

29 January 2020

2019 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 presentation 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 presentation 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 the 2018 Annual Financial Report, filed with the Comisión Nacional del Mercado de Valores of Spain (CNMV) on 28 February 2019, as well as the section “Alternative performance measures” of the annex to the Banco Santander, S.A. (“Santander”) 2019 4Q Financial Report, published as Relevant Fact on 29 January 2020. 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 presentation 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 presentation 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 presentation, 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.

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**Growth
Profitability
Strength:
performance
in 2019**



**Group &
Business
areas review**



**Our business
model delivers
profitable
growth**



Key takeaways



Delivering Growth, Profitability and Strength in a responsible way

2019 (vs. 2018)

 **Growth**

 **Profitability**

 **Strength**

Loyal customers

21.6 mn (+9%)

Underlying RoTE

11.8 % (-29 bps)

FL CET1

11.65 % (+35 bps)

Customer revenues

€47.1 bn (+4%¹)

Underlying RoRWA

1.61 % (+5bps²)

NPL ratio

3.3 % (-41 bps)

Proposed³ **increasing cash DPS to €20 cents** (c.+3% YoY) and **total 2019 DPS of €23 cents**



(1) In constant €

(2) Excluding RWA inflation coming from TRIM and other regulatory impacts, otherwise +2bps increase

(3) Board intends to propose to the 2020 AGM that the total payment of the remuneration against 2019 results will be 0.23 euros per share split in (1) a dividend in cash of 0.20 euros per share and (2) a scrip dividend that will entail the payment in cash, for those shareholders who so choose, of 0.03 euros per share

Profitable growth and solid organic capital generation...

EUR mn	Change vs. 2018		
	2019	%	% constant €
Net interest income	35,283	3	4
Net fee income	11,779	3	5
Customer revenue	47,062	3	4
Trading and other income	2,432	-6	-8
Total income	49,494	2	3
Operating expenses	-23,280	2	3
Net operating income	26,214	2	3
Loan-loss provisions	-9,321	5	5
Other results	-1,964	-2	0
Underlying PBT	14,929	1	2
Underlying attributable profit	8,252	2	3
Attributable profit	6,515	-17	-16

All-time record year in revenues

Underlying profit growth +5%¹ in 4Q'19 vs. 4Q'18

Strong organic capital generation: CET1 at 11.65% and increasing cash DPS

...supported by a disciplined execution against our strategic priorities



Improve operating performance

Simplified **regional management structure**

Europe c.€200mn¹ cost reduction
(20% of c.€1bn plan)

Popular integration successfully concluded



Optimise capital allocation

Mexico minorities acquisition

High return businesses investments
(eg. Insurance, acquiring, etc.)

Custody business partnership and **Puerto Rico** retail bank disposal²



Accelerate digitalisation through SGP

Santander Global Platform creation

Ebury strategic partnership²
(base for Global Trade Services)




Openbank expansion in Europe




Building a Responsible Bank

Recognised as the **most sustainable bank in the world** by Dow Jones Sustainability Index in 2019

Strong operating performance across our regions...

2019 ¹ (vs. 2018)		Loyal customers (mn)	Loans (EUR bn)	Underlying profit (EUR mn)	RoTE (%)	
	Europe	9.9 +6%	651 +2%	4,878 -3%	10% -86bps	Stable revenues and executing cost synergy opportunities
	North America	3.5 +22%	131 +10%	1,667 +21%	13% ² +112bps	Improving capabilities and high operational leverage
	South America	7.9 +7%	131 +9%	3,924 +18%	21% +179bps	Double-digit earnings growth and returns

...with Global Businesses driving network effects and contributing 26% of Group's earnings




Corporate & Investment Banking

Underlying profit **€1.8bn** +10%

RoRWA **1.8%** +18 bps

Customer-centric & capital-light model




Wealth Management & Insurance

Underlying profit **€1.0bn** +11%

RoRWA **8.9%** +1 p.p.

Closing the gap to our natural market share




Santander Global Platform

International SMEs / GTS

Ebury¹ **+40%** Revenues CAGR²

Individuals – Mass market

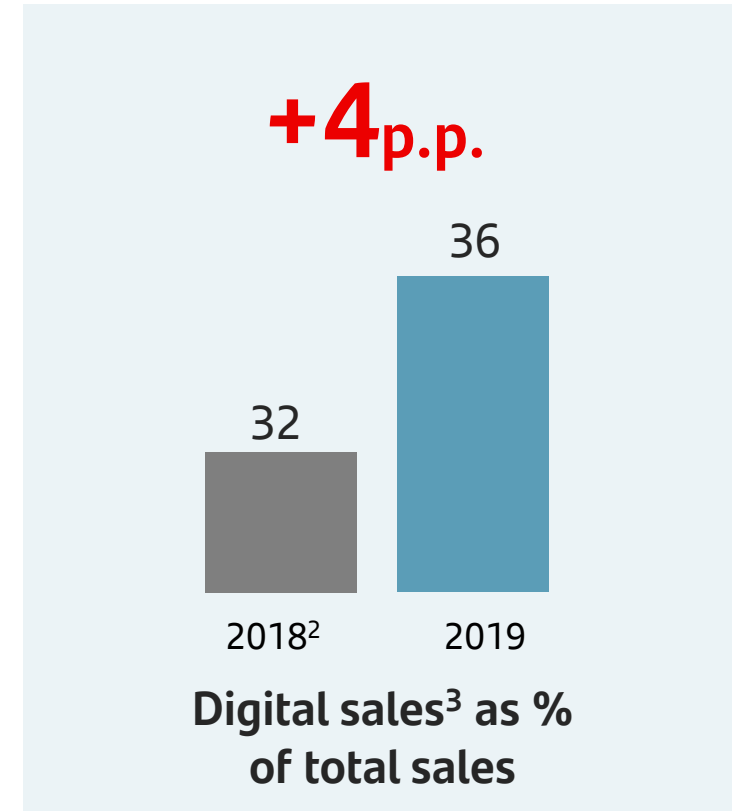
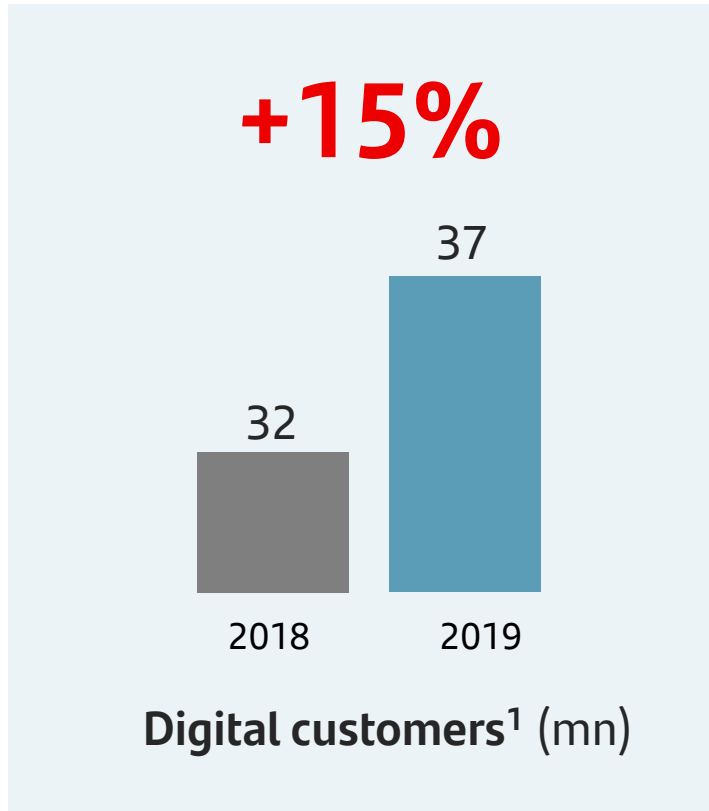
 **640k** active customers **+59% YoY**

Returns on digitalisation and SGP supporting exponential growth of mobile channel and fueling engagement and digital sales

More **digital customers...**

...**engaging and transacting more through mobile...**

...**resulting in increased digital sales**



Increasing digital sales improve profitability as a result of lower unit costs

Digital vs. branch channel: unit cost comparison examples

Serving our customers...

...and delivering our products more efficiently



Cost of money transfer

- 99%



Cost of selling a mortgage

- 50%¹



Cost of bill payments

- 99%

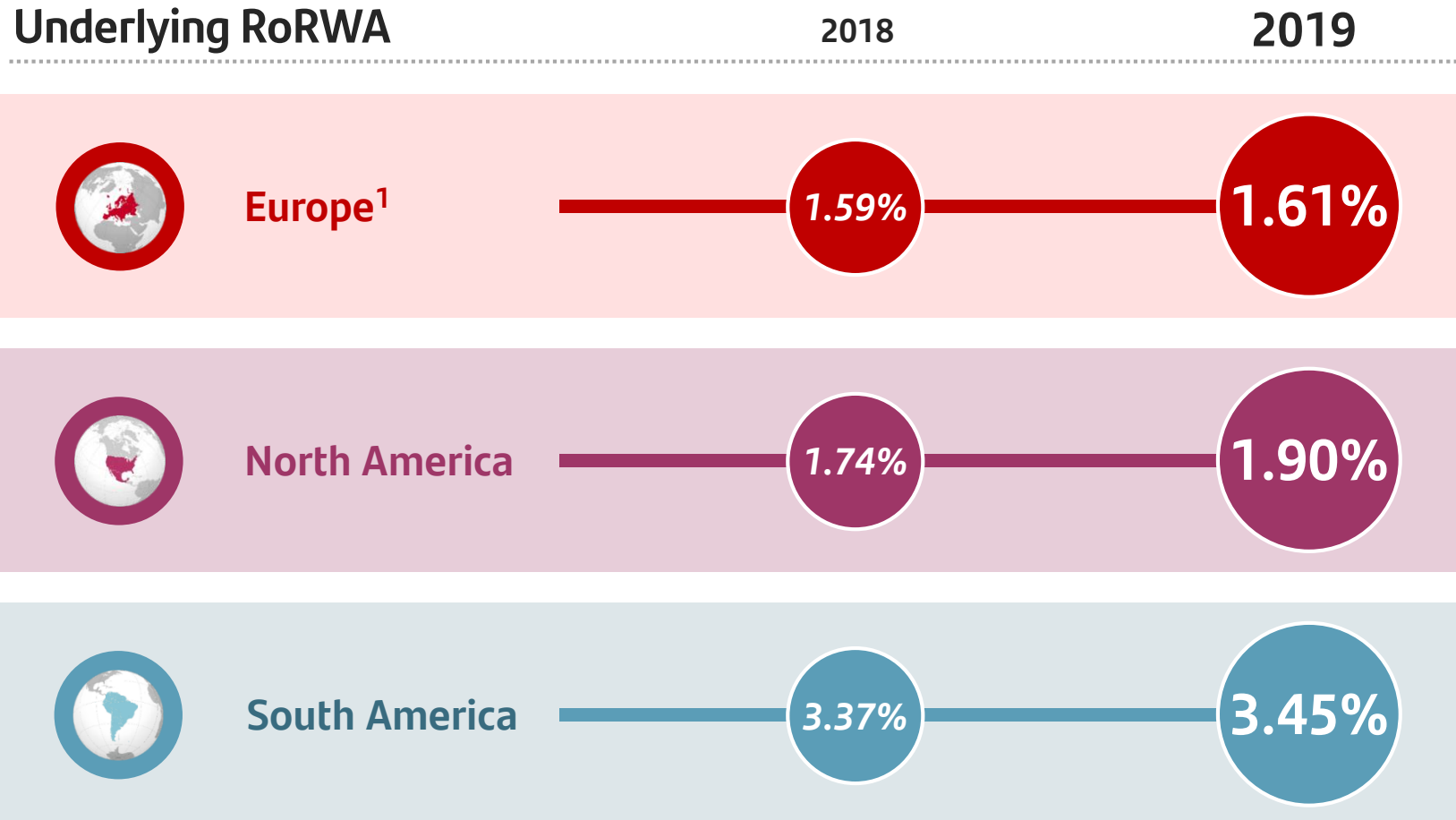


Cost of opening an account

- 72%



Improved operating performance and optimised capital allocation resulted in additional c.€20 bn RWAs above CoE in 2019...



+5bps¹
annual increase in Group RoRWA

10%
Reduction in RWAs with returns below CoE²

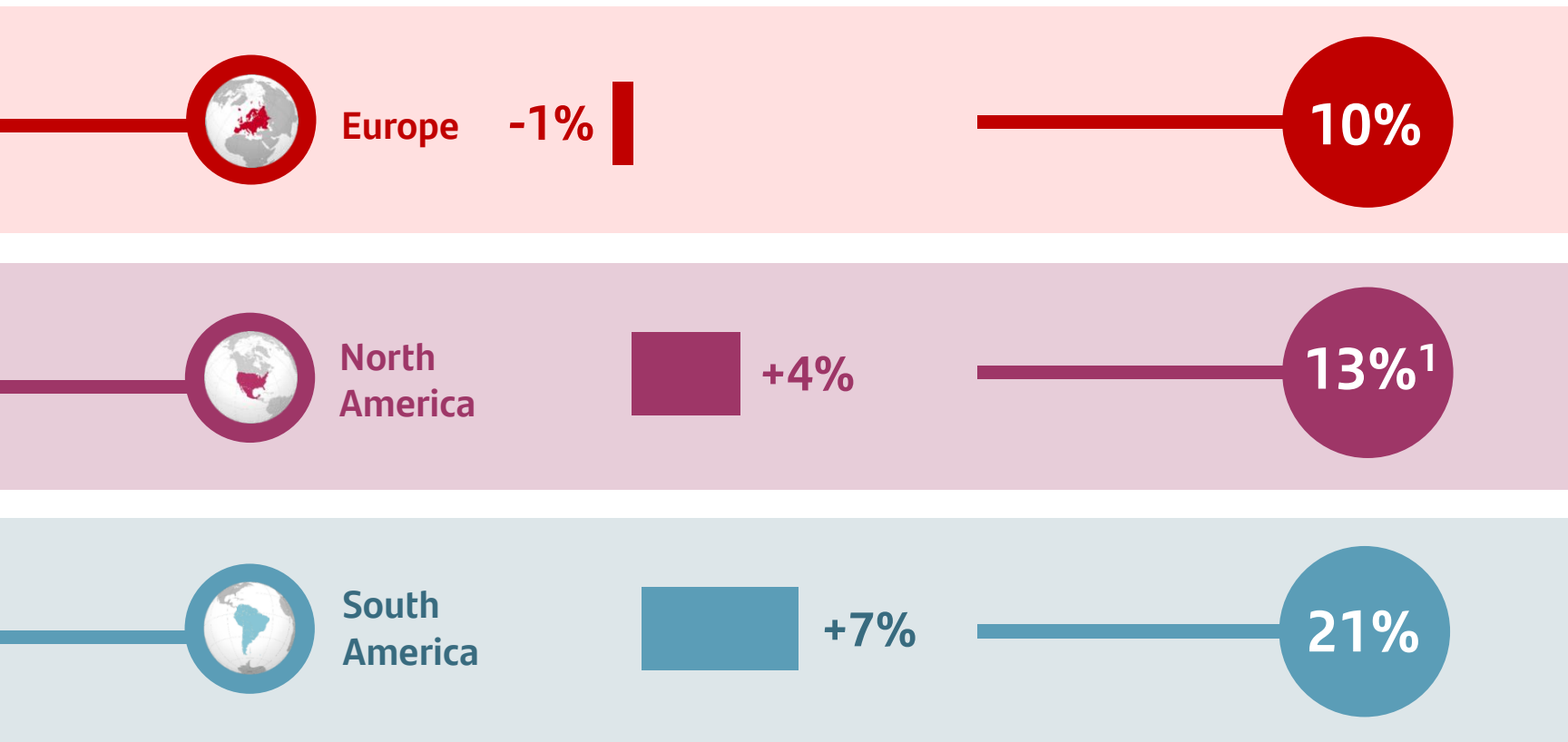
...by continuing with an accretive capital rebalancing

More **capital allocated...**

RWA YoY change in constant euros

...to regions with **higher returns**

2019 underlying RoTE



>70%

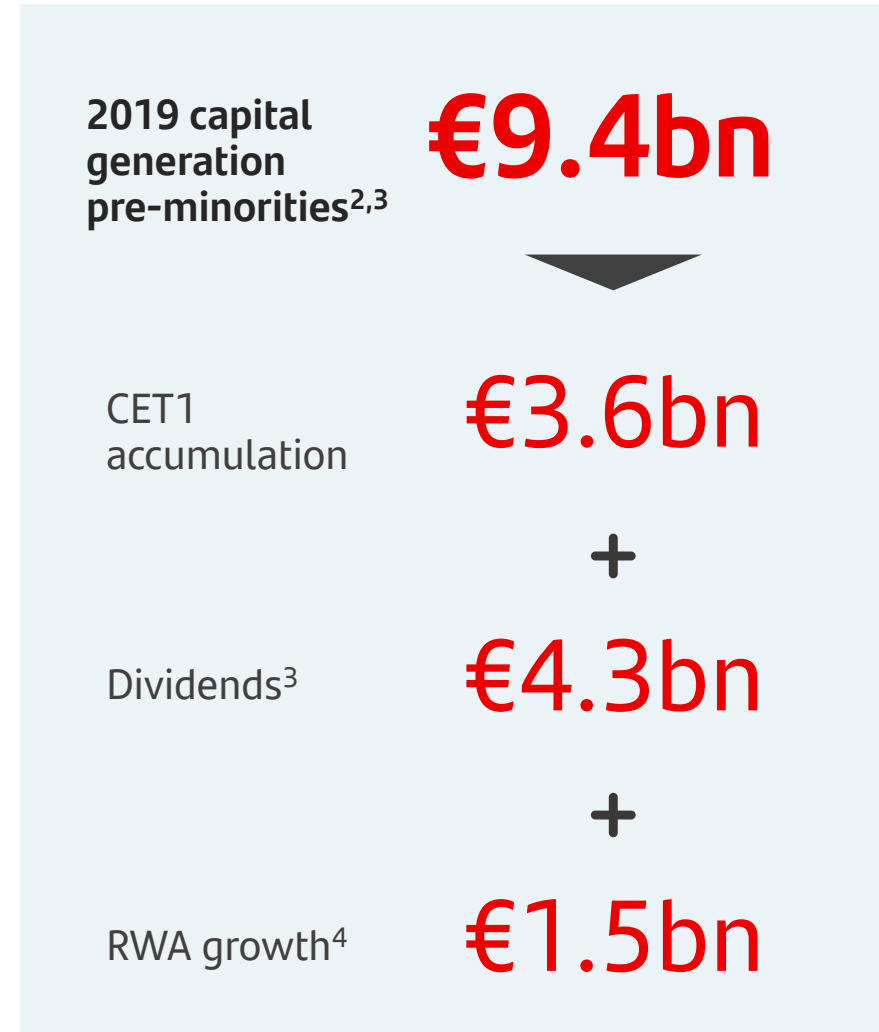
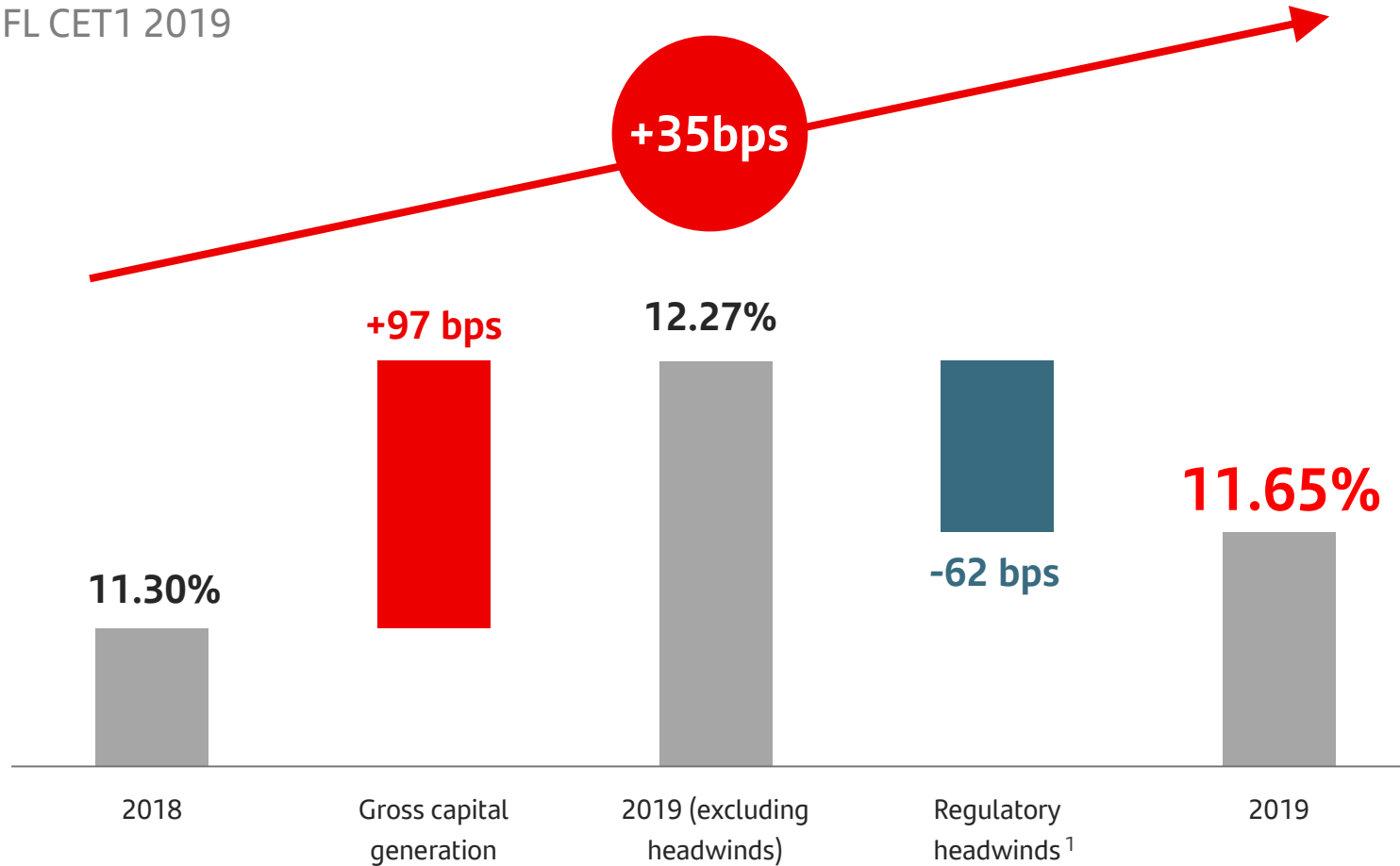
of our capital delivered double digit returns

