

29 July 2020

# H1'20 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, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the “management adjustment” line and are further detailed in Section 3.2. of the Economic and Financial Review in our Directors’ Report included in our Annual Report on Form 20-F for the year ended 31 December 2019. 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 2019 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on 6 March 2020, as well as the section “Alternative performance measures” of the annex to the Banco Santander, S.A. (“Santander”) Q2 2020 Financial Report, published as Inside Information on 29 July 2020. These documents are available on Santander’s website ([www.santander.com](http://www.santander.com)). Underlying measures, which are included in this presentation, are non-IFRS measures.

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

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# Important information

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# Highlights

## Growth

- ▶ **Stock continued to grow.** Loans: +1% QoQ and +6% YoY, deposits +5% QoQ and +9% YoY
- ▶ **Signs of normalisation of lending** with mortgage and consumer new lending increasing in June and lending to SMEs and corporates reducing from their peak in April
- ▶ **Digital adoption accelerating rapidly** with 47% of sales through our digital channels in Q2 (vs. 36% in 2019) and 40 million digital customers (+15% YoY), of which more than 32 million now use mobile banking (+22% YoY)

## Profitability

- ▶ **Net operating income up 2%** driven by resilient customer revenue and cost reduction ahead of plan (-5% YoY<sup>1</sup>)
- ▶ **Underlying attributable profit in H1'20 of EUR 1,908 mn** (EUR 1,531 mn in Q2) impacted by higher LLPs, totalling EUR 7 bn
- ▶ Economic consequences of COVID-19 crisis, ongoing lower for longer interest rate environment and higher discount rates reflecting volatility and risk premiums have led to **impairments of goodwill and DTAs** of EUR -12.6 bn, principally relating our business in the UK (EUR -6.1 bn) and in the US (EUR -2.3 bn). These write downs **do not impact our capital ratios**

## Strength

- ▶ **The Group maintains the cost of credit of 1.4-1.5% guidance for year end**, with robust credit quality thanks to mitigation measures and volumes increase, reflected in a 25 bp improvement year-on-year in the NPL ratio and an increase in coverage to 72%
- ▶ Strong organic capital generation in Q2 (28 bps), with Group **CET1 reaching 11.84%<sup>2</sup>**, including **dividend accrual of 6 bps** towards a potential **cash dividend against 2020 results** which reflects the board's commitment to apply a full cash dividend policy as soon as conditions permit<sup>3</sup>
- ▶ Board's intention is to propose to shareholders the payment of a **scrip dividend (payable in new shares) against 2019 results, equivalent to EUR 0.10 per share**

**Delivered solid operating performance (net operating income +2%) and strengthened capital position as CET1 increased to 11.84%, at the top end of our 11-12% target range**



Note: Changes in constant euros

(1) In real terms

(2) Data applying the IFRS 9 transitional arrangements

(3) Subject to the normalisation of market conditions and regulatory guidance and approvals

# We delivered strong net operating income performance (+2% in constant euros), though profit affected by COVID-19 related provisions

EUR mn	H1'20	H1'19	% change	
			Euros	Constant Euros
Net interest income	16,202	17,636	-8	0
Net fee income	5,136	5,863	-12	-4
Other income	1,180	937	26	26
<b>Total income</b>	<b>22,518</b>	<b>24,436</b>	<b>-8</b>	<b>0</b>
Operating expenses	-10,653	-11,587	-8	-2
<b>Net operating income</b>	<b>11,865</b>	<b>12,849</b>	<b>-8</b>	<b>2</b>
Loan-loss provisions <sup>1</sup>	-7,027	-4,313	63	78
Other results	-997	-957	4	12
<b>Underlying PBT</b>	<b>3,841</b>	<b>7,579</b>	<b>-49</b>	<b>-44</b>
Net capital gains and provisions	-12,706	-814	-	-
<b>Attributable profit</b>	<b>-10,798</b>	<b>3,231</b>	<b>-</b>	<b>-</b>
<b>Underlying attributable profit<sup>2</sup></b>	<b>1,908</b>	<b>4,045</b>	<b>-53</b>	<b>-48</b>

Resilient customer revenue even with lower business activity

Strong performance in CIB in the quarter

Accelerating the reduction in our cost base

LLPs impacted by COVID-19 charges

Impairments arising from the deterioration of the macroeconomic scenario related to COVID-19

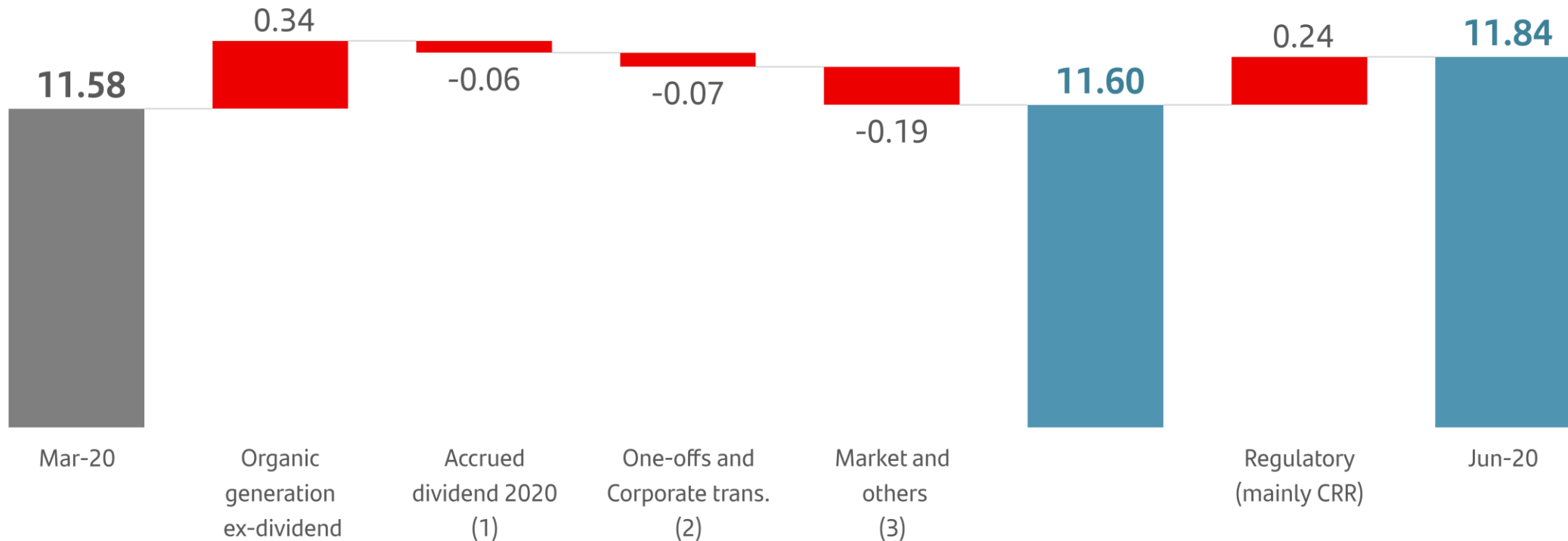
# Net capital gains and provisions

H1'19	
Capital gains Prisma (Argentina)	+150
Restructuring costs	-704
<ul style="list-style-type: none"> <li>Spain: -600</li> <li>UK: -92</li> <li>Poland: -12</li> </ul>	
Property sales (Corporate Centre)	-180
PPI <sup>1</sup> (UK)	-80
<b>Group total</b>	<b>-814</b>

H1'20	
Goodwill impairment	-10,100
<ul style="list-style-type: none"> <li>UK: -6,101</li> <li>US: -2,330</li> <li>Poland: -1,192</li> <li>SCF (Nordics and others): -477</li> </ul>	
Deferred tax assets	-2,500
Restructuring costs + Others	-106
<ul style="list-style-type: none"> <li>UK: -33</li> <li>SCF: -28</li> <li>Poland: -5</li> <li>Other: -40</li> </ul>	
<b>Group total</b>	<b>-12,706</b>

# Capital ratios reinforced with Group CET1 of 11.84%, at the top end of our 11-12% target, after strong organic capital generation in the quarter

## CET1 ratio evolution



(1) Accrual of 6 basis points in the quarter to allow the flexibility to pay a cash dividend against 2020 results, as soon as market conditions normalise and subject to regulatory approvals and guidance.

(2) Includes Ebury -0.05

(3) Markets -0.08, Pensions -0.06 and other deductions -0.05

Data applying the IFRS 9 transitional arrangements



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## Group business activity



In the latter part of the quarter, we gradually began to return to pre-COVID activity as lockdowns were lifted...

## % Branches open

		Peak lockdown	June	
Europe		26%	78%	Lockdown restrictions eased
		77%	99%	
		69%	83%	
		97%	99%	
		84%	99%	
North America		72%	81%	Some lockdown restrictions remain
		57%	77%	
South America		74%	95%	
		67%	70%	
		99% <sup>1</sup>	100%	

### Nearly full operational activity in our:

**Branches:** c. 90% Group's branches open

**ATMs:** full availability throughout the crisis

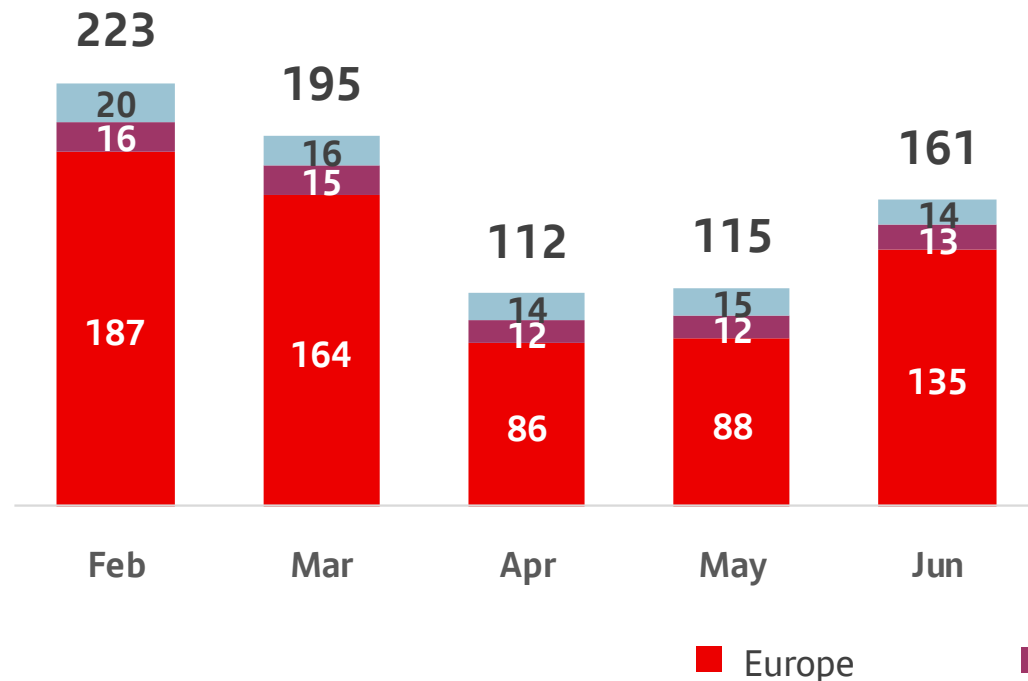
**PoS:** recovering to near pre-crisis levels, following 25% turnover growth from low reached in April

**Contact Centres:** significant improvement as recovering activity levels.

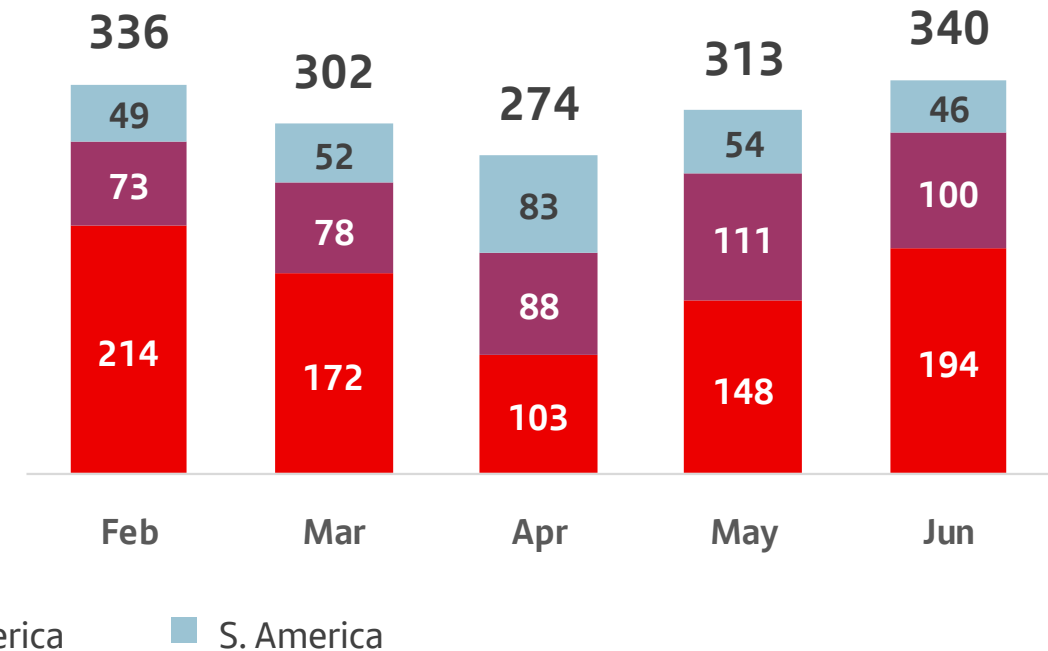
**Our priority is to continue to ensure the health and protection of all employees and customers as well as our business continuity**

... which is reflected in signs of normalisation in new retail lending in recent weeks, particularly in Europe...

**New Mortgage lending<sup>1</sup>**  
(daily average, constant EUR mn)

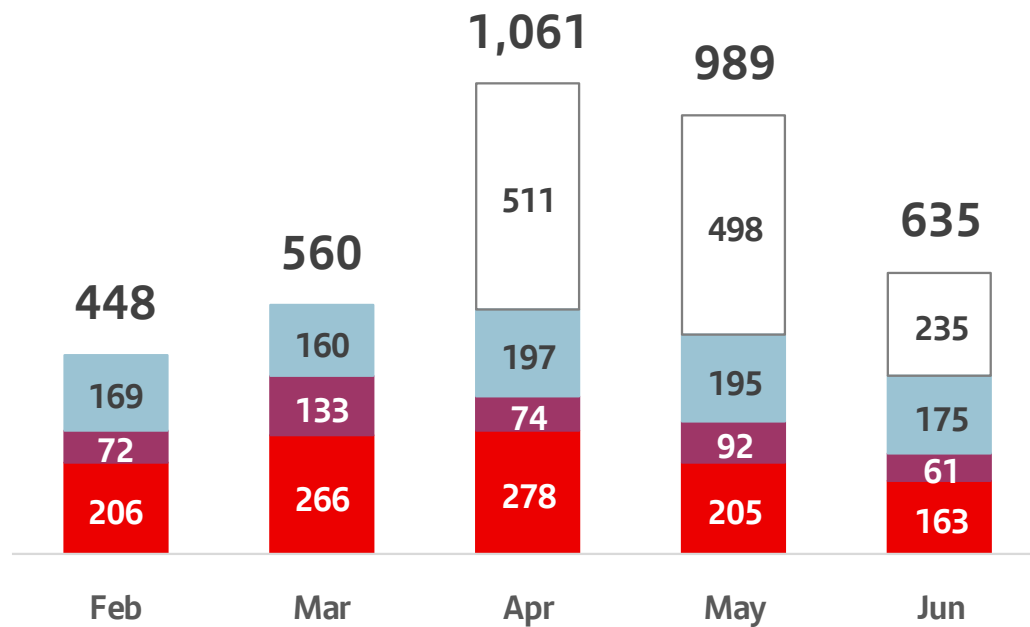


**New Consumer lending<sup>1</sup>**  
(daily average, constant EUR mn)



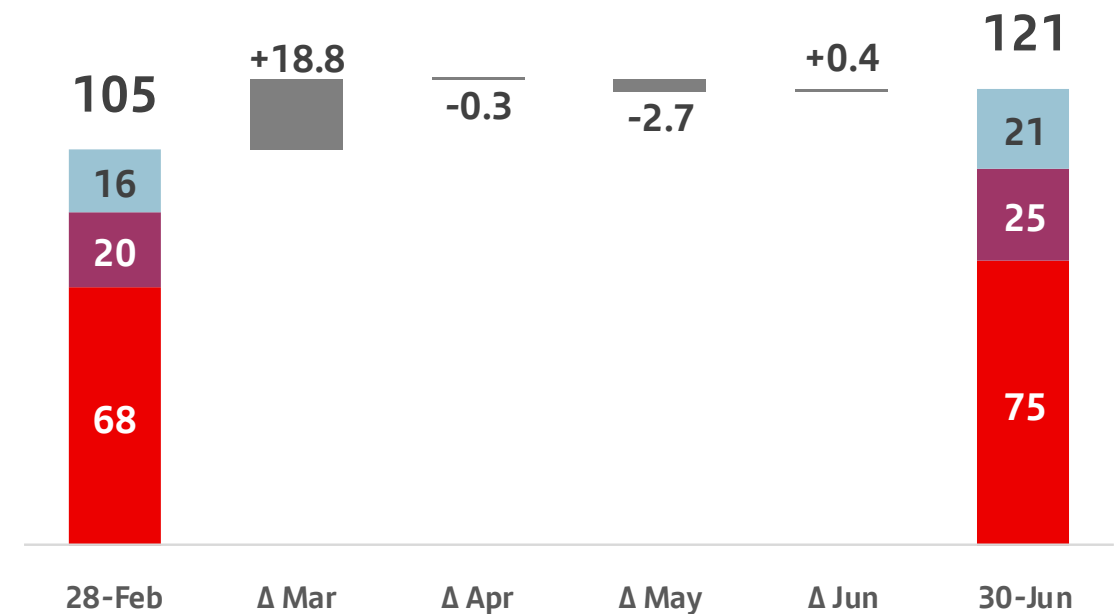
... while corporate lending, which has been supported by government guarantees, and CIB have reduced from their peak in April

**New SME and Corporates lending<sup>1</sup>**  
(daily average, constant EUR mn)



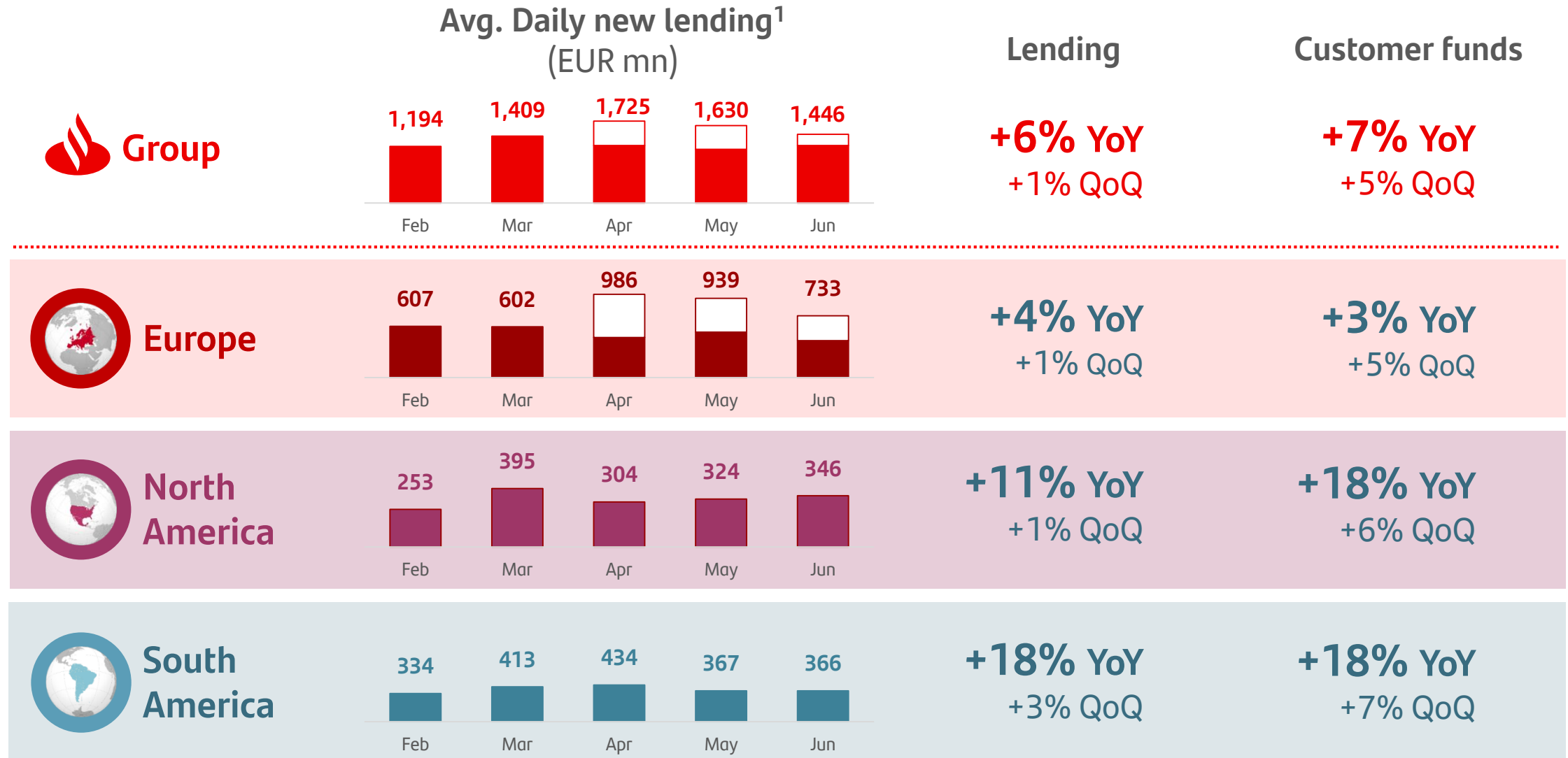
**CIB change stock of loans**

(L&A to customers excluding reverse repos, constant EUR billion)



