	31	38	28	32	55	60
Gains (losses) on financial transactions and other	7	11	9	8	8	9	17	17
Total income	140	140	137	147	143	152	280	295
Operating expenses	(66)	(62)	(57)	(64)	(62)	(65)	(128)	(127)
Net operating income	74	78	79	83	82	87	152	168
Net loan-loss provisions	(16)	(7)	(21)	(22)	(18)	(20)	(24)	(38)
Other gains (losses) and provisions	(2)	(2)	(2)	(18)	(2)	(1)	(4)	(3)
Underlying profit before tax	56	68	57	44	62	66	124	128
Underlying consolidated profit	29	53	50	29	46	49	82	95
Underlying attributable profit	29	53	50	28	46	48	81	94

SANTANDER GLOBAL PLATFORM

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	18	20	20	20	22	23	38	46
Net fee income	1	1	1	4	2	1	2	2
Gains (losses) on financial transactions and other	(4)	(3)	(3)	(2)	(5)	(4)	(7)	(9)
Total income	16	18	19	21	19	20	34	39
Operating expenses	(23)	(39)	(32)	(49)	(41)	(67)	(62)	(108)
Net operating income	(7)	(21)	(13)	(28)	(22)	(47)	(28)	(69)
Net loan-loss provisions	0	(0)	(0)	(0)	(0)	(0)	0	(0)
Other gains (losses) and provisions	(1)	(0)	(1)	(0)	(1)	(0)	(1)	(1)
Underlying profit before tax	(7)	(21)	(13)	(28)	(23)	(47)	(29)	(70)
Underlying consolidated profit	(9)	(14)	(10)	(22)	(11)	(40)	(23)	(51)
Underlying attributable profit	(9)	(14)	(10)	(22)	(11)	(40)	(23)	(51)

CORPORATE CENTRE

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	H1'18	H1'19
Net interest income	(234)	(243)	(251)	(259)	(296)	(304)	(477)	(600)
Net fee income	(9)	(9)	(24)	(28)	(14)	(13)	(17)	(27)
Gains (losses) on financial transactions and other	7	(7)	9	(10)	(90)	(106)	(0)	(196)
Total income	(236)	(258)	(266)	(297)	(399)	(423)	(494)	(822)
Operating expenses	(105)	(107)	(107)	(106)	(97)	(96)	(212)	(193)
Net operating income	(341)	(365)	(373)	(403)	(497)	(519)	(706)	(1,015)
Net loan-loss provisions	(37)	(30)	(28)	(21)	(8)	(5)	(67)	(13)
Other gains (losses) and provisions	(43)	(50)	(55)	47	(55)	(72)	(93)	(127)
Underlying profit before tax	(420)	(446)	(456)	(377)	(559)	(595)	(866)	(1,155)
Underlying consolidated profit	(416)	(468)	(450)	(351)	(526)	(592)	(884)	(1,118)
Underlying attributable profit	(415)	(469)	(450)	(352)	(517)	(592)	(884)	(1,108)

Glossary



05

Glossary - Acronyms

- **AFS:** Available for sale
- **AuM:** Assets under Management
- **bn:** Billion
- **CET1:** Common equity tier 1
- **C&I:** Commercial and Industrial
- **CIB:** Corporate & Investment Bank
- **DGF:** Deposit guarantee fund
- **GDP:** Gross domestic product
- **FL:** Fully-loaded
- **FX:** Foreign exchange
- **EPS:** Earning per share
- **ESG:** Environmental, social and governance
- **LTV:** Loan to Value
- **LLPs:** Loan-loss provisions
- **M/LT:** Medium- and long-term
- **mn:** million
- **MXN:** Mexican Pesos
- **n.a.:** Not available
- **NII:** Net interest income
- **NIM:** Net interest margin
- **n.m.:** Not meaningful
- **NPL:** Non-performing loans
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **PPP:** Pre-provision profit
- **QoQ:** Quarter-on-Quarter
- **RE:** Real Estate
- **Repos:** Repurchase agreements
- **ROF:** Gains on financial transactions
- **RoRWA:** Return on risk-weighted assets
- **RoTE:** Return on tangible equity
- **RWA:** Risk-weighted assets
- **SBNA:** Santander Bank NA
- **SCF:** Santander Consumer Finance
- **SC USA:** Santander Consumer USA
- **SME:** Small and Medium Enterprises
- **SRF:** Single Resolution Fund
- **ST:** Short term
- **SVR:** Standard variable rate
- **TDR:** Troubled debt restructuring
- **TLAC:** Total loss absorbing capacity
- **TNAV:** Tangible net asset value
- **UF:** Unidad de fomento (Chile)
- **YoY:** Year-on-Year
- **UX:** User experience

Glossary – definitions

PROFITABILITY AND EFFICIENCY

- **RoTE:** Return on tangible capital: Group attributable profit / average of: net equity (excluding minority interests) – intangible assets (including goodwill)
- **RoRWA:** Return on risk-weighted assets: consolidated profit / average risk-weighted assets
- **Efficiency:** Operating expenses / gross income. Operating expenses defined as general administrative expenses + amortisations

CREDIT RISK

- **NPL ratio:** Non-performing loans and customer advances, customer guarantees and contingent liabilities / total risk. Total risk is defined as: normal and non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **NPL coverage ratio:** Provisions to cover losses due to impairment of customer loans and advances, customer guarantees and contingent liabilities / non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **Cost of credit:** Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months

CAPITALISATION

- **Tangible net asset value per share – TNAVps:** Tangible stockholders' equity / number of shares (excluding treasury shares). Tangible stockholders' equity calculated as shareholders equity + accumulated other comprehensive income - intangible assets

Notes: 1) The averages for the RoTE and RoRWA denominators are calculated on the basis of 7 months from December to June.

2) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the RoTE is the annualised underlying attributable profit (excluding non-recurring results), to which are added non-recurring results without annualising them.

3) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the RoRWA is the annualised underlying consolidated result (excluding non-recurring results), to which is added non-recurring results without annualising them.

4) The risk-weighted assets included in the RoRWA denominator are calculated in accordance with the criteria defined by the Capital Requirements Regulation (CRR).

Thank you.

Our purpose is to help people
and business prosper.

Our culture is based on believing
that everything we do should be

Simple Personal Fair



MEMBER OF
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