>30%

of our capital delivered a >20% RoTE

2019 a record-high year in terms of gross capital generation, partially offset by regulatory headwinds

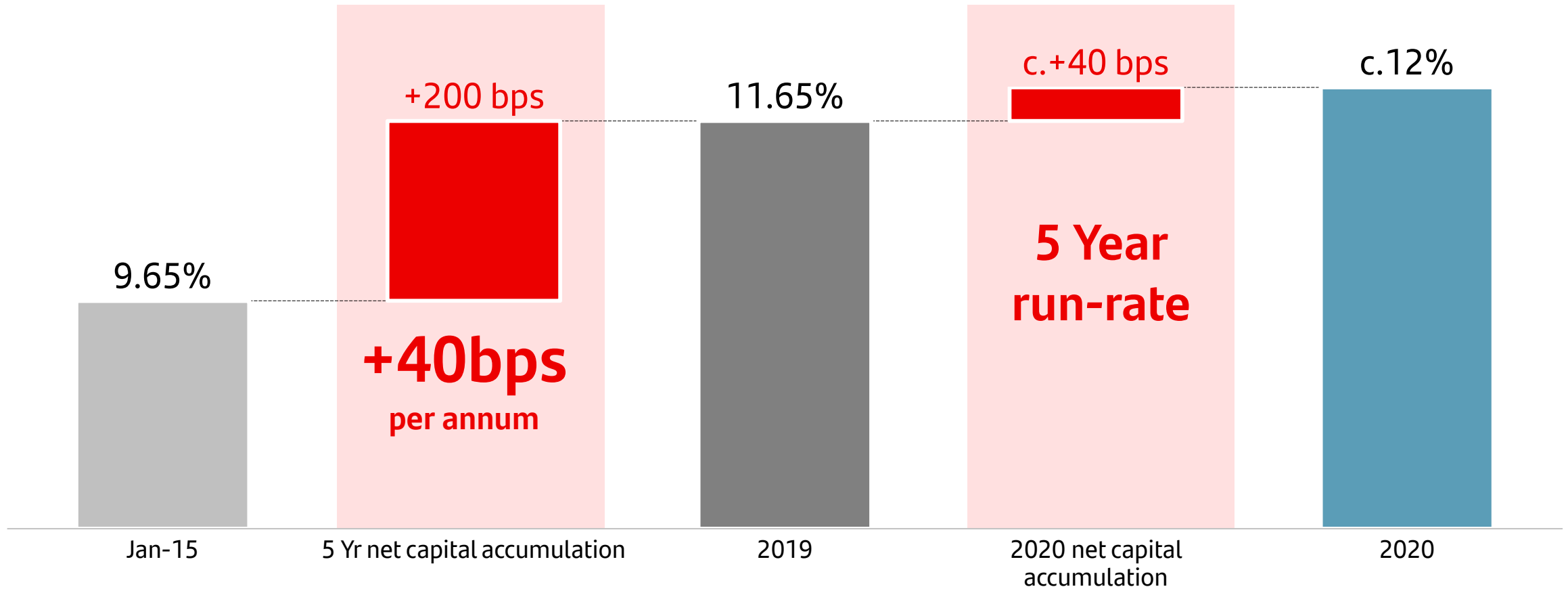
FL CET1 2019



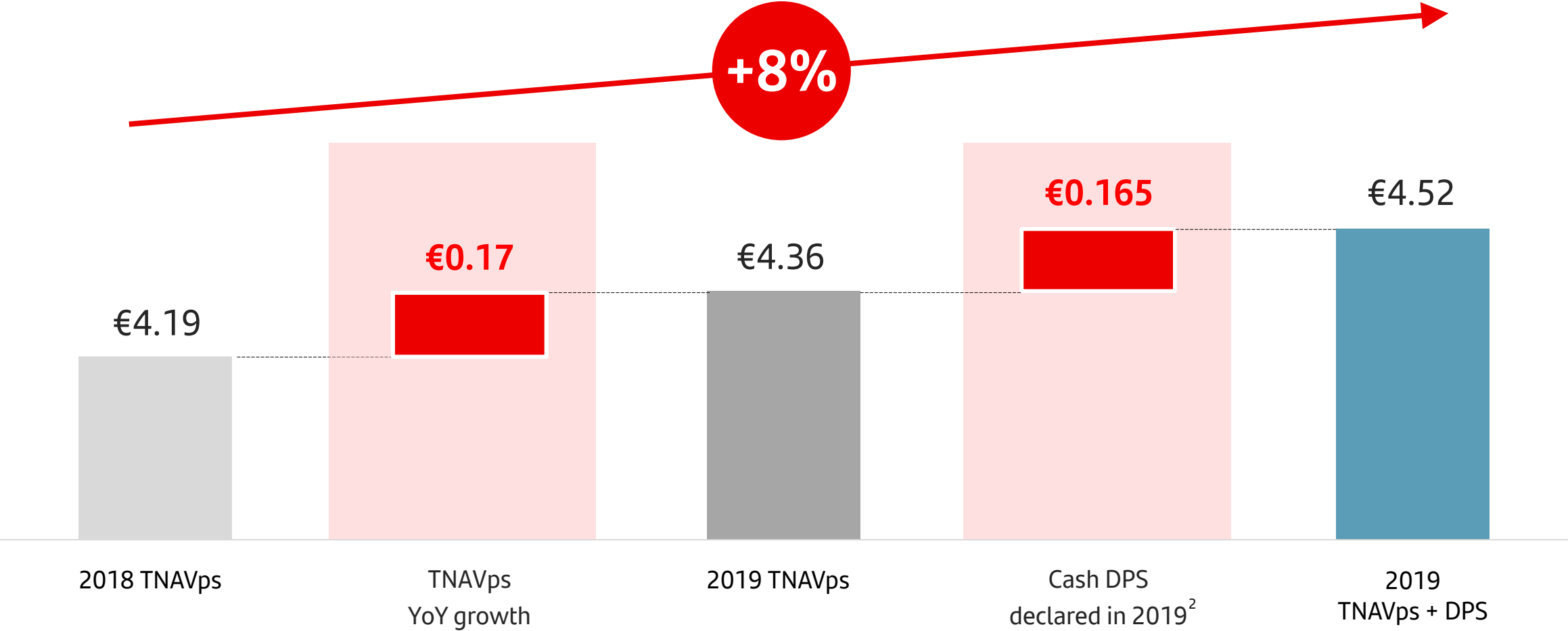
(1) Impacts: 19bps IFRS16; 43 bps TRIM & others
 (2) Not considering other elements in the CET1 YoY change: OCI, cost of FX hedges, AT1 coupons, etc.
 (3) Including dividends paid to minorities by subsidiaries, otherwise dividends 3.4Bn and total capital generation €8.5bn
 (4) Capital consumption coming from RWA inflation

Expect our CET1 reach c.12% by end-2020 based on continued profitability improvement

FL CET1 Jan 2015-2020



Delivery on our GPS¹ targets has resulted in +8% increase in tangible book value and cash dividend on a per share basis...



(1) GPS: Growth, Profitability and Strength
(2) Dividends declared in 2019 (4th 2018 dividend €6.5 cents and 1st 2019 dividend €10 cents)

...and we continue to do business in a more responsible and sustainable way

Culture

Engagement

86% of employees proud to work for SAN (+5pp vs peers¹)

Women

40% Group Board
22% Group leadership (+2pp vs. 2018)



Leader

Most sustainable bank in the world

Dow Jones index²

Sustainability

€18bn

mobilised in Green finance (+7% vs. 2018)

€1bn

Santander first green bond issuance

Communities

1.2mn

people helped through our community programs

66k

scholarships granted

Financial inclusion

1.6mn

people financially empowered

€277mn

credit to microentrepreneurs³ (+73% vs. 2018)

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Growth
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**Group &
Business
areas review**



Our business
model delivers
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Key takeaways

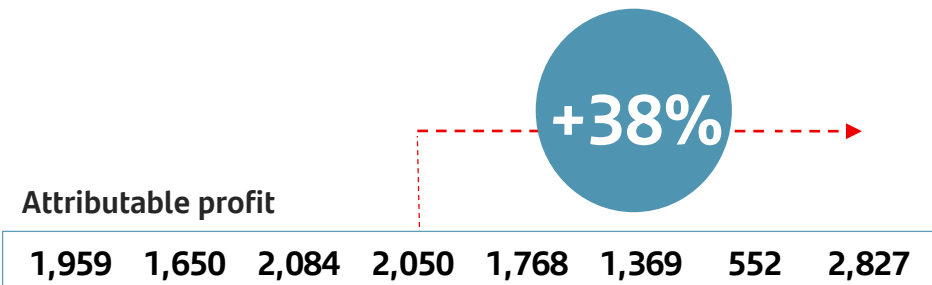
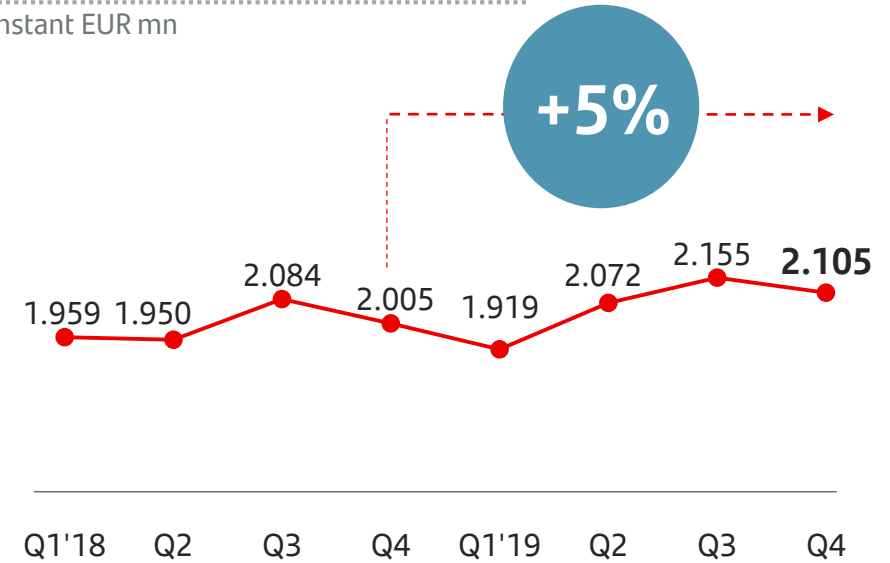


Sound operating performance driving solid results in the year and vs Q4'18

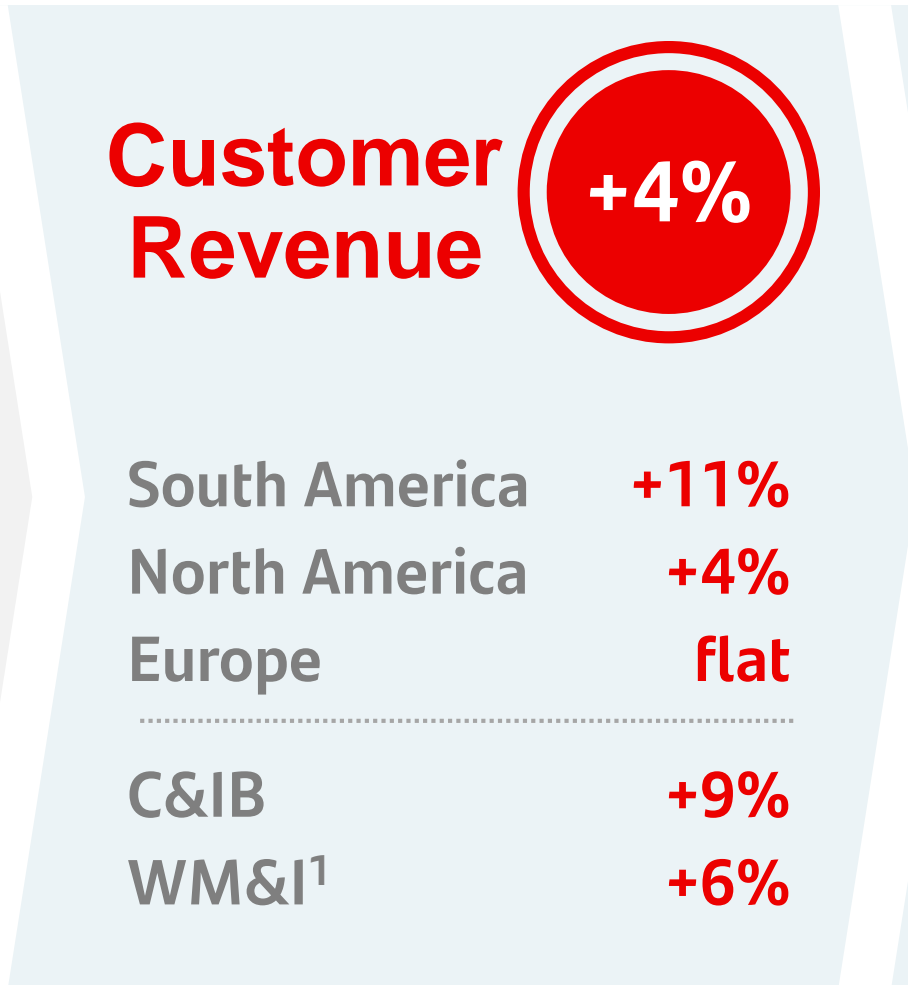
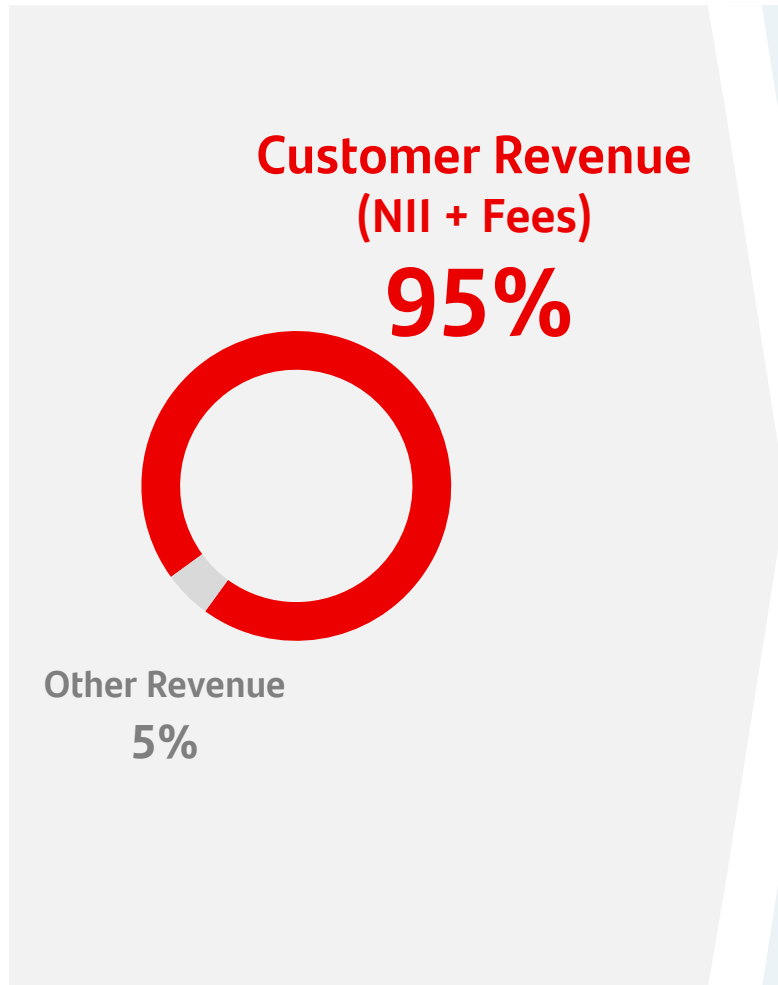
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		Euros	Constant euros
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Customer revenue	47,062	3	4
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Underlying PBT	14,929	1	2
Underlying attributable profit	8,252	2	3
Net capital gains and provisions ¹	-1,737	---	---
Attributable profit	6,515	-17	-16

Underlying attributable profit












Constant EUR mn



High quality revenue: customer revenues delivers 95% of the total and grew 4% YoY driven by the Americas and Global Businesses



We continue leveraging our scale and global capabilities to improve productivity and generate new efficiencies

YoY change in constant euros		Nominal costs	Costs in real terms		
Europe		-1.3%	-2.4%	 -8%  -3%  -4%	Operating as "One Europe"
North America		5.1%	2.6%	 2%  4%	Synergies as a region and joint investments
South America¹		4.6%	1.0%	 1%  0%	Regional revenues and cost management
Group		3.4%	-0.4%		

Sound credit quality underpinned by lower NPL and high coverage ratios. Cost of credit remains at very low levels