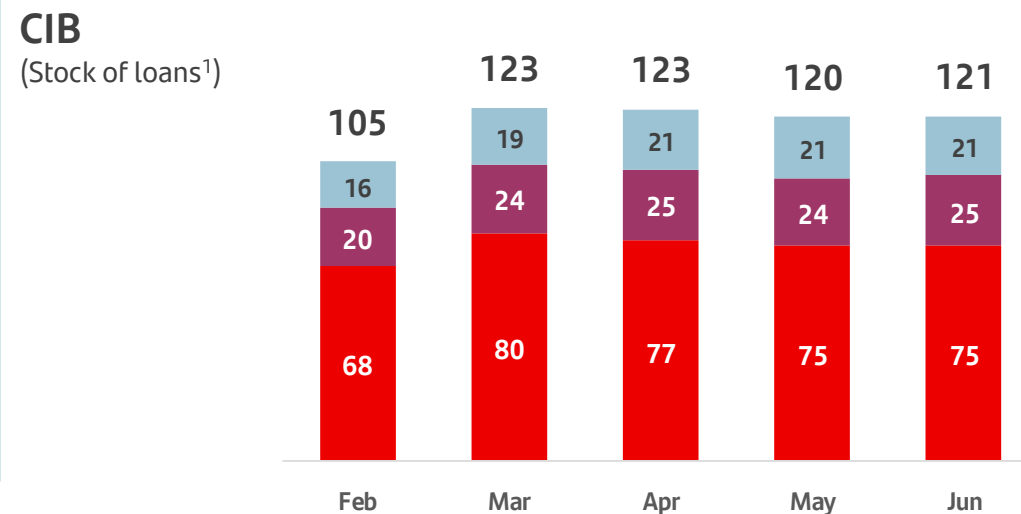
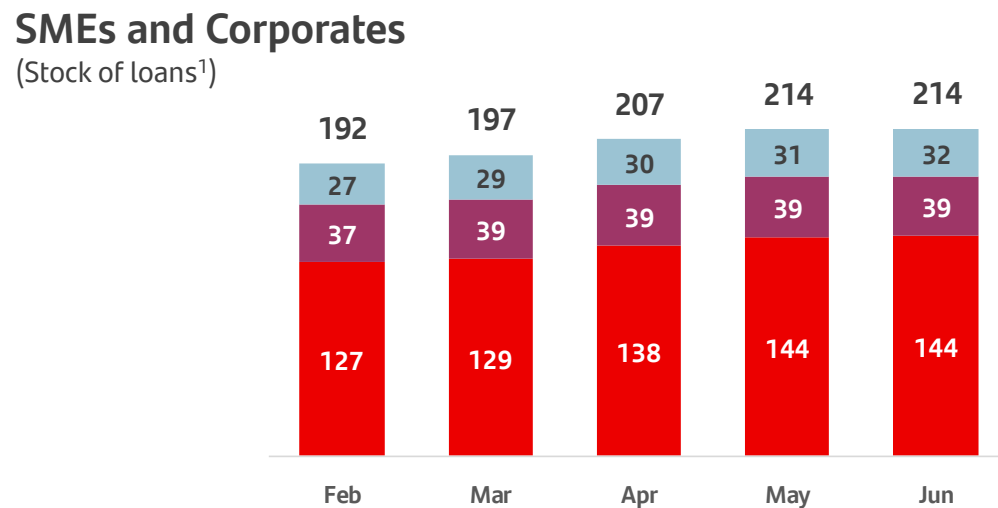
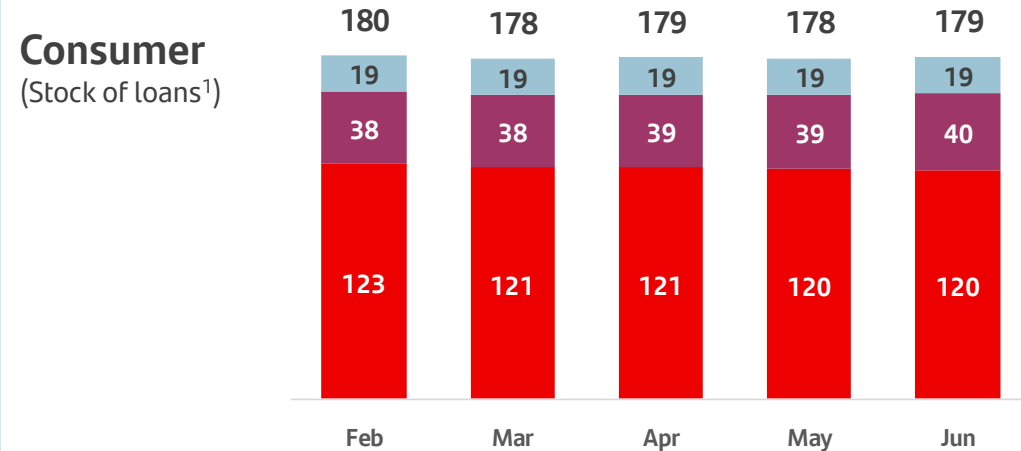
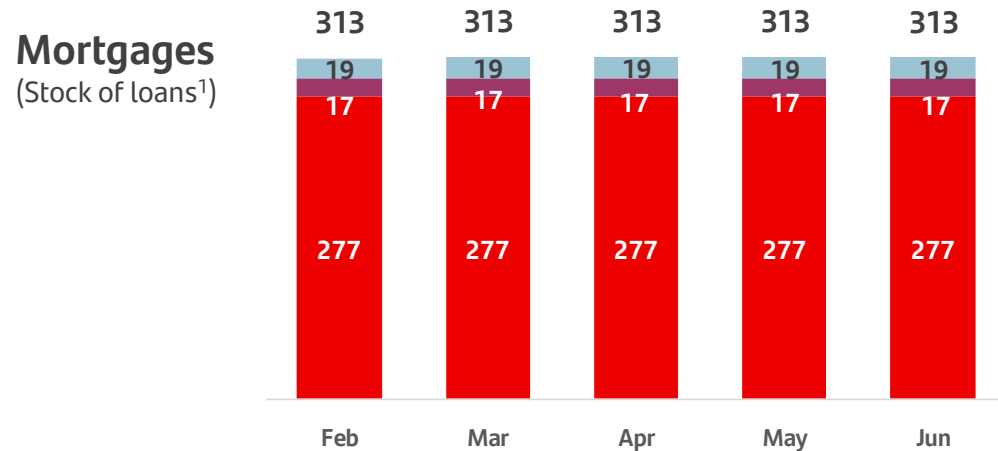
■ Europe
 ■ N. America
 ■ S. America
  Gov. backed

# As a result, in June, the Group's new lending was similar to pre-COVID levels





# The stock of retail loans has remained stable while SME, corporate and CIB balances have increased



■ Europe ■ N. America ■ S. America

Digital adoption has accelerated (mobile customers +5.8 mn YoY) resulting in increased digital sales penetration up to 47% in Q2



**39.9 mn** (+15% YoY)  
Digital customers<sup>1</sup>

Steady growth in our digital customers: **+3.1 mn in H1'20**  
vs. +2.0 mn in H2'19

Strong engagement and digital sales:



**47% in Q2'20**  
(44% in H1'20 and 36% in 2019)  
Digital sales<sup>2</sup> as % of total sales



**+27% YoY**  
# Accesses<sup>3</sup>  
(online & mobile)



**+23% YoY**  
# Transactions<sup>4</sup>  
(monetary & voluntary)

Digital customers:



4.6 mn



6.1 mn

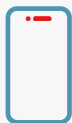


5.1 mn



14.5 mn

Strong mobile customer growth:



**32.2 mn** (+22% YoY)  
Mobile customers

**+5.8 mn YoY**  
+3.0 mn YTD

(1) 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  
(2) Percentage of new contracts executed through digital channels during the period  
(3) Private accesses. Logins of bank's customers on Santander internet banking or apps. ATM accesses by mobile are not included  
(4) Customer interaction through mobile or internet banking which resulted in a change of balance. ATM transactions are not included

## Group earnings



# In results, resilient revenue driven by our strong customer relationships...

## ... and our geographic...

Total income growth YoY (constant euros)



South America

**+7%**



North America

**+1%**



Europe

**-8%**

## ... and business diversification



Corporate &  
Investment Banking **+17%**

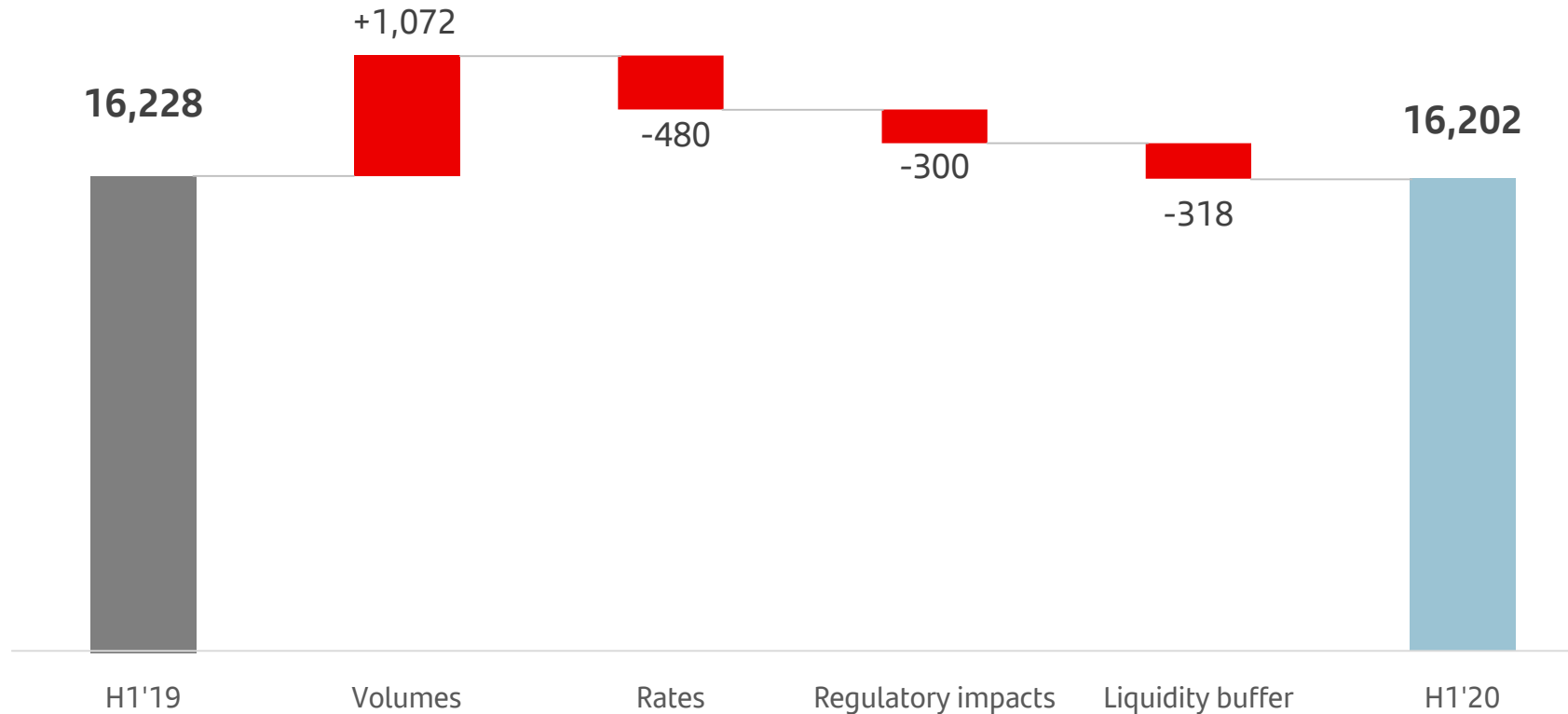


Wealth Management  
& Insurance **+4%**

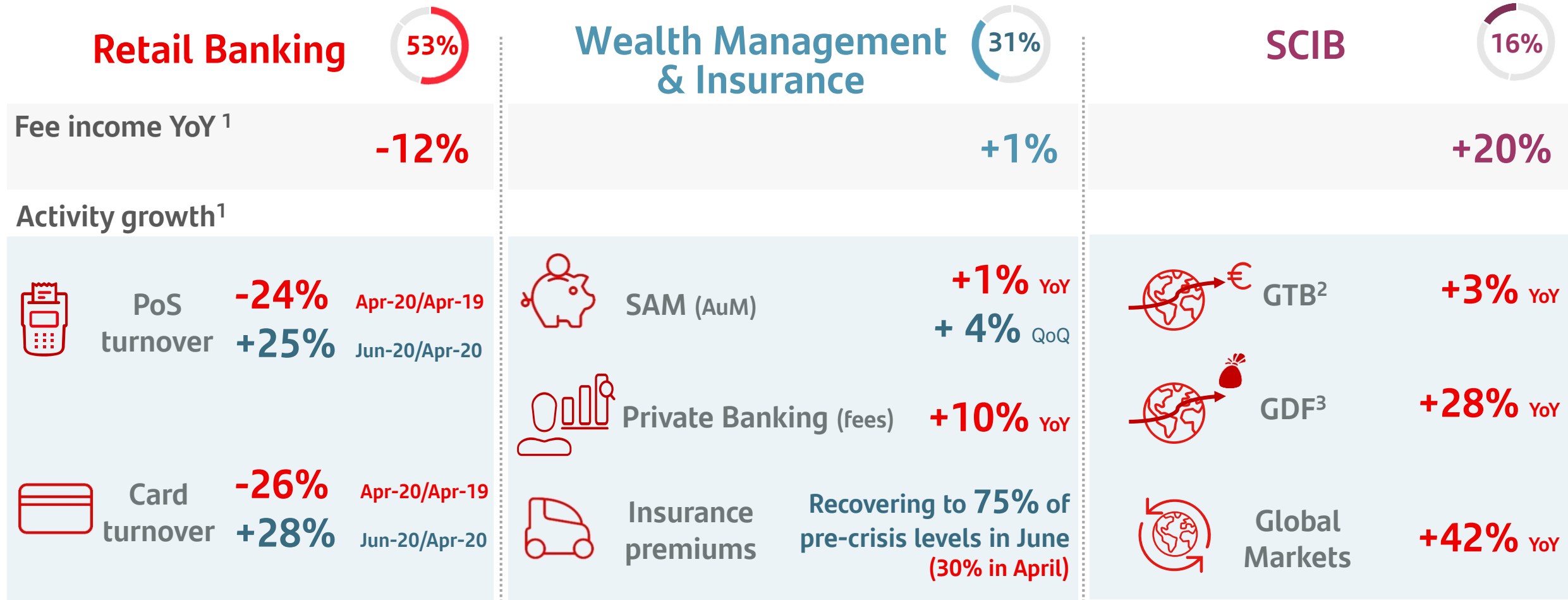
# NII affected by non-business related impacts and lower interest rates. NII from recurring business increased 4% in constant euros

## NII evolution

Constant EUR mn
















# Fees affected by lower customer transactions but beginning to recover as activity increases





# Cost reductions are ahead of plan as we capture incremental cost efficiencies

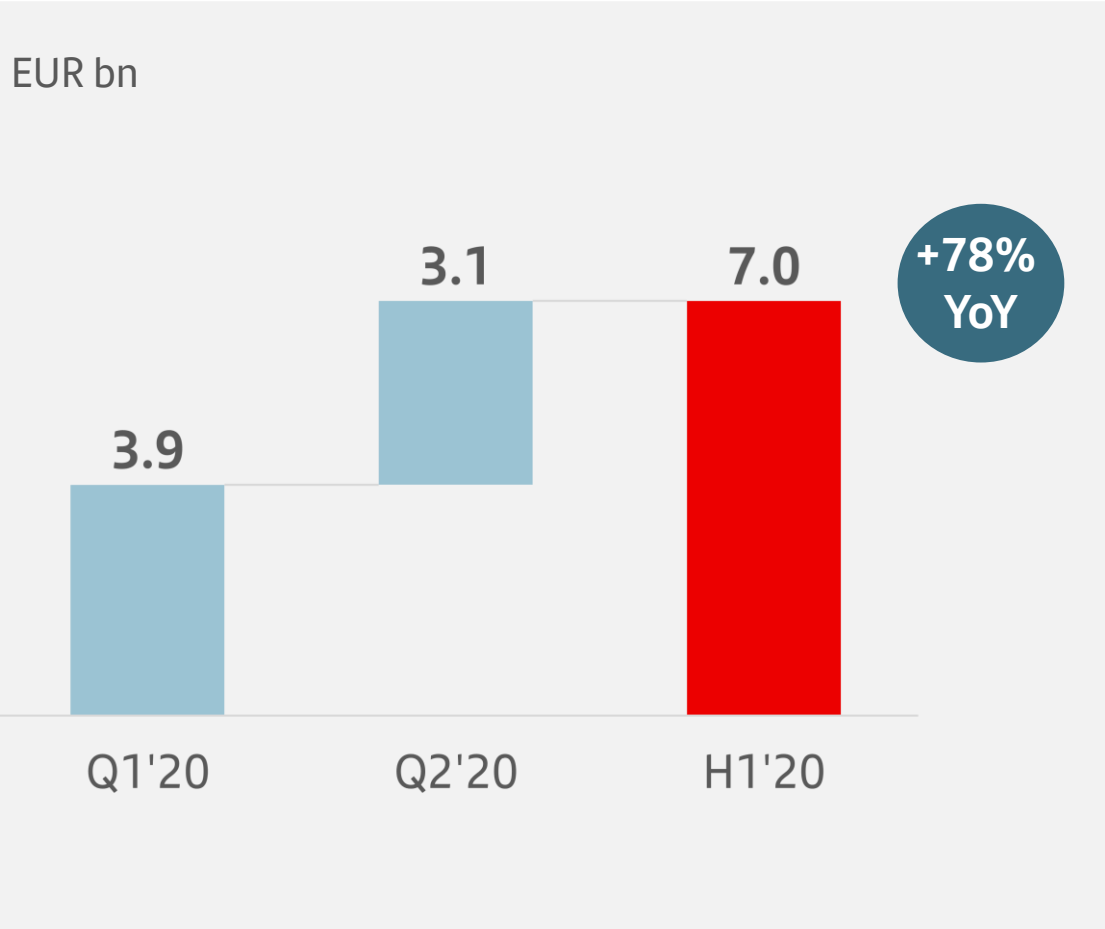
YoY change		Nominal costs	Costs in real terms
Europe		-5.9%	-6.8%
			<div>  -10%            -6%            -5%            -4%            -11% </div>
North America		-0.8%	-2.9%
			<div>  -4%            -1% </div>
South America <sup>1</sup>		2.4%	-0.9%
			<div>  -1%            0% </div>
Group		-1.9%	-5.1%

Accelerating the cost reduction trend in most markets

Europe efficiencies achieved:  
 >EUR 300 mn in H1'20  
 (>75% of the FY'20 initially planned)

# Estimated year-end cost of credit of 1.4-1.5% with credit quality supported by mitigation measures and volume increases

## Loan-loss provisions



Percentage change in constant euros



## Credit quality ratios

	Jun-19	Mar-20	Jun-20
Cost of credit	0.98%	1.17% <sup>1</sup>	1.26%
NPL ratio	3.51%	3.25%	3.26%
Coverage ratio	68%	71%	72%

(1) Considering annualised YTD provisions and loan portfolio average of the period: 1.62% in Q1'20, 1.46% in H1'20

Note: Exposure and coverage ratio by stage in appendix, page 65 (appendix)

# Close to 80% of our moratoria is granted to individuals, o/w c. 90% secured

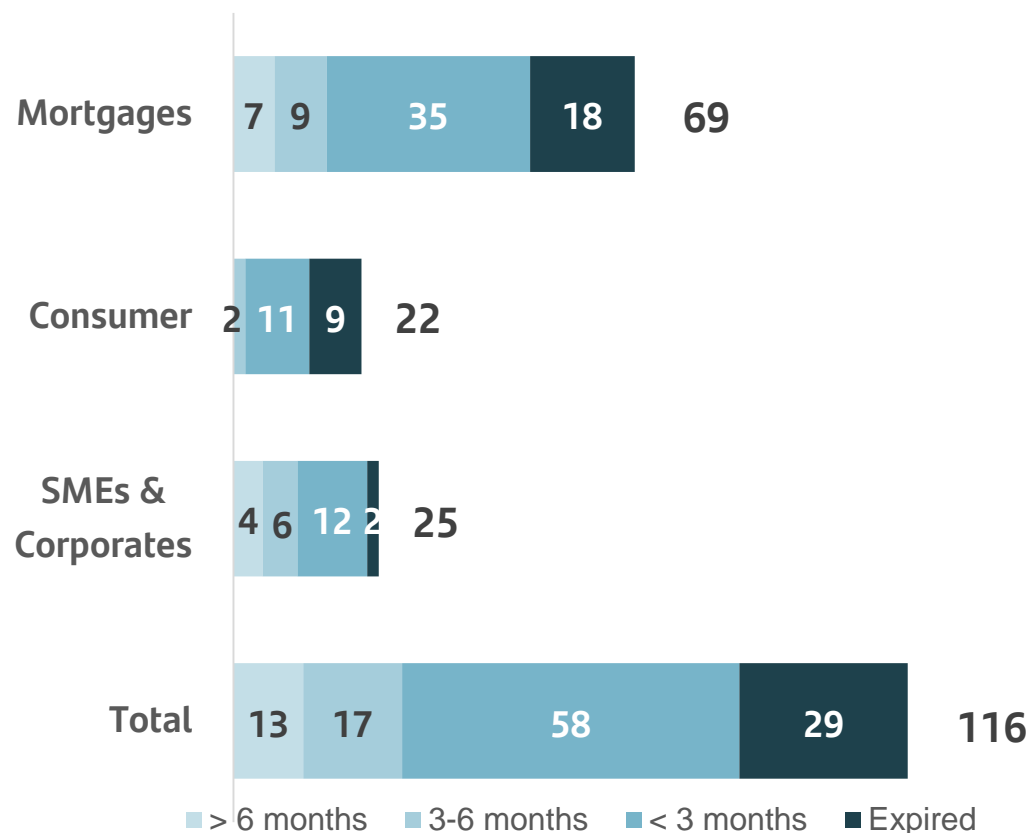
30 Jun 20	# clients (mn) o/w government programmes	Total amount o/w government programmes (EUR bn)	% lending portfolio
<b>Mortgages</b>	<b>0.5</b> 0.3	<b>69</b> 55	<b>23%</b>
<b>Consumer</b>	<b>4.6</b> 1.4	<b>22</b> 7	<b>10%</b>
<b>SMEs &amp; Corporates</b>	<b>0.3</b> 0.2	<b>25</b> 10	<b>6%</b>
<b>Total</b>	<b>5.4</b> 1.9	<b>116</b> 72	<b>12%</b>

- c. **60% are residential mortgages**, mainly concentrated in **UK** (c. EUR 41 bn) with **low average LTVs** (41%)
- c. **65%** of consumer loans are **auto loans** (c. EUR 14 bn)
- **SMEs & Corporate** moratoria based on internal rating and complemented with liquidity facilities under **government guarantees**

# Performance of current expired moratoria, aligned with 2020 forecasted losses

## Maturity profile of loans subject to moratoria

Residual maturity as of 30 June 20, EUR bn



- As of 30 June, c. **25%** of the total moratoria had **expired** (c. EUR 29 bn), of which **98%** remains **performing**
  - Over 60%** (EUR 18 bn) are **residential mortgages**, mostly in the UK, aligned with prior performance levels
  - c. 30%** (EUR 9 bn) are **consumer** o/w over 90% is auto, mainly in SCUSA.
  - In **SMEs & Corporates**, very small amount expired (EUR 2 bn) with management focus on predictive analysis of customer behavior
- Expected losses are included in the estimated cost of credit for the year**

By 15 July, in total >EUR 40 bn had already expired with similar credit quality

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# Group net operating income growth supported by our geographic and business diversification

H1'20 (vs. H1'19)	Net operating income (EUR mn)	Underlying attributable profit (EUR mn)	Contribution to Group's Underlying profit
 <b>Europe</b>	<b>4,314</b> <b>-10%</b>	<b>1,075</b> <b>-54%</b>	
 <b>North America</b>	<b>3,301</b> <b>+2%</b>	<b>617</b> <b>-29%</b>	
 <b>South America</b>	<b>5,093</b> <b>+8%</b>	<b>1,383</b> <b>-13%</b>	
<b>Global businesses</b>	<b>1,683</b>	<b>928</b>	<b>Enhancing our local scale with global reach</b>
 <b>SCIB</b>	<b>+32%</b>	<b>+23%</b>	
 <b>WM&amp;I</b>	<b>605</b> <b>+7%</b>	<b>427</b> <b>+3%</b>	

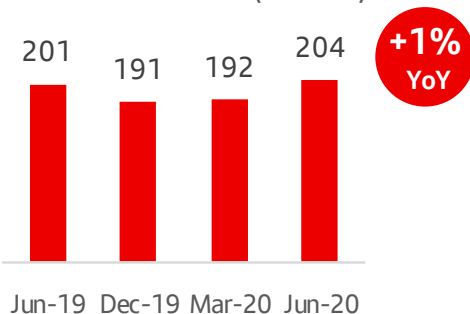




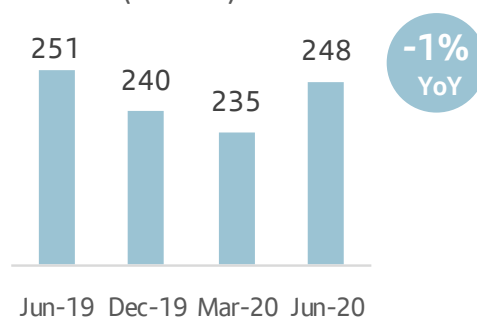
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	33	+2 pp
Digital customers (mn)	5.1	+10%
NPL ratio (%)	6.55	-47 bps
Cost of credit (%)	0.68	+27 bps
Efficiency ratio (%)	54.9	-22 bps
RoTE (%)	3.2	-6.1 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	931	0.6	1,856	-8.0
Net fee income	535	-16.8	1,178	-5.5
Total income	1,562	-12.7	3,350	-9.6
Operating expenses	-896	-5.1	-1,841	-10.0
Net operating income	665	-21.2	1,509	-9.1
LLPs	-313	-50.3	-941	100.1
PBT	237	112.0	350	-62.6
Underlying att. profit	161	79.1	251	-63.9

(\*) EUR mn



**High activity** in SMEs and Corporates boosted by loans with ICO guarantee, reaching 27% market share and more than **EUR 11 bn loans growth** in the quarter

**Profit** impacted by lower **non-customer revenue** and higher **LLPs**, partially offset by **cost reduction efforts**. **QoQ** recovery in **NII**

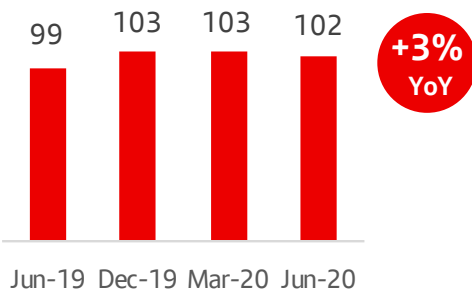
**NPL ratio** improved 47 bps YoY (with a high level of corporate loans granted) and **coverage ratio** rose to 43.3%