Better credit quality ratios

	2018	2019
Cost of credit	1.0%	1.0%
NPL ratio	3.73%	3.32%
Coverage ratio	67%	68%



Lower or stable **cost of credit** in 8 core markets



NPL ratio fell YoY in most markets



High level of **allowances to total loans**

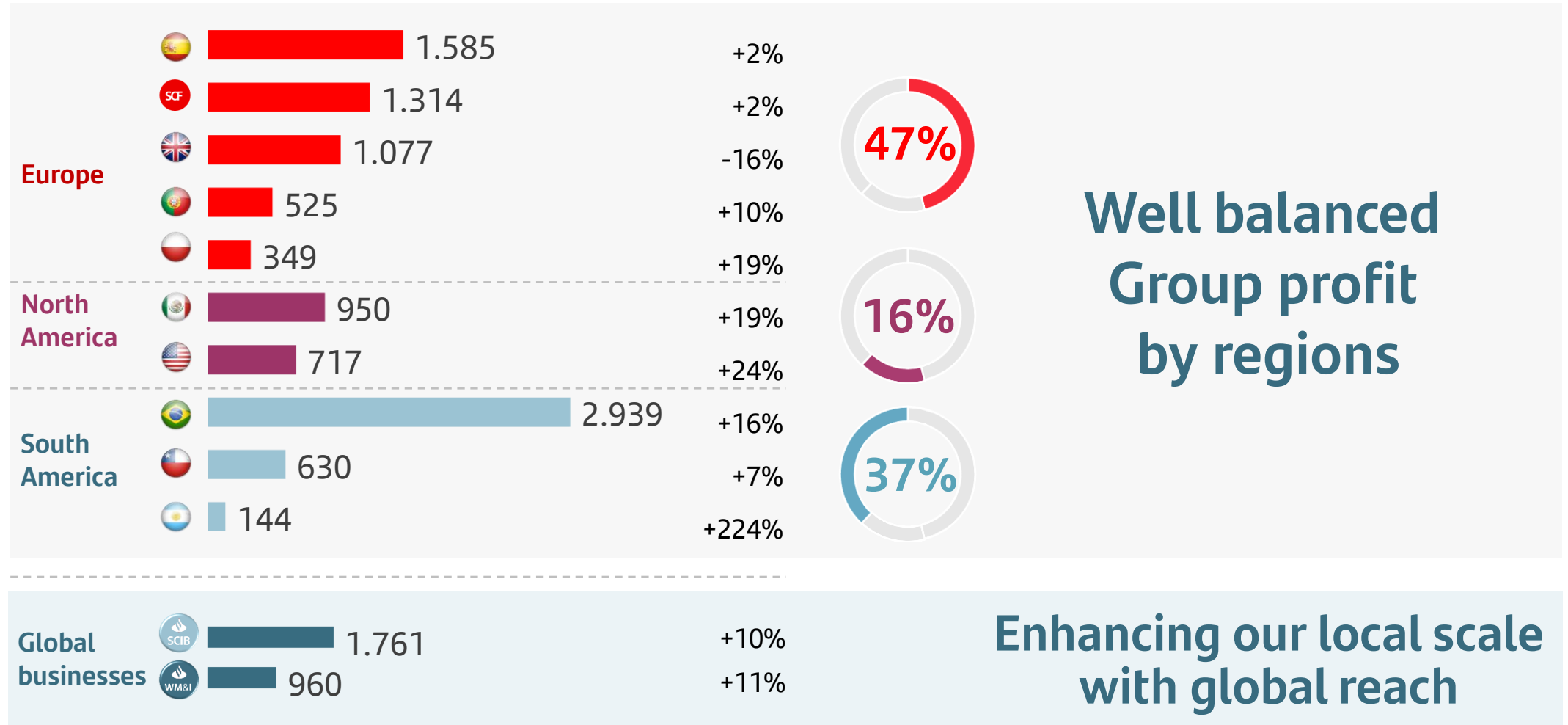
Business areas review



Overall profit growth by regions and markets

2019 Underlying attributable profit

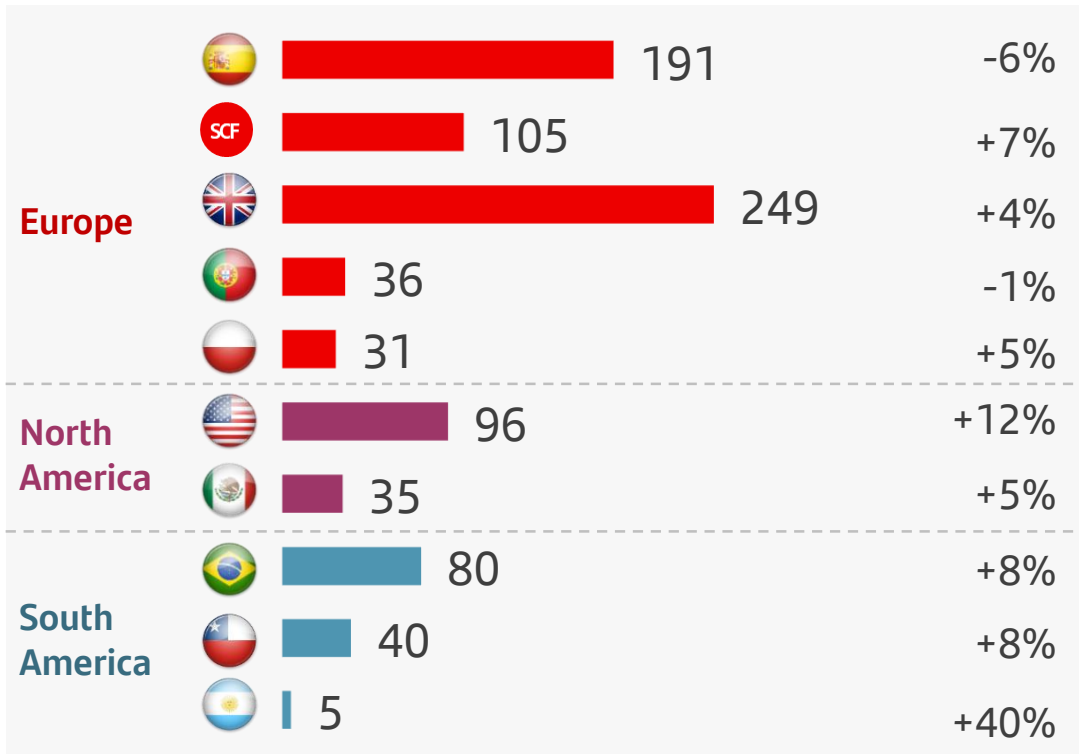
EUR mn and % change vs. 2018 in constant EUR



Volume growth driven by the Americas and our consumer businesses

2019 Loans and advances to customers

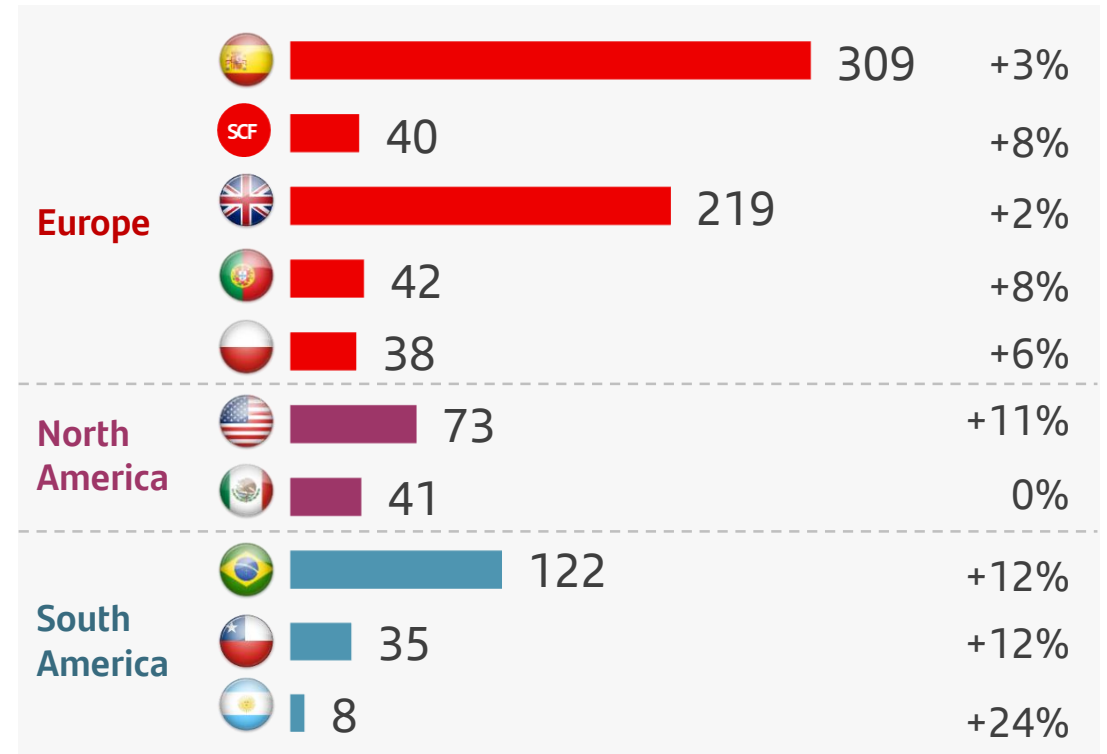
EUR bn and % change vs. 2018 in constant EUR



+4%

2019 Customer funds

EUR bn and % change vs. 2018 in constant EUR



+6%



KEY DATA	2019	% 2018
Loyal / active customers (%)	32	+2 pp
Digital customers (mn)	4.7	+10%
NPL ratio (%)	6.94	-38 bps
Cost of credit (%)	0.43	+5 bps
Efficiency ratio (%)	53.6	-340 bps
RoTE (%)	10.5	+6 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	934	-3.4	3,919	-4.3 -2%
Net fee income	620	0.9	2,481	-5.5
Total income	1,811	-8.9	7,506	-1.4
Operating expenses	-977	-2.1	-4,021	-7.3 -6%
LLPs	-176	-15.9	-856	8.5
PBT	557	-18.1	2,174	5.4
Underlying att. profit	400	-18.5	1,585	2.0 +4%

(*) EUR mn

○ Changes excluding IFRS 16 impact



Successful integration of Banco Popular

Sustained progress in our **digital strategy** reaching 60% digital/active customers and +41% YoY in accesses

Continue boosting our **SME and Corporate** segment leveraging our international business (+15% YoY)



Active margin management, reflected in YoY **customer NII growth**, offset by lower ALCO volumes and IFRS 16 impact

Fee income down due to lower activity at SCIB and the move toward more conservative mutual funds

Continued delivery in costs (EUR -317 mn). Trend to be maintained in 2020



KEY DATA	2019	% 2018
Active customers (mn)	19.3	-
NPL ratio (%)	2.30	+1 bps
Cost of credit (%)	0.48	+10 bps
Efficiency ratio (%)	43.3	+14 bps
RoTE (%)	15.3	-57 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	960	-1.3	3,848	3.9
Net fee income	195	-8.2	823	3.2
Total income	1,185	-1.3	4,710	2.6
Operating expenses	-499	-0.8	-2,038	2.9
LLPs	-148	1.2	-477	32.4
PBT	504	-14.9	2,215	4.2
Underlying att. profit	319	-5.3	1,314	2.2

(*) EUR mn and % change in constant euros



Market share gains in auto finance. New lending +5% YoY, significantly higher than new car sales in Europe

Reinforce leadership with 2 new strategic agreements¹ and **best-in-class profitability (RoRWA: 2.3%)**



PBT +4% YoY (volumes) with **costs rising** at a **slower pace than business** growth, due to efficiency projects

LLPs up due to increased volumes, change of product-mix (Spain) and lower bad debt sales (Nordics). **Cost of credit** at **historic lows**



KEY DATA	2019	% 2018
Loyal / active customers (%)	32	+2 pp
Digital customers (mn)	5.8	+6%
NPL ratio (%)	1.01	-7 bps
Cost of credit (%)	0.10	+3 bps
Efficiency ratio (%)	60.0	+470 bps
RoTE (%)	7.3	-205 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	961	0.8	3,788	-7.9
Net fee income	226	-0.5	866	-5.9
Total income	1,220	3.8	4,727	-8.7
Operating expenses	-712	-0.5	-2,835	-0.9
LLPs	-96	21.7	-253	46.2
PBT	345	2.8	1,455	-20.0
Underlying att. profit	249	-4.0	1,077	-16.0

(*) EUR mn and % change in constant euros



Strongest net mortgage growth in a decade; as well as robust customer deposits increases across the business

Delivering on our **multi-year transformation programme** to improve future returns



NII impacted by **competitive pressures** (spreads, mortgages and SVR attrition); fees by investments and overdrafts (regulatory changes)

Costs down with delivery on transformation plan efficiency savings (**-2.7% in real terms**) and **asset quality remains very good**



KEY DATA	2019	% 2018
Loyal / active customers (%)	33	+4 pp
Digital customers (mn)	4.2	+45%
Efficiency ratio (%)	41.8	+15 bps
Underlying profit (EUR mn)	950	+19%
RoTE (%)	20.6	+37 bps

KEY DATA	2019	% 2018
Loyal / active customers (%)	19	-
Digital customers (ks)	1,010	+6%
Efficiency ratio (%)	43.3	-10 bps
Underlying profit (EUR mn)	717	+24%
RoTE (%) ¹	8.7	+111 bps



Enhanced our **distribution and attention model** reflected in strong customer growth

c.21% RoTE supported by **double-digit profit growth** (customer revenue & large credit quality improvement)

Santander México **stake** at **91.65%** (from 74.96%)



Better customer experience and deeper relationships driving above market volume growth²

SBNA and SC USA collaboration in prime auto finance has originated **~USD 7 bn** in 2019

Revenue growth and **improvement in asset quality** resulting in **excellent YoY profit growth**



KEY DATA	2019	% 2018
Loyal / active customers (%)	22	-
Digital customers (mn)	13.5	+18%
NPL ratio (%)	5.32	+7 bps
Cost of credit (%)	3.93	-13 bps
Efficiency ratio (%)	33.0	-71 bps
RoTE (%)	21.2	+147 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	2,534	2.3	10,072	6.0
Net fee income	974	3.7	3,798	11.5
Total income	3,565	4.5	13,951	7.4
Operating expenses	-1,242	12.6	-4,606	5.1
LLPs	-813	11.3	-3,036	5.2
PBT	1,305	-6.9	5,606	11.0
Underlying att. profit	689	-6.8	2,939	16.4

(*) EUR mn and % change in constant euros



Successful strategy focused on customer service, combined with an effective and profitable model

Selective market share gains with solid increases (loans to individual, consumer finance & demand deposits)



Profitability increased in the year (**RoTE of 21%**) due to **higher revenue** (volumes and fee income with some margin pressure)

Efficiency and **cost of credit** ratios **improvement**

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Growth
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**Our business
model delivers
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Key takeaways





Our purpose

To help people and businesses prosper



Our aim as a bank

To be the **best open financial services platform**, by acting **responsibly** and earning the **lasting loyalty** of our people, customers, shareholders and communities



Our how

Everything we do should be **Simple, Personal and Fair**

Our business model based on Scale, Customer Focus and Diversification drives predictable and profitable growth

 **Scale**


c.145 mn
total customers in Europe
and the Americas

Top 3 bank²
in 9 markets

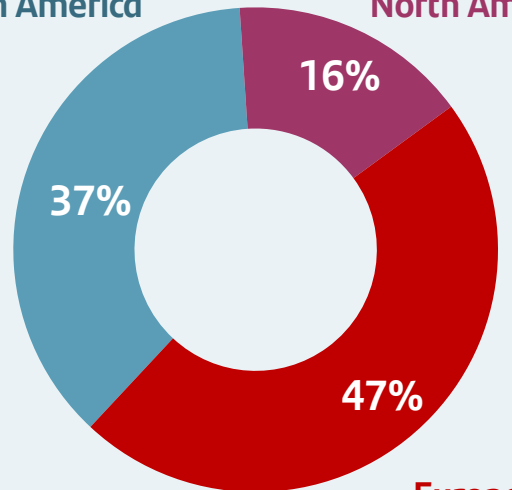
 **Customer Focus**

Top 3 | in NPS¹ in 6 countries

+72% | Loyal customers 2014 - 2019

 **Diversification**

2019 underlying attributable profit by region³



Region	Percentage
Europe	47%
South America	37%
North America	16%

(1) Customer Satisfaction internal benchmark of active customers audited by Stiga / Deloitte
(2) Market share in lending as of 3Q19 including only private owned banks. UK benchmark covers mortgage market
(3) Operating areas excluding Corporate Centre and SGP

Disciplined execution has delivered predictable and profitable growth since 2014

Strong performance in the last 5 years...

...supported by investments

 **Growth**

 **Profitability**

 **Strength**

EPS¹ **+22%**

RoTE **+84 bps**

FL CET1 **+€22 bn³**

TNAVps² **+19%**

RoRWA **+34 bps**

>€2bn

Transformation charges

€5bn

Investment in digital and technology p.a.

while increasing **2.3x** Cash DPS⁴

(1) In constant €; Adjusting for share count increase coming from scrip dividends;

(2) Adjusting for share count increase coming from scrip dividends

(3) FL CET1 (€mn) accumulated since 2014; Including January 2015 ABB (€7.5bn)

(4) €20 cents cash dividend in 2019 compared to €8.6 cents in 2014 (coming from the cash take-up of the 2014 €60 cents scrip dividend) - Board intends to propose to the 2020 AGM that the total payment of the remuneration against 2019 results will be 0.23 euros per share, out of which 0.20 euros per share will be paid in cash

Our business model and track record support delivery of our mid-term goals

	2019	'19 Investor Day Mid-term goals
Loyal customers ¹	22mn	c.26mn
Digital customers ²	37mn	c.50mn
Digital sales ³	36%	>50%
C/I	47%	42-45%
FL CET1	11.65%	11-12%
Underlying RoTE	11.8%	13-15%
Underlying RoRWA	1.61%	1.8-2.0%
Pay-out	40-50%	40-50%

**High-single
digit EPS**

3Y-CAGR⁴



(1) Active customer who receive most of their financial services from the Group according to the commercial segment that they belong to.
 (2) Every physical or legal person, that, being part of a commercial bank, has logged in its personal area of internet banking or mobile phone or both in the last 30 days.
 (3) The percentage of new business carried out through digital channels in the period
 (4) 2019-22 underlying EPS CAGR

Execution of our three-pillar plan to drive profitable growth in a responsible way



Improve operating performance



Optimise capital allocation



Accelerate digitalisation through Santander Global Platform



Continue building a more Responsible Bank

Improving operating performance leveraging One Santander

	Europe		North America		South America	
	2019	Mid-term goal	2019	Mid-term goal	2019	Mid-term goal
Underlying RoTE	10%	12-14%	13% ¹	14-16% ²	21%	20-22%
Efficiency	53%	47-49%	43%	39-41%	36%	33-35%
	Building one European banking platform, with enhanced profitability		Investing together to improve commercial capabilities		Natural reweighting and high profitable growth opportunity	

Ongoing capital allocation optimisation to improve profitability



Rebalancing to more profitable regions and businesses

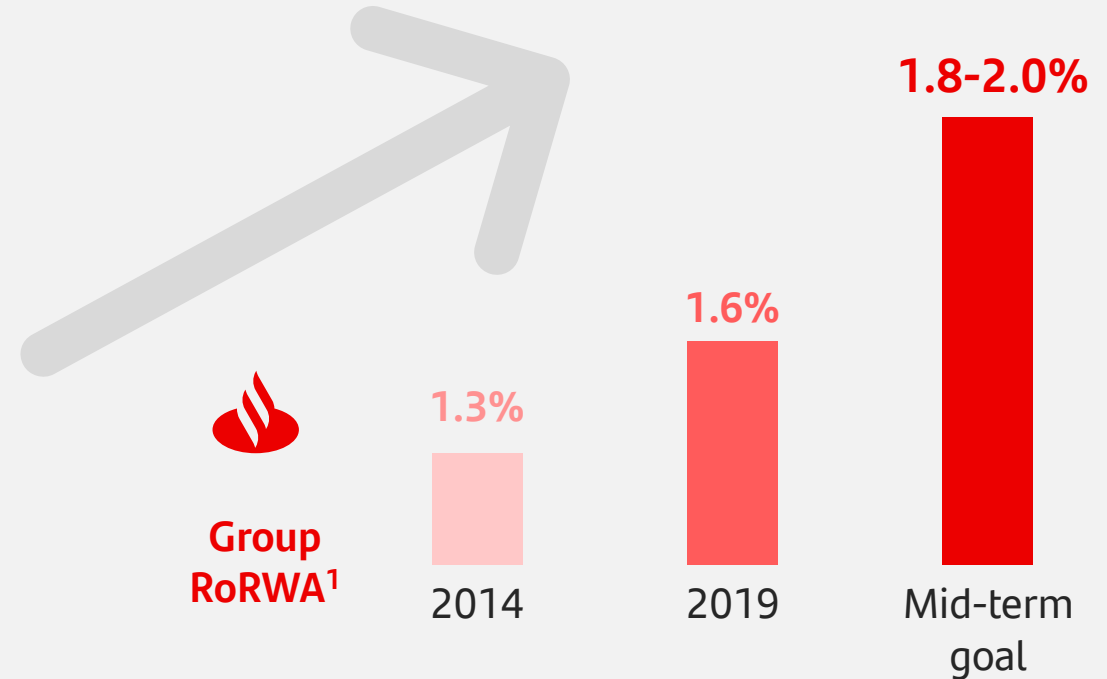


Improved pricing, processes and governance



Active management and senior team alignment

Strong profitability improvement leading to higher capital generation capacity



Accelerating digitalisation and building Santander Global Platform



Digitalisation
& SGP

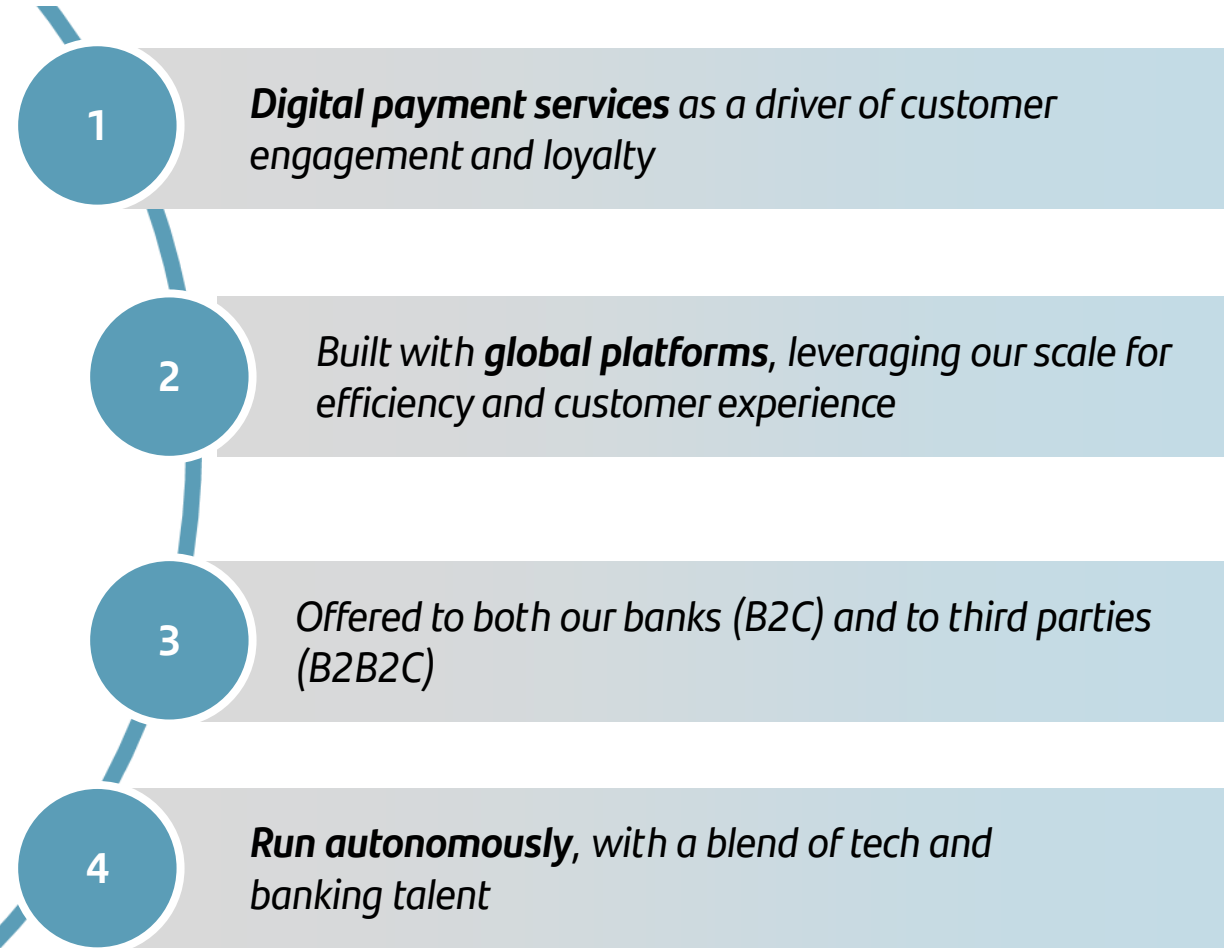
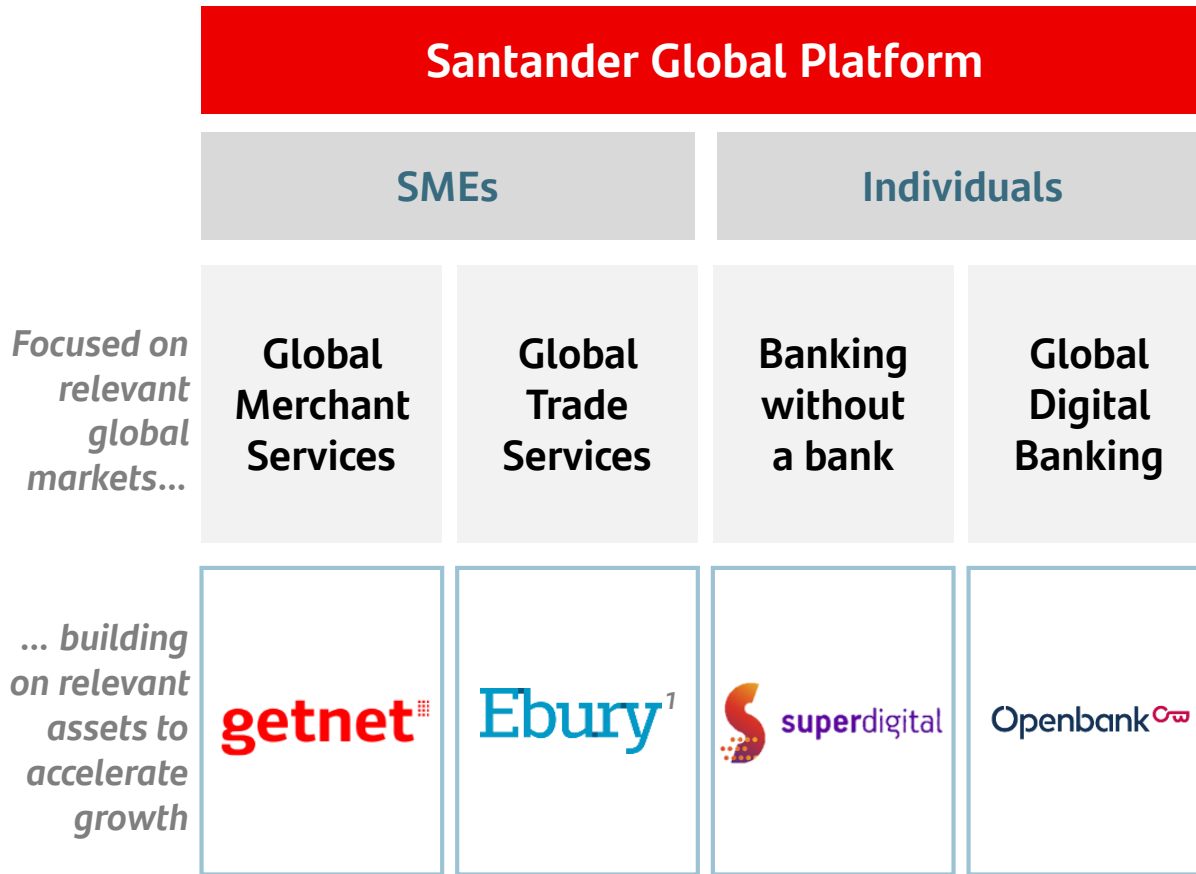
Accelerate the transformation of our 'core Banks'



Provide faster and better global payments and solutions

Moving towards ONE SANTANDER to build simpler, faster and better services

Best-in-class Global payments and digital banking solutions to SMEs and Individuals



Bringing best-in-class Global payments solutions to SMEs



Digitalisation
& SGP

Global Merchant Services

Leveraging Getnet to build Global Merchant Services

€42bn

Revenue pool for global merchant services¹

c.7%

Expected revenue pool CAGR²

High growth and large addressable market...

getnet

High engagement

2x

Market share in Brazil in 5 years

High growth

+30%

2013-2019 transaction volume CAGR

...with engaging propositions showing high growth..

Scaling from **1** to **8** markets

... and ambitious mid-term goals

Global Trade Services

One global platform to serve international SMEs

\$200bn

Revenue pool for Global Transaction Banking services

>200k

SAN SME customers trading internationally

Ebury ³

High engagement

+20%

2017-2019 transactions per customer CAGR

High growth

+45%

Revenue growth YoY

Scale to serve over **20** markets



(1) EMEA + Americas revenue pools in merchant acquiring services incl. Net MDR & rental terminals
(2) CAGR 2018-2023
(3) 50.1% stake; Transaction closing expected in mid-2020 subject to regulatory approvals

Offering fully digital banking solutions to individuals



Digitalisation
& SGP



Financial inclusion platform to cost-effectively serve the bottom of the pyramid



Our global, full-service digital bank

>300mn

Underserved¹
population in LatAm

c.60mn

Middle class² expansion
by 2030 (+20%)

High growth
and large
addressable
market...

1bn

Population in the
markets the Group operates

68%

Of total assets in Europe
held in current accounts



High engagement

1.8x

Transactions growth over
customers³ growth

High growth

+105%

Annual
transaction growth

...with engaging
propositions
showing high
growth..



High engagement

4.4

Average products
per loyal customer

High growth

+134%

Mortgage sales
growth over last 12m

Targeting **>5mn** active
customers in **7** markets

... and ambitious
mid-term goals

Scale from **4** to **10** markets
in Europe and Americas



(1) Including 200mn+ unbanked and 100mn+ underbanked
(2) USD \$10-50 per capita daily income (PPP); Source: Interamerican Development Bank, 2016
(3) Active customers (30 days)

Index



Growth
Profitability
Strength:
performance
in 2019



Group &
Business
areas review



Our business
model delivers
profitable
growth



Key takeaways



Key takeaways

In 2019 we have delivered

Growth:

- All-time record year in revenues of €49bn (+3%²)
- High growth in customers: loyal (+9%) and digital (+15%)

Profitability:

- Underlying RoTE at 11.8% and underlying RoRWA at 1.61% (+5bps³)
- Underlying quarterly profit growth (+5%² YoY in Q4)

Strength:

- Strong capital generation, closing FL CET1 at 11.65%
- Very comfortable with capital level and buffers over regulatory requirements



Increase cash DPS to
€20 cents (c.+3% YoY)
and total
2019 DPS of €23 cents¹



Targeting high-single digit
EPS CAGR over the next 3
years

Appendix



Appendix

Net capital gains and provisions

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Net capital gains and provisions

Q1'19	
Capital gains Prisma (Argentina)	+150
Restructuring costs (-66 UK; -12 Poland)	-78
Property sales (Corporate Centre)	-180
Group total	-108

Q2'19	
Restructuring costs (-600 Spain; -26 UK)	-626
PPI ¹ (UK)	-80
Group total	-706

Q3'19	
PPI ¹ (UK)	-103
Restructuring costs (-12 UK; -8 Poland)	-20
FX impact in Prisma trading gains	-20
Subtotal (impacting capital)	-143
UK goodwill (Corporate Centre)	-1,491
Group total	-1,634

Q4'19	
Custody sale (net)	+693
Tax reform in Brazil	+551
Real estate (net)	-225
Restructuring costs (-90 Brazil; -23 UK; -16 SCF; -8 USA; -3 Poland)	-140
Intangibles and others	-168
Group total	+711

-1,737
FY19

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EUROPE



KEY DATA	2019	% 2018
Loyal / active customers (%)	36	+3 pp
Digital customers (mn)	13.8	+9%
NPL ratio (%)	3.25	-42 bps
Cost of credit (%)	0.28	+4 bps
Efficiency ratio (%)	52.6	+6 bps
RoTE (%)	10.0	-86 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	3,531	-1.2	14,201	-0.1
Net fee income	1,319	-0.2	5,260	-3.3
Total income	5,292	-1.1	21,001	-1.3
Operating expenses	-2,733	-0.7	-11,044	-1.3
LLPs	-498	-0.1	-1,839	16.9
PBT	1,852	-5.9	7,350	-1.9
Underlying att. profit	1,238	-4.7	4,878	-3.4

(*) EUR mn and % change in constant euros



Extracting additional synergies from the integration and transformation processes

Cross-border approach: simplifying our business model and adapting our technology platforms

Leveraging digital transformation to improve customer experience



Resilient revenue in a very low interest rate environment

Costs decreased 2.4% in real terms reflecting the first savings from our optimisation processes, especially in Spain

Cost of credit remained at very low levels (0.28%) despite higher provisions

NORTH AMERICA



KEY DATA	2019	% 2018
Loyal / active customers (%)	31	+4 pp
Digital customers (mn)	5.2	+35%
NPL ratio (%)	2.20	-59 bps
Cost of credit (%)	2.76	-36 bps
Efficiency ratio (%)	42.8	-3 bps
RoTE (%) ¹	13.0	+112 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	2,265	-0.4	8,926	3.9
Net fee income	427	-5.5	1,776	4.4
Total income	2,949	-1.9	11,604	5.1
Operating expenses	-1,314	3.0	-4,968	5.1
LLPs	-1,050	3.4	-3,656	0.6
PBT	554	-12.7	2,776	12.8
Underlying att. profit	389	-0.7	1,667	21.3

(*) EUR mn and % change in constant euros



Capturing **new opportunities** and developing the USMX trade corridor where revenue grew (SCIB: +41%; Corporate: +23%)

Cooperation between the Technology, HR, Legal and Audit areas to align policies and **streamline operations**



Increased profitability supported by double-digit profit growth

Higher customer revenue (volumes) with **better asset quality** (NPL and cost of credit). Costs reflect Mexico's **investment plan**

SOUTH AMERICA



KEY DATA	2019	% 2018
Loyal / active customers (%)	26	-
Digital customers (mn)	17.3	+15%
NPL ratio (%)	4.86	+6 bps
Cost of credit (%)	2.92	-8 bps
Efficiency ratio (%)	36.1	-98 bps
RoTE (%)	20.6	+179 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	3,356	3.2	13,316	9.3
Net fee income	1,228	3.2	4,787	14.6
Total income	4,714	4.8	18,425	10.7
Operating expenses	-1,762	11.1	-6,656	10.2
LLPs	-1,015	12.3	-3,789	7.4
PBT	1,688	-7.3	7,232	12.2
Underlying att. profit	947	-3.8	3,924	18.4

(*) EUR mn and % change in constant euros



Centred on leveraging our products and services with **strong expected medium-term growth**

Focus on **profitable growth** and risk control, covering customer needs and **exporting positive experiences**



Improving profitability (**RoTE c.21%**) and **double-digit profit growth** in all countries except Chile

Good performance in **customer revenue** boosted by higher volumes (9-13%) and **efficiency ratio improvement**

P&L*	2019	2018
NII	-1,252	-987
Gains/Losses on FT	-297	11
Operating expenses	-373	-426
LLPs and other provisions	-273	-216
Tax and minority interests	166	13
Underlying att. profit	-2,096	-1,686

(*) EUR mn



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

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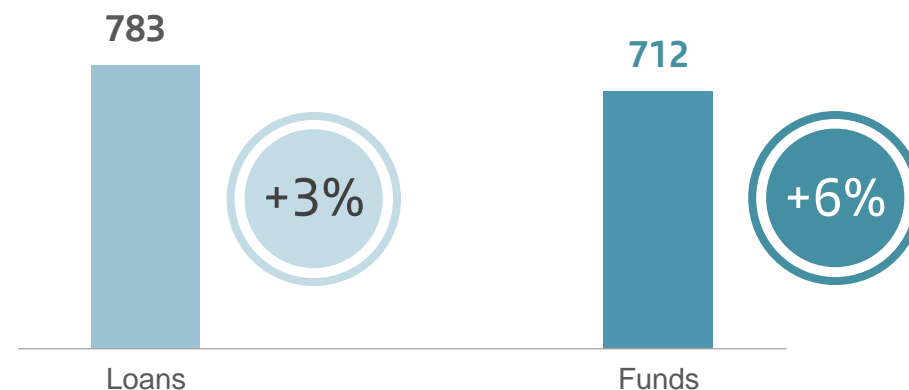
Retail Banking

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	8,296	0.1	33,157	3.3
Net fee income	2,266	1.0	9,094	4.9
Total income	10,924	-1.1	43,523	3.8
Operating expenses	-4,969	2.9	-19,481	2.6
LLPs	-2,456	0.8	-9,154	7.4
PBT	3,042	-10.5	13,265	4.7
Underlying att. profit	1,886	-4.8	7,748	6.5

(*) EUR mn and % change in constant euros

Activity

EUR bn and % change YoY in constant euros



Continued focus on **customer loyalty and digital transformation**

We continued to launch new products and services that cover our customers' needs



Corporate & Investment Banking: +17% YoY collaboration revenues

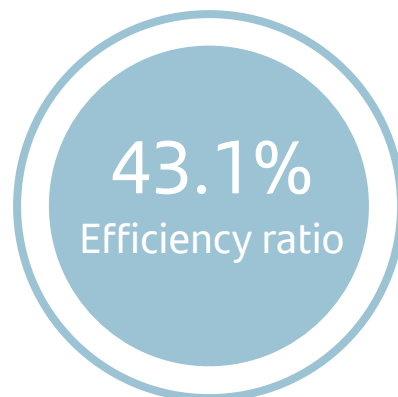
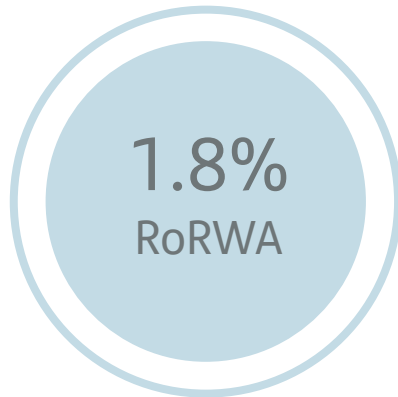
P&L*	Q4'19	% Q3'19	2019	% 2018
NII	712	7.1	2,721	14.0
Net fee income	380	-9.1	1,528	1.0
Total income	1,443	15.0	5,284	7.4
Operating expenses	-606	9.4	-2,276	9.4
LLPs	-127	--	-155	-23.0
PBT	680	-2.8	2,767	8.9
Underlying att. profit	425	-6.2	1,761	10.0

(*) EUR mn and % change in constant euros

Total income

Constant EUR mn

	2018	% change	2019
Total income	4,920	+7%	5,284
Capital & Other	491	-13%	428
Global Markets	1,403	+12%	1,578
Global Debt Financing	1,377	+6%	1,453
Global Transaction Banking	1,649	+11%	1,825



YoY profit growth driven by value added businesses

We aim to continue to be **strategic partners** for our global customers...