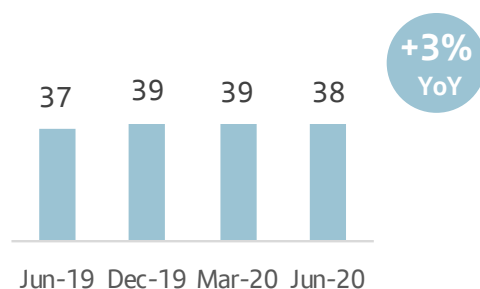
KEY DATA	H1'20	% H1'19
Active customers (mn)	18.4	-3%
NPL ratio (%)	2.52	+28 bps
Cost of credit (%)	0.78	+42 bps
Efficiency ratio (%)	43.4	-120 bps
RoTE (%)	11.0	-4.3 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	947	-2.0	1,926	2.5
Net fee income	159	-14.6	345	-16.3
Total income	1,095	-5.4	2,266	-0.9
Operating expenses	-469	-7.9	-983	-3.6
<b>Net operating income</b>	<b>626</b>	<b>-3.5</b>	<b>1,283</b>	<b>1.4</b>
LLPs	-184	-41.4	-501	177.1
<b>PBT</b>	<b>466</b>	<b>22.6</b>	<b>849</b>	<b>-22.6</b>
<b>Underlying att. profit</b>	<b>258</b>	<b>19.1</b>	<b>477</b>	<b>-25.8</b>

(\*) EUR mn and % change in constant euros



Most markets showed signs of **recovery in the latter part of the quarter**

**Net operating income** up driven by **strong NII** in Q1 and **cost reductions**, partially offset by **net fee income** (lower activity)

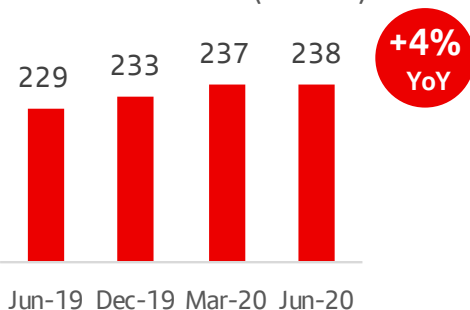
Increased **COVID related provisions** resulted in a 26% decrease in underlying profit YoY but **rebounding in Q2**



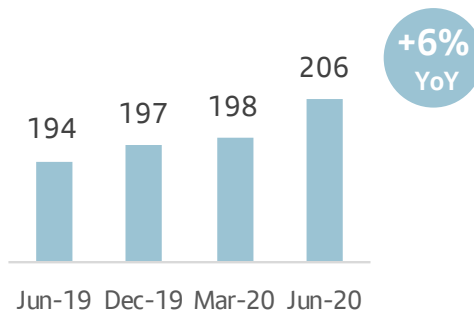
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	<b>31</b>	+1 pp
Digital customers (mn)	<b>6.1</b>	+7%
NPL ratio (%)	<b>1.08</b>	-5 bps
Cost of credit (%)	<b>0.23</b>	+17 bps
Efficiency ratio (%)	<b>66.0</b>	+558 bps
RoTE (%)	<b>2.0</b>	-5.9 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	<b>871</b>	-0.2	<b>1,769</b>	-7.7
Net fee income	<b>96</b>	-47.9	<b>290</b>	-31.6
Total income	<b>979</b>	-8.0	<b>2,077</b>	-13.0
Operating expenses	<b>-656</b>	-5.3	<b>-1,370</b>	-4.9
<b>Net operating income</b>	<b>323</b>	-13.2	<b>707</b>	-25.2
LLPs	<b>-239</b>	28.5	<b>-430</b>	437.5
<b>PBT</b>	<b>80</b>	-30.5	<b>198</b>	-75.0
<b>Underlying att. profit</b>	<b>54</b>	<b>-33.2</b>	<b>139</b>	<b>-76.1</b>

(\*) EUR mn and % change in constant euros



Income impacted by **base rate cuts** and **regulatory changes in fees**, partially offset by the **-50 bps in the 11213 C/A** remuneration in May, and will benefit from a further cut in August

**Continued focus on cost management**; operating expenses down 5% YoY through realised efficiency savings

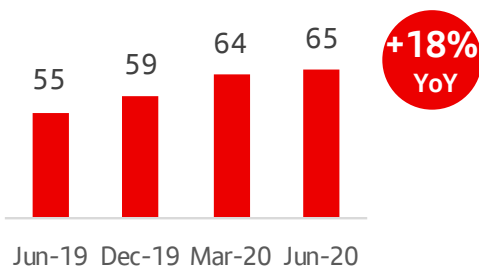
Credit impairments increased largely due to COVID-19 charges; **underlying LLPs remain low**



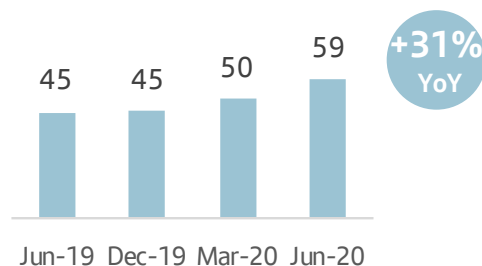
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	22	-
Digital customers (mn)	14.5	+14%
NPL ratio (%)	5.07	-20 bps
Cost of credit (%)	4.67	+83 bps
Efficiency ratio (%)	31.8	-67 bps
RoTE (%)	17.1	-4.5 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	1,813	-3.4	4,083	1.0
Net fee income	614	-13.4	1,483	-1.5
Total income	2,651	1.7	5,788	3.8
Operating expenses	-835	0.3	-1,839	1.7
<b>Net operating income</b>	<b>1,816</b>	<b>2.4</b>	<b>3,949</b>	<b>4.9</b>
LLPs	-843	-4.3	-1,909	59.9
<b>PBT</b>	<b>942</b>	<b>18.9</b>	<b>1,881</b>	<b>-18.6</b>
<b>Underlying att. profit</b>	<b>478</b>	<b>10.6</b>	<b>995</b>	<b>-17.4</b>

(\*) EUR mn and % change in constant euros



Our **business model** and **solid balance sheet** allow us to react rapidly to the new reality and **maintain high shareholders returns**

**Double-digit YoY volume growth**, with credit quality at controlled levels

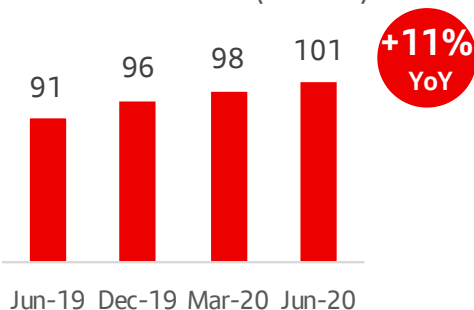
**Net operating income growth** driven by NII, gains on financial transactions and efficiency improvement



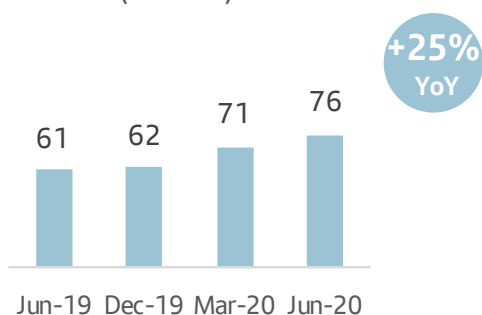
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	21	+2 pp
Digital customers (k)	1,052	+7%
NPL ratio (%)	1.49	-83 bps
Cost of credit (%)	3.30	+21 bps
Efficiency ratio (%)	42.5	+18 bps
RoTE (%) <sup>1</sup>	4.7	-6.9 pp

## VOLUMES<sup>2</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	1,429	-2.4	2,891	-1.4
Net fee income	215	-14.0	465	-5.3
Total income	1,801	-6.7	3,730	-2.6
Operating expenses	-776	-4.1	-1,585	-2.2
<b>Net operating income</b>	<b>1,024</b>	<b>-8.6</b>	<b>2,144</b>	<b>-2.9</b>
LLPs	-832	-14.6	-1,804	49.3
<b>PBT</b>	<b>163</b>	<b>15.7</b>	<b>305</b>	<b>-66.7</b>
<b>Underlying att. profit</b>	<b>151</b>	<b>149.5</b>	<b>211</b>	<b>-55.8</b>

(\*) EUR mn and % change in constant euros



**Improved YoY trend in volumes** with double-digit growth, both in loans and customer funds

**Total income** affected by lower rates, lease income and lower activity partially offset by **cost control**

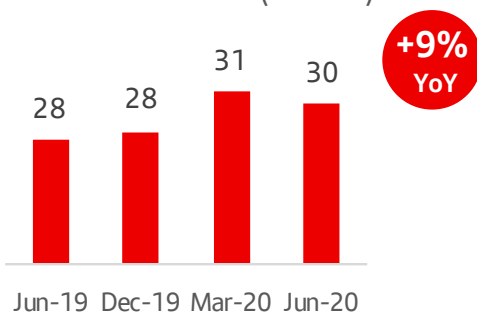
**Net operating income down 3%**, whilst profit down due primarily to the COVID-19 impact on provisions



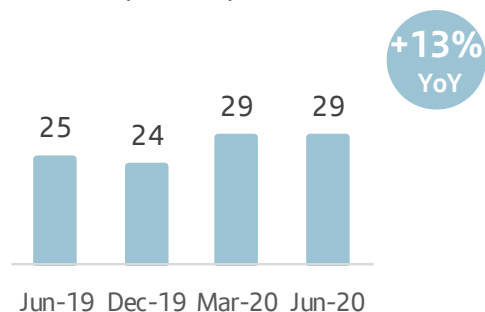
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	35	+4 pp
Digital customers (mn)	4.6	+31%
NPL ratio (%)	2.50	+29 bps
Cost of credit (%)	2.95	+34 bps
Efficiency ratio (%)	39.5	-206 bps
RoTE (%)	15.5	-5.0 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	650	-4.5	1,448	2.4
Net fee income	185	2.2	396	2.0
Total income	905	4.7	1,912	7.6
Operating expenses	-341	-3.7	-756	2.3
<b>Net operating income</b>	<b>565</b>	<b>10.6</b>	<b>1,156</b>	<b>11.4</b>
LLPs	-291	22.6	-564	47.0
<b>PBT</b>	<b>267</b>	<b>0.3</b>	<b>578</b>	<b>-10.3</b>
<b>Underlying att. profit</b>	<b>186</b>	<b>-1.1</b>	<b>406</b>	<b>4.2</b>

(\*) EUR mn and % change in constant euros



**Solid loan performance** driven by corporates, CIB and mortgages.  
Strong **digital customers** growth

**Net operating income increased at double-digit rates** both QoQ and YoY due to higher revenues and strong efficiency improvement

**Double-digit profitability** and **profit growth**, with reduced non-controlling interests





# Corporate Centre

P&L*	H1'20	H1'19
NII	-658	-600
Gains/Losses on FT	78	-171
Operating expenses	-166	-193
LLPs and other provisions	-402	-139
Tax and minority interests	61	46
<b>Underlying att. profit</b>	<b>-1,125</b>	<b>-1,108</b>

(\*) EUR mn



**NII** impacted by front-loading the 2020 issuance plan and an increased liquidity buffer

**Positive impact of FX hedging cost** reflected in results from financial transactions

**Operating expenses trend continued (-14% vs. H1'19)**, driven by the streamlining and simplification measures

**Provisions** include non-recurring charges for certain holdings whose valuation has been affected by the crisis

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# In the first half, we have grown our net operating income by 2% and CET1 to 11.84%, at the top end of our 11-12% target range

## Strong capital position

- ▶ We expect to remain at the top **end of our 11-12% target range by year end**
- ▶ Given our capital strength and operating performance, the board intends to propose a **scrip dividend (payable in new shares) against 2019 results, equivalent to EUR 0.10** per share, and the Bank has **accrued 6 bps** of CET1 capital in the quarter for a potential **cash dividend against 2020 results**<sup>1</sup>

## Strong operating performance

- ▶ **Total income for H1 unchanged YoY**, with CIB delivering 23% growth in attributable profit for the period. Customer revenue **expected to recover in H2'20**
- ▶ Cost reduction ahead of plan, with expenses falling 5% in real terms. **Disciplined cost management expected to continue in H2'20**

## Robust credit quality

- ▶ **The Group maintains the estimation of cost of credit of 1.4-1.5% at year end**

## Accelerating our transformation plans

- ▶ **Accelerating our transformation plans to leverage both our scale and the collective strengths of our regions and global businesses**, learning from customer behaviour changes during the pandemic
- ▶ Focus on simplifying our operations, improving customer experience **to grow profitably and with improved efficiency**

**Our net operating income forecast is consistent with our Investor Day RoTE target of 13-15%**

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# Europe



KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	36	+1 pp
Digital customers (mn)	14.7	+9%
NPL ratio (%)	3.24	-24 bps
Cost of credit (%)	0.47	+23 bps
Efficiency ratio (%)	54.8	+115 bps
RoTE (%)	4.4	-5.3 pp



**Extracting additional synergies** from transformation processes

**Leveraging digital transformation** to improve customer experience

The combined strengths of our European businesses allow us to create **'One Santander Europe'**

P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	3,352	-1.0	6,787	-4.3
Net fee income	1,098	-15.7	2,413	-8.0
Total income	4,577	-6.9	9,551	-7.8
Operating expenses	-2,526	-5.7	-5,237	-5.9
<b>Net operating income</b>	<b>2,051</b>	<b>-8.3</b>	<b>4,314</b>	<b>-9.9</b>
LLPs	-877	-33.5	-2,211	163.0
<b>PBT</b>	<b>1,014</b>	<b>39.9</b>	<b>1,747</b>	<b>-50.4</b>
<b>Underlying att. profit</b>	<b>632</b>	<b>44.7</b>	<b>1,075</b>	<b>-54.0</b>

(\*) EUR mn and % change in constant euros



**Loans up YoY boosted by Spain** (loans with ICO guarantee), **the UK** (mortgage and corporate lending) and **CIB**

**PBT down** due to **higher LLPs** based on the expected deterioration arising from COVID-19

**Ahead of plan on our cost savings target**

# North America



KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	33	+4 pp
Digital customers (mn)	5.7	+26%
NPL ratio (%)	1.73	-56 bps
Cost of credit (%)	3.21	+26 bps
Efficiency ratio (%)	41.5	-58 bps
RoTE (%) <sup>1</sup>	8.6	-6.0 pp

P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	2,079	-3.1	4,339	-0.2
Net fee income	400	-6.9	860	-2.1
Total income	2,706	-3.0	5,642	0.6
Operating expenses	-1,117	-4.0	-2,341	-0.8
<b>Net operating income</b>	<b>1,589</b>	<b>-2.3</b>	<b>3,301</b>	<b>1.7</b>
LLPs	-1,123	-6.9	-2,368	48.7
<b>PBT</b>	<b>430</b>	<b>5.4</b>	<b>883</b>	<b>-43.4</b>
<b>Underlying att. profit</b>	<b>336</b>	<b>33.3</b>	<b>617</b>	<b>-28.8</b>

(\*) EUR mn and % change in constant euros



**Increasing coordination and cooperation** between Mexico and the US

**Continued development of the USMX trade corridor** (SCIB: +19%; Commercial: +16%)

**Joint technology programmes** between the two countries



**Double-digit volume growth**, both in loans and customer funds

**Net operating income +2% YoY** with **improvement in revenue and costs**

**Profit** affected by LLPs increase and **reduced non-controlling interests** in SC USA and Mexico



# South America



KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	25	-1 pp
Digital customers (mn)	18.8	+15%
NPL ratio (%)	4.74	-7 bps
Cost of credit (%)	3.49	+62 bps
Efficiency ratio (%)	35.2	-107 bps
RoTE (%)	16.6	-4.2 pp



We continue to advance **creating a more connected region**, capable of capturing business opportunities, focusing on the customer and profitable growth

**Overall double-digit growth in volumes**

**Digital customers increased strongly**

P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	2,606	-0.1	5,671	6.1
Net fee income	774	-13.2	1,847	-1.5
Total income	3,690	4.0	7,854	7.0
Operating expenses	-1,275	0.7	-2,761	5.1
<b>Net operating income</b>	<b>2,416</b>	<b>5.8</b>	<b>5,093</b>	<b>8.1</b>
LLPs	-1,110	-1.0	-2,435	63.3
<b>PBT</b>	<b>1,254</b>	<b>19.6</b>	<b>2,465</b>	<b>-17.2</b>
<b>Underlying att. profit</b>	<b>685</b>	<b>13.6</b>	<b>1,383</b>	<b>-13.3</b>

(\*) EUR mn and % change in constant euros



**H1'20 profit decrease** due to **COVID-19** impact on **provisions**

**Net operating income grew 8% YoY** backed by higher income and efficiency improvement

**Positive performance in the quarter in all P&L lines**



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# Retail Banking

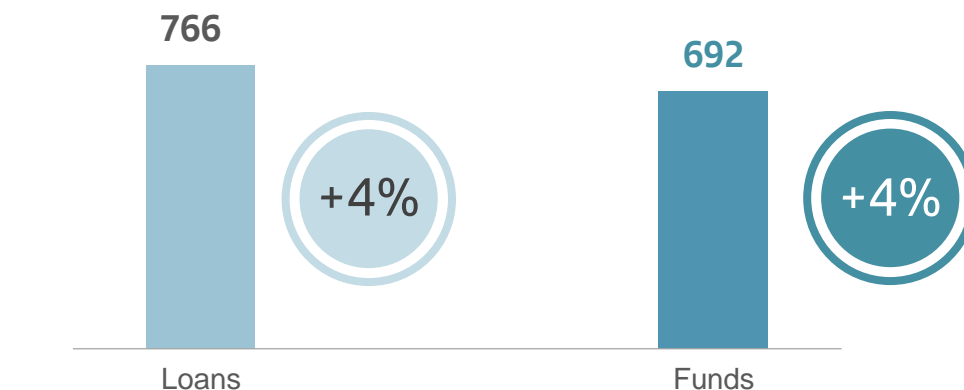
P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	7,141	-2.5	15,026	-0.8
Net fee income	1,495	-18.9	3,518	-10.3
Total income	8,859	-4.5	18,831	-3.5
Operating expenses	-4,084	-3.9	-8,611	-2.3
Net operating income	4,775	-4.9	10,220	-4.4
LLPs	2,846	-21.0	-6,735	74.4
PBT	1,711	54.2	2,930	-52.0
Underlying att. profit	982	71.2	1,616	-53.9

(\*) EUR mn and % change in constant euros



## Activity

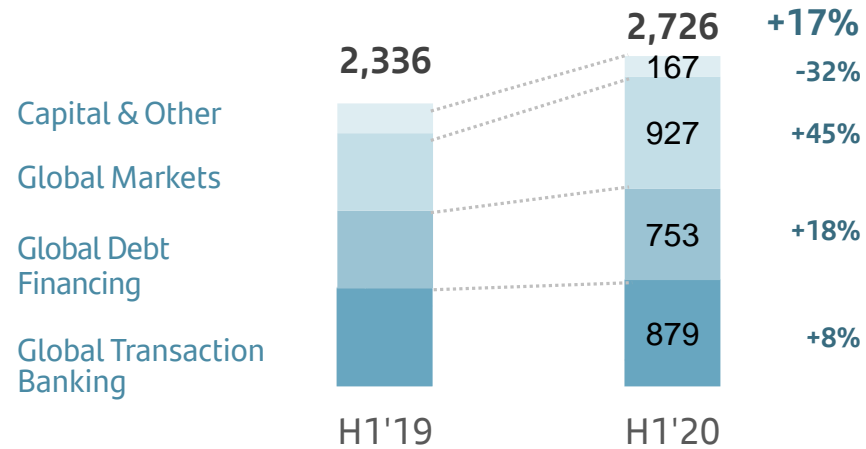
EUR bn and % change YoY in constant euros



Our priority was to ensure the **necessary financial support** for our customers, collaborators and local authorities

Focus on accelerating our **digital transformation**, through a **multi-channel** strategy

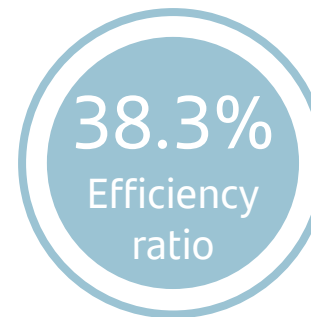
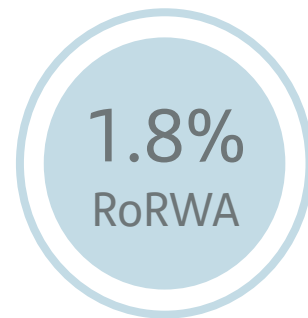
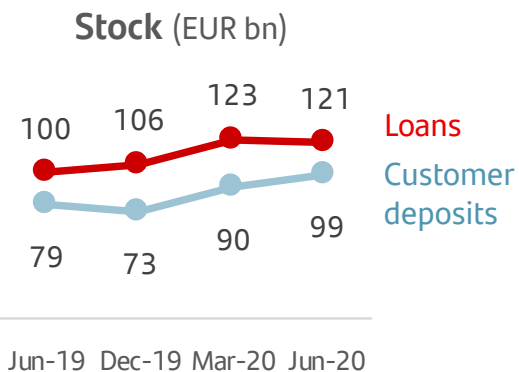
## Total income (Constant EUR mn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	713	14.1	1,384	12.1
Net fee income	406	6.9	810	20.3
Total income	1,426	17.9	2,726	16.7
Operating expenses	-507	-0.4	-1,043	-1.5
Net operating income	919	31.0	1,683	31.8
LLPs	-245	--	-249	371.6
PBT	646	-4.0	1,391	17.1
Underlying att. profit	437	-2.3	928	22.6

(\*) EUR mn and % change in constant euros

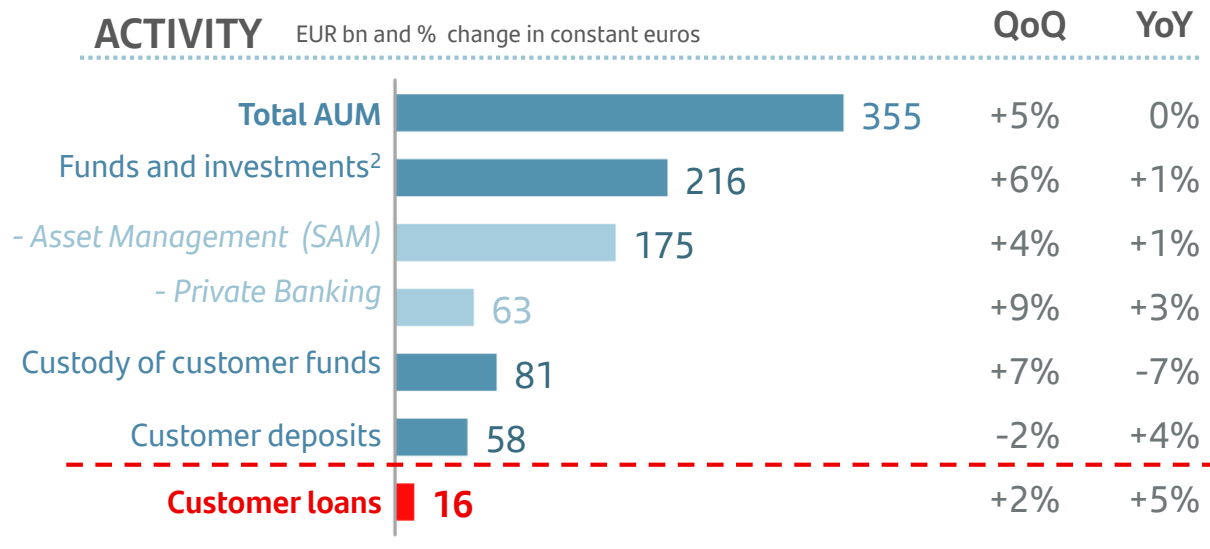
## VOLUMES<sup>1</sup>



In a volatile trading environment CIB **continued to support our customers** through contingency lines and other financing solutions

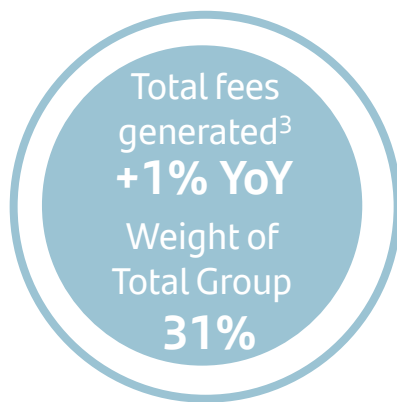
**YoY profit growth driven by** double-digit increase in the majority of businesses, particularly Global Markets and Global Debt Financing