... **leveraging our strengths in LatAm and Europe**



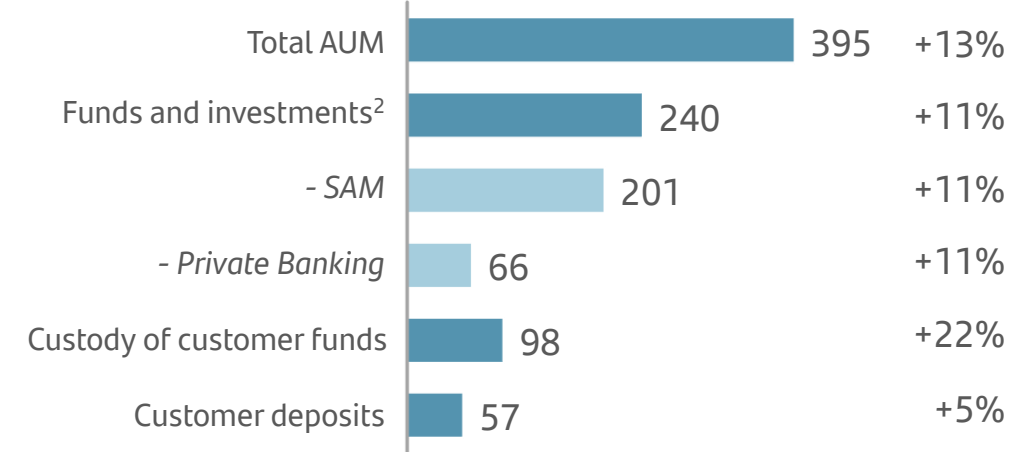
Wealth Management & Insurance: +20% YoY collaboration revenues³

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	143	0.4	565	7.8
Net fee income	328	9.8	1,201	5.2
Total income	588	6.4	2,223	6.3
Operating expenses	-234	4.8	-911	3.3
LLPs	21	--	25	--
PBT	371	14.6	1,325	11.0
Underlying att. profit	263	9.5	960	11.1

(*) EUR mn and % change in constant euros

Activity

EUR bn and % change YoY in constant euros



Strategic initiatives focused on:

Global Private Banking platform and digital investments

Increasing market share in SAM and Insurance - complete value proposition



Note: Total assets marketed and/or managed

(1) Profit after tax + net fee income generated by this business

(2) Total adjusted for funds from private banking customers managed by SAM. Pro forma including asset management Popular's joint venture. The repurchase of the remaining 60% of their stake is pending regulatory authorisations and other customary conditions

(3) Only Private banking

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KEY DATA	2019	% 2018
Loyal / active customers (%)	46	+1 pp
Digital customers (ks)	775	+6%
NPL ratio (%)	4.83	-111 bps
Cost of credit (%)	-0.02	-11 bps
Efficiency ratio (%)	45.3	-258 bps
RoTE (%)	12.8	+77 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	213	-0.4	856	-0.2
Net fee income	98	2.3	390	3.6
Total income	332	0.0	1,375	2.3
Operating expenses	-156	0.8	-623	-3.2
LLPs	-4	--	8	--
PBT	192	8.0	750	9.3
Underlying att. profit	140	11.7	525	9.6

(*) EUR mn



Market shares in new lending to companies and mortgages at around 20%

The Bank maintained the **best risk ratings** by the rating agencies, aligned with or above the sovereign's



Underlying attributable profit increased 10% YoY due to improved efficiency and low cost of credit

NPL ratio <5%, sharply falling during the year (management of non-productive assets implemented following Popular acquisition)



KEY DATA	2019	% 2018
Loyal / active customers (%)	53	+1 pp
Digital customers (ks)	2,510	+14%
NPL ratio (%)	4.31	+3 bps
Cost of credit (%)	0.72	+7 bps
Efficiency ratio (%)	40.4	-261 bps
RoTE (%) ¹	19.6	+67 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	307	2.3	1,171	18.6
Net fee income	117	-2.1	467	4.0
Total income	459	3.2	1,717	16.4
Operating expenses	-169	-3.7	-693	9.3
LLPs	-51	-15.3	-217	35.6
PBT	205	11.1	681	24.3
Underlying att. profit	104	9.2	349	18.9

(*) EUR mn and % change in constant euros



Focus on **achieving synergies** and reducing cost of deposits following DB Polska acquisition

Named the best bank in Poland, with **several awards** in both traditional and online banking



Double digit underlying profit growth reflecting acquisition as well as **solid underlying trends**, both in volumes terms and P&L

Cost control and **efficiency** improvement though results impacted by **increased Banking Tax and BFG** contributions



KEY DATA	2019	% 2018
Loyal / active customers (%)	33	+4 pp
Digital customers (mn)	4.2	+45%
NPL ratio (%)	2.19	-24 bps
Cost of credit (%)	2.49	-26 bps
Efficiency ratio (%)	41.8	+15 bps
RoTE (%)	20.6	+37 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	816	0.9	3,157	8.5
Net fee income	197	-7.6	829	4.2
Total income	1,054	3.5	3,998	7.7
Operating expenses	-445	4.7	-1,671	8.1
LLPs	-222	-1.8	-863	-1.3
PBT	395	8.3	1,459	13.2
Underlying att. profit	291	22.9	950	19.4

(*) EUR mn and % change in constant euros



Enhanced our distribution and attention model supported by our investment plan

Strong loyal and digital customer growth

Focus on **selective loan growth** (individuals and corporates) and cost of deposits management



c.21% RoTE supported by **double-digit profit growth** (customer revenue and large credit quality improvement)

Stake in Santander México rose from 74.96% to **91.65%**



KEY DATA	2019	% 2018
Loyal / active customers (%)	19	-
Digital customers (ks)	1,010	+6%
NPL ratio (%)	2.20	-72 bps
Cost of credit (%)	2.85	-42 bps
Efficiency ratio (%)	43.3	-10 bps
RoTE (%) ¹	8.7	+111 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	1,449	-1.2	5,769	1.5
Net fee income	230	-3.6	947	4.6
Total income	1,894	-4.6	7,605	3.8
Operating expenses	-869	2.2	-3,297	3.6
LLPs	-828	4.9	-2,792	1.2
PBT	158	-41.6	1,317	12.2
Underlying att. profit	98	-37.1	717	23.9

(*) EUR mn and % change in constant euros



Better customer experience and deeper relationships driving above market volume growth²

SBNA and SC collaboration in prime auto finance has originated **~USD 7 bn** in 2019



Increased profitability driven by continued improvement risk-adjusted returns in Auto and focused on funding costs

Revenue growth and **improvement in asset quality** resulting in **excellent YoY profit growth**



KEY DATA	2019	% 2018
Loyal / active customers (%)	46	-
Digital customers (ks)	1,247	+15%
NPL ratio (%)	4.64	-2 bps
Cost of credit (%)	1.08	-11 bps
Efficiency ratio (%)	40.6	-71 bps
RoTE (%)	18.1	-26 bps

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	464	6.4	1,867	-0.3
Net fee income	102	6.2	404	-0.9
Total income	638	4.6	2,539	4.0
Operating expenses	-246	0.7	-1,031	2.2
LLPs	-130	28.0	-443	-2.8
PBT	274	-1.2	1,129	4.8
Underlying att. profit	157	3.0	630	6.8

(*) EUR mn and % change in constant euros



Customer satisfaction improvement: **2nd position in NPS**, increasing **loyal and digital customers**

Growth in account openings hit a **record high** in the year, driven by *Santander Life* and the effort in digitalisation



Profit growth boosted by revenue, cost control and improved cost of credit

NII evolution impacted by lower inflation and historically low interest rates more than offset by gains on financial transactions



KEY DATA	2019	% 2018
Loyal / active customers (%)	47	-
Digital customers (ks)	2,196	+5%
NPL ratio (%)	3.39	+22 bps
Cost of credit (%)	5.09	+164 bps
Efficiency ratio (%)	57.9	-423 bps
RoTE (%)	22.2	+11 pp

P&L*	Q4'19	% Q3'19	2019	% 2018
NII	250	6.9	940	126.7
Net fee income	118	4.8	446	84.3
Total income	359	12.8	1,316	101.6
Operating expenses	-209	19.6	-762	87.9
LLPs	-53	-3.2	-235	88.9
PBT	43	-23.5	217	120.6
Underlying att. profit	47	42.9	144	223.7

(*) EUR mn and % change in constant euros



Volumes and **profit evolution** continued to be very conditioned on the **economic environment**

Maintained **high dollar liquidity ratio**

NPL ratio remains relatively stable in a low credit growth environment in real terms



Strong growth across all lines impacted by **high inflation** and very **high interest rates**

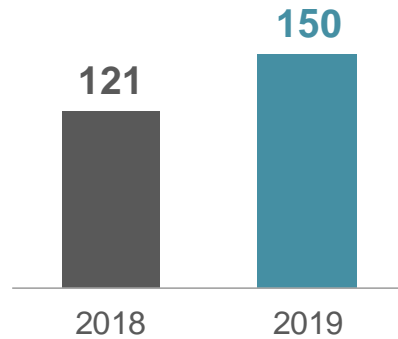
Profit rose due to **greater NII** (elevated interest rates and higher volumes of Central Bank notes) and **efficiency improvement**

Uruguay and Andean Region



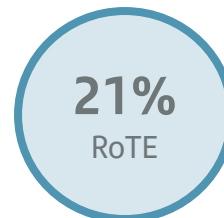
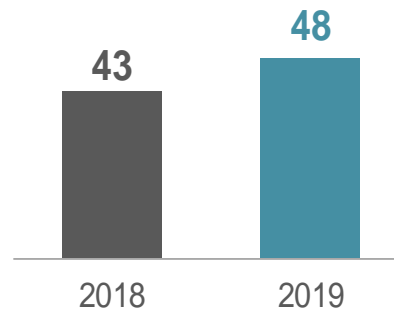
URUGUAY

+24%



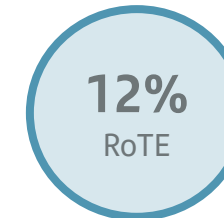
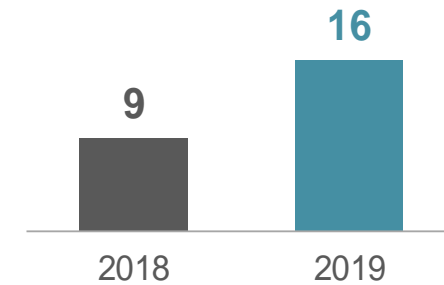
PERU

+11%



COLOMBIA

+81%



Increased volumes and activity reflected in **profit growth** (NII and fee income growth) and **efficiency improvement**

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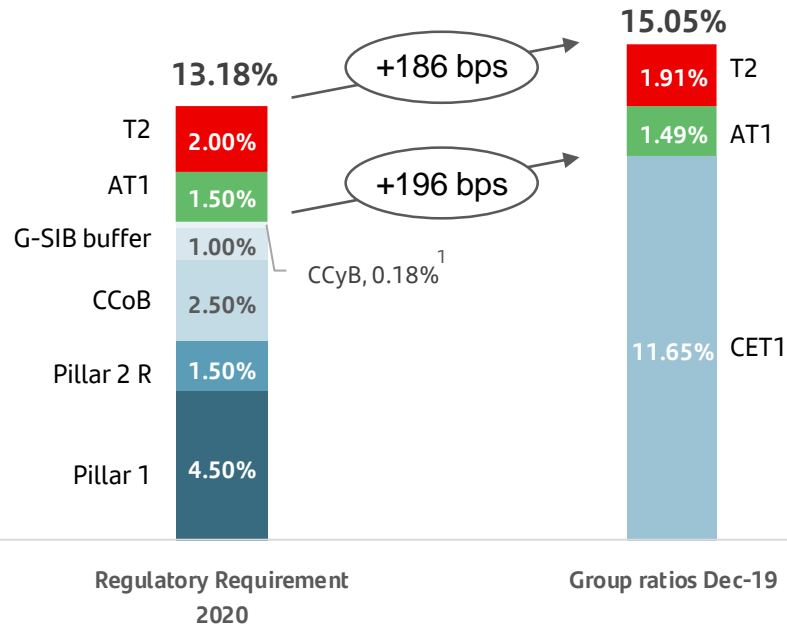
Responsible Banking

Quarterly income statements

Santander's capital levels, both phased-in and fully loaded, exceed minimum regulatory requirements

SREP capital requirements (phased-in) and MDA

Dec-19

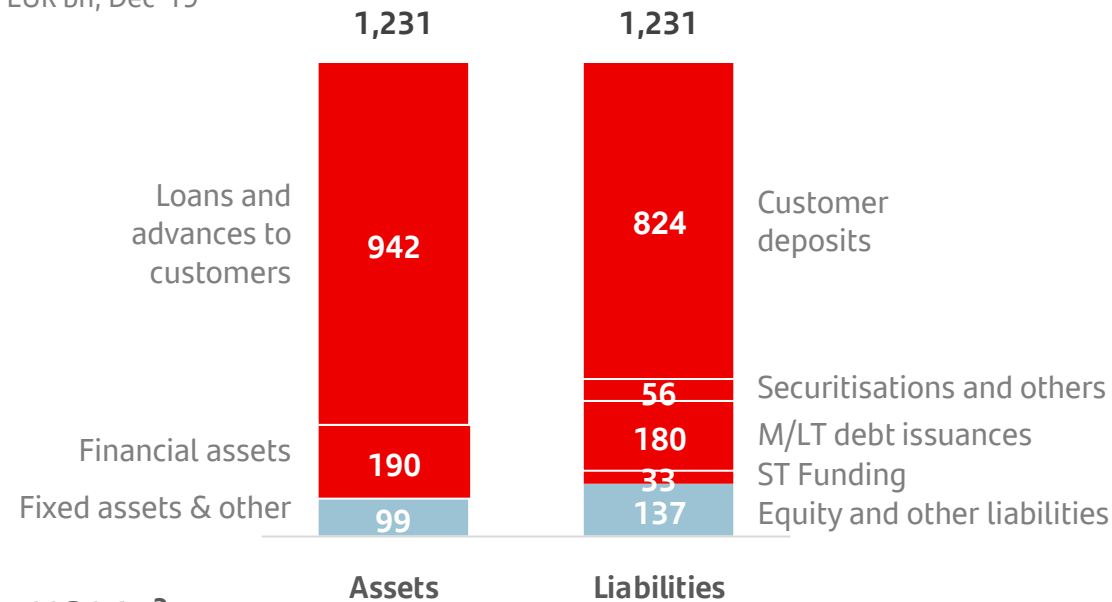


- The **minimum CET1** to be maintained by the Group is **9.68%**
- AT1 and T2 **issuance to targets** (AT1: 1.5%; T2: 2% of RWAs) is **close to zero** assuming constant RWAs
- As of Dec-19, **Santander S.A. meets MREL requirements²** following the MREL eligible issuances over the last two years
- The distance to the **MDA** for 2019 is **186 bps³**, as at Dec-19

Santander has a highly liquid balance sheet with a large contribution from customer deposits and diversified MLT wholesale debt instruments

Liquidity Balance Sheet

EUR bn, Dec-19



HQLAs²

EUR bn, Dec-19

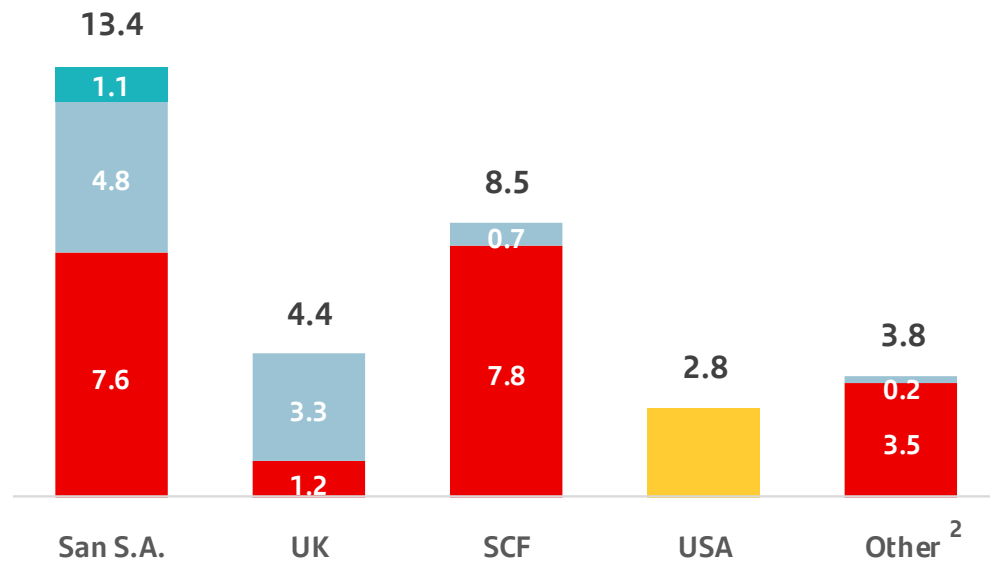
HQLAs Level 1	198.9
HQLAs Level 2	14.9
▶ Level 2A	7.1
▶ Level 2B	7.8

	LCR Nov-19	NSFR Sep-19	LTD Dec-19
 Group	163%	112%	114%
 ¹	148%	124%	119%
 ¹	137%	104%	101%
 ¹	175%	105%	77%

In the year, the Group issued EUR 33 bn¹ of MLT debt and is able to cover its very manageable maturity profile

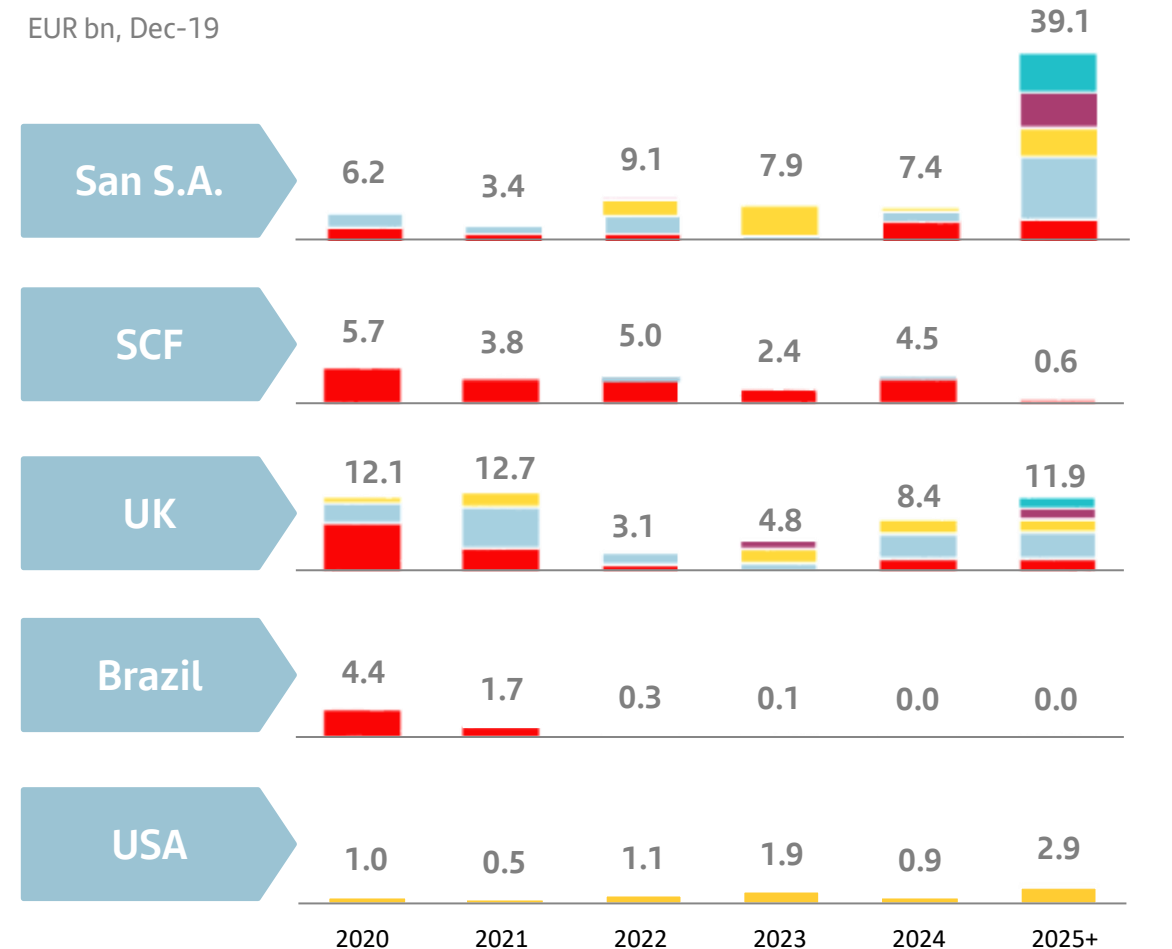
Public market issuances in 2019

EUR bn, Dec-19



Maturity profile

EUR bn, Dec-19



■ Senior Debt ■ Covered bond ■ Senior TLAC ■ Subordinated ■ Preferred stock



(1) Data include public issuances from all units with period-average exchange rates. Excludes securitisations
 (2) Other public market issuances in Brazil, Chile, Mexico and Poland