**Strong revenue growth in H1'20** by **sound revenue performance and strict cost management**



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	104	-17.8	236	-13.0
Net fee income	279	-8.9	599	9.8
Total income	482	-13.4	1,069	3.7
Operating expenses	-220	-7.0	-464	0.0
<b>Net operating income</b>	<b>263</b>	<b>-18.1</b>	<b>605</b>	<b>6.8</b>
LLPs	-5	-19.2	-12	--
<b>PBT</b>	<b>255</b>	<b>-18.5</b>	<b>589</b>	<b>3.5</b>
<b>Underlying att. profit</b>	<b>186</b>	<b>-17.1</b>	<b>427</b>	<b>2.6</b>

(\*) EUR mn and % change in constant euros





**Profit resilience YTD: sound revenues and flat costs.** Supported by commercial activity in the beginning of the year and Q2 impacted by the effects from the COVID-19 crisis

In **Private Banking**, continued good activity levels and business growth, despite the markets situation and the reduction of interest rates

In **SAM**, volumes recovering, both by market movement and by positive net sales in May and June

In **Insurance**, new production is starting to recover pre-crisis level in the second part of the quarter, mainly in LatAm

# SGP continued deploying global payments solutions for SMEs and individuals, incorporating new services and functionalities on schedule

SMEs	 Getnet	<b>Global Merchant Services</b>	<p><b>Enhance our competitive position in E-commerce</b> (Getnet reached a market share of around 22% in Brazil)</p> <p>Further additional functionalities included to complete the roll-out in Mexico and the rest of countries</p> <p><b>&gt;1 mn active merchants. H1'20 revenue of EUR 242 mn</b></p>
	 OneTrade Ebury	<b>Global Trade Services</b>	<p><b>Santander OneTrade connected three countries</b> (Brazil, Spain and the UK) and launched more services &amp; products</p> <p>Following the completion of the operation, <b>GTS and Ebury teams</b> are working on a joint services and commercial plan, defining synergies and identifying complementary aspects</p> <p><b>&gt;200 k SME customers trading internationally. H1'20 revenue of EUR 640 mn (+11% YoY)</b></p>
Individuals	 superdigital	<b>Banking without a bank</b>	<p>Operates in <b>Brazil, Mexico and Chile</b></p> <p><b>Active customers</b> grew <b>91% YoY</b>, whereas <b>H1'20 transactions</b> are growing by <b>55% YoY</b></p> <p>Our goal is to scale the business to reach over 5 mn active customers across 7 markets in the medium term</p>
	 Openbank	<b>Global Digital Banking</b>	<p>Openbank is already in <b>Spain, Germany, the Netherlands and Portugal. Argentina obtained its banking licence</b> and is expected to start operations in the first half of 2021</p> <p><b>Loan</b> growth +57% YoY, <b>deposits</b> +10% YoY, # of <b>securities transactions</b> +108% YoY and <b>brokerage accounts</b> x3</p> <p><b>New customer growth +95% (H1'20 vs. H1'19)</b> - average of 4.6 products per customer</p>

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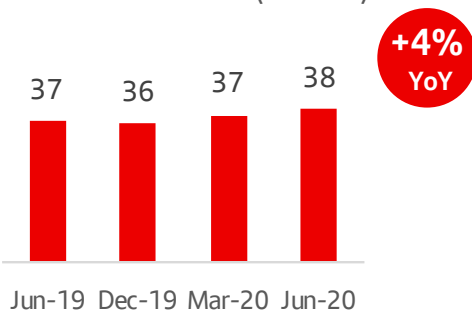
Glossary



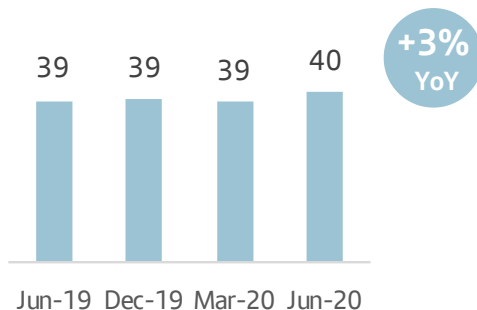
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	46	+1 pp
Digital customers (k)	866	+14%
NPL ratio (%)	4.43	-57 bps
Cost of credit (%)	0.30	+27 bps
Efficiency ratio (%)	44.3	+50 bps
RoTE (%)	8.5	-4.0 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	197	-2.3	399	-6.9
Net fee income	90	-11.0	191	-2.9
Total income	317	-9.4	668	-6.2
Operating expenses	-145	-4.2	-296	-5.1
<b>Net operating income</b>	<b>172</b>	<b>-13.4</b>	<b>372</b>	<b>-7.0</b>
LLPs	-24	-70.0	-105	--
<b>PBT</b>	<b>132</b>	<b>35.2</b>	<b>230</b>	<b>-39.3</b>
<b>Underlying att. profit</b>	<b>92</b>	<b>35.2</b>	<b>160</b>	<b>-38.6</b>

(\*) EUR mn



**Higher volumes** boosted by the sustained growth in individuals and companies loans and demand deposits

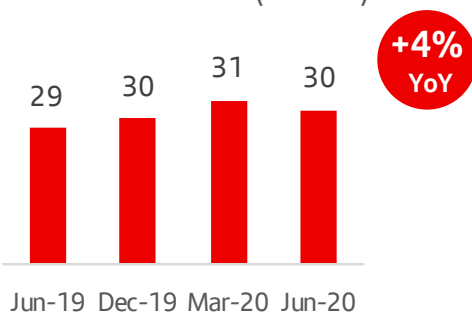
**PBT decreased** mainly impacted by **higher LLPs** and **lower NII**, dampened by lower average interest rates



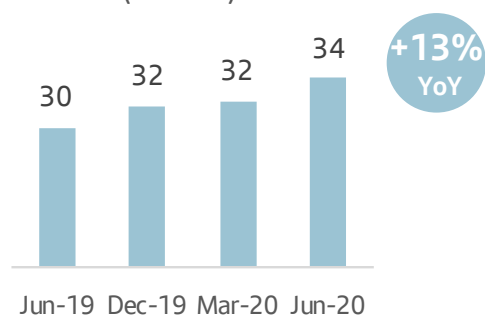
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	53	+1 pp
Digital customers (k)	2,635	+9%
NPL ratio (%)	4.57	+36 bps
Cost of credit (%)	0.96	+30 bps
Efficiency ratio (%)	42.4	-42 bps
RoTE (%) <sup>1</sup>	8.3	-8.6 pp

## VOLUMES<sup>2</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	251	-11.3	547	-0.5
Net fee income	104	-7.2	220	-1.7
Total income	377	7.6	742	-6.6
Operating expenses	-143	-13.0	-315	-7.5
<b>Net operating income</b>	<b>235</b>	<b>26.0</b>	<b>428</b>	<b>-6.0</b>
LLPs	-89	-2.8	-184	77.0
<b>PBT</b>	<b>105</b>	<b>75.5</b>	<b>167</b>	<b>-41.2</b>
<b>Underlying att. profit</b>	<b>51</b>	<b>129.7</b>	<b>73</b>	<b>-49.7</b>

(\*) EUR mn and % change in constant euros



**Income** impacted mainly by interest rates cuts, higher BFG contribution and lower dividend income

**Costs decreased** due to efficiency projects and the reduction in costs related to commercial activity

**LLPs up 77%** in a complicated business environment related with COVID-19 crisis

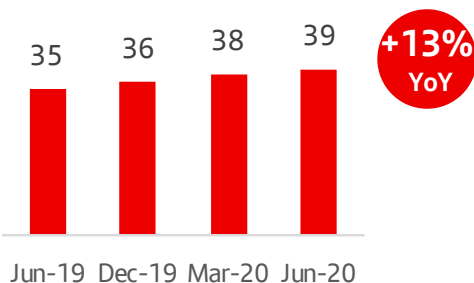




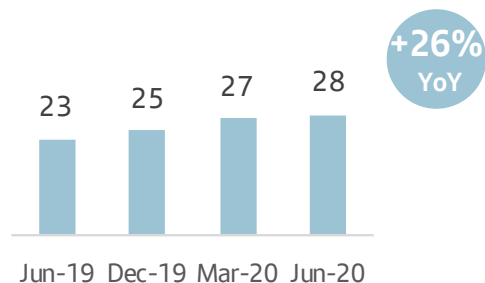
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	45	-1 pp
Digital customers (k)	1,339	+15%
NPL ratio (%)	4.99	+47 bps
Cost of credit (%)	1.46	+36 bps
Efficiency ratio (%)	40.3	-146 bps
RoTE (%)	11.2	-6.4 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	425	-3.3	873	8.9
Net fee income	74	-17.9	166	-2.3
Total income	584	7.8	1,137	6.3
Operating expenses	-228	0.9	-458	2.5
<b>Net operating income</b>	<b>356</b>	<b>12.8</b>	<b>678</b>	<b>8.9</b>
LLPs	-183	14.3	-346	95.6
<b>PBT</b>	<b>171</b>	<b>9.3</b>	<b>331</b>	<b>-30.6</b>
<b>Underlying att. profit</b>	<b>86</b>	<b>-9.4</b>	<b>183</b>	<b>-31.0</b>

(\*) EUR mn and % change in constant euros



**Change in the funding mix** (demand deposits +39% YoY)  
**Increased** corporate **loans** and state guaranteed loans for SMEs

**Net operating income growth** boosted by higher NII (larger volumes and lower cost of funds) and efficiency improvement

**QoQ** strong gains on financial transactions offset lower NII (lower inflation). Higher LLPs due to COVID19 and greater tax burden



# Argentina

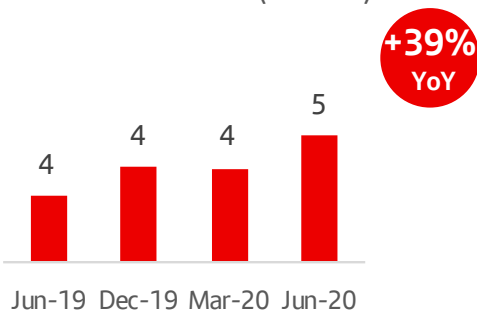
South America  
other markets



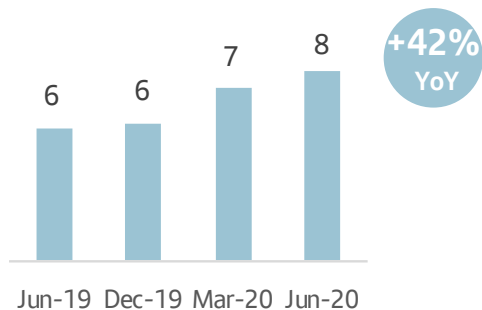
KEY DATA	H1'20	% H1'19
Loyal / active customers (%)	44	-3 pp
Digital customers (k)	2,557	+20%
NPL ratio (%)	3.15	-64 bps
Cost of credit (%)	5.67	+134 bps
Efficiency ratio (%)	54.0	-587 bps
RoTE (%)	28.8	+11.8 pp

## VOLUMES<sup>1</sup>

### Loans & Advances to Customers (EUR bn)



### Customer Deposits (EUR bn)



P&L*	Q2'20	% Q1'20	H1'20	% H1'19
NII	261	34.5	502	61.5
Net fee income	56	-3.6	132	-10.0
Total income	310	22.2	628	43.1
Operating expenses	-153	4.9	-339	29.1
<b>Net operating income</b>	<b>157</b>	<b>46.6</b>	<b>289</b>	<b>64.0</b>
LLPs	-57	-1.1	-132	51.8
<b>PBT</b>	<b>82</b>	<b>123.5</b>	<b>125</b>	<b>62.1</b>
<b>Underlying att. profit</b>	<b>75</b>	<b>159.2</b>	<b>109</b>	<b>144.5</b>

(\*) EUR mn and % change in constant euros



**Strong customer deposits growth.** High liquidity in both pesos and US Dollars

**H1'20 profit and RoTE increase** due to greater NII and efficiency improvement

**High digitalisation levels** and solid loyalty ratio



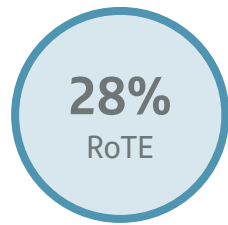
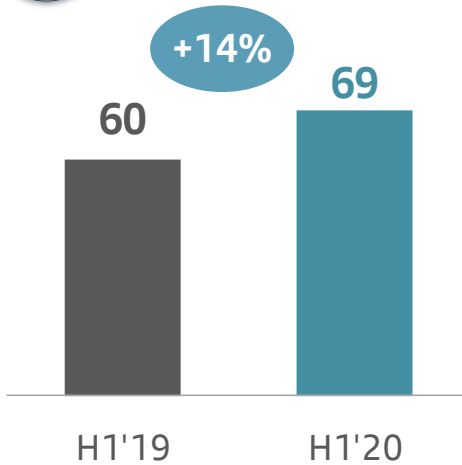
Note: Underlying RoTE  
(1) Constant euros. Loans and advances excluding reverse repos. Customer deposits excluding repos

# Uruguay and Andean region

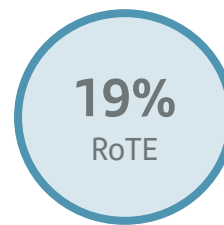
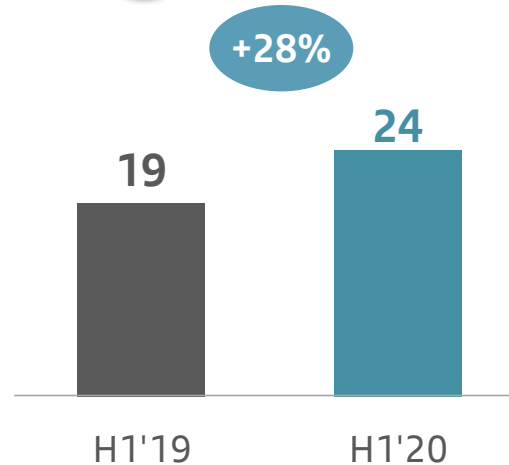
South America  
other markets



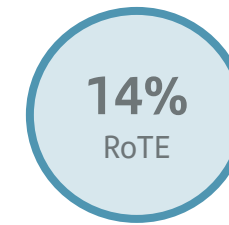
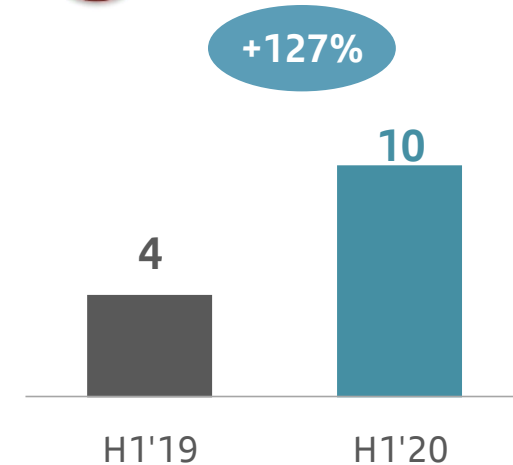
## URUGUAY



## PERU



## COLOMBIA



**Increased volumes** and activity reflected in **profit growth** and **higher profitability**

# Appendix

Primary segments

Secondary segments

Other countries. Detail

**Balance sheet and capital management**

Yield on loans and cost of deposits

NPL and coverage ratios and cost of credit

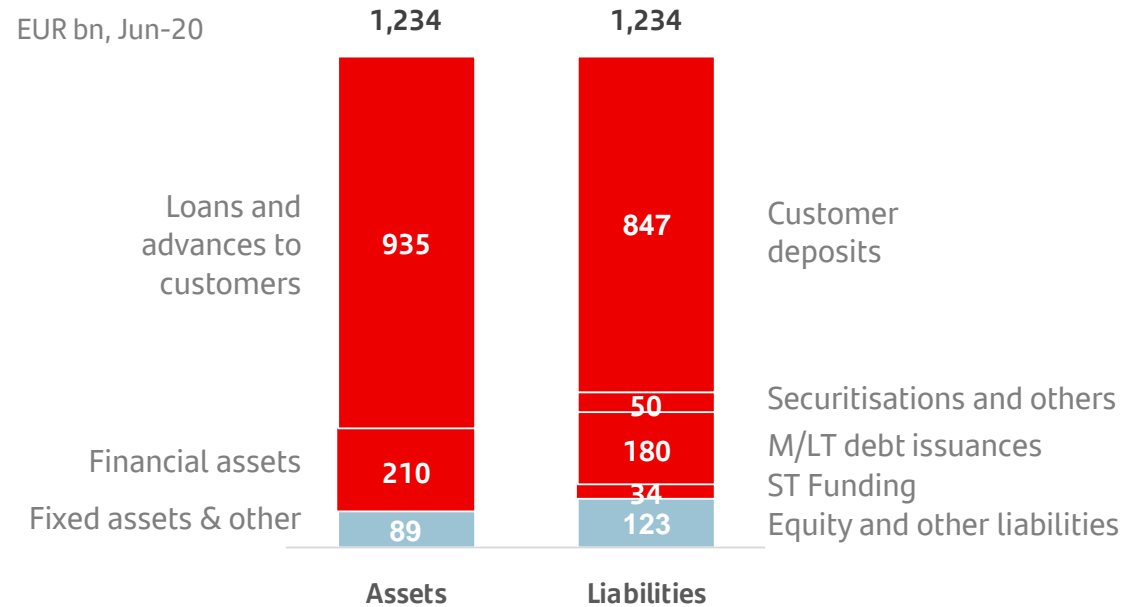
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# Santander has a highly liquid balance sheet with a large contribution from customer deposits and diversified MLT wholesale debt instruments

## Liquidity Balance Sheet



## HQLAs<sup>3</sup>

EUR bn, Jun-20

HQLAs Level 1	212.3
HQLAs Level 2	12.3
▶ Level 2A	6.4
▶ Level 2B	5.9

## Liquidity Coverage Ratio (LCR)

## Net Stable Funding Ratio (NSFR)

	Jun-20 <sup>1</sup>	Dec-19	Mar-20
Spain <sup>2</sup>	193%	143%	105%
SCF	297%	248%	111%
UK <sup>2</sup>	149%	145%	124%
Portugal	172%	134%	106%
Poland	188%	149%	130%
US	133%	133%	116%
Mexico	169%	133%	121%
Brazil	169%	122%	109%
Chile	161%	143%	109%
Argentina	214%	196%	180%
<b>Group</b>	<b>175%</b>	<b>147%</b>	<b>111%</b>



Note: Liquidity balance sheet for management purposes (net of trading derivatives and interbank balances)

(1) Provisional data

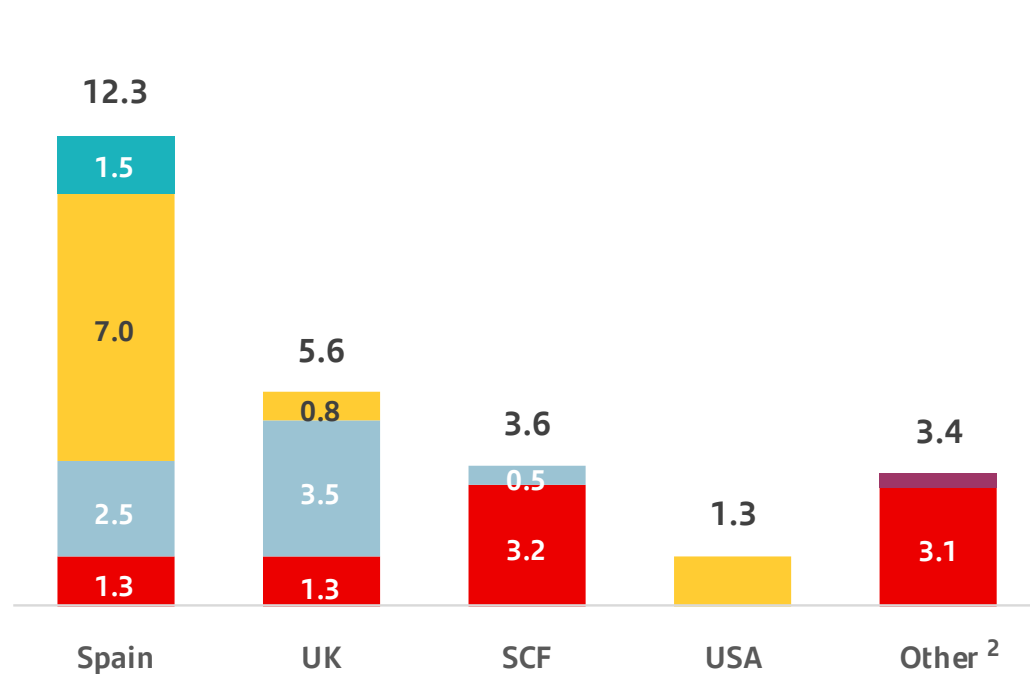
(2) LCR and NSFR: Spain: Parent bank, UK: Ring-fenced bank

(3) 12 month average, provisional

In the year to date, the Group has issued EUR 26 bn<sup>1</sup> of MLT debt and is able to cover its very manageable maturity profile

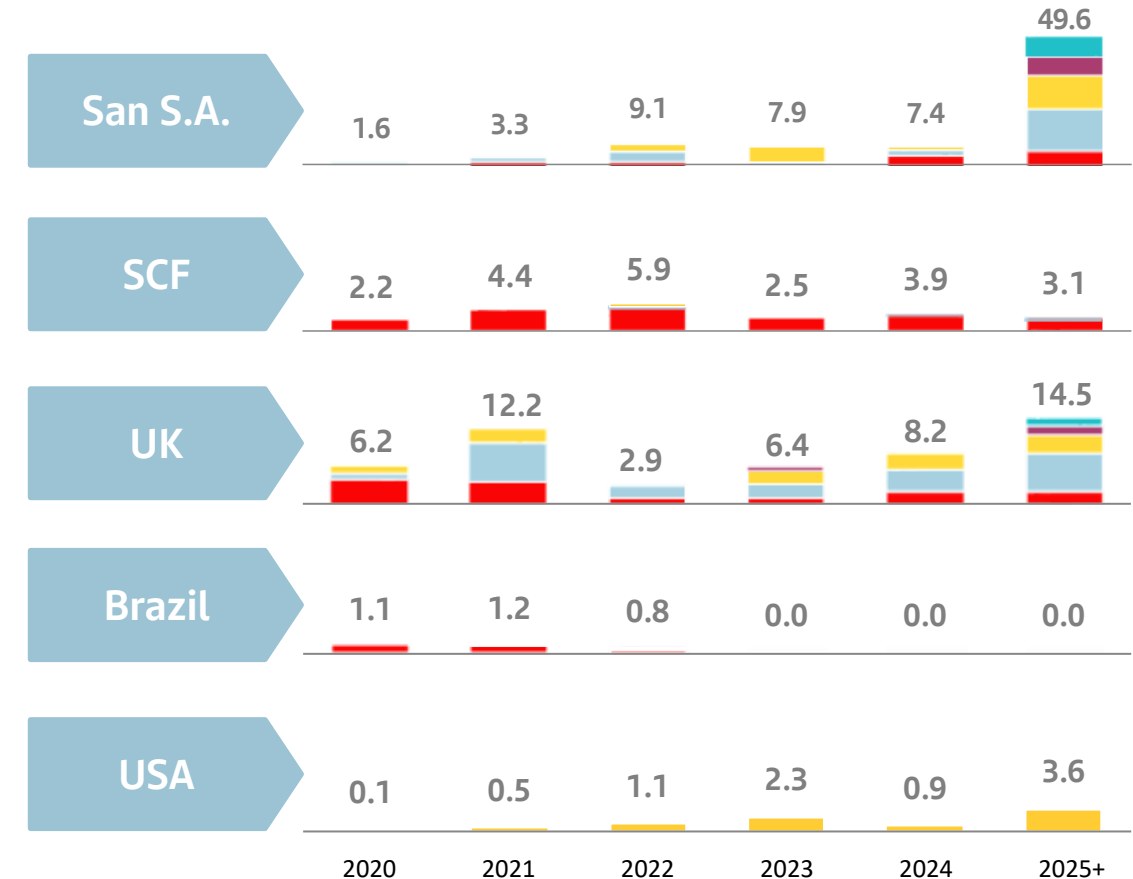
## Public market issuances in 2020

EUR bn, Jun-20



## Maturity profile

EUR bn, Jun-20



■ 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 Mexico, Brazil, Chile and Poland

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

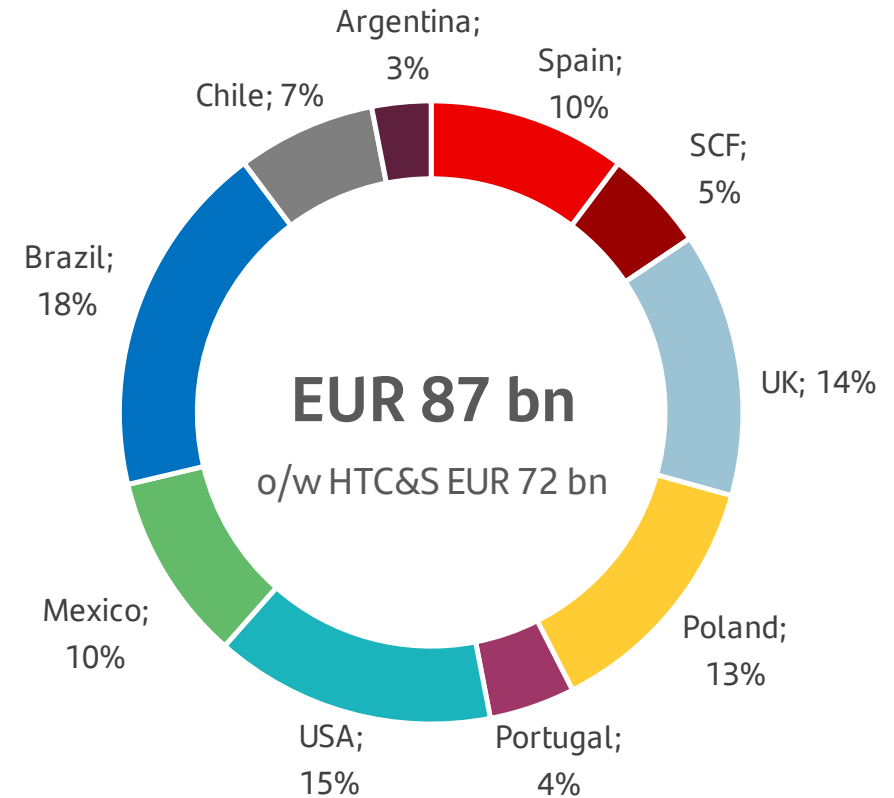
## Positive interest rate sensitivity in Europe

Net interest income sensitivity to a +/-100 bp parallel shift  
EUR mn, May -20

	+100 bps	-100 bps
 <sup>1</sup>	<b>+774</b>	<b>-275</b>
 <sup>2</sup>	<b>+238</b>	<b>-107</b>
 <sup>3</sup>	<b>+104</b>	<b>-34</b>
	<b>-112</b>	<b>+112</b>

## ALCO portfolios reflect our geographic diversification

Distribution of ALCO portfolios by country  
%, Jun-20



# Issuances YTD against funding plan

## 2020 Funding plan and issuances

EUR bn, Jun-20

	Covered Bonds + Senior		Senior Non-Preferred		Hybrids		TOTAL	
	Plan	Issued	Plan	Issued	Plan	Issued	Plan	Issued
Santander S.A	4-5	3.0	7-8	7.0	1-2	1.5	12-15	11.5
SCF	6-8	3.6	-	0.0	-	0.0	6-8	3.6
UK	6-8	4.8	2-3	0.8	-	0.0	8-11	5.6
SHUSA	-	-	1-2	1.3	-	0.0	1-2	1.3
<b>TOTAL</b>	<b>16-21</b>	<b>11.4</b>	<b>10-13</b>	<b>9.1</b>	<b>1-2</b>	<b>1.5</b>	<b>27-36</b>	<b>22.0<sup>2</sup></b>

- Frontloading of issuances in the first half of the year, having issued EUR 22 billion<sup>2</sup>, particularly focused on TLAC eligible issuances
- Through the issuances YTD and access to central bank facilities, many countries have now largely covered their funding needs for the year and future liquidity needs will be assessed depending on market conditions
- Liquidity position remains solid, with LCR above minimum regulatory requirements and ample liquidity buffers in all of our units



Note: Issuance plan subject to, amongst other considerations, market conditions and regulatory requirements. Other secured issuances (for example ABS, RMBS, etc.) are not considered in the table above

1. Issuance of EUR 1.5 bn AT1 (4.375%) in January 2020, replacing the EUR 1.5 billion AT1 (5.481%) that was called in March, therefore not within the scope of funding plan

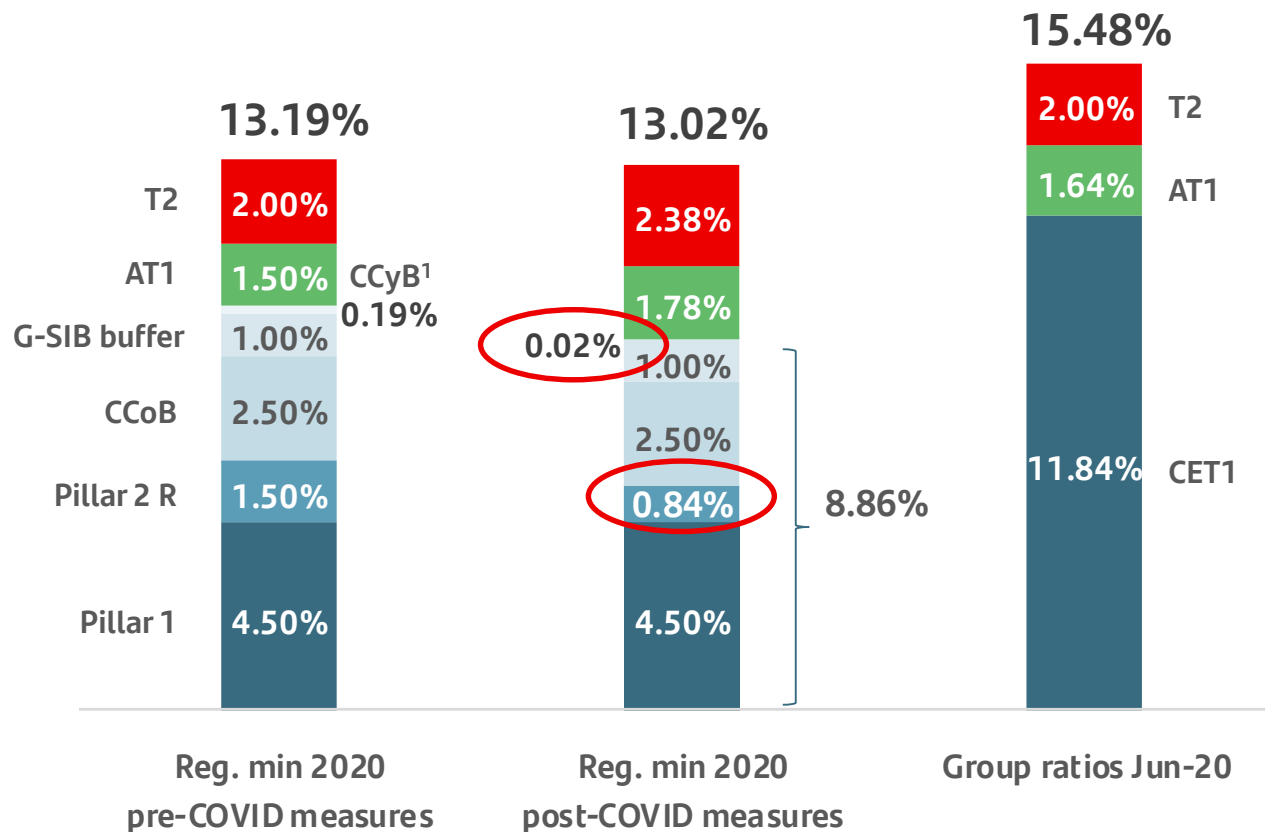
2. EUR 22 billion refers to the four entities given in the table. See slide 54 for full Group figures



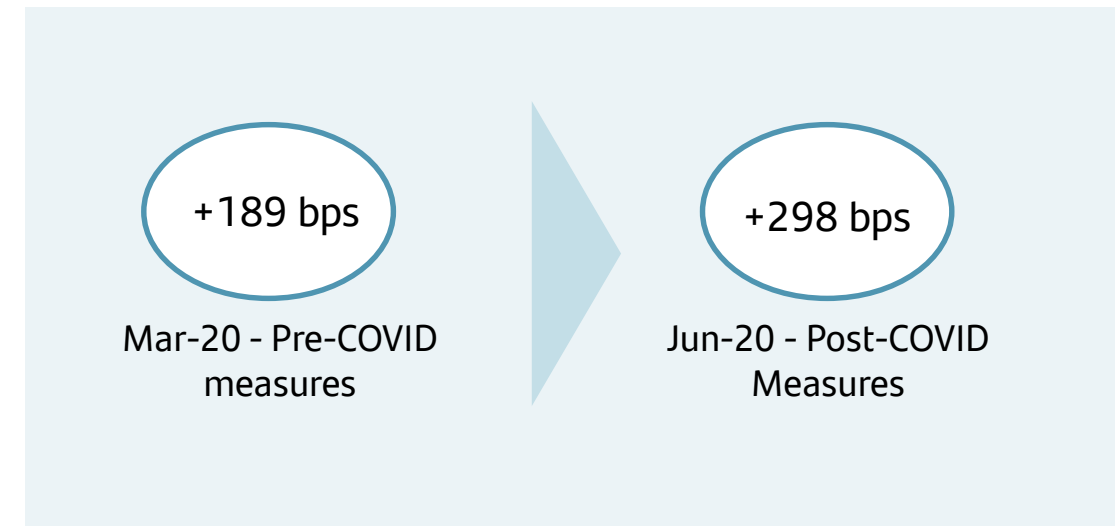
# Regulatory changes in the last quarter, and increased capital levels, increased the Group's CET1 management buffer to 298 bps

## SREP capital requirements (phased-in)

Jun-20



## CET1 management buffer<sup>2</sup>



# TLAC ratios for the Resolution Group headed by Banco Santander, S.A.

## TLAC Ratio

EUR mn

	Dec-19	Mar-20
<b>Own Funds</b>	<b>91,294</b>	<b>91,550</b>
of which: Common Equity Tier 1 (CET1) capital	75,683	75,821
of which: Additional Tier 1 (AT1) capital	7,742	7,829
of which: Tier 2 (T2) capital	7,869	7,900
<b>Eligible Liabilities</b>	<b>24,138</b>	<b>26,271</b>
Subordinated instruments	673	685
Non preferred senior debt	16,473	18,452
Preferred senior debt and equivalent instruments	6,992	7,134
<b>TLAC BEFORE DEDUCTIONS</b>	<b>115,431</b>	<b>117,821</b>
<b>Deductions</b>	<b>62,405</b>	<b>61,567</b>
<b>TLAC AFTER DEDUCTIONS</b>	<b>53,026</b>	<b>56,254</b>
<b>Risk Weighted Assets (RWAs)</b>	<b>279,680</b>	<b>285,354</b>
<b>TLAC RATIO (% RWAs)</b>	<b>19.0%</b>	<b>19.7%</b>
<b>Leverage Exposure (LE)</b>	<b>672,721</b>	<b>699,813</b>
<b>TLAC RATIO (% LE)</b>	<b>7.9%</b>	<b>8.0%</b>

- The TLAC ratio as at 31-Mar-20 increased by 75 bps to 19.71%<sup>1</sup> (compared to an expected year-end requirement of 19.52%)
- The EUR 2 billion increase in the stock of senior non-preferred debt was partially offset by an increase in RWAs of approximately EUR 6 billion
- The TLAC ratio as a percentage of the leverage exposure remained stable as growth in eligible liabilities was offset by growth in the leverage exposure (EUR 27 billion)

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**Yield on loans and cost of deposits**

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# Yield on loans (%)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
<b>EUROPE</b>	<b>2.77</b>	<b>2.75</b>	<b>2.70</b>	<b>2.68</b>	<b>2.66</b>	<b>2.47</b>
Spain	2.05	2.08	2.02	2.02	1.99	1.86
Santander Consumer Finance	4.51	4.48	4.41	4.26	4.27	4.17
United Kingdom	2.72	2.67	2.63	2.59	2.52	2.37
Portugal	1.79	1.76	1.71	1.64	1.63	1.56
Poland	4.14	4.15	4.17	4.17	4.04	3.34
<b>NORTH AMERICA</b>	<b>9.81</b>	<b>9.71</b>	<b>9.45</b>	<b>9.20</b>	<b>8.95</b>	<b>7.86</b>
US	8.70	8.52	8.27	7.95	7.77	6.93
Mexico	12.74	12.82	12.67	12.64	12.25	11.00
<b>SOUTH AMERICA</b>	<b>12.61</b>	<b>13.43</b>	<b>12.30</b>	<b>12.27</b>	<b>11.71</b>	<b>9.90</b>
Brazil	15.86	15.88	15.32	14.49	13.58	12.12
Chile	6.02	8.48	6.86	7.39	7.35	5.74
Argentina	24.22	23.99	23.95	26.26	23.74	20.05

# Cost of deposits (%)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
<b>EUROPE</b>	<b>0.42</b>	<b>0.42</b>	<b>0.41</b>	<b>0.41</b>	<b>0.39</b>	<b>0.28</b>
Spain	0.14	0.14	0.13	0.13	0.06	0.04
Santander Consumer Finance	0.60	0.61	0.60	0.58	0.57	0.53
United Kingdom	0.67	0.70	0.70	0.69	0.69	0.52
Portugal	0.14	0.12	0.10	0.10	0.08	0.06
Poland	0.89	0.89	0.78	0.74	0.65	0.42
<b>NORTH AMERICA</b>	<b>1.94</b>	<b>1.91</b>	<b>1.99</b>	<b>1.76</b>	<b>1.56</b>	<b>1.14</b>
US	0.95	0.87	0.96	0.86	0.73	0.39
Mexico	3.95	4.08	4.14	3.68	3.54	3.21
<b>SOUTH AMERICA</b>	<b>4.20</b>	<b>4.43</b>	<b>3.82</b>	<b>3.42</b>	<b>3.16</b>	<b>2.09</b>
Brazil	4.70	4.70	4.55	3.71	3.16	2.30
Chile	1.62	2.01	1.63	1.47	1.35	0.71
Argentina	9.93	11.09	10.90	12.29	10.64	7.37

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# Loan-loss provisions. Geographic distribution

EUR mn	Q1'20			Q2'20	H1'20
	LLPs published	Overlay fund	Total LLPs	Total LLPs	Total LLPs
	253	375	628	313	941
	172	145	317	184	501
	49	142	191	239	430
	5	75	80	24	105
	68	28	95	89	184
	646	327	972	832	1,804
	228	46	273	291	564
	709	358	1,066	843	1,909
	107	56	163	183	346
	39	35	75	57	132
Others	33	14	47	64	111
<b>Total</b>	<b>2,309</b>	<b>1,600</b>	<b>3,909</b>	<b>3,118</b>	<b>7,027</b>

# Payment holidays and moratoria – detail by geographic region

## Payment holidays and moratoria

	30 Jun 20	Customers (mn)		EUR bn		% portfolio	
		Total	o/w gov programmes	Total	o/w gov programmes	Total	o/w gov programmes
	<b>Europe</b>	<b>1,0</b>	<b>0,3</b>	<b>72</b>	<b>51</b>	<b>11%</b>	<b>8%</b>
	Mortgages	0,3	0,2	55	45	20%	17%
	Other Households	0,7	0,1	5	2	4%	1%
	SMEs & Corporates	0,0	0,0	12	4	4%	1%
	<b>North America</b>	<b>1,1</b>	<b>0,4</b>	<b>24</b>	<b>8</b>	<b>18%</b>	<b>6%</b>
	Mortgages	0,1	0,0	4	3	29%	22%
	Other Households	1,0	0,4	12	2	27%	5%
	SMEs & Corporates	0,0	0,0	8	3	10%	4%
	<b>South America</b>	<b>3,3</b>	<b>1,2</b>	<b>20</b>	<b>12</b>	<b>16%</b>	<b>10%</b>
	Mortgages	0,2	0,1	10	7	46%	32%
	Other Households	2,9	1,0	5	2	15%	6%
	SMEs & Corporates	0,2	0,1	5	3	7%	4%



# Coverage ratio by stage

	Exposure <sup>1</sup>		Coverage	
	Jun-20	Mar-20	Jun-20	Mar-20
Stage 1	878	891	0.6%	0.6%
Stage 2	61	53	7.7%	8.2%
Stage 3	33	33	41.1%	40.8%

# NPL ratio (%)

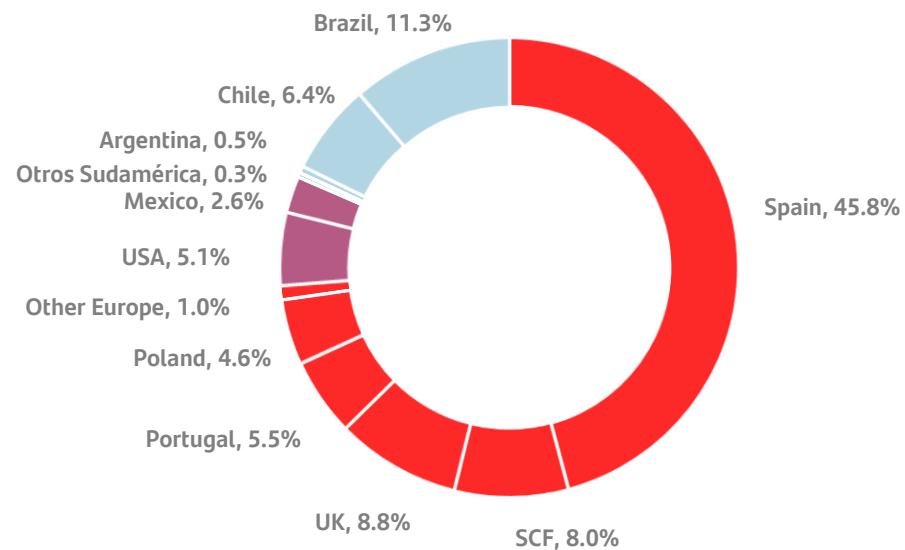
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
<b>EUROPE</b>	<b>3.61</b>	<b>3.48</b>	<b>3.47</b>	<b>3.25</b>	<b>3.19</b>	<b>3.24</b>
Spain	7.29	7.02	7.23	6.94	6.88	6.55
Santander Consumer Finance	2.33	2.24	2.25	2.30	2.43	2.52
United Kingdom	1.17	1.13	1.08	1.01	0.96	1.08
Portugal	5.77	5.00	4.90	4.83	4.56	4.43
Poland	4.39	4.21	4.35	4.31	4.29	4.57
<b>NORTH AMERICA</b>	<b>2.33</b>	<b>2.29</b>	<b>2.21</b>	<b>2.20</b>	<b>2.02</b>	<b>1.73</b>
US	2.41	2.32	2.18	2.20	2.00	1.49
Mexico	2.12	2.21	2.30	2.19	2.07	2.50
<b>SOUTH AMERICA</b>	<b>4.83</b>	<b>4.81</b>	<b>4.81</b>	<b>4.86</b>	<b>4.63</b>	<b>4.74</b>
Brazil	5.26	5.27	5.33	5.32	4.93	5.07
Chile	4.67	4.52	4.48	4.64	4.63	4.99
Argentina	3.50	3.79	3.64	3.39	3.97	3.15
<b>TOTAL GROUP</b>	<b>3.62</b>	<b>3.51</b>	<b>3.47</b>	<b>3.32</b>	<b>3.25</b>	<b>3.26</b>

# Coverage ratio (%)

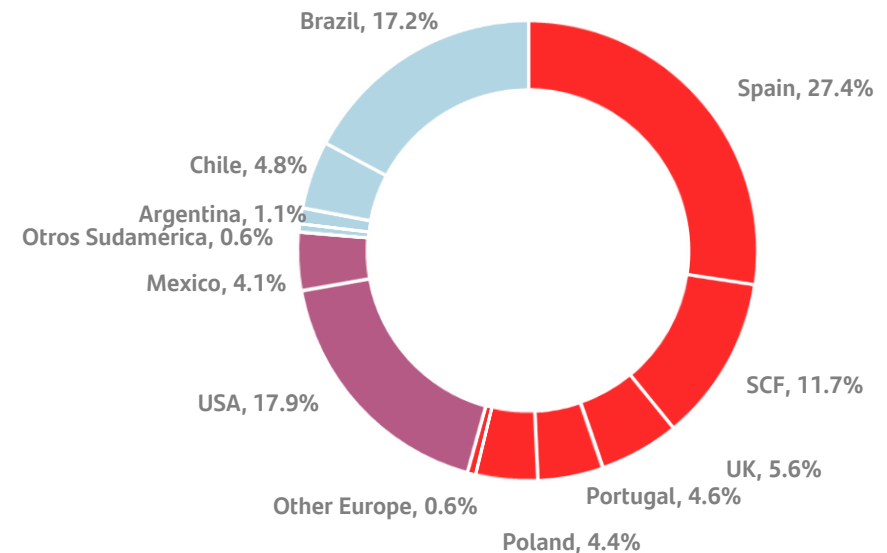
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
<b>EUROPE</b>	<b>49.5</b>	<b>49.9</b>	<b>48.2</b>	<b>49.8</b>	<b>54.1</b>	<b>53.4</b>
Spain	43.3	42.9	40.6	41.1	44.6	43.3
Santander Consumer Finance	105.3	105.9	104.2	106.1	109.6	106.1
United Kingdom	30.9	31.9	34.1	36.5	43.0	46.0
Portugal	50.7	52.9	51.5	52.8	59.0	60.9
Poland	67.6	69.7	69.0	66.8	68.1	69.0
<b>NORTH AMERICA</b>	<b>153.4</b>	<b>150.3</b>	<b>155.6</b>	<b>153.0</b>	<b>170.1</b>	<b>206.5</b>
US	161.0	158.4	166.6	161.8	181.4	253.1
Mexico	130.1	126.9	125.2	128.3	133.9	114.9
<b>SOUTH AMERICA</b>	<b>94.1</b>	<b>93.0</b>	<b>89.7</b>	<b>88.4</b>	<b>92.9</b>	<b>93.0</b>
Brazil	107.7	105.5	101.1	99.8	108.0	110.2
Chile	59.7	59.1	57.3	56.0	57.2	54.7
Argentina	118.6	126.4	134.0	124.0	131.2	165.7
<b>TOTAL GROUP</b>	<b>67.8</b>	<b>68.1</b>	<b>67.3</b>	<b>67.9</b>	<b>71.3</b>	<b>72.1</b>

# Non-performing loans and loan-loss allowances. Breakdown by operating areas. June 2020

## Non-performing loans



## Loan-loss allowances



# Cost of credit (%)

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
<b>EUROPE</b>	<b>0.24</b>	<b>0.24</b>	<b>0.25</b>	<b>0.28</b>	<b>0.40</b>	<b>0.47</b>
Spain	0.40	0.41	0.41	0.43	0.64	0.68
Santander Consumer Finance	0.38	0.36	0.38	0.48	0.66	0.78
United Kingdom	0.07	0.06	0.08	0.10	0.14	0.23
Portugal	0.03	0.03	0.00	(0.02)	0.23	0.30
Poland	0.61	0.66	0.71	0.72	0.88	0.96
<b>NORTH AMERICA</b>	<b>2.97</b>	<b>2.95</b>	<b>2.93</b>	<b>2.76</b>	<b>3.02</b>	<b>3.21</b>
US	3.11	3.09	3.09	2.85	3.13	3.30
Mexico	2.62	2.61	2.55	2.49	2.69	2.95
<b>SOUTH AMERICA</b>	<b>2.89</b>	<b>2.87</b>	<b>2.90</b>	<b>2.92</b>	<b>3.29</b>	<b>3.49</b>
Brazil	3.88	3.84	3.85	3.93	4.43	4.67
Chile	1.13	1.10	1.06	1.08	1.25	1.46
Argentina	4.02	4.33	4.86	5.09	5.48	5.67
<b>TOTAL GROUP</b>	<b>0.97</b>	<b>0.98</b>	<b>1.00</b>	<b>1.00</b>	<b>1.17</b>	<b>1.26</b>