2020-2021 issuance funding plan by main issuers

EUR bn	2020				2021			
	Snr Preferred + Covered Bonds	Snr Non-Preferred	Hybrids	Total	Snr Preferred + Covered Bonds	Snr Non-Preferred	Hybrids	Total
Santander S.A.	4-5	7-8	1-2	12-15	4-5	4-5	1-2	9-12
SCF	6-8			6-8	7-9			7-9
Santander UK	6-8	2-3		8-11	8-10	2-3		10-13
SHUSA		1-2		1-2		1-2		1-2
Total	16-21	10-13	1-2	27-36	19-24	7-10	1-2	27-36
		Maturities:		32.7		Maturities:		24.3

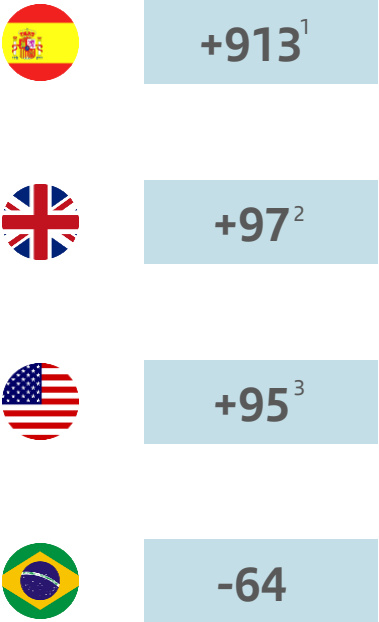
Funding plan for Banco Santander S.A. contemplates the following:

- Build up the stock of TLAC in order to manage increasing requirements
- Pre-finance 2017 issuances which lose TLAC eligibility in 2021
- Continue fulfilling the 1.5% AT1 and 2% T2 buffers subject to RWA growth
- This issuance plan contemplates full repayment of TLTRO maturities

We actively manage interest rate risk and our ALCO portfolios to optimise results while maintaining an appropriate risk profile

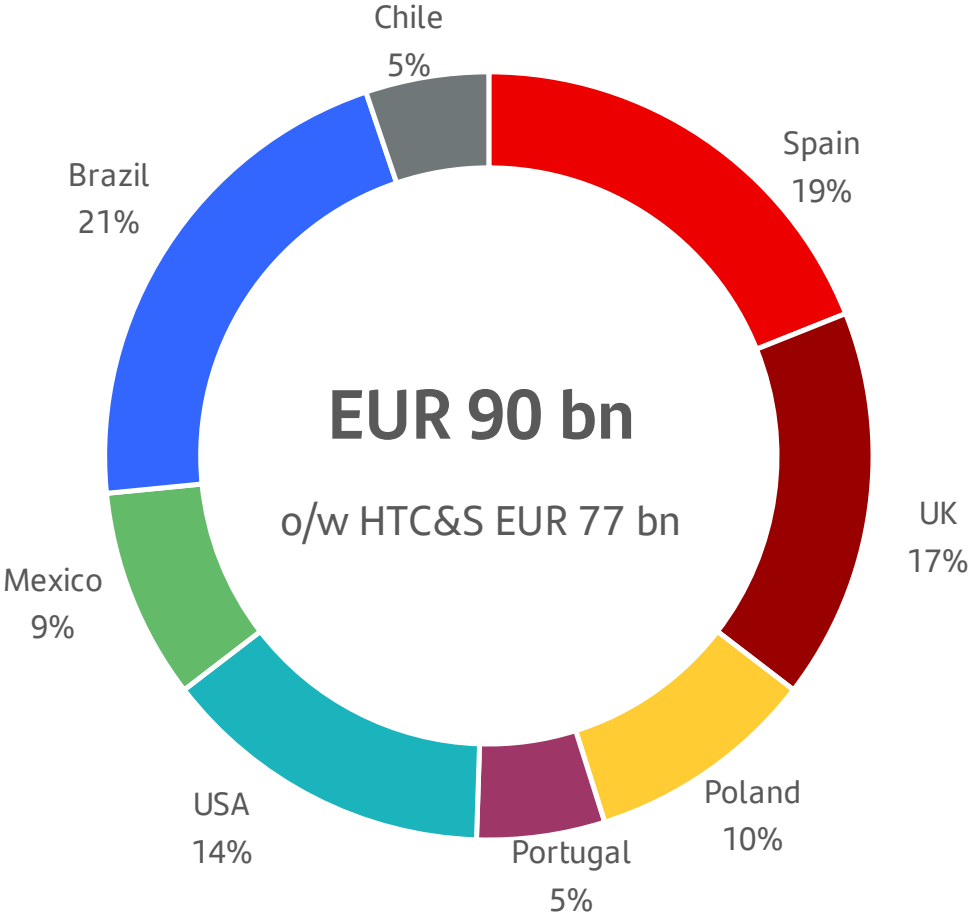
Mostly positive interest rate sensitivity in Europe

Net interest income sensitivity to a +100 bp parallel shift
 EUR mn, Nov-19



ALCO portfolios reflect our geographic diversification

Distribution of ALCO portfolios by country
 %, Dec-19



Santander (1) Parent bank
 (2) Ring-fenced bank
 (3) SBNA

Appendix

Net capital gains and provisions

Primary segments

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Balance sheet and capital management

Yield on loans and cost of deposits

NPL and coverage ratios and cost of credit

Responsible Banking

Quarterly income statements

Yield on loans (%)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
EUROPE	2.79	2.78	2.78	2.78	2.78	2.76	2.71	2.68
Spain	2.00	2.00	2.03	2.05	2.06	2.08	2.02	2.01
Santander Consumer Finance	4.60	4.55	4.51	4.45	4.51	4.48	4.41	4.26
United Kingdom	2.82	2.79	2.80	2.80	2.72	2.68	2.64	2.59
Portugal	1.86	1.81	1.74	1.83	1.79	1.76	1.70	1.64
Poland	4.18	4.13	4.10	4.07	4.14	4.15	4.17	4.17
NORTH AMERICA	9.25	9.45	9.31	10.16	9.81	9.72	9.48	9.25
US	8.13	8.35	8.08	9.26	8.69	8.54	8.30	8.01
Mexico	12.09	12.35	12.49	12.66	12.74	12.82	12.67	12.64
SOUTH AMERICA	13.18	13.06	12.33	13.29	12.56	13.36	12.31	12.26
Brazil	15.64	16.08	15.62	15.73	15.80	15.80	15.30	14.47
Chile	7.52	7.53	7.35	7.43	5.98	8.44	6.93	7.39
Argentina	18.65	19.03	20.57	24.54	24.23	23.99	23.95	26.26

Cost of deposits (%)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
EUROPE	0.48	0.47	0.44	0.43	0.42	0.43	0.41	0.41
Spain	0.34	0.29	0.22	0.19	0.14	0.14	0.13	0.13
Santander Consumer Finance	0.65	0.61	0.60	0.59	0.60	0.60	0.60	0.58
United Kingdom	0.64	0.64	0.64	0.68	0.68	0.70	0.70	0.69
Portugal	0.18	0.18	0.15	0.18	0.14	0.12	0.11	0.10
Poland	0.68	0.78	0.83	0.89	0.89	0.89	0.78	0.74
NORTH AMERICA	1.46	1.55	1.68	1.70	1.94	1.93	1.99	1.75
US	0.48	0.59	0.69	0.78	0.95	0.88	0.67	0.86
Mexico	3.48	3.57	3.64	3.66	3.95	4.09	4.13	3.68
SOUTH AMERICA	3.66	3.78	3.67	4.35	4.19	4.43	3.82	3.41
Brazil	5.02	4.44	4.66	4.57	4.71	4.72	4.57	3.71
Chile	1.78	1.73	1.75	1.84	1.62	2.01	1.63	1.47
Argentina	5.25	6.32	7.79	11.25	9.92	11.08	10.87	12.29

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Coverage ratio by stage

EUR bn	Exposure ¹	Coverage	
	Dec-19	Dec-19	Dec-18
Stage 1	898	0.5%	0.5%
Stage 2	53	8.7%	9.2%
Stage 3	34	41.7%	42.4%

NPL ratio (%)

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
EUROPE	4.08	3.97	3.90	3.67	3.61	3.48	3.47	3.25
Spain	7.74	7.62	7.55	7.32	7.29	7.02	7.23	6.94
Santander Consumer Finance	2.48	2.44	2.45	2.29	2.33	2.24	2.25	2.30
United Kingdom	1.17	1.13	1.12	1.08	1.17	1.13	1.08	1.01
Portugal	8.29	7.55	7.43	5.94	5.77	5.00	4.90	4.83
Poland	4.77	4.58	4.23	4.28	4.39	4.21	4.35	4.31
NORTH AMERICA	2.80	2.82	2.83	2.79	2.33	2.29	2.21	2.20
US	2.86	2.91	3.00	2.92	2.41	2.32	2.18	2.20
Mexico	2.68	2.58	2.41	2.43	2.12	2.21	2.30	2.19
SOUTH AMERICA	4.83	4.82	4.83	4.81	4.83	4.81	4.81	4.86
Brazil	5.26	5.26	5.26	5.25	5.26	5.27	5.33	5.32
Chile	5.00	4.86	4.78	4.66	4.67	4.52	4.48	4.64
Argentina	2.54	2.40	2.47	3.17	3.50	3.79	3.64	3.39
TOTAL GROUP	4.02	3.92	3.87	3.73	3.62	3.51	3.47	3.32

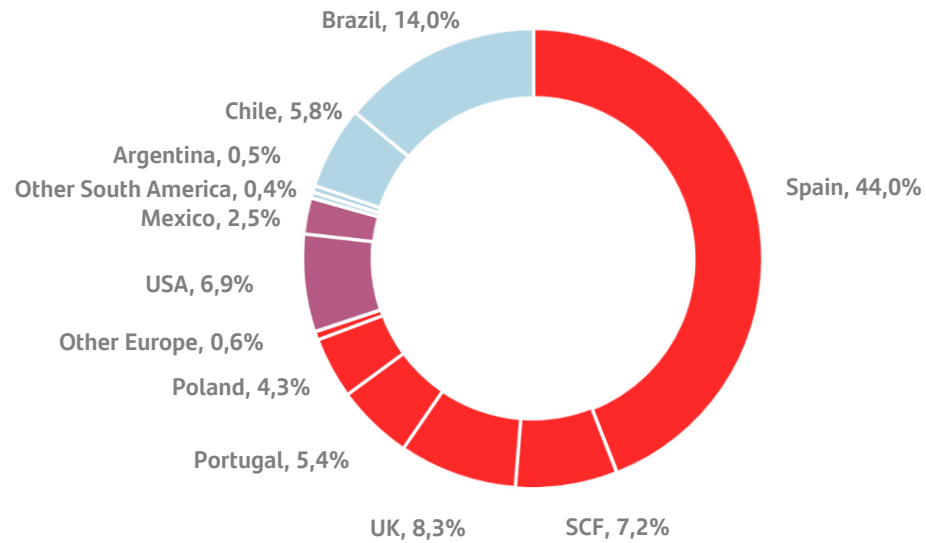
Coverage ratio (%)

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
EUROPE	54.4	52.9	52.1	50.1	49.5	49.9	48.2	49.8
Spain	49.8	47.5	46.4	43.7	43.3	42.9	40.6	41.1
Santander Consumer Finance	107.2	107.7	106.4	106.4	105.3	105.9	104.2	106.1
United Kingdom	34.4	33.8	33.0	32.9	30.9	31.9	34.1	36.5
Portugal	53.9	52.7	53.4	50.5	50.7	52.9	51.5	52.8
Poland	72.0	72.1	71.6	67.1	67.6	69.7	69.0	66.8
NORTH AMERICA	153.5	146.5	139.4	137.4	153.4	150.3	155.6	153.0
US	169.1	156.9	145.5	142.8	161.0	158.4	166.6	161.8
Mexico	113.5	116.1	120.5	119.7	130.1	126.9	125.2	128.3
SOUTH AMERICA	96.5	94.4	94.1	94.6	94.1	93.0	89.7	88.4
Brazil	110.4	108.7	109.1	106.9	107.7	105.5	101.1	99.8
Chile	61.0	60.0	59.6	60.6	59.7	59.1	57.3	56.0
Argentina	121.3	121.5	124.0	135.0	118.6	126.4	134.0	124.0
TOTAL GROUP	70.0	68.6	67.9	67.4	67.8	68.1	67.3	67.9

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

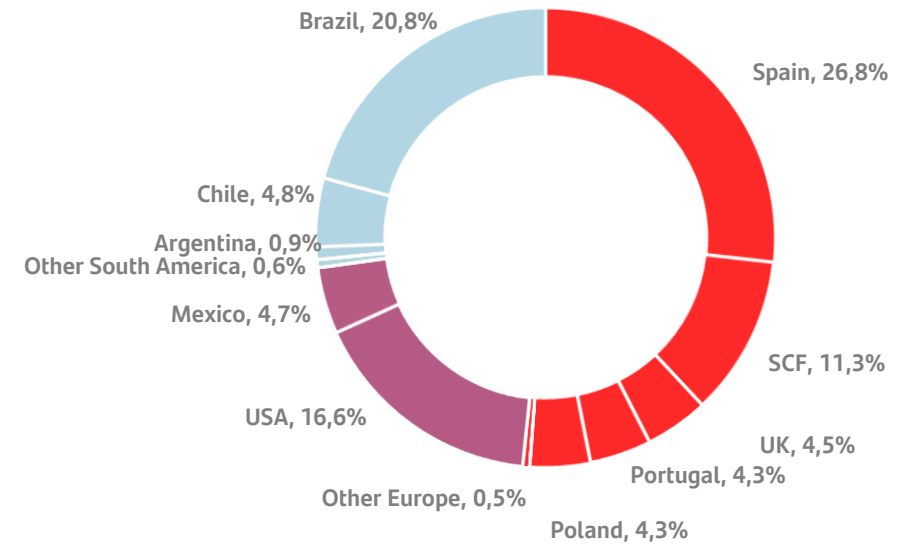
Non-performing loans

100%: EUR 33,799 mn



Loan-loss allowances

100%: EUR 22,965 mn



Cost of credit (%)

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
EUROPE	0.24	0.25	0.26	0.24	0.24	0.24	0.25	0.28
Spain	0.35	0.36	0.41	0.38	0.40	0.41	0.41	0.43
Santander Consumer Finance	0.36	0.37	0.40	0.38	0.38	0.36	0.38	0.48
United Kingdom	0.11	0.10	0.09	0.07	0.07	0.06	0.08	0.10
Portugal	0.08	0.10	0.03	0.09	0.03	0.03	0.00	(0.02)
Poland	0.69	0.71	0.69	0.65	0.61	0.66	0.71	0.72
NORTH AMERICA	3.22	2.96	2.92	3.12	2.97	2.95	2.93	2.76
US	3.29	3.02	3.00	3.27	3.11	3.09	3.09	2.85
Mexico	2.95	2.78	2.72	2.75	2.62	2.61	2.55	2.49
SOUTH AMERICA	3.15	3.10	3.00	2.99	2.89	2.87	2.90	2.92
Brazil	4.35	4.30	4.17	4.06	3.88	3.84	3.85	3.93
Chile	1.22	1.18	1.18	1.19	1.13	1.10	1.06	1.08
Argentina	2.06	2.47	2.92	3.45	4.02	4.33	4.86	5.09
TOTAL GROUP	1.04	0.99	0.98	1.00	0.97	0.98	1.00	1.00

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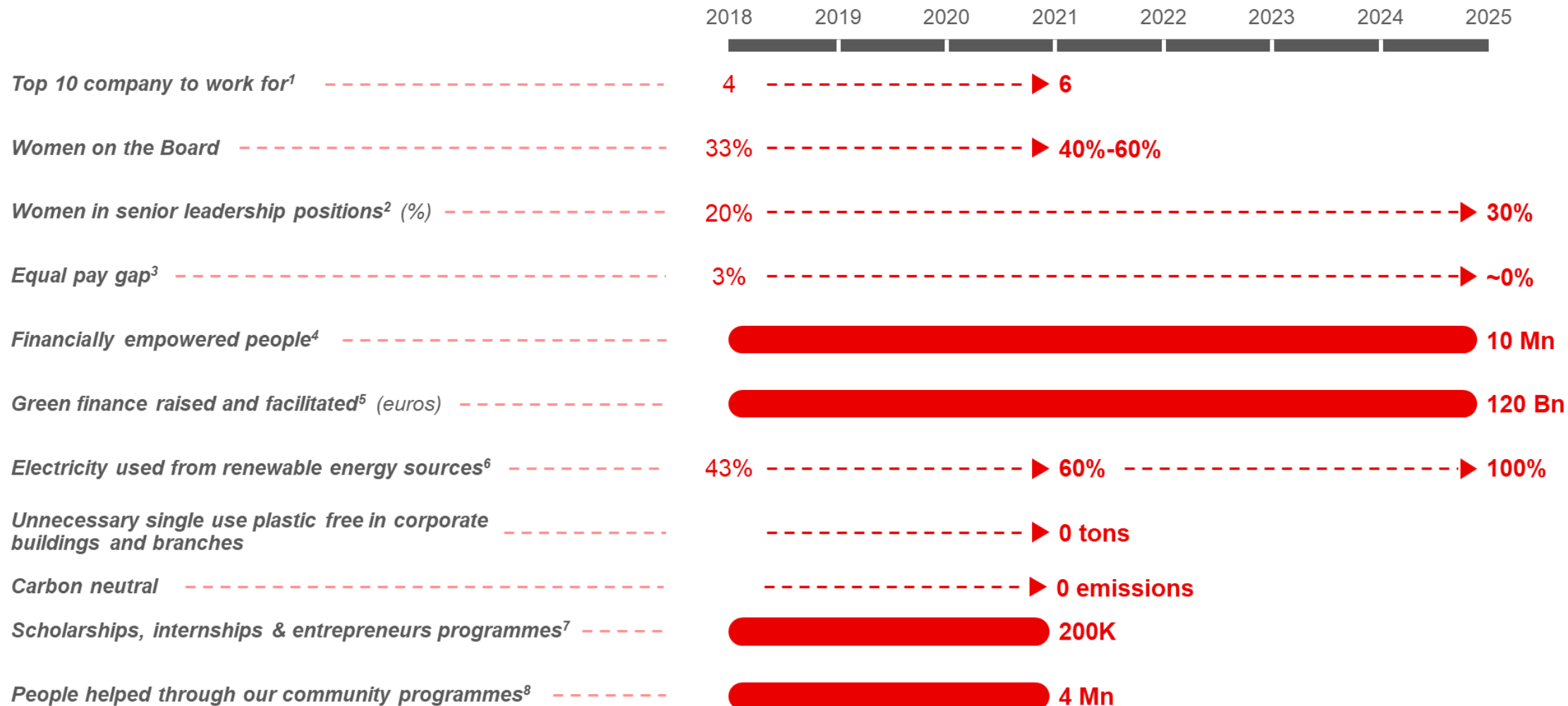
Responsible Banking