# Appendix

Primary segments

Secondary segments

Other countries. Detail

Balance sheet and capital management

Yield on loans and cost of deposits

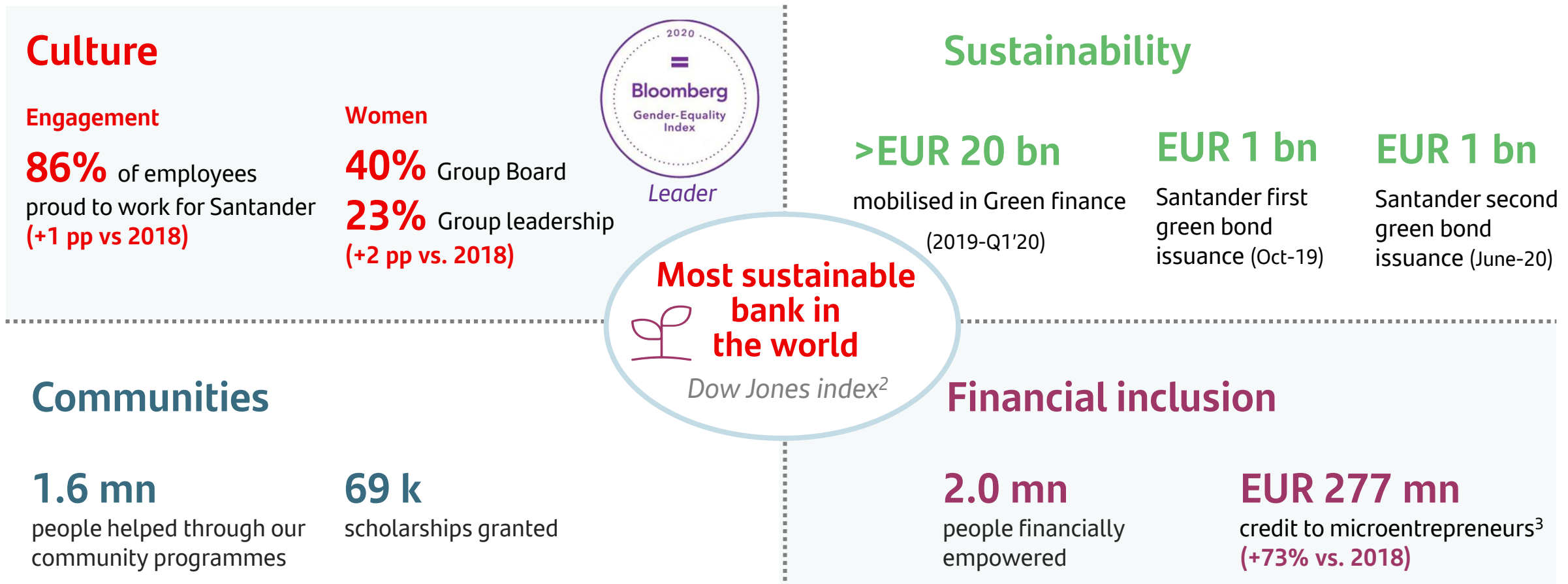
NPL and coverage ratios and cost of credit

**Responsible Banking**

Quarterly income statements

Glossary

# We continue to do business in a more responsible and sustainable way



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

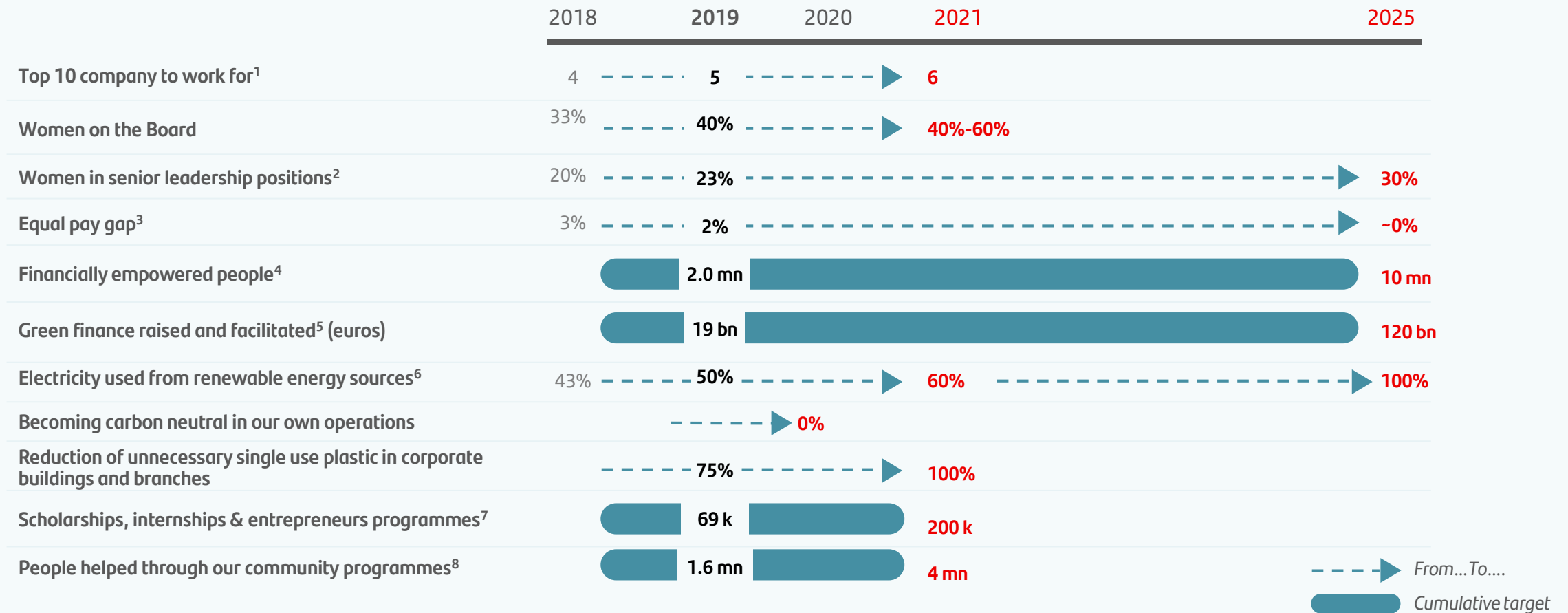


MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



# Santander Responsible Banking goals

We are building a more Responsible Bank aligned with our commitments



(1) According to relevant external indexes in each country (Great Place to Work, Top Employer, Merco, etc.)

(2) Senior positions represent 1% of total workforce

(3) Calculation of equal pay gap compares employees of the same job, level and function

(4) People (unbanked, underbanked or financially vulnerable), who are given access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education

(5) Includes Santander overall contribution to green finance: project finance, syndicated loans, green bonds, capital finance, export finance, advisory, structuring and other products to help our clients in the transition to a low carbon economy. Commitment from 2019 to 2030 is EUR 220 bn

(6) In those countries where it is possible to certify renewable sourced electricity for the properties occupied by the Group

(7) People supported through Santander Universities initiative (students who will receive a Santander scholarship, will achieve an internship in an SME or participate in entrepreneurship programmes supported by the bank)

(8) People helped through our community investment programmes (excluded Santander Universities and financial education initiatives)



# Appendix

Primary segments

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Other countries. Detail

Balance sheet and capital management

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NPL and coverage ratios and cost of credit

Responsible Banking

**Quarterly income statements**

Glossary

# SANTANDER GROUP (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	8,682	8,954	8,806	8,841	8,487	7,715	17,636	16,202
Net fee income	2,931	2,932	2,955	2,961	2,853	2,283	5,863	5,136
Gains (losses) on financial transactions and other	472	465	705	790	474	706	937	1,180
<b>Total income</b>	<b>12,085</b>	<b>12,351</b>	<b>12,466</b>	<b>12,592</b>	<b>11,814</b>	<b>10,704</b>	<b>24,436</b>	<b>22,518</b>
Operating expenses	(5,758)	(5,829)	(5,722)	(5,971)	(5,577)	(5,076)	(11,587)	(10,653)
<b>Net operating income</b>	<b>6,327</b>	<b>6,522</b>	<b>6,744</b>	<b>6,621</b>	<b>6,237</b>	<b>5,628</b>	<b>12,849</b>	<b>11,865</b>
Net loan-loss provisions	(2,172)	(2,141)	(2,435)	(2,573)	(3,909)	(3,118)	(4,313)	(7,027)
Other gains (losses) and provisions	(471)	(486)	(465)	(542)	(372)	(625)	(957)	(997)
<b>Underlying profit before tax</b>	<b>3,684</b>	<b>3,895</b>	<b>3,844</b>	<b>3,506</b>	<b>1,956</b>	<b>1,885</b>	<b>7,579</b>	<b>3,841</b>
<b>Underlying consolidated profit</b>	<b>2,358</b>	<b>2,542</b>	<b>2,529</b>	<b>2,397</b>	<b>696</b>	<b>1,677</b>	<b>4,900</b>	<b>2,373</b>
<b>Underlying attributable profit</b>	<b>1,948</b>	<b>2,097</b>	<b>2,135</b>	<b>2,072</b>	<b>377</b>	<b>1,531</b>	<b>4,045</b>	<b>1,908</b>
Net capital gains and provisions*	(108)	(706)	(1,634)	711	(46)	(12,660)	(814)	(12,706)
<b>Attributable profit</b>	<b>1,840</b>	<b>1,391</b>	<b>501</b>	<b>2,783</b>	<b>331</b>	<b>(11,129)</b>	<b>3,231</b>	<b>(10,798)</b>

(\*) Including: in Q1'19, capital gains from Prisma, capital losses due to property sales and restructuring costs  
in Q2'19, restructuring costs and PPI  
in Q3'19, restructuring costs, 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 in Brazil related to DTAs, net capital losses related to real estate in Spain, restructuring costs, provisions related to intangible assets and other and impact of appreciation of the ARS on the capital gains from Prisma registered in Q1'19  
in Q1'20, restructuring costs  
in Q2'20, adjustment to the valuation of goodwill, adjustment to deferred tax assets of the Spanish consolidated fiscal group and restructuring costs and other

# SANTANDER GROUP (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	7,981	8,247	8,296	8,319	8,177	8,025	16,228	16,202
Net fee income	2,666	2,686	2,780	2,781	2,748	2,388	5,352	5,136
Gains (losses) on financial transactions and other	466	471	699	768	475	705	937	1,180
<b>Total income</b>	<b>11,114</b>	<b>11,404</b>	<b>11,775</b>	<b>11,869</b>	<b>11,400</b>	<b>11,118</b>	<b>22,518</b>	<b>22,518</b>
Operating expenses	(5,385)	(5,470)	(5,522)	(5,704)	(5,421)	(5,232)	(10,856)	(10,653)
<b>Net operating income</b>	<b>5,728</b>	<b>5,934</b>	<b>6,254</b>	<b>6,165</b>	<b>5,979</b>	<b>5,886</b>	<b>11,662</b>	<b>11,865</b>
Net loan-loss provisions	(1,982)	(1,955)	(2,291)	(2,419)	(3,782)	(3,245)	(3,937)	(7,027)
Other gains (losses) and provisions	(434)	(459)	(434)	(505)	(357)	(640)	(893)	(997)
<b>Underlying profit before tax</b>	<b>3,313</b>	<b>3,520</b>	<b>3,529</b>	<b>3,241</b>	<b>1,840</b>	<b>2,001</b>	<b>6,832</b>	<b>3,841</b>
<b>Underlying consolidated profit</b>	<b>2,131</b>	<b>2,297</b>	<b>2,329</b>	<b>2,218</b>	<b>620</b>	<b>1,753</b>	<b>4,427</b>	<b>2,373</b>
<b>Underlying attributable profit</b>	<b>1,754</b>	<b>1,883</b>	<b>1,966</b>	<b>1,916</b>	<b>307</b>	<b>1,601</b>	<b>3,637</b>	<b>1,908</b>
Net capital gains and provisions*	(168)	(704)	(1,605)	591	(46)	(12,660)	(872)	(12,706)
<b>Attributable profit</b>	<b>1,586</b>	<b>1,179</b>	<b>361</b>	<b>2,507</b>	<b>262</b>	<b>(11,060)</b>	<b>2,765</b>	<b>(10,798)</b>

(\*) Including: in Q1'19, capital gains from Prisma, capital losses due to property sales and restructuring costs  
in Q2'19, restructuring costs and PPI  
in Q3'19, restructuring costs, 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 in Brazil related to DTAs, net capital losses related to real estate in Spain, restructuring costs, provisions related to intangible assets and other and impact of appreciation of the ARS on the capital gains from Prisma registered in Q1'19  
in Q1'20, restructuring costs  
in Q2'20, adjustment to the valuation of goodwill, adjustment to deferred tax assets of the Spanish consolidated fiscal group and restructuring costs and other

# EUROPE (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	3,561	3,580	3,530	3,531	3,435	3,352	7,141	6,787
Net fee income	1,327	1,304	1,310	1,319	1,315	1,098	2,630	2,413
Gains (losses) on financial transactions and other	337	304	455	443	225	126	642	351
<b>Total income</b>	<b>5,225</b>	<b>5,188</b>	<b>5,295</b>	<b>5,292</b>	<b>4,974</b>	<b>4,577</b>	<b>10,413</b>	<b>9,551</b>
Operating expenses	(2,802)	(2,789)	(2,719)	(2,733)	(2,712)	(2,526)	(5,591)	(5,237)
<b>Net operating income</b>	<b>2,423</b>	<b>2,399</b>	<b>2,576</b>	<b>2,559</b>	<b>2,263</b>	<b>2,051</b>	<b>4,822</b>	<b>4,314</b>
Net loan-loss provisions	(457)	(387)	(497)	(498)	(1,335)	(877)	(844)	(2,211)
Other gains (losses) and provisions	(198)	(231)	(130)	(209)	(195)	(160)	(429)	(355)
<b>Underlying profit before tax</b>	<b>1,768</b>	<b>1,781</b>	<b>1,949</b>	<b>1,852</b>	<b>733</b>	<b>1,014</b>	<b>3,549</b>	<b>1,747</b>
<b>Underlying consolidated profit</b>	<b>1,276</b>	<b>1,306</b>	<b>1,418</b>	<b>1,370</b>	<b>515</b>	<b>739</b>	<b>2,583</b>	<b>1,255</b>
<b>Underlying attributable profit</b>	<b>1,163</b>	<b>1,191</b>	<b>1,286</b>	<b>1,238</b>	<b>443</b>	<b>632</b>	<b>2,354</b>	<b>1,075</b>

# EUROPE (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	3,536	3,555	3,539	3,495	3,410	3,377	7,091	6,787
Net fee income	1,323	1,300	1,314	1,312	1,309	1,104	2,623	2,413
Gains (losses) on financial transactions and other	338	304	455	442	226	125	642	351
<b>Total income</b>	<b>5,197</b>	<b>5,159</b>	<b>5,308</b>	<b>5,249</b>	<b>4,945</b>	<b>4,606</b>	<b>10,356</b>	<b>9,551</b>
Operating expenses	(2,790)	(2,777)	(2,733)	(2,713)	(2,695)	(2,542)	(5,567)	(5,237)
<b>Net operating income</b>	<b>2,407</b>	<b>2,382</b>	<b>2,575</b>	<b>2,536</b>	<b>2,250</b>	<b>2,064</b>	<b>4,789</b>	<b>4,314</b>
Net loan-loss provisions	(452)	(389)	(493)	(493)	(1,328)	(883)	(841)	(2,211)
Other gains (losses) and provisions	(197)	(230)	(131)	(208)	(193)	(162)	(427)	(355)
<b>Underlying profit before tax</b>	<b>1,759</b>	<b>1,763</b>	<b>1,952</b>	<b>1,835</b>	<b>728</b>	<b>1,019</b>	<b>3,521</b>	<b>1,747</b>
<b>Underlying consolidated profit</b>	<b>1,269</b>	<b>1,292</b>	<b>1,421</b>	<b>1,357</b>	<b>512</b>	<b>743</b>	<b>2,561</b>	<b>1,255</b>
<b>Underlying attributable profit</b>	<b>1,157</b>	<b>1,178</b>	<b>1,289</b>	<b>1,226</b>	<b>439</b>	<b>636</b>	<b>2,335</b>	<b>1,075</b>

# Spain (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	1,009	1,009	967	934	925	931	2,018	1,856
Net fee income	623	624	614	620	643	535	1,247	1,178
Gains (losses) on financial transactions and other	224	216	408	258	220	96	440	316
<b>Total income</b>	<b>1,857</b>	<b>1,849</b>	<b>1,989</b>	<b>1,811</b>	<b>1,789</b>	<b>1,562</b>	<b>3,706</b>	<b>3,350</b>
Operating expenses	(1,025)	(1,020)	(999)	(977)	(944)	(896)	(2,044)	(1,841)
<b>Net operating income</b>	<b>832</b>	<b>829</b>	<b>990</b>	<b>834</b>	<b>844</b>	<b>665</b>	<b>1,661</b>	<b>1,509</b>
Net loan-loss provisions	(242)	(228)	(210)	(176)	(628)	(313)	(470)	(941)
Other gains (losses) and provisions	(112)	(143)	(100)	(100)	(104)	(115)	(255)	(219)
<b>Underlying profit before tax</b>	<b>478</b>	<b>458</b>	<b>681</b>	<b>557</b>	<b>112</b>	<b>237</b>	<b>936</b>	<b>350</b>
<b>Underlying consolidated profit</b>	<b>356</b>	<b>338</b>	<b>491</b>	<b>401</b>	<b>90</b>	<b>160</b>	<b>694</b>	<b>250</b>
<b>Underlying attributable profit</b>	<b>356</b>	<b>338</b>	<b>491</b>	<b>400</b>	<b>90</b>	<b>161</b>	<b>694</b>	<b>251</b>

# Santander Consumer Finance (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	941	971	977	960	979	947	1,911	1,926
Net fee income	214	201	213	195	187	159	415	345
Gains (losses) on financial transactions and other	13	(18)	14	30	5	(11)	(5)	(5)
<b>Total income</b>	<b>1,167</b>	<b>1,154</b>	<b>1,203</b>	<b>1,185</b>	<b>1,171</b>	<b>1,095</b>	<b>2,321</b>	<b>2,266</b>
Operating expenses	(508)	(527)	(504)	(499)	(514)	(469)	(1,035)	(983)
<b>Net operating income</b>	<b>659</b>	<b>627</b>	<b>699</b>	<b>686</b>	<b>656</b>	<b>626</b>	<b>1,286</b>	<b>1,283</b>
Net loan-loss provisions	(122)	(59)	(147)	(148)	(317)	(184)	(181)	(501)
Other gains (losses) and provisions	24	(12)	42	(33)	44	23	12	67
<b>Underlying profit before tax</b>	<b>561</b>	<b>556</b>	<b>594</b>	<b>504</b>	<b>383</b>	<b>466</b>	<b>1,117</b>	<b>849</b>
<b>Underlying consolidated profit</b>	<b>402</b>	<b>401</b>	<b>420</b>	<b>394</b>	<b>277</b>	<b>333</b>	<b>803</b>	<b>610</b>
<b>Underlying attributable profit</b>	<b>324</b>	<b>334</b>	<b>338</b>	<b>319</b>	<b>219</b>	<b>258</b>	<b>658</b>	<b>477</b>

# Santander Consumer Finance (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	925	954	961	949	973	953	1,878	1,926
Net fee income	213	200	212	194	186	159	413	345
Gains (losses) on financial transactions and other	12	(18)	14	29	6	(11)	(5)	(5)
<b>Total income</b>	<b>1,150</b>	<b>1,136</b>	<b>1,188</b>	<b>1,173</b>	<b>1,165</b>	<b>1,101</b>	<b>2,285</b>	<b>2,266</b>
Operating expenses	(501)	(519)	(498)	(495)	(512)	(471)	(1,020)	(983)
<b>Net operating income</b>	<b>649</b>	<b>617</b>	<b>689</b>	<b>678</b>	<b>653</b>	<b>630</b>	<b>1,265</b>	<b>1,283</b>
Net loan-loss provisions	(118)	(63)	(143)	(145)	(316)	(185)	(181)	(501)
Other gains (losses) and provisions	24	(12)	43	(33)	44	23	12	67
<b>Underlying profit before tax</b>	<b>555</b>	<b>542</b>	<b>589</b>	<b>500</b>	<b>381</b>	<b>468</b>	<b>1,097</b>	<b>849</b>
<b>Underlying consolidated profit</b>	<b>398</b>	<b>390</b>	<b>416</b>	<b>390</b>	<b>275</b>	<b>335</b>	<b>788</b>	<b>610</b>
<b>Underlying attributable profit</b>	<b>320</b>	<b>323</b>	<b>334</b>	<b>315</b>	<b>218</b>	<b>259</b>	<b>643</b>	<b>477</b>



# United Kingdom (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	975	944	908	961	898	871	1,919	1,769
Net fee income	216	207	217	226	193	96	423	290
Gains (losses) on financial transactions and other	15	32	(5)	33	6	12	46	18
<b>Total income</b>	<b>1,206</b>	<b>1,183</b>	<b>1,119</b>	<b>1,220</b>	<b>1,098</b>	<b>979</b>	<b>2,388</b>	<b>2,077</b>
Operating expenses	(739)	(703)	(681)	(712)	(714)	(656)	(1,442)	(1,370)
<b>Net operating income</b>	<b>467</b>	<b>479</b>	<b>438</b>	<b>508</b>	<b>384</b>	<b>323</b>	<b>946</b>	<b>707</b>
Net loan-loss provisions	(61)	(19)	(77)	(96)	(191)	(239)	(80)	(430)
Other gains (losses) and provisions	(50)	(25)	(43)	(66)	(74)	(4)	(75)	(79)
<b>Underlying profit before tax</b>	<b>357</b>	<b>435</b>	<b>318</b>	<b>345</b>	<b>119</b>	<b>80</b>	<b>792</b>	<b>198</b>
<b>Underlying consolidated profit</b>	<b>260</b>	<b>333</b>	<b>252</b>	<b>255</b>	<b>91</b>	<b>61</b>	<b>593</b>	<b>152</b>
<b>Underlying attributable profit</b>	<b>254</b>	<b>327</b>	<b>246</b>	<b>249</b>	<b>84</b>	<b>54</b>	<b>582</b>	<b>139</b>

# United Kingdom (GBP mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	850	825	820	827	774	773	1,676	1,546
Net fee income	189	181	195	194	166	87	370	253
Gains (losses) on financial transactions and other	13	28	(4)	29	5	10	40	16
<b>Total income</b>	<b>1,052</b>	<b>1,034</b>	<b>1,011</b>	<b>1,050</b>	<b>946</b>	<b>870</b>	<b>2,086</b>	<b>1,815</b>
Operating expenses	(644)	(615)	(615)	(612)	(615)	(583)	(1,259)	(1,197)
<b>Net operating income</b>	<b>407</b>	<b>419</b>	<b>396</b>	<b>437</b>	<b>331</b>	<b>287</b>	<b>826</b>	<b>618</b>
Net loan-loss provisions	(53)	(17)	(68)	(83)	(164)	(211)	(70)	(376)
Other gains (losses) and provisions	(43)	(22)	(39)	(58)	(64)	(5)	(65)	(69)
<b>Underlying profit before tax</b>	<b>311</b>	<b>380</b>	<b>288</b>	<b>296</b>	<b>102</b>	<b>71</b>	<b>691</b>	<b>173</b>
<b>Underlying consolidated profit</b>	<b>227</b>	<b>291</b>	<b>228</b>	<b>219</b>	<b>78</b>	<b>55</b>	<b>518</b>	<b>133</b>
<b>Underlying attributable profit</b>	<b>222</b>	<b>286</b>	<b>223</b>	<b>214</b>	<b>73</b>	<b>49</b>	<b>508</b>	<b>121</b>

# Portugal (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	216	213	214	213	202	197	429	399
Net fee income	98	99	96	98	101	90	197	191
Gains (losses) on financial transactions and other	44	42	22	21	47	30	86	77
<b>Total income</b>	<b>357</b>	<b>354</b>	<b>331</b>	<b>332</b>	<b>350</b>	<b>317</b>	<b>712</b>	<b>668</b>
Operating expenses	(157)	(154)	(155)	(156)	(151)	(145)	(312)	(296)
<b>Net operating income</b>	<b>200</b>	<b>200</b>	<b>176</b>	<b>175</b>	<b>199</b>	<b>172</b>	<b>400</b>	<b>372</b>
Net loan-loss provisions	13	(1)	(0)	(4)	(80)	(24)	12	(105)
Other gains (losses) and provisions	(20)	(13)	2	21	(21)	(16)	(33)	(37)
<b>Underlying profit before tax</b>	<b>193</b>	<b>186</b>	<b>178</b>	<b>192</b>	<b>98</b>	<b>132</b>	<b>379</b>	<b>230</b>
<b>Underlying consolidated profit</b>	<b>135</b>	<b>126</b>	<b>125</b>	<b>140</b>	<b>68</b>	<b>92</b>	<b>261</b>	<b>160</b>
<b>Underlying attributable profit</b>	<b>135</b>	<b>125</b>	<b>125</b>	<b>140</b>	<b>68</b>	<b>92</b>	<b>260</b>	<b>160</b>

# Poland (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	281	284	298	307	296	251	565	547
Net fee income	113	117	119	117	116	104	230	220
Gains (losses) on financial transactions and other	(18)	39	24	34	(48)	23	22	(25)
<b>Total income</b>	<b>377</b>	<b>440</b>	<b>442</b>	<b>459</b>	<b>365</b>	<b>377</b>	<b>817</b>	<b>742</b>
Operating expenses	(173)	(176)	(175)	(169)	(172)	(143)	(349)	(315)
<b>Net operating income</b>	<b>204</b>	<b>263</b>	<b>267</b>	<b>290</b>	<b>193</b>	<b>235</b>	<b>467</b>	<b>428</b>
Net loan-loss provisions	(43)	(64)	(59)	(51)	(95)	(89)	(107)	(184)
Other gains (losses) and provisions	(34)	(34)	(24)	(34)	(36)	(40)	(68)	(76)
<b>Underlying profit before tax</b>	<b>127</b>	<b>166</b>	<b>183</b>	<b>205</b>	<b>62</b>	<b>105</b>	<b>293</b>	<b>167</b>
<b>Underlying consolidated profit</b>	<b>89</b>	<b>130</b>	<b>139</b>	<b>153</b>	<b>32</b>	<b>74</b>	<b>219</b>	<b>106</b>
<b>Underlying attributable profit</b>	<b>61</b>	<b>89</b>	<b>95</b>	<b>104</b>	<b>23</b>	<b>51</b>	<b>150</b>	<b>73</b>

# Poland (PLN mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	1,209	1,216	1,288	1,317	1,279	1,134	2,425	2,413
Net fee income	488	499	514	504	503	467	987	970
Gains (losses) on financial transactions and other	(76)	168	104	147	(206)	95	92	(111)
<b>Total income</b>	<b>1,622</b>	<b>1,883</b>	<b>1,906</b>	<b>1,968</b>	<b>1,576</b>	<b>1,696</b>	<b>3,505</b>	<b>3,272</b>
Operating expenses	(745)	(755)	(754)	(726)	(742)	(645)	(1,500)	(1,387)
<b>Net operating income</b>	<b>877</b>	<b>1,128</b>	<b>1,152</b>	<b>1,242</b>	<b>834</b>	<b>1,051</b>	<b>2,005</b>	<b>1,886</b>
Net loan-loss provisions	(186)	(272)	(256)	(217)	(411)	(399)	(458)	(810)
Other gains (losses) and provisions	(145)	(146)	(106)	(147)	(155)	(181)	(291)	(337)
<b>Underlying profit before tax</b>	<b>546</b>	<b>710</b>	<b>791</b>	<b>878</b>	<b>268</b>	<b>470</b>	<b>1,256</b>	<b>738</b>
<b>Underlying consolidated profit</b>	<b>385</b>	<b>556</b>	<b>600</b>	<b>655</b>	<b>140</b>	<b>329</b>	<b>941</b>	<b>469</b>
<b>Underlying attributable profit</b>	<b>264</b>	<b>379</b>	<b>409</b>	<b>446</b>	<b>98</b>	<b>225</b>	<b>643</b>	<b>323</b>

## Other Europe (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	139	159	166	155	134	155	299	289
Net fee income	62	56	52	63	74	115	118	189
Gains (losses) on financial transactions and other	60	(7)	(8)	68	(6)	(23)	53	(29)
<b>Total income</b>	<b>261</b>	<b>209</b>	<b>211</b>	<b>286</b>	<b>202</b>	<b>246</b>	<b>469</b>	<b>448</b>
Operating expenses	(200)	(208)	(205)	(219)	(216)	(217)	(408)	(433)
<b>Net operating income</b>	<b>61</b>	<b>0</b>	<b>5</b>	<b>66</b>	<b>(14)</b>	<b>29</b>	<b>62</b>	<b>15</b>
Net loan-loss provisions	(2)	(16)	(3)	(23)	(23)	(29)	(18)	(51)
Other gains (losses) and provisions	(7)	(4)	(7)	4	(4)	(7)	(11)	(12)
<b>Underlying profit before tax</b>	<b>52</b>	<b>(19)</b>	<b>(5)</b>	<b>48</b>	<b>(41)</b>	<b>(7)</b>	<b>33</b>	<b>(48)</b>
<b>Underlying consolidated profit</b>	<b>33</b>	<b>(21)</b>	<b>(8)</b>	<b>27</b>	<b>(42)</b>	<b>18</b>	<b>13</b>	<b>(24)</b>
<b>Underlying attributable profit</b>	<b>32</b>	<b>(22)</b>	<b>(8)</b>	<b>26</b>	<b>(42)</b>	<b>17</b>	<b>10</b>	<b>(25)</b>

## Other Europe (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	140	160	167	155	134	155	299	289
Net fee income	62	57	53	63	74	115	119	189
Gains (losses) on financial transactions and other	61	(7)	(8)	68	(6)	(23)	54	(29)
<b>Total income</b>	<b>263</b>	<b>210</b>	<b>211</b>	<b>286</b>	<b>202</b>	<b>246</b>	<b>472</b>	<b>448</b>
Operating expenses	(201)	(209)	(206)	(220)	(216)	(217)	(410)	(433)
<b>Net operating income</b>	<b>62</b>	<b>1</b>	<b>5</b>	<b>66</b>	<b>(14)</b>	<b>29</b>	<b>62</b>	<b>15</b>
Net loan-loss provisions	(2)	(16)	(3)	(23)	(23)	(29)	(18)	(51)
Other gains (losses) and provisions	(7)	(4)	(7)	4	(4)	(7)	(11)	(12)
<b>Underlying profit before tax</b>	<b>53</b>	<b>(19)</b>	<b>(5)</b>	<b>48</b>	<b>(41)</b>	<b>(7)</b>	<b>34</b>	<b>(48)</b>
<b>Underlying consolidated profit</b>	<b>34</b>	<b>(21)</b>	<b>(8)</b>	<b>27</b>	<b>(42)</b>	<b>18</b>	<b>13</b>	<b>(24)</b>
<b>Underlying attributable profit</b>	<b>32</b>	<b>(22)</b>	<b>(8)</b>	<b>26</b>	<b>(42)</b>	<b>17</b>	<b>10</b>	<b>(25)</b>

# NORTH AMERICA (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	2,173	2,230	2,259	2,265	2,261	2,079	4,403	4,339
Net fee income	439	463	448	427	461	400	901	860
Gains (losses) on financial transactions and other	142	226	277	257	214	228	368	442
<b>Total income</b>	<b>2,753</b>	<b>2,918</b>	<b>2,983</b>	<b>2,949</b>	<b>2,936</b>	<b>2,706</b>	<b>5,672</b>	<b>5,642</b>
Operating expenses	(1,172)	(1,214)	(1,267)	(1,314)	(1,224)	(1,117)	(2,386)	(2,341)
<b>Net operating income</b>	<b>1,581</b>	<b>1,705</b>	<b>1,716</b>	<b>1,634</b>	<b>1,712</b>	<b>1,589</b>	<b>3,286</b>	<b>3,301</b>
Net loan-loss provisions	(804)	(793)	(1,009)	(1,050)	(1,246)	(1,123)	(1,597)	(2,368)
Other gains (losses) and provisions	(64)	(31)	(79)	(31)	(14)	(36)	(95)	(50)
<b>Underlying profit before tax</b>	<b>713</b>	<b>881</b>	<b>628</b>	<b>554</b>	<b>452</b>	<b>430</b>	<b>1,594</b>	<b>883</b>
<b>Underlying consolidated profit</b>	<b>526</b>	<b>664</b>	<b>481</b>	<b>422</b>	<b>336</b>	<b>371</b>	<b>1,189</b>	<b>707</b>
<b>Underlying attributable profit</b>	<b>386</b>	<b>503</b>	<b>388</b>	<b>389</b>	<b>280</b>	<b>336</b>	<b>889</b>	<b>617</b>



# NORTH AMERICA (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	2,158	2,189	2,203	2,193	2,204	2,135	4,347	4,339
Net fee income	430	448	432	409	445	415	878	860
Gains (losses) on financial transactions and other	150	230	280	254	215	227	380	442
<b>Total income</b>	<b>2,738</b>	<b>2,868</b>	<b>2,915</b>	<b>2,855</b>	<b>2,864</b>	<b>2,778</b>	<b>5,606</b>	<b>5,642</b>
Operating expenses	(1,166)	(1,194)	(1,239)	(1,276)	(1,194)	(1,147)	(2,359)	(2,341)
<b>Net operating income</b>	<b>1,572</b>	<b>1,675</b>	<b>1,676</b>	<b>1,579</b>	<b>1,670</b>	<b>1,631</b>	<b>3,246</b>	<b>3,301</b>
Net loan-loss provisions	(808)	(784)	(999)	(1,034)	(1,227)	(1,142)	(1,592)	(2,368)
Other gains (losses) and provisions	(65)	(31)	(80)	(32)	(13)	(37)	(96)	(50)
<b>Underlying profit before tax</b>	<b>698</b>	<b>860</b>	<b>597</b>	<b>514</b>	<b>430</b>	<b>453</b>	<b>1,558</b>	<b>883</b>
<b>Underlying consolidated profit</b>	<b>513</b>	<b>647</b>	<b>457</b>	<b>390</b>	<b>319</b>	<b>388</b>	<b>1,160</b>	<b>707</b>
<b>Underlying attributable profit</b>	<b>376</b>	<b>490</b>	<b>369</b>	<b>361</b>	<b>264</b>	<b>352</b>	<b>866</b>	<b>617</b>

# United States (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	1,407	1,453	1,460	1,449	1,462	1,429	2,860	2,891
Net fee income	234	244	238	230	250	215	479	465
Gains (losses) on financial transactions and other	174	222	278	215	217	157	396	374
<b>Total income</b>	<b>1,815</b>	<b>1,920</b>	<b>1,977</b>	<b>1,894</b>	<b>1,929</b>	<b>1,801</b>	<b>3,734</b>	<b>3,730</b>
Operating expenses	(775)	(805)	(847)	(869)	(809)	(776)	(1,581)	(1,585)
<b>Net operating income</b>	<b>1,039</b>	<b>1,115</b>	<b>1,130</b>	<b>1,025</b>	<b>1,120</b>	<b>1,024</b>	<b>2,154</b>	<b>2,144</b>
Net loan-loss provisions	(611)	(568)	(786)	(828)	(972)	(832)	(1,178)	(1,804)
Other gains (losses) and provisions	(58)	(26)	(76)	(39)	(6)	(30)	(84)	(36)
<b>Underlying profit before tax</b>	<b>370</b>	<b>521</b>	<b>267</b>	<b>158</b>	<b>141</b>	<b>163</b>	<b>891</b>	<b>305</b>
<b>Underlying consolidated profit</b>	<b>260</b>	<b>383</b>	<b>196</b>	<b>109</b>	<b>99</b>	<b>170</b>	<b>643</b>	<b>269</b>
<b>Underlying attributable profit</b>	<b>181</b>	<b>284</b>	<b>154</b>	<b>98</b>	<b>60</b>	<b>151</b>	<b>465</b>	<b>211</b>

# United States (USD mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	1,598	1,633	1,623	1,604	1,612	1,573	3,231	3,185
Net fee income	266	275	264	255	275	237	541	512
Gains (losses) on financial transactions and other	197	250	310	238	239	173	447	412
<b>Total income</b>	<b>2,061</b>	<b>2,158</b>	<b>2,198</b>	<b>2,096</b>	<b>2,126</b>	<b>1,983</b>	<b>4,219</b>	<b>4,109</b>
Operating expenses	(881)	(905)	(942)	(963)	(892)	(855)	(1,786)	(1,747)
<b>Net operating income</b>	<b>1,180</b>	<b>1,253</b>	<b>1,256</b>	<b>1,134</b>	<b>1,235</b>	<b>1,128</b>	<b>2,433</b>	<b>2,363</b>
Net loan-loss provisions	(694)	(637)	(876)	(918)	(1,072)	(916)	(1,331)	(1,988)
Other gains (losses) and provisions	(66)	(29)	(85)	(43)	(7)	(33)	(95)	(39)
<b>Underlying profit before tax</b>	<b>420</b>	<b>586</b>	<b>295</b>	<b>172</b>	<b>156</b>	<b>180</b>	<b>1,007</b>	<b>336</b>
<b>Underlying consolidated profit</b>	<b>295</b>	<b>431</b>	<b>216</b>	<b>118</b>	<b>109</b>	<b>188</b>	<b>726</b>	<b>296</b>
<b>Underlying attributable profit</b>	<b>206</b>	<b>319</b>	<b>170</b>	<b>107</b>	<b>66</b>	<b>166</b>	<b>525</b>	<b>232</b>

# Mexico (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	766	777	798	816	798	650	1,543	1,448
Net fee income	204	218	210	197	211	185	423	396
Gains (losses) on financial transactions and other	(32)	4	(1)	42	(2)	70	(28)	68
<b>Total income</b>	<b>939</b>	<b>999</b>	<b>1,007</b>	<b>1,054</b>	<b>1,007</b>	<b>905</b>	<b>1,938</b>	<b>1,912</b>
Operating expenses	(397)	(409)	(420)	(445)	(415)	(341)	(806)	(756)
<b>Net operating income</b>	<b>542</b>	<b>590</b>	<b>586</b>	<b>609</b>	<b>592</b>	<b>565</b>	<b>1,132</b>	<b>1,156</b>
Net loan-loss provisions	(193)	(225)	(223)	(222)	(273)	(291)	(419)	(564)
Other gains (losses) and provisions	(6)	(5)	(3)	8	(8)	(6)	(10)	(14)
<b>Underlying profit before tax</b>	<b>343</b>	<b>360</b>	<b>361</b>	<b>395</b>	<b>311</b>	<b>267</b>	<b>703</b>	<b>578</b>
<b>Underlying consolidated profit</b>	<b>266</b>	<b>280</b>	<b>286</b>	<b>313</b>	<b>237</b>	<b>201</b>	<b>547</b>	<b>438</b>
<b>Underlying attributable profit</b>	<b>205</b>	<b>219</b>	<b>234</b>	<b>291</b>	<b>220</b>	<b>186</b>	<b>424</b>	<b>406</b>

# Mexico (MXN mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	16,703	16,694	17,231	17,393	17,484	16,706	33,397	34,190
Net fee income	4,455	4,695	4,535	4,188	4,617	4,719	9,149	9,336
Gains (losses) on financial transactions and other	(687)	83	(31)	906	(51)	1,658	(604)	1,607
<b>Total income</b>	<b>20,471</b>	<b>21,471</b>	<b>21,735</b>	<b>22,487</b>	<b>22,049</b>	<b>23,083</b>	<b>41,942</b>	<b>45,133</b>
Operating expenses	(8,655)	(8,786)	(9,076)	(9,501)	(9,088)	(8,749)	(17,441)	(17,837)
<b>Net operating income</b>	<b>11,816</b>	<b>12,685</b>	<b>12,659</b>	<b>12,987</b>	<b>12,962</b>	<b>14,334</b>	<b>24,501</b>	<b>27,296</b>
Net loan-loss provisions	(4,211)	(4,850)	(4,813)	(4,725)	(5,985)	(7,336)	(9,062)	(13,321)
Other gains (losses) and provisions	(120)	(105)	(59)	175	(167)	(166)	(225)	(333)
<b>Underlying profit before tax</b>	<b>7,485</b>	<b>7,729</b>	<b>7,787</b>	<b>8,437</b>	<b>6,810</b>	<b>6,832</b>	<b>15,214</b>	<b>13,642</b>
<b>Underlying consolidated profit</b>	<b>5,804</b>	<b>6,028</b>	<b>6,167</b>	<b>6,682</b>	<b>5,191</b>	<b>5,149</b>	<b>11,832</b>	<b>10,340</b>
<b>Underlying attributable profit</b>	<b>4,472</b>	<b>4,713</b>	<b>5,059</b>	<b>6,219</b>	<b>4,814</b>	<b>4,761</b>	<b>9,185</b>	<b>9,575</b>

# SOUTH AMERICA (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	3,222	3,425	3,314	3,356	3,065	2,606	6,647	5,671
Net fee income	1,178	1,178	1,204	1,228	1,074	774	2,355	1,847
Gains (losses) on financial transactions and other	88	45	59	130	25	311	132	336
<b>Total income</b>	<b>4,487</b>	<b>4,647</b>	<b>4,577</b>	<b>4,714</b>	<b>4,163</b>	<b>3,690</b>	<b>9,134</b>	<b>7,854</b>
Operating expenses	(1,645)	(1,664)	(1,586)	(1,762)	(1,486)	(1,275)	(3,309)	(2,761)
<b>Net operating income</b>	<b>2,842</b>	<b>2,984</b>	<b>2,991</b>	<b>2,953</b>	<b>2,677</b>	<b>2,416</b>	<b>5,825</b>	<b>5,093</b>
Net loan-loss provisions	(903)	(956)	(916)	(1,015)	(1,325)	(1,110)	(1,859)	(2,435)
Other gains (losses) and provisions	(154)	(151)	(193)	(249)	(142)	(52)	(306)	(194)
<b>Underlying profit before tax</b>	<b>1,785</b>	<b>1,876</b>	<b>1,882</b>	<b>1,688</b>	<b>1,211</b>	<b>1,254</b>	<b>3,661</b>	<b>2,465</b>
<b>Underlying consolidated profit</b>	<b>1,093</b>	<b>1,205</b>	<b>1,184</b>	<b>1,107</b>	<b>795</b>	<b>783</b>	<b>2,297</b>	<b>1,578</b>
<b>Underlying attributable profit</b>	<b>926</b>	<b>1,035</b>	<b>1,016</b>	<b>947</b>	<b>698</b>	<b>685</b>	<b>1,961</b>	<b>1,383</b>

# SOUTH AMERICA (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	2,561	2,783	2,850	2,941	2,837	2,834	5,344	5,671
Net fee income	925	950	1,041	1,074	989	858	1,875	1,847
Gains (losses) on financial transactions and other	73	47	50	112	24	312	120	336
<b>Total income</b>	<b>3,559</b>	<b>3,780</b>	<b>3,941</b>	<b>4,128</b>	<b>3,850</b>	<b>4,004</b>	<b>7,339</b>	<b>7,854</b>
Operating expenses	(1,291)	(1,337)	(1,399)	(1,553)	(1,375)	(1,385)	(2,628)	(2,761)
<b>Net operating income</b>	<b>2,269</b>	<b>2,443</b>	<b>2,542</b>	<b>2,575</b>	<b>2,475</b>	<b>2,619</b>	<b>4,712</b>	<b>5,093</b>
Net loan-loss provisions	(714)	(777)	(786)	(882)	(1,223)	(1,212)	(1,491)	(2,435)
Other gains (losses) and provisions	(117)	(126)	(161)	(213)	(129)	(65)	(243)	(194)
<b>Underlying profit before tax</b>	<b>1,438</b>	<b>1,540</b>	<b>1,595</b>	<b>1,479</b>	<b>1,122</b>	<b>1,343</b>	<b>2,978</b>	<b>2,465</b>
<b>Underlying consolidated profit</b>	<b>885</b>	<b>990</b>	<b>1,005</b>	<b>972</b>	<b>739</b>	<b>839</b>	<b>1,875</b>	<b>1,578</b>
<b>Underlying attributable profit</b>	<b>748</b>	<b>848</b>	<b>863</b>	<b>831</b>	<b>648</b>	<b>735</b>	<b>1,596</b>	<b>1,383</b>

## Brazil (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	2,459	2,520	2,560	2,534	2,270	1,813	4,979	4,083
Net fee income	931	924	970	974	869	614	1,855	1,483
Gains (losses) on financial transactions and other	21	9	(7)	57	(3)	224	30	221
<b>Total income</b>	<b>3,411</b>	<b>3,453</b>	<b>3,522</b>	<b>3,565</b>	<b>3,137</b>	<b>2,651</b>	<b>6,864</b>	<b>5,788</b>
Operating expenses	(1,125)	(1,102)	(1,137)	(1,242)	(1,004)	(835)	(2,227)	(1,839)
<b>Net operating income</b>	<b>2,286</b>	<b>2,351</b>	<b>2,385</b>	<b>2,323</b>	<b>2,133</b>	<b>1,816</b>	<b>4,637</b>	<b>3,949</b>
Net loan-loss provisions	(710)	(761)	(753)	(813)	(1,066)	(843)	(1,471)	(1,909)
Other gains (losses) and provisions	(167)	(153)	(178)	(205)	(127)	(31)	(320)	(158)
<b>Underlying profit before tax</b>	<b>1,409</b>	<b>1,438</b>	<b>1,454</b>	<b>1,305</b>	<b>940</b>	<b>942</b>	<b>2,846</b>	<b>1,881</b>
<b>Underlying consolidated profit</b>	<b>816</b>	<b>856</b>	<b>862</b>	<b>777</b>	<b>571</b>	<b>533</b>	<b>1,673</b>	<b>1,105</b>
<b>Underlying attributable profit</b>	<b>721</b>	<b>762</b>	<b>767</b>	<b>689</b>	<b>517</b>	<b>478</b>	<b>1,482</b>	<b>995</b>



# Brazil (BRL mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	10,516	11,095	11,272	11,534	11,100	10,725	21,611	21,825
Net fee income	3,980	4,070	4,271	4,429	4,250	3,679	8,050	7,929
Gains (losses) on financial transactions and other	91	41	(31)	254	(14)	1,196	132	1,182
<b>Total income</b>	<b>14,587</b>	<b>15,206</b>	<b>15,511</b>	<b>16,216</b>	<b>15,336</b>	<b>15,600</b>	<b>29,793</b>	<b>30,936</b>
Operating expenses	(4,810)	(4,857)	(5,007)	(5,636)	(4,907)	(4,922)	(9,666)	(9,829)
<b>Net operating income</b>	<b>9,777</b>	<b>10,350</b>	<b>10,504</b>	<b>10,580</b>	<b>10,429</b>	<b>10,678</b>	<b>20,127</b>	<b>21,107</b>
Net loan-loss provisions	(3,037)	(3,347)	(3,314)	(3,690)	(5,214)	(4,990)	(6,384)	(10,205)
Other gains (losses) and provisions	(716)	(673)	(785)	(928)	(621)	(226)	(1,390)	(846)
<b>Underlying profit before tax</b>	<b>6,024</b>	<b>6,330</b>	<b>6,405</b>	<b>5,962</b>	<b>4,594</b>	<b>5,462</b>	<b>12,354</b>	<b>10,056</b>
<b>Underlying consolidated profit</b>	<b>3,491</b>	<b>3,769</b>	<b>3,795</b>	<b>3,546</b>	<b>2,794</b>	<b>3,111</b>	<b>7,261</b>	<b>5,904</b>
<b>Underlying attributable profit</b>	<b>3,082</b>	<b>3,353</b>	<b>3,376</b>	<b>3,147</b>	<b>2,526</b>	<b>2,792</b>	<b>6,435</b>	<b>5,318</b>

# Chile (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	440	500	462	464	448	425	940	873
Net fee income	103	97	102	102	92	74	200	166
Gains (losses) on financial transactions and other	56	59	82	71	12	85	115	98
<b>Total income</b>	<b>600</b>	<b>656</b>	<b>646</b>	<b>638</b>	<b>553</b>	<b>584</b>	<b>1,255</b>	<b>1,137</b>
Operating expenses	(255)	(269)	(260)	(246)	(230)	(228)	(524)	(458)
<b>Net operating income</b>	<b>344</b>	<b>387</b>	<b>386</b>	<b>392</b>	<b>322</b>	<b>356</b>	<b>731</b>	<b>678</b>
Net loan-loss provisions	(102)	(105)	(106)	(130)	(163)	(183)	(208)	(346)
Other gains (losses) and provisions	37	(1)	15	12	1	(2)	37	(1)
<b>Underlying profit before tax</b>	<b>279</b>	<b>281</b>	<b>295</b>	<b>274</b>	<b>160</b>	<b>171</b>	<b>560</b>	<b>331</b>
<b>Underlying consolidated profit</b>	<b>219</b>	<b>237</b>	<b>234</b>	<b>229</b>	<b>138</b>	<b>129</b>	<b>456</b>	<b>267</b>
<b>Underlying attributable profit</b>	<b>148</b>	<b>163</b>	<b>162</b>	<b>157</b>	<b>97</b>	<b>86</b>	<b>311</b>	<b>183</b>