Quarterly income statements

Santander Responsible banking

We are building a more responsible bank aligned with our commitments

---▶ From...To....
 Cumulative target



(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

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Santander Group (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	8,454	8,477	8,349	9,061	8,682	8,954	8,806	8,841	34,341	35,283
Net fee income	2,955	2,934	2,640	2,956	2,931	2,932	2,955	2,961	11,485	11,779
Gains (losses) on financial transactions and other	742	600	731	525	472	465	705	790	2,598	2,432
Total income	12,151	12,011	11,720	12,542	12,085	12,351	12,466	12,592	48,424	49,494
Operating expenses	(5,764)	(5,718)	(5,361)	(5,936)	(5,758)	(5,829)	(5,722)	(5,971)	(22,779)	(23,280)
Net operating income	6,387	6,293	6,359	6,606	6,327	6,522	6,744	6,621	25,645	26,214
Net loan-loss provisions	(2,282)	(2,015)	(2,121)	(2,455)	(2,172)	(2,141)	(2,435)	(2,573)	(8,873)	(9,321)
Other gains (losses) and provisions	(416)	(487)	(488)	(605)	(471)	(486)	(465)	(542)	(1,996)	(1,964)
Underlying profit before tax	3,689	3,791	3,750	3,546	3,684	3,895	3,844	3,506	14,776	14,929
Underlying consolidated profit	2,409	2,412	2,356	2,369	2,358	2,542	2,529	2,397	9,546	9,826
Underlying attributable profit	2,054	1,998	1,990	2,022	1,948	2,097	2,135	2,072	8,064	8,252
Net capital gains and provisions*	—	(300)	—	46	(108)	(706)	(1,634)	711	(254)	(1,737)
Attributable profit	2,054	1,698	1,990	2,068	1,840	1,391	501	2,783	7,810	6,515

(*) Including: in Q2'18, costs associated to integrations (mainly restructuring costs), net of tax impacts, in Spain, the Corporate Centre and Portugal
in Q4'18, badwill in Poland for the integration of Deutsche Bank Polska's retail and SMEs businesses
in Q1'19, capital gains from Prisma, capital losses due to property sales and restructuring costs
in Q2'19, restructuring costs in Spain and the UK and PPI
in Q3,19, restructuring costs in the UK and Poland, PPI, deterioration of goodwill ascribed to the UK and impact of devaluation of the ARS on the capital gain from Prisma registered in Q1'19
in Q4'19, net capital gains related to the agreement with Crédit Agricole S.A. to integrate the custody businesses, net positive results related to tax reform in Brazil, net capital losses related to real estate stakes (Spain), restructuring costs, provisions related to intangible assets and other

Santander Group (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	8,205	8,356	8,631	8,894	8,548	8,854	8,920	8,960	34,086	35,283
Net fee income	2,809	2,849	2,762	2,837	2,869	2,894	3,004	3,012	11,258	11,779
Gains (losses) on financial transactions and other	730	572	787	546	471	474	699	787	2,635	2,432
Total income	11,744	11,778	12,179	12,277	11,888	12,223	12,624	12,759	47,978	49,494
Operating expenses	(5,590)	(5,617)	(5,560)	(5,755)	(5,665)	(5,758)	(5,821)	(6,036)	(22,522)	(23,280)
Net operating income	6,154	6,161	6,619	6,522	6,223	6,465	6,803	6,723	25,456	26,214
Net loan-loss provisions	(2,233)	(1,982)	(2,213)	(2,424)	(2,136)	(2,120)	(2,460)	(2,606)	(8,852)	(9,321)
Other gains (losses) and provisions	(394)	(463)	(515)	(601)	(461)	(487)	(468)	(548)	(1,973)	(1,964)
Underlying profit before tax	3,527	3,716	3,890	3,497	3,626	3,858	3,875	3,570	14,631	14,929
Underlying consolidated profit	2,309	2,367	2,455	2,351	2,326	2,516	2,549	2,436	9,483	9,826
Underlying attributable profit	1,959	1,950	2,084	2,005	1,919	2,072	2,155	2,105	7,998	8,252
Net capital gains and provisions*	—	(300)	—	46	(152)	(704)	(1,603)	722	(254)	(1,737)
Attributable profit	1,959	1,650	2,084	2,050	1,768	1,369	552	2,827	7,744	6,515

(*) Including: in Q2'18, costs associated to integrations (mainly restructuring costs), net of tax impacts, in Spain, the Corporate Centre and Portugal
in Q4'18, badwill in Poland for the integration of Deutsche Bank Polska's retail and SMEs businesses
in Q1'19, capital gains from Prisma, capital losses due to property sales and restructuring costs
in Q2'19, restructuring costs in Spain and the UK and PPI
in Q3,19, restructuring costs in the UK and Poland, PPI, deterioration of goodwill ascribed to the UK and impact of devaluation of the ARS on the capital gain from Prisma registered in Q1'19
in Q4'19, net capital gains related to the agreement with Crédit Agricole S.A. to integrate the custody businesses, net positive results related to tax reform in Brazil, net capital losses related to real estate stakes (Spain), restructuring costs, provisions related to intangible assets and other

Europe (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	3,502	3,508	3,562	3,631	3,561	3,580	3,530	3,531	14,204	14,201
Net fee income	1,372	1,382	1,354	1,327	1,327	1,304	1,310	1,319	5,435	5,260
Gains (losses) on financial transactions and other	477	282	503	355	337	304	455	443	1,618	1,540
Total income	5,352	5,173	5,419	5,314	5,225	5,188	5,295	5,292	21,257	21,001
Operating expenses	(2,841)	(2,825)	(2,735)	(2,764)	(2,802)	(2,789)	(2,719)	(2,733)	(11,165)	(11,044)
Net operating income	2,510	2,348	2,684	2,550	2,423	2,399	2,576	2,559	10,091	9,957
Net loan-loss provisions	(457)	(403)	(406)	(306)	(457)	(387)	(497)	(498)	(1,572)	(1,839)
Other gains (losses) and provisions	(195)	(194)	(205)	(435)	(198)	(231)	(130)	(209)	(1,028)	(768)
Underlying profit before tax	1,859	1,751	2,072	1,809	1,768	1,781	1,949	1,852	7,491	7,350
Underlying consolidated profit	1,359	1,276	1,498	1,339	1,276	1,306	1,418	1,370	5,472	5,371
Underlying attributable profit	1,260	1,162	1,384	1,242	1,163	1,191	1,286	1,238	5,048	4,878

Europe (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	3,500	3,501	3,577	3,639	3,555	3,574	3,559	3,514	14,216	14,201
Net fee income	1,372	1,382	1,358	1,330	1,326	1,303	1,317	1,314	5,442	5,260
Gains (losses) on financial transactions and other	480	282	505	357	338	304	456	443	1,623	1,540
Total income	5,351	5,164	5,440	5,325	5,218	5,181	5,331	5,271	21,281	21,001
Operating expenses	(2,844)	(2,823)	(2,748)	(2,771)	(2,798)	(2,785)	(2,740)	(2,720)	(11,185)	(11,044)
Net operating income	2,508	2,342	2,692	2,554	2,420	2,396	2,591	2,551	10,096	9,957
Net loan-loss provisions	(455)	(403)	(406)	(308)	(456)	(387)	(498)	(497)	(1,572)	(1,839)
Other gains (losses) and provisions	(195)	(193)	(206)	(435)	(198)	(231)	(132)	(208)	(1,029)	(768)
Underlying profit before tax	1,858	1,746	2,080	1,811	1,766	1,777	1,961	1,846	7,494	7,350
Underlying consolidated profit	1,358	1,271	1,503	1,341	1,275	1,303	1,428	1,365	5,473	5,371
Underlying attributable profit	1,259	1,158	1,389	1,244	1,161	1,188	1,295	1,234	5,051	4,878

Spain (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	969	1,026	1,044	1,054	1,009	1,009	967	934	4,093	3,919
Net fee income	669	671	651	633	623	624	614	620	2,624	2,481
Gains (losses) on financial transactions and other	247	163	370	117	224	216	408	258	898	1,107
Total income	1,885	1,860	2,065	1,804	1,857	1,849	1,989	1,811	7,615	7,506
Operating expenses	(1,112)	(1,093)	(1,065)	(1,068)	(1,025)	(1,020)	(999)	(977)	(4,338)	(4,021)
Net operating income	773	767	1,000	737	832	829	990	834	3,277	3,485
Net loan-loss provisions	(217)	(220)	(213)	(140)	(242)	(228)	(210)	(176)	(789)	(856)
Other gains (losses) and provisions	(131)	(102)	(132)	(60)	(112)	(143)	(100)	(100)	(425)	(455)
Underlying profit before tax	425	446	655	537	478	458	681	557	2,063	2,174
Underlying consolidated profit	326	335	486	408	356	338	491	400	1,555	1,585
Underlying attributable profit	326	335	486	408	356	338	491	400	1,554	1,585

Santander Consumer Finance (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	915	928	937	943	941	971	977	960	3,723	3,848
Net fee income	215	188	206	189	214	201	213	195	798	823
Gains (losses) on financial transactions and other	10	10	13	56	13	(18)	14	30	90	39
Total income	1,140	1,126	1,157	1,187	1,167	1,154	1,203	1,185	4,610	4,710
Operating expenses	(510)	(508)	(476)	(495)	(508)	(527)	(504)	(499)	(1,989)	(2,038)
Net operating income	630	618	681	692	659	627	699	686	2,622	2,672
Net loan-loss provisions	(120)	(69)	(124)	(47)	(122)	(59)	(147)	(148)	(360)	(477)
Other gains (losses) and provisions	24	13	5	(166)	24	(12)	42	(33)	(125)	20
Underlying profit before tax	534	562	561	479	561	556	594	504	2,137	2,215
Underlying consolidated profit	388	411	405	357	402	401	420	394	1,561	1,618
Underlying attributable profit	322	345	331	295	324	334	338	319	1,293	1,314

Santander Consumer Finance (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	910	923	933	940	940	968	977	964	3,706	3,848
Net fee income	214	188	206	189	214	201	213	195	797	823
Gains (losses) on financial transactions and other	10	10	14	56	13	(18)	14	30	90	39
Total income	1,134	1,121	1,153	1,184	1,166	1,151	1,204	1,189	4,592	4,710
Operating expenses	(508)	(506)	(474)	(494)	(508)	(526)	(504)	(501)	(1,981)	(2,038)
Net operating income	627	615	678	690	658	626	699	688	2,611	2,672
Net loan-loss provisions	(120)	(70)	(123)	(48)	(121)	(60)	(147)	(149)	(360)	(477)
Other gains (losses) and provisions	24	13	5	(166)	24	(12)	42	(33)	(124)	20
Underlying profit before tax	531	558	560	477	561	554	595	506	2,126	2,215
Underlying consolidated profit	386	408	404	356	402	399	420	396	1,553	1,618
Underlying attributable profit	320	342	330	293	324	332	338	320	1,286	1,314

United Kingdom (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	1,023	1,029	1,016	1,011	975	944	908	961	4,078	3,788
Net fee income	219	240	230	224	216	207	217	226	912	866
Gains (losses) on financial transactions and other	29	50	55	8	15	32	(5)	33	142	74
Total income	1,270	1,319	1,300	1,242	1,206	1,183	1,119	1,220	5,132	4,727
Operating expenses	(725)	(715)	(697)	(700)	(739)	(703)	(681)	(712)	(2,837)	(2,835)
Net operating income	545	605	603	542	467	479	438	508	2,295	1,892
Net loan-loss provisions	(66)	(36)	(26)	(43)	(61)	(19)	(77)	(96)	(171)	(253)
Other gains (losses) and provisions	(59)	(44)	(63)	(155)	(50)	(25)	(43)	(66)	(321)	(184)
Underlying profit before tax	420	524	514	344	357	435	318	345	1,803	1,455
Underlying consolidated profit	297	382	364	254	260	333	252	255	1,296	1,100
Underlying attributable profit	290	375	358	249	254	327	246	249	1,272	1,077

United Kingdom (GBP mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	904	901	907	896	850	825	820	827	3,608	3,322
Net fee income	193	210	205	198	189	181	195	194	807	759
Gains (losses) on financial transactions and other	25	44	49	7	13	28	(4)	29	125	65
Total income	1,122	1,156	1,160	1,101	1,052	1,034	1,011	1,050	4,540	4,146
Operating expenses	(641)	(626)	(622)	(620)	(644)	(615)	(615)	(612)	(2,510)	(2,487)
Net operating income	481	530	538	481	407	419	396	437	2,030	1,659
Net loan-loss provisions	(58)	(32)	(24)	(38)	(53)	(17)	(68)	(83)	(152)	(222)
Other gains (losses) and provisions	(52)	(39)	(56)	(137)	(43)	(22)	(39)	(58)	(284)	(161)
Underlying profit before tax	371	460	458	306	311	380	288	296	1,595	1,276
Underlying consolidated profit	262	335	325	225	227	291	228	219	1,147	965
Underlying attributable profit	257	328	319	221	222	286	223	214	1,125	945

Portugal (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	222	213	211	211	216	213	214	213	858	856
Net fee income	98	91	92	96	98	99	96	98	377	390
Gains (losses) on financial transactions and other	22	42	20	26	44	42	22	21	110	129
Total income	341	346	323	334	357	354	331	332	1,344	1,375
Operating expenses	(159)	(165)	(157)	(162)	(157)	(154)	(155)	(156)	(644)	(623)
Net operating income	182	181	165	171	200	200	176	175	700	751
Net loan-loss provisions	(8)	(0)	(11)	(12)	13	(1)	(0)	(4)	(32)	8
Other gains (losses) and provisions	(9)	(22)	13	36	(20)	(13)	2	21	18	(9)
Underlying profit before tax	166	159	166	195	193	186	178	192	686	750
Underlying consolidated profit	127	103	115	136	135	126	125	140	481	527
Underlying attributable profit	127	103	114	136	135	125	125	140	479	525

Poland (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	247	240	243	265	281	284	298	307	996	1,171
Net fee income	112	114	111	115	113	117	119	117	453	467
Gains (losses) on financial transactions and other	(26)	44	13	10	(18)	39	24	34	40	80
Total income	333	398	367	390	377	440	442	459	1,488	1,717
Operating expenses	(154)	(163)	(157)	(165)	(173)	(176)	(175)	(169)	(640)	(693)
Net operating income	178	236	210	224	204	263	267	290	848	1,024
Net loan-loss provisions	(46)	(41)	(33)	(41)	(43)	(64)	(59)	(51)	(161)	(217)
Other gains (losses) and provisions	(13)	(34)	(26)	(61)	(34)	(34)	(24)	(34)	(135)	(127)
Underlying profit before tax	119	160	151	122	127	166	183	205	552	681
Underlying consolidated profit	89	131	114	88	89	130	139	153	422	511
Underlying attributable profit	63	92	80	61	61	89	95	104	296	349

Poland (PLN mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	1,031	1,025	1,047	1,139	1,209	1,216	1,288	1,317	4,242	5,030
Net fee income	469	487	478	493	488	499	514	504	1,928	2,005
Gains (losses) on financial transactions and other	(110)	183	54	41	(76)	168	104	147	168	343
Total income	1,390	1,695	1,579	1,674	1,622	1,883	1,906	1,968	6,338	7,379
Operating expenses	(646)	(693)	(676)	(710)	(745)	(755)	(754)	(726)	(2,725)	(2,979)
Net operating income	745	1,002	904	963	877	1,128	1,152	1,242	3,613	4,399
Net loan-loss provisions	(191)	(175)	(143)	(177)	(186)	(272)	(256)	(217)	(687)	(931)
Other gains (losses) and provisions	(55)	(146)	(113)	(261)	(145)	(146)	(106)	(147)	(575)	(544)
Underlying profit before tax	499	681	648	525	546	710	791	878	2,352	2,925
Underlying consolidated profit	371	557	489	379	385	556	600	655	1,796	2,195
Underlying attributable profit	262	391	344	263	264	379	409	446	1,259	1,498

Other Europe (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	127	71	111	147	139	159	166	155	456	620
Net fee income	60	77	64	71	62	56	52	63	272	234
Gains (losses) on financial transactions and other	196	(27)	32	139	60	(7)	(8)	68	340	112
Total income	382	122	207	357	261	209	211	286	1,068	966
Operating expenses	(181)	(181)	(182)	(174)	(200)	(208)	(205)	(219)	(718)	(833)
Net operating income	202	(59)	24	183	61	0	5	66	350	133
Net loan-loss provisions	0	(36)	1	(24)	(2)	(16)	(3)	(23)	(59)	(44)
Other gains (losses) and provisions	(7)	(4)	(0)	(28)	(7)	(4)	(7)	4	(40)	(14)
Underlying profit before tax	194	(99)	25	131	52	(19)	(5)	48	251	76
Underlying consolidated profit	132	(86)	15	96	33	(21)	(8)	27	157	31
Underlying attributable profit	132	(87)	15	94	32	(22)	(8)	26	154	28

Other Europe (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	129	72	111	147	139	159	166	155	459	620
Net fee income	62	78	65	71	62	57	52	63	276	234
Gains (losses) on financial transactions and other	197	(26)	33	140	60	(7)	(8)	67	344	112
Total income	388	124	209	358	262	209	210	285	1,079	966
Operating expenses	(184)	(184)	(184)	(175)	(200)	(208)	(205)	(219)	(727)	(833)
Net operating income	204	(59)	25	183	61	1	5	66	353	133
Net loan-loss provisions	(0)	(36)	1	(24)	(2)	(16)	(3)	(23)	(59)	(44)
Other gains (losses) and provisions	(8)	(4)	(0)	(28)	(7)	(4)	(7)	4	(40)	(14)
Underlying profit before tax	196	(99)	26	131	53	(19)	(5)	48	253	76
Underlying consolidated profit	134	(86)	15	96	34	(21)	(8)	27	159	31
Underlying attributable profit	133	(87)	16	94	32	(22)	(8)	26	156	28

North America (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	1,869	1,933	2,065	2,286	2,173	2,230	2,259	2,265	8,154	8,926
Net fee income	402	408	407	399	439	463	448	427	1,615	1,776
Gains (losses) on financial transactions and other	138	197	194	178	142	226	277	257	707	902
Total income	2,409	2,538	2,666	2,863	2,753	2,918	2,983	2,949	10,476	11,604
Operating expenses	(1,078)	(1,103)	(1,134)	(1,173)	(1,172)	(1,214)	(1,267)	(1,314)	(4,488)	(4,968)
Net operating income	1,331	1,435	1,532	1,690	1,581	1,705	1,716	1,634	5,988	6,636
Net loan-loss provisions	(779)	(634)	(876)	(1,159)	(804)	(793)	(1,009)	(1,050)	(3,449)	(3,656)
Other gains (losses) and provisions	(26)	(62)	(74)	(40)	(64)	(31)	(79)	(31)	(202)	(205)
Underlying profit before tax	526	739	581	491	713	881	628	554	2,337	2,776
Underlying consolidated profit	397	535	423	383	526	664	481	422	1,738	2,092
Underlying attributable profit	298	393	318	296	386	503	388	389	1,304	1,667

North America (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	2,034	2,063	2,136	2,359	2,203	2,234	2,250	2,240	8,592	8,926
Net fee income	435	436	419	411	444	463	446	422	1,701	1,776
Gains (losses) on financial transactions and other	152	210	201	182	144	227	276	255	745	902
Total income	2,621	2,708	2,756	2,953	2,791	2,924	2,972	2,917	11,038	11,604
Operating expenses	(1,174)	(1,176)	(1,171)	(1,208)	(1,188)	(1,216)	(1,262)	(1,301)	(4,729)	(4,968)
Net operating income	1,447	1,532	1,585	1,745	1,603	1,708	1,709	1,616	6,309	6,636
Net loan-loss provisions	(850)	(674)	(910)	(1,201)	(815)	(795)	(1,006)	(1,040)	(3,634)	(3,656)
Other gains (losses) and provisions	(28)	(66)	(78)	(41)	(65)	(31)	(79)	(30)	(213)	(205)
Underlying profit before tax	569	792	596	504	723	883	625	545	2,462	2,776
Underlying consolidated profit	430	573	434	394	533	665	479	416	1,831	2,092
Underlying attributable profit	322	421	326	305	392	504	387	384	1,374	1,667