# Chile (CLP mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	333,439	383,545	363,195	386,260	397,015	384,057	716,985	781,072
Net fee income	78,010	74,473	80,052	85,052	81,770	67,170	152,483	148,940
Gains (losses) on financial transactions and other	42,713	45,387	63,719	58,999	10,853	76,629	88,100	87,482
<b>Total income</b>	<b>454,162</b>	<b>503,405</b>	<b>506,966</b>	<b>530,311</b>	<b>489,638</b>	<b>527,855</b>	<b>957,567</b>	<b>1,017,494</b>
Operating expenses	(193,440)	(206,641)	(204,239)	(205,576)	(204,237)	(205,998)	(400,081)	(410,236)
<b>Net operating income</b>	<b>260,722</b>	<b>296,763</b>	<b>302,727</b>	<b>324,735</b>	<b>285,401</b>	<b>321,857</b>	<b>557,485</b>	<b>607,258</b>
Net loan-loss provisions	(77,584)	(80,828)	(83,231)	(106,535)	(144,587)	(165,302)	(158,412)	(309,889)
Other gains (losses) and provisions	28,393	(417)	11,726	10,140	739	(1,905)	27,976	(1,166)
<b>Underlying profit before tax</b>	<b>211,531</b>	<b>215,518</b>	<b>231,222</b>	<b>228,340</b>	<b>141,553</b>	<b>154,650</b>	<b>427,049</b>	<b>296,203</b>
<b>Underlying consolidated profit</b>	<b>165,949</b>	<b>182,169</b>	<b>183,336</b>	<b>190,253</b>	<b>122,619</b>	<b>116,749</b>	<b>348,119</b>	<b>239,369</b>
<b>Underlying attributable profit</b>	<b>112,355</b>	<b>125,176</b>	<b>126,756</b>	<b>130,587</b>	<b>86,013</b>	<b>77,918</b>	<b>237,531</b>	<b>163,931</b>

# Argentina (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	213	298	180	250	241	261	511	502
Net fee income	116	125	88	118	76	56	241	132
Gains (losses) on financial transactions and other	2	(33)	(31)	(8)	1	(8)	(31)	(6)
<b>Total income</b>	<b>331</b>	<b>389</b>	<b>237</b>	<b>359</b>	<b>318</b>	<b>310</b>	<b>720</b>	<b>628</b>
Operating expenses	(202)	(229)	(122)	(209)	(186)	(153)	(431)	(339)
<b>Net operating income</b>	<b>129</b>	<b>161</b>	<b>115</b>	<b>150</b>	<b>132</b>	<b>157</b>	<b>289</b>	<b>289</b>
Net loan-loss provisions	(73)	(70)	(39)	(53)	(75)	(57)	(143)	(132)
Other gains (losses) and provisions	(22)	3	(28)	(54)	(14)	(18)	(19)	(32)
<b>Underlying profit before tax</b>	<b>34</b>	<b>94</b>	<b>47</b>	<b>43</b>	<b>44</b>	<b>82</b>	<b>127</b>	<b>125</b>
<b>Underlying consolidated profit</b>	<b>10</b>	<b>63</b>	<b>24</b>	<b>47</b>	<b>34</b>	<b>75</b>	<b>74</b>	<b>110</b>
<b>Underlying attributable profit</b>	<b>10</b>	<b>63</b>	<b>23</b>	<b>47</b>	<b>34</b>	<b>75</b>	<b>73</b>	<b>109</b>

# Argentina (ARS mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	10,117	14,548	18,638	19,924	16,991	22,846	24,665	39,837
Net fee income	5,486	6,131	8,976	9,403	5,327	5,132	11,616	10,459
Gains (losses) on financial transactions and other	102	(1,596)	(2,372)	(847)	89	(595)	(1,494)	(506)
<b>Total income</b>	<b>15,704</b>	<b>19,083</b>	<b>25,243</b>	<b>28,480</b>	<b>22,407</b>	<b>27,384</b>	<b>34,787</b>	<b>49,790</b>
Operating expenses	(9,602)	(11,210)	(13,861)	(16,583)	(13,112)	(13,756)	(20,812)	(26,867)
<b>Net operating income</b>	<b>6,102</b>	<b>7,872</b>	<b>11,382</b>	<b>11,897</b>	<b>9,295</b>	<b>13,628</b>	<b>13,975</b>	<b>22,923</b>
Net loan-loss provisions	(3,441)	(3,459)	(4,538)	(4,391)	(5,266)	(5,207)	(6,900)	(10,473)
Other gains (losses) and provisions	(1,067)	131	(2,040)	(3,831)	(953)	(1,546)	(936)	(2,499)
<b>Underlying profit before tax</b>	<b>1,594</b>	<b>4,544</b>	<b>4,805</b>	<b>3,674</b>	<b>3,076</b>	<b>6,875</b>	<b>6,138</b>	<b>9,951</b>
<b>Underlying consolidated profit</b>	<b>497</b>	<b>3,056</b>	<b>2,574</b>	<b>3,636</b>	<b>2,421</b>	<b>6,276</b>	<b>3,553</b>	<b>8,697</b>
<b>Underlying attributable profit</b>	<b>490</b>	<b>3,043</b>	<b>2,519</b>	<b>3,600</b>	<b>2,405</b>	<b>6,234</b>	<b>3,534</b>	<b>8,639</b>

## Other South America (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	109	108	112	108	106	107	217	213
Net fee income	29	32	44	34	37	29	60	65
Gains (losses) on financial transactions and other	8	9	16	10	14	9	17	24
<b>Total income</b>	<b>146</b>	<b>149</b>	<b>172</b>	<b>153</b>	<b>157</b>	<b>145</b>	<b>295</b>	<b>301</b>
Operating expenses	(63)	(64)	(67)	(64)	(66)	(59)	(127)	(125)
<b>Net operating income</b>	<b>83</b>	<b>85</b>	<b>105</b>	<b>88</b>	<b>91</b>	<b>86</b>	<b>168</b>	<b>177</b>
Net loan-loss provisions	(18)	(20)	(18)	(20)	(21)	(27)	(38)	(47)
Other gains (losses) and provisions	(2)	(1)	(2)	(2)	(2)	(1)	(3)	(3)
<b>Underlying profit before tax</b>	<b>63</b>	<b>64</b>	<b>86</b>	<b>66</b>	<b>68</b>	<b>59</b>	<b>128</b>	<b>127</b>
<b>Underlying consolidated profit</b>	<b>47</b>	<b>48</b>	<b>64</b>	<b>54</b>	<b>51</b>	<b>46</b>	<b>95</b>	<b>96</b>
<b>Underlying attributable profit</b>	<b>47</b>	<b>47</b>	<b>64</b>	<b>54</b>	<b>51</b>	<b>46</b>	<b>94</b>	<b>96</b>

## Other South America (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	93	96	100	101	102	110	189	213
Net fee income	24	28	40	32	35	30	52	65
Gains (losses) on financial transactions and other	7	9	14	10	14	10	16	24
<b>Total income</b>	<b>125</b>	<b>132</b>	<b>154</b>	<b>142</b>	<b>151</b>	<b>150</b>	<b>257</b>	<b>301</b>
Operating expenses	(54)	(56)	(60)	(60)	(64)	(61)	(110)	(125)
<b>Net operating income</b>	<b>71</b>	<b>76</b>	<b>95</b>	<b>82</b>	<b>87</b>	<b>89</b>	<b>147</b>	<b>177</b>
Net loan-loss provisions	(15)	(17)	(15)	(18)	(20)	(28)	(33)	(47)
Other gains (losses) and provisions	(1)	(1)	(2)	(2)	(2)	(1)	(2)	(3)
<b>Underlying profit before tax</b>	<b>55</b>	<b>58</b>	<b>78</b>	<b>62</b>	<b>66</b>	<b>61</b>	<b>112</b>	<b>127</b>
<b>Underlying consolidated profit</b>	<b>40</b>	<b>43</b>	<b>58</b>	<b>50</b>	<b>49</b>	<b>47</b>	<b>83</b>	<b>96</b>
<b>Underlying attributable profit</b>	<b>40</b>	<b>42</b>	<b>58</b>	<b>51</b>	<b>49</b>	<b>47</b>	<b>82</b>	<b>96</b>

# SANTANDER GLOBAL PLATFORM primary segment (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	22	23	23	23	31	32	46	63
Net fee income	2	1	2	2	13	18	2	31
Gains (losses) on financial transactions and other	(5)	(4)	(1)	(7)	1	(6)	(9)	(5)
<b>Total income</b>	<b>19</b>	<b>20</b>	<b>24</b>	<b>18</b>	<b>45</b>	<b>44</b>	<b>39</b>	<b>89</b>
Operating expenses	(41)	(67)	(60)	(72)	(71)	(77)	(108)	(148)
<b>Net operating income</b>	<b>(22)</b>	<b>(47)</b>	<b>(36)</b>	<b>(54)</b>	<b>(26)</b>	<b>(33)</b>	<b>(69)</b>	<b>(59)</b>
Net loan-loss provisions	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(1)
Other gains (losses) and provisions	(1)	(0)	(1)	(4)	(1)	(6)	(1)	(7)
<b>Underlying profit before tax</b>	<b>(23)</b>	<b>(47)</b>	<b>(37)</b>	<b>(58)</b>	<b>(27)</b>	<b>(40)</b>	<b>(70)</b>	<b>(67)</b>
<b>Underlying consolidated profit</b>	<b>(11)</b>	<b>(40)</b>	<b>(26)</b>	<b>(43)</b>	<b>(13)</b>	<b>(28)</b>	<b>(51)</b>	<b>(42)</b>
<b>Underlying attributable profit</b>	<b>(11)</b>	<b>(40)</b>	<b>(26)</b>	<b>(43)</b>	<b>(13)</b>	<b>(28)</b>	<b>(51)</b>	<b>(41)</b>



# CORPORATE CENTRE (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	(296)	(304)	(319)	(333)	(304)	(354)	(600)	(658)
Net fee income	(14)	(13)	(9)	(15)	(9)	(6)	(27)	(15)
Gains (losses) on financial transactions and other	(90)	(106)	(85)	(34)	9	47	(196)	56
<b>Total income</b>	<b>(399)</b>	<b>(423)</b>	<b>(413)</b>	<b>(381)</b>	<b>(304)</b>	<b>(313)</b>	<b>(822)</b>	<b>(617)</b>
Operating expenses	(97)	(96)	(90)	(89)	(85)	(82)	(193)	(166)
<b>Net operating income</b>	<b>(497)</b>	<b>(519)</b>	<b>(504)</b>	<b>(471)</b>	<b>(389)</b>	<b>(395)</b>	<b>(1,015)</b>	<b>(784)</b>
Net loan-loss provisions	(8)	(5)	(14)	(10)	(3)	(8)	(13)	(11)
Other gains (losses) and provisions	(55)	(72)	(61)	(49)	(20)	(370)	(127)	(391)
<b>Underlying profit before tax</b>	<b>(559)</b>	<b>(595)</b>	<b>(579)</b>	<b>(529)</b>	<b>(413)</b>	<b>(773)</b>	<b>(1,155)</b>	<b>(1,186)</b>
<b>Underlying consolidated profit</b>	<b>(526)</b>	<b>(592)</b>	<b>(529)</b>	<b>(458)</b>	<b>(937)</b>	<b>(188)</b>	<b>(1,118)</b>	<b>(1,125)</b>
<b>Underlying attributable profit</b>	<b>(517)</b>	<b>(592)</b>	<b>(529)</b>	<b>(459)</b>	<b>(1,031)</b>	<b>(94)</b>	<b>(1,108)</b>	<b>(1,125)</b>

# RETAIL BANKING (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	8,083	8,323	8,227	8,229	7,885	7,141	16,406	15,026
Net fee income	2,178	2,134	2,108	2,141	2,024	1,495	4,312	3,518
Gains (losses) on financial transactions and other	150	201	485	339	63	224	351	287
<b>Total income</b>	<b>10,412</b>	<b>10,658</b>	<b>10,819</b>	<b>10,710</b>	<b>9,972</b>	<b>8,859</b>	<b>21,070</b>	<b>18,831</b>
Operating expenses	(4,694)	(4,747)	(4,658)	(4,827)	(4,526)	(4,084)	(9,441)	(8,611)
<b>Net operating income</b>	<b>5,718</b>	<b>5,911</b>	<b>6,161</b>	<b>5,882</b>	<b>5,445</b>	<b>4,775</b>	<b>11,629</b>	<b>10,220</b>
Net loan-loss provisions	(2,143)	(2,090)	(2,428)	(2,439)	(3,889)	(2,846)	(4,234)	(6,735)
Other gains (losses) and provisions	(391)	(397)	(377)	(454)	(338)	(218)	(788)	(555)
<b>Underlying profit before tax</b>	<b>3,184</b>	<b>3,423</b>	<b>3,357</b>	<b>2,989</b>	<b>1,218</b>	<b>1,711</b>	<b>6,607</b>	<b>2,930</b>
<b>Underlying consolidated profit</b>	<b>2,119</b>	<b>2,377</b>	<b>2,286</b>	<b>2,122</b>	<b>802</b>	<b>1,175</b>	<b>4,497</b>	<b>1,977</b>
<b>Underlying attributable profit</b>	<b>1,763</b>	<b>2,000</b>	<b>1,958</b>	<b>1,858</b>	<b>634</b>	<b>982</b>	<b>3,763</b>	<b>1,616</b>

# RETAIL BANKING (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	7,458	7,693	7,747	7,750	7,606	7,419	15,150	15,026
Net fee income	1,973	1,947	1,978	2,002	1,943	1,575	3,921	3,518
Gains (losses) on financial transactions and other	192	242	491	343	81	206	434	287
<b>Total income</b>	<b>9,622</b>	<b>9,882</b>	<b>10,216</b>	<b>10,094</b>	<b>9,630</b>	<b>9,200</b>	<b>19,504</b>	<b>18,831</b>
Operating expenses	(4,375)	(4,439)	(4,486)	(4,595)	(4,392)	(4,219)	(8,814)	(8,611)
<b>Net operating income</b>	<b>5,248</b>	<b>5,443</b>	<b>5,730</b>	<b>5,499</b>	<b>5,238</b>	<b>4,982</b>	<b>10,691</b>	<b>10,220</b>
Net loan-loss provisions	(1,955)	(1,906)	(2,279)	(2,291)	(3,763)	(2,972)	(3,861)	(6,735)
Other gains (losses) and provisions	(355)	(371)	(346)	(419)	(323)	(233)	(726)	(555)
<b>Underlying profit before tax</b>	<b>2,938</b>	<b>3,166</b>	<b>3,105</b>	<b>2,790</b>	<b>1,153</b>	<b>1,777</b>	<b>6,104</b>	<b>2,930</b>
<b>Underlying consolidated profit</b>	<b>1,979</b>	<b>2,214</b>	<b>2,130</b>	<b>1,990</b>	<b>761</b>	<b>1,216</b>	<b>4,194</b>	<b>1,977</b>
<b>Underlying attributable profit</b>	<b>1,647</b>	<b>1,861</b>	<b>1,825</b>	<b>1,743</b>	<b>596</b>	<b>1,020</b>	<b>3,508</b>	<b>1,616</b>

# CORPORATE & INVESTMENT BANKING (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	654	700	657	716	671	713	1,354	1,384
Net fee income	352	374	421	373	404	406	726	810
Gains (losses) on financial transactions and other	272	217	153	337	225	307	489	532
<b>Total income</b>	<b>1,278</b>	<b>1,292</b>	<b>1,232</b>	<b>1,426</b>	<b>1,300</b>	<b>1,426</b>	<b>2,569</b>	<b>2,726</b>
Operating expenses	(561)	(560)	(552)	(608)	(536)	(507)	(1,121)	(1,043)
<b>Net operating income</b>	<b>717</b>	<b>731</b>	<b>679</b>	<b>818</b>	<b>764</b>	<b>919</b>	<b>1,448</b>	<b>1,683</b>
Net loan-loss provisions	(10)	(45)	27	(128)	(4)	(245)	(54)	(249)
Other gains (losses) and provisions	(22)	(16)	(21)	(32)	(15)	(28)	(38)	(43)
<b>Underlying profit before tax</b>	<b>686</b>	<b>670</b>	<b>685</b>	<b>658</b>	<b>745</b>	<b>646</b>	<b>1,356</b>	<b>1,391</b>
<b>Underlying consolidated profit</b>	<b>484</b>	<b>466</b>	<b>486</b>	<b>449</b>	<b>527</b>	<b>467</b>	<b>950</b>	<b>994</b>
<b>Underlying attributable profit</b>	<b>441</b>	<b>419</b>	<b>443</b>	<b>410</b>	<b>491</b>	<b>437</b>	<b>860</b>	<b>928</b>

# CORPORATE & INVESTMENT BANKING (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	596	638	636	681	646	738	1,234	1,384
Net fee income	326	347	397	356	392	419	673	810
Gains (losses) on financial transactions and other	235	193	150	322	213	319	428	532
<b>Total income</b>	<b>1,157</b>	<b>1,179</b>	<b>1,183</b>	<b>1,359</b>	<b>1,251</b>	<b>1,475</b>	<b>2,336</b>	<b>2,726</b>
Operating expenses	(529)	(530)	(537)	(588)	(523)	(521)	(1,059)	(1,043)
<b>Net operating income</b>	<b>629</b>	<b>648</b>	<b>646</b>	<b>770</b>	<b>729</b>	<b>954</b>	<b>1,277</b>	<b>1,683</b>
Net loan-loss provisions	(9)	(44)	22	(124)	(4)	(245)	(53)	(249)
Other gains (losses) and provisions	(21)	(15)	(21)	(30)	(15)	(28)	(36)	(43)
<b>Underlying profit before tax</b>	<b>599</b>	<b>589</b>	<b>647</b>	<b>617</b>	<b>710</b>	<b>681</b>	<b>1,188</b>	<b>1,391</b>
<b>Underlying consolidated profit</b>	<b>424</b>	<b>411</b>	<b>460</b>	<b>421</b>	<b>503</b>	<b>491</b>	<b>834</b>	<b>994</b>
<b>Underlying attributable profit</b>	<b>388</b>	<b>369</b>	<b>422</b>	<b>386</b>	<b>469</b>	<b>459</b>	<b>757</b>	<b>928</b>

# WEALTH MANAGEMENT & INSURANCE (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	141	143	141	146	132	104	284	236
Net fee income	273	298	298	330	320	279	571	599
Gains (losses) on financial transactions and other	110	121	113	114	134	100	231	234
<b>Total income</b>	<b>523</b>	<b>562</b>	<b>551</b>	<b>589</b>	<b>586</b>	<b>482</b>	<b>1,085</b>	<b>1,069</b>
Operating expenses	(242)	(236)	(234)	(244)	(244)	(220)	(477)	(464)
<b>Net operating income</b>	<b>282</b>	<b>327</b>	<b>318</b>	<b>345</b>	<b>342</b>	<b>263</b>	<b>608</b>	<b>605</b>
Net loan-loss provisions	7	(1)	(4)	21	(7)	(5)	6	(12)
Other gains (losses) and provisions	(3)	(1)	(3)	(5)	(1)	(3)	(4)	(4)
<b>Underlying profit before tax</b>	<b>285</b>	<b>325</b>	<b>310</b>	<b>361</b>	<b>334</b>	<b>255</b>	<b>610</b>	<b>589</b>
<b>Underlying consolidated profit</b>	<b>218</b>	<b>249</b>	<b>240</b>	<b>272</b>	<b>252</b>	<b>195</b>	<b>467</b>	<b>447</b>
<b>Underlying attributable profit</b>	<b>208</b>	<b>237</b>	<b>227</b>	<b>257</b>	<b>240</b>	<b>186</b>	<b>444</b>	<b>427</b>

# WEALTH MANAGEMENT & INSURANCE (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	135	137	141	142	130	107	272	236
Net fee income	261	285	288	316	313	285	545	599
Gains (losses) on financial transactions and other	102	112	105	105	130	104	214	234
<b>Total income</b>	<b>497</b>	<b>534</b>	<b>534</b>	<b>564</b>	<b>573</b>	<b>496</b>	<b>1,031</b>	<b>1,069</b>
Operating expenses	(235)	(229)	(229)	(238)	(240)	(224)	(464)	(464)
<b>Net operating income</b>	<b>262</b>	<b>305</b>	<b>305</b>	<b>326</b>	<b>332</b>	<b>272</b>	<b>567</b>	<b>605</b>
Net loan-loss provisions	7	(1)	(4)	21	(7)	(5)	6	(12)
Other gains (losses) and provisions	(3)	(1)	(3)	(5)	(1)	(3)	(4)	(4)
<b>Underlying profit before tax</b>	<b>266</b>	<b>303</b>	<b>297</b>	<b>343</b>	<b>324</b>	<b>264</b>	<b>569</b>	<b>589</b>
<b>Underlying consolidated profit</b>	<b>203</b>	<b>232</b>	<b>229</b>	<b>256</b>	<b>244</b>	<b>203</b>	<b>435</b>	<b>447</b>
<b>Underlying attributable profit</b>	<b>194</b>	<b>222</b>	<b>218</b>	<b>244</b>	<b>233</b>	<b>193</b>	<b>416</b>	<b>427</b>

# SANTANDER GLOBAL PLATFORM secondary segment (EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	100	92	100	83	103	112	192	214
Net fee income	142	139	137	132	115	109	280	224
Gains (losses) on financial transactions and other	30	32	40	34	43	29	62	72
<b>Total income</b>	<b>271</b>	<b>263</b>	<b>277</b>	<b>249</b>	<b>260</b>	<b>250</b>	<b>534</b>	<b>510</b>
Operating expenses	(165)	(191)	(188)	(202)	(186)	(183)	(355)	(369)
<b>Net operating income</b>	<b>107</b>	<b>72</b>	<b>89</b>	<b>47</b>	<b>74</b>	<b>67</b>	<b>179</b>	<b>141</b>
Net loan-loss provisions	(18)	(0)	(16)	(17)	(5)	(14)	(18)	(20)
Other gains (losses) and provisions	(1)	0	(2)	(2)	2	(6)	(1)	(4)
<b>Underlying profit before tax</b>	<b>88</b>	<b>72</b>	<b>71</b>	<b>28</b>	<b>71</b>	<b>46</b>	<b>160</b>	<b>117</b>
<b>Underlying consolidated profit</b>	<b>63</b>	<b>41</b>	<b>46</b>	<b>13</b>	<b>52</b>	<b>28</b>	<b>104</b>	<b>80</b>
<b>Underlying attributable profit</b>	<b>52</b>	<b>33</b>	<b>36</b>	<b>6</b>	<b>43</b>	<b>20</b>	<b>85</b>	<b>63</b>



# SANTANDER GLOBAL PLATFORM secondary segment (Constant EUR mn)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	H1'19	H1'20
Net interest income	89	84	92	79	99	115	172	214
Net fee income	120	120	126	122	109	115	240	224
Gains (losses) on financial transactions and other	28	30	39	33	42	30	57	72
<b>Total income</b>	<b>236</b>	<b>233</b>	<b>257</b>	<b>234</b>	<b>250</b>	<b>260</b>	<b>469</b>	<b>510</b>
Operating expenses	(149)	(177)	(180)	(194)	(181)	(188)	(326)	(369)
<b>Net operating income</b>	<b>87</b>	<b>56</b>	<b>77</b>	<b>40</b>	<b>69</b>	<b>72</b>	<b>143</b>	<b>141</b>
Net loan-loss provisions	(17)	0	(16)	(16)	(5)	(15)	(17)	(20)
Other gains (losses) and provisions	(1)	0	(2)	(3)	2	(6)	(1)	(4)
<b>Underlying profit before tax</b>	<b>69</b>	<b>57</b>	<b>59</b>	<b>21</b>	<b>66</b>	<b>51</b>	<b>126</b>	<b>117</b>
<b>Underlying consolidated profit</b>	<b>51</b>	<b>32</b>	<b>39</b>	<b>9</b>	<b>49</b>	<b>32</b>	<b>83</b>	<b>80</b>
<b>Underlying attributable profit</b>	<b>42</b>	<b>23</b>	<b>30</b>	<b>3</b>	<b>40</b>	<b>23</b>	<b>65</b>	<b>63</b>

# Appendix

Primary segments

Secondary segments

Other countries. Detail

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

**Glossary**

# Glossary - Acronyms

- ❑ **AuM:** Assets under Management
- ❑ **BFG:** Deposit Guarantee Fund in Poland
- ❑ **bn:** Billion
- ❑ **CET1:** Common equity tier 1
- ❑ **C&I:** Commercial and Industrial
- ❑ **CIB:** Corporate & Investment Bank
- ❑ **COVID-19:** Coronavirus Disease 19
- ❑ **DGF:** Deposit guarantee fund
- ❑ **GDP:** Gross domestic product
- ❑ **HQLA:** High quality liquid asset
- ❑ **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.

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