United States (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	1,221	1,281	1,337	1,553	1,407	1,453	1,460	1,449	5,391	5,769
Net fee income	214	219	208	217	234	244	238	230	859	947
Gains (losses) on financial transactions and other	143	170	190	196	174	222	278	215	699	889
Total income	1,578	1,670	1,735	1,967	1,815	1,920	1,977	1,894	6,949	7,605
Operating expenses	(736)	(738)	(749)	(796)	(775)	(805)	(847)	(869)	(3,019)	(3,297)
Net operating income	842	931	986	1,171	1,039	1,115	1,130	1,025	3,930	4,309
Net loan-loss provisions	(579)	(445)	(649)	(945)	(611)	(568)	(786)	(828)	(2,618)	(2,792)
Other gains (losses) and provisions	(23)	(50)	(69)	(57)	(58)	(26)	(76)	(39)	(199)	(200)
Underlying profit before tax	240	436	268	169	370	521	267	158	1,113	1,317
Underlying consolidated profit	173	297	174	122	260	383	196	109	767	947
Underlying attributable profit	124	209	124	91	181	284	154	98	549	717

United States (USD mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	1,500	1,526	1,555	1,780	1,598	1,633	1,623	1,604	6,361	6,457
Net fee income	263	261	241	248	266	275	264	255	1,013	1,059
Gains (losses) on financial transactions and other	176	203	222	225	197	250	310	238	825	996
Total income	1,940	1,990	2,018	2,252	2,061	2,158	2,198	2,096	8,199	8,513
Operating expenses	(905)	(879)	(869)	(908)	(881)	(905)	(942)	(963)	(3,562)	(3,690)
Net operating income	1,035	1,111	1,148	1,344	1,180	1,253	1,256	1,134	4,637	4,823
Net loan-loss provisions	(712)	(528)	(758)	(1,092)	(694)	(637)	(876)	(918)	(3,089)	(3,126)
Other gains (losses) and provisions	(28)	(60)	(81)	(65)	(66)	(29)	(85)	(43)	(235)	(223)
Underlying profit before tax	295	523	308	187	420	586	295	172	1,313	1,474
Underlying consolidated profit	213	356	200	135	295	431	216	118	905	1,060
Underlying attributable profit	153	251	143	101	206	319	170	107	648	803

Mexico (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	649	653	728	733	766	777	798	816	2,763	3,157
Net fee income	187	188	199	181	204	218	210	197	756	829
Gains (losses) on financial transactions and other	(5)	27	3	(18)	(32)	4	(1)	42	8	13
Total income	831	868	931	897	939	999	1,007	1,054	3,527	3,998
Operating expenses	(342)	(364)	(385)	(378)	(397)	(409)	(420)	(445)	(1,469)	(1,671)
Net operating income	489	504	546	519	542	590	586	609	2,058	2,327
Net loan-loss provisions	(200)	(189)	(227)	(215)	(193)	(225)	(223)	(222)	(830)	(863)
Other gains (losses) and provisions	(3)	(12)	(5)	17	(6)	(5)	(3)	8	(3)	(5)
Underlying profit before tax	286	303	313	321	343	360	361	395	1,224	1,459
Underlying consolidated profit	224	237	249	261	266	280	286	313	971	1,145
Underlying attributable profit	173	183	194	205	205	219	234	291	755	950

Mexico (MXN mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	14,945	15,080	16,086	16,573	16,703	16,694	17,231	17,393	62,685	68,021
Net fee income	4,312	4,355	4,390	4,098	4,455	4,695	4,535	4,188	17,153	17,873
Gains (losses) on financial transactions and other	(114)	623	71	(407)	(687)	83	(31)	906	173	270
Total income	19,143	20,058	20,546	20,264	20,471	21,471	21,735	22,487	80,011	86,164
Operating expenses	(7,870)	(8,418)	(8,504)	(8,534)	(8,655)	(8,786)	(9,076)	(9,501)	(33,326)	(36,017)
Net operating income	11,273	11,640	12,043	11,730	11,816	12,685	12,659	12,987	46,685	50,146
Net loan-loss provisions	(4,610)	(4,357)	(5,020)	(4,853)	(4,211)	(4,850)	(4,813)	(4,725)	(18,840)	(18,599)
Other gains (losses) and provisions	(72)	(272)	(115)	383	(120)	(105)	(59)	175	(77)	(110)
Underlying profit before tax	6,591	7,011	6,908	7,259	7,485	7,729	7,787	8,437	27,769	31,438
Underlying consolidated profit	5,155	5,484	5,491	5,892	5,804	6,028	6,167	6,682	22,021	24,681
Underlying attributable profit	3,995	4,233	4,281	4,626	4,472	4,713	5,059	6,219	17,135	20,462

South America (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	3,298	3,259	2,952	3,382	3,222	3,425	3,314	3,356	12,891	13,316
Net fee income	1,189	1,151	903	1,254	1,178	1,178	1,204	1,228	4,497	4,787
Gains (losses) on financial transactions and other	123	131	28	4	88	45	59	130	286	322
Total income	4,610	4,541	3,883	4,640	4,487	4,647	4,577	4,714	17,674	18,425
Operating expenses	(1,716)	(1,645)	(1,353)	(1,843)	(1,645)	(1,664)	(1,586)	(1,762)	(6,558)	(6,656)
Net operating income	2,894	2,896	2,530	2,797	2,842	2,984	2,991	2,953	11,117	11,769
Net loan-loss provisions	(1,010)	(948)	(810)	(968)	(903)	(956)	(916)	(1,015)	(3,736)	(3,789)
Other gains (losses) and provisions	(152)	(181)	(153)	(177)	(154)	(151)	(193)	(249)	(663)	(748)
Underlying profit before tax	1,732	1,767	1,566	1,652	1,785	1,876	1,882	1,688	6,717	7,232
Underlying consolidated profit	1,077	1,084	895	1,020	1,093	1,205	1,184	1,107	4,076	4,588
Underlying attributable profit	920	926	747	858	926	1,035	1,016	947	3,451	3,924

South America (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	2,887	3,016	3,149	3,134	3,064	3,328	3,408	3,516	12,186	13,316
Net fee income	1,009	1,039	1,007	1,120	1,111	1,140	1,248	1,288	4,177	4,787
Gains (losses) on financial transactions and other	95	91	74	20	84	53	55	131	279	322
Total income	3,991	4,146	4,230	4,274	4,259	4,521	4,711	4,935	16,642	18,425
Operating expenses	(1,444)	(1,473)	(1,502)	(1,621)	(1,540)	(1,594)	(1,669)	(1,853)	(6,040)	(6,656)
Net operating income	2,547	2,673	2,728	2,653	2,719	2,927	3,042	3,081	10,602	11,769
Net loan-loss provisions	(891)	(875)	(869)	(894)	(856)	(933)	(943)	(1,058)	(3,529)	(3,789)
Other gains (losses) and provisions	(127)	(152)	(176)	(172)	(144)	(152)	(195)	(257)	(628)	(748)
Underlying profit before tax	1,528	1,646	1,683	1,588	1,720	1,841	1,904	1,766	6,445	7,232
Underlying consolidated profit	946	1,005	978	989	1,055	1,180	1,197	1,156	3,918	4,588
Underlying attributable profit	802	854	828	829	894	1,012	1,029	989	3,313	3,924

Brazil (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	2,482	2,424	2,377	2,475	2,459	2,520	2,560	2,534	9,758	10,072
Net fee income	920	872	776	929	931	924	970	974	3,497	3,798
Gains (losses) on financial transactions and other	42	27	27	(8)	21	9	(7)	57	89	81
Total income	3,445	3,323	3,180	3,396	3,411	3,453	3,522	3,565	13,345	13,951
Operating expenses	(1,169)	(1,100)	(1,036)	(1,196)	(1,125)	(1,102)	(1,137)	(1,242)	(4,500)	(4,606)
Net operating income	2,276	2,224	2,145	2,201	2,286	2,351	2,385	2,323	8,845	9,345
Net loan-loss provisions	(822)	(750)	(665)	(726)	(710)	(761)	(753)	(813)	(2,963)	(3,036)
Other gains (losses) and provisions	(154)	(170)	(174)	(198)	(167)	(153)	(178)	(205)	(697)	(704)
Underlying profit before tax	1,300	1,303	1,306	1,276	1,409	1,438	1,454	1,305	5,185	5,606
Underlying consolidated profit	758	726	695	749	816	856	862	777	2,927	3,311
Underlying attributable profit	674	643	615	659	721	762	767	689	2,592	2,939

Brazil (BRL mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	9,898	10,383	10,874	10,747	10,516	11,095	11,272	11,534	41,903	44,416
Net fee income	3,670	3,738	3,577	4,032	3,980	4,070	4,271	4,429	15,017	16,750
Gains (losses) on financial transactions and other	169	119	128	(32)	91	41	(31)	254	384	355
Total income	13,737	14,241	14,579	14,747	14,587	15,206	15,511	16,216	57,304	61,521
Operating expenses	(4,662)	(4,716)	(4,756)	(5,188)	(4,810)	(4,857)	(5,007)	(5,636)	(19,323)	(20,310)
Net operating income	9,075	9,525	9,823	9,559	9,777	10,350	10,504	10,580	37,981	41,211
Net loan-loss provisions	(3,276)	(3,220)	(3,070)	(3,155)	(3,037)	(3,347)	(3,314)	(3,690)	(12,721)	(13,387)
Other gains (losses) and provisions	(615)	(727)	(793)	(859)	(716)	(673)	(785)	(928)	(2,994)	(3,103)
Underlying profit before tax	5,184	5,578	5,960	5,545	6,024	6,330	6,405	5,962	22,266	24,721
Underlying consolidated profit	3,021	3,114	3,185	3,250	3,491	3,769	3,795	3,546	12,570	14,601
Underlying attributable profit	2,687	2,758	2,822	2,863	3,082	3,353	3,376	3,147	11,130	12,958

Chile (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	490	495	481	477	440	500	462	464	1,944	1,867
Net fee income	111	117	101	95	103	97	102	102	424	404
Gains (losses) on financial transactions and other	40	30	49	49	56	59	82	71	168	268
Total income	640	642	632	622	600	656	646	638	2,535	2,539
Operating expenses	(259)	(273)	(257)	(259)	(255)	(269)	(260)	(246)	(1,047)	(1,031)
Net operating income	381	369	374	363	344	387	386	392	1,488	1,508
Net loan-loss provisions	(121)	(115)	(117)	(120)	(102)	(105)	(106)	(130)	(473)	(443)
Other gains (losses) and provisions	22	32	19	31	37	(1)	15	12	103	63
Underlying profit before tax	282	287	276	274	279	281	295	274	1,118	1,129
Underlying consolidated profit	222	231	220	226	219	237	234	229	899	919
Underlying attributable profit	150	157	152	153	148	163	162	157	612	630

Chile (CLP mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	362,502	366,847	370,827	370,410	333,439	383,545	363,195	386,260	1,470,585	1,466,440
Net fee income	81,758	86,556	78,318	73,959	78,010	74,473	80,052	85,052	320,592	317,587
Gains (losses) on financial transactions and other	29,304	22,193	37,699	38,131	42,713	45,387	63,719	58,999	127,326	210,818
Total income	473,564	475,595	486,844	482,500	454,162	503,405	506,966	530,311	1,918,503	1,994,844
Operating expenses	(191,398)	(202,047)	(198,556)	(200,524)	(193,440)	(206,641)	(204,239)	(205,576)	(792,525)	(809,897)
Net operating income	282,166	273,549	288,288	281,976	260,722	296,763	302,727	324,735	1,125,978	1,184,948
Net loan-loss provisions	(89,852)	(84,920)	(90,252)	(93,034)	(77,584)	(80,828)	(83,231)	(106,535)	(358,059)	(348,178)
Other gains (losses) and provisions	16,034	23,790	14,617	23,614	28,393	(417)	11,726	10,140	78,054	49,841
Underlying profit before tax	208,348	212,419	212,652	212,555	211,531	215,518	231,222	228,340	845,974	886,611
Underlying consolidated profit	164,447	171,185	169,725	174,910	165,949	182,169	183,336	190,253	680,267	721,707
Underlying attributable profit	111,006	116,570	117,196	118,562	112,355	125,176	126,756	130,587	463,334	494,874

Argentina (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	214	234	(6)	327	213	298	180	250	768	940
Net fee income	129	133	(6)	192	116	125	88	118	448	446
Gains (losses) on financial transactions and other	34	63	(58)	(46)	2	(33)	(31)	(8)	(7)	(70)
Total income	377	430	(70)	472	331	389	237	359	1,209	1,316
Operating expenses	(219)	(208)	(1)	(324)	(202)	(229)	(122)	(209)	(751)	(762)
Net operating income	158	222	(71)	148	129	161	115	150	458	554
Net loan-loss provisions	(49)	(75)	(7)	(99)	(73)	(70)	(39)	(53)	(231)	(235)
Other gains (losses) and provisions	(17)	(41)	4	9	(22)	3	(28)	(54)	(45)	(101)
Underlying profit before tax	92	107	(73)	58	34	94	47	43	183	217
Underlying consolidated profit	66	71	(71)	17	10	63	24	47	83	145
Underlying attributable profit	66	71	(71)	17	10	63	23	47	82	144

Argentina (ARS mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	5,172	6,385	7,820	8,507	10,117	14,548	18,638	19,924	27,885	63,227
Net fee income	3,121	3,660	4,472	5,022	5,486	6,131	8,976	9,403	16,275	29,996
Gains (losses) on financial transactions and other	824	1,683	(799)	(1,972)	102	(1,596)	(2,372)	(847)	(265)	(4,713)
Total income	9,117	11,729	11,492	11,557	15,704	19,083	25,243	28,480	43,896	88,510
Operating expenses	(5,291)	(5,722)	(7,738)	(8,523)	(9,602)	(11,210)	(13,861)	(16,583)	(27,275)	(51,256)
Net operating income	3,826	6,006	3,755	3,034	6,102	7,872	11,382	11,897	16,621	37,254
Net loan-loss provisions	(1,196)	(2,021)	(2,546)	(2,615)	(3,441)	(3,459)	(4,538)	(4,391)	(8,379)	(15,829)
Other gains (losses) and provisions	(411)	(1,077)	(849)	721	(1,067)	131	(2,040)	(3,831)	(1,616)	(6,807)
Underlying profit before tax	2,218	2,908	360	1,140	1,594	4,544	4,805	3,674	6,626	14,617
Underlying consolidated profit	1,600	1,950	(644)	99	497	3,056	2,574	3,636	3,005	9,762
Underlying attributable profit	1,589	1,935	(649)	107	490	3,043	2,519	3,600	2,982	9,653

Other South America (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	112	106	100	103	109	108	112	108	421	437
Net fee income	29	29	31	38	29	32	44	34	128	138
Gains (losses) on financial transactions and other	7	11	9	8	8	9	16	10	36	43
Total income	148	146	141	150	146	149	172	153	585	619
Operating expenses	(70)	(65)	(59)	(65)	(63)	(64)	(67)	(64)	(259)	(257)
Net operating income	78	81	81	84	83	85	105	88	326	362
Net loan-loss provisions	(17)	(9)	(22)	(22)	(18)	(20)	(18)	(20)	(70)	(75)
Other gains (losses) and provisions	(3)	(2)	(2)	(18)	(2)	(1)	(2)	(2)	(24)	(7)
Underlying profit before tax	59	71	58	44	63	64	86	66	231	280
Underlying consolidated profit	31	55	51	29	47	48	64	54	166	213
Underlying attributable profit	31	55	51	29	47	47	64	54	165	212

Other South America (Constant EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	104	99	94	99	105	107	113	113	397	437
Net fee income	27	27	30	37	27	31	44	36	121	138
Gains (losses) on financial transactions and other	7	10	9	8	8	9	16	10	34	43
Total income	138	137	134	144	140	148	172	159	552	619
Operating expenses	(65)	(61)	(56)	(62)	(60)	(63)	(67)	(67)	(244)	(257)
Net operating income	73	76	78	82	80	85	106	92	308	362
Net loan-loss provisions	(16)	(7)	(20)	(21)	(17)	(20)	(18)	(21)	(64)	(75)
Other gains (losses) and provisions	(2)	(2)	(2)	(18)	(2)	(1)	(2)	(3)	(24)	(7)
Underlying profit before tax	55	67	56	43	61	64	86	69	220	280
Underlying consolidated profit	28	52	49	28	45	47	64	56	157	213
Underlying attributable profit	28	52	49	28	45	47	64	56	155	212

Santander Global Platform (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	18	20	20	20	22	23	23	23	79	92
Net fee income	1	1	1	4	2	1	2	2	7	6
Gains (losses) on financial transactions and other	(4)	(3)	(3)	(2)	(5)	(4)	(1)	(7)	(12)	(17)
Total income	16	18	19	21	19	20	24	18	74	81
Operating expenses	(23)	(39)	(32)	(49)	(41)	(67)	(60)	(72)	(142)	(240)
Net operating income	(7)	(21)	(13)	(28)	(22)	(47)	(36)	(54)	(68)	(159)
Net loan-loss provisions	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)
Other gains (losses) and provisions	(1)	(0)	(1)	(0)	(1)	(0)	(1)	(4)	(2)	(6)
Underlying profit before tax	(7)	(21)	(13)	(28)	(23)	(47)	(37)	(58)	(70)	(166)
Underlying consolidated profit	(9)	(14)	(10)	(22)	(11)	(40)	(26)	(43)	(54)	(120)
Underlying attributable profit	(9)	(14)	(10)	(22)	(11)	(40)	(26)	(43)	(54)	(120)

Corporate Centre (EUR mn)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2018	2019
Net interest income	(234)	(243)	(251)	(259)	(296)	(304)	(319)	(333)	(987)	(1,252)
Net fee income	(9)	(9)	(24)	(28)	(14)	(13)	(9)	(15)	(69)	(50)
Gains (losses) on financial transactions and other	7	(7)	9	(10)	(90)	(106)	(85)	(34)	(1)	(315)
Total income	(236)	(258)	(266)	(297)	(399)	(423)	(413)	(381)	(1,057)	(1,617)
Operating expenses	(105)	(107)	(107)	(106)	(97)	(96)	(90)	(89)	(426)	(373)
Net operating income	(341)	(365)	(373)	(403)	(497)	(519)	(504)	(471)	(1,483)	(1,990)
Net loan-loss provisions	(37)	(30)	(28)	(21)	(8)	(5)	(14)	(10)	(115)	(36)
Other gains (losses) and provisions	(43)	(50)	(55)	47	(55)	(72)	(61)	(49)	(101)	(237)
Underlying profit before tax	(420)	(446)	(456)	(377)	(559)	(595)	(579)	(529)	(1,699)	(2,262)
Underlying consolidated profit	(416)	(468)	(450)	(351)	(526)	(592)	(529)	(458)	(1,685)	(2,105)
Underlying attributable profit	(415)	(469)	(450)	(352)	(517)	(592)	(529)	(459)	(1,686)	(2,096)

Glossary



Glossary - Acronyms

- **AFS:** Available for sale
- **AuM:** Assets under Management
- **bn:** Billion
- **bp:** basic point
- **CET1:** Common equity tier 1
- **C&I:** Commercial and Industrial
- **CIB:** Corporate & Investment Bank
- **CoE:** Cost of Equity
- **DGF:** Deposit guarantee fund
- **DPS:** Dividend per share
- **GDP:** Gross domestic product
- **GTS:** Global trade services
- **FL:** Fully-loaded
- **FX:** Foreign exchange
- **EPS:** Earning per share
- **ESG:** Environmental, social and governance
- **LTV:** Loan to Value
- **LLPs:** Loan-loss provisions
- **LLPs:** Loan-loss provisions
- **M/LT:** Medium- and long-term
- **mn:** million
- **MDR:** Merchant Discount Rate
- **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
- **pp:** percentage point
- **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 13 months from December to December.

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



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